

FPT Digital Retail (FRT)

Emerging challenges

August 29, 2025

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2Q2025 results delivered solid YoY growth

FRT reported consolidated net revenue of VND11,390 billion (+23% YoY) and NPAT of VND157 billion (+224% YoY) in 2Q2025. The Long Chau pharmacy and vaccination center chain remained the key earnings driver, contributing VND185 billion (+67% YoY), while the FPT Shop chain continued to underperform, posting a loss of VND27 billion during the quarter.

FPT Shop underperformance extended despite restructuring efforts

The restructuring persisted in 2Q2025, with three additional underperforming stores closed. Nevertheless, FPT Shop remained in the red, with same-store sales declining for the second consecutive quarter to VND1.83 billion/month (-6% QoQ), underscoring ongoing operational challenges.

Long Chau's larger footprint failed to drive top line acceleration

Expansion efforts continued in line with management's plan, with 169 new pharmacies and 18 vaccination centers opened. However, Long Chau's total revenue was broadly flat QoQ despite the larger store base. Revenue per store rose 2% YoY but fell 7% QoQ to VND1.17 billion/month.

We reiterate NEUTRAL on FRT with a target price of VND129,900/share

For 2025, we forecast consolidated net revenue of VND46,994 billion (+17.2% YoY) and NPAT of VND724 billion (+77.6% YoY). Given our cautious outlook on Long Chau's growth trajectory and the persistent headwinds at FPT Shop, we reiterate our NEUTRAL rating on FRT with a target price of VND129,900/share, implying a 0.1% downside from the closing price on August 29, 2025.

Neutral maintain

Target price	VND129,900
Downside	-0.1%
Current price (Aug 29, 2025)	VND130,600
Consensus target price	VND165,600
Market cap (VNDtn/USDbn)	22.3/0.8

Forecast earnings & valuation

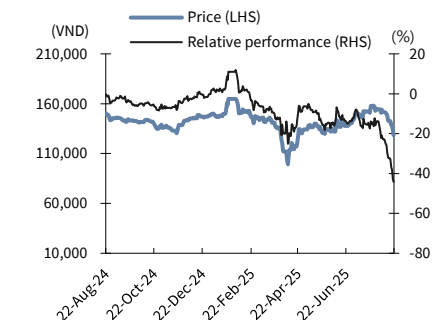
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	31,850	40,104	46,994	53,266
Operating income/loss (VNDbn)	-85	690	1,130	1,558
NPAT-MI (VNDbn)	-346	318	523	802
EPS (VND)	-2,030	1,864	3,071	4,709
EPS growth (%)	-189	-192	65	53
P/E (x)	-70.5	76.8	46.6	30.4
P/B (x)	13.1	10.7	9.6	6.8
ROE (%)	-20	15	18	20
Dividend yield (%)	0.2	0.2	0	0

Trading data

Free float	49.1%
3M avg trading value (VNDbn/USDmn)	85.7/3.3
Foreign ownership	32.2%
Major shareholder	FPT Corp (FPT, 46.54%)

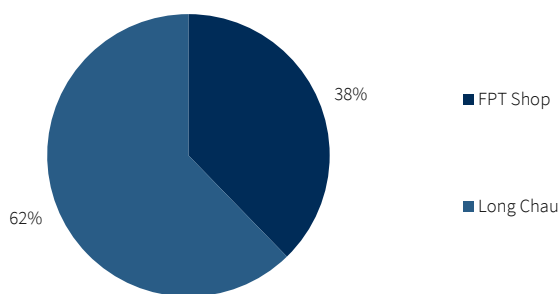
Share price performance

(%)	1M	3M	6M	12M
Absolute	-14.9	-2.4	-12.7	-14.6
Relative	-30.7	-34.0	-45.9	-51.8



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Business operation

FPT Digital Retail JSC (FRT), founded in 2012, is an affiliate of FPT Corporation and operates two major retail chains: FPT Shop and FPT Long Chau. FPT Shop specializes in smartphones and laptops, with a market share of approximately 15–20%, making it the second-largest player in the ICT&CE industry. FPT Long Chau, which focuses on pharmaceutical products, is the first profitable pharmacy retail chain in Vietnam and currently holds the largest market share in the sector.

