



VINCOM RETAIL

MANGO



Vincom Retail Joint Stock Company 1H2019 Financial Results

30 July 2019

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1. Key Highlights

Financial Performance - 2Q2019 and 1H2019

Revenue from Leasing

2Q2019: **VND1,659** billion ▲ 22.7%YoY

1H2019: **VND3,258** billion ▲ 24.5%YoY

Gross Profit

2Q2019: **VND959** billion ▲ 27.4%YoY

1H2019: **VND1,931** billion ▲ 24.3%YoY

Leasing NOI⁽¹⁾

2Q2019: **VND1,147** billion ▲ 19.7%YoY

1H2019: **VND2,306** billion ▲ 24.2%YoY

EBITDA

2Q2019: **VND1,245** billion ▲ 8.4%YoY

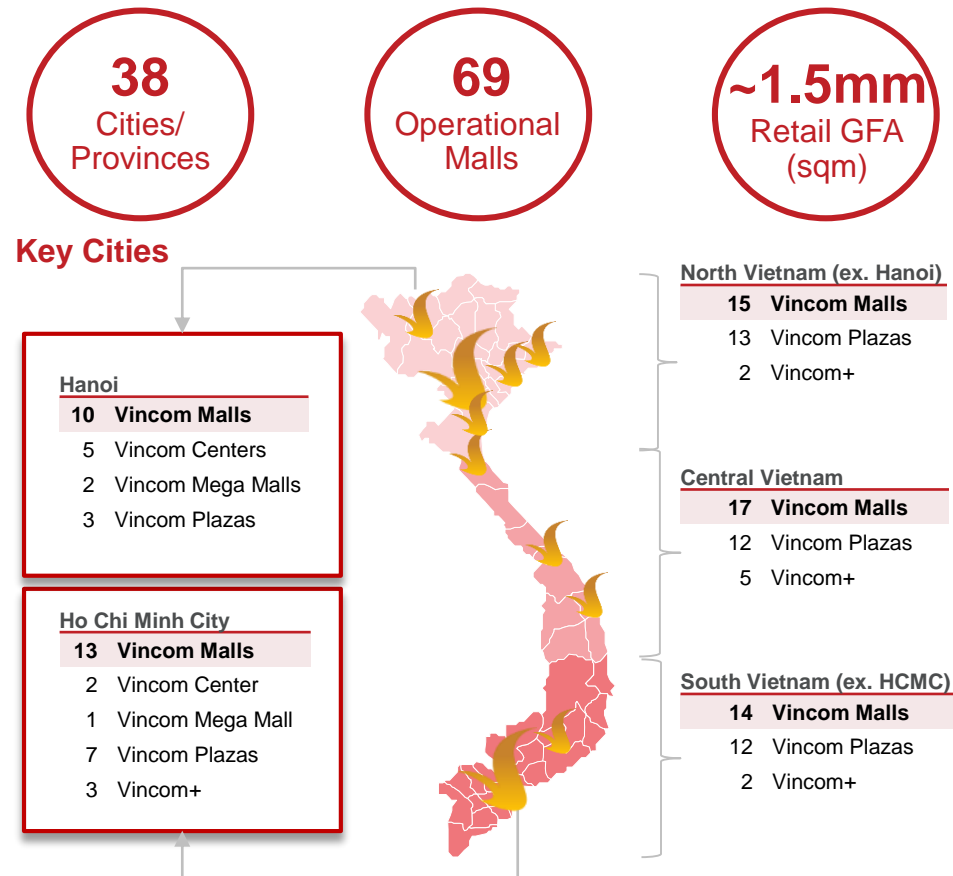
1H2019: **VND2,447** billion ▲ 9.3%YoY

Note: Based on VAS Consolidated Financial Statements for 2Q2019

(1) NOI for leasing investment properties and rendering of related services, is calculated based on management report by taking the sum of gross rental income and other property-related income less any property-related operating expenses including land lease costs but excluding holding company expense allocations

Solidified Position as Dominant Retail Platform in Vietnam

Prime Urban and High Growth Areas in Key Cities



10 malls expected to launch in 2H2019, further expanding our Vietnam footprint by ~ 91,000 sqm

