



## Company Report: FPT Digital Retail JSC (FRT)

Research Department

05/05/2025

## Long Châu pharmacy chain continues to spearhead growth

## BUSINESS UPDATES

For Q1 2025, FRT reported consolidated revenue growth of 29% YoY, reaching VND 11,670 billion. Profit before tax surged to VND 273 billion (+206% YoY). Long Châu expanded its pharmacy network by 79 stores, while FPT Shop reduced its footprint by 6 stores.

On April 25, 2025, Long Châu Investment finalized a transaction with Malaysia-based Creador Fund, establishing Creador as a minority shareholder. Under the plan, Creador will invest in Long Châu in two phases over one year, targeting a 13% stake at a valuation of USD 1.5 billion.

## RECOMMENDATION

We anticipate challenges for ICT electronics retail in 2025, leading to a slight projected decline in FPT Shop's revenue this year.

The pharmacy segment, however, will remain FRT's primary growth driver in the coming period, with an average of 300 new Long Châu stores expected annually over the next three years (while FPT Shop scales back). Momentum from online sales via the website and VNeID app, combined with revenue from vaccine services, will sustain Long Châu's robust growth trajectory.

We forecast FRT's 2025 revenue and profit before tax at VND 43,410 billion and VND 1,102 billion, respectively, reflecting YoY increases of 7.8% and 101%.

**Recommendation: ACCUMULATE FRT** stock with a target price of **VND 191,000** per share, implying a 13.8% upside from the closing price on April 29, 2025.

Recommendation:

**Accumulate**

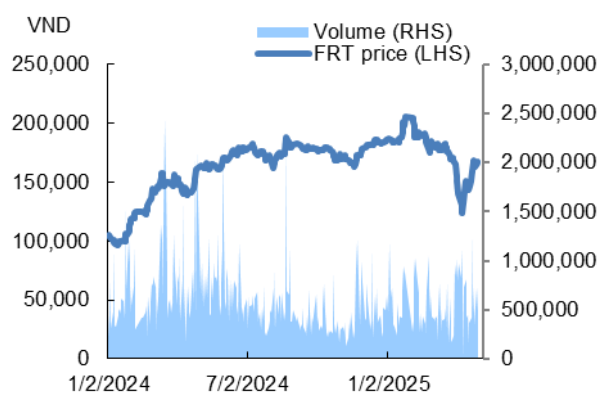
TP:

**VND191,000**  
(+13.8%)

Current price:

VND167,800

## Price performance



Stock price change	price	1 M	3 M	1Y
Price change %		1.7%	-18.5%	4.2%
Comparison with VN-index		-4.5%	-21.6%	5.6%
Average (VND)		151,412	171,251	175,007

Sources: Bloomberg, Guotai Junan (VN)

Outstanding shares (million)	136.24	Major shareholder (%)	FPT Corp. 46.54%
Market Capitalization. (VND b)	22,779.73	Free float (%)	5%
3-Month Average Trading Volume ('000)	547.54	EPS TTM (VND)	3,279
Highest/Lowest Price 52w (VND)	209400 / 121100	NPM 2024 (%)	1.02%

Sources: the Company, Guotai Junan (VN).

## BUSINESS OVERVIEW

### Introduction

FPT Retail Joint Stock Company (FPT Retail) is a leading retail enterprise in Vietnam, operating in two primary retail sectors:

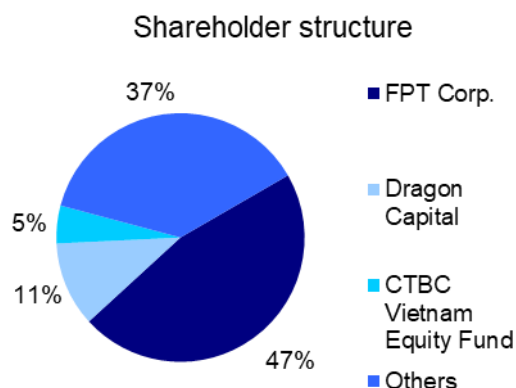
- ICT electronics retail (since 2012)
- Pharmaceutical retail (since 2018)

FRT currently manages several retail chains: FPT Shop, F.Studio by FPT, FPT Long Châu Pharmacy, and FPT Long Châu Vaccination.

