

FOR IMMEDIATE RELEASE

Next Wave Consumer Portfolio Scaling-Up, 4Q2019 Revenue and NPAT to Grow ~20%+ vs. 3Q2019

Ho Chi Minh City, 30 Oct 2019 – Masan Group Corporation (**HOSE: MSN**, “Masan” or the “Company”), today reported its management accounts for the first nine months of 2019 (“9M2019”).

“We are approaching the 2019 finish line, and I believe our strategic puzzle will be crystallized by year-end. The picture will be clear and you will understand why internally we are excited about 2020 and beyond. I want to reiterate at Masan, we are solely focus on explosive medium term value creation for our consumers and shareholder, and not managing quarters.” said Chairman and CEO Dr. Nguyen Dang Quang.

Key Highlights

- **Masan Meat Life (“MML”)**: MEATDeli, MML’s chilled meat brand, to achieve 75% of Vissan’s fresh meat revenue based on expected December 2019 run-rate revenue after 1 year of launch.
 - MEATDeli delivered VND69 billion net revenue in 3Q2019, 4x compared to 2Q2019. As of end September, monthly net revenue has increased by 31% since June 2019. Management expects to deliver December 2019 net revenue of VND100 billion, or an annualized net revenue of VND1,200 billion, achieving ~20% utilization of the Ha Nam processing facility.
 - As of October 2019, MML has opened 320 successful cold chain point of sales in Ha Noi and Ho Chi Minh City compared to 116 at the end of 2Q2019. Management expects cold chain points of sales to reach 650+ by the end of December 2019, only trailing Bach Hoa Xanh and VinMart.
 - MML has captured ~2.5% market share in greater Ha Noi and early consumer and market feedback in Ho Chi Minh points to a similar success trend.
 - MML to broaden meat portfolio with chilled processed meat innovations in November 2019. Processed meat will be a key growth driver following the success of Masan Consumer’s processed meat category, which grew 2x compared to 2018.
 - MML to list on the Unlisted Public Company Market (“UPCOM”) in 4Q2019. In October 2019, Masan successfully sold 1.8 million shares of MML to local retail investors in a pre-listing tranche. Masan aims to deliver on its vision to become the #1 branded chilled meat player by 2023 and reward early investors who are backing this vision and MML’s execution capabilities.
- **Masan Consumer (“MCH”)**: beverages and value-added innovations portfolio tracking medium-term growth KPIs.
 - Beverage: 35.4% growth in 3Q2019 vs 3Q2018, backed by 41.4% growth in energy drinks and 21.7% growth in bottled water during the same period. Overall for 9M2019, beverages delivered 29.4% topline growth compared to 9M2018.
 - Seasoning: premium contribution of 11% as of end 3Q2019 and contribution expected to increase to 12% with successful launch of Nam Ngu Phu Quoc. Strong market share gain in granules which is expected to drive top-line growth for seasonings category over next 12 months.

- Convenience Foods: premium portfolio grew by 15% for 9M2019 compared to 9M2018 and overall category expected to deliver 10%+ topline growth for FY2019.
- **Masan Resources (“MSR”)**: announced acquisition of H.C. Starck’s tungsten unit, which will enable MSR to generate strong and consistent cash flows across commodity cycles as it becomes a true midstream tungsten player. Midstream tungsten products command a premium on average of 30-50% and addressable market size is USD4.6 billion, 3.5x larger than APT. Despite current commodity headwinds, MSR expects to end the year with USD150 million in cash and equivalents as a result of an international arbitration settlement with Jacobs E&C Australia in 3Q2019 and expected copper sales in 4Q2019.

Masan Group Consolidated Net Revenue Commentary

- Masan Group’s consolidated net revenue down 0.9% and 2.2%, for 9M2019 and 3Q2019, respectively. VND26,378 billion in net revenue for 9M2019 compared to VND26,630 billion in 9M2018. Decline driven by following factors:
 - Lower pig feed sales as ASF resulted in a ~20%+ decline in Vietnam’s pig population, although offset by strong double digit growth in poultry and aqua feed segment.
 - Reduced revenues at MSR due to depressed tungsten prices and no copper sales. Tungsten prices have climbed back up to USD225-245 per MTU from bottom of ~USD180-195 per MTU and MSR expects to sell copper stock in 4Q2019.
 - MCH growth portfolio and SKUs still scaling up to drive overall revenue growth.
- **Break down of Net Revenue by Business 9M2019 (please see Key Operational Commentary for details):**
 - **MML**: delivered VND10,104 billion in net revenue for 9M2019, up 0.7% compared to VND10,035 billion in 9M2018. This excludes branded meat sales, which will be recognized in revenue from 4Q2019 onwards due to accounting rules on capitalizing sales prior to commissioning.
 - **MCH**: net revenue grew by 5.7% in 9M2019 to VND12,589 billion.
 - **MSR**: achieved VND3,685 billion in net revenue for 9M2019, down 21.4%.

