

TECHNOLOGY & TELECOMMUNICATIONS

RIDE OUT THE STORM



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TABLE OF CONTENTS

Part I: 2026 market outlook

<u>Overview – Highlights – Risk in technology & telecommunications sector in 2026</u>	<u>5</u>
<u>2026 outlook for sub-sector in technology & telecommunications:</u>	<u>6</u>
• <u>Software outsourcing</u>	<u>7</u>
• <u>Data center</u>	<u>17</u>
• <u>Telecommunications</u>	<u>24</u>
<u>2026 earning forecasts/valuation for technology & telecommunications stock</u>	<u>31</u>

Part II: Coverage list

<u>VGI - Maintain a leading position in the international market</u>	<u>35</u>
<u>FPT - Gathering clouds and accumulating winds</u>	<u>38</u>

2026 OVERVIEW

Entering 2026, the global technology backdrop continues to echo the themes of 2025. Tech spending remains robust but skews upstream-favoring GPU chip supply and AI data center/server buildouts-over downstream areas like software outsourcing and telecommunications, which have traditionally been Vietnam's strengths.

In the context of the above-mentioned industry, leading Vietnamese companies in segments such as software outsourcing – FPT and telecommunications – FOX are unlikely to re-enter a phase of explosive growth, but are expected to sustain annual growth of 10–18%, broadly in line with 2025, supported by company-specific growth stories related to the development of new segments. Meanwhile, VGI is expected to maintain double-digit growth, outperforming the industry average growth rate of 4-5% per year, driven by early adoption of new telecom technologies and expansion into overseas markets with significant headroom for new subscriber additions. **Our preferred pick includes FPT.**

2026 HIGHLIGHTS

Software outsourcing - A global/Vietnam race reshaped by AI

- A slow global macro recovery is keeping software outsourcing demand subdued (below 10%), particularly after the strong digital trans cycle of 2021-23. In addition, lower-value tasks like basic programming/testing are facing price pressure as clients expect engineers to complete larger workloads in less time via AI automation. Meanwhile, higher-value AI such as AgenticAI for operations/decision-making-have not yet reached broad adoption, blunting the near-term upside from AI. This dynamic is likely to persist through 2026.
- Beyond core advantages of culture, language, and labor costs, Vietnamese outsourcing vendors are seeking new alpha by embracing an AI-by-default model in products and services, and by enhancing sales capacity through M&A of local consulting firms and larger advertising outlays. This approach supports share gains in slow-to-digitize markets like Japan and domestically; enables expansion into new lands such as Africa and Europe; and positions vendors to capitalize when tech spending rebounds in core market like US.

Data centers - A rich runway driven by domestic and ASEAN “data storage and security” needs

- Vietnam's market has yet to hit an inflection point and remains far behind global hyperscalers in infrastructure scale and CAPEX intensity. Nevertheless, from 2026, it could prove fertile ground for data center operators, supported by strong government policy push (domestic data residency requirements, personal data protection, national digital transformation agenda) and increasing enterprise awareness. CMG (CMC) and FOX (FPT Telecom) stand out as direct beneficiaries.

Telecom - A resilient three-pillar structure domestically; competition shifts to service quality as technology is no longer a decisive “weapon”

- Vietnam's telecom market is saturated in subscribers: mobile subscriptions reached 99% of the population (voice and mobile services combined), and fixed broadband penetration is around 85% of households and businesses. Advanced network technologies, such as 5G or Wi-Fi 7 are no longer long-term differentiators as coverage levels converge, similar to previous technology cycles. Sustainable advantages now stem from service quality and connection reliability, underpinned by robust network and digital infrastructure.”
- Simultaneously, expanding cross-border connectivity, tapping into nascent ‘blue ocean’ markets, and aligning with national strategic priorities, such as data centers to meet storage and processing demands while attracting investment - set the strategic direction for industry leaders like VGI (Viettel Global) and FOX (FPT Telecom).

2026 RISK

A slow global pace of digital transformation-especially the enterprise adoption of AI-could materially depress new contract bookings growth

Global technology spending remains elevated (around 10% growth per year), but the focus is upstream-GPU supply and AI data center/server infrastructure-rather than downstream segments like software outsourcing and telecom where Vietnamese firms excel. This skew is likely to continue into 2026.

Global IT spending (USD mn)

	2022	2023	2024	2025E	2026F
Data center	221	238	333	489	582
YoY growth (%)	16.6%	7.4%	40.3%	46.8%	19.0%
Software	811	996	1,115	1,244	1,433
YoY growth (%)	10.7%	22.7%	11.9%	11.6%	15.2%
IT devices	766	689	721	783	836
YoY growth (%)	-6.3%	-10.1%	4.6%	8.7%	6.8%
IT services	1,306	1,541	1,615	1,719	1,869
YoY growth (%)	7.5%	18.0%	4.8%	6.5%	8.7%
Telecom services	1,423	1,229	1,256	1,304	1,363
YoY growth (%)	-1.9%	-13.6%	2.2%	3.8%	4.5%
Total	4,528	4,693	5,040	5,540	6,084
YoY growth (%)	2.8%	3.6%	7.4%	9.9%	9.8%



It is a game dominated by global giants in a massive race to invest in fixed assets, particularly AI data center infrastructure, implying that Vietnamese enterprises will find it difficult to compete in the near future.



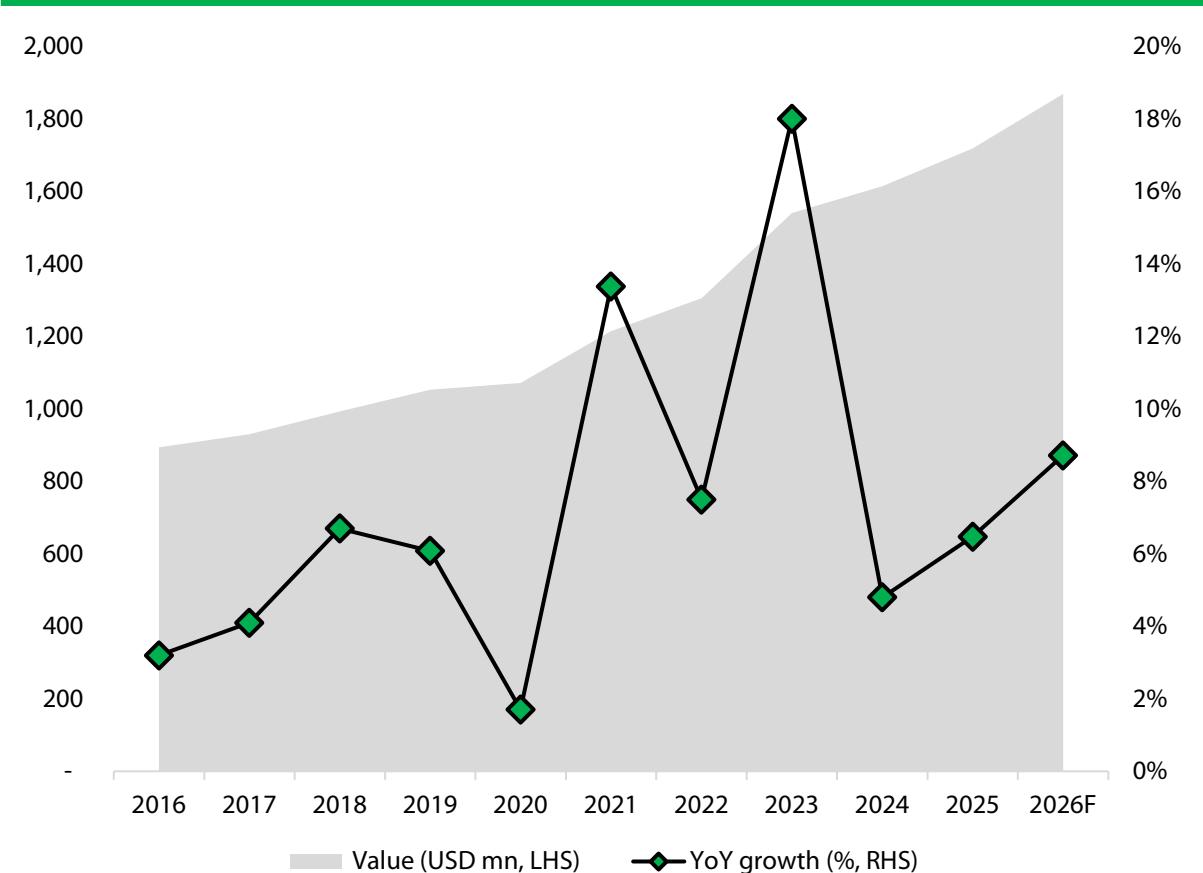
These are Vietnam's traditional strengths, but growth has slowed significantly due to sluggish macroeconomic recovery and the passing of the global peak in enterprise digital transformation and telecommunications infrastructure boom.

Source: Gartner, RongViet Securities

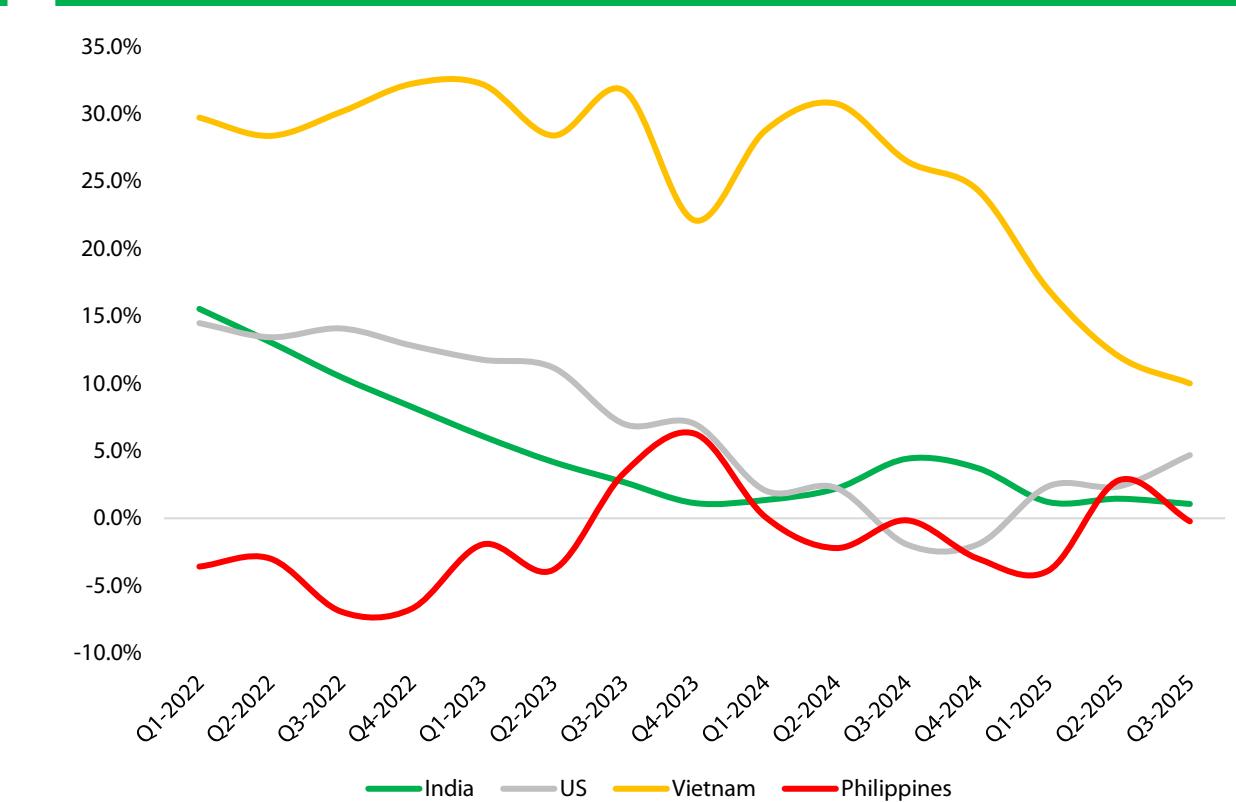
Software outsourcing – gradually moving past its global boom period

Global software outsourcing demand is decelerating, notably after the 2021-2023 digitization surge. Lower-value tasks (basic coding, QA) are shrinking or underpricing pressure as clients expect greater throughput in less time via AI automation or in-house AI utilization. This pattern is expected to persist through 2026.

Global software outsourcing's market value (USD mn)

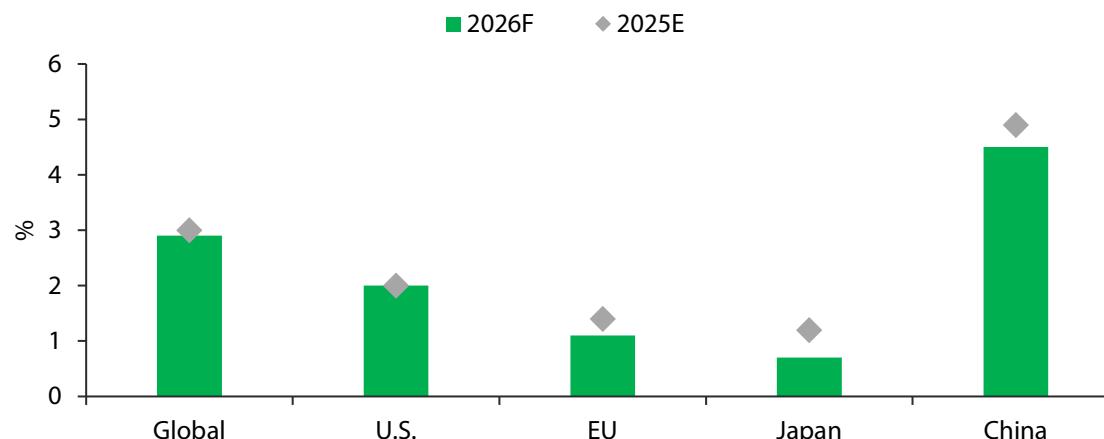
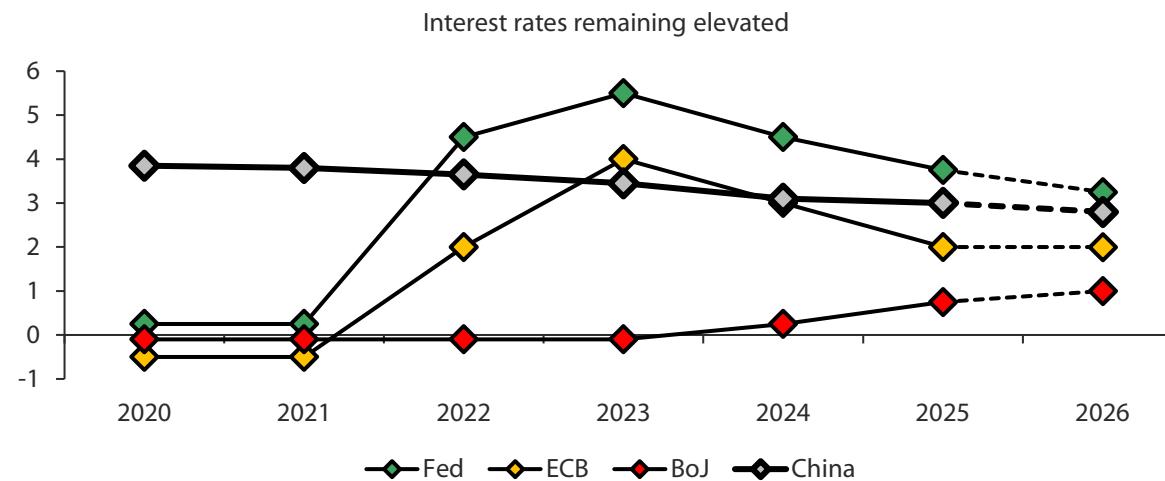


YoY sales growth of some software outsourcer by country (%)



Representatives include India (Tata Consultancy Services, Infosys, Wipro, Tech Mahindra), the US (Accenture, EPAM, Globant, Endava), Vietnam (FPT), and the Philippines (Globe Telecom, PLDT Inc.).

Technology layoffs driven by macroeconomic headwinds



Short-term AI “deflation” headwinds

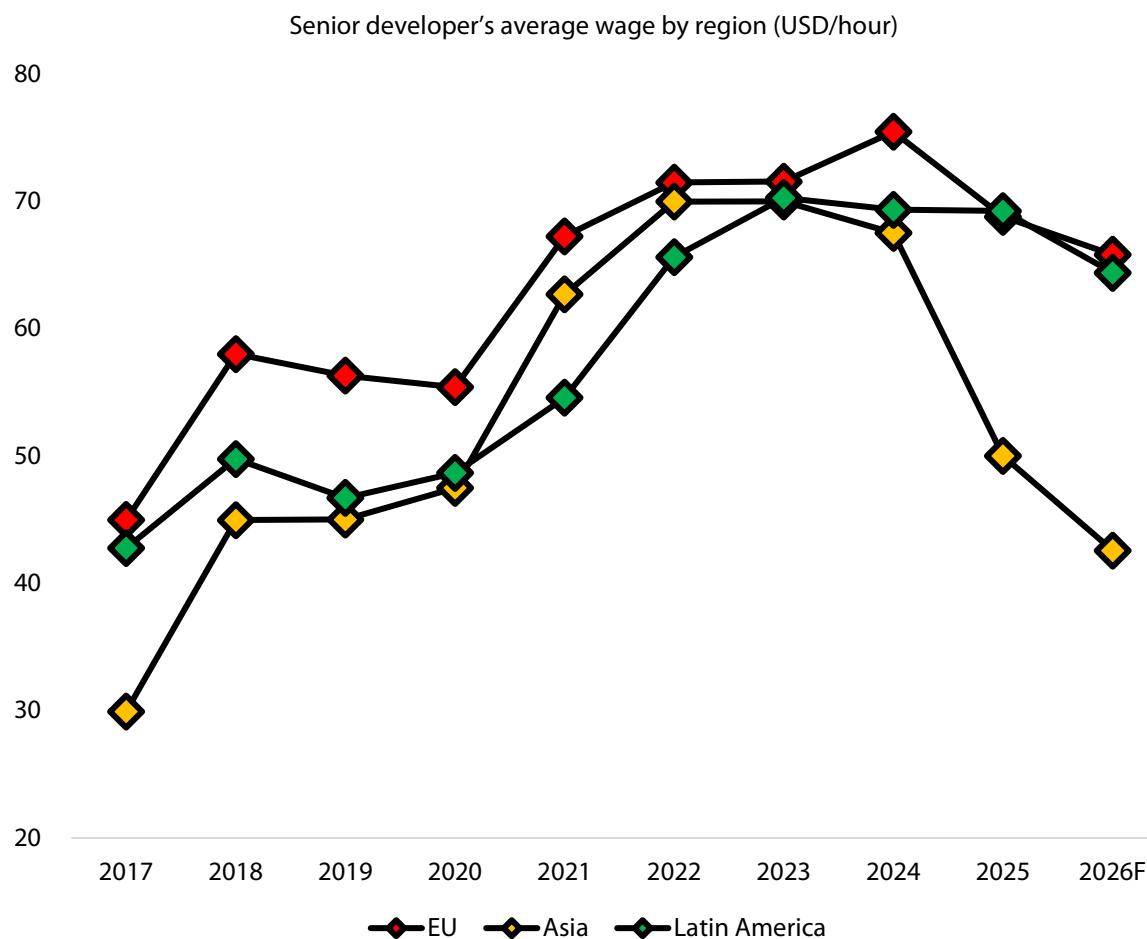
AI impact on India IT sector	Share of revenues	Share of work impacted by AI	Contraction of total revenues
Custom App-development	25.0%	60.0%	4.5%
Custom App-maintenance	30.0%	35.0%	2.1%
Enterprise app related work	15.0%	20.0%	0.6%
ER&D	10.0%	10.0%	0.1%
IMS (Infra services)	10.0%	10.0%	0.2%
BPO/BPM	10.0%	40.0%	1.2%
Total	100.0%	34.5%	8.0-10.0%

2025 marks a pivotal turning point for the software outsourcing industry: enterprise clients are increasingly prioritizing in-house AI development or hyperscaler solutions, leading to stagnation in demand for basic outsourcing services. Under this pressure, outsourcing firms must shift from traditional services to AI-integrated solutions; those adapting quickly will unlock new growth drivers, while laggards risk long-term market share erosion.

