CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

Company Report: FPT Digital Retail JSC (FRT)

Research Department
04/02/2026

Long Chau pharmacy chain continues to spearhead growth

BUSINESS UPDATES

According to the FY2025 business results of FPT Digital Retail Joint Stock Company, revenue from both FPT Long Châu and FPT Shop exceeded targets, bringing consolidated revenue to VND 51,083 billion, up 27% year on year. FPT Long Châu continued to serve as the main growth driver, contributing 67% of consolidated revenue, equivalent to VND 34,501 billion, representing 36% YoY growth and 107% completion of the annual plan. Meanwhile, FPT Shop recorded a clear recovery in operating efficiency and returned to profitability in FY2025. The chain generated revenue of VND 16,809 billion, up 11% YoY, completing 105% of the annual plan.

FRT is expected to benefit from government demand-stimulation policies in 2026, while FPT Long Châu retains significant potential for store network expansion, supported by favorable industry dynamics and ample market headroom.

From an operational perspective, higher inventory levels and increased short-term liabilities are aligned with FPT Long Chau's rapid store expansion plan and the company's stated strategic direction.

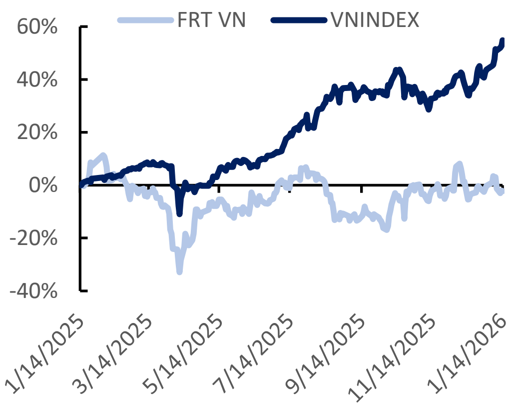
RECOMMENDATION

We maintain a positive view on the business outlook of the FPT Long Châu chain in 2026, with the company expected to open approximately 400–500 new pharmacies and vaccination centers during the year. Meanwhile, FPT Shop is projected to deliver a modest recovery in 2026, supported by ongoing product portfolio restructuring. However, the extent of improvement is expected to remain limited, as the consumer electronics market continues to show signs of saturation, while competitive intensity remains elevated.

We recommend "**OUTPERFORM**" FRT stock with a target price of VND **188,687 VND per share**, implying a **8.44%** upside from the closing price on February 3, 2026.

Recommendation:	**OUTPERFORM**
6-18m TP:	**188,687** *(+8.44%)*
Current price:	174,000

Price performance



Stock change	1 M	3 M	1Y
Price change%	4.1%	5.1%	-1.4%
Comparison with VN index	17.5%	12.8%	49.5%
Average (VND)	146,457	145,810	140,987

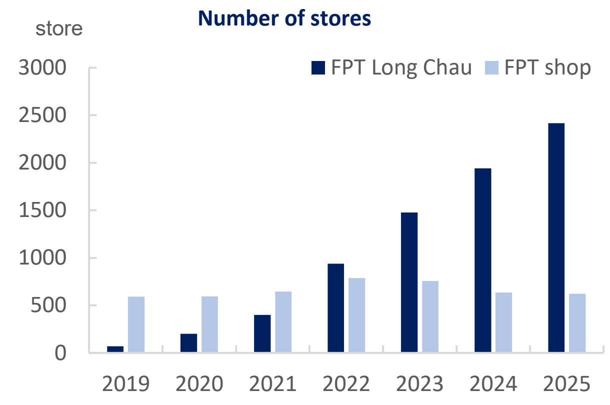
Source: Bloomberg, Guotai Junan (VN)

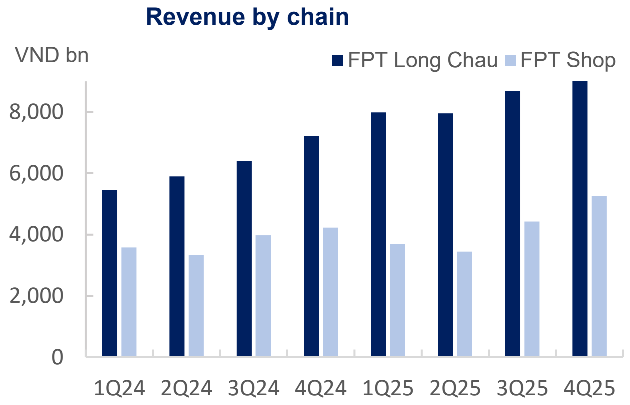
Outstanding shares (million)	170.30	Major shareholder (%)	FPT Corp. 46.54%
Market Capitalization. (VND b)	24,864.06	Free float (%)	55%
3-Month Average Trading Volume ('000)	451.59	EPS TTM (VND)	5,779
Highest/Lowest Price 52w (VND)	164800 / 99300	NPM 2025 (%)	1.93%

Source: the Company, Guotai Junan (VN).

