

**Vietnam: Retail**
**8 January 2025**
**MWG VN**
**BUY**
**TP upside +34.2%**
**Close 7 Jan 2025**

Price	VND 57,100
12M Target	VND 76,600
Previous Target	VND 59,300
Change	+29%

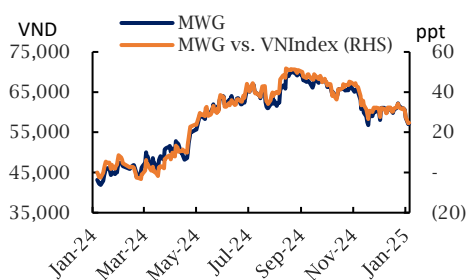
**What's new?**

- ▶ Sales forecasts increased by 4%–9% for 2025E–2027E, driven by the expansion of the grocery retail chain.
  - ▶ PATMI forecasts for 2025E–2027E reduced on more conservative assumptions for ICT&CE retailing.
- Target price raised by 29% to VND 76,600 per share, implying 35% 12–m TSR, based on a 2024–30E DCF offset by regional comps as a reality check.

**Our view**

- ▶ Stay focused on the long-term growth prospects.
- ▶ As one of the two leaders of the mini-mart segment, BHX should benefit from the ongoing shift to modern grocery. But increased competition from local and regional retailers is a concern.
- ▶ We retain a conservative view on mobile phones.
- ▶ But we are more optimistic on consumer electronics given our expectation for a property market upcycle starting from 2H25.

**Company profile:** Mobile World Investment Corp ([MWG VN](#)) manages and operates six directly owned retail chains in Vietnam, including The Gioi Di Dong, TopZone (mobile phones), Dien May Xanh (consumer electronics), Bach Hoa Xanh (groceries), An Khang Pharmacy (one of the top-three pharmacy chains), AVA Kid (mom & baby shops) and a retail chain in Indonesia (EraBlue a JV with Erajaya).


**Share price performance relative to VNI**

Market cap	US\$3,289mn
6M avg. daily turnover	US\$18.9mn
Outstanding shares	1,461 mn
Free float	81.0%
FINI ownership	46.1%
Major shareholders	18.4%
2025E P/E	15.4x
Trading platform	HOSE
FOL Room	2.9%
Dividend yield	0.9%

Source: Fiinpro, Bloomberg, Yuanta Vietnam

**Financial outlook (VND bn)**

Year to Dec (VNDbn)	2023A	2024E	2025E	2026E
Sales	118,280	132,411	143,966	158,411
Op. profit	436	4,854	6,188	7,630
Net profit	168	3,927	5,412	6,668
EPS (VND)	115	2,686	3,702	4,561
EPS chg	-97%	2247%	41%	22%
P/E (x)	760.8	21.3	15.1	12.3
Dividend yield	0.6%	0.9%	0.9%	0.9%

Source: Fiinpro, Yuanta Vietnam

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## Mobile World (MWG VN)

### Patience wins across the market cycle

We retain our long-term positive view on MWG given the growth prospects of Vietnam's modern retail industry. Vietnam's penetration rate of modern trade is relatively low (33%) compared to regional peers', implying ample room for modern retailers to continue growing in the years ahead.

We remain positive on BHX specifically. Following the past few years of restructuring, we expect BHX's sales to post CAGR of 16% in 2023–2027E. In addition, we expect the chain to contribute nearly VND1.0tn to MWG's consolidated pre-tax profits by 2027E (10% of the total).

However, we are more cautious regarding ICT&CE retail, especially the mobile phones/laptops/notebooks retail chain (i.e., TGDD) due to the high penetration rates of these products. But we are more constructive on consumer electronics retailing (i.e., DMX), as home appliance demand should be supported by the recovery of the property sector from 2H25.

**Forecast revisions.** We increase our revenue forecasts by 4%–9% for 2025E–2027E but cut our earnings forecasts by 3%–10% for the same period. Our increased sales assumptions are mostly driven by BHX (+12%–13% in 2025E–2027E revenues) while our reduced earnings forecasts are due to more conservative assumptions for ICT/CE retailing.

**Yuanta vs. the Street.** Our 2024E–2026E earnings forecasts are now 4–5% lower than the Street's, likely due to greater caution on the ICT/CE business.

We reiterate BUY and increase our target price by +29% to VND 76,600, implying +35% 12–m TSR. We have extended our FCFE cashflow model (60% weighting) out to 2030E (previous: 2026E) to incorporate the longer-term potential of the underlying business. We temper our DCF-based fair value estimate (which would present +41% TSR) by applying a regional peer multiple comparison (40% weighting) to derive our target price, which implies 21x 2025E PE and 17x 2026E PE.

### ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

Yuanta does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

# Long-term growth prospects remain attractive

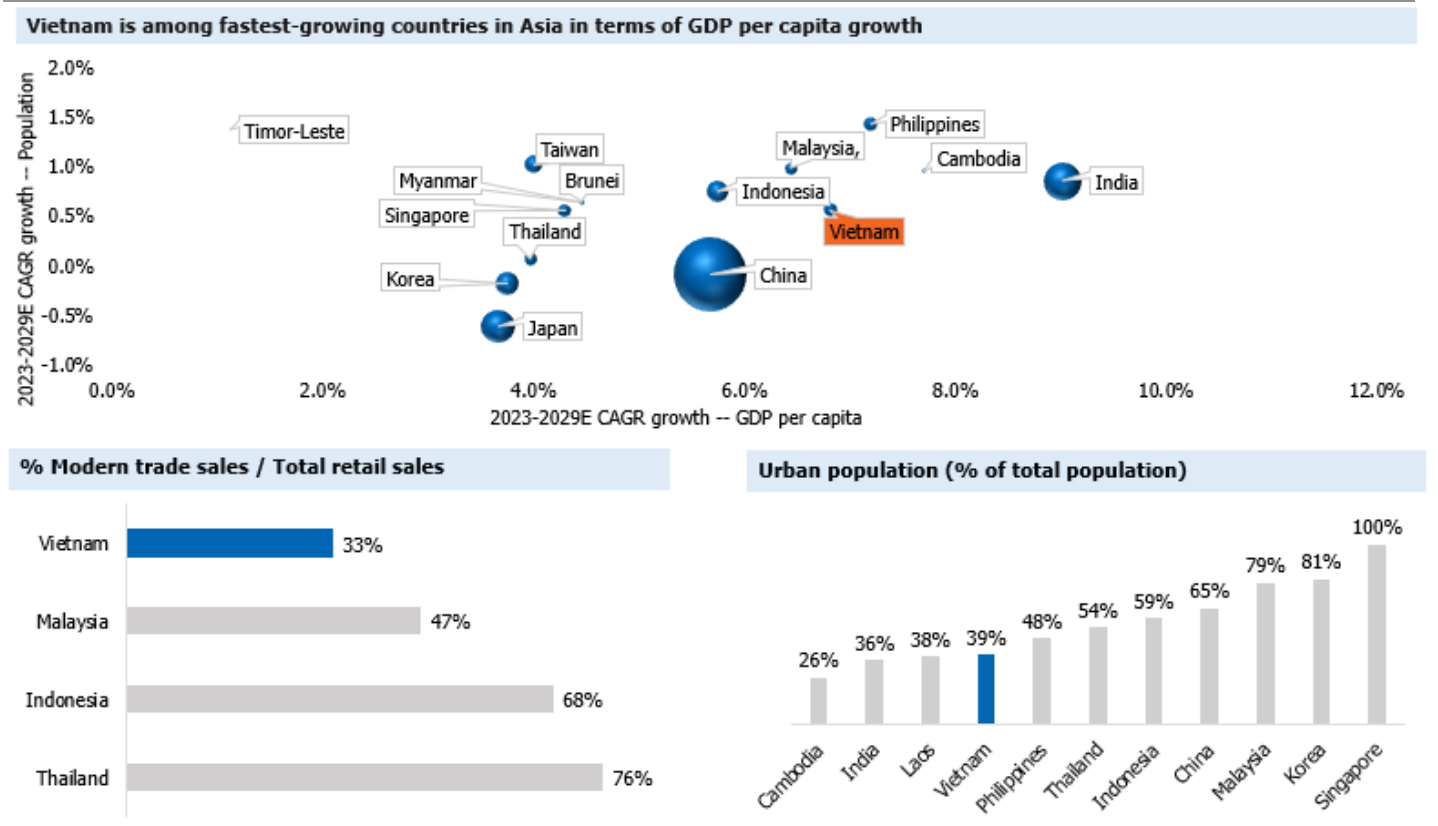
We remain positive in terms of our long-term outlook on MWG given that Vietnam’s modern retail industry has ample room to grow amid rising consumer spending power in the years ahead. These assumptions are supported by:

