

FOR IMMEDIATE RELEASE

The CrownX grew revenue and EBITDA¹ by 8% and 32% YoY

Ho Chi Minh City, 28 July 2023 – Masan Group Corporation (**HOSE: MSN**, “Masan” or the “Company”, today released its unaudited management accounts for the first half of 2023 (“1H2023”).

“We are singularly focused on giving consumers what they want. Consumers are starting to recognize and reward us for our consumer-centric innovations – membership, retail formats, and FMCG products. I am sure we will see the tailwind in the second half of the year, which will set the growth foundation for 2024.” said Dr. Nguyen Dang Quang, Chairman of Masan Group.

Macro Highlights:

- In 2Q2023, challenging macro conditions continued to put a dent in both consumer and business confidence. Although Vietnam’s GDP growth reached 4.1%, an improvement from 3.3% in 1Q2023, it is still below the 6.5% target level for full-year 2023. As a result, consumers and businesses continued to be cautious in 1H2023.
 - 82.3% of businesses surveyed expected weaker performance in 2H2023²; consumer confidence index dropped to the lowest level in the last 12 months³.
 - As a result, most FMCG and retail businesses in Vietnam have seen a YoY decline in performance.
- However, loosening monetary policy, together with supportive fiscal measures (increased public investments, VAT cuts, etc.), are expected to provide a strong foundation for improved economic conditions in 2H2023.

Strategic Highlights:

- In contrast to prevailing market conditions, Masan’s integrated consumer-retail platform that consolidates WinCommerce (“WCM”) and Masan Consumer Holdings (“MCH”), The CrownX (“TCX”), successfully delivered on growth and has better positioned itself to benefit from the gradual recovery in consumer demand. TCX exhibited positive quarter-over-quarter (“QoQ”) and month-over-month (“MoM”) growth momentum on a consecutive basis in 2Q2023:
 - WCM’s LFL⁴ growth has continuously been improving from -10.1% YoY in March to the forecasted level of -4.0% YoY in July, signaling a gradual improvement in consumer sentiment. WCM expects LFL YoY growth to become positive by the end of the year. MoM improvement is also reflected in WCM’s EBITDA margins, which grew from 1.0% in 1Q2023 to 1.3% in April, 1.6% in May, and 3.6% in June 2023.
 - Improvement in consumer sentiment also supported MCH’s revenue QoQ growth of 6.5% and LFL⁵ YoY growth of 21.7% in 2Q2023. MCH’s EBITDA also experienced QoQ growth of 13.6% and LFL YoY growth of 25.5% in 2Q2023.
- WIN Membership, launched nationwide on 6 January 2023, is the realization of MSN’s Offline-to-Online strategy where customer digitalization is key to communicate and personalize offerings. Furthermore, WIN Membership is the centerpiece connecting various products & services of MSN and its partner brands under one program to address 80% of Members’ needs:

¹ Earnings before interest, taxes, depreciation, and amortization

² Source: Vietnam Economic Forum and VNExpress survey (May-23)

³ Source: Infocus Mekong Research

⁴ When referring to WCM, LFL includes the stores that were opened before 2022 and are still operating. LFL growth refers to the revenue growth of these stores compared to last year.

⁵ When referring to MCH, LFL excludes the processed meat contribution in 2022.

