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# Vietnam Enterprise Investments Limited (VEIL)

November 2024



# Agenda

01 Portfolio Restructuring - Enhanced Performance

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02 Trump 2.0 - Potential Impacts

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03 2025 Outlook

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# VEIL

## FUND OBJECTIVES

- ▶ Vietnam's **long-term investment themes**
- ▶ Long-term capital appreciation on **strong conviction**
- ▶ **Risk management**
- ▶ **Balanced and diversified** portfolio, allocated between large and mid-caps
- ▶ The largest **deal/IPO** powerhouse in Vietnam

## KEY FACTS

**AUM:** \$1,910m

**Return:** 10.6% annualised since 2000

**Fee:** 1.5%

**TER:** 1.88% estimate for 2024

Closed-end, Long-only

Listed or Pre-listed equity

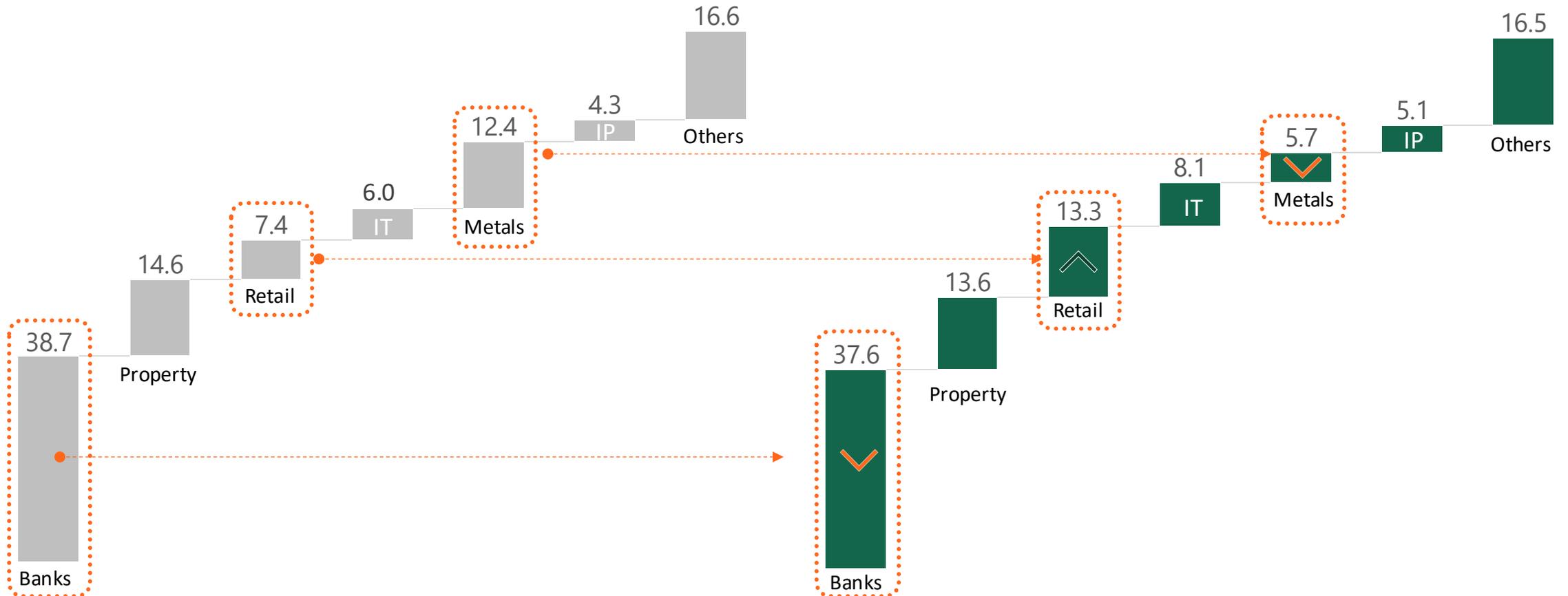
# Assumptions: February 2024 vs Actual

MACRO		CAPITAL MARKET		STRONG CONVICTION	
GPD Growth	Forecast: Strong	Corporate Earnings	Forecast : 16% - 18%	Banks	Weight: 36.5%
	Actual: Strong		Actual: 19%		YTD Return: 19.23%
Credit Growth	Forecast : 15%	Foreign Flows	Forecast : Inflow	Retail	Weight: 13.0%
	On Track: 15%		Actual: -\$3bn		YTD Return: 37.33%
		VN Index	Perform well	IT	Weight: 13.0%
			8.59% \$TR		YTD Return: 57.5%

