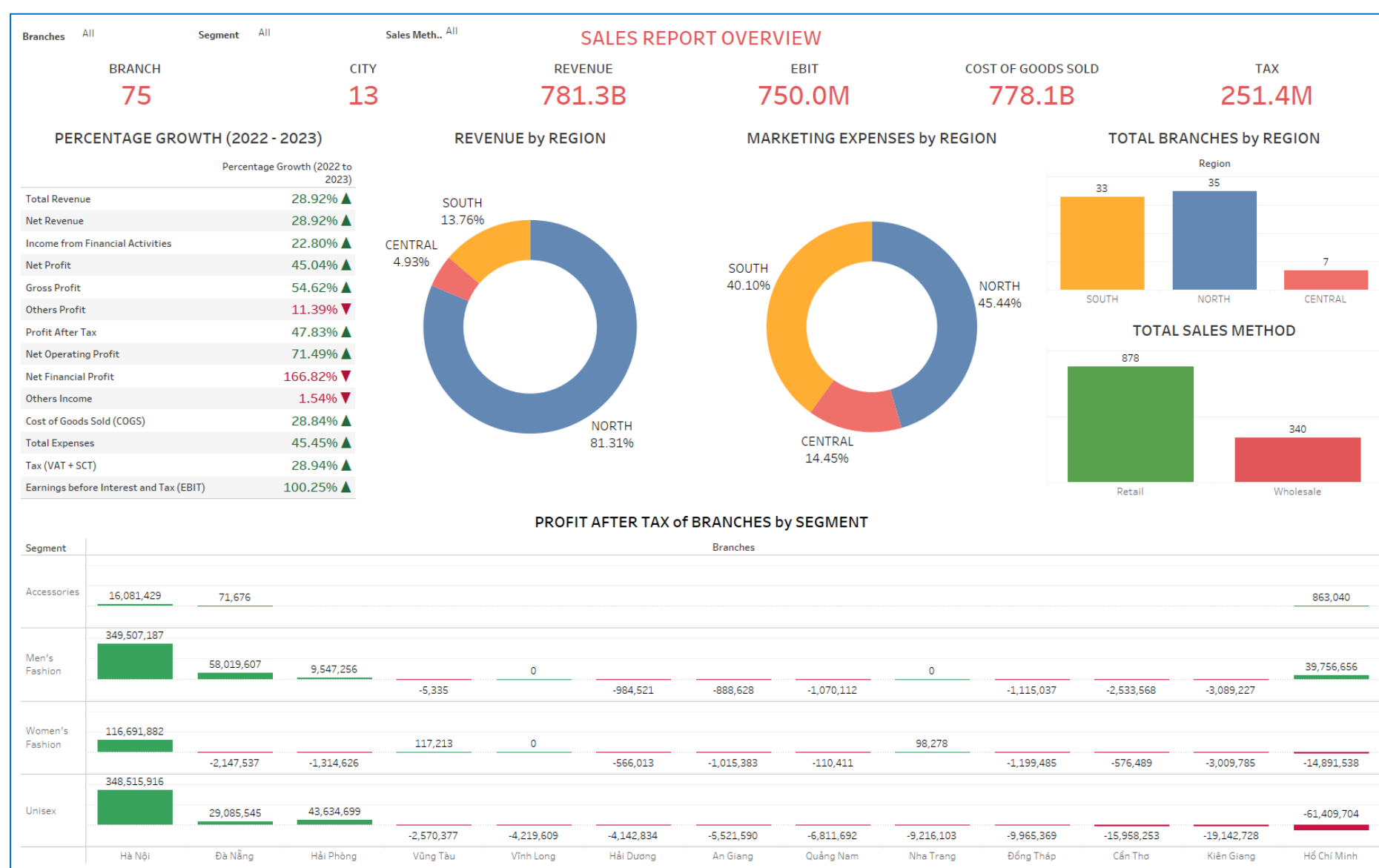


GCONTEST
2023

BUSINESS PERFORMANCE REPORT

Presented by: Dat Duong

OVERVIEW



At the end of Q1 – 2023:

- The company has a total of **75** branches across **13** cities that generated **781.3B** in total revenue.
- Most branches are located in the South (mainly in HCMC) and North (mainly in Ha Noi), with **33** and **35** stores, respectively. While the Central area (mainly in Da Nang) only has **7** stores.
- Despite having a roughly comparable number of branches and marketing efforts, the North still generates a completely outstanding amount of revenue compared to the South.
- The company primarily focuses on four business areas including **accessories**, **men's fashion**, **women's fashion**, and **unisex** with **retail** being the main sale method.
- Overall, most of the vital financial metrics such as total revenue went up by **28.92%**, gross profit considerably increased by **54.62%**, and EBIT rocketed up to **100.25%** which indicates a financially healthy trend within the company especially after the detrimental impact of the pandemic compared to Q1 2022. However, total expenses have climbed up by **45.45%** this year.

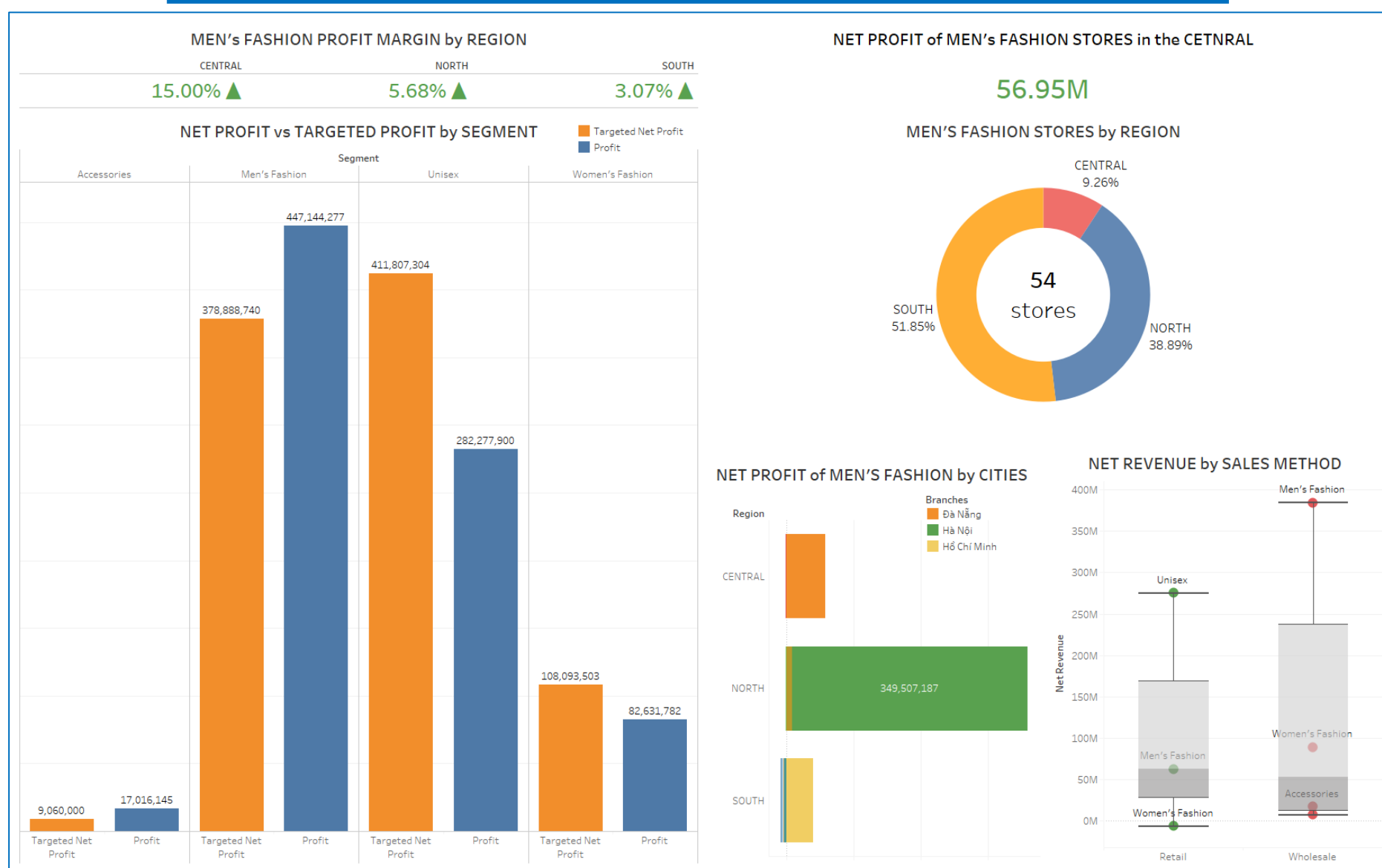
BUSINESS PERFORMANCE ANALYSIS

Despite having approximately the same number of stores, the South region still suffer from a serious deficit in net profit from all branches.



- The global pandemic has heavily impacted customers' shopping behavior resulting in a serious downtrend in the overall fashion market which is also the main reason for the negative net profit in all stores in the southern region.
 - In the first quarter of 2023, the company decided to expand its business by building new stores in each region. Specifically, 8 North stores were opened, increasing the total from 23 to 31 stores, and 10 stores in the South from 22 to 32 stores, with only 2 extra stores in the Central.
- ⇒ The expansion of stores in the South has led to a 50% increase in overall expenses compared to the previous year, exceeding the average expenses and resulting in a failure to fulfill revenue targets.

Men's fashion is the most profitable category generating nearly 450 million VND, significantly higher than the target.



- Statistically, considering the net profit of men's fashion, the number of stores in the North is 4 times higher, and in the South is 5 times higher than in the Central region. The company should invest more resources in this region by building more stores that mainly focus on men's fashion.

