

GELEX Group Business Performance Presentation for Q2-2024



TERMS AND ACRONYMS

AGM	Annual General Meeting of Shareholders
AP	Annual Plan
Bn	Billion
CM	Construction Material
CPI	Consumer Price Index
EE	Electrical Equipment
FDI	Foreign Direct Investment
FX	Foreign Exchange
GDP	Gross Domestic Production
GELEX	GELEX Group JSC
GELEX Electric	GELEX Electricity JSC
GELEX Infra	GELEX Infrastructure JSC
GP	Gross Profit

H1	The first half of the year
IP	Industrial Park
M	Month
MOU	Memorandum of Understanding
NR	Net Revenue
NX	Net Export
PBT	Profit Before Tax
Q	Quarter
QoQ	Quarter over Quarter
RE	Real Estate
YoY	Year over Year
YTD	Year to Date



SUMMARY



1. Vietnam Macroeconomic

Vietnam's GDP growth in Q2 reached 6.9%, driven by recovery in production, domestic consumption, and export activities. FDI continued to be a highlight, attracting \$15.19 billion in H1, up 13.1%; implemented FDI reached \$10.84 billion, up 8.2%. The average CPI for H1 increased by 4.08% due to significant rises in food prices and state-regulated adjustments in electricity, water, education, and healthcare prices starting from Q3/2023.

2. Consolidated Business Performance

Consolidated revenue in Q2 reached 8,250 bn VND, up 3.2% YoY. Consolidated PBT for Q2 was 1,385 bn VND, up 59.2% YoY. For H1, consolidated revenue totaled 14,910 bn VND, and consolidated PBT was 1,770 bn VND, representing 46.2% and 92.1% of the 2024 Annual Plan, respectively.

3. Business Performance by Sectors

In Q2, the EE sector recovered positively, with revenue of 5,222 bn VND, up 42.2% YoY. The CM sector showed significant recovery compared to Q1, with revenue of 1,928 bn VND, 89.1% of the same period last year. The Utility sector achieved revenue of 292 bn VND, a decrease of 21.1% YoY due to the divestment from some energy projects in Q2. The IP&RE sector reached revenue of 788 bn VND, a decrease YoY.

4. Notable Activities

GELEX Group has signed a MOU with FPT Group to collaborate on comprehensive digital transformation, enhance business efficiency for both parties, and contribute to national economic development. The two Groups plan to cooperate in four main areas: Digital Transformation, Telecommunications Infrastructure, Data Centers, and Semiconductor Industry.

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VIETNAM MACROECONOMIC



GDP

- GDP in Q2 increased by 6.9% YoY, higher than expected due to the boost from recovery of production, domestic consumption, and exportation.
- The agriculture, forestry, fishery sector grew by 3.3%, contributing 5.4% to GDP growth; the industrial and construction sector grew by 8.3%, contributing 45.7%; the services sector grew by 7.1%, contributing 48.9%.

CPI

- Inflation pressure is rising, with the average CPI for H1 increasing by 4.08%.
- Inflation surged in H1 due to the food sector with African Fever causing a significant rise in pork prices. Additionally, adjustments in the prices of electricity, water, education, healthcare by the government from Q3-2023 have also contributed to price increases in H1. However, this pressure is expected to ease in H2.

Int Rate

- Interest rates remain low, but some commercial banks have started to increase deposit rates.
- Credit growth is gradually improving, with credit increasing by 4.45% YTD by the end of Q2.

FX

- Exchange rate pressure increased in Q2, with the USD/VND exchange rate rising by 4.6% YTD due to the appreciation of the USD, USD/VND interest rate differential.
- State Bank of Vietnam implemented measures to stabilize the exchange rate: absorbing VND liquidity through treasury bills and selling USD to intervene in the exchange rate..

NX

- In Q2, export value reached 97.2 bn USD, an increase of 12.5% YoY, while import value reached 93.4 bn USD, up 19.8% YoY.
- The trade surplus in Q2 2024 was 3.8 bn USD, and the trade surplus for H1 reached 11.6 bn USD.

FDI

- FDI continues to be a bright spot, with registered FDI inflows for H1 reaching 15.19 bn USD, an increase of 13.1% YoY, while realized FDI amounted to 10.84 bn USD, up 8.2% YoY.
- The manufacturing sector attracted 10.7 billion USD, accounting for 70.4% of total registered FDI in H1. The real estate sector ranked second with 2.5 billion USD, representing 16.3%.

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CONSOLIDATED BUSINESS PERFORMANCE



1. ELECTRICAL EQUIPMENT

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

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

2. 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.

Ranked among Top 22 global ceramic tile manufacturer by the Ceramic World Review 2021 and Top 30 largest manufacturers of sanitary ware.

