

DIGIWORLD CORPORATION (HSX: DGW)
PCs & Servers drive profit outlook

Unit: VND bn	Q2-FY26	Q1-FY26	+/- qoq	Q2-FY25	+/- yoy
Net sales	7,273	8,500	-14.4%	5,731	26.9%
NPAT-MI	309	200	54.5%	116	167.2%
EBIT	348	256	36.1%	55	535.3%
EBIT margin	4.8%	3.0%	178bps	1.0%	383bps

Source: DGW, RongViet Securities

Q2-FY26: Continued breakthrough of the PC & Server segments

- DGW's Q2-2026 net revenue reached VND 7,273 bn (-14.4% QoQ, +26.9% YoY), in line with our expectation. Laptops & Tablets segment contributed VND 2,511 bn (+37.1% YoY), while the Office Equipment segment posted VND 2,014 bn (+47.2% YoY), driven by edge AI servers (+71.3%) and IoT (+32.2%) amid early purchasing ahead of rising component prices (RAM, chips) and expanding distribution market share. Meanwhile, Mobile Phones segment was largely flat (+4.8% YoY) due to declining Apple market share, and Home Appliances reached VND 476 bn (+37.6% YoY), mainly from Xiaomi TVs and household products during the World Cup season.
- NPAT-MI reached VND 309 bn (+54.5% QoQ, +167.2% YoY), with net margin at 4.2% (+187 bps QoQ), exceeding our expectation by 91% thanks to the "price up – margin expansion" effect. Gross margin hit a historical peak of 13.0% as DGW benefited from rising electronics prices on a low-cost inventory base. Although interest expenses rose sharply due to higher rates and debt levels, the reduction in trading securities and the record cash position of VND 1,993 bn eliminated one-off costs, laying a more sustainable profit foundation.

FY26 Outlook: Resilient amid the global RAM and chip price surge

- NPAT-MI for Q3-2026 is projected at VND 241 bn (-22.2% QoQ, +44.5% YoY). Key growth drivers versus the same period last year remain similar to Q2: the RAM and chip shortage wave for laptops & tablets, coupled with digital transformation demand for servers in enterprise operations and rising living standards driving IoT demand. However, the low-cost inventory advantage is gradually diminishing, and potential provisions for securities investments (KBC, HPG) may prevent net margin from returning to the Q2-2026 peak.
- In 2026, despite continued risks of market share erosion in the long-standing core segment (Apple distribution), we expect the Laptops & Tablets segment to maintain strong growth of over 30% YoY, supported by pre-stocking ahead of RAM price concerns and the AI laptop replacement cycle. The newer Office Equipment & Home Appliances segments are projected to surge at 49% YoY, accounting for more than 30% of revenue structure after three years of portfolio building and capitalizing on IoT and AI server trends.
- We forecast DGW's 2026 net revenue at VND 33,593 bn (+26.1% YoY). NPAT-MI/EPS is projected at VND 956 bn (+74.5% YoY)/VND 4,322.

Outlook & Recommendation

Following an upward revision of more than 30% to DGW's NPAT forecast, but adjusting for working capital management capacity (increasing target inventory days by 10 days for the 2026–30 period due to (1) stronger development of higher-value, longer-cycle Office Equipment and Home Appliances segments versus the core Mobile Phone segment, or (2) the trend of building laptop inventory to benefit from the chipflation wave), we raise our one-year target price for DGW shares by 7% to **VND 50,000 per share**, corresponding to 2026 and 2027 forward P/E multiples of 11.5x and 7.8x, respectively. Combined with an expected cash dividend of VND 3,000 per share over the next year, we maintain a **BUY** recommendation on DGW based on the closing price as of 08/25/2026.

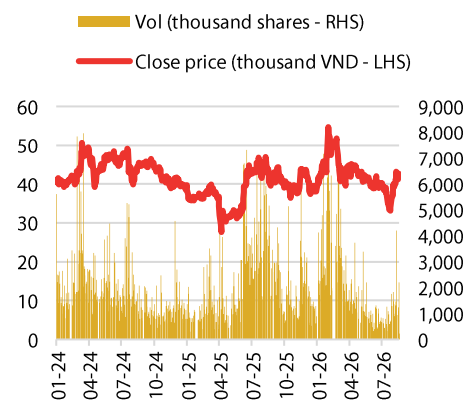
BUY +25%

Market price (VND)	42,300
Target price (VND)	50,000
1-year expected cash dividend (VND/share): 3,000	

Stock Info

Sector	Retail
Market Cap (VND Bn)	9,178
Share O/S (Mn)	221
Average trading volume (20 sessions) ('000 shares)	974
Free Float (%)	54.0
52 weeks high	56,500
52 weeks low	31,450
Beta	1.2

	FY25	Current
EPS	2,473	3,779
EPS growth (%)	22.2	72.8
P/E	18.4	11.1
P/B	2.9	2.5
EV/EBITDA	14.7	9.5
ROE (%)	17.1	24.3

Stock price movement

Major shareholders (%)

