



VINCOM RETAIL



Vincom Retail Joint Stock Company Quarterly Results 1Q2021

28 April 2021

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Key Messages

1

Vietnam continues to be a bright spot in terms of GDP growth after successfully controlling Covid – 19

- Vietnam's GDP growth reached 4.48% in Q1, following recovery momentum from 2H2020 thanks to prompt control of Covid – 19 outbreaks in late January. Disbursed FDI rose 6.5% compared to 1Q2020⁽¹⁾
- Vietnam's retail sales has recovered and stabilized though the pandemic, with 5% growth YoY ⁽¹⁾
- Rental rates in Hanoi and Ho Chi Minh City were largely stable and demand for retail space gradually recovered in 1Q2021⁽¹⁾

2

Vincom Retail affirms its position as a pioneer to lead retail market recovery trend

- In 2021, anchor tenants continue to expand alongside new Vincom malls or upgraded malls
- Exciting marketing campaigns in the Lunar New Year and International Women's Day attracted more than 36.8 million visitors in Q1 and helped boost tenant sales
- 1Q2021 business results continued to recover, reducing the requirement for support packages, and allowed Vincom Retail to offer shopping vouchers to help tenants improve sales, instead of rental rebate or waiver
- Revenue and profit grew by 32.0% and 58.7% YoY, respectively. Revenue from leasing activities rose 4.1% compared with 4Q2020

3

"Sustainable Development" strategy becomes underlying principle throughout business operations of Vincom Retail

- VRE implements energy saving and environmental protection initiatives (using clean energy, recycling waste, reducing chemical use)
- Deploy technology for standardization and automation of processes as well as operational optimization

Key Metrics in 1Q2021

Unit: VND billion	1Q.2021	1Q.2020	YoY%
GFA (m²) ⁽¹⁾	1,654	1,598	▲ 3.5%
Occupancy Rate⁽¹⁾	84.4%	84.9%	▼ 0.5 pts
Footfall	36.8 mn	40.9 mn	▼ 11.4%
Leasing Revenue	1,712	1,449	▲ 18.2%
Leasing NOI ⁽²⁾	1,313	994	▲ 32.1%
EBITDA	1,508	1,068	▲ 41.1%
PATMI	781	492	▲ 58.7%

Source: Management Report, VAS Consolidated Quarterly Financial Statement 1Q2021

(1) As of 31 March 2021 and 31 March 2020, respectively

(2) NOI for leasing investment properties and rendering of related services is calculated by taking total income from leasing activities and from other property-related services less any property-related operating expenses which include land lease costs but exclude management expenses allocated from parent company

Moving Into 2Q2021



Solid macro foundation drives sustainable growth

- Despite Covid-19, Vietnam's 2021 GDP may reach 7.1%⁽¹⁾ – the highest level in the region
- Consideration of issuing "vaccine passport" and reopening international flights from the end of 2021 to drive growth
- The retail property market remains promising in mid and long term, ready to adopt new market trends⁽¹⁾



Upgrade tenants mix and secure anchor tenants

- 3 retail malls including 1 VMM and 2 VCPs are expected to launch in 3Q2021. Contracts continue to be secured with anchor tenants, chain tenants in Fashion (Mango, Nike, Levi's, Fila, Sketchers), F&B (McDonald's, Manwah, Pizza 4P's, Highland Coffee, Koi), and Entertainment (City Game)
- Internal tenants expanded presence in Vincom Retail network: VinFast service workshop, Vinhomes sales office



Accompany tenants to lead the market recovery

- Stimulate consumer demand by issuance of shopping voucher, leading the shopping recovery trend during the Holidays and Summer 2021
- Jointly organize large-scale and impactful events with tenants, especially the impressive launch of Phu Quoc United Center Complex and the Grand World "24-by-7 City of Festivals", the only retail-cum-hospitality mega project in Vietnam



Optimize operations by technological application

- Conduct trial run of automatic control of the air-conditioning system, optimizing energy consumption, with a Singapore partner
- Implement automated car parking system at large retail malls such as Times City, Dong Khoi, and Ba Trieu after completing trial testing at Royal City



