



AN CUONG WOOD-WORKING MATERIALS JSC (ACG)



IR REPORT

Q1 2022

CONTENT

1

Overview of the wood industry

2

Business Performance in Q1 2022

3

Accumulated Performance in Q1 2022

4

Featured Activities

5

ACG Investment highlights



1

Overview of the wood industry



VIETNAM WOOD EXPORT
GREW FAST IN THE
COVID-19 PANDEMIC

01

Continue to set a high growth target in 2022.

The Vietnam Timber & Forest Products Association aims to export from 17.5 to 18 billion USD in 2022.

In particular, chairs will reach 4.1 billion USD; Wooden furniture and interior furniture reached 10 billion USD and a number of other key wood product groups.

02

Q1 2022 continues to grow over the same period.

According to the Import-Export Department (Ministry of Industry and Trade), in the context of difficulties due to the complicated changes of Covid-19 and the Russian-Ukrainian conflict is still tense, but Vietnam's wood exports are still growing. Specifically, in Q1 2022, the export turnover of wood and wood products was estimated at 3.94 billion USD, up 3% over the same period in 2021. Many companies have closed orders until the end of the second quarter and the third quarter of 2022.

03

Benefit from the US - China trade war

The United States is the main market for exporting wood and the wood products of Vietnam. According to US distributors, when the US government imposed a tax on Chinese furniture, importers and distributors in the US have searched for new exporters and Vietnamese suppliers is the first choice. Most furniture for bedrooms, kitchen and office are imported from Vietnam.

VIETNAM WOOD EXPORT
GREW FAST
IN THE PANDEMIC

04

*Making good use of Free Trade
Agreements*

In the past year, the continuation of the effect of free trade agreements such as the Vietnam - Europe Free Trade Agreement (EVFTA), the UK - Vietnam Free Trade Agreement (UKVFTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) etc., have created favorable conditions for the wood processing and export industry to develop, adding more advantages in accessing difficult markets, as well as expanding increase competitiveness against many similar products of other countries.

05

*The recovery of major economies is
accompanied by
real estate market boom*

The global economy and the real estate market continued to record a recovery trend, especially in major economies such as the US, China, and the EU... along with the demand for new furniture. These are also the main export markets for Vietnam's wood and wood products.

POTENTIAL RISKS

01

Risks of foreign-invested companies entering Vietnam and increasing acts of trade fraud, origin circumvention and tax evasion. These acts may affect the main export market of Vietnam.

02

The price of input wood materials (especially heartwood) and raw materials for the wood industry increased sharply.

The import of wood materials and subsidiary materials for processing is currently facing many difficulties due to disruptions in the global supply chain and a sharp increase in logistics costs. An increase in selling price may affect demand.

03

The shortage of workers in some key economic areas in the South due to the impact of the Covid pandemic also has had an impact on the productivity of many companies..

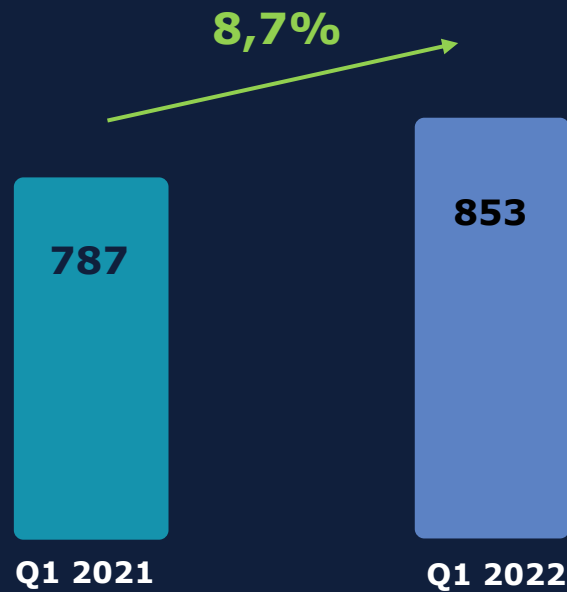
The high labor cost due to competition to attract labor also has had a great impact on the cost of company.

