

30/07/2025

RECOMMENDATION **HOLD**

Fair price	68,400
Current price	66,600
Upside/downside	4%

STOCK INFORMATION

Outstanding shares (mil)	1,478.5
Free float (mil)	1,108.8
Market cap. (billion VND)	103,787.66
3m avg. volume (shares)	9,032,204
Foreign ownership (%)	48.94%
First listing date	14/07/2014

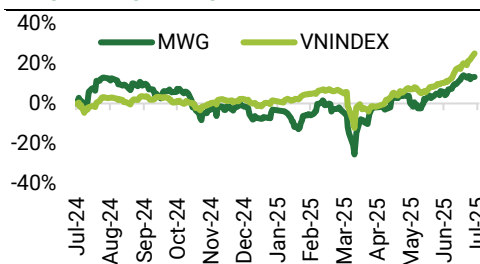
SHAREHOLDER STRUCTURE

Retail World Investment Advisory Ltd.	10.5%
Arisaig Asia Fund Limited	3.5%
Vietnam Enterprise Investments Ltd	2.2%
Nguyen Duc Tai	2.2%
Others	81.6%

KEY ATTRIBUTES

TTM EPS (VND)	2,987
BVPS (VND)	20,051
Debt/Equity	88.4%
ROA (%)	6.4%
ROE (%)	16.0%
P/E	24.0
P/B	3.3
Dividend yield (%)	1.5%

PRICE PERFORMANCE



COMPANY PROFILE

MWG is the leading retailer in Vietnam, operating more than 5,500 stores nationwide with the chains of Thegioididong, Dien May Xanh, Bach Hoa Xanh and An Khang, operating in the ICT, electronics, grocery and pharmacy sectors.

ANALYST(S)

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COST CONTROL PAYS OFF WITH SOLID 2Q25 RESULTS

- In 2Q25, MWG recorded its highest-ever quarterly revenue and profit: Net Revenue reached VND 37,620 bn (+4.1% QoQ, +10.2% YoY) and NPAT reached VND 1,658 bn (+7.1% QoQ, +41.4% YoY). By 1H25, MWG reported Net Revenue of VND 73,755 bn (+12.4% YoY) and NPAT of VND 3,205 bn (+54.4% YoY), completing 49%/66% of the company's 2025 revenue/profit targets, and achieving 48%/63% of our forecasts, respectively.
- Growth in 1H25 was driven by all retail chains: revenue from TGDD/DMX increased by 22.6%/6.8% YoY, respectively, with average monthly sales per store rising to VND 2.8/2.7 bn (+34.8%/33.5% YoY). BHX posted a 16.0% YoY increase in revenue; however, rapid store expansion - mainly concentrated in Central Vietnam - has temporarily placed pressure on BHX's overall operational efficiency, with monthly sales per store reaching VND 1.7 bn (-4.4% MoM, -19.9% YoY).
- MWG share price rose 15% in Q2, supported by expectations of strong business results, bringing it closer to our fair value estimate. As 1H25 earnings outperformed our expectations by 26%, we are in the process of reviewing our forecast and valuation, and will provide an update in the next report. For now, we maintain our **HOLD** recommendation on MWG with a target price of VND 68,400/share, implying a potential upside of 4% compared to the closing price on July 29, 2025.

2Q25 and 1H25 business results update

In 2Q25, MWG recorded its highest-ever quarterly revenue and profit: Net Revenue reached VND 37,620 bn (+4.1% QoQ, +10.2% YoY), while NPAT came in at VND 1,658 bn (+7.1% QoQ, +41.4% YoY). During the quarter, Selling Expenses declined to VND 4,703 bn (-7.0% YoY), accounting for just 12.5% of total revenue (down from 14.8% in 2Q24). EBIT margin improved slightly to 4.4% (+20bps YoY).

By the end of 1H25, MWG posted Net Revenue of VND 73,755 bn (+12.4% YoY) and NPAT of VND 3,205 bn (+54.4% YoY), fulfilling 49%/66% of the company's full-year revenue/profit targets, and reaching 48%/63% of our projections, respectively.

