

THANH CONG TEXTILE GARMENT INVESTMENT TRADING JSC (TCM)

November 16, 2015

COMPANY UPDATE BRIEFS



TCM: 9M2015 net profit increased by 1.5 percent y-o-y, achieving 77.4 percent of 2015 management target

Thanh Cong Textile Garment Investment Trading JSC (TCM) has announced consolidated financial results for 9M2015: net revenues came in at VND2,144 billion (USD95.3 million), up 11.0 percent y-o-y. Net profits, however, grew by just 1.5 percent to VND132 billion (USD5.9 million), due to a rise in losses from foreign exchange, which were VND45.5 billion (USD2.0 million), about 2.4 times higher than in 9M2014.

With these results TCM has achieved 77.1 percent of management's 2015 target for net revenues, and 77.4 percent for net profit. The slight improvement in gross profit margin was completely offset by the rise in losses from foreign exchange, meaning that 9M2015 results are in line with our forecast so far.

	9M2014	9M2015	% y-o-y	2015 management target	% target	VPBS forecast	%Forecast
Net revenue (VND billion)	1,931	2,144	11.0%	2,781	77.1%	2,777	77.2%
Gross profit	294	335	13.7%			423	79.1%
<i>Gross profit margin</i>	<i>15.2%</i>	<i>15.6%</i>				<i>15.2%</i>	
EBIT	171	185	8.7%			245	75.7%
Profit before tax (VND billion)	140	144	2.5%			192	74.8%
Net profit (VND billion)	130	132	1.5%	170	77.4%	177	74.5%
<i>Net profit margin</i>	<i>6.7%</i>	<i>6.1%</i>		<i>6.1%</i>		<i>6.4%</i>	

Today's stock price decreased 2.2 percent, closing at VND33,300 per share, trading at 2015P/E is 9.2x and 2016 P/E is 9.8x based on our forecasts.

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