

THANH CONG TEXTILE GARMENT INVESTMENT TRADING JSC (TCM)

December 25, 2015

COMPANY UPDATE BRIEFS



TCM: 2015 profit after tax to decrease by 15 percent y-o-y, missing management's target

Thanh Cong Textile Garment Investment Trading JSC (TCM) has issued estimated financial results for 2015: net revenues were VND2,773 billion (USD123 million), up 7.9 percent y-o-y, and profit after tax declined by 14.5 percent to VND144 billion (USD6.4 million). These results mean that TCM only earned VND12 billion (USD533,000) of profit after tax in Q4/2015, a decrease of 73.6 percent q-o-q, and therefore only achieved 84.5 percent of management's profit after tax target for 2015, which was itself lower than our forecast.

VND bn	2014A	2015E	% y-o-y	2015 management target	% target	VPBS forecast	% forecast
Net revenue (VND billion)	2,571	2,773	7.9%	2,781	99.7%	2,777	99.9%
Profit after tax	168	144	-14.5%	170	84.5%	177	81.3%

Source: TCM

For 2016, TCM aims to achieve net revenues of VND3,264 (USD145 million), up 17.7 percent, and profit after tax of VND160 billion (USD7.1 million), up 11.3 percent. We will update our projection and recommendation for TCM in the next report.

Today's stock price decreased 1.9 percent, closing at VND30,300 per share, trading at a 2015 P/E of 14.8x.

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