

INVESTOR PRESENTATION 1Q24 FINANCIAL RESULTS

HCMC, May 2024



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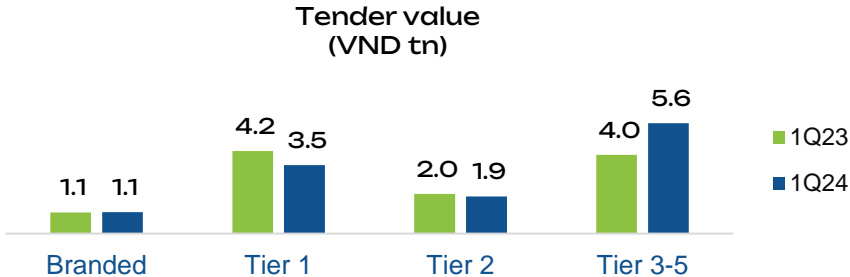
1Q24 BUSINESS RESULTS AND 2024 GUIDANCE

Low double-digit market growth led by ETC; favorable landscape for local players

ETC continues to outgrow OTC, driving the entire market to achieve double-digit growth in 1Q24

1Q24 % YoY	All ATC	Antibiotics
OTC	8%	4%
ETC	15%	8%
Total	11%	6%

Tender value increased in 1Q24 (+7% YoY)², mostly in Tier 3-5, while Tier 1-2 tenders are expiring



Vietnamese government's continuous support to local pharmaceutical companies



VN Pharmaceutical Industry 2030

- ① Produce 80% locally consumed drug (~70% market value)
- ② At least 20% facilities qualify EU-GMP, PIC/s or equivalent

- Restricted bidding for imported drugs in case of three local players
- Circular 03/2019 and Bidding Law 22/2023 promulgated a list of 640 SKUs subject to restricted import in public tender
- New Circular 03/2024 adds more products and governs **Tier 1,2** (93 medications) creating opportunities for locals with EU-GMP. IMP secures **12 among 93 SKUs**

1Q24 Business highlights

Net revenue

VND 491.1 bn

▲ 2% YoY

EBITDA

VND 104.7 bn

▼ 9% YoY

% margin: 22%

Profit before tax

VND 77.8 bn

▼ 22% YoY



R&D Pipeline

+12 new projects

New launch

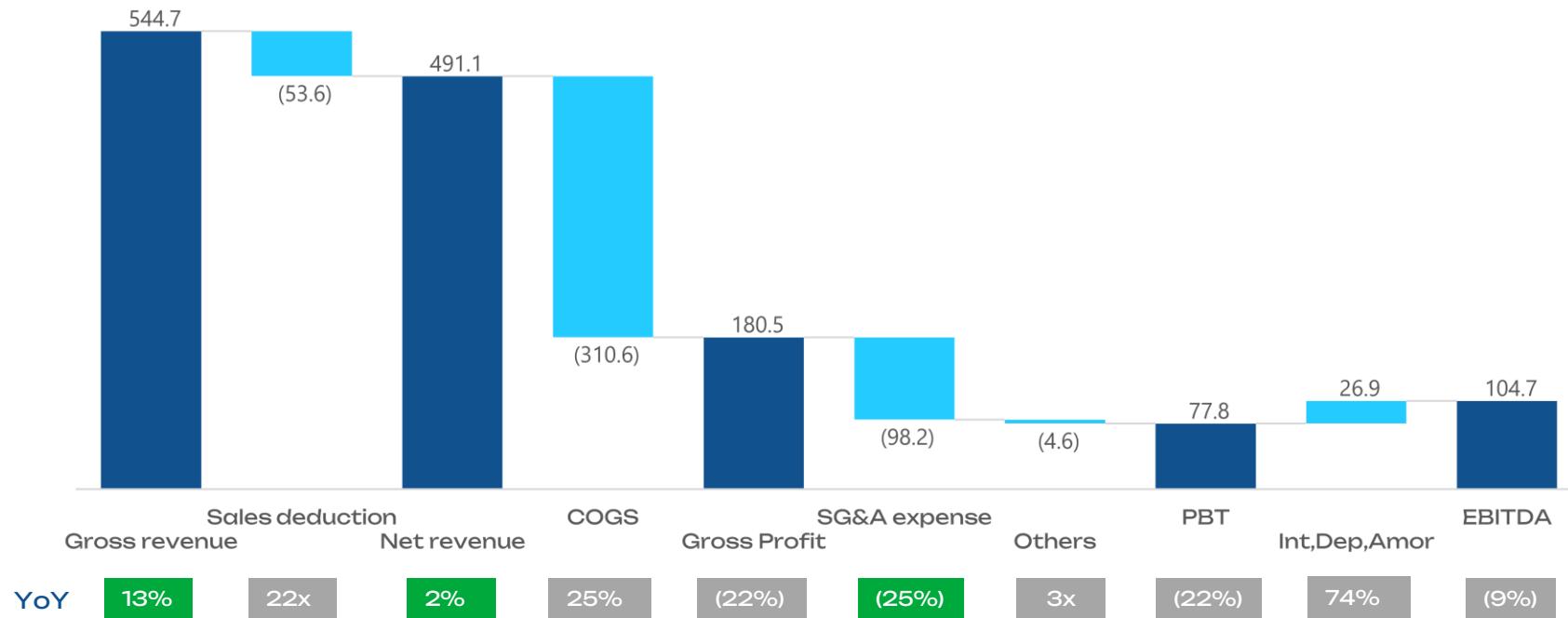
5 SKU
(April: +2 SKU)

Stock performance

19% ytd

PBT declined due to stagnant OTC market, lower production & IMP4 depreciation

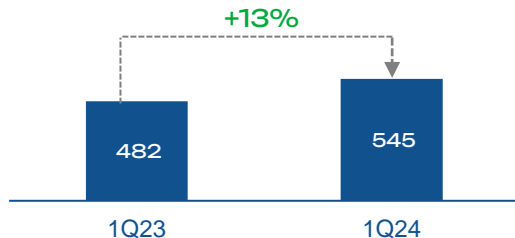
VND bn



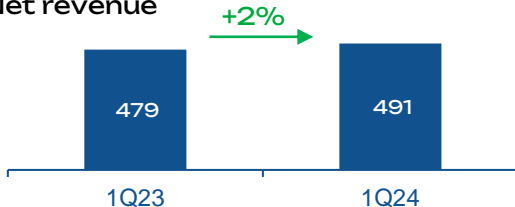
Modest net sales growth fueled by expansion in ETC market

