

Mobile World Group (MWG)

Aug updates: Difficulties fade away

On Sep 25th, Mobile World Group (MWG) released the performance report for August 2023. Here are some notable updates.

TGDD&DMX: The sales decline slowdown

- In Aug 23, MWG posted net revenue of VND9.9tn (+0.5% mom, - 4.3% yoy), accumulating to 8M23 net revenue of VND76.5tn (-17.2% yoy), fulfilling 57% of the year guidance.
- In 8M23, TGDD and DMX's sales dropped to VND55.1tn (-25% yoy, 72.2% total sales), while BHX's sales reached VND19.4 tn (+10% yoy, 25.4% total sales).
- TGDD and DMX' Aug sales continued to decrease to VND6.8tn (+0.0% mom, -13% yoy) but being a slowdown compared to the drop of 25% yoy in June and 20% yoy in July, which was driven by the positive yoy growth of laptops and white products.
- As of Aug 23, the store number of TGDD (incl. TopZone) and DMX was 1,171 and 2,286 stores respectively, being almost equal to the year start.

BHX grew positively after the restructure completion

- BHX's Aug sales soared to VND2.9tn (+3.5% mom, + 20% yoy), which was attributed to higher bill numbers (+4% mom) and fresh volume (+10% mom).
- BHX's monthly sales / store increased to VND1.65bn (+3.5% mom) in Aug 23, which was a high level after the restructure completion.
- As of Aug 23, BHX has 1,706 stores, being equal to Jul 23 but lower by 22 stores YTD.
- In Aug 23, An Khang opened 3 stores to have 540 stores, while Ava Kids' stores remained the same at 67 stores.

12M rating **HOLD (Maintain)**

12M TP
Up/Downside

Stock Data

VNIndex (26 Sep, pt)	1,138
Stock price (26 Sep, VND)	51,500
Market cap (USD mn)	3,089
Shares outstanding (mn)	1,463
52-Week high/low (VND)	67100./37700.
6M avg. daily turnover (USD mn)	9.80
Free float / Foreign ownership (%)	75/48
Major shareholders (%)	
Retail World Company Ltd	10.48
Arisaig Asia Fund Limited	4.32
Tran Huy Investment Consulting Ltd	2.2

Performance

	1M	6M	12M
Absolute (%)	2.0	37.0	(23.6)
Relative to VNIndex (%p)	5.5	27.2	(22.2)

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)	20.2	15.2	15.2	19.2	15.3
EV/EBITDA (x)	12.1	10.3	8.2	11.3	6.3
PB (x)	6.5	4.8	3.8	4.6	2.6
ROE (%)	38.7	36.3	28.4	27.3	18.5
Dividend yield (%)	0.8	1.1	1.1	0.3	1.2

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

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Prepared by: Research Department

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