

Quarter 1, 2022

Business performance update

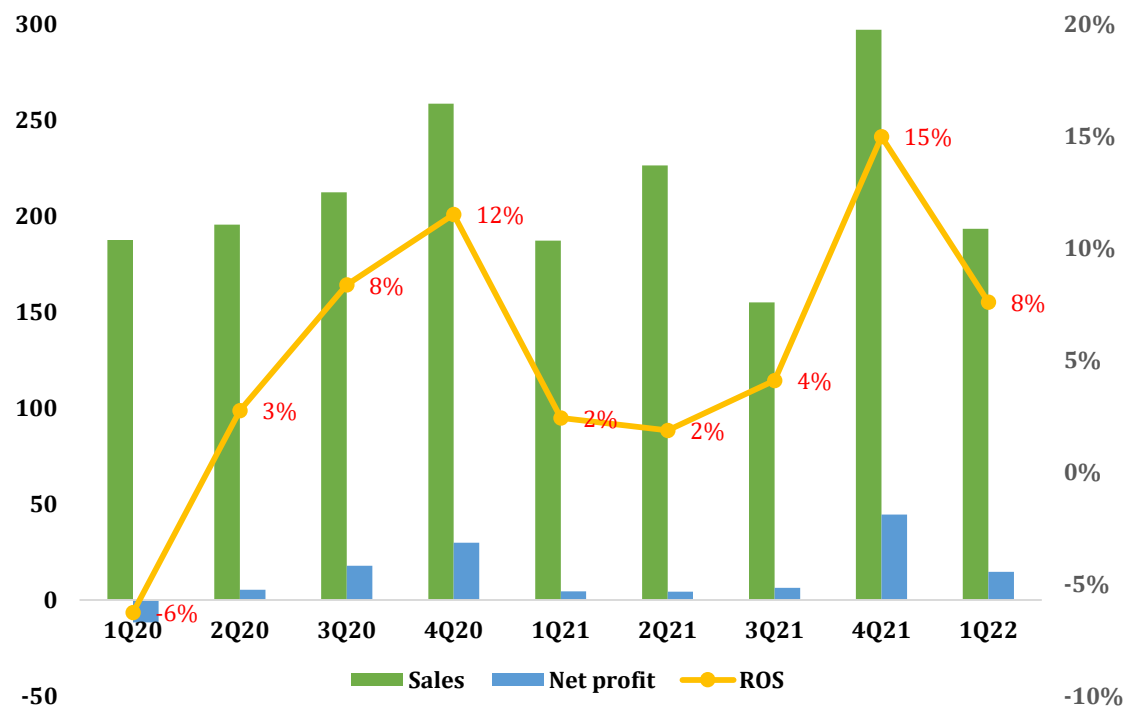


Everpia JSC | Planning team

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1Q2022 Revenue increased 224%, completing 21,1% of the target in 2022.

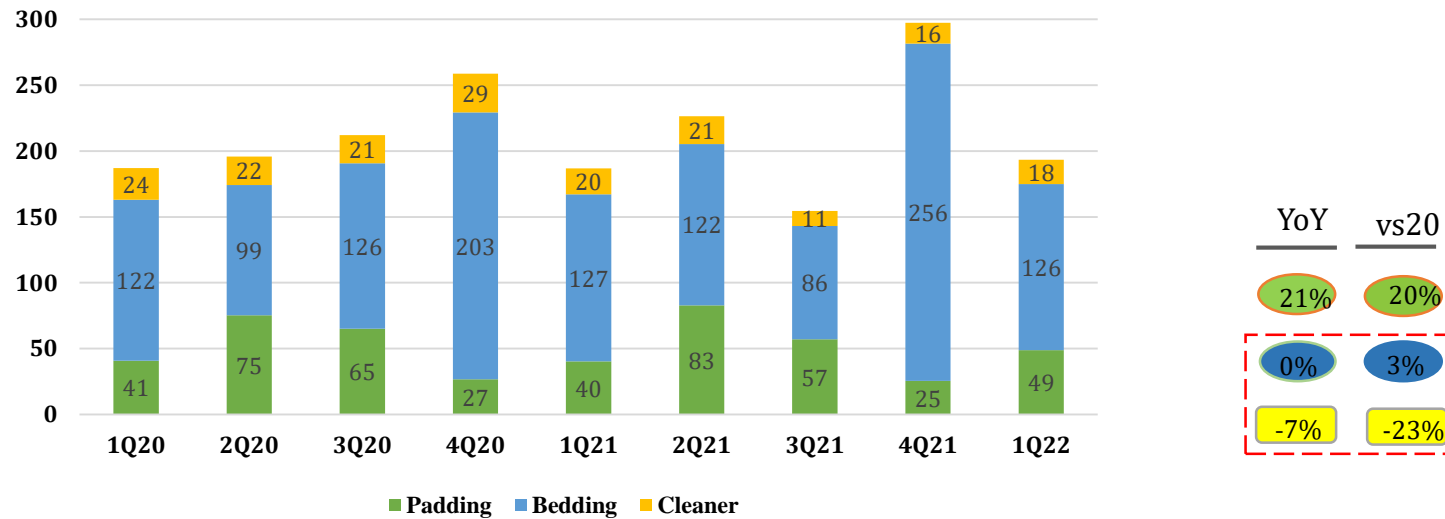


Padding and beddings are two core businesses of Everpia. Because of the cyclical nature, the business is highly seasonal, which leads to wide variations in sales among quarters. Therefore, besides the quarterly report, fluctuations over the last 2 years are also focused.

- The net profit of 1Q22 grows significantly, reaching nearly 15 billion VND.
- This exponential increase in sales and profit of 1Q22 is the result of factory innovation programs since 2019 and efficient policies of controlling selling expenses.

