



DIGIWORLD

Investor Presentation

August 2024

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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 8,735bn (USD 360mn)
Listing date	3 August 2015
Net revenue 2023	VND 18,818bn (USD 777mn)
NPAT 2023	VND 354bn (USD 14.6mn)
Trailing EPS	VND 2,123
PE trailing	22x
PE forward	18x
Industry	Market Expansion Services
Number of employees	815
Website	www.digiworld.com.vn

Updated: 29 Dec 2023



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



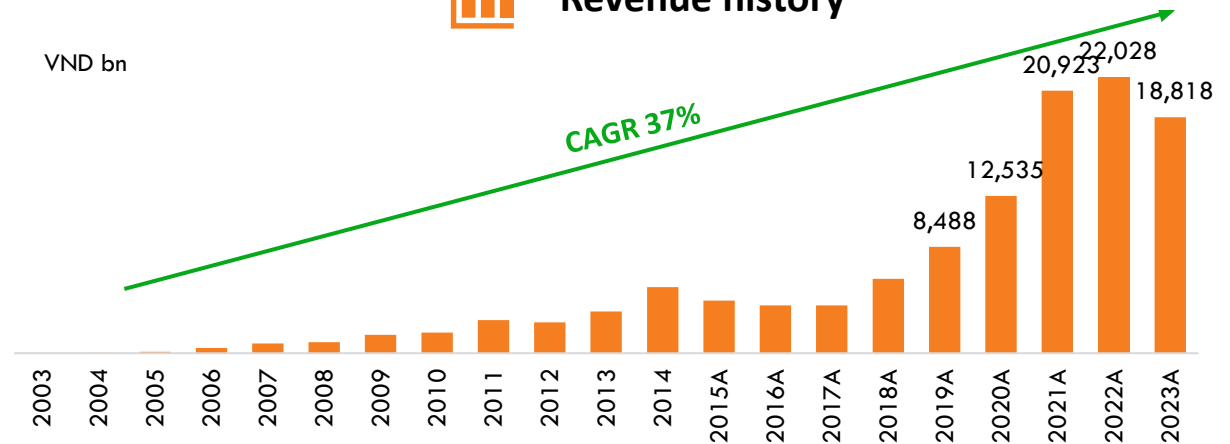
Digiworld is a distributor of **30+ world-class technology brands**



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



Revenue history



DIGIWORLD

Introduction

Company overview

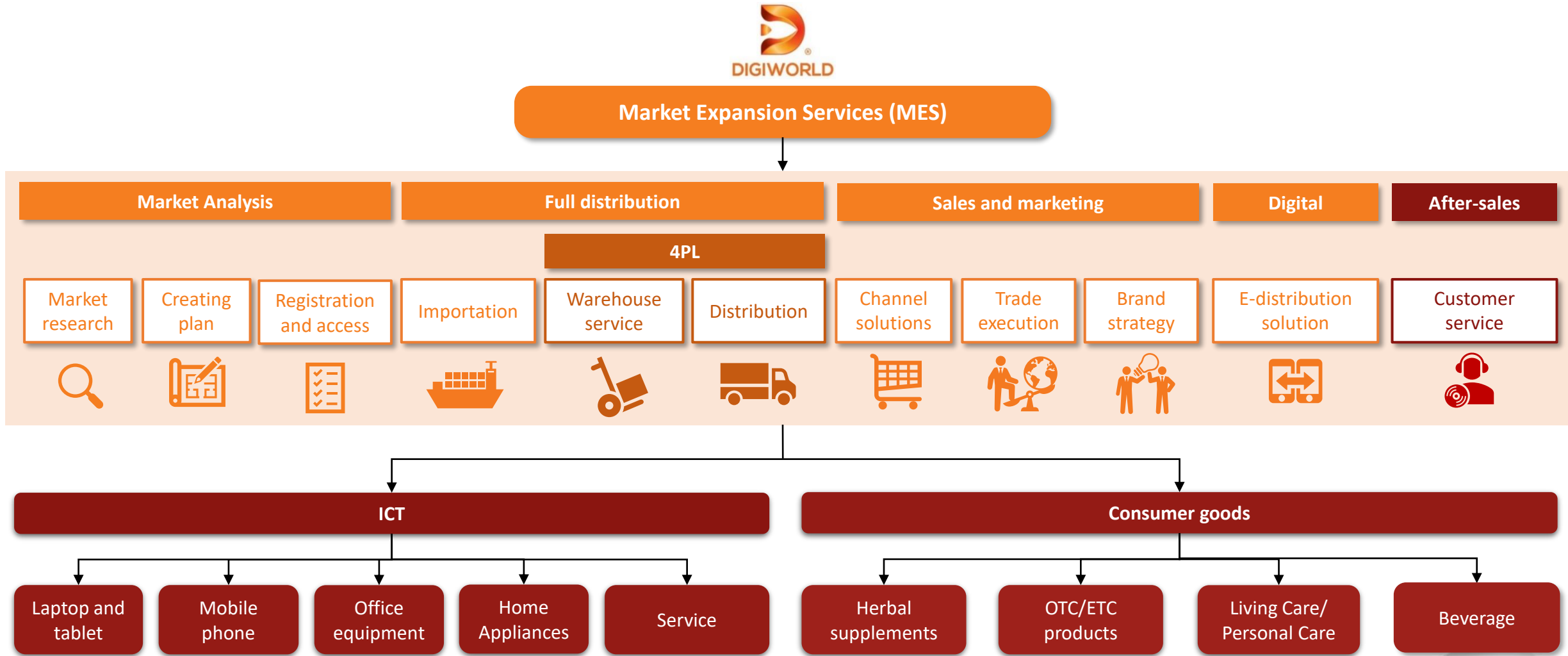
- Business structure
- Board of directors
- Shareholder structure and commitment to minority shareholders
- Cash dividend, M&A strategy
- ESG & Sustainability

