



DIGIWORLD

Investor Presentation

November 2023

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Introduction

- Vision
- Executive summary

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 6,686bn (USD 290mn)
Listing date	3 August 2015
Net revenue 2022	VND 22,028bn (USD 960mn)
NPAT 2022	VND 684bn (USD 30mn)
Trailing EPS	VND 4,190
PE trailing	10x
PE forward	8.5x
Industry	Market Expansion Services
Number of employees	633
Website	www.digiworld.com.vn

Updated: 30 Dec 2022



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



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



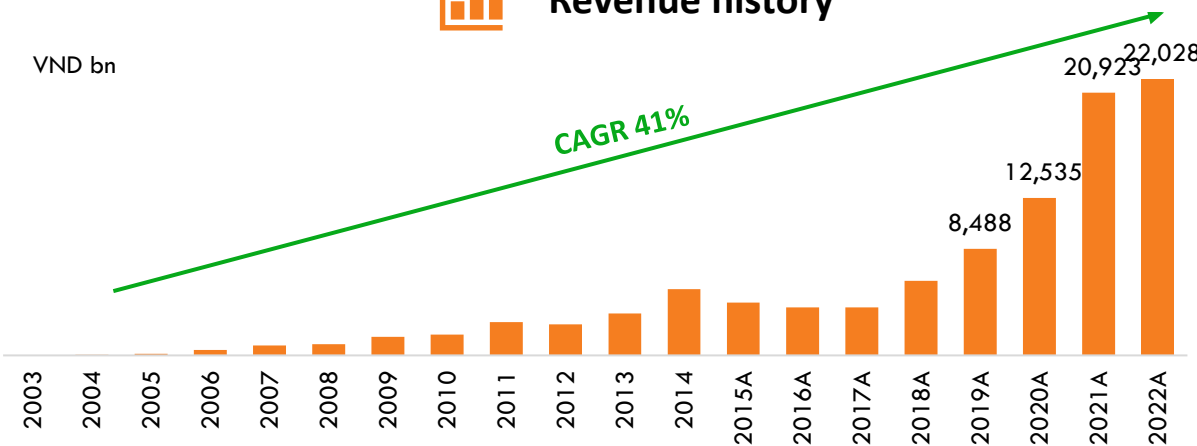
Digiworld provides **top-notch quality services and tailor-made solutions** for the most rapid and effective market penetration and market expansion for brands entering Vietnam's growing market



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



Revenue history



Introduction

Company overview

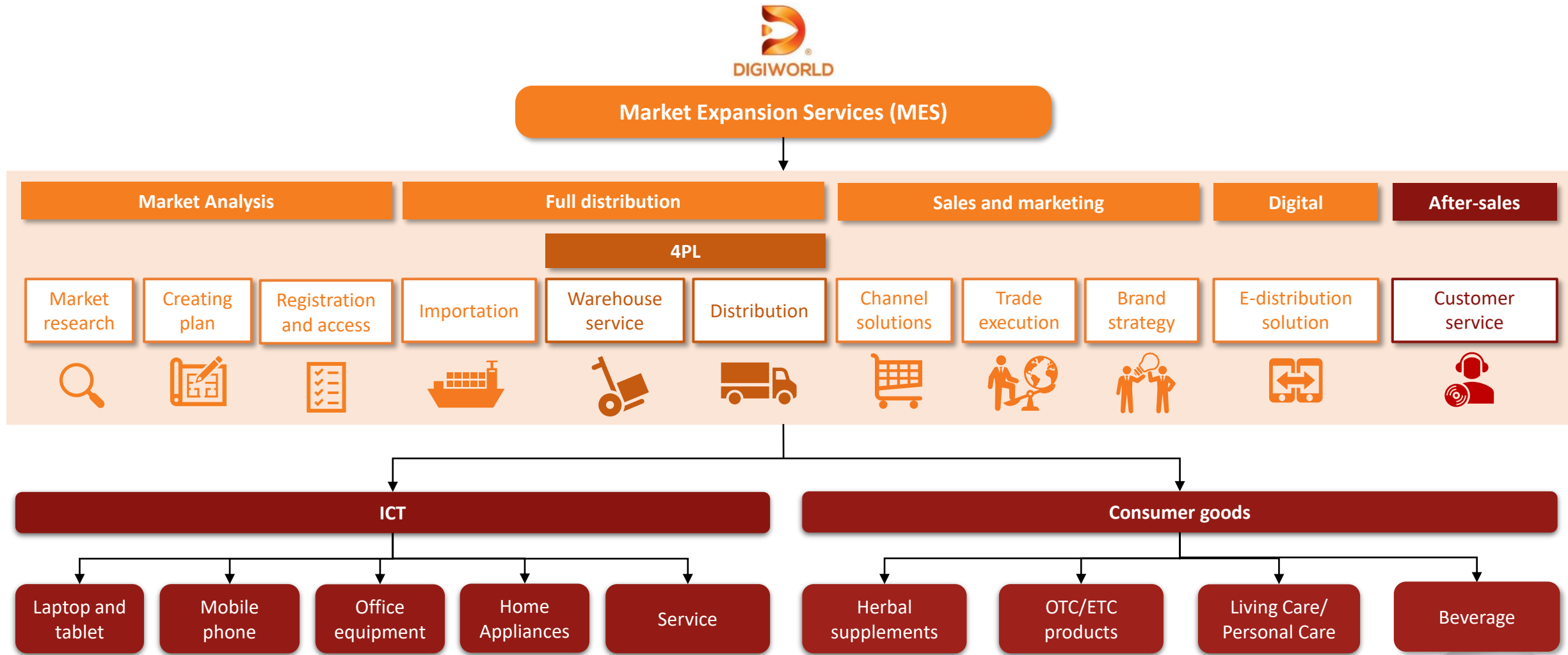
- Business structure
- Board of directors
- Shareholder structure and commitment to minority shareholders
- Cash dividend, M&A strategy
- ESG & Sustainability

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

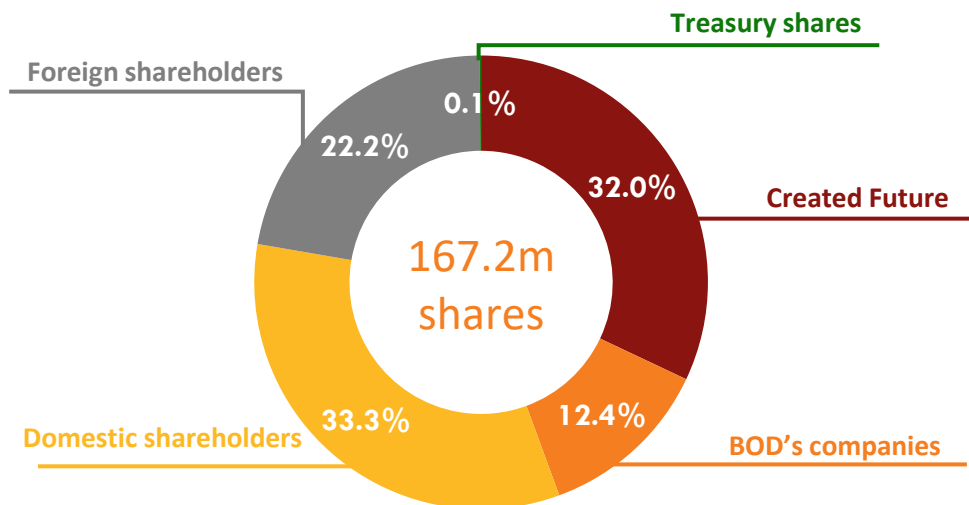
Shareholder structure

Major shareholders (as of 31 May 2023)	No. of shares	%
Created Future Co., Ltd. (*)	53.5m	32.0
DKP Co., Ltd. (**)	8.5m	5.1
DHV Co., Ltd. (**)	6.9m	4.2
TOHT Co., Ltd. (**)	5.2m	3.1
Public float	93.1m	55.6
Total	167.2m	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

