



# Masan Consumer

*(Ticker: MCH)*

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**Analyst Meeting 3Q2024**

30/10/2024

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# **Masan Consumer At a Glance**

**For the past 20 years, Masan Consumer KEPT GOING with our BIG PASSION:**

**“Uplift the material and spiritual lives of 100 Vietnamese consumers each and every day”**



# Masan Consumer (“MCH”) - highly profitable growing Vietnamese FMCG platform

**28**

Years of heritage

**USD 1.3b**

Revenue 2024F

**26%**

EBITDAM 2024F

**25%**

NPATM 2024F

**5**

Power Brands, each generating \$100+ million in annual revenue, with further expansion prospects



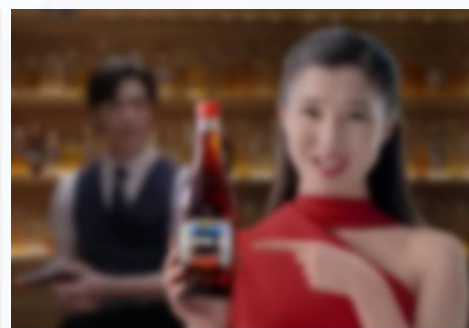
**c.15-20%**

Historical top-line & bottom-line 2017-2023 CAGR<sup>1</sup>



**191%**

ROIC<sup>2</sup>



**38%**

New SKU contribution to revenue, leveraging proprietary consumer insight<sup>3,4</sup>

**c.340,000**

GT retail POS &

**c.6,000**

MT retail POS



**c.98%**

Vietnamese households have at least 1 Masan Consumer product



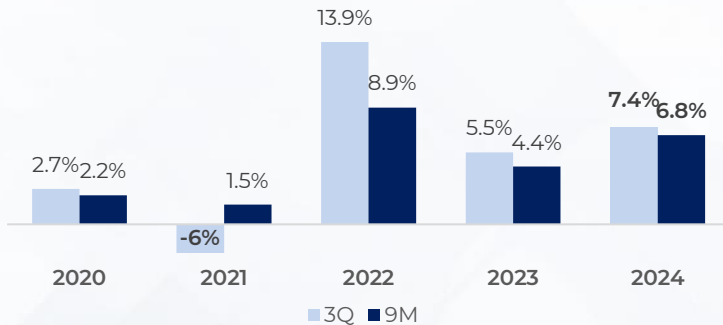


# Macro & Consumer Sentiment

# Vietnam has shown resilience with continued economic recovery despite setback from Typhoon Yagi in 3Q2024

**GDP growth in 3Q2024 & 9M2024 reached second-highest level in five years...**

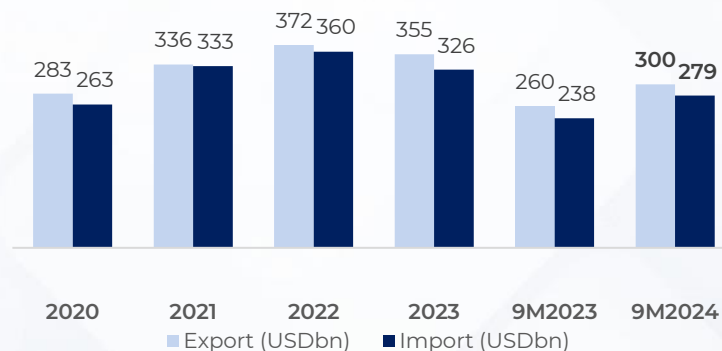
GDP YoY Growth (%) for 3Q2024 and 9M2024



- GDP growth maintained its strong momentum in 3Q2024 at 7.4% YoY and 9M2024 at 6.8% YoY.
- Service sector was largest GDP growth driver, growing at 7.5% while contributing 48.4% to GDP's 9M growth in 2024.

**...driven by robust recovering signals in export and manufacturing...**

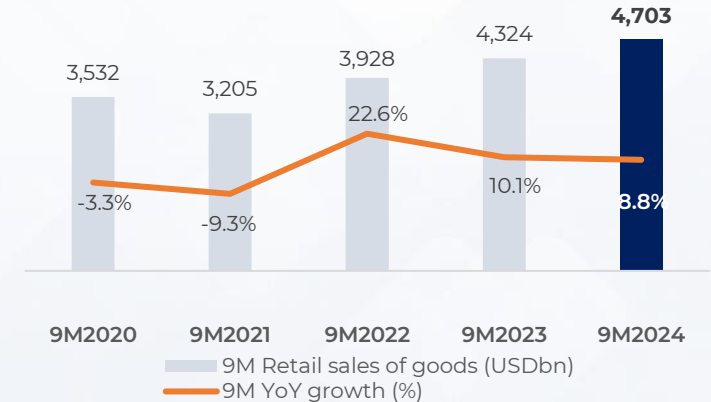
Export and Import turnovers for 3Q2024 and 9M2024



- Vietnam's September export reached USD34.1bn at 10.7% YoY with 9-month accumulation of USD300bn at 15.4% YoY, while maintaining a year-to-date trade surplus of USD20.8 bn.
- PMI recorded a temporary dip in September due to Typhoon Yagi's disruptive effect on production operations; however, this is expected to reverse and regain growth momentum in 4Q2024 as new order demand pick up rapidly near year-end.
- Returned demand in manufacturing orders in 4Q2024 could potentially result in a tighter labor market, which would further stimulate consumption.

**...will further stimulate consumption, coupled with favorable macro tailwinds.**

Retail sales of goods



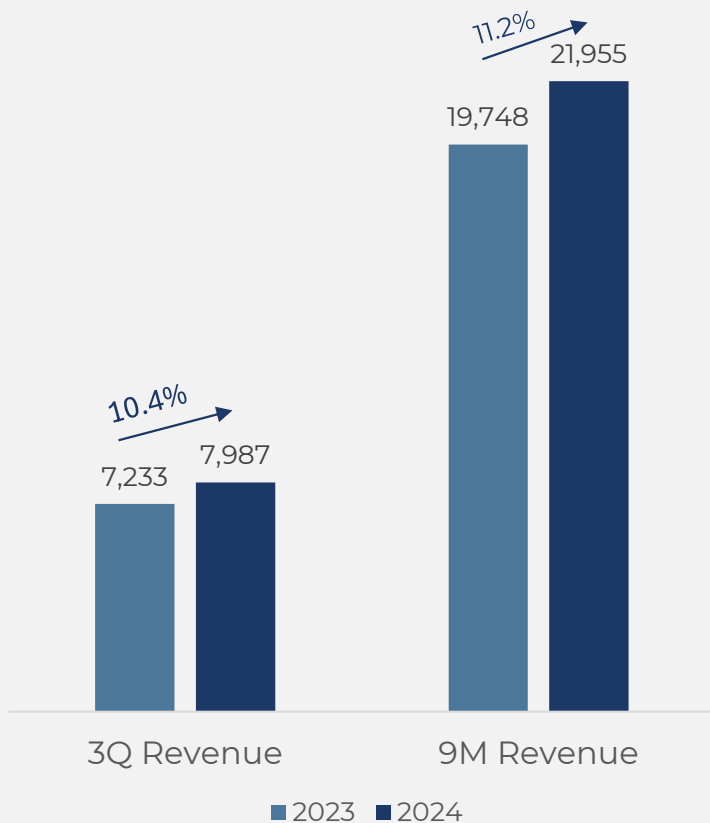
- Over the last nine months, total retail goods and services consumption surged by 8.8% YoY, fueled by a robust 10.6% YoY growth in food and foodstuffs..
- Government fiscal policies, including extended VAT cuts, fee reductions, and a 30% base salary increase for the public sector, have significantly supported this recovery.
- The CPI was effectively controlled, dropping to 2.6% YoY in September. This was due to the offsetting effect of low domestic petroleum prices, which aligned with global trends, against rising tuition fees and food prices. This trend is expected to continue into Q4 2024.
- Moreover, the influx of foreign arrivals continues to boost retail sales, with 9M2024 recording 12.3 million arrivals, a 43% YoY increase, reaching 98.7% of pre-Covid levels.



