



Vietnam Performance Monitor

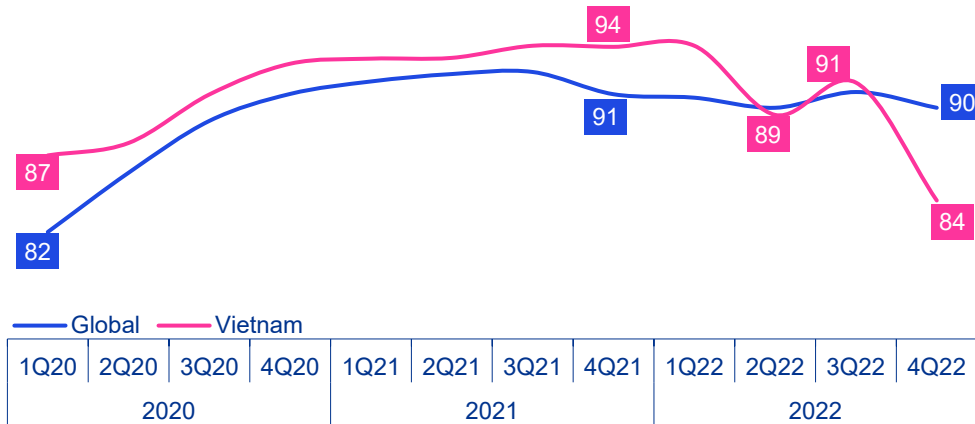
Trends, challenges and opportunities

Full-year 2022



Higher levels of uncertainty in the economy

Quarterly FPI for the 2020 – 2022 period



Increasing uncertainty

KPMG’s Financial Performance Index (“FPI”) indicates increased **corporate distress levels** in Vietnam since early 2022, with the score dropping from 94 in 4Q21 to 84 in 4Q22.

10 points drop

Key drivers of uncertainty included slower than expected initial **recovery of tourism** after reopening post-COVID-19, **reduced exports** due to economic uncertainty overseas and turbulence in Vietnam’s **real estate** and **corporate bond market** around 4Q22.

Resilience



Healthcare & Pharma



Energy



Hospitality

Domestic consumption in Retail and F&B has supported the economy despite slower than expected initial recovery of tourism. Healthcare & Pharma, Energy and Hospitality are currently displaying relatively healthy FPI scores of 95 and upwards.

Trade & Consumer Goods has seen volatility from global geopolitical tensions and reduced exports. Real Estate & Construction is currently facing financial challenges in the domestic market. Banks and other Financial Services providers are experiencing pressure on performance as a result of the former two points.