Software outsourcing – gradually moving past its global boom period

Software outsourcing rates declined in most countries in 2025 due to AI-driven deflation

Leading software outsourcing regions are segmenting target markets by core competitive edges, while universally ramping up AI integration in talent and deliverables



2025 main catalyst

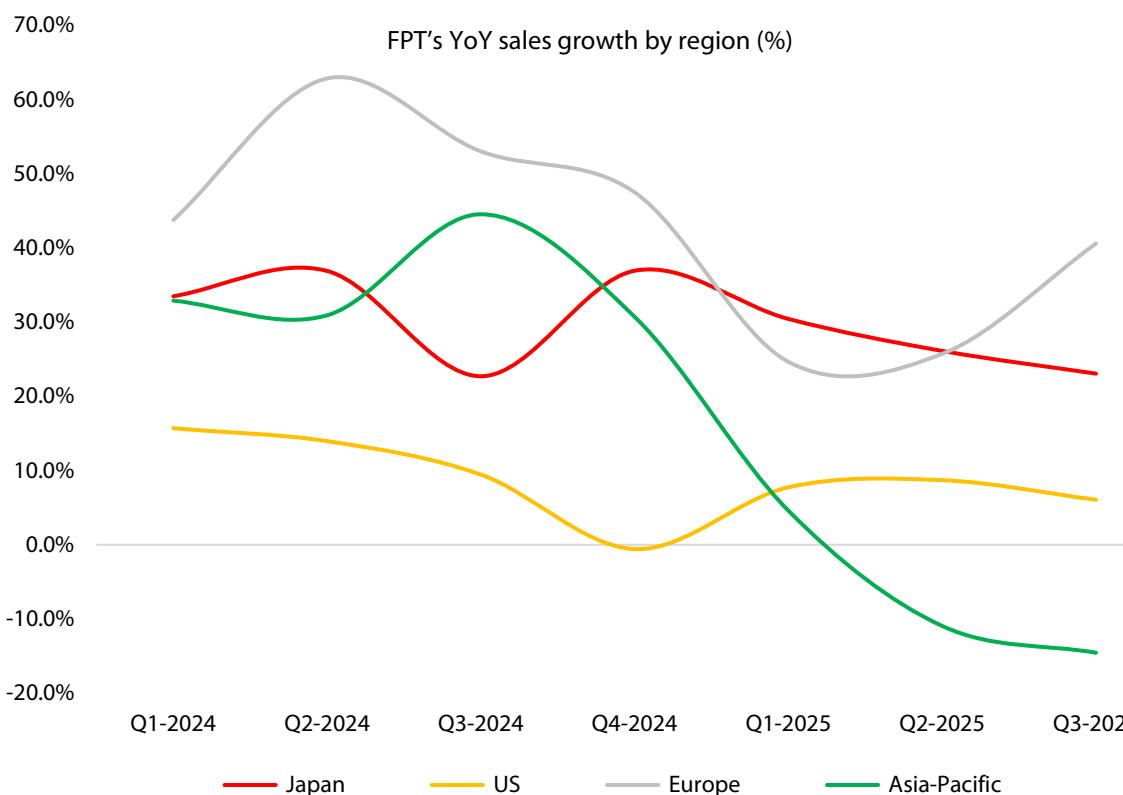
- Average hourly rates remained stable in some segments** by preserving competitive advantages in the largest market—the US—including English proficiency and time-zone alignment for nearshore services.
- Demand for specialists in artificial intelligence, cybersecurity, and cloud computing remained robust.

- Average hourly rates fell 7.9%, reflecting loss of market share in the US to Latin America and fluctuating business confidence in Asia.**
- Efforts focused on acquiring clients beyond the US, leveraging core advantages such as lower costs from below-average wages, a large and growing pool of programmers, and rapidly improving quality.
- Leading firms demonstrated capabilities in AI-standardized delivery and client-level governance (data privacy, intellectual property, model control).

- Average hourly rates declined 4.4%, reflecting ongoing price competition from Asia.**
- Adoption of AI-supported workflows and pressure to control costs without compromising expertise took top priority.

Vietnamese vendors are reducing reliance on highly competitive and increasingly saturated outsourcing markets like the US by growing share in slower-to-digitize markets such as Japan and domestically, and by penetrating newer regions including Africa and Europe. This transition should accelerate in 2026, improving growth versus 2025.

FPT as a representative – is not immune to Asia's outsourcing trends and has worked to reduce dependency on the US.



Large recent wins skew toward Asia

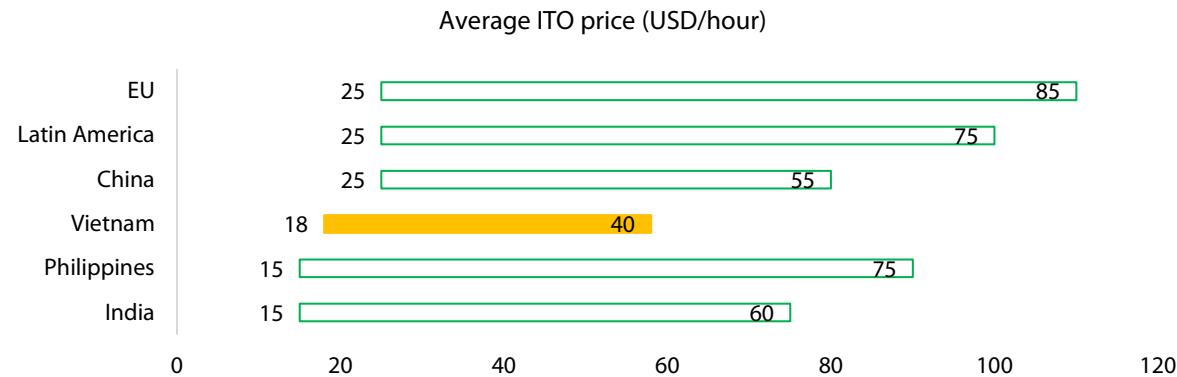
Backlog size	Signed period	Customer	Duration	Revenue recognition from
USD 100 mn	Aug-2025	US infrastructure management	3 years	H1-2026
USD 30 mn	Sep-2025	Thailand	N.A	H1-2026
USD 256 mn	Sep-2025	Malaysia oil-and-gas engagement	5 years	H1-2026

Tailored strategies by region:

1

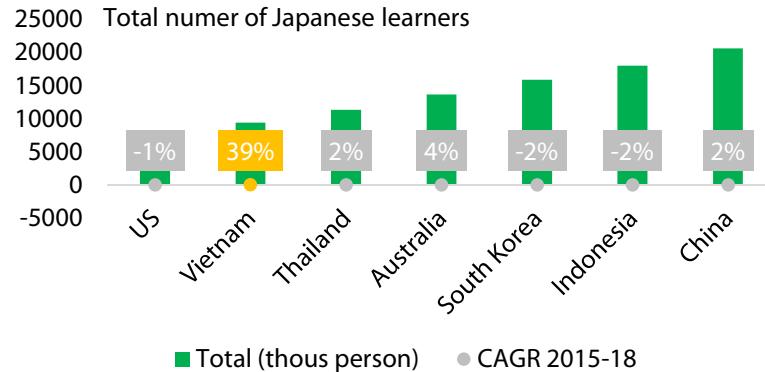
Maintaining core advantages in culture, language, and workforce scale → APAC, JAPAN

Continue to leverage low labor costs universally



Work culture and time-zone proximity-especially with Japan-remain advantages. Language capability, while not yet a strong suit, is improving.

Japan remains Vietnam's largest IT outsourcing market, contributing >60% of overseas revenue in 2022, thanks to:
 (1) Strong diplomatic ties
 (2) Cultural/work ethic similarities with favorable time zones
 (3) A surging number of Vietnamese learning Japanese-reinforcing long-term partnerships.



2

Mergers & acquisitions, strategic partnerships with local companies/organizations, and intensified marketing campaigns → EU, AFRICA

Mergers & acquisitions to enhance localized sales capabilities in non-US markets, with new focus on Europe and Japan

Year	Company	Main field	Country	M&A details
2023	AOSIS	IT services (SAP, Data, Cloud, ...)	France	Acquisition of 80% stake to expand consulting operations in Europe.
2024	Next Advanced Communications (NAC)	IT services	Japan	100% acquisition marking the first M&A deal in Japan.
2025	David Lamm Consulting	IT services about energy, utilities	Germany	Full 100% acquisition to bolster energy expertise in Europe.

Scaling up large-scale marketing campaigns and strategic partnerships with local organizations

Year	Partner	Country	M&A details
2025	Chelsea	EU	The group's logo will appear on player sleeves for the 2025-2026 season under a sponsorship deal valued at VND 500-600 bn per season.
2025	Clearlake Capital	EU	Providing AI-driven digital transformation and technology solutions to portfolio companies within the fund.
2025	ITIDA	Africa	Deploying advanced technology solutions to help position Egypt as an IT services hub.

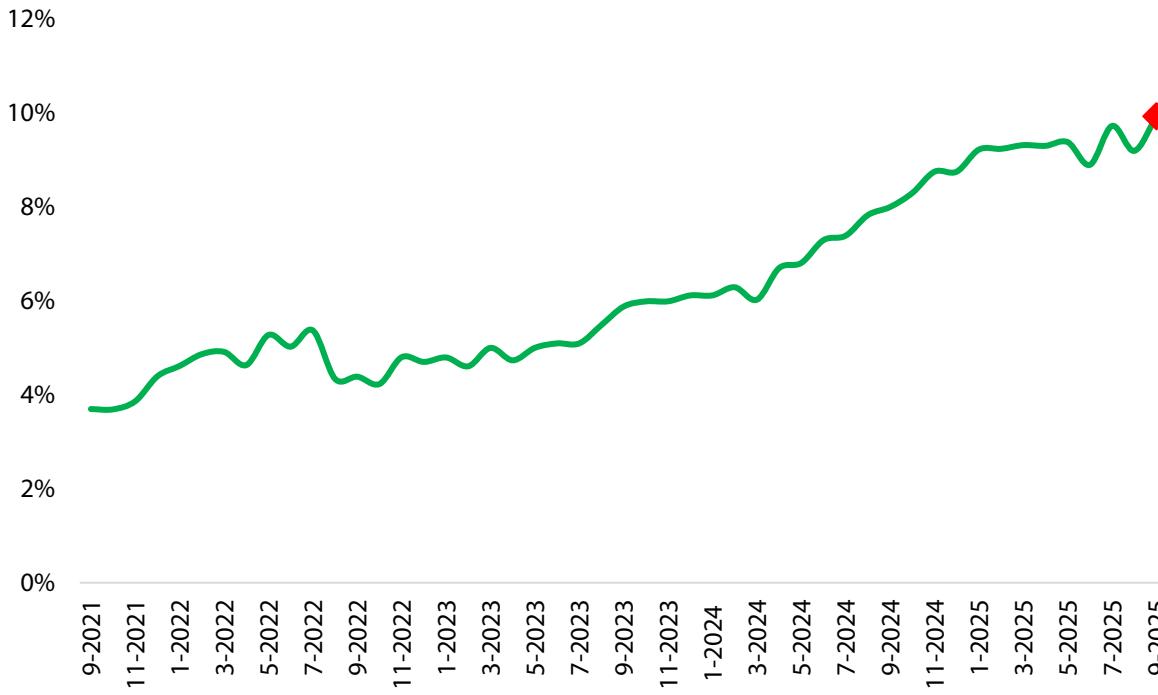
Source: FPT, acceleration, Japan Communication Foundation, RongViet Securities

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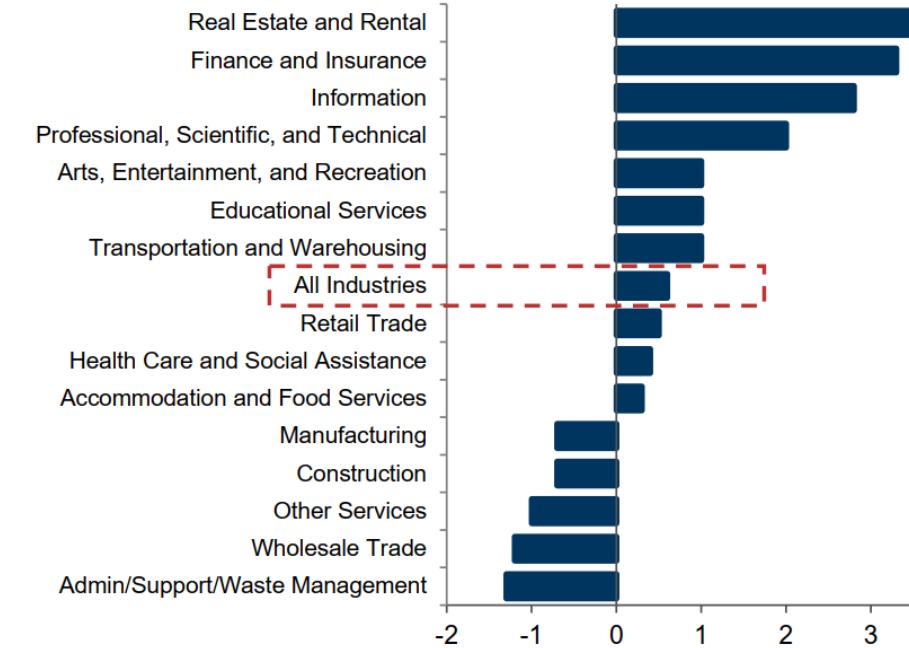
Enhancing AI integration in outsourced products significantly reduces programming time. However, it also decreases revenue from basic/simple outsourcing services. Given the still low global enterprise AI adoption rate, this is not yet a near-term growth driver.

The pace of enterprises adopting AI in operations slowed in 2025, even in the US - the global leader in digital transformation...

...primarily concentrated in technology, information, and finance sectors.



Change in the percentage of US enterprises using AI since the previous quarter.2sFast



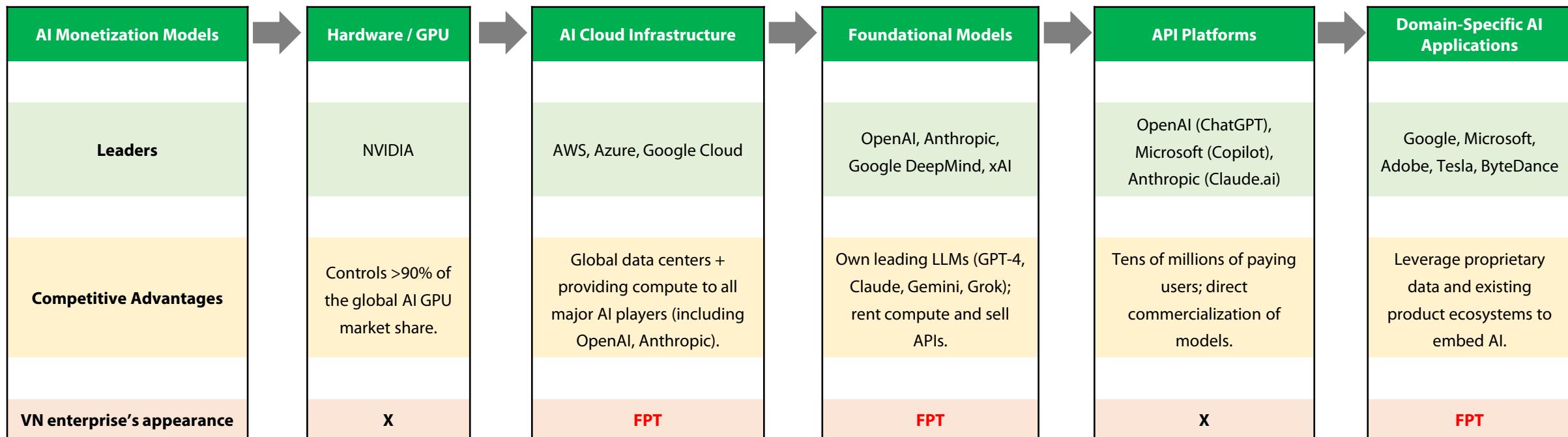
According to 2025 reports from leading technology market research firms such as Gartner, PayPal & Reimagine Main Street, Bain & Company, and EPAM, enterprises yet to fully adopt AI cite concerns over **data security and privacy, data quality/availability, and unclear ROI** as primary barriers.

Software outsourcing – shifting growth engines to new markets

3

Enhancing AI integration in outsourced products significantly reduces programming time. However, it also decreases revenue from basic/simple outsourcing services. Given the still low global enterprise AI adoption rate, this is not yet a near-term growth driver.

FPT entered the AI value chain from late 2024, yet AI's contribution to the company's revenue remains low.



FPT's data	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025
Revenue regarding AI	315	370	461	629	444	756	670
% as of DX revenue	10.7%	9.9%	12.4%	16.3%	12.4%	18.1%	15.0%
% as of global IT revenue	4.5%	4.9%	5.7%	7.6%	5.4%	8.9%	8.0%

Source: FPT, RongViet Securities

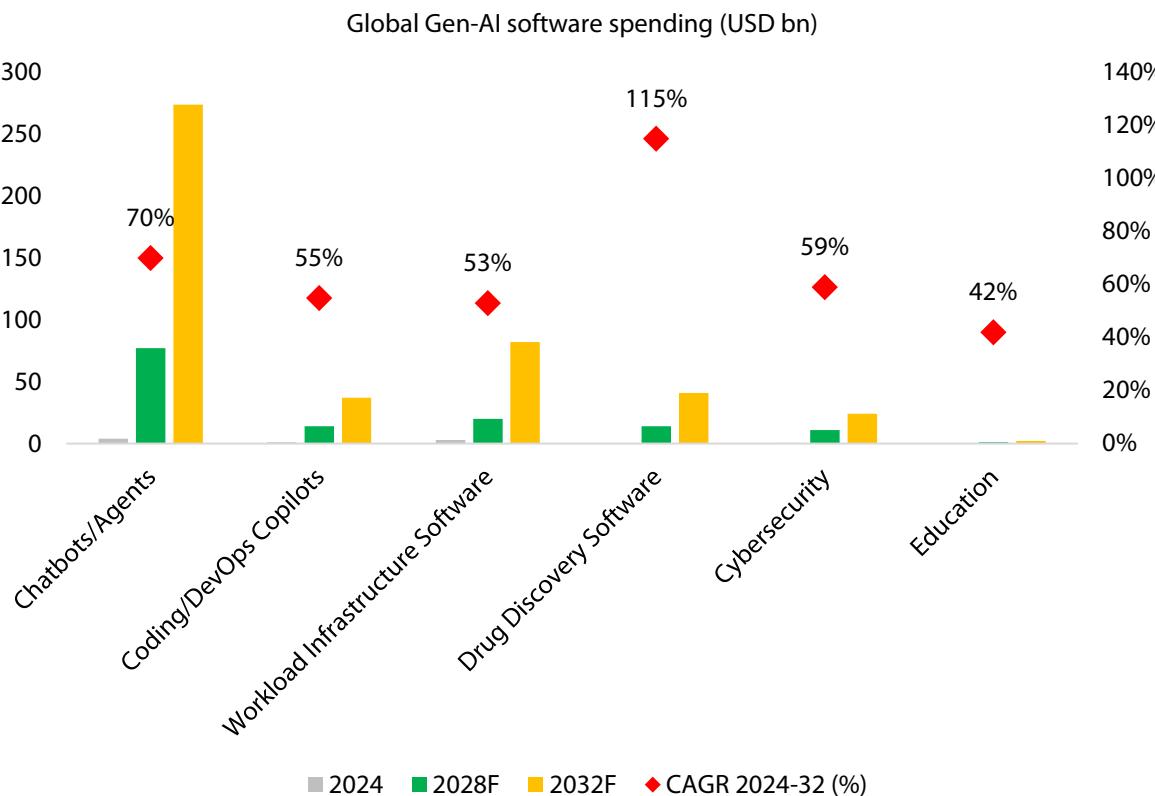
Enhancing AI integration in outsourced products. In the long term, the AI landscape appears more favorable, with expectations that software outsourcing firms will gain new opportunities from the shift toward AI multi-agent systems, driving the redesign of enterprise software architecture and infrastructure.

