



Ho Chi Minh City, January 29, 2021

**PRESS RELEASE**

**Ref: 4Q2020 AND FY2020 BUSINESS RESULTS**

***ACHIEVED THE 2020 REVENUE GUIDANCE, THE FIRST VIETNAMESE COMPANY NAMED IN “ASEAN ASSET CLASS”***

*Vietnam Dairy Products JSC (“Vinamilk”) today announced financial results for its fiscal 2020 fourth quarter (“4Q2020”) and the full year 2020 (“FY2020”). Overcoming the challenges of 2020, Vinamilk has achieved the annual guidance with the consolidated total revenue reached VND 59,723 billion, up 5.9% year-on-year (YoY) and has led GTNFoods and Mocchau Milk, its member companies, to grow impressively within just 1 year after the merger.*

See full financial statements at <https://www.vinamilk.com.vn/en/investor-relations/financial-reports>

**Summary of 4Q2020 and FY2020 consolidated financial results – Vinamilk:**

(VND billion)	4Q2020	4Q2019	Change	FY2020	FY2019	Change
<b>Total revenue</b>	<b>14,430</b>	<b>14,256</b>	<b>1.2%</b>	<b>59,723</b>	<b>56,400</b>	<b>5.9%</b>
<b>Net revenue</b>	<b>14,425</b>	<b>14,239</b>	<b>1.3%</b>	<b>59,636</b>	<b>56,318</b>	<b>5.9%</b>
<i>Domestic</i>	<i>12,122</i>	<i>11,734</i>	<i>3.3%</i>	<i>50,842</i>	<i>47,555</i>	<i>6.9%</i>
<i>Overseas</i>	<i>2,303</i>	<i>2,505</i>	<i>-8.1%</i>	<i>8,794</i>	<i>8,764</i>	<i>0.3%</i>
<b>Gross profit</b>	<b>6,658</b>	<b>6,680</b>	<b>-0.3%</b>	<b>27,669</b>	<b>26,572</b>	<b>4.1%</b>
<i>Domestic</i>	<i>5,554</i>	<i>5,456</i>	<i>1.8%</i>	<i>23,499</i>	<i>22,434</i>	<i>4.7%</i>
<i>Overseas</i>	<i>1,104</i>	<i>1,224</i>	<i>-9.8%</i>	<i>4,169</i>	<i>4,138</i>	<i>0.7%</i>
SG&A expenses	4,512	4,183	7.9%	15,406	14,390	7.1%
Other non-interest financial gain/(loss)	551	188	193.4%	1,399	722	93.8%
<b>EBITDA</b>	<b>3,243</b>	<b>3,188</b>	<b>1.7%</b>	<b>15,871</b>	<b>14,853</b>	<b>6.9%</b>
Depreciation & Amortization	545	503	8.3%	2,209	1,948	13.4%
Interest expenses	26	36	-27.8%	144	109	32.1%
<b>Profit before tax</b>	<b>2,672</b>	<b>2,649</b>	<b>0.9%</b>	<b>13,519</b>	<b>12,796</b>	<b>5.7%</b>
Income tax	436	473	-7.9%	2,283	2,242	1.8%
<b>Net profit after tax</b>	<b>2,236</b>	<b>2,176</b>	<b>2.8%</b>	<b>11,236</b>	<b>10,554</b>	<b>6.5%</b>
<b>Earnings per share (VND)</b>	<b>936</b>	<b>950</b>	<b>-1.5%</b>	<b>4,770</b>	<b>4,565</b>	<b>4.5%</b>

**Summary of 4Q2020 and FY2020 consolidated financial results – Mocchau Milk**

(VND billion)	4Q2020	4Q2019	Change	FY2020	FY2019	Change
Net sales	681	607	12.2%	2,823	2,558	10.3%
Gross profit	225	129	74.4%	888	487	82.3%
Net profit after tax	72	43	67.4%	281	167	68.2%
Earnings per share (VND)	803	545	47.3%	3,772	2,310	63.3%

## 1. Analysis of net revenue:

**In 4Q2020**, the consolidated net revenue was VND 14,425 billion, posting an 1.3% YoY growth, in which:

**Domestic business achieved net revenue of VND 12,122 billion, an 3.3% YoY increase** thanks to the consolidation of GTNFoods (“GTN”). GTN’s dairy arm – Mocchau Milk (“MCM”) – recorded net revenue of VND 681 billion, growing by 12.2% YoY on the back of higher consumer demand for their product, combined with the new expansion and distributor support policies. In December 2020, MCM was officially listed on UPCoM (ticker “MCM”), marking the maturity in business and corporate governance.

**Overseas business achieved net revenue of VND 2,303 billion, in which direct export contributed VND 1,534 billion and overseas subsidiaries contributed VND 769 billion.** The highlight of overseas business in 4Q2020 was Angkor Milk, Vinamilk’s a subsidiary in Cambodia, which reported nearly 20% YoY revenue growth.

**In FY2020**, total revenue was VND 59,723 billion, increased 5.9% YoY and completed 100% of the annual guidance. Consolidated net revenue was VND 59,636 billion, in which:

- Domestic net revenue was VND 50,842 billion, up 6.9% with stable market share compared to 2019 thanks to appropriate marketing strategies. MCM alone, net revenue was VND 2,823 billion, an increase of 10.3% YoY and completed 97% of the annual guidance.
- Overseas net revenue was VND 8,794 billion, in which direct export contributed VND 5,561 billion and overseas subsidiaries accounted for VND 3,233 billion. Amid the economic uncertainties, Vinamilk’s direct export business marked multiple milestones in 2020, contributing significantly to the domestic dairy industry, posting a revenue growth of 7.4% YoY. Besides promoting the business in traditional markets, Vinamilk continuously expanded its brand presence to new markets such as Korea, China, Singapore, Southeast Asian and African regions... Started to export in 1997, Vinamilk products have now been available in 56 countries and territories with accumulative turnover of more than USD 2.4 billion.

