

March 11, 2024

Analyst Nguyen Truong Giang
giangnt1@kbsec.com.vn

Business results still recorded a decline, but there were positive signs

At the end of 4Q23, Mobile World Investment Corporation (MWG) posted VND31,421 billion in net revenue (up 3% YoY), marking the first quarter of growth since 4Q22. The price war has cooled down, GPM increased slightly by 1ppt QoQ to 19.7%. However, NPAT plunged 85% YoY to VND90 billion as the corporation closed stores and liquidated many assets, recording one-time losses in 4Q23.

The TGDD and DMX chains are bouncing back as the mainstay of profit for the entire company

In 4Q23, The gioi Di dong (TGDD) and Dien may Xanh (DMX) chains showed signs of recovery, narrowing the decline compared to previous quarters. The price war has cooled down, MWG has gained market share in many products at the expense of profits. Purchasing power also starts to rebound with MWG's restructuring efforts, which is expected to help the company bring in profit as planned.

Bach Hoa Xanh impressively grew and reached the break-even target

Bach hoa Xanh's (BHX) revenue grew 17% YoY for the whole year 2023, making BHX become the supermarket chain with the largest revenue in the country. In December, the chain also reached break-even point before unusual costs and a portion of depreciation costs. In 2024, MWG will also manage to optimize costs to create a complete model and get ready to expand to neighboring areas.

BUY recommendation – Target price VND58,300

We forecast MWG's 2024 revenue and NPAT would be VND128,181 billion (+8.4% YoY) and VND2,541 billion respectively (+1,398% YoY). With expectations about rebounding purchasing power of the ICT&CE and profitable BHX, we recommend BUY for MWG stock with a target price of VND58,300/share.

Buy maintain

Target price	VND58,300
Upside	25%
Current price (Mar 11, 2024)	VND46,400
Consensus target price	VND54,520
Market cap (VNDtn/USDbn)	70.6/2.9

Forecast earnings & valuation

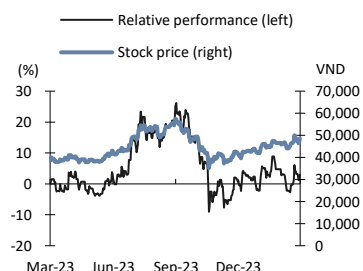
FY-end	2022	2023	2024F	2025F
Net revenue (VNDbn)	134,722	119,234	128,181	143,442
EBIT (VNDbn)	6,575	1,018	3,092	4,872
NPAT (VNDbn)	4,102	168	2,514	4,000
EPS (VND)	2,802	115	1,717	2,733
EPS growth (%)	-16%	-96%	1398%	59%
P/E (x)	17.3	423.0	28.2	17.7
P/B (x)	3.0	3.0	2.9	2.6
ROE (%)	17%	1%	10%	15%
Dividend yield (%)	2.4%	1.2%	2.1%	2.1%

Trading data

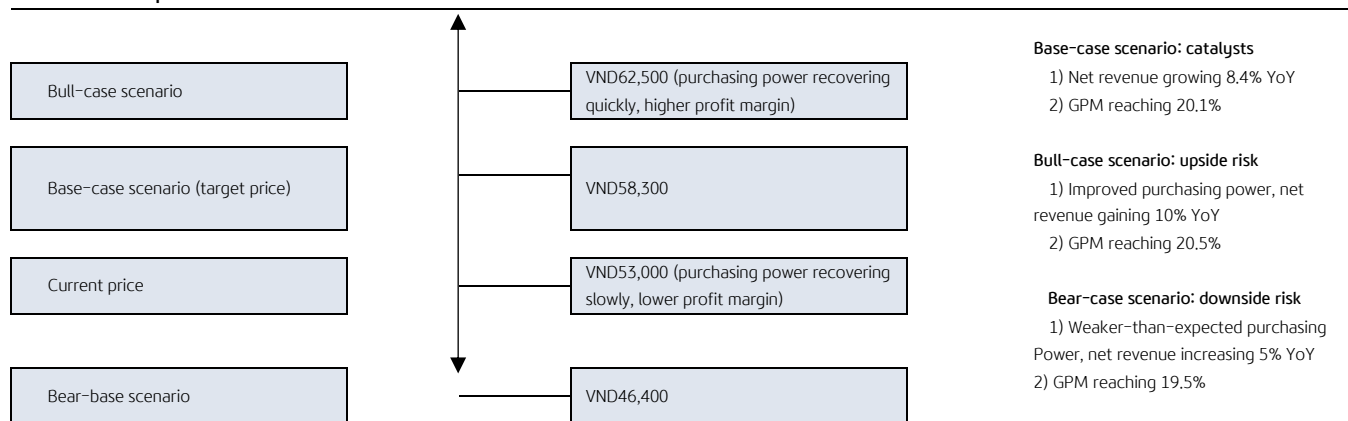
Free float	25.2%
3M avg trading value (VNDbn/USDmn)	107.6/4.5
Foreign ownership	46%
Major shareholder	Retail World Investment Consultant (10.49%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	4.5	19.2	-11.5	23.6
Relative	-1.2	5.5	-13.2	2.3



