KB Securities VIETNAM

KBSV RESEARCH

Digiworld (DGW)

Charting a new path

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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

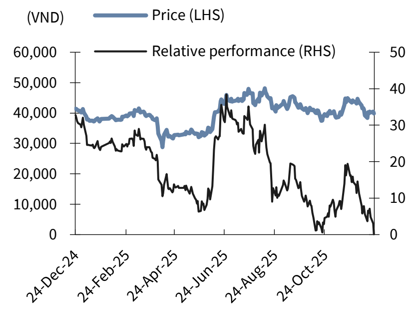
Target price	VND 49,500
Upside	24.3%
Current price (Dec 23, 2025)	VND 39,800
Consensus target price	VND 49,700
Market cap (VNDtn/USDbn)	8.8/0.3

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

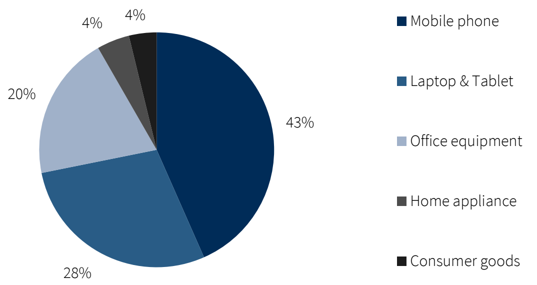


Source: Bloomberg, KB Securities Vietnam

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

Revenue composition (2024)



Source: Digiworld, KB Securities Vietnam

Business operation

Digiworld (DGW) is a leading technology distributor in Vietnam, specializing in Market Expansion Services (MES). DGW partners with renowned brands such as Apple, Xiaomi, ASUS, and Lenovo to distribute ICT and CE products, office equipment, and consumer goods. Leveraging a nationwide retail network, the company derives much of its revenue from the mobile phone and laptop segments.

Investment Catalysts	Notes
The laptop/tablet segment is expected to lead ICT growth, driven by the replacement cycle, rising adoption of AI-enabled PCs/laptops, and Windows 10 end-of-support.	Please find more details below
Office equipment and home appliances are emerging as DGW's key growth drivers amid increased IT infrastructure investment and growing demand for IoT/AIoT products.	Please find more details below
DGW is broadening its home appliances ecosystem to drive short-term revenue.	Please find more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	25,176	30,041	2%	7%	25,043	28,102	-1%	0%
EBIT	554	764	-14%	-5%	683	851	-5%	-5%
NP after MI	539	707	1%	5%	520	658	2%	2%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks

Bull-case scenario	VND56,100
Base-case scenario (target price)	VND49,500
Current price	VND40,400
Bear-base scenario	VND38,600

Base-case scenario: catalysts
1) 2026F revenue: +19% YoY
2) 2026F GPM: 9.3%

Bull-case scenario: upside risk
1) 2026F revenue: +23% YoY
2) 2026F GPM: 9.8%

Bear-case scenario: downside risk
1) 2026F revenue: +9.6% YoY
2) 2026F GPM: 8.6%

Business performance

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

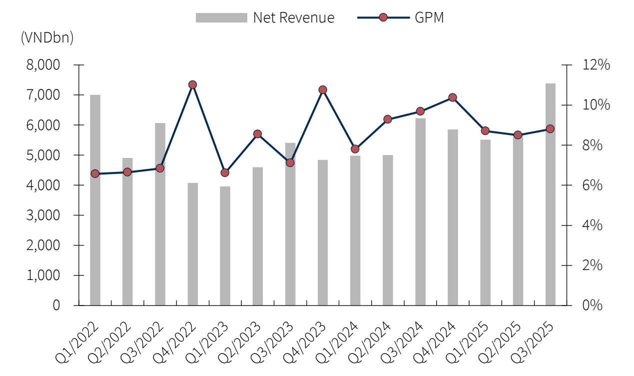
DGW reported 3Q revenue and NPAT-MI of VND7,391 billion (+18.7% YoY) and VND166 billion (+37% YoY), respectively. Cumulatively, 9M2025 revenue reached VND18,642 billion (+15% YoY) and NPAT-MI VND388 billion (+28% YoY). The home appliances segment recorded the strongest cumulative growth at +87% YoY. Overall, DGW maintained stable earnings momentum, completing 73%/74% of its full-year revenue/earnings guidance.

