

Tay Ninh Rubber JSC (HSX:TRC)

Tailwinds support 2026-27 outlook

- Driven by higher ASP and sales volume, alongside land compensation and tree liquidation proceeds, we forecast net profit (NP) for Q3 and 2H2026 to grow by 22% and 256% yoy, respectively;
- We expect 2026 NP to surge 163% yoy, fueled by positive performance in the rubber segment and land compensation. NP is forecasted to decline in 2027 due to the absence of further land compensation, though rubber segment earnings are projected to grow 7% yoy;
- We recommend ADD for TRC with a target price of VND 35,100/share.

Q3 and 2H2026 business forecast

In Q3, we expect rubber revenue to grow by 40% yoy, driven by a 30% yoy increase in ASP, which aligns with the growth of standard rubber products. For 2H2026, we forecast rubber revenue to rise by 48% yoy as rubber prices continue to climb due to extreme weather conditions in major Southeast Asian regions. We expect the company to recognize VND 8 billion from tree liquidation in Q3 and VND 400 billion from land compensation in Q4. Consequently, we forecast NP for Q3 and 2H2026 to grow by 22% and 256% yoy, respectively.

Rubber industry outlook for 2H2026 – 2027

El Niño remains the primary catalyst driving rubber prices during the 2H2026-2027 period. We forecast SVR10 prices to average USD 2.5/kg from 2H2026 to 1H2027, before climbing further to USD 2.8–3.0/kg in 2H2027. Accordingly, ASP for 2026–2027 is expected to increase by 17% and 5% yoy, respectively. TRC's production volume is anticipated to remain stable, supported by its plantations in Vietnam and Cambodia, which are currently in high-yield growth phases. Land compensation from the Hiep Thanh industrial park (IP) and tree liquidation proceeds are expected to deliver one-off earnings surges. As a result, we forecast 2026 NP to surge by 163% yoy, followed by a 33% yoy decline in 2027, though rubber segment earnings will grow 7% yoy.

Recommend ADD for TRC with a target price of VND 35,100/share

We use the FCF method to value the rubber segment, deriving a target price of VND 35,100/share for TRC. We believe the rubber industry is experiencing a convergence of multiple tailwinds over 2026–2027, making TRC the most promising stockpick. Investment thesis: (1) plantations in Vietnam and Cambodia have significant room for production growth, (2) land compensation and tree liquidation proceeds will drive one-off earnings surges, and (3) a robust financial health profile coupled with a high cash dividend policy.

VNDbn	2024	2025	2026F	2027F
Net revenue	744	844	1,118	1,110
NP	221	251	659	440
Revenue growth	32%	13%	32%	-1%
NP growth	227%	13%	163%	-33%
Gross margin	36%	35%	37%	40%
EBITDA margin	41%	41%	83%	59%
ROAE	13%	13%	27%	16%
ROAA	11%	11%	25%	15%
EPS (VND/share)	7,376	8,353	8,787	3,665
BVPS (VND/share)	62,559	70,798	22,441	24,306

(Source: TRC, MBS Research)

ADD

Target price

VND 35,100

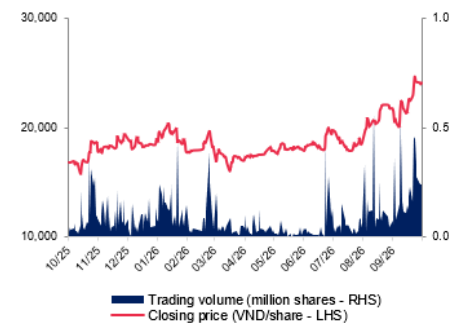
Upside

46%

Key changes in the report

N/A

Information



(Source: MBS Research)

Current price (VND)	24,000
52W High (VND)	24,650
52W Low (VND)	15,800
Market Cap (VNDbn)	2,880
P/E (TTM)	10.0
P/B	1.3
Dividend yield (%)	3.1%
Foreign ownership (%)	9.6%