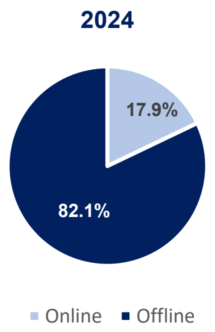
I. BUSINESS UPDATES

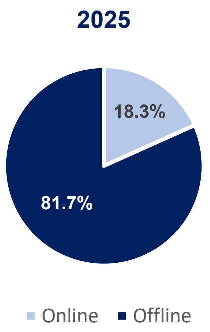
According to FPT Digital Retail Joint Stock Company's FY2025 business results announcement, the company recorded revenue of VND 51,083 billion, representing 106% of the full-year plan, and profit before tax of VND 1,219 billion, equivalent to 135% plan completion. Revenue and profit before tax increased by 27% YoY and 131% YoY, respectively.

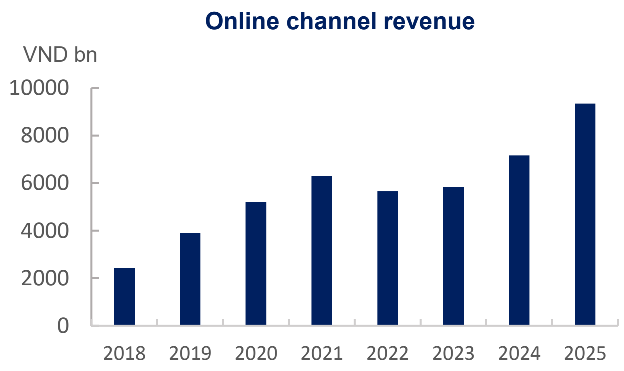




By sales channel, offline retail continues to account for the dominant share of revenue. However, online sales have demonstrated a strong growth trajectory, recording a CAGR of 19.7% per annum over the 2018–2025 period. As of the end of FY2025, FRT reported online channel revenue of VND 9,344 billion, representing a 30% year-on-year increase, underscoring the accelerating contribution of the online channel to the group's overall revenue base.

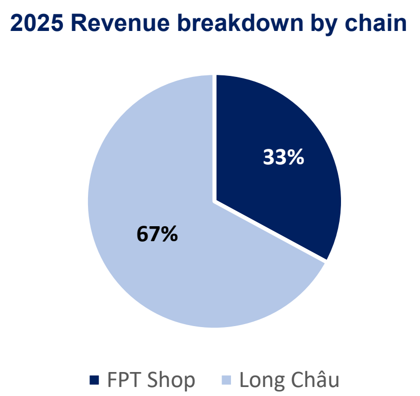


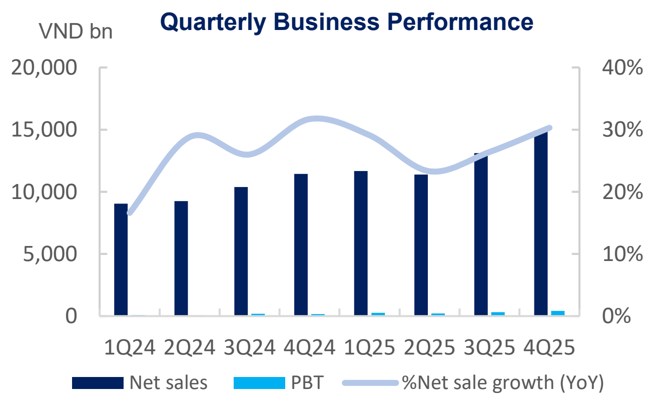




Source: FRT, GTJASVN RS

FRT's growth drivers over the 2025–2026 period are clearly anchored by its two core chain. FPT Long Châu is expected to remain the key contributor to sustainable earnings growth, underpinned by continued network expansion and favorable industry fundamentals. Meanwhile, FPT Shop has recorded a positive earnings inflection, returning to profitability in 3Q and 4Q2025, which helps rebalance the group's consolidated earnings profile and provides a more diversified profit base going forward.