Source: FPT Digital Retail, KB Securities Vietnam

Investment Catalysts

With its market leadership and competitive moat, Long Chau is well-placed for long-term growth, even as short-term performance may lag expectations.

Despite ongoing restructuring efforts, FPT Shop faces a subdued outlook and market share risks.

Notes

Please find more details [here](#)

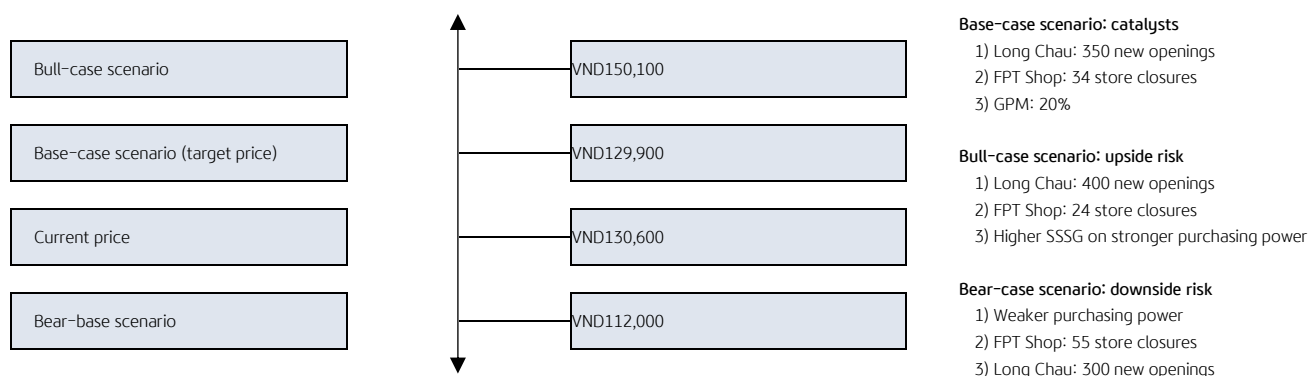
Please find more details [here](#)

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	46,994	53,266	0%	0%	49,694	58,139	6%	9%
EBIT	1,130	1,558	-2%	-4%	1,166	1,488	3%	-4%
NP after MI	523	802	-9%	-7%	567	840	8%	5%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

Long Chau remained the key earnings driver

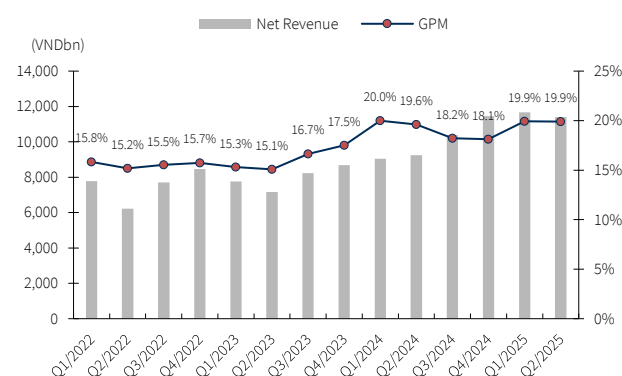
FRT reported consolidated net revenue of VND11,390 billion (+23% YoY) and NPAT of VND157 billion (+224% YoY) in 2Q2025. Long Chau remained the key earnings driver, contributing VND185 billion (+67% YoY), while the FPT Shop chain continued to underperform, posting a loss of VND27 billion during the quarter. Halfway through the year, FRT achieved 48% of its full-year revenue target and 53% of its PBT target.