Note: As at 30 June 2019

Unique Multi-Format Retail Model

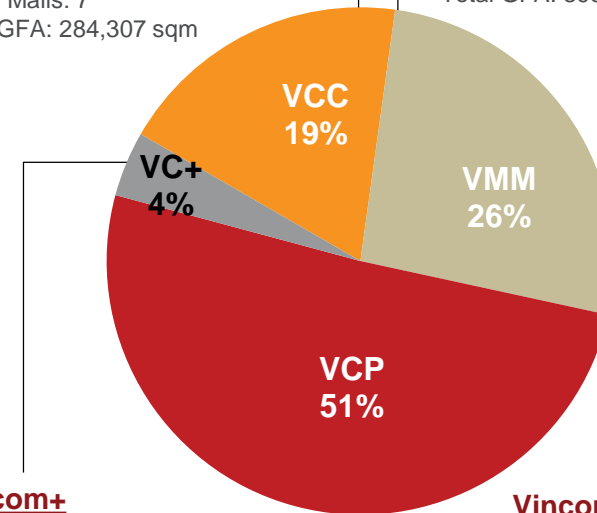
(Segmentation by GFA)

Vincom Center

Location: City-center, CBD
Retail GFA: 40,000 – 60,000 sqm
No. of Malls: 7
Total GFA: 284,307 sqm

Vincom Mega Mall

Location: In integrated, mixed-use projects
Retail GFA: 60,000 – 150,000+ sqm
No. of Malls: 3
Total GFA: 395,148 sqm



Vincom+

Location: Medium-density, non-CBD
Retail GFA: 3,000 – 5,000 sqm
No. of Malls: 12
Total GFA: 62,553 sqm

Vincom Plaza

Location: High-density, CDB of cities ex. Hanoi and HCMC
Retail GFA: 10,000 – 40,000 sqm
No. of Malls: 47
Total GFA: 765,580 sqm



69 malls
across 38
cities /
provinces



4 retail
formats



Proven and
scalable retail
development
platform



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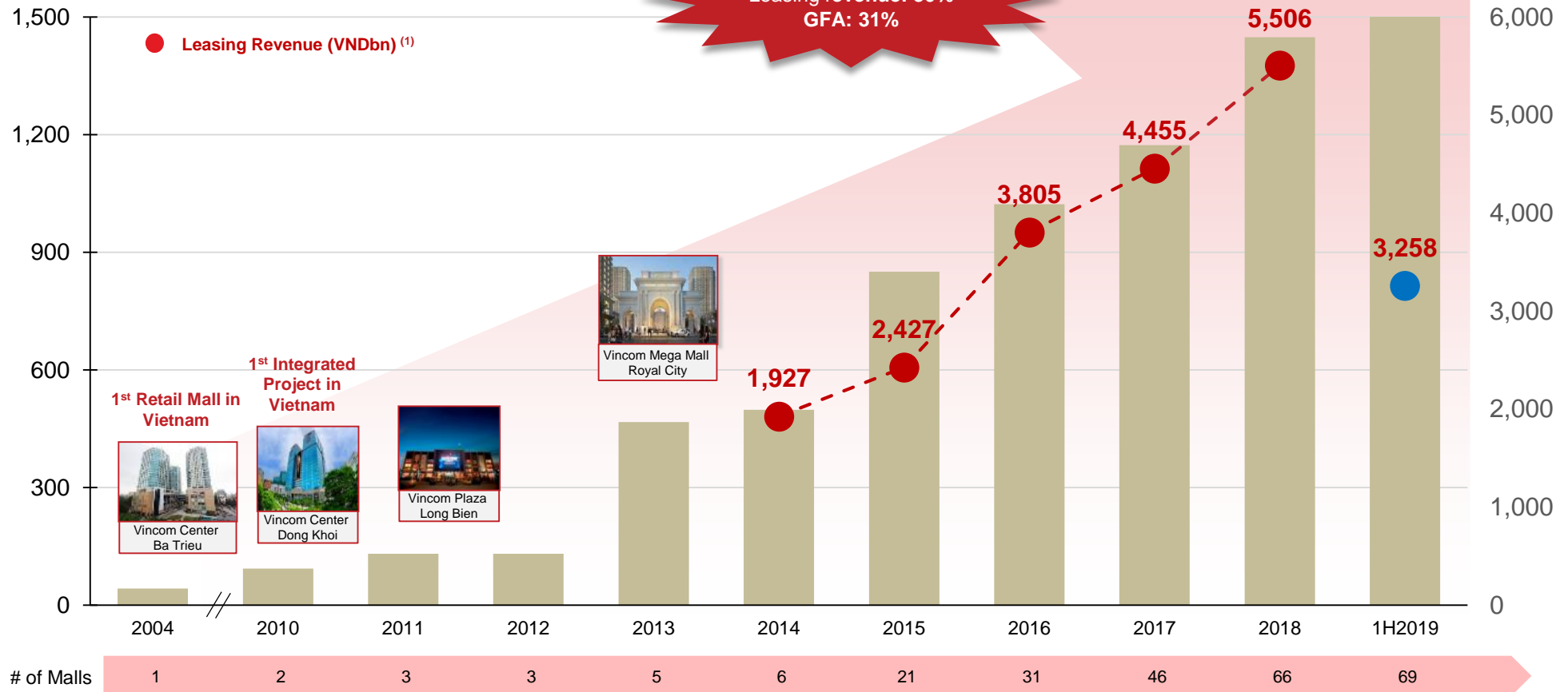


