

MWG – Solidifying the leading market position

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- MWG's Q1-2026 results significantly exceeded expectations, with net revenue reaching VND 46,462 bn (+28.6% YoY) and NPAT-MI at VND 2,715 bn (+75.6% YoY). The strong performance was driven by robust margin expansion across both core chains. Thanks to low-cost inventory, TGDD & DMX benefited from higher selling prices amid the global ICT supply shock (RAM and chip shortages). Meanwhile, BHX delivered better-than-expected margin improvement as it deepened penetration into rural Northern and Central regions.
- We maintain our forecast MWG's 2026/27F net revenue at VND 180,085/201,836 bn (+15.1%/+12.1% YoY) and NPAT-MI at VND 8,915/10,222 bn (+26.7%/+14.7% YoY). MWG's share price corrected ~11.0% in Q1-2026, trading at a trailing P/E of 15.0x and forward P/E of 13.8x / 12.1x for 2026/27F — well below its 5-year average of 20.5x and the industry average of 23.9x. This implies attractive valuation relative to its growth outlook (>20% YoY). We maintain our **BUY** recommendation with a target price of **VND 103,100 per share** and a cash dividend of VND 2,000 per share, based on the closing price as of May 4th, 2026.

Q1-2026's earnings beat driven by stronger profitability from core chains

Net revenue reached VND 46,462 bn (+8.4% QoQ, +28.6% YoY), in line with expectations, of which:

- **TGDD & DMX chain**, recorded revenue of VND 32,416 bn (+10.8% QoQ, +33.7% YoY), an all-time high quarterly performance. Growth was entirely driven by same-store sales growth (SSSG of +34% YoY), with nearly unchanged store count: 2,006 DMX stores and 1,014 TGDD stores. This outperformed the industry average (for example, the Apple smartphone/laptop segment of the chain recorded +65%/+30% YoY growth, significantly outperforming the industry averages of +38%/+29% YoY according to GFK), supported by strong installment payment services (+50% YoY) and technician services (+45% YoY, contributing VND 701 bn).

By category, Apple smartphones posted the strongest growth at +65% YoY, followed by home appliances +45% YoY, refrigerators +45% YoY, accessories +35% YoY, TVs +30% YoY, laptops +30% YoY, washing machines +30% YoY, air conditioners +20% YoY, Android phones +15% YoY, and other services +15% YoY.

DMX acts as an intermediary connecting customers with financial partners (Home Credit, FE...), earning commissions without bearing credit risk. Thanks to 0% interest installment plans, the proportion of customers choosing this option continues to rise, now accounting for 50% of transactions. Loan approval rate exceeds 85%, and installment sales have reached 38% of total revenue.

- **BHX chain**, posted revenue of VND 13,134 bn (+5.2% QoQ, +19.2% YoY) following rapid expansion to 2,839 stores (+280 QoQ, +837 YoY). Monthly sales per store declined to VND 1.54 bn (-5.3% QoQ, -16.0% YoY) — a technical adjustment in our view — due to (1) new stores in lower-density rural Northern (18% of new openings) and Central (14%) regions where brand recognition is still building, and (2) smaller store sizes compared to the 150-300m² standard in the South.

Competitor WinMart also accelerated with +225 new stores this quarter, reinforcing our view of faster expansion across the mini-supermarket segment in 2026, supported by the ongoing shift from traditional to modern trade channels, which still hold significant room for growth (the two major mini-supermarket chains currently account for only ~7-8% market share).

- **Other chains (An Khang, AVAKids)**, recorded revenue of VND 977 bn (-11.2% QoQ, +17.7% YoY), supported by continued expansion (An Khang reached 409 stores, +83 YoY; AVAKids reached 95 stores, +33 YoY). Notably, these chains resumed new store openings from H2-2025.

NPAT-MI reached VND 2,715 bn (+31.0% QoQ, +75.6% YoY), translating to a net margin of 5.8% (+101bps QoQ, +156bps YoY), beating expectations by 15%. The outperformance was primarily driven by higher-than-expected margins from core chains:

- **TGDD & DMX chain**, delivered net profit of VND 2,206 bn (+49.3% YoY), with net margin expanding to 6.8% (+89bps YoY), thanks to (1) low-cost inventory advantage, (2) higher proportion of premium products (ASP uplift), (3) high-margin contributions from financial services and technician services (~7.8% net margin in 2025), and (4) Erablue's net profit of VND 20 bn (+187.9% YoY) on 25% SSSG and 117 new stores.

