



BUSINESS UPDATES 2018



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01

1H.2018 Financial Highlight

Source: Consolidated FS of 2017, consolidated Interim FS of 1H.2018

Figures	Plan of 2018	1H/ 2018	1H/ 2017	+/- %	1H.18/ 2018 plan
Net revenue	14,200	6,141.4	6,722.4	-8.6%	43.2%
Gross profit		433.6	344.8	+25.8%	
Share of profit in associates		19.9	9.9	+102%	
Results of other activities		51.0	84.2	-39.5%	
<i>EBIT</i>		<i>175.2</i>	<i>133.0</i>	<i>+31.8%</i>	
<i>EBITDA</i>		<i>210.4</i>	<i>170.1</i>	<i>+23.7%</i>	
Profit before tax	175	135.3	89.1	+51.8%	77.3%
Net profit after tax	140	112.4	73.5	+52.9%	80.3%
Attributable to Equity holders of the Company	82	66.5	40.1	+65.6%	81.0%

Figures	Unit	30.6.18	01.01.18	% +/-
Liabilities	Bil. đ	2,059	2,340	-12.0%
Debt	Bil. Đ	1,051	1,229	-14.5%
Total assets	Bil. Đ	3,391	3,617	-6.3%
Equity	Bil. Đ	1,332	1,277	4.3%
Debt / Total assets	%	60.7%	64.7%	
Debt/ Equity	Time	1.55	1.83	
Debt/ Total assets	%	31.0%	34.0%	

Ratio	2018 (trailing)	2017
Current ratio	0.9	0.9
Quick ratio	0.47	0.51
Interest coverage (EBIT)	3.53	2.91
Debt/ EBITDA	2.8	3.7
ROS	1.35%	1.01%
ROA	5.0%	3.9%
ROE	14.1%	11.5%

02

Estimation of 9 months & Q4.2018 results

MARKET OUTLOOK

Macro indicators

GDP

(best performance since 2011)



↑ 6,98% 9 mths 2017 **↓ 6,41%**
(YoY) (YoY)

INTEREST RATE

(Remain stable)



Short - term **6 – 9%**
Long - term **9 – 11%**

Average CPI



↑ 3,57% 9 mths 2017 **↓ 3,79%**

CREDIT GROWTH

In 9 months



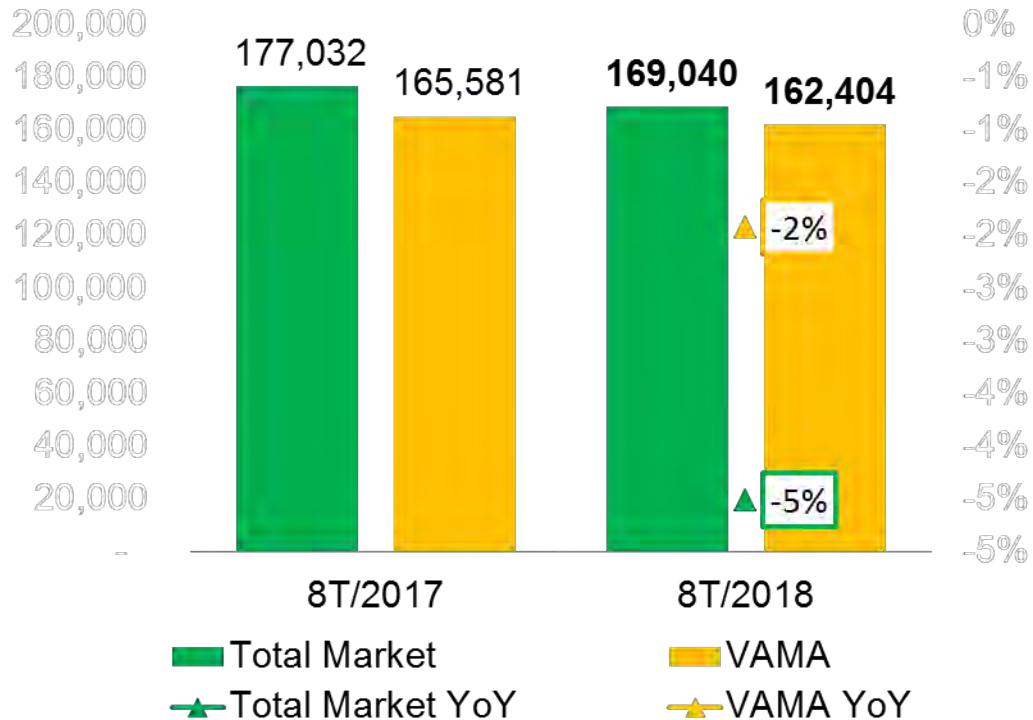
↑ 9,52% 9 mths 2017 **↓ 11,02%**

Macroeconomics in the first 9 months in 2018 continued to grow steadily, which supported the development of business

