

FPT Group (FPT)

Earnings performance to August up 11.7%

Performance to August: Pretax earnings up 11.7% on 7.6% increase in revenue

— Pretax earnings from the start of year to August were up 11.7% YoY to VND3,343 billion on a 7.6% YoY increase in revenue to VND18,311 billion. Of this, the technology sector saw pretax profits rise by 12.5% YoY on a 6.4% YoY increase in sales, while the telecommunications sector saw pretax profits up by 13.0% YoY on a 9.5% YoY increase in sales.

Slowdown on growth of foreign IT service in July & August

— Services for connected vehicles, cloud computing, AI and data analytics kept demand for FPT's IT services high, with pretax earnings at the foreign IT service segment increasing by 16.5% YoY on the 14.4% YoY growth in revenue. However, revenue just increase by 5.3% yoy in July & August due to the impact of Covid-19 on service sale. On the other hand, pretax earnings of domestic IT service increased by 34% YoY on a 6.7% YoY drop in sales in July & August.

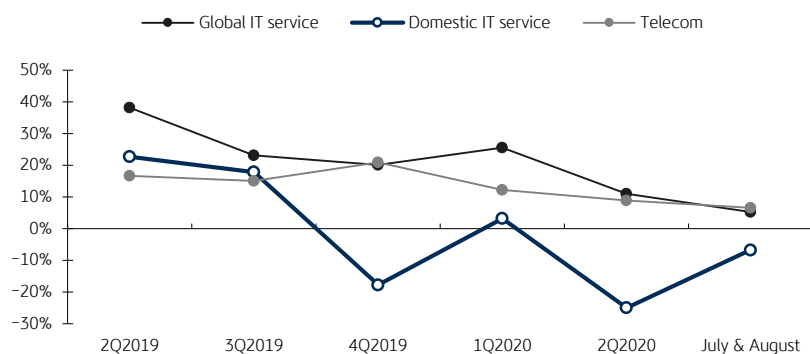
Pretax earnings of Telecommunications sector increased by 10.1% YoY in July & August

— Pretax earnings for telecommunications sector jumped by 10.1% YoY on a 6.6% YoY increase in revenue. In 8M2020, pretax earnings of telecommunications sector increased by 13.0% YoY thanks to successful cost cuts offset sign of slowing revenue to 9.5% YoY.

The coronavirus continues to weigh on sales, with revenue growth for all segments down in 8M2020. On the other hand, in July & August, Domestic IT services has an improvement compared to 2Q2020

With positive signs in controlling the Covid-19 in the world, all segments growth should begin to recover in 1H 2021E.

Fig 1. FPT – Revenue growth by segment (YoY)



Source: FPT, KBSV

KB SECURITIES VIETNAM RESEARCH

Head of Research – Nguyen Xuan Binh

binhnx@kbsec.com.vn

Macro/Strategy

Head of Macro & Strategy – Tran Duc Anh

anhtd@kbsec.com.vn

Macro Analyst – Thai Thi Viet Trinh

trinhhtt@kbsec.com.vn

Market Strategist – Le Anh Tung

tungla@kbsec.com.vn

Equity (Hanoi)

Head of Equity Research (Hanoi) – Duong Duc Hieu

hieudd@kbsec.com.vn

Information Technology & Logistics Analyst – Nguyen Anh Tung

tungna@kbsec.com.vn

Property Analyst – Pham Hoang Bao Nga

ngaphb@kbsec.com.vn

Power & Construction Material Analyst – Le Thanh Cong

congltt@kbsec.com.vn

Financials Analyst – Nguyen Thi Thu Huyen

huyenntt@kbsec.com.vn

Equity (Ho Chi Minh)

Head of Equity Research (Ho Chi Minh) – Harrison Kim

harrison.kim@kbf.com

Consumer & Retailing Analyst – Dao Phuc Phuong Dung

dungdpp@kbsec.com.vn

Fisheries & Pharmaceuticals Analyst – Nguyen Thanh Danh

danhnt@kbsec.com.vn

Oil & Gas & Chemicals Analyst – Nguyen Vinh

vinhn@kbsec.com.vn

Research Marketing

Korea Marketing Analyst – Seon Yeong Shin

shin.sy@kbsec.com.vn

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels G, 2 & 7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam
Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam
Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam
Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam
Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656
Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276
Email: ccc@kbsec.com.vn
Website: www.kbsec.com.vn

Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

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

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

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

Opinions in this report reflect the professional judgment of the research analyst(s) as of the date hereof and are based on information and data obtained from sources that KBSV considers reliable. KBSV makes no representation that the information and data are accurate or complete and the views presented in this report are subject to change without prior notification. Clients should independently consider their own particular circumstances and objectives and are solely responsible for their investment decisions and we shall not have liability for investments or results thereof. These materials are the copyright of KBSV and may not be reproduced, redistributed or modified without the prior written consent of KBSV. Comments and views in this report are of a general nature and intended for reference only and not authorized for use for any other purpose.