

Mobile World Investment Corporation

Accumulation opportunity at an attractive valuation

- 1H26 earnings beat expectations, with NPAT of VND6,017bn (+88% yoy), fulfilling 71% of our previous full-year forecast. We expect 3Q26 earnings to remain robust, with NPAT growing 79% yoy, driven by the ICT-CE device upgrade cycle and BHX's strong profit momentum.
- We raise our 2026-27F NPAT forecasts to VND12,439bn/VND12,228bn (+77%/-2% yoy; +47%/+21% vs. our previous report).
- Maintain ADD rating with a target price of VND109,000/share.

9M-2026: Strong growth across all business segments

In 1H26, MWG posted net revenue of VND95,213bn (+30% yoy) and NPAT-MI of VND6,017bn (+88% yoy), driven by (1) device replacement demand following a 4-5-year usage cycle, coupled with rising consumer electronics prices; (2) preferential-rate installment programs that stimulated purchasing power; and (3) impressive growth at Bach Hoa Xanh, with revenue/NPAT up 25%/149% yoy. We expect this trend to continue into 3Q26, lifting MWG's revenue/NPAT by 34%/79% yoy, respectively.

2H26-2027 outlook: flat NPAT in 2027, with BHX becoming the key growth driver

We remain positive on the ICT-CE segment in 2H26, forecasting DMX revenue to grow 30% yoy on the back of the iPhone 18 Series launch and still-effective preferential-rate consumer loan packages. In 2027, we expect DMX revenue to decline 6% yoy as demand for durable consumer electronics has peaked, partly cushioned by the remaining iPhone 18 Series models. For BHX, we forecast store count to grow 64%/19% yoy by end-2026/2027, with revenue per store changing -10%/+10% yoy as stores reach maturity, lifting the chain's NPAT by 263%/63% yoy, respectively. Overall, we forecast MWG's NPAT-MI at VND12,439bn/VND12,228bn in 2026/2027 (+77%/-2% yoy).

Maintain ADD rating with a target price of VND109,000/share

We derive a target price for MWG of VND109,000/share using the sum-of-the-parts (SOTP) method, implying 44% upside. MWG is currently trading at a 2026-27F P/E of 9.0x/9.1x, well below its 3-year average of 19x. In our view, this valuation partly reflects market concerns that consumer electronics sales have peaked, as well as subdued market liquidity. We recommend accumulating MWG on market pullbacks, supported by three key catalysts: (1) the new iPhone generation is expected to boost sales growth; (2) the market upgrade process could improve liquidity and drive a re-rating of the stock at a later stage; and (3) the prospective listing of BHX in 2028, once its accumulated losses have been fully eliminated.

VNDbn	2024	2025	2026	2027
Revenue	134,341	155,928	205,799	230,943
NPAT	3,722	7,034	12,439	12,228
Revenue growth	14%	16%	32%	12%
NPAT growth	14%	89%	77%	-2%
Gross margin	20%	20%	22%	21%
EBITDA margin	5%	6%	7%	6%
ROAE	15%	23%	31%	23%
ROAA	6%	9%	14%	12%
EPS (VND/share)	2,522	4,766	8,429	8,286
BVPS (VND/share)	18,810	22,091	32,236	38,522

ADD

Target price

VND 109,000

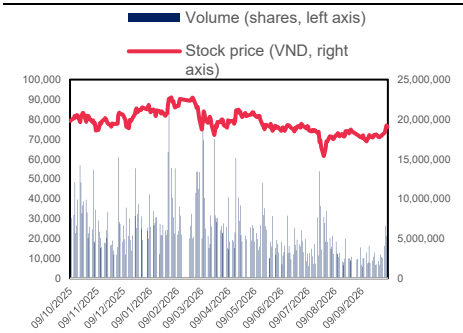
Upside

44%

Key changes in the report

2026F/2027F EPS revised up by 47%/21%, respectively, vs. our previous forecasts (Mar-2026).

Stock information



Source: FiinPro, MBS Research

Market price (VND)	75,600
52-week high (VND)	91,700
52-week low (VND)	60,700
Market cap (VNDbn)	112,107
P/E (TTM)	11.4
P/B	3.1
Dividend yield (%)	1.3
Foreign ownership (%)	49.0

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

Major shareholders (%)

Retail World Investment Consulting Co., Ltd	10.5
Nguyen Duc Tai	2.3

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

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Investment thesis & Recommendation

Investment thesis

- 1) We believe overall consumption will slow from 2H26 as inflation accelerates, higher interest rates gradually feed through to the economy and the wealth effect reverses. Durable goods (ICT-CE) will be more visibly affected following pull-forward purchases in 2026, while essential spending (BHX) is expected to remain stable and continue gaining market share.
- 2) Supported by the iPhone 18 Series launch over 3Q26-1H27 and elevated selling prices on rising chip and RAM costs, we forecast DMX sales to keep growing in 2H26 before declining 6% in 2027. Over the long term, the consumer electronics market is expected to grow at a moderate pace (~8% p.a.), reaching USD15bn by 2030 (according to GfK, DMX). With the market's largest network of ~3,000 stores (~5x that of its closest competitor with ~621 stores), DMX is expected to maintain a 50%-60% market share and grow in line with the market.
- 3) BHX's "modern wet market" model continues to accelerate in the North and Central regions, with store count expected to grow 64%/19% yoy in 2026/2027, delivering NPAT of VND2,062bn/VND3,352bn (+263%/+63% yoy), equivalent to 17%/27% of MWG's consolidated NPAT. Over 2026-30F, we expect BHX's NPAT to grow at a CAGR of ~30%.
- 4) An Khang turned profitable from 2Q26, while Erablue continues to expand rapidly in store count and sales in Indonesia; both segments are expected to contribute positively to overall earnings, albeit from a small base. New businesses such as Tho Dien May Xanh (repair & installation services), robotics and AI distribution are expected to provide new growth drivers for DMX.

