Retail

Ready for robust growth in 2026

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Positive maintain

Recommendations	
MWG	BUY
Target price	VND106,100
DGW	BUY
Target price	VND49,500
PNJ	NEUTRAL
Target price	VND105,600

Service revenue was a bright spot

In 11M25, total retail and consumer service revenue gained 9.1% YoY, but retail sales of goods grew by a mere of 7.9% YoY partly due to tightened spending. In contrast, revenue generated by accommodation, food and beverage services (+14.6% YoY) and travel (+20% YoY) posted impressive growth thanks to international tourists. Domestic purchasing power slowed down as natural disasters disrupted transportation and raised logistics costs. Meanwhile, income has not improved much since the labor market and production orders have recovered slowly, while salaries of public employees have remained unchanged since 2024.

Business results have entered a new growth cycle

In 9M25, retailers recorded a bounceback. Mobileworld (MWG) logged VND113,607 billion (+13.7% YoY) and VND4,965 billion (+72% YoY) in revenue and NPAT respectively, beating its full-year guidance ahead of schedule thanks to the growth of the ICT sector and the breakthrough of Bach Hoa Xanh (BHX). FPT Digital Retail (FRT) recorded VND33,111 billion (+26% YoY)/VND636 billion (+131% YoY) in revenue/NPAT, driven by Long Chau Pharmacy chain (contributing 67% of revenue) and the profitable recovery of FPT Shop. Digiworld (DGW) maintained revenue growth of +18.7% YoY and NPAT of +30% YoY (VND393 billion) thanks to a shift in product categories, with the AI Laptop, office equipment, and household appliance showing robust growth (43-94% YoY), offsetting the saturation of the mobile phone segment. The profit margins of all three companies improved thanks to optimized operations and leveraging better purchasing power. Despite low growth in jewelry retail, Phu Nhuan Jewelry (PNJ) recorded positive revenue/NPAT, reaching VND25,353 billion (-13% YoY)/VND 1,615 billion (+17% YoY).

The growth prospects of the retail sector in 2026 are positive

The sector outlook for 2026 is considered positive thanks to the recovery of domestic purchasing power. The ICT & CE group (MWG, DGW, FRT) should boom with the upgrade cycle of AI PCs, AI smartphones, and Windows 11, combined with the personal income tax reduction policy to stimulate demand. Department store retail (BHX) will leverage the invoice transparency roadmap to gain market share from business households and strongly expand its store network. The pharmaceutical segment (Long Chau) should grow steadily with the development of its vaccination and healthcare ecosystem.

The sector has attractive valuation

With a promising outlook for 2026, stocks with valuations at or below the five-year average P/S such as PNJ, FRT, and DGW, still offer investment opportunities with upside exceeding 15%. In addition, investors can wait for short corrections to open new positions or increase their holdings in MWG.

Contents

I. 11M25 business performance

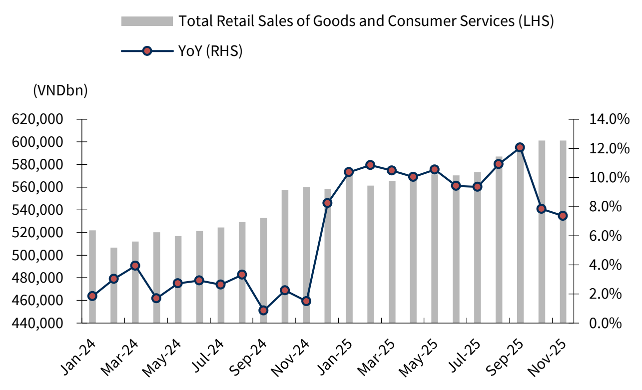
Total retail sales and consumer services in 11M25 are projected to grow by 9.1% YoY

In November 2025, total retail sales of goods and services are estimated at VND601.2 trillion (+7.1% YoY). Notably, the household appliance group surged 13.6% YoY on the demand for replacements after natural disasters and seasonal changes. For 11M25, total sales gained 9.1% YoY to VND6,377 trillion (excluding price increases of 6.8%), higher than the 2024 growth rate. Of that, retail sales of goods accounted for the largest share (76.2%, +7.9% YoY). Hospitality and travel-tourism were bright spots with remarkable growth rates of 14.6% and 19.9% YoY, respectively, which was underpinned with effective stimulus policies and increased domestic and international travel demand. This balanced recovery reflects gradually improving consumer purchasing power.