Masan Group Consolidated Profitability Commentary

- Key profit drivers for 3Q2019 and 9M2019:
 - **MML**: feed division delivered strong EBITDA growth driven by double digit aqua and poultry topline growth and procurement strategy to increase gross margin to ~17%.
 - **MCH**: investment in SG&A to launch innovations and drive medium term growth and bear lower profits. Management expects beverages and premiumization strategy to be a larger contributor and drive top and bottom line back to double digit growth.
 - **MSR**: a drag on profitability as tungsten prices hit bottom line but benefited from one-time income from international arbitration settlement with Jacobs.
 - **MSN**: consolidated financial expenses savings of 30.3% and minority interests reduced by 9.0%.
- **3Q2019 Core Profit Post-MI¹**: VND577 billion in 3Q2019, down 24.7% compared to VND766 billion in 3Q2018 mainly due to tungsten prices.

¹ Core Profit excludes net one-time gains (non-core) of VND1,472 billion in 2Q2018 primarily from the “deemed disposal” of the Company’s interest in Techcombank as a result of the bank’s recent equity issuances at a price higher than the Company’s carrying value and net results from other activities. Core Profit also excludes VND1,651 billion in net one-off income at MSR in 3Q2019, due to settlement of international arbitration case between NPMC and Jacobs.

- **9M2019 Core NPAT Post-MI:** VND2,459 billion in 9M2019, up 5.6% compared to VND2,328 billion in 9M2018.
- **Reported NPAT Post-MI:** 3Q2019 Reported NPAT Post-MI of VND2,228 billion, up 197.8% compared to VND748 billion in 3Q2018. 9M2019 Reported NPAT Post-MI of VND4,110 billion in 9M2019, up 8.7% compared to VND3,779 billion in 9M2018².

FY2019 Management Financial Outlook

The following forward-looking statements reflect MSN's expectations as of today and are subject to substantial uncertainty. Our results are inherently unpredictable and may be materially affected by many factors, such as fluctuations in foreign exchange rates, changes in global and domestic economic conditions, world events and the rate of growth of consumer spending.

- **MCH:** FY2019 net revenue expected to grow by 10%+. Drivers will be accelerating premiumization contribution in seasonings and convenience foods and strong double-digit growth in beverages and processed meat.
- **MML:** MML net revenue is expected to grow in single-digits to low double-digits. Fresh meat net revenue expected to contribute ~10% of MML's consolidated net revenue within the month of December. Feed business is expected to grow in mid-single digits.
- **MSR:** FY2019 expected net revenue in the range of VND5.0-5.5 trillion, based on partial to full sales of Copper inventory in 4Q2019.
- **MSN:** Based on above mentioned factors, Masan Group expects a consolidated net revenue in the range of VND38-40 trillion for FY2019, and Core NPAT Post-MI in the range of VND3.5 – 3.6 trillion, lower than AGM forecasts mainly due to lower commodity prices and ASF related issues.

Key Operational Commentary

MCH: Delivered 5.7% net revenue growth for 9M2019 vs 9M2018, 4Q2019 expected to deliver strong double digit growth

- **Food premiumization:**
 - Seasonings portfolio net revenue was flat in 9M2019 compared to 9M2018, mainly due to lower sales of fish sauce. However volumes have been picking up and the category is expected to grow ~10% in 4Q2019 compared to 4Q2018. Premium fish sauce portfolio continues to grow as per expectations and contributed 11% of total fish sauce revenue vs 10% in 2018. Granules continues to emerge as a strong contributor to topline with nearly double digit volume market share as of September 2019.
 - Convenience foods portfolio delivered 4.8% revenue growth in 9M2019 vs 9M2018, as premium portfolio continued to drive topline growth. Revenue growth would have been nearly ~7%, but was affected due to changing pricing policy from trade promotion to direct sales discount in the mainstream noodles portfolio. Premium portfolio delivered ~15% growth for 9M2019 and full-meal solutions portfolio was up over 60% compared to 9M2018. For 4Q2019, the category is expected to grow in double-digits, as new innovations in full-meal solutions like Omachi mix-bowl and value-for-money products start to ramp up in 4Q2019.
- **Beverage:** Net revenue was up by 29.4% in 9M2019 led by 33.1% growth in energy drinks and 21.6% growth in bottled water revenue. Energy drink segment continues to be powered

² In addition to including net one-off income at MSR in 3Q2019, this number also includes net one-time gains (non-core) of VND1,472 billion in 2Q2018, primarily from the "deemed disposal" of Masan's interest in Techcombank.

by ~30% growth in WakeUp 247 brand and Compact also starts to gain traction supported by increased distribution coverage. Compact represents ~6% of MCH's Energy Drink portfolio.