ADD rating with a target price of VND109,000/share

We maintain our **ADD** rating with a target price of VND109,000/share (44% upside). We apply the discounted cash flow (DCF) method to each of DMX and BHX (WACC: 11.5%, g: 2%/3%), value An Khang & Avakids at a target EV/Sales of 0.3x, and add net cash at the HO level. Our new target price is 3.6% lower than in our previous report, mainly due to (1) MWG's ownership in DMX decreasing from 100% to 86.4%; (2) WACC rising from 11.2% to 11.5%; and (3) the application of a 5% holding company discount following DMX's separate listing.

Valuation

Figure 1: SOTP summary and assumptions

Subsidiary	Method	Equity value (100%)	MWG ownership (%)	Value attributable to MWG	Value per MWG share (VND)
DMX (after 4Q2026 dividend)	DCF FCFF	110,540	86.4%	91,126	61,751
BHX	DCF FCFF	58,261	98.0%	57,096	38,691
HO: An Khang, Avakids & net cash	EV/Sales (0.3x) + net cash	21,120		21,105	14,301
MWG SOTP value (5% holding discount)				160,860	109,006
Current price					75,600
Upside					44.2%

Source: MWG, MBS Research

WACC and long-term growth	
Long-term growth (ICT-CE)	2.00%
Long-term growth (BHX)	3.00%
Beta	1.0
Equity risk premium	8.50%
Risk-free rate	4.50%
Cost of equity	13.00%
Cost of debt	7.00%
Tax rate	20.00%
WACC	11.5%

Source: MWG, MBS Research

Figure 2: DCF valuation

DMX (TGDD & DMX chains)	2H2026	2027	2028	2029	2030
EBIT	5,699	9,277	11,451	12,007	12,595
- Taxes	(1,140)	(1,855)	(2,290)	(2,401)	(2,519)
+ Depreciation & amortization	208	419	96	136	176
- Capex	(182)	(193)	(197)	(201)	(205)
- Change in working capital	181	289	(260)	(470)	(495)
Free cash flow to firm (FCFF)	4,767	7,937	8,800	9,071	9,552
Terminal value					102,347
PV of FCFF	4,514	6,740	6,701	6,193	5,848
PV of terminal value					62,660
Enterprise value (EV)					92,655
(+) Cash & short-term investments (30/06/2026)					44,670
(-) Borrowings (30/06/2026)					22,404
Equity value (100%)					110,540

Source: MWG, MBS Research

BHX (Bach Hoa Xanh)	2H2026	2027	2028	2029	2030
EBIT	1,444	3,797	5,983	6,791	7,495
- Tax on EBIT	289	759	1,197	1,358	1,499
+ Depreciation & amortization	498	1,193	476	567	638
- Capex	(830)	(783)	(519)	(389)	(313)
- Change in working capital	145	(50)	(31)	(26)	(23)
Free cash flow to firm (FCFF)	678	3,497	4,775	5,637	6,343
Terminal value					76,686
PV of FCFF	642	2,969	3,636	3,849	3,884
PV of terminal value					46,949
Enterprise value (EV)					61,929
(-) Net debt					3,668
Equity value (100%)					58,261

Source: MWG, MBS Research

Figure 3: Peer comparison

Company	Bloomberg Ticker	Market Cap	P/E (1x)		P/B (x)		ROA (%)		ROE (%)		
		(millions USD)	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	
Consumer Electronic peers											
FPT Retail	FRT VN Equity	1,034	16.3	13.4	3.9	3.1	5.7	6.0	26.4	25.1	
Digiworld Corporation	DGW VN Equity	408	10.8	9.2	2.4	2.3	7.3	7.6	22.5	21.9	
Erajaya Sw asembada Tbk	ERAA IJ Equity	549	6.2	5.6	0.8	0.8	5.1	5.4	13.8	14.2	
Comseven	COM7 TB Equity	2,294	14.8	13.7	5.2	4.4	14.2	14.0	39.2	36.0	
Dohome	DOHOME TB Equity	366	14.2	12.5	0.8	0.8	2.6	2.7	5.9	6.1	
Home product Cen.	HIMPRO TB Equity	2,450	13.2	12.4	3.0	2.8	9.1	9.4	22.9	23.1	
Siam Global House	GLOBAL TB Equity	1,090	14.0	13.3	1.3	1.2	6.6	6.8	9.3	9.4	
Trung bình		1,170	12.8	11.4	2.5	2.2	7.2	7.4	20.0	19.4	
Trung vị		1,034	14.0	12.5	2.4	2.3	6.6	6.8	22.5	21.9	
Retail and consumer peers											
Masan Group	MSN VN Equity	4,188	11.3	9.9	2.2	1.8	7.4	7.5	20.6	19.9	
RYOHIN	7453 JP Equity	15,706	30.1	26.1	5.2	4.6	12.0	12.3	19.2	19.1	
Berli Jucker	BJC TB Equity	2,214	15.5	14.6	0.6	0.6	1.6	1.7	3.9	4.0	
CP Axtra PCL	CPAXT TB Equity	4,367	14.8	13.5	0.5	0.5	1.9	2.1	3.3	3.6	
Philippine Seven Corporation	SEVN PM Equity	746	10.1	8.8	2.9	2.4	8.1	8.0	30.2	27.8	
Puregold	PGOLD PM Equity	1,881	8.8	8.1	1.0	1.0	6.4	6.7	12.0	12.4	
Trung bình		4,850	15.1	13.5	2.1	1.8	6.2	6.4	14.9	14.5	
Trung vị		3,201	13.0	11.7	1.6	1.4	6.9	7.1	15.6	15.7	
MWG – MBS forecasts	MWG VN	4,329	9.0	9.3	2.4	2.0	14.1	12.3	30.8	23.3	

Source: Bloomberg, MBS Research

Upside risks:

- 1) Consumers' real income grows faster than expected thanks to stronger public investment and high economic growth.
- 2) Modern retail chains gain market share faster than expected, driving stronger-than-expected revenue per store.
- 3) An Khang's revenue and earnings grow faster than expected.

Downside risks:

- 1) The ICT-CE segment mainly distributes high-value durable goods with low purchase frequency (mobile phones, home appliances). Demand for these products may cool after the peak spending period.
- 2) High inflation and interest rates could dampen both essential and discretionary consumption, forcing retailers to step up selling expenses (promotions, advertising) and thus pressuring margins.
- 3) An Khang's operating performance falls short of expectations.