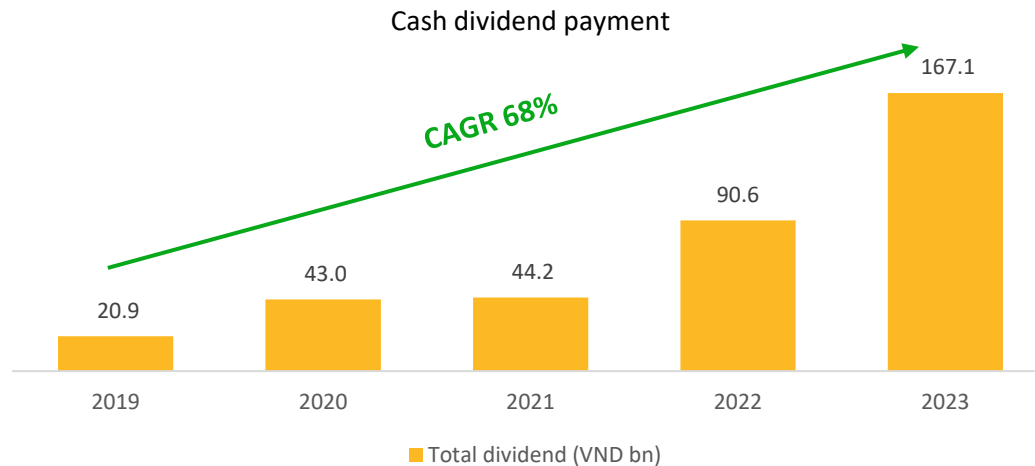


(*) Created Future was established in 2014 and is owned by Mr. Doan Hong Viet.
Business description: holding DGW's shares.

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

Cash dividend, M&A 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 plan

- **Raising capital: NO** (The result can dilute the value of the stock for existing shareholders)

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



Investment made: 2022-2023
Digiworld's share: 75% (indirectly)
Business description: distributes safety products and industrial equipment.

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 8 consecutive years
(from 2016-2023)

