

# Mobileworld (MWG)

## 4Q2024 analyst meeting updates

### 2024 business performance updates

- Full-year revenue recorded by Mobile World Investment hit VND134,341 billion (107% of the target), and NPAT reached VND3,733 billion (156% of the 2024 profit plan). Online sales were VND9.6 trillion, equivalent to 7% of total revenue.

### TGDD & DMX chains:

- Revenue reached VND89.5 trillion (+7% YoY), equivalent to 66.7% of total revenue. Online channel brought in VND8.7 trillion in 2024.
- Total number of stores was 3,047 stores by the end of 2024, and old store sales growth hit 10% YoY.
- In 2024, refrigeration products, tablets and smartphones achieved double-digit growth YoY. Handsets and home appliances recorded single-digit growth while electronics saw a slight contraction.
- 4Q24 revenue dropped QoQ because (1) Typhoon Yagi occurred at the end of September, causing some stores in the North to close, and MWG also implemented many programs to support the community to recover from the typhoon; (2) sales of Iphone handsets surged (this is a segment with low revenue) due to the launch of the new Iphone 16 series; and (3) MWG implemented many promotional programs in 4Q.

### BHX chain:

- Revenue reached VND41.1 trillion (+30% YoY), contributing 30.6% to total revenue. Online channel sales reached VND925 billion in 2024.
- Total number of stores reached 1,770 stores by the end of 2024, and old store sales grew 30% YoY.
- Growth compared to 2023 comes from both fresh food (+30~50%) and FMCG (+20~35%).

### Orientation for 2025

#### TGDD & DMX:

- In the first two months of 2025, the two chains grew by 10% YoY in the context of weak purchasing power in the retail market.
- MWG's market share in the phone product market reached 60% (with MWG's Iphone products accounting for 50% of the market share), electronics 50%, and accessories and home appliance 25%. The Management shared that the ICT&CE chain should further increase in revenue by expanding market share in the above segments, especially in the accessories and home appliance thanks to low market share.

- The process of improving quality and reducing quantity can still be carried out with ineffective stores. However, the number of the stores will not be as many as in 2024.
- In 2025, the Management will focus on raising revenue by about VND4,500 billion YoY, thereby improving GPM.

**BHX chain:**

- BHX will open new stores from Thanh Hoa in 2025 with a proportion of 70% in the Central region and 30% around the current areas.
- The monthly average sales per store after three months in the Central region should be between VND1.2 billion and VND1.5 billion. The BOD believes that the plan to close BHX stores will be modest since the stores are still operating effectively but will refurbish existing stores (which should take place from the end of 2024).
- The online development strategy in 2025 includes: (1) improving product portfolio; (2) improve service quality; (3) improve delivery speed.
- BHX's NPAT target is over VND500 billion for 2025, and long-term revenue objective is USD10 billion, benefiting from the potential grocery market (reaching VND50 – 60 billion). However, to achieve this goal, it is necessary to combine with many other models besides mini supermarkets.

**Erablue chain:**

- The Board of Directors explained that the number of new stores opened in 2025 (63 stores) is lower than in 2024 even though it is profitable because Erablue's new opening strategy is to open in suburban areas and in 2025 will expand to neighboring areas. Therefore, the Board of Directors is cautious due to the need to explore the market, after this period Erablue will develop a strong store network.

**Other information:**

- In 2025, the company plans to buy back treasury shares and has no intention of paying stock dividends.
- In the recent ESOP, BHX chain employees were not allowed to participate because MWG is making a separate program for these employees until BHX's IPO.

## KB SECURITIES VIETNAM RESEARCH

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### Research Division

research@kbsec.com.vn

### Nguyen Xuan Binh – Head of research

binhnx@kbsec.com.vn

### Financials

#### Nguyen Anh Tung – Manager

tungna@kbsec.com.vn

#### Pham Phuong Linh – Analyst

linhpp@kbsec.com.vn

### Consumer

#### Nguyen Duc Quan – Analyst

quannd@kbsec.com.vn

#### Nguyen Hoang Duy Anh – Analyst

anhnhd@kbsec.com.vn

### Real Estate

#### Pham Hoang Bao Nga – Manager

ngaphb@kbsec.com.vn

#### Nguyen Thi Trang – Analyst

trangnt6@kbsec.com.vn

### Industrials & Materials

#### Nguyen Thi Ngoc Anh – Analyst

anhntn@kbsec.com.vn

#### Nguyen Duong Nguyen – Senior Analyst

nguyennd1@kbsec.com.vn

### Macro & Strategy

#### Tran Duc Anh – Head of macro & strategy

anhtd@kbsec.com.vn

#### Nghiem Sy Tien – Analyst

tienns@kbsec.com.vn

#### Nguyen Dinh Thuan – Analyst

thuannd@kbsec.com.vn

### Energy, Utilities & IT

#### Pham Minh Hieu – Analyst

hieupm@kbsec.com.vn

#### Nguyen Viet Anh – Analyst

anhnv3@kbsec.com.vn

### Support Team

#### Nguyen Cam Tho – Assistant

thonc@kbsec.com.vn

#### Nguyen Thi Huong – Assistant

huongnt3@kbsec.com.vn

**KB SECURITIES VIETNAM (KBSV)**

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**Head Office:**

Levels 16&17, Tower 2, Capital Place, 29 Lieu Giai Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

**Hanoi Branch:**

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

**Ho Chi Minh Branch:**

Level 2, TNR Tower Nguyen Cong Tru, 180–192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

**Saigon Branch:**

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam

Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

**CONTACT INFORMATION**

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656

Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276

Email: [ccc@kbsec.com.vn](mailto:ccc@kbsec.com.vn)

Website: [www.kbsec.com.vn](http://www.kbsec.com.vn)

**Investment ratings & definitions**

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**Investment Ratings for Stocks**

(based on expectations for absolute price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

**Investment Ratings for Sectors**

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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