

FPT Corporation (FPT)

3Q24: Enhancing international presence

On 18th Oct, FPT has released the 3Q24 financial statement. Here are some notable updates:

Revenue / PBT continued to grow at a double-digit.

- In 3Q24, FPT's revenue and PBT continued to climb up to VND15.9tn (+15.6% yoy) and VND2.9tn (+19.9% yoy) respectively (figure 1 & 6). For 9M24, FPT's revenue and PBT reached VND45.2tn (+19.3% yoy) and VND8.1tn (+19.8% yoy), completing 73%/75% of the year guidance.
- Technology continued to be the driver with revenue of VND9.8tn (+18.9% yoy) and PBT of VND1.4tn (+21.1% yoy) in 3Q24 (figure 2). In which:
 - o Global IT services's revenue surged to VND8.1tn (+26.5% yoy), which was driven by Japan (VND3.2tn; +22.7% yoy) and APAC (VND2.3tn; +44.5% yoy). Digital transformation (DX) revenue surged to VND3.7tn (+31.3% yoy), coming mainly from cloud computing, AI/data analytics, product engineering, etc.
 - o For 9M24, signed revenue increased to VND25.1tn (+21.4% yoy) with 33 projects valued above USD5mn (+65.0% yoy), which would secure FPT's high growth in upcoming quarters.
 - o Domestic IT services's revenue decreased to VND1.8tn (-6.5% yoy), which we believe it is because of the weak domestic IT spending.
- Telecommunication's revenue and PBT increased to VND4.5tn (+13.7% yoy) and VND907 (+15.5% yoy).
- Education's revenue and PBT rose to VND1.4tn (+1.5% yoy) and VND646bn (+24.0% yoy).

	2019A	2020A	2021A	2022A	2023A
Sales (VND bn)	23,259	27,792	29,922	35,671	44,023
chg. (% YoY)	19.5	7.7	19.2	23.4	19.5
Operating profit (VND bn)	4,610	5,191	6,228	7,589	9,112
Net profit (VND bn)	3,234	3,912	4,424	5,349	6,491
EPS (VND)	4,220	4,120	4,349	3,847	4,661
chg. (% YoY)	8.1	-2.4	5.6	-11.5	21.2
EBITDA (VND bn)	5,501	6,095	7,059	8,628	10,738
PE (x)	15.8	19.5	16.7	19.6	24.8
EV/EBITDA (x)	9.0	12.7	12.9	13.3	15.9
PB (x)	3.2	4.4	4.0	5.0	6.4
ROE (%)	23.7	23.8	25.8	27.2	28.1
Dividend yield (%)	3.0	2.3	2.5	0.0	1.6

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

12M rating **NON-RATED**

12M TP
Up/Downside

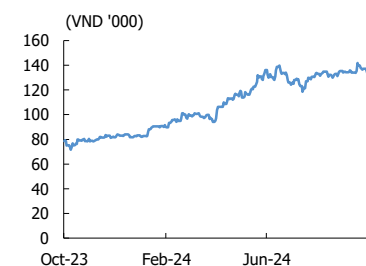
Stock Data

VNIndex (22 Oct, pt)	1,270
Stock price (22 Oct, VND)	133,100
Market cap (USD mn)	7,710
Shares outstanding (mn)	1,471
52-Week high/low (VND)	141,700/71,682
6M avg. daily turnover (USD mn)	25.50
Free float / Foreign ownership (%)	86.0/45.9
Major shareholders (%)	
Truong Gia Binh	7.0
Samsung Vietnam Investment Trust	5.8
Dragon Capital	3.7

Performance

	1M	6M	12M
Absolute (%)	(1.6)	37.2	69.3
Relative to VNIndex (%p)	(1.6)	27.9	50.8

Stock price trend



Source: Bloomberg

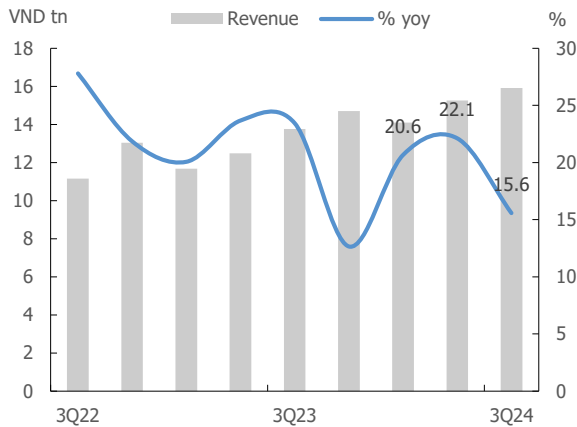
Research Department

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New offices to fuel the growth of global IT services.

