

INVESTOR NEWSLETTER

Ho Chi Minh City, October 30, 2024

3Q2024

9M2024 REVENUE UP 3.3% YOY, COMPLETED 73.4% OF FULL YEAR PLAN, Q3 UNLEASHED A WAVE OF NEW PRODUCTS

3Q2024 Highlights

- **Total consolidated revenue** in 3Q2024 reached VND 15,549 billion, almost unchanged YoY. The 9M2024 revenue reached VND 46,339 billion, up 3.3% YoY and completed 73.4% of the full-year guidance.
 - International markets remained the key growth driver, delivering positive growth for the 5th consecutive quarter and reaching VND 2,609 billion, up 9.4% YoY. Exports sales were VND 1,375 billion, up 10.3% YoY, sustaining its double-digit growth since Q2/2024, while overseas subsidiaries sales were VND 1,234 billion, up 8.5% YoY. For 9M2024, net international sales hit VND 8,349 billion, up 15.7% YoY.
 - Net domestic revenue was VND 12,928 billion, including VND 11,606 billion from the Parent Company, impacted by Typhoon Yagi. The Company had a vibrant Q3, launching innovative products like Fresh Milk, Premium Yogurt and revamping packaging for Plant Milk, Ice Cream, Beverages. In 9M2024, domestic net revenue hit VND 37,957 billion, up 1.1% YoY, while sustained double-digit growth for Probiotic Drink, Green Farm Fresh Milk, Condensed Milk and Plant Milk.
- **Consolidated net profit after tax ("NPAT")** in 3Q2024 was VND 2,403 billion, lower YoY but the 9M2024 figure still posted a growth of 9.6% YoY to VND 7,306 billion, completed 77.9% of the full-year guidance. Net profit margin for 9M2024 reached 15.8%, up 88 bps YoY.

Chief Executive Officer statement – Mdm. Mai Kieu Lien

"In September 2024, Typhoon Yagi caused extensive damage across several northern provinces and cities. Vinamilk, with the support of our employees and customers, provided nearly 1.8 million essential nutritional products to affected residents, valued at nearly VND 10 billion. In addition to community support, we swiftly restored the supply chain in the affected areas. Despite the impact of natural disasters on domestic business results in Q3/2024, we remain optimistic with many quality products launched in Q3 and planned for Q4, while maintaining growth momentum in foreign markets to achieve our annual targets."

Overview

Stock Code (HOSE)	VNM
Industry	Consumer Goods
Listing Date	19/01/2006
Stock price at 30/09/2024 (VND)	70.1K
52-week price range (VND)	61.4K-73.4K
Market Cap (VND billion)	146.5K
Market Cap (billion USD)	5.9
Outstanding shares (million)	2.090
Floating shares (million, estimatec)	682
30-day avg. vol (million shares)	4.2
Dividend yield (%)	5.5
Net cash to total assets (%)	35

About Vinamilk

Vinamilk is the leading nutrition Company in Vietnam and currently ranks 36th in the list of the world's largest dairy companies in terms of revenue. Our mission is to be an international brand in the food sector and a symbol of trust for consumers in nutrition and health products. Visit our website to know more about us <https://www.vinamilk.com.vn/>

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BUSINESS OUTLOOK 2024

We reaffirm the full-year guidance for total revenue of VND 63,163 billion (+4.4% YoY) and net profit before tax of VND 11,516 billion (+5.0% YoY), driven by the recovery in domestic consumer sentiment and strong growth momentum of export markets. Gross margin is supported by positive revenue growth, product mix improvement and optimization of production costs.

The Company paid the final dividend for 2023 and the 1st interim dividend for 2024 on October 24, 2024 at VND 2,450 per share. The expected total dividend in 2024 is VND 3,850 per share, same as 2023.

EARNINGS CALL WITH THE MANAGEMENT

On October 31, 2024, at 3:00 PM (Vietnam time), the Company will host the Earnings Call with the participation of the Management in both Vietnamese and English to discuss about 3Q2024 performance and 4Q2024 outlook. Register [HERE](#).