# What Have we Done?

31 January 2024

30 October 2024



# What Have we Done?

## Restructuring Activities

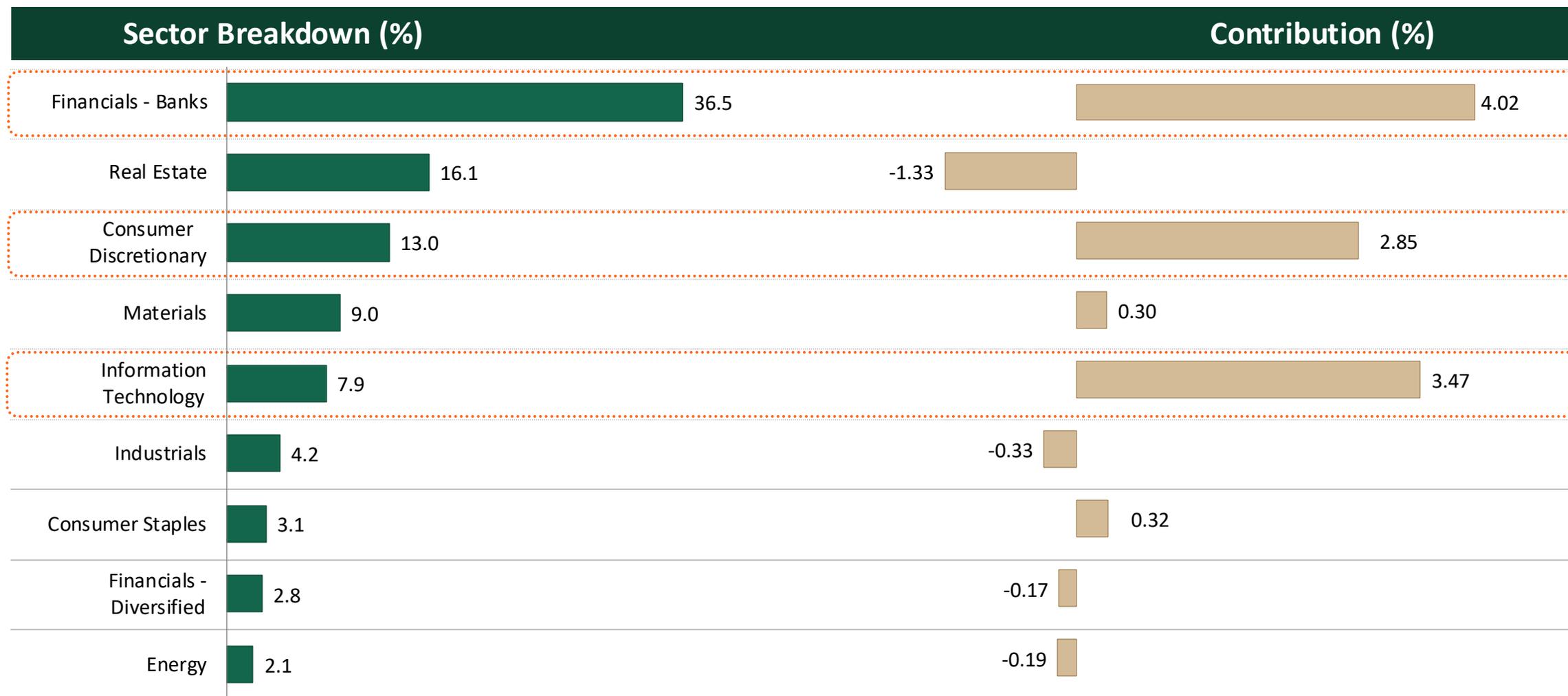


Simple average return for the period from 31 Jan to 30 Oct 2024

## Highlights

- Broad restructuring across the portfolio
- Topped up 17 stocks of which 10 stocks are new additions
- Trimmed 18 high risk stocks, of which 4 were fully divested
- Holdings increased from 37 to 43 as of 30 Oct 2024
- Mid-caps increased from 13 to 17 as of 30 Oct 2024

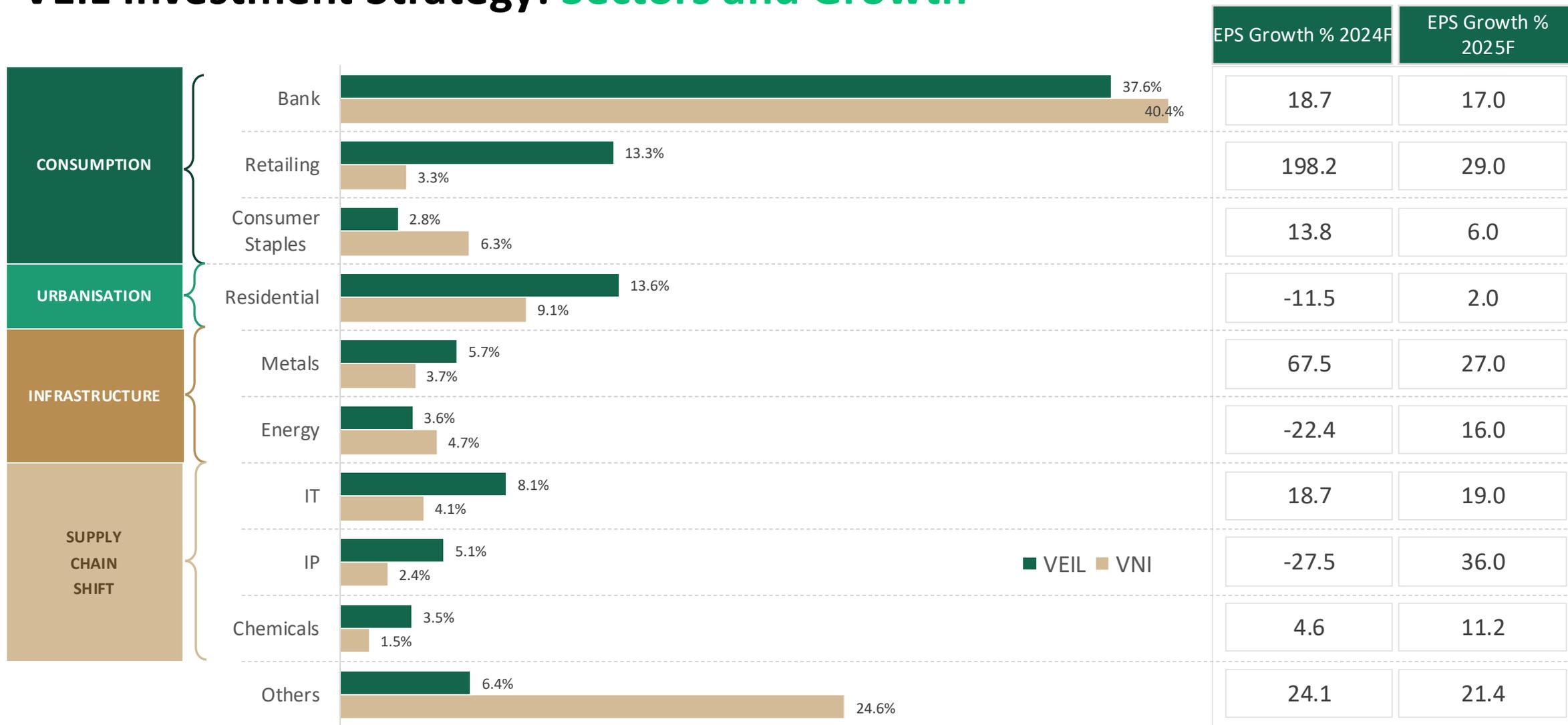
# Performance and Contribution



Source: Bloomberg, DC

Note: sector breakdown (avg % weight)

# VEIL Investment Strategy: Sectors and Growth



# Portfolio Construction: Strategic View

## ► Banking – VEIL (37.6%) vs VNI (40.4%)\*

- Remains the primary capital provider across Vietnam's economic development
- Substantial overweight in Tier-1 Private Banks that can potentially deliver the fastest growth
- **Overweight:** VPBank (VPB, +4.9%), Asia Commercial Bank (ACB, +3.9%), (TCB, +1.8%)