Revenue (VND bn)

Gross revenue



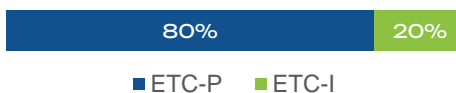
Net revenue



ETC Channel

ETC ▲ 58% yoy

ETC-P ▲ 65% yoy



ETC kept outperforming thanks to

- Consistently growing hospital channel
- Continued partner network expansion
- Launches of new products

OTC Channel

OTC ▼ 9% yoy

Chains ▲ 3x yoy

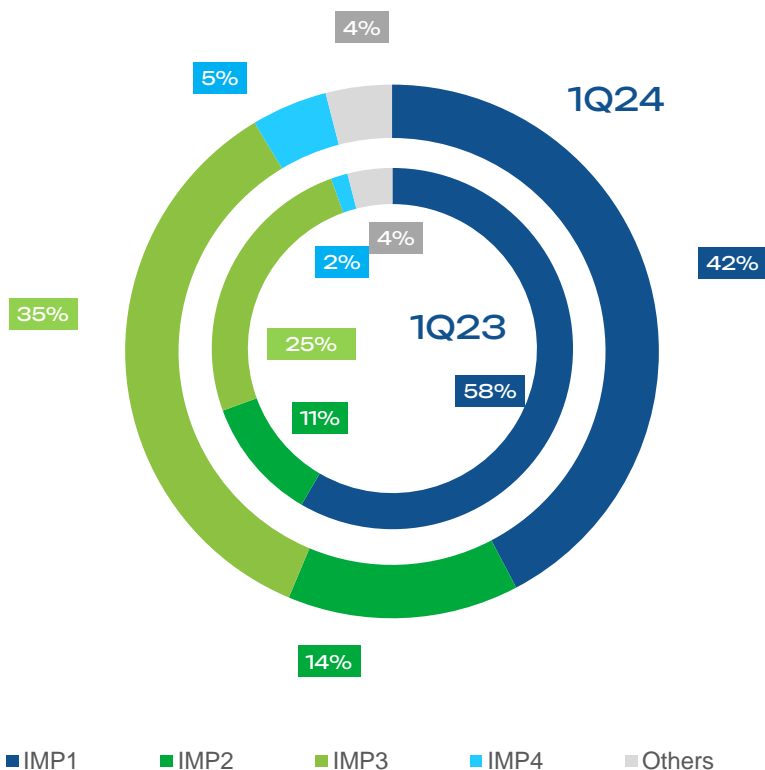


OTC was down 9% yoy due to

- Retail spending were more prudent
- Wholesales were hesitant to stockpile given the sluggish market

Still, selling to pharmacy chains recorded >200% growth yoy

Increasing contribution from EU-GMP factories (IMP2, 3, 4)



Factory	Production volume vs. 1Q23
IMP1	▼ (4.3%)
IMP2	▼ (6.5%)
IMP3	▲ 2.7%
IMP4	▲ 800%
Others	▼ (28%)
TOTAL	▼ (4.2%)



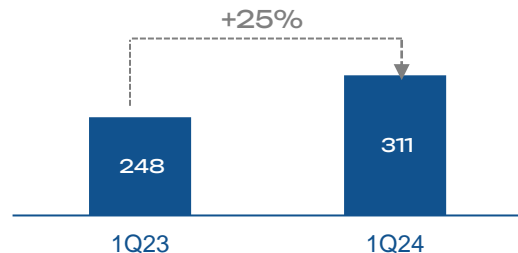
In 1Q24, we pro-actively lowered inventory balance especially at IMP1 given stagnant retail market. We will maintain this optimal level and adjust up when market recovers.



We keep raising capacity of IMP4 to meet increasing demand of EU-GMP injectables in ETC market. IMP4 is expected to reach BEP within 1 year.

COGS hike partially offset by effective SG&A cost control

COGS (VND bn)



COGS increased sharply in 1Q24 due to



API price increased ~ 3% on average

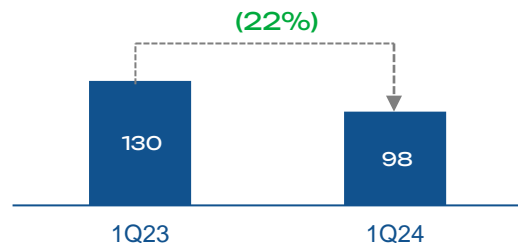


Pro-actively lower finished goods inventory balance amid sluggish OTC market, that resulted in lower production volume



Significant increase in depreciation cost incurred for IMP4

SG&A expense (VND bn)



SG&A declined significantly thanks to

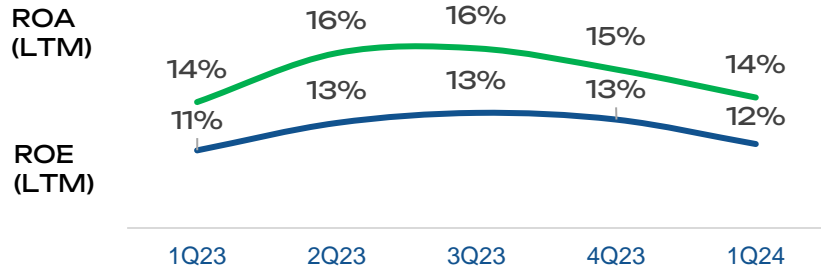
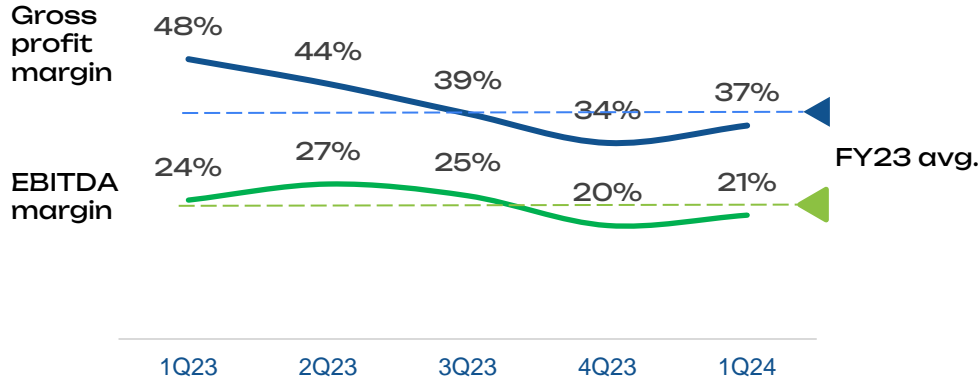


