

CONTINUING THE PRICING STORY

Retail - Consumer | BSC Research

VALUATION

BSC maintains a **STRONG BUY** recommendation on MWG stock with a 1-year target price of **102,500 VND/share** (upside +40% compared to the closing price on 24/09/2026) with a partial valuation method (SOTP), corresponding to an adjustment of -2% compared to the latest target price (link) to reflect a higher interest rate environment than at the time of valuation and low liquidity pressure impacting the target PE of business segments and increasing discounts for the group model.

INVESTMENT THESIS (Refer to the previous report [BCT](#))

I. BSC expects MWG's 2026-2027 profit to grow +76%/+18%YoY, exceeding the 2026 profit plan by 30% thanks to grasping the industry shift trend and optimized operating model, based on (i) the profit pillar is DMX, (ii) financial profit is expected to grow over +20%LFL and (iii) the growth pillar is BHX (+173%/+50%YoY) entering the new growth cycle 2026-2030.

Attractive valuation with PE FW 2026-2027 = 8-9 (times) – according to BSC, the current valuation estimate reflects the valuation of DMX (pre-IPO price) + cash and ~30% of BHX's valuation based on the value at the 2024 strategic capital sale, which does not reflect the prospects of all business segments.

II. Maintain long-term growth expectations with a CAGR of 2026-2030 of >15%/year: expect a new growth period and opportunities to revalue MWG through IPOs DMX and BHX and potential from the e-commerce market.

- **DMX (including Erablue):** breaking the prejudice of saturated industries with financial pillars - utilities, green machine electrician services, Super app and Erablue are expected to be the Indonesian version of DMX - in line with the investment appetite for sustainable growth, regular cash dividends (minimum 50% of net profit);
- **BHX** has room to increase its market share from 4.1% (2025E) to 10% (2030F), thanks to accelerating the opening of an effective store model and conquering the target of IPO 2028 - in line with investment appetite for high growth;

CATALYST: Expects the distribution of profits to shareholders to continue to increase compared to 2026 (cash dividends, treasury shares, ...) based on 2026 business results.

RISKS: Pressure from consumer demand is less positive than expected, affecting BHX's profit expectations and store opening activities; volatility risks come from liquidity and the trend of "IPO of the stock market"

	2024	2025	2026F	2027F
Net Revenue	134,341	156,458	205,710	238,552
Gross profit	27,499	30,294	42,900	50,657
NPATMI	3,722	7,037	11,676	12,803
EPS	2,535	4,792	7,951	8,718
EPS Growth	2120%	89%	66%	10%

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Business Information

Stock Price (VND):	72,900
Outstanding Shares (Bn):	1.47
Market Value (VND Bn):	107,141
30-day Liquidity (VND Mn)	5.6
Foreign Ownership:	49%



I. UPDATES ON BUSINESS RESULTS AND RELATED EVENTS

Summary: (1) Update of 8M/2026 business results and (2) summary of the contents of the NDT meeting (3) views and estimates for Q3/2026

1. Business Results Update 8M/2026

The business situation in the first 8 months of 2026 maintained outstanding growth momentum: REVENUE reached VND 129,431 billion (+29%YoY), completing 70% of the project; of which

- **DMX:** Revenue reached VND 86,800 billion (+29%YoY) with SSSG store growth reaching 30%/year with Apple phones +50%YoY, air conditioning +50% and other categories recording +15% to 40%; Deferred purchase revenue continued to grow +44% YoY thanks to the supply of 97% of products applied to deferred purchase to make shopping easy.

Highlights of the iPhone 18 series launch event:

- **Trend of premiumization:** Apple focuses on 3 high-end models. In which, the iPhone 18 Pro/Pro Max increases the starting price from 10% to 25% according to capacity. iPhone Duo (the first folding screen) is the focus, expected to go on sale in October 2026.
- **Record from DMX:** Affirming its leading position with more than 180,000 deposits in 24 hours (double the predecessor), despite the absence of iPhone Air. The system is expected to deliver a record of nearly 20,000 Pro/Pro Max units as soon as September 18, 2026 (outperforming 14,500 units last year).
- **Assessment:** Consumption signals are very positive thanks to a complete portfolio and flexible financial solutions. However, it is still necessary to closely monitor the actual purchasing power when the anchor price level is high.
- **BHX:** Revenue reached VND 40,100 billion (+32%YoY) thanks to growth in both newly opened SLCH (1,000 CH / 3,612 CH) in early 2026 and the new store group continued to record positive operating profit at stores, including logistics costs.

