

# GELEX Group Business Performance Presentation for Q3-2024



# SUMMARY



## 1. Macroeconomic situation

Vietnam's GDP growth in Q3 reached 7.4%, higher than forecast even though Northern provinces were heavily affected by Typhoon Yagi, thanks to continued recovery of production, domestic consumption and export activities. FDI continues to be a bright spot, with registered FDI for 9M reaching USD 24.78 bn, up 11.6%, and implemented FDI reaching USD 17.34 bn, up 8.9%. Inflationary and exchange rate pressures decreased and loose monetary policy was maintained.

## 2. Consolidated Business Performance

Consolidated revenue in Q3 reached 8,709 bn VND, up 16.3% YoY, consolidated PBT was 1,770 bn VND, up 34,1% YoY. For 9M, consolidated revenue totaled 23,617 bn VND, and consolidated PBT was 2,270 bn VND, representing respectively 73.1% and 118.2% of the 2024 Annual Plan.

## 3. Business Performance by Sectors

In Q3, the EE sector grew positively, with revenue of 5,789 bn VND, up 38.4% YoY. The CM sector showed improvement compared to previous quarters, with revenue of 1,952 bn VND, up 0.9% QoQ but down 8.2% YoY. Utilities sector achieved revenue of 207 bn VND, continuing to decrease due to the divestment from some energy projects in Q2. The IP&RE sector reached revenue of 759 bn VND, a decrease compared to previous quarters, up 1,7% YoY.

## 4. Notable Activities

GELEX was honored with many major awards such as: Top 50 outstanding profitable companies in Vietnam, Top 100 most valuable brands in Vietnam, Top 10 best value growth brands, HR Asia award for Best Company to Work For and Most Caring Company. In addition, GELEX is rated at A by VIS Rating, with a stable long-term outlook.

GELEX Electric listed on HOSE since August 14, 2024 (ticker: GEE).



# 1

## VIETNAM MACROECONOMIC



## GDP

- GDP in Q3 increased by 7.4% YoY, higher than expected due to the boost from recovery of production, domestic consumption, and exportation
- GDP growth in 2024 is forecasted to reach the Government's target of 7%.

## CPI

- The average 9M CPI increased by 3.88%, due to the prices of food, housing and services controlled by government like education, electricity, water, healthcare.
- Year-end inflationary pressure may come from rising electricity prices, natural disaster risks, rising input material prices and the impact of large stimulus packages. However, inflation for 2024 is forecasted to be controlled in the target range of 4-4.5%.

## Int Rate

- Interest rates remain low, though some commercial banks slightly increased deposit rates.
- Credit growth was positive in Q3, reaching 8.5% YTD by the end of the quarter.

## FX

- Exchange rate pressures eased in Q3 when Fed cut interest rates; but pressures recently returned as DXY index rises, demand for foreign currency increases.
- Year-end exchange rate pressures depend on the Fed's interest rate cuts and be supported by foreign currency inflows from trade surpluses, remittances, FDI. Additionally, the SBV's policy implementation will help stabilize the exchange rate.

## IMEX

- In Q3, export value reached 108.6 bn USD, an increase of 12.5% YoY, import value reached 99.7 bn USD, up 17.2% YoY.
- The trade surplus in Q3-2024 was 8.9 bn USD, and the trade surplus for 9M reached 20.8 bn USD

## FDI

- FDI continues to be a bright spot, registered FDI inflows for 9M reached 24.78 bn USD, up 11.6% YoY, while implemented FDI reached 17.34 bn USD, up 8.9% YoY.
- Many large projects in the fields of semiconductors, energy (battery production, photovoltaic cells, silicon bars), component manufacturing, electronics, and high-value-added products received new investments and capital expansions in 9M-2024.



# 2

## CONSOLIDATED BUSINESS PERFORMANCE



## 1. ELECTRICAL EQUIPMENT

Over 30 years leading in Vietnam electrical equipment market with top brands, such as: **CADIVI, THIBIDI, HEM, EMIC, CFT, MEE.**

Products of GELEX Electric are widely used in various projects of EVN and power generator plants across Vietnam.

## 2. CONSTRUCTION MATERIALS

Owns **VIGLACERA** with well-known products in domestic and global markets such as Sanitary wares & faucets, Ceramic & granite tiles, Terracotta, and Building Glass.

Ranked among Top 22 global ceramic tile manufacturer by the Ceramic World Review 2021 and Top 30 largest manufacturers of sanitary ware.

## 3. UTILITIES

**Energy:** Experienced in investing and operating renewable energy projects with a total capacity of 245 MW (transferred 3 projects with a total capacity of 196 MW in Q2-2024) and **Power distribution.** Researching and developing new energy projects with a total capacity of ~4GW, mostly renewable energy.

**Clean water:** Operating a clean water plant with a capacity of 300,000 m<sup>3</sup>/day, and currently under construction for phase 2 to upgrade the capacity to 600,000 m<sup>3</sup>/day, providing water to 25% of Hanoi's citizen.

