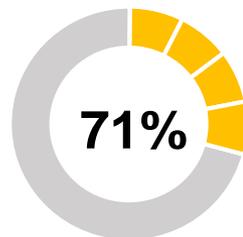
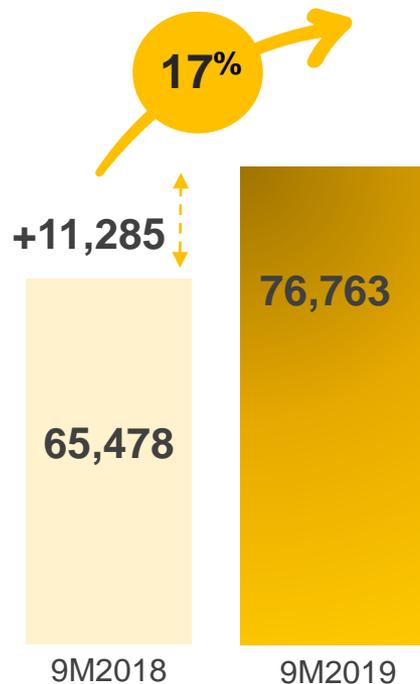




YTD SEPT 2019 PERFORMANCE REPORT

NET REVENUE

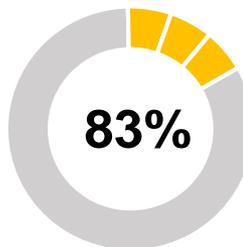
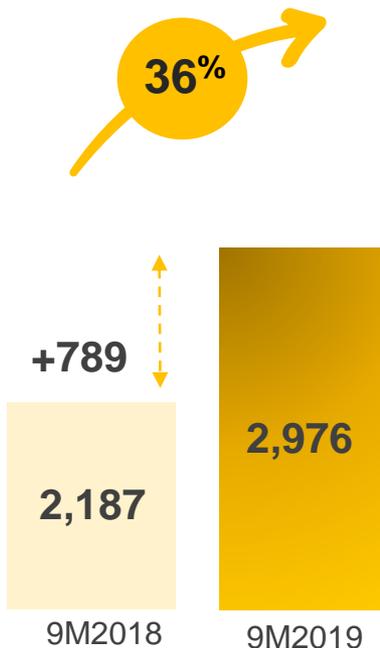
(VND billion)



Net revenue target
(VND108,468 billion)
was completed

NET PROFIT AFTER TAX

(VND billion)



