



VINCOM RETAIL

MANGO



Vincom Retail Joint Stock Company 3Q2019 Performance

29 October 2019

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VINCOM RETAIL



1. Key Highlights

Revenue from Leasing

3Q2019: **VND1,807** billion ▲ 29.3%YoY

9M2019: **VND5,066** billion ▲ 26.2%YoY

Gross Profit from Leasing

3Q2019: **VND964** billion ▲ 51.4%YoY

9M2019: **VND2,665** billion ▲ 31.5%YoY

Leasing NOI⁽¹⁾

3Q2019: **VND1,286** billion ▲ 32.4%YoY

9M2019: **VND3,593** billion ▲ 26.9%YoY

EBITDA

3Q2019: **VND1,296** billion ▲ 24.4%YoY

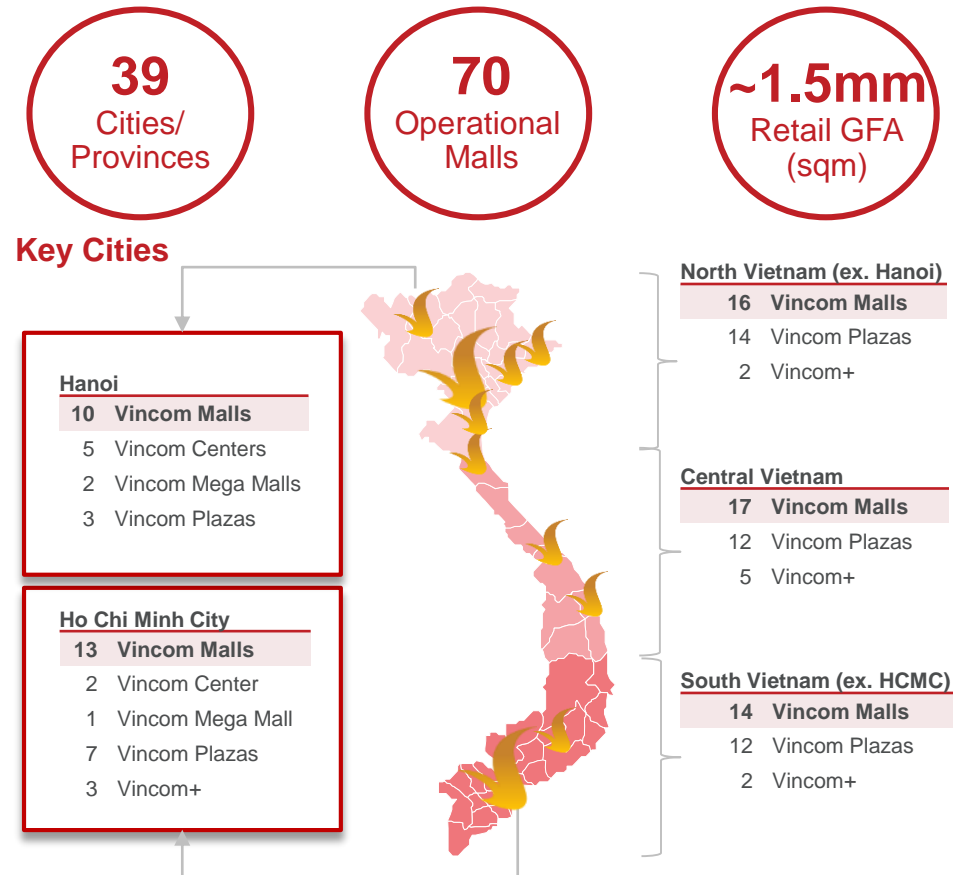
9M2019: **VND3,743** billion ▲ 14.1%YoY

Note: Based on VAS Consolidated Financial Statements for 3Q2019

(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



9 malls expected to launch by the end of 2019, further expanding our Vietnam footprint by ~ 81,000 sqm in 4Q2019 and a total of ~154,600 sqm in FY2019 (+11% yoy)

