

**DIGIWORLD CORP (DGW)**
**HOLD (from ADD)**  
**+14%**

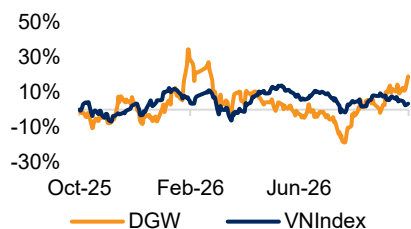
|                    |                  |
|--------------------|------------------|
| Current Price      | VND47,500        |
| 52Wk High/Low      | VND53,475/32,424 |
| Target Price       | VND54,600        |
| Previous TP        | VND51,500        |
| TP vs Consensus    | 6%               |
| Upside             | 14.3%            |
| Dividend Yield     | 2.1%             |
| Total stock return | 16.4%            |

|                       |                          |
|-----------------------|--------------------------|
| Growth rating         | Neutral                  |
| Value rating          | Neutral                  |
| ST Technical Analysis | <a href="#">Positive</a> |

|                    |            |
|--------------------|------------|
| Market Cap         | USD403.3mn |
| 3m Avg daily value | USD2.4mn   |
| Avail Foreign Room | USD84.6mn  |
| Outstanding Shares | 221.2mn    |
| Fully diluted O/S  | 221.2mn    |

|             | DGW   | VNI   |
|-------------|-------|-------|
| P/E TTM     | 12.6x | 12.1x |
| P/B Current | 2.8x  | 2.0x  |
| ROA         | 8.1%  | 2.6%  |
| ROE         | 24.1% | 16.5% |

\*as of October 7, 2026

**Share Price performance**


| Share price (%)   | 1M    | 3M    | 12M   |
|-------------------|-------|-------|-------|
| Ordinary shares   | 21.0% | 20.4% | 24.1% |
| Relative to index | -5.4% | -5.8% | 6.5%  |

**Ownership**

|                         |       |
|-------------------------|-------|
| Created Future Co.,Ltd. | 32.0% |
| Others                  | 68.0% |

**Business Description**

DGW is a distribution company for ICT products, office equipment and consumer goods. The company partners with over 30 prominent global brands, including notable names such as Xiaomi, Apple, HP, Asus and Logitech.

**Analyst(s):**

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**Strong profit growth might cool in 2027**

- We recommend HOLD with a 12M TP of VND54,600, implying 14% upside.
- We raised our TP on higher revenue forecasts (+22.9%/+28.4% for FY26/27F), a higher target P/E (11.5x, peer average) and a WACC updated to market-value weight (10.1%).

**Financial Highlights**

- 2Q26 revenue rose 26.9% YoY to VND7.3tn (USD277mn). Momentum picked up in 3Q26, with record revenue of VND10.8tn (USD411mn) (+45.5% YoY), driven by office equipment, mobile phone, laptop and tablet sales.
- GPM widened 4.5% pts to 13.0%, and NPM improved 2.1% pts to 4.2% on a richer product mix, lifting 2Q26 NPAT 160.6% YoY to VND309bn (USD12mn).

**Investment Thesis**
**Memory supercycle extends pricing power into 2027**

Tight DRAM supply, with TrendForce forecasting 4Q26 PC DRAM contract prices increasing by 13-18% QoQ, allows DGW to pass on price increases through its priority supply allocation and early inventory build. Laptop & tablet sales rose 64.9% YoY in 1H26, supporting total GPM to widen 2.5% pts to 11.1%. We forecast laptop & tablet revenue to increase by 43%/41% in FY26/27F, as higher prices may weigh on demand and GPM from 2027.

**Office equipment rides Vietnam's AI data-center boom**

Operational data-center capacity is set to grow 5.6x to 589MW by 2030 (CBRE), with about 400MW already under construction or approved. Server sales surged 112% YoY in 1H26, and office equipment grew 84.6% YoY in 3Q26 to 28% of revenue. DGW's Intel Approved Component Supplier status (client computing and data center) supports further growth; we forecast office equipment revenue will rise by 64%/40% in FY26/27F.

**Earnings running well ahead of guidance**

Record 3Q26 revenue of VND10.8tn (USD411mn) (+45.5% YoY) lifted 9M26 revenue to VND26.5tn (USD1bn), 84% of the full-year target, while 1H26 NPAT already covers 77% of the profit plan. Our FY26F NP of VND991bn (USD38mn) is about 1.5x guidance, leaving room for a guidance upgrade and upward consensus revisions in 4Q26.

**Expansion beyond ICT diversifies growth**

New exclusive distribution of Xiaomi home appliances, Motorola smartphones and Sony entertainment products, a Hisense partnership, and the Shell lubricants deal (USD620mn Vietnamese market) reduce reliance on mobile phones. They also open new channels in home appliances, the automotive aftermarket and FMCG.

|                    | 2024  | 2025  | 2026F | 2027F   | 2028F | 2029F |
|--------------------|-------|-------|-------|---------|-------|-------|
| Revenue growth     | 17.3% | 20.6% | 38.6% | 21.2%   | 1.1%  | 8.2%  |
| EPS growth         | 22.7% | 22.2% | 82.4% | (26.9%) | 65.8% | 23.6% |
| Gross margin       | 9.3%  | 8.7%  | 10.9% | 10.3%   | 11.7% | 12.0% |
| Net profit margin  | 2.0%  | 2.0%  | 2.7%  | 1.6%    | 2.7%  | 3.0%  |
| P/E (x)            | 27.5  | 22.5  | 12.4  | 16.9    | 10.2  | 8.3   |
| Rolling P/B (x)    | 2.9   | 2.5   | 2.3   | 2.0     | 1.8   | 1.5   |
| ROAE               | 14.8% | 15.7% | 26.5% | 17.1%   | 25.3% | 26.7% |
| Net debt to equity | 36.3% | 33.7% | 71.5% | 91.4%   | 53.1% | 32.8% |