## 4. REAL ESTATE (INDUSTRIAL & COMMERCIAL)

Over 20 years of reputable experience in developing and operating industrial parks with 14 IPs (over 4000 ha) and the convenient ecosystem around the IPs. Attracting FDI capital from major global enterprises such as: Samsung, Hyosung, Amkor, BYD, Anam Electronics, Kortek, Orion, Ottogi,...

Co-operate with Fraser Property to deliver premium international grade RBF, BTS facilities within the industrial parks.

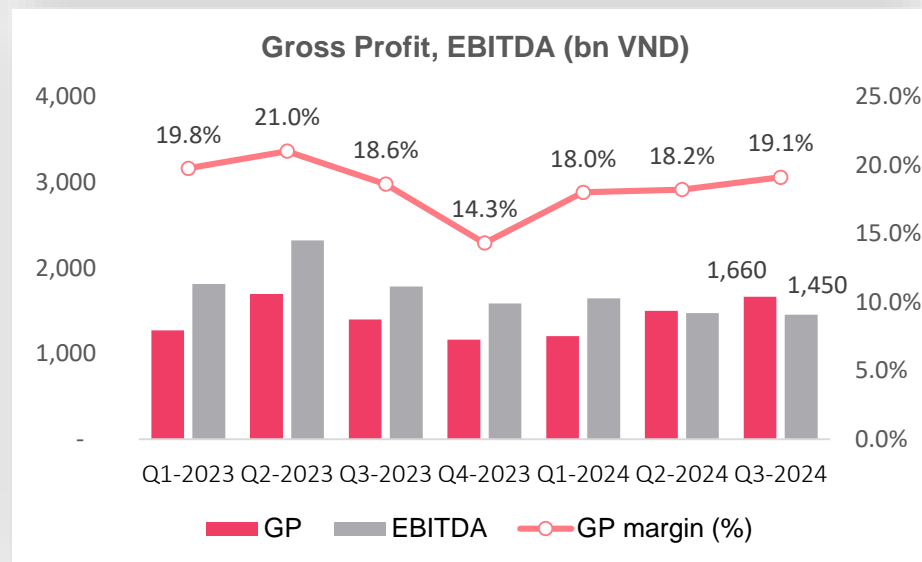
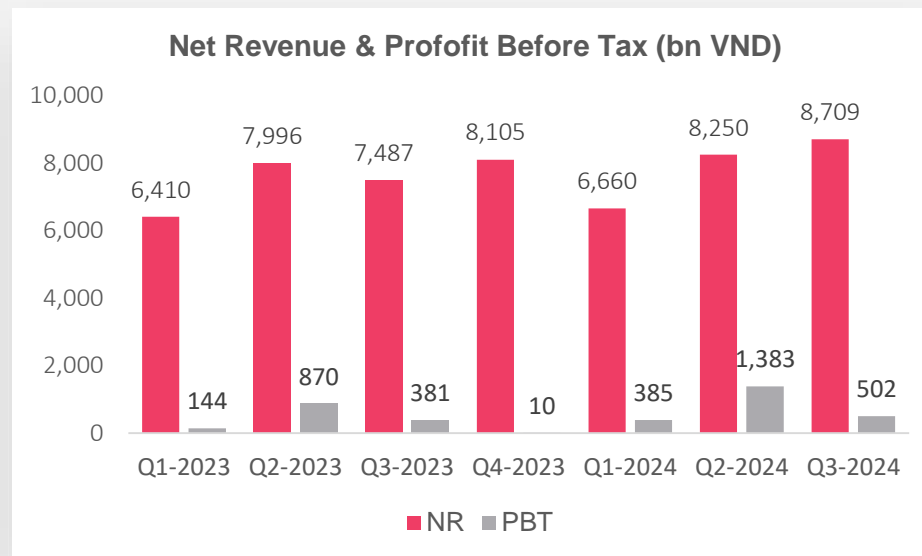