New policy to implement dedicated cost centre model at department level



Strictly monitor disbursement process with more approval levels

Resilient profitability



Key focus areas



Upgrade SAP ECC to SAP S/4 Hana Rise, and IFRS implementation



Continue to launch new products in IMP4



Conclude the Service Agreement with SK - Plasma in 2Q

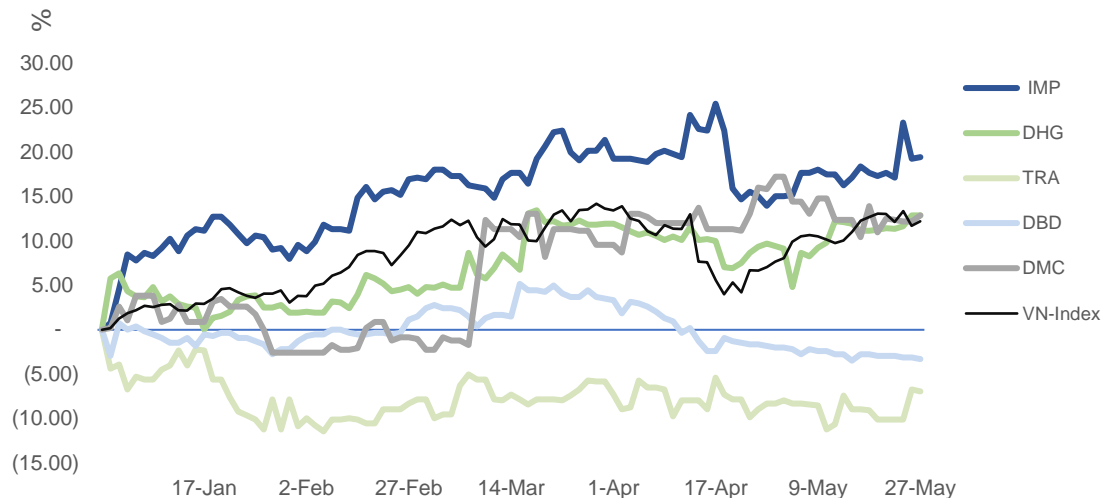


Continue to expand GBD pipeline, enhance IMP brand exposure to international market



Accelerate planning for IMP5

Positive ytd stock performance



Stock price	VND 67,500
Market cap	VND bn 4,700
EPS	VND 4,149
P/E	16.3
P/B	2.2
EBITDA multiple	10.4
Revenue multiple	2.4

Note: As of 27 May 2024

	IMP	DHG	TRA	DBD	DMC
Avg. daily trading volume	31,655	17,669	2,099	85,406	2,944
Daily trading volume vs. 4Q23	▲ 103%	▼ (19%)	▼ (33%)	▼ (7%)	▼ (28%)
YTD stock performance	▲ 19%	▲ 13%	▼ (7%)	▼ (3%)	▲ 13%

2024 Business guidance

No.	Target (VND Bn)	2023	2024	Growth
1	Gross revenue	2,113.9	2,630.1	24%
	• OTC	1,083.0	1,214.0	12%
	• ETC	884.0	1,316.1	49%
2	Net revenue	1,994.0	2,364.9	19%
3	Profit before tax	377.3	423.0	12%
4	EBITDA	466.0	550.0	18%
	EBITDA margin	23%	23%	

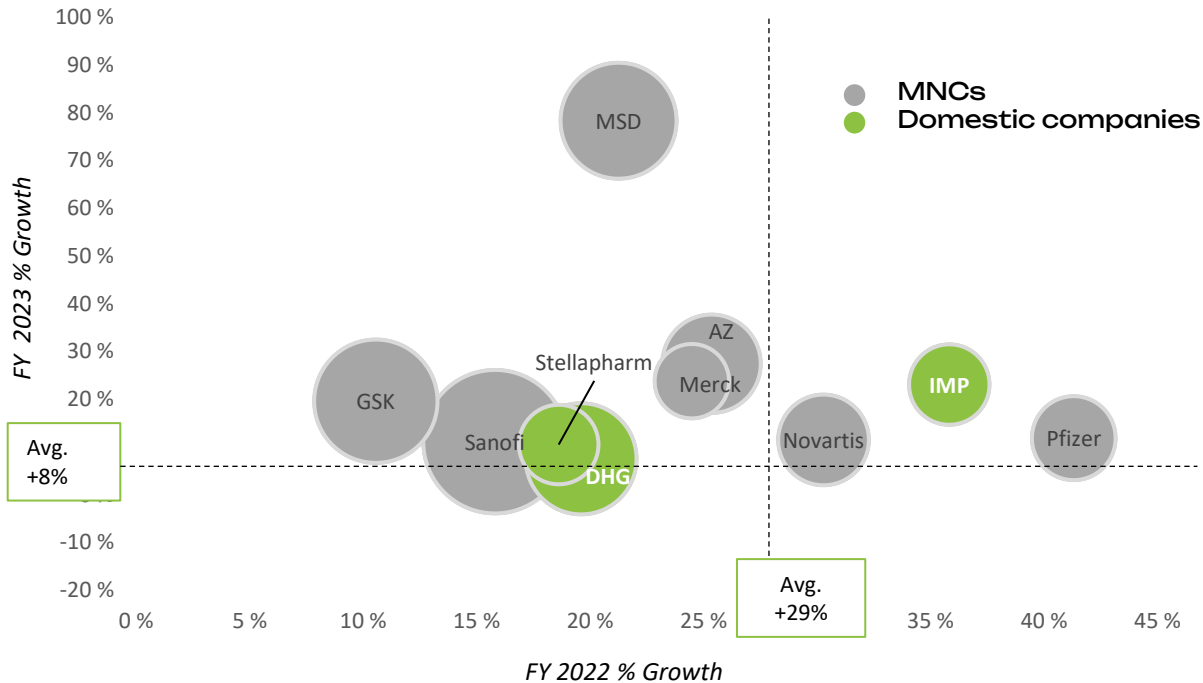


02

VIETNAM PHARMACEUTICAL MARKET OVERVIEW

Fast-growing Vietnam pharma market with increasing local contribution

Top 10 pharma companies by sales value in 2023



Vietnam as one of 17 countries classified as **pharmerging markets** with double digit growth

