

4<sup>th</sup> Quarter, 2022

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# Business performance update



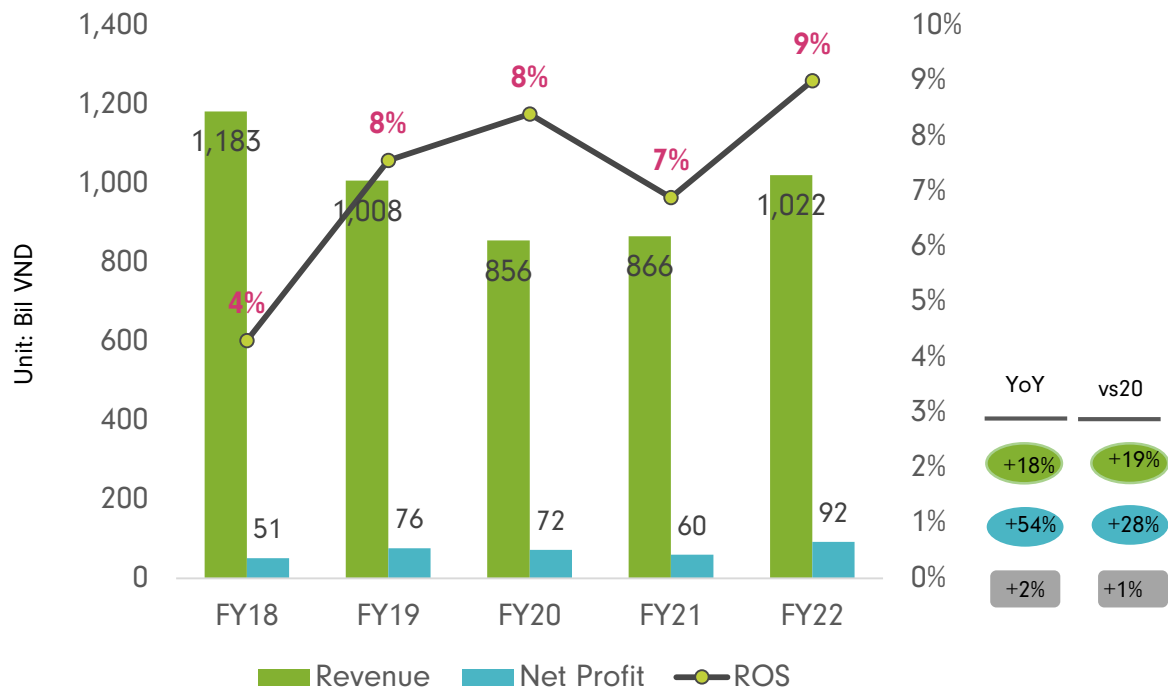
Everpia JSC | Planning team

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## Impressive growth results



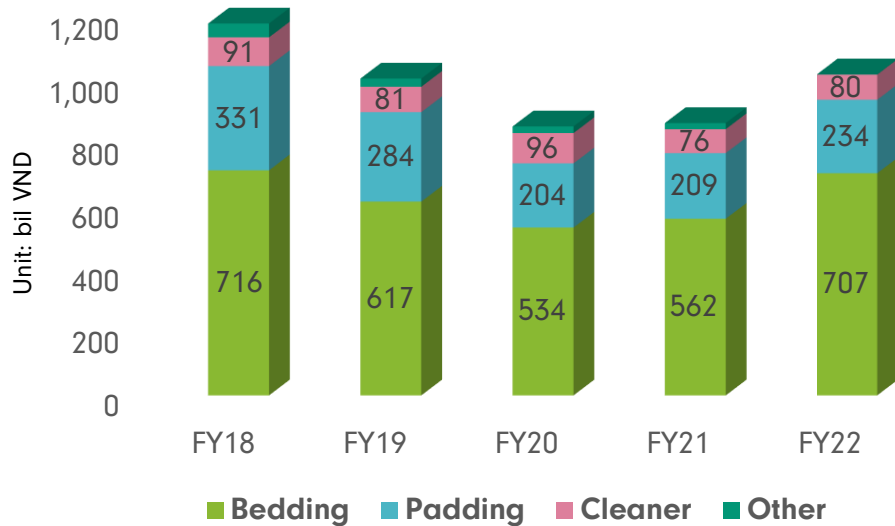
Normally, Q2 and Q4 sales will be the two highest quarters because of the peak season of Padding and Bedding. This year only, due to the late cold weather and the earlier launching of the 2023 new collection, Q4's revenue slightly decreased compared to previous years.