Certificate



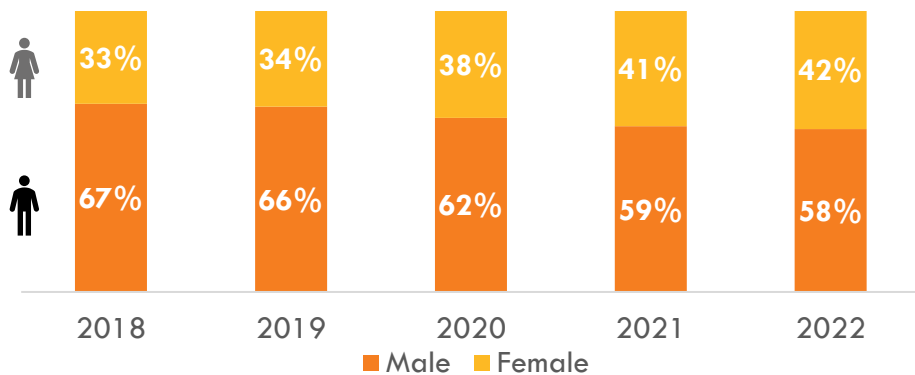
for Sustainable
Development Report

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

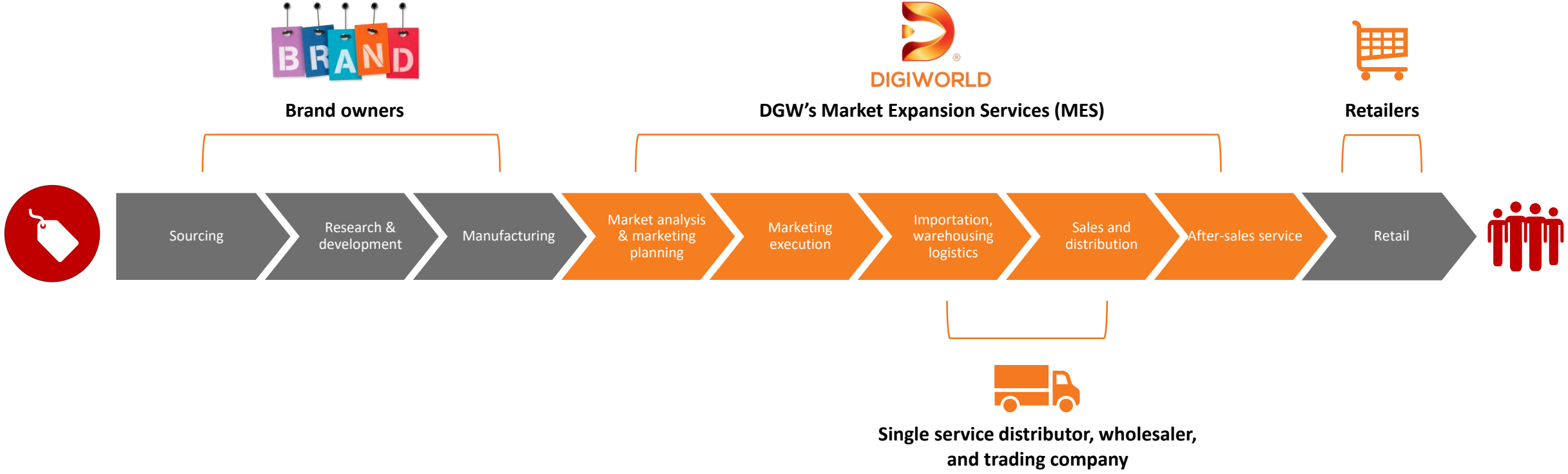
Growth drivers

Financial overview

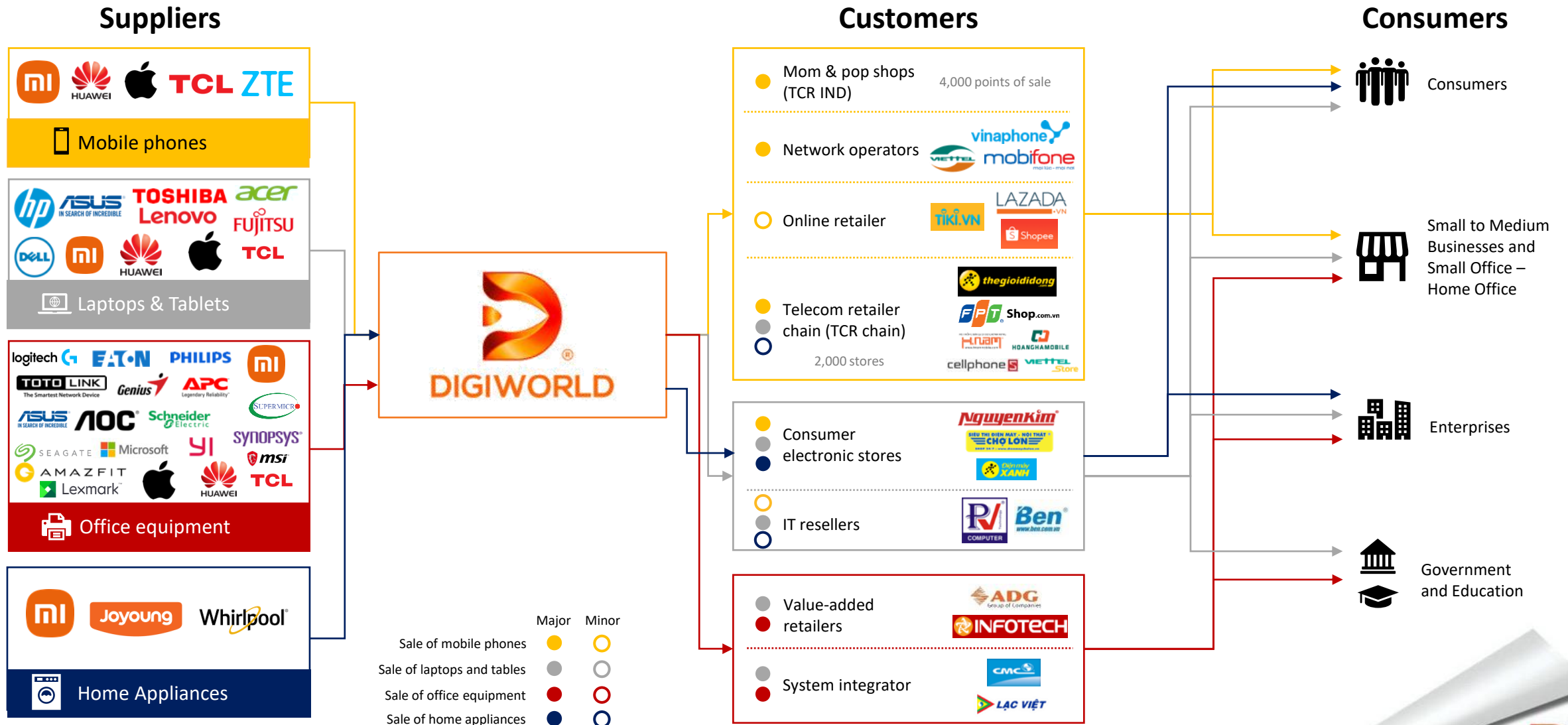
Product portfolio

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

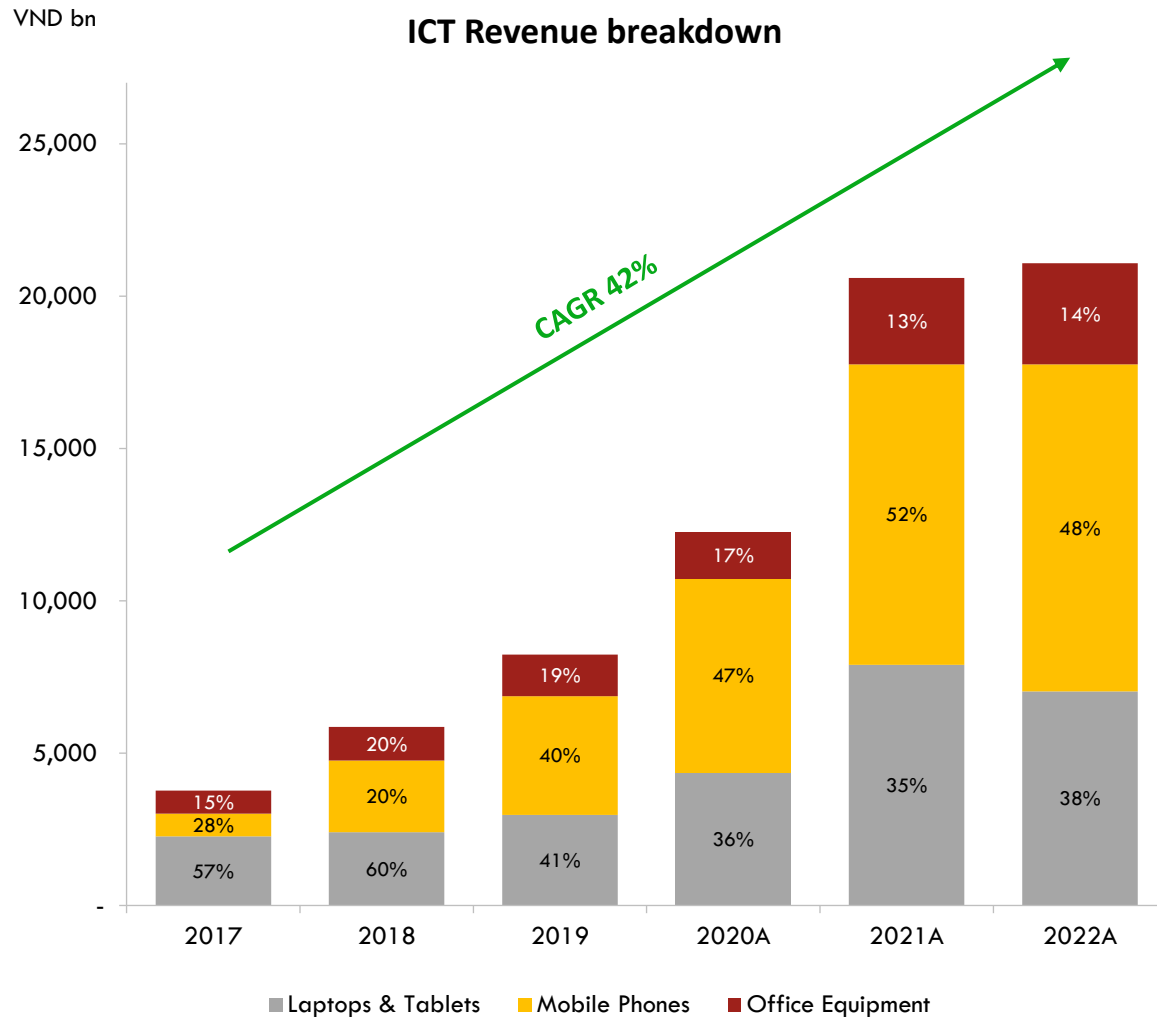
Value chain: One-stop solution



ICT – Distribution network



ICT – Partnership with large companies



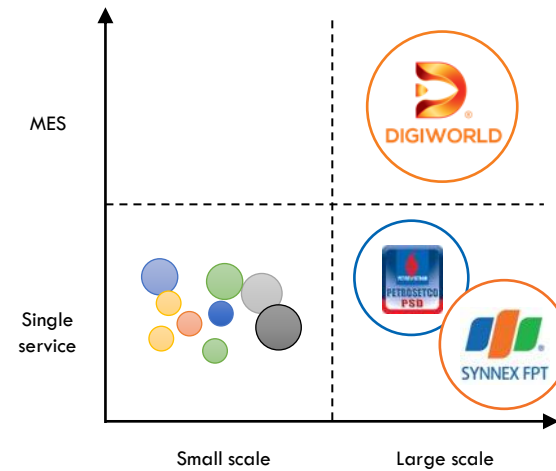
Achievement

- **The biggest** ICT Distributor
- Largest distribution network
- CAGR **42%**
- Revenue **5x** in **10** years

