



Company Report: Mobile World JSC (MWG)

Analyst

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14/10/2025

INVESTMENT THESIS

MWG is returning to a new growth cycle in 2025–2030 with three key drivers:

(1) Recovery of the ICT and electronics segments after restructuring, reducing the number of stores (-7%) while increasing revenue quality (+20%) compared to the beginning of the year. Revenue is expected to reach VND 100,600 billion (+12% YoY). **MWG is preparing an IPO plan for the Era Blue chain in Indonesia after 2027.**

The chain's business performance has improved significantly; after the pilot phase in 2023–2024, Era Blue has opened 124 stores, all of which are profitable.

(2) BHX is becoming the primary growth engine with an IPO planned in 2028, which will help re-rate MWG's valuation. It has strong growth momentum driven by successful expansion in the Central region along with plans to expand to the North, and is expected to deliver around VND 500 billion in net profit this year (+40% YoY). However, MWG's ambition to list BHX early can be realized still depends on BHX's accumulated losses of more than VND 6,900 billion can return to positive retained earnings.

(3) Business efficiency improves thanks to the expansion of the online segment: leveraging the strong e-commerce infrastructure of TGDĐ/ĐMX, BHX also targets to increase the online revenue contribution from 5% to 10% within the next two years. The online channel helps reduce rental pressure, thereby supporting profit margins. In addition, the AvaKid segment and An Khang Pharmacy have not shown significant breakthroughs yet; we will continue to update developments in upcoming reports.

Recommendation:

Hold

6-18m TP:

80,496

Current price:

84,200

Price performance



Price changes

1M

3M

1Y

Abs. %

5.9%

23.8%

34.3%

Relative to VN index

4.5%

19.8%

36.9%

Avg price (VND)

79,000

74,000

64,000

Sources: Bloomberg, Guotai Junan (VN)

VALUATION AND RECOMMENDATION

We apply the SOTP valuation method and determine the fair value for MWG at **VND 80,496 per share**, with a “**Hold**” recommendation. MWG is entering a favorable business cycle with BHX as its main growth driver. In the long term, the IPO plans of its subsidiary retail chains are key catalysts that may help re-rate the company's valuation.

12/31	Net rev. (VND b)	Net rev. (Δ%)	Net Profit (VND b)	EPS (VND)	EPS (Δ%)	ROE (%)	ROA (%)
2022A	133,404	8.50	4,101	2,810	-59.24	18.52%	6.90%
2023A	118,279	-11.34	167	115	-95.91	0.71%	0.29%
2024A	134,341	14	3,733	2,546	22.14	13.3%	5.3%
2025F	150,000	11.7	4,500	3,062	20.27	16.0%	6.4%

Shares in issue (m)

1,469.44

Major shareholders (%)

Retail World Investment
Consulting Co., Ltd.
Tri Tam Co., Ltd.

10.37%

Market cap (VND b)

120,494

3-month average vol. ('000)

9,481

52w high/low (VND)

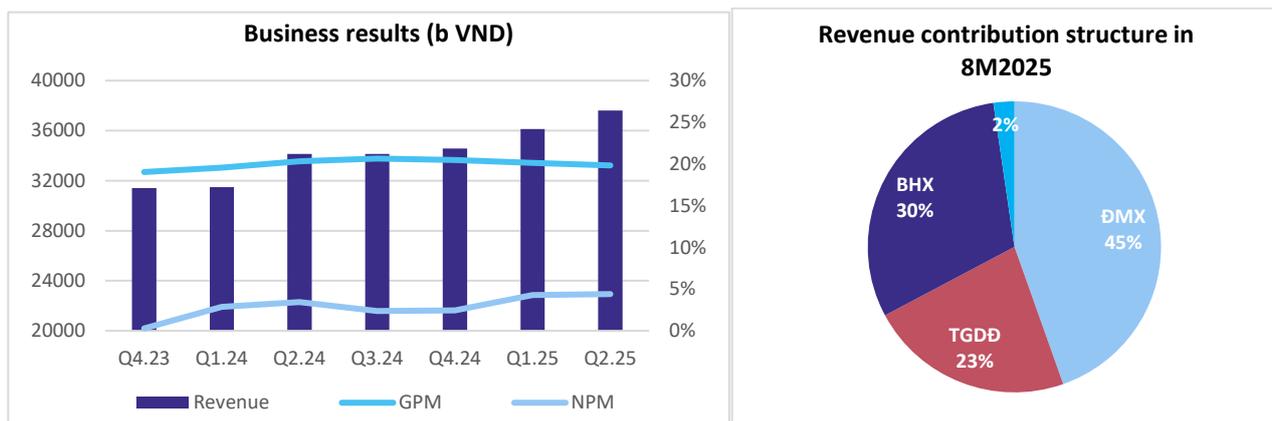
85,000/45,100

Free float (%)

