

FPT Corporation (FPT)

On recovery trend

December 5, 2025

Analyst Nguyen Viet Anh

(+84) 24-7303-5333 anhnv3@kbsec.com.vn

3Q25 core business slowed down

FPT Corporation (FPT) reported VND17,226 billion in 3Q revenue (+10% YoY/+3.4% QoQ) with corresponding GPM of 38% and NPAT of VND2,740 billion (+20.4% YoY/-9.5% QoQ). 3Q results were equivalent to 66.3% of the year's revenue plan (VND49,949/VND75,400 billion) and 67.7% of the PBT target (VND9,064/VND13,394 billion).

Foreign IT sector: New contract value has shown signs of recovery

The bright spot in the quarter is the bounceback of new contract value, reaching VND9,454 billion (+46.6% YoY). This is mainly boosted by a record-high contract with an energy group in Asia (USD256 million).

Telecommunications sector: Broadband continues to operate effectively, data centers will become new growth force

In 3Q25, the telecommunications segment recorded double-digit growth in revenue and PBT, touching VND5,257 billion (+15% YoY) and VND1,132 billion (+25% YoY), respectively. In the future, the new data center project, when put into operation, is expected to contribute significantly to the segment, maintaining a revenue growth rate of 9-12%.

Education sector: It is facing short-term challenges while new curriculums need time to prove effectiveness

FPT's education and investment revenue is forecast to increase by 7%/14% YoY in 2025/2026, equivalent to VND6,557/7,489 billion due to competitive pressure to expand targets from public competitors. Meanwhile, new curriculums are a long-term strategy and are expected to attract more students.

Valuation: BUY – Target price VND121,800/share

Based on FCFF and P/E valuations, business prospects, and potential risks, we recommend BUY for FPT stock with the target price of VND121,800.

Buy maintain

Target price VND121,800

Upside	24.9%
Current price (Dec 4, 2025)	VND 97,500
Consensus target price	VND 121,700
Market cap (VNDtn/USDbn)	164.6/6.2

Forecast earnings & valuation

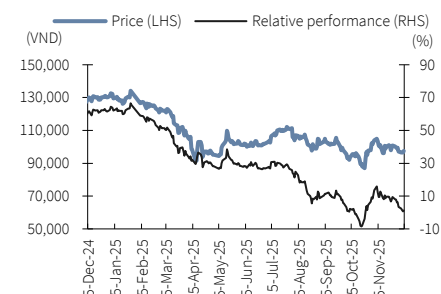
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	52,618	62,849	69,561	77,053
Operating income/loss (VNDbn)	7,788	9,420	11,223	13,155
NPAT-MI (VNDbn)	6,465	7,849	9,349	10,958
EPS (VND)	5,091	5,335	6,355	7,449
EPS growth (%)	5.2	5.0	19.0	17.0
P/E (x)	23.9	22.8	19.2	16.4
P/B (x)	5.2	5.0	4.2	3.4
ROE (%)	26.0	26.3	26.0	25.1
Dividend yield (%)	2.3	2.4	2.4	2.4

Trading data

Free float	89.5%
3M avg trading value (VNDbn/USDmn)	772.3/30.9
Foreign ownership	38.9%
Major shareholder	Truong Gia Binh (6.99%)

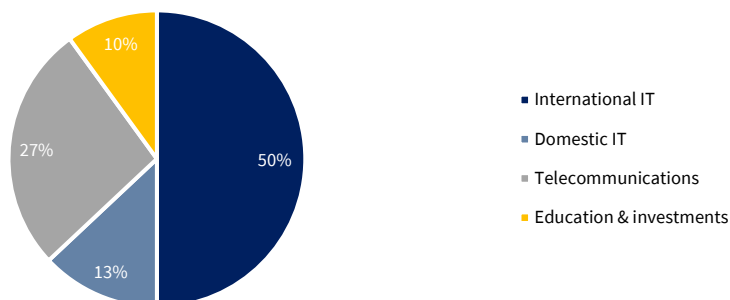
Share price performance

(%)	1M	3M	6M	12M
Absolute	-6.5	-9.5	-10.9	-19.3
Relative	-9.6	-30.3	-37.7	-48.3



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Business operation

FPT Corporation (FPT) is a leading technology conglomerate in Vietnam, with a diverse portfolio spanning IT services, telecommunications, and education. Founded in 1988, FPT has expanded globally, serving key markets including Japan, the EU, the US, and Southeast Asia. The IT segment contributes 46% of the group's total revenue, supported by a tech team of nearly 24,000 engineers.