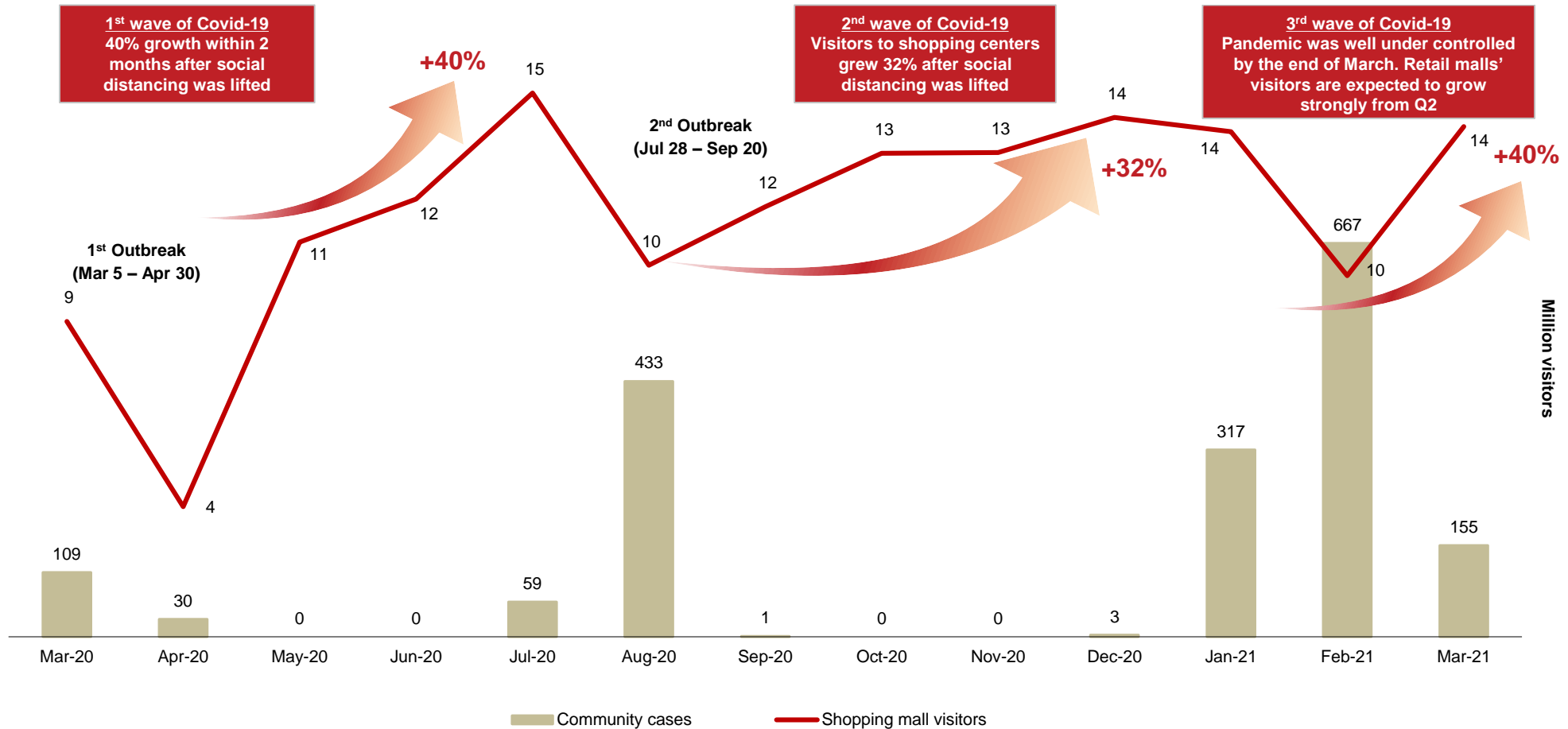
VINCOM RETAIL



1. Market Overview

Vietnam Swiftly Controlled Covid-19

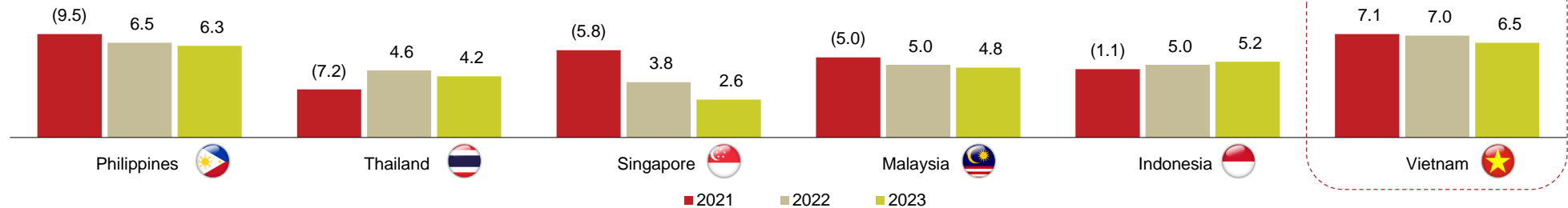
More than 260,000 people have been vaccinated against Covid – 19 as of April 26, 2021⁽¹⁾. The Vietnamese Government plans to vaccinate 30 million people (~ 30% of its population) by the end of this year



Vietnam On A Rebound – The Bright Spot In South East Asia's Economies

Vietnam continues to maintain the highest GDP growth among Southeast Asia countries for the next three years

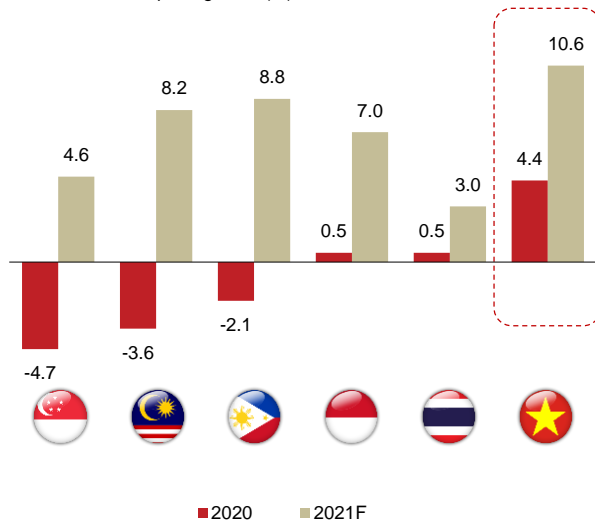
Estimated Real GDP growth (%)



Vietnam GDP continues strong growth in 2021 due to domestic consumption rebound, strong FDI inflow due to supply chain shift and accelerated public investment

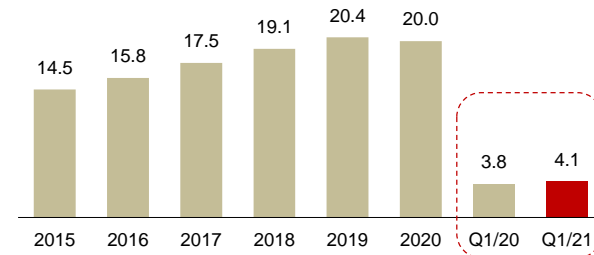
1 Forecasted domestic consumption grows at top level of Southeast Asia

Domestic consumption growth (%)



2 Vietnam to become the new center of global supply chain

Constant FDI disbursement despite ongoing Covid pandemic (USD billion)



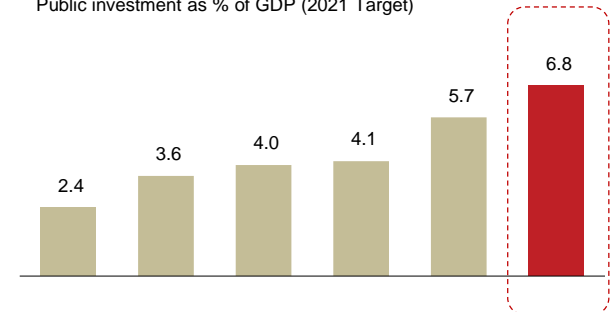
Global corporations continue to relocate and expand factories in Vietnam



Free Trade Agreements such as CPTPP, EVFTA and RCEP will boost Vietnam's international trades

3 Highest level of public investment in terms of GDP % to boost domestic economy

Public investment as % of GDP (2021 Target)

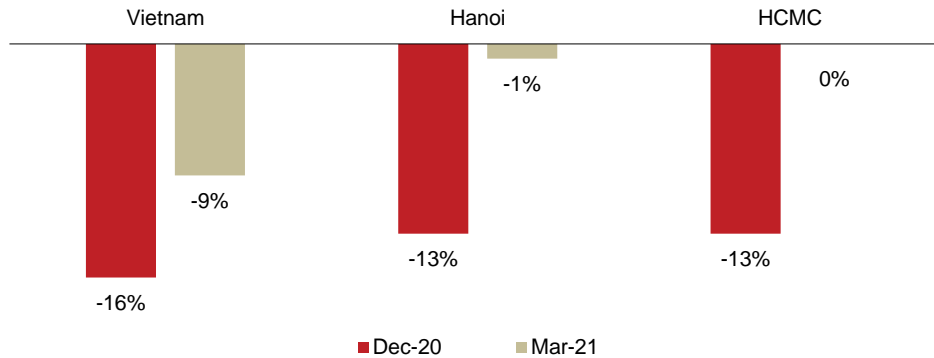


Public investment is expected to keep increasing during the first half of 2021, with suitable monetary policy

Promising Retail Outlook, Ready For A “New Normal”

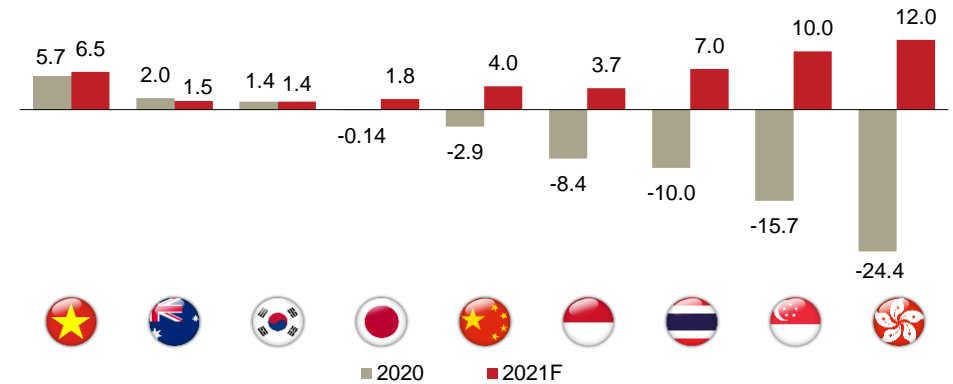
Mobility to retail malls and entertainment activities in major cities has returned to pre – Covid level