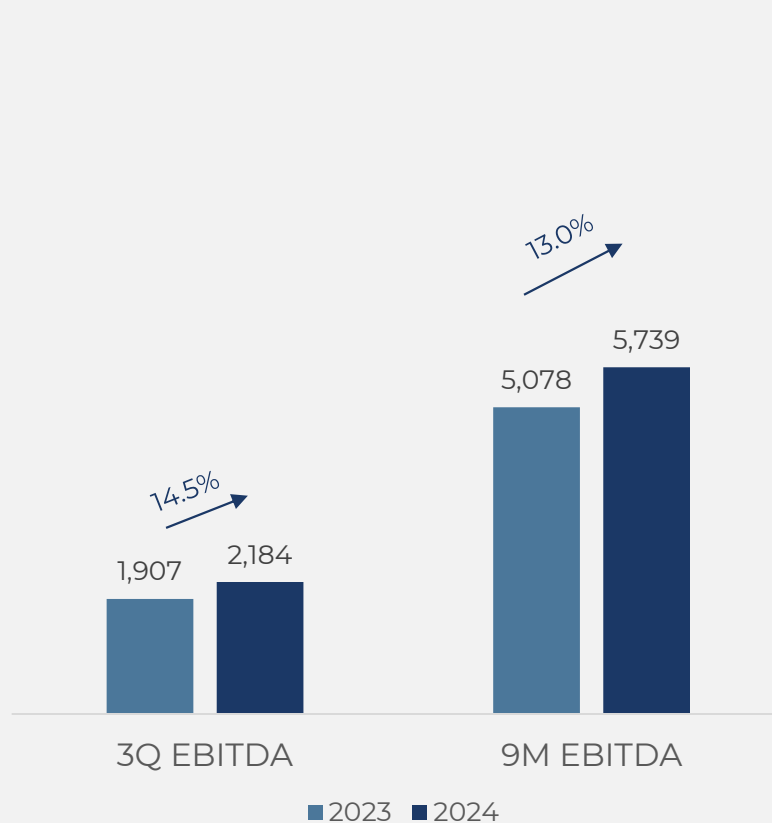
# **3Q2024 & 9M2024 business performance**

# Topline and bottom line demonstrated consistent double-digit growth

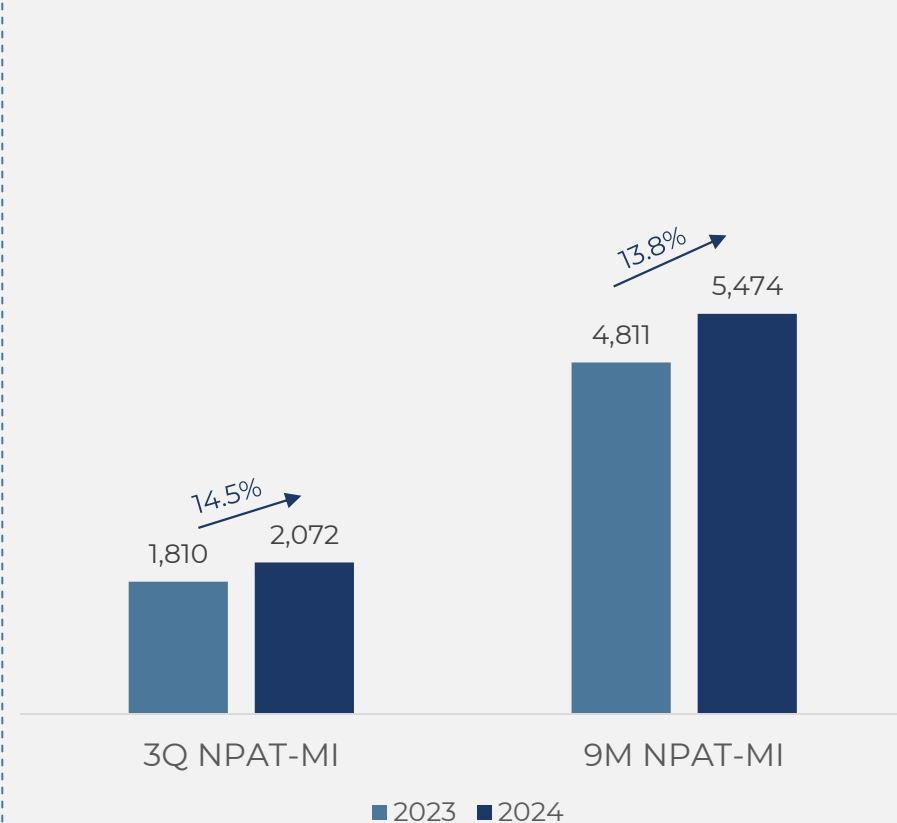
## Revenue (VND bn)



## EBITDA (VNDbn)



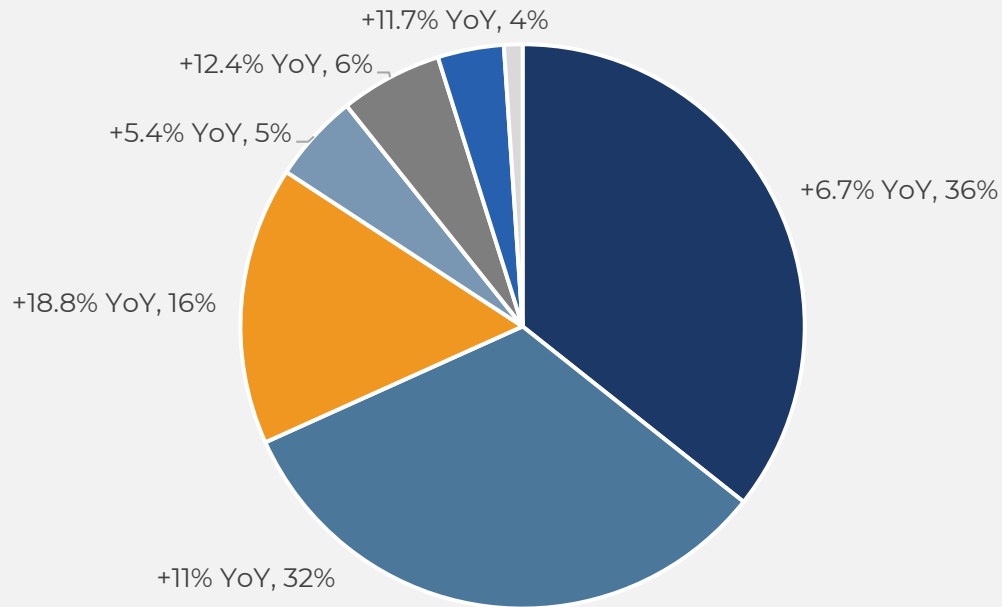
## NPAT-MI (VNDbn)



**8 years track record of double-digit topline and bottom-line growth**

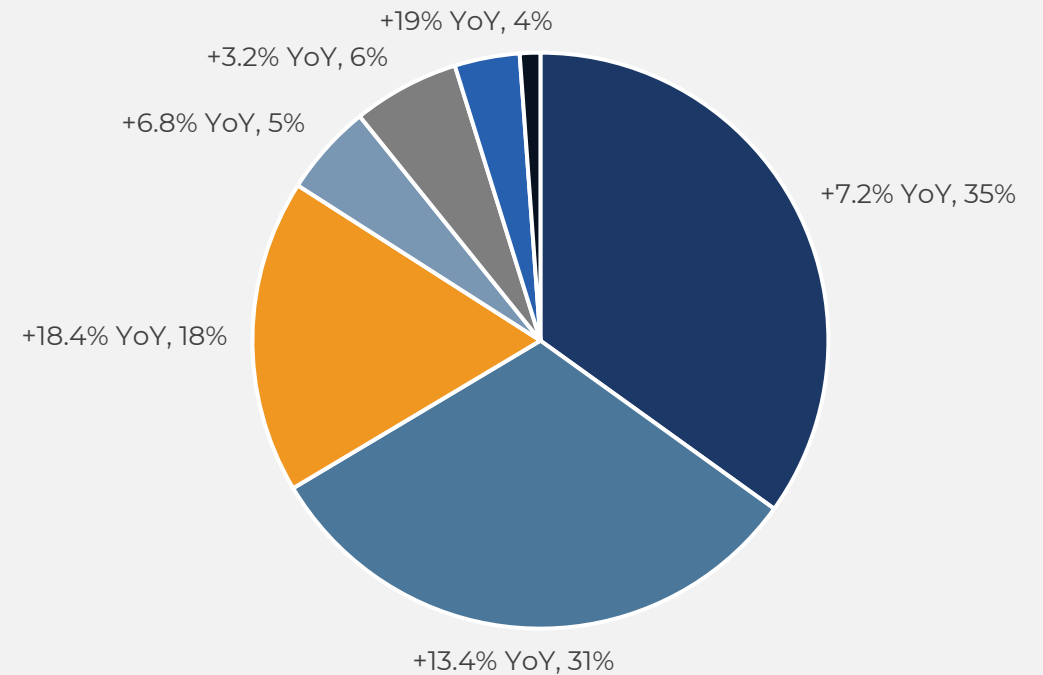
# Premiumization continues to drive the growth of categories with leading market share while innovation is the key catalyst for new categories