MARKET OUTLOOK

Automotive market - Jan. -Aug. 2018

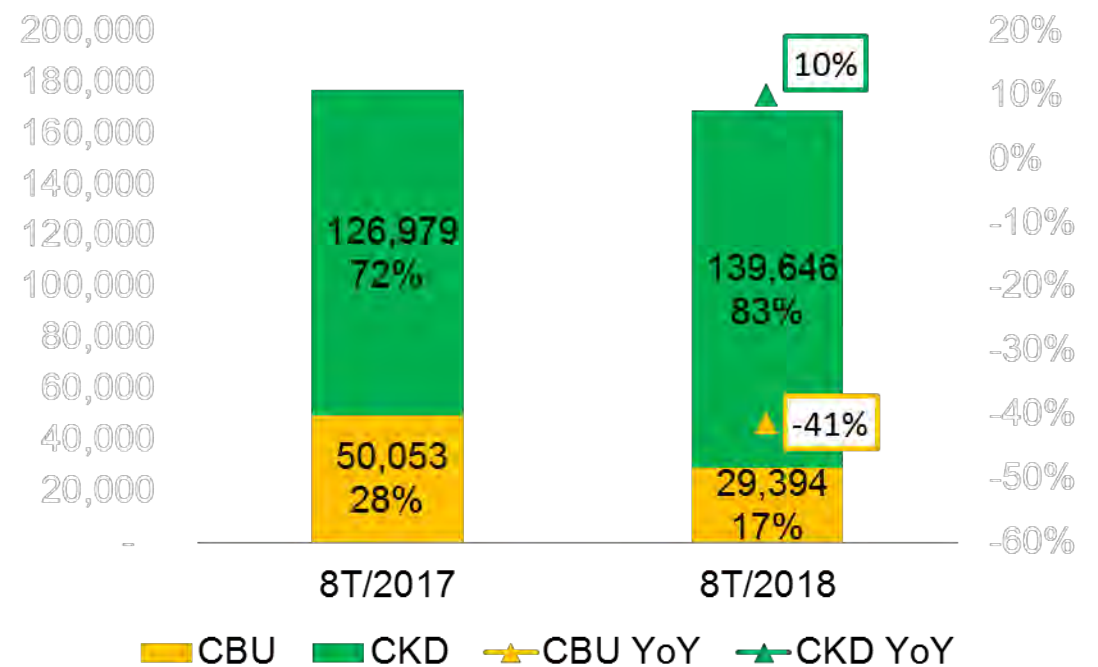
SALES VOLUME



Sales Volume in the first 8 months of 2018:

- Totals Market sold **167.629 units**, **↓ 5%** YoY.
- VAMA sold **162.404 units**, **↓ 2%** YoY.

VOLUME OF CBU, CKD

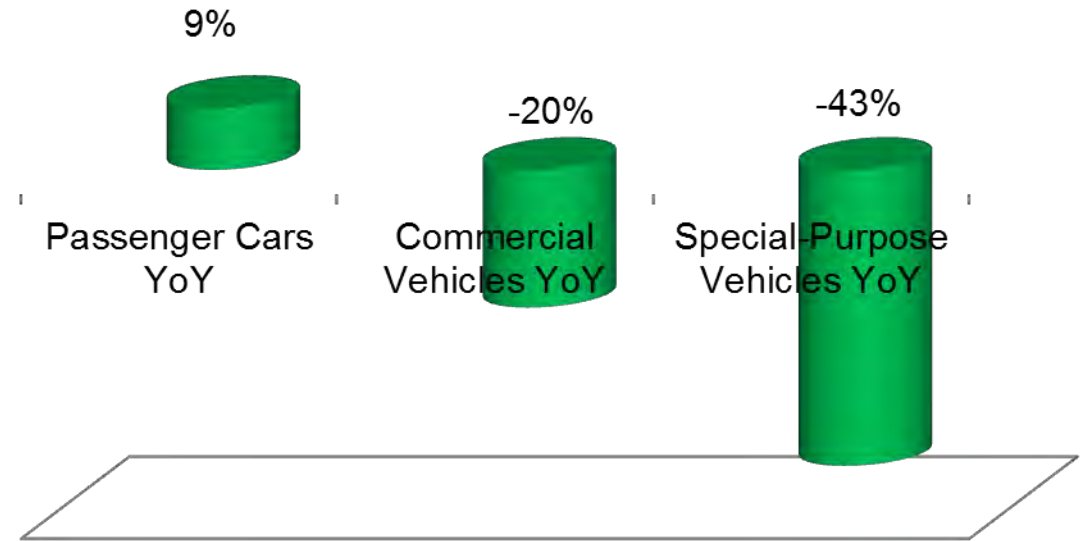
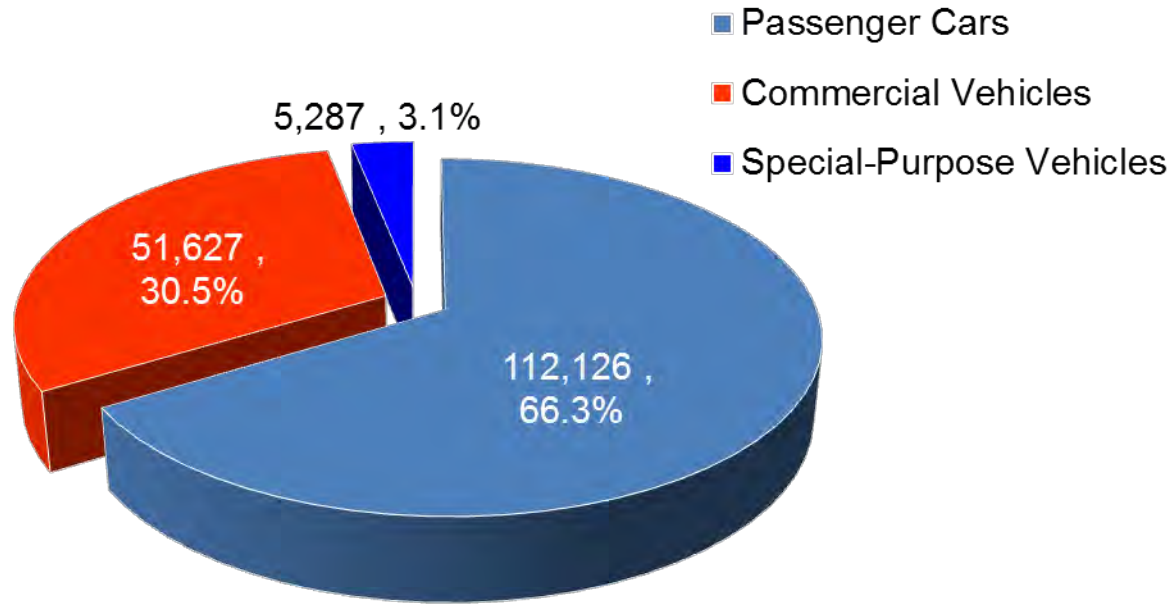


Volume of CKD & CBU 8 Months of 2018:

- CKD **↑ 10%** YoY.
- CBU **↓ 41%** YoY.

