

DIGIWORLD CORP (DGW)

CONSUMER SERVICES

Laptops & tablets and home appliances drive earnings boom – [In line]

- Net revenue and NPAT in 1Q26 increased 54%/89.8% YoY, reaching VND8.5tn/VND202bn (USD323mn/USD7.7mn), respectively.
- FY25 results were in line with our forecasts, with net revenue and NPAT fulfilling 27.4%/25.2% of our full-year projection.
- We maintain our target price at VND51,500.

Laptop & tablet and office equipment drove strong sales growth

In 1Q26, net revenue rose 54% YoY to VND8.5tn (USD323mn), driven by a sales surge in laptops & tablets, office equipment, and home appliances. Compared to 1Q25, the contribution from laptops & tablets climbed from 25% to 33%, office equipment rose from 24% to 29%, home appliances improved from 7% to 8.5%, while the mobile phone proportion dropped from 41% to 27%.

- In 1Q26, laptop & tablet revenue surged 102% YoY to VND2.8tn (USD106.5mn) thanks to booming consumption amid concerns of surging products prices due to RAM shortage.
- The office equipment segment posted surging revenue of 92% YoY to VND2.4tn (USD91.3mn), driven by the growing AI trend that led to rising server demand and data center investment.
- Home appliance revenue rose 80% YoY to VND722bn (USD27.5mn), driven by expansion of provincial distributor networks and a shift in consumer demand towards smart products.
- Mobile phone revenue remained flat at VND2.3tn (USD87.5mn), reflecting saturated demand.
- Consumer goods sales posted positive growth of 14% YoY to VND250bn (USD9.5mn), contributing 3% of total revenue.

For FY25, DGW’s net revenue reached 27% our full-year forecast and company guidance.

Profit margin widen thanks to surging sales of higher-margin products

Specifically, GPM improved 0.7% pts YoY to 9.5%, reflecting a better product mix as a larger contribution of laptops, office and home equipment overwhelmed surging input costs due to RAM shortage.

NPAT rocketed 89% YoY to VND202bn (USD7.7mn), with NPM growing 0.4% pts YoY to 2.4% thanks to better sales and higher A&P expenses of 43% YoY. NPAT reached 25% of our forecast and 31% of company guidance.

VNDbn	1Q25	4Q25	1Q26	%YoY	%QoQ	vs. full-year forecast
Net sales	5,519	7,990	8,500	54.0%	6.4%	27.4%
Mobile phones	2,235	3,210	2,278	1.9%	(29.0%)	24.7%
Laptops & tablets	1,391	2,008	2,803	101.5%	39.6%	29.1%
Office equipment	1,273	1,910	2,447	92.2%	28.1%	29.6%
Home appliance	401	567	722	80.0%	27.3%	25.9%
Consumer goods	220	295	250	13.6%	(15.3%)	23.7%
Gross profit	481	692	803	67.1%	16.0%	27.5%
SG&A	(292)	(404)	(547)	87.4%	35.6%	29.5%
Net financial income	(53)	(76)	(9)	(82.6%)	(88.0%)	15.0%
PBT	137	211	257	87.3%	21.6%	25.8%
NPAT	106	162	202	89.8%	25.0%	25.2%
GPM	8.7%	8.7%	9.5%	0.7%pts	0.8%pts	
NPM	1.9%	2.0%	2.4%	0.4%pts	0.4%pts	

Source: VNDIRECT RESEARCH

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RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

- Add The stock's total return is expected to reach 15% or higher over the next 12 months.
- Hold The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
- Reduce The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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