



Everpia JSC

everpia

Artemis

K-BEDDING
BY EVERON

KING KOIL
MATTRESS CO.

BUSINESS PERFORMANCE REPORT

Q3 - 2024

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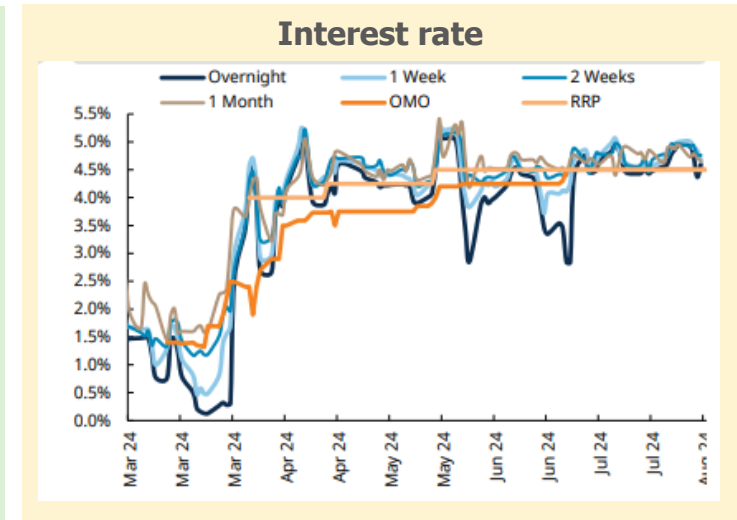
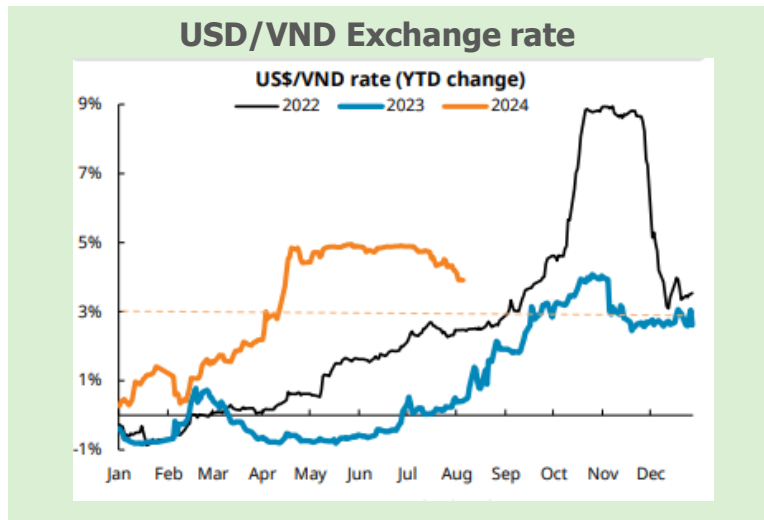
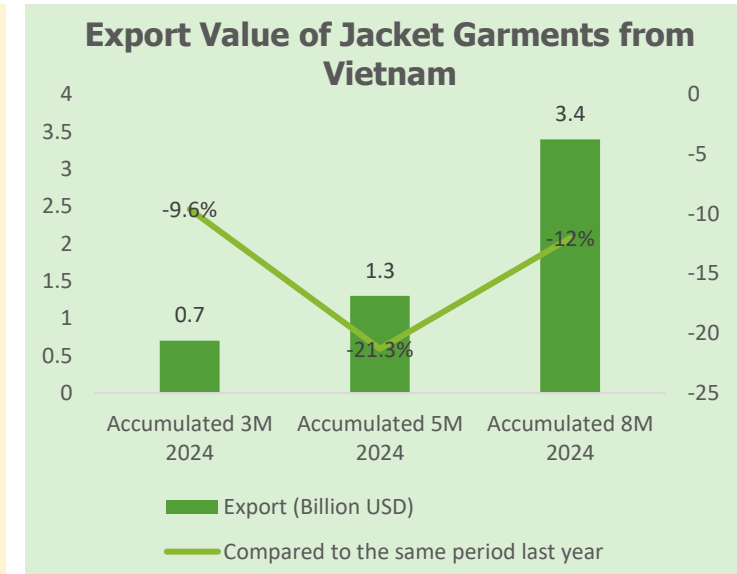
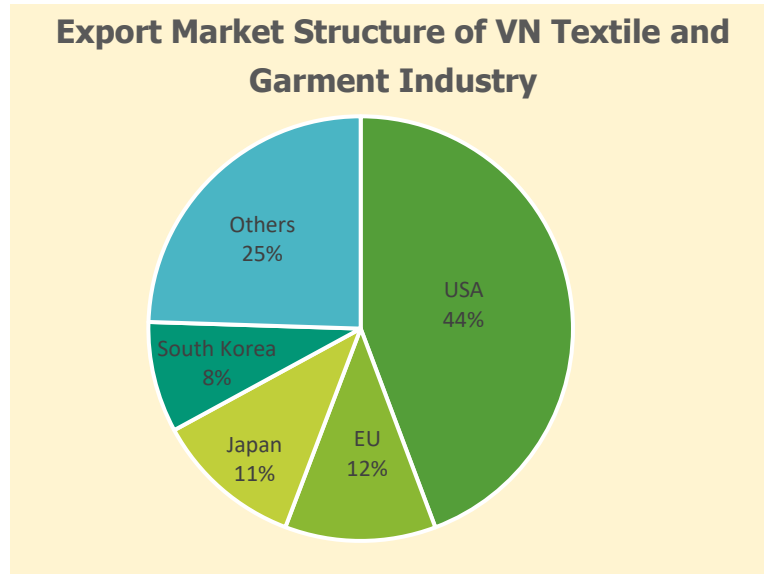
03 QUARTER III.2024 HIGHLIGHTS

