

FPT Corporation (HOSE: FPT)

Valuation moved back into attractive territory

- 7M25 revenue +11.2% yoy, driven by Telecom; IT services faced challenges but improved vs 6M25. Net profit increased 20.1% yoy thanks to optimal cost savings and financial income.
- Valuing at attractive area with a P/E of 2025-26 of 16.7x, 28% lower than the 2-year average with the forecasted net profit growth to recover by 20% CAGR from 2025-27, we think this is the right time to start accumulating FPT.
- Reiterate **ADD** with target price of VND124,000/share.

7M25 revenue growth modest, though improving in July

7M25 revenue and PBT rose 11.2% yoy and 18.4% yoy, below the initial growth targets. The main drag came from the IT segment, with PBT growth of only 14.4% yoy, partially offset by solid performances in Telecom, Education, and ongoing cost optimization efforts, which helped improve margins. In detail, the global IT business remained challenging, with new backlog in 7M25 reaching only 7.7% yoy, as two key markets, the US and APAC, saw sluggish demand since the beginning of the year. However, there were positive signs in July, with new orders up 27% YoY, indicating improving client sentiment.

IT segment expects to recover from 2026

In 2025, U.S. tariff policies will remain the key risk to growth; however, we expect negotiations to largely conclude in the second half of the year, enabling FPT to enter 2026 with greater confidence. We view the digital transformation trend, with AI at its core, is irreversible over the long term. For the domestic IT segment, 2026 is expected to see stronger momentum driven by large-scale digital transformation projects for provinces and improved efficiency at AI factories. IT segment PBT is forecast to grow 18.9% yoy in 2025 and recover to 25.3% yoy and 27.1% yoy in 2026–27.

Telecom segment continues to be a solid foundation for profit growth

Telecom operations outperformed expectations, driven by a strategy to expand market share among young families and tailor internet packages for gamers and KOLs. In 2025, the company implemented price increase for new customers, supporting a 21% yoy PBT growth. We expect the segment's net profit to sustain solid momentum with yoy growth of 9.4% and 11.6% in 2026–27. In Education, FPT targets a 30% increase in student enrollment in 2025 following the opening of multiple branches in provincial areas, with PBT projected to grow 16.9% yoy and continue rising 16% and 20.8% yoy in 2026–27. Overall, FPT's PBT growth is forecast at 18.8%/20.9%/21.2% yoy in 2025/26/27, representing a slight downward adjustment of 0.3%/1%/0.4% versus previous forecasts.

Reiterate ADD with lower target price of VND124,000/share

Target price of VND 124,000/share (down 2% from the previous report) due to EPS downward revisions of 0.3%/1%/0.4% for 2025/26/27, reflecting weaker IT outlook. In the near term, market headwinds from tariff uncertainties may limit FPT's upside. However, in the medium to long term, with the government's focus on supporting private enterprises and strong growth momentum in AI and digital transformation (DX), FPT remains a core portfolio holding. We view any price pullbacks as attractive opportunities to accumulate.

VNDbn	2024	2025	2026	2027
Revenue	62,963	71,888	86,681	105,508
Net profit	7,857	9,365	11,240	13,628
Revenue growth	19.4%	14.4%	20.6%	21.7%
Net profit growth	21.5%	19.2%	20.0%	21.2%
Gross margin	37.7%	38.4%	38.6%	38.7%
EBITDA margin	20.4%	20.2%	20.0%	19.8%
ROAE (%)	23.9%	23.7%	23.3%	22.9%
ROAA (%)	11.9%	12.2%	12.6%	12.8%
EPS (VND/share)	4,613	5,499	6,600	8,002
BVPS (VND/share)	20,979	25,520	31,213	38,574

Sources: MBS Research

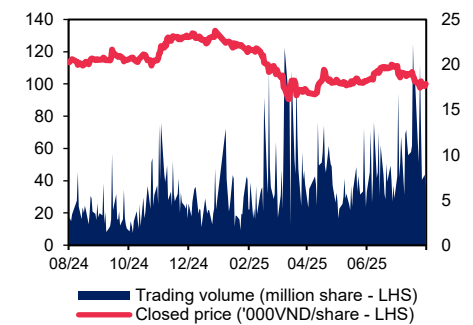
ADD

Target price **VND124,000**
Upside **26%**

Key changes in the report

Revised down 2025-27 EPS by 0.3%/1%/0.4% versus previous report

Price performance



Sources: Fiinpro, MBS Research

Current price (VND)	100,000
52W High (VND)	133,400
52W Low (VND)	90,620
Market Cap (VNDbn)	170,351
P/E (TTM)	19.8
P/B	5.1
Dividend yield (%)	1.7
Foreign ownership (%)	37.5

