

2Q2023

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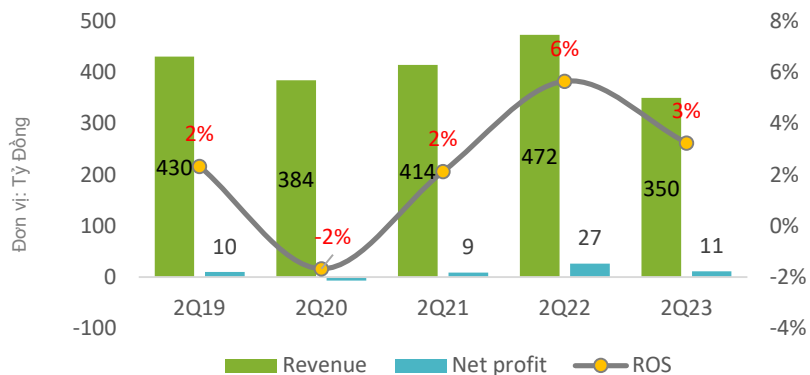
# BUSINESS PERFORMANCE UPDATE



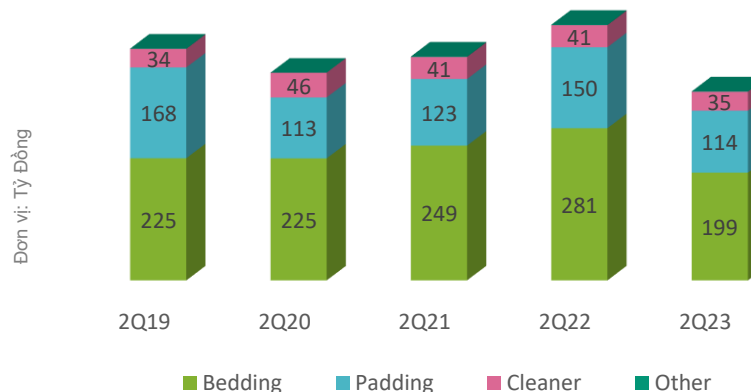
Everpia JSC | Planning Team

## Sales overview

Business performance results



Sales breakdown by business unit



- Inflation in the first half of 2023 increased by 4.33% compared to the same period in 2022, the average CPI increased by 3.29%, making domestic consumers tend to spend more budget on essential items.
- Textile export activities were quiet, down 17.6% over the same period.
- Faced with general economic difficulties, EVE recorded a decrease of 26% in revenue; profit decreased by 58% over the same period last year.

- **Bedding:** retail sales decreased by 31% because agents prioritized clearing inventory and waiting for a support policy to reduce VAT from 10% to 8%, applied from July 2023. The Bedding export of decreased by 24% because old customers reduced the proportion of orders and new customers only bought with the minimum of quantity. Bedding Online continues to be the bright spot with 142% growth in sales.
- **Padding:** Along with the gloomy situation of the world textile market and competition on selling prices of businesses in Bangladesh, India, Myanmar, Shrilanka, the revenue of 1H2023 decreased. 24% over the same period



