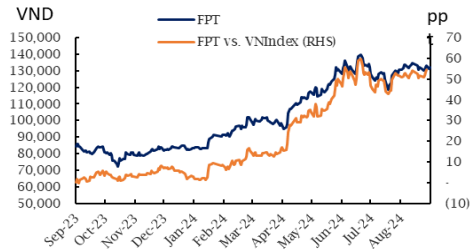


Vietnam: Technology
17 September 2024
BUY
TP upside (downside) +8.9%
Close 17 Sep 2024
Price 132,900
12M Target 144,660
Share price performance relative to VNI


Market cap (USD mn)	7.850
6M ADT (USD mn)	25.0
Outstanding shares (mn)	1460
Free float (%)	85.9
FINI ownership (%)	45.9
FOL Room (%)	3.1
Major shareholders (%)	15.0
2025 Net debt/equity (%)	Net cash
2025 BVPS (VND)	27.975
2025 P/B (x)	4.8
2025 PE (x)	19.0

Financial outlook

Year to Dec	2023A	2024E	2025E	2026E
Sales (VND bn)	52,618	66,479	84,931	108,245
EPS (VND)	4,641	5,352	6,978	9,150
ROE (%)	23.4	27.1	30.1	32.0
Div. yield (%)	1.5	1.5	1.5	1.9

Sources: Bloomberg, Company data, Yuanta Vietnam

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Bloomberg code: YUTA

FPT Corporation (FPT VN)
BUY it while you still can
Event

Solid 8M24 interim results, with revenues up +20.8% YoY and PBT rising by +19.9% YoY. This was underpinned by August revenue growth of +10.5% MoM / +23.3% YoY, indicating increased growth momentum last month.

Details

8M24 revenue rose by +20.3% YoY to VND39.7tn driven by a +26.1% YoY increase in technology revenue to reach VND24.5tn. Global IT services continued to see solid revenue growth of +30.4% YoY, reaching VND 19.9 trillion, driven primarily by strong demand from Japan (up by +34.4% YoY) and APAC (+36.9% YoY).

8M24 PATMI reached VND 5.0tn, up +22.5% YoY. As of Aug, FPT has achieved 65.3% of full-year revenue guidance and 64.1% of PBT guidance. In addition, the company has fulfilled 59.6% of our 2024E revenue and 58.2% of our 2024 PATMI forecast.

Short-term future growth outlook secured as signed revenue from global IT services continues to see strong growth of +19.2% YoY. FPT secured 29 large deals (i.e., those of +US\$5mn or more), reflecting the increased global demand for FPT's technology services.

Digital transformation is a long-term growth engine. Vietnam's General Secretary has stated that digital transformation plays an important role in Vietnam's social and economic development. This strong government commitment to supporting economic growth via digital transformation across sectors represents a huge long-term opportunity for FPT, in our view. FPT reported 8M24 digital transformation (DX) services revenue of VND8.9tn (+32% YoY).

Expanding geographic reach. FPT has opened an office in Stockholm, Sweden to capitalize on rising demand for digital transformation in northern Europe. This strategic location should allow FPT to provide IT services to global manufacturing giants such as Volvo, Ericsson, Telia, SAAB, and IBM.

BUY it while you can. FOL room is now 45.1 million shares (3.1% of outstanding shares), or around c.US\$240 million of foreign availability, down from the peak of 4.1% in July.

Growth and capital returns: FPT is a value compounder. We reiterate BUY with target price of VND 144,660 per share. FPT remains Vietnam's largest and most profitable technology company, with ROE consistently above 20% in the last several years, and its growth momentum continues to impress.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

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Ratings Definitions

BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

HOLD–Outperform: In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

HOLD–Underperform: In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

Under Review: We actively follow the company, although our estimates, rating and target price are under review.

Restricted: The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

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