

Vinamilk®
EST 1976



EARNINGS PRESENTATION

For nine months ended September 30th, 2023 (“9M2023”)

KHÔNG ĐƯỜNG

CÔ ĐƯỜNG

ÍT ĐƯỜNG

HƯƠNG DÂU

SÔCÔLA



DISCLAIMER

Certain statements in this Presentation may constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Vietnam Dairy Products JSC (“Vinamilk” or “The Company”), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding Vinamilk’s present and future business strategies and the environment in which Vinamilk will operate in the future. Because these statements and financial information reflect Vinamilk’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

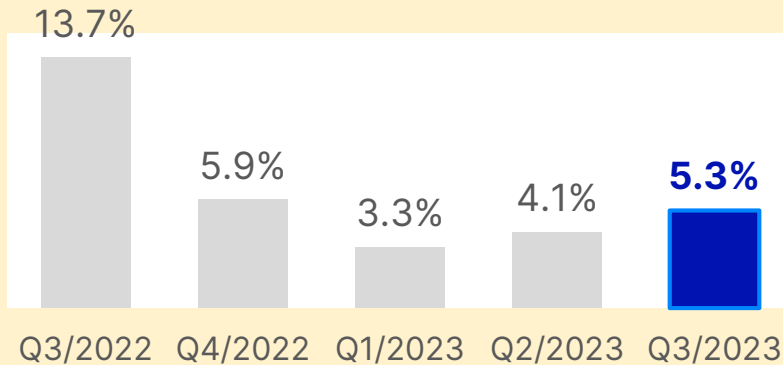
Vinamilk expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in Vinamilk’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While Vinamilk has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, Vinamilk has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

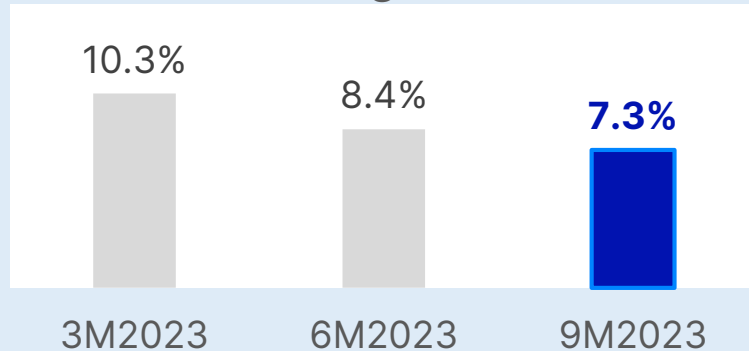
MACRO & DAIRY INDUSTRY

Both FMCG and dairy growth have slowed down

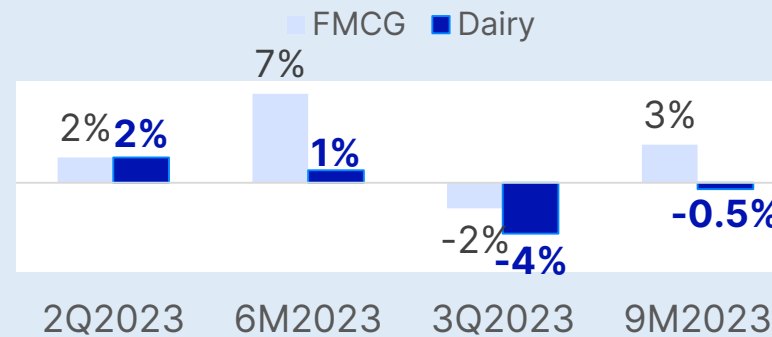
Quarterly GDP Growth



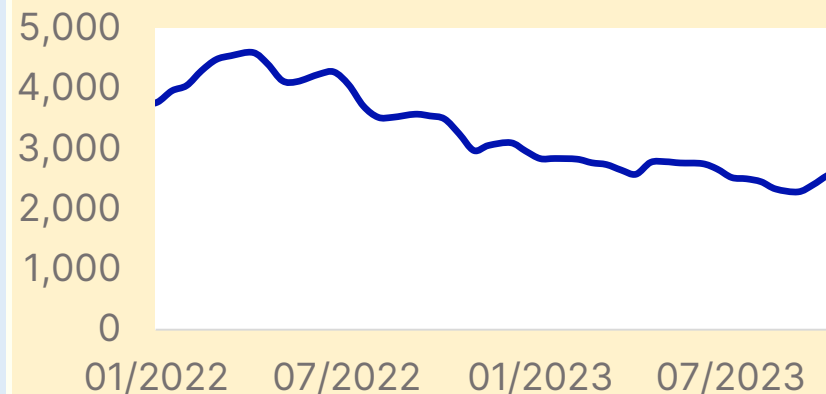
Vietnam's retail and services sales growth



