

FPT Corporation (HOSE: FPT)

Keep reaching new heights

- FPT's net revenue and net profit (NP) increased by 20.8%/22.2% yoy in 8M24 thanks to strong growth from the technology segment (26.1%).
- We believe FPT is still a top stock for long-term investment with a 22% NP CAGR over 2024-26 and great upside potential thanks to AI trends.
- Reiterate Add with a higher TP of 158,800VND/share.

Solid performance in 8M24

FPT's net revenue increased by 20.8% yoy to VND39,664bn in 8M24 thanks to higher contribution from the technology segment. The technology segment in 8M24 soared by 26.1% yoy, achieving VND24,525bn thanks to strong revenue growth from the Japanese market (+34.4% yoy) and Asia-Pacific (+36.9% YoY). Telecommunications and education & others in 8M24 also recorded positive results with growth rates of 8.6% and 28.3% yoy, respectively. As a result, NP in 8M24 increased by 22.2% yoy to VND 5,007bn, fulfilling 62.6% our forecast.

Maintain bright IT outlook thanks to expanding market share in EU market

In Aug-24, FPT launched its first office in Stockholm, addressing the increasing need for digital transformation and expert IT professionals in industries such as healthcare, automotive, and finance. Located in Lindholmen Science Park, a prominent innovation hub home to over 375 leading companies, FPT now has direct access to global giants like Volvo, Ericsson, and IBM. This strategic expansion will enhance FPT's capacity to offer services and consulting to major corporations across the Nordic region and Europe. We forecast FPT's EU revenue to achieve VND5,189bn (+68% yoy) and account for 13% and total technology revenue of FPT in 2025. We forecast technology segment profit before tax (PBT) to reach 27.9% CAGR in 2024-26F.

New data centers to support telecom earnings growth from 2025F

We forecast telecom revenue to grow by 11.4%/9.5% in 2025F, driven by the expansion of Data Centers and the anticipated rebound in online advertising as businesses restore their marketing budgets. The Data Center segment is expected to flourish, fueled by the increasing demand for cloud computing services. FPT plans to further expand its Data Center network by opening a new facility in Ho Chi Minh City, slated for completion by 1Q25, which will bring the company's total number of Data Centers to 5. Overall, we forecast FPT telecom PBT to increase 17.7%/10.8%/9.9% yoy in 2024-26F.

Reiterate Add with a higher TP of 158,800VND/share

We believe FPT is still a top stock for long-term investment with a 22% NP CAGR over 2024-26 and great upside potential thanks to AI trends. We increase target price 9.5% vs. last report to 158,800VND/share driven by 1) rolling model to FY25F and 2) increase telecom revenue by 3.8%/5.7% vs. previous forecast thanks to the contribution from new data center in HCMC and 3) lower decrease net financial income by 17.3%/15.7% vs previous forecast due lower deposit rate our expectation.

Financial indicators	2023	2024F	2025F	2026F
Net revenue	52,625	63,152	77,255	94,374
Net profit	6,557	8,152	9,687	11,760
Net revenue (yoy)	19.5%	20.0%	22.3%	22.2%
Net profit (yoy)	25.7%	22.5%	21.1%	21.4%
Gross margin	38.6%	39.0%	39.0%	39.1%
EBITDA margin	20.3%	20.3%	20.0%	19.7%
ROAE	24.1%	24.0%	23.0%	22.9%
ROAA	11.9%	12.4%	12.6%	12.7%
EPS (VND/share)	4,558	5,582	6,759	8,205
BVPS (VND/share)	23,570	26,038	31,580	38,793

Source: MBS Research

ADD

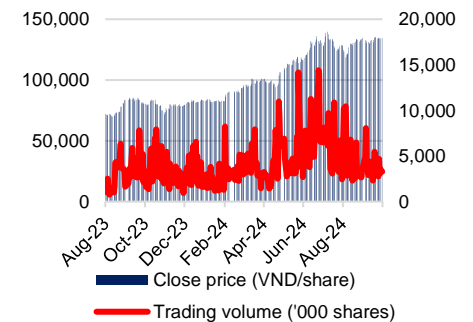
Target price

VND158,800

Upside

15%

Information



Source: Fiinpro, MBS Research

Market price (VND)	134,100
High 52w (VND)	139,600
Low 52w (VND)	71,680
Market cap (VNDbn)	195,846
P/E (TTM)	27.4
P/B	7.1
Dividend yield (%)	1.4
Foreign ownership ratio (%)	46.3

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

Ownership structure

Truong Gia Binh	6.1
SCIC	5.0
Others	88.9

Analyst



Nguyen Duc Hao

Hao.Nguyenduc@mbs.com.vn

FPT Corporation (HOSE: FPT)

Investment thesis & Valuation

Investment thesis

- We forecast technology revenue to increase 24.2%/30.3%/28.2% yoy in FY24/25/26 driven by (1) steady growth in new signed revenue and (2) expected strong growth in global IT spending in 2024 and 3) higher contribution from EU market.
- We forecast telecom revenue to grow by 11.4%/9.5%/9.1% in FY24/25/26F, driven by the expansion of Data Centers and the anticipated rebound in online advertising as businesses restore their marketing budgets.
- We forecast FPT's 2024/25/26 net profit to grow 22.5%/21.1%/21.4% yoy.
- The current price is 19.8x/16.3X at FY25F/26F P/E , which is 16.8%/31.5% below P/E 1-year average of 23.8x. Furthermore, this P/E is still much lower than its technology competitors in India (average 26.5x in P/E 2025F). We believe FPT is still a top stock for long-term investment with a 22% NP CAGR over 2024-26 and great upside potential thanks to AI trends.