Padding and export volume recovered from negative impacts of the Covid-19.

Sales breakdown by business unit

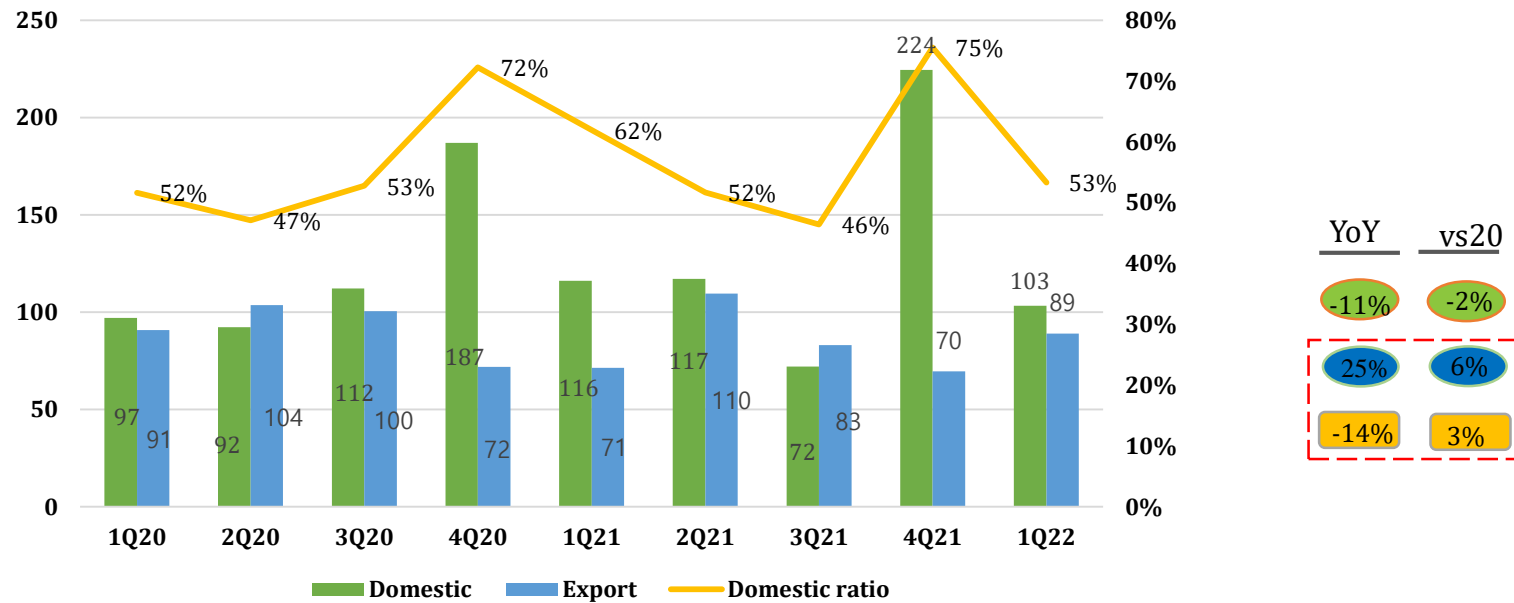


- Padding sales increase by 21% yoy:
 - Garment factories speed up their manufacturing progress to complete delayed orders of 2021.
 - Everpia received new orders after many padding factories have to reduce their production due to the shortage of laborers in the Covid-19 pandemic.
- Cleaner sales reduce 7% yoy because of delayed orders when manufacturing units can not meet the production progress and worldwide transportation system are broken.
- Bedding sales stay the same as 2021, however the proportion among distribution channels have significant changes thanks to the strong growth of exports of beddings and online sales.

SALES BREAKDOWN (1/2)

Export recovered significantly from broken transportation systems due to the Covid-19.

Sales breakdown by domestic/export

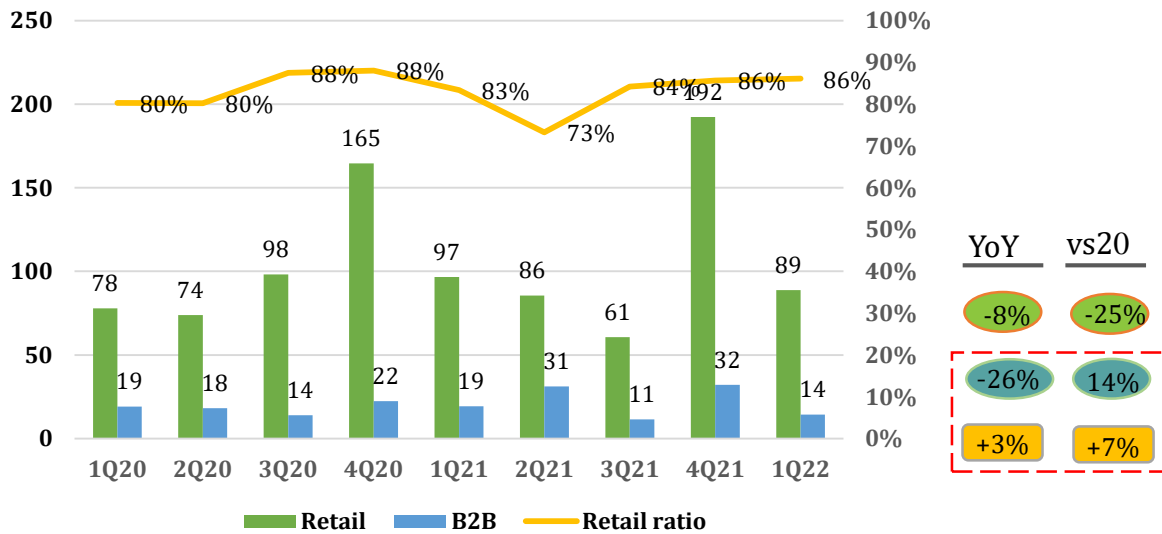


- The recovery of worldwide trades and outdoors activities leads to the increase in export of Beddings and Paddings (50% yoy and 22% yoy respectively).
- Value of export increases up to **89,013 million VND** in 1Q22, and is expected to **grow strongly** in the next quarters.