By 2025, the software outsourcing industry is transitioning from a human-centric model to a GenAI-centric model

AI Monetization Models	Execution Center	Automation Level	Productivity	Limitations to 2025	Application in Software Outsourcing
Traditional (Human-Centric)	• Human	• Low (fully human-dependent)	• Slow, dependent on programmer experience	• Rising labor costs; scaling constrained by human resources	• Pure time-and-materials billing
GenAI-Centric	• Programmers primary, GenAI as assistant (code suggestions, etc.)	• Medium (partial automation in code, docs, test cases)	• 30-50% increase via faster coding	• Still reliant on human prompt creativity	• Transitional: project-based billing with improved productivity • GitHub Copilot, ChatGPT/CodeWhisperer, Cursor, Tabnine
AgenticAI-Centric	• AgenticAI primary, humans in supervision role	• High	• 50-100%+ increase via 24/7 operation and scalability	• Integration challenges (non-real-time data, legacy APIs, non-modular systems); data security; immature AI employee quality	• Future: subscription-based specialized applications (monthly/annual) • Devin (Cognition), OpenAI Swarm, Auto-GPT, LangGraph agents, Infosys Agentic Foundry, FPT AI Factory agents.

Gartner's optimistic AI adoption scenario...

Gartner forecasts that by 2028, 15% of daily work decisions will be automated via Agentic AI (up from 0% in 2024), while 33% of enterprise software applications will integrate Agentic AI (versus <1% today).



...has high likelihood if three major barriers - data security and synchronization- are fully addressed on a broad scale.

Barrier	Main shortage
Programming Systems	<p>Legacy enterprise systems face key barriers to executing Agentic AI:</p> <ul style="list-style-type: none"> • Limited real-time execution capability. • Outdated APIs lacking modern connectivity for external interactions. • Monolithic (non-modular) architectures, hindering scalability and partial upgrades. • Inadequate secure identity management for both users and AI agents.
Data Architecture	<p>Current enterprise data architectures, built around traditional ETL processes (Extract, Transform, Load) into data warehouses, are not optimized for efficient consumption by Agentic AI.</p>
Access Control Systems	<p>Traditional governance frameworks (role-based permissions, approvals, and predefined workflows) assume no autonomous decision-making, whereas Agentic AI requires independent authority to act.</p>
<p>We believe these challenges will be difficult to resolve in the near term (2026-2027) amid low enterprise confidence and limited broad-scale AI transformation readiness, but they hold long-term potential driven by pioneering efforts in the US and China.</p>	

Enhancing AI integration in outsourced products. Outsourcing firms are rapidly adopting GenAI and AgenticAI trends, primarily to streamline low-level tasks and develop simple, standalone AI agents for clients. However—as noted earlier—these efforts contribute minimally to overall revenue and erode profit margins (due to heightened competition) during the transitional monetization phase.

Outsourcing firms are intensifying AI in internal operations and client deliverables

TCS

- Expanding AI sales and consulting capabilities via acquisition of ListEngage (enhancing Marketing Cloud, Data Cloud, Agentforce, and AI consulting depth).

Infosys

- Commercializing AI through dual models: Services.AI (IT/Ops) and Client.AI (enterprise use cases with deep hyperscaler/chip partnerships).
- Internally: Developers generated over 25 mn lines of code using GenAI, achieving 40–50% end-to-end productivity gains.

HCLT

- First Indian IT firm to report advanced AI revenue: >\$100 million (~3% of Q2 revenue).
- Labor productivity rising as revenue growth decouples from headcount expansion, enabled by AI-standardized outsourcing operations.

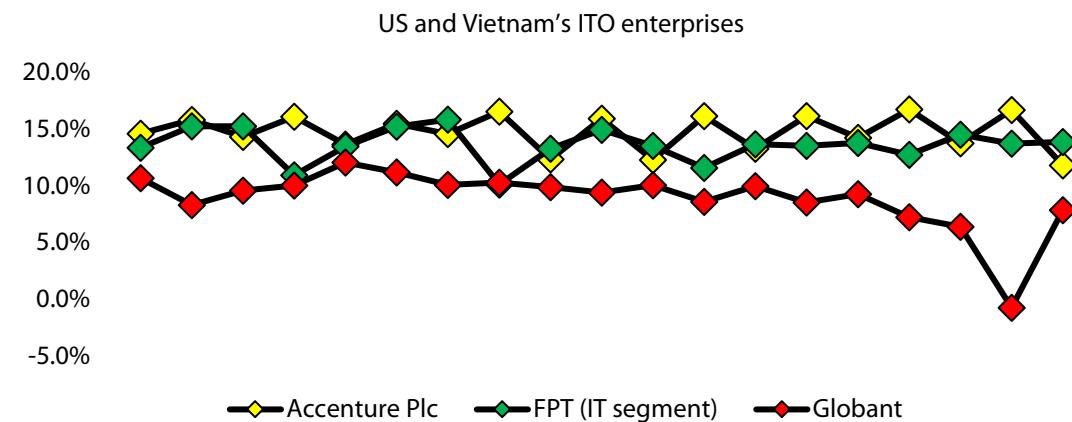
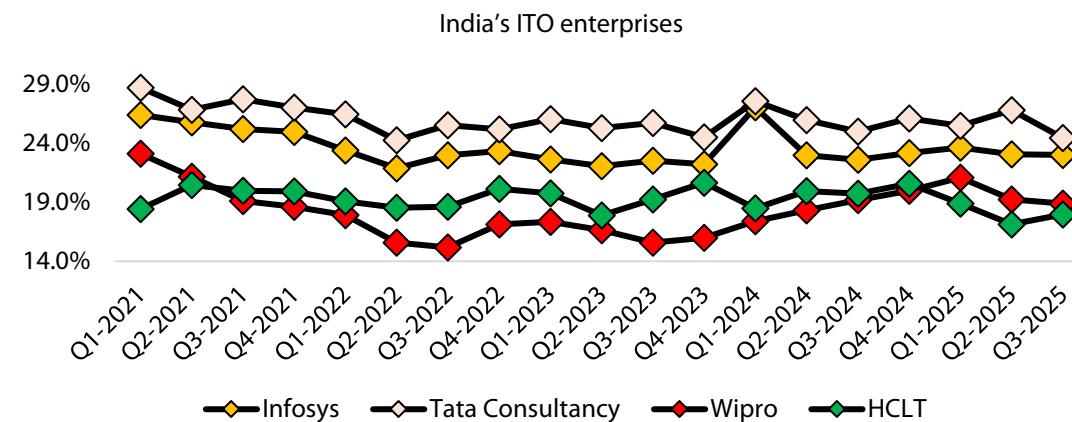
Wipro

- VEGA platform boosts productivity in build & transform programs (SDLC/PDLC).
- Developed over 200 AI agents and industry-specific platforms.

FPT

- Since late 2024, established an “AI Factory” with \$200 million investment, including thousands of H100 GPUs, delivering GPU Cloud services up to 400 teraflops—among SEA strongest.
- Operating 5,120 AI agents serving over 200 enterprise clients, automating >200 million monthly interactions, yielding 67% productivity gains and 40% operational cost reductions.
- In December 2025, announced strategic investments in five technologies: Quantum AI, Cybersecurity, UAV, Data, and railway technology.

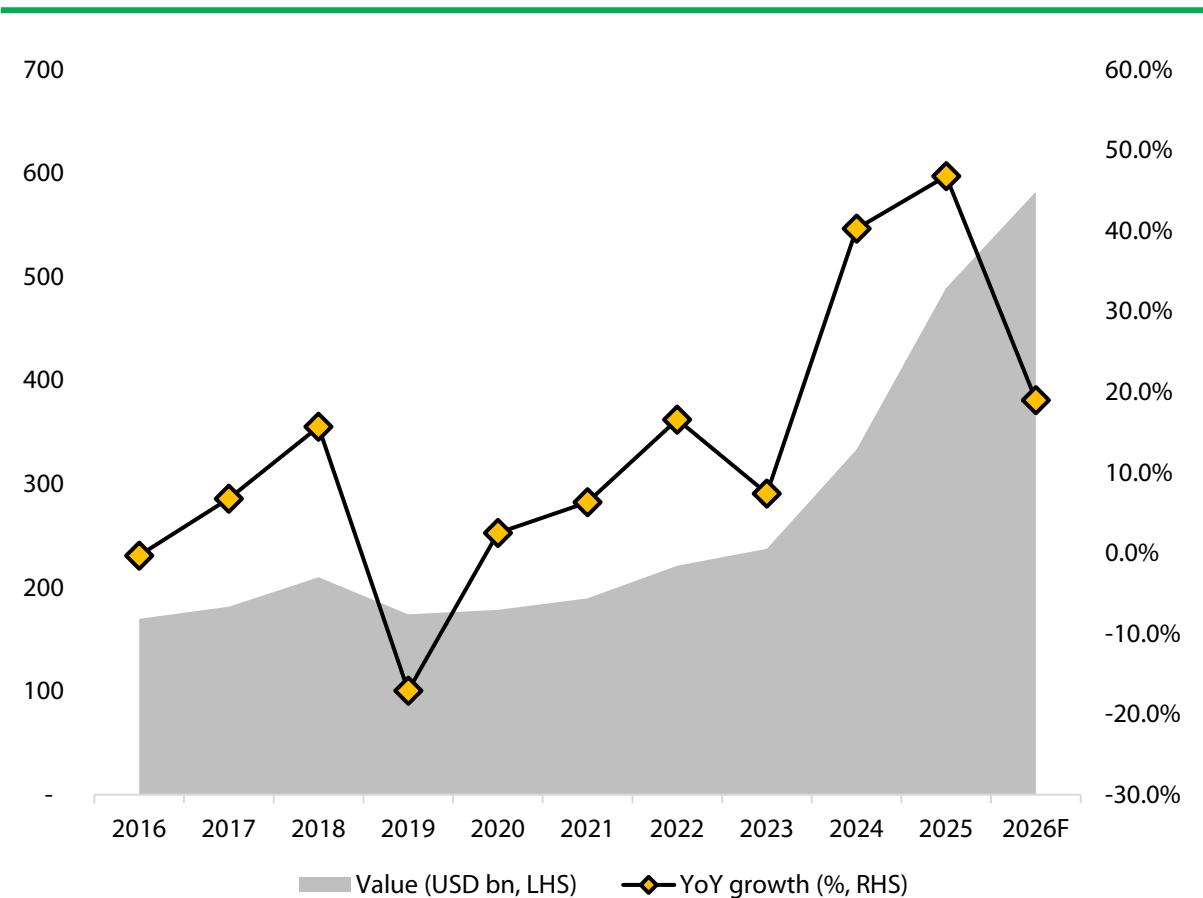
However, net margins for outsourcers continued to decline in 2025



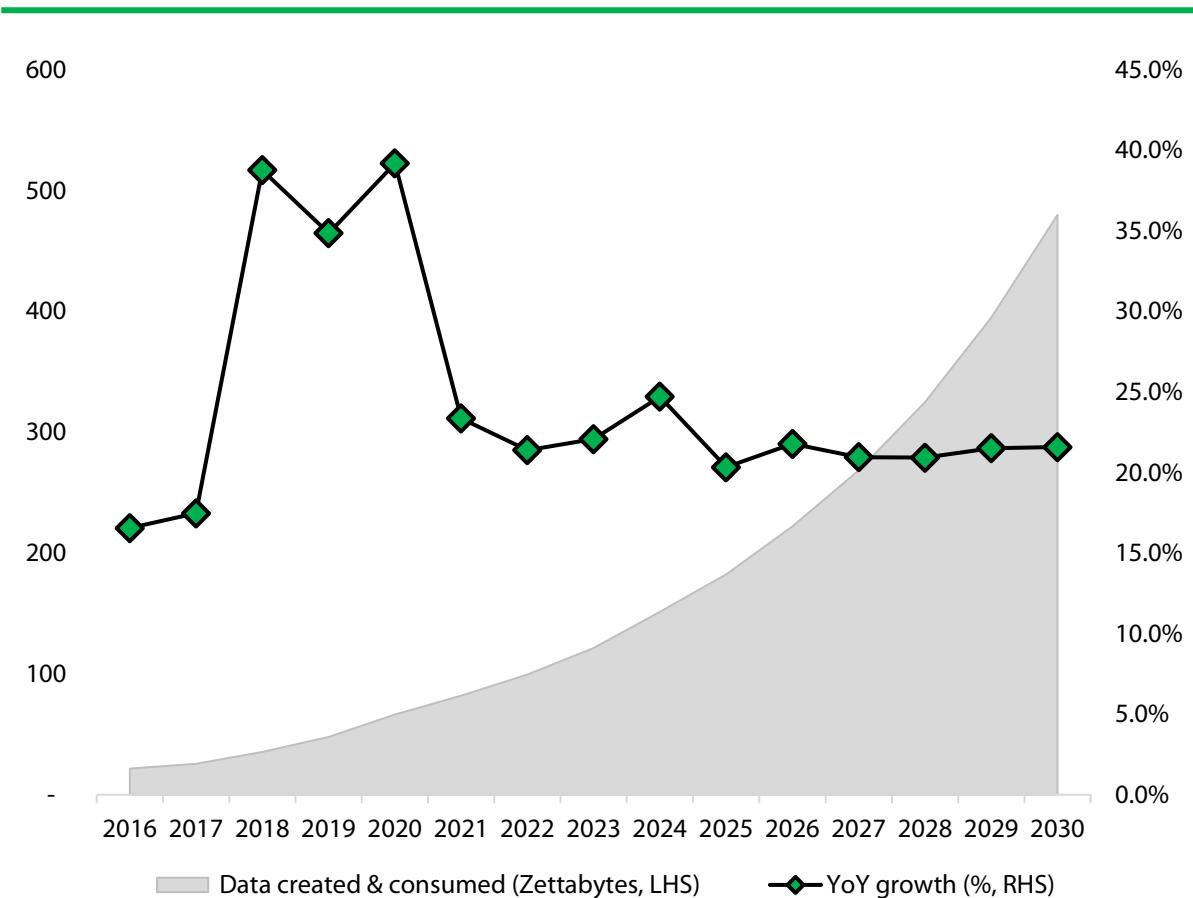
Data center (DC) – global arms race

Global data center value has grown sharply over the past three years. Data generation and consumption are projected to grow at roughly 20% annually for the next five years. Demand for data centers surged at about 30% CAGR in 2022-2025, driven by cloud computing, foundation model AI applications, IoT, and enterprise digitization. Hyperscalers-AWS, Microsoft Azure, GCP, Alibaba Cloud, Oracle Cloud, Meta, IBM-remain the biggest beneficiaries.

Global DC has experienced robust value growth over the past three years



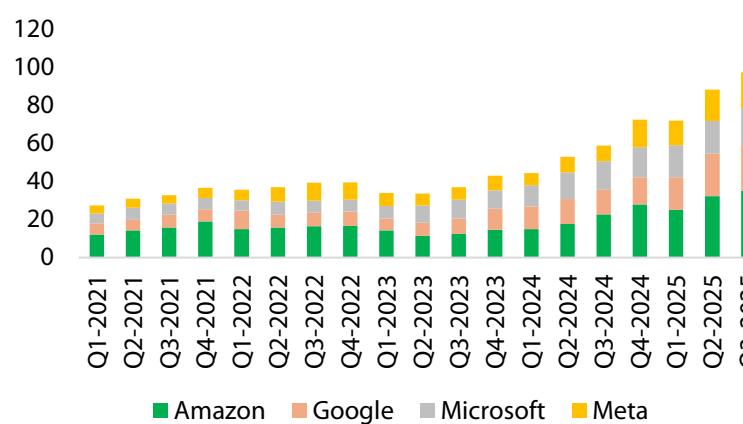
Global data creation, consumption is projected to grow at a 20.0% CAGR over the next five years



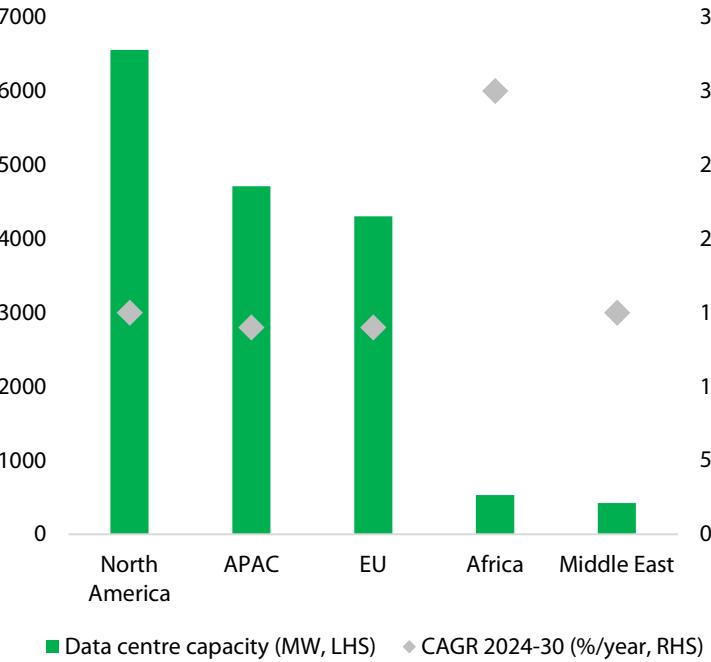
Source: Gartner, Bloomberg, RongViet Securities

Major US and Chinese hyperscalers continue their intense race to invest in data center infrastructure with power capacities exceeding 500 MW, leaving little room for Vietnamese firms to expand internationally in this sector.