Source: FPT Corporation, KB Securities Vietnam

Investment Catalysts

Notes

Technology spending should recover after global trade uncertainty, helping overseas IT revenue of FPT reach VND35,114/40,064 billion (+13%/14% YoY) in 2025/2026F.

Please see more details below

The telecommunications ecosystem is expected to contribute to stable revenue with broadband revenue remaining stable and data center and PayTV remaining as long-term growth drivers.

Please see more details below

Diversifying training programs will take time to prove effectiveness, while the short-term impact on revenue is insignificant, estimated at VND6,278/6,481 billion (+2%/3% YoY) in 2025/2026.

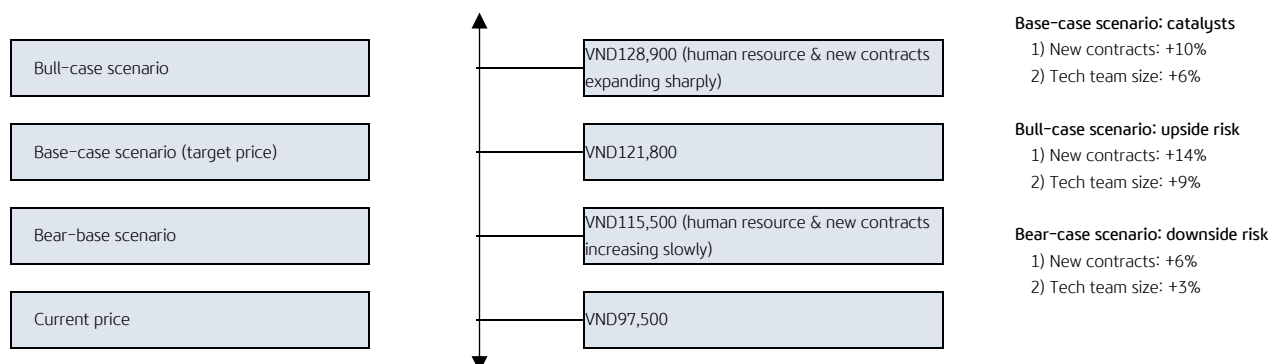
Please see more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	69,561	77,053	-1%	-2%	70,049	79,793	-1%	-3%
EBIT	11,194	12,846	-1%	-2%	11,849	13,584	-6%	-5%
NP after MI	9,349	10,958	3%	1%	9,274	10,701	1%	2%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

3Q revenue grew by a mere of 10% YoY while new contract value rebounded

FPT reported VND17,226 billion in 3Q revenue (+10% YoY/+3.4% QoQ) with corresponding GPM of 38% and NPAT of VND2,740 billion (+20.4% YoY/-9.5% QoQ). 3Q results were equivalent to 66.3% of the year's revenue plan (VND49,949/VND75,400 billion) and 67.7% of the PBT target (VND9,064/VND13,394 billion).

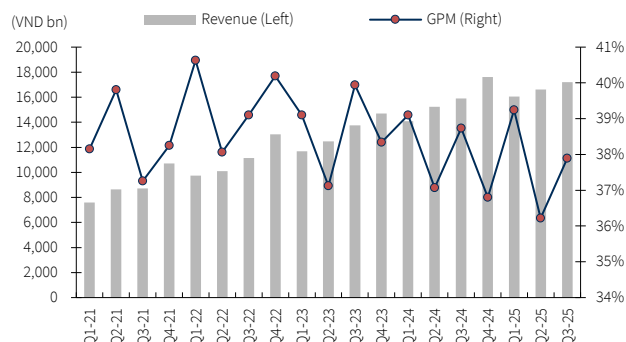
Global IT services grew modestly but maintained double-digit growth, with estimated revenue reaching VND8,909 billion (+10% YoY). The bright spot in the quarter is the bounceback of new contract value, reaching VND9,454 billion (+46.6% YoY). This is mainly boosted by a record-high contract with an energy group in Asia (USD256 million).