2

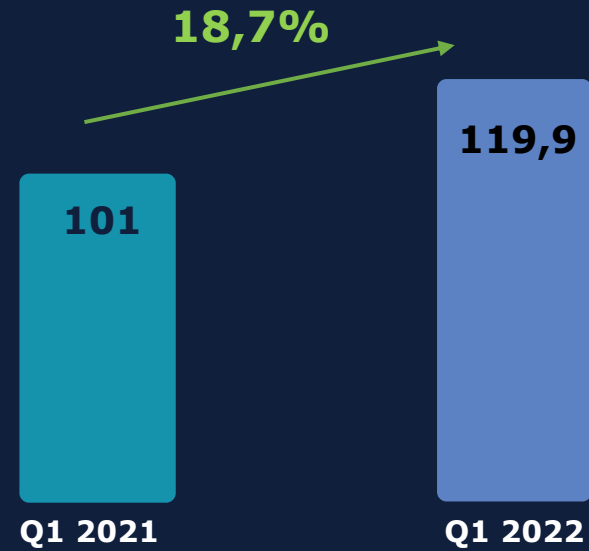
Business Performance Q1-2022



NET REVENUE (VND billion)



PROFIT AFTER TAX (VND billion)

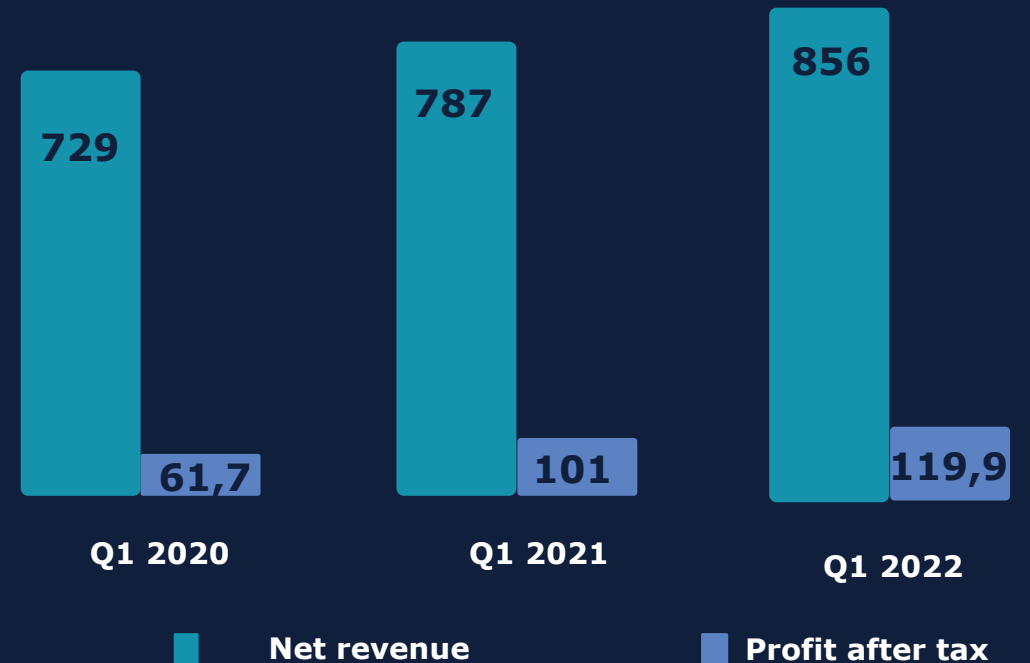


Source: Q1 2022 Consolidated Financial Statements

Business results in Q1 2022 keep its growing trend

- ❖ Q1 2022 consolidated net revenue reached **856 billion VND, up 8.7% YoY.**
- ❖ Consolidation of Q1 2022 reached **119.9 billion dong, up 18.7% YoY.** Both the Group's revenue and profit after tax continued their growth momentum compared to the same period in 2021. This was a positive signal that the Group has overcome the effects of Covid-19 pandemic.