**Overall, the FY22 performance **outpaced** the previous year: revenue increased 18%YoY and net profit achieved VND 92 billion (+54% YoY)**

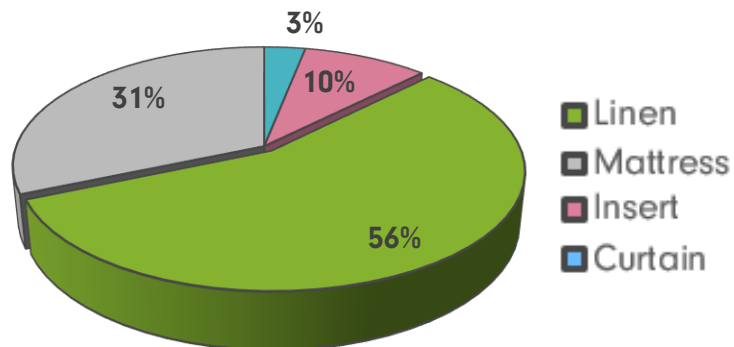
## Highlights

- ✓ **FY22:** Revenue increased **+18% YoY**, net profit **+54% YoY**, ROS reached **9%**.
- ✓ **4Q22:** Revenue increased **+30% YoY**, net profit increased **+355% YoY**, ROS reached **9%**.
- ✓ Giang Dien factory has completed 85% and is expected to finish in the first quarter of 2023.
- ✓ Everpia is honored to receive the following awards::
  - TOP 5 small-cap companies with the **best corporate governance** at the Vietnam Listed Company Awards - **VCLA 2022** jointly organized by the Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange, Securities Investment Newspaper and Dragon Capital.
  - **TOP 100 sustainable development businesses 2022 - CSI100** hosted by the Vietnam Chamber of Commerce and Industry - VCCI with the Ministry of Labor - Invalids and Social Affairs, the Ministry of Natural Resources and Environment, and the Vietnam General Confederation of Labor.

## Sales breakdown by business unit



## Bedding proportion



## Cleaner

+17%  
YoY

- Revenue increased thanks to the **stability of the medical business** in the **US** and the new customer in **Europe**.
- **Pandemic stability** improves cleaner export-related activities, especially the shipping activities.

