



Vietnam Performance Monitor

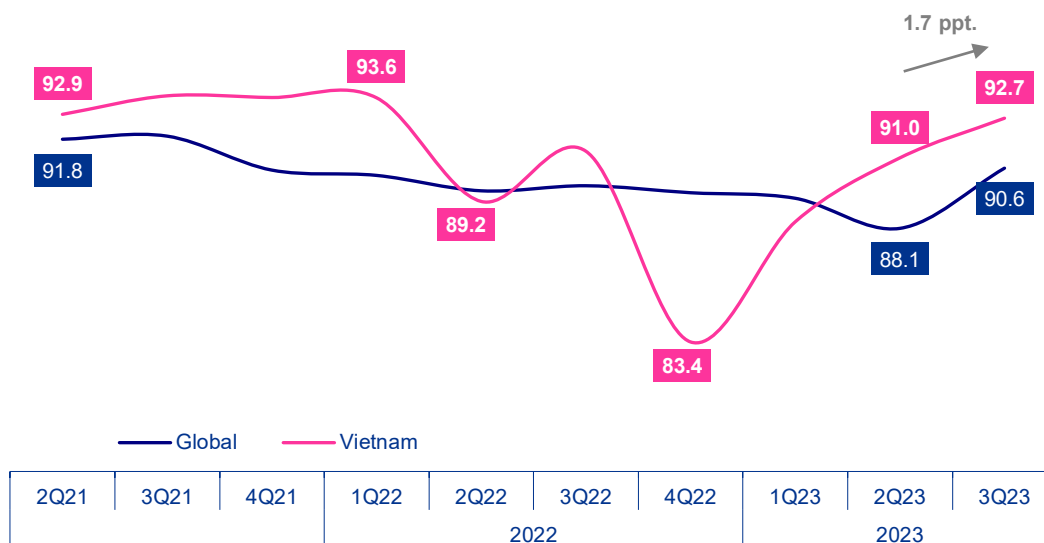
Trends, challenges and opportunities

3Q23



Signs of local recovery amidst global uncertainty

Quarterly FPI for the 2Q21 – 3Q23 period



Recovery signal

1.7 ppt. uplift

KPMG's Financial Performance Index ("FPI") observed signs of growth in Vietnam's corporate financial health for Quarter 3 of 2023, with the score increasing from 91 in 2Q23 to 92.7 in 3Q2023 (+1.7 ppt, i.e. 1.8% improvement), surpassing the 3Q23 Global score.

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

Source: KPMG Financial Performance Index (KPMG FPI); World Bank; Asian Development Bank; General Statistics Office of Vietnam; vneconomy.vn;

Reference: [Vietnam General Statistics Office - "Socio-economic situation in the third quarter and nine months of 2023"](#)

