

# RETAIL

## Next Chapter

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### What is the report about?

- The retail sector would have a positive prospect in 2025F.
- ICT-CE and Jewelry retailers would continue to recover.
- BHX would expand and maintain profitability.

## I. Executive summary

***The retail sector would generally have a positive prospect***

In 2025F, we think that the retail sector would generally have a positive prospect. (1) ICT-CE and Jewelry retailers would continue to recover due to the recovery of consumer demand. (2) Minimarts would enter the new expansion phase after completing the value chain optimization. (3) For modern pharmacy retailers, we think that they are approaching the end of the rapid expansion phase, following by the consolidation of the market. (4) For vaccine centers, we believe that they would continue to expand due to the low vaccination rate of Vietnamese.

***ICT-CE retail would continue to recover***

In 9M24, the consumer confidence index (CCI) has generally improved compared to 2023 amid the better economic condition. As a result, the aggregated sales of 4 listed ICT-CE retail chains recovered to ~87% of 2022 sales (compared to about 83% last year). In 2025F, we expect that consumer purchasing power would be higher amid the better economic outlook, fuelling the continuing recovery of ICT-CE retailers. Yet, mobile phones would be the key driver, while most of other CE categories would grow at a single-digit except for air-conditioners (due to La-Nina effect).

***Demand for Jewelry retail would be higher***

In 9M24, the demand for Jewelry Retail has been on the recovery path (PNJ's Jewelry Retail sales: +16.9% yoy). However, compared to 2022, we saw that PNJ's Jewelry Retail sales per store was still lower, which implied the demand for luxury and discretionary products has not fully recovered yet. Hence, in 2025F, with a brighter economic, we think that consumers would spend more on Jewelry products. In the long term, we think branded jewelry retailers would continue to benefit from the shift of consumers from unbranded brands.

***Minimarts would enter an expansion phase***

The two minimarts players (BHX and WCM) have been able to expand and earned positive NPAT. In 2025F, we think that BHX and WCM would prioritize expansion over profitability to gain market share. The modern grocery retail in Vietnam still have a lot of room to grow as this channel only accounted for 12.2% of the grocery retail market value, compared to ~50% of Thailand and Indonesia. Yet, we expect that BHX and WCM would open about 300 and 400 stores after focusing on the optimization of the value chain in 2024, while maintaining a positive NPAT.

In 2025, our favorable stocks are PNJ (+20.8%) and MWG (+21.0%).

**Table 1. Coverage valuation**

Recommendation & TP			Earning & Valuation										
			Sales	OP	NP	EPS	BPS	ROE	ROA	PE	PB	EV/EBI TDA	
Company			(VND bn)	(VND bn)	(VND bn)	(VND)	(VND)	(%)	(%)	(x)	(x)	(x)	
Mobile World Group (MWG)	TP	N/A	2019A	102,174	4,977	3,834	8,657	27,360	36.3	11.0	15.2	4.8	10.3
	Price	60,600	2020A	108,546	5,216	3,918	8,650	34,139	28.4	8.9	15.2	3.8	8.2
	Market cap	89,151	2021A	122,958	5,888	4,899	6,861	28,561	27.3	9.0	19.2	4.6	11.3
	(VND bn)		2022A	133,405	6,644	4,100	2,802	16,338	18.5	6.9	15.3	2.6	6.3
			2023A	118,279	1,017	167	114	15,953	0.7	0.3	428.5	2.8	40.3
FPT Retail (FRT)	TP	N/A	2019A	16,634	273	204	2,612	16,126	17.7	3.6	7.4	1.2	2.1
	Price	186,800	2020A	14,661	14	10	266	15,367	2.0	0.4	101.1	2.1	0.5
	Market cap	25,287	2021A	22,495	546	444	5,618	21,045	30.9	5.5	17.6	4.7	2.2
	(VND bn)		2022A	30,166	474	398	3,295	16,951	21.3	3.7	24.2	8.6	2.2
			2023A	31,850	(297)	(329)	(2,537)	11,738	(18.3)	(2.9)	(64.6)	13.9	0.5
Phu Nhuan Jewelry (PNJ)	TP	N/A	2019A	17,001	1,623	1,194	5,034	20,316	28.7	15.9	15.7	3.9	12.1
	Price	97,900	2020A	17,511	1,508	1,069	4,463	23,029	21.8	12.5	17.7	3.4	12.3
	Market cap	33,081	2021A	19,547	1,409	1,029	4,295	26,416	18.3	10.7	18.4	3.0	13.7
	(VND bn)		2022A	33,876	2,337	1,810	6,988	34,302	25.1	15.1	11.3	2.3	8.5
			2023A	33,137	2,484	1,971	6,009	29,882	21.6	14.2	14.3	3.3	12.9

Source: Company Data, KIS VN

**Table 2: 2025 business results**

(VNDbn, %, %p)

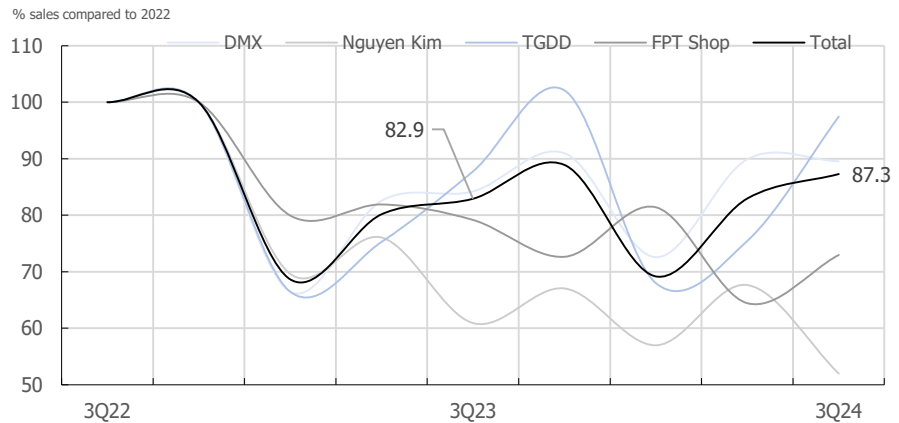
	Revenue			NPAT		
	2024F	2025F	YoY	2024F	2025F	YoY
<b>MWG</b>	133,427	147,870	10.8	4,028	5,405	34.2
<b>FRT</b>	40,989	53,525	30.6	476	874	83.8
<b>PNJ</b>	38,585	40,159	4.1	2,147	2,514	17.1
<b>KIS Coverage</b>	213,001	241,554	13.4	6,651	8,793	32.2

Source: Company data, KIS VN

## I. Brighter economy, higher consumer spending

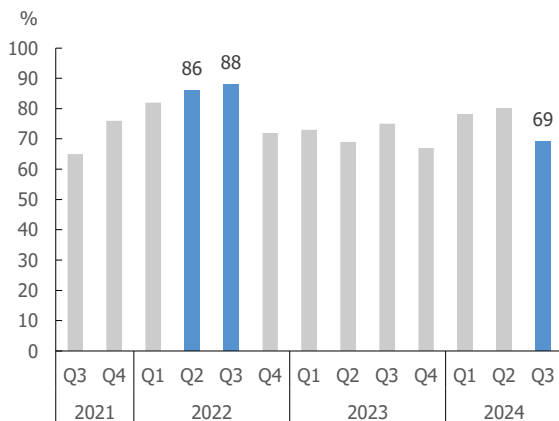
In 9M24, the consumer confidence index (CCI) has generally improved compared to 2023 amid the better economic condition. As a result, the aggregated sales of 4 listed ICT-CE retail chains<sup>1</sup> recovered to ~87% of 2022 sales (compared to ~83% last year). In 2025F, we expect that consumer purchasing power would be higher amid a better economic outlook, which is fuelled by (1) the busy production activities and (2) the warmer job market. In fact, we saw that the industrial production index (IIP) and labor employed in industrial area index (LEI) continued to get better, implying a bright economic outlook. Hence, we think that retailers will continue to recover at a faster rate in 2025F.

