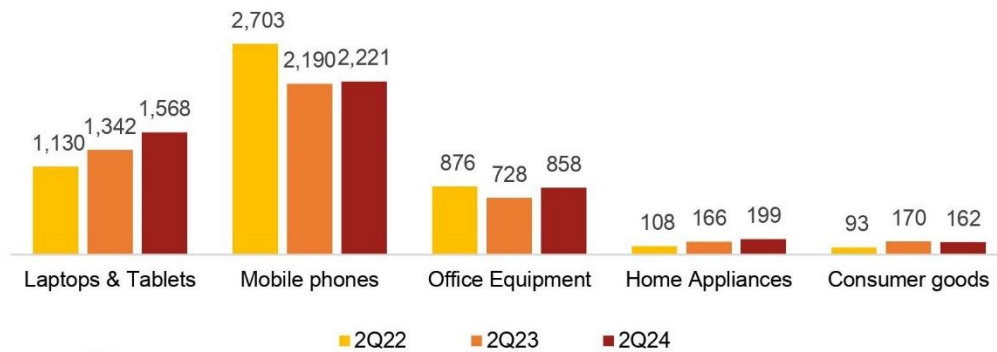


## 2Q24 BUSINESS RESULTS

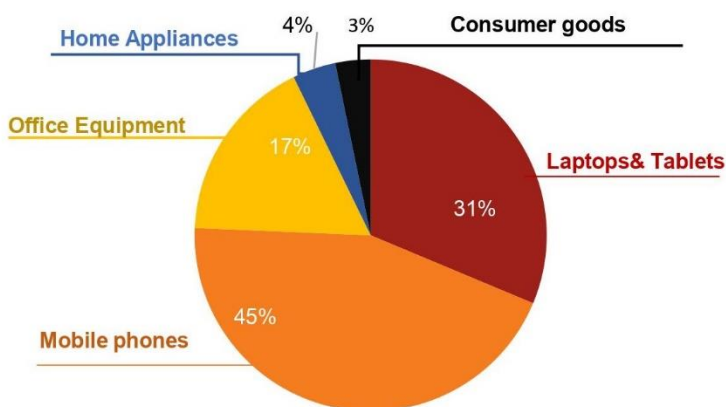
### 2Q24 Revenue breakdown

(VND bn)	2Q24	2Q23	YoY
Laptops & Tablets	1,568	1,342	17%
Mobile phones	2,221	2,190	1%
Office Equipment	858	728	18%
Home Appliances	199	166	20%
Consumer goods	162	170	-5%
<b>Net revenue</b>	<b>5,008</b>	<b>4,596</b>	<b>9%</b>
<b>Net profit</b>	<b>89</b>	<b>83</b>	<b>7%</b>

VND bn



### 2Q24 Revenue breakdown (%)



Digiworld's Q2 business results are as follows:

- Net revenue reached **VND 5,000 billion, up 9% YoY.**
- Profit after tax reached **VND 89 billion, up 7% YoY.**

**Details:**

## - Laptops and Tablets

Revenue reached **1.6 trillion VND**, marking a **17%** increase year-on-year and a **38%** rise from the previous quarter. Although the laptop market has become saturated post-Covid, the product replacement cycle and the introduction of new AI-integrated laptops have driven revenue growth, along with higher average selling prices. By the end of Q2, this segment had achieved **41%** of our annual target.

## -Mobile Phones

the revenue reached over **2.2 trillion VND**, the same as last year and a **9%** decrease compared to the previous quarter due to the trend of tightened consumer spending on non-essential items. By the end of Q2, this segment achieved **54%** of the annual target.

## -Office Equipment

revenue was **858 billion VND**, up **18%** compared to the same period last year. This growth came from products such as smartwatches, printers, servers, storage devices, and computer components. After 6 months of 2024, this segment completed **34%** of the annual target.

