

June 2022

FPT CORPORATION (HSX: FPT)
Sustaining healthy growth

(VND bn)	Q1-FY22	Q4-FY21	+/- (qoq)	Q1-FY21	+/- (yoy)
Net revenue	9,730	10,704	-9%	7,586	28%
PAT-MI	1,239	1,302	-5%	906	37%
EBIT	1,416	1,462	-3%	1,081	31%
EBIT margin	14.5%	13.7%	89bps	14.2%	30bps

Source: FPT, Rong Viet Securities

Q1-2022 – IT Services segment led earnings growth

- All business segments recorded healthy growth YoY. Revenue/PBT came at VND9.7 trillion (USD423mn, +28% YoY)/VND1.8 trillion (USD77mn, +27% YoY). Both completed 23% of the full-year guidance.
- IT services segment continued to grow robustly at 35% YoY despite the high base in the same period last year. Global/domestic IT services posted revenue growth of 30% YoY/50% YoY. Higher contribution from Digital Transformation services has widened profit margin for the segment (Q1-2021 PBT margin: 13.8%, +50bps YoY).
- Telecommunication is growing steadily due to increasing broadband internet and PayTV subscribers. PBT margin of this segment expanded to 19.6% (+240 bps YoY).
- The Education & Investment segment increased its EBT by 15% YoY.

2022F Outlook

Tech segment: We expect FPT Software to sign and deliver more large deals in the US market going forward as its nearshore delivery capabilities in the Americas enhanced after its investment in Intertec in July 2021.

Telecom segment: Pay TV, DC services and online advertising to provide high growth while broadband services will continue to grow steadily.

Education and investment: Key growth drivers are tuition fee raises, growing number of K-12 students and higher contribution from main JVs like FRT and Synnex FPT.

Overall, we forecast that revenue will amount to VND 44 trillion (USD 1.9 Bn, +24%YoY), while NPAT will reach VND 6,045 bn (USD261mn, +39% YoY) in 2022F.

Valuation and recommendation

Q1-2022 results are generally in line with our expectations and confirm our positive view on FPT earnings prospects as long-term drivers remain intact. The company's IT services segment will continue to benefit from the systematic trend of digital adoption, both globally and domestically, in the long-term, spearheading the Group's earnings outlook with a high projected PBT's 3Y CAGR of 26% over 2022F-25F. Over the same period, growing subscription of Pay TV and ramped up DC's capacity, amid steady growth of fixed broadband subscribers, will drive telecom segment's projected PBT's 3Y CAGR to 15%. The strong expansion for K-12 education and elevated earnings in key associates, namely FRT and Synnex FPT, will be supportive for the education, and investments segment's earnings. Projected 3Y CAGR of EPS for 2022F-25F of 21% makes the 2022F/23F PER of 14.7x/11.9x attractive. Besides, FPT's high weight in the VFMVN DIAMOND ETF (15.9% as of May 31, 2022) is a short-term catalyst for the stock amid strong net inflow in the ETF recently. **We raise the TP to VND 133,200** (implying 2022F/23F forward P/E of 20.1x/16.3x), reiterating our **ACCUMULATE** recommendation.

ACCUMULATE +17%

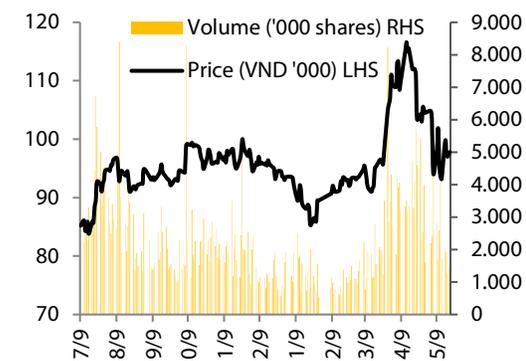
Current market price (VND)	115,300
Target price (VND)	133,200

Cash dividend	2,000
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Stock Info

Sector	Computer Services
Market Cap (VND billion)	89,408
Current Shares O/S	914.2
Avg. Daily Volume (in 20 sessions)	2,767,960
Free float (%)	33
52 weeks High	116,600
52 weeks Low	79,882
Beta	0.93

	FY2021	Current
EPS	4,779	5,141
EPS Growth (%)	21%	9%
Diluted EPS	4,779	5,141
P/E	19.5	19.0
P/B	3.9	3.9
EV/EBITDA	11.1	11.4
Cash dividend yield (%)	2.2%	2.1%
ROE (%)	24.2%	25.0%