- ▶ **Solid GDP per capita growth amid stable inflation environment.** Vietnam is among the top fastest-growing countries in Asia in terms of GDP per capita growth, with an CAGR growth of 6.8% in 2023–2029E period. This highlights the country’s potential growth in consumer spending in long term.

In addition, Vietnam’s consumer inflation rate has remained persistently low relative to developed markets. 2024 CPI was 3.63%, well below the government’s 2024E target of 4%–4.5%. This is also the guidance for 2025E and 2026E.

- ▶ **The modern trade penetration rate remains low** at just 33% in Vietnam, well below levels among regional peers. Therefore, we believe there is still ample room for modern retailers to grow in Vietnam.
- ▶ **Rapid urbanization.** Vietnam’s urbanization rate of 39% (2023) is also on the low side compared to other regional emerging markets such as the Philippines (48%), Thailand (54%), and Indonesia (59%). Increasing urbanization creates a great potential for Vietnamese to access better job opportunities and thus to improve consumers’ income and overall living standards.

**Fig 1 : Vietnam modern trade industry still has room to grow**



Source: WorldBank, Population.org, IMF, FiinGroup  
Bubble size: GDP per capita \* population (2023)

We reiterate our BUY call on MWG and revise up our target price to VND 76,600 (+29% vs the previous target price), implying a 12-month TSR of 35.0%. Our updated target price is based on our long-term optimistic view on MWG as one of the biggest retail groups in Vietnam.

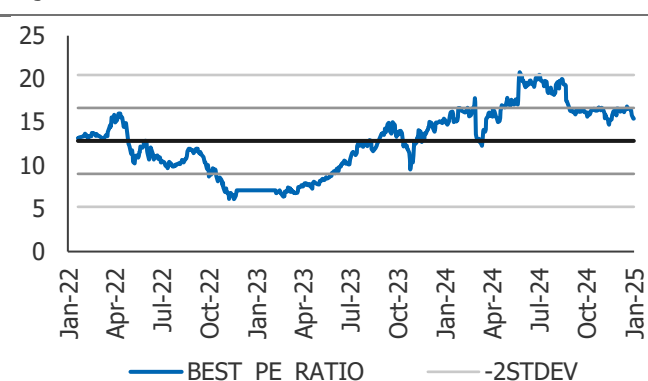
We retain our positive view on the company's grocery retail chain – Bach Hoa Xanh (BHX) but remain cautious on its electronics retail chains – Thegioididong (TGDD) and Dien May Xanh (DMX).

We [initiated coverage](#) on MWG with a BUY recommendation in January 2024, and persistent shareholders have been well-rewarded over the past 12 months.

Currently, the stock is trading at 2025E PE of 15.4x, which is 1 standard deviation above the 2025E average, and it has been ranging around this level since Sep 2024.

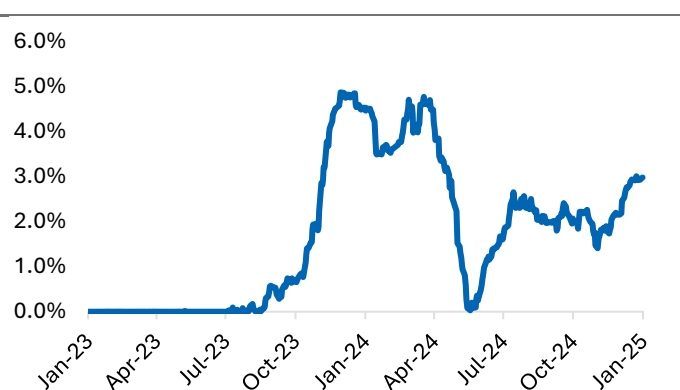
Further correction is not impossible, but MWG's share price have already pulled back -18% from its most recent peak. With current FOL room of 2.9% (Jan 7, 2024), we believe that the current market conditions represent a solid opportunity for long-term investors to accumulate MWG shares.

Fig.2: MWG's 2025E PE



Source: Bloomberg, Yuanta Vietnam (data as of Jan 7)

Fig.3: MWG's FOL room is 2.9%



Source: FiinproX (data as of Jan 7)

## Scaling revenues, optimizing profits

BHX is a key contributor of MWG's sales growth in 2025E–2027E. We have a more positive view on BHX, which plans to add 100–200 new grocery outlets in 2025E, following the efforts to reach the breakeven point in 3Q24.

We believe BHX generated positive full-year earnings in 2024E. Based on BHX's reported accumulated tax loss, we estimate that the business generated YTD losses of –VND 8bn in 9M24.

