

**FOR IMMEDIATE RELEASE**

**Masan Executes Strategy to Build Leading Consumer-retail Platform, The CrownX: Branded Consumer Products Grew 30%+ and Retail Business on Track to Achieve Break-even EBITDA in 4Q2020**

**Ho Chi Minh City, 30 Oct 2020** – Masan Group Corporation (**HOSE: MSN**, “Masan” or the “Company”), today reported its management accounts for the third quarter (“3Q2020”) and first nine months of financial year 2020 (“9M2020”).

*“We believe in breakthrough transformation that results in breakthrough value for consumers. We are brave enough to openly share our vision, which many may not agree with or understand before the transformation is completed. I believe our integrated consumer retail strategy is starting to bear fruit as we hit our first strategic milestone in 4Q, VCM to breakeven. This is just the very beginning of what we envision, and on to offline champion”* said Chairman Dr. Nguyen Dang Quang.

**Strategic Highlights**

- **Masan Group (“MSN”)**: Double-digit growth in revenue and operating profits across consumer-related business segments. VinCommerce (“VCM”) expects to deliver break-even EBITDA in 4Q2020.
  - On a like-for-like (“LFL”) basis, which assumes consolidation of VCM’s 9M2019 results, MSN’s topline and EBITDA grew 19.6% and 16.1%, respectively. LFL EBITDA margin improved by 3.1% to 13.7% in 3Q2020 versus 3Q2019.
  - VCM: profit turnaround game plan validated with EBITDA margin improving since the beginning of the year: (5.1)% in 1Q2020; (8.5)% in 2Q2020 (due to COVID-19 lock down); and (2.8)% in 3Q2020, with operating momentum to achieve break-even EBITDA in 4Q2020.
  - Masan Consumer Holdings (“MCH”) delivered 3 consecutive quarters of ~30% topline growth while inventory stock levels at distributors remained below 20 days. Robust innovation pipeline contributed 55% of 3Q2020 revenue growth which management believes set the foundation for similar growth rates in the medium term.
  - Masan MEATLife (“MML”) broadens protein portfolio by signing agreements to acquire 3F VIET, a leading domestic poultry player. Assuming consolidation of 3F VIET, Masan Group now has a VND3,000+ billion revenue meat business, which will further unlock significant synergies with MSN’s modern grocery retail business where fresh is a key driver.
  - Masan High-Tech Materials (“MHT”) recently signed agreements to become a strategic partner of Mitsubishi Materials Corporation (“MMC”). MMC will invest USD90 million via a primary capital injection to own 10% of MHT on a fully diluted basis. The partnership validates MHT’s strategy to shift its business model from a predominant mining operation to a vertically integrated high-tech industrial platform. Post completion of the equity investment, the partners shall discuss developing a separate business unit to strengthen each parties’ mid-stream tungsten platform.
  - MSN plans to de-leverage over the next 12-18 months to achieve a net debt to EBITDA ratio between 2.5 to 3.0x, which will include paying down debt, not just EBITDA growth. Management believes this initiative will uplift net profit growth to be on par with the Company’s EBIT growth.

- The CrownX, MSN's integrated consumer-retail platform which consolidates MSN's interests in VCM (modern grocery retail) and MCH (branded consumer products), delivered both revenue and EBITDA growth on a LFL basis:
  - Net revenue reached VND13,948 billion in 3Q2020, up 16.0% compared to 3Q2019 on a LFL basis. EBITDA margin expanded to 9.2% in 3Q2020, improving by 4.6% compared to 3Q2019. For 9M2020, The CrownX delivered VND40,037 billion (USD1.7 billion) in net revenue and posted an EBITDA margin of 6.3%.
  - VCM's strategic initiatives, such as optimizing its footprint (through the closure of non-performing locations), redefining its product assortment, pricing policy and consumer proposition started to yield results with EBITDA margins improving to (2.8)% in 3Q2020 versus (6.7)% in 3Q2019. Main drivers included a 2.4% improvement in gross margin and a 1.3% reduction in operating costs.
    - **Minimart: LFL stores achieve positive EBITDA at store level in 3Q2020** with LFL revenue/m<sup>2</sup> growth of 8.4% compared to 3Q2019. In addition, Minimarts in Ho Chi Minh City and Tier 2 cities, where revenue/m<sup>2</sup> is lower than average, witnessed revenue/m<sup>2</sup> growth of 14.9% and 15.7%, respectively. 3 new concept stores were launched in Hanoi and Ho Chi Minh City as VCM looks to ramp-up network in 2021 to ensure profitability in 2021.
    - **Supermarket:** LFL revenue/m<sup>2</sup> growth down by (15.8)% versus 3Q2019. However, traffic in supermarkets started to recover in 3Q2020 with LFL average bill/day growth of 9.3% versus 2Q2020. After focusing the last 9 months to improve the fundamentals of the minimart model, management is now revamping its supermarket platform and positioning it to be a critical aspect of its online grocery platform.
    - Optimizing product assortment, launching a new price policy, and renegotiating terms with suppliers were 3 major drivers behind VCM's 2.4% gross profit improvement in 3Q2020. Additional initiatives to improve COGS are expected to be launched in 4Q2020 with results to start materializing in 1H2021.
    - VCM also improved profitability through rationalizing its store network with the closures of 421 minimart stores and 12 supermarkets that were underperforming in 9M2020. As a result, VCM experienced one-off EBITDA losses of VND(238) billion in 9M2020, which are excluded in the calculation of LFL store performance. Improved profitability from closing underperforming locations are expected to be fully realized in 2021.
  - Masan Consumer Holdings ("MCH"), delivered 3 consecutive quarters of strong double-digit growth in net revenue which reached VND6,084 billion in 3Q2020, up 32.0% compared to 3Q2019.
    - Net revenue growth was supported by a robust innovation pipeline in both food and beverage segment, contributing to 55% of the net revenue growth.
    - Food segment, which includes seasonings, convenience foods, and processed meat, experienced net revenue growth of 28.9% to VND3,921 billion.
    - Beverage segment, which includes energy drinks, non-alcoholic water, coffee powder, and beer, experienced net revenue growth of 12.0% to reach VND1,539 billion.
    - Home personal care segment delivered VND385 billion in revenue in 3Q2020.
- Masan MEATLife ("MML"): Meat business achieved double digit quarter-on-quarter growth and entered into poultry segment with pending acquisition of 3F VIET. Strong 3Q results for feed segment with pig feed driving growth.