Source: VNDIRECT Research

## 2Q26 Results Recap: Office equipment drove sales growth

Figure 2: 2Q26 business results

| VNDbn                | 2Q25         | 2Q26         | %YoY           | 1H25          | 1H26          | %YoY           | % guidance   | vs. full year forecast |
|----------------------|--------------|--------------|----------------|---------------|---------------|----------------|--------------|------------------------|
| <b>Net sales</b>     | <b>5,731</b> | <b>7,273</b> | <b>26.9%</b>   | <b>11,251</b> | <b>15,774</b> | <b>40.2%</b>   | <b>50.1%</b> | <b>42.7%</b>           |
| Mobile phones        | 1,959        | 2,054        | 4.8%           | 4,194         | 4,332         | 3.3%           | na           | 35.9%                  |
| Laptops & tablets    | 1,832        | 2,511        | 37.1%          | 3,223         | 5,314         | 64.9%          | na           | 49.2%                  |
| Office equipment     | 1,368        | 2,014        | 47.2%          | 2,641         | 4,461         | 68.9%          | na           | 43.9%                  |
| Home appliance       | 346          | 476          | 37.6%          | 747           | 1,198         | 60.4%          | na           | 47.1%                  |
| Consumer goods       | 226          | 218          | (3.5%)         | 446           | 468           | 4.9%           | na           | 36.0%                  |
| <b>Gross profit</b>  | <b>487</b>   | <b>943</b>   | <b>93.5%</b>   | <b>968</b>    | <b>1,747</b>  | <b>80.4%</b>   | <b>na</b>    | <b>43.3%</b>           |
| SG&A                 | (433)        | (595)        | 37.5%          | (725)         | (1,142)       | 57.6%          | na           | 42.2%                  |
| Net financial income | 85           | 34           | (60.3%)        | 32            | 24            | (23.0%)        | na           | (33.4%)                |
| <b>PBT</b>           | <b>147</b>   | <b>388</b>   | <b>163.1%</b>  | <b>284</b>    | <b>644</b>    | <b>126.5%</b>  | <b>na</b>    | <b>52.4%</b>           |
| <b>NPAT</b>          | <b>119</b>   | <b>309</b>   | <b>160.6%</b>  | <b>225</b>    | <b>511</b>    | <b>127.1%</b>  | <b>77.4%</b> | <b>51.5%</b>           |
| <b>GPM</b>           | <b>8.5%</b>  | <b>13.0%</b> | <b>0.7%pts</b> | <b>8.6%</b>   | <b>11.1%</b>  | <b>2.5%pts</b> | <b>na</b>    | <b>na</b>              |
| <b>NPM</b>           | <b>2.1%</b>  | <b>4.2%</b>  | <b>0.4%pts</b> | <b>2.0%</b>   | <b>3.2%</b>   | <b>1.2%pts</b> | <b>na</b>    | <b>na</b>              |

Source: VNDIRECT Research

### Strong margin expansion on a richer product mix

In 2Q26, DGW's net revenue rose 26.9% YoY to VND7.3tn (USD277mn). The mix shifted from mobile phones (28% of sales, -6.0% pts YoY) to higher-GPM office equipment (28%, +3.8% pts) and laptops & tablets (35%, +2.5% pts). Revenue fell 14.4% QoQ as 1Q26 pull-forward demand faded.

GPM widened 4.5% pts YoY to 13.0% on the better mix and gains on inventory bought before RAM-driven price hikes. SG&A/sales rose 0.6% pts to 8.2%, while net financial income fell 60.3% YoY to VND34bn (USD1.3bn). Net profit jumped 160.6% YoY to VND309bn (USD12mn), with NPM up 2.1% pts to 4.2%.

1H26 revenue grew 40.2% YoY to VND15.8tn (USD601mn) and NPAT 127.1% to VND511bn (USD19mn), reaching 50.1%/77.4% of full-year guidance and 43.0%/48.9% of our forecasts.

### Office equipment, laptops & tablets fuel growth

Office equipment grew 47.2% YoY to VND2.0tn (USD77mn), 28% of sales. In 1H26, the segment rose 68.9% YoY, driven by servers (+112%), IoT (+38%) and workwear/safety gear (+36%) on edge AI and data-center demand. Laptops & tablets rose 37.1% YoY to VND2.5tn (USD95mn), 35% of sales, on ~20% RAM-driven price hikes and buying ahead of further increases, slowing from +100% YoY in 1Q26.

### Mobile phone sales recovered slightly

Mobile phones rose 4.8% YoY to VND2.1tn (USD78mn), reversing the 12% decline in 2Q25. New Xiaomi, Motorola and iPhone launches offset weaker entry-level demand (Vietnam's sub-USD200 segment fell over 30% in 1Q26, per Omdia).

### Seasonal tailwinds supported home appliance sales

Home appliances grew 37.6% YoY to VND476bn (USD18mn), 7% of sales (1H26: +60.4%), on hot-weather cooling demand and World Cup TV sales. Consumer goods fell 3.5% YoY to VND218bn (USD8mn), 3% of sales, as slower healthcare sales outweighed World Cup-related demand.