NPAT target
(VND 3,571 billion)
was completed

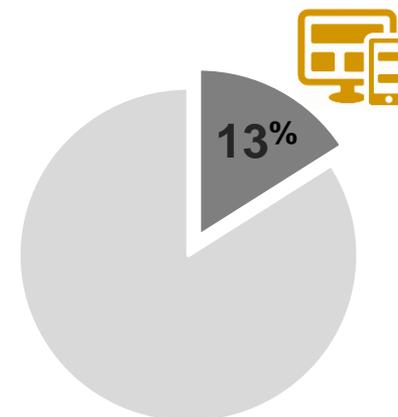


10,068 VND billion
ONLINE REVENUE
YTD SEP 2019



+14%

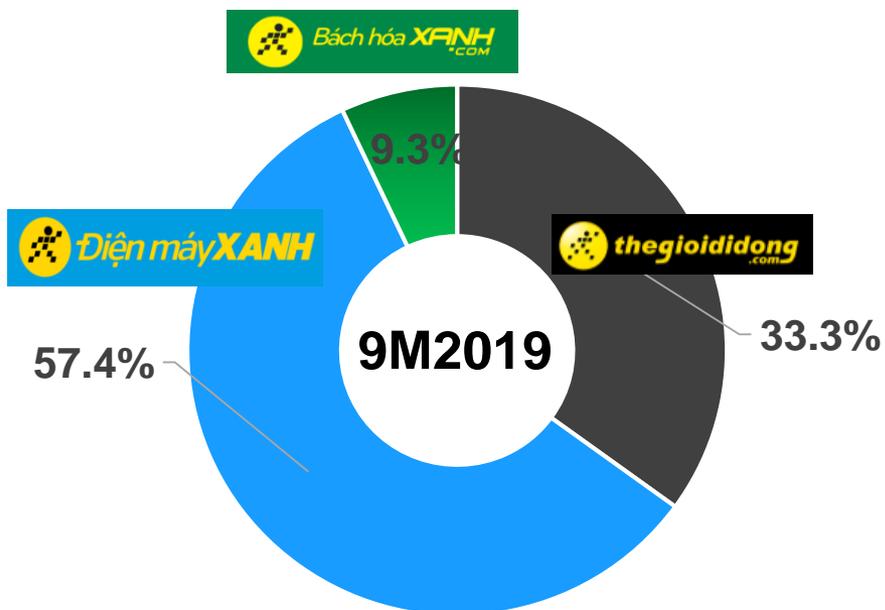
Vs. ONLINE
REVENUE
YTD SEP 2018



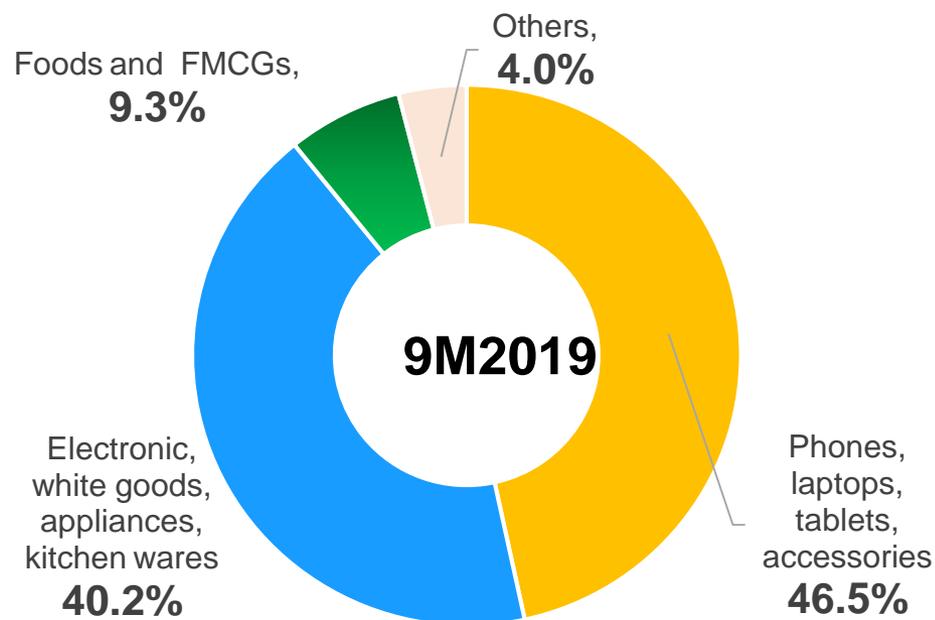
TOTAL: VND 76,763 billion



REVENUE BREAKDOWN BY CHAINS



REVENUE BREAKDOWN BY CATEGORIES

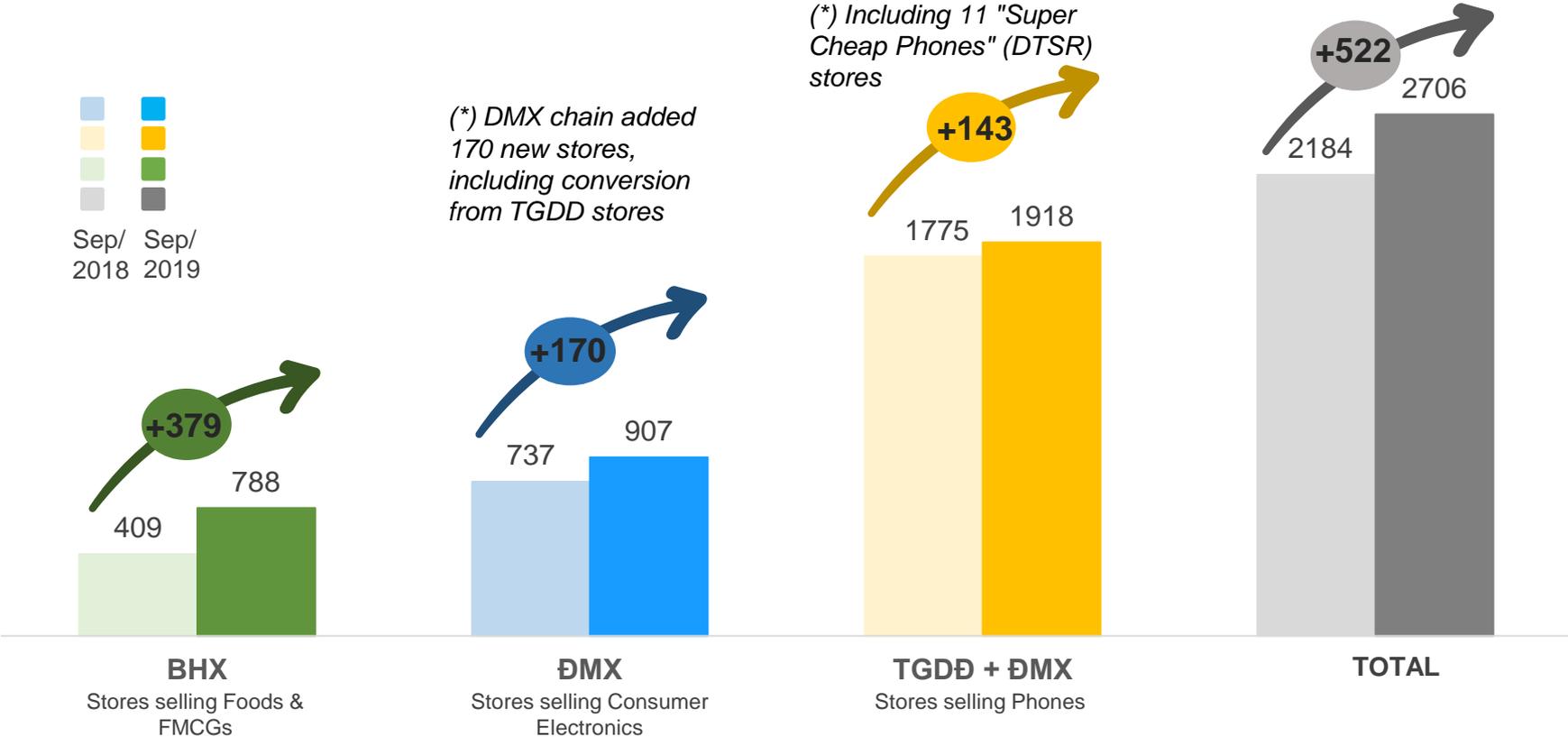


(* Others including installments, bill collection services, used products.



YTD SEPT 2019 PERFORMANCE REPORT

STORE COUNT CONTINUED TO EXPAND



522

New stores in 12 months from September 2018 to September 2019.
In 3Q19, MWG opened 2.8 new stores per day on average.



YTD SEPT 2019 PERFORMANCE REPORT

- For 9M2019, MWG recorded **consolidated net revenue of VND 76,763 billion (+17% YoY)** and **net profit of VND 2,976 billion (+36% YoY)**. Year-to-date, MWG fulfilled **71% of revenue and 83% of profit target for FY 2019**.
- Online segment contributed 13% of MWG's total revenue and grew 14% compared to the 9M2018. After 4 months since the company implemented the strategy to control the online vs. offline price difference, **online revenue has picked up again since August and continued the positive trend in September**.
- As usual for the business cycle, the 3rd quarter is usually the low season and its revenue tends to be lower than the first two quarters' sales. However, **MWG's 3Q19 turnover was even higher than that in the 1Q19 and recorded 20% YoY growth** thanks to aggressive network expansion of 257 new stores within only 3 months. At the end of September, the