

FOR IMMEDIATE RELEASE

Masan Group's Profits Up 123% in 1H2022

The CrownX Demonstrates Resilience and Positive Momentum by Growing Profit 69% in 1H2022 Despite Challenging Environment

Ho Chi Minh City, 29 July 2022 – Masan Group Corporation (**HOSE: MSN**, “Masan” or the “Company”, today released its unaudited management accounts for the first half of 2022 (“1H2022”).

“We believe that technology will disrupt the entire consumer market and at Masan we are prioritizing technology as a strategic pillar. The only difference is we do not view technology as a standalone business model, but rather as a powerful tool to personalize our product offerings and consumer experience. Leveraging technology to solve big consumer unmet needs is how we can deliver growth and profit, and more importantly, uplift our consumers’ daily lives” said Dr. Nguyen Dang Quang, Chairman of Masan Group.

1H2022 Key Takeaways:

- **The CrownX** (“TCX”), Masan’s integrated consumer-retail ecosystem that consolidates WinCommerce (“WCM”) and Masan Consumer Holdings (“MCH”), grew net revenue year-over-year (“YoY”) by 2.2% to VND26,029 billion in 1H2022, despite one-off, high base effect of consumer stockpiling in 2Q2021’s Covid lockdown and weaker consumer sentiment in 1H2022, reflecting the resilience of consumer staples and grocery spending. Despite a challenging inflationary environment, TCX delivered VND3,178 billion in EBITDA in 1H2022, up 11.7% YoY, and VND1,146 billion in NPAT Pre-MI (Net Profit After Tax before Minority Interests), up 68.7% YoY.
- **WCM:** expanded store count year-to-date, opening 05 supermarkets (“WinMart”) and 301 minimarkets (“WinMart+”) in 1H2022 to reach a total retail network of 127 WinMart and 2,873 WinMart+ locations. In 1H2022, revenue reached VND14,305 billion, down 1.1% YoY while EBITDA was VND315 billion, up 5.7% YoY. While revenue declined 3.0% YoY in 2Q2022, EBITDA margin was maintained at 2.2%, primarily as a result of total commercial margin improving by 270 basis points (“bps”) YoY.
 - In 1H2022, WinMart+ recorded VND9,528 billion in revenue, flat compared to 1H2021. Revenue of LFL¹ WinMart+ stores was VND8,022 billion, decreasing by 9.6%, which was offset by VND1,506 billion in revenue from newly opened stores in 2021 and 2022. When normalizing² for the effect caused by consumer stockpiling in 2Q2021, WinMart+ revenue grew by 5.3% and 6.7% YoY in 1H2022 and 2Q2022, respectively.
 - WinMart’s revenue reached VND4,708 billion in 1H2022, down 3.4% YoY. Specifically, LFL stores recorded VND4,515 billion in revenue, down 5.7% in 1H2022 YoY, while topline of newly opened stores recorded VND193 billion. With consumers returning to malls after Covid in 2Q2022, revenue of LFL stores located inside Vincom Retail malls increased 2% YoY. Removing the high base effect, WinMart revenue grew by 1.4% and 9.9% YoY in 1H2022 and 2Q2022, respectively.
 - In terms of store level profitability, LFL WinMart+ stores posted EBITDA margin of 6.7% in 1H2022, up 90 bps YoY, and 7.0% in 2Q2022, up 40 bps YoY.

¹ LFL refers to stores that opened before 2021 and are still operational during the reported period

² High base effect normalized by applying the revenue run rate immediately prior to the revenue surge due to consumer stockpiling during Covid lockdown to the remaining comparative periods.