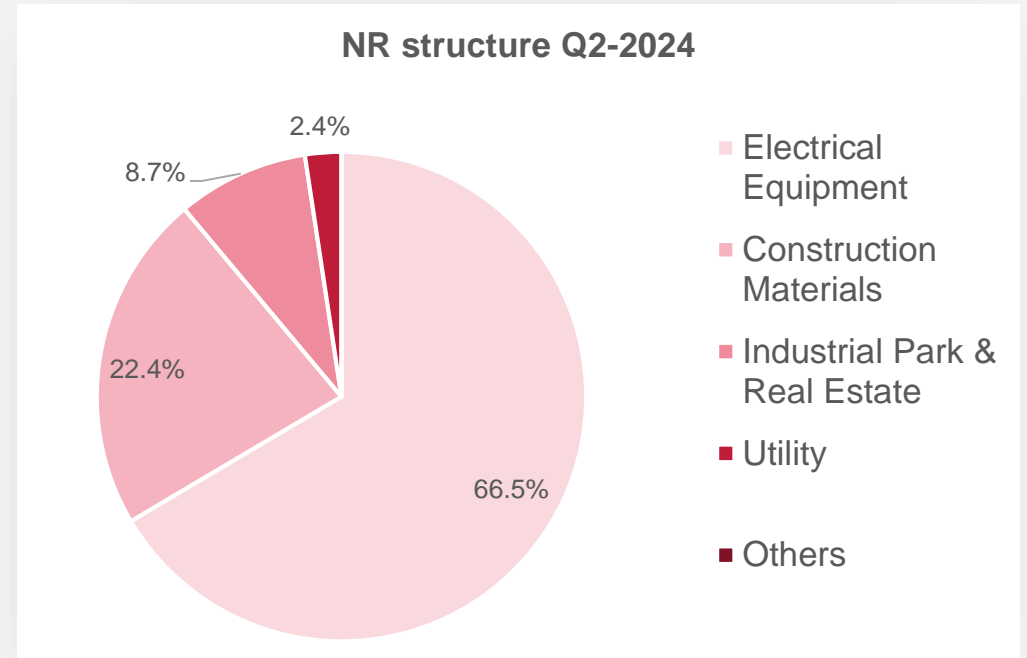
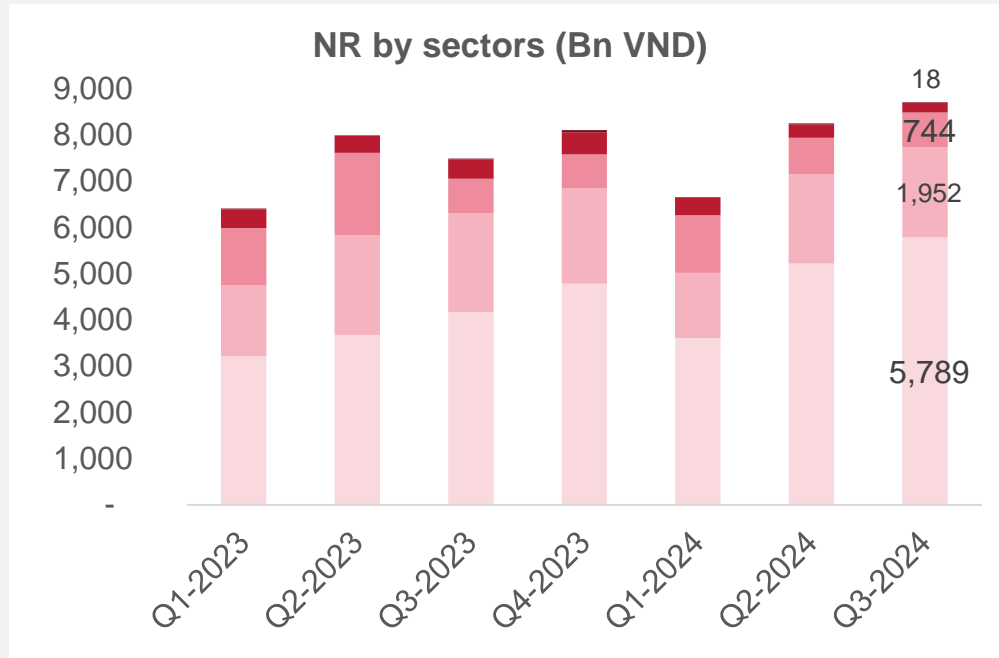
# CONSOLIDATED BUSINESS RESULTS

- **Consolidated NR Q2** reached 8,709 bn VND, up 5,6% QoQ and 16.3% YoY, driven by positive growth in the EE sector.
- **Consolidated PBT Q3** reached 502 bn VND, decreased compared to Q2 (due to financial gains from the sale of investments in Q2); however, PBT in Q3 increased by 34.4% YoY, thanks to positive improvements in core business areas, particularly the contribution from the EE sector.
- **NR, PBT for 9M-2024** respectively reached 23,617 bn VND and 2,270 bn VND, corresponding to 73.1% and 118.2% of the 2024 Plan.

- **GP for Q3** reached 1,660 bn VND, up 10.8% QoQ and 19.0% YoY.
- **Biên LNG Q3** đạt 19,1%, tiếp tục cải thiện tích cực so với các quý đầu năm và cao hơn mức bình quân năm.
- **GP Margin Q3** reached 19.1%, continuing to improve compared to previous quarters and higher than average level of 2023.
- **EBITDA Q3** reached 1,450 bn VND, down 10,3% QoQ and 18,6% YoY.