3. UTILITIES

Energy: Experienced in investing and operating renewable energy projects with a total capacity of 245 MW (transferred 3 projects with a total capacity of 196 MW in Q2-2024) and **Power distribution.** Researching and developing new energy projects with a total capacity of ~4GW, mostly renewable energy.

Clean water: Operating a clean water plant with a capacity of 300,000 m³/day, and currently under construction for phase 2 to upgrade the capacity to 600,000 m³/day, providing water to 25% of Hanoi's citizen.

4. REAL ESTATE (INDUSTRIAL & COMMERCIAL)

Over 20 years of reputable experience in developing and operating industrial parks with 14 IPs (over 4000 ha) and the convenient ecosystem around the IPs. Attracting FDI capital from major global enterprises such as: Samsung, Hyosung, Amkor, BYD, Anam Electronics, Kortek, Orion, Ottogi,...

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



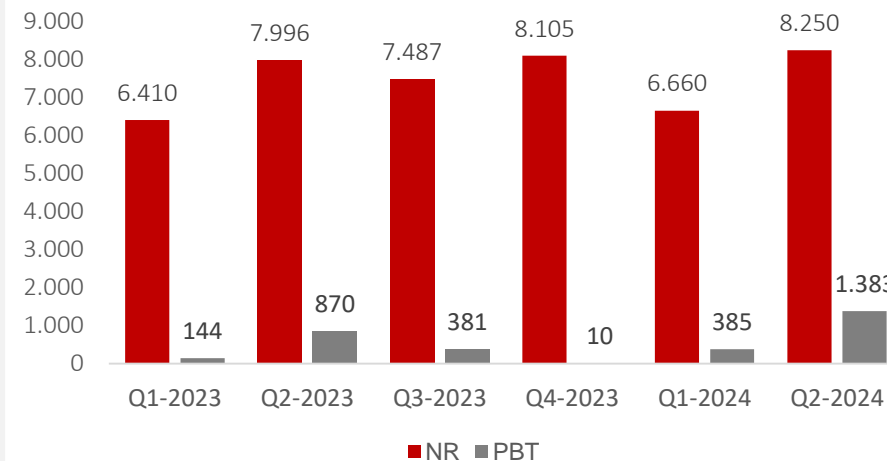
CONSOLIDATED BUSINESS RESULTS



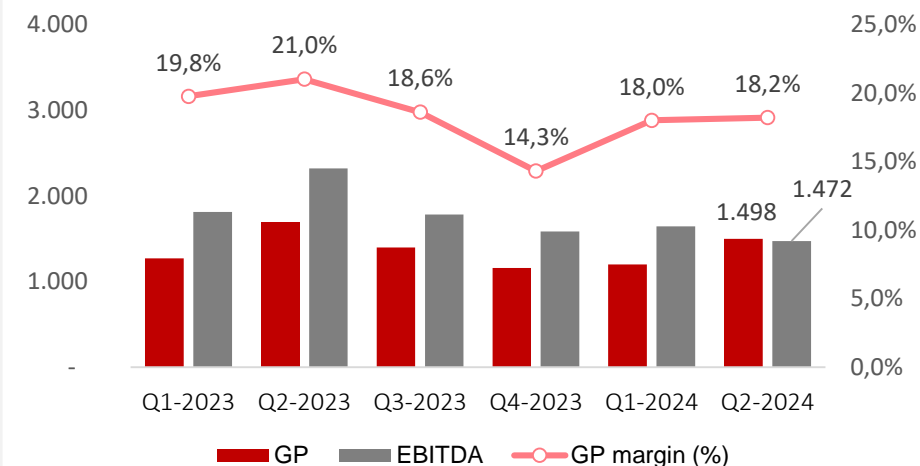
- **Consolidated NR Q2** reached 8,250 bn VND, up 23.9% QoQ and 3.2% YoY, driven by strong recovery in the EE sector. This is the highest consolidated NR for a quarter in the past 8 quarters.
- **Consolidated PBT Q2** reached 1,385 bn VND, up 3.6 times QoQ and 55,2% YoY due to financial gains from divestments (996 bn VND).
- **Consolidated NR and PBT for H1-2024** reached 14,910 bn VND and 1,385 bn VND, corresponding to 46.2% and 92.1% of the 2024 AP.

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- **GP Margin Q2** reached 18.2%, slightly improving compared to Q1 and equivalent to the average for 2023.
 - **GP for Q2** reached 1,498 bn VND, up 24.8% QoQ, but down 11.3% YoY.
 - **EBITDA for Q2** reached 1,474 bn VND, down 10.3% QoQ and down 36.4% YoY.

