

2H25 RETAIL OUTLOOK

BETTER OR WORSEN DEPENDS ON MACRO CONDITIONS

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2H25 Retail Outlook

Better or worsen depends on macro conditions

Sector Rating	<div><div>NEGATIVE</div><div>NEUTRAL</div><div>POSITIVE</div></div>
1H25 Overview	<ul style="list-style-type: none"><i>In 1Q25</i>, we see consumer demand continuing to improve compared to the previous quarter but remaining weak compared to pre-Covid-19 levels or 2022. (1) ICT-CE retailers posted a positive sales growth of 11.0% yoy, leading by the strong sales of TGDD while FPT Shop and Nguyen Kim continued to be glommy. (2) Jewelry retailers faced hardship from both the demand and supply sides due to the surge of global and Vietnam's gold prices, coming from the global macro-economics uncertainty. (3) Grocery retailers stepped into the 1st expansion phase with a positive result with 232 new stores of BHX (NPAT: ~VND23bn) and 144 new stores of WCM (NPAT Pre-MI: ~VND58bn). (4) For pharmaceutical retail, Long Chau continued to be the key driver with 79 new pharmacies and 18 vaccine centers, while An Khang and Pharmacy did not open more stores to focus on breaking the break-even points.
2H25 Outlook	<ul style="list-style-type: none"><i>ICT-CE Retail:</i><ul style="list-style-type: none">2H25F outlook: We think that sales growth of ICT-CE retailers such as FPT Shop, TGDD, DMX, and Nguyen Kim might be slower compared to 1H25 on a yearly basic due to the weak consumer demand as being affected by (1) a lower consumer confidence and (2) a lower consumer income due to the impact of reciprocal tariff. Store closures might continue at a small scale reflecting the weak demand and the transformation to e-commerce.<i>Jewelry Retail:</i><ul style="list-style-type: none">2H25F outlook: We think Jewelry Retailers would continue to see headwinds from both sides due to the volatility and unpredictability of global gold prices. (1) It would affect sales due to a lower sales volume due to higher prices. (2) It would also affect gross margin due to the continuing raw gold shortage. As a result, we think that the business results of PNJ might not get better soon.<i>Grocery Retail:</i><ul style="list-style-type: none">2H25F outlook: We think that stores expansion would be slower compared to 1H25 as BHX has almost completed the expansion plan (+378 stores YTD). Meanwhile, BHX's net profit would be higher contributing from (1) slower expansion (meaning lower losses from new stores) and (2) the stores opened in late 2024 start to contribute profit. We estimate BHX would report VND400bn in 2H25 compared to VND100bn in 1H25.<i>Pharmaceutical Retail:</i><ul style="list-style-type: none">2H25F outlook: We think that the pharmacies expansion rate would continue to get slower as the market has turn into the consolidation phase. Particularly, Long Chau would be the key driver with 75 new stores per quarters, meanwhile Pharmacy and An Khang would expand slower or maintain the current store level to find the break-even point.<i>Upside potential:</i><ul style="list-style-type: none">Consumer demand might get stronger-than-expected if Vietnam has a good negotiation results with the US.BHX might continue to open more store if they achieve their NPAT earlier-than-expected.
Recommendation	<ul style="list-style-type: none">Based on our analysis, we rate NEUTRAL recommendation for Retail Sector. Regarding to stock recommendation, we rate MWG (HOLD), PNJ (HOLD), and FRT (HOLD).

Coverage List

Ticker	Recommendation	TP	Upside	25F Rev	25F NPAT	Rev - yoy	NPAT - yoy	Trailing PE	Trailing PS	Current DY
MWG	HOLD			147,506	5,066	9.8	35.7	21.5	0.7	1.6
PNJ	HOLD			35,507	1,994	(8.0)	(5.7)	13.2	0.8	2.5
FRT	HOLD			49,658	977	23.8	139.1	53.1	0.6	0.0
DGW	NON-RATED							20.9	0.4	1.1
PET	NON-RATED							17.4	0.1	4.1



2H25 Retail - Better or worsen depends on macro conditions

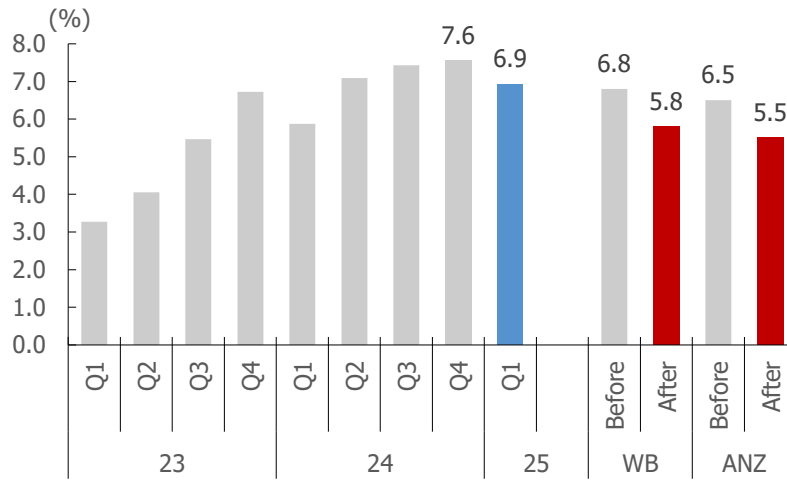
I. Industry analysis

- 
- 1. ICT-CE**
 - 2. Jewelry**
 - 3. Grocery**
 - 4. Pharmacy**

Consumer demand

2H25 – Weak consumer demand might persist longer

Figure 01: GDP growth might be slower, affecting consumer purchasing power.



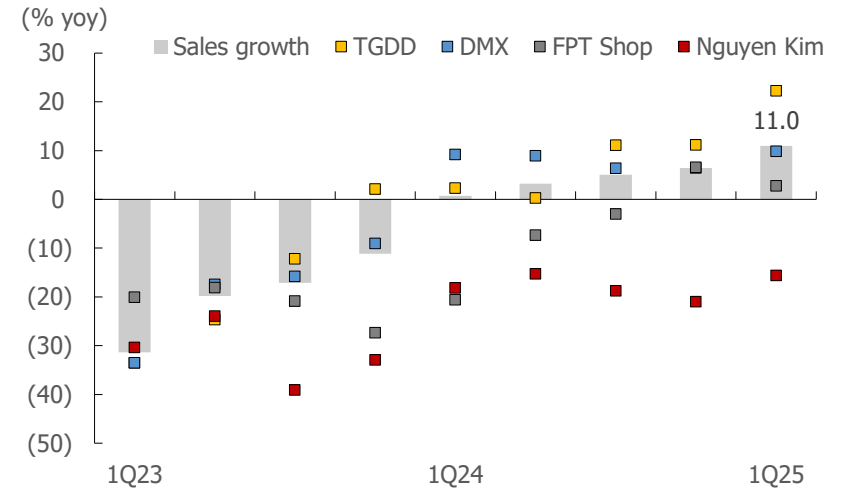
Source: GSO, KIS Research

Figure 03. Stores closures was continued in 1Q25, indicating a weak consumer demand



