

**JAPANESE INGREDIENTS**

**DƯƠNG CHẤT TỐT TỪ NHẬT BẢN**

**TIÊU HÓA KHỎE - BÉ TINH NHANH**

**VINAMILK POWER**

**NĂNG LƯỢNG TỐI ĐA**

**SỨC MẠNH BỨT PHÁ**

**CANXI** **B12** **PROTEIN** **B6**

**DỪNG THỬ NGAY**

**Organic GOLD**

**EU ORGANIC**

**Lớn khôn cùng tự nhiên**

**VINAMILK**

**ít đường 3 Tots**

**Giàu dinh dưỡng, Ngon khó cưỡng**

**Hạnh Nhân** **Óc Chó** **Đậu Đỏ**

**Vfresh**

**Nước trái cây sữa**

**VFRESH SMOOTHIE**

Nhìn thích mắt, uống thích mê!

**Vfresh** **dielac** **Alpha** **RIDIELAC** **100% A2** **100% ORGANIC** **Organic GOLD** **Đậu Đỏ** **Óc Chó** **Hạnh Nhân**

**VINAMILK JSC**

**Earnings Presentation**

**1Q2020**

**VINAMILK**



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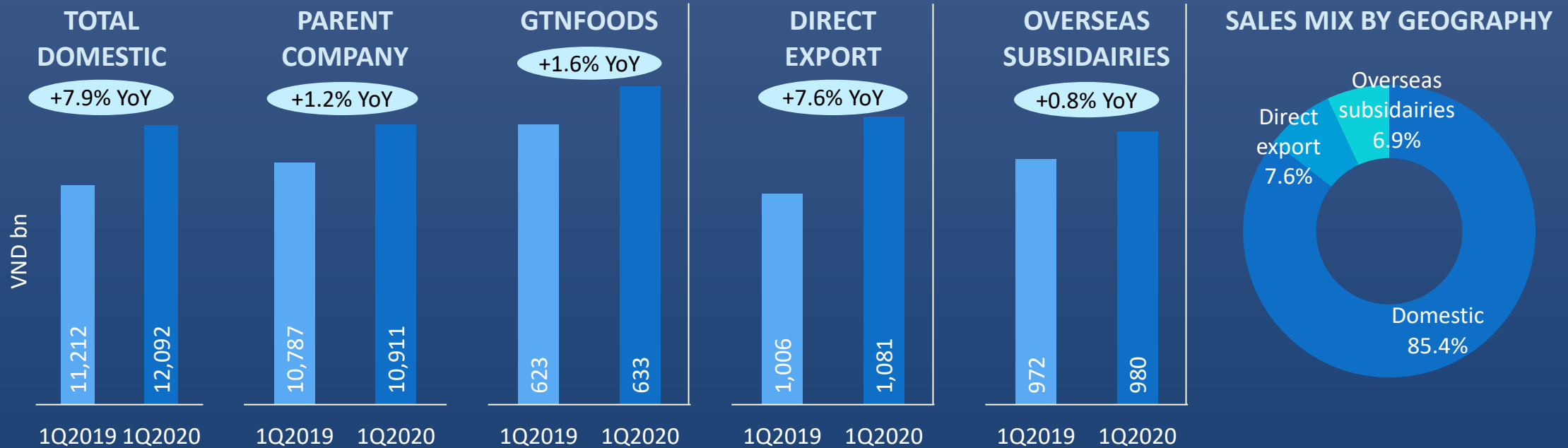
# 1Q2020 consolidated financial highlights

<p>Net sales (VND bn)</p> <p><b>14,153</b></p> <p>▲ 7.3% YoY</p>	<p>Gross profit margin (%)</p> <p><b>46.7%</b></p> <p>▲ 0 basic point YoY</p>	<p>EBITDA (VND bn)</p> <p><b>3,956</b></p> <p>▲ 3.2% YoY</p>
<p>Net profit after tax (VND bn)</p> <p><b>2,777</b></p> <p>▼ 0.7% YoY</p>	<p>Earnings per share (basic) (VND)</p> <p><b>1,427</b></p> <p>▼ 1.7% YoY</p>	<p>Net cash<sup>1</sup> (VND bn)</p> <p><b>9,481</b></p> <p>▲ 11.1% YoY<sup>2</sup></p>