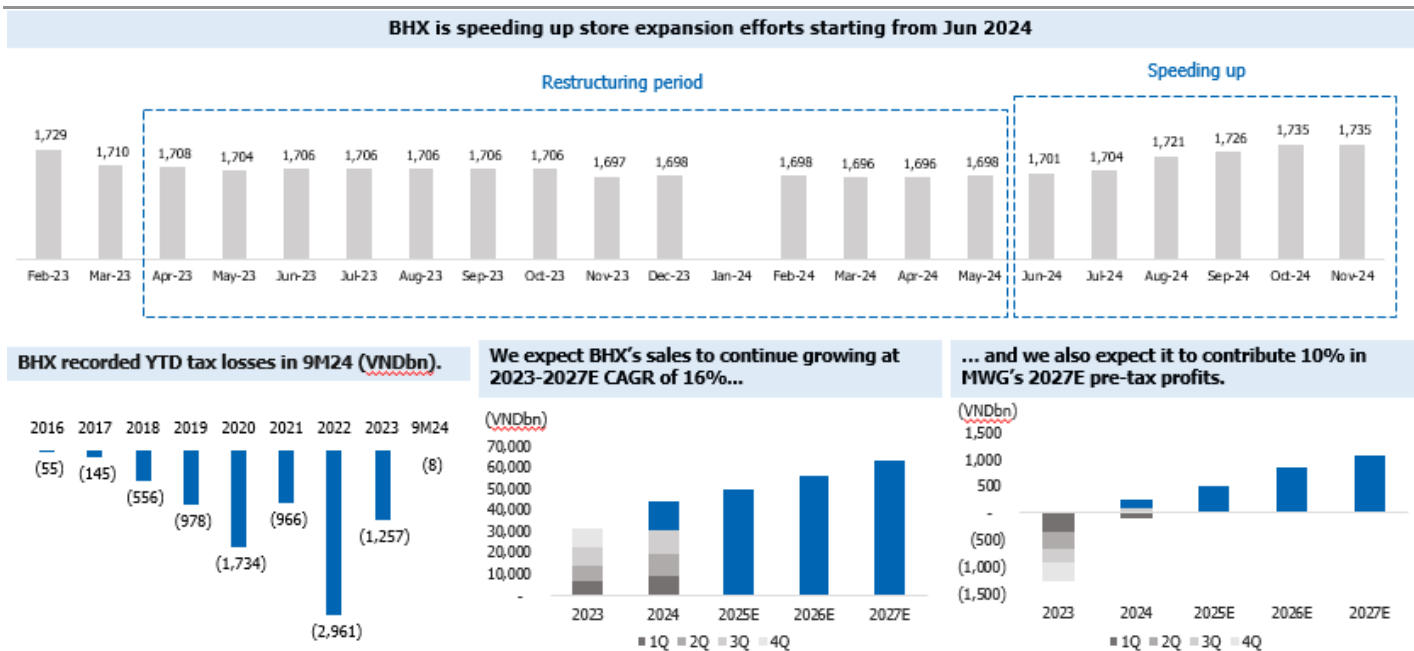
However, BHX appears to have posted positive earnings of an estimated VND7bn in 2Q24 and VND90bn in 3Q24. So the 9M24 performance represents a solid turnaround compared to 9M23's losses of –VND 1.3tn.

We expect BHX's sales to reach VND 57tn in 2027E, equivalent to a CAGR of 16% in 2023–2027E.

Our sales growth forecasts are primarily driven by new store expansion. MWG's store count was flattish in 2Q23–2Q24, but it has ramped up its expansion efforts since June 2024. We believe BHX should have 1,750 outlets at end-2024E and we expect it to add another 150 / 200 grocery store outlets in 2025E / 2026E.

We also expect BHX to contribute 9.7% (i.e., nearly VND 1.0tn) of MWG's consolidated pre-tax profit in 2027E.

Fig.4 : We expect BHX to contribute 10% of MWG's pre-tax profits by 2027E



Source: Company data, Yuanta Vietnam's estimates

**Streamlining of electronics retail chains** to contribute to future earnings growth. We expect MWG's 2024E consolidated net margin to improve by +2.8ppt compared to last year's low base to reach 2.9% by the end of 2024E and 3.9% in 2025E, driven by continued streamlining of the ICT&CE retail chains going forward.

In terms of ICT&CE sales, we expect to see a single-digit CAGR growth of 7.8% in 2023–2027E with new store expansion to be flattish in 2024E–2025E. This is due to:

- Our cautious view on TGDD – MWG's mobile phone/laptops/tablets retail chain....

Smartphone penetration in Vietnam has reached nearly 90%, implying limited room for smartphone retailers (both traditional mom-and-pop stores and modern retail chains such as TGDD) to grow rapidly.

- **But our more positive view on DMX – the consumer electronics retail chain.**

Our house view is that the property sector will enter an upcycle in 2H25, with increased liquidity and decreased administrative bottlenecks as the two key drivers. If so, this should help to drive home appliance demand, especially in the “smart home” segment.

The “smart home” trend has been shaping a more modern lifestyle for Vietnamese consumers since around 2018. According to Statista, the smart-home market constitutes sales of networked devices and related services that enable home automation for private end users.

Smart home products are segmented into six main solutions: (1) Control & connectivity, 2) Security, 3) Home entertainment, 4) Energy management, 5) Comfort & Lighting, and 6) Smart appliances.

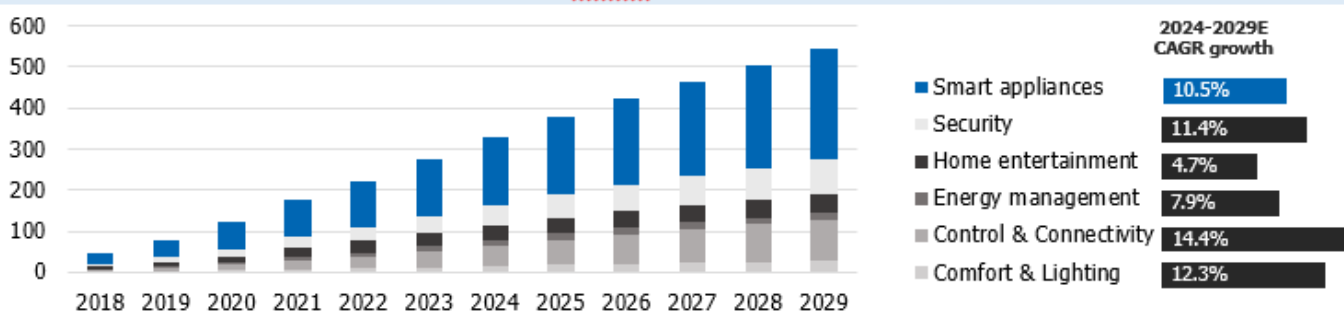
The last segment accounts for 50% of smart home market sales, and Statista expects smart appliance segment to growth at a CAGR of 10.4% in 2024–2029E.

Some types of smart home devices (such as security cameras, vacuum cleaners and air purifiers) are already in DMX’s product portfolio. MWG recently agreed to cooperate with Xiaomi to expand its product portfolio to include smart home appliances.