Investment opinion & risks



Source: Bloomberg, KB Securities Vietnam

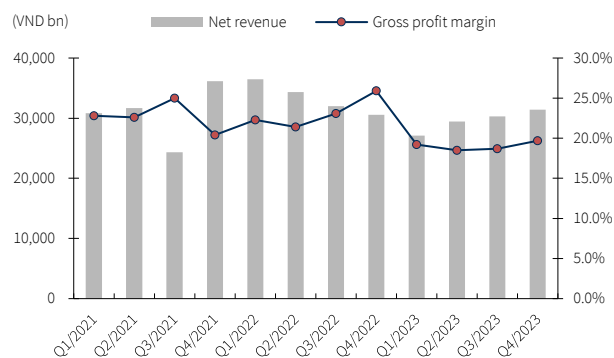
2023 performance updates

Table 1. MWG – 2023 business results

	4Q22	4Q23	+/-%Yo Y	2022	2023	+/-%Yo Y	KBSV's notes
Revenue (VNDbn)	30,588	31,421	3%	133,405	118,280	-11%	
The Gioi Di Dong (TGDD) + Topzone	7,439	7,597	2%	34,685	28,269	-18%	The ICT&CE segment of MWG was heavily affected by weaker purchasing power but has shown signs of recovery in the last quarters of 2023. In general, these product lines should recover at a slow pace in the near future.
Dien May Xanh (DMX)	14,889	13,545	-9%	68,970	55,237	-20%	Although no new stores were opened, the average sales per store continuously gained from VND1.2 billion at the beginning of the year to VND1.8 billion in December.
Bach Hoa Xanh (BHX)	7,135	9,258	30%	27,058	31,581	17%	Gross profit and GPM both declined sharply due to MWG's low price strategy to attract market share. However, the strategy is gradually ending.
Gross profit (VNDbn)	7,930	6,186	-22%	30,782	22,521	-27%	
Gross profit margin (%)	25.9%	19.7%	-6.2ppts	23.1%	19.0%	-4.1ppts	Financial income increased strongly thanks to the company's large deposits.
Financial income (VNDbn)	312	603	94%	1,313	2,167	65%	After the restructuring of the apparatus and closing of some stores, SG&A costs of MWG have been significantly reduced
Financial expenses (VNDbn)	-382	-419	10%	-1,382	-1,556	13%	
SG&A (VNDbn)	-6,896	-5,908	-14%	-24,138	-22,114	-8%	
Operating income (VNDbn)	964	463	-52%	6,574	1,017	-85%	
PBT (VNDbn)	933	219	-77%	6,056	690	-89%	
NPAT (VNDbn)	619	90	-85%	4,101	168	-96%	Low purchasing power and low-price strategy affected the company's profits. MWG only achieved about 4% of the profit plan.

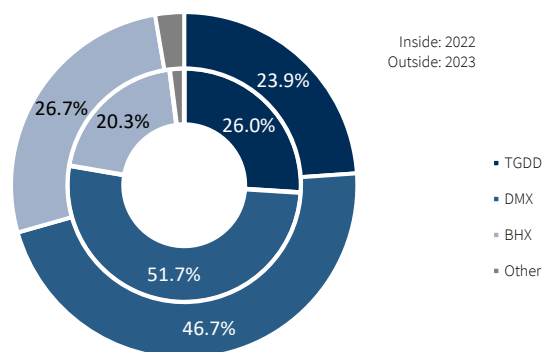
Source: Mobile World Investment, KB Securities Vietnam

Fig 2. MWG – Revenue & GPM (VNDbn, %)



Source: Mobile World Investment, KB Securities Vietnam

Fig 3. MWG – Revenue breakdown by store chain



Source: Mobile World Investment, KB Securities Vietnam

Investment catalysts

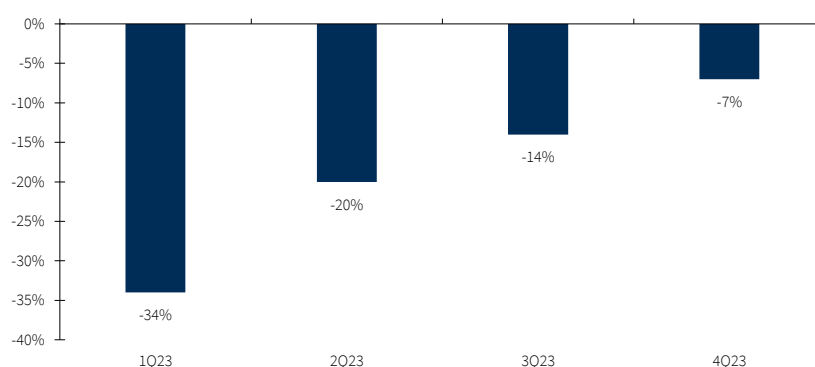
1. ICT&CE segment has bottomed out and entered a new cycle

Business activities met difficulties but started rebounding

2023 is considered the worst year for the ICT&CE industry in many years. All smartphone and electronics products decreased, except air conditioners. Mobile phones, laptops, refrigerators, washing machines and home appliances lost 10–20% YoY. TVs, tablets and watches dropped 30–50% YoY. The only two segments that maintained growth are Apple products and air conditioners. ICT&CE revenue had negative growth for the whole year of 2023, but the decrease rate has improved continuously each quarter (from 34% YoY in 1Q to only a decrease of 7% YoY in 4Q).