1H26 and 3Q26F earnings remain positive, driven by the electronics upgrade cycle and BHX's strong profit growth

Figure 4: 2Q26 and 6M26 business results

Key metrics	2Q26	qoq (%)	yoy (%)	6M26	yoy (%)	% of previous forecast	Comments
Number of stores							
TGDD	1,005	-1%	-1%	1,005	-1%	99%	Following its restructuring phase, DMX is prioritizing the optimization of store locations, store sizes and product mix over new openings.
DMX	2,005	0%	-1%	2,005	-1%	100%	
Bach Hoa Xanh	3,191	12%	46%	3,191	46%	96%	In 1H26, BHX opened 632 new stores, bringing its network to 3,191 stores (+46% yoy). By end-September 2026, we estimate BHX's network exceeded 3,600 stores, implying ~500 new stores in 3Q26 and 1,132 in 9M26. New openings were evenly split between the South and the North-Central regions (50%/50%).
An Khang	417	1%	28%	417	28%	98%	
Revenue/store/month (VNDbn)							
TGDD	3.49	-2%	28%	3.53	30%	104%	Average revenue per store declined mainly due to the rising share of new stores in the North and Central regions, where spending power is lower. Revenue per store in the North is estimated at ~VND1.0bn/month, compared with VND2.0-2.1bn/month in the South.
DMX	3.68	4%	32%	3.61	33%	115%	
Bach Hoa Xanh	1.68	4%	-9%	1.64	-14%	93%	
Net revenue	48,751	4.9%	29.6%	95,213	29.1%	52%	ICT-CE sales (TGDD + DMX) grew 28%-32% yoy, entirely from existing stores, driven by the device replacement and upgrade cycle: replacement demand for phones and home electronics rose after 4-5 years of use (purchased during the Covid-19 period, 2021-2022). In addition, electronic component prices (chips, RAM) rose sharply amid the AI investment wave, pushing up consumer electronics selling prices by an estimated 15%-20% yoy, while volumes increased ~10%-15% yoy on upgrade demand and pull-forward purchases ahead of price hikes. DMX revenue mix by product: iPhone/Android phones/small appliances/refrigerators/air conditioners/TVs accounted for 19%/22%/11%/8%/9%/8%, respectively. BHX sustained positive growth, with stores opened in 2025 delivering single-digit SSSG. Mainly driven by An Khang's growth
TGDD	10,561	-2%	28%	21,370	29%	52%	
DMX	22,116	4%	31%	43,451	32%	57%	
Bach Hoa Xanh	15,190	16%	31%	28,321	25%	46%	
Others	884	-25%	5%	2,071	21%	48%	
Gross profit	10,809	11%	43%	20,519	38.9%	55%	DMX's gross margin improved slightly on strong revenue growth BHX's gross margin remained stable yoy.
Gross margin	22.2%	+1.3ppt	+2.1ppt	21.6%	+1.5ppt	105%	
- TGDD & DMX	21%	+0.1ppt	+0.2ppt	20%	+1.1ppt	109%	
- BHX	25%	+0.0ppt	+0.0ppt	25%	+1.0ppt	102%	
Selling expenses	5,980	13%	27%	11,265	24%	49%	
G&A expenses	1,317	-14%	10%	2,841	18%	53%	Financial investment activities continued to deliver positive results, thanks to a 9% increase in investments and short-term lending, coupled with high interest rates.
SG&A/total revenue	15.0%	+0.3ppt	-0.7ppt	14.8%	-0.8ppt	96%	
Financial income	957	12%	25%	1,815	24%	51%	
Financial expenses	453	7%	13%	875	18%	44%	

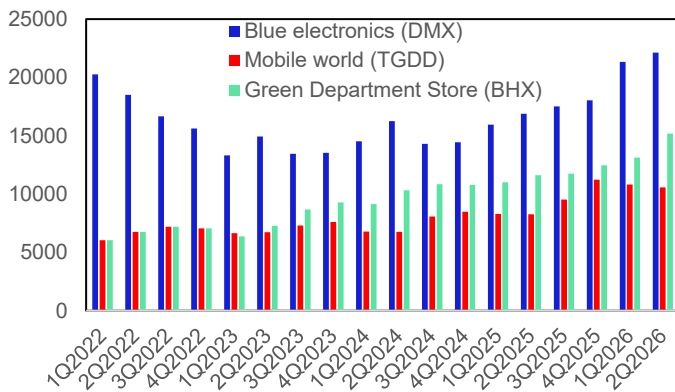
Share of profit from associates (Erablue)	19	107%	68%	28	194%	29%	Erablue's store count rose 127% yoy; the chain remained profitable despite aggressive expansion thanks to improved store productivity.
PBT	4,033	21%	99%	7,361	86%	71%	
CIT	678	19%	83%	1,248	65%	69%	
NPAT	3,303	22%	100%	6,017	88%	71%	
TGDD&DMX	2,658	20%	98%	4,876	73%	67%	
BHX	522	36%	193%	906	323%	79%	

Source: MWG, MBS Research

3Q26 earnings forecast

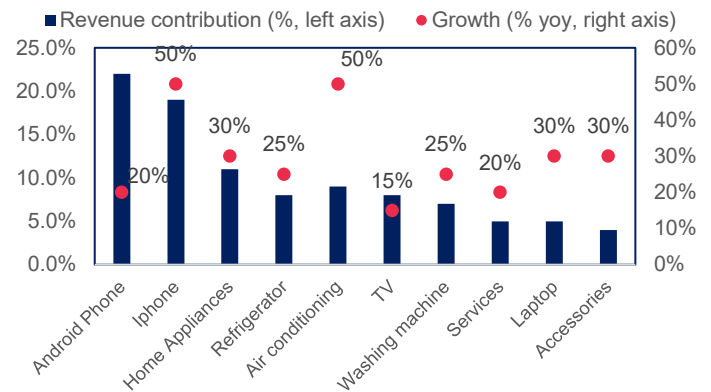
For 3Q26, we forecast MWG to record net revenue of VND53,235bn (+34% yoy, +9% qoq) and NPAT-MI of VND3,164bn (+79% yoy, -4% qoq). In the ICT-CE segment, DMX is expected to post revenue and NPAT-MI of VND34,585bn (+28% yoy) and VND2,787bn, respectively, supported by the peak iPhone launch season and a favorable device upgrade cycle. For BHX, we forecast revenue of VND17,802bn (+51% yoy) and NPAT of VND566bn (+146% yoy), driven by 61% yoy store count growth, healthy revenue per store as modern retail continues to gain penetration, and stable margins.