Growth comes from all retail chains, however, BHX faces challenges in operational efficiency

- The Gioi Di Dong-TopZone:** Revenue in 1H25 reached VND 16,575 bn (+22.6% YoY), driven by robust growth of 20%–50% YoY in smartphones, tablets, and laptops. During the period, MWG closed 6 TGDD stores, average monthly sales per store rose by 34.8% YoY to VND 2.8 bn as of June 2025.
- Dien May Xanh:** Revenue reached VND 32,855 bn in 1H25 (+6.8% YoY), supported by solid growth in home appliances, washing machines, and televisions. However, air conditioner sales fell short of expectations due to unfavorable weather conditions. MWG closed 4 DMX stores during the period, bringing the total store count to 2,023. Average monthly sales per store surged 33.5% YoY to VND 2.7 bn. The online channel for

both TGDD-DMX contributed approximately 6% of total revenue, equivalent to VND 2,700 bn.

- **Bach Hoa Xanh:** Revenue in 1H25 reached VND 22,615 bn (+16.0% YoY), driven by strong growth in the FMCG and fresh food categories. Since the beginning of the year, the chain has opened 414 new stores, exceeding MWG's 2025 target of 200 - 400 new openings. However, we believe that the rapid expansion has temporarily put pressure on overall operational efficiency, with monthly sales per store reaching only VND 1.7 bn (-4.4% MoM, -19.9% YoY). As previously noted, the strategy of focusing expansion in the Central region may face revenue efficiency challenges due to the area's high density of traditional markets and relatively low population density.
- **An Khang:** Revenue in 1H25 reached VND 1,000 bn, the number of stores remaining unchanged from the beginning of the year. Store-level performance improved significantly, with average sales per store increasing by 30% YoY.
- **Erablue:** Revenue in 1H25 reached VND 1,600 bn (+70% YoY). During the period, the company opened 28 new stores, bringing the total to 115 stores. Notably, the chain recorded profitability at the company level in 1H25, signaling a positive improvement in operational efficiency.