Unique Multi-Format Retail Model

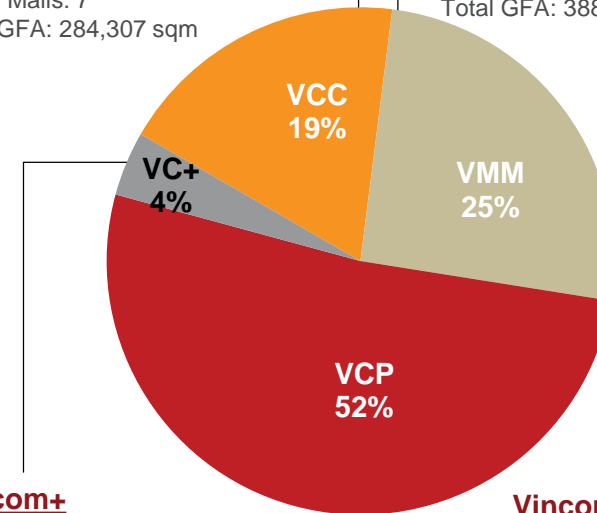
(Segmentation by GFA)

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: 388,082 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: 48
Total GFA: 787,253 sqm



**70 malls in
39 cities /
provinces**



**4 retail
formats**



**Proven and
scalable retail
development
platform**

Key Operational Metrics

Retail GFA

Figure in sqm	9M2018	9M2019	Change (%)
Vincom Center	214,516	284,307	▲ 32.5
Vincom Mega Mall ⁽²⁾	395,148	388,082	▼ 1.8
Vincom Plaza	698,106	787,253	▲ 12.8
Vincom+	58,503	62,553	▲ 6.9
Total	1,366,272	1,522,194	▲ 11.4

Average Occupancy⁽¹⁾

	9M2018	9M2019	Change (%)
Vincom Center	92.5%	92.3%	▼ 0.2
Vincom Mega Mall	87.9%	91.5%	▲ 3.6
Vincom Plaza	91.0%	92.7%	▲ 1.6
Vincom+	76.8%	85.2%	▲ 8.4
Total	89.4%	91.9%	▲ 2.5

Note: As at 30 September 2019

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

(2) Due to re-categorizing of a few shop-offices at Vincom Mega Mall Royal City from Investment Property to Inventory for Sales for subsequent sale to end-buyers



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2. Key Market Trends

Key Market Trends

Current Trends

Enhance service and experience Retail-tainment



*Dining experience
with 3D cartoon –
Little Chef*



*Free gifts when
dining*



*Karaoke when
shopping*



*Dance
performances
during meals*

Market prospect Entry of international brands in Vietnam



*Greater diversity and quality of
product offerings*

Innovation Inevitable in the retail industry



*Continuous upgrade in designs,
architectural features, tenant mix and
layout to increase mall attractiveness
and offer unique experiences to
customers*

Source: CBRE, VRE



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H&M



ZARA

3. Operational Update

Select Key Operational Highlights

Grand opening – VCP Hoa Binh

26 Jul 2019

Notable tenants:



APAX LEADERS
English For Future Leaders

FUNNY KIDS



Occupancy rate:

98.6%

Footfall in the 1st week

104,086

Expanding our international tenant portfolio across key malls

Existing tenants to expand



New tenants



JAJU



Innovative marketing to support tenants

- Key campaigns attracted 10-20% footfall higher than daily average in 3Q2018
- Marketing activities attracted 57mn of footfall (+25% yoy)
- Series of events and marketing campaigns to set new retail trend for 3 Vincom Mega Malls

Additional key activities

- Japan – Market Roadshow (May 2019) attracted strong interest
- Korea – Site tour (Jul 2019)
- Singapore – F&B tour (Sep 2019)



Tenant Mix Update

The number of tenants in Vincom Retail increased in Q3 / 2019 and several projects are upgrading their brands