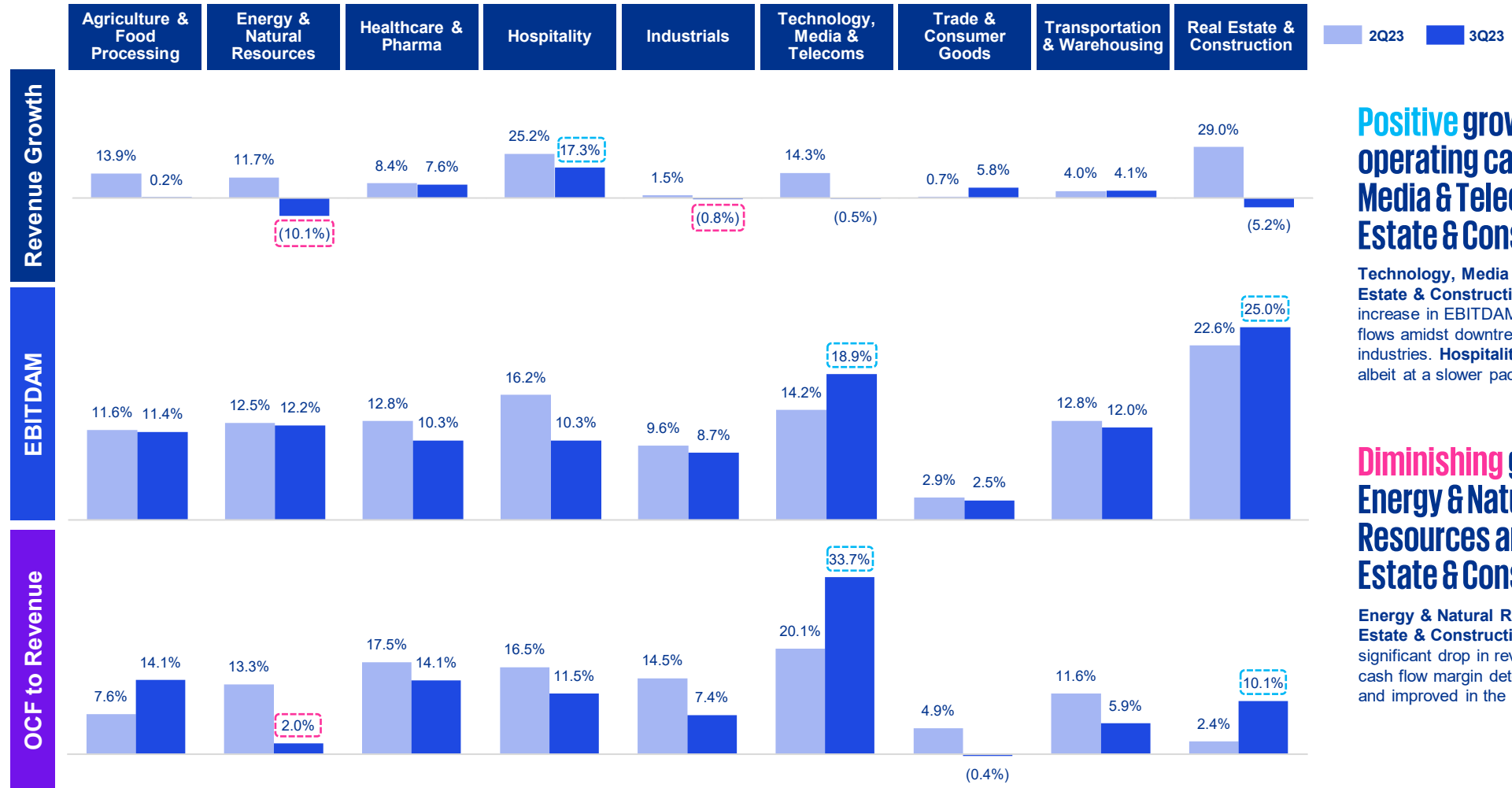


© 2023 KPMG Limited, KPMG Tax and Advisory Limited, KPMG Law Limited, KPMG Services Company Limited, all Vietnamese one member limited liability companies and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KEY HIGHLIGHTS

- Vietnam's economy continued to grow in the third quarter of 2023 despite global headwinds. Some of the country's economic highlights include:
 - National GDP has risen by 3.9% from last quarter and 5.33% compared to the same period last year¹.
 - The growth of total revenue and sale volume for the Retail sector is sustained by rising domestic demand of a growing population with an expanding middle class.
 - The increase in pricing of exported rice shows opportunities for the Agriculture sector.
- In spite of the recovery signals, Vietnam's economy is still impeded by the knock-on impact from reduced global demand, especially from China, one of Vietnam's biggest export markets, impacting Export, Industrial sector and private domestic investment.
- For third quarter of 2023, Vietnam displayed resilience as the country's rising population and dynamic business environment provide the basis for economic development. Looking forward, we expect the government to implement further measures to address the aforementioned challenges and support economic growth as well as hedge against global uncertainties.

Profitability and cash flow



Positive growth in EBITDAM and operating cash flows for Tech, Media & Telecoms and Real Estate & Construction

Technology, Media & Telecoms and Real Estate & Construction experienced an increase in EBITDAM and operating cash flows amidst downtrends across other industries. Hospitality continued to recover albeit at a slower pace.