Source: Company Data, KIS Research

Figure 02. ICT-CE sales growth since 2Q25F might not be strong due to the impacts of tariffs on consumer sentiment



Source: Company Data, KIS Research

In 1H25, consumer demand was not strong, being shown through store closures and slow sales recovery

In 2H25, consumer spending might continue weak

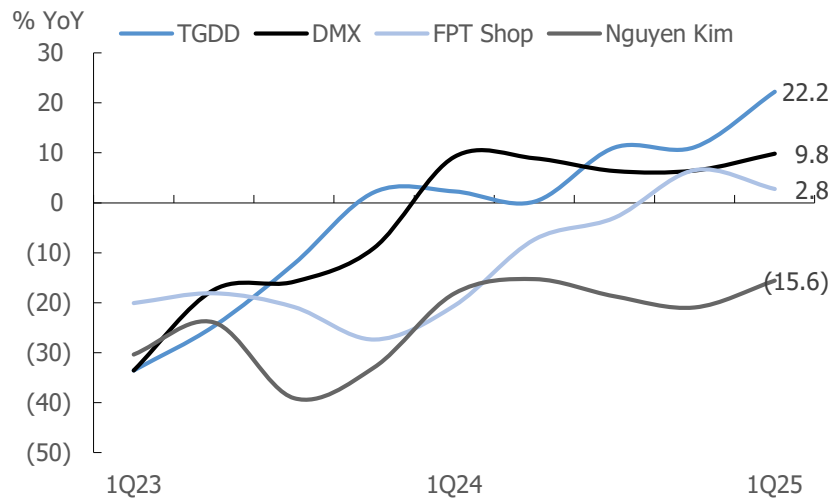
- The desire to spend might be lower
- Purchasing power might also decline

Importantly, consumers' desire to spend might be impacted even before real income is impacted

1. ICT-CE RETAIL

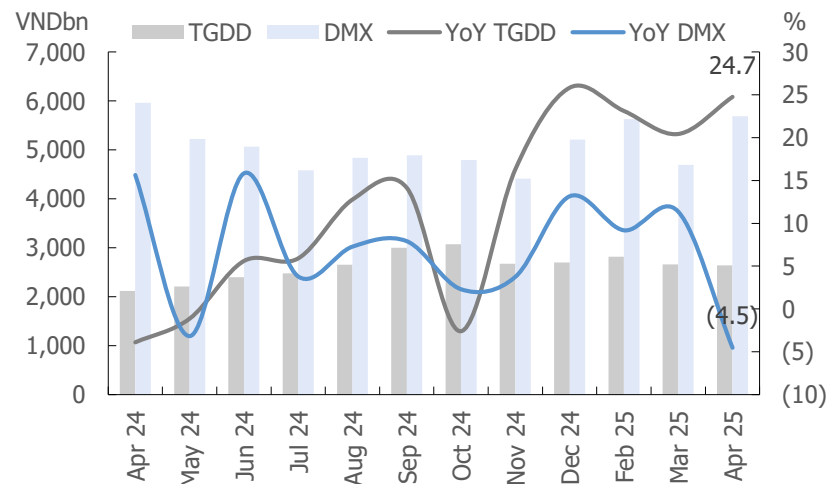
2H25 – Sales growth would be slower

Figure 04: The sales growth of ICT-CE in 1Q25 was driven by TGDD & DMX



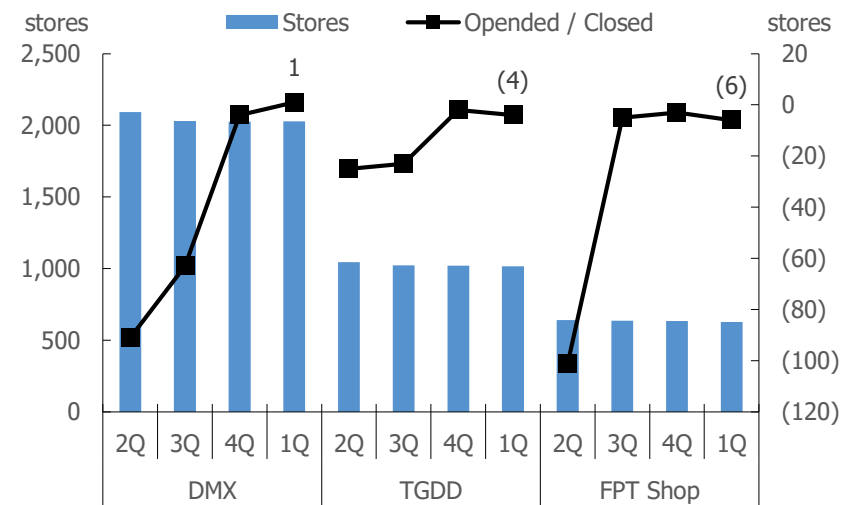
Source: Company Data, KIS Research

Figure 06: TGDD and DMX's sales growth decelerated in Apr 25, which might be because of the tariff impacts



Source: Company Data, KIS Research

Figure 05: Stores closures continued at a low level in 1Q25, which might last into 2H25



Source: Company Data, KIS Research

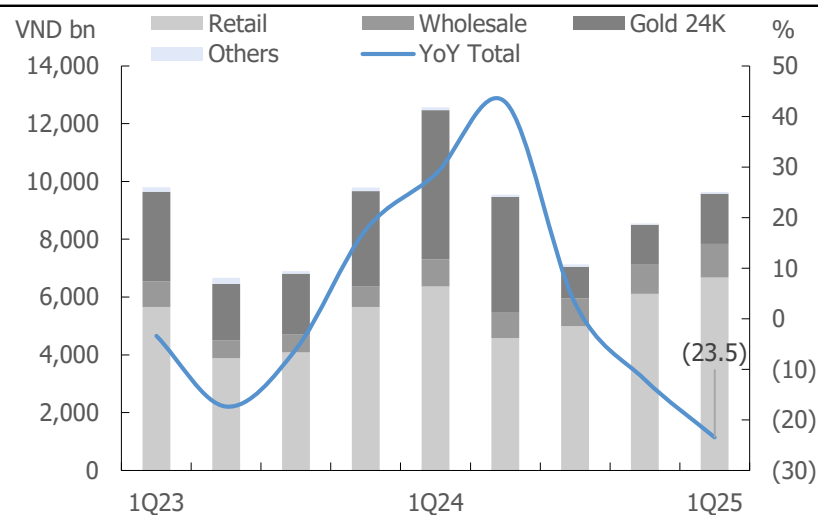
In 1H25, ICT-CE's sales growth was driven by TGDD & DMX, which might not be a reliable factor suggesting that consumer spending is currently in "good shape".