### 3Q Revenue Breakdown



■ Seasonings ■ Convenience Foods ■ Beverages ■ Coffee ■ HPC ■ Export ■ Others

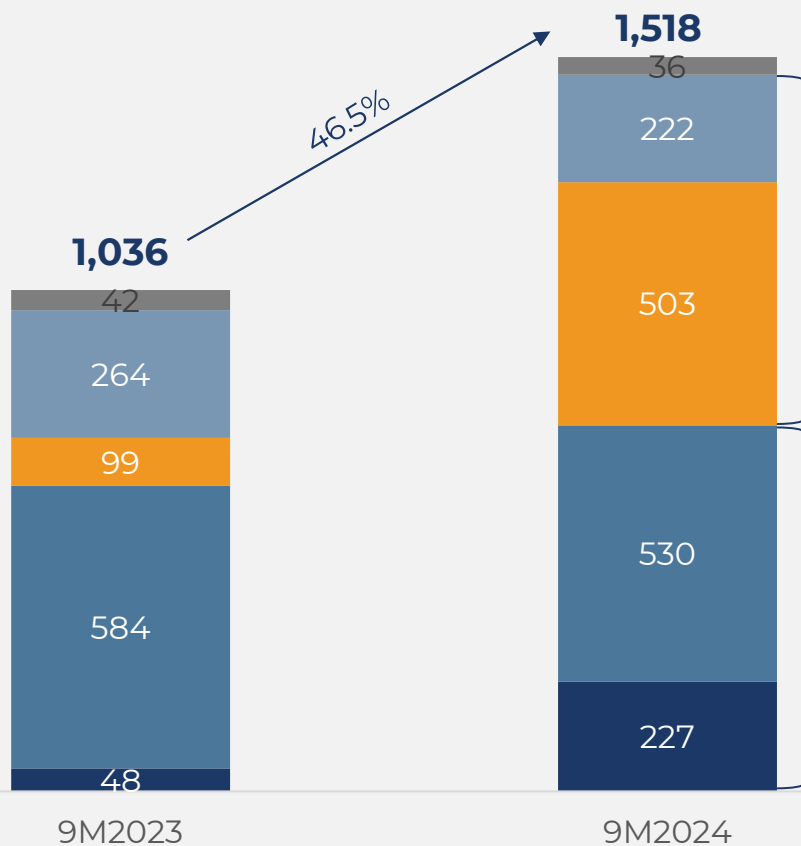
### 9M Revenue Breakdown



■ Seasonings ■ Convenience Foods ■ Beverages ■ Coffee ■ HPC ■ Export ■ Others

# Innovation is the main driver of growth with 125 newly launched SKUs in the last 12 months, capturing new consumption trends and big unmet needs...

Innovation Revenue (VNDbn)<sup>(1)</sup>



While Beverages and HPC are accelerating product launches to capture **new consumption & lifestyle trends**...

HPC: Chanté



Beverages: Bupnon Tea365



...Seasonings and Convenience Foods **expand the scope of Power Brands to serve big unmet needs.**

Seasonings: Chin-su



Convenience Foods: Omachi & Kokomi

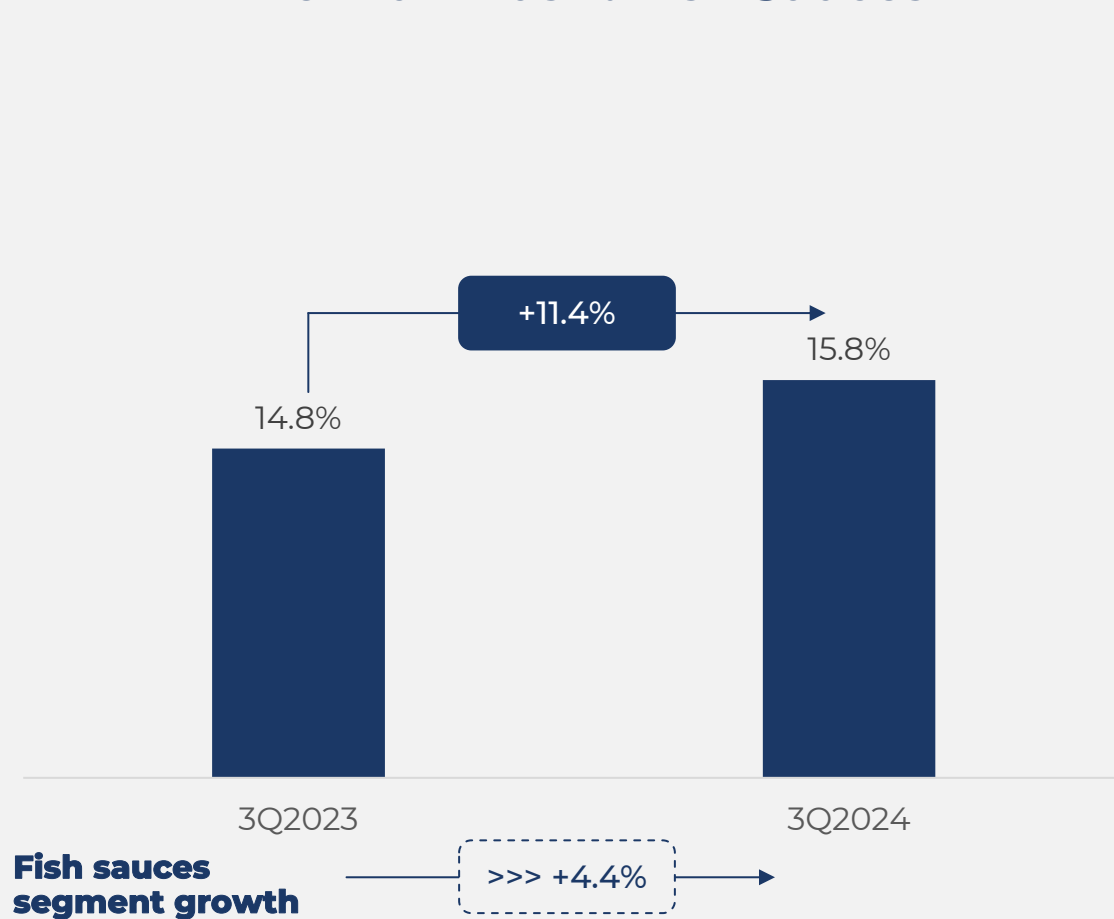


■ Seasonings ■ Convenience Foods ■ Beverages ■ HPC ■ Coffee

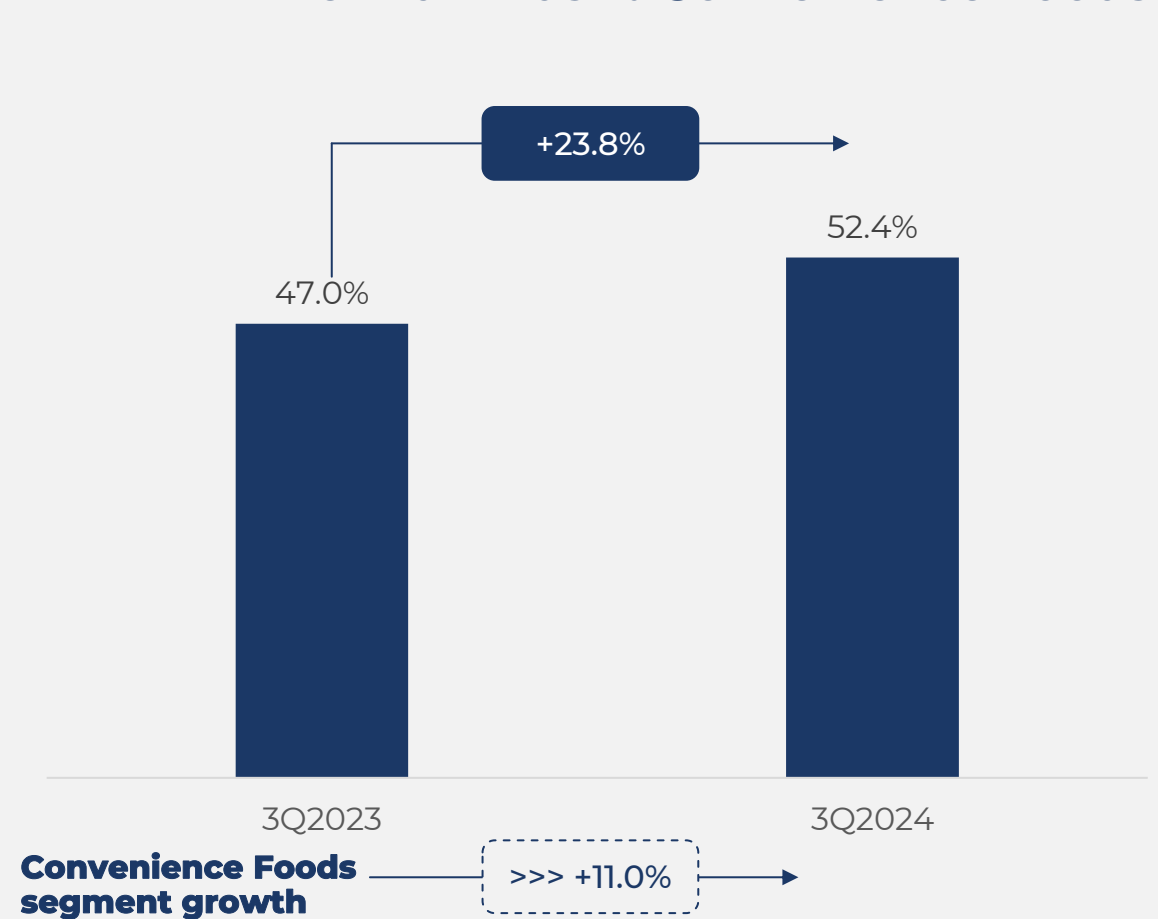
(1) Innovation revenue recorded revenue from SKUs that were last 12 months before the reporting period.