## ► Consumption: Modern Retail – VEIL (13.3%) vs VNI (3.3%)

- Rising middle-class, behavioral shift from traditional market to modern retailing
- Highly fragmented markets means opportunity to become the sector champion
- **Overweight:** Mobile World (MWG, +7.0%), Phu Nhuan Jewelry (PNJ, +1.2%), FPT Retail (FRT, +2.3%)

## ► Property – VEIL (13.6%) vs VNI (9.1%)

- Rising wealth, rapid urbanisation, growing demand for housing with economic growth
- Strategy is to invest in solid developers with good track record, clean landbank and s
- **Overweight:** Khang Dien House (KDH, +2.8%), Dat Xanh Group (DXG, +1.4%), Vinhomes (VHM, +0.3%), Nam Long Group (NLG, +0.6)

## ► Tech / Software Services – VEIL (8.1%) vs VNI (4.1%)

- FPT is a leader in the Tech sector in Vietnam for digital transformation, software service telecom and, most recently, data center.
- **Overweight:** FPT Corp. (FPT, +4.3%)

## ► Infrastructure – VEIL (5.7%) vs VNI (3.7%)

- To meet the fast-growing demand from FDI, manufacturing and urbanisation.
- Vietnamese Government is committed up to \$30bn investment annually in infrastructure.
- **Overweight:** Hoa Phat Group (HPG, +1.9%)

## ► Industrial Park – VEIL (5.1%) vs VNI (2.4%)

- To meet the fast-growing demand from FDI, manufacturing
- Benefit from Trump 2.0
- **Overweight:** Kinh Bac City (KBC, +1.0%), IDICO (IDC, +1.3%), Becamex IDC Corp. (BCM, +1.1%)

\* VEIL's sector NAV % versus the VN Index's sector weight %

# VEIL: Portfolio Matrix

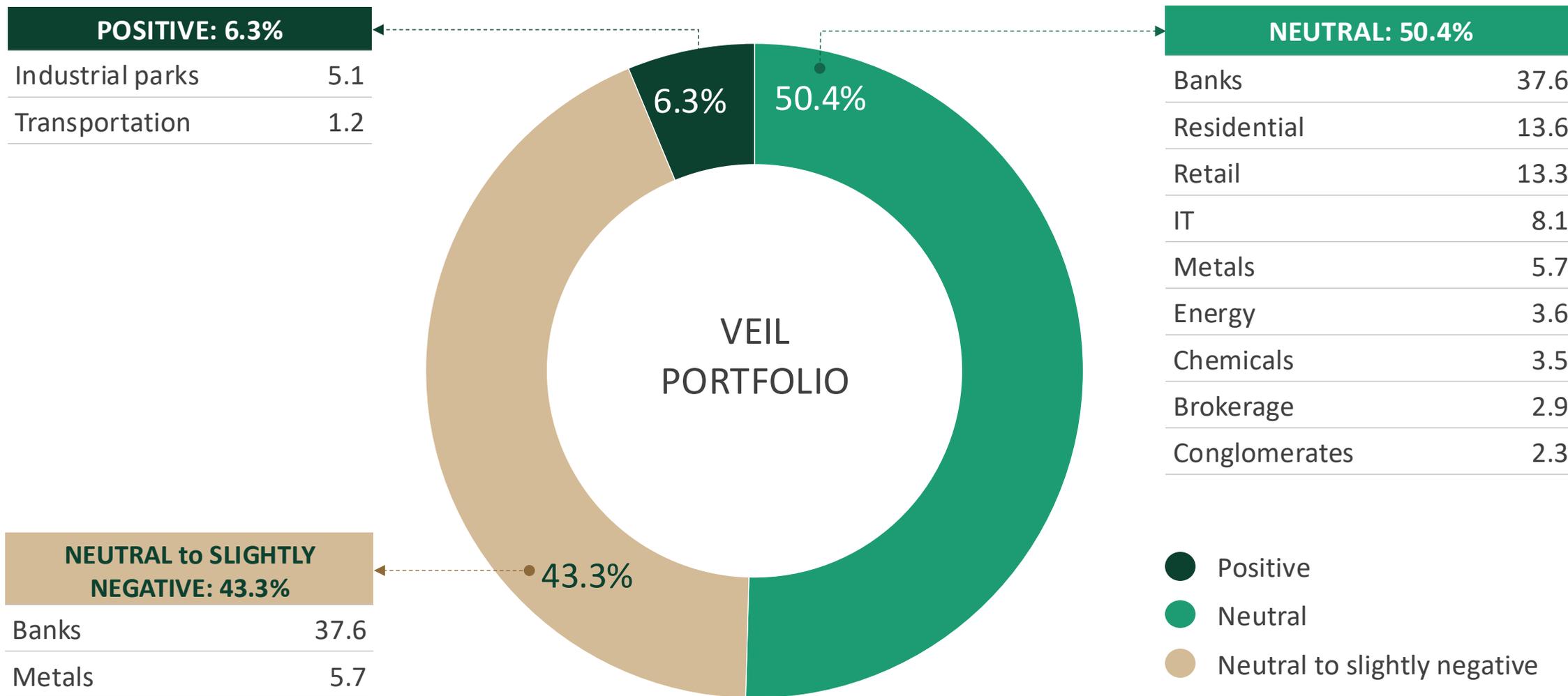
Vietnam Enterprise Investments Limited (VEIL)			Portfolio wt (%)	Weight vs. VN Index	Market Cap. (USD mn)	EPS Growth (%)	PER (x)	PBR (x)	ROE (%)
Company	Sector	2024				2024	2024	2024	
1	Mobile World	Consumer Disc.	8.8	7.0	3.8	35.3	17.5	1.6	11.1
2	FPT Corporation	IT	8.1	4.3	7.9	19.5	23.7	1.2	24.0
3	VP Bank	Financials (Banks)	8.0	4.9	6.3	21.2	9.4	1.1	10.7
4	Vietcombank	Financials (Banks)	7.0	-2.9	20.2	14.3	14.6	2.7	20.4
5	Asia Com. Bank	Financials (Banks)	6.0	3.9	4.4	13.7	5.8	4.6	28.5
6	Hoa Phat Group	Materials	5.3	1.9	6.8	26.0	11.7	2.6	11.6
7	Techcombank	Financials (Banks)	5.1	1.8	6.7	18.9	6.4	1.0	16.3
8	Vinhomes	Real Estate	3.8	0.3	7.1	3.0	6.2	1.1	23.5
9	Vietinbank	Financials (Banks)	3.6	0.0	7.4	25.1	7.2	0.9	18.0
10	Duc Giang Chemicals	Materials	3.5	2.7	1.7	23.0	11.0	2.6	16.7
	Others		40.6			20.9	12.5	1.7	13.9
<b>Vietnam Enterprise Investments Limited</b>			<b>100</b>			<b>25.7</b>	<b>11.2</b>	<b>1.6</b>	<b>19.6</b>
<b>Top 80</b>						<b>23.2</b>	<b>10.5</b>	<b>1.5</b>	<b>15.3</b>

