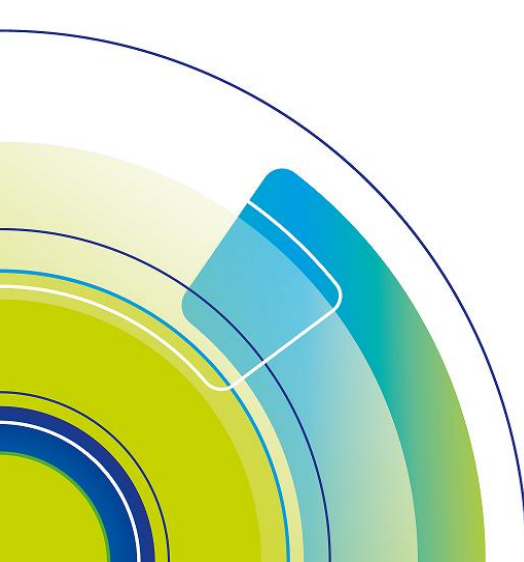




TLG Initiation- BUY

February 9, 2026



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Company Initiation

Recommendation

BUY

HSX: TLG

FMCG

Target price (VND)

61,200

Current price (VND)

51,500

Expected share price return

18.5%

Expected dividend yield

4.9%

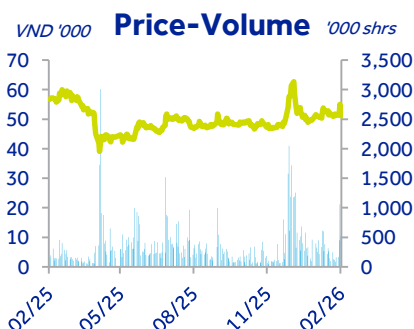
Expected total return

23.4%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	3.6	-0.2	7.8	-5.4
Relative	5.2	3.1	0.7	-45.9

Source: Bloomberg



Ownership

Thien Long An Thinh Inv. Corp.	46.8%
Mr. Co Gia Tho	6.6%

Stock Statistics

Feb 9th 2026

Bloomberg code TLG VN

52-week range (VND)	38,955-63,455
Shares O/S (m)	97
Mkt cap (VND bn)	4,971
Mkt cap (USD m)	190
Foreign room left (%)	87.5
Est. free float (m)	41.8
3m avg daily vol (shrs)	425,842
VND/USD	26,100
Index: VNIndex / HNX	1754.8/256.0

THIEN LONG GROUP CORPORATION (TLG VN)

TLG is known as the leading stationery manufacturer in Vietnam with a diversified product mix and distribution network. The domestic market dominates the company's revenue breakdown while expansion to exports has been and will likely be its growth driver. We project the company's net revenue and EAT may grow at a CAGR of 9.1% and 12.1%, respectively, in 2025-2028F. For 2026F, net revenue and EAT are projected at VND4,560bn (+9.3% YoY) and VND514n (+14.3% YoY), respectively. Our target price for the stock is VND61,200/shr by YE2026. **BUY**.

TLG is well positioned in Vietnam's stationery market with a 60% market share (the company's estimate) and an extensive distribution network. Besides the domestic market, the company also boosts its footprint in the international playground.

Writing instruments are the most crucial category making more than 40% of the company's top line, followed by office supplies, art supplies, school supplies and others. Looking forward, the company expects i) gel pens and markers and ii) art supplies, lifestyle school supplies, scientific calculators to outperform the remainders.

Expansion to overseas markets facilitates growth. While the domestic market captures 72% of its net revenue, TLG's exports have expanded markedly – from 18% of net revenue in 2020 to 28% in 2025 – and outstripped the former in terms of growth. Asia is the company's largest exports region.

Net revenue climbed by 11.1% YoY in 2025, comprising 8.8% and 17.1% YoY growth in domestic and overseas markets, respectively. However, the overall EAT fell by 2.2% YoY, largely attributed to a hike in selling expenses for strengthening distribution system and propelling consumption.

The Kokuyo acquisition may mark TLG's strategic shift from a long-established family-run business to a subsidiary of a global corporate. On Dec 4th 2025, the Japanese stationery giant Kokuyo Co., Ltd. announced to potentially acquire up to 65.01% stake in TLG via two phases, with a total value of approximately JPY27.6bn (~VND4,700bn). TLG share price in each phase is not disclosed, though some estimate the average price at VND82,000 per share (corresponding to c.VND75,000 per share after reflecting the stock dividend of 10% in Dec 11th, 2025), representing a premium of 25%-28% over TLG's market price at the time of announcement.