(Source: FiinproX)

Ownership

Vietnam Rubber Group	60%
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(Source: FiinproX)



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Tay Ninh Rubber JSC

Investment thesis and valuation

Investment thesis

- 1) Significant room for production growth across plantations in Vietnam and Cambodia. In Vietnam, the tapping area accounts for only 60–70% of the total plantation area, while the immature plantation area is maintained at around 2,000 ha. In Cambodia, plantations cultivated between 2013 and 2015 are entering their high-yield phase;
- 2) Extraordinary income from land compensation for the Hiep Thanh IP. The compensation rate is expected to be finalized within 2026. Conservatively assuming a compensation rate of VND 0.8 billion/ha, the after-tax proceeds are estimated at VND 310 billion. Consequently, we forecast 2026 NP to surge by 163% yoy;
- 3) Robust financial health profile with zero debt. This is paired with a high cash dividend policy, offering a 2026 dividend yield of at least 7.3%;
- 4) The stock is currently trading at a 2026–2027 P/B of 1.0x, which aligns with its historical average P/B during the most recent growth cycle (October 2024 to March 2025). Driven by upcoming catalysts regarding business results and land compensation, we believe TRC warrants a valuation rerating to a higher P/B. Valuation under the FCFF method remains highly attractive, upside 46%.

Downside risks

- (1) Downside pressure on rubber prices due to weakening automotive demand in China and the US, coupled with abundant supply from Côte d'Ivoire;
- (2) Extreme weather conditions triggering crop diseases, which could lead to a decline in yields;
- (3) A lower-than-expected compensation rate for land compensation, or disbursement delays.

Valuation

We recommend ADD with a target price of VND 35,100/share for TRC, representing an upside of 46%.

Figure 1: Valuation for TRC

VNDbn	Valuation	Comments
Rubber	3,351	We use the FCFF method with a WACC of 12.3% and conservatively assume a long-term growth rate of 0%.
After-tax land compensation	317	We assume a compensation rate of VND 0.8 billion/ha over a total compensated area of 495 ha.
Total assets	3,668	
(+) Cash and cash-equivalents	403	
(+) Short-term investments	78	
(+) Investments in associates, JVs and other companies	152	

VNDbn	Valuation	Comments
(-) Debts	-	
(-) Minority interest	-	
Equity value	4,211	
Share outstanding	120,000,000	
Value per share (VND/shares)	35,100	

(Source: TRC, MBS Research)

Figure 2: Peer comparison

Company name	Tick er	Market price	Target price	Recommen dation	Market Cap (VNDbn)	P/E		P/B		ROE (%)		ROA (%)	
						TTM	2026	TTM	2026	TTM	2026	TTM	2026
Vietnam Rubber Group	GVR	33,600	38,800	ADD	134,400	19.4	15.0	2.6	2.1	12.0	14.9	8.0	9.9
Phuoc Hoa Rubber	PHR	33,500	44,100	ADD	8,171	8.7	5.3	1.7	2.5	22.0	44.8	14.5	31.5
Dong Phu Rubber	DPR	38,350	56,500	ADD	3,332	9.2	6.6	1.2	1.2	13.6	18.6	7.6	10.2
Tay Ninh Rubber	TRC	24,000	35,100	ADD	2,880	10.0	2.7	1.3	1.1	13.3	27.4	11.9	24.8
Dak Lak Rubber	DRI	16,200	19,100	ADD	1,186	5.3	4.3	1.5	1.3	30.1	34.8	23.5	27.1
Industry average						10.5	6.8	1.7	1.6	18.2	28.1	13.1	20.7

(Source: FiinproX, MBS Research)