Vietnam's manufacturing sector marks its fifth consecutive month of improved business conditions

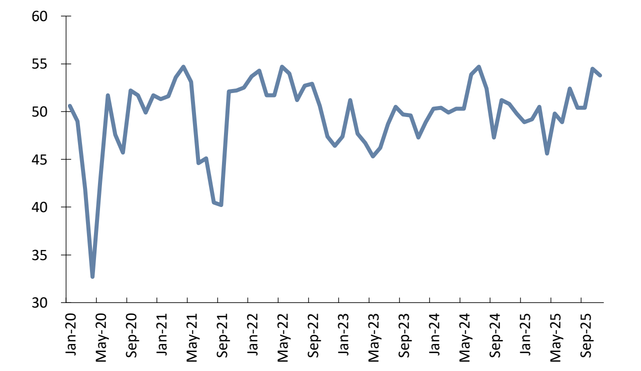
The PMI for November 2025 reached 53.8 points, marking the fifth consecutive month of strong rebound, despite being slightly lower than October. The main driver was the continuous increase in new orders, especially export orders, which touched 15-month highs thanks to demand from China and India. This boosted goods production for the seventh consecutive month and employment for the second straight month. However, the momentum was undermined by the impact of major storms, which caused supply chain delays and production disruptions. Overall, the manufacturing sector continues to show positive recovery with abundant orders and a thriving export market.

Fig 1. Vietnam – Monthly retail sales of goods & services (VNDtn)



Source: General Statistics Office of Vietnam

Fig 2. Vietnam – Monthly PMI (point)



Source: General Statistics Office of Vietnam

MWG recorded consistent improvement across all business segments

MWG logged net revenue/NPAT of VND113,647 billion (+13.7% YoY)/VND4,965 billion (+72% YoY), exceeding the full-year profit targets after the first nine months of the year. The main growth contributors are The gioi Di Dong (TGDD) and Dien May Xanh (DMX) chains, which successfully maintained double-digit growth thanks to strong sales per store and market share gains from competitors. In particular, BHX gained the spotlight by securing a stable positive profit margin with 3Q25 estimated profit of VND240 billion amidst a continuous increase in the number of new stores launched in the Central region, nearly double the full-year plan. Optimized operational efficiency coupled with strong financial revenue growth significantly improved the corporation's net profit margin to over 4%.

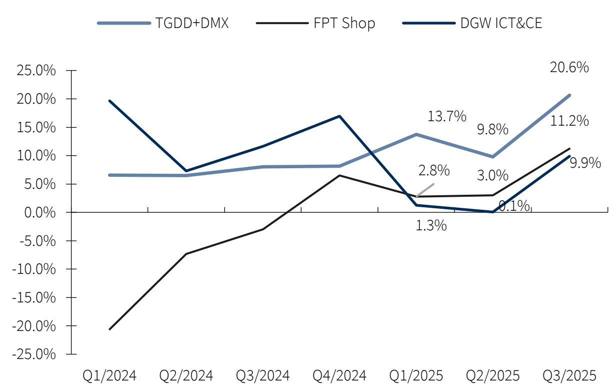
DGW achieved growth thanks to a change in product development strategy

DGW achieved net revenue/NPAT of VND18,614 billion (+15% YoY)/VND388 billion (+28% YoY). This result proved the effectiveness of a product diversification strategy. While the mobile phone segment reached saturation, new segments experienced strong growth. Laptops & tablets grew 30.4%, and the office equipment & IoT (AI servers, Edge AI) group saw a 42.7% increase, while the household appliance soared 94.1% in 3Q. Despite competitive pressure on GPM, extraordinary income and effective cost management helped the company maintain its net profit margin.

