Shinhan Securities

Song Hong Garment JSC

[Vietnam / Textile]

Bloomberg Code (MSH VN) | Reuters Code (MSH.HM)

BUY

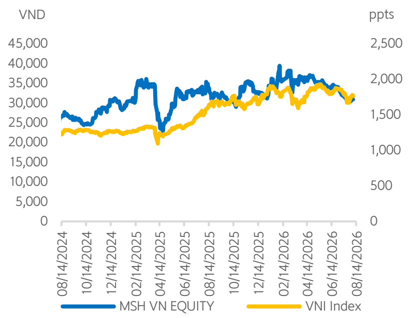
Update Report

Target price (12 months)	**VND 38,600**
Current price (21/08/2026)	VND 30,200
Upside/downside	**27.8%**

VNINDEX	1,768
HNXINDEX	284
Market Cap (bn VND)	3,398
Outstanding shares (mn)	113
Free-Floating (mn)	62
52-Wk High/Low (VND)	41,500/28,400
90-day avg. trading volume (mn)	0.13
90-day avg. turnover (bn VND)	3

Major shareholders (%)	Bui Duc Thinh	23.9
	FPT Securities JSC	10.6

Performance	3M	6M	12M
Absolute (%)	-14.8	-17.8	-14.2
Relative to VN-Index (%)	-8.0	-14.8	-19.0



Source: Bloomberg

Flexible response to pressure from the U.S market

Update valuation with a BUY recommendation, target price of 38,600 VND

Song Hong Garment JSC (HOSE: MSH) is a leading Vietnamese manufacturer of export garments and bedding products. In 1H2026, MSH maintained steady growth momentum, with net revenue rising 8% YoY and NPAT increasing 7% YoY. These positive results were driven by MSH benefiting from the trend of Chinese manufacturers shifting a portion of their CMT (Cut-Make-Trim) orders to Vietnam amidst rising domestic production costs in China. Looking ahead to 2H2026, although the US market faces pressure from sluggish demand recovery and the impact of Section 301 tariffs, we expect MSH to flexibly shift some orders to the Chinese market to mitigate US-related headwinds. Based on the Discounted Cash Flow (DCF) method, we have updated MSH's target price to VND38,600, representing an upside of 27.8%.

Steady growth in 1H2026 results

In Q2/2026, MSH recorded net revenue of VND 1,657 billion (+13% YoY) and NPAT of VND 238 billion (+9% YoY). Specifically, revenue from the FOB segment remained virtually flat (-0.3% YoY), while the CMT segment saw a 52% YoY increase.

For 1H2026, despite volatility in the US market, MSH maintained steady growth, achieving revenue of VND 2,698 billion (+8% YoY) and NPAT of VND285 billion (+7% YoY). These positive results were driven by MSH benefiting from the trend of Chinese manufacturers shifting a portion of their CMT orders to Vietnam amidst rising domestic production costs in China.

Notably, the gross profit margin for 1H2026 improved to 21% from 20% in the same period last year, despite industry-wide input cost pressures stemming from US-Iran geopolitical tensions. This result demonstrates MSH's effective cost control, driven by: (1) Proactively locking in raw material prices at reasonable levels; (2) Effectively managing production costs; and (3) Increasing the proportion of CMT orders negotiated at higher unit prices.

Outlook for 2H2026: Flexible order shifting amidst US market challenges

The US market is expected to face pressure due to a lack of clear demand recovery, cautious inventory restocking by brands, and the impact of Section 301 tariffs:

Demand recovery remains uncertain: Consumer sentiment remains relatively subdued; the Consumer Confidence Index stood at 54.4 points in July 2026, down from 56.4 points in January 2026 and 61.7 points in July 2025 (Bloomberg). Persistent inflation and high living costs may continue to weigh on consumer sentiment and spending power, particularly for non-essential goods. Consequently, consumer demand is likely to remain cautious and show no clear signs of recovery in 2H2026.

Cautious inventory restocking by clients: According to the US Federal Reserve, inventory levels at clothing and textile accessory stores remained relatively high in June 2026, at approximately US$58.5 billion (+9% compared to the 2019–2025 average). High inventory levels mean that restocking demand from brands remains limited; consequently, we anticipate that import activities will remain moderate and cautious in the near term.

US Section 301 tariffs (related to forced labor concerns) are exerting additional pressure on purchasing power and Q4/2026 orders: Effective July 24, 2026, the US will officially impose a 12.5% tariff on goods imported from Vietnam. This Section 301 tariff—exceeding the previously anticipated 10% surcharge—is expected to raise export costs to the US, putting pressure on selling prices and impacting both consumer purchasing decisions and client order volumes.

Flexibility to shift orders to the Chinese market

In the event of weaker demand from the U.S., MSH has the flexibility to shift part of its capacity to CMT orders from Chinese customers, thereby supporting its order book, maintaining profit margins, and partially mitigating pressure from the U.S.

Risks: (1) Risk of declining US consumer demand for textiles and garments; (2) Risk of fluctuations in input material costs; (3) Risk of declining selling prices; (4) Risk of adverse exchange rate movements; and (5) Risk of client bankruptcy.

Year	2023	2024	2025	2026F	2027F
Revenue (bn VND)	**4,542**	**5,280**	**5,538**	**5,406**	**5,764**
Operating profit (bn VND)	187	441	702	715	765
Net profit (bn VND)	**245**	**440**	**671**	**686**	**720**
EPS (VND)	3,260	5,465	5,436	6,098	6,403
BPS (VND)	21,948	23,908	17,012	18,268	19,922
OPM (%)	4.1	8.4	12.7	13.2	13.3
NPM (%)	5.4	8.3	12.1	12.7	12.5
ROE (%)	**13.9**	**22.7**	**31.4**	**30.3**	**29.9**
PER (x)	11.1	9.5	5.0	6.3	6.0
PBR (x)	1.5	1.9	1.7	2.1	1.9
EV/EBITDA (x)	6.7	6.5	4.5	5.3	4.7

Source: Company data, Shinhan Securities Vietnam

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Update Q2/2026 & 1H2026 business results