Valuation

We increase target price by 9.5% vs. previous report as 1) we roll model to FY25F and 2) increase telecom revenue by 3.8%/5.7% vs. previous forecast thanks to the contribution from new data center in HCMC and 3) lower decrease net financial income by 17.3%/15.7% vs. previous forecast due to lower deposit rate our expectation. Our valuation is still based on the P/E methodology, with P/E multiple approach for its three main business segments. Our valuation is derived from the regional FY24F P/E median corresponding to each segment with a discount of 20% on technology and telecom peer's median P/E due to the distance in interest rates between Vietnam and other observed countries (e.g. India, Philippines, Thailand).

Hình 1: Valuation

VNDbn	FPT's ownership	NP 2025	P/E	Equity value 2025
Technology	100%	5,747	22.0	126,430
Telecommunication	46%	3,352	16.0	53,625
Education	100%	3,028	12.0	36,332
Total				216,387
Cash & equivalent				29,801
(+) other assets				7,033
(-) debt				(15,146)
(-) Minority interest				(6,095)
Equity value FY25F (VNDbn)				231,979
Outstanding share				1,460,464,206
Value per share (VND/share)				158,839
Target price (rounded) (VND/share)				158,800

Source: MBS Research

Figure 2: Peer comparison

Companies name	Sticker Bloomberg	Market cap US\$m	P/E(x)		P/BV(x)		ROA		ROE (%)	
			TTM	2024	Current	2024	TTM	2024	TTM	2024
Telecom										
TELSTRA CORP	TLS AU	42,807	27.4	20.0	3.0	2.8	4.6	5.7	13.2	13.6
TELEKOMUNIKASI	TLKM IJ	22,617	12.1	11.5	2.2	2.0	9.1	9.5	18.1	18.2
MAXIS BHD	MAXIS MK	8,917	27.3	20.6	4.9	4.7	5.9	7.7	22.1	23.4
INTOUCH HOLDINGS	INTUCH TB	9,394	22.1	23.6	7.7	6.5	20.5	23.0	31.4	33.0
GLOBE TELECOM	GLO PM	12,220	14.1	15.9	2.1	1.9	5.8	4.7	13.7	12.7
PLDT INC	TEL PM	11,552	12.7	9.7	3.0	2.5	5.1	5.7	27.4	25.7
CMC Corporation	CMG VN	544	41	na	5.0	na	4.7	na	10.1	na
Average			22.4	16.9	4.0	3.4	8.0	9.4	19.4	21.1
Median			22.1	18.0	3.0	2.7	5.8	6.7	18.1	20.8
Global IT services										
INFOSYS LTD	INFO IN	93,795	30.3	30.2	8.5	6.4	29.3	30.8	19.5	21.0
WIPRO LTD	WPRO IN	33,065	25.2	23.4	3.0	3.0	15.2	15.4	10.3	11.4
HCL TECH LTD	HCLT IN	60,751	30.5	28.6	5.0	5.2	24.7	26.6	16.5	17.9
TECH MAHINDRA LT	TECHM IN	20,331	61.7	34.9	3.9	4.2	15.9	20.8	11.3	12.6
CYIENT LTD	CYL IN	2,744	30.5	28.4	2.8	4.3	19.8	21.3	11.3	12.1
MPHASIS LTD	MPHL IN	7,065	35.5	32.5	5.2	4.7	19.2	20.7	15.8	16.8
L&T TECHNOLOGYS	LTTS IN	6,749	41.8	40.2	9.2	7.7	24.2	24.9	17.8	19.0
Birlasoft Ltd	BSSOFT IN	2,372	31.9	29.0	6.5	na	18.0	na	23.0	na
Average			35.9	30.9	5.5	5.1	20.8	22.9	15.7	15.8
Median			30.5	30.2	5.0	4.7	19.8	21.3	15.8	16.8

Source: Bloomberg, MBS Research

Investment risks

Fierce competition from Indian peers in overseas markets and from domestic Internet service providers in the telecom segment. In the global market, India is generally the first IT outsourcing destination for businesses given that it has a mature software industry with a large number of skillful IT specialists. As such, India will continue to be a favourite destination for IT services. We believe that competition from Indian rivals is a big challenge for FPT in terms of its ability to gain global market share.

Domestically, we believe fierce competition from two large state-owned carriers – Viettel (Unlisted) and VNPT (Unlisted) is a concern for FPT in the telecom segment. In order to compete, FPT needs to boost spending on upgrading infrastructure and provide value-added services on its products to expand its penetration, which would lead to rising investment costs.

Downside risks

FPT is focusing on M&A to expand its brand and customer base overseas to expand its digital transformation business extensively, translating into great potential for the company, in our view. A successful M&A deal will help FPT increase market share in the host country.