■ **Incubation Portfolio:**

- **Processed Meat:** Delivered 156.6% growth in net revenue for 3Q2019, and up 102.0% for 9M2019. Partnership with Jin-Ju materializing with solid innovation pipeline and on track to deliver 2x topline growth for FY2019. New meat SKU's with new flavors, supported by a strategic social media campaign.
- **Coffee:** a flat quarter compared to 2Q, but was down 14.0% in 9M2019 compared to 9M2018. New SKU launched in 3Q2019 showing initial momentum in the Mekong Delta. However, sustainable growth will be dependent on ability to penetrate new coffee formats. Management is assessing new business model concepts to turnaround category.
- **Beer:** Net revenue in 3Q2019 was up 17.4% compared to 3Q2018, and slightly down 2% for 9M2019. Segment continues to underperform against management expectations, revenue in 2019 is expected to be flat compared to 2018.

MML: On track to achieve 2% nationwide run-rate pork market share in 2020, as branded meat strategy materializes

- Management expecting VND400-500 billion of ex-feed net revenue for FY2019 and a cold chain distribution network of over 650+ by year-end. Already command a 55%+ market share in VinMart supermarkets and have recently entered into CoopMart, where we expect to achieve 30%+ share by year-end 2019.
- **Pig feed business stagnant due to ASF, but other categories outperform.**
 - Flat revenue at VND3.4 trillion in 3Q2019 and VND10.1 trillion in 9M2019. Aqua and poultry feed volumes were up 28% and 14% respectively, but were offset by pig feed volume decline of 22%.
 - Management expects pig feed business to rebound over next 4 quarters as Bio-zeem's large farm partnership program ramps-up and farmers start to increase pig herd size as African Swine Fever ("ASF") related issues continue to subside and expected pork prices per kilo increased to ~VND55,000 per kilogram due to current supply shortage.
- **Protecting bottom-line:** Gross margins up 165 bps in 9M2019 vs. 9M2018 and up 274 bps in 3Q2019 vs. 3Q2018. Rationalized SG&A spending led to significant increase in EBITDA margins as well, up 279 bps in 9M2019 vs. 9M2018. Management plans to continue to rationalize spending with a target to deliver sustainable double-digit operating margins.

MSR: challenging tungsten pricing environment impacts 9M2019 performance

- **Price Environment Update:** Economic headwinds persisted and worsened during 3Q2019, as the ongoing US-China trade tensions and its impact on world economic growth forecasts continued to impact the tungsten, copper and bismuth markets. In addition, market uncertainty in Tungsten was impacted by ongoing concerns over the release of Fanya stocks in the China market and the uncertainty surrounding the prices at which Fanya stocks would be liquidated. These 28,336 tons of Tungsten stocks were successfully sold in September 2019 and have reduced market fears with prices recovering to USD225-45/mtu during the early part of October. At current prices, 70%+ of Chinese producers are losing money and therefore management expects further price increases.
- **Net revenue down 21.4%** – MSR posted net revenue of VND3,685 billion in 9M2019, a 21% decrease compared to VND4,688 billion recorded in 9M2018. Revenue impacted by lower realized prices for tungsten and a build-up in tungsten stocks due to soft market conditions and copper stocks. MSR continues to seek a sustainable solution by developing a copper/gold

smelter to sell products in the local market. Although, management anticipates to unload all copper inventory by 1Q2020. Partially offsetting the negative impacts, was an increase in fluorspar revenues on the back of higher realized pricing.

- **VND473 billion attributable net profit** – MSR delivered an attributable net profit of VND473 billion for 9M2019, a 39% increase over the same period last year. As compared to 9M2018, EBITDA declined by VND796 billion, while attributable net profit increased by VND133 billion. The favorable difference between EBITDA movement and attributable net profit movement is due to the impacts of accounting for the Jacobs settlement.

TCB: Reported Profit Before Tax (“PBT”) grew by 14.0% to reach VND8,860 billion in 9M2019 vs VND7,774 billion in 9M2018.

- Please see TCB's press release and financials for more [details](#).