75%

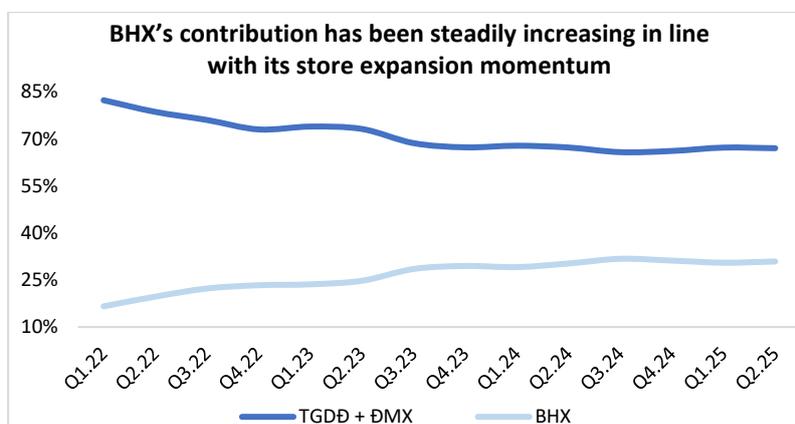
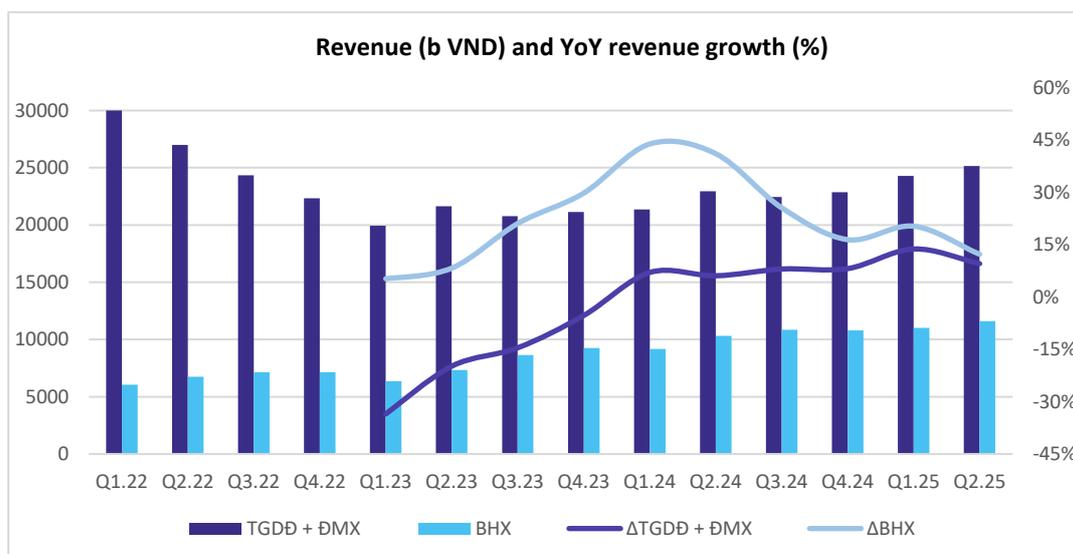
Sources: the Company, Guotai Junan (VN)

I. POSITIVE BUSINESS PERFORMANCE DRIVEN BY MOMENTUM ACROSS SEGMENTS



Source: MWG report, GTJAVN Research

In the second quarter, the Group recorded net revenue of VND 37,620 billion, up 10.2% YoY, and net profit reached VND 1,659 billion, a strong increase of 41.4% YoY. In the same period, Dien May Xanh (DMX) and The Gioi Di Dong (TGDD) continued to account for a major proportion of total revenue, contributing around 75%, though this share has been gradually declining. Bach Hoa Xanh (BHX) remains the key growth driver of the Group’s topline, maintaining double-digit YoY revenue growth above 10%, while TGDD and DMX—despite accounting for the largest revenue share—have only shown mild recovery over the past few quarters.