# ...and Premiumization continues to drive the growth of segments with leading market shares

## Premium<sup>(1)</sup> as % Fish Sauces

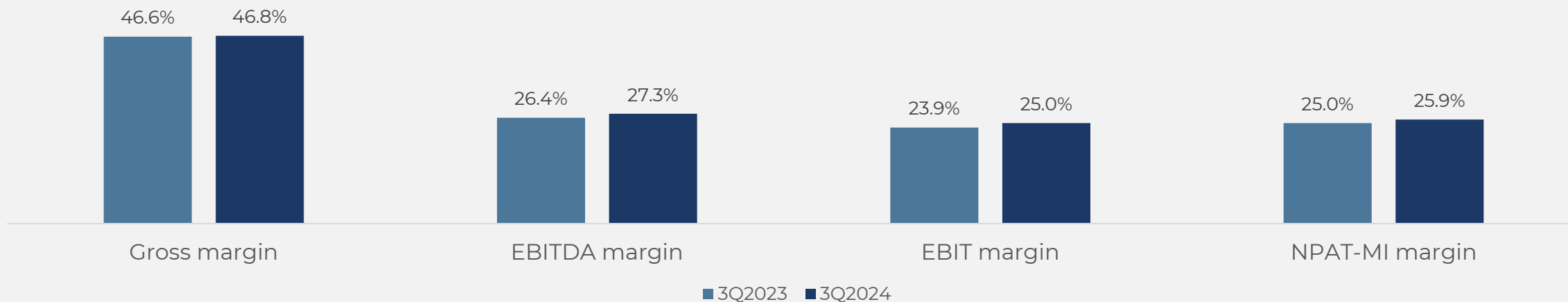


## Premium<sup>(2)</sup> as % Convenience Foods

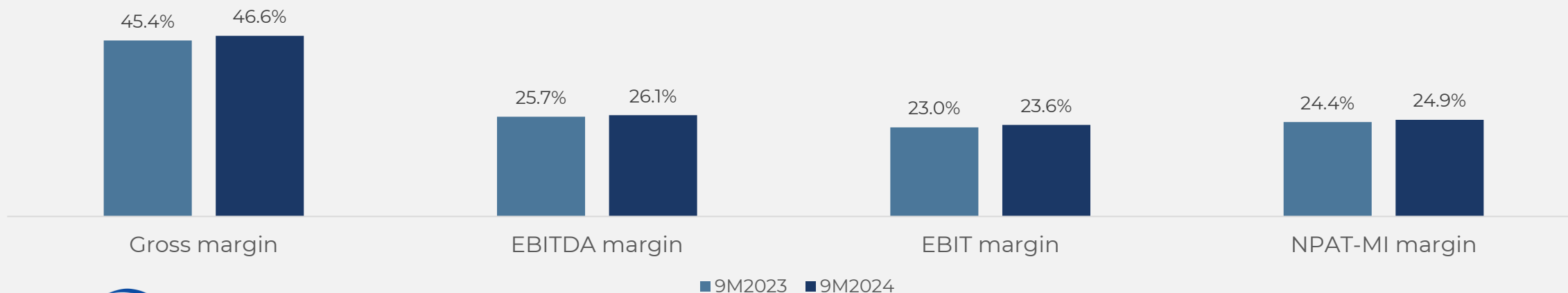


# Bottom line improved slightly as MCH optimized sales expenses

## 3Q Margins



## 9M Margins



# Channel development: Strategic shift from GT trade promotion to new channel development and marketing, sacrificing short-term revenue for long-term growth

↑ 2.1%

*In margin thanks to reduction in sales expenses*



More focus on long-term brand building and brand equity strengthening to generate demand



Less trade promotion but more tactics to cover small GT retailers that sell directly to consumers, which will be beneficial to bottom line and distribution coverage in the long-term



Short-term impacts on sales growth for some mainstream product segments that have to face strong distributional competition

↓ 1.4%

*In margin to invest in new channels and marketing*



**Rural:** Expand coverage of small retailers in 6 provinces to promote focused SKUs (innovations or SKUs that lack distribution from wholesalers) to attract trials



**E-Commerce:** A platform to promote new products and innovation



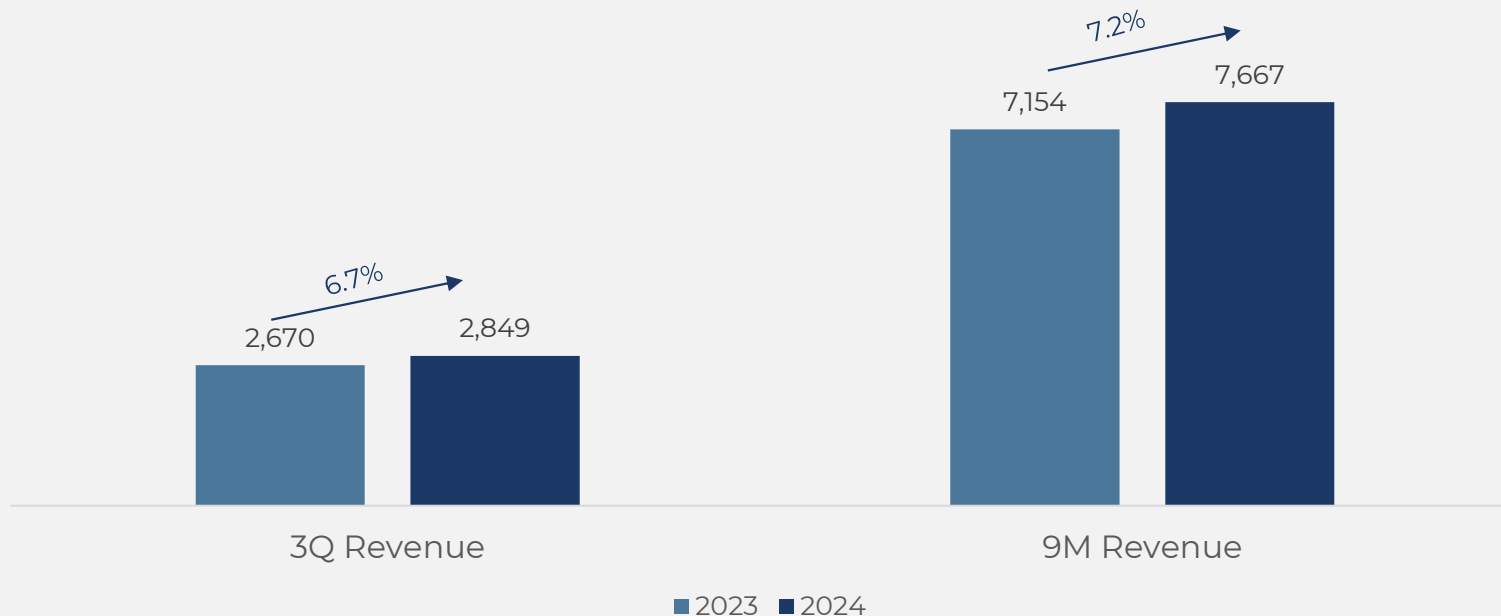
**On channel:** Improve product visibility and coverage of restaurants, food kiosks, stalls, street vendors with key products of Beverages, Seasonings, and Convenience Foods.

=  
↑ 0.7% ↑

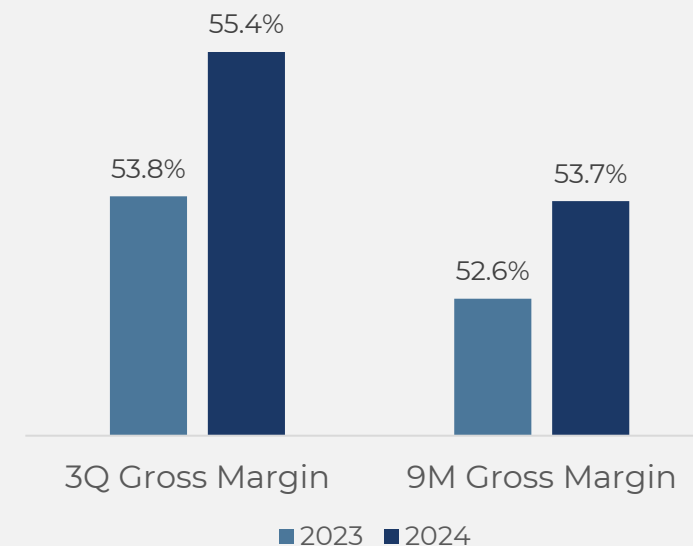
*In margin uplift*

# Seasonings: Premiumization and expansion of scope drove growth, partially offset by reduction in trade promotion and price action

Revenue (VND bn)



Gross Margin (%)



- Seasonings' growth decelerated slightly in 3Q2024 as Fish sauce and Chili sauce decelerated, mainly driven by medium-term negative impacts of trade promotion reduction and temporary impact of price action for Chili sauce.
- Premiumization continues to be the main driver of growth for Fish sauce as consumers shift from economy to mainstream and mainstream to premium. Premium products contributed 16% of Fish sauce revenue in 3Q2024 vs. 15% in 3Q2023.
- Seasonings expand scope of products with Others sub-category grew 66% YoY in 3Q2024.

- Gross margin improved by 160bps YoY in 3Q2024, mainly driven by price action for Chili sauce in July and improved margin of Fish sauces.
- Distributors onboarded more products before price action in 2Q2024 to onboard more inventory at lower price, which negatively impacted July demand for Chili sauce.