Price performance

Major Shareholders (%)

Truong Gia Binh	6.1
SCIC	5.0
Foreign ownership room (%)	0.0

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Exhibit 1: Q1-2022 Results

(VND Bn)	Q1-FY22	Q4-FY21	+/- (qoq)	Q1-FY21	+/- (yoy)
Net revenue	9,730	10,704	-9.1%	7,586	28.3%
Gross profit	3,953	4,094	-3.4%	2,895	36.6%
SG&A	(523)	(181)	189.3%	(110)	377.4%
Operating income	4,477	4,275	4.7%	3,004	49.0%
EBITDA	1,846	1,920	-3.9%	1,467	25.8%
EBIT	1,416	1,462	-3.1%	1,081	31.0%
Financial expenses	268	367	-27.1%	141	89.6%
- Interest Expenses	146	138	5.6%	100	46.1%
Dep. and amortization	430	458	-6.1%	386	11.3%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	1,779	1,760	1.1%	1,397	27.4%
PAT	1,239	1,302	-4.8%	906	36.7%
(*) Adjusted PAT	1,239	1,302	-4.8%	906	36.7%

Source: FPT, Rong Viet Securities

Exhibit 2: Q1-2022 Performance Analysis

Particulars	Q1-FY22	Q4-FY21	+/- (qoq)	Q1-FY21	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	40.6%	38.3%	238bps	38.2%	247bps
EBITDA Margin	19.0%	17.9%	103bps	19.3%	-37bps
EBIT Margin	14.5%	13.7%	89bps	14.2%	30bps
Net Margin	12.7%	12.2%	57bps	11.9%	79bps
Adjusted Net Margin	12.7%	12.2%	57bps	11.9%	79bps
Turnover*(x)					
-Inventories	14	15	-1.5	13	1.0
-Receivables	5.4	6.3	-1.0	4.9	0.4
-Payables	2	3	-0.3	2	0.1
Leverage (%)					
Total Liabilities/Equity	131.3%	139.2%	-791bps	116.4%	1,485bps

Source: Rong Viet Securities, * Annualized

Exhibit 3: Q2-2022 Forecast

Particulars (VND Bn)	Q2-FY22	+/- (qoq)	+/- (yoy)
Revenue	10,267	-4.1%	18.8%
Gross profit	4,107	0.3%	19.4%
EBIT	1,540	5.4%	3.0%
PBT	1,959	11.3%	27.3%

Source: Rong Viet Securities

Update

Q1-2022 revenue and PBT respectively posted VND9.7tn (USD419mn, +28% YoY) and VND1.8tn (USD77mn, +27% YoY), completing 23% of the full-year guidance. NPAT growth was ahead of PBT growth at 37% YoY due to higher profit contribution from lower CIT rate segment namely IT services (43% in Q1-2022 vs 40% in Q1-2021) and gains from joint ventures (VND 209bn, +81% YoY).

Table 1: Revenue breakdown by segment

Unit: VND bn	Q1-2022	YoY%
1. Technology	5,592	35%
Global IT services	4,111	30%
• DX services	1,648	96%
Domestic IT services	1,481	50%
2. Telecom	3,471	19%
FPT Telecom	3,320	18%
• Broadband	1,780	11%
• Others	1,540	28%
FPT Online	151	25%
3. Education, Investments & others	667	32%
Total Revenue	9,730	28%

Table 2: PBT breakdown by segment

Unit: VND bn	Q1-2022	YoY%
1. Technology	770	39%
Global IT services	667	35%
Domestic IT services	103	75%
2. Telecom	701	22%
FPT Telecom	633	21%
• Broadband	410	6%
• Others	223	64%
FPT Online	68	31%
3. Education, Investments & others	308	15%
• Gains from JVs	209	81%
Total PBT	1,779	27%
NPAT-MI	1,239	37%