SALES BREAKDOWN (2/2)

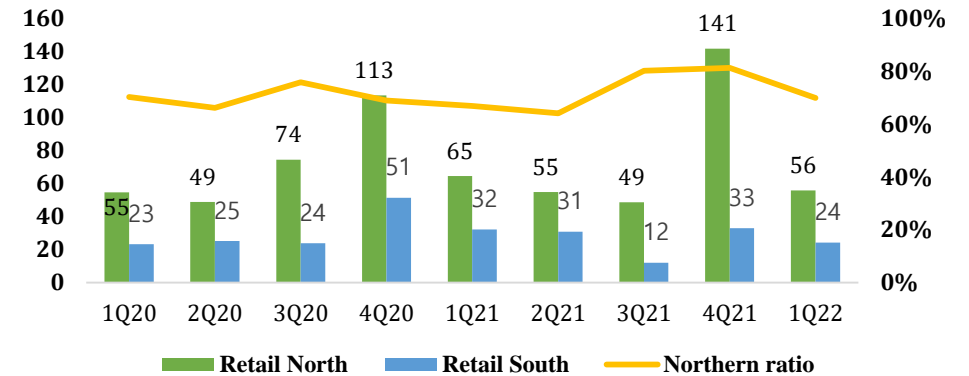
Domestic sales are expected to increase in the next quarters.

Domestic sales breakdown by distribution channel

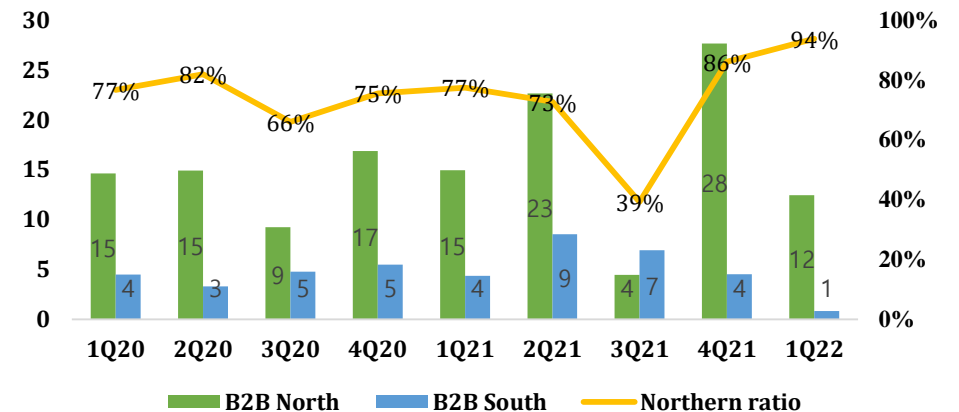


- Retail sales decline by 8% yoy as the demand for discretionary products has not been recovered strongly after the Covid period.
- B2B sales (including hotel bedding, gifts and cleaners) drop by 26% yoy because the Covid-19 pandemic affects the tourism, especially in the northern part.
- It is forecasted that tourism will gradually recover and develop strongly in the last months of 2022, so sales opportunities are positive in the next quarters.