## -Home Appliances

revenue approached **200 billion VND**, reflecting a notable **20%** year-on-year growth. This surge was primarily driven by robust sales of air purifiers and vacuum robots from Xiaomi. Despite this positive growth, the segment faced challenges due to a weakening macroeconomic environment and decreased demand for non-essential items. Additionally, the freeze in real estate projects—one of our key customer channels—impacted overall performance. By the end of Q2 2024, the Home Appliances segment reached **39%** of its annual target

## -Consumer Goods

revenue declined by **5%** year-on-year, reaching **162 billion VND**. Revenue from healthcare products remained stable across the quarters, showing little variation. Due to market conditions, revenue from ABInBev beer products also decreased. By the end of Q2/2024, this segment achieved **29%** of the annual target

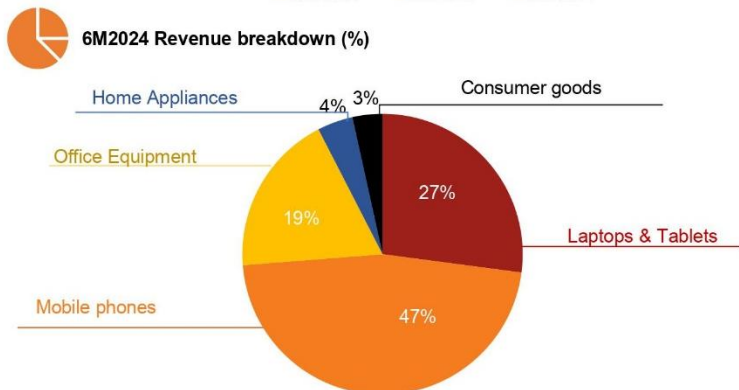
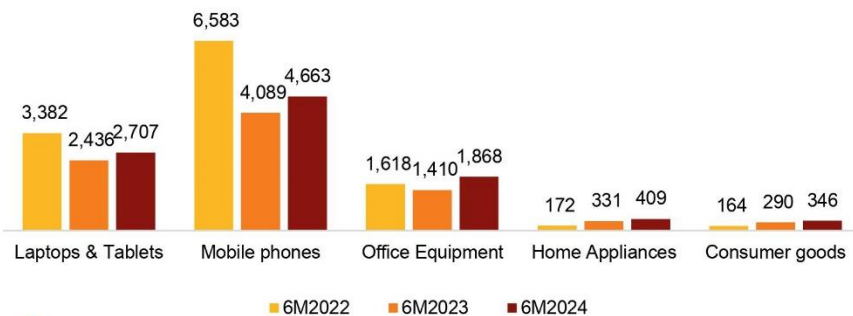
## 6M2024 BUSINESS RESULTS



6M2024 Revenue breakdown

(VND bn)	6M2024	6M2023	YoY	%Plan
Laptops & Tablets	2,707	2,436	11%	41%
Mobile phones	4,663	4,089	14%	54%
Office Equipment	1,868	1,410	32%	34%
Home Appliances	409	331	24%	39%
Consumer goods	346	290	19%	29%
<b>Net revenue</b>	<b>9,993</b>	<b>8,556</b>	<b>17%</b>	<b>43%</b>
<b>Net profit</b>	<b>181</b>	<b>162</b>	<b>12%</b>	<b>37%</b>

VND bn



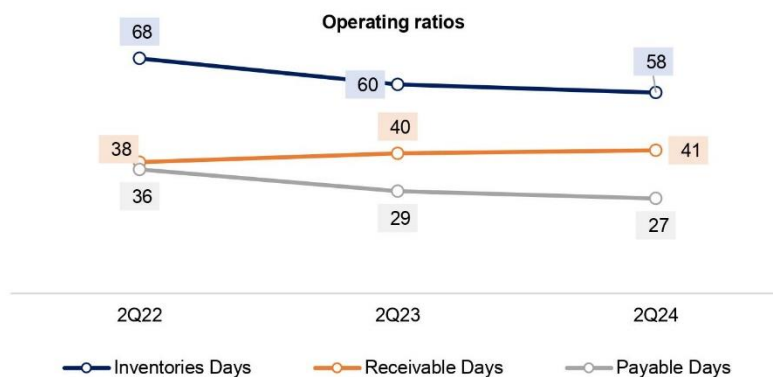
After the first 6 months of 2024, all product categories achieved double-digit growth. The company achieved a total revenue of nearly **10 trillion VND** and a net profit of **181 billion VND**, equivalent to **43%** of the annual revenue target and **37%** of the annual net profit plan

## 2Q24 FINANCIAL HIGHLIGHTS

### - Operating ratios:

+ **Inventory days**: maintained at the normal level of **58 days**. With the upgrade of the ERP system to S4 HANA at the beginning of this year, DGW managed inventory better, resulting in improved inventory days.