**Figure 1. Total sales of 4 ICT-CE retailers recovered to ~87% compared to 2022**



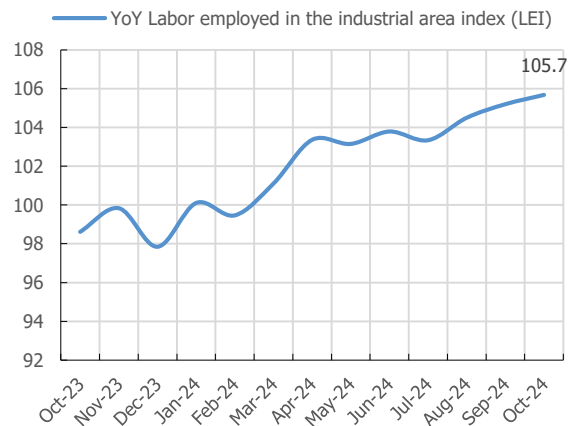
Source: Company Data, KISVN

**Figure 2. Consumer confidence index in 9M24 has improved compared to 2023.**



The economic situation will be better or the same as today in the next 12 months.  
Source: Kantar Worldpanel Division, KISVN

**Figure 3. Labor employed index continued to rise, implying a bright economic ahead**



Source: GSO, KISVN

<sup>1</sup> TGDD, DMX, FPT Shop, Nguyen Kim (retailers), and DGW, PET (distributors)

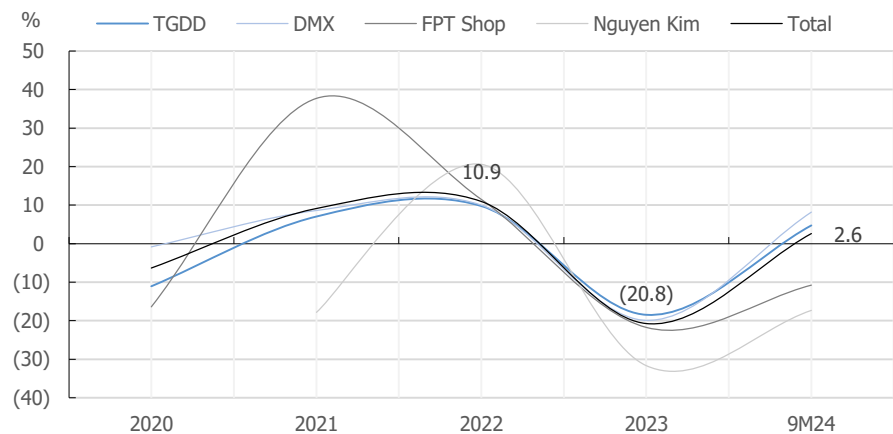
## II. Next Chapter

### 1. ICT-CE – The recovery would continue at faster rate

#### Mobile phones would be the key recovery driver in 2025.

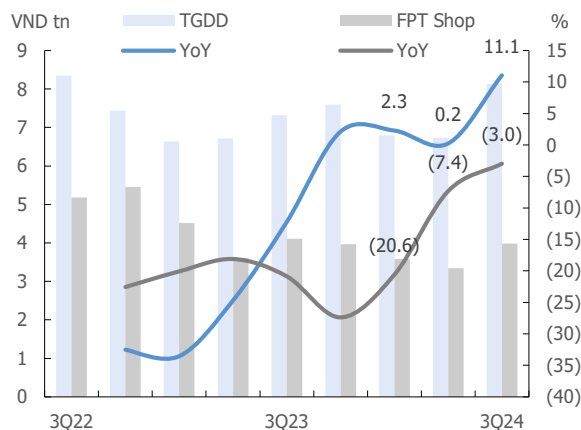
In 9M24, sales of 4 listed ICT-CE retailers grew by 2.6% yoy, reflecting the recovery from the 2023 bottom. In which, TGDD and DMX's sales grew by 4.7% yoy and 8.2% yoy but FPT Shop and Nguyen Kim's sales continued to decrease by 10.8% yoy and 17.3% yoy. In 2025F, having a brighter economy, we expect the recovery would continue at a faster rate, especially for FPT Shop and Nguyen Kim. We expect that mobile phones would be the key recovery driver for the ICT-CE segments due to the fall of mobile phones replacement cycle 2021 – 2024-25. Besides, we expect that most of other ICT-CE products would grow at a single digit except for air conditioners due to the end of El-Nino.