**In recent years, the Long Châu chain has emerged as the primary driver of FRT's revenue and profit growth.**



### Shareholder structure

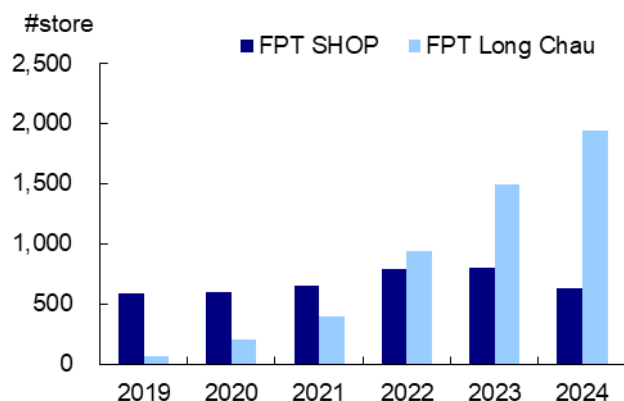


### Subsidiaries

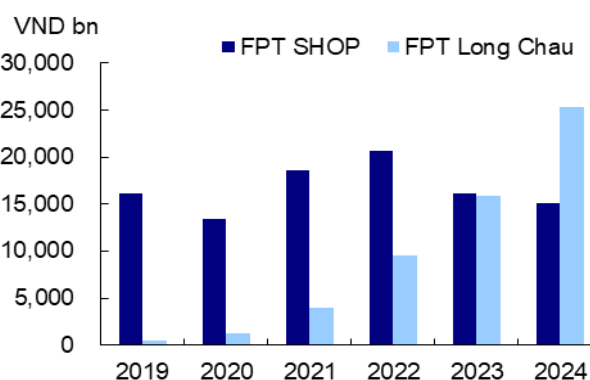
Subsidiaries	Business field	Ownership
FPT Long Chau Investment JSC	Consulting	80.74%
FPT Long Chau Pharmacy JSC	Pharmacy	80.73%
Huu Nghi Viet Han JSC	Warehouse	99.98%

Sources: FRT, GTJASVN Research

### Number of stores



### Revenue by store chain



Sources: FRT, GTJASVN Research

### Position:

- **Pharmaceutical Segment:** After seven years of operation, FPT Long Châu has established itself as Vietnam's leading pharmacy chain, supported by a team of 17,700 pharmacists. As of year-end 2024,

FPT Long Châu recorded total revenue of VND 25,320 billion, a 59% increase YoY, surpassing its plan by 19% and contributing 63% to FPT Retail's consolidated revenue.

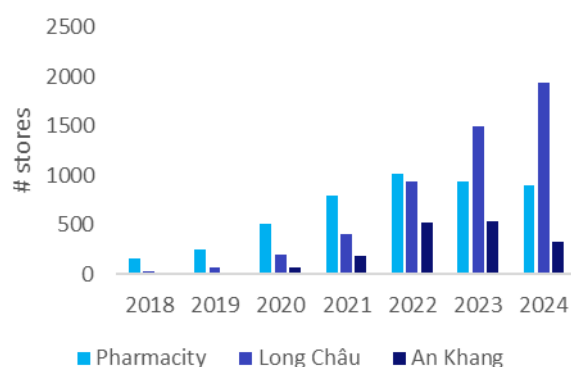
- **ICT Electronics Retail Segment:** Despite a reduction in scale, FPT Shop remains the second-largest ICT electronics retail chain in Vietnam.