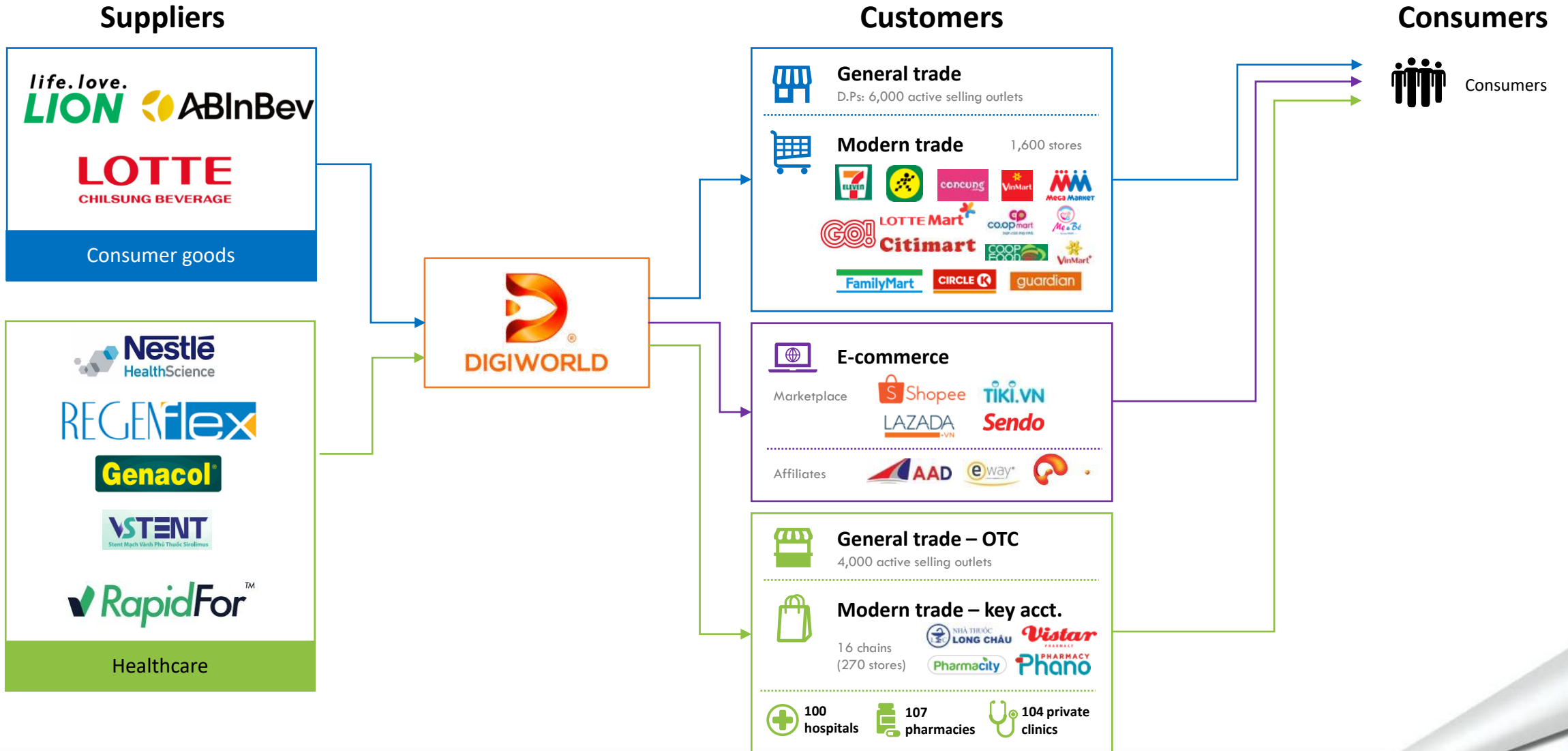
Key success factors

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

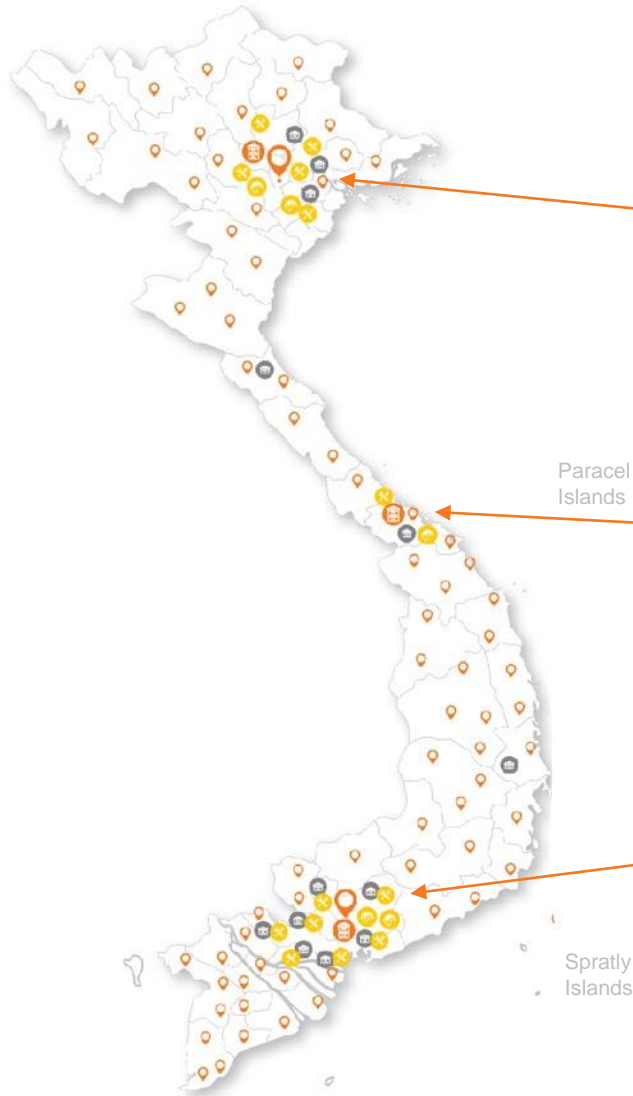
The market has been well-consolidated:



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: ~220 people
- **Warehouse:** District 12, HCMC & Binh Duong
 - Capacity: 17,700 m³
 - Total area: 15,300 m²
 - SKU: 1,430
 - Employees: ~150 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