- Grocery: The program has reached 6 million registered members, of which 2.4 million are monthly active members visiting WCM nearly 3 times per month on average. MEATDeli, a key brand under WIN Membership, witnessed 30% sales increase per WCM outlet since joining WIN Membership.
- Financial services: MSN's roll-out of Techcombank ("TCB") account opening program for WIN Members across WCM's network nationwide picked up significant momentum, having opened 670,000 accounts in 1H2023 and achieved run-rate of 200,000 new accounts per month as of today. The success of this program solidifies MSN's Point-of-Life strategy with WCM's outlets becoming financial products and services distribution points. MSN receives VND150,000 – 400,000 per bank account opened.
- MSN intends to onboard other products & services in 2H2023.
- In a challenging macro environment, MSN used the period to advance strategic initiatives across its businesses to position itself for the consumer recovery:
 - WCM converted 124 minimarts ("WinMart+") in rural areas into the new low-cost rural minimart ("WinMart+ Rural") concept. Revenue/WinMart+ Rural per day grew +30% compared to pre-conversion performance. This is an important milestone in WCM's strategy to win rural where 65% of Vietnamese population resides. WCM targets to convert 676 WinMart+ and open 200 new WinMart+ Rural in 2H2023 to drive growth in its rural network.
 - WCM also converted two supermarkets ("WinMart") in Phu My Hung and Thang Long into the new premium and urban formats, respectively. WinMart Phu My Hung, the premium format, saw a 54% increase in revenue compared to last year and a 37% increase in store traffic. WinMart Thang Long, the urban format, saw a 27% increase in revenue compared to last year and a 32.0% increase in store traffic. WCM aims to convert 9 WinMart into the new urban format in 2H2023 to improve unit economics of these selected stores.
 - WIN store concept delivered LFL growth of 4.0% YoY despite weaker consumer demand. WCM targets to convert 50 WinMart+ into WIN concept and open 250 new WIN stores in 2H2023.
 - Phuc Long Heritage ("PLH") continued to refine the new Hub & Spokes concept to improve kiosk performance, leading to an 8% uplift in revenue for the total Hub & Spokes.

Masan MEATLife ("MML") improved conversion cost and utilization rate thanks to the strategy to close price gap with wet market, now at 5% from 11% in 1Q2023. Simultaneously, bill count and sales increased by 48% and 35%, respectively, after promoting brands inside WIN Membership. Daily revenue for MML products in WCM's outlets improved by 30% to VND1.55 million in June 2023.

Business Performance Highlights:

- MSN recorded topline growth of 3.6% YoY in 1H2023 despite a challenging macro environment. In terms of profitability, TCX delivered a strong 38.8% YoY increase in operating profit ("EBIT" or "earnings before interest and taxes"), reflecting the resilience of MSN's core consumer businesses offsetting lower contribution from Masan High-tech Materials ("MHT").
- TCX's revenue recorded VND26,835 billion in 1H2023 and VND13,535 billion in 2Q2023, up 3.1% YoY and 7.6% YoY, respectively. TCX's EBITDA posted VND3,507 billion in 1H2023 and VND1,976 billion in 2Q2023, up 10.3% YoY and 28.3% YoY, respectively:
 - **Despite weakened consumer sentiment affecting sales productivity, WCM's revenue recorded 1.5% YoY growth in 1H2023 and 2.5% YoY growth in 2Q2023 while profitability was largely protected.**
 - WCM's net revenue reached VND14,517 billion in 1H2023 and VND VND7,182 billion in 2Q2023, up 1.5% YoY and 2.5% YoY, respectively. WCM opened 152 new WinMart+ and 2 new WinMart in the first six months of the year, totaling 3,511 locations nationwide for both minimarts and supermarkets by the end of 1H2023.
 - WCM continued to improve gross profit margin to 24.8% in 2Q2023, a 270bps increase from the margin of 22.1% in 1Q2023. As a result, WCM's EBITDA margin increased 120bps to 2.2% in 2Q2023 from 1.0% in 1Q2023. Notably, EBITDA margin in June 2023 reached 3.6%, demonstrating a continual and strong profitability improvement trend despite store openings and weaker consumer demand.
 - 106 WIN stores of WCM, where urban consumers can access 60%+ daily consumption needs, grew sales by 4% YoY, supporting the conviction that this is the winning minimart model for urban areas.