In 2H25, we think ICT-CE's sales growth would be slower as the impact of tariff on consumer spending.

2. JEWELRY RETAIL

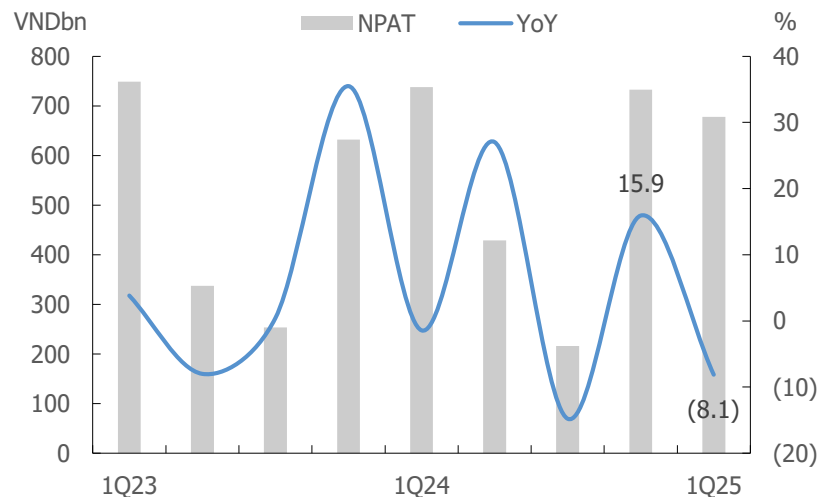
2H25 - Hardship would continue from both sides

Figure 07: PNJ's sales declined sharply due to the drop of Gold 24K and the weak demand for Jewelry Retail



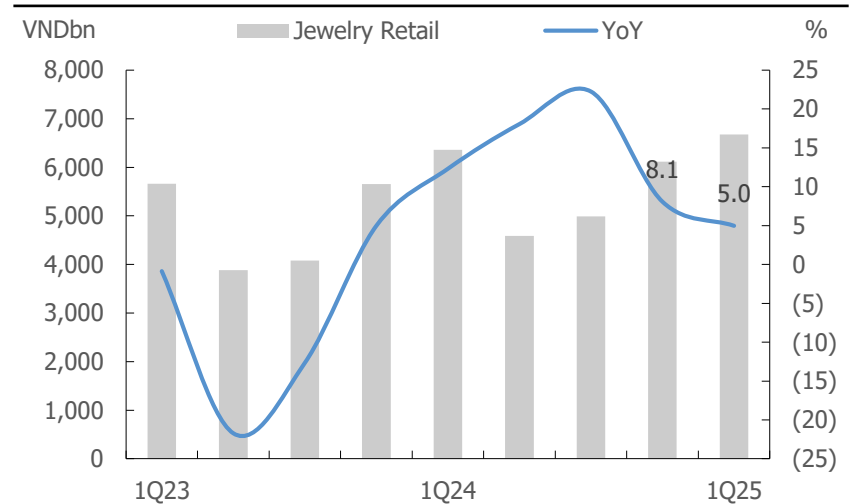
Source: Company Data, KIS Research

Figure 09: PNJ's NPAT decreased in 1Q25 due to the weak Sales of Jewelry Retail and higher raw material gold prices



Source: Company Data, KIS Research

Figure 08: PNJ's Jewelry Retail sales was not strong in 1Q25, and volume was decreased when accounting for prices sure



Source: Company Data, KIS Research

In 1H25, Jewelry retailers faced challenged from both the demand and supply sides due to the surge in gold prices.

In 2H25, we think that gold prices would volatile unpredictedly influcing by global macro events which again not a favor condition for jewelry retailers.

2. JEWELRY RETAIL

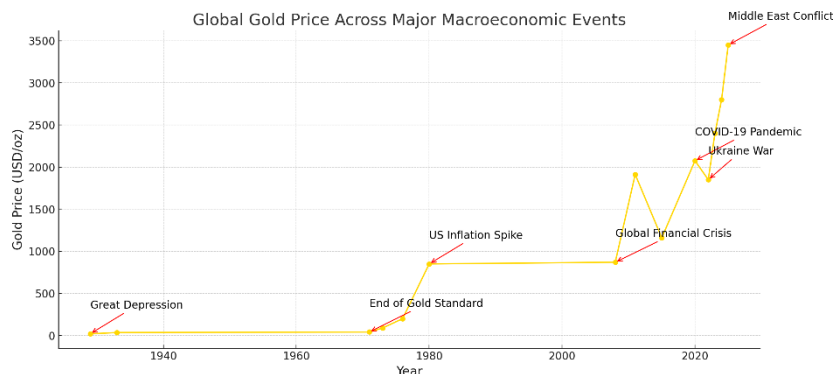
In the short-term – Gold prices would volatile and extremely difficult to predict up or down

Figure 10: Global institution have different forecast on gold prices

Institution	Forecast (end-2025)	Timeframe	Key Drivers
Goldman Sachs	\$3,700–3,880	end-2025	Strong central bank buying, ETFs, inflation
J.P. Morgan	\$3,675–4,000	Q4 2025 – Q2 2026	Stagflation, de-dollarization, strong demand
Bank of America	\$3,063–3,350	2025 – 2026	Trade uncertainty, persistent inflation
UBS	> \$3,200	2025	Safe haven and portfolio diversification
Citi	\$3,100–3,500	0–12 months / 2025	Geopolitical risks, economic recovery outlook
SocGen	\$2,900	end-2025	Continued safe-haven demand
RBC Capital Markets	\$2,823	2025	Inflation and easing expectations
ANZ Bank	\$2,800–2,900	EoY 2025	Fed rate cuts
Deutsche Bank	\$3,139–3,350	2025 – EoY	Institutional confidence in gold
State Street Global Adv.	\$3,100–3,500	2025	ETF flows, macro risks
World Gold Council	\$3,000+	2025	Central bank demand
Morgan Stanley	\$2,700–3,400	2025	Ukraine conflict, macro environment

Source: KIS Research

Figure 11: Gold prices tend to surge in the occurrence of global macro-economic troubles.