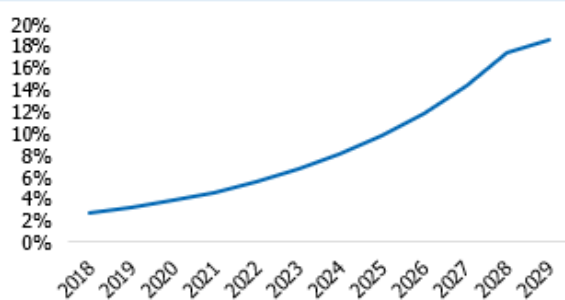
DMX is the market leader in consumer electronics retailing (50%–60% market share) and MWG has built a nationwide electronics retail network (c.3,000 stores). Given its market dominance and Vietnam’s low penetration rate of smart appliances (just 7% in 2023), we believe DMX (and thus MWG) is the key beneficiary of this ongoing transformation.

**Fig.5 : Smart homes / smart appliances remain an emerging trend**

**Sales of smart home market breakdown by segments (US\$mn)**



**Smart appliance household penetration rate (%)**



**DMX leads the electronics retail market in terms of coverage**



Source: Statista, Company data, Yuanta Vietnam

**Potential from the Indonesia retail market?** MWG owns 45% of EraBlue, a joint venture consumer electronics retail chain located in Indonesia.

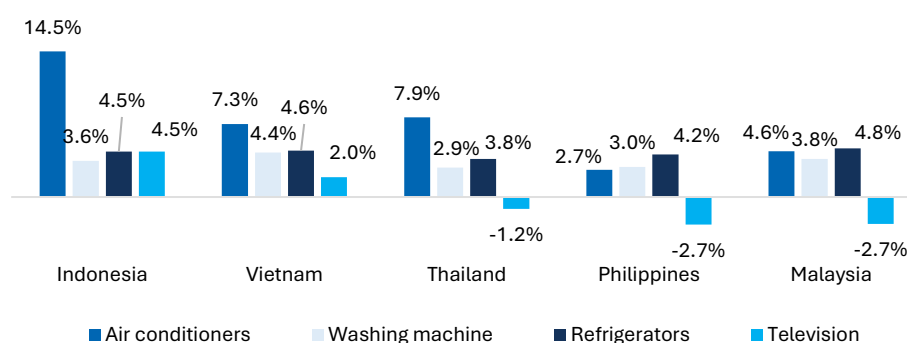
MWG’s partner in this enterprise is Erajaya ([ERAA II, BUY](#)), which is covered by Chandra Pasarbu at Yuanta Indonesia. Chandra is positive on ERAA’s overall operations and sees +36% 12-m upside to the stock. As with MWG, Era Blue is a small component of ERAA’s revenues currently but offers sizeable growth potential given the nascent state of the market in Indonesia, ASEAN’s largest economy.

The development of the retail industry in Indonesia is quite similar to Vietnam’s, but greater potential given the former’s much larger scale. Indonesia has over 277 million people -- nearly 3 times the population of Vietnam -- living across more than ten thousand islands throughout the country.

IMF economists forecast Indonesia’s GDP per capita to expand at 5.8% CAGR in 2023–2029E. Although this is lower than the IMF’s growth expectations for Vietnam, it is still among the highest expected growth figures in the region (see figure 1).

In addition, Indonesia’s penetration rate of major household appliances such as air conditioners and washing machines is relatively low. Statista expects Indonesia to post air conditioner sales CAGR of 14.5% in 2024E–2029E, the highest forecast growth in southeast Asia, due to the country’s hot and humid climate.

**Fig.6: 2024-2029E CAGR sales growth of white goods in Indonesia**



Source: Statista

Yuanta Indonesia’s Chandra Pasaribu notes that the white goods market in Indonesia is still very fragmented and dominated by mom-and-pop-stores, which clearly opens opportunities for larger retailers to fill in the gap with consolidated service offerings and competitive pricing.

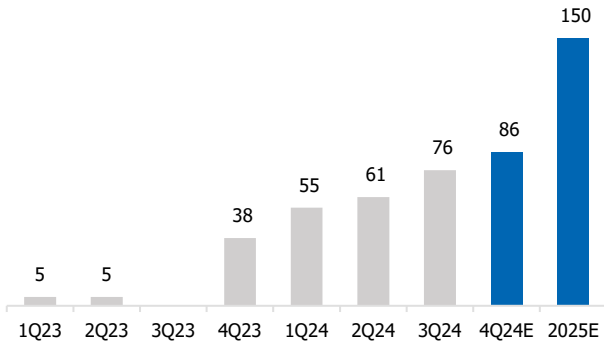
The advantage that a modern distributor like EraBlue has over the traditional mom-and-pop stores: 1) guarantee of original products and warranties (i.e., there are grey market products with no warranty offered with cheaper prices), 2) free delivery and installation for certain products, 3) product exchange in case of factory defects, and 4) financing support (0% interest for installment).

Basically, this trend represents the modernization of the Indonesian consumer’s experience in white goods, similar to that of the handset market.

Era Blue’s network comprises 76 outlets as at 3Q24, a figure that management targets to reach 86 outlets by end-2024E and 150 outlets by 2025E.

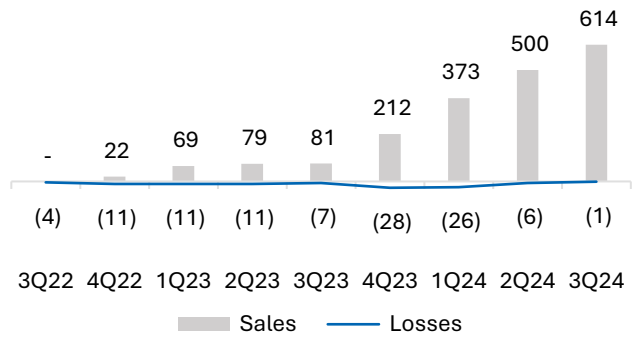
The retail chain is in its early stages of development, sales are increasing quarterly since 3Q22 to reach over VND 600bn (c.US\$ 24 million) in 3Q24 but they are marginally loss-making. We expect Era Blue to contribute in MWG’s consolidated earnings starting from 2025E and to account for c.3% of MWG’s 2027E PATMI.

