May 18th, 2021



FPT Corp JSC.

[Vietnam / Technology]

Bloomberg Code (FPT VN) | Reuters Code (FPT.HM)

BUY

Initiation

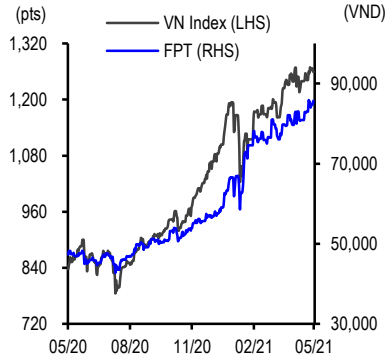
Target price (12 months)	**VND104,800**
Current price (May 17th)	VND85,700
Upside (%)	+22.3%



[Analyst]

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VNINDEX			1,259
HNXINDEX			296
Market cap (bn VND)			67,627,145
Outstanding shares (1mn)			789
Free float (1mn)			614
52-week high/low (VND)			86,600/43,600
60-day avg. trading volume			1.9
60-day avg. turnover (bn VND)			149,844
Foreign ownership (%)			49
Major shareholders (%)	Truong Gia Binh		7.00
	State Capital Invest		5.83
Performance	3M	6M	12M
Absolute (%)	22.5	87.6	225.4
Relative (%)	18.0	55.3	164.9



Shinhan Securities

The aurora of transformers

Initiate coverage with BUY rating and target price of VND 104,800

As global spending for IT will resume its growth trajectory in 2021-25, FPT Corp. will be one of the key beneficiaries. In our opinion, FPT still remains historic undervalued thanks to their significant transformation of core businesses as well as the huge market size to secure their long-term growth. Thus, we initiate our coverage for FPT Corp. (FPT VN) with a BUY rating and target price of VND104,800 (upside +22.3%), which is derived from Sum-of-the-Part (SOTP) method. It is translated into 2021F PER and PBR of 21.1x and 4.5x, respectively. We believe that these multiples are reasonable, cemented by: 1) the evolution with explosive potential of Technology segment and 2) the resilient growth of Telecommunication.

FPT Software – Turn over a new leaf

In order to catch the big wave of technology renovation, FPT has already transformed itself to become a global technology vendor and digital transformation (DX) pioneer instead of merely a software outsourcing provider. FPT have enhanced their added value and even fulfilled the value chain of software industry. Therefore, these activities have led to significantly higher revenue and profit margin for FPT than in traditional outsourcing services.

Regarding Digital Transformation, FPT has completed a comprehensive DX service offering from assessment, consultancy, and solutions to deployment and implementation of technology, infrastructure, and change management. This brings a huge competitive advantage for the company to achieve the objective of Top 50 global end-to-end DX solution and service providers by 2030. Besides, leading studies of consulting firms estimated the global economic impact from this area of trillions of dollars annually, leaving gigantic room for FPT's growth in light of the huge foreign client base and FPT's still modest revenue scale.

Telecom – Enduring energy for earnings

FPT Telecom (FOX VN), the telecommunication arm of FPT, is expected to maintain net profit growth of 16-20% p.a. in 2021-2023, thanks to: 1) the rising broadband internet subscribers of estimated 15-20% p.a.; and 2) the motivation from other products/services such as IPTV (broadband internet protocol TV, FPT Play Box), Data Center, and Smart Home (FPT Camera, iHome).

Year to Dec.	2019	2020	2021F	2022F	2023F
Revenue (bn VND)	**27,717**	**29,830**	**34,728**	**40,947**	**49,199**
OP (bn VND)	4,147	4,605	5,639	6,975	8,781
NP (bn VND)	**3,912**	**4,424**	**5,381**	**6,579**	**8,076**
EPS (VND)	4,214	4,115	4,974	6,081	7,465
BPS (VND)	20,581	20,083	23,308	27,554	32,943
OPM (%)	15.0	15.4	16.2	17.0	17.8
NPM (%)	14.1	14.8	15.5	16.1	16.4
ROE (%)	**23.3**	**23.8**	**24.1**	**24.4**	**24.6**
PER (x)	24.9	25.5	21.1	17.2	14.0
PBR (x)	5.1	5.2	4.5	3.8	3.2
EV/EBITDA (x)	10.2	8.9	6.8	5.5	4.1

Source: Company data, Shinhan Securities Vietnam

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Valuation and Recommendation

Initiate coverage with BUY call and target price of VND104,800

We initiate coverage of FPT Corporation, the leading Asia-Pacific and Vietnam Information Technology company, with a BUY rating and a target price of VND104,800 (a potential upside of +22.3% from the current price of VND85,700).

FPT's share price soared by +77% YoY over the past 12 months, outperforming VN-INDEX (+50% YoY). However, we believe that FPT is still a historic undervaluation, which is mainly attributable to: 1) the market's underestimation of their capability; and 2) low perception of the company's software products. In fact, FPT has moved to a higher position and fulfilled the whole value chain of the software development, especially in the prevalent tendency of Digital Transformation (DX), instead of being only a "software outsourcing" vendor with low added value. This movement has aroused FPT's growth potential in the long term and upgraded their ability of global competitiveness. Meanwhile, as most investors in Vietnam's stock market are individuals, they still find it hard to totally comprehend the B2B intangible products that FPT generates. These biases have led to the undervaluation of the potential of such a pure technology company.

Valuation

Due to the multi-business structure of FPT, we apply the Sum of The Part (SOTP) method for the company's valuation using P/E forward of three major segments, including: 1) Technology, 2) Telecommunication, and 3) Education & Investment. Based on the global peer valuation, we believe that the Technology division should be evaluated at the 2021F PER of 22.6x, Telecom at 14.4x, and Education & Investment at 12x. Notably, we have not considered the effects from other segments such as retail and trading. In addition, the 2021F PER of Education is still at the cautious level as they are just in the beginning phase. With the quick expansion as well as the ambition of FPT for this segment, we think that its suitable PER could be over 20x in the foreseeable future.

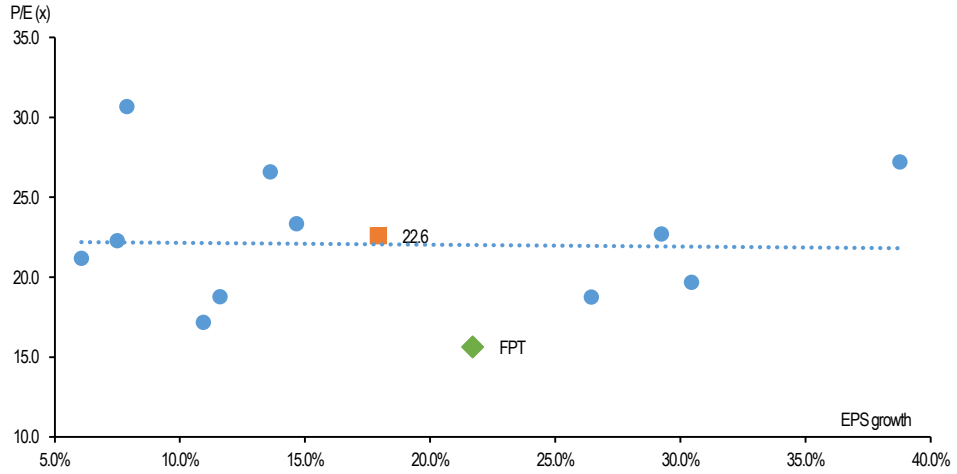
SOTP valuation for FPT

(Unit: bn VND)	2021F Net profit	2021F PER	Equity Value	FPT's Ownership	Valuation
① Technology	2,357	22.6	53,265	100%	53,265
② Telecommunication	2,062	14.4	29,697	46%	13,542
③ Education & Investment	962	12	11,542	100%	11,542
Net cash by end-4Q20					4,382
Total Equity Value					**82,731**
# of outstanding shares					789,114,878
1-Y target price (VND)					**104,800**
Upside (%)					22.3%

Source: Company data, Shinhan Securities Vietnam

Our target price at VND104,800 is translated into 2021F PER and PBR of 21.1x and 4.5x, respectively. Although they are much higher than FPT's 3-year historical multiples (10.1x and 2.1x), we believe that FPT deserves a more appropriate valuation than the historical appraisal. In fact, FPT's approach to the DX area has been initially disclosed since 2018 while they also suffered the harsh period of COVID-19 in 2020. From 2021, when their full DX potential is gradually explored and the company is turning back to the explosive trajectory, there is still more upside for FPT's stock price this year and in the long term.