Local production value share increased from 17% during 2001-2011 to ~45% during 2015-2021

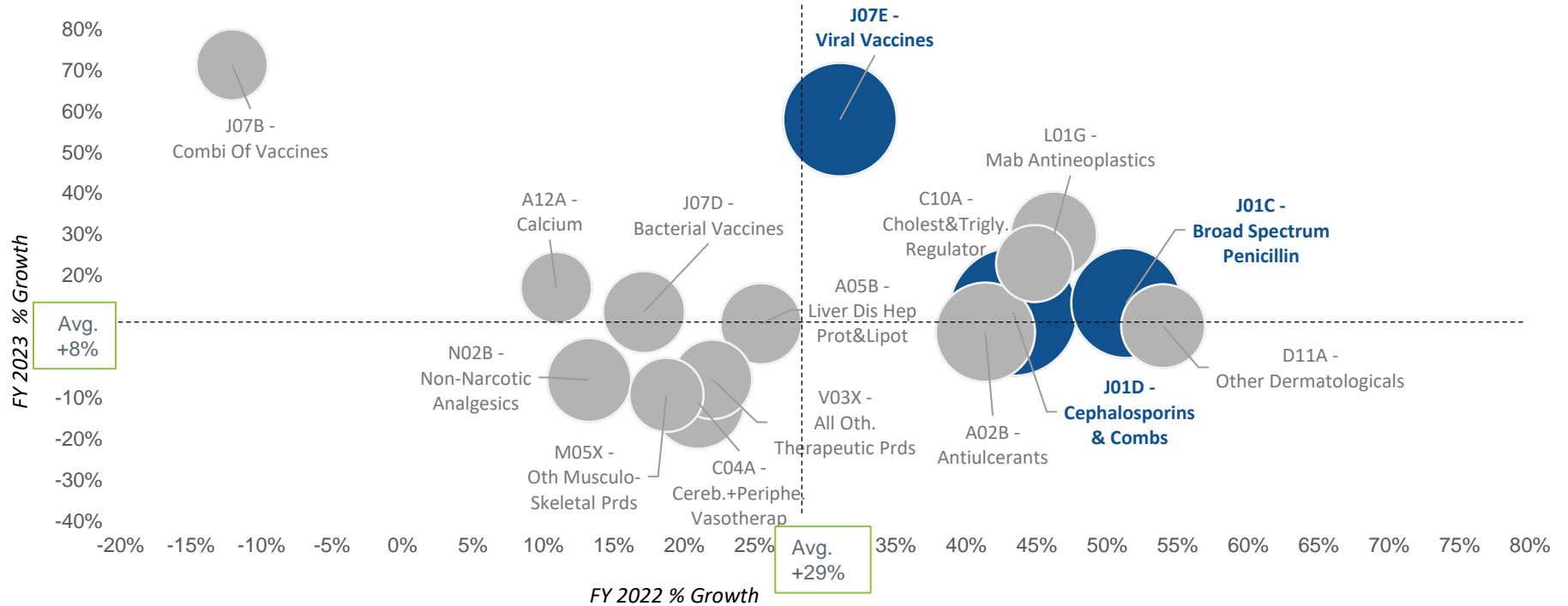
Lack of high-quality drug manufacturers. Only **18** over 228 WHO-GMP factories meet **EU or JP-GMP**

(Sources: FY2023 IQVIA report and DAV report)

Viral vaccines and antibiotics are leading market in terms of sales value

Top 15 leading ATC3 by sales value in 2023

IMP is covering J01C and J01D



(Sources: FY2023 IQVIA report and DAV report)

Pharmaceutical market trend

1 HIGH-GROWTH

CAGR 2022-2027 forecasted at **10.3%** thanks to

- Stable economic growth rate,
- Increasing demand for healthcare
- Government's growing attention to the healthcare sector

2 HIGH DEMAND FOR ANTIBIOTICS

As per Vietnam disease's model, antibiotics constitute the highest proportion (12% pharma market value) and it is expected to continue experiencing CAGR 2022-2027 at 9.2%

3 HIGH-QUALITY DRUGS BENEFITED (i.e. EU-GMP)

Growing middle and high income population while market is increasingly aware of sustainability. Only 18 over 228 factories meet EU or JP-GMP

4 LOCAL PRODUCTION BENEFITED

National Strategy for Pharmaceutical market set the goal to raise the portion of locally produced drugs to 70% total market value and 80% domestic demand. *(currently 46% and 60% respectively)*

5 OTHER POTENTIALS

Respiratory, digestive, cardiovascular, and diabetes medication groups will be essential due to environmental pollution levels, food safety concerns, work-related stress, etc... CAGR 2022-2027 estimated at 11.6% ~ 13.2%.



03

COMPANY PROFILE

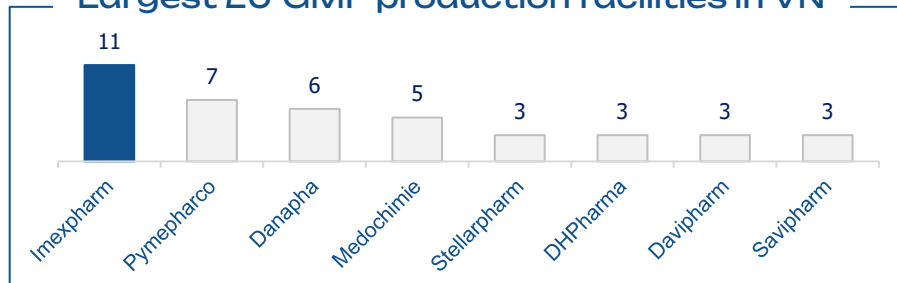
A leading Pharmaceutical company in Vietnam

Est. Year	1977
Headquarter	Dong Thap, Vietnam
Major Shareholders	SK ⁽¹⁾ 65%, Vinapharm 22%
# Employees	1,400