Figure 5: MWG revenue by chain (VNDbn)



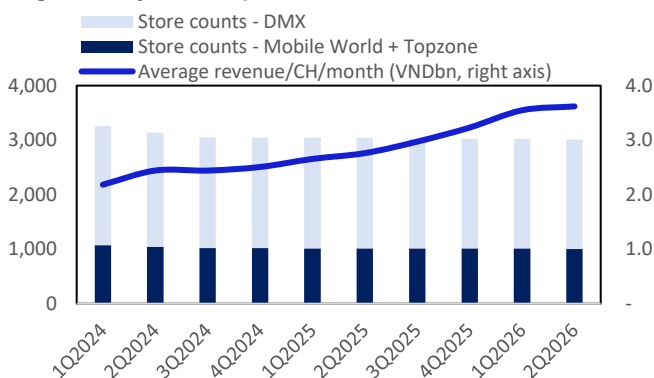
Source: MWG, MBS Research

Figure 6: DMX (TGDD & DMX) revenue by product and growth (% yoy) in 9M26



Source: MWG, MBS Research

Figure 7: DMX store count (Dien May Xanh, TGDD + Topzone) and average monthly revenue per store



Source: MWG, MBS Research

Figure 8: Bach Hoa Xanh store count by region and nationwide average monthly revenue per store



Source: MWG, MBS Research

Figure 9: Gross margin by chain

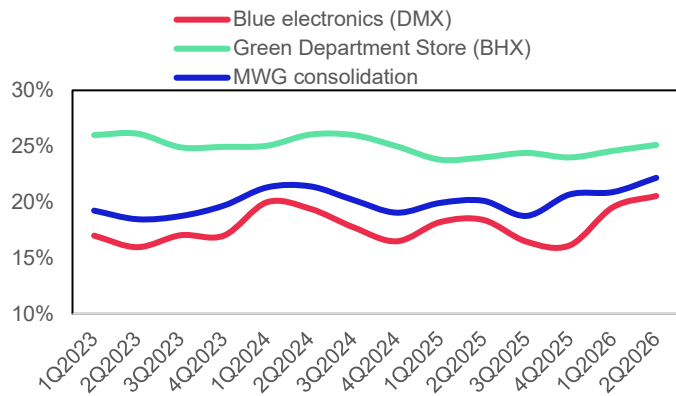
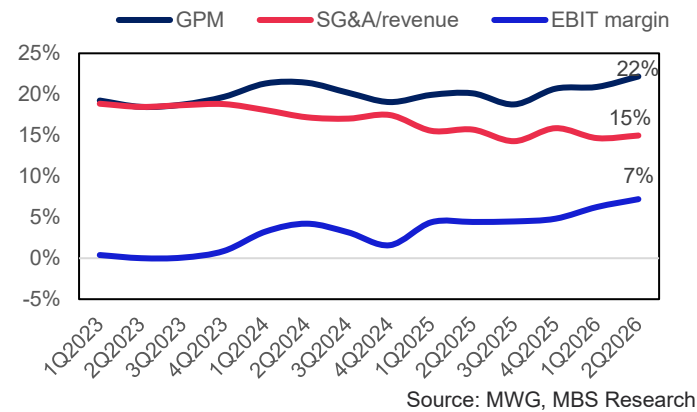


Figure 10: MWG's consolidated margins and expense ratios



Revisions to 2026-27 earnings forecasts

Figure 11: 2026-27 forecast revisions

VNDbn	2025	2026F	yoy%	Δ% vs. previous forecast 2026	2027F	yoy%	Δ% vs. previous forecast - 2027	Comments
Number of stores								
- Thegioididong	1,012	1,005	-0.7%	-0.7%	1,005	0.0%	-2.6%	
- Dien May Xanh	2,008	1,998	-0.5%	-0.5%	1,998	0.0%	-2.5%	Dien May Xanh continued to trim its store count in 3Q26
- Bach Hoa Xanh	2,559	4,191	63.8%	26.0%	4,991	19.1%	25.0%	Faster-than-expected openings: end-2026F/2027F store count is 26%/25% above our previous forecasts (3,327/3,992 stores), mainly in the North and Central regions.
- An Khang	382	457	19.6%	7.7%	537	17.5%	1.2%	
Revenue/store/month								
- Thegioididong	3.1	3.9	28.8%	15.8%	4.0	2.1%	6.4%	Revised up 15%/5% vs. our previous forecasts for 2026F/2027F as 9M26 average revenue per store beat expectations, driven by upgrade demand, product price increases (15%-20%) and pull-forward purchases ahead of chip-driven price hikes. The iPhone 18 Series continues to support revenue growth in 2027.
- Dien May Xanh	2.8	3.7	29.5%	16.3%	3.3	-10.0%	-6.7%	Revised up 19% vs. our previous 2026F forecast (VND3.1bn) as higher selling prices and robust demand drove sales above expectations. Conversely, 2027F is 6% below our previous forecast (VND3.5bn) due to the high base and weakening demand for durable consumer electronics as consumption slows.
- Bach Hoa Xanh	1.8	1.6	-9.7%	-7.2%	1.8	9.7%	-0.6%	Revenue per store revised down by 7%/1% vs. our previous forecasts for 2026F/2027F (VND1.76bn/VND1.8bn) due to the high share of new stores in the North and Central regions; however, the 26% higher store count keeps BHX's 2026F total revenue 6.5% above our previous forecast.
Total revenue	155,928	205,799	32.0%	12.2%	230,943	12.2%	6.0%	
- Thegioididong	37,326	47,680	27.7%	15.4%	48,498	1.7%	3.6%	
- Dien May Xanh	68,297	87,821	28.6%	16.0%	78,844	-10.2%	-9.0%	DMX revenue is expected to decline in 2027 due to the high base, as demand was pulled forward into 2026
- Bach Hoa Xanh	46,850	66,043	41.0%	6.5%	98,592	49.3%	24.7%	
- Others	3,456	4,255	23.1%	-1.1%	5,008	17.7%	-7.0%	
Gross profit	31,002	44,532	43.6%	18.5%	49,620	11.4%	10.0%	