The meeting materials including **Audited Financial Statements** and **Earnings Presentation** have been posted on the IR webpage of the Company [HERE](#).

CONSOLIDATED BUSINESS RESULTS

Total consolidated revenue in 3Q2024 reached VND 15,549 billion, approximately unchanged YoY, and for 9M2024 reached VND 46,339 billion, up 3.3% YoY, completing 73.4% of full-year guidance. In Q3, the growth driver continued to be international markets which recorded positive net revenue growth for the 5th consecutive quarter, reaching VND 2,609 billion, up 9.4% YoY. For 9M2024, net revenue of international markets reached VND 8,349 billion, up 15.7% YoY. Although the domestic market performance was affected by natural disasters in Q3, it still maintained net revenue growth of 1.1% For 9M2024, reaching VND 37,957 billion.

Consolidated gross profit reached VND 6,401 billion in 3Q2024 and VND 19,380 billion in 9M2024, equivalent to gross profit margins of 41.2% and 41.9%, respectively. Although the margin in Q3 was affected by soft domestic sales performance, the recovery trend sustained for the 9-month period with 140 bps expansion YoY thanks to sales mix improvement and better material costs.

Consolidated selling & general administrative expenses in 3Q2024 were VND 3,758 billion or 24.2% of net revenue. This ratio did not change significantly YoY and was in line with revenue variance. For 9M2024, these expenses were VND 11,280 billion or 24.4% of net revenue.

Consolidated net profit after tax (NPAT) reached VND 2,403 billion in 3Q2024 and VND 7,306 billion in 9M2024, equivalent to net profit margin of 15.5% and 15.8%, respectively. Similar to gross margin, net margin in 3Q2024 was also under the pressure of sales

performance, but the 9M2024 net margin still expanded by 88 bps YoY. Accordingly, the 9M2024 figure reached VND 7,306 billion, up 9.6% YoY and completed 77.9% of full-year guidance, equivalent to earnings per share of VND 3,114, up 11.3% YoY.

Consolidated P&L highlights

<i>(Audited, VND billion)</i>	3Q2024	3Q2023	YoY	9M2024	9M2023	YoY
Total Revenue	15,549	15,681	-0.8%	46,339	44,848	3.3%
Net sales	15,537	15,637	-0.6%	46,306	44,750	3.5%
Domestic	12,928	13,253	-2.4%	37,957	37,532	1.1%
Foreign	2,609	2,384	9.4%	8,349	7,218	15.7%
Gross Profit	6,401	6,555	-2.3%	19,380	18,103	7.1%
Domestic	5,299	5,634	-5.9%	15,804	15,439	2.4%
Foreign	1,102	921	19.6%	3,576	2,664	34.2%
Selling and General Administrative Expenses	3,758	3,815	-1.5%	11,280	10,776	4.7%
Other income/(expenses) excluding depreciation, interest	925	907	2.0%	2,661	2,583	3.0%
Net profit after tax	2,403	2,533	-5.1%	7,306	6,669	9.6%
Earnings per share (VND)	1,032	1,066	-3.2%	3,114	2,797	11.3%

Consolidated Balance sheet highlights

<i>(Audited, VND billion)</i>	As of Sep 30, 2024	As of Dec 31, 2023
Cash and cash equivalents¹	28,599	23,049
Total assets	57,677	52,673
Total debt	8,449	8,456
Owners' equity	35,244	35,026

Key consolidated financial ratios

<i>(Audited)</i>	9M2024	9M2023
Net cash flow from business activities (VND billion)	8,390	7,402
Capex (VND billion)	1,360	1,060
Gross profit margin	41.9%	40.5%
Net Profit Margin	15.8%	14.9%
ROE	27.9%	25.2%
ROA	17.1%	16.1%
Cash and cash equivalents to revenue	49.6%	47.1%
Debt-to-total assets ratio	14.6%	13.0%
Days Inventory Outstanding²	59	57
Days Sales Outstanding³	29	30
Days Payable Outstanding³	37	37

¹ Cash and cash equivalents include short-term investments (mainly deposit term of 3 to 12 months).

