

Mobile World Investment Corp (HOSE: MWG)

Substantial growth potential in 2025

- In 2024, net profit (NP) rose 21 times yoy driven by the robust recovery of TGDD&DMX, along with BHX achieving positive earnings.
- In FY25F-26F, TGDD & DMX's net profit may increase in 18%/25% yoy, while BHX is projected to achieve net profit of VND 410/444 bn. This would drive MWG's net profit growth of 37%/23% yoy.
- Reiterate **ADD** with the TP of VND81,700/share.

Net profit rose 21x yoy, completed 1.9x times the MWG's plan in 2024

In 4Q24, the increase in traffic helped revenue/store maintain at VND2bn/month (+13% yoy), bringing total revenue to VND 10,779 bn (+16% yoy). Besides, despite the weak demand and the 7% yoy decrease of TGDD&DMX's stores, revenue still grew by 8% yoy showing that the successful of the rising market share. The ratio of SG&A expense/revenue stood at 17.5% (-1.3pts% yoy). The significant reduction of debt scale led to a 55% yoy decline in total financial expenses. Overall, net profit achieved bn 847 VND, 8 times higher yoy. For the FY2024, net profit recorded VND 3,722 bn, 22 times higher yoy. This result helped MWG completed 1.9 times its annual taret and achieved 71% of MBS's forecast.

In FY25F-26F: TGDD&DMX still in a stronger recovery momentum, while BHX expands further into Central Vietnam

The next step of BHX may significantly expand the BHX's coverage in new areas. The total stores is estimated to increase by 248/282 in FY25F-26F. The focus on opening new stores will slow revenue/store growth, may change -0.2%/1% yoy in FY25F-26F. By maintaining the SG&A expense/total revenue, we expect BHX's net profit may reach VND 410/444 bn in FY25F-26F .

As the trend of store closures slows down, we expect the pace of MWG store closures to decelerate in 2025 (-5% yoy) and remain stable in 2026 (0% yoy). The total TGDD&DMX's stores may reach 2,895/2,895 stores in FY25F-26F. The TGDD&DMX's revenue is estimated to increase by 9%/13% yoy due to (1) the selling price base still has room for an increase after the "price-war" in 2023, (2) the single-digit demand growth. By maintain the SG&A expense/total revenue, we expect TGDD&DMX's net profit growth rate may reach 24% in FY25F-26F. Overall, MWG's net profit is forecasted to increase by 37%/23% yoy in FY25F-26F

Reiterate **ADD** with the unchange TP of 81,700 VND/share

The target price based on SOTP methods, unchange vs previous TP as (1) we roll the valuation model to 2025 and (2) we revise down EPS in FY25F-26F by 3%/7% compared to the previous forecast. In addition, with the expectation of Vietnam stock market to be upgraded this year, MWG's remaining room for foreign investors of 3% may become advantages for MWG.

VNDbn	2023	2024	2025F	2026F
Revenue	118,280	134,341	147,567	167,649
Net profit	168	3,745	5,094	6,273
Revenue growth	-11.3%	13.6%	9.8%	13.6%
Net profit growth	-95.9%	2129.1%	36.9%	23.2%
Gross margin	19.0%	20.5%	21.5%	21.9%
EBITDA margin	3.2%	5.2%	5.5%	5.8%
ROAE	0.7%	14.7%	17.2%	18.4%
ROAA	0.3%	5.7%	7.5%	9.3%
EPS (VND/share)	115	2,560	3,483	4,291
BVPS (VND/share)	15,963	18,509	21,491	25,283

ADD

Target price

VND81,700

Upside (including

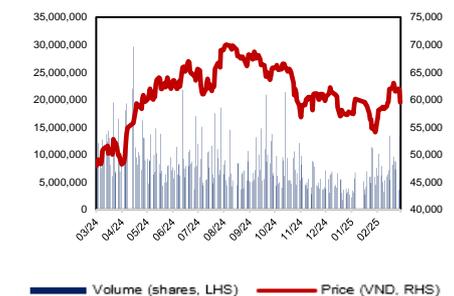
0.8% dividend yield)

36.3

Key changes in the report

Revise EPS 2025/26 by -3%/-7%

Price performance



Source: FiinPro, MBS Research

Market price (VND)	60,300
High 52w (VND)	70,000
Low 52w (VND)	47,820
Market cap (VNDbn)	88,127
P/E (TTM)	23.6
P/B	3.1
Dividend yield (%)	0.7
Foreign ownership ratio (%)	45.8

Source: FiinPro, <https://s24.mbs.com.vn/>

Ownership structure

Retail world investment consultant limited liability company	10.5
Nguyễn Đức Tài	2.3

Source: <https://s24.mbs.com.vn/>

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Mobile World Investment Corp

Investment thesis & Recommendation

Investment thesis

- MWG is a leading ICT-CE retail corp with more than 3,000 stores, accounting for about 60% ICT market share and 50% CE (consumer electronic) market share. When the ICT-CE demand started recovering, MWG will get more advantage with their leader position. Besides, MWG has Bach Hoa Xanh with more than 1,900 stores, mainly in HCM city, southern and expanding into new areas in the South-Central region.
- After achieving net profit in 2024, MWG will move to the expansion phase in new areas (South-Central region). With the strength of its modern market retail model, MWG may not face significant challenges when expanding into new regions. We expect BHX to open 248/282 new stores in FY25F-26F, with about 70% of them in entirely new areas. By maintaining expenses, BHX's net profit is estimated to reach VND 411/440 bn in FY25F-26F.
- As the trend of store closures slows down, TGDD&DMX may complete its store closure process in 1Q25 and maintain the total number of stores until the end of 2026. Streamlined expenses, along with the new support policies for distributors may prevent the gross margin from recovering strongly; however, they will enhance MWG's sales strategy efficiency. Consequently, increased sales volume, combined with an estimated 5% yoy increase in selling prices (as there is still room for price hikes after the 2023 price war), will drive TGDD & DMX's total revenue to grow by 9%/13% yoy in FY25F-26F. As a result, the compound net profit growth rate is forecasted to reach 23% in FY25F-26F.
- MWG is currently trading at a fw P/E of 17.2x for 2025, lower than the average P/E of 20-22x (19x). We see MWG as being discounted to an attractive buying level amid a strong net profit recovery.

Reiterate ADD with the unchange TP of 81,700 VND/share

We reiterate **ADD** with the unchange TP of 81,700 VND/share. We revise down EPS FY25F-26F by 3%/7% compared to the previous forecast as (1) the recovery outlook for the consumer electronics segment after the 2024 financial results, (2) The coverage scale of BHX is broader compared to the previous report.

We use DCF for ICT-CE and BHX (WACC: 10.7%) to get the target price for MWG. Based on these valuations, we conduct a new TP of 81,700 VND/share (Upside include dividend yield is 36.3%).

Re-rating catalyst:

- An Khang has net profit in FY25F
- The demand of ICT-CE (TGDD&DMX) is higher than our expectation.
- BHX's opening stores in the new areas has reached the breakeven points faster than expected
- The inclusion of electronic products in the category subject to an 8% VAT tax rate is also a positive factor supporting the stock price increase.