Gross margin	20%	22%	+1.8ppt	5.6%	21%	-0.1ppt	0.8%	
- TGDD&DMX	18%	20%	+2.3ppt	9.1%	19%	-1.1ppt	0.6%	We expect gross margin to narrow in 2027 as the revenue contribution of the low-margin iPhone 18 rises versus 1H26.
- BHX	24%	25%	+0.9ppt	1.8%	25%	-0.2ppt	-0.7%	BHX's gross margin is stable thanks to resilient essential demand, improving traffic and the ongoing shift toward modern retail.
Selling expenses	19,331	25,255	30.6%	10.0%	31,140	23.3%	12.0%	We expect MWG to increase sales support spending (promotions, advertising) to support demand
G&A expenses	4,596	5,755	25.2%	6.9%	5,637	-2.1%	-11.9%	G&A expenses are expected to be optimized amid softening demand
SG&A/total revenue	15%	15%	-0.3ppt	-2.5%	16%	+0.9ppt	0.2%	SG&A/revenue ratio is expected to rise on the above factors
Financial income	3,107	4,373	40.7%	23.9%	5,321	21.7%	26.9%	
Financial expenses	1,543	1,755	13.8%	-10.9%	1,614	-8.1%	-27.9%	
- Interest expenses	1,471	1,732	17.8%	-10.9%	1,614	-6.8%	-27.9%	
Share of profit from associates	24	43	78.1%	418.1%	64	48.6%	587.7%	
Profit before tax	8,633	16,163	87.2%	56.9%	16,614	2.8%	35.3%	
Taxes	1,560	2,813	80.2%	55.3%	2,926	4.0%	42.6%	
NPAT	7,034	12,439	76.8%	47.4%	12,228	-1.7%	20.6%	47%/21% above our previous forecasts (VND8,436bn/VND10,137bn) for 2026F/2027F, mainly due to stronger-than-expected average revenue per store and gross margin at TGDD&DMX.
- TGDD&DMX	5,802	9,643	66.2%	33.1%	8,154	-15.4%	-0.7%	DMX's standalone NPAT is forecast to decline 9% yoy to VND9.4tn in 2027. NPAT attributable to MWG declines more steeply as its stake has fallen from 100% to ~86% since 2Q26.
- BHX	569	2,062	262.6%	78.9%	3,352	62.6%	82.2%	
- Others (HO finance, An Khang, Avakids)	663	733	10.5%	NA	722	-1.5%		

Source: MWG, MBS Research

ICT-CE outlook for 2H26-2027: cautiously optimistic

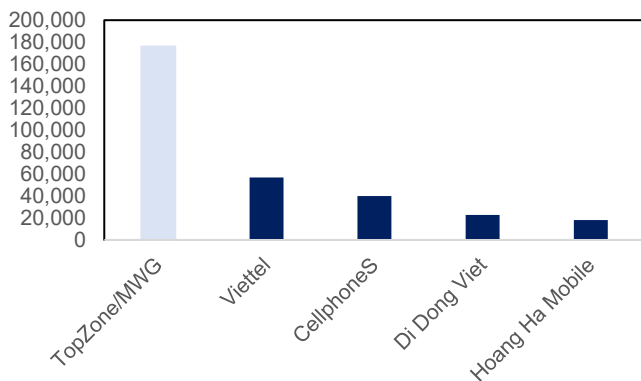
We forecast DMX revenue to change by +30%/-6% yoy in 2026/2027, based on the following:

- iPhone 18 Series drives smartphone sales.** Apple officially launched the iPhone 18 Series in 3Q26 with the 18 Pro, 18 Pro Max, iPhone Duo (an all-new foldable line), 18e and Air models. Thegioididong/Topzone recorded ~175-180k pre-orders for the two early-release models, the iPhone 18 Pro and Pro Max, representing a market share of over 50%. Apple's brand appeal is expected to boost MWG's retail sales over 2H26-2027. In 2027, the remaining models, including the standard iPhone 18, iPhone 18e and iPhone Air 2, will go on sale and continue to contribute to revenue. We estimate the iPhone 18 Series alone will contribute ~VND7,000bn in revenue in 2H26, more than double the contribution of the iPhone 17 Series (~VND3,000bn) in the same period last year.
- "Chip inflation" continues to push up product prices.** Electronic component prices rose 300% yoy, lifting consumer electronics retail prices by 15%-20% (according to GfK). Counterpoint forecasts chip and memory prices to rise a further 15%-20% in 2027 and ease by only 1-2% p.a. in 2028 as new memory capacity comes online, while capex by US tech companies is expected to rise 54% in 2027 (according to Goldman Sachs). We believe DMX will continue to

benefit from its efficient inventory management, while its “buy now, pay later” scheme supports purchasing power.

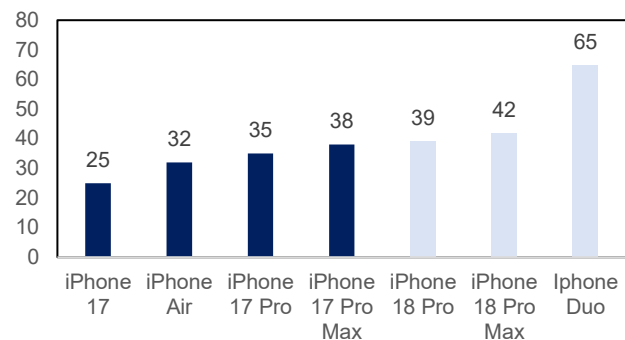
- **High interest rates and inflation weigh on purchasing power and the wealth effect.** We expect overall consumption to slow from 2027 as inflation and interest rates remain elevated, leading to (1) higher rates/shorter promotional periods for consumer loan packages; and (2) a downturn in the real estate market, weighing on consumer sentiment. According to the Ministry of Construction, real estate transaction volume fell 18% yoy in 6M26, with apartments & individual houses down 23% and land plots down as much as 40%.

