

18/03/2025

RECOMMENDATION	BUY
Fair price	48,500
Current price	40,100
Upside/downside	21%

STOCK INFORMATION

Outstanding shares (mil)	219.2
Free float (%)	59%
Market cap. (billion VND)	9,018.79
3m avg. volume (shares)	1,217,314
Foreign ownership (%)	19.00%
First listing date	03/08/2015

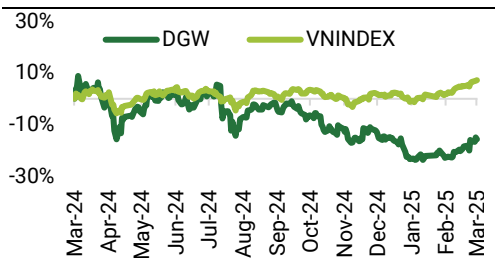
SHAREHOLDER STRUCTURE

Created Future Co., Ltd.	31.73%
DKP Co., Ltd.	5.03%
DHV Co., Ltd.	4.13%
TOHT Co., Ltd.	3.11%
Others	56.00%

KEY ATTRIBUTES

TTM EPS (VND)	2,025
BVPS (VND)	13,592
Nợ/VCSH	82.56%
ROA (%)	5.56%
ROE (%)	15.93%
P/E	19.93
P/B	3.03
Dividend yield (%)	1.25%

PRICE PERFORMANCE



COMPANY PROFILE

Digiworld Corporation (HSX: DGW) was formerly Hoang Phuong Co., Ltd., founded in 1997, primarily distributing electronic components. After 28 years of development, DGW is now one of the two largest IT product distributors in Vietnam, partnering with over 30 leading global technology brands. Since its establishment, the company has been recognized as one of Vietnam's top market development service providers.

ANALYST(S)

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NEW DIRECTION, NEW OPPORTUNITIES

- By the end of 2024, DGW recorded positive growth across all product categories, with Net Revenue increasing by 17.3% YoY to VND 22,078 bn and NPAT-MI rising by 25.3% YoY to VND 444 bn, achieving 96% of the revenue target and 91% of the profit target.
- DGW possesses a strong competitive advantage with its Market Expansion Services (MES), Direct-to-Customer (D2C) strategy, and an efficient multi-channel distribution ecosystem. Regarding the 2025F outlook, we expect the ICT segment to enter a new device upgrade cycle for users who purchased devices during 2020–2021, further driven by the end of Windows 10 support in October 2025. Additionally, the ongoing premiumization trend will serve as a key growth driver for the industry.
- Furthermore, we anticipate that the office equipment and home appliance segments will significantly contribute to DGW's overall growth, supported by digital transformation trends, rapid urbanization in Vietnam, and partnerships with major brands such as Xiaomi and Philips.
- At a Forward P/E 25E of 14.9x, DGW is trading below its 5-year average of 16.8x. Using the DCF and P/E valuation methods, we estimate DGW's fair value at VND 48,500/share. Therefore, we make **BUY** recommendation with a potential upside of 21%.

2025F and 2026F Business results forecast

We forecast that DGW will record Net Revenue growth of 10.2%/10.5% YoY in 2025F/26F to VND 24,335 bn/26,899 bn. The laptops, tablets, and smartphones segment is expected to grow at a slower pace due to (1) the market entering a device upgrade cycle for users who purchased devices during 2020–2021 and the end of Windows 10 support in October 2025, and (2) a strong premiumization trend, driven by AI-integrated devices with selling prices 10–15% higher and contributions from the iPhone (Apple) lineup. Meanwhile, the office equipment and home appliance segments have a more optimistic growth outlook, supported by digital transformation trends and rapid urbanization in Vietnam. The revenue contribution of these two segments to DGW's total revenue is expected to increase to 21.6%/4.7% in 2025 (from 19.9%/4.5% in 2024), leading to an expansion in DGW's Gross Profit Margin to 10.0%, as these two segments offer higher profit margins.

Investment highlights

(1) Market Expansion Service as DGW's competitive advantage: Unlike conventional wholesalers that simply import and redistribute goods to retailers, DGW's Market Expansion Service (MES) encompasses market research, marketing, logistics (import, warehousing, etc.), distribution, and after-sales services, delivering higher added value to both customers and DGW itself. The company's unique and flexible business model enables it to seize opportunities for industry expansion and avoid market saturation.

(2) D2C (Direct-to-Customer) strategy optimizing the corporate value chain: DGW is accelerating vertical integration through its D2C strategy, directly engaging with customers via two approaches: operating Brandshops and making non-controlling equity investments in e-commerce