



Vietnam Performance Monitor

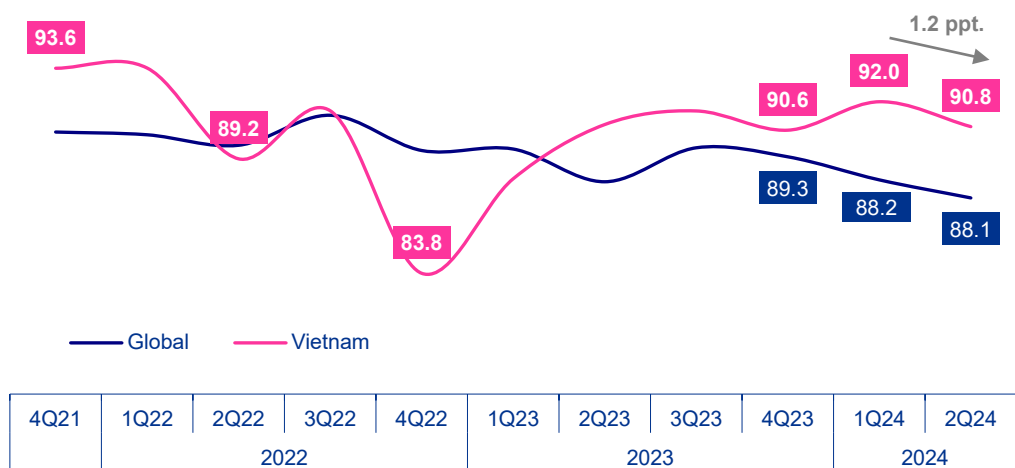
Trends, challenges and opportunities

2Q24



Leverage recovery from the first quarter for continued growth

Quarterly FPI for the 4Q21 – 2Q24 period



Downturn signal

1.2 ppt. drop

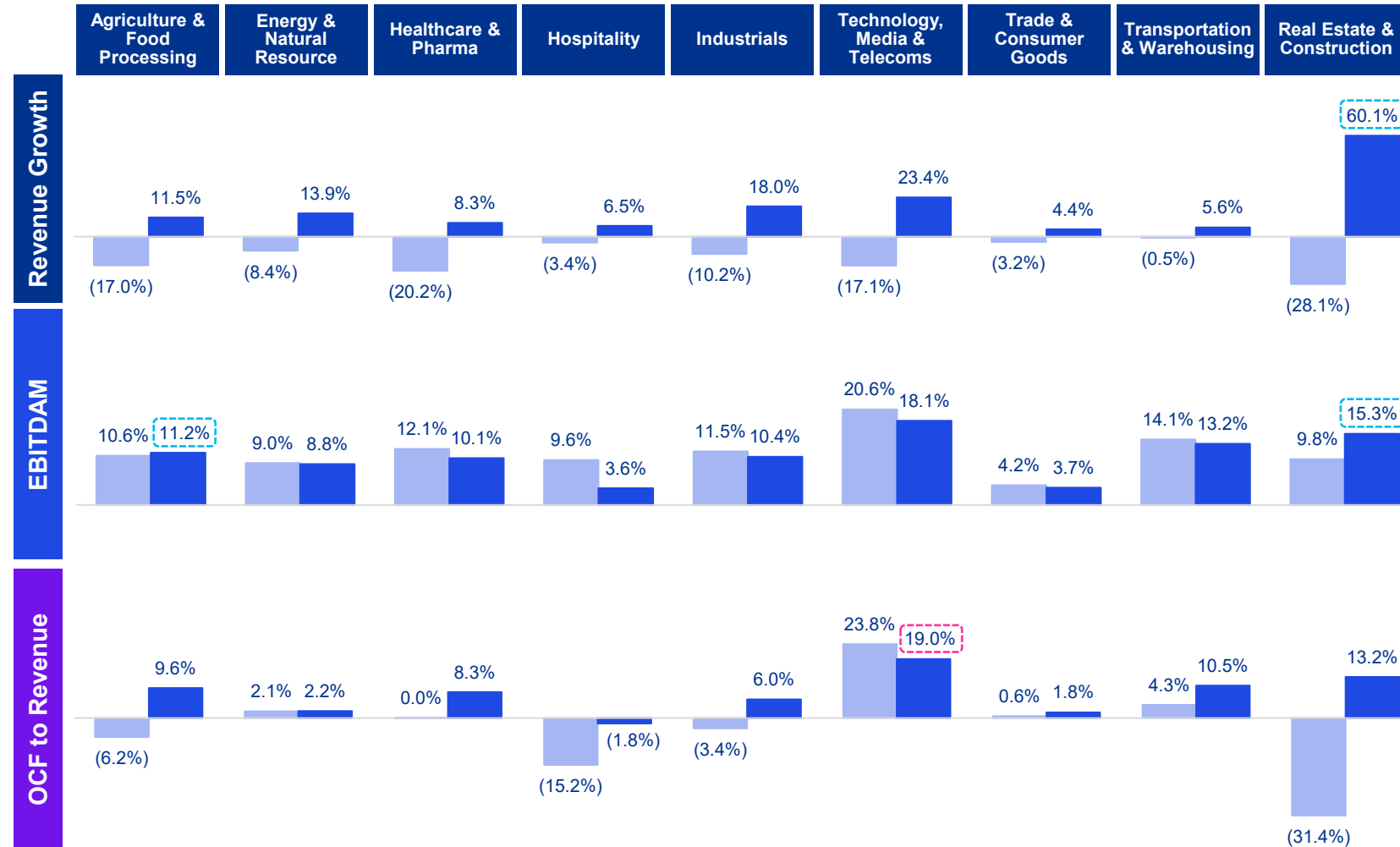
KPMG's Financial Performance Index ("FPI") recorded signs of downturn in Vietnam's corporate financial health for Quarter 2 of 2024, with the score decreasing from 92.0 in 1Q24 to 90.8 in 2Q24 (-1.2 ppt, i.e. 1.3% deterioration), but still well performing the 2Q24 Global score.

