



TLG Update - OUTPERFORM

June 1, 2026



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Company Update

Recommendation **OUTPERFORM**

HSX: **TLG**

FMCG

Target price (VND) **51,000**

Market price (VND) **49,000**

Expected share price return 4.2%

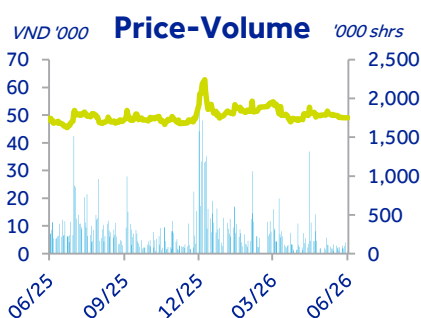
Expected dividend yield 7.1%

Expected total return **11.3%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	3.5	-1.9	-5.5	8.7
Relative	-0.4	-2.8	-5.0	-33.3

Source: Bloomberg



Ownership

Thien Long An Think Inv. 46.8%

Mr. Tho Co 6.6%

Stock Statistics

Jun 1st 2026

Bloomberg code

TLG VN

52-week range (VND)

45,000-63,455

Shares O/S (m)

97

Mkt cap (VND bn)

4,730

Mkt cap (USD m)

179

Est. Foreign room left (%)

88.9

Est. free float (%)

41.8

3m avg daily vol (shrs)

177,160

VND/USD

26,394

Index: VNIndex / HNX

1844.5/305.2

THIEN LONG GROUP CORP (TLG VN)

Although the company reported stunning EAT growth of 48% YoY driven by a strong sales jump and heightened gross margin in 1Q2026, we revise 2026 EAT projection down by 15% considering potential margin compression in 4Q2026 in view of elevated input costs. Downgrade rating from BUY to **OUTPERFORM** and target price to VND51,000/share by YE2026, 15% lower than the prior update.

Net revenue and EAT surged by 25.9% YoY and 48% YoY, to VND1,000bn and VND116bn, respectively, in 1Q2026, better than our expectations.

Solid overseas momentum and domestic surge fueled revenue growth. Domestic revenue, accounting for 66% of overall net revenue, soared by 29.3% YoY, likely stemming from customers stockpiling ahead of potential price increases, based on our interpretation (the company did not provide a detailed explanation). Export revenue, accounting for 34% of the total, extended its vigorous momentum with a 19.7% YoY upturn. This aligns with the company's strategy of boosting overseas sales as its growth engine (targeting annual growth of 20%) while reinforcing its position in the domestic market. With the strategic partnership with Kokuyo, if successful, TLG also aims to leverage the complementary product portfolios of both companies to better meet the international customer demand and expand overseas markets.

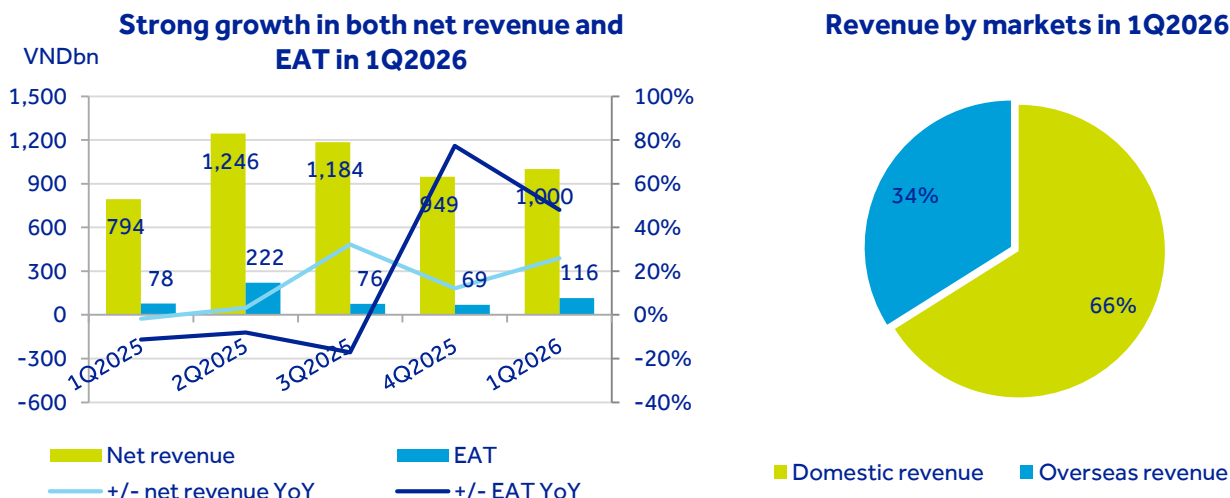
Margin strength further bolstered earnings before input cost headwinds emerge.