# NET REVENUE BY SECTORS

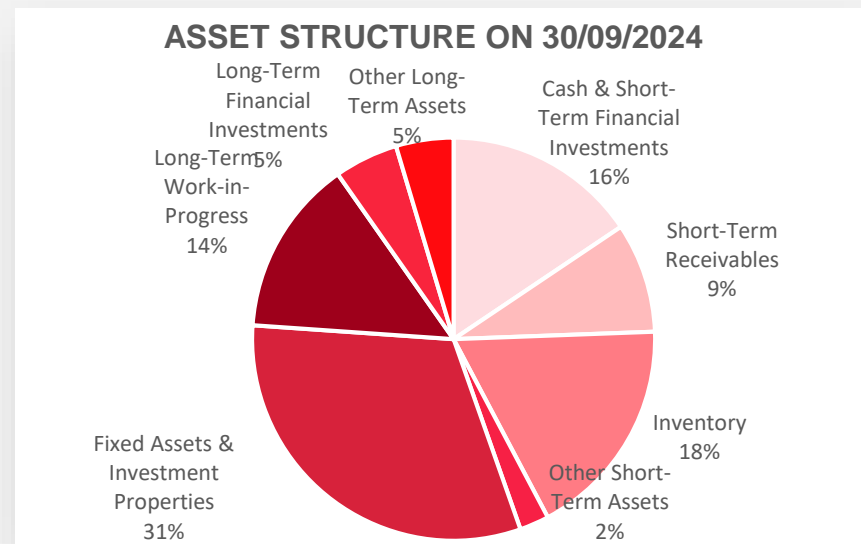


- NR of the EE sectors continued to grow positively and NR of the CM sectors showed slight improvement in Q3, while NR of IP&RE and Utilities sectors declined compared to previous quarters.
- NR Structure for Q3-2024: EE 66.5%, CM 22.4%, IP&RE 8.7%, Utility 2.4% (NR structure for 2023 for these sectors were: 52.8%, 26.4%, 14.9%, 5.5%, respectively).

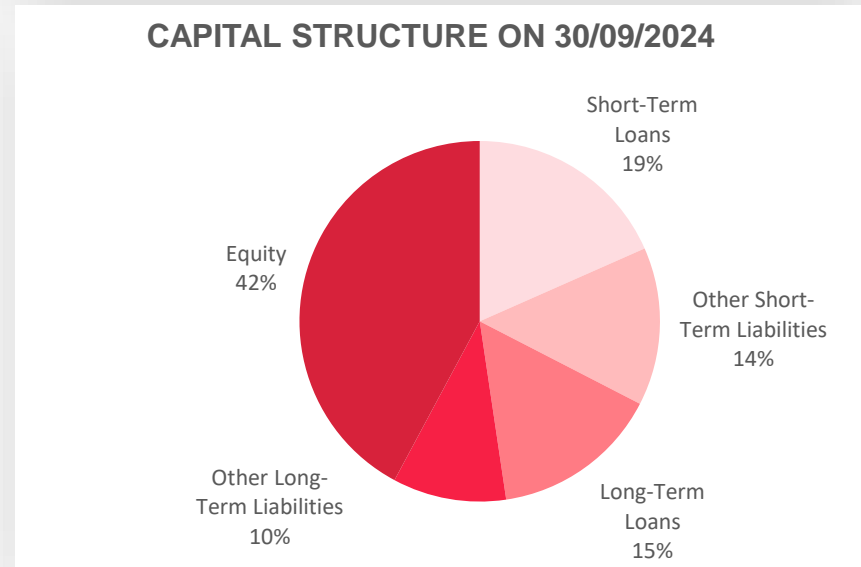


# ASSET AND CAPITAL STRUCTURE

(Unit: bn VND)	31/12/23	30/09/24	YTD (%)
<b>Total Asset</b>	<b>55,077</b>	<b>53,617</b>	<b>-2.7%</b>
• Short-term asset	20,299	23,343	15.0%
• Long-term asset	34,777	30,274	-13.0%
<b>Capital</b>			
• Liabilities	33,853	30,994	-8.4%
• Equities	21,224	22,623	6.6%



- **Total assets as of 30/09/2024** amounted 53,617 bn VND, a decrease of 2.7% YTD. Specifically, **fixed assets** decreased by 13%, mainly due to the divestment of certain energy projects; **current assets** increased by 15% driven by a 32.2% increase in short-term financial investments and higher short-term receivables and inventory for the EE and CM sectors.
- **Regarding capital sources**, total liabilities decreased by 8.4% YTD, due to restructuring long-term loans related to divested energy projects and reducing short-term debt using proceeds from the divestment.
- **Current assets and current liabilities** are 43.5% and 32.6%, respectively, ensuring working capital for business activities.



# HEALTHY FINANCIAL POSITION



	31/12/2023	31/03/2024	30/06/2024	30/09/2024
<b>Leverage Ratios</b>				
▪ Liability/ Total Asset	61.5%	60.2%	57.5%	57.8%
▪ Loan/ Equity	94.2%	93.5%	77.8%	79.3%
<b>Liquidity Ratios</b>				
▪ Current ratio	1.08	1.16	1.33	1.34
▪ Net Debt/ EBITDA (<=3.5)	1.80	2.00	1.52	1.73
▪ Debt Service Coverage Ratio (DSCR) (>=1.5) (*)	1.73	1.60	1.60	1.74
<b>Efficiency Ratios</b>				
▪ Gross Profit Margin (%) (**)	18.4%	18.0%	18.2%	19.1%

(\*) DSCR= (Trailing EBITDA)/(Current portion of long term loan + Interest payment amount)

(\*\*) As of year-end: calculated based on whole year figures; As of quarter-end: calculated based on quarterly figures

- **Leverage ratios and Liquidity ratios** as of 30/09/2024 remain at a safe level.
- **Efficiency Ratios : Gross margin** improved compared to the early quarters of 2024 and exceeded the average for 2023, thanks to better GP margin in the EE, CM, and IP&RE sectors.