## Padding

+14%  
YoY

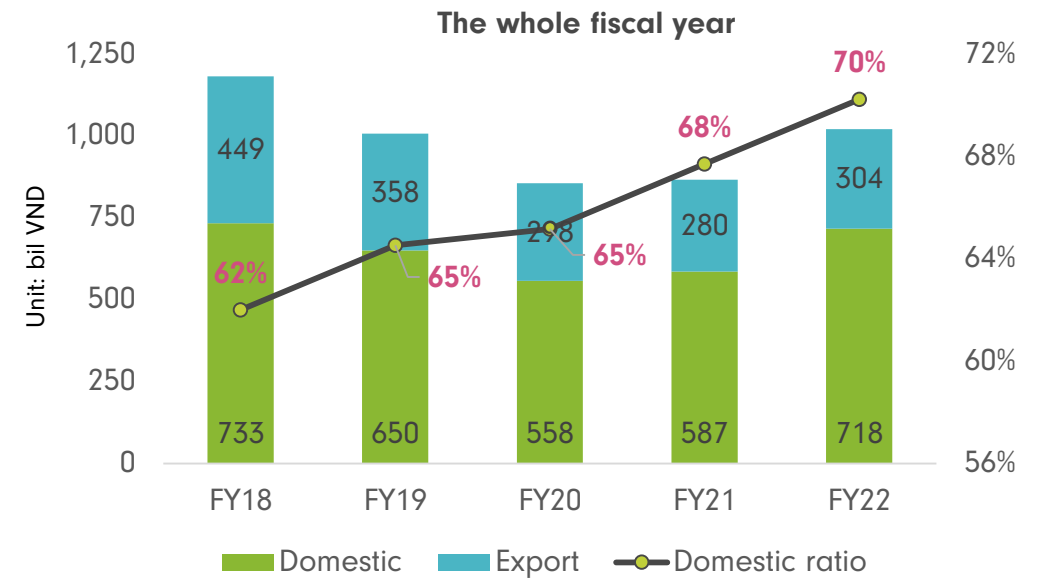
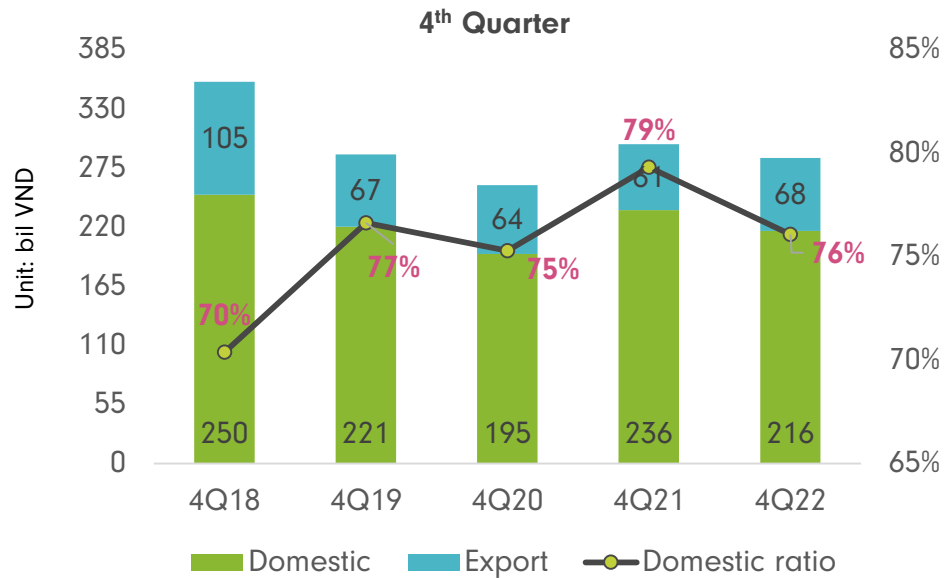
- Order from new and traditional customers **increased sharply**, especially in peak season thanks to advanced and highly skilled techniques.
- Q4/2022 revenue decreased due to **customers' apprehension** about the negative impact of the global high inflation trend.

## Bedding

+21%  
YoY

- Positive growth in all 4 sales channels B2C (+14% YoY), B2B (+31% YoY), export (+22% YoY), and Online (+52% YoY)
- With the successful launch of a **new bedding collection and mattresses** on **multiple platforms**, revenue **surpassed** the pre-pandemic level (2019)
- Strong action has been taken to **prevent counterfeiting** and improve customer service.
- **Appropriate policies** have been provided for agents, especially in the provinces and the South that effectively boost the revenue.