US Big Tech are escalating quarterly data center infrastructure investments ('00USD bn)



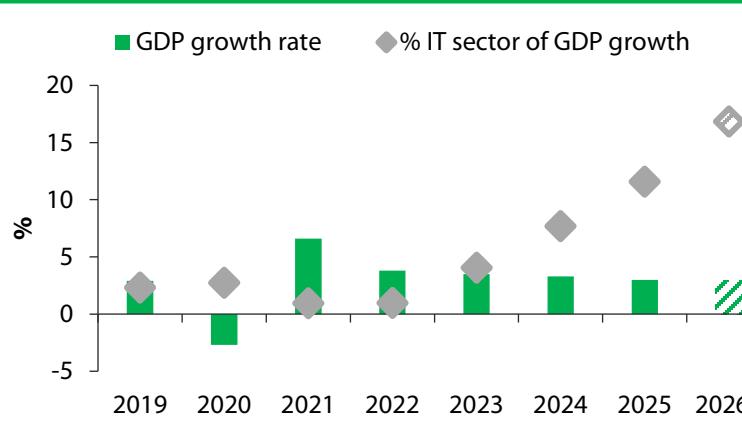
The US and China lead the global data center race



Vietnam's DC scale remains less than one-tenth of China's and the smallest in the region

	Data centre capacity (MW)	2024	2030	CAGR 2025-30
Shanghai	1,071	1,622	7.2%	
Tokyo	949	1,550	8.5%	
Mumbai	667	1,302	11.8%	
Seoul	698	1,211	9.6%	
HongKong	647	1,053	8.5%	
Sydney	767	997	4.5%	
Singapore	738	842	2.2%	
Johor	311	783	16.6%	
Melbourne	308	535	9.6%	
Jakarta	274	518	11.2%	
Hanoi	47	77	8.6%	
HCM City	37	323	43.5%	

Tech significantly contributes to GDP growth

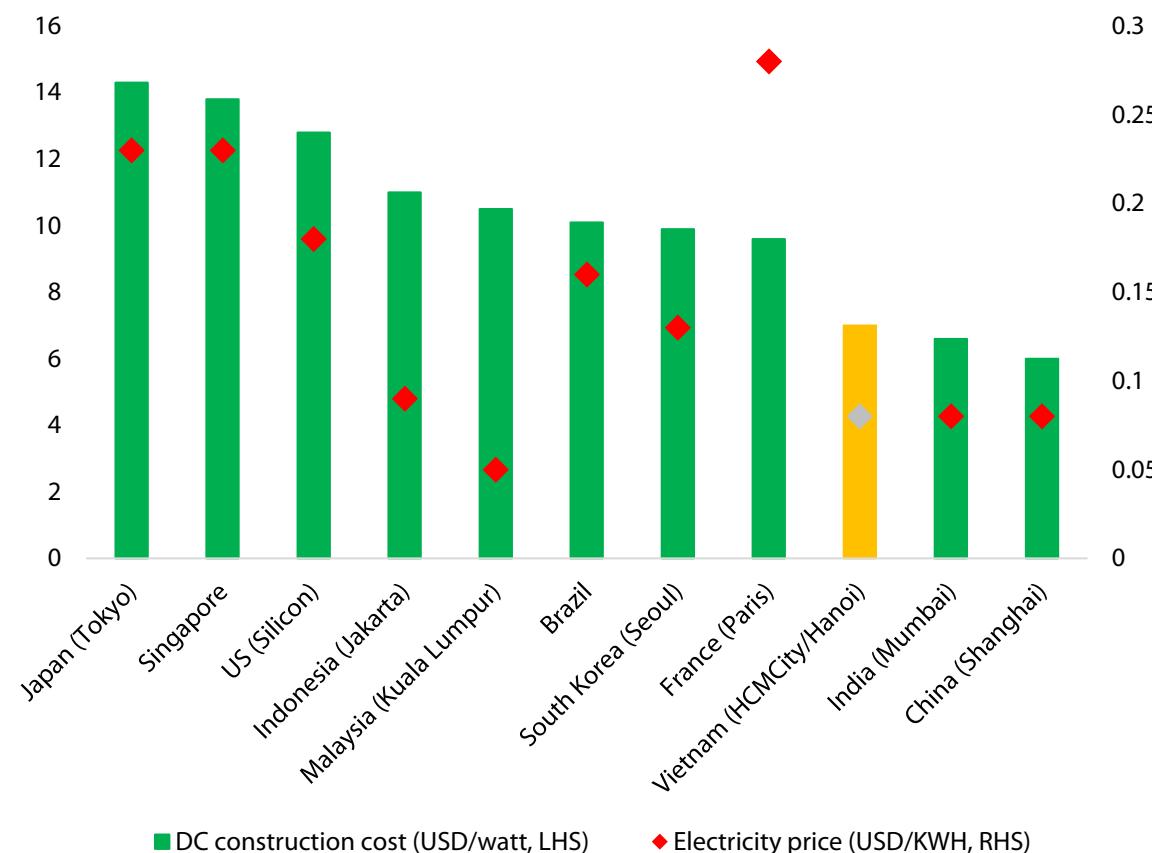


Source: Gartner, Bloomberg, CBRE, RongViet Securities

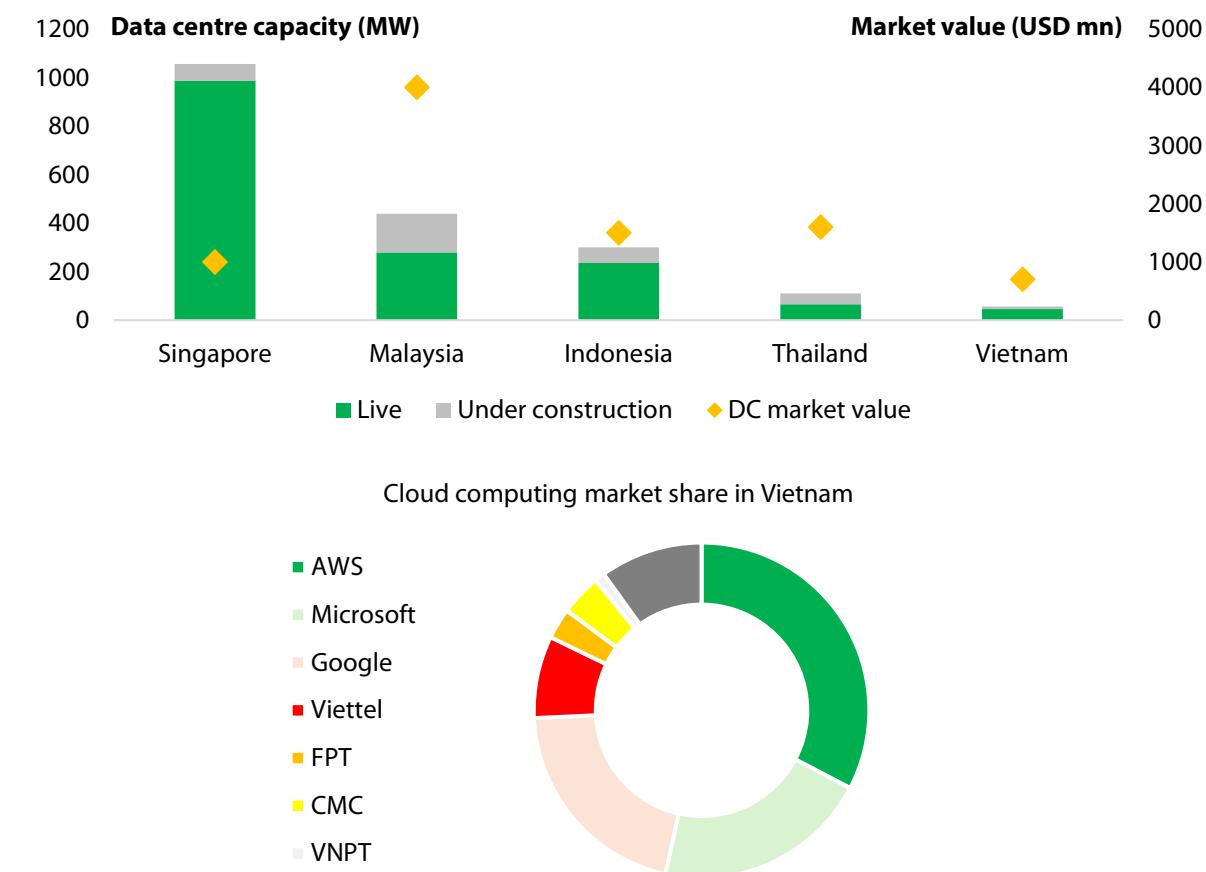
Data center (DC) – domestic market – is still nascent compared to the rest of the world...

In Vietnam and the broader ASEAN, cloud services related to data centers are mainly provided by foreign hyperscalers, despite Vietnam's low construction and electricity costs. Contributing factors include relatively low data consumption by government and enterprises (Vietnam's DC market value is only 18% of Malaysia's and 44% of Indonesia's or Thailand's), limited early-stage government support for DC buildout, and constraints on clean, stable power supply.

Vietnam offers the world's lowest data center construction and electricity costs...



...yet limited development has resulted in foreign providers dominating related niches, particularly cloud computing market share

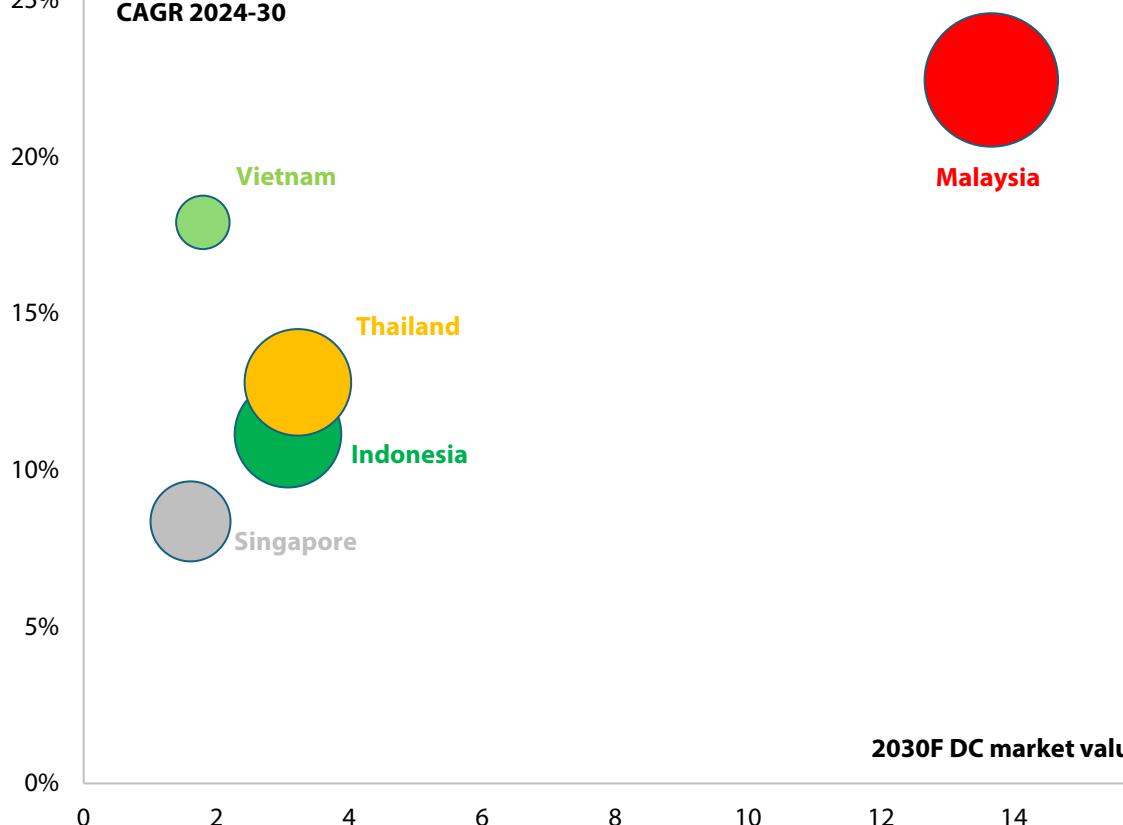


Source: worldpopulation, CBRE, ARC Group, Deloitte, VIA, RongViet Securities

Data center (DC) – ...but could enter a rapid growth phase from 2026.

New Government policies and rising data consumption from enterprises/public sector from 2026 could mark the dawn of a new era for domestic DCs, matching the Government's goals to lift the digital economy's GDP contribution to 30% by 2030 and 50% by 2045, and to establish tech as a key growth pillar.

Vietnam is projected to have the second-fastest data center industry growth in Southeast Asia, at ~18% CAGR from 2024-2030



Major projects by leading hyperscalers are slated for successive groundbreaking and inauguration between 2025 and 2030.

Company	Main Project	Area / Gross Floor Area (m ²)	Power Capacity (MW)	Expected Operational Timeline
Viettel IDC	Tan Phu Trung, Ho Chi Minh City	40,000	140 MW	Phase 1: Q1-2026; full completion 2030
	Khanh An, Hanoi	19,000	60 MW	Phase 1: Q2-2026; full completion 2030
FPT	Fornix HCM02, Ho Chi Minh City	10,000	N/A	Operating since Aug-2025
	AI Research Center, Gia Lai	11,130	N/A	2027
CMC	CMC SHTP Phase 2, Hanoi	30,200	30 MW	2028-2030
	CMC Tay Ho Tay, Ho Chi Minh City	11,000	10 MW	2028-2030
	CMC Hoa Lac, Hanoi	39,000	30 MW	2028-2030
Kinh Bac	Tan Phu Trung, Ho Chi Minh City	10,000	200 MW	MoU signed Nov-2025
VNPT	Partnership with KIM Fund – LG Electronics	Superscale	N/A	MoU signed Aug-2025

Source: CBRE, ARC Group, RongViet Securities

Explosive data consumption growth driven by four key pillars:

Sovereign AI initiatives (Government-led)

Amid the rising wave of sovereign AI initiatives in neighboring countries, the Vietnamese Government is poised to lead by catalyzing broader enterprise AI adoption. Key drivers include:

- **Leading legal framework:** Updated National AI Strategy (end-2025) and first AI Law (effective 2026), human-centric with robust risk management.
- **Sovereign infrastructure:** National AI supercomputing center, shared big data network; Vietnam Data Gen JV for hundreds-of-MW sovereign AI data centers. Nvidia partnerships (FPT-led) focused on tech transfer while retaining data domestically.
- **Vietnamese AI models:** Au Lac AI Alliance (>20 top firms/institutes like FPT, VNG, Viettel) developing accurate, natural Vietnamese LLMs.
- **Strategic support:** "AI First" public procurement, domestic product trials, and training tens of thousands of AI engineers. 2030 goals: Top 4 ASEAN, Top 50 globally.

Digital economy boom (Fintech, E-commerce, Online Media, Food Delivery)

According to Google, Temasek & Bain, Vietnam leads Southeast Asia in digital economy growth at +16% YoY, reaching USD 36 billion in 2024 and projected to accelerate through 2030 to USD 90–200 billion. Recent Government initiatives strongly supporting Fintech include:

- **Resolution No. 5/2025/NQ-CP (Sep-2025):** Allows a 5-year pilot for regulated digital asset trading. Licensing of 27 payment intermediaries (mostly e-wallets).
- **Decree No. 94/2025/NĐ-CP:** Permits 2-year regulatory sandbox for new fintech products (e.g., P2P lending) without legal violation risk.
- **Digital Technology Industry Law 2025 (effective Jan-2026):** First legal recognition of digital and tokenized assets as valid property, laying the foundation for super apps, embedded finance, and tokenization.

Nationwide 5G telecommunications infrastructure rollout

According to the Government's plan, 5G coverage will reach 99% of the population by 2030. This target not only meets demand for high-speed internet access but also enables 5G applications in manufacturing, logistics, healthcare, education, and smart urban management - driving surging needs for data storage and processing. This shift creates opportunities for traditional cloud infrastructure to gradually replace on-premise storage.

Over the next three years, adoption of traditional cloud and on-premise solutions is expected to balance at roughly 50% each. Vietnam maintains spectrum fees at only ~6% of telecom operators' revenue - significantly below regional peers. The country is also implementing National Assembly Resolution 193, subsidizing 15% of equipment costs for telecom firms, targeting 90% population coverage by 2025 and base stations reaching 50% of current 4G levels.

Accelerated enterprise cloud adoption

According to the Vietnam Data Center and Cloud Computing Report, the domestic cloud computing market is sustaining ~16% annual growth and is projected to reach USD 1.5 billion by 2030.

Key cloud benefits:

- (1) Pay-as-you-go pricing reduces operating costs by 30-40% versus traditional servers (no upfront hardware, maintenance, or utility expenses).
- (2) Seamless scalability to handle seasonal peaks (e.g., Black Friday promotions), particularly suited to Vietnam's SMEs.

Data center (DC) – ...but could enter a rapid growth phase from 2026.

Regulatory easing on investments and enhanced tax incentives for digital infrastructure are aimed at encouraging domestic enterprises to independently invest or form foreign joint ventures in developing new data centers going forward.

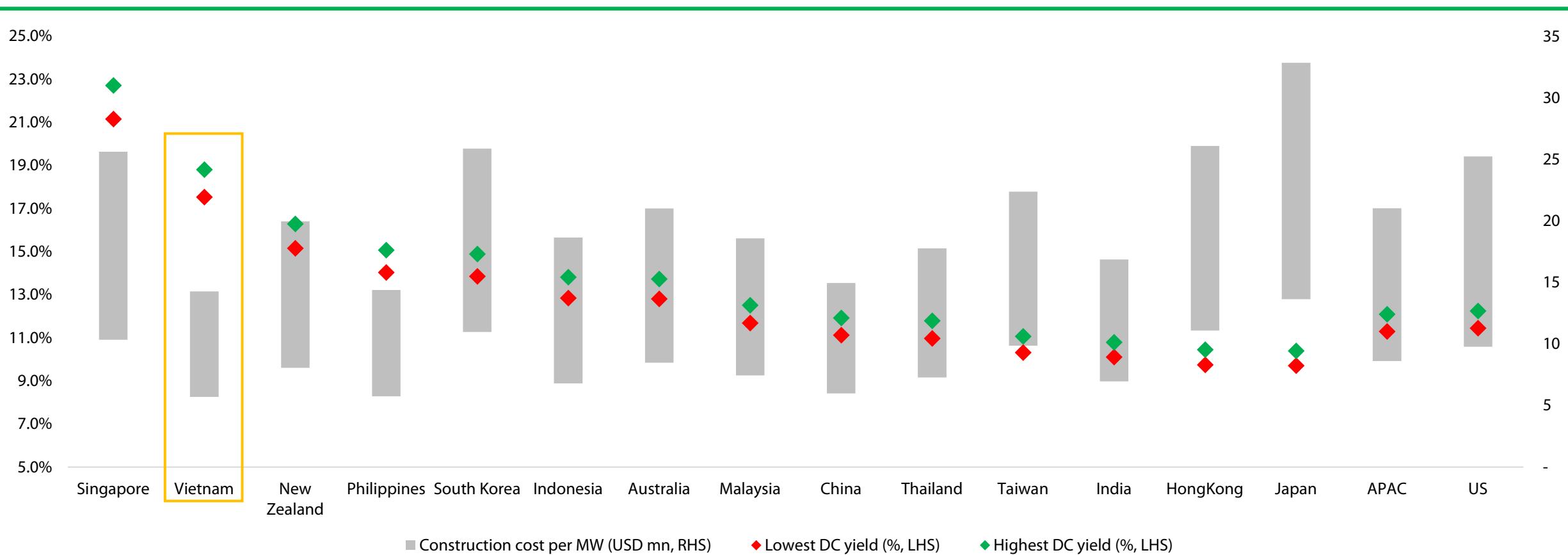
Recent policies and regulations are actively attracting investment into Vietnam's data center services sector:

	Detail
Resolution 57-NQ/TW (Politburo)	<ul style="list-style-type: none">Designates digital infrastructure and data centers as strategic foundations, prioritizing development to ensure data sovereignty, cybersecurity, and attraction of high-tech talent.
Resolution 68-NQ/TW (Politburo)	<ul style="list-style-type: none">Promotes institutional, land, finance, and human resource reforms to encourage private-sector investment in digital infrastructure, including data centers.
Decision 1131/QĐ-TTg	<ul style="list-style-type: none">Elevates AI, big data, and computing infrastructure to national strategic technologies, directly driving domestic demand for data centers and AI processing capacity.
Decree 180/2025/NĐ-CP:	<ul style="list-style-type: none">Establishes PPP mechanisms and tax/land incentives for science-technology and digital infrastructure projects, lowering barriers for large-scale data center investments.
Digital Technology Industry Law (71/2025/QH15)	<ul style="list-style-type: none">Provides a formal legal framework for the digital industry (AI, data, semiconductors), mandating enterprise data infrastructure and transparent reporting—boosting domestic storage and processing demand.
Personal Data Protection Law (91/2025/QH15)	<ul style="list-style-type: none">Tightens personal data protection, promoting in-country storage and processing, indirectly supporting high-standard local data center development.
Amended Cybersecurity Law	<ul style="list-style-type: none">Expands data management, monitoring, and security requirements, raising operational standards for data centers and enhancing the role of compliant infrastructure providers.