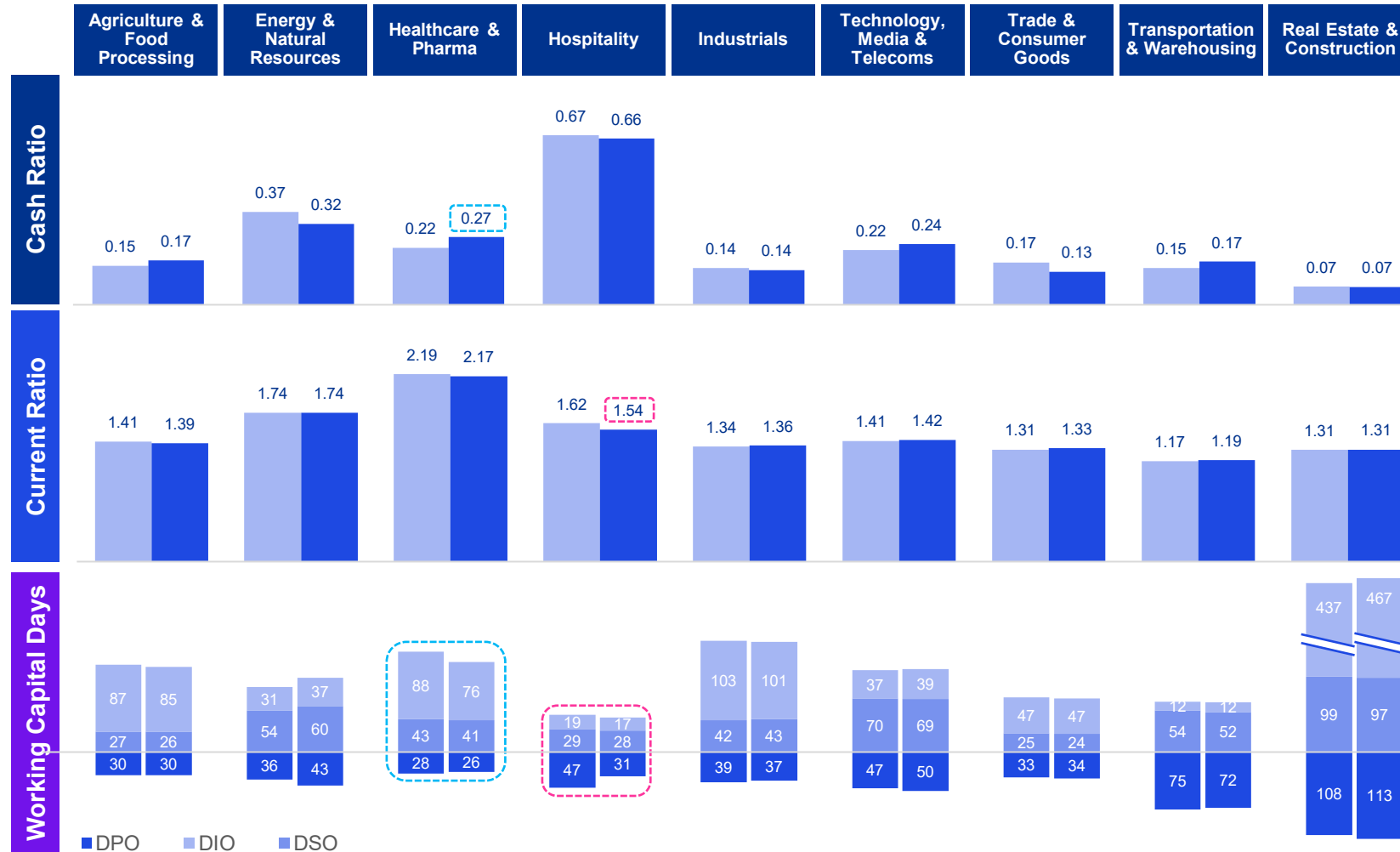
Diminishing growth for Energy & Natural Resources and Real Estate & Construction

Energy & Natural Resources and Real Estate & Construction witnessed a significant drop in revenue growth. Operating cash flow margin deteriorated in the former and improved in the latter.

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



Shorter cash conversion cycle and increased cash ratio for Healthcare & Pharma

Overall, **Healthcare & Pharma** displayed the most significant improvement in cash conversion cycle and notable cash ratio's growth of all sectors.