² Days Inventory Outstanding is calculated based on the Average Inventory Balance and divided by the Cost of Goods Sold for the last 12 months.

³ Days Sales Outstanding and Days Payable Outstanding is calculated based on the Average Account Receivables and Account Payables balances divided by the Revenue and Cost of Goods Sold for the last 12 months.

SEGMENT BUSINESS PERFORMANCE

DOMESTIC MARKET (contributing 83.2% of 3Q2024 consolidated net revenue)

The parent Company achieved domestic revenue of VND 11,606 billion in 3Q2024

<i>(Audited, VND billion)</i>	3Q2024	3Q2023	YoY	9M2024	9M2023	YoY
Domestic net sales	11,606	11,911	-2.6%	33,636	33,304	1.0%

Domestic net revenue reached VND 11,606 billion in 3Q2024, impacted by Typhoon Yagi in the Northern market but the 9M2024 figure sustained the growth of 1.0% YoY, reaching VND 33,304 billion. Although the typhoon did not cause significant damages for the Company's facilities, it is anticipated by the Ministry of Planning and Investment to lower the 2024 GDP growth by 0.15%, indicating great impact on consumer sentiment. Currently, the Company has fully restored distribution activities in the affected area and actively implemented sales support programs to make up for the revenue loss.

Regarding R&D, the Company had a vibrant 3rd quarter, unleashed a wave of innovations in both packaging revamp and new products. Major new products include 100% fresh milk with coconut flavor, premium less-sugar yogurt products with blueberry, pomegranate, aloe vera flavors. The Company also revamped the packaging for Plant milk, Ice cream, Beverages in an effort to expand adjacent categories (refer to the earnings presentation for new products photos [HERE](#)). These innovations, along with some exciting products to be introduced in Q4, will be key growth drivers in the coming time.

In 9M2024, products continued to record double-digit growth including Green Farm fresh milk, Probiotic yogurt, Condensed milk and Plant milk thanks to effective marketing and market development activities. Specifically:

- **Probi drinking yogurt:** Launched new packaging in June 2024, attracting consumers with simple design, outstanding colors and scientific information on each product pack. Revenue in 9M/2024 increased by nearly 30% YoY. Some notable marketing activities of Probi are as follows:
 - Implemented the campaign “New packaging, unchanged inside”, attracting 10 million discussions on social networks⁴ in Q3/2024, of which more than 90% of the discussions were positive about the new positioning of the product.
 - Released 03 new advertisements to spread the repositioning effect, attracting 20+ million views, 100+ thousand discussions and 700+ thousand likes.
 - Probi's “Flavor Diversity” rating index has increased impressively in the past time from 80% in 2022 to 94% by mid-2024 according to brand health assessment research⁵.
- **Plant milk and Green Farm fresh milk:** Optimistic growth after launching new packaging, in which plant milk has become market leader in the plant milk category

⁴ Kompa

⁵ Ipsos Vietnam

in terms of market share⁶ (excluding soy milk) with 9M/2024 revenue doubling YoY. Plant Milk and Green Farm fresh milk have been growing their brand awareness with campaigns such as accompanying the music program “Our Song” - TOP1 Rating on VTV3 channel.⁷

- **Improve the efficiency of distribution channels:** Through activation programs at points of sale, Vinamilk strengthens salesforces and improves their product understanding to directly customize interactions with shoppers, especially for baby milk powder products. On the digital platform, the online website has integrated chatbots to automatically interact to provide scientific information to improve the shopping experience for users.

Moc Chau Milk (HOSE: MCM) affected by Typhoon Yagi

<i>(Audited, VND billion)</i>	3Q2024	3Q2023	YoY	9M2024	9M2023	YoY
Net sales	740	816	-9.4%	2,174	2,341	-7.1%
Gross Profit	206	261	-21.1%	631	747	-15.5%
Net profit after tax	43	95	-55.1%	149	289	-48.5%

Net revenue reached VND 740 billion, and VND 2,174 billion in 3Q2024 and 9M2024 respectively. Weak sales performance was observed as MCM's main market is the northern mountains which were heavily hit by Super Typhoon Yagi. Net profit after tax in 3Q2024 reached VND 43 billion due to unfavorable sales results and interest environment. Going forwards, MCM has a plan to revamp its brand following up Vinamilk's one and expand distribution channels to improve the business situation in 4Q2024 and 2025.