Past performance is not a reliable indicator of current and future results

# Trump 2.0: Impact on Sectors

Sector	Impact	Reasoning
Industrial parks Transportation	Positive	<ul style="list-style-type: none"> <li>- Shipping and logistics gain from global supply chain shifts and potential 60% tariffs on Chinese goods.</li> <li>- Opportunity to attract high-quality FDI from China.</li> </ul>
Utilities	Slightly positive	<ul style="list-style-type: none"> <li>- Sustainable FDI inflows will drive higher demand for electricity and water in the medium term.</li> </ul>
Energy	Neutral	<ul style="list-style-type: none"> <li>- Vietnam may balance its US trade surplus by increasing LNG imports, supporting a low-carbon transition.</li> <li>- Trump's push for the US oil industry could boost supply and lower oil prices.</li> </ul>
IT	Neutral	<ul style="list-style-type: none"> <li>- No tariff on services however entry visa to the US can be curbed, which Indian competitors rely on more heavily than FPT.</li> <li>- Meanwhile, Trump's pro business policies can boost corporate capex and IT spending</li> </ul>
Residential Brokerages Chemicals	Neutral	<ul style="list-style-type: none"> <li>- No impact</li> </ul>
Retailing	Neutral	<ul style="list-style-type: none"> <li>- Domestic consumption remains unaffected by Trump's tariffs.</li> <li>- Retail sales could see double-digit growth, fueled by recent economic recovery.</li> </ul>
Consumer staples – F&B	Neutral	<ul style="list-style-type: none"> <li>- Domestic demand stays unaffected by tariffs.</li> <li>- F&amp;B producers gain from lower input costs but face higher USD pressures.</li> </ul>
Banks	Neutral to slightly Negative	<ul style="list-style-type: none"> <li>- A stronger USD from Trump's policies could limit SBV's monetary easing.</li> <li>- Higher deposit rates may pressure banks' Net Interest Margins</li> </ul>
Metals	Neutral to slightly Negative	<ul style="list-style-type: none"> <li>- Higher taxes on Chinese imports could boost Vietnamese steel competitiveness.</li> <li>- Galvanized steel firms face risks from a U.S. AD probe, with 15-25% revenue reliant on exports.</li> <li>- Vietnam's expected AD measures on HRC and galvanized products may counter Trump-era policies, benefiting local producers like Hoa Phat Group (HPG).</li> </ul>
Export-oriented consumers & apparel	Negative	<ul style="list-style-type: none"> <li>- Export sectors like fishery, textile, wood, and tires face risks due to U.S. reliance but have minimal VN Index earnings impact.</li> <li>- Firms proving non-Chinese input sources could see benefits.</li> </ul>

# Trump 2.0: Impact Mapping to VEIL



# EM Upgrade: Multiples Expansion

3Q 2022



- August 2022: Shortening Settlement Time from T+3 to T+2.5

2024



- Published Pre-funding Decrees and Circulars

Mar 2025



- Pre-funding is Solved
- FTSE to Survey 160 Market Participants

Sep 2025



- FTSE Secondary EM inclusion



Total AUM in \$bn (Passive + Active)

	600	700	800	900	1,000
0.20%	1.2	1.4	1.6	1.8	2.0
0.22%	1.3	1.5	1.8	2.0	2.2
0.24%	1.4	1.7	1.9	2.2	2.4
0.26%	1.6	1.8	2.1	2.3	2.6
0.28%	1.7	2.0	2.2	2.5	2.8
0.30%	1.8	2.1	2.4	2.7	3.0

Vietnam's Expected Weight (%)

