



GELEX GROUP

Business Result Presentation Quarter III-2023

TERMS AND ACRONYMS

GELEX	GELEX Group JSC
GELEX Infra	GELEX Infrastructure JSC
GELEX Electric	GELEX Electricity JSC
AGM	Annual General Meeting of Shareholders
BOD	Board of Director
EE	Electrical Equipment
CM	Construction Material
IP	Industrial Park
RE	Real Estate
NR	Net Revenue
PBT	Profit Before Tax
GP	Gross Profit
Bn	Billion
YoY	Year over Year
QoQ	Quarter over Quarter
AP	Annual Plan
Q	Quarter
YTD	Year to Date





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Vietnam Macroeconomic

GDP growth in Q3 reached 5.3%, which was lower than the plan, but the economic landscape for Q3 featured some positive aspects such as: signs of recovery in production, trade, accelerated public investment disbursement, and continued growth in FDI. Inflation remains under control; however, exchange rate pressure will be a challenge in the end of the year.

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Consolidated Business Performance of GELEX Group

Net revenue increased by 6.7% YoY to 7,487 billion VND, and profit before tax rose by 32.6% YoY to 374 billion VND. After 9 months, GELEX surpassed the full-year profit target for 2023 by 9.2%.

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Business Performance by Segments

In Q3, the Electrical Equipment sector gradually recovered with a 25.1% YoY increase in revenue. The Energy & Clean Water sector operated steadily, with a 14.4% YoY increase in revenue. The Industrial Parks and Real Estate sector saw a 18.8% YoY increase in revenue. However, the Construction Materials sector continued to face challenges, with a decrease in revenue.

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Highlight Activities

GELEX and Fraser Property Vietnam commenced the construction of the premium industrial real estate project, Industrial Centre YP2C, in Yen Phong 2C IP, Bac Ninh. This event marks a significant milestone following the strategic cooperation agreement between the two parties.

1 VIETNAM MACROECONOMIC



<h2>GDP</h2>	<p>Vietnam GDP increased by 5,3% in Q3</p> <ul style="list-style-type: none"> ▪ GDP in Q3 increased by 5.3%, primarily driven by the services sector. ▪ Import and export activities showed signs of recovery with positive growth YoY in September. ▪ The trade surplus for 9M-2023 reaching 21.7 billion USD (9M-2022 was 6.9 billion USD). ▪ Public investment disbursement accelerated in Q3, reaching 415.5 trillion VND, a 25.3% increase YoY.
<h2>CPI</h2>	<p>Inflation is under control</p> <ul style="list-style-type: none"> ▪ The average CPI for 9M-2023 increased by 3.2% YoY. ▪ Inflation pressure in the last quarter will come from the gas and food sectors. ▪ However, the whole year CPI can be controlled in the target of 4.5%.
<h2>FX</h2>	<p>Exchange rate pressure increased significantly from the end of Q3.</p> <ul style="list-style-type: none"> ▪ The USD/VND exchange rate strongly increased in the final week of Q3, rising by 3% compared to the beginning of the year due to the strong performance of the DXY index and the gap of USD and VND interest rate. ▪ SBV implemented measures to stabilize the exchange rate in the short term and may continue to utilize various tools to support the exchange rate at the end of the year. ▪ Exchange rate pressure towards the end of the year could also be mitigated by increased foreign currency inflows into Vietnam from trade surpluses, FDI capital, and remittances.
<h2>FDI</h2>	<p>FDI continues to be a bright spot in Q3.</p> <ul style="list-style-type: none"> ▪ The total registered FDI capital for the 9M was estimated at 20.2 billion USD, increased by 7.7% YoY. ▪ The disbursed FDI capital was 15.9 billion USD, increased by 2.2% YoY.

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CONSOLIDATED BUSSINESS
PERFORMANCE OF GELEX
GROUP



CORE BUSINESS

01 ELECTRICAL EQUIPMENT

Over 30 years leading in Vietnam electrical equipment market with top brands, eg: **CADIVI, THIBIDI, HEM, EMIC, CFT, MEE.**

Products of GELEX Electric are widely used in various projects of EVN and power generator plants across Vietnam.

02 BUILDING MATERIALS

Owns **VIGLACERA** with well-known products in domestic and global markets such as Sanitary wares & faucets, Ceramic & granite tiles, Terracotta, and Building Glass.