- Integrated meat business (farm + meat) delivered VND583 billion in revenue for 3Q2020, and VND1,638 billion for 9M2020. Meat business (ex-feed) delivered 11.1% EBITDA margin in 3Q2020, nearly 2x 2Q2020 EBITDA margin of ~5.0%.
  - Early synergies between MML's meat business and The CrownX's modern grocery retail platform as MEATDeli's coverage in VinMart+ minimarkets increased by ~20% in Ho Chi Minh City and Hanoi during 3Q2020. MEATDeli products are now available at 1,501 POS, compared to 1,249 POS as at 30 Jun 2020.
  - New processed meat innovations are targeted to launch in 4Q2020 to address consumers' growing preference towards in-home consumption versus eating out, a trend accelerated by the COVID-19 pandemic.
  - MML recently signed agreements to acquire a 51% stake in 3F VIET, a leading domestic player in the poultry meat segment, via a primary capital injection of VND613 billion. With 3F VIET, MML will be entering the poultry meat category, a USD5 billion market in Vietnam. 3F VIET branded, chilled products are already available in the majority of modern trade retailers in HCMC and neighboring provinces and will look to expand in the northern region in 4Q2020 to become a nationwide platform.
  - MML also recently inaugurated its meat processing complex in Long An in Oct 2020, to produce MEATDeli products for consumers in Ho Chi Minh City and neighboring provinces. Together with its meat processing complex in Ha Nam, MML now has 2 meat processing hubs to better serve Vietnamese consumers nationwide.
  - MML's feed segment achieved VND475 billion in EBITDA in 3Q2020, a 16% improvement year-on-year ("y-o-y"), with double-digit EBITDA margin of 13.1%.
- Techcombank ("TCB") continues to post impressive results: reported profit before tax grew by 18.9% to reach VND10,711 billion in 9M2020 versus VND9,006 billion in 9M2019.
  - Masan High-Tech Materials ("MHT"), formerly named Masan Resources (HNX-UPCoM ticker remains "MSR"), signed agreements to welcome Mitsubishi Materials Corporation ("MMC") as a strategic partner who will also invest US\$90 million via a primary capital injection into MHT, equivalent to VND19,054 per share. Upon closing, MMC will own 10.0% of the fully diluted share capital of MHT, becoming its second largest shareholder and both parties will immediately begin discussions on establishing a combined mid-stream tungsten business as a second phase of the partnership.
    - As a result of acquiring H.C. Starck's ("HCS") global tungsten business, MHT was able to recognize the additional one-time income of VND881 billion in 3Q2020 after a preliminary Purchase Price Adjustment ("PPA") exercise which revalued the assets and liabilities of HCS to fair value by independent parties. The significant uplift in asset values and the resultant creation of negative goodwill reflects the "bargain purchase" price that was paid for the HCS acquisition as well as the significant valuation upside the acquisition is expected to create. Such valuation upside has been further validated by the upcoming investment by MMC. Please note that these numbers are preliminary and will be finalized during 4Q2020.
    - In terms of business performance, MHT's net revenue improved by VND1,508 billion in 3Q2020 vs 3Q2019 mainly due to the consolidation of HCS's global tungsten business. On a like-for-like basis, 3Q2020 MHT revenues were up 5.6% versus 3Q2019 mainly due to the ability to export copper concentrate this year.
    - MHT's priority is to pay down US\$200-250 million of long-term debt over the course of the next 18-24 months to ensure that MHT is profitable throughout price cycles and to ensure a stable dividend policy.

### **Consolidated Financial Results**

- Net revenue for 9M2020 on a consolidated basis increased by 110.8% to VND55,618 billion versus VND26,378 billion in 9M2019, primarily due to the consolidation of newly acquired businesses and

further supported by organic growth across all business segments. On a like-for-like basis (which assumes consolidation of VCM numbers for 9M2019), net revenue grew by 19.6%.