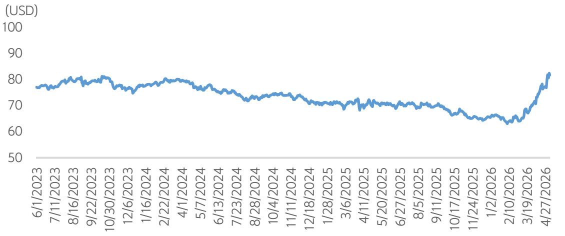
Items	Q2/2025	Q2/2026	1H2025	1H2026	Notes
Net revenue (VND billion)	**1,467**	**1,657**	**2,503**	**2,698**	Q2/2026 revenue recorded year-over-year growth, driven primarily by the strong performance of the CMT segment. This growth was fueled by a resurgence in orders from Chinese clients preparing for the year-end peak season. Management stated that while the company's long-term strategy remains focused on expanding the FOB segment, it will flexibly adjust the revenue mix between FOB and CMT to ensure profit margins remain above 20%. 1H2026, despite volatility in the US market, MSH maintained steady growth by proactively shifting its order mix toward higher-priced CMT orders. This momentum was driven by Chinese clients restocking in anticipation of the year-end peak season, enabling MSH to increase both CMT production volume and unit prices..
Growth (%YoY)		13		8	
FOB & Bedding segment (VND billion)	1,097	1,094	1,649	1,740	
Growth (%YoY)		-0		6	
CMT segment (VND billion)	370	563	854	958	
Growth (%YoY)		52		12	
Gross Profit (VND billion)	**308**	**361**	**499**	**573**	Amid rising input material costs, MSH maintained and improved its profit margins compared to the same period last year, thanks to: (1) Proactively locking in reasonable material prices in advance; (2) Boosting the high-margin CMT segment; and (3) Effectively controlling production costs.
Growth (%YoY)		17		15	
Gross Profit Margin (%)	**21**	**22**	**20**	**21**	
FOB & Bedding segment (%)	18	17	17	16	
CMT segment (%)	30	36	26	32	
Profit Before Tax (VND billion)	219	238	327	342	Although interest expenses rose by +16% YoY in Q2/2026 due to persistently high interest rates, MSH's NPAT continued to grow in both Q2/2026 and 1H2026, driven by revenue growth and effective control of SG&A expenses.
Growth (%YoY)		9		5	
NPAT (VND billion)	**180**	**203**	**267**	**285**	
Growth (%YoY)		13		7	

Forecast business results in 2026, 2027

Items	2025	2026F	2027F	Notes
Net revenue (VND billion)	**5,538**	**5,406**	**5,764**	Amidst the US market facing Section 301 tariff pressures and a lack of clear demand recovery, we conservatively project a 2% YoY decline in MSH's net revenue, driven by a 5% YoY drop in the FOB segment—which accounts for a significant share of the business. However, the overall decline is mitigated by the CMT segment, which helps offset losses as demand from Chinese clients—driven by the need to replenish inventory for the year-end holiday season—gradually improves.
Growth (%YoY)	5	-2	7	
FOB & Bedding segment (VND billion)	3,622	3,452	3,829	
Growth (%YoY)	-18	-5	11	
CMT segment (VND billion)	1,916	1,954	1,935	
Growth (%YoY)	125	2	-1	
Gross Profit (VND billion)	**1,170**	**1,206**	**1,281**	We project MSH's gross profit to rise by 3% YoY despite the slight revenue dip, thanks to: (1) Proactively locking in reasonable raw material prices in advance; (2) Effective production cost control; and (3) Increasing the proportion of CMT orders negotiated at higher unit prices.
Growth (%YoY)	41	3	6	
Gross Profit Margin (%)	**21**	**22**	**22**	
FOB & Bedding segment (%)	14	14	18	
CMT segment (%)	35	20	15	
Profit Before Tax (VND billion)	818	843	885	
Growth (%YoY)		3	5	
NPAT (VND billion)	**671**	**686**	**720**	
Growth (%YoY)	52	2	5	

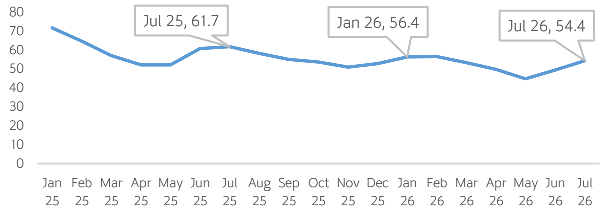
Source: Company data, Shinhan Securities Vietnam

Cotton prices have surged due to shrinking supplies, escalating input costs, and recovering consumption demand



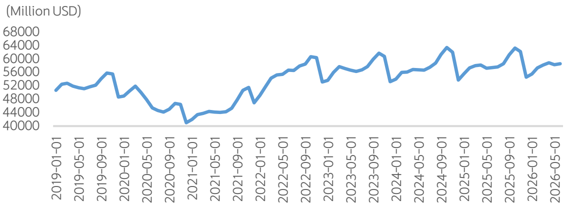
Source: Bloomberg, Shinhan Securities Vietnam

US Consumer Confidence Index (points)



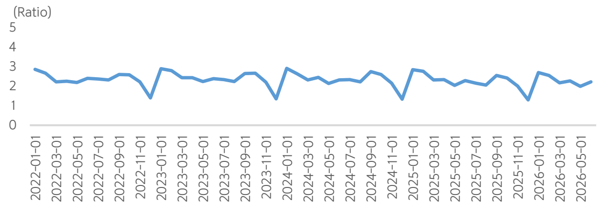
Source: Bloomberg, Shinhan Securities Vietnam

Retail inventories at U.S. clothing and clothing accessory stores



Source: FRED, Shinhan Securities Vietnam

Retail inventory-to-sales ratio for U.S. clothing and clothing accessory stores



Source: FRED, Shinhan Securities Vietnam

*** Section 301 Tariffs**

Overview:

- Section 301 tariffs stem from a provision in the U.S. Trade Act of 1974 that authorizes the Office of the United States Trade Representative (USTR) to investigate and impose tariffs on countries deemed to be engaging in unfair trade practices or actions that harm U.S. businesses and workers. Unlike reciprocal tariffs, Section 301 tariffs are targeted, applying to specific categories of conduct and specific groups of goods. Furthermore, this type of tariff involves rigorous procedural requirements—including investigations, public hearings, and the issuance of official findings—and is long-lasting; it is difficult to overturn in court because it is grounded in a factual investigative record.
- **History of U.S. Section 301 tariff application:** Between 1974 and 1994, the U.S. primarily used Section 301 as a negotiating lever to compel trading partners—such as Japan, South Korea, and the EU—to open their markets. Following the establishment of the WTO in 1995, the U.S. shifted its priority toward resolving trade disputes under WTO rules rather than unilaterally imposing retaliatory measures. However, starting in 2017–2018, the U.S. resumed aggressive use of Section 301, most notably by imposing tariffs (at a rate of 25%) on Chinese goods to exert pressure regarding technology transfer, intellectual property rights, and industrial policies. By March 2026, the U.S. had further expanded its use of Section 301. This round of investigations extended beyond China to encompass various other trading partners, addressing new issues such as **forced labor, overcapacity, and intellectual property rights**. Starting in March 2026, the USTR initiated four separate investigative tracks—each targeting a different group of nations—with Vietnam included in three of them.

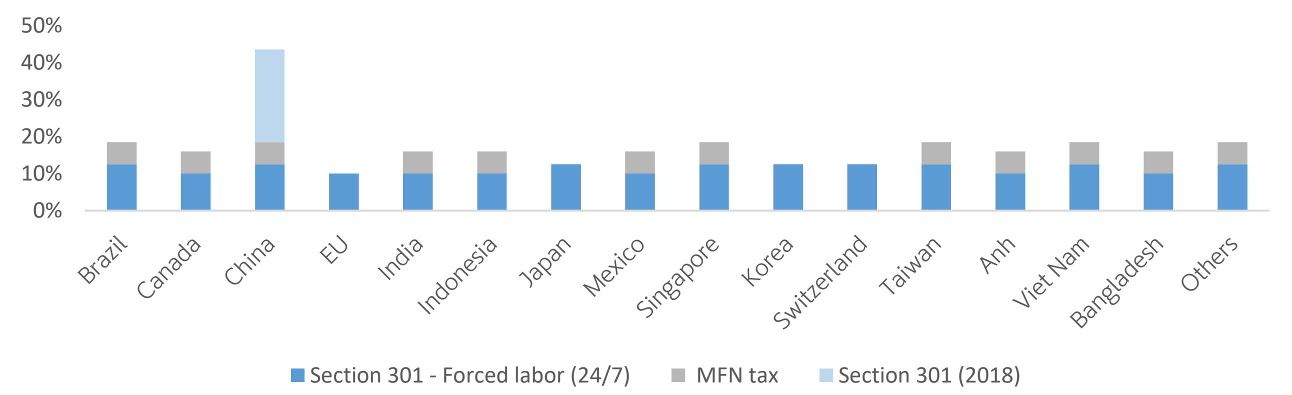
Investigation Area	Initiation Date	Conclusion Date	Effective Date	Scope of Application	Affected Industries	Tariff Rate
Forced Labor	12/3/2026	23/7/2026	24/7/2026	60 countries and territories, including **Vietnam**	All goods except: computers, phones, semiconductor components, etc.	10-12.5%
Overcapacity	12/3/2026	Not yet announced	Not yet announced	16 countries: China, EU, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, South Korea, **Vietnam**, Taiwan, Bangladesh, Mexico, Japan, India	Steel, aluminum, automobiles, batteries, semiconductors, electronics, chemicals, solar energy, shipbuilding	Not yet announced
Intellectual Property	29/5/2026	Expected Nov 29, 2026	Not yet announced	**Vietnam (Priority List – the only country for which USTR initiated an investigation in 2026);** Chile, China, India, Indonesia, Russia, and Venezuela (Priority Watch List – no investigation); 19 other partners such as the EU, Brazil, Thailand, etc. (Watch List – no investigation)	Not yet announced	Not yet announced
Undervaluation of Pharmaceuticals	18/6/2026	Not yet announced	Not yet announced	Germany	Pharmaceuticals	Not yet announced

Data updated as of August 10, 2026. Source: USTR; compiled by Shinhan Securities

- **Forced labor:** According to the USTR's conclusion issued on July 23, 2026, Vietnam—and the textile and garment industry in particular—is subject to a 12.5% tariff. This is because the country lacked laws banning the import of goods produced using forced labor that met U.S. standards, despite having issued Decree 292* just one day prior (July 22) to address the issue.
- **Overcapacity:** No conclusion has been reached yet, but there is a possibility that this could be added cumulatively to the forced labor tariff. We estimate the potential tariff rate to range between 2.5% and 12.5%.
- **Intellectual property:** This investigation stems from the 2026 Special 301 Report, which designated Vietnam as a "Priority Foreign Country" (PFC)—the first time in 13 years a nation has been placed in this category. The USTR highlighted five key issues: failures in combating online copyright infringement, counterfeiting, border control enforcement, unlicensed software use, and satellite signal theft. The USTR has announced that the investigation's findings are expected to be released on November 29, 2026.

**Decree 292/2026/ND-CP (issued on July 22, 2026) replaces Decree 69/2018/ND-CP and provides detailed regulations and implementation guidelines for the Law on Foreign Trade Management. Notably, Appendix I—listing goods banned from export and import—was amended to include the category: "Products and goods extracted, produced, or manufactured—wholly or in part—through forced labor." The Decree officially takes effect on September 5, 2026.*

Update on Section 301 tariff rates by country as of August 10, 2026



Source: USITC, Shinhan Securities Vietnam

Assessment of the impact on Vietnam's textile and garment industry:

Vietnam is currently subject to a 12.5% tariff under Section 301 regarding forced labor—a rate equivalent to that of China but higher than the 10% rate applied to Bangladesh, India, and Indonesia. This tariff rate could rise further if the impacts of the two remaining investigation strands—concerning overcapacity and intellectual property—are compounded. According to Allianz Research, under a scenario where all three investigation strands are combined, Vietnam's minimum tariff rate could reach approximately 15%.