Mobility to retail malls and entertainment activities has rebounded



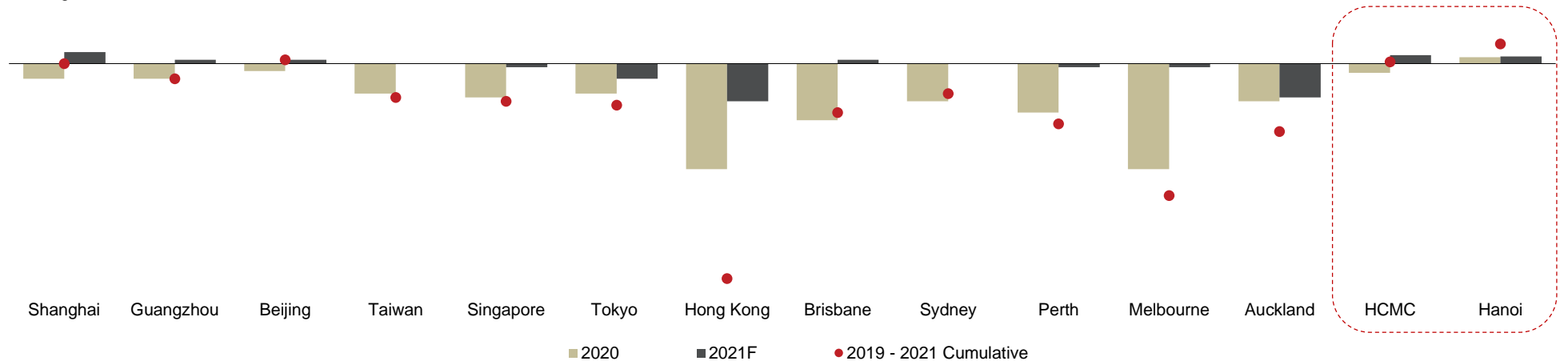
Vietnam posts solid retail sales throughout the pandemic

Nominal Retail sales change YoY (%)



Rental outlook in Vietnam remains positive compared to regional countries

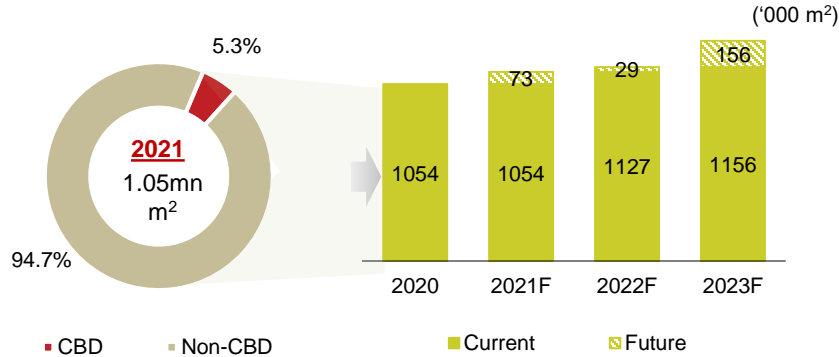
% change in rental rate forecast



Retail Property Markets Remained Resilient In And After Pandemic

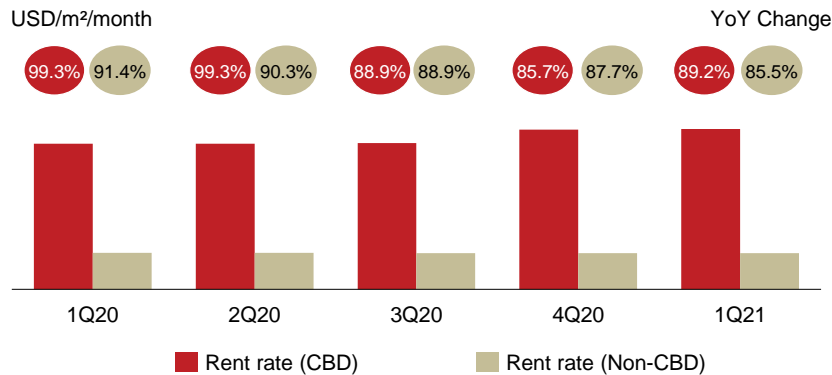
Hanoi

Net Leasing Area (NLA)



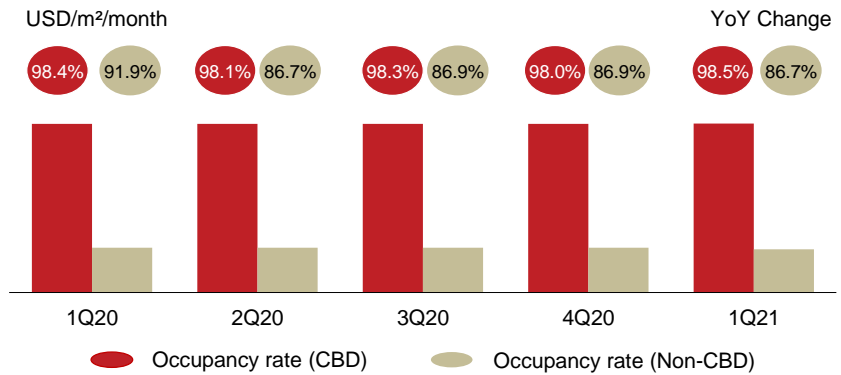
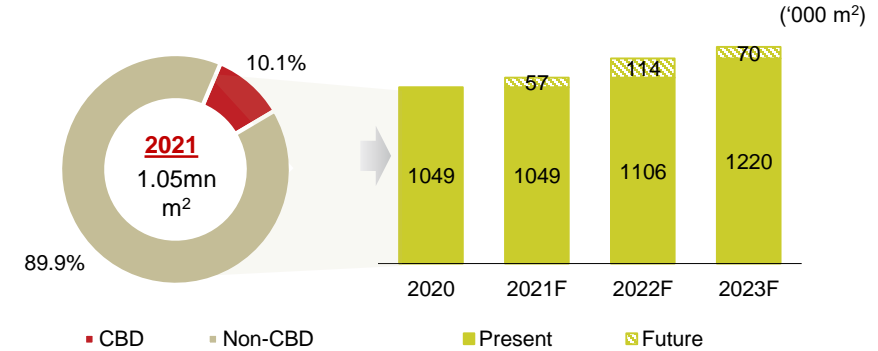
- No new supply in Hanoi or HCMC

Rental and Vacancy rate



- **Rent rate:**
 - ↑ 108.1 USD/m²/month (0.4% QoQ CBD)
 - ↓ 24.4 USD/m²/month (0.4% QoQ Non-CBD)
- **Occupancy rate:**
 - ↑ Reached 89% (Up 3.5% QoQ CBD)
 - ↓ Reached 85% (Down 2.2% QoQ Non-CBD)