APPROACH

Proactively approach big brands in potential markets such as Japan, Korea, and Singapore via the following channels:

- ✓ Retailer associations in these countries
- ✓ Consulting and brokerage agencies
- ✓ Partners (existing tenants)

PROJECTS

VCC Pham Ngoc Thach



- Signing a large Japanese fashion brand (3,000m²)
- Undergoing re-planning to cater to F&B brands



VMM Times City



Upgrading fashion brands



VCC Dong Khoi



Adding well-known cosmetics, F&B and household appliances brands



TENANTS

Key chains agreed to expand:



New tenants



Marketing Activities

Vietnam Red Shopping Festival

06.07 – 14.07.2019



Mid-Autumn Festival

23.08 – 22.09.2019



FOOTFALL
(Compared to KPI
in 2019)

~107 %

~ 104%

FOOTFALL
(Compared to
3Q2018)

↑~10.4%
Daily average*

↑~18%
Daily average*

MEDIA REACH

~ 43 million
122% of media KPI

~ 77 million
154% of media KPI

Updates and Highlights on Vincom Mega Malls

1 Modern and inspiring exterior and interior designs

- Synchronize exterior and interior designs
- Harmonize with the surrounding
- Innovative architectural features



VMM Ocean Park



VMM Grand Park



3 Optimize tenant mix, attracting quality tenants

- Leverage on immediate captive population of VHM mega projects to attract quality tenants
- Tenanting started 18 months in advance

2 Key outdoor attraction

- The mega projects where Vincom Mega Malls are located offer green living spaces and premium amenities, and are ideal weekend destinations
 - Ocean Park: central lake and salted water lagoon, safari, Vinpearl Land
 - Smart City: Japanese Garden, central lake, theme park
 - Grand Park: riverside park, light park

4 Pioneers in experiential retail-tainment in Vietnam

- Upgrade tenant mix for better customer experience
 - Increasing F&B kiosks and Food Street at 1st floor
 - Diversification in Entertainment formats
- Customer's experience highlight
 - Natural environment with light effect
 - Highly interactive entertainments
 - Experience modern technology

Accelerated construction and tenaning helps to speed up expected launch in 2020

Plan for 4Q2019



Continue Offering to Lease

09 retail malls to open in October, November and December 2019. Leasing well under way

- | | |
|----------------------------|---------------------------|
| 1. VCP Cao Lanh, Dong Thap | 6. VCP Kon Tum |
| 2. VCP Di An, Binh Duong | 7. VC+ Phu Tho |
| 3. VCP Cam Pha | 8. VC+ Thai Hoa, Nghe An |
| 4. VCP Soc Trang | 9. VC+ Ninh Hoa, Cam Ranh |
| 5. VCP Bac Kan | |

Offer Anchor Tenants

To Lease **03** Vincom Megamall in Vinhomes.
Bringing forward the opening dates of 3 Vincom Mega Malls

1. VCMM Smart City: **2Q2020**
2. VCMM Ocean Park: **2Q2020**
3. Grand Park District 9: **4Q2020**



Continue to Upgrade mix

Shopping malls in big cities such as Thảo Điền, Times City, Royal City, Phạm Ngọc Thạch, Hùng Vương Cần Thơ



Marketing

Create marquee events to reaffirm Vincom retail malls as the destination of choice in every location that Vincom is present

- Organize the Vietnamese Women Day 20.10 campaign, and Black Friday
- Open 9 retail malls including 6 Vincom Plazas and 3 Vincom+
- Organize Christmas Campaign, one of the four key marketing events every year
- Continue to standardize marketing operations



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4. Financial and Capital Management Update