Downside risk:

- BHX's rev/store (which opening >1y) failing to reach 1.9-2 bnVND/month could result in BHX's net profit falling below expectations.
- The recovery of retail is slower than expected due to unexpected political factors or world war

Valuation

Figure 1 : SOTP valuation

	Method	Equity value	Weight %
ICT-CE	DCF (WACC: 10.7%)	64,963	100%
BHX	DCF (WACC: 10.7%)	57,455	95%
Total equity value		119,546	
Total shares (million shares)		14,634	
Implied share price (VND/share)			81,692
Rounded share price (VND/share)			81,700

Source: MWG, MBS Research

Figure 2 : DCF methods

TGDD&DMX	2025	2026	2027	///	2034
EBIT	5,842	7,263	7,618		6,620
Add: Depreciation	1,392	1,449	259		498
Less: Capital expenditure	- 284	- 284	- 431		- 530
Less: Changes in Working Capital	- 3,239	- 782	- 1,107		- 3,888
Free Cash Flow (FCF)	3,291	6,985	5,426		1,884
Terminal Value					
PV of FCFF	2,973	6,372	4,993		1,809
PV of Terminal Value					8,463
Enterprise value					56,635
(+) Cash & Equivents					21,676
(-) Debt					- 13,510
Equity value					64,963

Source: MWG, MBS Research

BHX	2025	2026	2027	///	2034
EBIT	410	555	1,153		5,304
Add: Depreciation	438	520	614		612
Less: Capital expenditure	- 807	-920	-1,049		- 965
Less: Changes in Working Capital	- 846	426	432		- 264
Free Cash Flow (FCF)	- 776	502	949		3,680
Terminal Value					
PV of FCFF	- 707	462	880		3,547
PV of Terminal Value					23,517
Enterprise value					53,431
(+) Cash & Equivents					9,706
(-) Debt					- 5,754
Equity value					57,455

Figure 3: FCFF valuation

WACC and long-term growth

Long term growth (ICT-CE)	2.00%
Long term growth (BHX)	5.00%
Beta	1.2
Market Risk Premium	9.00%
Risk Free Rate	3.00%
Cost of Equity	13.60%
Cost of Debt	5.00%
Corporate Tax Rate	20.00%
WACC	10.7%

Source: MBS Research

Figure 4: Peer comparison (Update 24/03/2025)

Company name	Ticker BBG	Marketcap (USDmn)	P/E (x)		P/B (x)		ROA%		ROE (%)	
			2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
ICT-CE company										
FPT Retail	FRT VN	914	42.0	37.0	9.3	7.3	3.6	4.3	23.5	25.4
Digiworld Corporation	DGW VN	412	17.0	15.0	2.8	2.5	6.3	6.8	15.8	17.5
Erajaya Swasembada Tbk	ERAA U EQUITY	354	5.2	n/a	0.6	n/a	4.7	n/a	12.7	n/a
Retail consumer company										
Masan Group	MSN VN	3,843	25.5	18.0	3.0	2.6	n/a	n/a	12.9	15.4
WALMART	WMT US EQUITY	609,288	32.5	29.0	6.7	6.1	8.1	8.6	21.6	22.4
RYOHIN	7453 JP EQUITY	7,733	24.5	22.5	3.4	3.1	8.9	8.6	14.7	14.6
Average			24.5	24.3	4.3	4.3	6.3	7.1	16.9	19.1
Mobile World Investment	MWG VN	3,437	17.2	14.0	2.8	2.4	7.5	9.2	17.2	18.3

Source: MBS Research

Mobile World Investment Corp

The net profit rose 8 times yoy in FY24

Figure 5: 4Q24 và FY24's recap

VNDbn	4Q24	qoq(%)	yoy (%)	2024	yoy (%)	% vs previous forecast	Comments
Store number							
TGDD	1,021	-0.2%	-5.3%	1,021	-5.3%	99.3%	In 4Q24, the pace of physical store closures gradually slowed, with the total store count remaining flat compared to the previous quarter. This indicates that MWG has largely completed the restructuring of its streamlined TGDD model, aimed at minimizing rental and staffing costs while enhancing the operational efficiency of the ICT-CE retail format amid the shifting consumer trend from offline to online shopping
DMX	2,026	-0.2%	-7.5%	2,026	-7.5%	94.9%	In 4Q24, the pace of physical store closures gradually slowed, with the total store count remaining flat compared to the previous quarter. The DMX model was also streamlined in response to a saturated market and rapidly evolving consumer trends.
Bach Hoa Xanh	1,770	2.5%	4.2%	1,770	4.2%	89.1%	
An Khang	326	0.0%	-38.1%	326	-38.1%	120.7%	For the FY2024, An Khang closed 201 underperforming pharmacies, marking the initial completion of its restructuring process
Revenue/store/month							
TGDD	2.8	5.1%	16.6%	2.4	9.9%	88.9%	In 4Q24, all key product categories recorded double-digit yoy growth, with both smartphones and tablets achieving double-digit growth, while laptops saw single-digit growth. Throughout 2024, consumer demand for CE (consumer electronics) slightly declined yoy. However, growth was driven by (1) an estimated 10-15% yoy increase in ASP and (2) the optimization of underperforming stores.
DMX	2.4	2.4%	17.5%	2.4	16.6%	90.7%	For FY2024, the refrigeration category recorded double-digit growth, while home appliances achieved single-digit growth. Meanwhile, the electronics category saw a slight decline yoy. Monthly revenue per store grew significantly by 17.5% yoy, primarily due to (1) an estimated 10-15% increase in ASP and (2) the optimization of underperforming stores
Bach Hoa Xanh	2.1	-2.5%	13.4%	2.0	29.6%	95.1%	The BHX chain successfully expanded its fresh food offerings to attract traffic from traditional shopping channels through an effective sales strategy. As a result, fresh food revenue increased by 30%-50% yoy, while the contribution of dry goods (FMCG) also grew significantly. Consequently, store revenue increased by 30% yoy, maintaining a level of VND 2 bn/store since 5/24.
Net revenue	34,574	1.3%	10.0%	134,341	13.6%	84.6%	
TGDD	8,443	3.8%	11.1%	30,092	6.5%	91.6%	
DMX	14,418	0.7%	6.4%	59,513	7.7%	84.2%	
Bach Hoa Xanh	10,779	-0.6%	16.4%	41,108	30.2%	81.1%	
Other	933	8.9%	-8.6%	3,627	13.6%	78.8%	
Gross profit	6,587	-4.4%	6.5%	27,499	22.1%	78.4%	
Gross profit margin	19%	-1.1d%	-0.6d%	20%	1.5d%	-1.6%	In 4Q24, MWG began change its collaboration program with distributors while aggressively promoting sales of newly launched iPhones, leading to a 4.4pts% decline in GPM yoy. However, for the FY2024, thanks to improved GPM in the consumer electronics segment (TGDD&DMX), MWG's overall GPM rose to 20.5% (2023: 19%).
Sale expense	5,123	5.7%	-8.6%	19,850	-5.1%	78.6%	
G&A expense	916	-5.3%	204%	3,566	198%	90%	SG&A expense more than doubled yoy, mainly due to increased employee bonuses.
%SG&A expense/revenue	17%	0.4d%	-1.3d%	17%	-1.3d%	-0.6%	
Financial income	636	10.5%	5.4%	2,377	9.7%	103%	Financial income increased primarily due to a 27% yoy growth in short-term investments
Financial expense	189	-42.8%	-54.8%	1,188	-23.6%	102.5%	Financial expenses decreased sharply due to a reduction in total debt
Profit before tax	1,035	-3.0%	373.0%	4,826	599.7%	73.3%	
Tax	183	-30.1%	42.5%	1,092	109.3%	81.2%	
Net profit	847	5.9%	838.4%	3,722	2119%	71.1%	In 4Q24, net profit surged by 838.4% yoy from a low base. However, this growth was relatively modest compared to MWG's previous two quarters, as 4Q24 is typically a peak season for new smartphone sales, and BHX also continued to record net profits. For the FY2024, net profit reached VND 3,722 bn, soaring 21 times yoy, completing 1.2 times MWG's 2025 annual target. However, this figure fell short of MBS Research's earlier projections due to weaker-than-expected 4Q business results.