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

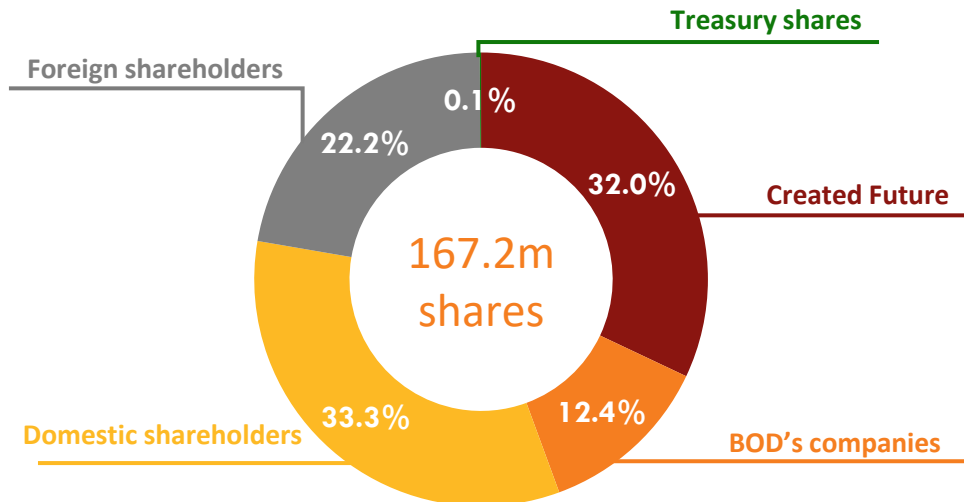
Shareholder structure

Major shareholders (as of 31 May 2024)	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

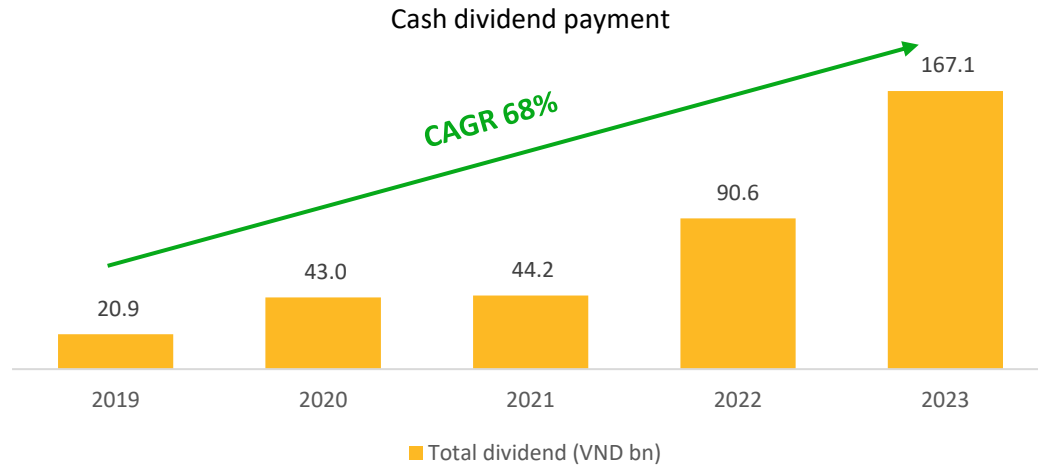


(*) Created Future was established in 2014 and is owned by Mr. Doan Hong Viet.
Business description: holding DGW's shares.

(**) 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.

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: 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.



Investment made: 2017-2024
Digiworld's share: 49%-90%
Business description: Managing subsidiaries, joint ventures and affiliates which provide after-sales services to ICT brands



Investment made: 2023
Digiworld's share: 72.8% (indirectly)
Business description: pawn lending services, trading secondhand products, payment services, financial consulting.



ESG & Sustainability

Awards



for 8 consecutive years
(from 2016-2023)