**Fig.7: EraBlue's number of stores**



Source: Statista

**Fig.8: EraBlue's quarterly sales and losses (unit: VND bn)**



Source: Erajaya, YSVN's estimate, Bloomberg's exchange rate

## Results update in 11M24

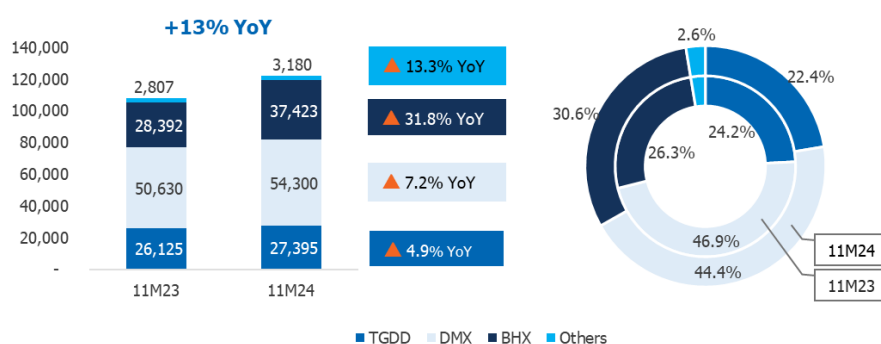
Sales growth was solid in 11M24. MWG's sales delivered a 13% YoY growth to VND 122.3tn in 11M24. BHX was clearly the key sales growth driver, while efforts to restructure its other retail chains contributed to the positive 9M24 results.

In detail, BHX's 11M24 sales increased by +32% YoY, reaching VND 37tn in 11M24 and contributing 31% in MWG's accumulated total sales.

Meanwhile, sales at TGDD and DMX were VND 81.7tn in 11M24, together posting sales growth of +6.4% YoY and contributing 67% in 11M24 total sales.

Other retail chains (including An Khang Pharmacy and AvaKids) also posted positive sales growth of +13% YoY in 11M24.

**Fig.9: Sales breakdown by segments**



Source: Company data

### Profitability improved sharply compared to the 2023 nadir

In 9M24, MWG's blended gross margin (GM) was 21.0% (improving by +2.2ppt YoY).

- The improvement in blended GM was mainly driven by the easing of price competition in electronics retail industry. TGDD&DMX's GM increased from the trough of 16.0% (2Q23) to 20.1% (2Q24).

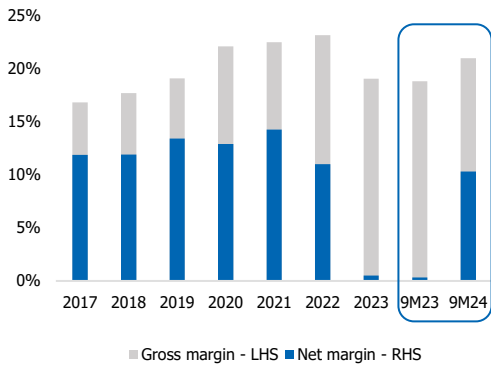
This positive trend was also reflected in competitor FPT Shop's gross margin trends. FPT Shop's GM reached 13.8% in 2Q24 (+5.6ppt YoY) and 13.6% in 3Q24 (+2.3ppt YoY). The addition of home appliance products also contributed to FPT Shop's margin growth.

- Meanwhile, GM of two major grocery retailers (BHX and Wincommerce) has ranged around 25% over the past few quarters.

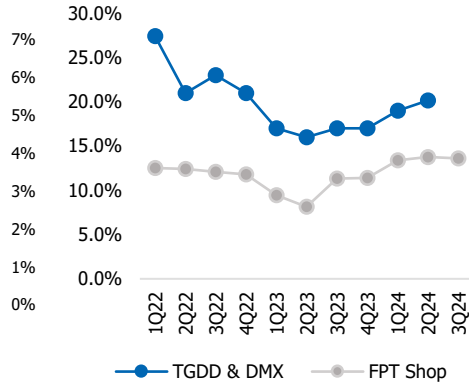
MWG's net margins also improved sharply in 9M24 given effective cost management, but net margins remain lower than the pre-COVID levels. Consolidated net margin was 2.9% in 9M24 (+2.8ppt YoY) as SG&A/sales decreased to 17.4% in 9M24 from 18.7% in 9M23.



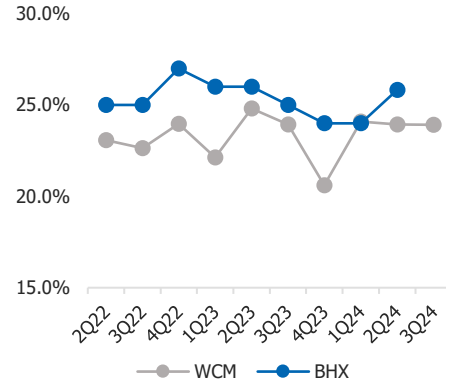
**Fig.10: MWG's blended GM and net margin**



**Fig.11: ICT&CE segment's GM**



**Fig.12: Groceries segment's GM**



Source: Company data, Yuanta Vietnam

## Forecast revisions

We increase our 2024E–2027E revenue forecasts by 4%–9% compared to our previous assumptions. Our increased sales revisions are mostly driven by higher revenue assumptions for BHX. We have revised up our sales forecasts for BHX by +9–13% for 2024E–2027E.

However, we reduce our earnings assumptions by 3%–10% for 2025E–2027E compared to our previous view. This follows from our reduced assumptions for the number of DMX and TGDD outlets.

In our initiation a year ago, we discussed our expectations for these two retail chains to expand their retail store footprints in 2024E–2026E. Unfortunately, such expansion has not been the reality. Given unfavorable market conditions, MWG has closed down 160 DMX outlets and 56 TGDD outlets in 11M24.

We have thus revised down our new store assumptions for the two ICT/CE retail chains in 2024E. We now expect MWG to add new stores only starting from 2026E.

As a result, we cut our earnings assumptions for 2025E–2027E by 3%–10% vs. our earlier model.

This downward revision to our 2025–26E PATMI forecasts should not be interpreted as an admission that our original earnings assumptions were wildly optimistic. Indeed, based on the 11M24 run rate, our previous full-year earnings assumptions for 2024E appear to have been too conservative, and we revise *up* our 2024 earnings forecast by +14% with publication of this report.

**Table.1: Forecast revisions**

Forecast revision	Old forecasts				New forecasts				New/old forecasts (%)			
	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E
Revenues (VNDbn)	126,441	137,905	151,058	162,001	132,411	143,966	158,411	175,872	4.7%	4.4%	4.9%	8.6%
TGDD	28,867	31,380	33,821	36,992	29,400	30,870	33,386	36,076	1.8%	-1.6%	-1.3%	-2.5%
DMX	56,527	61,417	66,894	69,000	58,011	62,072	68,962	76,609	2.6%	1.1%	3.1%	11.0%
BHX	37,709	41,436	45,925	50,760	41,160	46,800	51,480	57,420	9.2%	12.9%	12.1%	13.1%
Others	3,337	3,671	4,418	5,250	3,840	4,224	4,583	5,767	15.1%	15.1%	3.7%	9.8%
Gross profits (VNDbn)	23,944	28,259	32,126	34,903	27,744	30,998	34,660	39,087	15.9%	9.7%	7.9%	12.0%
<i>Gross margin (%)</i>	18.9%	20.5%	21.3%	21.5%	21.0%	21.5%	21.9%	22.2%	2ppt	1ppt	0.6ppt	0.7ppt
EBIT (VNDbn)	3,896	6,750	9,078	10,186	4,854	6,188	7,630	9,147	24.6%	-8.3%	-16.0%	-10.2%
<i>EBIT margin (%)</i>	3.1%	4.9%	6.0%	6.3%	3.7%	4.3%	4.8%	5.2%	0.6ppt	-0.6ppt	-1.2ppt	-1.1ppt
PATMI (VNDbn)	3,456	5,714	7,601	8,349	3,934	5,562	6,809	8,052	13.8%	-2.7%	-10.4%	-3.6%
<i>Net margin (%)</i>	2.7%	4.1%	5.0%	5.2%	3.0%	3.9%	4.3%	4.6%	0.2ppt	-0.3ppt	-0.7ppt	-0.6ppt

Source: Yuanta Vietnam

The table below shows our detailed forecast assumptions for 2024E–2025E.