Industry value growth



SMP price (\$/ton)



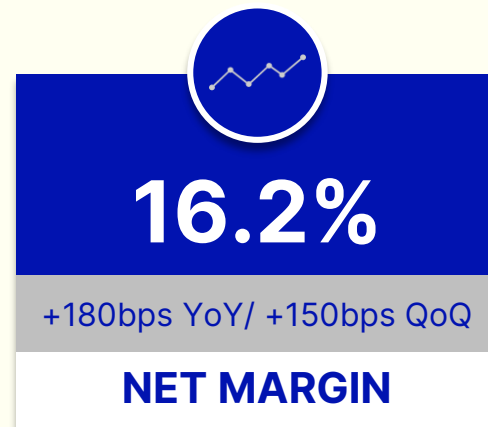
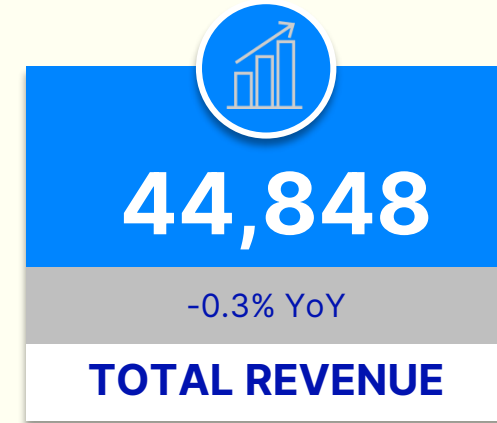
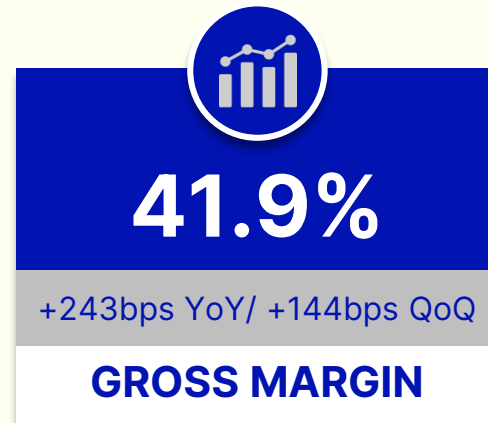
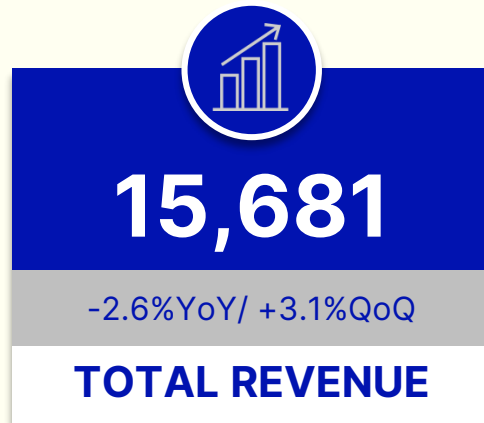
3Q2023 key takeaways.

- **FMCG industry** -2% YoY and **dairy industry** -4% YoY in value in 3Q2023 (AC Nielsen).
- **Primary reasons:** 1) The decreased growth of purchasing power for consumer goods and services; 2) There was no longer as much support from pricing factors (Vinamilk).
- Milk powder prices are picking up slightly in the most recent auctions, but still on the downtrend versus last year.