- Reported NPAT Post-MI was VND852 billion in 3Q2020 and VND969 billion in 9M2020, lower compared to previous corresponding periods due to the consolidation effects of VCM (unprofitable and goodwill amortization as required under VAS), increase in minority interest leakage due to dilution of MSN's effective ownership in MCH, lower profits at MHT due to lower commodity prices, and higher interest expense, but offset by higher earnings contribution from TCB. From a non-core perspective, VND1,651 billion in one-time gain during 3Q2019 from the Jacobs arbitration settlement at MHT was higher than the VND881 billion negative goodwill impact from MHT's acquisition of HCS in 3Q2020. Cash NPAT Post-MI (excluding amortization of fair value adjustments and negative goodwill from the acquisition of HCS) was VND33 billion in 3Q2020.
- **Like-for-Like EBITDA Comparison:** On a like-for-like basis, MSN's consolidated EBITDA margin slightly declined by 0.3% to 11.6% in 9M2020 due to low commodity prices in 9M2020. Consumer-related businesses (excluding MHT), on a LFL basis, saw EBITDA margin increasing by 1.5%, from 9.3% to 10.8% in 9M2020.
- **Balance Sheet Commentary:** As of 30 Sep 2020, MSN's consolidated gross debt reached VND53,585 billion. Combined with a lower cash and cash equivalent balance (as a result of increasing its ownership in The CrownX), Masan's consolidated net debt to EBITDA jumped from 1.4x to 4.5x (which excludes the consolidation of VCM, given its ramp-up phase). Over the next 12 to 18 months, Masan will be focused on strengthening its balance sheet and improving its leverage ratios through the following initiatives with target Net Debt/EBITDA level between 2.5x and 3.0x:
  - reducing debt at MHT after raising USD90 million in primary equity capital and using free cash flow from operations and improved working capital cash conversion cycles to pay down more expensive debt;
  - improving financial ratios with higher EBITDA in the near future through the ramp-up of MML's meat business, MHT's integration of HCS and, most importantly, positive EBITDA contribution from VCM as Masan's turnaround initiatives fully materialize; and
  - raising equity at each of the Company's platforms with a preference for strategic investors who can provide operational value-add.
- **4Q2020 Outlook**
  - MSN's management still expects to land within the range of its 2020 budget that was approved by shareholders at its AGM, subject to the Company's businesses performing in 4Q2020 as per below:
  - VCM targets to reach EBITDA break-even in 4Q2020 while maintaining 10%+ revenue growth versus 3Q2020 driven by i) continuing current revenue growth momentum and ii) improving gross profit by optimizing product assortment and renegotiating terms with suppliers.
  - MCH to continue building on its current momentum to achieve a 25%-30% y-o-y revenue growth rate.
  - MML's integrated meat platform is expected to maintain its double-digit quarter-on-quarter ("q-o-q") growth momentum. Processed meat to contribute 10% of meat revenue by year-end. Feed business to achieve VND1,700 billion EBITDA for FY2020.
  - Subject to commodity prices and global industrial activities, management expects MHT to deliver relatively neutral NPAT Post-MI in 4Q2020.
  - Risk: Further social distancing measures due to the re-emergence of COVID-19 in 4Q2020 might yield negative impact to The CrownX's supermarket business, similar to what occurred in 2Q2020. A large-scale re-emergence of African Swine Fever ("ASF") may add significant volatility to MML's Feed business.

## Operational Commentary by Business Segments

**MCH: 32.0% topline growth and 43.7% EBITDA growth in 3Q2020. 9M2020 topline and EBITDA up 30%, as MCH delivered 3 successive quarters strong double-digit growth of ~30%.**

### ■ **3Q2020 Highlights:**

- 3Q2020 net revenue grew by 32.0% to VND6,084 billion versus 3Q2019 driven by strong growth across MCH's categories.
- Consumer behavior is changing during COVID-19, shifting preferences towards in-home consumption versus eating out, as exhibited by significant growth of convenience food and processed meat categories. MCH believes this momentum and MCH's innovative portfolio (bringing traditional flavors and nutritional value) will accelerate consumption growth of full meal solutions in Vietnam to reach levels of its regional peers.
- Strong growth momentum exhibited by innovations launched in 9M2020 across categories (full meal solutions, granules, new energy drink brands, Compact & Ho Van) supported by a robust innovation pipeline, are expected to be key drivers for strong revenue growth as they further ramp up in 4Q2020 and 2021. Innovations and new categories contributed to 55% of revenue growth in 3Q2020.
- Premiumization and value-added portfolio continued to perform well, with premium and value-added products accounted for 58% of convenience foods portfolio revenue in 3Q2020. Premium fish sauce brands accounted for 11% of total fish sauce portfolio.
- Modern trade ("MT") and urbanization strategy accelerating: 50% growth in sales from MT in 3Q2020 versus 3Q2019.

### ■ **Revenue Drivers:**

- **Seasonings:** Category continued strong growth momentum in 3Q2020, up 26.1% vs 3Q2019, following 22.4% revenue growth in 2Q2020 vs 2Q2019. Overall, the category was up 14.3% for 9M2020.
  - Fish sauce portfolio was up by 23.8% in 3Q2020. Premiumization of the core portfolio, with relaunch of mainstream fish sauce brands was the key driver for growth. Soy sauce was up 15.9% and chili sauce up 18.1%.
  - Granules segment continues to scale up rapidly, growing 2.3x in 3Q2020 vs 3Q2019 and up 5.9% compared to 2Q2020, contributing 7% of entire seasonings category revenue in 3Q2020.
- **Convenience foods:** 3<sup>rd</sup> consecutive quarter for the category with more than 25% topline growth, as revenue was up 27.5% in 3Q2020 versus 3Q2019.
  - Full meal solutions continues to be a sustainable growth driver, up 90% compared to 3Q2019 and now accounts for 25% of segment sales compared to just 17% in 3Q2019.
  - Successful launch of five additional innovations in full meal solutions during 3Q2020, completing the "Chin-su 7-day breakfast" set with seven products, and showcasing MCH's ability in diversifying and innovating the convenience foods category. These innovations are expected to further increase full meal solutions topline contribution to convenience foods, as MCH continues to upgrade its portfolio.
- **Processed Meat:** Premium brand "Ponnie" delivered 2.8x revenue growth in 3Q2020 vs 3Q2019, and mainstream brand "Heo Cao Boi" delivered 52.2% growth, as total category revenue was up 77.0% in 3Q2020. New SKU's launched under Ponnie continue to gain traction, and demonstrate Masan's capability in developing exciting new products in the processed meat category. Premium brand now contributes over 31% of segment revenues, while the segment itself contributed 3.7% of MCH's consolidated revenues in 3Q2020, compared to 2.8% in 3Q2019.