- **BHX chain**, recorded net profit of VND 383 bn (vs VND 22 bn in Q1-2025), achieving a record net margin of 2.9% (+272bps YoY). This was supported by expansion into rural Northern and Central regions with lower operating costs, reduced competition, and a higher proportion of dry goods, per our view. The improved store-level economics in new markets demonstrate successful initial penetration and support further aggressive expansion this year.
- We note that **net finance income** was VND 436 bn (-2.2% QoQ, +23.1% YoY), showing the first QoQ slowdown due to limited new lending for capital optimization, with financial investments remaining flat at ~VND 36,000 bn.

The rise in average borrowing cost to 5.8% (+90bps YoY) had limited impact on overall profitability as it was largely offset by higher returns on financial investments.

MWG's Q1-2026 Results

Unit: VND bn	Q1-2026	Q4-2025	+/- (qoq)	Q1-2025	+/- (yoy)
Net sales	46,462	42,850	8.4%	36,135	28.6%
Thegioididong (TGDD)	10,883	11,233	-3.1%	8,301	31.1%
Đienmayxanh (DMX)	21,533	18,035	19.4%	15,952	35.0%
Bachhoaxanh (BHX)	13,115	12,483	5.1%	11,008	19.1%
Others (mainly An Khang)	931	1,099	-15.4%	874	6.5%
Gross profit	9,710	8,046	20.7%	7,200	34.9%
SG&A expenses	-6,808	-6,003	13.4%	-5,618	21.2%
EBIT	2,902	2,044	42.0%	1,583	83.3%
Income from affiliates (Erablue)	9	6	52.1%	3	187.9%
Net finance income	436	446	-2.2%	354	23.1%
Other profit	12	6	119.3%	-6	+VND 18 bn
Pre-tax profit	3,328	2,501	33.0%	1,935	72.0%
NPAT-MI	2,714	2,072	31.0%	1,546	75.6%
Unit: %	Q1-2026	Q4-2025	+/- (qoq)	Q1-2025	+/- (yoy)
Gross margin	20.9%	18.8%	+212bps	19.9%	+97bps
SG&A exp/Net sales	14.7%	14.0%	+64bps	15.5%	-89bps
EBIT margin	6.2%	4.8%	+148bps	4.4%	+187bps
Net margin	5.8%	4.8%	+101bps	4.3%	+156bps

Source: MWG, RongViet Securities

MWG's store network summary as of Q1-2026

Store network (stores)	Q1-2026	Q4-2025	+/- (qoq)	Q1-2025	+/- (yoy)
Thegioididong (TGDD)	1,014	1,012	+2 stores	1,017	-3 stores
Đienmayxanh (DMX)	2,006	2,008	-2 stores	2,027	-21 stores
Bachhoaxanh (BHX)	2,839	2,559	+280 stores	2,002	+837 stores
An Khang	409	382	+27 stores	326	+83 stores
AVA Kids	95	83	+12 stores	62	+33 stores
Erablue	212	181	+31 stores	95	+117 stores
Monthly sales per store (VND bn)	Q1-2026	Q4-2025	+/- (qoq)	Q1-2025	+/- (yoy)
Thegioididong (TGDD)	3.6	3.7	-3.3%	2.7	31.5%
Đienmayxanh (DMX)	3.6	3.0	19.5%	2.6	36.4%
Bachhoaxanh (BHX)	1.5	1.6	-5.3%	1.8	-16.0%

Source: MWG, RongViet Securities

Valuation context

Following strong Q1-2026 results, we outline our views on Mobile World Investment Corporation for the remainder of 2026 as follows:

Regarding the BHX chain, net margin expansion exceeded our expectation (2.9% vs. 2.1% forecast) as the chain penetrates deeper into Northern and Central rural areas (which we believe offer structurally higher margins than the South). This reinforces the success of geographic expansion in both revenue and profitability, supported by improving consumer trust in these regions. We are currently reassessing our full-year 2026 earnings forecast for the chain.