# Vietnam's IPO Waves: Anticipating the Next Surge

IPO pipeline totalling \$47.5bn in the next 3 years



HSX LISTING FROM UPCOM

**CONSUMER**

**\$12.8bn**

THACO AUTO

GOLDEN GATE

Bách hóa XANH

HIGHLANDS COFFEE

**FINANCIAL SERVICES**

**\$5bn**

TCBS

VPS SECURITIES

**HOSPITALITY**

**\$2bn**

VINPEARL

**ENTERTAINMENT**

**\$0.8bn**

DatVietVAC

GalaxyMedia

**HEALTHCARE**

**\$1.9bn**

NHÀ THUỐC LONG CHÂU

XUYẾN Á

**TECH & IT SERVICES**

**\$4.7bn**

viettel IDC

UNG

MISA

VNLIFE

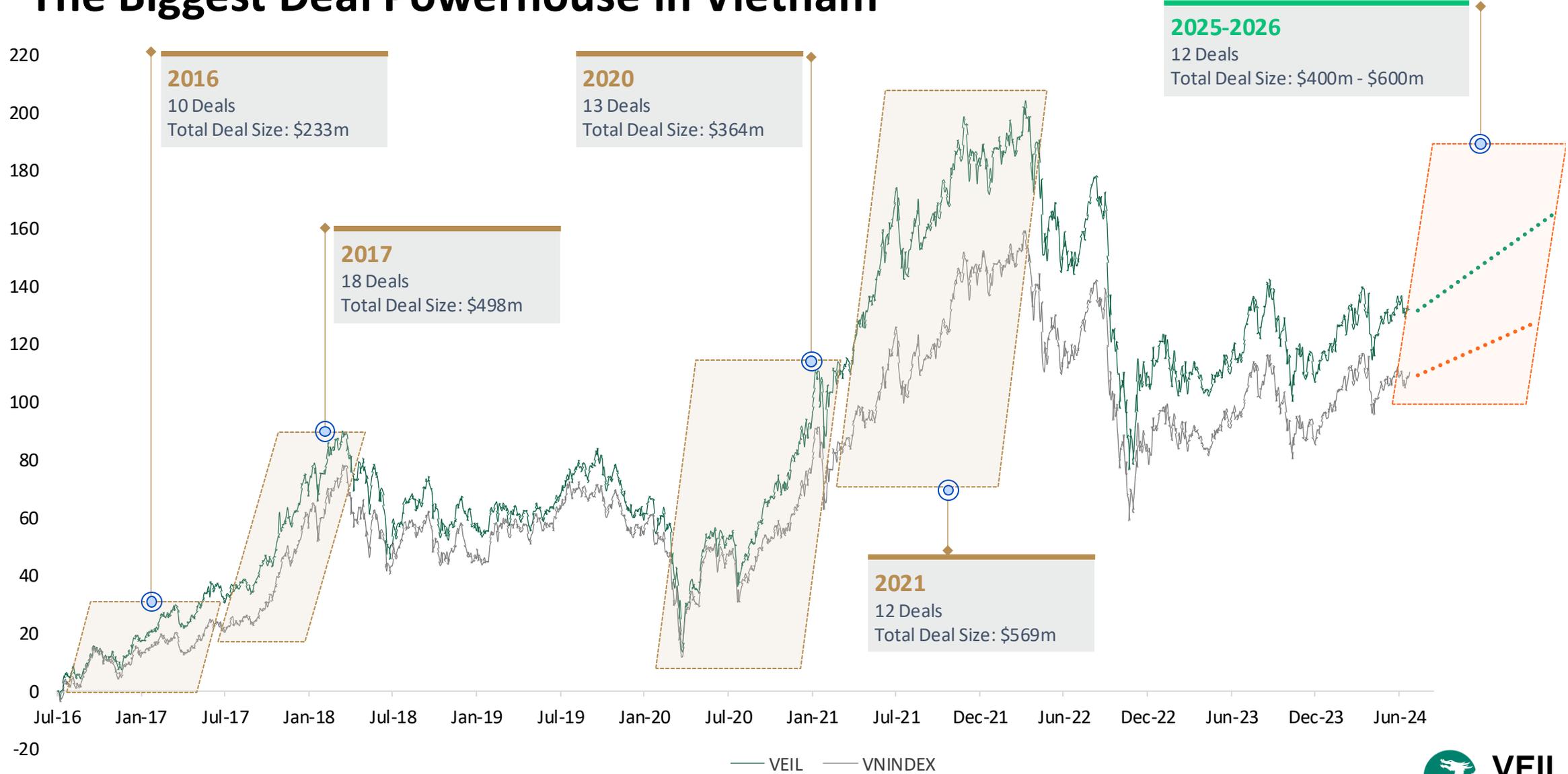
**\$20.3bn**

PETROVIETNAM BSR

ACV

MASAN CONSUMER

# The Biggest Deal Powerhouse in Vietnam



# Trump 2.0

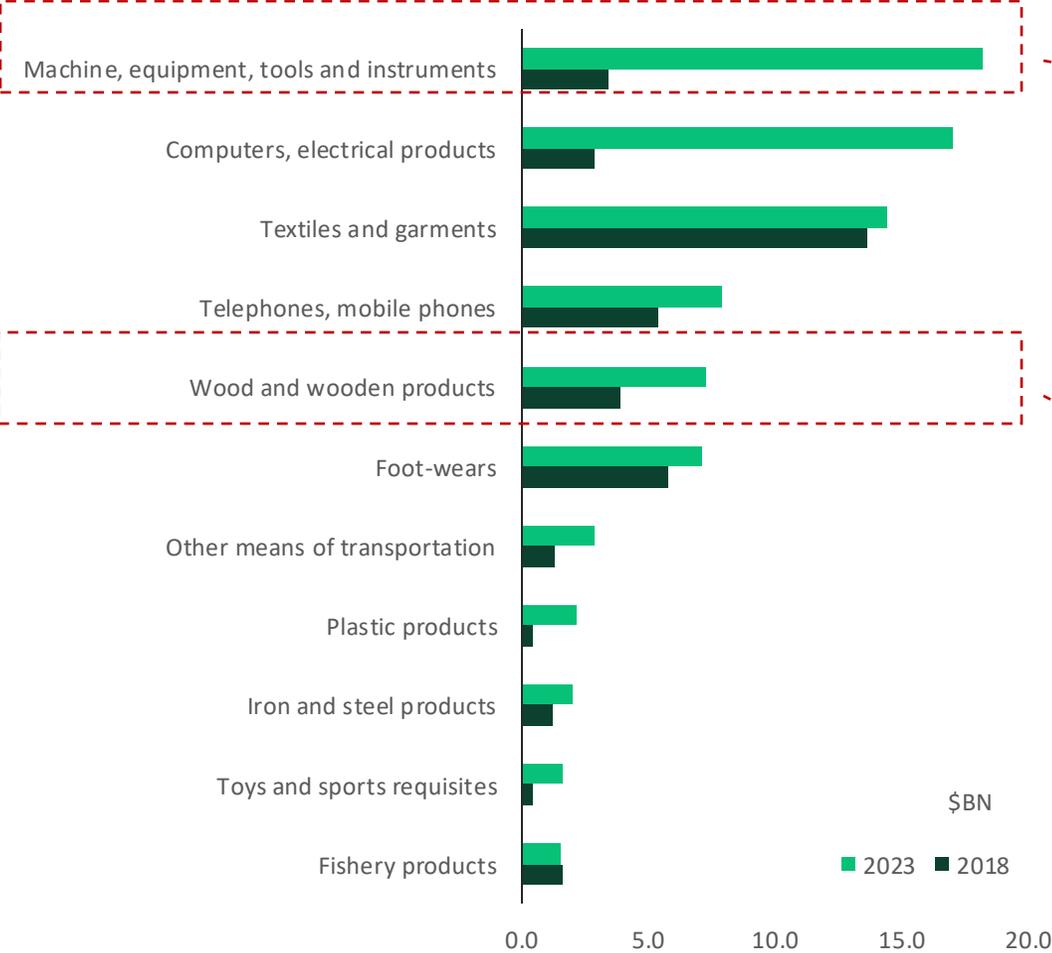
## Potential Impacts

# Trump's Policy Implications

Policy	Expected Actions	Impact
Trade Policy	<ul style="list-style-type: none"> <li>• The Trump Reciprocal Trade Act would enable US to enact reciprocal tariffs on imports.</li> <li>• Tariffs of at least 60% on Chinese products.</li> <li>• 10-20% broad-based tariffs on all other exporters.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>“Broad-based tariffs unlikely”</b> – negotiate selected countries/products</li> <li>• CNY Depreciation</li> <li>• Chinese goods increase to ROW</li> </ul>