NET REVENUE and PROFIT AFTER TAX (VND billion)



Source: Q1 2022 Consolidated Financial Statements

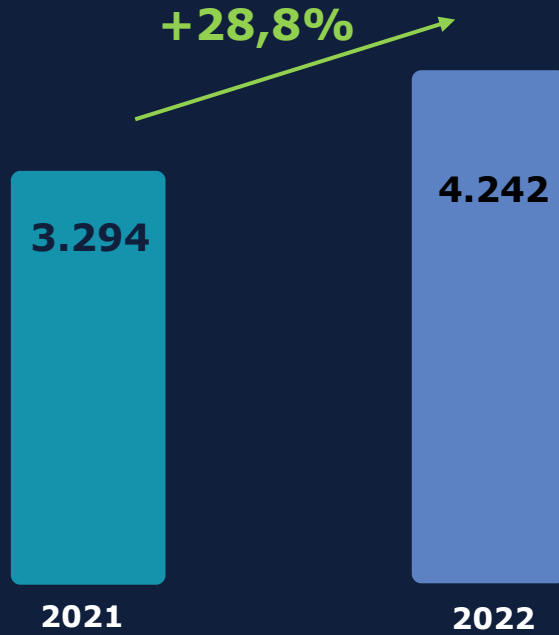
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Business Performance in 2021

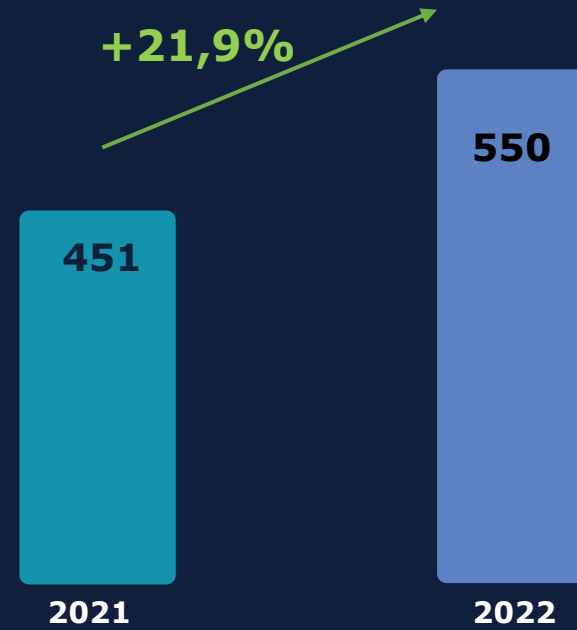


BUSINESS PLAN IN 2022

NET REVENUE (VND billion)

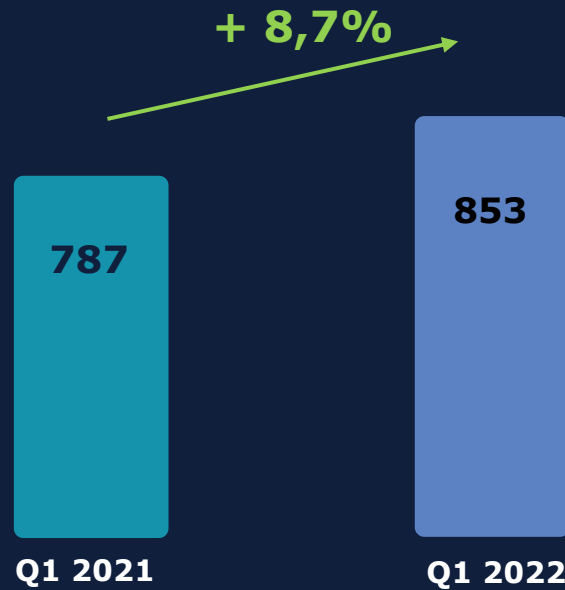


PROFIT AFTER TAX (VND billion)