Revenue by quarter of TGDD & DMX showed signs of bottoming out

Fig 4. MWG – Revenue growth by quarter of TGDD & DMX chains (%)

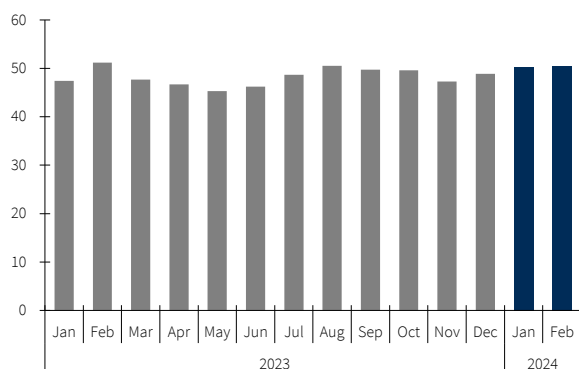


Source: Mobile World Investment, KB Securities Vietnam

Macro environment is favorable

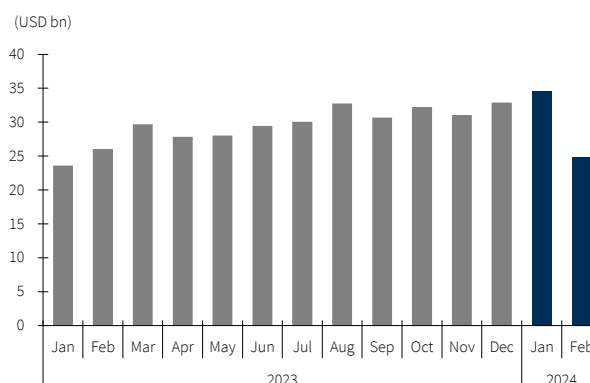
Purchasing power was hit hard by macro factors. In the first two months of 2024, Vietnam's macro situation showed positive signs. (1) In 2M24, export turnover of goods is estimated at USD59.3 billion (up 19.2% YoY), many export enterprises received orders again, and workers no longer faced shortage of jobs as in early 2023. (2) PMI in 2M24 reached 50.3 and 50.4 points respectively after many months below the 50 mark, showing that the production situation is improving. As a result, more workload and improved income and purchasing power would bode well for the retail industry.

Fig 5. Vietnam – PMI in 2M24 (point)



Source: General Statistics Office, KB Securities Vietnam

Fig 6. Vietnam – Export turnover in 2023–2M24 (USDbn)



Source: General Statistics Office, KB Securities Vietnam

Market share improved strongly after the price war

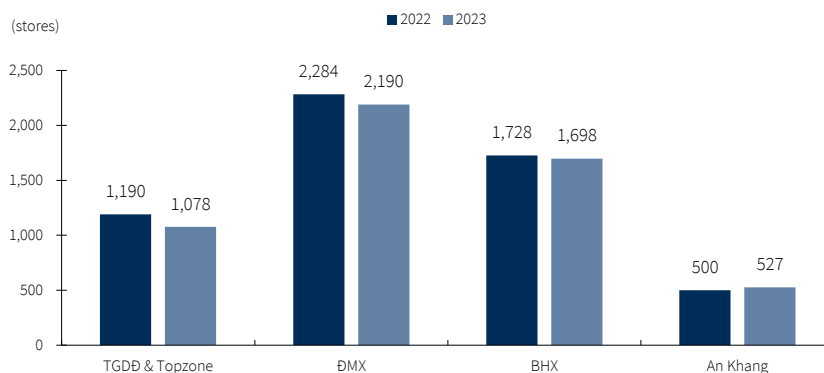
The price war was initially set with the goal of regaining market share even at the expense of profits. By the end of 2023, the price war has basically ended, and MWG regained market share in many product lines. The market share of main products increased from 5–25%, and the market share of the Apple brand surged from 25–30% at the beginning of the year to about 50% at the end of the year. With a large market share gained after the price war, MWG will have more power to negotiate with suppliers in terms of price and collection time and provide exclusive products and services.

Restructuring the business to enhance efficiency

According to the guidance announced from the beginning of 3Q23, MWG will close about 200 stores to cut costs and optimize business efficiency. The management believed that the store closure would not hurt the corporation revenue too much but would optimize many costs. Previously in 2022, MWG also restructured the BHX chain when closing more than 400 stores. At the time of announcing this plan, it also brought many doubts to investors, but the results have proved the decision is rightful. Sales per store of BHX strongly grew in 2023.

At the end of 4Q23, MWG closed a series of stores as announced. Since the beginning of the year, the TGDD & DMX chains have closed more than 200 stores. Despite having to record one-time losses due to liquidation of assets, in general, the revenue of the TGDD and DMX chains still recovered positively despite the decrease in the number of stores. In addition, MWG also optimized the human resources structure in a “less human but more effective” way, focusing on core activities.