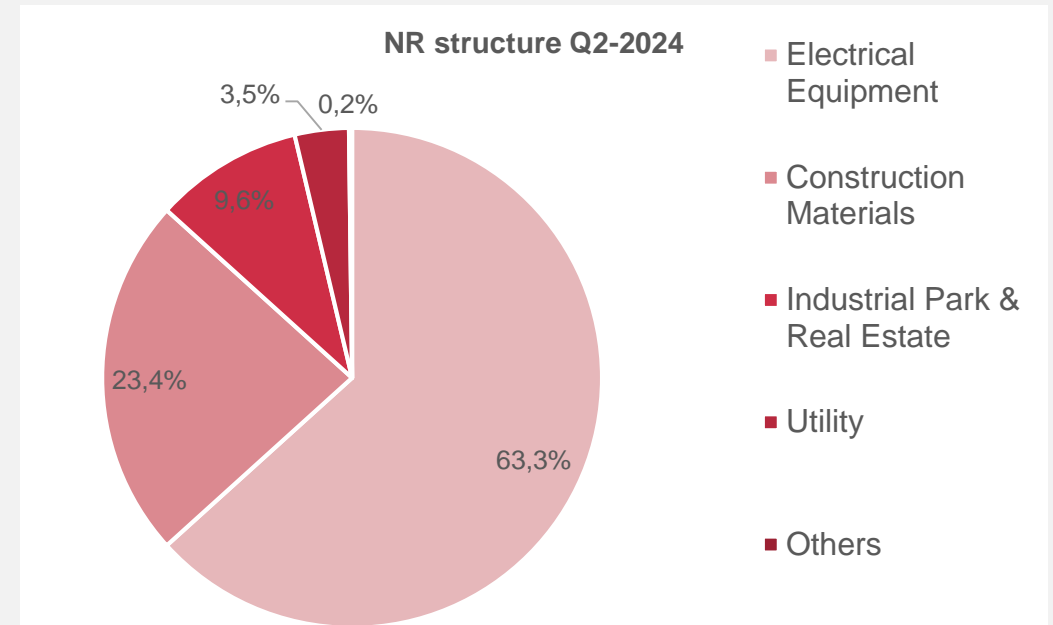
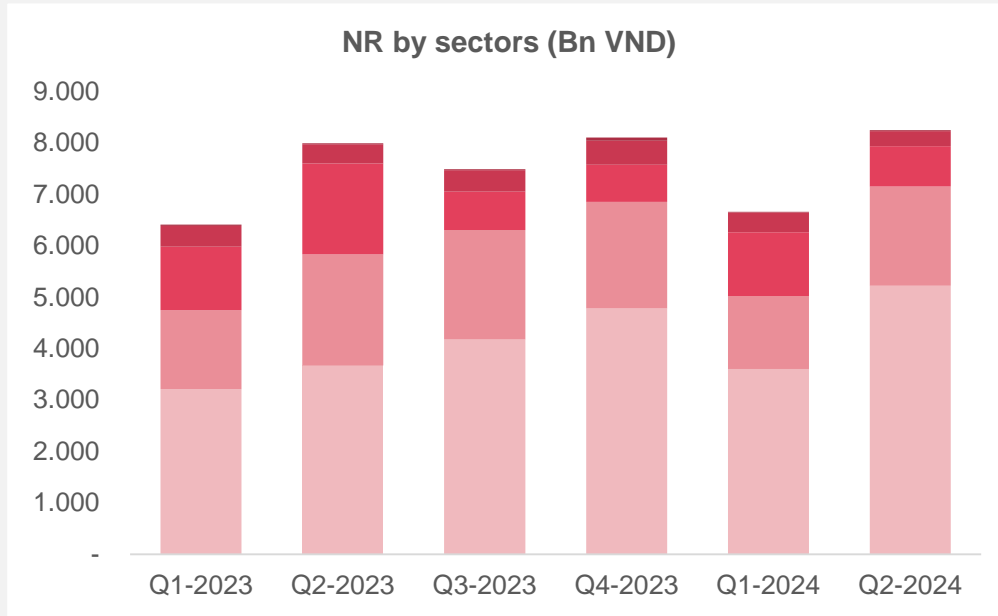
Net Revenue & Profit Before Tax (bn VND)



Gross Profit, EBITDA (bn VND)



