

INVESTOR NEWSLETTER

4Q2024

Ho Chi Minh City, January 24, 2025

REVENUE IN 2024 GROWING IN BOTH DOMESTIC AND INTERNATIONAL MARKETS, COMPLETED THE MAJORITY OF PACKAGING REVAMP

4Q2024 Highlights

- **Total consolidated revenue** for 4Q2024 reached VND 15,485 billion, with the full year total reached VND 61,824 billion, up 2.2% YoY and completed 97.9% of the annual guidance.
 - The international business marked its 6th quarter of positive growth, with net revenue of VND 2,635 billion in Q4, up 4% YoY thanks to the acceleration of Angkor Milk and Driftwood while export growth normalized after two booming quarters. The full year total was VND 10,983 billion, up 12.6% YoY which is the highest growth in the last 5 years.
 - The domestic market achieved net revenue of VND 12,843 billion with the full year figure reached VND 50,799 billion, up 0.4% YoY. Condensed milk, yogurt, Probi probiotics drink, Green Farm fresh milk, elder milk powder, plant milk posted double digit growth. The Company completed the majority of the rebranding exercise, launched and relaunched 125 products in 2024.
- **Consolidated net profit** in 4Q2024 reached VND 2,147 billion, lower YoY but the full year total was VND 9,453 billion, up 4.8% YoY and exceeding the annual guidance by VND 77 billion. Net margin in 2024 hit 15.3%, expanded by 36 bps YoY.
- Vietnam-Japan Livestock Co., Ltd. (JVL), a joint venture between Sojitz and Vilico, **started operating the Vinabeef factory in December 2024.**

Chief Executive Officer statement – Mdm. Mai Kieu Lien

“In 2024, Vinamilk achieved revenue growth in both domestic and international markets, reaching two significant milestones: almost completed the packaging revamp for the domestic market according to the new branding and achieving the highest growth in the international markets in the past 5 years. These results, along with numerous product innovations and aggressive marketing and distribution efforts, will serve as a crucial fundamental to fuel the company’s new growth cycle in the coming years.”

Overview Data

Stock ticker (HOSE)	VNM
Industry	Consumer Goods
Listing Date	19/01/2006
Stock price at 31/12/2024 (VND)	63.4K
52-week Price range (VND)	61.4K-73.4K
Market Cap (billion VND)	132.5K
Market Cap (billion USD, FX 25k)	5.3
Outstanding shares (million)	2,090
Floating shares (million, estimated)	682
30-day avg. vol (million shares)	4.2
Dividend yield (%)	5.5
Net cash to total assets ratio (%)	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 2025

The Company is reviewing the 2025 budget and will announce it in the materials for the 2025 AGM, expectedly in April 2025. Regarding dividends, the Company already paid the 1st and 2nd interim dividends for 2024 with the gross amount of VND 2,000/share. The total dividend for 2024 is expectedly 3,850 VND/share, same as 2023.

EARNINGS CALL WITH THE MANAGEMENT

At 15:30 on February 10, 2025 (Vietnam time), the Company will host the Earnings Call with the participation of the Management in both Vietnamese and English to discuss about 2024 performance and prospects for 2025. Register [HERE](#).

The meeting materials including **Financial Statements** and **Earnings Presentation** can be downloaded on the Company's IR page [HERE](#).

CONSOLIDATED BUSINESS RESULTS

Total consolidated revenue for 4Q2024 was VND 15,485 billion. The international market marked the 6th consecutive quarter of positive net revenue growth of VND 2,635 billion, up 4% YoY thanks to the revenue acceleration of Angkor Milk and Driftwood while export revenue normalized after a successful 1H2024. The domestic market achieved net revenue of VND 12,843 billion. For full year 2024, total consolidated revenue reached VND 61,824 billion, up 2.2% YoY and completed 97.9% of the full year guidance, of which domestic net revenue reached VND 50,799 billion in 2024, up 0.4% and foreign net revenue reached VND 10,983 billion, up 12.6%. With these results, Vinamilk achieved revenue growth in both domestic and international markets, reaching two significant milestones: almost completed the packaging revamp for the domestic market according to the new branding and achieving the highest growth in the international market in the past five years (see more of Segment Business Performance Segment on [page 3](#)).

Consolidated gross profit margin for 4Q2024 reached 40.1%, lower than 9M2024 and YoY due to higher input costs at year-end. The company is closely monitoring the cost movements and will take relevant actions to protect margins. In 2024, the gross profit margin reached 41.4%, still expanded by nearly 80 bps thanks to international revenue growth, better product mix in domestic market and lower average input costs YoY.

Consolidated selling and administrative expenses (SG&A) for 4Q2024 were recorded at VND 3.906 trillion, accounting for 25.2% of net revenue, higher than the 24.4% in the first nine months of 2024 due to seasonal factors. For the entire year, SG&A expenses totaled VND 15.186 trillion, accounting for 24.6% of net revenue, nearly unchanged from the 24.5% of the previous year thanks to effective operational cost control.