PERFORMANCE HIGHLIGHTS

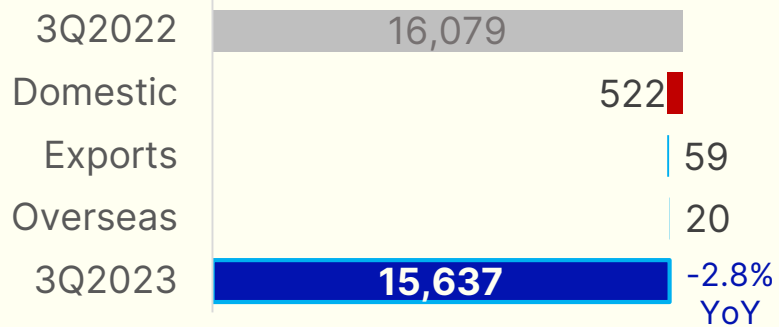
Consolidated results – 3Q2023

9M2023



PERFORMANCE ANALYSIS

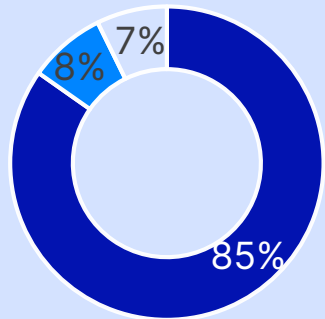
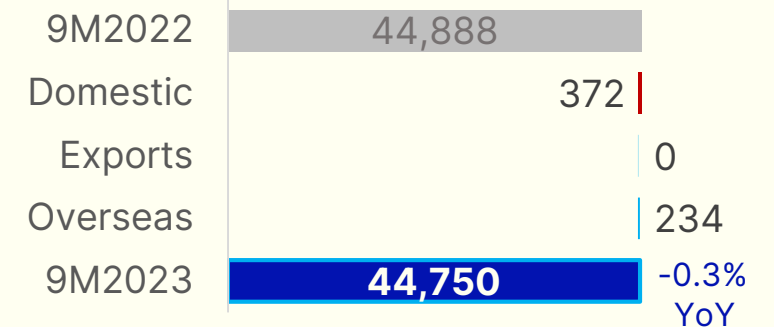
3Q2023 consolidated net sales reached VND 15,637bn



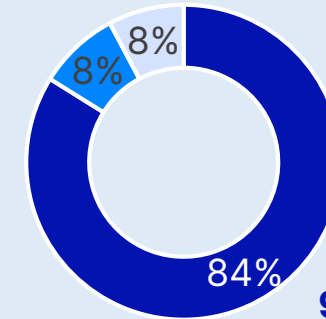
Key takeaways:

- The consolidated net sales in 3Q2023 reached VND 15,637bn, -2.8% YoY
- Domestic and international sales contributed VND13,253 bn (-3.8%) và VND2,384 bn (+3.5%).
- In 9M2023, the consolidated net sales were VND 44,750bn, remaining almost unchanged YoY.

9M2023



	3Q2023	3Q2022
Domestic	85%	86%
Exports	8%	7%
Overseas	7%	7%



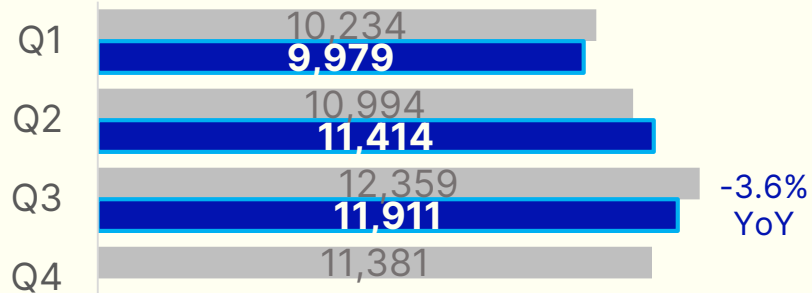
	9M2023	9M2022
Domestic	84%	84%
Exports	8%	8%
Overseas	8%	7%

PERFORMANCE ANALYSIS

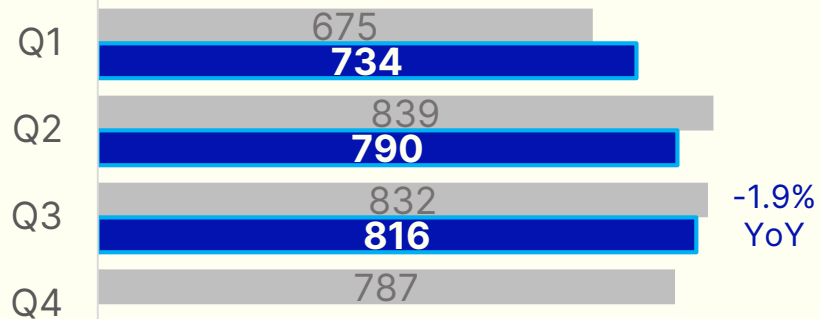
Domestic business: Domestic sales was affected by the overall industry downturn. Nevertheless, Vinamilk's results were better than the industry as a whole.

Vinamilk
EST 1976

■ 2022 ■ 2023



MỘC CHÂU
MILK



Key takeaways:

- **Domestic market share** as of Sep'23 recovered nearly 200 bps YTD.
- Since August 2023, Vinamilk has launched **the new packaging for liquid milk** and run several related marketing activations to spread the brand repositioning effect.
- **Trendy marketing campaigns** have yielded positive results for several hero products (sales of SuperNut x3 and Green Farm fresh milk x2 YoY in 3Q2023, sales of Ông Thọ condensed milk and Sure Prevent adult formula milk increased nearly 2-digit YoY in 9M2023).
- **Retail stores, E-commerce, and Key account channels** posted 2-digit sales growth YoY.
- **MCM:** soft sales performance due to the weak purchasing power in the Northern highland areas.
- As of 30/9/2023, Vinamilk was running **657 stores**, (+11 stores YTD) and MCM was running **67 stores** (+14 stores YTD). In total, **724 stores** (+25 stores YTD).

