



## YTD OCTOBER 2018 PERFORMANCE REPORT

### KEY HIGHLIGHTS

- MWG recorded the consolidated net revenue of VND72,275 billion (+36% y-o-y growth) and net profit after tax of VND2,413 billion (+33% y-o-y growth) for 10 months of 2018. As the result, MWG achieved 84% and 93% of 2018 revenue and net profit target, respectively.
- Y-O-Y revenue growths for 10M2018 by categories were of 74% for CE products (vs. approx. 20% growth of the overall market); 18% for phones and tablets (vs. approx. 3% growth of the overall market); and 224% for foods and FMCGs.
- Online revenue for the 10 months of 2018 reached VND9,848 billion, equivalent to 13.5% the company's net revenue. Online turnover recorded +117% y-o-y growth and achieved 98% the target of 2018. Since 2015, MWG has almost doubled its online revenue every year thanks to the company's effective operation pursuing Omni-channel model. In particular, the nationwide physical stores play an important role as service-hubs to deliver products quickly with optimized logistics and delivery expenses as well as ensure superior customer experiences.
- The robust growth of online shopping is in-line with strong development of E-Commerce. According to Vietnam Ecommerce White Book published by the Ecommerce and Digital Economy Agency, online transactions turnover recorded at US\$6.2 billion in 2017, accounting for 3.6% of total retail sales value in Vietnam. The E-Commerce revenue is expected to reach US\$10 billion, make up approx. 5% of total retail sales value in 2020. The Vietnamese ecommerce (B2C) sector witnessed the annual revenue growth rate of approx. 28% in 2014-2017 period and is forecasted to maintain the growth rate of approx. 20% in 2018-2020 period.
- In the phones and consumer electronics categories, based on the GFK's data, approx. 16% of phone sales value and only 5% of consumer electronics sales value were recorded through online transactions (in which, 50% of these sales value were done through MWG's websites). Typically, the products bought online were small items (phones) or low-value goods (accessories and small appliances). For the high-value electronics (brown goods) and white goods, the customers prefer to experience the real products at the stores before making purchase decision. Online shopping for these product categories mainly happens in the big cities due to the complexity of logistics, delivery and installation activities.



### KEY HIGHLIGHTS

- Since April 2018, BHX has continuously implemented the strategic changes as following:
  - 1) Postponed new opening and relocated the stores put deeply in the residential areas, prioritized in selecting the new locations in secondary routes, on the way customers coming back home after work;
  - 2) Standardized the “fresh meat, live fishes” model with concentration on diversification of fresh foods and FMCGs;
  - 3) Experimented large store concept up to 300 sqm with significant investment of more than 3,000 SKUs (in which, more than 300 fresh SKUs), located in the high population density areas and close to wet markets;
  - 4) Expanded the standard format to neighboring provinces within the radius of 30-40km from HCMC since July;
  - 5) Focused on optimizing revenue per store by upgrading old stores (without “fresh meats, live fishes”) to standard format and from standard-scale to large-scale stores;
  - 6) Proactively reviewed the stores’ performance and closed legacy underperformed stores from end of August. This decision may incur one-off closing expenses for BHX and affect the MWG’s net profit margin, but still benefit for the long-term effective operation of the whole chain (average revenue per store continues to grow after eliminating the underperformed stores and the profits generated from good performing stores are no longer used to offset for the losses caused by these legacy ones).
- As a result, the Average Monthly Sales Per Store calculated for the stores opened before 1 Oct 2018 was over VND1,050,000/store, up 24% vs VND850,000/store in June and 62% vs. VND650,000 in March this year. As of 31/10/2018, BHX had 412 stores in operation and achieved the net sales of more than VND467 billion in October.
- From more than 20 “fresh meat, live fishes” stores experimented from the early of this year, by end of this month, BHX had 270 standard and big stores (approx. 65% of the existing stores) in HCMC, Binh Duong, Long An and Dong Nai province; including 18 large-scale stores and 15 provincial stores.
- The standard BHX stores continued to improve their average monthly revenue to approx. VND1,150,000/store

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### YTD PERFORMANCE SNAPSHOT (YTD 2018 COMPARED TO YTD 2017)

#### CONSOLIDATED REVENUE

72.3

**Net Revenue**  
YTD18  
(VND in trillion)

36%

**Net Revenue**  
**Growth** YTD18  
compared to YTD17

84%

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

#### ONLINE REVENUE

9.8

**Online Revenue**  
YTD18  
(VND in trillion)

117%

**Online Revenue**  
**Growth** YTD18  
compared to YTD17

98%

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

#### CONSOLIDATED NPAT

2.4

**NPAT**  
YTD18  
(VND in trillion)

33%

**NPAT Growth**  
YTD18 compared to  
YTD17

93%

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

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### YTD 2018 REVENUE ANALYSIS



#### NET REVENUE BY CHAINS

 <b>thegloiddong</b>	VND29,386 billion
 <b>Điện máy XANH</b>	VND39,565 billion
 <b>Bách hóa XANH</b>	VND3,267 billion



#### NUMBER OF STORES BY CHAINS

 <b>thegloiddong</b>	1,038 stores
 <b>Điện máy XANH</b>	740 stores
 <b>Bách hóa XANH</b>	412 stores

#### REVENUE GROWTH RATE BY CATEGORIES YTD 2018 COMPARED TO YTD 2017

 Mobile phones, tablets and laptops	↑ 18 %
 Electronics, white goods and small appliances	↑ 74%
 Fresh foods and FMCG products	↑ 224%

#### REVENUE GROWTH RATE BY CHAINS YTD 2018 COMPARED TO YTD 2017

 <b>thegloiddong</b>	↑ 2%
 <b>Điện máy XANH</b>	↑ 70%
 <b>Bách hóa XANH</b>	↑ 224%

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