

MASAN
GROUP



3Q2023 COMMUNITY DAY

30th October 2023



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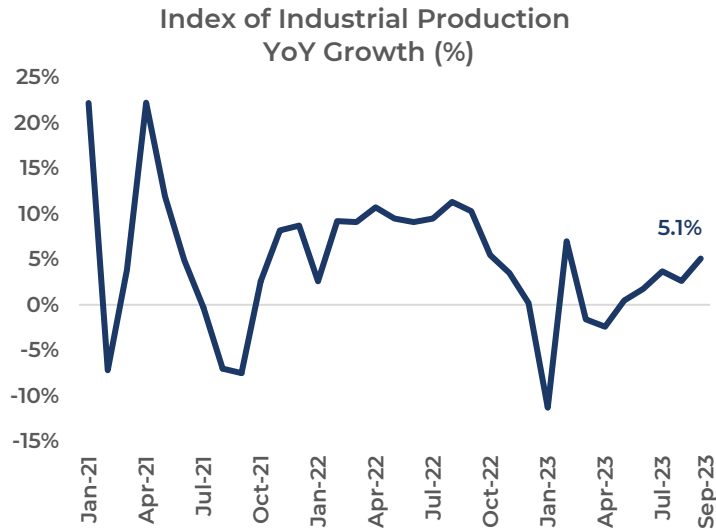
01

Macro Environment & Consumer Sentiment



Vietnam's economy continues upward momentum – GDP growth achieved 5.3% YoY in 3Q2023

Industrial production grew 5.1% YoY in Sept as exports rebound...



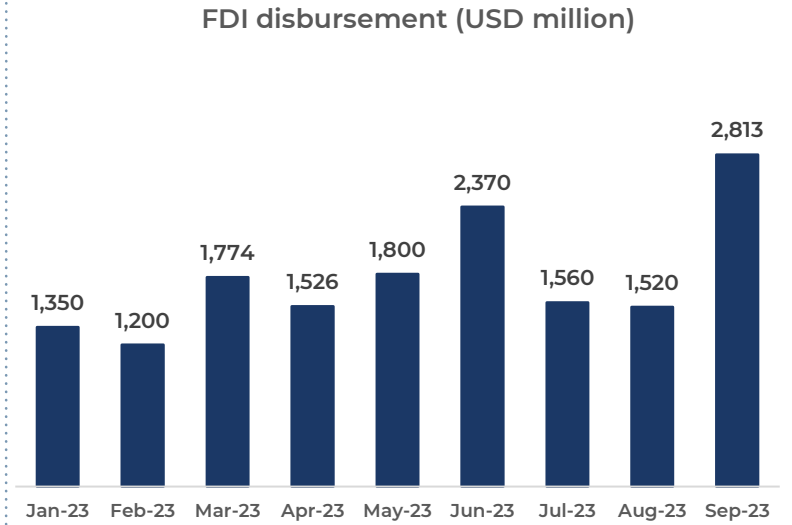
- **Active labor force increased** by 92,600 people QoQ, up 0.2%, and 546,000 people YoY, up 1.1%. Labor force participation increased to 68.9% in 3Q2023 compared to 68.7% in 3Q2022.
- Vietnam's long-term beneficiary status in global manufacturing supply chain shift towards India & Southeast Asia received further boost with recent Vietnam – US comprehensive strategic partnership upgrade.

...Services sector sees strong revival, benefiting from return of tourism...



- **Services sector a key growth driver**, growing by 6.2% YoY in 3Q2023, contributing 68.6% to overall GDP growth.
- Recent VAT cut and the increase in statutory base rate for officials and public employees' salaries could also help to support purchasing power.
- International tourism has returned to ~70% pre-covid level (2019) compared to ~60% at the beginning of 2023.

...Accelerating public investment and record FDI disbursement boost near-term growth prospects



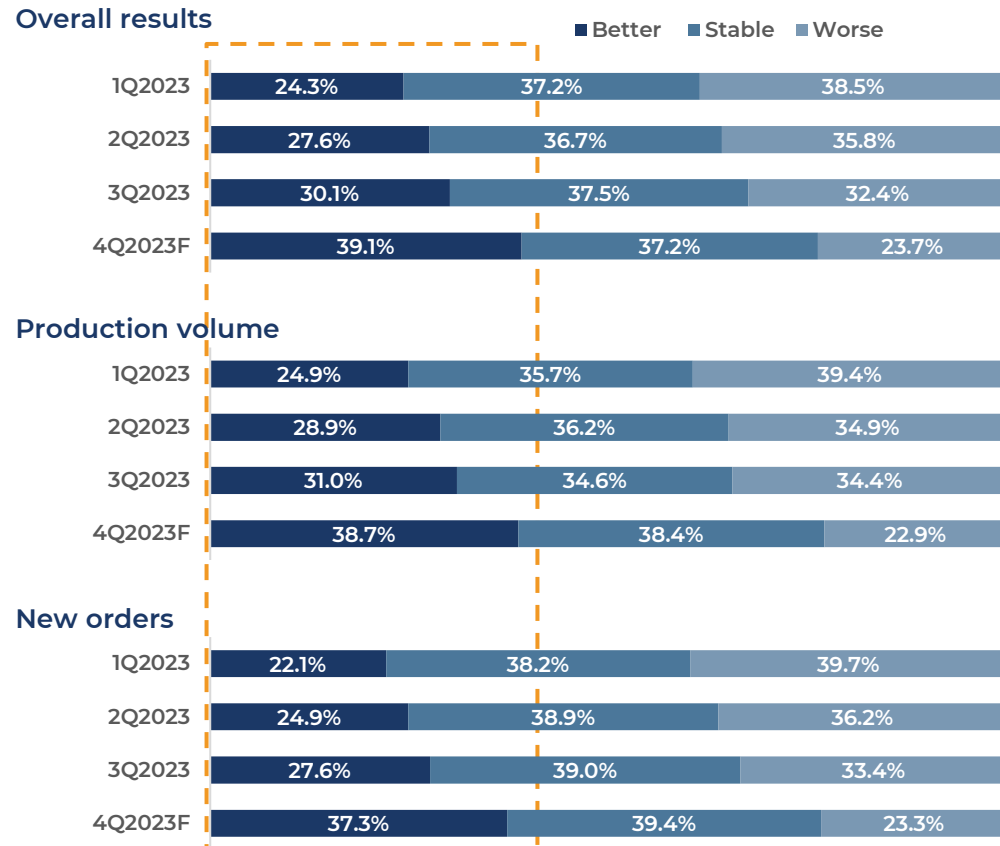
- In September, **FDI disbursements hit an all-time high** of USD2.8 billion, bringing the total FDI disbursement in 9M2023 to USD15.9 billion up 2.2% YoY.
- **Public investment continued to accelerate.** Notably, State expenditures amounted to VND1,239.4 trillion (USD51.6 billion; +14.1% YoY), completing 59.7% of the annual plan vs. only 9.7% in 1Q2023.



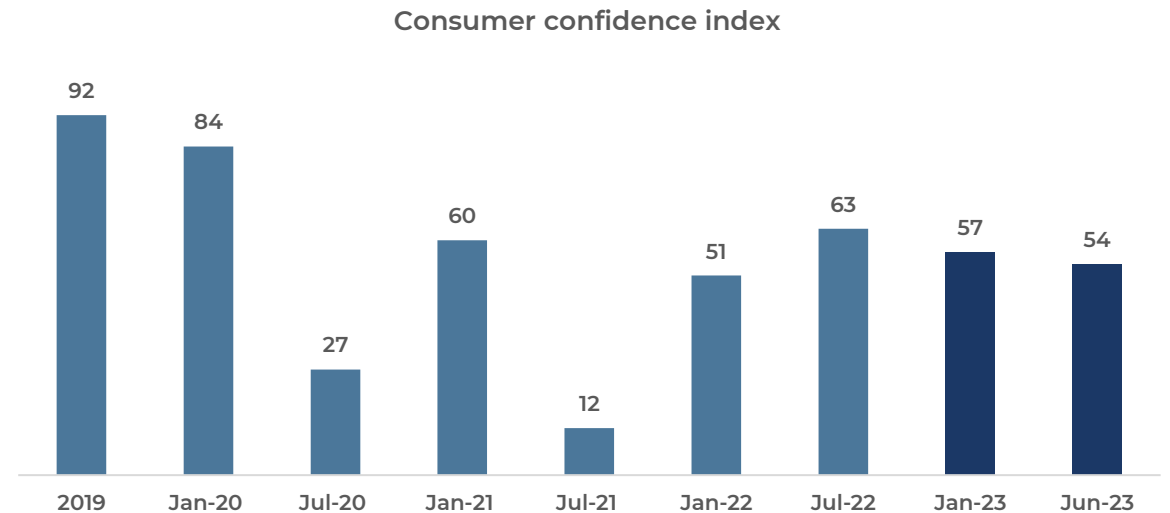
Businesses are increasingly positive on future outlook and while consumer sentiment has bottomed in 2Q2023, recovery is slow as 28% of consumers still face financial hardships⁽¹⁾

Business confidence⁽²⁾ with positive outlook towards year-end...

...while consumer confidence⁽³⁾ is slightly behind, however is expected to have a more noticeable recovery in 4Q2023...

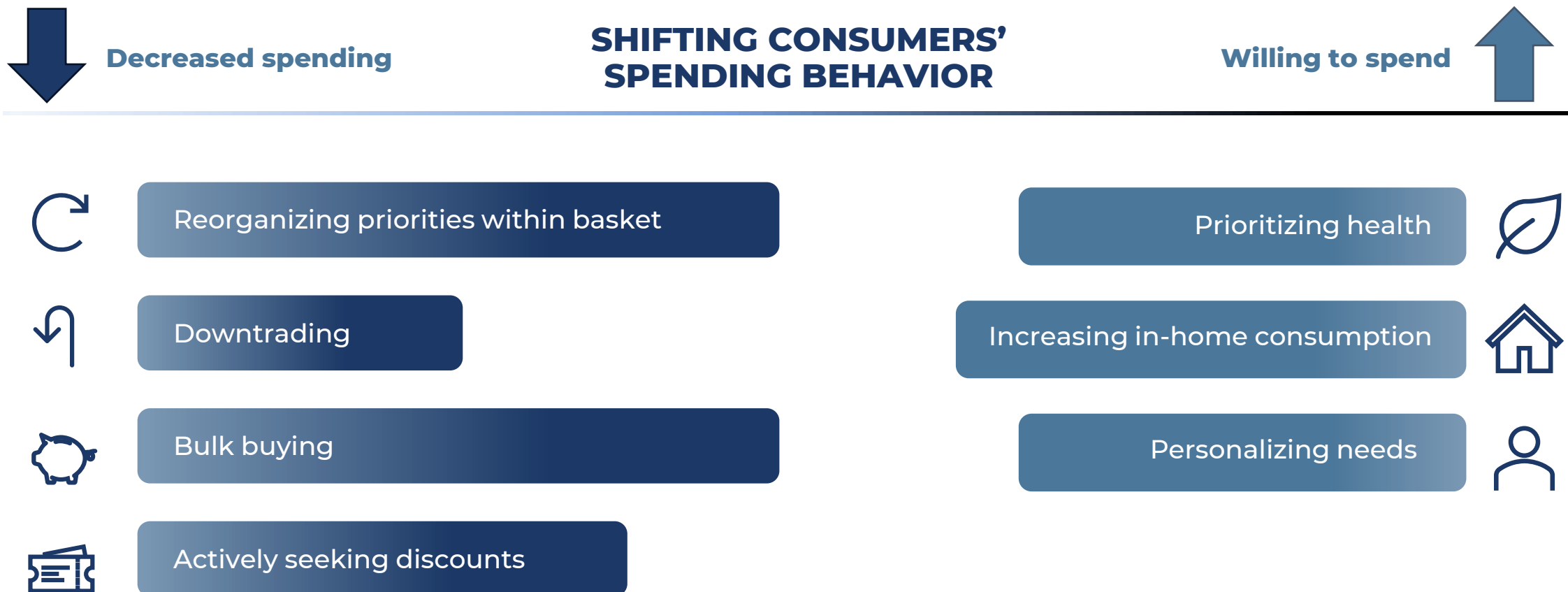


An increasingly optimistic outlook



- Consumer confidence was hit since the beginning of 2023 due to manufacturing woes causing job losses, and higher interest rates hitting consumer lending, credit purchases and household income.
- Consumer spending has undergone a behavioral shift to thrift⁽⁴⁾:
 - Delayed or reduced high-value purchases
 - Decreased spending on discretionary entertainment
 - Increased savings

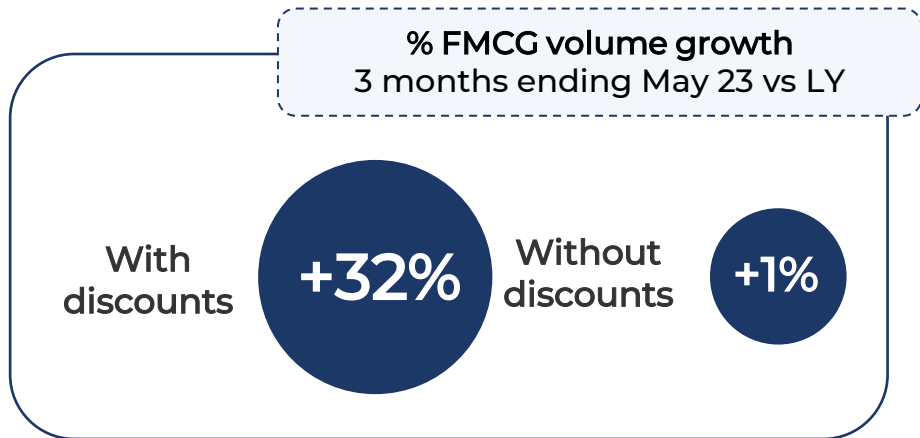
Consumers are switching to more in-home consumption and purchasing daily staples at value, aligning with the growth in our daily consumer staples businesses (1/2)