PRODUCT INNOVATION

Q1/2023



Delight Ice Cream

Q2/2023



SuSu Drinking yogurt with jelly



Yomilk drink yogurt with blue berry

Q3/2023



Ông Thọ Chocolate and Strawberry condensed milk



Low sugar Yogurt



ADM Low-sugar nutritious milk



Vinamilk Super Nut - 1L Pack



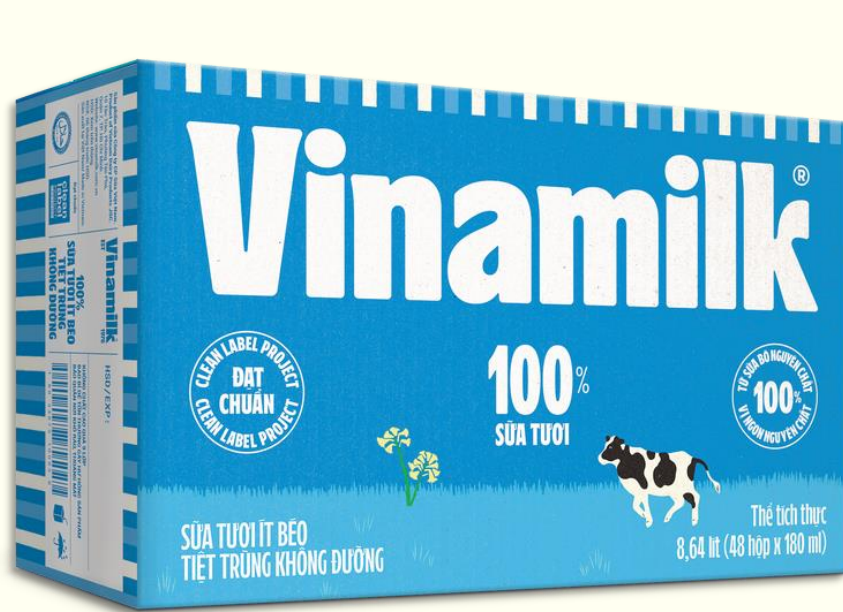
100% Fresh Milk in new packaging

NEW PACKAGING FOR GREEN FARM FRESH MILK 1L



As of September 30th 2023

NEW PACKAGING FOR REGULAR FRESH MILK & NUTRITIOUS MILK



REGULAR FRESH MILK



NUTRITIOUS MILK



ATTRACTIVE PROMOTIONAL ITEMS



MARKETING HIGHLIGHTS

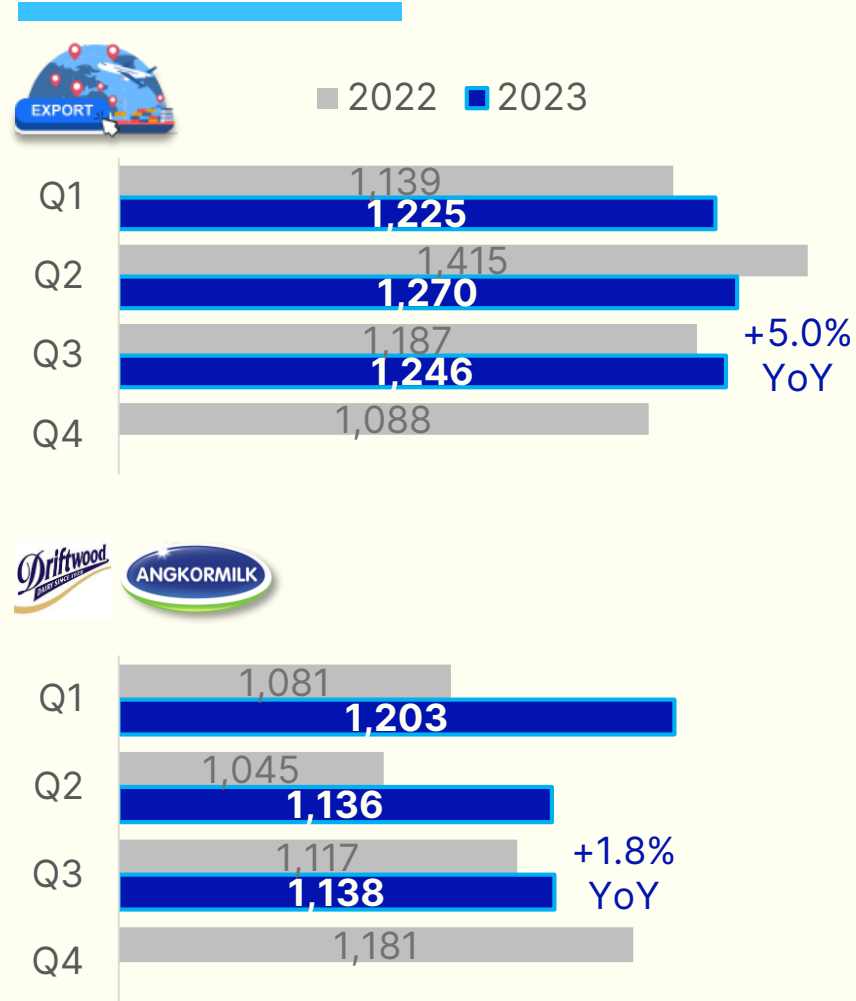
Marketing activations at POS:

- Direct interaction and enhancing the **consumers' recognition** of the new brand identity.
- Backpacks, cloth bags, and notebooks featuring the new logo and imagery, have been used to **spread the brand repositioning effect**.



PERFORMANCE ANALYSIS

International markets: Export delivered strong rebound, overseas subsidiaries continued solid growth.



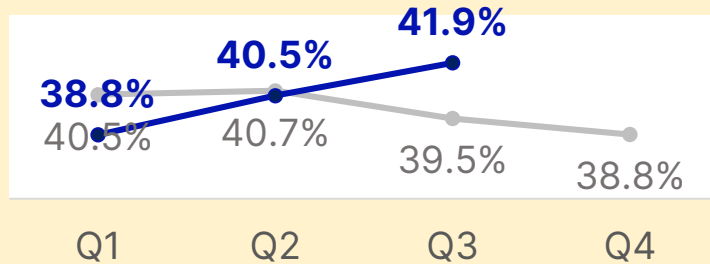
Key takeaways:

- **Net sales of export** increased by 5% YoY, thanks to:
 - The recovery in the African markets after their political situation has now improved versus 1H2023.
 - Healthy performance in the Middle East and Southeast Asian markets.
 - Newly signed agreement with two Chinese leading enterprises in the import and distribution of dairy products to export yogurt to this populous market.
- **Net sales of overseas subsidiaries** increased by 1.8% YoY, thanks to:
 - **AngkorMilk** continued the solid topline growth of nearly 10% YoY;
 - **Driftwood** sustained a high-based sales performance as last year.

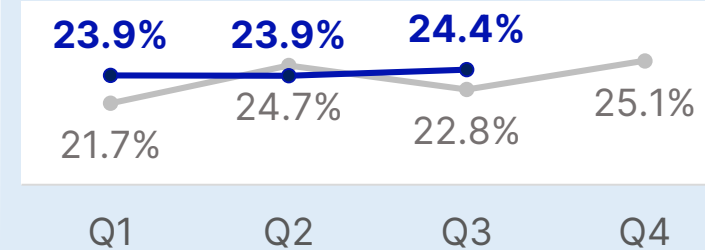
PERFORMANCE ANALYSIS

3Q2023 GPM reached 41.9% (+243 bps YOY) to the highest level since Covid thanks to lower input costs of imported materials.

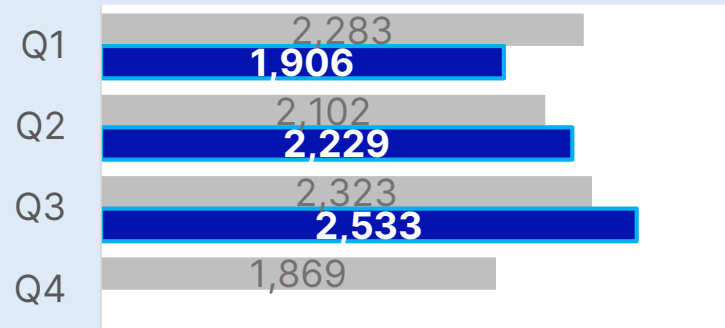
— 2022 — 2023



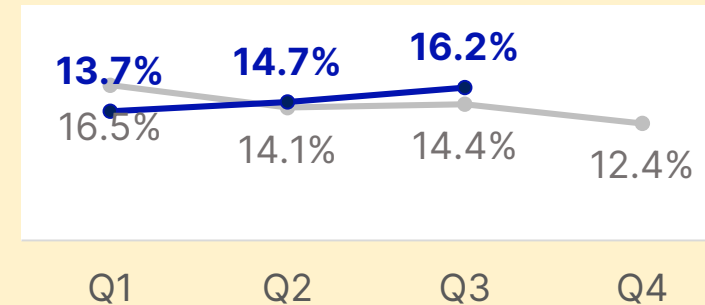
GPM shows consistent improvement, expanded by 243 bps YoY and 144 bps QoQ to the highest peak after Covid.



