

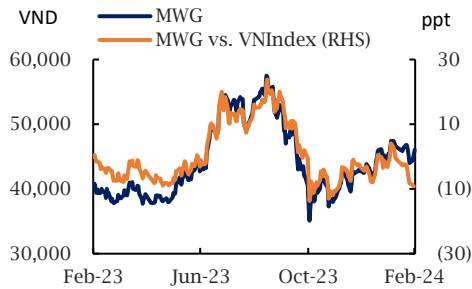
BUY

TP upside (downside): +20.8%

Close 22 Mar 2024

Price VND 49,100
12M Target VND 59,300

Share price performance relative to VNI



Market cap	US\$2,882mn
6M avg. daily turnover	US\$18.7mn
Outstanding shares	1,462 mn
Free float	80%
FINI ownership	44.4%
Major shareholders	17.4%
2023 Net debt / Equity	1.0x
FOL remaining room	4.6%
2024E Dividend yield	1.0%
Trading platform	HOSE

Source: Fiinpro, Bloomberg, Yuanta Vietnam

Sales breakdown by segments (VNDbn)



Source: Company data, Yuanta Vietnam

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Mobile World Group (MWG VN)

MWG posted improved results in 2M24, mainly fueled by the higher operating efficiencies of its grocery chain (i.e., BHX).

Key Highlights

In 2M24, MWG’s total sales increased by +14% YoY to reach VND 21.6tn, fulfilling 17% of the company’s sales guidance for 2024E.

BHX remains the key growth driver with sales accelerating by +48% YoY to reach VND 6.0tn in 2M24. This was a strong result in the context of the closure of 31 grocery stores over the preceding 12 months, in line with the company’s restructuring strategy. Please see our [4Q23 express note on MWG](#) for more details on the company business plans in 2024.

Electronics retail sales overall remain weak... ICT&CE retail sales (i.e., TGDD and DMX) slightly improved by +3% YoY compared to last year’s low base to reach VND 14.9tn in 2M24.

... but demand is stronger for household CE products such as air conditioners, refrigerators, and other home appliances. DMX’s sales reached VND 10.4tn (+6% YoY) in 2M24 despite the closure of 98 stores over the past year.

Meanwhile, demand for mobile phones, laptops, PCs, NBs, and other electronic gadgets continued to fall in the first two months of the year. Sales at TGDD decreased by -6% YoY to reach VND 4.6tn. This is disappointing even considering the closure of 112 TGDD outlets in the previous year.

Sales from other retail chains (i.e., Ava Kids and An Khang Pharmacy) jumped by 83% YoY. This is an impressive result, but bear in mind that these two chains contributed only c.3% of MWG’s 2M24 total sales.

The Group also disclosed its AGM documents. MWG plans to pay a cash dividend of VND 500 per share, equivalent to a cash dividend yield of 1.0%. It also plans to allocate a maximum of VND 100bn for share repurchases, which would correspond to c.2 million shares based on the current market price. Furthermore, MWG intends to issue ESOPs in 2025 based on the company’s actual earnings performance in 2024.

Our View

We retain a cautious take on the electronics retail business... and so does MWG’s management. According to their disclosures, the company plans to continue restructuring these businesses and filtering out underperforming stores in 2024. We continue to believe that sales per store at TGDD/DMX will increase YoY in 2024 on a full-year basis given the low 2023 base.

... But our assumption for new BHX store opening is more conservative than management’s. This could imply upside to our model if MWG outperforms our expectations, and we would welcome such an event.

We reiterate our BUY recommendation and target price of VND 59,300, implying +22% 12-month TSR. For details, please see our initiation note of Jan 24, [The Hero’s Journey](#).

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BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

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SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

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