- **Beverages:** Reduction in on-premise traffic due to COVID-19 continued to affect growth rates for the entire market, as a result category delivered only 6.6% growth in topline during 3Q2020. Topline growth was driven by energy drinks, which grew 11.1% in 3Q2020 and continues to gain market share. New energy drinks products like Compact and Ho Van delivered more than 20% of energy drinks category revenues in 9M2020. Ho Van, the new brand launched in January 2020, widens MCH's energy drink portfolio to cover a greater variety of flavors and to expand the portfolio.
  - **Home Personal Care:** Home and personal care ("HPC") segment contributed VND385 billion in net revenue during 3Q2020 and VND879 billion during 9M2020. New brand "Joins" was launched in early September with promising results. Building on the launch of first products in HPC, Masan aims to build a comprehensive portfolio within the category.
  - **Other Categories:** Beer was up 57.8% in 3Q2020 and 39.1% in 9M2020, as launch of "Red Ruby" brand rejuvenated the segment with a fresh new look, supported by a focused advertising campaign. Export saw a jump of 35.2% primarily from the sale of powder, seasonings and convenience foods and domestic powder sales were up by 12.2%.
- **Profitability Drivers:**
- **Gross Margin:** 41.9% in 3Q2020 compared to 40.9% in 3Q2019, a growth of 1.0% due to improved gross margins in seasonings and beverages. For 9M2020, gross margins were flat at 40.7% compared to same period last year, even after including the effects of HPC business consolidation.
  - **EBITDA Margin:** After strategic investments in 1H2020 to launch new innovations and support brand launches, SG&A expenses were pared down in 3Q2020. As a result, EBITDA growth of 43.7% in 3Q2020 was higher than revenue growth. Overall, EBITDA margin in 3Q2020 was 24.6%, up 2.0% compared to 3Q2019.

**VCM: Turnaround game plan delivering results as 3Q2020 EBITDA margin improved by 3.7% versus 3Q2019, minimarket delivered 8.4% LFL growth y-o-y basis while supermarket traffic started recovering with LFL bill/day growth 9.3% vs 2Q2020**

- **Minimart (VinMart+ or "VMP") Revenue Highlights:**
  - **Revenue:** VMP topline grew by 38.4% in 3Q2020 versus 3Q2019 and 56.5% in 9M2020 vs 9M2019 despite closing off 421 stores. LFL revenue/m<sup>2</sup> grew by 8.4% and 11.2% for 3Q and 9M respectively. LFL growth was driven by 18.1% growth in average bill size during 3Q2020, with HCMC stores showing the fastest growth at 25.4%. Overall, foot traffic was down 7.9% in 3Q2020, due to social distancing measures in early 3Q, yet Tier 2 cities foot traffic was up 2.6% as they were least impacted due to the pandemic. 3 new concept store formats opened in HCMC and Hanoi, to provide more fresh products and improve layout, helping to understand consumer behavior and design model stores for next round of expansion.
  - **Regional Update:** Turnaround plan for improving the operational model, especially in HCMC has started to deliver positive results, LFL revenue/m<sup>2</sup> growth of 14.9% in 3Q2020 vs 3Q2019, 25.4% increase in average bill size, though foot traffic down 7.9% due to COVID-19 pandemic. Most importantly, LFL store level EBITDA margin improved by 4.9%, for stores opened before 2019 in HCMC (like-for-like stores).
    - LFL revenue/m<sup>2</sup> growth for Hanoi and Tier 1 cities (Da Nang, Can Tho and Hai Phong) was up more than 4%, while Tier 2 cities (least affected by the pandemic) LFL revenue/m<sup>2</sup> was up 15.7%. Hanoi and Tier 1 cities (contributing to 60% minimart segment's revenue) revenue/m<sup>2</sup> reached break-even level of more than VND7.5 million/sqm/month.
    - Despite stiff competition, high revenue growth in HCMC & Tier 2 cities, which together contributed 40% of VMP's 3Q2020 revenue, points to favorable momentum to support targets for FY2020 and beyond. New concept store launched in Ho Chi Minh in Aug 2020 with aim to build up successful store model for Ho Chi Minh in the near term.