FRT is approaching its historical high revenue/profit target

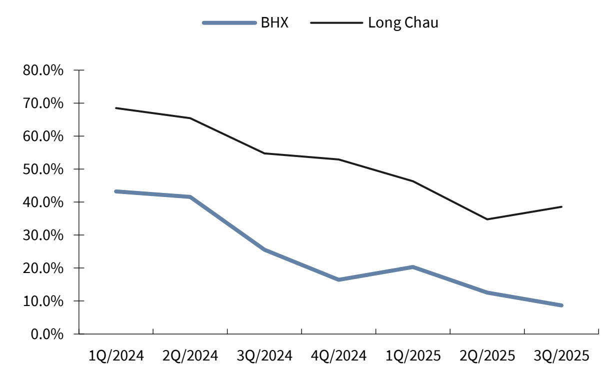
For 9M25, FRT posted VND36,170 billion (+25% YoY)/VND636 billion (+131% YoY) in revenue/NPAT. The core growth driver came from the Long Chau chain, contributing 67% of the total revenue (+31% YoY) with the opening of 151 new stores (126 pharmacies, 25 convenience stores), exceeding the year's opening plan. FPT Shop returned to profitability in 3Q with VND48 billion, the highest level in the past three years, thanks to effective restructuring of its store network. Net profit margin also improved by 1.2ppts YoY thanks to an increased contribution from health supplements, ETC drugs, and vaccines. 3Q net profit margin reached 1.7%, a significant improvement of 0.4ppts YoY/0.7ppts QoQ.

Fig 3. Vietnam – Revenue growth of ICT&CE retail chains (%)



Source: Company reports, KB Securities Vietnam

Fig 4. Vietnam – Revenue growth of other retail chains (%)



Source: Company reports, KB Securities Vietnam

II. 2026 outlook

The retail sector will reach a turning point in structural changes in 2026

Vietnam retail market has entered 2026 as an industry on the verge of revolutionary changes. Following a positive but uneven recovery in 2025, the macroeconomic landscape in 2026 is projected to have all the favorable factors to fuel a strong surge in domestic consumer spending. GDP should reach USD5,400-5,500 by 2026, propelling Vietnam further into the group of upper-middle-income countries. As income surpasses the basic threshold, consumer spending will shift from essential goods to products and services that enhance quality of life, such as AI-integrated technology devices, smart home appliances, and specialized healthcare services.

2026 growth should be facilitated by improved policy and legal environment

2026 marks a turning point for the retail market thanks to the synchronized implementation of tax policies and market management. The increase in personal income tax deductions under Resolution 110/2025 is expected to boost after-tax income by approximately 10%, creating a strong impetus for consumption, especially for consumer discretionary. Furthermore, the mandatory adoption of electronic invoices and the elimination of lump-sum taxes for business households have purified the market, eliminating the price competitiveness of traditional channels. This establishes a fair business environment, encouraging consumers to shift to modern retail chains like BHX or WinMart. At the same time, stricter controls on counterfeit goods help legitimate businesses like MWG, FRT, and DGW consolidate their positions thanks to advantages in product origin and professional after-sales service support in an increasingly stringent legal environment.

Table 5. Vietnam – Summary of policies supporting the retail sector

Policies related to	Details	Impact on the retail sector
Value Added Tax (VAT)	Maintaining the 2% reduction (from 10% to 8%) until the end of 2026	Boosting demand for electronics, technology, and consumer goods
Personal Income Tax	Expanding the scope of application of deductions to pre-tax personal income (the financial supporter: VND15.5 million; the dependent on the supporter: VND6.2 million)	Increasing real disposable income of households by approximately 10%
Amended Pharmaceutical Law	Standardizing the circulation and online sale of medicines	Promoting modern pharmacy chains (Long Chau) to gain market share
Decree 70/2025	Managing electronic invoices for businesses with revenue exceeding VND1 billion	Improving market transparency and reducing unfair competition from smuggled goods
Gold trading	Allowing private enterprises to import raw gold and produce gold bars	Removing supply chain bottlenecks for the jewelry industry (PNJ)

Source: KB Securities Vietnam

GMCGs & fresh food: Witnessing the rise of the "Modern Market" model

The essential goods retail segment (FMCGs and fresh food) is witnessing a strong rise of modern convenience stores and minimarts. The penetration rate of modern retail in Vietnam is only about 15-16% in 2024, much lower than the average of 40-60% in Southeast Asian countries. This shows that there is still abundant room for growth, especially as the government exerts more efforts to eliminate unhygienic and unsafe food. 2026 will be the year when modern retail chains like Bach Hoa Xanh (MWG) and WinMart (MSN) continue their expansion after proving the success of their new operating model. These chains will not only focus on the two major cities of Hanoi and Ho Chi Minh City but will also begin to penetrate deeper into the central region and rural provinces, where people are shifting from traditional market shopping habits to shopping at air-conditioned stores with publicly displayed prices and a wide variety of goods. According to forecasts, the penetration rate of modern retail could reach 25% by 2027 thanks to the heavy investment of leading retailers.