OVERSEAS MARKETS (contributing 16.8% of total revenue in 3Q2024)

<i>(Audited, VND billion)</i>	3Q2024	3Q2023	YoY	9M2024	9M2023	YoY
Net revenue of Export	1,375	1,246	10.3%	4,411	3,741	17.9%
Net revenue of Overseas subsidiaries	1,234	1,138	8.5%	3,937	3,477	13.2%

Net export revenue in 3Q2024 reached VND 1,375 billion, up 10.3% YoY, maintaining double-digit growth from 2Q2024. In key markets, the Company has taken advantage of favorable conditions to strengthen trade support activities, expanded the export product portfolio to increase market share and capture the shift in milk consumption demand. The Company also recorded positive signals from premium markets where there is a large Vietnamese community with high demand for Vinamilk's products such as sweetened condensed milk and yogurt. Despite a small contribution at the moment, there has been a huge growth potential by building a story about product quality in such markets.

For overseas subsidiaries in Cambodia and the US, net revenue in 3Q2024 reached VND 1,234 billion, up 8.5% YoY. Angkormilk launched a number of new drinking yogurt products which are part of the plan to expand the product portfolio in Cambodia after the success

⁶ NielsenIQ Vietnam

⁷ Rating data was extracted in the Kantar Media system from 19-8-2024 to 25-8-2024

with other products. Driftwood promoted penetration into the HORECA channel and introduced products to the Vietnamese community in the US to diversify distribution channels besides school milk program.

OTHER ACTIVITY HIGHLIGHTS

Listing of depository receipt “VNM19” on the Stock Exchange of Thailand

Depository receipt “VNM19” is a derivative based on VNM underlying stock, issued by Yuanta Securities Company (Thailand) started trading on October 10, 2024⁸. A Depository Receipt is a type of negotiable financial security⁹ issued by a depository bank to represent a foreign Company’s shares or securities. Specifically, VNM19 is an investment instrument that allows Thai investors to trade VNM securities in their local currency and existing securities accounts.

VNM19 depository certificates can bring many advantages to VNM underlying stock on HoSE. The investor base is expanded and diversified with higher liquidity, which can increase or stabilize stock prices, improve the efficiency of corporate governance according to international standards.

The only representative of the FMCG industry to be in the top 50 best listed companies for 12 consecutive years

Based on the 2023 audited financial statements, Top 50 Best Listed Companies in 2024 published by Forbes Vietnam are considered “the growth driver of the economy and typical representatives of the industry”. Vinamilk continues to be in the top 5 and is the only FMCG enterprise. The rest of the representatives came from the fields of industry, oil and gas, iron and steel and finance.

Fortune honored CEO Mai Kieu Lien in the Top 100 Most Powerful Women in Asia

Mdm. Mai Kieu Lien - Member of the Board of Directors, CEO of Vinamilk is honored by Fortune Magazine (USA) in the list of FORTUNE’S MOST POWERFUL WOMEN ASIA IN 2024. According to Fortune, 100 Most Powerful Women Asia list recognizes women who are redefining leadership by transforming companies, changing the face of the industry and driving growth, innovating technology and improving business quality, and inspiring the next generation of leaders.

UPCOMING EVENTS

Time	Event
November 09-23, 2024	Investment conferences in the UK and the US
January 30, 2025	Announcement of 4Q2024 and full year 2024 business results

⁸ [“VNM19” DR on Vietnam stock to start trading on October 10 – ASEAN EXCHANGES](#)

⁹ According to the Securities Law 2019

FREQUENTLY ASKED QUESTIONS

1. What are Vinamilk's core strengths supporting the 5-year guidance (2022-2026)?

Strong and reputable brand: Established as an image of quality, safe and nutritious products, Vinamilk is constantly innovating to meet the needs and tastes of consumers, while still maintaining our core values.