Figure 1: 2Q25 Revenue/Profit hit all-time highs: +10.2% YoY /+41.4% YoY

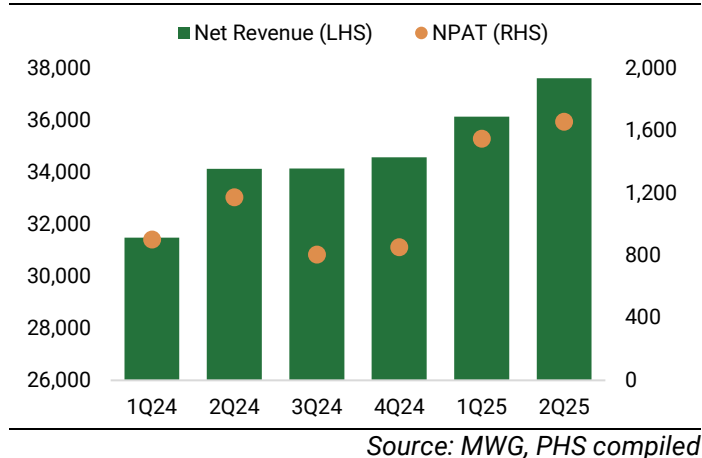


Figure 2: EBIT margin improved

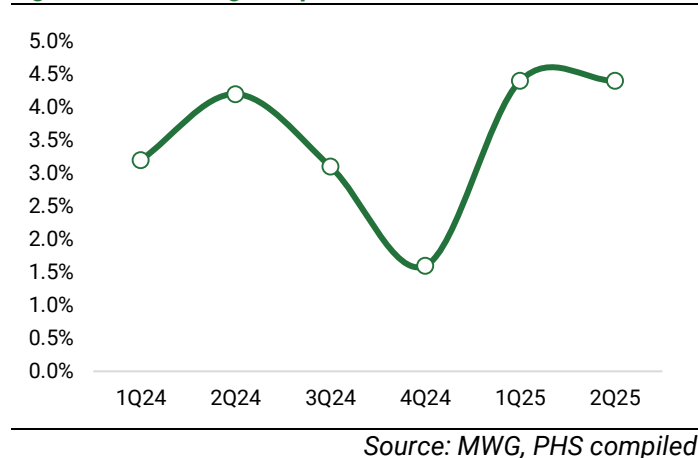


Figure 3: The Gioi Di Dong's performance

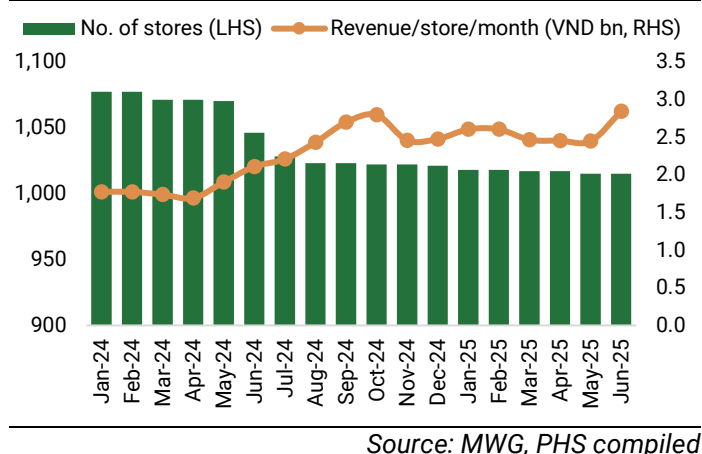


Figure 4: Dien May Xanh's performance

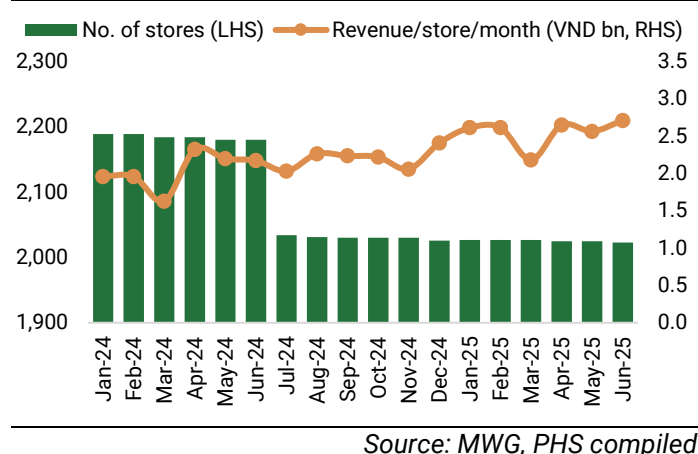
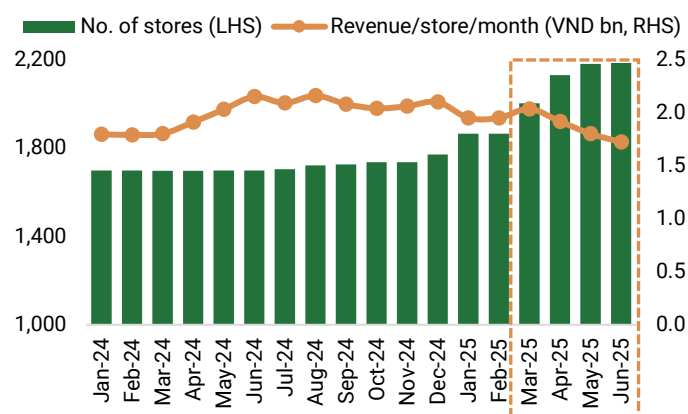
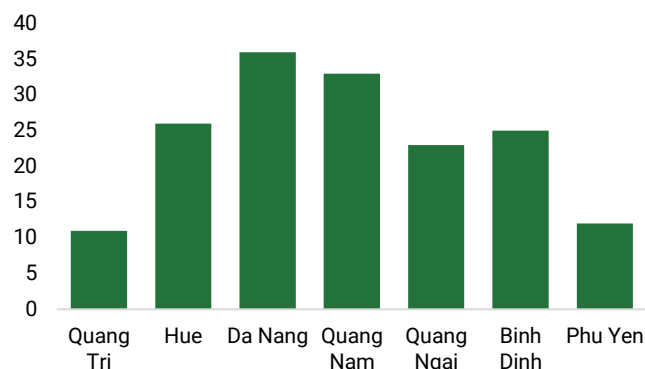


Figure 5: Bach Hoa Xanh's performance


Source: MWG, PHS compiled

Figure 6: BHX stores in Central provinces (July 2025)