#### Strategic Shift of FRT Over the Past Two Years:

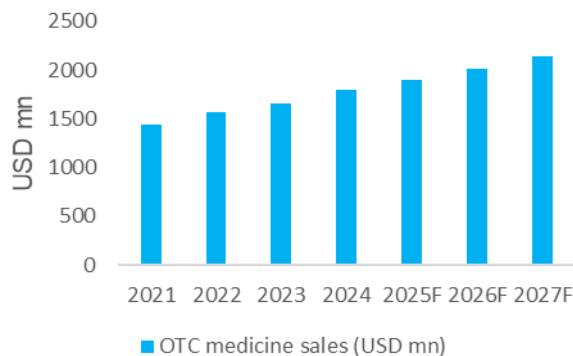
Q1/23	5/2023	Q4/2023	Q1/2024	Q3-4/2024
Amid saturation in the ICT segment, FRT has repositioned FPT Shop to focus on household appliances, transitioning from traditional ICT electronics retail.	FRT secured a nationwide telecommunications service license (FPT Network) and is actively expanding its virtual mobile network operator (MVNO) services through SIM	The company achieved a positive profit before tax (PBT), marking the highest PBT in the last five quarters.	FRT invested in vaccination centers, adopting a pharmacy-based model to enhance its healthcare offerings. At the 2024 Annual General Meeting, FRT announced a strategy to expand its comprehensive healthcare ecosystem.	The FPT Shop chain returned to profitability by converting 54 standard FPT Shop stores into FPT Shop Electrical Appliance stores. FPT Long Châu was selected to implement online prescription drug sales via the VNeID app, a breakthrough that strengthens its industry presence and competitive edge. Specifically, FPT Long Châu partnered with the RAR Center under the Ministry of Public Security to roll out electronic authentication services via VNeID and enable online pharmacy through the app starting January 1, 2025. In Q4 2024, one year after its launch, SIM FPT recorded 400,000 subscribers.

#### Business Outlook for the Pharmaceutical Retail Chain

##### Number of stores



##### OTC revenue



Sources: FRT, GTJASVN Research

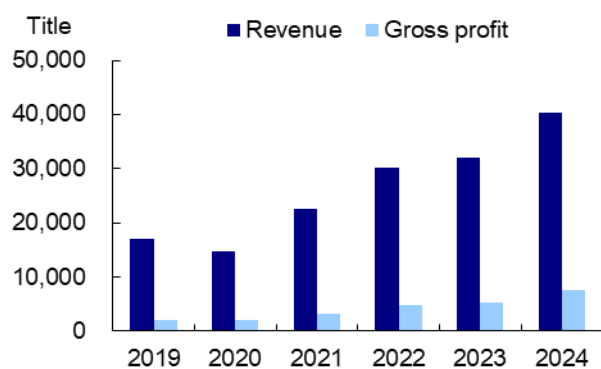
Vietnam's pharmaceutical retail market exhibits strong growth potential, with an estimated average annual growth rate of 8%, driven by rising healthcare demand, the expansion of pharmacy chains, and shifting consumer spending trends on health products since the Covid-19 pandemic.

Over-the-counter (OTC) channel sales are expected to continue expanding in 2025 and beyond, despite some challenges from economic recession concerns, which may partially dampen demand for non-prescription drugs.

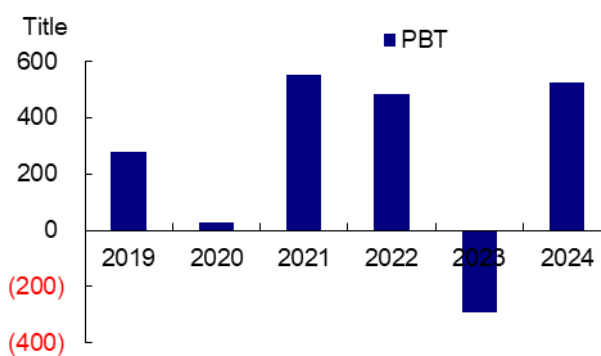
Long Châu holds significant competitive advantages in scale, operational efficiency, and brand recognition, having swiftly surpassed Pharmacity to become Vietnam's largest pharmaceutical retail chain. Notably, its strategic push to build a comprehensive healthcare ecosystem—through the establishment of vaccination centers and its selection as the exclusive provider of online drug sales via the VNeID app (the Ministry of Public Security's electronic identification platform)—will sustain its robust growth momentum.