# Seasonings – Highlighted Campaigns: Nam Ngư Tỏi ớt Lý Sơn and Nam Ngư Cá Cơm Tươi Cao Cấp drove the premiumization of Fish Sauces



1

Event sponsoring and record-breaking achievements to build brands



2

TVC, Food Expo Booth, and POSM



# CHIN-SU EXPANDS VIETNAMESE CHILI CONSUMPTION AND "GO GLOBAL"

## LOVE BRAND CHIN-SU WITH ICONIC "ỚT BÔNG"



## "ỚT BÔNG" in 3600 WIN STORE



## CHIN-SU IN KOREA MYEONGDONG SEOUL



Nay Tâm ra phố Myeongdong thì bắt gặp bằng quảng cáo của Chinsu nè mọi người ơi. Hiếm hoi mới thấy được hình ảnh lớn của thương hiệu Việt ở... See more



## FOOD EVENT

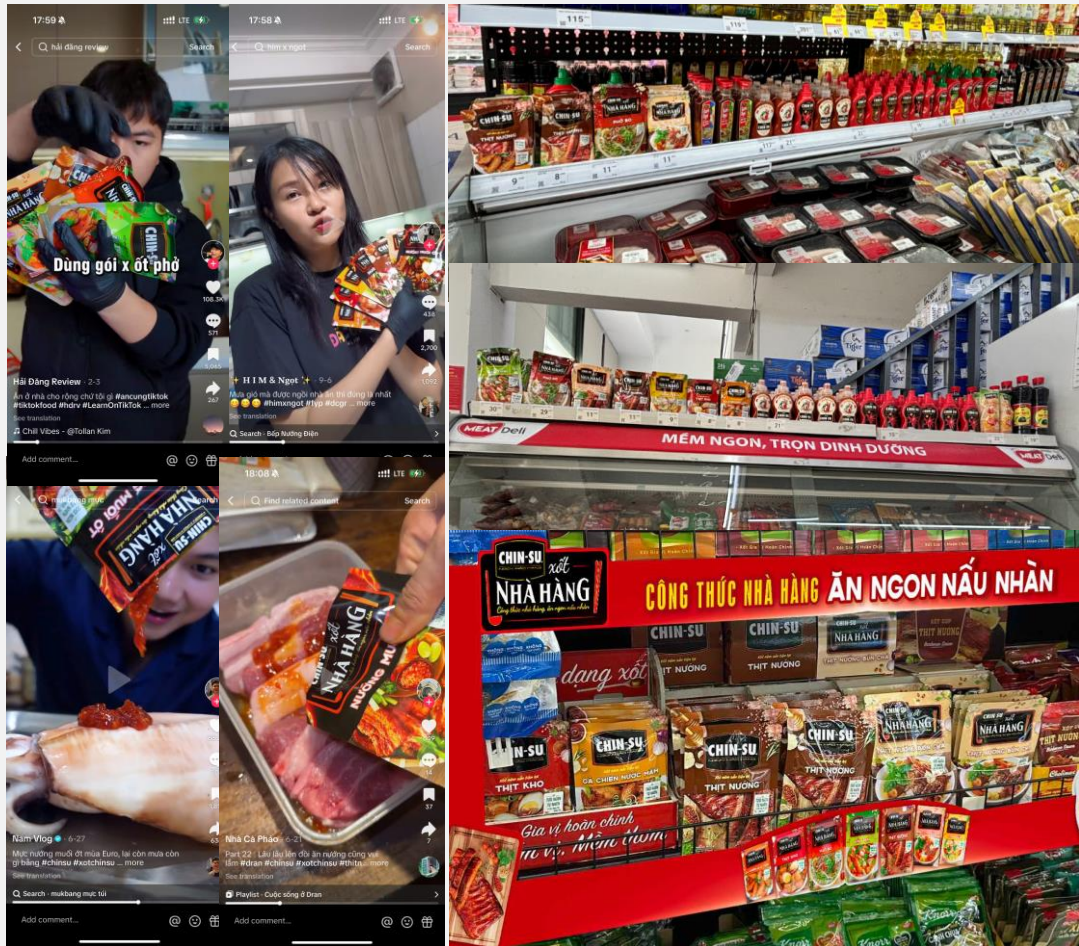


## SOCIAL CAMPAIGN



# Seasonings – Highlighted Campaigns: Scope expansion with marinating sauces and oyster sauces

**1 Online review, in-store visibility & SKU enrichment of marinating sauces boosted 3Q2024 revenue 83% YoY**

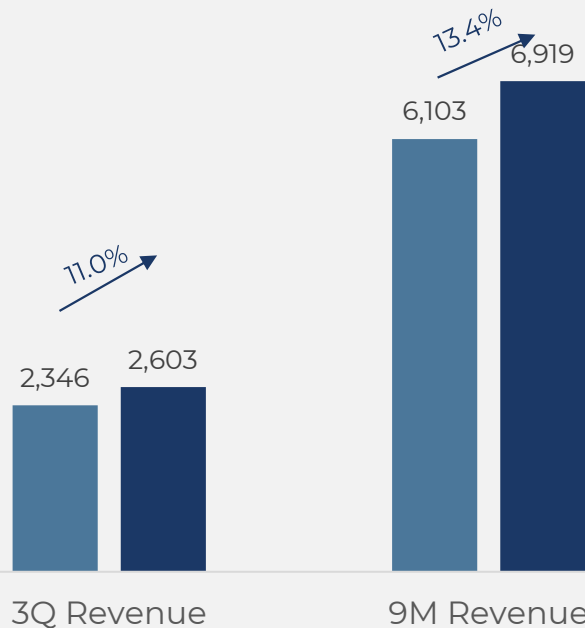


**1 Chín-su Dầu hào Sò Điệp: Expansion into double-digit growth segment of Vietnamese sauce consumption**



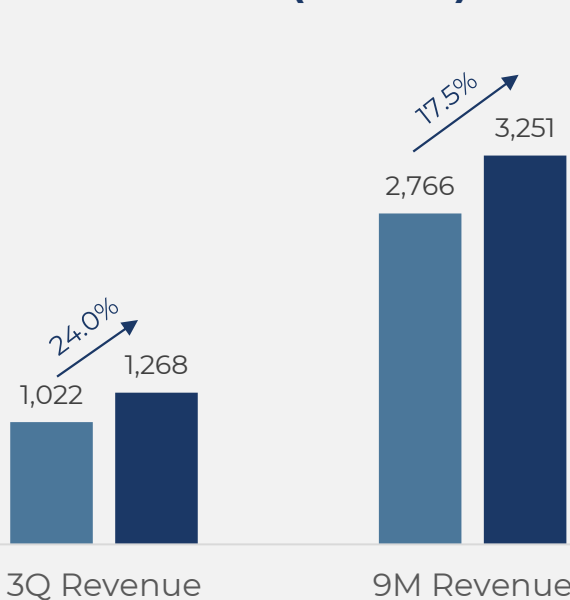
# Convenience Foods: Double-digit growth and improved margins are mainly driven by premiumization

Revenue (VND bn)



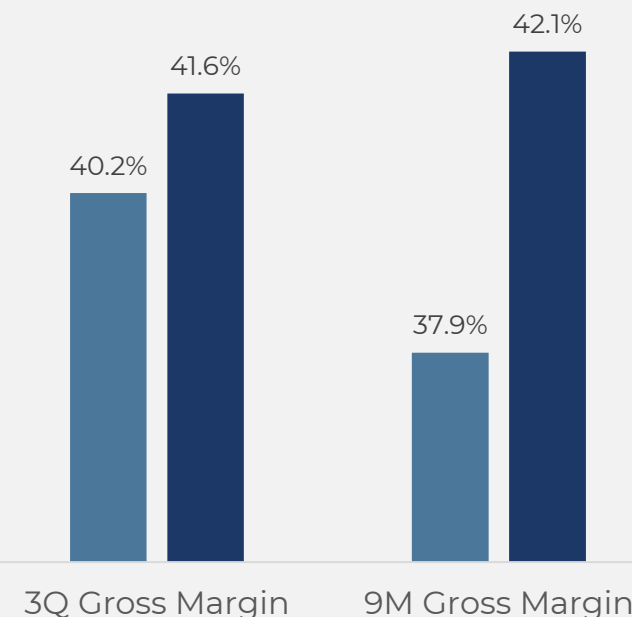
■ 2023 ■ 2024

Omachi Instant Noodles Revenue (VND bn)



■ 2023 ■ 2024

Gross Margin (%)



■ 2023 ■ 2024

- Convenience Foods delivered double-digit YoY growth for 3Q2024, mainly driven by Premium segment with Omachi instant noodles grew 24.0% YoY, contributing 49% of total category, compared to 44% in the same period last year. Volume growth contributed the majority of Omachi's growth. As of 3Q, Omachi officially surpassed Kokomi in revenue and total premium product mix now contributed more than 50% of the category revenue.
- Cutting back on trade promotion while investing into brand building activities and small retailer support, Kokomi decelerated revenue growth temporarily.
- Gross margin improved by 140bps YoY in 3Q2024 and 390bp in 9M2024 thanks to premiumization with higher contribution from Omachi instant noodles and improved margins of Kokomi.