Among the top 22 ceramic tile producers globally by the Ceramic World Review (2021) and top 30 largest manufacturers of sanitary ware.



03 UTILITIES

Power Generation & Development: invest and operate energy projects with a total capacity of ~260MW, and **Power Distribution.** **Clean water:** Running a clean water plant with a capacity of 300,000 m³/day in phase 1, and phase 2 is under construction to upgrade capacity to 600,000 m³/day, providing clean water to 25% Hanoi's citizen

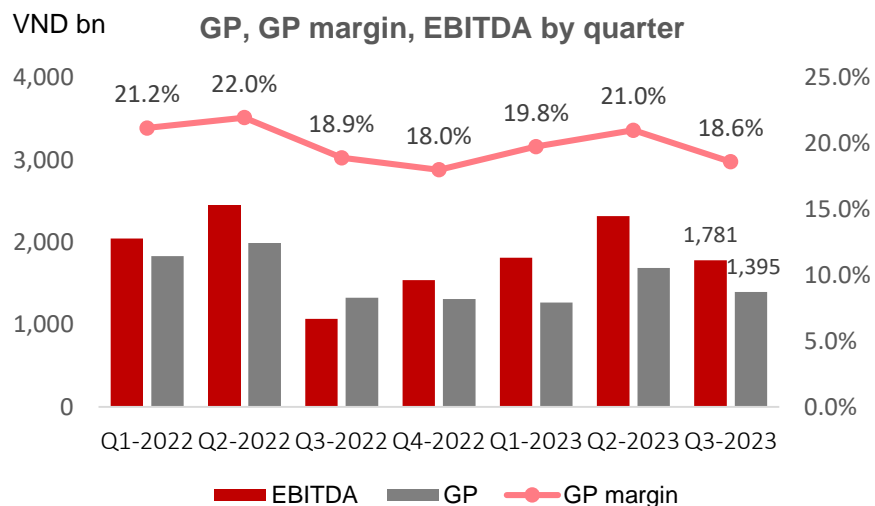
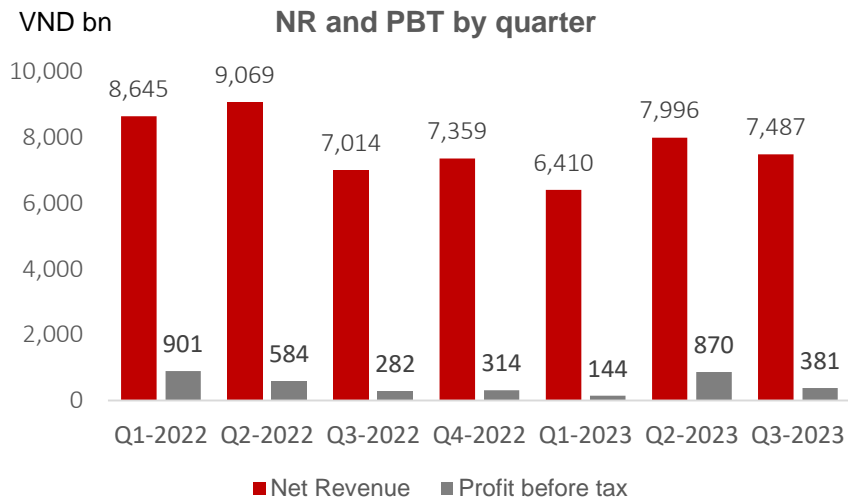
04 REAL ESTATE (INDUSTRIAL & COMMERCIAL)

Over 20 years of reputable experience in developing and operating industrial parks with 12 IPs (~4000 ha) and the convenient ecosystem around the IPs. Attracting FDI capital from many large enterprises such as Samsung, Foxcon, Canon, Amkor, Hyosung, Anam Electronics, Kortek, Orion, Ottogi,...

Co-operate with Fraser Property to deliver premium international grade RBF, BTS facilities within the industrial parks.



