



30⁺ YEARS
IN VIETNAM
& CAMBODIA

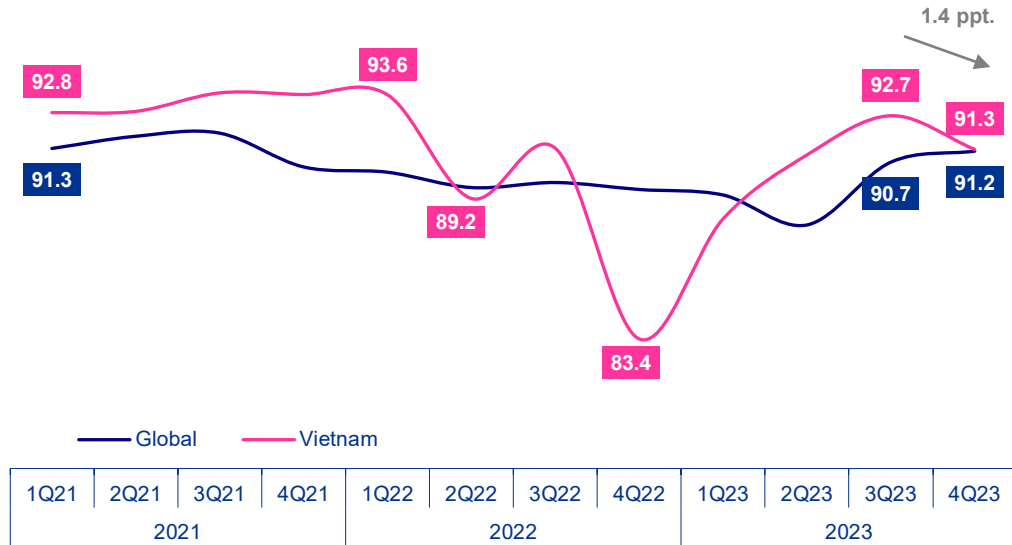
Vietnam Performance Monitor

Trends, challenges and opportunities

Full year 2023 and 4Q23



Facing challenges with signs of recovery



Downturn signal

1.4 ppt. drop

KPMG’s Financial Performance Index (“FPI”) observed signs of decline in Vietnam’s corporate financial health for Quarter 4 of 2023, with the score decreasing from 92.7 in 3Q23 to 91.3 in 4Q23 (-1.4 ppt, i.e. 1.6% decline), nearly converging with the 4Q23 Global score.

Note: KPMG FPI scores range from 0 to 100. Lower scores indicate higher distress
 Source: KPMG Financial Performance Index (KPMG FPI); General Statistics Office of Vietnam; Ministry of Finance
 Reference: ^[1] Vietnam General Statistics Office - “Socio-economic situation in the fourth quarter and 2023”
^[2] Vietnam General Statistics Office - “Infographic social-economic situation 4th quarter and 2023”