3Q2019 and 9M2019 Consolidated Financial³ Highlights

Income Statement Highlights

VND Billion	3Q2019	3Q2018	Growth	9M2019	9M2018	Growth
Net Revenue	8,968	9,171	(2.2)%	26,378	26,630	(0.9)%
<i>Masan Consumer Holdings</i>	4,610	4,381	5.2%	12,589	11,907	5.7%
<i>Masan MEATLife</i>	3,363	3,341	0.6%	10,104	10,035	0.7%
<i>Masan Resources</i>	995	1,449	(31.3)%	3,685	4,688	(21.4)%
Gross Profit	2,432	2,774	(12.3)%	7,562	8,343	(9.4)%
<i>Masan Consumer Holdings</i>	1,887	1,912	(1.3)%	5,137	5,257	(2.3)%
<i>Masan MEATLife</i>	567	472	20.1%	1,711	1,534	11.5%
<i>Masan Resources</i>	(35)	377	(109.3)%	676	1,513	(55.3)%
Gross Margin	27.1%	30.2%		28.7%	31.3%	
<i>Masan Consumer Holdings</i>	40.9%	43.7%		40.8%	44.2%	
<i>Masan MEATLife</i>	16.9%	14.1%		16.9%	15.3%	
<i>Masan Resources</i>	(3.5)%	26.0%		18.3%	32.3%	
SG&A⁴	(1,536)	(1,386)	10.8%	(4,280)	(4,293)	(0.3)%
<i>Masan Consumer Holdings</i>	(1,069)	(942)	13.4%	(2,906)	(2,832)	2.6%
<i>Masan MEATLife</i>	(358)	(351)	2.0%	(1,053)	(1,103)	(4.5)%
<i>Masan Resources</i>	(58)	(44)	32.0%	(158)	(190)	(16.7)%
SG&A as % of Net Revenue	17.1%	15.1%		16.2%	16.1%	
<i>Masan Consumer Holdings</i>	23.2%	21.5%		23.1%	23.8%	
<i>Masan MEATLife</i>	10.7%	10.5%		10.4%	11.0%	
<i>Masan Resources</i>	5.9%	3.0%		4.3%	4.0%	
Share of Profit in Associates⁵	552	442	24.8%	1,532	1,430	7.2%
D&A	768	740	3.7%	2,286	2,238	2.2%
EBITDA	2,216	2,570	(13.8)%	7,100	7,718	(8.0)%
<i>Masan Consumer Holdings</i>	1,044	1,194	(12.6)%	2,913	3,103	(6.1)%
<i>Masan MEATLife</i>	407	300	35.7%	1,229	940	30.7%
<i>Masan Resources</i>	262	671	(60.9)%	1,571	2,362	(33.5)%
<i>Techcombank Contribution</i>	542	443	22.4%	1,514	1,411	7.4%
EBITDA Margin	24.7%	28.0%		26.9%	29.0%	
<i>Masan Consumer Holdings</i>	22.6%	27.3%		23.1%	26.1%	
<i>Masan MEATLife</i>	12.1%	9.0%		12.2%	9.4%	
<i>Masan Resources</i>	26.4%	46.3%		42.6%	50.4%	
Net Financial						
(Expense)/Income	197	(715)		(730)	(654)	
<i>Financial Income⁶</i>	791	125		950	1,759	
<i>Financial Expense</i>	(595)	(840)		(1,681)	(2,413)	
Other Income/(Expenses)	1,022	(36)		1,001	(22)	
Corporate Income Tax	(242)	(179)	35.3%	(467)	(468)	(0.2)%
NPAT Pre-MI	2,425	918	164.1%	4,616	4,336	6.5%
NPAT Post-MI	2,228	748	197.8%	4,110	3,779	8.7%
Core NPAT⁷ Pre-MI	774	936	(17.3)%	2,966	2,886	2.8%
Core NPAT⁷ Post-MI	577	766	(24.7)%	2,459	2,328	5.6%

³ Financial numbers are based on management figures and in accordance to Vietnamese Accounting Standards.

⁴ MSN's consolidated SG&A is higher than the total of SG&A expenses of its business segments due to holding company level expenses.

⁵ Includes contribution from Techcombank.

⁶ Includes net one-time gains (non-core) of VND1,472 billion in 2Q2018 primarily from the "deemed disposal" of the Company's interest in Techcombank as a result of the bank's recent equity issuances at a price higher than the Company's carrying value and net one-time gains from the settlement of arbitration case from Jacobs E&C Australia Pty Ltd.

⁷ "Core" reflects adjustments mentioned in footnote 6 and adjusted for net results from other activities.