9M PROFIT EXCEEDS THE 2023 ANNUAL PLAN

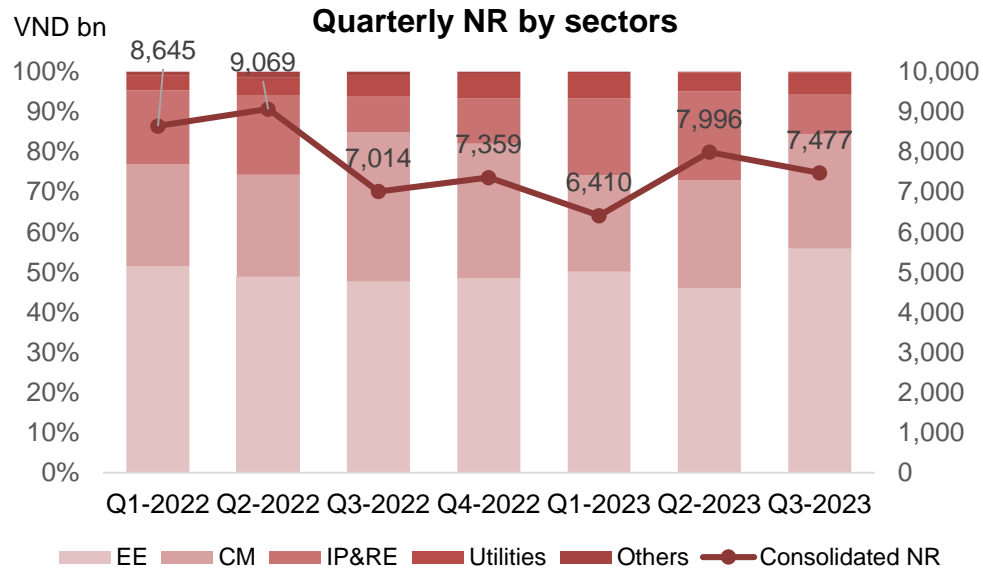


- **Q3 consolidated NR** reached 7,487 bn VND, increased by 6.7% YoY.
- In which, the **Electrical Equipment** sector is gradually recovering, the **Utilities** sector is operating more steadily, the **Industrial Parks and Real Estate** sector, while slowing down compared to previous quarters, is still experiencing growth YoY, whereas the **Construction Materials** sector continues to face challenges.

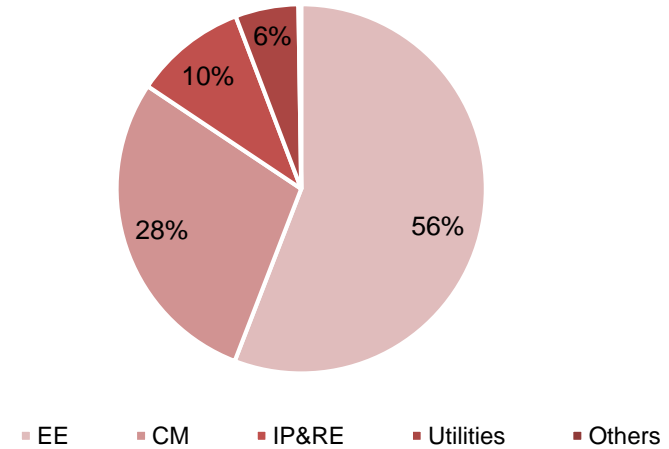
- **Consolidated PBT** in Q3 was 374 bn VND, increased by 32.6% YoY.
- **Gross profit (GP)** in Q3 was 1,395 bn VND, increased by 5.2% YoY.
- **EBITDA** in Q3 was 1,781 bn VND, increased by 66.6% YoY.
- **GP margin** Q3 was 18.6%, equivalent to the same period last year but declined compared to Q2 due to the increase in the proportion of net revenue from the Electrical Equipment sector, while the Industrial Parks and Real Estate sector decreased.

- **Consolidated NR for 9M-2023** was 21,893 bn VND, equivalent to 58.4% of the 2023 annual plan.
- **PBT for 9M-2023** reached 1,388 bn VND, exceed 92% the 2023 annual plan.

NET REVENUE BY SECTORS



NR structure in Q3



- NR of EE segment recovered in Q3, while NR of IP&RE segment decreased compared to Q2. Therefore, the proportion of EE segment in total NR increased compared to Q2.

- Specifically, the EE segment accounted for the main proportion and increased to 56% in Q3-2023, compared to the corresponding levels of 46% in Q2-2023 and 48% in Q3-2022.