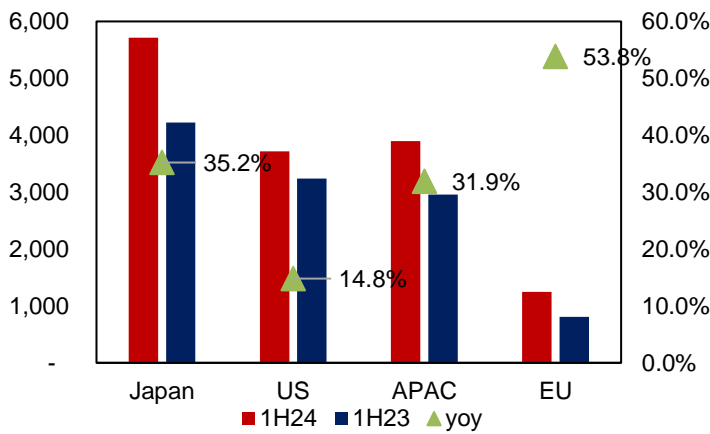
Solid performance in 8M24

Figure 3: 8M24 business results (VNDbn)

	1H24	1H23	% yoy	8M24	8M23	% yoy	% MBS forecast	Comment
Net revenue	29,338	24,166	21.4%	39,664	32,826	20.8%	63.2%	In 8M24, FPT's net revenue grew by 20.8% yoy to VND39,664bn, driven by the robust performance of the technology segment, which surged 26.1% yoy.
Technology	18,077	14,200	27.3%	24,525	19,449	26.1%	63.4%	Technology segment in 8M/24 contributed 60.3% to total revenue (8M/2023: 58.1%). Digital transformation revenue (Dx) in 8M/2024 continues to improve with revenue reaching VND3,881bn (+32% yoy), focusing on new technologies such as Cloud, AI/Data Analytics, Product Engineering
Global IT Services	14,573	11,227	29.8%	19,934	15,292	30.4%	64.7%	In 8M24, global IT services revenue soared by 29.2% yoy to VND9,450bn, accounting for 82.5% of technology revenue thanks to positive sales growth in the Japanese market (+34.4% yoy) and Asia - Pacific (+36.9% yoy). Newly signed revenue reached VND22,774bn (+19.2% yoy), mainly because FPT pushed forward new signings to the end of 2023. In 8M24, FPT continued to record many large orders from foreign markets, winning bids for 29 large projects with a scale of over 5m USD.
Domestic IT Services	3,504	2,975	17.8%	4,591	4,196	8.6%	58.1%	The domestic IT services increased 8.6% in 8M24, driven by increased technology investment demand from the banking and finance sector.
Telecommunication	7,966	7,424	7.3%	11,228	10,339	8.6%	64.2%	Good revenue growth from broadband internet services.
Telecommunication services	7,966	7,424	7.3%					
Online advertising	278	258	7.6%					
Education & Other	3,017	2,282	32.2%	3,911	3,048	28.3%	55.1%	The education sector maintained growth momentum thanks to high demand for IT education.
Gross profit	5,151	4,286	20.6%					
Gross profit margin	17.6%	17.7%	-0.2%					
SG&A expense	6497	5,408	20.1%					
SG&A/revenue	22.1%	22.4%						
Financial income	1026	1299	-21.0%					Financial income decreased by 21% yoy due to a decrease in interest income from deposits due to a sharp decrease in deposit interest rates.
Financial expense	671	784	-14.4%					
Profit before tax	5,197	4,338	19.8%	7,077	5,902	19.9%	61.3%	
Technology	2,452	2,005	22.3%	3,370	2,740	23.0%	60.1%	
Global IT Services	2,295	1,834	25.1%	3,182	2,513	26.6%	62.0%	
Domestic IT Services	157	171	-8.2%	188	226	-17.0%	39.6%	
Telecommunication	1,697	1,474	15.1%	2,378	2,050	16.0%	74.9%	Pre-tax profit of this segment reached VND2,378bn (+16.0% yoy) thanks to SG&A improvement in internet lease-line.
Education & Other	987	820	20.4%	1,330	1,113	19.5%	49.9%	
PAT	4,443	3,665	21.2%	6,029	4,995	20.7%	61.7%	
Net profit	3,671	3,002	22.3%	5,007	4,086	22.5%	62.6%	

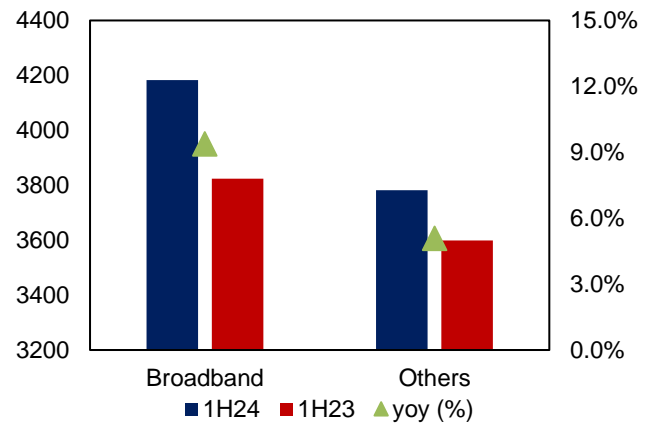
Source: FPT, MBS Research

Figure 4: FPT's global IT service revenue by market in 1H24 (VNDbn)