2. Summary of the discussion

MWG aims to complete 2-3 months earlier than the profit plan (VND 9,200 billion) in 2026, despite the macro context of inflation below 5% and high interest rates. Specifically:

- **BHX** plans to open more than 1,000 stores by 2026, optimizing costs with a fresh goods rate of 30% and a profit target of more than VND 1,800 billion in 2026 towards eliminating accumulated losses in the next 2-3 years.
- **DMX** maintains its 2026 revenue growth target of +30%YoY and profit after profit +70%YoY, relying on the growth pillars of quality, consumer finance and others (DMX workers, Superapp and Erablue).

Other information: DMX is expected to submit at the Extraordinary General Meeting of Shareholders related to:

- **Profit distribution:** Commitment to pay **8,000 VND/share in cash** in the 12 months after the IPO (spent 4,000 VND/share in August 2026) and a **1:1 stock bonus plan** to increase liquidity.
- **The plan to offer bonds with individual warrants is for key executive management** ([link](#)) with a maximum issuance rate of 10% for 5 years. The program is only effective when 2 KPIs are achieved simultaneously: completing

the 5-year financial target and doubling the capitalization. MWG will not participate in voting on this content.

The business outlook for 8M/2026 is more positive than BSC's previous estimate (UT) and reaches 67% of the revenue estimate in 2026 (link). Specifically, (1) DMX is more positive than +4% UT thanks to the positive growth of Apple phones and Laptop and air conditioning products, ... taking advantage of the upward selling price trend and (2) BHX is more positive than +4.4% UT comes from the outstanding new store opening speed after 8 months of achieving the 2026 plan.

Q3/2026 Expectations: estimated EBIT continues to be positive above +57%YoY based on

- **DMX recorded a growth momentum of DT T7 and T8/2026 +23% YoY, outperforming the** context of high anchor product prices and is expected to initially contribute from the iPhone 18 series in September; profit margin is expected to be +1.4ppt over the same period and slightly decreased compared to the previous quarter due to the seasonal nature - costs related to the preparation for the launch of iPhone 18 and back-to-school events; In addition, DMX is also expected to record financial income from the money raised of more than VND 13,300 billion from the IPO.
- **BHX accelerated the opening of new stores in Q7 - early September 2026 reaching +697/3,671 new stores and revenue/CH/month is estimated to record the 2nd consecutive quarter improvement compared to the previous quarter (1.74 billion VND/CH) thanks to improved traffic efficiency and an increase in profit margin after tax of 1.2 ppt YoY thanks to the efficiency of the smaller store model and optimization of operating costs and product portfolio.**

Figure: DMX sales strategy in the remaining quarters of 2026

Sự kiện / Event	Q1/2026	Q2/2026	Q3/2026	Q4/2026
Mùa mua sắm Tết	ICT CE			
Mùa nóng – điều hòa, quạt		CE		
Ra mắt flagship Android		ICT		
World Cup 2026 – TV, máy chiếu		CE		
Mùa mưa/lạnh - bình nóng lạnh, máy sấy			CE	
Mùa khai giảng – PC, laptop, tablet			ICT	
Ra mắt iPhone 18			ICT	
Mùa mua sắm cuối năm				ICT CE
Erablue xóa lỗ lũy kế		Erablue		
Erablue đạt 300-350 cửa hàng				Erablue

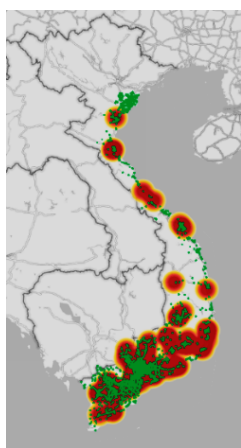
Picture: Topzone opens for sale – delivery of Iphone 18 series