## FY26-27F outlook: Strong profit growth might cool down in 2027

### FY26-27 earnings forecast revision

Figure 3: FY25-26 earnings forecast revision

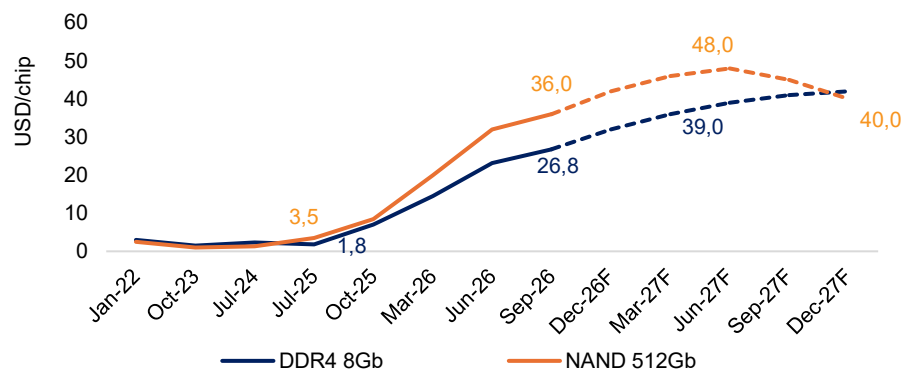
| VNDbn                            | 2025A          | Previous forecast |                | Updated forecast |                | % YoY        |               | Forecast change |               | Comments                                                                                                                                                                                                                                          |
|----------------------------------|----------------|-------------------|----------------|------------------|----------------|--------------|---------------|-----------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                | 2026F             | 2027F          | 2026F            | 2027F          | 2026F        | 2027F         | 2026F           | 2027F         |                                                                                                                                                                                                                                                   |
| <b>Revenue</b>                   | <b>26,632</b>  | <b>30,043</b>     | <b>34,833</b>  | <b>36,909</b>    | <b>44,731</b>  | <b>38.6%</b> | <b>21.2%</b>  | <b>22.9%</b>    | <b>28.4%</b>  | Growth led by laptops and office equipment                                                                                                                                                                                                        |
| Laptops & Tablets                | 8,397          | 8,772             | 9,386          | 12,060           | 16,977         | 43.6%        | 40.8%         | 37.5%           | 80.9%         | Buyers rushed in 1H26 ahead of increases, expecting additional 20% price hikes from RAM costs                                                                                                                                                     |
| Mobile phones                    | 9,357          | 8,634             | 8,893          | 10,795           | 12,700         | 15.4%        | 17.7%         | 25.0%           | 42.8%         | New Xiaomi, Motorola and iPhone launches offset weaker entry-level demand (Vietnam's sub-USD200 segment fell more than 30% in 1Q26, per Omdia). We expect ASPs to keep rising as memory costs are passed through, partly offset by lower volumes. |
| Office Equipment                 | 6,194          | 8,346             | 10,516         | 10,168           | 14,235         | 64.2%        | 40.0%         | 21.8%           | 35.4%         | 1H26 revenue was VND4.5tn (USD171mn) (+69% YoY), driven by servers, IoT and workwear/safety gear. Structural demand for edge AI servers and data centers supports +25% in FY27F.                                                                  |
| Home Appliances                  | 1,741          | 3,108             | 4,677          | 2,544            | 3,307          | 46.1%        | 30.0%         | -18.1%          | -29.3%        | Slower CE sales than expected due to slower real estate sales amid high interest.                                                                                                                                                                 |
| Consumer goods                   | 943            | 1,184             | 1,362          | 1,301            | 1,366          | 38.0%        | 5.0%          | 9.9%            | 0.3%          |                                                                                                                                                                                                                                                   |
| <b>Gross profit</b>              | <b>2,311</b>   | <b>2,921</b>      | <b>3,543</b>   | <b>4,031</b>     | <b>4,610</b>   | <b>74.4%</b> | <b>14.3%</b>  | <b>38.0%</b>    | <b>30.1%</b>  | Expecting higher revenue and margins                                                                                                                                                                                                              |
| Gross margin                     | 8.7%           | 9.7%              | 10.2%          | 10.9%            | 10.3%          | 2.2 %pts     | -0.6 %pts     | 1.2 %pts        | 0.1 %pts      | FY26 increase on a better mix (office equipment) and gains on inventory bought before price hikes. We expect GM to decrease in FY27F as those gains fade.                                                                                         |
| Net financial income             | (52.9)         | 38.0              | (70.0)         | (73.3)           | (97.1)         | 38.6%        | 32.5%         | -292.8%         | 38.7%         | Expecting higher borrowing to fund inventory build-up, amid high interest rate                                                                                                                                                                    |
| Selling expenses                 | (1,369)        | (1,649)           | (1,911)        | (2,399)          | (3,178)        | 75.3%        | 32.5%         | 45.5%           | 66.3%         |                                                                                                                                                                                                                                                   |
| G&A expenses                     | (224)          | (268)             | (311)          | (311)            | (412)          | 38.6%        | 32.5%         | 16.0%           | 32.4%         |                                                                                                                                                                                                                                                   |
| <b>SG&amp;A expenses</b>         | <b>(1,593)</b> | <b>(1,917)</b>    | <b>(2,222)</b> | <b>(2,710)</b>   | <b>(3,590)</b> | <b>70.1%</b> | <b>32.5%</b>  | <b>41.4%</b>    | <b>61.6%</b>  |                                                                                                                                                                                                                                                   |
| <i>Selling expenses/Revenue</i>  | 5.1%           | -5.5%             | -5.5%          | 6.5%             | 7.1%           | 1.4 %pts     | 0.6 %pts      | 12.0 %pts       | 12.6 %pts     | Reflecting higher promotion and channel support costs for growing lines                                                                                                                                                                           |
| <i>G&amp;A expenses/Revenue</i>  | 0.8%           | -0.9%             | -0.9%          | 0.8%             | 0.9%           | 0.0 %pts     | 0.1 %pts      | 1.7 %pts        | 1.8 %pts      |                                                                                                                                                                                                                                                   |
| <i>SG&amp;A expenses/Revenue</i> | 6.0%           | -6.4%             | -6.4%          | 7.3%             | 8.0%           | 1.4 %pts     | 0.7 %pts      | 13.7 %pts       | 14.4 %pts     |                                                                                                                                                                                                                                                   |
| <b>Profit before tax</b>         | <b>665</b>     | <b>1,032</b>      | <b>1,352</b>   | <b>1,231</b>     | <b>899</b>     | <b>85.0%</b> | <b>-26.9%</b> | <b>19.2%</b>    | <b>-33.5%</b> |                                                                                                                                                                                                                                                   |
| <b>Net profit</b>                | <b>538</b>     | <b>813</b>        | <b>1,066</b>   | <b>991</b>       | <b>724</b>     | <b>84.1%</b> | <b>-26.9%</b> | <b>21.9%</b>    | <b>-32.1%</b> |                                                                                                                                                                                                                                                   |
| <i>Net margin</i>                | 2.0%           | 2.7%              | 3.1%           | 2.7%             | 1.6%           | 0.7 %pts     | -1 %pts       | 0.0 %pts        | -1.4 %pts     |                                                                                                                                                                                                                                                   |

Source: VNDIRECT Research, Company report

## Memory super-cycle sustains pricing power into 2027

AI servers are absorbing memory capacity, so DRAM supply remains tight. TrendForce has raised its 4Q26 PC DRAM contract price forecast by 13-18% QoQ, and prices are expected to stay high until 2H27. As Intel's CPU distributor and an authorized channel for global laptop brands, DGW gets supply allocation while smaller channels go short, and its early inventory build lets it pass on price increases in 2026. DGW's laptop & tablet sales rose 64.9% YoY in 1H26 on 20% price hikes, lifting total GPM 2.5% pts to 11.1%. However, high product price and increasing inflation may slow down ICT demand, while the high merchandise cost may narrow net margin in 2027. We expect laptop & tablet sales will keep increasing by 44%/41%, respectively, in FY26/27.

**Figure 4: Memory chip prices may cool off by end-2027**



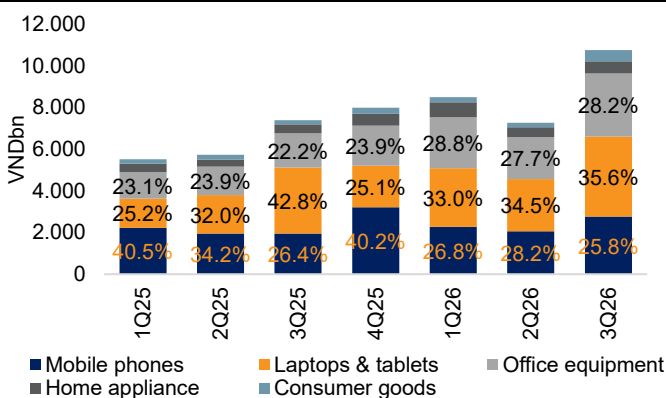
Source: VNDIRECT Research, TrendForce

## Office equipment rides Vietnam's AI data-center boom

Vietnam's operational data-center capacity is forecast to grow 5.6x from 104MW in 2025 to 589MW by 2030, per CBRE, backed by a pipeline of about 400MW under construction or approved, including Viettel's 140MW Tan Phu Trung facility, alongside two USD2bn hyperscale/AI campuses in planning. DGW is already capturing this demand, as server sales surged 112% YoY in 1H26, office equipment grew 84.6% YoY in 3Q26 to 28% of revenue (1H25: 23%), and B2B customers now account for 35% of sales.