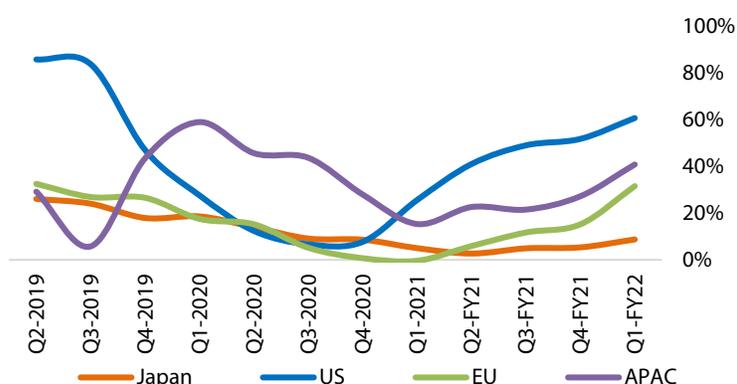
Table 3: PBT margin by segment

Business segment	Q1-2022	YoY
1. Technology	13.8%	44 bps
Global IT services	16.2%	60 bps
Domestic IT services	7.0%	97 bps
2. Telecom	20.2%	50 bps
FPT Telecom	19.1%	38 bps
• Broadband	23.0%	-108 bps
• Others	14.5%	314 bps
FPT Online	45.0%	206 bps
PBT margin	18.3%	-13 bps
Net margin	12.7%	+80 bps

Source: FPT, Rong Viet Securities

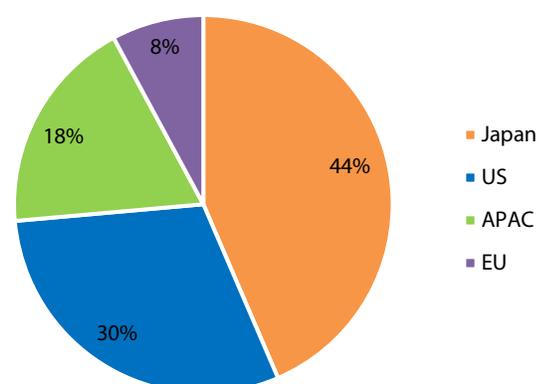
- **Global IT services revenue** grew strongly with revenue and EBT increasing by 30% and 35% YoY respectively. In general, all major markets have posted good revenue growth: Japan + 9% YoY, Europe + 32% YoY, APAC + 41% YoY, notably the US market with 61% YoY revenue growth. While the growth rate in Japan picked up a bit from the low base derived from the travel restrictions and JPY weakness, the revenue from the US market kept growing at a rapid pace since FPT Software invested in Intertec International - a US-headquartered IT & Technical Services company. This enabled FPT Software to gain access to a highly skilled IT workforce, but the investment also enhances nearshore delivery capabilities to support customers in the US timely, given time-zone, language, and cultural alignment. Previously, FPT had made several acquisitions of foreign companies to expand the overseas markets: RWE IT Slovakia in EU (2014) and Intellinet Consulting in the US (2018).

Figure 1: IT services revenue growth from the US, EU and APAC markets started to accelerate in 2H-2021



Source: FPT, Rong Viet Securities

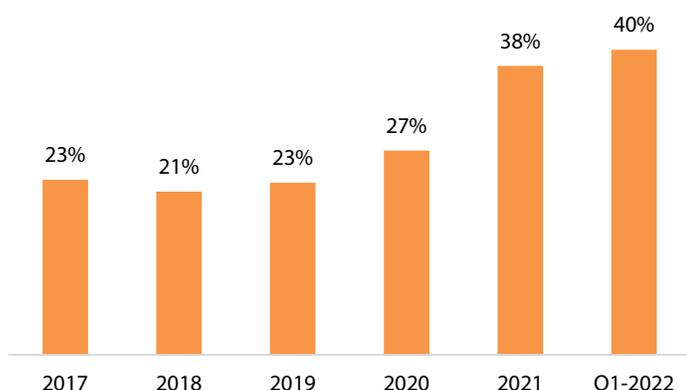
Figure 2: Contribution to global IT services revenue by market