Table 1. FPT – 3Q25 financial results

(VNDbn, %)	3Q24	3Q25	+/-%YoY	9M24	9M25	+/-%YoY	Notes
Revenue	15,972	17,226	8%	45,311	49,949	10%	
Global IT	8,095	8,909	10%	22,668	25,573	13%	
+ Japan	3,205	3,953	23%	8,917	11,264	26%	The result was attributable to (i) 23.2% growth in revenue in JPY and ii) 2.3% growth in JPY/VND.
+ US	1,944	2,070	6%	5,663	6,087	7%	
+ EU	690	973	41%	1,934	2,528	31%	
+ APAC	2,256	1,913	-15%	6,154	5,694	-7%	
Domestic IT	1,792	1,917	7%	5,296	5,376	2%	
Telecommunications	4,556	5,257	15%	12,800	14,287	12%	Estimated growth in 9M25 for broadband, data center, advertising and PayTV is 15%/5%/15%/12% YoY, respectively.
Education	1,730	1,658	-4%	5,155	5,195	1%	Estimated number of new students is flat compared to last year, causing education revenue to be unchanged.
Investment	-270	-205	-24%	-678	-544	-20%	
Gross profit	6,159	6,519	6%	17,320	18,841	9%	
Gross profit margin (GPM)	38.6%	37.8%	-1 ppt	38.2%	37.7%	-1 ppt	
Financial income	327	613	87%	1,353	2,423	79%	The income growth mostly came from an increase of nearly VND500 billion in exchange rate gain and nearly VND114 billion in dividends from associates.
Financial expenses	308	353	15%	980	1,195	22%	
Profits from joint ventures & associates	143	131	-8%	277	375	35%	This was mainly thanks to a 144% YoY growth in FRT's 9M25 NPAT-MI.
SG&A	3,372	3,564	6%	9,865	10,974	11%	
Operating income/loss	2,787	2,955	6%	7,455	7,867	6%	
Other income	-74	-6	-92%	-100	-31	-69%	
Profit before taxes (PBT)	2,731	3,209	18%	7,728	9,064	17%	
Net profit after taxes (NPAT)	2,479	2,902	17%	6,927	8,238	19%	
NPAT-MI	2,089	2,435	17%	5,762	6,866	19%	
NPAT margin	16%	17%	1 ppt	15%	16%	1 ppt	

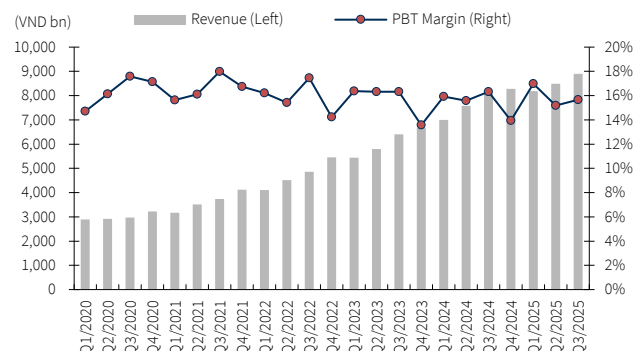
Source: FPT Corporation, KB Securities Vietnam

Fig 2. FPT – Revenue, GPM (VNDbn, %)



Source: FPT Corporation, KB Securities Vietnam

Fig 3. FPT – Revenue, PBT margin of global IT (VNDbn, %)



Source: FPT Corporation, KB Securities Vietnam

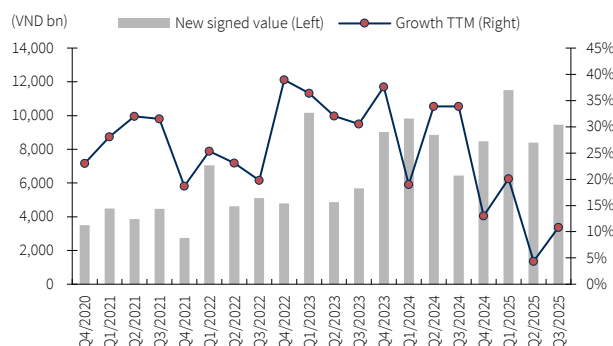
Global economic slowdown has moderated FPT's international IT services revenue growth