- At this rate, Vietnam would still maintain a certain competitive advantage over China, which faces a tariff of around 35%. However, compared to regional peers such as the Philippines, Bangladesh, and India (10%), Thailand (8%), and Malaysia (7%), Vietnam's cost advantage would narrow significantly. This could affect the country's ability to attract orders shifting from other markets—particularly in price-sensitive segments—while increasing competitive pressure on exporters during future order negotiations.

Furthermore, Bangladesh, Cambodia, Indonesia, and Malaysia benefit from the US Tariff-Rate Quota (TRQ) mechanism, whereas Vietnam does not currently enjoy this privilege.

Under the TRQ mechanism, specific volumes of textile and garment exports from these countries to the US can qualify for a 0% tariff rate, with quotas determined by the scale of imports of US-origin cotton and textile raw materials. However, the TRQ will not be implemented immediately on July 24, 2026. According to the USTR announcement, the mechanism will take effect once necessary conditions are met, with implementation expected no later than September 1, 2026. Consequently, prior to the TRQ mechanism officially taking effect, textile and apparel products from the aforementioned countries remain subject to Section 301 tariffs ranging from 10% to 12.5%.

If Vietnam does not benefit from the TRQ mechanism, price-based competitive pressure could intensify from 2027 onwards:

- The tariff advantages derived from the TRQ mechanism could influence how international brands allocate orders. However, the impact will vary depending on product segments and individual enterprise capabilities. For products with high substitutability where price competition is the primary factor, the tariff advantages enjoyed by Bangladesh, Indonesia, or Malaysia could place greater pressure on Vietnam to retain and attract orders. Conversely, the impact on high-tech products may be more limited, as countries like Bangladesh and India currently lack significant advantages in manufacturing items that demand high technical standards, quality, and complexity. Accordingly, enterprises with stable production capabilities, a significant share of high-tech products, and long-standing partnerships with brands—such as TNG—are expected to maintain their order volumes in the near future.

If Vietnam is added to the list of countries eligible for the TRQ mechanism, price-based competitive pressure would be alleviated:

- We believe Vietnam is well-positioned to negotiate its inclusion in this mechanism in the near future, given its status as the largest importer of US cotton, with import values projected to reach approximately USD 1.3 billion in 2025. A successful negotiation would reduce price-based competitive pressure, thereby improving Vietnam's standing in new order allocations. Furthermore, enterprises with strong production capabilities and product quality—such as TNG—would be able to compete based on fulfillment capacity, quality, and product complexity rather than relying solely on price.

Valuation and Recommendation

Updated with BUY recommendation, target price of VND 38,600

We apply DCF methods to value MSH. We recommend BUY and target price is VND 38,600, corresponding to an increase of 27.8%. This target price has been revised down by 10%—from VND 42,600/share to VND 38,600/share—compared to our previous report, primarily due to a more cautious stance regarding US tariff risks and unpredictable geopolitical uncertainties in the near term.

Valuation method

We apply the Discounted Cash Flow Method (FCFF) to value Song Hong Garment JSC.

Method	Weight	Price (VND)
FCFF	100%	38,626
Target Price		38,626
Target Price (rounded)		**38,600**
Current Price		30,200
Return (%)		**27.8%**

Discounted Cash Flow method (DCF) – FCFF

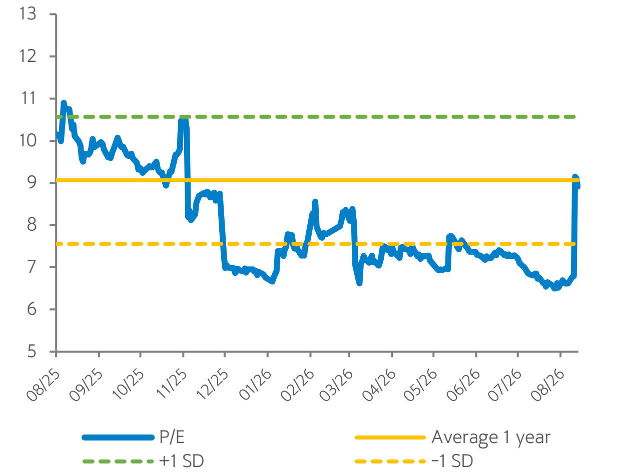
Variable	Value
D/E	0.32
Beta	0.9
Risk - free rate	4.5%
Cost of equity	12%
Cost of debt	8%
WACC	10%

MSH's FCFF valuation model

Unit: billion VND	2026F	2027F	2028F	2029F	2030F
Net profit	686.1	720.4	756.4	875.0	948.0
+ Interest after tax	59.0	51.0	49.0	42.0	44.4
+ Depreciation	132.1	203.0	205.0	210.0	203.0
- Change in working capital	414.0	470.0	437.0	406.0	458.6
- Investment capital	96.0	59.0	102.5	126.8	135.0
Free Cash Flow (FCF)	**367.1**	**445.4**	**470.9**	**594.2**	**601.8**
PV of FCF	1,835.1				
Growth rate	2%				
Present value of free cash flow	2,958.2				
Enterprise value	**4,793.2**				
- In debt	1,744.0				
+ Cash and cash equivalents	1,297.0				
Value of equity	**4,346.2**				
Number of outstanding shares (million units)	0.1				
Target price (VND/share)	**38,626**				

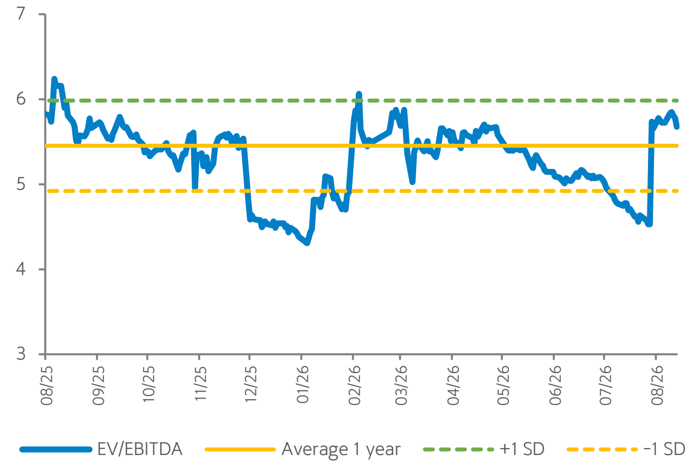
Source: Company data, Shinhan Securities Vietnam