Source: MWG report, GTJAVN Research

1.1 Dienmayxanh and Thegioididong

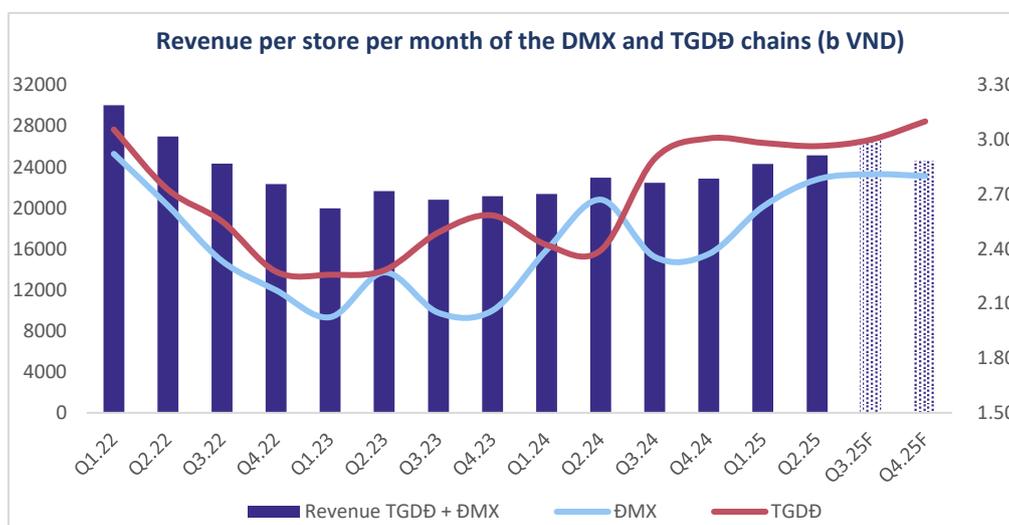
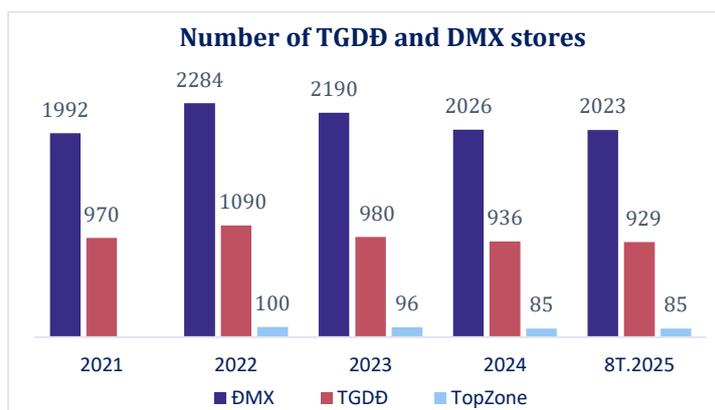
After a period of stagnation, demand for phones and computers rebounded strongly in the first six months of 2025, recording growth of 20%-50%, helping revenue in Q1 and Q2 increase by 13% and 9% YoY, respectively.

Table of revenue growth by product category for DMX and TGDD

Product category	YoY growth
Phones, tablets, laptops, accessories	20%-50%
Washing machines, home appliances, wearable devices	10%-20%
TVs, refrigerators	0%-10%
Air conditioners	<0%

Source: MWG, GTJAVN Research

The Group continues to effectively implement a “quality over quantity” strategy, as reflected in the gradual reduction in the number of stores while focusing more on improving store productivity. As of August this year, the total number of stores across both DMX and TGDD decreased by 7% compared to early 2024 (equivalent to a reduction of around 200 stores). The Group is prioritizing operational efficiency by closing underperforming locations and enhancing performance at remaining stores. Thanks to direct partnerships with suppliers such as Apple and customer-attracting programs (0% installment plans, free installation, etc.), store productivity has been well maintained. This is evident in the increasing revenue per store, which reached over VND 3 billion per store per month this year, compared to VND 2.4 billion at the beginning of 2024 (equivalent to +20%).



