

# TNG INVESTMENT & TRADING JSC (TNG)

## A promising start with solid earnings

### 1Q26 – Record revenue, but costs rose at a faster pace

- In 1Q26, TNG recorded revenue of VND1.95tn (+29% YoY), completing ~20.5% of its full-year plan and marking the highest first-quarter level in the past five years. This growth was broadly in line with Vietnam’s textile export performance to key markets, particularly the EU (+13% YoY) and the U.S. (+3.7% YoY) in 1Q26.
- However, gross margin (GM) declined to 12.1% (-3.1% YoY; -2.6% QoQ), reflecting higher input material costs and rising labor expenses, with more than 1,000 new hires in 1Q (+1.93% YoY) to support expanding production and order volumes. Meanwhile, SG&A-to-revenue increased to 6.3% (-1.7% YoY; +0.8% QoQ).
- Financial income was broadly flat at VND23bn (+1% YoY), while financial expenses rose to VND86bn (+9.1% YoY). Notably, other income surged to VND25bn (149x YoY), largely driving NPAT growth to VND60.3bn (+39.2% YoY), with net margin at 3.1% (+0.2% YoY but -1.1% QoQ).

### 2026F’s outlook – A beautiful sketch, but not easy to paint

- At the 2026 AGM, the BOD targets revenue of VND9,500bn (+9.2% YoY) and NPAT of VND450bn (+14.5% YoY). Order visibility remains strong, with the order book filled through 3Q26. Management also indicated a strategic focus on key clients, particularly in the U.S. (e.g., H&M, Walmart) and the EU (e.g., Decathlon, Sportmaster, and Asmara).
- Additionally, demand in the EU is expected to recover, and Decathlon as TNG’s key client, is currently distributing collections for the 2026 World Cup, including jerseys of major national teams such. With Decathlon recently upgrading TNG into its top three global suppliers, the company’s order outlook is expected to improve further this year.
- In our view, the outlook is achievable, but several challenges warrant attention:
  - o Export orders remain vulnerable to cancellations amid unresolved U.S. tariff risks. Despite a preliminary framework of around 20%, the ongoing unpredictability of the Trump administration leaves room for further escalation. While TNG is increasingly shifting toward the EU market and diversifying its client base, another “Liberation Day” could still derail this outlook.
  - o Geopolitical tensions pose risks through potential shipping disruptions and elevated energy prices, which could delay deliveries and increase logistics costs. In addition, rising labor costs and broader inflationary pressures are likely to weigh further on TNG.

12M rating **BUY (Maintain)**

12M TP **VND30,200**

Up/Downside **+37%**

#### Stock Data

VNIndex (21 Apr, pt)	1,833.5
Stock price (21 Apr, VND)	22,100
Market cap (USD mn)	108
Shares outstanding (mn)	129
52-Week high/low (VND)	26,800/13,835
6M avg. daily turnover (USD mn)	1.42
Free float / Foreign ownership (%)	57.7/21.9
Major shareholders (%)	
Nguyen Van Thoi	19.20
Nguyen Duc Manh	12.04
ASAM Vietnam	11.05

#### Performance

	1M	6M	12M
Absolute (%)	(9.8)	27.1	53.8
Relative to VNIndex (%p)	(21.1)	16.6	(0.7)

