

FOR IMMEDIATE RELEASE

**Masan Group Delivers Double-Digit Profit Margin in 1Q2019;
Business on Track to Achieve 2019 Plan: 20%+ Top and Bottom-line Growth**

Ho Chi Minh City, 23 April 2019 – Masan Group Corporation (**HOSE: MSN**, “Masan” or the “Company”), today reported its management accounts for the first quarter of 2019.

- MSN achieved reported 1Q2019 net profit post minority interest (“NPAT Post-MI”) of VND865 billion, up 6.0% compared to 1Q2018, as net profit margin expanded to 10.6% in 1Q2019, growth of 74 basis points (“bps”).
 - Repayment of VND12.5 trillion in debt during 4Q2018 helped lower net financial expenses by 34.3% in 1Q2019, driving bottom-line growth.
 - Normalizing for Techcombank (“TCB”) ownership in 1Q2019 compared to 1Q2018, net profits would have been up by 17%.
- 1Q2019 Net revenue was down by 1.4% to VND8,160 billion vs 1Q2018. Management still remains confident on delivering 2019 annual revenue plan.
 - MCH: revenue expected to ramp-up in next few quarters due to innovation launches across categories and investment on brand-building being realized.
 - MNS: meat category expected to significantly ramp-up in 2H2019 and become core growth driver over the medium-term.
 - MSR: higher production and higher sales will lead to stronger financial results for the remainder of 2019, with additional upside as commodities prices are expected to rebound.
- **Meat transformational game plan on track:** “MEATDeli” demonstrating strong signs of becoming 100 million Vietnamese consumers’ meat of choice. As of end March 2019, volumes were up more than 2x across sales channels, compared to middle of February 2019. Upcoming meat ramp-up will shift MNS to be an FMCG business, reducing volatility across livestock pig cycles and delivering long term revenue growth, backed by higher and more stable profitability margins. Management’s aim is to develop a US\$1 billion branded meat business or 10% nationwide market share by 2022 by providing consumer with a true value proposition.

“I have never been more confident about our strategic direction and bottom-up execution. Meat, without doubt is a game changer and will bring breakthrough daily value to our consumers’ meat requirements. We have solidified our meat foundation in 1Q2019 and will scale-up aggressively in the upcoming quarters. Masan Consumer’s 2019 growth will be driven by innovations across categories to own emerging consumer trends – value-add, convenience and premium products. I also believe this will be the year that the bank truly evolves into a financial life platform and Masan Resources transforms into a high-tech materials player. As long as we stick to our core ‘keep going long’ principles and purpose, we will make our 2022 game plan a reality” said Chairman and CEO, Dr. Nguyen Dang Quang.

Consolidated Financial Commentary

- **Net Revenue 1Q2019:** Masan Group delivered VND8,160 billion in net revenue for 1Q2019, down by 1.4% compared to 1Q2018 net revenue of VND8,274 billion.
 - MCH delivered VND3,780 billion in net revenue during 1Q2019, up by 5.4% compared to VND3,586 billion in 1Q2018, as premiumization strategy continued to gain momentum and beverage (bottled water and energy drinks) portfolio continues to deliver double digit topline growth.
 - MNS delivered VND3,192 billion in net revenue during 1Q2019, down by 0.3% compared to VND3,201 billion in 1Q2018. MNS's feed net revenue was down by 1.6% during the same period, with growth in aqua and poultry feed offsetting the decline in pig feed volumes. During 1Q2019, "MEATDeli" delivered VND20 billion in net revenue.
 - MSR achieved VND1,188 billion in net revenue during 1Q2019, down 20.1% compared to 1Q2018. This was mainly due to 17% lower average Tungsten price in 1Q2019, compared to 1Q2018, and due to mining lower head grades of ore.
- **EBITDA 1Q2019:** Consolidated EBITDA in 1Q2019 was VND2,357 billion, down by 9.5% compared to VND2,606 billion in 1Q2018. Consolidated EBITDA margin in 1Q2019 was 28.9%, a decline of 261 bps.
 - Main impact to EBITDA margin was a 319 bps decline in consolidated gross margins compared to same period last year. Higher raw materials costs impacted MCH gross margins, but overall MCH gross margin of ~42% is on track with medium term target. MSR gross margins declined as a result of lower commodity prices and lower head grades. Management believes MSR gross margins will normalize at 2018 levels and expects to implement an action plan to enhance MCH's gross margins.
 - MSN continues to rationalize consolidated SG&A spending. As a result, overall SG&A as percentage of sales was 16% in 1Q2019, decrease of 106 bps. MCH was a core driver with 315 bps in SG&A savings.
 - EBITDA margin for MNS' standalone feed business was up 117 bps in 1Q2019, due to better raw material pricing and increased contribution of higher margin products, compared to 1Q2018.
- **Reported 1Q2019 NPAT Post-MI:** MSN achieved VND865 billion in reported NPAT Post-MI, growth of 6.0% compared to VND816 billion in 1Q2018.
 - Net financial expenses were VND457 billion in 1Q2019, down 34.3% compared to VND695 billion in 1Q2018. MSN average debt balance in 1Q2019 was VND22.6 trillion, down by 34.8% compared to average debt balance in 1Q2018 of VND34.7 trillion.
 - As a result of consolidating ownership in Vinacafe ("VCF") and Masan Tungsten Chemicals ("MTC") in 2018, minority interest leakage was down by 34.9% to VND134 billion in 1Q2019, compared to VND206 billion in 1Q2018.