Revenue

350 Bil VNĐ



Net Profit

11 Bil VNĐ



Bedding Revenue

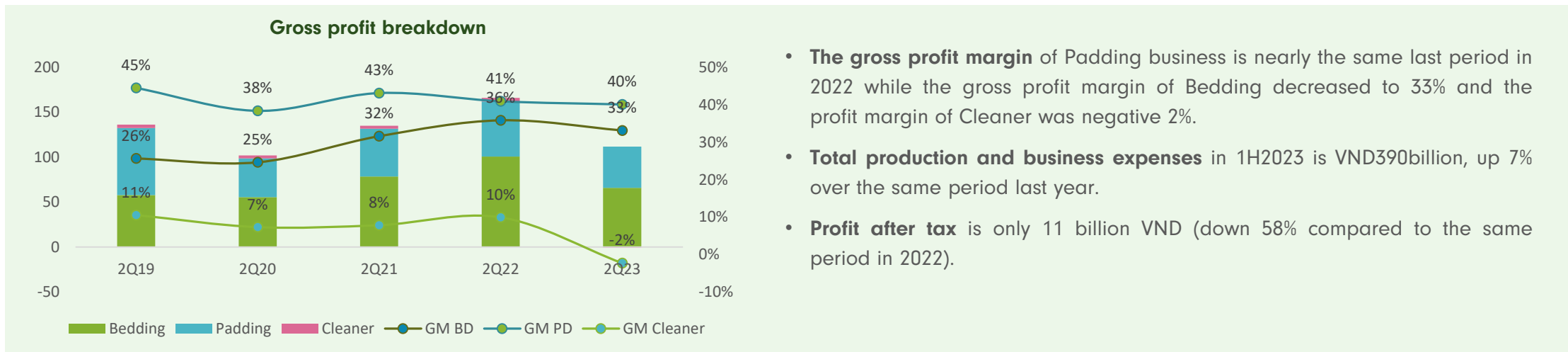
▼ 29% YoY



Padding Revenue

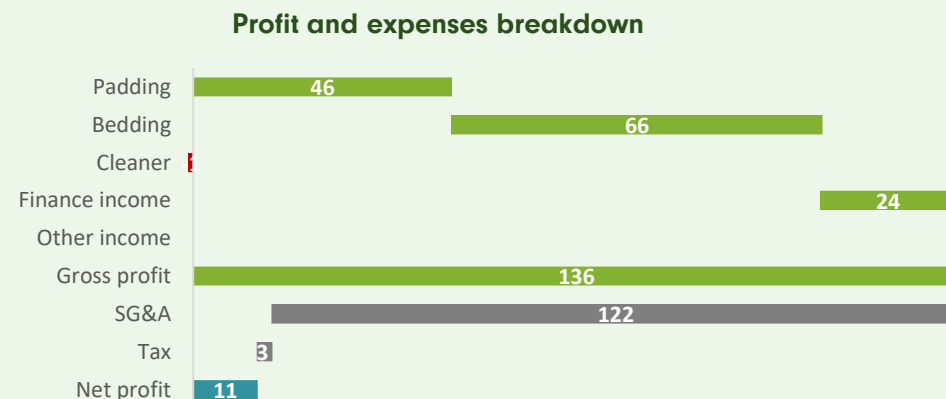
▼ 5% YoY

Profit and expenses overview



- **The gross profit margin** of Padding business is nearly the same last period in 2022 while the gross profit margin of Bedding decreased to 33% and the profit margin of Cleaner was negative 2%.
- **Total production and business expenses** in 1H2023 is VND390billion, up 7% over the same period last year.
- **Profit after tax** is only 11 billion VND (down 58% compared to the same period in 2022).

- **Selling and general and administrative expenses** did not change much compared to 2022 but with the decrease in revenue (-26% YoY), the ratio of selling & administrative expenses to revenue was 35% in 2023 (ratio in 2022 was 26%)
- **Selling expenses:** advertising/marketing expenses account for a large proportion due to activities under the Everon re-branding plan, KingKoil brand promotion and customer care activities.
- **General and administrative expenses** increased slightly by 5% with external service expenses increasing



Đơn vị: Tỷ Đồng

## • GIANG DIEN FACTORY OPENING CEREMONY

Area : 28.956m<sup>2</sup>

No. of Employee : 430

Product capacity : 1 millions bedding items  
20,000 pcs **spring mattress**  
40,000 pcs **PE mattress**  
6 million yards of **Padding**  
1 million yards of fabric for **Cleaner**





## BÌNH MINH RẠNG RỠ

*Thức dậy cùng vũ khúc bình minh*

Hành trình bình minh tỏa sáng như một tấm gương phản chiếu mỗi chúng ta. Tia nắng ló rạng từ từ, xé từng màn mây để tỏa sáng như cách chúng ta thức giấc sau đêm dài, bình tĩnh bước qua bóng tối để chạm tới ánh sáng, vươn vai đón ngày mới đầy năng lượng.

Bộ sưu tập 2024 BÌNH MINH RẠNG RỠ khắc họa rõ nét sự chuyển mình của đất trời qua từng sản phẩm, từ đó khơi gợi năng lượng sáng khoái, tích cực, khích lệ mọi người thử nghiệm những điều mới mẻ, vượt ra vùng an toàn của bản thân, góp phần tạo nên cuộc sống sinh động đầy rực rỡ, độc đáo và lạc quan.