Ho Chi Minh City



- **Rent rate:**
 - 135.7 USD/m²/month (Flat QoQ CBD)
 - ↑ 34.7 USD/m²/month (0.4% QoQ Non-CBD)
- **Occupancy rate:**
 - ↑ Reached 98% (Up 0.5% QoQ CBD)
 - ↓ Reached 87% (Down 0.2% QoQ Non-CBD)

2021 Outlook For Retail Markets

Retail development trends



Retail at stores still plays an important role

- **Stores remain the primary channel**, and retailers will continue to invest in physical stores
- **Demand for flagship stores for high-end and fast fashion retailers** will continue to grow in 2021
- **Large – scale, modern and landmark malls offering premium selection and good customer service** will dominate the retail property market in Hanoi and HCMC.
- **Small – scale retail malls** in prime location, high density areas will also have an edge



Retailers expand to suburban

- **The scarcity of inner – city land bank and infrastructure accelerates growth in suburban**
- Covid-19 and social distancing needs further reinforces this trend
- There is an opportunity for shops and retail malls in non – central business districts



Retail malls continue to develop into centers of all activities

- Demand for **experiential shopping and entertainment** is expected to return to the **pre – Covid level**. Products are more affordable with better services quality.
- Retail malls are integrated with distinctive designs, architecture, and landscape



Young consumers are the driving force behind the growth of lifestyle retail

- Young consumers will be spending the most and continue to spend more on entertainment, fashion and F&B



Consumer – centric research

- Retailers should **invest in technology, infrastructure system, and customer analysis tools** to better understand customer behaviors and tailor services offered



Promote product quality, safety and hygiene in retail malls

- Retail malls continue to **ensure disease preventive measures** are in place
- **Origin of goods, hygiene and safety standards** are strictly controlled



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2. 1Q2021 Highlights and 2Q2021 Action Plan

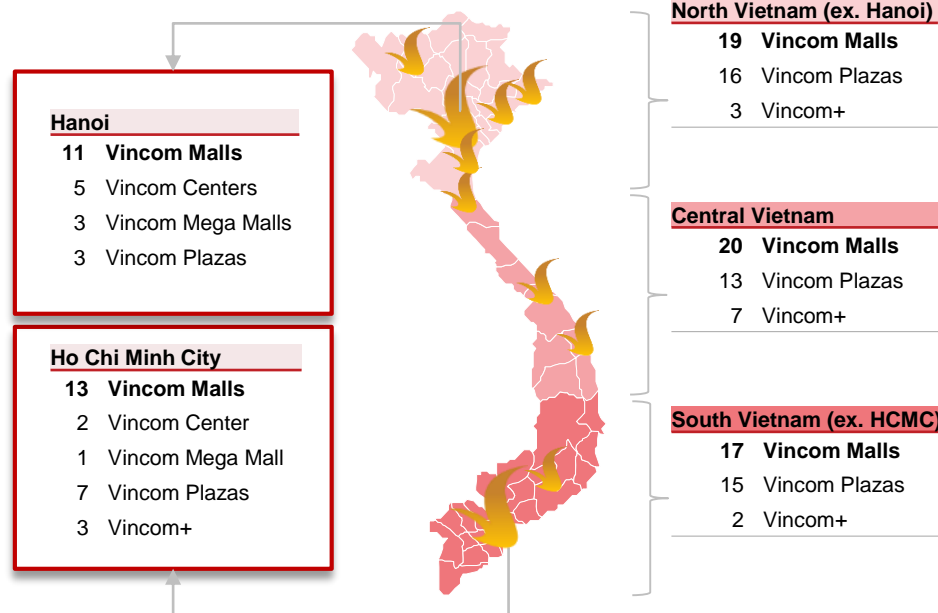
Solidified Position As Dominant Retail Platform In Vietnam

Distinguished retail formats and focused on wide range of lifestyle oriented consumers

Prime Urban and High Growth Areas in Key Cities



Key Cities



Unique Multi-Format Retail Model

(Segmentation by GFA)

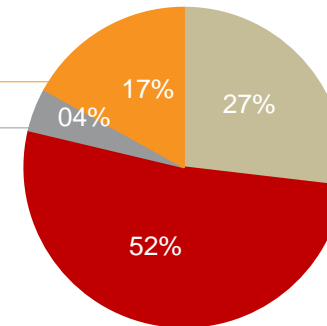
Vincom Center

Location: City-center, CBD
Retail GFA: 40,000 – 60,000 sqm
No. of Malls: 7
Total GFA: 280,026 sqm



Vincom Mega Mall

Location: In integrated, mixed-use projects
Retail GFA: 60,000 – 150,000+ sqm
No. of Malls: 4
Total GFA: 444,098 sqm



Vincom+

Location: Medium-density, non-CBD
Retail GFA: 3,000 – 5,000 sqm
No. of Malls: 15
Total GFA: 71,936 sqm



Vincom Plaza

Location: High-density, CDB of cities ex. Hanoi and HCMC
Retail GFA: 10,000 – 40,000 sqm
No. of Malls: 54
Total GFA: 857,517 sqm



4 retail mall formats



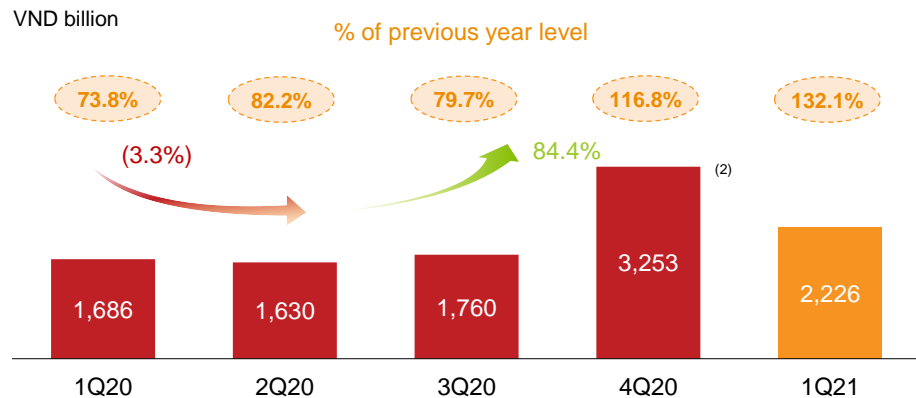
Proven and scalable retail development platform

Note: As at 31 March 2021

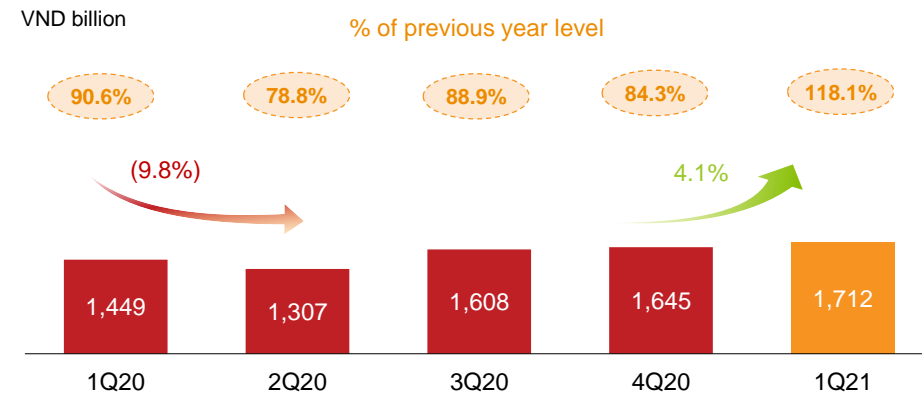
Financial Performance – 1Q2021

Revenue from leasing continued its recovery momentum from the 3rd quarter of 2020