Certificate



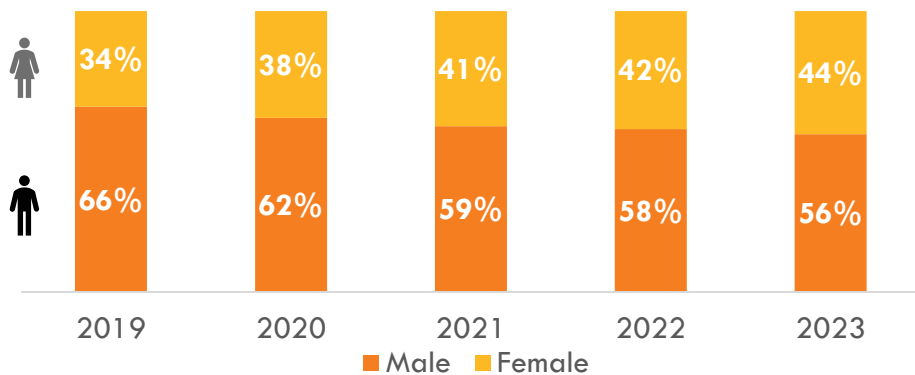
for Sustainable
Development Report

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

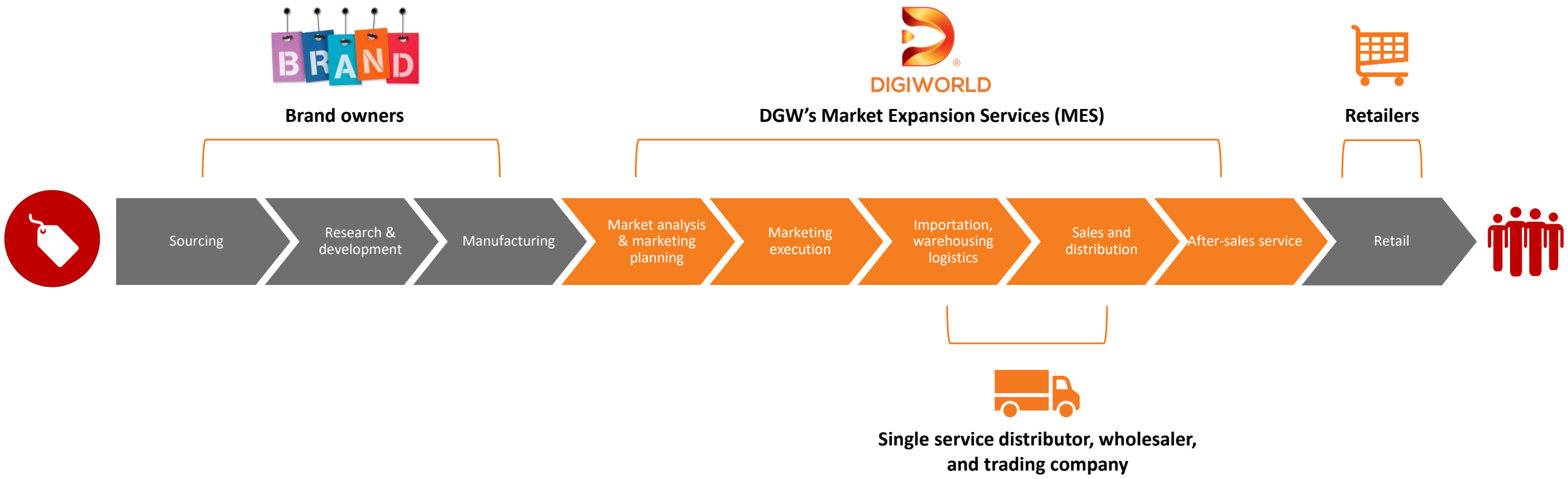
Growth drivers

Financial overview

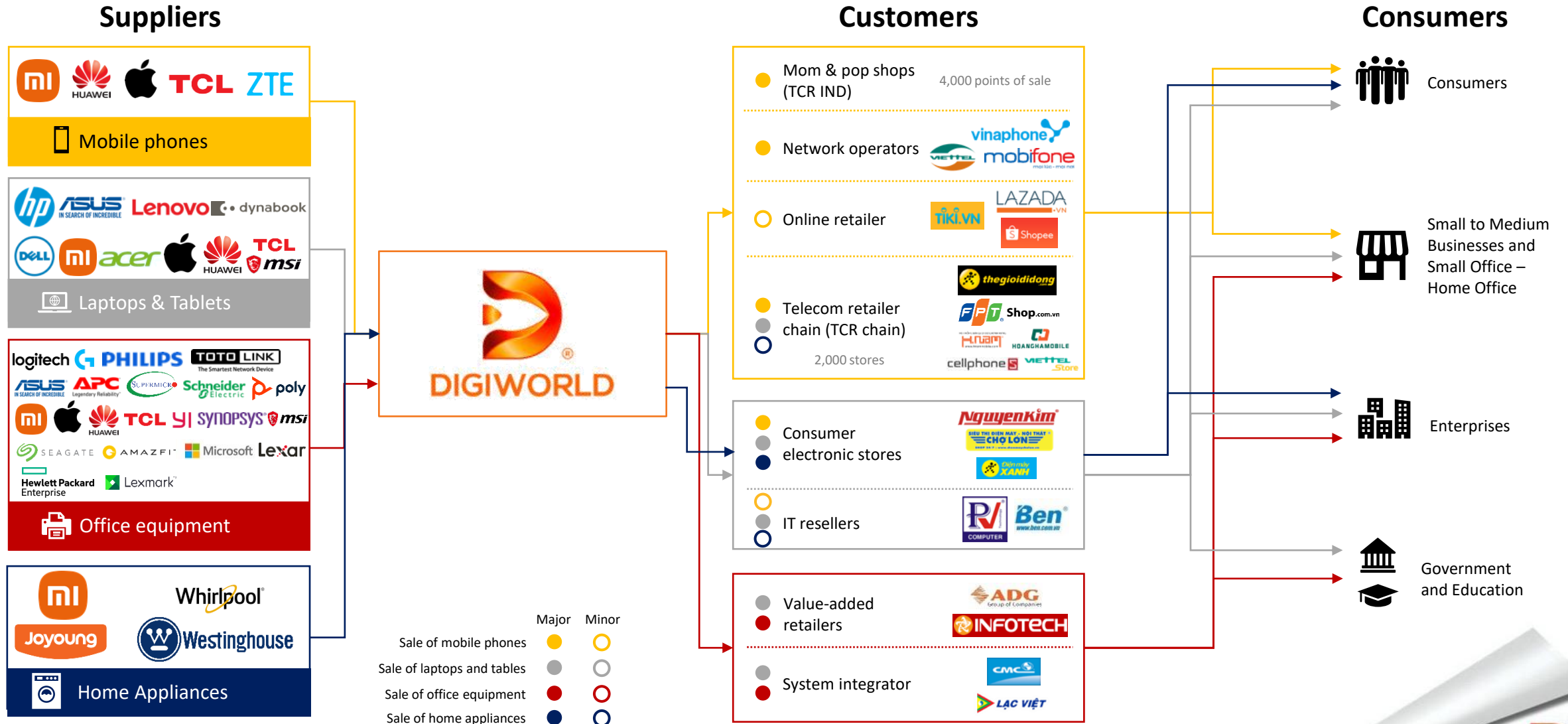
Product portfolio

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	Food & Beverage
							

