March 06th, 2025

Shinhan Securities



FPT Digital Retail JSC

[Vietnam / Retail]

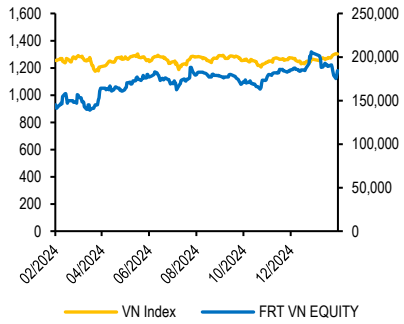
Bloomberg Ticker (FRT VN) | Reuters Ticker (FRT.HM)

HOLD

Update Report

Target price (12 months)	**203,600 VND**
Current price (Mar. 06th 2025)	182,000 VND
Return (%)	12.0%

VNINDEX			1,318
P/E market (x)			10.5
Market Cap (bn VND)			24,796
Outstanding shares (mn)			136
Free-Floating (mn)			64
Free-Floating rate (%)			46.7
52-Week High/Low (VND)			209,400/135,000
90-day avg. trading value (mn)			0.50
90-day avg. turnover (bn VND)			100
Beta (12M)			0.8
Major shareholders (%)	FPT Corporation		46.5
	Group of Dragon Capital Fund		11.9
Performance	**3M**	**6M**	**12M**
Absolute (%)	0.3	-0.2	25.4
Relative to VN-Index (%)	-3.4	-3.6	21.1



Source: Bloomberg

Long-term strategic game of FPT Long Chau

Update recommendation with HOLD rating - target price VND 203,600

FPT Digital Retail JSC (FPT Retail, HSX: FRT) is one of the leading ICT product retailers in Vietnam. FRT owns two ICT retail chains named FPT Shop and F. Studio, possessing more than 600 ICT stores nationwide. Additionally, FRT has also exposed to retail pharmaceuticals named FPT Long Chau since 2018, quickly becoming a familiar brand, leading the market with nearly 2,000 pharmacies across the country. Long Chau is the first modern retail pharmacy chain to achieve positive bottom line in Vietnam. Based on SoTP and P/S methods, we update the current target price at **VND 203,600** – equivalent to **HOLD** recommendation with FRT ticker.

Business performance in FY2024: Net revenue and EBT reached VND 40,104 bn (+26% y/y) and VND 527 bn, respectively (FY2023: loss of VND 329 bn), completing 107% and 422% of FY2024 plan. Thanks to the enhancement of both retail businesses, GPM greatly widened from 15-16% of FY23 to 19-20% of FY24. In 2024, FRT closed 121 ICT stores while opening 446 pharmacies and 116 vaccination centres.

ICT chains: Revenue slightly decreased by 6.5% y/y, accounting for 37.4% of total revenue. Fortunately, the ICT retail segment in 2024 recorded a positive NPAT of VND 168.5 bn after the price war among retailers ended (FY2023: loss of VND 475.3 bn). In 2024, FRT has expanded into the CE retail segment to improve performance (average GPM of ICT retail: 12-14%; CE retail: 15-18%).

Long Chau chain: Revenue and NPAT continued to surge, reaching VND 25,320 bn (+59% y/y) and VND 240 bn (+64% y/y), respectively. Gross profit contributed 74% to the consolidated gross profit, growing 58% y/y. GPM remained stable at 23-24%, clearly having boosted the company's overall performance.

Outlook in FY2025: We forecast FRT's revenue and EBT in 2025 to reach VND 51,519 bn (+28.5% y/y) and VND 1,036 bn (doubling y/y), respectively, 7% and 15% higher than the company's plan. The growth is fueled by the development and expansion strategy towards Long Chau healthcare ecosystem. This will be the key driver of FRT's sustainable growth in the long run.

ICT chains: Despites being in the saturated phase, FRT expects slight growth thanks to improved selling prices of AI-integrated devices. After the pilot phase of converting ICT retail stores to CE retail model, FRT will expand its CE retail segment (FPT Shop Dien May), enhancing FRT's overall GPM in 2025.

Long Chau chain: Long Chau will continue contributing 2/3 of FRT's consolidated revenue, maintaining monthly average sales of VND 1.1-1.3 bn/store; GPM of 23-24% maintained; NPAT margin at 1.8-2%. Furthermore, Long Chau vaccination chain model has been smoothly going into operation, forecast to open 100-150 new centers in 2025; expected mothly sales of VND 1.9-2 bn/center.

Long-term strategy: Long Chau plans to expand the healthcare ecosystem, specifically: (i) New business activities in diagnostics and treatment (e.g., clinics); (ii) Expanding its existing businesses (pharmacy, vaccination, home health monitoring, and medicine insurance).

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

Year to Dec.	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)	3,295	(2,537)	2,331	5,697	7,863
BPS (VND)	10,696	8,209	14,486	18,189	24,532
OPM (%)	1.6	(0.9)	1.4	2.0	2.6
NPM (%)	1.6	(1.0)	1.0	1.6	2.1
ROE (%)	**19.4**	**(19.1)**	**19.3**	**31.4**	**33.1**
PER (x)	18.1	(23.5)	79.6	32.3	23.4
PBR (x)	5.6	7.3	12.8	10.1	7.5
EV/EBITDA (x)	12.7	66.5	28.2	18.5	13.8

Source: Company data, Shinhan Securities Vietnam

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Valuation and Recommendation

Recommendation of HOLD rating, target price of VND 203,600

We applied SoTP and P/S valuation methods, with weightings of 40% and 60%, respectively, to value FRT ticker. The updated target price is VND 203,600 - corresponding to a **HOLD** recommendation.

Valuation methods	Weight	Appropriate TP (VND)
1. SoTP	40%	190,700
2. P/S	60%	212,200
Final target price		**203,600**

Source: Shinhan Securities Vietnam

1. SoTP method: We applied FCFF valuation approach to estimate the valuation of FPT Retail's ICT retail business and pharmaceutical retail business, separately, because of the following reasons:

1. The ICT retail segment is in a saturation phase, with growth expected to be flat or slightly positive thanks to ICT products replacement cycle and increased selling prices driven by AI-integrated products.
2. FPT Retail's pharmaceutical retail segment (pharmacy, vaccination centre) still has room for growth (financial results grew by double to triple digits per annum over the 2020-2024 period) and is being planned for expansion.
3. The target average monthly revenue for the vaccination segment is VND 2.8-3 billion/center; expected to break even and contribute to full-year profits from 2027-2028 period.
4. FPT Retail's ambition to develop a healthcare ecosystem in the coming years.