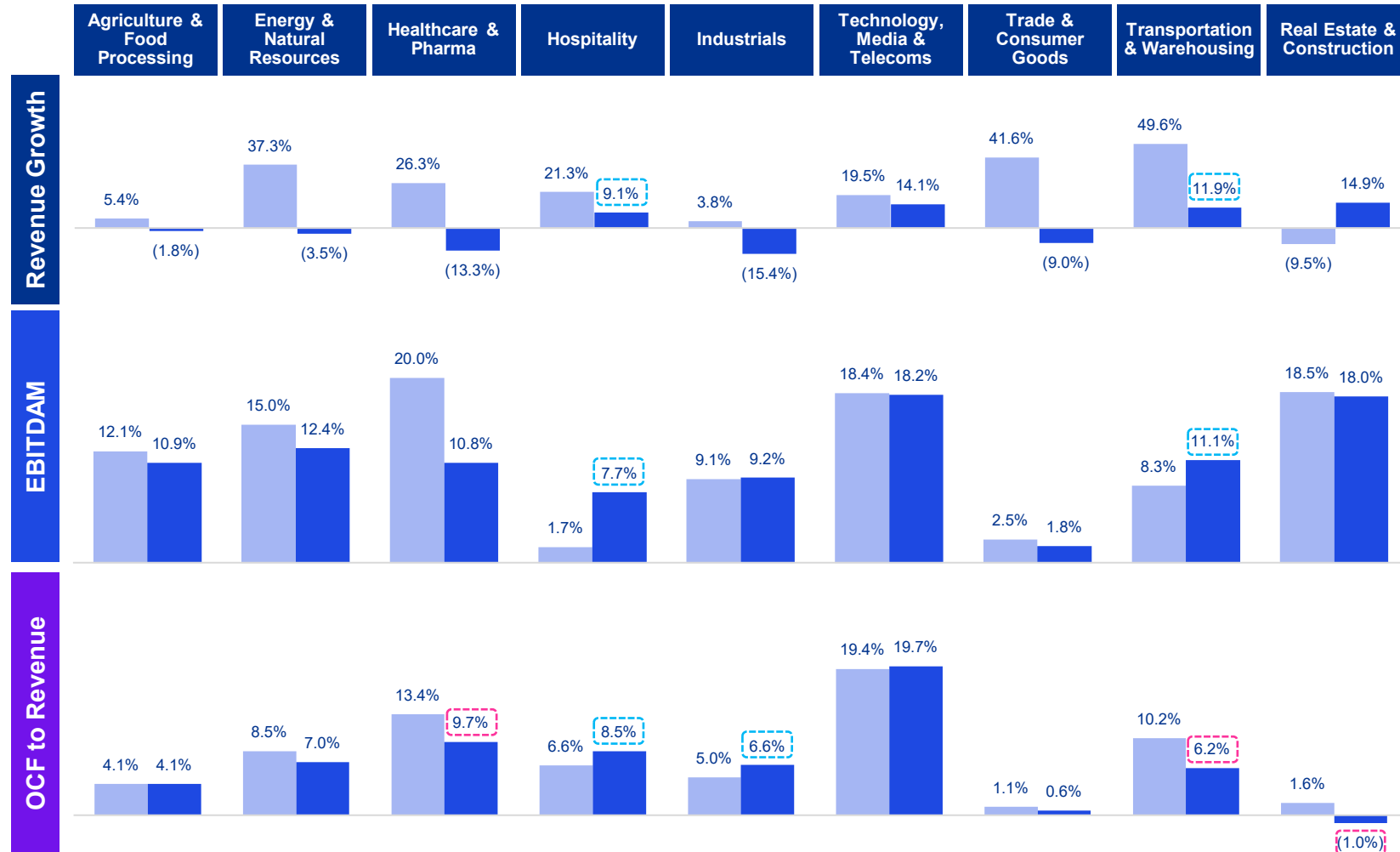
Key highlights

- Overall, Vietnam’s economy experienced a challenging 2023 despite pockets of optimism:
 - National GDP grew by 14.3% in 4Q23 from 3Q23 and 5.05% in full-year 2023 compared to 2022, falling short of the 6.5% goal for the year set out by the Ministry of Finance¹.
 - Vietnam continued to be a favoured investment location with total FDI for 2023 of VND 550.2 trillion, up 5.4% from the previous year².
 - The manufacturing industry began to recover as global demand for consumer goods increased.
 - Construction and Transportation & Warehousing grew by 19.9% and 13.3% in production output, respectively, over the prior quarter.
 - Tourism in 2023 saw a leap in terms of international tourist count with over 12.6 million visitors.
- Vietnam’s economy faced challenges due to geopolitical tensions around the world and lower global demand. Import and export for 2023 decreased by 8.9% and 4.4% respectively from last year. The real estate market slowed down with low sales volume and limited cash flow².
- Vietnam’s government continues to implement policies to support economic growth.