Source: Company Data, KIS Research

In 2H25F, we think that the gold prices would volatile and very difficult to predict, which is not good for jewelry retailers. Meanwhile, global institutions have different forecast on gold prices as follows:

- Minimum: \$2,700
- Median: \$3,350
- Maximum: \$4,000

2. JEWELRY RETAIL

In the long term - The new decree is good for jewelry retailers but the application might be slow

Figure 12: Comparison between before and after the new decree

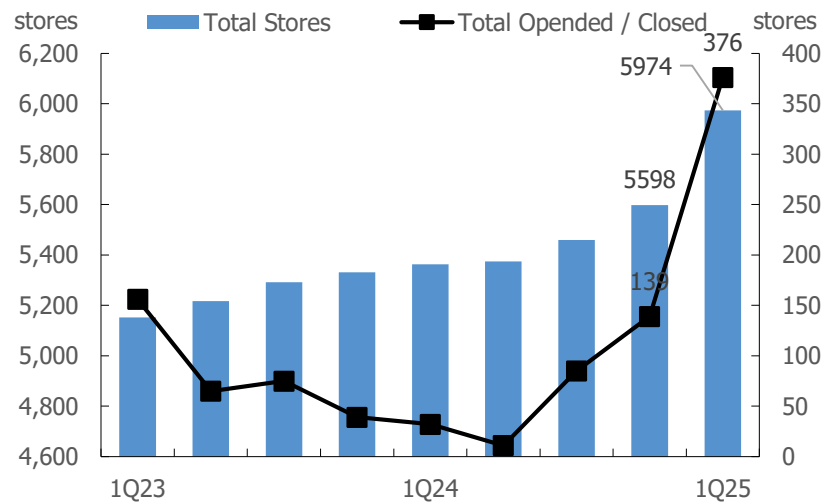
Criteria	Before amendment (Decree 24/2012)	After amendment (New Draft)
Gold bars		
Right to import raw gold	SBV has exclusive right	Open to qualified banks and businesses
Right to produce gold bars	SBV exclusively through SJC	License granted to multiple qualified entities
Gold bar standards	Only SJC brand	Allowed for diverse brands, meeting technical standards
Entities permitted to trade gold bars	Businesses licensed by SBV	Unchanged, but with more transparent and stricter conditions
Gold jewelry		
Right to import raw gold	Businesses licensed by SBV	Businesses and credit institutions licensed by SBV are allowed to import and resell to other gold jewelry manufacturers
Mechanism for importing raw gold for gold jewelry production	License granted with annual quotas, complex procedures	License granted with annual quotas, via electronic dossier

In the long-term, we think the new decree would help to bring down the Vietnam gold price *gap* as it would increase the domestic gold supply. This would help to ease the gold shortage (which would eventually ease with or without the decree) and stabilize the gold market, which is good for jewelry retailers like PNJ and Dolji. However, we think that **the application in reality might be slow** due to the complexity of the gold imports on the monetary system.

3. GROCERY RETAIL

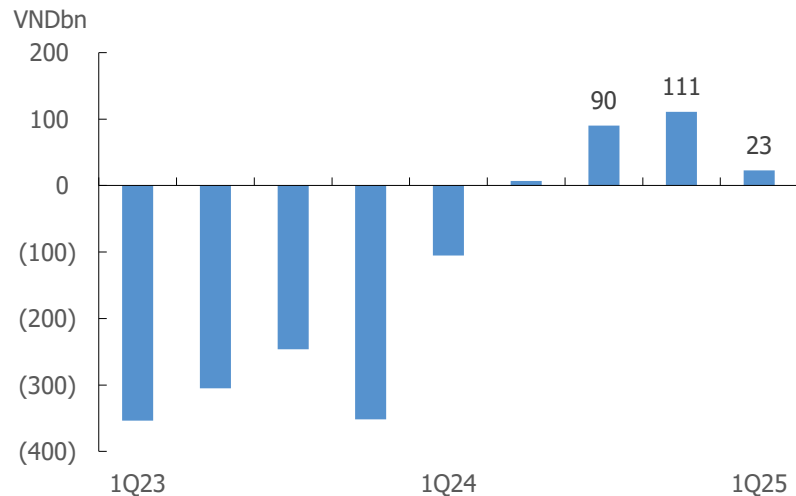
2H25 – Slower expansion but higher profitability.

Figure 13: In 1Q25, minimarts has entered the 1st expansion phase with the total of 376 new stores



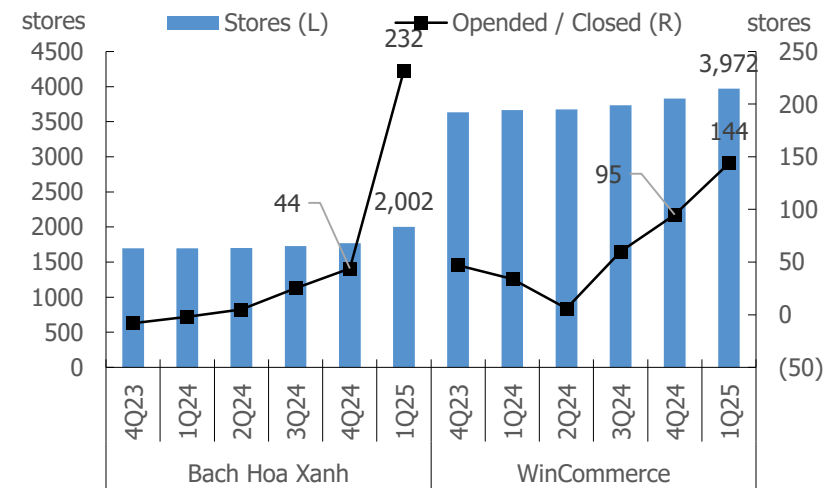
Source: Company Data, KIS Research

Figure 15: BHX and WCM's NPAT in 1Q25 decreased compared to 4Q24, but not necessarily a bad thing



Source: Euromonitor, KIS Research

Figure 14: In which, BHX expanded rapidly with 232 new stores (up to 378 stores as of now)



Source: Company Data, KIS Research

In 1H25, BHX expanded quickly with ~400 new stores while posting a lower NPAT. In 2H25, we think BHX would expand slower (or almost no expansion) which the n help to increase NPAT.