SG&A Margin +162bps YoY and +50bps QoQ to enhance marketing for market regain.

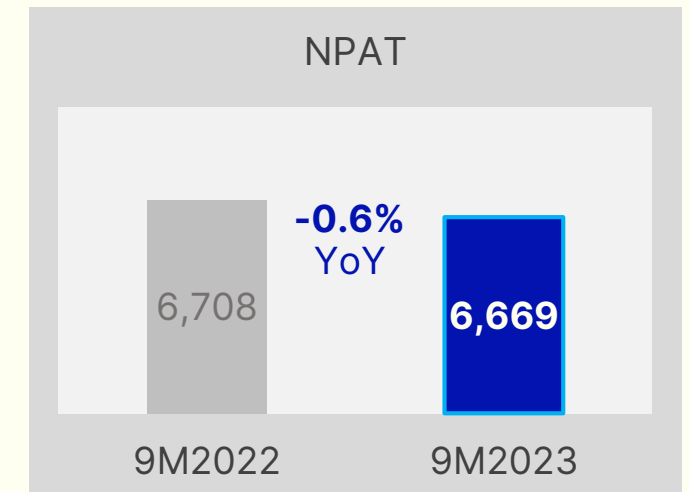
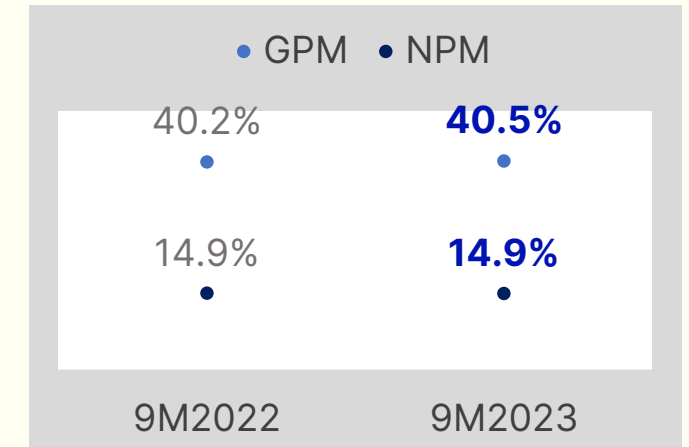


NPAT significantly increased by 9.1% YoY to the highest since Q3/2021.



NPM +175 bps YoY and +150 bps QoQ thanks to GPM expansion and critical SG&A expenses management.

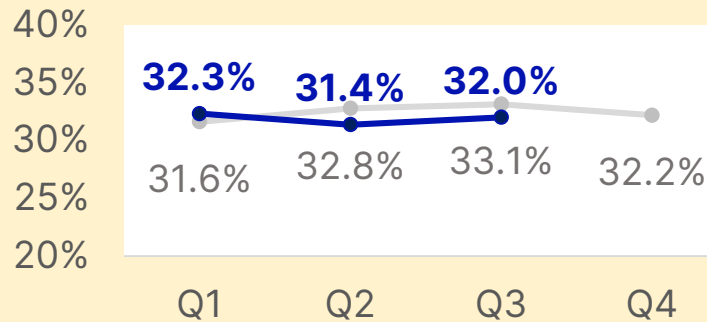
9M2023



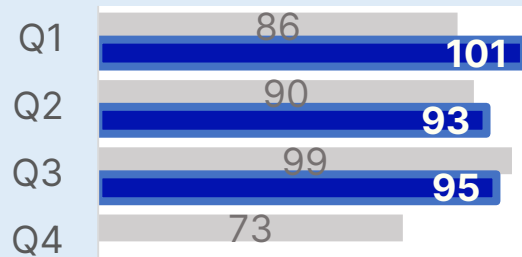
PERFORMANCE ANALYSIS

Mocchau Milk (MCM)

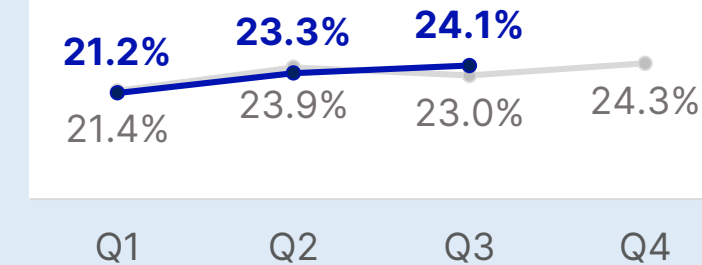
— 2022 — 2023



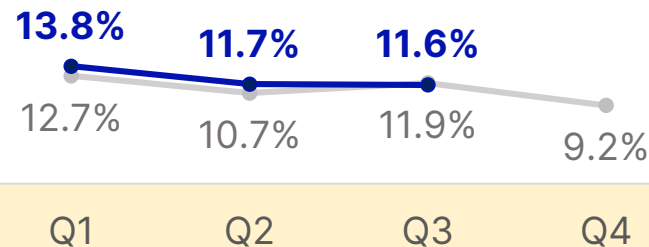
GPM +64bps QoQ but -112bps YoY.