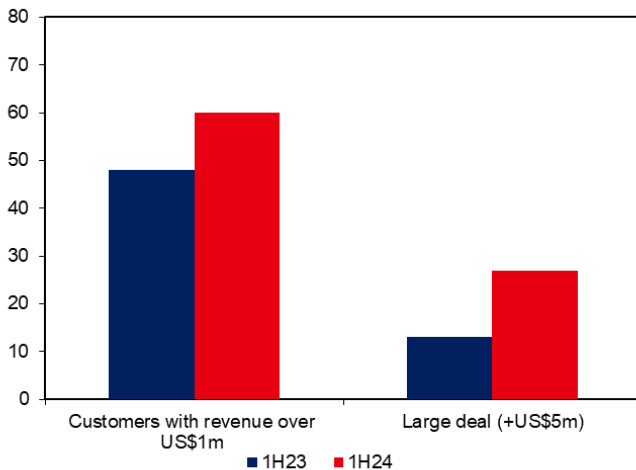
Source: FPT, MBS Research

Figure 5: Telecommunication services revenue maintain sustainable growth



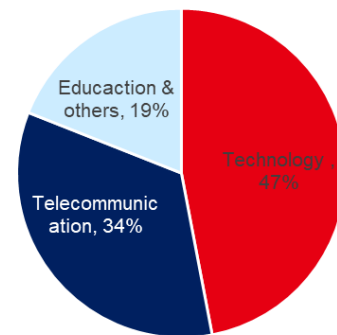
Source: FPT, MBS Research

Figure 6: The number of customers contributing over 1 million USD in revenue increased by 34% yoy



Source: FPT, MBS Research

Figure 7: Technology segment still contributes the highest proportion to FPT's PBT in 1H24



Source: FPT, MBS Research

Business Outlook 2024-26: Everything's coming up roses

Technology segment: Maintain bright IT outlook thanks to expanding market share in EU market

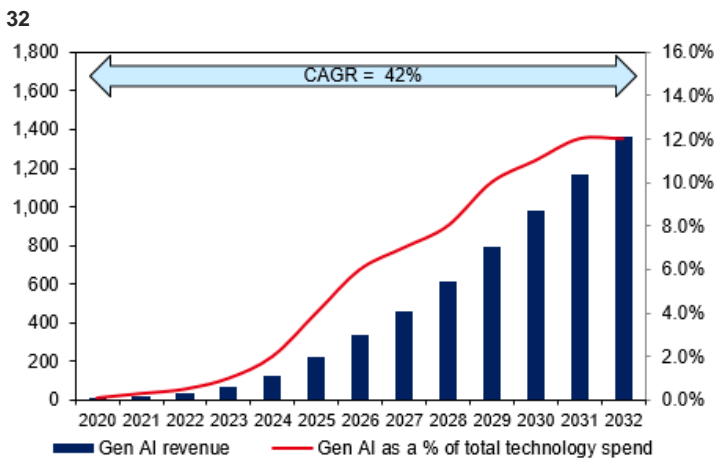
High demand for AI and IT services support FPT's technology earnings in 2024

According to Fortune Business Insight, the global generative AI market, valued at 43.87US\$bn in 2023, is projected to reach USD 967.65 billion by 2032, with a CAGR of 39.6%, led by North America's 49.78% market share. AI is now widely used in everyday tasks such as information retrieval, content creation (text, images, videos), and decision support. According to The Forrester, labor productivity and problem-solving capabilities of organizations will increase by 50% thanks to AI software development initiatives.

Gartner's latest report has forecast that IT services expenditure in 2024 will become the largest spending sector in the IT industry with 1,501US\$bn, accounting for 30.5% of total global IT spending (+7.1% yoy). Meanwhile,

spending on software is expected to increase 12.6% yoy to 1,096US\$bn. This increase comes from businesses' investment demand in digital transformation projects and business performance. In 1H24, the main markets that bring the largest revenue to FPT, the US and Asia Pacific, will have the largest spending on digital transformation, accounting for 35.8% and 33.5% of total global Digital transformation (Dx) spending, respectively.