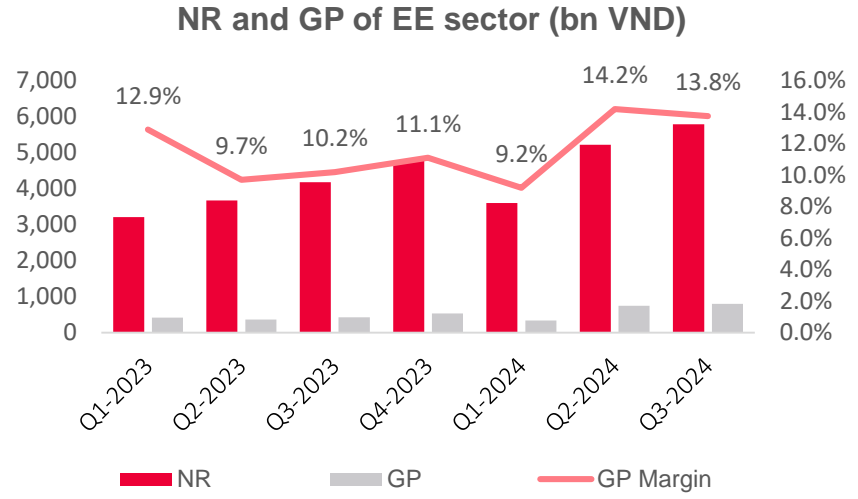
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## BUSSINESS PERFORMANCE BY SECTORS

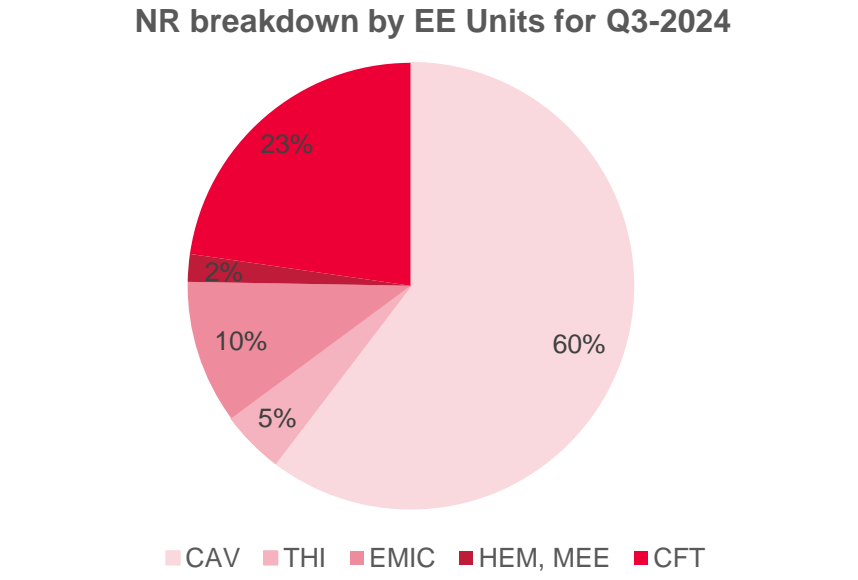




- **NR of the EE sector Q3** reached 5,789 bn VND, up 10.9% QoQ and 38.4% YoY, marking the highest quarterly NR in 3 years. Almost production and business units met or exceeded their targets in Q3. Export activities at CADIVI, THIBIDI, and CFT also reported positive results.
- **GP margin of the EE sector in Q3** reached 13.8%, slightly down QoQ but still higher than both YoY and the average of previous years. This was achieved by continuing cost-reduction measures, adjusting selling prices, and maintaining flexible inventory control. Additionally, the introduction of new high-tech products also contributed to the improvement.