Summary of SoTP valuation method

Mảng kinh doanh	Valuation of segment owned (VND bn)	Fair value of business (VND bn)	FRT's ownership	Valuation approach
ICT retail segment	4,548	4,548	100%	FCFF
Pharmaceutical retail segment	27,351	33,875	80.74%	FCFF
Total enterprise value	**31,898**			
Minus: Total debt	8,800			
Plus: Cash balance	3,084			
Minus: Minority interest	208			
Number of shares outstanding (bn shares)	0.136			
Target price (VND) *(rounded)*	**190,700**			

Source: Shinhan Securities Vietnam

SoTP method – ICT retail segment

Weighted average cost of capital (WACC)	
WACC (%)	**9.5**
Risk-free rate (%)	3.1
Equity risk premium (%)	8.4
Beta	1.1
Cost of debt (%)	3.5
Cost of equity (%)	12.1
Debt-to-equity ratio	0.38
Total debt (VND billion)	4,314

Source: Shinhan Securities Vietnam

FCFF valuation model – ICT retail segment

Unit: VND billion	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F
Net profit	**278**	**332**	**388**	**413**	**445**	**544**	**604**	**752**	**867**	**993**
Plus: After-tax interest expense	137	147	170	140	133	104	98	100	85	77
Plus: Non-cash charges	53	58	67	60	62	63	61	62	62	62
Minus: Change in working capital	248	150	199	174	186	180	183	182	183	182
Minus: Capital expenditure	75	65	61	63	62	62	62	62	62	62
Free cash flows to the firm (FCFF)	145	323	366	376	391	468	518	671	770	887
Discount rate	0.91	0.83	0.76	0.70	0.64	0.58	0.53	0.48	0.44	0.40
Present value of FCFF	133	269	279	261	249	271	274	325	340	358
Terminal growth rate	1%									
Present value of terminal value	1,788									
Enterprise value – Retail ICT	**4,548**									

SoTP method – Pharmaceutical retail segment

Weighted average cost of capital (WACC)	
WACC (%)	**10.5**
Risk-free rate (%)	3.1
Equity risk premium (%)	8.4
Beta	1.2
Cost of debt (%)	5.0
Cost of equity (%)	12.7
Debt-to-equity ratio	0.33
Total debt (VND billion)	4,486

Source: Shinhan Securities Vietnam

FCFF valuation model – Pharmaceutical retail segment										
Unit: VND billion	**2025F**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**	**2031F**	**2032F**	**2033F**	**2034F**
Net profit	**551**	**948**	**1,089**	**1,527**	**2,093**	**2,801**	**3,701**	**4,953**	**6,402**	**8,441**
Plus: After-tax interest expense	90	113	122	118	122	122	130	141	153	157
Plus: Non-cash charges	311	240	248	268	268	265	259	262	264	264
Minus: Change in working capital	858	1,120	669	901	952	862	849	819	832	831
Minus: Capital expenditure	138	85	103	21	41	138	90	80	79	75
Free cash flows to the firm (FCFF)	**-44**	**96**	**687**	**992**	**1,490**	**2,186**	**3,150**	**4,457**	**5,908**	**7,955**
Discount rate	0.90	0.82	0.74	0.67	0.61	0.55	0.50	0.45	0.41	0.37
Present value of FCFF	-40	78	509	665	903	1,199	1,564	2,002	2,400	2,924
Terminal growth rate	5%									
Present value of terminal value	21,670									
Enterprise value – Pharma. retail	**33,875**									

2. PS multiples method: We collected data from businesses in the same industry (selling ICT and pharmaceutical goods) and similar in size to FRT, operating domestically and internationally.

The implied PS forward is at 0.63x, approximately the peer industry multiple. With the forecast sales per share forward at VND 343,764 per share - corresponding 12-month target price is at VND 212,200.

Summary of PS valuation model

Current multiples	Multiples value of peer industry	Implied ex-ante multiples	Sales per share forward (VND)	Implied TP (VND) *(rounded)*
0.62x	0.62x	0.62x	343,764	212,200

Forecast contribution of FRT's core businesses in 2025

Contributing segement	Forecast revenue in 2025 (VND bn)	Weighted contribution	Implied P/S multiple by segment
ICT retail	16,114	31%	0.58x
Retail pharmacy	35,869	69%	0.64x
			0.62x

Comparison of peer enterprises in ICT industry

Industry	Company name	Country	PS	Market cap (USD mn)	Revenue growth YoY (%)	GPM (%)	ROA (%)	ROE (%)
ICT, pharmaceutical retail	FPT Digital Retail	Vietnam	0.62	997	25.9	18.9	2.2	18.1
ICT retail	Com7 PCL	Thailand	0.66	1,511	10.6	12.8	13.3	38.8
	Mitra Adiperkasa Tbk PT	Indonesia	0.63	1,431	16.4	43.2	6.4	16.4
	Mobile World	Vietnam	0.63	3,357	13.6	20.5	5.7	14.6
ICT distribution	Digiworld	Vietnam	0.39	342	17.3	9.3	5.6	15.9
Mean			**0.58x**					

Source: Bloomberg, Shinhan Securities Vietnam

Comparison of peer enterprises in pharmaceutical industry

Industry	Company name	Country	PS	Market cap (USD mn)	Revenue growth YoY(%)	GPM (%)	ROA (%)	ROE (%)
ICT, pharmaceutical retail	FPT Digital Retail	Vietnam	0.62	997	25.9	18.9	2.2	18.1
Retail pharmacy	Dashenlin Pharma	China	0.65	2,377	9.9	34.2	3.6	12.4
	Yixintang Pharma	China	0.43	1,055	-0.3	32.0	0.9	2.0
	Laobaixing Pharmacy	China	0.55	1,733	0.8	33.5	4.0	12.4
	Yifeng Pharmacy	China	1.10	4,134	6.7	38.9	6.2	15.5
Retail pharmacy	Sugi Holdings	Japan	0.60	3,450	14.6	31.1	5.4	10.5
	MatsukiyoCocokara & Co	Japan	0.91	6,459	4.6	34.9	7.2	10.1
	Cosmos Pharmaceutical Corp.	Japan	0.56	3,736	10.5	20.3	5.9	11.8
	Welcia Holdings	Japan	0.37	3,122	4.1	30.2	3.5	8.7
Supermarket, retail pharmacy	Loblaw	Canada	0.81	37,172	2.5	32.3	5.8	20.1
Healthcare services, retail pharmacy	CVS Health Corp.	US	0.22	82,065	4.2	13.8	1.8	6.1
Mean			**0.64x**					

Source: Bloomberg, Shinhan Securities Vietnam

Company background

1. Company's history and development

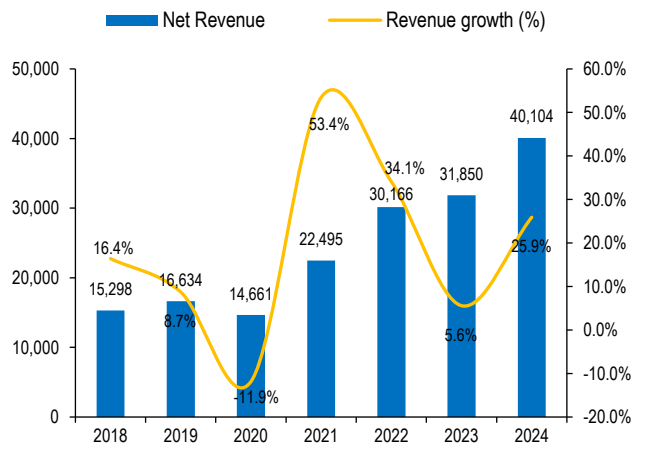
FPT Digital Retail JSC (FPT Retail - HSX: FRT) was established in 2012 and is backed by FPT Corporation in terms of capital, technology and human resources. The company is headquartered in Ho Chi Minh City and officially listed on Ho Chi Minh Stock Exchange in 2018.