Key Operational Commentary

MCH: 1Q net revenue strong, and innovation plan in place to deliver more than 20% topline growth in FY2019

- **Seasonings:** Premium fish sauce portfolio continues to grow strongly, with 8.8% growth in 1Q2019. Premium products now account for 12.4% of the portfolio, compared to 11.6% in 1Q2018. Overall, seasonings category up 5.2% vs 1Q2018. Chili sauce continues to be a significant growth driver, with over 20% growth in net revenue during 1Q2019.
- **Convenience Foods:** Omachi continues to be a trend-setter in the market with its innovative full-meal solutions. Full meal solutions like Omachi Cup and Omachi Business Class etc., now account for 7.8% of the convenience foods category and overall premium portfolio delivered ~15.2% growth in 1Q2019 and now represents nearly 50% of the portfolio. Overall, convenience foods grew by 4.5% in 1Q2019 vs the same period last year.
- **Beverages:** Beverages category continues to be the biggest growth driver for MCH, up 28.2% compared to same period last year. Energy drinks net revenue was up by 27.7% versus 1Q2018. Energy drinks brand, “Wake-Up 247” is now available in cans as well, compared to just PET bottles earlier. Premium mineral water innovation has received strong consumer response since launch. As a result, water portfolio revenues were up nearly 30% in 1Q2019.
- **Other incubation portfolio:**
 - **Coffee:** Management still believes in the long-term growth potential of coffee and are under innovation process to develop unique coffee formats to penetrate the roast and ground (R&G) market worth USD1.1 billion. R&G segment is largely unbranded and is more than 3-4x the size of the instant coffee market. Masan will secure a R&D coffee specialist in 2019 to drive its coffee innovation plans.
 - **Processed Meat:** “Ponnie” brand continues to track really well. Ponnie is just the beginning of the processed meat journey. With a significant innovation pipeline focused on “Vietnamese-taste”, this category is on track to deliver 2-3x topline growth in 2019 and positioned to be a major growth category going forward.
 - **Beer:** Integration of new dedicated salesforce is nearly complete, and with new SKU's planned for 2019, beer category could potentially grow by 2x in FY2019.

MNS: “MEATDeli” brand continues to ramp-up according to management expectations; ASF presents a risk, but if managed appropriately will strengthen MNS brand position as “safe for health”

- **Branded meat business update:**
 - Branded chilled meat brand continues to perform well with 2x growth in volumes in last week of March 2019, compared to mid of February 2019. Outbreak of ASF spurred increased penetration of branded pork in the market, as consumers increasingly shifted to safe, hygienic and traceable meat products.
 - On 12th April 2019, MNS decided to proactively suspend operations at its Ha Nam meat processing plant, as ASF was detected 2 km away from the plant. This was a proactive action plan to ensure that MNS fulfills its promise to deliver safe-for-health meat products to consumers. Although there will be an opportunity cost for the next 3-5 weeks, there will be no material impact on MNS' financial plan for 2019, as majority of the meat sales are expected to happen in 2H2019. There has been no impact on MNS' pig farm and the meat processing plant.
 - **Operational shutdown also to ensure we maintain consumers' trust and love:** 98% of consumers surveyed preferred “MEATDeli” to other competing products. 92%

of surveyed consumers decided to switch permanently to “MEATDeli” products after initial trial.