Consumers are switching to more in-home consumption and purchasing daily staples at value, aligning with the growth in our daily consumer staples businesses (2/2)



Actively seeking discounts



Bulk buying for good prices

Buying larger packaging

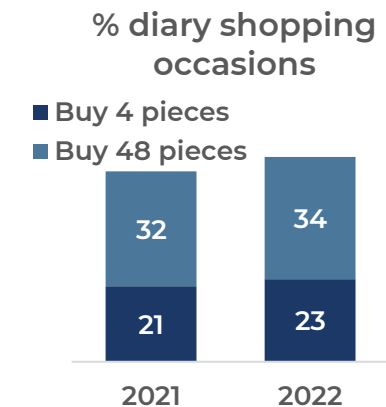


Liquid detergent
Package >3.5 kg
+17% volume



RTD Tea
Package > 1 Liter
+27% volume

Buying more pieces per trip



CSD
Box of 20 cans
+22% volume



02

3Q & 9M2023 Highlights and Consolidated Financial Results

3Q2023 Highlights



Consumer businesses⁽¹⁾ EBIT up **47.3%** in 3Q2023 YoY while pressures on bottom-line are mainly due to **non-core & non-operating activities** – Masan is addressing these heads on



Strong growth achieved at MCH & MML, consumer staples businesses, delivering 3Q2023 LFL⁽²⁾ YoY revenue growth of **8.7% and 6.3%**, respectively



EBIT flat in 3Q2023 for entire network while **NPAT positive** for LFL⁽³⁾ minimarts over the last 2 quarters

(1) Consumer businesses include TCX (comprising MCH & WCM), MML, and PLH

(2) LFL for MCH removes the contribution of processed meat in MCH's revenue in 2022. LFL for MML includes the contribution of new processed meat segment in MML's revenue in 2022

(3) LFL for WCM refers to matured stores cohort which was opened before 2022 and are still operating

Masan's consumer businesses⁽¹⁾ delivered a strong 9M2023, growing YoY by 6.6% and 15.0% in revenue and EBITDA, respectively...

MSN consolidated results

(VND billion)	3Q2023	3Q2022	Growth (%)	9M2023	9M2022	Growth (%)
Revenue	20,155	19,523	3.2%	57,470	55,546	3.5%
The CrownX	14,869	14,696	1.2%	41,704	40,725	2.4%
MCH	7,435	7,340	1.3%	20,376	19,695	3.5%
MCH (LFL) ²	7,435	6,840	8.7%	20,376	18,433	10.5%
WCM	7,884	7,631	3.3%	22,401	21,936	2.1%
MML	1,903	1,291	47.5%	5,207	3,232	61.1%
MML (LFL) ³	1,903	1,791	6.3%	5,207	4,493	15.9%
MHT	3,590	3,528	1.8%	10,905	11,651	(6.4%)
PLH	377	452	(16.5%)	1,160	1,143	1.5%
EBITDA	3,739	3,486	7.2%	10,175	10,826	(6.0%)
<i>EBITDA margin</i>	<i>18.5%</i>	<i>17.9%</i>		<i>17.7%</i>	<i>19.5%</i>	
The CrownX	2,116	1,863	13.6%	5,622	5,047	11.4%
MCH	1,907	1,626	17.3%	5,045	4,480	12.6%
MCH (LFL)	1,907	1,588	20.1%	5,045	4,343	16.2%
WCM	228	251	(9.2%)	452	566	(20.0%)
MML	124	16	684.9%	170	(34)	n.m.
MML (LFL)	124	53	132.2%	170	103	65.7%
MHT	551	726	(24.1%)	1,696	2,548	(33.5%)
TCB	1,045	1,141	(8.4%)	2,898	3,560	(18.6%)
PLH	78	59	32.5%	206	199	3.4%
NPAT Pre-MI	486	841	(42.3%)	1,353	3,951	(65.8%)
Core NPAT Pre-MI	472	716	(34.1%)	1,361	2,910	(53.2%)
Core NPAT Pre-MI (excl. non-cash impact)	983	716	37.2%	1,872	2,910	(35.7%)

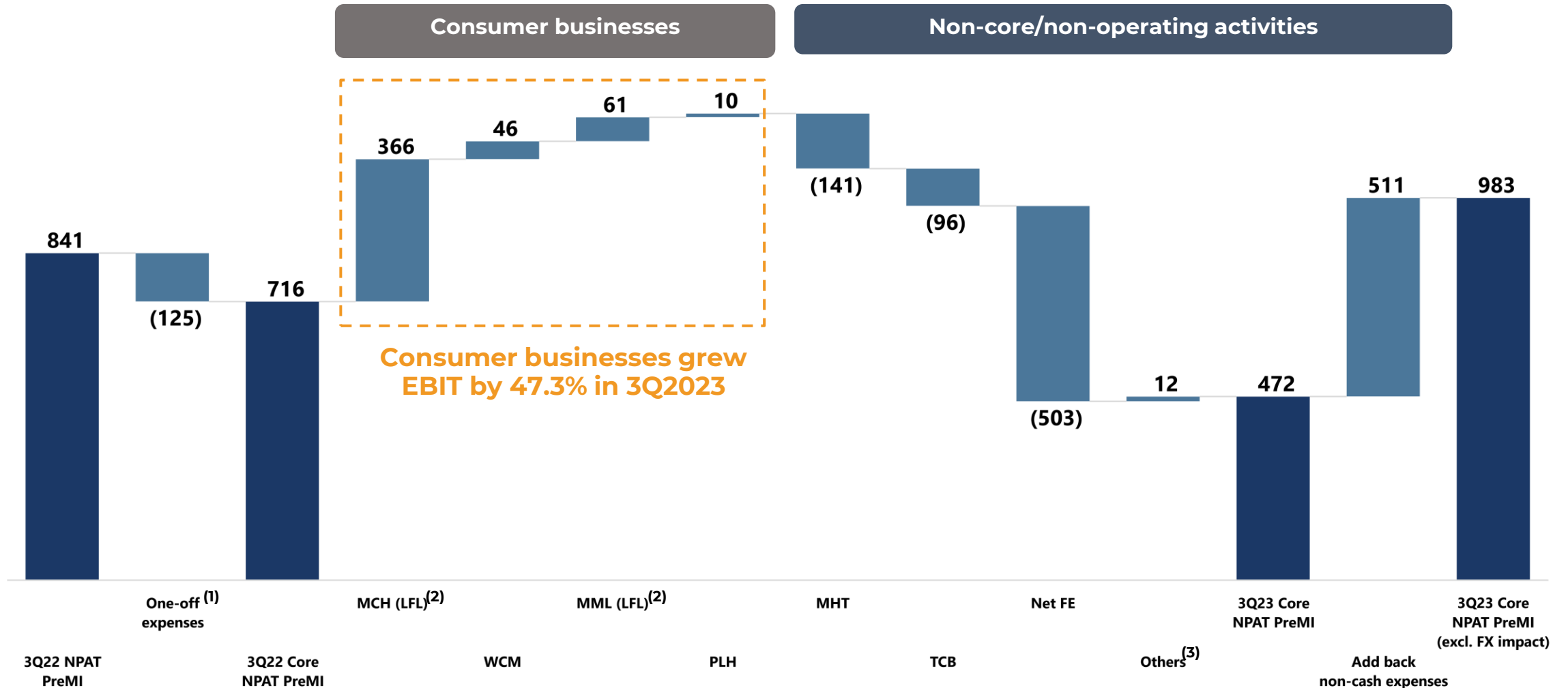
Key highlights

- Despite a challenging macro environment, MSN still recorded year over year ("YoY") top-line growth of 3.2% in 3Q2023 and 3.5% in 9M2023, respectively.
 - The CrownX ("TCX") recorded top-line growth of 1.2% YoY in 3Q2023 and 2.4% YoY in 9M2023, reaching revenue of VND14,869 billion in 3Q2023 and VND41,704 billion in 9M2023, respectively.
 - Masan Consumer Holding ("MCH"): revenue increased by 1.3% YoY in 3Q2023 and 3.5% YoY in 9M2023. On a LFL basis, MCH's revenue increased by 8.7% in 3Q2023 and 10.5% YoY in 9M2023, reaching VND7,435 billion in 3Q2023 and VND20,376 billion, respectively.
 - WinCommerce ("WCM"): revenue reported VND7,884 billion in 3Q2023, up 3.3% YoY and VND22,401 billion in 9M2023, up 2.1% YoY.
- MSN's EBITDA increased by 7.2% YoY in 3Q2023 to VND3,739 billion and decreased by 6.0% YoY to VND10,175 billion in 9M2023, mainly driven by TCB and MHT while the core consumer businesses delivered strong results.
 - TCX's positive momentum, with EBITDA growth of 13.6% in 3Q2023 and 11.4% in 9M2023, was led by MCH which achieved EBITDA margin of 25.6% in 3Q2023 and 24.8% in 9M2023, up 340 bps and 200 bps YoY respectively.
 - MML successfully turned around to achieve positive EBITDA since the beginning of this year, achieving EBITDA margin of 6.2% in 3Q2023 and 3.1% in 9M2023, driven by volume growth across segments and higher mix of processed meat.
 - PLH posted EBITDA growth of 32.5% YoY and 3.4% YoY in 3Q2023 and 9M2023, respectively, due to rationalization of its spokes footprint inside WCM.
- NPAT Pre-MI posted VND486 billion in 3Q2023 and VND1,353 billion in 9M2023, down 42.3% YoY and 65.8% YoY on a reported basis, primarily driven by:
 - Absence of one-off income in 9M2022 as a result of Phuc Long's valuation uplift and De Heus transaction.
 - Negative impact by non-core and non-operating activities – lower profit of MHT, TCB, and higher financial expenses (interest expenses and 3Q2023 one-off non-cash impact of VND511 billion).
 - Excluding one-off non-cash impact, Core NPAT Pre-MI would be VND983 billion in 3Q2023 and VND1,872 billion in 9M2023, equivalent to a growth of 37.2% and a decline of 35.7%, respectively.



...but net profit continued to be impacted by non-core and non-operating activities; excluding negative non-cash impact, 3Q2023 NPAT up 37% YoY while 9M2023 down 36% YoY

NPAT Pre-MI (VND bn)



(1) One-off refers to profit gained from Phuc Long valuation uplift and De Heus transaction

(2) LFL for MCH excludes the contribution of processed meat in MCH's revenue in 2022. LFL for MML include the contribution of processed meat segment in MML's revenue in 2022

(3) Others refer to Mobicast's impact on profits and Interco eliminations

Hedging options secured: October ends with 29% hedging ratio

MSN's USD exposure

	Balance USDmn	Interest hedge USDmn	Currency hedge USDmn	Hedge ratio %
As of 30 Sep 2023				
Short-term loan	151	151	151	100.0%
Long-term loan	1,145	300	-	13.1%
Total	1,296	451	151	23.2%
As of 31 Oct 2023				
Short-term loan	151	151	151	100.0%
Long-term loan	1,250	405	105	20.4%
Total	1,401	556	256	29.0%

MSN have already locked in hedging options...

...and were able to secure it at a more favorable rate

Going forward...

23.2%
hedging ratio as of
30 Sep'23

29.0%
hedging ratio as of
31 Oct'23

Interest rate swap²
of **\$300m**

Cross Currency Swap³
of **\$105m**

When USD/VND is
≤ 24,000...

- **[1] Short-term loan are 100% hedged for market risks**, as a requirements in MSN treasury policy.
- MSN Group has hedged for **23.2%** market risks of USD exposure **as of 30 Sep 2023**. The hedge ratio will reach **29.0% at the end of Oct**.
- MSN also **bought forward \$17mn** for interest payments of USD loans in 4Q2023.

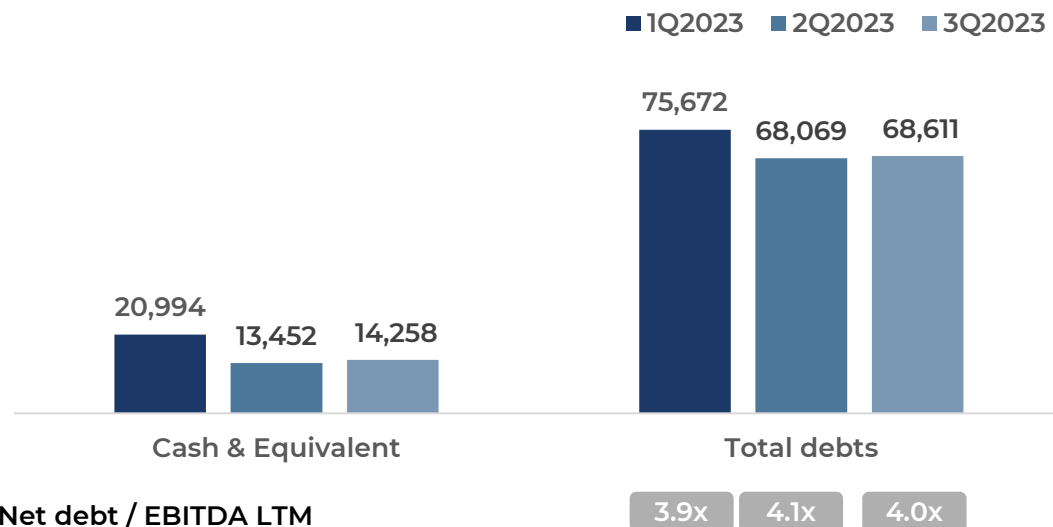
- **[2] Entered to an Interest rate swap ("IRS")** to fixed interest rate of **\$300mn** at 6.48% p.a (3.58% + a margin of 2.9%) to maturity. **Total saving⁽¹⁾ in 2023 is VND82.6bn.**
- **[3] A \$105mn Cross Currency Swap ("CCS")** will become effective on 31 Oct 2023. **Total saving⁽²⁾ in 2023 is VND13.6bn.** This transaction will help **to save VND81.8bn/year** and **VND368.3bn to maturity date.**

Considerations if **USD/VND is ≤ 24,000:**

- **An additional \$195mn CCS** for long-term USD loans to take advantages of negative interest rate gap between USD and VND.
- Buying forward \$137mn for 2024 interest and principal payments.