Note: KPMG FPI scores range from 0 to 100. Lower scores indicate higher distress
 Source: KPMG FPI; General Statistics Office of Vietnam; Ministry of Finance
 Reference: [\[1\] Vietnam General Statistics Office - "Socio-economic situation report in the second quarter and the first 6 months of 2024"](#)
[\[2\] VnEconomy - "Economic growth in the second quarter of 2024"](#)
[\[3\] VnEconomy - "Import and export increased by 16%, trade surplus still belongs to FDI enterprises"](#)

KEY HIGHLIGHTS

- In the first half of 2024, global economic complexity has dampened sustainable growth prospects. Nevertheless, Vietnam remains a bright spot, with forecasts from the World Bank, IMF, and ADB indicating strong growth for the year
- Vietnam's GDP of 2Q24 grew by 8.34% from 1Q24 and is projected to rise 6.93% y-o-y
 - In 2Q24, the industrial and construction sectors and the service sector contributed 45.73% and 48.91%, respectively, to the national GDP
 - Merchandise exports continued their upward trajectory with a 4.6% q-o-q and 12.5% y-o-y increase. FDI enterprises accounted for 67.6% of the total import and export value, up 13.9% y-o-y. The US, China, and EU are Vietnam's top three export markets
 - FDI disbursement in the first six months of 2024 reached USD 10.84 billion, an 8.2% increase from the same period last year, marking the highest first-half figure in the past five years
 - CPI and inflation rate remain under control of 4.4% and 2.7%, respectively
- However, despite these positive indicators, one negative factor impacting the 2Q24 FPI figure is the decreased market capitalization, as reflected by a decline in the VNIndex by 3% by the end of 2Q24 in comparison to the end of 1Q24

Profitability and cash flow



Positive signs in Revenue Growth and Operating cash flow across industries

Most industries saw a notable rise in Revenue Growth and Operating Cash Flow as a percentage of Revenue. **Real Estate & Construction** experienced the most dramatic turnaround, with growth jumping from -28.1% to 60.1%. However, **Technology, Media, and Telecoms** was the only sector to see a decline in its Operating Cash Flow relative to Revenue compared to the previous quarter.