Retail sales breakdown by region

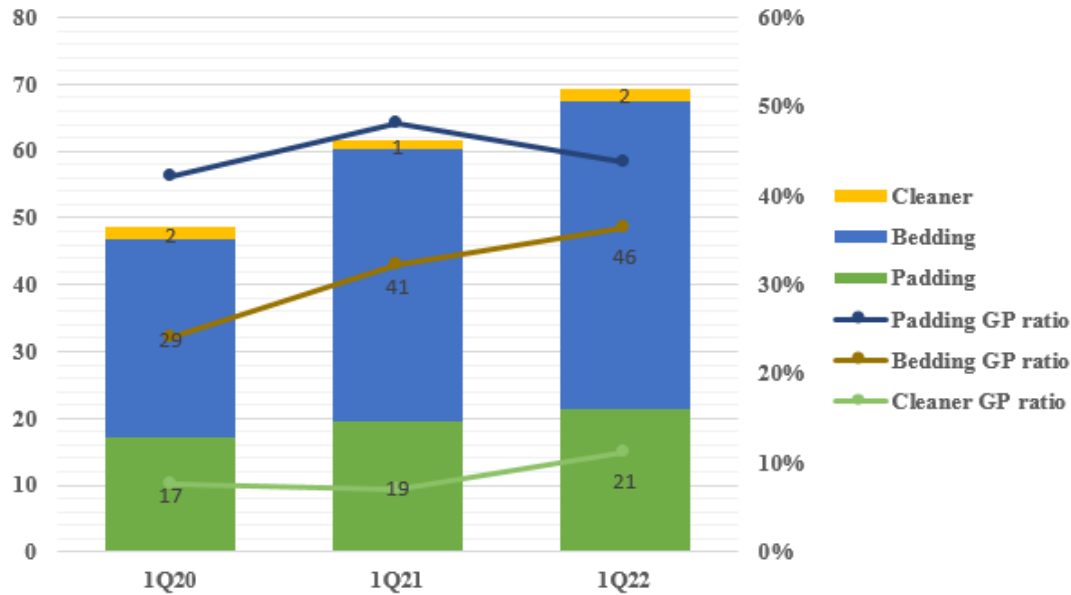


B2B sales breakdown by region

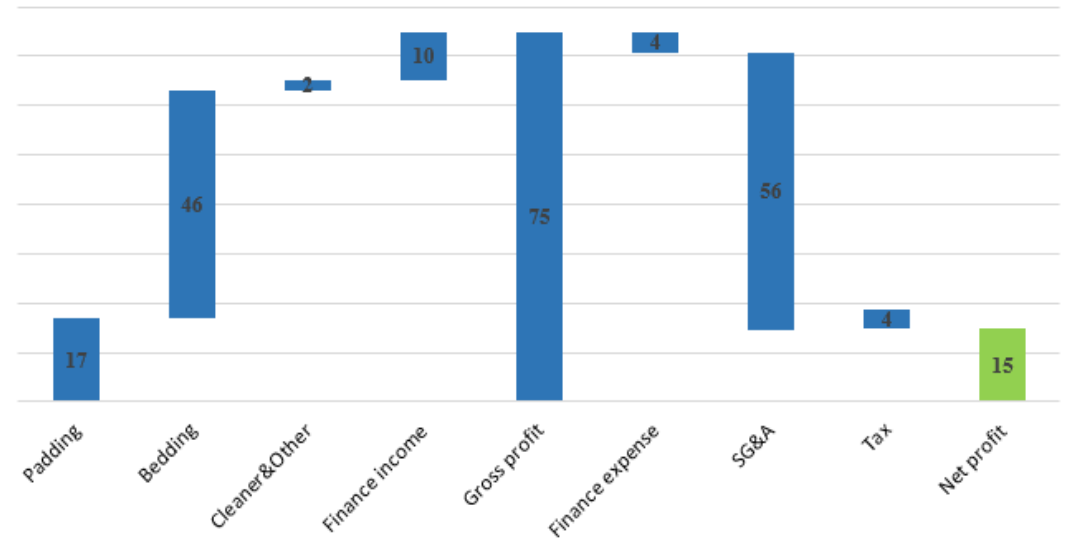


Gross profit is improved significantly.

Gross margin breakdown by BU



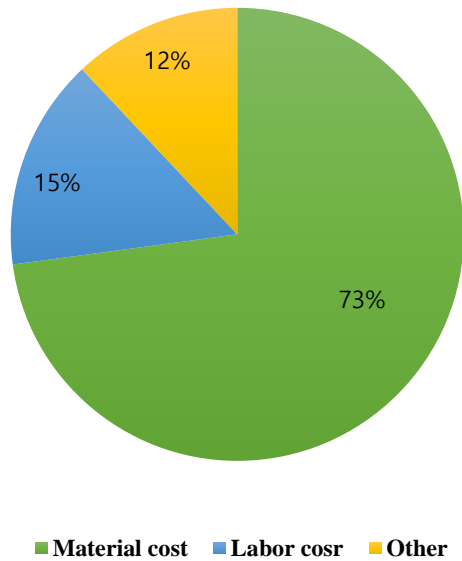
Profit structure



- Gross profit of 1Q22 is **65 billion VND**, (+5% yoy, +33% over 2020), lifting the gross margin to 34%.
- Padding’s gross profit ratio declines by 4% yoy due to the great increase in material inputs. Macro variables such as Russia-Ukraine war, inflation have pushed the price of crude oil, cotton and fabric to unexpectedly higher levels.
- Bedding’s gross profit ratio increases by 4% thanks to continuous improvements to reduce unnecessary steps of the manufacturing process and increase the operational efficiency.
- Cleaner’s gross profit ratio grows slightly by 4% yoy, but this increase is not significant compared to the company’s profit.