PER and EPS growth of global Technology segment



Source: Bloomberg, Shinhan Securities Vietnam

Peer valuation of Technology and Telecommunication segments

Ticker	Company Name	Country	Market Cap (bn USD)	2021F EPS Growth (% YoY)	2021F PER
Technology (Software & IT Services)					
FPT VN	FPT CORP.	Vietnam	2.79	21.7	15.6
HCLT IN	HCL TECHNOLOGIES LTD	India	36.50	11.6	18.8
INFO IN	INFOSYS LTD	India	80.74	13.6	26.6
MTCL IN	MINDTREE LTD	India	4.70	38.8	27.2
MPHL IN	MPHASIS LTD	India	4.34	7.5	22.3
TCS IN	TATA CONSULTANCY SVCS LTD	India	161.55	7.9	30.7
TECHM IN	TECH MAHINDRA LTD	India	13.36	10.9	17.2
WPRO IN	WIPRO LTD	India	31.68	6.1	21.2
CTSH US	COGNIZANT TECH SOLUTIONS-A	USA	42.74	30.4	19.7
EXLS US	EXLSERVICE HOLDINGS INC	USA	3.11	29.2	22.7
G US	GENPACT LTD	USA	8.32	26.4	18.8
WNS US	WNS HOLDINGS LTD-ADR	USA	3.60	14.7	23.3
Mean				**17.9**	**22.6**
Median				**13.6**	**22.3**
Telecommunication					
FOX VN	FPT TELECOM JSC	Vietnam	0.92		
1883 HK	CITIC TELECOM INTERNATIONAL	Hong Kong	1.31	11.5	8.8
6823 HK	HKT TRUST AND HKT LTD-SS	Hong Kong	10.69	14.2	15.7
315 HK	SMARTONE TELECOM.	Hong Kong	0.66	7.5	12.9
TLKM IJ	TELKOM INDONESIA PERSERO TBK	Indonesia	22.41	20.2	14.6
9436 JP	OKINAWA CELLULAR TELEPHONE	Japan	1.26	11.1	13.0
MAXIS MK	MAXIS BHD	Malaysia	9.00	21.0	25.0
T MK	TELEKOM MALAYSIA BHD	Malaysia	5.48	14.5	20.4
GLO PM	GLOBE TELECOM INC	Philippines	5.01	25.3	11.8
TEL PM	PLDT INC	Philippines	5.52	21.1	9.7
STH SP	STARHUB LTD	Singapore	1.66	28.0	16.1
032640 KS	LG UPLUS CORP	South Korea	4.89	8.8	8.0
INTUCH TB	INTOUCH HOLDINGS PCL	Thailand	5.74	27.3	16.6
Mean				**17.5**	**14.4**
Median				**17.4**	**13.8**

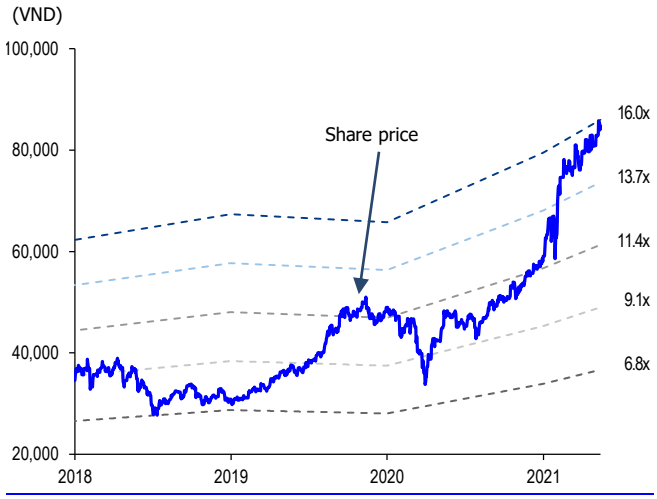
Source: Bloomberg, Shinhan Securities Vietnam

FPT Corp. 12M Fwd PER



Source: Bloomberg, Company data, Shinhan Securities Vietnam

FPT Corp. PER band chart



Source: Bloomberg, Company data, Shinhan Securities Vietnam

FPT Corp. 12M Fwd PBR



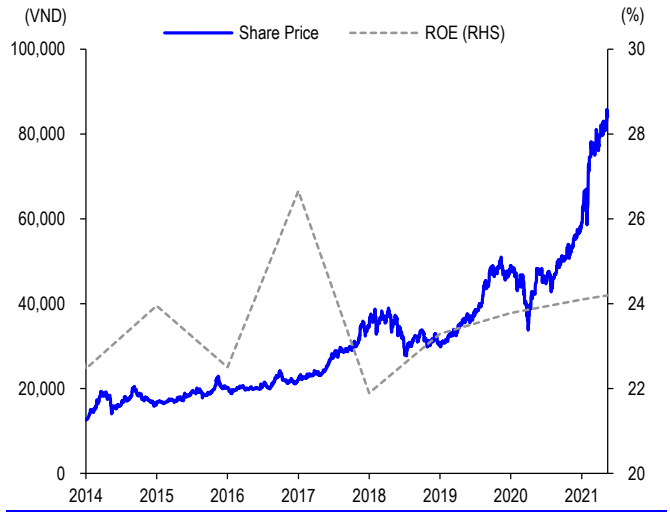
Source: Bloomberg, Company data, Shinhan Securities Vietnam

FPT Corp. PBR band chart



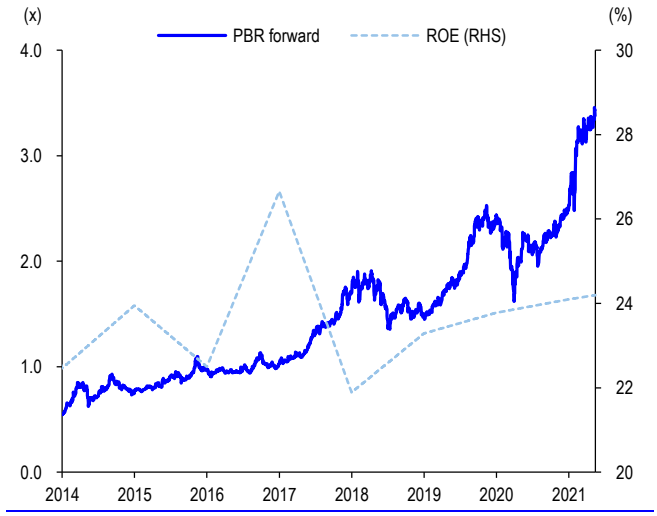
Source: Bloomberg, Company data, Shinhan Securities Vietnam

FPT Corp. share price and ROE



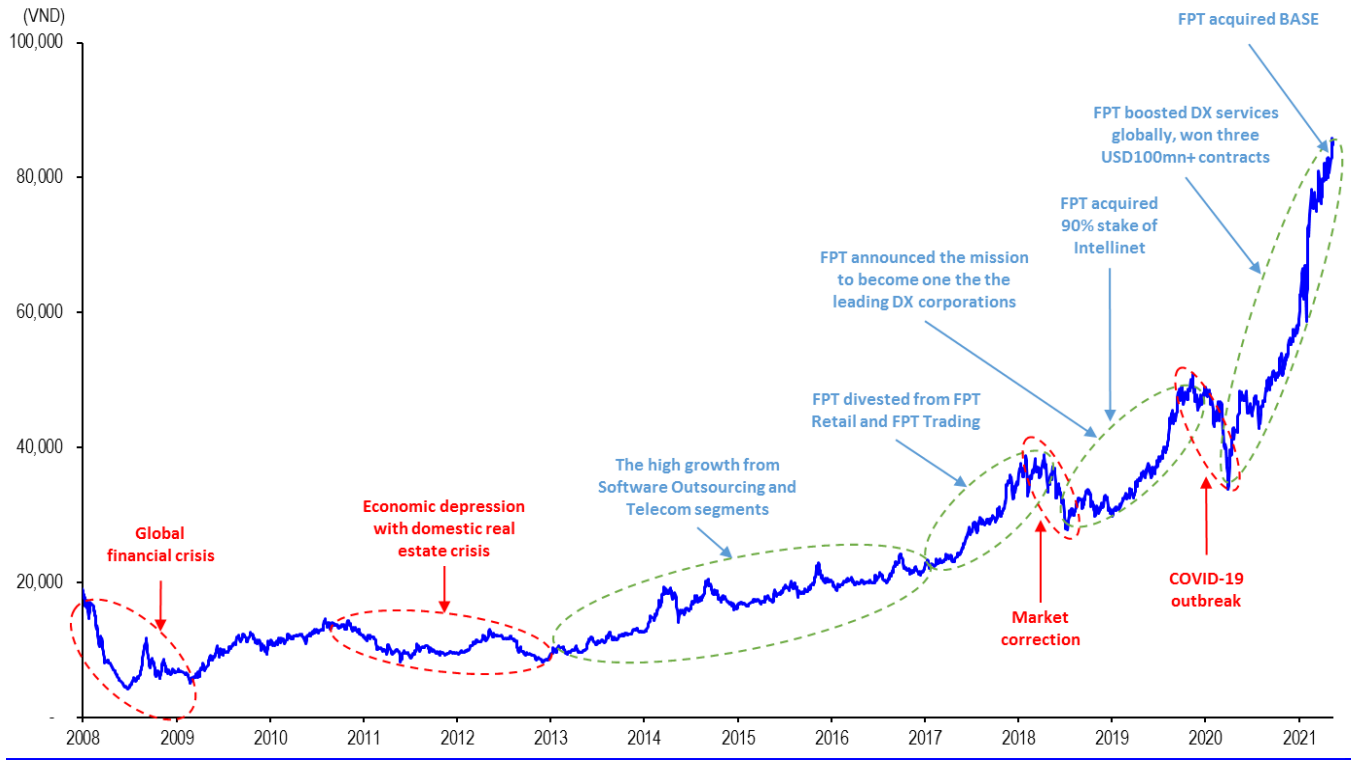
Source: Bloomberg, Company data, Shinhan Securities Vietnam

FPT Corp. PBR forward and ROE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key event chart of FPT Corp.



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Investment Thesis

Technology: Step into a new growth era

1. A key beneficiary from sharply rebounded global technology spending in post-COVID-19

The worldwide IT spending is estimated to bounce back to USD4.1tn in 2021 (+8.4% YoY), according to Gartner. It declined by -2.2% YoY in 2020 as CIOs prioritized spending on technology and services that were deemed "mission-critical" during the initial stages of the pandemic. However, the unprecedented speed of digital transformation to satisfy remote working, education, and social norms has alleviated the negative impacts of the COVID-19. By 2025, global IT spending is expected to resume its growth trajectory with a 2020-25 CAGR of +5.90%, thanks to the explosion of Software (+11.46% p.a.) and IT Services (+8.55% p.a.).

