

4<sup>th</sup> Quarter, 2023

---

# Business performance update

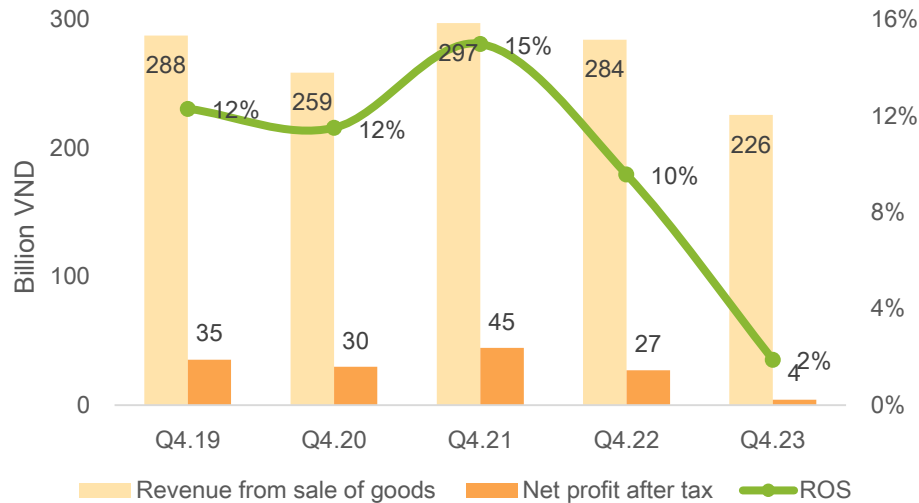
## | Content

---

1. Performance result of Q4 and 12 months 2023
2. Revenue structure
3. Profit structure
4. 2023 Highlights
5. FY2024 Outlook

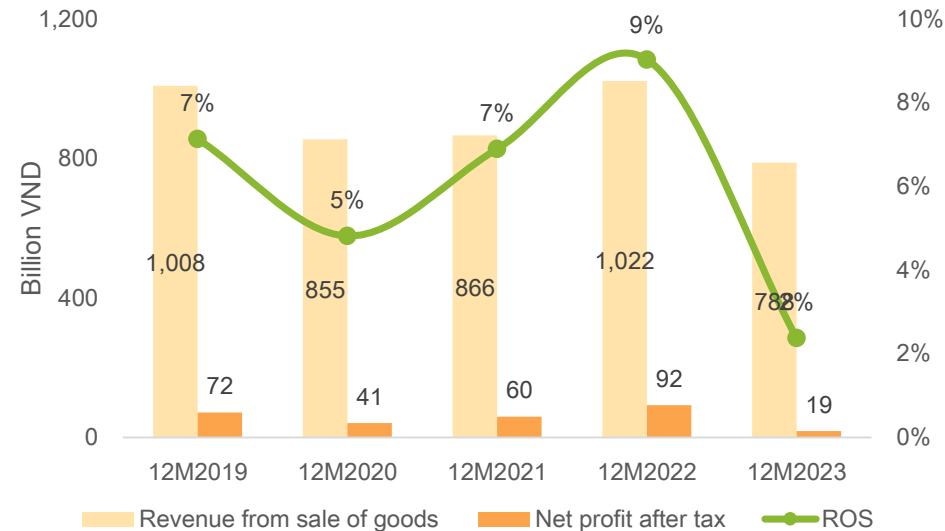
### Highlight of Q3.2023

#### Performance Result – Quarter 4



- The year 2023 was a prolonged period of difficulty for the entire Vietnamese economy, especially for the textile and garment industry, due to the impact of multiple factors. The main causes are the influence of inflation and fierce competition from export rivals.
- Businesses faced a surge in several costs. **Electricity price** increased by 3% since May and continued to rise since the beginning of November. **Labor costs** also went up under the pressure of competition in the labor market and according to the government's policy of increasing basic wage.

#### Performance Result – Accumulate 12 months



- At the end of Q4 and 12 financial months, Everpia's sales revenue reached **226 billion** and **788 billion VND** respectively, representing a decrease of **20%** and **23%** YoY. The overall revenue for the entire year only achieved 71% of the target set by the Shareholders' General Meeting.
- The after-tax profits for Q4 and 12M2023 were recorded at **4.3 billion** and **18.7 billion VND** respectively, down by **84%** and **80%** compared to the same period in 2022.