The revenue decline across global IT companies has occurred amid trade uncertainties, leading to investment budget freezes or cuts. For FPT, although new contract value growth in 1H decelerated YoY from 31% to 12%, the 47% surge in 3Q and 122% YoY in October alone are promising results, fueling hopes for better business performance as global trade rebounded after tariff concerns cooled down. The outlook of global IT depends on two key markets:

- **Japan:** According to the Short-term Economic Survey of Enterprises in Japan (TANKAN), software spending among Japanese enterprises in 2025 is forecast to grow 13.4% YoY (+9.2 ppts), strongly driven by the financial services group with 28.8% YoY (+26.1 ppt). From 2026, Japan's USD110 billion economic stimulus package is expected to unlock long-term growth momentum for enterprises through increased spending on digital transformation. Accordingly, we slightly increase our forecast for 2025/2026 revenue of FPT in Japan to VND15,627/19,049 billion (+27%/22% YoY).
- **APAC:** Tariff tensions may continue to strongly hit commercial production digital transformation investment activities of enterprises. Domestic manufacturing in these countries is also threatened by massive import of cheap Chinese goods, increasing competition. Financial customers, who have previously accelerated digital transformation, are also cutting spending due to the decline in credit growth and the pressure of provisioning from loans for commercial activities. Accordingly, we have revised down our revenue forecast for 2025/2026 in APAC to VND7,663/7,663 billion (-7%/0% YoY).

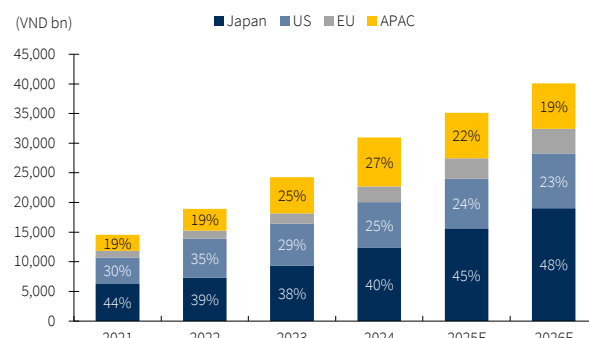
Based on the 10M25 business results, we slightly reduce our forecast for overseas IT revenue growth in 2025 to 13% YoY (from 15% YoY), equivalent to VND35,114 billion in revenue, reflecting the significant revenue decline from APAC and US markets, which will be partially offset by higher growth in Japan and the EU. In 2026, total overseas IT revenue is expected to reach VND40,064 billion (+14% YoY) and continue to be the main growth driver for the entire IT revenue of VND49,057 billion (+12% YoY).

Fig 4. FPT – New contract value & growth (VNDbn, %)



Source: FPT Corporation, KB Securities Vietnam

Fig 5. FPT – Global IT revenue composition by market (VNDbn)



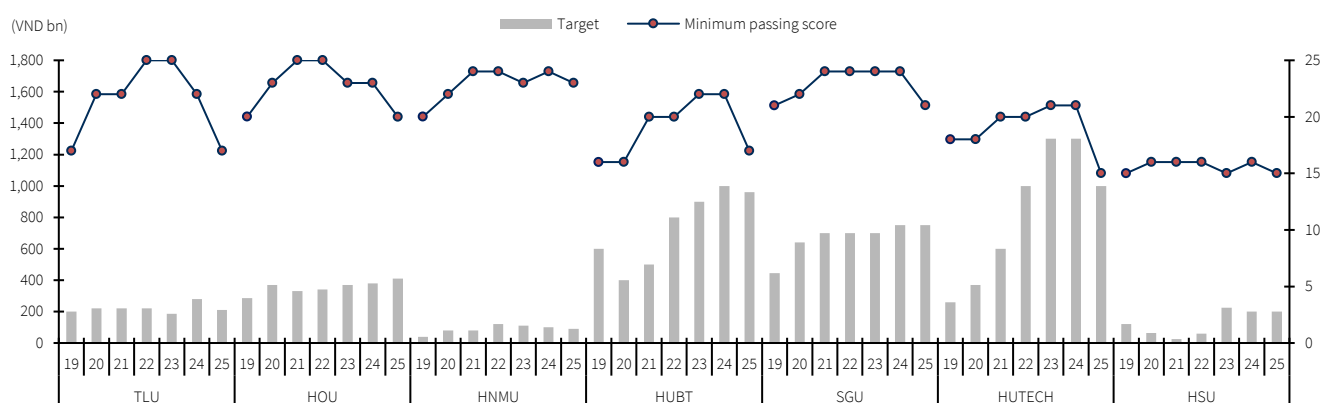
Source: FPT Corporation, KB Securities Vietnam