"Technology investment is obviously rising, and it will not return to pre-crisis priorities. IT no longer just supports corporate operations or is a cost-center, which is sometimes cut for expense saving, but is fully participating in business value delivery and shifting to the front of businesses from back-office roles. Moreover, from 2021 onwards, CIOs will focus on completing the digital business plans to enhance, extend, and transform the substantial value of companies."

Leading companies are investing in accelerating opportunities for the future rather than shoring up the past. In fact, the digital business represents the dominant technology trend by late 2020 and early 2021 with areas such as cloud computing, big data, core business applications, security, and customer experience. Optimization initiatives, such as hyper-automation, will also be prevalent to eliminate work from the whole process.

We believe that FPT will take advantage of the recovery of global economy as well as the booming of technology spending in regards to software outsourcing and digital transformation services, and thus, maintaining a strong growth at least over the next 5 years.

Global spending for IT in 2019 - 2025

(Unit: bn USD)	2019	2020	2021F	2022F	2023F	2024F	2025F	2020-25 CAGR (%)
Data Center	215	220	237	248	255	265	272	4.3
Devices	712	663	756	779	786	795	802	3.9
Software	477	467	517	572	641	723	803	11.5
IT Services	1,040	1,021	1,113	1,193	1,299	1,420	1,539	8.6
Communication Services	1,396	1,386	1,450	1,505	1,546	1,574	1,590	2.8
Total	**3,840**	**3,757**	**4,073**	**4,296**	**4,527**	**4,776**	**5,005**	5.9
Growth (% YoY)								
Data Center	1.0	2.3	7.7	4.5	3.2	3.6	2.7	
Devices	(0.3)	(6.9)	14.0	3.1	0.9	1.1	0.9	
Software	11.7	(2.1)	10.8	10.6	12.1	12.7	11.1	
IT Services	4.8	(1.8)	9.0	7.3	8.8	9.4	8.4	
Communication Services	1.1	(0.7)	4.6	3.7	2.7	1.8	1.0	
Total	3.0	(2.2)	8.4	5.5	5.4	5.5	4.8	
Composition (%)								
Data Center	5.6	5.9	5.8	5.8	5.6	5.5	5.4	
Devices	18.5	17.6	18.6	18.1	17.4	16.6	16.0	
Software	12.4	12.4	12.7	13.3	14.2	15.1	16.0	
IT Services	27.1	27.2	27.3	27.8	28.7	29.7	30.7	
Communication Services	36.4	36.9	35.6	35.0	34.2	33.0	31.8	

Source: 1Q21 Update by Garner, Shinhan Securities Vietnam

2. FPT Software – Turn over a new leaf

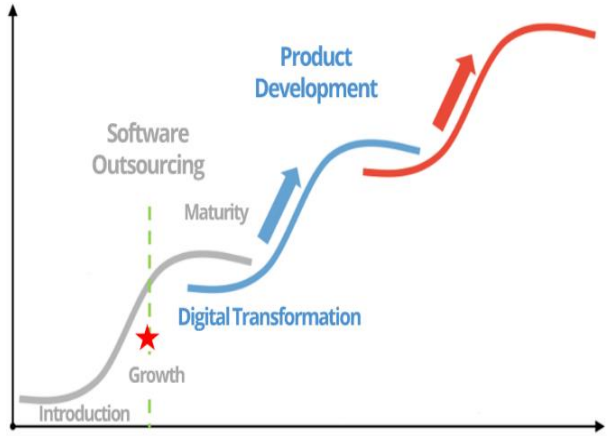
In order to catch the big wave of technology renovation, FPT has already transformed itself to become a global technology vendor and digital transformation pioneer instead of merely a software outsourcing provider.

FPT Software (FSoft) has prolongedly suffered prejudice as a "software outsourcing" vendor, which is only able to outsource a part of software products for their partners and has limited competitive advantage against foreign rivals. Even worse, as FSoft produces intangible B2B software, they have been bearing the market's low perception of their value creation to society. Hence, there still exists a valuation bias for such a potential pure technology company compared to other tech businesses that produce B2C products directly supplied to consumers such as automobiles, mobile phones, laptops, social networks, and e-commerce.

Vietnam's software life cycle and FPT's transition in the value chain. FPT and other Vietnamese IT companies are experiencing the 'Growth phase' of the Software Outsourcing cycle while stepping into the 'Introduction phase' of Product Development, which includes Digital Transformation as well. This is the right track for FPT to move upward in the software development value chain, gradually leaving their outsourcing vendor role behind when it is considered as "manual jobs" with less intellect, low added value, and fees.

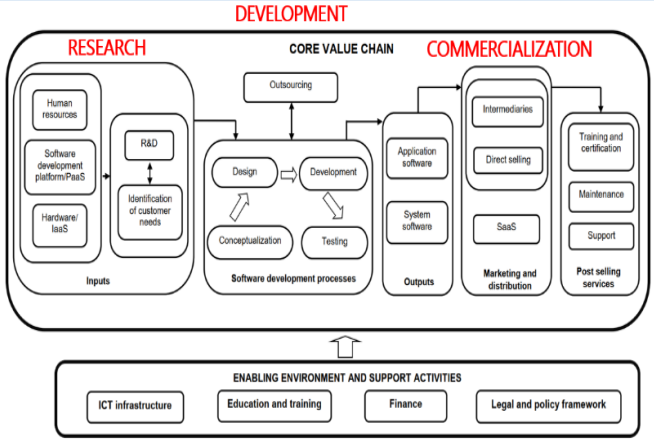
In the latter cycle, FPT joins with customers in all three phases of software development including Research, Development, and Commercialization. They will together define the customers' pain points, then offer possible solutions, deploy software development, and provide post-selling services. This cycle requires more grey matter, not only in developing software products but also in researching customers' business model, operation, and limitation as well as managing the whole life of the products. FPT has enhanced its added value and even fulfilled the value chain of the software industry. These activities, therefore, have led to significantly higher revenue and profit margin for FPT than in traditional outsourcing services.

Vietnam's software industry life cycle



Source: Company data, Shinhan Securities Vietnam

Software development value chain

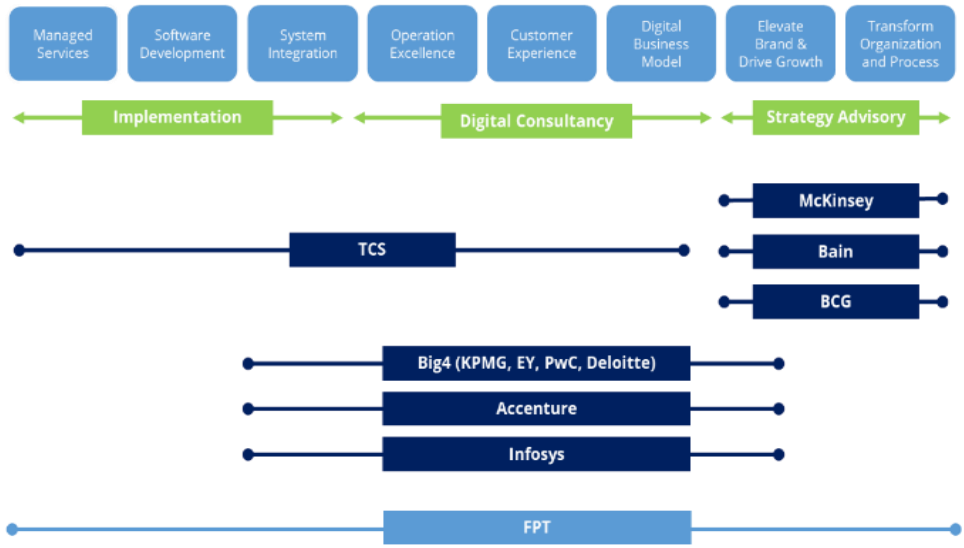


Source: Company data, Shinhan Securities Vietnam

FPT's completion of the DX service value chain. As a part of the "Product Development" cycle, Digital Transformation (DX) has been immersed since 2016. It is defined as a caterpillar-to-butterfly process, applying core technology platforms, including Cloud Computing, Big Data, Artificial Intelligent (AI), Internet of Things (IoT), and Blockchain to fundamentally transform business models. This is the vital transformation for leading corporations to reinforce their position and create a breakthrough for their business. It is also the foundation to create a Digital government, Digital economy, Digital society, and Digital world in the future.

Participating in the race of digital transformation, FPT has completed a comprehensive DX service offering from assessment, consultancy, and solutions to deployment and implementation of technology, infrastructure, and change management. In particular, the DX consultancy unit (via newly launched FPT Digital) is a potential segment and a great competitive advantage of FPT as currently not many tech companies in Gartner's list can provide this service. Through the methodology FPT Digital Kaizen, the company focuses on end-user benefits regarding Operational Excellence, Customer Experience, and Business Model, which are three substantial aspects of digital transformation for a business. As a result, the completeness of the DX value chain would enable the company to win more mega deals (>USD1mn) and large deals (>USD5mn) to make plans and roadmap of digitalization for their clients.

FPT in Digital Transformation (DX) service value chain



Source: Company data, Shinhan Securities Vietnam

Besides, FPT has developed 18,000 talents for DX services together with 30 consultants with 5-15 years of experience and two foreign consultants with 30-40 years. In particular, with two globally well-known experts joining FPT, including Mr. Phuong Tram (former global Chief Information Officer at DuPont) and Mr. Frank Bignone (former Airbus's Vice president and Head of Digital Transformation in Asia-Pacific and China), the company will be further supervised to perfect the methodology, expand digital services and solutions, and reach out to a great deal of potential customers over the world.

