

3rd Quarter, 2022

Business performance update

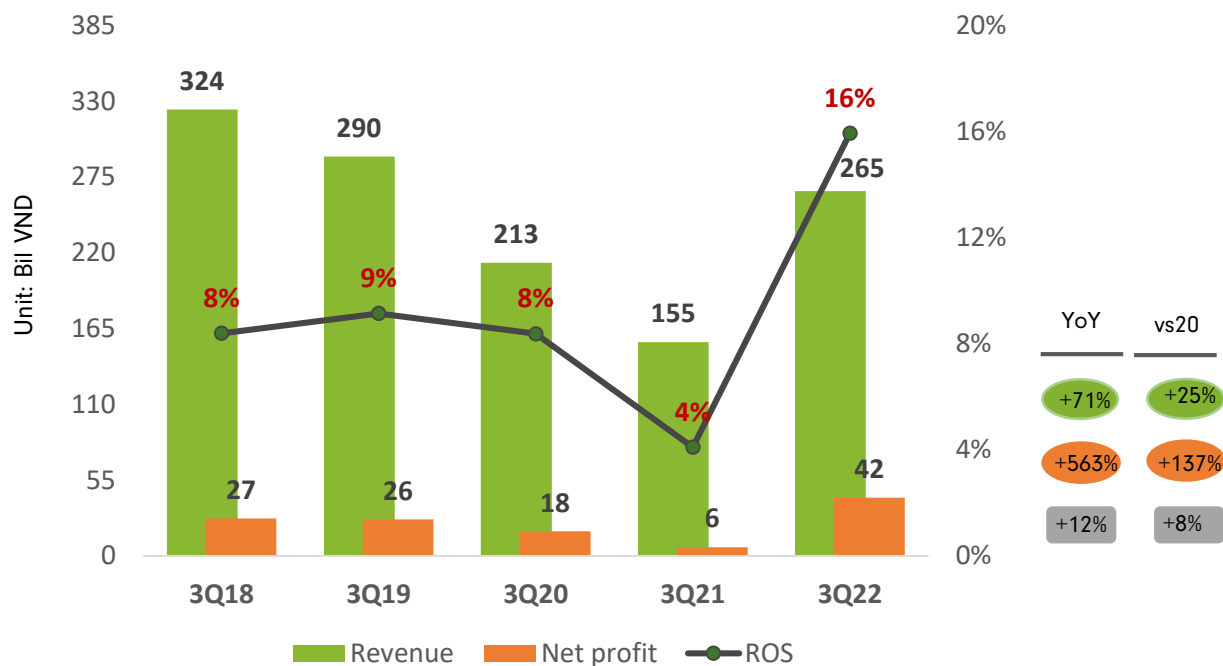


Everpia JSC | Planning team

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Impressive growth results

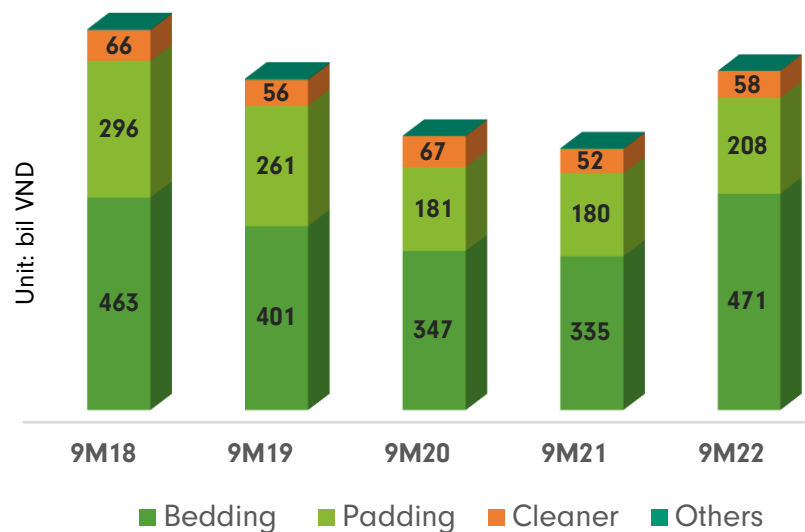


With Padding and Bedding as core businesses, Everpia's business is highly seasonable as performance often varies by a quarter in a year. Accordingly, Q2 and Q4 usually have higher revenue than the other two quarters. Despite not in the peak season, the results of Q3 are still very positive. In this report, we focus on analyzing cumulative fluctuations over the previous periods.