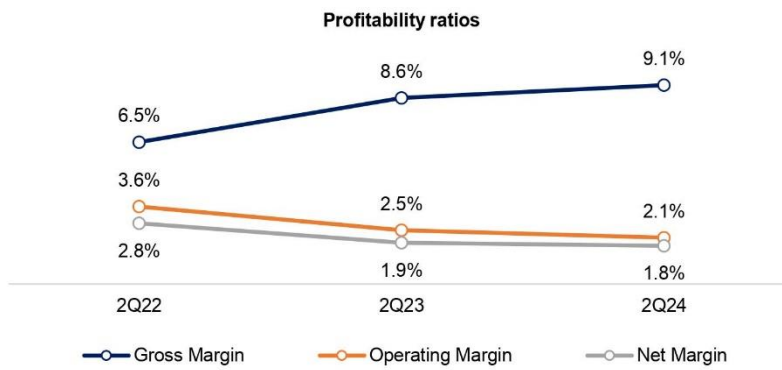
+ **Receivables days**: reached **41 days**; given the current difficulties in the ICT market, DGW has flexibly adjusted its receivables policy to support distribution channels such as small dealers.



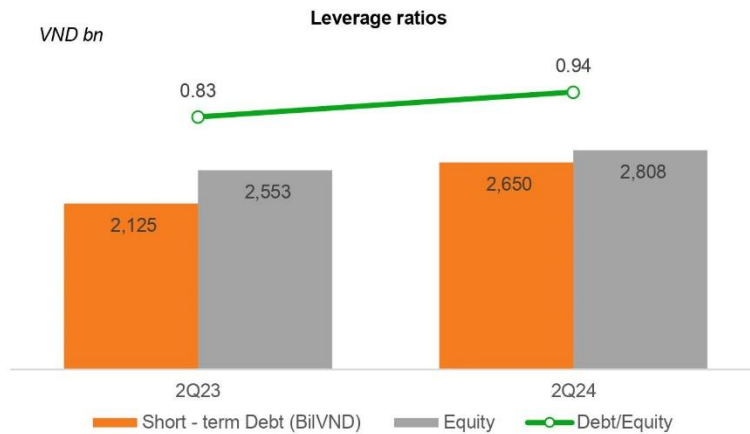
### - Profitability ratios:

+ **Gross profit margin** saw an increase to **9.1%**, primarily driven by the contribution of AI-integrated laptops, industrial equipment, and office equipment.

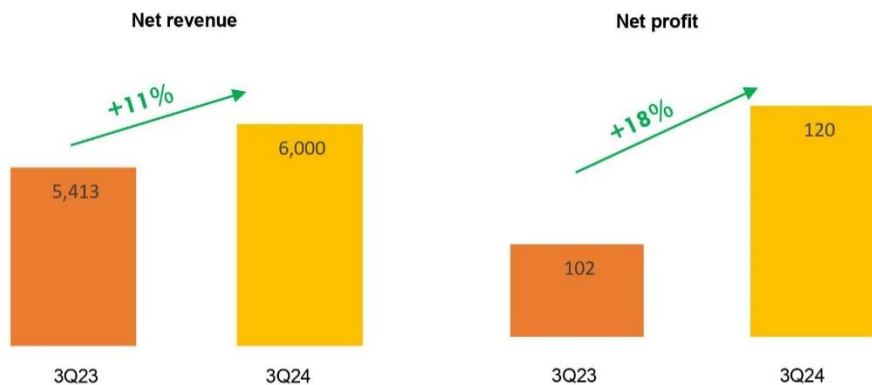
+ **Net profit margin** decreased to **1.8%** because of difficulties in non-essential ICT sales, leading the company to increase selling expenses to boost sales and reduce inventory. Additionally, the consolidation of Vietmoney, B2X, and the moving headquarters to a larger and more modern building led to higher GA expenses in Q2.



- **Capital structure:** In 2Q24, DGW's debt/equity ratio increased to **0.94** compared to **0.83** in 2Q23 as the Company Increased debt to stock up goods to prepare for the back-to-school season.