Table 1. FRT – 1H2024–1H2025 financial results

(VNDbn)	2Q2024	2Q2025	+/-%YoY	1H2024	1H2025	+/-%YoY	Notes
Net revenue	9,240	11,390	23.3%	18,281	23,060	26.1%	
– FPT Shop	3,340	3,440	3.0%	6,923	7,122	2.9%	Down 6% QoQ.
– Long Chau	5,900	7,950	34.8%	11,358	15,938	40.3%	Store count reached 625, a net decrease of 3 stores from the previous quarter. Same-store sales reached VND1.83 billion/month (+14% YoY) in 2Q2025.
Gross profit	1,811	2,271	25.4%	3,618	4,596	27.0%	Long Chau opened 169 new pharmacies and 34 vaccination centers, with average revenue per store reaching VND1.17 billion/month (+2% YoY, -7% QoQ). Total revenue edged down compared to 1Q2025 despite the larger store base.
Gross profit margin (GPM)	19.60%	19.94%	0.34ppts	19.79%	19.93%	0.14ppts	Gross margin improved thanks to Long Chau's increasing contribution to gross profit.
Financial income	19	62	223.8%	44	100	125.0%	Driven primarily by deposit interest income.
Financial expenses	55	94	71.3%	115	182	58.1%	
SG&A	1,682	2,034	20.9%	3,365	4,041	20.1%	
Operating income/loss	94	206	119.9%	183	473	158.9%	
Profit before tax (PBT)	72	207	187.9%	161	479	198.5%	
Net profit after tax (NPAT)	48	157	224.5%	109	370	239.0%	FRT's margins have consistently improved, supported by Long Chau's contribution.
NPAT-MI	27	119	343.7%	66	287	337.5%	
NPAT margin	0.52%	1.38%	0.86ppts	0.60%	1.60%	1.01ppts	

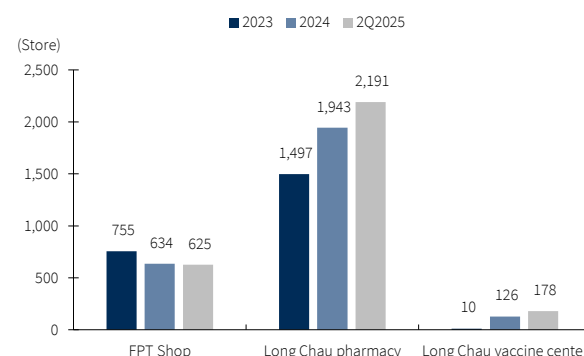
Source: FPT Digital Retail, KB Securities Vietnam

Fig 2. FRT – Net revenue, GPM (VNDbn, %)



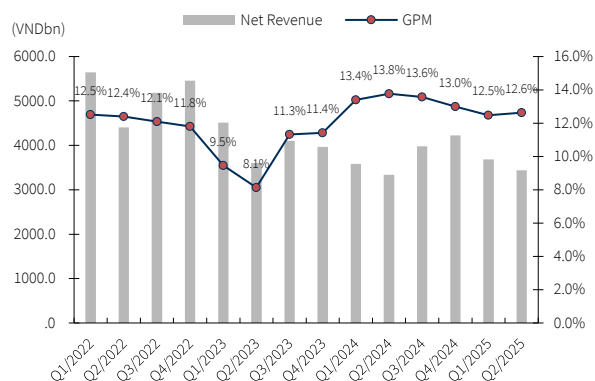
Source: FPT Digital Retail, KB Securities Vietnam

Fig 3. FRT – Retail network



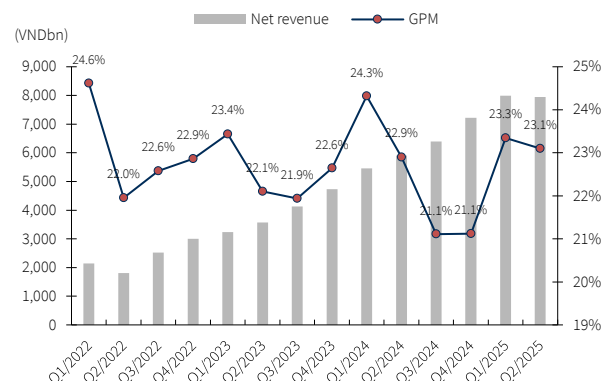
Source: FPT Digital Retail, KB Securities Vietnam