Revenue 12M 2023

**788** billion VND

▼ **23%** YoY

Achieved **72%**

Revenue Q4. 2023

**226** billion VND

▼ **20%** YoY



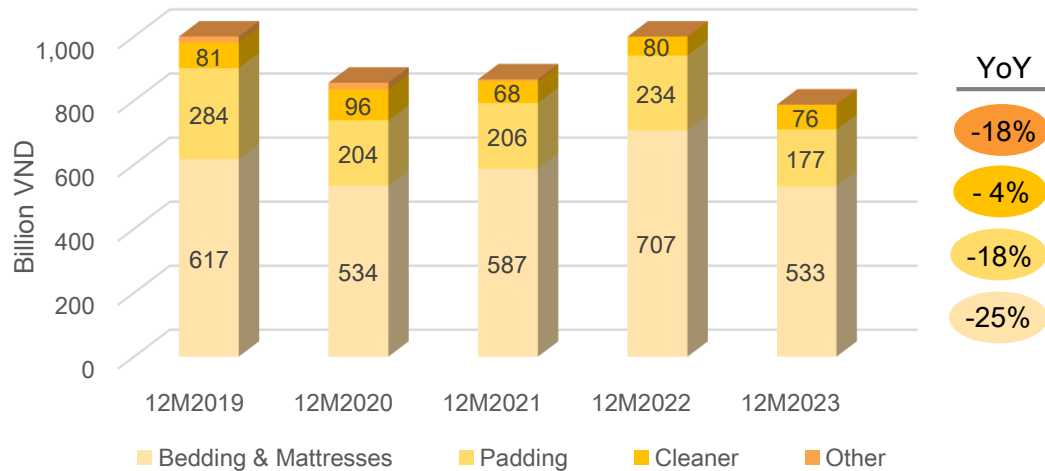
Net profit after tax

**18,7** billion VND

▼ **80%** YoY

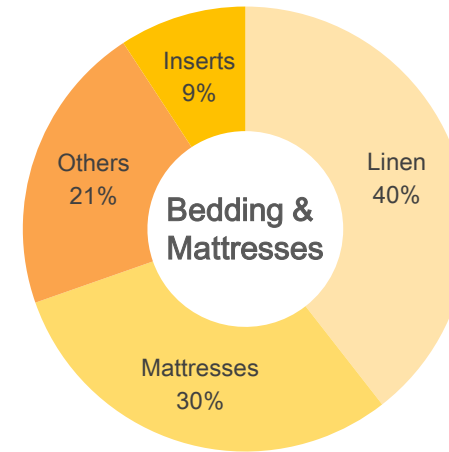
Achieved **34%**

## Revenue structure by product category



- **Bedding & Mattress:** The whole year revenue of finished bedding products reached **533 billion VND**, decreased by **174 billion**, equivalent to **25%**. Among which:
  - **209 billion** came from **Linen**, accounting for nearly **40%** of the total revenue.
  - **PE and spring mattresses** contributed **160 billion** (equivalent to **30%** of the total revenue).
  - **Inserts** achieved **49 billion** (equivalent to **9%**).
  - **Curtains and other products** such as topper, pads, carpets, multipurpose cleaners, etc., brought **112 billion**, accounting for **21%** of the total revenue.
- **Cleaner:** As consumer goods, the demand for cleaners has remained relatively stable. Its sales volume didn't decreased significantly, only by **5% YoY**. The revenue for the Cleaner products reached **23 billion VND** in the **4<sup>th</sup> quarter** and **76 billion VND** for the entire year of 2023.

## Revenue structure of Bedding and Mattress products



- **Padding:** The accumulated revenue for the 12 months of 2023 achieved around **172 billion VND**, dropped by **23% YoY**.
- The main reason for the reduction was that many customers of the company faced a shortage of orders due to the tense economic situation, and at the same time had a significant amount of excess inventory accumulated during the COVID-19 outbreak.
- Additionally, the reopening of the Chinese market and the higher competitive advantages of the textile industry in Bangladesh and Indonesia led to the intense rivalry in the supply chain. As a result, companies can shift their orders to those countries easily .



