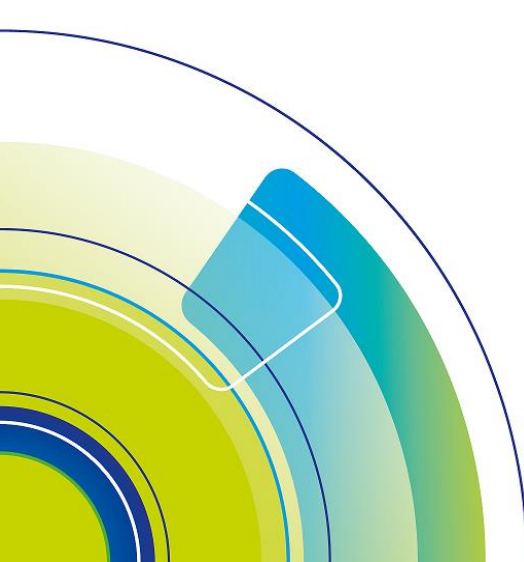




MWG Update- OUTPERFORM

August 13, 2025



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Company Update

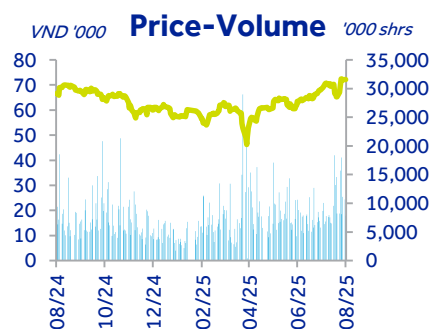
Recommendation **OUTPERFORM**
HSX: MWG

Target price (VND)	83,200
Current price (VND)	72,200
Expected share price return	15.2%
Expected dividend yield	1.4%
Expected total return	16.6%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	20.1	7.7	21.1	11.5
Relative	-8.1	-1.9	-5.9	-21.4

Source: Bloomberg



Ownership

Retail World Invst.	10.4%
Baillie Gifford & Co	3.1%
VietFund Management Ltd	2.3%
Mr. Tai Nguyen (Chairman)	2.2%

Stock Statistics Aug 12, 2025

Bloomberg code	MWG VN
52-week range (VND)	45,750-73,700
Shares O/S (m)	1,478
Mkt cap (VND bn)	106,745
Mkt cap (USD m)	4,048
Foreign room left (%)	0.1
Est. free float (m)	82.7
3m avg daily vol (shrs)	8,669,841
VND/USD	26,430
Index: VNIIndex / HNX	1608.22/276.4

MOBILE WORLD INVESTMENT CORP (MWG VN)

The company continued to generate rosy growth of 41.4% YoY in EAT in 2Q2025, stronger than our expectations, fueled by strengthened operational efficiency in all key chains. We revise 2025 EAT projection for MWG up by 26% to VND5,984bn (+60.3% YoY) and move target price to YE2026 at VND83,200/share, equivalent to a 16.6% total return. Rating **OUTPERFORM**.

MWG posted net revenue at VND37,620bn (+10.2% YoY) and EAT at VND1,658bn (+41.4% YoY) in 2Q2025. The cumulative growth achieved 12.4% YoY and 54.4% YoY, to VND73,755bn and VND3,205bn, respectively, in 1H2025.

The leap in EAT was driven by heightened efficiency following store network restructuring, with the SG&A-to-net revenue ratio improving on flat SG&A expenses in 1H. Also, financial profit jumped by 45% YoY, giving the bottom line an extra push.

TGDD & DMX witnessed 11.9% YoY revenue growth in 1H2025. They together accounted for 67% of MWG's top line and remained the earnings mainstay thanks to elevated profitability from a streamlined store network.

BHX posted a 16.6% YoY revenue growth and accelerated the expansion of store network. It is reported to generate better QoQ efficiency in 2Q2025 though earnings figure was not disclosed.

