Shinhan Securities

Retail Sector

Harnessing for profit Breakthrough



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Contents

Retail Sector – Harnessing for Profit Breakthrough

1. Update global retail market

   In 2024, global retail market revenue is estimated to reach USD 31.1 trillion (+5.4% YoY). Emarketer forecasts the growth will remain stable at 4% per annum from 2024- 2027.

2. Vietnam retail market

   In 2024, the growth momentum of Vietnam's retail sector remained stable compared to 2023. In 2024, the retail sales of goods and services reached VND 6,391 trillion (+9.0% YoY).

3. Vietnam retail sector outlook in 2025

   Retail sector growth is anticipated to reach 9-10% YoY in 2025, driven by: (1) Positive economic growth prospects; (2) Improved income levels and a high urbanization rate; (3) Continued growth momentum from new retail segments.

4. Typical stocks in retail sector

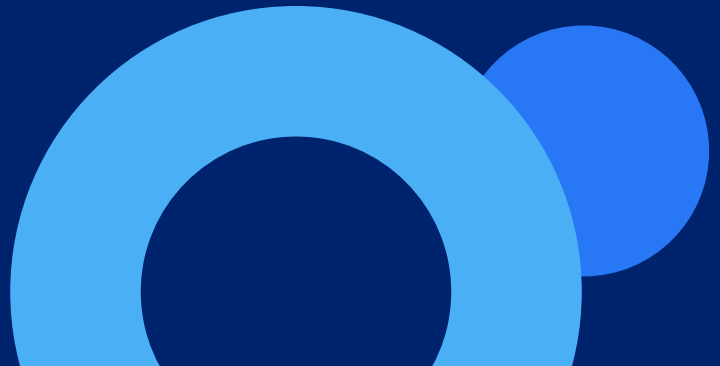
   MWG, FRT, DGW

01

Update global retail market

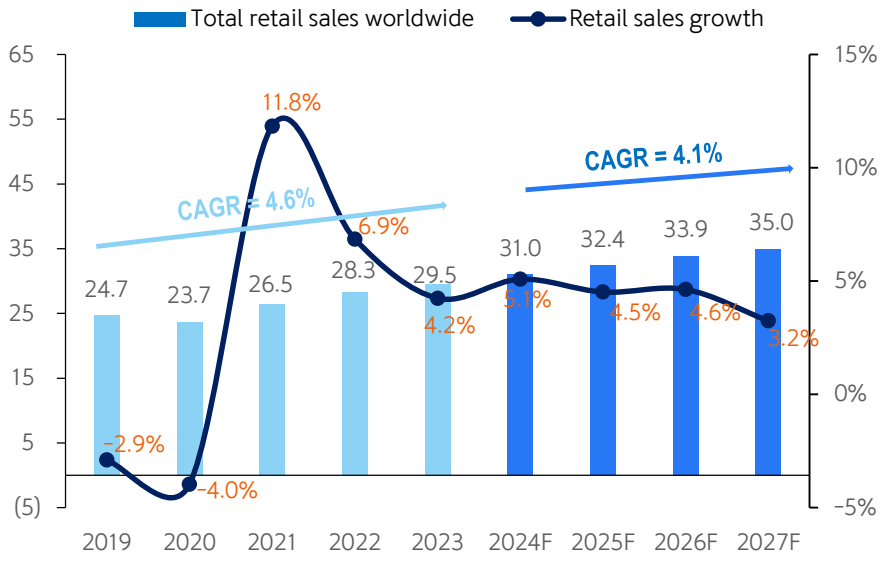
Growth in the retail sector plays a significant role in the overall recovery of the economy after each disruptive event.

In 2024, global retail market sales is estimated to reach USD 31.1 trillion, an increase of 5.4% compared to the same period in 2023. Over the 2024-2027 period, it is forecast that growth will remain stable at around 4% per annum.



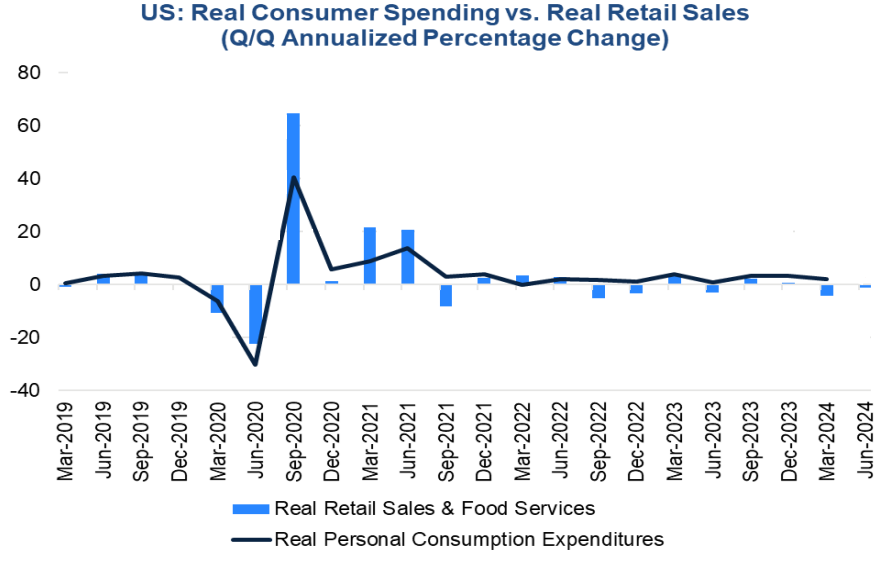
1. Update global retail market

Total Global retail sales and forecast (USD tn)



Source: Insider Intelligence, eMarketer (2024), Statista, Shinhan Securities Vietnam

Actual retail sales and Actual spending changes (% QoQ)

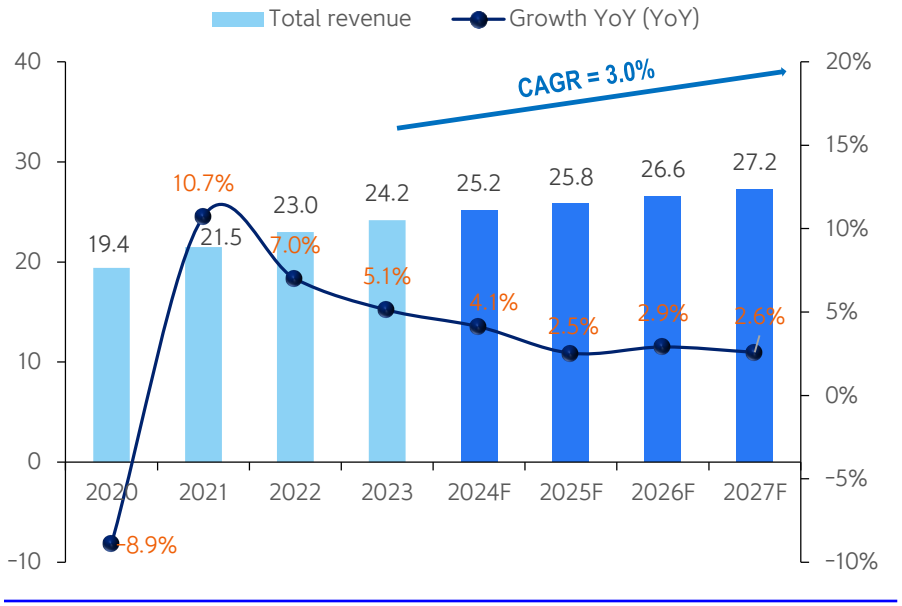


Source: The Conference Board, Shinhan Securities Vietnam

- Global retail growth is expected to cool as the global economy continues to experience volatility. Slow wage growth, depleted savings, and high credit debt are limiting spending, particularly on non-essential and high-value goods. High interest rates and rising prices also contribute to a decline in shopping demand.
- The Conference Board reports that real retail sales (inflation-adjusted) and actual consumer spending are trending downward in 2024. This decline reflects a shift in spending from goods to services (entertainment, dining, personal care, travel, education), with a greater emphasis on experiences over material possessions.
- In the coming years, global retail revenue growth is projected to cool down, with CAGR of 4.1% over the 2024-2027 period.

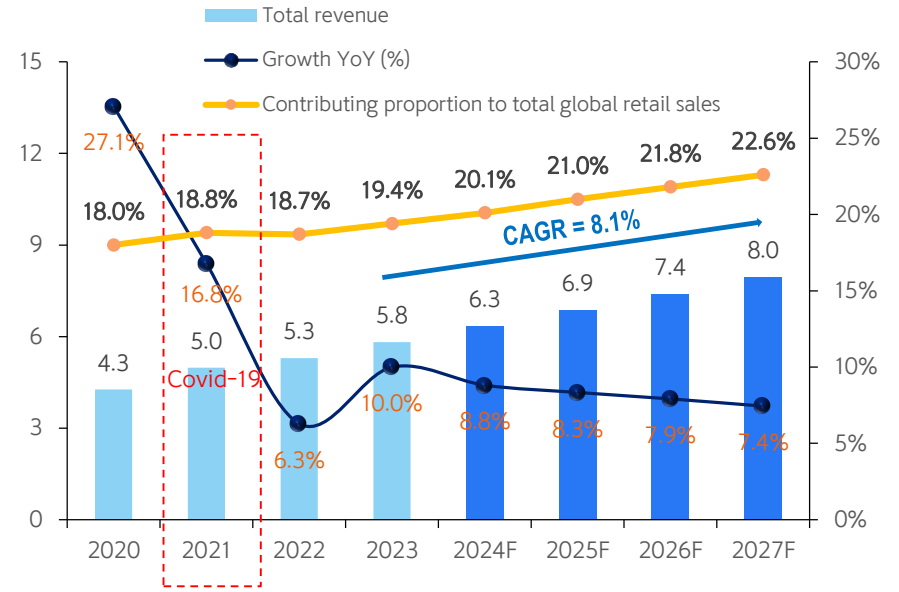
1. Update global retail market

Global revenue of offline retail channels (USD tn)



Source: Insider Intelligence, eMarketer (2024), Shinhan Securities Vietnam

Global revenue of online retail channels (USD tn)



Source: Insider Intelligence, eMarketer (2024), Shinhan Securities Vietnam

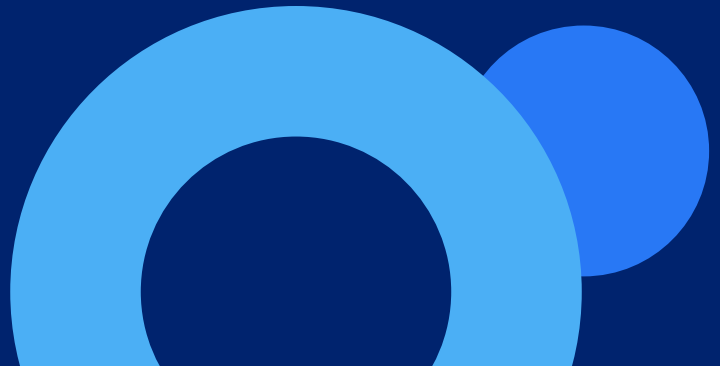
- Revenue from physical retail stores is estimated to reach USD 25.2 trillion (+4.1% YoY), accounting for 80% of total global retail revenue. Growth in this traditional channel is expected to be cooled down, with a projected CAGR of 3%/year during the 2023-2027 period.
- Meanwhile, e-commerce (B2C) is becoming increasingly popular worldwide. The e-commerce retail channel has experienced impressive growth since the Covid-19 social distancing period. Its contribution to global retail revenue has significantly improved, projected to maintain a share of 20-23% with stable growth, corresponding to a CAGR of 8.1% during the 2023-2027 period.

02

Vietnam retail market

In 2024, despite the instability of both the domestic and global economies, Vietnam's retail sector is expected to maintain stable growth compared to 2023.

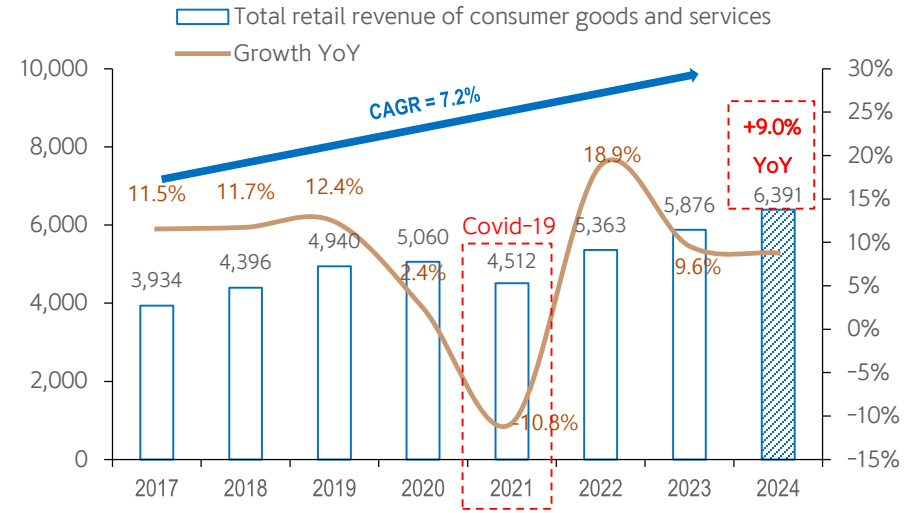
Vietnam retail sales of goods and services in 2024 reached VND 6,391 trillion, equivalent to a market size of approximately USD 265 billion, contributing 60% of Vietnam's GDP.