Sources: <https://s24.mbs.com.vn/>

Ownership

Truong Gia Binh	6.0%
Vietnam SCIC	5.0%
Others	87.5%

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FPT Corporation (HOSE: FPT)

Investment thesis & Recommendation

Investment thesis

- IT segment revenue is expected to gradually recover from 2026 to maintain a compound growth rate of 25% in 2025-27, thanks to (1) Global IT spending is expected to continue to increase in the medium term, especially spending on digital transformation will maintain a high compound growth rate of 16.2% in the 2022-27 period; (2) The strategy of diversifying markets such as the EU and the Middle East through M&A is expected to help businesses exploit more large-scale contracts; (3) The two AI factories are expected to start contributing ~VND1,250bn in revenue (~2.2% of the segment) in 2026, then expect to continue to maintain growth of 30-50% in the coming years; (4) Domestically, great prospects come from digital transformation activities for localities after the merger, the general digital transformation trend of businesses will also gradually spread according to the world trend.
- Telecommunications revenue is forecast to grow at a compound rate of 13% in 2025-27 thanks to positive fixed broadband provision. Moreover, the growth driver comes from the Data Center (DC) segment thanks to the increasing demand for AI and Cloud; Rental capacity improved when FPT Fornix HCM02 – FPT's largest data center came into operation, doubling the total number of racks to more than 7,000. In addition, the transfer of SCIC's shares to the Ministry of Public Security is expected to help FPT Telecom expand development space, such as access to public administrative data processing, implementing large-scale projects of the state in the field of telecommunications and cybersecurity.
- During the period of economic uncertainty from tariffs-related risks, businesses cut costs by 30% for activities not directly related to business, did not recruit new jobs in 2025 and applied more AI applications to improve productivity, accordingly, it is expected that the profit margin will be improved, partly compensating for the slowdown in revenue growth.
- After the market's discount, FPT is currently trading at a P/E of ~19.5x, much lower than the 2-year average P/E of 23.4x. This is also lower when compared to technology competitors in India (average P/E ~24x). We believe that at present, FPT has an attractive enough valuation for long-term investment goals, the difficulties of 2025 have been partly reflected in the price and the expectation that profit will improve from 2026 with the expectation of net profit growth of 20% in 2025-27.

Reiterate ADD with lower target price of VND124,000/share.

We revised the target price down 2% compared to the previous report, reaching 124,000VND/share (potential upside of 24%), mainly due to the downward revision of 2025-27 EPS growth by 0.3%/1%/0.4% respectively due to the cautious outlook of the IT segment. Pricing is based on the P/E methodology applied to three main business segments. The valuation is equivalent to 2025-26 P/E ~16.7x, which is lower than the 2-year average (23.4x) while maintaining a 20% net profit compound growth in 2025-27. Accordingly, although there are still difficulties in the short term, we realize that the recent discount has partly reflected those difficulties, and now FPT has returned to the attractive price area to start accumulating for the long term.

Figure 1: SOTP Valuation

(VNDbn)	Ownership (%)	Method	2025 NP	Multiple (x)	Equity value
IT	100%	P/E	5,571	22	131,233
Telecommunication	46%	P/E	3,439	16	28,476
Education & others	100%	P/E	2,067	13	31,454
(+) FRT	47%	market price			10,208
(+) Synnex FPT	48%	BV			1,016
(+) TPB	7%	market price			3,595
(+) FTS	18%	market price			2,260
Total					208,243
(+) Cash & Cash equivalent (adjusted)					8,426
(-) Debt (adjusted)					(5,312)
Total equity value					211,357
No of share outstanding (share)					1,703
Implied share price (VND/share)					124,108
Rounded share price (VND/share)					124,000
Upside (Include dividend yield)					26%