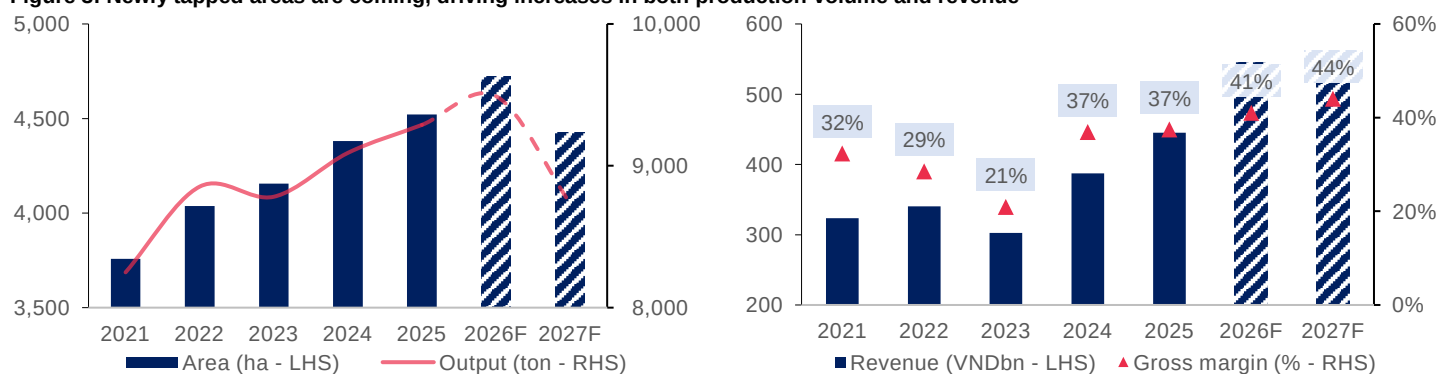
Overview

Tay Ninh Rubber JSC (HSX: TRC) is a subsidiary of the Vietnam Rubber Group (HSX: GVR), with GVR holding a 60% stake and directing the company's strategic decisions. The core business encompasses the cultivation, harvesting, and processing of latex. The company owns 100% of a subsidiary, the Tay Ninh – Siem Reap Company, which operates in rubber cultivation, maintenance, and processing. Additionally, TRC holds a 49% stake in Tay Ninh Wood Processing – Import Export JSC and maintains capital investments in other entities.

TRC ranks as the fifth-largest listed rubber enterprise in terms of cultivation and harvesting area, managing a total plantation area of 13.5 thousand ha, split between 7.1 thousand ha in Vietnam and 6.4 thousand ha in Cambodia.

- In Vietnam: The company operates three plantations in Tay Ninh: Go Dau (2.1 thousand ha), Ben Cui (2.6 thousand ha), and Cau Khoi (2.2 thousand ha). In 2025, the tapping area reached 4.5 thousand ha, while the immature area stood at 1.9 thousand ha. Harvesting and sales volumes hovered around 9 thousand tons, with an average yield of 2 tons/ha. Furthermore, the company operates two processing factories in Tay Ninh with a total design capacity of 13.9 thousand tons per annum, producing various grades including latex, SVR3L, SVR5, and SVR10.