Fiscal Policy	<ul style="list-style-type: none"> <li>• Tax cuts to support individual income and domestic manufacturers.</li> <li>• Increased spending in strategic areas.</li> <li>• A possible increase national debt over 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger economy</li> <li>• Uncertain inflation</li> <li>• Higher bond yields</li> <li>• Stronger dollar</li> </ul>
Monetary Policy	<ul style="list-style-type: none"> <li>• Fed’s inflation and rate targets could be higher.</li> <li>• May reduce number of rate cuts in 2025.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Less Room to Ease</b></li> </ul>

# Exports to the US: Associated Risks

Top Exports to the US - 2023 vs 2018



Products Facing Illegal Transshipment Investigation or Tariffs



Solar panels  
\$4.4bn



Washing machines  
\$440mn



Wooden products  
\$5.3bn

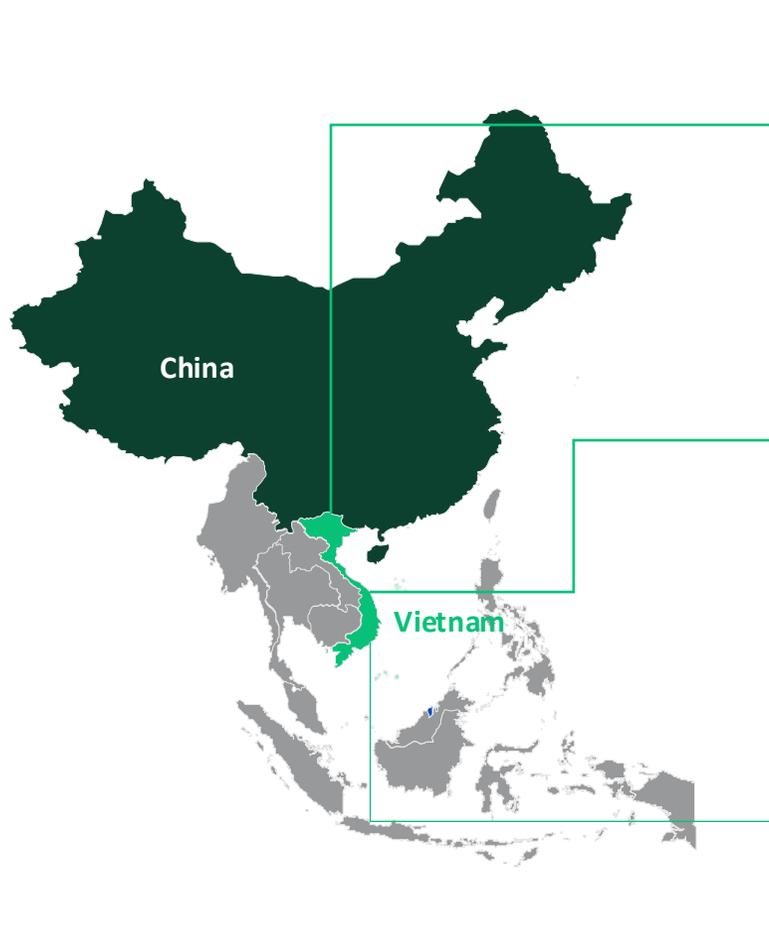


Electric bikes  
\$50.8mn

Source: Customs Department, GSO, MOIT

# Domestic Impact: Consumption and Exports

## Chinese E-commerce Giants Target Vietnam



Allow users to shop and make payment in Vietnamese from late September 2024.



Provides shipment to Vietnamese addresses from August 2024.



Has Vietnamese language options

## Higher Competition for Vietnamese Businesses



**Overcapacity in China**

**Chinese cheap goods** flood Vietnam and other SEA countries.



**Opportunity for imports**

Manufacturers can import cheap Chinese goods.



**Heightened competition**

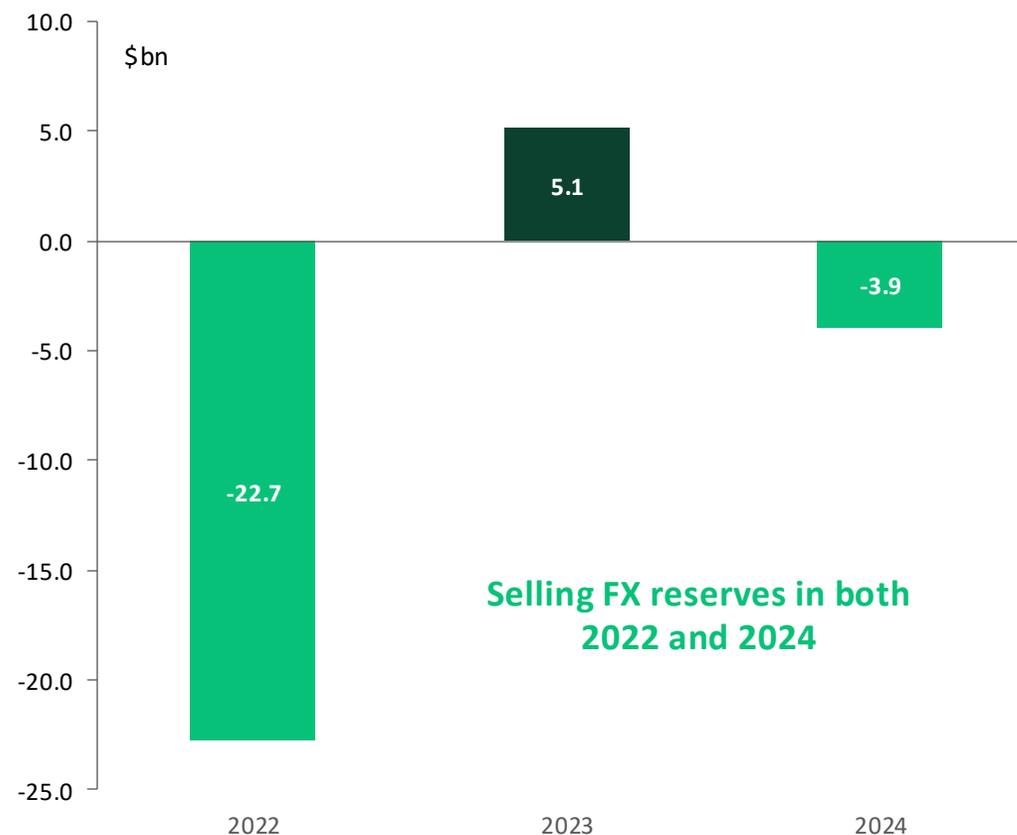
Vietnamese exporters have to compete in **both domestic and regional markets.**