Sources: MBS Research

Figure 2: Peer comparison

Company	Ticker	Mkt cap US\$m	P/E (x)		P/B (x)		EV/EBITDA (x)		ROE (%)		ROA (%)		D/E (%)
			2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	
FPT CORP	FPT VN	6,553	18.2	15.2	3.9	3.5	11.0	9.4	23.7	23.3	12.2	12.6	40.0
Telecommunication													
TELSTRA CORP	TLS AU	36,211	23.9	22.6	3.9	4.0	8.4	8.1	14.4	18.8	6.5	6.8	110.2
TELEKOMUNIKASI	TLKM IJ	19,640	13.6	13.0	2.1	2.1	5.1	4.9	15.8	16.1	7.7	7.8	57.2
MAXIS BHD	MAXIS MK	6,598	18.7	17.7	4.6	4.4	8.6	8.4	24.5	25.2	6.8	6.9	151.0
INTOUCH HOLDINGS	INTUCH TB	9,091	23.1	na	7.5	na	114.0	na	38.9	43.1	35.9	35.1	5.0
GLOBE TELECOM	GLO PM	4,020	11.0	9.9	1.3	1.2	6.6	6.4	13.3	14.1	3.9	4.1	214.9
PLDT INC	TEL PM	4,564	7.3	6.9	2.0	1.8	5.3	5.0	28.2	26.6	5.8	6.4	277.0
Average			16.3	14.0	3.6	2.7	24.7	6.6	22.5	24.0	11.1	11.2	135.9
Median			16.2	13.0	3.0	2.1	7.5	6.4	20.2	22.0	6.7	6.9	130.6
IT services													
INFOSYS LTD	INFO IN	72,503	24.3	22.3	6.7	6.2	15.9	14.6	29.1	28.6	18.5	19.2	8.9
WIPRO LTD	WPRO IN	30,146	20.8	19.8	3.0	3.0	12.6	12.6	16.6	15.5	10.7	10.2	18.2
HCL TECH LTD	HCLT IN	46,221	24.8	23.1	6.2	5.7	16.1	14.4	24.9	24.8	16.7	19.7	9.4
TECH MAHINDRA LT	TECHM IN	16,785	29.5	25.1	4.5	4.7	19.2	16.6	15.7	18.9	9.6	10.1	7.2
CYIENT LTD	CYL IN	1,524	22.6	21.1	2.6	2.2	11.8	12.0	12.8	11.3	8.3	8.0	8.9
MPHASIS LTD	MPHL IN	6,237	31.9	28.9	4.9	5.3	17.3	18.2	18.4	18.8	11.7	12.9	19.6
L&T TECHNOLOGY S	LTTS IN	5,230	37.6	33.3	7.6	6.7	22.9	21.1	22.2	21.3	13.9	14.1	9.4
Average			27.4	24.8	5.1	4.8	16.5	15.6	20.0	19.9	12.8	13.5	11.7
Median			24.8	23.1	4.9	5.3	16.1	14.6	18.4	18.9	11.7	12.9	9.4

Sources: Bloomberg, MBS Research

Downside risks

- IT segment: 1) Intense competition from Indian competitors – a top destination for IT outsourcing. Potential risk from price competition could lead to lower profit margins; 2) New contract revenue may decline.
- Telecommunications segment: FPT faces strong competition from two major state-owned carriers, Viettel and VNPT. Moreover, the trend of using mobile broadband (5G trend) is becoming more and more popular, threatening the growth of demand for fixed broadband.

Upside catalyst

- Successful M&A deals will help FPT increase its market share.

- The amount of newly signed revenue improved better than expected in the last months of the year, which is the fulcrum for growth in 2026.

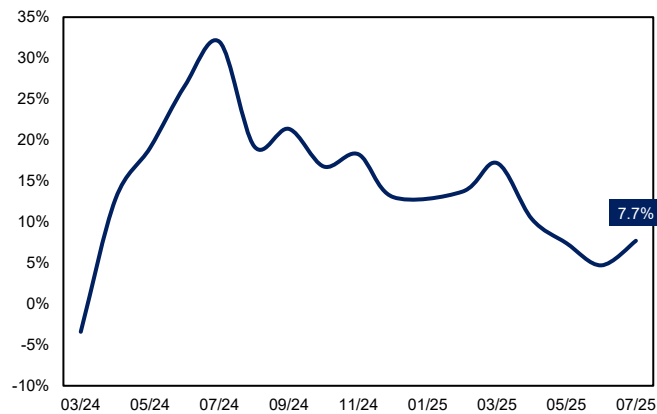
7M25 Business Results

Figure 3: Summary of FPT 7M25 business results (Unit: VNDbn)