The widened gross margin in 1Q2026 benefited from favorable plastic material prices prior to the escalation of Middle East tension. Despite rising raw material prices attributed to higher oil prices and logistic costs in recent time, management expects the impact to materialize from 4Q2026, as materials through 3Q2026 were already secured.

We project net revenue and EAT for TLG at VND4,692bn (+12.4% YoY) and VND434bn (-2.5% YoY) in 2026, 15% lower than our prior update given potential margin compression in 4Q2026. Though selling price increases may be considered, management noted that such increases will be likely limited to preserve market share against low-cost imported products. TLG does not intend to compete with low-cost products through price war due to their devastation on product quality and profitability. Instead, together with its established brand reputation, focusing on high value-added products, product innovations, material alternatives that have lower costs whilst ensuring quality, developing its self-supply for certain production components are believed to sustainably enhance its efficiency and competitiveness.

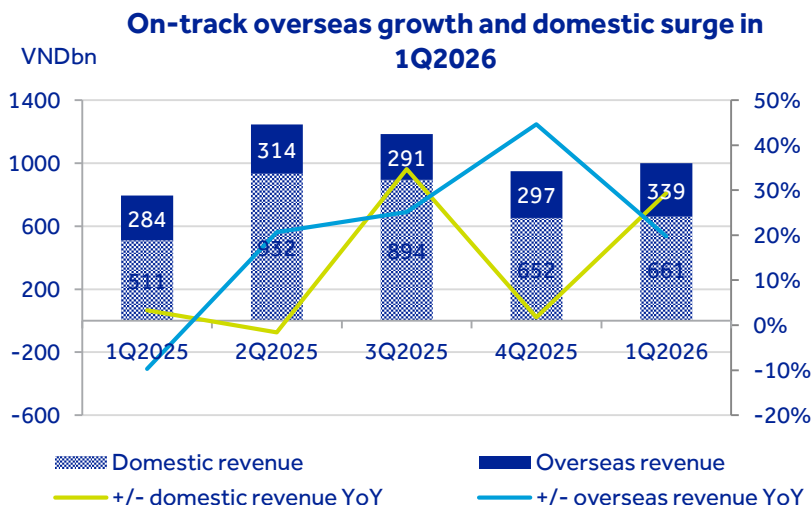
	2024	2025	2026F	2027F	2028F
Net Sales (VNDbn)	3,759	4,174	4,692	5,203	5,702
Growth	8.6%	11.1%	12.4%	10.9%	9.6%
EAT (VNDbn)	460	445	434	407	452
Growth	29.1%	-3.3%	-2.5%	-6.3%	11.1%
EPS (bonus-adjusted, VND)	4,211	3,956	3,844	3,603	4,004
Growth	26.8%	-6.1%	-2.8%	-6.3%	11.1%
ROE	20.8%	18.3%	16.9%	15.3%	16.5%
ROA	15.0%	12.9%	12.0%	10.7%	11.2%
Net debt/EBITDA (times)	(0.9)	(0.8)	(0.7)	(0.5)	(0.3)
EV/EBITDA (times)	6.5	7.1	6.7	7.1	6.4
PER (times)	11.6	12.4	12.8	13.6	12.3
PBR (times)	1.8	1.9	1.8	1.8	1.7
DPS (VND)	2,500	3,500	3,500	3,500	3,500
Dividend yield	5.1%	7.1%	7.1%	7.1%	7.1%

Solid overseas momentum and domestic surge fueled revenue growth in 1Q2026



Source: TLG; ACBS

TLG generated net revenue of VND1,000bn (+25.9% YoY) and EAT of VND116bn (+48% YoY) in 1Q2026. Both domestic and overseas markets delivered strong performance.



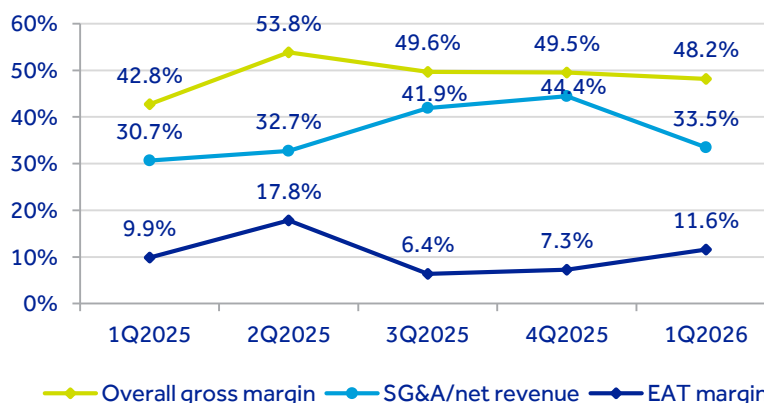
Source: TLG; ACBS

Domestic revenue, accounting for 66% of the overall net revenue, soared by 29.3% YoY, likely stemming from customers stockpiling ahead of potential price increases, based on our interpretation (the company did not provide a detailed explanation).