Stable COGS structure with above 70% of materials

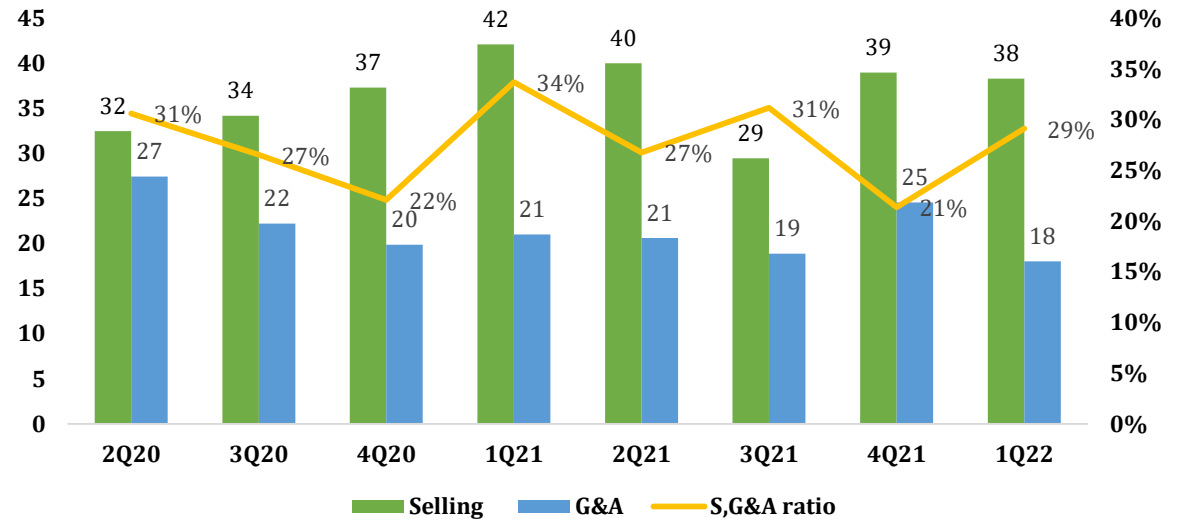
COGS structure



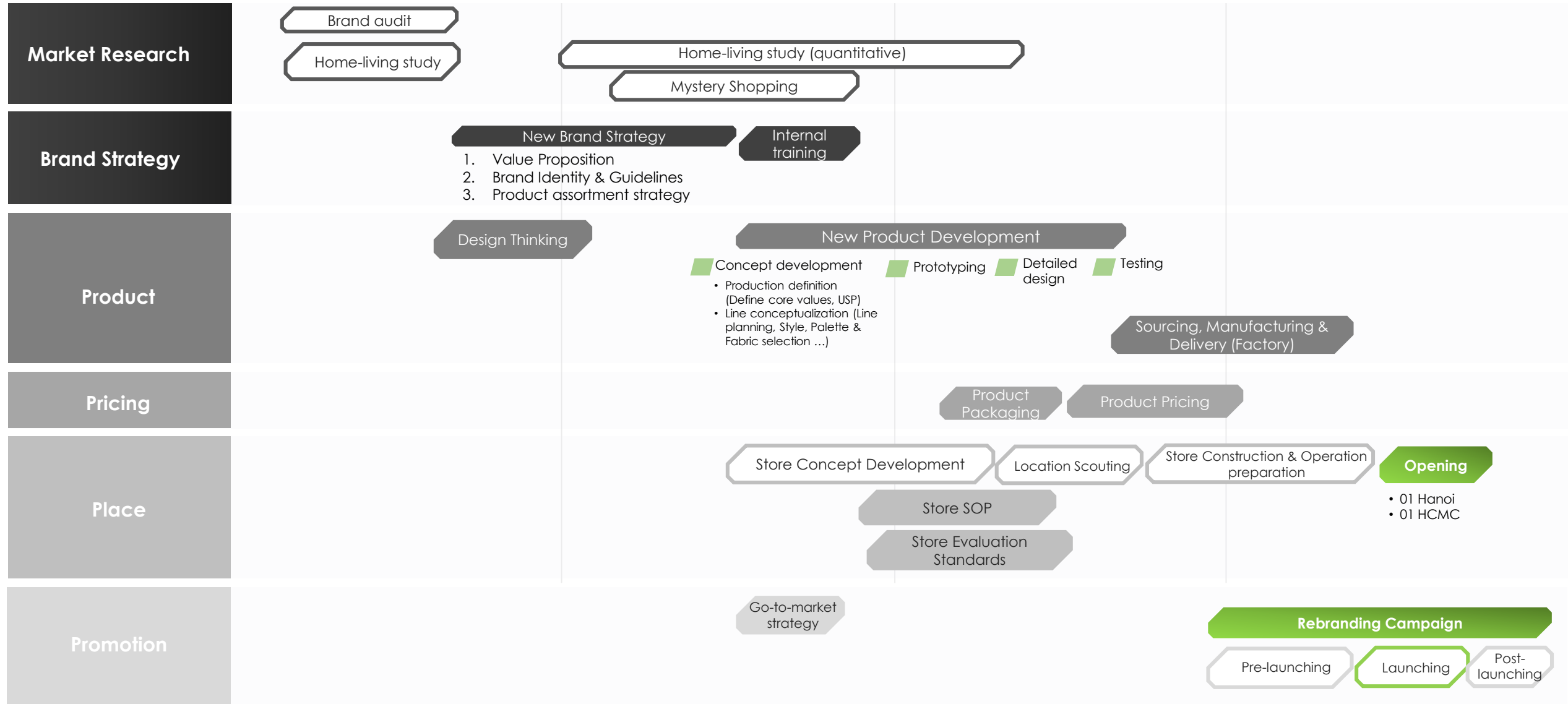
- Cost structure focused mainly on material (76%) and does not fluctuate greatly over periods.
- The company has to spend a greater fund for fluctuations in price due to macro variables such as Russia-Ukraine war, inflation.

Selling expenses are controlled effectively to ensure the high productivity.

Revenue breakdown



- Selling expenses **decline 9% yoy** in 1Q22.
- The company promotes its selling via online channels while offline selling is reduced due to the pandemic.



Location : Lot 16, road 10 & 12, Giang Dien IP, Giang Dien commune, Trang Bom, Dong Nai

Land area : 28.956 m²

Investment capital : US\$ 10 mil (*equi. VND 230 bil.*)

Project period : 50 years since issuance of IRC

Project period : Implementation timeline: Expected to come into operation since Q2.2023

Goal and scale : Padding, Spring Mattress and Cleaner

Current progress : Got IRC and ERC, in the process of applying for a Building permit



Green building



Green financing





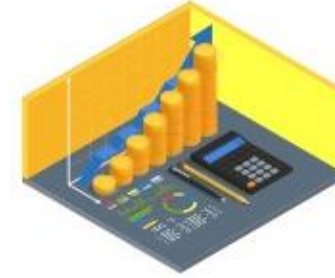
HOME TEXTILE

Developing Everon into a home textile that is familiar to every Vietnamese household.



SUSTAINABLE PRODUCTION AND PRODUCTS

Greening factories and products through specific goals and for sustainable development.



REVENUE AND PROFIT GROWTH

- Aiming for a 10% sales return on investment.
- Maximizing dividend benefits for shareholders as committed.