Net profit -3.7% YoY due to sluggish sales and lower GPM.

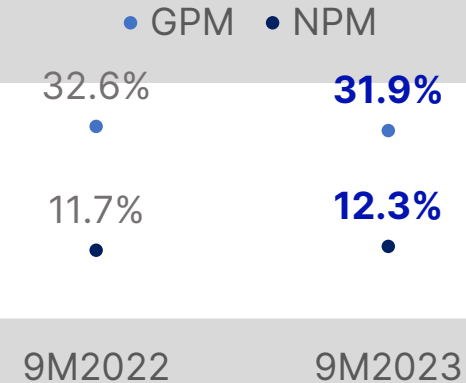


SG&A margin elevated slightly for business development.



Net margin -38bps QoQ và -22bps YoY.

9M2023



NPAT



BALANCE SHEET HIGHLIGHTS

As of September 30, 2023



54,967

TOTAL ASSETS



20,964

TOTAL LIABILITIES



34,003

TOTAL EQUITY

Cash & term deposits	25,888
Other current assets	11,772
Non-current assets	17,287

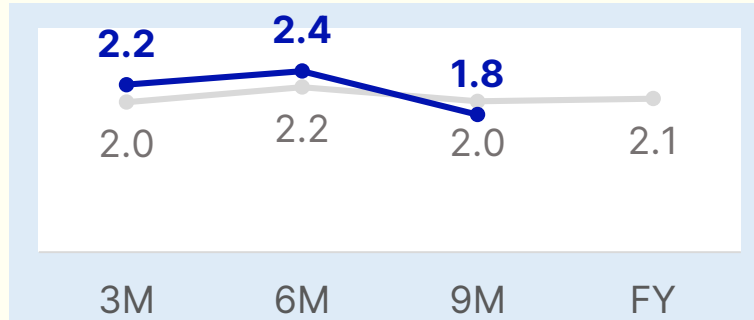
Debts	7,157
Other current liabilities	13,525
Other non-current liabilities	282

Common Equity & Funds	27,244
Retained earnings	3,411
Minority Interest	3,347

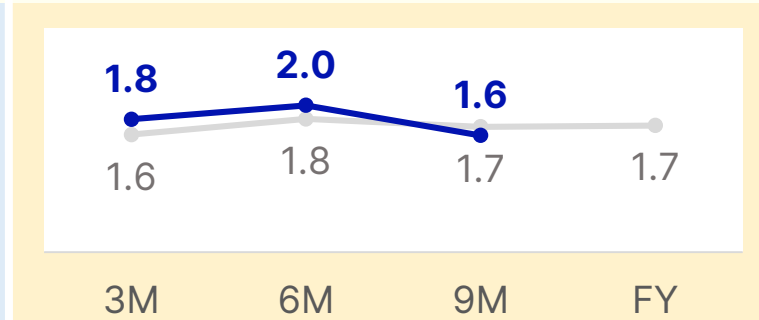
LIQUIDITY AND CAPITAL STRUCTURE

As of September 30, 2023

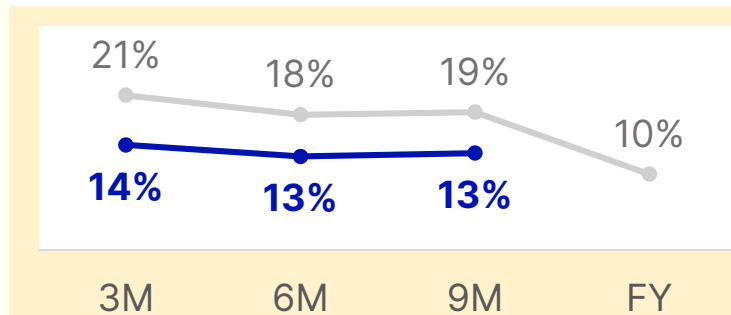
— 2022 — 2023



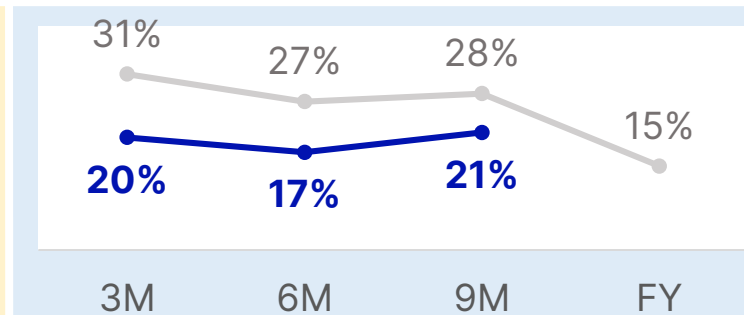
Current ratio have been fluctuating around acceptable magnitude.