- **MCH increased topline significantly by 11.6% YoY in 1H2023 and 21.7% YoY in 2Q2023 on a LFL basis and delivered a sustainable gross margin expansion to 43.5% in 1H2023.**
 - MCH net revenue registered 4.7% YoY growth to VND12,940 billion in 1H2023 and 13.0% YoY growth to VND6,675 billion in 2Q2023. On a LFL basis, net revenue grew by 11.6% YoY in 1H2023 and 21.7% YoY in 2Q2023.
 - Seasonings, Convenience Foods, and HPC recorded 21.3% YoY, 7.8% YoY, and 52.1% YoY growth rates, respectively, in 1H2023. In 2Q2023, these categories reported revenue growth rates of 29.8% YoY, 24.6% YoY, and 73.6% YoY, respectively.
 - MCH gross margin continuously expanded and achieved 45.0% in 2Q2023, up 530 bps from 39.7% in 2Q2022. MCH's EBITDA margin increased to 25.0% in 2Q2023, up ~150 bps from 23.5% in 2Q2022.
- **PLH posted 4.6% YoY revenue⁶ decline in 1H2023 with slower new store opening amidst challenging F&B retail environment.**
 - PLH outside WCM segment experienced positive growth in revenue, reaching VND581 billion in 1H2023, which represented a 3.9% YoY growth.
 - In 1H2023, for kiosks, the Hub & Spokes model has increased spokes' average daily sales by 40.0% compared the pre-conversion performances.
- **MML increased revenue by 70.2% YoY in 1H2023 and 68.7% YoY in 2Q2023 thanks to higher topline across all segments and the addition of the processed meat segment.**
 - MML revenue increased to VND3,303 billion in 1H2023, up 70.2% from VND1,941 billion in 1H2022. On a LFL⁷ basis, revenue increased by 22.2% in 1H2023 thanks to higher sales across all segments.
 - For processed meat, revenue increased by 45.5% to VND1,108 billion in 1H2023, primarily driven by increased volume.
 - For branded meat, as MML closes the gap with wet market via exclusive prices for WIN members, daily revenue for MML products in WCM's outlets improved by 30% to VND1.55 million in June 2023 thanks to increase in volume sold.
- **MHT revenue declined 9.9% YoY in 1H2023 due to subdued global demand for its products.**
- **Techcombank ("TCB"), Masan's associated company, contributed VND1,853 billion in EBITDA in 1H2023, representing a decline of 23.4% YoY. For detailed results, please refer to the bank's website.**

Consolidated Financial Results

- **Net Revenue:** On a reported basis, Masan's net revenue reached VND37,315 billion in 1H2023, an increase of 3.6% versus VND36,023 billion in 1H2022.

FY2023 Forecast and 2H2023 Initiatives:

Based on 1H2023 performance and the current momentum, Masan expects to deliver VND83,500 – 90,000 billion in revenue and VND3,000 – 4,000 billion in NPAT Pre-MI in 2023. The updated estimates are lower than MSN's FY guidance at the beginning of the year due to weaker-than-expected consumer sentiments and market conditions. However, the company's latest 2Q2023 operating momentum and early success of strategic initiatives gave management confidence in Masan's 2H2023 growth catalysts. In 2H2023, Masan will focus on the below initiatives:

- **TCX:**
 - **WCM** plans to enhance its sales productivity and expand its network continuously by opening 348 new stores in 2H2023, of which 50 in WIN format, 200 in WinMart+ Rural format, and the rest in WinMart+ format. Besides opening new stores, WCM plans to renovate 250 WinMart+ stores to WIN format, convert 676 existing stores in rural areas to WinMart+ Rural format, and convert 9 WinMart to new models to boost LFL growth. With these initiatives, WCM targets EBITDA margin

⁶ Revenue of PLH also includes the non-consolidated period in 2022.

⁷ When referring to MML, LFL includes the processed meat contribution in 2022.

to approach 5% by the end of the year and deliver the revenue between VND30,500 – 33,500 billion.