ACCUMULATED PERFORMANCE

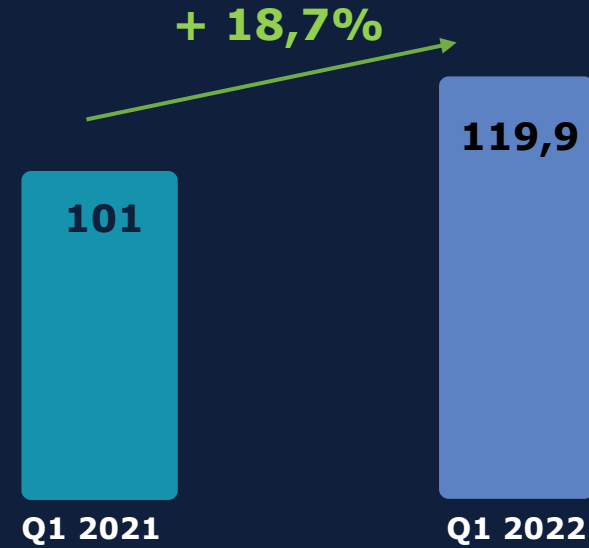
NET REVENUE (VND billion)



Reaching **20,2%** of the 2022 full year target



PROFIT AFTER TAX (VND billion)



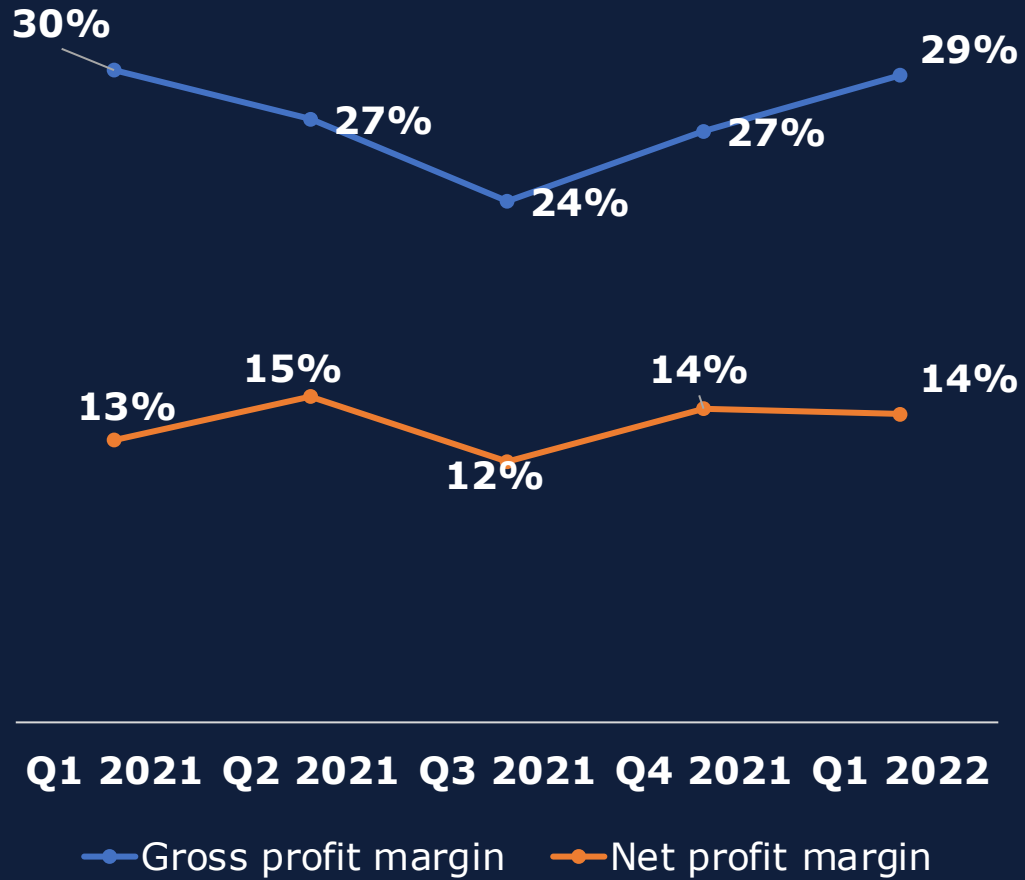
Reaching **21,8%** of the 2022 full year target