2. Vietnam retail market

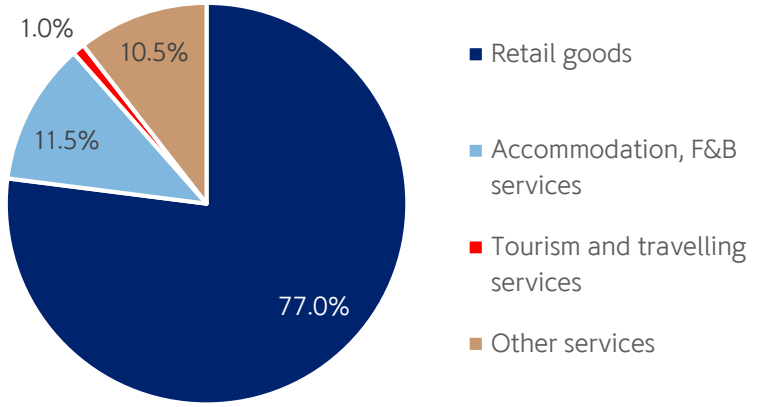
Update retail goods and services

Sales of retail and services in Vietnam (trillion VND)



Source: GSO, Shinhan Securities Vietnam

Sales contributing segment of retail sector in 2024



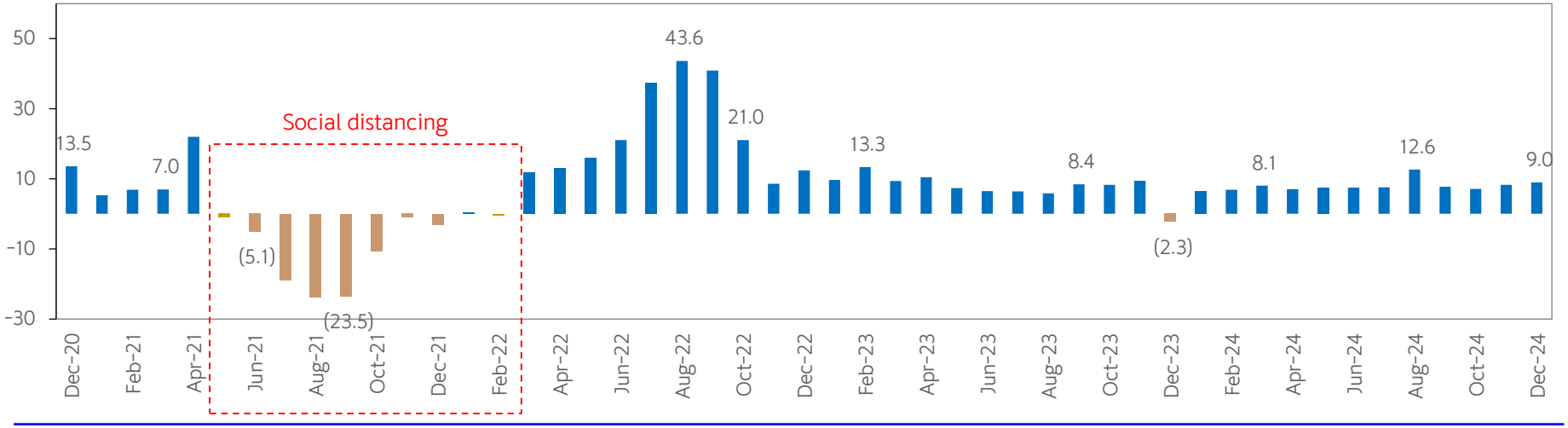
Source: GSO, Shinhan Securities Vietnam

- Retail is one of Vietnam's key industries, with a market size of ~USD 265 billion in 2024 (equivalent to VND 6,391 trillion), projected to reach USD 300 billion by 2025 – contributing 60% to Vietnam's GDP.
- The retailing activities in Vietnam include 4 main groups: (i) Retail goods; (ii) Accommodation and F&B services; (iii) Tourism and traveling; (iv) Other services. Particularly, the "Retail goods" always contributes the highest revenue to the retail sector in Vietnam.
- In 2024, total retail sales of goods and services reached VND 6,391 trillion (+9.0% YoY). Despite significant fluctuations in both the domestic and global economies, the retail sector's growth momentum in 2024 still remained stable compared to 2023.

2. Vietnam retail market

Update retail goods and services

Monthly growth of retail sales (% YoY)



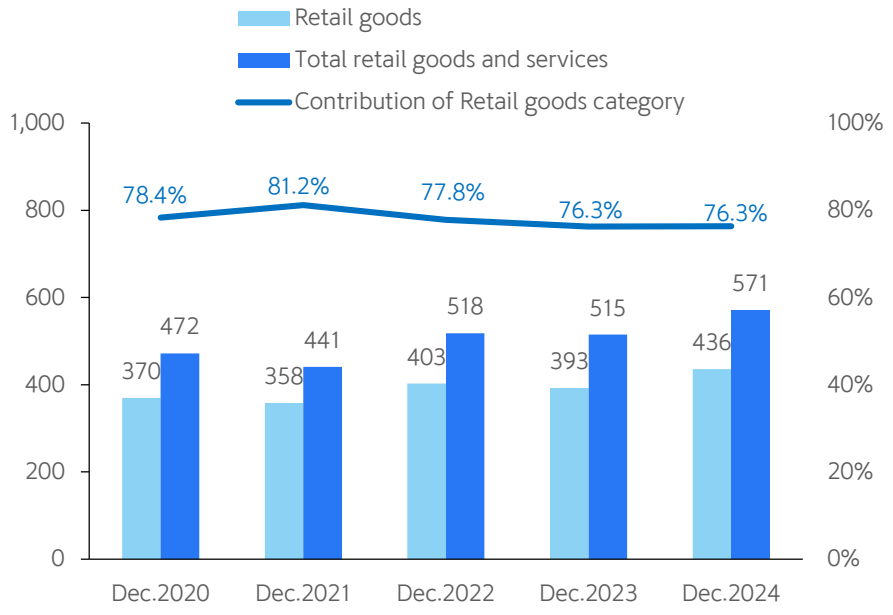
Source: GSO, Shinhan Securities Vietnam

- After a period of severe economic impact due to the COVID-19 pandemic, timely support from government stimulus policies has helped the retail industry gradually recover and maintain stability.
- The growth rate of the retail sector showed positive signs in 2022 and remained stable in 2023 and 2024. Despites the economic fluctuations and the tendency of prioritizing essential goods purchase, the "Retail goods" segment has been continuing to maintain stable growth since 2023. Sales growth of “Retal goods” was estimated to maintain over 8% YoY in 2024, reflecting the resilience and sustainability of Vietnam's retail industry.

2. Vietnam retail market

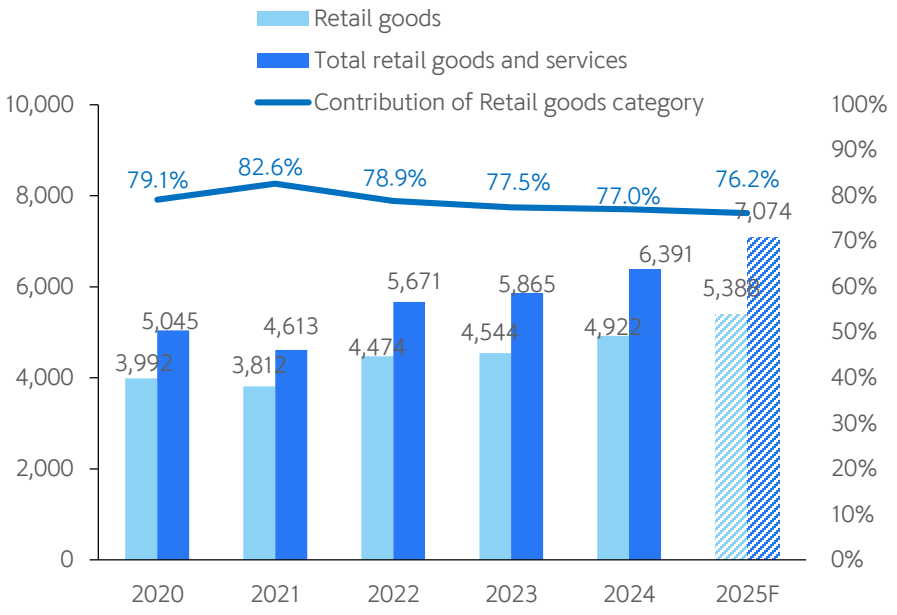
Update retail goods and services

Sales of retail goods in December every year (trillion VND)



Source: GSO, Shinhan Securities Vietnam

Accumulated sales of retail goods segment (trillion VND)

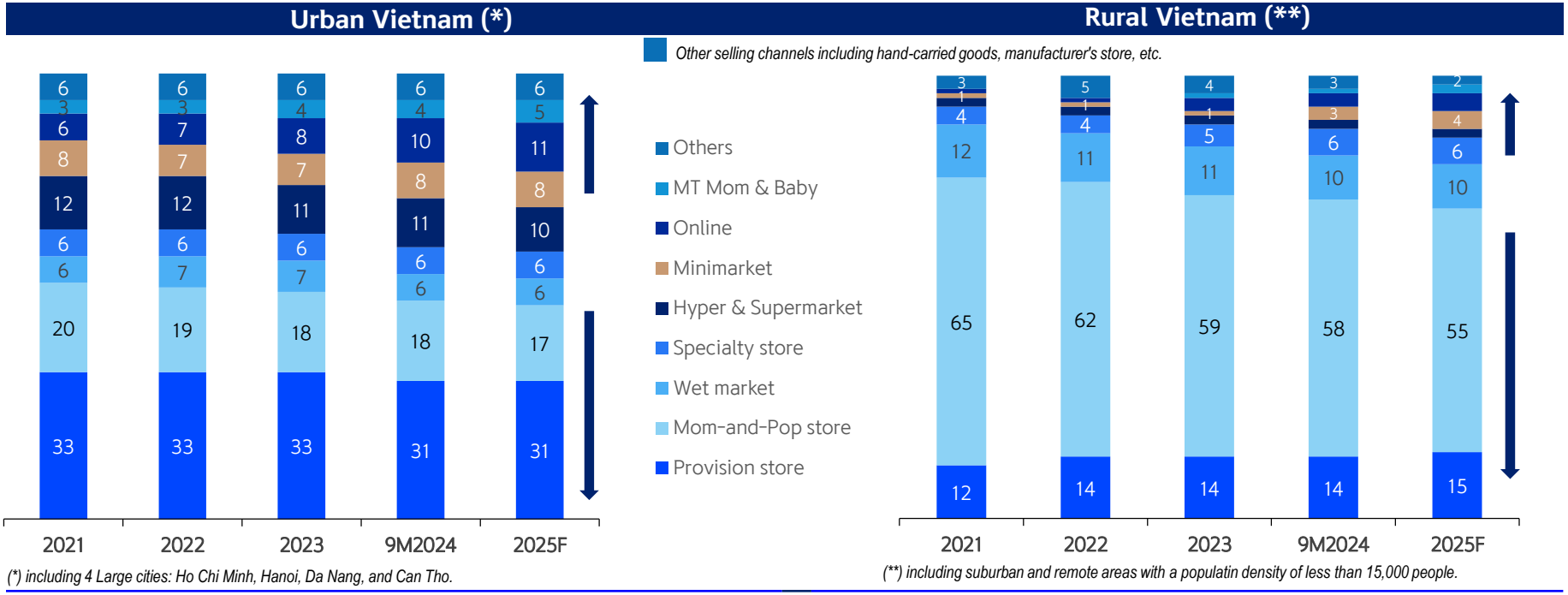


Source: GSO, Shinhan Securities Vietnam

- Sales of "Retail goods" in December 2024 was reported to reach VND 436.7 trillion (+9.0% YoY); Cumulatively in 12M2024, this segment recorded VND 4,921.7 trillion (+8.3% YoY), accounting for 77.0% of total sales of retail goods and services (12M2023: 77.5%).
- We project the total retail sales of goods and services in 2025 to reach 7,074 trillion VND (+10.7% YoY). This result is not solely driven by the tourism, accommodation, and food service sectors, which have shown continuously strong growth post-Covid-19. Supported by various factors, consumer demand is showing clear signs of recovery, which improves sales of retail goods (accounting for ¾ of Vietnam's retail sector), expected to reach VND 5,388 trillion in 2025 (+9.5% YoY).

2. Vietnam retail market

Contribution of retail goods value by channel (%)



(*) including 4 Large cities: Ho Chi Minh, Hanoi, Da Nang, and Can Tho.

(**) including suburban and remote areas with a populatin density of less than 15,000 people.