STABLE ASSET AND CAPITAL STRUCTURE



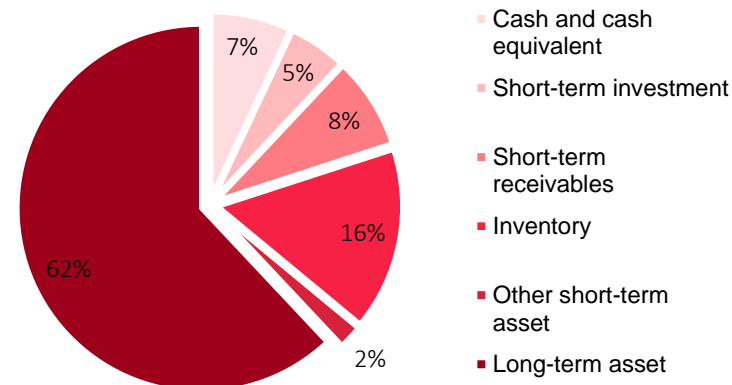
VND bn	31/12/22	30/06/23	30/09/23	QoQ (%)	Ytd (%)
Total asset	52,385	52,408	54,283	3.60%	3.60%
Short-term asset	19,800	19,878	20,591	3.60%	4.00%
Long-term asset	32,585	32,530	33,692	3.60%	3.40%
Liabilities	31,341	31,005	32,660	5.40%	4.20%
Equity	21,043	21,403	21,623	1.00%	2.80%

▪ **Total assets as of Sep 30, 2023**, reached 54,283 billion VND, increasing by 3.6% QoQ and YTD. **Short-term and long-term assets** also increased accordingly.

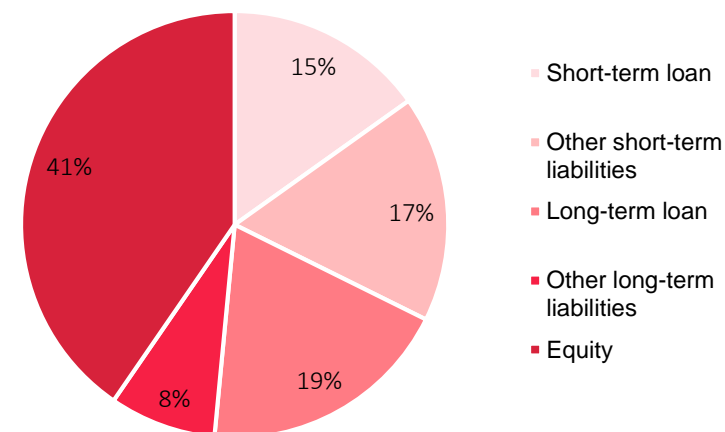
▪ **Liabilities: Short-term loan** increased by 11.3% compared to the end of Q2 to support working capital for the EE segment during the quarter and year-end. **Long-term loan** increased by 1.5% compared to the end of Q2 due to the rise in loans for the investment in the phase 2 project of the Song Da clean water plant.

▪ The proportion of long-term assets is 62%, and long-term capital, including long-term liabilities and equity, stands at 68%, ensuring balance and system liquidity.

Asset Structure



Liabilities and equity structure



STABLE FINANCIAL HEALTH



	31/12/21	31/12/22	31/03/23	30/06/23	30/09/23
Leverage Ratio					
- Liability/ Total Asset	67%	60%	60%	59%	60%
- Loan/ Equity	108%	80%	87%	83%	87%
- Net Debt/ EBITDA	1.8	1.6	1.7	1.6	1.6
Solvency Ratio					
- Current ratio	1.3	1.1	1.2	1.2	1.2
- Interest Coverage Ratio	4.2	5	5.3	6.4	5.2
Efficiency Ratio					
- Gross profit Margin	15.3	20.1	19.8	21.3	18.6

- **Leverage ratios** remained at a safe level and little variations compare to previous quarters.
- **Current ratio** remained safe and stable.
- **Interest coverage ratio (ICR)** decreased compared to Q2 due to lower profits; however, the ratio remains at a safe level and higher than the full-year 2022 level.
- **Efficiency ratio:** The gross profit margin decreased compared to Q2 because the proportion of net revenue in the EE segment increased, while the proportion of net revenue in the IP&RE segment, with a higher profit margin, decreased..