Balance Sheet-Related Highlights

VND Billion	FY2017	FY2018	9M2019
Cash and cash equivalents⁸	8,154	4,962	7,763
Debt	34,796	21,995	25,479
Short-term Debt	9,166	9,244	15,180
Long-term Debt	25,630	12,752	10,298
Total Assets	63,529	64,579	72,308
Total Equity	20,225	34,080	38,516
Total Equity Excluding MI	14,837	29,487	33,646
Outstanding Number of Shares (million shares)	1,047	1,163	1,169
Share Capital	1,157	1,163	1,169
Treasury shares	(110)	-	-

Key Financial Ratios

VND Billion	FY2017	FY2018	9M2019
Debt to EBITDA	3.7x	2.1x	2.6x
ROAA	5%	9%	9%
ROAE	21%	22%	17%
Core ROAE	15%	17%	12%
FFO⁹ to Debt	10%	24%	21%
FCF¹⁰	4,199	4,622	2,085
Cash Conversion Cycle	42	43	68
Inventory days ¹¹	61	60	82
Receivable days ¹²	8	10	1
Payable days ¹²	27	27	15
CAPEX	(2,111)	(2,638)	(3,381)

⁸ Cash and cash equivalent include short-term investments (primarily term deposits between 3 and 12 months) and receivables related to treasury activities and investments.

⁹ FFO: Trailing Twelve-Month ("TTM") Funds From Operations is calculated based on EBITDA, excluding contribution from TCB, and adjusted for net financial expense, excluding one-off gain from sale of TCB convertible bonds, and adjusted for corporate income tax paid within the reporting period.

¹⁰ FCF: TTM Free Cash Flow is calculated from EBITDA, excluding contribution from TCB, and adjusted for changes in working capital, and corporate income tax paid within the reporting period and CAPEX.

¹¹ Inventory days is calculated based on inventory balances and divided by COGS.

¹² Receivable and Payable days are calculated based on balances excluding those that are not related to operating activities divided by Revenue or COGS.

Key Subsidiary Business Information

MCH

VND Billion	3Q Growth	9M Growth
Net Revenue¹³	5.2%	5.7%
Seasonings	(6.1)%	(0.5)%
Convenience Foods ¹⁴	1.7%	4.8%
Beverages (Non-alcoholic)	35.4%	29.4%
Others ¹⁵	10.5%	(0.6)%
Gross Profit	(1.3)%	(2.3)%
EBITDA	(12.6)%	(6.1)%

MSR

Average Commodity Prices ¹⁶	Unit	Avg. 3Q2019	Avg. 3Q2018	% change	30.09.19	30.09.18
APT European Low*	USD/mtu ¹⁷	244	319	(23)%	205	275
Bismuth Low*	USD/lb	3.2	4.6	(31)%	2.6	4.0
Copper*	USD/t	6,065	6,642	(9)%	5,719	6,180
Fluorspar Acid Grade ^{**18}	USD/t	498	482	3%	465	455

Production Summary	Unit	9M2019	9M2018	Growth
Ore processed	kt	2,834	2,813	0.7%
APT / BTO / YTO / ST (contained)	t	4,702	4,511	4.2%
Copper in Copper Concentrate (Contained)	t	6,039	6,759	(10.6)%
Acid Grade Fluorspar	t	172,545	171,046	0.9%
Bismuth in Bismuth Cement (Contained)	t	917	1,864	(50.8)%

¹³ These numbers are based on management figures.

¹⁴ Includes instant noodle, full-meal solutions, instant congee and other convenience foods.

¹⁵ Includes powder coffee, beer, processed meat, nutrition cereals and exports.

¹⁶ Metals Bulletin.

¹⁷ MTU mean metric ton unit (equivalent to 10 kilograms). To approximate tungsten sales for every 1 ton of contained tungsten, multiply the number by 100, the USD/MTU price and by the price realization percentage (which is subject to contracts and the nature of the end, tungsten chemical product).

¹⁸ Industrial Minerals.

MASAN GROUP CORPORATION

Masan Group Corporation (“Masan” or the “Company”) believes in doing well by doing good. The Company’s mission is to provide better products and services to the 90 million people of Vietnam, so that they can pay less for their daily basic needs. Masan aims to achieve this by driving productivity with technological innovations, trusted brands, and focusing on fewer but bigger opportunities that impact the most lives.

Masan Group’s member companies and associates are industry leaders in branded food and beverages, branded meat, value-add chemical processing, and financial services, altogether representing segments of Vietnam’s economy that are experiencing the most transformational growth.

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