	2Q25	%yoy	6M25	%yoy	%vs forecast	Comment
Net revenue	16,625	9.1%	32,723	11.5%	44%	Revenue grew by 11.5% yoy, below the company's target and slightly under MBS's forecast, mainly due to weaker-than-expected IT segment growth.
Technology	10,359	7.9%	20,128	11.3%	42%	
Global IT Services	8,483	12.0%	16,669	14.4%		Global IT market headwinds, particularly in FPT's key markets such as the US (+8.2%) and APAC (-3.4%), caused a sharp decline in 1H25 revenue. This downturn, which started in 4Q24, stemmed from tightened IT spending amid geopolitical uncertainties, resulting in new contract value rising by only 4.7% yoy in 1H25. However, there were encouraging signs in July 2025 when new contract value increased by 27% yoy, lifting the 7M25 figure to +7.7% yoy. Still, we believe this remains low, and FPT must improve this indicator to secure sufficient workload for sustaining growth in 2026.
Domestic IT Services	1,876	-7.7%	3,459	-1.6%		Domestic revenue fell 7.7% yoy in 2Q25, leading to a 1.6% yoy decline in 1H25, largely because Q2 last year benefited from a one-off gain. The segment returned to modest growth in July.
Telecommunication	4,775	12.8%	9,357	13.5%	49%	
Telecommunication service:	4,565	11.9%	9,030	13.4%		2Q25 telecom revenue rose 12% yoy and 13% yoy in 7M25, supported by strong fixed broadband results. During 1H25, FOX gained market share thanks to appealing packages tailored for young families and customized plans for gamers and content creators. Average selling prices also increased following the initial fee rise for new customers.
Online advertising	210	7.9%	327	17.6%		
Education & Other	1,491	5.9%	3,198	6.0%	49%	2Q25 education revenue grew 6% yoy, in line with 1H25. The company opened two new campuses in Hue and Soc Trang. Student intake at K-12 schools grew by around 25%, with further growth expected in August–September as new university and college admissions begin.
Gross profit	6,021	6.5%	12,322	10.4%	43%	2Q25 gross profit growth was modest at 6.5% yoy, with gross margin down about 1%pts, mainly due to higher depreciation costs as the AI factory in Japan commenced operations. This year, the company reduced headcount by 497 employees, partly offsetting margin pressure and helping maintain gross margin stability in 1H25.
Gross profit margin	36.2%	-0.9%	37.7%	-0.4%		
SG&A expense	3,703	12.2%	7,410	14.1%	44%	
SG&A/revenue	22.3%	0.6%	22.6%	0.5%		
Financial income	1,237	117.3%	1,810	76.4%	72%	2Q25 financial income surged 117% yoy. Amid a challenging backdrop, prudent management of short-term deposits drove deposit income up 43% yoy. Additionally, FPT recorded a foreign exchange gain of 86% yoy in 1H25.
Financial expense	531.3	57.2%	842.7	25.4%	50%	Financial expenses increased 57% yoy, mainly from higher short-term borrowings, pushing interest expenses up 28% yoy.
Profit before tax	3,141	17.7%	6,166	18.5%	47%	PBT rose 17.7% yoy, below the 21% full-year target. The company indicated that under its base-case scenario, FY25 PBT growth is expected at only 18–19% yoy.
Technology	1,418	9.3%	2,834	15.4%	43%	
Global IT Services	1,290	9.4%	2,681	16.6%		Overseas IT profit growth in 2Q25 was just 9.4% yoy, dragged down by declining revenue and higher depreciation from the AI factory. However, management noted that software outsourcing margins remained stable.
Domestic IT Services	130	12.1%	154	-2.4%		
Telecommunication	1,129	21.0%	2,096	19.2%	52%	
Education & Other	594	36.9%	1,236	25.2%	51%	
PAT	2,740	19.8%	5,336	20.0%	47%	
Net profit	2,257	20.4%	4,432	20.7%	47%	Overall, 2Q25 net profit rose 20.4% yoy, driving 1H25 net profit up 20.7% yoy, broadly in line with MBS's forecast.

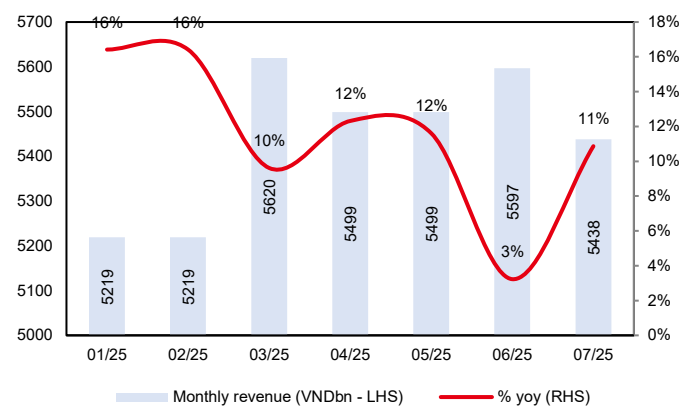
Source: FPT, MBS Research

Figure 4: Revenue from 7M25 tends to slow down significantly from 4Q24 due to difficulties from overseas markets



Source: FPT, MBS Research

Figure 5: Monthly revenue growth in the first 7 months of the year recorded a sharp decline, much lower than planned