## • LAUNCHING 2024 BEDDING COLLECTION "Bright Dawn"

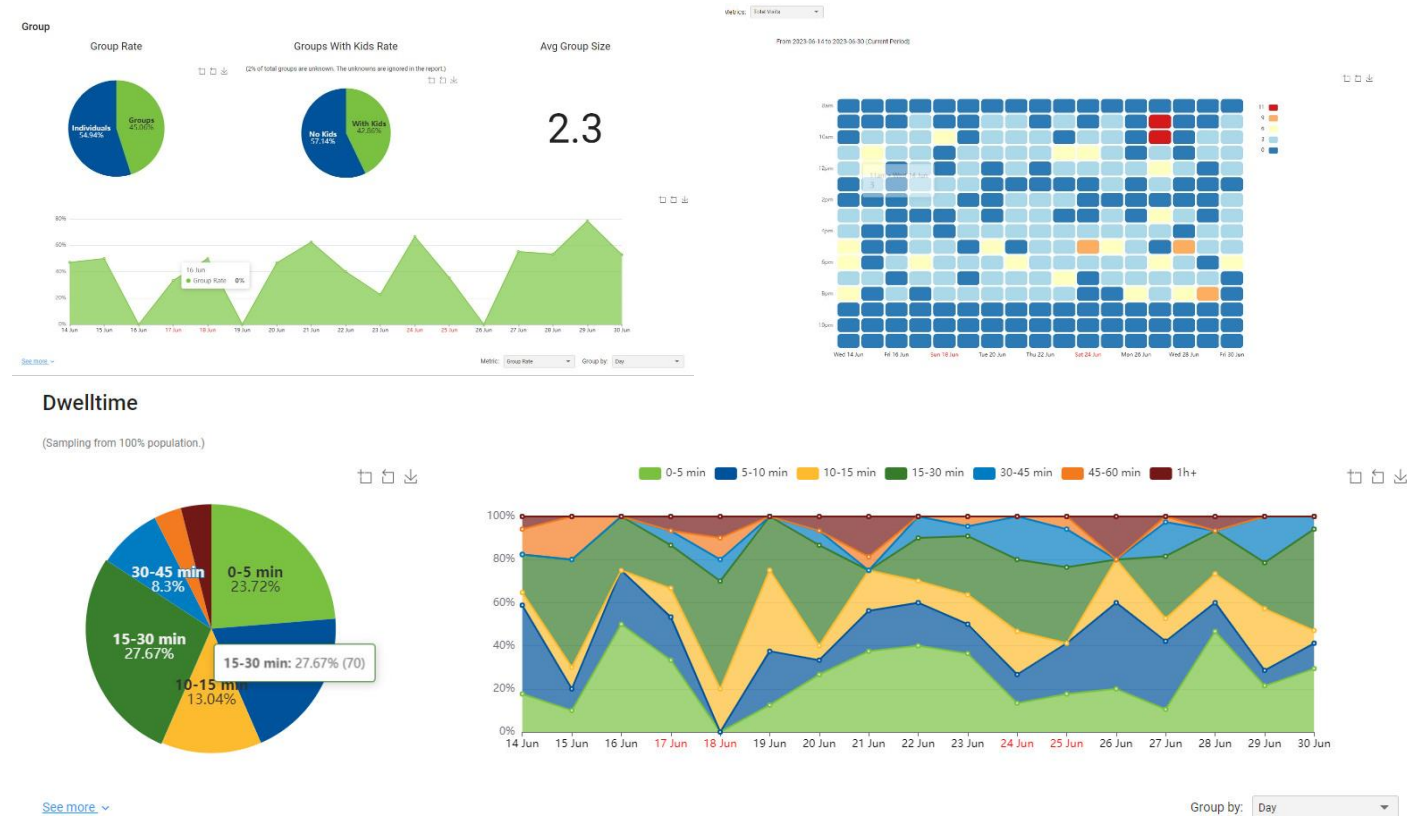
- **36 new** patterns under the ideas: Hope, Fresh, Radiant, Optimism
  - Deadline to receipt pre-orders: 20/07/2023
  - Pre-order delivery time: August and September 2023
- Besides yearly collection, **08 new patterns** are designed specifically for the **provincial market**

## • ENHANCE CUSTOMER IN-STORE EXPERIENCE

### ▪ Optimizer by AI camera

- Store Sales Funnel Analytics
- Zone Sales Funnel Analytics
- Customer Insights
- Customer Journey Analytics
- Store Staff Analytics

- **Standard Operating procedure** at showroom to to increase customer experience and optimize revenue





- Our strategy is to **increase sales** from **existing** products/ customers and **diversify, expand** into new products and new target customers with new growth potential.