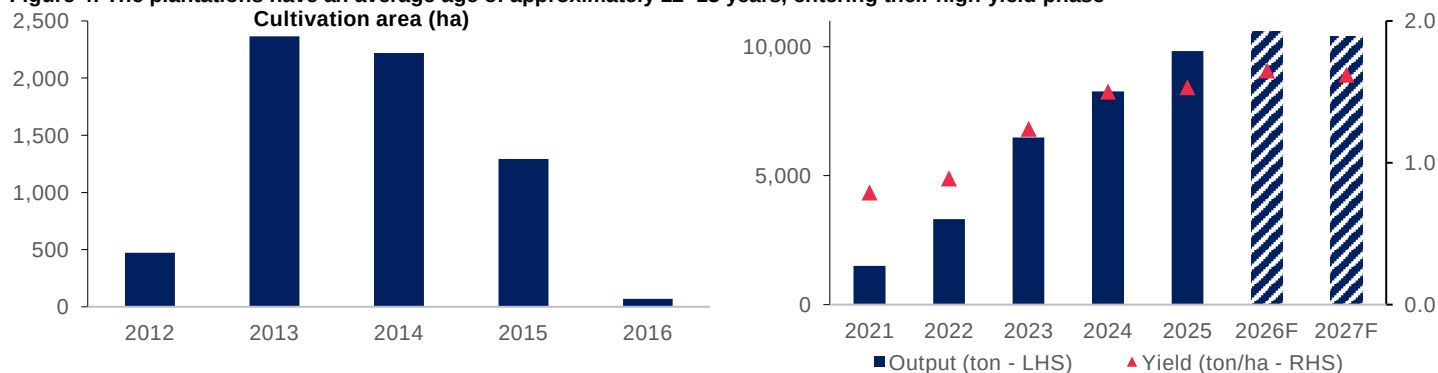
Figure 3: Newly tapped areas are coming, driving increases in both production volume and revenue



(Source: TRC, MBS Research)

- In Cambodia: Its plantations are located in Trapeang Prasat district, Oddar Meanchey province. The majority of the acreage was planted between 2013 and 2015 (2.3 thousand ha in 2013, 2.2 thousand ha in 2014, and 1.3 thousand ha in 2015). By 2025, the company brought the entire 6.4 thousand ha into tapping, with harvesting volume reaching 9.8 thousand tons and sales volume totaling 8.1 thousand tons.

Figure 4: The plantations have an average age of approximately 12–13 years, entering their high-yield phase



(Source: TRC, MBS Research)

Q3 and 2H2026 business forecast

VNDbn	Q3/26	yoy (%)	2H2026	yoy (%)	Comments
Parent company's sales volume (ton)	2,898	8%	5,892	11%	Driven by the processing plant stockpiling raw materials ahead of supply shortage risks, coupled with a high inventory level carried over from the end of the previous quarter, we expect sales volume to increase by 8% in Q3 and 15% in Q4, averaging an 11% growth rate in 2H2026.
ASP (million VND/ton)	62	30%	65	35%	We expect the ASP to grow by 30% yoy in Q3, aligning with the growth of standard rubber products. In Q4, extreme weather conditions across Southeast Asia could disrupt tapping operations. Consequently, we forecast the ASP to climb by 35% yoy in 2H2026.
Parent company's revenue from rubber trading	181	40%	383	51%	
Tay Ninh - Siem Riep's revenue from rubber trading	147	40%	309	45%	As the company does not disclose quarterly data, our estimates are based on the revenue proportions from the previous year.
Revenue	335	40%	715	47%	
<i>Rubber</i>	328	40%	692	48%	
Gross profit	151	68%	299	81%	
<i>Rubber</i>	151	77%	304	54%	
Gross margin	45%	8 pts	42%	8 pts	
<i>Rubber</i>	46%	10 pts	45%	2 pts	Higher ASP supports a corresponding expansion in the gross margin.
SG&A	21	40%	73	-5%	
% SG&A/revenue	6%	0%	10%	-6 pts	
Interest income	12	21%	47	211%	We forecast interest income to increase sharply, driven by higher interest rates and land compensation proceeds.
Financial expenses	-	N/A	-	N/A	
Net other income	12	-74%	398	651%	We expect the company to recognize (1) VND 8 billion from the liquidation of rubber plantations for the Go Dau – Xa Mat expressway project in Q3, and (2) VND 400 billion from GVR for land compensation related to the Hiep Thanh IP in Q4.
Pre-tax profit	155	18%	671	326%	
NP	143	22%	517	256%	Driven higher ASP and sales volume, alongside land compensation and tree liquidation proceeds, we forecast NP to achieve explosive growth in Q3 and 2H2026.