**Figure 4. Sales of 4 listed ICT-CE retailers grew by 2.6% yoy in 9M24**



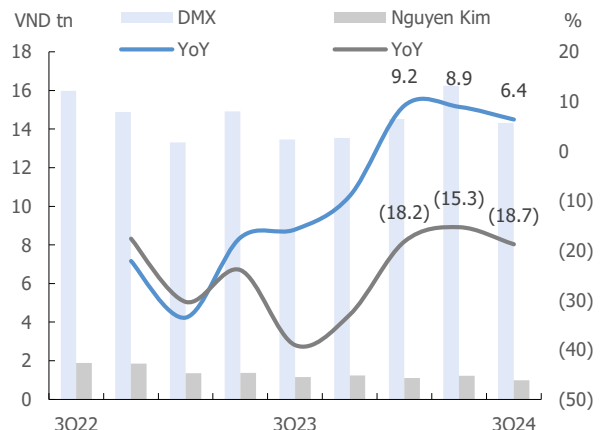
Source: Company Data, KISVN

**Figure 5. TGDD and FPT Shop have been on the recovery path.**



Source: Company Data, KISVN

**Figure 6. DMX have been on the recovery path, while Nguyen Kim still faced challenges.**

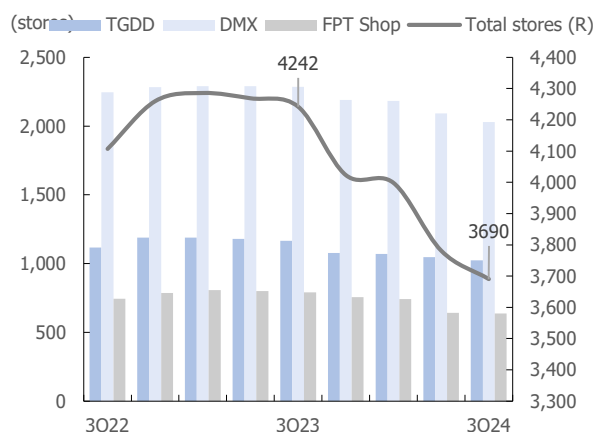


Source: Company Data, KISVN

**Operating margin would be improved after stores restructuring.**

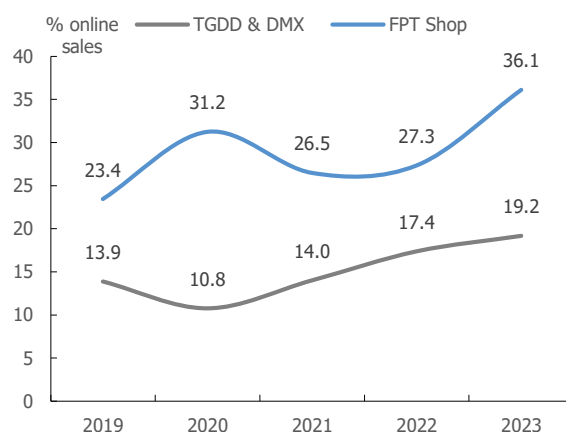
In 9M24, MWG and FRT closed a total of 333 ICT-CE stores (vs. 237 stores in 2023), in which DMX (-160 YTD), TGDD (-55 YTD), and FPT Shop (-118 YTD) amid the long-term market saturation. As of 3Q24, we saw that the net closing stores have been slowed down (-91 in 3Q24 compared to -217 stores in 2Q24). In 2025F, we expect that MWG and FRT would maintain the current stores level since we believe both MWG and FRT have completed their restructure plan thereby achieving their optimal store level. Besides, the decline in number of stores have been compensated by the increase in sales per store so that sales were able to maintain the recovery trend. Yet, we expect that operating margin in 2025F would be improved due to lower SG&A expenses. In the long term, we think that consumers would continue to shift to online channels. In the last 5 years, the share of this channel to TGDD&DMX and FPT Shop's total sales continued to rise.

**Figure 7. TGDD, DMX and FPT Shop closed stores amid the long-term market saturation.**



Source: Company Data, KISVN

**Figure 8. In the long-term, consumer would continue to shift to online channels**



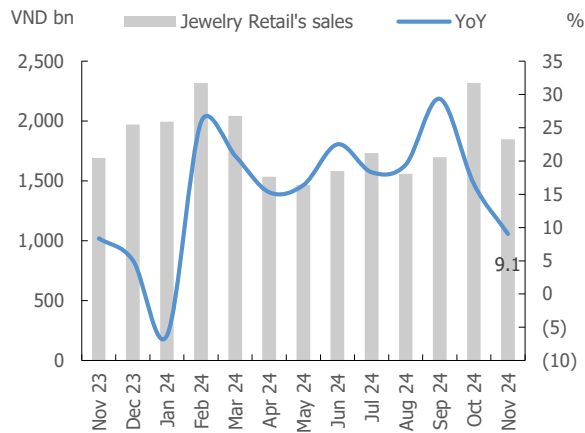
Source: Company Data, KISVN

**2. Jewelry – Jewelry retail would be the driver**

**Jewelry Retail would continue to recover.**

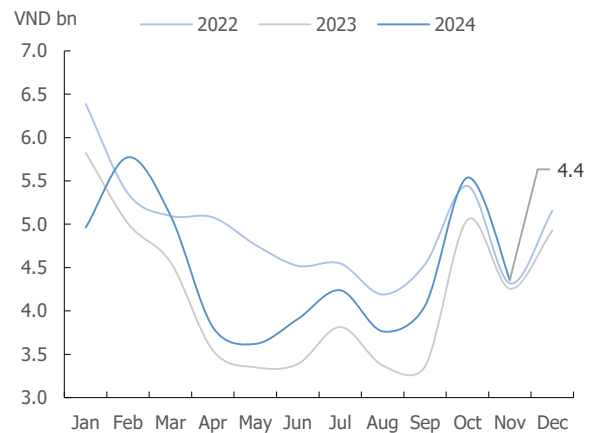
In 11M24, the demand for Jewelry Retail has been on the recovery path (PNJ's Jewelry Retail sales: +16.1% yoy). However, compared to 2022, we saw that PNJ's Jewelry Retail sales per store was still lower, which implied the demand for luxury and discretionary products has not fully recovered yet. Hence, in 2025F, with a brighter economic, we think that consumers would spend more on Gold and Jewelry products.

**Figure 9. PNJ's Jewelry Retail has been on the recovery path in 9M24**



Source: Company Data, KISVN

**Figure 10. PNJ's Jewelry Retail sales per store in 10M24 was still lower than 2022**

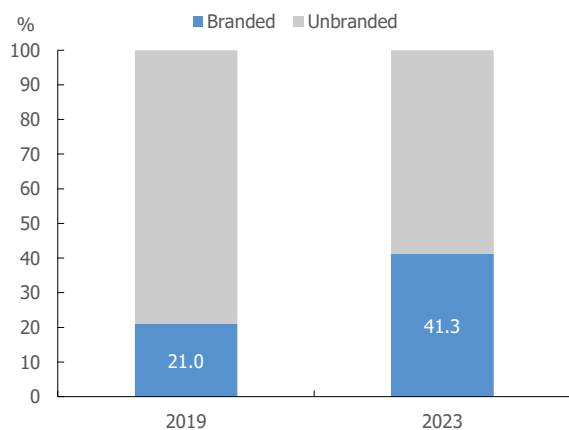


Source: Company Data, KISVN

**PNJ would benefit from the gained marketshare.**

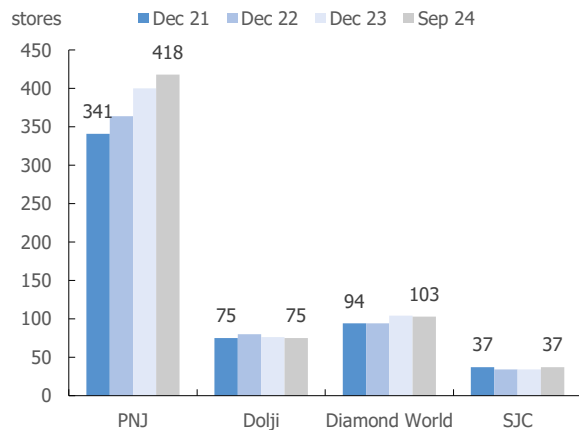
In 2Q24, SBV took actions to stabilize the gold market (examination on origin unknown gold, propose to remove the monopoly of importing raw gold,...), which led to the closure of many small gold retailers. As of Oct 24, we saw that PNJ expanded to 418 stores (+18 stores YTD, mostly in 2Q-3Q24), while Dolji and Diamond World's stores maintained at 75 (-1 YTD) and 103 (-1 YTD). Hence, we think that PNJ have gained more market share in 2024, which would further boost the recovery. In 2025F, we expect PNJ would open 25 stores to gain more market share. In the long term, we think branded jewelry retailers would continue to benefit from the shift of consumers from unbranded products.