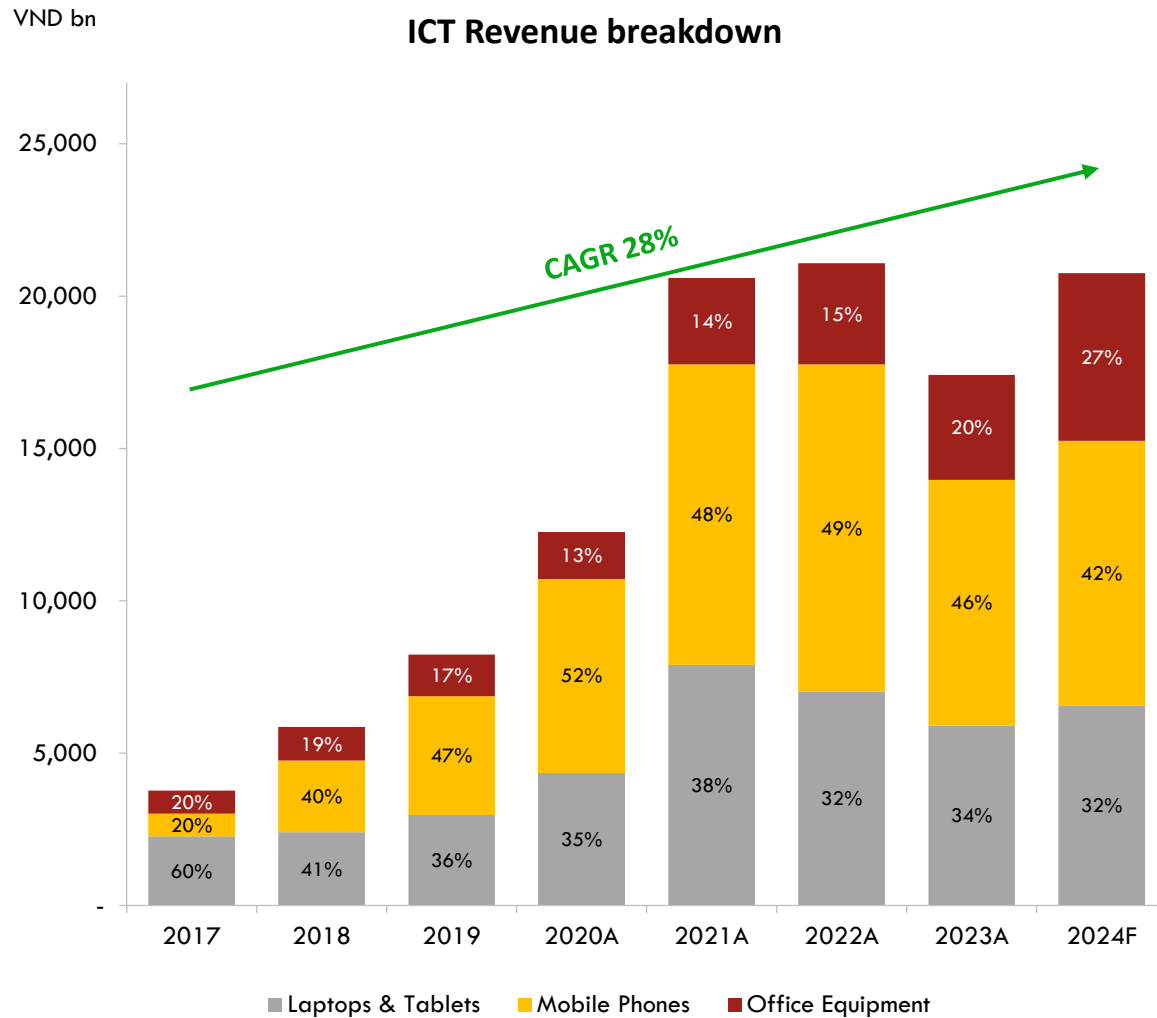
Value chain: One-stop solution



ICT – Distribution network



ICT – Partnership with large companies



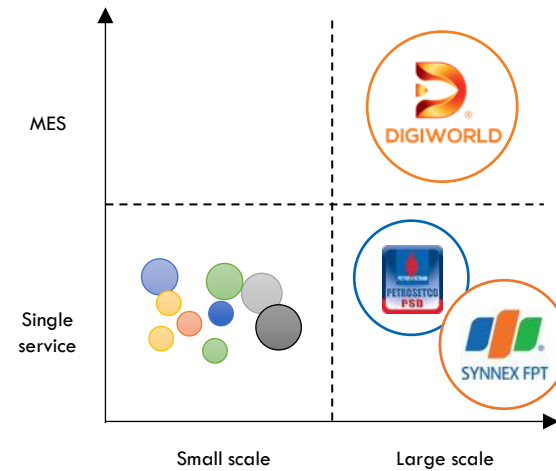
Achievement

- **The biggest** ICT Distributor
- Largest distribution network
- CAGR **28%**
- Revenue **5x** in **10** years