## FINANCIAL ANALYSIS

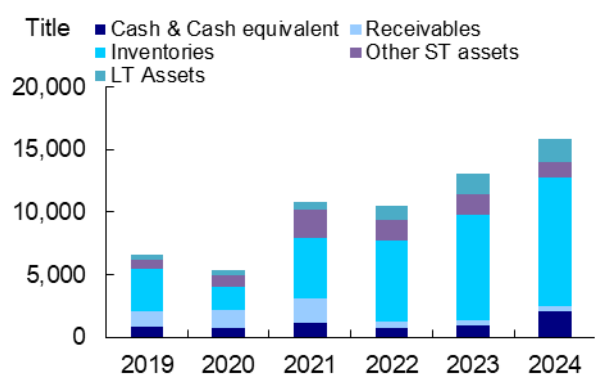
### Revenue and gross profit (bn)



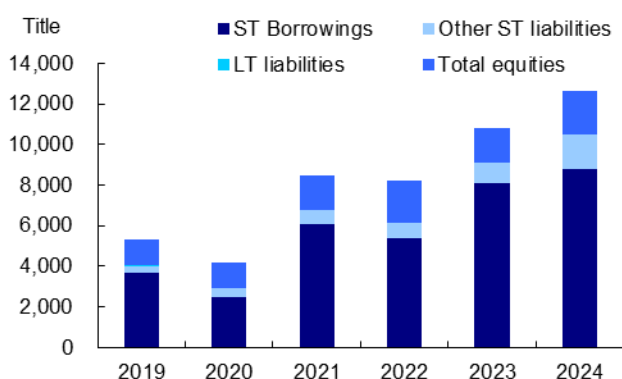
### PBT (bn)



