

MOBILE WORLD INVESTMENT CORP (MWG)
ADD (Maintained)
+72.6%

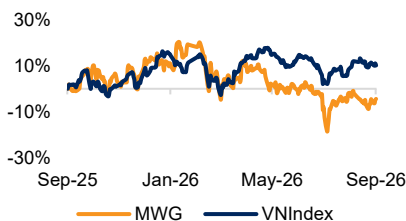
Current Price	VND71,700
52Wk High/Low	VND92,266/62,332
Target Price	VND125,700
Previous TP	VND115,100
TP vs Consensus	16.4%
Upside	72.6%
Dividend Yield	1.4%
Total stock return	74.0%

Growth rating	Positive
Value rating	Positive
ST Technical Analysis	Neutral

Market Cap	USD4.2bn
3m Avg daily value	USD10.5mn
Avail Foreign Room	USD0.0bn
Outstanding Shares	1.5bn
Fully diluted O/S	1.5bn

	MWG	VNI
P/E TTM	10.8x	12.4x
P/B Current	3.2x	2.0x
ROA	11.4%	2.6%
ROE	29.5%	16.5%

*as of September 24, 2026

Share Price performance


Share price (%)	1M	3M	12M
Ordinary share	-2.4%	-2.2%	-4.5%
Relative to index	1.9%	-3.6%	10.2%

Ownership

Mobile World Retail Advisory Co. Ltd	10.4%
Arisaig Asia Consumer Fund Limited	7.0%
Tri Tam Company Limited	5.0%
Others	77.6%

Business Description

MWG manages Vietnam's largest phone and electronics retail chain, (TGDD and DMX chains), boasting over 3,000 stores nationwide and commanding over 50% market share. Additionally, MWG operates the BHX grocery chain, featuring around 3,000 stores across central and southern Vietnam.

Analyst(s):

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Exceeding 2026 guidance with high profit growth

- We reiterate our ADD rating and raise our target price by 9% to VND125,700/share, implying 72.6% upside from the current price of VND71,700.
- The higher TP reflects our positive view on four key catalysts: (1) resilient ICT/CE demand supported by the back-to-school season; (2) the iPhone 18 series lineup, supporting 2H26 upgrade demand; (3) effective BHX expansion, particularly in Northern Vietnam, driving sustained revenue growth; and (4) MWG's attractive valuation.

Financial Highlights

- 2Q26 NPAT surged 102% YoY to a new peak of VND3.4tn (USD129mn) thanks to strong consumption of laptops, iPhones, TV and air conditioners.
- 1H26 NPAT surged 91% YoY to VND6.1tn (USD231.9mn), completed 61% of our forecast and 66% full-year guidance.
- We expect 3Q26 net profit to be VND2.6tn (USD99mn), rising 46% YoY, and 2026 NPAT at VND11.4tn (USD434mn), increasing 61% YoY, surpassing year-beginning guidance by 24%.

Investment Thesis
Laptop prices remain high amid back-to-school and year-end spending

Back-to-school demand lifted 3Q26 laptop and iPad sales, while AI-driven memory shortages kept device prices elevated. We expect this trend to persist until new Samsung and SK Hynix capacity eases supply in 2H27. We forecast TGDD revenue of +29.2%/+23.6%/+23.4% YoY in 3Q26/2026F/2027F and DMX revenue of +22%/+27% in 3Q26/2026F. However, costlier merchandise may narrow DMX GPM from 21.1% in 2Q26 to 19.5% in 2H26 and 18.0% in 2027.

Strong iPhone 18 Pro demand supports 2H26 sales growth

The iPhone 18 series, launched on September 9, drew 182,600 pre-orders at MWG. The Pro Max accounted for nearly 70%, lifting ASP to around VND42mn (USD1,600) and implying about VND7.7tn (USD293mn) in revenue to be recognised in 2H26. We therefore forecast 20% YoY SSS growth for both TGDD and DMX in 2H26.

BHX expands into the North with a longer growth runway

BHX continues to expand rapidly, adding over 1,000 stores in 8M26 and bringing its network to 3,612 outlets, while revenue reached VND40.1tn (USD1.5bn) (+32% YoY). The North offers a longer-term growth runway, with 67% of consumers still shopping at traditional markets, despite intensifying competition from WCM. Notably, all stores opened in 8M26 achieved positive operating profit, highlighting the scalability of BHX's operating model. We forecast 2026F revenue of VND62tn (USD2.4bn) (+32% YoY), with net profit rising 160% to VND1.9tn (USD72mn).

MWG is trading below its average historical level of 20.2x

MWG trades at 10.8x trailing P/E, below its two-year average of 20.2x and the peer average of 14.8x. That is in line with the ICT retailer median of 10.4x and below grocery retailers at 19.4x. Given the catalysts above (memory-driven pricing, iPhone 18 demand and BHX's northern expansion), we believe MWG could re-rate to a P/E of 16.4x within 12 months.