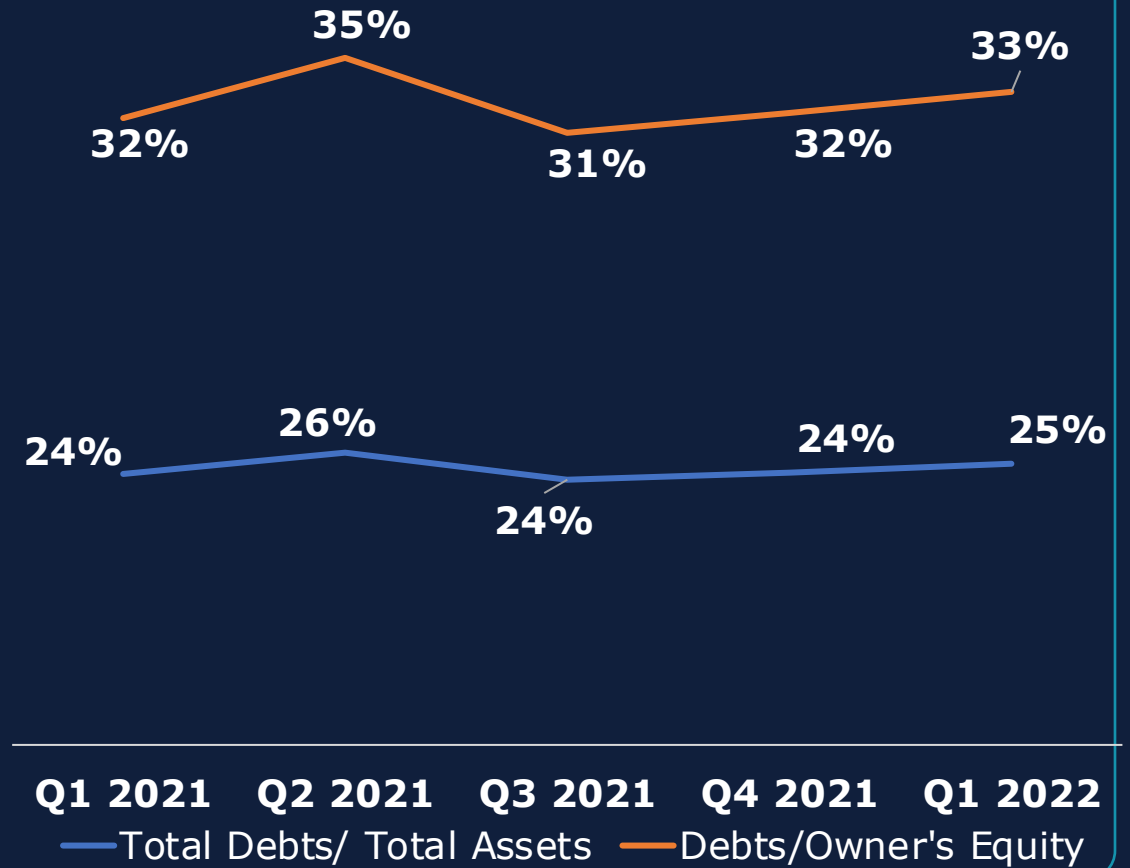
Source: Q1 2022 Consolidated Financial Statements

KEY FINANCIAL INDICATORS

PROFIT MARGIN



LEVERAGE RATIO



01.

Business results return to the growth trend in Q1 2022. In Q1 2022, both the Group's revenues and net income kept the YoY growth trend. This was a positive signal that the Group has overcome the negative effects of Covid-19 pandemic.