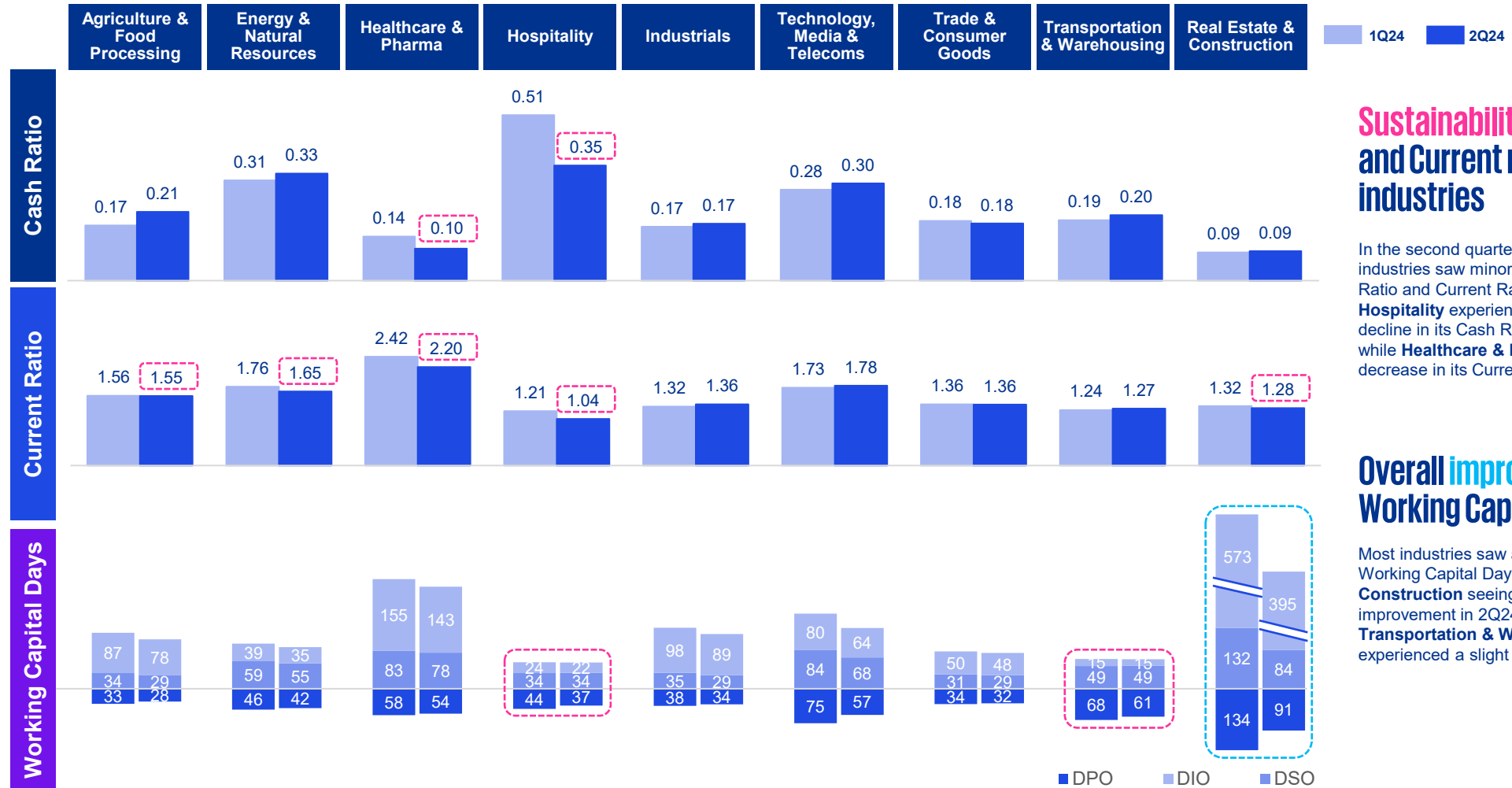
Lower EBITDAM was widely observed

In the second quarter of 2024, most industries experienced a decline in their Earnings Before Interest, Taxes, Depreciation, and Amortization Margin (EBITDAM). This widespread trend affected nearly all sectors, except for **Real Estate & Construction** and **Agriculture & Food Processing**, which saw modest increases.

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



Sustainability in Cash ratio and Current ratio across industries

In the second quarter of 2024, most industries saw minor changes in their Cash Ratio and Current Ratio. Notably, **Hospitality** experienced a substantial decline in its Cash Ratio, dropping by 0.16, while **Healthcare & Pharma** saw a 0.22 decrease in its Current Ratio.