Bedding Revenue

**25%** YoY

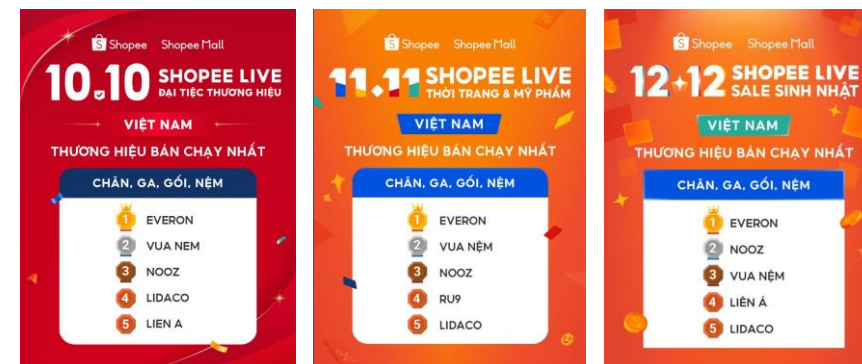
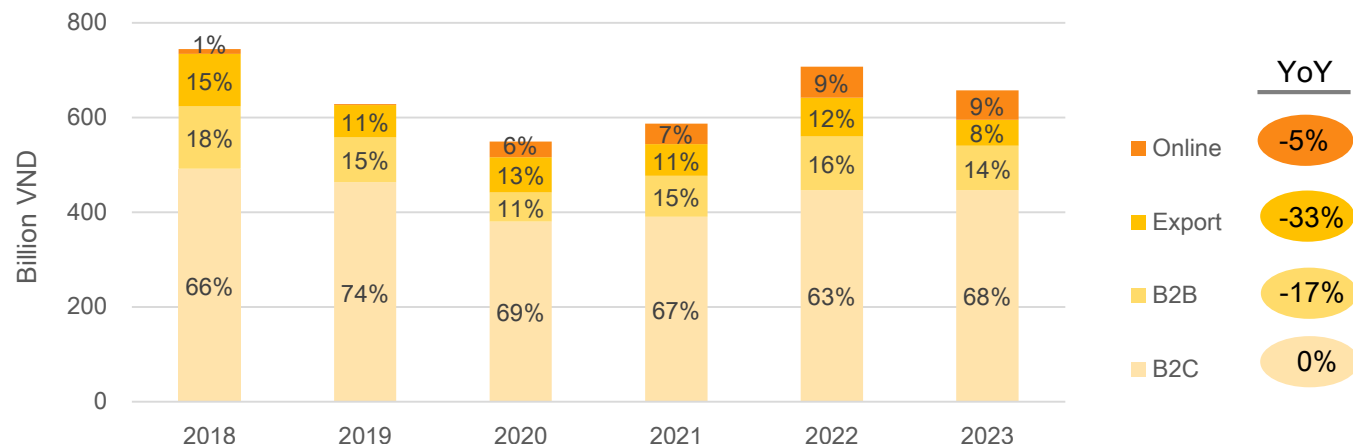