**Table.2: Details for 2024E revisions and 2025E forecasts**

Unit: VNDbn	2024E	YoY growth	2025E	YoY growth	Assumptions
<b>Revenues</b>	<b>132,411</b>	<b>11.9%</b>	<b>143,966</b>	<b>8.7%</b>	
TGDD	28,400	4.0%	30,870	5.0%	We retain our number of stores and sales per store assumptions for TGDD (i.e., 1,000 outlets by end of 2024E with increased average sales per store of VND 2.5bn). In 2025E, we expect the number of stores to flatten but sales per store to continue increasing.
DMX	58,011	5.0%	62,072	7.0%	DMX had 2,190 outlets by the end of 2023. In our initiation, we expected DMX to have 2,200 outlets by year-end 2024E. However, actual closures in 11M24 proved us wrong, as the number of outlets fell to 2,030 by Nov 2024. Thus, we have reduced our store assumption to 2,000 outlets for 2025E but expect sales per store to reach VND 2.6bn in 2025E (+8% YoY).
BHX	41,160	30.3%	46,800	13.7%	We broadly increase our previously conservative assumptions for BHX. We revise up the number of store assumption to 1,750 / 1,900 grocery outlets by end-2024E / 2025E (from the previous 1,720 / 1,800 assumptions) with monthly sales per store increasing to VND 2.0bn / VND 2.1bn in 2024E / 2025E (+11% from our previous assumptions of VND 1.8bn / VND 1.9bn).
Others	3,840	20.2%	4,224	10.0%	This segment includes sales from MWG's An Khang Pharmacy chains and AvaKids mom-and-baby shops. Our forecast 2025E sales increases are mostly driven by a higher sales-per-store assumption while we now expect the number of stores to be flat until 2026E.
Gross profit	27,744	23.2%	30,998	11.7%	
Gross margin	21.0%	1.9 ppt	21.5%	0.6 ppt	We revise up our 2024E gross margin (+2.1ppt vs. the previous assumption) given this year's greater-than-expected recovery of the ICT&CE retail segment. We expect blended gross margin to gradually improve in 2025E and beyond, with the increasing scale of BHX helping to strengthen MWG's consolidated gross margin.
EBIT	4,854	1012.7%	6,188	27.5%	
EBIT margin	3.7%	3.3 ppt	4.3%	0.6 ppt	
PAT	3,937	2246.1%	5,567	41.4%	
PAT margin	3.0%	2.8 ppt	3.9%	0.9 ppt	The recovery of ICT&CE retail segment from the low base of 2023 has driven solid earnings growth in 2024E. In addition, further efforts to streamline operations should help to lower operating expenses in 2025E and beyond. Thus, we expect net profit margin to improve by +2.8ppt YoY in 2024E / +0.8ppt YoY in 2025E.

Source: Yuanta Vietnam

### Yuanta vs. the Street

In general, our upgraded revenue and earnings forecasts for 2024E–2026E are slightly lower than the Street's, possibly driven by our more conservative view on the company's electronics retail segment -- which remains the key growth driver of MWG's earnings despite the outsized growth at BHX.

**Table.3 : Yuana vs The Street**

Revenues (VND bn)	2024E		2025E		2026E	
	Value	YoY (%)	Value	YoY (%)	Value	YoY (%)
Yuanta Vietnam	132,411	11.9%	143,966	8.7%	158,411	10.0%
The Street	133,550	12.9%	145,582	9.0%	159,820	9.8%
% difference	-0.9%		-1.1%		-0.9%	

(Yuanta vs. The Street)

PATMI (VND bn)	2024E		2025E		2026E	
	Value	YoY (%)	Value	YoY (%)	Value	YoY (%)
Yuanta Vietnam	3,934	2246.1%	5,562	41.4%	6,809	22.4%
The Street	4,078	2332.1%	5,840	43.2%	7,090	21.4%
% difference	-3.5%		-4.8%		-4.0%	

(Yuanta vs. The Street)

Source: Yuanta Vietnam, Bloomberg Consensus (Jan 3, 2025)

## Valuation and risks

We reiterate BUY on MWG with target price of VND 76,600 per share (+29% vs our previous target of VND 59,300). Our new target price is based on a weighted valuation approach that applies 60% weightings to our discounted FCFE model and 40% weightings to our comparable multiple analysis.

Our new target price implies a 2025E PE of 20.1x and 12M-TSR of 35.0%.

**Table.4 : Valuation summary**

Unit: VND	Target price	Weight
FCFE	82,300	70%
Equity multiples	68,100	30%
<b>Overall</b>	<b>76,600</b>	
Implied P/E	20.2	
Up (down) side	34.2%	

Source: Yuanta Vietnam

In our FCFE valuation, we slightly revise down our cost of equity to 15.4% (from the previous 15.5%) in the context of increasing our terminal growth rate to 3.8% (from the previous ultra-low level of 2.0%). Decreased cost of equity is also driven by the change in our risk-free rate assumption (from 4.7% to 4.6%) and our lower equity Beta assumption to 1.2x (from the previous 1.4x)

**Table.5: FCFE valuation**

Year	2024	2025	2026	2027	2028	2029	2030
FCFE	8,423	1,642	8,405	8,616	10,103	12,442	22,947
Cost of Equity	15.40%						
Discount Period	-	1.0	2.0	3.0	4.0	5.0	6.0
Discount Factor	1.0	0.9	0.8	0.7	0.6	0.5	0.4
Present Value of FCFE	8,423	1,423	6,311	5,606	5,697	6,079	9,716
<b>Equity Value (VND mn)</b>		<b>Implied Equity Value and Share Price</b>					
Cumulative Present Value of I	33,540	Equity Value		120,382			
<b>Terminal Value (by growth rate)</b>		Less: Cash & Cash Equivaler		9,752			
Growth rate	3.8%	Plus: Debt		23,968			
Terminal Value	205,100	Implied Enterprise Value		134,598			
Discount Factor	0.42	Number of Shares		1,461,915,388			
PV of Terminal Value	86,842	Implied Price per Share		82,300			
As of % of Equity Value	72.14%	Forward EV/EBITDA		16.90			
Equity Value	120,382	Forward P/E		21.63			

Source: Yuanta Vietnam

We also use regional comparables as a reality check. In this exercise, we split the company into two major segments: electronics and grocery retailing.