# Currency Manipulator Label: **Low Risk**

## Vietnam Violates 2/3 Criteria

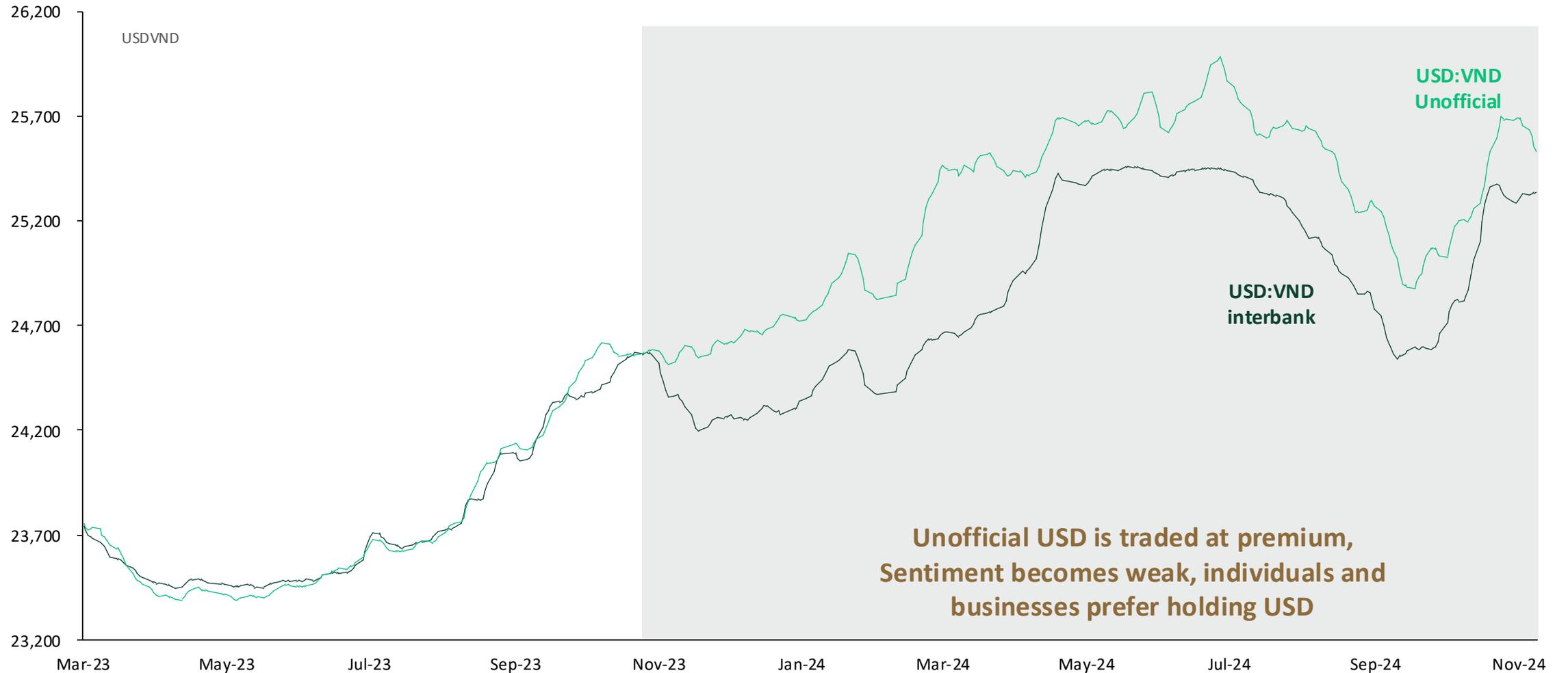
Criteria	Section 701 of the 2015 Act	Vietnam's situation
Significant trade surplus with the US	Bilateral goods & services surplus of at least <b>\$15bn</b>	<b>\$103bn</b>
Material current account surplus	Current account surpluses of at least <b>3% of GDP</b>	<b>5.8% of GDP</b>
Persistent, one-sided intervention	<ul style="list-style-type: none"> <li>At least <b>8 out of 12 mths.</b></li> <li>Totalling at least <b>2% of GDP.</b></li> </ul>	Trying to support <b>VND</b>