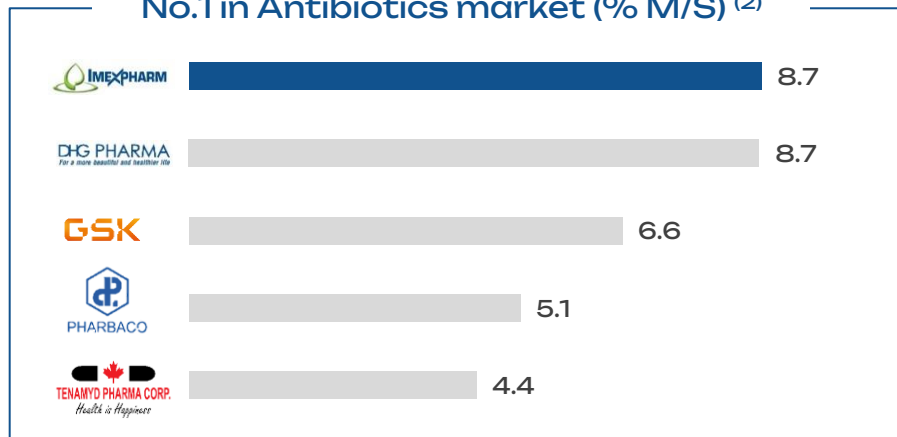
Net revenue
VND 1,994 bn
 ▲ 21% growth rate

EBITDA
VND 446 bn
 ▲ 31% growth rate

Largest EU-GMP production facilities in VN



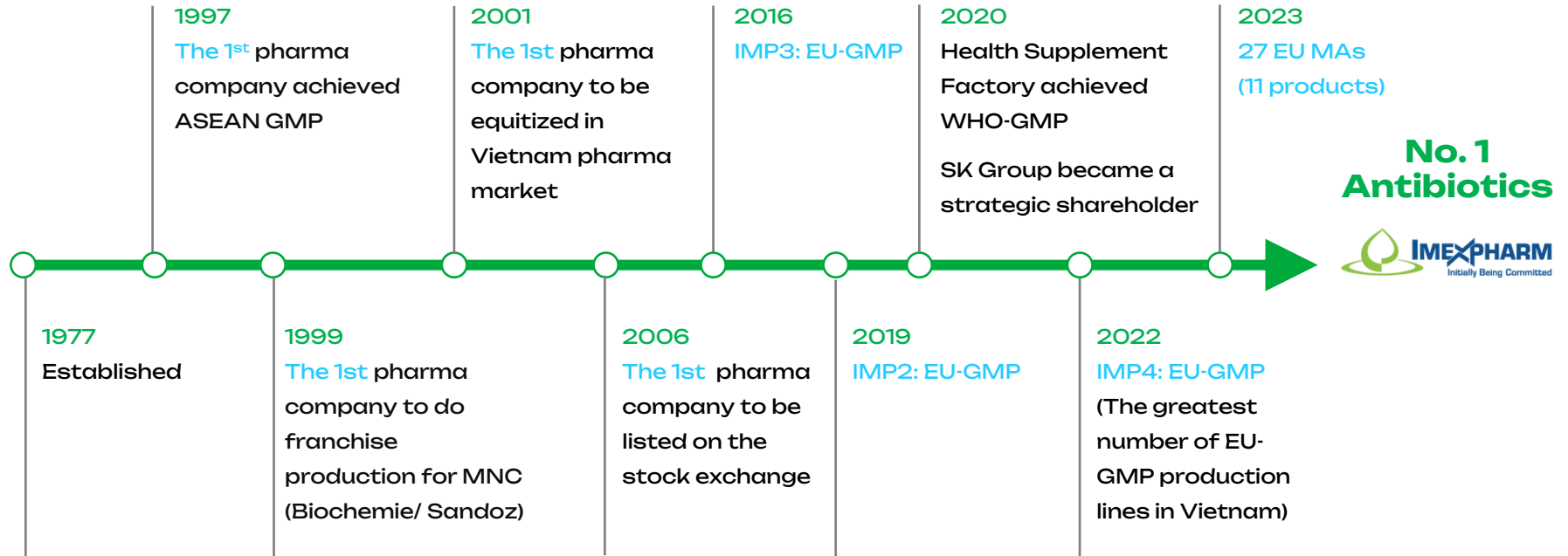
No.1 in Antibiotics market (% M/S) ⁽²⁾



(1) SK Group (47.7%), Sunrise Kim Investment (9.7%), KBA Investment (7.4%)

(2) IQVIA Data. JO1 therapeutic area in 2023 (3) FY23 performance

Our almost 5 decades of pioneering and innovation



Production capabilities

We develop the largest number of EU-GMP production lines in Vietnam

IMP1



- Est: 1997 ('23 **WHO-GMP** recertified)
- Non-beta Lactam, Penicillin, Supplements, Herbal medicine
- Production lines: 10
- Capacity: 1,038mn units

IMP3



- Est. 2010 ('23 **EU-GMP** recertified)
- Key line: Cephalosporin, Penicillin
- Production lines: 5
- Max capacity: 139mn units

IMP2



- Est: 2017 ('23 **EU-GMP** recertified)
- Oral Penicillin
- Production lines: 4
- Capacity: 92mn units

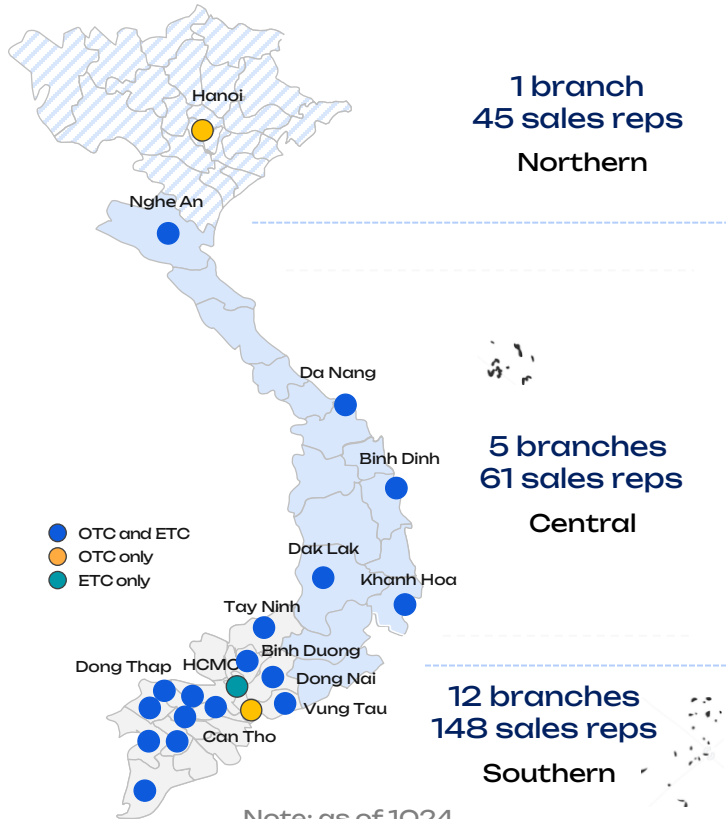
IMP4



- Est. 2019 ('22 **EU-GMP** certified)
- Non-beta Lactam Injectable
- Production lines: 3
- Capacity: 24mn units