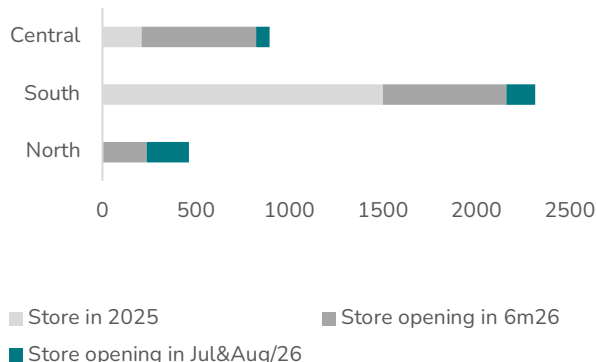
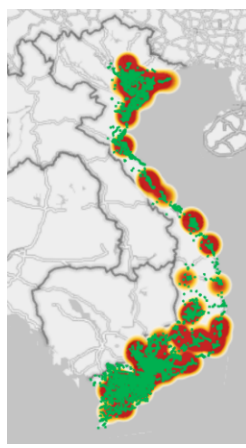
Figure: After 8 months of 2026, BHX has reached the plan to open a new one in 2026.

Figure: The number of new branches opened from July to early September of BHX is concentrated in the north and south

T12/2025



T9/2026



Source: BSC Research

II. VIEWS ON BUSINESS OUTLOOK 2026-2027

Assumptions update compared to the latest report: Assumptions update from the latest report include raising DMX revenue expectations and increasing SLCH expectations to open new BHX based on 8M/2026 business results

	2026E	2027F	% D/C 2026	
DMX	135,468	144,451	6.6%	2026 - BSC expects MWG's 2026 business results to exceed 30% of the profit margin and increase the forecast of Revenue and profit by +6.7% and 13% respectively compared to the latest expectations. In which, raising expectations for core business segments DMX: revenue is expected to increase +6.6% compared to the latest estimate thanks to (1) strong growth in market share in most categories, especially Apple and laptops, (2) deferred purchase products continue to prove effective in the context of high anchor interest rates. BHX: Revenue is expected to increase by +7.1% compared to the latest estimate thanks to an increase in the expectation of new store openings to +373 / 1,363 CH – increasing coverage in the Northern provinces by over 50%. Monthly average of +1.2% thanks to the expectation that traffic at newly opened stores will continue to improve positively. Operating margin is estimated at +0.9 ppt compared to the previous bc thanks to the small store model maintaining a more positive operating performance than expected. In 2027- BSC raises its expectation of Revenue and EBIT by +7% and 8.4% respectively based on the main basis (1) raising the expectation base of 2026 despite high interest rates and (2) BHX is expected to continue to increase coverage and improve operational efficiency
%YoY	27.9%	6.6%		
BHX	66,123	92,673	7.1%	
%YoY	41%	40%		
REVENUE	205,710	238,552	6.7%	
%YoY	31.5%	16.0%		
Gross Profit	42,900	50,657	9.0%	
GPM	20.9%	21.2%	0.5 ppt	
SG&A/Rev	14.6%	15.1%	0.1 dpt	
EBIT	12,949	14,657	14.0%	
EBIT Margin	6.3%	6.1%	0.4 ppt	
Financial income	2,344	3,275	-0.4%	
CTLDLK	83	124		
LNTT	15,345	18,026	11.8%	
LNST	12,461	14,718	13.2%	
LNST-LICDTS	11,676	12,803	14.0%	
%YoY	66%	10%		
EPS	7,951	8,718		

Source: BSC research

2027 business outlook: Growth on a high base and BHX is expected to prove operational efficiency and shorten the time to write off accumulated losses, with Revenue and EBIT at VND 238,874 billion (+16%YoY) and VND 14,718 billion (+18%YoY), respectively, EPS FW=VND 8,718 (+10%YoY- adjusting MWG's ownership rate in DMX from 98.95% to 85.96%).

DMX - maintains MWG's profit pillar position with 75% of the parent company's profit margin:

- Growth on a high basis comes from (1) the expectation to continue to improve market share based on the trend of shifting the industry towards transparency; (2) the consumer finance pillar continues to bring effective financial solutions in the context of high interest rates.
- EBITDA +11% YoY thanks to financial revenue from IPO (+50% YoY) offsetting tight core operating margins. Prudently adjust the impact of high comparative base levels over the same period, weak purchasing power when the anchor selling price is high and stimulus costs increase.