3. GROCERY RETAIL

2H25 – Impacts of on Telegram 82/CD-TTg on the modern grocery retail landscape

Figure 16: Comparison between before and after the Telegram 82/CD-TTg

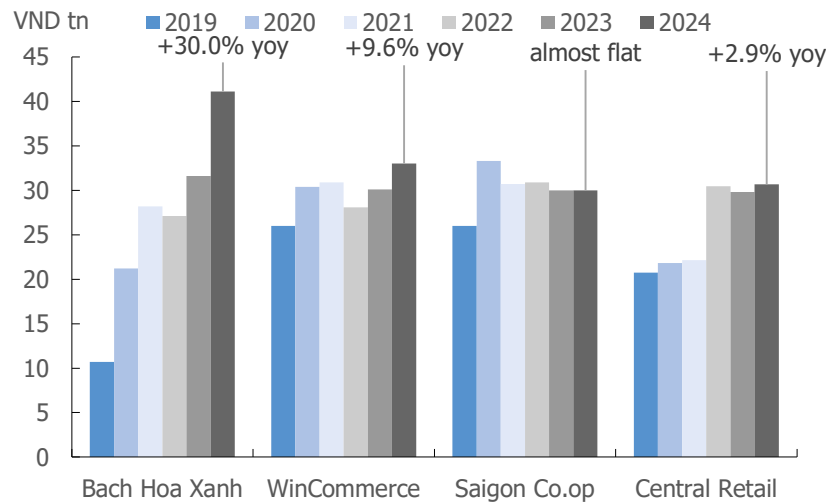
Criteria	Before Telegram 82/CD-TTg	After Telegram 82/CD-TTg
Counterfeit and poor quality goods	Popular, especially in GT channels with large volume of goods whose origin is not inspected	Restricted, as competent authorities strengthen inspection, trace origin; some small business establishments in GT channels may be forced to suspend operations
Consumer behavior	Less concerned about product origin, prioritizing GT channels for cheap prices	Tend to reliable sales points with clear origin traceability, MT channels are more advantageous
Price gap between MT and GT channels	MT channels have higher costs due to required quality inspection of goods and business taxes	Narrowing the gap due to tightened origin inspection of goods and increased business taxes (<i>Decree 70/2025/NĐ-CP from 1/6/2025</i>)
Ability to expand sales points	GT channels are more open, with fewer legal barriers	New GT sales points are constrained due to origin and operational controls

In the long term, we expect Telegram 82/CD-TTg to support the transition of Vietnam's grocery retail market toward greater transparency and formalization. Stricter enforcement of product origin and quality checks will likely benefit MT players, including large-scale retailers such as WinMart (MSN) and BHX (MWG), which already operate under more structured supply chains and compliance frameworks. This could drive a gradual shift in consumer preference toward modern retail channels due to improved trust and product traceability. However, we believe this transformation might be gradual as it takes time for GT players' conversion and consistent Telegram enforcement across the country. In the short-term, we think that **the key driver for market share expansion of MT channels remain the store expansion** of leading players such as BHX, WCM.

3. GROCERY RETAIL

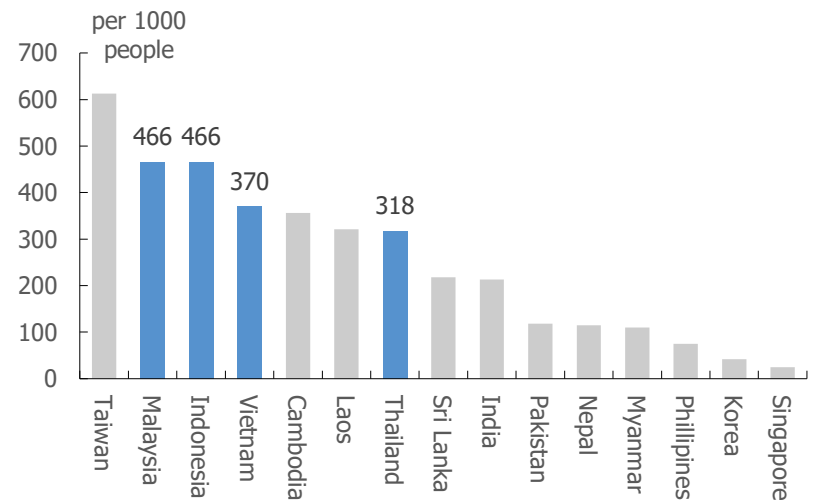
2026 onwards - The long-term prospect remain positive.

Figure 17: Bach Hoa Xanh are expanding market share in the modern grocery retail in Vietnam



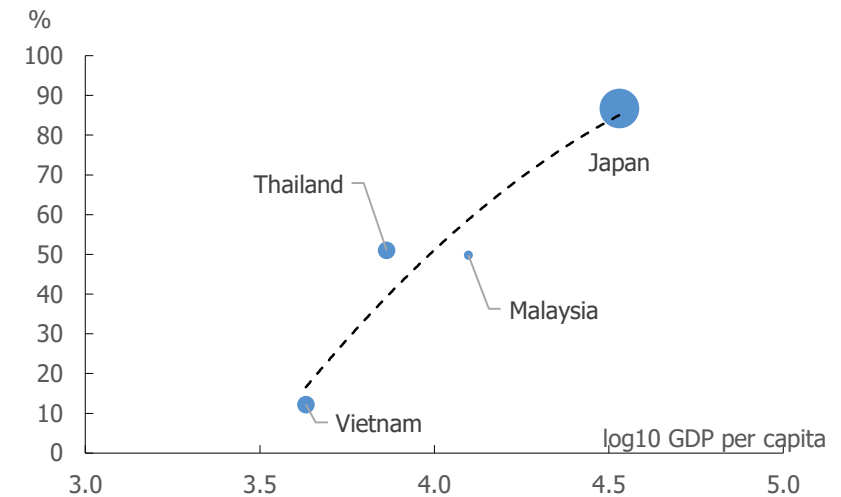
Source: Company Data, KIS Research

Figure 19: In which, high motorbike owners rate is the most Important factor to foster the popularity of minimarts



Source: Euromonitor, KIS Research

Figure 18: Modern grocery retail in Vietnam still have a lot of room to grow when Vietnamese's income rise



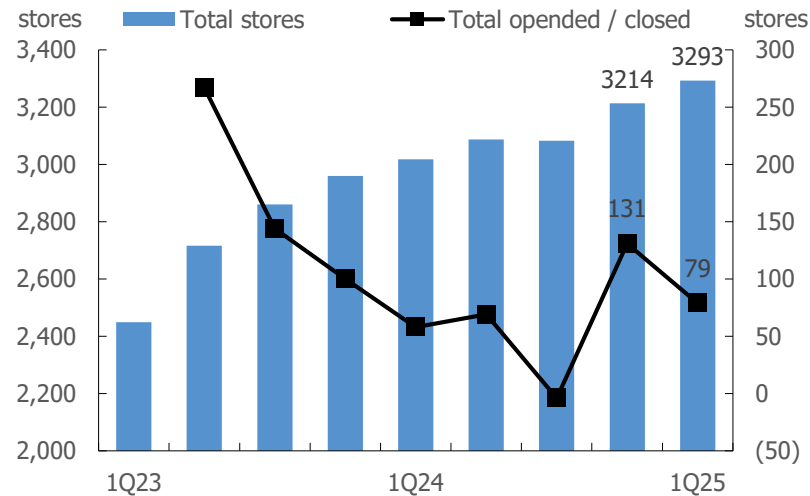
Source: Company Data, KIS Research

In the long-term, modern grocery retail in Vietnam still have a lot of room to grow due to the low penetration level. In which, BHX are building its competitive advantage quickly.