	2025	2026F	2027F	2028F	2029F
Revenue growth	16.5%	27.0%	13.3%	9.0%	6.3%
Net profit growth	89.1%	66.7%	19.0%	18.6%	8.6%
Gross margin	19.4%	20.3%	19.9%	20.5%	20.6%
Net profit margin	4.5%	6.0%	6.3%	7.0%	7.2%
P/E (x)	18.5	14.1	14.4	12.2	11.2
Rolling P/B (x)	4.0	4.2	4.1	3.3	2.8
ROAE	21.7%	29.6%	28.7%	27.5%	24.9%
Net debt to equity	-0.27	-0.15	-0.14	-0.15	-0.19

Source: VNDIRECT Research

2Q26 Recap: Profit surged thanks to high demand and credit programs

Figure 2: 2Q26 earnings review

VNDbn	2Q25	2Q26	% YoY	1H25	1H26	% YoY	% forecast
Net sales	37,620	48,751	29.6%	73,755	95,213	29.1%	48.3%
TGDD	8,271	10,561	27.7%	16,572	21,444	29.4%	46.9%
DMX	16,898	22,116	30.9%	32,850	43,650	32.9%	49.5%
BHX	11,604	15,190	30.9%	22,612	28,306	25.2%	47.6%
Others	846	884	4.4%	1,720	1,814	5.5%	49.9%
Gross profit	7,569	10,809	42.8%	14,769	20,519	38.9%	56.5%
SG&A	-5,905	-7,298	23.6%	-11,523	-14,106	22.4%	50.8%
Net financial income	366	504	37.6%	721	940	30.5%	41.3%
PBT	2,028	4,033	98.8%	3,963	7,361	85.7%	67.8%
NPAT	1,658	3,355	102.4%	3,205	6,112	90.7%	68.7%
GPM	20.1%	22.2%	2.1%pts	20.0%	21.6%	1.5%pts	
NPM	4.4%	6.9%	2.5%pts	4.3%	6.4%	2.1%pts	

Sources: VNDIRECT Research, Company report

Revenue continues strong growth

2Q26 revenue increased by 30% YoY, mainly driven by steady growth across key segments: TGDD (+28% YoY thanks to a 50% YoY rise in Apple sales), DMX (+31% YoY supported by strong air conditioner and TV sales during the El Nino season and World Cup), and BHX (+31% YoY driven by the addition of 352 stores in Q2). Additionally, Era Blue's 2Q26 revenue surged 72% to VND1.4tn (USD53mn).

Profit margin improved through price increases

Profit margin improved by 2.1 percentage points YoY to 22.2%, driven by higher product selling prices and a shift in consumer demand toward high-cost, AI-integrated products.

Revenue per ICT/CE store increased

Average revenue per store for TGDD/DMX rose to VND3.5bn/VND3.7bn (+29%/32% YoY) (USD133,000/USD141,000), driven by increased device replacement demand, alongside MWG's effective trade-in, installment, and deferred payment policies. Meanwhile, average revenue per store for BHX dropped 10% YoY to VND1.6bn (USD61mn), and Era Blue declined 23% YoY to VND1.8bn (USD68mn) due to ongoing network expansion.

Profit surged due to sales growth combined with cost optimization

SG&A expense ratio remained stable at 15% in 2Q26. Combined with revenue growth, higher financial income (+24% YoY), and margin expansion, net profit after tax doubled YoY to VND3.4tn (USD129mn) in 2Q26.

FY26-27F outlook: Exceeding 2026 guidance with high profit growth

Figure 3: FY26-27 earnings forecast revision

(VNDbn)		Old forecast		New forecast		% YoY		Forecast change		Comment on revision
	2025	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	
Net revenue	156,458	196,926	224,246	198,733	225,222	27.0%	13.3%	0.9%	0.4%	
TGDD	37,393	45,711	52,580	46,218	53,053	23.6%	14.8%	1.1%	0.9%	ICT product prices remained high amid back-to-school period and iPhone Duo launch
DMX	68,529	88,161	92,887	88,881	93,457	29.7%	5.1%	0.8%	0.6%	
BHX	46,937	59,419	73,121	60,419	74,670	28.7%	23.6%	1.7%	2.1%	
An Khang	2,117	3,635	5,659	3,215	4,042	51.9%	25.7%	-11.6%	-28.6%	Thanks to BHX's efficient expansion in the North
Gross profit	30,294	36,333	40,184	40,268	44,762	32.9%	11.2%	10.8%	11.4%	Slower expansion than expected due to strict inspection in Pharmacies sector
Net financial income	1,565	2,276	2,663	1,739	2,057	11.1%	18.3%	-23.6%	-22.8%	
SG&A expenses	(23,215)	-27,760	-30,912	-27,530	-29,413	18.6%	6.8%	-0.8%	-4.8%	
SG&A expenses/Rev	14.8%	14.10%	13.80%	13.9%	13.1%	-1.0% pts	-0.8% pts	-1.8% pts	-5.4% pts	High interest rates are expected to remain in 2026-27
Operating profit	7,078	8,574	9,272	12,737	15,349	80.0%	20.5%	48.6%	65.5%	
Pretax profit	8,636	10,862	11,974	14,488	17,445	67.8%	20.4%	33.4%	45.7%	
Net income	7,076	8,899	9,810	11,870	14,292	67.8%	20.4%	33.4%	45.7%	
% GPM	19.4%	18.50%	17.90%	20.3%	19.9%	0.9% pts	-0.4% pts	1.8% pts	2.0% pts	High selling price is supported by consumer credit programs
% NPM	4.5%	4.50%	4.40%	6.0%	6.3%	1.5% pts	0.4% pts	1.5% pts	0.4% pts	
Stores no.	5,961	7,052	7,672	7,117	7,737	1156 stores	620 stores	0 stores	65 stores	
TGDD	1,012	1,014	1,014	1,008	1,008	-6 stores	0 stores	-6 stores	-6 stores	
DMX	2,008	2,000	2,000	2,003	2,003	3 stores	0 stores	3 stores	3 stores	
BHX	2,559	3,599	4,099	3,671	4,171	72 stores	500 stores	72 stores	72 stores	Adjusted following expansion in 8M26
An Khang	382	439	559	435	555	-4 stores	120 stores	-4 stores	-4 stores	
SSS/month										
TGDD	3.1	3.8	4.3	3.8	4.4	24.4%	15.0%	0.4%	2.0%	
DMX	2.8	3.7	3.9	3.7	3.9	30.4%	5.3%	-0.2%	-0.3%	
BHX	1.8	1.6	1.6	1.6	1.6	-10.6%	-1.8%	1.0%	-0.8%	
An Khang	0.5	0.7	0.9	0.7	0.7	24.4%	3.8%	-6.3%	-24.4%	