**Figure 11. Consumers continued to switch to branded jewelry in Vietnam**



Branded Jewelry represents market share of PNJ, Dolji and SJC  
Source: Euromonitor, KISVN

**Figure 12. PNJ gained marketshare in 9M24, which would further boost the recovery.**



Source: Company Data, KISVN

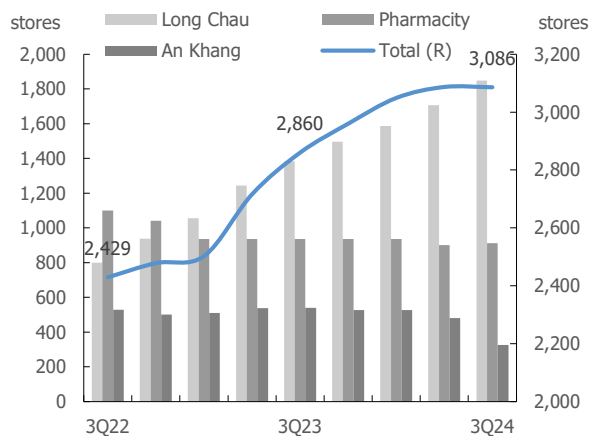


### 3. Healthcare – Short-term growth backed by a positive long-term prospect

**Modern pharmacies almost came to the end of the fast expansion period, being followed by a market consolidation.**

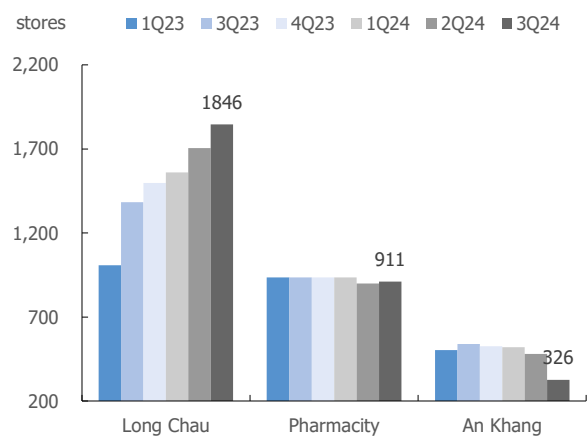
As of 3Q24, 3 largest modern pharmacy retailers owned 3,086 stores (+ 126 YTD; +226 YoY), of which we saw that the net opening rate was slowed down in recent quarters (figure 13). In 9M24, LC has opened 352 stores to maintain the leading position with 1,846 stores, followed by Pharmacity (911 stores; -5 YTD) and An Khang (326 stores; -201 YTD). In 2025F, we expect that LC would continue to open ~400 stores to reach the level of ~2,300 stores, which is in line with the management target of 2,500 – 3,000 stores at the end of the expansion period. Pharmacity and An Khang would maintain the store level to focus on the optimization of the value chain to minimize losses. Besides, we believe that the new laws about allowing non-prescription drugs to be sold online would help to increase the sales of modern pharmacies in the long term.

**Figure 13. Modern pharmacies expansion has been slowdown in recent quarters.**



Sales of Central Retail include only food segment in Vietnam  
Source: Company Data, KISVN

**Figure 14. LC continued to expand, while An started to contract since 3Q24.**



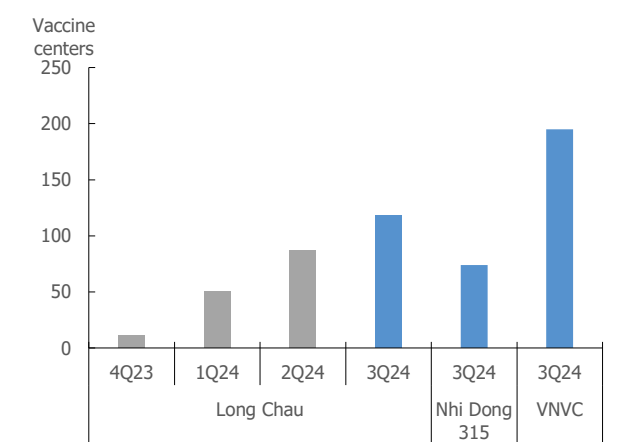
Sales of Central Retail include only food segment in Vietnam  
Source: Company Data, KISVN

Particularly, we saw that the market consolidation was happening on the market with the closure of 155 An Khang stores in 3Q24 – which we believe it was being taken by LC (LC opened 143 stores in 3Q24 – faster than an average of 100 stores). In the long-term, we believe that the market for modern pharmacy retail would concentrate into 2 leading players. (1) The dominance of LC and Pharmacity makes it difficult for any new chains to enter and scale up since consumers already have their favorite places to buy medicines. (2) Smaller chains would not be able to scale up to reach the break-even point and eventually leave the market to stop making losses.

**Vaccine centers still have room to grow in the long-term, fuelling by a low vaccination rate.**

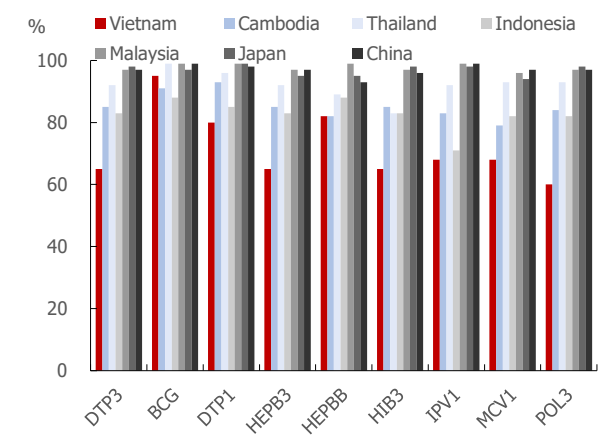
In 9M24, LC opened 105 vaccine centers to increase the total number to 115 vaccine centers thanks to the dominance of LC pharmacies. As of 3Q24, LC was the second largest vaccine center chains in Vietnam, chasing after VNVC in term of store counts. In 2025F, we expect that LC would open about 100 vaccine centers thereby maintaining the 2<sup>nd</sup> position. In the long-term, we believe that vaccine centers still have a decent room to grow due to the low vaccination rates of Vietnamese. Particularly, we believe that the recent add of 3 new vaccines (HPV, flu, and pneumococcus) in the EPI would have a positive effect on private vaccine centers since it would enhance the awareness of Vietnamese. Meanwhile, we think that the public sector (both in term of infrastructure and budget) would find it difficult to meet the rising demand.

**Figure 15. LC vaccine centers expanded quickly due to the wide coverage of LC pharmacies.**



Source: Company Data, KISVN

**Figure 16. Vietnam EPI's vaccine coverage remained low compared to other countries in the region.**



Source: Unicef, KISVN.<sup>2</sup>

**Table 17. List of vaccine-preventable diseases and their EPI's coverage status**

	Diphtheria	Hepatitis B	Japanese	Measles	HIB	Pertussis	Polio	Rubella	Tetanus	Rotavirus	Tuberculosis	Typhoid	Cholera	Cervical cancer*	Hepatitis A	Influenza*	Mumps	Meningitis	Meningococcal	Pneumonia*	Rabies	Varicella	Yellow fever
EPI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓										
Non EPI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: \* Vaccines prevent pneumonia, cervical cancer, seasonal influenza will be covered in the EPI from 2025, 2026 and 2030, respectively.  
Source: Vietnam's Ministry of Health, KISResearch

<sup>2</sup> BCG, DTP3, POL3, HEP3, HIB3...are the abbreviations of the common vaccines in the EPI.