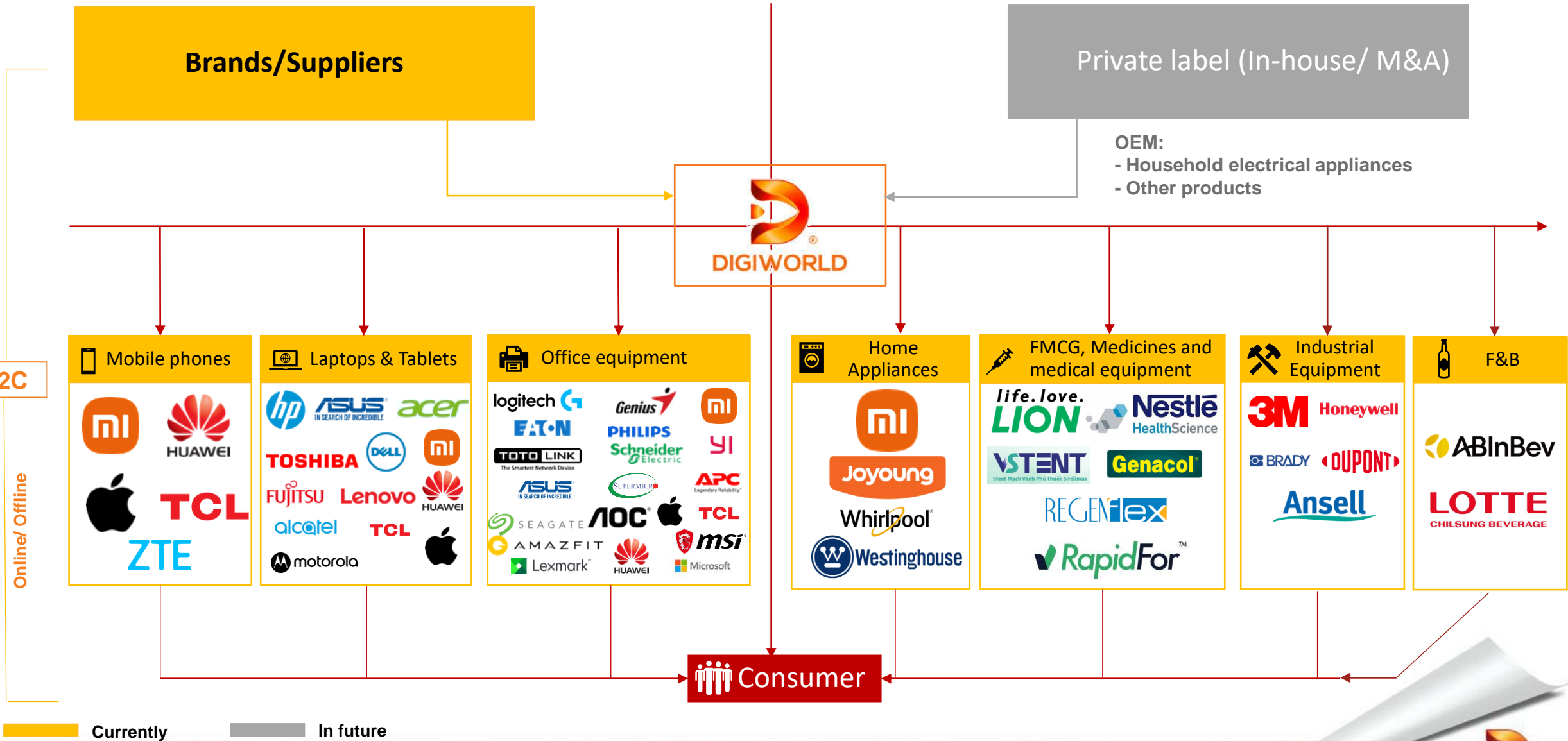
Business overview

Growth drivers

- Growth strategy
- Competitive landscape in CGHC
- New business & Investment projects

Financial overview

Growth strategy



Competitive landscape in CGHC



Small distributors/ Family companies

Pros

- ✓ Flexible operation to suit customer requirements
- ✓ Thorough local understanding
- ✓ Take good care of customers
- ✓ Long experience

Cons

- ✗ Weak at finances
- ✗ Lack of transparency
- ✗ Poor corporate governance
- ✗ Traditional warehouse system



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



Multinational companies



Pros

- ✓ Strong brand awareness, long experience
- ✓ Great transparency
- ✓ Strong financial capabilities
- ✓ Good corporate governance
- ✓ Modern and efficient warehouse system

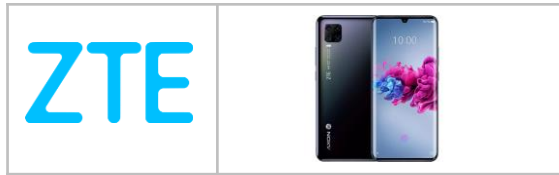
Cons

- ✗ Limited local understanding
- ✗ Difficult to be flexible
- ✗ Do not focus on small customers

New business & Investment projects

Adding new brands to existing channel

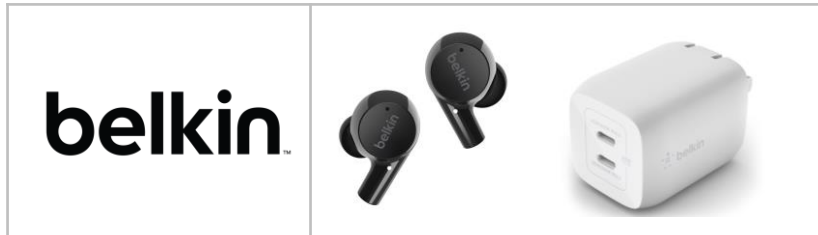
Mobile phones



Home Appliances



Office equipment



Consumer goods



Introduction

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Growth drivers

Financial overview

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

3Q23 business results

Revenue

VND
5,413bn

Net profit

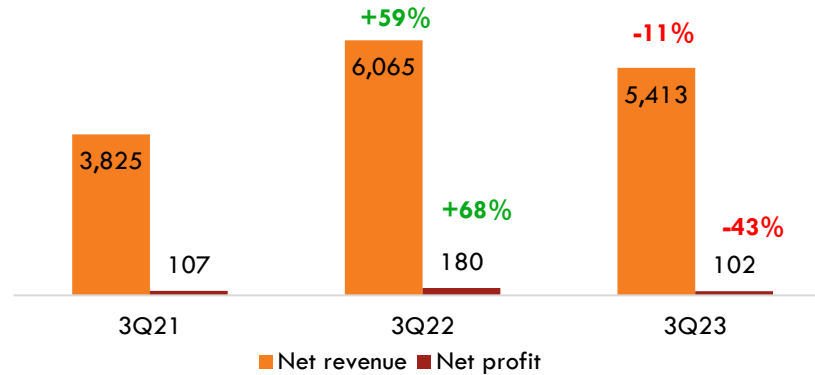
VND
102bn

Revenue growth

-11%

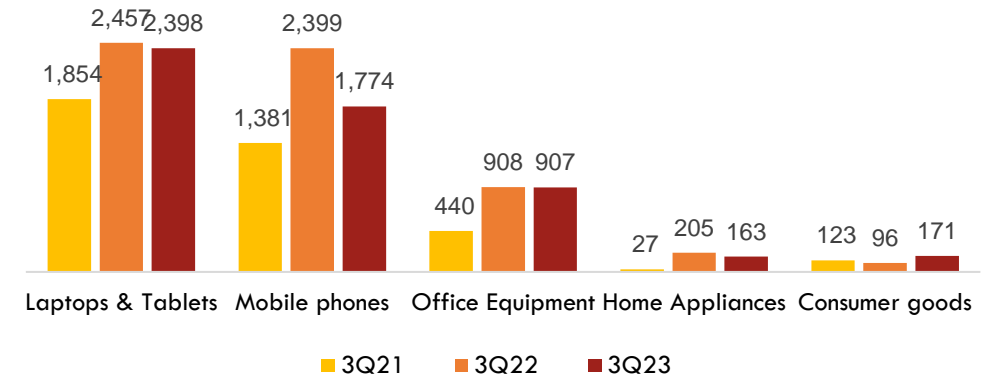
Net revenue and net profit (YoY)

VND bn



Revenue breakdown (YoY)

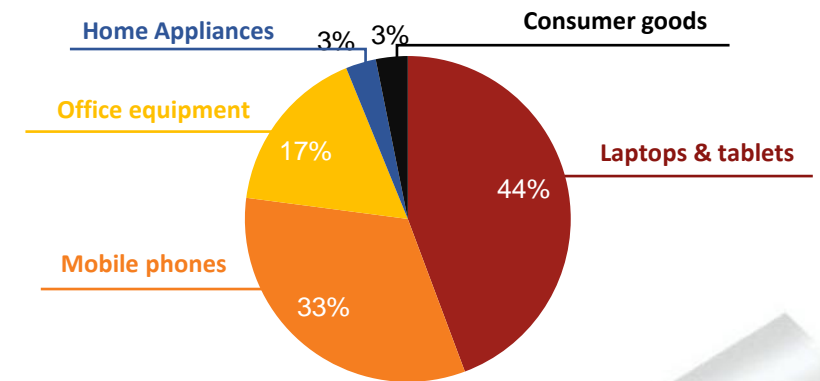
VND bn



3Q23 Revenue breakdown

(VND bn)	3Q23	3Q22	YoY
Laptops & Tablets	2,398	2,457	-2%
Mobile phones	1,774	2,399	-26%
Office Equipment	907	908	0%
Home Appliances	163	205	-20%
Consumer goods	171	96	78%
Revenue	5,413	6,065	-11%
Net profit	102	180	-43%