KBSV believes that the BHX chain can leverage its operating model to accelerate its expansion into the Northern region, where the rate of modern retail is still low. With the expected number of new stores exceeding 1,000, it can directly compete with traditional markets and Winmart.

ICT and home appliance: Boosted by replacement cycle and AI

Vietnam consumer electronics market, after a difficult period in 2023-2024, has begun to recover from the second half of 2025. In 2026, the main growth drivers for the ICT-CE segment will come from two factors, (1) product replacement cycles and (2) the wave of integrating AI into end devices. AI PCs and next-generation smartphones with deeply integrated on-premise data processing capabilities are expected to stimulate upgrade demand from Generation Y and Generation Z.

The recovery of the real estate market in 2026 will also be a significant factor driving sales of consumer electronics such as televisions, refrigerators, washing machines, and air conditioners. In particular, the demand for smart home appliances is projected to achieve a CAGR of 9.6% between 2025 and 2029. Major retailers like MWG and FRT are making full use of their extensive store networks and installation and maintenance services to maintain their dominant market share against pressure from e-commerce platforms. Meanwhile, DGW, with its exclusive brand distribution and diverse product range, is also maximizing growth in the household appliance sector.

Pharmaceutical retail: Potential from the proactive healthcare trend

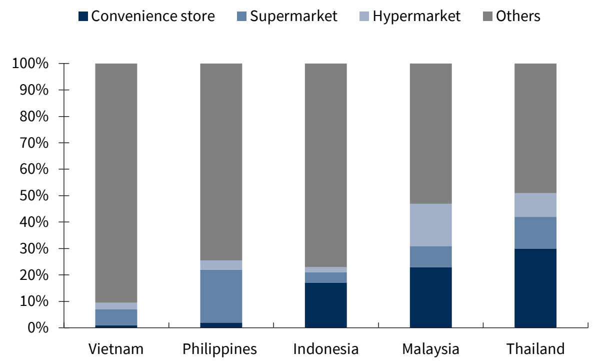
The pharmaceutical sector maintains stable growth despite economic fluctuations. In 2026, the modern pharmaceutical retail model is forecast to continue its double-digit store opening rate. Support from the amended Pharmaceutical Law (effective from July 2025) helps remove legal bottlenecks, allowing large pharmacy chains like Long Chau (FRT) and An Khang (MWG) to more flexibly manage medicines and professional personnel within their systems.

The "prevention is better than cure" trend is driving sales of health supplements, vitamins, and vaccination services. Modern pharmacy chains are gradually replacing traditional family pharmacies due to their advantages in clear medicine origins, diverse product catalogs (especially prescription drugs), and professional pharmacist consulting services. The penetration rate of modern pharmacy chains in Vietnam is expected to reach 11% by 2026, compared to the modest rates recorded in the previous years.

Jewelry retail: Expectations of supply chain management and benefits from increased income

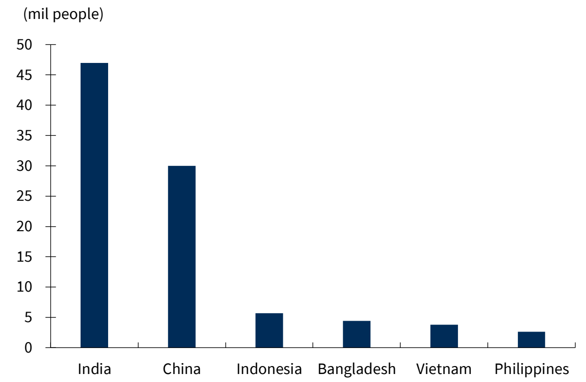
With the Amended Decree 232, the jewelry and gold industry should see improvements in import supply. We expect large enterprises such as PNJ, DOJI, and SJC to directly benefit from the improved supply, helping them reduce production costs and improve working capital efficiency. On the other hand, gold prices are projected to continue rising amidst global economic instability, which will further require gold businesses to pile their inventory to optimize production costs. Furthermore, improved consumer purchasing power and strong economic growth will be encourage jewelry consumption in 2026.