Sources: VNDIRECT Research, Company report

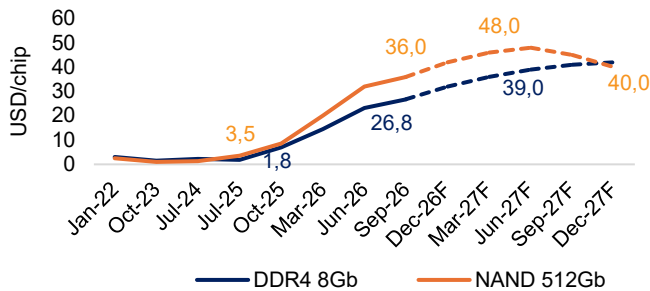
High laptop prices amid back-to-school and year-end spending

The market entered back-to-school season in August and September, lifting laptop and iPad sales in 3Q26. During this time, memory costs stayed high due to the AI boom: DDR4 8Gb spot hit USD46.0 per chip and 512Gb TLC NAND wafers rose to USD20.1 on September 22, 2026, with TrendForce expecting DRAM contract prices up 30% YoY and NAND up 20% YoY in 3Q26, after rising roughly 60% in 2Q26. That may lift global PC prices 17% and smartphone prices 13% higher by YE26. We therefore expect TGDD sales to grow 29.2%/23.6%/23.4% YoY in 3Q26/2026F/2027, supported by aggressive consumer finance.

The high price trend should last until end-2027, when Samsung completes its P5 plant in Pyeongtaek in 1H27 and SK Hynix completes Y1 in Yongin in February 2027, with equipment installation running into 2Q27 and meaningful supply relief unlikely before 2H27. We therefore expect DMX JSC's revenue to increase by 22%/27% YoY in 3Q26/2026F, while GPM may narrow from 21.1%

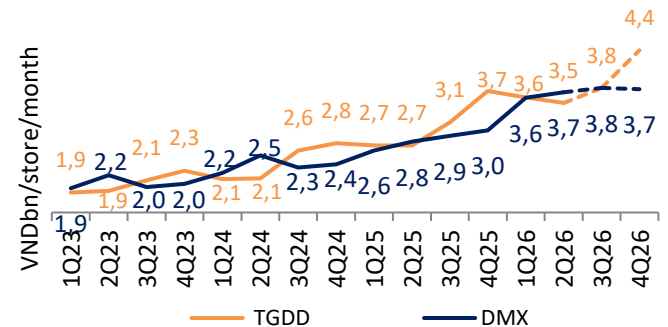
in 2Q26 to 19.5% in 3Q26 and 4Q26, and to 18.0% in 2027, due to costlier merchandise and cooling product replacement demand.

Figure 4: Memory chip prices may cool off by end-2027



Sources: Omdia, Trendforce, VNDIRECT Research

Figure 5: TGDD's SSS continues to rise sharply



Sources: VNDIRECT Research, Company report

Strong iPhone 18 Pro demand supports 2H26 sales growth

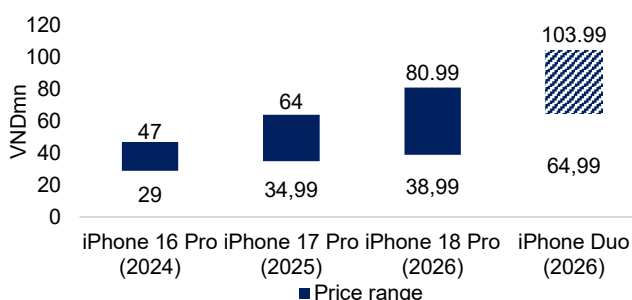
iPhone 18 series was officially introduced on September 9, 2026, and MWG received 182,600 pre-orders and delivered nearly 20,000 Pro/Pro Max units on the launch day of September 18. The iPhone 18 Pro Max accounted for nearly 70% of pre-orders, lifting the average selling price to around VND42mn (USD1,600) and implying approximately VND7.7tn (USD293mn) in revenue that will be recognised in 2H26. This supports our assumption of 20% YoY same-store sales growth for both TGDD and DMX in 2H26.

Figure 6: iPhone 18 series featured a remarkable chip update and price increase

Criteria	iPhone 16 (2024)	iPhone 17 (2025)	iPhone 18 Pro (2026)
Timing			
Pre-order opening in Vietnam	20/9/2024	12/9/2025	12/9/2026
Official sale in Vietnam	27/9/2024	19/9/2025	18/9/2026
Vietnam launch timing	Later	First launch group	First launch group + 65 other markets (year-round)
Models launched	16 / 16 Plus / 16 Pro / 16 Pro Max	17 / Air / 17 Pro / 17 Pro Max	18 Pro / 18 Pro Max / Duo
Price			
Starting price - standard model	VND23mn (128GB)	VND24.99mn (256GB)	No standard model available at launch
Starting price - Pro	VND29mn (128GB)	VND34.99mn	VND38.99mn
Highest price – Pro models	VND47mn	VND64mn	VND80.99mn (2TB)
iPhone Duo	N/A	N/A	VND65mn (256GB) - VND104mn (2TB)
Technology			
Chip	A18 / A18 Pro (3nm)	A19 / A19 Pro	A20 Pro
Key new technology / features	Camera Control button, Apple Intelligence	5.6mm-thin iPhone Air replacing Plus	Fusion 48MP main camera, enhanced telephoto, professional camera app; iPhone Duo

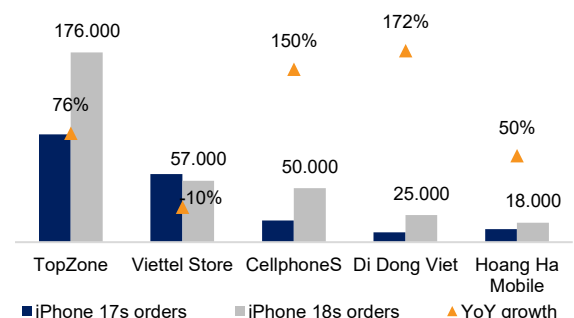
Sources: VNDIRECT Research, Company website

Figure 7: iPhone Pro series' launch price climbed 9%-30% p.a.



