

Mobile World Group (MWG)

July 2022: DMX Supermini proved the vision

On Aug 26th, Mobile World Group (MWG) released the performance report for July 2022. Here are some noticeable updates.

MWG met 45% of the PAT guidance

- In July 2022, MWG's net revenue upped 16% yoy to VND8.9tn and net profit rose by 32% to VND0.3tn, attributed to the low base in July 2021 which was hit by Covid-19. Of which, TGDD&DMX revenue surged to VND8.4tn (+63% yoy), offsetting a tepid VND2.4tn revenue of BHX segment (-45% yoy).
- In 7M22, MWG's net revenue went up by 14% yoy to VND81.9tn and net profit edged up by 3% yoy to VND2.9tn. More specifically, TGDD&DMX revenue increased by 21% yoy and BHX's revenue decreased by 14% yoy.
- BHX is completing restructure in August 2022. The revenue of BHX was VND1.3bn/month/store in July 2022 and could reach VND1.5bn/month/store in 4Q22F, per management.
- Online revenue in 7M22 climbed by 84% yoy to VND12tn, in which, TGDD&DMX and BHX correspondingly contributed 87% and 1%.
- Started from July 2020, DMX Supermini currently operates 1,000 stores in Vietnam by Aug 2022. DMX Supermini expects to earn revenue of VND12.5tn in 2022F and VND20tn in 2023F.
- By August 2022, MWG has total 1,070 TGDD stores, 2,185 DMX stores, 1,735 BHX stores, 510 An Khang pharmacies (432 pharmacies in use and 78 pharmacies in renovation), 68 AVAKids stores and 12 AVASports stores.
- MWG is trading at TTM PE of 21.2x, higher than two years average of 17.3x. We are reviewing our forecast to factor in the robust business landscape of DMX segment.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	66,340	86,516	102,174	108,546	122,958
chg. (% YoY)	48.7	30.4	18.1	6.2	13.3
Operating profit (VND bn)	2,779	3,871	4,977	5,216	5,888
Net profit (VND bn)	2,206	2,879	3,834	3,918	4,899
EPS (VND)	6,959	6,490	8,657	8,650	6,861
chg. (% YoY)	(32.1)	(6.7)	33.4	(0.1)	(20.7)
EBITDA (VND bn)	3,469	5,094	6,420	7,412	8,809
PE (x)	18.9	20.2	15.2	15.2	19.2
EV/EBITDA (x)	13.0	12.1	10.3	8.2	11.3
PB (x)	7.0	6.5	4.8	3.8	4.6
ROE (%)	45.3	38.7	36.3	28.4	27.3
Dividend yield (%)	0.6	0.8	1.1	1.1	0.3

12M rating **HOLD (Maintain)**

12M TP **N/A**

Up/Downside **N/A**

Stock Data

VNIndex (22 Aug, pt)	1,288
Stock price (22 Aug, VND)	72,200
Market cap (USD mn)	4,513
Shares outstanding (mn)	1,464
52-Week high/low (VND)	79,583/54,314
6M avg. daily turnover (USD mn)	10.68
Free float / Foreign ownership (%)	76.5/49.0
Major shareholders (%)	
Retail World Company Ltd	10.8
Tri Tam Company Ltd	9.9
Arisaig Asia Fund Limited	7.2

Performance

	1M	6M	12M
Absolute (%)	14.6	5.6	35.0
Relative to VNIndex (%p)	5.9	18.9	34.5

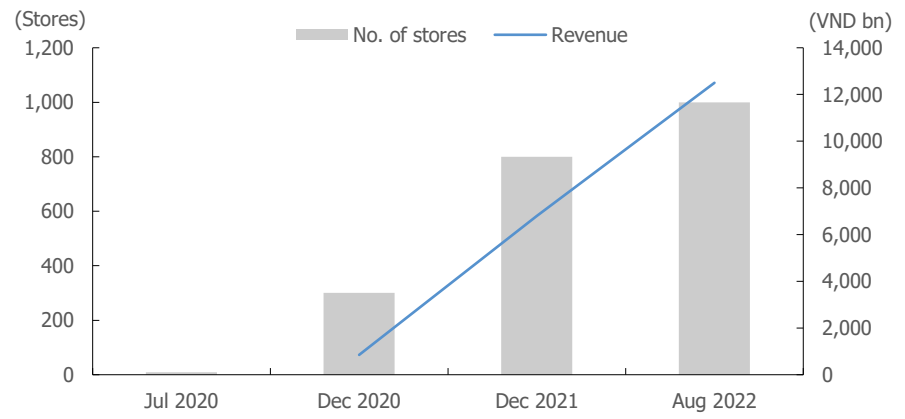
Stock price trend



Source: Bloomberg

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Figure 1. DMX Supermini's revenue experienced a remarkable uptrend

Source: Company data, KIS

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