Padding Revenue

**18%** YoY


Cleaner Revenue

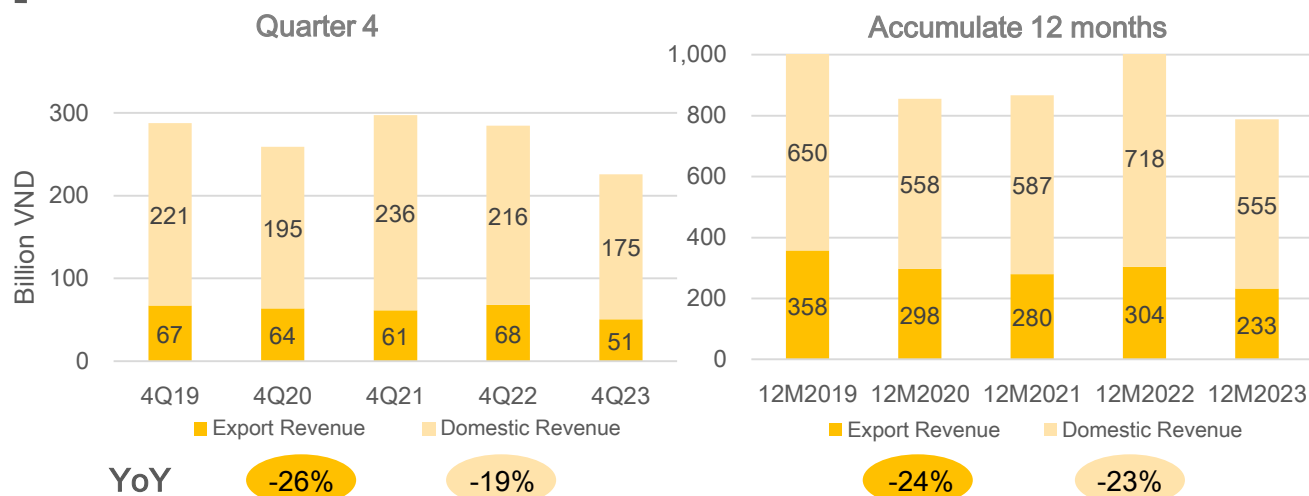
**4%** YoY

### Revenue structure of Bedding & Mattresses by sales channels



- Revenue from **Retail channel (B2C)** has experienced a significant decline of **33%**. With an aim to boost the revenue, Company launched a collection specifically designed for provincial markets, however, its sales volumes wasn't substantial. In addition, the late arrival of winter this year and consumer spending constraints due to inflation affected the business performance as well. Despite organizing promotions and sales campaigns with gifts, the sales for the last few months of the year remained lower than expected.
- 12 months passed, B2B channel generated a revenue of **83 billion VND, down by 17% YoY.**
  - There was strong growth in B2B channel in the North in the 4<sup>th</sup> quarter, with an accumulated total sales of over 63 billion. The majority were for bedding and mattress orders for grand hotels.
  - B2B team in the South brought 26 billion in revenue, with 45% of the sales coming from curtain orders for Techcombank offices.
- **Online channel achieved 61 billion VND in revenue, slightly declining by 5% YoY.** Everon consistently ranked first for achieving the highest revenue on Shopee e-commerce platform in the Home Fashion category at Shopee Mall during the last few months of the year. This achievement was a result of:
  - Utilized customer loyalty programs, support policies, and fully exploited the potential of Livestream on Shopee. These efforts not only boosted revenue but also maintained a customer retention rate of over 20%.
  - Timely upgraded the process and methods of packaging at the Hung Yen warehouse, optimized productivity from 1,000 orders per month to over 4,000 orders per month. This improvement effectively minimized the risk of order cancellations due to delivery speed issues.

### Revenue Structure: Export - Domestic



- The revenue from **export activities** met many significant challenges, reached 232 billion VND, experiencing a 29% decrease YoY. However, from September to the end of 2023, the export activities improved with a higher order quantity, and revenue showed a slight growth month by month.
- Company's competitiveness was weaker than in 2022 due to the products' incompleteness and higher cost of certain products like quilting pads and pillow inserts compared to outsourcing from South Korea. Additionally, company had to deal with customs issues from changes in indirect export regulations.