Source: MWG, GTJAVN Research

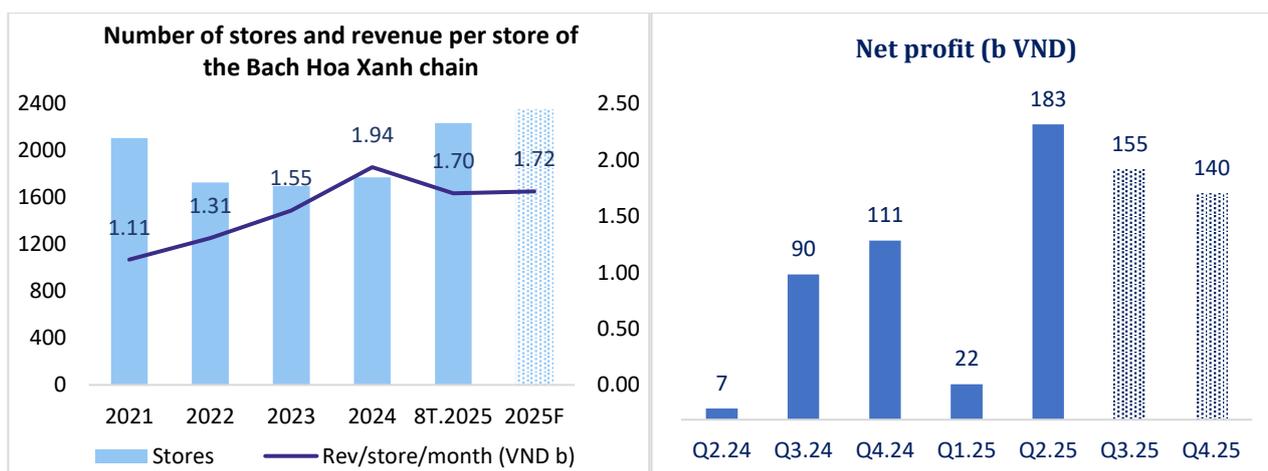
We expect revenue in the electronics and ICT segment to remain relatively stable in the second

half of the year compared to the same period last year, as market penetration has nearly reached saturation (TGDĐ holds around 50% of the smartphone market share). In September, we anticipate a breakthrough in revenue for electronics and mobile devices thanks to the back-to-school season and the launch of the new iPhone 17, which is expected to stimulate replacement demand. We forecast that revenue of these two chains will reach VND 51,200 billion in the last two quarters of the year, with average sales per store continuing to improve slightly.

Regarding business operations in international markets

According to Mr. Vu Dang Linh, the company’s CEO, after initially focusing on store openings in Jakarta, the EraBlue chain has now expanded to other regions, reaching a total of 124 stores and is expected to increase to 150 stores by year-end. Notably, most of these stores are already profitable. MWG’s management stated that EraBlue aims to expand to 500 stores and eventually pursue an IPO in the Indonesian market, which still has significant consumption potential. With a 45% ownership stake, MWG records profit from EraBlue under the equity method (as an associate), without consolidating revenue, but this value will be reflected in MWG’s valuation when EraBlue goes public.

1.2 The Bach Hoa Xanh (BHX) chain continues to accelerate along with its IPO ambition



Source: MWG, GTJAVN Research

The Bach Hoa Xanh (BHX) chain recorded revenue of nearly VND 30,500 billion in the first eight months of the year, up 14% YoY. Revenue growth was mainly driven by two key product categories: fresh food and FMCG. Store-level efficiency continued to improve, with average revenue per store reaching VND 1.70 billion per month after 8M2025, gradually approaching the industry average of VND 2.2–2.3 billion per month, sustaining positive profit momentum at the company level since the end of 2024.

Since the beginning of the year, BHX has aggressively expanded by adding 463 new stores, surpassing its initial target of 400 stores, with more than 50% of new openings concentrated in the Central region. This brought the total number of outlets to 2,233 stores. From now until year-end, BHX plans to open an additional 150 stores, raising the network to approximately 2,350 stores, equivalent to +26% YoY growth.