01

Full year 2023

Profitability and cash flow



Reduction in Revenue Growth and EBITDAM across industries

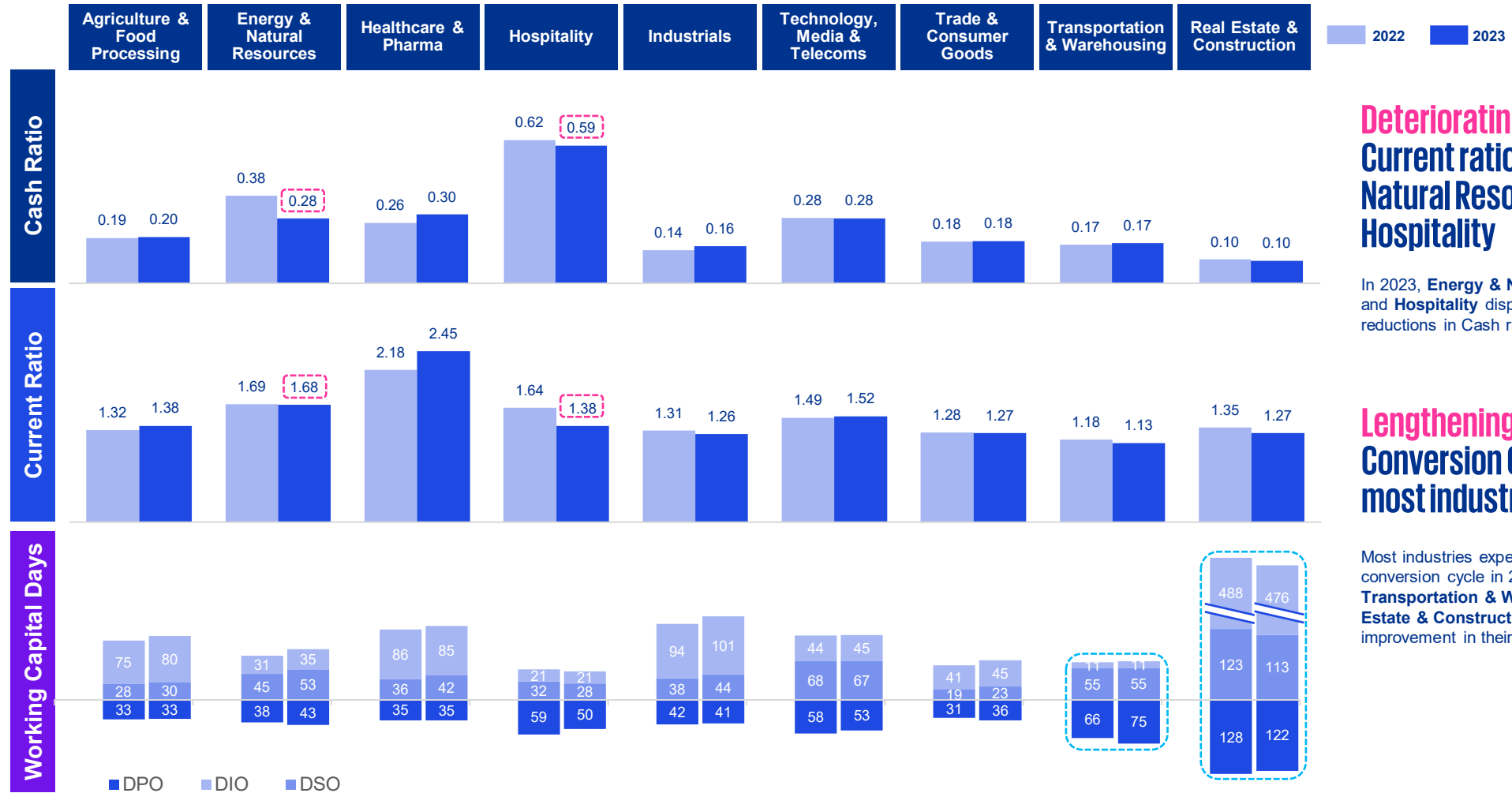
Most industries experienced negative Revenue growth and diminishing EBITDAM. The only exceptions of positive growth and improved margins were **Hospitality** and **Transportation & Warehousing**.

Improved Cash flow for Hospitality and Industrials

Stable cash flow margin in most sectors, with the most significant improvement in **Hospitality**, **Industrials** and the most significant worsening in **Healthcare & Pharma**, **Transportation & Warehousing** and **Real Estate & Construction**.

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

Liquidity



Deteriorating Cash ratio and Current ratio for Energy & Natural Resources and Hospitality