# Convenience Foods – Highlighted Campaigns: Omachi’s “Trứng, Bò, Rau” relaunch campaign leveraging multi-channels to strengthen brand equity

**1** TVC launch and Billboard: Omachi as a meal with egg, beef, and vegetables

**2** Sponsor for “Sáng nay ăn gì – Omachi” to become top 10 program on social media

**3** KOL and trendsetting on social media to educate consumers new consumption behavior

**4** MT promotion program: voucher for combo Omachi + Egg + vegetables at WCM/BHX

**5** Point-of-Sales Marketing activities

Relaunch campaign sustained Omachi’s double-digit growth despite lower trade promotion



# Convenience Foods – Highlighted Campaigns: Omachi's Self-cooking and self-heating products leveraged e-commerce, social commerce, and MT to become viral

**1 Omachi self-cooking rice was soft-launched on Lazada in July**

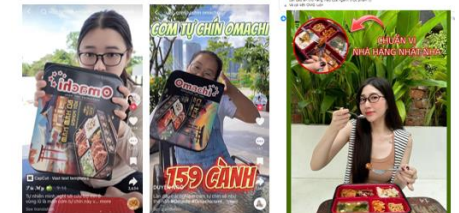
**2 Viral contents leveraging 100+ KOL and 20 social media communities for rice product, recording 25M views**

**3 Livestreaming sales for self-heating hotpot by KOL and KOC**

**4 POSM at MT outlets to enhance brand visibility and encourage trials**

**5 55,000 self-heating hotpots & 1,200 self-cooking rice boxes customized & donated to people affected by natural disaster**

**Innovative products created the halo effects for the umbrella premium brand of Omachi**



# Convenience Foods – Highlighted Campaigns: Kokomi – “Dai ngon vàng sáng” to launch Kokomi Pro to further penetrate mainstream segment

## 1. TVC for Kokomi Pro



## 2. Ward's speakers



## 3. KOL review



## 4. Big C/Co.op island



## 5. POSM

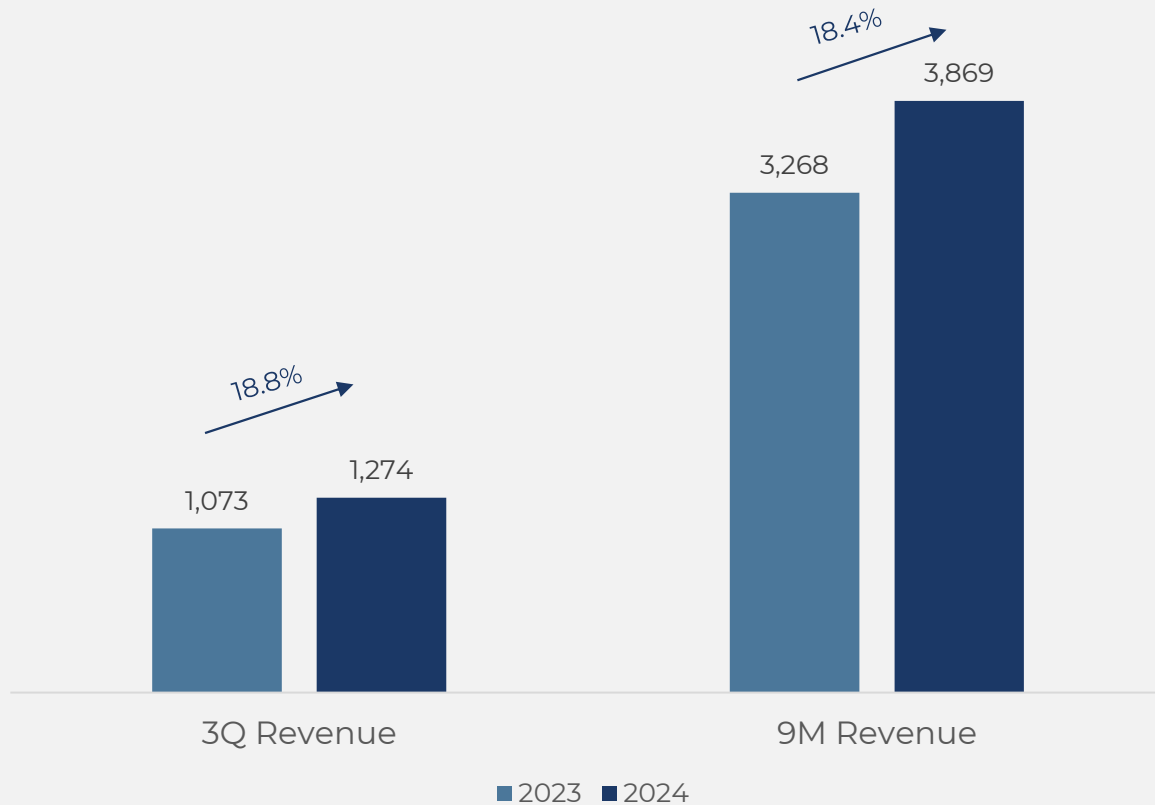


## 6. GT Activation

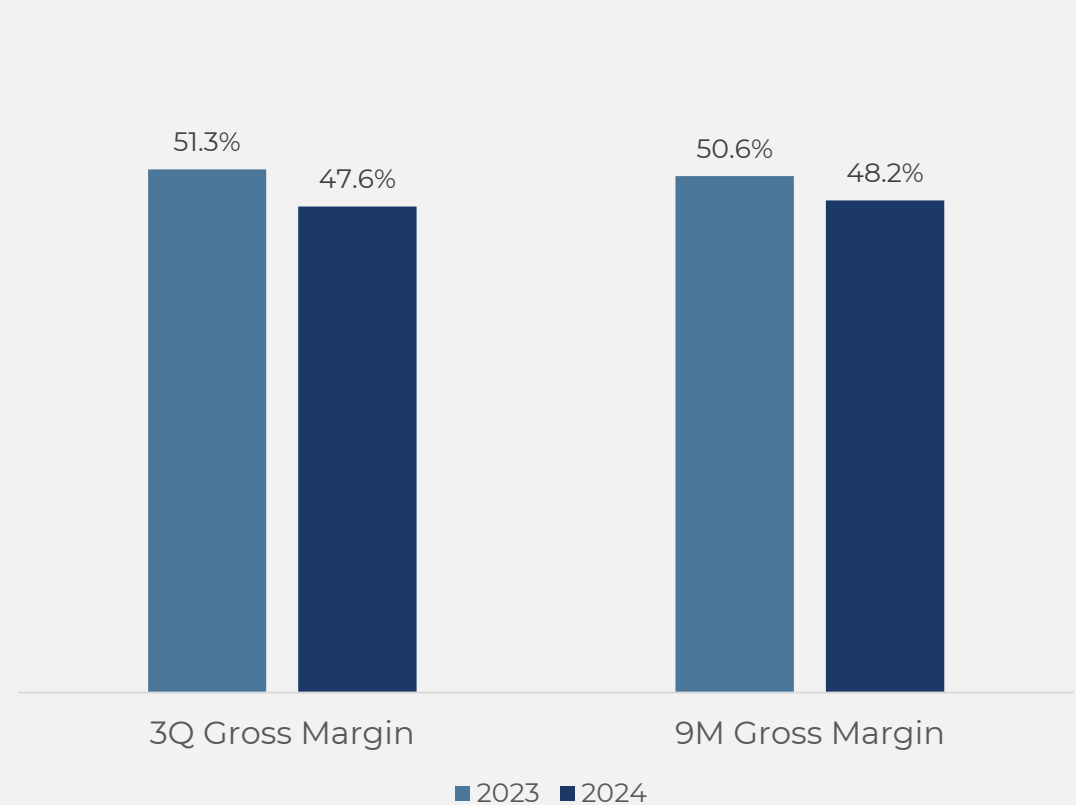


# Beverages: Innovation is the key driver of growth

## Revenue (VND bn)



## Gross Margin (%)



- Revenue of Wake Up 247 increased by 12.8% YoY in 3Q, mainly driven by volume. Innovations expand the customer base of Wakeup 247 from blue-collar worker to young segment and office workers.
- Bup Non Tea365's revenue maintained good traction with VND48 billion in monthly sales as of September and VND124 billion in 3Q2024, contributing 62% of category's YoY revenue growth. Repurchase rate continues to be strong between 30 – 40%.

- Gross margin declined by 370bps YoY in 3Q2024 as a result of higher materials and packaging costs for Wakeup 247 and lower gross margin during investment phase of Bupnon Tea365.