#### Stock price trend



Source: Bloomberg, KIS

## Research Department

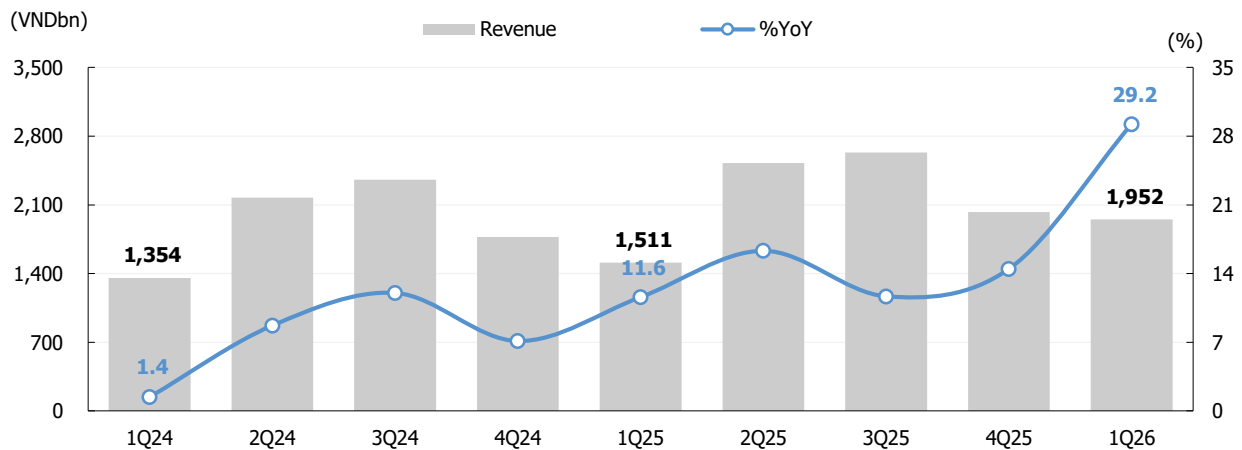
researchdept@kisvn.vn

**Table 1. Quarterly performance (VND bn, %)**

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	1,511	2,528	2,633	2,027	1,952	(3.7)	29.2
OP	230	370	360	309	236	(23.6)	2.6
OP margin	15.2	14.6	13.7	15.2	12.1	(3.1)	(3.1)
EBT	53	150	146	134	75	(43.9)	40.9
NPAT	43	120	117	112	60	(46.0)	39.2

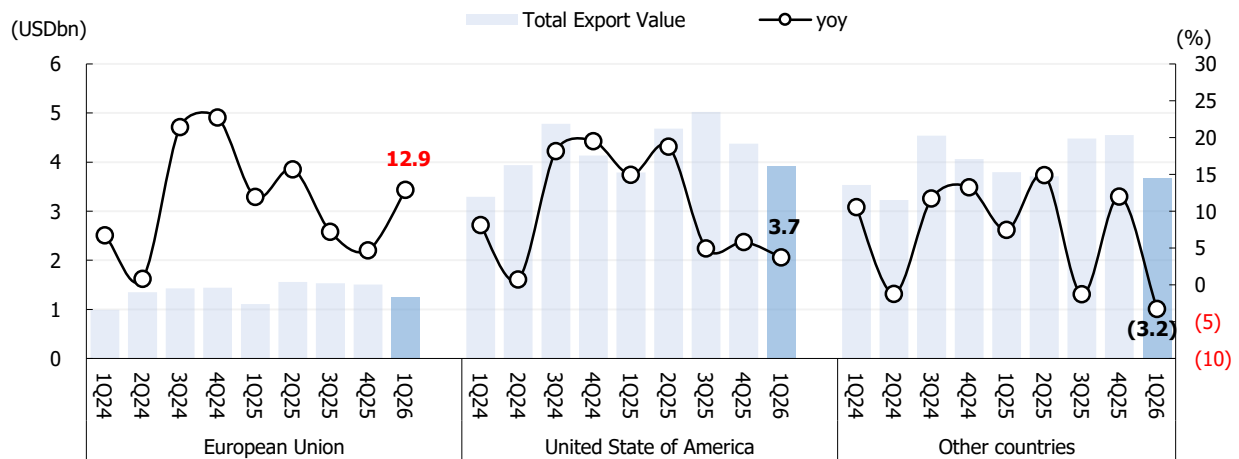
Source: Company data, Bloomberg, FinProX, KIS