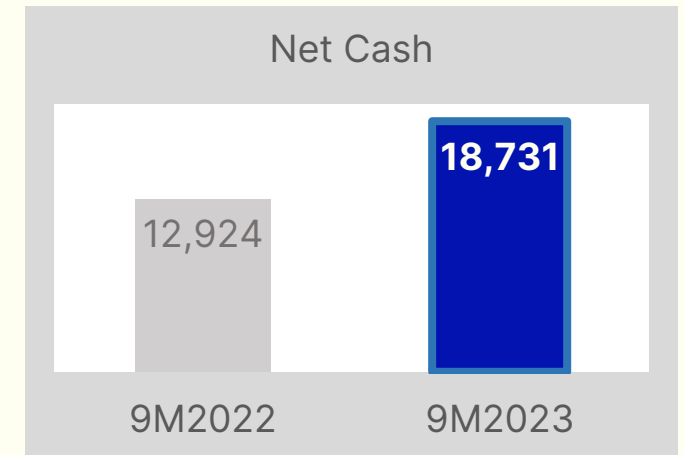
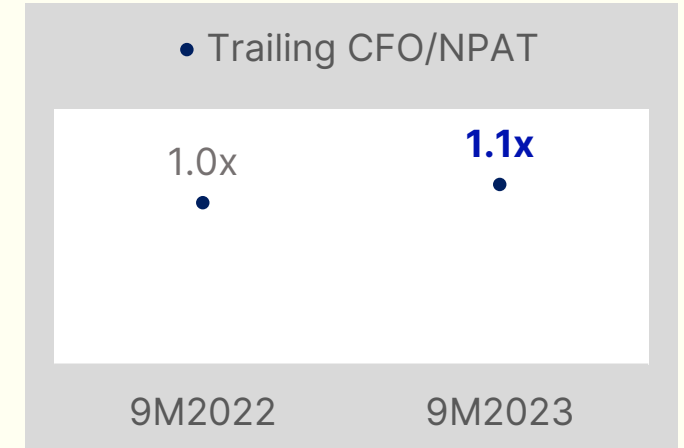
Quick ratio also remained at prudent level.



Debt-to-assets level has been flat YoY still.



Debt-to-equity ratio signaled no significant change.





CORPORATE DEVELOPMENT

Nine months ended September 30th, 2023

USD 3 bn valuation of Vinamilk brand



- Brand Finance announced that the value of the Vinamilk brand had increased to USD 3bn.
 - 2nd in the Top 100 most valuable brands in Vietnam.
 - 5th the most sustainable dairy brands worldwide
 - 6th largest dairy brand globally
- **Monde Selection Gold Award** for the quality of fresh milk and milk-based products.

- Vinamilk has executed a rearing and regeneration project for a **25-hectare mangrove forest** at the southernmost point of the nation.
- Mangrove forests are capable of **carbon absorption four times more effectively** than tropical forests on land.
- Vinamilk's forest is projected to sequester **62,000 to 73,000 tons of CO₂e**.

Regeneration of Mangrove Forest



FINANCIAL SUMMARY

	3Q2023	3Q2022	9M2023	9M2022
Total sales	15,681	16,094	44,848	44,994
Net sales	15,637	16,079	44,750	44,888
<i>Domestic</i>	13,253	13,775	37,532	37,905
<i>International</i>	2,384	2,304	7,218	6,983
Gross profit	6,555	6,350	18,103	18,052
<i>Domestic</i>	5,634	5,549	15,439	15,529
<i>International</i>	921	801	2,664	2,523
SG&A expenses	3,815	3,662	10,776	10,360
Other profit/(loss) excluding depreciation & interest expense	907	741	2,583	2,199
EBITDA	3,647	3,430	9,910	9,890
Depreciation	492	520	1,537	1,577
Interest expense	80	50	258	113
Profit after tax	2,533	2,323	6,669	6,708
EPS (VND)	1,066	984	2,797	2,835



Contact

<https://www.vinamilk.com.vn/>



For investor, analyst:

Dong Quang Trung (Mr.)

Head of IR

dqtrung@vinamilk.com.vn

Media, PR:

Le Thanh Lan Anh (Ms.)

Head of Corporate PR

ltlanh@vinamilk.com.vn