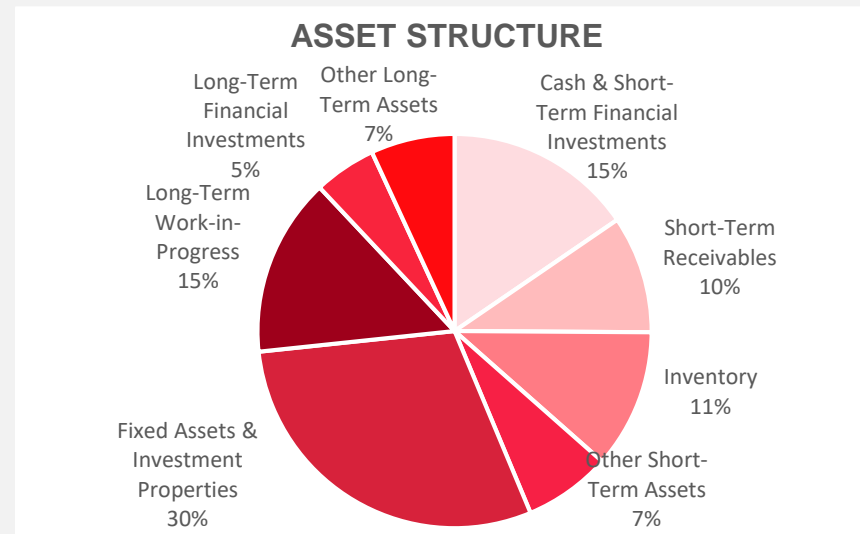
NET REVENUE BY SECTORS



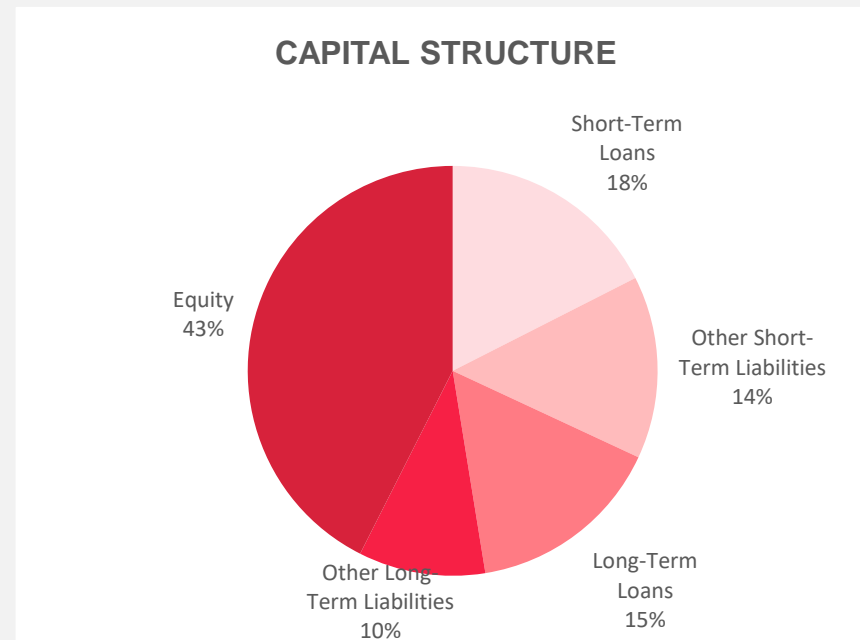
- NR from the EE and CM sectors recovered well in Q2, while NR from the IP&RE and Utility sectors decreased..
- NR Structure for Q2 2024: EE 63.3%, CM 23.4%, IP&RE 9.6%, Utility 3.5%(NR structure for 2023 for these sectors was: 52.8%, 26.4%, 14.9%, 5.5%, respectively).

ASSET AND CAPITAL STRUCTURE

(Unit: bn VND)	31/12/23	30/06/24	YTD (%)
Total Asset	55,077	52,443	-4.8%
• Short-term asset	20,299	22,464	10.7%
• Long-term asset	34,777	29,979	-13.8%
Capital			
• Liabilities	33,853	30,164	-10.9%
• Equities	21,224	22,279	5.0%



- **Total assets as of 30/06/2024** amounted 52,443 bn VND, a decrease of 4.8% YTD. This reduction is due to a 13.8% decrease in fixed assets following the divestment from some energy projects. Short-term assets increased by 10.7% YTD, with cash and equivalents totaling 4,322 billion VND, up 30.5% YTD due to cash inflows from the divestments.
- **Regarding capital sources**, total liabilities decreased by 10.9% YTD, primarily due to the restructuring of financial loans related to divested energy projects and the restructuring of other loans using funds obtained from the divestment.
- **Short-term assets and liabilities** are 42.8% and 32.0%, respectively, ensuring working capital for business activities.



