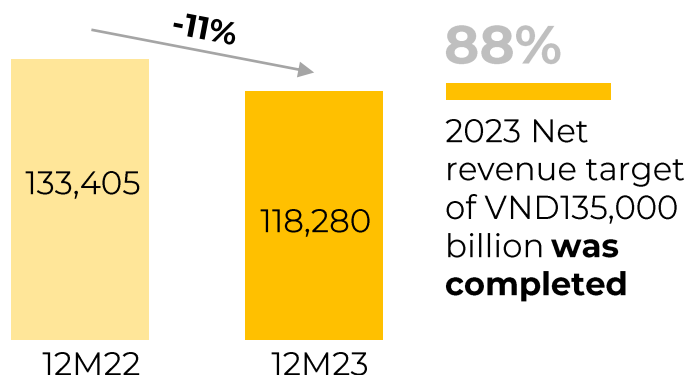


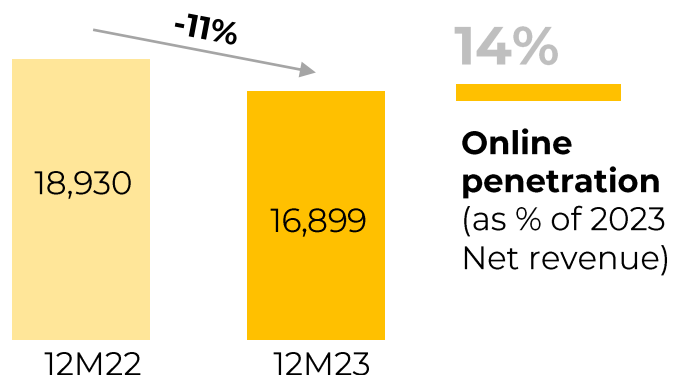


# MOBILE WORLD INVESTMENT CORPORATION – YTD DECEMBER 2023 REPORT

## Net revenue (VND billion)



## Online revenue (VND billion)



## Other information



### THE GIOI DI DONG

1,078 stores (including Topzone)



### DIEN MAY XANH

2,190 stores (including DMS)