Created Future Co., Ltd.	31.8
DKP Co., Ltd.	5.0
ODIN Forvalning AS	3.1
Others	60.1
Remaining Foreign Room (%)	24.7

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Q2-2026 results beat our projections thanks to strong-than-expected performance in both laptops & tablets and servers

Net revenue reached VND 7,273 bn (-14.4% QoQ, +26.9% YoY), in line with our expectation. Specifically:

- **The Laptops & Tablets segment** reached VND 2,511 bn (-10.4% QoQ, +37.1% YoY). The early-buying wave among dealers/consumers amid rising import prices (driven by the sharp increase in RAM and chip prices, average industry's volume growth of over 10% YoY) continued, accompanied by the company's structural outperformance relative to the industry average, implying market-share expansion in distribution from local wholesalers/distributors that lack standardized invoicing/tax compliance from January 1st, 2026 under Decree 70.
- **The Mobile Phones segment** reached VND 2,054 bn (-9.8% QoQ, +4.8% YoY). Revenue in this segment was contributed mainly by Apple and Xiaomi in roughly equal proportions. Accordingly, DGW has been gradually decreased Apple distribution market share (the strongest-growing brand in Vietnam in Q1-2026, +14.8% YoY in sales volume) to retailers such as MWG, while its Xiaomi distribution market share remains high but the overall brand "pie" has stalled in growth throughout the past year, including H1-2026, resulting in largely flat growth for DGW in the Mobile Phone segment.
- **The Office Equipment segment** reached VND 2,014 bn (-17.7% QoQ, +47.2% YoY), driven by the continued momentum of IoT devices (+32.2% YoY, reaching VND 460 bn) and edge-AI servers (+71.3% YoY, reaching VND 1,223 bn) from 2025. Regarding the server segment, in addition to benefiting from the data-center/AI-solution trend in both the public and private sectors, the segment also benefited from the early-purchasing story due to rising RAM and chip prices, similar to the PC & Laptop segment, in our view.
- **The Home Appliances segment** reached VND 476 bn (-38.3% QoQ, +37.6% YoY), with the largest contribution coming from Xiaomi TVs (World Cup season). DGW is also likely to have expanded its distribution market share for other home-appliance/electrical brands (Philips, Whirlpool, Hoa Phat, Xiaomi...) in the Vietnamese market YoY, in our view.

NPAT-MI reached VND 309 bn (+54.5% QoQ, +167.2% YoY), corresponding to a net margin of 4.2% (+187 bps QoQ, +218 bps YoY), exceeding our expectation by 91%, primarily driven by the "rising prices, expanding margins" effect. Specifically:

- **EBIT margin expanded**, reaching 4.8% (+178 bps QoQ, +383 bps YoY). Looking at the components, gross margin reached 13.0% (+352 bps QoQ, +447 bps YoY), which is the highest quarterly gross margin in DGW's history. This is likely because DGW has continued to benefit from the sharp price increases in electronic products while still holding lower-cost inventory (already/to be imported under previously contracted prices, in our view).

Apple announced on 25 June a series of changes, raising prices on certain MacBook and iPad models by USD 100–300. "The consumer electronics industry is facing an unprecedented challenge," Apple stated. "The rapid expansion of AI data centers has created an unusually sharp surge in demand for memory and storage. We have never witnessed component prices rise so sharply and so quickly."

iPhones are also expected to be affected by this shortage. Tarun Pathak, Research Director at Counterpoint Research, forecasts that smartphones could rise by around USD 200, according to CNBC. PC manufacturers are warning of a difficult period ahead, with **Lenovo, Dell, HP, Acer and ASUS confirming price increases of 15–20% to cope with the memory shortage, according to IDC.**

Regarding the PC market, the global market is entering a highly volatile H2-2026 with no quick fix in sight. IDC currently forecasts global PC shipments to decline 11.3% for the full year, with the situation worsening through Q4 – when shipments are expected to fall 20% YoY.

"With both demand visibility and supply constraints converging, suppliers have been continuously pushing prices higher, in some cases quite aggressively," Mike Howard of Tech Insights told the BBC. "In PCs, memory typically accounts for 15–20% of total cost, but current price levels have pushed this ratio up to 30–40%."

- **DGW recorded an average borrowing interest rate of 7.3% this quarter (+19 bps QoQ, +417 bps YoY)** amid rising overall interest rates and an expansion in outstanding debt (+12.2% YoY), which pushed interest expenses up +151.9% YoY to VND 54 bn, negatively impacting DGW's margins this quarter.
- **Note that DGW no longer incurred one-off expenses related to provisions for securities investments thanks to the restructuring of this activity.** Specifically, DGW reduced the scale of trading securities by 61.9% QoQ to VND 301 bn (VND 200 bn in KBC and VND 101 bn in HPG). Following the restructuring of trading securities and solid operating performance this quarter, DGW also raised its cash balance to VND 1,993 bn – the highest level in the company's history. The company will gradually shift toward fixed-income instruments to avoid volatility in earnings, which is viewed as a positive signal for a more sustainable profit-growth platform for shareholders.