02.

Although there was a lightly mixed decrease between gross profit margin and net profit margin, *The profit margin of ACG continues to maintain a high level compared to the industry average.*

03.

Strong financial health, high solvency ratios. Thanks to the abundant amount of available cash, low leverage ratio, ACG has ensured high solvency in the context of complicated pandemic or abnormal fluctuations of the domestic and global economy.

4

Featured Activities

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CERTIFICATION ACHIEVEMENTS



TOP 10 Most Reputable Building Material Companies In 2022



CERTIFICATION ACHIEVEMENTS



TOP 100 Sustainable Business in 2021 - CSI 2021

STRATEGIC COOPERATION



NGO THANH TAM DISTRIBUTOR - AN CUONG WOOD AGENT (ACG)
OFFICIALLY OPENING A NEW SHOWROOM IN CAN THO



ACG COOPERATED WITH KIM HOANG GIA PRODUCTION-
TRADE CO., LTD.
FOR DEVELOPMENT OF DISTRIBUTORS IN BA RIA VUNG TAU

STRATEGIC COOPERATION



On February 24, 2022, Novaland and ACG signed a cooperation agreement to supply and construct wooden door systems at Novaland's projects in Ho Chi Minh City. Besides, Novaland will also prioritize using An Cuong's wooden doors and wooden floors for new urban and tourism urban projects, which are expected to be announced in the period of 2022 - 2025.



On March 29, 2022, CT Land (a member of CT Group) and ACG signed a comprehensive cooperation agreement to promote the strengths of the two parties in the real estate industry and construction products, wood and interior decoration.

STRATEGIC COOPERATION



On April 8, 2022, at Malloca showroom, the signing ceremony of a cooperation agreement between Toray Industries and Malloca took place on cooperation and development of water purification equipment applying technology of Toray in Vietnam.



On April 8, 2022, an education partnership signing ceremony took place between ACG and Doanh Chu Investment and Training Corporation. Accordingly, Doanh Chu will be the one that connects highly qualified instructors in each field to train all employees of ACG.

5

Investment highlights

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WHAT MAKES AN CUONG AN ATTRACTIVE INVESTMENT OPPORTUNITY?

- Long-term production and business experience and reputation in serving customers with a full package of medium/high-end products in terms of materials, solutions and furniture made of wood-based panels.
- In 2022, the world will change to live with covid, manufacturing industries will be restored, many domestic real estate projects will be implemented as well as wood exports to countries such as the US and EU, which are forecasted to grow strongly.
- The company continues to seek and promote M&A activities to create long-term competitive advantages and create new growth motivations.
- Participating in expanding the industry value chain, expanding the system to be proactive in the supply of raw materials, increasing the competitiveness of the supply chain and consolidating the Company's business model towards sustainable development..

Leading provider of decorative wood materials in Vietnam and in Southeast Asia

~70% market share in both MFC and laminate panels in Vietnam

Robust industry tailwinds and a fast-growing domestic economy

Vietnam's wood and wood product manufacturing industry is expected to grow at a CAGR of more than 15% for the export segment 2020E - 2025F

Experienced management team with experience in navigating market cycles

Led by a world class management team with more than 150 years of expertise in the wood panel industry and supported by blue-chip institutional investors

A highly profitable business with multiple avenues of growth

~14% revenue CAGR 2020A – 2025F with increasing, double-digit EBITDA margins supported by multiple initiatives

Full suite of integrated products and solutions

Comprehensive portfolio of products and solutions with an array of design options, fully customizable to customers' requirements and manufactured at scale

Strong technology backbone and culture of innovation

A pioneer in the market in applying modern solutions to offer premium and innovative products and utilizing latest technologies across all areas of its business activities

Loyal customer base and extensive sales network

A supplier of choice to reputable customers, 75% of whom have been with An Cuong for over 10 years. Wide distribution network helps An Cuong increase its reach across Vietnam and global





AN CUONG[®]
Wood - Working Materials

Thank You !