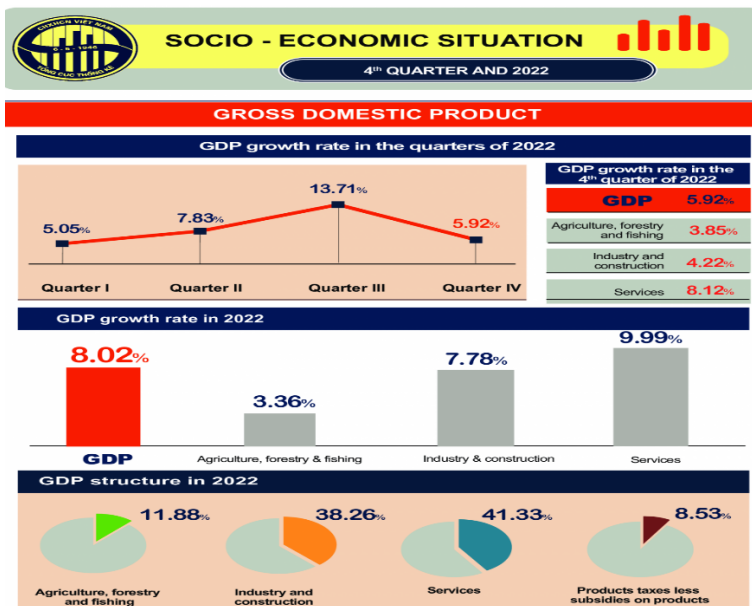


# Imexpharm Investor Relations News

## Q4 2022

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### I. SOCIO-ECONOMIC SITUATION IN 2022 AND FORECAST



According to the General Statistics Office, by the end of 2022, Vietnam's economy has achieved remarkable achievements, demonstrating a strong recovery and growth after the COVID-19 epidemic in the context of global economic difficulties. Gross domestic product (GDP) in 2022 increase by 8,02% compared to the previous year. This is the strongest annual growth in the period from 2011 to 2022.

Vietnam's socio-economy in 2022 takes place in the context that the world economy is facing great challenges, rapid and unpredictable

fluctuations, and high instability; Inflation has risen to its highest level in decades, forcing countries to tighten

monetary policy. Strategic competition, geopolitics between major powers, military conflict between Russia and Ukraine; natural disasters, epidemics, climate change, storms, droughts... have increased risks to financial markets, currency, energy security, and global food security.

Vietnam's economy in 2022 has shown many positive signs of recovery. The economy recovered thanks to the active financial support of the Government and the resumption of economic activities. As a result, the macro-economy is stable, inflation is under control, and major balances are ensured. The improved business investment environment positively contributes to socio-economic recovery and development, creating the trust and support of the People and the business community.

For Vietnam, the IMF forecasted that Vietnam's economic growth in 2022 would reach 7% and decreased to 6.2% in 2023. The World Bank predicted Vietnam's economic growth in 2022 to reach 7.2%, and dropped to 6.7% in 2023. Along with that, ADB forecasted Vietnam's growth in 2022 would reach 7.5% and reduced to 6.3% in 2023.

The global economic picture in 2023 continues to face many difficulties with the forecast of slowing growth, increasing the possibility of a recession in the short term, due to high inflation and geopolitical issues, armed conflicts, natural disasters, and natural disasters, ... 2023 is the pivotal year to implement Vietnam's 5-year socio-economic development plan for the period 2021-2025. This is also the year Vietnam affirms its new position when our country would reach the threshold of 100 million people and the GDP scale might attain 10 million billion VND. Therefore, it is necessary to maximize internal resources, mobilize and attract investment waves, and take advantage of every opportunity to deeply participate in the global value chain to continue affirming Vietnam's position and prestige in the global market.

## **II. VIETNAM PHARMACEUTICAL INDUSTRY IN 2022 AND FORECAST**

The pharmaceutical industry in the Quarter IV of 2022 has many positive growth driving forces thanks to the full capacity operating of hospitals, boosting the demand for medical examination and treatment, and the bidding drugs increase strongly. Besides, students returning to school and Vietnam entering the changing season could cause the weather diseases such as colds, coughs, and fevers, which boosted drug demand in retails.

