



DIGIWORLD

Investor Presentation

September 2022

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Introduction

- Vision
- Executive summary
- Milestones
- Investment case

Company overview

Business overview

Growth drivers

Financial overview

Vision

**Digiworld is a billion-dollar company
recognized for its role in the elevation of Vietnam
with everyone in the company well-rewarded
and fulfilling their life purpose.**

Executive summary

Company name	Digiworld Corporation
Ticker	DGW (HOSE)
Year of Establishment	1997
Market Capitalization	~VND 10,972bn (USD 483mn)
Listing date	3 August 2015
Net revenue 2021	VND 20,923bn (USD 922mn)
NPAT 2021	VND 655bn (USD 27mn)
Trailing EPS	VND 6,945
PE trailing	11.5x
PE forward	9.5x
Industry	Market Expansion Services
Number of employees	588
Website	www.digiworld.com.vn

Updated: 30 June 2022



Digiworld is the **leading Market Expansion Services provider** in Vietnam



Digiworld provides **top-notch quality services and tailor-made solutions** for the most rapid and effective market penetration and market expansion for brands entering Vietnam's growing market



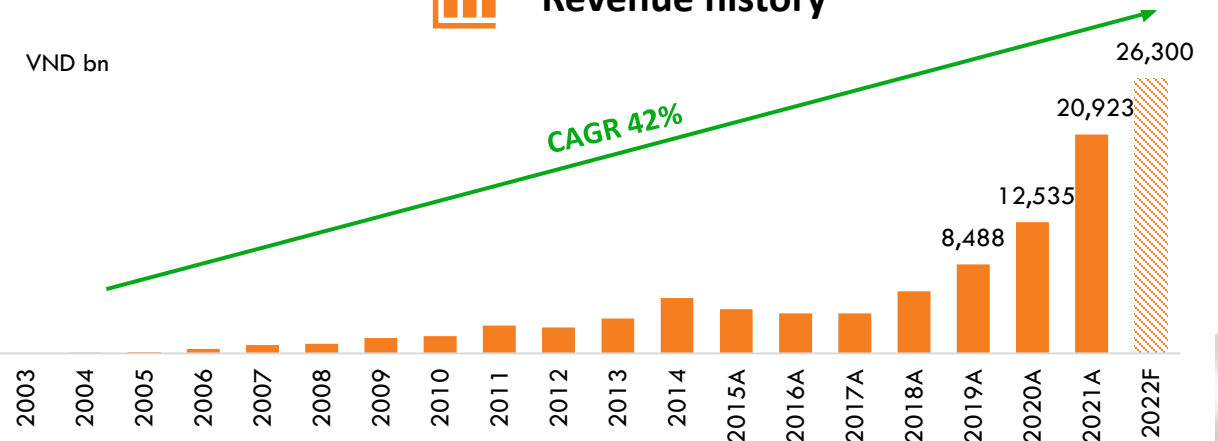
Digiworld is a distributor of **30+ world-class technology brands**



Our core strengths are in **5 value-added services**: Market analysis, Marketing, Sales, Logistics, and After-sales service



Revenue history



DIGIWORLD

Introduction

Company overview

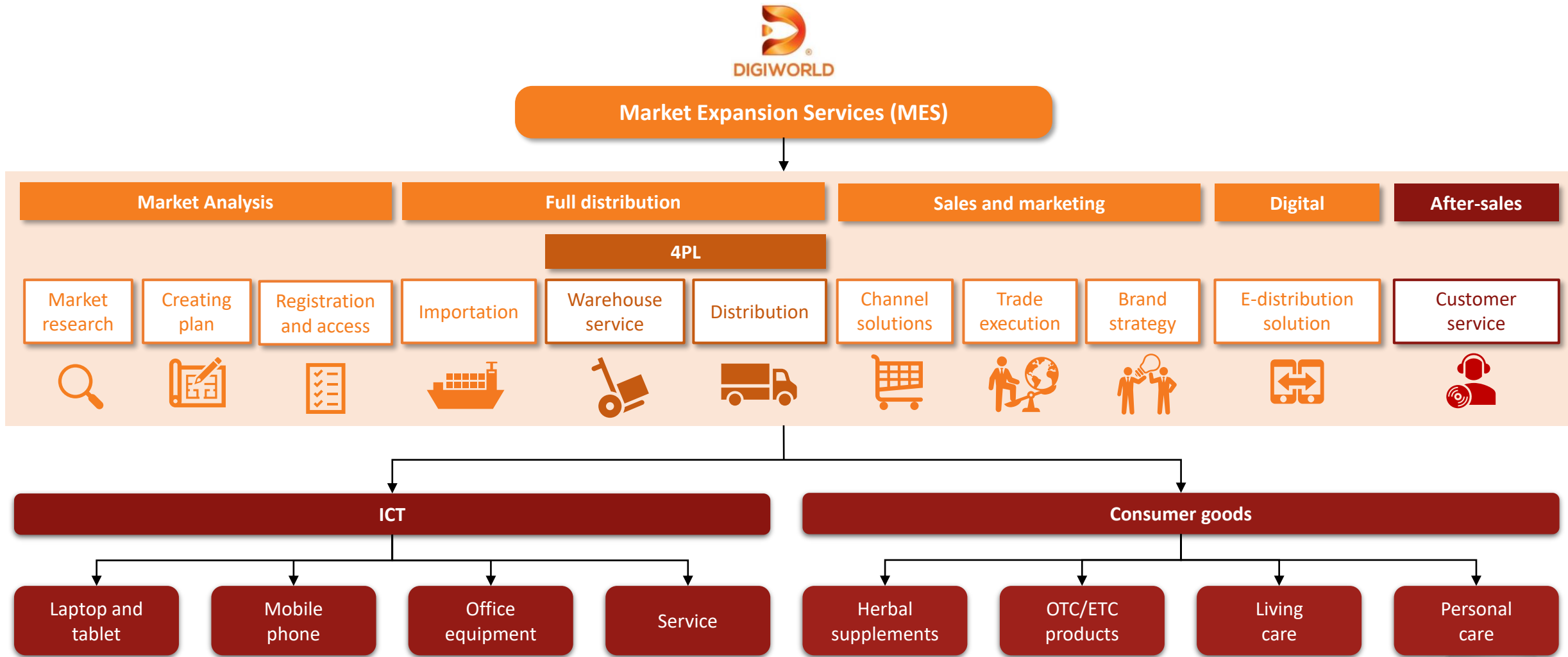
- Business structure
- Board of directors
- Management team
- Shareholder structure and commitment to minority shareholders
- Cash dividend, M&A, Mobilization of capital, ESOP
- ESG & Sustainability
- UN Sustainable Development Goals

Business overview

Growth drivers

Financial overview

Business structure



Board of directors



Doan Hong Viet

Chairman

1993-1997
Lien Phuong Co., Ltd.
IT Head

1997-2003
Hoang Phuong Co., Ltd.
Director

2003-present
Digiworld Corporation

Other current positions
Chairman of Members' Council of
Created Future Co., Ltd.



Dang Kien Phuong

Member and General Director

1989-1994
Viettronic Thu Duc Co., Ltd.
Accountant

1995-1997
T&C Co., Ltd.
Accountant

1999-2002
Hoang Phuong Co., Ltd.
Accountant

2003-present
Digiworld Corporation



To Hong Trang

Member and Deputy General Director

1997-2000
ANSV Telecommunication Co., Ltd.
Project Assistant

2000-2003
Hoang Phuong Co., Ltd.
Deputy Director

2003-present
Digiworld Corporation

Other current positions
General Director of Created Future Co.,
Ltd.