4. PHARMACY RETAIL

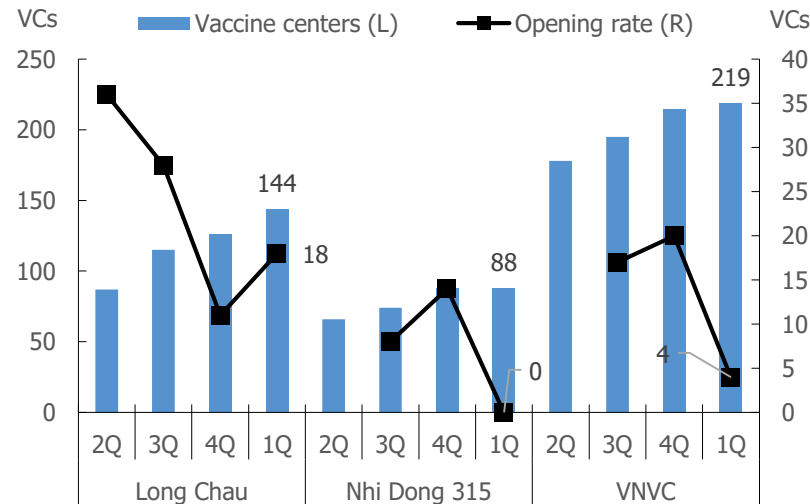
2H25 - Pharmacies store expansions would continue to slowdown

Figure 20: Modern pharmacies expansion has been slowdown in recent quarters and would continue to be slow in 2H2025



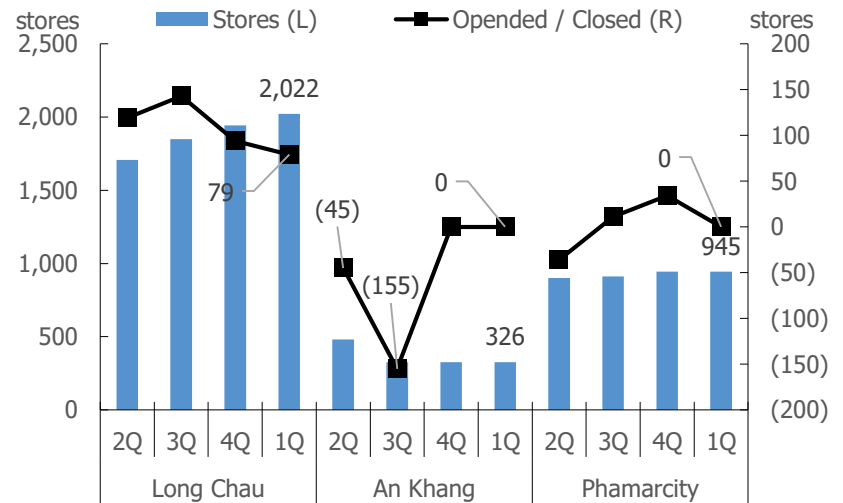
Source: Company Data, KIS Research

Figure 22: Vaccine centers expansion was slow and might not accelerated soon



Source: Company Data, KIS Research

Figure 21: The expansion rate of Long Chau was also the lowest in recent quarters



Source: Company Data, KIS Research

In 1H25, modern pharmacies expansion rate has been slowdown as entering the consolidation phase.

In 2H25, we think that the competitive landscape would not be much different.

II. 2025 Retail – Next Chapter

Company analysis

1. MWG

2. PNJ

3. FRT

Coverage List

Ticker	Recommendation	PE trailing	PE forward	Explanation
MWG	HOLD	24x	18x	Given the slowdown in 2H25 and “not cheap” valuation, we recommend HOLD for MWG in the short-term. However, for long-term investment, MWG is still our top pick due to the bright prospect of BHX.
PNJ	HOLD	12x	13x	Although PNJ is currently at “cheap” valuation, we still recommend HOLD for PNJ in the short-term as we do not think their business results would get better soon. For the long-term, we do not think it is the right time to buy due to the unpredictability in gold prices and unknown global events.
FRT	HOLD	56x	23x	Given the slowdown in 2H25 and “not cheap” valuation, we recommend HOLD for FRT in the short-term. For long-term, we do not think it is the right time to buy as the competitive advantage of Long Chau’s vaccine centers and wider healthcare services are still unclear.

1. Mobile World Group

2H25 – BHX's expansion and ICT-CE's sales would both slowdown

Investment Theme

In 2025, we estimate that MWG's net revenue would grow to **VND147,506bn (+9.8% yoy)** and NPAT would reach **VND5,066bn (+35.7% yoy)**. In which, in 2H25, sales growth would be slower (in YoY basic) and NPAT would also be lower (in absolute basic) relatively to 1H25. Specifically:

- BHX would maintain the current store level at ~2,148 stores (+378 stores YTD) while posting NPAT of about VND400bn (~VND100bn in 1H25).
- ICT-CE sales would be slower due to the impact of tariffs on consumer spending.

Valuation & Recommendation

- At VND62,400, MWG is trading at 24x PE trailing and 18x PE forward. Given the slowdown in 2H25 and “not cheap” valuation, we recommend **HOLD** for MWG in the short-term. However, for long-term investment, MWG is still our top pick due to the bright prospect of BHX.

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	2022	2023	2024	2025F
Net Revenue	31,486	34,134	34,147	34,574	36,135	37,214	36,613	37,545	133,405	118,280	134,341	147,506
TGDD	6,791	6,727	8,132	8,091	8,287	7,956	8,874	9,180	34,685	28,269	30,092	34,297
DMX	14,526	16,251	14,318	14,078	15,919	16,403	14,884	15,188	68,970	55,237	59,513	62,392
BHX	9,149	10,340	10,840	10,780	10,886	12,255	12,255	12,578	27,081	31,581	41,108	47,973
Growth	16.2	15.8	12.7	10.0	14.8	9.0	7.2	8.6	8.5	-11.3	13.6	9.8
TGDD	2.3	0.2	11.1	6.5	22.0	18.3	9.1	13.5	9.8	-18.5	6.5	15.3
DMX	9.2	8.9	6.4	3.9	9.6	0.9	3.9	7.9	10.0	-19.9	7.7	5.4
BHX	43.6	41.3	25.6	16.4	19.0	18.5	13.1	16.7	-3.8	16.6	30.2	16.7
Gross Profit	6,713	7,308	6,892	6,587	7,200	7,257	6,956	7,284	30,862	22,521	27,499	28,697
% yoy	28.7	34.3	21.4	6.5	7.3	-0.7	0.9	10.6	11.7	-27.0	22.1	4.4
% gross margin	21.3	21.4	20.2	19.1	19.9	19.5	19.0	19.4	23.1	19.0	20.5	19.5
Operating Profit	1,212	1,698	1,320	997	1,940	1,552	1,348	1,527	6,575	1,047	5,227	6,368
% yoy	619.8	796.5	570.8	115.1	60.0	-8.6	2.1	53.2	1.7	-84.1	399.2	21.8
% operating margin	3.9	5.0	3.9	2.9	5.4	4.2	3.7	4.1	4.9	0.9	3.9	4.3
Net Profit	903	1,172	806	852	1,548	1,234	1,071	1,213	4,102	168	3,733	5,066
% yoy	4143.0	6632.4	1975.9	843.5	71.4	5.3	32.9	42.4	-16.3	-95.9	2,124.5	35.7
% net margin	2.9	3.4	2.4	2.5	4.3	3.3	2.9	3.2	3.1	0.1	2.8	3.4