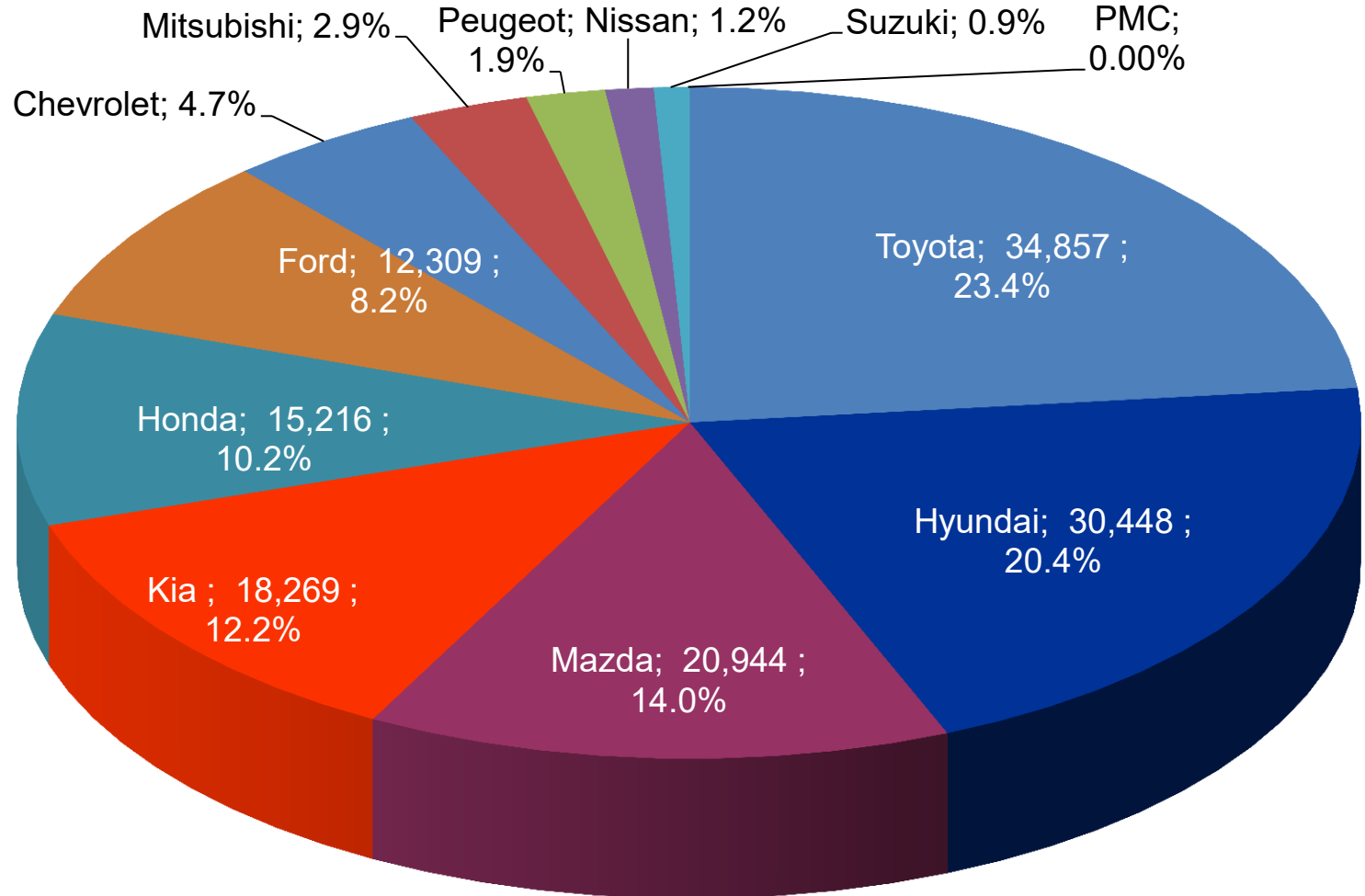
MARKET OUTLOOK

Market share, Growth rate by type - Jan. -Aug. 2018



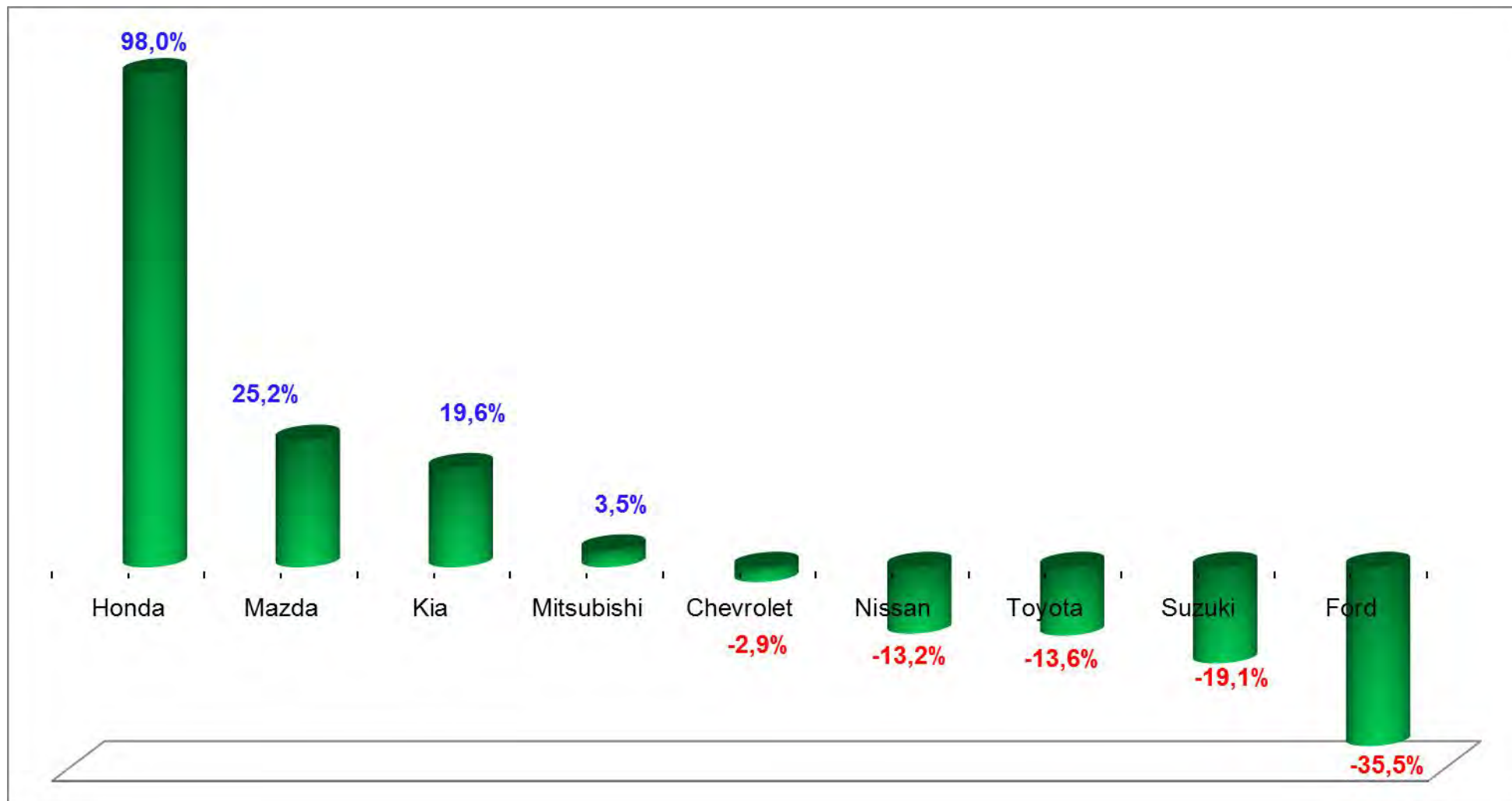
MARKET OUTLOOK

