Vietnam M&A 2025:

Opportunities reshaped by disciplined capital

KPMG in Vietnam

December 2025

2025 Vietnam M&A Highlights

~2.3 US$ billion
10M2025 disclosed M&A transaction value

~65%
of deal value contributed by Real Estate, Materials, Health Care and Industrials

~220
number of closed M&A deals in 10M2025

29.4 US$ million
average M&A deal value on disclosed transactions in 10M2025

~65%
of total disclosed deal value contributed by foreign Investors compared to 53% of 2024

365 US$ million
largest deal closed in 10M2025

Market overview in 10M2025: Selective megadeals support stability amid softer volume and cautious sentiment

Vietnam's M&A market shows resilience despite mixed regional signals

Across SEA, dealmaking remained relatively subdued for much of 2025, as tighter financial conditions, valuation gaps, regulatory uncertainty and geopolitical risks tempered investor sentiment. Vietnam, however, maintained a degree of resilience, supported by selective large transactions and steady participation from regional strategic investors.

Total disclosed deal value reached USD 2.3bn in 10M2025, while deal volume eased to 218 transactions, extending the gradual decline since 2021. This reflects more cautious underwriting, stricter due diligence and disciplined valuations, particularly in sectors facing margin pressure or slower near-term demand.

Market value this year was driven by several sizeable deals, including the USD 365mn acquisition of Eastern Real Estate by Birch, Hyosung's USD 277mn restructuring, AEON's USD 162mn buyout of Post and Telecommunication Finance Co., Ltd., and Ares Management's USD 150mn acquisition of Medlatec Group. Together, these transactions represent close to USD 1bn of disclosed value. Notably, these top megadeals were led by foreign and regional investors, underscoring continued cross-border appetite for high quality, asset-backed and strategically essential platforms.

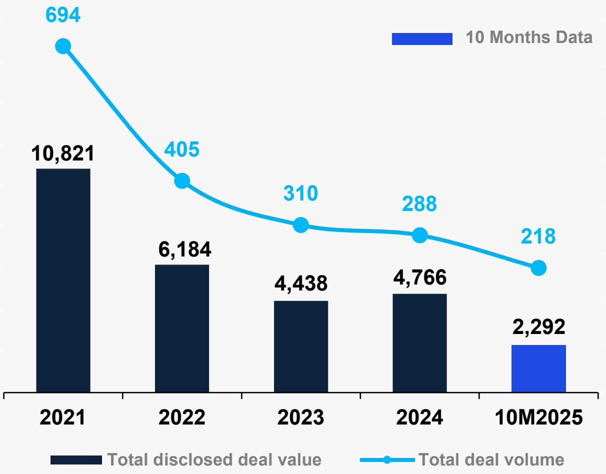
Following the unusually high USD 50.7mn average deal size in 2024, the figure moderated to USD 29.4mn in 10M2025, reflecting a return to more typical deal-size distribution and a larger share of mid-market activity.

Deal activity became more evenly distributed across major sectors, with Real Estate supported by improving liquidity, Health Care buoyed by structural under-capacity, and Materials and Industrials benefiting from ongoing supply-chain realignment. Consumer sectors remained muted amid competitive pressures, tariff-related uncertainty earlier in the year, and tighter tax enforcement.

It is worth noting that a significant portion of small and mid-sized transactions remains undisclosed.

Total deal value and volume

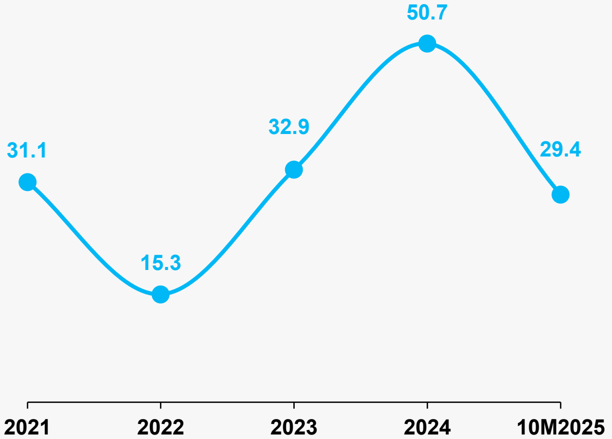
2021 – 10M2025, USDmn



Sources: Capital IQ, Refinitiv, KPMG Analysis

Average value on disclosed deals*

2021 – 10M2025, USDmn



Sources: Capital IQ, Refinitiv, VIR, KPMG Analysis
**Average value on disclosed deals is based on value and volume of transactions with reported values only*