Data center (DC) – potential return on investment remains attractive globally

Vietnam offers attractive data center Yield on Cost (YoC) of 17.5–18.8%, second only to Singapore (21–23%). As highlighted earlier, average development costs – including construction and land – are approximately USD 7.1 mn/MW, significantly below the regional average of USD 10.1 mn/MW and roughly half the cost in Japan, the region's most expensive market at USD 16.1 mn/MW. These favorable economics reinforce the outlook for strong sector profit growth in the coming years.

Cross-country comparison of data center cost per MW

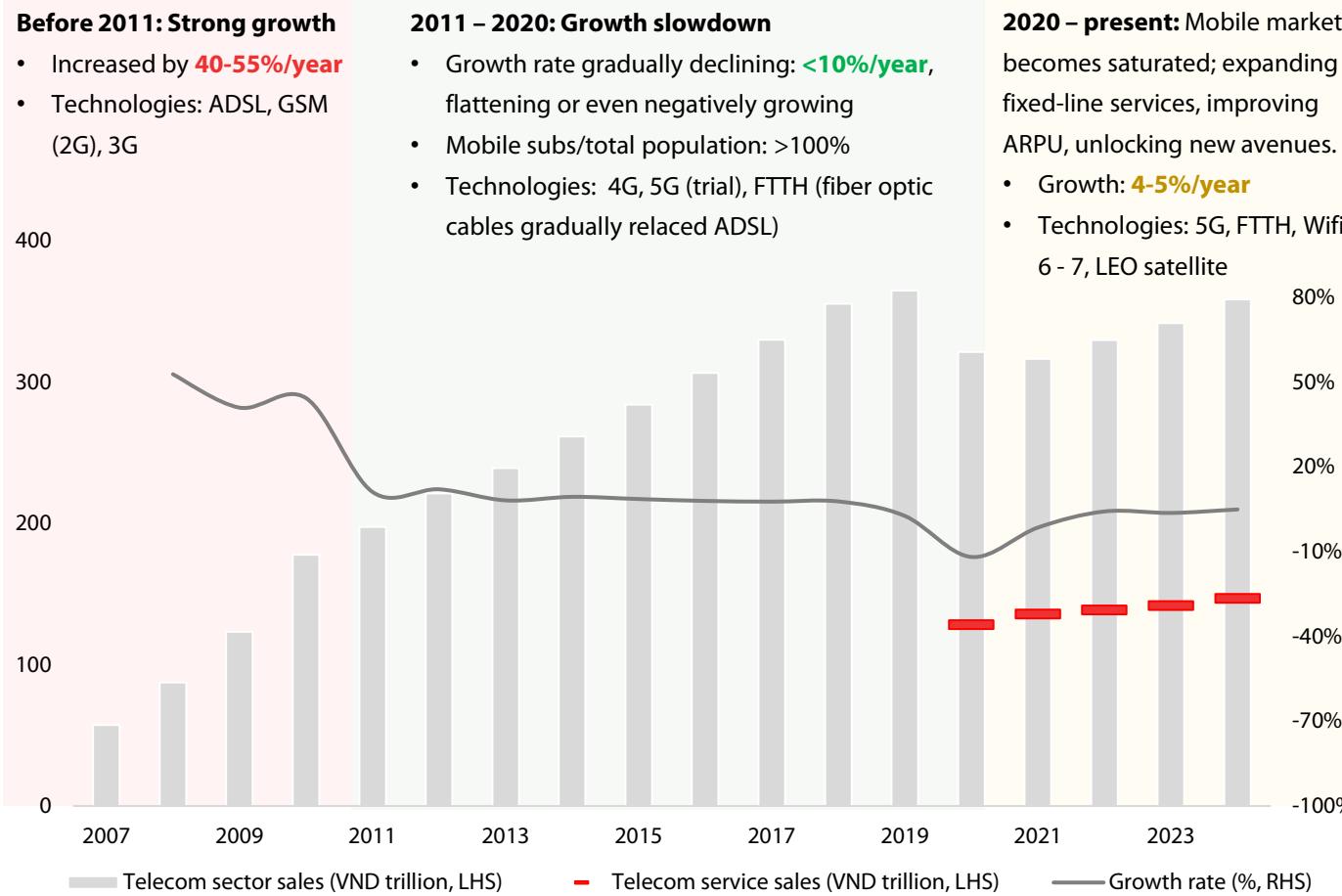


Source: Cushman & Wakefield APAC DCG, RongViet Securities

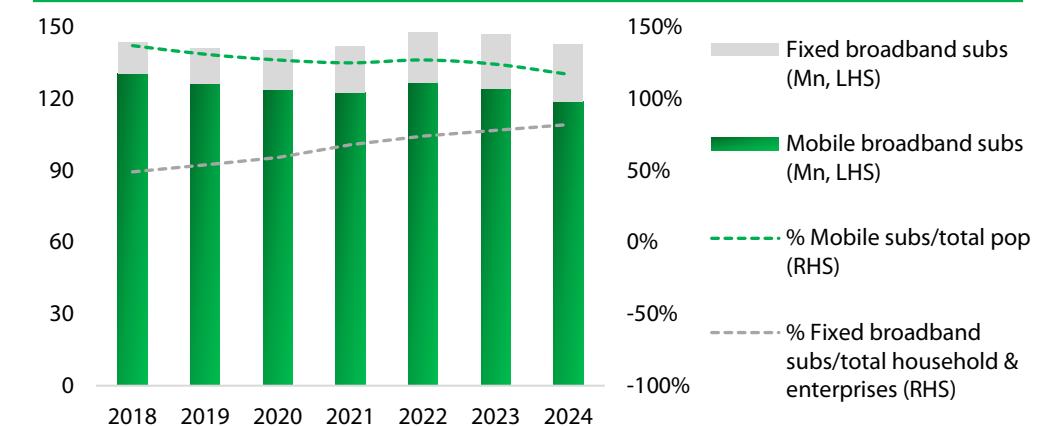
Telecommunications – unable to break out of saturation phase

Vietnam's telecommunications reached a saturation point after 2011, as growth slowed to below 10%. The introduction of new mobile network technologies such as 5G serves as a necessary condition to retain users, given that penetration has already reached ~99% of the population. Fixed broadband penetration is also relatively high, covering around 85% of households and enterprises.

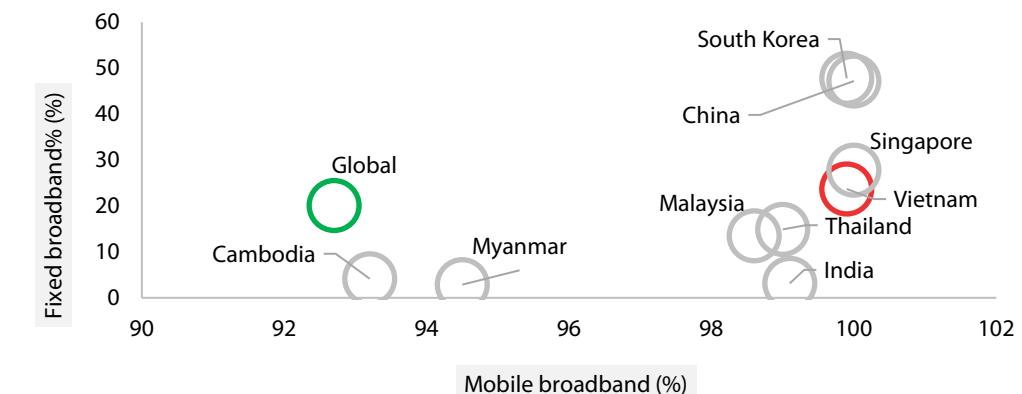
Vietnamese telecommunications sector revenue: Reached saturation



Reached the saturation limit in terms of subscribers



Internet penetration: Vietnam is at the high level



Source: NSO, MST, ITU, RongViet Securities

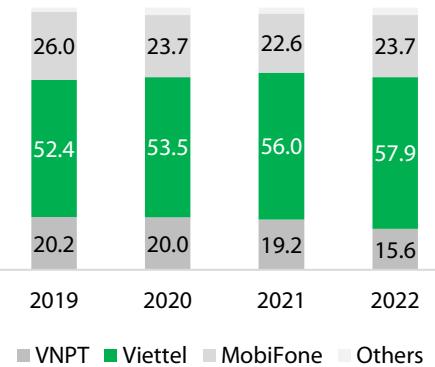
(*) Refers to fixed subscriptions to high-speed access to the public Internet (a TCP/IP connection), at downstream speeds equal to, or greater than, 256 kbit/s divided by population and multiplied by 100

Telecommunications – competitive differentiation shifts from technology to services

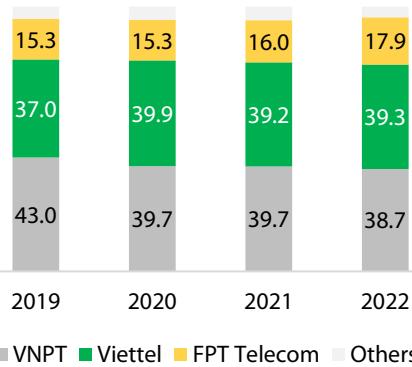
As a capital-intensive industry with high entry barriers, given the sensitivity of information and stringent regulatory requirements, Viettel has maintained its market leadership by leveraging an ecosystem spanning core technologies, network infrastructure, operations, and distribution channels. Meanwhile, the fixed broadband services segment is experiencing a gradual shift in market share between VNPT and FPT Telecom. Current competition is increasingly centered on service and experience.

Market share competition: VNPT, Viettel, FPT Telecom and MobiFone

Mobile broadband service revenue



Fixed broadband service revenue



(*) Mobile broadband (4G, 5G,...); Fixed broadband (cable internet as FTTH, ADSL,...)

Infrastructure: Dense terrestrial fiber-optic network and 7 submarine cables



Submarine cables (*)

	viettel	VNPT	FPT Telecom	mobifone
Asia Link Cable (ALC)	2026	2026	2026	
Asia Pacific Gateway (APG)				
Asia Direct Cable (ADC)				
Southeast Asia-Japan 2 (SJC2)				
Asia Africa Europe-1 (AAE-1)				
Asia-America Gateway (AAG)				
Vietnam – Singapore (VTS)	2027-28			

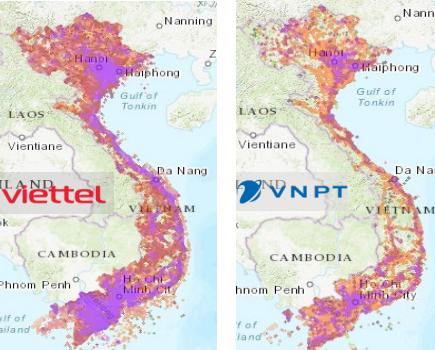
(*) Vietnamese enterprises co-own and operate submarine cable systems jointly with regional telecom operators; Darker shading indicates a greater number of connected countries to cable

Internet technologies

At the forefront of modern trends, yet no longer unfamiliar

Mobile telecom

Viettel leads in 5G network coverage



The maps show the extensive 5G network coverage in Vietnam and surrounding regions, with Viettel's coverage appearing in red and VNPT's in blue.

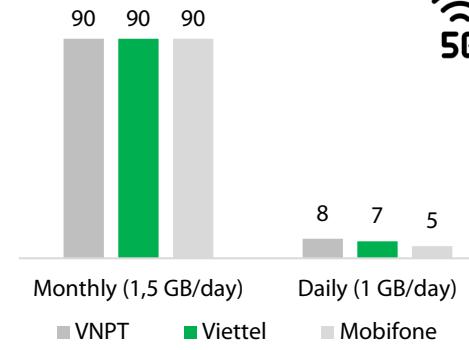
Mobile telecom

Viettel leads in 5G network coverage



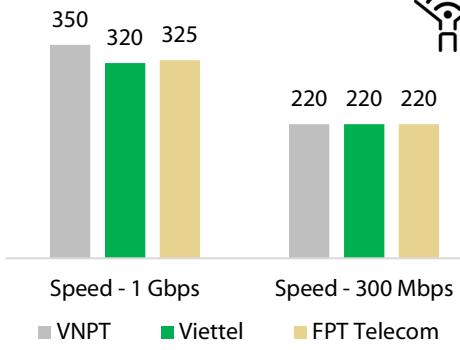
5G service price across telecom operators

Comparable, with minimal price differentiation
(Unit: '000 dong)



Wifi 6 service price per month for households

Comparable, with minimal price differentiation
(Unit: '000 dong)



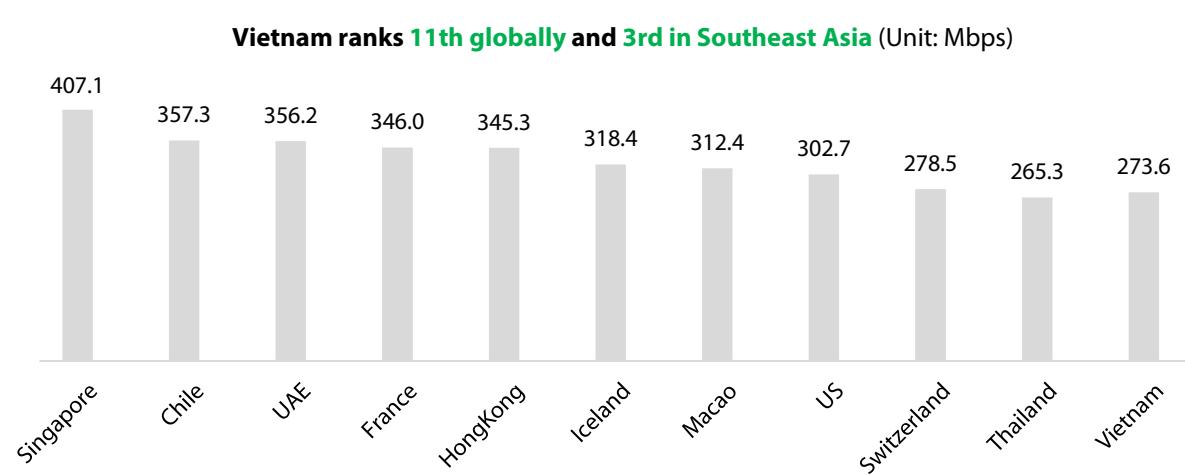
Source: ITU, NSO, ICT White Books, nPerf, RongViet Securities compiled

Note: Service prices are updated as of December 2025

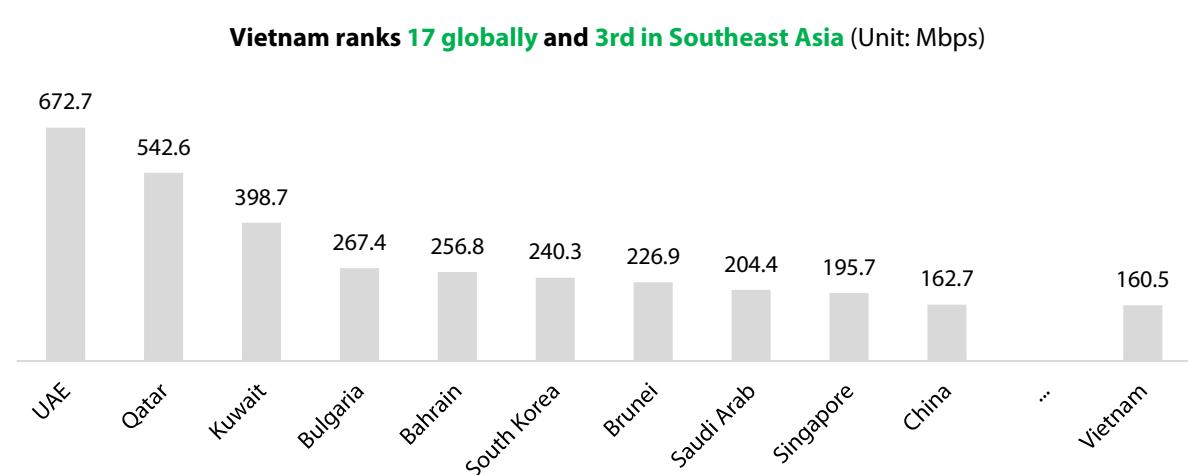
Telecommunications – infrastructure and internet speeds keep pace with global standards

Vietnam's telecom infrastructure is assessed to be at an advanced level, adequately meeting the requirements of the digital economy, is ranked 67/193 countries (+7 vs. its ranking in 2022). Beyond infrastructure coverage, network quality is clearly reflected, as internet speeds rank among the top globally and within Southeast Asia.