Source: MWG, PHS compiled

Table 1: Summary of 2Q25 and 6M25 business results

VND bn	2Q24	2Q25	% YoY	1H24	1H25	% YoY	% MWG 25F Plan	% 25F PHS Projection
Net Revenue	34,134	37,620	10.2%	65,621	73,755	12.4%	49.2%	48.4%
TGDĐ+TopZone	6,727	8,264	22.9%	13,518	16,575	22.6%		49.7%
Dien May Xanh	16,251	16,883	3.9%	30,776	32,855	6.8%		52.2%
Bach Hoa Xanh	10,340	11,594	12.1%	19,489	22,615	16.0%		42.8%
Gross Profit	7,308	7,569	3.6%	14,020	14,769	5.3%		47.0%
Selling Expense	(5,056)	(4,703)	-7.0%	(9,878)	(9,106)	-7.8%		41.7%
G&A Expense	(813)	(1,202)	47.7%	(1,682)	(2,416)	43.7%		62.1%
EBIT	1,438	1,664	15.7%	2,461	3,247	31.9%		57.0%
NPAT	1,172	1,658	41.4%	2,075	3,205	54.4%	66.1%	63.1%
Gross Profit Margin	21.4%	20.1%		21.4%	20.0%			
Net Profit Margin	3.4%	4.4%		3.2%	4.3%			

Source: MWG, PHS compiled

2H25 Retail sector outlook

We maintain NEUTRAL view on the retail sector, as stated in our 2H25 Strategy Report (link [here](#)), due to the ongoing risk of new tariff policies, which continue to dampen domestic consumption. We believe that tightened production conditions, weakening consumer confidence, and continuously escalating prices will be key negative factors affecting the overall retail sector.

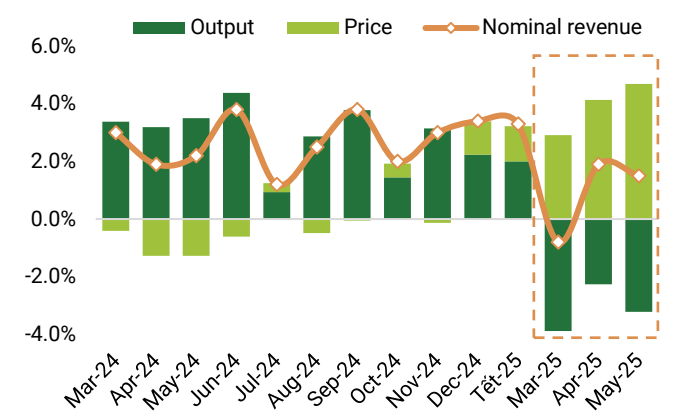
In the long term, we expect new government policies — such as promoting e-commerce growth, cracking down on counterfeit goods, unclear origin products, and hand-carried goods - to benefit domestic manufacturers and distributors. With the foundation of infrastructure, services and brands, we believe MWG would be a key beneficiary, gaining market share from small, less transparent retailers.

Table 2: Update some new policies of the Government

Document	Content	Comment
Decision No. 1568/QĐ-BCT (June 25)	<p>Approving the National E-Commerce Development Master Plan for 2026–2030, with key targets:</p> <ul style="list-style-type: none"> - 70% of adults shopping online - 20–30% annual growth in e-commerce retail - 20% of national retail sales via e-commerce - 70% of businesses adopting e-commerce - 100% e-invoicing; 80% cashless transactions 	Creating a foundation for the strong development of Vietnamese e-commerce in the coming period
Draft Law amending and supplementing a number of articles of the Law on Product and Goods Quality	Amending and supplementing a number of articles of the Law on Product and Goods Quality 2007 to immediately remove bottlenecks recorded in 17 years of implementation to protect consumer rights, ensure the quality of goods, products and services	The e-commerce market is shifting towards transparency and professionalism, increasing competition and market share for tax-compliant companies. On the contrary, non-transparent sellers lose their price advantage and narrow their market share.
Decree 117/2025/NĐ-CP (July 25)	Regulating tax management for business activities on e-commerce platforms: from July 1, 2025, e-commerce platforms must deduct and pay taxes on behalf of business households and individuals	Create consumer confidence, enhancing competitiveness of domestic manufacturing companies and formal distribution companies