Source: FPT, Rong Viet Securities

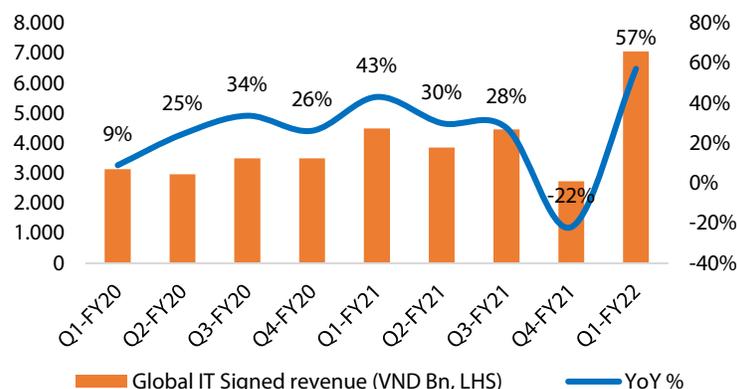
- **DX Revenue** nearly doubled, up 96% YoY, keeping good growth momentum on the back of high demand from overseas clients in Cloud Computing (+308%), Artificial Intelligence/Data Analytics (up nearly 200%) and Low code (+137%). **Signed revenue** jumped by 57% YoY given the company's "whale hunting" strategy (focusing on enterprises in Fortune Global 500 list). Notably, FPT recorded various large orders from global clients: **over-5-million-USD valued projects kept increasing significantly** (Figure 5). As a result of higher DX revenue contribution (Figure 3) and larger size projects, which optimizes FPT's resources, PBT margin of this segment expanded by 60bps YoY (Table 3).

Figure 3: Share of DX services sales in F-Soft is still on the rise



Source: FPT, Rong Viet Securities

Figure 4: Signed revenue of global IT services



Source: FPT, Rong Viet Securities

Figure 5: "Whale hunting" strategy proved to be effective as FPT won many bids for large-scale projects



Source: FPT, Rong Viet Securities

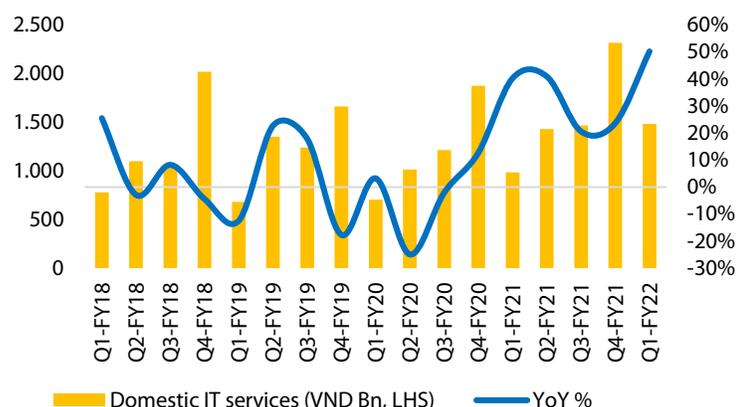
Table 4: Number of clients with large revenue signed

	2016	2017	2018	2019	2020	2021
No of customers with >USD20mn in sales account	0	0	2	2	1	2
No of customers with >USD10mn in sales account	3	5	6	7	5	6
No of customers with >USD5mn in sales account	13	10	13	19	14	16
No of customers with >USD1mn in sales account	45	60	70	96	118	128

Source: FPT, Rong Viet Securities

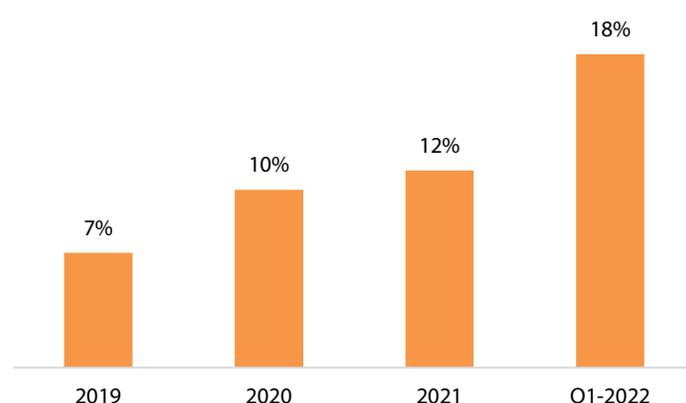
- Domestic IT services:** Despite the low season, this segment recorded healthy growth. Revenue and PBT reached VND 1,481 bn and VND 377 Bn, respectively, up 50% YoY and 75% YoY. **Signed revenue** grew by 50% YoY. We attribute this robust performance to greater demand on DX services in the domestic market, of which the trend can be seen not only in FPT's key accounts in Banking, Construction, Real estate, and Manufacturing industries but also in ministerial and local government agencies. Additionally, we believe the strategic investment in Base.vn in May 2021 has brought another meaningful recurring revenue stream by adding around 7,000 SMEs, which are using applications on the Base.vn platform, to FPT's domestic customer base. The deal also returned 713 billion VND in revenue in 2021 and completed the Made-by-FPT technology ecosystem.