Sources: Company website

Figure 8: MWG led iPhone 18s orders by Sept 19



Sources: VNDIRECT Research, Company website

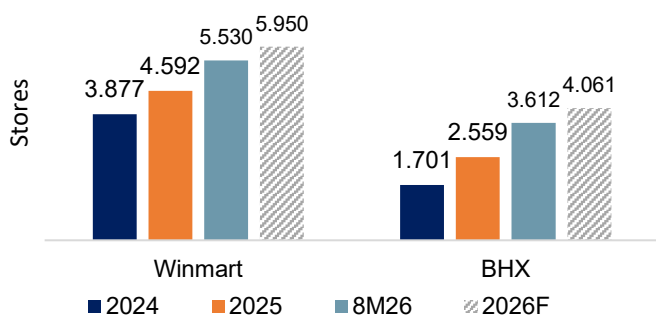
BHX expands north with a longer growth runway

BHX added 352 stores in 2Q26 and over 1,000 in 8M26, including 234 in August, taking its network to 3,612 outlets. Of the ~1,000 stores planned for 2026, 300-500 are targeted in the North, where BHX entered in October 2025. With 67% of consumers still shopping at wet markets, the North offers a longer conversion runway than the saturated South.

WinCommerce (WCM) is the only competitor by scale, with the North its core market. WCM added 796 net stores in 8M26, reaching around 5,530 outlets, including 618 rural WinMart+ stores, with 70% of new stores in the North. This translates into 557 northern openings in eight months, approximately BHX's full-year plan for the region. BHX nevertheless generates around VND1.6bn (USD61,000) in monthly revenue per store, twice WCM's VND800mn (USD30,000), although this productivity advantage is mainly concentrated in the South.

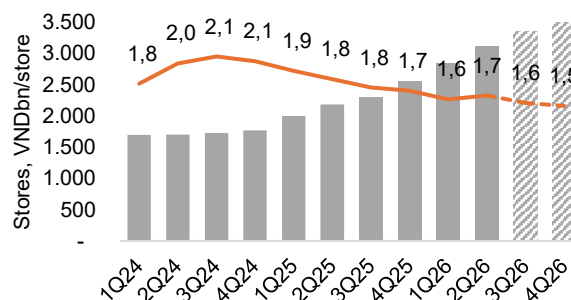
BHX generated VND40.1tn (USD1.5bn) of revenue in 8M26, up 32% YoY. We expect MWG's SSS will keep decreasing by 12%/1% YoY in 2026F/27F due to the expansion with smaller new stores. We forecast VND62tn (USD2.4bn) of revenue in 2026F (+32% YoY) thanks to a store count increase of 59% YoY, with net profit rising 33%/31% YoY to VND1.9tn/VND2.4tn (USD72mn/91mn) in 2026F/27F.

Figure 9: BHX and Winmart are likely to complete their expansion



Sources: VNDIRECT Research, Company report

Figure 10: BHX's SSS may remain around VND1.6bn



Legend: Number of store (grey bars), Monthly average revenue per store (orange line)

Sources: VNDIRECT Research, Company report

All BHX stores opened in 8M26 posted positive store-level profit, indicating a standardized, scalable model. Its scale also enables better terms with nationwide suppliers, partly offsetting its disadvantage with local suppliers in the North. Over the long term, urban redevelopment, informal market removal, tighter tax enforcement and stricter product traceability should support modern grocery chains. However, after rapid expansion, BHX will need to optimize its SKU mix, operating costs and cold-chain capabilities, as northern consumers tend to spend more cautiously and prioritize fresh-product quality.

MWG offers attractive valuation upside

MWG is currently trading at a trailing P/E of 10.8x (EPS of VND6,778), representing a 47% discount to its two-year average of 20.2x and a 27% discount to the peer median of 14.8x. Notably, this is only in line with the 10.4x median P/E of ICT retailers, while MWG's earnings contribution is gradually shifting toward grocery retail, which trades at 19.4x. Following DMX's listing, the ICT segment's valuation will be directly reflected by the market, leaving BHX as the main source of potential re-rating for MWG. We expect MWG to reach a 12M P/E of 16.4x.

From a fund-flow perspective, MWG was nearly fully foreign-room constrained throughout 1H26, while DMX still has up to 40% foreign ownership headroom. DMX was added to the MSCI Large Cap Index in September 2026, and could

potentially be included in the VN30 and ETF baskets in upcoming reviews once it meets the six-month listing requirement. However, we expect this to have a limited impact on MWG's investment appeal, given FTSE's phased market-upgrade process, which is scheduled to take place in four stages from September 2026 to September 2027.

Valuation

Maintain ADD with a higher TP of VND125,700

We maintain our ADD recommendation with a 2026 target price of VND125,700/share. Our valuation is based on the sum-of-parts of MWG's TGDD/DMX and BHX. We increased our TP by 9% due to the mixed impact of:

- We revised our forecast earnings for 2025 and 2026 due to better-than-expected performance in 2Q26.
- We increased WACC from 10.8% to 11.8% as the mixed impact of market premium decreased to 7.92% and the risk-free rate increased to 4.42%.