Fig 7. MWG – Number of stores by chain (store)



Source: Mobile World Investment, KB Securities Vietnam

Purchasing power may recover slowly but profits will recover strongly

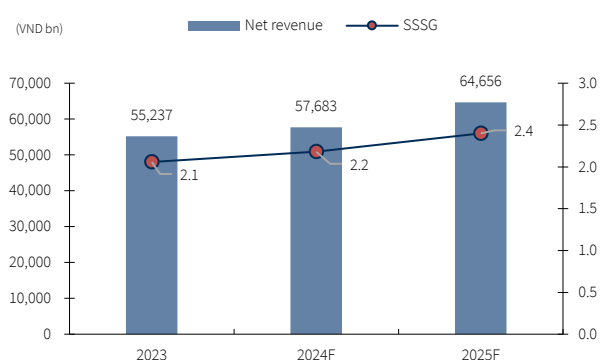
MWG believes that in 2024, Vietnam's economy will still face many challenges due to many unpredictable global factors such as geopolitics, interest rates, and inflation. Vietnam's economy depends heavily on exports, so a more stable global economic situation will be the premise for the economy and purchasing power to recover. The company also does not expect purchasing power to recover as quickly as after the Covid-19 pandemic but will recover very slowly. Based on the base scenario, purchasing power will improve from 2H24 if there are no too large fluctuations from macro and geopolitics. Contrary to 2023, which was somewhat confident about the recovery of purchasing power at the end of the year, by 2024 MWG had cautiously recognized this problem and proactively made changes within the company to adapt to the market.

In 2024, based on the expectation that purchasing power will continue to recover more slowly because the non-essential industry has gradually become saturated, the ICT&CE industry is forecast to post a single-digit revenue growth. However, profits may strongly improve thanks to the following factors:

- (1) Costs optimized after restructuring: After restructuring, closing many stores, optimizing the apparatus, fixed costs such as store costs, sales staff costs, and asset depreciation have been reduced while revenue was maintained. Most costs are now variable, so costs will closely follow revenue developments, thereby ensuring profits are stable and growing YoY.
- (2) The cooling price war to increase profit margins: According to Mr. Doan Van Hieu Em – in charge of ICT&CE department at MWG, in 2024, MWG would not advocate leading the price war. This also shows that the company realized that purchasing power has returned, so it give priority to improving profit margins and absolute gross profit before price war.

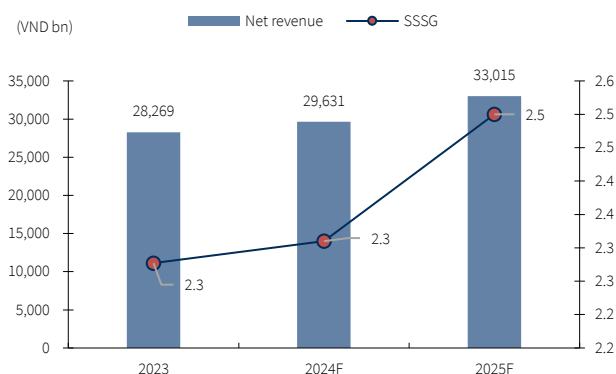
With the above factors, Mr. Nguyen Duc Tai, Chairman of MWG, believes that profits will be guaranteed and the target number of VND2,400 billion in profit this year is within reach. This profit level of the ICT&CE industry is only about one-third of the peak in 2021–2022 period, so we think this profit target can be achieved. Besides, MWG also has a healthy financial foundation and a large amount of cash, which will help the company strengthen its position and continue to raise profit in the near future.

Fig 8. MWG – 2024–2025F revenue & same store sales growth of DMX chain (VNDbn, %)



Source: Mobile World Investment, KB Securities Vietnam

Fig 9. MWG – 2024–2025F revenue & same store sales growth of TGDD chain (VNDbn, %)



Source: Mobile World Investment, KB Securities Vietnam

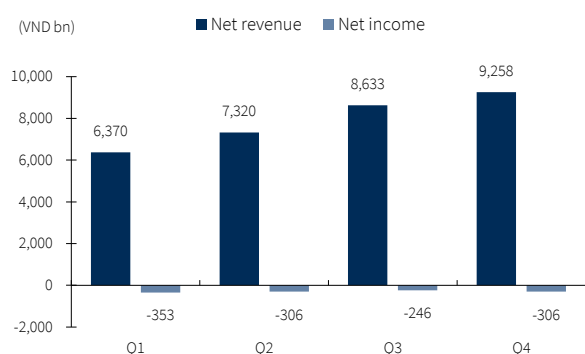
2. Growth prospect relying on BHX

BHX achieved impressive business results despite reaching break-even point later than expected

In 2023, BHX's sales grew 17% YoY to VND31,600 billion. In 4Q23 alone, revenue increased by 31% YoY. The average same store sales continuously improved from VND1.2 billion at the beginning of the year to VND1.8 billion in December. The number of purchases last year increased by 20% with invoice value remaining almost flat compared to the same period in 2022.

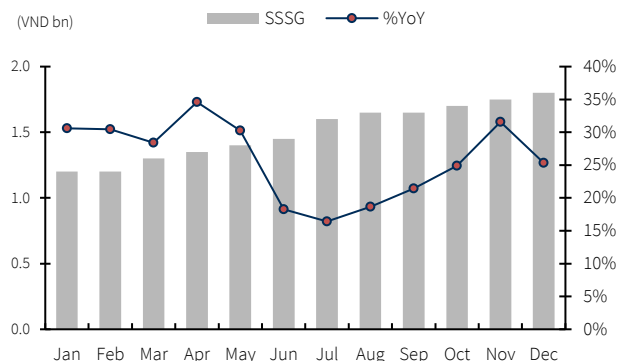
MWG said that in December 2023, the BHX chain reached the break-even target after calculating all costs corresponding to current operating realities and on the basis of core business activities, not calculating the one-time costs that have been fully accounted for in 4Q23 (loss on asset liquidation of about more than VND100 billion) and a portion of depreciation costs related to increasing and lowering the area when restructuring the stores. In 2023, BHX still posted a loss of more than VND1,200 billion, adding to a cumulative loss of more than VND8,600 billion. However, thanks to positive signals in December, it can be said that the goal of being profitable in 2024 is feasible with average same store sales reaching VND1.8 billion.