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BUSSINESS PERFORMANCE BY SECTORS



BUSSINESS PERFORMANCE – ELECTRICAL EQUIPMENT

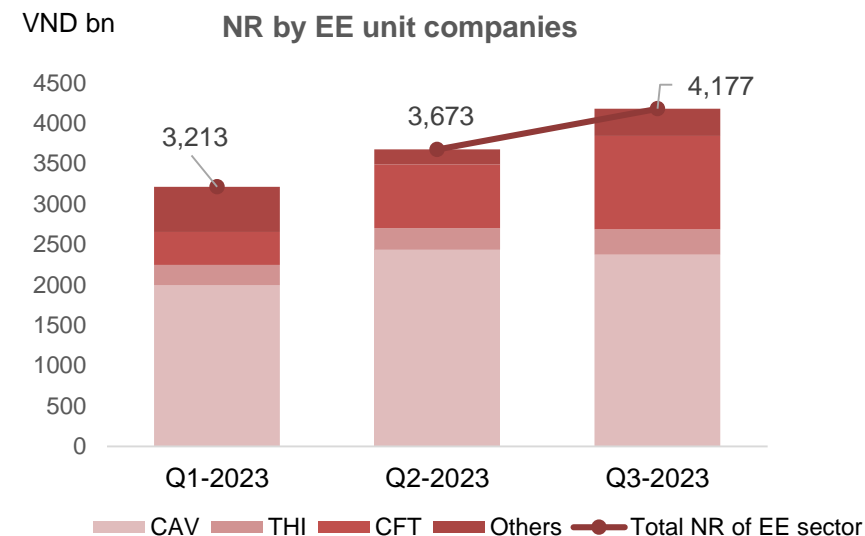
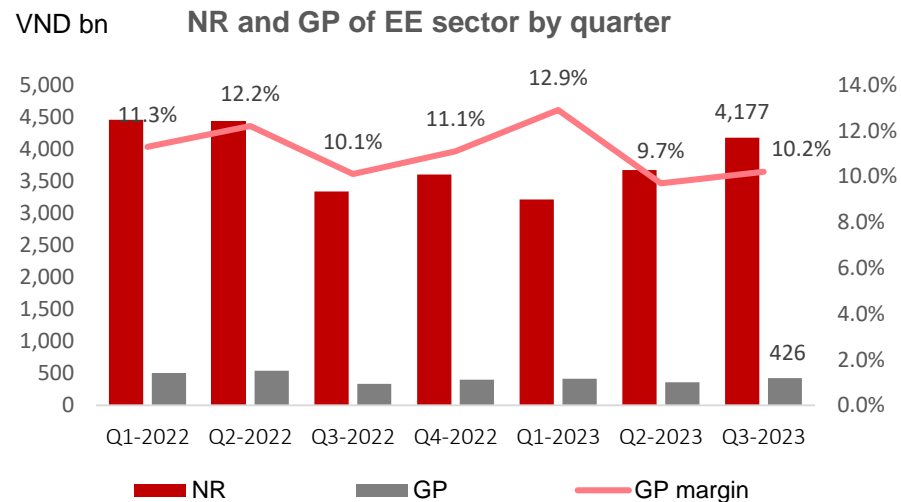


- **Q3 NR for Electrical Equipment** was 4,177 bn VND, increased by 25.1% YoY, 13.7% QoQ. This was the first quarter of the year to record positive NR growth YoY.

- **Q3 GP** was 426 bn VND, increased by 26.4% YoY. **Q3 GP margin** was 10.2%, equivalent to same period last year and improve over Q2.

- The EE market is gradually recovering, but challenges persist. GELEX's member companies made effort to boost production and sales, closely monitoring the market to maintain and expand market share. Some units, such as CAV, THI, and especially CFT, had new export contracts to markets like Australia, Japan, and Southeast Asia.

