

Vietnam: Retail

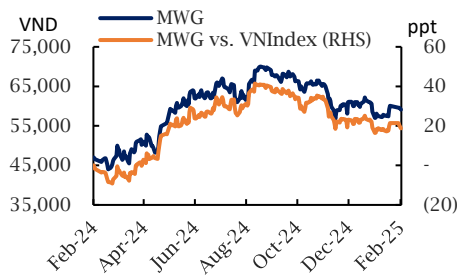
7 February 2025

BUY

Price (Feb 6) VND 59,100
12M Target VND 76,100

Target price upside: +28.8%

Share price performance relative to VNI



Market cap	US\$3,420mn
6M avg. daily turnover	US\$17,08mn
Outstanding shares	1,461 mn
Free float	80.0%
FINI ownership	45.9%
Major shareholders	18.4%
2024 Net debt / Equity	0.5x
FOL remaining room	3.1%
2025E Dividend yield	0.8%
Trading platform	HOSE

Source: FiiiproX, Bloomberg, Yuanta Vietnam

Unit: VNDbn	2023	2024	YoY growth
TGDD&DMX	83,506	89,605	7.3%
BHX	31,581	41,108	30.2%
Others	3,194	3,627	13.6%
Total sales	118,280	134,341	13.6%
PATMI	168	3,722	2120%

Source: Company data

Unit: VNDbn	2025 guidance	YoY growth
Revenues	150,000	+12%
PAT	4,850	+30%

Source: Company data

Research Analyst:

Di Luu
di.luu@yuanta.com.vn
Bloomberg code: YUTA

Mobile World Group (MWG VN)

MWG slightly outpaced our 2024E sales forecasts by +1.4% but missed our full-year earnings forecast by -5.2% due to our higher-than-forecast SG&A costs and interest expenses for 2024E.

Key Highlights

Total revenues increased (+13.5% YoY) to reach VND 134tn in 2024, driven by 1) grocery retail sales (+30.2% YoY), as expected, and 2) a +7% YoY increase in CE/ICT sales, which we don't think was anticipated when we initiated on MWG a year ago. Please see the table on the left for a breakdown of sales by segment.

Gross margin improved to 20.5% in 2024, -0.5ppt lower than our 2024E forecast of 21.0%. MWG recorded 2024A gross profit of VND 27.5tn (+22.1% YoY), which is almost in line with our same-year forecast of VND 27.7tn.

EBIT soared +8.4x in 2024 to reach VND4.1tn after last year's low base of VND436bn. This was 20% lower than our forecast of VND4.8tn, with full-year SG&A costs coming in slightly (2.2%) ahead of our assumption.

2024A PATMI of VND3.7tn (+22x YoY) missed our forecast by 5.1%, partly due to higher-than-expected interest expenses as total borrowings surged by +43% YoY in 2024 to fund working capital requirements. Notably, the 4Q24 current ratio (1.8x) and quick ratio (1.2x) remained solid above MWG's 10-year historical average levels of 1.6x and 0.7x, respectively.

2025 Guidance: Aggressive on grocery, but conservative on electronics retail

- **BHX:** Plans for 200-400 new stores opening in 2025E, focused on Vietnam's central region. Targeting at least 17% revenue growth.
- **TGDD/Topzone & DMX:** No store expansion plans for 2025E; continuing to focus on operating efficiency improvements. Targeting at least 4.5% revenue growth in 2025E.
- **An Khang Pharmacy:** Reaching the break-even point by 2Q25 and gradually expanding thereafter.
- **AvaKids:** No physical store expansion plans. Focusing on the online channel, which contributed 50% of this chain's 2024 sales.
- **EraBlue:** 87 outlets open at end-2024E. MWG plans to have 150 outlets by end-2025E. MWG targets EraBlue to post revenue growth of over 50% in 2025E and to contribute positively to consolidated full-year earnings.

Our View

We reiterate our BUY recommendation, supported by our positive view on MWG's continued operational turnaround. Management's expansion plan for BHX is more aggressive than [our projections](#), which suggests potential upside for our fair value estimates. Meanwhile, 2025E earnings growth should be enhanced by continued operational improvements.

Model adjustment -- We slightly reduce our target price by -0.7% to VND 76,100 per share, implying a 12-month TSR of 29.6%. This slight cut results from inputting the actual FY2024 figures into our model, with no changes to our 2025E-2030E growth assumptions.

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Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities Investment Consulting
4F, 225,
Section 3 Nanking East Road, Taipei 104
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities (Hong Kong) Co. Ltd
23/F, Tower 1, Admiralty Centre
18 Harcourt Road,
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Head Office
Yuanta Securities Building
Euljiro 76 Jung-gu
Seoul, Korea 100-845
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
PT YUANTA SECURITIES INDONESIA
(A member of the Yuanta Group)
Equity Tower, 10th Floor Unit EFGH
SCBD Lot 9
Jl. Jend. Sudirman Kav. 52-53
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Thailand)
127 Gaysorn Tower, 16th floor
Ratchadamri Road, Pathumwan
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Vietnam)
4th Floor, Saigon Centre
Tower 1, 65 Le Loi Boulevard,
Ben Nghe Ward, District 1,
HCMC, Vietnam

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YUANTA SECURITIES NETWORK



YUANTA SECURITIES VIETNAM OFFICE

Head office: 4th Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

Institutional Research

Matthew Smith, CFA

Head of Research

Tel: +84 28 3622 6868 (ext. 3815)

matthew.smith@yuanta.com.vn

Tanh Tran

Analyst (Banks)

Tel: +84 28 3622 6868 (ext. 3874)

tanh.tran@yuanta.com.vn

Di Luu

Analyst (Consumer)

Tel: +84 28 3622 6868 (ext. 3845)

di.luu@yuanta.com.vn

Giang Hoang

Assistant Analyst

giang.hoang@yuanta.com.vn

Binh Truong

Deputy Head of Research (O&G, Energy)

Tel: +84 28 3622 6868 (ext. 3845)

binh.truong@yuanta.com.vn

Tam Nguyen

Analyst (Property)

Tel: +84 28 3622 6868 (ext. 3874)

tam.nguyen@yuanta.com.vn

An Nguyen

Assistant Analyst

Tel: +84 28 3622 6868 (ext. 3845)

an.nguyen@yuanta.com.vn

Institutional Sales

Lawrence Heavey

Head of Institutional Sales

Tel: +84 28 3622 6868 (3855)

lawrence.heavey@yuanta.com.vn

Hien Le

Sales Trader

Tel: +84 28 3622 6868

hien.le@yuanta.com.vn

Vi Truong

Sales Trader

Tel: +84 28 3622 6868 (ext. 3940)

vi.truong@yuanta.com.vn

Tuan-Anh Nguyen

Sales Trader

Tel: +84 28 3622 6868 (ext. 3909)

anh.nguyen2@yuanta.com.vn

Dat Bui

Sales Trader

Tel: +84 28 3622 6868 (ext. 3941)

dat.bui@yuanta.com.vn