04 OPERATIONAL PLANS FOR Q4 2024

01 MACRO ECONOMICS AND INDUSTRY UPDATES

Challenges from Macroeconomic Factors

- ❖ According to Vietnam Textile and Apparel Association's statistical report, Vietnam's total textile and garment export turnover in the first 9 months of 2024 reached 32.2 billion USD, an increase of 8.18% yoy. However, **orders from jacket and outdoor fashion** brands - the main customers of the Padding business - only reached 3.4 billion USD, **decreased by 12% compared to same period 2023**.
- ❖ Tension in **exchange rate** remains due to the significant interest rate difference between USD and VND.
- ❖ Input costs are expected to continue to rise due to increased shipping costs, wages, electricity bills and interest rates. Gross margin of textile and garment enterprises is low due to **the increase of 6% in minimum wage from July 2024** and the difficulty in increasing selling prices. Labor costs at textile and garment enterprises often account for 30-50% of total production costs, so the increase in wages would restrain the growth of gross margin. **Production electricity prices increase 4.8%** from October 11, 2024.

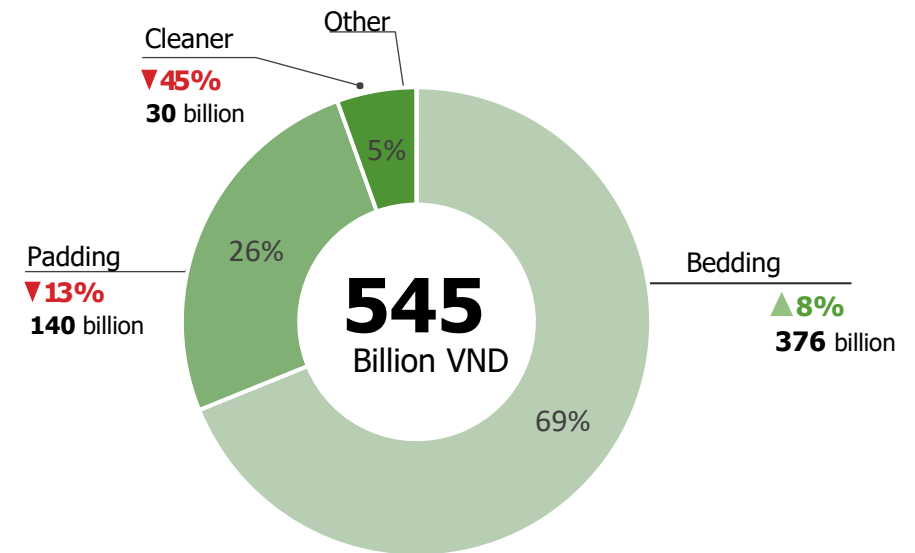
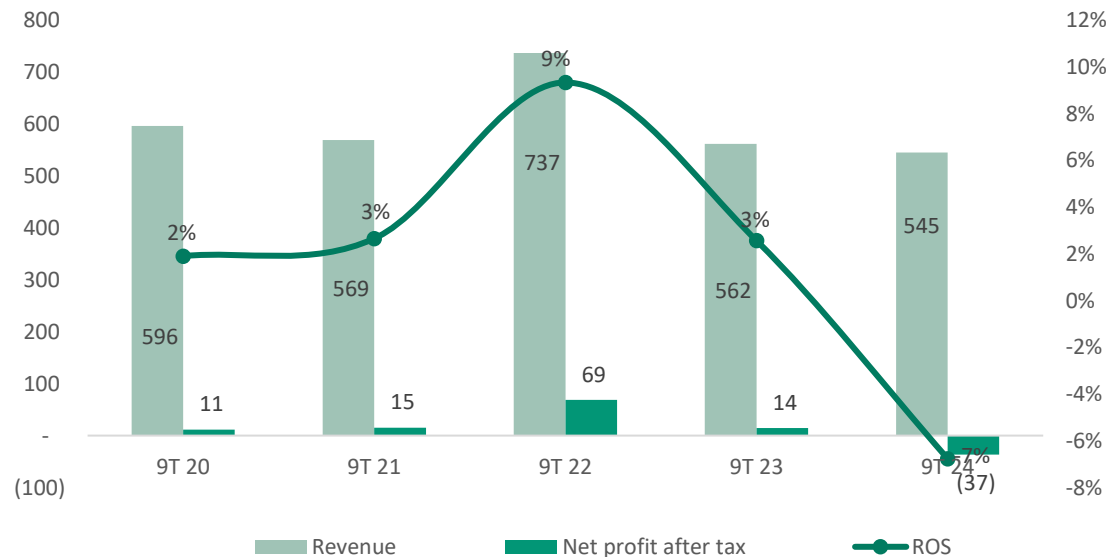


02 BUSINESS RESULTS OF 9 MONTHS 2024



Short – term decrease in Revenue and Profit due to changes in business strategy

- In the 3rd quarter and the accumulated 9 months, Everpia's net revenue from sales activities reached 208 billion and 545 billion respectively, decreased slightly by 2% and 3% over the same period last year.
- Bedding industry** recorded revenue **growth of 8%**, while the revenue of the Padding and Cleaner business decreased by 9% and 11%, respectively. Cleaner business revenue continues to grow negatively and decrease by 45%, affected by the fact that EVE has stopped production and sales of the Cleaner business from September 30, 2024.
- Although Revenue only decreased by 2%, **Profit after tax for 9 months decreased sharply** (negative 37 billion) , corresponding to a **profit margin** reduction to **negative 14%** . The negative profit was mainly due to increase in Cost of goods sold by increasing provisions and decrease in financial income.