Financial Performance in 3Q 2019 vs. 3Q 2018

Figures in VND billion	3Q 2018	3Q 2019	Change (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	1,397	1,807	▲ 29.3	Leasing revenue growth mainly driven by growth from the 20 malls opened in 2018
Sale of Inventory Properties	1,501	339	▼ 77.4	Large sale of inventory properties in 3Q2018 primarily driven by delivery of condotel units in Vinpearl Riverfront Da Nang
Other revenue	51	62	▲ 20.7	
Total Revenue	2,949	2,208	▼ 25.1	Decrease due to decrease in sale of inventory properties
Gross Profit ⁽¹⁾	954	1,078	▲ 13.0	Gross profit margin increased by 16.5 percentage points because of better gross profit margin of sale of inventory properties
Operating Profit / (Loss)	669	890	▲ 33.1	SG&A decreased by VND98 bn due to less selling expenses related to sales of inventory properties
Profit / (Loss) before Tax	675	901	▲ 33.4	
Profit / (Loss) after Tax for the Period	556	717	▲ 29.0	
Profit / (Loss) after Tax and Minority Interest	554	717	▲ 29.2	Net margin increased by 13.7 percentage points

Note: VAS Consolidated Financial Statements for 3Q2019

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

Financial Performance in 9M 2019 vs. 9M 2018

Figures in VND billion	9M 2018	9M 2019	Change (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	4,015	5,066	▲ 26.2	Leasing revenue growth mainly driven by stable operation of 20 malls previously opened in 2018
Sale of Inventory Properties	1,992	1,242	▼ 37.7	Large sale of inventory properties in 3Q2018 primarily driven by delivery of condotel units in Vinpearl Riverfront Da Nang
Other revenue	76	167	▲ 120.1	
Total Revenue	6,083	6,475	▲ 6.4	
Gross Profit ⁽¹⁾	2,508	3,009	▲ 20.0	Gross profit margin increased by 524 bps because of better gross profit margin of sale of inventory properties
Operating Profit / (Loss)	2,100	2,449	▲ 16.7	
Profit / (Loss) before Tax	2,150	2,467	▲ 14.8	
Profit / (Loss) after Tax for the Period	1,717	1,968	▲ 14.6	
Profit / (Loss) after Tax and Minority Interest	1,716	1,968	▲ 14.7	Net margin increased by 219 bps

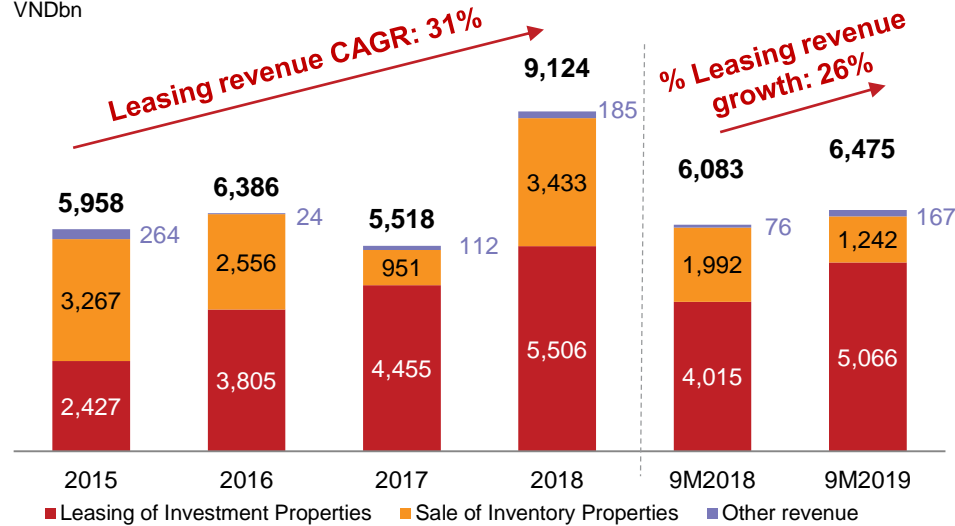
Note: VAS Consolidated Financial Statements for 3Q2019