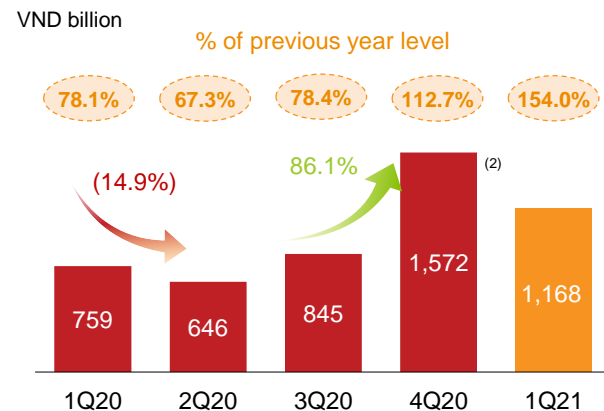
Total revenue



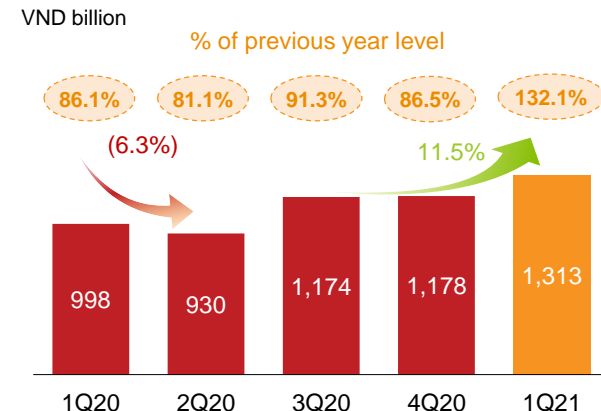
Leasing revenue



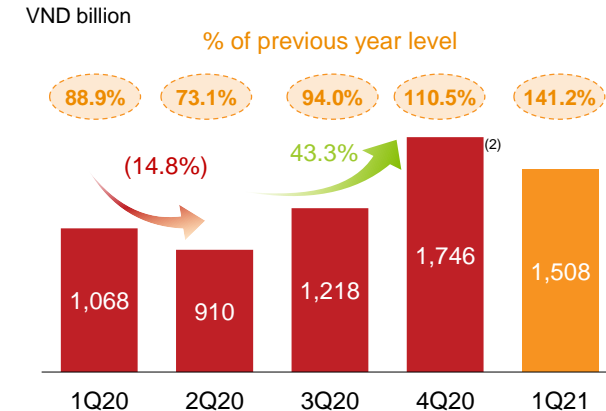
Gross profit



Leasing NOI ⁽¹⁾



EBITDA



Note: Based on VAS Consolidated Quarterly Financial Statements of 2020 and 1Q2021

These financial metrics took into account the impact of the rental support (VND300bn in 1Q, VND375bn in 2Q, VND145bn in 3Q and VND 46bn in 4Q). There was no rental support recorded in 1Q2021

(1) NOI for leasing of investment properties and rendering of related services is calculated by taking total income from leasing activities and from other property-related services less any property-related operating expenses which include land lease costs but exclude management expenses allocated from parent company

(2) Total revenue, Gross profit, and EBITDA 4Q2020 surged due to revenue from delivery of shophouses

Key Operational Metrics

Retail GFA

	1Q2020	1Q2021	Change (%)
Vincom Center	280	280	-
Vincom Mega Mall	388	444	▲14.4
Vincom Plaza	858	858	-
Vincom+	72	72	-
Total	1,598	1,654	▲3.5

Note: As at March 31, 2021

Occupancy rate

	1Q2020	1Q2021	Change (ppts)	4Q2020	Change (ppts)
Vincom Center	92.1%	95.0%	▲ 2.3	93.1%	▲ 1.9%
Vincom Mega Mall	87.6%	87.3%	▼ 0.3	86.0%	▲ 1.3%
Vincom Plaza	82.2%	80.4%	▼ 1.8	80.2%	▲ 0.2%
Vincom+	76.5%	74.4%	▼ 2.1	73.8%	▲ 0.6%
Total	84.9%	84.4%	▼ 0.5	83.8%	▲ 0.6%

Events & Achievements in 1Q2021

POSITIONING

Solidify leading position as a largest retail developer, owner and operator in Vietnam

As of 31 March 2021, Vincom Retail owns:

80	Retail malls
43	Cities/ provinces
1.7 million m²	Retail GFA

OPENING – ANCHOR TENANTS

VCP CAN THO 2



January 2021



VCP HA LONG



January 2021



VMM OCEAN PARK



April 2021



VCP BIEN HOA



January 2021



Business Highlights in 1Q2021

ANCHOR TENANTS COMMIT TO ACCOMPANY AND EXPAND THEIR NETWORKS IN NEW RETAIL MALLS, HIGHLIGHTS FOR RESIDENTIAL PROJECTS AND SUROUNDING AREAS

FLAGSHIP BRANDS

VMM SMART CITY



Plan to launch in 3Q2021



MANGO



FILA

BeautyBox



Pizza 4P's

THE COFFEE HOUSE



KOHNAN JAPAN

CHEERS



JANG IN



LEASING PLAN AND TENANT GROWTH

CHAIN TENANTS EXPANSION

Area

▲ 7%

Achieved

28% leasing target for 2021

Marketing Activities in 1Q2021

Spring Festival 2021

Lunar New Year
(15 Jan – 28 Feb 2021)



- ✓ **Lunar New Year Fair** offering a variety of regional specialties, was held across Vincom malls including VCP Long Bien with “Happy Tet” Fair, VCP Sky Lake with “Spring Book Festival”
- ✓ **Retail malls were gorgeously decorated** with colorful spring themes and landscapes
- ✓ **Series of traditional games for families and children:** DIY lucky money envelope, making toy figurines from sticky rice

International Women’s Day
(01 – 08 Mar 2021)



- ✓ **Featured event “Secret Gift For Her”** with participation of famous singers namely Rapper G.Ducky, singer Hoang Dung, singer S.T Son Thach
- ✓ **Dating and a surprise gift** from a handsome man for first female guest on International Women’s Day
- ✓ **Couple challenge and lucky drawing** with vouchers and gifts by Vincom. Gifts for female customers (cosmetics, jewelry, accessories) from retail tenants