ZARA

2. Operational Update

2Q2019 Operational Highlights and Updates

Retail GFA
(‘000 sqm)



15 years of operating experience achieving ~ 1.5 mm sqm of retail GFA (~35x increase since 2004)

⁷ Note: As at 30 June 2019

(1) VAS Audited Consolidated Financial Reports for respective years and Consolidated Financial Statements for 2Q2019

2Q2019 Operational Highlights and Updates

VCC TRAN DUY HUNG

26.04.2019



241,000

visitors in the first week of opening



95%

Occupancy (updated to 22.07.2019)

- Inspirational and modern architecture
- Unique and interesting experience
- Trending in F&B and Entertainment

*Opened in
2Q2019*

ATTRACTIVE LIFESTYLE DESTINATION FOR MILLENIALS



KAREN MILLEN
CHARLES & KEITH



OVS

TOMMY
HILFINGER
DENIM

Pedro
FOOTWEAR AND ACCESSORIES



VCP SKYLAKE

12.04.2019

Occupancy **94.4%**

LANDMARK 81 SKYVIEW

28.04.2019

35,000,000

Social media reach

VCP MONG CAI

30.06.2019

Occupancy **97%**

EVENTS

11.04.2019

ANNUAL SHAREHOLDER GENERAL MEETING



AWARD

APPA
Asia Pacific
Property
Awards



Best retail development in Vietnam
Vincom Center Landmark 81

ACTIVITY

05.2019

JAPAN ROADSHOW

Met with 2 associations and
approached 17 potential
customers



Sales Activities – Result in 2Q2019

Project Initiatives Implemented to Improve Tenant Mix and Brands

1 VMM Thao Dien



Upgraded fashion mix in Level 1 and Level 2 as well as F&B mix in Level 5

2 VMM Royal City



Introduced more fashion and entertainment anchor tenant.

The increase in F&B, entertainment and service tenant mix is expected to boost footfall in these malls

3 VCP Da Nang



Upgraded fashion & entertainment mix.