Consistent FCF improvement, Net debt to EBITDA remained stable at 4.0x...

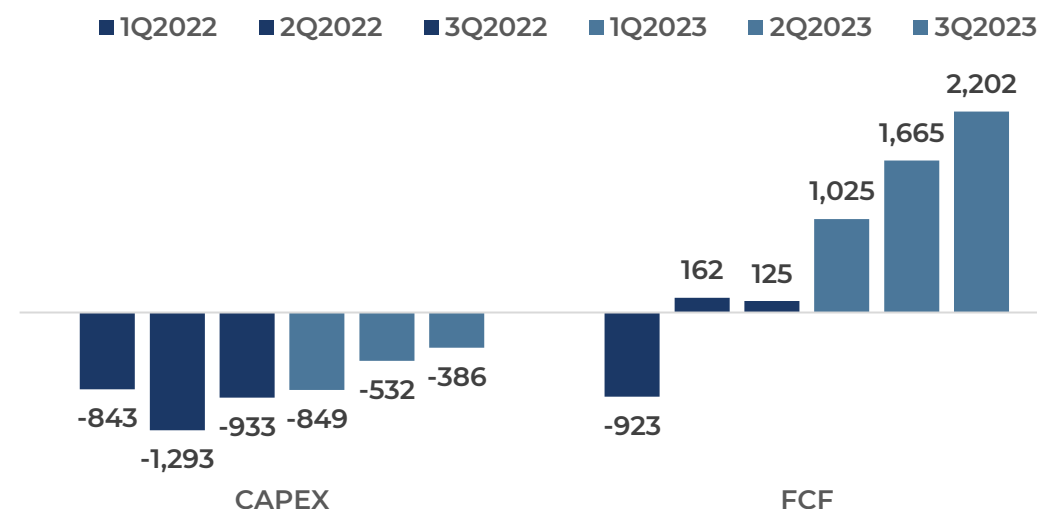
MSN (Cash & Debt)⁽¹⁾ VND billion



Net debt / EBITDA LTM

- Net Debt / LTM (last 12 months) EBITDA 4.0x as of 3Q2023, compared to 4.1x as of 2Q2023 due to stronger operating results while net debt remain the same.

MSN Cash Flow (Capex, FCF) VND billion

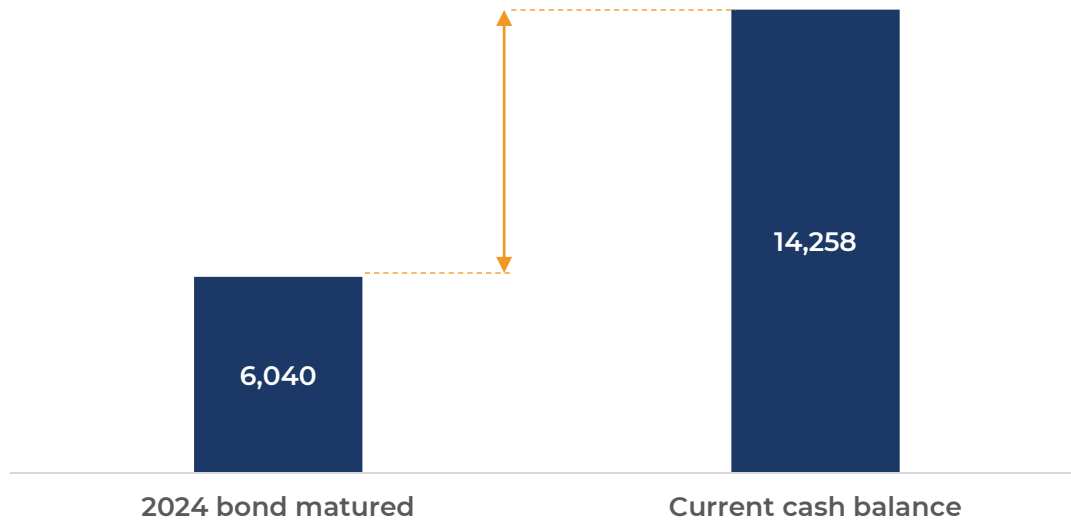


- FCF improved consistently over several quarters, with 3Q2023 FCF reaching VND2,002 billion, compared to VND125 in 3Q2022, thanks to more effective working capital management. Besides, the company tightened capital expenditures during such a challenging time for MHT, while WCM adopted a more cautious approach to store openings and shift towards renovation rather than opening all new stores.

Masan is looking for alternative options to increase cash position and reduce interest expenses

...with a reassuring level of liquidity for 2024...

2024 bond repayment obligation (VND million)



- Masan has extended debt maturity / repaid its 2023 debt obligations.
- In 2024, MSN's bond repayment obligation is VND6 trillion, **significantly lower than current cash balance of VND14 trillion.**



...further backed by equity investment from a reputable global investor with a straightforward and favorable structure

2022 Syndicated Loan	2023 Syndicated Loan	2023 CDPS ¹
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\$600 million

\$650 million

\$200 - 500 million



Objective: Deleveraging and strengthening MSN's balance sheet

Why CDPS?

- Equity-like with no cash interest; priced attractively vs. current MSN share price
- MSN is grossly underpriced given (i) consumers coming back, (ii) profit turnaround and (iii) other corporate initiatives.
- **No hedging structures that affect stock prices.**

(1) Convertible Dividend Preference Shares;



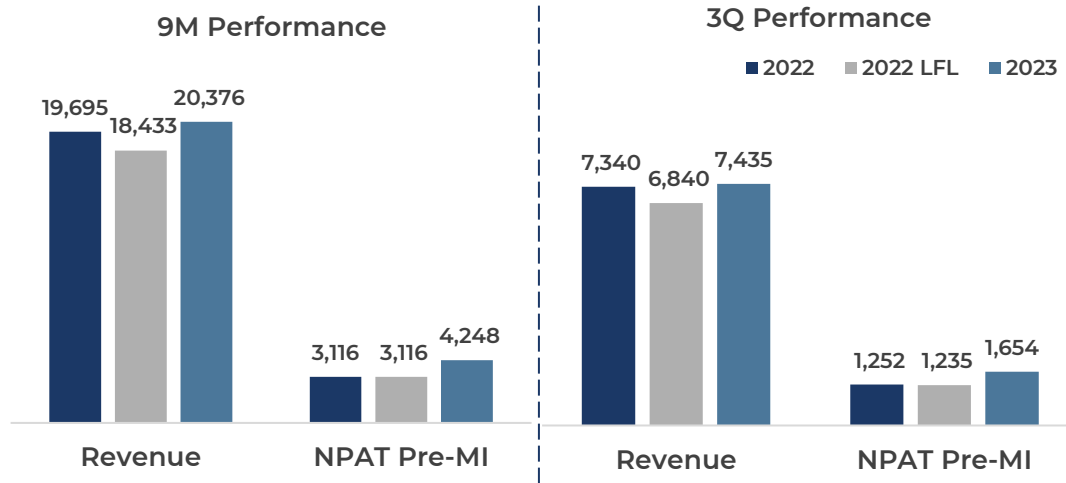
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3Q & 9M2023 Business Segments Commentary

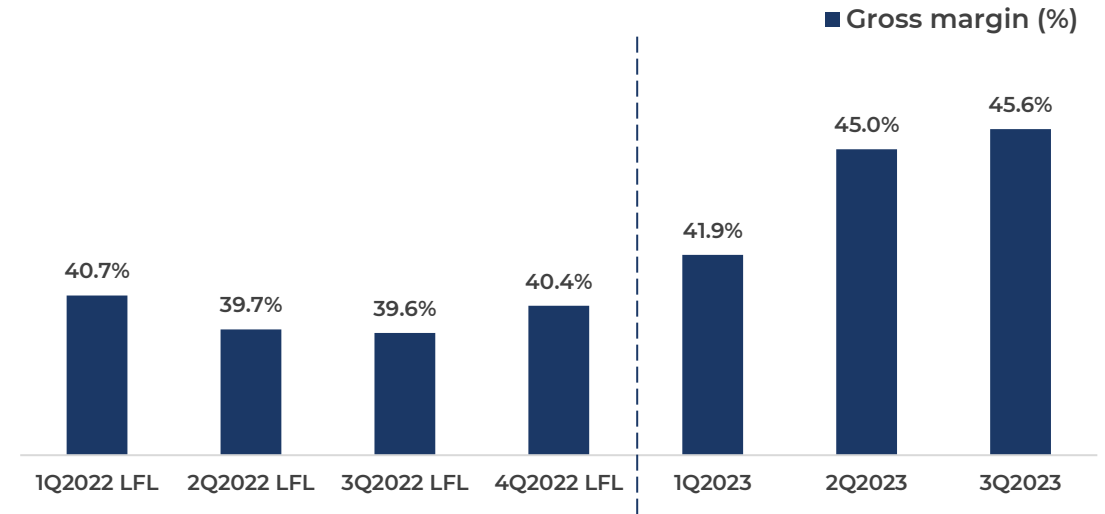


MCH delivered 10.5% YoY revenue growth in 9M2023 on a LFL⁽¹⁾ basis as well as significant profit margin expansion

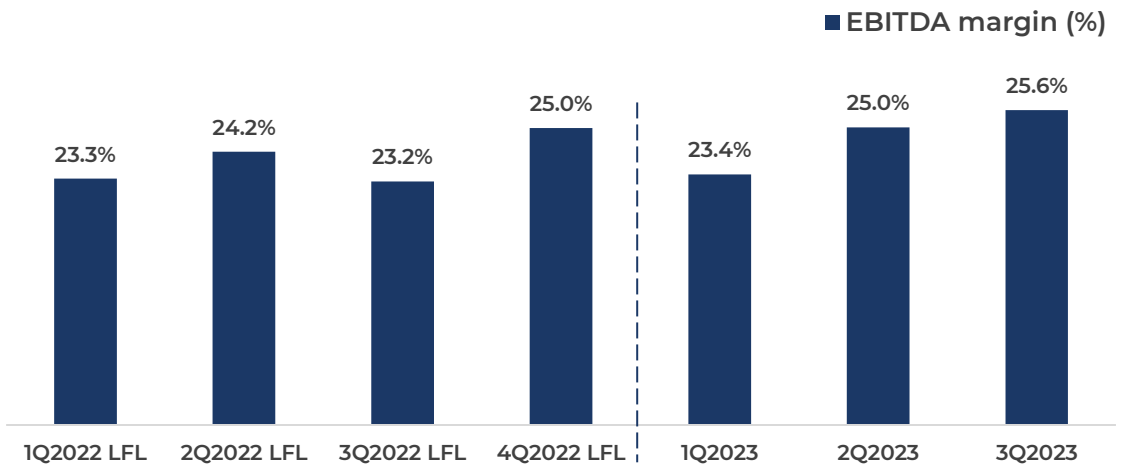
Revenue performance



Profit performance









- MCH executed against a tightened consumer spending environment but capitalized on consumer's need for value-for-money daily consumer staples i.e. Seasonings, Convenience Food, Home Personal Care.
- Strong growth was achieved through the modern trade channel with a YoY increase of 30.6% in 9M2023, accounting for 12.0% of total sales in 9M2023, compared to only 10.0% in 2022.
- Revenue from new product launch, a key growth driver, accelerated achieving revenue of VND349 billion in 3Q2023 compared to VND88 billion in 1Q2023 and VND163 billion in 2Q2023.
- Profit margins achieved the best results ever⁽²⁾ due to higher margin product mix, MCH's brand power and locked-in lower raw materials price at beginning of the year.



