

Mobile World Investment Corporation (MWG)

YTD AUGUST 2018 PERFORMANCE REPORT



KEY HIGHLIGHTS

- MWG recorded the consolidated net revenue of VND58,667 billion, online revenue of VND7,557 billion and consolidated net profit after tax of VND1,969 billion for the 8 months of 2018, equivalent to YOY growth of 39% in terms of net revenue, 118% in terms of revenue online and 36% in terms of NPAT.
- Phones, tablets and laptops maintained the YOY revenue growth of 19% while CE products recorded the YOY revenue growth of 83% compared to the same period last year as a result of business cycle.
- In Aug 2018, the grocery chain recorded more than VND420 billion net revenue for 405 stores. The Average Sales Per Store was more than VND950 million (calculated only for the stores opened before 1 Aug 2018)
- After experimental period, BHX has standardized the “fresh meats, live fishes” model that is ready for scaling from now on. The standard BHX stores (160-200sqm) had average monthly revenue of more than VND1.1 billion.
- By end of August, BHX had 2 large-scale stores (300sqm) at Thu Duc and Binh Tan District in HCMC with stable turnover of approx. VND3 billion/month/store. In addition, 4 provincial stores in Binh Duong and Long An secured the average monthly sales of 20%-30% higher than the average revenue of the similar-scale stores in HCMC.
- In the coming months, BHX will accelerate new store opening targeting to 500 stores by the end of 2018, mainly at the HCMC East zone (District 2, District 9, Thu Duc), the HCMC South zone (District 4, District 7, District 8, Binh Chanh, Nha Be) and neighboring provinces in the South of Vietnam such as Binh Duong, Long An, Dong Nai, Tien Giang, Ben Tre.
- The expansion effort of BHX stores to CBD districts and more crowded areas as well as implementation of new Distribution Centers with cold storage have increased the operating expenses of BHX chain from now to the year end. However, this is an essential base for the aggressive development of BHX in the near future.



KEY HIGHLIGHTS

- Together with the effort to increase number of stores, BHX also focuses on optimizing revenue per store through upgrading of existing models to satisfy the actual demand of customers at each area. In particular, BHX will upgrade dozens of old stores (without “fresh meats, live fishes”) to standard stores and some standard-scale to large-scale stores. To ensure the whole chain reaching store EBITDA break-even at the year end, BHX will consider to close some stores that don’t have potential to be upgraded to standard stores or cannot generate sufficient revenue to be break-even/profitable at store-level.
- Profit margins of all chains have been maintained and improved in line with the annual targets of 2018.
- The Gioi Di Dong Joint Stock Company – a subsidiary that Mobile World Investment Corporation (“MWG”) holds 99.95% share equity – has appointed Mr. Doan Van Hieu Em to replace Mr. Tran Kinh Doanh as the new General Director cum Legal Representative of The Gioi Di Dong Joint Stock Company.
 - The Gioi Di Dong Joint Stock Company (“The Gioi Di Dong”) operates 2 store chains, thegioididong.com and Dien may XANH, with more than 1,700 outlets nationwide, specializing on phones and consumer electronics retailing.
 - Before being appointed as the General Director cum Legal Representative of The Gioi Di Dong, Mr. Doan Van Hieu Em was the Category Director of Phones, Electronics and Whitegoods (Big CE). Mr. Doan Van Hieu Em joined The Gioi Di Dong since 2007 and held many managerial positions in the Company.
 - Mr. Tran Kinh Doanh – the predecessor and a Board member of MWG – will focus entirely in leading the expansion of Bach Hoa Xanh to become the No.1 grocery retailer in Vietnam as well as involving in all businesses’ directions of MWG.
- The BHX store chain is run by Bach Hoa Xanh Trading Joint Stock Company - a subsidiary that Mobile World Investment Corporation holds 99.95% share equity.

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YTD PERFORMANCE SNAPSHOT (YTD 2018 COMPARED TO YTD 2017)

CONSOLIDATED REVENUE

58.7

Net Revenue
in YTD18
(VND in trillion)

39%

Net Revenue Growth in YTD18 compared to YTD17

68%

Net Revenue target (VND86,390 billion) **was achieved**

ONLINE REVENUE

7.6

Online Revenue
in YTD18
(VND in trillion)

118%

Online Revenue Growth in YTD18 compared to YTD17

76%

Online Revenue target (VND10,000 billion) **was achieved**

CONSOLIDATED NPAT

1.97

NPAT
in YTD18
(VND in trillion)

36%

NPAT Growth in YTD18 compared to YTD17

76%

NPAT target (VND2,603 billion) **was achieved**

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YTD 2018 REVENUE ANALYSIS



NET REVENUE BY CHAINS




 thegloiddong	VND23,828 billion
 Điện máy XANH	VND32,425 billion
 Bách hóa XANH	VND2,372 billion



NUMBER OF STORES BY CHAINS

 thegloiddong	1,040 stores
 Điện máy XANH	731 stores
 Bách hóa XANH	405 stores

REVENUE GROWTH RATE BY CATEGORIES YTD 2018 COMPARED TO YTD 2017

 Mobile phones, tablets and laptops	↑ 19%
 Electronics, white goods and small appliances	↑ 83%
 Fresh foods and FMCG products	↑ 251%

REVENUE GROWTH RATE BY CHAINS YTD 2018 COMPARED TO YTD 2017

 thegloiddong	↑ 2%
 Điện máy XANH	↑ 78%
 Bách hóa XANH	↑ 251%

Note:

- For presentation purpose, Dien May Xanh included Tran Anh's figures after MWG successfully acquired Tran Anh Digital World JSC in 1Q18.
- Net Revenue by chains excluded revenue of Big Phone – the mobile phone retail chain in Cambodia