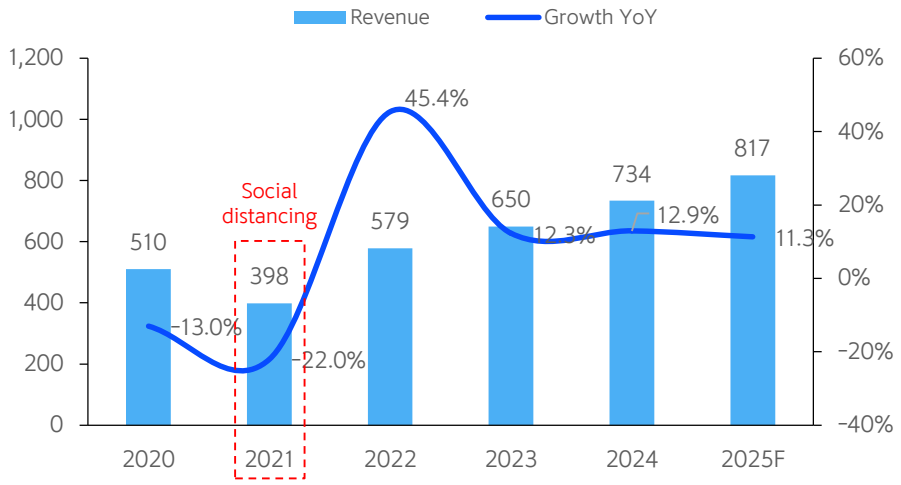
Source: Kantar Worldpanel, Shinhan Securities Vietnam

- Revenue from retail grocery store channels (big and small) still reocrd the largest market share but are gradually shrinking due to the strong expansion of modern retail models, leading to shifts in consumer behavior.
- Many brands are increasing their presence across various sales channels, leveraging the potential of online sales platforms to create a seamless and convenient shopping experience for consumers. Modern retail channels are also expanding their reach to rural areas.
- With the development of internet infrastructure, e-commerce (B2C) retail platforms have become increasingly familiar to Vietnamese consumers, boosting the contribution share of online channels in both urban and rural areas. This presents opportunities for brands, from small to large, to attract and develop their loyal customer base.

2. Vietnam retail market

Update on accommodation, F&B, and tourism services

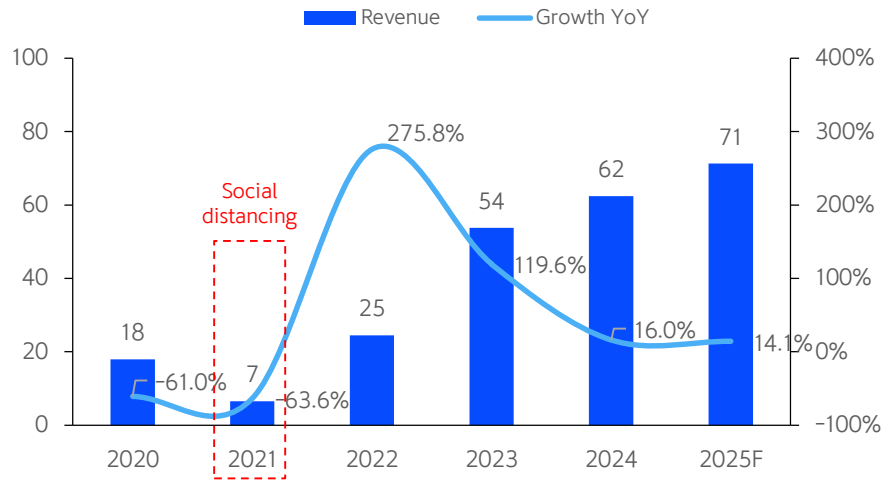
Revenue from accommodation & food services (trillion VND) (*)



(*) includes revenue from accommodation services (hotels, resorts, villas, serviced apartments, homestays, etc.) and food and beverage services (restaurants, eateries, small food stores, etc.)

Source: GSO, Shinhan Securities Vietnam

Revenue from Tourism activities (trillion VND) (**)



(**) only includes service revenue of travel companies, not including expenses outside of travel services (food, shopping, transportation, other entertainment services, etc.)

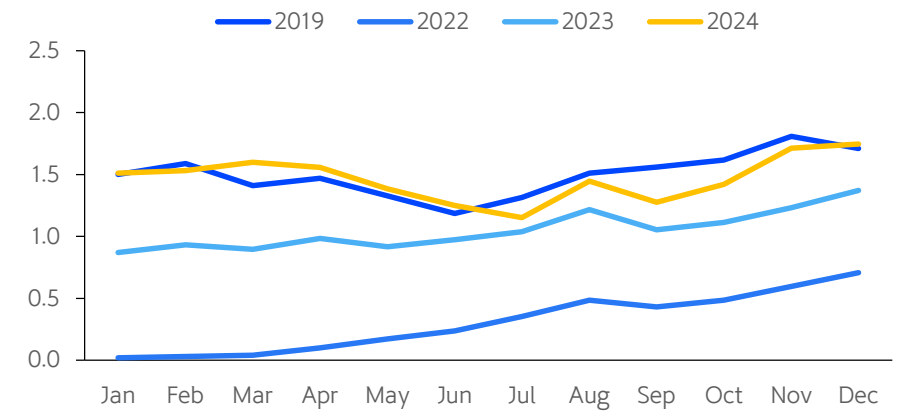
Source: GSO, Shinhan Securities Vietnam

- After the Covid-19 period, travel demand has been recovering strongly. In 2024, total revenue from accommodation and food services reached VND 733.9 trillion (+12.9% YoY). Travel and tourism revenue was recorded at VND 62.5 trillion (+16.0% YoY). In terms of economic efficiency, total revenue from tourists (inbound and domestic) reached VND 840 trillion (+23.8% YoY); targeting to reach over VND 980 trillion (+16.6% YoY) in 2025.
- In 2025, revenue from accommodation, food services, and tourism segments will cool down but still maintain double-digit growth, forecast to reach VND 817.1 trillion (+11.3% YoY) and VND 71.3 trillion (+14.1% YoY), respectively.
- Vietnam aims to attract 22-23 million international visitors (+25-30% YoY) and over 120 million domestic tourists (up 9-10% YoY) in 2025; targeting the tourism industry to contribute 8-9% to GDP in 2025 and 13-14% to GDP in 2030.

2. Vietnam retail market

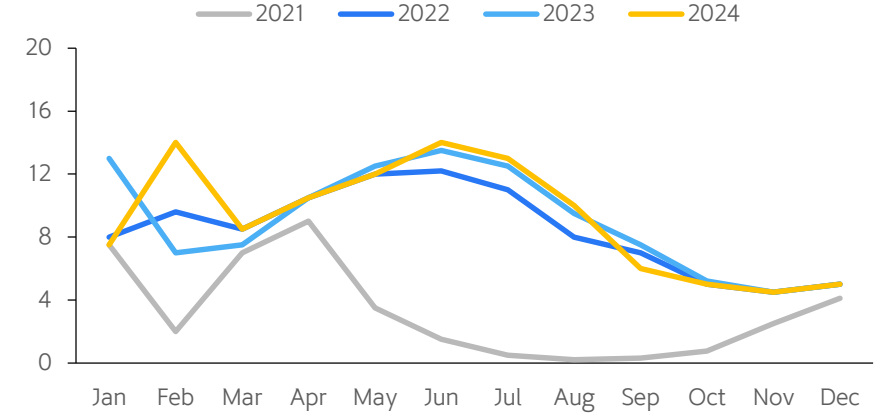
Update on retail service – Tourism segment

Inbound visitors to Vietnam (million)



Source: GSO, Shinhan Securities Vietnam

Domestic tourists (million)



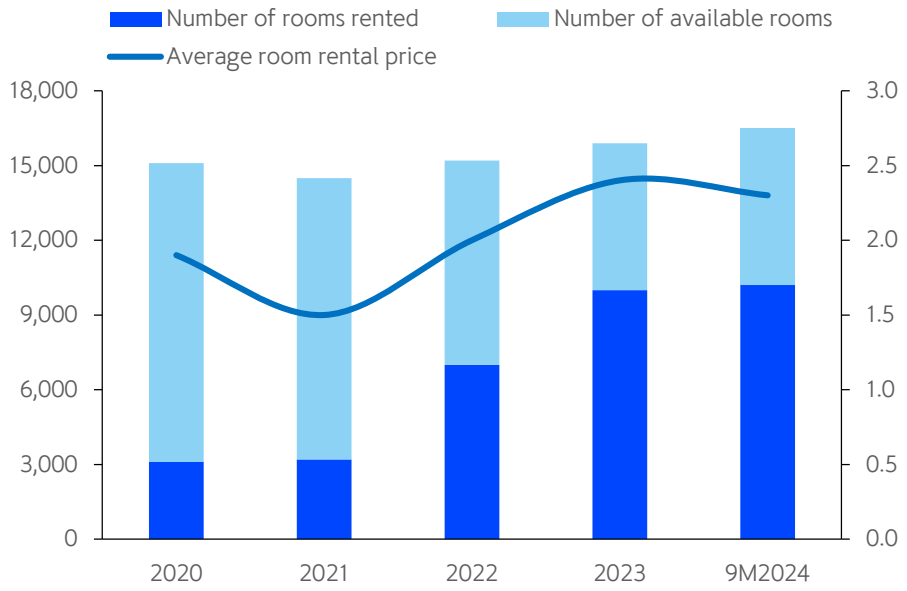
Source: Vietnam National Tourism Administration, Shinhan Securities Vietnam

- **Inbound:** In 2024, Vietnam welcomed 17.6 million international visitors (+40% YoY), achieving its set target (17-18 million visitors). Notably, December 2024 recorded the highest number of international arrivals since the beginning of the year (1.75 million visitors, +27.4% YoY).
- **Domestic:** Served 110 million domestic tourists in 2024 (+1.7% YoY). The booming of domestic travel demand shows signs of cooling down after the social distancing period. However, domestic tourism remains a crucial factor in boosting Vietnam's economy and other retail sectors.
- The strong recovery of international visitors is attributed to favorable visa policies (expanding the list of visa-exempt countries, simplifying the e-visa process, extending the duration of stay for tourists, etc.) and other tourism stimulus programs. Diverse natural resources and cultural heritage provide a solid foundation, promoting tourism and the development of Vietnam's hospitality industry.
- Additionally, improved infrastructure and numerous major entertainment events and recreational activities were organized in metropolitan cities. Specifically, in 2024, Vietnam was chosen as the venue for many music events featuring performances by many international artists (Blackpink, PSY, Imagine Dragons, Maroon 5), attracting a large number of domestic and international tourists.

2. Vietnam retail market

Update on retail service – Accommodation segment

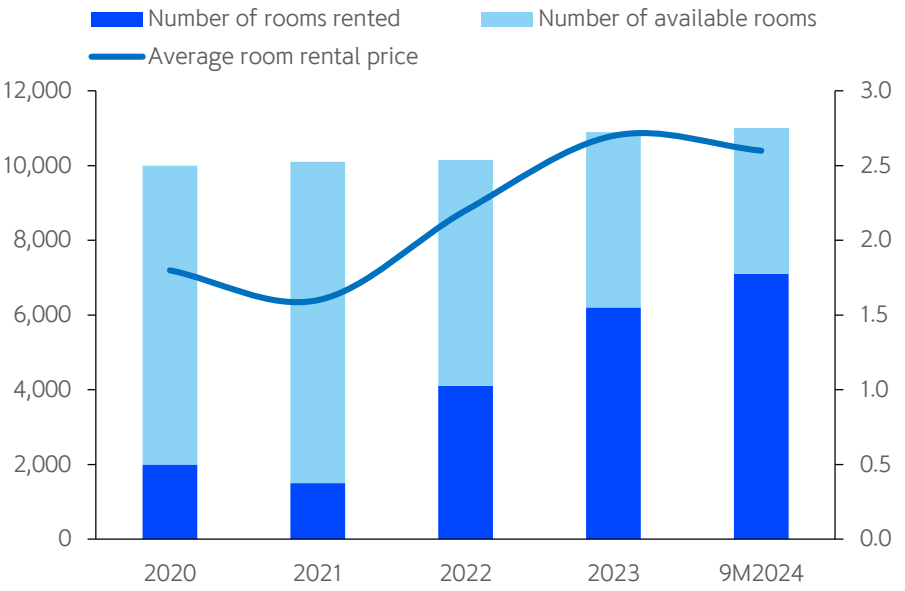
Hotel rental performance in Ho Chi Minh City



Source: Savills Vietnam, Shinhan Securities Vietnam

Note: Average room rental price for group bookings (million VND/room/night)

Hotel rental performance in Hanoi



Source: Savills Vietnam, Shinhan Securities Vietnam

- According to Savills, the strong recovery of the tourism industry, along with numerous promotions and room discounts at mid- and high-end hotels, has attracted a diverse range of international and domestic tourists, boosting the occupancy rates of hotels and accommodation service providers.
- In 2024, the Ho Chi Minh City hotel market maintained occupancy rates above 60%. However, room rates experienced a slight decrease of 4-5% YTD after a significant increase of 20-30% in 2022 and 2023.
- The Hanoi hotel market maintained a stable supply, with a significant improvement in occupancy rates, increasing from 56% in 2023 to ~65% in 2024. Room rates saw a slight decrease of 3-4% YTD after a period of rapid growth of nearly 40% YoY in 2022 and over 20% YoY in 2023.