Fig 4. FPT Shop – Net revenue, GPM (VNDbn, %)



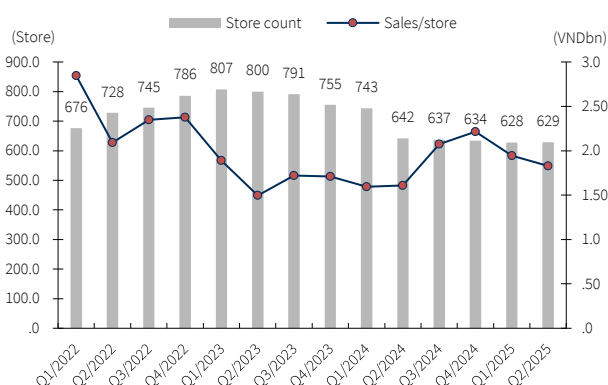
Source: FPT Digital Retail, KB Securities Vietnam

Fig 5. FPT Long Chau – Net revenue, GPM (VNDbn, %)



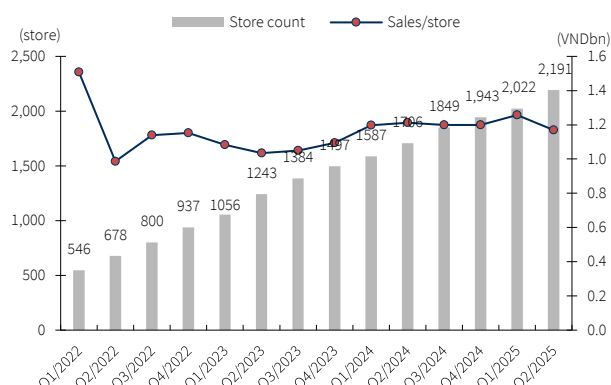
Source: FPT Digital Retail, KB Securities Vietnam

Fig 6. FPT Shop – Store count, average monthly sales per store (stores, VNDbn)



Source: FPT Digital Retail, KB Securities Vietnam

Fig 7. FPT Long Chau – Store count, average monthly sales per store (stores, VNDbn)