Education sector: It is facing short-term challenges while new curriculums need time to prove effectiveness

According to statistics, the number of IT quotas of universities in Hanoi and Ho Chi Minh City with a benchmark score of 18–22 has continuously expanded, reaching a rate of 11% CAGR in the period 2019–2025, creating significant competitive pressure on the number of admissions in the FPT education system. In addition, the trend of shifting interest to new majors (artificial intelligence, data science) is also the reason why FPT has reduced its enrollment quota for the IT group, which accounts for 65–70% of the school's total quota. According to the company, in the 2025–2026 school year, the number of new university students will remain stable, while the number of inter-level general education students will grow at a single digit rate. We revise down our forecast for FPT's education and investment revenue by 2%/3% YoY in 2025/26F, equivalent to VND6,278/6,481 billion to reflect the increased competition in attracting learners with the public sector, which will impact the company's results in the next two–three years.

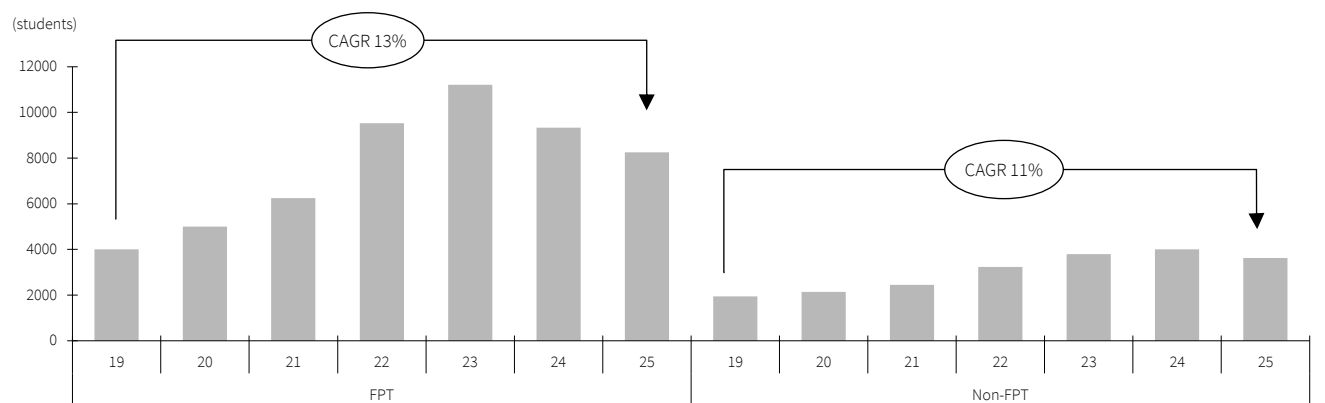
In the long term, as new training programs are tested and proven effective, the company's business results will improve rapidly thanks to the opening of new educational facilities that allow FPT to expand its teaching capacity to a maximum of 25,100 learners.