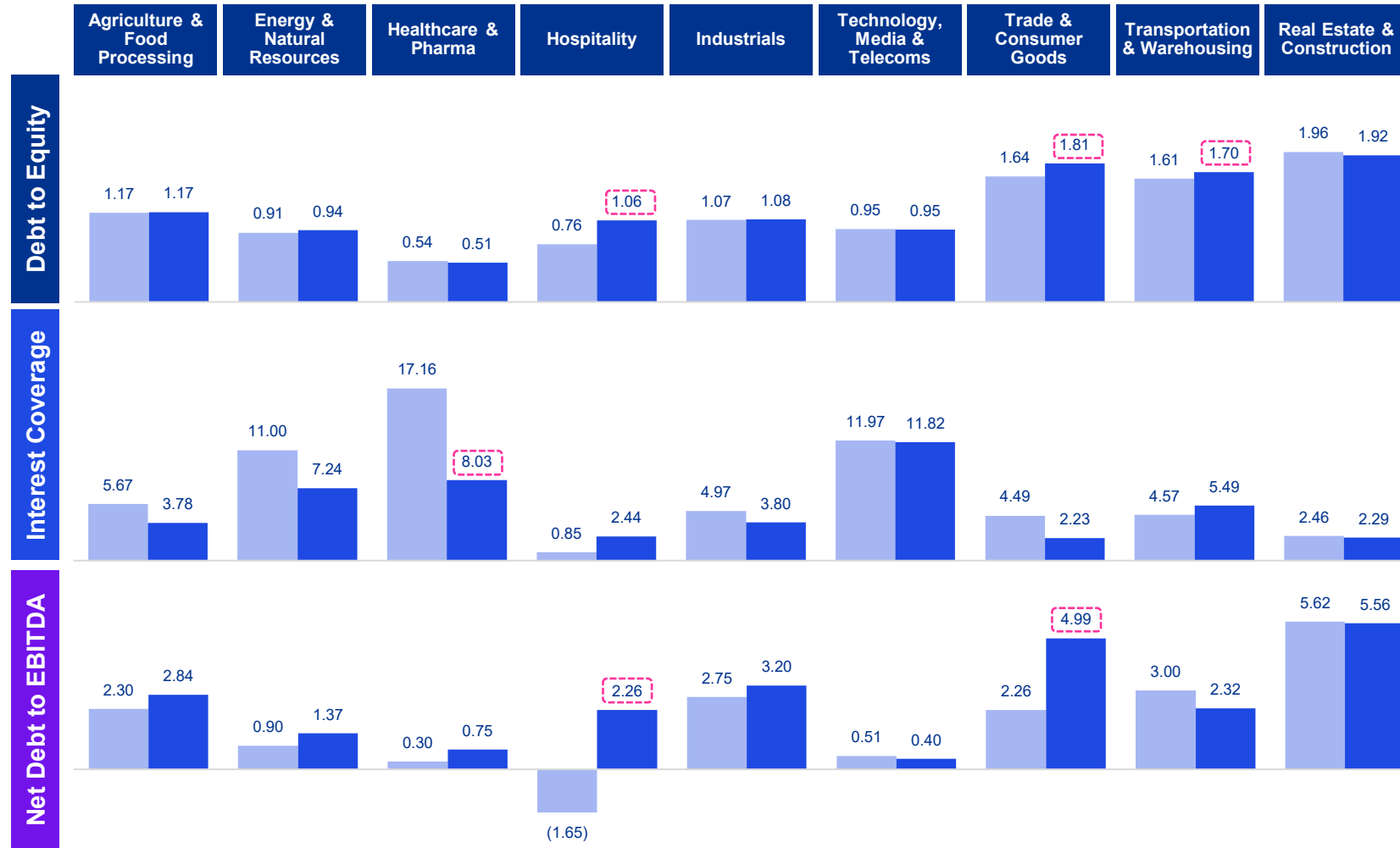
In 2023, **Energy & Natural Resources** and **Hospitality** display moderate reductions in Cash ratio and Current ratio.

Lengthening of Cash Conversion Cycle across most industries

Most industries experienced a longer Cash conversion cycle in 2023, with only **Transportation & Warehousing** and **Real Estate & Construction** seeing improvement in their cycles.

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Leverage



Higher Debt to Equity in various industries

Hospitality, Trade & Consumer Goods and Transportation & Warehousing saw the most significant increases in their Debt to Equity ratios.

Reduced Interest coverage and higher Net debt trend for most industries

Most industries experienced lower Interest coverage and increasing Net debt to EBITDA ratio in 2023.

Healthcare & Pharma had a notable drop in Interest coverage and Hospitality and Trade & Consumer Goods saw a sharp increase in Net debt to EBITDA ratio.