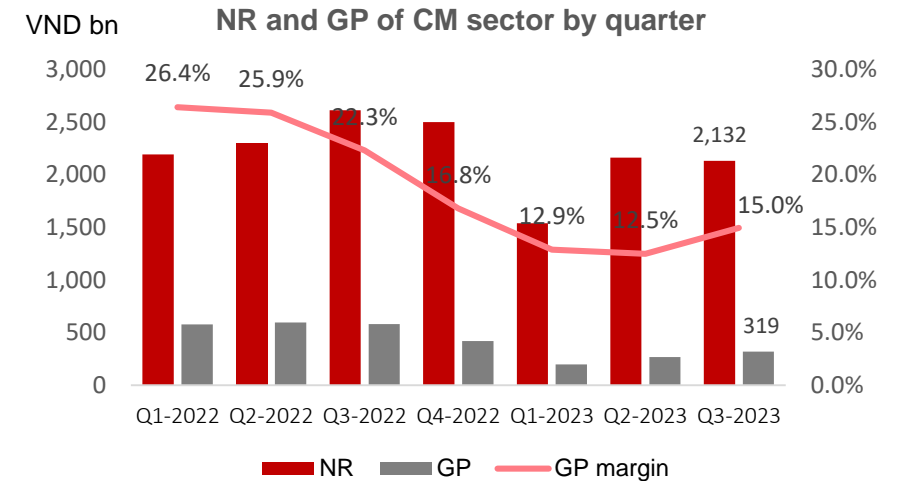
- **CADIVI continues to carry out R&D activities**, introducing high-tech products to the market, such as electrical cable CXE/S 1x6 mm² - 5 kV, meeting the requirements for airport signal light transmission systems; underground medium-voltage electrical cables insulated with TR-XLPE (Tree Retardant XLPE) material, enhancing resistance to moisture and water submersion; and fire-resistant, heat-resistant electrical cables at 1,050°C, meeting Australian and New Zealand market standards.



BUSSINESS PERFORMANCE – CONSTRUCTION MATERIALS

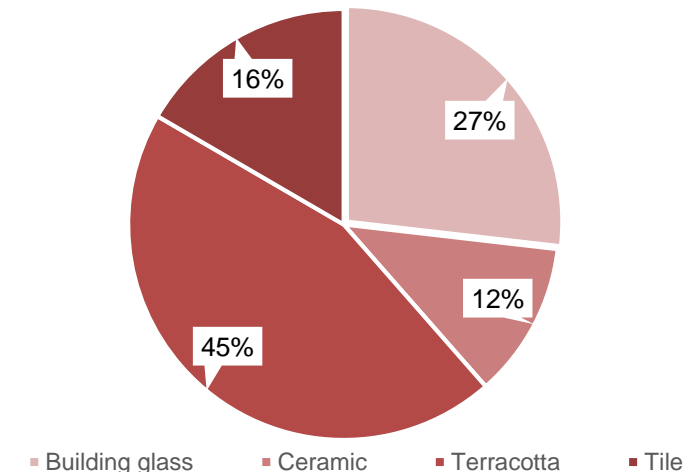


- **Q2 Construction Materials NR** was 2,132 bn VND, slightly decreased QoQ and decreased by 18.3% YoY. For 9M-2023, the sanitary wares, terracotta, and notably building glass reported significantly lower revenue YoY. Tile product segment recorded a slight decrease in revenue YoY.
- **Q3 GP margin** was 15% and gradually improved after declining since Q3-2022.



- **In terms of production**, on September 11, 2023, the VIGLACERA Eurotile factory in Vung Tau inaugurated a Sacmi Continua sintered stone production line with an annual capacity of 2 million m2.