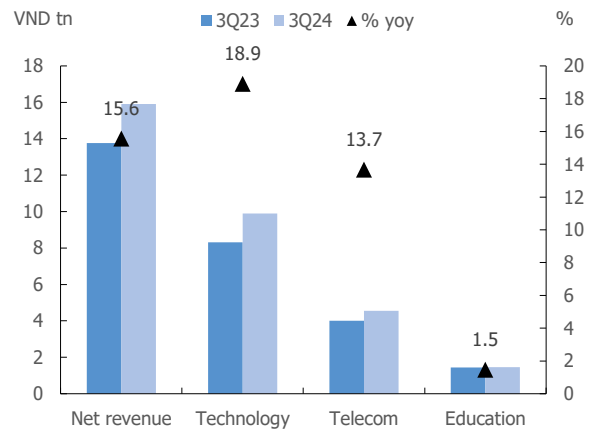
- On Aug 24, FPT moved to a new office in Shanghai (China) with a total area of 500 m², aiming to increase the total employees to 3,000 people by 2030.
- On Sep 24, FPT opened the first office in Lindholmen Science Park (Sweden), which would allow FPT to connect to leading global corporations in the car and energy fields such as Volvo Group, Secom, etc. We expect this would help to increase the revenue in the EU area, which currently just account for a small part (8.5%) of FPT's global IT services.
- On Sep 24, FPT opened its 17th offices in Minatoku (Japan) with a total area of 3,000 m². This is also the area where Honda, Sony, and Toshia placed their headquarters and 49 nations placed their embassy. Japan is currently FPT's leading global IT market and we expect this new office would bring more large deals (above USD5mn), especially in the AI field.

Figure 1. Revenue continued to climb up in 3Q24



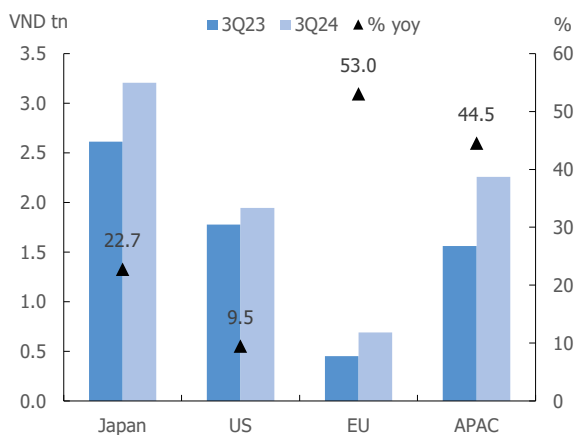
Source: Company Data, KISVN

Figure 2. Technology continued to be the sales driver in 3Q24



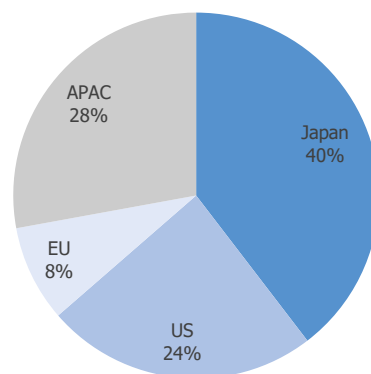
Source: Company Data, KISVN

Figure 3. Japan and APAC are FPT's leading global IT services markets



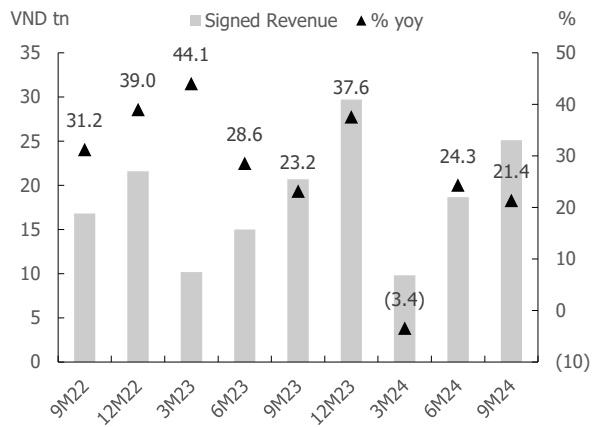
Source: Company Data, KISVN

Figure 4. New offices in EU and Japan could help to drive revenue



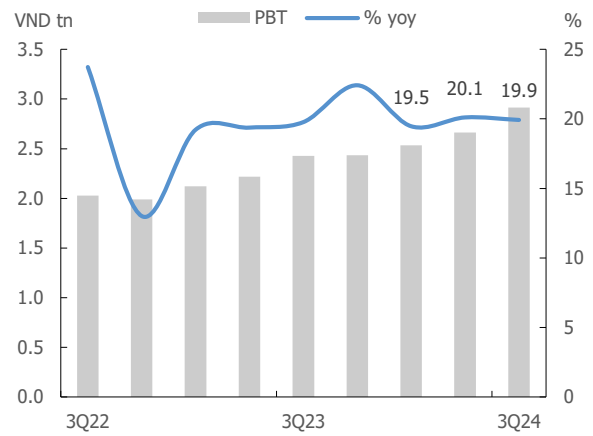
Source: Company Data, KISVN

Figure 5. Signed revenue grew with 33 projects above USD5mn



Source: Company Data, KISVN

Figure 6. PBT continued to rise in 3Q24



Source: Company Data, KISVN

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