Figure 8: Global Generative AI revenue to grow at 42% CAGR in 2020-



Source: Bloomberg intelligence, MBS Research

Figure 9: Global IT spending forecast (Unit: US\$bn)

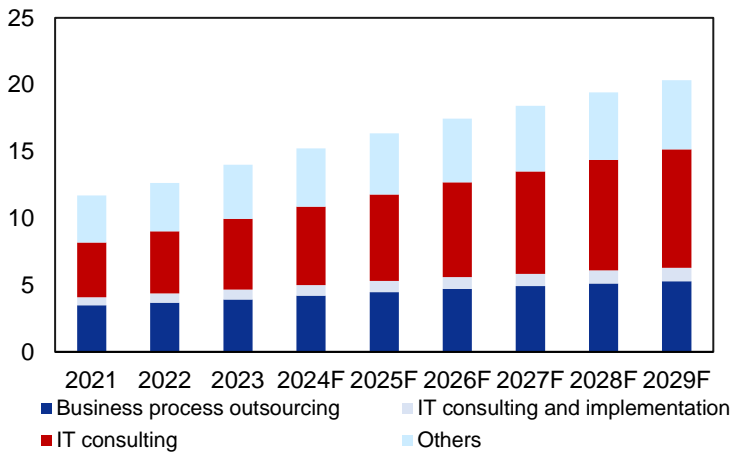
	2023		2024	
	Spending	yoy (%)	Spending	yoy (%)
Data Center Systems	236	4	293	24.1
Devices	692	-6.5	730	5.4
Software	974	11.5	1,096	12.6
IT Services	1,503	4.9	1,609	7.1
Communications Services	1,491	3.2	1,537	3.0
Total	4,679	3.8	5,267	7.5

Source: Gartner, MBS Research

Expanding market share in the European market

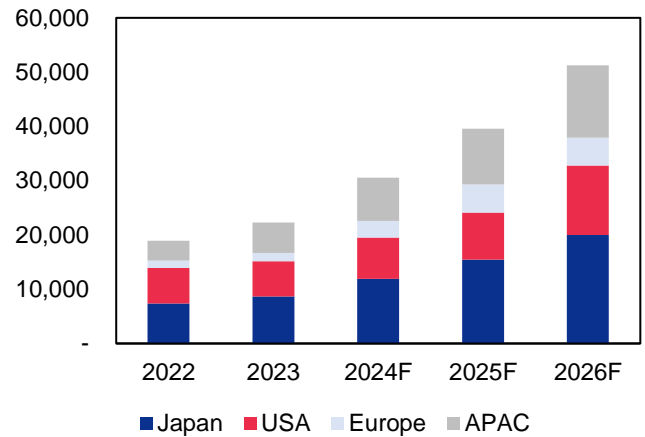
Furthermore, at the Vietnam-Sweden Business Forum in August 2024, FPT launched its first office in Stockholm, addressing the increasing need for digital transformation and expert IT professionals in industries such as healthcare, automotive, and finance. Located in Lindholmen Science Park, a prominent innovation hub home to over 375 leading companies, FPT now has direct access to global giants like Volvo, Ericsson, and IBM. This strategic expansion will enhance FPT's capacity to offer services and consulting to major corporations across the Nordic region and Europe. According to Statista Market Insight, revenue in the IT Services market is projected to reach US\$15.23bn in 2024 and CAGR 5.94% CAGR in 2024-2029. In which, IT outsourcing dominates the market with a projected market volume of US\$8.86bn in 2029. We forecast FPT's EU revenue to achieve VND5,189bn (+68% yoy) and account for 13% and total technology revenue of FPT in 2025. Overall, we forecast technology revenue and PBT to increase 22.2%/26.1%/26.3% yoy and 27.8%/27.7%/28.1% in FY24/25/26F.

Figure 10 : IT services expenditure in Sweden in 2021-29F



Source: Statista Market Insight, MBS Research

Figure 11: We forecast FPT's EU revenue to account for 13% of FPT's total technology revenue by 2025F



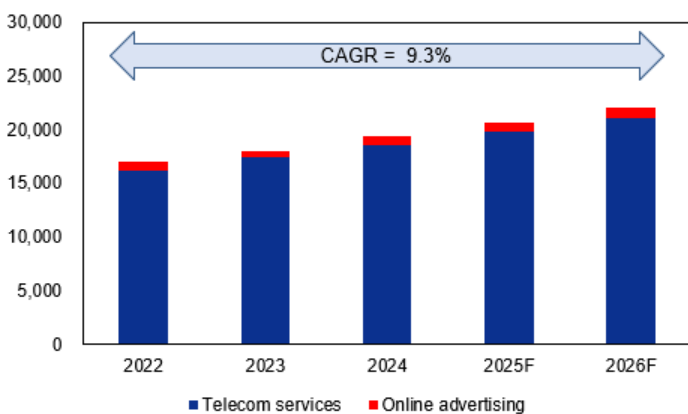
Source: FPT, MBS Research

Telecommunication segment: We forecast telecommunication PBT to reach 12% CAGR in FY24-26F thanks to contribution from new data centers

We expect new data center in HCMC to come online in 1Q25

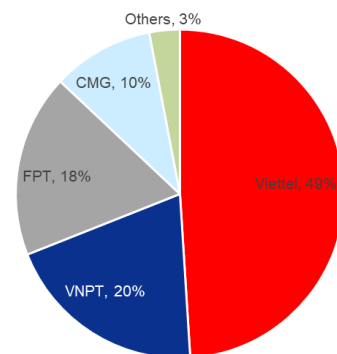
We forecast telecom revenue to grow by 9.5% in 2025, driven by the expansion of Data Centers and the anticipated rebound in online advertising as businesses restore their marketing budgets. The Data Center segment is expected to flourish, fueled by the increasing demand for cloud computing services. FPT plans to further expand its Data Center network by opening a new facility in Ho Chi Minh City, slated for completion by 1Q25, which adding 476 racks into current capacity (+13%). Thus, we forecast data center revenue to soar 30%/60%/40% yoy in FY24F/25F/26F, respectively. Overall, we forecast CAGR of telecommunication PBT to reach 12.0% in FY24-26F.