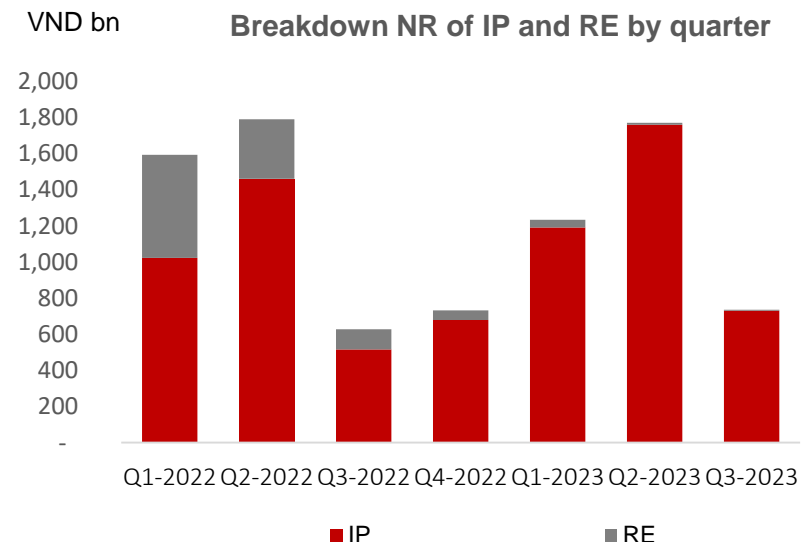
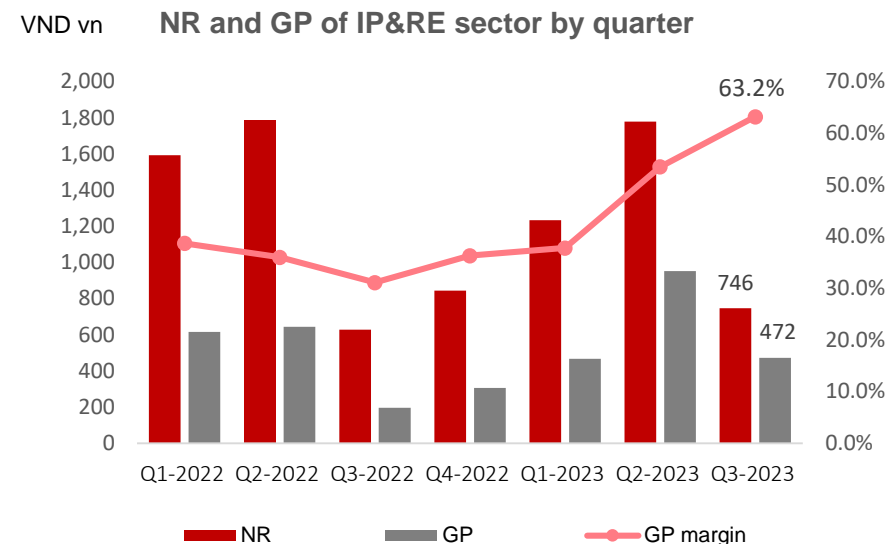
NR breakdown by products in 9M-2023



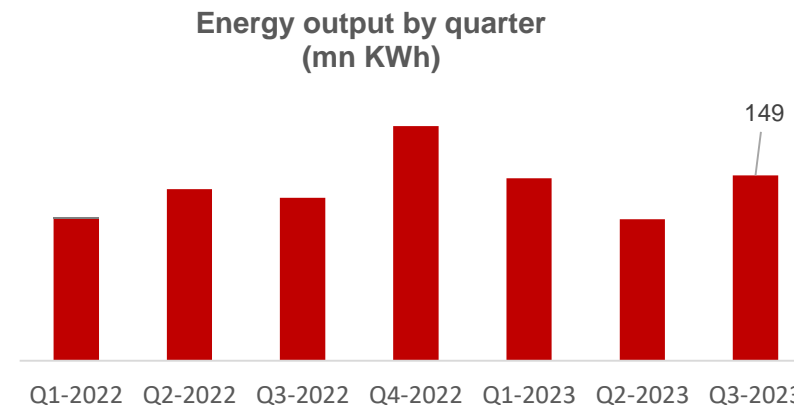
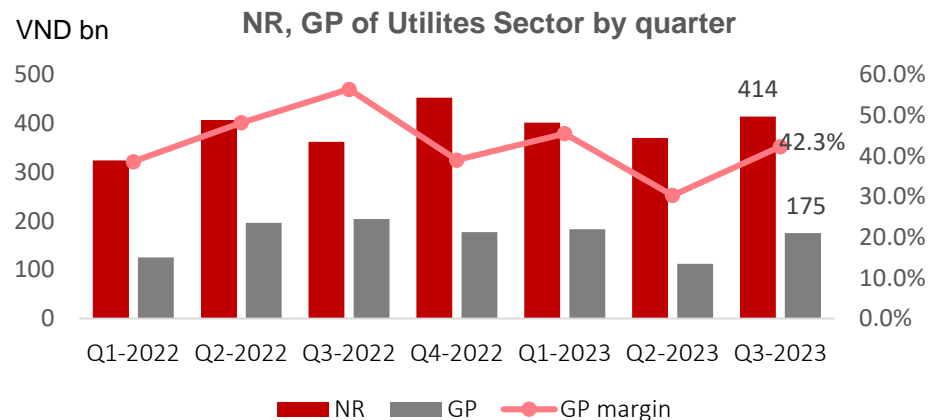
- **Regarding promotion activities**, VIGLACERA actively participates in and introduces its products at large domestic and international exhibitions, e.g.: introduction of environmentally friendly construction materials at the Economic Forum in Ho Chi Minh City, with the theme “Green development, a Journey towards net zero emissions.”; showcases outstanding construction materials made in Vietnam at the Cersaie 2023 exhibition in Bologna, Italy.