Financials look good with a low-debt profile (net debt to equity ratio of -18.4%, denoting a net cash status), positive operating cash flow, ROE of 18.5% and dividend yield of ~5%.

In 2026, we project the company's net revenue and EAT at VND4,560bn (+9.3% YoY) and VND514bn (+14.3% YoY).

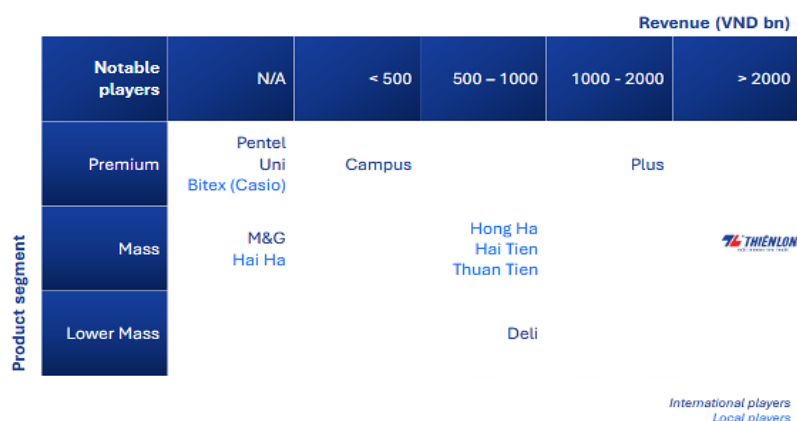
	2024	2025U	2026F	2027F	2028F
Net Sales (VNDbn)	3,759	4,174	4,560	5,002	5,423
Growth	8.6%	11.1%	9.3%	9.7%	8.4%
EAT (VNDbn)	460	450	514	575	634
Growth	28.5%	-2.2%	14.3%	11.9%	10.1%
EPS (bonus-adjusted, VND)	4,211	4,000	4,558	5,101	5,617
Growth	26.8%	-5.0%	13.9%	11.9%	10.1%
ROE	20.8%	18.5%	19.3%	19.4%	19.0%
Net debt/EBITDA (times)	(0.9)	(0.8)	(1.1)	(1.2)	(1.4)
EV/EBITDA (times)	6.8	7.5	6.7	6.1	5.6
PER (times)	12.2	12.9	11.3	10.1	9.2
PBR (times)	1.9	2.0	1.8	1.6	1.4
DPS (VND)	2,500	2,500	2,500	2,500	2,500
Dividend yield	4.9%	4.9%	4.9%	4.9%	4.9%

The leading stationery manufacturer

TLG was established in 1981 as a small ballpoint pens facility by Mr. Co Gia Tho and has enlarged its product mix together with investments in two factories so far. The company listed on the HOSE stock exchange in 2010.

TLG is now a well-recognized player in stationery manufacturing in Vietnam, holding a 60% market share (the company's estimate) and a nationwide distribution network, in tandem with exporting (through direct exports, OEM) to the international market. The domestic market contributes 72% of its net revenue.

Vietnam's Stationery Market: Competitive Landscape Is Highly Fragmented

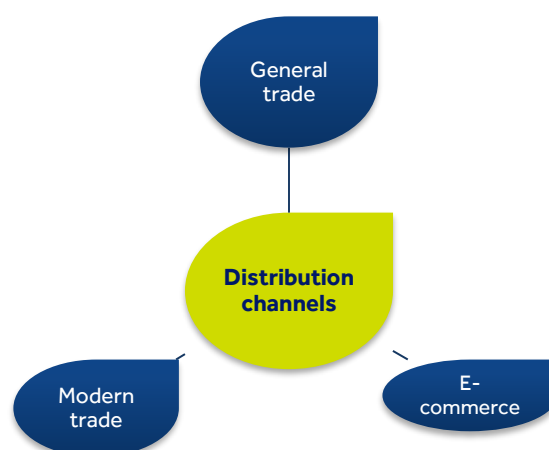


Source: TLG

Writing instruments generate more than 40% of the company's revenue, followed in order by office supplies, art supplies, school supplies and others.