<sup>1</sup> Cash & Cash Equivalents less Borrowings

<sup>2</sup> As at 31 March 2020

# Analysis of net revenue

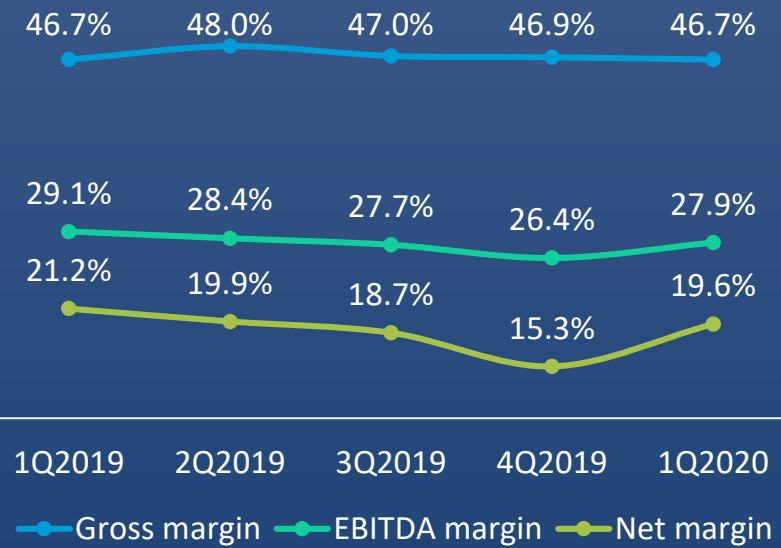


- ❑ VNM has consolidated GTNFoods since 1Q2020
- ❑ Parent company's sales were driven by flagship categories. Some distribution channels such as Schools & Airlines underperformed due to Covid-19 while GT, MT and VNM's stores still performed well, in which MT posted double-digit growth.

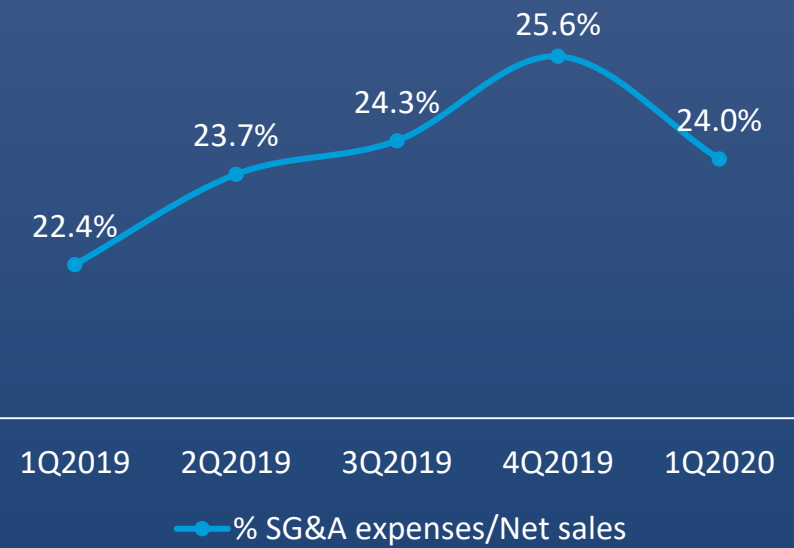
- ❑ Driven by key markets in Middle East

- ❑ Driftwood was affected though insignificantly after schools in California shut down in mid-March
- ❑ Angkor Milk achieved positive growth, in which its domestic business still posted double-digit growth

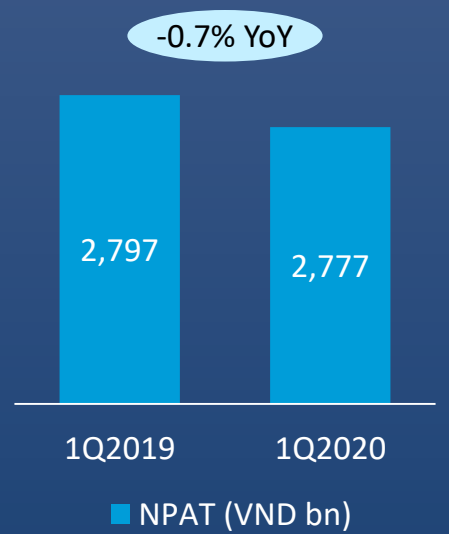
# Analysis of profit margins & cost structure