Source: FPT, MBS Research

2025-27 forecast revision

Figure 6: Summary of FPT's business forecast in 2025-27

Unit: VNDbn	2025	%yoy	%Δ	2026	%yoy	%Δ	2027	%yoy	%Δ	Comment
Net revenue	71,888	14.4%	-2%	86,681	20.6%	-3%	105,508	-3%		We revised down 2025/26/27 revenue forecasts by 2%/3%/3%, primarily reflecting weaker assumptions for the Technology segment.
IT services	44,938	14.9%	-8%	55,798	24.2%	-8%	70,205	25.8%	-7%	For Technology, we cut revenue forecasts by -8%/-8%/-7% for 2025-27 to account for the global market downturn, a sharp drop in new contract value in 2025, and softer market share gains in key regions such as the US and APAC.
Telecom.	20,065	13.9%	5%	22,746	13.4%	9%	25,333	11.4%	10%	Conversely, we raised Telecom revenue forecasts by +5%/+9%/+10% in 2025/26/27, underpinned by stronger-than-expected performance in fixed broadband. FPT has expanded market share thanks to a competitive pricing strategy and high-quality offerings tailored for young households.
Education & Others	6,884	12.3%	6%	8,138	18.2%	6%	9,970	22.5%	0%	Education revenue forecasts were revised up by +6%/+6%/0% for 2025/26/27, reflecting higher student intake than previously expected. FPT continues to expand its K-12 schools across multiple provinces, attracting new students through strong teaching quality, solid brand reputation, and new programs in AI and semiconductors.
	-	0.0%	0%	-	0.0%	0%	-	0.0%	0%	
Gross profit	27,575	16.4%	-4%	33,437	21.3%	-4%	40,796	22.0%	-5%	We lowered gross profit forecasts by -4%/-4%/-3% in 2025/26/27, mainly due to higher depreciation costs as the two AI factories come into operation.
%GPM	38%	1.7%	0%	39%	0.6%	0%	39%	0.2%	0%	
SG&A	15,950	20.9%	-5%	19,232	20.6%	-6%	23,409	21.7%	-7%	SG&A expenses were revised down in line with lower revenue.
Net financial income	787	534.0%	26%	890	13.0%	22%	1,014	13.9%	13%	Net financial income for 2025 was revised up by 26%, largely on the back of a ~28% YoY increase in cash balance in 1H25, boosting deposit income along with FX gains, while assumptions for financial expenses remain unchanged. For 2026/27, net financial income was revised up by +22%/+13%, mainly reflecting higher deposit income.
Pretax profit	13,154	18.8%	-3%	15,899	20.9%	0%	19,276	21.2%	0%	
IT services	6,216	18.9%	-5%	7,792	25.3%	-6%	9,906	27.1%	-6%	
Telecom.	4,349	21.2%	8%	4,759	9.4%	6%	5,313	11.6%	9%	
Education & Others	2,632	16.9%	8%	3,050	15.9%	7%	3,685	20.8%	1%	
NPAT	11,281	19.7%	0%	13,540	20.0%	0%	16,416	21.2%	0%	
Minority interest	1,916	22.0%	3%	2,300	20.0%	2%	2,788	21.2%	3%	
Net profit	9,365	19.2%	-0.3%	11,240	20.0%	-1%	13,628	21.2%	-0.4%	In summary, we trimmed net profit forecasts for 2025/26/27 by -0.3%/-1%/-0.4%, mainly due to the cut in Technology earnings, partly offset by upward revisions in Telecom and Education.

Source: FPT, MBS Research

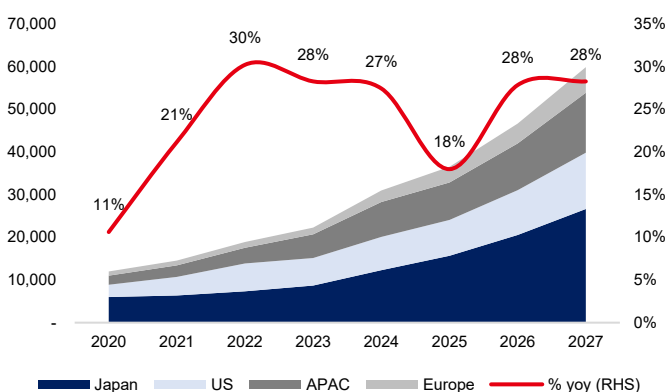
IT segment: There are signs of recovery from July

Adjusted down revenue for 2025/26/27 by 8%/8%/7%, and PBT decreased by 5%/5%/6% compared to the previous forecast. Accordingly, the segment's PBT is expected to grow by 18.9%/25.3%/27.1% yoy in this period.