Despite rapid and large-scale expansion, BHX continued to deliver strong profit growth, reaching VND 183 billion in net profit in Q2, compared to negative earnings in previous years. This demonstrates the company’s effective operational management during fast expansion, even with high initial investment costs.

We expect the food and FMCG market to post moderate growth in the second half of the year. BHX’s net

profit is forecast to maintain strong growth momentum, rising 40% YoY to VND 500 billion in 2025, with full-year revenue projected to reach VND 48,000 billion.

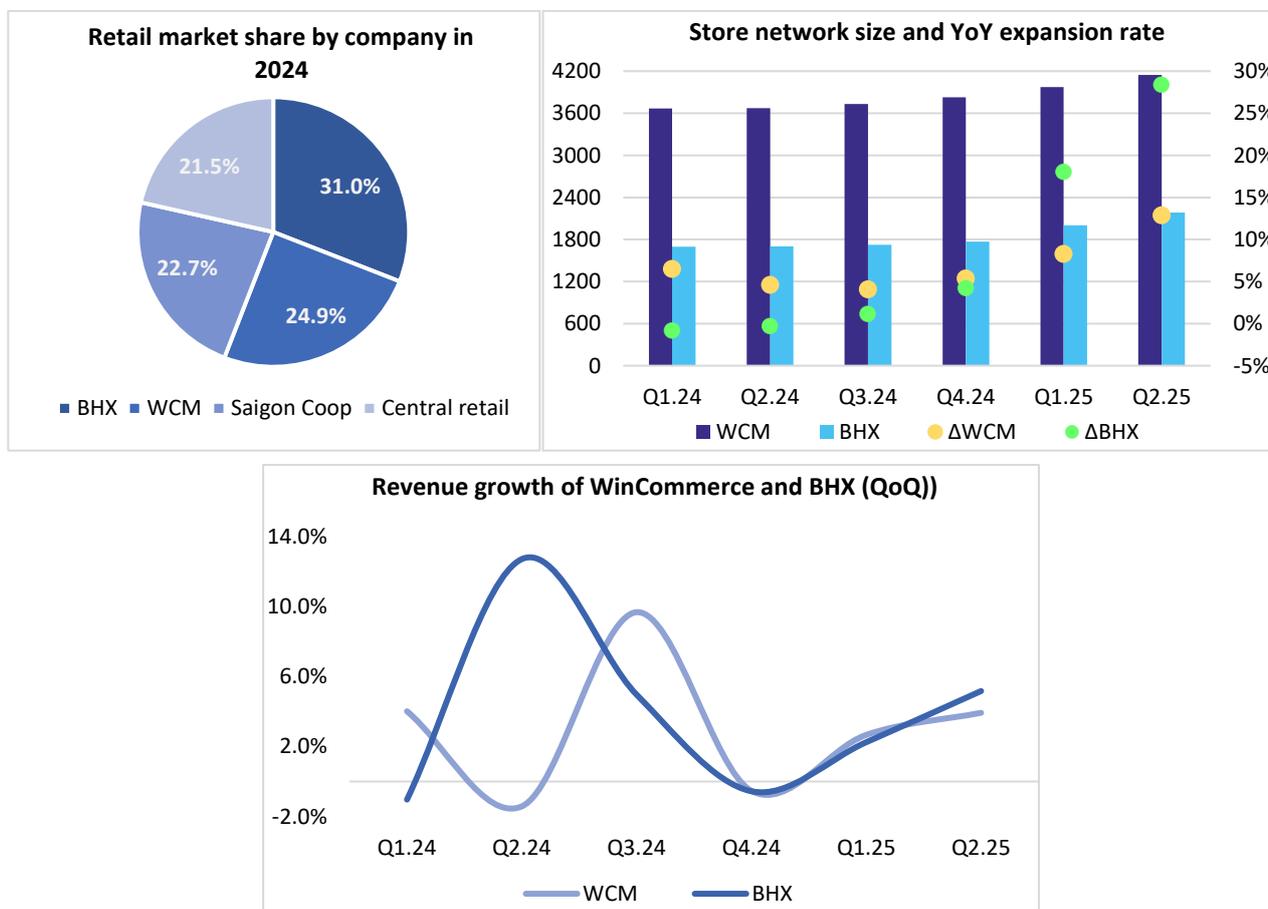
Northern expansion ambition: targeting 1,000 new stores per year, prepare for the 2028 IPO

In the long run, BHX is aiming to diversify its store formats instead of operating solely under the traditional 150m² single-floor model. The company plans to launch specialized store formats such as dry-goods-only stores, fresh-food-only stores, and mini-stores located on the ground floors of residential buildings. Starting from 2026, BHX targets to expand northward and open 1,000 new stores per year in preparation for its planned IPO in 2028.