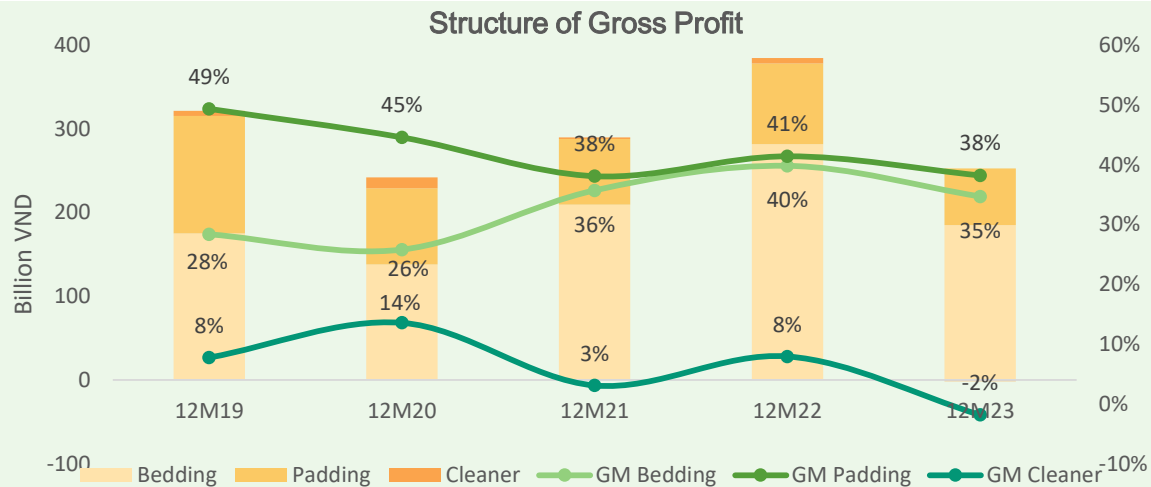
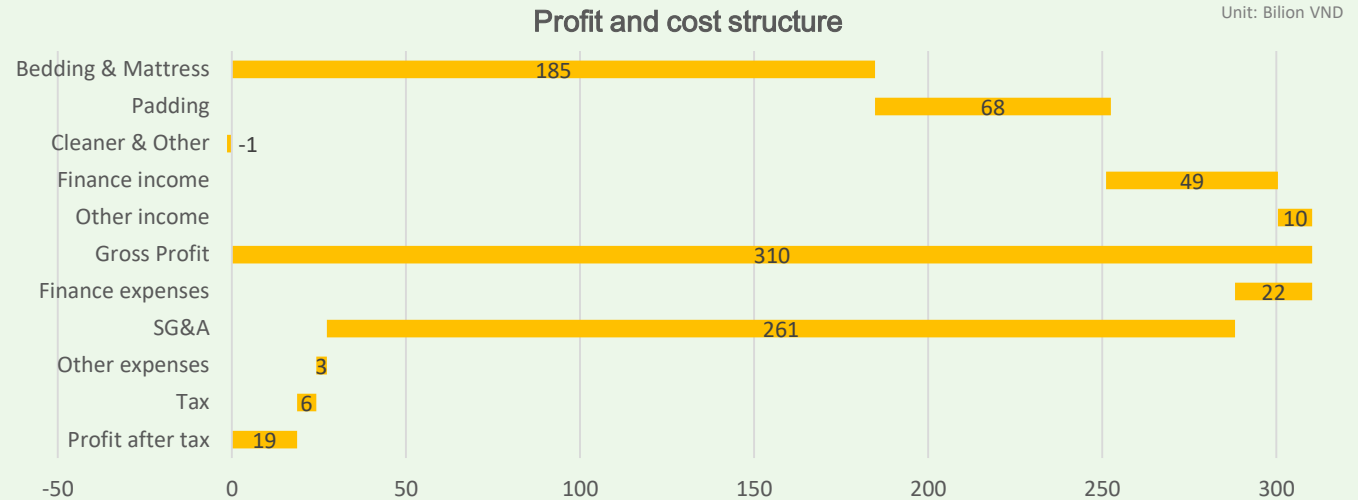
### Distribution system

	North	Da Nang	South	Total
<b>Number of agents</b>	<b>128</b>	<b>36</b>	<b>190</b>	<b>354</b>
- Agents	58	36	51	145
- GDB + DB	70	0	139	209
In which:				
- Newly opened in 2023	21	3	14	38
- Closed in 2023	14	2	39	55
<b>Number of showroom</b>	<b>7</b>	<b>2</b>	<b>12</b>	<b>21</b>

- After conducting a comprehensive evaluation of all agents based on important figures such as total revenue, profit, and sales growth rate, Company has decided to close down 40 inefficiently operating agents in 2023.
- Moreover, to drive growth, Company opened 16 new agents with suitable sales support packages. Expanding the distribution network is expected to bring more opportunities to expand to the new markets, enhance the company's presence, and increase sales volume.

## Profit structure

- Everpia earned a profit of **27 billion** from financial activities, including interest on deposits, foreign exchange differences reserve, and held-for-trading securities. Company has implemented effective investment strategies and risk management for short-term borrowings, as well as continuously updated and monitored the financial market to make informed decisions that generate high financial profits.
- Everpia only achieved a after-tax profit of **4.2 billion** in the final quarter, down by 82% YoY. For the entire year of 2023, Company generated a net profit of **18.7 billion**, decreased by 80% YoY.