(Source: TRC, MBS Research)

FY2026-27F business forecast

VNDbn	2025	2026	yoy (%)	2027	yoy (%)	Comments
Sales volume (ton)	16,946	19,166	13%	18,161	-5%	
Parent company	8,814	9,158	4%	8,388	-8%	In 2026, the company will continue to bring about 200 ha of new plantation area into tapping. In 2027, the mature area may decrease due to the conversion of 495 ha into IP land and the negative impact of El Niño on tree growth. Consequently, we forecast harvesting volume to change by +2% / -8% yoy, and sales volume to grow by +4% / -8% yoy, respectively
Tay Ninh – Siem Riep	8,132	10,007	23%	9,773	-2%	The plantations in Cambodia are currently in their high-yield phase. We expect average yields to reach 1.65 and 1.62 tons/ha, with harvesting volumes at 10.5 and 10.3 thousand tons for 2026 and 2027, respectively. Consequently, sales volumes are expected to grow by +23% and -2% yoy, respectively.
ASP (million VND/ton)	48	56	17%	59	5%	We forecast 2026–2027 ASP to increase by 17% and 5% yoy, respectively, as El Niño is projected to persist until 1H2027, potentially worsening supply shortages into 2H2027.
Parent company	50	60	18%	63	5%	
Tay Ninh – Siem Riep	45	53	18%	56	5%	
Revenue	844	1,118	32%	1,110	-1%	
Rubber	812	1,079	33%	1,071	-1%	We forecast revenue of the parent company and Tay Ninh – Siem Riep to grow by +23% / -4% and +45% / +3% yoy, respectively.
Gross profit	294	416	42%	445	7%	
Rubber	331	432	30%	460	7%	
Gross margin	35%	37%	2 ppts	40%	3 ppts	
Rubber	41%	40%	-1 ppts	43%	3 ppts	
SG&A	106	104	-2%	104	0%	
% SG&A/revenue	13%	9%	-3 ppts	9%	0%	
Interest income	27	62	128%	86	38%	Interest income is expected to increase sharply, driven by higher interest rates and land compensation proceeds.
Financial expenses	0	-	N/A	-	N/A	
Net other income	54	448	731%	121	-73%	In 2026, we expect the company to recognize income from tree liquidation (VND 52 billion) and land compensation (VND 400 billion). In 2027, we forecast the company to generate proceeds from the liquidation of plantations related to Hiep Thanh IP (495 ha)
Pre-tax profit	270	824	205%	550	-33%	
NP	251	659	163%	440	-33%	In 2026, NP is expected to surge, driven by a positive performance in the rubber segment and land compensation. In 2027, NP is expected to decline due to the absence of further land compensation, though rubber segment earnings will grow 7% yoy. Excluding land compensation and tree liquidation proceeds, core NP is expected to grow by 37% and 8% yoy in 2026-27, respectively.

(Source: TRC, MBS Research)