Table 1: DGW's Q2-2026 Results

Unit: VND bn	Q2-2026	Q1-2026	+/-QoQ	Q2-2025	+/-YoY
Net sales	7,273	8,500	-14.4%	5,731	26.9%
Laptops & Tablets	2,511	2,803	-10.4%	1,832	37.1%
Mobile Phones	2,054	2,278	-9.8%	1,959	4.8%
Office Equipments	2,014	2,447	-17.7%	1,368	47.2%
IoT devices	460	461	-0.2%	348	32.2%
Servers	1,223	1,668	-26.7%	714	71.3%
Others	331	318	4.1%	306	8.2%
Home Appliances	476	772	-38.3%	346	37.6%
Consumer Goods	218	250	-12.8%	226	-3.7%
Gross profit	943	803	17.4%	487	93.5%
SG&A expenses	-595	-547	8.7%	-432	37.5%
EBIT	348	256	36.1%	55	535.3%
Income from affiliates	0	-1		1	
Net finance income	34	-9		85	
Other profit	5	11		6	
Pre-tax profit	388	257	50.9%	147	163.1%
NPAT-MI	309	200	54.5%	116	167.2%
Gross margin	13.0%	9.5%	352bps	8.5%	447bps
SG&A exp/Net sales	8.2%	6.4%	174bps	7.5%	63bps
EBIT margin	4.8%	3.0%	178bps	1.0%	383bps
Net margin	4.3%	2.4%	190bps	2.0%	223bps

Source: DGW, RongViet Securities

Table 2: Describe DGW's Q2-2026 short-term investment

Unit: VND bn	Q4-2025	Q1-2026	Q2-2026
Total short-term investments	697	825	442
Trading securities	772	789	301
KBC	0	0	200
TCB	286	313	0
HPG	227	199	101
VPB	78	135	0
KBC	182	143	0
Allowance for decline in value of trading securities account	-91	-86	-6
Short-term held-to-maturity investments	16	122	147

Source: DGW, RongViet Securities

Q3-2026's projected results: The laptops & tablets and servers continue to be the focal point
Table 3: DGW's projected Q3-2026 results by VDS

	Q3-2026	+/-YoY	+/-QoQ	Assumption
Net sales	9,470	30.2%	28.1%	
Laptops & Tablets	4,182	66.5%	32.1%	Growth drivers of the segment in the first half of the year continued into Q3, including the expansion of the PC market in both volume and price due to dealers' stockpiling ahead of rising RAM and chip prices, alongside DGW's increasing market share. <i>TrendForce expects the DRAM market to remain tight in Q3/2026, with conventional DRAM contract prices projected to rise 13–18% QoQ, while NAND Flash prices increase 10–15% QoQ. DRAM supply for PCs continues to face pressure as production capacity is increasingly prioritized for server applications, thereby pushing up component costs and laptop selling prices.</i>
Mobile Phones	2,000	-2.6%	2.4%	DGW's iPhone distribution market share has gradually declined in favor of large retailers such as MWG, making year-on-year growth in this segment more challenging. Note: Apple's continuous market share gains in smartphones (+14.3% YoY in volume) have also impacted Xiaomi's year-on-year growth in Vietnam.
Office Equipment	2,430	20.6%	47.9%	Digital transformation projects are accelerating in both the public and private sectors in the area of digital infrastructure (servers). This was further advanced earlier in the first half of 2026 to mitigate the impact of rising RAM and chip prices on overall investment costs. IoT devices remain in a strong growth phase as penetration approaches the "golden ratio for breakthrough," especially after many IoT brands launched a wide range of products over the past 1–2 years. DGW also reported that revenue from this segment in July 2026 surged 153% YoY.
Home Appliances	673	41.4%	57.6%	Momentum came from Xiaomi TVs during the World Cup & ASEAN Cup period, accompanied by the addition of new brands such as Hisense. DGW reported that revenue from this segment in July 2026 grew 72% YoY.
Consumer Goods	185	-15.0%	8.3%	
Gross profit	900	-4.6%	38.3%	As the share of Mobile Phones (which carries the lowest gross margin) in DGW's revenue has declined over time, the company's overall gross margin has improved significantly YoY. However, in our view, the low-cost inventory advantage is unlikely to remain as strong as in the previous quarter.
SG&A expenses	-616	3.5%	32.5%	Similar to Q2, we believe that DGW continues to offer high discounts to dealers within its system to support their restocking amid sharply rising input prices, and also provides discounts to large retail chains such as Dien May Xanh / B2B projects in the Office Equipment segment in order to maximize market share and accelerate sell-through in a market experiencing a sudden growth surge.
EBIT	284	-18%	53%	
Income from affiliates (mainly Erablue)	0			
Net finance income	14	-VND 20 bn	+ VND 22 bn	The sequential decline may stem from potential provisions for investments in KBC & HPG (~VND 300 bn) amid a subdued stock market in this quarter. This could present an opportunity for DGW's NPAT to improve if the stock market (outside the VinGroup ecosystem) shows signs of recovery by the end of September 2026.
Other profit	5			