Revenue by business segments

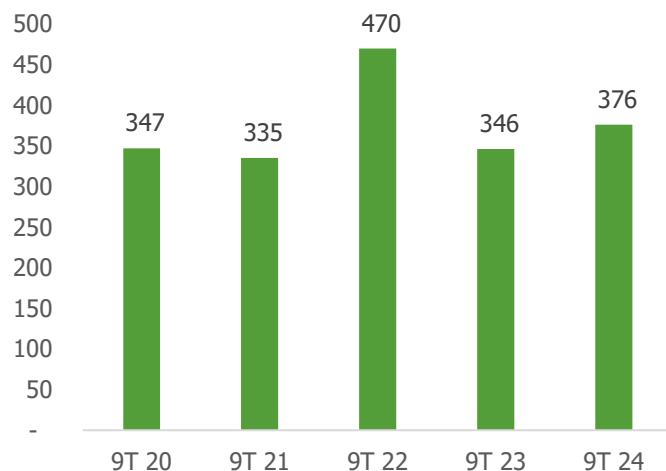
Unit: Billion dong

02 BUSINESS RESULTS OF 9 MONTHS 2024

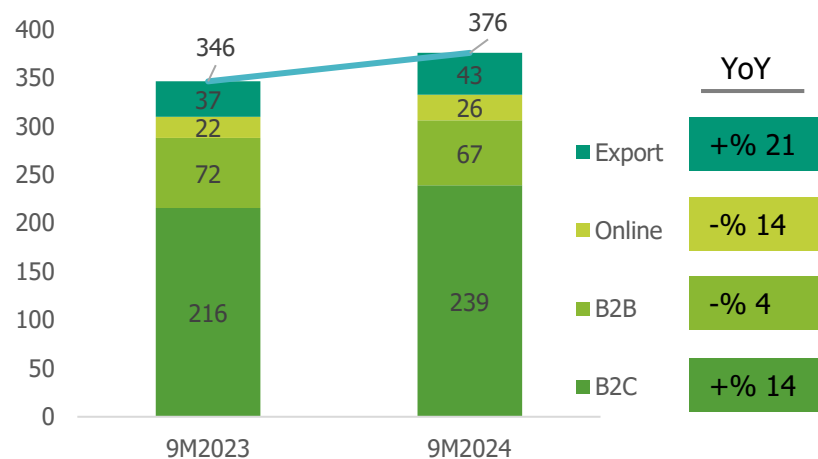


Bedding segment

Bedding revenue



Bedding revenue by channels



Đơn vị: Tỷ Đồng



Retail activity (B2C)

Revenue of B2C channel reached 239 billion, up by 11% yoy
 Agent channel sales increased by 10% due to positive effect of the Fall-Winter Bedding collection and new accessories.
 Sales of Mart channel increased by 17% due to increasing sales events in hot zone with lots of traffic at 3 supermarkets: Emart, Aeon mall Tan Phu and Aeon mall Binh Tan and opening a "shop in shop" model in key locations at Mega An Phu HCM and Mega Thang Long Hanoi. Besides, EVE's also adding many new K-Bedding designs for sale at supermarkets.



Hotel orders (B2B)

Sales of B2B channel reached 67 billion, down slightly by 7% compared to the same period in 2023. Southern B2B sales decreased as many projects in the Southern region being delayed or stopped.
 Meanwhile, B2B Hanoi and B2B Da Nang increased by 21% due to large orders from projects such as Wyndham Thanh Thuy, Lasetas Cruiser, Lotte - Dao Tan, Dusit, Crown Plaza and Center Point.



Export Channel

Export channel revenue reached 43 billion, up by 21% as orders from existing customers increase



Online Channel

Online channel revenue reached 26 billion, increased by 20% due to:

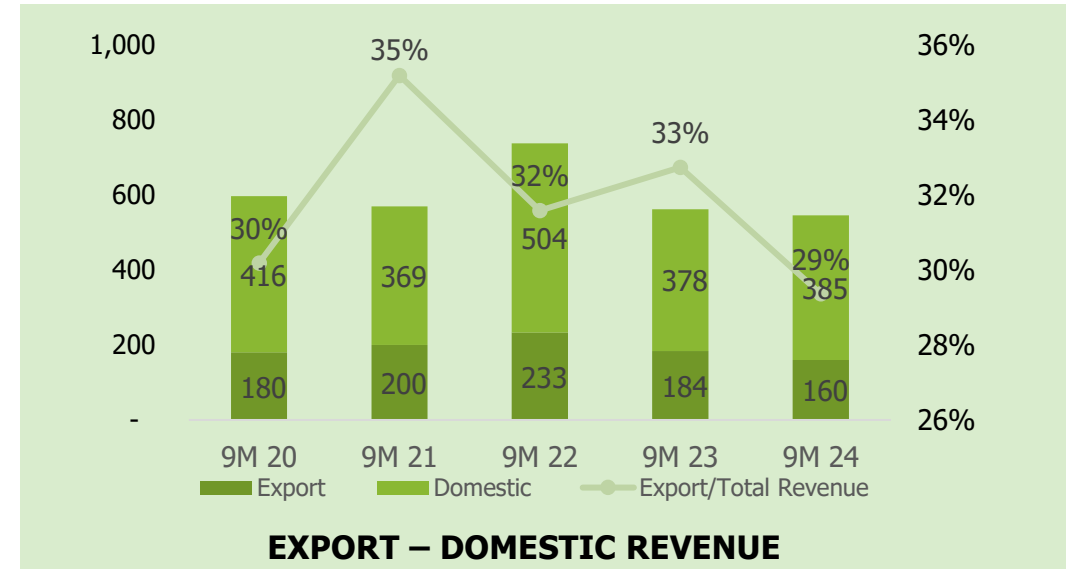
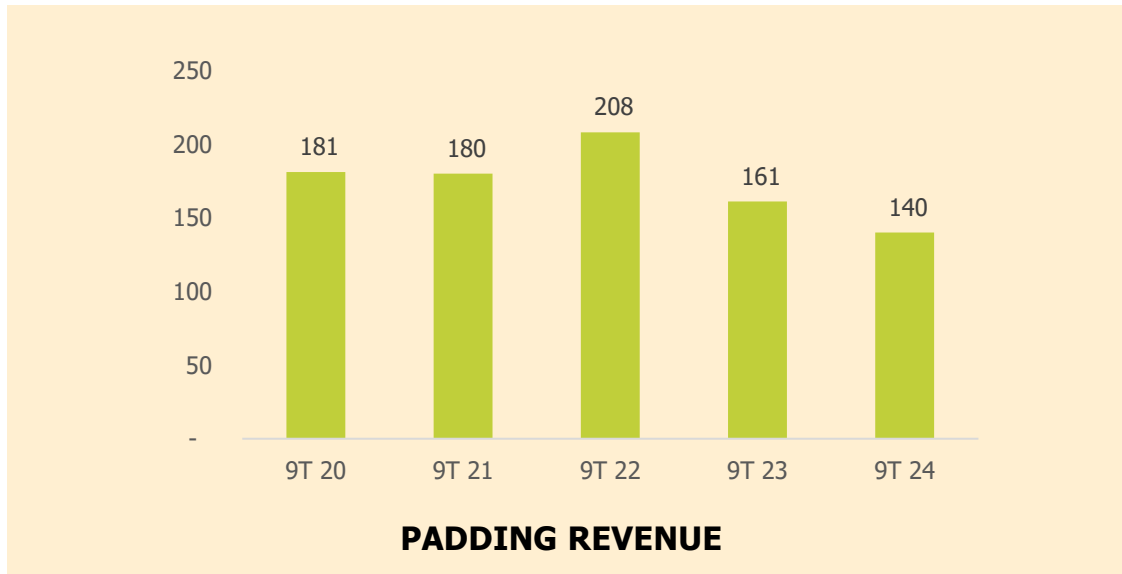
Revenue growth on Shopee and Facebook: Strategic partnership with Shopee has played an important role in taking advantage of opportunities and resources to enhance promotion on e-commerce platforms. Efforts to improve communication and interaction with customers on Facebook also brought positive results by building standard operating procedures (SOPs) and customer interaction processes.

- New website interface: In June 2024, the everon.com website launched a new interface that is more consistent with the company's brand strategy, bringing a more modern and sophisticated image, enhancing the user experience. consumption.
- Deploying CDP system application: Deploying the Customer Data Platform (CDP) has centralized data sources and optimized the customer journey, to increase profits and better meet customer requirements.

02 BUSINESS RESULTS OF 9 MONTHS 2024



Revenue in businesses still falling short of expectations



The **Padding business** recorded modest sales at **140 billion VND**, down **13%** yoy:

- Orders for garments that not using padding increased sharply, but orders using padding have not seen any growth (jackets order).
- Highly competitive with cheap padding imported from China and countries with low production costs such as Myanmar or Bangladesh.
- Vietnamese government's tax policy for foreign garment companies in Vietnam: companies have to bear additional costs of renting bonded warehouse and shipping costs, so customers are moving production to other countries.
- There are more low-cost processing units in the country.

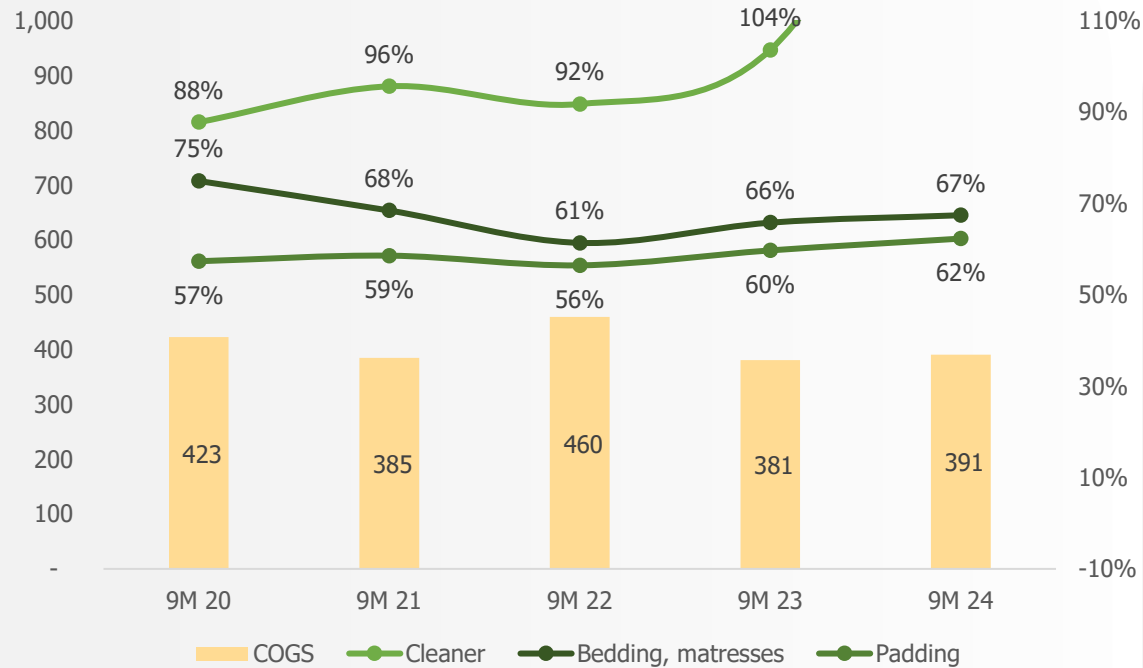
The ratio of **export revenue/total revenue** sharply decreased due to:

- **Padding:** Orders from major brands such as Columbia, A&F and ZARA (TP INC, Hahae, Apparel Tech, etc.) decreased over the same period
- **Cleaner:** Due to the decision to narrow production, from the beginning of the third quarter, Everpia only focused on producing contracted orders instead of adding new orders.

02 BUSINESS RESULTS OF 9 MONTHS 2024



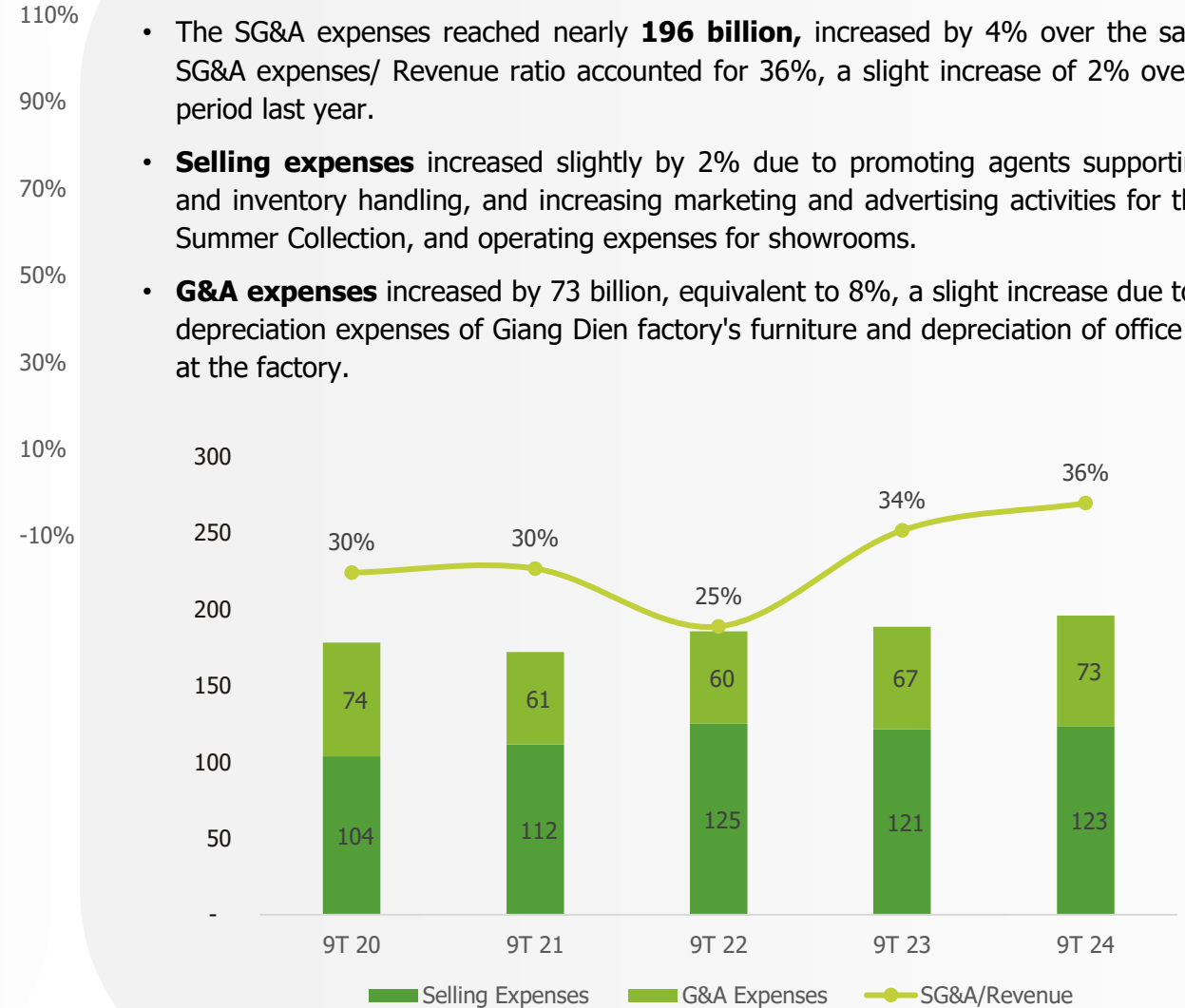
COST OF GOODS SOLD



- COGS/Revenue ratio in all three business lines: Bedding, Padding and Cleaner is 67%, 62% and 169% respectively.
- **Cost of goods sold increased slightly mainly due to:**
 - Increase in provision for inventory for the Cleaner business.
 - All 3 factories are not operating at full capacity as there are not many orders, in addition, Giang Dien factory has just gone into production, only reaching an average of 60-70% capacity, therefore depreciation expenses and other overhead expenses are directly calculated in COGS, increasing the COGS in the period.