Consolidated net profit after tax (NPAT) for 4Q2024 reached VND 2,147 billion, lower YoY due to the sales performance and gross profit contraction as presented above. In 2024, consolidated profit reached VND 9,453 billion, up 4.8% YoY and exceeded the plan by VND

77 billion. Accordingly, the net profit margin reached 15.3%, expanding by 36 bps YoY and EPS reached VND 4,022, up 6% YoY.

Consolidated P&L highlights

<i>(Billion VND)</i>	4Q2024	4Q2023	Change	2024	2023	Change
Total Revenue	15.485	15.630	-0,9%	61.824	60.479	2,2%
Net revenue	15.477	15.619	-0,9%	61.782	60.369	2,3%
Domestic	12.843	13.085	-1,9%	50.799	50.617	0,4%
International	2.635	2.534	4,0%	10.983	9.751	12,6%
Gross Profit	6.209	6.442	-3,6%	25.590	24.545	4,3%
Domestic	5.170	5.455	-5,2%	20.975	20.894	0,4%
International	1.039	986	5,4%	4.615	3.651	26,4%
Selling, General and Administrative Expenses	3.906	3.998	-2,3%	15.186	14.774	2,8%
Other income/(expenses) excluding depreciation, interest	908	1.022	-11,3%	3.570	3.606	-1,0%
Net profit after tax	2.147	2.351	-8,7%	9.453	9.019	4,8%
Earnings per share (VND)	908	999	-9,1%	4.022	3.796	6,0%

Consolidated Balance sheet highlights

<i>(Billion VND)</i>	31/12/2024	31/12/2023
Cash and cash equivalents¹	25.486	23.049
Total assets	55.049	52.673
Total debt	9.273	8.456
Owners' equity	36.174	35.026

Key consolidated financial ratios

	2024	2023
Net cash flow from business activities (VND billion)	9.686	7.887
Capex (VND billion)	1.742	1.580
Gross profit margin	41,4%	40,7%
Net Profit Margin	15,3%	14,9%
ROE	26,6%	26,6%
ROA	17,6%	17,8%
Cash and cash equivalents to revenue	39,3%	35,4%
Debt-to-total assets ratio	16,8%	16,1%
Days Inventory Outstanding²	59	59
Days Sales Outstanding³	32	32
Days Payable Outstanding³	40	40

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% of consolidated net revenue in 4Q2024)

The Parent Company has almost completed the rebranding exercise for domestic market, 2024 is the start of a new growth cycle

(Billion VND)	4Q2024	Q4/2023	Change	2024	2023	Change
Domestic net revenue	11.376	11.405	-0,3%	45.013	44.710	0,7%

The Parent Company's domestic net revenue reached VND 11,376 billion in 4Q2024.

Accumulated in 2024, the parent company recorded VND 45,013 billion in domestic net revenue, up 0.7% YoY, marking the start of a new growth cycle. For the industry, although value growth in 2024 (for 11M2024, AC Nielsen) decreased by 0.3% YoY, it has shown signs of recovery as the decline pace was narrowed compared to 2023 (down 1%) and the last two months posted a value growth by 1.5% YoY.

Key contributors to the growth include condensed milk, yogurt, Probiotic drink, Green Farm fresh milk, elder milk powder, and plant milk, which saw double-digit growth in 2024. The growth drivers were product innovations in both quantity and quality, combined with enhanced product sampling initiatives.

125 new and relaunched products in 2024: Among them, 100 products have updated packaging according to the new brand identity, and 25 are entirely new products (see images of the product innovations in the presentation document [HERE](#)).

- **Almost completed the packaging revamp** since introducing the new brand identity in July 2023. The products with updated packaging in 2024 include yogurt, infant formula, beverages, plant milk, and ice cream (liquid milk packaging was updated in 2023). Currently, most of the product portfolio is unified in terms of identity, reflecting a spirit of creative innovation while maintaining the brand's traditional essence since 1976.
- **Preimmunized the product portfolio** by entering the high-protein segment for the first time with two products: Green Farm high-protein low-fat UHT milk in a large 240ml size, containing 12.5g of protein without added whey protein, and high-protein 7-nut milk in 180-240ml sizes, containing 9-12g of protein. Other premium products introduced this year include Green Farm pasteurized drinking yogurt, infant formula with 6 HMOs (the first in Vietnam), and Collagen fruit juice.
- **Promoted various product sampling initiatives** to increase awareness of new products. Notably, Vinamilk offered nearly 50,000 free Vinamilk products to thousands of passengers during the inauguration of the Ben Thanh - Suoi Tien metro line in Ho Chi Minh City.

3 technologies are applied for the first time in Vietnam dairy industry.

- **Air seal technology** to remove 50% of oxygen radicals and lock in the freshness of raw milk as if it had just been served at a dairy farm. This is an important breakthrough to help Vinamilk produce the most high-end fresh milk, improve our competitive position in this segment, which is highly appreciated with many international awards for both quality and taste.
- **Successfully added up to 6 HMOs (Human Milk Oligosaccharides) to infant formula products (the first time in Vietnam).** The HMOs contained in breast milk play an important role in the development of the immune and digestive systems of infants, which is an important foundation for their comprehensive development.
- **Ultra-filtration technology from Sweden** in high-protein, calcium-rich, low-fat and lactose-free Green Farm fresh milk in December 2024. This technology allows Vinamilk to proactively and accurately adjust the contain of the main ingredients of milk (protein/fat/lactose) through a physical filter membrane at the molecular level, tailor to meet the nutritional needs of different consumer segment.