## Sales breakdown by domestic/export



## Domestic sales

**718 billion** FY22: +22% YoY ; 4Q22: -8% YoY

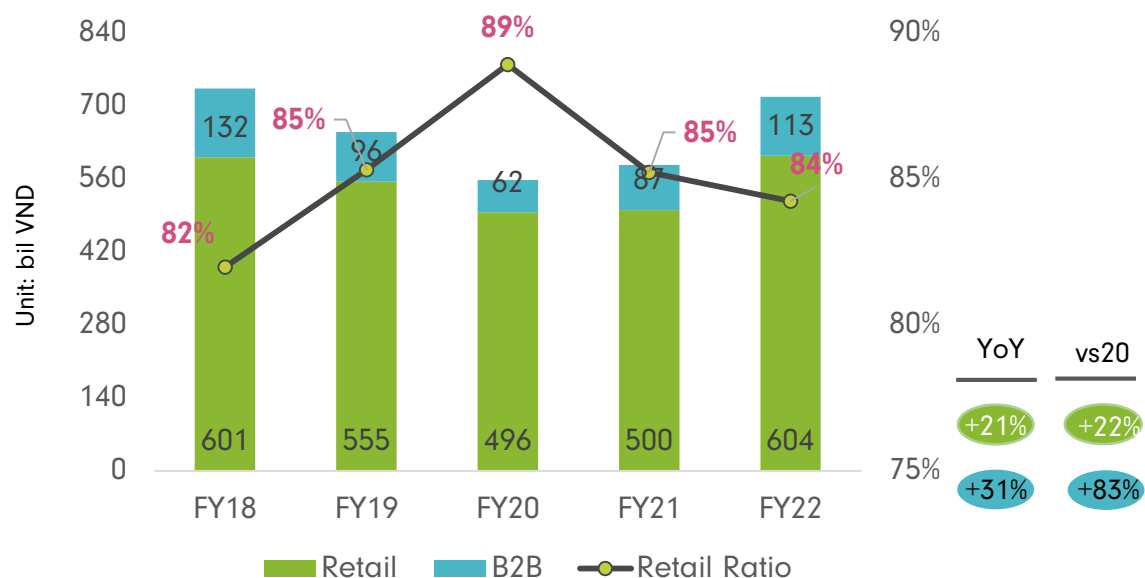
- Q4 fell 8% YoY due to the drop of business unit with largest proportion- B2C.
- In FY22, domestic sales increased by 22% YoY, **recovered from pre-pandemic levels** thank to (i) 2023 Collection and new mattress product lines are well received (ii) Opening more agents in provinces with flexible policies (iii) Promote the development of online sales and sales through the supermarket system.

## Export sales

**304 billion** FY22 +9% YoY ; 4Q22 +11% YoY

- The stabilization of the pandemic as well as the reopening of the economy has improved the export situation in 2022.
- Export growth in Q4 **exceeded** the same period before the pandemic mainly due to (i) Orders from many **large** customers (ii) **product quality** with **fast sample delivery time** resulting in receiving many forwarding orders from suppliers from other countries.

### Sales breakdown by distribution channels



Agents/ Showroom	North	Da Nang	South	Total
<b>Total Agents</b>	123	35	209	367
<b>- Agent</b>	62	28	61	151
<b>- GDB + DB</b>	61	7	161	229
<b>- New 2022</b>	16	3	13	32
<b>- Close 2022</b>	4	2	6	12
<b>Total Showrooms</b>	7	2	11	20