Figure 12: Telecommunication revenue will reach 9.3% CAGR in FY22-26F



Source: FPT, MBS Research

Figure 13: FPT will account for 18% of the data center market share in Vietnam by 2025



Source: MBS Research

AI factory in Japan could contribute to FPT's revenue in 2025

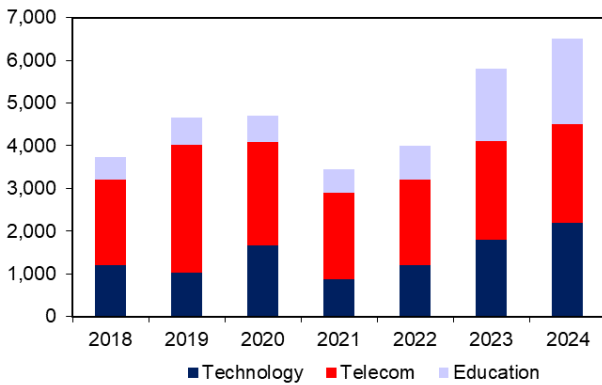
FPT plans to build an AI factory to supply GPUs in the Japanese market. According to management, Japan's AI market is experiencing rapid growth, with increasing demand for AI technologies across various industries. Moving into 2024 and beyond, the Japanese AI market is expected to evolve future, particularly in sectors such as smart cities, healthcare, manufacturing, and finance, where AI adoption is set to expand significantly. FPT plans to lease a data center to deploy AI services in Japan instead of building a new one. We expect AI factory in Japan to commence operation in 1Q25.

Education segment to continue impressive growth in 2024-26

FPT continues to ramp up investments in its education sector in 2024, with a total investment of VND2,000bn, marking a 17.6% increase from 2023. This investment aims to expand its network of integrated K-12 schools in various provinces across Vietnam, including Thanh Hoa and Hau Giang. Additionally, FPT University is launching a new Faculty of Semiconductor Engineering, with the first intake of students expected in 2024. In line with this, FPT has proposed to the government a framework to train 30,000 to 50,000 semiconductor engineers by 2030.

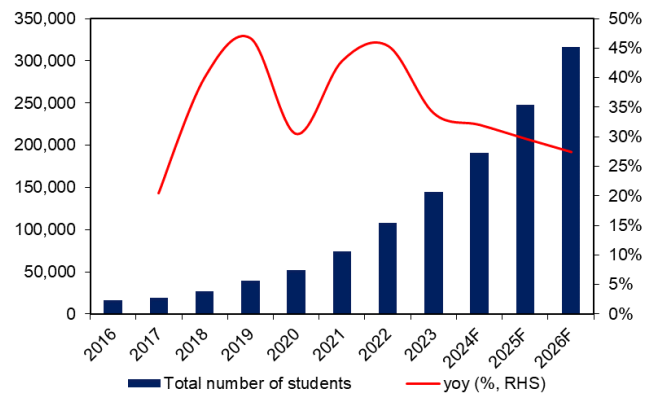
We forecast education revenue to achieve 31.2% CAGR in 2024-26 driven by an anticipated increase in student numbers, which are expected to hit 191,000/248,000/316,000 students in FY24F/25F/26F.

Figure 14: FPT continues to increase investment in education in 2024 (VNDbn)