4 VCP Ha Long



Upgraded fashion mix

5 VCP Xuan Khanh - Can Tho



Upgraded F&B and fashion mix

Sales Activities – Tenant Expansion

Tenants that expanded with Vincom Retail in 2Q2019

Anchor Tenants/Chain Tenants



New Tenants

Fashion anchor tenants + 3 VCC + 8000m2

HOKKAIDO
BAKED CHEESE TART

anara
thai cuisine

B
PASTA & PIZZA
BASTA HIRO.
HIROSHI YAMADA

益永
糖水

The Coffee Bean
& Tea Leaf

X
特步

Gazillion
Bubble Show

JURASSIC PARK

venus
Live in the movie

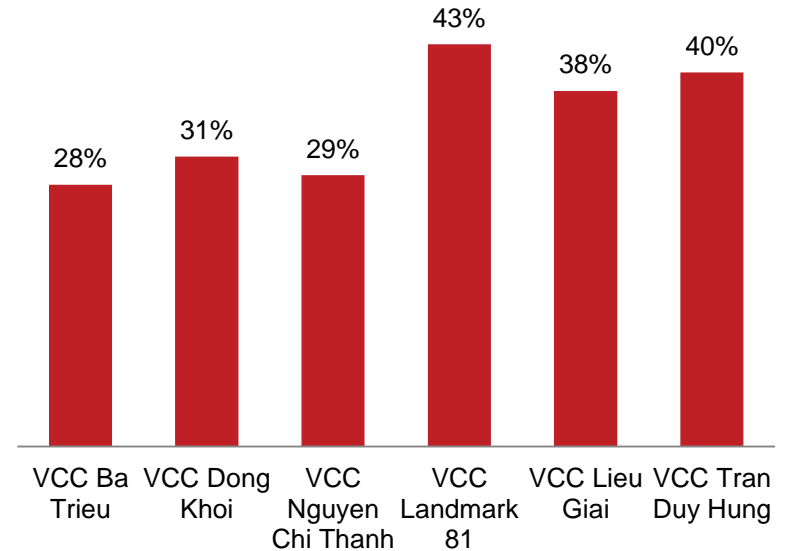
K
FITNESS & YOGA

THE NEW
PLAYGROUND

APAX
LEADERS
English For Future Leaders

Tenant Mix Trend

Contribution from F&B, entertainment and services tenants by NLA (%)



- Across Vincom Centres, tenant mix has seen a gradual increase in contribution from the anchor F&B, entertainment and services sectors
- This trend is also observed in the Vincom Megamalls, with a greater number of casual dining restaurants, cafeterias and dessert stores as tenants
- This is in line with trends seen in other countries such as Thailand and Singapore

Key Operational Metrics

Retail GFA

Figure in sqm	2Q2018	2Q2019	Change (%)
Vincom Center	165,876	284,307	▲ 71.4
Vincom Mega Mall	395,148	395,148	-
Vincom Plaza	631,701	765,580	▲ 21.2
Vincom+	50,199	62,553	▲ 24.6
Total	1,242,923	1,507,588	▲ 21.3

Average Occupancy⁽¹⁾

	2Q2018	2Q2019	Change (%)
Vincom Center	94.5%	91.6%	▼ 2.9
Vincom Mega Mall	88.2%	90.6%	▲ 2.4
Vincom Plaza	91.5%	91.5%	-
Vincom+	73.6%	85.2%	▲ 11.5
Total	89.7%	90.9%	▲ 1.2

Note: As at 30 June 2019

11 (1) Average occupancy does not include malls which underwent major renovation

Marketing Activities – Results in 2Q2019

Summary

~ 22% Average footfall growth compared with before the campaigns

~ 51% Average footfall growth compared with first 6 months of 2018

~ 7% Exceed footfall KPI of first 6 months of 2019

Hung King' Commemoration Day Campaign 13.04 – 15.04.2019



Reunification Day & International Worker's Day Campaign 27.04 – 30.04.2019



Unique Summer Campaign 01.06 – 22.06.2019



Footfall (compared with before the campaigns)

↑ ~38%

↑ ~74%

↑ ~22%

Social media reach

~ 1 MILLION

~ 10 MILLION

~64.4 MILLION



Sales:

- Continue to reach potential international tenants
- Planning to source for anchor tenants for the 3 Vincom Megamall projects located in Vinhomes mega projects, i.e. Ocean Park, Smart City and Grand Park in 2H2019
- Continue to upgrade the tenant mix of city projects such as Thao Dien, Pham Ngoc Thach



Marketing – To organise highlight events that affirm Vincom as the destination of choice for every local in areas where Vincom has presence