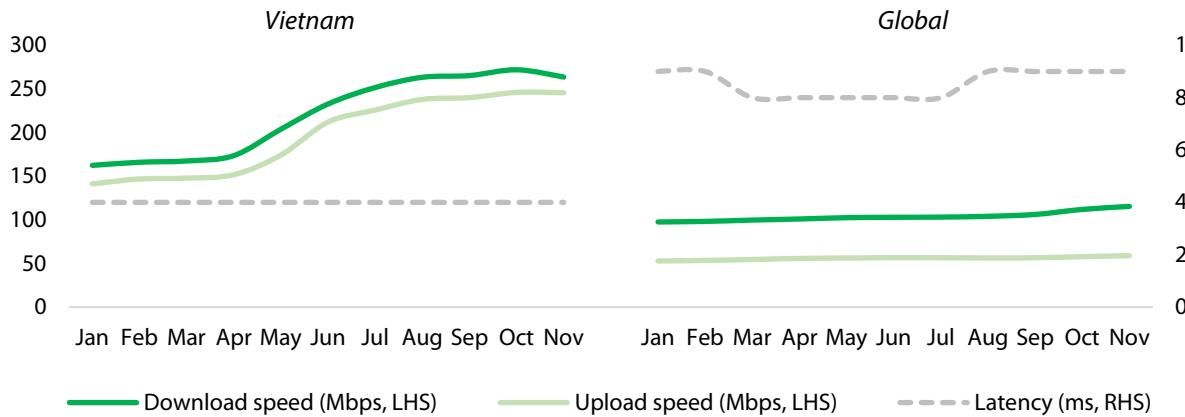
Speed of fixed broadband, 2025



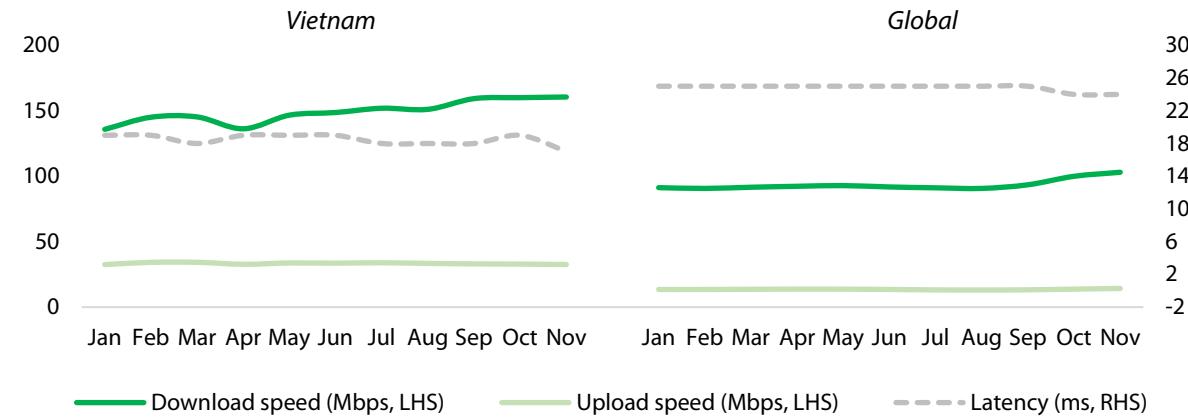
Speed of mobile broadband, 2025



Fixed broadband speeds exceed the global average, with lower-than-average latency



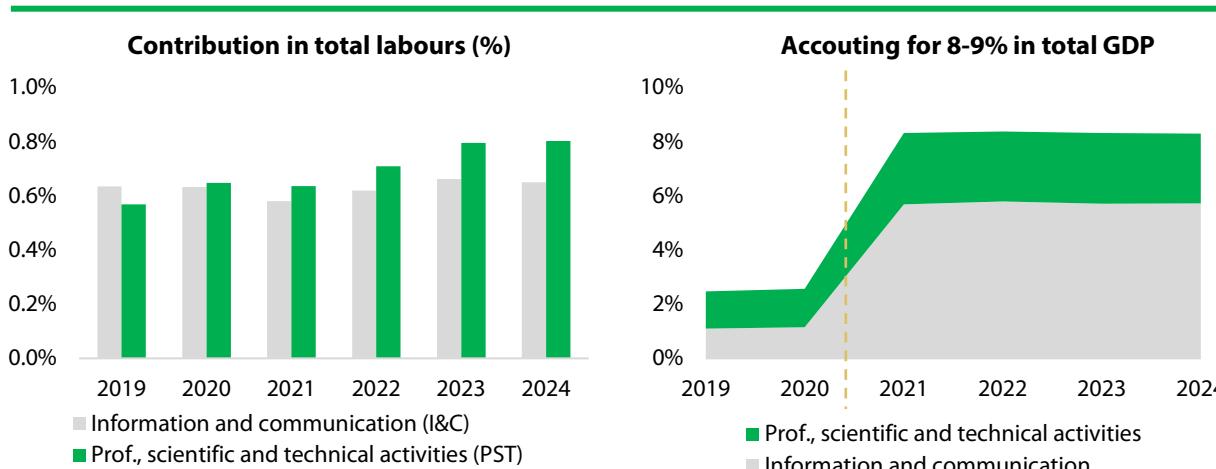
Mobile broadband speeds exceed the global average, with lower-than-average latency



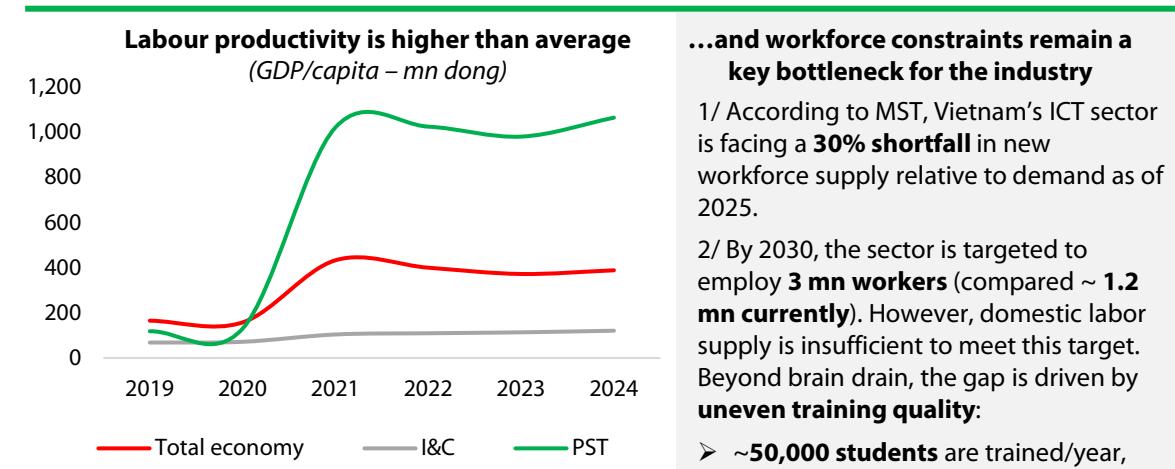
Source: Speedtest, RongViet Securities compiled

Employment and the number of enterprises operating in the science and ICT-intensive sector have gradually increased within the economy. Labor productivity (GDP per capita) in these sectors is significantly higher than the national average. This partly reflects strong growth in value-added contribution, particularly during “transition” periods such as the COVID-19 pandemic (2020–2021). However, the sector continues to face the risk of shortages in highly skilled labor, driven by ongoing brain drain.

Contribution in total labour and economic growth (%)



Labour productivity



...and workforce constraints remain a key bottleneck for the industry

1/ According to MST, Vietnam's ICT sector is facing a **30% shortfall** in new workforce supply relative to demand as of 2025.

2/ By 2030, the sector is targeted to employ **3 mn workers** (compared ~ **1.2 mn currently**). However, domestic labor supply is insufficient to meet this target. Beyond brain drain, the gap is driven by **uneven training quality**:

➤ ~**50,000 students** are trained/year, but only **30%** are **job-ready upon graduation**.

➤ To reach 3 mn workers, we estimate the sector would require **at least 260,000 additional workers/year**, while training capacity supplies **15,000 workers/year**.

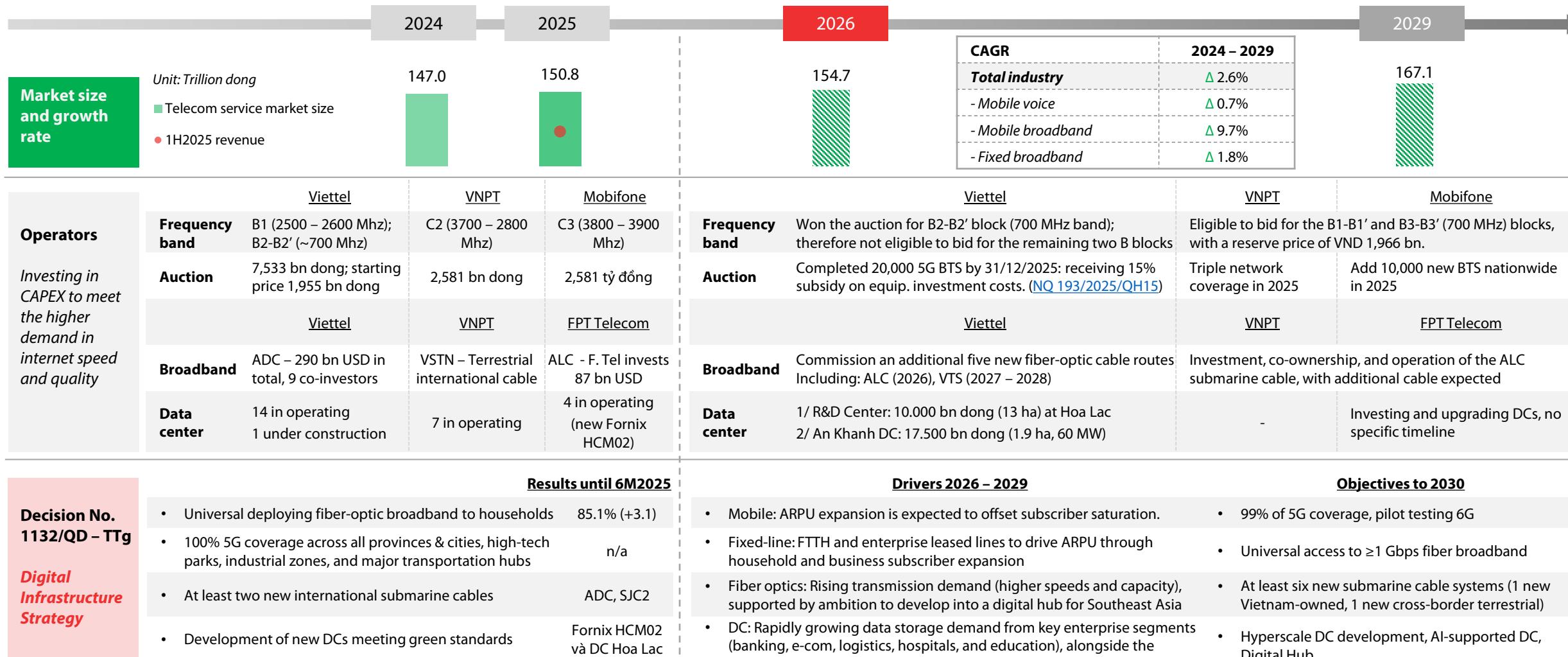
3/ Compared with other countries, the **share of highly skilled labor** in Vietnam remains low (ManpowerGroup).

	Vietnam	Thailand	Philippines	Malaysia
11%	14%	18%	29%	

Source: NSO, RongViet Securities

Telecommunications – a slight industry-wide growth is forecasted for 2026

This sector is expected to grow at a CAGR of 2.6% over the 2024-2030 period (GlobalData), implying an industry size of ~VND 154.7 trillion by 2026. Growth is expected to be driven primarily by broadband internet services, supported by increased monetization through new services and upgrades on the mobile subscriber base, as well as the expansion of the fixed broadband customer base (15% of households remain unconnected).



Source: Government policies, GlobalData, RongViet Securities

Alongside the amended Telecommunications Law (2023) and the strategic targets set out in [Decision No. 1132/QD-TTg](#) (October 2024), a series of policy documents have been issued since late 2024 to provide detailed regulations and implementation guidelines. These policies aim to operationalize the regulatory framework while encouraging Vietnamese telecommunications enterprises to expand their scope of activities within a more competitive and transparent legal environment.

22/12/2024

24/12/2024

19/2/2025

[Resolution No. 57-NQ/TW](#)

Breakthrough development of science, technology, innovation, and national digital transformation

1/ Target by 2030

- E-government and digital competitiveness: Top 3 in ASEAN, Top 50 globally
- GDP contribution: At least 30% from the digital economy; R&D expenditure at 2% of GDP
- State budget allocation: 3% (gradually increasing) for science, technology, and innovation
- Adoption of online public services: >80% of citizens and enterprises
- Cashless transactions: >80% of total transactions
- Telecommunications & ICT infrastructure: Ultra-large capacity and ultra-wide bandwidth ([Decision No. 1132](#))
- Commercialization rate of patented inventions: 8-10%

2/ Vision toward 2045

- Digital economy scale: At least 50% of GDP
- Positioning: Among the top 30 countries in innovation, digital transformation, and technological advancement
- Digital technology enterprises: At least 10 leading digital technology firms with scale and competitiveness comparable to those in developed economies

[Decree No. 163/2024/NĐ-CP](#)

Elaboration of some articles and measures for enforcement of [Law on Telecommunications \(2023\)](#)

Revised telecommunications law 2023 (effective from 1/1/2025): Modernized and aligned with the current context

1/ Expanded regulatory scope

- Digital infrastructure included: DC and Cloud Computing, *formally regulated for the first time under Vietnam's legal framework*.
- Telecomm services included: IDC services, Cloud services, and Value-Added services, including OTT-based services.

2/ Wholesale telecommunications regulation: Introduces requirements on price fairness and information transparency for enterprises engaged in wholesale activities (e.g., MVNOs). *Applies stricter oversight to enterprises with dominant market positions, defined based on market share thresholds (≥30%, or 10%-30%).*

3/ Infrastructure sharing: Encourages sharing among operators to improve efficiency and reduce duplication. In cases where parties fail to reach an agreement, competent state authorities and price-regulation frameworks will intervene to determine applicable term.

4/Auctioning and transfer of telecom resources: including the national domain name ".vn"; competitive principles with priority given to the order of register. Starting prices are stipulated by law and further detailed under [Decree No. 115/2025/NĐ-CP](#)

[Resolution No. 193/2025/QH15](#)

Pilot of special mechanisms and policies to create breakthroughs in S&T development, innovation and national digital transformation

1/ Financial support for rapid 5G deployment

- Enterprises completing and obtaining acceptance for at least 20,000 5G base stations by 31/12/2025 are eligible for financial support equivalent to 15% of equipment investment cost per station.
- Currently, Viettel is the only operator meeting this requirement.

2/ Allowing investment approval authorities to apply direct contractor appointment

- Investment projects involving international submarine telecommunications cable routes with landing stations in Vietnam that meet regulatory requirements.
- 2030 targets: At least six new submarine cable; total international submarine cable capacity to reach a minimum of 350 Tbps; at least one submarine cable fully owned and controlled by Vietnam.

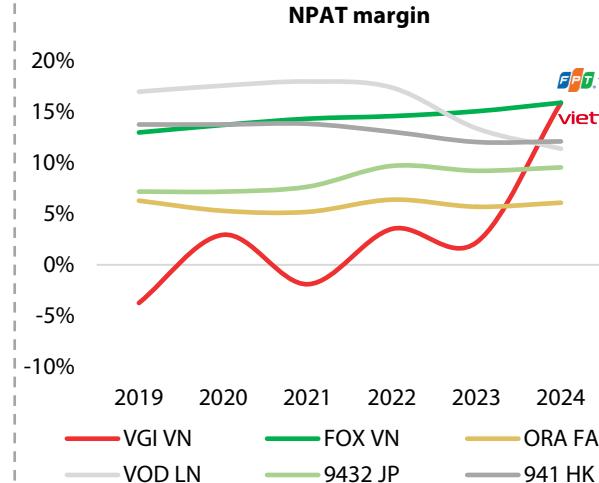
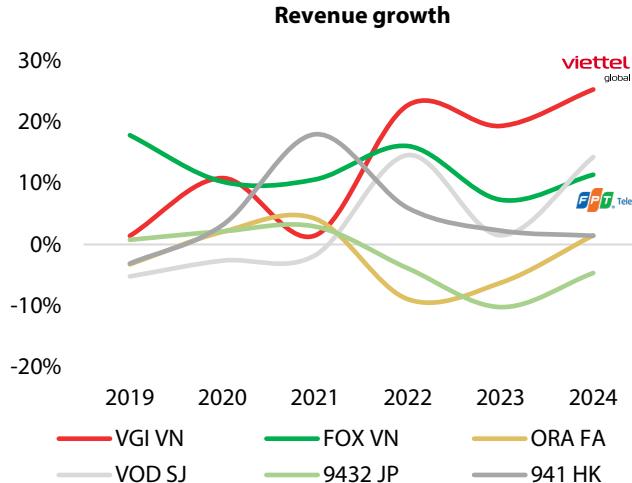
3/ Controlled pilot program for Low Earth Orbit (LEO) satellite telecommunications services

- Maximum subscriber cap: 600,000 subscribers.
- Pilot duration: 5 years, ending before 1 January 2031.
- **Limited competitiveness** compared to mass-market services such as 4G/5G and FTTH, provided by Viettel, FPT Telecom, and VNPT.
- High capital investment costs; suitable for niche applications (remote and underserved areas, islands, and national defense and security)

Telecommunications – Viettel Global and FPT Telecom stand out as leading players

Traditional telecom services no longer offer strong growth headroom. Major players have proactively diversified their strategies to maximize revenue and profitability: Viettel Global (VGI) leverages multi-service offerings in “blue ocean” markets, while FPT Telecom (FOX) focuses on expanding fixed-line broadband and data centers.

VGI and FOX outperform in revenue growth and margins compared to peers...



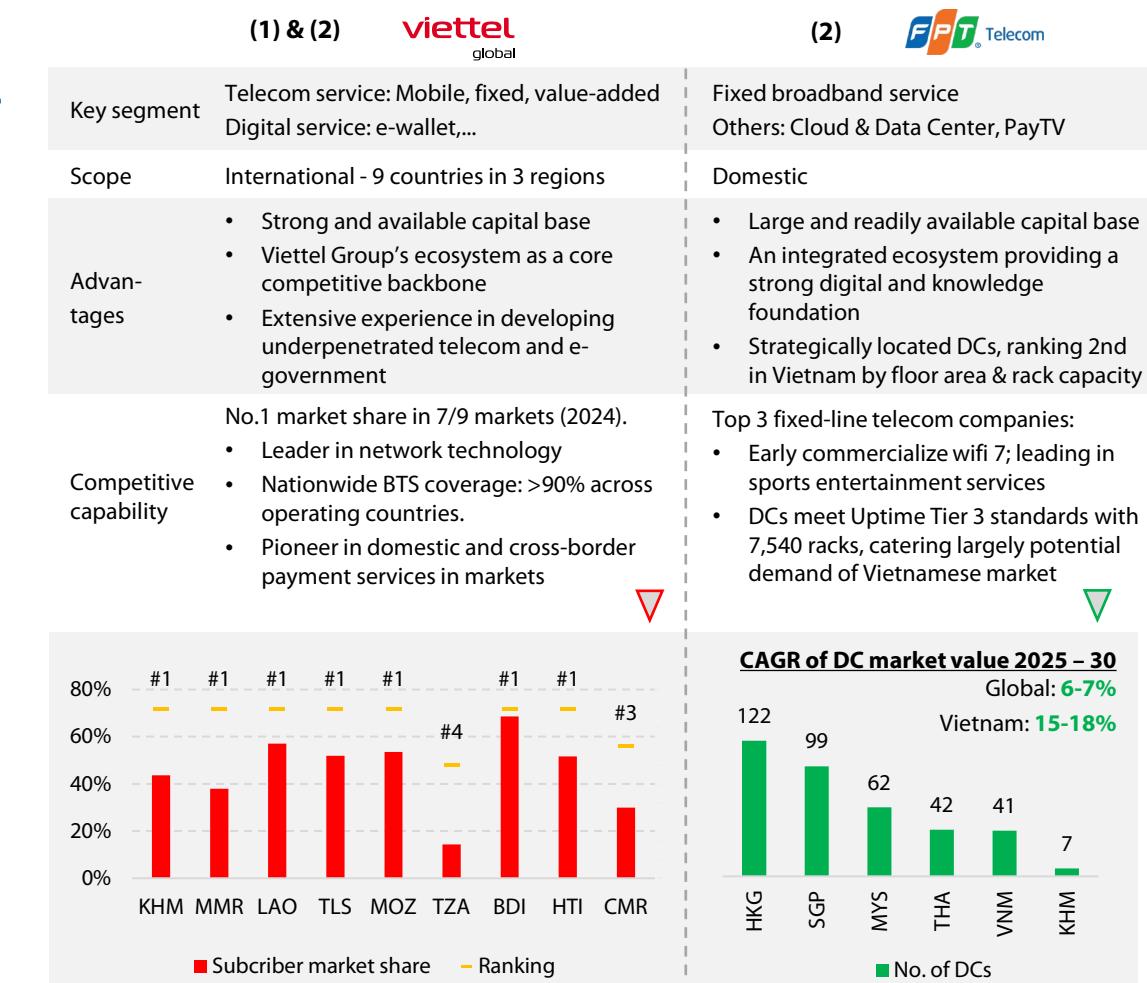
VGI front-loaded CAPEX investments in overseas markets prior to 2018—particularly in Africa—and has only entered the value-harvesting phase in recent years.