Fig 10. MWG – Revenue & NPAT of BHX in 2023 (VNDbn)



Source: Mobile World Investment, KB Securities Vietnam

Fig 11. MWG – Same store sales of BHX in 2023 (VNDbn)

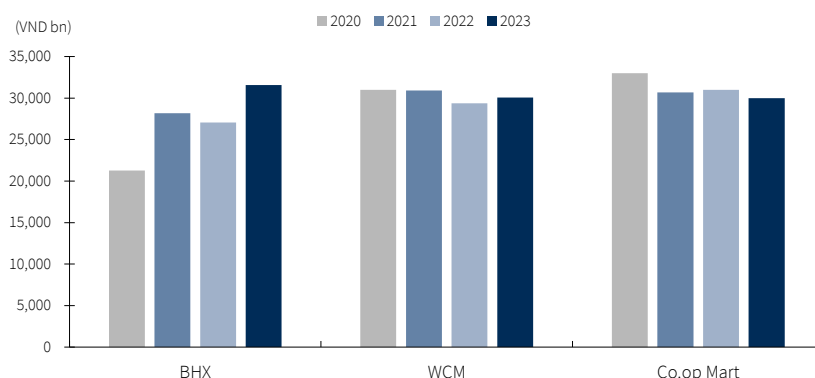


Source: Mobile World Investment, KB Securities Vietnam

BHX has led the supermarket chain market in terms of revenue growth

Notably in 2023, BHX has made a spectacular breakthrough, surpassing other large chains such as Saigon Co.op and Wincommerce with impressive growth. For the first time, BHX has taken the lead on revenue scale, while the remaining large chains have had flat revenue in recent years.

Fig 12. MWG – Revenue of large supermarket chain over the year (VNDbn)



Source: Mobile World Investment, KB Securities Vietnam

2024 is an important year to optimize before expanding

Regarding the revenue plan, MWG management has set a target of two-digit revenue growth for 2024. We assume that the average sales per store of BHX continues to maintain at VND1.8 billion (many stores may reach VND2 billion, but new stores will drag down the SSSG). The driving force for revenue growth would be the company’s continuing to promote fresh products to attract customers and help to boost the FMCGs.

BHX will be cautious in opening new stores in 2024

Regarding the new opening plan, BHX will continue to be cautious in opening new stores and open selectively to ensure efficiency. The company said that the market still has a lot of room, right in Ho Chi Minh City there are still many places where there is no presence of BHX. However, the current priority of the chain is to focus on optimizing costs to create a complete and profitable model before expanding to other areas. We expect that the process of opening new BHX stores will continue to slow down in 2024 to optimize the entire chain and then return to accelerating expansion from 2025 to neighboring provinces and gradually towards the central region when consumption fully recovers, and the company has a complete model. It is expected that in 2024, the BHX chain will only open 20 new stores, with same store sales reaching VND1.8 billion/store, revenue growth of 17%, and GPM slightly decreasing compared to 2023 due to the increased proportion of fresh goods (with smaller profit margins than FMCGs). However, the absolute gross profit will still grow positively.

BHX will focus on optimizing costs to achieve the goal of being profitable throughout the chain in 2024

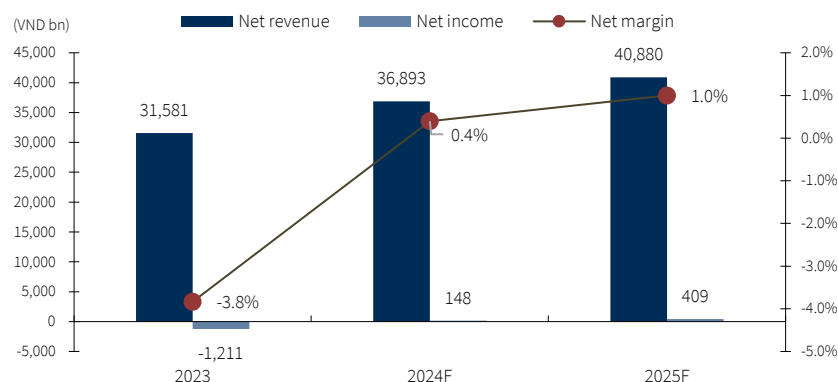
Regarding the cost optimization plan, the company said it will continue to optimize logistics costs in 2024 to achieve the goal of breaking even and being profitable, which have not been focused on in 2023 (in 2023, the chain focused on SSSG and achieved positive results). With growing revenue, the flow of goods through distribution centers (DCs) will increase, which will make warehouses and DCs operate at full capacity, thereby helping the cost ratio become more and more optimal. Regarding logistics, the company will continue to use technology to optimize the distance from warehouses to stores. Newly opened stores will also be selected as locations to ensure optimal customer flow and optimal route to DCs. MWG expects that in 2024, it will optimize logistics costs to 4% of revenue from the current mark of more than 5%.