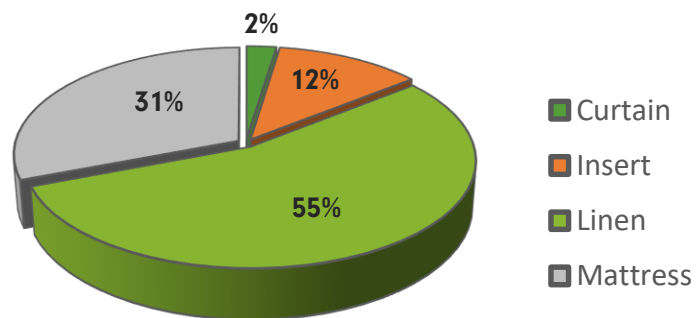
Highlights

- ✓ **3Q22:** Revenue increased + **71%**, net profit **+563%**, ROS reached **16%**.
- ✓ **9M22:** Accumulated revenue increased **+30% YoY**, net profit increased **+355% YoY**, ROS reached **9%**.
- ✓ The bedding collection 2023 and the newly launched PE mattress line are well received
- ✓ Everpia was honored in the Top 3 "Listed companies with the best IR activities" at **IR Awards 2022**.
- ✓ Giang Dien project is one of 11 projects awarded the **EDGE green building certificate** at Vietnam Green Building Week 2022.

Sales breakdown by business unit



Bedding proportion



Bedding

+40%_{yoy}

- Positive growth in all 4 sales channels B2C (+43%), B2B (+42%), Online (+23%) and export (+45%)
- Promoting **anti-counterfeiting activities** and **customer services** to give customers the best shopping experience.
- Opening **new agents** with appropriate policy despite inflation.

Padding

+15%_{yoy}

- The expansion of **new and traditional customer**
- Just went through the peak season
- The competitive advantage of **advanced and high skill** padding and quilting techniques.