- Management continues to build out “MEATDeli” distribution network, as self-operated “MEATDeli” stores are expected to reach 25+ by year end, deeper partnerships with modern trade and more than 250 “MEATDeli” agents as MNS scales-up its operations.
- **Feed market expected to grow in single-digits in 2019, though downside risks remain:** Management expects MNS’ feed business to grow in single-digits during 2019, with declines in pig feed offset by growth in aqua and poultry feed business. The outbreak of ASF in Northern Vietnam has depressed live hog prices by 20% in the north, while pig prices are still above VND40,000/kg in south. Management expects market to normalize in 2H2019 and will deploy new strategies to minimize potential impact of ASF.
 - **New innovations / business model:** During 1Q2019, MNS launched “Bio-zeem Trai” targeted towards industrial farmers, aimed at increasing productivity and provide customized feed solutions. “Bio-zeem Trai” is the first step to build a sustainable and trustworthy network of high quality pigs to scale up “MEATDeli’s” supply chain. Industrialized farmers are also less prone to disease outbreak due to deploying best-in-class biosecurity practices.
- **Continue to deliver operational efficiencies:** MNS delivered consolidated EBITDA margin of 9.9% during 1Q2019, as EBITDA margin for MNS’ feed business was up 117 bps in 1Q2019, due to better raw material pricing and higher prices for our feed products compared to same period last year. SG&A as percentage of net revenue for the feed business was down by 114 bps, as management continued to optimize salesforce and sales spend.

MSR: Lower revenues due to lower commodity prices, but improved EBITDA margins

- **Net revenue down 20%** – MSR posted net revenue of VND1,188 billion in 1Q2019, decrease of 20% compared to VND1,487 billion recorded in 1Q2018. Revenue was negatively impacted by lower realized prices for tungsten, bismuth and copper, coupled with a strategic build-up in tungsten and copper inventory due to soft market conditions. Management believes tungsten and copper prices will increase for the remainder of the year. This was partially offset by an increase in fluorspar revenues on the back of higher pricing and production.
 - **EBITDA of VND645 billion** – Despite the 20% reduction in net revenue, EBITDA decreased by only 18%. This was due to two main factors, the continued integration of the MTC plant into the overall business and improved recoveries for fluorspar. MSR recorded an EBITDA margin of 54.3% for 1Q2019, up 141 bps from 52.9% in 1Q2018.
 - **Attributable net profit** - MSR delivered an attributable net profit of VND1.5 billion for 1Q2019, 99% decrease over the same period last year, mainly because of lower net revenue and EBITDA. As compared to 1Q2018, EBITDA reduced by VND141 billion, while attributable net profit decreased by VND116 billion. The VND29 billion difference is predominantly due to MTC being consolidated on a 100% basis as compared to last year.
- **Price Environment Update:** Tungsten prices have been stable for the last 5-6 months despite the unsettled macro-economic backdrop. MSR management expects the benchmark price to strengthen in the medium term, despite US-China trade tensions, as stock levels remain low in Europe and consolidation within China continues. Fluorspar prices continue to remain robust with continuing reduction in Chinese exports and ongoing robust downstream demand.

2019 Outlook: Based on no further worsening of global economic performance and improvement in market sentiment in the second half of the year, management is confident of being able to deliver net revenue and attributable profit to shareholders in the range of VND7,700 – 8,500 billion and VND700 – 1,000 billion, respectively.

2019 Management Financial Outlook

The following forward-looking statements reflect MSN's expectations as of today and are subject to substantial uncertainty. Our results are inherently unpredictable and may be materially affected by many factors, such as fluctuations in foreign exchange rates, changes in global and domestic economic conditions, world events and the rate of growth of consumer spending.