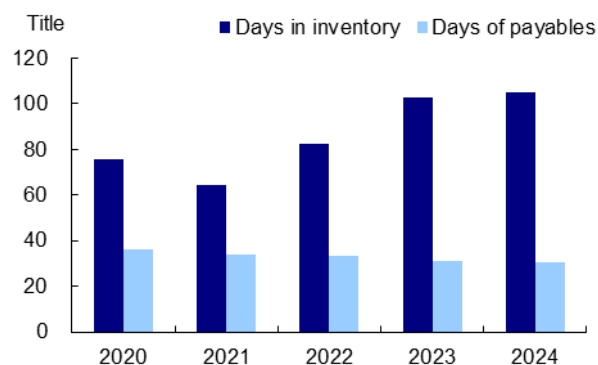
### Asset breakdown



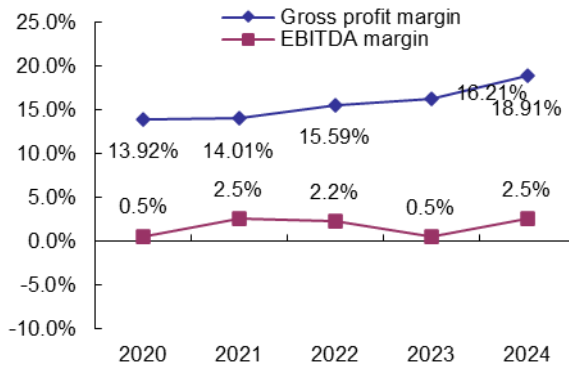
### Total resources breakdown



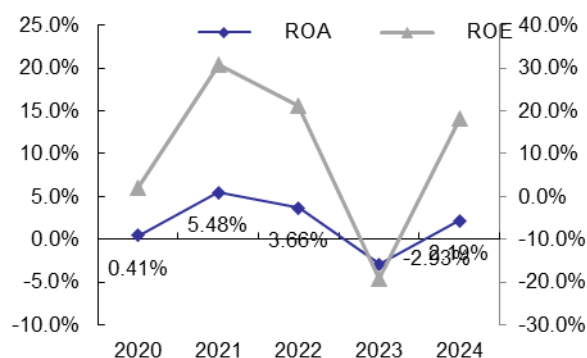
### Days in inventories and payables



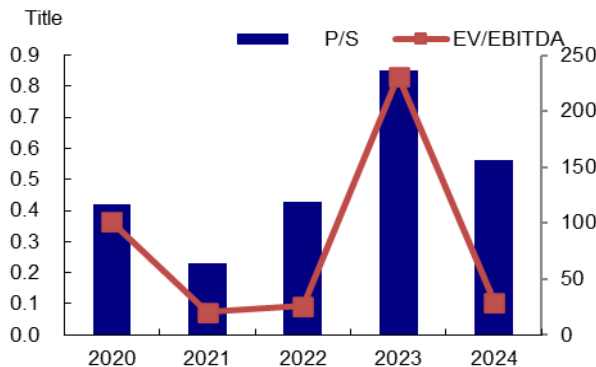
### Profitability



### Efficiencies ratio



### Valuation

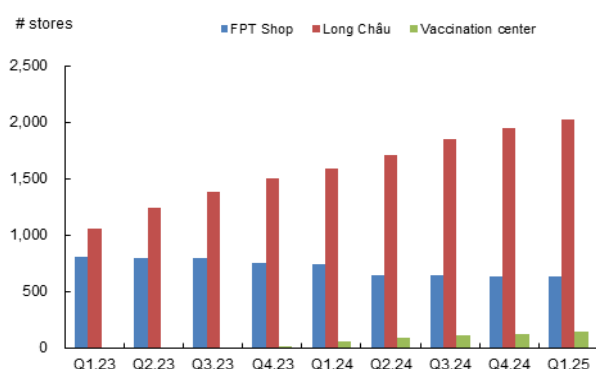


Sources: FiinproX, GTJASVN Research

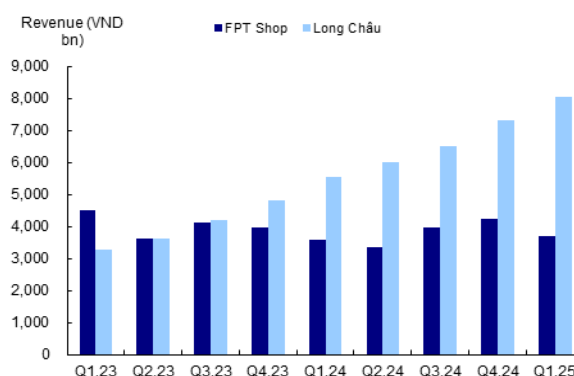
- Revenue has grown at a CAGR of 18.8% over the past five years, primarily driven by the Long Châu pharmacy chain. In 2024 alone, revenue increased by 26%, with Long Châu's revenue surging 59.4%, while FPT Shop's revenue slightly declined by 6%, accompanied by a reduction in store count, continuing the downward trend from 2023.
- A weakened ICT electronics retail market led to FRT recording a loss in 2023. Diversifying product offerings and transitioning FPT Shop to household appliance retail enabled FPT Shop to return to profitability from Q1/2024. Coupled with strong performance from the Long Châu segment, FRT achieved overall profitability in 2024.
- From a balance sheet perspective, the retail business model is characterized by a high proportion of inventory and elevated short-term borrowings to support working capital needs.