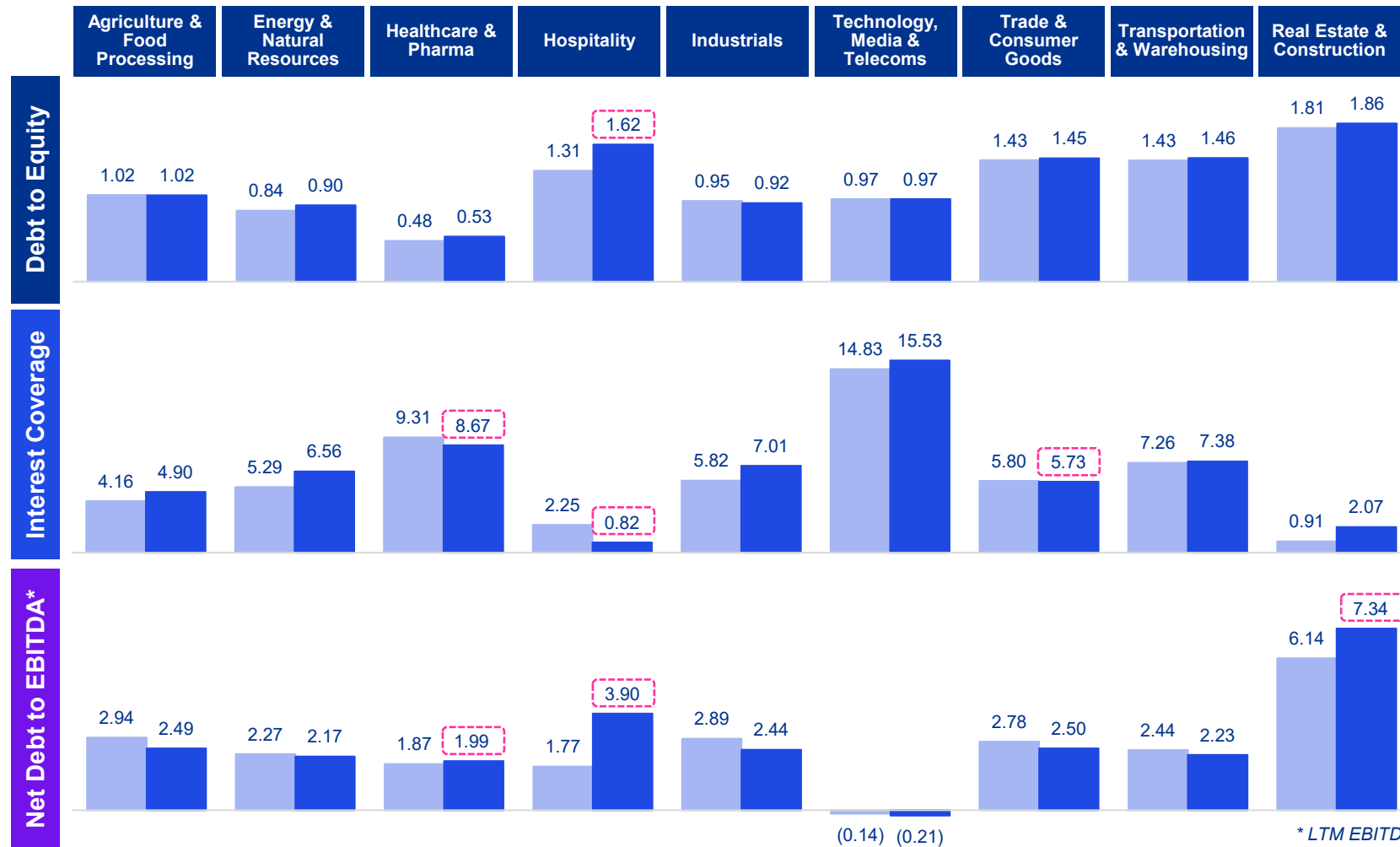
Overall improvement in Working Capital Days

Most industries saw a positive sign in their Working Capital Days, with **Real Estate & Construction** seeing a considerable improvement in 2Q24 while **Hospitality** and **Transportation & Warehousing** experienced a slight downturn in this regard.

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Leverage



Wide occurrence of stable Debt to equity and higher Interest Coverage

Debt to Equity ratios remained stable across most industries from the first to the second quarter, except for a notable increase in **Hospitality**. Aside from **Healthcare & Pharma**, **Hospitality**, and **Trade & Consumer Goods**, most industries showed a slight rise in their Interest Coverage.

Healthcare, Hospitality, and Real Estate & Construction involved higher Net Debt over EBITDA in 2Q24

In 2Q24, **Healthcare**, **Hospitality**, and **Real Estate & Construction** recorded higher Net Debt on EBITDA compared to their figures observed in the first quarter of 2024.

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