

## MWG-FRT-PNJ: 2Q23 business results

Weak consumer spending amid cloudy economic picture continued to cause listed retailers to experience shaky growth in 2Q23 as expected. Higher expense ratios, implementation of promotion programs, pricing competition and reducing inventories of ICT products weighed on the companies' profitability in the period.

**Mobile World Investment Corp (HSX: MWG)** announced its net revenue and EAT at VND29,465bn (-14.2% YoY) and VND17bn (-98.5% YoY) in 2Q23. On a cumulative basis, the company's net revenue and EAT tumbled by 20.1% and 98.5%YoY, to VND56,571bn and VND39bn, respectively, in 1H23. TGDD and DMX remained the key earners, reporting 27% YoY drop in revenue in the aggregate. On the other side, BHX reported 7% YoY growth in revenue with improvements in revenue per store and net loss in line with our expectations.

**FPT Digital Retail JSC (HSX: FRT)** recorded loss after tax of VND215bn, the largest loss since listed, though net revenue rose by 15.4% YoY to VND7,170n in 2Q23. On a cumulative basis, the company recorded loss after tax of VND213bn on net revenue of VND14,924bn (+6.6% YoY) in 1H23. The revenue growth was attributed to the Long Chau pharmacy chain, whose revenue jumped by 72% YoY to VND6,899bn, while the FPT Shop chain's revenue slumped by 19% YoY to VND 8,118bn in 1H23. With this, Long Chau enlarged its revenue contribution to 46% of FRT's revenue and generated c.VND105bn of EAT in 1H23 in our estimate. Long Chau continued to expand its store network robustly in 1H23, reaching 1,243 stores at the end of June 2023, including 306 new stores compared to the end of 2022.

**Phu Nhuan Jewelry JSC (HSX: PNJ)** announced its net revenue and EAT at VND6,663bn (-17.4% YoY) and VND338bn (-8.0% YoY) in 2Q23. On a cumulative basis, the company's net revenue and EAT decreased by 9.6% and 0.2%YoY, to VND16,459bn and VND1,086bn, respectively, in 1H23. The retail segment remained the largest earner, reporting 10.3% YoY drop in revenue while the wholesale and gold bar segments slumped by 30.2% and 1.1% YoY, respectively, in 1H23. The company believes that it is less impacted by the challenging market than other players.

We will release a detailed update for each company soon.

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