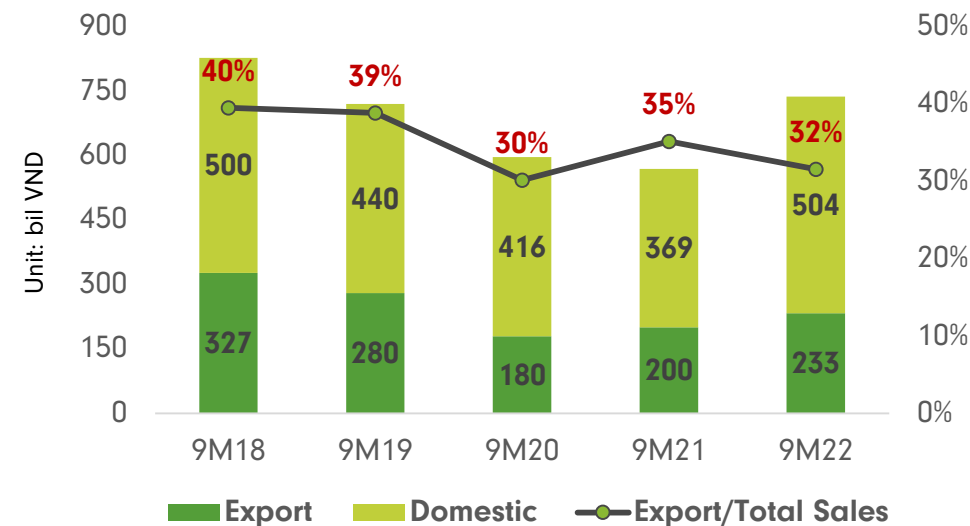
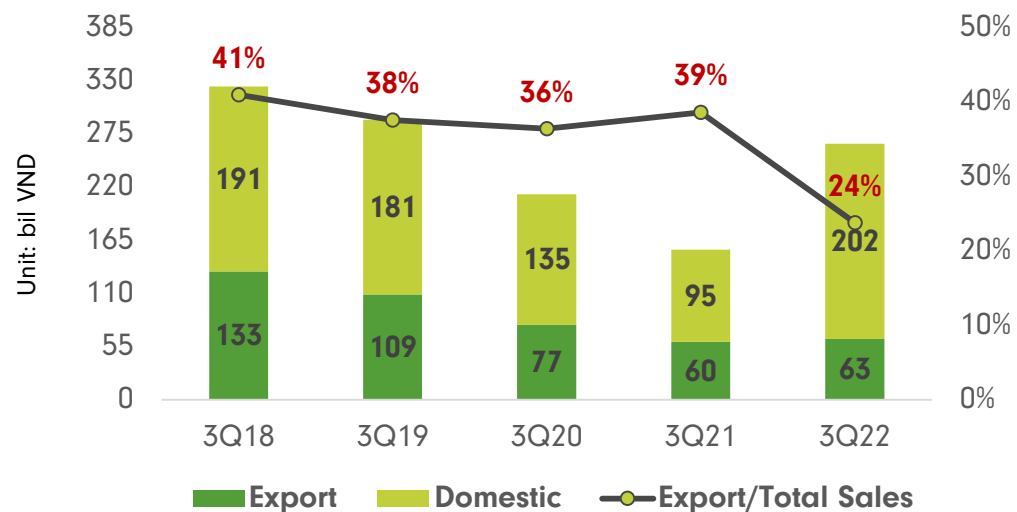
Cleaner

+12%_{yoy}

- Stable shipping activities **improve export sales** from the US and Europe with a slight growth thanks to orders from new customers
- Starting to **supply the domestic market** through the sale to commercial companies

- The proportion of bedding unit did not change much. Linen is still the biggest with the revenue of 258 billion, followed by Mattresses with 145 billion.

Sales breakdown by domestic/export



Domestic sales

504 billion 3Q22: +118% yoy ; 9M22: +37% yoy

The domestic market **outperformed** in both the third quarter of 2022 and the first 09 months of 2022, **exceeded pre-epidemic levels**.

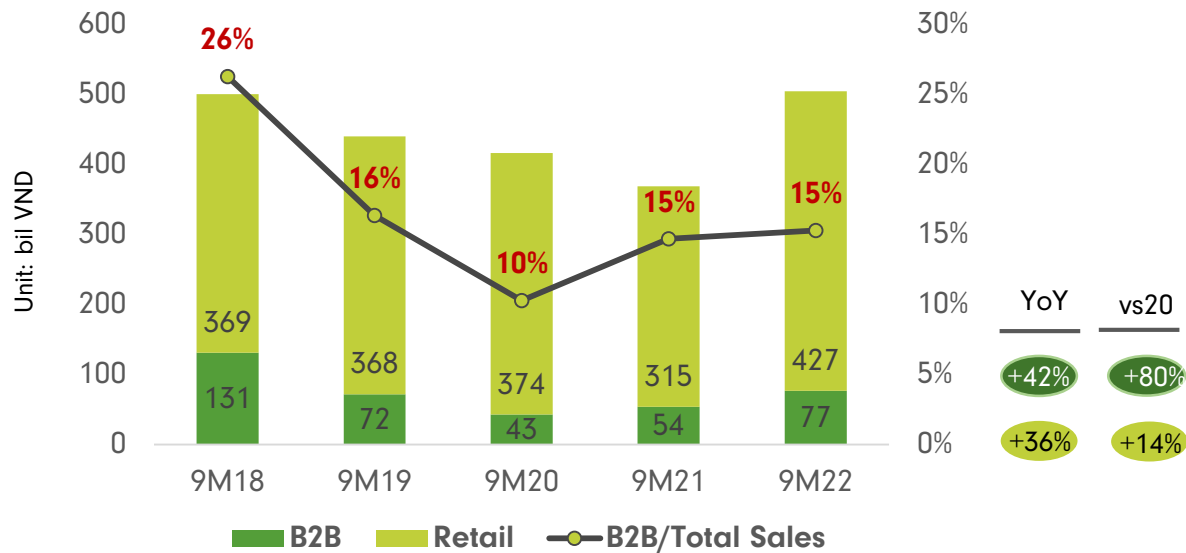
- The economy has entered a state of normal operation
- Launching new product lines, especially mattresses, which is suitable for a wide range of customers.
- More agents with reasonable policies to reach more customers.