SELLING AND GENERAL & ADMINISTRATIVE EXPENSES

- The SG&A expenses reached nearly **196 billion**, increased by 4% over the same period. SG&A expenses/ Revenue ratio accounted for 36%, a slight increase of 2% over the same period last year.
- **Selling expenses** increased slightly by 2% due to promoting agents supporting in sales and inventory handling, and increasing marketing and advertising activities for the Spring - Summer Collection, and operating expenses for showrooms.
- **G&A expenses** increased by 73 billion, equivalent to 8%, a slight increase due to increased depreciation expenses of Giang Dien factory's furniture and depreciation of office equipment at the factory.



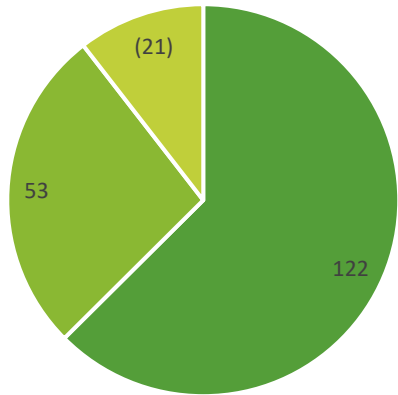
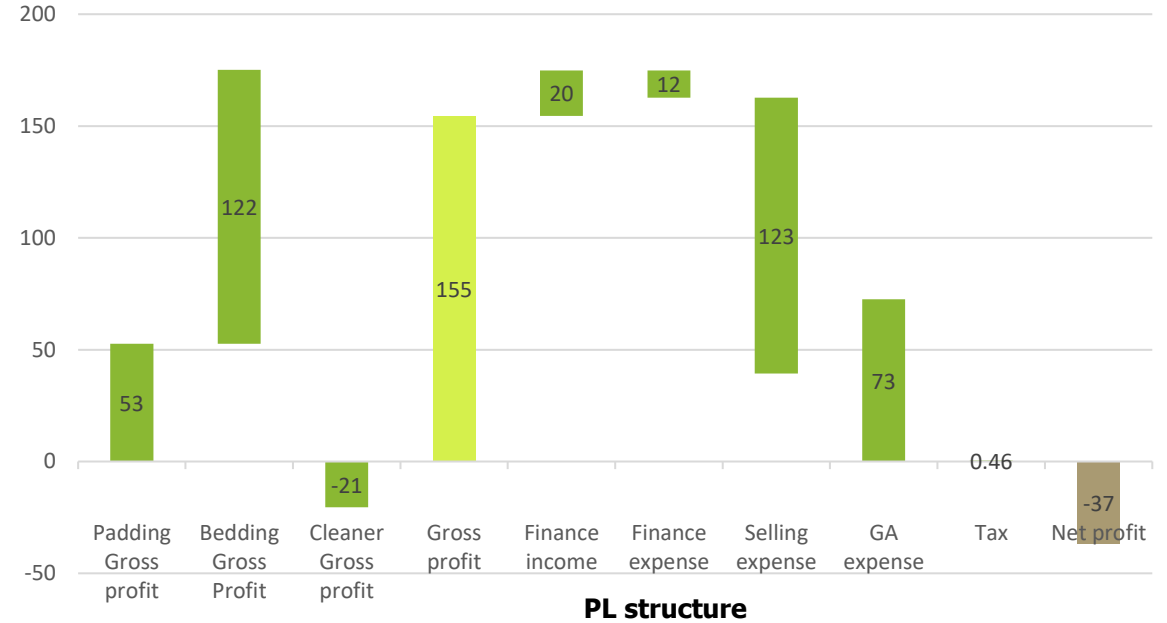
Unit: Billion dong

02 BUSINESS RESULTS OF 9 MONTHS 2024

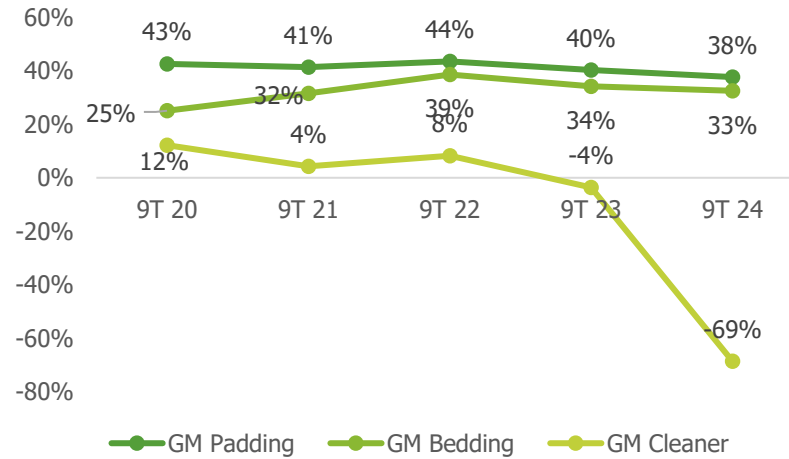


Profits continue to be negative

- The company obtained **20 billion** in financial income, including **4.8 billion** gain from trading securities and 11 billion from interest income. Financial income decreased sharply by 22 billion VND (52%) as affected by the impact of a long-term decrease in interest rates, as well as the negative impact of exchange rate fluctuations on export-import activities.
- **Financial expenses** main decreased by 28% due to reduce in interest expenses..
- **Profit after tax** in the first 9 months of the year reached **negative 37 billion**.