Re-balancing market:
Domestic investors remain in the lead as regional capital regains ground

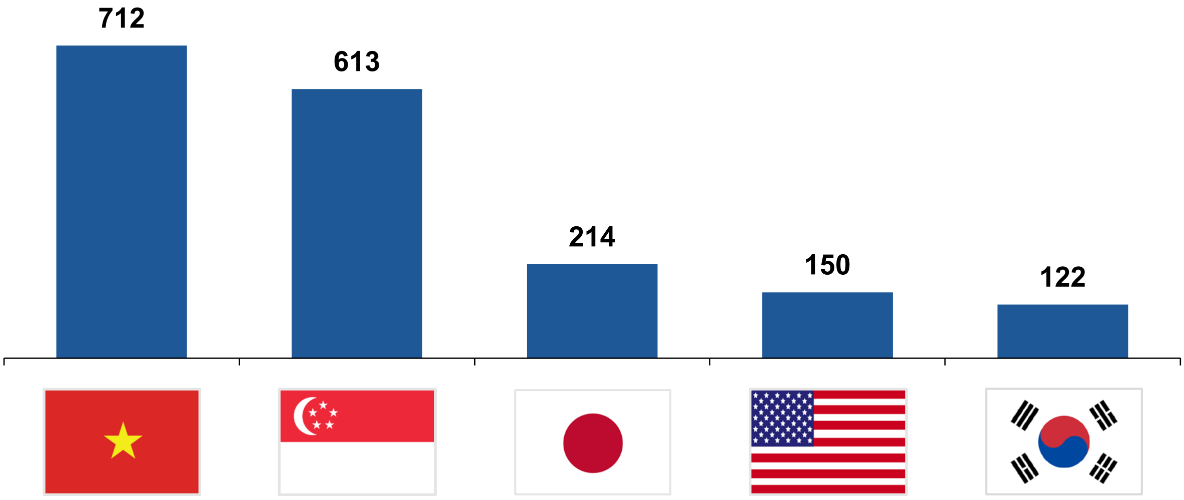
In 10M2025, Vietnamese investors continued to play a pivotal role in the market, contributing more than 30% of total disclosed deal value. However, the gap with foreign investors has narrowed meaningfully, as Singapore accounted for roughly 27%, followed by Japan (9%), the US (7%), and South Korea (5%). This trend highlights that while domestic capital remains the anchor of Vietnam's M&A landscape, regional investors have become increasingly active in selective, larger-ticket transactions.

Singaporean and US investors gravitated toward real estate, healthcare and other cash-generative platforms, reflecting a preference for scalable, asset-backed businesses with strong fundamentals. Japanese and Korean investors, meanwhile, focused more on industrial, manufacturing and materials-linked assets, aligned with their longstanding supply-chain presence in Vietnam. Across groups, sector selection has become more disciplined, with capital concentrating in sectors offering transparency, resilience and visible paths to scale.

It is worth noting that Singapore, the US and South Korea have all remained consistently within the top five foreign investors, with Singapore maintaining its position as the second-largest contributor this year – underscoring steady regional confidence in Vietnam's mid-to-long term growth trajectory.