FOX focuses CAPEX on domestic network expansion across fiber, base stations, and data centers.

% CAPEX/revenue	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
VGI (Vietnam)	45%	81%	23%	39%	37%	62%	41%	24%	27%	21%	13%	13%	15%	12%	9%
FOX (Vietnam)	20%	5%	12%	16%	21%	27%	15%	9%	18%	19%	12%	10%	12%	12%	6%
VOD (South Africa)	11%	11%	11%	11%	13%	17%	17%	14%	13%	16%	15%	14%	13%	17%	15%
NTT (Japan)	13%	14%	13%	14%	14%	13%	11%	11%	15%	14%	16%	15%	14%	14%	16%
China Mobile (HongKong)	24%	24%	21%	22%	27%	26%	27%	26%	26%	27%	25%	22%	20%	18%	15%

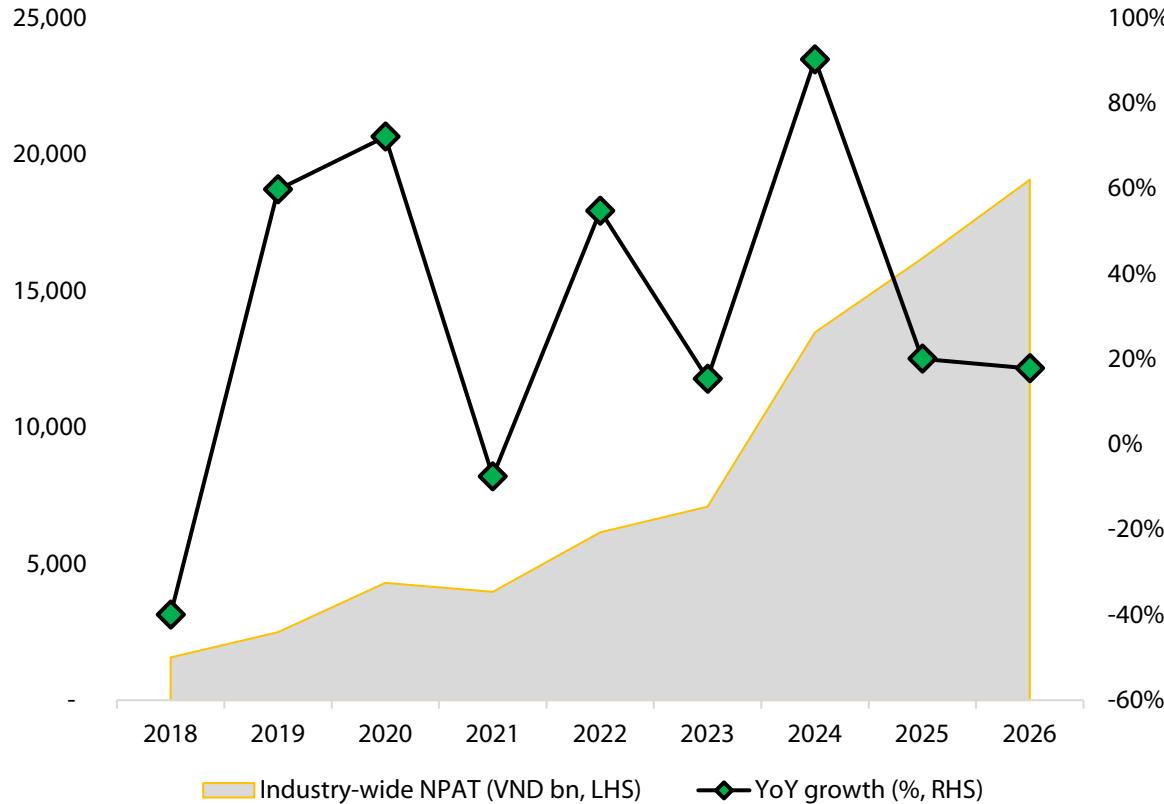
Source: Bloomberg, Research & Market, RongViet Securities

... leveraging resources to enter: (1) new markets; (2) new segments*

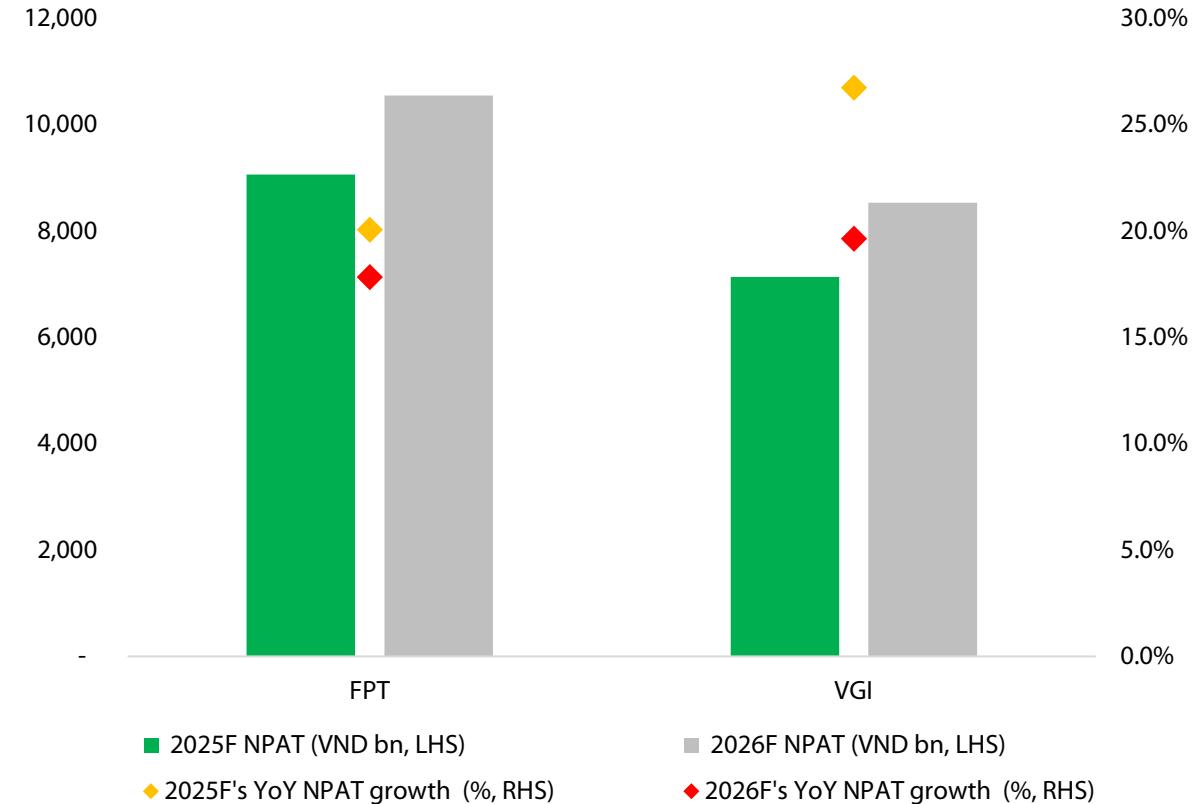


(*) 'New segment' refers to services beyond traditional telecom. These may have been offered previously, but are actively expand in recent years due to market trends such as digitalization and high-volume data storage demands

Industry-wide net profit growth in 2026 is expected to sustain 18-20%, in line with 2025...



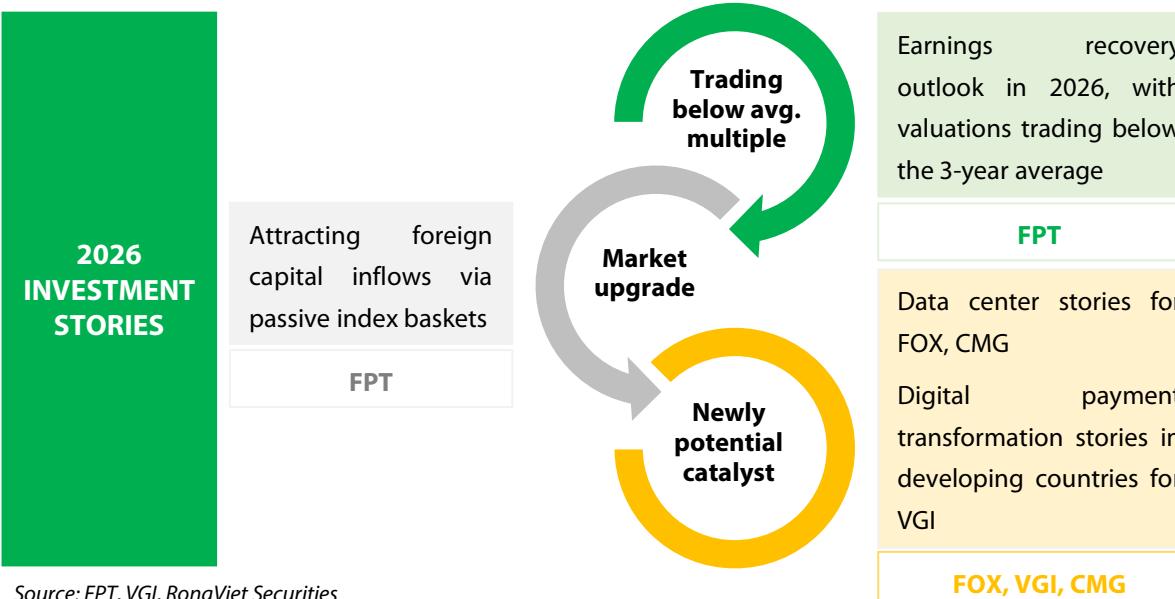
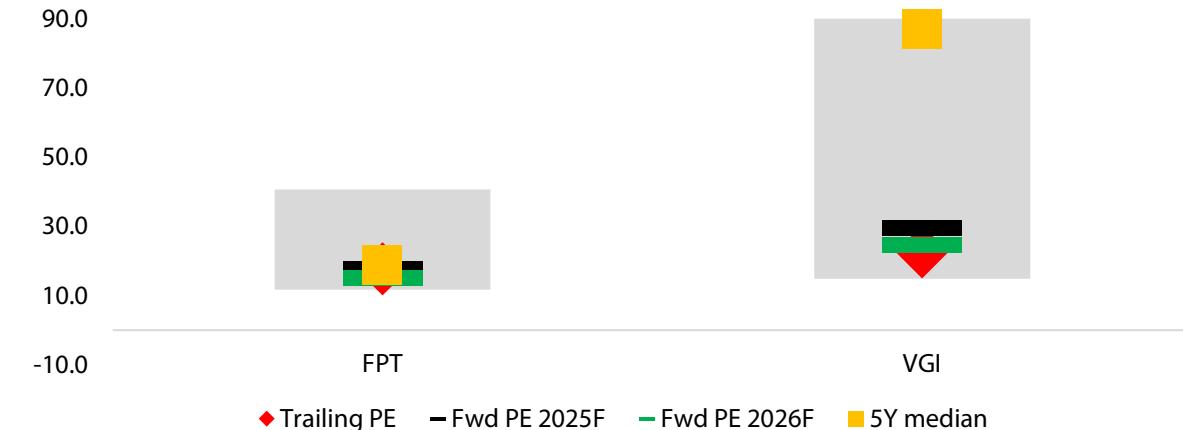
...primarily driven by leading players dominating core segments: FPT (new outsourcing contracts) and VGI (telecommunications and digital services)



Share price performance of the Tech industry has significantly underperformed the VN-Index after 2024F rising wave

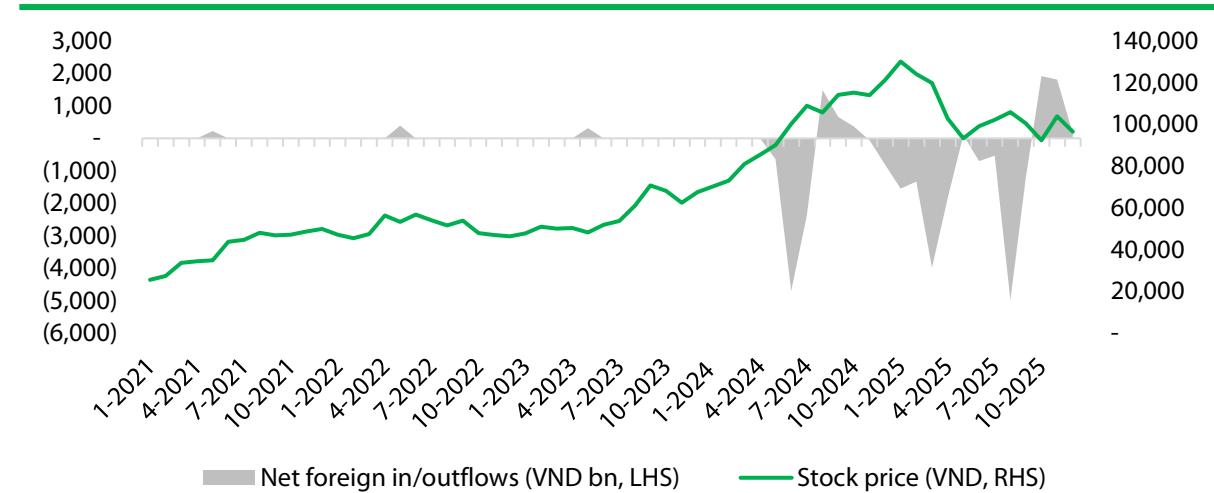


PE of Tech stocks (Closed price at 12/12/2025)



Source: FPT, VGI, RongViet Securities

Foreign capital flows into FPT have turned positive following the FTSE market upgrade announcement (Sep-2025)



Ticker	Mkt Cap. (\$mn)	AVG. 3M Daily Trading value (VND mn)	Target price (VND mn)	Closing price	Cash dividend Nxt 12M	Total return Nxt 12M	Foreign room leftover %	P/E		P/B		ROE Forward	EPS			Book value per share			2026 Growth	
								2026F	5 Yr. AVG	2026F	5 Yr. AVG		2024A	2025F	2026F	2024A	2025F	2026F	Sales%	NPAT-MI%
VGI	8,262	53,000	OBSERVE	91,700	1,200	N.A	0.0	25.4	N.A	4.8	3.9	11.3	1,848	2,342	2,802	11,772	13,364	14,765	14.0	19.6
FPT	6,159	769,071	109,800	97,400	2,000	14.7	9.9	15.4	20.9	3.6	4.8	25.0	4,940	5,315	6,186	20,298	23,449	26,159	15.2	16.4
CMG(*)	281	17,119	N.A	37,050	N.A	N.A	11.7	N.A	26.3	N.A	2.6	13.5	1,273	N.A	N.A	12,508	N.A	N.A	N.A	N.A
FOX(*)	1,825	7,332	N.A	69,700	N.A	N.A	N.A	N.A	15.7	N.A	4.6	32.2	3,413	N.A	N.A	13,932	N.A	N.A	N.A	N.A

Source: Bloomberg, RongViet Securities, Data retrieved on 01/05/2026.

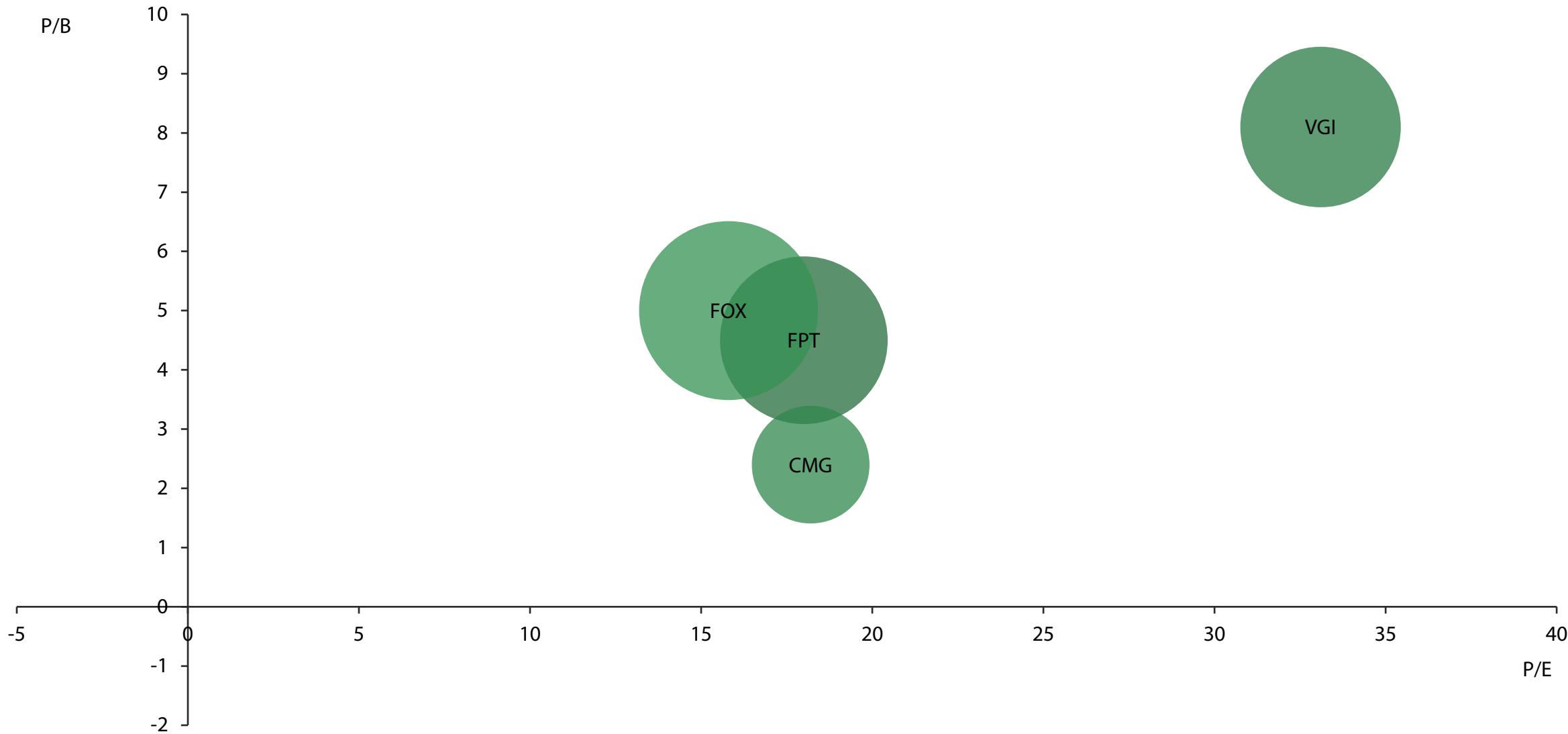
* For stocks in the recommended portfolio: ROE, ROA, P/B and P/E forward are calculated based on the 2026 profit forecast.