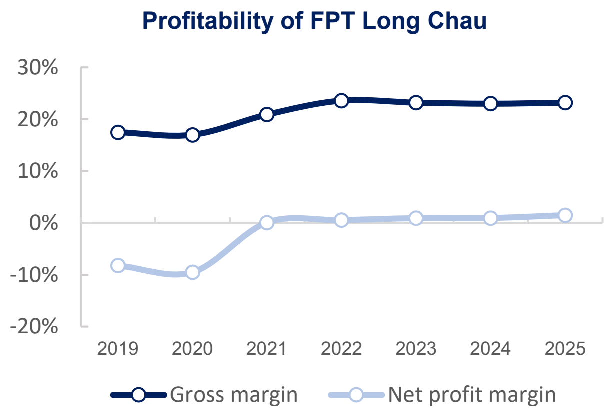


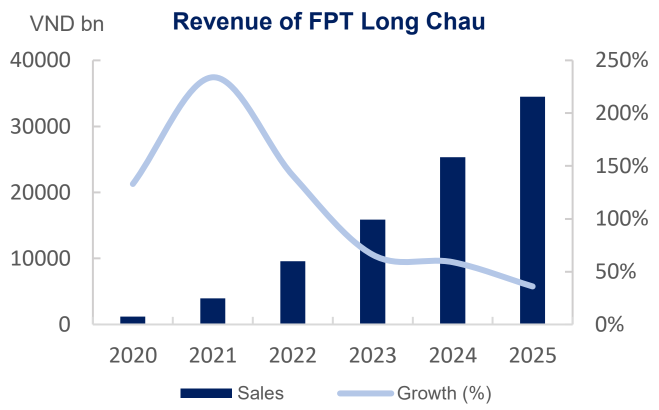
Source: FRT, GTJASVN RS

In 4Q2025, FRT recorded revenue of VND 14,915 billion, representing a 30% year-on-year increase, while net profit surged by 145% YoY to VND 414 billion. The strong performance was driven by improvements across both core retail chains, reflecting enhanced operating efficiency and a more favorable earnings mix.

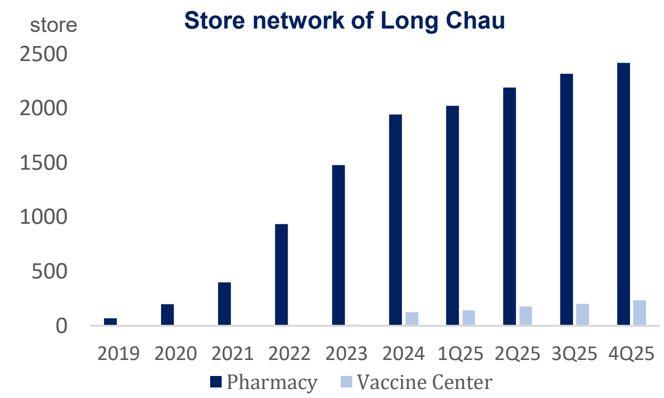
1.1. FPT Long Chau

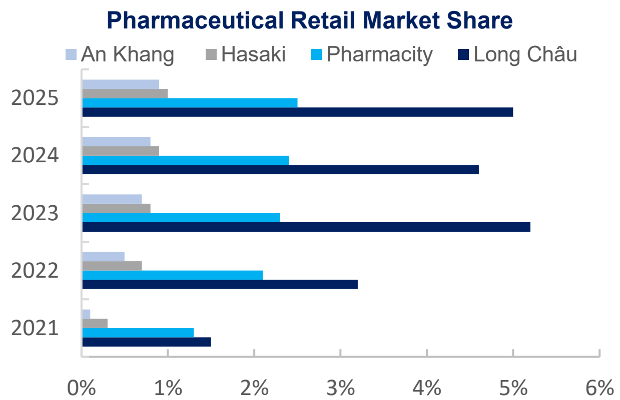
FPT Long Chau continued to be the main growth driver, contributing 67% of consolidated revenue, equivalent to VND 34,501 billion, representing 36% year-on-year growth. The chain has maintained double-digit revenue growth, while profit margins remained stable, underscoring the sustainability of its earnings contribution.





In FY2025, FPT Long Chau opened 571 new pharmacies and vaccination centers, exceeding its full-year network expansion plan of 350 pharmacies and 80 vaccination centers. As of end-2025, FPT Long Châu operated a total network of 2,417 pharmacies and 233 vaccination centers, accounting for approximately 5% market share in the pharmaceutical and healthcare retail sector.



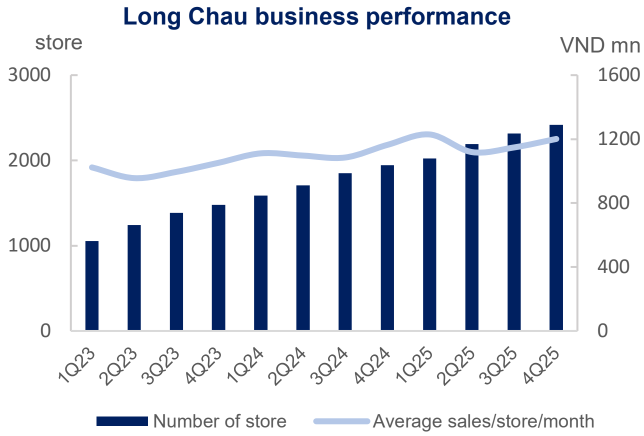


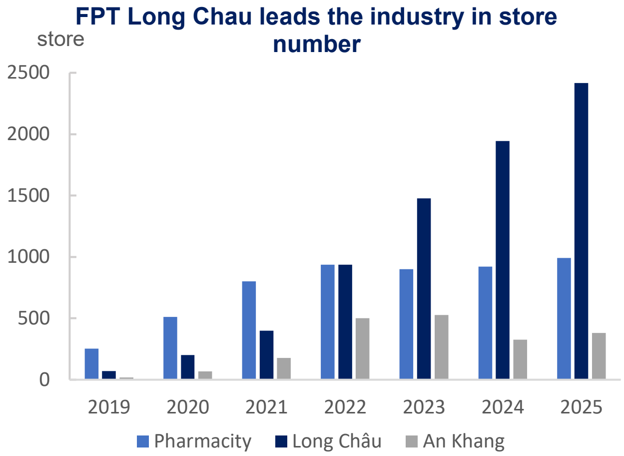
Source: FRT, Euromonitor, GTJASVN RS

In FY2025, FPT Long Chau executed several key strategic initiatives through partnerships, new product and service launches, and continued store network expansion.