The main difficulties come from the overseas IT market, in which, we expect growth to slow significantly in the US (+8.4% yoy) and APAC (+6.4% yoy) while the Japanese market will remain a support with a growth of 27% yoy in 2025. We saw some positive signals from the recovery in new signed sales in July 25 to 27% yoy, indicating more positive customer sentiment in the context of tariff conclusions gradually taking shape. In the domestic market, FPT expects that many large digital transformation project packages for localities, especially important after the merger of provinces, accordingly, growth can recover from 2026.

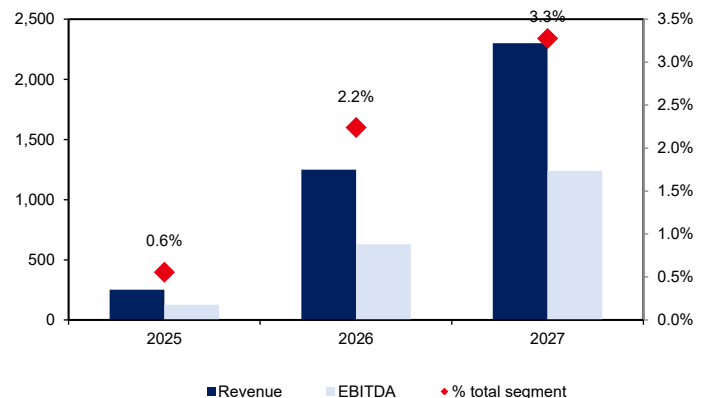
For the two AI factories, the current factory capacity is only ~10%, which is lower than expected. According to the business, with a scale of only ~100 million USD for two factories, quite small compared to competitors, having a few large customers can absorb all the demand. FPT shared that the expected revenue can reach ~US\$100m if the capacity reaches 90%, the EBITDA margin is 50-55%, respectively. According to our assumptions, revenue from the AI factory will be around VND1,300bn (equivalent to 50% of usage efficiency in 2026) and reach VND2,300bn in 2027 when capacity is maximized, contributing ~6% of total revenue. The company currently has no plans to continue expanding the new factory due to lower-than-expected demand

Figure 7: Projected revenue growth of global IT segment by main regions (Unit: VNDbn)



Source: FPT, MBS Research

Figure 8: Contribution from AI factories will increase sharply as the market returns to growth momentum from 2026



Source: FPT, MBS Research

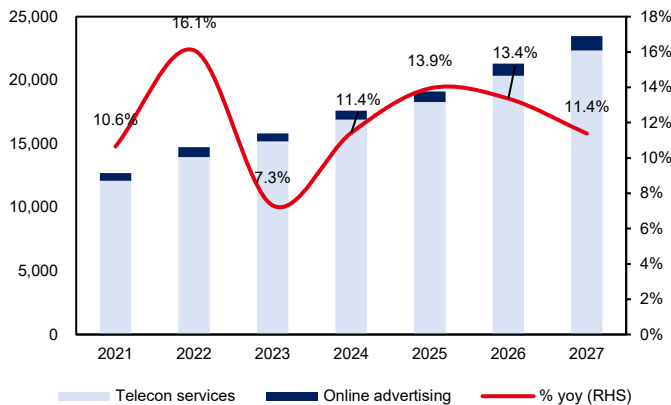
Telecom segment: Growth driven by fixed broadband

We revised up segment PBT forecasts by +8%/+9%/+11% for 2025/26/27, reflecting stronger-than-expected performance in 1H25. The main growth drivers remain fixed broadband. Accordingly, segment revenue is now projected to grow 13.9%/13.4%/11.9% yoy in 2025/26/27, with PBT increasing 21.2%/9.4%/11.9% yoy, respectively.

In 2025, FPT highlighted that fixed broadband subscriber market share expanded thanks to well-executed strategies, targeting young households and offering customized, high-quality packages for niche user groups such as gamers and content creators. In addition, the company implemented initial fee increase for new customers this year, further supporting revenue and profit growth. With this competitive positioning, we expect the segment to sustain healthy growth in the coming years.

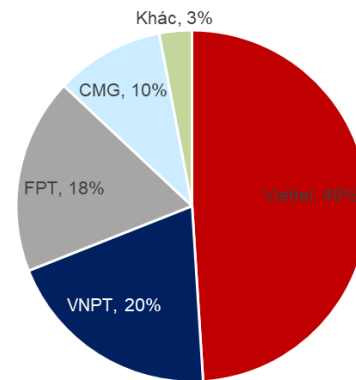
In 3Q25, the new data center in Ho Chi Minh City (Fornix HCM02) came online, doubling total capacity from 3,600 racks to nearly 7,000 racks. As of end-2024, the data center business recorded ~VND 735bn revenue (+50% YoY). For 2025, MBS forecasts revenue of ~VND 950bn (+30% YoY), and by 2026, with contributions from the new facility, revenue is expected to grow +50% to ~VND 1,433bn, accounting for 6.3% of total company revenue.