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

Financial Performance

Total Revenue

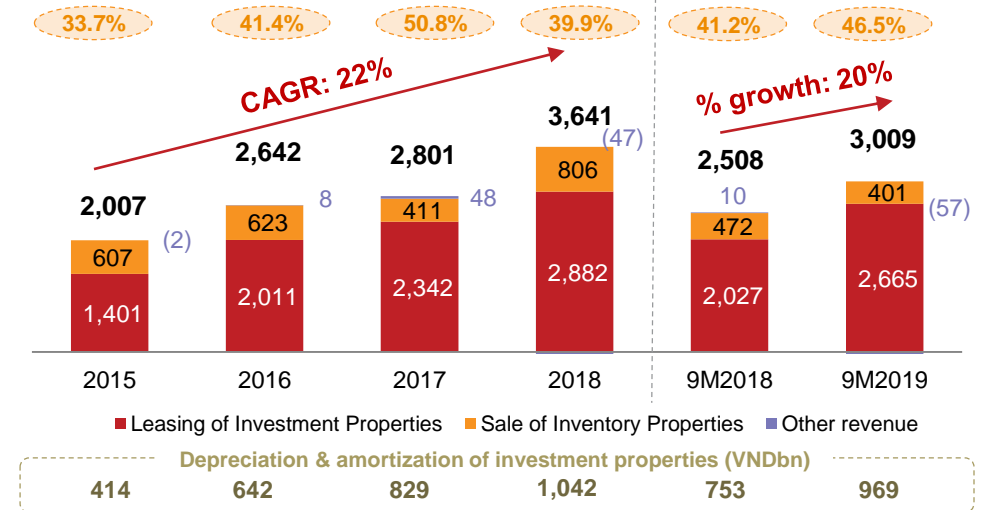
VNDbn



Gross Profit⁽¹⁾

VNDbn

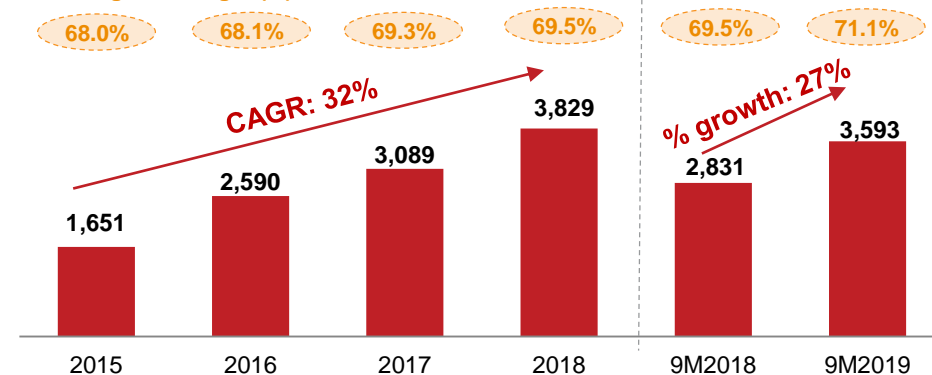
Gross Profit Margin (%)



Leasing Net Operating Income (NOI)⁽²⁾

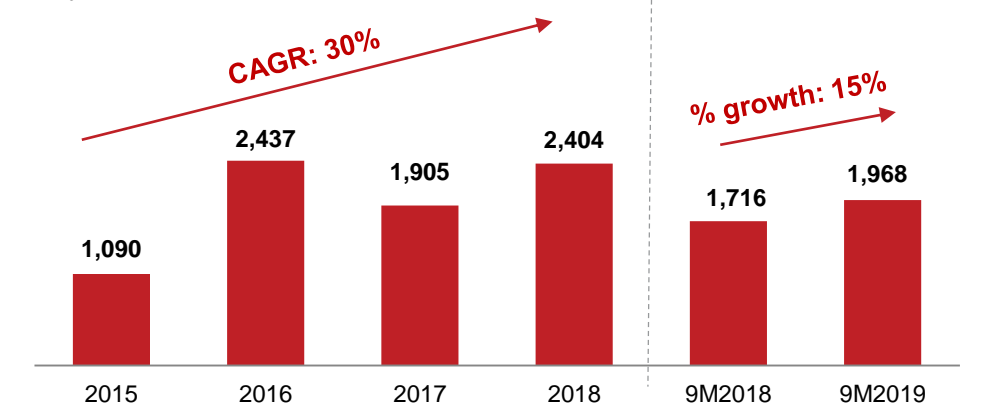
VNDbn

Leasing NOI Margin (%)