**Modern pharmacies and vaccine centers both have positive prospects in the long-term.**

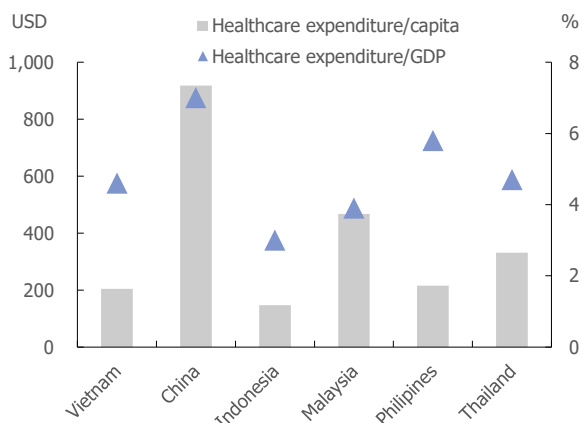
The healthcare sector is poised to long-term growth which is driven by (1) the aging population and (2) the increase in healthcare expenditure fueled by the increase in average income. Per Population Pyramid's estimation for the 2024-2030 period, Vietnam is entering a demographic shift characterized by a declining children rate of 19% (down from 22% as of Nov 2024) and an increase in the elderly population, reaching 19% (up from 16% as of Nov 2024). Concurrently, healthcare expenditure in Vietnam has demonstrated consistent growth in both public and private sectors. Yet, we expect this trend would continue, fueled by a positive economic outlook in Vietnam.

**Figure 18. The number of elderly people would increase from 16% in 2024 to 19% in 2030.**



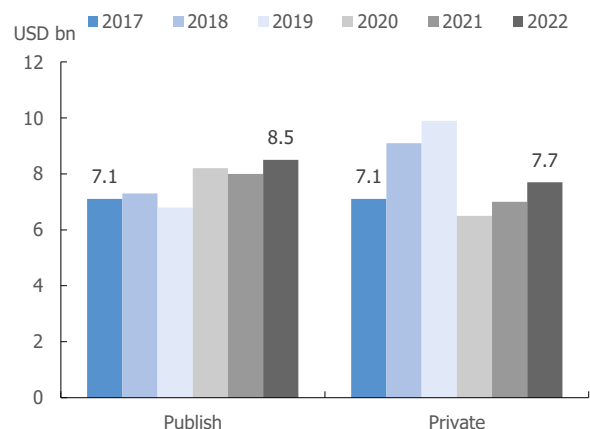
Source: Population Pyramid, KISVN

**Figure 19. Healthcare expenditure per capita of Vietnam was still lower than regional countries**



Source: World Bank, KIS Research

**Figure 20. Household income in Vietnam is expected to grow continuously.**



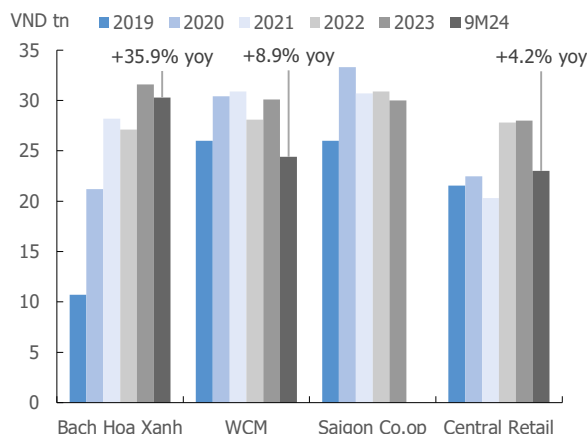
Note: Vietnamese household income distribution, in USD.  
Source: EIU Forecast, KIS Research

#### 4. Grocery – Minimarts would expand faster in 2025F

##### Minimarts would be the key driver for modern grocery retail.

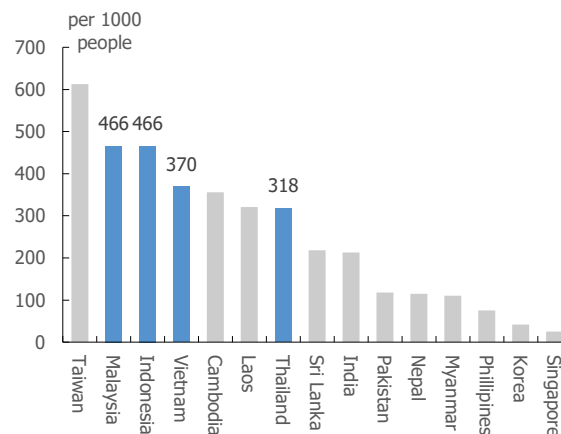
In 9M24, two minimarts players (BHX and WCM)’s sales grow strongly to VND30.3bn (+35.9% yoy) and VND24.4bn (+8.9% yoy). Compared to Central Retail’s grocery sales (VND23.0bn; +4.2% yoy), we maintain our views that minimarts would be the key driver for modern grocery retail in Vietnam. Based on our observation, we see that minimarts are popular in countries in which the motorcycle ownership is high such as Malaysia, Indonesia, Thailand and Vietnam due to convenient mobility. In developed markets (Japan and Korea), where full-size supermarkets already have access to excellent public transportation and infrastructure, the convenience of minimarts might not be visible.

**Figure 21. Minimarts have been the key driver for the modern grocery retail in Vietnam.**



Sales of Central Retail include only food segment in Vietnam  
Source: Company Data, KISVN

**Figure 22. High motorcycle ownership rate emphasized the convenience of minimarts.**

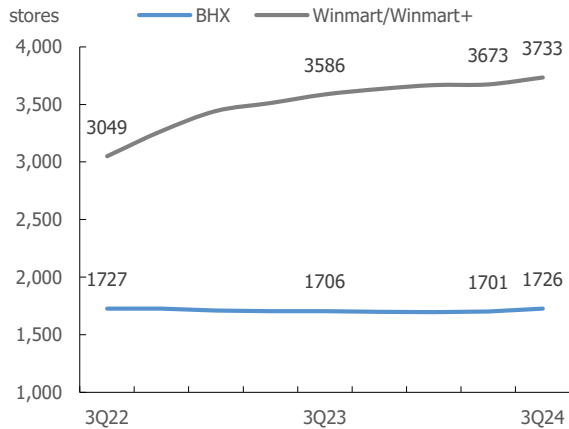


Sales of Central Retail include only food segment in Vietnam  
Source: Company Data, KISVN

##### Minimarts would prioritize expansion over profitability.

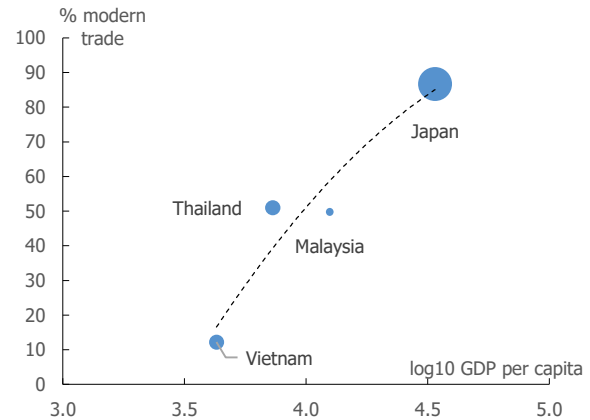
The two minimarts players (BHX and WCM) have been able to expand and earn a positive NPAT. In 3Q24, BHX opened 25 stores (+28 YTD) and WCM opened 60 stores (+100 YTD), while posting NPAT of about VND90bn and VND20bn respectively. In 2025F, we think that BHX and WCM would prioritize expansion over profitability to gain market share. Modern grocery retail in Vietnam still have a lot of room to grow as this channel only accounts for 12.2% of the grocery retail market value, compared to ~50% of Thailand and Indonesia. We expect that BHX and WCM would open 300 and 400 stores respectively, while maintaining a positive NPAT.