Figure 11: Target price (Unit: VND)

	Method	Implied EV
TGDD&DMX	DCF	114,021
BHX	DCF	67,324
An Khang	DCF	5,565
Total EV		186,910
Share number (mn)		1,487
MWG's price per share		125,670
Implied P/E		16.4

Source: VNDIRECT Research

Figure 12: Assumptions

Cost of Capital	
Beta	1.1
Market Risk Premium	7.9%
Risk Free Rate	4.4%
Cost of Equity	13.1%
Cost of Debt	8.5%
WACC	11.8%

Source: [Damodaran](#), VNDIRECT Research

Figure 13: DCF valuation - DMX (Unit: VNDbn)

	Amount (VNDbn)
PV of FCF	39,037
Terminal growth rate	3.0%
PV of Terminal Value	85,819
Enterprise value	124,856
Equity Value	132,644
Shares	1,268
Price per share (VND/share)	104,632

Source: VNDIRECT Research

Figure 14: DCF valuation - BHX (Unit: VNDbn)

	Amount (VNDbn)
PV of Free Cash Flows	18,728
Terminal growth rate	3.0%
PV of Terminal Value	54,497
Enterprise value	73,225
Equity Value	70,875
Shares	1,479
Price per share (VND/share)	47,918

Source: VNDIRECT Research

Figure 15: DMX Free cash flow

(VNDbn)	2026F	2027F	2028F	2029F	2030F	2031F
Pre-tax profit	12,422	11,552	12,952	13,371	14,294	15,132
Tax	(2,510)	(3,034)	(2,913)	(2,524)	(2,697)	(3,046)
Depreciation	274	347	421	297	373	380
Capex	(352)	(366)	(371)	(397)	(379)	(384)
Change in work cap	(5,429)	2,083	(429)	(2,493)	1,407	(2,576)
Free Cash Flows	4,404	10,582	9,660	8,253	12,998	9,506
Present Value of FCF	4,166	8,952	7,311	5,587	7,871	5,149

Source: VNDIRECT Research

Figure 16: BHX Free cash flow

(VNDbn)	2026F	2027F	2028F	2029F	2030F	2031F
Pre-tax profit	3,445	5,695	6,346	7,412	8,441	8,686
Tax	0	0	(317)	(1,482)	(1,688)	(1,737)
Depreciation	680	788	824	563	582	190
Capex	(2,413)	(1,007)	(692)	(627)	(652)	(598)
Change in work cap	(1,278)	699	(537)	700	(627)	603
Free Cash Flows	434	6,175	5,306	6,566	6,055	7,143
Present Value of FCF	411	5,224	4,015	4,444	3,666	3,868

Source: VNDIRECT Research

Figure 17: Sensitivity of valuation assumption (MWG's cost of equity and BHX terminal growth rate)

Terminal growth rate	Cost of equity							
		11.6%	12.1%	12.6%	13.1%	13.6%	14.1%	14.6%
	1.5%	131,183	127,284	123,585	120,156	116,929	113,836	110,944
	2.0%	133,470	129,301	125,401	121,837	118,408	115,248	112,222
	2.5%	135,957	131,520	127,418	123,653	120,089	116,727	113,567
	3.0%	138,781	134,075	129,704	125,670	121,904	118,408	115,113
	3.5%	142,009	136,899	132,259	127,956	123,989	120,223	116,794
	4.0%	145,707	140,193	135,150	130,511	126,275	122,308	118,677
	4.5%	150,010	143,959	138,445	133,470	128,897	124,661	120,761

