

Quang Viet Enterprise Co Ltd (4438 TT)

Positioning for Growth in Outdoor and Performance Apparel Manufacturing

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COMPANY OVERVIEW

Founded in 1995, Quang Viet Enterprise (QVE) is a globally recognized manufacturer of functional outerwear and down jackets, known for its craftsmanship, production scale, and long-term partnerships with leading international brands. With a vertically integrated supply chain, QVE maintains strict quality control from material sourcing to final assembly. The company continues to expand its global footprint, enhance production efficiency, and adapt to evolving market trends, reinforcing its position as a key player in outdoor and performance apparel.

KEY POINTS

Industry Leader in Outdoor Functional Apparel and Down Jackets: Quang Viet Enterprise (QVE) is a leading manufacturer of outdoor functional apparel and down jackets, known for its exceptional craftsmanship and large-scale production capacity. The company has established long-term partnerships with top global brands, including Nike, Adidas, The North Face, Lululemon, and Patagonia. Successfully serving multiple Tier-1 brands simultaneously is a testament to QVE's manufacturing excellence and operational flexibility, a feat that is difficult to achieve in the highly competitive apparel industry. QVE also caters to emerging premium brands such as Alo Yoga and Aritzia, further expanding its customer base and reinforcing its leading position in high-performance apparel manufacturing.

Diversified Product Portfolio and Strong Market Presence: QVE's product mix spans multiple categories, ensuring a well-balanced revenue stream. As of Q3 2024, revenue contributions came from down jackets (35%), resin cotton jackets (25%), lightweight outerwear and coats (14%), knitwear (11%), and other products (15%). Regionally, QVE generates 45% of its revenue from North America, followed by China (22%) and Europe (20%). As the global sports and outdoor apparel industry expands, QVE continues to enhance its market position through capacity expansion, supply chain optimization, and strategic investments. Its ability to service both established and emerging brands positions the company for long-term growth and increased market penetration.

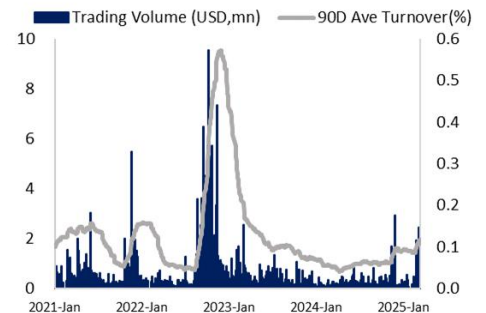
Geopolitical and Tariff Uncertainties Turn Into Competitive Advantage: With production facilities in China, Vietnam, Jordan, and Romania, QVE employs over 20,000 workers across its flexible and cost-efficient manufacturing network. As global trade policies evolve, QVE's Jordan facility has become increasingly strategic due to its tariff exemptions for U.S. exports. In response to rising demand, the company plans to expand Jordan's capacity from 30 to 60 production lines, contributing to a broader expansion of total production lines from 478 to 568 by 2026. Additionally, QVE is evaluating Indonesia as a future low-cost manufacturing base to further diversify supply risks and enhance operational flexibility, reinforcing its resilience in a shifting global trade environment.

Benefiting From Strong Restocking Demand and Double-Digit Growth Outlook: QVE's management is guiding for robust double-digit revenue growth in 2025, rebounding from last year's low base as global brands ramp up restocking efforts. Adidas, along with other key clients, is increasing orders, signaling a sustained recovery in demand. The company is benefiting from restocking cycles across both China and global markets, with its strong presence in China positioning it to capture domestic demand recovery. As consumer sentiment improves, leading sportswear and outdoor brands are scaling up production, driving higher order volumes for QVE. With strengthened supply chain efficiency and diversified production bases, the company remains well-positioned for sustained expansion.

KEY STATISTICS

Ticker:	4438 TT
Current Price:	NT\$ 101
52-Week Range:	NT\$ 93.6 - 117.5
Average Volume (30-Day, k shares)	182.6
Outstanding Shares (MN)	103
FINI Holding (%)	1.68
Market Cap (MN)	US\$ 317

PRICE PERFORMANCE



FINANCIAL SUMMARY

mn,NTD	FY21	FY22	FY23	FY24
Revenue	13,022	20,066	16,553	16,473
Revenue YoY (%)	6.8	54.1	-17.5	-0.5
Gross Margin (%)	14.4	16.3	15.0	12.7
Op. Margin (%)	5.3	7.6	5.6	2.9
Net Income	631	1,176	734	402
Net Income YoY (%)	17.3	86.5	-37.6	-45.2
Net Margin (%)	4.8	5.9	4.4	2.9
EPS (NTD)	6.10	11.38	7.10	3.89
ROA (%)	4.6	7.5	4.7	7.8
ROE (%)	9.3	15.9	9.3	7.6
ROIC (%)	2.7	5.9	0.2	0.50
P/E (x)	21.4	10.5	15.8	26.0
P/B (x)	2.0	1.6	1.5	1.3
P/S (x)	1.0	0.6	0.7	0.6
EV/EBITDA (x)	16.8	7.8	11.0	9.6

Source : TEJ

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