Tran Bao Minh

Independent Member

2006-2009: Vinamilk
Deputy General Director

2009-2011: TH true milk
General Director

2011-2012: A Chau Food Co.
Deputy General Director

2012-2018: International Dairy Products (IDP)
General Director

2018-2020: Diageo Vietnam
General Director

Other current positions
Vice president of Nutifood



Nguyen Duy Tung

Independent Member

2007-2010
REE Corporation
Vice Director – Projects

2011-2014
REE Electric Appliances
Deputy Director

2015-present
DOMESCO
Financial Director

Other current positions
Financial Director cum Person-in-charge
of Corporate Governance of
DOMESCO

Shareholder structure and commitment to minority shareholders

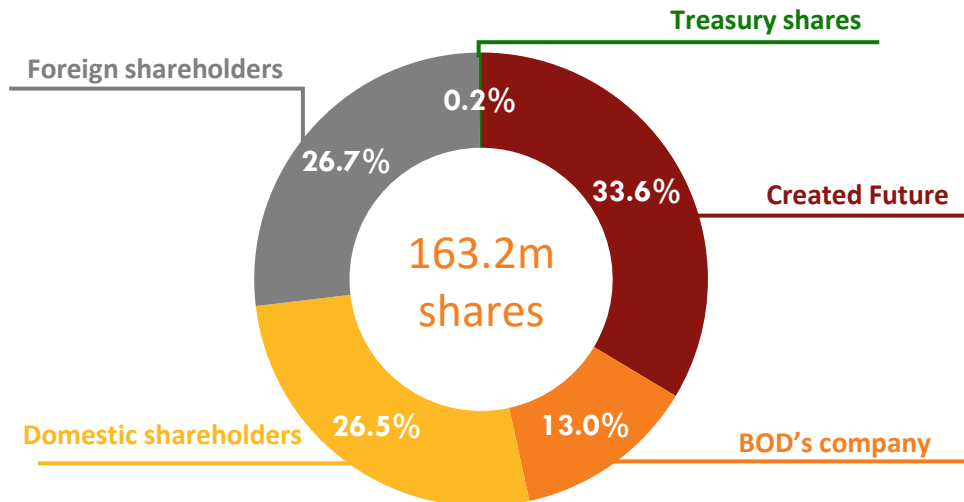
Shareholder structure

Major shareholders (as of 31 August 2022)	No. of shares	%
Created Future Co., Ltd. (*)	53.5m	32.8
DKP Co., Ltd. (**)	8.5m	5.2
DHV Co., Ltd. (**)	6.9m	4.3
TOHT Co., Ltd. (**)	5.2m	3.2
Public float	89.1m	54.5
Total	163.2m	100.0

Commitment to minority shareholders

We are committed to creating value for minority shareholders and acting in their best interests through:

1. Consistent payment of dividends
2. All documents and communication published in both English and Vietnamese and sent to all shareholders whether major or minor, domestic or foreign
 - We will do our best to give the information to all shareholders at the same time
 - We will communicate with minority shareholders via email, phone, meet directly, answer all inquiries

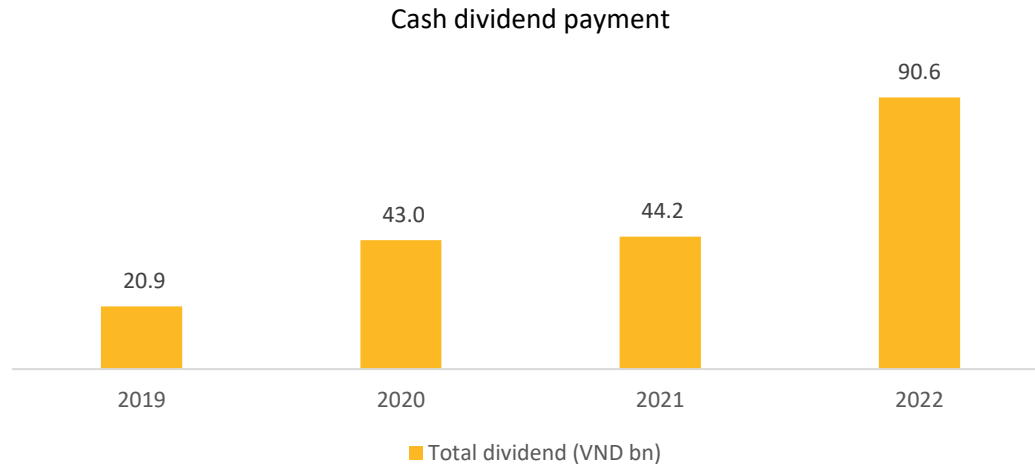


(*) Created Future was established in 2014 and is owned by Mr. Doan Hong Viet.
Business description: holding DGW's shares.

(**) DKP Co., Ltd, DHV Co., Ltd, TOHT Co., Ltd was established in 2021 and is owned by Mrs. Dang Kien Phuong, Mr. Doan Hong Viet and Mrs. To Hong Trang respectively.

Cash dividend, M&A, Mobilization of capital, ESOP strategy

Cash dividend policy



Since our listing on the stock exchange, Digiworld has maintained a dividend payout ratio whereby 20-40% of the net profit will be for cash dividends and the remaining 60-80% will be reinvested in working capital and business expansion.

Raising capital and ESOP strategy

- **Raising capital: NO** (The result can dilute the value of the stock for existing shareholders)
- **ESOP:** When PAT grows by 25% or more, DGW will issue ESOP up to 2.5% of outstanding shares

M&A history



Investment made: 2017

Digiworld's share: 90% (indirectly)

Business description: CL is an FMCG distributor with 16 years of experience in the industry



Investment made: 2017

Digiworld's share: 49%

Charter capital: VND6bil

Business description: Managing subsidiaries, joint ventures and affiliates which provide after-sales services to ICT brands

M&A strategy

- Finding target companies that help DGW expand product lines, distribution channels (scale \leq 25% DGW)
- Funding for M&A will mainly come from retained earnings, bank loans or bond issuance.

ESG & Sustainability

Awards



for 6 consecutive years
(from 2016-2021)

Certificate



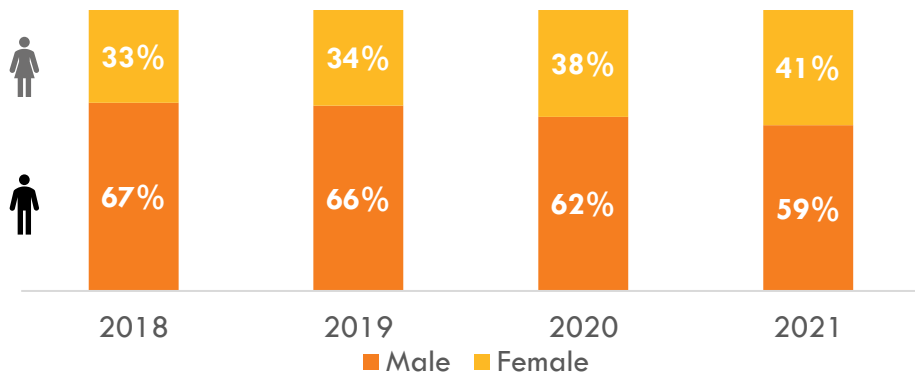
for Sustainable
Development Report

Regulation on conflict of interest

Purpose:

1. Deliver integrity in our business operations, minimize financial and resource losses that could affect our reputation.
2. Ensure clear understanding among our employees to avoid any violations.
3. Enable monitoring and updating of relationships that can lead to conflicts of interest while managing risks for better prevention.

Employees by gender



Regulations on prevention of corruption and bribery

Purpose:

Ensure that there is zero-tolerance stance toward corruption, that all Digiworld's business operations are transparent, protecting the reputation of the company, and that all employees are fully aware of their duty to act with integrity.