Table 1. DGW – 9M2025 financial results

(VNDbn)	3Q2024	3Q2025	+/-%YoY	9M2024	9M2025	+/-%YoY	Notes
Revenue	**6,226**	**7,391**	**18.7%**	**16,219**	**18,642**	**14.9%**	
- Laptops & tablets	2,428	3,166	30.4%	5,135	6,389	24.4%	Robust performance was driven by rising demand for AI-enabled laptops/PCs and Windows 10 end-of-support. 9M revenue met 93% of the full-year plan.
- Mobile phones	2,230	1,953	-12.4%	6,893	6,147	-10.8%	Intense competition for market share led to a YoY decline in the mobile phones segment, with 9M revenue reaching only 39% of the full-year target.
- Office equipment	1,151	1,643	42.7%	3,019	4,284	41.9%	Growth was supported by server products (+58% YoY) and IoT products (+44% YoY) amid rising demand for office IT infrastructure investment. 9M revenue delivered 78% of the full-year objective.
- Home appliances	220	427	94.1%	629	1,174	86.6%	Growth momentum came from distribution network expansion and the addition of more exclusive products. 9M revenue achieved 87% of the annual target.
- Consumer goods	197	202	2.5%	543	648	19.3%	Modest growth was driven by beverages. 9M revenue fulfilled 62% of the annual plan.
Gross profit	**602**	**651**	**8.1%**	**1,455**	**1,619**	**11.3%**	
Gross profit margin (GPM)	*9.7%*	*8.8%*	*(0.9)*	*9.0%*	*8.7%*	*(0.3)*	Gross margin declined due to heightened competition for market share within the ICT product segment.
Financial income	74	70	-5.7%	139	199	43.2%	
Financial expenses	(26)	(78)	198%	(96)	(191)	99.1%	
SG&A	(494)	(465)	-6.0%	(1,108)	(1,189)	7.3%	SG&A expenses increased mainly as DGW ramped up resources to drive revenue growth amid slowing demand in the ICT sector.
Profits from joint ventures & associates	(0)	0	-	(0)	1	-	
Profit before tax (PBT)	148	193	30.7%	380	462	21.7%	
Net profit after tax (NPAT)	**121**	**168**	**39.2%**	**302**	**393**	**30.4%**	
NPAT-MI	**122**	**166**	**37%**	**303**	**388**	**28.0%**	
NPAT margin	*2.0%*	*2.3%*	*0.3*	*1.9%*	*2.1%*	*0.2*	

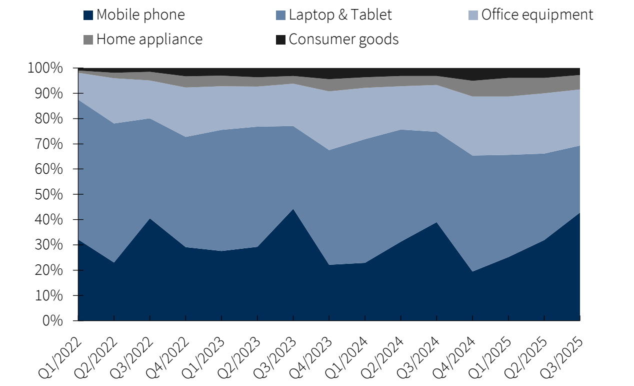
Source: Digiworld, KB Securities Vietnam

Fig 2. DGW – Net revenue, gross profit margin by quarter (VNDbn, %)