In 2020, FPT outperformed hundreds of prominent IT enterprises worldwide including IBM and Tata to win three over-USD100 mn contracts with a leading US automotive company, Malaysian National Petroleum Corp., and the largest Japanese beverage company. This further affirmed FPT's global competitiveness.

In the international arena, FPT also has other competitive advantages, including: 1) relatively lower labor cost with global standard quality; and 2) greater flexibility in adapting new IT business trends. Apparently, the quality of FPT's services and solutions have gradually achieved the global standard, allowing their clients not to have to tradeoff between the cost and the quality. Furthermore, DX services are still the new business to all tech companies over the world. Hence, big tech enterprises (i.e. Infosys and Tata in India) still need to maintain their traditional IT services with billion-dollar contracts to ensure their growth. Meanwhile, with a smaller business scale and higher flexibility, FPT can absolutely aggregate their major resources to the DX segment, focusing on the methodology Digital Kaizen and 'Made-by-FPT' products to supply to their clients.

Number of large-size customers of FPT

Customer group	2016	2017	2018	2019	2020
No. of customers with > USD20 mn in sale account	0	0	2	2	1
No. of customers with > USD10 mn in sale account	3	5	6	7	5
No. of customers with > USD50 mn in sale account	13	10	13	19	14
No. of customers with > USD1 mn in sale account	45	60	70	96	118

Source: Company data, Shinhan Securities Vietnam

Regarding core technologies, the company also has the capacity to develop and own the latest platforms[1], thus building a diverse ecosystem of DX products and solutions to provide for global enterprises.

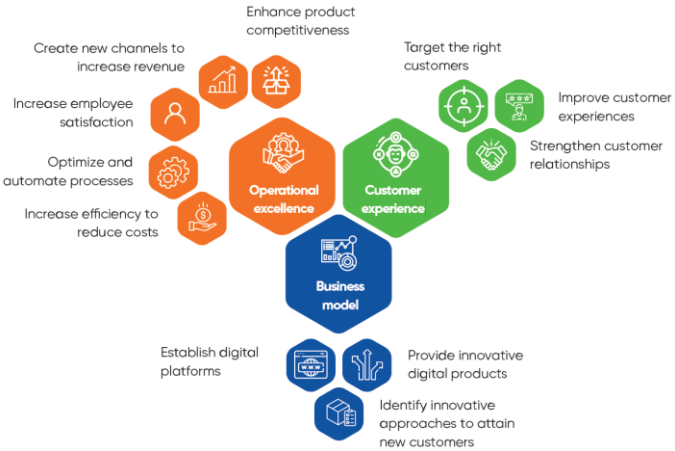
FPT's DX ecosystem. For large enterprise customers, FPT focuses on expanding and promoting

[1] AI, Cloud, Blockchain, IoT, Low-code, and Robotic Process Automation (RPA)

comprehensive DX services, from consulting to deployment over the next 3-5 years or even longer. These contracts will ensure consistent revenue and profits for the long term.

For SME customers, FPT will continue to develop and expand the portfolio of currently 80 'Made-by-FPT' solutions (expected 10 new products annually), towards an all-in-one platform that can connect with third party's services and solutions. These products will allow the company to earn recurring revenue thanks to clients' subscription fees. Furthermore, as these solutions have remarkably higher profit margins at ~30% on average than those of traditional IT services, we believe the margins of the company to improve over time.

Focusing on end-user benefits via DX



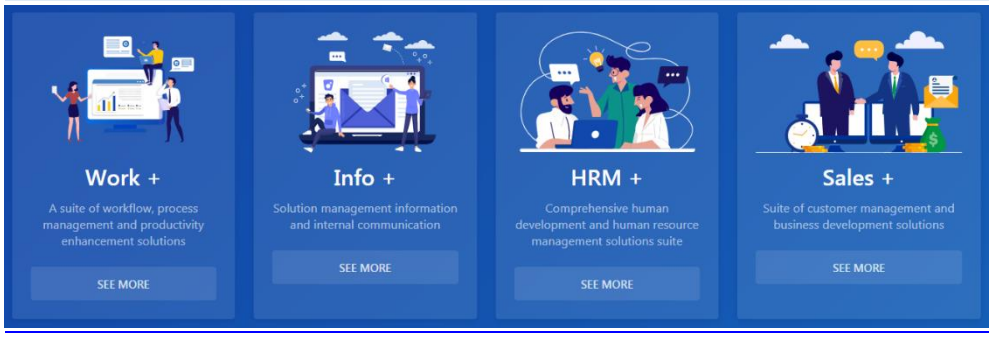
Source: Company data, Shinhan Securities Vietnam

"According to the daily traffic & usage statistics of reputable review websites (Alexa, SimilarWeb), BASE.VN is one of the most popular corporate governance cloud-based platforms (Software-as-a-Service or SaaS) in Vietnam, being trusted by more than 5,000 businesses in various fields. In 2020, BASE was also awarded as the #1 Excellent Digital Platform in the National forum for Developing digital technology enterprises."

Especially, FPT has recently conducted an M&A deal with BASE, a Vietnamese startup invested by 5 leading regional funds (Nextrans, Beenext, Alpha JWC, VIISA, and 500 Startup) and currently providing 50+ DX applications for domestic companies. We believe that this deal will consolidate the leading position of FPT in providing DX services domestically, then expanding to a wide range of global clients.

The synergy of this M&A includes: 1) the integration of 'Made-by-FPT' solutions into BASE, building it into an open and comprehensive DX platform with hundreds of solutions to satisfy all businesses' purposes; and 2) targeting to 800,000 SMEs in Vietnam (accounting for 97% of total companies, contributing to 45% of GDP and 50% of the labor market) and simultaneously to global enterprises. We expect that this merging will bring as spectacular fruit to FPT as the M&A deal with Intellinet in the US (1Q21 US division revenue up +27% YoY). With BASE, FPT will boost DX services more than ever before, thus leading to significantly higher earnings growth in this area from 2021. Besides, this consonance will allow the company to achieve its long-term strategic goal sooner than expected as becoming a digital enterprise in the Top 50 global leading end-to-end DX solution and service providers by 2030.

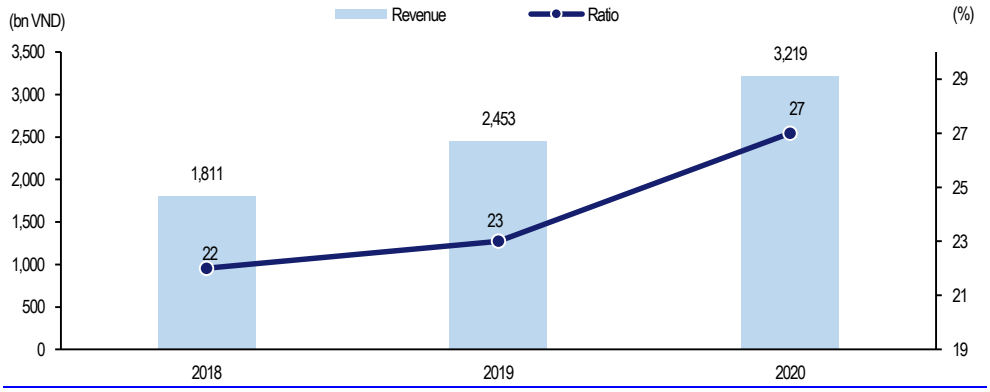
BASE's platform of 4.0 Enterprise operating system



Source: Company data, Shinhan Securities Vietnam

In 2020, DX revenue of FPT grew by +31% YoY (~CAGR in 2017-19), reaching VND3.2tn and lifting the contribution of DX to overseas IT to 27% from 22% in 2018. The DX growth is expected to achieve 40-50% p.a. from 2021 onwards, thus further lifting the DX revenue weight and bring significantly higher margins for the Technology segment.

Growth in DX service revenue in 2018-20



Source: Company data, Shinhan Securities Vietnam

"According to IDC, global direct DX expenditure will remain a CAGR of 15.5% p.a. in 2020-23 to reach USD6.8 tn."

The enormous potential of global DX. There is a gigantic room for FPT's growth in the DX area, in light of the tremendous foreign client base and FPT's still modest revenue scale. Leading studies of consulting firms[2] also estimated the global economic impact from digital transformation of trillions of dollars annually. By 2022, 65% of global GDP is expected to derive from digitalization and 70% of enterprises will accelerate DX to transform existing business processes. By 2023, 75% of global organizations will have a comprehensive DX roadmap, creating a digital revolution within many aspects of business and society (compared to the print of 27% in 2020).

Potential Economic Impact from Digital Transformation

Increase in Global Business and Social Value	Timeframe	Source
USD 100 Tn	2016-2030	World Economic Forum, 2016
Increase in Annual Global GDP		
USD 15.7 Tn (driven by AI)	By 2030	PwC, 2017
USD 13.0 Tn (driven by AI)	By 2030	McKinsey, 2018
USD 11.1 Tn (driven by IoT)	By 2025	McKinsey, 2015
USD 3.9 Tn (driven by AI)	By 2022	Gartner, 2018

Source: Digital Transformation – Survive and Thrive in an Era of Mass Extinction

In key industries of an economy, core technologies (i.e. as AI, Cloud, Big Data, etc.) are expectedly booming. In the Finance sector, technology trends will focus on enhancing the digital banking experience, using Big Data and AI to make accurate predictions of users' demands. In the Manufacturing industry, AI will be implanted in factories' tools and machines while 5G will be applied for remote manufacturing control, IoT optimization, Big Data, and automation, etc. Meanwhile, Transportation and Logistics are currently in the early DX stage. This industry will need the backing of technologies such as IoT, AI, Blockchain, and Omni-channel to promote future growth.