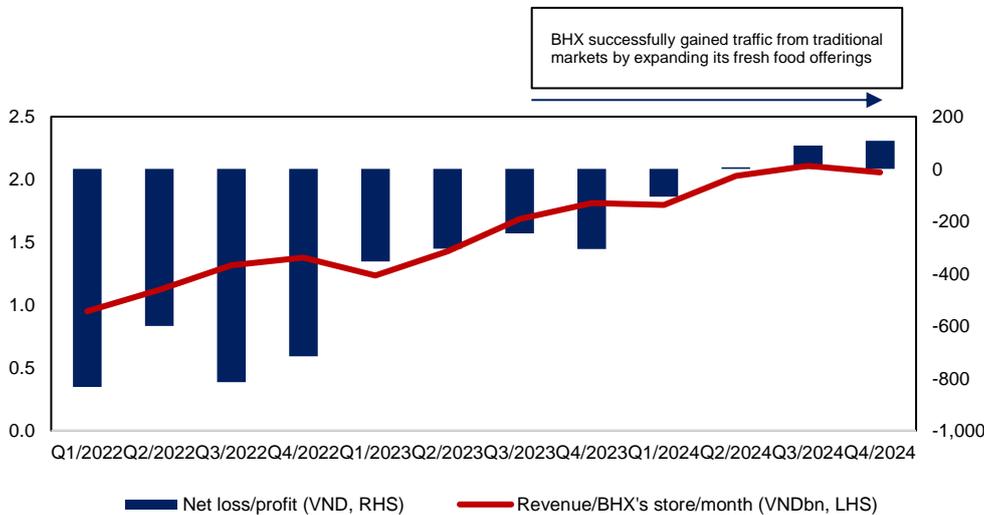
Business outlook FY25F-26F : BHX accelerates nationwide expansion, while TGDD & DMX show signs of recovery.

Bách Hóa Xanh (BHX): Expands into central Vietnam

BHX achieves net profit in 2024

In FY2024, BHX successfully gained traffic from traditional markets by expanding its fresh food offerings, helping total bill/stores may increase 25% yoy. The rising traffic also drove higher sales of FMCG products, revenue/store rose to VND 2.0 bn/month (+ 28.6% yoy). By the end of 2024, BHX is estimated to have recorded a net profit of VND 100 bn, marking its first profitable year after eight years in the market (excluding the COVID-19 period).

Figure 6: BHX's focus on fresh produce sales boosted average monthly revenue per store to VND 2 billion in 2024, leading to a net profit of VND 100 billion.



Source: MWG, MBS Research

Expanding into new markets with a 12% store growth rate in FY25F-26F

By late 2024 to early 2025, after achieving net profitability, BHX began scaling up its coverage in new regions across Central Vietnam. Store expansion accelerated significantly, with data collected as of 3/25 indicating that BHX had opened 206 new stores (+12% vs 12/24). Among these, an estimated 98 stores were launched in new market areas. The average revenue per newly opened store ranged from VND 1.2 – 1.5 bn/month, aligning with the performance of BHX stores during the 2021-23 period. We consider this level of market penetration relatively stable given that Central Vietnam consumers tend to have more conservative spending habits compared to those in the Southern region.

Figure 8: Since 3Q22, the number of BHX stores has approached 1,900 just six months after turning profitable ...

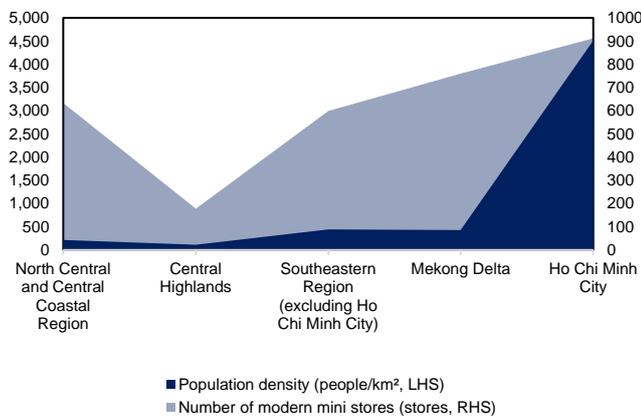


Source: MWG, MBS Research

Based on the mini retail model (considering both BHX and WCM store counts), there are currently over 600 stores in Central Vietnam, a number comparable to the Southeastern region (excluding Ho Chi Minh City). However, the population density in Central Vietnam is only about half that of the Southeastern region. As a result, we see that BHX will face initial challenges in these new markets due to a higher concentration of competitor stores compared to the Southern market.

The rural population in Central Vietnam remains relatively high, and consumer spending habits in the region tend to be more conservative than in the South. Many consumers still prefer traditional wet markets, where they can handpick fresh meat and seafood on-site. However, existing mini modern retail chains have yet to fully meet the needs of the majority of consumers. Therefore, we see significant growth potential for the modern wet market model in Central Vietnam.

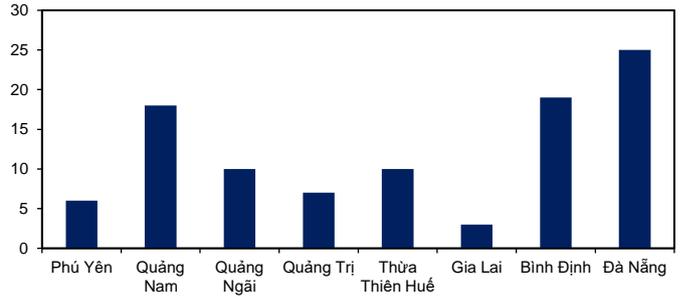
Figure 10: We observe that Central Vietnam lacks widespread coverage of modern market-style stores, presenting a significant opportunity for major retailers.



Source: MWG, MBS Research

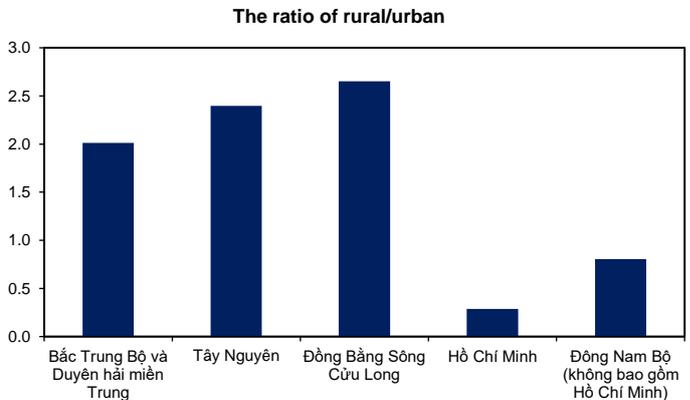
In 2025, BHX is estimated to open ~240 new stores, bringing the total store count to 2,011 (+12% yoy), with around 70% of the new stores located in Central Vietnam. The expansion will initially follow a business model similar to that of the Southern region, with a high proportion of fresh produce and a "fresh meat – live fish" concept. In existing markets, MWG will continue to strengthen its store presence, with an estimated 30% of new openings. By 2026, we see that MWG will further expand in Central Vietnam while maintaining a single-digit store growth rate in the South. The company is expected to focus on stabilizing its operational model in Central Vietnam before executing its "Northward Expansion" strategy.