■ Bedding and Mattresses ■ Padding ■ Cleaner



Gross profit of business line

- Bedding business achieved a gross profit of 122 billion, accounting for 79% of total gross profit, gross profit margin reached 33%.
- Regarding the Padding business, the company recorded a gross profit of 53 billion VND, gross profit margin decreased slightly to 38%.
- Cleaner's gross profit is currently still negative, and dropped sharply to negative 69% due to increase in provision when the Company decide to stop production and business activities for Cleaner.

02 BUSINESS RESULTS OF 9 MONTHS 2024



Closing Cleaner business: Main reason causing EVE's profit in 9M2024 to drop

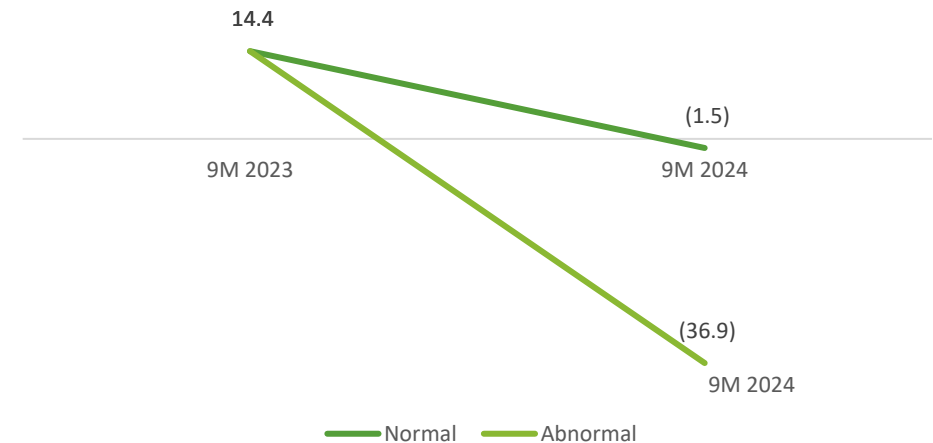
As EVE decided to stop Cleaner business in 30/09/2024, we made provision for devaluation in Cleaner's inventory and provision for loss in disposal of Cleaner's machinery, which significantly increase Cost of goods sold and Other expenses.

This is an abnormal effect from change in business strategy, and also the main reason causing EVE's profit to significantly drop to negative 37 billion VND.

Profit after tax in normal condition (without provision and estimated loss abovementioned) would be negative 1,5 billion VND (please refer to table below)

Detail of abnormal effect from closing Cleaner to Profit after tax	9M 2024
Profit after tax (before accounting for provision and estimated loss of Cleaner)	(1.5)
Provison for devaluation in inventory and estimated loss in machinery disposal of Cleaner + Other expenses/ tax expenses affected by making the provision	35.3
Profit after tax (after accounting for provision and estimated loss of Cleaner)	(36.9)

Comparison of changes in Profit after tax in normal and abnormal condition



03 QUARTER III.2024 HIGHLIGHTS

➤ **Launching new product lines**

Bedding accessories ●



Topper



Bedding Protector

Decorative accessories ✨



Cushion



Blanket

Bathroom accessories ✨



Towel

» ✨ **New products**

● **Improved products**

03 QUARTER III.2024 HIGHLIGHTS

➤ Insert accessories

Everon's blanket collection is meticulously selected, providing excellent comfort and suitable warmth level.

Safe and skin-friendly materials making them the perfect choice for year-round comfort.

Strategic product lines



Classic - New

Standard - New

Everon - Micro

Neck - relaxing

Bolster

Decorative pillows

Children's pillow

Basic line ●

» Improved products ●

03 QUARTER III.2024 HIGHLIGHTS

➤ Kid accessories

Safety materials have been tested.

Funny patterns and useful uses help your baby sleep well no matter where they are

With sensitive skin, babies always need to use the softest, most benign products



03 QUARTER III.2024 HIGHLIGHTS

► Decorative accessories and Bathroom accessories

Bamboo and Cotton materials – well absorb and soft for the skin

"Living space" is the place to help you find energy after a long day of work, a place to promote creativity and inspiration for your career, a small corner to live a fulfilling, interesting and memorable life with beloved ones.



Simple, elegant, delicate design



Soft absorbent cotton fabric



Benign, suitable for kid



03 QUARTER III.2024 HIGHLIGHTS



➤ Everon.com website interface for B2B channel



Sản phẩm chất lượng ưu việt và đáng tin cậy

Đạt tiêu chuẩn quốc tế

Quy trình của chúng tôi tuân thủ nghiêm ngặt theo chứng chỉ Oeko-Tex, BSCI, ISO 9001, GRS, and HIGG.

Cam kết mẫu mã chính xác

Chúng tôi đảm bảo "Những gì bạn thấy là những gì bạn nhận được".

Thương hiệu toàn cầu

Là nhà sản xuất độc quyền tại Việt Nam đệm Kingcoil Mỹ

Xem thêm >

Everpia is trusted by



We serve



Chăn ga khách sạn



Các sản phẩm Nệm, Đệm



Đồ vải phòng tắm (Khăn, thảm chân, áo choàng....)