P/E



Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA



Source: Bloomberg, Company data, Shinhan Securities Vietnam

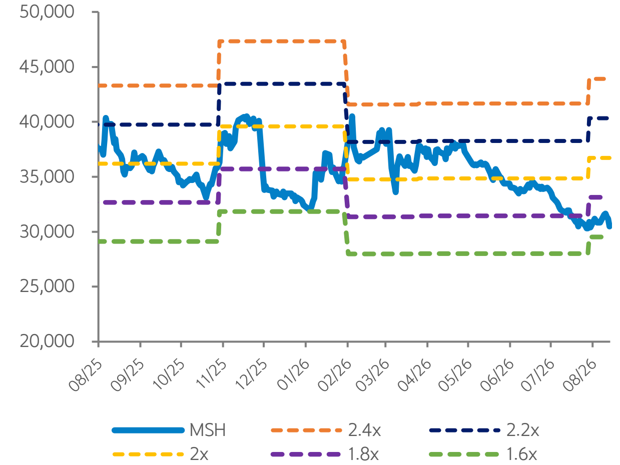
P/B

Source: Bloomberg, Company data, Shinhan Securities Vietnam

P/S band

Source: Bloomberg, Company data, Shinhan Securities Vietnam

P/B band

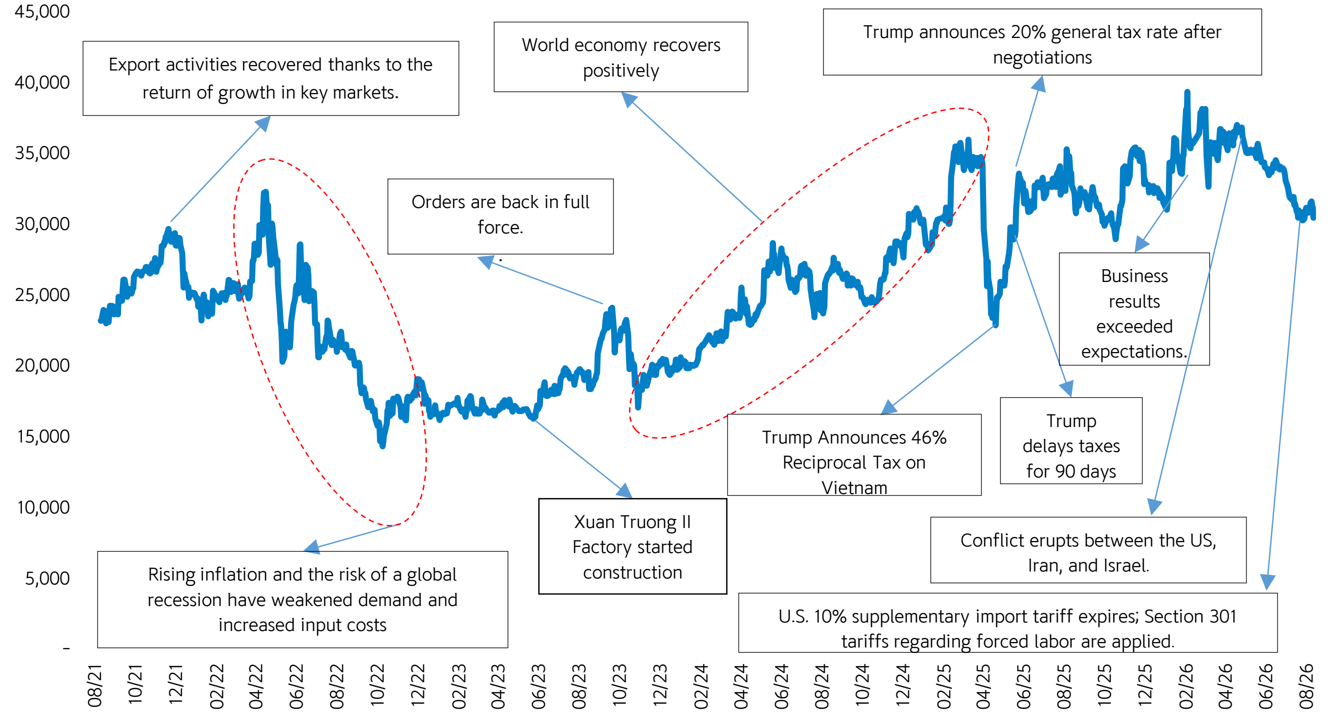


Source: Bloomberg, Company data, Shinhan Securities Vietnam

The correlation of MSH'price and ROE

Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events of MSH



Nguồn: Bloomberg, Dữ liệu công ty, Shinhan Securities Vietnam

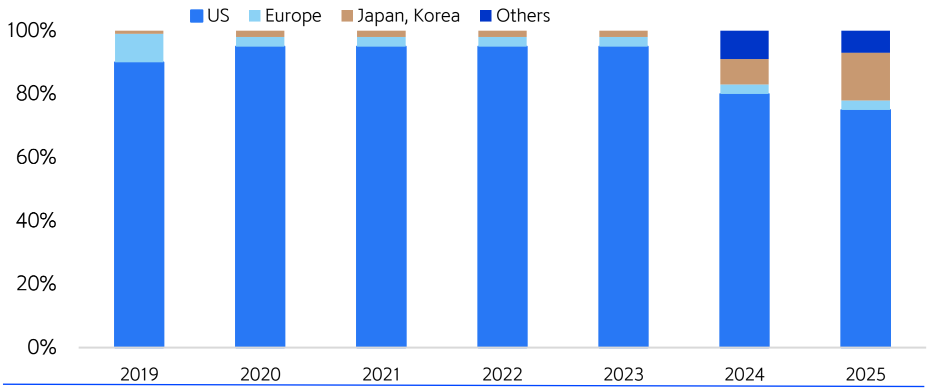
Company background

1. History of Formation and Development of MSH

Song Hong Garment Joint Stock Company (HOSE: MSH) was established in 1988 and equitized in 2004 (with a charter capital of VND 12 billion). In 2018, MSH was officially listed on HOSE with a charter capital of up to VND 476.3 billion.