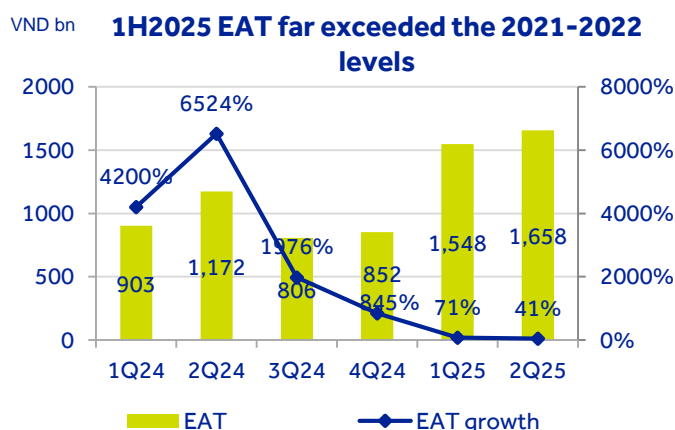
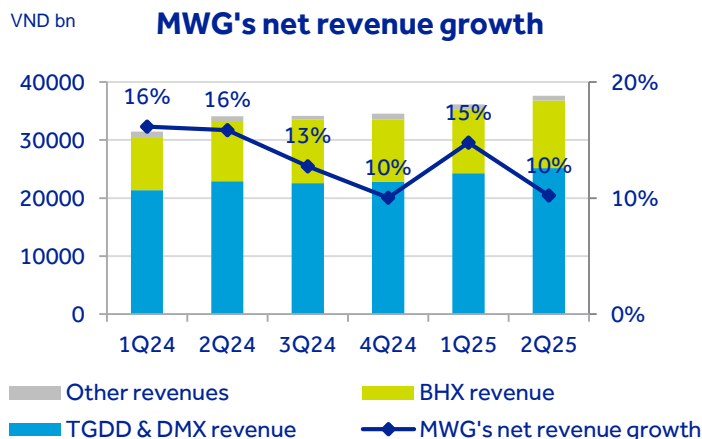
Contribution from the joint venture Era Blue was a profit of VND11bn in 2Q2025, compared to VND3bn in 1Q, with 28 new stores opened YTD.

IPOs for the chains are planned by 2030. In the meeting on Aug 8, 2025 with strategic investors and stakeholders to discuss development vision through 2030, MWG's management outlined four key focuses to facilitate TGDD & DMX growth, comprising i) growing by "quality" (accompanied by such measures as offering excellent services rather than cheap prices, changes in paying staff incomes – which is tied with sales performance, fostering "familyship" culture with partners, etc.) to further optimize the current system rather than opening more stores, ii) providing life-time services for products, iii) deploying loyalty app as a super app operating like an e-commerce platform with better services, and iv) expanding to other geographic regions (e.g. EraBlue in Indonesia). The company plans to implement IPO for these chains by 2030. For BHX, it still underlines providing sufficient goods items with safety and high quality, in tandem with quick and easy shopping experience. The management also expresses hopes to implement IPO for BHX in 2028.

For 2025, we project that the company may deliver VND148,543bn of net revenue (+10.6% YoY) and EAT of VND5,984bn (+60.3% YoY), 2% and 26% higher than our prior projections, respectively. Our target price by 1H2026 is VND83,200/share.

	2023	2024	2025F	2026F	2027F
Net Sales (VNDbn)	118,280	134,341	148,543	159,703	172,313
Growth	-11.3%	13.6%	10.6%	7.5%	7.9%
EAT (VNDbn)	168	3,733	5,984	6,993	8,407
Growth	-95.9%	2126.2%	60.3%	16.9%	20.2%
EPS (bonus-adjusted, VND)	115	2,545	4,032	4,664	5,554
Growth	-95.9%	2121.3%	58.5%	15.7%	19.1%
Net debt/EBITDA (times)	-0.3	-1.8	-2.2	-2.7	-3.3
EV/sales (times)	0.8	0.7	0.6	0.6	0.5
PER (times)	630.2	28.4	17.9	15.5	13.0
DPS (VND)	500	1,000	1,000	1,000	1,000
Dividend yield	0.7%	1.4%	1.4%	1.4%	1.4%

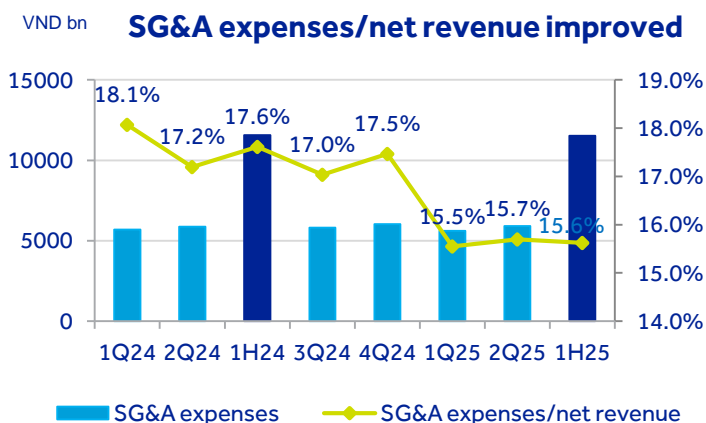
Strengthened efficiency following store network restructuring