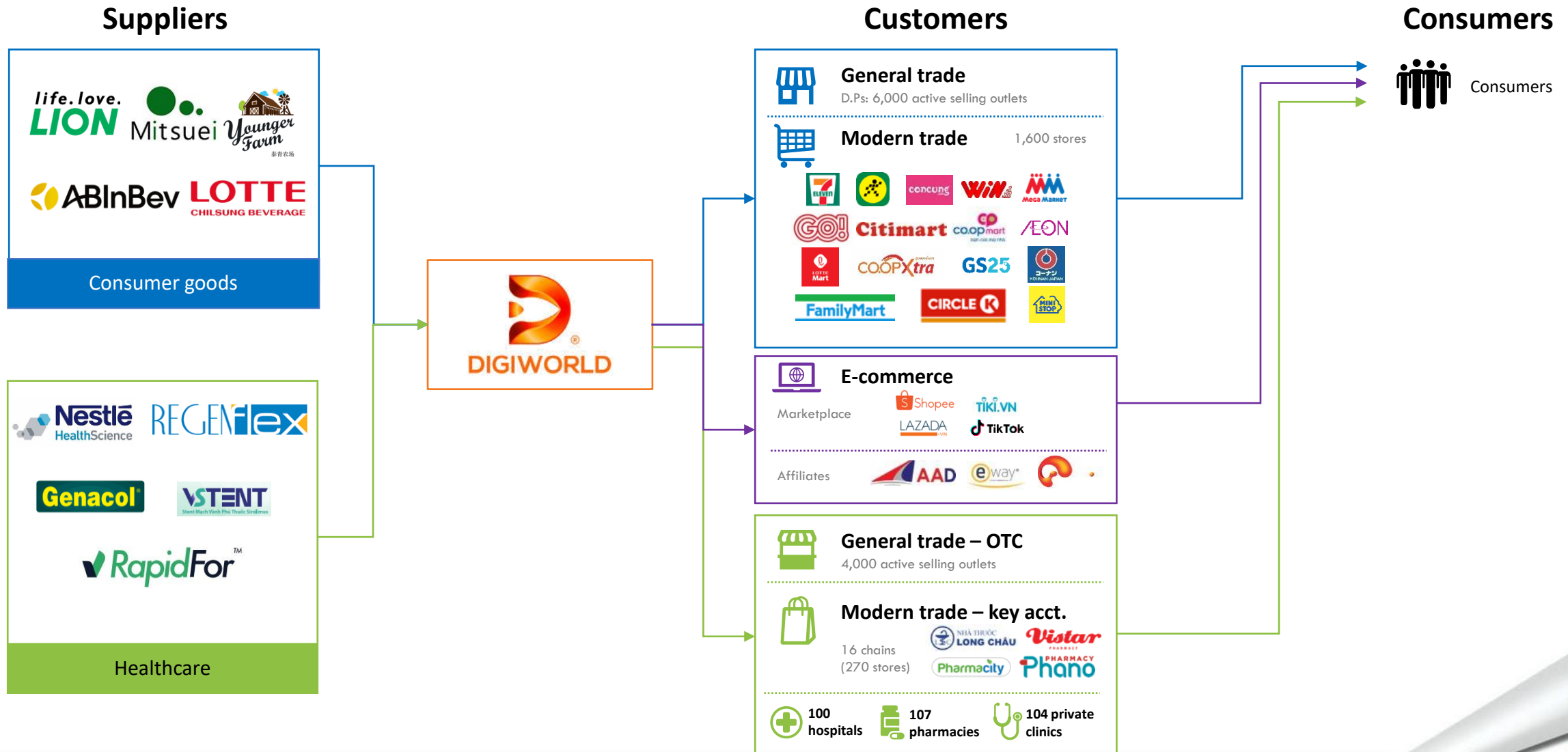
Key success factors

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

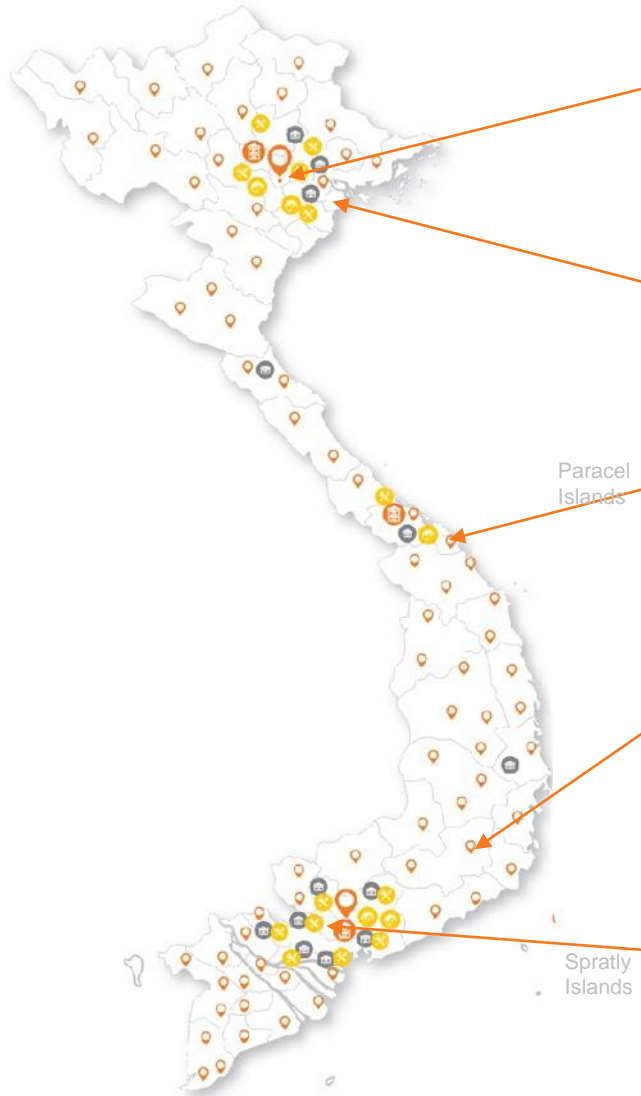
The market has been well-consolidated:



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

- **DCare:** Le Chan, Hai Phong

- 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
 - Hai Chau, Danang

- **DCare:** Da Lat, Lam Dong

- Headquarters**
- **Office:** District 4, 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

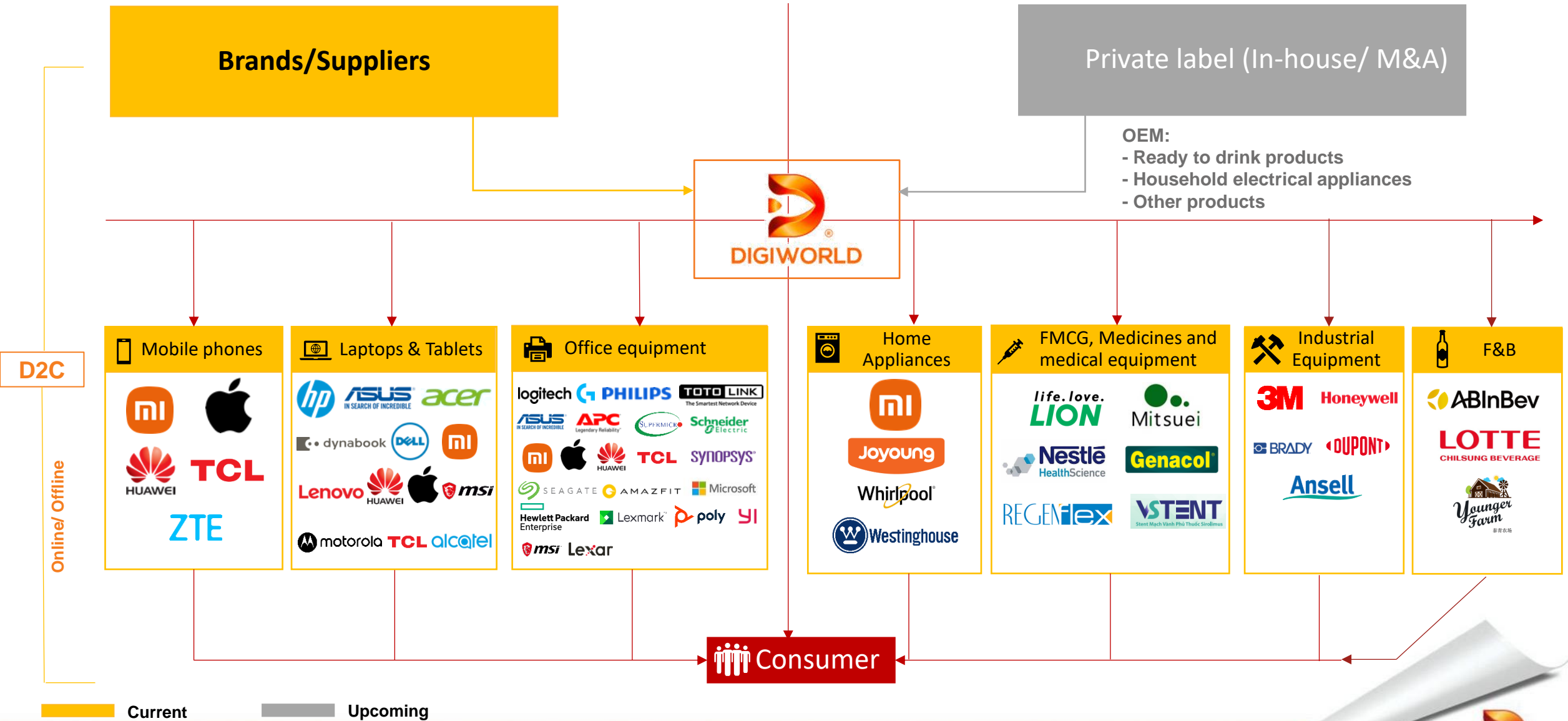
Business overview

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

Home Appliances



Office equipment



Consumer goods



M&A deal

	<p>Business description: pawn lending services, trading secondhand products, payment services, financial consulting.</p>
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	<p>Services:</p> <ul style="list-style-type: none"> ➤ Providing technical solutions for various types of electronic devices including phones, electronics, appliances, and refrigeration, including genuine repairs, installation, maintenance, and servicing. ➤ Providing in-home service platforms for installation, maintenance, servicing, and repair of household devices.
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Introduction

