

FPT CORP – 1Q2018 PERFORMANCE

AN IMPRESSIVE PBT GROWTH OF 34% YOY

In 1Q2018, FPT recorded consolidated revenue of VND 4,751 billion, equal to 104% of the YTD target, PBT was VND 781 billion, equal to 118% of the YTD target. In like for like comparison (FPT Retail and Synnex FPT were regarded as associates for 1Q2017), revenue and PBT increased by 22% and 34% YoY, respectively. Compared to the actual number (no adjustment) of 1Q2107, revenue down 51% and PBT up 21% YoY. In addition, PBT margin achieved 16.4%, up 2.5 times YoY.

Profit after tax (PAT) was VND 653 billion in 1Q2018, equal to 117% of the YTD target, up 21% YoY. **PAT attributed to parent company's shareholders** was VND 509 billion, equal to 123% of the YTD target, up 23% YoY. **EPS** was VND 959 equal to 123% of the YTD target, up 23% YoY.

Overseas markets continue to be an important growth of FPT in the first quarter. Revenue from overseas markets was VND 1,827 billion, up 29% YoY. PBT from overseas markets was VND 272 billion, up 36% YoY, accounting for 35% of consolidated PBT.

Summary of YTD consolidated financial performance

Unit: VND in billions

Indicator	1Q2018	vs. YTD guidance	YoY change	
			Like for like comparison (*)	Compared to the report number
Net revenue	4,751	104%	22%	-51%
Profit before tax (PBT)	781	118%	34%	21%
Profit after tax (PAT)	653	117%	33%	21%
PAT attributed to parent company's shareholders	509	123%	37%	23%
Basic EPS (VND)	959	123%	37%	23%

Table 1 - Summary of financial performance in 1Q2018

(*) Incorporate FPT Retail and Synnex FPT as FPT's associates under the equity method

(**) Fully incorporate FPT Retail and Synnex FPT as FPT's subsidiaries

YTD segment reporting

Unit: VND in billions

Segments	REVENUE				PROFIT BEFORE TAX			
	1Q2017	1Q2018	YoY change	% YTD guidance	1Q2017	1Q2018	YoY change	% YTD guidance
Software outsourcing	1,310	1,675	28%	105%	190	235	24%	106%
System integration, software solutions and IT services	620	778	26%	108%	-7	14	N/A	331%
Subtotal Technology	1,929	2,453	27%	106%	183	250	37%	118%
Telecom services	1,643	1,902	16%	100%	242	288	19%	104%
Online advertising	107	108	1%	92%	53	52	-2%	88%
Subtotal Telecom	1,749	2,009	15%	100%	295	339	15%	102%
Education & investments	225	289	28%	N/A	48	108	123%	N/A
Profit from Distribution and Retail associates	-	-	N/A	N/A	55	84	51%	N/A
Total (like for like comparison)	3,904	4,751	22%	104%	582	781	34%	118%
Consolidated adjustment	5,864	-	N/A	N/A	61	-	N/A	N/A
Total	9,768	4,751	-51%	104%	643	781	21%	118%

Table 2 - Financial performance by segments in 1Q2018

TECHNOLOGY SECTOR

The Technology sector's PBT increased sharply by 37% YoY on the back of a strong growth of the outsourcing segment (24% growth YoY). The financial performance of *software solutions, IT services* and *system integration* made a profit in the first quarter of 2018.

Software Outsourcing

The software outsourcing segment, which serves customers in *developed markets* including Japan, US, Europe and Asia Pacific (APAC), recorded revenue of VND 1,675 billion, up 28% YoY. PBT for the reported period was VND 235 billion, up 24% YoY. The financial performance of Japanese and APAC market is an important growth driver of the outsourcing segment in 1Q2018.

With a strategic focus on digital transformation, this service's revenue from overseas markets was VND 367 billion, up 40% YoY, contributing 22% in the software outsourcing's revenue.

In 1Q2018, FPT continued to sign a software contract worth USD 100 million with Innogy SE (owned by RWE Group) for the forthcoming period (2018-2024) - the largest contract in FPT's history of 30 years. According to the contract, FPT will provide technological solutions based on SAP, IoT and digital transformation platforms for Innogy SE.

On March 20th, 2018, FPT reached a cooperation agreement with GE Digital. According to this one, FPT is an authorized solution partner of GE Digital in Southeast Asia, especially in automation, MES and APM Classic solutions based on 4.0 technology platforms.

System integration, software solutions and IT services

In 1Q2018, the information system business recorded revenue of VND 778 billion, increased 26% YoY, equal to 108% the YTD targets, and PBT of VND 14 billion.

Total contract value signed in 1Q2018 was VND 593 billion, down 52% YoY. The main reason was FPT acquired software contracts and ATM maintenance services from the largest banks in 1Q2017 for the next 3 years but there are no similar ones in the same period of 2018. Backlog balance for these three segments ended up being VND 2,833 billion by the end of March.