(1) LFL for MCH remove the contribution of processed meat in MCH's revenue in 2022

(2) Except for 3Q2021 which is Covid-19 abnormal period

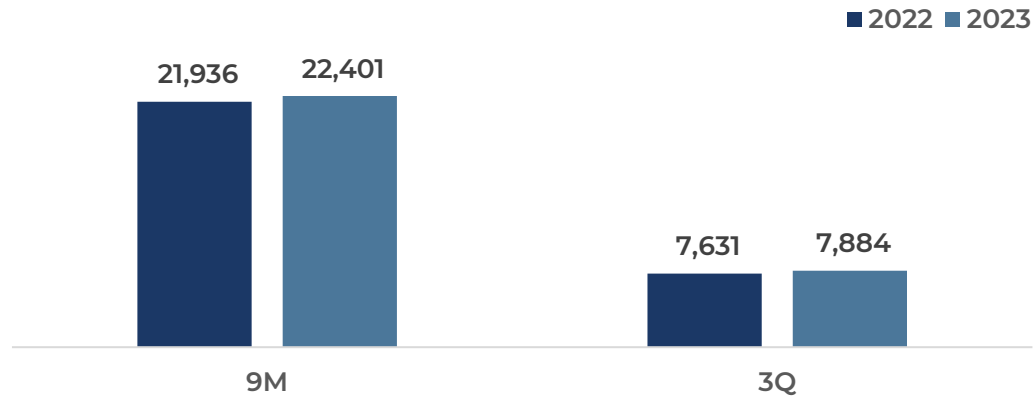
Seasonings, Home Personal Care, and Convenience Foods led the way

 <p>Seasonings</p>	 <p>Convenience Foods</p>	 <p>Beverages</p>	 <p>Home & Personal Care</p>	 <p>Coffee</p>	 <p>Beer</p>
<ul style="list-style-type: none"> Revenue: VND7,154 bn in 9M; VND2,670 bn in 3Q. Nam Ngu's revenue surged 27.7% YoY in 9M2023 and 13.5% in 3Q2023. 	<ul style="list-style-type: none"> Revenue: VND6,103 bn in 9M; VND2,346 bn in 3Q. Premium products contributed 45.8% to topline in 9M2023 compared to 43.7% in 9M2022. Kokomi increased gross margin by ~900 bps in 9M2023 compared to last year, driven by price increase, lower material & packaging cost YoY. 	<ul style="list-style-type: none"> Revenue: VND3,267 bn in 9M; VND1,070 bn in 3Q. Energy drink revenue grew by 0.4% YoY in 9M2023 despite the overall decline in the beverages segment. Nutri drinks increased by 15.1% to VND379 billion in 9M2023 and by 28.9% to VND143 billion in 3Q2023, support by B'fast's breakfast innovation. 	<ul style="list-style-type: none"> Revenue: VND1,274 bn in 9M; VND416 bn in 3Q. Chante, a newly launched product since 3Q2022 with high level of integration into the modern retail network of WCM, achieved impressive average quarterly growth of 61.0% to reach VND225 billion of net revenue in 9M2023. 	<ul style="list-style-type: none"> Revenue: VND1,060 bn in 9M; VND387 bn in 3Q. Vinacafe's revenue grew by 15.5% YoY in 9M2023 and flat in 3Q2023, mostly contributed by the core brand "Vinacafe 3in1". Wakeup's revenue also increased by 12.4% in 9M2023 and 16.9% in 3Q2023. 	<ul style="list-style-type: none"> Revenue: VND634 bn in 9M; VND204 bn in 3Q. 9M2023 was a challenging period for the beer sector, driven by increased enforcement of Decree 100⁽¹⁾ and heightened competition.
<p>Growth: 9M: +21.0% YoY 3Q: +16.6% YoY</p>	<p>Growth: 9M: +8.3% YoY 3Q: +10.8% YoY</p>	<p>Growth: 9M: +0.3% YoY 3Q: -5.6% YoY</p>	<p>Growth: 9M: +39.4% YoY 3Q: +24.5% YoY</p>	<p>Growth: 9M: +12.9% YoY 3Q: +7.3% YoY</p>	<p>Growth: 9M: -22.1% YoY 3Q: -22.0% YoY</p>

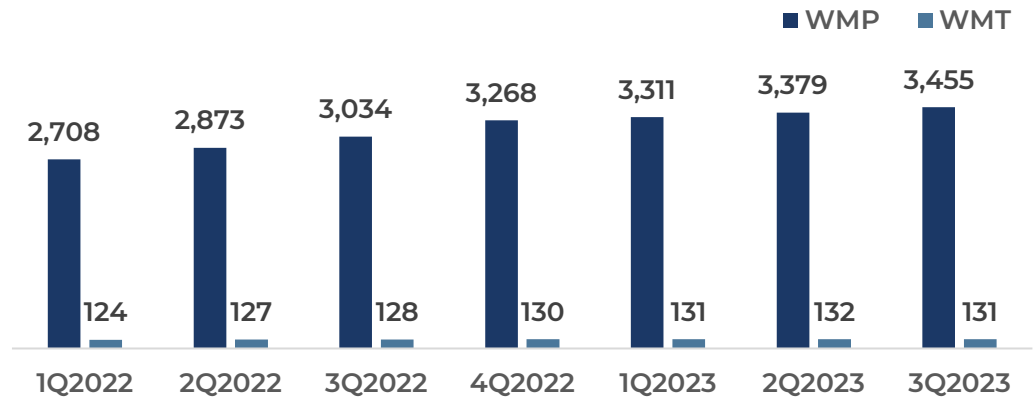


WCM achieved EBIT flat in 3Q2023, the first after Covid-19 abnormal period

WCM's revenue grew slightly (VND bn)



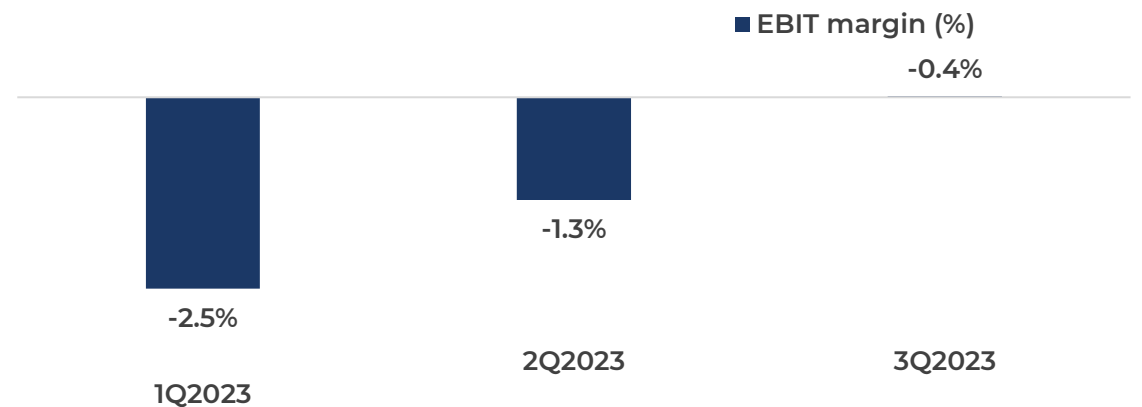
WCM opened 245 new WinMart+ stores (“WMP”) 9M2023 and 93 new WMP in 3Q2023...



Highlights

- Net revenue increased and 2.1% YoY in 9M2023 and 3.3% YoY in 3Q2023 thanks to net new store openings. Despite weakened consumer sentiment and slower new store openings, WCM was able to protect EBITDA margin at 2.9% in 3Q2023 and achieved EBIT flat for first time after Covid-19 abnormal period.
- WCM was more cautious about new store openings with 245 new minimart (“WMP”) locations and 2 new supermarket (“WMT”) outlets opened in 9M2023, ending September 2023 with 3,586 stores nationwide for both minimarts and supermarkets.
- EBIT margin recorded flat in 3Q2023, on path to turn positive for the first time since COVID-19 abnormal period.

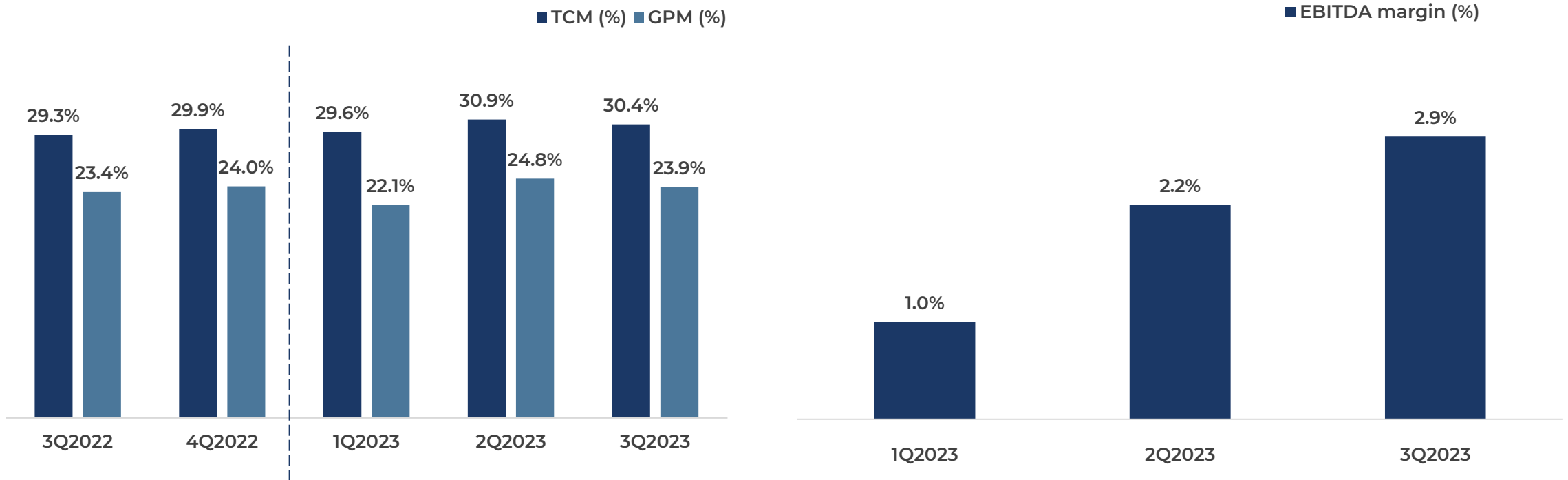
...and achieved EBIT flat for entire network in 3Q2023



WCM's profitability consistently improved

TCM and gross margins have been relatively stable...

...whilst EBITDA margin demonstrated QoQ momentum

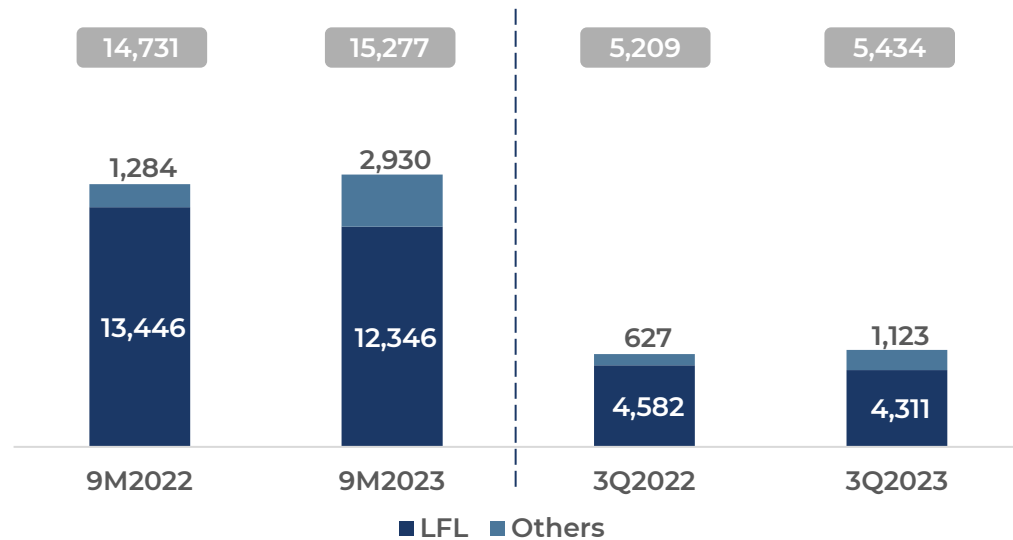


- WCM achieved healthy EBITDA growth in 3Q2023, reaching EBITDA margin of 2.9%, up from 2.2% in 2Q2023 and 1.0% in 1Q2023, in line with EBIT improving trend.

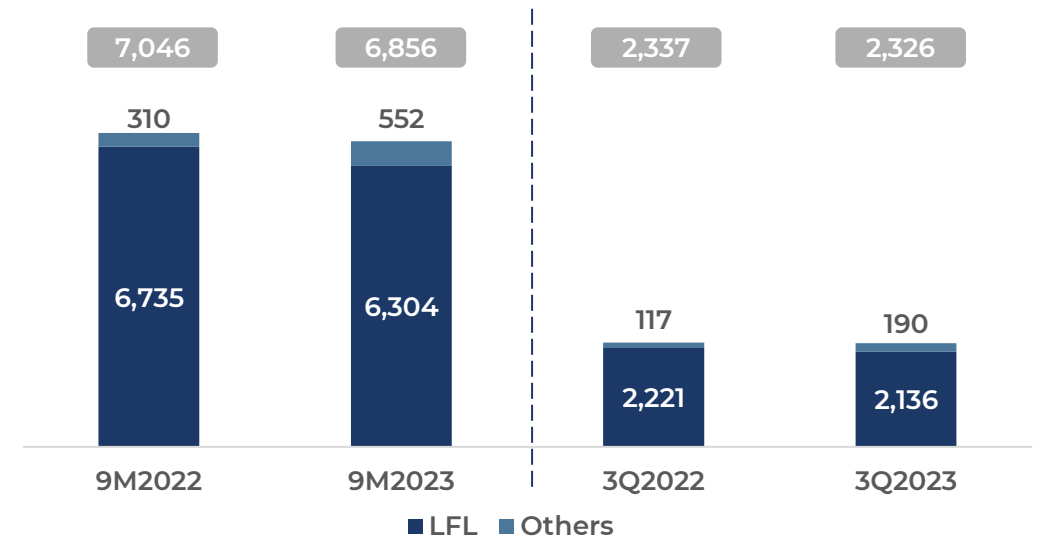


LFL⁽¹⁾ revenue showed improving momentum in 3Q2023 compared to 1H2023, indicating consumer sentiment has likely reached bottom in 2Q2023

Revenue from WMP (VND bn)



Revenue from WMT (VND bn)