- The company became the first pharmaceutical retail chain in Vietnam to distribute **Sybrava**, a next-generation lipid-lowering treatment.
- On 30 October, FPT Long Châu officially announced a strategic cooperation agreement with **Abbott**, a global healthcare group.
- The company also signed a comprehensive strategic partnership with **Novo Nordisk**, gaining access to diabetes and obesity treatment solutions such as Ozempic.

With the overweight and obesity rate among Vietnamese adults exceeding 20%, and related healthcare costs expected to increase by USD 1.269 billion by 2035, we expect FPT Long Chau to achieve an attractive margin of approximately 30% from products such as Sybrava and Ozempic, providing a foundation for sustainable long-term growth.





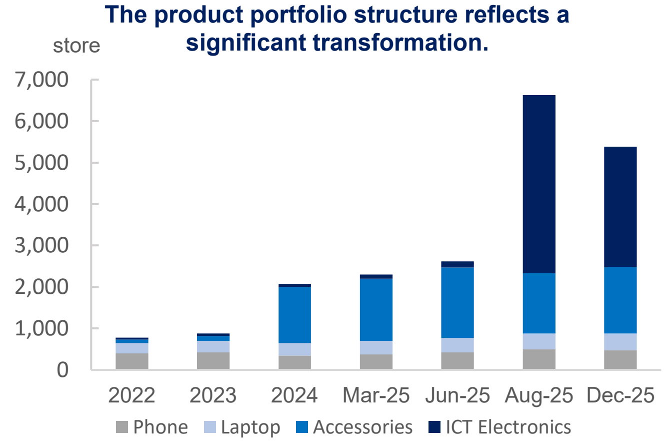
Source: FRT, GTJASVN RS

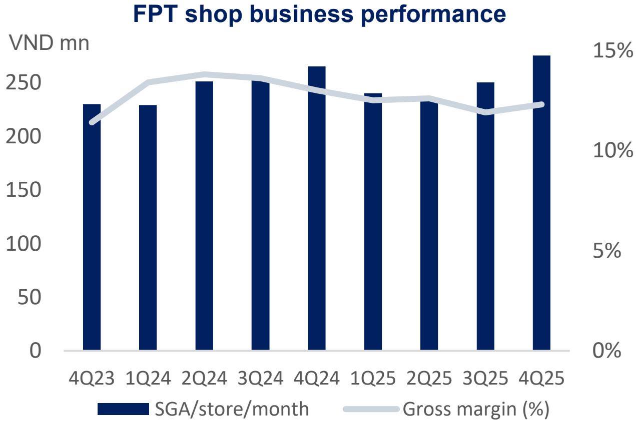
In addition, VinaCapital experts have recently noted that, from now to 2030, FPT Long Chau representing the pharmaceutical retail segment, has strong potential to emerge as one of the market's notable IPO candidates. The acquisition of a 13% stake in Long Chau by Creador carries strategic significance, given Creador's extensive track record of partnering with companies ahead of and during the IPO process.

Against the backdrop of an anticipated new IPO wave, expected to be catalyzed by Vietnam's stock market upgrade process, we assess the likelihood of Long Chau pursuing a listing in the medium term as relatively favorable. Should this scenario materialize, an IPO of Long Châu would likely reset valuation benchmarks for the pharmaceutical retail sector, while simultaneously unlocking meaningful re-rating potential for FRT.

1.2. FPT Shop

The comprehensive restructuring and strategic shift toward the consumer electronics segment at FPT Shop has begun to yield initial positive results, as reflected in the improved business performance in the second half of 2025. This development marks the start of a new operating cycle, following a downturn driven by saturation in the ICT segment.

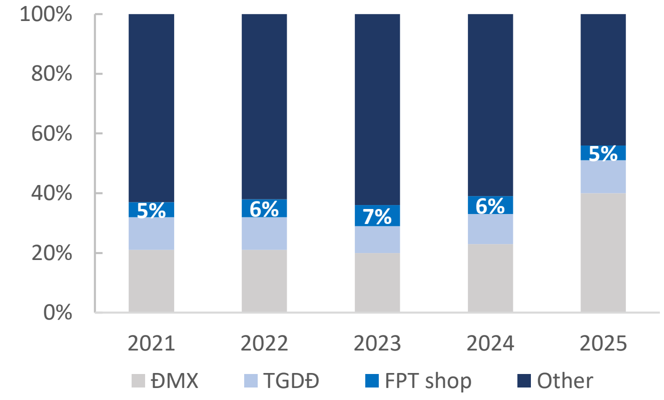




Source: FRT, GTJASVN RS

FPT Shop recorded FY2025 revenue of VND 16,809 billion, representing an 11% YoY increase, primarily driven by 11% YoY growth in 3Q and 25% YoY growth in 4Q. The improvement was supported by the consumer electronics segment and the closure of underperforming stores, aimed at optimizing operating costs. During the year, FPT Shop focused on optimizing its product portfolio, expanding into new categories such as consumer electronics, home appliances, and MVNO services, while simultaneously strengthening its omnichannel sales strategy, enhancing technology adoption, and streamlining operational processes to improve revenue efficiency and overall operating performance. After two years of rollout, the MVNO service reached approximately 620,000 subscribers, contributing to revenue diversification and providing a more stable income base over the medium to long term. In parallel, Apple products recorded positive growth during the latest product launch cycle, while the consumer electronics and home appliance segments continued to maintain growth momentum, making a positive contribution to the chain's overall business performance.