Not only businesses but many governments also started the DX campaigns early by issuing their National AI Strategies. The first group issuing their full strategies in 2017 included Canada, Japan, Singapore, China, and UAE. Then, other developed countries also launched their own approaches in

[2] PwC, McKinsey, and Gartner

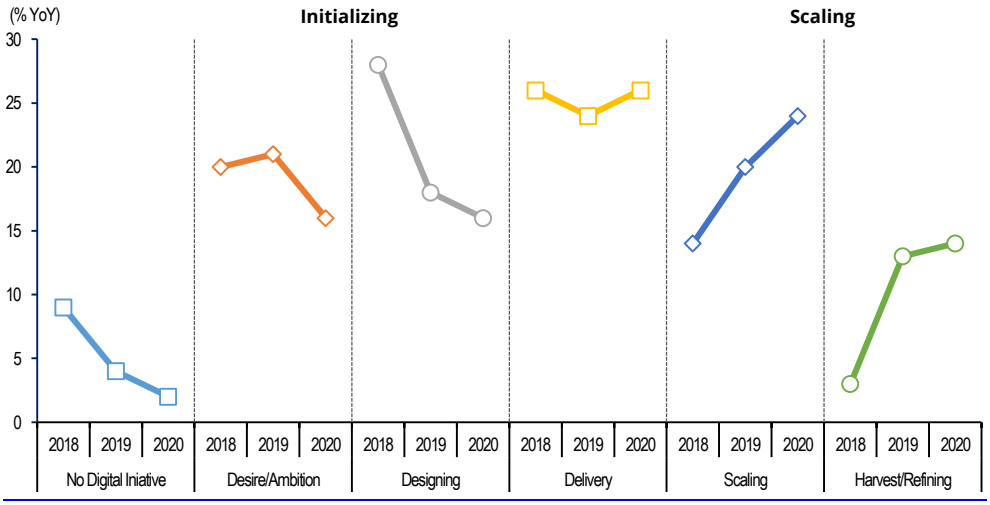
2018 such as UK, France, Germany, South Korea, Australia, etc. In 2019-20, the Southeast Asia countries have also followed this trend.

Vietnamese governments have issued policies and national strategies on Digital Transformation, the Fourth Industrial Revolution, and Artificial Intelligent by 2025 and 2030 since 2017. Leading tech companies in Vietnam (i.e. FPT, Viettel, VNPT, CMC, etc.) have become the backbone to motivate national digitalization, leading to digital government, society, and economy in the foreseeable future. Thus, besides the boundless potential of the global market, FPT would also take huge advantage of this internal trend, especially when it is strongly supported by the government and local enterprises.

According to Gartner, the proportion of initialization-phase DX projects accounted for 83% of the total in 2018. Meanwhile, the implementation-and-realization-phase DX projects only occupied 17%. However, in 2020, the market witnessed significant changes in these two ratios of 40% and 60% from implementation-and-realization-phase and initialization phase DX projects, respectively.

The COVID-19 outbreak in 2020 also marked a strong acceleration of DX projects as global enterprises have sought cost optimization and upgrade of customer interaction and supply chain. Although DX has gradually pervaded into global business and economy, the pandemic has made people re-affirm it to be an inevitable tendency. Therefore, the DX era will flourish in post-COVID-19.

The global tendency of Digital Transformation



Source: Company data, Gartner

3. FSoft enhanced its added value and position in the value chain by launching more global branches and promoting R&D on core technologies.

FPT launched four new offices and global distribution centers (in Canada, the Middle East, India, and Costa Rica in 2020) to reach 26 global branches, in order to further improve the capacity of providing worldwide comprehensive IT and DX services. Thus, these branches are playing an important role in ensuring 24/7 operation as well as providing immediate customer support. The company also plans to open more centers in Mexico and Romania over the coming years.

In 2020, FPT paid great attention to invest in the R&D of new core technologies[3] to become a global leading DX service provider. In June 2020, FPT officially signed a strategic partnership agreement with Mila – Quebec Artificial Intelligence Institute, in which both parties will seek to achieve remarkable results within a three-year timeframe (2020-2023). This agreement creates opportunities for exchange and improvement in the technological capabilities of FPT human resources and helps FPT gradually fulfill its goal to successfully set up an AI Research Center that meets international standards in Vietnam.

As a result, FPT has been widening its market appeal and mastering cutting-edge technologies, and thus, upgrading its added value and position in the whole value chain.

3 Including AI, Big Data, Cloud Computing, RPA, etc. among which AI is deemed as the key future technology.

4. Cloud service and 'Made-by-FPT' product will improve FIS margins over the next 3 years.

After a long time of growth stagnancy, the domestic IT segment is expected to rebound from 2021, and its pre-tax margin is estimated to reach about 10% in the next three years from 5.6% in 2020, thanks to 1) the ongoing shift from hardware business to software service provision and 2) the deployment of 'Made-by-FPT' products (margin ~30%) to the domestic market, focusing on three strategic groups including eClass (process digitalization), iClass (system optimization), and xClass (business model transformation).

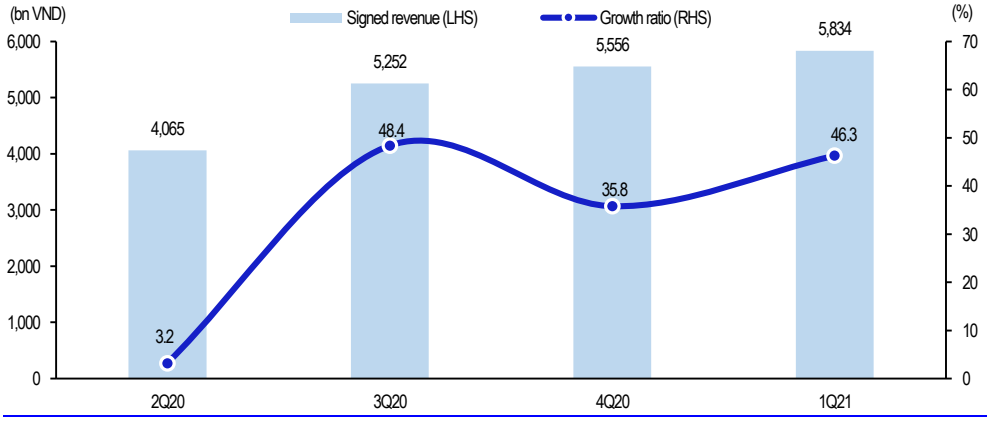
Previously, most domestic companies need their own hardware to store their data and installed software. This requires FIS to supply these facilities with a low profit margin to the clients. However, these businesses have recently been moving to cloud-based platforms to save their data and directly used SaaS products and solutions there. This tendency allows FPT to reduce the proportion of hardware revenue and enhance the weight of software service and in-house products with much higher margins.

Indeed, the highlight of the 1Q21 earnings result also came from the domestic IT services as its revenue and pretax profit accelerated by +40.1% YoY and +1,828.7% YoY, respectively. This segment also contributed to the 29.3% YoY pre-tax growth of Technology in the first quarter, outweighing the yearly target of 21.6% YoY for this segment. Therefore, we believe that domestic IT will more significantly contribute to FPT's profit and revenue growth in the long term thanks to the escalating demand for digitalization of local SMEs.

5. FPT would return to an explosive trajectory from 2021, thanks to accelerating new contracts.

Although the COVID-19 may continue in 2021, FPT almost overcame the hardest period. The growth of newly signed contracts has bounced back to +48.4% YoY and +35.8% YoY in 3Q20 and 4Q20, respectively, whose revenue started to be recorded from 1Q21. Moreover, this figure continued to grow by +46.3% YoY in 1Q21 and is expected to maintain similar velocity in the remainder of the year. It is thanks to recovering global economies when the COVID-19 has gradually been contained with widespread vaccines. This will become a strong foundation for the consistently high growth of FPT in the upcoming time.

Newly-signed tech orders (Signed Revenue)



Source: Company data, Shinhan Securities Vietnam

Telecommunication: Enduring energy for earnings

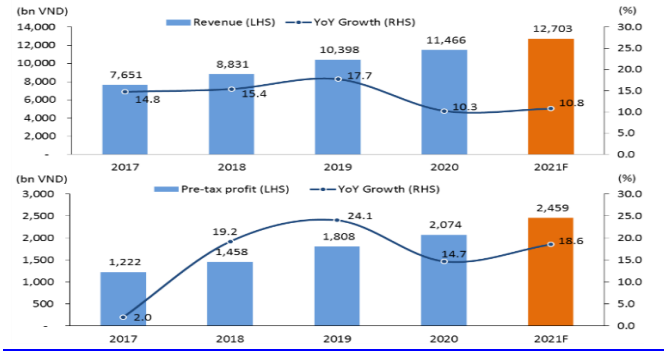
Telecom will remain the key driver of pre-tax profit for FPT. We expect that FPT Telecom (FOX VN), the telecommunication arm of FPT, will maintain net profit growth of 16-20% p.a. in 2021-2023, thanks to: 1) the rising broadband internet subscribers of estimated 15-20% p.a. and 2) the motivation from other

products/services such as IPTV (broadband internet protocol TV, FPT Play Box), Data Center, and Smart Home (FPT Camera, iHome). In addition, FOX has applied AI in implementing a real-time coordination system for customer service, allowing technicians to optimize task assignments to each employee based on their skills, jobs, locations, customers, and historical data. This would help promote customer satisfaction, revenue growth, cost efficiency, and margin enhancement.