Passenger Cars market share - Jan. -Aug. 2018



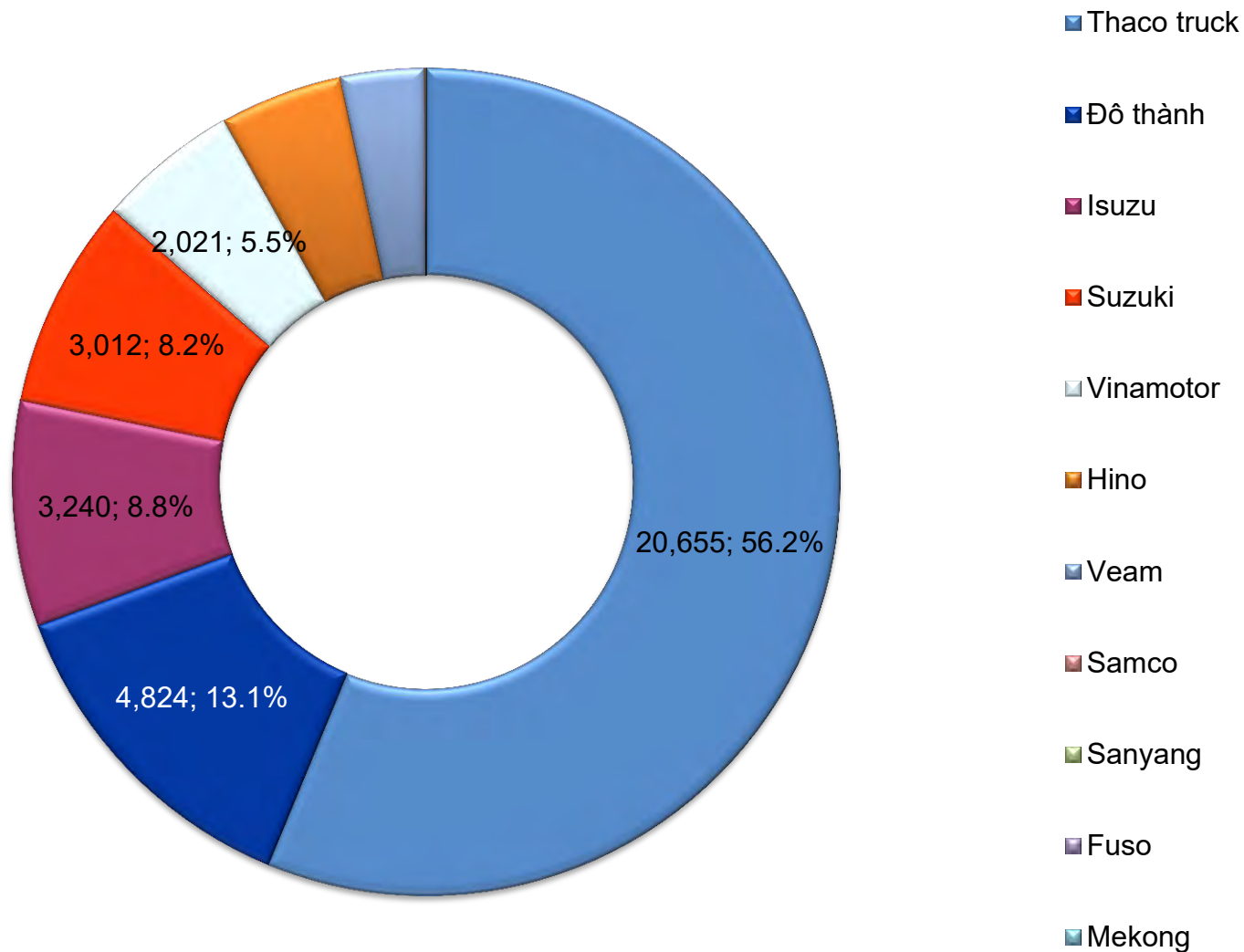
MARKET OUTLOOK

Passenger Cars sales growth rate - Jan. -Aug. 2018



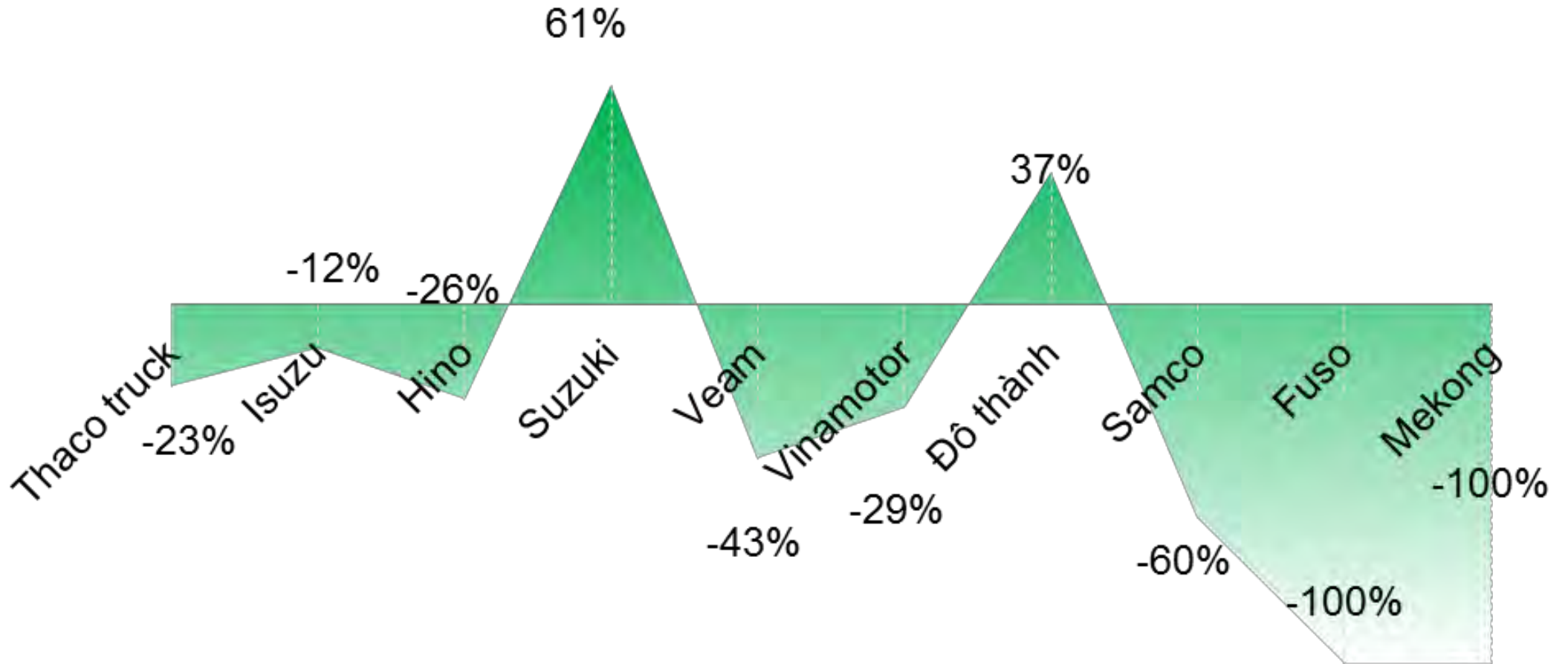