Extensive distribution system: With a nationwide distribution network and hundreds of thousands of points of sale, Vinamilk ensures our products are easily accessible to consumers.

High-quality human resources: Vinamilk places a strong emphasis on our workforce, focusing on both expertise and soft skills, as well as creative thinking. We create a positive working environment that attracts and retains talent.

Research and development capacity: Vinamilk consistently invests in R&D to bring new, high-quality products to market, catering to evolving consumer preferences.

2. What are the key growth drivers of the Company in 2H2024? Will the export market enjoy any tailwind?

Recovered consumer sentiment: With the business operations spanning 63 provinces and cities, the positive shift in macroeconomic indicators is set to boost our domestic business activities significantly.

Diversifying export markets: Vinamilk is strategically focusing on emerging markets, leveraging free trade agreements, and building strong partnerships. Our sustainable development strategy is a key competitive advantage in exports, creating a "new tailwind". Notably, Vinamilk is committed to using environmentally friendly packaging for 100% of all products exported to Australia and New Zealand by 2025, specifically for 65ml bottles.

Investment in research and development: Building on the successful rebranding of liquid milk products in 2023, Vinamilk plans to upgrade the image of the remaining product categories 2H2024. Additionally, we are focusing on developing value-added products like plant milk, pasteurized fresh milk, probiotics drinking yogurt, and ready-to-drink formula milk to cater to the growing consumer demand for health and convenience.

Promoting e-commerce: Vinamilk is making significant investments in e-commerce platforms and mobile applications to directly connect with consumers.

3. What are the price movements of global milk powder as well as the Company's inventory plan in 3Q2024 and 4Q2024? What is the gross profit margin outlook?

The stabilization of raw material prices in 2024 is benefiting Vinamilk's operations. Given favorable input prices, the Company has proactively improved procurement process to

optimize production costs for the upcoming quarters. As a result, Vinamilk's Board of Management is optimistic about recovering the gross profit margin in 2024. Additionally, higher revenue growth is expected to bring economies of scale and expanded gross profit margins.

4. What is the progress of the Hung Yen mega factory construction? What is the status of Vinamilk and Sojitz Japan's beef project, and when are beef products expected to launch?

The Hung Yen dairy factory project has completed leveling and has a 1/500 plan. The Company plans to start construction of the factory in 2024 or early 2025.

The beef slaughtering and farming complex of Vinamilk and Sojitz Group has been started in early 2023 in Vinh Phuc. The construction of the farm-processing plant complex is in line with the plan. The Company plans to operate the complex and bring products to the market in 4Q2024.

5. As one of the leading enterprises in sustainable development in Vietnam, what has Vinamilk done to be able to convey all the sustainable development values for stakeholders, especially foreign investors?

Publication of the Annual Sustainability Report: The 12th Annual Sustainability Report has been published in 2023. This report complies with international standards such as GRI and SASB, ensuring transparency and reliability of information.

Carbon neutral certification: Three units of Vinamilk, including Nghe An Dairy Factory, Nghe An Dairy Farm and Vietnam Beverage Factory, have achieved carbon neutrality certification according to the international standard PAS 2060:2014. This is an important achievement, proving Vinamilk's efforts in minimizing environmental impacts.

Sustainable agriculture: All Vinamilk's farms meet GlobalG.A.P. standards, ensuring standards for the environment, animal welfare and biodiversity.

Using renewable energy and reducing emissions: Solar energy projects have been actively implemented in factories and farms, along with energy-saving technology. Consequently, the proportion of green energy in Vinamilk's production activities in 2023 reached up to 86.2%.

Waste management and recycling: Vinamilk continuously strives to manage waste and recycling, aiming for a circular economy.

Reforestation: Since 2012, Vinamilk has planted over 1.1 million trees and continues to engage in reforestation projects.

Community programs: Vinamilk invests in impactful community programs such as the "Stand Tall Vietnam" Milk Fund and the "School Milk Program" etc.