## 1Q2025 Business Updates

### Number of stores

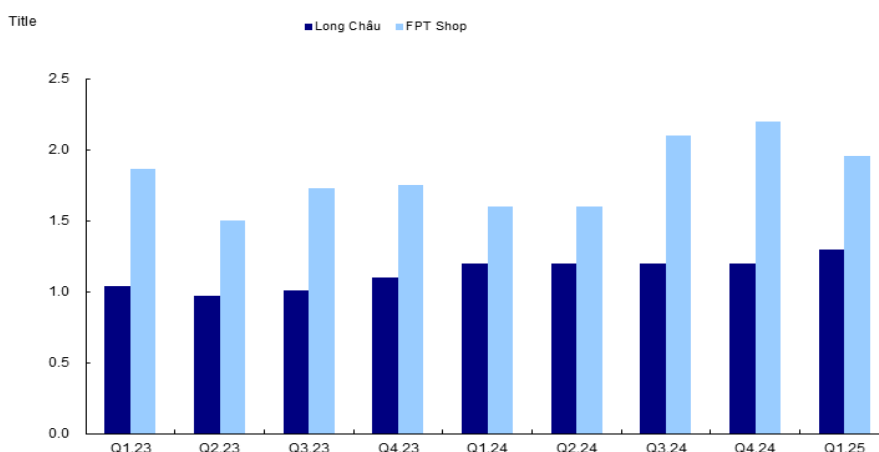


### Revenue of store chain



Sources: FRT, GTJASVN Research

### Revenue/store/month (VND bn)



Nguồn: FRT, GTJASVN Research

### ICT Retail- FPT Shop

Q1/2025 revenue reached VND 3,682 billion, up 3% YoY. FPT Shop is now focusing its product portfolio on high-growth categories such as smartwatches, tablets, and audio accessories. Service segments were a highlight in Q1/2025, driven by two key pillars: the virtual mobile network operator (MVNO) service and warranty services.

The store network totaled 628 outlets, a reduction of 6 stores compared to the end of 2024.

### Pharmacy retail- Long Châu

As of the end of Q1/2025, Long Châu operated 2,022 pharmacies, an increase of 79 stores compared to the end of 2024. Average revenue per pharmacy reached VND 1.3 billion per month.

Long Châu's vaccination center network totaled 144 centers.

FPT Long Châu currently holds approximately 50%-60% of the pharmacy market share.

## COMMENT AND RECOMMENDATION

- We anticipate challenges for ICT electronics retail in 2025, leading to a slight projected decline in FPT Shop's revenue this year.
- The pharmacy segment, however, will remain FRT's primary growth driver in the coming period, with an average of 300 new Long Châu stores expected annually over the next three years (while FPT Shop scales back). Momentum from online sales via the website and VNeID app, combined with revenue from vaccine services, will sustain Long Châu's robust growth trajectory.
- We forecast FRT's 2025 revenue and profit before tax at VND 43,410 billion and VND 1,102 billion, respectively, reflecting YoY increases of 7.8% and 101%.

VND million	2024	2025F	2026F
<b>Sales</b>	40,241,629	43,410,846	51,274,469
<b>Deductions</b>	(137,136)	(123,137)	(129,360)
<b>Total net sales</b>	<b>40,104,493</b>	<b>43,287,709</b>	<b>51,145,109</b>
<b>COGS</b>	(32,521,431)	(34,850,464)	(40,933,916)
<b>Gross profit</b>	<b>7,583,062</b>	<b>8,437,245</b>	<b>10,211,193</b>
<b>Financial Income</b>	106,913	90,632	154,939
<b>Financial expense</b>	(253,792)	(421,198)	(456,307)
<b>in which: Interest expense</b>	(253,792)	(421,198)	(456,307)
<b>Income from business operation</b>	<b>543,140</b>	<b>1,091,920</b>	<b>1,399,841</b>
<b>PBT</b>	<b>526,957</b>	<b>1,102,633</b>	<b>1,410,555</b>

- The recently announced strategic stake sale to Creador is expected to provide FPT Long Châu with additional capital for business operations, strengthen its financial structure, and accelerate store network expansion as well as the development of new business models.

Using the P/S comparable valuation method, we determine a target price for FRT stock at **VND 191,000** per share, implying a **13.8% upside** from the closing price on April 29, 2025.