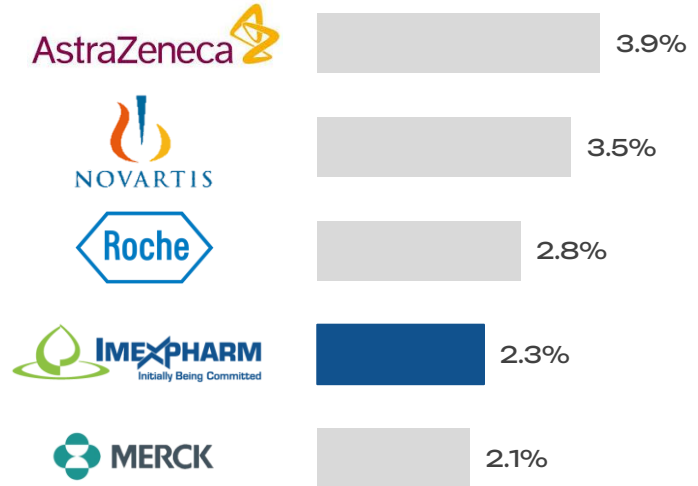
Sales capabilities - leading ETC market

We attain **No. 1 local manufacturer** position in **ETC channel** in Vietnam thanks to high-quality products and strong bidding track records



We are the only local pharma company to be in **Top 5 ETC Players** in Vietnam

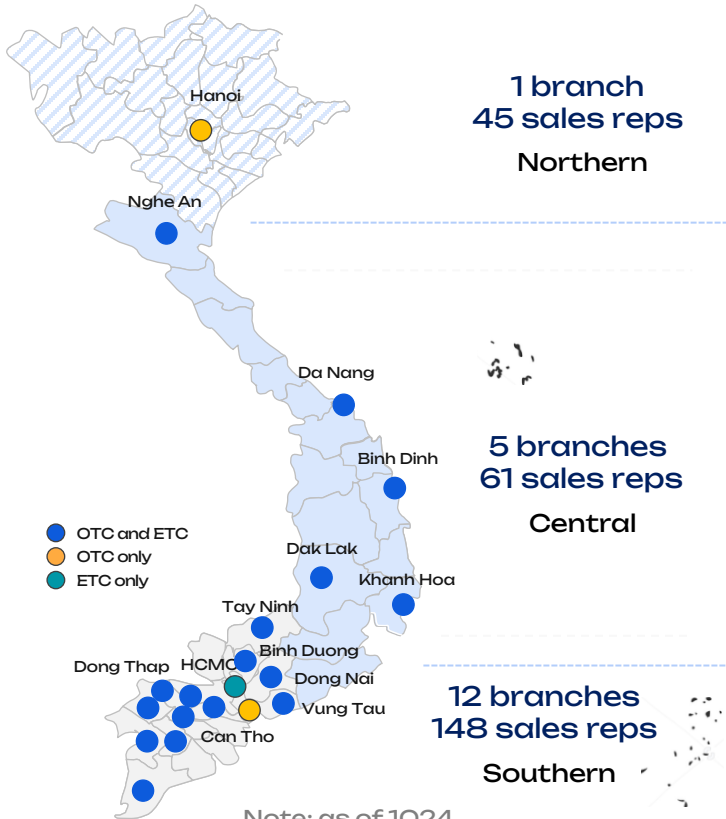
Top 5 players in ETC in Vietnam (% M/S)



(*) IQVIA report at the end of 2023, excl. vaccines figures

Sales capabilities – rapidly expanding OTC network

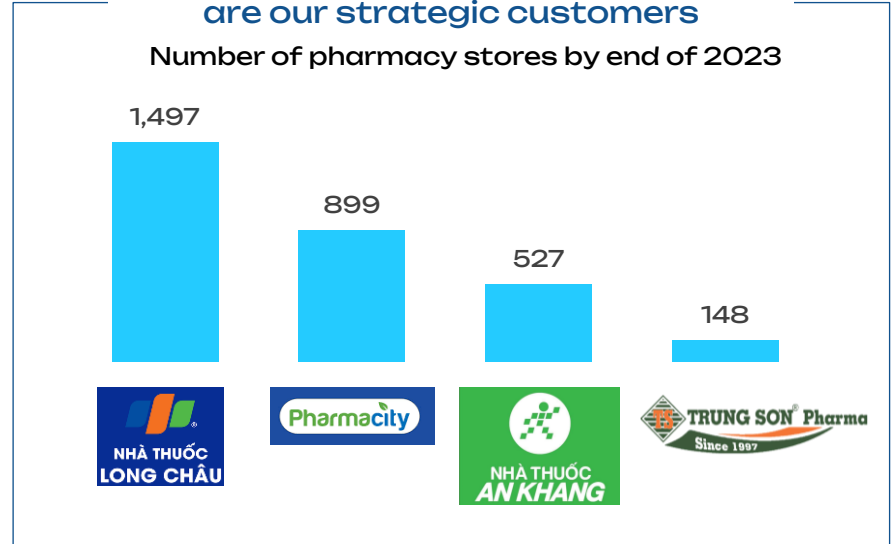
Our nationwide sales network covers **63/ 63 cities** in Vietnam



We sell to **17,500+** mom-and-pop pharmacies in the country and develop strong partnership with **leading pharmacy chains**.