- **MCH** continues to develop a winning model to grow market share in the rural areas, modern trade, and Ho Chi Minh City. MCH's innovations will primarily focus on launching new beverage products, HPC and convenience products to build on the positive momentum of the past few quarters. Additionally, MCH will optimize product portfolio, rationalizing underperforming products.
- **PLH** aims to open 25 new stores in 2H2023 and improve sales per store to get closer to 2H2022 level. PLH will also continue to roll out the Hubs & Spokes concept and enhance B2B sales.
- **MML** expects to improve daily sales in WCM from VND1.55 million to VND2 million per store by focusing on dynamic pricing strategy to improve sales of slow-moving items and integrated planning with WCM to deliver the right assortment to the right store. Furthermore, MML will enhance brand experience as a Meat destination in WCM outlets, by rolling out Meat Corners in select locations, enhancing visibility and experience for MEATDeli products. MML targets to improve porker value with higher porker utilization and more processed meat innovation. In terms of controlling costs, MML will reduce feed cost and resize chicken farm to rationalize expenses to adapt to new market environment.
- **MHT** aims to increase volume of sold materials by proactively building up customer demand book as the global economy slowly recovers and selling down copper inventory (30,500 dmt targeted in 2H2023). MHT will also continue to execute cost optimization activities in operations and procurement and explore strategic alternatives to deleverage.
- **Balance sheet:** Masan will continue to actively explore alternatives in the capital market to extend its debt maturities, improve interest rates, and unlock earnings via deleveraging.

1H2023 Consolidated Financial⁸ Highlights

Income Statement (1/2)