Introduction

Company overview













Business overview

- Product portfolio
- Value chain: One-stop solution
- Distribution network (ICT)
- Partnership with large companies (ICT)
- Omnichannel fulfilling (CGHC)
- Geographic footprint
- Risk management
- COVID-19 impact

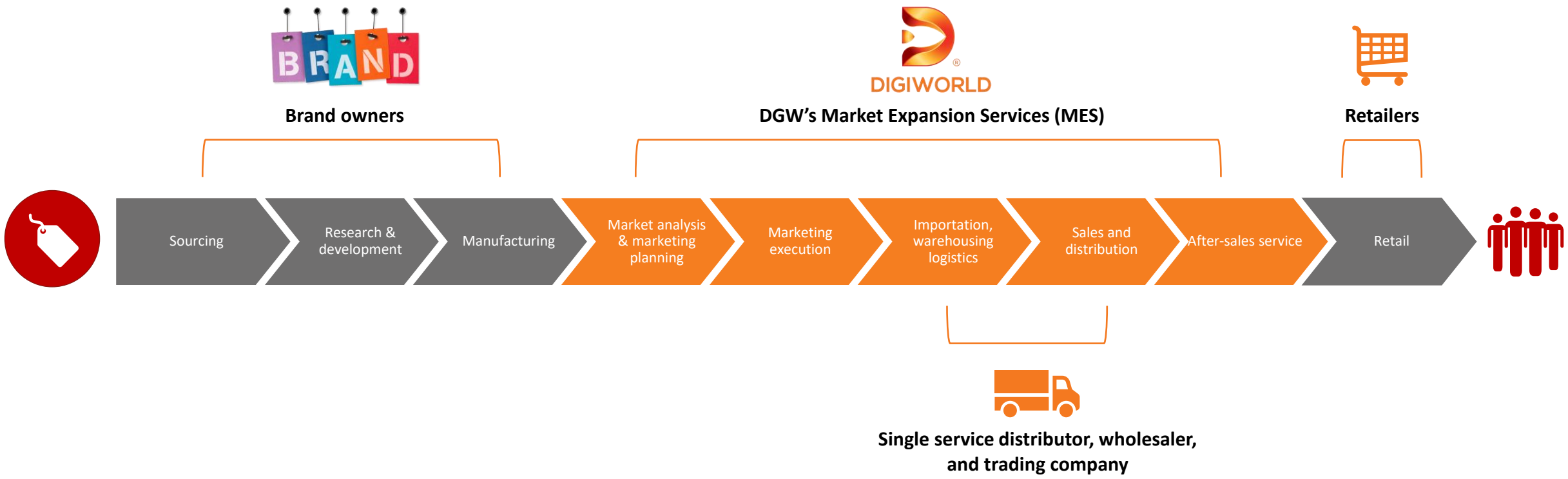
Growth drivers

Financial overview

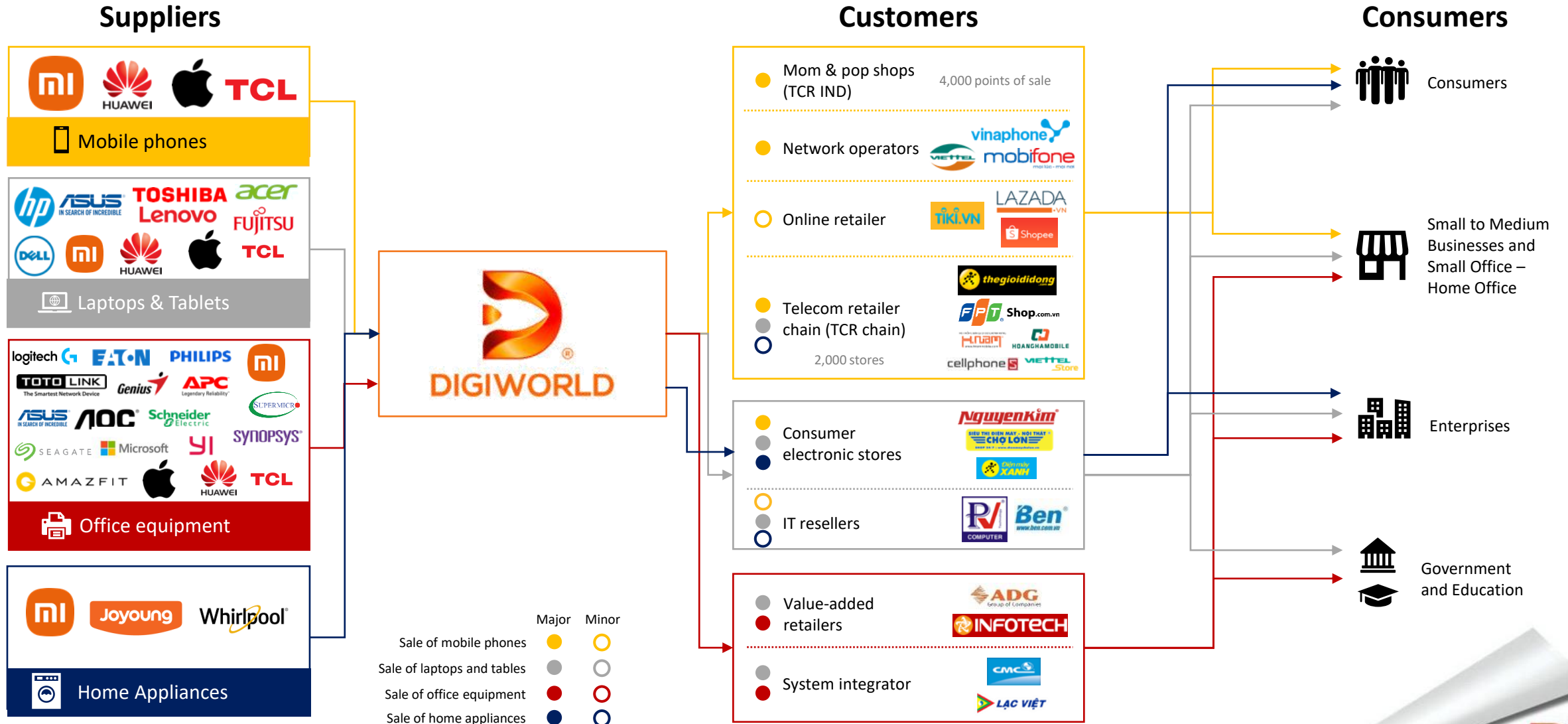
Product portfolio

Laptops & tablets	Laptops			Tablets			
Mobile phones							
Office equipment	Server – PC		Storage devices		Network & security solutions	Internet of Things	Home appliances
							
Consumer goods – healthcare	Toothbrush	Toothpaste	Washing powder and liquid		Detergent liquid	Dishwashing liquid	Healthcare Products
							