### BACH HOA XANH

1,698 stores



### AN KHANG

527 stores



### AVA KIDS

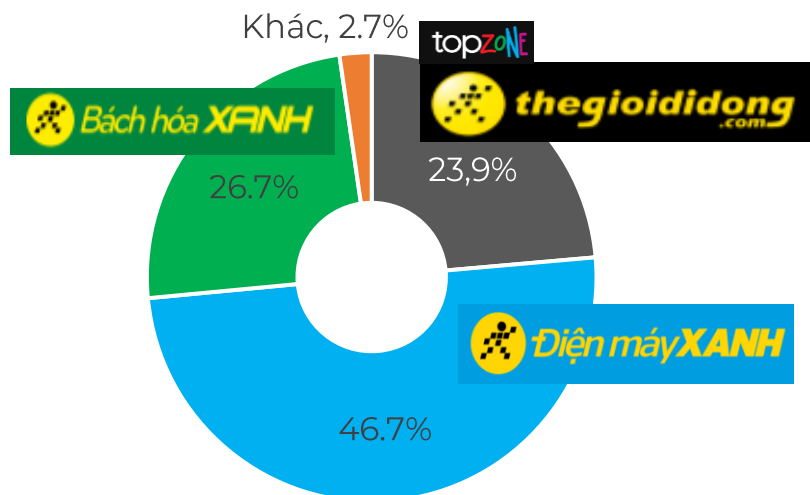
64 stores



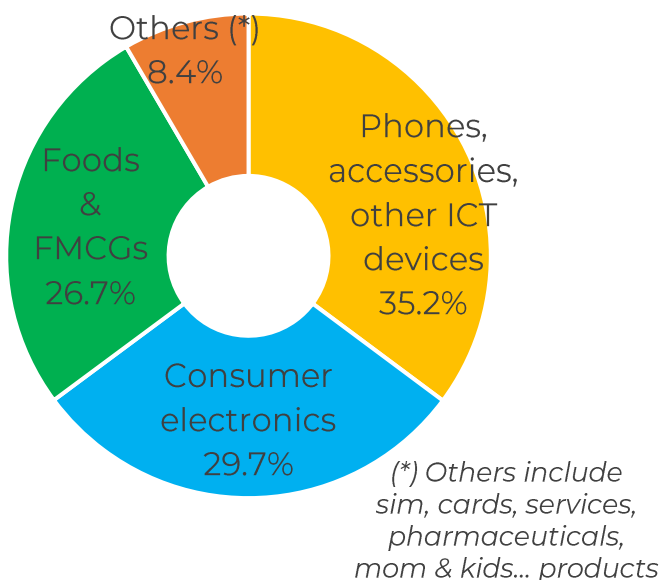
### ERABLUE (JV in Indonesia)

38 stores

## Revenue breakdown by chains



## Revenue breakdown by categories





## Overview

- 2023 continues to be a turbulent year with many unpredictable political and economic developments posing challenges for numerous countries worldwide. In Vietnam, the gloomy production, exports, and employment situation have significantly impacted consumer income, sentiment, and shopping trends. Purchasing power decreased across most industries, particularly in non-essential goods, presenting the most significant difficulty for MWG to adapt. In 2023, the company's top priorities were customer retention, protecting sales, and increasing market share.
  - With this direction, MWG achieved a consolidated net revenue of more than VND118 billion, maintaining 89% of the 2022 revenue and completing 88% of the 2023 plan.
  - Online revenue amounted to approximately VND17 trillion, equivalent to 89% compared to 2022, accounting for 14% of the company's total revenue.
  - The market share of main products increased from 5% to 25%, depending on the characteristics and demands of each category or product. Notably, MWG's market share for Apple products increased from 25%-30% in the early stages of the year to around 50% by the end of 2023.
  - The loyalty program (VIP Gifts) applies to customers shopping at MWG stores nationwide, across all MWG chains, and through online channels, having 13 million members who accumulate and redeem points.
  - MWG was honored to be among Vietnam's Top 10 largest private enterprises according to the VNR500 ranking. It remains the No.1 retailer in Vietnam, with a network of over 5,500 stores nationwide.
- a. The Gioi Di Dong (TGDD, including Topzone) and Dien May Xanh (DMX):** The 2023 revenues recorded over VND28 trillion and VND55 trillion, respectively.
  - Given the nature of high-value and durable goods, TGDD and DMX were affected mainly by low consumer sentiment. Therefore, both chains recorded a decline in revenue compared to the same period. However, the reduction rates continuously improved from -34% (Q1/23 vs. Q1/22), -20% (Q2/23 vs. Q2/22) down to -14% (Q3/23 vs. Q3/22), and only -7% (Q4/23 vs. Q4/22).
  - Online revenue reached nearly 16 trillion VND, decreasing by 11% compared to 2022 and accounting for 19% of the total revenue of TGDD and DMX.
  - TGDD and DMX closed nearly 200 inefficient stores in Q4/2023 as part of the comprehensive restructuring. As a result, despite operating fewer stores, the Company still recorded a slight increase in revenue QoQ. Business efficiency indicators across the entire chain also have shown positive signals, helping TGDD/DMX establish a solid foundation for entering 2024 to consolidate revenue and significantly improve profits.