For electronics retailing, we apply a forward PE of 18.1x, which is the regional peers' median level, to value this segment.

Meanwhile, we apply a forward P/S multiple of 0.7x, which is also the median level, for the grocery retail segment. This methodology create a share price of VND 68,100.

**Table.6: Comparable multiple analysis**

Equity value multiples	Valuation method	2025E forecasts		Target multiples		Company value (VNDbn)	% contribution to total EV
Consumer electronics retail	P/E comparison	Earnings (VND	3,688	P/E:	18.1	66,752	67%
Groceries retail	P/S comparison	Sales (VNDbn)	46,800	P/S:	0.7	32,760	33%
<b>Total EV (VNDbn)</b>		<b>99,512</b>					
Outstanding shares		1,461,915,388					
Target price (VND per share)		68,100					

**Regional electronics retailers**

Ticker	Company	Market cap (USDmn)	2025E PE (x)	2025E PS (x)	2025E ROE (%)	2025E ROA (%)
FRT VN Equity	FPT DIGITAL RETAIL JSC	1,004	41	0.5	29.2	4.7
DGW VN Equity	Digiworld Corp	346	29	0.4	18.0	7.1
ERAA IJ Equity	Erajaya Swasembada Tbk PT	413	6	0.1	12.7	5.0
COM7 TB Equity	Com7 PCL	1,742	17	0.7	33.3	13.7
EMIL IN Equity	Electronics Mart India Ltd	734	24	0.7	14.9	#N/A N/A
HVN AU EQUITY	Harvey Norman Holdings Ltd	3,652	13	1.9	9.9	7.1
3048 JP EQUITY	Bic Camera Inc	2,047	18	0.3	9.8	3.2
Median		1,004	18	0.5	14.9	6.1
Mean		1,420	21	0.7	18.2	6.8

**Regional groceries retailers**

Ticker	Company	Market cap (USDmn)	2025E PE (x)	2025E PS (x)	2025E ROE (%)	2025E ROA (%)
AMRT IJ Equity	Sumber Alfaria Trijaya Tbk PT	7,356	25	0.9	25.1	12.3
DMART IN Equity	Avenue Supermarts Ltd	30,548	73	3.7	15.7	15.4
CRC TB Equity	Central Retail Corp PCL	5,860	21	0.8	12.7	3.8
PGOLD PM Equity	Puregold Price Club Inc	1,503	8	0.4	10.9	6.0
601933 CH Equity	Yonghui Superstores Co Ltd	7,598	266	0.7	5.2	0.3
COSCO PM Equity	Cosco Capital Inc	670	4	0.2	6.1	#N/A N/A
603708 CH Equity	Jiajiayue Group Co Ltd	967	30	0.4	7.9	1.4
Median		5,860	25	0.7	10.9	4.9
Mean		7,786	61	1.0	11.9	6.5

MWG VN Equity	Mobile World Investment Corp	3,365	15.8	0.6	18.8	8.1
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Source: Bloomberg, Yuanta Vietnam

**Risks to our view**

- 1) **Weak consumer spending amid unfavorable market conditions.** We expect long-term consumer spending growth to be driven by solid GDP growth and stable inflation. However, any unforeseen macro instability could negatively impact Vietnamese' consumer spending.
- 2) **A slower-than-expected expansion rate.** Our 2025E assumptions for the expansion of DMX/TGDD and BHX are relatively conservative. Thus, operational downside risk for the near-term outlook is relatively limited, in our view.
- 3) **Increasing competition.**




















**Grocery retail:** The figure below illustrates the competitive landscape of grocery retailers in Vietnam, in which BHX and WinCommerce are the two major players in the mini-mart segment.

Although BHX has an advantage in fresh food offerings, WinCommerce's aggressive expansion plans make it a formidable competitor that could threaten BHX's overall market share.

In addition, foreign such as Central Retail (Bloomberg ticker: CRC TB Equity) and AEON Group (8905 JB Equity) are reshaping the supermarket and hypermarket segments. Although BHX does not operate in these segments, any steps by the foreign operators to enter the minimart segment could impact BHX's market share.

These companies view Vietnam as a market with strong growth potential, and they clearly have both the expansion plans and staying power for 2025E and beyond.

**Table.7: Competitive landscape of Vietnam's groceries retailers**

	Minimarts	Medium-to-large supermarkets	Supermarkets	Hypermarkets	Plans
	 <b>1,736</b> stores				Add another <b>100-200</b>  in 2025E
	 <b>3,604</b> stores		 <b>131</b> supermarkets		<b>8,000</b> grocery stores by end 2028E
	 <b>720</b> stores		 <b>134</b> supermarkets	 <b>6</b> hypermarkets	Add another <b>60</b>  in 2025E
		 <b>33</b> stores	 <b>9</b> supermarkets	 <b>38</b> hypermarkets	<b>44-45</b> hypermarkets by end-2025E <b>14</b> mini  by end 2024E
	 <b>20</b> stores			 <b>11</b> hypermarkets	<b>3</b> new malls are set to open by 2026E and another 3 projects to be launched after that.

Source: Company data, Yuanta Vietnam

**Consumer electronics retail:** DMX currently dominates the industry, holding a substantial market share of 50–60% in consumer electronics retailing.

However, the inclusion of CE products by other retail chains such as FPT Shop (and even smaller retailers like CellphoneS and HoanghaMobile) signals increased competition in this segment going forward.

PROFIT AND LOSS (VND bn)					
FY Dec 31 (VND'bn)	2022	2023	2024E	2025E	2026E
<b>Revenue</b>	<b>133,442</b>	<b>118,280</b>	<b>132,411</b>	<b>143,966</b>	<b>158,411</b>
<i>TGDD&amp;DMX</i>	103,655	83,506	87,411	92,942	102,348
<i>BHX</i>	27,119	31,581	41,160	46,800	51,480
<i>Others</i>	2,668	3,194	3,840	4,224	4,583
Cost of goods sold	(102,543)	(95,759)	(104,667)	(112,968)	(123,751)
<b>Gross profits</b>	<b>30,899</b>	<b>22,521</b>	<b>27,744</b>	<b>30,998</b>	<b>34,660</b>
Operating expenses	(24,218)	(22,084)	(22,889)	(24,810)	(27,030)
<b>Operating profits</b>	<b>6,682</b>	<b>436</b>	<b>4,854</b>	<b>6,188</b>	<b>7,630</b>
Net interest expenses	(69)	611	558	760	826
Net investments income/(loss)	-	-	(1)	15	69
Net other incomes	(518)	(357)	(490)	(4)	(4)
<b>Pretax profits</b>	<b>6,094</b>	<b>690</b>	<b>4,914</b>	<b>6,772</b>	<b>8,343</b>
Income taxes	(1,955)	(522)	(983)	(1,354)	(1,669)
Minority interests	(2)	(0)	(4)	(5)	(6)
<b>Net profits</b>	<b>4,137</b>	<b>168</b>	<b>3,927</b>	<b>5,412</b>	<b>6,668</b>
EBITDA	10,185	3,788	7,126	7,776	8,423
EPS (VND)	3,768	115	2,686	3,702	4,561