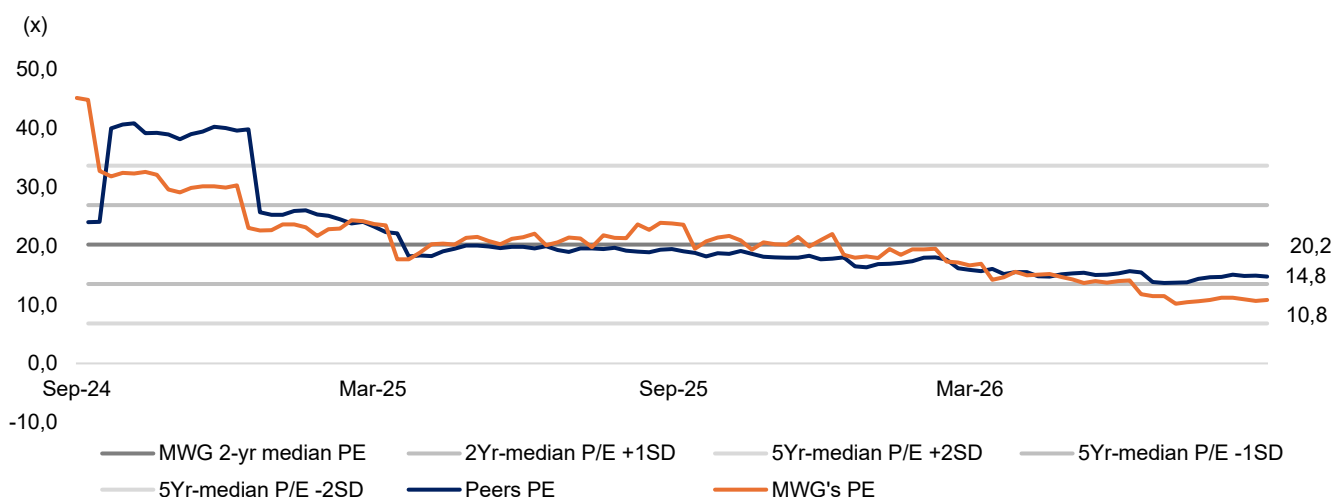
Source: VNDIRECT Research

Figure 18: MWG's peer comparison on September 24, 2026

Company name	Mkt Cap	Revenue		Net profit		EPS		Net D/E	ROE (%)		EV/ EBITDA	P/E (x)		Adj P/E
	USD mn	FY25 (USD mn)	FY25 growth	FY26F growth	FY25 (USD mn)	FY25 growth	FY26F growth		TTM	FY26F	TTM	TTM	FY26F	FY 26F
Mobile World Investment Corp	4,319	5,997	16%	20%	271	106%	29%	-27%	25.4	25.0	9.4	13.9	12.5	12.5
ICT														
Digiworld Corp	394	1,024	21%	25%	21	24%	83%	11%	24.5	22.4	9.8	12.1	11.3	11.3
FPT DIGITAL RETAIL JSC	962	1,965	27%	27%	31	154%	60%	23%	29.7	25.4	13.1	22.0	19.6	19.6
Erajaya Swasembada Tbk PT	544	4,649	17%	10%	73	17%	7%	71%	15.8	13.6	4.4	6.8	7.0	10.1
Com7 PCL	2,168	2,656	10%	13%	124	26%	20%	71%	47.2	41.5	12.3	15.8	14.8	14.5
Harvey Norman Holdings Ltd	3,674	2,071	5%	36%	359	1%	-3%	46%	10.9	8.3	7.1	9.9	12.8	8.9
Bic Camera Inc	2,067	6,553	6%	5%	118	15%	13%	13%	12.9	11.9	7.9	13.4	14.6	10.7
K's Holdings Corp	2,011	5,047	3%	7%	95	27%	78%	17%	7.5	10.4	7.4	15.5	10.9	8.0
Yamada Holdings Co Ltd	4,411	11,239	4%	8%	98	-63%	147%	42%	2.5	5.8	19.7	30.4	12.6	9.2
Mean	2,029	4,401	12%	16%	115	25%	51%	37%	18.9	17.4	10.2	15.7	13.0	11.5
Median	2,039	3,653	8%	11%	97	21%	40%	33%	14.4	12.8	8.9	14.5	12.7	10.4
Groceries														
CP ALL PCL	11,861	30,159	330%	4%	859	13%	8%	1.2%	22.6	21.1	10.8	13.2	13.0	12.8
Sumber Alfaria Trijaya Tbk PT	3,017	7,692	720%	8%	207	8%	5%	-0.1%	20.5	19.6	5.5	15.1	14.0	20.2
Central Retail Corp PCL	5,412	6,952	70%	4%	226	2%	21%	1.2%	13.1	13.3	9.2	22.4	19.8	19.4
Mean	6,763	14,934	373%	5%	430	7.7%	11.1%	0.8%	18.7	18.0	8.5	16.9	15.6	17.5
Median	5,412	7,692	330%	4%	226	8.0%	7.6%	1.2%	20.5	19.6	9.2	15.1	14.0	19.4

Source: VNDIRECT Research, Bloomberg

Figure 19: MWG is trading at a PE of 10.8x, lower than its two-year average historical level (20.2x) and peer average (14.8x)



Source: VNDIRECT Research, Bloomberg

Re-rating catalysts and downside risks

Potential re-rating catalysts

- Strong consumer interest in new smartphone and laptop models could drive faster-than-expected upgrade demand. This would support stronger SSS growth and net profit growth for TGDD and DMX, particularly during the 2H26 peak season.

Downside risk:

- Weaker purchasing power due to inflation: Higher device prices and inflationary pressures could prompt consumers to delay smartphone and laptop upgrades or shift to lower-priced segments. As a result, TGDD and DMX's sales/store growth in 2H26 could fall below our 20% YoY assumption.
- Higher-than-expected ICT merchandise costs: DRAM/NAND memory prices are likely to remain elevated until at least 2H27, when new capacity from Samsung and SK Hynix comes online. If DMX cannot fully pass higher costs through to selling prices, gross margin could decline more than forecast.
- Intensifying competition in the North: WinCommerce opened around 557 stores in the North in 8M26, exceeding BHX's full-year target for the region. This could slow BHX's expansion pace and extend the breakeven period for new stores.

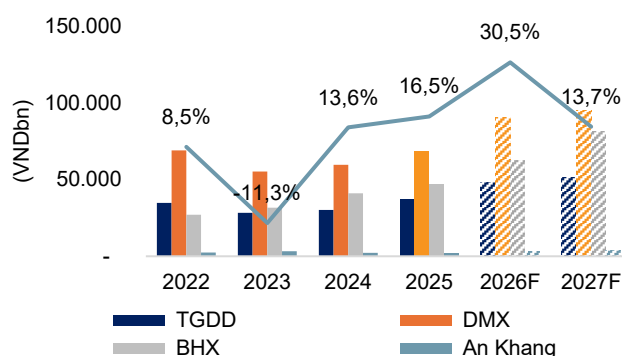
Appendix 1. Company Profile

MWG was established in 2004, introducing the The gioi di dong chain, a retail platform focusing on phone and ICT products. Subsequently, the company expanded its scope into the electronics sector with the Dien May Xanh chain. Presently, MWG operates a vast network comprising more than 1,000 The gioi di dong stores and 2,000 Dien may xanh outlets across the country.

In 2016, MWG diversified its retail portfolio into the grocery products segment with the Bach Hoa Xanh chain (BHX), which has grown to encompass over 3,000 stores, strategically located across southern and central Vietnam.