Ranking of top 5 investors by value in 10M2025

10M2025, USDmn



Sources: Capital IQ, Refinitiv, KPMG Analysis

Notable deals in 10M2025

Foreign investors continued to dominate Vietnam's largest transactions in 10M2025, with megadeals concentrated in Real Estate, Materials, Financials and Health Care

- Real Estate recorded the largest disclosed deal of 10M2025, with Birch Real Estate acquiring Eastern Real Estate Investment and Trading LLC – a subsidiary of Masterise Group, one of Vietnam's leading luxury real-estate developers – for USD 365mn. Two other sizeable real-estate transactions also featured in the top 10: Gateway Thu Thiem JSC acquired a 42% stake in South Rach Chiec City LLC for USD 99mn, and UOA Vietnam purchased Vias Hong Ngoc Bao for USD 67.7mn, reinforcing continued investor interest in high-quality landbank and development assets.
- The Materials sector contributed the second-largest deal where Hyosung Chemical Corporation divested its 49% stake in Hyosung Vina Chemicals – a Vietnam-based producer of basic chemicals – to Hyosung Vina 1st Co., Ltd., for USD 277mn.
- The Financials sector saw a significant deal as AEON Financial Service completed the USD 162mn buyout of Post and Telecommunication Finance from SeABank.
- In Health Care, Ares Management Corporation invested USD 150mn to acquire a 30% stake in Medlatec, one of Vietnam's largest private healthcare systems.
- Additionally, several large announced transactions remain in the pipeline and are expected to progress toward closing over the next 1-2 years, including JTA Investment Qatar's proposed USD 1bn investment into VinFast Auto, the planned USD 1bn merger between Vietnam Biofuels Development JSC and International Media Acquisition Corp., and an individual investor's announced USD 1.5bn acquisition of Novatech R&D JSC.

Top 10 largest deals in 10M2025

Target	Sector	Buyer/Investor	Seller	Value (USDmn)
Eastern Real Estate Investment and Trading Limited Liability Company	Real Estate	Birch Real Estate Business Limited Liability Company	Masterise Group	365.0
Hyosung Vina Chemicals Co Ltd	Materials	Hyosung Vina 1st Co., Ltd.	Hyosung Chemical Corporation	277.4
Post and Telecommunication Finance Company Limited	Financials	AEON Financial Service Co., Ltd. (TSE:8570)	Southeast Asia Commercial Joint Stock Bank (HOSE:SSB)	162.1
Medlatec Group	Health Care	Ares Management Corporation	Medlatec Group	150.0
Duy Tan Plastics Manufacturing Corporation	Materials	Scgp Rigid Packaging Solutions Pte Ltd.	-	108.2
South Rach Chiec City LLC	Real Estate	Gateway Thu Thiem JSC	Keppel Ltd. (SGX:BN4)	99.1
Vietnam Electronics & Informatics JSC	Industrials	Geleximco Group	State Capital Investment Corporation (SCIC)	97.1
Harbour Energy/ Chim Sao Va Dua	Energy	EnQuest PLC (LSE:ENQ)	Premier Oil Vietnam Offshore BV; Premier Oil (Vietnam) Ltd.	85.1
Techcoop	Communication Services	FMO, Investment Arm; BlueOrchard Finance Ltd.; appWorks Ventures Co., Ltd.; Capria Accelerator; TNB Aura; Ascend Vietnam Ventures	-	70.0
Vias Hong Ngoc Bao	Real Estate	UOA Vietnam Pte. Ltd.	-	67.7

Sector breakdown in 10M2025 and prospect

Real Estate, Materials, and Health Care lead deal value as sector mix continues to diversify

Deal activity shows a notable shift in sector contribution, with Real Estate (27%), Materials (20%), and Health Care (10%) emerging as the top three drivers of total deal value. Together, these sectors account for more than half of all transactions, underscoring investor preference for asset-backed businesses, essential upstream industries and high-growth service platforms.

The rise of Materials reflects a year of large-scale packaging, chemicals, and manufacturing-input transactions, driven by portfolio realignment and regional supply chain consolidation.

Health Care also gained prominence as investors focused on private hospitals, diagnostics and tech-enabled healthcare services, while Real Estate maintains a sizeable share despite ongoing structural challenges, as liquidity improves and restructuring accelerates.

Compared to last year, consumer sectors contributed more modestly, signaling a more selective investor appetite, softer discretionary spending earlier in the year and tighter tax enforcement on F&B and retail operators.