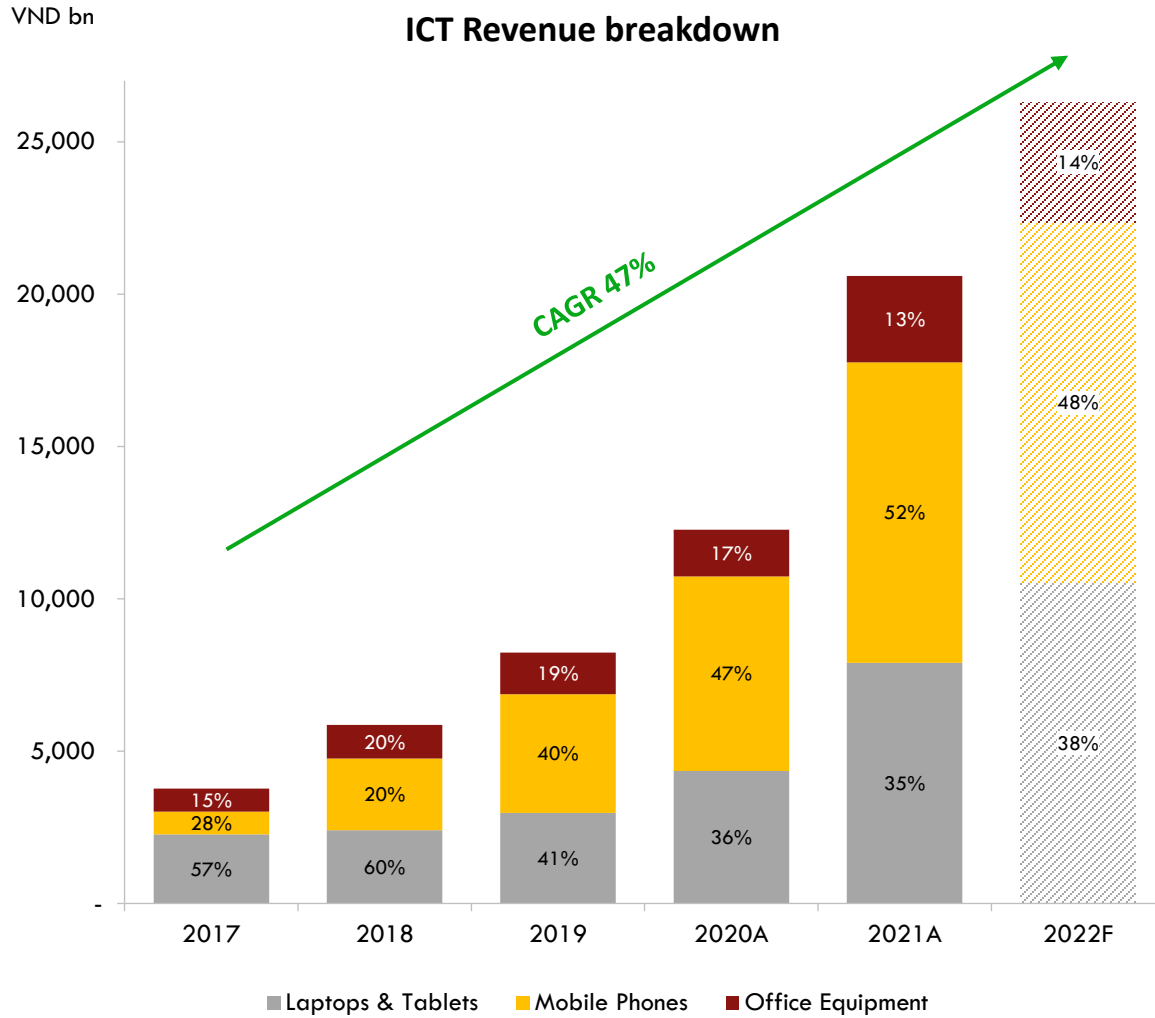
Value chain: One-stop solution



ICT – Distribution network



ICT – Partnership with large companies



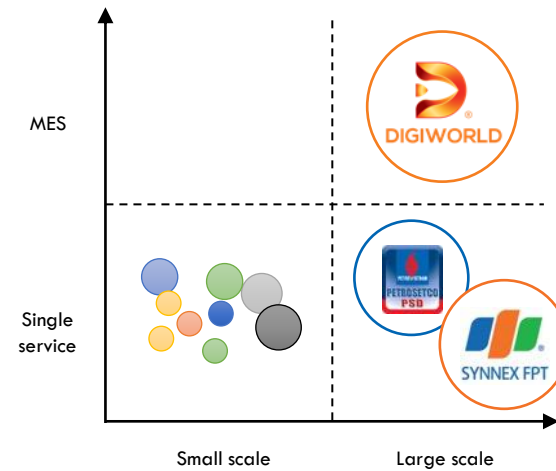
Achievement

- **The biggest** ICT Distributor
- Largest distribution network
- CAGR **47%**
- Revenue **5x** in **10** years

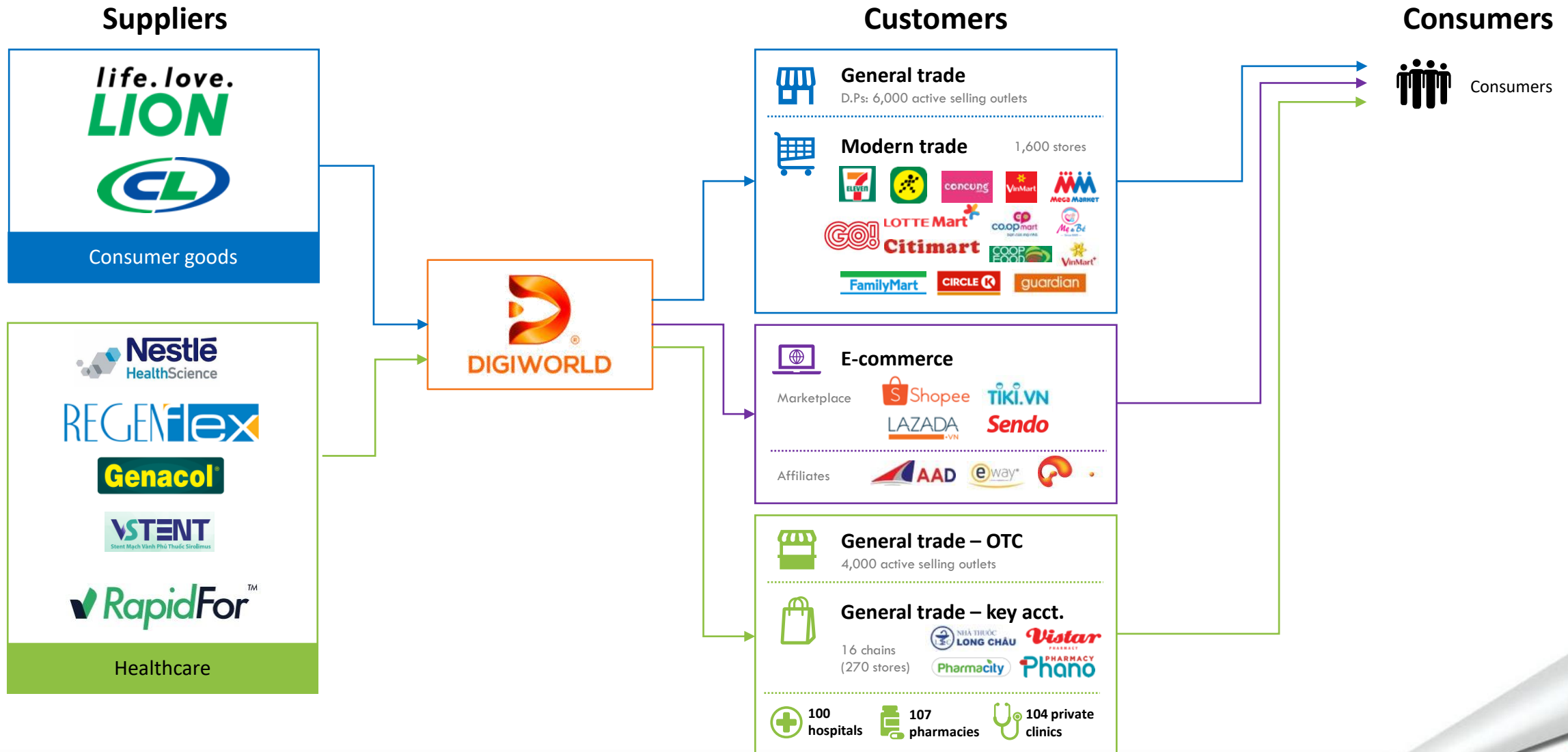
Key success factors

- Inventory management with **ERP from 2010**
- Receivable Management
- Trend catching