#### B2B sales

**+31% YoY** The B2B channel has surpassed the revenue of the same period in 2019, reaching **VND 113 billion in 2022**.

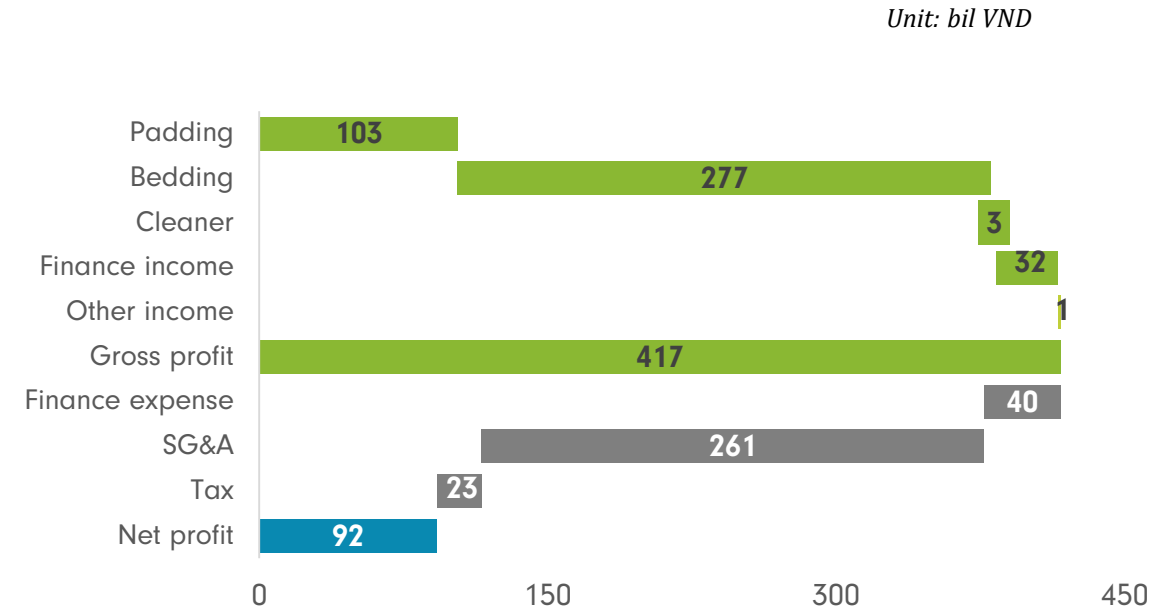
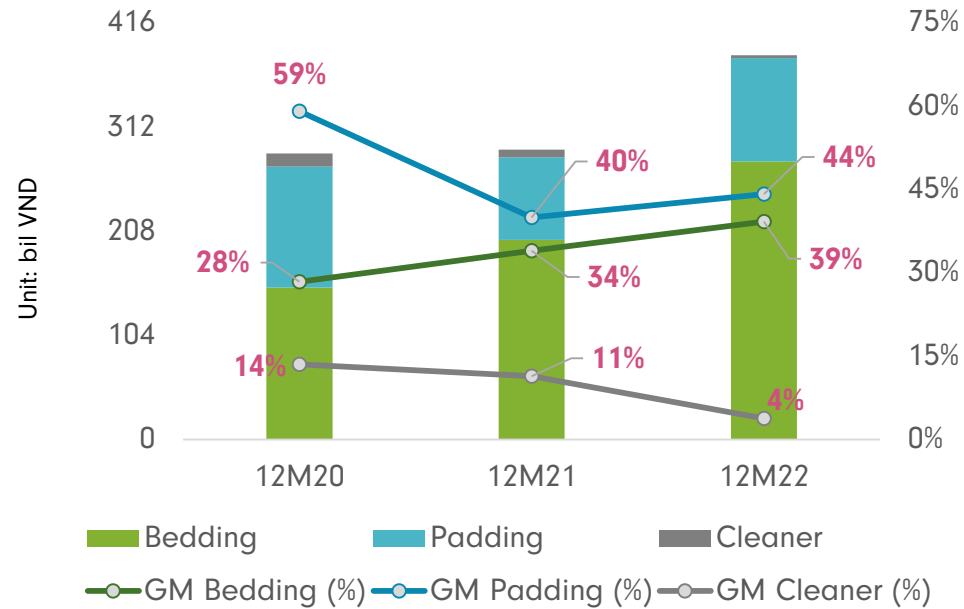
- Full combo orders including mattresses, bedding, and towel reached 29% of its revenue.
- The proportion of orders from 5-star hotel projects increased by **34% YoY**.
- Q4/ 2022, B2B increased strongly (**+12% YoY**) because (i) many preplanned projects are completed at the end of the year, (ii) Tet gift orders.