- **Bedding** category achieved a gross profit of **185 billion**, accounting for 74% of the total profit, with a gross profit margin of 35%.
- **Padding** category recorded a profit of **68 billion**, with a slight decrease in gross profit margin which returned to 38%.
- **Cleaner** segment didn't maintain positive profit growth compared to last year due to the significant cost of good sold.
- Everpia is actively working towards controlling production costs and effectively managing profit margins

2023

### Customer-focused culture

- Built tools to maximize customer data collection from all distribution channels.
- Regularly assessed and analyzed customer needs and expectations.
- Improved customer experience at showrooms by installing AI cameras and standardizing operational processes.

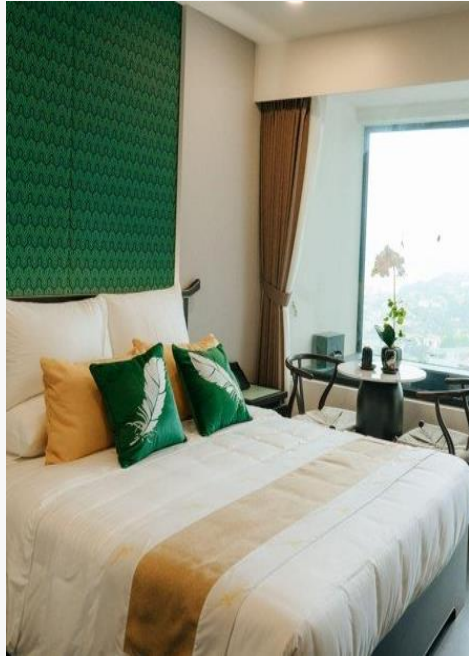
### Built a safe working environment that promotes advancement

- Actively encouraged employees to generate innovative ideas through organizing Innovation competitions, thereby promoting employee development and enhancing work efficiency.
- Increased salaries by 8% for employees in accordance with the Decree on minimum wage of employees, ensuring full and fair compensation for their economic rights and giving motivation and encouragement for their contributions.
- Collaborated with Nuvilab, a healthcare solution provider from South Korea, and installed AI food scanners in the factory's canteen to measure the meals' nutritional value and analyze employees' dietary intake, thereby ensuring the health of the labors.
- Organized a summer trip, sports competitions, and year-end party to create a cohesive and harmonious working environment among employees.

### Fully implemented shareholder relations activities

- Disclose information in a transparent and timely manner to investors regarding Company's activities.
- Created an open communication environment and fostering trust among shareholders, enhancing relationships, and receiving support from shareholders throughout the company's development and operations.





## B2B CHANNEL

### Major projects of the B2B department:

- 5-star hotels operating under the international standards: L7 West Lake Hanoi by Lotte, Lavender Resort Cam Ranh, Wyndham Thanh Thuy
- 4-star hotels: Lynn Times Phú Thọ, Citadines Marina Halong , Danitel Halong
- Commercial banks, Industrial zones: LienViet Post Bank, Hoya Glass Disk Vietnam

# BS1 COLLECTION

## Ánh sáng bình minh

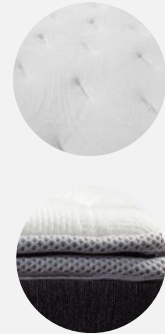
Exclusive 07 bedding designs  
for provincial markets.



## PRODUCT DIVERSIFICATION

Continue researching and developing high-quality pillows and mattresses from high-quality imported materials, which aims to provide the diverse choices and meet the diverse needs of customers.

See our product portfolio at: <https://everon.com/>



Top Plus PE Mattress



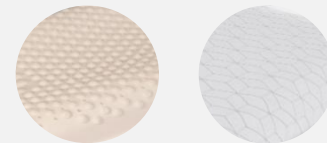
Everon Spring Mattress



Kingkoil Arise Spring Mattress



Latex Contour Massage Pillow



Anti-reflux pillow



## OUR EFFORTS TO PREVENT COUNTERFEIT GOODS

Everon's PE mattresses were featured in the exhibition “**Understanding Authentic Goods - Avoiding Counterfeit Goods**” organized by the General Department of Market Surveillance, showcasing both authentic and counterfeit products. Many products of Everon have been counterfeited and imitated intricately, sold on the market for several years now. This seriously undermines the Everon's reputation and poses risks to the health of consumers.

See detailed signs to identify authentic Everon PE mattress at: <https://everon.com/cam-nang-everon/3-cach-nhan-biet-san-pham-dem-bong-ep-everon-chinh-hang--n662.html>



# 2024

## Digital transformation to boost sales revenue

- Build specific KPIs for each agents to drive sales, as well as implement customized support policies for each agents, especially those in provincial areas.
- Develop an automation system to expedite processes such as warehouse shipment, product transportation, and order fulfillment.