Figure 12: Pre-order volume for the iPhone 18 Pro and Pro Max



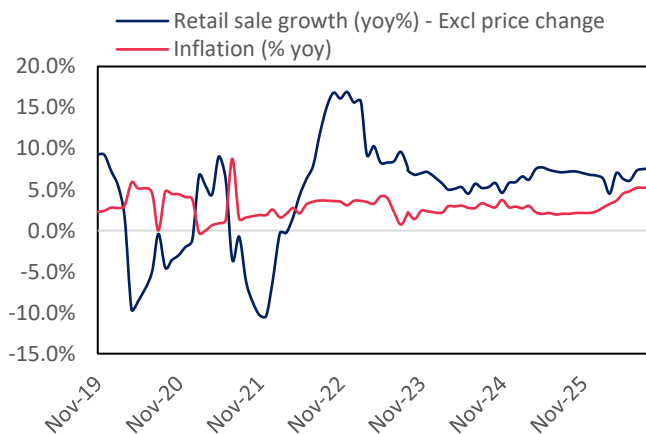
Source: MWG, local media, MBS Research

Figure 13: iPhone 17 vs. iPhone 18 (256GB) price comparison (VNDmn)



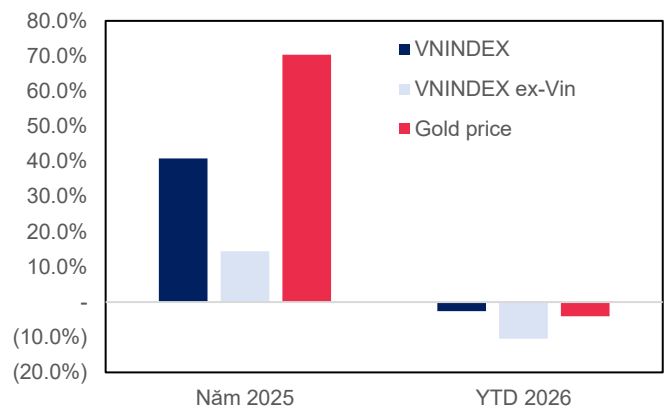
Source: Apple, MBS Research

Figure 14: Retail sales of goods and the impact of inflation



Source: GSO, MBS Research

Figure 15: Declining asset prices weigh on consumption



Source: Findicator, CBRE, MBS Research

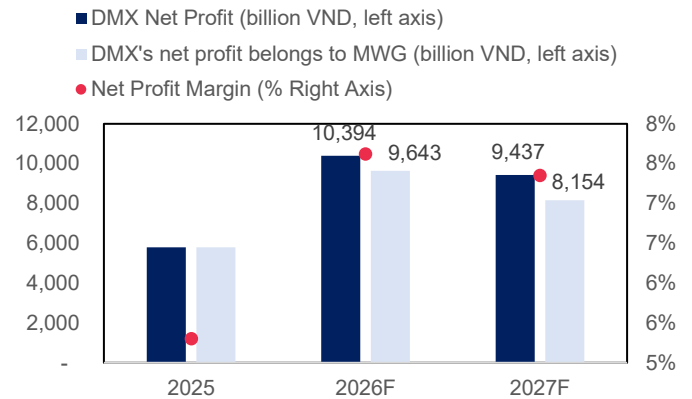
Figure 16: DMX revenue forecast



Source: MBS Research

Note: Revenue excludes An Khang and Avakids (under DMX prior to its 2026 listing)

Figure 17: DMX NPAT and contribution to MWG



Source: MBS Research

BHX enters a phase of sustainable profit growth, becoming MWG's key earnings pillar

BHX's "modern wet market" model is making an increasingly large contribution to overall earnings, with continued network expansion and sustained high profitability. The chain's store count rose 46% yoy in 2Q26, while average revenue per store remained at ~VND1.68bn/month, down only 5% yoy, indicating an improvement at existing stores with estimated single-digit SSSG. For 2H26/2027, we expect:

- BHX to maintain a solid pace of new openings in the North and Central regions alongside the southern provinces, lifting store count by 64%/19% yoy in 2026/2027.
- Average revenue per store to change by -9.7%/+9.7% yoy in 2026/2027, driven by (1) rapid growth at new stores, which are well tailored to the needs of mass-market customers; and (2) stores operating for over one year delivering SSSG of 6%-8% p.a.
- Gross margin and expense ratios to remain stable thanks to economies of scale, an improved dry-goods assortment and the shift toward modern retail, bringing EBIT margin to 3.9%/3.9% in 2026/2027. Overall, we forecast BHX's NPAT to grow 263%/63% yoy.