⇒ The North still leads in net profit with 360 million.

- However, in terms of profit margin, the Central region is dominant with 15% which is 3 times higher than the North and 3 times higher than the South. Moreover, even with more men's fashion stores, the South still had a lower net profit at around 35 million compared to 58 million in the Central.

⇒ The company should re-evaluate the ability to generate profit from many stores in the South to identify one with poor performance and allocate more resources to the Central.

- On the other hand, wholesale is the leading sales method for men's fashion with considerably higher net revenue generated compared to any segments.

⇒ Wholesale should be prioritized to further enhance profit margins and potentially improve brand awareness.

Store Group Allocation

| Category | Northern | Southern | Central |
|-------------------------|----------|----------|---------|
| Low Revenue, Low Cost | 22 | 24 | 4 |
| Low Revenue, High Cost | | | |
| High Revenue, High Cost | 12 | 9 | 3 |
| High Revenue, Low Cost | | | |

AVERAGE of NET REVENUE

641.43M

AVERAGE of COGS

638.85M

Based on the average of net revenue and COGS, we categorize stores into 4 combinations depending on whether generated revenue and COGS are higher or lower than the average. Stores with “low revenue, low cost” make up 67.5% of the total while there are no stores that fall in “low revenue, high cost” or “high revenue, low cost” categories.

- **Northern region:** Approximately 35% of the stores fall into the “high revenue, high cost” category, showing solid financial health, and effective sales and marketing strategies in this area. However, expenses can be reduced to keep operating costs low.
- **Southern region:** 73% of the stores fall under the “low revenue, low cost” category, which accounts for the region's poor performance and negative net profit.
- **Central region:** with almost the same number of stores in both “low revenue, low cost” and “high revenue, high cost”, this region has a lot of potential and room for improvement that should be invested more.

THANKS FOR WATCHING

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