Export sales

233 billion 3Q22 +5% yoy ; 9M22 16% yoy

- 3Q22 only increased slightly due to (i) the negative impact of inflation causing a decline in orders; (ii) disadvantages from the increase of USD/VND exchange rate.
- 9M22 still increased by 16% yoy thanks to (i) fully restored international trade; (ii) the expand of new customers, (iii) good reputation in international markets.

Sales breakdown by distribution channels



B2B sales

+42% yoy

The B2B channel has surpassed the revenue of the same period in 2019, reaching **VND 77 billion in 9M22**.

- Full combo orders including mattress, bedding, and towel reached more than 31% of its revenue.
- The proportion of orders from 5-star hotel projects increased by 30% over the same period

Agents/ Showroom	North	Da Nang	South	Total
Total Agents	118	34	209	361
- Agent	57	28	58	143
- GDB + DB	61	6	151	218
- New 9M2022	11	2	8	10
- Close 9M2022	4	2	6	8
Total Showrooms	7	2	11	20

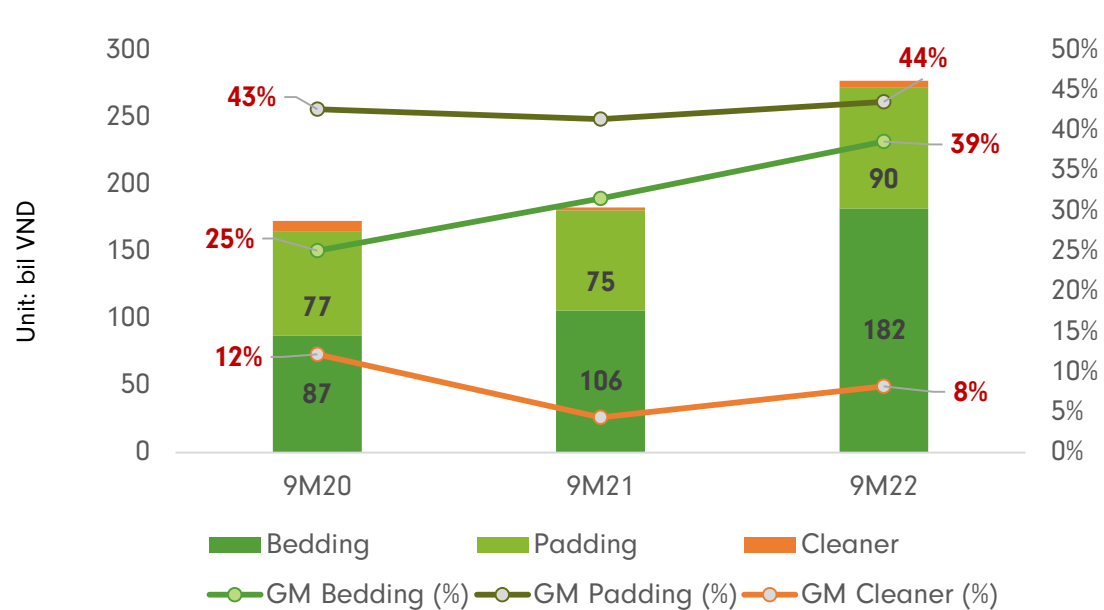
Retail sales

+36% yoy

Retail increased by **36% yoy**, exceeding **16%** the pre-pandemic period, reaching **427 billion VND in 9M22**