**Recommendation: ACCUMULATE**

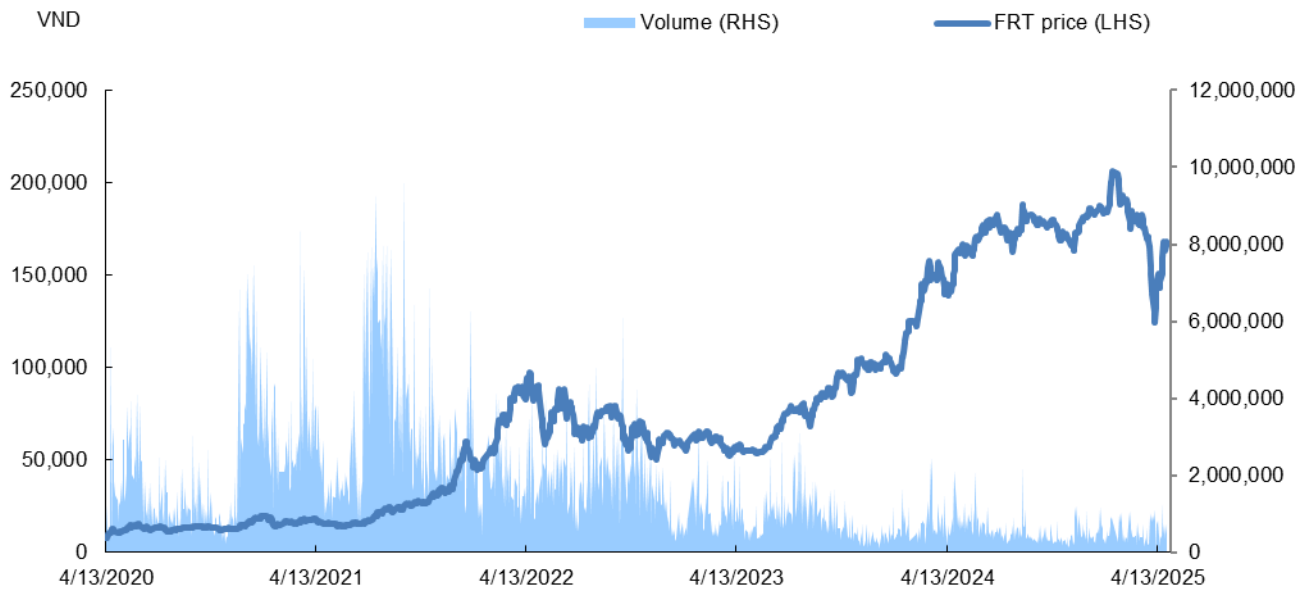
### Comparison with Regional Retail Enterprises

Name	Ticker	P/E	EV/EBI TDA	EV/EBI T	EV/Rev	P/BV	P/S
<b>FPT DIGITAL RETAIL JSC</b>	<b>FRT VN</b>	<b>35.46</b>	<b>17.97</b>	<b>23.09</b>	<b>0.56</b>	<b>11.96</b>	<b>0.55</b>
<b>Current Premium to Comps Mean</b>		<b>160%</b>	<b>87%</b>	<b>64%</b>	<b>-8%</b>	<b>679%</b>	<b>-8%</b>
<b>Mean</b>		<b>13.64</b>	<b>9.62</b>	<b>14.08</b>	<b>0.61</b>	<b>1.54</b>	<b>0.60</b>
<b>Mobile World Investment Corp</b>	MWG VN	16.41	10.04	14.27	0.53	3.03	<b>0.67</b>
<b>Senheng New Retail Bhd</b>	SENHE NG MK	4.98	2.31	4.18	0.22	0.56	<b>0.29</b>
<b>Central Retail Corp PCL</b>	CRC TB	14.19	7.41	15.49	1.02	2.14	<b>0.54</b>
<b>Erajaya Swasembada Tbk PT</b>	ERAA IJ	6.01	4.35	5.90	0.17	0.85	<b>0.09</b>
<b>JD Health International Inc</b>	6618 HK	24.12	26.20	31.13	1.13	2.00	<b>2.04</b>
<b>Suning.com Co Ltd</b>	002024 CH	21.10	12.11	18.83	0.76	1.46	<b>0.29</b>
<b>Robinsons Retail Holdings Inc</b>	RRHI PM	8.64	4.93	8.77	0.43	0.70	<b>0.27</b>

Sources: Bloomberg, GTJASVN



## FRT price performance



Sources: Bloomberg, GTJASVN Research

05 May 2025

FRT VN

Company Report



## STOCK RATING

Benchmark index: **VN – Index.**

Investment horizon: **6 to 18 months**

SUGGESION	DEFINITION
<b>Buy</b>	Expected rate of return $\geq 15\%$ Or firm/major with a positive outlook
<b>Accumulation</b>	Expected rate of return from 5% to 15% Or firm/major with a positive outlook
<b>Neutral</b>	Expected rate of return from -5% to 5% Or Company/with a neutral outlook
<b>Underweight</b>	Expected rate of return from -15% to -5% Or firm/major with a negative outlook
<b>Sell</b>	Expected rate of return $< -15\%$ Or firm/major with a negative outlook