Profit before tax	303	-22%	57%	
Corporate income tax	-61			
Minority of interest (MI)	2			
NPAT-MI	241	-22.2%	44.5%	Projected quarterly NPAT exceeds the company's plan by approximately VND 165 billion, equivalent to a net margin of 2.5%.
<i>Gross margin</i>	<i>9.5%</i>	<i>-347bps</i>	<i>70bps</i>	
<i>SG&A exp/Net sales</i>	<i>6.5%</i>	<i>-168bps</i>	<i>21bps</i>	
<i>EBIT margin</i>	<i>3.0%</i>	<i>-179bps</i>	<i>48bps</i>	
<i>Net margin</i>	<i>2.5%</i>	<i>-171bps</i>	<i>29bps</i>	

Source: DGW, RongViet Securities

Valuation

We view the outstanding investment thesis as also the key factor driving DGW's profit outlook — the “AI data center (DC) arms race” both globally and in Vietnam, which can be analyzed in two aspects:

- **In global, major data center service providers (hyperscalers) continue to expand the number and scale of their facilities.** This wave is spreading to the Asia-Pacific region, causing a large portion of chips and RAM output to be allocated primarily to this demand, triggering shortages of chips and RAM for end-user ICT products such as smartphones and PCs. Supply shortages amid steady demand have driven global chip and RAM prices higher (termed “chipflation”), subsequently lifting electronics and server prices. This has created two purchasing behaviors among dealers/retailers/end consumers: (1) early purchasing due to fear of further price increases (termed “Fear of Missing Procurement – FOMP”), and (2) delayed purchasing until prices become more affordable.

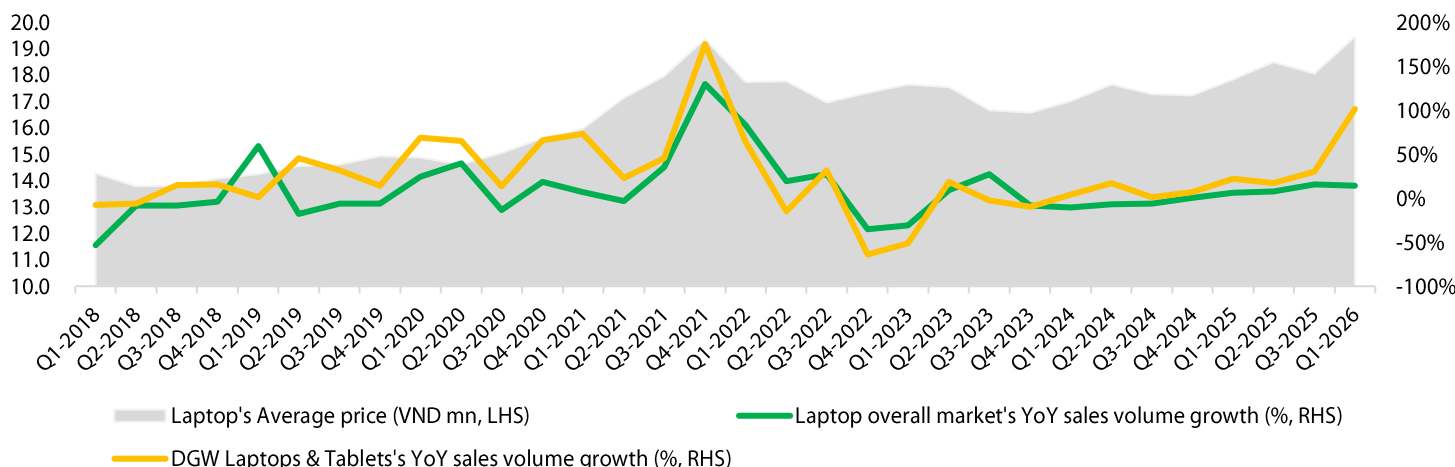
Effect (2) appears to have prevailed over (1) in the laptop segment, where new sell-out volume rose more than 10% YoY (according to GfK), even as RAM and chip prices continued to climb (conventional DRAM contract prices are expected to rise 13–18% QoQ, NAND Flash 10–15% QoQ in Q3-2026). In contrast, the smartphone segment recorded almost no volume growth in the first half of the year (+1% YoY, according to GfK). The divergence between the two markets stems from laptops' essential nature in work and study (laptops became mandatory tools after the Covid-19 period, coupled with business data standardization requirements under Decree 70) and penetration rates (laptops at 65% versus smartphones above 95%, according to Statista) in Vietnam. The server segment, characterized by project-based sales to enterprises/hyperscalers, also benefits from the FOMP effect as it is closely tied to long-term digital transformation goals in both private and public sectors, making it the “hardest to postpone,” especially given that Vietnam is still in an early stage (analyzed further below).

While 2021 can be seen as a comparable context, it is not equivalent in medium-term outlook. The similarity lies in the selling price increase (20–24% YoY). However, the 2021 price rise was primarily driven by the social distancing effect from Covid-19 in the second half of the year, when consumption volume surged strongly (+85% YoY). This was the result of a temporary “black swan” event and therefore did not create a sustainable pull for both demand and prices.