- Launch Vincom 2019 Red Sale Carnival campaign
- Launch the 2019 Mid-Autumn Campaign — 1 of 4 Vincom's biggest campaigns of the year
- Brainstorm of ideas for upcoming large scale campaigns such as Black Friday and Christmas





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3. Financials and Capital Management Update

Financial Performance in 2Q 2019 vs. 2Q 2018

Figures in VND billion	2Q 2018	2Q 2019	Change (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	1,352	1,659	▲ 22.7	Leasing revenue growth mainly driven by growth from the 20 malls opened in 2018
Sale of Inventory Properties	156	302	▲ 93.2	Increase primarily driven by delivery of shop-house in Ca Mau and Mong Cai
Other revenue	8	22	▲ 178.4	
Total Revenue	1,516	1,983	▲ 30.8	
Gross Profit ⁽¹⁾	753	959	▲ 27.4	Lower gross margin reflects negative mix from higher growth in sale of relatively lower margin inventory properties
Operating Profit / (Loss)	731	788	▲ 7.9	
Profit / (Loss) before Tax	772	788	▲ 2.0	
Profit / (Loss) after Tax for the Period	620	640	▲ 3.3	
Profit / (Loss) after Tax and Minority Interest	620	639	▲ 3.1	

Note: VAS Consolidated Financial Statements for 2Q2019

(1) Gross profit includes D&A relating to investment properties under VAS.

Financial Performance in 1H 2019 vs. 1H 2018

Figures in VND billion	1H 2018	1H 2019	Change (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	2,618	3,258	▲ 24.5	Leasing revenue growth mainly driven by stable operation of 20 malls previously opened in 2018
Sale of Inventory Properties	492	903	▲ 83.7	Increase primarily driven by delivery of shop-house in Ca Mau
Other revenue	25	105	▲ 325.4	
Total Revenue	3,134	4,267	▲ 36.2	
Gross Profit ⁽¹⁾	1,554	1,931	▲ 24.3	Lower gross margin reflects higher contribution from sale of inventory properties, whose margin is typically lower than that of leasing business
Operating Profit / (Loss)	1,431	1,559	▲ 9.0	
Profit / (Loss) before Tax	1,474	1,566	▲ 6.2	
Profit / (Loss) after Tax for the Period	1,162	1,251	▲ 7.7	
Profit / (Loss) after Tax and Minority Interest	1,161	1,251	▲ 7.8	

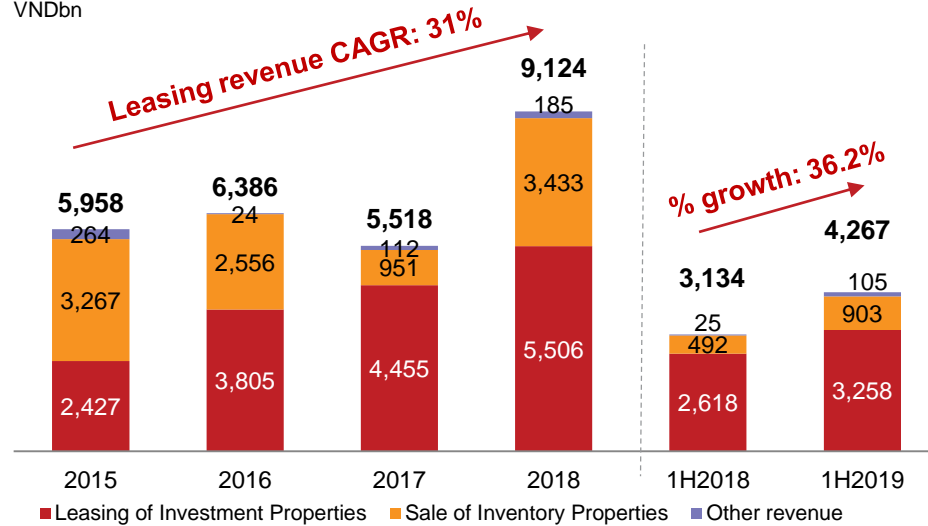
Note: VAS Consolidated Financial Statements for 2Q2019

(1) Gross profit includes D&A relating to investment properties under VAS.