Figure 9: ..Nearly 100 stores have been expanded into new areas in Central Vietnam



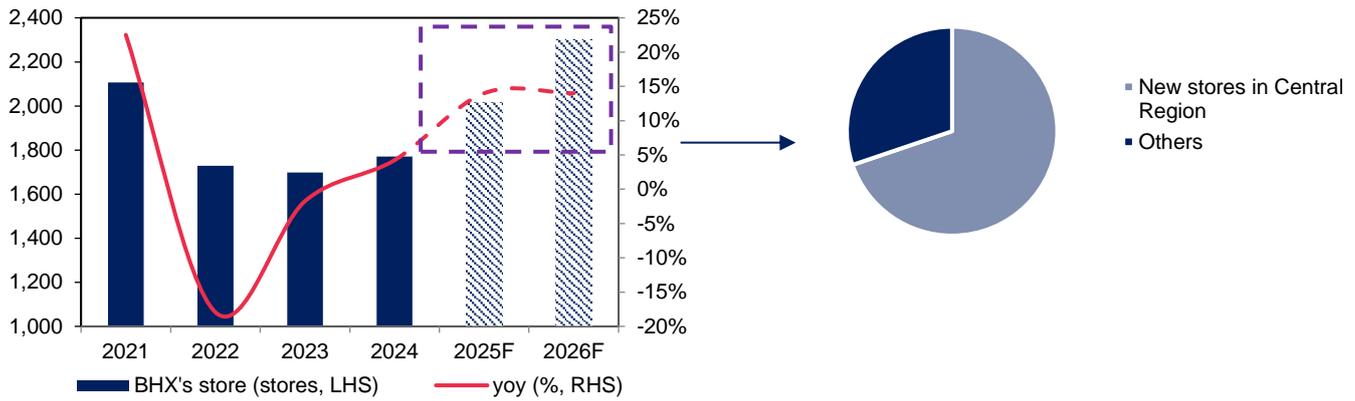
Source: MWG, MBS Research

Figure 11: Additionally, these areas have a high rural-to-urban population ratio, where consumers traditionally shop at local markets, making the transition to modern retail models challenging.



Source: MWG, MBS Research

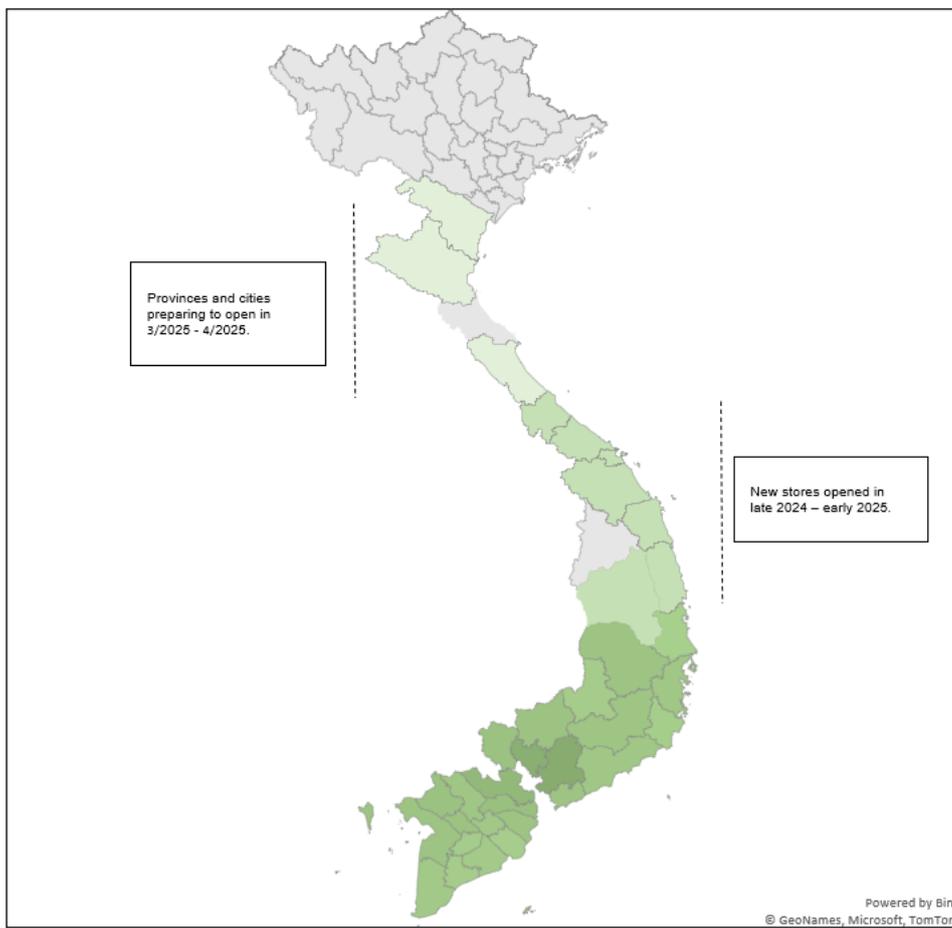
Figure 12: Projected number of new BHX store openings in 2025-2026



Source: MWG, MBS Research

Source: MWG, MBS Research

Figure 13: Regions where BHX plans to expand



Source: MWG, MBS Research

Net Profit CAGR of 189% in FY25F-26F

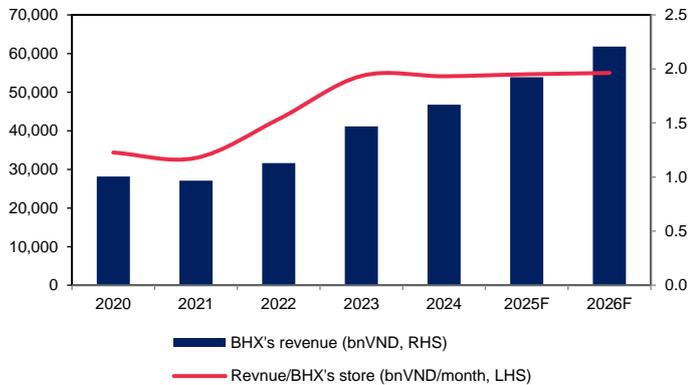
BHX's net profit may achieve a CAGR of 189%, based on the following assumptions:

- Store Expansion: BHX is expected to open 240/275 new stores by the end of 2025-26 (+14%/14% yoy)
- Rev/store: The avg rev/store may reach VND 1.92 bn (-0.2% yoy) in 2025 and increase by 1% yoy in 2026, based on the following assumptions: (1) Existing

stores (>1 year) in mature markets will maintain VND 2.0 bn/month, and (2) Newly launched stores in expansion markets will generate between VND 1.45 - 1.6 bn/month.

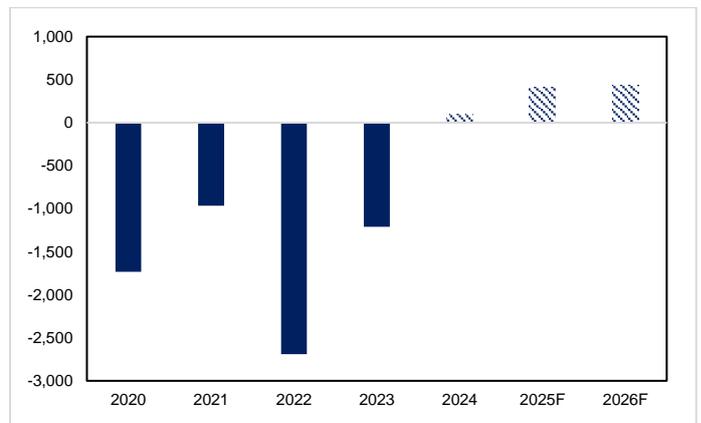
- Total revenue: As a result, BHX's total revenue is expected to grow by 14%/15% yoy in FY25F-26F .
- Operating Expenses: The SG&A-to-sales ratio is projected to rise slightly by 0.3 pts% in FY25F-26F due to expansion-related costs, including additional investments in warehousing and logistics infrastructure to support new market entries. The GPM is expected to remain stable at 25% throughout FY25F-26F . Additionally, tax loss carryforwards may allow BHX to be exempt from CIT in 2025. Given these factors, we estimate BHX's net profit to reach VND 410 bn in FY25 and VND 444 bn in FY26.