HEALTHY FINANCIAL POSITION



	31/12/2023	31/03/2024	30/06/2024
Leverage Ratios			
▪ Liability/ Total Asset	61.5%	60.2%	57.5%
▪ Loan/ Equity	94.2%	93.5%	77.8%
Liquidity Ratios			
▪ Current ratio	1.08	1.16	1.34
▪ Net Debt/ EBITDA (<=3.5)	1.80	2.00	1.52
▪ Debt Service Coverage Ratio (DSCR) (>=1.5) (*)	1.73	1.60	1.60
Efficiency Ratios			
▪ Gross Profit Margin (%) (**)	18.4%	18.0%	18.2%

- **Leverage Ratios** as of 30/06/2024 improved following the divestment of energy companies.
- **Liquidity ratios** continue to be maintained at a safe level and improved in Q2.
- **Efficiency Ratios:** Gross profit margin slightly improved compared to Q1 and equivalent to the 2023 average, due to enhanced margins in the EE and CM sectors.

(*) DSCR= (Trailing EBITDA)/(Current portion of long term loan + Interest payment amount)

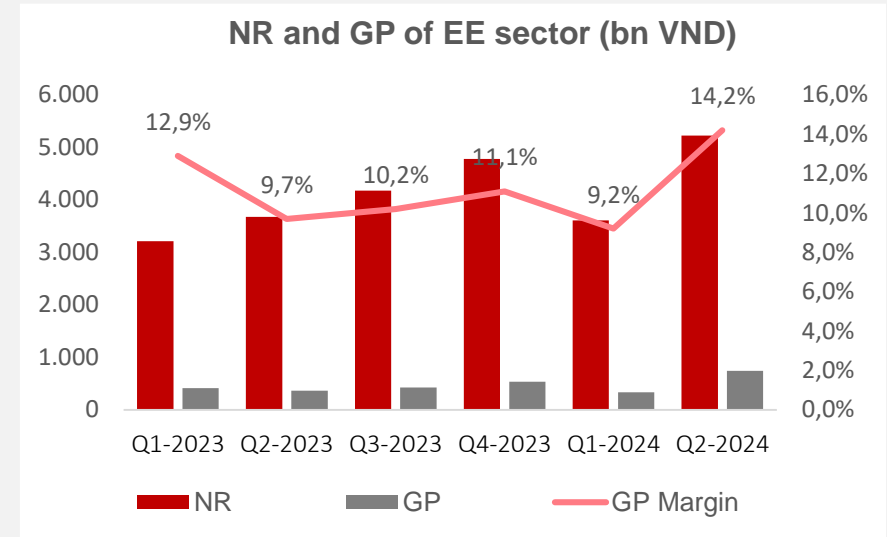
(**) As of 30/06/2024: Calculated based on Q2-2024 figures;
As of 31/12/2024: Calculated based on figures for entire 2023

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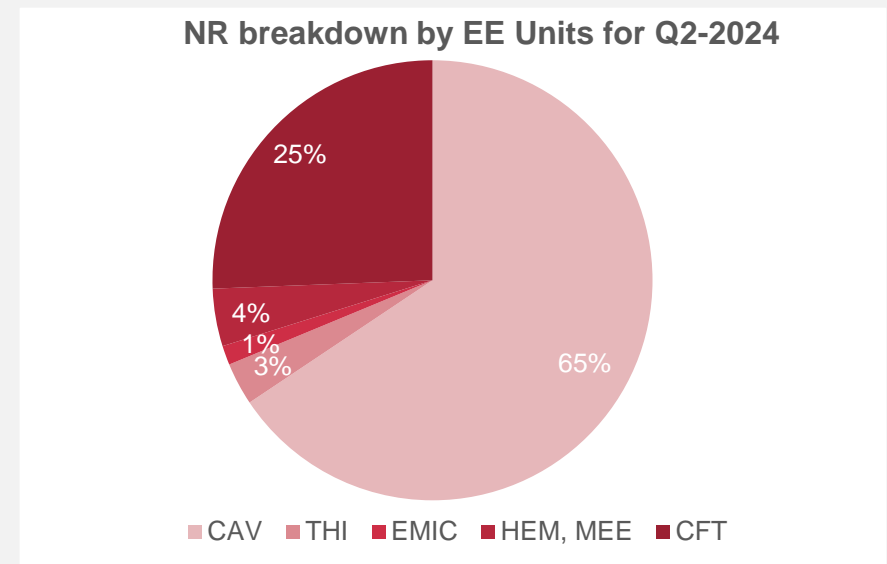
BUSSINESS PERFORMANCE BY SECTORS



- **NR of EE sector in Q2** reached 5,222 bn VND, an increase of 44.9% QoQ and 42.2% YoY, thanks to the growth exceeding the plan of CFT and especially CADIVI. CADIVI recorded positive business results after expanding in the Central and Northern markets, alongside benefiting from the 500kV transmission line circuit 3 project from Quang Binh to Hung Yen.
- **GP Margin of the EE sector in Q2** reached 14.2%, a significant improvement compared to the previous quarter and the same period last year, due to price adjustments and effective inventory management despite fluctuating copper prices.