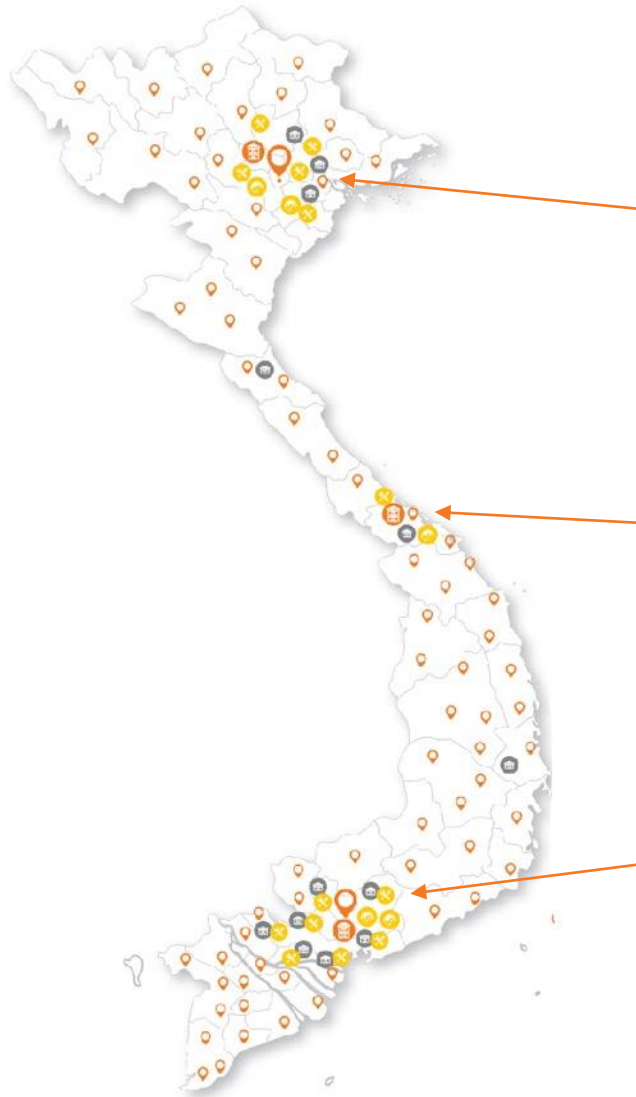
The market has been well-consolidated:



Consumer Goods & Healthcare – Omnichannel fulfilling



Geographic footprint



Hanoi Branch

- **Office:** Dong Da, Hanoi
 - Employees: ~55 people
- **Warehouse:** Dong Anh, Hanoi
 - Capacity: 9000 m³
 - Total area: 7,500 m²
 - SKU: 900
 - Employees: ~50 people
- **DCare:** Dong Da, Hanoi

Danang Branch

- **Office:** Thanh Khe, Danang
 - Employees: ~9 people
- **Warehouse:** Thanh Khe, Danang
 - Capacity: 200 m³
 - Total area: 300 m²
 - SKU: 436
 - Employees: ~5 people
- **DCare:** Thanh Khe, Danang

Headquarters

- **Office:** District 1, HCMC
 - Employees: ~180 people
- **Warehouse:** District 12, HCMC
 - Capacity: 4,200 m³
 - Total area: 8,200 m²
 - SKU: 1,430
 - Employees: ~100 people
- **DCare:** Districts 1, 3 and 12 in Ho Chi Minh City

DGW's Office



DGW's Warehouse



DGW's Service Centers



Introduction

Company overview

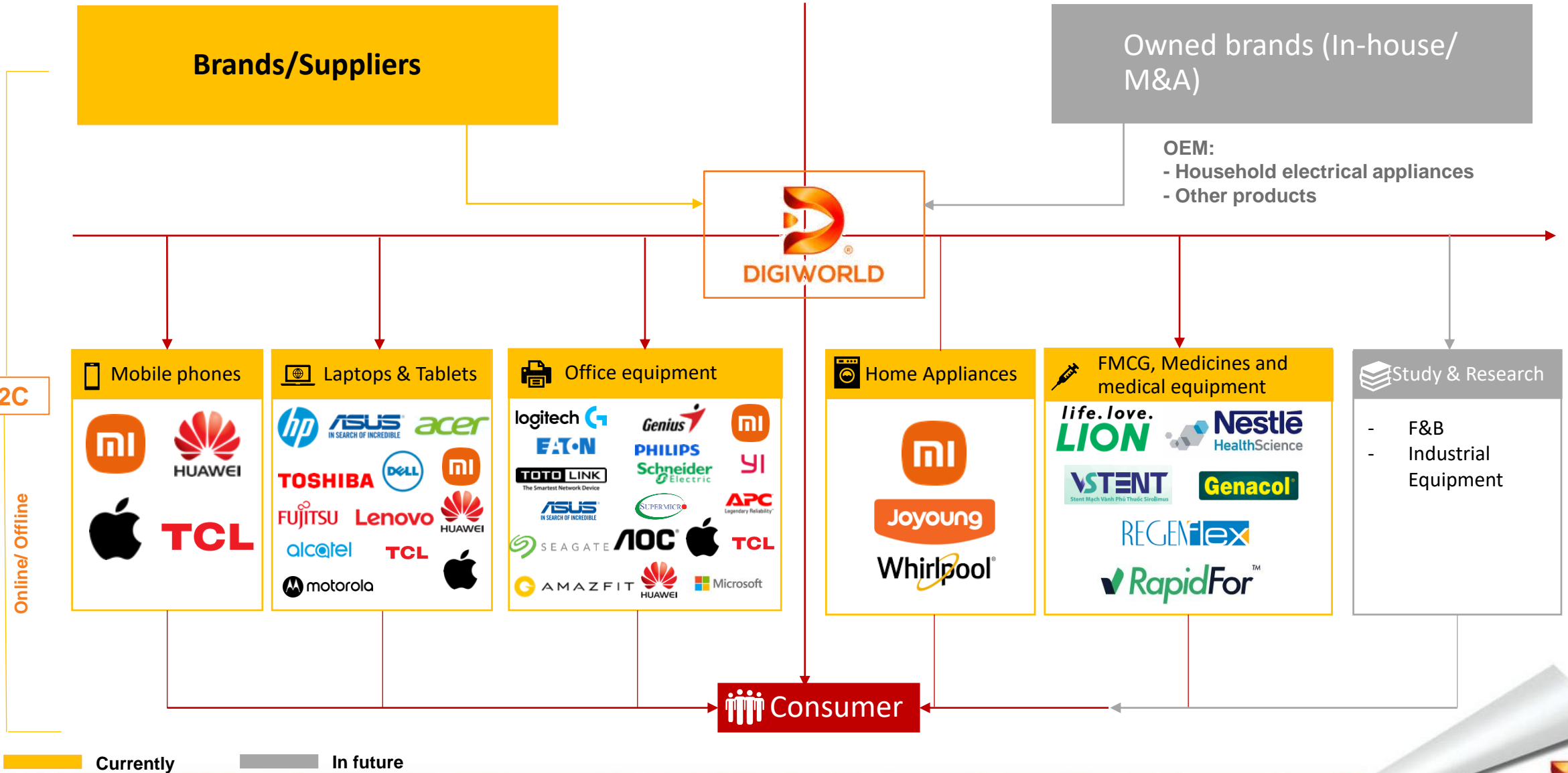
Business overview

Growth drivers

- Macroeconomic environment
- Industry drivers
- Growth strategy
- Competitive landscape and market share
- New business & Investment projects
- Business outlook