- **FY2019 net revenue of VND45,000 billion to VND50,000 billion, growth of 18%-31%.**
 - MCH net revenue expected to grow by 21% to 35%. Drivers will be accelerating premiumization contribution in seasonings and convenience foods and beverage portfolio growing at similar pace witnessed in 2018. Primary risks will be unsuccessful or slower consumer offtake of innovation pipeline and inability to scale-up beer business.
 - MNS net revenue is expected to grow ~20%. Feed business is expected to grow in high single-digits, while fresh meat sales could contribute ~5% to 10% of MNS' consolidated FY2019 net revenue. Key potential risks include prolonged ASF outbreak impacting pig feed sales.
 - MSR net revenue is expected to grow between 12-24% driven by higher sales volume. Key impact will be continued low tungsten price environment.
- Management expects consolidated FY2019 NPAT Post-MI of VND5,000 billion to VND5,500 billion, growth of 44% to 58%, resulting in a NPAT Post-MI margin of above 10%.

5-year Management Outlook

- Masan Group: 2018 marked the beginning of Masan's 5-year journey, as it takes concrete steps towards fulfilling the Company's long-term vision. Masan has positioned its platforms to emerge as winners and have set clearly defined KPI's to ensure the Company creates outsized shareholder value.
- Improving Vietnamese consumers' quality of life in every living space would serve as a key driving force for Masan Consumer, while Masan Nutri-Science's aim would be to become the meat partner of choice for every Vietnamese family. Its associate, Techcombank would focus on building an ecosystem to provide every Vietnamese consumer a modern financial life, while Masan Resources would add value to Vietnam's strategic resources and build high-tech global materials.
- By 2022, Masan Group aims to deliver USD5 billion in revenue, grow at twice the pace of Vietnam's consumer's expenditure growth of 10.2%, and achieve net profit margin of 12-15%.
 - MCH's goal would be to become the #1 consumer innovator in the market and deliver 50% of consolidated revenue from new products. Deliver USD2 billion in net revenue and 20% net profit margin.
 - MNS would aim to own 10% market share of Vietnam's USD10+ billion pork market. Build the #1 nationwide meat distribution network and USD2 billion in revenue with 50% coming from branded meats, and net profit margin of 10-12%.
 - MSR to consolidate the ammonium para tungstate ("APT") market share from 36% currently to 50%+, by increasing MTC's capacity and build strategic partnerships to become a hi-tech global materials player.
 - TCB's strategy of building a consumer eco-system and executing on a "Low Risk-High Return" model will ensure growth driven by fee income, industry leading return on average equity of 20%+ and a retail consumer base of over 15 million.

1Q2019 Consolidated Financial¹ Highlights

Income Statement Highlights

VND Billion	1Q2019	1Q2018	Growth
Net Revenue	8,160	8,274	(1.4)%
<i>Masan Consumer Holdings</i>	3,780	3,586	5.4%
<i>Masan Nutri-Science</i>	3,192	3,201	(0.3)%
<i>Masan Resources</i>	1,188	1,487	(20.1)%
Gross Profit	2,463	2,762	(10.8)%
<i>Masan Consumer Holdings</i>	1,590	1,685	(5.6)%
<i>Masan Nutri-Science</i>	506	551	(8.1)%
<i>Masan Resources</i>	354	513	(30.9)%
Gross Margin	30.2%	33.4%	
<i>Masan Consumer Holdings</i>	42.1%	47.0%	
<i>Masan Nutri-Science</i>	15.9%	17.2%	
<i>Masan Resources</i>	29.8%	34.5%	
SG&A²	(1,303)	(1,409)	(7.5)%
<i>Masan Consumer Holdings</i>	(833)	(903)	(7.8)%
<i>Masan Nutri-Science</i>	(380)	(375)	1.4%
<i>Masan Resources</i>	(47)	(66)	(28.6)%
SG&A as % of Net Revenue	16.0%	17.0%	
<i>Masan Consumer Holdings</i>	22.0%	25.2%	
<i>Masan Nutri-Science</i>	11.9%	11.7%	
<i>Masan Resources</i>	4.0%	4.4%	
Share of Profit in Associates³	447	517	(13.6)%
D&A	751	737	1.9%
EBITDA	2,357	2,606	(9.5)%
<i>Masan Consumer Holdings</i>	980	1,004	(2.4)%
<i>Masan Nutri-Science</i>	316	341	(7.4)%
<i>Masan Resources</i>	645	787	(18.0)%
<i>Techcombank Contribution</i>	447	517	(13.5)%
EBITDA Margin	28.9%	31.5%	
<i>Masan Consumer Holdings</i>	25.9%	28.0%	
<i>Masan Nutri-Science</i>	9.9%	10.6%	
<i>Masan Resources</i>	54.3%	52.9%	
Net Financial (Expense)/Income	(457)	(695)	(34.3)%
<i>Financial Income</i>	72	86	(16.1)%
<i>Financial Expense</i>	(529)	(781)	(32.3)%
Other Expenses	(9)	(2)	290.9%
Corporate Income Tax	(141)	(150)	(5.4)%
NPAT Pre-MI	1,000	1,022	(2.2)%
NPAT Post-MI	865	816	6.0%