However, in the context of many fluctuations in the world, the domestic economy has also continuously encountered many shocks, affecting the psychology of investors, businesses, and consumers, the pharmaceutical industry also suffered many negative impacts. The significant challenge in the domestic pharmaceutical industry is to import mostly raw materials from foreign manufacturers, up to 80%-90%. In which, the materials imported from India and China accounted for an important proportion, up to 85% of the total turnover of imported materials. The dependence on imported raw materials also affected to the

pharmaceutical industry through external factors such as exchange rate fluctuations, and attracting supply sources; In addition, the cost of import & transportation increased input production costs by 20%-25%.

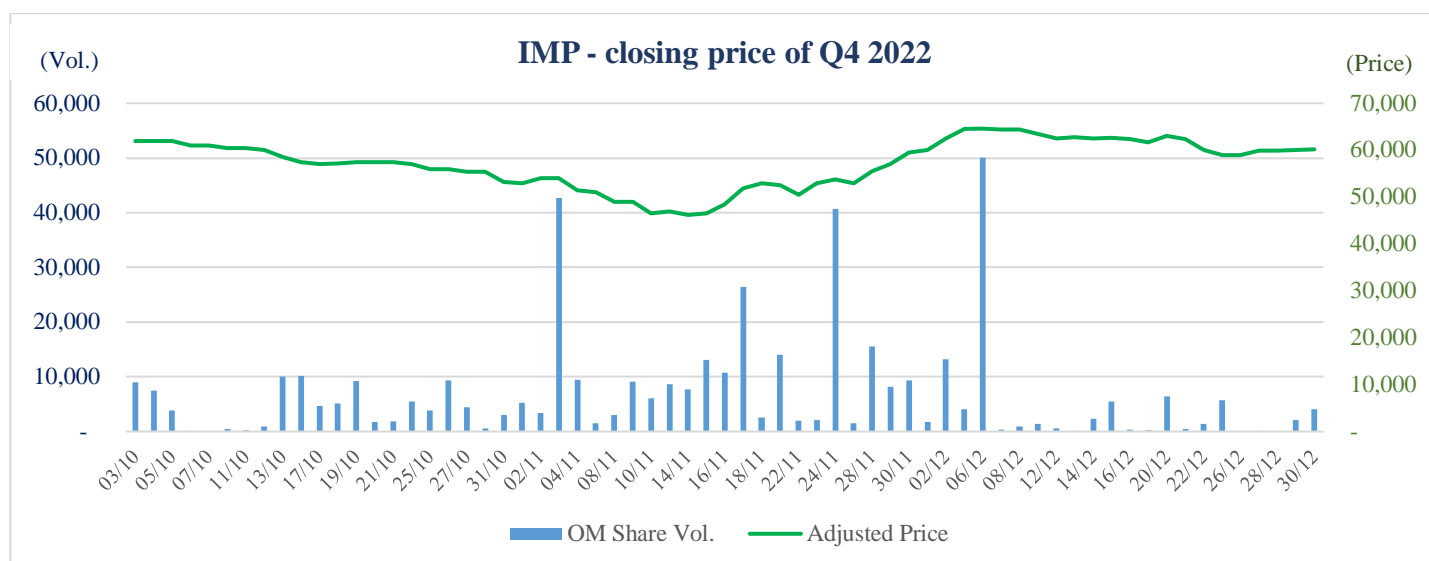
In 2022, the healthcare industry market in general, and Vietnam's pharmaceutical industry market, in particular, increased rapidly. The Vietnam Government's effort aimed at making healthcare services more accessible and affordable is one of the driving forces behind the industry's growth. In addition, Vietnam is one of the countries with the fastest population aging in the world; increase in consumers' awareness of health care and higher incomes of residences have been make spending on healthcare activities in general and per capita consumption of pharmaceuticals in particular grow.