For long-term development, FOX will continue to invest in international transmission lines, expand infrastructure coverage and establish new sale channels. For example, the company has planned to invest USD65.7mn into the Vietnam-Singapore mainland cable line to ensure the safety of telecom network infrastructure and minimize the risk for international bandwidth when the cable break occurs. This investment will upgrade telecom capacity and service quality, thus attracting more customers to ensure the targeted growth of revenue.

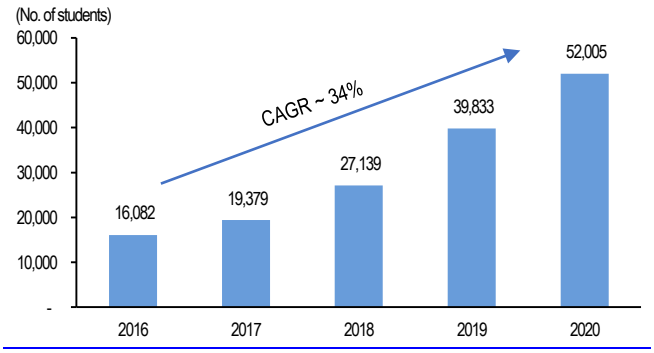
Besides, the data center (DC) is one of the top areas with high growth opportunities in the coming years. FOX will boost construction of the largest DC in Vietnam in the High-tech Park in District 9, HCM City (10,000 sqm and 3,600 rack cabinets) while promoting efficient operation in the two new DCs that have been put into use since 3Q20 (over 2,300 rack cabinets in total). This investment turns FOX to be the largest DC service provider in Vietnam, contributing to the high long-term growth of the Telecom segment.

FPT Telecom's revenue and pre-tax profit growth



Source: Company data, Shinhan Securities Vietnam

FPT's Full-time equivalent students



Source: Company data, Shinhan Securities Vietnam

Education: Internal engine for resilient growth

Education plays a vital role in sustainable development. FPT is among a few global IT companies that deploy an educational system from primary school to university to nurture talents and workforce for their technology sector. FPT University is also the first private university to be established by a corporation in Vietnam. Along with that, FPT has pioneered in developing university-software park complex model in 4 economic zones of Hanoi, Ho Chi Minh City, Da Nang, and Can Tho. Besides, the primary-to-high school system will allow students to early access computer programming and the latest core technologies, helping create a technology mindset as soon as they are children.

Admittedly, this concentration on education has brought significant advantages for FPT as they will generate a large pool of next-gen IT talents, ensure a high-quality workforce with relatively low labor cost, and approach to complete the value chain of the IT industry. With the boom of technology trend in Vietnam and the huge demand for IT experts in the future, the education segment is expected to quickly expand and remarkably contribute to the total revenue and profit of FPT as well.

Earnings estimates

We expect that FPT will experience a remarkable recovery of revenue (+16.4% YoY) and pre-tax profit (+21.9% YoY) in 2021. Particularly, the Technology division will be the key growth driver thanks to the booming of the DX area in both international and domestic markets. Telecom and Education play a vital role in maintaining a high pre-tax margin. We also expect that the profit margin of Technology will significantly enhance over time due to the larger contribution of 'Made-by-FPT' products (margin ~ 30%) in total revenue.

2021 FPT earnings forecast by Shinhan

(Unit: bn VND)	2020 Actual	2021 Forecast	2020A (% YoY)	2021F (% YoY)
Revenue	**29,830**	**34,728**	**7.6**	**16.4**
① **Technology**	**16,805**	**19,686**	**6.5**	**17.1**
Global IT Services	*12,000*	*14,160*	*10.6*	*18.0*
Domestic IT Services	*4,805*	*5,525*	*(2.6)*	*15.0*
② **Telecommunication**	**11,466**	**12,703**	**10.3**	**10.8**
Telecom Services	*10,867*	*12,062*	*11.0*	*11.0*
Digital Content Services	*599*	*641*	*(1.6)*	*7.0*
③ **Education & Investment**	**1,559**	**2,339**	**1.6**	**50.0**
Pre-tax profit	**5,263**	**6,416**	**12.8**	**21.9**
① Technology	2,238	2,810	13.4	25.6
② Telecommunication	2,074	2,459	14.7	18.6
③ Education & Investment	952	1,147	7.7	20.5
Pre-tax margin (%)	**17.6**	**18.5**		0.8
1. Technology	13.3	14.3		1.0
2. Telecommunication	18.1	19.4		1.3
3. Education & Investment	61.0	49.0		(12.0)

Source: Company data, Shinhan Securities Vietnam

The key assumptions on our model include the projection on FPT's revenue growth and operating margin by division. In 2021, we hold a rather conservative view to keep the segment growth slightly higher than the company's safe targets. For Technology, the revenue growth is based on FPT's objective to achieve USD1bn revenue in Global IT Services by 2022. Besides, we assume that Telecom Services will remain at the same velocity as in 2020 while Education will bounce back to 2019's growth. These are in alignment with FPT's yearly target, which we believe could be surpassed thanks to the low base of 2020 pandemic year.

Comparison of FPT 2021 earnings forecast

(Unit: bn VND, %, %p)	2021 Forecast			Diff.	
	Shinhan	FPT	Consensus	FPT	Consensus
Revenue	**34,728**	**34,720**	**34,787**	**0.02**	**(0.17)**
① Technology	*19,686*	*19,620*	*NA*	*0.34*	-
② Telecommunication	*12,703*	*12,700*	*NA*	*0.02*	-
③ Education & Investment	*2,339*	*2,400*	*NA*	*(2.54)*	-
Operating profit	**5,639**	**NA**	**5,639**	**-**	**0.00**
Pre-tax profit	**6,416**	**6,210**	**6,357**	**3.32**	**0.93**
① Technology	*2,810*	*2,720*	*NA*	*3.31*	-
② Telecommunication	*2,459*	*2,380*	*NA*	*3.32*	-
③ Education & Investment	*1,147*	*1,110*	*NA*	*3.33*	-
Net profit	**5,381**	**NA**	**4,245**	**-**	**26.76**
Growth (% YoY)					
Revenue	**16.4**	**16.4**	**16.6**	**0.00**	**(0.20)**
① Technology	*17.1*	*16.8*	*NA*	*0.30*	-
② Telecommunication	*10.8*	*10.8*	*NA*	*0.00*	-
③ Education & Investment	*50*	*53.9*	*NA*	*(3.90)*	-
Operating profit	**22.5**	**NA**	**22.5**	**-**	**0.00**
Pre-tax profit	**21.9**	**18.0**	**20.8**	**3.90**	**1.10**
① Technology	*25.6*	*21.6*	*NA*	*4.00*	-
② Telecommunication	*18.6*	*14.8*	*NA*	*3.80*	-
③ Education & Investment	*20.5*	*16.6*	*NA*	*3.90*	-
Net profit	**21.6**	**NA**	**20**	**-**	**1.60**
Margin (%)					
OPM	**16.2**	**NA**	**16.2**	**-**	**0.00**
Pre-tax margin	**18.5**	**17.9**	**18.3**	**0.60**	***0.20***
① Technology	*14.3*	*13.9*	*NA*	*0.40*	-
② Telecommunication	*19.4*	*18.7*	*NA*	*0.70*	-
③ Education & Investment	*49*	*46.3*	*NA*	*2.70*	-
NPM	**15.5**	**NA**	**12.2**	**-**	**3.30**