¹ Financial numbers are based on management figures and in accordance to Vietnamese Accounting Standards.

² MSN's consolidated SG&A is higher than the total of SG&A expenses of its business segments due to holding company level expenses.

³ Includes contribution from Techcombank.

Balance Sheet-Related Highlights

VND Billion	FY2017	FY2018	1Q2019
Cash and cash equivalents⁴	8,154	4,962	3,815
Debt	34,796	21,995	23,230
Short-term Debt	9,166	9,244	10,097
Long-term Debt	25,630	12,752	13,133
Total Assets	63,529	64,579	65,062
Total Equity	20,225	34,080	34,914
Total Equity Excluding MI	14,837	29,487	30,207
Outstanding Number of Shares (million shares)	1,047	1,163	1,163
Share Capital	1,157	1,163	1,163
Treasury shares	(110)	-	-

Key Financial Ratios⁵

VND Billion	FY2017	FY2018	1Q2019
Debt to EBITDA	3.7x	2.1x	2.3x
ROAA	5%	9%	9%
ROAE	21%	22%	17%
FFO⁶ to Debt	10%	24%	23%
FCF⁷	4,199	4,622	(1,556)
Cash Conversion Cycle	42	43	62
Inventory days ⁸	61	60	78
Receivable days ⁹	8	10	5
Payable days ⁹	27	27	21
CAPEX	(2,111)	(2,638)	(1,044)

⁴ Cash and cash equivalent include short-term investments (primarily term deposits between 3 and 12 months) and receivables related to treasury activities and investments.

⁵ Quarterly financial ratios are calculated based on a last-twelve-month ("LTM") EBITDA and NPAT.

⁶ FFO: Funds From Operations is calculated based on LTM 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.

⁷ FCF: Free Cash Flow is calculated from LTM EBITDA, excluding contribution from TCB, and adjusted for changes in working capital, and corporate income tax paid within the reporting period and CAPEX.

⁸ Inventory days is calculated based on inventory balances and divided by LTM COGS.

⁹ Receivable and Payable days are calculated based on balances excluding those that are not related to operating activities divided by LTM Revenue or LTM COGS.

Key Subsidiary Business Information

MCH

VND Billion	1Q2019 vs 1Q2018 Growth
Net Revenue¹⁰	5.4%
Seasonings	5.2%
Convenience Foods ¹¹	4.5%
Beverages (Non-alcoholic)	28.2%
Others ¹²	(14.2)%
Gross Profit	(5.6)%
EBITDA	(2.4)%

MSR

AVERAGE COMMODITY PRICES ¹³	Unit	1Q2019	1Q2018	% change	31.03.19	31.03.18
APT European Low	USD/mtu ¹⁴	265	319	(17)%	271	325
Bismuth Low*	USD/lb	3.5	5.1	(32)%	3.3	5.2
Copper*	USD/t	6,215	6,951	(10)%	6,485	6,685
Fluorspar Acid Grade ¹⁵	USD/t	524	486	8.0%	483	500

SUMMARY PRODUCTION DATE	Unit	1Q2019	1Q2018	Growth
Ore processed	kt	899	916	(1.8)%
APT / BTO / YTO / ST (contained)	t	1,519	1,512	0.0%
Copper in Copper Concentrate (Contained)	t	1,979	1,991	(0.6)%
Acid Grade Fluorspar	t	53,197	51,405	3.5%
Bismuth in Bismuth Cement (Contained)	t	558	702	(20.6)%

¹⁰ These numbers are based on management figures.

¹¹ Includes instant noodle and instant congee.

¹² Includes coffee, processed meat, beer, cereals and exports.

¹³ Metals Bulletin.

¹⁴ 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).

¹⁵ 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, consumer agriculture (meat), 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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