In terms of structure, prescription drugs are expected to account for an increasing proportion of total pharmaceutical sales in the coming years, thanks to the high demand for medical treatment, the implementation of national health insurance, rising incomes, better healthcare infrastructure and the development of generic drugs. A survey by Vietnam Report shows that 69.2% of enterprises in the pharmaceutical industry showed confidence in Vietnam's economy prospect in 2023 and 42.9% of enterprises were optimistic in the prospect of Vietnam's pharmaceutical industry next year.

### **III. IMEXPHARM STOCK MOVEMENT IN Q4 2022**

The total trading volume of IMP shares in the fourth quarter of 2022 reached 359,500 shares, increased 70.5% compared to the third quarter of 2022, and was only about half of the ordering matching volume of the fourth quarter of 2021. The highest closing price in the fourth quarter of 2022 for IMP shares was VND 64,600/share (recorded on December 06, 2022), while the lowest one was VND 46,200/share (November 14, 2022). On average, every business day in the Q4 of 2022, there were 7,024 shares traded. The closing price of the last trading session in December 2022 was VND 60,200, decreased by VND 1,800 /share in comparison with the closing price of the last round of September 2022.

In addition, in Q4 2022, the shareholder SK Investment Vina III still held the highest share ownership rate in Imexpharm (total direct and indirect ownership ratio is 64.78%).



Source: <https://vietstock.vn/>

#### IV. IMEXPHARM ACTIVITIES IN 2022

No.	Financial ratios	2022	%Planned 2022	2021	Growth
<b>I</b>	<b>Operational results (VND billion)</b>				
1	Total net revenue and other incomes	1,668.2	115.1%	1,290.8	29.2%
2	Net Revenue	1,643.7		1,266.6	29.8%
3	Cost of goods sold	946.4		778.6	21.6%
4	Selling expenses	269.0		181.3	48.4%
5	Administrative expenses	121.5		72.6	67.4%
6	Operating profit	301.0		234.5	28.4%
7	Profit before tax	301.8	109.7%	238.9	26.3%
8	Profit after tax	234.0		189.1	23.7%
<b>II</b>	<b>Assets – Resources (VND billion)</b>				
1	Total assets	2,287.5		2,294.7	-0.3%
2	Owner's Equity	1,904.9		1,794.4	6.2%
3	Charter capital	667.1		667.1	0.0%
<b>III</b>	<b>Liquidity (times)</b>				
1	Current ratio	2.9		2.9	0.0
2	Quick ratio	1.8		1.7	0.1
<b>IV</b>	<b>Profitability</b>				
1	Profit before tax/Net Revenue	18.4%		18.9%	-0.5%
2	ROS	14.2%		14.9%	-0.7%

3	ROE (last 4 quarters)	12.7%	10.7%	2.0%
4	ROA (last 4 quarters)	10.2%	8.6%	1.6%
5	EPS (basic) last 4 quarters (VND)	3,495	2,600	34.4%
6	BV (VND)	28,600	26,900	6.3%
7	P/E (times)	17.2	29.9	-12.7
8	P/B (times)	2.1	2.9	-0.8
<i>Market price at 31 Dec (VND)</i>		<i>60,200</i>	<i>77,800</i>	<i>-22.6%</i>

## 1. BUSINESS RESULTS

End of the fourth quarter of 2022, Imexpharm's total net revenue and income reached VND 1,668.2 billion, which increased 29.2% over the same period and made up 115.1% of the annual plan set by the General Meeting of Shareholders. Imexpharm's OTC channel grew by nearly 34.7% and accounted for 63.2% of the revenue structure. Meanwhile, the ETC channel has shown signs of positive recovery of 29.6% and accounted for 36.8% of the revenue. Imexpharm mainly distributes products manufactured by the Company, which account for 93.4% of total net revenue whereas franchising products and other purchases made up about 6.6%.

Imexpharm's pre-tax profit in 2022 attained VND 301.8 billion, increased by 26.3% year over year made up 109.7% of the annual plan. Imexpharm has well controlled cost of goods sold. In 2022 COGS went up by 21.6% over the same period, lower than the growth rate of net revenue of 29.8%, in the context that the global supply chains were disrupted and inflation was rising. Imexpharm's gross profit margin in 2022 reached 42.4%, higher than 38.5% in 2021.