Trade & Consumer Goods



Real Estate & Construction



Financial Services

Challenges

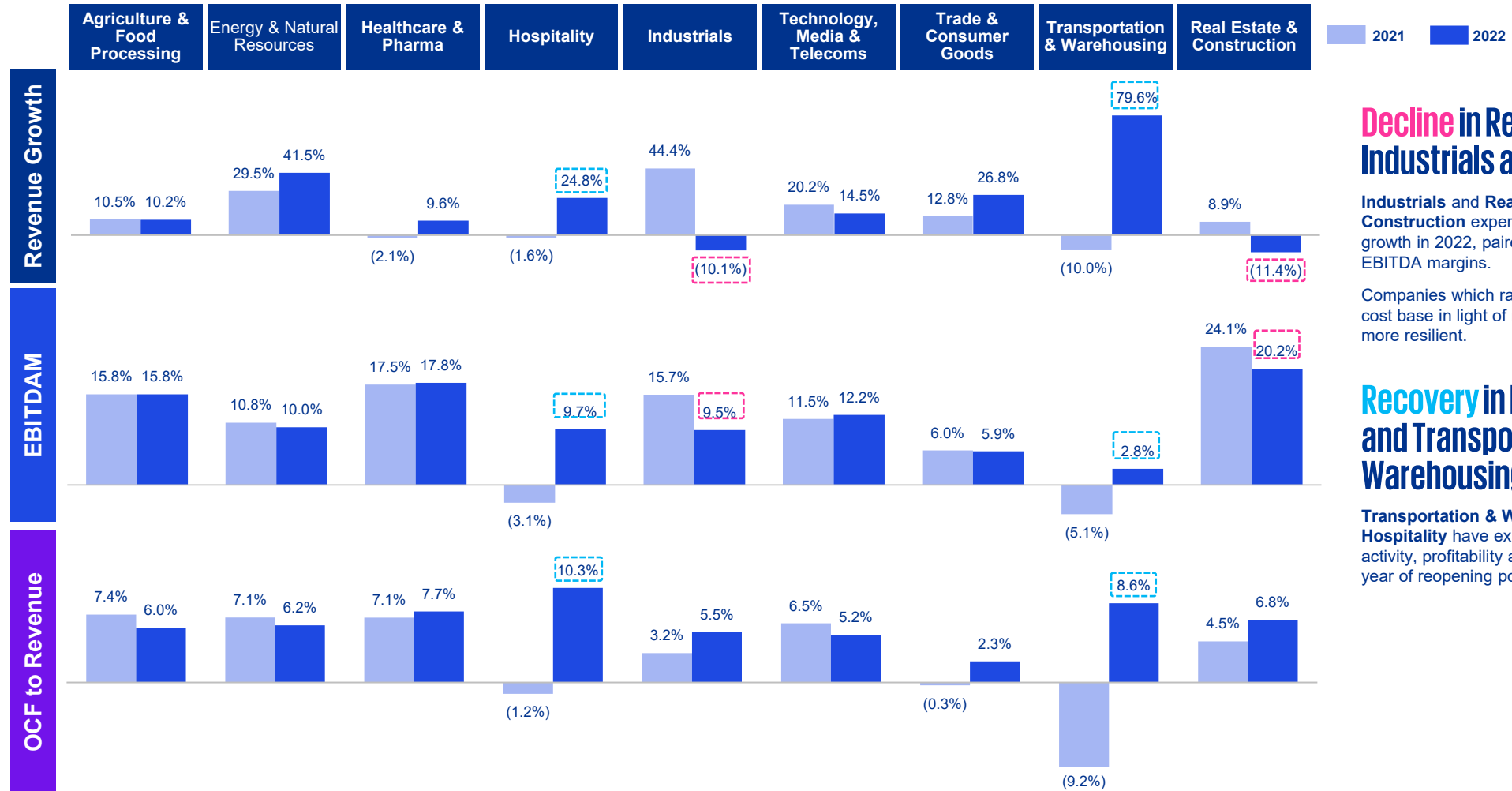
Note: KPMG FPI scores range from 0 to 100. Lower scores indicate higher distress

Source: KPMG Financial Performance Index (KPMG FPI)



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Profitability



Decline in Real Estate and Industrials activity

Industrials and Real Estate & Construction experienced negative revenue growth in 2022, paired with reductions in EBITDA margins.

Companies which rapidly address their fixed cost base in light of reduced volumes are more resilient.