Source: Company data, Bloomberg, Shinhan Securities Vietnam

FPT earnings estimates by segment

(Unit: bn VND)	2019	2020	2021F	2022F	2023F
Revenue	**27,717**	**29,830**	**34,728**	**40,947**	**49,199**
① *Technology*	*15,783*	*16,805*	*19,686*	*23,457*	*28,424*
+ Global IT Services	*10,848*	*12,000*	*14,160*	*16,992*	*20,731*
+ Domestic IT Services	*4,935*	*4,805*	*5,525*	*6,465*	*7,693*
② *Telecommunication*	*10,398*	*11,466*	*12,703*	*14,215*	*16,191*
+ Telecom Services	*9,790*	*10,867*	*12,062*	*13,510*	*15,401*
+ Digital Content Services	*609*	*599*	*641*	*705*	*790*
③ *Education & Investment*	*1,535*	*1,559*	*2,339*	*3,275*	*4,584*
Gross profit	**10,712**	**11,814**	**13,952**	**16,683**	**20,332**
Operating profit	**4,147**	**4,605**	**5,639**	**6,975**	**8,781**
① *Technology*	*2,034*	*2,260*	*2,814*	*3,548*	*4,533*
+ Global IT Services	*1,805*	*2,034*	*2,470*	*3,049*	*3,824*
+ Domestic IT Services	*229*	*227*	*344*	*499*	*709*
② *Telecommunication*	*1,751*	*1,965*	*2,233*	*2,564*	*2,995*
+ Telecom Services	*1,479*	*1,753*	*2,006*	*2,314*	*2,715*
+ Digital Content Services	*272*	*212*	*227*	*250*	*280*
③ *Education & Investment*	*362*	*379*	*592*	*862*	*1,253*
Pretax profit	4,665	5,263	6,416	7,858	9,662
Net profit	**3,912**	**4,424**	**5,381**	**6,579**	**8,076**
Growth (% YoY)					
Revenue	**19.4**	**7.6**	**16.4**	**17.9**	**20.2**
① *Technology*	*17.8*	*6.5*	*17.1*	*19.2*	*21.2*
+ Global IT Services	*28.5*	*10.6*	*18.0*	*20.0*	*22.0*
+ Domestic IT Services	*(0.5)*	*(2.6)*	*15.0*	*17.0*	*19.0*
② *Telecommunication*	*17.7*	*10.3*	*10.8*	*11.9*	*13.9*
+ Telecom Services	*18.0*	*11.0*	*11.0*	*12.0*	*14.0*
+ Digital Content Services	*13.2*	*(1.6)*	*7.0*	*10.0*	*12.0*
③ *Education & Investment*	*56.5*	*1.6*	*50.0*	*40.0*	*40.0*
Gross profit	**22.8**	**10.3**	**18.1**	**19.6**	**21.9**
Operating profit	**32.8**	**11.0**	**22.5**	**23.7**	**25.9**
① *Technology*	*29.2*	*11.1*	*24.5*	*26.1*	*27.8*
+ Global IT Services	*27.2*	*12.7*	*21.5*	*23.4*	*25.4*
+ Domestic IT Services	*48.1*	*(0.8)*	*51.6*	*45.2*	*42.1*
② *Telecommunication*	*23.8*	*12.2*	*13.6*	*14.8*	*16.8*
+ Telecom Services	*28.5*	*18.5*	*14.4*	*15.4*	*17.3*
+ Digital Content Services	*3.2*	*(22.0)*	*7.0*	*10.0*	*12.0*
③ *Education & Investment*	*171.2*	*4.7*	*56.2*	*45.5*	*45.3*
Net profit	**21.0**	**13.1**	**21.6**	**22.3**	**22.8**
Margin (%)					
GPM	**38.6**	**39.6**	**40.2**	**40.7**	**41.3**
OPM	**15.0**	**15.4**	**16.2**	**17.0**	**17.8**
① *Technology*	*12.9*	*13.5*	*14.3*	*15.1*	*15.9*
+ Global IT Services	*16.6*	*16.9*	*17.4*	*17.9*	*18.4*
+ Domestic IT Services	*4.6*	*4.7*	*6.2*	*7.7*	*9.2*
② *Telecommunication*	*16.8*	*17.1*	*17.6*	*18.0*	*18.5*
+ Telecom Services	*15.1*	*16.1*	*16.6*	*17.1*	*17.6*
+ Digital Content Services	*44.7*	*35.4*	*35.4*	*35.4*	*35.4*
③ *Education & Investment*	*23.6*	*24.3*	*25.3*	*26.3*	*27.3*
NPM	**14.1**	**14.8**	**15.5**	**16.1**	**16.4**

Source: Company data, Shinhan Securities Vietnam

Risks

Lack of IT talents

The key challenge for FPT is to attract and retain technology talents. The BOM has shared that the limitation for the technology segment's growth mainly derives from the lack of workforce instead of contract shortage or low competitive advantages. This year, FPT plans to recruit 7,000 more IT staff to achieve the expected targets, not a simple mission in the scenario that the labor market has become more competitive. Therefore, the company has offered higher salaries since 2020 for their employees compared to the industry average to conserve their workforce. As a result, the turnover rate declined from 27.2% in 2019 to 17.5% in 2020, helping strengthen FPT's competitiveness in the labor market and long-term growth. Furthermore, thanks to labor productivity optimization and the priority of recruiting high-level employees, the salary increase has not impacted the profit margin and growth.

Besides, the ongoing ESOP policy, as well as the expansion of the education segment, will also contribute to tackling the workforce problem in the long term.

The budget of domestic businesses may be inadequate to meet the DX demand

Although domestic awareness and demand for digital transformation have accelerated recently, the budget of these companies, especially SMEs, may not be abundant and available for the comprehensive DX. They might make experiments of digitalization for each business segment in advance instead of for the whole business model. This might lengthen the timeline and limit the scale of DX applied for them. In fact, FPT has expected this situation, and thus developing an ecosystem of 'Made-by-FPT' solutions to provide and satisfy each demand of the domestic clients. These DX products will fit better with the status of Vietnamese businesses, gradually making them approach digitalization for their businesses over time.

A huge amount of contracts occurring simultaneously may impact service quality

FPT might face another risk in the future when the company receives an overwhelming number of contracts simultaneously. Although it is a positive sign, FPT will confront a great challenge in ensuring the similar high quality of all services they provide to their clients. However, FPT has been deploying internal DX to assure unified and transparent operations towards a real-time data-driven corporation. This would allow the company to assess the situation and make decisions almost immediately, thus reducing the likelihood of failure to meet customers' requirements.

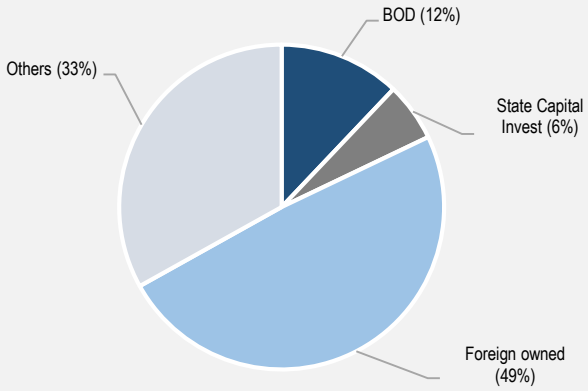
Company background

History

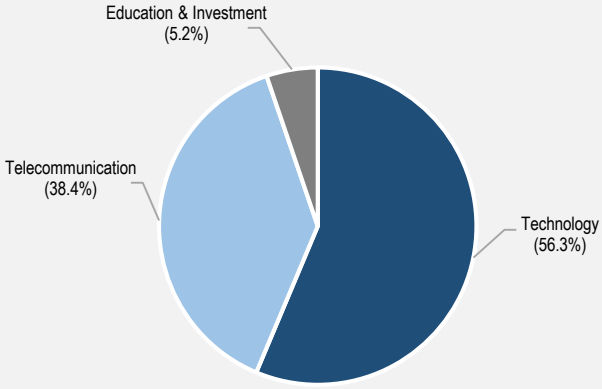
Starting up as a Food Technology Company in September 1988, FPT Corp. grew to be the No. 1 IT company in Vietnam from 1996 thanks to their ability to develop large-scale IT systems in the fields of finance and banking, tax, customs, and e-government. Then, FPT has expanded its software outsourcing business globally such as Japan, APAC, EU, and the US, and was listed in the Global Outsourcing 100 by IAOP in 2012. Now, the company is running three main businesses, including: 1) Technology, 2) Telecommunication, and 3) Education & Investment. In particular, since 2018, FPT has set a strategic mission to be one of the leading Digital Transformation (DX) corporations and become a comprehensive DX service provider over the world.

FPT Corp. has been officially listed on the Ho Chi Minh Stock Exchange since 2006, under the ticker 'FPT'.