Nguồn: FPT, MBS Research

Figure 15: FPT's annual student in the period 2016-26F



Nguồn: FPT, MBS Research

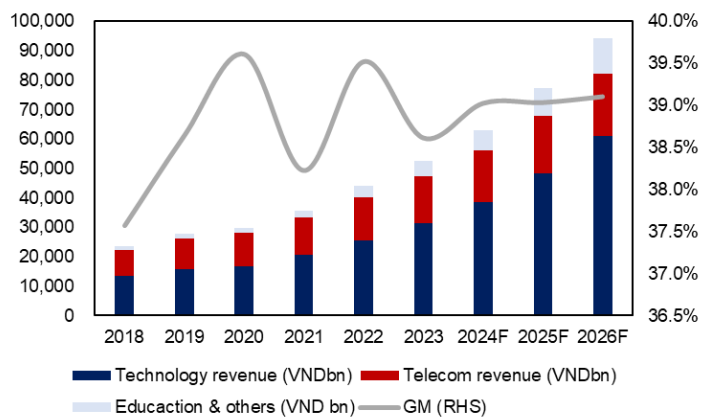
FY24-26F earnings revision

Figure 14: FPT's earnings forecast in 24-26

VNDbn	2023F		2024F				2025F				2026F	Comments
	Old	New	% yoy	% change	Old	New	% yoy	% change	% yoy			
Net revenue	52,618	62,770	63,152	20%	0.61%	75,408	77,255	22.3%	2.45%	94,374	22.2%	
Technology	31,449	38,705	38,437	22.2%	-0.7%	47,644	48,451	26.1%	1.69%	61,212	26.3%	
Telecom	15,806	16,963	17,613	11.4%	3.8%	18,248	19,288	9.5%	5.70%	21,036	9.1%	We increase telecom revenue by 3.8%/5.7% vs. previous forecast thanks to the contribution from new data center in HCMC
Education & others	5,363	7,102	7,102	32.4%	0.0%	9,516	9,516	34.0%	0.00%	12,127	27.4%	
Gross profit	20,320	24,419	24,647	21.3%	0.9%	29,160	30,158	22.4%	3.42%	36,907	22.4%	
Blended GPM	38.6%	38.9%	39.0%	0.4%	0.3%	38.7%	39.0%	0.0%	0.95%	39.1%	0.2%	
SG&A	11,868	14,471	14,559	22.7%	0.6%	17,385	17,811	22.3%	2.45%	21,757	22.2%	
as % of revenue	22.6%	23.1%	23.1%	0.5%	0.0%	23.1%	23.1%	0.0%	0.00%	23.1%		We decrease net financial income by 17.3%/15.7% vs previous forecast due lower deposit rate our expectation.
Net financial income	618	834	690	11.7%	-17.3%	943	795	15.2%	-15.70%	903	13.6%	
Pre-tax profit	9,404	11,553	11,549	22.8%	0.0%	13,558	13,985	21.1%	3.15%	16,977	21.4%	
Technology	4,161	5,495	5,316	27.8%	-3.2%	6,992	6,792	27.7%	-2.86%	8,703	28.1%	
Telecom	3,036	3,230	3,574	17.7%	10.6%	3,430	3,961	10.8%	15.48%	4,352	9.9%	
Education & others	2,005	2,828	2,659	32.6%	-6.0%	3,136	3,233	21.6%	3.09%	3,923	21.4%	
Profit after tax	7,980	9,776	9,772	22.5%	0.0%	11,472	11,834	21.1%	3.15%	14,365	21.4%	
Minority interest	1,323	1,773	1,620	22.5%	-8.6%	2,081	1,962	21.1%	-5.72%	2,381	21.4%	
Net profit	6,657	8,003	8,152	22.5%	1.9%	9,391	9,872	21.1%	5.12%	11,984	21.4%	

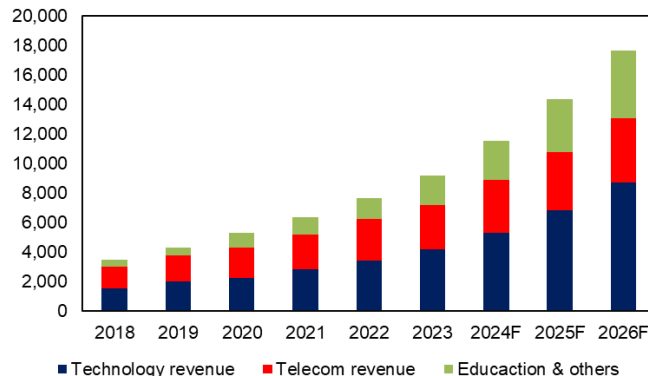
Source: FPT, MBS Research

Figure 15: Revenue by segment (units: VNDbn)



Source: MBS Research

Figure 16: PBT by segment (units: VNDbn)