Company operated in total 2,706 stores, an increase of 85 stores compared to the end of August. DMX chain added 21 new stores including conversion from TGDD stores to **overpass the annual target of 900 DMX stores in 2019. Moreover, DMX completed layout upgrade for 125 mini-DMX stores in 3Q19**. The company targets to upgrade layout of the remaining 150 mini-DMX stores in the 4th quarter. BHX chain added 63 new points-of-sale, bringing the total number of BHX store-count to 788. The new "Super Cheap Phones" (DTSR) chain had 11 stores in Go Vap District, Ho Chi Minh City.
- **Accumulated 9M2019 gross profit margin expanded to 18.4% from 17.6% in 9M2018. Of which, 3Q19 gross profit margin reached 19.7% (the highest GPM ever and increased 1.9% from gross profit margin of 17.7% in the same period last year)** mainly attributed to positive contribution of white goods, appliances, kitchen wares, foods & FMCGs. However, selling expense/revenue ratio also rose in the 3Q19 due to the rapid store count expansion (2.8 new stores per day on average). It is worth noting that the new stores required proper resource preparation in advance but did not operate a full month since its opening. Hence, the operating cost as percentage of revenue for a newly established store in the opening month is higher than that of an old one. **Although 3rd quarter was the off-season and MWG had to invest significantly in network expansion, 3Q19 net profit still jumped 32% compared to 3Q18. As a result, net profit margin for accumulated 9M2019 stood at 3.9%, vs.3.3% in 9M2018.**