Policy reforms, healthcare expansion, and supply-chain restructuring expected to shape 2026 deal flow

Looking forward, M&A activity is expected to strengthen across Health Care, Real Estate, Materials and export-oriented manufacturing, supported by clearer regulatory frameworks.

Reforms related to the Land Law, investment procedures, and corporate bond market are anticipated to unlock additional real-estate transactions and accelerate project restructuring.

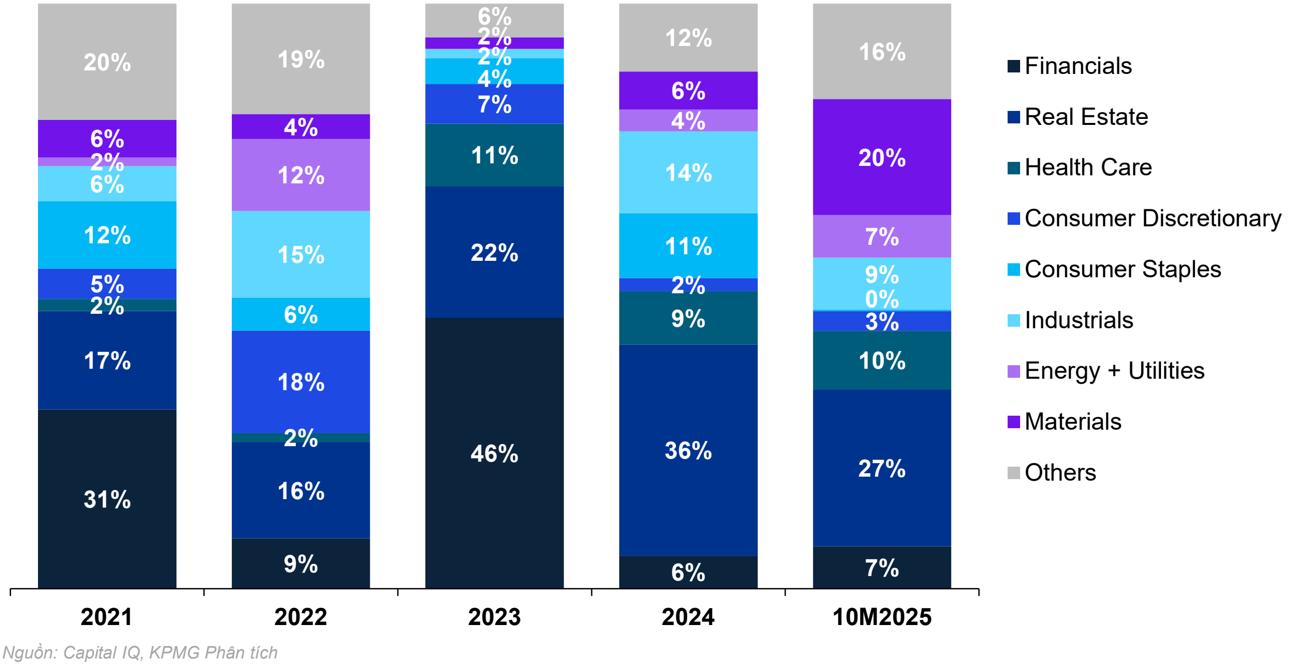
Within Health Care, investor interest is expected to remain strong, particularly in hospitals and diagnostics with rising middle-class demand and improved scalability across nationwide networks.

Vietnam's commitments under DPPA and renewable-energy targets will continue to support dealmaking in Energy & Utilities, despite the sector's moderate contribution in recent years. Momentum in the Materials sector will likely continue as global supply-chain shifts draw more manufacturing capacity into Vietnam.

Even amid subdued consumer-sector M&A in 10M2025, underlying demand fundamentals remain intact, and investor interest in healthcare, retail platforms and tech-enabled services may re-emerge as macro stability improves.

M&A Value Breakdown by Sector

2021 – 10M2025, USDmn



Nguồn: Capital IQ, KPMG Phân tích

Vietnam M&A Outlook 2026:
Key themes

1. **"Back to Basics": Focus on resilient, cash-generative sectors**

   Investor conversations show capital shifting toward sectors with clear demand, strong unit economics, and visible paths to scale.