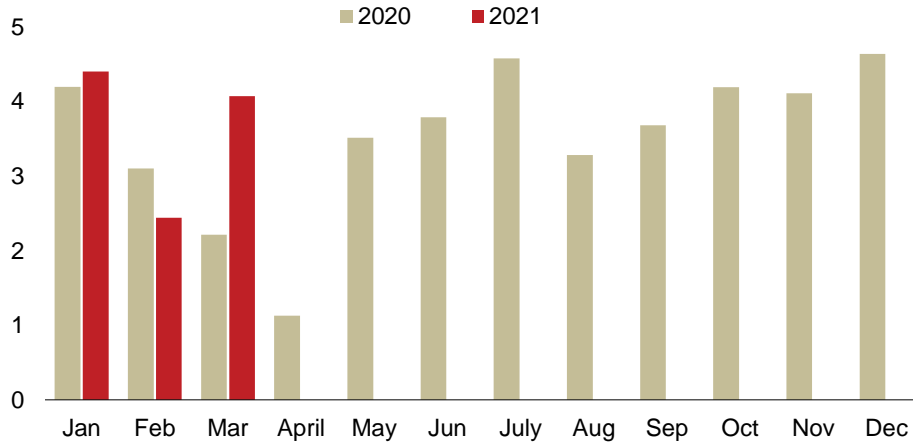
▪ Footfall in 1Q2021: **Over 36.8 million**

Footfall Recovery Post Pandemic

1 Footfall

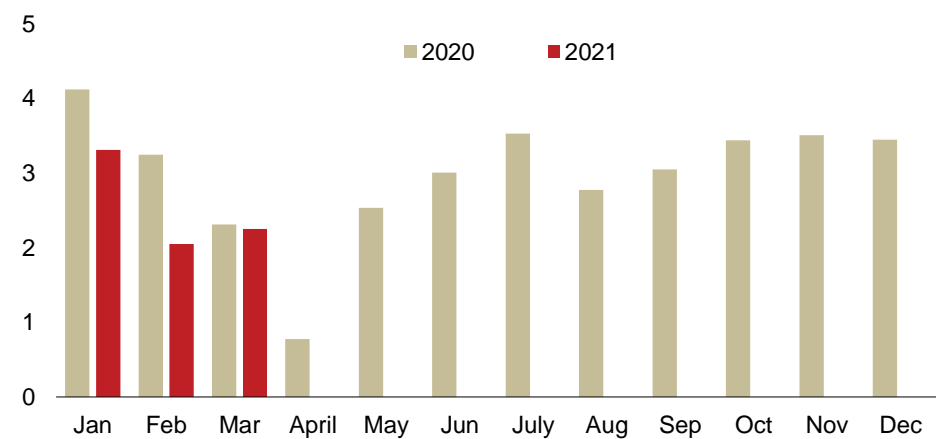
Hanoi

Million visitors



HCMC

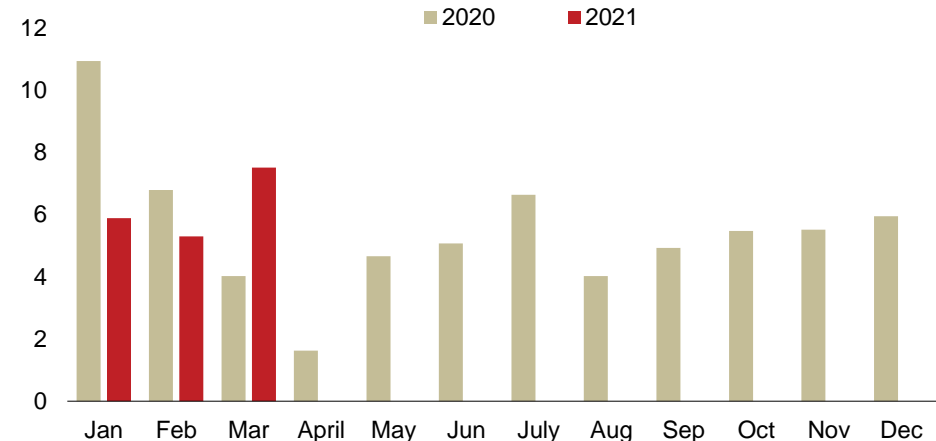
Million visitors



- 1Q2021's footfall stabilized versus 4Q2020, while footfall in March bounced back to reach 90% of the footfall in March 2019
- Hanoi experienced a good recovery thanks to tenant upgrade in VCC Pham Ngoc Thach and Tran Duy Hung, which continued to attract visitors
- Retail malls in HCMC were still affected due to a lack of international visitors. However, improvement is expected by the end of 2021 with adoption of "vaccine passport"

Other Provinces

Million visitors



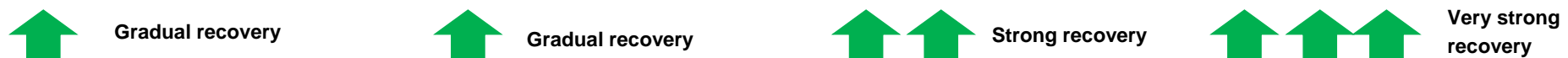
Tenants' Sale On Track For Recovery



Covid-19 relative impact in 2020



Recovery in 1Q2021



2 Entertainment and Cinema recovery marks a success in our commitment to support tenants overcoming challenges posed by the pandemic

- In 2021, support package comes in the form of shopping vouchers
- The program has been activated since 1Q2021, and will be implemented and disbursed from 2Q2021

Business & Marketing Plan in 2Q2021

Business

1. Secure anchor tenants in new projects

- Secure anchor tenants for VMM Smart City
- Increase occupancy rate at VCP Bac Lieu Tran Huynh & VCP Mỹ Tho

2. Upgrade tenant mix at VCP Phan Van Tri

- Anchor tenants include Uniqlo, Haidilao, City Game
- Continue to lease and expect to open in 2Q2021
- Target a at least 90% occupancy rate (including committed tenants)



Marketing

1. National Pride Festival (Hung King Commemorations 21 April; Reunification Day & Labor Day 30 April – 03 May):

- Organize **Cultural festivals, Exhibitions of local specialties, Free cultural workshops, and Arts performance events** to engage local customers
- Stimulate consumer demand through voucher program for **“National Pride Festival – Millions of Grateful Gifts”**

2. Summer Festival (Children’s Day on 01 Jun, Red Shopping Day at Vincom):

- **Largest Ice-cream Festival in Vietnam 2021:** Decorate retail malls with Ice Cream Wonderland concept, Ice-cream workshop with celebrated chef
- **Red Shopping Festival at Vincom 2021:** Largest sale event with discount up to 100%



National Pride Festival



Summer Festival

Apply Environmental Initiatives To Optimize Operational Activities

“Sustainable Development” is the underlying principle throughout business operations of Vincom Retail. Operation is optimized as a results of:

- Energy saving and environmental protection initiatives (using clean energy, recycling waste, reducing chemical use)
- Technology application to standardize and automate processes and optimize operations

Environmental protection initiatives

1

Solar panels

- Finish installing and deployment of solar panels for 50 retail malls



- Save nearly 9% of energy costs of the entire retail malls system
- Reduce carbon emission by 7,157 tons/ year



2

Cooling water treatment technology for air-conditioning system

- Replace chemical water treatment system with E-water cooling technology for all retail malls



- Eliminate the environmental chemical pollutants used



Technology application in operation

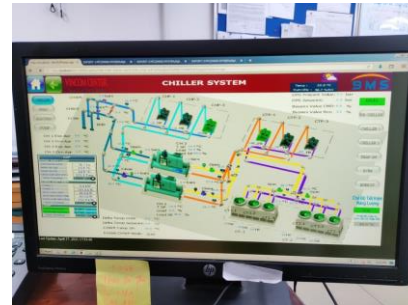
1

Optimize air-conditioning system

- Test – drive intelligent algorithm to control the air-conditioning system with a Singaporean partner