Note: Negative ratios are due to negative Net debt amounts

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02

4Q23

Profitability and cash flow



Improvement in Revenue Growth and Operating cashflow for Energy & Natural Resources, Industrials and Transportation & Warehousing

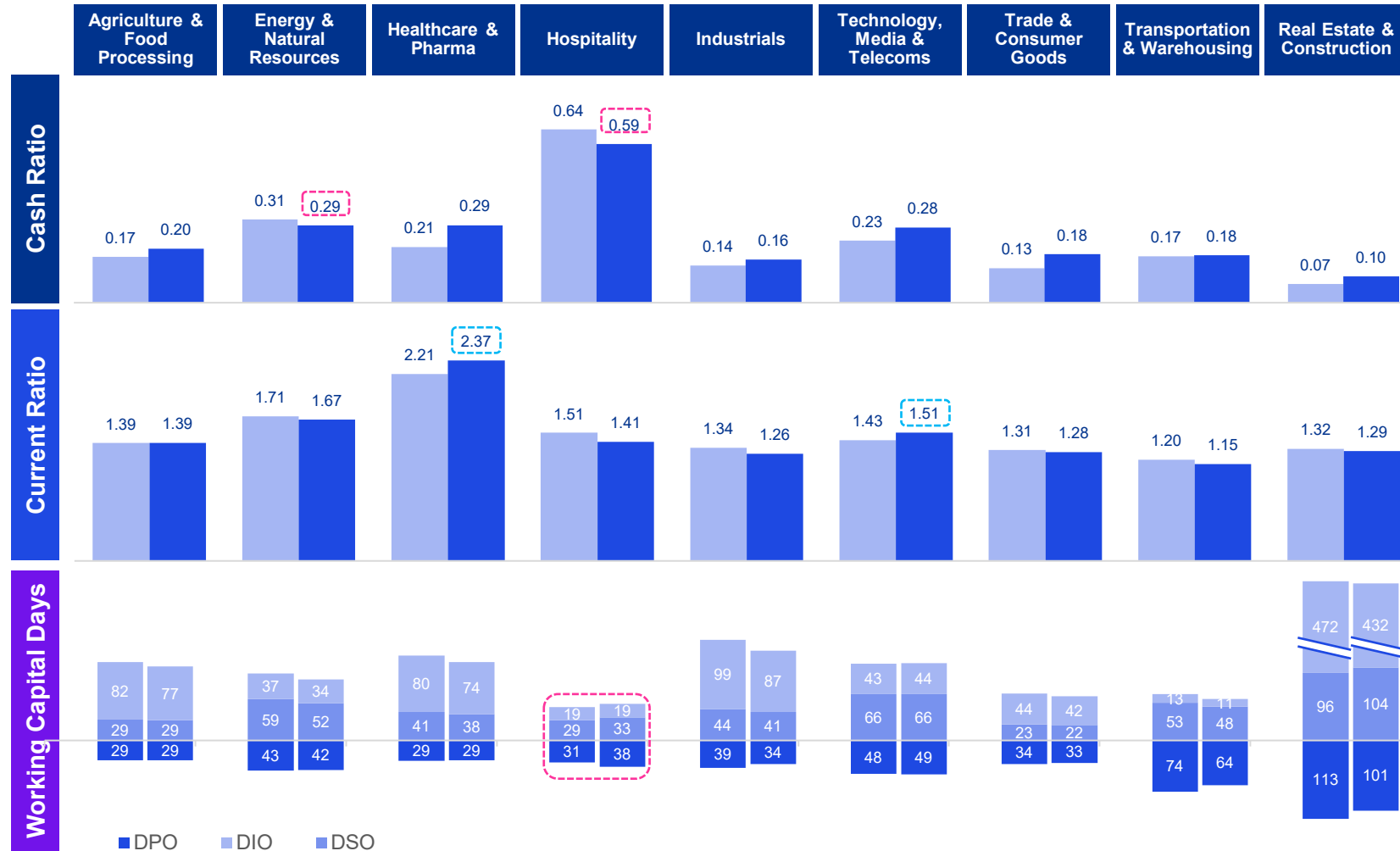
Energy & Natural Resources, Industrials and Transportation & Warehousing displayed notable improvements in Revenue Growth and Operating cash flow margin.

Stable or reduced EBITDAM for most industries in 4Q23

Most industries experienced stable or declining EBITDAM for 4Q23, with Hospitality and Real Estate & Construction showing the most substantial drop in EBITDAM and also Revenue Growth.

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Liquidity



Shorter cash conversion cycle and higher Cash ratio across industries

Overall, 4Q23 showed a reduction in cash conversion cycle and an increase in Cash ratio across sectors except for **Energy & Natural Resources** and **Hospitality**.