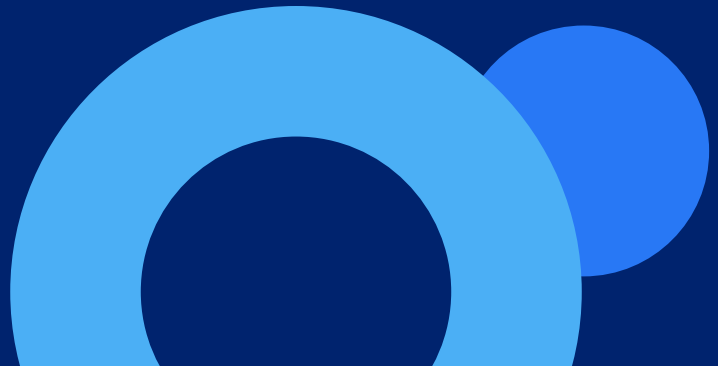
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Vietnam retail sector outlook in 2025

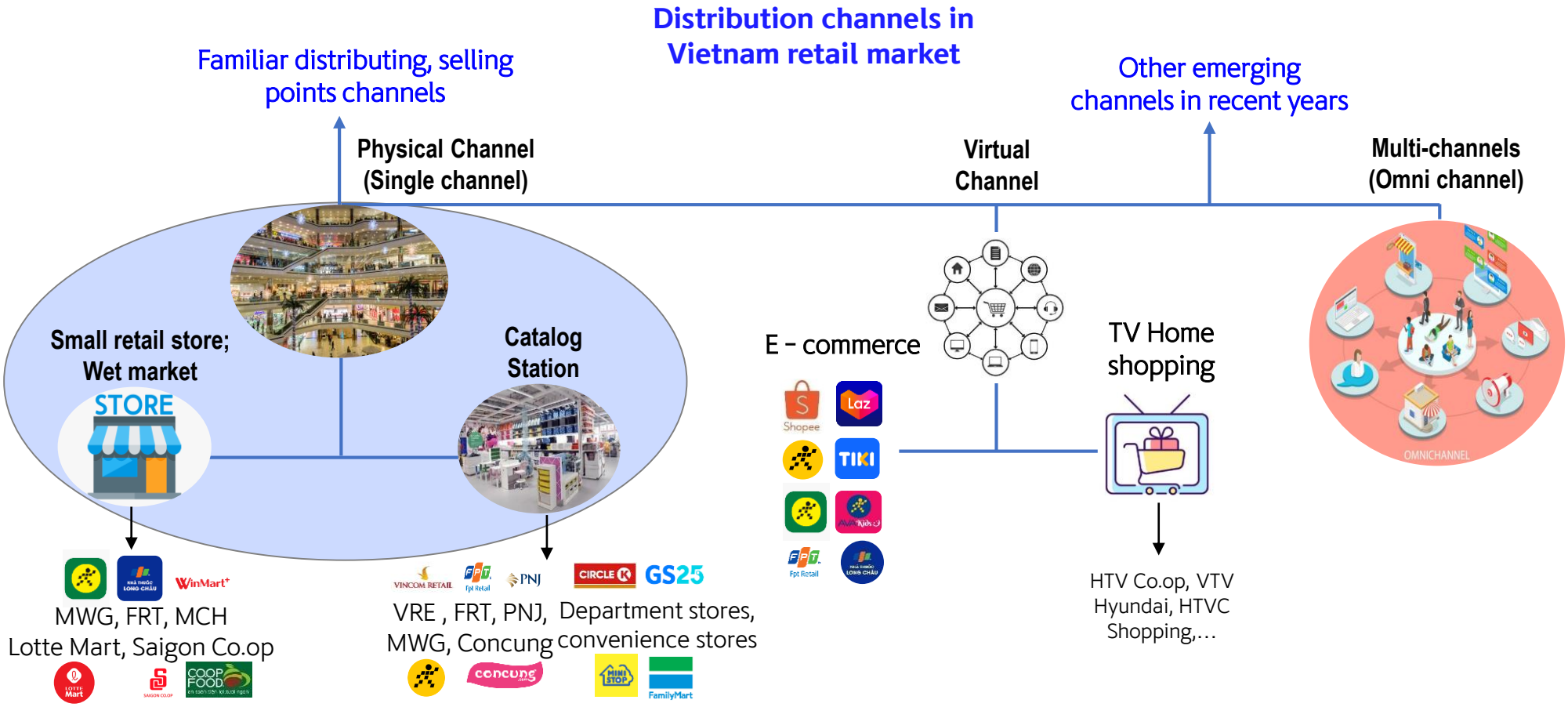
Retail pace is forecast to keep maintaining at stable growth of 9-10% YoY in 2025.

Key drivers of Vietnam's retail sector growth::

+ Positive economic growth prospects;
+ Improved income levels and a rising urbanization rate;
+ Growth momentum from new retail segments.



3. Vietnam retail sector outlook in 2025



- Many retailers are adopting the omni-channel sales model to optimize sales across both traditional and online channels.
- According to market research units, modern shopping channels will account for more than 30% of the total retail market share by 2025. Currently in Vietnam, an average of 100,000 people will need 1 hypermarket and 1 shopping mall; 10,000 people will need 1 medium-sized supermarket; 1,000 people will need 1 - 3 convenience stores. These are potential factors and favorable conditions for retail businesses to expand their market share and have a lot of room for development.

3. Vietnam retail sector outlook in 2025

Retail Market Trend

VARIETY OF RETAIL BRANDS

In addition to the market penetration and expansion of international brands, domestic ones also grow significantly and expand throughout the market.

Entertainment shopping, digital content creation along product marketing (Shoppertainment) continue to be the main trends in the coming years.



MULTI-CHANNELS (OMNI CHANNEL)

The explosive growth of online retail and e-commerce will not only reduce demand in traditional retail channels but can also complement and promote mutual sales activities.

The average sales volume related to entertainment and streaming platforms from content creators will increase sharply.

CONTINUOUS IMPROVEMENT AND UPGRADE

The competition between domestic and international brands, along with the explosion of online retail

Market selling players will continuously improve products and upgrade selling space to Lifestyle destination theme to attract more customers.

3. Vietnam retail sector outlook in 2025

Strong growth trajectory of Vietnam household consumer expenditure

Consumer expenditure per household index (Year 2024 = 100)

	2024	2025F	2026F	2027F	2028F
Latin America	100	118	136	157	179
Middle East Asia	100	110	121	132	145
India	100	109	120	131	144
Vietnam	100	106	115	127	139
Philippines	100	108	115	123	132
Indonesia	100	104	111	118	126
Eastern Europe	100	106	111	118	126
Thailand	100	106	112	119	126
APAC	100	105	112	118	124
Western Europe	100	105	110	117	124
Malaysia	100	105	111	117	124
China	100	103	110	116	123
Hong Kong	100	103	108	114	120
North America	100	103	107	111	116
Singapore	100	100	107	111	115
South Korea	100	103	105	109	114
Taiwan	100	102	106	110	113
Australia	100	101	105	108	112
Japan	100	103	105	108	111

Source: Euromonitor (2024), Shinhan Securities Vietnam

- According to Eurimonitor, Vietnam stands out as one of the fastest-growing consumer markets in the region, with peak growth around 2026-2027.
- As households spend more, it indicates a transition from basic consumption (necessities) to more discretionary spending (entertainment, technology, lifestyle products), reflecting economic resilience, rising income, and expanding middle-class consumption.
- Moreover, higher demand follows by the potential of booming retail sectors, especially modern trade channels like supermarkets, mini-marts, e-commerce platforms, and shopping malls.
- Lastly, as disposable income rises, private healthcare and education sectors are likely to grow as families prioritize quality services.
- This makes Vietnam an attractive market not only for domestic businesses but also an ideal penetrating market for international players focusing on consumer-driven industries (retail, e-commerce, F&B, FMCG, and other consumer services).

3. Vietnam retail sector outlook in 2025

Foreign brands continues showing interest in Vietnam retail market

International brands and labels in the Vietnamese retail market

	Fashion and Accessories	Food and Beverage	Lifestyle and Others
Newly joined in 2024	RENE CAOVILLA, Kiton, FRANCK MULLER GENEVE, MAISON KITSUNÉ PARIS, PRIMADONNA COLLECTION, SEM/R, UR URBAN REVIVO, The Herschel Supply Co. Brand, MESSYWEEKEND COPENHAGEN, MENBUR, FENDI, MSGM, puma, THE HOUR GLASS, VHERNIER MILANO, VICTORIA'S SECRET, KARL LAGERFELD, SAINT LAURENT PARIS	大虎 DAHU HOTPOT, SNACK KINGDOM, SHANG CHI TAIWANESE ROTARY HOTPOT, ASANOHA MODERN JAPANESE HOTPOT, MEZZE CLAY OVEN, 味界BBQ, NUXIAO YING BUFFET LẨU VÀ NƯỚNG, taipan, YAKINIKU JAPANESE BBQ, 松屋 MATSUYA, 40thTEXAS BAKERY, XINWAH LẨU RẤP THUỶ NHIỆT, 殿火罕麻辣, 権炭, MINIMELTS THE ICE CREAM DREAM, WOW! YAKINIKU, ANTICO FORNAIO, MIKADO SUSHI, XIAOYU, BLUE BAY, Tian Tian Xin	SUFEIYA, flying tiger copenhagen, POP MART, photoism, la prairie SWITZERLAND, PEEKTON, KKV, FACIAL BAR, PHOTO OBJET 포토오브제, QB HOUSE, Serta
Potentially to be joined in 2025, 2026	周六福 ZHOU LIU FU, 貓下 Beneunder, BALENCIAGA, Malbon, Loro Piana, GENTLE MONSTER CELINE, TOM FORD, ACMEITEM	CHAGEE 霸王茶姬, THE FELLAS TERRACE, YANQING BARBECUE, Royal Host, COMMUNE, Richeese Factory, SONGSABU, GENKI SUSHI, 探魚烤魚 TANYU GRILLED FISH	OH! SOME, DREAMUS, Hamleys, GiGO, THE COLORIST, Kiztopia

Source: CBRE, Shinhan Securities Vietnam

3. Vietnam retail sector outlook in 2025

Vietnam's GDP growth rate estimates		
	2024	**2025F**
The Government	Target: 6.8-7.0% **Completed: 7.09%**	Target: 8.0%
World Bank	6.1%	6.5%
IMF	6.1%	6.1%
ADB	6.4%	6.6%
Moody's	6.0%	6.5%
Fitch Ratings	6.3%	7.0%
UOB	6.4%	7.0%
Standard Chartered	6.8%	6.7%
HSBC Global Research	7.0%	6.5%

Source: Shinhan Securities Vietnam summarized

Recent change of Vietnam's sovereign credit rating		
	Nearest rating score	**Revised date**
Moody's	Ba2 (stable outlook)	August 22nd, 2024
S&P Global Ratings	BB+ (stable outlook)	June 20th, 2024
Fitch Ratings	BB+ (stable outlook)	June 28th, 2024

Source: Shinhan Securities Vietnam summarized

GDP growth in 2024 reached 7.09%, exceeding the initial target plan. In 2024, Vietnam's GDP is estimated to reach USD 476.3bn, ranking 4th in Southeast Asia, after Indonesia (USD 1,387bn), Thailand (USD 635bn), Singapore (USD 428bn), and ranking 33rd in the world (up 1 place compared to 2023).

In 2025, the National Assembly approved the following targets:

- ❑ GDP growth to reach 8% or more;
- ❑ GDP scale to reach over USD 500bn;
- ❑ GDP per capita to exceed USD 5,000;
- ❑ Average CPI to be around 4.5-5%.

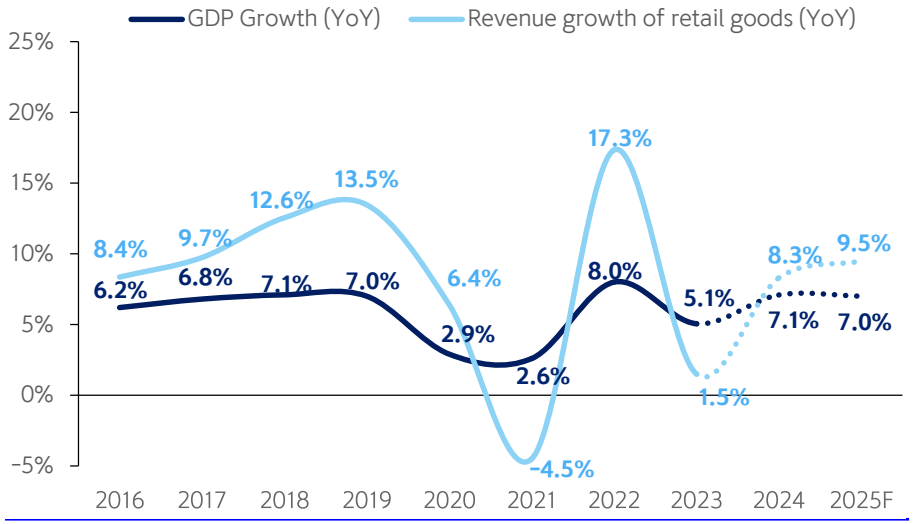
Improved income, increasing urbanization rate, and timely government support policies. ICT retail businesses have been recovering after the price war among retailers in 2023. Besides, the positive picture from new retail segments is also the motivation for retailers in the coming period.