The company's main products are sportswear; men's, women's and children's fashion such as jackets, T-shirts, vests... In addition, Song Hong Garment also owns a domestic bedding brand, accounting for about 10% of its revenue structure.

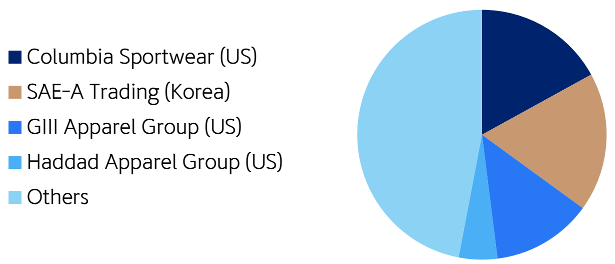
MSH's export markets (%)



Source: Vitas Textile Association, Shinhan Securities Vietnam

MSH is a leading high-quality garment exporter in Vietnam with an estimated export value of over 300 million USD/year. Regarding export markets, the United States is currently MSH's main market, accounting for about 70-80% of export revenue with main customers being major fashion brands such as Columbia Sportswear, Haddad Brands, G-III,... Japan and Korea are also important markets for the company with the largest partner being the leading Korean textile corporation SAE-A Trading.

Customer breakdown of MSH in 2025 (%)

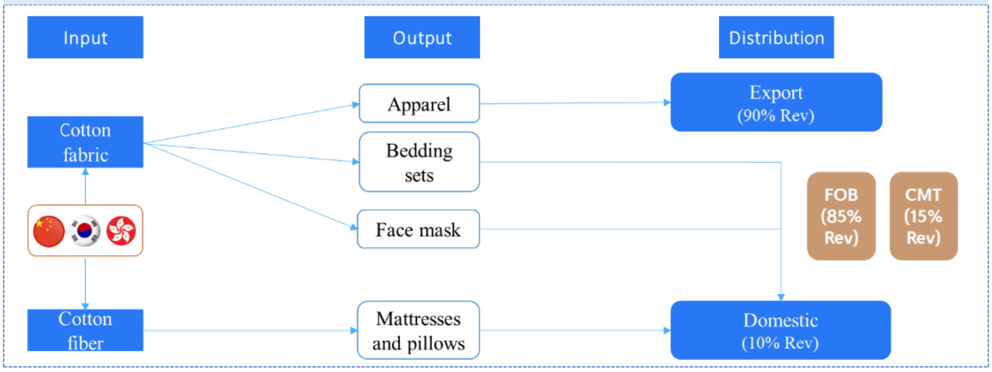


Source: MSH, General Department of Vietnam Customs, Shinhan Securities Vietnam estimates

Regarding production methods, Song Hong Garment includes two main methods: FOB* and CMT*, with the proportions reaching 84% and 16% of revenue in 2024, respectively. With the FOB (Free-on-Board)* method, the company proactively seeks suppliers of input materials, manufactures and delivers goods to the port designated by the customer. Meanwhile, CMT (Cut-Make-Trim)* is a traditional processing method, the enterprise imports raw materials from suppliers designated by the customer and performs the cutting, sewing and finishing stages of the product.

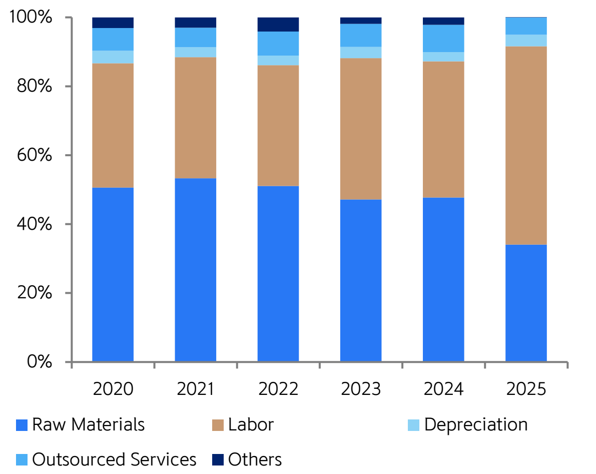
In addition, MSH is also completely autonomous in the bedding production process from design, fabric selection, cutting, sewing, finishing to product distribution. *(*See more in the Appendix on Garment Production Methods).*

MSH's value chain



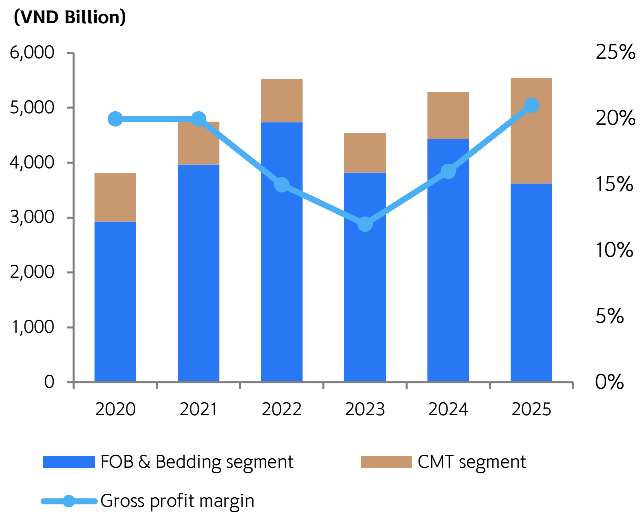
Sources: Shinhan Securities Vietnam synthesis

MSH's cost structure (%)



Source: Company report, Shinhan Securities Vietnam

MSH's revenue structure, gross profit margin (VND billion)