For stocks we are monitoring: results are updated based on the data of the last four quarters

N.R: Not Rated

N.A: Not forecasted or No Data

NPAT: Net profit after tax for parent company

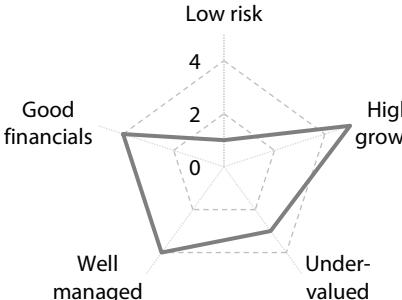
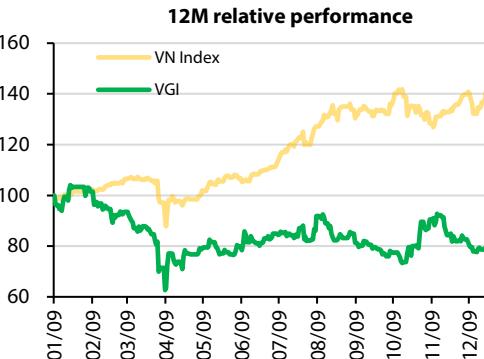


Source: FiinPro, RongViet Securities – Bubble size reflects relative ROE indicator. Closed price at 05/01/2026

OBSERVE

MP: 91,700

TP: N.A



STOCK INFO

Sector

Telecommunications

Market Cap (VND bn)

209,414

Current Shares O/S (Mn shares)

3,044

3M Avg. Volume (K)

701

3M Avg. Trading Value (VND bn)

53

Remaining foreign room (%)

0

52-week range ('000 VND)

51.8 – 97.7

FINANCIALS

	2024A	2025E	2026F
Revenue (VND bn)	35,368	42,377	48,247
NPAT-MI (VND bn)	5,626	7,129	8,528
ROA (%)	8.9	10.0	10.9
ROE (%)	15.7	17.5	19.0
EPS (VND)	1,848	2,342	2,802
Book Value (VND)	11,772	13,364	14,765
Cash dividend (VND)	-	750	1,200
P/E (x)	49.6	39.2	32.7
P/B (x)	7.8	6.9	6.2

INVESTMENT THESIS

We view VGI as having completed its cost restructuring and entering a strong growth phase, with growth rates expected to remain above the industry average after a prolonged period of investment and raising market awareness of telecommunications services, achieving the number one market share in 7 out of 9 countries. [\(refer to page 30\)](#)

- Traditional Telecom Services:** Expected to contribute 80% of revenue in 2025 (-2.5 pps YoY), with a CAGR of 9.8% for 2025–2029 (above the average growth of Vietnam and the Asia region – TBD). Key growth drivers include 4G demand (followed by 5G) in Africa and Haiti; gradual 5G deployment in Southeast Asia; and increasing demand for FTTH broadband as penetration remains low in most markets, while VGI's fiber infrastructure and base station coverage are high (80–95% of the population in its countries). [\(refer to appendix\)](#)
- Digital Services:** Represent a high-potential long-term segment, with revenue CAGR expected to reach ~30% per year during 2025–2029, comparable to peers such as Vodacom and MTN operating in other African countries, driven by:
 - Large gaps in underdeveloped banking and payment systems, especially in Burundi, Mozambique, Haiti, and East Timor;
 - Leveraging domestic capabilities from Vietnam (strengths in R&D, infrastructure deployment, and experience from Viettel), government support for national digital transformation.

Key highlights in the coming period:

- Assets and cash flow:** Debt ratios gradually declining, company posting profits since 2022 with more stable cash flows. In addition, VGI is likely to gradually recover receivables from Mytel after rescheduling principal/interest repayments until 2031, as announced at the 2025 AGM.
- “Countercurrent” growth:** ROE reached 15.7% in 2024 (improved from -1.3% in 2021), expected to continue thanks to higher margins while maintaining low leverage relative to peers.

RISK TO OUR CALL

- Subscriber market share growth and average revenue per user (ARPU) are below expectations.
- Exchange rate fluctuations and limited hedging capabilities may result in unusual financial costs, which could keep overall operating performance stable but negatively impact NPAT.

Key financial ratios

Y/E Dec	FY24	FY25F	FY26F	FY27F
Net sales (VND bn)	35,368	42,377	48,247	54,358
Traditional telecom services	29,148	33,875	37,512	40,829
Digital services	5,376	7,723	10,015	12,865
Others	844	779	719	664
YoY growth (%)				
Net sales	25.0%	20.0%	14.0%	13.0%
NPAT-MI	803.8%	26.7%	19.6%	16.3%
Profitability (%)				
Gross margin	50.6%	51.2%	51.7%	52.0%
Net margin	15.9%	16.8%	17.7%	18.2%
ROE	15.7%	17.5%	19.0%	19.9%
Finance structure (%)				
Debt/Equity	7.6%	2.4%	1.5%	0.9%

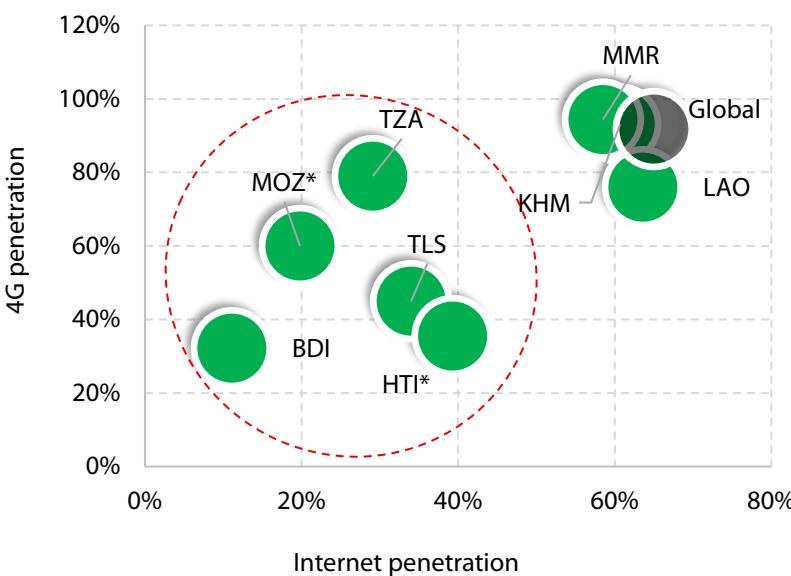
Sensitivity scenario for VGI's Equity Value per Share by DCF method

	Exit EV/EBITDA				
	9.0	10.0	11.0	12.0	13.0
WACC	10.6%	83,442	88,594	93,745	98,897
	11.6%	81,363	86,329	91,294	96,260
	12.6%	79,373	84,161	88,949	93,737
	13.6%	77,467	82,086	86,704	91,322
	14.6%	75,642	80,098	84,554	89,010

(*) In 2025, VGI resumed dividend payments for the first time in 10 years (since 2015) for the 2024 fiscal year, with a payout ratio of 7.5% (already executed). We expect the company to continue maintaining a consistent dividend policy in the coming years, following four consecutive years of positive operating growth (2022-2025).

- Global Internet penetration reached 65% in 2023: Three Southeast Asian countries (Cambodia, Laos, and Myanmar) have penetration rates close to the regional average.**
In contrast, African countries have very low Internet access and usage: Burundi is the lowest at 11.1%, followed by Mozambique and Tanzania at 19.8% and 29.1%, respectively.
- Although mobile networks are nearly saturated in many countries, Africa still lags behind the rest of the world.** Network connectivity and technology adoption are slower due to limited economic resources and structural challenges, with agriculture as the main sector employing the majority of the workforce. Meanwhile, telecommunications infrastructure is essential to support broader economic development. Therefore, we assess that these markets still offer significant growth opportunities for VGI.

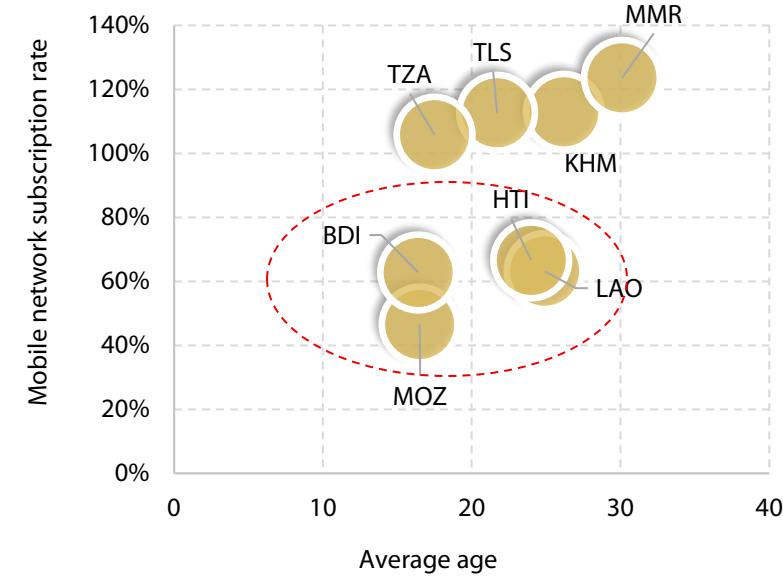
Internet penetration in the investment countries of Viettel Global



(* Latest updated in 2022)

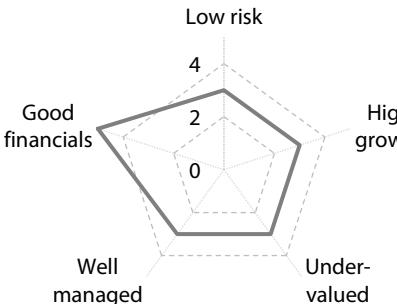
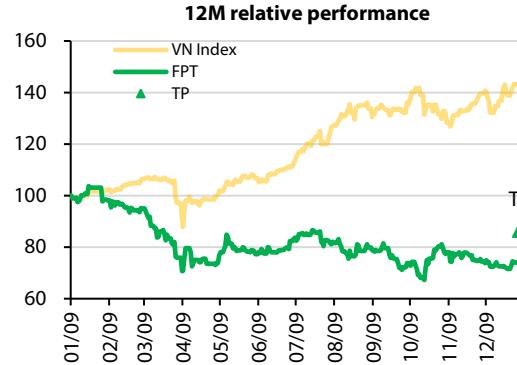
(**) Internet penetration rate refers to the percentage of individuals who have used the Internet from any location within the past three months, either via fixed-line or mobile networks."

Mobile subscription rate and average age in the investment countries (2024)



Telecom infrastructure coverage of Viettel Global in the investment markets

Subsidiary/Associates (Countries)	Cable (km)	BTS (station)	Infra. Coverage (% total pop.)
Metfone (Cambodia - KHM)	44,000	5,200	98%
Mytel (Myanmar - MMR)	45,000	10,000	80%
Unitel (Laos - LAO)	40,000	9,000	95%
Telemor (Timor-Leste - TLS)	2,400	723	98%
Movitel (Mozambique - MOZ)	36,100	5,400	92%
Lumitel (Burundi - BDI)	3,400	1,114	97%
Halotel (Tanzania - TZA)	n/a	7,071	87%
Nexxtel (Cameroon - CMR)	8,200	1,100	70%
Natcom (Haiti - HTI)	4,500	2,800	90%

ACCUMULATE: 15%
MP: 97,400
TP: 109,800


STOCK INFO

Sector

Technology

Market Cap (VND bn)

6,161

Current Shares O/S (Mn shares)

1,704

3M Avg. Volume (K)

7,952

3M Avg. Trading Value (VND bn)

769

Remaining foreign room (%)

9.9

52-week range ('000 VND)

85,04 - 135,65

FINANCIALS

Revenue (VND bn)

2024A

62,849

7,849

10.9

10,954

10,538

NPAT-MI (VND bn)

2025E

22.0

10.9

11.2

ROA (%)

2026F

ROE (%)

22.0

EPS (VND)

22.7

Book Value (VND)

23.6

Cash dividend (VND)

4,940

P/E (x)

5,315

P/B (x)

6,186

5,298

26,159

2,000

2,000

2,000

2,000

26.8

18.0

15.4

15.4

6.5

4.1

3.6

INVESTMENT THESIS

Core Software Outsourcing Segment (65% of total revenue) – Expected to regain growth momentum through new engines (Europe, Japan, Domestic)

- FPT is strategically reducing reliance on highly competitive and maturing markets like the US by gaining share in slower-digitalizing regions (Japan, domestic Vietnam) and penetrating new geographies (Africa, Europe). This diversification accelerates in 2026, driving segment growth above 2025 levels. Key levers remain low-cost delivery, cultural/work ethic alignment, favorable time zones, and M&A/marketing initiatives from 2024–2025 now yielding results. New contract signings in H2 2025 already signal this shift.
- Domestically, FPT is viewed by experts and investors as a prime beneficiary of aggressive Government support, particularly the planned doubling of the Science & Technology budget for 2025–2030 (vs. 2020–2025), seen as a major catalyst.

Other Pillar Segment – Telecommunications and digital content remains resilient

- Long-standing pillar FPT Online (FOX, 45.7% owned) delivers steady profit contribution growth to FPT (+10.0% YoY in 2026), supported by (1) market share gains in telecom (especially fixed broadband fiber) and pay-TV through heavy infrastructure/content investment and rural expansion, and (2) stronger data center contribution (~20.0% growth in 2026) aligned with Vietnam's broader trend.

Earnings growth outlook supports investment case despite moderation

- NPAT growth unlikely to return to 2022–2024 peaks (21–22%), but 2026F trajectory (~16.4% YoY) remains solid. Current valuation appears attractive: trailing P/E 17.7x, forward 2025/26F P/E 17.6x/15.1x—all below 5-year average of 19.0x.

RISK TO OUR CALL Global enterprise AI adoption remains in early stages (transition from GenAI to AgenticAI not yet scaling broadly), potentially delaying large new orders—especially in developed markets (US, Europe)—while eroding margins as FPT's traditional labor-cost advantage diminishes under AI disruption.

Key financial ratios

Y/E Dec	FY24	FY25F	FY26F	FY27F
Net sales (VND bn)	62,849	71,013	81,834	91,699
IT	39,110	44,659	53,122	61,090
GlobalIT	30,953	35,278	42,334	48,684
DomesticIT	8,157	9,381	10,788	12,406
Telecom	17,610	20,138	22,449	24,269
FOX	16,906	19,328	21,517	23,197
FOC	705	810	932	1,071
Education & Investment and others	7,444	7,702	7,976	8,259
Education	7,088	7,346	7,620	7,903
Investment & others	356	356	356	356
Reduction by consolidation	-1,316	-1,487	-1,713	-1,920
YoY growth (%)				
Net sales	19.4%	13.0%	15.2%	12.1%
NPAT-MI	21.5%	15.2%	16.4%	16.1%
Profitability (%)				
Gross margin	37.7%	38.0%	38.0%	37.8%
Net margin	12.5%	12.8%	12.9%	13.3%
ROE	22.0%	22.7%	23.6%	24.6%
Finance structure (%)				
Debt/Equity	41.8%	45.5%	47.2%	45.8%

FPT's key figure by segment

GlobalIT revenue (VND bn)	FY24	FY25F	FY26F	FY27F
Total sales	30,953	35,278	42,334	48,684
<i>YoY growth (%)</i>	<i>27.4%</i>	<i>14.0%</i>	<i>20.0%</i>	<i>15.0%</i>
By region				
Japan	12,325	15,406	19,258	23,109
<i>YoY growth (%)</i>	<i>32.2%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>20.0%</i>
US	7,751	8,332	9,166	9,761
<i>YoY growth (%)</i>	<i>8.9%</i>	<i>7.5%</i>	<i>10.0%</i>	<i>6.5%</i>
EU	2,636	3,559	4,804	6,245
<i>YoY growth (%)</i>	<i>51.8%</i>	<i>35.0%</i>	<i>35.0%</i>	<i>30.0%</i>
APAC	8,240	7,981	9,107	9,568
<i>YoY growth (%)</i>	<i>34.8%</i>	<i>-3.1%</i>	<i>14.1%</i>	<i>5.1%</i>
Backlog				
Size	33,592	39,639	47,566	54,701
<i>Conversion rate (%)</i>	<i>92.1%</i>	<i>89.0%</i>	<i>89.0%</i>	<i>89.0%</i>
<i>YoY growth (%)</i>	<i>13.0%</i>	<i>18.0%</i>	<i>20.0%</i>	<i>15.0%</i>
PBT margin (%)	FY24	FY25F	FY26F	FY27F
IT	13.4%	12.3%	12.0%	12.2%
GlobalIT	15.4%	14.0%	13.5%	13.7%
DomesticIT	5.6%	5.8%	6.0%	6.2%
Telecom	20.4%	21.5%	21.1%	20.6%
Education & Investment and others	100.7%	106.9%	107.9%	113.5%
Total FPT	17.6%	18.0%	17.7%	18.1%

FPT's valuation summary

FPT'S VALUATION SUMMARY (VND/SHARE)						
Method	Weight	Target price				
DCF (5 years, WACC: 11.4%, Exit EVEBITDA 13.0x)	50%	107,700				
SoTP	50%	111,800				
Total FPT	100%	109,800				
<i>1-year expected cash dividends (VND/share)</i>		2,000				
<i>2026F target P/E</i>		17.8				
Sensitivity scenario for FPT's Equity Value per Share by DCF method (VND/share)						
WACC	Exit EV/EBITDA					
	11.0	12.0	13.0x	14.0	15.0	
	8.4%	107,253	114,230	121,207	128,184	135,161
	9.4%	103,118	109,782	116,445	123,109	129,773
	10.4%	99,196	105,563	111,931	118,298	124,665
	11.4%	95,474	101,561	107,647	113,734	119,820
	12.4%	91,941	97,761	103,582	109,402	115,222
	13.4%	88,585	94,153	99,721	105,289	110,857
	14.4%	85,395	90,724	96,052	101,381	106,710

FPT's 2026F valuation summary by SoTP method (VND/share)

Unit: bn VND	Method	Target multiple	FPT's economic interest	2026F
GlobalIT	P/E	18.0	100.0%	103,058
DomesticIT	P/E	18.0	100.0%	11,740
Telecom service	P/E	15.0	45.7%	30,892
Advertising service	P/E	8.0	49.5%	877
Education	P/E	12.0	100.0%	22,860
FPT Synnex	P/E	12.0	48.0%	3,554
FPT Retail	According to retail analyst		46.5%	12,681
TienPhong Bank	Market value			3,099
+ Net cash at Parent Company				1,718
Equity value				190,479
Number of outstanding shares				1,704
Target price (VND/share)				111,816



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