

22/04/2025

RECOMMENDATION	OVERWEIGHT
Fair price	66,700
Current price	57,300
Upside/downside	16%

STOCK INFORMATION

Outstanding shares (mil)	1,614.5
Free float (%)	80%
Market cap. (billion VND)	83,012.3
3m avg. volume (shares)	7,295,522
Foreign ownership (%)	46.8%
First listing date	14/07/2014

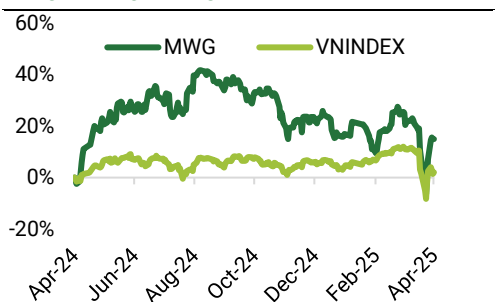
SHAREHOLDER STRUCTURE

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)	2,546
BVPS (VND)	18,993
Debt/Equity	97.1%
ROA (%)	5.3%
ROE (%)	13.3%
P/E	24.3
P/B	3.0
Dividend yield (%)	0.9%

PRICE PERFORMANCE



COMPANY PROFILE

MWG is the leading retailer in Vietnam, operating 5,205 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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BACH HOA XANH REAPING THE REWARDS

- For 2M2025, MWG recorded Revenue increased 13.5% YoY to VND 24,524 bn, fulfilling 16% of MWG's full-year revenue target. Operational efficiency at TGDD/DMX chains has significantly improved following the restructuring process, while the BHX chain aims to expand its scale and aggressively promote its online sales channel.
- For 2025F, we believe Bach Hoa Xanh will be the key growth driver for MWG, with expectations to open an additional 200 stores. We forecast that MWG would record Net Revenue and NPAT of VND 146,270 bn (+8.9% YoY) and VND 4,695 billion (+25.8% YoY), respectively. The Gross Profit Margin for 2025F is expected to remain stable compared to the previous year, as the company's market expansion strategy may lead to increased price competition.
- Using the SOTP and DCF valuation methods, we estimate MWG's fair value at VND 66,700/share. Therefore, we make **OVERWEIGHT** recommendation with potential upside of 16%.

2M2025 Business results update

In 2M2025, MWG recorded a 13.5% YoY increase in revenue to VND 24,524 bn, fulfilling 16% of its full-year revenue target. Growth was driven by most sectors, with revenue from TGDD/DMX rising by 23.1%/9.2% YoY to VND 5,641/11,257 bn, respectively. The store network restructuring strategy has delivered clear results, with average revenue per store increasing to VND 2.6 bn/month (from VND 1.8–2.0 bn/month in the same period last year), despite the closure of 221 TGDD/DMX stores since the beginning of 2024. For BHX, supported by double-digit growth in fresh food and FMCG segments, average revenue per store reached VND 2 bn/month (+8.7% YoY). During the period, MWG opened 94 new stores, bringing the total number of BHX outlets to 1,864. Consequently, BHX chain revenue increased by 16.3% YoY to VND 7,087 bn.

2025F/26F Business results forecast

In 2025, MWG targets the expansion of 200–400 BHX stores, while continuing to focus on increasing revenue at existing TGDD/DMX outlets instead of growing the store network. For 2025F/26F, we forecast MWG would record Net Revenue growth of 8.9%/8.2% YoY to VND 146,270/158,268 bn, respectively. Specifically:

- TGDD-TopZone:** Revenue is expected to grow by 4.2%/4.3% YoY to VND 31,352/32,703 bn, slightly higher than the industry's CAGR of 3%/year, supported by MWG's market leadership. The number of stores is projected to decline by 5.4%/0% YoY, bringing the total store count down to 966 in 2025F/26F.
- DMX:** Revenue is forecasted to rise by 6.8%/4.7% YoY to VND 63,573/66,540 bn, in line with the industry CAGR of 6%/year. The store count is expected to fall by 2.7%/0% YoY to 1,971.
- BHX:** Revenue is projected to increase by 17.0%/15.7% YoY to VND 48,106/55,658 bn, driven by the addition of 200 new stores annually. Online sales are expected to grow by 17.2%/17.4% YoY, closely aligning with Euromonitor's industry forecast.