BUSSINESS PERFORMANCE – IP&RE

- **Q3 NR IP&RE** was 746 bn VND, increased 18.8% YoY. GP was 472 bn VND, strongly increased YoY and GM improved.
- **IP segment:** Q3 recorded revenue from following IPs: Yen Phong 2C, Yen Phong expand, Yen My, Phu Ha ... with a total land area of 40 ha. Accumulatively, 9M-2023 handed over 157 ha of IP land.
- **RE segment:** continues to focus on investing in social housing and workers' housing projects.
- **Q4:** Actively seeking new IP opportunities in provinces that have favorable conditions to attract investments. Accelerating progress in land clearance compensation and implementing synchronized infrastructure construction in existing IPs.



BUSSINESS PERFORMANCE – UTILITIES



- **Q3 NR for Utilites sector:** 414 billion VND, increased by 11.9% QoQ and increased by 14.4% YoY.
 - **Q3 GP margin** was 42%, improvement compared to Q2, particularly because in Q2, the clean water segment accounted for costs related to the capacity expansion project of Song Da clean water plant.
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- **Energy segment:** Q3 electricity output reached 149 million Kwh, increased by 31.9% compare to Q2. For 9M-2023, electricity output reached 408 million Kwh, equivalent to 64% of the annual plan for 2023.
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- **Clean water segment:** Song Da clean water plant maintained stable operations in Q3. After 9M-2023, the output reached 75% of the annual plan for 2023. **The Phase 2 project** to increase the Song Da water plant capacity to 600,000m³/day implemented as plan and expected to be completed by the end of 2024.

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HIGHLIGHT ACTIVITIES



HIGHLIGHT ACTIVITIES IN Q2 2023



Commencement of High-End Industrial Real Estate Project Industrial Centre YP2C

The project marks a significant milestone following the strategic cooperation agreement between GELEX Group and Frasers Property Vietnam, signed in March 2023.

The project is located in Yen Phong 2C Industrial Park, Bac Ninh, with 34,500 m2 of ready-built high-quality factories and warehouses, aiming for LEED certification with sustainable construction criteria and technological features to enhance productivity and tenant benefits.



VIGLACERA launches 1.2 Trillion VND Sintered Stone Production Line

On September 11, 2023, at the Viglacera Eurotile factory in Ba Ria - Vung Tau, VIGLACERA held a ceremony to launch the Continua+ technology sintered stone production line from Sacmi (Italy).



GELEX Electricity Trading JSC achieves early completion of medium-voltage power supply project for Phong Dien IP – Thua Thien Hue

On August 2, 2023, the medium-voltage power supply project for Phong Dien IP – Viglacera, managed by GELEX Electricity Trading JSC (GETC), was officially safety inspected and granted early operational approval by Hue's Power Authority, enabling it to commence operations ahead of schedule. GETC is the sole entity responsible for investing in the construction of electrical infrastructure, supplying, operating, utilizing, and managing the 22kV medium-voltage power system for Phong Dien IP.



GELEX and Its Member Companies honored with prestigious Awards

- **GELEX, VIGLACERA, CADIVI** were honored with “Top 25 Brands in Personal and Industrial Consumer Goods” by Forbes.
- **GELEX** was honored with “HR Asia – Best Companies to work for in Asia 2023” .
- **GELEX, VIGLACERA** were honored with “Top 100 most valuable Vietnamese brand” by Brand Finance.
- **CADIVI** was honored with "Top 10 Strongest Brands in Vietnam" awarded by Vietnam Economic Magazine.



Thank you

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