Overseas revenue continued to gain steam, adding a 19.7% YoY upturn in 1Q2026 to its vigorous momentum. This brought the overseas contribution to 34% of total net revenue, from 28% in 2025 and 18% in 2020. This expansion aligns with the company's strategy of boosting export sales as its growth engine (targeting annual growth of 20%) while reinforcing its position in the domestic market.

Margin strength further bolstered earnings before input cost headwinds emerge

A widened gross margin intensified EAT growth in 1Q2026



Source: TLG; ACBS

The EAT growth was further bolstered by a widened gross margin (48.2% in 1Q2026 vs. 42.8% in 1Q2025) given favorable plastic material prices prior to the escalation of Middle East tension. Despite rising raw material prices (up by 30%+ YTD in our observations) attributed to higher oil prices and logistic costs, management expects the impact to materialize from 4Q2026, as materials through 3Q2026 were already secured.

Meanwhile, the inflated selling and administration expenses (SG&A)-to-net revenue ratio (33.5% vs. 30.7%) was largely explained by a reclassification of trade supports to SG&A expenses since 2Q2025, besides expenses for branding and other activities to fortify market share.

Forecast and Valuation

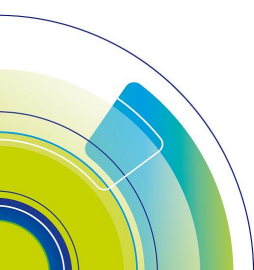
We project that the expansion to overseas markets will continue to be TLG's highlight, enabling the company to broaden its revenue base beyond the domestic market and capture rosier growth than the domestic market's expected single-digit numbers. The company's strategy is to deepen its position in the existing markets (Southeast Asia is the focal) and gradually establish presence in new ones, especially developed markets.

In terms of product mix, TLG plans to keep focusing on writing instruments and markers, targeting innovations on writing experience, design and application of new materials. Education, office work, and creative needs could continue to underpin consumption of stationery products, despite adverse impacts from the digitalization trend.

We project net revenue and EAT for TLG at VND4,692bn (+12.4% YoY) and VND434bn (-2.5% YoY), respectively, in 2026, 15% lower than our prior EAT update given potential margin compression (to 42.5% in our assumption) in 4Q2026. Though selling price increases may be considered, management noted that such increases will be likely limited to preserve market share against low-cost imported products. TLG does not intend to compete severely with low-cost products through price war due to their devastation on product quality and profitability. Instead, together with its established brand reputation, we share the company's strategy to focus on high value-added

products, product innovations, material alternatives that have lower costs whilst ensuring quality, further developing its self-supply for certain production components, etc. to optimize efficiency and stay competitive.

Combining the DCF and PER methods, our target price for TLG by YE2026 is VND51,000/share.



TLG FINANCIALS MODEL	Price (VND):	49,000	Target (VND):	51,000	Mkt cap (VND bn):	4,730
(VND bn except where stated)	2024	2025	2026F	2027F	2028F	
Total Net Sales	3,759	4,174	4,692	5,203	5,702	
<i>Sales growth (%)</i>	<i>8.6%</i>	<i>11.1%</i>	<i>12.4%</i>	<i>10.9%</i>	<i>9.6%</i>	
CoGS ex-dep'n	2,017	2,041	2,433	2,856	3,151	
Selling expenses ex-dep'n	759	1,228	1,307	1,417	1,540	
G&A expenses ex-dep'n	339	313	328	344	362	
Financial revenues ex-interest income	31	25	26	27	28	
Financial expenses ex-interest expense	15	14	11	12	12	
EBITDA	660	604	638	601	665	
<i>EBITDA margin (%)</i>	<i>17.6%</i>	<i>14.5%</i>	<i>13.6%</i>	<i>11.6%</i>	<i>11.7%</i>	
Depreciation	95	93	86	90	92	
Operating profit	565	511	552	511	573	
<i>Operating profit margin (%)</i>	<i>15.0%</i>	<i>12.2%</i>	<i>11.8%</i>	<i>9.8%</i>	<i>10.0%</i>	
Other profits/losses	7	49	-	-	-	
Profits/Losses from associates	1	2	(2)	-	-	
Net interest expense	(14)	(10)	(7)	(12)	(8)	
<i>as % of avg net debt</i>	<i>2.8%</i>	<i>1.9%</i>	<i>1.5%</i>	<i>3.1%</i>	<i>3.3%</i>	
<i>Interest cover (x)</i>	<i>(41)</i>	<i>(52)</i>	<i>(76)</i>	<i>(43)</i>	<i>(73)</i>	
Tax	127	127	124	117	129	
<i>Effective tax rate (%)</i>	<i>21.9%</i>	<i>24.4%</i>	<i>22.1%</i>	<i>22.3%</i>	<i>22.2%</i>	
Minority interest	(2)	(1)	-	-	-	
Attributable net profit after MI	462	446	434	407	452	
Cash earnings	557	539	520	497	544	
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	3,956	3,844	3,603	4,004	
Bonus factor (x)	0.91	1.00	1.00	1.00	1.00	
Adjusted EPS (VND)	4,211	3,956	3,844	3,603	4,004	
<i>EPS growth (%)</i>	<i>26.8%</i>	<i>-6.1%</i>	<i>-2.8%</i>	<i>-6.3%</i>	<i>11.1%</i>	