The effectiveness of the above improvements is also reflected in the indicators of **Vinamilk's brand health, which have increased significantly over the years.** The percentage of consumers rating Vinamilk as "Innovation and Creativity" and "Premium" reached 73% and 58% respectively in the survey for the first 6 months of 2024, a significant improvement compared to 47% and 48% in 2022 before the rebranding exercise (according to an independent survey by Ipsos).

Moc Chau Milk (HOSE: MCM) posted net revenue and net profit of VND 743 billion and VND 71 billion in 4Q2024. For full year, MCM achieved net revenue of VND 2,917 billion and net profit of VND 220 billion. MCM has planned to conduct rebranding exercise, expand its product portfolio and distribution channels to improve the performance in 2025.

INTERNATIONAL MARKETS (contributing 17% of consolidated net revenue in 4Q2024)

(Billion VND)	4Q2024	Q4/2023	Change	2024	2023	Change
Net Export Revenue	1.253	1.298	-3,5%	5.664	5.039	12,4%
Net revenue of overseas subsidiaries	1.382	1.236	11,8%	5.319	4.713	12,9%

Net export revenue in 4Q2024 reached VND 1,253 billion, slightly lower YoY after two booming quarters. In 2024, exports recorded VND 5,664 billion in net revenue and grew impressively by 12.4% YoY. Highlights of export activities in 2024 are as follows:

- Growth momentum comes not only from traditional markets but also from premium markets such as Taiwan, South Korea, Japan, Canada, and the USA, thanks to effectively serving the Vietnamese expatriate customer base in these countries. Some high-end markets posted double to triple digit revenue growth YoY.
- Strengthening cooperation with one of the world's leading dairy brands to expand the export product portfolio, while also researching specialized products for the

Australian and New Zealand markets. In 2024, this business segment achieved double-digit growth and is expected to become one of Vinamilk's key export pillars in the future.

Net revenue from overseas subsidiaries in Q4/2024 reached VND 1.382 trillion, an increase of 11.8% YoY. In Q4, Angkor Milk in Cambodia achieved over 20% growth thanks to intensified marketing activities in schools, markets, supermarkets, and cultural events. Angkor Milk also introduced some new SKUs to leverage the product portfolio strengths of the parent company in Vietnam. Meanwhile, Driftwood in the USA posted over 10% revenue growth by effectively capturing sales opportunities outside its main school channel. The acceptance of condensed milk in the USA also helped improve quarterly growth for this entity. For the entire year of 2024, net revenue from international subsidiaries reached VND 5.319 trillion, an increase of 12.9% YoY, significantly accelerating from the 6.5% growth of the previous year.

OTHER OPERATIONAL HIGHLIGHTS

Commercial Production of Vinabeef Meat Processing Plant

The Japan Vietnam Livestock Company Limited (JVL), a joint venture between Sojitz and Vilico, invested nearly VND 3,000 billion to establish and commence operations of the Vinabeef meat processing plant in December 2024. This is the first plant in Vietnam to process chilled beef in a highly controlled and sanitary environment, with a capacity of approximately 30,000 cattle per year and a target production of 10,000 tons of beef annually. By Q2/2025, JVL will operate a cattle farm near the plant to close the loop from breeding to processing and distribution. Vinabeef products will be distributed by Sojitz to mid-to-high-end hotels and restaurants through the network of Dai Tan Viet JSC. In 2024, JVL's revenue nearly tripled compared to 2023, and its products have entered major supermarket chains such as Aeon, Coopmart, Mega, and Central. JVL also developed ready-to-eat and ready-to-cook products like sausages and meatballs, which are being trialed in some MT and HORECA channel stores.

Corporate governance beyond compliance and leading emission reduction targets

Vinamilk continues to affirm our leading position in corporate governance and sustainable development, being recognized in the 2024 Listed Enterprise Vote. In 2023, Vinamilk applied corporate governance principles that go beyond compliance, approaching global governance practices, helping to enhance transparency and ensure shareholder value. Vinamilk is also one of two enterprises in Vietnam that aims to reduce emissions according to SBTi (Science Based Targets initiative), co-founded by the United Nations Global Compact, the World Resources Institute (WRI), and the Carbon Disclosure Project (CDP), is dedicated to setting scientifically-based emission reduction targets. It affirms a strong commitment to reducing emissions in line with international standards.

UPCOMING EVENTS

Day	Event
Feb 10, 2025	Earnings Call with the Management
Mar 3-5, 2025	Investment conference in Japan organized by Daiwa Securities

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 2025? 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 leverages its competitive advantage in exports to create a "new breeze" in regions like Oceania.

Investment in research and development: Building on the successful rebranding of liquid milk products in 2023, Vinamilk upgraded the image of the remaining product categories by 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 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 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 has put into operate the beef factory and bring products to the market since December 2024.

4. 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.