Fig 6. Southeast Asia – Revenue structure of department stores (%)



Source: Euromonitor

Fig 7. Global – Top countries with the highest number of new people entering the "consumer class"

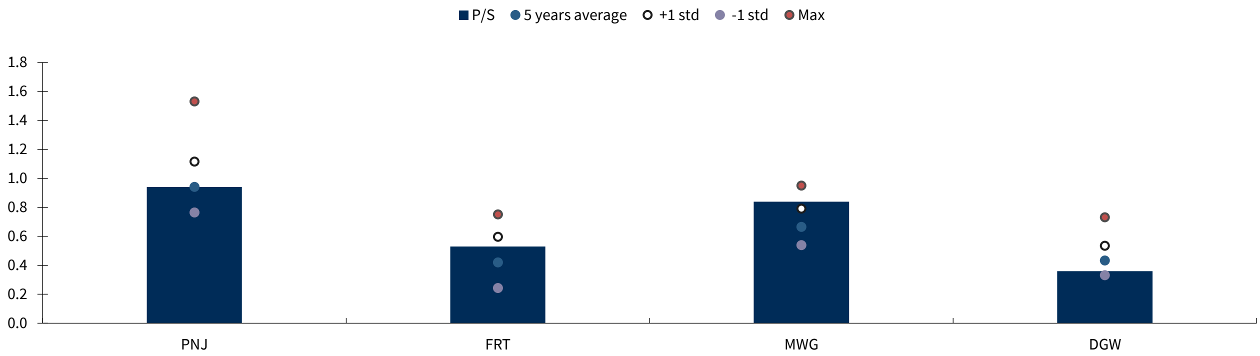


Source: NielsonIQ KB Securities Vietnam
Note: The "consumer class" refers to those who spend more than USD12 per day, as reflected in 2017 purchasing power parity)

Some retail stocks are currently at attractive valuation

Overall, the year 2026 would open new growth potential for retail businesses, strengthened by both macroeconomic environment and legal framework and policies aimed at stimulating consumer demand. Although each company has its own growth story, expectations of a year of robust growth in both revenue and profit are reasonable. Therefore, stocks with valuations equal to or below the five-year average P/S ratio, such as PNJ, FRT, and DGW, still offer investment opportunities with upside potential exceeding 15%. Furthermore, the market is already reflecting some of MWG's growth potential with a P/S ratio of historical mean +1Std, but investors can wait for short corrections to open new positions or increase their holdings, as the business model still holds significant long-term potential for further development.

Fig 8. Vietnam – P/S of some retail stocks (x)



Source: Bloomberg, KB Securities Vietnam

Companies

Mobileword (MWG)
Digiworld (DGW)
Phu Nhuan Jewelry (PNJ)

Mobileworld (MWG)

Strong prospects heading into 2026

December 1, 2025

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MWG achieved its full-year profit target within the first nine months

In 9M2025, MWG posted net revenue of VND113,607 billion (+13.7% YoY). NPAT reached VND4,965 billion (+72% YoY), surpassing the full-year target and keeping the net profit margin above 4%. The solid performance was underpinned by sustained double-digit growth in the ICT & CE segment (TGDD + DMX) and an estimated VND443 billion profit from the BHX grocery chain.

TGDD+DMX are expected to sustain double-digit revenue growth in 2026

The ICT & CE segment is projected to grow 12% YoY in 2026 revenue, fueled by stronger purchasing power following the revised personal income tax policy and an ongoing shift toward modern retail driven by greater business transparency through mandatory e-invoicing and tighter e-commerce controls. MWG's industry-leading position enables it to capitalize on these favorable macro trends.

BHX's optimized operating model underlies its improving profitability and faster store rollout

Store network efficiencies should help BHX achieve around VND700 billion in net profit in 2025. This lays the foundation for further expansion to over 700 stores in 2026, with the expansion focus shifting toward the North Central Coast and the Red River Delta, where preparatory work is already underway.