The products are distributed through an omni-channel network covering not only the general trade (126 distributors, 55,000 outlets) – the largest earner – and modern trade channel (supermarkets, bookstore chains, convenience stores, etc.) but also e-commerce.

Revenue by product category



Source: TLG; ACBS

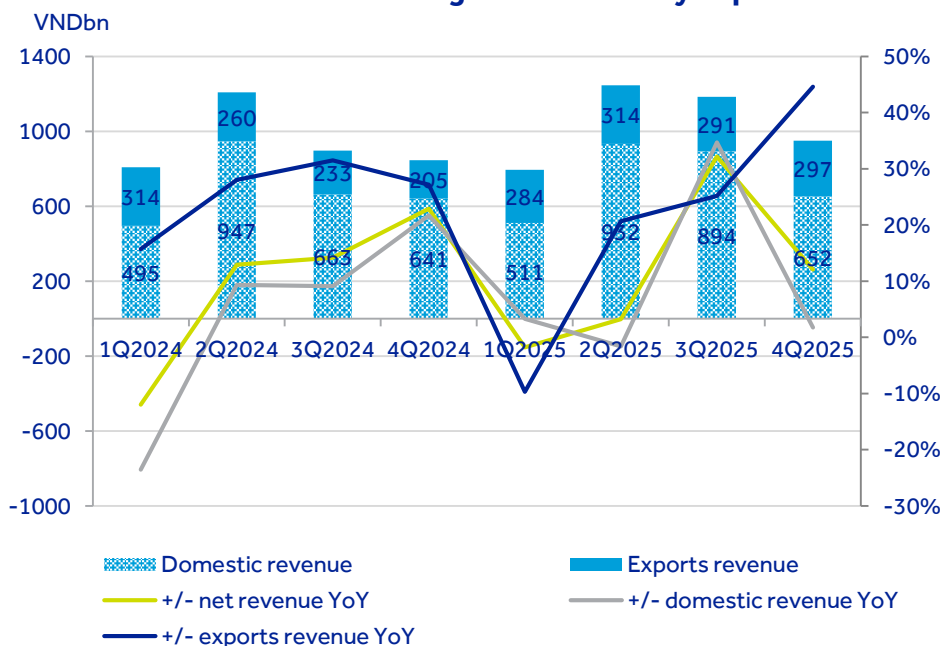
An established reputation, extensive distribution network, combined with constant R&D activities aiming at product innovations, high-margin products and to enhance product quality enable the company to sustain its competitiveness amid stiff competition from imported products (e.g. low-cost ones from China). However, given

the mature local market, penetration into other regions plays as the company's growth engine.

Expansion to overseas markets is the growth driver

TLG's business performance has been highlighted by the expansion in exports, which contributed 28% to the overall revenue in 2025 from 18% in 2020. In 2025, exports revenue grew by 17.1% YoY (despite a 10% drop in 1Q), outperforming the 8.8% YoY growth in the domestic market.

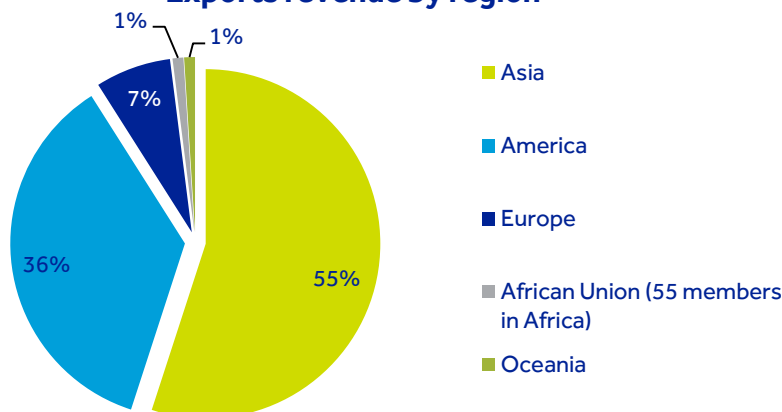
TLG's revenue growth driven by exports



Source: TLG; ACBS

TLG is present in 74 countries/territories in Asia (accounting for 55% of export revenue), America (36%), Europe (7%), Africa Union (1%) and Oceania (1%); in which, the US, Philippines and Myanmar are the major destinations. In 2Q2025, the company enters joint ventures with partners in Indonesia (Snapgreen) and Singapore (Silver Lion). OEM revenue from developed markets occupies c.50% of the company's exports value.