- **In-store sales:** The effective management and expansion of agents and showrooms has resulted in a stable increase in revenue per agent.
- **Online sales:** with the promotion of effective promotions, the online sales 9M22 increased **+45% yoy** and 3Q22 increased **+10%** compared to 2Q22.

Profit indicators in 9M22 have shown a positive outlook for the company



Gross Profit classification

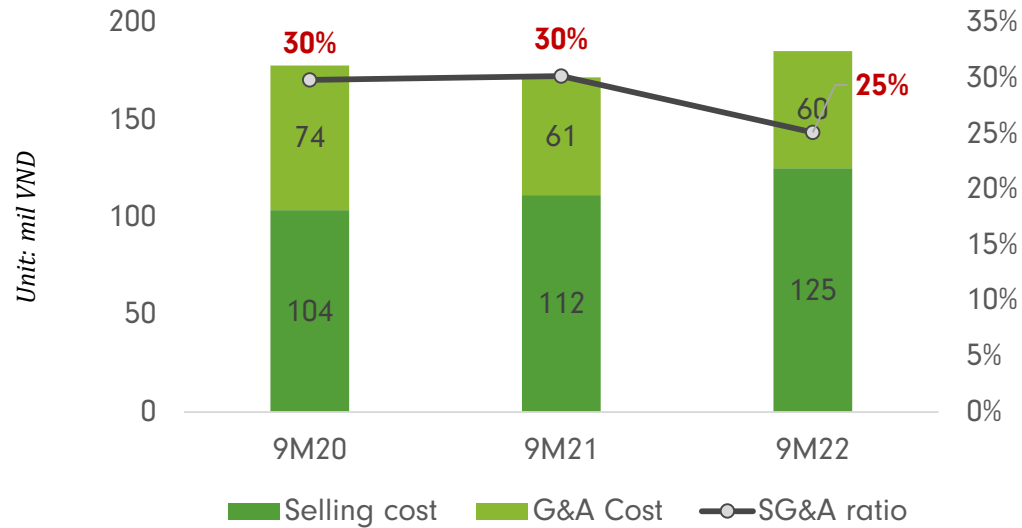
+355% _{yoy}

Net profit achieved 69 Billion **+355% yoy**. Total gross profit **+51% yoy**, reaching VND 277 billion. Gross profit margin **38%** in 9M22.

- The **Bedding** segment is still the most profitable segment with an impressive growth of **72% yoy**, reaches 182 million, and has a positive profit margin of **39%**.
- The **Padding** segment increases by **21% yoy**, reaching 90 billion in profit. Notably, Padding segment has the highest and most sustainable profit margin among all 3 core segments with PM fluctuating **around 43%**.
- Although **Cleaner** is still the lowest, the profit margin has shown its potential as it **increased from 4% to 8% yoy**.

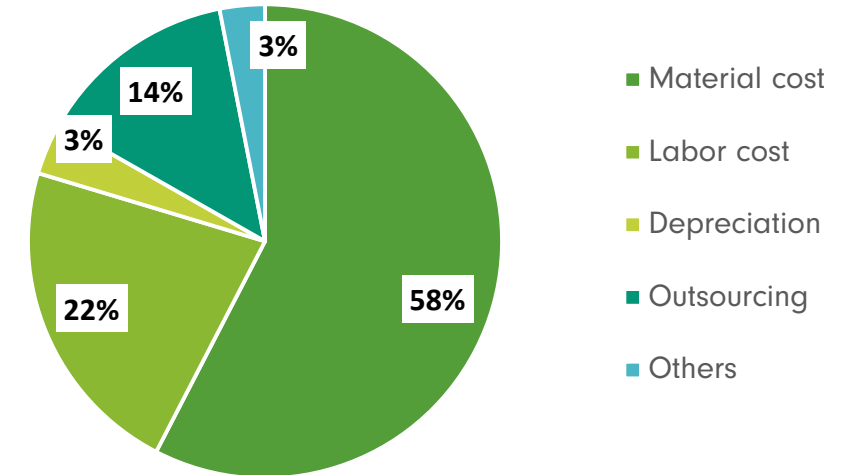
Cost management efficiency has been improved.