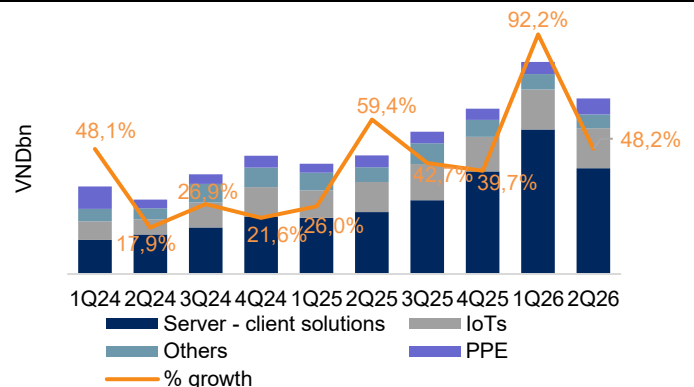
Beyond PCs, DGW is also an Intel Approved Component Supplier for client computing and data centers, allowing it to supply Xeon server CPUs to system integrators and digital-infrastructure projects. We forecast office equipment revenue to increase 64.0%/40.0% in FY26/27F.

**Figure 5: Office equipment's proportion increased**



Source: VNDIRECT Research, Company information

**Figure 6: ...mainly driven by servers and client solutions revenue**

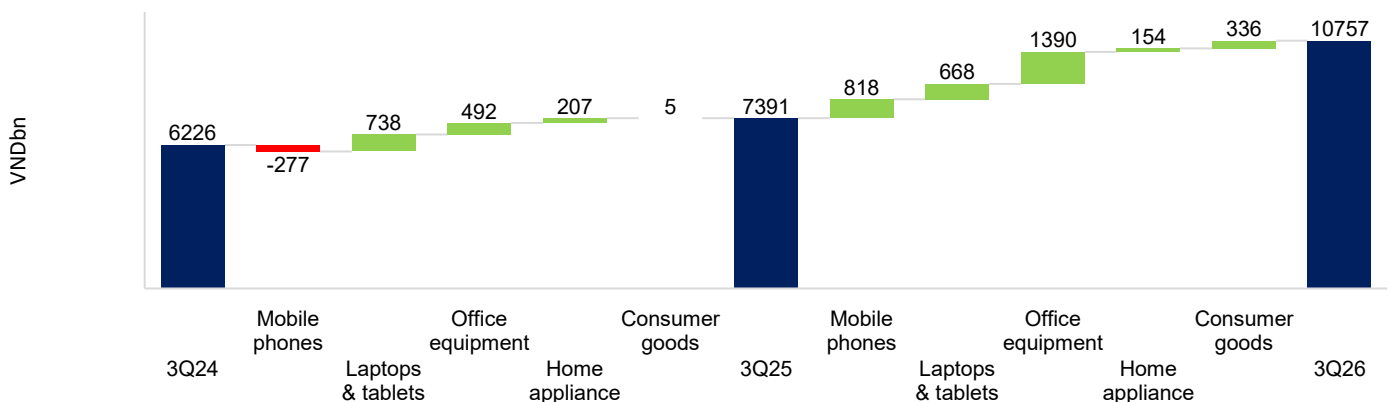


Source: VNDIRECT Research, Company information

### Earnings running well ahead of guidance

According to DGW's IR, 3Q26 revenue jumped 45.5% YoY (+47.9% QoQ) to VND10.8tn (USD411mn), a record quarter. It was driven by office equipment (+84.6% YoY), mobile phones (+41.9%, on the iPhone 18 launch) and laptops & tablets (+21.1%). 9M26 revenue reached VND26.5tn (USD1bn) (+42.3% YoY), already 84% of the full-year target. DGW therefore needs only about VND5.0tn (USD190mn) in 4Q26 to meet the plan, against VND8.0tn in 4Q25. 1H26 NPAT of VND511bn (USD19mn) already covers 77.4% of the VND660bn (USD25mn) profit plan, and our FY26F NP of VND991bn (USD38mn) is about 1.5x guidance. With the peak season for iPhones and office equipment in 4Q, we see room for a guidance upgrade and upward consensus revisions.

**Figure 7: 3Q revenue bridge by product line**



Source: VNDIRECT Research, Company information

### Expansion beyond ICT unlocks new growth lines

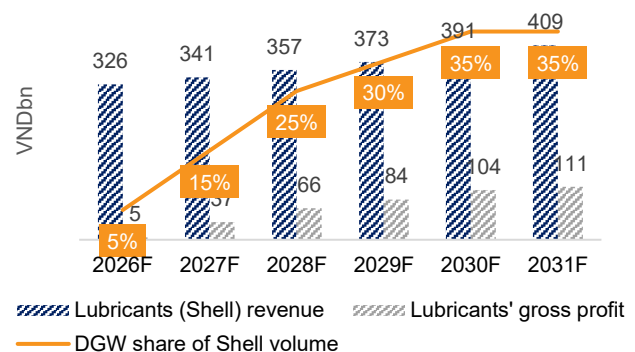
DGW has become the exclusive distributor of Xiaomi home appliances, Motorola smartphones and Sony entertainment products, and partnered with Hisense on retail and B2B solutions. Home appliances grew 60.4% YoY in 1H26 and are set to double their share of revenue to 8%. The Shell partnership since August 2026 takes DGW into Vietnam's fragmented USD620mn lubricant market, which is forecast to get 5% CAGR until 2031, with plans to add tyres, batteries, vehicle parts and new FMCG brands. Together, these lower DGW's reliance on mobile phones and extend growth.

**Figure 8: DGW's new partnerships in 3Q26**



Source: VNDIRECT Research, Company information

**Figure 9: We expect DGW to contribute a higher share of Shell's sales**



Source: VNDIRECT Research, Ken Research

## Valuation: We revise to HOLD rating with TP of VND54,600

We recommend a HOLD rating on DGW with an estimated upside potential of 15%. Our valuation is based on an equal weighting combination of DCF valuation and P/E method. We increased our TP by 3% as: 1) we increase our forecast revenue for home appliances and office equipment; 2) we increase WACC's assumptions from 8.7% to 11.4% as we raise our risk-free rate from 3.0% to 4.4%; and 3) the risk premium rose from 7.8% to 7.9%.