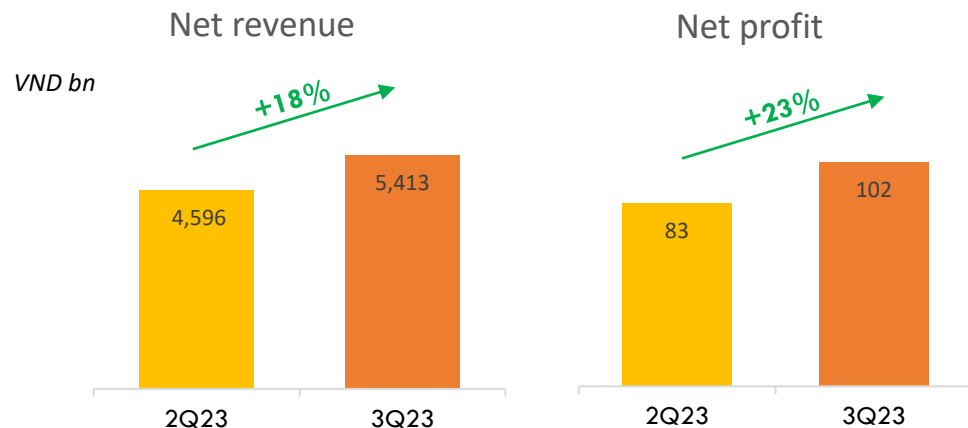
3Q23 Revenue breakdown (%)



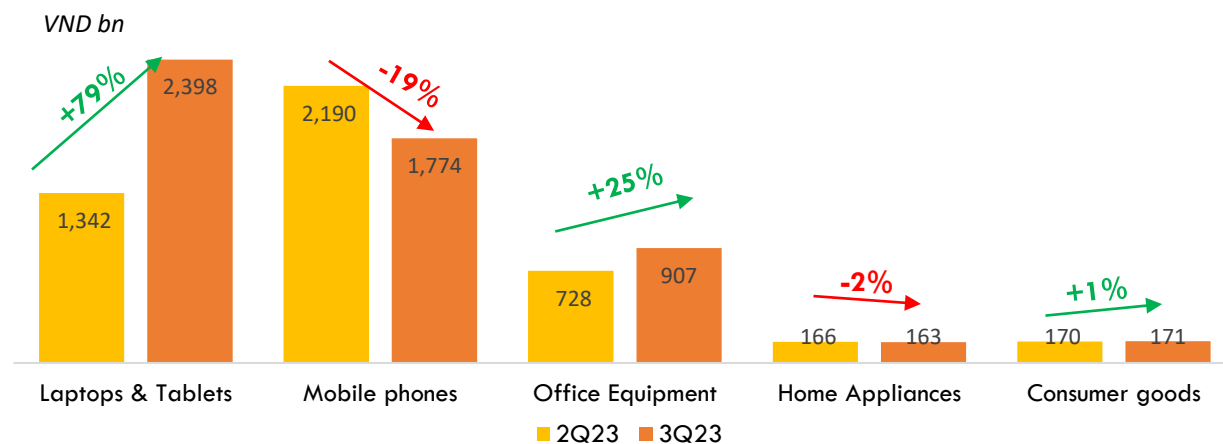
3Q23 vs. 2Q23



Net revenue and net profit (QoQ)



Revenue breakdown QoQ

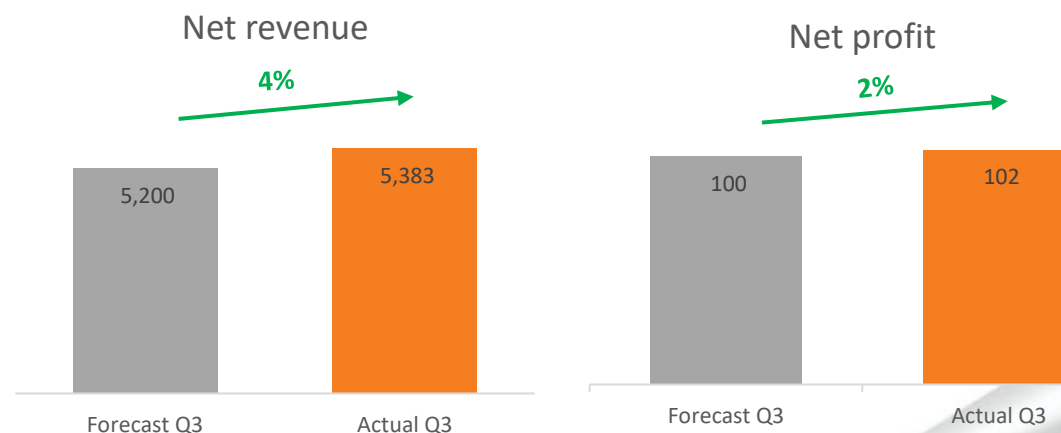


3Q23 vs 2Q23

(VND bn)	3Q23	2Q23	QoQ
Laptops & Tablets	2,398	1,342	79%
Mobile phones	1,774	2,190	-19%
Office Equipment	907	728	25%
Home Appliances	163	166	-2%
Consumer goods	171	170	1%
Net revenue	5,413	4,596	18%
Net profit	102	83	23%



3Q23F vs 3Q23A



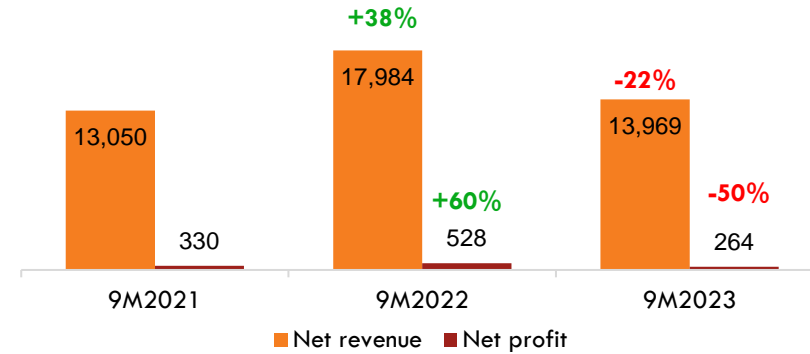
9M2023 business results

Revenue

VND
13,969bn

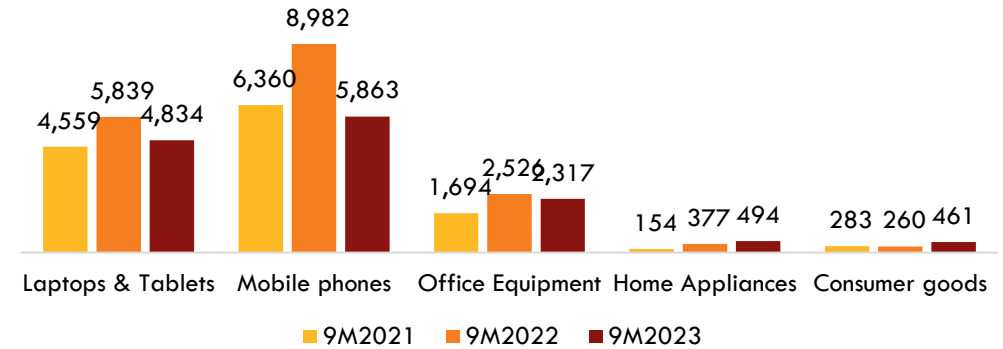
Net revenue and net profit (YoY)