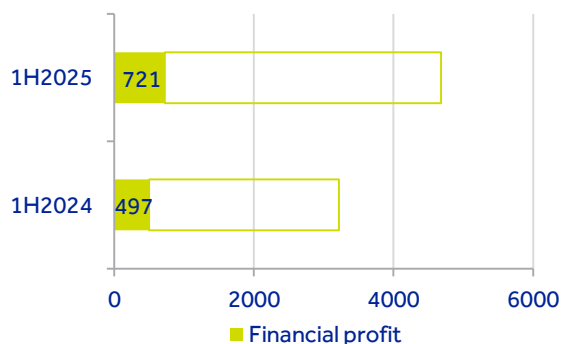
Source: MWG; ACBS

Despite unexceptional net revenue performance...

...MWG's EAT recorded gigantic YoY growth in 1H2025, underpinned by an eased SG&A expenses to net revenue ratio and a 45% YoY increase in financial profit.



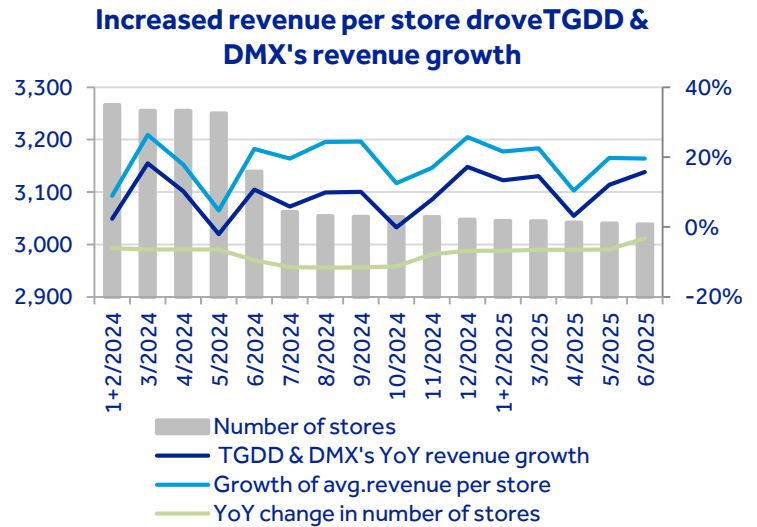
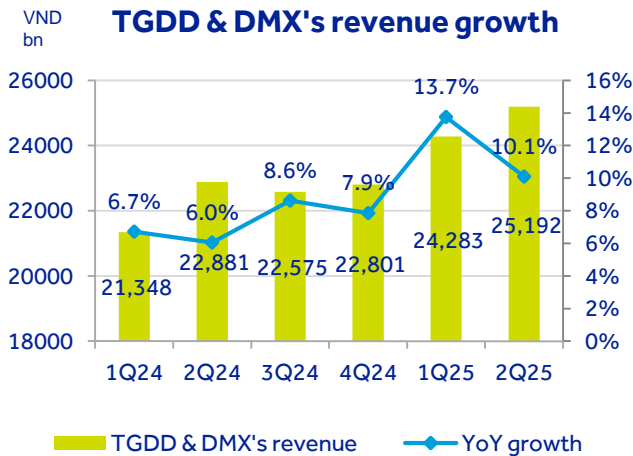
Financial profit captured 18% of MWG's EBT



Source: MWG; ACBS

Lower external services costs and depreciation following the store network restructuring process (and given the fact that many existing fixed assets is approaching an end of depreciation) helped SG&A expenses almost unchanged YoY, in defiance of a hike in G&A expenses (due to salary revision and an increased number of employees). This combined with growth in the denominator (i.e net revenue) propelled the overall efficiency.