MARKET OUTLOOK

Commercial Vehicles market share - Jan. -Aug. 2018



MARKET OUTLOOK

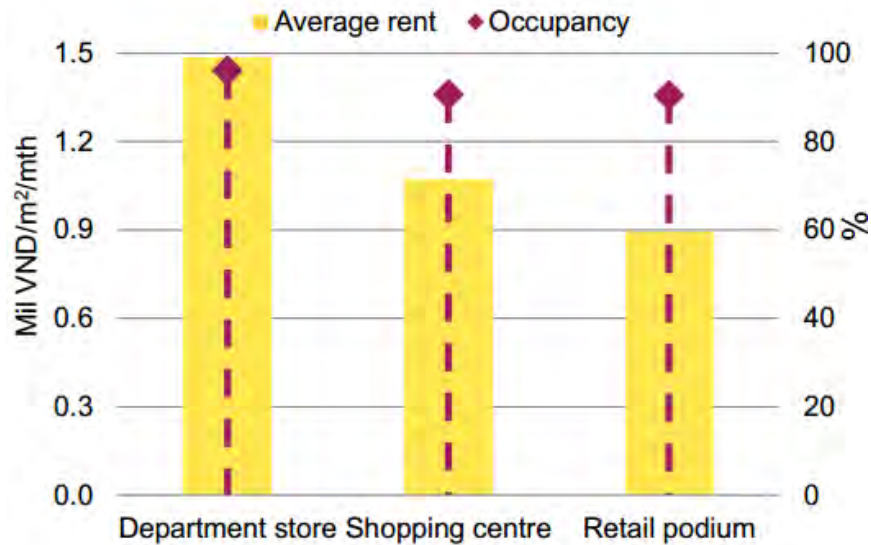
Commercial vehicles sales growth rate - Jan. -Aug. 2018