Source: MBS Research

Financial statements

Income statement	31/12/23	31/12/24	31/12/25	31/12/26	Cash flow statement	31/12/23	31/12/24	31/12/25	31/12/26
Net revenue	52,625	63,152	77,255	94,374	Pre-tax profit	9,404	11,549	13,985	16,977
Cost of sales	(32,298)	(38,505)	(47,097)	(57,467)	Depreciation & amortization	2,287	2,737	3,068	3,433
Gross profit	20,320	24,647	30,158	36,907	Tax paid	(971)	(1,777)	(2,152)	(2,612)
Gen & admin expenses	(6,625)	(8,244)	(10,085)	(12,320)	Other adjustments	-	-	-	-
Selling expenses	(5,243)	(6,315)	(7,726)	(9,437)	Change in working capital	654	3,636	2,669	8,755
Operating profit	8,452	10,088	12,348	15,150	Cash flow from operations	9,517	11,138	14,487	17,577
Operating EBITDA	10,677	12,825	15,416	18,583	Capex	(3,978)	(3,669)	(3,828)	(4,255)
EBIT	8,452	10,088	12,348	15,150	Proceeds from assets sales	29	-	-	-
Interest income	2,336	2,163	2,388	2,629	Cash flow from investing acti	(6,548)	(5,659)	(5,516)	(5,993)
Financial expense	(1,718)	(1,473)	(1,593)	(1,726)	New share issuance	73	-	-	-
Net other income	292	113	138	169	Net borrowings	(1,790)	1,996	2,229	2,492
Income from associates	42	658	704	755	Other financing cash flow	(30)	-	-	-
Pre-tax profit	9,404	11,549	13,985	16,977	Dividends paid	(2,931)	(3,651)	(3,651)	(3,651)
Tax expense	(1,424)	(1,777)	(2,152)	(2,612)	Cash flow from financing acti	(1,168)	(2,052)	(5,441)	(1,655)
NPAT	7,980	9,772	11,834	14,365	Cash and equivalents at beginning o	6,440	8,279	11,707	15,236
Minority interest	1,323	1,620	1,962	2,381	Total cash generated	1,800	3,427	3,529	9,929
Net profit	6,657	8,152	9,872	11,984	Cash and equivalents at the €	8,279	11,707	15,236	25,165
Ordinary dividends	(2,931)	(3,651)	(3,651)	(3,651)	Financial ratios	31/12/23	31/12/24	31/12/25	31/12/26
Retained earnings	3,726	4,501	6,221	8,333	Net revenue growth	19.5%	20.0%	22.3%	22.2%
Balance sheet	31/12/23	31/12/24	31/12/25	31/12/26	EBITDA growth	24.9%	20.1%	20.2%	20.5%
Cash and equivalents	8,279	11,707	15,236	25,165	EBIT growth	25.0%	19.4%	22.4%	22.7%
Short term investments	16,104	18,094	19,783	21,521	Pre-tax profit growth	22.9%	22.8%	21.1%	21.4%
Accounts receivables	9,058	10,209	12,489	15,257	Net profit growth	25.7%	22.5%	21.1%	21.4%
Inventories	1,725	2,654	3,246	3,961	EPS growth	25.7%	22.5%	21.1%	21.4%
Total current assets	36,706	44,731	53,282	68,992	Gross profit margin	38.6%	39.0%	39.0%	39.1%
Tangible fixed assets	12,386	14,013	15,751	17,610	EBITDA margin	20.3%	20.3%	20.0%	19.7%
Construction in progress	1,315	1,591	1,948	2,384	Net profit margin	15.2%	15.5%	15.3%	15.2%
Investment properties	-	-	-	-	ROAE	24.1%	24.0%	23.5%	23.3%
Long-term investments	-	-	-	-	ROAA	11.9%	12.4%	12.6%	12.7%
Investments in subsidiaries	-	-	-	-	ROIC	23.3%	22.7%	23.1%	23.3%
Other non-current assets	4,958	5,090	5,794	6,549	Asset turnover ratio	0.1	0.1	0.1	0.1
Non current assets	23,577	26,179	31,948	34,186	Dividend payout ratio	44.0%	44.8%	37.0%	30.5%
Total assets	60,283	72,762	86,888	104,556	D/E	46.9%	41.1%	37.8%	34.3%
Short-term debt	13,838	15,396	17,136	19,072	Net debt to total equity	19.3%	10.4%	4.8%	-10.1%
Short-term borrowings	3,463	4,235	5,168	6,321	Net debt to asset	9.6%	5.6%	2.6%	-5.6%
Trade accounts payable	1015	891	1,090	1,329	Interest coverage ratio	10.2	16.2	17.8	19.6
Current liabilities	29,652	34,040	39,923	46,878	Days account receivable	62.0	58.2	58.2	58.2
Long-term debt	208	250	300	360	Days inventory	16.1	20.3	20.3	20.3
Other non-current liabilities	357	279	342	417	Days account payable	29.4	31.6	32.0	32.0
Total long-term liabilities	698	694	843	1,023	Current ratio	2.7	2.9	3.1	3.6
Total liabilities	30,350	34,734	40,766	47,900	Quick ratio	0.2	0.3	0.3	0.5
Common shares	12,700	14,605	14,605	14,605	Cash ratio	18	19	2.0	2.4
Share premium	50	50	50	50	Valuaion				
Treasury shares	-	-	-	-	EPS	4,558	5,582	6,759	8,205
Undistributed earnings	8,674	13,724	19,575	27,288	BVPS	23,570	26,038	31,580	38,793
Investment and developmer	1,550	1,597	1,934	2,348	P/E	29.4	24.0	19.8	16.3
Shareholders' equity	2,019	2,011	2,435	2,956	P/B	5.7	5.1	4.2	3.5
Minority interest	4,959	6,095	7,588	9,489					
Total shareholders' equity	29,933	38,028	46,122	56,655					
Total liabilities & equity	60,283	72,762	86,888	104,556					

DISCLAIMER

This report has been written and distributed by MBS Research Center, MBS Securities JSC (MBS). It is based on information obtained from sources believed to be reliable, but MBS does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness for any particular purpose. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained herein does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This report and all of its content belongs to MBS. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of MBS.

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.

Segment Ratings

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

ABOUT MBS

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.

Address:

MB Building, 21 Cat Linh, Dong Da Dist., Hanoi

Tel: + 8424 7304 5688 - Fax: +8424 3726 2601

Website: www.mbs.com.vn

MBS RESEARCH DEPARTMENT

Director, Head of Research

Hien Tran Thi Khanh

Deputy Head of Equity Research

Dzung Nguyen Tien

Macro & Market Strategy

Hung Ngo Quoc
Cuong Nghiem Phu
Vo Duc Anh
Anh Ha Dinh

Banking – Financial Services

Luyen Dinh Cong
Hao Nguyen Duc

Real Estate

Duc Nguyen Minh
Thanh Le Hai

Consumer - Retail

Ly Nguyen Quynh

Industrials – Energy

Tung Nguyen Ha Duc
Huyen Pham Thi Thanh