- For the supermarket format, LFL WinMart stores improved store level EBITDA margin to 3.7% and 2.1%, up 100 bps both in 1H2022 and 2Q2022, respectively, compared to same periods last year.
 - While gross margin improved from 22.2% in 1Q2022 to 23.1% in 2Q2022, EBITDA remained the same at 2.2%. Gross margin improvement was offset by new stores' openings and higher labor cost.
 - 60% of WinMart+ stores opened in 2022 already achieved positive store level EBITDA in 2Q2022 compared to 80% of all WinMart+ stores, with stores opened in 1H2022 seeing better momentum than stores opened in 4Q2021 after similar ramp up periods. This reflects management's improving new store opening capabilities and provides momentum for 2H2022 earnings uplift as new stores fully ramp up.
- **MCH:** delivered solid 1H2022 results, achieving VND12,355 billion in net revenue, up 7.7% YoY, and VND2,851 billion in EBITDA, up 11.5% YoY. Due to weaker-than-expected consumer spending during 1Q2022, MCH over predicted consumer demand in 4Q2021 and the first couple of months of 2022, resulting in elevated stock inventory at distributors at the end of 1Q2022. Management has resolved the situation by the end of 2Q2022, reducing stock to normal levels to provide head room for double digit revenue growth in 2H2022 sales and higher profit levels as management plans to curb promotion spending.
 - All major categories delivered growth in 1H2022 with strong performance from processed meat, coffee, and beer, growing at 57.8%, 33.1%, and 19.3%, respectively. However, due to high base effect of Covid stockpiling in 2Q2021, revenue from seasonings and convenience foods only grew slightly in 1H2022 by 2.1% and 6.9% YoY, respectively, and declined by 2.6% and 17.4% YoY in 2Q2022. Home personal care category's revenue declined by 4.0% YoY in 1H2022.
 - Revenue from newly launched products in 4Q2021 and 1H2022 accounted for 38% of topline growth at MCH in 1H2022. Management expects to accelerate new product launches in 2H2022 to build more growth momentum.
 - Despite inflationary pressures, MCH grew 1H2022 gross profit margin by 60 bps to 40.2% vs. 1H2021 due to effective commodities hedging and higher average selling prices. EBITDA margin maintained at 23.1% in 1H2022.
- **Phuc Long Heritage ("PLH"):** In 1H2022, PHL achieved VND820 billion in revenue, up 38.5%³ YoY, and VND117 billion in EBITDA, a YoY decline due to heavy investment in kiosks which still require time to ramp up.
- **Masan MEATLife's ("MML"):** As a result of deconsolidation of feed business, revenue declined by 81.0% YoY to VND1,941 billion in 1H2022, and was comprised entirely of sales of meat products. On a like-for-like basis, which excludes feed segment contribution, MML net revenue was only down by 6.1% due to lower pig prices offset by higher meat sales volume.
 - Pig farm's gross margin and EBITDA margin in 1H2022 recorded 17.6% and 25.5%, a significant decline from 44.9% and 50.0% in 1H2021, respectively. However, lower pig prices and more stable sales pricing helped 1H2022 EBITDA margin of branded pork meat ("MEATDeli") increase by 140 bps YoY.
 - Higher chicken prices resulted in MML's chicken segment ("3F VIET") improving EBITDA margin from (21.6)% in 1H2021 to (9.3)% in 1H2022.
 - Management expects more favorable market conditions and a better distribution network to support the results of MML in 2H2022. MEATDeli and 3F Viet performance is expected to improve due to higher utilization rates at MML's processing facilities with product portfolio expansion and increased availability (growth of WCM network and other channels) driving higher revenues from 3Q2022 onwards.
- **Masan High-Tech Materials ("MHT"):** Driven by rising commodity prices and strong demand, MHT delivered net revenue of VND8,123 billion in 1H2022, up 33.0% YoY, EBITDA of

³ PLH's 2021 data is estimated based on 2H2021's actual results

VND1,822 billion, up 52.6% YoY. To cement its strategy of becoming a high-tech value-added business and creating a circular economy for tungsten and battery materials, H.C. Starck Tungsten Powders, a subsidiary of MHT, invested GBP45 million in Nyobolt Limited (“Nyobolt”), a fast-charging, high power, low degradation battery solutions company that leverages MHT’s advanced tungsten materials in its anode. With the investment, H.C. Starck owns 15% of Nyobolt on a fully diluted basis and is the largest shareholder of Nyobolt.