Figure 14: Forecasted BHX revenue for FY25F-26F



Source: MWG, MBS Research

Figure 15: Forecasted BHX net profit for FY25F-26F



Source: MWG, MBS Research

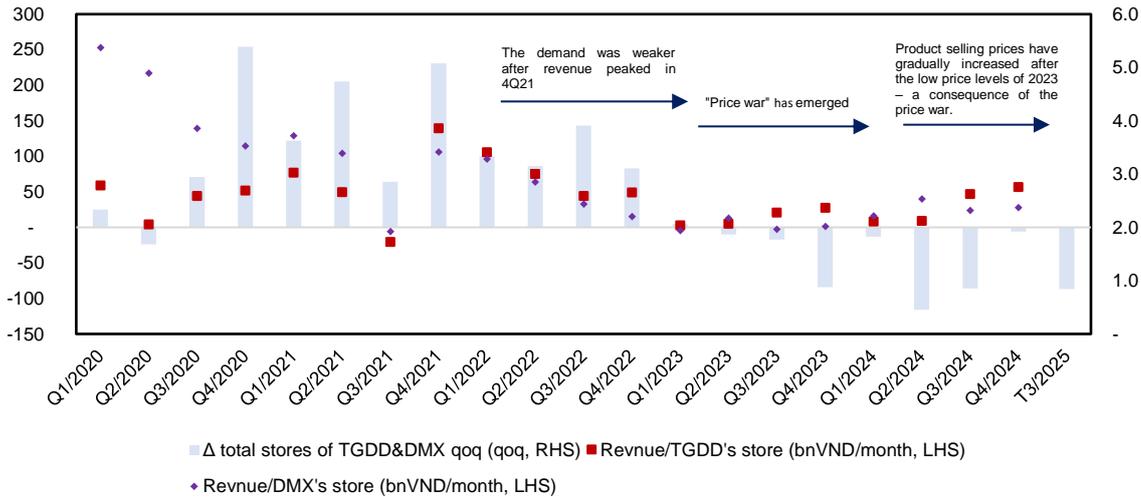
TGDD&DMX: The stronger recovery picture post-restructuring

In 2024, TGDD&DMX's net profit grew 1.2x yoy from a low base...

The strong shift toward online shopping led to significant store closures, particularly for large-format locations with low operational efficiency, as part of cost optimization efforts. Store closures accelerated in 2Q-3Q/24 but slowed down by 4Q24. Meanwhile, revenue per store improved significantly, indicating that 99% of the restructuring process for underperforming locations had been completed. By the end of 2024, TGDD & DMX had closed 221 stores, representing a 7% yoy reduction.

In 2024, most business segments recorded growth of 5-30% yoy (except for the electronics category), leading to a notable recovery in sales revenue. Following a period of intense price competition, we observed that, in addition to a 5-15% increase in ASP from the low base of 2023, consumer demand also showed signs of recovery from 4Q24 onward. Specifically, in 4Q24, revenue/TGDD's store reached VND 2.8 bn (+17% yoy), while revenue/DMX's store stood at VND 2.4 bn (+18% yoy). The restructuring efforts have shown initial success, driving a 1.2x yoy increase in net profit by the end of 2024.

Figure 16: Revenue/store/moth of TGDD&DMX

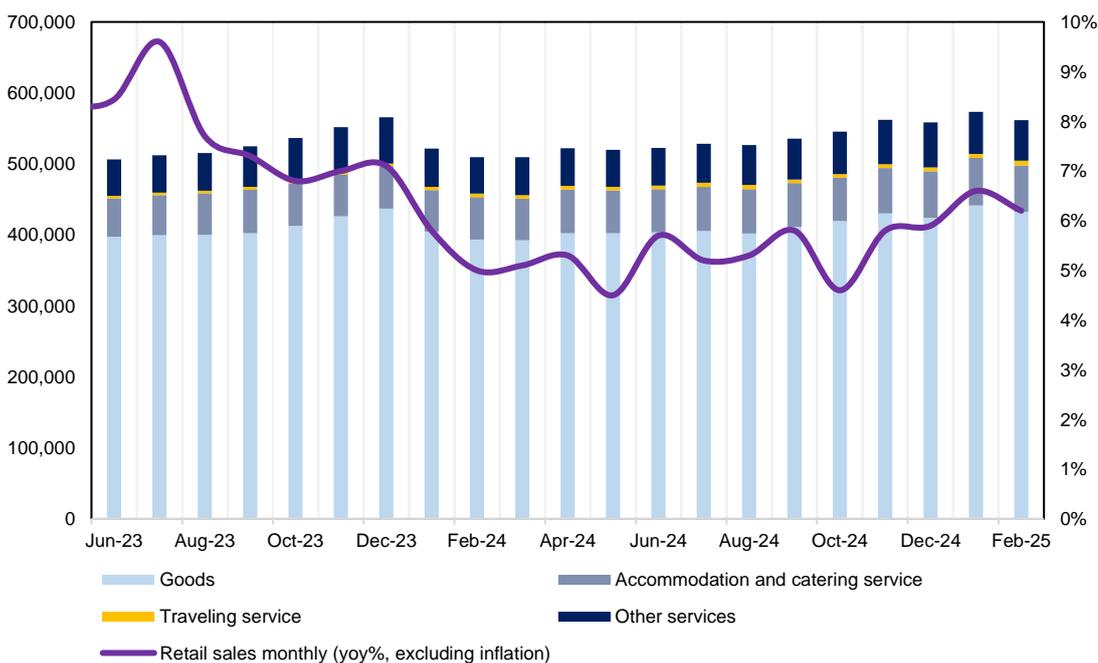


Source: MWG, MBS Research

..Continued recovery from a low base, supported by the better macro conditions in FY25F-26F

In 2024, amid lingering challenges in consumer spending, savings remained constrained due to the post-COVID-19 impact, and income growth was insufficient to drive strong discretionary purchases, particularly for non-essential goods such as electronics. According to macroeconomic data, as of 12/24, total retail and service revenue grew only 6% yoy (excluding inflation), indicating that consumer demand remained weak. Additionally, the ongoing closure of retail spaces from late 2023 through 2024 further reflected subdued demand for non-essential products, including electronics. Based on our observations, consumer demand for electronics in 2024 is likely to see a slight decline from the already low base of 2023. However, this sets the stage for a strong rebound in FY25F-26F, presenting a significant growth opportunity

Figure 17: Retail sales growth remained at a low baseline throughout 2024



Source: GSO, MBS Research

Figure 18: The trend of returning prime business locations has continued throughout 2024 amid rising rental costs...