Margin expansion should drive medium- to long-term growth

Margin expansion will be supported by operating leverage as BHX scales up and TGDD+DMX maintain their market leadership. Meanwhile, robust operating cash flow helps MWG optimize its cost of capital and generate steady financial income, reinforcing a net margin above 4% over the medium to long term.

We reiterate BUY on MWG with a target price of VND106,100/share

Given its long-term growth potential, we reiterate BUY on MWG, with a 2026 target price of VND106,100/share (32% upside vs. the Dec 1, 2025 closing price).

Buy maintain

Target price	VND106,100
Upside	32%
Current price (Dec 1, 2025)	VND80,000
Consensus target price	VND95,000
Market cap (VNDtn/USDbn)	117/4.6

Trading data

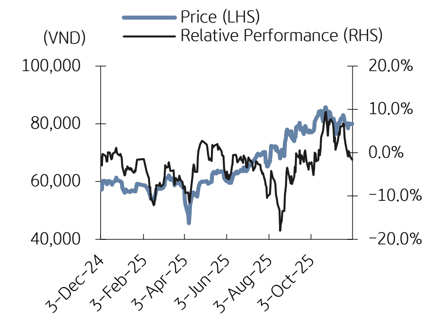
Free float	82.7%
3M avg trading value (VNDbn/USDmn)	560.2/21.5
Foreign ownership	49.0%
Major shareholder	Retail World Ltd. (10.49%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	6.2	18.6	27.8	8.3
Relative	-3.4	-5.9	1.8	-21.5

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	118,280	134,341	155,535	189,383
Operating income/loss (VNDbn)	436	4,084	6,726	8,424
NPAT-MI (VNDbn)	168	3,722	6,402	8,173
EPS (VND)	113	2,514	4,325	5,521
EPS growth (%)	-96	2,120	72	28
P/E (x)	679.8	30.6	17.8	13.9
P/B (x)	4.8	4.0	3.4	2.9
ROE (%)	0.7	13.2	19.3	20.5
Dividend yield (%)	0.8	0.8	0.8	0.8



Source: Bloomberg, KB Securities Vietnam

Digiworld (DGW)

Charting a new path

December 24, 2025

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DGW achieved 73%/74% of its 2025 revenue/net profit guidance

DGW reported 3Q revenue/NPAT-MI of VND7,391 billion (+18.7% YoY) / VND166 billion (+37% YoY). In 9M2025, revenue hit VND18,642 billion (+15% YoY) and NPAT-MI VND388 billion (+28% YoY), with home appliances leading growth (+87% YoY). Overall, DGW met 73%/74% of its full-year revenue/earnings guidance.

The laptop/tablet segment should lead ICT growth

The laptop/tablet segment is expected to grow 16.2% YoY in 2026, supported by the replacement cycle, rising adoption of AI-enabled PCs/laptops, and Microsoft's end-of-support for Windows 10. In contrast, mobile phones may experience flat to declining growth due to the erosion of exclusive distribution rights for Apple and Xiaomi products, alongside intensified pricing pressure from major retail chains. Contributions from Motorola are expected to remain marginal.

Office equipment and home appliances are emerging as DGW's key growth drivers

DGW's growth drivers are shifting toward office equipment and home appliances, projected to grow 51% and 35% YoY in 2026, respectively. Office equipment benefits from the structural shift toward Edge AI Servers and rising investment in IT infrastructure. IoT products and home appliances are supported by Xiaomi's integrated AIoT ecosystem and personal income tax reduction policies, which should underpin consumer spending.

We recommend BUY on DGW with a target price of VND49,500/share

KBSV forecasts DGW's 2025/2026 net revenue of VND25,176/30,041 billion (+14%/+19% YoY) and NPAT of VND539/707 billion (+21%/+31% YoY), driven by higher-margin office equipment and home appliances. Accordingly, we recommend BUY on DGW with a 2026F target price of VND49,500 per share.