Figure 18: BHX store distribution as of Oct-2026

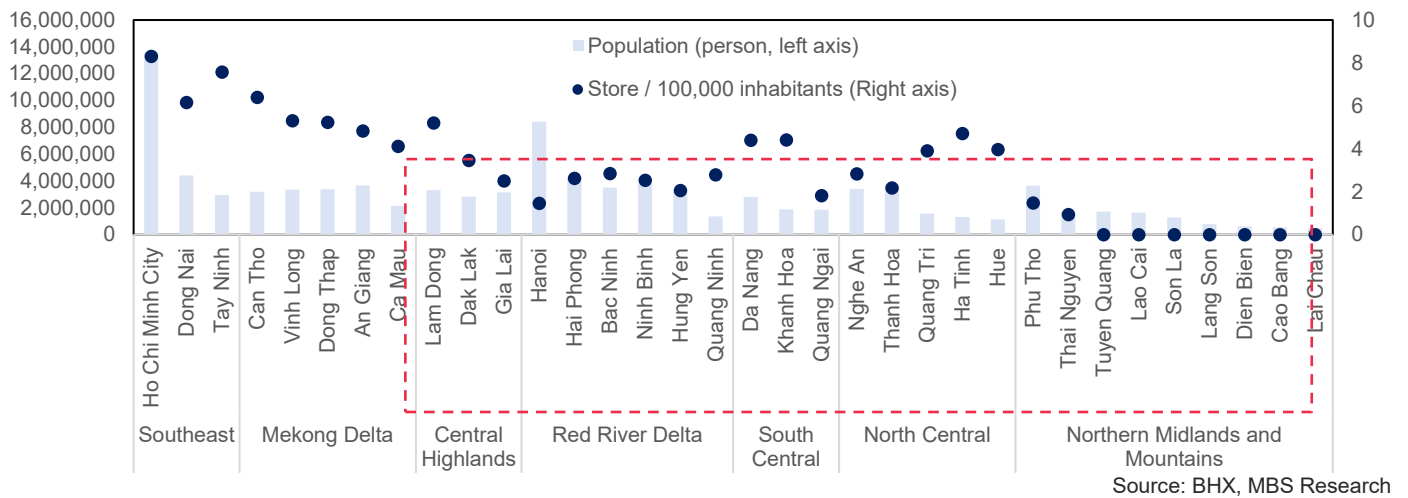


Figure 19: BHX new store openings by region in 2026

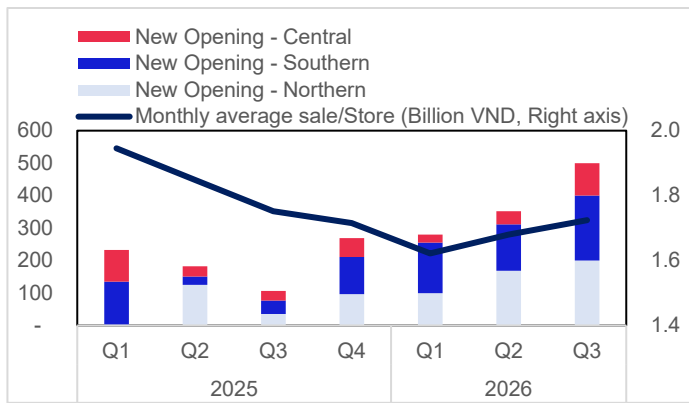


Figure 20: BHX store and sales forecasts

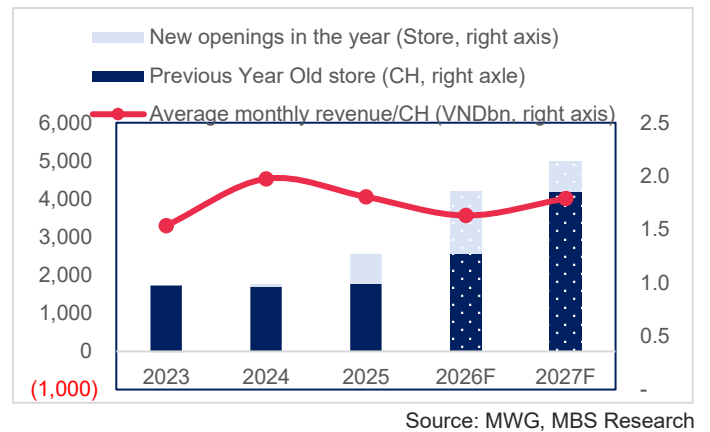


Figure 21: BHX margin forecasts

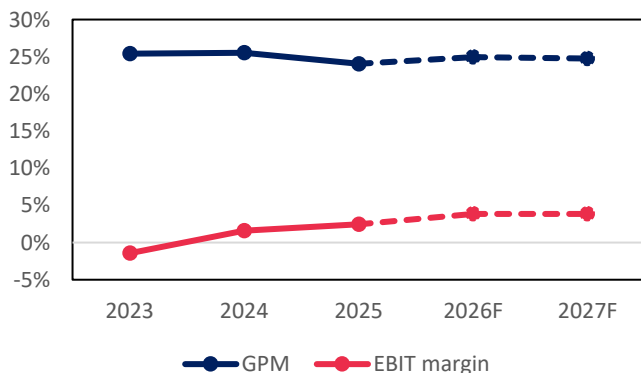
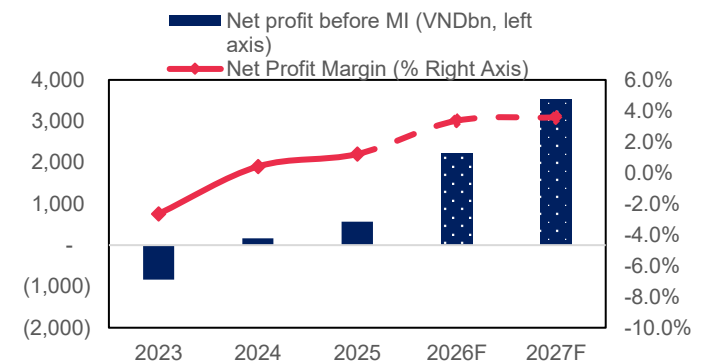