Figure 10: Valuation summary

| Methodology                   | Price  | Weight | Weighted price |
|-------------------------------|--------|--------|----------------|
| FCFF                          | 58,355 | 50%    | 29,177         |
| P/E                           | 50,785 | 50%    | 25,392         |
| <b>Average price</b>          |        |        | <b>54,570</b>  |
| Implied 12M P/E               |        |        | 12.4           |
| <b>Target price (Rounded)</b> |        |        | <b>54,600</b>  |

Source: VNDIRECT Research

Figure 11: Multiple valuation (P/E)

|                               | 2025F         |
|-------------------------------|---------------|
| <b>NPATMI (VNDbn)</b>         | <b>978</b>    |
| No. of outstanding share (mn) | 221.3         |
| EPS (VND)                     | 4,418         |
| Target P/E (x)                | 11.5          |
| <b>Implied price</b>          | <b>50,785</b> |

Source: VNDIRECT Research

Figure 12: WACC calculation

|                     |              |
|---------------------|--------------|
| Beta                | 1.1          |
| Market risk premium | 7.9%         |
| Risk free rate      | 4.4%         |
| Cost of Equity      | 13.0%        |
| Cost of Debt        | 8.5%         |
| Corporate tax       | 20.0%        |
| <b>WACC</b>         | <b>11.4%</b> |

Source: VNDIRECT Research

Figure 13: DCF Valuation

| VNDbn                              | Amount        |
|------------------------------------|---------------|
| PV of Free Cash Flows              | 3,637         |
| PV of Terminal Value               | 10,099        |
| <b>Enterprise value</b>            | <b>13,736</b> |
| (-) Cash and cash equivalents      | 2,435         |
| (+) Total debts                    | (3,215)       |
| <b>Equity Value</b>                | <b>12,915</b> |
| Shares (mn)                        | 221           |
| <b>Price per share (VND/share)</b> | <b>58,355</b> |

Source: VNDIRECT Research

Figure 14: DCF Valuation - Free cashflow to firm (unit: VNDbn)

| (VNDbn)                                | FY26F        | FY27F        | FY28F        | FY29F        | FY30F      | FY31F      |
|----------------------------------------|--------------|--------------|--------------|--------------|------------|------------|
| EBIT                                   | 1,304        | 996          | 1,618        | 1,952        | 2,106      | 2,252      |
| Tax                                    | (239)        | (175)        | (313)        | (359)        | (387)      | (414)      |
| Depreciation                           | 34           | 37           | 40           | 44           | 48         | 56         |
| Capex                                  | (42)         | (50)         | (51)         | (55)         | (59)       | (63)       |
| (Increase)/Decrease in working capital | (1,571)      | (1,605)      | 801          | (18)         | (174)      | (420)      |
| Free Cash Flows                        | (515)        | (798)        | 2,095        | 1,564        | 1,533      | 1,411      |
| <b>Present Value of FCFF</b>           | <b>(285)</b> | <b>(716)</b> | <b>1,688</b> | <b>1,131</b> | <b>996</b> | <b>823</b> |

Source: VNDIRECT Research, Company reports

Figure 15: Peer comparison (data as of 10/2/2026)

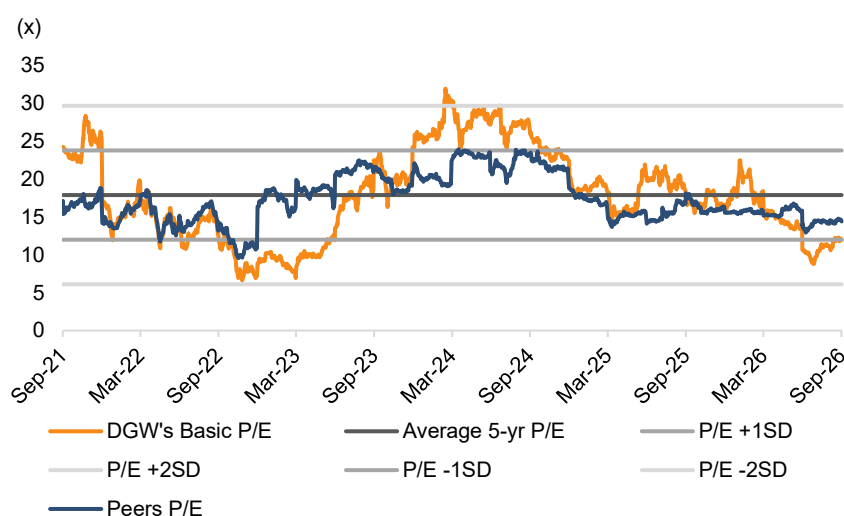
| Company name                 | Country   | Mkt Cap      | Revenue      | Net profit   | EPS         | Net D/E      | ROE (%)    | P/E (x)    |            |             |             |             |
|------------------------------|-----------|--------------|--------------|--------------|-------------|--------------|------------|------------|------------|-------------|-------------|-------------|
|                              |           | USDmn        | FY26F growth | FY25 (USDmn) | FY25 growth | FY26F growth | % TTM      | FY26F TTM  | FY26F TTM  | FY26F TTM   | Adj 26F     |             |
| Digiworld Corp               | Vietnam   | 389          | 25.4%        | 21.1         | 24%         | 82.8%        | 11%        | 25%        | 22%        | 11.9        | 11.1        | 11.1        |
| Erajaya Swasembada Tbk PT    | Indonesia | 530          | 9.6%         | 72.6         | 17%         | 7%           | 71%        | 16%        | 14%        | 6.6         | 6.8         | 10.2        |
| Com7 PCL                     | Thailand  | 2,089        | 13.3%        | 123.7        | 26%         | 18%          | 71%        | 47%        | 42%        | 15.3        | 14.4        | 13.6        |
| Mobile World Investment Corp | Vietnam   | 4,114        | 24.6%        | 270.5        | 106%        | 53%          | -27%       | 30%        | 28%        | 10.8        | 9.8         | 9.8         |
| Jaymart Group Holdings PCL   | Thailand  | 414          | 5.3%         | (1.7)        | -45%        | 585%         | 63%        | 0%         | 0%         | na          | 17.6        | 16.6        |
| Joshin Corp                  | Japan     | 769          | na           | 21.8         | 73%         | na           | 34%        | 5%         | na         | 21.7        | na          | na          |
| K's Holdings Corp            | Japan     | 1,895        | 7.4%         | 95.1         | 27%         | 78%          | 17%        | 8%         | 10%        | 14.6        | 10.2        | 7.3         |
| <b>Mean</b>                  |           | <b>1,635</b> | <b>12%</b>   | <b>97.0</b>  | <b>34%</b>  | <b>148%</b>  | <b>38%</b> | <b>18%</b> | <b>19%</b> | <b>13.8</b> | <b>11.8</b> | <b>11.5</b> |
| <b>Median</b>                |           | <b>1,332</b> | <b>10%</b>   | <b>83.8</b>  | <b>26%</b>  | <b>53%</b>   | <b>49%</b> | <b>12%</b> | <b>14%</b> | <b>14.6</b> | <b>10.2</b> | <b>10.2</b> |

