

Mobile World Group (MWG)

May updates: Weak demand continues to weigh on business results

TGDD&DMX revenue: the downward momentum is slowing

- Weak demand weighted continuously on MWG's May business results, MWG recorded a 10% decrease yoy in revenue to VND10,297bn but was up +6% mom, prompting total revenue of MWG to reach VND59.3tn (-21% yoy) in 5M23.
- In which, TGDD/DMX revenue was up 4% m/m to VND7.6bn (-14% yoy) due to a strong increase in air conditions sales (+100% yoy) and price-competitive strategy affects. Online sales in May increased 16% mom, accounting for 22% total sales.
- For 5M23, TGDD/DMX reached sales of VND35tn (-27% yoy).

Improved revenue/store of BHX chain

- BHX revenue in May increased to VND2.4tn vs VND2.3tn in April, average revenue/store reaching VND1.5bn vs VND1.35bn in April and equivalent to the level of Dec-22.
- The better performance of BHX revenue/store was backed by replacing gradually small stores by larger stores and improved operations, as well as fresh food quality.
- For 5M23, BHX sales increased by 6% yoy, online sales was up 13% yoy.

12M rating **HOLD (Maintain)**

12M TP
Up/Downside

Stock Data

VNIndex (26 Jun, pt)	1,122
Stock price (26 Jun, VND)	43,350
Market cap (USD mn)	2,696
Shares outstanding (mn)	1,463
52-Week high/low (VND)	74,100/37,700
6M avg. daily turnover (USD mn)	4.20
Free float / Foreign ownership (%)	75.1/49.0
Major shareholders (%)	
Retail World Company Ltd	10.5
Dragon Capital	7.9
Tri Tam Company Ltd	7.9
Arisaig Asean Fund Limited	7.2

Performance

	1M	6M	12M
Absolute (%)	13.5	1.8	(39.7)
Relative to VNIndex (%p)	7.7	(12.9)	(35.9)

Stock price trend



Source: Bloomberg

	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	86,516	102,174	108,546	122,958	133,405
chg. (% YoY)	30.4	18.1	6.2	13.3	8.5
Operating profit (VND bn)	3,871	4,977	5,216	5,888	6,644
Net profit (VND bn)	2,879	3,834	3,918	4,899	4,100
EPS (VND)	6,490	8,657	8,650	6,861	2,802
chg. (% YoY)	(6.7)	33.4	(0.1)	(20.7)	(59.1)
EBITDA (VND bn)	5,094	6,420	7,412	8,809	10,185
PE (x)	6.6	5.0	5.0	6.3	15.3
EV/EBITDA (x)	4.4	4.2	2.8	4.2	6.3
PB (x)	2.1	1.6	1.3	1.5	2.6
ROE (%)	38.7	36.3	28.4	27.3	18.5
Dividend yield (%)	2.5	3.5	3.5	0.8	1.2

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Prepared by: Research Dept

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