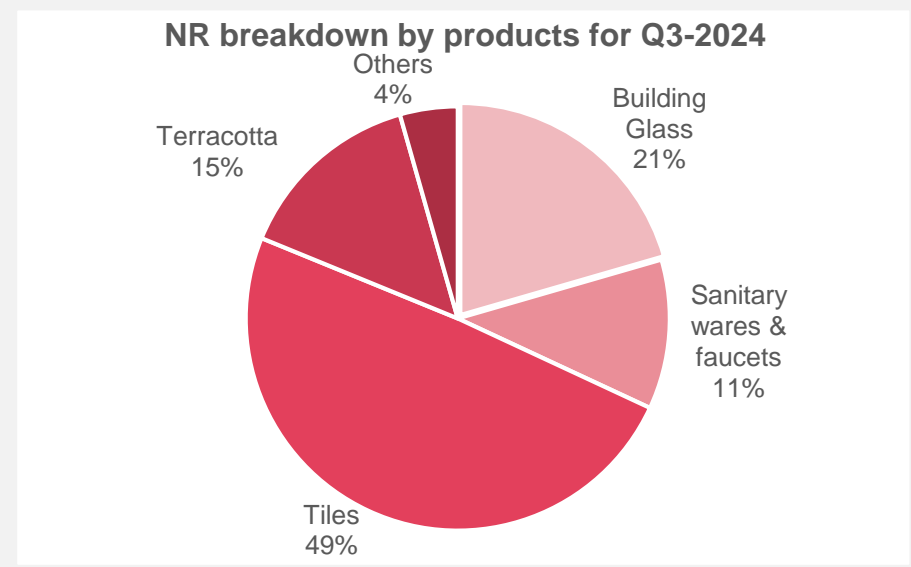
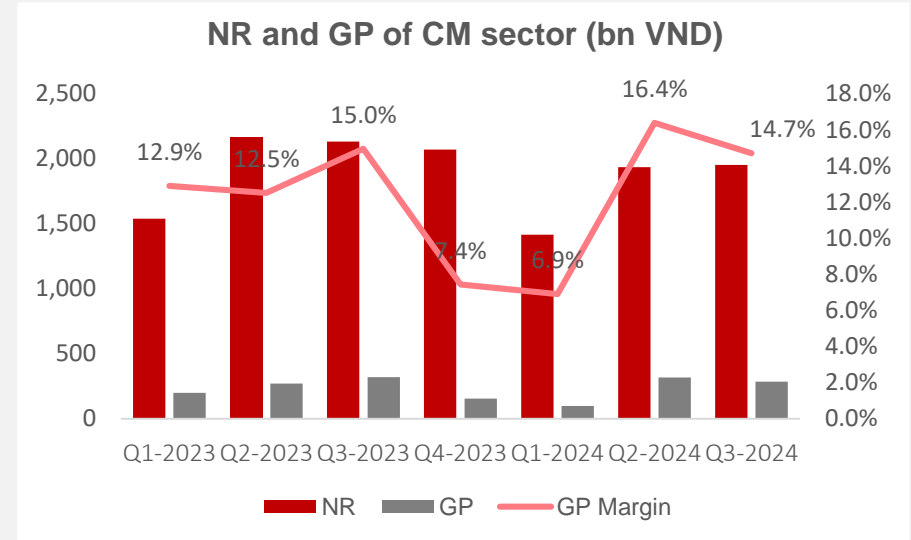
- **R&D and market development activities:**
  - CADIVI received 'Green Label' certification from the Singapore Council on Green Buildings for its lead-free, low-flame, and low-smoke electrical cables. This reflected CADIVI's commitment to R&D and modern manufacturing technology, providing safe solutions for Vietnamese households, in line with the goal of 'Green Living - Safe Living'.
  - CADIVI participated in the Cambuild exhibition in Phnom Penh from 11-13 Sep, 2024, to showcase traditional products and new ones such as low-smoke, halogen-free XLPO cables, solar cables, and ACCC aluminum core composite cables.



- **NR of the CM sector in Q3** reached 1,952 bn VND, up 0.9% QoQ but down 8.2% YoY. Key products such as glass, tiles, sanitary ware, and faucets saw a slight improvement in NR compared to the earlier quarters of the year. The export market also recorded positive recovery in Q3.
- **GP margin in Q3** reached 14.7%, lower than Q2 but significantly improved compared to Q1 and the average for 2023. Overall, the market in Q3 remained challenging, and Viglacera's production and business units continued to implement various cost-reduction measures, closely monitor the market to adjust selling prices, and manage inventory effectively.

▪ **Product promotion activities:**

- Viglacera introduced its green construction materials ecosystem at Vietnam Green Building Week 2024, featuring eco-friendly products such as autoclaved aerated concrete (AAC/ALC), Low-E and Solar Control glass, ultra-clear glass, large-size sintered Vasta Stone as a natural stone substitution, smart sanitary ware, and environmentally friendly faucets with PVD technology.
- Viglacera ranked in the Top 10 Vietnam Green Brands, awarded by the Institute of Economics and Culture in collaboration with the Center for Consumer Protection.



# BUSINESS PERFORMANCE – IP&RE

- **NR of the IP&RE sector Q3** reached 759 bn VND, down 4.8% QoQ, but up 1.7% YoY.
- **GP margin for Q3** reached 70.2%, significantly increasing compared to previous quarters and higher than YoY, due to review and adjustment that reduced investment costs in several IP projects.