## MAJOR RATING

Benchmark index: **VN – Index**

Investment horizon: **6 to 18 months**

Rating	Definition
<b>Outstanding</b>	The industry 's average rate of return exceeds the VN-index by more than 5% Or positive industry outlook
<b>Neutral</b>	The industry's average rate of return relative to the VN-index ranges from -5% to 5% Or neutral industry outlook
<b>Inefficient</b>	The industry's average rate of return smaller than the VN-index by about -5% Or negative industry outlook

## RECOMMENDATION

The statements in this report reflect the personal opinions of the analyst responsible for preparing this report regarding the securities or the issuing organization. Investors should consider this report as a reference source and should not regard it as investment advice when making investment decisions. Investors bear full responsibility for their own investment decisions. Guotai Junan Securities Vietnam Joint Stock Company is not liable for any damages or any event considered as damage arising from or related to the use of all or part of the information or opinions mentioned in this report.

The analyst responsible for preparing this report receives compensation based on various factors, including the quality and accuracy of the research, client feedback, competitive factors, and the company's revenue. Guotai Junan Securities Vietnam Joint Stock Company, along with its officers, CEO, and employees, may have a relationship with any securities mentioned in this report (or in any related investment).

The analyst responsible for preparing this report strives to compile it based on information deemed reliable at the time of publication. Guotai Junan Securities Vietnam Joint Stock Company does not represent, warrant, or guarantee the completeness or accuracy of this information. The views and estimates expressed in this report solely represent the opinions of the responsible analyst at the time of publication, do not reflect the views of Guotai Junan Securities Vietnam Joint Stock Company, and may change without prior notice.

This report is prepared solely to provide information to investors, including institutional and individual investors of Guotai Junan Securities Vietnam in Vietnam and abroad, in compliance with applicable laws and regulations in the country where this report is distributed. It is not intended to constitute any offer or guidance on buying, selling, or holding specific securities in any jurisdiction. The opinions and recommendations presented in this report do not take into account the differences in objectives, needs, strategies, and specific circumstances of each investor. Investors understand that conflicts of interest may affect the objectivity of this report.

The content of this report, including but not limited to recommendations, does not constitute a basis for investors or any third party to demand Guotai Junan Securities Vietnam Joint Stock Company and/or the responsible analyst to fulfill any obligations to investors or any third-party regarding investment decisions and/or the content of this report.

This report may not be copied, published, or redistributed by any entity for any purpose without written permission from an authorized representative of Guotai Junan Securities Vietnam Joint Stock Company. Please provide proper attribution when citing





**GUOTAI JUNAN VIETNAM RESEARCH DEPARTMENT**

**Trần Thị Hồng Nhung**

Deputy Director

[nhungtth@gtjas.com.vn](mailto:nhungtth@gtjas.com.vn)

(024) 35.730.073 – ext:703

05 May 2025



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

LIÊN HỆ	TRỤ SỞ CHÍNH HÀ NỘI	CHI NHÁNH TP.HCM
Điện thoại tư vấn: (024) 35.730.073	R9-10, 1 <sup>st</sup> Floor, Charmvit Tower, 117 Trần Duy Hưng, Hà Nội	3 <sup>rd</sup> Floor, No. 2 BIS, Công Trường Quốc Tế, P. 6, Q.3, Tp.HCM
Điện thoại đặt lệnh: (024) 35.779.999	Tel: (024) 35.730.073	Tel: (028) 38.239.966
Email: <a href="mailto:info@gtjas.com.vn">info@gtjas.com.vn</a> Website: <a href="http://www.gtjai.com.vn">www.gtjai.com.vn</a>	Fax: (024) 35.730.088	Fax: (028) 38.239.696

FRT VN

Company Report