Figure 5: Quarterly domestic IT services revenue



Source: FPT, Rong Viet Securities

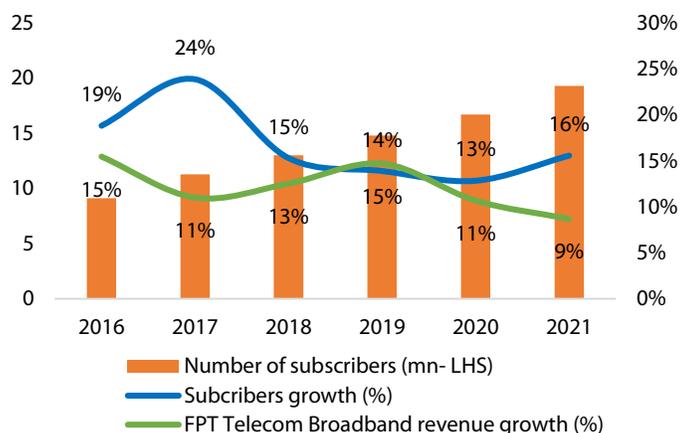
Figure 6: Contribution of Made-by-FPT products in domestic IT services revenue



Source: FPT, Rong Viet Securities

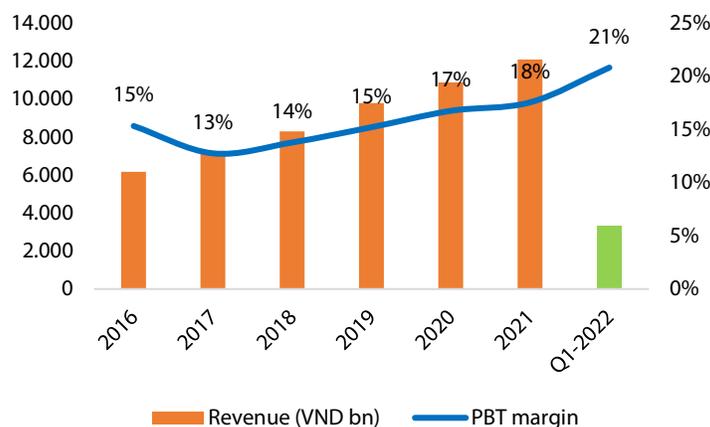
- The telecom segment (excluding online advertising):** Per data from the Viet Nam Telecommunications Authority, by the end of Jan 2022, there were 19.6 million fixed broadband subscribers. The annual growth rate picked up in 2021 induced by surging at-home working, studying and entertainment demand amid Covid pandemic. The estimated penetration rate of broadband internet in Vietnam is high, reaching about 73% of total households. This implies that internet providers must expand to underdeveloped markets and compete more intensely to maintain growth and market share, justified by the gap between subscribers' growth and FPT broadband revenue growth in 2020-21. However, we believe Pay-TV subscribers kept growing at high rates, helping this segment to maintain double-digit growth in terms of revenue and earnings, expanding PBT margin of the segment (Figure 8).

Figure 7: Fixed broadband subscribers' growth in Vietnam vs FPT Telecom's broadband revenue growth



Source: Viet Nam Telecommunications Authority, Rong Viet Securities

Figure 8: Revenue and PBT margin of FPT's telecom services



Source: FPT, Rong Viet Securities

Other businesses:

- The Education sector's** revenue reached VND 961Bn, rising by 43.1% YoY. According to 2021 data, the number of full-time equivalent students increased 43% compared to 2020, reaching a total of 74,313 students of which 50% were at K-12 level and the rest were at Undergraduate level. FPT will increase tuition fee by around 5% in this year.
- Gains from joint ventures**, mostly from FPT Retail (HSX: FRT) and Synnex FPT Trading, increased by 81% YoY to VND 208 Bn, mostly driven by FRT which contributed around VND 77 Bn (+432% YoY), accounting for 37% of total associated profits. Laptop, Apple products and solid performance of Long Chau following rapid expansion were driving factors of FRT in Q1-2022.