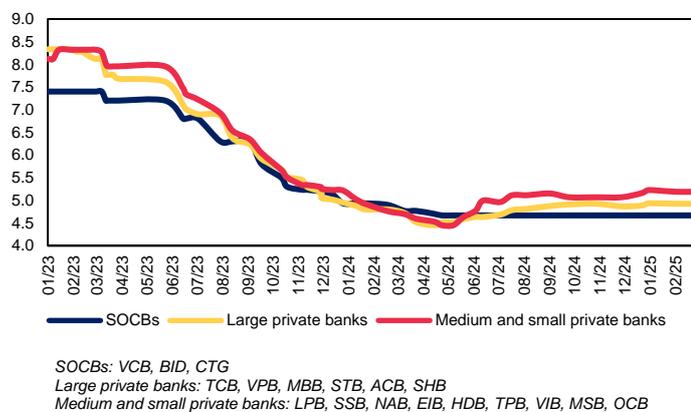
Source: Vnexpress, MBS Research



Source: Vnexpress, MBS Research

In FY25F-26F, from a low base, we identify several factors that could support the growth of the consumer electronics market, including (1) the recovery of the global economy, which will drive an increase in manufacturing orders, thereby boosting employment and income levels for workers, (2) consumer loan interest rates remaining at a low level along with the introduction of various new financing packages, allowing consumers easier access to electronics with manageable monthly payments. As consumer incomes stabilize, this will provide momentum for the recovery of the consumer electronics market.

Figure 19: Loan interest rate trends



Source: MWG, MBS Research

Figure 20: Deferred payment plans with minimal price differences (0% interest) make purchases more accessible. Excluding loan interest, these plans only include collection fees, making the price gap smaller than traditional financing options..

Các gói trả chậm nổi bật

HOME CREDIT	Kỳ hạn 8 tháng	HOME CREDIT	Kỳ hạn 9 tháng	HOME CREDIT	Kỳ hạn 6 tháng
	Không phí: Bảo hiểm, hồ sơ		Không phí: Bảo hiểm, hồ sơ		Không phí: Bảo hiểm, hồ sơ
Gói trả chậm	0%	Gói trả chậm	0%	Gói trả chậm	0%
Giá trả chậm	16.590.000đ	Giá trả chậm	16.590.000đ	Giá trả chậm	16.590.000đ
Trả trước	30%(4.977.000đ)	Trả trước	30%(4.977.000đ)	Trả trước	30%(4.977.000đ)
Trả mỗi tháng	1.462.500đ	Trả mỗi tháng	1.301.000đ	Trả mỗi tháng	1.946.500đ
Chênh lệch	87.000đ	Chênh lệch	96.000đ	Chênh lệch	66.000đ
Giấy tờ	CCCD/Thẻ CC	Giấy tờ	CCCD/Thẻ CC	Giấy tờ	CCCD/Thẻ CC
Tổng tiền	16.677.000đ	Tổng tiền	16.686.000đ	Tổng tiền	16.656.000đ
Đặt mua			Đặt mua		Đặt mua
Duyệt hồ sơ tại siêu thị			Duyệt hồ sơ tại siêu thị		Duyệt hồ sơ tại siêu thị

FE	Kỳ hạn 3 tháng	FE	Kỳ hạn 6 tháng	FE	Kỳ hạn 12 tháng
	Không phí: Bảo hiểm, hồ sơ		Không phí: Bảo hiểm, hồ sơ		Không phí: Bảo hiểm, hồ sơ
Gói trả chậm	0%	Gói trả chậm	0%	Gói trả chậm	0%
Giá trả chậm	16.590.000đ	Giá trả chậm	16.590.000đ	Giá trả chậm	16.590.000đ
Trả trước	10%(1.659.000đ)	Trả trước	10%(1.659.000đ)	Trả trước	50%(8.295.000đ)
Trả mỗi tháng	4.989.000đ	Trả mỗi tháng	1.878.000đ	Trả mỗi tháng	701.500đ
Chênh lệch	36.000đ	Chênh lệch	93.000đ	Chênh lệch	123.000đ
Giấy tờ	CCCD/Thẻ CC	Giấy tờ	CCCD/Thẻ CC	Giấy tờ	CCCD/Thẻ CC
Tổng tiền	16.626.000đ	Tổng tiền	16.683.000đ	Tổng tiền	16.713.000đ
Đặt mua			Đặt mua		Đặt mua
Duyệt hồ sơ tại siêu thị			Duyệt hồ sơ tại siêu thị		Duyệt hồ sơ tại siêu thị

Source: MBS Research

TGDD & DMX's net profit is expected to continue strong growth in FY25F-26F.

In 2025, we see that major brands may launch aggressive discount campaigns and introduce technologically advanced products at competitive prices to capture market share and stimulate consumer demand. At 1Q25, Apple initiated this trend with the launch of the iPhone 16e—an AI-integrated model featuring advanced technology at a mid-range price compared to other newly released Apple products. Compared to the previous SE model, the iPhone 16e is priced \$115 higher but has achieved a 60% increase in sales over its predecessor. Similarly, the new MacBook M4, with superior performance, is expected to be priced over VND 1 mn lower than its predecessor at launch. The availability of high-quality technology products at more attractive price points will enable consumers to access the latest innovations more easily.

With expectations of income stability returning, major brands' discount programs, combined with favorable consumer financing options, will continue to attract buyers. As a result, TGDD's sales revenue is forecasted to grow by 10%/13% yoy in FY25F-26F , with the following key assumptions:

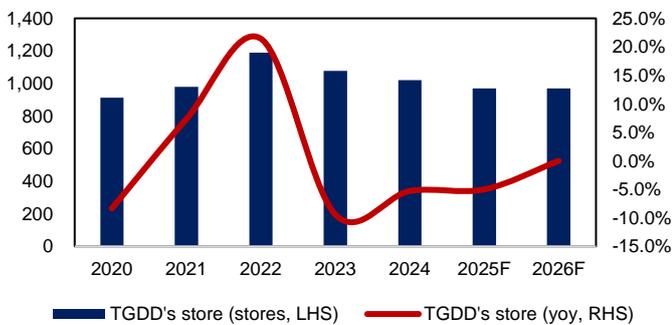
- TGDD's total store count will reach 970/970 in FY25/26, changing a -5%/0% yoy, as we expect the restructuring process to slow down and conclude in 2025, followed by stabilization in 2026.
- Following the restructuring phase, which eliminated underperforming stores, and the successful recapture of market share from competing ICT-CE retailers, MWG reported promising results in early 2025. In 2M25, rev/TGDD's store reached VND 2.8 bn/month (+32% yoy), signaling a strong recovery in consumer electronics demand during the Lunar New Year season. Given this momentum, we remain optimistic about TGDD & DMX's growth trajectory in 2025. Therefore, we forecast a 15%/13% Yoy increase in revenue/store in FY25F-26F , supported by (1) optimizing the store network by phasing out low-performing locations, (2) an average selling price increase of 5%-10% yoy, and (3) a single-digit recovery in overall consumer demand.

Figure 21: Major brands are increasingly offering advanced technology products at reasonable prices to stimulate consumer demand.

		
	Iphone 15 pro max	Iphone 16e
Chip	A17 pro	A18
AI support	No	Yes
Charge	Support magsafe	Not support magsafe
Launch price	28.990.000 VND	19.590.000 VND

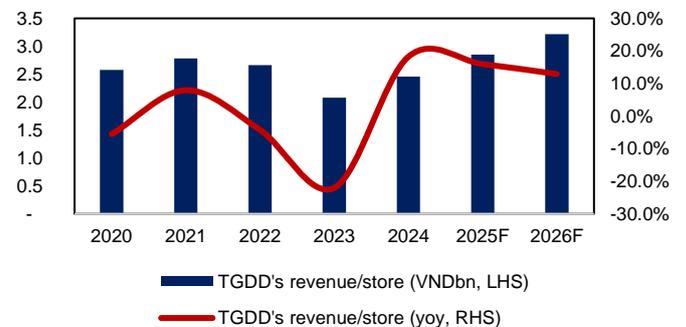
Source: MWG, MBS Research

Figure 22: Forecast the total TGDD's store.