MARKET OUTLOOK

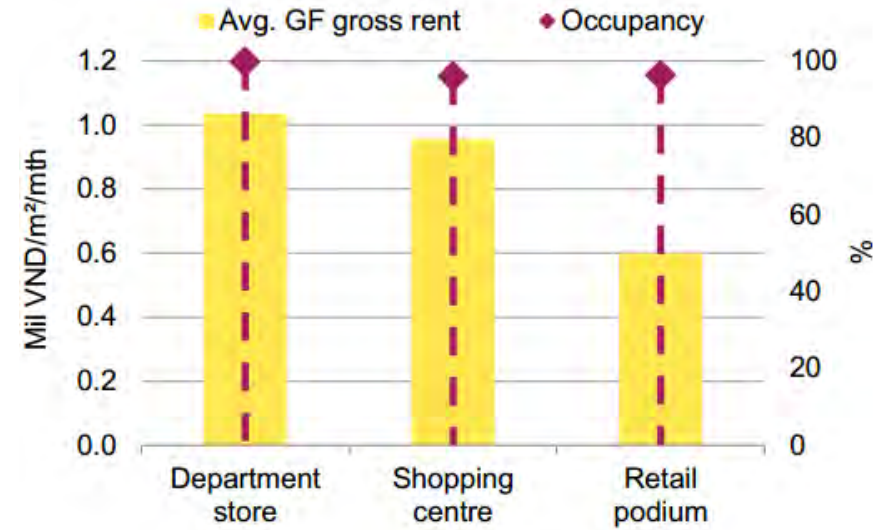
RETAIL

Ho Chi Minh



Source: Savills Research & Consultancy

Ha Noi



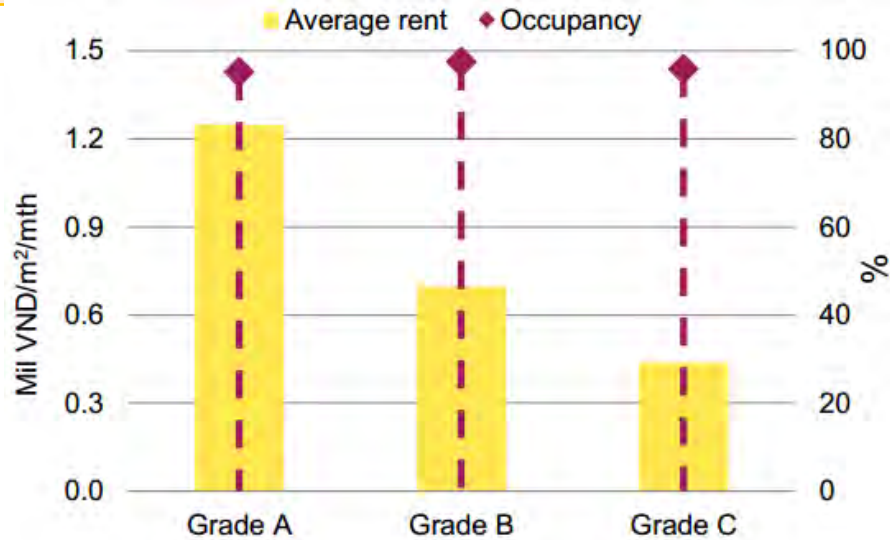
Source: Savills Research & Consultancy

- Asking rent in CBD is stable, Non-CBD down 4% yoy
- Strong growth in retail sales (10% yoy), notably, F&B services (will up to 30-50% of trade centre)
- Large amount of new supply will place pressure on District 2, 7, Tan Binh & Binh Thanh
- Q2/2018: due to limited supply and no new supply, CBD saw improvements in both asking rents and occupancy
- Non-CBD area: asking rent down slightly, welcomed 2 new shopping centres, Machinco and Truong Dinh Plaza in Q2
- Midtown and the West still dominate > 50% of NLA in the market, 5/6 future projects are expected to come into operation in this area by the end of 2018.

MARKET OUTLOOK

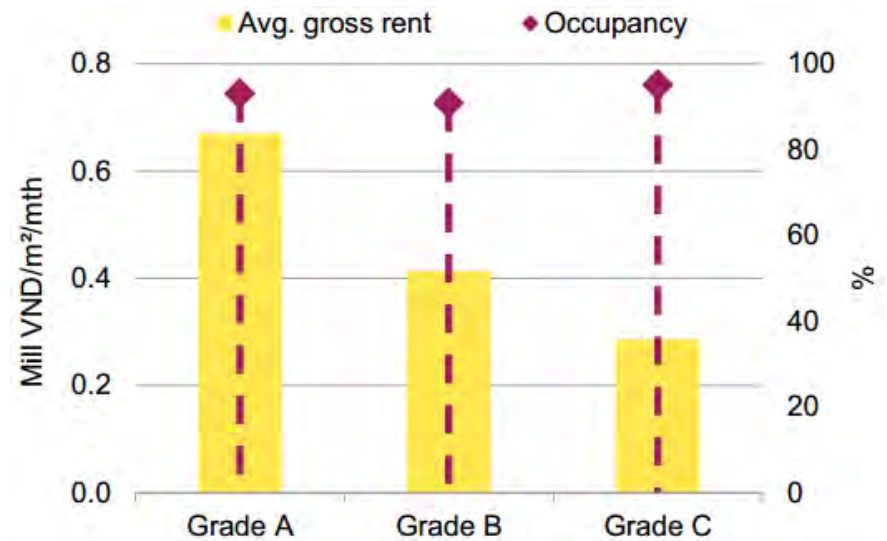
OFFICE

TP. HCM



Source: Savills Research & Consultancy

Hà Nội



Source: Savills Research & Consultancy

- Total office supply ~ 1,8 million sm, ups 10% yoy
- Stable occupancy rate, improve the rent in all grades (2% QoQ and 7% YoY)
- Market supply will still limited to early of 2020.
- Total office supply > 1,6 million sm.
- Average occupancy rate was stable q-o-q and slight increased 0.6 ppts y-o-y
- Avr. gross rents increased 2,4% q-o-q and 4,3% y-o-y
- 2H/2018 will welcome 10 new projects (~155.000 sm.) – mostly located in the West and 12 new more in 2019 (120.000 m2)

Open & put into operation 4 new dealerships, complete upgrade 1 dealership, change the trading car - brand of 1 dealership → **achieved 4/7 targeted of 2018**

Number of dealership to 10/10/2018: **44 DEALERSHIPS**

Car sales volume Jan.18 – Augt.18:

17.440 Units
↓ 3% YoY

(Total market ↓ 5% Yoy)

 **10,3%** MARKET SHARE

TOTAL MARKET

↑ 0,2 ppts YoY

New dealerships put into operation

1 – Toyota Nam Định (*)

- Open on 15/09/2018.



(*): Branch of Toyota Giai Phong Joint Venture Co.

New dealerships put into operation

2 – Hyundai Kiên Giang (*)

- Open on 31/7/2018.



(**): Branch of South West Star Automobile JSC

New dealerships put into operation

3 – Hyundai Sơn Trà (*)

- Open on 9/5/2018.



(*): Subsidiary of Auto Song Han JSC – a subsidiary of Savico Da Nang Corporation

New dealerships put into operation

4 – Tây Ninh Ford (*)

- Open on 5/2/2018



(*): Associate of Ben Thanh Automobile JSC

Current dealership – upgrade completion

1 – TESC Headquarters (*)

- Put back into operation on 21/2/2018



(*): TESC: Toyota East Saigon Joint Stock Company

1 – Isuzu Saigon North West (CV) (*)

- Signing dealership contract on 2/8/2018;
- Starting car sales from early August of 2018



(*): Change the trading car – brand from FUSO to ISUZU

1 – Hải Dương Ford (*)

- Expected to open on 15/11/2018.