| VND billion | 2Q2023 | 2Q2022 | Growth | 1H2023 | 1H2022 | Growth |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Revenue | 18,609 | 17,834 | 4.3% | 37,315 | 36,023 | 3.6% |
| <i>The Crown X</i> | 13,535 | 12,579 | 7.6% | 26,835 | 26,029 | 3.1% |
| <i>Masan Consumer Holdings</i> | 6,675 | 5,907 | 13.0% | 12,940 | 12,355 | 4.7% |
| <i>Masan Consumer Holdings (LFL)</i> | 6,675 | 5,487 | 21.7% | 12,940 | 11,594 | 11.6% |
| <i>WinCommerce</i> | 7,182 | 7,008 | 2.5% | 14,517 | 14,305 | 1.5% |
| <i>Masan MEATLife</i> | 1,703 | 1,010 | 68.7% | 3,303 | 1,941 | 70.2% |
| <i>Masan MEATLife (LFL)</i> | 1,703 | 1,430 | 19.1% | 3,303 | 2,702 | 22.2% |
| <i>Masan High-Tech Materials</i> | 3,529 | 4,194 | -15.9% | 7,315 | 8,123 | -9.9% |
| <i>Phuc Long Heritage</i> | 372 | 434 | -14.4% | 783 | 691 | 13.3% |
| Gross Profit | 5,327 | 4,967 | 7.2% | 10,414 | 10,057 | 3.6% |
| <i>The Crown X</i> | 4,832 | 3,868 | 24.9% | 9,077 | 8,061 | 12.6% |
| <i>Masan Consumer Holdings</i> | 3,004 | 2,343 | 28.2% | 5,628 | 4,965 | 13.3% |
| <i>Masan Consumer Holdings (LFL)</i> | 3,004 | 2,183 | 37.6% | 5,628 | 4,671 | 20.5% |
| <i>WinCommerce</i> | 1,782 | 1,618 | 10.1% | 3,405 | 3,238 | 5.2% |
| <i>Masan MEATLife</i> | 194 | 55 | 255.0% | 381 | 111 | 244.9% |
| <i>Masan MEATLife (LFL)</i> | 194 | 214 | -9.4% | 381 | 405 | -5.9% |
| <i>Masan High-Tech Materials</i> | 230 | 753 | -69.4% | 771 | 1,436 | -46.3% |
| <i>Phuc Long Heritage</i> | 238 | 298 | -20.0% | 505 | 473 | 6.6% |
| Gross Margin | 28.6% | 27.9% | | 27.9% | 27.9% | |
| <i>The Crown X</i> | 35.7% | 30.7% | | 33.8% | 31.0% | |
| <i>Masan Consumer Holdings</i> | 45.0% | 39.7% | | 43.5% | 40.2% | |
| <i>Masan Consumer Holdings (LFL)</i> | 45.0% | 39.8% | | 43.5% | 40.3% | |
| <i>WinCommerce</i> | 24.8% | 23.1% | | 23.5% | 22.6% | |
| <i>Masan MEATLife</i> | 11.4% | 5.4% | | 11.5% | 5.7% | |
| <i>Masan MEATLife (LFL)</i> | 11.4% | 15.0% | | 11.5% | 15.0% | |
| <i>Masan High-Tech Materials</i> | 6.5% | 17.9% | | 10.5% | 17.7% | |
| <i>Phuc Long Heritage</i> | 64.1% | 68.6% | | 64.4% | 68.4% | |
| SG&A | -4,335 | -3,958 | 9.5% | -8,511 | -7,924 | 7.4% |
| <i>The Crown X</i> | -3,402 | -3,082 | 10.4% | -6,747 | -6,372 | 5.9% |
| <i>Masan Consumer Holdings</i> | -1,527 | -1,234 | 23.8% | -2,946 | -2,651 | 11.1% |
| <i>WinCommerce</i> | -1,878 | -1,794 | 4.7% | -3,684 | -3,578 | 3.0% |
| <i>Masan MEATLife</i> | -301 | -182 | 65.2% | -588 | -362 | 62.4% |
| <i>Masan High-Tech Materials</i> | -267 | -280 | -4.7% | -445 | -566 | -21.4% |
| <i>Phuc Long Heritage</i> | -221 | -261 | -15.4% | -481 | -407 | 18.2% |
| EBITDA | 3,163 | 3,684 | -14.2% | 6,436 | 7,340 | -12.3% |
| <i>The Crown X</i> | 1,976 | 1,540 | 28.3% | 3,507 | 3,178 | 10.3% |
| <i>Masan Consumer Holdings</i> | 1,669 | 1,387 | 20.3% | 3,138 | 2,851 | 10.0% |
| <i>Masan Consumer Holdings (LFL)</i> | 1,669 | 1,330 | 25.5% | 3,138 | 2,755 | 13.9% |
| <i>WinCommerce</i> | 155 | 151 | 2.4% | 225 | 315 | -28.7% |
| <i>Masan MEATLife</i> | 18 | -21 | -185% | 46 | -49 | 192.7% |
| <i>Masan MEATLife (LFL)</i> | 18 | 36 | -50.0% | 46 | 49 | -6.4% |
| <i>Masan High-Tech Materials</i> | 358 | 944 | -62.2% | 1,144 | 1,822 | -37.2% |
| <i>Tecombank contribution</i> | 892 | 1,242 | -28.1% | 1,853 | 2,420 | -23.4% |
| <i>Phuc Long Heritage</i> | 63 | 95 | -33.3% | 128 | 140 | -8.5% |
| EBITDA Margin | 17.0% | 20.7% | | 17.2% | 20.4% | |
| <i>The Crown X</i> | 14.6% | 12.2% | | 13.1% | 12.2% | |
| <i>Masan Consumer Holdings</i> | 25.0% | 23.5% | | 24.2% | 23.1% | |
| <i>Masan Consumer Holdings (LFL)</i> | 25.0% | 24.2% | | 24.2% | 23.8% | |
| <i>WinCommerce</i> | 2.2% | 2.2% | | 1.5% | 2.2% | |
| <i>Masan MEATLife</i> | 1.1% | -2.1% | | 1.4% | -2.5% | |
| <i>Masan MEATLife (LFL)</i> | 1.1% | 2.5% | | 1.4% | 1.8% | |
| <i>Masan High-Tech Materials</i> | 10.1% | 22.5% | | 15.6% | 22.4% | |
| <i>Phuc Long Heritage</i> | 17.0% | 21.8% | | 16.3% | 20.3% | |

⁸ Financial numbers are based on unaudited management figures and in accordance to Vietnamese Accounting Standards. For brevity and simplicity, the segmental breakdown only covers material businesses and does not show all of Masan's businesses (such as Mobicast, etc.) but their financial impact are reflected in Masan's consolidated financial figures.