We forecast that in 2024, BHX will achieve a profit of about VND150 billion, equivalent to a net profit margin of 0.4%. Although the profit level is not significant, it shows that BHX has finally found the optimal model and is ready to duplicate the model to other areas.

Information about the sale of BHX shares

Regarding information about selling shares of BHX chain, MWG leaders said that they plan to sell 5-10% of shares in a private placement. Due to the commitment to information security, this transaction cannot be shared to the investors. However, the company also said that it would complete this transaction in 1H24. We assess that this transaction will not affect BHX's business prospects too much as BHX and the parent MWG currently have a very abundant capital source after 2023 with cash and deposits of up to USD1 billion. Therefore, they may not need to sell too many shares to mobilize more capital while still ensuring a large ownership ratio as a growth driver.

Fig 23. MWG – 2023A–2025F business results of BHX chain (VNDbn, %)



Source: Mobile World Investment, KB Securities Vietnam

The remaining chains will continue to be optimized in 2024

For An Khang pharmacy chain, MWG plans a double-digit revenue growth, market share increase and reach break-even before December 31, 2024, with heavy investment to turn An Khang into a leading pharmaceutical chain in healthcare. MWG said that in 2024, An Khang can enter the expansion phase if it operates stably, effectively and builds a successful business model.

For the mother and baby chain AVAKids, MWG expects a double-digit revenue growth, market share increase and reach break-even before December 31, 2024. This chain will not focus on expanding sales points but instead, it would focus all resources on promoting sales through online channels.

With the EraBlue chain – retailing technology and electronics products in Indonesia, MWG expects it would achieve a double-digit revenue growth, increase market share, and become the leading electronics retailer in Indonesia in 2024.

Forecast & valuation

2024F business performance

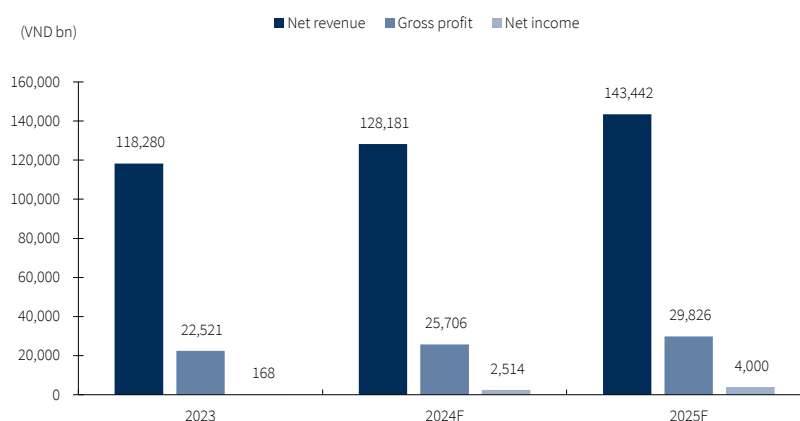
We think that the macro situation has begun to show positive signs, and purchasing power is gradually recovering at a slow pace. MWG's net revenue in 2024 is forecast to reach VND128,181 billion (+8.4% YoY) with a GPM of 20.1% because the price war strategy has initially ended. NPAT should hit VND2,514 billion (+1,398% YoY). In 2024, it is expected that the Bach Hoa Xanh chain will begin to make a profit along with the recovery of the TGDD and DMX chains after restructuring. Accordingly, MWG's profit will strongly rebound.

Table 14. MWG – 2024–2025F performance

	2023	2024F	+/- %YoY	2025F	+/- %YoY	KBSV's notes
Revenue (VNDbn)	118,280	128,181	8.4%	143,442	11.9%	
TGDD + Topzone	28,269	29,631	4.8%	33,015	11.4%	Non-essential products of TGDD and DMX will recover slowly in 2024. These two chains will have better growth in 2025 from a low base when purchasing power fully recovers.
DMX	55,237	57,683	4.4%	64,656	12.1%	
BHX	31,581	36,893	16.8%	40,880	10.8%	BHX continues to be MWG's main growth driver. In 2024, it is expected to grow based on SSSG and the limit of new openings. After finding a complete model, BHX will begin expanding to other regions from 2025 to help increase revenue.
Gross profit (VNDbn)	22,521	25,706	14.1%	29,826	16.0%	Gross profit and profit margin should improve thanks to the less intense price war in 2024. In the following years, GPM will continuously improve thanks to more contribution from the BHX chain.
GPM (%)	19.0%	20.1%	5.3%	20.8%	3.7%	
SG&A (VNDbn)	(22,114)	(22,816)	3.2%	(25,318)	11.0%	After efforts to restructure the system and close stores, MWG's SG&A costs have become more optimal. A simple but effective operating system will help MWG save costs and increase profits.
EBIT (VNDbn)	2,137	4,652	117.7%	6,297	35.4%	It is expected that profits will recover strongly above the low base level. However, because purchasing power is still quite weak, and the company still needs to stimulate demand via promotion programs, profit margin is still quite low. NPAT is only equal to half of the peak in 2021–2022. BHX chain's breaking even and starting to make a profit also bodes well for profits in the coming years.
EBT (VNDbn)	690	3,103	349.9%	4,878	57.2%	
NPAT (VNDbn)	168	2,514	1398%	4,000	59.1%	

Source: Mobile World Investment, KB Securities Vietnam

Fig 35. MWG – 2024–2025F performance (VNDbn)



Source: Mobile World Investment, KB Securities Vietnam

Valuation: BUY recommendation with target price VND58,300

We price MWG shares by two methods: (1) FCFF and (2) comparables.