1. Mobile World Group

2H25 – BHX's expansion and ICT-CE's sales would both slowdown

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	Notes
Sales of TGDD	6791	6727	8132	8443	8301	7956	8874	9180	SSSG would recover slowly due to the weak demand, we expect MWG would maintain the current store level as being planned.
% yoy	2.3	0.2	11.1	11.1	22.2	18.3	9.1	13.5	
Sales / store	2.1	2.1	2.6	2.8	2.7	2.6	2.9	3.0	
% SSSG	13.5	13.1	26.5	17.3	28.7	21.3	9.5	13.5	
Store units	1071	1046	1023	1021	1017	1020	1020	1020	
+/- qoq	-7	-25	-23	-2	-4	0	0	0	
Sales of DMX	14526	16251	14318	14418	15952	16403	14884	15188	SSSG would recover slowly due to the weak demand, we expect MWG would maintain the current store level as being planned.
% yoy	9.2	8.9	6.4	6.4	9.8	0.9	3.9	7.9	
Sales / store	2.2	2.6	2.4	2.4	2.6	2.7	2.5	2.5	
% SSSG	14.5	19.1	19.8	15.1	18.3	4.3	4.2	8.2	
Store units	2184	2093	2030	2026	2027	2025	2025	2025	
+/- qoq	-6	-91	-63	-4	1	-2	0	0	
Sales of BHX	9149	10340	10840	10779	11008	12255	12255	12578	SSSG decreases due to lower sales per store in the Central, we expect BHX would not open more stores in 2H25 as they have reached their guidance (+400 stores YTD) and they would focus on the profitability.
% yoy	43.6	41.3	25.6	16.4	20.3	18.5	13.1	16.7	
Sales / store	1.8	2.0	2.1	2.0	1.8	1.9	1.9	2.0	
% SSSG	44.8	41.7	24.1	11.7	1.9	-6.2	-9.2	-4.8	
Store units	1696	1701	1726	1770	2002	2150	2150	2150	
+/- qoq	-2	5	25	44	232	151	0	0	
Gross profit	6,713	7,308	6,892	6,587	7,200	7,257	6,956	7,284	Gross margin would not be high due to the high contribution of mobile phones.
% yoy	28.7	34.3	21.4	6.5	7.3	-0.7	0.9	10.6	
% gross margin	21.3	21.4	20.2	19.1	19.9	19.5	19.0	19.4	
Operating profit	1,212	1,698	1,320	997	1,940	1,552	1,348	1,527	Higher operating margin as saving operating costs when operating a lower store number.
% yoy	619.8	796.5	570.8	115.1	60.0	-8.6	2.1	53.2	
% operating margin	3.9	5.0	3.9	2.9	5.4	4.2	3.7	4.1	
NPAT	903	1,172	806	852	1,548	1,234	1,071	1,213	NPAT would report at about VND1,000bn - VND1,200bn in 2H25F.
% yoy	4,143.0	6,632.4	1,975.9	843.5	71.4	5.3	32.9	42.4	
% net margin	2.9	3.4	2.4	2.5	4.3	3.3	2.9	3.2	

2. Phu Nhuan Jewelry

2H25 – Business results might not turn positive soon

Investment Theme

In 2025, we estimate that PNJ's net revenue would decrease to **VND35,507bn (-8.0% yoy)** and NPAT would decrease to **VND1,994 (-5.7% yoy)**. In 2H25, we think that PNJ's business results might not turn positive soon:

- Retail Jewelry would continue to be weak due to the weak consumer spending.
- NPAT would continue to have a sharp decrease in 2Q25F before getting a bit better assuming that the global macro does not worsen.

Valuation & Recommendation

- At VND77,800, PNJ is currently trading at 12x PE trailing and 13x PE forward. Although PNJ is currently at “cheap” valuation, we still recommend **HOLD** for PNJ in the short-term as we do not think their business results would get better soon. For the long-term, we do not think it is the right time to buy due to the unpredictability in gold prices and unknown global events.

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	2022	2023	2024	2025F
Net Revenue	12,594	9,519	7,129	8,581	9,635	7,514	7,863	10,495	33,876	33,137	37,823	35,507
Retail Jewelry	6,360	4,586	4,991	6,114	6,677	4,698	5,280	7,425	20,732	19,286	22,051	24,080
Gold 24K	5,164	4,013	1,087	1,386	1,744	1,566	1,320	1,620	8,571	10,438	3,782	6,250
Wholesales	945	869	965	1004	1156	1,175	1,188	1,350	4,065	2,850	11,649	4,869
Growth	28.6	42.9	3.1	-12.1	-23.5	-21.1	10.3	12.3	72.9	-2.2	14.1	-8.0
Retail Jewelry	12.3	18.1	22.3	8.1	5.0	2.4	5.8	12.3	80.3	-7.0	14.3	6.8
Gold 24K	66.8	105.0	-48.2	-57.8	-66.2	-61.0	21.4	4.1	70.9	21.8	32.7	-47.1
Wholesales	7.1	41.0	53.2	39.0	22.4	35.2	23.1	19.8	53.7	-29.9	11.6	24.7
Gross Profit	2,149	1,481	1,251	1,791	2,048	1,382	1,179	2,036	5,927	6,059	6,672	6,646
% yoy	13.6	21.8	4.3	2.2	-4.7	-6.7	-5.7	13.7	64.7	2.2	10.1	-0.4
% gross margin	17.1	15.6	17.5	20.9	21.3	18.4	15.0	19.4	17.5	18.3	17.6	18.7
Operating Profit	937	537	315	864	850	461	262	949	2,337	2,484	2,652	2,521
% yoy	-0.5	23.5	-0.4	9.0	-9.3	-14.2	-16.9	9.9	78.9	6.3	6.8	-4.9
% operating margin	7.4	5.6	4.4	10.1	8.8	6.1	3.3	9.0	6.9	7.5	7.0	7.1
Net Profit	738	429	215	733	678	360	203	754	1,811	1,971	2,115	1,994
% yoy	-1.5	28.4	-16.3	16.2	-8.1	-16.0	-6.1	2.9	76.0	8.9	7.3	-5.7
% net margin	5.9	4.5	3.0	8.5	7.0	4.8	2.6	7.2	5.3	5.9	5.6	5.6

