

3Q25 Earnings Forecast – Consumer & Retail Sector: Scaling modern retail with profitability

- Total consumption and retail sales grew 10.4% yoy, of which retail sales rose 10% yoy, indicating a slight recovery in consumer demand, with expectations for a stronger rebound supported by upcoming stimulus programs and the anticipated approval of the PIT law.
- In the retail market, we observe that modern essential mini retail chains are successfully expanding into new regions (the Central area) and are expected to maintain their store-opening momentum in 3Q25, with growth estimated at 16% YTD.
- Net profit growth in 3Q25 for modern retail enterprises is expected to maintain strong momentum from a low base, with notable names such as MWG and FRT estimated to surge by 75% and 63% yoy, respectively. In contrast, on the consumer side - specifically the dairy market - consumption recovery remains slow; however, price improvements are expected to offset this weakness, leading to an estimated 8% yoy increase in VNM's net profit.

Total retail consumption in 3Q25 continued to show a mild recovery...

Cumulatively in July - August 2025, total consumption and retail sales grew 10.4% YoY, of which retail sales rose 9.9% yoy. This reflects a slight improvement compared to 6M25; however, growth remains below the Government's initial target of 12%. Overall, growth is still hovering around ~10%, with no significant breakthrough to signal a clear recovery in consumer demand.

... of which essential consumption is still maintaining a modest recovery momentum

The essential consumer goods market continued to post single-digit growth as demand remained relatively subdued. Specifically, in the dairy market, cumulatively in July - August 2025, domestic production of fresh milk and powdered milk recorded a slight yoyYoY increase; however, domestic consumption remained sluggish, with fresh milk and powdered milk consumption volumes declining 6% and 4% yoy, respectively. This was partly driven by the increasing presence of imported dairy products in Vietnam, as imports of milk and dairy products rose 32% yoy in 8M25.

In the pork market, due to (1) a surge in short-term supply, particularly from pigs being sold off amid widespread disease outbreaks during the rainy season, and (2) sluggish consumption demand, live hog prices in 3Q25 are estimated to decline 5% yoy. However, consumption volume is expected to maintain single-digit growth, as pig-breeding enterprises have expanded their sow herds yoy in 2025. Combined with feed costs remaining at low levels, we estimate net profit of livestock companies to increase 24% yoy.

Retail Market: Business model advantages are enabling modern essential retail chains to continue expanding their scale in 3Q25.

In the retail market, capitalizing on the recovery momentum and shifts in consumer shopping behavior, the modern retail sector continues its expansion; however, the pace is expected to slow after the strong acceleration in 6M25, with a particular focus on the Central region—where penetration of modern retail formats remains low. We estimate around 167 new store openings (+16% YTD). This expansion proved quite positive in 2Q25, as net profit of enterprises (notably WCM and BHX) surged yoy, reflecting optimized costs in newly penetrated areas.

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We expect strong growth momentum to persist, supported by the successful business models of WCM and BHX.

In the pharmaceutical retail sector, Long Châu and An Khang have recently become the first pharmacy chains integrated into the VNIED application, enabling consumers to conveniently and quickly purchase medicines, thereby highlighting the credibility of MWG and FRT in terms of product origin. 3Q25 continues to reflect a diverging picture: while Long Châu maintains its store expansion momentum (+23% yoy), An Khang and Pharmacity have focused on sustaining their existing outlets and seeking viable business models to achieve net profitability.

The consumer electronics (ICT-CE) sector remains stable in scale, but revenue per store is projected to grow 11% yoy, supported by recovering selling prices and a slight improvement in demand. In the jewelry market, subdued demand for jewelry products has limited opportunities for scale expansion. We believe the appropriate timing for exploratory expansion could begin from 4Q25; therefore, store count in 3Q25 is likely to remain flat QoQ. Gross margin is expected to improve by about 4pts% yoy, driven by the strong increase in the revenue contribution from retail jewelry. Combined with continued cost optimization, jewelry enterprises' net profit is estimated to grow 12% yoy.

