

The storm has passed

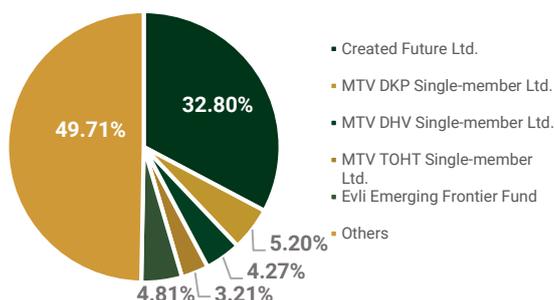
HOLD [-7%]

Fair price 50,800 VND
Current price 54,500 VND

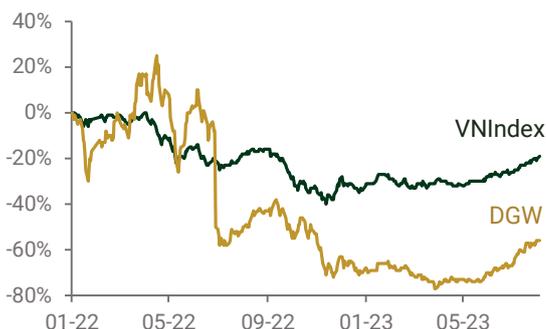
STOCK INFORMATION

Outstanding shares (mil) 167.073
Free float (mil) 91.890
Market cap. (billion VND) 9,390
3m avg. volume (shares) 2,163,186
Foreign ownership (%) 23.7%
First listing date 03/08/2015

MAJOR SHAREHOLDERS



PRICE MOVEMENT COMPARED TO THE INDEX



VALUATION HISTORY



Updated: 10/08/23

Business result: At the conclusion of the second quarter of 2023, DGW displayed a QoQ growth, signaling signs of a potential business turnaround. The company achieved impressive figures in terms of revenue, gross profit, EBIT, and net profit, reaching 4,596 billion VND (+16.1% QoQ), 393 billion VND (+50.7% QoQ), 111 billion VND (+15.0% QoQ) and 87 billion VND (+6.4% QoQ) respectively. In which:

- In the Laptop & Tablet category, revenue reached 1,342 billion VND, representing a robust QoQ growth of 23%.
- Meanwhile, the Mobile Phone segment experienced a solid increase of 15% QoQ, reaching 2,190 billion VND.
- The Office Equipment and Consumer Appliances sectors recorded more modest growth rates of 7% QoQ and 1% QoQ, respectively.
- The Fast-moving-Consumer goods (FMCG) category stood out with an impressive growth of 42% QoQ, attributed to the introduction of new brands and a low base effect. This category accounted for 4% of the overall revenue.

Forecast: We expect the company's revenue and NPAT in 2023 would reach 19,376 Bn.VND (-12.2% YoY) and 440 Bn.VND (-35.6% YoY), due to the plummeted demand for ICT products caused by the decreasing income of workers.

Valuation & Recommendation: Using DCF and Multiple methods, we derive the fair price of VND 50,800 per share. Thus, our recommendation is HOLD with a potential upside of -7%. Our model has reflected the base-case estimation for the next 5-year period.

Investment risks: (1) Risk of losing strategic partnership, exclusive contracts (2) Risk related to product line expansion (3) Risk of deteriorating purchasing power.

Investment highlights:

The worst is now behind:

As we previously highlighted in our update report, it was highly likely that the first quarter of 2023 would mark the bottom of DGW's business performance. The company proactively addressed the significant inventory buildup resulting from a large shipment of iPhone 14 Pro Max towards the end of the previous year. It is evident that the company has experienced a clear QoQ recovery, as evidenced by the revenue and profit indicators. We also believe that this recovery will continue throughout the remaining quarters of the year, driven by seasonal factors. The back-to-school shopping season in the third quarter and the year-end shopping peak in the fourth quarter, coupled with the upcoming release of the iPhone 15 in the third quarter, are expected to stimulate consumer demand. However, when excluding

| Financial indicators | 2018A | 2019A | 2020A | 2021A | 2022A | 2023F |
|---------------------------|--------|--------|--------|--------|--------|--------|
| Net revenue (billion VND) | 5,937 | 8,488 | 12,536 | 20,923 | 22,059 | 19,376 |
| Net Profit (billion VND) | 110 | 163 | 267 | 655 | 684 | 440 |
| EPS (VND) | 2,735 | 3,961 | 6,213 | 7,402 | 4,193 | 2,699 |
| EPS Growth (%) | 38% | 45% | 57% | 19% | -43% | -36% |
| Book Value (VND) | 16,998 | 18,461 | 21,503 | 13,109 | 10,926 | 16,387 |
| P/E | 7.69 | 5.78 | 3.76 | 11.58 | 29.81 | 18.82 |
| P/B | 1.24 | 1.24 | 1.09 | 6.54 | 11.4 | 3.10 |
| Cash dividend (%) | 8% | 5% | 10% | 113% | 10% | 10% |