**Figure 23. BHX and WCM opened more stores in 3Q24, while posting a positive NPAT.**



Source: Euromonitor, KISVN

**Figure 24. Modern grocery retail in Vietnam just accounted for 12.2% of total grocery retail value.**

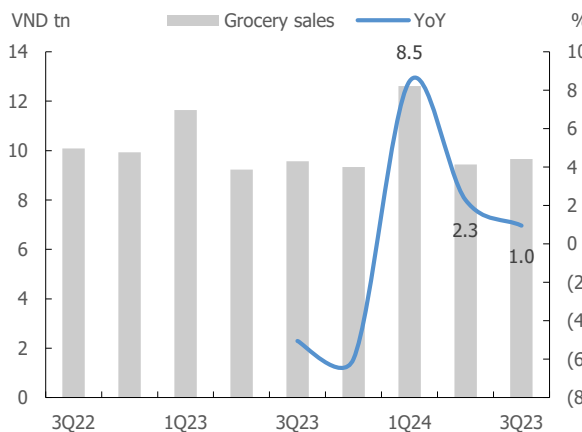


Source: Euromonitor, KISVN

**Consumers would still choose large stores for large purchases.**

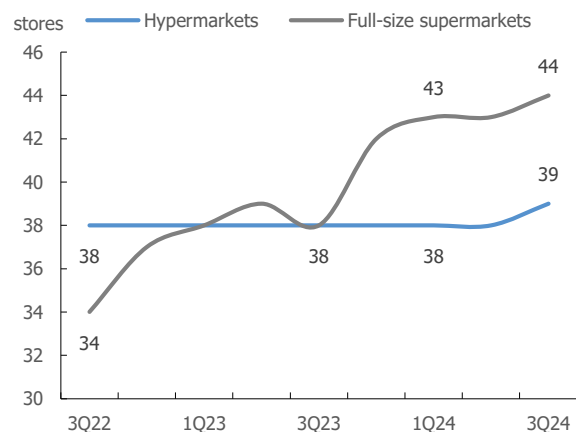
We observe that consumers have shifted the daily purchases of grocery products from traditional channels to minimarts but still prefer full-size supermarkets and hypermarkets for large purchases due to their higher discounts and promotional campaigns. In fact, grocery sales of Central Retail in 9M24 increased to VND23.0bn (+4.2% yoy; THB31,718mn) in Vietnam, in which 1Q24 rose by 8.5% yoy compared to 2.3% yoy in 2Q and 1.0% yoy in 3Q – due to the Tet holidays and the open of 5 full-size supermarkets yoy. In 2025F, we think that consumers will continue to shop at large-format stores for large purchases given their attractive prices when buying in bulk.

**Figure 25. After surging in 1Q24, Central Retail's sales continued to be gloomy in 2Q-3Q24**



Source: Company Data, KISVN

**Figure 26. Central Retail opened 1 full-size supermarkets and 1 hypermarkets in 3Q24**

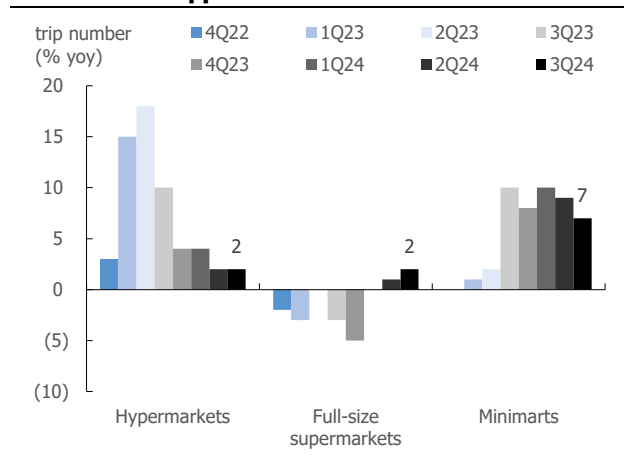


Source: Company Data, KISVN

**Consumers would visit full-size supermarkets less frequently.**

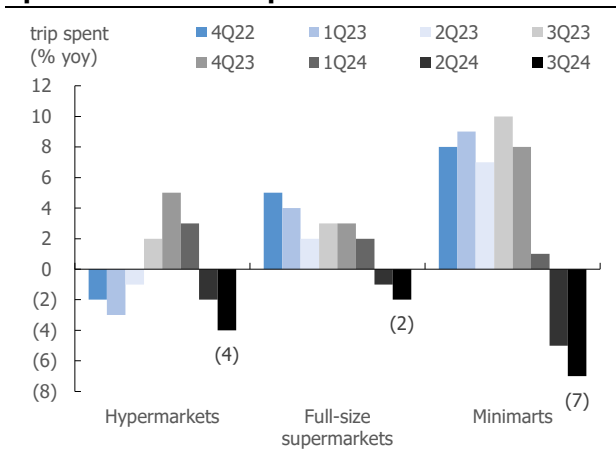
We think that consumers has replaced the purchases of some common products by minimarts, thereby reducing the purchase frequency at full-size supermarkets. (1) Sales of Saigon Co.op grow at only 3.6% 2019-23 CAGR or even -1.1% 2021-23 CAGR. (2) Despite operating more 5 – 6 full-size supermarkets in 2Q-3Q24 compared to 2Q-3Q23, grocery sales of Central Retail grew at only 2.3% and 1.0% yoy respectively. (3) Per Kantar, the number of visits to full-size supermarkets decreased in most of the last 8 quarters. In 2025F, we think that the sales of full-size supermarkets would grow at a low level as consumers would visit less frequently while having a slow expansion due to the limited rent space.

**Figure 27. Number of visits to full-size supermarkets decreased as opposed to an increase to minimarts**



Source: Kantar Worldpanel, KISVN

**Figure 28. Consumers visit minimarts more but spend less on each trip**



Source: Kantar Worldpanel, KISVN

### III. Risk to be considered

**Consumer spending would be affected if the economy recovered lower than expected.**

In brief, the improvement of consumer spending is the key catalyst for ICT-CE and Jewelry retailers in 2025, which is linked closely to the purchasing power. Hence, the slower recovery of the economy would affect the short-term prospects of the mentioned retailers. For minimarts, we think that the main risk would be whether they could maintain a positive net profit margin when entering the expansion phase. For Jewelry retailers, the shortage of raw materials would have a negative impact on Jewelry Retail. For the pharmaceutical retail, the profitability of the new healthcare segment would be the main risk.