Long-term perspectives: Many financial institutions evaluate Vietnam as the country having stable economic health and forecast its GDP growth will range around 7.0% in 2025.

3. Vietnam retail sector outlook in 2025

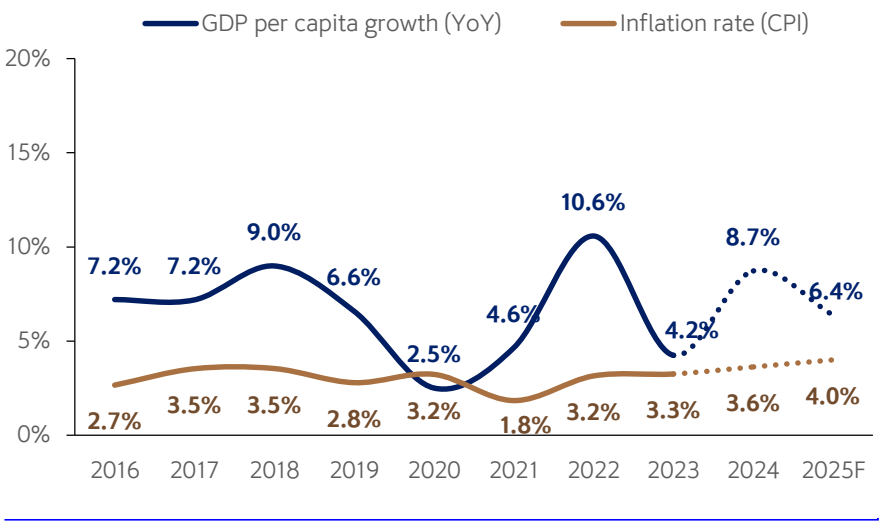
Impact of the economy on Vietnam's retail sector

Growth of Vietnam GDP and revenue of retail goods (% YoY)



Source: World Bank, GSO, Shinhan Securities Vietnam

Vietnam GDP per capita growth and CPI rate



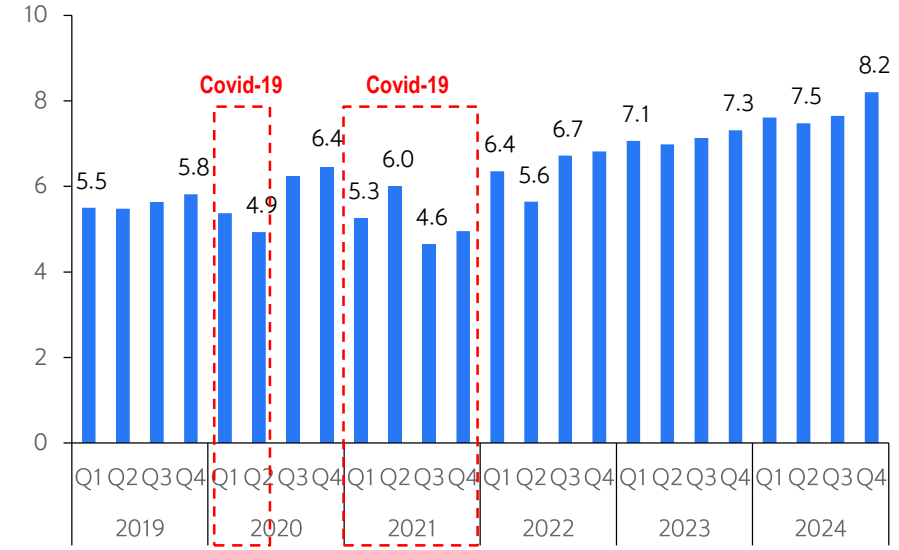
Source: World Bank, IMF, GSO, Shinhan Securities Vietnam

- In 2024, positive GDP growth coupled with retail goods revenue growth of 8.3% YoY, we expect retail growth in 2025 to reach 9-10% YoY. In parallel, per capita income has also continuously improved, reaching 4,700 USD in 2024 (+8.3% y/y). The IMF forecasts this figure to exceed the 5,000 USD mark in 2025.
- Measures to promote long-term GDP growth: (i) Promoting credit growth; (ii) Continuing the 8% VAT charge; (iii) Increasing regional minimum wages annually; (iv) Pushing infrastructure investment (completing and putting into operation the T3 terminal project at Tan Son Nhat Airport in mid-2025; continuing to develop Metro lines in Hanoi and HCMC; accelerating the progress of the Long Thanh Airport project, completing in 2026; approving the investment policy for the North-South high-speed railway project). These will be catalysts to help the retail industry and the Vietnamese economy continue to grow sustainably in the coming years.

3. Vietnam retail sector outlook in 2025

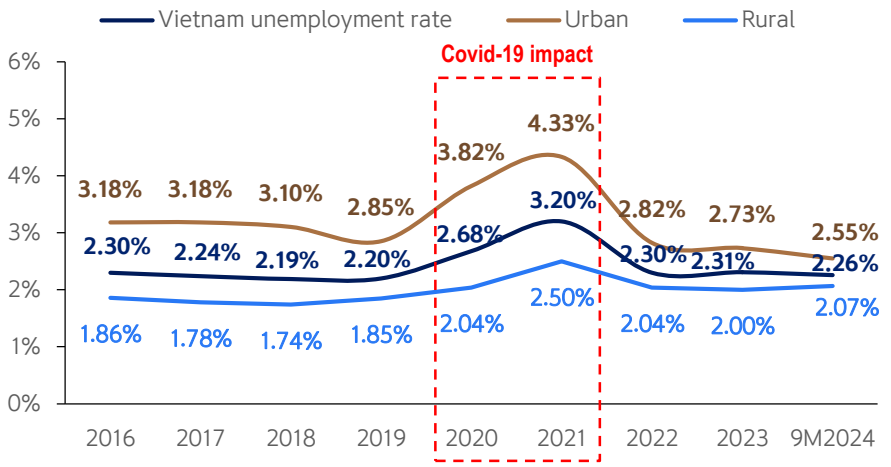
Impact of the economy on Vietnam's retail sector

Estimated average monthly income (million VND/month)



Source: GSO, Shinhan Securities Vietnam

Unemployment rate (%) (*)



(*) The percentage of unemployed people compared to the labor force.
Unemployed people: People aged 15-61 (male) or 15-56 (female) who have all 3 factors: Not working, looking for work and ready to work.

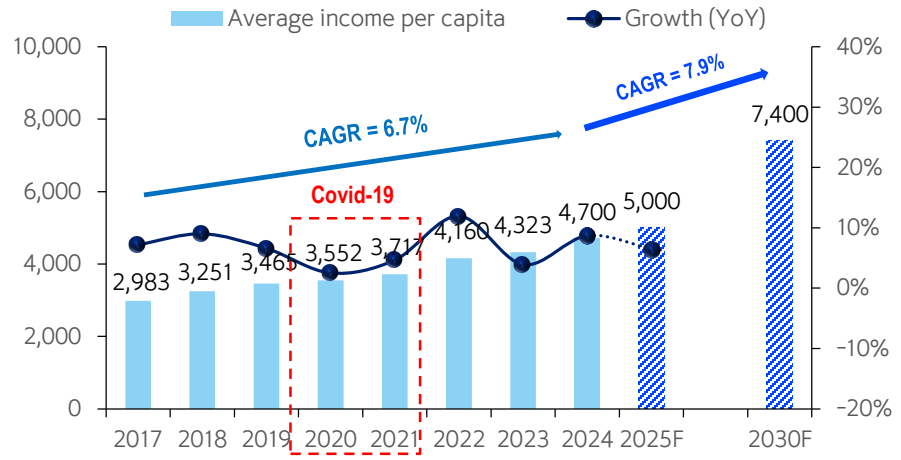
Source: GSO, Shinhan Securities Vietnam

- In Q4.2024, citizens' income saw a clear improvement after the approval of a 6% increase in regional minimum wages, effective from July 1, 2024. Except for 2021, due to the pandemic, the National Wage Council has reviewed and proposed annual increases in regional minimum wages since 2012. This policy plays a critical role in enhancing living standards and social welfare, boosting consumer purchasing power, stabilizing society, and providing opportunities for personal development, thereby contributing to the sustainable growth of the economy.
- In 2024, Vietnam recorded ~1.06 million unemployed individuals at working age (decreasing by 9,000 y/y). The unemployment rate in 9M2024 is estimated at around 2.26%, aligning with the government's target of maintaining below 3%.

3. Vietnam retail sector outlook in 2025

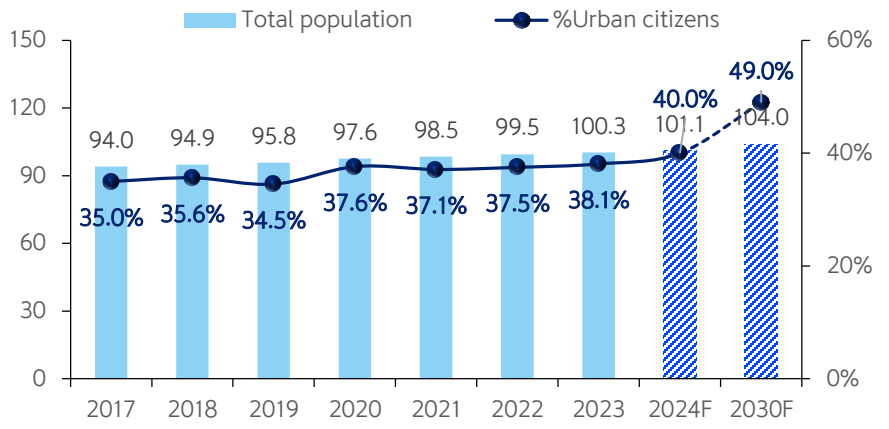
Outlook of ICT retail

Average annual income per capita in Vietnam (USD)



Source: GSO, Shinhan Securities Vietnam

Vietnam population over the years (million people)



Source: GSO, Ministry of Health, Shinhan Securities Vietnam

- Catalysts driving the growth of Vietnam's retail market:

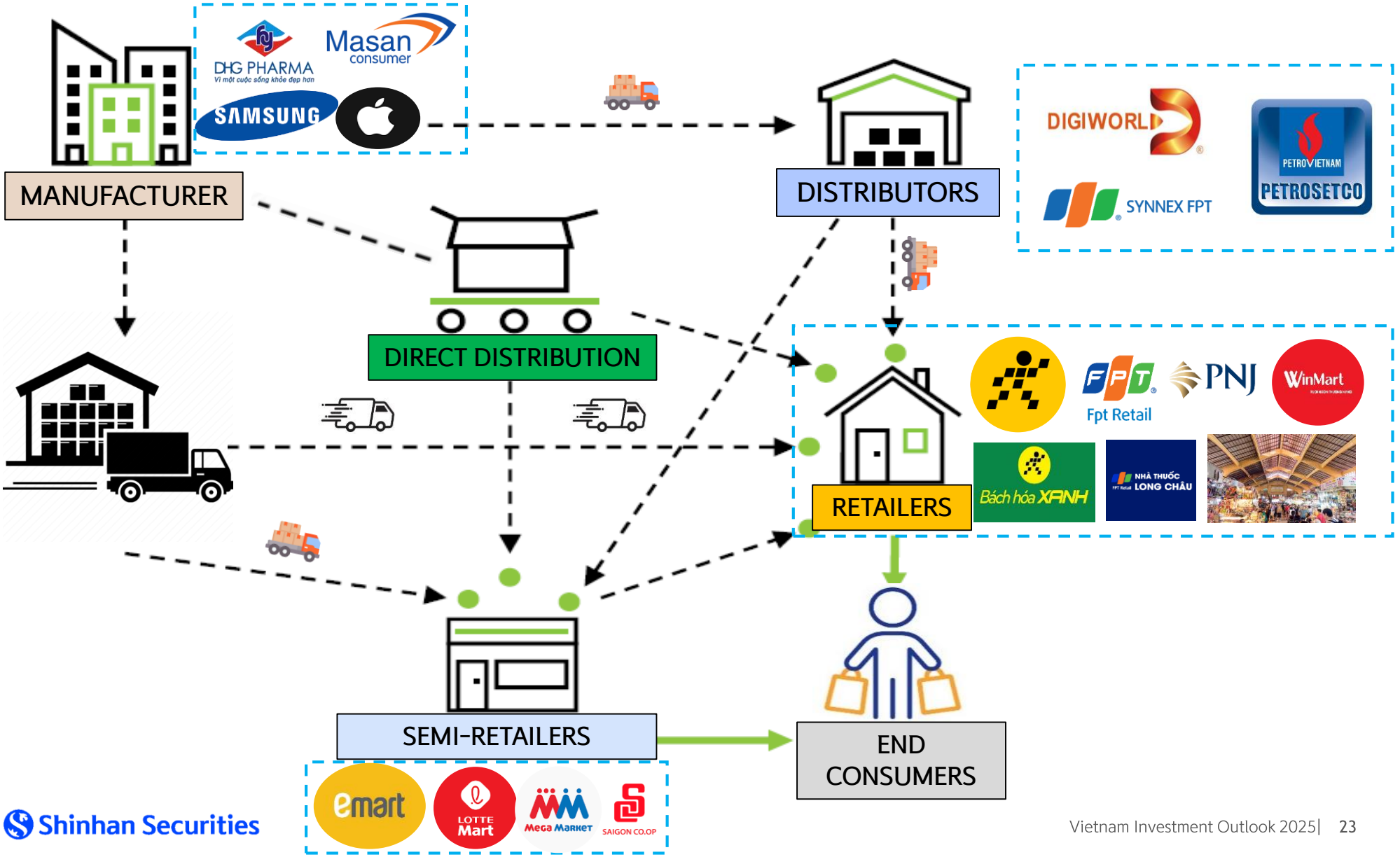
1. Economic factors: (i) Urbanization increase in the coming years; (ii) Income improvement, projected to grow 7.9%/year over the 2024-2030 period.