(1) With the FCFF method, we use the discounted free cash flow method in the FCFF enterprise with the assumptions stated below. We give the target price VND65,600 to MWG stock with this method.

(2) For the comparables, we use P/E and P/S for each different chain, we use P/E = 12x for the TGDD and DMX chains. For BHX and An Khang, we use a target P/S for the two series of 1.2x and 0.5 respectively. Because the remaining chains have not contributed much to the group, we have not included them in the valuation. We set the target price for MWG stock for this method at VND51,000/share.

With the proportion used in the valuation model for each method being 50–50, we give a BUY rating to MWG stock with target price VND58,300/share, 25% higher than the closing price on March 11, 2023.

Table 16. MWG – FCFF valuation

Cost of equity	13.82%	PV of terminal value	69,946
Cost of debt	6.50%	Present value of FCFF	23,634
Risk-free rate	4.70%	Cash & equivalents	8,004
Beta	1.2	Short-term investments	17,043
Terminal growth	4.0%	Enterprise value (EV)	118,627
Duration	5	Debt	22,550
WACC	12.10%	Equity value	96,077
		Outstanding shares	1,463,879,280
Target price			65,600

Source: KB Securities Vietnam

Table 17. MWG – Comparables valuation

	Earnings per share	Target P/E	Target price
TGDD & DMX	1,616	12	19,395.00
	Sales per share	Target P/S	Target price
BHX	25,202	1.2	30,242
An Khang	2,715	0.5	1,357
Target price			51,000

Source: KB Securities Vietnam

Table 18. MWG – Final valuation

Valuation method	Forecast price	Weighting	Weighted price
FCFF	65,600	50%	32,800
Comparables approach	51,000	50%	25,500
Target price			58,300

Source: KB Securities Vietnam

MWG – 2022A– 2025F financials

Income Statement					Balance Sheet				
(VND Billion)	2022	2023	2024F	2025F	(VND Billion)	2022	2023	2024F	2025F
Net sales	134,722	119,234	128,181	143,442	Total assets	55,834	60,108	60,218	63,056
Cost of sales	-102,543	-95,759	-102,475	-113,616	Current assets	44,578	51,947	53,958	57,193
Gross profit	30,862	22,521	25,706	29,826	Cash & equivalents	5,061	5,366	8,004	8,164
Financial Income	1,313	2,167	1,752	1,783	ST investments	10,069	18,937	17,043	17,895
Financial Expenses	-1,383	-1,556	-1,549	-1,419	Accounts receivable	3,001	5,159	4,486	4,519
of which: interest expenses	-1,362	-1,448	-1,549	-1,419	Inventory	25,696	21,824	23,713	25,820
Gain/(loss) from joint ventures	0	0	0	0	Long-term assets	11,256	8,161	6,261	5,863
Selling expenses	-22,337	-20,917	-21,534	-23,955	LT trade receivables	503	458	492	550
General & admin expenses	-1,881	-1,196	-1,282	-1,363	Fixed assets	9,728	6,500	4,638	4,051
Operating profit/(loss)	6,575	1,018	3,092	4,872	Investment properties	124	4	4	(0)
Net other income/(expenses)	-518	-328	11	6	Liabilities	31,902	36,748	35,368	35,603
Gain/(loss) from joint ventures	6,056	690	3,103	4,878	Current liabilities	26,000	30,762	29,383	29,618
Pretax profit/(loss)	-1,955	-522	-590	-878	Trade accounts payable	8,746	7,927	8,332	9,467
Income tax	4,102	168	2,514	4,000	Advances from customers	0	0	0	0
Net profit/(loss)	15	0	0	0	ST borrowings	10,688	19,129	16,565	15,130
Minority interests	4,087	168	2,514	4,000	Long-term liabilities	5,901	5,986	5,985	5,985
					LT payables	0	0	0	0
					LT borrowings	0	1	0	0
					Other LT liabilities	5,901	5,985	5,985	5,985
Margin ratio	2022	2023	2024F	2025F	Shareholders' equity	23,933	23,360	24,850	27,453
Gross profit margin	23%	19%	20%	21%	Paid-in capital	14,639	14,634	14,634	14,707
EBITDA margin	8%	5%	6%	6%	Share premium	(3)	(6)	(6)	(6)
EBIT margin	6%	2%	4%	4%	Undistributed earnings	8,724	8,160	9,649	12,178
Pre-tax profit margin	4%	1%	2%	3%	Reserve & others	0	0	0	0
Operating profit margin	6%	2%	4%	4%	Minority interest	15	13	15	15
Net profit margin	3%	0%	2%	3%					
Cash flow statement					Key ratio				
(VND Billion)	2022	2023	2024F	2025F	(x, %, VND)	2022	2023	2024F	2025F
Net profit	6,056	690	3,103	4,878	Multiple				
Plus: depreciation & amort	3,540	3,381	2,862	2,480	P/E	17.3	423.0	28.2	17.7
Plus: investing (profit)/loss	-349	-1,538	0	0	P/E diluted	17.3	423.0	28.2	17.7
Interest Expense	-1,362	-1,448	-1,549	-1,419	P/B	3.0	3.0	2.9	2.6
Change in working capital	7,886	1,084	4,416	5,939	P/S	0.5	0.6	0.6	0.5
(Inc)/dec - receivables	-589	676	638	-91	P/Tangible Book	7.3	10.9	15.3	17.5
(Inc)/dec - inventory	3,792	4,169	-2,040	-2,138	P/Cash Flow	77.2	233.2	26.9	443.9
Inc/(dec) - payables	-2,287	-3,139	1,185	1,670	EV/EBITDA	6.8	13.5	9.9	8.5
Inc/(dec) - advances	-101	130	-50	-85	EV/EBIT	6.9	23.9	11.0	8.1
Other adj for operations	0	0	0	0					
Operating cash flow	7,976	3,436	5,260	5,868	Operating Performance				
Purchase of Fixed Assets and long-term assets	-4,465	-523	-1,000	-1,893	ROE%	17%	1%	10%	15%
Proceeds from disposal of fixed assets	5	31	0	0	ROA%	7%	0%	4%	6%
Loans granted, purchases of debt instruments	-20,799	-34,151	-13,579	-852	ROIC%	13%	0%	7%	11%
Collection of loans, proceeds from sales of debts instruments	25,852	22,805	15,473	0	Financial Structure				
Investments in other entities	-181	-106	72	-130	Cash ratio	0.2	0.2	0.3	0.3
Proceed from divestment in other entities	0	0	0	0	Quick Ratio	0.1	0.2	0.2	0.2
Dividends and interest received	1,138	1,113	0	0	Current Ratio	1.7	1.7	1.8	1.9
Investing cash flow	1,549	-10,831	966	-2,876	LT Debt/Equity	0.2	0.3	0.2	0.2
Proceeds from issue of shares	193	0	0	73	LT Debt/Total assets	0.1	0.1	0.1	0.1
Payment for share returns and repurchase	-5	-10	0	0	ST Debt/Equity	0.4	0.8	0.7	0.6
Proceeds from borrowings	65,252	70,374	64,090	73,155	ST Debt/Total assets	0.2	0.3	0.3	0.2
Repayment of borrowings	-73,314	-61,933	-66,654	-74,590	ST liabilities/Equity	0.6	0.5	0.5	0.5
Finance lease principal payments	0	0	0	0	ST liabilities/Total assets	0.3	0.2	0.2	0.2
Dividends paid	-732	-731	-1,024	-1,471	Total liabilities/Equity	0.6	0.5	0.5	0.5
Interests, dividends, profits received	0	0	0	0	Total liabilities/Total assets	0.3	0.2	0.2	0.2
Financing cash flow	-8,606	7,700	-3,588	-2,832	Activity Ratio				
Net increase in cash & equivalents	919	304	2,638	160	Account receivable turnover	43.7	29.2	26.6	31.9
Cash & equivalents – beginning	4,142	5,061	5,365	8,004	Inventory turnover	3.7	4.0	4.5	4.6
Cash & equivalents - ending	5,061	5,365	8,004	8,164	Account payable turnover	9.5	11.0	12.8	13.0