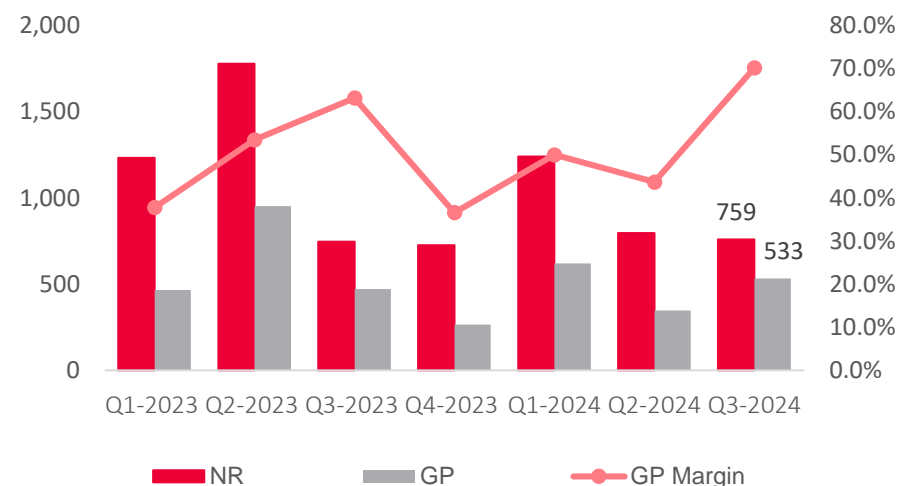
### ▪ Industrial Park segment:

- In Q3, over 30 ha of IP land were handed over at the Yen My, Dong Van 4, Dong Mai, and Phu Ha IPs.
- The green and smart Thuan Thanh Eco-Smart IP attracted interest from many large international high-tech and clean manufacturing companies, including THK Manufacturing Co., Ltd. and Johnson Health Tech Co., Ltd.

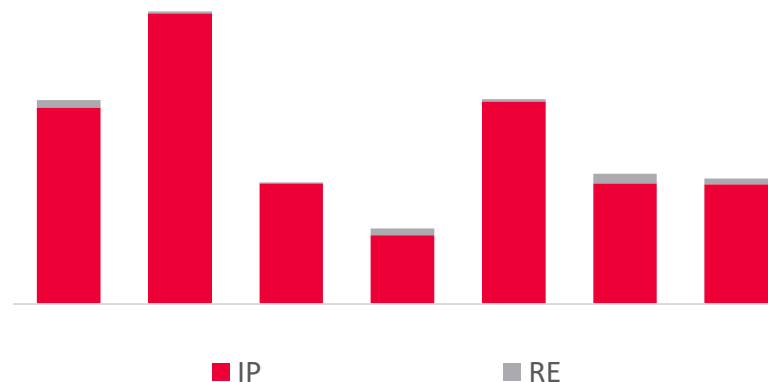
- **Real Estate segment:** Continuing to focus on investing in social housing projects in Yen Phong and Phu Ha, as well as worker housing in Dong Van 4 and Dong Mai IPs.

- **Direction for the end of 2024:** Continuing to seek opportunities to implement new projects, expedite compensation and land clearance efforts, and complete construction projects.

NR and GP of IP&RE sector (bn VND)

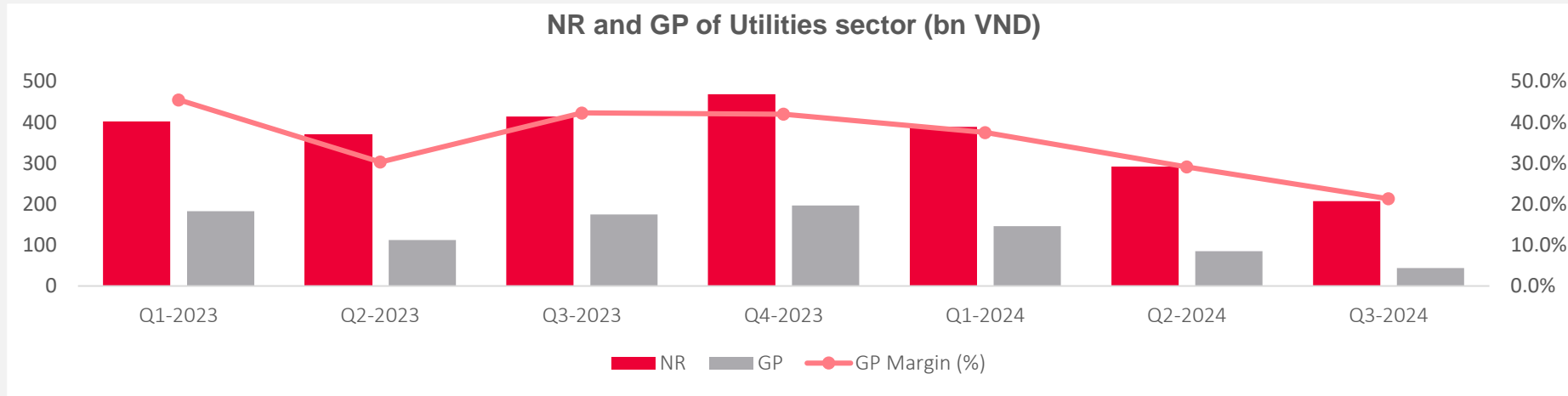


Breakdown NR of IP and RE (bn VND)