Profit After Tax and Minority Interest

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 3Q2019

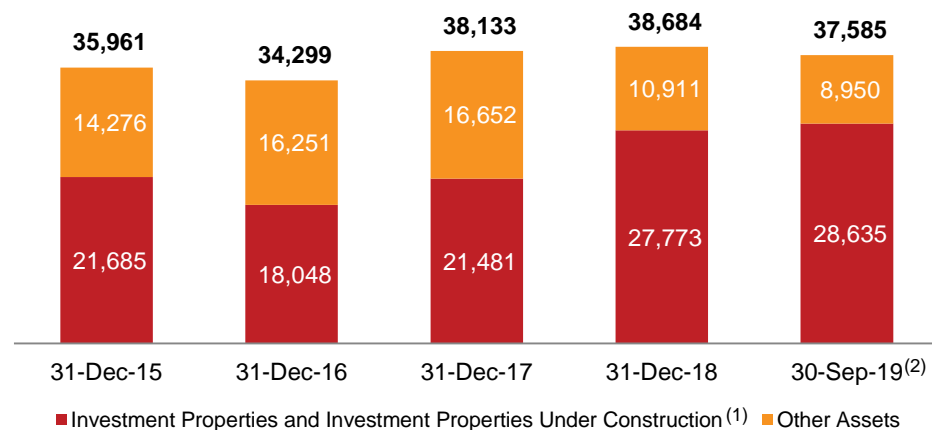
(1) Depreciation and amortization relating to investment properties is laid down below the graph and should be added back for IFRS. Since 2018, "Other" segment includes results from management of Da Nang condotels which was loss-making as the property was still ramping up after launch in May 2018.

