

# INVESTOR UPDATE IN 12M2018



**“Ending 2018, revenue and profit before tax well exceeded the 2018 plan, soared by 17% and 30% YoY, respectively.”**

*In like for like comparison (\*).*



Revenue and profit before tax (PBT) reached VND 23,214 billion and VND 3,852 billion, equal to 106% and 111% of the 2018 targets, respectively. PBT margin achieved **16.6%**, equal to 1.7 times that of 12M2017.

## Summary of 2018 consolidated financial performance

*Unit: VND in billions*

Items	Year 2018	vs. YTD guidance	YoY change	
			Like for like comparison (*)	Compared to the report
Net revenue	23,214	106%	17%	-47%
Profit before tax (PBT)	3,852	111%	30%	-9%
Profit after tax (PAT)	3,228	109%	30%	-8%
PAT attributed to parent company's shareholders	2,615	110%	35%	-11%
Basic EPS (VND)	3,897	110%	35%	-13%

Table 1 - Summary of financial performance in Year 2018

(\*) Excluding one-off profit from divestment in FPT Retail and Synnex FPT as well as incorporating ones under the equity method

Regardless of the instability of the global economy, the “Going Global” strategy continues to be an essential growth of FPT. In 2018, overseas markets brought FPT with revenue of VND 9,097 billion, up 26% YoY and PBT of VND 1,472 billion, up 27% YoY. The overseas revenue contributed 39% to the Corporation’s total revenue, from 16% in 2017.

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## PBT growth of all business sectors are over 19%



**Technology sector:** PBT soars by 34% YoY, driven by the core pillar - Software Outsourcing

- ❖ **Software outsourcing:** The segment recorded revenue of VND 8,443 billion, up 35% YoY. PBT was VND 1,360 billion, up 27% YoY. The PBT margin was 16.1%, decreased compared to 2017 (17.1%) due to goodwill amortization and costs associated with M&A activities.

All market revenues achieved strong growth of over 23% YoY. Japan continued to be FPT's most important market with revenue of VND 4,693 billion, up +30% YoY, accounting for 56% of software outsourcing revenue.

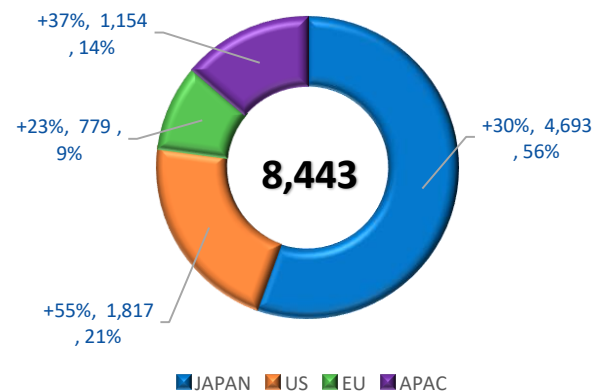
After ten years of establishment and development, USA – the second largest market – reached revenue of VND 1,817 billion, an impressive growth of 55%. USA market revenue still achieved healthy

growth of 30% without consolidating 2018 second-half financial results of Intellinet. The Asia-Pacific experienced a year of impressive growth with revenue of VND 1,154 billion, up 37% YoY, underpinned by expanding business in Australia and outstanding performance in Malaysia.

With a strategic focus on digital transformation, this service line's revenue from overseas markets was VND 1,679 billion, up 31% YoY, contributing 20% to the software outsourcing's revenue.

- ❖ **System integration, software solution, and IT services:** The business recorded revenue of VND 4,952 billion, up 2% YoY, equal to 111% of the 2018 targets, and PBT of VND 159 billion, equal to 106% of the 2018 targets.

Revenue by markets



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Total contract value signed in 2018 was VND 4,088 billion, down 26% YoY due to delay in contract signing with banks and the government agencies. In addition, in 2017, FPT won software contracts and ATM maintenance services from the largest banks for the subsequent three years, but there are no such contracts in 2018.



**Telecom sector:** Telecom services is the key growth driver in this sector, contributing 94% to this sector's revenue.

- ❖ **Telecom services:** Revenue was VND 8,293 billion in 2018, equal to 103% of the year target, up 16% YoY. PBT was VND 1,142 billion, equal to 108% of the year targets, **up 26% YoY** thanks to good business operation and decreasing the provision of the Vietnam Public Utility Telecommunication Service Fund (VTF) and license fee. Broadband services revenue recorded a growth of 13% YoY and reached VND 5,299 billion underpinned by increasing FPT's internet subscribers in line with the strong growth rate of the Vietnam market.
- ❖ **Online advertising:** Ending 2018, this service posted a flat PBT and revenue increase of 4%, falling to achieve the 2018 targets due to a highly competitive market.



**Education:** The Education segment experienced a fruitful year when enrollments recorded a strong growth rate of 55%, equal 111% of the target, equivalent to 19,380 new students. At the end of the year, the total number of students is 36,635 at all levels, an increase of 48% compared to 2017.



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## Financial performance by sectors

Unit: VND in billions

Segments	REVENUE				PROFIT BEFORE TAX			
	Year 2017	Year 2018	YoY change	% YTD guidance	Year 2017	Year 2018	YoY change	% YTD guidance
Software outsourcing	6,242	8,443	35%	110%	1,068	1,360	27%	104%
System integration, software solutions and IT services	4,841	4,952	2%	111%	63	159	152%	106%
<b>Subtotal Technology</b>	<b>11,083</b>	<b>13,395</b>	<b>21%</b>	<b>110%</b>	<b>1,131</b>	<b>1,519</b>	<b>34%</b>	<b>104%</b>
Telecom services	7,132	8,293	16%	103%	909	1,142	26%	108%
Online advertising	520	538	4%	94%	314	315	0%	95%
<b>Subtotal Telecom</b>	<b>7,651</b>	<b>8,831</b>	<b>15%</b>	<b>102%</b>	<b>1,222</b>	<b>1,458</b>	<b>19%</b>	<b>105%</b>
Education & investments	1,044	1,382	32%	N/A	243	488	101%	N/A
Distribution and Retail associates	-	-	N/A	N/A	358	387	8%	N/A
<b>Total (like for like comparison)</b>	<b>19,778</b>	<b>23,608</b>	<b>19%</b>	<b>106%</b>	<b>2,954</b>	<b>3,852</b>	<b>30%</b>	<b>111%</b>
Consolidated adjustment	24,067	(394)	N/A	N/A	1,301	-	N/A	N/A
<b>Total</b>	<b>43,845</b>	<b>23,214</b>	<b>-47%</b>	<b>106%</b>	<b>4,255</b>	<b>3,852</b>	<b>-9%</b>	<b>111%</b>

Table 2 - Financial performance by segments in Year 2018

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