

20 Jun 2023

FPT Corporation (FPT)

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

Everything is still alright

Global IT services keep strong growth in 5M23

- FPT posted estimated 5M23 business results with revenue of VND19.9tn (+23% yoy) and PBT of VND3.6tn (+19% yoy), completing 38% and 40% of its 2023 guidance, respectively.
- In May-23, FPT Group achieved revenue of VND4.2tn (+29% yoy), and VND0.7tn PBT (+17% yoy).
- Technology segment contributed a revenue of VND11.6tn (+26% yoy) and PBT of VND 1.6tn (+19% yoy) in 5M23.
- In which, global IT services recorded revenue of VND 9.2tn (+32% yoy, the growth was contributed mainly by the APAC (+50% yoy) and Japan market (+41% yoy, +50% JPY-based revenue growth).
- FPT achieved a robust backlog from global clients which reached VND13.7tn in 5M23 (+ 35% yoy).
- Besides, domestic IT Service reached revenue of VND2.4tn (+7% yoy).

Telecom's PBT growth decelerated in 5M23

- Telecom segment revenue grew by nearly 10% yoy, reaching VND6.4tn, and PBT increased by 6% yoy to VND1.2tn in 5M23.
- The Education & Investment segment keeps a high growth with revenue of VND1.9tn (+66.0% yoy) and PBT of VND792bn (+57% yoy) in 5M23.

Stock Data

VNIndex (20 Jun, pt)	1,112
Stock price (20 Jun, VND)	85,500
Market cap (USD mn)	4,013
Shares outstanding (mn)	1,104
52-Week high/low (VND)	88,966/65,900
6M avg. daily turnover (USD mn)	2.63
Free float / Foreign ownership (%)	84.4/49.0
Major shareholders (%)	
Truong Gia Binh	7.05
SCIC	5.83
Macquarie Bank Limited Obu	4.73

Performance

	1M	6M	12M
Absolute (%)	3.3	11.6	(6.0)
Relative to VNIndex (%p)	(1.3)	2.1	(1.8)

Stock price trend



Source: Bloomberg

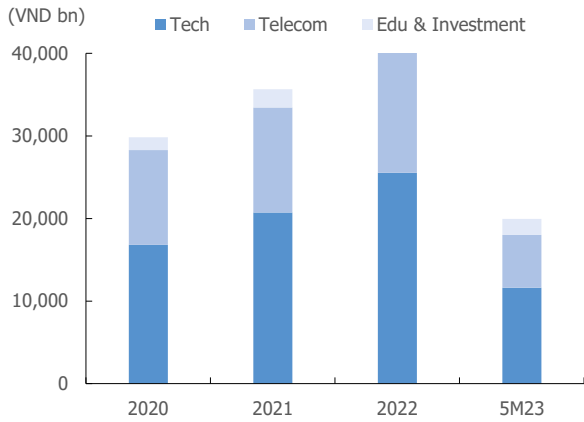
	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	23,214	27,717	29,830	35,657	44,010
chg. (% YoY)	(45.6)	19.4	7.6	19.5	23.4
Operating profit (VND bn)	3,122	4,147	4,605	5,415	6,795
Net profit (VND bn)	2,620	3,135	3,538	4,337	5,310
EPS (VND)	3,333	4,235	3,992	4,204	4,168
chg. (% YoY)	(33.1)	27.1	(5.7)	5.3	(0.8)
EBITDA (VND bn)	4,286	5,501	6,095	7,059	8,627.6
PE (x)	25.6	20.2	21.4	20.3	20.5
EV/EBITDA (x)	1.6	2.6	2.6	2.6	2.6
PB (x)	3.6	3.5	3.6	3.6	3.7
ROE (%)	23.1	24.8	25.0	26.7	27.8
Dividend yield (%)	3.3	2.6	2.8	2.9	2.4

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

Research Dept

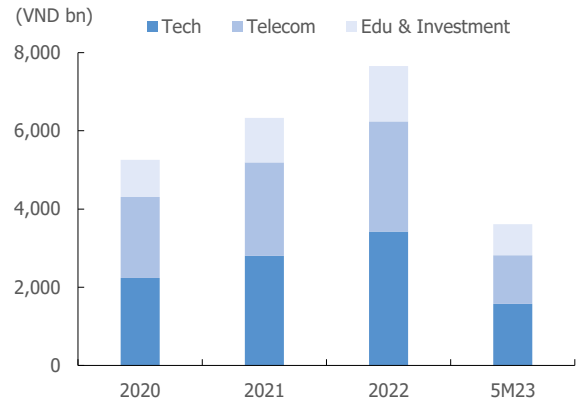
researchdept@kisvn.vn

Figure 1. Technology segment strengthens its position in revenue



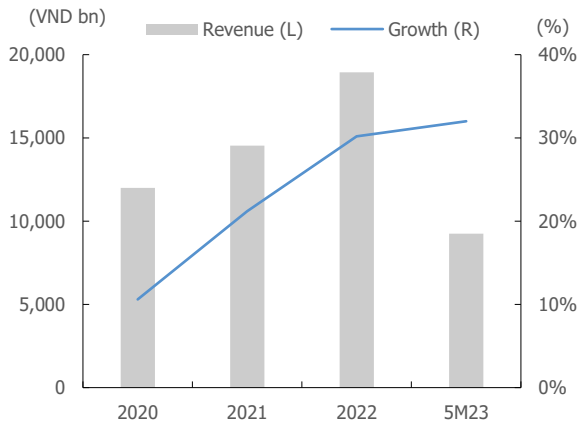
Source: Company data, KIS

Figure 2. Technology segment led the PBT growth



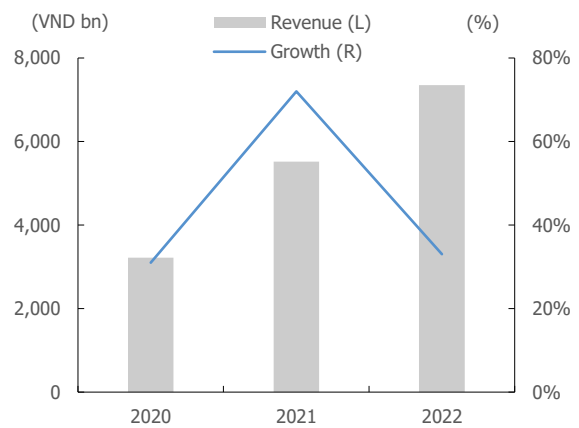
Source: Company data, KIS

Figure 3. Global IT segment revenue keeps a strong growth



Source: Company data, KIS

Figure 4. Digital Transformation (DX) revenue growth rate decelerated in 2022



Source: Company data, KIS

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Prepared by: Research Dept

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