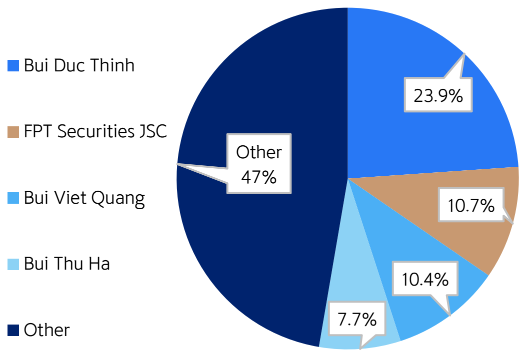


Source: Company report, Shinhan Securities Vietnam

2. Organizational structure

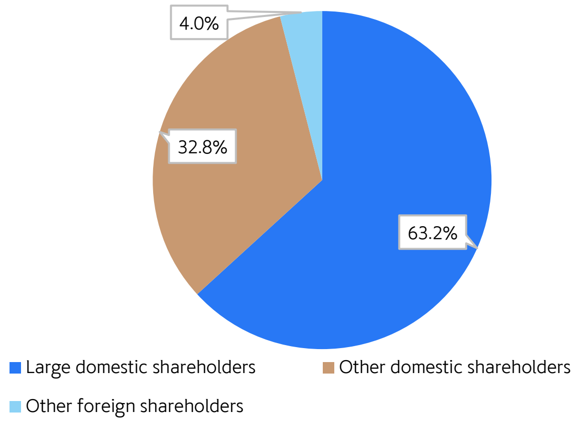
MSH has a concentrated shareholder structure, in which Mr. Bui Duc Thinh's family - Chairman of the Board of Directors holds nearly 43% of capital; FPTs is second with 10.6% ownership.

Ownership as of 14/08/2026



Source: Company report, Shinhan Securities Vietnam

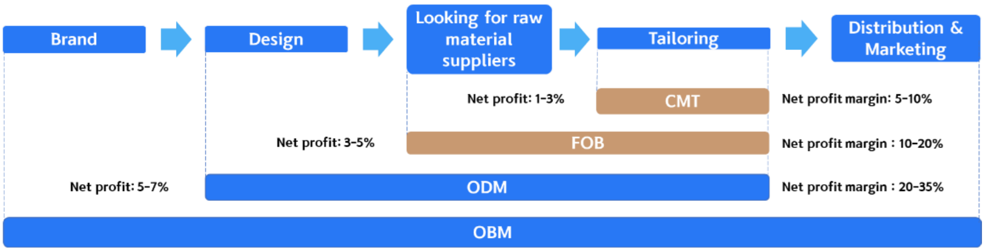
Shareholder structure



Source: Company report, Shinhan Securities Vietnam

Appendix

Garment production methods



	Characteristics	Profit after tax margin	Net profit margin
CMT (Cut – Make – Trim)	The enterprise only performs cutting, sewing and finishing the product.. ➔ The simplest production method	1-3%	5-10%
FOB/OEM (Free on Board/ Original Equipment Manufacturing)	The enterprise proactively adds the step of preparing raw materials, carrying out production of orders and delivering to the port designated by the customer. - FOB level 1: Raw material suppliers are designated by the customer - FOB level 2: The enterprise searches for raw material suppliers itself. ➔ Higher production method than CMT	3-5%	10-20%
ODM (Original Design Manufacturing)	The enterprise designs the product model itself, searches for raw material suppliers, produces and delivers the order to the customer. ➔ The method of expressing the enterprise's creativity through self-designed samples.	5-7%	20-35%
OBM (Original Brand Manufacturing)	Enterprises design their own branded products, find suppliers of raw materials, produce orders and distribute products. ➔ Methods that bear the enterprise's own mark	>7%	>35%

Source: Shinhan Securities Vietnam

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Total assets	**3,453**	**4,521**	**4,682**	**4,740**	**4,827**
Current assets	2,553	3,250	3,279	3,290	3,371
Cash & equivalents	455	886	740	781	786
Short-term financial asset	971	653	880	907	934
Accounts receivable	598	992	1,026	937	964
Inventories	507	645	550	588	605
Other short-term assets	22	73	83	78	82
Non-current assets	900	1,274	1,403	1,450	1,456
Net fixed assets	774	700	1,276	1,354	1,360
Construction in progress costs	59	473	13	13	13
Investment assets	-	34	18	18	18
Other long-term assets	67	67	96	65	65
Total liabilities	**1,643**	**2,468**	**2,474**	**2,426**	**2,326**
Current liabilities	1,335	1,860	1,826	1,741	1,636
Accounts payable	790	1,026	1,152	1,341	1,251
Prepayment	14	15	21	15	15
Short-term borrowings	527	813	648	379	364
Others	5	6	6	6	6
Non-current liabilities	308	608	648	685	690
Long-term borrowings	308	608	648	662	667
Other financial liabilities	-	-	-	23	23
Total shareholders' equity	**1,810**	**2,056**	**2,208**	**2,315**	**2,501**
Capital stock	750	750	1,125	1,125	1,125
Investment and development fund	-	-	-	-	-
Retained earnings	710	852	595	745	931
Other capital	186	195	193	186	186
Non-controlling interest equity	163	259	294	259	259
*Total debt	835	1,420	1,296	1,040	1,031
*Net debt (cash)	379	534	556	260	245

Source: Company data, Shinhan Securities Vietnam

Statement of cash flow

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Cash flow from operations	**(8)**	**164**	**614**	**398**	**453**
Net profit	245	440	670	686	720
D&A expense	135	127	125	132	203
(Gain) from investing activities	(119)	(108)	(135)	(121)	(121)
Change in working capital	(357)	(456)	(210)	(414)	(470)
Others	88	162	164	115	121
Cash flow from investments	**(82)**	**(145)**	**(291)**	**(205)**	**(195)**
Change in fixed assets	106	394	(215)	193	223
Change in investment assets	(187)	(539)	(227)	(398)	(418)
Others	-	-	151	-	-
Cash flow from financing	**121**	**412**	**(469)**	**(152)**	**(252)**
Change in equity	49	66	-	-	-
Net borrowing	259	609	5	322	222
Dividends	(187)	(263)	(474)	(474)	(474)
Change in total cash	**32**	**431**	**(146)**	**41**	**6**
Beginning cash	424	455	886	740	781
Change in FX rates	-	-	-	-	(1)
Ending cash	455	886	740	781	786