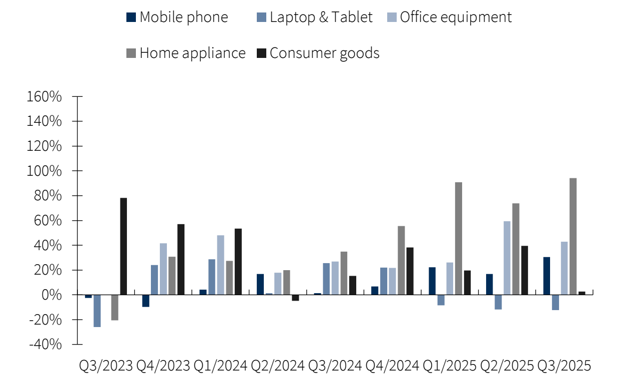
Source: Digiworld, KB Securities Vietnam

Fig 3. DGW – Revenue breakdown by quarter (%)



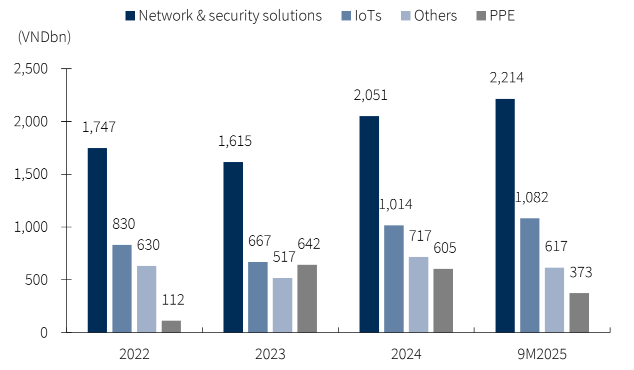
Source: Digiworld, KB Securities Vietnam

Fig 4. DGW – Revenue growth by segment (%)



Source: Digiworld, KB Securities Vietnam

Fig 5. DGW – Office equipment revenue breakdown (VNDbn)



Source: Source: Digiworld, KB Securities Vietnam

Table 6. DGW – New office equipment & home appliances

Product	Brand	Product images
Washing machines, air conditioners, four-door refrigerators (Major domestic appliances)		
Smartphones		

Source: Digiworld, KB Securities Vietnam

2026 is expected to see a boom in AI PCs and AI smartphones

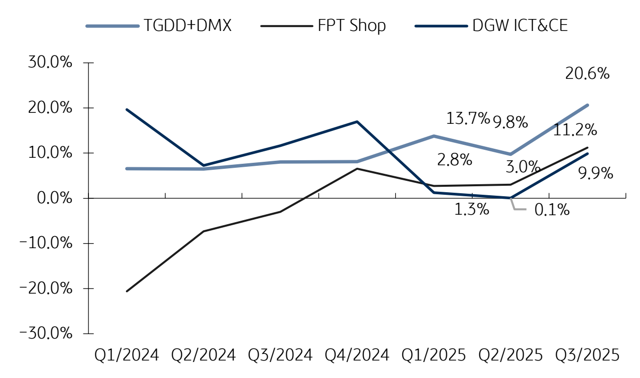
2026 is expected to see a boom in AI PCs and AI smartphones, with growth forecast at 16.2% YoY, underpinned by:

- **Replacement cycle:** ICT products purchased in large volumes during the COVID period (2020-2021) are expected to reach the end of their lifecycle (5-6 years) by 2026, triggering a sizeable and natural replacement demand.
- **Technology trends:** 2026 is anticipated to mark the mass adoption of AI PCs and AI smartphones, as AI applications become increasingly embedded at the hardware level. Microsoft's end-of-support for Windows 10 in October 2025 is also expected to accelerate hardware upgrades among both enterprises (B2B) and individuals throughout 2026. In addition, DGW is strengthening its presence by distributing new AI-compatible and gaming laptop models from brands such as MSI and Gigabyte, enabling it to compete directly with smaller retailers and capture additional market share.