## 2. Analysis of profit margins and cost structure:

Consolidated gross profit margin (“GPM”) in 4Q2020 was 46.2%, slight decreased by 76 basis points (“bps”) YoY due to GTN consolidation. MCM’s GPM was 33%, a significant improvement from 21.3% in 4Q2019, as a result of multiple successful cost effectiveness initiatives.

Consolidated SG&A expenses in 4Q2020 was VND 4,512 billion, equivalent to 31.3% of net revenue versus 29.4% in 4Q2019. This ratio increased as Vinamilk increased sales activities in late 4Q2020 to offset the impact of flood in the Central region at the beginning of the quarter.

Consolidated net profit after tax (“NPAT”) in 4Q2020 was VND 2,236 billion, up 2.8% YoY. Net profit margin (“NPM”) was 15.5%, increased by 22 bps YoY. For MCM, NPAT reached VND 72 billion, yielding the double-digit growth of 67% YoY thanks to the expanded GPM and CIT incentives. By taking proactive approach in normalizing the operation after the merger, NPAT of GTN reached VND 95 billion versus the loss of VND 63 billion in 4Q2019.

**In FY2020**, consolidated GPM was 46.4%, a decrease of 78 bps YoY. Consolidated NPAT reached VND 11,236 billion and completed 105% of the annual guidance. NPM margin was 18.8%, slightly improved YoY. For GTN and MCM, NPAT was VND 251 billion and VND 281 billion respectively, completed the annual guidance by 254% and 179%. This profit indicates a 37-times YoY increase for GTN while MCM also grew impressively by 68%. The gross payment to the State budget by Vinamilk and member companies was more than VND 5,200 billion, a 10% increase YoY.

### **3. Other operational highlights:**

**In 4Q2020, Vinamilk received several recognitions from local and foreign organizations., specifically:**

- Vinamilk is the only and first Vietnamese company to be honored as “ASEAN Asset Class”, and at the same time rated in the Top 3 listed Vietnamese companies according to the 2019 ASEAN corporate governance score card, as part of the ASEAN Corporate Governance Initiative of the ASEAN Capital Market Forum;
- Led the top 100 Vietnamese sustainable enterprises (CSI100) and for the 3rd consecutive year recognized as the best workplace in Vietnam by the human resource consulting agency Anphabe.
- Vinamilk also impressively won 3 First Prizes which are Best Corporate Governance (for large cap group), Best Annual Report and Best Sustainability Report for Listed Companies in 2020 in a competition organized by HOSE, HNX and The Investment Newspaper
- Vinamilk was awarded “Ho Chi Minh City’s Golden Brand” by Ho Chi Minh City Department of Industry and Trade

#### **Excellence in community programs:**

- Vinamilk donated nearly VND 4 billion in flood relief effort in the Central region.
- Vinamilk has been awarded the Best Environmental Excellence Award (Bronze Award) at the 2020 Global CSR Awards for its "1 Million Trees for Vietnam" fund. This comes as the scheme passes its target and plants 1.121 million trees in Vietnam.
- Vinamilk’s continuous effort in CSR activities has enabled Vinamilk to be recognized as the Best Overall CSR excellence in Vietnam, by the Global CSR Awards 2020.

In 2020, Vinamilk has launched and re-launched more than 15 products to meet the needs of nutritional supplements and strengthen consumers’ immunity. Noticeably are high-end products such as UHT milk and Grow Plus infant formula containing Bird’s Nest, “Love Yogurt” eating yogurt, “Love Fruit” premium fruit juices...

Net cash balance as at 31/12/2020 was VND 12,142 billion, equivalent to 1/4 of total assets and increases by 23.6% compared to the beginning of the year.

As of December 31, 2020, Vinamilk shares closed at VND 108,800, equivalent to a trailing-twelve-month P/E ratio of 22.6x (estimated by Vinamilk). At this price, Vinamilk’s stock yielded a 12.9% increase YTD.

-----

## **ABOUT VINAMILK**

Vinamilk is the leading nutrition company in Vietnam and currently in the Top 50 largest dairy companies in the world. With the mission of becoming an international brand in food and beverages sector and a trusted brand for Vietnamese consumers about nutritional and health products, we are committed to bring to the community high quality products with our respect, love and responsibility for life and society.

Visit the website to know more about us <https://www.vinamilk.com.vn/>

## **CONTACT:**

*For shareholders, investors / analysts:*

Dong Quang Trung

T: + 84-28-54-155-555 (Ext. 108247)

E: [dqtrung@vinamilk.com.vn](mailto:dqtrung@vinamilk.com.vn)

*For press, media:*

Le Thanh Lan Anh

T: + 84-28-54-155-555 (Ext. 108219)

E: [ltlanh@vinamilk.com.vn](mailto:ltlanh@vinamilk.com.vn)

---

*This press release contains comments about the future in Vinamilk's expectations, plans or strategies that may involve risks and uncertainties. These future statements, including Vinamilk's expectations, containing risks, uncertainties, and unknown or potential factors, which are beyond Vinamilk's control, may cause the actual results of Vinamilk's business activities, financial activities, or achievements significantly differ from those presented or implied in future assumptions. Readers should not view these future statements as predictions, events, or promises of future performance.*