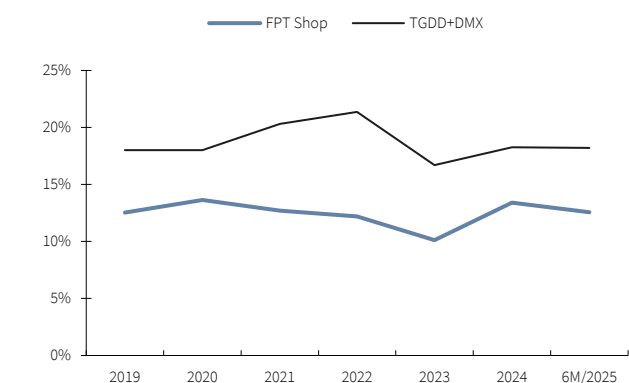


Source: FPT Digital Retail, KB Securities Vietnam

FPT Shop underperformance extended despite restructuring efforts

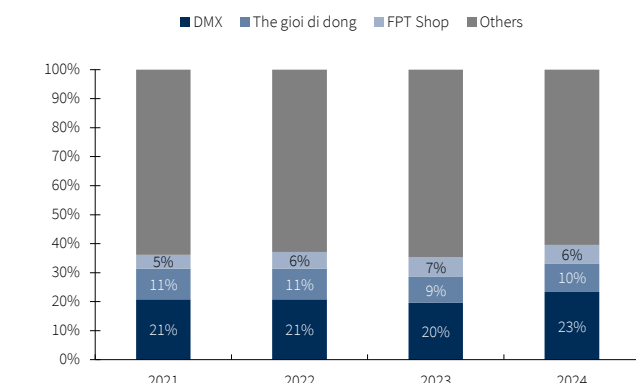
The FPT Shop chain continued its restructuring in 2Q2025, closing three additional underperforming stores. However, the impact of these initiatives has yet to materialize, as core operating indicators showed no signs of improvement. Specifically, same-store sales declined for the second consecutive quarter, averaging VND1.83 billion/month (~6% QoQ). This downward trend is particularly concerning amid intensifying competition from Mobile World Investment (MWG)'s The gioi Di dong and Dien may Xanh (TGDD+DMX). Therefore, we maintain a cautious outlook on FPT Shop, given the absence of clear strategic growth drivers and a sufficiently strong competitive advantage to support a sustainable recovery. In a bear-case scenario, efforts to enhance gross margins may need to be compromised to retain customers and defend market share. Based on these considerations, KBSV projects that FPT Shop could scale back its network to around 600 stores and incur a net loss of approximately VND45 billion in 2025.

Fig 8. Vietnam – GPM of ICT&CE retail chains (%)



Source: Company reports, KB Securities Vietnam

Fig 9. Vietnam – Revenue-based market share of ICT & CE retail chains (%)



Source: Euromonitor

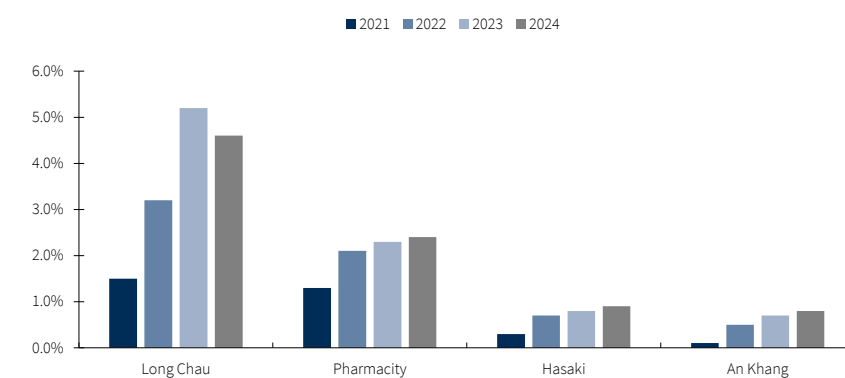
Long Chau's larger footprint failed to drive top line acceleration

Long Chau continued to expand its network in 2Q2025 with 169 new pharmacies and 18 vaccination centers, raising the totals to 2,191 pharmacies and 178 vaccination centers, in line with management's plan. However, total revenue was largely unchanged QoQ, while revenue per store fell 7% QoQ to VND1.17 billion/month. This partly reflects the rapid pace of new openings during the quarter, but also points to declining SSSG at existing stores, signaling softer demand despite broader market penetration. This will be a key factor to monitor going forward, as it could weigh on FRT's 2025 performance.

Vaccination centers hold a favorable long-term outlook

KBSV maintains a cautious stance on the expansion of vaccination centers, as highlighted in our previous report, given the chain's late market entry. Nonetheless, we see meaningful long-term potential in the vaccine services segment, underpinned by rising public awareness of preventive healthcare.

Fig 10. Vietnam – Market share of retail chains in the Health and Personal Care sector (%)