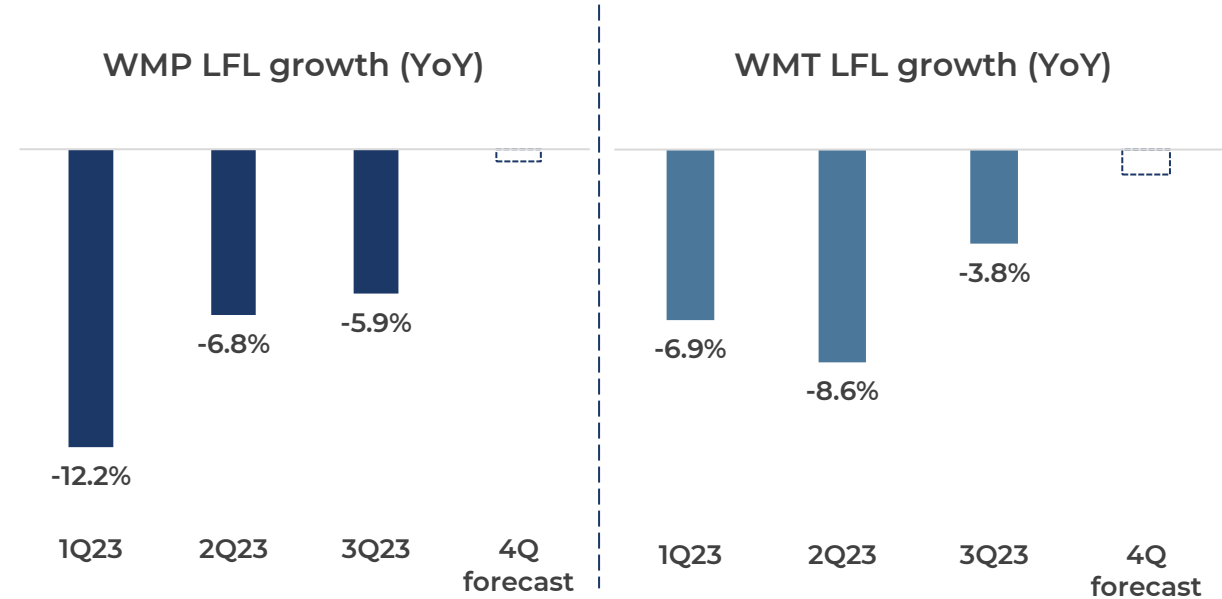
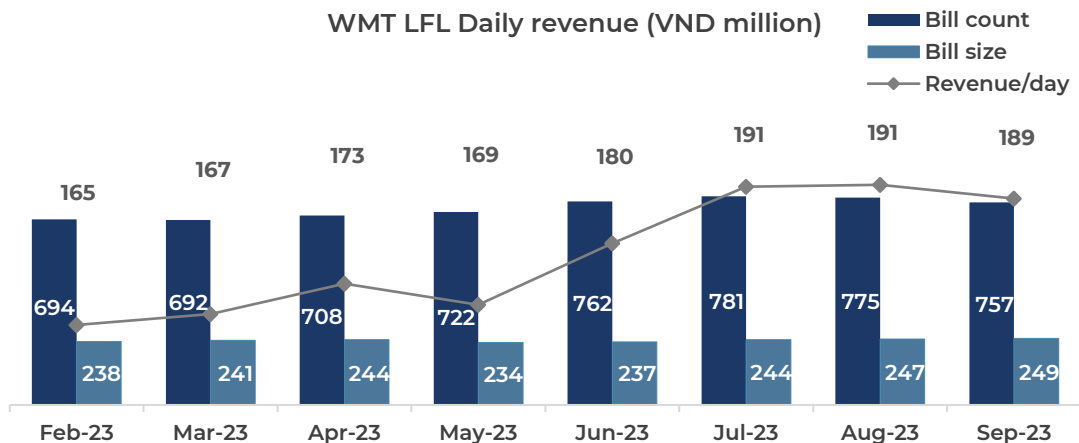
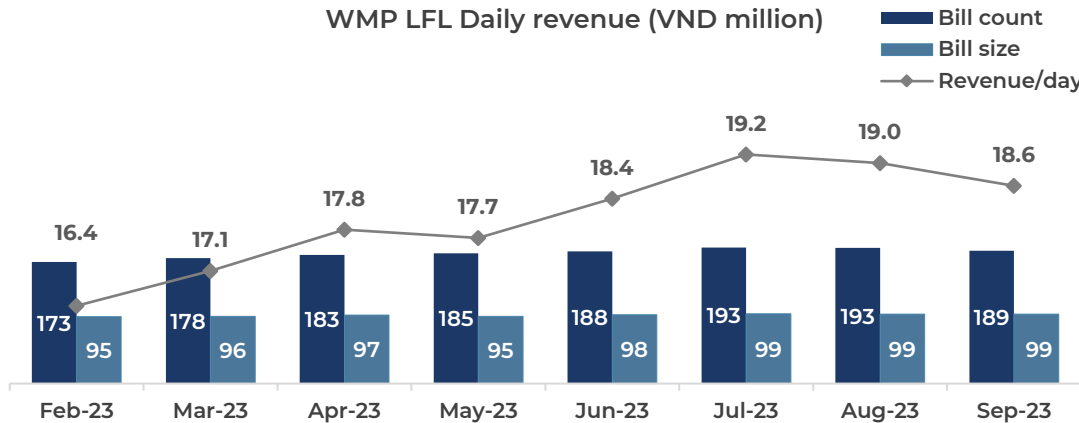
- WMP delivered net revenue of VND15,277 billion, up 3.7% compared to 9M2022 due to contribution of new stores vs. last year.
- LFL revenue growth improved slightly to -5.9% in 3Q2023 compared to -9.6% in 1H2023.

- WMT delivered net revenue of VND6,856 billion in 9M2023, down 2.7% from VND7,046 billion in 9M2022.
- LFL revenue growth improved to -3.8% in 3Q2023 compared to -7.7% in 1H2023.



LFL sales expected to return to 2022 levels by year-end, substantiated by the visible recent quarter-over-quarter improvements

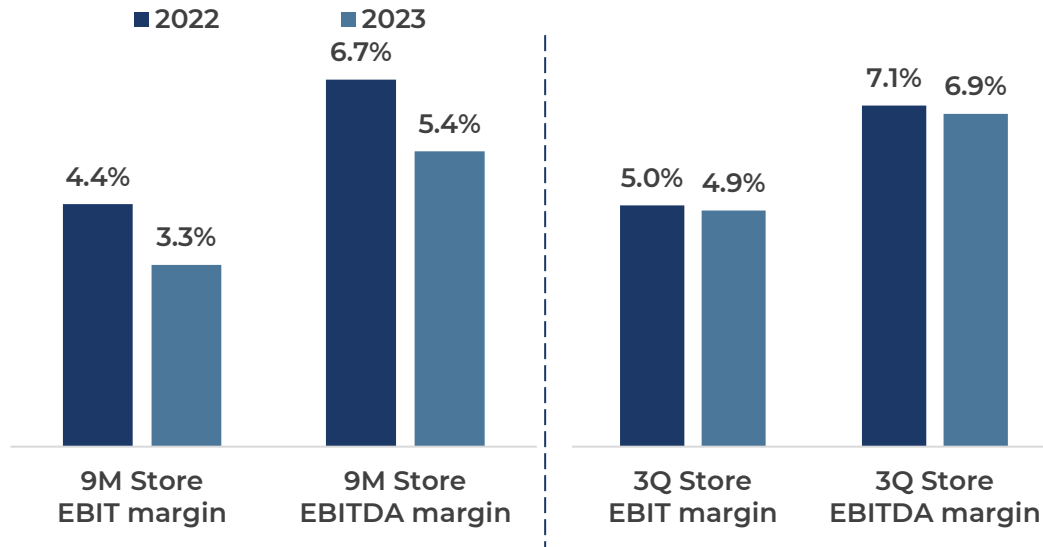
LFL Store revenue/day⁽¹⁾ reaccelerated since February... ..and LFL growth is improving for both formats



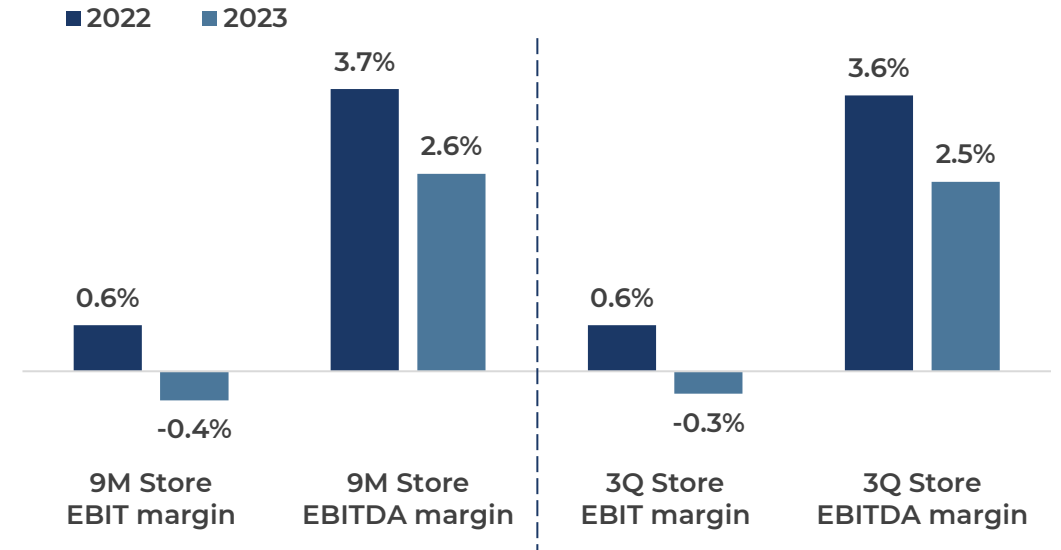
- Despite the overall decrease in LFL revenue in 9M2023, both store formats experienced a positive trend in terms of revenue per store on a month-over-month basis.
 - WMP LFL Revenue/day in 3Q2023 increased to ~VND19.0 million, up 15.8% compared to VND16.4 million in February.
 - WMT LFL Revenue/day in 3Q2023 increased to ~VND190 million, up 15.1% compared to VND165 million in February.

Lower LFL store-level margins⁽¹⁾ vs. prior year due to lower store revenue

WMP LFL⁽²⁾ margins



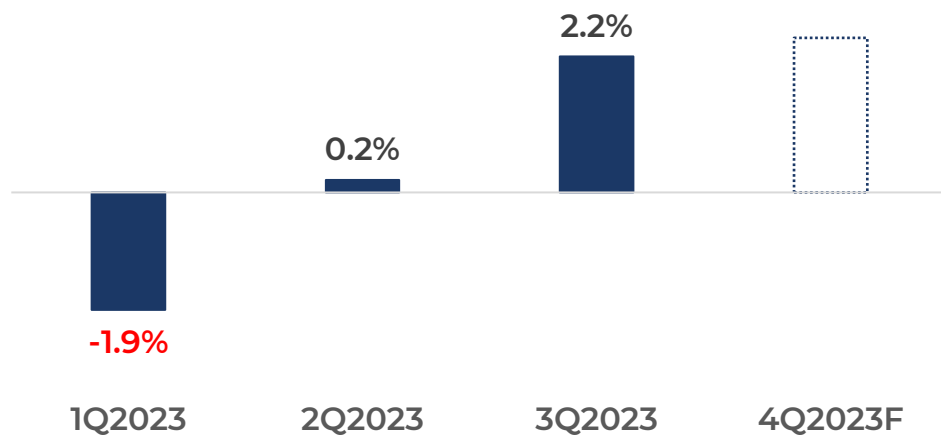
WMT LFL margins



- In 9M2023, store margin of WMP and WMT were down due to declined operating leverage as store revenue was negatively impacted by weaker consumer demand.
 - Decline in LFL margins of WMP stores in 9M2023 was primarily driven by a 13.0% drop in revenue in the South due to higher competitive intensity compared to the North's 7.8% decline.
 - Decline in LFL margins of WMT stores in 9M2023 was also driven by a 9.9% drop in revenue in the South compared to the North's 6.1% decline.
- LFL WMP Store margin for 3Q2023 showed significant improvement compared to the overall decline in 9M2023, indicating smaller gap when compare to the respective periods in 2022. Following that, the 3Q2023 EBITDA store margin reached 6.9%, down only 20 bps YoY while the 9M2023 EBITDA store margin reached 5.4%, down 130 bps.