# BUSINESS PERFORMANCE – UTILITIES



- **NR for the utilities sector in Q3** reached 207 billion VND, continuing to decline compared to Q2 due to GELEX's completion of the transfer of 3 operating energy projects in Q2.
- **Energy segment:** GELEX and Sembcorp continue to proceed with the procedures for transferring the Song Bung 4A hydropower project.
- **Clean water segment:** The Song Da clean water plant operated stably, supplying 28 mn m<sup>3</sup> of clean water. The Phase 2 project to increase the plant's capacity to 600,000 m<sup>3</sup>/day is underway as scheduled and is expected to be completed in 2025.

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## NOTABLE ACTIVITIES





## GELEX rated A by VIS Rating with stable long-term outlook (\*)

VIS Rating, established by Moody's (one of the world's leading credit rating agencies) and top Vietnamese securities firms, highly values GELEX's business diversification and competitive position in the industrial park and electrical equipment sectors.



## GELEX in Top 50 Vietnam Outstanding Profit Companies for 5th consecutive year

The award presented by Vietnam Report, recognizes and honors the 50 companies with the highest profits in Vietnam while maintaining stable and sustainable business performance during the 2023-2024 period.

## GELEX and Viglacera are listed in the Top 100 Most Valuable Brands in Vietnam

With a brand value of 148 mn USD, GELEX ranks among the Top 10 Companies with the Best Brand Value Growth in Vietnam in 2024, alongside notable names such as VinFast, Vinschool, and FPT. GELEX's Brand Strength Index (BSI) is 54.6, achieving an A rating, a significant improvement from 47.1 points, which was a BBB rating in 2023.



## GELEX achieved double awards at HR Asia Awards

GELEX is honored to be named in the category of "Best Companies to Work For in Asia 2024" along with the special award "HR Asia Most Caring Company" which recognizes companies that have comprehensive policies for employee health and well-being.



(\*) Information on the rating system, methodology, and information on the credit rating scale of VIS Rating. Investors please refer here: <https://visrating.com/how-to-get-rated>



# NOTABLE ACTIVITIES



## GELEX Electric officially listed 300 mn shares on HOSE (ticker: GEE)

On August 14, 2024, HOSE held a Listing Decision Awarding Ceremony, officially putting 300 mn GEE shares of GELEX Electricity JSC into trading.

## GELEX supports the renovation of A9 Emergency Center & Stroke Center at Bach Mai Hospital

The renovation project includes 6,000 m<sup>2</sup> with 20 fully equipped rooms at the A9 Emergency Center and nearly 2,000 m<sup>2</sup> at the Stroke Center of Bach Mai Hospital. GELEX also supports the renewal of air conditioning systems, lighting, elevators, etc. The project will be completed after 2 months of implementation and put into use on October 8, 2024.



## GELEX launched Global mini MBA Training Course – Management Thinking

GELEX collaborates with FPT University to launch the Global Mini MBA – Management Thinking, for key employees in the system. This is also one of the activities to realize the cooperation that GELEX and FPT have established since June 2024.

## GELEX sponsors all modern medical equipment for Hanoi Children's Hospital

The medical equipment package includes specialized machinery and equipment, supporting the improvement of diagnosis and treatment efficiency, with a total committed funding value of up to 130 bn VND. The installation were completed at the right time for the inauguration of the Hospital on the occasion of the 70th anniversary of the Liberation Day of Hanoi city.



# TERMS AND ACRONYMS

<b>AGM</b>	Annual General Meeting of Shareholders
<b>AP</b>	Annual Plan
<b>Bn</b>	Billion
<b>CM</b>	Construction Material
<b>CPI</b>	Consumer Price Index
<b>EE</b>	Electrical Equipment
<b>FDI</b>	Foreign Direct Investment
<b>FX</b>	Foreign Exchange
<b>GDP</b>	Gross Domestic Production
<b>GELEX</b>	GELEX Group JSC
<b>GELEX Electric</b>	GELEX Electricity JSC
<b>GELEX Infra</b>	GELEX Infrastructure JSC
<b>GP</b>	Gross Profit

<b>H1</b>	The first half of the year
<b>IMEX</b>	Import Export
<b>IP</b>	Industrial Park
<b>M</b>	Month
<b>MOU</b>	Memorandum of Understanding
<b>NR</b>	Net Revenue
<b>NX</b>	Net Export
<b>PBT</b>	Profit Before Tax
<b>Q</b>	Quarter
<b>QoQ</b>	Quarter over Quarter
<b>RE</b>	Real Estate
<b>YoY</b>	Year over Year
<b>YTD</b>	Year to Date





# Thank you !

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