- Consolidated gross margin unchanged vs. 1Q2019 due to merging GTN figures even the gross margin of Parent Company increased by 265 basic points (bp) YoY to 50.5% thanks to improved sales mix
- Net profit margin of GTN was 6.3%, +353 bp YoY, indicating the effective takeover by VNM



- Consolidated SG&A expenses/Net sales ratio increased YoY mostly due to:
- Additional marketing & G&A expenses after consolidating GTN figures
  - Incremental sales support expenses during the Covid-19 pandemic



- NPAT slightly dropped YoY mostly due to:
- SG&A expenses increased faster than revenue
  - The effective corporate income tax +100 bp to 17.3%

# Operational highlights: VNM's initiatives against Covid-19



**1** Strictly implement the Government's regulations on disease prevention measures

**2** Arrange working schedule to ensure business as usual; require 100% of employees to register for health declaration

**3** Ensure Vinamilk's existing IT platforms to effectively support remote working and management

**4** Maintain a reasonable inventory of raw materials; closely monitor key materials in order to purchase at the best price, contributing to improve gross margin in the rest of 2020

**5** Strengthen the control over sales receivables, timely detect any signal of financial difficulty to properly control and respond to debt recovery

**6** Postpone or extend some capex projects in 1H2020 to ensure financial stability; as at 31/3/2020, the Group and Parent Company's net cash were VND 9,500bn and VND 7,000bn respectively



# Operational highlights: Community supports



**VND 30bn**

Total sponsor value up to now by Vinamilk to combat the Covid-19 pandemic

**VND 10bn**

To sponsor the government to buy medical biological equipment that helps quickly detect SARS-COV-2 virus

**1.7 million glasses of milk**

To sponsor 19,000 children who were in difficult situations during the pandemic (equivalent to VND 12.5bn)

**Thousands of VNM's products**

To sponsor 4,000 government officials, doctors, soldiers in the Covid-19 frontline across Vietnam

# Appendix – 1Q2020 consolidated FS summary

Profit & Loss (VND bn)	1Q2020	1Q2019	+/- YoY
<b>Net sales</b>	<b>14,153</b>	<b>13,189</b>	<b>7.3%</b>
<i>Domestic</i>	12,092	11,212	7.9%
<i>Direct exports</i>	2,061	1,977	4.2%
<b>Cost of sales</b>	<b>7,547</b>	<b>7,034</b>	<b>7.3%</b>
<i>Domestic</i>	6,388	5,964	7.1%
<i>Direct exports</i>	1,159	1,070	8.3%
<b>Gross profit</b>	<b>6,606</b>	<b>6,155</b>	<b>7.3%</b>
<i>Domestic</i>	5,704	5,248	8.7%
<i>Direct exports</i>	901	907	-0.6%
Selling expenses	3,393	2,949	15.1%
Other non-interest income/(expenses)	146	136	6.9%
<b>EBITDA</b>	<b>3,956</b>	<b>3,835</b>	<b>3.2%</b>
Depreciation & Amortization	555	472	17.6%
Interest expenses	42	20	112.1%
<b>Pretax Profit</b>	<b>3,358</b>	<b>3,343</b>	<b>0.5%</b>
Income tax	581	545	6.6%
<b>Net Income</b>	<b>2,777</b>	<b>2,797</b>	<b>-0.7%</b>
<b>Earning per share (VND)</b>	<b>1,427</b>	<b>1,452</b>	<b>-1.7%</b>

Balance Sheet (VND bn)	31/3/2020	31/3/20219
Cash & cash equivalents	15,750	10,876
Accounts receivable	4,132	5,076
Inventory	5,734	5,354
Net fixed assets & CIP	15,627	14,183
Other long-term assets	4,831	2,816
<b>Total assets</b>	<b>46,074</b>	<b>38,305</b>
Account payables	4,205	3,560
Short-term debt	6,150	2,126
Long-term debt	120	218
Other long-term liabilities	3,353	3,478
Stockholders' equity	32,247	28,923
<b>Total liabilities and equity</b>	<b>46,074</b>	<b>38,305</b>
<b>Key ratios</b>	<b>1Q2020</b>	<b>1Q2019</b>
ROE	32.7%	35.7%
ROA	22.9%	26.9%
ROIC	32.2%	35.0%





IR contact  
Trung Dong (Mr.)  
Investor Relations Manager  
E [dqtrung@vinamilk.com.vn](mailto:dqtrung@vinamilk.com.vn)  
T +84 028 54 155 555 / Ext 108247

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