# Highlighted campaigns: BupNon Tea365 targets health-conscious Gen Z consumers

## GIÚP NHẸ BỤNG

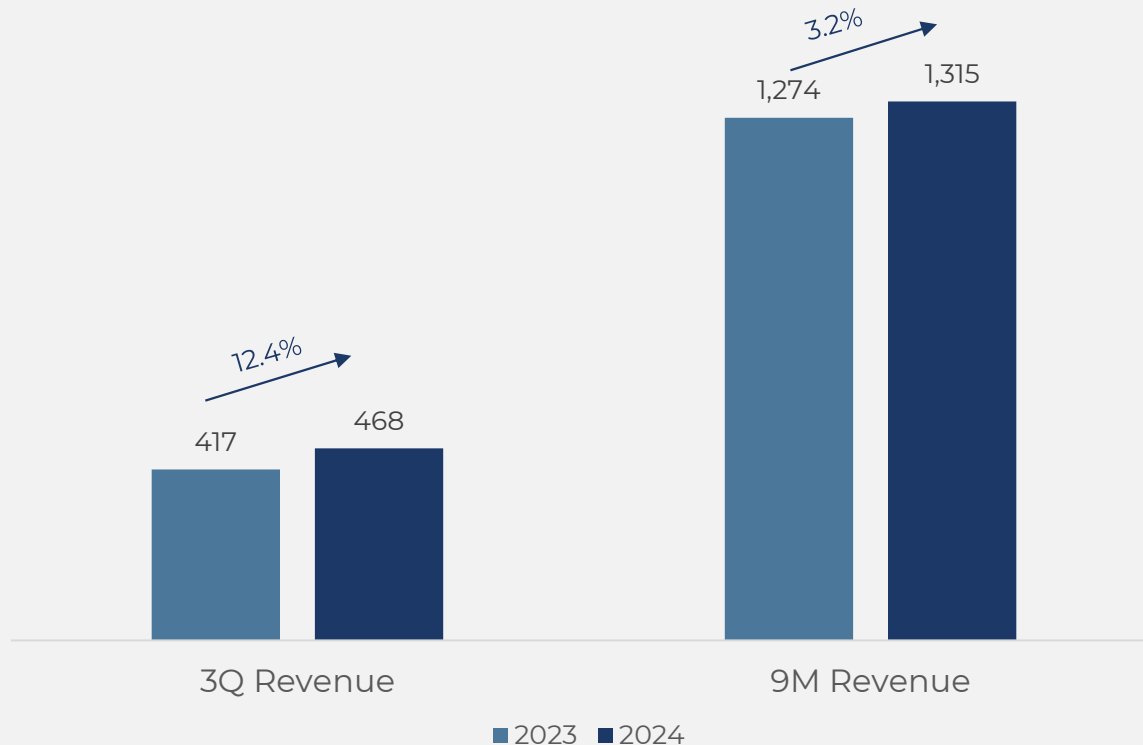
### Hibiscus tea supports a healthy digestive system

- Consumers between the age of 18 and 40 are particularly concerned about digestion after meals.
- As hibiscus-based tea, BupNon Tea365 targets health-conscious Gen Z consumers.
- After the first successful launching wave to increase visibility and shelf coverage, in 4Q2024, BupNon Tea365 will continue to invest in marketing and branding activities to gain awareness via TVC and digital marketing.



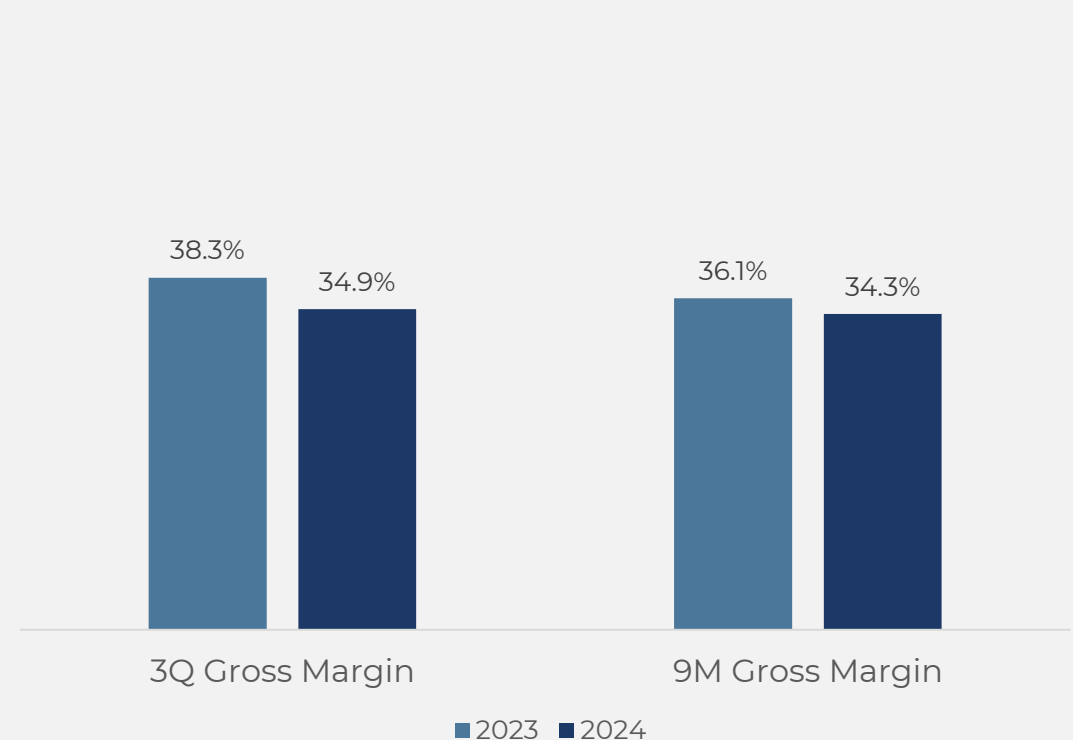
# HPC: Chanté is the main driver of growth for HPC, giving management the confidence in 4Q launch in GT

Revenue (VND bn)



- Chanté achieved VND147 billion in revenue in 3Q2024, up 48.3% YoY and contributing 92% of category's YoY growth. Management launched Chanté nationwide on Oct 1<sup>st</sup> via GT network, targeting the mainstream segment of liquid detergent and having the run-rate of VND2billion per day via GT.

Gross Margin (%)

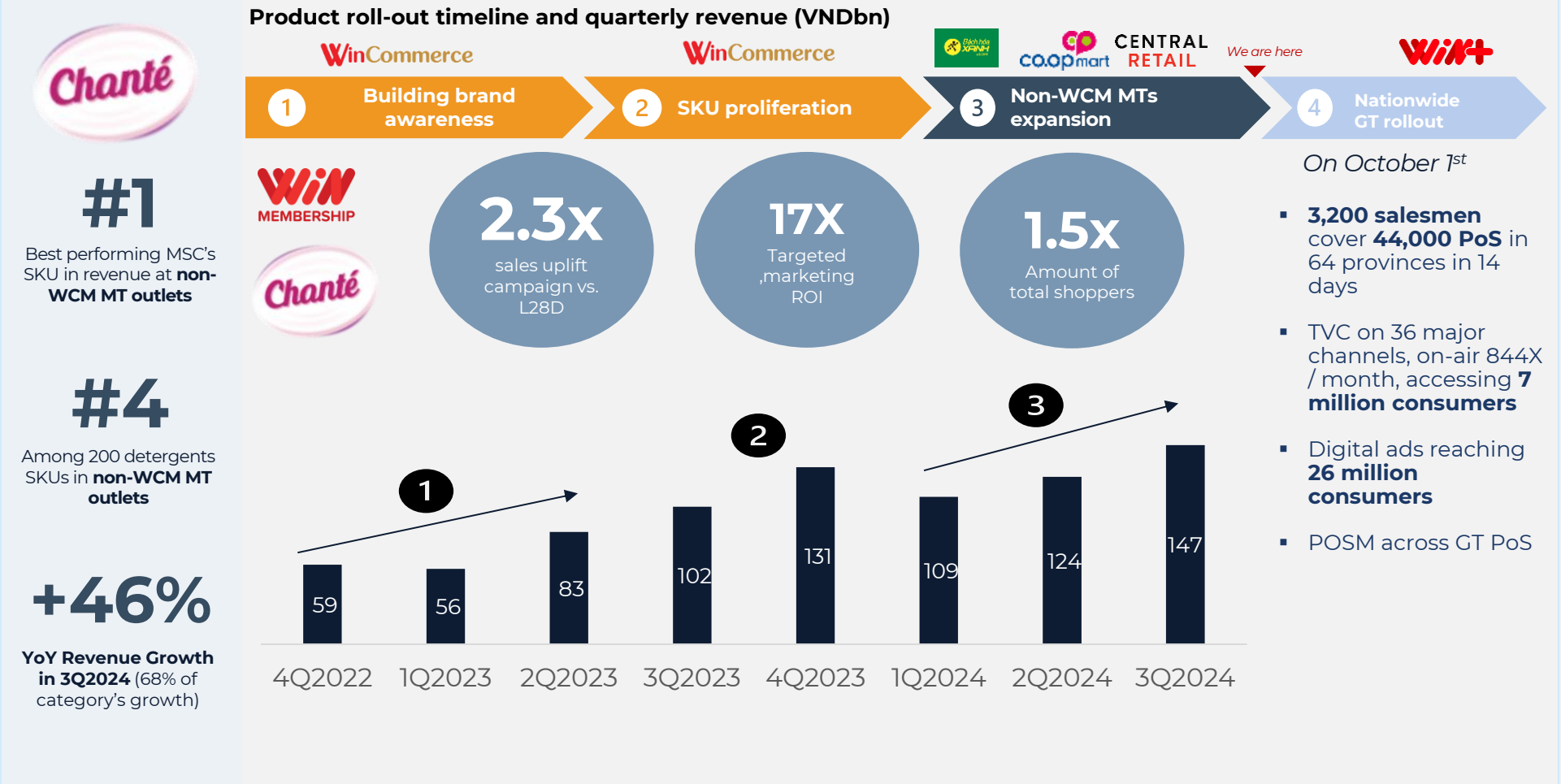


- Gross margin declined due to higher packaging costs.