()*: Subsidiary of Savico Hanoi Corporation

2 – Gia Định Ford (*)

- Break ground on 23/6/2018;
- Expected to open in 12/2018.



()*: Associate of Saigon Automobile Service JSC



3 – Hyundai Vĩnh Thịnh (CV) (*)

- Break ground on 16/8/2018;
- Expected to open in 12/2018.



()*: Subsidiary of SAVICO



4 – Hyundai Hưng Thịnh (CV) (*)



- Expected to open in 12/2018.

(): Subsidiary of Savico Da Nang Corporation*

Auto projects implementation

5 – Hyundai Star (CV) (*)

- Expected to open in 12/2018.



(*): Associate of Saigon Star Corporation

Number of dealership to 10/10/2018:

5 DEALERSHIPS

Motorbike – sales volume Jan. – Aug. 2018:

5.937 Units
↑ 3% YoY

Yamaha – Branch of Phụng Hiệp (*)

- Starting sales from 8/10/2018;



(*): Branch of Saigon Service Trading Co., Ltd

Savico by separate operation: ~ 100% occupancy rate of retail, office, warehouse spaces for rent

Savico MegaMall *(belongs to Savico Ha Noi Corporation):*

- Office Block: ~ 100% occupancy rate
- Mall: ~ 97% occupancy rate

Melisa Wedding Conference Center *(which Savico owned 30%)*

- Number of banquet table increasing, revenue of first 8 months 2018 increased 24% to compare with the same period

Projects implemented by the Savico

Project's name	Implementation Situation
104 Phổ Quang	- Carrying out the legal procedures to transfer a part of project
Hiệp Bình Phước – Tam Bình Residential Area	- Building the embankment and landscape as scheduled. It is expected to be handed over for local state agency.
Long Hòa – Cần Giờ Residential Area	- Adjusting the master plan of 1/500 scale detailed zoning.

Projects implemented by subsidiary, associate

Project's name	Implementation Situation
Mercure Sơn Trà (*)	- Waiting for the conclusion of Government Inspectorate about projects master plan at Son Tra Peninsula.
66 – 68 NKKN (**)	- Break ground in 2/2018 - Expected to complete and put into operation in Q1/2020

(): Developed by Da Nang Son Tra Investment Corporation*

*(**): Developed by Savico Invest*

66 – 68 Nam Ky Khoi Nghia Project



Corporate governance:

- Each company in Savico network have the person in charge of secretarial work of the Board of Directors/ the Board of Members
- Implemented the secretarial training program for the companies in

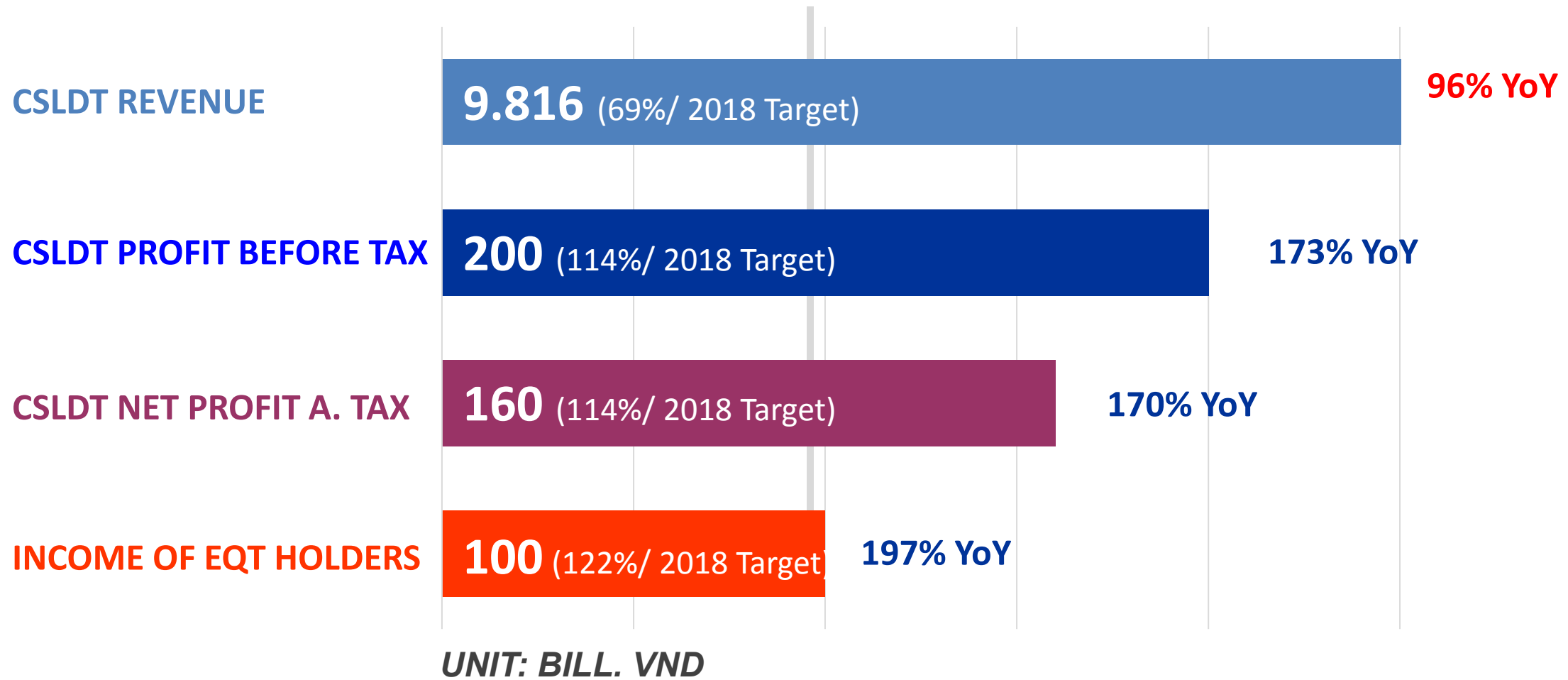
Internal controls/ risk management

- Strengthening the internal control mechanisms.
- Assessment/ evaluation the internal controls system to promote efficient and effective operations
- Completing and issuing the Risk Assessment Checklists to provide guidance for Risk Management of companies in Savico network.

