

# FPT Digital Retail (FRT)

## Bright outlook underpinned by the pharmacy chain

### FRT announced preliminary business results in 1Q22

- FRT achieved VND150 billion (+5x YoY) in NPAT on sales of VND7.7 trillion (+65% YoY).
- Impressive business results mainly came from the contributions of two chains: FPT shop and Long Chau pharmacy. Specifically, as of the end of 1Q22, the Long Chau chain had 600 stores in operation vs. 222 stores over the same period in 2021. Moreover, the average sales per store in 1Q22 increased to VND1.5 billion compared to VND1.1 billion in 1Q21. Apart from that, FPT shops also recorded outstanding revenue thanks to the growing demand for computers, laptops, and mobile phones.

### FRT targets positive growth with the momentum gained from the Long Chau pharmacy chain

- At the AGM, the BOD approved the business plan for 2022 with NPAT of VND720 billion (+30% YoY) and net revenue of VND27 trillion (+20% YoY). The company plans to pay cash dividends in 2021 and 2022 at VND500/share and VND1,000/share, respectively.
- In 2022, the BOD aims towards VND50–100 billion in PBT of the Long Chau pharmacy chain, a significant increase compared to the PBT of VND4 billion in 2021. FRT will open 300–400 Long Chau pharmacies, depending on the business situation. The management shared that FRT will concentrate on improving sales per store and opening new stores instead of focusing on the latter only.
- For the FPT shop chain, the BOD expects the demand for main products like laptops and mobile phones will still be on the rise in the post-pandemic era. Although laptop sales have declined since the pandemic was under control, the management believes that demand for this device will remain stable thanks to continued online learning and remote working. In addition, FRT will boost Apple products sales, especially iPhone, as the BOD confirms that it will further promote the operation of the F.Studio chain.

### FRT will enter into the field of mobile virtual network

- The BOD said that the company is obtaining a license to establish a mobile virtual network operator (MVNO), a wireless communications services provider that does not own the wireless network infrastructure. The MVNO will partner with and encourage traditional mobile network operators (MNOs) to use its infrastructure. The BOD expects this will help FRT take advantage of its inherent advantages with major carriers such as Mobifone, Viettel, and Vinaphone, thereby increasing its interactions with FRT's customers.

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## Investment ratings & definitions

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### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

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

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

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

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