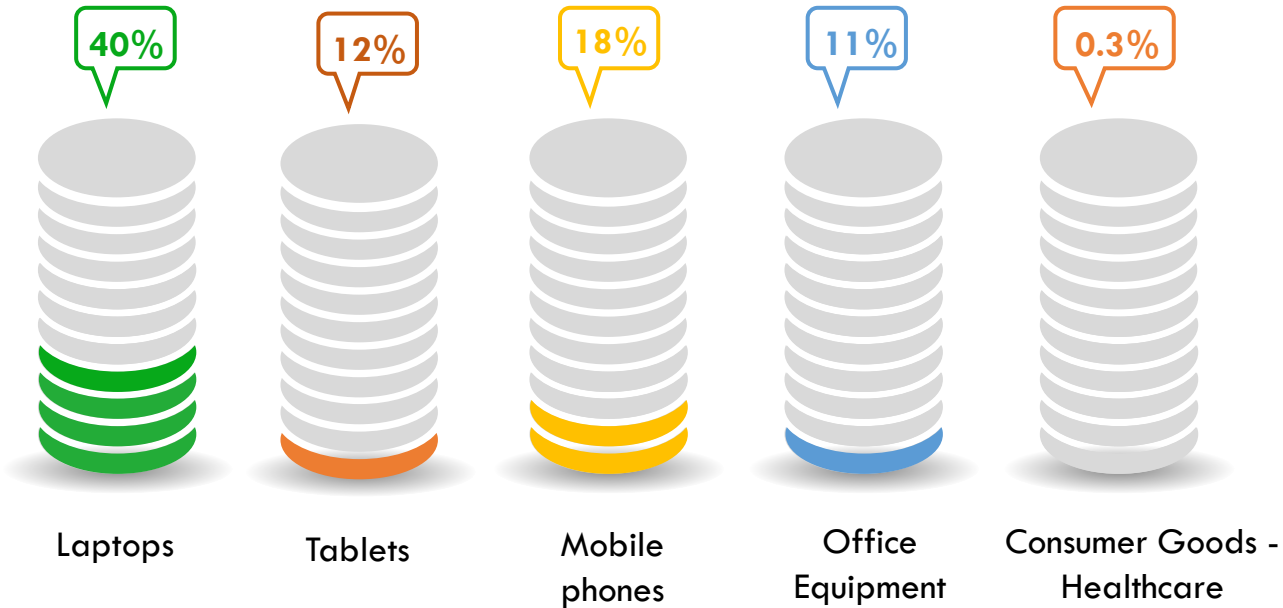
Financial overview

Growth strategy



Competitive landscape and market share

DGW's market share



Unique competitive advantages

- Strong financial capabilities & Great transparency
- Local understanding and vast distribution network
- Data-driven – ERP and DMS to serve clients' goals
- Tailor-made solutions to fulfil clients' needs
- Staying focused and growing with Client's brands

Updated: June 2022
Source: GfK, BMI

Introduction

Company overview

Business overview

Growth drivers

Financial overview

- Financial highlights
- Segment financials
- Income statement summary and key margins
- Balance sheet summary and key financial ratios
- Earnings guidance

2Q22 business results

Revenue

VND
4,910bn

Net profit

VND
137bn

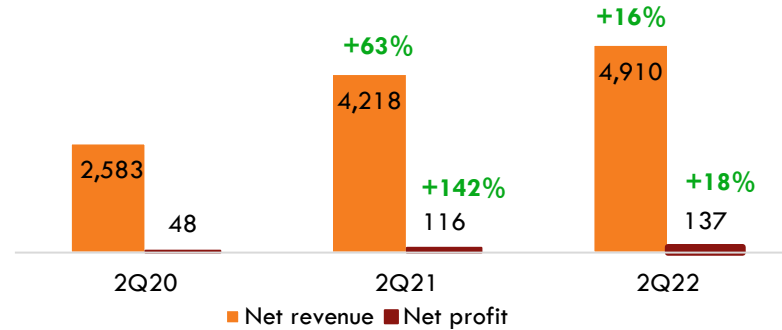
Revenue growth

16%



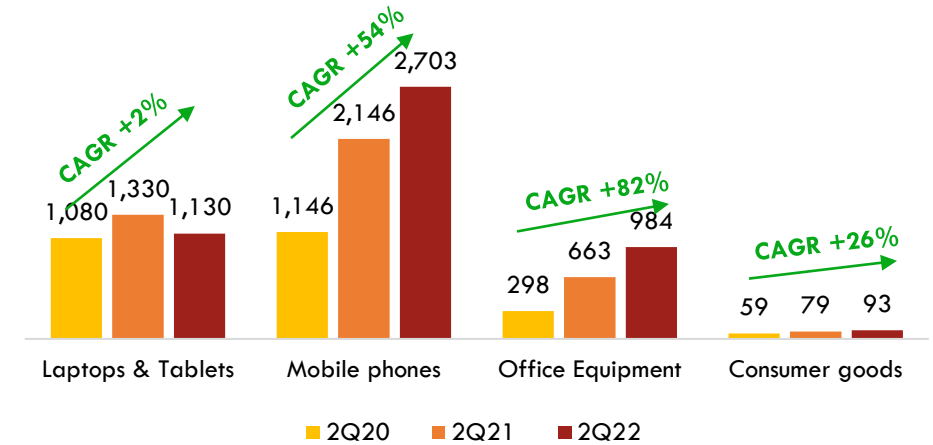
Net revenue and net profit (YoY)

VND bn



Revenue breakdown (YoY)

VND bn

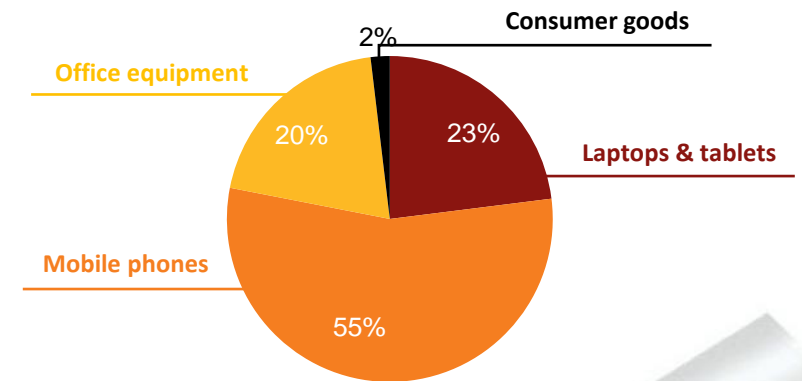


2Q22 Revenue breakdown

(VND bn)	2Q22	2Q21	YoY
Laptops & Tablets	1,130	1,330	-15%
Mobile phones	2,703	2,146	26%
Office Equipment	984	663	48%
Consumer goods	93	79	18%
Revenue	4,910	4,218	16%
Net profit	137	116	18%



2Q22 Revenue breakdown (%)