BHX – proves its position as a growth pillar and expects to shorten the expectation of losing accumulated losses from Q4/2028 to Q2/2028, In which:

- Revenue up +40%YoY thanks to (1) growth in the number of stores + 1,000/4,922 CH (2027f) with the expectation of continuing to increase coverage in the northern market (50%) and (2) DT/CH/Month expected to average +2.7% thanks to the contribution of mature stores in the period 2025-2026 through efforts to optimize the product portfolio and improve operational capacity at each point of sale (increasing the number of visitors to CH and increasing the number of invoices).
- The expectation of +50% YoY EBIT mainly comes from an estimated operating profit margin improvement of 0.2ppt yoy thanks to the efficiency of the small store model and optimization of operating costs.

III. VALUATION VIEWPOINTS

BSC maintains a **STRONG BUY** recommendation on **MWG stock** with a 1-year target price of **102,500 VND/share** (upside **+40%** compared to the closing price on 24/09/2026) with a partial valuation method (SOTP), corresponding to an adjustment of -2% compared to the latest target price ([link](#)) to reflect a higher interest rate environment than at the time of valuation and low liquidity pressure impacting the target PE of business segments and increasing discounts for the group model.

MWG stock performance perspective: Although the stock price has adjusted -30% YTD - the cause may come from investor groups restructuring the proportion before DMX to be listed on HOSE and the stock price has only recovered 8% in the context of low liquidity — this is an attractive investment opportunity when MWG's current valuation has discounted to the attractive area P/E FW 2026-2027 is only 8.4-9x, much lower than the stable 5-year average of the business, and according to BSC, this current valuation estimate reflects the valuation of DMX (preIPO price) + cash and ~30% of BHX's valuation based on the value at the 2024 strategic capital sale, which does not reflect the prospects of business segments.

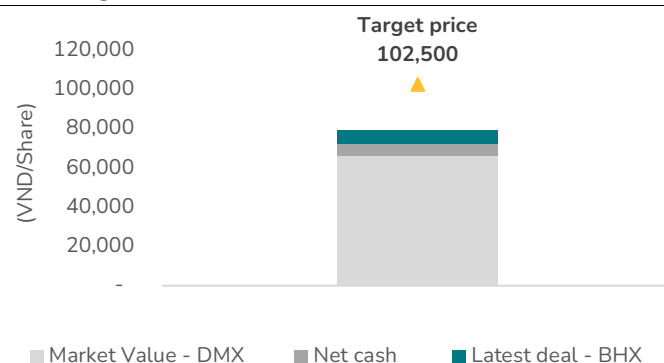
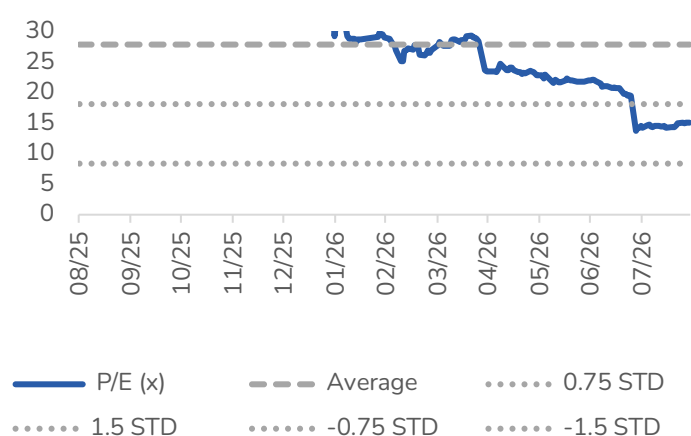
	2026-2027		
	Worst case	Base case	Best case
DMX (85.96%)	86,136	99,057	113,915
BHX (94.99%)	47,078	54,139	62,260
Other: parent company's net money	9,434	9,434	9,434
Corporate value after group discount (Billion VND)	134,573	150,583	175,103
Target Price (VND/Share)	91,600	102,500	119,100

Upside (%)	25%	40%	63%
Recommendations	STRONG BUYING		
Current price (VND/share)	72,900		

Source: BSC Research

Figure: Discounted pricing of the attractive region

Figure: MWG's valuation has been deeply discounted, not fully reflecting DMX expectations and growth room from BHX



Source: BSC Research

Disclaimer

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Recommendation Rating	Definition
STRONG BUY	Total expected 1-year return of 30% or more
BUY	Total expected 1-year return from 15% to 30%
HOLD	Total expected 1-year return from -10% to 15%
SELL	Total expected 1-year return below -10%

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