Shareholder structure

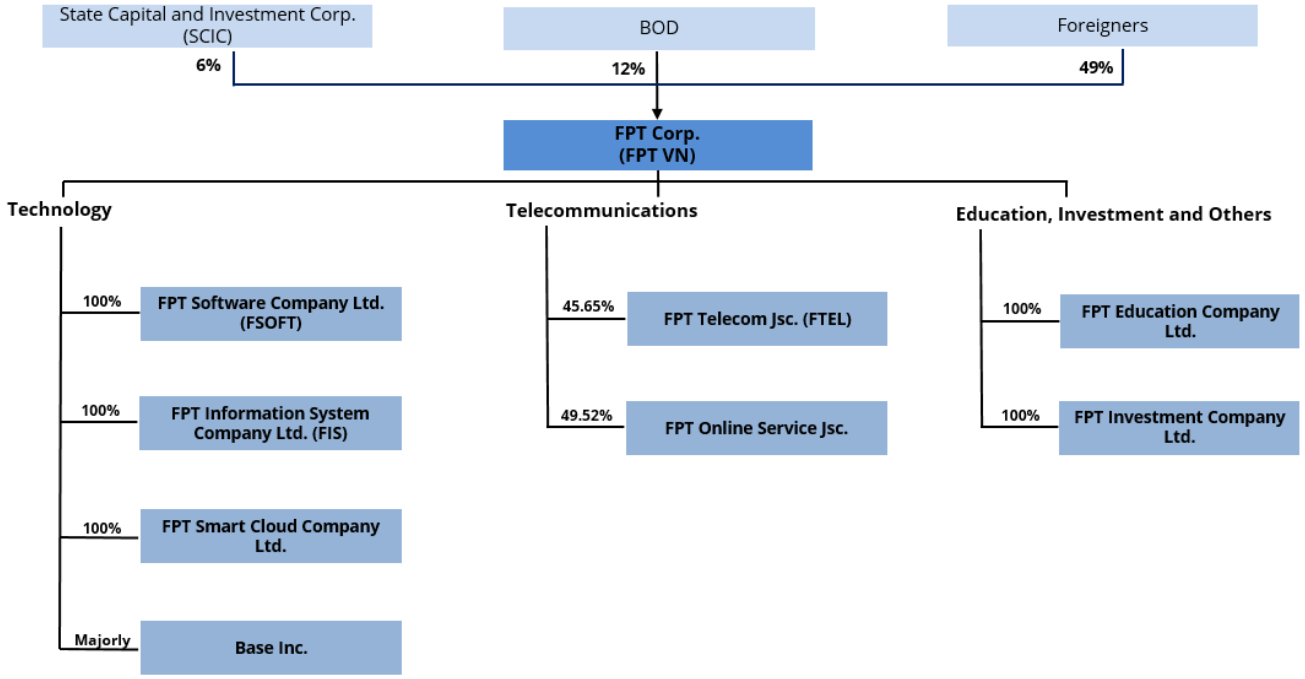


Business mixed



Source: Company Data, Shinhan Securities Vietnam

Hoa Phat Group's corporate governance structure in 2021



Source: Company data, Shinhan Securities Vietnam

Appendix : Financial statements

Statement of financial position

Year to Dec. (bn VND)	2019	2020	2021F	2022F	2023F
Total assets	**33,394**	**41,734**	**47,283**	**54,404**	**63,247**
Current assets	18,979	25,612	30,401	36,535	44,654
Cash & equivalents	3,453	4,686	5,892	9,585	14,622
Short-term financial asset	6,709	12,436	13,891	14,331	14,760
Accounts receivable	7,533	7,200	9,070	10,772	13,031
Inventories	1,284	1,290	1,549	1,847	2,242
Non-current assets	14,415	16,122	16,881	17,869	18,593
Net fixed assets	9,143	10,691	11,233	12,035	12,558
Investment assets	2,497	2,581	2,715	2,849	2,982
Other long-term assets	2,776	2,849	2,933	2,985	3,053
Total liabilities	**16,595**	**23,129**	**24,950**	**27,402**	**30,377**
Current liabilities	16,102	22,365	23,933	26,218	29,048
Accounts payable	2,642	2,825	3,299	3,890	4,674
Short-term borrowings	7,514	12,062	11,923	12,095	12,120
Others	5,947	7,478	8,711	10,233	12,253
Non-current liabilities	493	764	1,016	1,184	1,329
Long-term borrowings	350	678	924	1,084	1,218
Other financial liabilities	143	86	92	100	111
Total shareholders' equity	**16,799**	**18,606**	**22,333**	**27,001**	**32,871**
Capital stock	6,784	7,840	9,055	10,459	12,080
Capital surplus	50	50	50	50	50
Other capital	1,170	1,465	1,466	1,466	1,466
Retained earnings	5,961	6,391	7,825	9,772	12,404
Non-controlling interest equity	2,835	2,860	3,937	5,255	6,872
*Total debt	7,863	12,740	12,847	13,179	13,339
*Net debt (cash)	(2,299)	(4,382)	(6,936)	(10,737)	(16,043)

Statement of comprehensive income

Year to Dec. (bn VND)	2019	2020	2021F	2022F	2023F
Revenue	**27,717**	**29,830**	**34,728**	**40,947**	**49,199**
Growth (%)	19.4	7.6	16.4	17.9	20.2
COGS	**(17,005)**	**(18,017)**	**(20,776)**	**(24,264)**	**(28,868)**
Gross profit	**10,712**	**11,814**	**13,952**	**16,683**	**20,332**
GPM (%)	38.6	39.6	40.2	40.7	41.3
SG&A	**(6,565)**	**(7,209)**	**(8,313)**	**(9,708)**	**(11,551)**
Operating profit	**4,147**	**4,605**	**5,639**	**6,975**	**8,781**
Growth (%)	32.8	11.0	22.5	23.7	25.9
OPM (%)	15.0	15.4	16.2	17.0	17.8
Non-operating profit	**518**	**659**	**777**	**884**	**881**
Financial income	650	822	1,006	1,123	1,159
Financial expense	(592)	(548)	(614)	(625)	(663)
In which: interest expenses	(359)	(385)	(614)	(625)	(663)
Net other non-operating profit	460	385	385	385	385
Pre-tax profit	**4,665**	**5,263**	**6,416**	**7,858**	**9,662**
Income tax	(753)	(840)	(1,035)	(1,280)	(1,586)
Net profit	**3,912**	**4,424**	**5,381**	**6,579**	**8,076**
Growth (%)	21.0	13.1	21.6	22.3	22.8
NPM (%)	14.1	14.8	15.5	16.1	16.4
Controlling interest	3,135	3,538	4,304	5,261	6,459
Non-controlling interest	776	886	1,077	1,317	1,617
EBIT	**5,024**	**5,649**	**7,030**	**8,483**	**10,325**
Growth (%)	22.6	12.4	24.5	20.7	21.7
EBIT Margin (%)	18.1	18.9	20.2	20.7	21.0
EBITDA	**6,378**	**7,139**	**8,900**	**10,437**	**12,559**
Growth (%)	21.2	11.9	24.7	17.3	20.3
EBITDA margin (%)	23.0	23.9	25.6	25.5	25.5

Statement of cash flow

Year to Dec. (bn VND)	2019	2020	2021F	2022F	2023F
Cash flow from operations	**3,792**	**6,430**	**5,435**	**7,166**	**8,931**
Net profit	3,912	4,424	5,381	6,579	8,076
Depreciation expense	1,355	1,491	1,870	1,954	2,234
Amortization expense	-	-	-	-	-
(Gain) from investing activities	(1,055)	(1,134)	(1,318)	(1,436)	(1,471)
Change in working capital	(419)	1,650	(497)	69	92
Others	-	-	-	-	-
Cash flow from investments	**(3,740)**	**(8,236)**	**(2,683)**	**(1,894)**	**(1,847)**
Change in fixed assets	(3,182)	(3,404)	(2,411)	(2,756)	(2,756)
Change in investment assets	(1,140)	(5,727)	(1,455)	(440)	(428)
Others	582	894	1,184	1,302	1,338
Free cash flow	**52**	**(1,806)**	**2,753**	**5,272**	**7,084**
Cash flow from financing	**(513)**	**3,039**	**(1,547)**	**(1,578)**	**(2,047)**
Change in equity	72	60	40	45	52
Net borrowing	899	4,879	106	332	160
Dividends	(1,484)	(1,899)	(1,694)	(1,956)	(2,259)
Change in total cash	**(461)**	**1,233**	**1,205**	**3,693**	**5,037**
Beginning cash	3,926	3,453	4,686	5,892	9,585
Change in FX rates	(12)	(0)	-	-	-
Ending cash	3,453	4,686	5,892	9,585	14,622

Source: Company data, Shinhan Securities Vietnam

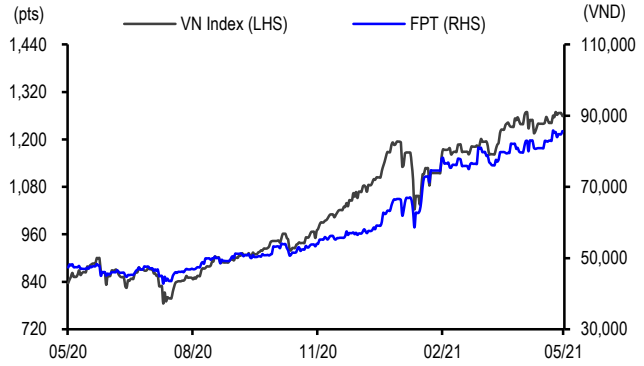
Key ratios

Year to Dec.	2019	2020	2021F	2022F	2023F
EPS (VND)	4,214	4,115	4,974	6,081	7,465
BPS (VND)	20,581	20,083	23,308	27,554	32,943
DPS (VND)	2,000	2,000	2,000	2,000	2,000
PER (x)	24.9	25.5	21.1	17.2	14.0
PBR (x)	5.1	5.2	4.5	3.8	3.2
EV/EBITDA (x)	10.2	8.9	6.8	5.5	4.1
Dividend payout ratio (%)	20.0	20.0	20.0	20.0	20.0
Dividend yield (%)	2.3	2.3	2.3	2.3	2.3
Profitability					
EBITDA margin (%)	23.0	23.9	25.6	25.5	25.5
OPM (%)	15.0	15.4	16.2	17.0	17.8
NPM (%)	14.1	14.8	15.5	16.1	16.4
ROA (%)	11.7	10.6	11.4	12.1	12.8
ROE (%)	23.3	23.8	24.1	24.4	24.6
Stability					
Debt to equity ratio (%)	46.8	68.5	57.5	48.8	40.6
Net debt ratio (%)	(36.0)	(61.4)	(77.9)	(102.9)	(127.7)
Cash ratio (%)	63.1	76.6	82.7	91.2	101.1
Interest coverage ratio (x)	14.0	14.7	11.4	13.6	15.6
Activity (%)					
Working capital turnover (times)	8.1	9.7	7.1	4.9	3.8
Inventory turnover (days)	13.0	14.0	14.6	14.3	14.1
Receivable turnover (days)	3.7	4.0	4.3	4.1	4.1

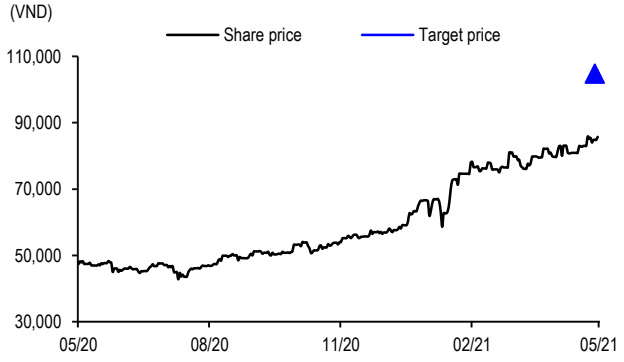
Source: Company data, Shinhan Securities Vietnam

FPT Corp. (FPT VN)

Share performance



Target price



Date	Rating	Target price (VND)	Target price gap (%)	
			Average	Max/Min
May 18th, 2021 (Initiation)	BUY	104,800	19.8	4.6/48.7

Note: Calculation of target price gap based on past 6 months

Shinhan Securities Vietnam

Stock	Sector
◆ **BUY:** Expected 6-month gain of 20% or more ◆ **Trading BUY:** Expected 6-month gain of 10% to loss of 10% ◆ **HOLD:** Expected 6-month loss of 10% to 20% ◆ **REDUCE:** Expected 6-month loss of 20% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated Trading BUY or HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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