YTD SEPT 2019 PERFORMANCE REPORT

- With 1,918 stores selling phones (TGDD, DMX, DTSR), **MWG maintained positive phones value growth of 4% while the overall market has been in downtrend. White goods and small appliances continued to surge by 35%** and were the main driver for DMX's revenue YoY growth of 22%.
- In order to exploit the fragmented laptop retail market which is growing by double digits but MWG is only accounting for approx. 20% market share, **the Company recently opened 26 new laptop centers** to serve for diversified customer demands, such as learning, working, graphic design, entertainment – gaming. The laptop centers are in big cities/provinces and close to schools. A laptop center is acted not only as the showroom to display approx. 200 SKUs but also a distribution center for online retail. In addition, MWG also increased the numbers of TGDD and DMX stores selling laptops from 350 to nearly 500 and doubled the current offering of around 20 SKUs per store. **On average, approx. 1,000 laptops were sold per day over the whole chains in September.** This category is estimated to grow by 25-30% YoY and add VND 2,700 – 3,000bn to the MWG's total sales.
- At the end of September 30, 2019, **MWG had 134 stores selling watches (compared to 85 stores at the end of August).** In September, the company sold approx. 50 thousand watches (including both fashion and smart watches). **Accumulated after 7 months, over 150 thousand watches of different kinds were sold at TGDD and DMX stores.** MWG expects that revenue from watches will contribute about VND 500 – 600bn for the company's revenue in FY2019.
- After 2 months of operating the "Super Cheap Phones" (DTSR) stores, **the chain recorded an average sales per store of more than VND 500mn/month while operating cost has been optimized** (the shop is operated in an area floor of 15-20 m² by one staff taking care of everything). With this initial encouraging performance, MWG will continue to test this model in another province soon.



YTD SEPT 2019 PERFORMANCE REPORT

- In the total of 788 stores at 30th September 2019, BHX had **380 stores located in 17 Southern and South-Central Coast provinces outside of HCMC (making up 48% of the chain's total store-count)**, including two new provinces Soc Trang and Kien Giang. **By format, BHX had 137 large stores of 300m2, equivalent to 17% of total number of stores.**
- BHX maintained its rapid roll-out with new locations secured in Ninh Thuan, Khanh Hoa, and Phu Yen.
- **Gross profit margin after wastage and shrinkage in 9M2019 reached almost 20%** thanks to huge effort in optimizing procurement, direct sourcing/importing from plantations and manufacturers.
- **The average revenue per store of BHX recorded at approx. VND1.3 bn per month (calculated for stores opened before September 1, 2019).** Due to the rainy weather in August – November period, the fresh produce quality as well as its consumption in the peak hours were affected. In the late September, BHX proactively experimented many solutions and policies, including flexibly adjusting the selling prices of fresh foods at some points of time to optimize the sales volume and effectively control the wastage ratio. Besides, BHX also strengthened the chilled products offering at some standard and large stores (300m2) to push sales and decrease the seasonal effect. In these upgraded stores, the number of chilled SKUs will be 5 times higher than that in a normal one. The chain planned to upgrade the 1st batch of more than 50 stores in October.
- The strategy to open stores in provincial market has brought very encouraging results. **For the first time ever since the BHX's establishment, a newly opened store in Binh Phuoc province recorded the turnover of over VND725 mn (serving for around 3,000 customers) in the first day of opening.** After only 9 first days of operation in September, this store reached more than VND 2 bn revenue.