- Minimize human errors in operation
- Save costs by minimizing errors and automating processes



2

Automated parking system

- Complete trial of automated car parking system at Royal City.
- Plan for implementation across large retail malls such as Times City, Đong Khoi, Ba Trieu



- Reduce headcount to operate
- Reduce cash frauds
- Improve customers' experience at retail malls





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3. Financial Update

Financial Performance In 1Q2021 vs 1Q2020

Figures in VND billion	1Q20	1Q21	YoY (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	1,449	1,712	▲ 18.2	Given the strong recovery of retail market in 1Q2021, no more support package in the form of rental rebates in the quarter
Sale of Inventory Properties	201	452	▲ 124.9	Handed over 111 units from Bac Lieu, My Tho, Uong Bi in 1Q21 compared to 54 units in 1Q20
Other Revenue	36	62	▲ 72.2	Mainly from commission fee for real estate brokerage at Grand World – approx. VND 20 billion (no similar transaction in 1Q20), the rest was an increase in management fee of Condotels
Total Revenue	1,686	2,226	▲ 32.0	
Gross Profit ⁽¹⁾	759	1,168	▲ 53.9	
Operating Profit / (Loss)	575	960	▲ 67.0	
Profit / (Loss) before Tax	619	980	▲ 58.3	
Profit / (Loss) after Tax for the Period	492	781	▲ 58.7	
Profit / (Loss) after Tax and Minority Interest	492	781	▲ 58.7	

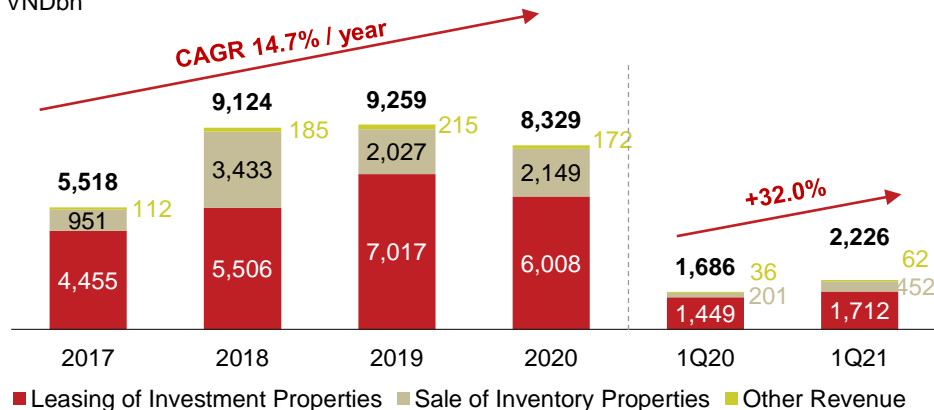
Note: VAS Consolidated Quarterly Financial Statements in 2020, 2021

(1) Gross profit already subtracted D&A relating to investment properties accounted for under VAS

Financial Performance

Total revenue

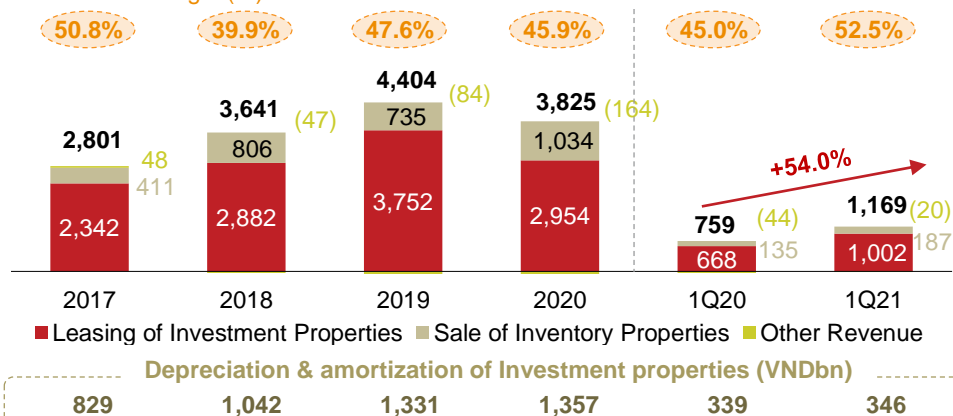
VNDbn



Gross Profit ⁽¹⁾

VNDbn

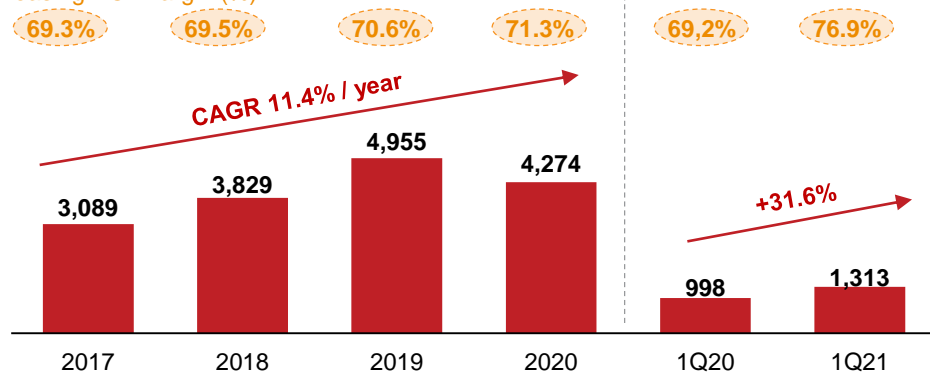
Gross Profit Margin (%)



Leasing Net Operating Income (NOI) ⁽²⁾

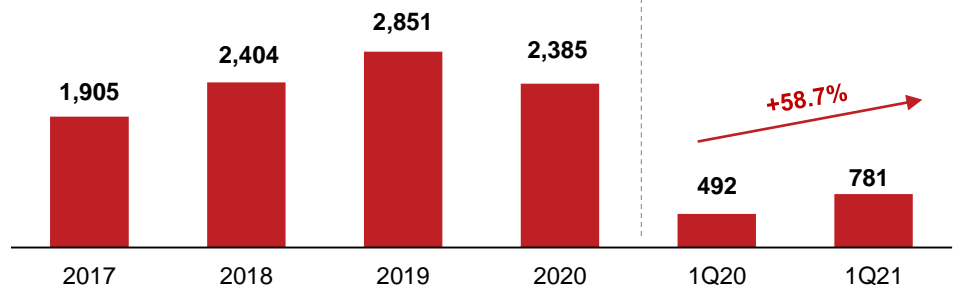
VNDbn

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 1Q2021

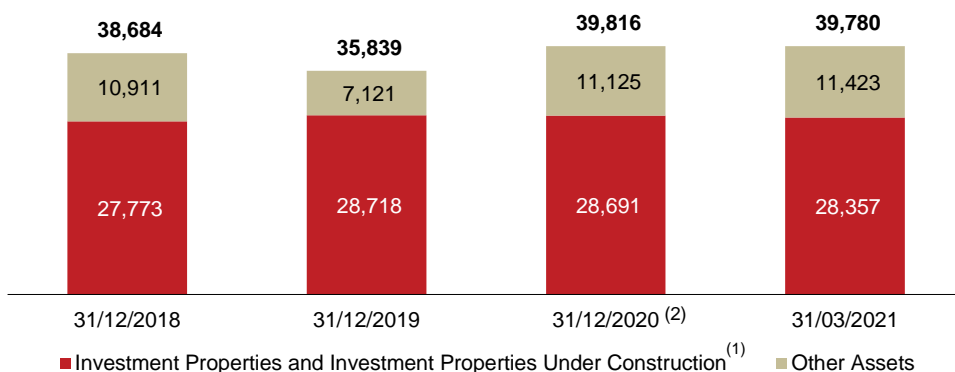
(1) Depreciation and amortization relating to investment properties is below the graph and should be added back (to Gross Profit) under IFRS. Since 2018, "Other" segment includes results from management of Da Nang condotels which was incurring loss as the property was still ramping up after launch in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

(2) NOI for leasing investment properties and rendering of related services is calculated by taking total income from leasing activities and from other property-related services less any property-related operating expenses which include land lease costs but exclude management expenses allocated from parent company.