2021F-22F Forecast

Table 5: 2021-22F Forecast revision

Unit: VND bn	2022F	YoY %	Comments
Total revenue	44,030	24%	
1. Technology	26,425	27%	
• Global IT services	18,370	26%	<p>Gartner (Apr 2022) forecasts that the IT Services sector will witness a growth rate of 6.4% in 2022, worth USD 1,265 billion, and is forecasted to grow 8.5% in 2023. It will be followed by business software revenue that will increase by 9.8% (equal to USD 675 Bn) in 2022 and reach 11.8% in 2023. Gartner further adds that the trend toward digital transformation (DX) is “systemic and long-term”. Meanwhile, the forecast of IDC – the world’s leading IT market data provider – also shows that investment in global DX is still increasing with a CAGR of 15.5% over the period of 2020-23. These, coupled with robust Q1-2022 DX revenue, cement our belief that DX services will be leading FPT’s global IT services segment’s growth going forward.</p> <p>In terms of key markets, we are expecting:</p> <p>(1) Revenue from the US to lead the pack (+ 45%) due to enhanced near-shore delivery capability in Costa Rica and Colombia following the investment in Intertec International.</p> <p>(2) Double-digit growth in Japan. This market witnessed a sluggish performance in the past two years due to the weakness of JPY and travel restrictions. While JPY weakness remains a key risk to Japan revenue stream (this currency devaluated 8.1% YTD vs VND), travel restrictions are lifted, which is supportive for the contract work with Japanese clients. Management targets a 12% increase in workload of FPT Japan in 2022.</p> <p>(3) Other markets to sustain high growth rate from 25% to 35%.</p> <p>FPT’s domestic IT services also benefit from accelerating Vietnam’s DX adoption, from both the private and public sectors, evidenced by FPT’s DX projects with many provinces, cities, governmental agencies as well as leading corporations in the real estate, financial services, and manufacturing industries. In recent meeting, management believes that the revenue and profit of this segment will grow at least 30% per year for the next few years.</p>
• Domestic IT services	8,055	30%	
2. Telecom	14,700	16%	
• FPT Telecom	14,001	16%	<p>We project that broadband and other services in this subsidiary will grow by 10% and 25%, respectively, mostly driven by broadband and Pay TV subscribers’ growth. Additionally, the company is ramping up its DC capacity with the Fornix Phase 2 in Ha Noi and District 9 project in HCMC – the largest DC of FPT, which also provide another support for this segment. The DC market is now undersupply given rapid growth of demand while the expansion plan of DC providers have been hindered by global chipset shortage.</p>
• FPT Online	699	15%	
3. Education, Investments and other	2,906	30%	<p>FPT has a strong expansion plan for general education (K-12). FPT Edu will keep expanding its general school network in big cities and provinces with the plan to build 3-5 new schools in different provinces in 2022.</p>
PBT	8,274	31%	
1. Technology	3,595	28%	
• Global IT services	3,031	25%	
• Domestic IT services	564	50%	
2. Telecom	2,736	14%	
• FPT Telecom	2,422	14%	
• FPT Online	315	14%	
3. Education, Investments and other	1,326	16%	
NPAT-MI	6,045	39%	
EPS (VND)	6,634	39%	

Source: Rong Viet Securities

Valuation

Our one-year target price of **VND133,200** is based on the SoTP approach with target P/E multiples (as shown in the table below) for respective segments are referenced to their projected profit's 3Y CAGR. Accordingly, we project that NPAT's 3Y CAGR over 2021F-24F of F-Soft/FIS/FOX/FOC/FPT Education will reach 22%/40%/14%/12%/30%, respectively.

Table 5: SoTP valuation summary

Unit: VND bn	2022F NPAT*	Target P/E	Fair equity value @ 2022F NPAT
1. Technology	3,179		77,219
Global IT services	2,728	25x	68,198
Domestic IT services	451	15x	9,021
2. Telecom	2,189		15,284
FOX	1,937	15x	13,267
FOC	252	10x	2,017
3. FPT Education and others	1,231		23,449
FPT Edu	722	20x	14,447
Other JVs (respective to ownership rate)	509		7,575
4. Net cash			3,727
5. FPT's stake in TPB @ market price as of May 31st, 2022			2,707
Total estimated equity value			120,881
Total no of outstanding share (mn)			907.6
Implied target price			133,200
Implied 2022F P/E			15.3x
Implied 2023F P/E			12.5x