Fig 6. Vietnam – Admission quotas and benchmark scores of IT majors at some universities in 2019–2025 (student)



Source: KB Securities Vietnam

Fig 7. FPT – FPT's IT enrollment target growth compared to other universities with the same score benchmark



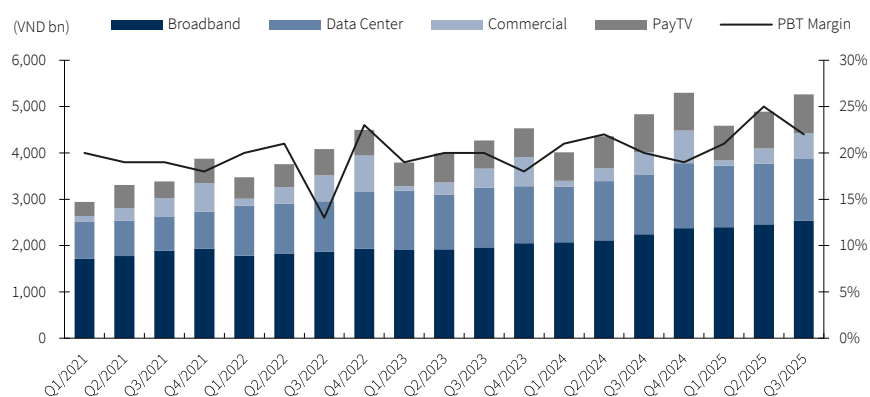
Source: KB Securities Vietnam

Telecommunications sector:
Broadband has positive growth,
Data center & PayTV have long-term potential

In 3Q25, the telecommunications segment recorded double-digit growth in revenue and PBT, touching VND5,257 billion (+15% YoY) and VND1,132 billion (+25% YoY), respectively. Broadband continued to be the growth driver with estimated revenue of VND2,532 billion (+13% YoY), while the advertising segment contributed by its subsidiary FOC brought in VND211 billion, a slight increase of 10% YoY.

Although FPT has just put into operation the District No. 9 Data Center with a capacity of 7,000 racks (+30% YoY), we estimate that revenue growth is insignificant due to fierce competition. However, in the long term, the sustainable growth rate of Vietnam's Data Center market, estimated at 11%/year, will support FPT's user growth and rental capacity. The PayTV segment, which plays a complementary role in FPT's service ecosystem, will continue to grow. Accordingly, KBSV forecasts that the Data Center and PayTV segments will continue to be the pillars contributing to the growth of FPT's telecommunications segment, achieving a growth rate of 12%/10.3% in 2025/2026, equivalent to a revenue of VND19,708/21,735 billion.

Fig 8. FPT – Estimated revenue from telecommunications segment (VNDbn)



Source: FPT Corporation, KB Securities Vietnam

Forecast & valuation

Table 9. FPT – 2024A–2026F financial results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Revenue	62,963	69,561	10%	77,053	11%	We lowered the forecast by 1%/2% compared to the previous report due to a slight slowdown in IT revenue growth in APAC and education & investment segments as student numbers are expected to remain flat in 2025/2026.
Global IT	30,952	35,114	13%	40,064	14%	
+ Japan	12,325	15,627	27%	19,049	22%	
+ US	7,751	8,371	8%	9,208	10%	
+ EU	2,636	3,453	31%	4,144	20%	
+ APAC	8,240	7,663	-7%	7,663	0%	
Domestic IT	8,157	8,565	5%	8,993	5%	The projection was raised due to the addition of FX gains and dividends. This is 23%/35% lower than the 2Q forecast due to the poor performance of FPT Syntex in 9M25.
Telecommunications	17,618	19,606	11%	21,520	10%	
Education & Investment	6,129	6,278	2%	6,481	3%	
Gross profit	23,800	25,893	9%	29,127	12%	
GPM	37.8%	37.2%	-1 ppt	37.8%	1 ppt	
Financial income	1,929	2,955	53%	3,169	7%	
Financial expenses	1,812	1,642	-9%	1,546	-6%	
Profit from joint ventures & associates	394	557	41%	705	27%	
SG&A	13,284	14,699	11%	16,281	11%	
Operating income/loss	10,516	11,194	6%	12,846	15%	
Other income	-103	0	-100%	0	-100%	
PBT	11,071	13,257	20%	15,367	16%	
NPAT	9,420	11,223	19%	13,155	17%	
NPAT-MI	7,849	9,349	19%	10,958	17%	
NPAT margin	15%	16%	1 ppt	17%	1 ppt	