Top 4 pharmacy chains in Vietnam are our strategic customers

Number of pharmacy stores by end of 2023



Our Valued Partners

sanofi

 **SANDOZ**

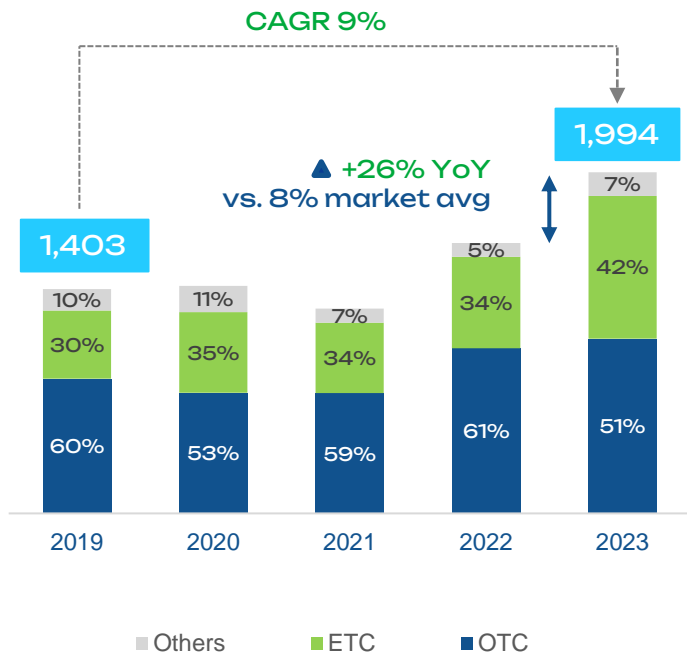
 **pharma
science**

SK 

 **GENUONE
SCIENCES**

Strong growth momentum

Net revenue (VND Bn)



VND 1,994 bn record high revenue in 2023, thanks to...

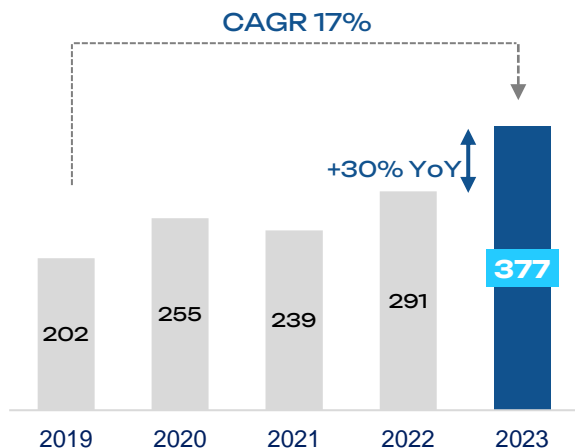
- ▲ **6% yoy** in **OTC** despite flat OTC market, driven by **3-digit-growth** in selling to **pharmacy chains**; and
- ▲ **56% yoy** in **ETC** which helped to bring IMP to ...
- ▲ **Rank 4th** in **ETC** market (*) from rank 7th in 2022.

(*) IQVIA report at the end of 2023, excl. vaccines figures

Sustainable profitability

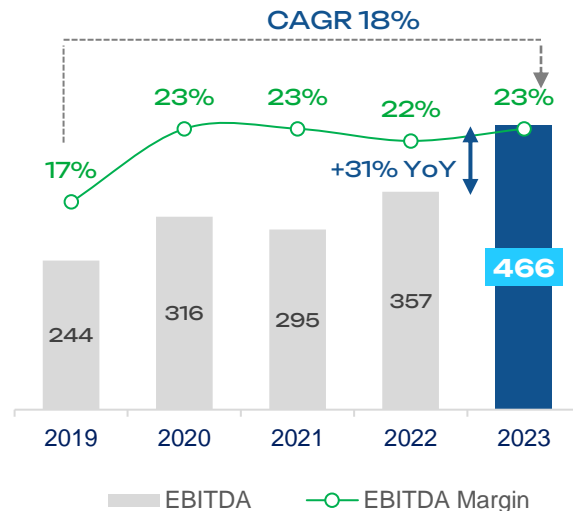
Profit before tax (VND bn)

- Consistent investment in **EU-GMP productions** created **competitive advantages** for IMP to sustain strong profitability



EBITDA (VND bn)

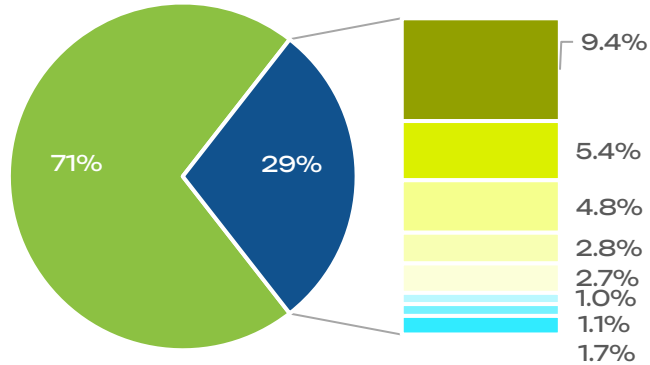
- Profit margin has significantly improved thanks to better **economies of scale** and multiple initiatives to **optimize operational efficiency**



(* EBITDA excludes financial incomes & other incomes)

Revenue breakdown

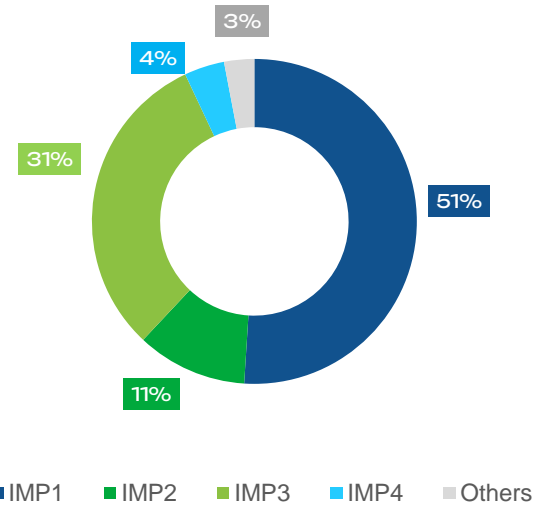
Product mix



- Antibiotics
- Analgesic and antipyretic
- Anti-tuberculosis
- Antiallergy
- Health supplement
- Cough medicine
- Digestive aid
- Anti-inflammatory
- Vitamins

- All non-antibiotics are manufactured only at IMP1
- Plan to expand more beyond antibiotics especially with IMP5

Factory contribution



- IMP1 - totally depreciated
- IMP2 and IMP3 - increasing production performance
- IMP4 - put into operation since 3Q2023