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Business overview

Growth drivers

Financial overview

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

2023 business results

Revenue

VND
18,818bn

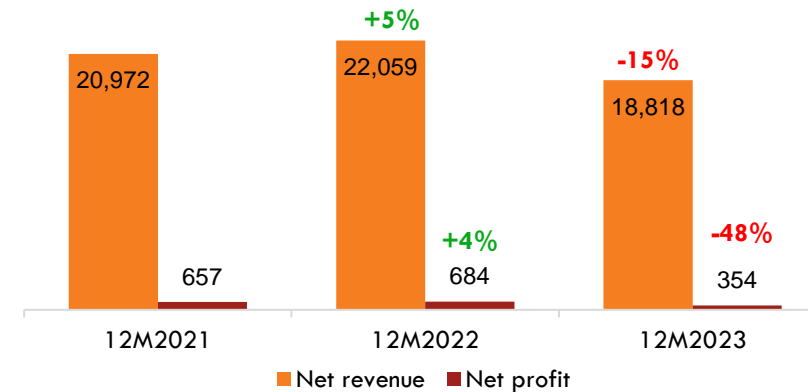
Net profit

VND
354bn

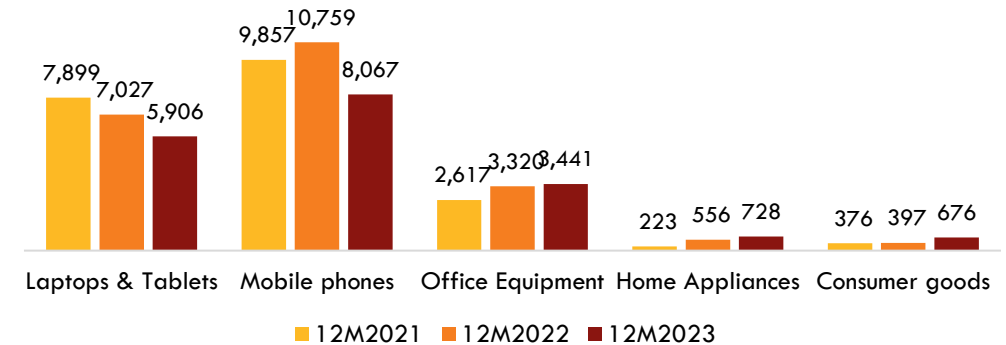
Revenue growth

-15%

 **Net revenue and net profit (YoY)**
VND bn



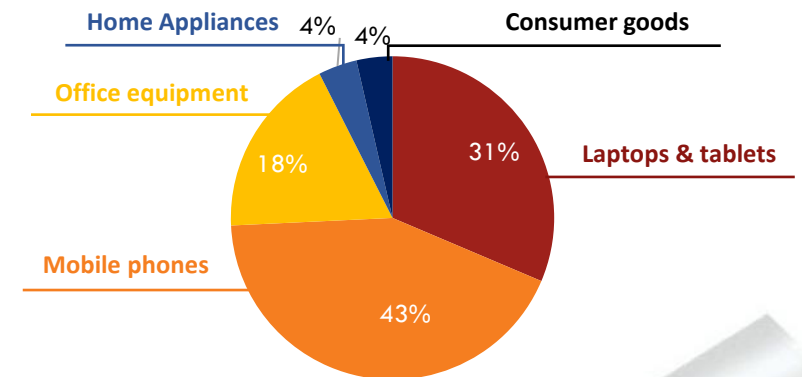
 **Revenue breakdown (YoY)**
VND bn



 **12M2023 Revenue breakdown**

(VND bn)	12M2023	12M2022	YoY	%Plan
Laptops & Tablets	5,906	7,027	-16%	107%
Mobile phones	8,067	10,759	-25%	92%
Office Equipment	3,441	3,320	4%	90%
Home Appliances	728	556	31%	80%
Consumer goods	676	397	70%	66%
Revenue	18,818	22,059	-15%	94%
Net profit	354	684	-48%	89%