   By 2026, investor interest will remain concentrated in:

   - Healthcare (hospitals, diagnostics, specialty clinics) – driven by rising middle-class demand
   - Education & training – supported by demographics and skills upgrading
   - B2B & mission-critical services (logistics, waste & energy/ESG, industrial services, consumer finance)

2. **Flight to quality – high-quality assets will clear first**

   Global private equity still sits on record levels of dry powder across private asset classes, with Asia-Pacific (including Southeast Asia) holding a significant share. At the same time, fund-raising has become more selective and LPs are pushing managers to focus on value creation and quality of deployment rather than pure volume.

   In this environment, Vietnam is already seeing a clear "flight to quality": mid-to-large-cap targets with clean governance, transparent financials and proven profitability continue to draw competitive interest, even as mid-tier or structurally challenged assets struggle to transact.

   By 2026, this bifurcation is likely to be even more pronounced: high-quality assets in "back-to-basics" sectors will clear at reasonable multiples and terms, while weaker stories face prolonged processes or require structured capital and downside protection to close.

3. **A prolonged buyer's market and disciplined valuations**

   The combination of high global rates and subdued equity valuations has shifted bargaining power towards buyers. As a result, processes increasingly feature:

   - Lower headline valuation ranges versus 2021–2022 peaks;
   - Heavier use of earn-outs, vendor financing and other risk-sharing structures;
   - More stringent due diligence on cash flow sustainability and off-balance-sheet exposures.

   Unless there is a sharp easing in global financial conditions, these buyer-friendly dynamics are likely to persist into 2026, supporting disciplined pricing and more structure in deal terms.

4. **Recycling of failed processes and "forced" transactions**

   The same constraints that depressed deal volumes have also created pressure points: weaker sponsors, over-leveraged shareholders and businesses facing refinancing or regulatory challenges.

   As the market normalizes, many processes that stalled in 2022–2024 on valuation gaps or timing will likely return to market with more realistic pricing and clearer rationales (succession, recapitalization, carve-outs).

   For buyers with patient capital and operational capabilities, 2026 should therefore see a healthy pipeline of "second-time" or re-profiled opportunities, particularly in real estate-adjacent, industrial services, financial services and consumer platforms.

A market settling into shape

Vietnam’s M&A activity through 10M2025 shows a market steadily regaining balance after two volatile years, with dealmaking shaped by rising selectivity, clearer regulatory signals and the return of larger, higher-conviction transactions. While overall volume continues to moderate, the USD 2.3bn in disclosed value demonstrates that capital is flowing into assets with resilient demand profiles and strategic relevance.

Sector dynamics in 2025 highlights this rebalancing. Real Estate, Materials and Health Care emerged as the top drivers of deal value, reflecting investor preference for core operating assets, essential manufacturing inputs and under-supplied healthcare capacity. Meanwhile, consumer-oriented sectors recorded a softer contribution amid a cautious consumption environment earlier in the year, even as medium-term fundamentals remain intact.

Investor participation also broadened in 2025. Domestic investors maintained the largest share of disclosed deal value, while regional capital from Singapore, Japan, the US and South Korea re-accelerated through targeted investments across Real Estate, Health Care, Industrials and Materials. This mix indicates a market transitioning from consolidation-led activity toward more diversified, sector-specific opportunities.

Looking ahead, the outlook for 2026 is underpinned by disciplined optimism. The enforcement of revised land regulations, ongoing DPPA implementation, and continued emphasis on infrastructure, energy transition and manufacturing upgrades are expected to unlock new deal pipelines. At the same time, healthcare, education, logistics and other mission-critical services are poised to attract sustained attention as investors focus on cash-generative, needs-driven sectors.

With stronger regulatory clarity, improving liquidity and a growing line-up of pending megadeals, Vietnam is positioned to remain one of SEA’s most compelling M&A markets – offering resilient fundamentals, clearer pathways to value creation, and long-term opportunities across both domestic and cross-border capital.

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