Mành rèm



Quà tặng và các sản phẩm khác

Một đối tác chiến lược và bền vững

Là thương hiệu chân gà gối đệm dẫn đầu

Với 8 năm liên tiếp được công nhận trong Top 100 doanh nghiệp bền vững tại Việt Nam với vị trí tiên phong.

Có tiềm lực tài chính

Với sự bền bỉ qua năm tháng, chúng tôi đảm bảo sự ổn định tài chính để trở thành đối tác tin cậy của quý khách hàng.

Quy mô toàn quốc

Với hơn 1.200 nhân viên tại các nhà máy Hà Nội, Hưng Yên và Đồng Nai; cùng các van phòng tiếp thị có vị trí chiến lược tại Hà Nội (Miền Bắc)

Xem thêm >



Experience the new interface at: [Everon B2B](#)

500k

780k

We don't just offer product, we develop for you

220k

125k

Liên hệ với đội ngũ chúng tôi

125k

Miền Bắc

Miền Trung

Miền Nam

24 Hours
Reply within

400+
Retail Stores

99+ Times/Year
Market Research

03 QUARTER III.2024 HIGHLIGHTS

➤ Everpia Giang Dien awarded EDGE Advanced Certificate

- Giang Dien Factory received EDGE Advanced Certificate for the completion phase.
- One of the eight factory projects in Vietnam awarded the EDGE ADVANCED certificate by Internation Finance Corporation (IFC), World Bank
- **Giang Dien Factory is a symbol of Everpia's dedication towards sustainable development and the goal of carbon neutrality by 2050, demonstrated through:**
 - Green construction
 - Scalability and accessibility
 - Alignment with global sustainable development goals



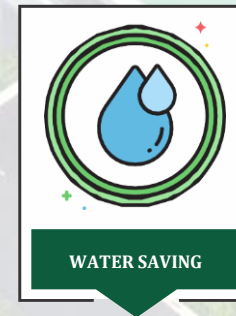
ENERGY SAVING

Reduced window in wall
External sun shading device
Energy - saving light bulbs



MATERIALS SAVING

Slab floor - Reinforced concrete floor on site
Roof structure - Steel panels on steel trusses
Internal walls - Autoclaved aerated concrete blocks
Floors - Finished concrete and ceramic tiles
Window frame - Aluminum



WATER SAVING

Dual flush system for toilet
Water-saving toilets
Foam generator for faucet
Automatically shuts off faucet



04 ACTION PLANS FOR Q4 2024

➤ Focus on B2C sales channel

- Motivate agents to complete annual sales targets
- Support agents to display and promote accessories products
- Support agents in organizing sales programs to reduce existing inventory and maximize sales

➤ Maintain growth rate of Online sales channel

- Focus on advertising and increasing traffic on platforms owned by Everpia such as website and Facebook Everon, K-Bedding to increase direct sales to customers and reduce dependence on e-commerce platforms
- Develop more accessories products in the Online sales channel..
- Coordinate with MT channel to promote and increase sales of K-Bedding products
- Reduce selling expenses by self-implementing communication programs, reducing the purchase of marketing packages, and using reasonable costs for activities that directly generate revenue.



➤ Year-end promotions

- Organize sales programs to promote sales and clear inventory
- Coordinate with agents to organize promotion programs for each province



➤ Maximize sales from the Mart sales channel

- Focusing on 03 large shopping mall chains: Mega, Emart, Aeon VN
- Organize outlet events
- Widely distributing latex mattress lines: Everon latex and K-Bedding latex



BEDDING EXPORT

Market expansion

- Exporting bedding will be a strategic activity in Everpia's short and medium-term plan. The markets that the company has been focusing on include Australia, New Zealand, the US, Korea and Cambodia.
- Everpia Giang Dien has signed a contract and will produce and deliver goods to 02 large importers in Korea in the fourth quarter of this year.
- Everpia Hung Yen continues to produce for signed orders and receive orders from traditional customers.

PADDING & QUILTING

Develop new customers, new products

- New Padding products including water-resistant padding and biodegradable padding have been successfully developed by Everpia and are being strongly marketed to customers.
- New customer portfolio is constantly expanding thanks to the efforts of the Marketing team in both Hanoi, Dong Nai and Korea. These customers are expected to contribute significantly to Padding revenue in 2025.
- The company is continuing to research padding products with high applicability to provide for Businesses that produces fabric household appliances.

B2B

Increase sales from gift orders goals

- In addition to early completion of signed orders, B2B is trying to seal the hotel bedding contracts deal under negotiation to record sales in fiscal year 2024.
- Gift bedding products are currently being produced and EVE will promote promotional activities to serve corporate events and gratitude activities at the end of the year.
- Build a flexible marketing and sales plan to create a premise orders for 2025

04 OPERATIONAL PLANS FOR Q4 2024

➤ B2B gift set

Gift sets are produced according to the specific requirements of each business

"Tet gifts" are products produced for promotional programs and employee gifts at the end of the year.

Bedding gift set



Winter blanket set



Quilted sheet set



- 1 duvet cover/four-season blanket
- 1 elastic sheet/tufted elastic sheet according to bed size
- 2 pillowcases 45x65cm size

Towels and accessories



- Hand towels/ Face towels/ Bath towels
- Family towel set
- Bathroom accessories

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Thank you!