6M2022 business results

Revenue

VND
11,919bn

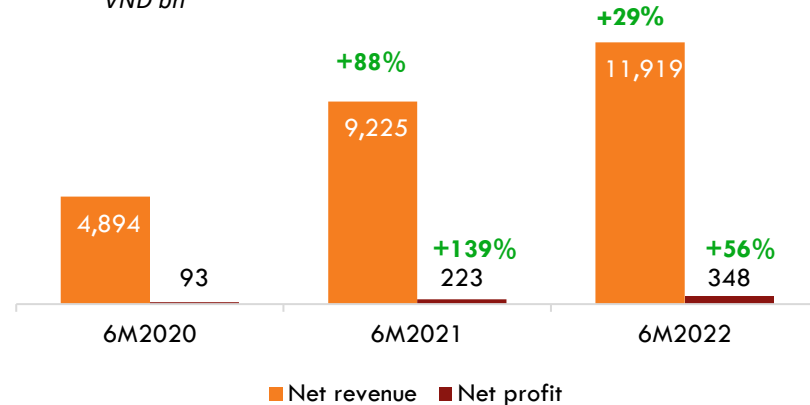
Net profit

VND
348bn

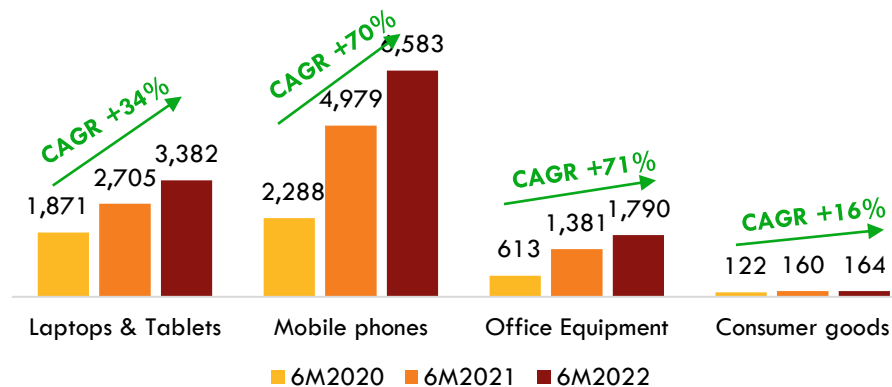
Revenue growth

29%

Net revenue and net profit (YoY)
VND bn



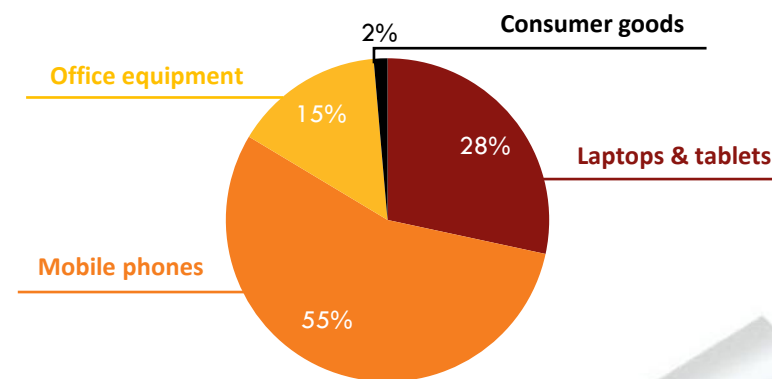
Revenue breakdown (YoY)
VND bn



6M2022 Revenue breakdown

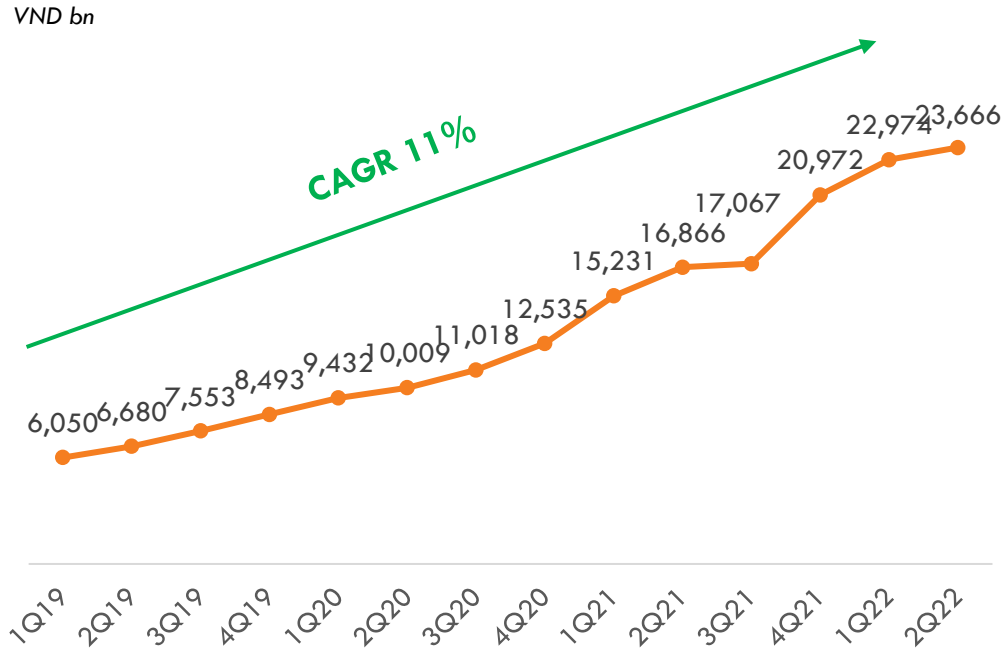
(VND bn)	6M2022	6M2021	YoY	%Plan
Laptops & Tablets	3,382	2,705	25%	35%
Mobile phones	6,583	4,979	32%	53%
Office Equipment	1,790	1,381	30%	47%
Consumer goods	164	160	2%	36%
Revenue	11,919	9,225	29%	45%
Net profit	348	223	56%	43%

6M2022 Revenue breakdown (%)