Buy change

Target price	VND 49,500
Upside	24.3%
Current price (Dec 23, 2025)	VND 39,800
Consensus target price	VND 49,700
Market cap (VNDtn/USDbn)	8.8/0.3

Trading data

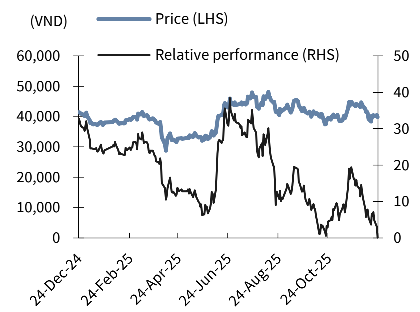
Free float	62.9%
3M avg trading value (VNDbn/USDmn)	125.8/4.8
Foreign ownership	22.1%
Major shareholder	Retail World Investment Consultant Co., Ltd (10.49%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-1.2	-6.7	43.5	-9.3
Relative	-4.9	-25.3	-11.7	-41.8

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	18,817	22,079	25,176	30,041
Operating income/loss (VNDbn)	417	527	554	764
NPAT-MI (VNDbn)	354	444	539	707
EPS (VND)	1,601	2,006	2,434	3,194
EPS growth (%)	-48	25	21	31
P/E (x)	25.2	20.1	16.6	12.6
P/B (x)	2.7	3.0	2.7	2.3
ROE (%)	13.8	14.9	15.6	17.5
Dividend yield (%)	1.9	1.0	1.1	2.2



Source: Bloomberg, KB Securities Vietnam

Phu Nhuan Jewelry (PNJ)

Strengthening position in the peak season

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December 10, 2025

3Q2025 NPAT jumped by 130% YoY on surging 24 gold bar sales

In 3Q2025, PNJ reported net revenue of VND8,136 billion (+14% YoY) and NPAT of VND496 billion (+130% YoY). The key highlight was the strong recovery in gold bar sales, which surged 83% YoY on a low base in 3Q2024, supported by improvements in domestic supply and prior raw material stockpiling. Meanwhile, retail jewelry recorded modest growth of 4.3% YoY and wholesale jewelry fell 12% YoY amid soft end-consumer demand.

PNJ is set to strengthen market position despite expected flat demand

Despite expected flat demand, we believe that PNJ will continue to gain more market share, benefiting from its scale, extensive store network, and targeted marketing efforts to boost brand recognition.

The long-term outlook remains promising

We forecast PNJ's compound annual growth rate (CAGR) of 5% for revenue and 6% for NPAT over 2026-2030. Key growth drivers include: (1) same-store sales growth of approximately 3% per year; (2) store network expansion into northern regions with lower projected demand; and (3) modest margin improvement as supply constraints ease.

We reiterate BUY on PNJ with a target price of VND105,600/share

KBSV sets an end-2026 target price of VND 105,600 per share for PNJ, implying an upside potential of 20%. The stock is currently trading at a 2026 forward P/E of 12x, below its five-year historical average, suggesting an attractive investment opportunity.

Buy maintain

Target price	VND 105,600
Upside	20%
Current price (Dec 10, 2025)	VND 88,100
Consensus target price	VND 101,400
Market cap (VNDtn/USDbn)	30.0/1.15

Trading data

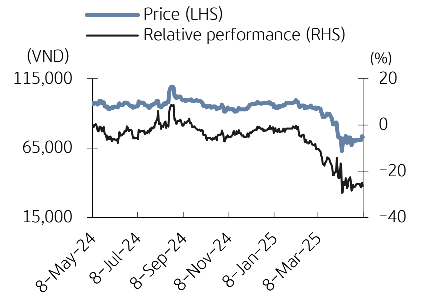
Free float	86.5%
3M avg trading value (VNDbn/USDmn)	79.1/3.1
Foreign ownership	46.8%
Major shareholder	VIETFUND (9.16%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	7.9	-25.9	-21.7	-25.4
Relative	-2.5	-24.0	-21.5	-25.4

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	33,137	37,823	34,271	35,987
Operating profit/loss (VNDbn)	2,529	2,670	2,941	3,185
NPAT-MI (VNDbn)	1,971	2,113	2,336	2,530
EPS (VND)	5,830	6,250	6,911	7,485
EPS growth (%)	9	7	11	8
P/E (x)	14	14	13	12
P/B (x)	2.9	2.6	2.3	2.3
ROE (%)	21.6	20.1	19.4	18.5
Dividend yield (%)	2.2	2.3	2.3	2.3



Source: Bloomberg, 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