

# IR NEWS

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## **I. MACRO ENVIRONMENT IN Q1-2021**

The Covid-19 pandemic has kept its complication in the first quarter of 2021. Vietnam's gross domestic product growth rate in the quarter reached 4.48%, which was higher than the growth rate of 3.68% experienced in the corresponding period in 2020. Rice productivity and the output of perennial crops was quite good, so agriculture and forestry witnessed a growth rate of 3.16% higher than the previous year and contributed 8.34% to the overall development. Meanwhile, industry and construction increased by 6.3% and made up 55.96%. The service sector in the first quarter grew pretty well thanks to the pandemic controlled; in detail, service field developed by 3.34% and constituted 35.70%. The United States of America was the main export market of Vietnam in the first quarter with a value of 21.2 billion USD, outweighing the second market, China: 12.5 billion USD. But China was the largest import market of Vietnam in quarter 1 of 2021 with 23.8 billion USD of goods imported from China, going up 47.3% compared to the same period of the earlier year. According to Nguyen Thi Huong, Director General of the General Statistics Office, the economy in the first quarter has grown well thanks to the government's flexible management policy, both against the pandemic and stimulate the economic development.

In particular, the consumer price index (CPI) rose 0.29% in comparison with the corresponding period of the last year, which is the lowest increase during the past 20 years. However, according to Ms. Vu Thi Oanh - Director of the Price Statistics Department, the action to curb inflation at 4% is still a challenge for the whole economy when the US and other countries have launched stimulus packages in a large scale to recover the economy after the pandemic.

Many international organizations are optimistic about Vietnam's economic prospects in 2021, according to the latest International Monetary Fund (IMF) report, despite the pandemic, Vietnam's economy could grow 6.5%. Economic Research Division of HSBC Bank stated that Vietnam's economy was able to attain 6.6% growth rate. Effective disease control measures have helped Vietnam economic activities be rehabilitated and regain growth momentum. Vietnam's credit rating has also improved: credit rating agency - Moody's announced ratings of long-term debt solvency and "pre-paid priority" without collateral issued by the Vietnam Government to Ba3, changing the outlook from "negative" to "positive".

## **II. IMEXPHARM STOCK MOVEMENT IN Q1-2021**

In quarter I of 2021, there were 5,157,946 shares transacted. In which, 3,943,000 shares were traded under the order matching method, the rest of 1,214,946 shares were dealt via put-through. The highest closing price in Q1 was 74,100 dong/share while the closing price of the last round of this quarter was 73,500 dong/share, which increased 26.7% compared to the opening round of 2021. However, the number of order matching shares in quarter 1 of 2021 is still lower the figure of 5,757,690 shares order matched in quarter 1 of 2020. On the whole, IMP shares has been attractive in the market after the appearance of the strategic shareholders together with the policies of investment in quality initially carrying out the positive efficiency and contributing to boost the profit of the Company to grow quickly.

### III. IMEXPHARM BUSINESS OPERATIONS IN Q1-2021

No.	Criteria	Q1/2021	% plan 2021	Q1/2020	Growth rate
<b>I</b>	<b>Operational result (billion VND)</b>				
1	Total net revenue and income	301.1	19.7%	304.3	(1.1)%
2	Net revenue	296.4		303.7	(2.4)%
3	Operating profit	52.7		51.3	2.7%
4	Profit before tax	55.2	19%	51.4	7.4%
5	Profit after tax	41.9		41.1	1.9%
<b>II</b>	<b>Asset - Resources (billion VND)</b>				
1	Total asset	2,184.5		1,817.1	20,2%
2	Owner's equity	1,772.3		1,600	10,7%
3	The Charter capital	667.1		494.2	35%
<b>III</b>	<b>Liquidity ratios (time)</b>				
1	Current ratio	5.2		3.9	1.3 time
2	Quick ratio	3.2		2.1	1.1 time
<b>IV</b>	<b>Profitability ratios</b>				
1	Profit before tax/net revenue	18.6%		16.9%	1.7%
2	ROS	14.1%		13.5 %	0.6%
3	ROE (last 4 quarters)	12.5%		10.6%	1.9%
4	ROA (last 4 quarters)	10.5%		9.5%	1%
5	EPS (adjusted) last 4 quarters	2,859		2,289	24.9%
6	BV (dong) adjusted	27,357		24,910	9.8%
7	P/E (time) adjusted	25.7		18.5	7.2 times
8	P/B (time) adjusted	2.7		1.7	1 time
	Marker price on 31 Mar (adjusted)	73,500		42,400	72.9%

Total net revenue and income of Imexpharm in the first quarter of 2021 attained 301.1 billion VND, which slightly dropped by 1.1% compared to the same period in 2020 and met 19.7% of the annual plan. Meanwhile, the net revenue decreased by 2.4% in comparison with the first quarter of 2020. In March 2020, when the Government directives 15 and 16 on the pandemic prevention were issued, the tendency to stockpile essential drugs spiked, which led to a peak in sales at the end of Q1 / 2020. Therefore, the sales decreased slightly year over year, which can be explained by the phenomenon of storing goods to cope with pandemic of pharmacies in the first quarter of 2020.

Profit before tax in the first 3 months of 2021 reached 55.2 billion, which rose by 7.4% over the corresponding period in 2020 and was equal to 19% of the annual plan. The Company still adheres to the core strategy of restructuring product portfolio, tightly controlling costs and inventories to accomplish the target of 290 billion in profit before tax of 2020, and balancing with the targeted number of cash conversion days.

Total assets of the company increased over 20% compared to the recorded value on 31/03/2020 while equity increased only 10.7%. Profits in 2020 grew significantly, increased in undistributed net profit led to equity to raise. At the same time, the equity multiplier has also rose, as the company was approved a long-term loan from the Asian Development Bank

for production and business purposes. The charter capital increased by 35% compared to the previous year due to the company issuing shares to pay dividends, bonus shares and ESOP.

Current ratio and quick ratio increased sharply year over year as the company has been successfully disbursed 8 million USD of a loan from the Asian Development Bank in late February and early March.

The profitability ratios all increased compared to the same period last year, due to good profit growth along with the new factories gradually put into operation, ROE and ROA has been improved over time.

Closing price of IMP stock in the last transaction round of March 2021 increased nearly 73% in comparison with the corresponding time of the last year, which results in sharp increase of P/E as well as P/B went up 1 time compared to quarter 1 of 2020.

#### **IV. PLAN OF QUARTER II-2021**

Imexpharm has been reinforcing the managerial activities in sales branches and production management to achieve the revenue and profit objectives.

The Company has been closely following the movement of the pandemic in Europe and made all preparations ready to be accredit EU-GMP for IMP4.

Strengthen product registration for EU-GMP factories.

Deploy production and market launch of new products of the Dietary Supplement Factory.

Continuing to promote and enhance human resources, improving management capacity, creating effective and disciplined working environment.