## Continue to adhere to sustainable ESG standards

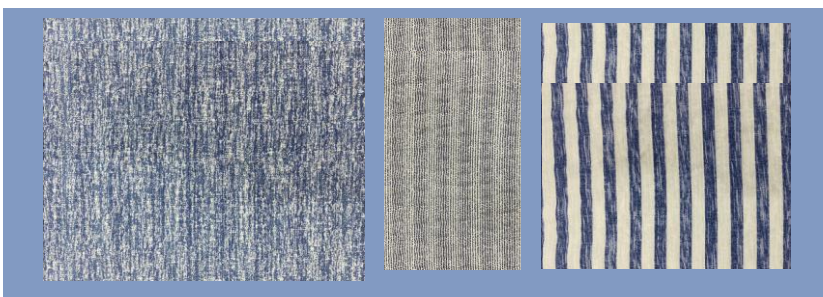
- Conduct HIGG assessment for the Giang Dien factory.
- Implement a roadmap to reduce the use of plastic packaging, decrease waste and aim to reduce green house gas emissions.

## Intensify efforts to prevent counterfeit Everon products

- Actively collaborate with relevant departments/authorities/agencies and television stations to prevent the proliferation of counterfeit Everon products in the market.
- Educate consumers via media to choose genuine Everon products and avoid purchasing counterfeit products falsely claiming to be from the Everon brand.
- Take various serious measures, including warnings and stringent actions against the stores which involve in manufacturing and selling counterfeit and imitation goods.

# PRODUCTS

- **Spring - Summer 2024 collection** with three main themes: Coastal Breeze, Nature's Heaven, and Blooming petals is scheduled to be launched in March 2024.
- In addition to the bed linen models of the annual Fall - Winter collection, Company will introduce **Everon Basic collection** with minimalist designs and neutral color palettes.
- Develop new line product of **PE mattresses** and **spring mattresses**.
- **Home textile products** such as curtains, rugs, and tablecloths will also be introduced to the customers simultaneously with the Spring - Summer collection.



## EXPORT

**2024: Aim to increase revenue from current corporate clients**

- With a strong reputation for product quality and timely delivery, Everpia is confident in achieving a 50% increase in revenue from current customers compared to 2023.
- Furthermore, Company will continue to perform a lot of marketing activities in order to seek orders not only in South Korea but also in other countries such as Cambodia or the Middle East.

## CLEANER

**Export target for 2024:  
To increase sales by 12% YoY**

- Many international customers have tried to reduce dependence on China and searched for alternative supply sources, which position Vietnam as a potential destination. It is expected that the demand for this industry will increase from 2024 onwards.
- Many new and potential customers from Japan and Europe are currently in the process of negotiation and discussion regarding the products.
- Everpia is striving to meet and comply with all social compliance criteria through BSCI assessment to be able to supply our products to Metro Cash and Carry supermarket chains in European countries.

## PADDING

**2024: Resurgence of orders.  
Focus on product improvement**

- Company has started receiving orders for 2024 from major corporates such as ANF, Pan Pacific, Ospinter, Columbia, Hahae, and Capital. This indicates a recovery in business operations and the return of important customers.
- Everpia has also gained significant attention and interest from new customers in Japan and we are currently in negotiations for potential new orders.
- Some premium cotton models are currently in the product finalization stage and are expected to be produced in mass quantities in 2024.

THE  
EVERLASTING  
VALUE OF  
LIFE





# | Disclaimer

The information in this presentation is being provided as a reference source only and is not being used for, and nothing in this presentation constitutes an offer, invitation or recommendation to sell or issue, or any solicitation of any offer to purchase or subscribe for, securities in Vietnam or any other jurisdiction. The information in this presentation is current only as of its date and the availability of this presentation shall not create any implication that there has been no change in Everpia's affairs since the date of this presentation or that the statement, information or opinions contained therein are current as of any time subsequent to its date.

Everpia is under no obligation to update this presentation. This presentation may contain forward-looking statements and these statements, if included, must be read with caution.

Please direct any questions to:

Planning team

[info@everon.com](mailto:info@everon.com)