- **Techcombank** (“TCB”), Masan’s associated company, recorded VND14,106 billion in profit before taxes, up 22.3% YoY. For detailed results, please refer to the bank’s website.

Consolidated Financial Results

- **Net Revenue:** Masan’s consolidated net revenue reached VND36,023 billion in 1H2022, a decline of 12.5% versus VND41,196 billion in 1H2021, mainly due to deconsolidation of the feed segment. Excluding 2021 feed revenue for a like-for-like⁴ comparison, net revenue grew by 9.1% in 1H2022 YoY, driven by growth at MHT, and high-single digit growth at MCH.
- **EBITDA:** On a like-for-like basis, 1H2022 consolidated EBITDA grew by 17.5% YoY to VND7,340 billion as EBITDA margin reached 20.4% in 1H2022 versus 18.9% in 1H2021, primarily driven by MHT increasing EBITDA by 52.6% and TCX increasing EBITDA by 11.7% YoY. On a reported basis, consolidated EBITDA was up 6.5% in 1H2022 YoY.
- **Net Profit After Tax (“NPAT”):** NPAT Pre-MI grew by 122.7% on a reported basis and 211.8% on a like-for-like basis in 1H2022 to VND3,110 billion. NPAT Post-MI (after minority interests) grew by 163.3% on a reported basis and 345.4% on a like-for-like basis to VND2,577 billion in 1H2022.
- **Balance Sheet Highlights:** Net Debt⁵ to LTM (Last 12 Months) EBITDA reached 2.8x at end of 1H2022 compared to 2.2x at the end of FY2021, mainly due to lower cash balance.
 - Cash and cash equivalents balance reached VND10,361 billion as of end 1H2022, lower compared to end of FY2021, mainly due to the increasing the Masan’s ownership in TCX and PLH, and capital expenditures in 1H2022.
 - At the end of 1H2022, Masan’s consolidated gross debt reached VND56,872 billion, a decrease of VND1,306 billion compared to end of FY2021.
 - Net debt was VND46,511 billion at the end 1H2022, compared to VND35,540 billion at the end of FY2021, mainly due to lower cash balance.
 - Capital expenditures in 1H2022 reached VND2,136 billion, compared to VND1,311 billion in same period last year.

FY2022 Forecast and 2H2022 Initiatives:

Masan is currently reviewing its FY2022 guidance to reflect Vietnam’s weaker consumer sentiment and aims to provide a more detailed update in the following quarters. To deliver the most optimal FY2022 financial results in light of the current consumer environment while still advancing its consumer-tech strategy, Masan will focus on the below initiatives in for the remainder of the year:

- **TCX:**
 - **WCM:** Open 800+ new stores in 2H2022. Among the new stores to be opened, 100 targeted be franchised stores. Continue to optimize total commercial margin, product assortment, promotion schemes, and operating costs to protect profitability. New mini mall store concept underpinned by Masan’s Point of Life strategy to be launched in 3Q2022. New concept to integrate Masan’s various offerings and capabilities (existing and soon to be announced) to set foundation for new growth engine.
 - **MCH:** Focus R&D efforts on a few key categories such as seasonings, convenience foods, and processed meat to generate big wins. Continue building on current momentum in beverage, coffee, and beer.
- **PLH:** Accelerate opening of high performing flagship stores to generate revenue and profit growth. New menu for kiosks will be rolled out nationwide to improve kiosks performance.

⁴ MML spun off its feed business at the end of November 2021.

⁵ Net debt and cash and cash equivalents include short-term investments (such as term deposits) and interest-bearing receivables related to treasury activities.

- **MML:** Expand distribution network outside of WCM while targeting different customer segments within WCM's catchment area.
- **MHT:** On track to deliver AGM targets. Focus on cost and cash flow optimization and the integration with Nyobolt.