- **Network Expansion:** Pace of store closures expanded in 3Q2020, with 276 VMP stores closed, nearly half of them in HCMC. During 9M2020, 57 new VMP stores were opened, while 421 stores were closed. More than 80% of the closed stores were located in HCM and Tier 2 cities, which had ~50% lower revenue/m<sup>2</sup> than optimal levels required to achieve store-level break-even. Total EBITDA losses of stores closed is VND(202)bn in 9M2020 so this saving will be fully materialized since 2021. Management is fixing the operational model and store layout by opening concept stores in HCMC and Hanoi, which will also be applied to new store openings to achieve better performance.
- **Supermarket (VinMart or “VMT”) Revenue Highlights:**
  - **Revenue:** 3Q2020 topline was up 5.4% compared to 2Q2020 as traffic recovered in supermarkets. LFL revenue/m<sup>2</sup> growth was 8.3% vs last quarter, mainly driven by 9.3% traffic growth. However, 3Q2020 revenue was still 15.8% lower than 3Q2019 driven by decline in sales of VMT supermarkets located inside Vincom Retail (“VRE”) locations.
    - More than 95% of decline in sales was due to VMT supermarkets located inside VRE locations. Historically, VMT supermarkets located in VRE properties contributed 66% of VMT total sales, in 3Q2020, this figure declined to 56%.
    - LFL revenue/m<sup>2</sup> growth for VMT locations outside VRE was up 1.3% for 3Q and 4.1% for 9M2020.
    - Average LFL bill size was up 6.6% for the whole country, with Hanoi delivering the fastest growth of 15.8% in 3Q2020. However, foot traffic was down across regions due to factors mentioned above.
  - **Regional Update:** Hanoi, which contributes 48% of total VMT revenue, saw 4.3% LFL revenue/m<sup>2</sup> growth for 3Q2020, and 6.5% in 9M2020 due to VCM’s dominant position in the North. HCMC, Tier 1 and Tier 2 cities (regions with greater concentration in VRE locations) witnessed negative overall growth.
  - **Network Expansion:** During 9M2020, 1 new supermarket was opened, while 12 were closed down. Similarly, these stores had 50% lower revenue/m<sup>2</sup> than optimal levels required to achieve store level break-even. Total EBITDA losses of stores closed is VND(37) billion in 9M2020
- **Private Label Sales:** increased to 10.3% of retail revenue in 3Q2020 for VMT and 11.3% for VMP. Development of the private label business is a key focus area for management and is expected to accelerate over the next 18 months with more than 20% revenue contribution target over the long-term.
- **Profitability Drivers:** VCM delivered negative EBITDA of VND221 billion or (2.8)% EBITDA margin in 3Q2020, 3.7% improvement versus 3Q2019.
  - At the consolidated store level, total commercial margin (which takes into account both front and back margins) improved by 2.4% in 9M2020, driven by better assortment, pricing policy and realization of supplier negotiation in 2020.
  - As a percentage of sales, operating cost was reduced by 1.3%, of which 0.6% improvement from store operating cost and 0.7% from headquarter/back office cost as a result of store LFL growth and closure of non-performing stores since the start of FY2020.
  - For all VMP stores opened before 2019, EBITDA margin at the store level<sup>1</sup> was positive for overall chain in 3Q2020. For VMT, EBITDA margin at store level was positive in Hanoi.

**MML: topline grew 25% in 3Q2020 while profitability improved 33%; acquisition of 3F VIET as an entry into attractive poultry meat market**

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<sup>1</sup> Store level means management accounting numbers that include VMP and VMT store level performance and exclude headquarter, back office and VinECO results.

### ■ 3Q2020 Highlights:

- **Revenue:** Net revenue for 3Q2020 was up by 23.3% to VND4,210 billion from VND3,363 billion in 3Q2019. Integrated meat business delivered VND583 billion in topline for 3Q2020, contributing 14% of total revenue for MML. EBITDA reached VND540 billion as integrated meat business saw strong profitability improvement while feed business continued to optimize its profitability by streamlining operating expenses.
- **Gross Margin:** 17.9% gross margin in 3Q2020, increase of 100 basis points compared to 16.9% in 3Q2019. Improvement in gross profit margin of the integrated meat business was the main driver. Overall, for 9M2020 gross margins were 17.1%, growth of 20 basis points compared to 9M2019.
- **EBITDA Margin:** Feed profitability continues to be cash-generative with 13.1% EBITDA margins in 3Q2020, growth of 140 basis points compared to 2Q2020, driven by a lean operating platform. Meat business (ex-feed) delivered 11.0% EBITDA margin in 3Q2020, almost double compared to ~5.0% in 2Q2020, due to integrated farm-meat margins, better porker and capacity utilization. Overall, MML EBITDA margin was 12.8% in 3Q2020, significant improvement compared to 10.7% in 2Q2020.
- **Feed Segment**
  - 3Q2020 feed revenue was up 11% vs 3Q2019 and 13% vs 2Q2020, with over 20% y-o-y revenue growth for both pig and poultry feed segments. Pig feed volume in 3Q2020 was up 25% vs 2Q2020 and 16% vs 3Q2019, as farmers re-herding activities picked up due to elevated live hog prices and expectation of ASF (“African Swine Fever”) disease’s abatement. However, a large scale re-emergence of ASF might add significant volatility to the segment results in the next 6-12 months.
  - Poultry feed volume was up 27% y-o-y and 12% q-o-q in the same period, due to higher demand for egg/chicken products in a period of high pig/pork prices.
  - Aqua feed volume down 6% y-o-y, but up 6% q-o-q on the back of slow-down in demand of catfish export due to COVID-19.
  - Feed segment delivered VND475 billion EBITDA, a 16% improvement y-o-y, with double-digit EBITDA margin of 13.1%, as MML continues to reduce SG&A spending. Gross profit margin remained flat y-o-y at 17.4% due to higher contribution of poultry feed.
- **Meat Segment**
  - Integrated meat business (farm + meat) delivered VND583 billion in revenue for 3Q2020, and VND1,638 billion for 9M2020. Standalone meat business revenue was up 11% in 3Q2020 compared to 2Q2020, mainly driven by 27% growth in sales of branded packaged meat
  - As of end 3Q2020, MEATDeli brand was sold through 1,501 POS, growth of 252 POS compared to end of 2Q2020, with presence in 1,100+ VinMart+ in Hanoi and HCMC. In 4Q2020, MML and VCM will focus on improving SSSG of MEATDeli in these POS and make MEATDeli a “hook product” in VCM’s fresh-focus strategy.
  - MML continued to grow the processed meat portfolio with the introduction of marinated chilled meat in 2H2020. Processed meat accounts for 7% of meat revenue in 3Q2020 vs 5.5% in 2Q2020, with the aim to reach 10% contribution in 4Q2020
  - Integrated meat business recorded EBITDA profit of VND65 billion in 3Q2020, with 11.1% margin vs VND30 billion or 5.0% EBITDA margin in 2Q2020, due to better capacity utilization, porker utilization and integrated margins from farm to meat. Given the high external live hog environment, management is working on multiple initiatives to lower live hog input cost, and expects material impacts from these initiatives in 4Q2020.