In contrast, the 2026 selling price increase (expected 14–18% YoY) originates from “chipflation” — a multi-year phenomenon occurring alongside the AI wave (a key factor in infrastructure development in developed countries). Unlike the short-term shock lasting only one quarter in 2021, the current effect is prolonged. It is also accompanied by more flexible “installment and deferred payment” policies at retailers (making purchase psychology more open than one-time payments), resulting in only moderate volume growth (around 10% YoY) rather than the previous surge of over 80%.

The ongoing wave of data center investment expansion implies that laptop selling prices will continue to rise as a “new normal” over the next year. We believe the FOMP effect will persist at least until the first half of 2027, supported by favorable retail sales policies, helping volume maintain growth of around 10.0% YoY rather than causing an early decline.

From a market perspective, we take a deeper look at DGW's business model. The company achieved impressive revenue growth (65% YoY in the first half of 2026) in the laptop segment, higher than the industry average, implying that the company continues to ride the “chipflation” wave with an increasingly larger position in the Vietnamese market (gaining share from local wholesalers/distributors that lack proper invoicing/tax compliance from 01/01/2026 under Decree 70). Accordingly, DGW is expected to maintain laptop & tablet revenue growth of 27.8% YoY in the second half of 2026.

Figure 1: Vietnamese Laptop market overview


Source: GfK, DGW, RongViet Securities

- **In Vietnam**, we previously noted that the Vietnamese data center market is entering a rapid growth phase from 2026 due to shifts in data usage/consumption awareness by the Government and enterprises in the national digital transformation program in [Our Analyst Pinboard: Vietnam's Data Center Market – Breakout growth phase expected from 2026](#). This view is once again reinforced by the latest data from Cushman & Wakefield, especially as Vietnam is still only in the early stage of the market with the lowest data center capacity in the world.

“The market remains in the early development stage, with 33 MW of IT capacity currently operational across 14 data centers operated by 9 providers. The future pipeline reaches 68 MW, comprising 14 MW under construction and 54 MW in planning, equivalent to more than twice the existing capacity. Colocation vacancy stands at 34.8%, indicating that the market still has room to absorb additional capacity.

Ho Chi Minh City continues to attract large international capital flows into digital infrastructure, thanks to legal reforms and the relaxation of foreign ownership restrictions from 2024. Many large-scale hyperscale and AI infrastructure projects are being deployed, notably data center development agreements involving FPT, Viettel and international investors.

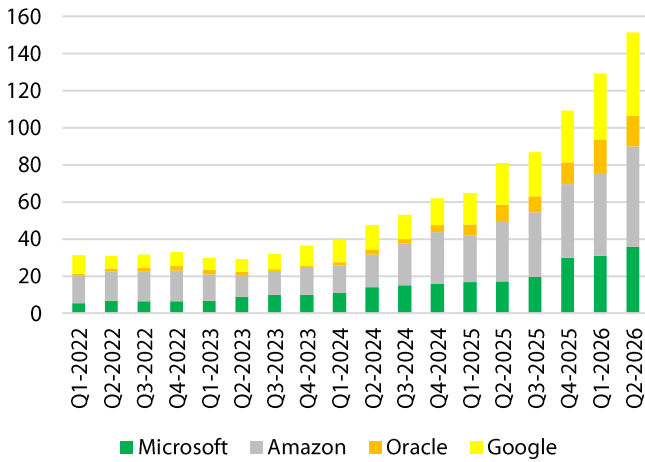
The expansion of international connectivity infrastructure, particularly the Vietnam – Singapore – Johor – Thailand route, together with the development of hyperscale, cloud and AI, is expected to strengthen Vietnam’s position as an emerging digital infrastructure hub in the region.”

Regarding DGW, we previously analyzed the outlook for the company’s AI server segment in [Our Valuation Update Report: DGW - The "harvesting phase" in emerging segments takes shape](#). Revenue growth in this segment has been impressive (92.5% YoY in 2025, 112.3% YoY in the first half of 2026), tracking the overall market growth phase and the company’s rising position in server distribution through expansion of brand portfolio/customers/services provided (*). Combining the market analyses above, we maintain a positive view on server revenue growth (41.8% YoY in the second half of 2026, 50.0% YoY in 2027).