Key Milestone: WCM's LFL minimart cohort has been NPAT break-even over the last 2 quarters, achieving 2.2% NPAT margin in 3Q2023

LFL minimarts NPAT margin (%)

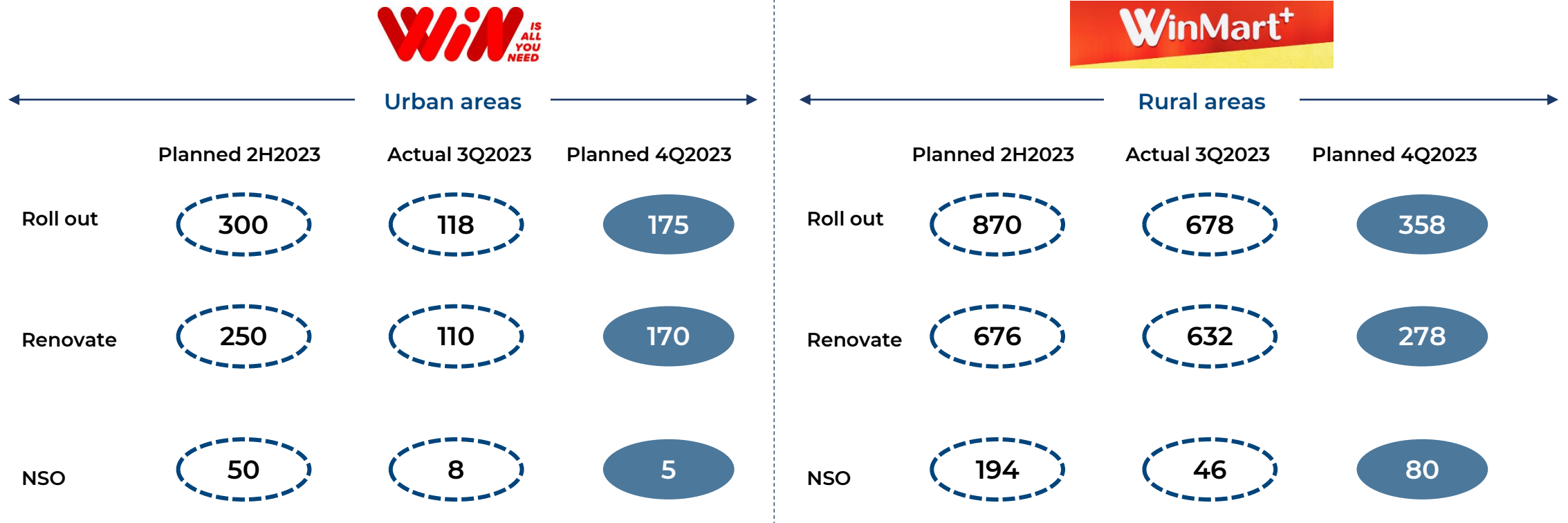


As LFL minimart accounts for 70% of minimart stores, this is an important foundation to reach NPAT positive for the rest of minimart network



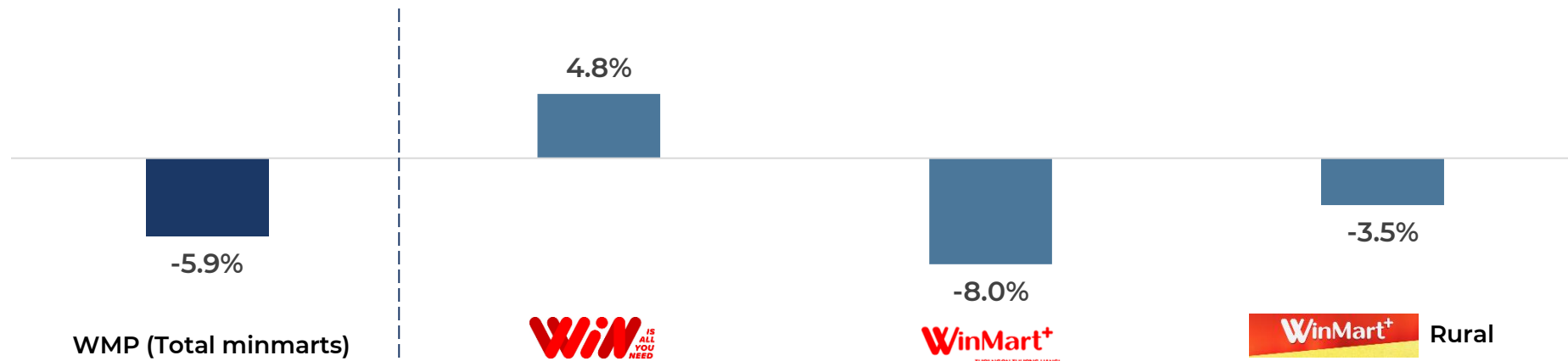


WCM store renovation on track - ~45% & ~95% of planned conversion in 2H2023 for WIN & WMP Rural achieved...



...and is delivering revenue uplift post renovation as envisioned

3Q2023 LFL growth (%)



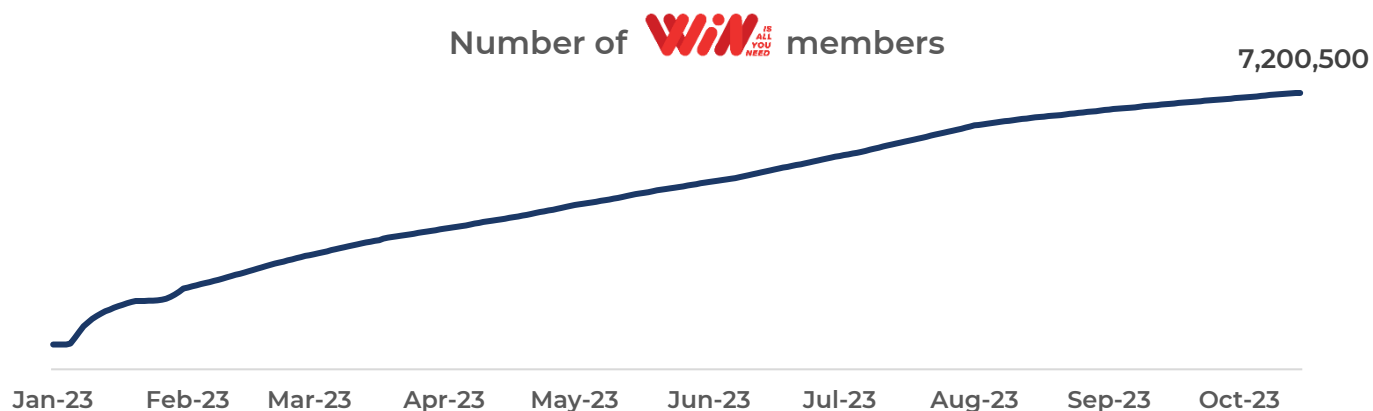
Area	Nationwide	Urban	Urban + Sub Urban	Sub Urban + Rural
Target customers		Middle class – Mass affluent seeking premium shopping experience, fresh produce and hyper convenience	Mass – Middle class in urban transitioning to modern trade shopping experience	Middle class in rural areas transitioning to modern trade shopping experience
Value proposition		One-stop-shop for daily needs addressing 80% of consumer wallet share	Consumer's daily needs / impulse purchase for grocery	Consumer's daily needs / impulse purchase for grocery in urban area
% Fresh contribution ⁽¹⁾	27%	33% <i>(more fresh to capture high quality fresh demand)</i>	27%	22% <i>(more FMCG catering to rural consumer preference for FMCG in MT)</i>
Revenue uplift vs. pre-converted stores		10%		15%



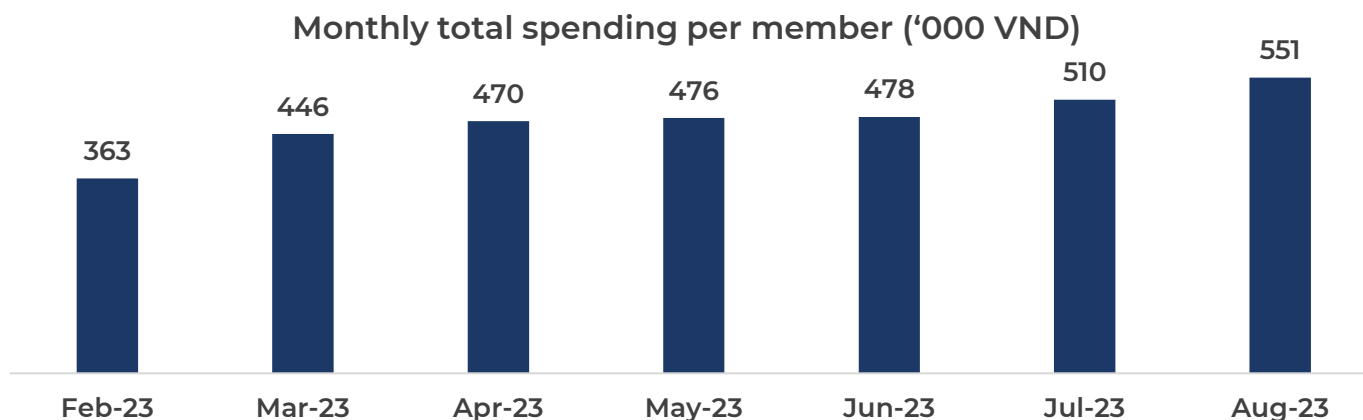
(1) Contribution to revenue from fresh produce in 9M2023

WIN Membership reached 7.2 million members with average member spending increased by 23% in August vs. March; Lazada and Phuc Long to join coalition in 4Q2023

WIN Member continues to grow its member base...



...while monthly total spending per member keeps improving



37%

Members are monthly active⁽¹⁾

3.4x

Monthly frequency⁽²⁾

51%

Revenue contribution

1.8x

Members' AOV to Non-members

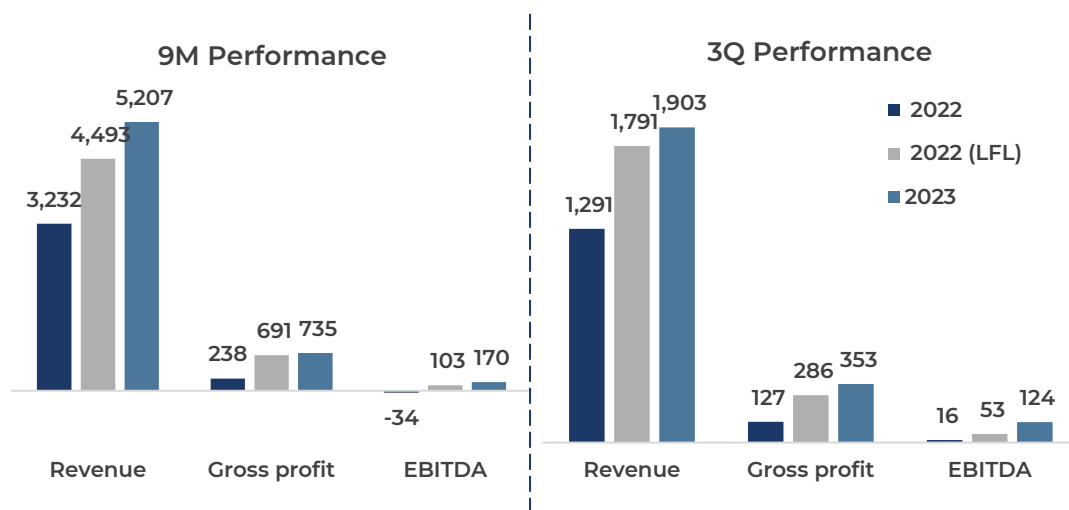
(1) % Monthly active member refers to Active members in August divided by Average Accumulated Members between the end of July and the end of August 2023

(2) Monthly frequency of members in August 2023

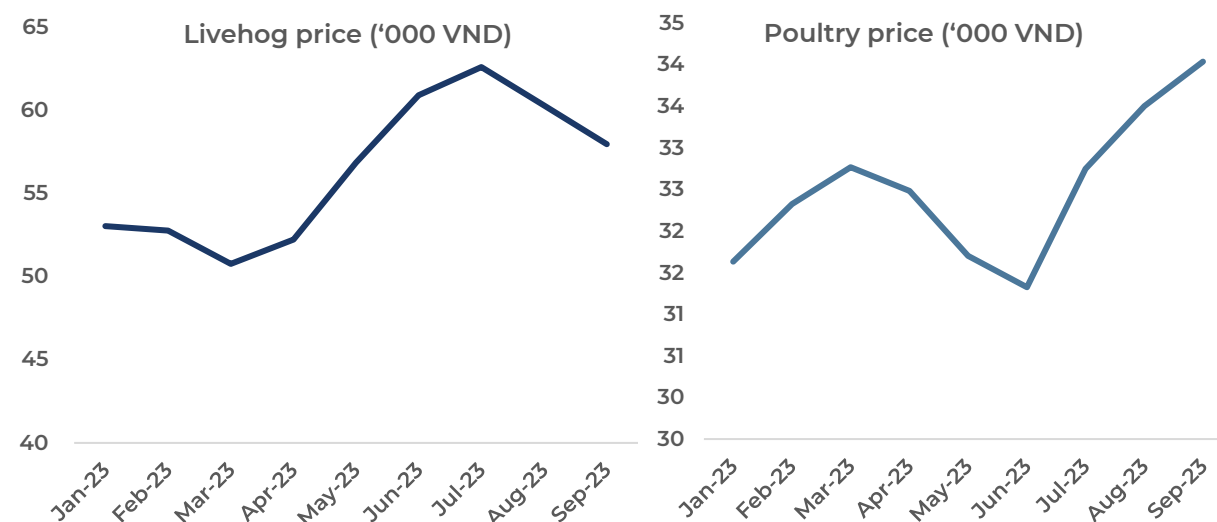
(3) Revenue contribution of members in August 2022, that of 8M2023 is 40%

MML delivered solid revenue and EBITDA growth

MML performance (VND bn)



Pork price (VND 000' / kg)

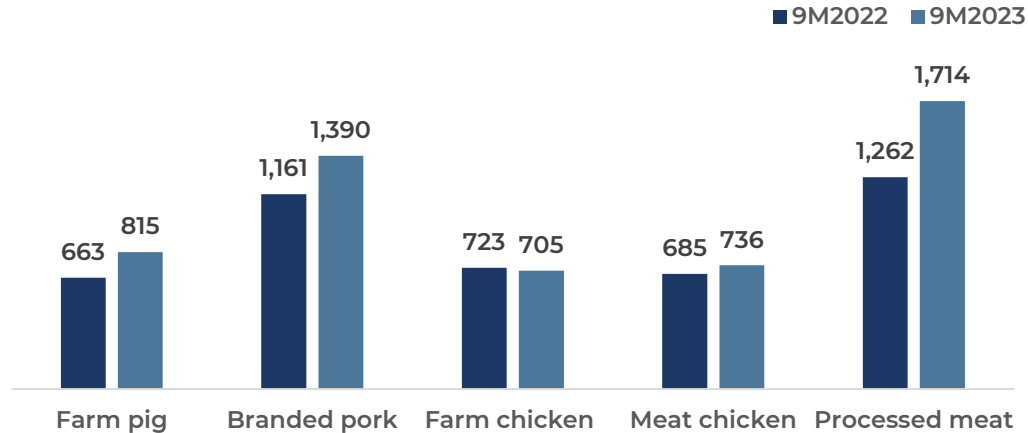


- MML's revenue increased by 61.1% YoY in 9M2023 and 47.5% YoY in 3Q2023, driven by stronger sales across all segments, notably processed meat with a remarkable 35.9% YoY growth in 9M2023 and 23.1% YoY growth in 3Q2023. On a LFL⁽¹⁾ basis, revenue increased by 15.9% YoY in 9M2023 and 6.3% YoY in 3Q2023.
- In 3Q2023, gross profit margin (LFL) was 18.6%, up 260 bps from 16.0% in 3Q2022. Meanwhile, in 9M2023, gross margin was 14.1%, down 130 bps from 15.4% in 9M2022.
 - Farm pig and farm chicken's gross margin in 3Q2023 improved significantly QoQ thanks to higher livehog and chicken broiler price compared to 1H2023. In 3Q2023, farm pig achieved gross margin of 30.8% (vs. 11.6% in 1H2023) and farm chicken reached gross margin of 14.4% (vs-17.1% in 1H2023).
- As a result, MML's profitability improved and has approached flat EBIT in 3Q2023 (vs. -6.3% in 2Q2023 and -5.3% in 1Q2023).