With an initial charter capital of VND 88.5 billion and 100 FPT Shop stores (mainly in Ho Chi Minh City and Hanoi), specializing in retailing mobile phones and laptops. FRT's charter capital is of VND 1,362 billion to date. FPT Shop stores has spread across 63 provinces and cities nationwide, becoming the second largest ICT retail chain, just after The Gioi Di Dong chain of MWG.

At YE2018, FPT Retail expanded to retail pharmacy business, named Long Chau. Thanks to the well-prepared work from the FRT team with reasonable development and market expansion strategy, Long Chau has been run effectively, quickly becoming a familiar and leading modern retail pharmacy brand in Vietnam. Long Chau is the new growth driver of FRT in the context of saturating tendency of the ICT retail industry.

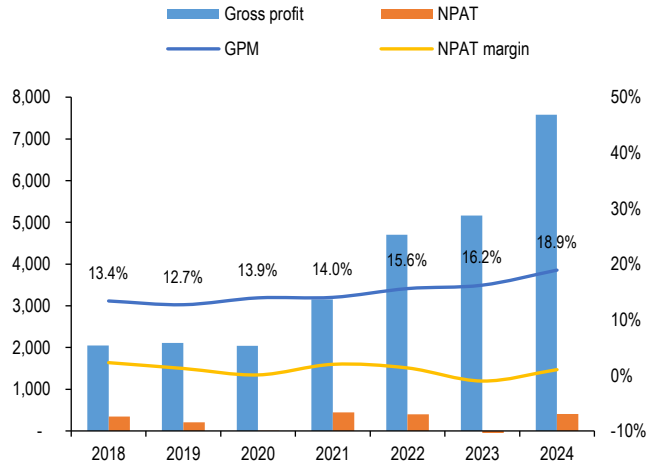
With the omnichannel retail strategy, FRT utilizes all sales channels to reach and enhance customer engagement. In 2024, FPT Retail achieved total revenue of more than USD 1.5 billion, ranked 2nd by Vietnam Report in the "Top 10 Vietnamese Retail companies in 2024" the 8th times in terms of prestige.

Annual net revenue of FRT (VND bn)



Source: Company data, Shinhan Securities Vietnam

Annual gross profit and NPAT of FRT (VND bn)

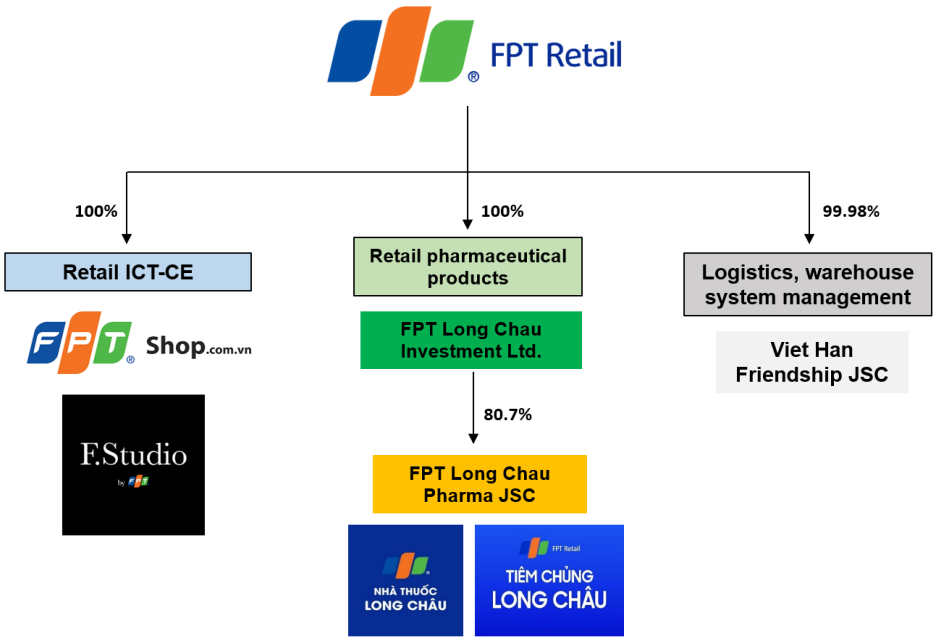


Source: Company data, Shinhan Securities Vietnam

2. Organizational structure

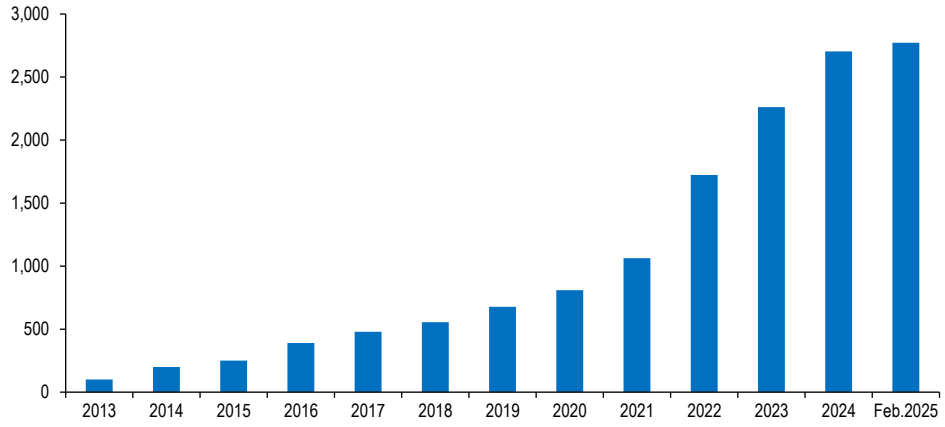
FRT owns two subsidiaries operating mainly in the retail segment (ICT and pharma) and another subsidiary operating in logistics and warehouse management. At the end of Feb. 2025, FRT has 2,773 retail stores (+70 YTD).

FPT Retail's ecosystem



Source: Company data, Shinhan Securities Vietnam

Total numbers of retail stores of FRT



Source: Company data, Shinhan Securities Vietnam

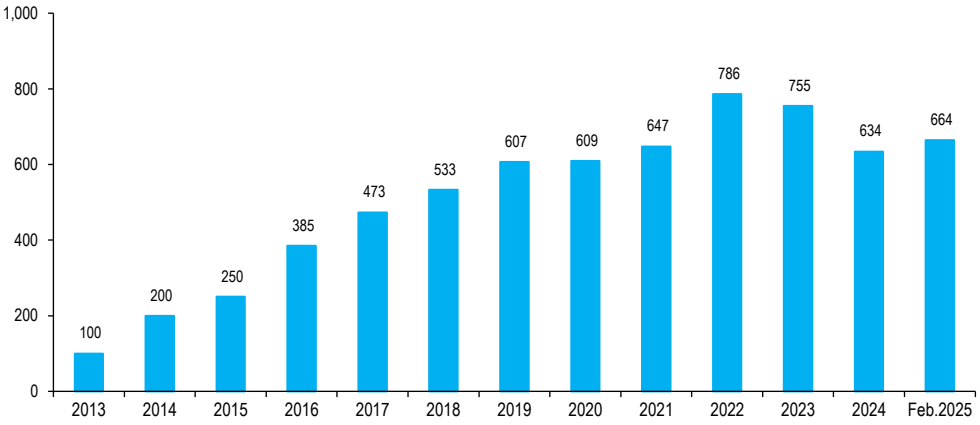
Technology equipment retail segment (ICT segment):

FPT Digital Retail JSC operates two retail F. Shop chains, specializing in trading technology equipment (ICT - Information and Communication Technology), including: (i) FPT Shop chain, retailing technology products such as mobile phones, laptops, smart devices, household goods; (ii) F. Studio by FPT chain, the first authorized retailer in Vietnam to distribute genuine Apple products.