Financial Performance

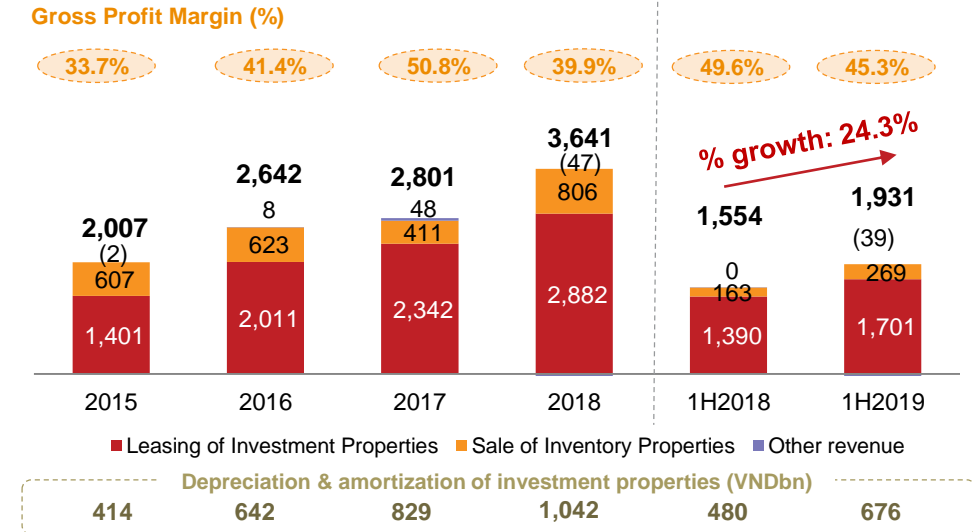
Total Revenue

VNDbn



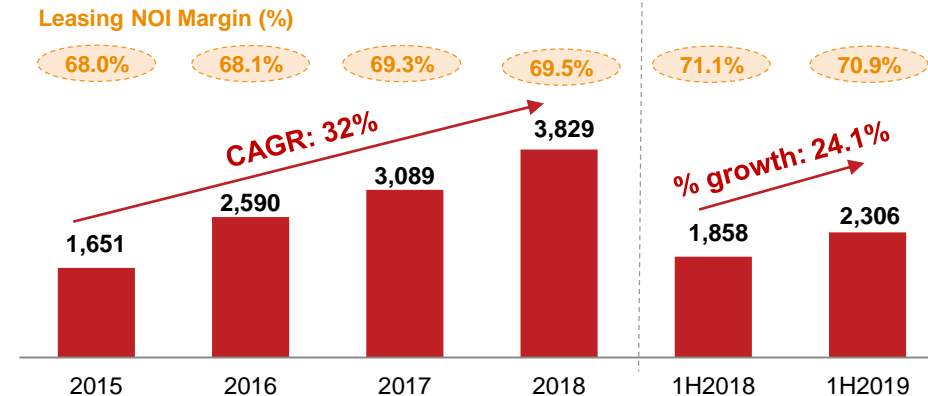
Gross Profit⁽¹⁾

VNDbn



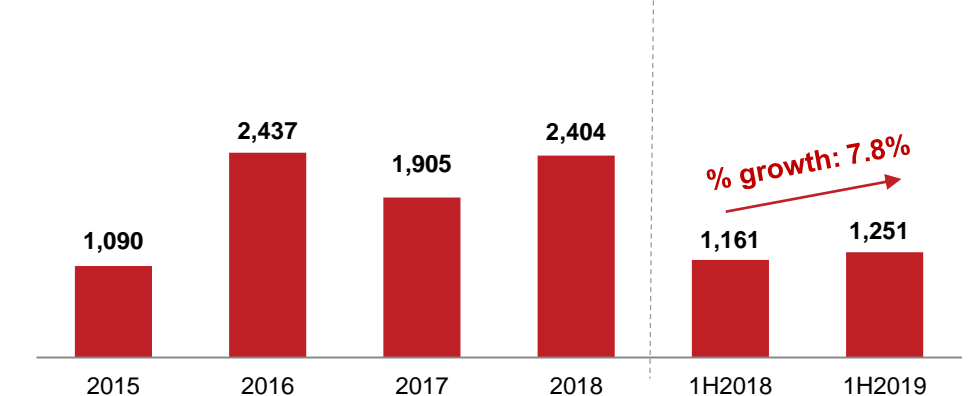
Leasing Net Operating Income (NOI)⁽²⁾

VNDbn



Profit After Tax and Minority Interest

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 2Q2019

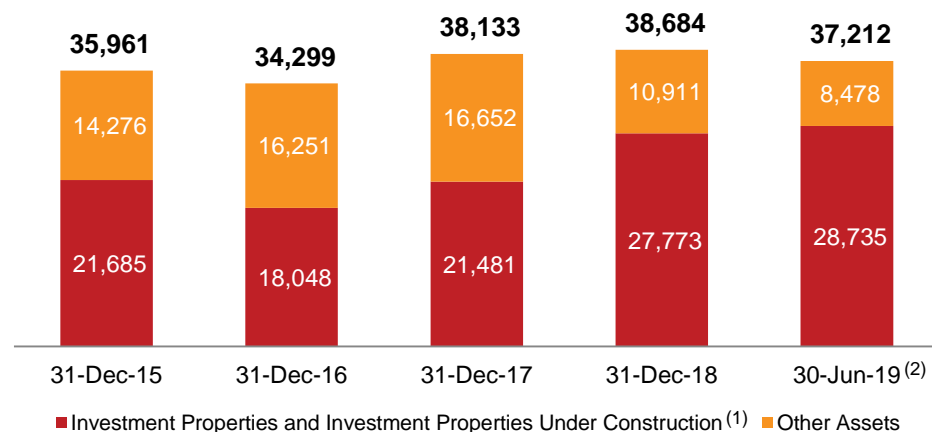
(1) Depreciation and amortization relating to investment properties is laid down below the graph and should be added back for IFRS. Since 2018, "Other" segment includes results from management of Da Nang condotels which was loss-making as the property was still ramping up after launch in May 2018.

17 (2) NOI for leasing investment properties and rendering of related services, is calculated based on management report by taking the sum of gross rental income and other property-related income less any property-related operating expenses including period land lease costs but excluding holding company expense allocations