TGDD & DMX reported revenue growth irrespective of a narrower store network

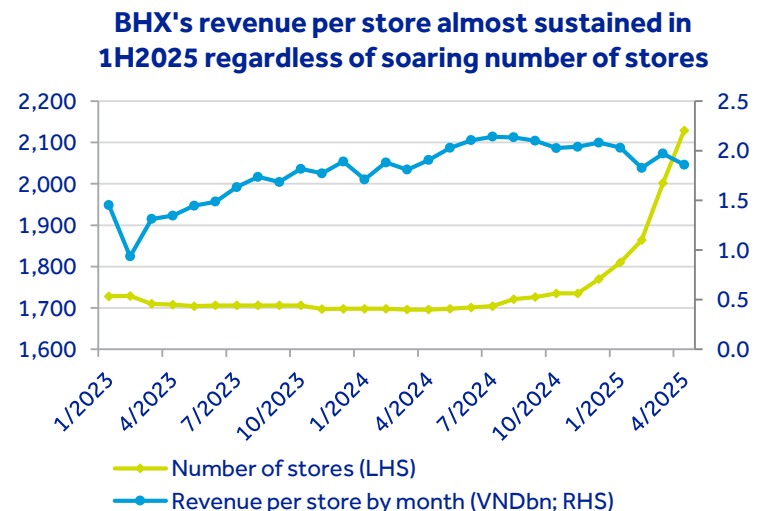
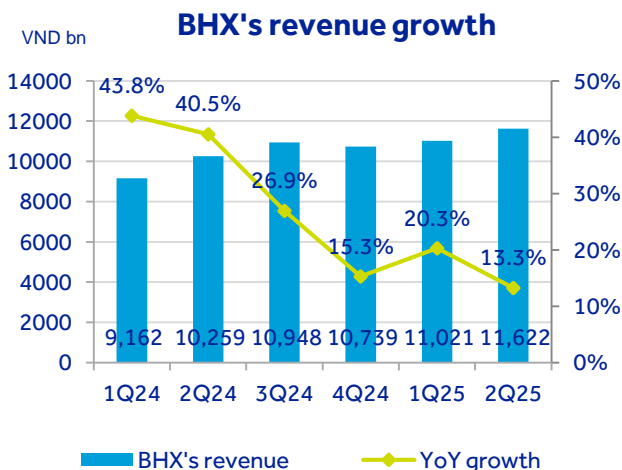


Source: MWG; ACBS

TGDD & DMX reported 11.9% YoY revenue growth to VND49,475bn in 1H2025. The company's sales strategies, the base effect and a recovery in consumer spending – notwithstanding still slow – might all spur the result. MWG believes that the emergence of new technologies such as 5G, AI, etc. will continue to be one of catalysts driving demand for IT products in the years to come.

Growth was seen in most of product categories in 1H2025 – mobile phones and tablets were prominent for rising by 20% to 50% YoY. With enhanced efficiency following the closure of underperforming stores, these chains remained MWG's earnings pillars.

BHX accelerated expansion of network



Source: MWG; ACBS

BHX generated a 16.6% YoY upturn in revenue to VND22,643bn in 1H2025, primarily driven by a jump in the number of stores (+414 YTD, with more than 50% of the new stores located in the Central region). The company noted that the new stores are profitable after taking all direct store-level operating costs into account.

In the latest meeting, the chain's management disclosed the target to reach USD10bn of revenue by 2030, which is fostered by not only the current business model but a new one that could be introduced in 1-2 next year.

2025 Forecast and valuation

For 2025, we project that the company may deliver VND148,543bn of net revenue (+10.6% YoY), 2% higher than our prior projections, consisting of VND98,534bn (+10% YoY) from TGDD & DMX and VND46,565bn from BHX (+13.3% YoY). The overall EAT is expected at VND5,984bn (+60.3% YoY), 26% higher than our prior forecasts, with BHX making full-year earnings contribution of nearly VND400bn.

Combining the DCF and EV/Sales methods, our **target price for MWG by the end of 2026 is VND83,200 /share.**