End of Feb. 2025, FRT owns 664 ICT retail stores, generating an average monthly sales of VND 1.7-1.9 billion/store in 2024 (+10% y/y). This segment was previously the main contributor, accounting for 60-80% of FRT's net revenue.

However, due to the gradual saturation of the ICT market and the shifting focus of FPT Retail on the retail pharmacy segment, ICT retail segment only contributes ~1/3 of the FY2024 consolidated revenue, which is expected to be maintained in the coming years.

Total numbers of ICT retail stores



Source: Company data, Shinhan Securities Vietnam

Retail pharmacy segment:

1. FPT Long Chau:

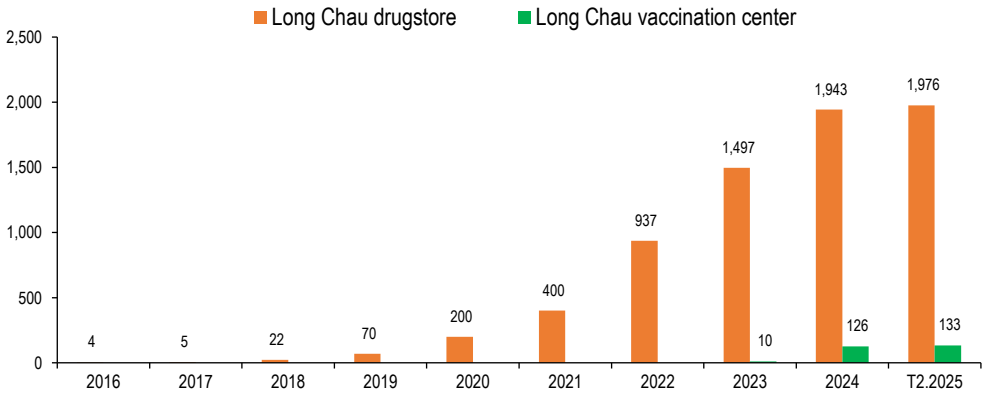
In 2017, FPT Retail conducted research on the pharmaceutical segment to invest in the Long Chau pharmacy chain - a long-standing traditional private pharmacy brand since 2007, having high prestige in the pharmaceutical retail field in Ho Chi Minh City.

At YE2018, FPT Long Chau Pharmaceutical JSC (FPT Long Chau) was formed by FPT Retail and Long Chau pharmacy group shareholders, with total capital of VND 100bn, where FRT Retail owned 75% ownership. FPT Long Chau specilizes in selling pharmaceutical products, special medications, functional foods, and medical instruments.

FPT Long Chau chain only recorded losses in 2019 and 2020, then quickly reached break-even point and has been profitable since 2021. After times of capital mobilization, FPT Long Chau's current charter capital is of VND 834.44bn, and FPT Retail possesses 80.73% ownership.

At the end of Feb.2025, FPT Long Chau has 1,976 drugstores and 133 vaccination centers. The company continuously expands this successful model to cover all 63 provinces and cities nationwide.

Total numbers of retail pharmacy stores



Source: Company data, Shinhan Securities Vietnam

2. Long Chau vaccination center:

Long Chau began opening vaccine centers in Q4.2023 and is currently experiencing losses due to initial capex. However, FRT believes vaccination demand will continue to increase in the long term, so the company has been expanding this model since 2024.

According to the United Nations Children's Fund (UNICEF), Vietnam has nearly 250,000 children not fully vaccinated. Vietnam is among the top 20 countries with the highest number of "zero-dose" children in the world. In addition, adults also lack awareness of the importance of vaccination for disease prevention.

FPT Long Chau vaccination centers were established with the aim of increasing vaccination rates, creating community immunity, reducing the risk of disease transmission, and partially releasing the burden on the healthcare system, especially in densely populated areas

3. Target customers:

With a customer base of over 20 million and a nationwide network of thousands of pharmacies, Long Chau optimizes cross-selling of vaccine services, promotional events, and product purchases within its retail ecosystem.

In addition to infants and newborns requiring initial vaccinations, Long Chau focuses on adult customers with underlying conditions, chronic illnesses, and weakened immune systems, encouraging them to get vaccinated against preventable diseases (e.g., pneumonia, seasonal flu, chickenpox).

FPT Long Chau also intensifies communication about vaccination for working adults, promoting early disease prevention (e.g., hepatitis A and B, HPV vaccination for both males and females).

4. Towards a healthcare ecosystem:

In July 2024, FPT Retail decided to restructure internally. In August 2024, FPT Long Châu was no longer a direct subsidiary of FPT Retail. All shares in FPT Long Chau were contributed by FPT Retail to establish FPT Long Chau Investment Company Limited (FPT Investment). The company has a total charter capital of VND 673.65 bn, operating in the field of management consulting, and is 100% owned by FPT Retail.

We assess this as the initial step in realizing FPT Retail's ambition to expand and develop its healthcare segment. FPT Long Chau Investment Company Limited acts as a Holding Company, directly managing other subsidiaries formed in the future, aiming towards a comprehensive human healthcare lifecycle.

The 6-Stage Human Healthcare Lifecycle

Human healthcare lifecycle	Market size	FPT Long Chau's exposure
1. Prevention: Preventive healthcare	USD 1-3 bn	Long Châu Vaccination Centers - targeting pediatric and adult populations.
2. Suspected illness: Diagnosis, testing services	USD 1 bn	*Planned for future implementation*
3. Diagnosed illness: Treatment services	USD 10 bn	*Planned for future implementation*
4. Medication purchase (retail pharmacy)	USD 7-9 bn	FPT Long Chau Pharmacies
5. Homecare services	n.a	LC247 Service - providing health consultation, disease status monitoring, and medication adherence/follow-up scheduling at home with a team of online doctors.
6. Healthcare insurance	USD 5-6 bn	Collab with insurance companies. Patients with insurance guarantees from insurance partners can purchase medication at Long Chau pharmacies without upfront payment.

Source: FPT Retail, Shinhan Securities Vietnam

For each lifecycle stage, FPT Long Chau will experiment with and deploy appropriate "touchpoint" models to reach and support customers most efficiently. These "touchpoints" include: Physical pharmacies; Online shopping (website, app); Call center; eDoctor (online doctors).

Notably, in late 2024, the FPT Long Chau app was authorized to connect with the VNeID app of the Ministry of Public Security of Vietnam (an app integrating citizen data such as national identity cards, driver's licenses, health insurance information, and patient medical history).