Balance Sheet

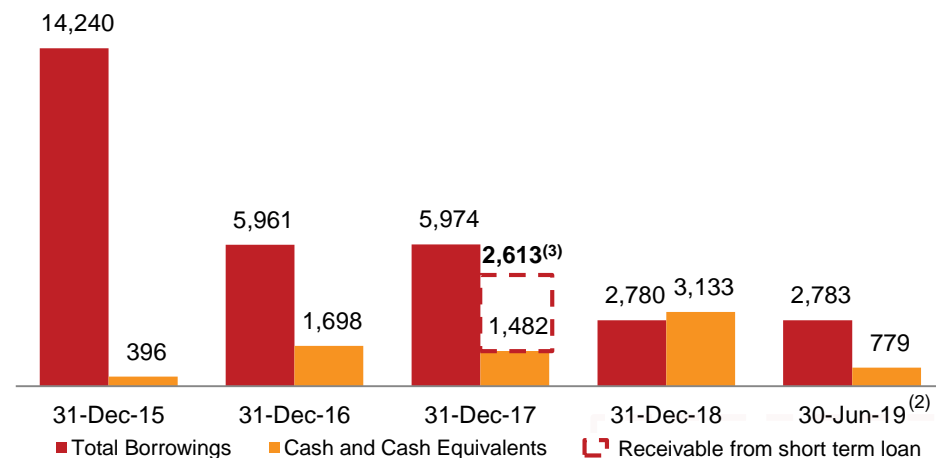
Total Assets

VNDbn



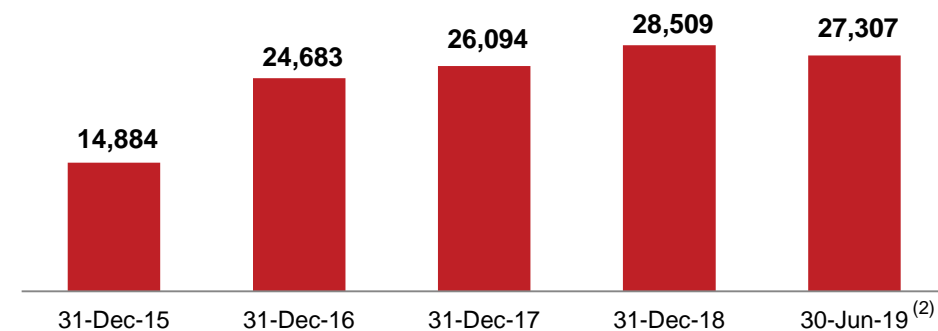
Total Borrowings, Cash and Cash Equivalents

VNDbn



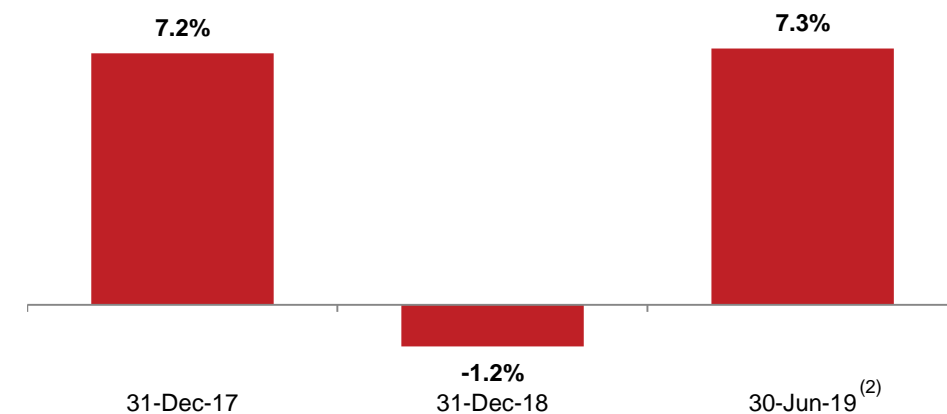
Total Equity

VNDbn



(Net Debt / (Net Cash)) (4) / Equity

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 2Q2019

(1) Investment Properties and Investment Properties Under Construction (IP/IPUC) are valued at development cost minus depreciation and amortization and are not fair valued

(2) Decline in other assets, cash and cash equivalents, total equity as well as increase in gearing ratio as of 30 June 19 was due to the payment of cash dividends of VND 2,445bn declared in April 19

(3) Receivable from short-term loans, which was collected in April 2018

(4) Net Debt / (Net Cash) = (Short-term Borrowings + Long-term Borrowings) – (Cash & Cash Equivalents + ST Investments + Receivables of Short-term loans). Receivable from short-term loans was collected in full amount in April 2018



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Appendix

Bridging VAS to IFRS

Unit: VND Billion

	VAS 1H2019	Adj.	IFRS 1H2019	Commentary on Adjustments
Leasing revenue and other related services	3,258	(28)	3,230	Realized unearned revenue of deposit from customer in relation to amortization of deposit
Sale of inventory properties	903		903	
Other revenue	105		105	
Total revenue	4,267	(28)	4,238	
Cost of leasing activities and other related services	(1,557)	579	(978)	Mostly depreciation of malls included in VAS; excluded under IFRS
Cost of inventory properties sold	(634)	(36)	(670)	Net Realizable Value adjustment of shop-office handed over during 1H2019
Others	(144)		(144)	
Cost of goods & services	(2,336)	543	(1,792)	
Gross profit	1,931	515	2,446	
Selling expenses	(141)		(141)	
General and administrative expenses	(243)	36	(206)	Amortization of Goodwill included in VAS; excluded under IFRS
Other income	22	-	22	
Other expense	(15)		(15)	
Finance expense	(146)	(81)	(227)	Amortization of deposit from customer, and interest expense of lease liabilities under IFRS16
Finance income	157	125	282	Amortisation of deposit under BCC
Profit before tax	1,566	595	2,161	
Tax expense	(314)	22	(292)	Mainly Deferred tax from Net Realizable Value adjustment of shop-office handed over during 1H2019
Profit after tax	1,251	617	1,869	