Source: Mobile World Investment, KB Securities Vietnam

Nguyen Xuan Binh – Head of Research
binhnx@kbsec.com.vn

Equity

Banks, Insurance & Securities

Nguyen Anh Tung – Manager
tungna@kbsec.com.vn

Pham Phuong Linh – Analyst
linhpp@kbsec.com.vn

Real Estate, Construction & Materials

Pham Hoang Bao Nga – Senior Analyst
ngaphb@kbsec.com.vn

Nguyen Duong Nguyen – Analyst
nguyennd1@kbsec.com.vn

Retails & Consumers

Nguyen Truong Giang – Analyst
giangnt1@kbsec.com.vn

Industrial Real Estate, Logistics

Nguyen Thi Ngoc Anh – Analyst
anhntn@kbsec.com.vn

Oil & Gas, Chemicals

Pham Minh Hieu – Analyst
hieupm@kbsec.com.vn

Research Division
research@kbsec.com.vn

Macro/Strategy

Tran Duc Anh – Head of Macro & Strategy
anhhd@kbsec.com.vn

Macroeconomics & Banks

Ho Duc Thanh – Analyst
thanhhd@kbsec.com.vn

Vu Thu Uyen – Analyst
uyenvt@kbsec.com.vn

Strategy, Investment Themes

Nghiem Sy Tien – Analyst
tienns@kbsec.com.vn

Nguyen Dinh Thuan – Analyst
thuannd@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)

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

Website: www.kbsec.com.vn

Investment ratings & definitions

Investment Ratings for Stocks

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

Buy:	Hold:	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

Opinions in this report reflect the professional judgment of the research analyst(s) as of the date hereof and are based on information and data obtained from sources that KBSV considers reliable. KBSV makes no representation that the information and data are accurate or complete and the views presented in this report are subject to change without prior notification. Clients should independently consider their own particular circumstances and objectives and are solely responsible for their investment decisions and we shall not have liability for investments or results thereof. These materials are the copyright of KBSV and may not be reproduced, redistributed or modified without the prior written consent of KBSV. Comments and views in this report are of a general nature and intended for reference only and not authorized for use for any other purpose.