The online medication purchase feature on VNeID is part of the electronic health record section, helping people proactively track their medical history and purchase medications easily. This collaboration with FPT Long Chau allows people to buy medications online safely, quickly, with guaranteed authenticity and reasonable prices

5. FPT Long Chau's Capital Raising Plan:

To accelerate the development of healthcare ecosystem, FPT Long Chau plans to raise capital through a private placement of shares to investors (up to 10%). Specifically, in late 2024, FPT Retail selected Swiss investment bank UBS as an advisor for the proposed equity sale of FPT Long Chau.

The deal process has completed the due diligence phase and is currently in the negotiation and offering stage with suitable strategic partners. The deal process is anticipatedto be expedited and completed in Q3.2025.

Proceeds from the fundraising will bolster FPT Long Chau's working capital, drugstore chain upgrades, and investment in other vertical and horizontal businesses in the healthcare ecosystem. For example, investing in a clinic chain; building new storage facilities to meet future business expansion.

3. Revenue structure

Revenue has been improved over time, with a monthly average of VND ~1 billion/pharmacy; contributing nearly 50% of FRT's consolodated net revenue in 2023, approaching the ICT retail revenue – FRT's core business. At YE2022 (after 4 years of operating), FPT Long Chau accumulated losses of VND ~121 billion.

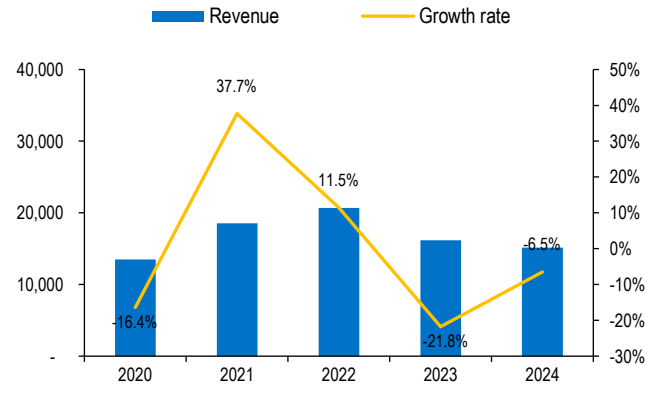
- **By business chain:**

In 2024, FPT Retail's consolidated revenue reached VND 40,104 billion (+25.9% y/y), with the ICT retail chain contributing 37.4% of that.

The ICT market is gradually becoming saturated, and FPT Retail is more focusing on the retail pharmacy segment. This is the first year FPT Shop is no longer the primary contributor to FRT's revenue. The ICT retail segment contributed only about 1/3 of the 2024 consolidated revenue, expected to be maintained in the coming years.

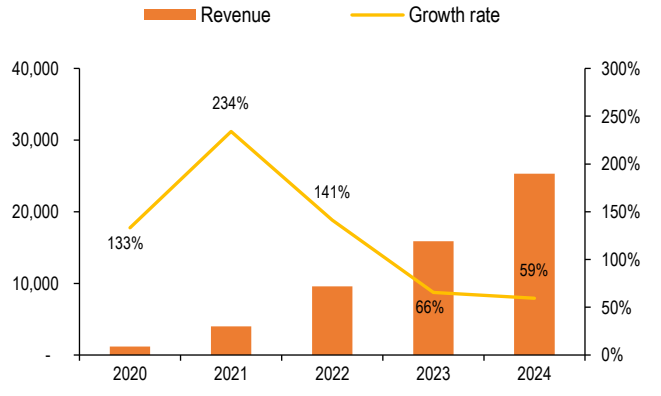
Long Chau chain has shown strong improvement with double-digit revenue growth annually. Average monthly sales reached VND 1.1-1.3 bn/ pharmacy in 2024 (+15% y/y), contributing nearly 2/3 of FRT's consolidated net revenue in FY2024. FPT Long Chau has eliminated its accumulated losses in FY2023, aiming to the Vietnam's number one modern digital healthcare ecosystem.

Revenue of FPT Shop (VND bn)



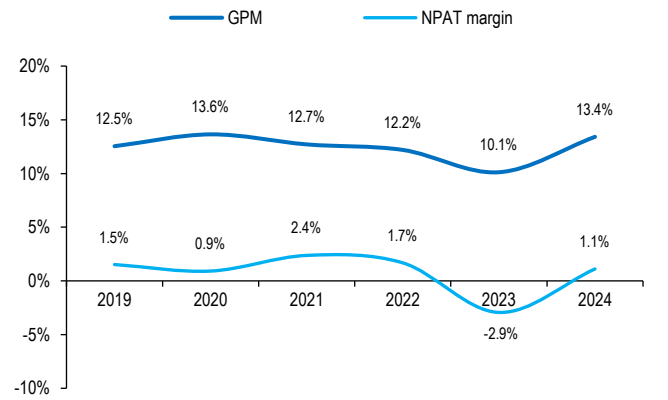
Source: Company data, Shinhan Securities Vietnam

Revenue of FPT Long Chau (VND bn)



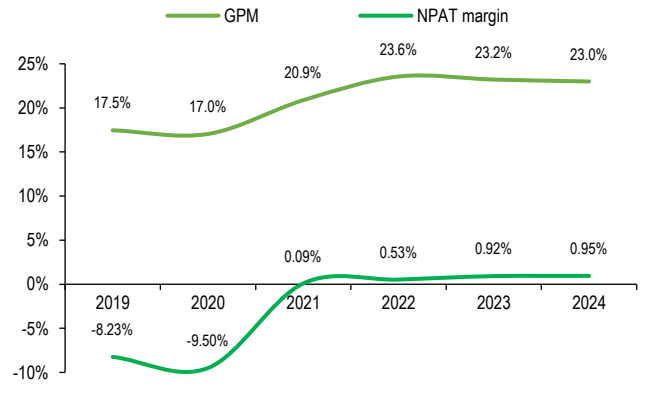
Source: Company data, Shinhan Securities Vietnam

Profit margins of FPT Shop (%)



Source: Company data, Shinhan Securities Vietnam

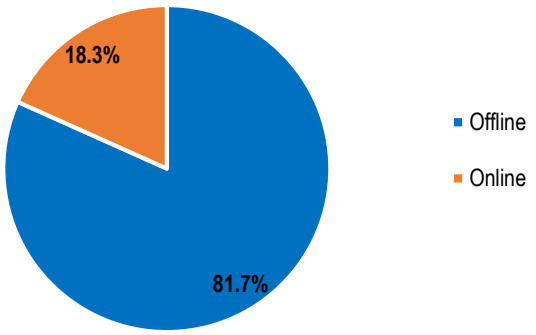
Profit margins of FPT Long Chau (%)



Source: Company data, Shinhan Securities Vietnam

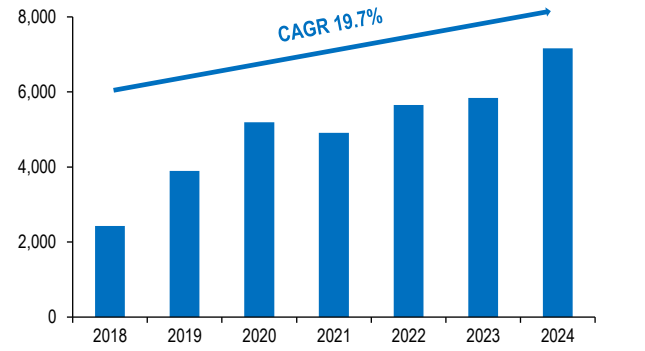
- **By sale channel:** Including direct sales at store (offline) và online sales. Offline sales channel makes up the largest portion. However, online sales revenue has had positive growth recently, with CAGR of 19.7%/year over the period 2018-2024.