The mobile phones segment is anticipated to experience flat or declining growth in 2026

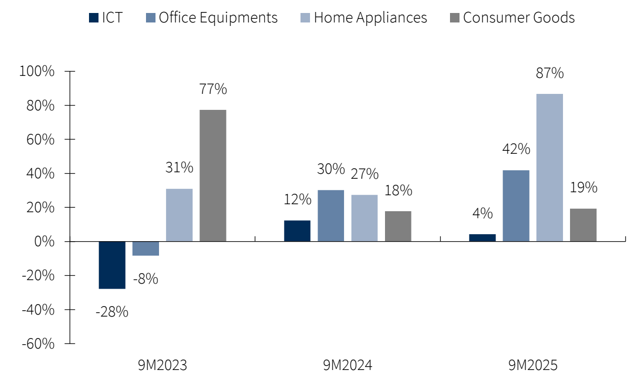
In contrast, DGW's mobile phones segment is expected to face flat or declining growth in 2026, due to the loss of market share and key distribution positions, including exclusive arrangements with brands such as Xiaomi and Apple. While Motorola (with exclusive distribution from November 2025) may offer some support, particularly in the foldable smartphone category, the segment is unlikely to return to a strong growth trajectory as major retail chains continue to pursue aggressive pricing strategies, leveraging their scale advantages (e.g., MWG).

Fig 7. Vietnam – Revenue growth of some ICT retail chains (%YoY)



Source: KB Securities Vietnam

Fig 8. DGW – Revenue growth by segment (%YoY)



Source: Digiworld, KB Securities Vietnam

The office equipment segment is expected to serve as a key growth driver in 2026

The office equipment segment is forecast to be one of DGW's key growth drivers in 2026, with revenue projected to grow 51% in 2026 and 23% in 2027, largely driven by server and IoT products.

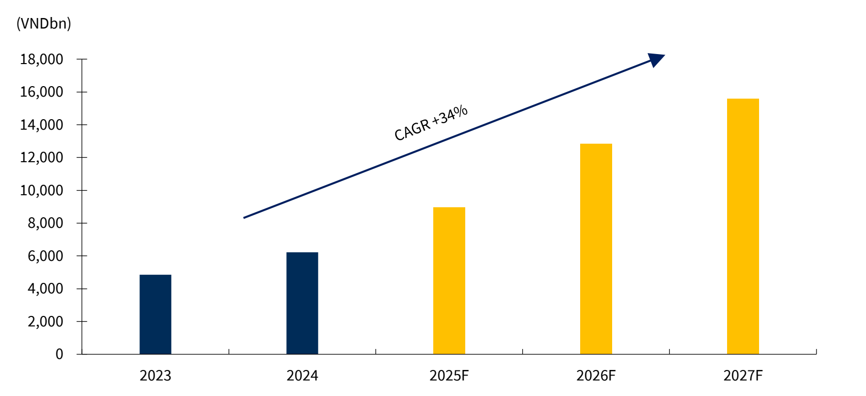
- **Server & client solutions:** Growth is expected to be supported by rising IT infrastructure investment and evolving technology trends, as enterprises increasingly shift toward on-premises physical servers (Edge AI) from Cloud AI to enhance data security and reduce latency. Beyond state-owned enterprises, market entry by FDI companies and technology firms is also anticipated to further stimulate demand for servers, IoT devices, and connectivity solutions, providing a strong boost to DGW's B2B segment.

- **IoT products:** Supported by personal income tax cuts and macroeconomic recovery, consumer spending is expected to rebound toward home-focused and convenience-oriented products, which form the core value proposition of IoT devices. In parallel, DGW is expanding its AIoT (smart home appliances) portfolio. By leveraging the highly integrated Xiaomi ecosystem, cross-selling opportunities are expected to be further enhanced.

DGW is broadening its home appliances ecosystem to drive short-term revenue

DGW is also accelerating the horizontal expansion of its home appliances portfolio. In 2026, revenue contribution from major domestic appliances (MDA), including refrigerators, washing machines, and air conditioners, is expected to rise, driven by Xiaomi products and the addition of new brands such as Philips and Havells. Backed by urbanization trends and a recovering real estate market, DGW's home appliances segment is well positioned for near-term sales acceleration, with projected growth of 35%/17% YoY in 2026/2027. However, over the longer term, intense competition from large retail chains with dense distribution networks (e.g., MWG) may challenge DGW's ability to maintain margins and market share.