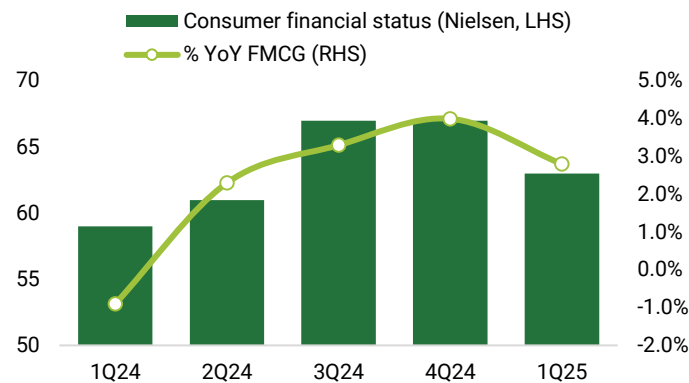
Source: PHS compiled

Figure 7: FMCG growth comes from rising price pressure, while consumption output declines sharply



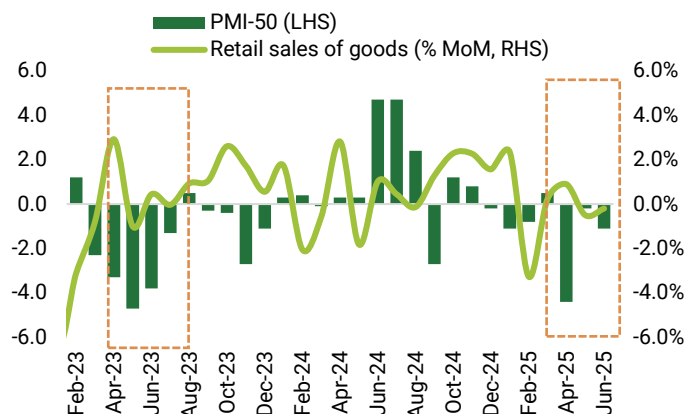
Source: NielsenIQ, PHS compiled

Figure 8: Consumer confidence weakens



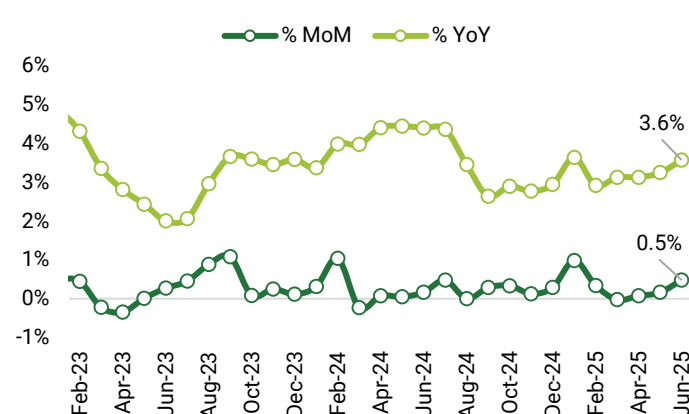
Source: NielsenIQ, PHS compiled

Figure 9: PMI vs. total retail goods sales



Source: GSO, PHS compiled

Figure 10: Consumer price index (CPI)



Source: GSO, PHS compiled

Valuation and recommendation

MWG's share price rose 15% in Q2, driven by expectations of strong earnings, bringing it close to PHS's fair value estimate. MWG's 1H25 business results exceeded our expectations by 26%, we are currently reviewing our forecasts and valuation, and will provide an update in the next report. For now, we maintain our target price and 2025F forecast for MWG with Net Revenue/NPAT increasing by 13.5%/36.1% YoY to VND152,456/5,079 bn, respectively. We maintain HOLD recommendation for MWG with a target price of VND 68,400/share, implying an upside potential of 4% compared to the closing price on July 29, 2025.