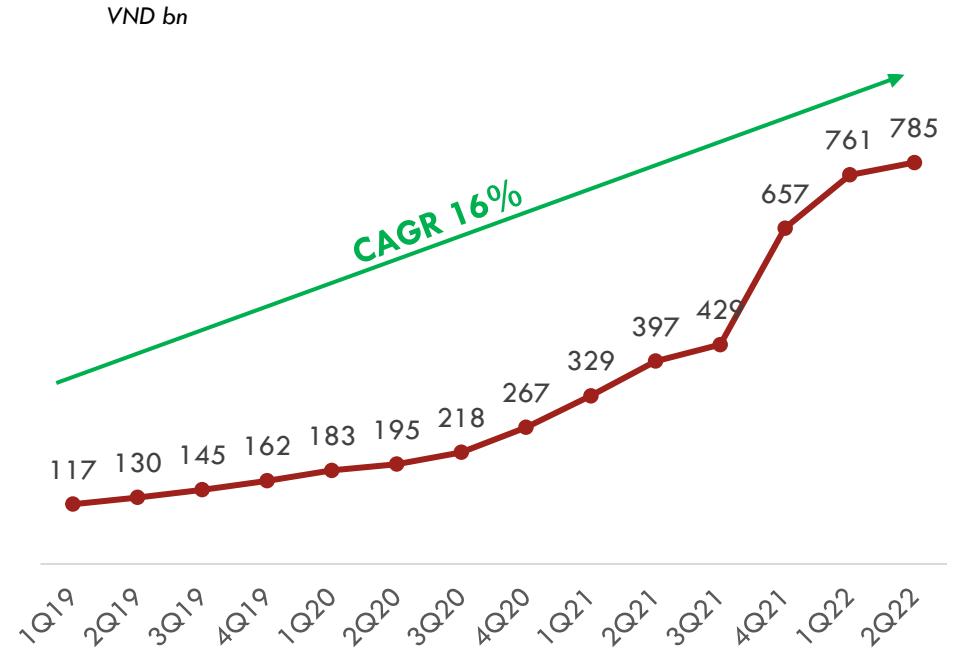


Accumulated business results

 Accumulative net revenue for the last 4 quarters



 Accumulative net profit for the last 4 quarters

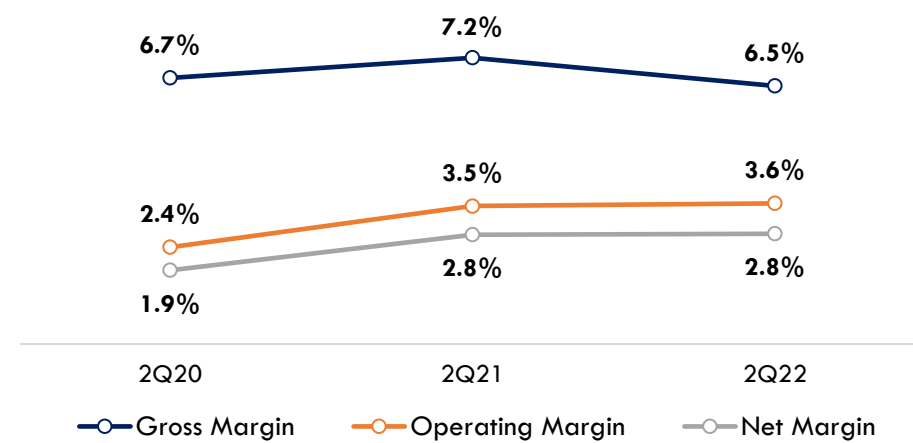


Income statement summary and key margins

Income statement summary

VND (bn)	Consolidated	
	2Q21	2Q22
Total revenue	4,218	4,910
Cost of goods sold	(3,912)	(4,590)
Gross profit	305	320
Interest expense	(5.9)	(22)
Selling expense	(164)	(117)
General and administrative expense	(25.0)	(32.9)
Earnings before tax	147	173
Tax expense	(30)	(24)
Net profit	117	137

Profitability ratios



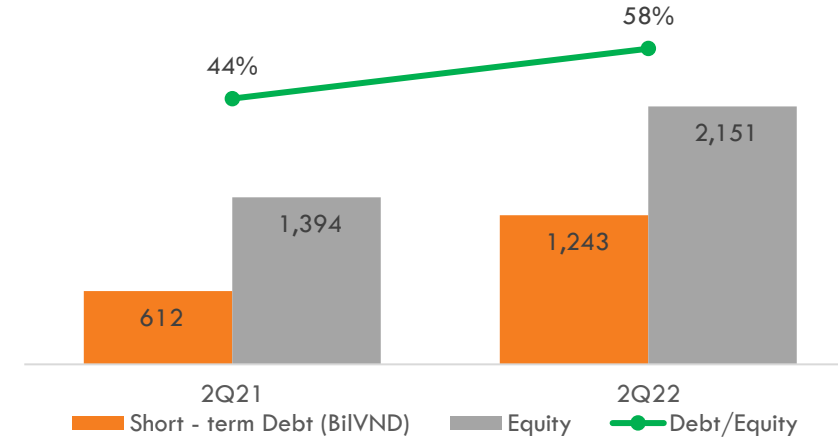
Balance sheet summary and key financial ratios

Balance sheet summary

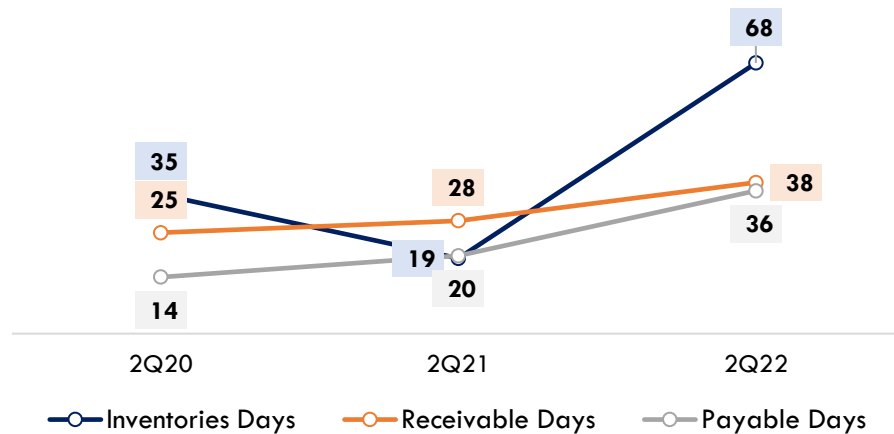
VND (bn)	Consolidated	
	FY21	2Q22
Cash and cash equivalents	1,494	156
Investments and advances	65	63
Total assets	6,544	6,137
Total liabilities	4,764	3,986
Total equity	1,781	2,151
Total interest-bearing debt	12	22
Net debt	(377)	1,087
Net debt-to-equity	(0.21)	0.51
Debt-to-equity	0.63	0.58

Leverage ratios

VND bn

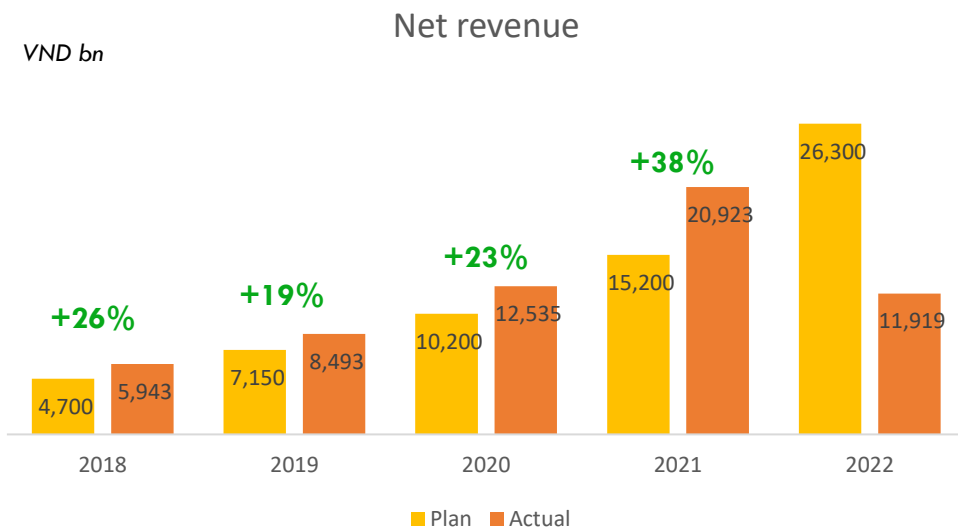


Operating ratios

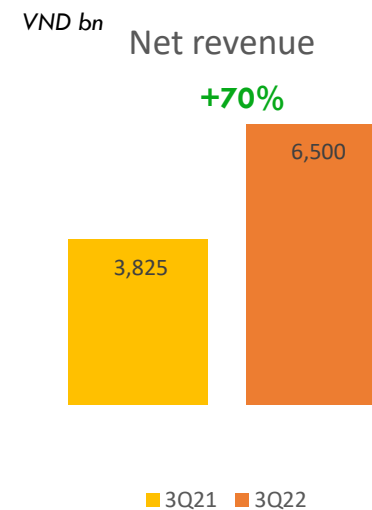


Earnings guidance

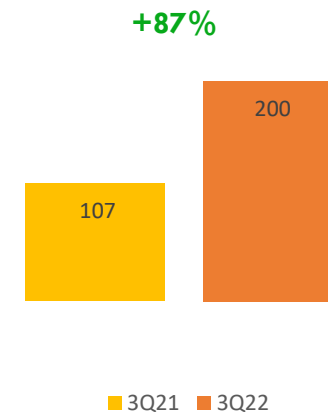
2022 Business Plan



3Q22 Expectations



Net profit



2022E Revenue breakdown

(VND bn)	2022	2021	YoY
Laptops & Tablets	9,740	7,874	24%
Mobile phones	12,330	9,834	25%
Office Equipment	3,770	2,839	33%
Consumer goods	460	376	22%
Net revenue	26,300	20,923	26%
Net profit	800	655	22%



THANK YOU!

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