Source: Euromonitor

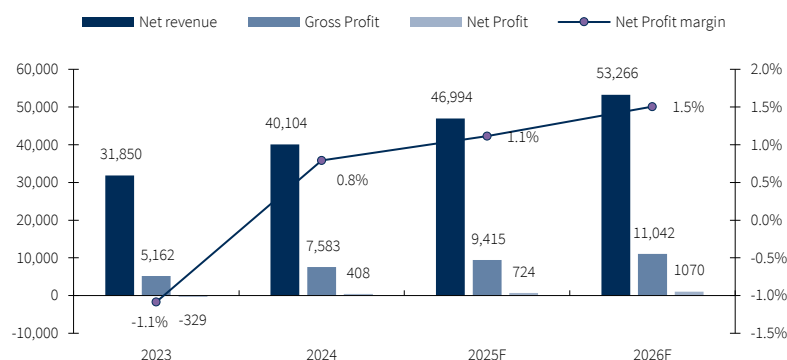
Forecast & Valuation

Table 11. FRT – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Net revenue	40,104	46,994	17.2%	53,266	13.3%	2% below management's 2025 target
– FPT Shop	15,126	13,906	-8.1%	13,616	-2.1%	Average monthly sales per store is expected to reach VND1.88 billion in 2025 (+3.5% YoY), supported by FPT Shop's addition of consumer electronics to its product mix. The store count may decline to 600 in 2025, down by 34 stores, thereby weighing on total chain revenue. However, the share of consumer electronics stores is expected to increase.
– Long Chau	24,978	33,088	32.5%	39,650	19.8%	Pharmacies: Average monthly revenue per store is projected to increase by 4.5% YoY in 2025, reflecting the initially modest sales contribution from newly opened stores in Tier 2 and Tier 3 provinces and cities. The total pharmacy count is expected to reach 2,243 by year-end. Vaccination centers: The number of centers is projected to reach 206 in 2025.
Gross profit	7,583	9,415	24.2%	11,042	17.3%	Gross margin should improve thanks to (1) FPT Shop's addition of higher-margin products and (2) the increasing contribution from Long Chau.
Gross profit margin (GPM)	18.9%	20.0%	1.1ppts	20.7%	0.7ppts	
Financial income	107	131	22.2%	108	-17.7%	
Financial expenses	254	352	38.6%	340	-3.4%	
SG&A	6,893	8,284	20.2%	9,484	14.5%	
PBT	527	920	74.5%	1,338	45.5%	
NPAT	408	724	77.6%	1,070	47.8%	Long Chau is set to remain the dominant source of revenue and profitability for the company.
NPAT-MI	318	523	64.4%	802	53.3%	
NPAT margin	1.00%	1.11%	0.11ppts	1.51%	0.39ppts	

Source: FPT Digital Retail, KB Securities Vietnam

Fig 12. FRT – 2023A–2026F net revenue, gross profit, NPAT, NPAT margin (VNDbn, %)



Source: KB Securities Vietnam

We reiterate NEUTRAL on FRT with a target price of VND129,900/share

We value FRT using a sum-of-the-parts (SOTP) approach to determine its fair value for 2025.

1. **FPT Shop:** We apply the free cash flow to firm (FCFF) method, arriving at a target equity value of VND1,200 billion for the chain.
2. **FPT Long Chau:** Using the FCFF method, we estimate a target equity value of VND20,934 billion for Long Chau, after factoring in minority interests.

We maintain a NEUTRAL rating on FRT for 2025, with a target price of VND129,900/share, representing a 0.1% downside to the closing price on August 29, 2025. Our view reflects expectations that the Long Chau pharmacy chain will sustain its growth momentum while advancing toward building a broader healthcare ecosystem.

Table 13. FRT – FCFF valuation

FPT Shop	
WACC	11.53%
Terminal growth	0%
PV of FCFF (VNDbn)	2,681
Equity value (VNDbn)	1,200
Long Chau	
WACC	10.77%
Terminal growth	3.50%
PV of FCFF (VNDbn)	31,845
Equity value (VNDbn)	27,502

Source: KB Securities Vietnam

Table 14. FRT – SOTP valuation

	Valuation method	Equity value (VNDbn)	FRT's ownership	Contribution to FRT VNDbn)
FPT Shop	DCF	1,200	100%	1,594
FPT Long Chau	DCF	27,912	75%	20,934
Equity value (VNDbn)				22,134
Number of shares outstanding				170,302,986
Target price (VND/share)				129,900

Source: KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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