Source: Rong Viet Securities

Figure 9: FPT historical P/E band



Source: Bloomberg, Rong Viet Securities

Table 6: Industry peers

Company	Country	Market cap (USD mn)	2021 Sales (USD mn)	2021 PBT (USD mn)	Sales 3Y CAGR (%)	2018-21 EPS 3Y CAGR (%)	Avg PBT Margin	2021 ROE (%)	Div yield	P/E Trailing (x)	P/E Forward (x)
FPT	VN	3,431	1,283.9	226.5	-11.2	5.3	17.0	23.6	2.0	21.2	15.2
IT services peers (Large-sized)											
Cognizant	US	36,249	16,652	2,376	4.0	0.5	16.5	15.3	1.3	22.3	17.3
Accenture	IR	193,958	44,327	6,442	6.4	13.0	14.4	30.9	1.1	36.1	34.6
Capgemini	FR	32,727	18,094	1,761	8.2	5.4	10.2	14.8	1.2	28.7	21.4
Atos	FR	6,786	12,766	838	-2.3	-4.1	6.8	9.2	1.7	10.3	7.5
Samsung SDS	SK	12,803.1	9,354.4	770.0	5.8	-5.8	9.3	9.9	1.3	23.1	20.1
TCS	IN	161,370	22,119	6,044	10.1	8.9	27.5	38.0	1.2	37.6	30.4
Infosys	IN	89,019	13,536	3,592	12.5	8.7	25.6	27.3	1.7	34.3	29.6
Wipro	IN	39,024	8,345	1,834	4.4	14.8	20.1	19.1	0.2	27.8	25.5
HCL	IN	35,274	10,155	2,122	14.3	9.5	20.5	19.9	2.7	23.7	19.1
Mean		36,249	13,536	2,122	6.4	8.7	16.5	19.1	1.3	27.8	21.4
Median		67,468	17,261	2,864	7.0	5.7	16.8	20.5	1.4	27.1	22.8
IT services peers (Mid-sized)											
L&T Infotech	IN	9,399	1,667	349	19.2	19.6	20.3	30.5	1.0	36.3	32.1
Persistent	IN	2,978	564	76	11.3	13.4	13.0	17.4	0.5	49.4	38.3
Mindtree	IN	5,599	1,073	190	13.4	25.2	13.5	n.a	1.0	n.a	31.0
Mphasis	IN	5,324	1,310	220	14.1	15.1	16.6	19.7	1.6	32.7	27.6
Coforge	IN	3,398	628	80	n.a	17.8	n.a	18.7	0.3	56.0	38.3
Shenzhen DAS	CH	1,100	466	49	7.7	0.4	9.1	10.7	1.1	20.5	n.a
China Transinfo	CH	3,921	1,367	130	20.7	19.5	11.1	7.9	0.4	22.0	19.8
DHC Software	CH	3,704	1,330	82	7.9	-5.8	7.8	5.1	0.6	47.5	32.1
Mean		3,813	1,192	106	13.4	16.5	13.0	17.4	0.8	36.3	32.1
Median		4,428	1,051	147	13.5	13.2	13.1	15.7	0.8	37.8	31.3
Telecom											
China Telecom	CH	29,381	57,098	5,260	2.4	4.2	8.1	7.7	4.4	9.2	8.6
Telkom Indonesia	ID	20,753	9,378	2,702	2.1	-2.1	28.0	19.8	5.5	14.4	13.2
KT Corp	SK	7,515	20,307	982	0.7	11.3	4.5	6.5	4.1	10.5	10.2
PLDT inc	PH	5,687	3,650	629	4.4	22.1	17.2	20.7	5.9	11.7	9.8
Telekom Malaysia	MA	5,455	2,581	307	-3.6	3.0	10.4	17.1	2.4	19.0	20.0
Tata Communications	IN	5,185	2,304	215	0.6	n.a	4.2	n.a	1.0	31.0	26.3
True Corp	TH	3,261	4,421	-188	-0.3	14.5	1.8	-5.5	2.2	172.7	n.a
Time Dotcom	MA	2,039	291	101	12.4	21.9	31.9	11.4	2.4	26.3	22.5
Kazakhtelecom	KZ	845	1,278	232	35.9	36.9	20.9	15.5	5.5	5.5	n.a
Thaicom	TH	377	114	25	-19.0	-53.1	7.0	4.3	1.8	29.1	140.5
FOX	VN	1,129	494	89	14.4	18.1	17.3	30.0	3.2	18.4	n.a
CMG	VN	163	225.1	12.9	2.3	5.4	5.3	9.4	2.6	20.4	n.a
Mean		4,223	2,442	223	2.2	11.3	9.2	11.4	2.9	18.7	16.6
Median		6,816	8,512	864	4.4	7.5	13.1	12.4	3.4	30.7	31.4