Revenue structure by sales channel in 2024 (%)



Source: Company data, Shinhan Securities Vietnam

Revenue from online channel over the period 2018 - 2024 (VND bn)

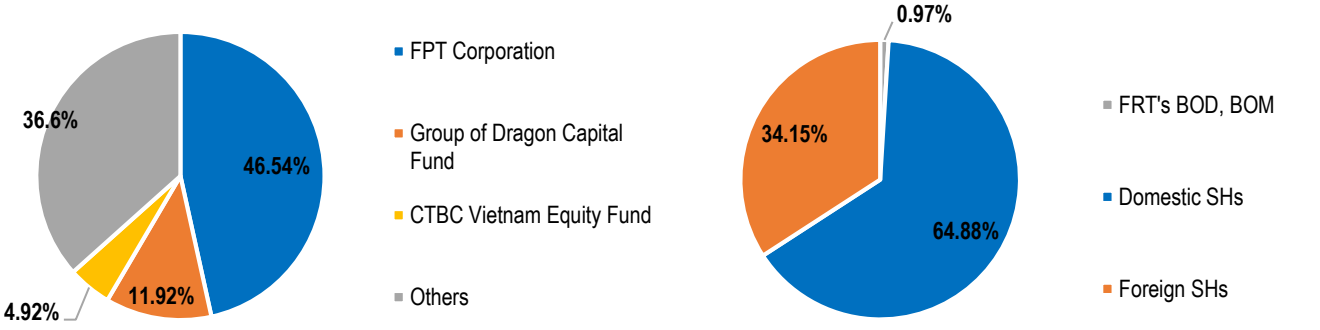


Source: Company data, Shinhan Securities Vietnam

4. Shareholder structure

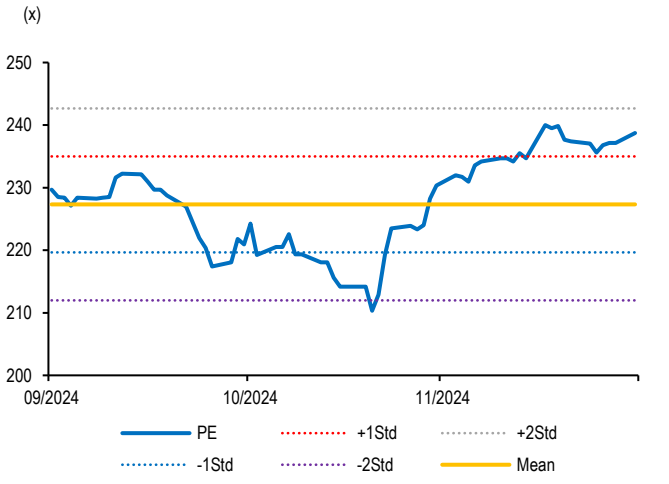
The current shareholder structure of FRT has not changed much after FPT Corporation (HSX: FPT) officially divested and was no longer the parent of FPT Retail. FPT Corporation reduced its ownership rate from 85.0% to 47.0% in 2017 and is still the largest shareholder of FPT Retail. Although FRT is no longer a subsidiary of FPT Corporation, FRT has always received supports from FPT in terms of company contribution, technology integration into sales, preferential loans, as well as advices on business strategy, and experience in management.

FRT's shareholder structure (as of February 28th, 2025)



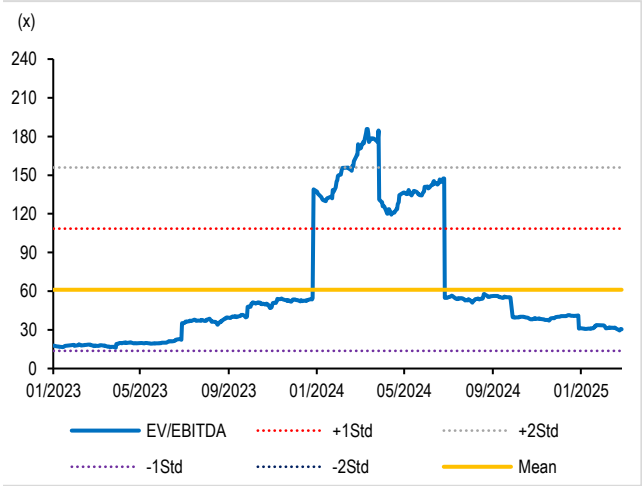
Source: Company data, Shinhan Securities Vietnam

PER of FRT



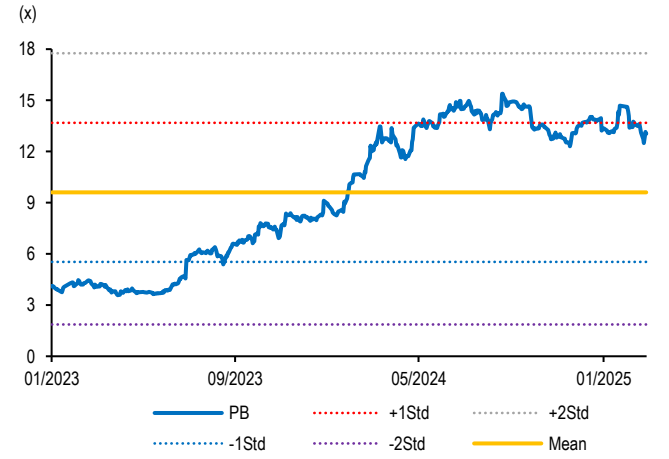
Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA of FRT



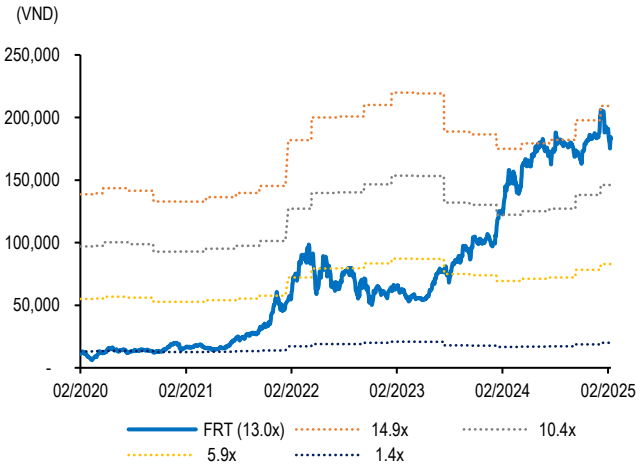
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of FRT