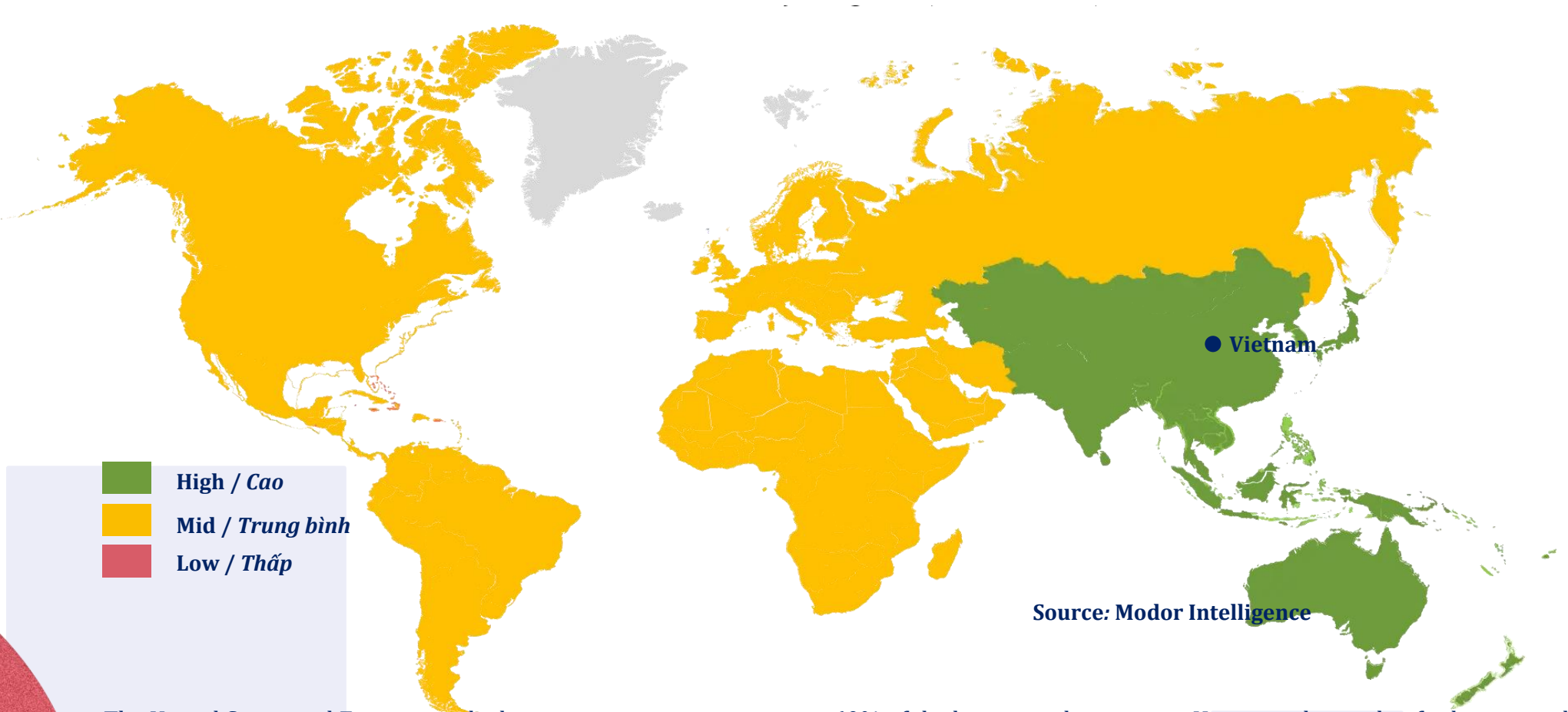
From Beddings to Home-living

Home-living Product Spectrum

<p>Furniture</p> <ul style="list-style-type: none"> Sofas & sectionals Chair, Armchairs & accent chairs Armoires & wardrobes Tables & desks TV & media furniture Dressers & storage drawers Display & storage cabinets Utility & storage carts Sideboards, buffets & sofa tables Room dividers Furniture sets Others 	<p>Beds & Mattress</p> <ul style="list-style-type: none"> Beds Mattresses Under bed storage Nightstands Bed slats Headboards Mattress bases and accessories Bed legs Bedroom furniture sets 	<p>Storage & Organization</p> <ul style="list-style-type: none"> TV & media furniture Shelving units, bookcases & storage options Display & storage cabinets Dressers & storage drawers Sideboards, buffets & sofa tables Armoires & wardrobes Storage solution systems Utility & storage carts Clothes organizers Storage containers Bags Moving supplies Others 	<p>Home office space</p> <ul style="list-style-type: none"> Desk chairs Desks & computer desks Desk & chair sets Drawer units Filing cabinets & storage cabinets Room dividers Desk lamps Cords & chargers Paper & media organizers
<p>Kitchens & Appliances</p> <ul style="list-style-type: none"> Appliances Kitchen islands & carts Kitchen systems Kitchen cabinets Kitchen doors & drawer fronts Kitchen faucets & sinks Kitchen drawer organization Kitchen countertops Kitchen wall organization & storage Kitchen pantry storage Modular kitchen cabinets & mini-kitchens Others 	<p>Baby & Kids</p> <ul style="list-style-type: none"> Baby Kids 	<p>Home Textiles</p> <ul style="list-style-type: none"> Decorative pillows & cushion covers Throw blankets Window treatments Beddings Bathroom textiles Baby & Kid textiles Kitchen linens & textiles Table linens Outdoor cushions Fabrics & sewing Clothing & accessories Chair pads Rugs 	<p>Home décor</p> <ul style="list-style-type: none"> Vases & bowls Decorative accessories Candle holders & candles Plants & flowers Wall décor Mirrors Clocks Noticeboards, memo boards, & bulletin boards Storage boxes & baskets Home fragrance & diffusers Holiday decoration Others
<p>Lighting</p> <ul style="list-style-type: none"> Lamps & light fixtures Decorative lighting Smart lighting Integrated lighting Bathroom lighting Outdoor lighting 	<p>Kitchenware & Tableware</p> <ul style="list-style-type: none"> Kitchen & cooking accessories Bakeware Knives & cutting boards Dinnerware Drinkware Flatware & cutlery Coffee & tea accessories Serveware Dishwashing accessories Cookware & kitchenware Kitchen linens & textiles Others 	<p>Bathroom</p> <ul style="list-style-type: none"> Outdoor flooring Oils, stains & product care Tools & hardware Knobs, handles, & pulls Backsplashes & wall panels Acoustic panels Moving supplies Home safety 	<p>Rugs</p> <ul style="list-style-type: none"> Plant pots & stands Plants & flowers Plant stands Watering cans & plant misters Plant supplies & accessories
<p>Outdoors</p> <ul style="list-style-type: none"> Patio furniture Picnic & outdoor recreation Outdoor storage benches, boxes & cabinets Outdoor pots & plants Umbrellas & gazebos Outdoor cushions Outdoor accessories Outdoor flooring Grills Outdoor rugs Outdoor lighting Outdoor kitchen 	<p>Laundry & Cleaning</p> <ul style="list-style-type: none"> Bins & bags Drying racks Ironing boards Cleaning accessories Dishwashing accessories Laundry baskets Laundry cabinets & shelving Laundry accessories Waste sorting 	<p>Home improvement</p> <ul style="list-style-type: none"> Outdoor flooring Oils, stains & product care Tools & hardware Knobs, handles, & pulls Backsplashes & wall panels Acoustic panels Moving supplies Home safety 	<p>Plants & Planters</p> <ul style="list-style-type: none"> Plant pots & stands Plants & flowers Plant stands Watering cans & plant misters Plant supplies & accessories
<p>Home Electronics</p> <ul style="list-style-type: none"> Cords & chargers Motorized shades Appliances Mobile & tablet accessories Speakers Air purifiers & filters Cable management & accessories 	<p>Pet accessories</p> <ul style="list-style-type: none"> Cats Dogs 	<p>Smart home</p> <ul style="list-style-type: none"> Smart systems & controls Smart air purifiers Motorized shades Wi-Fi speakers Others 	<p>Special occasions (Holiday, Summer ..)</p>