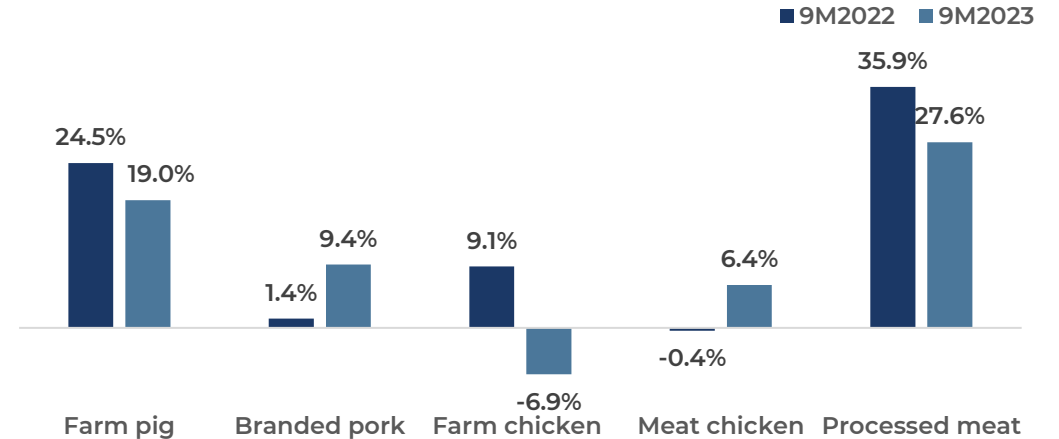


MML: Almost all segments recorded top line growth in 9M2023 driven by higher volume

Revenue by segments (VND bn)



Gross margin by segments

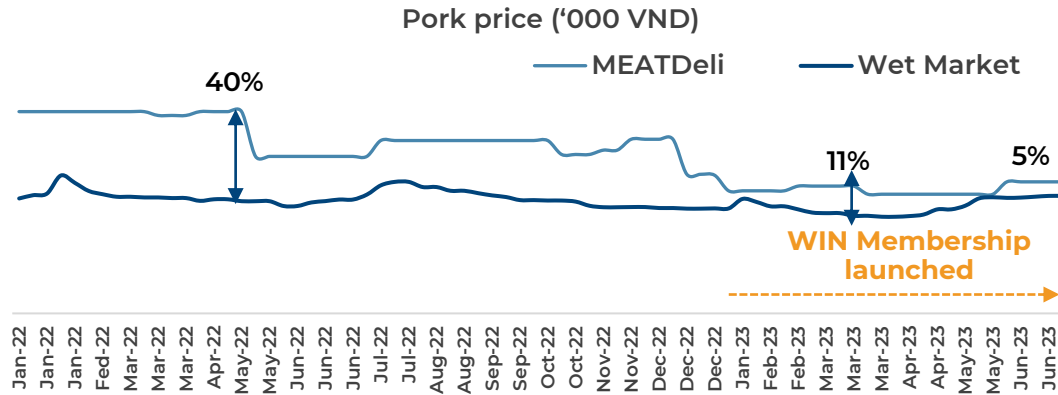


- Revenue increased across all segments, except for farm chicken, driven by higher volume.
 - Farm chicken (live poultry meat sold to business) revenue was impacted by both lower price and volume compared to last year. Currently, MML plans to actively rationalize the operation of chicken farm in 4Q2023.
- Branded pork: as MML closes the gap with wet market via exclusive prices for WIN members, volume of chilled meat has picked up by 19.9% YoY in 9M2023. Branded pork gross margin increased from 1.4% in 9M2022 to 9.4% in 9M2023 as MML strategy to drive volume growth started to yield tangible, particularly in terms of reducing production costs.
- Farm pig: as live hog prices started to recover since early 2Q2023, gross margin experienced quarter-over-quarter momentum and increased to 30.8% in 3Q2023, from 0.2% in 1Q2023 and 22.9% in 2Q2023, pushing 9M2023 gross margin to 19.0%.
- Meat chicken (poultry meat sold under MML's brands to consumers): topline increased by 7.4% YoY in 9M2023 driven by higher volume with gross margin improving significantly to 6.4% in 9M2023 from -0.4% in 9M2022, driven by lower input poultry prices and reduced production costs.
- Processed meat: topline increased by 35.9% YoY in 9M2023 driven by higher volume. However, gross margin decreased from 35.9% in 9M2022 to 27.6% in 9M2023 due to (i) increase in material cost, (ii) higher conversion cost as MML new factory in the North was put in operation late 2022, and (iii) promotional scheme to gain share from competitors.

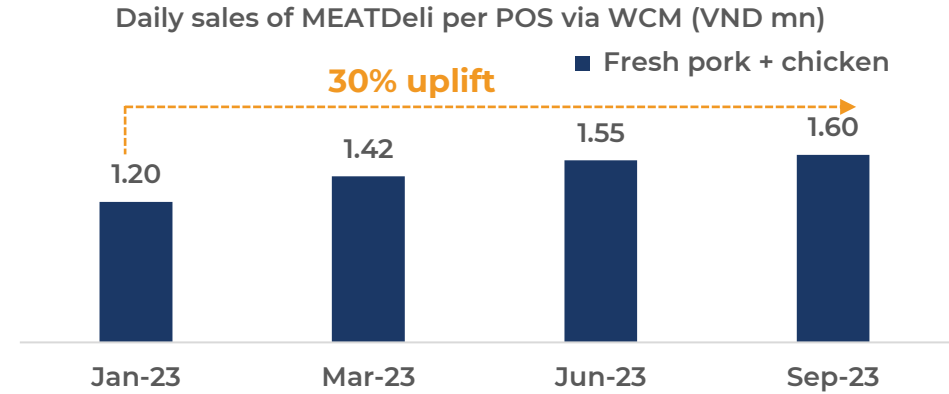


MML's competitive and dynamic price strategy started to yield tangible results, boosting volume and utilization rate for long-term profitability

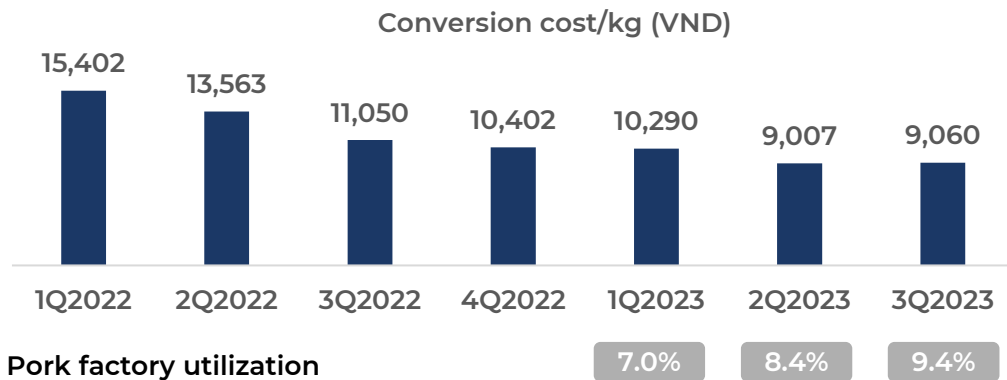
Price reduction to stay increasingly competitive with wet market...



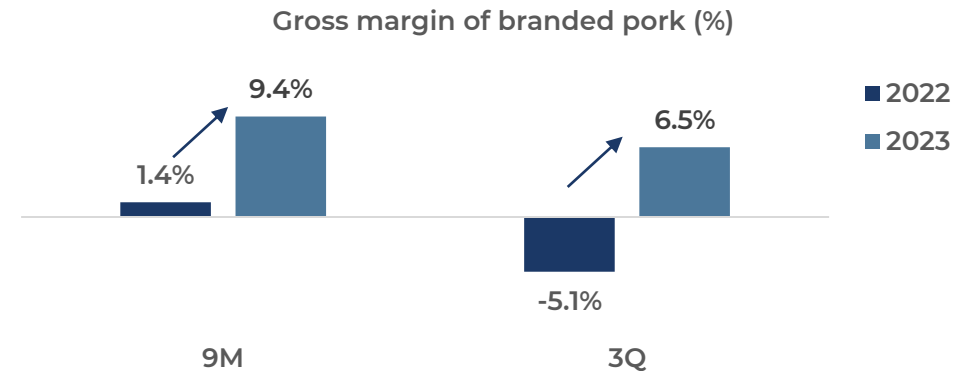
...resulted in 30% sustained daily revenue uplift for MEATDeli products in WCM's outlets...



Higher volume led to higher utilization rate of pork factory, lowering unit costs...



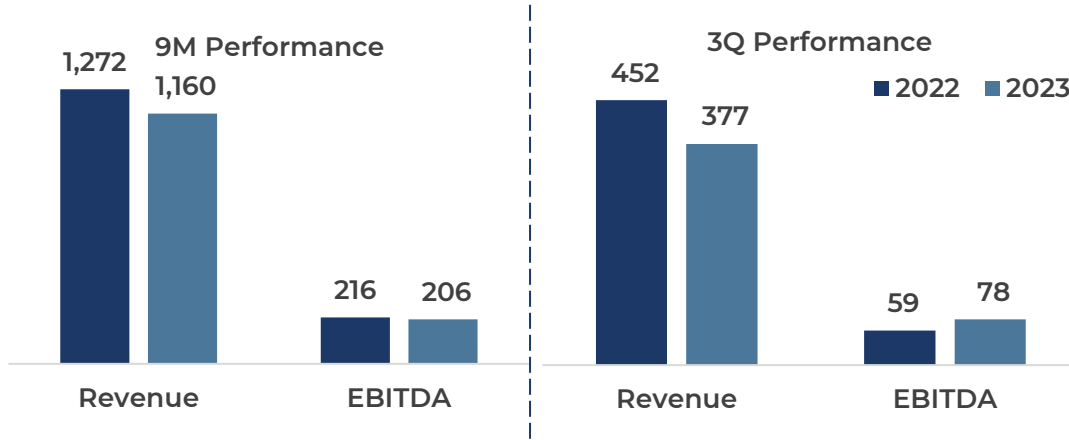
...and a more sustainable path towards profitability



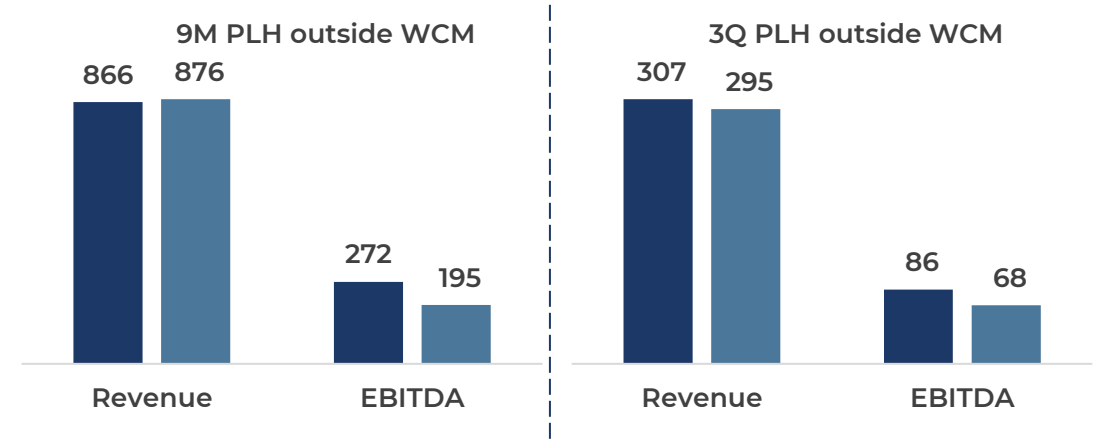


While revenue has been impacted as consumers cut back on out-of-home consumption, PLH improved profitability by rationalizing kiosk footprints

Kiosk footprints rationalized to protect profitability

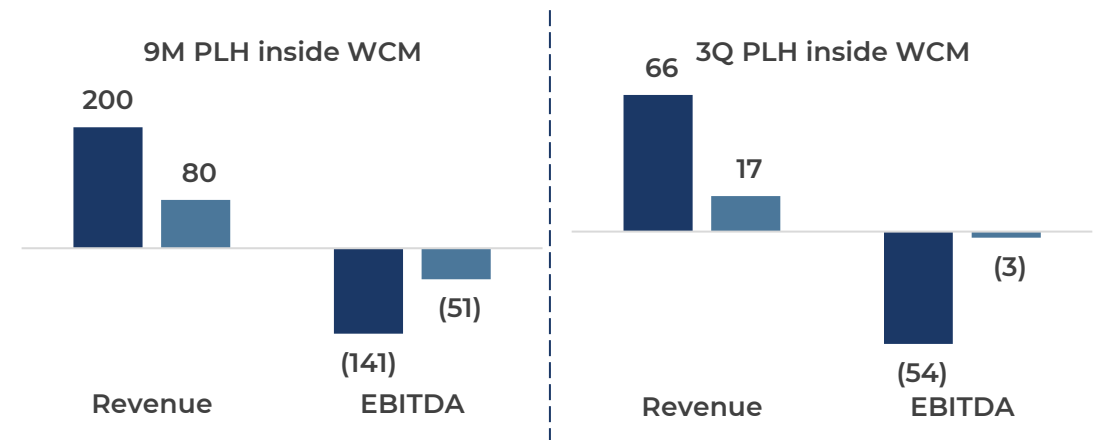


Performance of PLH outside WCM⁽¹⁾



- PLH net revenue⁽²⁾ declined by 8.8% YoY in 9M2023 and by 16.5% YoY in 3Q2023. These results can be attributed to the challenging macro environment impacting store performance. Due to this situation, management adopted a cautious approach towards opening new flagship stores, resulting in only 6 new standards stores in 3Q2023.
- EBITDA margin improved by 380 bps to 20.8% in 3Q2023 compared to 17.0% in 2Q2023 due to the rationalization of the kiosk footprint (PLH inside WCM) to minimize future losses.
- PLH outside WCM segment experienced positive growth in revenue, reaching VND876 billion in 9M2023, which represented a 1.1% YoY growth.