Source: VNDIRECT Research, Bloomberg

**Figure 16: Sensitivity of valuation assumption**

| Terminal growth rate | Cost of equity |               |               |               |               |               |               |
|----------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                      | 11.5%          | 12.0%         | 12.5%         | 13.0%         | 13.5%         | 14.0%         | 14.5%         |
| 1.5%                 | 54,700         | 53,300        | 52,000        | 50,800        | 49,700        | 48,700        | 47,800        |
| 2.0%                 | 56,200         | 54,600        | 53,200        | 51,900        | 50,700        | 49,600        | 48,600        |
| 2.5%                 | 57,800         | 56,100        | 54,600        | 53,200        | 51,900        | 50,700        | 49,600        |
| <b>3.0%</b>          | <b>59,700</b>  | <b>57,900</b> | <b>56,100</b> | <b>54,600</b> | <b>53,100</b> | <b>51,800</b> | <b>50,600</b> |
| 3.5%                 | 61,900         | 59,800        | 57,900        | 56,100        | 54,500        | 53,100        | 51,800        |
| 4.0%                 | 64,500         | 62,000        | 59,900        | 57,900        | 56,100        | 54,500        | 53,100        |
| 4.5%                 | 67,400         | 64,600        | 62,200        | 59,900        | 58,000        | 56,200        | 54,500        |

Source: VNDIRECT Research, Company reports

**Figure 17: 5Y P/E of DGW and peers**


Source: VNDIRECT Research, Bloomberg

**Potential re-rating catalysts include:**

- The memory price upcycle lasting longer than expected, sustaining higher ASPs and inventory gains on laptops and smartphones;
- Stronger-than-expected server and networking demand from Vietnam's data-center build-out, which has about 400MW under construction or approval;
- Better-than-expected performance of new brands and categories: Xiaomi home appliances, Motorola, Hisense and Shell lubricants.

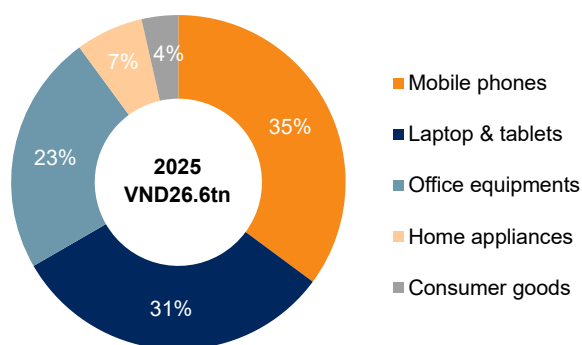
**Downside risks include:**

- Weaker ICT demand as higher prices dampen replacement cycles;
- A faster-than-expected reversal in memory prices from 2H27, leading to inventory write-downs and gross-margin compression;
- Lower-than-expected performance of new brands and verticals; and
- Termination of distribution contracts with major brands, especially Apple, Xiaomi or Intel.

## Company profile

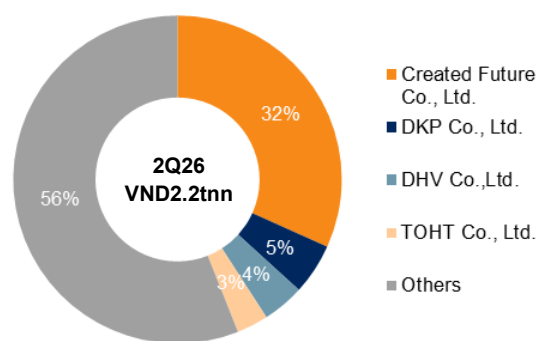
DGW is a distribution company established in 1997 and listed on the Ho Chi Minh Stock Exchange in 2015. Currently, DGW distributes products in the fields of ICT (laptops & tablets, mobile phones), office equipment and consumer goods with major global brands, and expanding to industrial equipment after M&A with Achison. DGW currently distributes more than 30 brands, such as Xiaomi and Apple in the mobile phones segment, HP & Asus in the Laptop & Tablet segment and Logitech in the Office equipment segment.

**Figure 18: DGW's revenue by business in 2024**



Source: VNDIRECT Research, Company reports

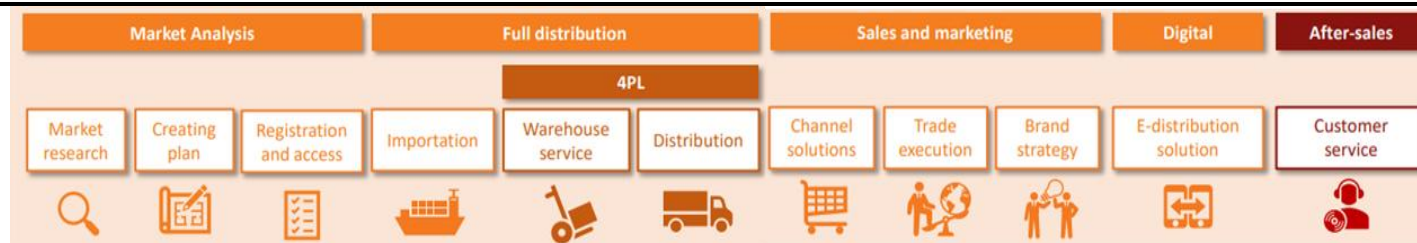
**Figure 19: DGW's shareholder structure (as of June 2026)**



Source: VNDIRECT Research, Company reports

DGW provides a more comprehensive and quality service than other distributors in the same industry. While PET and FPT Synnex only provide services at the distribution stage, DGW provides additional services including market analysis, brand development forecasts and strategy services in Vietnam.

**Figure 20: DGW's market expansion services**



Source: VNDIRECT Research, Company reports

Chairman Doan Hong Viet has been the principal of DGW since its founding and remains the company's biggest shareholder. The management team owns more than 45% of DGW (including shares held by Created Future Co., Ltd, which has belonged to Mr. Viet since 2014).