Fig 9. DGW – 2023A-2027F non-ICT revenue & growth (VNDbn, %)



Source: KB Securities Vietnam

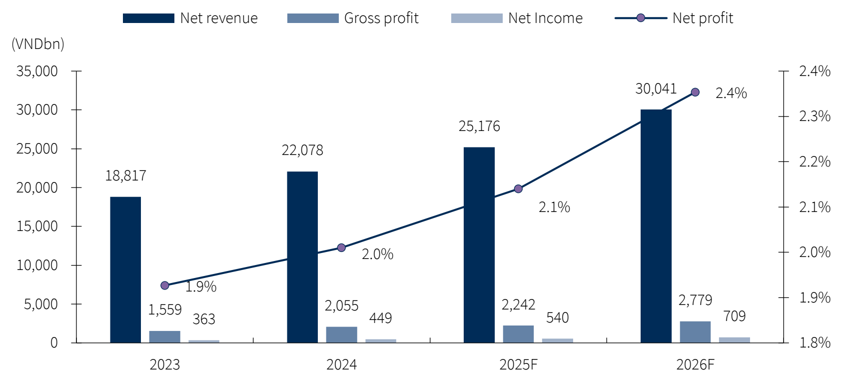
Forecast & Valuation

Table 10. DGW – 2024A-2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Revenue	**22,078**	**25,176**	**14%**	**30,041**	**19%**	
- Laptops & tablets	6,279	7,625	21%	8,860	16%	- The laptop & tablet segment continues to offer growth potential, driven by AI adoption trends and the replacement cycle. - The mobile phones segment is under pressure from market share losses, as DGW is no longer the exclusive distributor for Xiaomi and Apple.
- Mobile phones	9,580	8,600	-10%	8,342	-3%	
- Office equipment	4,386	6,272	43%	9,471	51%	Growth potential remains significant in a market that is not overly fragmented and is shifting toward high-tech adoption.
- Home appliances	993	1,759	77%	2,375	35%	Momentum is driven by DGW's strategy to expand its presence in the home appliances category, achieved through broadening the distribution network and partnering with additional major brands.
- Consumer goods	840	921	10%	994	8%	Primarily beverages, with limited high-growth potential, as AB InBev faces strong competition from long-established players.
Gross profit	**2,055**	**2,242**	**9%**	**2,779**	**24%**	Gross profit is expected to improve significantly, driven by a higher revenue contribution from higher-margin non-ICT products, such as home appliances.
Gross profit margin (GPM)	*9.3%*	*8.8%*	*(0.5)*	*9.3%*	*0.4*	
Financial income	192	281	47%	309	10%	
Financial expenses	163	162	-1%	190	17%	
SG&A	1,529	1,689	10%	2,015	19%	SG&A expenses are expected to remain elevated as DGW implements numerous promotional programs to stimulate consumer demand and encourage purchases of new products.
Profits from joint ventures & associates	-	-	-	-	-	
Profit before tax (PBT)	569	675	19%	886	31%	
Net profit after tax (NPAT)	**449**	**540**	**20%**	**709**	**31%**	
NPAT-MI	**444**	**539**	**21%**	**707**	**31%**	
NPAT margin	*2.0%*	*2.1%*	*0.1*	*2.4%*	*0.2*	

Source: Digiworld, KB Securities Vietnam

Fig 11. DGW – 2023A-2026F revenue, net profit, net profit margin (VNDbn, %)



Source: Digiworld, KB Securities Vietnam

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

We value DGW using two methodologies: (1) a discounted cash flow (DCF) model and (2) a relative valuation approach, to derive a fair value for the stock.

1) Under the DCF approach, we apply a free cash flow to the firm (FCFF) model based on the assumptions outlined below. This method yields a target price of VND52,000 per share.
2) Under the relative valuation approach, we apply a target P/E multiple of 19.5x, in line with the three-year historical average, and a target EPS of VND2,434. This implies a target price of VND46,900 per share.