- In Oct 2020, MML inaugurated MEATDeli Saigon meat processing complex in the southern province of Long An. The project's first phase will produce 140,000 tons of chilled meat annually, and 15,000 tons of processed foods such as ham, sausage etc.
- 3F VIET expect to deliver VND1,000 billion revenue and break-even EBITDA level in FY2020. As the transaction closed in late 2H2020, expect material impact from consolidation of 3F VIET business from 2021 onwards.

**MHT: Consolidation of HCS to deliver long-term sustainable growth, strategic alliance with MMC will accelerate MHT's vision to become a global high-tech industrial materials platform**

- **Net revenue up 38%** – MHT posted net revenue of VND5,073 billion in 9M2020, a 37.7% increase compared to VND3,685 billion recorded in 9M2019. Tungsten revenues were higher due to the consolidation of HCS but partially offset by lower realized prices. Copper revenues were up on the back of shipping ~62,000 tons of concentrates for export. Fluorspar revenues were down on the back of lower tons sold due to delays in shipments and lower realized prices.
- **EBITDA of VND1,007 billion** – EBITDA decreased by 35.9% for 9M2020, primarily a reflection of low selling prices realized for tungsten and copper. Tungsten pricing remains affected by COVID-19. Tungsten unit costs were in line with 9M2019 despite 5% lower grades and 1% lower recovery, reflecting cost savings that have been made on a year to date basis. Further unit costs reductions are expected in 4Q2020. As explained in the 1H2020 earnings release, copper was sold at a loss as the contract was signed in May 2020 based on the average LME price for April following receipt of the export permit from the Government of Vietnam. Management accepted the contract conditions at that time due to the uncertainty that was occurring throughout the world in relation to COVID-19 and was looking to protect itself from further downside pricing risk and was also seeking to lock in the cash flows to support the HCS acquisition that occurred in June. Fluorspar production unit costs were 3% higher as compared to last year on lower feed grades. Copper unit production costs on a year to date basis are 13% lower on higher feed grades.
- **VND68 billion attributable net profit** – The Company delivered an attributable net profit of VND68 billion for 9M2020, VND405 billion decrease over the same period last year. The operational loss to 9M2020 was offset by the adjustment in relation to the PPA exercise undertaken as part of the HCS acquisition which reflects the “bargain purchase”. 9M2019 prior year also included one-off earnings uplift from Jacobs arbitration claim equal to ~VND987 billion.

**TCB: Reported profit before tax grew by 18.9% to reach VND10,711 billion in 9M2020 versus VND9,006 billion in 9M2019.**

- Detailed information on TCB's full year financial results will be presented separately by the bank as part of its disclosure obligations as a listed company.