KEY CASHFLOW AND BS ITEMS	2024	2025	2026F	2027F	2028F
Increase in working capital	74	85	174	157	133
Capex	79	44	66	44	44
Change in investment in affiliates	1	143	-180	0	0
Other cashflow items	(85)	(159)	(122)	(140)	(131)
Free cash flow	319	110	338	155	237
Share issues	-	13	-	-	-
Dividends paid	157	217	338	338	338
Increase in net debt	-161	95	0	183	101
Net debt, end of year	(568)	(473)	(473)	(291)	(190)
Shareholders' equity	2,348	2,524	2,620	2,689	2,803
BVPS (VND)	27,158	26,150	27,145	27,858	29,040
<i>Net debt / equity (%)</i>	<i>-24.2%</i>	<i>-18.8%</i>	<i>-18.1%</i>	<i>-10.8%</i>	<i>-6.8%</i>
<i>Net debt / EBITDA (x)</i>	<i>-0.9</i>	<i>-0.8</i>	<i>-0.7</i>	<i>-0.5</i>	<i>-0.3</i>
Total assets	3,360	3,569	3,665	3,916	4,131

KEY RETURN AND VALUATION RATIOS	2024	2025	2026F	2027F	2028F
<i>ROE</i>	<i>20.8%</i>	<i>18.3%</i>	<i>16.9%</i>	<i>15.3%</i>	<i>16.5%</i>
<i>ROA</i>	<i>15.0%</i>	<i>12.9%</i>	<i>12.0%</i>	<i>10.7%</i>	<i>11.2%</i>
<i>ROIC</i>	<i>26.0%</i>	<i>22.9%</i>	<i>20.4%</i>	<i>17.5%</i>	<i>17.8%</i>
<i>WACC</i>	<i>11.1%</i>	<i>11.1%</i>	<i>11.1%</i>	<i>11.1%</i>	<i>11.1%</i>
<i>EVA</i>	<i>14.9%</i>	<i>11.8%</i>	<i>9.3%</i>	<i>6.4%</i>	<i>6.7%</i>
<i>PER (x)</i>	<i>11.6</i>	<i>12.4</i>	<i>12.8</i>	<i>13.6</i>	<i>12.3</i>
<i>EV/EBITDA (x)</i>	<i>6.5</i>	<i>7.1</i>	<i>6.7</i>	<i>7.1</i>	<i>6.4</i>
<i>EV/FCF (x)</i>	<i>13.4</i>	<i>38.9</i>	<i>12.6</i>	<i>27.5</i>	<i>18.0</i>
<i>PBR (x)</i>	<i>1.8</i>	<i>1.9</i>	<i>1.8</i>	<i>1.8</i>	<i>1.7</i>
<i>PSR (x)</i>	<i>1.3</i>	<i>1.1</i>	<i>1.0</i>	<i>0.9</i>	<i>0.8</i>
<i>EV/sales (x)</i>	<i>1.1</i>	<i>1.0</i>	<i>0.9</i>	<i>0.8</i>	<i>0.7</i>
<i>PEG (x, 3 yr prospective)</i>	<i>1.9</i>	<i>-2.5</i>	<i>18.8</i>	<i>3.4</i>	<i>1.5</i>
<i>Dividend yield</i>	<i>5.1%</i>	<i>7.1%</i>	<i>7.1%</i>	<i>7.1%</i>	<i>7.1%</i>

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DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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