 Source: Bloomberg, as of May 23th, 2022

VND Billion					VND Billion				
INCOME STATEMENT	FY2020	FY2021	FY2022E	FY2023F	BALANCE SHEET	FY2020	FY2021	FY2022E	FY2023F
Revenue	29,830	35,657	44,030	53,236	Cash and cash equivalents	4,685	5,418	9,983	19,459
COGS	18,015	22,025	27,025	32,409	Short-term investments	12,436	20,731	26,950	28,297
Gross profit	11,816	13,632	17,005	20,827	Accounts receivable	6,263	6,882	8,806	10,647
Selling Expense	2,713	3,605	4,403	5,324	Inventories	1,290	1,507	1,716	2,058
G&A Expense	4,501	4,612	5,504	6,655	Other current assets	934	580	638	702
Finance Income	822	1,271	1,769	2,016	Property, plant & equipment	9,596	10,556	11,434	12,000
Finance Expense	548	1,144	1,152	1,446	Acquired intangible assets	1,295	1,599	1,508	1,420
Other profits	73	109	50	50	Long-term investments	2,606	3,102	3,509	4,012
PBT	5,261	6,337	8,274	10,098	Other non-current assets	2,644	3,322	3,156	3,219
Prov. of Tax	839	988	1,126	1,420	Total assets	41,749	53,698	67,701	81,815
Minority's Interest	885	1,012	1,103	1,261	Accounts payable	9,699	11,137	13,512	16,205
PAT to Equity S/H	3,538	4,337	6,045	7,417	Short-term borrowings	12,062	17,799	21,979	26,575
EBIT	4,602	5,415	7,098	8,849	Long-term borrowings	678	2,296	4,696	5,296
EBITDA	6,093	7,059	9,311	11,372	Other non-current liabilities	87	222	245	269
				%	Bonus and Welfare fund	620	825	1,149	1,410
FINANCIAL RATIO	FY2020	FY2021	FY2022E	FY2023F	Technology-science, dev. fund	0	0	0	0
Growth (%)					Total liabilities	23,147	32,280	41,582	49,755
Revenue	7.6	19.5	23.5	20.9	Common stock and APIC	7,890	9,125	9,125	9,125
Operating Income	11.6	15.8	31.9	22.1	Treasury stock (enter as -)	-1	-1	-1	-1
EBITDA	11.8	17.7	31.1	24.7	Retained earnings	6,391	7,000	11,196	16,758
PAT	12.8	22.6	39.4	22.7	Other comprehensive income	1,021	1,243	1,243	1,243
Total Assets	25.0	28.6	26.1	20.8	Inv. and Dev. Fund	441	570	570	570
Equity	12.7	14.0	23.4	25.1	Total equity	15,741	17,938	22,134	27,696
Profitability (%)					Minority Interest	2,859	3,477	3,986	4,364
Gross margin	39.6	38.2	38.6	39.1	VALUATION RATIO (*)	FY2020	FY2021	FY2022E	FY2023F
EBITDA margin	20.4	19.8	21.1	21.4	EPS (VND)	3,898	4,779	6,634	8,140
EBIT margin	15.4	15.2	16.1	16.6	P/E (x)	13.1	19.5	14.7	12.0
Net margin	11.9	12.2	13.7	13.9	BV (dong)	20,078	19,765	19,765	30,517
ROA	8.5	8.1	8.9	9.1	P/B (x)	2.1	3.9	4.9	3.2
ROE	22.5	24.2	27.3	26.8	DPS (dong/cp)	2,000	2,000	2,000	2,000
Efficiency				(times)	Dividend yield (%)	3.9%	2.2%	2.1%	2.1%
Receivable Turnover	4.8	5.2	5.0	5.0	VALUATION MODEL	Price	Weight	Average	
Inventory Turnover	14.0	14.6	15.7	15.7	SoTP	133,200	100%	133,200	
Payable Turnover	1.9	2.0	2.0	2.0	Target price (VND)	133,200	100%	133,200	
Liquidity				(times)	VALUATION HISTORY	Price	Recommendation	Period	
Current	1.2	1.2	1.4	1.4	7/7/2021	108,800	BUY	Long-term	
Quick	1.1	1.2	1.3	1.4	12/9/2020	61,304	BUY	Long-term	
Finance Structure (%)					11/27/2020	54,870	ACCUMULATE	Long-term	
Total Debt/Equity	80.9	112.0	120.5	115.1					
Current Debt/Equity	76.6	99.2	99.3	96.0					
Long-term Debt/Equity	4.3	12.8	21.2	19.1					

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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