2. ICT device replacement cycle: After the 2020-2021 social distancing period, individuals get used to learning and working from home. The ICT device replacement cycle resumed in 2024 and is expected to strengthen further in 2025, driven by improved economic conditions and supportive government policies.

- In 2024, profits of ICT retailers such as MWG and FRT have recovered significantly from their 2023 lows. Furthermore, MWG and FRT's other retail segments have shown positive results in 2024 (Bach hoa Xanh has been profitable, begun expanding again; Long Chau pharmacies continue to maintain monthly revenue exceeding VND 1 billion/store and keep expanding their chain; Long Chau vaccination centers have stabilized operations and are now focusing on expansion).

3. Vietnam retail sector outlook in 2025

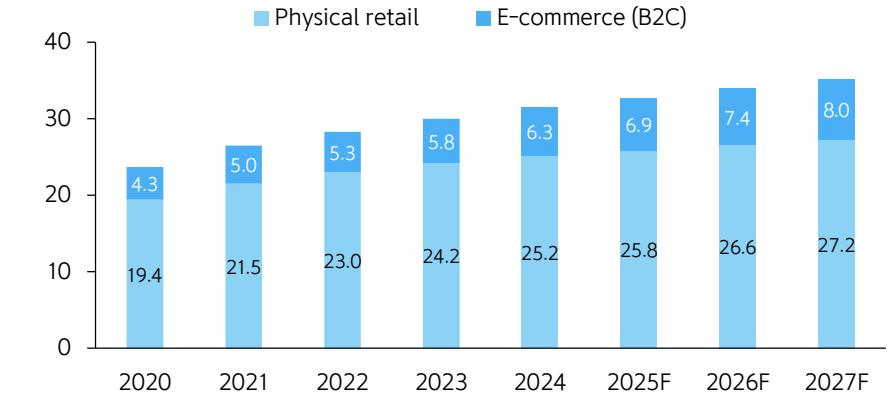
Typical key players in Vietnam retail market



3. Vietnam retail sector outlook in 2025

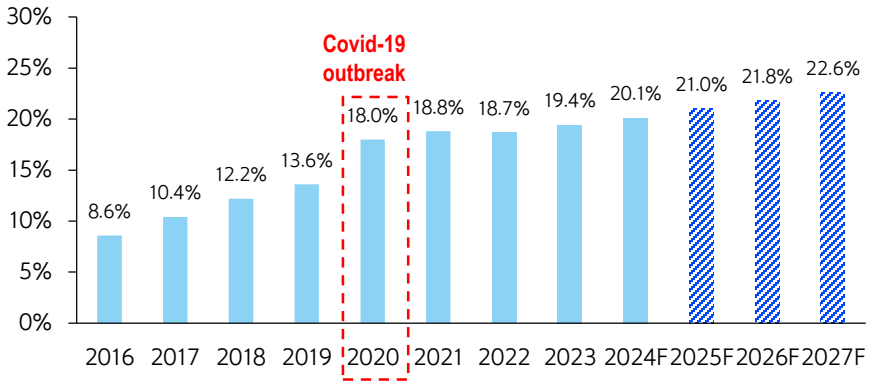
Retail prospects through e-commerce channel

Sales of in-store retail and e-commerce channel (trillion USD)



Source: Insider Intelligence,eMarketer (2024), Statista, Shinhan Securities Vietnam

Proportion of e-commerce retail sales in global retail sales (%)



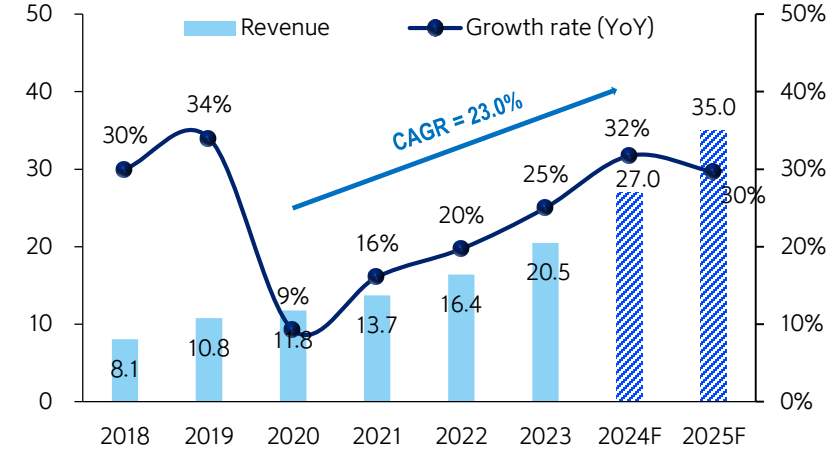
Source: Insider Intelligence,eMarketer (2024), Statista, Shinhan Securities Vietnam

- In 2024, global e-commerce revenue (B2C) reached USD 6.33 trillion (+8.3% y/y), which over 70% of revenue was generated through transactions on smartphones. E-commerce has become a potential retail channel and is receiving attention from many retailers, integrated into the Omni-channel sales strategy.
- The COVID-19 pandemic has spurred a rapid shift towards internet-based activities, leading to the adoption of new habits among Vietnamese people, such as working and studying from home, ordering food online, and shopping online, etc. Vietnam is one of the fastest-growing e-commerce markets in the world, with a young and tech-savvy population that is increasingly embracing online shopping.
- The government also encouraged the use of cashless payments in 2020, helping leading e-wallets and e-commerce platforms in Vietnam benefit strongly from the change in shopping and payment habits and the increasing number of users in recent years.

3. Vietnam retail sector outlook in 2025

Update on Vietnam e-commerce market

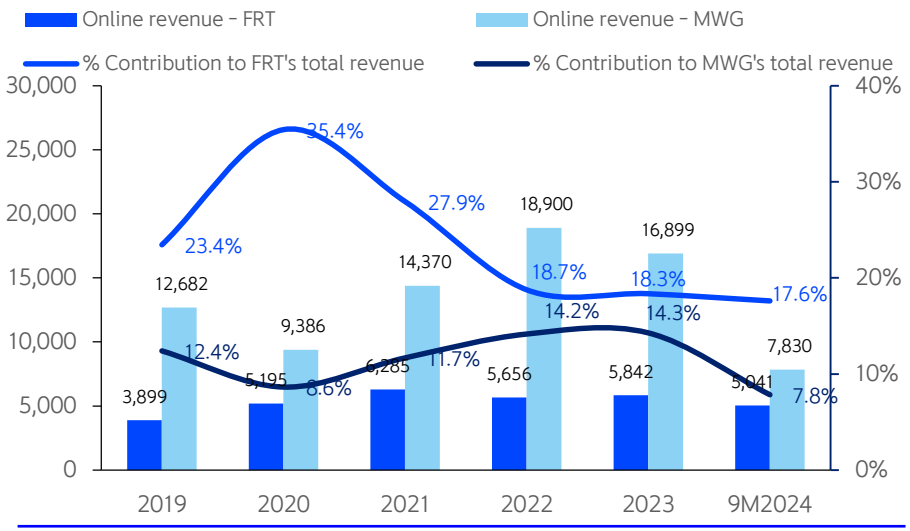
Vietnam e-commerce revenue (USD billion) (*)



(*) The above revenue only includes retail sales of goods (B2C) through e-commerce channels (excluding online revenue from payment, service, banking, credit, insurance, online games, advertising, etc.)

Source: Ministry of Industry and Trade, Shinhan Securities Vietnam

Online revenue of typical retail firms in Vietnam (billion VND)



Source: Company data, Shinhan Securities Vietnam

- B2C e-commerce retail revenue plays a crucial role in Vietnam's retail sector, helping to boost consumer spending demand.
- In 2024, B2C e-commerce retail revenue in Vietnam reached USD 25.1bn (+22% YoY), accounting for 9% of Vietnam's total retail sales of goods and services. The Ministry of Industry and Trade targets B2C e-commerce revenue to reach 30 billion USD by 2025, equivalent to 10% of retail and service revenue.
- In addition to popular e-commerce platforms (Shopee, Lazada, TikTok Shop), leading retail businesses such as MWG and FPT Retail continuously invest in online sales channels (web, app). MWG's AvaKids chain is oriented towards not expanding too many physical stores and focusing its strategy solely on boosting online sales in the coming years.

3. Vietnam retail sector outlook in 2025

Prospective future of Vietnam e-commerce market



- Vietnam currently ranks 3rd in online retail value in Southeast Asia; among the top 10 leading countries regarding e-commerce growth in the world, boosting economic development and digital transformation in businesses.
- Notably, cross-border e-commerce is also identified as a new target for export activities (online exports), helping to expand consumption markets for Vietnamese goods.

- According to Amazon Global Selling, in 2024, more than 17 million products from Vietnamese businesses were exported online; export value increased by 50%; the number of selling partners increased by 40%. Cross-border e-commerce has grown by 26% y/y.
- With a long-term development orientation, the Ministry of Industry and Trade will propose the development of an E-commerce Law in 2025 to ensure the consistency of the legal system on e-commerce with other laws.



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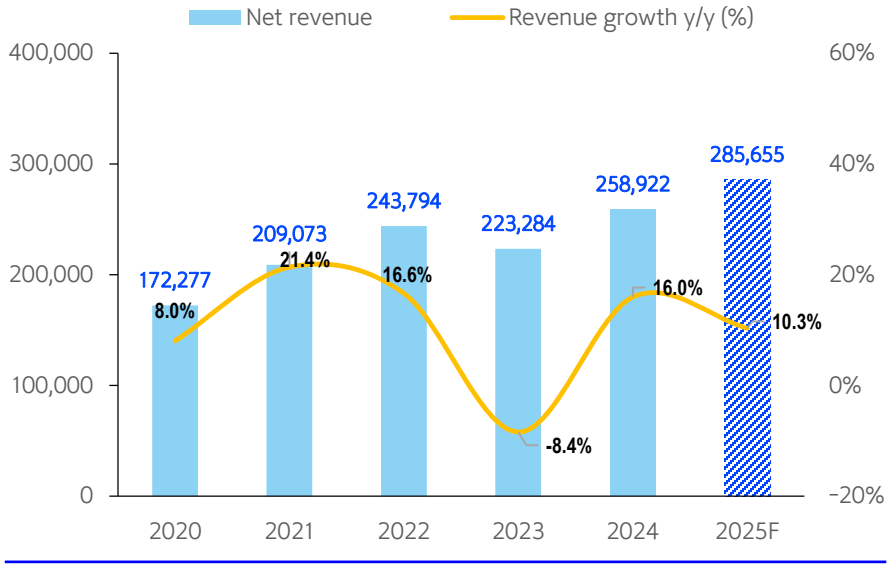
Typical stocks in retail sector

MWG, FRT, DGW

4. Typical stocks in the retail sector

Update business results of retail firms

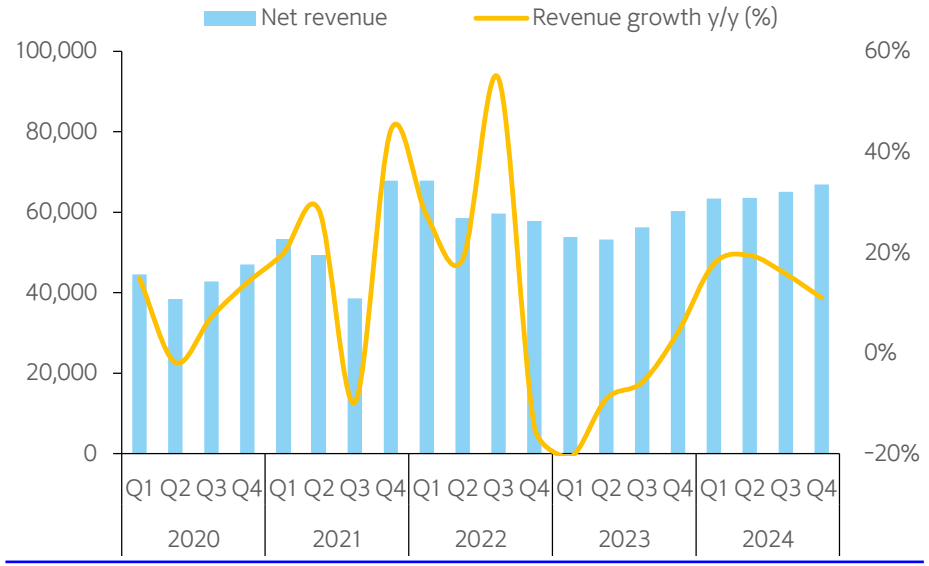
Revenue of typical listed retail firms (*) (VND billion)



Source: FiinPro, Shinhan Securities Vietnam

(*) Including typical retail firms listed on HoSE: MWG, FRT, DGW, PET, PNJ, HAX.