#### Retail sales

**+21% YoY** The retail market is vibrant with a **21% YoY** increase in sales, reaching **604 billion VND**

- **In-store sales:** Provincial market increased due to the wider coverage of more than 10 new agents and the efforts to personalize products for each region. Sales in the South also had an impressive result with an increase of **39% YoY**.
- **Online sales:** with the promotion via all e-commerce channels and thorough research from feedback and new consumer trends, the online grew by **52% YoY**.

### Net profit in 2022 achieved VND 92 billion



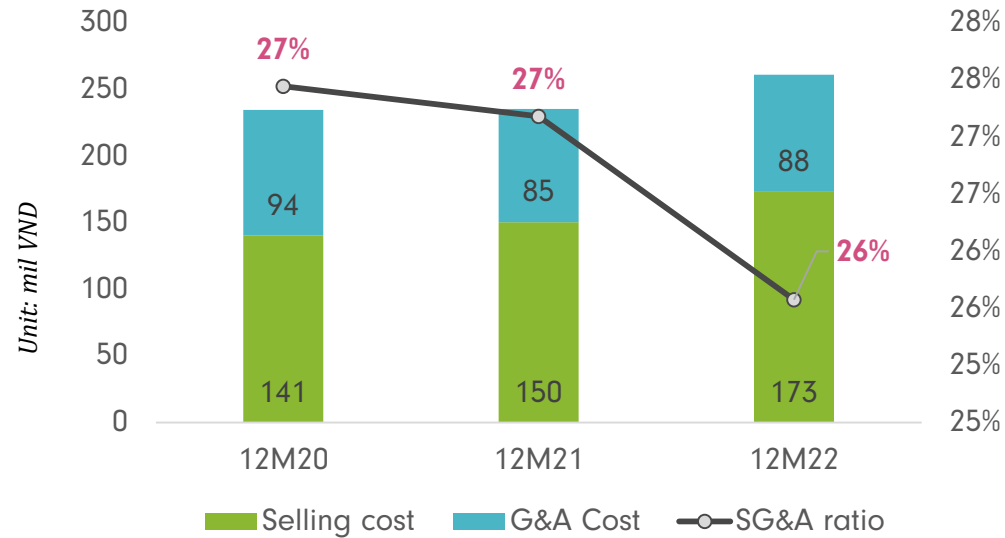
### Profit classification

**+33%** YoY Although Q4 gross profit decreased due to marketing and promotional year-end activities, FY2022, gross profit still increased by 33% YoY.

- **Bedding** is still the most profitable segment with a growth of **39% YoY**, reaching VND 182 billion and profit margin of 39%.
- **Padding** increased by **25% YoY**, reaching VND90 billion in gross profit. Padding has the highest and most sustainable profit margin at 44%.
- Although **Cleaner** increased sharply in revenue in 2022, profit margin decreased to only 4%.
- ❖ **Gross profit increased by 33% YoY** due to efforts to reduce COGS via factory innovation to increase labor productivity and reduce inventory.
- ❖ **Net profit reached VND92 billion, +54% YoY** partly thanks to the positive results from the Korean subsidiary and Investment funds that contributed to the growth of Everpia.