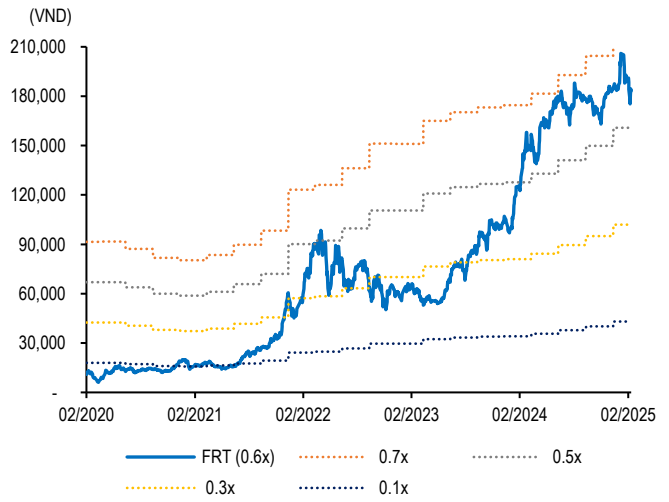
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR band price chart of FRT



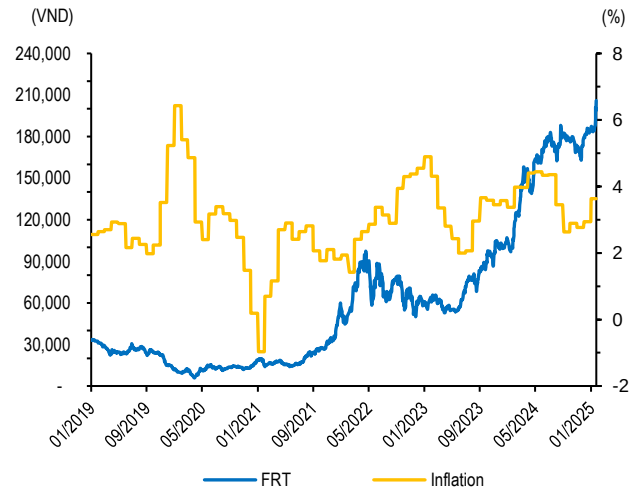
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PSR band price chart of FRT



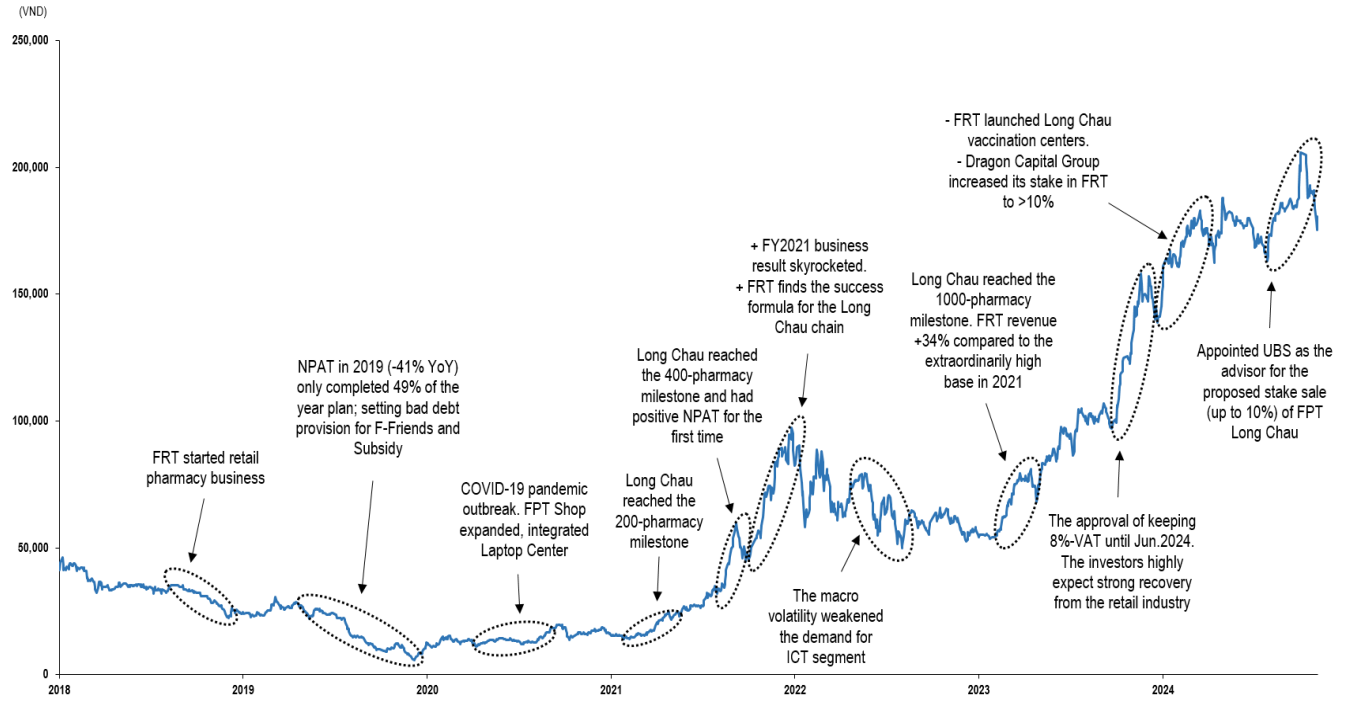
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Correlation between stock price and Vietnam inflation rate



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events chart of FRT



Source: Company data, Shinhan Securities Vietnam

Appendix: Financial statements

Statement of financial position

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Total assets	**10,524**	**13,098**	**15,833**	**18,333**	**22,288**
Current assets	**9,327**	**11,415**	**14,026**	**16,751**	**20,816**
Cash & equivalents	746	961	2,098	2,515	4,174
Short-term financial asset	1,119	1,194	986	1,599	1,702
Accounts receivable	538	394	417	447	495
Inventories	6,484	8,427	10,235	11,649	13,875
Other current assets	440	439	291	540	571
Non-current assets	**1,197**	**1,683**	**1,806**	**1,582**	**1,472**
Net fixed assets	847	1,308	1,446	1,296	1,155
Long-term incomplete assets	2	1	8	8	4
Other long-term assets	348	375	352	278	312
Total liabilities	**8,474**	**11,379**	**13,713**	**15,688**	**18,424**
Current liabilities	**8,474**	**11,379**	**13,712**	**15,688**	**18,424**
Accounts payable	2,307	2,274	3,202	3,517	4,125
Short-term borrowings	5,363	8,108	8,800	10,239	11,891
Others	804	996	1,709	1,932	2,408
Non-current liabilities	**0**	**1**	**1**	**0**	**1**
Long-term borrowings	0	0	0	0	0
Other financial liabilities	0	1	1	0	1
Total shareholders' equity	**2,049**	**1,719**	**2,120**	**2,644**	**3,864**
Capital stock	1,185	1,362	1,362	1,362	1,499
Capital surplus	0	0	0	0	0
Other capital	0	0	0	0	0
Retained earnings	824	237	549	1,005	1,968
Non-controlling interest equity	41	120	208	276	397
*Total debt	5,363	8,108	8,800	10,239	11,891
*Net debt (cash)	3,499	5,953	5,717	6,124	6,016