Figure 22: BHX revenue and NPAT forecasts



Financial statements

Income Statement	31/12/23	31/12/24	31/12/25	31/12/26	31/12/27
Net revenue	118,280	134,341	155,928	205,799	230,943
COGS	(95,759)	(106,842)	(124,926)	(161,266)	(181,323)
Gross profit	22,521	27,499	31,002	44,532	49,620
G&A expenses	(1,168)	(3,566)	(4,596)	(5,755)	(5,637)
Selling expenses	(20,917)	(19,850)	(19,331)	(25,255)	(31,140)
Operating profit	436	4,084	7,075	13,522	12,843
EBITDA	3,788	6,997	8,966	14,991	14,481
EBIT	436	4,084	7,075	13,522	12,843
Interest income	2,167	2,377	3,107	4,373	5,321
Financial expenses	(1,556)	(1,188)	(1,543)	(1,755)	(1,614)
Net other income	(357)	(401)	(31)	(21)	-
Share of assoc. & JVs	-	(45)	24	43	64
Profit before tax	690	4,826	8,633	16,163	16,614
Corporate income tax	(522)	(1,092)	(1,560)	(2,813)	(2,926)
Profit after tax	168	3,733	7,073	13,350	13,688
Minority interests	0	11	39	912	1,460
NPAT-MI	168	3,722	7,034	12,439	12,228
Dividends paid	(731)	(731)	(1,478)	(3,641)	(3,517)
Retained earnings	(564)	2,991	5,555	8,797	8,711
Balance Sheet	31/12/23	31/12/24	31/12/25	31/12/26	31/12/27
Cash & equivalents	5,366	4,897	5,000	3,058	3,552
Short-term investments	18,937	29,324	33,874	55,274	66,038
Trade receivables	308	241	253	466	418
Inventories	21,824	22,245	27,267	34,762	35,739
Total current assets	51,950	65,836	77,202	96,857	109,220
Fixed assets	6,431	3,523	2,540	2,758	2,143
Construction in progress	4	25	91	11	11
Investment properties	-	-	-	-	-
Inv. in subsidiaries	-	-	-	-	-
Inv. in assoc. & JVs	287	242	371	415	479
Other LT investments	1,438	812	3,742	5,075	5,172
Total non-current assets	8,161	4,601	6,744	8,259	7,805
Total assets	60,111	70,438	83,946	105,116	117,025
Short-term borrowings	19,129	27,300	29,931	24,110	24,407
Trade payables	7,927	9,180	13,114	16,987	17,934
Other current liabilities	3,710	5,836	7,725	10,262	10,755
Total current liabilities	30,765	42,316	50,770	51,359	53,097
Long-term borrowings	5,985	-	-	-	-
Other LT liabilities	1	-	-	494	494
Total non-current liab.	5,986	-	-	494	494
Total liabilities	36,752	42,316	50,770	51,853	53,590
Charter capital	14,634	14,622	14,697	14,697	14,697
Share premium	558	558	(153)	(153)	(153)
Treasury shares	(10)	(8)	(12)	(13)	(13)
Retained earnings	8,160	12,582	18,068	33,039	42,315
Other equity funds	4	2	-	-	-
Equity (parent)	23,346	27,758	32,600	47,570	56,847
Minority interests	13	364	576	5,693	6,588
Total equity	23,360	28,122	33,176	53,263	63,434
Total liabilities & equity	60,111	70,438	83,946	105,116	117,025
Cash Flow Statement	31/12/23	31/12/24	31/12/25	31/12/26	31/12/27
Profit before tax	690	4,826	8,633	16,163	16,614
Depreciation & amortisation	3,351	2,913	1,891	1,469	1,638
Income tax paid	(860)	(959)	(1,546)	(2,882)	(2,926)
Other adjustments	(1,580)	(1,487)	(2,581)	(4,142)	(5,385)
Change in working capital	1,835	3,224	(301)	(4,586)	239
Cash flow from operations	3,436	8,517	6,096	6,022	10,180
Capex	(523)	(304)	(888)	(1,692)	(1,023)
Disposal of fixed assets	31	55	10	2	-
Cash flow from investing	(10,831)	(11,743)	(6,661)	(11,817)	(6,466)
Proceeds from share issuance	0	1,772	284	13,315	-
Net borrowings	8,440	1,726	2,678	(5,821)	297
Other financing cash flows	(10)	(9)	(816)	(0)	-
Dividends paid	(731)	(731)	(1,478)	(3,641)	(3,517)
Cash flow from financing	7,700	2,757	667	3,853	(3,220)
Cash & equivalents, beginning	5,061	5,366	4,897	5,000	3,058
Net change in cash	304	(468)	103	(1,942)	494
Cash & equivalents, ending	5,366	4,897	5,000	3,058	3,552
Key ratios	31/12/23	31/12/24	31/12/25	31/12/26	31/12/27
Net revenue growth	-11.3%	13.6%	16.1%	32.0%	12.2%
EBITDA growth	-62.8%	84.7%	28.1%	67.2%	-3.4%
Operating profit growth	-93.4%	836.1%	73.3%	91.1%	-5.0%
PBT growth	-88.6%	599.7%	78.9%	87.2%	2.8%
Net profit growth	-95.9%	2119.8%	89.0%	76.8%	-1.7%
EPS growth	-95.9%	2119.8%	89.0%	76.8%	-1.7%
Gross margin	19.0%	20.5%	19.9%	21.6%	21.5%
EBITDA margin	3.2%	5.2%	5.7%	7.3%	6.3%
Net margin	0.1%	2.8%	4.5%	6.5%	5.9%
ROAE	0.7%	14.5%	23.1%	30.9%	23.5%
ROAA	0.3%	5.7%	9.2%	14.1%	12.3%
ROIC	0.2%	6.1%	9.8%	15.9%	12.8%
Asset turnover (x)	2.0	2.1	2.0	2.2	2.1
Dividend payout ratio	436.1%	19.6%	21.0%	29.3%	28.8%
Total debt/Equity	107.5%	97.1%	90.2%	45.3%	38.5%
Net debt/Equity	3.5%	-24.6%	-27.0%	-64.3%	-71.2%
Net debt/Total assets	1.3%	-9.8%	-10.7%	-32.6%	-38.6%
Interest coverage (x)	0.3	3.6	4.8	7.8	8.0
Receivable days	0.7	0.7	0.6	0.6	0.7
Inventory days	90.4	75.3	72.8	70.8	71.5
Payable days	31.3	28.8	32.1	33.6	34.7
Current ratio (x)	1.7	1.6	1.5	1.9	2.1
Quick ratio (x)	0.8	0.8	0.8	1.1	1.3
Cash ratio (x)	0.8	0.8	0.8	1.1	1.3
Valuation					
EPS (VND)	114	2,522	4,766	8,429	8,286
BVPS (VND)	15,820	18,810	22,091	32,236	38,522
P/E (x)	646.9	29.1	15.4	8.7	8.9
P/B (x)	4.6	3.9	3.3	2.3	1.9

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ADD	Expected stock return of 15% or more
HOLD	Expected stock return between -15% and 15%
REDUCE	Expected stock return below -15%

Sector investment rating

ADD	Stocks in the sector are rated Buy on a market cap-weighted basis
HOLD	Stocks in the sector are rated Hold on a market cap-weighted basis
REDUCE	Stocks in the sector are rated Sell on a market cap-weighted basis

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