## 3Q2020 and 9M2020 Consolidated Financial<sup>2</sup> Highlights

### Income Statement Highlights

VND Billion	3Q2020	3Q2019	Growth	9M2020	9M2019	Growth
<b>Net Revenue</b>	<b>20,214</b>	<b>8,968</b>	<b>125.4%</b>	<b>55,618</b>	<b>26,378</b>	<b>110.8%</b>
<i>Masan Consumer Holdings</i>	6,084	4,610	32.0%	16,359	12,589	29.9%
<i>VinCommerce</i>	7,864	na	Na	23,678	na	Na
<i>Masan MEATLife</i>	4,210	3,363	25.2%	11,412	10,104	12.9%
<i>Masan High-Tech Materials</i>	2,503	995	151.6%	5,073	3,685	37.7%
<b>Gross Profit</b>	<b>4,818</b>	<b>2,432</b>	<b>98.1%</b>	<b>12,674</b>	<b>7,562</b>	<b>67.6%</b>
<i>Masan Consumer Holdings</i>	2,549	1,887	35.1%	6,663	5,137	29.7%
<i>VinCommerce</i>	1,400	na	Na	3,854	na	Na
<i>Masan MEATLife</i>	755	567	33.2%	1,954	1,711	14.2%
<i>Masan High-Tech Materials</i>	98	(35)	(380.0)%	183	676	(72.9)%
<b>Gross Margin</b>	<b>23.8%</b>	<b>27.1%</b>		<b>22.8%</b>	<b>28.7%</b>	
<i>Masan Consumer Holdings</i>	41.9%	40.9%		40.7%	40.8%	
<i>VinCommerce</i>	17.8%	na		16.3%	Na	
<i>Masan MEATLife</i>	17.9%	16.9%		17.1%	16.9%	
<i>Masan High-Tech Materials</i>	3.9%	(3.5)%		3.6%	18.3%	
<b>SG&amp;A<sup>3</sup></b>	<b>(4,166)</b>	<b>(1,536)</b>	<b>171.2%</b>	<b>(12,150)</b>	<b>(4,280)</b>	<b>183.9%</b>
<i>Masan Consumer Holdings</i>	(1,320)	(1,069)	23.5%	(3,603)	(2,906)	24.0%
<i>VinCommerce</i>	(2,129)	na	Na	(6,505)	Na	Na
<i>Masan MEATLife</i>	(412)	(358)	15.1%	(1,245)	(1,053)	18.2%
<i>Masan High-Tech Materials</i>	(254)	(58)	337.9%	(408)	(158)	158.2%
<b>SG&amp;A as % of Net Revenue</b>	<b>20.6%</b>	<b>17.1%</b>		<b>21.8%</b>	<b>16.2%</b>	
<i>Masan Consumer Holdings</i>	21.7%	23.2%		22.0%	23.1%	
<i>VinCommerce</i>	27.1%	na		27.5%	Na	
<i>Masan MEATLife</i>	9.8%	10.7%		10.9%	10.4%	
<i>Masan High-Tech Materials<sup>5</sup></i>	10.1%	5.9%		8.0%	4.3%	
Share of Profit in Associates	677	552	22.6%	1,809	1,532	18.1%
D&A	1,347	768	75.4%	4,032	2,286	76.4%
<b>EBITDA<sup>4</sup></b>	<b>2,767</b>	<b>2,216</b>	<b>24.9%</b>	<b>6,463</b>	<b>7,100</b>	<b>-9.0%</b>
<i>Masan Consumer Holdings</i>	1,499	1,044	43.6%	3,819	2,913	31.1%
<i>VinCommerce</i>	(221)	Na	Na	(1,272)	Na	Na
<i>Masan MEATLife</i>	540	407	32.7%	1,308	1,229	6.4%
<i>Masan High-Tech Materials</i>	367	262	40.1%	1,007	1,571	(35.9)%
<i>Techcombank Contribution</i>	677	542	23.4%	1,809	1,514	19.0%
<b>EBITDA Margin</b>	<b>13.7%</b>	<b>24.7%</b>		<b>11.6%</b>	<b>26.9%</b>	
<i>Masan Consumer Holdings</i>	24.6%	22.6%		23.3%	23.1%	
<i>VinCommerce</i>	(2.8)%	na		(5.4)%	Na	
<i>Masan MEATLife</i>	12.8%	12.1%		11.5%	12.2%	
<i>Masan High-Tech Materials</i>	14.7%	26.4%		19.8%	42.6%	
<b>Net Financial (Expense)/Income<sup>5</sup></b>	<b>(1,436)</b>	<b>197</b>		<b>(1,883)</b>	<b>(730)</b>	
<i>Financial Income</i>	159	791		1,253	950	
<i>Financial Expense</i>	(1,277)	(595)		(3,136)	(1,681)	
<b>Other Income/(Expenses)<sup>5</sup></b>	<b>890</b>	<b>1,022</b>		<b>902</b>	<b>1,001</b>	
<b>Corporate Income Tax</b>	<b>(128)</b>	<b>(242)</b>		<b>(541)</b>	<b>(467)</b>	
NPAT Pre-MI	973	2,425	(59.9)%	811	4,616	(82.4)%
NPAT Post-MI	852	2,228	(61.8)%	969	4,110	(76.4)%
<b>Cash NPAT Post-MI<sup>6</sup></b>	<b>33</b>	<b>2,228</b>	<b>(98.5)%</b>	<b>150</b>	<b>4,110</b>	<b>(96.4)%</b>

<sup>2</sup> Financial numbers are based on management figures and in accordance to Vietnamese Accounting Standards. 2019 Consolidated numbers does not include VCM. The comparison of VCM management figures are presented in VCM key information table below.

<sup>3</sup> MSN's consolidated SG&A is higher than total of subsidiaries' SG&A expenses due to holding company expenses.

<sup>4</sup> EBITDA includes contribution from TCB. EBITDA for VCM, includes income from suppliers as "back margin" parts of which, depending in the contract terms, are recognized as other income & financial income under VAS, amounting to VND54 billion in 3Q2020 and VND119 billion in 9M2020.

<sup>5</sup> These financial items in 3Q2019 includes VND1,651 billion from Jacob's claim and VND881 billion in 3Q2020 due to negative goodwill resulting from consolidation effects of HCS acquisition by MHT.

<sup>6</sup> Cash NPAT Post-MI excludes goodwill amortization as a result of VCM acquisition; and amortization of fair value adjustments and negative goodwill from the acquisition of HCS.