18 (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

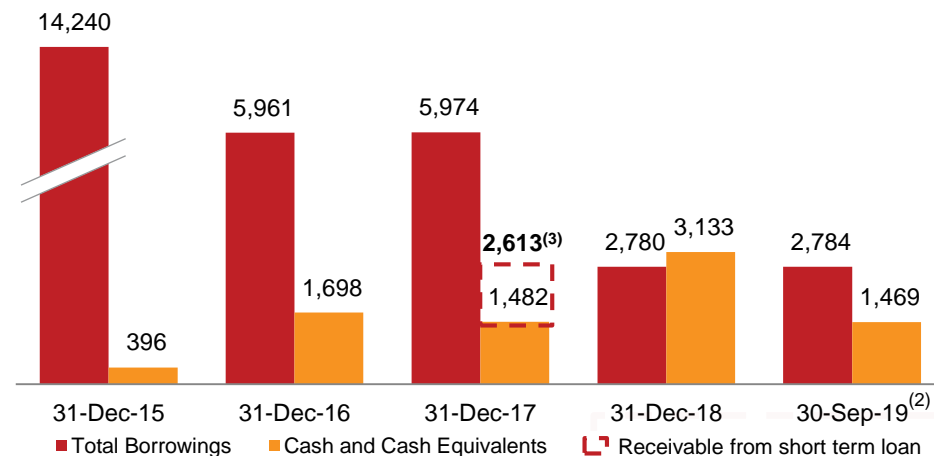
Total Assets

VNDbn



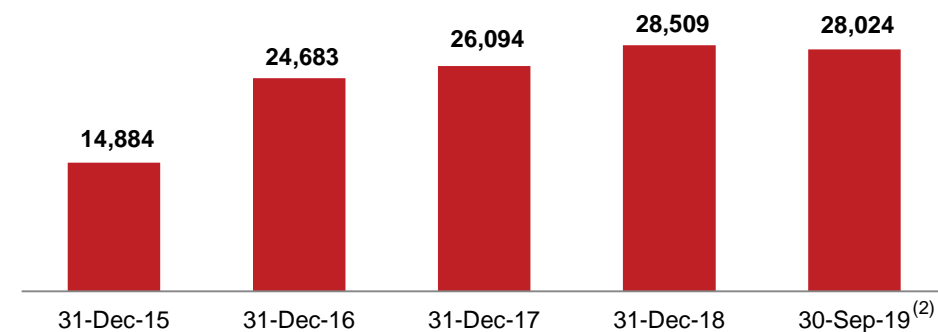
Total Borrowings, Cash and Cash Equivalents

VNDbn



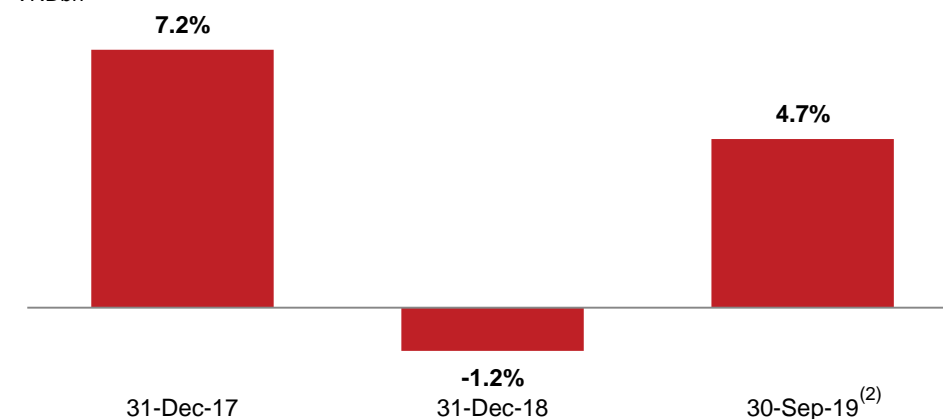
Total Equity

VNDbn



(Net Debt / (Cash))⁽⁴⁾ / Equity

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 3Q2019

(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 September 2019 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 / (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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VINCOM PLAZA