1H2022 Consolidated Financial⁶ Highlights

Income Statement (1/2)

VND Billion	2Q2022	2Q2021	Growth	1H2022	1H2021	Growth
Net Revenue	17,834	21,219	(16.0)%	36,023	41,196	(12.6)%
<i>The CrownX</i>	12,579	12,927	(2.7)%	26,029	25,460	2.2%
<i>Masan Consumer Holdings</i>	5,907	5,982	(1.3)%	12,355	11,476	7.7%
<i>WinCommerce</i>	7,008	7,226	(3.0)%	14,305	14,468	(1.1)%
<i>Masan MEATLife</i>	1,010	5,528	(81.7)%	1,941	10,232	(81.0)%
<i>Masan High-Tech Materials</i>	4,194	3,144	33.4%	8,123	6,107	33.0%
Gross Profit	4,967	4,847	2.5%	10,057	9,161	9.8%
<i>The CrownX</i>	3,868	3,615	7.0%	8,061	7,058	14.2%
<i>Masan Consumer Holdings</i>	2,343	2,366	(1.0)%	4,965	4,549	9.1%
<i>WinCommerce</i>	1,618	1,368	18.3%	3,238	2,661	21.7%
<i>Masan MEATLife</i>	55	638	(91.4)%	111	1,309	(91.6)%
<i>Masan High-Tech Materials</i>	753	554	35.9%	1,436	743	93.1%
Gross Margin	27.9%	22.8%		27.9%	22.2%	
<i>The CrownX</i>	30.8%	28.0%		31.0%	27.7%	
<i>Masan Consumer Holdings</i>	39.7%	39.6%		40.2%	39.6%	
<i>WinCommerce</i>	23.1%	18.9%		22.6%	18.4%	
<i>Masan MEATLife</i>	5.4%	11.5%		5.7%	12.8%	
<i>Masan High-Tech Materials</i>	17.9%	17.6%		17.7%	12.2%	
SG&A⁷	(3,958)	(3,577)	10.6%	(7,924)	(7,207)	9.9%
<i>The CrownX</i>	(3,082)	(3,012)	6.9%	(6,372)	(5,881)	8.3%
<i>Masan Consumer Holdings</i>	(1,234)	(1,229)	0.6%	(2,651)	(2,537)	4.7%
<i>WinCommerce</i>	(1,794)	(1,627)	10.3%	(3,578)	(3,189)	12.2%
<i>Masan MEATLife</i>	(183)	(434)	(58.0)%	(362)	(827)	(56.2)%
<i>Masan High-Tech Materials</i>	(280)	(264)	6.2%	(566)	(493)	4.7%
SG&A as % of Net Revenue	22.2%	16.9%		22.0%	17.5%	
<i>The CrownX</i>	24.5%	23.3%		24.5%	23.1%	
<i>Masan Consumer Holdings</i>	20.9%	20.5%		21.5%	22.1%	
<i>WinCommerce</i>	25.6%	22.5%		25.0%	22.0%	
<i>Masan MEATLife</i>	18.1%	7.9%		18.6%	8.1%	
<i>Masan High-Tech Materials⁵</i>	6.7%	8.4%		7.0%	8.1%	
Share of Profit in Associates	1,252	1,024	22.2%	2,445	1,971	24.1%
D&A	1,441	1,383	4.2%	2,779	2,860	(2.8)%
EBITDA	3,684	3,738	(1.4)%	7,340	6,891	6.5%
<i>The CrownX</i>	1,536	1,480	3.7%	3,178	2,646	11.7%
<i>Masan Consumer Holdings</i>	1,385	1,415	(2.1)%	2,851	2,557	11.5%
<i>WinCommerce</i>	151	157	(3.5)%	315	298	5.7%
<i>Masan MEATLife</i>	(21)	422	(105.0)%	(49)	920	(105.3)%
<i>Masan High-Tech Materials</i>	944	717	31.7%	1,822	1,194	52.6%
<i>Techcombank Contribution</i>	1,242	1,010	23.0%	2,420	1,953	23.9%
EBITDA Margin	20.7%	17.6%		20.4%	16.7%	
<i>The CrownX</i>	12.2%	11.4%		12.2%	11.2%	
<i>Masan Consumer Holdings</i>	23.4%	23.7%		23.1%	22.3%	
<i>WinCommerce</i>	2.2%	2.2%		2.2%	2.1%	
<i>Masan MEATLife</i>	(2.1)%	7.6%		(2.5)%	9.0%	
<i>Masan High-Tech Materials</i>	22.5%	22.8%		22.4%	19.6%	

⁶ Financial numbers are based on unaudited management figures and in accordance to Vietnamese Accounting Standards. For brevity and simplicity, the segmental breakdown only covers material businesses and does not show all of Masan's businesses (such as Phuc Long Heritage, Mobicast, etc.) but their financial impact are reflected in Masan's consolidated financial figures.