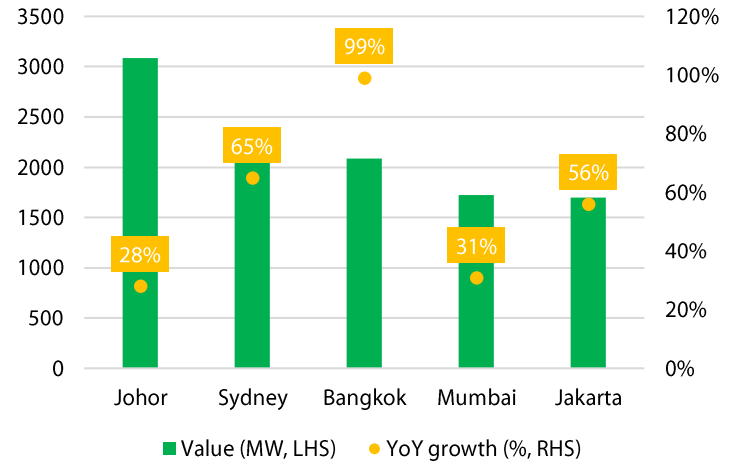
() DGW focuses on Edge AI servers and on-prem solutions for SMEs, factories, retail chains, hospitals... places that need on-site data storage for security, low latency or lower long-term costs compared with outsourcing. In addition, the System Integrator and Value-added Reseller channels remain important bridges (DGW sells to SIs who perform integration and resell), and DGW even participates in certain projects of national hyperscalers such as FPT, Viettel, VNZ... when these companies procure from server brands developed by DGW such as ASUS, ACER, Supermicro, MSI, Gigabyte, ZTE. Small-quantity, customized configuration demands that require rapid consulting and onsite warranty are also rarely prioritized by hyperscalers.*

Unlike laptops/smartphones sold ready-made on the shelf, servers in data centers are typically configured on a project-by-project B2B basis, from CPU/core, RAM, NVMe/SAS, RAID, NIC, PSU to firmware, licenses and requirements on rack density, power and cooling. Therefore, vendors mainly produce in batches, requiring distributors to have capabilities in configuration consulting, BOM design, factory coordination, lead-time management, inspection and acceptance before delivery, along with cooling services. After three years of market penetration, DGW has established its position in the server distribution segment in Vietnam.

- **On the margin trend**, DGW recorded its highest-ever net margin in Q2-2026 (4.3%) thanks to strong ability to anticipate selling prices in its inventory procurement policy, especially for laptops, despite SG&A exp / net sales reaching 7.3% (+145 bps QoQ, +69 bps YoY). The company sharply increased short-term payables to VND 678 bn (+41.5% QoQ, +205.4% YoY) at the end of Q2-2026 — an unusually high level compared with the previous range of VND 300–500 bn — indicating front-loaded spending on brand expansion activities in the new segments. In 2027, this item may normalize, allowing a portion of the period’s SG&A to be reduced. In addition, the margins of the Laptop & Tablet and Server segments are both better than those of Mobile Phones; therefore, as the combined revenue share of these two segments rises (from 55% in 2025 to 60% in the 2026–27 period), it will support net margin remaining healthy at 2.8–3.0% in our base case for 2027–28.

Figure 2: Capex of some major hyperscalers (USD mn)


Source: Bloomberg, RongViet Securities

Figure 3: Data center supply is growing in key Asia-Pacific cities


Source: Cushman & Wakefield, RongViet Securities

Based on the above analytical views, we raise our NPAT forecasts for DGW for 2026/27F by 37%/39% respectively, mainly due to the better margin expansion outlook. In details:

- **On EBIT margin**, continued solid riding of the “chipflation” wave (as analyzed above), combined with a higher revenue share of higher-margin segments such as Laptop & Tablet or Office Equipment versus Mobile Phones, and the potential to reduce SG&A exp (related to short-term prepaid expenses already mentioned), leads us to raise DGW’s EBIT margin by 92 bps/71 bps, equivalent to 3.5%/3.4% for 2026/27F.
- **On net finance income**, we keep the 2026F forecast unchanged but raise the 2027F forecast by an additional VND 75 bn, as we expect the company to gradually convert trading securities investments into certificates of deposit/bonds that currently offer high interest rates.

Following an upward revision of more than 30% to DGW’s NPAT forecast, but adjusting for working capital management capacity (increasing target inventory days by 10 days for the 2026–30 period due to (1) stronger development of the higher-value, longer-cycle Office Equipment and Home Appliances segments versus the core Mobile Phone segment, or (2) the trend of building laptop inventory to benefit more from the chipflation wave), we raise our one-year target price for DGW shares by 7% to **VND 50,000 per share**, corresponding to 2026 and 2027 forward P/E multiples of 11.5x and 7.8x, respectively. Accordingly, we maintain a **BUY** recommendation on DGW.

Regarding the assumptions in the discounted cash flow (FCFF) valuation method, we keep all relative valuation metrics unchanged across the business models.