Both selling expenses and general and administrative expenses increased by 48.4% and 67.4% respectively to VND 269.0 billion and 121.5 billion respectively because conference, promotion, and customer care activities are stimulated more strongly than in 2021. In addition, the caused might also come from rising in basic salary, along with the increase in fuel prices and the prices of other purchased goods and services.

## 2. TOTAL ASSETS – EQUITY

As of December 31st, Imexpharm's total assets were VND 2,287.5 billion, which decreased 0.3% compared to the year over year, mainly from debt reduction. IMP's equity increased by 6.2% in comparison with the end of the year 2021. IMP's charter capital has not changed compared to December 31st, 2021.

## 3. LIQUIDITY - PROFITABILITY

Current ratio remained unchanged over the same period. Quick ratio increased 0.1 times over year over. In general, the liquidity ratios are kept within a safe range and consistent with IMP's conservative working capital policy.

ROS slightly decreased yoy. This is due to the increase in administrative and sales expenses when brand promotion and sales promotion activities return to normal and are more vibrant than in 2021.

ROE, ROA in 2022 increased compared to the previous period due to strongly increased in profit after tax over the same period. Besides, EPS in 2022 also increased by 34.4% yoy because of the impact of profit increase.

Although the business is efficient, IMP's stock price closed on December 31st, 2022 at VND 60,200, which decreased by 22.6% compared with the closing price of the last session in Q4 2021. Owing to the decrease in stock price over the same period, P/E decreased by 12.7 times, and P/B decreased by 0.8 times.

## V. TOP 10 REMARKABLE ACHIEVEMENT OF IMEXPHARM IN 2022

1. Both revenue and profit in 2022 exceeded the annual plan and had high growth over the same period.
2. Successfully organized a series of activities to celebrate 45 years of establishment and development of IMEXPHARM CORPORATION, the event was held in a solemn, attractive, and emotional way.
3. The Sales & Marketing Conference was organized after 2 years of being postponed by Covid-19 in a professional, disciplined and effective manner.
4. The Binh Duong Hi-tech Factory (IMP4) was accredited EU-GMP, making Imexpharm become the enterprise with the most production lines certified EU-GMP standards in Vietnam.
5. By the end of 2022, Imexpharm has 13 Market Authorization (MA) in the EU for 08 products.
6. Many innovations in sales and marketing, especially improving the efficiency of sales branches: 20/20 sales branches exceeded the target for 2022.
7. Imexpharm has continuously received prestigious awards
  - ✓ Top 50 Vietnamese businesses with attractive employer brands in 2022, surveyed and awarded by Anphabe.
  - ✓ Top 10 Best Annual Report 2022, medium-cap group, voted by HOSE, HNX & Investment Newspaper.
  - ✓ Top 5 most profitable enterprises in Vietnam 2022, in the health & medical equipment sector, voted by Vietnam Report.
  - ✓ IMP stock is included in the basket of Vietnam sustainable development index (VNSI), declared by Ho Chi Minh Stock Exchange (HOSE).
  - ✓ Top 50 most effective listed companies in Vietnam 2022, voted by Investment Bridge Newspaper.
8. The financial position is transparent, healthy, and well controlled thanks to the sustainable development strategy, especially appraised and appreciated by Asia Development Bank (ADB).
9. Strategic shareholder SK Group (South Korea) has deeply participated in the strategic activities of Imexpharm.
10. Income and welfare policies for employees will be continuously improved in 2022 in the context of Vietnam as well as the world's economic difficulties. The total benefits that employees receive in 2022 ranges from 17 to 21 monthly salary.

## **VI. IMEXPHARM OVERVIEW STRATEGY IN 2023**

- Accelerate continuously the digitalization in Sales and Marketing activities to serve sales solutions and control risks
- Strengthen cooperation with strategic partners to increase sales and expand the distribution network
- Maintaining prudently the management policy of working capital, minimizing liquidity risk
- Shorten the operating days by reducing the inventory days and the receivable days
- Adjust and update reasonable policies to attract and retain talented people
- Develop comprehensively the human resource through internal and external training programs.