## Balance Sheet Highlights<sup>7</sup>

VND Billion	3Q2020	FY2019	FY2018
<b>Cash and cash equivalents<sup>8</sup></b>	<b>5,903</b>	<b>7,585</b>	<b>4,962</b>
<b>Debt</b>	<b>53,586</b>	<b>30,016</b>	<b>21,995</b>
Short-term Debt	21,759	18,340	9,244
Long-term Debt	31,827	11,676	12,752
<b>Total Assets</b>	<b>109,265</b>	<b>97,297</b>	<b>64,579</b>
<b>Total Equity</b>	<b>28,596</b>	<b>51,888</b>	<b>34,080</b>
Total Equity Excluding MI	20,561	42,780	29,487
<b>Outstanding Number of Shares (million shares)</b>	<b>1,175</b>	<b>1,169</b>	<b>1,163</b>

## Key Financial Ratios<sup>9</sup>

VND Billion	3Q2020	FY2019	FY2018
<b>Net Debt to EBITDA<sup>10</sup></b>	<b>4.5x</b>	<b>1.4x</b>	<b>1.6x</b>
<b>ROAA</b>	<b>2%</b>	<b>9%</b>	<b>9%</b>
<b>ROAE</b>	<b>8%</b>	<b>18%</b>	<b>22%</b>
<b>FFO<sup>11</sup> to Debt</b>	<b>10%</b>	<b>21%</b>	<b>24%</b>
<b>FCF<sup>12</sup></b>	<b>4,813</b>	<b>3,813</b>	<b>4,622</b>
<b>Cash Conversion Cycle</b>	<b>51</b>	<b>71</b>	<b>43</b>
Inventory days <sup>13</sup>	76	82	60
Receivable days <sup>14</sup>	8	6	10
Payable days	33	17	27
<b>CAPEX</b>	<b>(2,613)</b>	<b>(4,163)</b>	<b>(2,638)</b>

<sup>7</sup> Balance Sheet includes VCM for 9M2020 and FY2019 as a result of VCM consolidation as of 31 December 2019.

<sup>8</sup> Cash and cash equivalent 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).

<sup>9</sup> Key Financial Ratios in 2018 and 2019 does not include VCM for like-for-like comparison.

<sup>10</sup> Net Debt to EBITDA ratio uses the "Cash and cash equivalent" as per footnote 8 and excludes VCM's EBITDA during turnaround phase.

<sup>11</sup> FFO: Trailing Twelve-Month ("TTM") Funds From Operations is calculated based on EBITDA, excluding contribution from TCB, and adjusted for net financial expense, excluding one-off gain from sale of TCB convertible bonds, and adjusted for corporate income tax paid within the reporting period.

<sup>12</sup> FCF: TTM Free Cash Flow is calculated from EBITDA, excluding contribution from TCB, and adjusted for changes in working capital, and corporate income tax paid within the reporting period and CAPEX.

<sup>13</sup> Inventory days is calculated based on inventory balances and divided by TTM COGS.

<sup>14</sup> Receivable and Payable days are calculated based on balances excluding those that are not related to operating activities divided by TTM Revenue or TTM COGS.

## Key Subsidiary Information

### MCH

VND Billion	3Q Growth	9M Growth
<b>Net Revenue<sup>15</sup></b>	<b>32.0%</b>	<b>29.9%</b>
Seasonings	26.1%	14.3%
Convenience Foods <sup>16</sup>	27.5%	41.3%
Processed Meat	77.0%	120.7%
Beverages (Non-alcoholic)	6.6%	8.5%
<b>Gross Profit</b>	<b>35.1%</b>	<b>29.7%</b>
<b>EBITDA</b>	<b>44.9%</b>	<b>31.6%</b>

### VCM

	9M2020	FY2019	FY2018
<b>End of period store count</b>	<b>2,646</b>	<b>3,022</b>	<b>1,806</b>
VinMart	122	133	106
VinMart+	2,524	2,888	1,700
<b>New Stores</b>			
VinMart	1	29	
VinMart+	57	1,240	

Key B2C performance Highlights	3Q2020	3Q2019	9M2020	9M2019
<b>LFL growth<sup>17</sup> in revenue/m<sup>2</sup></b>				
VinMart	(15.8)%		(14.2)%	
VinMart+	8.4%		11.2%	
<b>EBITDA margin</b>	(2.8)%	(6.6)%	(5.4)%	(7.6)%

### MHT

Average Commodity Prices <sup>18</sup>	Unit	Avg. 9M2020	Avg. 9M2019	% change	30.09.20	30.09.19
APT European Low	USD/mtu <sup>19</sup>	222	244	(9)%	220	205
Bismuth Low	USD/lb	2.5	3.2	(21)%	2.9	2.6
Copper	USD/t	5,843	6,065	(4)%	6,610	5,719
Fluorspar Acid Grade <sup>20</sup>	USD/t	405	498	(19)%	430	465

Production Summary	Unit	9M2020	9M2019	Growth
Ore processed	kt	2,868	2,834	1.2%
Tungsten products (Contained) – Including HCS	t	6,197	4,702	31.8%
Copper in Copper Concentrate (Contained)	t	6,499	6,039	7.6%
Acid Grade Fluorspar	t	160,939	172,545	(6.7)%
Bismuth in Bismuth Cement (Contained)	t	371	917	(59.5)%

<sup>15</sup> These numbers are based on management figures.

<sup>16</sup> Includes instant noodle, full-meal solutions, instant congee and other convenience foods.

<sup>17</sup> LFL: Same store sales growth compares performance of stores opened before 2019 (fully operated in 2019 + 2020) and still operating at the reporting date to the performance for the same period last year

<sup>18</sup> Metals Bulletin.

<sup>19</sup> MTU mean metric ton unit (equivalent to 10 kilograms). To approximate tungsten sales for every 1 ton of contained tungsten, multiply the number by 100, the USD/mtu price and by the price realization percentage (which is subject to contracts and the nature of the end, tungsten chemical product).

<sup>20</sup> Industrial Minerals.

## **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 90 million people of Vietnam, so that they can pay less for their daily basic needs. 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 food and beverages, branded meat, modern retail, value-add chemical processing, and financial services, altogether representing segments of Vietnam’s economy that are experiencing the most transformational growth.

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