- **Market Development Activities :**
 - CADIVI established CADIVI Northern One Member Co., Ltd. to expand and conquer the Northern market.
 - GELEX Electric participated in the Vietnam ETE and Enertec Expo 2024 in Ho Chi Minh City, showcasing modern technological products focusing on safety, energy saving, and environmental friendliness. These include CADIVI's flame-retardant and fire-resistant cables using LF (lead-free) and LSHF (low smoke, halogen-free) plastics; THIBIDI's high-efficiency transformers, dry transformers, transformer monitoring devices; and HEM's heat-resistant electric motors.



- **NR of the CM sector in Q2** reached 1,928 bn VND, up 36.2% QoQ but down 10.9% YoY.
- **GP margin in Q2** reached 16.3%, a significant improvement, up 6.9% QoQ and higher than the full-year GP margin of 2023 (11.9%). This improvement is due to reduce production costs, market alignment for price adjustments, and inventory control in a challenging market environment.

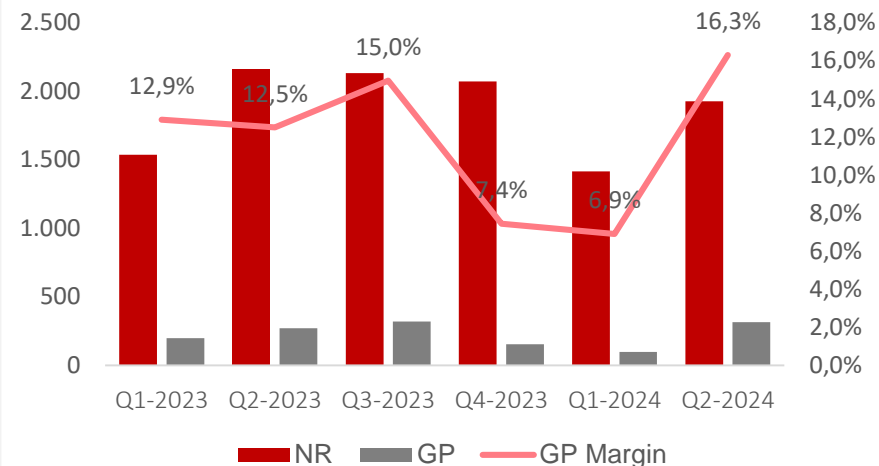
▪ **Sale Promotion Activities:**

- VIGLACERA participated in the Vietbuild International Construction Exhibition in Ho Chi Minh City and showcased products from its green, sustainable building materials ecosystem, including autoclaved aerated concrete, sintered stone, low-e glass, and ultra-clear glass.

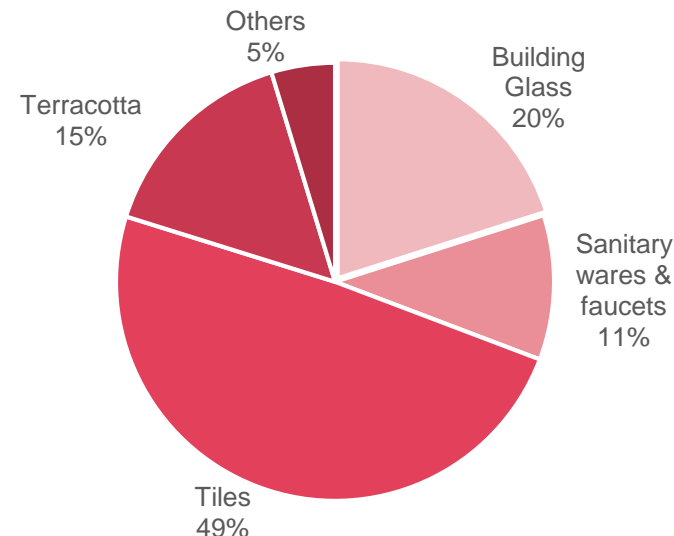
▪ **Directions for construction materials sector in Q2 and H2-2024:**

- Production: improving product quality, developing new products, and reducing costs..
- Market: enhance sales activities and closely monitor the market amid ongoing challenges in the construction materials industry; continue to expand in the Southern market and pursue export growth.

NR and GP of CM sector (bn VND)



NR breakdown by products for Q2-2024



BUSINESS PERFORMANCE – IP&RE

- **NR of IP&RE sector in Q2** reached 788 bn VND, decreased by 55.7% YoY and 36.5% QoQ.