Quarterly revenue of typical listed retail firms (*) (VND billion)



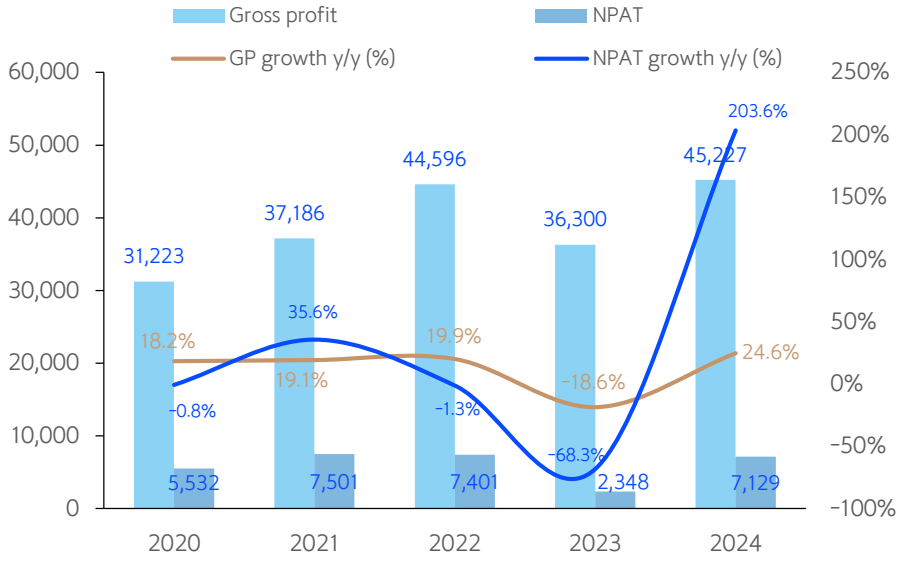
Source: FiinPro, Shinhan Securities Vietnam

- In 2024, both revenue and profit margins of retail businesses significantly improved, even surpassing previous years. Positive economic growth prospects, improved people's incomes, and maintaining the VAT at 8% are positive factors that help improve overall consumer purchasing power.
- We believe 2024 is the year of retail firms' new business lines to build momentum for acceleration in 2025. Business performance of these segments are expected to greatly improve in 2025 and act as the main growth drivers for retailers in the coming years.

4. Typical stocks in the retail sector

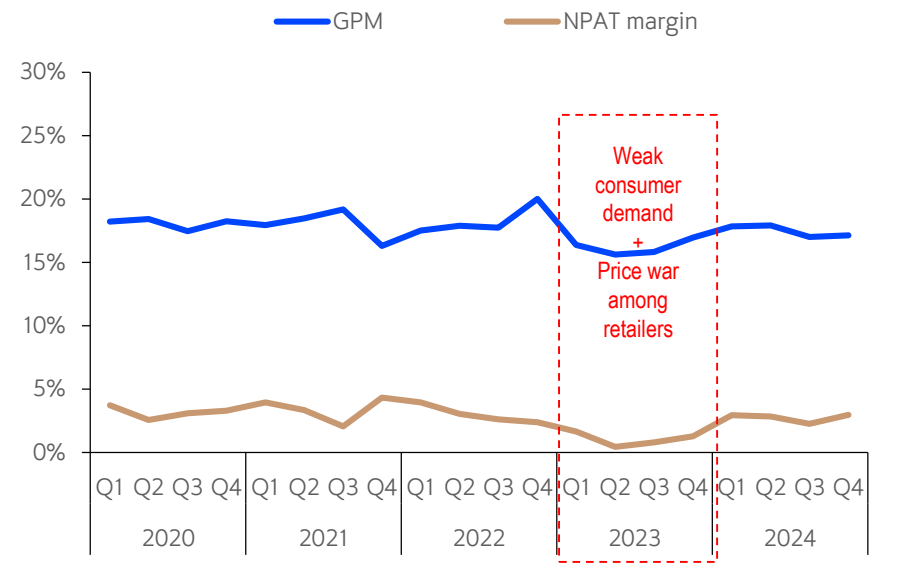
Update business results of retail firms

Profit of typical listed retail firms (trillion VND)



Source: FiinPro, Shinhan Securities Vietnam

Profit margins of typical listed retail firms



Source: FiinPro, Shinhan Securities Vietnam

(*) Including typical retail firms listed on HoSE: MWG, FRT, DGW, PET, PNJ, HAX.

- 2024 was also a preparatory year for the new business segments of retail businesses to accelerate profits in 2025. We assess that these segments not only boost revenue but also contribute to significantly improving the retailers' profit margin.
- MWG's Bach Hoa Xanh chain recorded positive NPAT, began expanding the chain after a long period of downsizing and restructuring. Additionally, MWG announced its cooperation with many financial institutions to boost revenue and optimize financial income.
- FRT also converted its ICT retail models into CE retail stores, helping to improve the ICT segment's profit margin. In addition, Long Chau pharmacy and vaccination chain continues to open new stores, recording double-digit YoY revenue and profit growth continuously over the next 3-5 years. Long Chau continues to be the main contributor to FRT's business performance in the coming years.

4. Typical stocks in the retail sector

Typical listed retail firms

General information				Share price					Key financials					Valuation (25F)	
No.	Ticker	Retail industries	Mkt. Cap. (VND bn)	CP (VND)	TP* (VND)	Return (%)	1M (%)	YTD (%)	Revenue 24 (VND bn)	Revenue 25F (VND bn)	GPM 25F	ROA (25F)	ROE (25F)	P/B (x)	P/E (x)
1	MWG	ICT	85,205	58,300	70,400	20.8	-3.0	-4.4	134,341	150,628	21.4%	7.4%	16.6%	2.6	17.0
2	FRT	ICT, Pharmacy	23,883	175,300	205,100	17.0	-14.9	-5.5	40,104	51,519	19.7%	4.5%	31.4%	32.3	10.1
3	DGW	ICT distribution	8,526	38,900	45,500	17.0	2.4	-3.2	22,078	24,774	9.1%	5.0%	16.8%	2.8	24.3
4	PET	ICT distribution	2,620	24,550	30,000	22.2	7.0	-2.4	19,061	21,178	4.7%	2.2%	8.7%	1.1	12.1
5	PNJ	Jewelry	32,270	95,500	121,200	26.9	-1.6	-1.9	37,823	36,532	20.2%	13.8%	20.0%	2.5	13.8
6	HAX	Automobiles	1,886	17,550	18,000	2.6	5.7	3.5	5,513	6,581	8.8%	6.8%	11.9%	1.4	19.4

* Target price (fair value) for the next 12 months

Source: SSV Research, Bloomberg

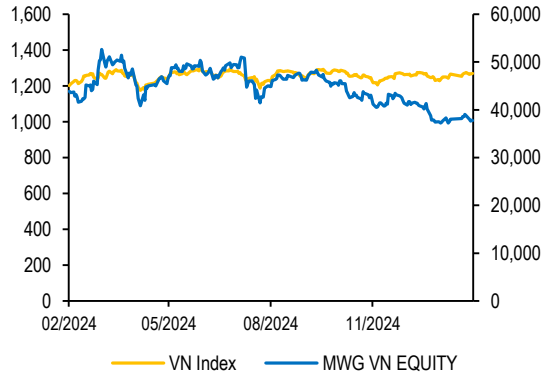
Data as of February 25th, 2025

Mobile World Investment Corporation (HSX: MWG)

MWG

Target price (12 months)	**VND 70,400**
Current price (Feb. 25, 2025)	VND 58,300
Return (%)	**20.8%**
VNINDEX	1,303
Market P/E (x)	10.3
Market Cap. (bn VND)	85,205
Outstanding Shares (mn)	1,461
Free Floating Shares (mn)	1,177
52-Wk High/ Low (VND)	70,800/ 43,050
3M Avg. Trading Vol. (mn)	6.05
3M Avg. T/O (bn VND)	301
Beta (12M)	1.2
Major shareholders (%)	Retail World Investment Consulting 10.49
	Groups of Dragon Capital 7.95

Performance	3M	6M	12M
Absolute (%)	-1.2	-16.7	32.5
Relative to VN-Index (%)	-6.7	-18.0	25.0



Shinhan Securities

Even growth across retail chains

Investment points

Mobile World Investment Corporation (Mobile World, HSX: MWG) is a leading retail enterprise in Vietnam, offering an ecosystem that meets the diverse needs of customers. MWG remains the leading retailer of mobile phones and electronics in Vietnam, holding over 50% of the market share; also to be the largest consumer goods retailer nationwide.

Business performance in FY2024: Net revenue and NPAT reached VND 134,341 bn (+13.6% YoY) and VND 3,733 bn (~22.2x y/y), completing 107% and 155% target FY2024 plan, respectively. MWG targets revenue and NPAT in 2025 to reach VND 150,000 billion (+12% y/y) and VND 4,850 billion (+30% y/y), respectively.

ICT-CE chains: 2024 revenue increased by 7% y/y, contributing 67% of total revenue. After the "reducing quantity, increasing quality" restructuring phase, the pace of closing TGDD and DMX stores gradually slowed down. The ICT-CE chains began to focus on expanding their sales portfolio and cooperating with major financial partners (Home Credit, VPBank).

Bach hoa Xanh: In 2024, revenue increased by +30% y/y, accounting for 30.6% of consolidated revenue. Average revenue reached VND 1.9-2.1 billion/month/store (+26% y/y). Recording profit for the entire year of 2024 creates growth momentum for MWG in the coming years.

Outlook in 2025: We forecast MWG's revenue and NPAT in 2025 to reach VND 150,628 billion (+12.1% y/y) and VND 5,010 billion (+34.2% y/y), respectively. The ICT-CE chains have no plan to open new stores in 2025 and will continue to optimize existing stores. In addition, after nearly 2 years of focusing on improving profitability, BHX will open 200-400 new stores in 2025, mainly in the Central provinces. An Khang chain is also expected to break even in Q2.2025, then will consider expansion. The AvaKids chain is expected to have revenue growth of 10% y/y, contributing to full-year profit to MWG. The EraBlue chain will open 60 new stores in 2025, expecting revenue of +50% y/y, maintaining its position as the No. 1 electronics retailer in Indonesia and contributing full-year profit to MWG.

Risks: (1) Competitive risk; (2) Risk from weak retail consumption; (3) Risk from having many diversified retail chains; (4) Risk from impairment of inventory.

FY	2022	2023	2024	2025F	2026F
Revenue (bn VND)	**133,405**	**118,280**	**134,341**	**150,628**	**165,872**
OP (bn VND)	6,575	1,047	5,227	6,565	8,399
NP (bn VND)	**4,102**	**168**	**3,733**	**5,010**	**6,342**
EPS (VND)	2,810	115	2,546	3,426	4,340
BPS (VND)	16,321	15,944	19,921	22,146	26,039
OPM (%)	4.9	0.9	3.9	4.4	5.1
NPM (%)	3.1	0.1	2.8	3.3	3.8
ROE (%)	**18.5**	**0.7**	**14.5**	**16.6**	**18.0**
PER (x)	22.4	381.6	17.2	17.0	13.4
PBR (x)	3.8	2.8	2.3	2.6	2.2
EV/EBITDA (x)	8.5	11.8	6.4	9.0	8.6

Source: Company data, Bloomberg, Shinhan Securities Vietnam

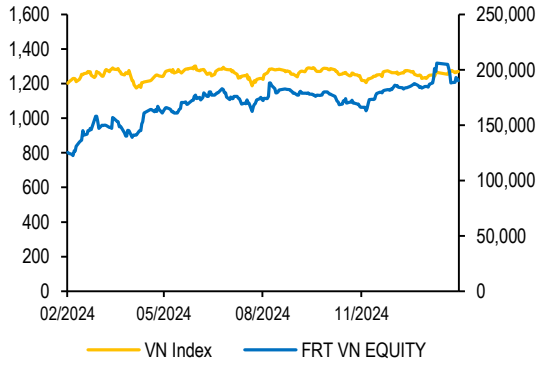
FPT Digital Retail JSC (HSX: FRT)

FPT Retail

Target price (12 months)	**VND 205,100**
Current price (Feb. 25, 2025)	VND 175,300
Return (%)	17.0%
VNINDEX	1,303
Market P/E (x)	10.3
Market Cap. (bn VND)	23,883
Outstanding Shares (mn)	136
Free Floating Shares (mn)	64
52-Wk High/ Low (VND)	209,400/ 128,000
3M Avg. Trading Vol. (mn)	0.49
3M Avg. T/O (bn VND)	103
Beta (12M)	0.8

Major shareholders (%)	CTCP FPT	46.53
	Dragon Capital Fund	13.03

Performance	3M	6M	12M
Absolute(%)	1.0	-5.7	33.9
Relative to VN-Index (%)	-4.5	-7.0	26.4



Shinhan Securities

Long Chau chain and the strategic long-term game

Investment points

FPT Digital Retail JSC (FRT Retail, HSX: FRT) is one of the leading retailers of ICT equipment and products in Vietnam. FRT owns two ICT retail chains, FPT Shop and F. Studio, with a total of 634 stores. Additionally, FRT's Long Chau pharmacy chain has become a familiar brand, leading the market with 1,943 pharmacies nationwide.