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Revenue	**4,542**	**5,280**	**5,538**	**5,406**	**5,764**
Growth (%)	(17.7)	16.3	4.9	(2.4)	6.6
COGS	**(3,978)**	**(4,451)**	**(4,368)**	**(4,200)**	**(4,483)**
Gross profit	**564**	**830**	**1,170**	**1,206**	**1,281**
GPM (%)	12.4	15.7	21.1	22.3	22.2
SG&A	**(377)**	**(389)**	**(468)**	**(491)**	**(516)**
Operating profit	**187**	**441**	**702**	**715**	**765**
Growth (%)	(48.0)	136.4	59.3	1.8	7.0
OPM (%)	4.1	8.4	12.7	13.2	13.3
Non-operating profit	**120**	**100**	**115**	**128**	**120**
Financial income	191	211	240	252	265
Financial expense	(73)	(85)	(92)	(97)	(101)
In which: interest expenses	(45)	(53)	(64)	(67)	(71)
Net other non-operating profit	1	(26)	(33)	(27)	(44)
Pre-tax profit	**307**	**541**	**818**	**843**	**885**
Income tax	(61)	(101)	(147)	(157)	(165)
Net profit	**245**	**440**	**671**	**686**	**720**
Growth (%)	(27.4)	79.3	52.4	2.3	5.1
NPM (%)	5.4	8.3	12.1	12.7	12.5
Controlling interest	245	413	612	686	720
Non-controlling interest	1	30	59	-	-
EBIT	**262**	**488**	**753**	**775**	**815**
Growth (%)	(35.3)	86.1	54.5	3.0	5.1
EBIT Margin (%)	5.8	9.2	13.6	14.3	14.1
EBITDA	**397**	**615**	**878**	**908**	**1,018**
Growth (%)	(26.4)	54.9	42.8	3.4	12.1
EBITDA Margin	8.7	11.6	15.9	16.8	17.7

Source: Company data, Shinhan Securities Vietnam

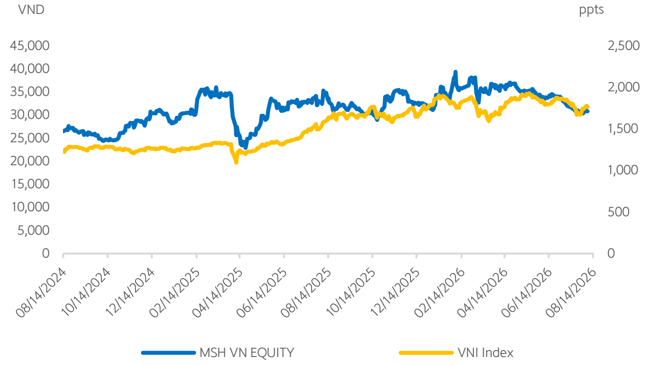
Key ratios

Year to Dec.	2023	2024	2025	2026F	2027F
EPS (VND)	3,260	5,465	5,436	6,098	6,403
BPS (VND)	21,948	23,908	17,012	18,268	19,922
DPS (VND)	2,500	3,500	4,200	4,200	4,200
PER (x)	11.1	9.5	5.0	6.3	6.0
PBR (x)	1.5	1.9	1.7	2.1	1.9
EV/EBITDA (x)	6.7	6.5	4.5	5.3	4.7
Dividend payout ratio (%)	0.8	0.6	0.6	0.6	0.5
Dividend yield (%)	6.7	9.4	9.4	9.4	9.4
Profitability					
EBITDA margin (%)	8.7	11.6	15.9	16.8	17.7
OPM (%)	4.1	8.4	12.7	13.2	13.3
NPM (%)	5.4	8.3	12.1	12.7	12.5
ROA (%)	7.3	11.0	14.6	14.6	15.1
ROE (%)	13.9	22.7	31.4	30.3	29.9
Stability					
Debt to equity ratio (%)	46	69	59	45	41
Cash ratio (%)	1.1	0.8	0.9	1.0	1.1
Interest coverage ratio (x)	5.9	9.1	11.7	11.5	11.5
Activity (%)					
Payables turnover (days)	72	89	95	93	94
Inventory turnover (days)	60	51	47	49	49
Receivables turnover (days)	37	54	63	66	60

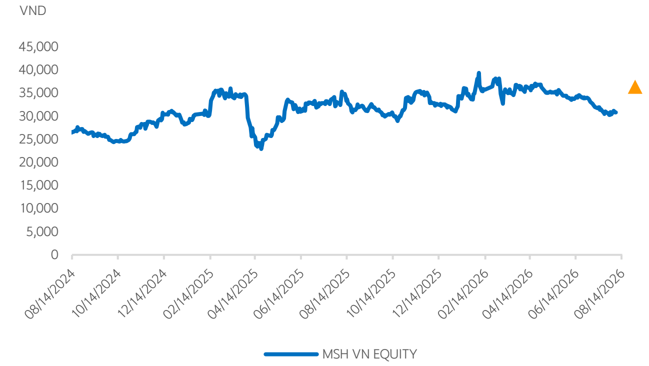
Source: Company data, Shinhan Securities Vietnam

Song Hong Garment JSC (MSH VN)

Stock price



Target price



Date	Rating	TP (VND)	TP gap (%)	
			TB	TB
25/03/2025 (Initiation)	BUY	51,360	81.6	22.7/104.1
04/06/2025 (Update)	BUY	44,675	58.0	6.7/77.5
15/08/2025 (Update)	BUY	44,675	58.0	6.7/77.5
07/11/2025 (Update)	HOLD	42,600	27.1	1.8/69.3
13/02/2026 (Update)	HOLD	42,600	27.1	1.8/69.3
24/08/2026 (Update)	BUY	38,600	10.4	-6.9/35.9

Note: Calculation of target price gap based on past 12 months

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Stocks	Sector
• **BUY:** Expected 12-month gain of 15% or more • **HOLD:** Expected 12-month loss of 15% to gain of 15% • **SELL**: Expected 12-month loss of 15% or more	• **OVERWEIGHT**: Based on market cap, largest share of sector stocks under coverage is rated BUY • **NEUTRAL**: Based on market cap, largest share of sector stocks under coverage is rated HOLD • **UNDERWEIGHT**: Based on market cap, largest share of sector stocks under coverage is rated SELL

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