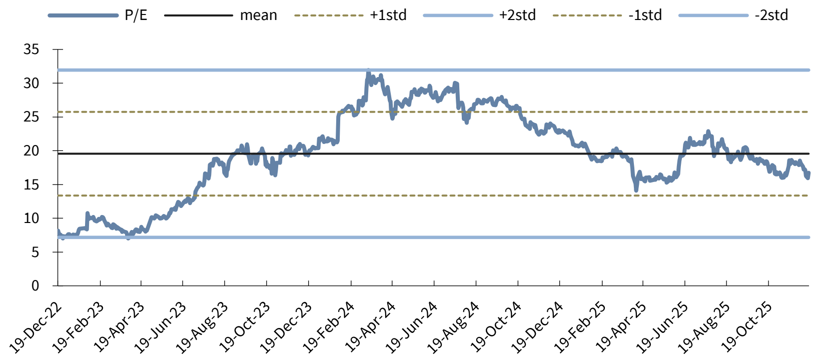
By assigning equal weight to both approaches, and supported by business diversification, a favorable revenue growth outlook, and potential near-term margin improvement, we upgrade DGW from a NEUTRAL to a BUY rating, with a 2026F target price of VND49,500 per share, representing 24.3% upside from the closing price on 23 December 2025.

Table 12. DGW – FCFF valuation results & assumptions

Cost of equity	13.8%	PV of terminal value (VNDbn)	8,491
Risk-free rate	5.0%	Equity value (VNDbn)	11,499
Beta	1.03	Shares outstanding	221,320,169
Equity risk premium	8.55%		
Terminal growth	2.0%		
Forecast period	5 years		
Value per share (VND)			**52,000**

Source: KB Securities Vietnam

Fig 13. DGW – P/E in 2022-2025



Source: Bloomberg, KB Securities Vietnam

DGW – 2023A–2026F summarized financials & forecasts

Income Statement (VND billion)	2023	2024	2025F	2026F
Net sales	18,817	22,079	25,176	30,041
Cost of sales	-17,258	-20,023	-22,933	-27,262
Gross Profit	1,559	2,055	2,242	2,779
Financial income	195	192	281	309
Financial expenses	-139	-163	-162	-190
of which: interest expenses	-122	-96	-162	-190
Gain/(loss) from joint ventures (from 2015)	-3	1	0	0
Selling expenses	-944	-1,285	-1,485	-1,772
General and admin expenses	-198	-244	-203	-243
Operating profit/(loss)	417	527	554	764
Other incomes	1	12	3	3
Other expenses	0	0	0	0
Net other income/(expenses)	1	12	3	3
Income from investments in other entities	0	0	0	0
Net accounting profit/(loss) before tax	471	569	675	886
Corporate income tax expenses	-91	-143	-135	-177
Net profit/(loss) after tax	363	449	540	709
Minority interests	-8	-5	-2	-2
Attributable to parent company	354	444	539	707

Margin ratio	2023	2024	2025F	2026F
Gross profit margin	8.3%	9.3%	8.9%	9.3%
EBITDA margin	2.4%	2.6%	2.4%	2.7%
EBIT margin	2.2%	2.4%	2.2%	2.5%
Pre-tax profit margin	2.5%	2.6%	2.7%	3.0%
Operating profit margin	2.2%	2.4%	2.2%	2.5%
Net profit margin	1.9%	2.0%	2.1%	2.4%

Balance Sheet (VND billion)	2023	2024	2025F	2026F
CURRENT ASSETS	6,802	7,772	9,354	10,879
Cash and cash equivalents	1,450	1,407	2,977	3,579
Short-term investments	0	2	2	2
Accounts receivable	2,167	2,634	2,895	3,489
Inventories	3,016	3,501	3,194	3,452
LONG-TERM ASSETS	657	728	686	644
Long-term trade receivables	15	67	67	67
Fixed assets	131	172	174	174
Investment properties	15	2	0	0
Long-term incomplete assets	19	12	12	12
Long-term investments	0	0	0	0
TOTAL ASSETS	7,459	8,499	10,040	11,523
LIABILITIES	4,832	5,487	6,579	7,463
Current liabilities	4,816	5,485	6,576	7,460
Trade accounts payable	1,530	2,303	2,752	3,271
Advances from customers	139	159	138	164
Short-term unrealized revenue	0	0	0	0
Short-term borrowings	2,321	2,487	2,920	3,114
Long-term liabilities	16	3	3	3
Long-term trade payables	0	0	0	0
Long-term advances from customers	0	0	0	0
Unrealized revenue	0	0	0	0
Long-term borrowings	6	0	0	0
OWNER'S EQUITY	2,627	3,012	3,462	4,060
Paid-in capital	1,672	2,193	2,213	2,213
Share premium	61	61	61	61
Undistributed earnings	867	725	1,154	1,750
Minority interests	32	38	40	42