SG&A Cost



- **SG&A expenses** slightly increase **8%** while net revenue increased **30% yoy**, resulting in a decrease to **25%** of the SG&A-to-revenue ratio in 9M2022.
- With the growth in revenue, selling expenses also increased over the same period last year. The main driving force of the **12% increase** in selling expenses is the notable growth in the outside purchasing services cost.

Total Cost Structure



- 9M222 costs **692 billion VND**, **+22% yoy**. The **cost of raw materials** continues to make up the majority of costs (**58%**).
- Despite the recent fall in yarn and cotton prices, material costs still increased **+3% q/q** due to preparations for the peak season
- Other costs have not changed much, except for outside purchasing services cost (**+32% yoy**)

Sales and Profit forecast

- Although it has not officially entered the peak season, the revenue and net profit of 9M22 have respectively reached **74% and 98% of the whole year target**.
- Based on the projected business results of October and the forecast for the last 2 months, **revenue** and **profit** in 2022 is expected to be **at least 1,050 and 95 billion**, increase 21% and 31% yoy, complete 105% and 140% its target.



Construction status of Giang Dien factory

- The project has completed the foundation, while the **civil work** of the Complex factory and the structural frame of the Padding factory are projected to be completed **in early November**.
- **The entire factory** is expected to be basically completed **before the Lunar New Year**.

- **BEDDING COLLECTION 2023**

Connect with the natural world

Using natural fibers, the Collection brings a breath of freshness

into the living space.

Textures inspired by plants and flowers will bring customers closer to

nature, more love and appreciation for the gift of nature.





**Đệm bông ép
GOOD SLEEP**

Ngà lưng trên chiếc đệm với kết cấu 2 tầng đặc biệt, nâng đỡ cột sống



- Thiết kế gấp 2 miếng tiện lợi
- Kết cấu 2 tầng: lớp bông ép cứng và lớp foam giúp mát xa thư giãn
- Nhận ngay **150.000đ** tích điểm đổi quà



**Đệm bông ép
4.0**

Thiết kế vỏ đệm đặc đá, tông độ đàn hồi và thoáng mát, có thể dùng cả 2 mặt



- Thiết kế gấp 2 miếng tiện lợi
- Vỏ đệm chân bông, may liền một lớp foam mỏng
- Dùng trực tiếp được cả 2 mặt đệm



**Đệm bông ép
THỂ HỆ MỚI
JAGD3**



- Thiết kế gấp 3 miếng tiện lợi.
- Ruột bông ép với kết cấu chắc chắn, hạn chế lún xẹp.
- Vỏ dệt Jacquard, 100% Polyester có độ thoáng khí cao.



**Đệm bông ép
CERAMIC VIP**

Vỏ đệm từ chất liệu Cotton được chân bông 6oz thấm hút cao, cải tiến hơn so với phiên bản cũ



- Thiết kế gấp 2 miếng tiện lợi
- Vỏ đệm Cotton chân bông 60z êm ái
- Ruột bông ép nhập khẩu

• NEW PE MATTRESSES

Young and modern style

04 new PE mattress products: Good Sleep, 4.0 PE, JAGD3, and Ceramic VIP.

Traditional PE mattress combined with **foam** helps to **increase the smoothness** on the surface while still ensuring the structural **stability** from the PEcore.

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