2. Phu Nhuan Jewelry

2H25 – Business results might not turn positive soon

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	Notes
Total Sales	12594	9519	7129	8581	9635	7514	7863	10495	<i>Sales grow turn to positive mainly due to the lower base of Gold 24K in 2H24.</i>
% yoy	28.6	42.9	3.1	-12.1	-23.5	-21.1	10.3	12.3	
Sales / store	10.5	7.8	5.7	6.7	7.5	5.8	6.0	7.8	
Retail Jewelry	6360	4586	4991	6114	6677	4698	5280	7425	<i>The recovery of Jewelry Retail might not be strong due to the weak demand.</i>
% yoy	12.3	18.1	22.3	8.1	5.0	2.4	5.8	12.3	
Sales / store	5.3	3.8	4.0	4.8	5.2	3.6	4.0	5.5	
Gold 24K	5164	4013	1087	1386	1744	1566	1320	1620	<i>Sales of Gold 24K would continue to be glommy due to the gold shortage.</i>
% yoy	66.8	105.0	-48.2	-57.8	-66.2	-61.0	21.4	4.1	
Sales / store	4.3	3.3	0.9	1.1	1.4	1.2	1.0	1.2	
Wholesale	945	869	965	1004	1156	1175	1188	1350	<i>Sales of wholesale would grow as business partners import more (due to the tighten control of SBV on gold's origin).</i>
% yoy	7.1	41.0	53.2	39.0	22.4	35.2	23.1	19.8	
Sales / store	0.8	0.7	0.8	0.8	0.9	0.9	0.9	1.0	
Others	101	76	86	39	58	75	75	100	<i>PNJ would open 5-10 stores per quarter, heading to the open of 20 stores in 2025.</i>
Store units	401	405	418	429	429	435	440	450	
Gross profit	2,149	1,481	1,251	1,791	2,048	1,382	1,179	2,036	<i>Retail Jewelry's gross margin might not get better soon due to the continuing gold shortage and global gold price fluctuation.</i>
% yoy	13.6	21.8	4.3	2.2	-4.7	-6.7	-5.7	13.7	
% gross margin	17.1	15.6	17.5	20.9	21.3	18.4	15.0	19.4	
Operating profit	937	537	315	864	850	461	262	949	<i>PNJ's operating profit might continue to decrease in upcoming quarters.</i>
% yoy	-0.5	23.5	-0.4	9.0	-9.3	-14.2	-16.9	9.9	
% operating margin	7.4	5.6	4.4	10.1	8.8	6.1	3.3	9.0	
NPAT	738	429	215	733	678	360	203	754	<i>As a result, PNJ's NPAT might not get better soon.</i>
% yoy	-1.5	28.4	-16.3	16.2	-8.1	-16.0	-6.1	2.9	
% net margin	5.9	4.5	3.0	8.5	7.0	4.8	2.6	7.2	

3. FPT Retail

2H25 – LC's expansion and FPT Shop's recovery would not be strong

Investment Theme

In 2025, we estimate that FRT's net revenue would grow to **VND49,855bn (+24.3% yoy)** and NPAT would reach **VND978bn (2x yoy)**. In which, in 2H25, we think that LC's store expansion would slow down while FPT Shop's recovery would not be strong.

- Long Chau's modern pharmacies expansion would slow down to ~80 stores per quarters and VCs expansion would not be fast at ~25 VCs.
- FPT Shop might continue to report losses in 2Q25F as the sales would not be enough to cover fixed costs.

Valuation & Recommendation

- At VND163,500, FRT is currently trading at 56x PE trailing and 23x PE forward. Given the slowdown in 2H25 and “not cheap” valuation, we recommend **HOLD** for FRT in the short-term. For long-term, we do not think it is the right time to buy as the competitive advantage of Long Chau's vaccine centers and wider healthcare services are still unclear.

	1Q24	2Q24	3Q24	4Q24F	1Q25	2Q25F	3Q25F	4Q25F	2022	2023	2024F	2025F
Net Revenue	9,042	9,240	10,376	11,448	11,670	11,615	12,726	13,647	30,166	31,850	40,104	49,658
Long Chau	5,459	5,900	6,395	7,225	7,988	8,408	8,763	9,119	9,477	15,665	24,978	34,277
FPT Shop	3,583	3,340	3,981	4,222	3,682	3,208	3,963	4,529	20,689	16,185	15,126	15,382
Growth	16.6	28.8	26.0	31.7	29.1	25.7	22.6	19.2	34.1	5.6	25.9	23.8
Long Chau	68.5	65.4	54.7	52.9	46.3	42.5	37.0	26.2	140.7	65.3	59.5	37.2
FPT Shop	-20.6	-7.4	-3.0	6.5	2.8	-4.0	-0.5	7.3	11.5	-21.8	-6.5	1.7
Net Profit	61	48	165	134	213	197	264	303	398	-329	408	977
Long Chau	111	110	126	116	231	229	240	258	51	146	464	958
FPT Shop	-51	-62	40	18	-19	-32	25	45	347	-475	-55	19
Growth	na	na	na	na	250.6	305.8	59.9	126.1	87.1	-267.4	54.4	222.6

3. FPT Retail

2H25 – LC's expansion and FPT Shop's recovery would not be strong

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	Notes
Sales of Long Chau	5534	5987	6485	7314	8054	8408	8763	9119	LC pharmacies' expansion might be slower as the market entered the consolidation phase. Specifically, LC would open 75 pharmacies and 15 vaccine centers per quarter.
% yoy	68.5	65.6	54.8	52.6	45.5	40.4	35.1	24.7	
Pharmacies units	1587	1706	1849	1943	2022	2090	2165	2240	
+/- qoq	90	119	143	94	79	75	75	75	
VCs units	51	87	115	126	144	155	170	185	
+/- qoq	41	36	28	11	18	15	15	15	
Sales of FPT Shop	3583	3340	3981	4222	3682	3208	3963	4529	FPT Shop's sales would grow slow due to the slow recovery of SSSG. Similar to TGGD and DMX, we expect that FPT Shop would maintain the current store level.
% yoy	-20.6	-7.4	-3.0	6.5	2.8	-4.0	-0.5	7.3	
Sales / store	1.6	1.7	2.1	2.2	2.0	1.7	2.1	2.4	
% SSSG	-13.8	15.5	20.5	26.9	21.6	-2.0	0.8	8.1	
Store units	743	642	637	634	628	629	629	629	
+/-qoq	-12	-101	-5	-3	-6	0	0	0	
Net Profit	61	48	165	134	213	197	264	303	FPT Shop might continue to report losses in 2Q25 (as sales not enough to cover fixed costs) before getting better in 2H25F.
Long Chau	111	110	126	116	231	229	240	258	
FPT Shop	-51	-62	40	18	-19	-32	25	45	