Forecast of 3Q25 Net Profit – Consumer Retail Companies under MBS Coverage

No	Stock	Sector	Forecast of NPAT-MI					Comments
			3Q25	%yoy	%qoq	2025	%yoy	
1	MWG	Retail	1,400	↑ 75%	↓ -15%	5,807	↑ 56%	MWG is expected to deliver another strong recovery in 3Q25. (1) The TGDD & DMX chains are projected to maintain their store count while optimizing product mix to improve revenue per store (+15% YoY). Combined with selling & administrative expenses-to-revenue ratio of 17%, TGDD & DMX net profit is estimated to increase 30% YoY. (2) The BHX chain is accelerating store expansion in the Central region, raising total store count by 23% YoY (+515 new stores). However, revenue per store per month is expected to decline 15% YoY, as new stores in the Central region generate only about 70% of the average revenue of stores operating for more than one year. Overall, MWG's net profit is estimated at VND 1,400 bn (+75% YoY).
2	MSN	F&B	892	↑ 27%	↑ 31%	2,876	↑ 44%	MSN is expected to record another positive growth quarter in 3Q25, with MSR projected to return to profitability and report positive net profit, offsetting the slight decline at MCH due to the impact of the new tax regulations on individual business households. In addition, other business segments remain positive, notably: (1) WCM continues its accelerated expansion with an estimated 11% YTD store growth (+110 new stores in 3Q25) and is expected to remain marginally profitable in 3Q25; (2) market share expansion at WCM is expected to drive continued net profit growth at MML.
3	FRT	Retail	230	↑ 63%	↑ 93%	670	↑ 111%	Net profit in 3Q25 is estimated to continue posting strong growth from a low base. Total revenue is expected to increase 23% YoY, driven mainly by Long Châu's expansion (+23% YoY), with revenue per store maintained at VND 1.3 bn per month. In addition, FPT Shop shows a mild recovery thanks to improved revenue per store per month (estimated +6% YoY). The ratio of selling & administrative expenses to total revenue is projected to rise 1.5 pts YoY; therefore, net profit is estimated to grow 63% YoY, reaching VND 240 bn.
4	DGW	Retail	148	↑ 22%	↑ 28%	548	↑ 23%	DGW's net profit is estimated to increase 22% YoY, reaching VND 148 bn, driven mainly by total revenue growth of 15% YoY thanks to channel expansion in home appliances and FMCGs (+27% YoY) as well as rising demand for servers, which is expected to boost office equipment revenue by 35% YoY. The ratio of selling & administrative expenses to total revenue has been optimized, offsetting the decline in gross margin (estimated to decrease 1 ppt YoY, flat QoQ vs. 2Q25).
5	PNJ	Retail	240	↔ 12%	↓ -45%	2,154	↔ 2%	PNJ's net profit is estimated at VND 240 bn (+12% YoY), primarily driven by the growth of the retail jewelry segment (+8% YoY). Given subdued demand for jewelry products, there has been limited opportunity to expand scale; we believe the appropriate timing for exploratory expansion could start from 4Q25. Accordingly, store count in 3Q25 is likely to remain flat QoQ. Gross margin is expected to improve by about 4 pts YoY thanks to the strong increase in the revenue contribution from retail jewelry, offsetting the rise in selling & administrative expenses.
6	VNM	F&B	2,600	↔ 8%	↔ 5%	9,446	↔ 1%	In 3Q25, net profit is estimated to increase 8% YoY, supported by stronger domestic sales following a period of distribution network consolidation. We forecast domestic revenue to grow ~5% YoY. In addition, the ratio of selling & administrative expenses to total revenue is expected to decline slightly YoY, offsetting the contraction in gross margin caused by an estimated 15% YoY increase in whole milk powder prices.
7	DBC	F&B	313	↔ 0%	↓ -38%	1,650	↑ 115%	In the context of abundant supply as the rainy season arrives and farmers rush to sell pigs ahead of ASF outbreaks, live hog prices are estimated to decline 5% YoY, averaging ~VND 60,900/kg. However, supply at DBC is expected to improve YoY thanks to the Thanh Hoa farm coming into operation, with net profit estimated at VND 313 bn, flat YoY.

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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.

ADD	The stock's total return is expected to reach 15% or higher
HOLD	The stock's total return is expected to be between negative 15% and positive 15%
REDUCE	The stock's total return is expected to fall below negative 15%

Segment Ratings

POSITIVE	Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation
NEGATIVE	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation

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