# Highlighted campaigns: Chanté nationwide launch on Oct 1<sup>st</sup> through MCH's GT network after the pilot launch in MT

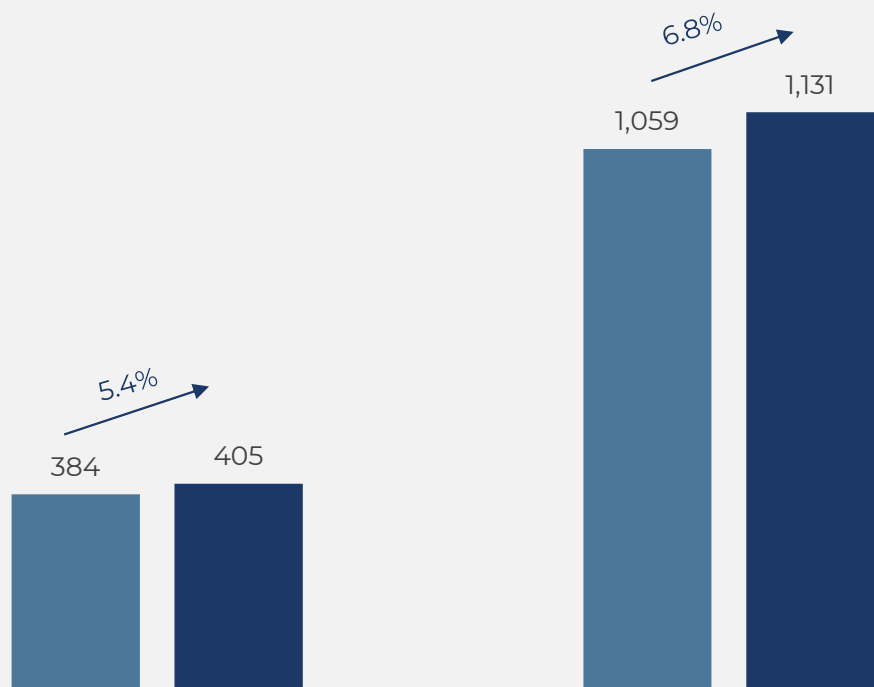
## Case Study: Chante leverages WinCommerce as a pilot launch pad before going to other MT and eventually GT

## Online-to-offline presence to go nationwide



# Coffee: Margin is negatively impacted by higher materials prices

## Revenue (VND bn)



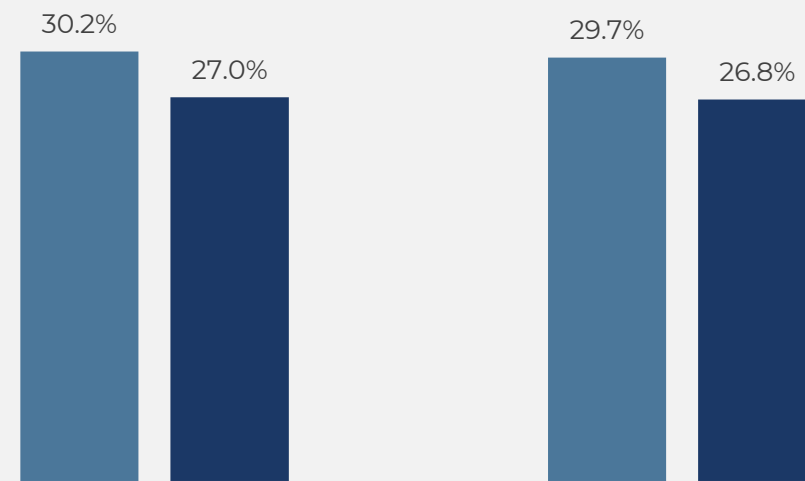
3Q Revenue

9M Revenue

■ 2023 ■ 2024

- Coffee's revenue increased by 5.4% YoY in 3Q2024 and 6.8% YoY in 9M2024, driven by price actions.
- New SKU, Wakeup Mekong, was launched and gained high reception from Mekong Delta consumers (70% surveyed consumers prefer the taste over competitors). The product is among the first innovations to win regional taste of Coffee Category.

## Gross Margin (%)



3Q Gross Margin

9M Gross Margin

■ 2023 ■ 2024

- Gross margin declined as a result of higher raw materials prices.

# Go Global – Bringing the flavors of Vietnamese cuisine from 100 million to 8 billion consumers worldwide

## Global palates embracing VN cuisine



Among **top 3 global trends** for 2023 by The National Restaurant Association, before Caribbean and South American



**Ranks 22<sup>nd</sup>** in top 100 best cuisines in the World by TasteAtlas 2024



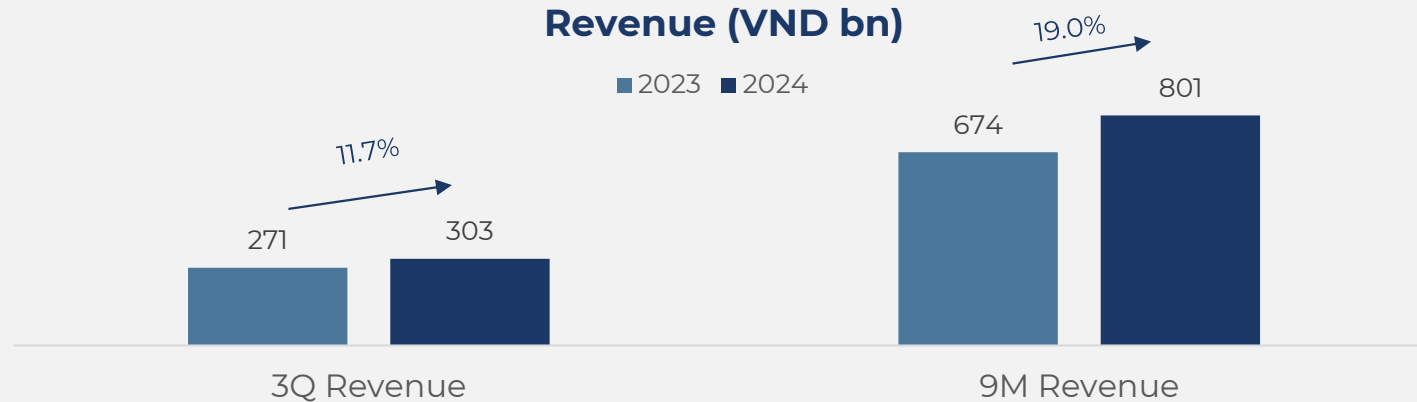
**Ranks 13<sup>th</sup>** Among World's Most Favorite Cuisines in YouGov "Global Cuisine Survey" 2018

## MSC has entered key markets and has seen strong initial traction

### FY23 market size for key export markets

FY23 Market size				
<b>Total</b>	<b>6.0B</b>	<b>36.8B</b>	<b>8.1B</b>	<b>3.6B</b>
Seasonings <sup>1</sup>	2.3B	15.1B	1.2B	0.4B
Instant noodle	2.7B	19.3B	5.7B	2.3B
Instant coffee	0.9B	2.3B	1.1B	1.0B

### Revenue (VND bn)



# ESG – A forward-looking ESG strategic roadmap from 2025 to 2030 through 8 chosen focus under ESG pillars

## Pillars

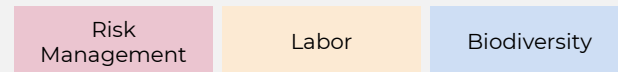
### UN Sustainable Development Goals

#### Driving Innovation for Sustainable Growth

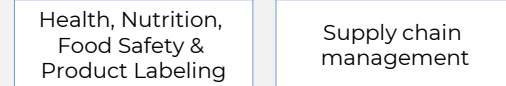


- 3. Good health and well-being
- 9. Industry, innovation and infrastructure
- 12. Responsible consumption and production
- 17. Partnership for the goals

### IFC Performance Standards



### Tier 1 Material Topics



- ✓ Maintain **100%** compliance for products (safe for health) and labelling
- ✓ Develop the responsible sourcing policies for all material ESG issues relevant to MSN supply chain and apply for **60%** key suppliers by 2025

#### Caring for the Environment and Communities



- 6. Clean water and sanitation
- 7. Affordable and clean energy
- 11. Sustainable cities and communities
- 13. Climate action

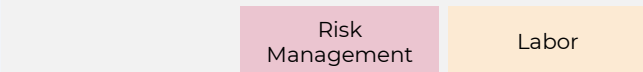


- ✓ Annual water usage reduction of **5-10%** per unit production due to water recycling by 2025
- ✓ To increase **50%** of waste recycled by 2025 in supporting the National Action Plan for Management of Marine Plastic Litter of 2030
- ✓ **15%** reduction for Scope 1 and 2(2) GHG Emissions by 2030
- ✓ **Net Zero** by 2050, aligning with Vietnam Nationality Determined Contribution

#### Winning Hearts and Minds of Our People & Customers



- 5. Gender equality
- 8. Decent work and economic growth
- 10. Reduced inequalities



- ✓ Maintain **90%** of customer satisfaction score through and beyond 2030
- ✓ Establish ESG Committee and ESG Group Head and to be fully in function by 2024
- ✓ Maintain employee satisfaction survey score of at least **70%**
- ✓ Maintain **45%** of women to men for rank 3 and above

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A man in a light-colored jacket and blue pants is running across a grassy field, carrying a young child on his shoulders. The child is wearing a yellow jacket and has their arms outstretched. In the background, there are trees and a clear blue sky. A small orange toy airplane is flying in the sky above the man and child. The text "Thank You !" is overlaid on the right side of the image.

**Thank You !**