Figure 11: MWG's P/S historical in 2020 - TTM



Source: Bloomberg, PHS compiled

FINANCIAL STATEMENTS

VND bn

Income statement	2022A	2023A	2024A	2025F	2026F
Net revenue	133,405	118,280	134,341	152,456	162,123
COGS	(102,543)	(95,759)	(106,842)	(121,048)	(128,492)
Gross profit	30,862	22,521	27,499	31,408	33,631
Selling expenses	(22,337)	(20,917)	(19,850)	(21,827)	(22,841)
SG&A expenses	(1,881)	(1,168)	(3,566)	(3,888)	(4,087)
EBIT	6,644	436	4,084	5,693	6,702
Financial income	1,313	2,167	2,377	2,999	3,346
Interest expenses	(1,383)	(1,556)	(1,188)	(1,694)	(1,481)
Profit before tax	6,056	690	4,826	7,010	8,583
Profit after tax	4,102	168	3,733	5,079	6,219
PAT of the parent company	4,100	168	3,722	5,079	6,219
Balance sheet	2022A	2023A	2024A	2025F	2026F
Current Assets	44,578	51,950	65,836	73,752	78,766
Cash & cash equivalents	5,061	5,366	4,897	6,352	5,229
Short-term investments	10,069	18,937	29,324	32,212	36,730
Short-term receivables	178	308	241	274	291
Inventories	25,696	21,824	22,245	24,176	25,151
Other current assets	3,573	5,515	9,129	10,737	11,364
Non-current Assets	11,256	8,161	4,601	3,176	1,856
Long-term receivables	503	458	390	551	574
Fixed assets	9,679	6,452	3,538	1,844	414
Investment properties	-	-	-	-	-
Construction in progress	124	4	25	37	44
Long-term investment	231	747	242	315	386
Other non-current assets	364	207	358	429	438
Goodwill	355	294	48	0	0
Total Assets	55,834	60,111	70,438	76,928	80,623
Liabilities	31,902	36,752	42,316	44,283	42,323
Current liabilities	26,000	30,765	42,316	44,283	42,323
Non-current liabilities	5,901	5,986	-	-	-
Equity	23,933	23,360	28,122	32,645	38,299
Contributed capital	14,639	14,634	14,622	14,797	14,971
Minority interest	15	13	364	364	364
Total Liabilities & Owners' Equity	55,834	60,111	70,438	76,928	80,623

Cashflow statement	2022A	2023A	2024A	2025F	2026F
Net Operating CF	7,976	3,436	8,517	2,645	3,683
Net Investing CF	1,549	(10,831)	(11,743)	(435)	(1,533)
Net Financing CF	(8,606)	7,700	2,757	(755)	(3,273)
Net Cash Flow	919	304	(468)	1,455	(1,123)
Opening balance	4,142	5,061	5,366	4,897	6,352
Closing balance	5,061	5,365	4,897	6,352	5,229
Key ratios (%)	2022A	2023A	2024A	2025F	2026F
Growth rate					
Sales	8.5%	-11.3%	13.6%	13.5%	6.3%
PAT	-16.3%	-95.9%	2124.5%	36.1%	22.4%
Total assets	-11.3%	7.7%	17.2%	9.2%	4.8%
Equity	17.4%	-2.4%	18.9%	16.3%	17.5%
Profitability					
Gross margin	23.1%	19.0%	20.5%	20.6%	20.7%
EBIT margin	5.0%	0.4%	3.0%	3.7%	4.1%
Profit margin	3.1%	0.1%	2.8%	3.3%	3.8%
ROA	7.3%	0.3%	5.3%	6.6%	7.7%
ROE	17.1%	0.7%	13.3%	15.6%	16.2%
Operating cycle					
Receivables days	0.1	0.1	0.1	0.1	0.1
Inventory days	91.5	82.8	76.4	73.3	71.8
Payables days	38.1	32.7	28.6	29.1	30.5
Liquidity					
Current ratio	1.7	1.7	1.6	1.7	1.9
Quick ratio	0.7	1.0	1.0	1.1	1.3
Financial structure					
Liabilities/Total Assets	0.6	0.6	0.6	0.6	0.5
Total Debt/Equity	1.3	1.6	1.5	1.4	1.1
Short-term debt/Equity	0.4	0.8	1.0	0.8	0.6
Long-term debt/Equity	0.2	0.3	-	-	-

(Source: PHS compiled and forecasted)

Analyst Certification

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BUY: Stock has potential upside of more than 20%.

OVERWEIGHT: Stock has potential upside between 10% and 20%.

HOLD: Stock with limited potential upside of less than 10%.

UNDERWEIGHT: Stock has downside potential of 0% to -10%.

SELL: Stock has potential downside of below -10%.

NON-RATED: Stock is not rated under PHS's coverage or have not yet been listed.

Performance is defined as total return over 12 months (including dividends).

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