VND bn



Revenue breakdown (YoY)

VND bn



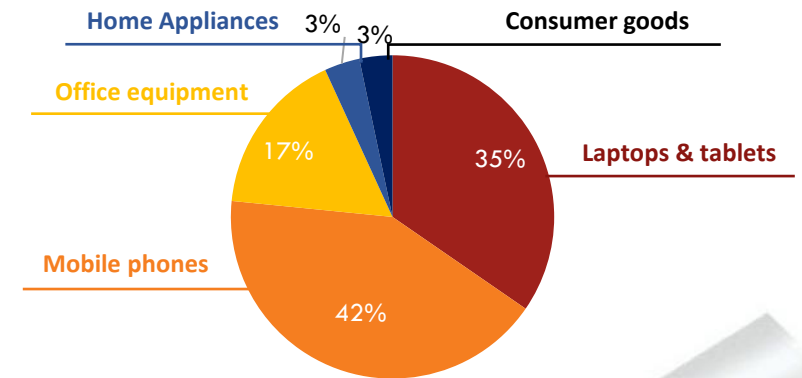
Net profit

VND
264bn

9M2023 Revenue breakdown

(VND bn)	9M2023	9M2022	YoY	%Plan
Laptops & Tablets	4,834	5,839	-17%	88%
Mobile phones	5,863	8,982	-35%	67%
Office Equipment	2,317	2,526	-8%	60%
Home Appliances	494	377	31%	54%
Consumer goods	461	260	77%	45%
Revenue	13,969	17,984	-22%	70%
Net profit	264	528	-50%	66%

9M2023 Revenue breakdown (%)



Revenue growth

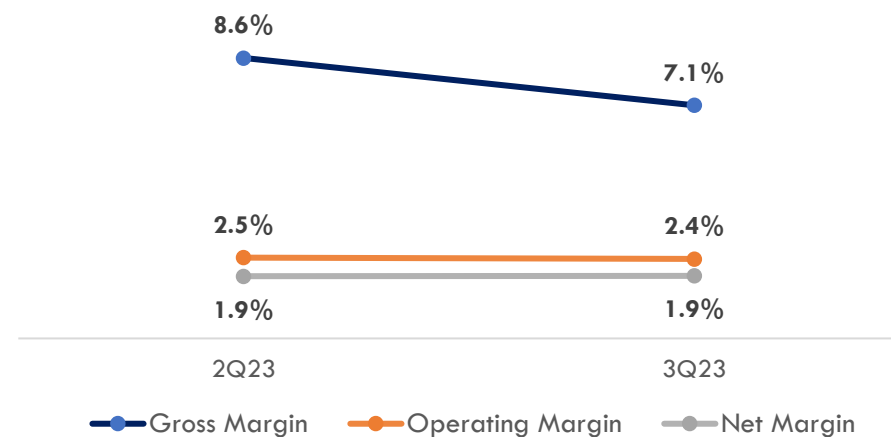
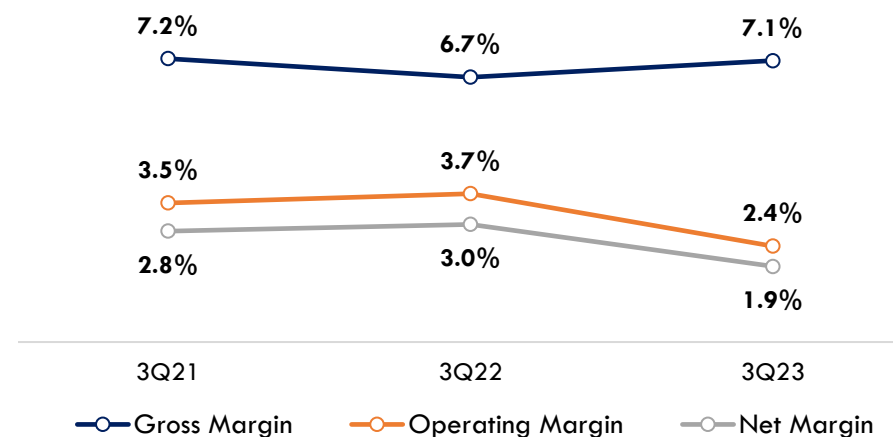
-22%

Income statement summary and key margins

Income statement summary

VND (bn)	Consolidated	
	3Q22	3Q23
Total revenue	6,065	5,412
Cost of goods sold	(5,659)	(5,028)
Gross profit	406	385
Interest expense	(22)	(31)
Selling expense	(150)	(213)
General and administrative expense	(38)	(49)
Earnings before tax	227	134
Tax expense	(47)	(30)
Net profit	180	102

Profitability ratios



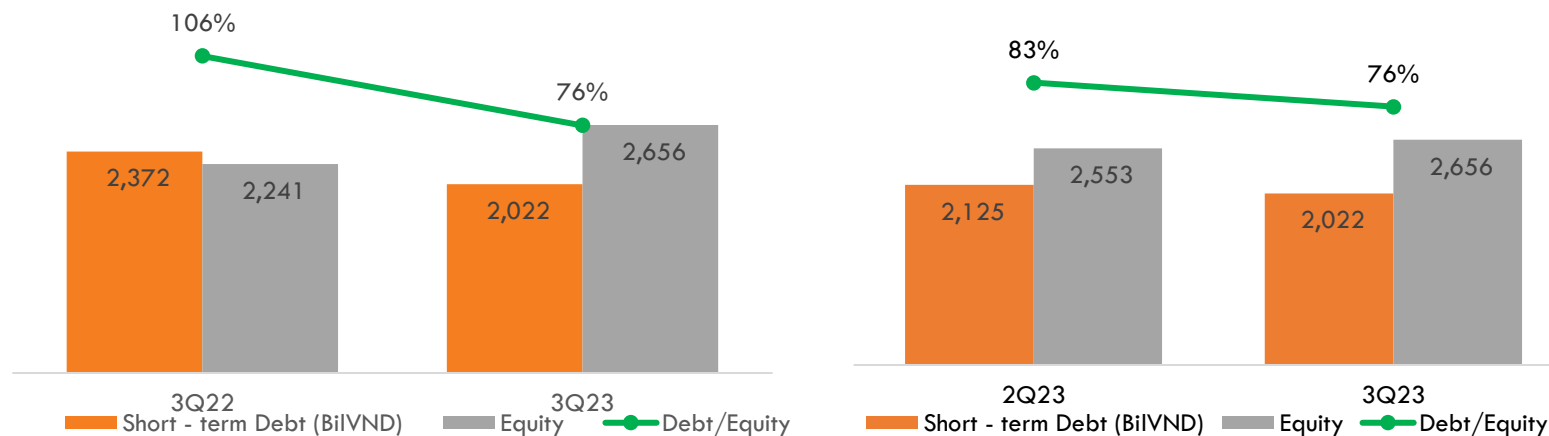
Balance sheet summary and key financial ratios