Business performance in FY2024: Net revenue and EBT reached VND 40,104 bn (+26% YoY) and VND 527 bn, respectively (FY2023: loss of VND 329 bn), completing 107% and 422% of FY2024 plan. Noticeably, GPM improved from 15-16% in 2023 to 19-20% in 2024 thanks to expanding business to CE products, plus favorable pharmaceutical and vaccine business results.

Outlook in 2025: We forecast FRT's revenue and NPAT in 2025 to reach VND 51,519 billion (+28.5% y/y) and VND 829 billion (doubling y/y), respectively. The development and expansion plan of the Long Chau healthcare ecosystem will be the driving motivation and guarantee FRT's sustainable growth in the long run.

ICT chain: Although the market is in a saturated phase, FRT expects slight growth thanks to improved selling prices of AI-integrated devices, supporting learning, work, and entertainment. FRT is also strengthening the conversion of some ICT retail stores to CE store model, greatly improving FRT's GPM in 2025.

Long Chau chain: Long Chau will continue to contribute 2/3 of FRT's consolidated revenue, maintaining average sales of VND 1.1-1.3 billion/pharmacy/month; GPM of 23-24% maintained; NPAT margin at 1.8-2%. Additionally, Long Chau vaccination chain model has been smoothly going into operation. FRT is expected to expand more strongly in 2025, expecting revenue to reach VND 1.9-2 billion/center/month.

Long-term strategy: Long Chau plans to expand its ecosystem and healthcare platform with: (i) new business activities in diagnostics and treatment (e.g., clinics), and (ii) continued expansion of existing businesses and services (pharmacy, vaccination, home health monitoring, and medicine insurance).

Risks: (1) High leverage exposure; (2) Competitive risk; (3) Weak retail consumption; (4) Risk from impairment of inventory.

FY	2022	2023	2024	2025F	2026F
Revenue (bn VND)	**30,166**	**31,850**	**40,104**	**51,519**	**61,205**
OP (bn VND)	474	-297	543	1,035	1,601
NP (bn VND)	**398**	**-329**	**408**	**829**	**1,279**
EPS (VND)	2,865	-2,537	2,331	5,697	7,863
BPS (VND)	17,115	12,021	14,486	18,189	24,532
OPM (%)	1.6	-0.9	1.4	2.0	2.6
NPM (%)	1.3	-1.0	1.0	1.6	2.1
ROE (%)	**19.4**	**-19.1**	**19.3**	**31.4**	**33.1**
PER (x)	20.8	-42.2	79.6	32.3	23.4
PBR (x)	3.5	8.9	12.8	10.1	7.5
EV/EBITDA (x)	12.7	91.7	28.2	18.5	13.8

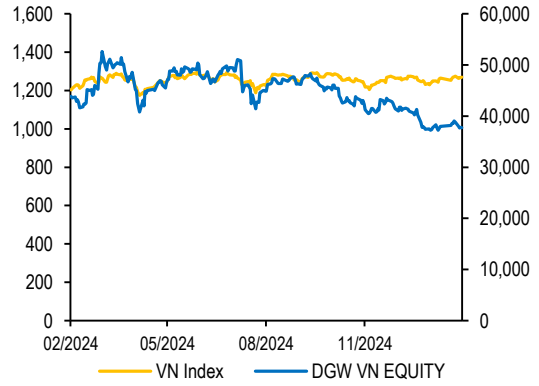
Source: Company data, Bloomberg, Shinhan Securities Vietnam

DIGIWORLD Corporation (HSX: DGW)

Target price (12 months)	**VND 45,500**
Current price (Feb. 25, 2025)	VND 38,900
Return (%)	**17.0%**
VNINDEX	1,303
Market P/E (x)	10.3
Market Cap. (bn VND)	8,526
Outstanding Shares (mn)	219
Free Floating Shares (mn)	129
52-Wk High/ Low (VND)	53,800/ 37,050
3M Avg. Trading Vol. (mn)	1.13
3M Avg. T/O (bn VND)	46
Beta (12M)	1.4

Major shareholders (%)		
	Created Future Co., Ltd	32.02
	DKP Co., Ltd	5.08

Performance	3M	6M	12M
Absolute (%)	-4.5	-18.3	-7.2
Relative to VN-Index (%)	-10.1	-19.7	-14.7



Shinhan Securities

Accelerating growth from 2024 good base

Investment points

Digital World Corporation (Digiworld, HSX: DGW) is a leading provider of market research, market entry services, and distribution of international brands' products in the Vietnamese market. Additionally, DGW is expanding its distribution to home appliances and consumer goods and pursuing M&A with potential companies that align with DGW's value chain. This represents a new growth driver, which is expected to improve Digiworld's profit margins in the near future.

Business performance in FY2024: Revenue and NPATMI reached VND 22,078 billion (+17.3% y/y) and VND 444 billion (+25.3% y/y), respectively, fulfilling 96% and 91% of the 2024 plan. Notably, NPAT in Q3/24 (VND 121.7 billion, +19% y/y) and Q4/24 (VND 146.5 billion, +62% y/y) reached the highest levels in the last 8 quarters.

Outlook in 2025: DGW targets revenue and NPATMI to reach VND 25,450 billion (+15% y/y) and VND 523 billion (+18% y/y), respectively. The ICT distribution segment is expected to remain the main contributor to DGW's 2025 revenue (69%), reaching VND 17,580 billion (+10.8% y/y). The 2025 dividend policy is expected to be 5% in cash.

In 2025, DGW's traditional distributing product lines (phones, laptops, tablets) are saturated, with forecasts that the market demand for these items will be flat or only slightly increase in volume, but the selling price is expected to improve.

DGW will boost the CE distributing categories like office equipment, home appliances in 2025 (Xiaomi ecosystem products, MSI graphics cards, etc.), expecting market demand to increase thanks to long-term enterprise digital transformation needs, offsetting DGW's low-growth segments; target sales to reach VND 6,820 billion (+26.8% y/y).

Vietmoney pawnshop chain: DGW will continue to restructure Vietmoney internally in 2025, so expansion is not yet prioritized, focusing on changing everything from the product portfolio to the brand identity instead.

Q1.2025 business results: DGW estimates revenue and NPATMI to reach VND 5,600 billion (+12% y/y) and VND 103 billion (+12% y/y), respectively.

Risks: (1) Weak consumer demand; (2) Underperformance of new business segments and distributed brands.

FY	2022	2023	2024	2025F	2026F
Revenue (bn VND)	**22,028**	**18,817**	**22,078**	**24,774**	**27,733**
OP (bn VND)	868	469	556	694	695
NP (bn VND)	**684**	**363**	**449**	**540**	**658**
EPS (VND)	4,219	1,663	2,419	1,261	1,524
BPS (VND)	11,294	11,946	13,592	13,063	17,720
OPM (%)	3.9	2.5	2.5	2.8	2.5
NPM (%)	3.1	1.9	2.0	2.2	2.4
ROE (%)	**32.8**	**14.2**	**15.9**	**16.8**	**14.1**
PER (x)	6.9	20.1	30.3	24.3	20.6
PBR (x)	2.6	3.2	2.9	2.8	2.1
EV/EBITDA (x)	7.1	13.4	16.5	13.1	14.5

Source: Company data, Bloomberg, Shinhan Securities Vietnam

Công bố quan trọng

Cổ phiếu

- **MUA:** Khả năng sinh lời trong 12 tháng từ 15% trở lên
- **GIỮ:** Khả năng sinh lời trong 12 tháng từ -15% đến 15%
- **BÁN:** Khả năng sinh lời trong 12 tháng thấp hơn -15%

Ngành

- **TÍCH CỰC:** Cổ phiếu được theo dõi có vốn hóa lớn nhất trong ngành được khuyến nghị MUA
- **TRUNG LẬP:** Cổ phiếu được theo dõi có vốn hóa lớn nhất trong ngành được khuyến nghị GIỮ
- **TIÊU CỰC:** Cổ phiếu được theo dõi có vốn hóa lớn nhất trong ngành được khuyến nghị BÁN



Thông báo tuân thủ

- Tôi/chúng tôi, với tư cách là chuyên viên/các chuyên viên chuẩn bị bản báo cáo này, cam kết nội dung trình bày ở trên phản ánh chính xác quan điểm của tôi/chúng tôi về các chủ đề chứng khoán và tổ chức phát hành được thảo luận trong bài nghiên cứu. Hơn nữa, tôi/chúng tôi cũng xác nhận rằng bài báo cáo này được soạn thảo mà không phải chịu bất kỳ áp lực hoặc sự can thiệp bất hợp lí nào từ bên ngoài.
- Bản báo cáo này là tài liệu tham khảo cho đầu tư dựa trên các dữ liệu trong quá khứ, vì thế những biến động giá cổ phiếu trong tương lai có thể khác với các xu hướng đã được hình thành.
- Các dữ liệu này phản ánh chính xác quan điểm của người phụ trách nghiên cứu và phân tích về chứng khoán của doanh nghiệp, nhưng các quan điểm và những ước tính này có thể có sai sót. Vì vậy, việc lựa chọn cổ phiếu và đưa ra quyết định đầu tư cuối cùng nên phụ thuộc vào chính mỗi nhà đầu tư.
- Các dữ liệu nghiên cứu và phân tích chỉ được gửi tới cho khách hàng của chúng tôi, do đó không được phép sao chép, chuyển tiếp, hay gửi lại cho các đơn vị khác trong mọi trường hợp mà chưa được sự cho phép của chúng tôi.

Miễn trừ trách nhiệm

- Báo cáo phân tích này và các tài liệu marketing dành cho thị trường / chứng khoán Việt Nam được thực hiện và phát hành bởi Phòng Phân Tích của Công ty Chứng Khoán Shinhan Việt Nam, công ty được cấp giấy phép đầu tư của Ủy ban Chứng khoán Nhà nước Việt Nam. Chuyên viên phân tích, người thực hiên và phát hành báo cáo phân tích này và các tài liệu marketing, được cấp chứng chỉ hành nghề và được quản lý bởi UBCKNN Việt Nam. Báo cáo này không được sao chụp, nhân bản hoặc xuất bản (toàn bộ hoặc từng phần) hoặc tiết lộ cho bất kỳ người nào khác mà không được sự chấp thuận bằng văn bản của Công ty Chứng Khoán Shinhan Việt Nam.
- Báo cáo này được viết nhằm mục đích chỉ cung cấp thông tin. Bản báo cáo này không nên và không được diễn giải như một đề nghị mua hoặc bán hoặc khuyến khích mua hoặc bán bất cứ khoản đầu tư nào. Khi xây dựng bản báo cáo này, chúng tôi hoàn toàn đã không cân nhắc về các mục tiêu đầu tư, tình hình tài chính hoặc các nhu cầu cụ thể của các nhà đầu tư. Cho nên khi đưa ra các quyết định đầu tư cho riêng mình, các nhà đầu tư nên dựa vào đánh giá cá nhân hoặc tư vấn của chuyên gia tư vấn tài chính độc lập của mình và tùy theo tình hình tài chính cá nhân, mục tiêu đầu tư và các quan điểm thích hợp khác trong từng hoàn cảnh. Công ty Chứng Khoán Shinhan Việt Nam không đảm bảo nhà đầu tư sẽ đạt được lợi nhuận hoặc được chia sẻ lợi nhuận từ các khoản đầu tư. Công ty Chứng Khoán Shinhan Việt Nam, hoặc các bên liên quan, và các nhân sự cấp cao, giám đốc và nhân viên tuyên bố miễn trừ trách nhiệm với các khoản lỗ hoặc tổn thất liên quan đến việc sử dụng toàn bộ hoặc một phần báo cáo này. Thông tin và nhận định có thể thay đổi bất cứ lúc nào mà không cần báo trước và có thể khác hoặc ngược với quan điểm được thể hiện trong các mảng kinh doanh khác của Công ty Chứng Khoán Shinhan Việt Nam. Quyết định đầu tư cuối cùng phải dựa trên các đánh giá cá nhân của khách hàng, và báo cáo phân tích này và các tài liệu marketing không thể được sử dụng như là chứng cứ cho các tranh chấp pháp lý liên quan đến các quyết định đầu tư.
- Bản quyền ⓒ 2020 của Công ty Chứng Khoán Shinhan Việt Nam. Báo cáo này không được sao chụp, nhân bản hoặc xuất bản (toàn bộ hoặc từng phần) hoặc tiết lộ cho bất kỳ người nào khác mà không được sự chấp thuận bằng văn bản của Công ty Chứng Khoán Shinhan Việt Nam.

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