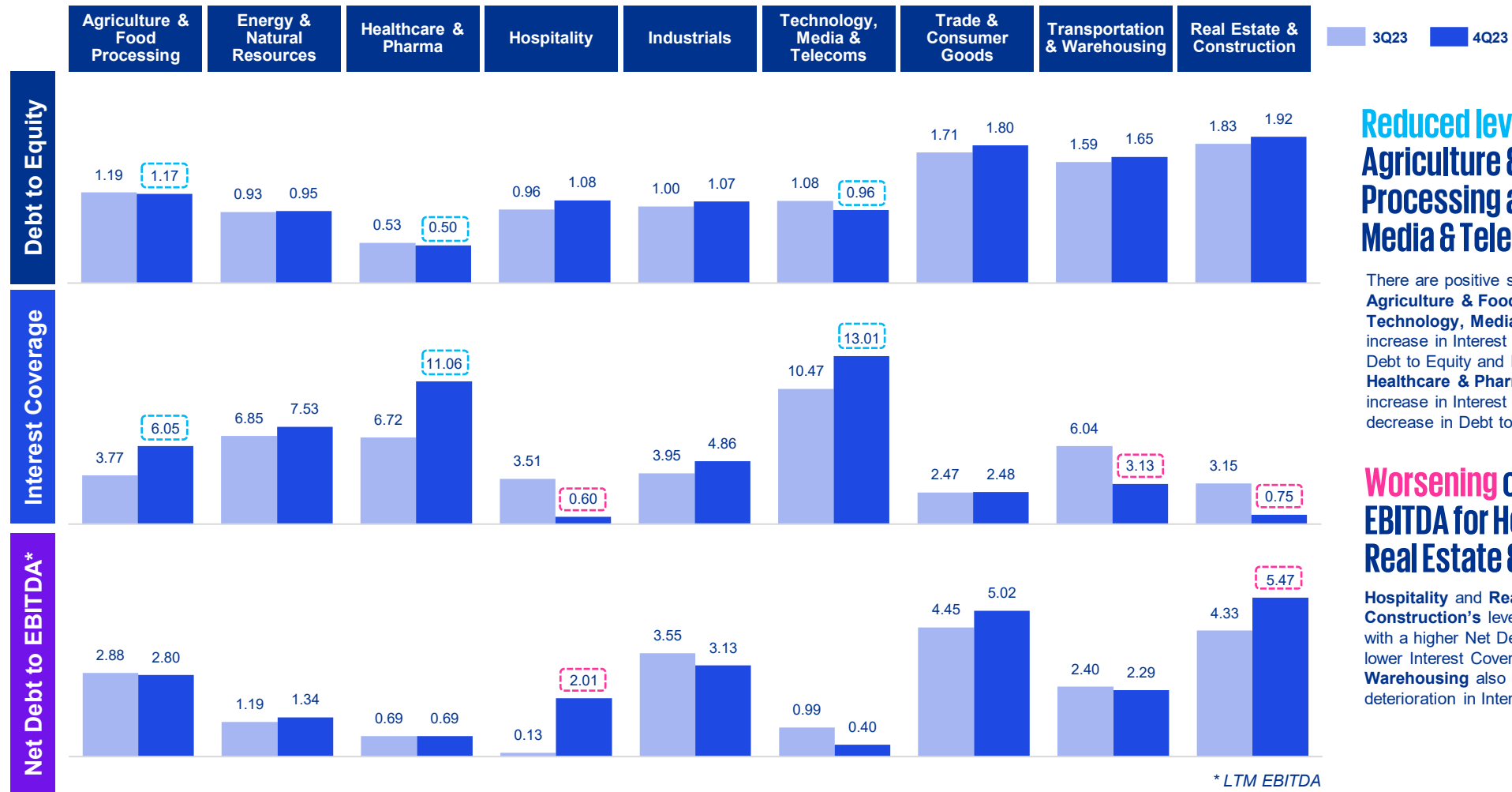
Overall decline in Current ratio

Current ratio deteriorations were felt by most industries, the only exceptions being **Healthcare & Pharma** and **Technology, Media & Telecoms**

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Leverage



Reduced leverage for Agriculture & Food Processing and Tech, Media & Telecoms

There are positive signals in 4Q23 for **Agriculture & Food Processing** and **Technology, Media & Telecoms** with an increase in Interest Coverage and lowered Debt to Equity and Net Debt to EBITDA. **Healthcare & Pharma** also experienced an increase in Interest Coverage and a slight decrease in Debt to Equity.

Worsening of Net Debt to EBITDA for Hospitality and Real Estate & Construction

Hospitality and **Real Estate & Construction's** leverage positions worsened with a higher Net Debt to EBITDA ratio and a lower Interest Coverage. **Transportation & Warehousing** also experienced a deterioration in Interest Coverage.

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