

2023 Annual General Meeting Update

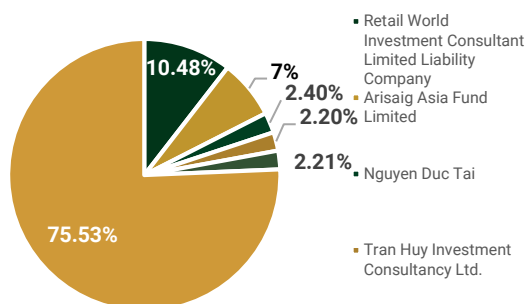
BUY [+20%]

Fair price 49,300 VND
Current price 41,000 VND

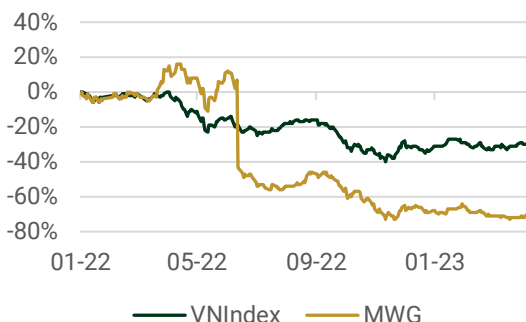
STOCK INFORMATION

Outstanding shares (mil) 1,463.55
Free float (mil) 1,097.66
Market cap. (billion VND) 61,762
3m avg. volume (shares) 2,816,578
Foreign ownership (%) 49%
First listing date 07/07/2014

MAJOR SHAREHOLDERS



PRICE MOVEMENT COMPARED TO THE INDEX



VALUATION HISTORY



2023 Business plan: Mobile World Investment Corporation (MWG) set out its business plan with a target revenue of 135,000 billion VND (+1% YoY) and NPAT reaching 4,200 billion VND (+2% YoY) (with the assumption that the purchasing power would return to normal since Q3.2023).

Forecast: We expect the company's revenue and NPAT in 2023 would reach 129,403 bil VND (-3.0% YoY) and 3,212 bil VND (-21.7% YoY), respectively via expanding its store chains while facing low consumption rate due to high inflation and weakening economy.

Highlights:

(1) At the AGM, The Company had appointed the new acting CEO of Bach hoa xanh – mr Pham Van Trong. Previously, Mr.Trong was introduced in the 2022 Annual report of MWG as the COO of BHX.

(2) The ICT market is predicted by the company to get better in the last 2 quarters due to (1) Foreign orders are showing signs of recovery; (2) Interest rate is trending downward; (3) The Real estate market might see its bottom in the next few months; (4) The increase in public investment projects in order to boost GDP growth.

(3) The Company will decrease the price discrepancy between itself and smaller competitors regarding Apple products.

(4) Bach hoa xanh is the only chain with new opening plan, the company will try to raise the percentage of fresh products in its product mix. The BOD will strive for breakeven point at the end of 2023. Meanwhile, An Khang pharmacy and Mom & Baby retail chain – AVAkids, will cease to open up new stores and only keep profitable ones.

(5) The company finished opening 5 new stores in Indonesia at the end of 2022. In the first quarter, the situation proved to be quite positive, with revenue ranging from 4.5 – 5 bil VND for a 400m2 store. At this revenue level, the company is yet to earn any profit in the foreign market due to initial setup cost. The company plans to ramp up its new openings and always remember to do it with a cautious mind.

Valuation & recommendation: Using DCF and Multiple methods, we derive the fair price of VND 49,300 per share. Thus, our recommendation is BUY with a potential upside of 20%. Our model has reflected the base-case estimation for the next 5-year period, excluding the AVA chain's result.

Investment risks: (1) The restructuring of Bach hoa xanh creates little improvements; (2) The Company fails to enter the Indonesia electronics market; (3) Consumption rate affected by inflation and economic downturn.

| Financial indicators | 2018A | 2019A | 2020A | 2021A | 2022A | 2023F |
|---------------------------|--------|---------|---------|---------|---------|---------|
| Net revenue (billion VND) | 86,516 | 102,174 | 108,546 | 122,958 | 133,405 | 129,403 |
| Net Profit (billion VND) | 2,880 | 3,836 | 3,920 | 4,901 | 4,102 | 3,212 |
| EPS (VND) | 6,491 | 8,645 | 8,645 | 6,870 | 2,801 | 2,028 |
| EPS Growth (%) | -9% | 33% | 0% | -21% | -59% | -28% |
| Book Value (VND) | 20,255 | 27,378 | 34,160 | 28,578 | 16,349 | 16,676 |
| P/E | 20.2 | 10.1 | 13.19 | 17.31 | 50.70 | 20.22 |
| P/B | 6.5 | 3.2 | 3.3 | 4.2 | 8.7 | 2.5 |
| Cash dividend (%) | 15% | 15% | 5% | 10% | 5% | 0% |