The rapid increase in store count is expected to drive strong revenue growth in the coming quarters, enabling BHX to quickly offset its accumulated losses while optimizing operations across production, warehousing, display, and after-sales services. Profit margins are projected to remain stable at around 4–5%.

BHX’s direct competitor in the Central and Northern regions is WinMart, which currently operates 4,146 stores (Q2 2025), with more than 50% located in the North, 20% in the Central region, and 30% in the South.

Based on 2024 revenue data, despite operating network twice the size of BHX, WCM’s market share still ranks lower. This indicates that BHX’s strategy of prioritizing store productivity has been effective. As BHX re-accelerates store expansion, revenue growth has also improved accordingly. With a faster expansion rate compared to WCM, we believe that by 2028, BHX will reach a comparable store count to WCM, with newly opened stores in the Northern region becoming a key growth driver for the chain.

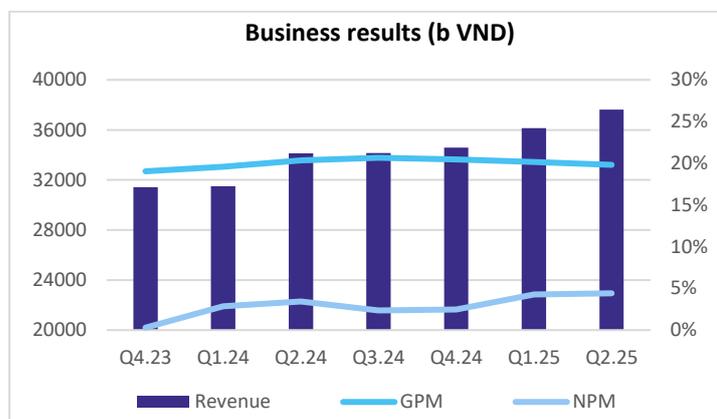


Source: Company report, GTJAVN Research

Based on the store expansion slowdown during 2023–2024 followed by a strong rebound from

2025 onward, it appears that MWG has found a successful formula for store rollout, with the Central region serving as a notable example. We expect MWG to leverage its experience along with deep market research and understanding of consumer behavior in the Northern region to soon establish a successful BHX model there. However, the initial steps may still be slow and require time for testing; after that, the store expansion pace is likely to accelerate significantly in line with the company’s long-term growth plan.