Source: MWG, MBS Research

Figure 23: Forecast rev/store/month

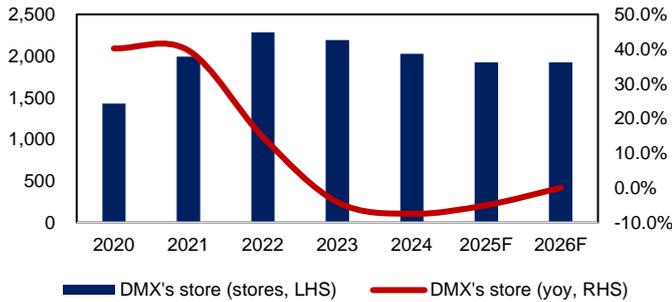


Source: MWG, MBS Research

For DMX, we expect revenue to grow by 8%/13% yoy, with the following key assumptions:

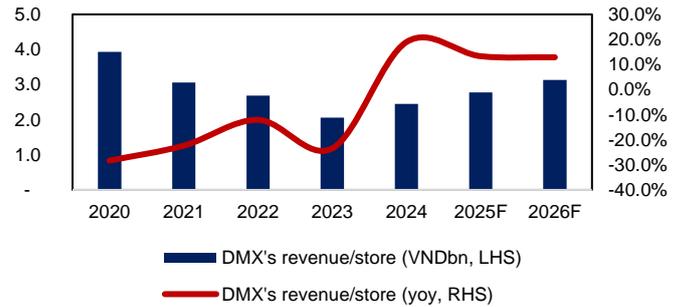
- The DMX stores will reach 1,925/1,925 in FY25F-26F , changing a -5%/0% yoy as we see the restructuring process to slow down and conclude in 2025, followed by stabilization in 2026.
- In 2M25, revenue/store reached VND 2.8 bn/month (+16% yoy), indicating a solid recovery in the consumer electronics and home appliances segment after the closure of underperforming stores. In FY25F-26F , with the restructuring process decelerating and consumer demand recovering at a single-digit growth rate, we expect total revenue per store to increase by 13%/13% yoy.

Figure 24: Forecast DMX's store



Source: MWG, MBS Research

Figure 25: Forecast revenue/store/month



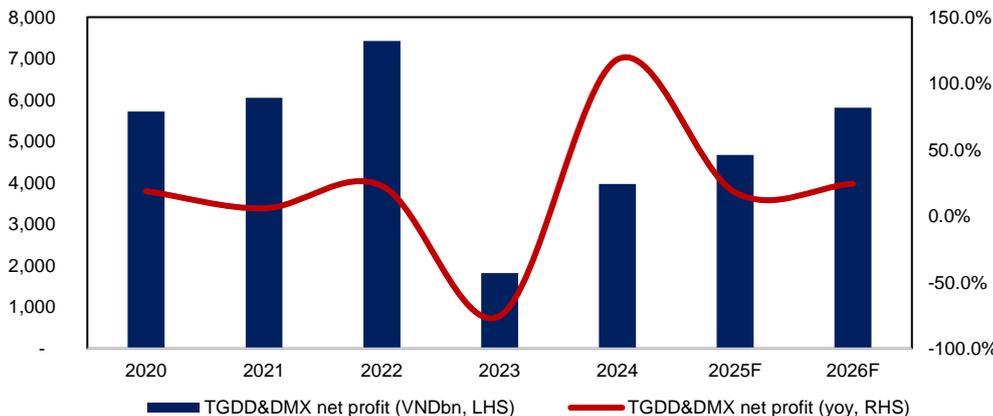
Source: MWG, MBS Research

TGDD & DMX's net profit is expected to achieve a 23% CAGR in FY25F-26F

We forecast that the recovery of TGDD&DMX will be the primary driver of net profit growth in FY25F-26F . Specifically, we estimate net profit for TGDD&DMX to increase by 23%/24% yoy, based on the following assumptions:

- GPM is projected to improve by 1.4 pts% yoy in FY25 and a further 0.6 pts% yoy in FY26. However, we believe margins may struggle to exceed the levels seen in 2021-22, as MWG continues to implement collaborative programs with distributors.
- One-time store closure costs will be lower yoy, as the store closure rate has significantly slowed. Meanwhile, SG&A expenses as a percentage of revenue are expected to remain stable yoy, as MWG continues to invest in sales support programs during the recovery phase.
- As a result, TGDD & DMX's net profit margin is expected to increase by 2.2 pts% to 4.8% in FY25 and rise slightly by 0.5 pts% in FY26.

Figure 26: Forecast the TGDD&DMX net profit in FY25F-26F



Source: MWG, MBS Research

FY25F-26F earning revision

VNDbn	2024	2025	yoy	Δ%	2026	yoy	Δ%	Comment
Stores								
- The gioi di dong	1,021	970	-5.0%	-5.6%	970	0.0%	-5.6%	Revise down 10%/10% in FY25F-26F due to DMX is unlikely to expand with new stores given that: (1) the consumer electronics market is already saturated, and the coverage of physical stores is currently stable, ensuring DMX maintains its market share; (2) the shift in consumer behavior from offline to online shopping will reduce the demand for in-store purchases.
- Dien may xanh	2,026	1,925	-5.0%	-9.9%	1,925	0.0%	-9.9%	
- Bach hoa xanh	1,770	2,018	14.0%	1.6%	2,300	14.0%	2.2%	
- An Khang	326	343	5.3%	27.1%	381	11.1%	41.2%	
Revenue/store/month								
- The gioi di dong	2.4	2.8	15.0%	5.5%	3.2	12.9%	7.2%	Revise down 8%/11% in FY25F-26F as we decrease the rev/new stores by VND 1.4 bn/month
- Dien may xanh	2.4	2.8	13.3%	6.7%	3.1	12.9%	4.4%	
- Bach hoa xanh	2.0	1.9	-0.2%	-8.0%	2.0	1.0%	-11.3%	
Net revenue	134,341	147,567	9.8%	-7.1%	167,649	13.6%	-8.3%	
- The gioi di dong	30,092	33,153	10.2%	0.9%	37,428	12.9%	1.1%	Revise down rev/store, with the new expectation of an average rev VND 0.52 bn/store/month, lower than the previous forecast of VND 0.7 bn/store/month
- Dien may xanh	59,513	64,073	7.7%	-9.3%	72,335	12.9%	-5.9%	
- Bach hoa xanh	41,108	46,792	13.8%	-7.7%	53,851	15.1%	-9.3%	
- Others	3,627	3,549	-2.2%	-22.9%	4,035	13.7%	-57.8%	
Gross profit	27,499	31,727	15.4%	-9.6%	36,715	15.7%	-10.4%	Revise down 4.5% due to the new partnership program with distributors, which may reduce the gross margin of the TGDD & DMX the new rev/store
Gross margin	20%	22%	1.0%	-0.6%	22%	0.4%	-0.5%	
- The gioi di dong&Dien may xanh	19%	20%	1.5%	-1.0%	21%	0.5%	-0.5%	In FY2024, the total stores of Era Blue reached 87, helping Era Blue has net profit in 2H24, total net loss down to VND 45 bn. After 2y of investing in Era Blue and several market trials, for the first time, MWG recorded positive signals in the international market with a business model familiar to Vietnam.
- Bach hoa xanh	25%	25%	0.0%	0.0%	26%	0.5%	-0.5%	
Income from associates	-45	7	n/a		8	19%		Era Blue is projected to become profitable with 110 stores in Indonesia, generating an income from joint ventures of 7-8 bn VND for MWG.
Sale expense	19,850	21,637	9.0%	-14.3%	24,630	13.8%	-15.5%	Revise down 14% due to we lowered the proportion of advertising and sales supports expenses/total revenue by 0.7pts% compared to our old forecast
G&A expense	3,566	3,917	9.8%	-1.3%	4,450	13.6%	-2.7%	
%SG&A expense/revenue	17%	17%	-0.1%	-0.7%	17%	0.0%	-1.1%	
Financial income	2,377	1,933	-18.6%	-16.0%	2,197	13.6%	-21.7%	Revise down 16% as we reduced the scale of short-term investments and deposit interest rates decreased by 1pts% compared to the previous forecast
Financial expense	1,406	1,497	6.5%	29.1%	1,191	-20.4%	18.4%	
Profit before tax	4,826	6,265	29.8%	-4.8%	7,840	25.1%	-7.9%	
Tax	1,092	1,168	6.9%	-13.1%	1,564	33.8%	-10.5%	
Net profit	3,733	5,094	35.6%	-2.6%	6,273	23.4%	-7.2%	As a result, the net profit was revised down 3%/7% compared to the previous forecast.