Table 4: Description of DGW forecast changes by segment (VND bn)

	Actual	Previous Forecast		New Forecast		% Change New vs. Previous Forecast	
		2026F	2027F	2026F	2027F	2026F	2027F
Net sales	26,632	32,873	36,480	33,593	38,078	2%	4%
Laptops & Tablets	8,397	10,285	10,574	11,005	10,726	7%	1%
Mobile Phones	9,462	9,757	10,270	9,757	10,270	0%	0%
Office Equipment	6,194	8,998	10,858	8,998	12,303	0%	13%
Home Appliances	1,741	2,804	3,677	2,804	3,677	0%	0%
Consumer Goods	943	1,029	1,102	1,029	1,102	0%	0%
EBIT	718	847	967	1,174	1,278	39%	32%
Net finance income	-53	10	25	9	104	-11%	315%
NPAT-MI	548	696	802	956	1,114	37%	39%

Source: DGW, RongViet Securities

VALUATION BY FCFF METHOD

DCF Assumptions	Value	Valuation summary	Value (VND bn)
WACC 2026	12.0%	DCF forecast time	5 years
Effective tax rate	20.0%	Enterprise value	11,807
Cost of equity	14.3%	+ Cash & cash equivalent & investment	2,471
Risk-free rate	4.5%	- Debt	3,215
Equity risk premium	8.2%	Equity value	11,063
Beta	1.2	Numbers of outstanding shares (mn shares)	221.2
Exit EV/EBITDA	9.8	Target equity value per share (VND)	50,000

Source: RongViet Securities

Table 5: Sensitivity scenario for DGW's Equity Value per Share by FCFF method (VND)

WACC	Exit EV/EBITDA					
	7.8		8.8	9.8	10.8	11.8
	10.0%	44,756	49,492	54,229	58,966	63,702
	11.0%	42,981	47,525	52,069	56,614	61,158
	12.0%	41,290	45,651	50,013	54,374	58,735
	13.0%	39,679	43,866	48,053	52,239	56,426
	14.0%	38,142	42,163	46,184	50,205	54,226

Source: RongViet Securities

DGW's VALUATION SUMMARY

DGW'S VALUATION SUMMARY (VND/SHARE)		
Method	Method	Method
DCF (5 years, WACC: 11.6%, Exit EVEBITDA 9.8x)	100%	50,000
Total DGW	100%	50,000
1-year expected cash dividend (VND/share)		3,000
2026F target P/E		11.6

Source: DGW, RongViet Securities

Appendix – Valuation context

Recent legal concerns in the retail sector following the P-lab incident, combined with fears of a rapid profit slowdown after the Q2-2026 peak (related to 2026 electronics demand being front-loaded into the first half rather than the second half due to rapidly rising selling prices), have affected investor sentiment in the short term. Therefore, after the positive Q2/2026 results and an approximately 7% decline in the share price over the past four months, **DGW is currently trading at a trailing P/E of 11.3x and a 2026 forward P/E of only 9.7x — significantly lower than the company’s own 5-year historical average (18.4x) as well as the sector average (13.0x)**. This opens an attractive valuation zone for value investors in the medium term, especially as DGW’s investment thesis continues to revolve around the “AI data center wave” as analyzed above.

Expanding the global valuation perspective, stocks more closely tied to the distribution of server – networking – security – software – cloud solutions have typically recorded stronger price appreciation over time. Notable examples include TD Synnex (servers and storage accounting for approximately 14–19% of recent gross billings), SiS Distribution (approximately 24–25% of revenue from the computer–server group), and Arrow Electronics (servers, storage and connectivity accounting for approximately 25% of revenue), all of which have risen more than 15% year-to-date. With DGW’s current server revenue share at around 18%, the company still has room for re-rating if the trend of national-level data center construction and edge AI server deployment at private enterprises breaks out, supporting higher-than-expected profits going forward.

Table 6: Valuation context of global electronics distribution companies

	+/-stock price YTD	PE trailing	PE fwd 2026	5Y-average PE	EVEBITDA trailing	EVEBITDA fwd 2026	5Y-average EVEBITDA
Sis ditributor (Thailand)	15.7%	8.2	8.7	10.7	8.5	8.0	11.1
Synnex Thailand PCL (Thailand)	-5.5%	9.6	10.3	14.5	17.1	15.2	20.8
TD Synnex (US)	67.6%	18.0	12.1	13.0	9.7	7.9	8.9
Arrow Electronics (US)	86.6%	11.8	8.7	9.1	9.2	6.8	7.2
Digiworld (Vietnam)	12.1%	11.3	9.7	18.4	9.5	8.8	16.9
Industry mean		11.3	9.7	13.0	9.5	8.0	11.1

Source: Bloomberg, RongViet Securities

Appendix

Table 7: DGW's Q2-2026 results

Unit: VND bn	Q2-2026	Q1-2026	+/-QoQ	Q2-2025	+/-YoY
Net sales	7,273	8,500	-14.4%	5,731	26.9%
Laptops & Tablets	2,511	2,803	-10.4%	1,832	37.1%
Mobile Phones	2,054	2,278	-9.8%	1,959	4.8%
Office Equipment	2,014	2,447	-17.7%	1,368	47.2%
Home Appliances	476	772	-38.3%	346	37.6%
Consumer Goods	218	250	-12.8%	226	-3.7%
Gross profit	943	803	17.4%	487	93.5%
SG&A expenses	-595	-547	8.7%	-432	37.5%
EBIT	348	256	36.1%	55	535.3%
Income from affiliates (mainly Erablue)	0	-1		1	
Net finance income	34	-9		85	
Other profit	5	11		6	
EBT	388	257	50.9%	147	163.1%
Corporate income tax	-101	-67		-29	
Minority of interest (MI)	0	2		3	
NPAT-MI	309	200	54.5%	116	167.2%