## Income statement

| (VNDbn)                       | <u>2024A</u>  | <u>2025A</u>  | <u>2026F</u>  | <u>2027F</u>  | <u>2028F</u>  | <u>2029F</u>  | <u>2030F</u>  |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net revenue</b>            | <b>22,079</b> | <b>26,632</b> | <b>36,909</b> | <b>44,731</b> | <b>45,202</b> | <b>48,927</b> | <b>52,416</b> |
| Laptops & Tablets             | 6,279         | 8,397         | 12,060        | 16,977        | 16,807        | 16,765        | 18,131        |
| Mobiles phones                | 9,580         | 9,357         | 10,795        | 12,700        | 11,622        | 12,486        | 13,378        |
| Office Equipment              | 4,386         | 6,194         | 10,168        | 14,235        | 17,082        | 18,790        | 19,730        |
| Home Appliances               | 993           | 1,741         | 2,544         | 3,307         | 3,969         | 4,564         | 4,792         |
| Consumer goods                | 840           | 943           | 1,301         | 1,366         | 1,435         | 1,478         | 1,522         |
| Cost of sales                 | (20,023)      | (24,321)      | (32,877)      | (44,288)      | (46,167)      | (48,915)      | (52,139)      |
| <b>Gross Profit</b>           | <b>2,055</b>  | <b>2,311</b>  | <b>4,031</b>  | <b>4,610</b>  | <b>5,299</b>  | <b>5,871</b>  | <b>6,285</b>  |
| G&A expenses                  | (244)         | (224)         | (311)         | (412)         | (569)         | (606)         | (646)         |
| Selling expenses              | (1,285)       | (1,369)       | (2,399)       | (3,178)       | (3,088)       | (3,287)       | (3,505)       |
| Operating profit              | 527           | 718           | 1,321         | 1,019         | 1,642         | 1,977         | 2,133         |
| Operating EBITDA              | 538           | 728           | 1,355         | 1,056         | 1,682         | 2,021         | 2,181         |
| Depreciation and amortization | 12            | 9             | 34            | 37            | 40            | 44            | 48            |
| Financial income              | 192           | 264           | 366           | 485           | 511           | 544           | 580           |
| Financial expense             | (163)         | (317)         | (440)         | (583)         | (613)         | (653)         | (696)         |
| Net other income              | (8)           | (13)          | (17)          | (23)          | (24)          | (26)          | (28)          |
| Income from associates & JVs  | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Pre-tax profit</b>         | <b>555</b>    | <b>665</b>    | <b>1,231</b>  | <b>899</b>    | <b>1,515</b>  | <b>1,843</b>  | <b>1,990</b>  |
| Tax expense                   | (116)         | (127)         | (239)         | (175)         | (313)         | (359)         | (387)         |
| <b>Net profit</b>             | <b>439</b>    | <b>538</b>    | <b>991</b>    | <b>724</b>    | <b>1,202</b>  | <b>1,484</b>  | <b>1,603</b>  |

## Balance sheet

| (VNDbn)                          | 2024A        | 2025A         | 2026F         | 2027F         | 2028F         | 2029F         | 2030F         |
|----------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash and equivalents             | 1,407        | 1,742         | 738           | 895           | 1,115         | 1,544         | 2,448         |
| Short term investments           | 2            | 697           | 966           | 1171          | 1184          | 1281          | 1372          |
| Accounts receivable              | 2,373        | 3,223         | 4,045         | 4,902         | 4,706         | 5,094         | 5,170         |
| Inventories                      | 3,501        | 4,436         | 6,411         | 8,858         | 8,541         | 8,560         | 9,124         |
| Other current assets             | 228          | 312           | 433           | 524           | 530           | 573           | 614           |
| <b>Total current assets</b>      | <b>7,772</b> | <b>10,701</b> | <b>12,996</b> | <b>16,838</b> | <b>16,568</b> | <b>17,586</b> | <b>19,301</b> |
| Fixed assets                     | 67           | 56            | 77            | 102           | 121           | 137           | 151           |
| Total investments                | 12           | 37            | 37            | 37            | 37            | 37            | 37            |
| Other long-term assets           | 475          | 377           | 377           | 377           | 377           | 377           | 377           |
| <b>Total assets</b>              | <b>8,499</b> | <b>11,257</b> | <b>13,565</b> | <b>17,425</b> | <b>17,167</b> | <b>18,198</b> | <b>19,925</b> |
| Short-term debts                 | 2,487        | 2,899         | 3,417         | 4,768         | 3,641         | 3,368         | 3,590         |
| Accounts payable                 | 2,303        | 3,524         | 4,764         | 6,418         | 6,690         | 7,089         | 7,556         |
| Other current liabilities        | -            | -             | -             | -             | -             | -             | -             |
| <b>Total current liabilities</b> | <b>5,485</b> | <b>7,780</b>  | <b>9,761</b>  | <b>13,118</b> | <b>12,322</b> | <b>12,532</b> | <b>13,321</b> |
| Total long-term debts            | -            | -             | -             | -             | -             | -             | -             |
| Other liabilities                | 3            | 5             | 5             | 5             | 5             | 5             | 5             |
| Share capital                    | 2,193        | 2,213         | 2,213         | 2,213         | 2,213         | 2,213         | 2,213         |
| Retained earnings reserve        | 725          | 1,164         | 1,478         | 1,971         | 2,492         | 3,292         | 4,209         |
| <b>Shareholder's equity</b>      | <b>2,974</b> | <b>3,433</b>  | <b>3,746</b>  | <b>4,239</b>  | <b>4,760</b>  | <b>5,560</b>  | <b>6,477</b>  |
| Minority interest                | 38           | 40            | 53            | 63            | 81            | 101           | 123           |
| <b>Total resources</b>           | <b>8,499</b> | <b>11,257</b> | <b>13,565</b> | <b>17,425</b> | <b>17,167</b> | <b>18,198</b> | <b>19,925</b> |