⁷ Masan's consolidated SG&A is higher than total of subsidiaries' SG&A expenses due to holding company expenses.

Income Statement (2/2)

VND Billion	2Q2022	2Q2021	Growth	1H2022	1H2021	Growth
Net Financial (Expense)/Income	(991)	(1,152)	(14.0%)	(1,281)	(2,317)	(44.7%)
Financial Income	585	245	138.4%	1,591	462	244.6%
Financial Expense	(1,576)	(1,397)	12.8%	(2,872)	(2,779)	3.3%
Other Income/(Expenses)	(8)	(2)	331.6%	38	22	73.6%
Corporate Income Tax	(46)	(88)	(47.7%)	(225)	(233)	(3.4%)
NPAT Pre-MI	1,215	1,053	15.3%	3,110	1,396	122.7%
NPAT Post-MI	981	791	24.0%	2,577	979	163.3%

Balance Sheet Highlights

VND Billion	1H2022	FY2021	FY2020
Cash and Cash Equivalents⁸	10,361	22,638	8,169
Debt	56,872	58,178	62,011
Short-term Debt	30,751	18,806	22,545
Long-term Debt	26,121	39,372	39,466
Total Assets	125,260	126,093	115,737
Total Equity	38,796	42,337	25,030
Total Equity Excluding MI	29,200	32,811	15,938
Outstanding Number of Shares (million shares)	1,424	1,181	1,175

Key Financial Ratios

VND Billion	1H2022	FY2021	FY2020
Net Debt to EBITDA⁹	2.8x	2.2x	5.2x
ROAA	10%	8%	1%
ROAE	40%	35%	4%
FFO¹⁰ to Debt	15%	11%	7%
FCF¹¹	-1,071	3,407	1,943
Cash Conversion Cycle	50	38	43
Inventory Days ¹²	79	69	68
Receivable Days ¹³	10	9	6
Payable Days	39	41	32
CAPEX	(1,293)	(2,805)	(3,678)

⁸ Cash and Cash Equivalents include short-term investments (primarily term deposits between 3 and 12 months) and receivables related to treasury activities and investments (including certain interest-bearing receivables).

⁹ Net Debt to EBITDA ratio calculated based on "Cash and Cash Equivalents" defined in footnote 8.

¹⁰ FFO: Last Twelve-Month ("LTM") Funds From Operations is calculated based on EBITDA, excluding contribution from TCB, adjusting for Net Financial Expense, and adjusting for Corporate Income Tax paid within the reporting period.

¹¹ FCF: LTM Free Cash Flow is calculated from EBITDA, excluding contribution from TCB, adjusting for changes in working capital, Corporate Income Tax paid within the reporting period, and CAPEX.

¹² Inventory Days is calculated based on inventory balances and divided by LTM COGS.

¹³ Receivable and Payable Days are calculated based on balances excluding those that are not related to operating activities divided by LTM Revenue and LTM COGS, respectively.

MASAN GROUP CORPORATION

Masan Group Corporation (“Masan” or the “Company”) believes in doing well by doing good. The Company’s mission is to provide better products and services to the 100 million people of Vietnam, so that they can pay less for their daily essentials. Masan aims to achieve this by driving productivity with technological innovations, trusted brands, and focusing on fewer but bigger opportunities that impact the most lives.

Masan Group’s member companies and associates are industry leaders in branded fast moving consumer goods, branded meat, modern retail, F&B retail, financial services, telecommunications, and value-add chemical processing, altogether representing segments of Vietnam’s economy that are experiencing the most transformational growth.

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