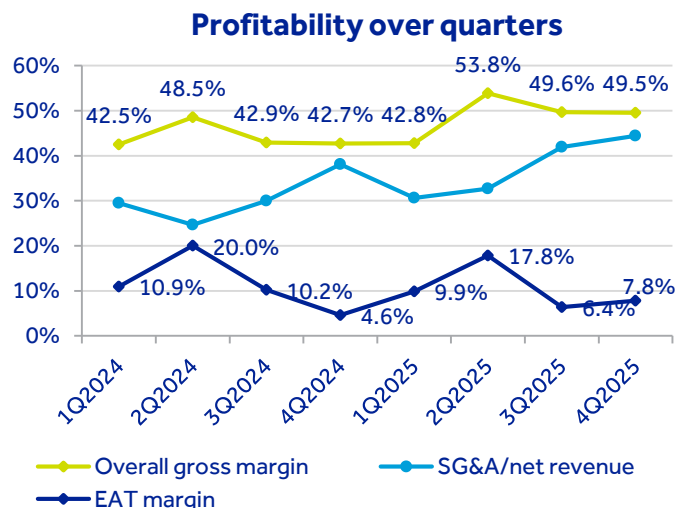
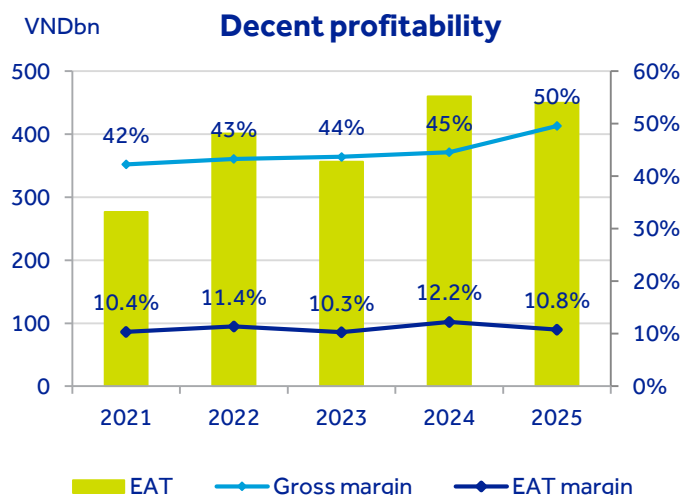
Exports revenue by region



Source: TLG; ACBS

Decent profitability

With a gross margin of 42%-50% and EAT margin of 10%-12% over years, TLG is among the most profitable listed companies (together with formidable players like VNM, MCH, etc.). However, a divergence between these figures reflects a heavy SG&A-to-revenue ratio (30%-38%), driven by staffing and marketing, promotional costs. The recent gross margin volatility in 2Q2025 stemmed from lower raw material costs and a reclassification of trade support to SG&A. This accounting change coupled with inflated expenses for strengthening distribution system and boosting consumption intensified the spike in the SG&A-to-revenue ratio in 3Q and 4Q2025.



Source: TLG; ACBS

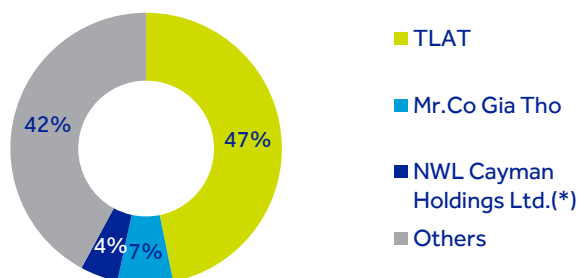
Raw materials, including plastic beads, pen tips, ink, cartridges, springs, chemicals, etc. occupy about 40% of TLG's production costs. In which, plastics, imported from China, South Korea, Thailand and local sources, are the most important components accounting for 25%-30% material costs. Fluctuation in oil prices is one of the sources of volatility for the company's gross margin.

TLG targets to increase in-house production of raw materials – and succeeded with mold, ink and pen tips – along with reusing plastic products and scrap plastics and reducing plastic weight to mitigate dependence on the global market, optimize costs and contribute to sustainability development strategy.