Cash Flow Statement (VND billion)	2023	2024	2025F	2026F
Net profit/(loss) before tax	471	569	675	886
Depreciation and amortisation	42	55	59	61
Profit/loss from investing activities	-71	-51	0	0
Interest expense	122	96	162	190
Operating profit/(loss) before changes in Working Capital	498	673	598	768
(Increase)/decrease in receivables	-597	-574	-261	-594
(Increase)/decrease in inventories	309	-479	307	-258
Increase/(decrease) in payables	533	485	449	520
(Increase)/decrease in prepaid expenses	-19	9	-21	26
(Increase)/decrease in trading securities, interest expense, ta›	0	0	173	73
Net cash inflows/(outflows) from operating activities	493	-108	1,246	537
Purchases of fixed assets and other long term assets	-30	-45	-18	-19
Proceeds from disposal of fixed assets	0	3	0	0
Loans granted, purchases of debt instruments	-32	-167	0	0
Collection of loans, proceeds from sales of debts instrumen	39	155	0	0
Investments in other entities	-126	-22	0	0
Proceeds from divestment in other entities	15	0	0	0
Dividends and interest received	71	39	0	0
Net cash inflows/(outflows) from investing activities	-62	-37	-18	-19
Proceeds from issue of shares	40	25	-91	-111
Payments for share returns and repurchases	0	0	0	0
Proceeds from borrowings	10,592	11,684	433	194
Repayment of borrowings	-10,274	-11,524	0	0
Finance lease principal payments	0	0	0	0
Dividends paid	-167	-84	0	0
Interests, dividends, profits received	0	0	0	0
Net cash inflows/(outflows) from financing activities	191	101	343	83
Net increase in cash and cash equivalents	623	-44	1,571	602
Cash and cash equivalents at the beginning of period	828	1,450	1,407	2,977
Cash and cash equivalents at the end of period	1,450	1,407	2,977	3,579

Key ratios (x, %, VND)				
Multiple				
P/E	25.2	20.1	16.6	12.6
P/E diluted	25.2	20.1	16.6	12.6
P/B	2.7	3.0	2.7	2.3
P/S	0.4	0.4	0.4	0.3
P/Tangible Book	2.7	3.0	2.7	2.3
P/Cash Flow	13.7	-82.2	7.2	16.6
EV/EBITDA	19.8	19.5	19.4	14.6
EV/EBIT	21.8	21.6	21.5	15.8
Operating performance				
ROE	13.8%	14.9%	15.6%	17.5%
ROA	5.3%	5.8%	5.8%	6.5%
ROIC	14.3%	16.9%	15.2%	19.6%
Financial structure				
Cash Ratio	0.3	0.3	0.5	0.5
Quick Ratio	0.8	0.8	0.9	1.0
Current Ratio	1.4	1.4	1.4	1.5
LT Debt/Equity	0.0	0.0	0.0	0.0
LT Debt/Total Assets	0.0	0.0	0.0	0.0
Debt/Equity	0.9	0.8	0.8	0.8
Debt/Total Assets	0.3	0.3	0.3	0.3
ST Liabilities/Equity	1.8	1.8	1.9	1.8
ST Liabilities/Total Assets	0.6	0.6	0.7	0.6
Total Liabilities/Equity	1.8	1.8	1.9	1.8
Total Liabilities/Total Assets	0.6	0.6	0.7	0.6
Activity ratios				
Account Receivable Turnover	10.0	9.2	9.1	9.4
Inventory Turnover	5.5	6.1	6.9	8.2
Account Payable Turnover	12.6	10.4	9.1	9.1

Source: Company report, 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

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