



30⁺ YEARS
IN VIETNAM
& CAMBODIA

Filling up glasses and pouring out opportunities in Vietnam's beer market



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Vietnam's beer market is impacted by three main factors



Domestic Consumption

Growing affluence is driving middle class urban consumption



Global Consumption

Integration into the global supply chain drives Vietnamese beer production and exports



Regulatory Changes

Strict traffic laws are changing drinking behaviour





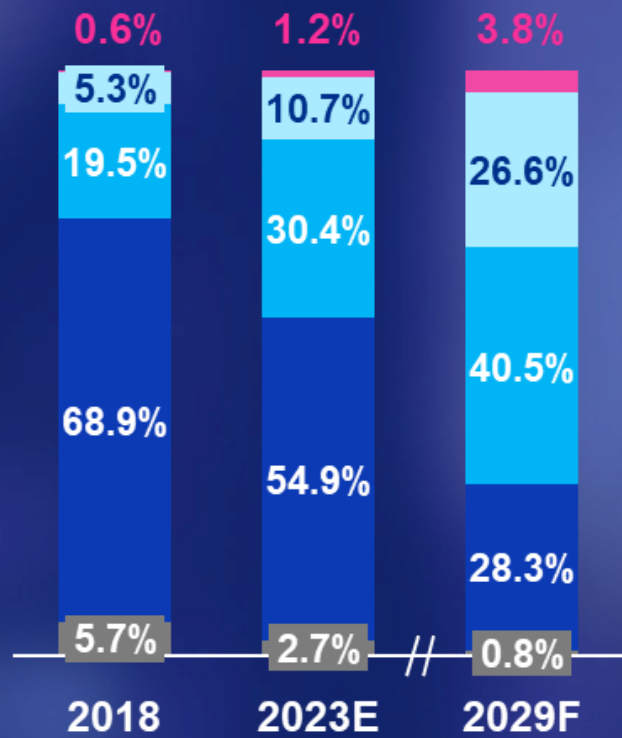
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Growing affluence is driving middle class urban consumption

- High income
- Upper middle income
- Middle income
- Low income
- Very low income

Urban household disposable income classification (per year)



Until 2029 the middle income class is projected to make up

40.5%

of urban households which results in increased purchasing power

Source: Fitch Solutions, Nielsen Pocket Book, KPMG Analysis and Research

Domestic premium lager is expected to capture an increasing market share due to

Increasing consumption

Premiumization trends

gradually increasing in the middle and upper middle class

Beer dominates alcohol consumption in Vietnam

Total expenditure on alcoholic beverages (USD billion)



Beer dominates alcohol sales

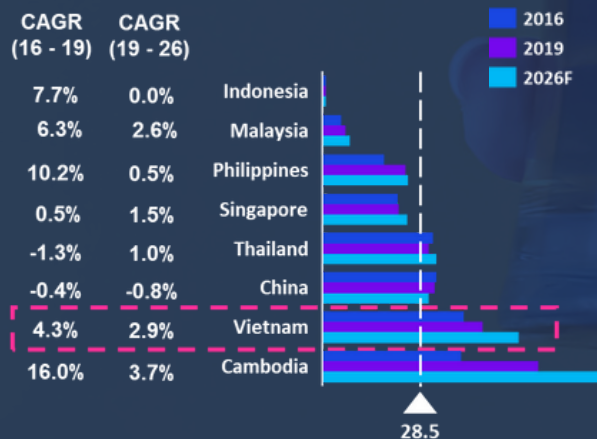
In 2023 beer accounted for

89%

of consumer expenditure on alcoholic beverages

Source: Euromonitor, KPMG Analysis and Research

Total beer volume per capita and regional peers (liters)



Regional market leader by volume

In terms of beer volume per capita Vietnam scores

2nd largest

compared to regional peers

Global supply chain integration facilitates regional beer production and export

A deeper global integration is driving Vietnam's trade activities with



17 bilateral and multilateral Free Trade Agreements



55 partners of which 15 are members of the G20

Beer export value shows constant growth between 2020 and 2022

26.48% CAGR

stressing the shift towards becoming a beer export hub

Overview FTA ratification and parties involved

FTA with/ between	Vietnam
ASEAN	✓
ASEAN-China	✓
India	✓
Korea	✓
Japan	✓
CPTPP	✓
EU	✓
UK	✓
RCEP	✓
US	x

Vietnam export value and volume of beer





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Strict traffic laws are changing drinking behaviour

A rigorous enforcement of Decree 100 influences consumption trends in Vietnam

Drunk driving penalties go up to



500%

of average monthly income



Increased consumption at home



Source: New Articles, KPMG Analysis and Research



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**Who will
dominate
the future of
Vietnam's beer
market? ...**



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By volume Vietnam has shifted to an off-trade market as strict laws affect sales

On-trade vs. off-trade by volume (million litres)



Source: Euromonitor, KPMG Analysis and Research



On-trade sales

were heavily affected during COVID



Off-trade sales

are expected to grow from 2022 to 2026 at

7.5% CAGR





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2. Due Diligence services
3. Growth strategies
4. Deal execution and post deal services



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Vietnam Insight Series

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