 **12M2023 Revenue breakdown (%)**



2Q24 business results

Revenue

VND
5,008bn

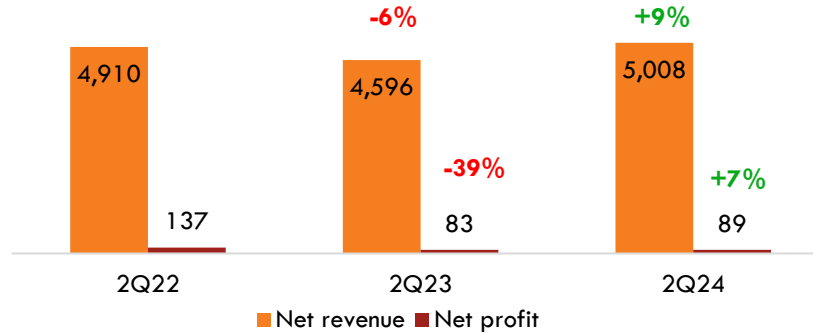
Net profit

VND
89bn

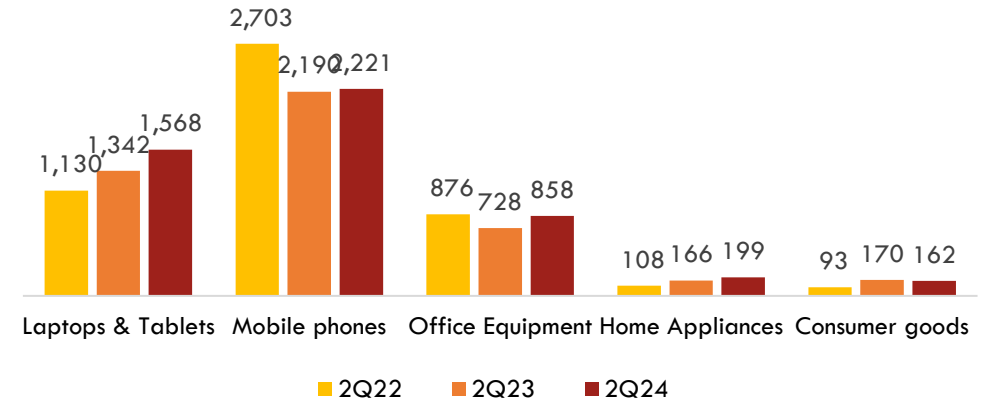
Revenue growth

+9%

 **Net revenue and net profit (YoY)**
VND bn



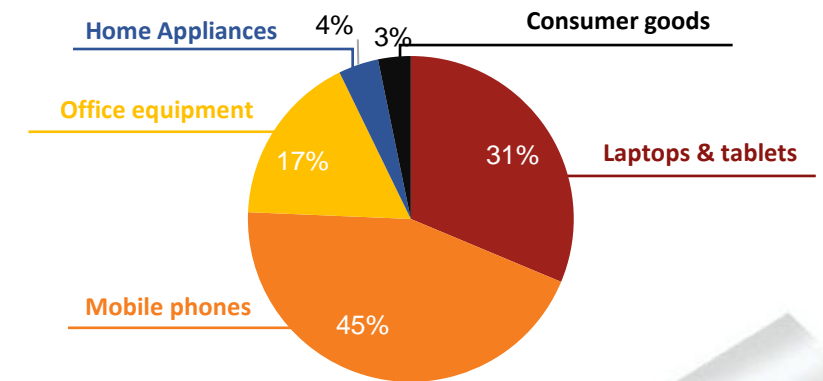
 **Revenue breakdown (YoY)**
VND bn



 **2Q24 Revenue breakdown**

(VND bn)	2Q24	2Q23	YoY
Laptops & Tablets	1,568	1,342	17%
Mobile phones	2,221	2,190	1%
Office Equipment	858	728	18%
Home Appliances	199	166	20%
Consumer goods	162	170	-5%
Revenue	5,008	4,596	9%
Net profit	89	83	7%

 **2Q24 Revenue breakdown (%)**



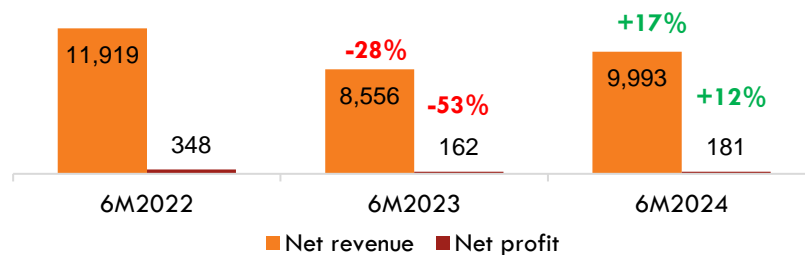
6M2024 business results

Revenue

VND
9,993bn

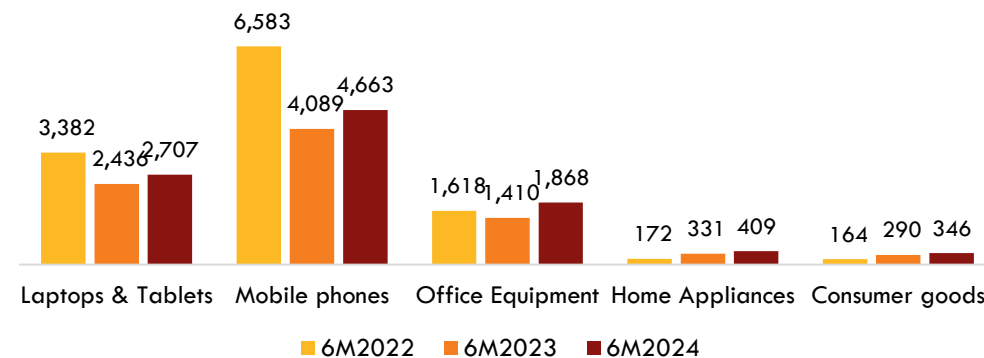
Net revenue and net profit (YoY)

VND bn



Revenue breakdown (YoY)

VND bn



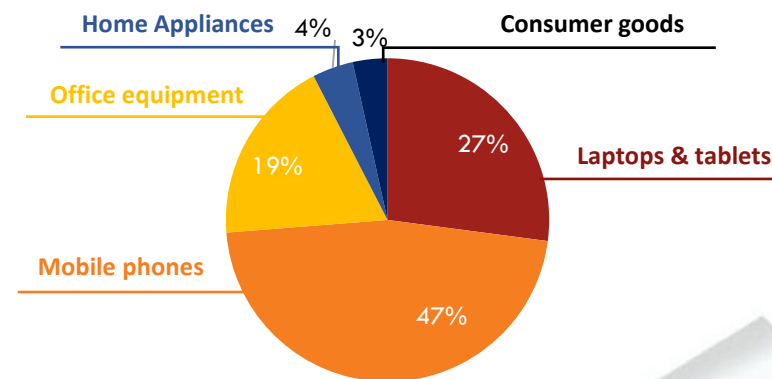
Net profit

VND
181bn

6M2024 Revenue breakdown

(VND bn)	6M2024	6M2023	YoY	%Plan
Laptops & Tablets	2,707	2,436	11%	41%
Mobile phones	4,663	4,089	14%	54%
Office Equipment	1,868	1,410	32%	34%
Home Appliances	409	331	24%	39%
Consumer goods	346	290	19%	29%
Revenue	9,993	8,556	17%	43%
Net profit	181	162	12%	37%

6M2024 Revenue breakdown (%)



Revenue growth

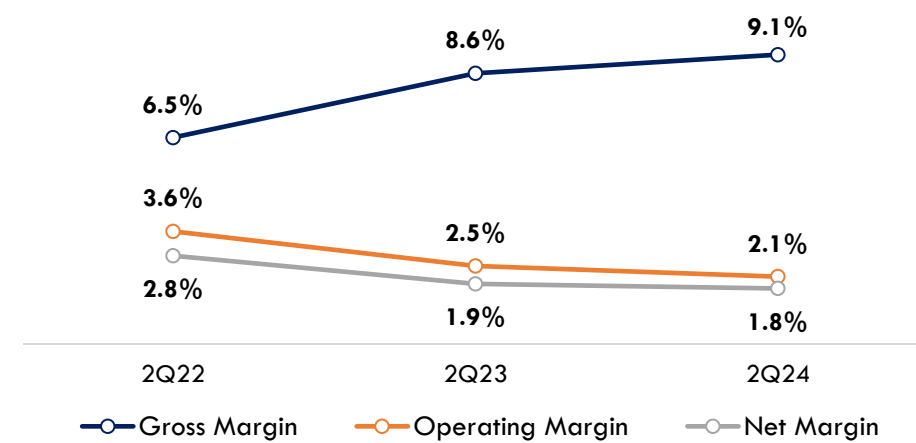
17%

Income statement summary and key margins

Income statement summary

VND (bn)	Consolidated	
	2Q23	2Q24
Total revenue	4,596	5,008
Cost of goods sold	(4,203)	(4,550)
Gross profit	393	458
Interest expense	(45)	(21)
Selling expense	(242)	(286)
General and administrative expense	(40)	(58)
Earnings before tax	112	113
Tax expense	(25)	(25)
Net profit	83	89