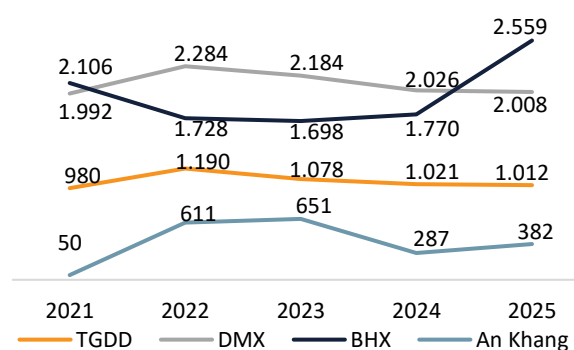
Additionally, alongside the aforementioned retail chains, MWG owns key entities such as the An Khang pharmacy chain, boasting a widespread presence of 326 stores nationwide. Furthermore, the company manages the Avakids store chain, specializing in mother and baby products, and currently operates nearly 70 stores. In collaboration with Erajaya, MWG has successfully entered the Indonesian market, establishing 135 Erablue stores by the end of August 2025 as part of its expansion strategy.

Figure 20: MWG's revenue movement by segment



Sources: VNDIRECT Research, Company report

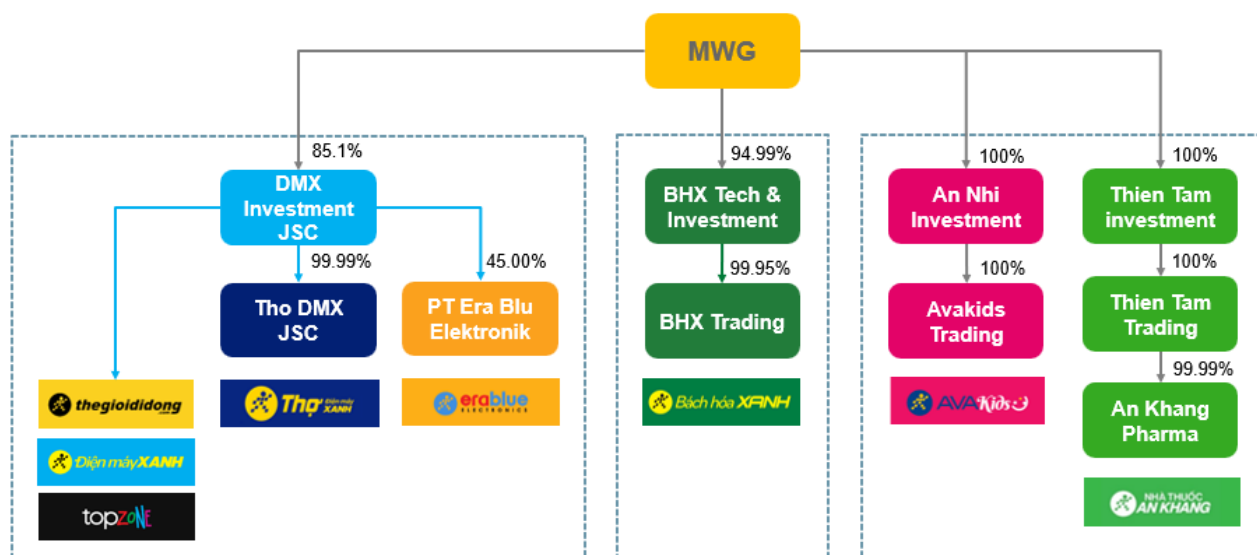
Figure 21: MWG's store number by chain



Sources: VNDIRECT Research, Company report

MWG encompasses nine subsidiary companies consolidated within the corporate reporting structure, each held at an approximate ownership rate of 100%. This approach is aimed at segregating and clarifying the management and business operations within distinct business segments.

Figure 22: MWG's group structure



Source: VNDIRECT Research, Company report

Appendix 2. Key financial projections

Income statement

(VNDbn)	2023A	2024A	2025A	2026F	2027F	2028F
Net revenue	118,280	134,341	156,458	204,233	232,276	242,976
The Gioi Di Dong	28,269	30,092	37,393	48,282	51,401	46,995
Dien May Xanh	55,237	59,513	68,529	90,647	95,311	100,768
Bach Hoa Xanh	31,581	41,108	46,937	62,089	81,523	90,094
Cost of sales	(95,759)	(106,842)	(126,164)	(162,654)	(186,001)	(192,978)
Gross Profit	22,521	27,499	30,294	41,579	46,276	49,998
Gen & admin expenses	(1,168)	(3,566)	(4,596)	(5,999)	(6,823)	(7,138)
Selling expenses	(20,917)	(19,850)	(18,619)	(23,517)	(24,831)	(26,321)
Operating profit	436	4,084	7,078	12,063	14,621	16,539
Operating EBITDA	3,788	6,997	8,969	13,203	16,049	18,153
Depreciation and amortization	3,351	2,913	1,891	1,140	1,428	1,614
Operating EBIT	436	4,084	7,078	12,063	14,621	16,539
Interest income	2,167	2,377	3,107	4,056	4,613	4,826
Financial expense	(1,448)	(1,137)	(1,471)	(2,243)	(2,487)	(2,255)
Net other income	(357)	(401)	(31)	(40)	(46)	(48)
Income from associates & JVs	-	(45)	24	52	84	118
Pre-tax profit	690	4,826	8,636	13,888	16,785	19,180
Tax expense	(522)	(1,092)	(1,561)	(2,510)	(3,034)	(3,466)
Net profit	168	3,733	7,076	11,378	13,751	15,713