## Existence

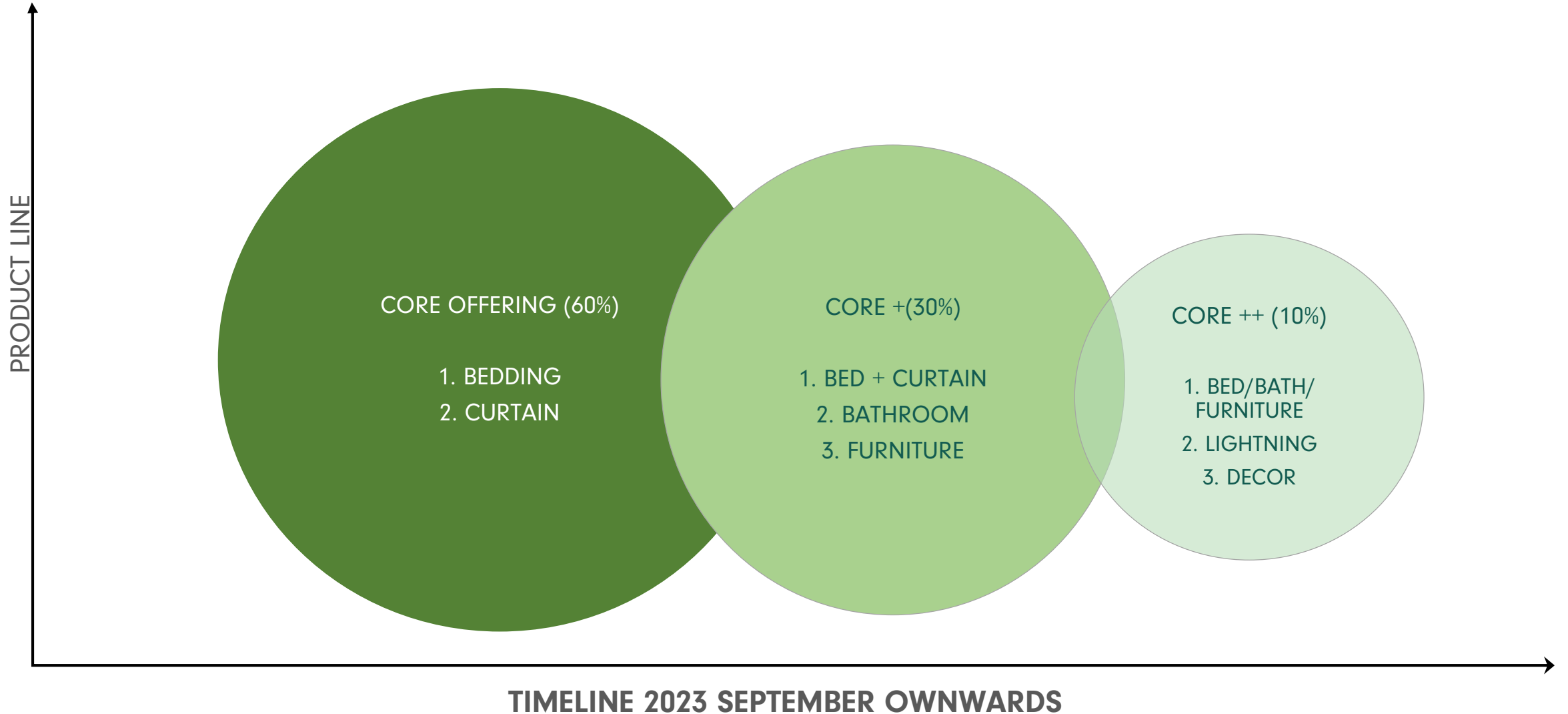
- Ensure the growth of core products in **enhancing quality control**
  - High quality suppliers with good track records for raw materials
  - Highly skilled and trained worker
- Keep the products updated with the **consumer trends** in target market
- Expand retail **market share in province**
- Increase **proportion at order** of vendors and export customers
- Increase the **awareness of K-Bedding** at e-commerce platforms

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## Growth potential

- Increase the **new store numbers** in order to cover the market and increase sales of Everon products in **provincial multi brand stores**
- Coordinate with nationwide **Modern Trade**
- Catch Padding and Cleaner **order shifts from China** to Vietnam
- Tap on the market opportunities on **global sustainability trend**
- Take advantage of **tariff preferences** to optimize cost and offering price

## PRODUCT ROADMAP OVER TIME – INCREASING CORE FOCUS AND GENERATING REVENUE FROM CORE ++





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