Balance sheet summary

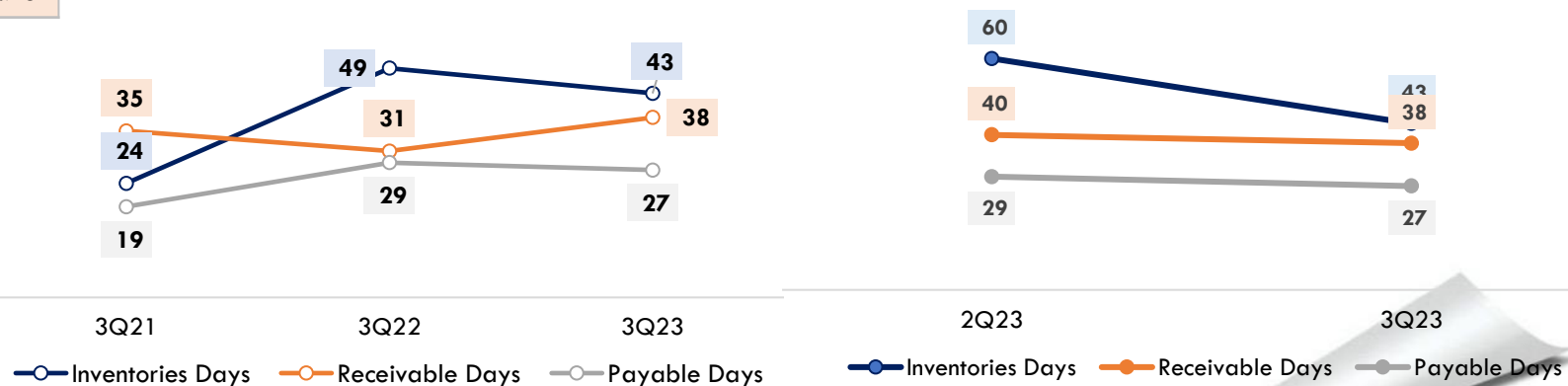
VND (bn)	Consolidated	
	3Q22	3Q23
Cash and cash equivalents	987	1,562
Investments and advances	321	61
Total assets	6,610	7,003
Total liabilities	4,359	4,326
Total equity	2,241	2,656
Total interest	22	31
Net debt	1,386	460
Net debt-to-equity	0.62	0.17
Debt-to-equity	1.06	0.76

Leverage ratios

VND bn

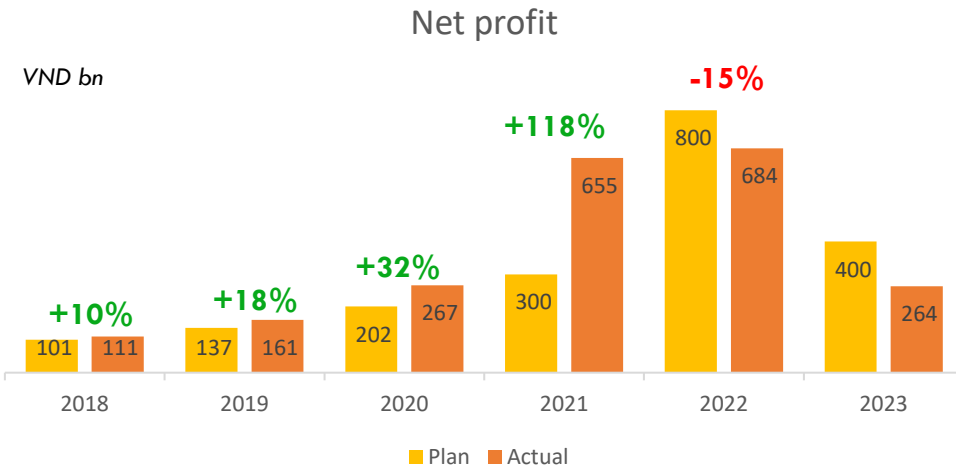
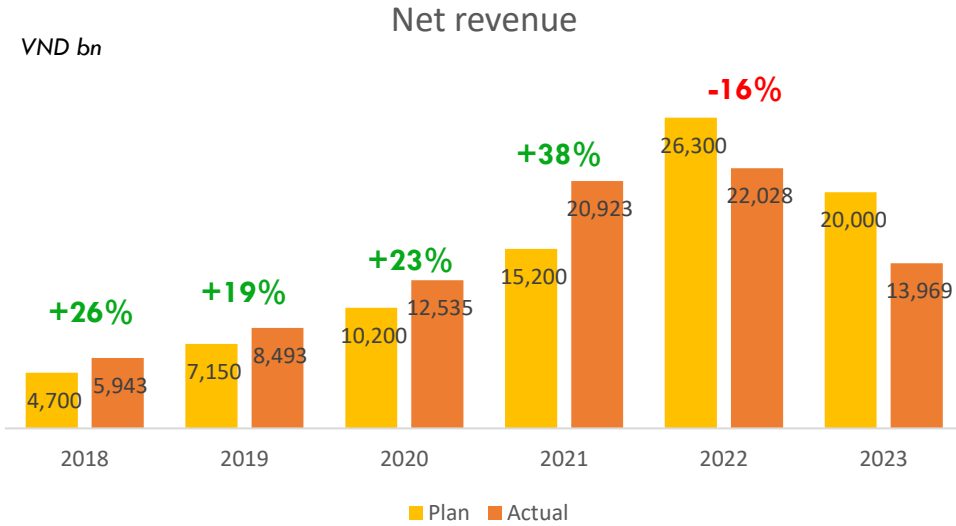


Operating ratios

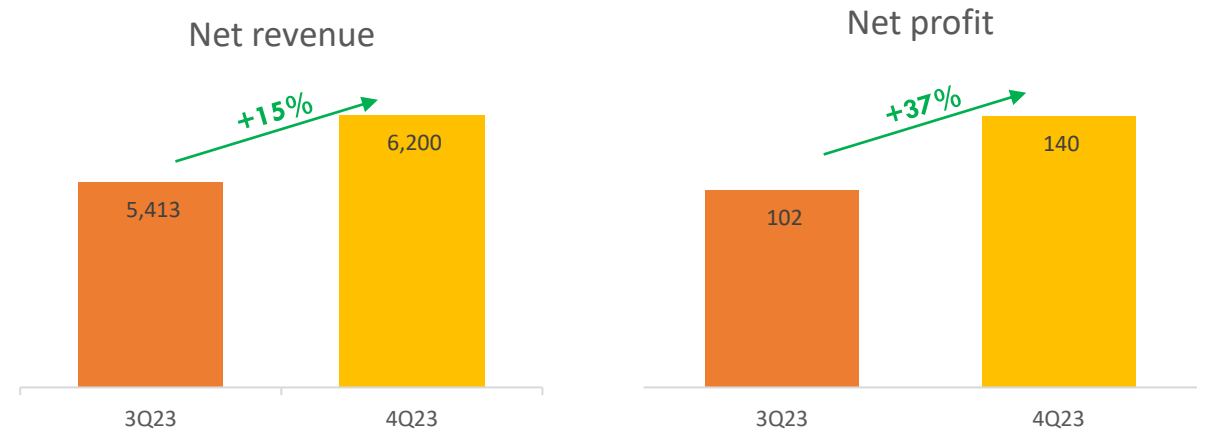


Earnings guidance

2023 Business Plan



4Q23 Expectation



2023E Revenue breakdown

(VND bn)	2023	2022 (*)	YoY
Laptops & Tablets	5,500	7,028	-22%
Mobile phones	8,735	10,729	-19%
Office Equipment	3,830	3,318	15%
Home Appliances	915	556	65%
Consumer goods	1,020	397	157%
Net revenue	20,000	22,028	-9%
Net profit	400	684	-42%

(*) audited



THANK YOU!

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