Strategic shift: the Kokuyo acquisition

On Dec 4th 2025, the Japanese stationery giant Kokuyo Co., Ltd. announced to potentially acquire up to 65.01% stake in TLG (current market capitalization: VND4,971bn) via two phases, with a total value of approximately JPY27.6bn (~VND4,700bn). The acquisition is expected to expand Kokuyo's business by leveraging TLG's sales platform in ASEAN, establishing ASEAN as a fourth core market alongside Japan, China and India. If successful, the deal also marks TLG's strategic shift from a long-established family-run business to a subsidiary of a global corporate. The first transaction will be carried out with Thien Long An Think Investment Corporation (TLAT), which holds 46.82% of TLG's shares and is owned entirely by TLG's founders and associates. The second transaction is a tender offer toward TLG ordinary shares, up to 18.19% of TLG's outstanding shares.

TLG's current shareholder structure



Source: TLG; ACBS. (*) Data as of July 2024

Although Kokuyo did not disclose TLG share price in each transaction, the average price is estimated at VND82,000 per share (corresponding to VND75,000 per share after the stock dividend of 10% in Dec 11th, 2025), representing a premium of 25%-28% over TLG's market price at the time of announcement. The rationales for this premium were not revealed and may stem from multiple factors. However, if we try to find an explanation from a valuation standpoint, the above share price translates to PERs of 18.7x and 16.5x based on TLG's 2025F-2026F EPS forecasts, quite in line with Kokuyo's current PER (despite its historical PER of 12-15x in the 2022-early 2025 period) and much higher than TLG's.

Transitions	Stake to be bought	Shares to be bought	Timing	Price per share
TLAT	46.82%	41,086,047 (*)	Estimated to close on Aug 2026	
Tender offer	Up to 18.19%	Up to 15,962,552 (*)	Starting from Oct 2026 to Nov 2026	The price per share will be disclosed before the tender offer commences.

Source: Kokuyo

(*) Note that the number of shares to be bought was calculated before TLG's stock dividend on Dec 11th, 2025, which implies a higher number of shares to be bought to obtain 65.01% stake in the future.

According to Kokuyo, two of TLG's affiliates including book trader and retailer Phuong Nam Cultural JSC (TLG's ownership: 49.49%) and Pega Holdings JSC (ownership: 40%) will be excluded from the transactions. In 2Q2025, TLG invested in Phuong Nam Cultural JSC (PNC), which owns about its 50+ retail bookstores. However, in early 2026, the company announced plans to totally divest from PNC with an estimated value of not less than VND144bn and Pega with an estimated value of not less than VND35bn, similar to their book values on TLG's financial statements at YE2025.

Forecast and Valuation

Looking forward, the company aims to sustain its position in the domestic market alongside continued export expansion. Tapping new markets – especially populous ones like Indonesia – may allow the company to expect faster growth than in the domestic market. Education, office work, and creative needs could continue to underpin consumption of stationery products, despite adverse impacts from the digital transformation trend.

The company targets i) gel pens and markers and ii) art supplies, lifestyle school supplies, scientific calculators as the main products to support its growth. The first group aims at young customers seeking an upgraded writing experience and is also the key group for exports. The second one is expected to be bolstered by demand for modern and balanced education in the domestic and Southeast Asian markets.

For 2026, given that plastic prices may follow a downtrend in line with the forecast movements in oil prices, we project the company may find favorable to widen its gross margin. We project the company's net revenue and EAT at VND4,560bn (+9.3% YoY) and VND514n (+14.3% YoY), respectively. Combining the DCF and PER methods, our target price for the stock is VND61,200/share by the end of 2026.