Balance Sheet

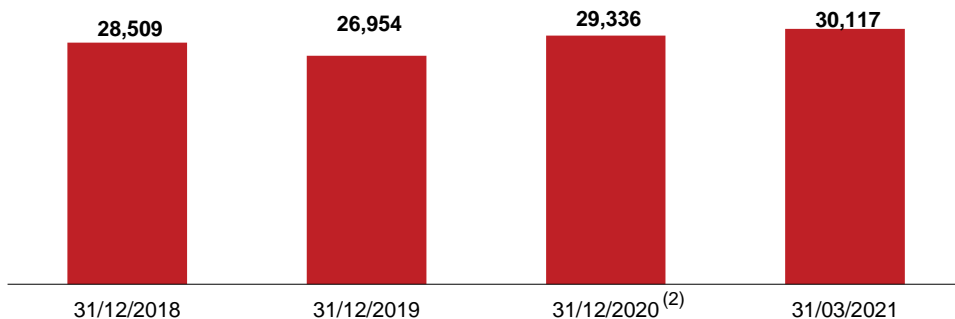
Total Assets

VNDbn



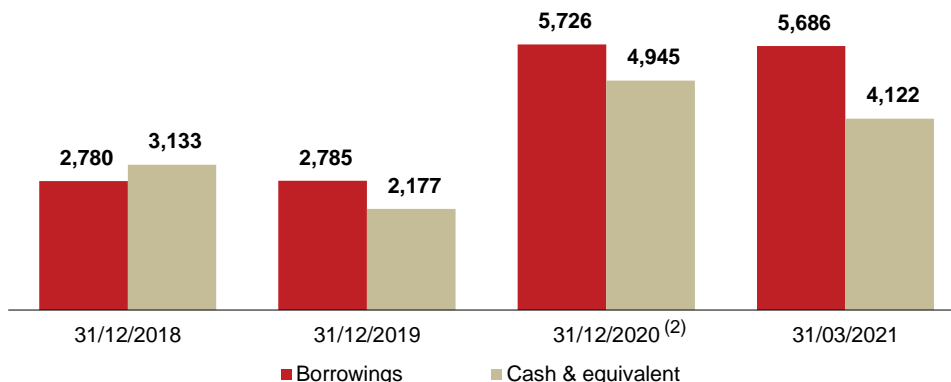
Total Equity

VNDbn



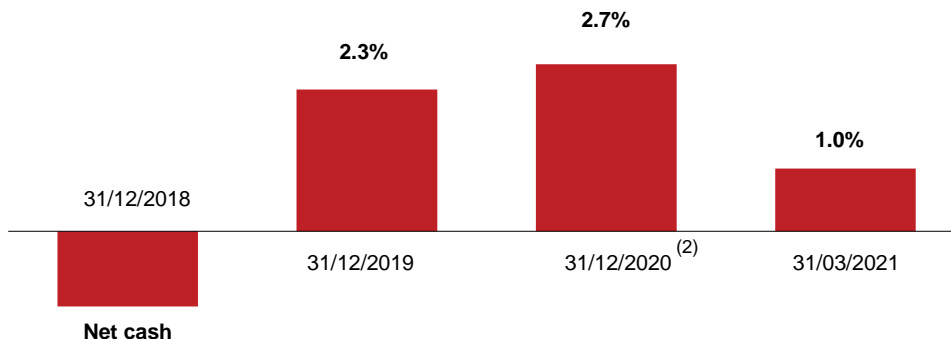
Total Borrowings, Cash and Cash Equivalents

VNDbn



(Net Debt / (Net Cash))⁽³⁾ / Equity

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 1Q2021

(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 31 December 2019 was due to the payment of cash dividends of VND 2,445bn in April 2019 and buy back 56.5 mil treasury shares completed in November 2019

(3) Net Debt / (Cash) = (Short-term Borrowings + Long-term Borrowings) – (Cash & Cash Equivalents + ST Investments).



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Appendix

Updated Mall Openings Plan Until 2026

No.	Model	Number of projects	Location	Retail GFA (sqm)
To be developed 2021 – 2026				
1	VCC	2	Hanoi	95,000
2	VMM	27	Hanoi, HCMC, Hung Yen, Dong Anh, Can Gio, Cam Ranh	2,413,000
3	VCP	19	Hanoi, HCMC, My Tho, Bac lieu, Hai Phong, etc.	489,000
4	VC+	1	Thanh Hoa	3,000
TOTAL		49		3,000,000

- 49 new shopping malls, increasing GFA retail floor from nearly 1.7 million sqm to approx. 4.7 million sqm
- Land bank for retail mall development is sourced from Vincom Retail self-developed projects and through Vingroup and its subsidiaries
- Depending on the pandemic situation, Vincom Retail can be flexible in development progress and openings of new retail malls

Bridging VAS to IFRS

Unit: VND Billion

	VAS 1Q2021	Adj.	IFRS 1Q2021	Commentary on Adjustments
Leasing revenue and other related services	1,712	45	1,757	Realized unearned revenue of deposit from customer in relation to amortization of deposit
Sale of inventory properties	452		452	
Other revenue	62			
Total revenue	2,226	45	2,271	
Cost of leasing activities and other related services	(710)	367	(343)	Mostly depreciation of malls included in VAS; excluded under IFRS
Cost of inventory properties sold	(266)		(266)	
Others	(82)		(82)	
Cost of goods & services	(1,058)	367	(691)	
Gross profit	1,168	412	1,580	
Selling expenses	(92)		(92)	
General and administrative expenses	(64)	18	(46)	Amortization of Goodwill included in VAS; excluded under IFRS
Other income	21		21	
Other expense	(1)		(1)	
Finance expense	(154)	(44)	(198)	Amortization of Deposit from customer
Finance income	102	15	117	Amortisation of Deposit under BCC
Profit before tax	980	402	1,382	
Tax expense	(199)	(80)	(279)	Deferred tax arising from above adjustments
Profit after tax	781	322	1,103	

Note: Based on VAS Consolidated Financial Statements for 1Q2021 and conversion to IFRS by management, excluding impact from Investment Property and Investment Property Under Construction (IP/IPUC) revaluation gain/loss



VINCOM RETAIL



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