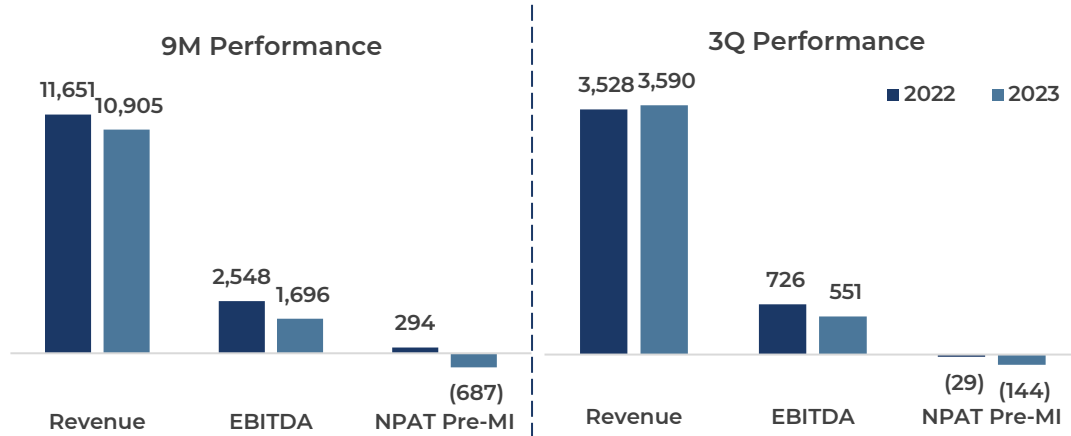
Performance of PLH inside WCM



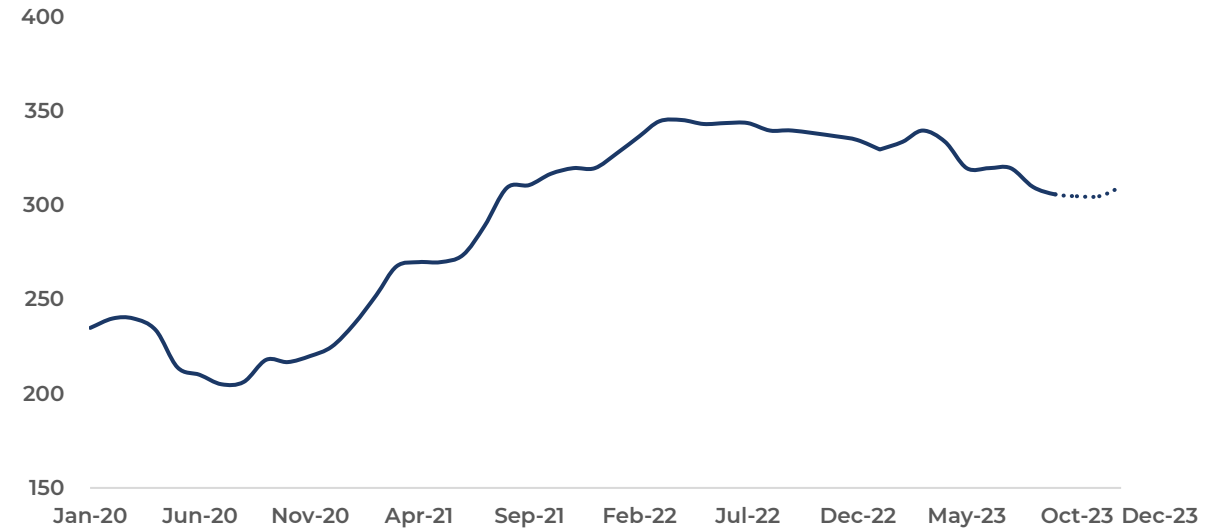


MHT performance continued to be impacted by blasting issue and lower customer demand due to challenging macro environment

MHT performance (VND bn)



APT price (USD / mtu)

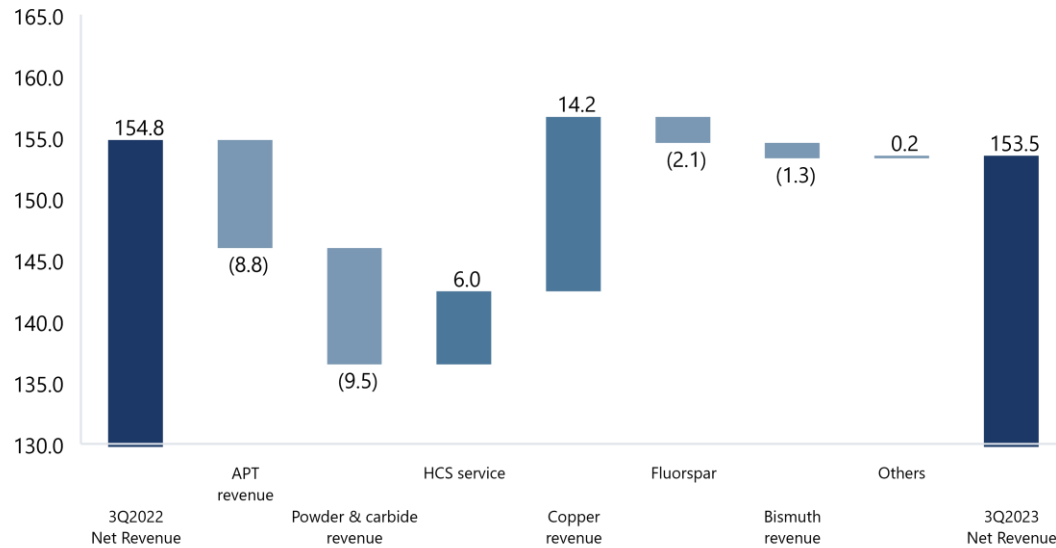


- MHT revenue decreased 6.4% YoY in 9M2023 due to:
 - Negative impact from lower feed grade and the suspension of the blasting unit impacting NPMC production volumes. MHT has been in active discussions to engage a new blasting contractor and resume NPMC operations, with a view to optimizing costs.
 - HCS’s revenue declined 11.5% in 9M2023 and 3.5% in 3Q2023 due to lower demand from customers, especially in North America and Europe, as a result of continued challenging economic environment.
 - Lower APT price.
- In line with the decrease in revenue, EBITDA also decreased 33.5% YoY in 9M2023 to VND1,696 billion.
- MHT sold 13,400 dmt of copper in 3Q2023 and 26,893 dmt of copper in 9M2023.

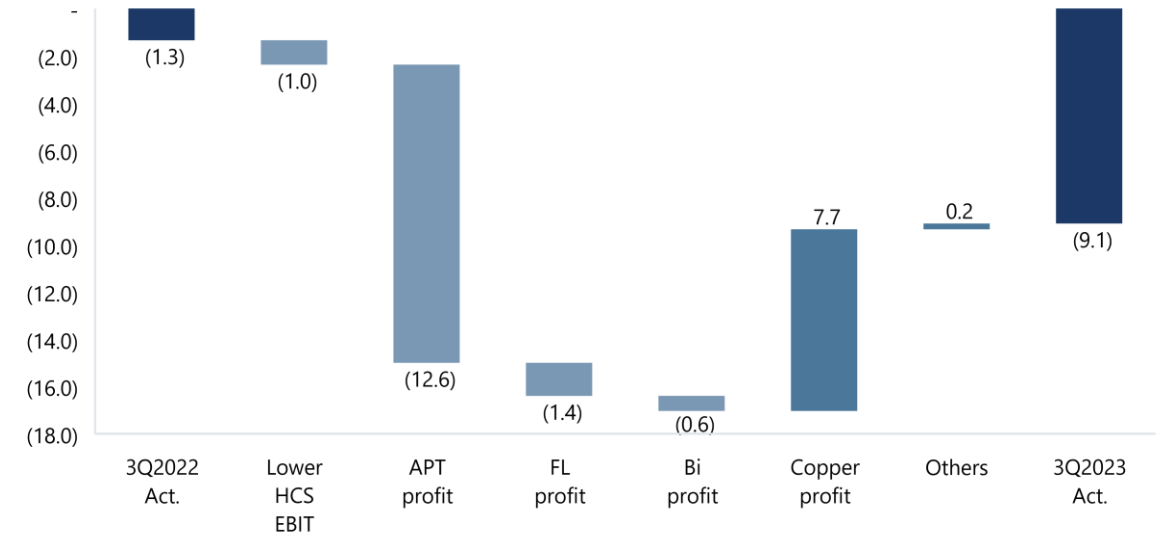


Profit declined in 3Q2023 driven by lower APT profit due to blasting delay

MHT revenue bridge 2Q2023 vs 2Q2022 (USD mn)



MHT NPAT bridge 2Q2023 vs 2Q2022 (USD mn)



- In USD currency, MHT revenue decreased by 0.8% in 3Q2023 due to lower volume sold from weaker demand book at HCS, lower NPMC production quantity due to lower feed grade and the suspension of blasting unit, as well as lower selling price. Tungsten price in 3Q2023 is at avg. of \$312/mtu, 9% lower than price of 3Q2022 \$341/mtu.
- Powder and carbide revenue drop by \$9.5m driven by \$7.9m lower quantity sold together with \$1.6m lower unit price.
- Copper revenue increase by \$14.2m due to 13.4k dmt delivered to domestic customer in 3Q2023.
- Fluorspar revenue reduce by \$2.1m due to lower quantity sold in 3Q2023 driven by lower production quantity.
- Bismuth revenue also saw a decreasing trend in 3Q2023 when delivering less 253t in comparison with 3Q2022.



04

4Q2023 Key Initiatives

Key initiatives for each business in 4Q2023



- Continue to focus on innovation for beverages, HPC and convenience products to end the year strong.
- Test new targeted marketing and product launch model in collaboration with WIN Membership and WCM.
- Continue growing export to make this segment a bigger contribution to top line sales in 2024.



- Focus on improving LFL growth to reach per store revenue level of 4Q2022.
- Test new targeted marketing model in collaboration with WIN Membership.
- Target EBIT positive in 4Q2023.



- Improve daily sales in WCM to 2 million per day by focusing on dynamic pricing strategy to improve slow items sales, integrated planning with WCM to deliver the right assortment to the right store.
- Better margin at farm by controlling feed cost.
- Enhance brand experience as a Meat destination in WCM outlets, fostering customer loyalty and driving sales growth.








- Relaunch “Di san Phuc Long” campaign to improve daily sales at existing stores by, accelerating mass marketing program.
- Open 11 new stores in 4Q2023.
- Joined WIN Membership coalition to improve loyalty offerings for consumers.



- Increase volume of sold materials. Continue effort to sell down copper inventory with 18,000 dmt of Copper to be sold in 4Q2023.
- Continue to execute on cost optimization activities, focusing on operations and procurement.
- Explore strategic alternatives to deleverage.
- Resolve blasting issues with contractor.

Masan is exploring alternatives in the capital market to extend its debt maturities, improve interest rates, and unlock earnings via deleveraging. At the same time, the Company will continue to invest in initiatives that unlock the ecosystem synergy such as membership program and shared logistics system to materialize the consumer – tech strategy.

Clear short-to-medium term blueprints to enhance shareholder value

KEY PILLARS	ACTION PLAN
 Deleverage to improve balance sheet	<ul style="list-style-type: none">▪ Target Net debt / EBITDA of $\leq 3.5X$.▪ Reduce financial expenses.
 Sell down and/or reduce interests in non-core businesses	<ul style="list-style-type: none">▪ Advance discussions to sell down or reduce interests in non-core businesses.▪ Strategic partnership / investment into subsidiaries that can fund future growth and support deleverage.
 Listing of consumer-retail platform	<ul style="list-style-type: none">▪ Unlock value of the consumer-retail platform.▪ Proceeds to reduce leverage.
 Improve profitability of core consumer businesses	<ul style="list-style-type: none">▪ Target WCM's EBIT positive in 4Q2023.▪ Consumer demand recovery in 2024.▪ Maintain double-digit growth for MCH.
 Strict capital allocation strategy	<ul style="list-style-type: none">▪ Strict capital allocation criteria to only invest in key capabilities that can enhance the current consumer-retail ecosystem.▪ Maintain sustainable gearing ratios to manage risks without sacrificing growth.▪ Partnerships to expand consumer offerings and gain more wallet share.



Thank you!

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GROUP