**Figure 1. TNG's revenue grew remarkably by 29.2% YoY in 1Q26 but declined 3.7% QoQ due to seasonality**



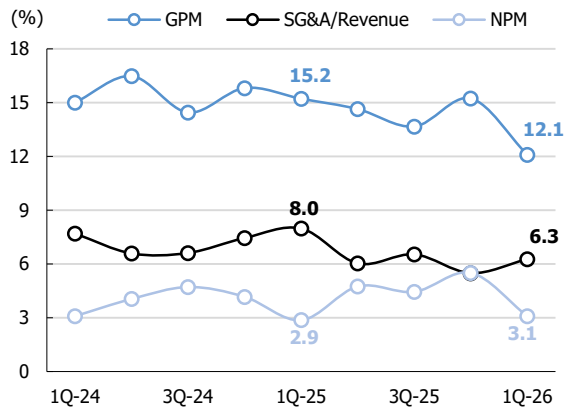
Source: Company data, KIS

**Figure 2. TNG's revenue was broadly in line with Vietnam's 1Q26 T&G exports, particularly in the EU market**



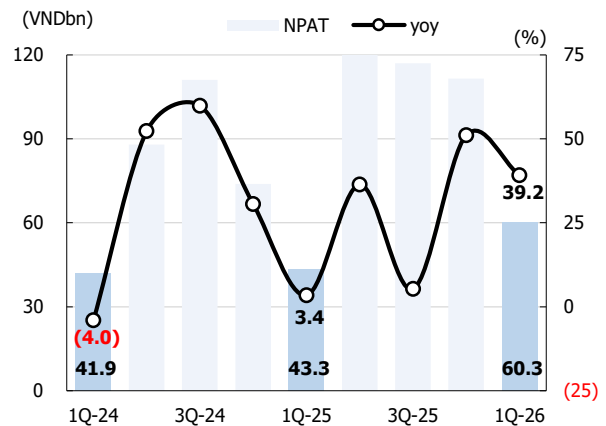
Source: Vietnam Customs, NSO, KIS

**Figure 3. Higher COGS pressured GM while SG&A was effectively contained...**



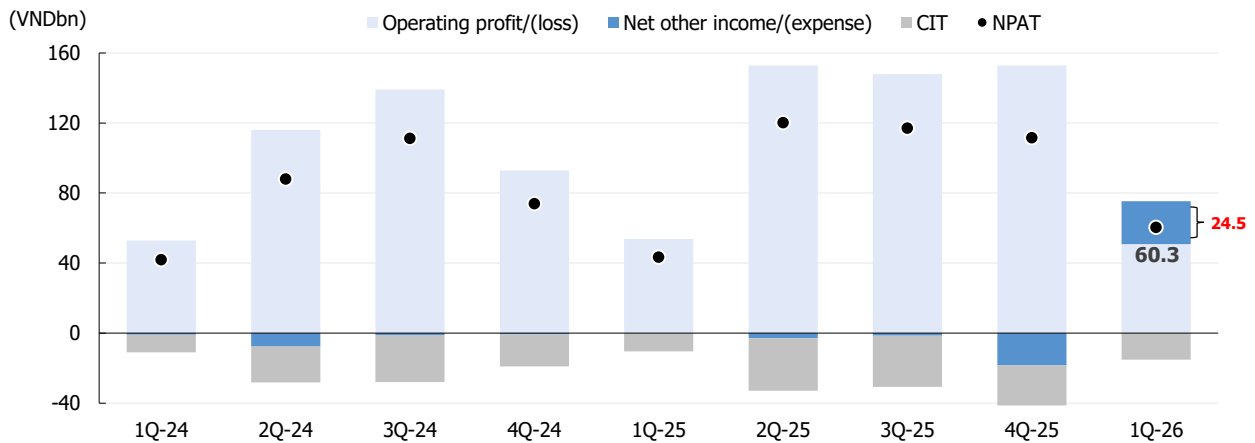
Source: Company data, KIS

**Figure 4. ...however, NPAT still recorded robust growth...**



Source: Company data, KIS

**Figure 5... Largely supported by a one-off contribution from net other income in 1Q26**



Source: Company data, KIS

**■ Company overview**

TNG is one of the leading textile and garment enterprises in Vietnam. Its core business activities include garment outsourcing, manufacturing, and trading fashion products, as well as producing paper packaging and garment accessories. In addition, TNG also owns several real estate projects, including industrial parks and apartment complexes. Currently, all of TNG's factories and projects are located in Thai Nguyen Province.

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