## **a. The Gioi Di Dong (TGDD, including Topzone) and Dien May Xanh (DMX):** (Cont.)

- Most product categories experienced negative growth in 2023 (except for air conditioners), in which:
  - Phones, laptops, refrigerators, washing machines, and home appliances decreased by 10% to 20%. TVs, tablets, and watches dropped 30% to 50% YoY. However, iPhones sold at TGDD/DMX stores still recorded positive growth due to robust efforts to increase Apple's market share, consolidating its position as the No.1 mobile phone retailer in Vietnam with a market share of 50% or more across all brands.
  - Air conditioners continued to show positive sales volume and value growth despite the lackluster market demand. Diversified product range offerings, along with practical promotional programs and strong capabilities in delivery and installation, were factors that helped DMX seize business opportunities during peak season.

## **b. Bách Hóa Xanh (BHX):** 2023 revenue reached VND31.6 trillion, 17% YoY growth. In Q4-2023 only, BHX's revenue surged 31% YoY.

- Despite not opening new stores, BHX still improved its revenue MoM since March 2023 through SSSG. The number of bills increased by 20% YoY, and the average bill value remained at approximately the same level as in 2022.
- The online revenue served more than 2.6 million successful transactions, contributing VND900 billion, accounting for 3% of BHX's total revenue.
- Both the fresh produce and FMCGs (Fast-Moving Consumer Goods) categories showed positive revenue growth:
  - Due to a focus on boosting volume and ensuring stable quality, fresh food sales grew by 35%-40% YoY, playing the critical traffic driver and competitive advantage for BHX to gain more market share. The significant increase in sales volume helped BHX (i) establish strategic partnerships with many reputable suppliers of meat and seafood such as CP, Minh Phu, Navico, HDC Corp, etc., (ii) guarantee offtake, better quality control for local agricultural cooperatives and suppliers, and (iii) diversify the product range of imported goods.
  - FMCG categories grew by 5%-10% YoY. BHX has actively collaborated with suppliers to implement attractive promotional programs that offer practical benefits to customers while promoting product awareness and driving brand sales.
- In December 2023, with average revenue of around 1.8 billion VND per store, BHX achieved the break-even point on a normalized basis, factoring all relevant costs of core operation (excluding (i) one-off expenses that were fully recorded in Q4 and (ii) a portion of depreciation costs related to up and downsizing of stores during the restructuring period that will gradually decrease over time, BHX is confident that it will entirely cover this depreciation cost to record positive NPAT for full-year 2024).



**c. An Khang:** achieved VND2,2 trillion, equivalent to 43% YoY growth.

- An Khang developed a business model of retail pharmacy stores that (i) are convenient and easily accessible and (ii) have compact spaces of 30-40 square meters while ensuring sufficient product display and adequate offerings to serve most customer needs (medicines constitute 65%-70% of the product portfolio). At the end of 2023, the average revenue was around VND450 million per store.
- The Company's strategy is continuously investing in the sustainable development of An Khang as "the leading pharmacy chain for healthcare":
  - Implementing a service-centric culture that "customer health is paramount in every thought and action" to provide a differentiated service experience and offer the best healthcare solutions for customers;
  - In-depth training of pharmacists to enhance their professional competence, advisory skills, and polished image
  - Strengthening healthcare and consultation activities at stores in various provinces and cities to provide tangible benefits to customers.

**d. Avakids:** 2023 revenues surged to VND900 billion, implying 80% Yoy growth.

- Avakids has become a retail chain selling mom-and-baby products, with the highest average monthly revenue per store in Vietnam (VND1.7 billion).
- Online sales contributed nearly 30% of its revenue and will be prioritized for further development in 2024.

**e. Erablue:** In 2023, EraBlue (consumer electronics retailing business in Indonesia) witnessed 20x revenue YoY.

- In December 2023, the average revenue was VND4.5 billion for standard stores and VND2.5 billion for supermini stores. Erablue's most crucial success is establishing a proven business model that consumers have embraced, and stable-operating stores have achieved positive EBITDA.
- The Company expanded its network from 5 points of sales on Dec 31, 2022, to 38 stores by the end of 2023. Additionally, Erablue experimented with the supermini model, covering 180-200 square meters, alongside the original standard store model with an area of 250-300 square meters.

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