Our products



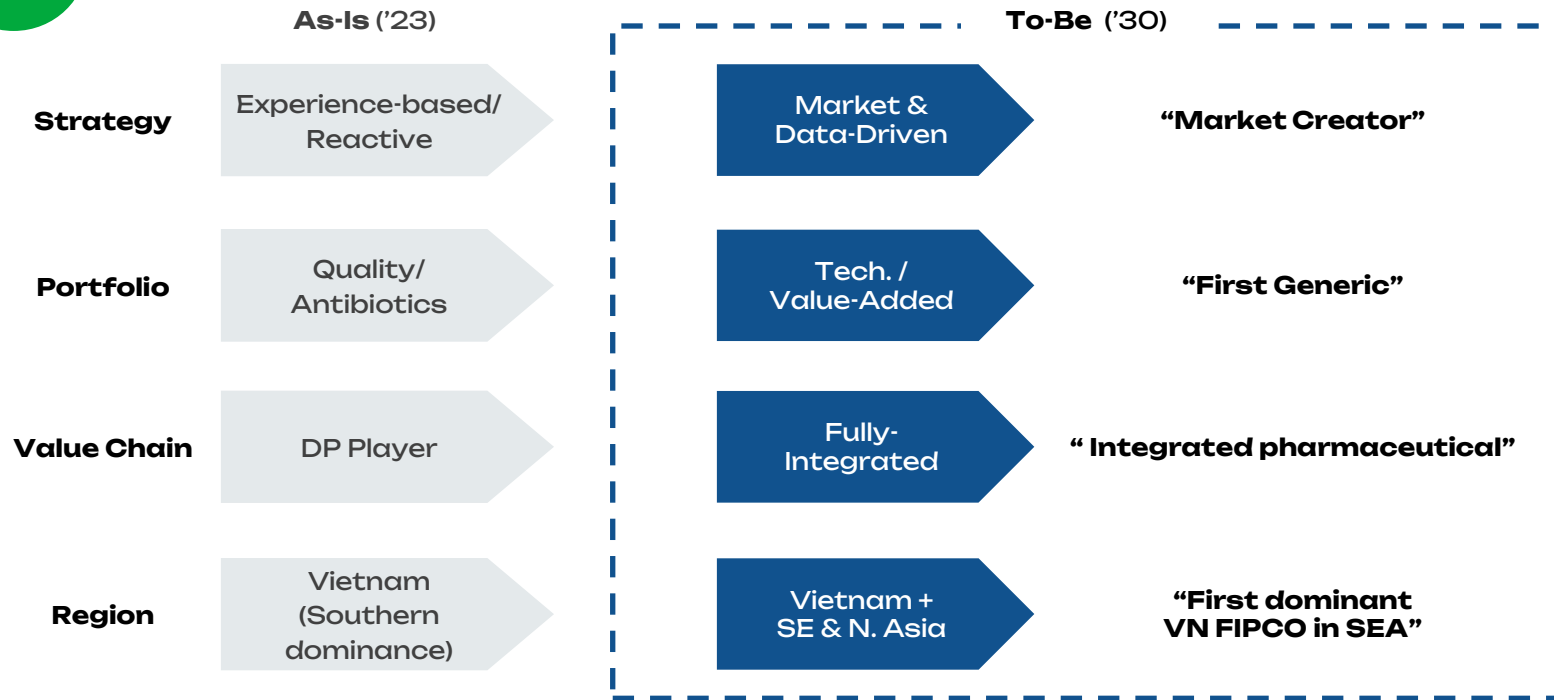
Key Financial Ratios

Ratio	2019	2020	2021	2022	2023	Note
Net revenue (VND Bn)	1,402.5	1,369.4	1,266.6	1,643.7	1,994.0	9.2% CAGR (19-23)
Profit before tax (VND Bn)	202.4	255.4	238.9	291.4	377.3	16.8% CAGR (19-23)
EBITDA (VND Bn)	247.3	314.2	304.8	355.6	466.0	17.2% CAGR (19-23)
BV (VND)	31,544	25,941	26,899	28,398	29,778	
EPS (VND)	2,892	2,773	2,603	2,951	3,637	
Total debt/Total assets	16%	17%	22%	17%	13%	Debt ratio declining overtime
Bank loan/Total assets	2%	6%	8%	4%	2%	
Quick ratio (times)	1.6	1.6	1.7	1.7	1.6	
Current ratio (times)	3.0	2.8	2.9	2.9	3.9	
Gross profit margin	38%	40%	39%	42%	41%	
EBITDA margin	17%	23%	23%	22%	23%	
ROS	11.6%	15.3%	14.9%	13.6%	15.0%	
ROE	10.6%	12.8%	10.7%	12.1%	15.1%	
ROA	9.0%	10.6%	8.6%	9.8%	12.8%	

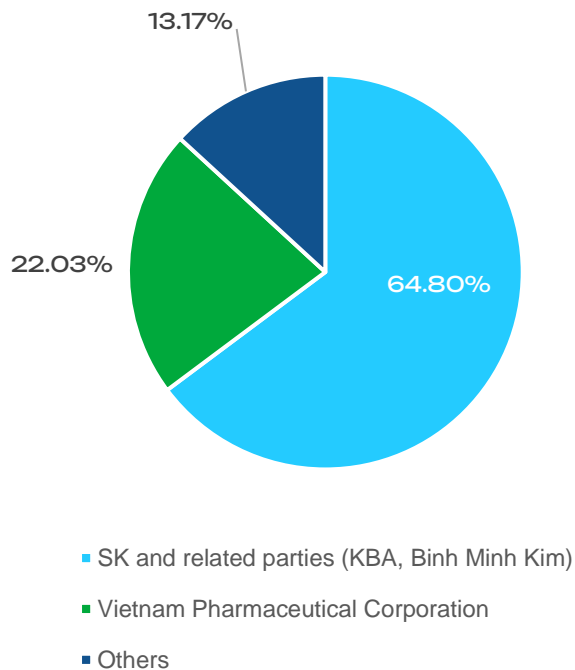
Top-tier fully-integrated pharma with value added portfolio



SEA's Top-tier Fully Integrated Pharma with Value Added Portfolio



Shareholder structure and IMP stock



Charter capital	VND bn 700
No. of outstanding shares	70 million shares
Book value per share	VND 29,763
EPS	VND 4,380
Market cap	VND bn 3,964
P/E	12.9 x
P/B	1.9 x
EBITDA multiple	8.5 x
Revenue multiple	2.0 x

As of 31 Dec 2023

Thank You



For further discussion, please contact our IR team
ir@imexpharm.com