Source: FPT Corporation, KB Securities Vietnam

We reiterate BUY on FPT with a target price of VND121,800/share

FPT's stock price has recovered to the closing price in August 2025 after a 10% decline due to concerns about subdued business results. KBSV maintains its forecast for FPT's NPAT-MI growth at 17–20% over the next two years based on signs of positive recovery in the value of new contracts signed in recent months, which will continue to grow in 4Q25 and 2026. Accordingly, FPT's current valuation range around P/E 20x ~ five-year average is suitable for stock disbursement.

We used two valuation methods, DCF and P/E multiple, with each method weighing 50%, and conclude the fair price for FPT shares is VND121,800/share, 24.9% higher than the closing price on December 4, 2025.

Table 10. FPT – FCFF valuation

(VNDbn)	Valuation method	Contribution to FPT
Accumulated value		52,294
Terminal value	EV/EBITDA 9x	109,867
Enterprise value		162,161
(+) Cash & short-term investments		36,979
(-) Net debt		-19,588
(-) Minority interest		-7,040
Equity value		172,512
Number of shares outstanding (million shares)		1,471.00
Value per share		117,300

Source: KB Securities Vietnam

Table 11. FPT – P/E valuation

(VNDbn)	2025 P/E target	Implied value
IT services	21	81,987
Telecommunications	15	18,033
Education & Investment	17	26,257
Value per share		126,300

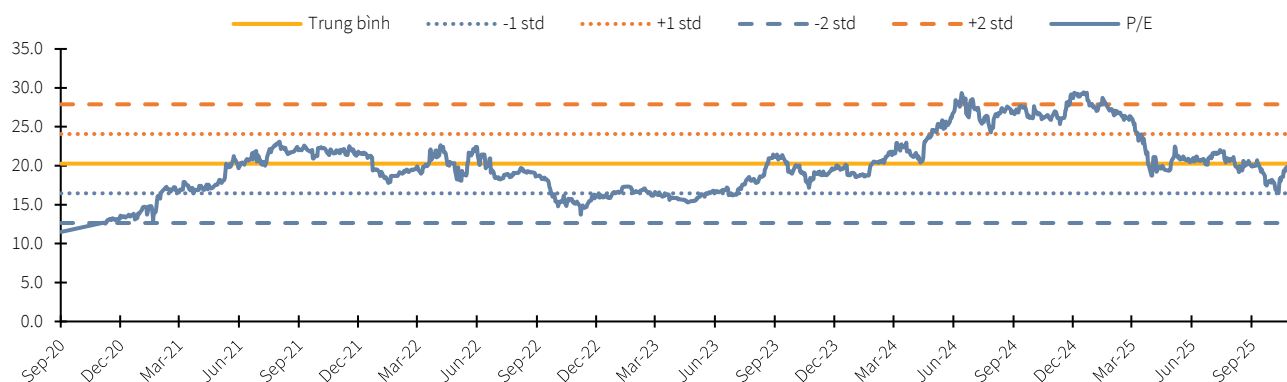
Source: KB Securities Vietnam

Table 12. FPT – Valuation results

Valuation method	Derived price	Weight	Weighted price
FCFF	117,300	50%	58,650
P/E	126,300	50%	63,150
Target price			121,800
Current price (Dec 4, 2025)			97,500
Upside			24.9%

Source: KB Securities Vietnam

Fig 13. FPT – P/E in 2020–2025



Source: Bloomberg, KB Securities Vietnam

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels 16&17, Tower 2, Capital Place, 29 Lieu Giai Street, Ngoc Ha, Hanoi, Vietnam

Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1&2, Office Building, 5 Dien Bien Phu Street, Ba Dinh, Hanoi, Vietnam

Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 21, Vietinbank Tower, 93-95 Ham Nghi Street, Sai Gon, Ho Chi Minh City, Vietnam

Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang Street, Sai Gon, Ho Chi Minh City, Vietnam

Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Hotline: 1900 1711

Email: info@kbsec.com.vn

Website: www.kbsec.com.vn

Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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