## Company Analysis

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Mobile World Group

MWG

FPT Retail

FRT

Phu Nhuan Jewelry

PNJ

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## Mobile World Group (MWG)

		Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
		Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
Stock price (Jan 02, VND)	60,600	2022A	133,405	6,644	4,100	2,802	(59.2)	16,338	15.3	2.6	6.9	15.3	1.2
Market cap (USD mn)	3,479	2023A	118,279	1,017	167	114	(95.9)	15,953	428.5	2.8	0.3	0.7	0.8
Shares outstanding (mn)	1,461	2024F	133,427	5,770	4,028	2,755	1,549	18,741	21.8	3.2	6.1	14.7	0.8
52-Week high/low (VND)	70,000 / 41,570	2025F	147,870	7,247	5,405	3,697	34.2	19,770	16.2	2.7	8.4	18.7	0.8
6M avg. daily turnover (USD mn)	19.17	2026F	165,312	8,439	6,299	4,308	16.5	20,612	13.9	2.2	10.0	20.9	1.2
Free float / Foreign ownership (%)	80.5 / 46.1												
Major shareholders (%)													
Mobile World Group	10.5												
Arisaig Asia	3.5												

Source: Company data, KIS Research

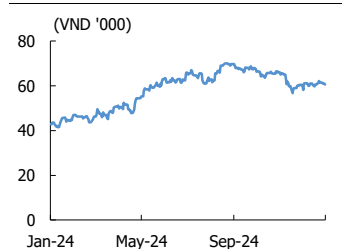
Note: NP and EPS attributed to controlling interest

### Well positioned to the retail sector growth

#### Performance

	1M	6M	12M
Absolute (%)	0.3	(8.2)	43.9
Rel. to VNI (%p)	(1.3)	(9.3)	29.5

#### Stock price



Source: Bloomberg

**ICT-CE recovery was the main driver in 2024.** In 9M24, MWG reported a net revenue of VND99,767bn (+14.9% yoy). In which:

- **TGDD and DMX:** Sales of ICT/CE products were VND66,744bn (+7.0% yoy – due to the recovery of consumers' demand).
- **BHX:** Sales of grocery products rose to VND30,329bn (+35.9% yoy), thanks to the shift of consumers to modern grocery retail channels.

In 9M24, MWG's NPAT surged to VND2,881bn (about 37 times yoy), attributed to the ease of the price war.

**Table 3. MWG 2025 earnings forecast**

(VNDbn, %)

	1Q25F	2Q25F	1H25F		2025F		Consensus	
			yoy	qoq		yoy	1H25F	2025F
<b>Revenue</b>	<b>34,845</b>	<b>36,231</b>	<b>71,076</b>	<b>8.3</b>	<b>5.0</b>	<b>147,870</b>	<b>10.9</b>	<b>- 145,582</b>
TGDD	7,344	7,344	14,688	8.7	-8.2	32,742	10.9	- -
DMX	15,530	16,443	31,973	3.9	12.4	64,250	8.5	- -
BHX	11,372	11,844	23,216	19.1	6.9	48,479	17.7	- -
<b>NPAT</b>	<b>1,276</b>	<b>1,376</b>	<b>2,651</b>	<b>27.7</b>	<b>36.1</b>	<b>5,405</b>	<b>34.3</b>	<b>- 5,445</b>

Source: Company data, Bloomberg, KISVN estimate

**BHX would expand and maintain the profitability.** In 2025F, we estimate that MWG's net revenue would grow to VND147,870bn (+10.9% yoy). In which:

- **TGDD and DMX:** Mobile phones would be the main sales driver due to the recovery of demand amid the rise in consumer spending and replacement cycle 2021 – 2024-25. Besides, we expect net operating margin would also be improved while store counts would be maintained (as analyzed above).
- **BHX:** BHX would open 200 – 300 stores in 2025F while maintaining sales per store at at least the break-even level of VND2.0 – 2.1bn. Given that the low penetration level and the duopoly competition, we think that BHX would expand at a maximum rate as long as it doesn't make loss. (1) The minimum rate of 200 stores is equal to 17 stores/month (with sales per store is equal to VND2.1bn) – the rate that has been seen in Aug 24. (2) We estimate the maximum rate of 300 stores by assuming that the sales per store of a store opened would reach VND1.1bn / VND1.9bn (break-even at the store level) / VND2.1bn (optimal operation level) in 1Q/2Q/3Q after the opening. BHX would expand as long as the average sales per store don't fall below VND2.0bn (the making losses threshold). In this case, we estimate that BHX would open 50/75/75/100 in 1Q/2Q/3Q/4Q25 or 300 stores for 2025F.



We estimate that MWG would report a NPAT of ~VND5,405bn (+34.3% yoy), in which BHX would contribute ~VND250bn (NPM: 0.5% - equal to 3Q24).

**MWG is trading at 16.5 1-year rolling PE forward**, which is +0.3 SDs or 7.8% higher than the 3-year PE average of 15.3 (Jan-19 – Dec-22). Thus, we think that the current price has fully reflected the recovery prospect of MWG in 2025. However, we believe that when BHX expand and don't make loss (which is our expectation) in 2025, it could be traded on a premium PS (we think PS is more meaningful for a growth retail company in the expansion stage). The consensus target price is VND75,272, which is 21.0% higher than the current price.

## FPT Retail (FRT)

Stock price (Jan 02, VND)	186,800
Market cap (USD mn)	1,000
Shares outstanding (mn)	136
52-Week high/low (VND)	188,000 / 96,900
6M avg. daily turnover (USD mn)	3.29
Free float / Foreign ownership (%)	45.3 / 36.8
Major shareholders (%)	
FPT	46.5
CTBC Vietnam Equity	4.9

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND)	(x)	(x)	(x)	(%)	(%)
2022A	30,166	474	398	3,295	(41.4)	16,951	24.2	8.6	3.7	21.3	0.0
2023A	31,850	(297)	(329)	(2,537)	(177.0)	11,738	(64.6)	13.9	(2.9)	(18.3)	0.3
2024F	40,989	656	476	3,493	NA	18,984	51.4	13.1	2.4	18.4	0.3
2025F	53,525	1,124	874	6,415	83.6	19,439	28.0	9.4	5.2	33.0	0.3
2026F	66,734	1,468	1,164	8,544	33.2	24,622	21.0	6.7	6.4	34.7	0.3

Source: Company data, KIS Research

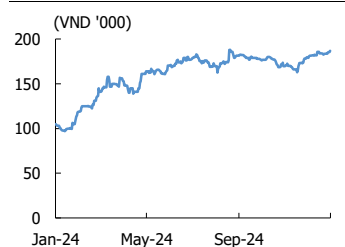
Note: NP and EPS attributed to controlling interest

### Expand to build a complete healthcare ecosystem

#### Performance

	1M	6M	12M
Absolute (%)	3.9	4.9	77.4
Rel. to VNI (%p)	2.3	3.9	63.0

#### Stock price



Source: Bloomberg

**LC expanded while FPT Shop started to recover.** In 9M24, FRT's net revenue increased to VND28,910bn (+24.0% yoy). In which:

- **LC:** Sales of LC surged to VND18,006bn (+62.4% yoy), attributed to a rapid expansion of 352 pharmacies and 105 vaccine centers.
- **FPT Shop:** Sales of ICT-CE products continued declining to VND10,904bn (-10.9% yoy) due to the weak demand.

In 9M24, FRT posted NPAT of VND275bn (from a loss of VND226bn in 9M23).