HOME TEXTILE MARKET – GROWTH RATE BY REGION (2022-2027)

CAGR
5%↑



Source: Modor Intelligence

The United States and Europe are the biggest consumers constituting 60% of the home textiles imports. However, the market for home textile in the **Asia Pacific is likely to show the most remarkable growth during the forecast period**. Key factors driving the robust growth rate of this region include surging per capita expenditure, availability of potential consumers in the market, increasing investments by major regional players, improving lifestyles of consumers, etc. are driving the demand of home textile in the market.

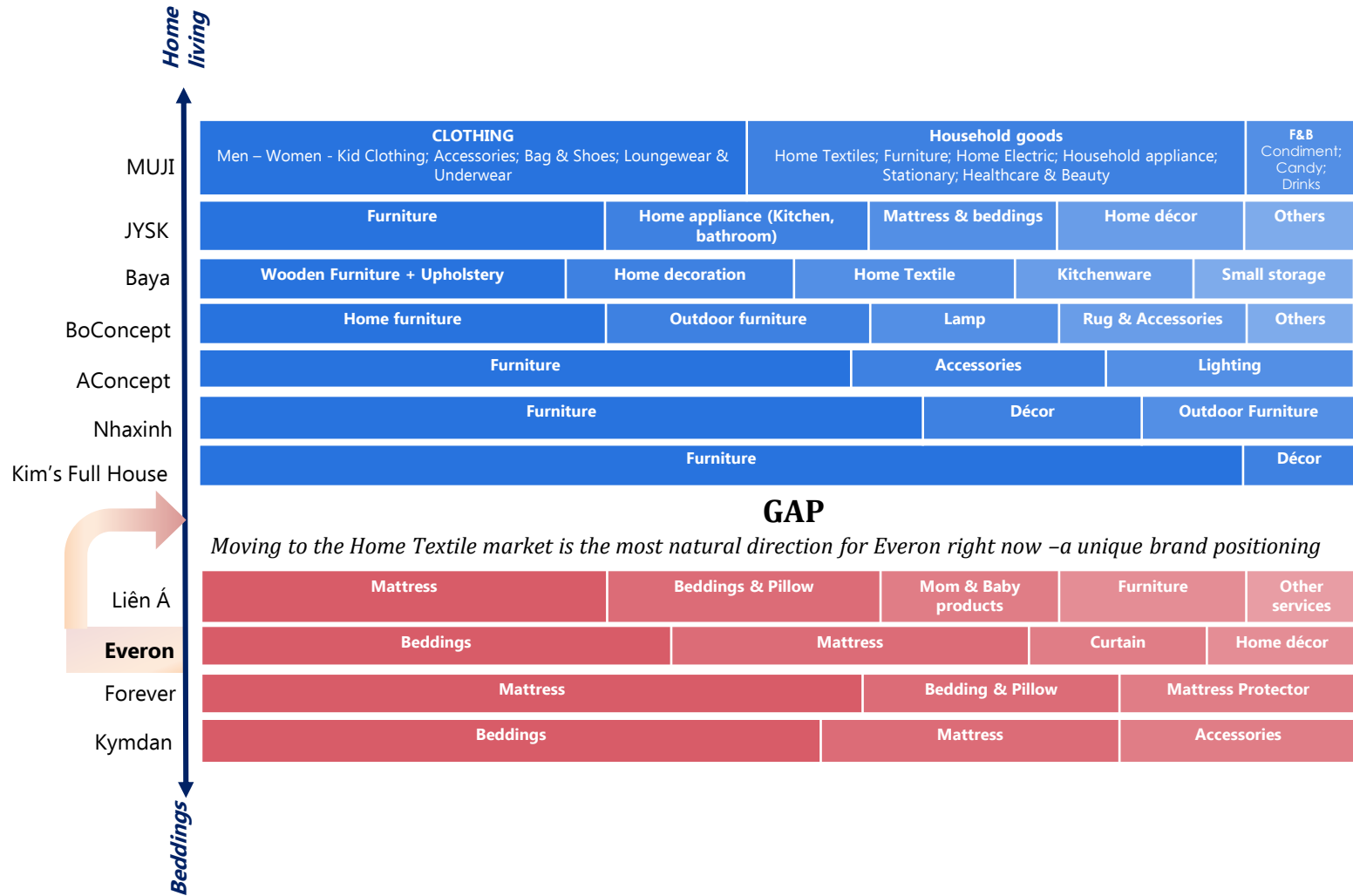
MARKET CONCENTRATION

HOME-LIVING INDUSTRY LANDSCAPE IN VIETNAM

Consolidated – Market dominated by 1-5 major players