Financial management and cost control:

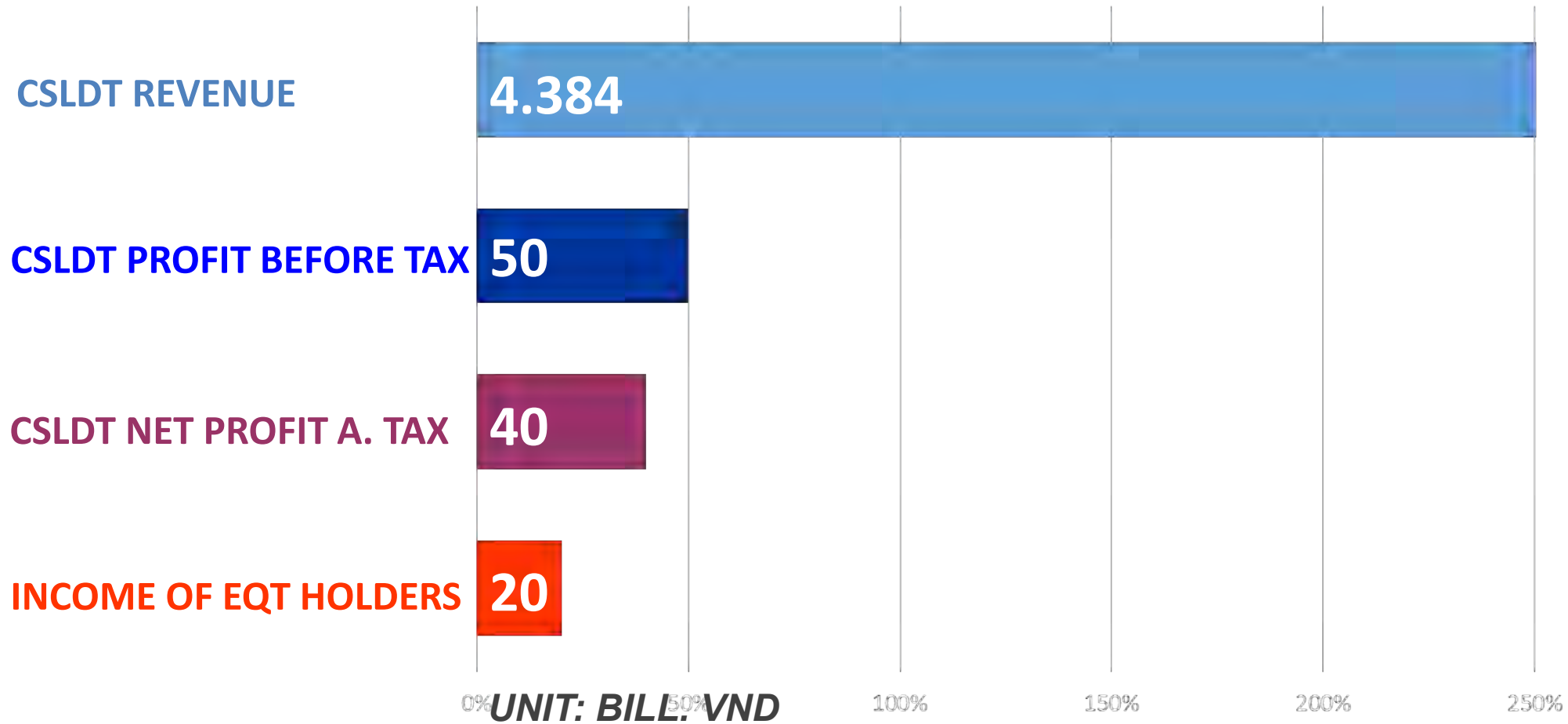
- Almost companies in Savico network have issued The regulations on financial management,
- Consider applying IT solutions to support processes in organization, speeding up the processing of data, data synchronization, increasing productivity in business, saving time and cost,
- Strategic cooperation with Vietinbank: at the end of Sep.2018, Savico network have been granted the bank credit limitation of 2,302 billion VND, disbursed total credit of 1,078 billion VND, cut average interest rate of 1,5-2%/ year,
- Strategic cooperation with Vietcombank: on progress of implementation and evaluation the effectiveness of the cooperation,
- Preparing a backup for capital sources, looking for other capital sources to ensure financing for capital requirements of Savico network.

ESTIMATION OF 9 MONTHS RESULTS



Opportunities	Challenges
<ul style="list-style-type: none"> - Macroeconomics outlook of Q4/2018 remains stable. - Credit continues to grow, interest rate is still stable at low level. - High demand for cars in Q4. - CBU are fully back in September, 2018. - Many hot models will be launched in Q4/ 2018. <ul style="list-style-type: none"> • Toyota: Rush, Wigo, Avanza, Fortuner, Hilux, Yaris, Camry. • Ford: Explorer, Ranger, Raptor, Everest • Honda: HRV • Hyundai: SantaFe, Kona • Other brand: Mitsubishi Xpander, Suzuki Celerio, Nissan Tera, Nissan Sunny. 	<ul style="list-style-type: none"> - US-China Trade War, US embargos on Iran → negative effect to economics. - Limitation on credit growth room. - FED continues to increase interest rate, exchange rate increases sharply → car selling price can in trend of upward (HTC ...) - The Ministry of Financial proposes the new registration fee rates for pick-up trucks. - Limit supply of CBU, more competition in selling price of CBU models in Q4/ 2018. - High inventory pressure in Q4 by increasing the supply of CKD to spur the market share → The competition in selling price, down gross margin to reduce the CKD inventory volumes. - Current inventory volumes of CV is quite high → pressure on down price to cut inventories, avoiding to run-down. - The government could continue tightening the CBU importation.

ESTIMATION OF Q4/ 2018 RESULTS



03

Decision of BOD on increasing the target of 2018

Figures	Target approved by AGM 2018	Target adjusted by decision of BOD	% of change
CSLD Revenue	14.200	14.200	0%
CSLD PBT	175	250	+42,9%
CSLDT NPAT	140	200	+42,9%
Income of Equity holders	82	120	+46,3%

Not included the income recognition from transfer a part of 104 Pho Quang project