

BUSINESS RESULT FOR 9M 2022

VND bn	9M21	9M22	YoY	%Target
Net revenue	1,878.4	2,780.3	48%	86%
Gross profit	776.7	1,227.8	58%	
SG&A expenses	568.9	749.5	32%	
NPAT-MI	179.7	403.7	125%	144%
Gross margin	41.0%	43.9%		
Net margin	9.5%	14.4%		
SG&A/Net revenue	30.0%	26.8%		

CONTENT

- In 9M'22, TLG recorded consolidated **net revenue (NR) of more than VND2.7tn, up 48% YoY. NPAT reached VND404bn, up 125% YoY.** Thus, the Group completed 86% of the NR plan for the year 2022 and exceeded the NPAT plan by 44%.
- In Q3'22 alone, the Company achieved NR of VND899bn, **doubling** over the same period of 2021. NPAT reached more than VND103bn compared to a modest figure of nearly VND3.7bn in Q3'21.
- The export market continued to bring positive results in which revenue grew by 61% YoY to reach VND667bn, contributing 24% to the Group's total revenue in 9M'22 (Q3'22's number doubled YoY).
- Gross profit margin reached 43.9% and net interest margin reached more than 14.4% over the same period last year at 41.0% and 9.5%, respectively.
- **Looking back at 9M'22, TLG has made a positive change in revenue.** Part of the reason comes from the recovery of the post-Covid19 economy. Students have returned to school, employees have returned to the office, and TLG's business season has also returned to its old trajectory with sales peaks for distributors in Q2 and early Q3. Moreover, in 2022, TLG has also taken innovative steps to develop production and business, including restructuring trading companies, sales channels, and exploiting new industries thereby increasing business efficiency. As a result, 9M'22 revenue exceeded 21% compared to the same period in 2019, the period before Covid19.
- **The Group continues to manage the risk of fluctuations in production costs.** With the strength of exports, TLG always ensures an available USD source, reducing the risk of exchange rate fluctuations. The price of oil and some foreign currencies used by the Group has been falling recently, which is also a positive point for Thien Long's production costs. In addition, the continued promotion of autonomy of mold technology and main materials (inks and pen tips) will also contribute to stabilizing production costs for the Group.
- **TLG first time focus on brand marketing campaigns, but SG&A costs are still well controlled in 2022.** The most prominent event in 2022 is the Mega Color Event in early September in Ho Chi Minh City, which was implemented by the Colokit brand and has attracted more than 60,000 participants, exceeding 3 times the expected number. This is also the largest children's activity organized by Thien Long and is expected to become a regular program that attracts children to have the opportunity to experience and love Thien Long's products. As of 9M'22, SG&A expenses/NR reached 26.8% compared to 30% in the same period last year.
- **Expansion investment projects are in the final stages of completion.** In particular, the SAP project has completed the upgrade to the latest SAP-4Hana. The Central Warehouse project at Le Minh Xuan Industrial Park was inaugurated at the beginning of October, and TLG is moving to this new warehouse. The most important project, the expansion of the B2 factory at Thien Long Long Thanh factory is also in the final stages of construction and is expected to be completed by the end of 2022. The expansion of investment is practical for the Group's goal of Ten Thousand Billion in revenue by 2027. Currently, TLG still holds a large cash balance of 27% of its total assets, ready for the Group's essential investment needs in the future.
- **In the face of significant macroeconomic fluctuations, the Group is still trying to capture favorable factors to exceed the revenue plan for this year by nearly 10% and profit by more than 50%.** Based on the business results of 9M'22, TLG is confident that it can achieve growth milestones beyond the plan set and approved at the General Meeting of Shareholders for the fiscal year 2021.