In 2025, revenue and net profit in MWG's plan are estimated to reach VND 150,000/4,850 bn, respectively, representing a 12% and 30% increase yoy. As the company has not provided detailed plans for TGDD&DMX and BHX, we see that the outlook for the ICT-CE sector (TGDD&DMX) could recover more positively than the company's estimates. Therefore, MBS's net profit forecast is 4% higher than the company's annual plan.

FINANCIAL STATEMENTS

Income statement	31/12/23	31/12/24	31/12/25	31/12/26	Cash flow statement	31/12/23	31/12/24	31/12/25	31/12/26
Net revenue	118,280	134,341	147,567	167,649	Pre-tax profit	690	4,826	6,265	7,840
Cost of sales	(95,759)	(106,842)	(115,840)	(130,934)	Depreciation & amortization	3,381	2,913	1,950	2,110
Gross profit	22,521	27,499	31,727	36,715	Tax paid	(522)	(1,092)	(1,168)	(1,564)
Gen & admin expenses	(1,196)	(3,566)	(3,917)	(4,450)	Other adjustments	(1,609)	(1,487)	(493)	22
Selling expenses	(20,917)	(19,850)	(21,637)	(24,630)	Change in working capital	1,496	3,357	1,282	(191)
Operating profit	407	4,084	6,173	7,635	Cash flow from operations	3,436	8,517	7,835	8,217
Operating EBITDA	3,788	6,997	8,123	9,745	Capex	(523)	(304)	(1,425)	(1,592)
EBIT	407	4,084	6,173	7,635	Proceeds from assets sales	31	55	-	-
Interest income	2,167	2,377	1,933	2,197	Cash flow from investing ac	(10,831)	(10,943)	4,964	(4,604)
Financial expense	(1,556)	(1,188)	(1,406)	(1,497)	New share issuance	0	1,772	14	-
Net other income	(328)	(401)	(443)	(503)	Net borrowings	8,440	1,726	(7,214)	(3,543)
Income from associates	-	(45)	7	8	Other financing cash flow	0	0	(350)	-
Pre-tax profit	690	4,826	6,265	7,840	Dividends paid	(731)	(731)	(732)	(732)
Tax expense	(522)	(1,092)	(1,168)	(1,564)	Cash flow from financing ac	7,700	2,758	(8,279)	(4,274)
NPAT	168	3,733	5,097	6,277	Cash and equivalents at beg	5,061	5,366	5,697	10,217
Minority interest	0	11	3	3	Total cash generated	305	332	4,520	(661)
Net profit	168	3,722	5,094	6,273	Cash and equivalents at the	5,366	5,697	10,217	9,556
					Key ratios	31/12/23	31/12/24	31/12/25	31/12/26
Balance sheet	31/12/23	31/12/24	31/12/25	31/12/26	Net revenue growth	-11.3%	13.6%	9.8%	13.6%
Cash and equivalents	5,366	5,697	10,217	9,556	EBITDA growth	-62.8%	84.7%	16.1%	20.0%
Short term investments	18,937	28,524	22,135	25,147	EBIT growth	6.1%	903.3%	151.2%	123.7%
Accounts receivables	308	241	252	447	Pre-tax profit growth	-88.6%	599.7%	29.8%	25.1%
Inventories	21,824	22,245	24,488	25,473	Net profit growth	-95.9%	2119.8%	36.9%	23.2%
Total current assets	51,947	65,774	61,095	65,052	EPS growth	-95.9%	2119.8%	36.9%	23.2%
Tangible fixed assets	6,431	3,523	3,004	2,492	Gross profit margin	19.0%	20.5%	21.5%	21.9%
Construction in progress	4	25	25	25	EBITDA margin	3.2%	5.2%	5.5%	5.8%
Property Investment	-	-	-	-	Net profit margin	0.1%	2.8%	3.5%	3.7%
Investments in subsidiar	-	-	-	-	ROAE	0.7%	14.6%	17.2%	18.3%
Investments in associates	287	242	242	242	ROAA	0.3%	5.7%	7.5%	9.2%
Other long-term assets	1,370	591	1,577	1,823		0.3%	6.7%	9.9%	11.7%
Total long-term assets	8,161	4,445	4,906	4,634	Asset turnover ratio	2.0	2.1	2.2	2.5
Total assets	60,108	70,219	66,000.5	69,686	Dividend payout ratio	436.1%	19.6%	14.4%	11.7%
Short-term borrowings	19,129	27,300	20,086	16,544	D/E	107.5%	97.1%	63.9%	44.7%
Trade accounts payable	7,927	9,138	9,865	11,211	Net debt to total equity	84.5%	76.8%	31.4%	18.9%
Other payables	1,806	1,561	1,544	1,745	Net debt to asset	32.9%	30.8%	15.0%	10.0%
Total current liabilities	30,762	42,097	34,553	32,696	Interest coverage ratio	0.3	3.6	6.2	8.3
Long-term borrowings	5,985	-	-	-	Days account receivable	1.0	0.7	0.6	1.0
Other long-term payables	1	-	-	-	Days inventory	83.2	76.0	77.2	71.0
Total long-term liabilities	5,986	-	-	-	Days account payable	30.2	31.2	31.1	31.3
Total liabilities	36,748	42,097	34,553	32,696	Current ratio	1.7	1.6	1.8	2.0
Common shares	14,634	14,622	14,634	14,634	Quick ratio	1.0	1.0	1.1	1.2
Share premium	558	558	558	558	Cash ratio	0.8	0.8	0.9	1.1
Treasury shares	(10)	(8)	(5)	(5)	Valuation				
Undistributed earnings	8,160	12,582	16,244	21,786	EPS (VND/share)	115	2,545	3,481	4,287
Investment and developm	4	2	2	2	BVPS (VND/share)	15,963	18,509	21,490	25,277
Shareholders' equity	23,346	27,758	31,433	36,975	P/E (x)	396.2	23.6	17.2	14.0
Minority interest	13	364	15	15	P/B (x)	2.8	3.1	2.8	2.4
Total shareholders' equity	23,360	28,122	31,448	36,989					
Total liabilities & equity	60,108	70,219	66,000.5	69,686					

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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 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

Segment Ratings

Positive	Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation.

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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Thanh Le Hai

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