Market share continued to decline despite product portfolio restructuring efforts

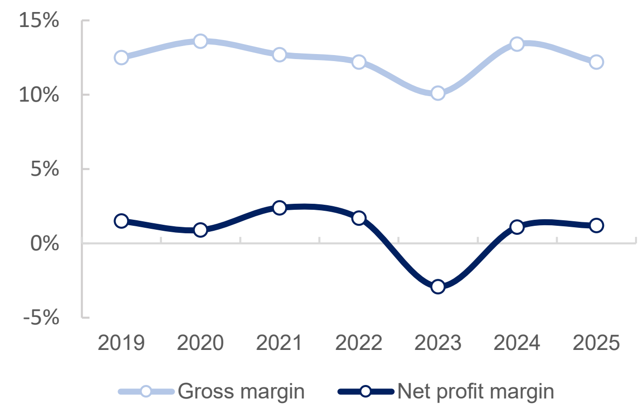


Number of store reduce while revenue per store improve

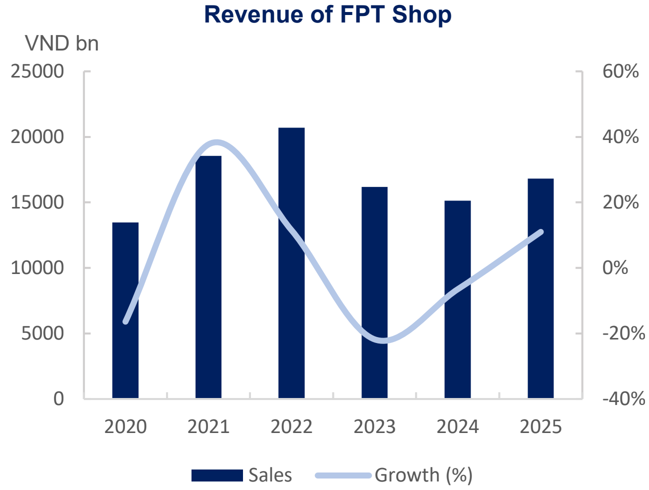
Source: FRT, Euromonitor, GTJASVN RS

As of end 2025, the chain had converted 400 out of a total 623 stores to the consumer electronics business model, significantly exceeding the initial plan. In 4Q2025, average revenue per store reached VND 2.8 billion per month, up 26% year on year and 19% quarter on quarter.

Profitability of FPT Shop



Revenue of FPT Shop



Source: FRT, GTJASVN RS

FPT Shop is actively enhancing its business model by accelerating the adoption of artificial intelligence (AI) and big data analytics to forecast consumer demand by geographic location and product category. These tools not only help optimize inventory levels at each point of sale but also enable more personalized marketing strategies.

However, we view the chain's growth outlook as less clear, given the risk of continued market share erosion amid intense competition from the ĐMX–MWG chain, as well as sustained competitive pressure from e-commerce channels.

II. BUSINESS OUTLOOK FOR RETAIL CHAIN

2.1. Pharmaceutical Retail Chain

Vietnam's pharmaceutical retail market was valued at approximately USD 8,321 million in 2024. We expect the market to record a strong CAGR of around 8.18% over the 2026–2033 period. In particular, the continued expansion of the middle-income population, projected to increase from

13% of the total population in 2023 to 26% by 2026, is expected to provide a significant demand catalyst for the pharmaceutical retail market.

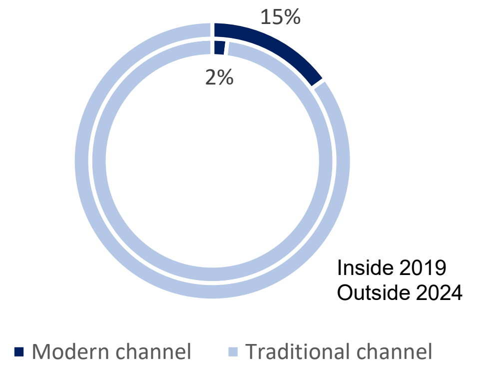
From a policy perspective, we assess 2026 to be a favorable year for modern pharmaceutical retailers, supported by anticipated changes to the regulatory framework, including the following developments:

Regulation	Content	Meaning
Circular No. 26/2025/TT-BYT	- Allowing prescriptions for chronic diseases to be issued for up to 90 days - Tightening control over counterfeit drugs	Creating a structural advantage for pharmacy chains with clear product traceability and a broad prescription drug portfolio, such as FPT Long Chau.
Law on Bidding 2023 **Circular No. 06/2023/TT-BYT**	- Enhancing transparency in drug tendering processes at public hospitals	Addressing drug shortages and facilitating more streamlined access for pharmaceutical companies to the public hospital market.
Law on Medical Examination and Treatment No. 15/2023	- Permitting health insurance (BHYT) reimbursement for medicines purchased externally when hospitals face shortages of drugs and medical supplies	Supporting and encouraging the development of the ETC channel.
Law on Pharmacy 2024 (Amended)	- Official legalization of online drug sales - Establishing a legal framework for pharmaceutical e-commerce	Serving as a key stepping stone for large pharmacy chains such as Long Châu to scale up delivery services.
Resolution No. 72-NQ/TW **Resolution No. 282/NQ-CP**	- Promoting the development of private healthcare - Policy orientation toward digital transformation and smart healthcare	Accelerating the growth of modern pharmaceutical retail.

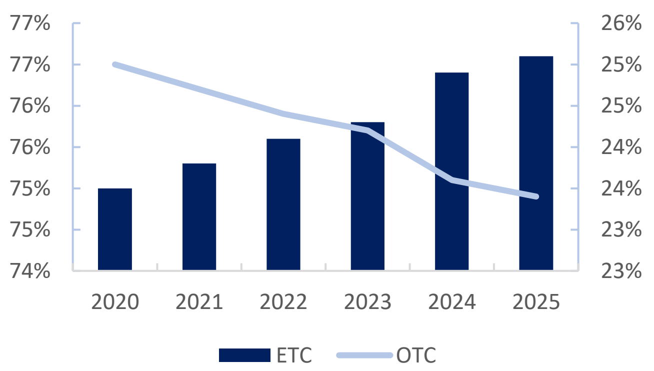
Source: Baochinhphu, GTJASVN RS

Driven by supportive policy measures, the shift from traditional pharmacy retail to modern retail formats is becoming increasingly evident, reflecting evolving consumer behavior and a rising focus on healthcare and wellness. According to BMI's latest report, revenue in the ETC segment is expected to grow at a faster pace than the OTC channel in 2026, largely supported by government policies. FPT Long Chau is well positioned to benefit from this trend, given its broad prescription drug portfolio and strategic collaborations with the Ministry of Health (discussed further below). In contrast, competitors such as Pharmacity and An Khang continue to face heightened competitive pressure, particularly within the OTC segment, where competition remains intense.

The modern channel is growing strongly



Sales of OTC and ETC



Source: Fitch Solutions, IQVIA, GTJASVN RS

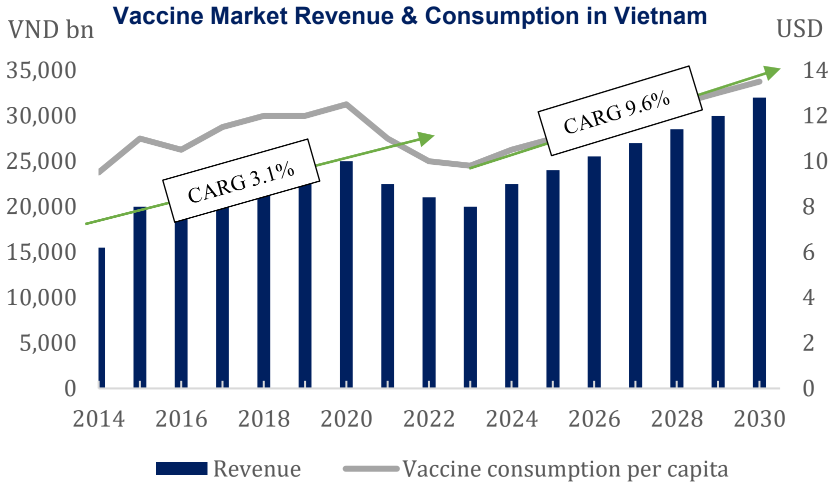
In response to and ahead of recent policy changes, Long Chau took several smart strategic moves in 2025:

- Launched the "Transparent Origin – For a Healthier Vietnam" campaign, enabling customers to trace product information via the website and mobile app (April 2025).
- Signed a strategic cooperation agreement with the National Institute for Food Safety and Hygiene Testing (Ministry of Health).

In the vaccination segment, the Ministry of Health's issuance of Decision No. 2780/QĐ-BYT on the Expanded Immunization Program for the next three years (2026–2028) is expected to have a positive impact on Long Chau. Pneumococcal vaccines are scheduled to be rolled out from Q1/2026, followed by HPV vaccines in Q3–Q4/2026.

2.2. Vaccine Immunization Industry

Vietnam's vaccine market was valued at approximately USD 3.93 billion in 2025, driven by advances in vaccine technology and strong government initiatives. The market is forecast to grow at a CAGR of 9.60% during 2026–2035, potentially reaching around USD 9.83 billion by 2035.



Source: Worldbank, WHO, UNICEF, GTJASVN RS

This growth is driven by the rising demand for vaccination to prevent infectious diseases. With a large and still-growing population, together with increasing public awareness of the importance of immunization, the market is expected to expand steadily in the coming years.