- **GP Margin in Q2** was 43,9%, a decrease compared to Q1 and lower than the full-year GP Margin for 2023.

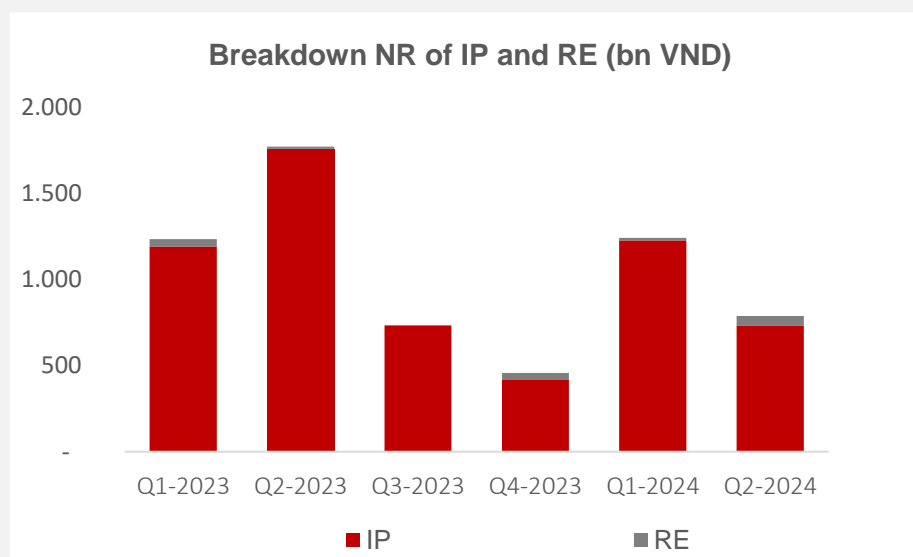
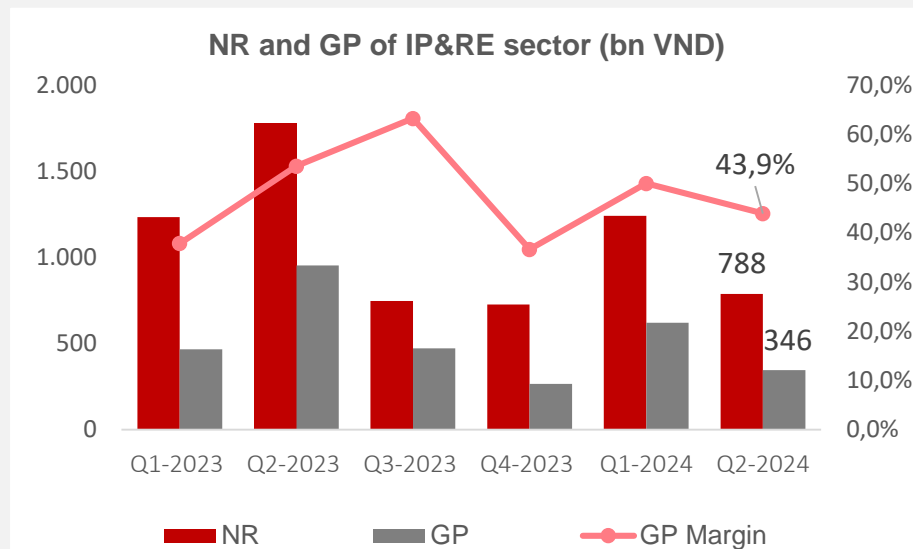
- **Industrial Park segment:**