### Cost management has been more efficient.

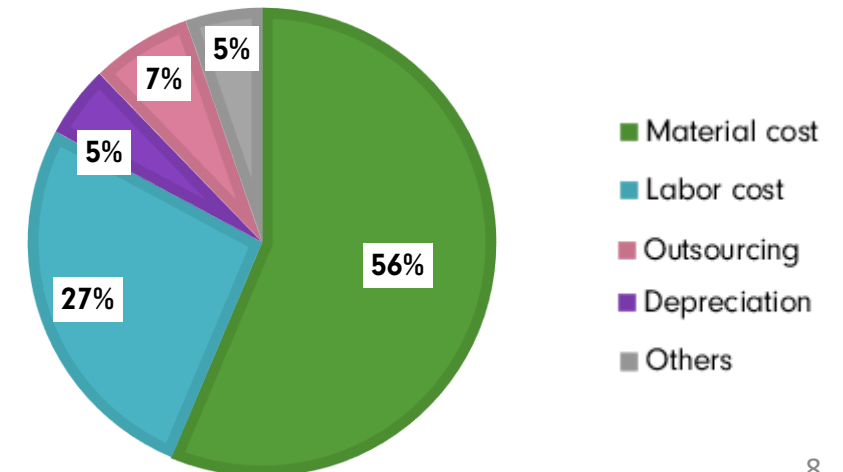
#### SG&A Cost



- **SG&A expenses** increased **11% YoY** while net revenue increased **30% YoY**, resulting in a decrease to **26%** of the SG&A-to-revenue ratio in FY22.
- **The ratio of selling expenses to revenue remained stable at 17.3%** when compared to 2021. Selling expenses increased by 15% YoY, corresponding to the increase in revenue arising in expenses such as vehicle, export fees, fees paid to e-commerce platforms. In addition, in 2022, the company incurred additional costs related to the rebranding plan of Everon
- **General and administrative expenses** increased slightly by **3% YoY** mainly due to a 19% increase in provision expenses.

- FY22 costs **932 billion VND**, +17% YoY. The **cost of raw materials** continues to make up the majority of costs (**56%**).
- With the steady growth of orders, material cost increased by **18% YoY**
- Expense for external services is the main driver in the cost structure with an increase of **139% YoY**.
- Depreciation & Amortization, Labor, and Other cost did not change much

#### Total Cost Structure





- Vietnam – Korea Cultural Friendship Road 2022 with EVERON**

Everpia co-hosts this event to celebrate 30 years of diplomatic relations between Vietnam and Korea. This event with over 60 booths has become a prestigious event that harmonizes the two countries.



The 2023 collection "**CONNECTION**", with the journey to "**Touch**" the miracle with 3 aspects:

**Connect with the natural world - Connect with people - Connect with the inner soul**

# Connect with the natural world

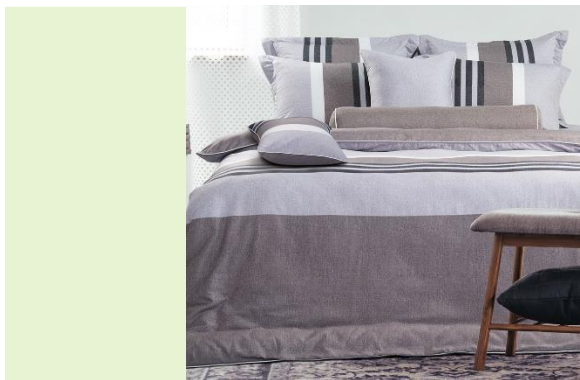
*Bringing the breath of nature into each material makes  
you more grateful with the gift of nature.*





The 2023 collection "**CONNECTION**", with the journey to "**Touch**" the miracle with 3 aspects:

**Connect with the natural world - Connect with people - Connect with the inner soul**



*Connect*  
with everyone

*The comfort in sleep will make you feel refreshed and help you confidently connect with people around you.*

The 2023 collection "**CONNECTION**", with the journey to "**Touch**" the miracle with 3 aspects:

**Connect with the natural world - Connect with people - Connect with the inner soul**



*Connect*  
with the inner soul



*Subtle shapes will evoke your emotions and help you see your worth.*





### Construction status of Giang Dien Factory

- The project is in line with the schedule of **85%** completion. The factory will come to use in **March 2023**.
- The Complex and Padding Factory are working on fire protection systems, electricity, and ventilation pipes.
- The infrastructure system and sub-items are in the final stage of completion.



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