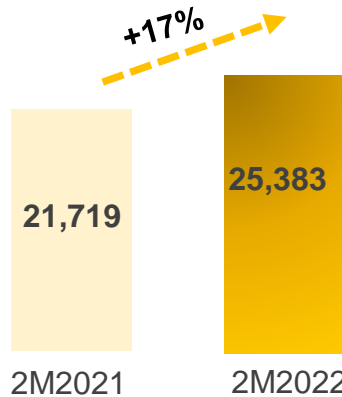




## OVERVIEW OF YTD FEBRUARY 2022 PERFORMANCE

### NET REVENUE

(VND bn)

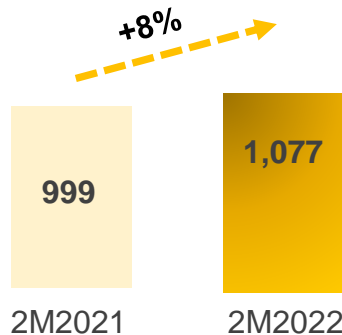


18%

2022 Net revenue target of VND140,000 billion was completed

### NET PROFIT AFTER TAX

(VND bn)



17%

2022 NPAT target of VND6,350 billion was completed

YTD net revenue and NPAT continued to grow from the very high base of the 2021 Lunar New Year holiday.

### THE KEY HIGHLIGHTS



YTD online sales hit the record of VND4,100 bn



+150% YoY



Supermini store chain is the main growth driver for DMX



+100% YoY



Topzone is the **No.1 authorized reseller of Apple products** in Vietnam with the largest network, store coverage and market share (22 points of sale)



With positive initial results, **AVAKids will pilot 2<sup>nd</sup> phase** at 30-50 stores scale



**205** stores by February-end **X3** of 2M2021 sales



Strategic cooperation between MWG and Erajaya Group to **develop Era Blue Joint Venture becoming the No.1 consumer electronics retailer in Indonesia** and list the company in next 5 years.



## DETAILS OF YTD FEBRUARY 2022 PERFORMANCE

- For the first 2 months of 2022, MWG recorded a consolidated **net revenue of VND 25,383bn and net profit after tax (NPAT) of VND 1,077 bn**. By which, the Company fulfilled 18% of the revenue target and 17% of the NPAT target.
- YTD revenue and NPAT increased 17% and 8% respectively, from the very high base of the 2021 Lunar New Year (LNY) holiday. Notably, the first 2 months maintained encouraging performance, comparable with the record high level seen in 4th quarter of 2021
- By the end of Feb 2022, MWG operated more than 5,420 stores, including 976 TGDD, 2,038 DMX, 22 Topzone, 2,122 BHX, 205 An Khang pharmacies, 50 Bluetronics and 14 AVA independent stores.
- MWG's throughout strategy in 2022 is to optimize procurement capacity and invest in promotion campaigns, customer-related activities, enrich shopping experience. Thereby, the company will achieve revenue and profit growth by expanding customer base, higher traffic volume, and increasing sales volume. Profit margin optimization is not a key objective.
- Online revenue surpassed VND 4,100bn YTD (+150% yoy) and was the highest level ever, mainly thanks to the breakthrough of TGDD/DMX.
- For 2022 LNY season, TGDD and DMX achieved more than VND 21,300bn revenue (+20% yoy), of which the online sales hit record high of VND 4,000bn (+160% yoy), accounting for nearly 19% of total TGDD and DMX sales. To accomplish this impressive result, TGDD and DMX have:
  - i. Secured sufficient inventories to avoid lost sales amid the supply shortage of ICT and consumer electronics products,
  - ii. Successfully implemented appealing promotions to draw traffic, especially online sales campaigns to be competitive with e-commerce platforms. MWG's websites of thegioididong.com and dienmayxanh.com ascended to 2<sup>nd</sup> and 3<sup>rd</sup> ranks in the Top 50 leading e-commerce websites in Vietnam according to Iprice.
  - iii. Properly prepared delivery and installation capacity to ensure uninterrupted services during peak season.
- With 839 stores by Feb-end, DMX supermini (DMS) contributed almost VND 2,000bn, doubling the revenue in 2M2021. DMS has proven to be an effective business model that helps MWG continue to increase its market share in remote areas.
- Topzone launched 11 AAR stores and 1 APR independent store during Jan-Feb, marking 22 points of sale in 15 provinces. As Topzone opened new stores in many provincial markets and stabilizes its operation, revenue per store sustainably records VND 8-10bn/month.