Figure 9: Telecom revenue is expected to grow at a compound of 12% in 2025-27 with the main drivers coming from fixed broadband and DC



Source: FPT, MBS Research

Figure 10: FPT is estimated to account for 18% of Vietnam's data center market share



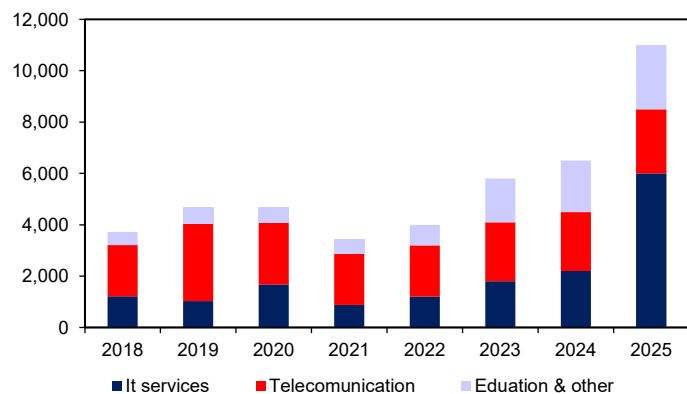
Source: MBS Research

Education segment: Recovery in new student enrollment

We made slight upward revisions to our Education segment forecasts for 2025–27, with revenue growth expected at +12.3%/+18.2%/+22.5% YoY and PBT growth at +16.9%/+15.9%/+20.8% yoy, respectively.

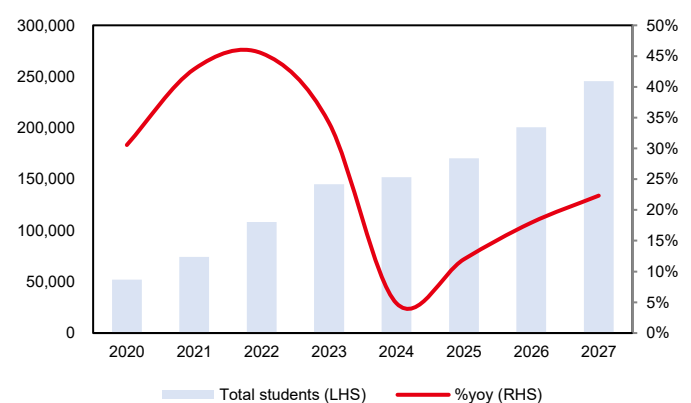
From 2025–27, new student enrollment is projected to grow at ~30% per year, supported by FPT's continued rapid expansion of integrated K-12 schools across multiple provinces. In addition, the launch of new training programs in semiconductors, AI, and automotive engineering is expected to further accelerate enrollment into FPT's education system. Revenue per student is projected to remain relatively stable during the initial expansion phase.

Figure 11: FPT continues to maintain a large investment in education in 2025, focusing on expanding branches in provinces (Unit: billion VND)



Source: FPT, MBS Research

Figure 12: The number of students is expected to gradually recover from 2025 thanks to the continuous expansion of school sites and the addition of new majors