II. EFFECTIVE COST MANAGEMENT SUPPORTS PROFIT IMPROVEMENT



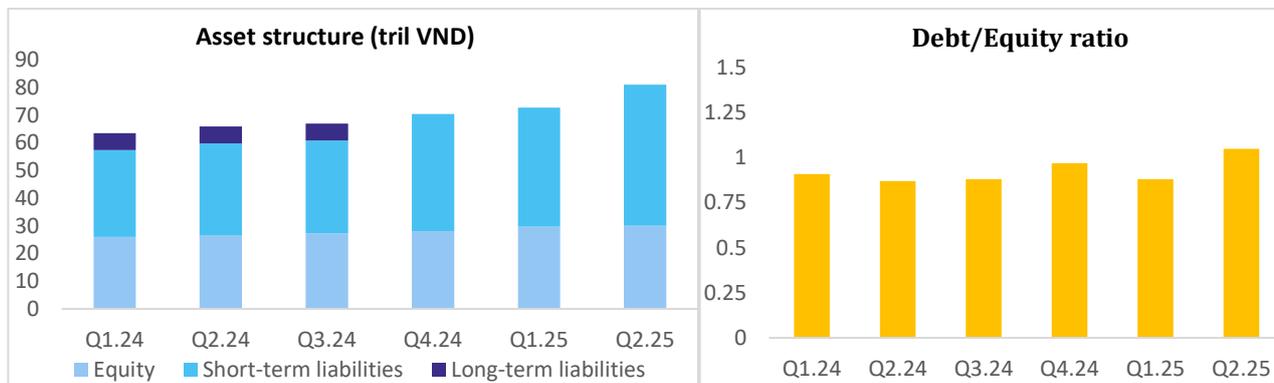
Source: MWG report, GTJAVN Research

The Group’s profitability has improved significantly in recent quarters, with strong growth recorded in Q2 this year. In addition to better store productivity, profit growth was also supported by effective cost management. Distribution center (DC) and logistics expenses were reduced from 5% to just 3%. At the same time, store operating expenses were also significantly optimized, resulting in a clearer profit trajectory reflected in the financial statements.

Boosting online revenue and optimizing system operations

The Bach Hoa Xanh chain plans to expand its online segment, targeting an increase in the proportion of online revenue from 5% to 10% in the near future. This channel will also help reduce a significant portion of store rental costs. BHX has a major advantage thanks to its extensive store network, allowing online orders to be fulfilled quickly with shorter delivery times. According to several market reports, the Modern Trade (MT) channel in Vietnam currently accounts for only around 12% of total retail sales, significantly lower than other countries in the region such as Thailand or Indonesia (30–50%). This indicates substantial room for growth and presents opportunities for BHX to increase revenue through a diversified multi-channel sales strategy.

In addition to revenue from core operations, MWG’s profit growth has been strongly supported by financial income, as the company increased its cash holdings to a record level of over VND 41,000 billion by the end of Q2 2025. Most of this cash is in the form of bank deposits and bond investments, which increased by nearly VND 7,000 billion compared to the beginning of the year. MWG earned more than VND 1,350 billion in interest income in the first six months of 2025, up 29% YoY. After deducting interest expenses of nearly VND 700 billion, the company still recorded a net financial gain of VND 650 billion.



Source: MWG report, GTJAVN Research

III. VALUATION AND RECOMMENDATION

We use the SOTP valuation method to value MWG's stock

- For Bach Hoa Xanh, we apply a comparative valuation method using the P/S multiples of consumer retail companies.

Table: Comparison of P/S ratios of consumer retail companies

Companies	Nation	P/S
99 Speed Mart	Malaysia	2.1
Sheng Siong	Singapore	2.2
Pure Gold	Philippines	0.83
Avenue Supermarts Ltd	India	4.5
BIM Birlesik Magazalar	Turkey	0.95
Price Mart	The US	0.69
Seven & I Holdings	Japan	0.76
7- Eleven	Thailand	0.9
Masan Group	Vietnam	1.49
Median		0.95

Source: StockAnalysis, companiesmarketcap.com, GTJAVN Research

We expect BHX to achieve revenue of VND 48,000 billion in 2025 (+16.8% YoY) and VND 55,000 billion in 2026 (+14.5% YoY). Accordingly, the estimated value of the BHX chain is $55,000 * 0.95 = \text{VND } 52,250$ billion.

- For the ICT segment (TGDD and ĐMX), we use the P/E comparative valuation method. We expect revenue from these two chains to reach VND 100,623 billion in 2025 (+12% YoY) and VND 111,000 billion in 2026. We estimate that their combined net profit will reach VND 4,000 billion in 2026. With a forward P/E assumption of 16x, the corresponding valuation for the TGDD and ĐMX chains is $4,000 * 16 = \text{VND } 64,000$ billion.

MWG Valuation:

	Fair value
Bách Hóa Xanh (b VND)	52,250
TGDD & ĐMX (b VND)	64,000
Other chains (b VND)	2,000
MWG (b VND)	120,250
Outstanding shares (b cp)	1,469



Price/share (VND/cp)

80,496

We determine the fair value for MWG at **VND 80,496 per share** and recommend “**Hold**” for the stock. MWG is entering a favorable business cycle with the Bach Hoa Xanh chain as its main growth driver. In the long term, the planned IPOs of its subsidiary retail chains will be key catalysts that could help re-evaluate company’s valuation.

Oct 13 2025

MWG

Company Report

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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Oct 13 2025



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