## DETAILS OF YTD FEBRUARY 2022 PERFORMANCE

- On January 10<sup>th</sup>, 2022, MWG piloted 12 independent stores for retailing: Mom&Baby products (AVAKids); sportswear (AVASport); fashion (AVAFashion); simultaneously, deploying shop-in-shop models: jewelry (AVAJi) at TGDD stores and bicycle (AVACycle) at DMX stores. Thanks to the LNY shopping season, the AVA-chains contributed more than VND 100bn in revenue for the first 2 months. With positive initial results, AVAKids was chosen to 2<sup>nd</sup> phase pilot at 30-50 stores scale to continue the business performance measurement.
- In the first 2 months, An Khang pharmacy chain recorded triple sales compared to the same period last year. An Khang is embarking on a new - upgraded store format for massive roll-out in the near future.
- For BHX, the chain recorded YTD revenue of VND 3,900bn, in line with the same period of 2021. Of which, online revenue accounted for 3% of BHX's total revenue. Since the end of February, BHX started implementing the following major changes:
  - i. Pro-actively draw traffic by extremely attractive pricing strategies, even as competitive as traditional markets, make all efforts to sell only new, fresh products in the same day to position BHX as the destination for fresh-food shoppers.
  - ii. Deploy a different layout for the new openings in 2022 (these locations have been signed or under construction from the end of 2021), focusing on the improvement of customer shopping experience through creating a comfortable, convenient environment to help customers easily identifying merchandises, increasing their shopping appetite.
  - iii. Standardize customer serving process from the first touch point to the moment the customer leaves the store. Bring in practical solutions in cashiering as well as products allocation and arrangement, utilize technology to simplify store operation, reduce the risk of errors when serving customers, and also reduce significantly the workload for employees.
- BHX expects these fundamental changes to be applied in larger scale and will gradually reflect in business performance from 2Q2022. In March, the chain received positive signals as the number of customers (store traffic) and the consumption of fresh products nearly doubled versus Jan-Feb average. With numerous promotions, revenue growth will be more subtle than volume, but sales of March is expected to be positive YoY and come back to pre-pandemic level in 2021.
- BHX's strategy to focus on drawing traffic and boosting sales volume will temporarily affect the chain's profit margins and that of MWG in the short term. However, the Company considers these actions to be essential investments for the chain to develop sustainably in the future.



## STRATEGIC COOPERATION TO DEVELOP THE NO.1 CONSUMER ELECTRONICS RETAILER IN INDONESIA

- On March 15<sup>th</sup>, 2022, MWG announced the strategic cooperation with Erajaya Group to establish a joint venture PT Era Blue Elektronik (Era Blue). The JV's goal is to become the No.1 consumer electronics retailer in Indonesia and to list this company in the next 5 years. The first Era Blue store is to be opened in Jakarta by mid-2022.
- About Indonesia:
  - i. Being the largest economy in Southeast Asia with GDP of approximately \$1.2tn, and the #4 largest population country in the world of nearly 280 million people (about 3 times that of Vietnam), always among the countries with highest GDP growth rates in the region.
  - ii. This country shares many similarities in living standards, traffic conditions with Vietnam. The scale of consumer market is palpable, evidenced by Indonesia having over 30,000 modern food retail stores (minimarts similar to BHX).
  - iii. Meanwhile, though total market size is bigger than that of Vietnam, the ICT and consumer electronics retail market is still very fragmented. Modern retail channel accounts for less than 20% market share, especially for consumer electronics less than 15% market share. The current largest electronics retailer has merely 60+ points of sale.
  - iv. Many well-known foreign players have not been successful in penetrating the Indonesian market partly due to legal and geographical barriers, the diversity of local cultures, and languages.
- Era Blue Joint Venture marks an important milestone in MWG's overseas development strategy, and is expected to help the Company extend its growth momentum in the future. The synergy between (i) MWG's know-how of consumer electronics retailing and the outstanding execution capacity with more than 5,000 stores, along with (ii) Erajaya's brand prestige, local market understanding, and available resources will help Era Blue shorten the journey to realize its vision of becoming the Indonesian market's dominant retailer.
- Established in 1996, Erajaya Group currently operates more than 1,200 stores in Indonesia with many brands including: mobile phone and IoT devices retail chain "erafone", monobrand chains partnering with Apple, Samsung, Xiaomi, Vivo, Huawei, Realme..., telecommunications chains cooperating with local carriers, and other consumer products chains such as Urban Republic, The Face Shop, Paris Baguette... In 2011, Erajaya listed on Jakarta Stock Exchange, becoming Indonesia's No.1 modern retailer of ICT products by store network and market share.