Regarding the TGDD & DMX chain, the story of market share gains and margin optimization continues as expected, driven by their solid market position. We maintain a positive growth outlook (NPAT growth above 20.0% YoY) despite prevailing concerns around “RAM and chip shortages in ICT production” and “potential demand weakness from cost-push inflation,” for the following reasons:

- Global shortages of RAM and chips create two key challenges for the ICT market (mainly laptop & smartphone): (1) supply constraints, and (2) demand pull-forward into Q4-2025 and Q1-2026.
 - For (1), we note that the chain significantly increased laptop inventory by the end of Q1-2026 (+32.3% QoQ, +118.8% YoY) in preparation for the back-to-school season. Meanwhile, the mobile phone segment benefits from prioritized supply allocation due to the chain’s strong bargaining position with vendors, according to management.
 - For (2), laptops are the most affected segment (given high DRAM requirements of 16–64GB), with demand indeed front-loaded—reflected in Q1-2026 market growth of +14.5% YoY in volume and +28.7% YoY in value (GFK). However, this segment accounts for only ~5.0% of the chain’s revenue, limiting overall impact. Conversely, contrary to common concerns, the core segment—mobile phones (~43.0% of the chain’s revenue)—did not experience demand shocks, with market growth at -3.9% YoY in volume but +22.0% YoY in value, driven by premiumization and rising share of Apple (GFK). This implies the chain’s growth is primarily driven by market share gains through strategies such as “partnership with Apple” and “installment/BNPL offerings.”
- Regarding concerns over demand weakness due to cost-push inflation, we believe this is not a new issue and is unlikely to materially impact growth. Historical industry consumption CAGR 2019–25 has already been subdued, ranging from -5.0% to +4.0% per year depending on categories, except for laptops/tablets which grew +10.9%/+13.2% CAGR due to COVID-driven work-from-home adoption (based on our estimates and GFK). Instead, market share expansion and margin optimization remain the primary growth drivers over the past two years and are expected to continue going forward.

We also highlight seasonality factors in Q2-2026—peak El Nino heatwave (air conditioners) and the World Cup season (TVs)—which should support strong revenue growth of TGDD & DMX chain, as seen in comparable periods such as 2019 (+16.6% YoY) and 2022 (+11.8% YoY).

We maintain our forecast MWG’s 2026/27F net revenue at VND 180,085/201,836 bn (+15.1%/+12.1% YoY) and NPAT-MI at VND 8,915/10,222 bn (+26.7%/+14.7% YoY). MWG’s share price corrected ~11.0% in Q1-2026, trading at a trailing P/E of 15.0x and forward P/E of 13.8x / 12.1x for 2026/27F — well below its 5-year average of 20.5x and the industry average of 23.9x. This implies attractive valuation relative to its growth outlook (>20% YoY). We maintain our **BUY** recommendation with a target price of **VND 103,100 per share** and a cash dividend of VND 2,000 per share, based on the closing price as of May 4th, 2026.

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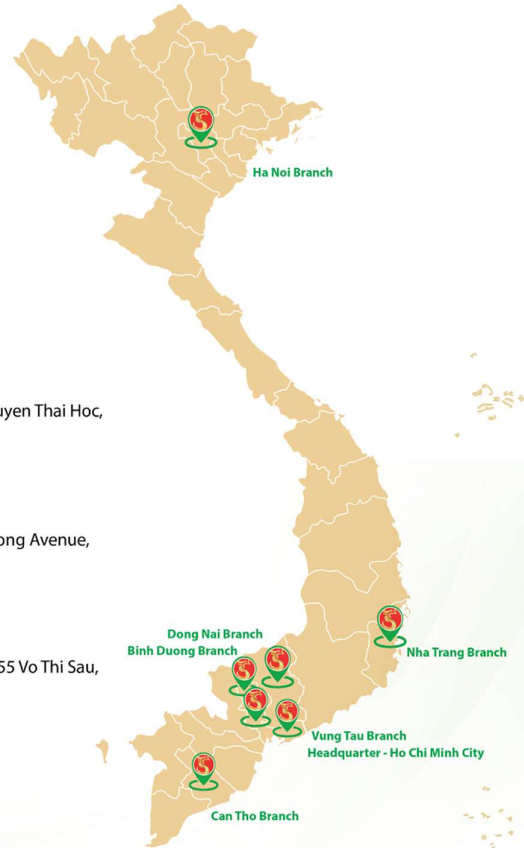
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