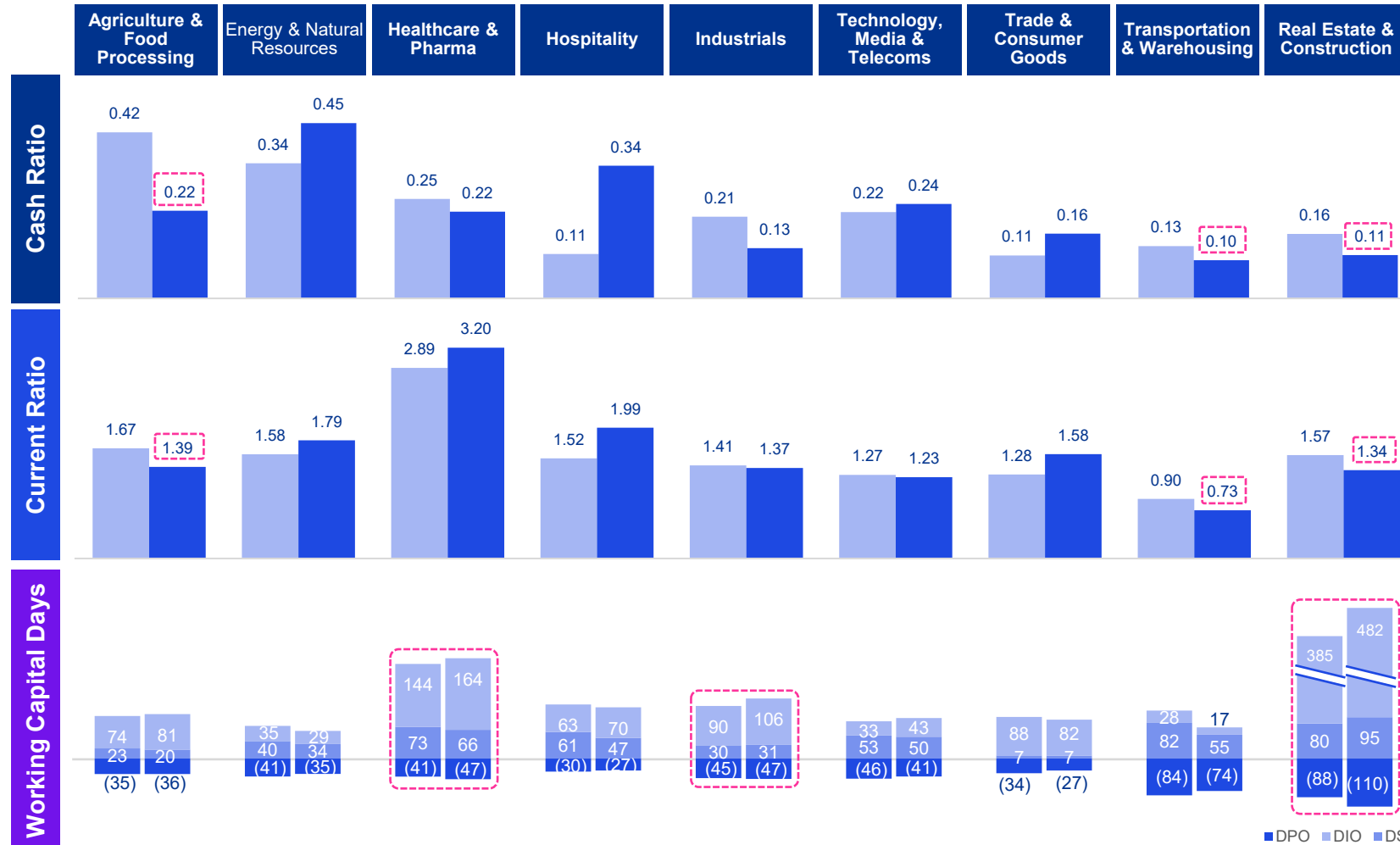
Recovery in Hospitality and Transportation & Warehousing

Transportation & Warehousing and Hospitality have experienced a recovery in activity, profitability and cash flows in the year of reopening post COVID-19.

Note: Financial performance data for companies listed on HOSE, HNX and UPCOM, sourced from CapitalIQ & Vietstock. Additional companies may report performance after publishing date, hence the Vietnam Performance Monitor cannot be compared across issues.



Liquidity



2021 2022

Reduced liquidity in Agriculture, Logistics and Real Estate

Agriculture & Food Processing, Transportation & Warehousing and Real Estate & Construction reported declining current and cash ratios, signaling reduced ability to cover short-term liabilities.

Lengthening cash conversion cycle for Real Estate, Healthcare and Industrials

Real Estate, Healthcare & Pharmaceuticals and Industrials experienced longer cash conversion cycles, driven by slower inventory turnover and accelerated supplier payment cycles.