KEY RATIOS					
	2022	2023	2024E	2025E	2026E
<b>Growth (% YoY)</b>					
Sales	8.5%	-11.3%	11.9%	8.7%	10.0%
<i>TGDD &amp; DMX</i>	9.9%	-19.4%	4.7%	6.3%	10.1%
<i>BHX</i>	-3.7%	16.5%	30.3%	13.7%	10.0%
<i>Others</i>	442.5%	19.7%	20.2%	10.0%	8.5%
Operating profit	12.7%	-93.4%	1012.7%	27.5%	23.3%
EBITDA	15.5%	-62.8%	88.4%	11.6%	8.0%
Net profit	-16.3%	-95.9%	2246.1%	41.4%	22.4%
EPS changes	-55.2%	-97.0%	2247.2%	41.4%	22.4%
<b>Profitability ratio (%)</b>					
Gross margin	23.1%	19.0%	21.0%	21.5%	21.9%
Operating margin	5.0%	0.4%	3.7%	4.3%	4.8%
EBITDA margin	7.6%	3.2%	5.4%	5.5%	5.4%
Net margin	3.1%	0.1%	3.0%	3.9%	4.3%
ROE	17.1%	0.7%	14.4%	17.7%	18.5%
ROA	7.4%	0.3%	6.2%	8.7%	9.4%
<b>Stability</b>					
Net debt/equity (x)	0.4	0.5	0.5	0.4	0.3
Int. coverage (x)	5	0	4	7	7
Int. & ST debt coverage (x)	0.6	0.0	0.3	0.3	0.4
Cash conversion days	77	77	66	60	55
Current ratio (X)	2.3	1.9	2.2	2.1	2.1
Quick ratio (X)	1.0	1.1	1.4	1.3	1.4
Net cash/(debt) (VND bn)	(11,528)	(19,748)	(16,218)	(8,473)	(7,183)
<b>Efficiency</b>					
Days receivable outstanding	8	13	15	15	15
Days inventory outstanding	98	91	75	69	65
Days payable outstanding	29	26	23	24	25

Source: Company data, YSVN

BALANCE SHEET (VND bn)					
FY Dec 31 (VND'bn)	2022	2023	2024E	2025E	2026E
<b>Total assets</b>	<b>55,603</b>	<b>60,111</b>	<b>63,862</b>	<b>64,261</b>	<b>72,526</b>
Cash & cash equivaile	5,061	5,366	7,145	9,655	11,946
ST Investment	10,069	18,937	22,724	20,000	24,000
Accounts receivable	3,001	5,159	5,793	6,298	6,930
Inventories	25,696	21,824	20,933	21,665	22,377
Other current assets	750	665	744	809	890
Net fixed assets	10,034	6,991	5,295	4,550	4,980
Others	991	1,170	1,227	1,283	1,404
<b>Total liabilities</b>	<b>31,902</b>	<b>36,752</b>	<b>36,586</b>	<b>32,900</b>	<b>35,816</b>
Current liabilities	19,434	27,056	26,198	28,384	30,847
Accounts payable	8,746	7,927	9,069	10,255	11,718
ST debts	10,688	19,129	17,129	18,129	19,129
Others	0	0	0	0	0
Long-term liabilities	12,468	9,696	10,388	4,517	4,970
Long-term debts	5,901	5,985	6,234	0	0
Others	6,566	3,711	4,154	4,517	4,970
<b>Shareholder's equity</b>	<b>23,374</b>	<b>22,801</b>	<b>26,700</b>	<b>30,802</b>	<b>36,152</b>
Share capital	14,639	14,634	14,622	14,622	14,622
Treasury stocks	(5)	(10)	(3)	(3)	(3)
Others	17	17	19	21	23
Retained earnings	8,724	8,160	12,062	16,162	21,510

CASH FLOW (VND bn)					
FY (VND'bn)	2022	2023	2024E	2025E	2026E
<b>Operating cash flow</b>	<b>7,789</b>	<b>3,445</b>	<b>7,292</b>	<b>6,577</b>	<b>7,069</b>
Net income	4,100	168	3,934	5,562	6,809
Dep. & amortisation	3,540	3,351	2,281	1,777	973
Change in working capital	916	1,705	2,823	792	1,171
Others	(768)	(1,779)	(1,745)	(1,554)	(1,885)
<b>Investment cash flow</b>	<b>1,549</b>	<b>(10,831)</b>	<b>(1,231)</b>	<b>2,826</b>	<b>(4,196)</b>
Net capex	(4,460)	(492)	1,346	(1,029)	(1,400)
Change in LT investment	4,872	(11,452)	(4,420)	2,189	(4,770)
Change in other assets	1,138	1,113	1,843	1,666	1,973
Cash flow after invt.	9,338	(7,386)	6,061	9,403	2,873
<b>Financing cash flow</b>	<b>(8,419)</b>	<b>7,691</b>	<b>(4,282)</b>	<b>(6,893)</b>	<b>(582)</b>
Change in share capital	188	(9)	-	-	-
Net change in debt	(8,058)	8,524	(1,751)	(5,234)	1,000
Change in other LT li	(548)	(824)	(2,530)	(1,659)	(1,582)
<b>Net change in cash flow</b>	<b>919</b>	<b>305</b>	<b>1,779</b>	<b>2,510</b>	<b>2,291</b>
Beginning cash flow	4,142	5,061	5,366	7,145	9,655
<b>Ending Cash Balance</b>	<b>5,061</b>	<b>5,366</b>	<b>7,145</b>	<b>9,655</b>	<b>11,946</b>

KEY METRICS					
	2022	2023	2024E	2025E	2026E
PE (x)	19.9	760.8	21.3	15.1	12.3
Diluted PE (x)	19.9	760.8	21.3	15.1	12.3
PB (x)	4.6	5.5	3.1	2.7	2.3
EBITDA/share	6,960	2,590	4,874	5,428	5,858
DPS	500	500	500	500	500
Dividend yield (%)	0.7%	0.6%	0.9%	0.9%	0.9%
EV/EBITDA (x)	13.4	42.0	15.9	13.4	12.5
EV/EBIT (x)	20.5	364.3	23.3	17.3	14.1



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