In the first quarter, FPT launched an updated FPT.eHospital version, applying the IT 4.0 solutions such as AI, big data, cloud computing. Currently, the solution is being used by 200 large hospitals and healthcare organizations nationwide.

TELECOM SECTOR

Telecom services – PBT increased by 19% year-on-year

Being the key growth driver of the Telecom sector's revenue and profits, the Telecom services segment recorded VND 1,902 billion in revenue in 1Q2018, achieving the YTD target, up 16% YoY. PBT was VND 288 billion, equal to 104% of the YTD target.

In more details, revenue from providing *broadband services* to individuals and households recorded 11% YoY growth and reached VND 1,247 billion in 1Q2018. Other *non-broadband telecom services*, including leased line, voice, data center and IPTV services, have also performed well and recorded 26% top-line growth on a year-



over-year basis, reaching VND 655 billion in the reported period, which was mostly driven by pay-TV revenue growth.

On January 4th, 2018, FPT pioneers in providing Dual-band Wi-Fi modem according to 802.11ac Wave 2 MU-MIMO standard that is highly interference resistance, improving data transfer and customer experience.

Online advertising

Online advertising posted revenue of VND 108 billion in 1Q2018, equal to the same period of 2017, and PBT of VND 52 billion, decreasing slightly by 2% YoY.

EDUCATION SEGMENT

In 1Q2018, the education segment recorded a good growth, revenue exceeding the YTD target.

Aiming to become multi-segment education system, on March 3rd, 2018, FPT reached an agreement with Indian Skilling to launched the first Digital Marketing school in Vietnam – FPT Skilling.

SUMMARY OF NOTABLE EVENTS

Focusing on technology to make FPT's profit margin double, reaching 16%

2018 business plan was approved at FPT's annual general meeting of shareholders held on April 5th at Daewoo Hanoi Hotel. Revenue is expected to reach VND 21,900 billion, an increase of 11%; profit before tax is expected to reach VND 3,484 billion, up 18%. FPT's profit margin will double in 2018, reaching 16%.



GLOBALIZATION

FPT Software signing the contract of more than 100 million USD with Innogy SE

FPT Software will provide the technological solutions based on SAP, IoT, digital conversion platforms for Innogy in the period of the year 2018-2024. Previously, in 2014, FPT Software acquired RWE IT Slovakia and started implementing the projects of providing IT related services to RWE AG/Innogy SE.

FPT Software signs re-seller agreement with GE Digital

FPT Software, a global leading technology, outsourcing and IT services group, today announced the company has signed a reseller agreement with GE Digital to commercialize its software solutions. On the occasion of Signing Ceremony, FPT University and GE Digital also signed an academic alliance to launch Predix training programs.

FPT supports GeoPost in expanding business in the Asia Pacific

On March 26, FPT and GeoPost, the international express delivery subsidiary of Le Groupe La Poste (France) signed a Memorandum of Understanding (MoU) on developing IT services worth millions of Euros in 2018 and next years.

FPT opens 6th office in Japan

The opening ceremony of FPT Japan's 6th office in Japan was held on March 13th at the Okura Act City Hotel, Hamamatsu City, Shizuoka Prefecture. The opening of the office in Shizuoka Prefecture will help FPT Japan create opportunities for reaching out to potential customers as well as provide services and support to clients in this area as quickly as possible.



TECHNOLOGY

FPT Software recognized as AWS Premier Consulting Partner

FPT Software was officially awarded AWS Premier Consulting Partner at AWS Partner Summit, Singapore 2018, becoming the first ASEAN headquartered AWS Consulting Partner that has achieved the highest tier of the partnership.

FPT launches hospital management solution applying 4.0 technology

FPT officially launched the latest version of FPT.eHospital that meets these requirements on March 19th. The application of the latest 4.0 technologies such as Artificial Intelligence, Big Data, Cloud, Mobility, Internet of Things, etc is considered a highlight of FPT.eHospital 2.0.

FPT IS and SecureMetric introduce security solution for digital transactions

Deploying authentication solution and security for digital transactions is an emerging issue many banks, financial institutions and securities companies pay much attention to. To address this issue, FPT IS teamed up with SecureMetric, the leading security company in Southeast Asia, to introduce multi-factor authentication solution and mobile apps security for digital transactions, helping users minimize the risk of online payments.

FPT successfully organizes the semi-final round of Digital Race

On March 27th, 2018 and March 31st, 2018, 18 teams from 10 universities nationwide will compete in 2 semi-finals of Digital Race entitled "Programming Autonomous Car" in Hanoi and HCMC. Then 8 'racers' with best results will be chosen to enter the finale of Digital Race 2017-2018.



TELECOMUNICATION

FPT Telecom won “Outstanding provider of high-speed fixed Internet service”

This title was published by International Data Group Vietnam (IDG) and the Vietnam Digital Communications Association (VDCA) after User Satisfaction Survey on Mobile Broadband Internet Service Providers (MBP) and Fixed Broadband Service Providers (FBP). The survey was conducted from January 1 to March 27 in eight major cities and provinces

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