LOTTE CINEMA



VINCOM MEGA MALL

TIME CITY



ĐIỂM GIA
199k



H&M

CHARLES & KEITH

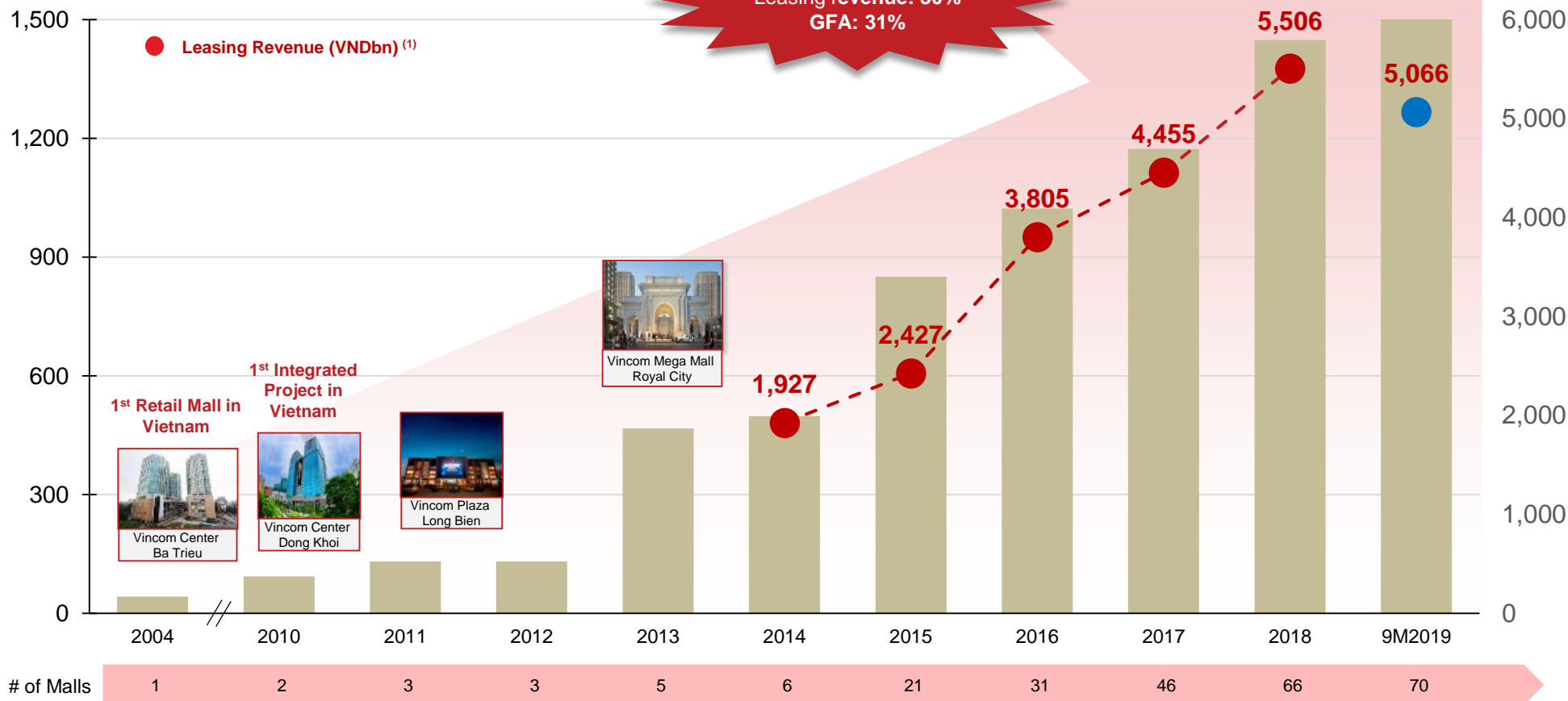


ZARA

Appendix

3Q2019 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)

Bridging VAS to IFRS

Unit: VND Billion

	VAS 9M2019	Adj.	IFRS 9M2019	Commentary on Adjustments
Leasing revenue and other related services	5,066	(26)	5,040	Realized unearned revenue of deposit from customer in relation to amortization of deposit
Sale of inventory properties	1,242		1,242	
Other revenue	167		167	
Total revenue	6,475	(26)	6,449	
Cost of leasing activities and other related services	(2,401)	1,094	(1,307)	Mostly depreciation of malls included in VAS; excluded under IFRS and Payment of lease liability under IFRS 16
Cost of inventory properties sold	(842)	(14)	(856)	Net Realizable Value adjustment of shop-office handed over during 9M2019
Others	(224)		(224)	
Cost of goods & services	(3,466)	1,079	(2,387)	
Gross profit	3,009	1,053	4,062	
Gain/loss from recording FV of IP/IPUC		608	608	Fair Value assessment as at 30 June 2019 ⁽¹⁾
Selling expenses	(209)		(209)	
General and administrative expenses	(346)	36	(291)	Amortization of Goodwill included in VAS; excluded under IFRS
Other income	38	(1)	37	
Other expense	(21)		(21)	
Finance expense	(222)	(161)	(383)	Amortization of deposit from customer, and interest expense of lease liabilities under IFRS16
Finance income	218	101	319	Amortisation of deposit under BCC and deposit from customer
Profit before tax	2,467	1,655	4,122	
Tax expense	(498)	(118)	(616)	Mainly came from Deferred tax of change in FV of IP
Profit after tax	1,968	1,537	3,505	