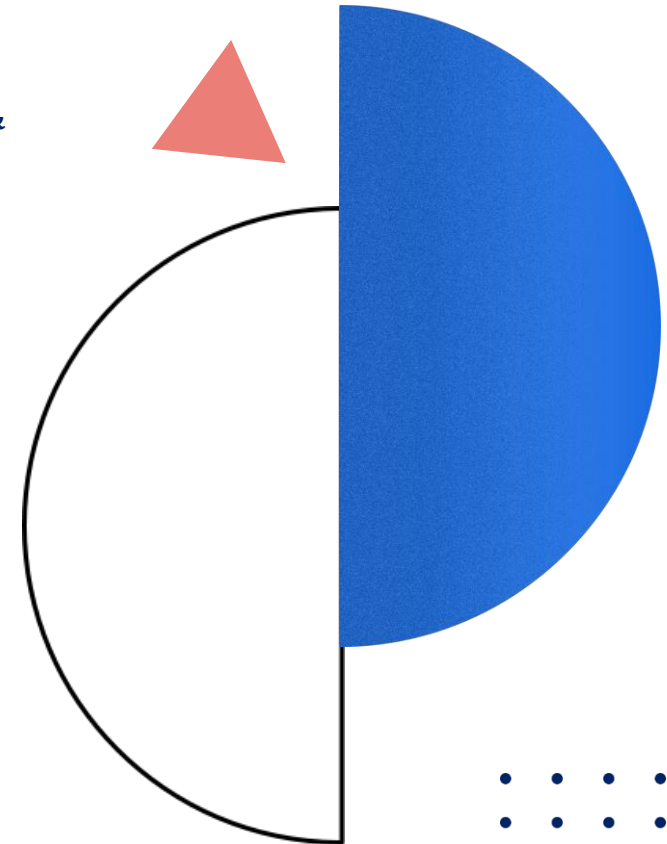
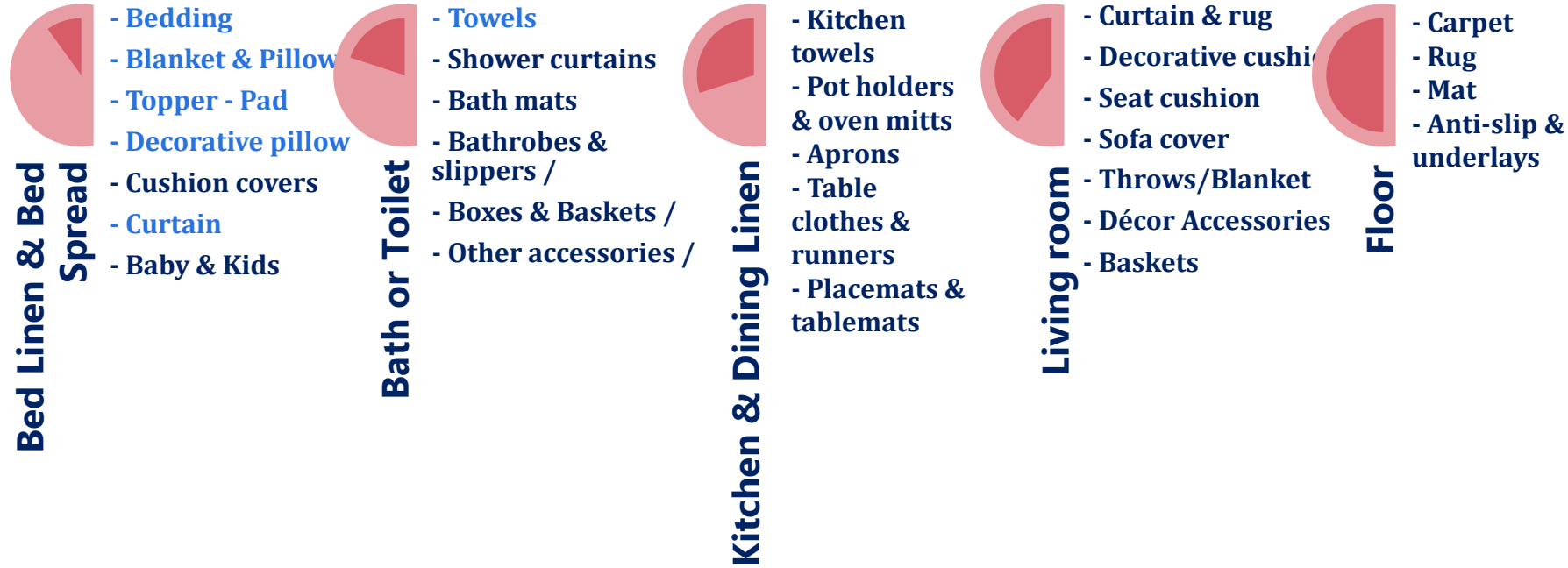
← **Global Home Textile market**
 ← **Vietnam Home Textile market**

Fragmented – Highly competitive market without dominant players



The market is traditionally dominated by multi-brand retailers, with **no to very few prominent brands**. The only brand with a distinctive Home Textile category in Vietnam is Muji, most others focus on bed linens. This is the chance for Everon to step up and tap into this emerging market.





More than 50% of the global home textile market are formed by bed linen and bed covers, followed by accessories and cushions, with a smaller share going to bathroom textiles



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