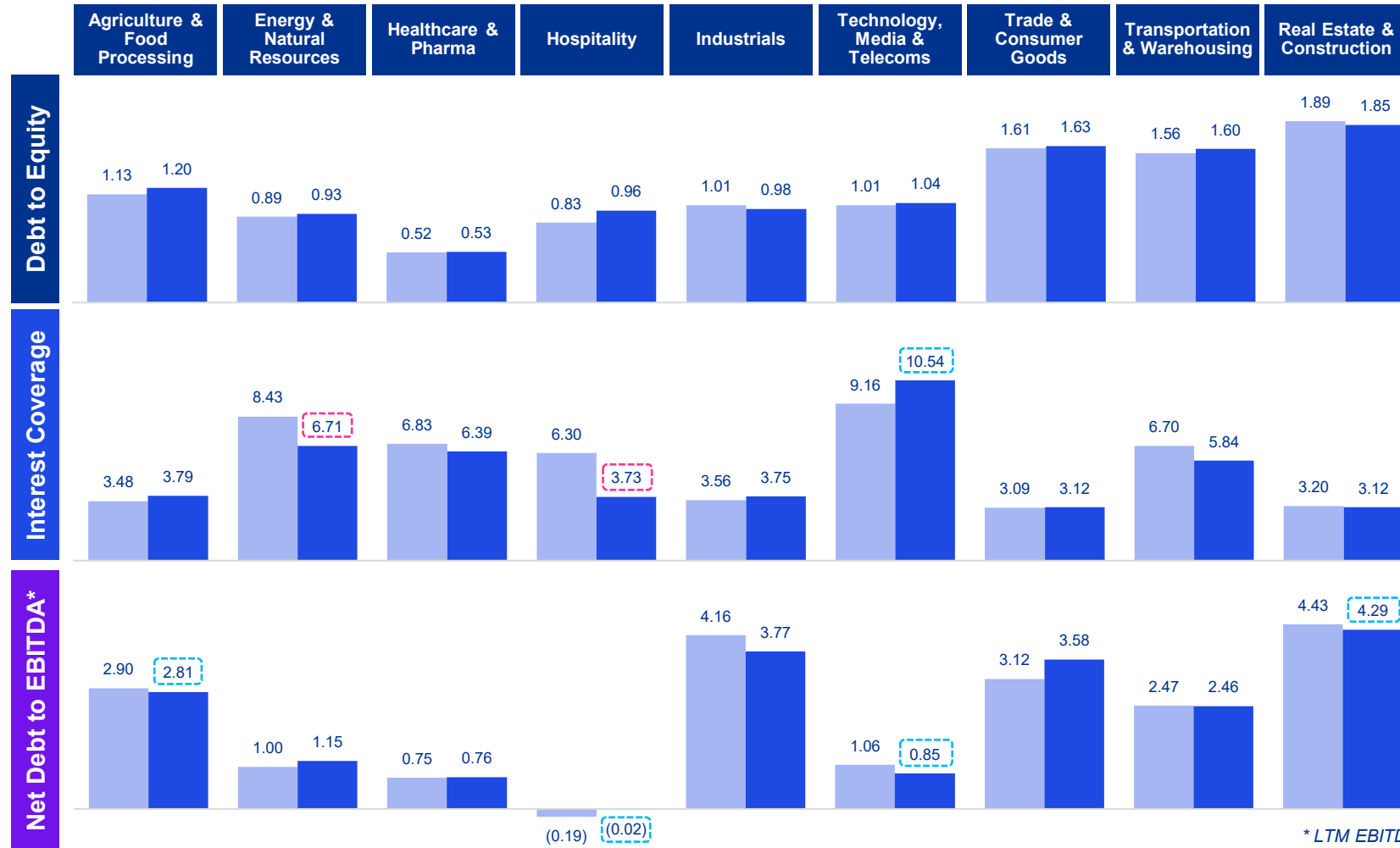
Decline in liquidity for Hospitality

Hospitality experienced moderate reduction in current ratio, as well as seeing a lengthening of working capital days, driven by accelerated supplier payment.

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.



Leverage



Reduced leverage for Tech, Media & Telecoms

Capital structures of **Technology, Media & Telecoms** improved in 3Q23 with positive signals of an increased Interest Coverage and lowered Net Debt to EBITDA. **Agriculture & Food Processing, Hospitality** and **Real Estate & Construction** also had a slight drop in Net Debt to EBITDA.

Market-wide increase in Debt to equity

An upward trend, albeit minimal, is observed in Debt to Equity ratio across most sectors with the only exceptions being **Industrials** and **Real Estate & Construction**.

Alongside a higher debt level, **Energy & Natural Resources** and **Hospitality** also saw a decrease in interest coverage.

Note: Negative ratios are due to negative Net debt amounts

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.





Contact us



Tim Kramer

Director,
Head of Turnaround & Restructuring

M +84 (0) 917 905 154
tkramer@kpmg.com.vn



Tran Ngoc Mai

Manager,
Turnaround & Restructuring

M +84 (0) 903 206 067
maintran@kpmg.com.vn



Le Hai Ly

Manager,
Turnaround & Restructuring

M +84 (0) 932 635 118
lyhle@kpmg.com.vn



Duong Ng Dan Phuong

Assistant Manager,
Turnaround & Restructuring

M +84 (0) 588 010 881
phuongduong@kpmg.com.vn

Hanoi

46th Floor, Keangnam Landmark 72,
E6 Pham Hung, Me Tri, Nam Tu Liem,
Hanoi, Vietnam

T +84 (24) 3946 1600

Ho Chi Minh City

10th Floor, Sun Wah Tower,
115 Nguyen Hue, Ben Nghe, District 1,
Ho chi Minh City, Vietnam

T +84 (28) 3821 9266

Da Nang

Unit D3, 5th Floor, Indochina Riverside Towers,
74 Bach Dang, Hai Chau I, Hai Chau,
Da Nang, Vietnam

T +84 (236) 351 9051



Scan to visit our website: [kpmg.com.vn](https://www.kpmg.com.vn)

Email: kpmghcmc@kpmg.com.vn

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG Limited, KPMG Tax and Advisory Limited, KPMG Law Limited, KPMG Services Company Limited, all Vietnamese one member limited liability companies and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Document Classification: KPMG Public