	Unit	2025
Annual births	Person	1,387,961
Private vaccination spend share	%	55.5%
Government spending on Expanded Program on Immunization	VND billion	620
Vietnam Pediatric vaccine market	VND billion	15.406
Vietnam Adult vaccine market	VND billion	5.854
Total vaccine market size	VND billion	21.2616

Source: Worldbank, UNICEF, GSO, GTJASVN RS

The rising prevalence of infectious diseases such as dengue fever, influenza, hepatitis, HPV, and rotavirus is a key driver underpinning the growth of Vietnam's vaccine market. Moreover, the vaccination market is widely viewed as having substantial headroom for expansion, as overall vaccination coverage remains low, estimated at below 10%.

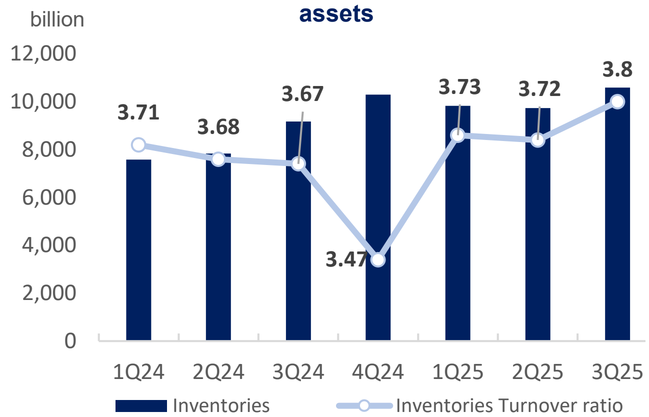
2.3 ICT – CE retail chain

We assess 2026 as a favorable year for the technology retail sector, supported by a recovery in global IT spending, as industry experts expect the sector to return to a growth trajectory in 2026 following the resolution of tariff-related uncertainties. Gartner forecasts global IT spending to rise by 9.8% in 2026.

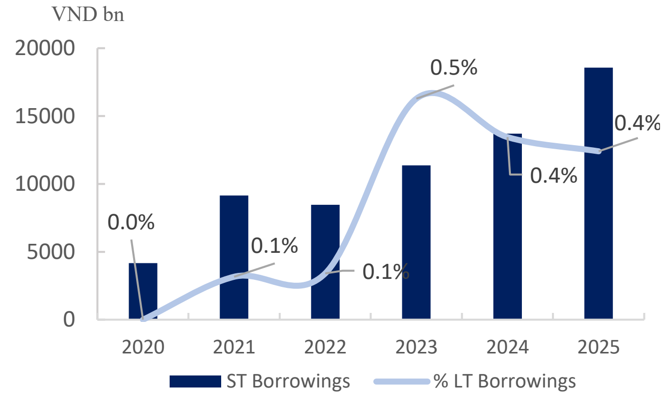
Domestically, the 2% VAT reduction on technology products, together with the planned increase in personal income tax deductions starting in early 2026, is expected to provide a meaningful boost to consumer demand. Against a backdrop of recovering consumption, alongside ongoing 5G infrastructure upgrades and accelerating AI adoption, the ICT–consumer electronics retail sector is expected to enter a new growth cycle over 2026–2027 under a constructive scenario.

III. FINANCIAL ANALYSIS

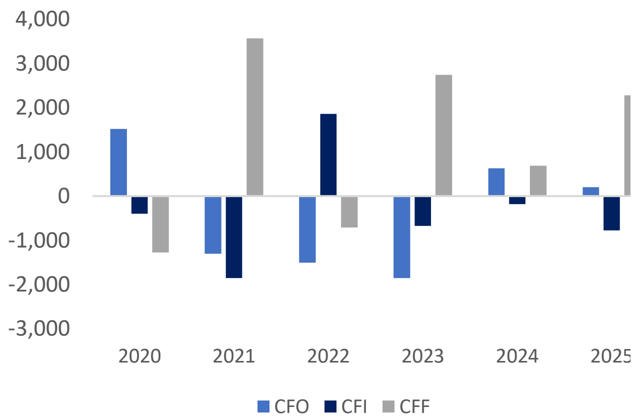
Rising inventory represents a large share of assets



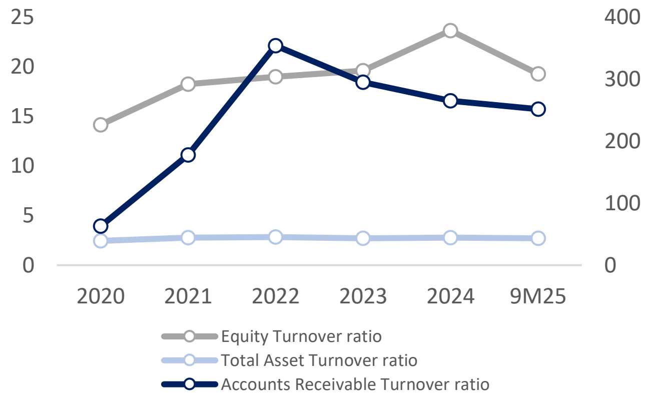
Short-Term Debt Dominates Capital Structure