Financial Statements

Income statement	2024	2025	2026	2027	Cash flow statement	2024	2025	2026	2027
Revenue	744	844	1,118	1,110	Pre-tax profit	242	270	824	550
Cost of goods	(473)	(550)	(702)	(666)	Depreciation & amortization	54	76	103	103
Gross profit	271	294	416	445	Tax paid	(15)	(29)	(165)	(110)
Gen & admin expenses	(48)	(97)	(89)	(89)	Other adjustments	(26)	(37)	(72)	(90)
Selling expenses	(11)	(9)	(14)	(15)	Changes in working capital	18	(105)	(987)	(19)
Operating profit	212	188	312	341	CF from operations	287	205	(132)	543
Operating EBITDA	266	264	415	444	Capex	(19)	(10)	(21)	(183)
EBIT	212	188	312	341	Proceeds from assets sales	34	43	-	-
Interest income	19	27	62	86	CF from investing activities	37	(19)	(892)	(276)
Financial expense	(11)	(0)	-	-	New share issuance	-	62	900	-
Net other income	33	54	448	121	Net borrowings	(170)	(47)	-	-
Income from associates&JV	(12)	2	2	2	Other financial cash flow	-	-	-	-
Pre-tax profit	242	270	824	550	Dividend paid	(26)	(73)	(90)	(216)
Tax expense	(21)	(20)	(165)	(110)	CF from financing activities	(196)	(57)	810	(216)
NPAT	221	251	659	440	Beginning cash & equivalents	106	260	403	189
Minority interests	-	-	-	-	Total cash generated	128	129	(214)	51
NP	221	251	659	440	Ending cash and equivalents	260	403	189	240
Ordinary dividends	(75)	(90)	(216)	(240)					
Retained earnings	146	161	443	200					
					Key ratios	2024	2025	2026	2027
Balance sheet	2024	2025	2026	2027	Revenue growth	32%	13%	32%	-1%
Cash and cash-equivalents	260	403	189	240	EBITDA growth	146%	-1%	57%	7%
Short term investments	-	78	950	1,045	EBIT growth	244%	-11%	66%	9%
Account receivables	0	0	3	4	Pre-tax profit growth	225%	12%	205%	-33%
Inventories	92	143	84	86	NP growth	227%	13%	163%	-33%
Total current assets	588	684	1,279	1,430	EPS growth	227%	13%	50%	-64%
Fixed assets	961	1,410	1,357	1,304	Gross margin	36%	35%	37%	40%
Construction in progress	-	-	-	-	EBITDA margin	41%	41%	83%	59%
Investment property	-	-	-	-	NP margin	30%	30%	59%	40%
Investments in subsidiaries	-	-	-	-	ROAE	13%	13%	27%	16%
Investments in associates	18	19	21	22	ROAA	11%	11%	25%	15%
Other long-term investments	627	287	258	391	ROIC	12%	12%	24%	15%
Total non-current assets	1,607	1,718	1,637	1,718	Asset turnover	0.4	0.4	0.4	0.4
Total assets	2,194	2,402	2,916	3,148	Dividend payout ratio	34%	36%	33%	55%
Short-term borrowings	10	-	-	-	D/E	2%	0%	0%	0%
Accounts payable	2	2	10	9	Net debt to total equity	-11%	-19%	-7%	-8%
Other short-term payables	31	34	49	45	Net debt to asset	-10%	-17%	-6%	-8%
Total current liabilities	280	245	190	198	Interest coverage ratio	20	41	N/A	N/A
Long-term borrowings	36	-	-	-	Days account receivable	0.1	0.1	1.1	1.3
Other long-term payables	1	33	33	33	Days inventory	71	95	44	47
Total long-term liabilities	38	33	33	33	Days account payable	1.7	1.5	5.0	4.9
Total liabilities	317	278	223	232	Current ratio	2.1	2.8	6.7	7.2
Common share	300	300	1,200	1,200	Quick ratio	1.8	2.2	6.3	6.8
Share premium	-	19	19	19	Cash ratio	0.9	2.0	6.0	6.5
Treasury shares	(44)	-	-	-					
Undistributed earnings	221	325	894	1,118	Valuation				
Investment and development funds	1,399	1,480	580	580	EPS (VND/share)	7,376	8,353	8,787	3,665
Shareholders' equity	1,877	2,124	2,693	2,917	BVPS (VND/share)	62,559	70,798	22,441	24,306
Minority interests	-	-	-	-	P/E	13.0	11.5	2.6	6.2
Total shareholders' equity	1,877	2,124	2,693	2,917	P/B	1.5	1.4	1.0	0.9
Total liabilities & equity	2,194	2,402	2,916	3,148					

(Source: The company's financial statements, MBS Research)

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

ADD	The stock's total return is expected to reach 15% or higher over the next 12 months
HOLD	The stock's total return is expected to be between negative 15% and positive 15% over the next 12 months
REDUCE	The stock's total return is expected to fall below negative 15% over the next 12 months

Sector Ratings

POSITIVE	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
NEGATIVE	Stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

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