Balance sheet

(VNDbn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	5,366	4,897	5,000	2,295	7,294	4,390
Short term investments	18,937	29,324	33,874	40,847	39,487	36,446
Accounts receivables	5,159	8,826	10,153	14,305	19,708	24,271
Inventories	21,824	22,245	27,267	34,777	31,617	37,700
Other current assets	665	544	921	1,059	1,170	1,304
Total current assets	51,950	65,836	77,215	93,282	99,276	104,111
Fixed assets	6,431	3,523	2,540	4,992	5,486	5,325
Total investments	747	242	3,136	2,231	4,646	7,289
Other long-term assets	452	358	515	672	764	799
Total assets	60,111	70,438	83,959	101,926	110,976	118,373
Short-term debt	19,129	27,300	29,931	39,070	37,467	31,904
Accounts payable	7,927	9,180	13,124	17,023	18,291	19,859
Other current liabilities	0	0	0	0	0	0
Total current liabilities	30,765	42,316	50,780	61,706	61,562	57,847
Total long-term debt	5,985	-	-	-	-	0
Other liabilities	1	-	-	-	-	0
Share capital	14,634	14,622	14,697	14,872	15,050	15,229
Retained earnings reserve	8,160	12,582	18,072	25,408	35,066	46,683
Shareholders' equity	23,346	27,758	32,604	39,645	48,838	59,950
Minority interest	13	364	576	576	576	576
Total liabilities & equity	60,111	70,438	83,959	101,926	110,976	118,373

Cash flow statement

(VNDbn)	<u>2023A</u>	<u>2024A</u>	<u>2025A</u>	<u>2026F</u>	<u>2027F</u>	<u>2028F</u>
Pretax profit	690	4,826	8,636	13,888	16,785	19,180
Depreciation & amortization	3,351	2,913	1,891	1,140	1,428	1,614
Tax paid	(860)	(959)	(1,546)	(3,121)	(3,074)	(3,436)
Other adjustments	(1,414)	(1,708)	(2,789)	(4,513)	(5,184)	(5,033)
Change in working capital	1,835	3,224	(300)	(5,840)	4,563	(4,429)
Cash flow from operations	3,436	8,517	6,097	1,580	14,535	7,901
Capex	(523)	(304)	(892)	(3,616)	(1,951)	(1,483)
Proceeds from assets sales	31	55	23	24	28	31
Increase in financial investment	(106)	0	(115)	(354)	(147)	(80)
Other non-current assets changes	(11,346)	(13,870)	(8,188)	(9,198)	(5,918)	(3,934)
Cash flow from investing activities	(10,831)	(11,743)	(6,662)	(9,088)	(3,374)	(641)
New share issuance	0	1,772	284	175	177	180
Shares buyback	(10)	(9)	(816)	(826)	(835)	(845)
Net borrowings	8,440	1,726	2,678	9,140	(1,603)	(5,563)
Other financing cash flow	-	0	0	0	0	0
Dividends paid	(731)	(731)	(1,478)	(3,686)	(3,900)	(3,936)
Cash flow from financing activities	7,700	2,757	667	4,803	(6,161)	(10,165)
Beginning cash and equivalents	5,061	5,366	4,897	5,000	2,295	7,294
Total cash generated	304	(468)	103	(2,705)	4,999	(2,905)
Ending cash and equivalents	5,365	4,897	5,000	2,295	7,294	4,390

Key ratios

	2023A	2024A	2025A	2026F	2027F	2028F
Valuation Ratios						
EPS (VND)	114	2,532	4,788	7,650	9,137	10,318
Price Earnings	372.2	24.1	18.5	14.7	15.0	13.3
1-yr PEG	-3.9	0.0	0.6	0.5	0.5	0.4
Price to Sales	0.5	0.7	0.6	0.5	0.4	0.4
Price to Book	2.7	3.2	4.0	4.2	4.2	3.5
Dividend Yield	1.2%	0.8%	1.1%	1.8%	1.5%	1.5%
Dividend Payout Ratio	435.6%	19.6%	21.0%	32.4%	28.4%	25.0%
Growth Rates						
Net Revenue YoY	-11.3%	13.6%	16.5%	30.5%	13.7%	4.6%
Gross Profit YoY	-26.8%	22.1%	10.2%	37.3%	11.3%	8.0%
Net Profit YoY	-95.9%	2124.5%	89.5%	60.8%	20.9%	14.3%
EPS YoY	-95.9%	2119.8%	89.1%	59.8%	19.4%	12.9%
Profitability Ratios						
Gross Margin	19.0%	20.5%	19.4%	20.4%	19.9%	20.6%
EBITDA Margin	3.2%	5.2%	5.7%	6.5%	6.9%	7.5%
Operating Margin	0.4%	3.0%	4.5%	5.9%	6.3%	6.8%
Net Profit Margin	0.1%	2.8%	4.5%	5.6%	5.9%	6.5%
Return on Avg Assets	0.3%	5.3%	8.4%	11.2%	12.4%	13.3%
Return on Avg Equity	0.7%	13.4%	21.7%	28.7%	28.2%	26.2%
Leverage Ratios						
Interest Coverage Ratio (EBIT/I)	0.3	3.4	4.6	5.4	5.9	7.3
EBITDA / (I + Cap Ex)	1.9	4.9	3.8	2.3	3.6	4.9
Tot Debt/Capital	0.5	0.5	0.5	0.5	0.4	0.3
Tot Debt/Equity	1.1	1.0	0.9	1.0	0.8	0.5
Net Debt/Equity	0.8	0.8	0.8	0.9	0.6	0.5
Liquidity Ratios						
Asset Turnover	2.0	2.1	2.0	2.2	2.2	2.1
Accounts Receivable Turnover	486.2	488.6	628.2	653.9	627.9	628.7
DSO	0.8	0.7	0.6	0.6	0.6	0.6
Accounts Payable Turnover	11.5	12.5	11.3	10.8	10.5	10.1
DPO	31.8	29.2	32.3	33.8	34.6	36.1
Inventory Turnover	4.0	4.8	5.1	5.2	5.6	5.6
DIO	90.6	75.3	71.6	69.6	65.1	65.6
Current Ratio	2.7	2.4	2.6	2.4	2.6	3.3
Quick Ratio	1.3	1.3	1.3	1.1	1.2	1.3

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RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

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.

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.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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