**Table 4. FRT 2025 earnings forecast**

(VNDbn, %)

	1Q25F	2Q25F	1H25F		2025F		Consensus	
			yoy	qoq		yoy	1H25F	2025F
<b>Revenue</b>	<b>12,380</b>	<b>12,489</b>	<b>24,869</b>	<b>34.8</b>	<b>10.3</b>	<b>53,525</b>	<b>30.6</b>	<b>48,180</b>
FPT Shop	8,366	8,858	17,225	49.5	20.0	36,517	12.6	-
Long Chau	4,013	3,631	7,644	10.4	-6.6	17,008	41.1	-
<b>NPAT</b>	<b>207</b>	<b>200</b>	<b>407</b>	<b>274.6</b>	<b>10.9</b>	<b>874</b>	<b>83.8</b>	<b>646</b>
FPT Shop	60	45	106	Na	2.4	235	Na	-
Long Chau	146	155	301	36.0	14.3	639	31.6	-

Source: Company data, Bloomberg, KISVN estimate

**LC would be the main growing factor.** We think that FRT's net revenue would reach VND53,525bn (+30.6% yoy) in 2025F. In which:

- **LC:** LC would continue to be the sales driver. We expect that LC would open ~400 pharmacies in 2025F to reach the level of 2,300 stores, which are in line with the management target of 2,500 – 3,000 stores. Besides, LC would open ~100 vaccine centers thereby maintaining the 2<sup>nd</sup> position, which we think it is reasonable because of the complexity of the vaccine centers. At a bottom line, we estimate NPAT would be maintained at the current level since we think LC pharmacies has been in the stable operational phase, while the expansion of LC vaccine centers would not be fast enough to have a notable impact on NPM (we also don't think it would make a notable loss).
- **FPT Shop:** FPT Shop would recover due to higher consumer demand and the replacement cycle of mobile phones. Similar to TGDD&DMX, we think that FPT Shop operating margin would also improved in 2025F, while store counts would be maintained at the current level.

We estimate that FRT would report NPAT of VND874bn (+83.8% yoy) in 2025F.

In which, LC would continue to be the main contributor, while FPT Shop would see a turnaround from the net loss in 2024 (about -VND10bn).

**FRT is trading at 0.46 1-year rolling PS forward**, which is +0.8 SDs higher than the 5-year average PS of 0.31. In the long term, we think that FRT will be a good fit for the private healthcare segment in Vietnam. However, in the short-term, we think that the growing prospect of LC modern pharmacies have been priced in (which we think has almost come to the end of the fast expansion period). The consensus target price is VND205,125 (Bloomberg), which is 11.8% higher than the current price.

## Phu Nhuan Jewelry (PNJ)

Stock price (Jan 02, VND)	97,900	Yr to	Sales	OP	NP	EPS % chg	BPS	PE	P/B	ROA	ROE	DY
Market cap (USD mn)	1,299	Dec	(VND bn)	(VND bn)	(VND bn)	(VND) (yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
Shares outstanding (mn)	338	2022A	33,876	2,337	1,810	6,988 70.9	34,302	11.3	2.3	15.1	25.1	2.3
52-Week high/low (VND)	107,745 / 81,725	2023A	33,137	2,484	1,971	6,009 (22.4)	29,882	14.3	3.3	14.2	21.6	2.0
6M avg. daily turnover (USD mn)	3.88	2024F	38,585	2,751	2,147	6,354 5.7	33,267	15.2	3.5	13.7	19.1	2.1
Free float / Foreign ownership (%)	91.0 / 49.0	2025F	40,159	3,192	2,514	7,418 16.7	38,041	13.0	2.5	14.6	19.5	2.2
Major shareholders (%)		2026F	47,232	3,694	2,910	8,563 15.4	40,014	11.2	2.0	16.0	21.4	2.3
Dragon Capital	9.7											
Spucegrove	5.1											

Source: Company data, KIS Research

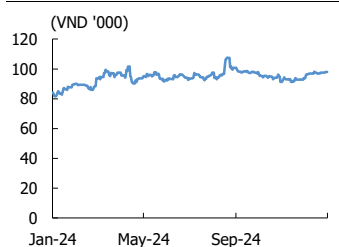
Note: NP and EPS attributed to controlling interest

### Gained market share would further push the recovery

#### Performance

	1M	6M	12M
Absolute (%)	4.1	4.5	16.2
Rel. to VNI (%p)	2.5	3.5	1.8

#### Stock price



Source: Bloomberg

**Jewelry Retail has been on the recovery path.** In 9M24, PNJ's net revenue grew to VND29,242bn (+25.1% yoy). In which:

- **Jewelry Retail:** Jewelry Retail's sales grew to VND15,936bn (+16.9% yoy), which was driven by the recovery of demand.
- **Gold 24K:** Gold 24K's sales surged to VND10,264bn (+43.5% yoy) mainly in 1H24 due to the high demand for trading purposes.

In 9M24, NPAT grew to VND1,382bn (+3.1% yoy). In 3Q24, NPAT was down by 14.8% yoy due to a lower Jewelry Retail gross margin and higher tax expenses.

**Table 5. PNJ 2025 earnings forecast**

(VNDbn, %)

	1Q25F	2Q25F	1H25F		2025F		Consensus		
			yoy	qoq		yoy	1H25F	2025F	
<b>Revenue</b>	<b>11,116</b>	<b>8,819</b>	<b>19,935</b>	<b>-9.9</b>	<b>21.0</b>	<b>40,159</b>	<b>4.1</b>	<b>-</b>	<b>36,970</b>
Jewelry Retail	8,035	5,742	13,777	25.9	18.7	26,746	18.6	-	-
Gold 24K	1,814	1,958	3,772	-58.9	42.7	8,314	-29.7	-	-
Wholesale	1,166	1,044	2,210	21.9	5.7	4,748	21.6	-	-
<b>NPAT</b>	<b>1,167</b>	<b>980</b>	<b>1,360</b>	<b>16.5</b>	<b>38.8</b>	<b>2,514</b>	<b>17.1</b>	<b>-</b>	<b>2,477</b>

Source: Company data, Bloomberg, KISVN estimate

**Jewelry Retail would recover stronger.** In 2025F, we estimate that PNJ's net revenue would increase to VND40,159bn (+4.1% yoy). In which:

- **Jewelry Retail:** Jewelry Retail's sales would be the key driver as a recovery of consumer demand. Next, we expect PNJ would continue to gain market share from unbranded jewelry with about 25 – 30 new stores (vs ~26 stores in 2024).
- **Gold 24K:** Gold 24K's sales would decrease from the high base due to the continuing 24K gold shortage for private retailers.

We estimate that PNJ would report NPAT of VND2,514bn (+17.1% yoy), which is driven by the recovery of Jewelry Retail and a higher gross margin (due to a higher contribution of Jewelry Retail and a higher Jewelry Retail's gross margin due to the cooldown of raw gold shortage).

**PNJ is trading at 13.0 1-year rolling PE forward**, which is -1.1 SDs or 20.9% below the 5-year average PE of 16.4 (Jan-19 – Dec-24). We estimate that NPAT would rise by 8.9%/17.1%/15.8% in 24F/25F/26F. Next, we believe that PNJ's negative 3Q24 business results (NPAT downed by 14.8% yoy) have been priced

in, which would be followed by NPAT surge by 21.0% in 4Q24F. The consensus target price is VND117,863 (Bloomberg), which is 20.8% higher than the current price.

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