## 3Q24 PROSPECTS



In Q3, the government will implement the shutdown of 2G networks in September, which will likely trigger a wave of new phone purchases, especially for affordable smartphones. Furthermore, this is a time for replacing phone and laptop devices following the peak in 2021. Along with the distribution of new MSI products, Digiworld expects Q3 to:

- Achieve revenue of **6 trillion VND**, an **11%** increase compared to Q3 2023.
- Net profit reached **120 billion VND**, an **18%** increase compared to last year.

## NEW BUSINESS

Finding and distributing more new brands as well as entering new industries is DGW's horizontal development strategy. Therefore, every quarter, every year, in the product portfolio of DGW, there will always be new face. In 3Q24 and the upcoming period, Digiworld will have new brands, following :

- **Home Appliances:** we plan to add Xiaomi air conditioners and refrigerators by the end of 2024.
- **Office Equipment:** The world's leading gaming laptop brand with an **18%** market share in the gaming sector in Vietnam  
DGW will distribute all MSI products including laptops, PCs, monitors, mouse, keyboards

### Home Appliances



### Laptop and Office Equipment



## ANALYSIS

Company	<b>.hsc</b>
2024F Revenue (VND bn)	<b>22,999</b>
2024F NPAT (VND bn)	<b>519</b>
EPS*	3,076
Target P/E	20.8
Target price**	<b>78,900</b>
Market price	64.000
Report date	10/07/2024
Upside	23.3%
Recommendation	<b>Buy</b>
Outlook	HSC notes that DGW has both short-term and long-term growth drivers. We forecast that the company's profits will recover more strongly in the second half of 2024 due to more solid improvements in fundamental factors such as macroeconomic conditions (driven by consumer sentiment) and the launch of new products. The anticipated stock dividend of 30% to be paid in the coming months is also expected to enhance the stock's liquidity and, thereby, boost investor sentiment. Meanwhile, AI-integrated products and the potential to expand the consumer goods market will contribute to DGW's long-term growth potential.

\*Diluted EPS

\*\*PE, FCFE, FCFV valuation methods

## AWARDS & EVENTS



On April 4, 2024, at the HP Vietnam Day 2024, Digiworld was honored as a Top Growth Distributor in the Consumer Personal System category. This recognition is for being a leading distributor contributing significantly to the growth of HP Vietnam in 2023.



On June 6, 2024, Digiworld officially inaugurated its headquarters at: 15th Floor, Etown Building, 11 Doan Van Bo Street, Ward 13, District 4, Ho Chi Minh City



Digiworld was once again honored as a top contributing distributor by Lexmark.



Recently, Digiworld was the only company honored as a Secure Power Distributor at Schneider Electric's 30th anniversary celebration in Vietnam.

## DIGIWORLD NEWS

### Margin lending Ratio of DGW stock

No.	Broker House	MLR
1	TCBS	50%
2	SSI	50%
3	HSC	30%
4	MAS	45%
5	VPS	50%
6	VND	50%
7	MBS	50%
8	VCI	50%
9	KIS	40%
10	ACBS	50%

Updated August 2024

### IR Calendar

Date	Events	Status
July 30, 2024	Disclosure of the 2Q24 Financial Statements	Done
August 06, 2024	Livestream: 2Q23 Financial results and 3Q24 prospects (FB DGW Investor)	Done
August 29, 2024	Announcement of Interim audited financial statements 2024	Expected

## RELATED NEWS

[Quarter 2/2024, Digiworld's revenue reaches 5,008 billion VND, all industries achieve double-digit growth in the first half of 2024](#)

Thank you & best regards,

**Le Kha Tu (Ms.)**

Investor Relations Manager.

## **DISCLAIMER**

*The content of IR Newsletter is to merely provide information for institutional and individual investors of Digiworld Corporation. Digiworld constantly endeavors to ensure the correctness and completeness of information covered in IR Newsletter; we however cannot guarantee that there would be no errors or omissions. Digiworld hereby excludes all liabilities relating to the information whether incorrect, incomplete or outdated provided in the newsletter. Digiworld reserves the right to modify or update IR Newsletter at any time without prior notice. Digiworld do not allow to copy, modify, issue or use the whole or a part of IR Newsletter for any purpose whatsoever without the written consent of Digiworld. Please indicate the cited source in case using the information adapted from the newsletter.*