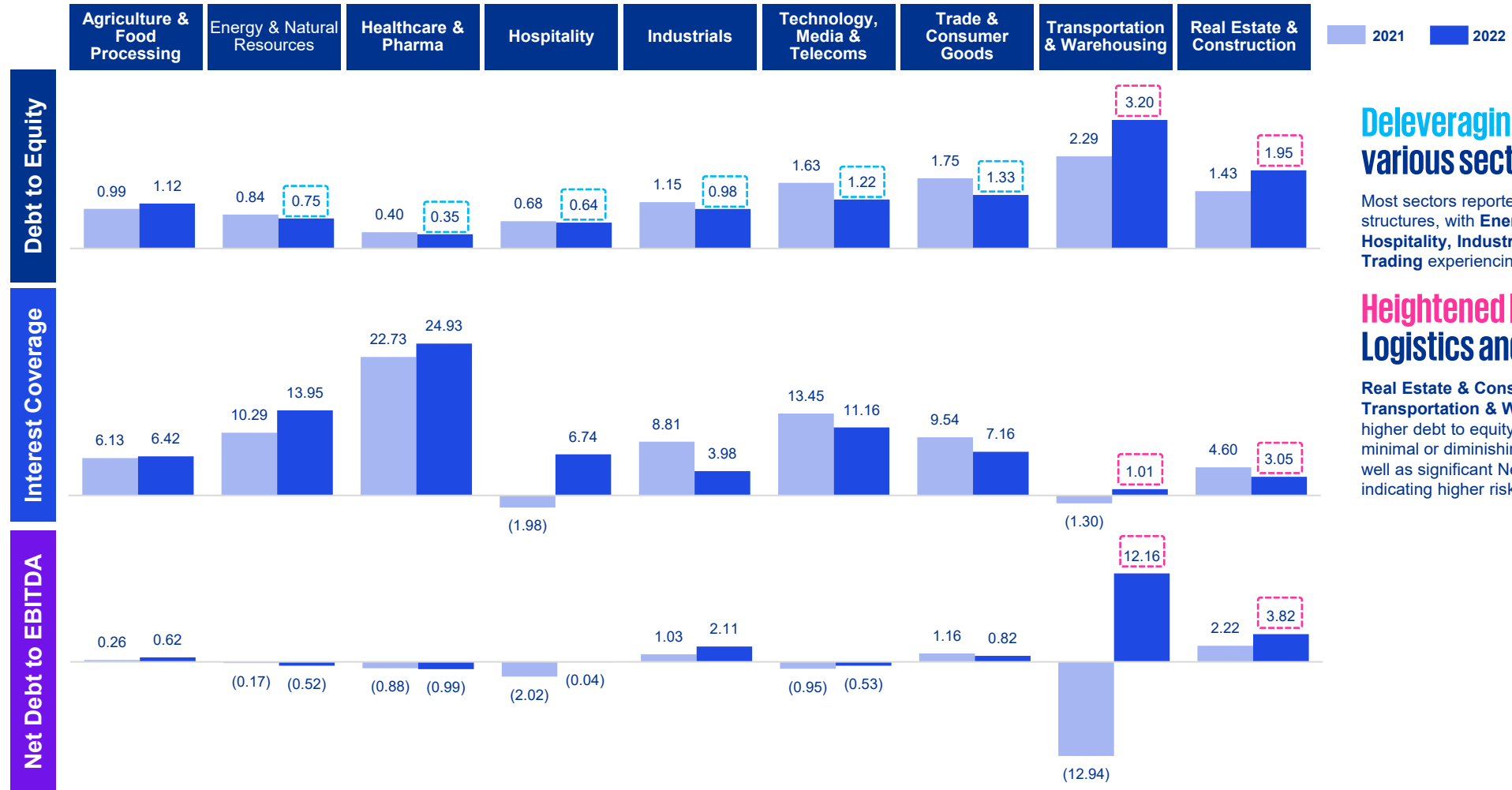
Optimizing trade working capital can release cash to fund business operations, expansion and/or pay off debts.

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Leverage



Deleveraging across various sectors

Most sectors reported stable capital structures, with **Energy, Healthcare, Hospitality, Industrials, Technology and Trading** experiencing moderate deleveraging.

Heightened leverage for Logistics and Real Estate

Real Estate & Construction and **Transportation & Warehousing** experienced higher debt to equity ratios, coupled with minimal or diminishing Interest coverage, as well as significant Net Debt over EBITDA, indicating higher risk of default.

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