## Cash flow statement

| (VNDbn)                            | <u>2024A</u> | <u>2025A</u> | <u>2026F</u> | <u>2027F</u> | <u>2028F</u>   | <u>2029F</u> | <u>2030F</u> |
|------------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|
| <b>Pretax profit</b>               | <b>555</b>   | <b>665</b>   | <b>1,231</b> | <b>899</b>   | <b>1,515</b>   | <b>1,843</b> | <b>1,990</b> |
| Depreciation & amortization        | 55           | 53           | 34           | 37           | 40             | 44           | 48           |
| Tax paid                           | (121)        | (184)        | (239)        | (175)        | (313)          | (359)        | (387)        |
| Other adjustments                  | (38)         | 30           | 5            | 131          | 31             | 10           | 22           |
| Change in working capital          | (559)        | (655)        | (1,571)      | (1,605)      | 801            | (18)         | (174)        |
| <b>CF from operations</b>          | <b>(108)</b> | <b>(89)</b>  | <b>(541)</b> | <b>(714)</b> | <b>2,075</b>   | <b>1,520</b> | <b>1,498</b> |
| Capex                              | (45)         | (1)          | (42)         | (50)         | (51)           | (55)         | (59)         |
| Proceeds from asset sales          | (45)         | (1)          | 0            | 0            | 0              | 0            | 0            |
| Others                             | (186)        | (95)         | (6)          | (4)          | (0)            | (2)          | (2)          |
| Other non-current asset changes    | (186)        | (95)         | (6)          | (4)          | (0)            | (2)          | (2)          |
| <b>CF from investing activity</b>  | <b>(37)</b>  | <b>33</b>    | <b>(316)</b> | <b>(259)</b> | <b>(63)</b>    | <b>(155)</b> | <b>(152)</b> |
| New share issuance                 | 101          | 392          | 0            | 0            | 0              | 0            | 0            |
| Share buyback                      | 25           | 20           | 0            | 0            | 0              | 0            | 0            |
| Net borrowing                      | 11,684       | 13,388       | 518          | 1,351        | (1,127)        | (272)        | 222          |
| Other financing cash flow          | (11,607)     | (13,016)     | 0            | 0            | 0              | 0            | 0            |
| Dividends paid                     | 0            | 0            | (664)        | (221)        | (664)          | (664)        | (664)        |
| <b>CF from financing activity</b>  | <b>101</b>   | <b>392</b>   | <b>(146)</b> | <b>1,130</b> | <b>(1,791)</b> | <b>(936)</b> | <b>(442)</b> |
| Beginning cash and equivalents     | 1,450        | 1,407        | 1,742        | 738          | 895            | 1,115        | 1,544        |
| Total cash generated               | (43)         | 336          | (1,004)      | 156          | 220            | 429          | 904          |
| <b>Ending cash and equivalents</b> | <b>1,406</b> | <b>1,742</b> | <b>738</b>   | <b>895</b>   | <b>1,115</b>   | <b>1,544</b> | <b>2,448</b> |

## Key ratios

| <b>Valuation Ratios</b>          | <b>2024A</b> | <b>2025A</b> | <b>2026F</b> | <b>2027F</b> | <b>2028F</b> | <b>2029F</b> | <b>2030F</b> |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EPS (VND)                        | 1,982        | 2,422        | 4,418        | 3,228        | 5,353        | 6,615        | 7,143        |
| Price Earnings                   | 21.8         | 15.7         | 12.4         | 16.9         | 10.2         | 8.3          | 7.6          |
| 1-yr PEG                         | 1.0          | 0.7          | 0.1          | -0.6         | 0.2          | 0.4          | 1.0          |
| Price to Sales                   | 0.4          | 0.3          | 0.3          | 0.3          | 0.3          | 0.2          | 0.2          |
| Price to Book                    | 3.3          | 2.5          | 3.3          | 2.9          | 2.6          | 2.2          | 1.9          |
| Dividend Yield                   | 2.3%         | 2.6%         | 5.5%         | 1.8%         | 5.5%         | 5.5%         | 5.5%         |
| Dividend Payout Ratio            | 0.0%         | 0.0%         | 67.0%        | 30.6%        | 55.2%        | 44.7%        | 41.4%        |
| <b>Growth Rates</b>              |              |              |              |              |              |              |              |
| Net Revenue YoY                  | 17.3%        | 20.6%        | 38.6%        | 21.2%        | 1.1%         | 8.2%         | 7.1%         |
| Gross Profit YoY                 | 31.8%        | 12.4%        | 74.4%        | 14.3%        | 15.0%        | 10.8%        | 7.1%         |
| Net Profit YoY                   | 21.2%        | 22.5%        | 84.1%        | -26.9%       | 66.0%        | 23.4%        | 8.0%         |
| EPS YoY                          | 22.7%        | 22.2%        | 82.4%        | -26.9%       | 65.8%        | 23.6%        | 8.0%         |
| <b>Profitability Ratios</b>      |              |              |              |              |              |              |              |
| Gross Margin                     | 9.3%         | 8.7%         | 10.9%        | 10.3%        | 11.7%        | 12.0%        | 12.0%        |
| EBITDA Margin                    | 2.4%         | 2.7%         | 3.7%         | 2.4%         | 3.7%         | 4.1%         | 4.2%         |
| Operating Margin                 | 2.4%         | 2.7%         | 3.6%         | 2.3%         | 3.6%         | 4.0%         | 4.1%         |
| Net Profit Margin                | 2.0%         | 2.0%         | 2.7%         | 1.6%         | 2.7%         | 3.0%         | 3.1%         |
| ROA                              | 5.2%         | 4.8%         | 7.3%         | 4.2%         | 7.0%         | 8.2%         | 8.0%         |
| ROE                              | 14.8%        | 15.7%        | 26.5%        | 17.1%        | 25.3%        | 26.7%        | 24.7%        |
| <b>Leverage Ratios</b>           |              |              |              |              |              |              |              |
| Interest Coverage Ratio (EBIT/I) | 3.2          | 2.3          | 3.0          | 1.7          | 2.7          | 3.0          | 3.1          |
| EBITDA / (I + Cap Ex)            | 2.6          | 2.3          | 2.8          | 1.7          | 2.5          | 2.9          | 2.9          |
| Total Debt/Capital               | 0.5          | 0.5          | 0.5          | 0.5          | 0.4          | 0.4          | 0.4          |
| Total Debt/Equity                | 0.8          | 0.8          | 0.9          | 1.1          | 0.8          | 0.6          | 0.6          |
| Net Debt/Equity                  | 0.4          | 0.3          | 0.7          | 0.9          | 0.5          | 0.3          | 0.2          |
| <b>Liquidity Ratios</b>          |              |              |              |              |              |              |              |
| Asset Turnover                   | 2.8          | 2.7          | 3.0          | 2.9          | 2.6          | 2.8          | 2.7          |
| Accounts Receivable Turnover     | 10.1         | 9.5          | 10.2         | 10.0         | 9.4          | 10.0         | 10.2         |
| DSO                              | 35.5         | 37.8         | 35.4         | 36.0         | 38.3         | 36.1         | 35.2         |
| Accounts Payable Turnover        | 10.4         | 8.3          | 7.9          | 7.9          | 7.0          | 7.1          | 7.1          |
| DPO                              | 34.5         | 43.1         | 45.4         | 45.4         | 51.1         | 50.7         | 50.6         |
| Inventory Turnover               | 6.1          | 6.1          | 6.1          | 5.8          | 5.3          | 5.7          | 5.9          |
| DIH                              | 58.6         | 58.7         | 59.4         | 62.1         | 67.8         | 62.9         | 61.1         |
| Current Ratio                    | 1.4          | 1.5          | 1.9          | 1.9          | 2.3          | 2.5          | 2.5          |
| Quick Ratio                      | 0.6          | 0.8          | 0.5          | 0.4          | 0.6          | 0.8          | 1.1          |

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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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