Statement of cash flow

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Cash flow from operations	**(1,508)**	**(1,857)**	**627**	**(565)**	**116**
Net profit	486	(294)	527	1,036	1,610
D&A expense	115	233	319	347	294
(Gain) from investing activities	(148)	(50)	(71)	(157)	(223)
Change in working capital	(1,833)	(1,728)	(145)	(1,105)	(1,269)
Others	(128)	(18)	(3)	(685)	(296)
Cash flow from investments	**1,860**	**(672)**	**(180)**	**(456)**	**(43)**
Change in fixed assets	(518)	(705)	(490)	(213)	(150)
Change in investment assets	2,219	(35)	208	(405)	(103)
Others	159	69	102	162	211
Cash flow from financing	**(712)**	**2,744**	**689**	**1,438**	**1,585**
Change in equity	11	58	52	-	-
Net borrowing	(684)	2,745	692	1,438	1,653
Dividends	(39)	(59)	(54)	-	(68)
Others	-	-	-	-	-
Change in total cash	**(360)**	**215**	**1,137**	**418**	**1,658**
Beginning cash	1,105	746	961	2,098	2,515
Change in FX rates	0.0	0.1	0.2	0.0	0.1
Ending cash	746	961	2,098	2,515	4,174

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Revenue	**30,166**	**31,850**	**40,104**	**51,519**	**61,205**
Growth (%)	34.1	5.6	25.9	28.5	18.8
COGS	**(25,463)**	**(26,688)**	**(32,521)**	**(41,357)**	**(48,868)**
Gross profit	**4,703**	**5,162**	**7,583**	**10,161**	**12,338**
GPM (%)	15.6	16.2	18.9	19.7	20.2
SG&A	**(4,147)**	**(5,246)**	**(6,893)**	**(9,009)**	**(10,639)**
Operating profit (excluding FIFE)	**557**	**(85)**	**690**	**1,152**	**1,699**
Growth (%)	12.5	-	-	67.0	47.4
OPM (%)	1.8	(0.3)	1.7	2.2	2.8
Non-operating profit	**(71)**	**(210)**	**(163)**	**(116)**	**(89)**
Financial income (FI)	174	80	107	176	238
Financial expense (FE)	(256)	(292)	(254)	(293)	(337)
In which: interest expenses	(232)	(285)	(253)	(283)	(325)
Net other non-operating profit	11.7	2.3	(16.2)	1.0	9.5
Pre-tax profit	**486**	**(294)**	**527**	**1,036**	**1,610**
Income tax	(88)	(35)	(119)	(207)	(331)
Net profit	**398**	**(329)**	**408**	**829**	**1,279**
Growth (%)	(10.3)	-	-	103.0	54.3
NPM (%)	1.3	(1.0)	1.0	1.6	2.1
Controlling interest	390	(346)	318	776	1,178
Non-controlling interest	8	16	91	53	101
EBIT	**717**	**(9)**	**780**	**1,319**	**1,936**
Growth (%)	4.5	-	-	69.1	46.7
EBIT Margin (%)	2.4	(0.0)	1.9	2.6	3.2
EBITDA	**832**	**224**	**1,099**	**1,666**	**2,230**
Growth (%)	9.8	(73.1)	391.0	51.6	33.8
EBITDA margin (%)	2.8	0.7	2.7	3.2	3.6

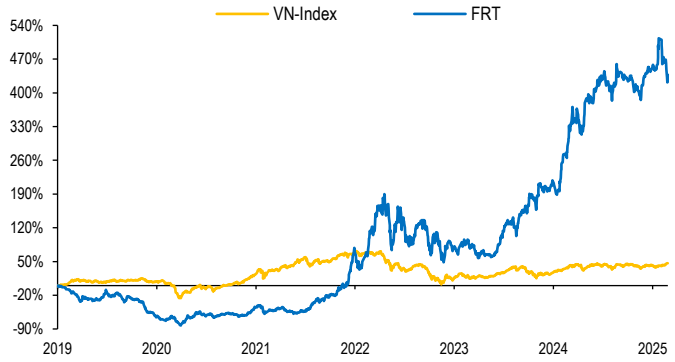
Key ratios

Year to Dec.	2022	2023	2024	2025F	2026F
EPS (VND)	2,865	-2,537	2,331	5,697	7,863
BPS (VND)	17,115	12,021	14,486	18,189	24,532
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
Dividend payout ratio (%)	17	0	0	9	13
Dividend yield (%)	0.7	0.5	0.0	0.0	0.2
Profitability					
EBITDA margin (%)	2.8	0.7	2.7	3.2	3.6
OPM (%)	1.8	-0.3	1.7	2.2	2.8
NPM (%)	1.3	-1.0	1.0	1.6	2.1
ROA (%)	3.8	-2.5	2.6	4.5	5.7
ROE (%)	19.4	-19.1	19.3	31.4	33.1
Stability					
Debt to equity ratio (x)	2.6	4.7	4.2	3.9	3.1
Net debt ratio (x)	4.2	26.6	5.2	3.7	2.7
Cash ratio (%)	22.0	18.9	22.5	26.2	31.9
Interest coverage ratio (x)	3.1	(0.0)	3.1	4.7	6.0
Activity (%)					
Receivable turnover (days)	1	1	1	1	1
Inventory turnover (days)	82	103	104	103	104
Payables turnover (days)	32	30	29	30	29

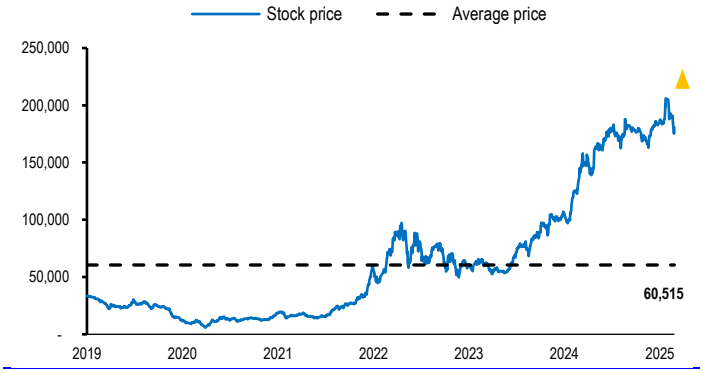
Source: Company data, Shinhan Securities Vietnam

FPT Digital Retail JSC (FRT VN)

Stock return moment



Target price



Date	Rating	Target price (VND)	Target price gap (%)	
			Average	Max/Min
Aug. 4th 2023 (Initiation report)	BUY	91,400	43.6	15.3/83.3
Dec. 8th 2023 (Update report)	BUY	119,400	65.8	13.8/126.8
Mar. 06th 2024 (Update report)	HOLD	140,100	67.7	-3.4/166.2
Jun. 24th 2024 (Update report)	HOLD	190,000	67.2	6.1/183.6
Dec. 24th 2024 (Update report)	HOLD	197,100	23.5	4.8/103.4
Mar. 06th 2025 (Update report)	HOLD	203,600	17.8	-1.2/46.6

Note: Calculation of target price gap based on the past 12 months

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Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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