Income Statement (2/2)

| VND Billion | 2Q2023 | 2Q2022 | Growth | 1H2023 | 1H2022 | Growth |
|---------------------------------------|---------------|-------------|---------------|---------------|---------------|---------------|
| Net Financial (Expense)/Income | -1,449 | -991 | 46.2% | -2,790 | -1,281 | 117.8% |
| <i>Financial Income</i> | 690 | 585 | 17.9% | 1,339 | 1,591 | -15.8% |
| <i>Financial Expense</i> | -2,139 | -1,576 | 35.7% | -4,129 | -2,872 | 43.8% |
| Other Income/(Expenses) | -16 | -8 | 100.0% | 18 | 38 | -52.6% |
| Corporate Income Tax | -22 | -46 | -52.2% | -164 | -225 | -27.1% |
| NPAT Pre-MI | 429 | 1,215 | -64.7% | 868 | 3,110 | -72.1% |
| NPAT Post-MI | 105 | 981 | -89.3% | 320 | 2,577 | -87.5% |
| Core NPAT Pre-MI⁹ | 451 | 980 | -53.9% | 867 | 2,194 | -60.4% |

Balance Sheet Highlights

| VND Billion | 1H2023 | FY2022 |
|--|----------------|----------------|
| Cash and Cash Equivalents¹⁰ | 13,452 | 17,512 |
| Debt | 68,069 | 70,993 |
| Short-term Debt | 31,045 | 40,567 |
| Long-term Debt | 37,024 | 30,426 |
| Total Assets | 140,858 | 141,343 |
| Total Equity | 37,524 | 36,637 |
| Total Equity Excluding MI | 26,497 | 26,153 |
| Outstanding Number of Shares (million shares) | 1,424 | 1,424 |

Key Financial Ratios

| VND Billion | 1H2023 | FY2022 |
|--|----------------|----------------|
| Net Debt to EBITDA¹¹ | 4.1x | 3.7x |
| ROAA | 2% | 4% |
| ROAE | 5% | 12% |
| FFO¹² to Debt | 5% | 7% |
| LTM FCF¹³ | 4,338 | 887 |
| Cash Conversion Cycle | 66 | 58 |
| Inventory Days ¹⁴ | 92 | 90 |
| Receivable Days ¹⁵ | 12 | 12 |
| Payable Days | 38 | 44 |
| CAPEX | (1,380) | (4,165) |

⁹ Core NPAT Pre-MI excludes the impacts of one-off incomes/expenses.

¹⁰ Cash and Cash Equivalents 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).

¹¹ Net Debt to EBITDA ratio calculated based on "Cash and Cash Equivalents" defined in footnote 8.

¹² FFO: Last Twelve-Month ("LTM") Funds From Operations is calculated based on EBITDA, excluding contribution from TCB, adjusting for Net Financial Expense, and adjusting for Corporate Income Tax paid within the reporting period.

¹³ FCF: LTM Free Cash Flow is calculated from EBITDA, excluding contribution from TCB, adjusting for changes in working capital, Corporate Income Tax paid within the reporting period, and CAPEX.

¹⁴ Inventory Days is calculated based on inventory balances and divided by LTM COGS.

¹⁵ Receivable and Payable Days are calculated based on balances excluding those that are not related to operating activities divided by LTM Revenue and LTM COGS, respectively.

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 100 million people of Vietnam, so that they can pay less for their daily essentials. 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 fast moving consumer goods, branded meat, modern retail, F&B retail, financial services, telecommunications, and value-add chemical processing, altogether representing segments of Vietnam’s economy that are experiencing the most transformational growth.

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