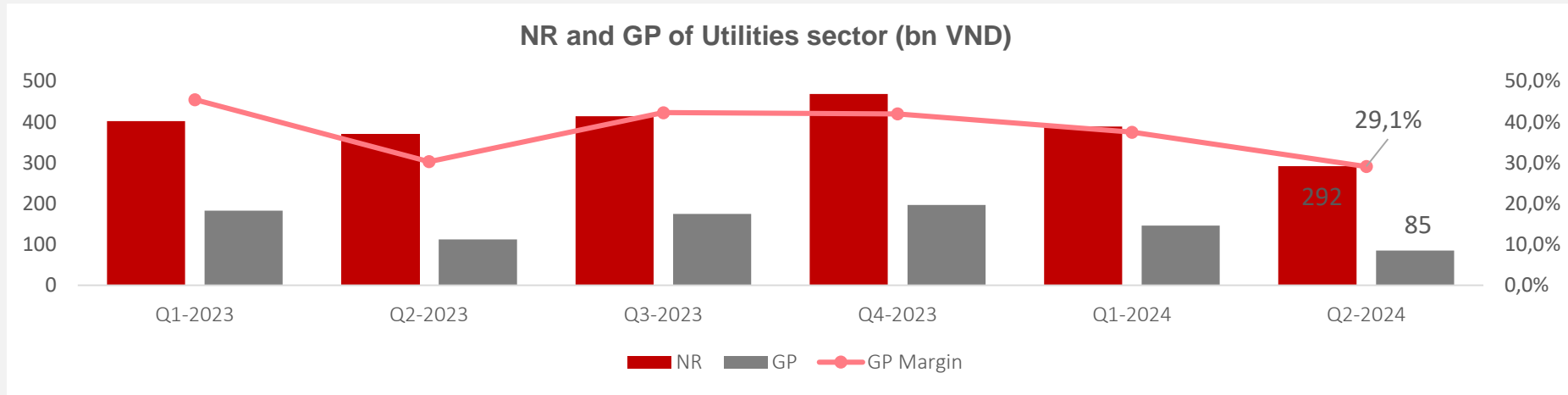
- In Q2-2024, 17 ha of land were handed over in the Yên Mỹ, Tiền Hải, and Yên Phong 2C IPs.

- Sales promotion activities: VIGLACERA Real Estate Company participated in investment promotion events in Taichung and Kaohsiung, Taiwan, and introduced VIGLACERA's industrial parks to over 100 investors, including many electronics, high-tech, and advanced semiconductor companies.

- **Real Estate segment:** focusing on investing in social housing projects in Yên Phong, Phú Hà... ;and worker housing in Đồng Văn IV IP, Đông Mai IP...

- **Direction for H2-2024:** VIGLACERA will continue to seek opportunities for new projects, accelerate compensation and land clearance activities, and complete ongoing construction projects.





- **NR of Utilities sector in Q2** was 292 bn VND, a sharp decrease YoY and QoQ, due to the transfer of 3 renewable energy projects (total capacity of 196 MW) to the partner Sembcorp.

- **Energy:** GELEX has completed the transfer of 3 renewable energy projects to partner Sembcorp, namely Hường Phùng Wind Power, GELEX Quảng Trị Wind Power, and GELEX Ninh Thuận Solar Power (total capacity of 196 MW). Both parties continue to proceed with the transfer procedures for the Sông Bung 4A Hydropower Project.
- **Clean Water:** The Sông Đà clean water plant operated steadily in Q2, supplying 31 million m³ of clean water. The Phase 2 project to increase the plant's capacity to 600,000 m³ per day is ongoing as scheduled, with completion expected in 2025.

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NOTABLE ACTIVITIES



NOTABLE ACTIVITIES IN Q2-2024



GELEX signs a MOU with FPT

The two Groupss plan to collaborate in 4 areas: digital transformation, telecommunications infrastructure, data centers, and semiconductors. The aim is to promote comprehensive digital transformation, enhance business efficiency for both parties, and contribute to the development of the national economy.



VIGLACERA held the 2024 AGM of Shareholders

The AGM approved the business plans for 2024, with a Net Revenue target of 13,353 bn VND and a Profit Before Tax target of 1,110 bn VND.

CADIVI held the 2024 AGM of Shareholders

The AGM approved the business plans for 2024 with a Net Revenue target of 11,068 bn VND and a Profit Before Tax target of 460 bn VND. The meeting also approved the decision to revoke the public company status and cancel the stock listing on HOSE.



Establishment of CADIVI Northern Branch Co., Ltd

This marks a new milestone in CADIVI's journey to conquer the Northern market as Vietnam's leading electric cable brand.



NOTABLE ACTIVITIES IN Q2-2024



GELEX appointed new Deputy General Director

GELEX has appointed Mr. Le Tuan Anh as Deputy General Director, effective on May 23, 2024. Mr. Le Tuan Anh, born in 1994, graduated with a degree in Accounting from the National Economics University. He is currently the Director of the Investment Department at GELEX.



CADIVI appointed senior leadership

CADIVI announced the appointment of Mr. Le Ba Tho as Chairman of the BOD and Mr. Ho Quang Nhan, currently Deputy General Director, as General Director and legal representative of the company, effective on May 3, 2024.

GELEX funds the renovation of the Stroke Center at Bach Mai Hospital

The project was newly built and expanded to 3 floors, on a total floor area of nearly 300 m², with many modern patient rooms and 10 beds.



GELEX sponsors medical equipment for Hanoi Pediatric Hospital

GELEX sponsors medical equipment for Hanoi Pediatric Hospital – Phase 1, currently under construction in Yen Nghia Ward, Ha Dong District, Hanoi. The total sponsorship amount is expected to be up to 130 bn VND..



Thank you !

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