TLG FINANCIALS MODEL	Price (VND):	51,500	Target (VND):	61,200	Mkt cap (VND bn):	4,971
(VND bn except where stated)	2024	2025U	2026F	2027F	2028F	
Total Net Sales	3,759	4,174	4,560	5,002	5,423	
<i>Sales growth (%)</i>	<i>8.6%</i>	<i>11.1%</i>	<i>9.3%</i>	<i>9.7%</i>	<i>8.4%</i>	
CoGS ex-dep'n	2,017	2,041	2,194	2,457	2,690	
Selling expenses	759	1,228	1,382	1,476	1,579	
G&A expenses	339	313	329	345	362	
Financial revenues (ex. interest income)	31	25	26	27	28	
Financial expenses (ex. interest expense)	15	14	9	9	9	
EBITDA	660	604	673	741	810	
<i>EBITDA margin (%)</i>	<i>17.6%</i>	<i>14.5%</i>	<i>14.7%</i>	<i>14.8%</i>	<i>14.9%</i>	
Depreciation	95	93	85	88	91	
Operating profit	565	511	588	653	719	
<i>Operating profit margin (%)</i>	<i>15.0%</i>	<i>12.2%</i>	<i>12.9%</i>	<i>13.1%</i>	<i>13.3%</i>	
Other profits/losses	7	51	51	51	51	
Profits/Losses from associates	1	2	-	-	-	
Net interest expense	(14)	(10)	(17)	(28)	(35)	
<i>as % of avg net debt</i>	<i>2.8%</i>	<i>1.9%</i>	<i>2.7%</i>	<i>3.3%</i>	<i>3.5%</i>	
<i>Interest cover (x)</i>	<i>(41)</i>	<i>(52)</i>	<i>(36)</i>	<i>(23)</i>	<i>(20)</i>	
Tax	127	125	141	157	173	
<i>Effective tax rate (%)</i>	<i>21.9%</i>	<i>23.9%</i>	<i>23.4%</i>	<i>23.1%</i>	<i>22.9%</i>	
Minority interest	(2)	(1)	0	0	0	
NPATMI	462	451	514	575	634	
Cash earnings	557	544	599	663	724	
Total number of shares	86,453,575	96,528,340	96,528,340	96,528,340	96,528,340	
EPS (VND) (after treasury shares)	4,632	4,000	4,558	5,101	5,617	
Bonus factor (x)	0.91	1.00	1.00	1.00	1.00	
Adjusted EPS (VND)	4,211	4,000	4,558	5,101	5,617	
<i>EPS growth (%)</i>	<i>26.8%</i>	<i>-5.0%</i>	<i>13.9%</i>	<i>11.9%</i>	<i>10.1%</i>	

KEY CASHFLOW AND BS ITEMS	2024	2025U	2026F	2027F	2028F
Increase in working capital	74	124	86	115	105
Capex	79	44	44	44	44
Change in investment in affiliates	1	143	-180	0	0
Other cashflow items	(85)	(133)	(109)	(121)	(115)
Free cash flow	319	102	541	384	460
Share issues	-	13	-	-	-
Dividends paid	157	217	241	241	241
Increase in net debt	-161	103	-300	-143	-219
Net debt, end of year	(568)	(465)	(765)	(908)	(1,127)
Shareholders' equity	2,348	2,529	2,802	3,136	3,528
BVPS (VND)	27,158	26,200	29,027	32,488	36,553
Net debt / equity (%)	-24.2%	-18.4%	-27.3%	-28.9%	-31.9%
Net debt / EBITDA (x)	-0.9	-0.8	-1.1	-1.2	-1.4
Total assets	3,360	3,562	3,535	3,726	3,900

KEY RETURN AND VALUATION RATIOS	2024	2025U	2026F	2027F	2028F
ROE	20.8%	18.5%	19.3%	19.4%	19.0%
ROA	15.0%	13.0%	14.5%	15.8%	16.6%
ROIC	26.0%	23.1%	24.4%	25.9%	26.1%
WACC	13.7%	13.7%	13.7%	13.7%	13.7%
EVA	12.3%	9.4%	10.7%	12.2%	12.4%
PER (x)	12.2	12.9	11.3	10.1	9.2
EV/EBITDA (x)	6.8	7.5	6.7	6.1	5.6
EV/FCF (x)	14.1	44.4	8.3	11.7	9.8
PBR (x)	1.9	2.0	1.8	1.6	1.4
PSR (x)	1.3	1.2	1.1	1.0	0.9
EV/sales (x)	1.2	1.1	1.0	0.9	0.8
PEG (x, 3 yr prospective)	1.0	1.9	0.9	1.0	1.1
Dividend yield	4.9%	4.9%	4.9%	4.9%	4.9%

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DISCLAIMER

Our Recommendation System

BUY: prospective 12 month VND total return (including dividends) will be more than 20%.

OUTPERFORM: prospective 12 month VND total return (including dividends) will be 10% to 20%.

NEUTRAL: prospective 12 month VND total return (including dividends) will be -10% to 10%.

UNDERPERFORM: prospective 12 month VND total return (including dividends) will be -20% to -10%.

SELL: prospective 12 month VND total return (including dividends) will be lower than -20%.

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