MWG FINANCIALS MODEL	Price (VND):	72,200	Target (VND):	83,200	Mkt cap (VND bn):	106,745
(VND bn except where stated)	2023	2024	2025F	2026F	2027F	
Total Net Sales	118,280	134,341	148,543	159,703	172,313	
<i>Sales growth (%)</i>	<i>-11.3%</i>	<i>13.6%</i>	<i>10.6%</i>	<i>7.5%</i>	<i>7.9%</i>	
CoGS	95,845	106,898	118,845	127,620	137,562	
Selling expenses ex-dep'n	17,639	17,217	17,087	18,205	19,563	
G&A expenses ex-dep'n	1,008	3,229	4,669	4,947	5,431	
Financial revenues excl. interest income	339	221	242	256	271	
Financial expenses excl. interest expense	109	51	55	59	63	
EBITDA	4,018	7,167	8,129	9,128	9,966	
<i>EBITDA margin (%)</i>	<i>3.4%</i>	<i>5.3%</i>	<i>5.5%</i>	<i>5.7%</i>	<i>5.8%</i>	
Depreciation	3,351	2,913	1,960	2,056	1,534	
Operating profit	667	4,253	6,169	7,072	8,431	
<i>Operating profit margin (%)</i>	<i>0.6%</i>	<i>3.2%</i>	<i>4.2%</i>	<i>4.4%</i>	<i>4.9%</i>	
Other profits/losses	(357)	(401)	5	5	5	
Profits/Losses from associates	-	(45)	28	35	44	
Net interest expense	(380)	(1,018)	(1,238)	(1,523)	(1,876)	
<i>as % of avg net debt</i>	<i>-454.2%</i>	<i>14.3%</i>	<i>8.0%</i>	<i>7.1%</i>	<i>6.5%</i>	
<i>Interest cover (x)</i>	<i>-1.8</i>	<i>-4.2</i>	<i>-5.0</i>	<i>-4.6</i>	<i>-4.5</i>	
Tax	522	1,093	1,456	1,642	1,949	
<i>Effective tax rate (%)</i>	<i>49.8%</i>	<i>20.7%</i>	<i>19.7%</i>	<i>19.1%</i>	<i>18.9%</i>	
Minority interest	0	11	19	26	28	
NPATMI	168	3,722	5,965	6,967	8,380	
Cash earnings	3,519	6,635	7,925	9,024	9,914	
Total number of shares	1,463,376,716	1,462,244,177	1,479,693,177	1,494,490,109	1,509,435,010	
EPS (VND) (after treasury shares)	115	2,545	4,032	4,664	5,554	
Bonus factor (x)	1.00	1.00	1.00	1.00	1.00	
Adjusted EPS (VND)	115	2,545	4,032	4,664	5,554	
<i>EPS growth (%)</i>	<i>-95.9%</i>	<i>2121.3%</i>	<i>58.5%</i>	<i>15.7%</i>	<i>19.1%</i>	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025F	2026F	2027F
Increase in working capital	-107	-3,244	1,113	824	934
Capex	492	249	1,217	748	690
Change in investment in affiliates	106	-45	-17	18	62
Other cashflow items	429	978	704	841	772
Free cash flow	3,458	10,653	6,316	8,274	9,001
Share issues	-9	1,763	174	148	149
Dividends paid	731	731	1,479	1,493	1,508
Increase in net debt	-2,717	-11,684	-5,011	-6,929	-7,642
Net debt, end of year	-1,275	-12,959	-17,971	-24,900	-32,541
Shareholders' equity	23,346	27,758	32,418	38,040	45,061
BVPS (VND)	15,964	18,993	21,925	25,472	29,874
Net debt / equity (%)	-5.5%	-46.7%	-55.4%	-65.5%	-72.2%
Net debt / EBITDA (x)	-0.3	-1.8	-2.2	-2.7	-3.3
Total assets	60,111	70,438	70,087	68,780	68,159

KEY RETURN AND VALUATION RATIOS	2023	2024	2025F	2026F	2027F
ROE	0.7%	14.6%	19.8%	19.8%	20.2%
ROA	0.3%	5.7%	8.5%	10.0%	12.2%
ROIC	-0.6%	15.8%	34.0%	41.7%	53.6%
WACC	13.7%	13.7%	13.7%	13.7%	13.7%
EVA	-14.3%	2.0%	20.3%	27.9%	39.9%
PER (x)	629.3	28.3	17.9	15.5	13.0
EV/EBITDA (x)	23.3	13.1	11.5	10.3	9.4
EV/FCF (x)	27.1	8.8	14.8	11.3	10.4
PBR (x)	4.5	3.8	3.3	2.8	2.4
PSR (x)	0.9	0.8	0.7	0.7	0.6
EV/sales (x)	0.8	0.7	0.6	0.6	0.5
PEG (x, 3 yr prospective)	0.9	0.0	0.6	1.0	0.8
Dividend yield	0.7%	1.4%	1.4%	1.4%	1.4%

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DISCLAIMER

Our Recommendation System

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

e: 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 will be -20% to -10%.

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

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