Source: DGW, RongViet Securities

Table 8: DGW's Q2-2026 Business analysis

Criteria	Q2-2026	Q1-2026	+/-QoQ	Q2-2025	+/-YoY
Profitability ratio					
Gross margin	13.0%	9.5%	352bps	8.5%	447bps
EBIT/Net sales	4.8%	3.0%	178bps	1.0%	383bps
Net margin	4.2%	2.4%	187bps	2.1%	218bps
Efficiency ratio (days)					
- Days AR on hand	83	33	+50 days	63	+20 days
- Day Inventory on hand	42	46	-4 days	41	+1 day
- Day AP	57	35	+22 days	35	+22 days
Solvency ratio					
Total liabilities/Total equity	25.6%	27.8%		34.3%	

Source: DGW, RongViet Securities

	VND bn			
INCOME STATEMENT	FY2024	FY2025	FY2026F	FY2027F
Net sales	22,078	26,632	33,593	38,078
COGS	-20,023	-24,321	-30,305	-34,499
Gross profit	2,055	2,311	3,288	3,579
Selling exp	-1,285	-1,369	-1,850	-2,013
GA exp	-244	-224	-264	-288
Finance income	192	264	215	259
Finance exp	-163	-317	-207	-155
Net other income	12	21	17	15
Income from affiliates	1	2	3	3
PBT	569	689	1,203	1,400
Corporate income tax	-120	-134	-240	-279
MI	5	7	7	7
NPAT-MI	444	548	956	1,114
EBIT	527	718	1174	1278

FINANCIAL RATIOS	FY2024	FY2025	FY2026F	FY2027F
YoY growth (%)				
Net sales	17.3	20.6	26.1	13.4
EBIT	26.2	36.4	63.4	8.9
NPAT-MI	25.3	23.4	74.5	16.5
Total assets	14.0	32.4	12.7	7.9
Total equity	14.8	15.2	15.1	11.5
Profitability ratios (%)				
Gross margin	9.3	8.7	9.8	9.4
EBIT margin	2.4	2.7	3.5	3.4
Net margin	2.0	2.1	2.8	2.9
ROA	5.6	4.9	7.5	8.1
ROE	14.9	16.0	24.2	25.3

Efficiency ratios (days)				
Days AR on hands	44	48	51	48
Days Invenroty on hand	64	67	60	60
Days AP	42	53	50	51

Liquidity ratios (x)				
Current	1.4	1.4	1.4	1.4
Quick	0.7	0.8	0.8	0.8

Solvency ratios (x)				
Total liabilities/total equity	0.6	0.7	0.7	0.7
Total debt/Total equity	0.8	0.8	0.7	0.6
S.T debt/Total equity	0.0	1.0	2.0	3.0

	VND bn			
BALANCE SHEET	FY2024	FY2025	FY2026F	FY2027F
Cash & Equivalents	1,407	1,742	1,742	1,442
Short-term investment	0	697	342	642
Receivables	2,638	3,514	4,694	5,007
Inventories	3,501	4,436	4,982	5,671
Other current assets	228	312	312	312
Tangible fixed assets	174	127	125	124
Intangible fixed assets	105	71	66	61
Long-term investment	14	37	37	37
Other non-current assets	539	392	392	392
TOTAL ASSETS	8,500	11,257	12,691	13,688
Trade payables	2,303	3,524	4,151	4,820
Short-term debt	2,487	2,899	2,828	2,464
Short-term debt	0	0	0	0
Other liabilities	699	1,361	1,715	1,944
Bonus & welfare funds	0	0	0	0
Science and technology fund	0	0	0	0
TOTAL LIABILITIES	5,488	7,784	8,694	9,228
Paid-in capital	2,254	2,254	2,254	2,254
Treasury shares	-6	-6	-6	-6
Retained earnings	730	1,164	1,681	2,138
Other funds	61	61	61	61
Investment & development funds	0	0	0	0
TOTAL EQUITY	2,979	3,433	3,950	4,406
Minority of interest	33	40	47	54

VALUATION RATIOS	FY2024	FY2025	FY2026F	FY2027F
EPS (VND)	2,007	2,477	4,322	5,035
P/E (x)	19.4	16.8	11.5	9.8
BV (VND)	13,469	15,520	17,860	19,922
P/B (x)	2.9	2.7	2.8	2.5
DPS (VND)	500	500	2,000	3,000
Dividend yield (%)	1.3	1.3	5.0	7.5

VALUATION MODEL	Price	Contribution	Average
FCFF	50,000	100%	50,000
Target price (VND/share)			50,000

VALUATION HISTORY	Price	Recommendation	Time
Aug-2026	50,000	BUY	Long-term
Jun-2026	46,300	BUY	Long-term
Mar-2026	57,500	BUY	Long-term

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

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Ratings	BUY	ACCUMULATE	HOLD	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-5% to 5%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but only offer some reference valuations to give investors additional information, classified under the **OBSERVE** recommendation

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