Source: FPT, MBS Research

Financial statements

Income statement	2024	2025	2026	2027	Cash flow statement	2024	2025	2026	2027
Net revenue	62,963	71,888	86,681	105,508	Pre-tax profit	11,070	13,154	15,899	19,276
Cost of sales	(39,150)	(44,312)	(53,244)	(64,712)	Depreciation & amortization	2,535	2,909	3,163	3,463
Gross profit	23,698	27,575	33,437	40,796	Tax paid	(1,210)	(1,873)	(2,359)	(2,860)
Gen & admin expenses	(7,074)	(7,983)	(9,625)	(11,716)	Other adjustments	-	-	-	-
Selling expenses	(6,116)	(7,967)	(9,607)	(11,693)	Change in working capital	3,646	4,110	5,668	8,140
Operating profit	10,508	11,626	14,205	17,386	Cash flow from operations	11,704	11,546	12,894	15,238
Operating EBITDA	12,867	14,534	17,368	20,849	Capex	(3,275)	(3,558)	(3,736)	(4,466)
EBIT	10,508	11,626	14,205	17,386	Proceeds from assets sales	14	-	-	-
Interest income	1,936	2,566	2,803	3,086	Cash flow from investing activities	(8,462)	(5,593)	(5,856)	(6,713)
Financial expense	(1,812)	(1,779)	(1,913)	(2,072)	New share issuance	163	-	-	-
Net other income	45	74	89	109	Net borrowings	(1,955)	(2,357)	(2,841)	(3,426)
Income from associates	393	667	714	767	Other financing cash flow	(2)	-	-	-
Pre-tax profit	11,070	13,154	15,899	19,276	Dividends paid	(3,292)	(3,678)	(3,678)	(3,678)
Tax expense	(1,642)	(1,873)	(2,359)	(2,860)	Cash flow from financing activities	(2,198)	(5,379)	(5,633)	(6,034)
NPAT	9,427	11,281	13,540	16,416	Cash and equivalents at beginning of period	8,279	9,315	9,889	11,294
Minority interest	1,571	1,916	2,300	2,788	Total cash generated	1,044	574	1,405	2,491
Net profit	7,857	9,365	11,240	13,628	Cash and equivalents at the end of period	9,315	9,889	11,294	13,785
Ordinary dividends	(3,292)	(3,678)	(3,678)	(3,678)					
Retained earnings	4,565	5,687	7,562	9,950					
Balance sheet	2024	2025	2026	2027	Key ratios	2024	2025	2026	2027
Cash and equivalents	9,315	9,889	11,294	13,785	Net revenue growth	19.4%	14.4%	20.6%	21.7%
Short term investments	21,785	23,821	25,941	28,188	EBITDA growth	19.2%	13.0%	19.5%	20.0%
Accounts receivables	10,537	11,417	16,568	21,174	EBIT growth	24.3%	10.6%	22.2%	22.4%
Inventories	1,990	2,394	3,196	3,885	Pre-tax profit growth	20.3%	18.8%	20.9%	21.2%
Other current assets	45,536	51,572	63,288	76,991	Net profit growth	21.5%	19.2%	20.0%	21.2%
Total current assets	12,777	13,357	14,345	15,819	EPS growth	21.5%	19.2%	20.0%	21.2%
Tangible fixed assets	2,560	3,667	4,488	5,493					
Intangible fixed assets	-	-	-	-	Gross profit margin	37.7%	38.4%	38.6%	38.7%
Construction in progress	-	-	-	-	EBITDA margin	20.4%	20.2%	20.0%	19.8%
Investments in subsidiaries	-	-	-	-	Net profit margin	15.0%	15.7%	15.6%	15.6%
Investments in associates	5,675	5,595	6,309	7,076	ROAE	23.9%	23.7%	23.3%	22.9%
Other long-term investments	26,464	29,800	34,059	38,741	ROAA	11.9%	12.2%	12.6%	12.8%
Other long-term assets	72,000	81,372	97,347	115,733	ROIC	22.9%	23.0%	23.2%	23.2%
Total non-current assets									
Total assets	14,446	16,048	17,882	20,094	Asset turnover ratio	0.1	0.1	0.1	0.1
Short-term borrowings	3,981	4,783	5,820	7,080	Dividend payout ratio	41.9%	39.3%	32.7%	27.0%
Trade accounts payable	874	1,012	1,216	1,155	D/E	41.8%	38.3%	35.0%	31.9%
Other payables	34,836	36,762	42,810	48,373	Net debt to total equity	15.8%	15.6%	13.8%	10.9%
Total current liabilities	804	363	436	530	Net debt to asset	7.8%	8.3%	7.5%	6.2%
Long-term borrowings	501	601	722	866	Interest coverage ratio	19.0	17.6	19.2	20.9
Other long-term payables	1,436	1,149	1,381	1,668					
Total long-term liabilities	36,272	37,911	44,191	50,040	Days account receivable	60.4	57.2	68.8	72.2
Total liabilities	14,711	14,711	14,711	14,711	Days inventory	16.2	16.2	17.8	17.8
Common shares	50	50	50	50	Days account payable	40.4	32.0	31.9	32.0
Share premium	1,929	1,929	1,929	1,929					
Treasury shares	11,031	15,492	22,605	31,863	Current ratio	3.2	3.2	3.5	3.8
Undistributed earnings	2,033	1,899	2,279	2,763	Quick ratio	0.3	0.4	0.5	0.6
Investment and development funds	90	2,141	2,570	3,116	Cash ratio	2.2	2.1	2.1	2.1
Foreign exchange differences	5,933	7,361	9,162	11,444					
Shareholders' equity	35,728	43,460	53,156	65,692	Valuation				
	72,000	81,372	97,347	115,733	EPS (VND/share)	4,613	5,499	6,600	8,002
					BVPS (VND/share)	20,979	25,520	31,213	38,574
					P/E (x)	21.7	18.2	15.2	12.5
					P/B (x)	4.8	3.9	3.2	2.6

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

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 over the next 12 months
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

Sector Ratings

Positive	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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