Profitability ratios



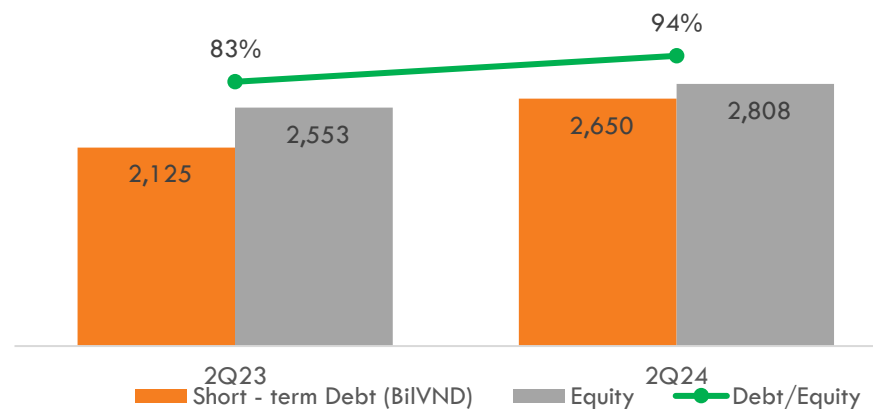
Balance sheet summary and key financial ratios

Balance sheet summary

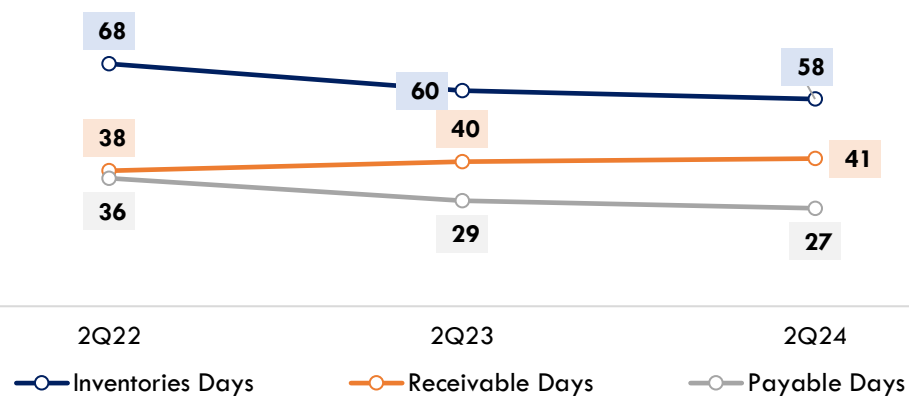
VND (bn)	Consolidated	
	2Q23	2Q24
Cash and cash equivalents	963	834
Investments and advances	61	12
Total assets	6,560	7,337
Total liabilities	4,007	4,529
Total equity	2,553	2,808
Total interest	45	21
Net debt	1,162	1,817
Net debt-to-equity	0.46	0.65
Debt-to-equity	0.83	0.94

Leverage ratios

VND bn



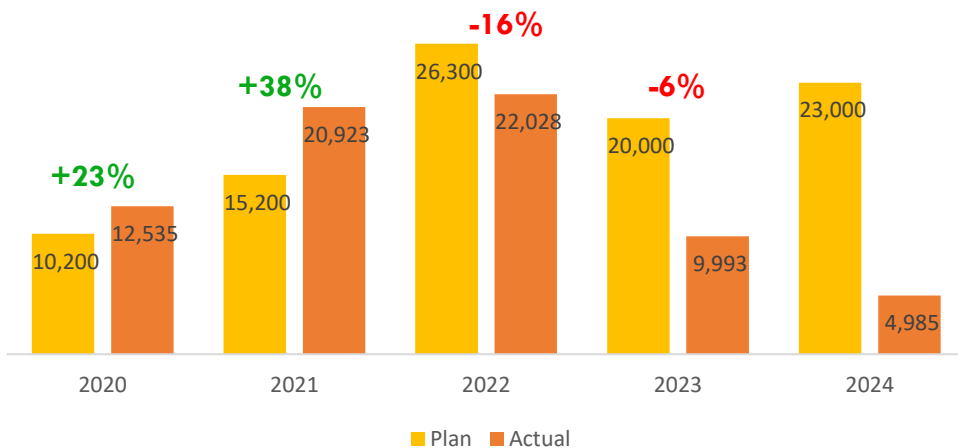
Operating ratios



Earnings guidance

2024 Business Plan

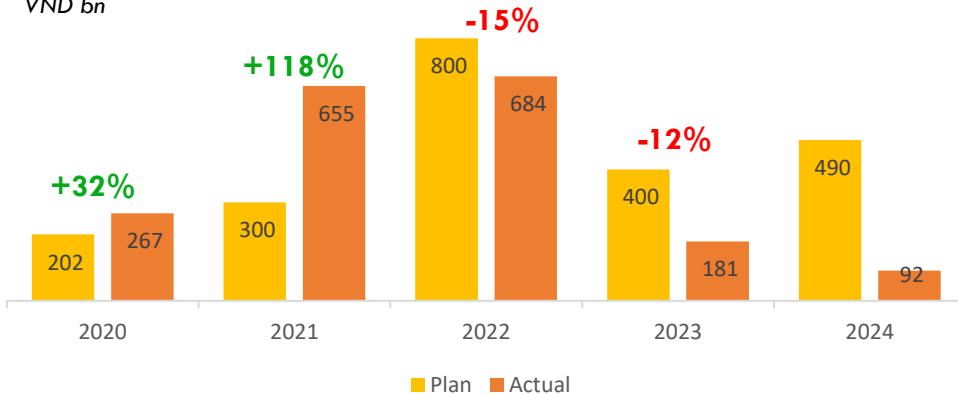
Net revenue



■ Plan ■ Actual

Net profit

VND bn



■ Plan ■ Actual

2024E Revenue breakdown

(VND bn)	2024	2023 (*)	YoY
Laptops & Tablets	6,550	5,906	+11%
Mobile phones	8,700	8,067	+8%
Office Equipment	5,500	3,441	+60%
Home Appliances	1,050	728	+44%
Consumer goods	1,200	676	+78%
Net revenue	23,000	18,817	+22%
Net profit	490	354	+38%

(*) audited



THANK YOU!

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