Cash flow quality



Liquidity ratios



IV. VALUATION AND RECOMMENDATION

Valuation

- We maintain a positive view on the business outlook of the FPT Long Chau pharmacy chain in 2026. FRT plans to open 400–500 new pharmacies and vaccination centers during the year. Beyond pharmaceutical distribution, the company has identified vaccination services and broader healthcare offerings, including plans to roll out at-home sample collection services, as new growth drivers over the 2025–2033 period.
- The strong performance of FPT Shop in 2025 was largely driven by the Apple product cycle and pent-up demand from prior periods. Entering 2026, while Apple is expected to continue launching new products, the supportive impact is likely to moderate as demand normalizes to replacement levels and the comparison base becomes higher.

We forecast FRT's 2026F revenue and net profit after tax to reach VND 56.97 trillion and VND 1.56 trillion, respectively, representing year-on-year growth of 11.5% in revenue and 58.6% in net profit.

	2025	2026F	2027F	%growth 2026	% growth 2027
Net sales	51,083	56,972	64,161	11.5%	12.6%
Gross profit	10,010	11,794	13,533	17.8%	14.8%
SG&A	(8,696)	(9,407)	(10,776)	8.2%	14.6%
PBT	1,219	1,951	2,412	60.0%	23.6%
NPAT	984	1,561	1,930	58.6%	23.6%

COMPARABLE VALUATION ANALYSIS FRT VS SECTOR PEERS

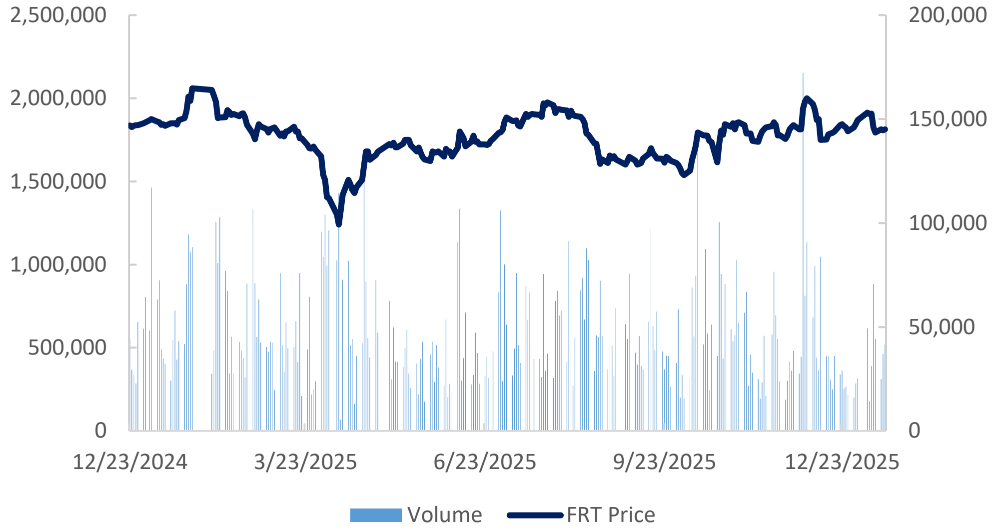
Name	P/E	EV / EBITDA	EV / EBIT	EV/Rev	P/BV	P/S
Avg.	**17.52x**	**11.06x**	**16.28x**	**0.89x**	**2.33x**	**0.88x**
FPT Digital Retail Joint Stock	29.0x	14.6x	19.2x	0.5x	5.7x	**0.51x**
Mobile World Investment Corp	17.8x	11.9x	15.7x	0.7x	4.4x	0.85x
Suning.com Co Ltd	16.5x	10.1x	15.7x	0.6x	1.1x	0.62x
Central Retail Corp PCL	14.2x	7.6x	17.0x	1.0x	1.8x	0.48x
Erajaya Swasembada Tbk PT	4.8x	5.0x	7.0x	0.2x	0.7x	0.09x
Robinsons Retail Holdings Inc	6.8x	5.0x	8.8x	0.4x	0.8x	0.19x
JD Health International Inc	26.0x	26.4x	29.6x	1.7x	3.0x	2.41x
Yixintang Pharmaceutical Group	14.0x	6.8x	10.3x	0.5x	1.1x	0.47x
Medplus Health Services Ltd	43.2x	16.3x	30.3x	1.5x	5.5x	1.45x
Huadong Medicine Co Ltd	14.4x	10.4x	12.1x	1.4x	2.6x	1.34x

Source: Bloomberg, GTJASVN

We apply a blended valuation approach combining P/E and P/S multiples with respective weightings of 40% and 60%, in order to simultaneously capture the near-term earnings recovery outlook and the medium-term re-rating potential driven by revenue growth, as FRT's profit margins remain on an improvement trajectory. Based on this methodology, we recommend a target price of **VND 188,687 per share** for FRT, implying an expected upside of **8.44%** from the closing price on February 3, 2026.

RECOMMENDATION: Outperform

FRT price performance



COMPANY RATING DEFINITION

Benchmark: VN – Index. Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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