## Vietnam is Trying to Support the VND



Source: US Treasury Department

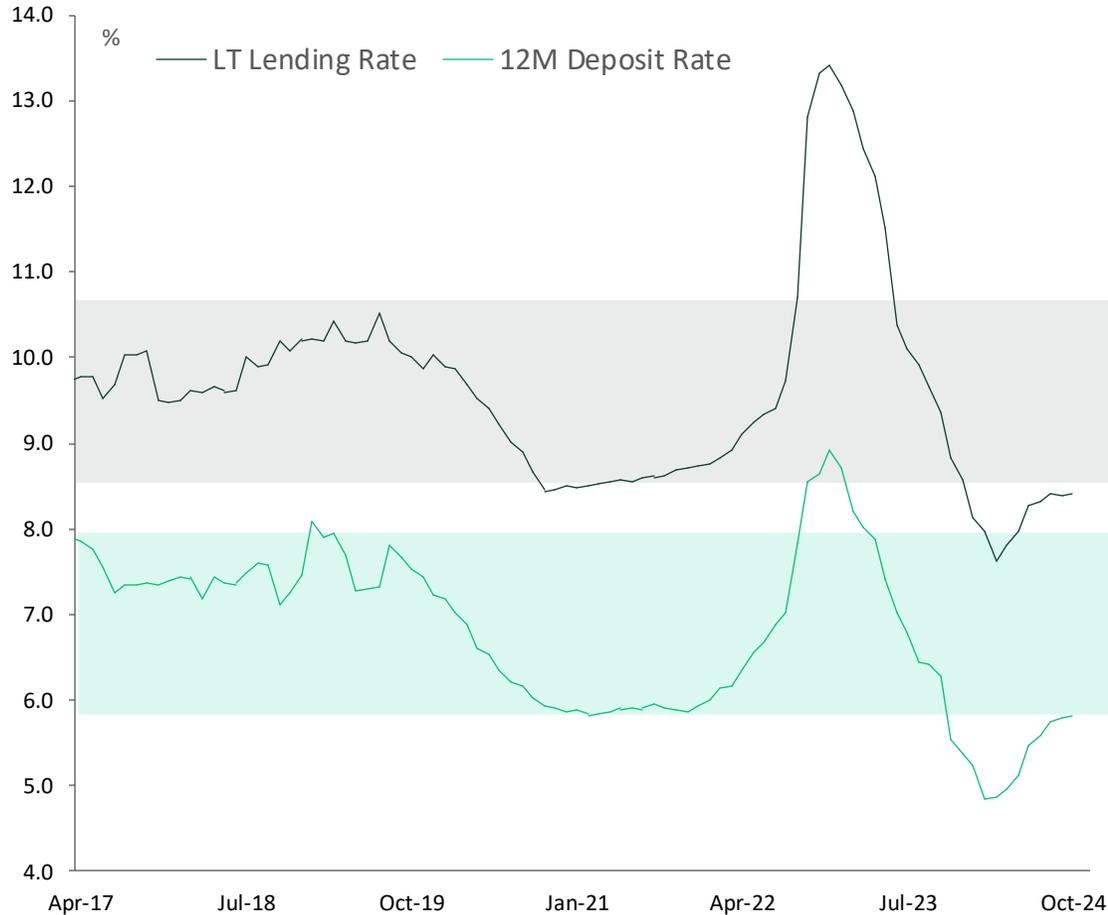
# FX Expectations: Highly Volatile



Source: Dragon Capital's estimation, Bloomberg, Reuters

# Monetary Easing: Limited Room

Rates Remain Lower Than pre-Covid levels



Source: Bloomberg, Dragon Capital

- Inflation not a concern and can be managed.
- Monetary Policy: Exchange rate is the focus.
- Very challenging for the State Bank of Vietnam to reduce interest rates

# Conclusion

- Potential **selective tariffs** targetting **transshipment** from China
- Vietnam's Monetary Policy: **Exchange rate remains the focus**
- **FX is expected to be highly volatile**, making it challenging for the State Bank of Vietnam to reduce interest rates

# 2025 OUTLOOK



# Recovery in Numbers

	10M24 Results	Comment
<b>GDP Growth</b>	<b>7.4%</b>	FY Government Target Revised up to 6.5-7.0%
<b>FDI (Registered)</b>	<b>\$27.3bn</b>	+6.0% YoY
<b>FDI (Disbursed)</b>	<b>\$19.6bn</b>	+8.9% YoY
<b>Trade Turnover</b>	<b>\$369.6bn</b>	Exports (+14.7%), Imports (+16.5%)
<b>PMI (Oct)</b>	<b>51.2</b>	New orders and external demand returning
<b>Tourism Arrivals</b>	<b>14.1mn</b>	+41.3% YoY, 97.5% of pre-Covid level
<b>Credit Growth</b>	<b>10.1%</b>	+16.6%, the highest Since October 2022

Source: Bloomberg, GSO, reported corporate results

\*Top-80 universe of stocks under our coverage

# Long Term Socio-Economic Targets on Track

TIME PERIOD	TARGETS		ACTUAL
2016 - 2020	Average annual GDP growth rate:	6.5 - 7.0%	2016 - 2019: 6.8% (2020: 2.9% - Covid)
	GDP per capita:	\$3,200 - 3,500	2020: \$3,586
	Urbanisation rate:	38- 40%	2020: 37%
	Value of Industrial & Services / GDP:	85%	2020: 85%
2021 - 2025	Average annual GDP growth rate:	6.5 - 7.0%	2021 - 2023: 5.2%
	GDP per capita:	\$4,700 - 5,000	2023: \$4,324
	Urbanisation rate:	45%	2023: 42%
	Value of Manufacturing / GDP:	25%	2023: 24%
	Digital economy / GDP:	20%	2023-2024: 16.5%
2026 - 2030	Average annual GDP growth rate:	7.5 – 8.5%	
	GDP per capita:	\$7,400 - 7,600	
	Value of Manufacturing / GDP:	28-30%	
	Digital economy / GDP:	25-30%	

Source: Government of Vietnam, GSO, CEIC, WB

# Infrastructure: North-South High-Speed Rail



## OVERVIEW



**Length:**  
**1,545 km**



**Construction time:**  
**2027-2035**



**Hanoi to HCMC:**  
**~5 hours 26 minutes**



**Estimated annual GDP contribution:**  
**~1.0%**



**Speed**  
**350km/h**



**Total investment:**  
**~\$69bn**

Source: MoT

# Macro Forecasts

Item	Unit	2023E	2024F	2025F Protectionism	2025F Extreme
GDP	\$bn	430.0	465.6	502.1	497.4
▶ Growth	%	5.1	6.8	6.8	5.6
Exports	\$bn	355.5	390.3	436.0	382.8
▶ Growth	%	-4.4	9.8	11.7	-1.0
Import	\$bn	327.5	360.9	405.8	349.2
▶ Growth	%	-9.2	10.2	12.4	-3.2
Trade Balance	\$bn	28.0	29.3	30.2	33.6
Disbursed FDI	\$bn	23.2	24.2	26.0	22.0
Inflation	%	3.3	4.0	4.0	4.0
FX Reserves	\$bn	89.0	86.0	90.0	82.0
VND	\$1	24,250	25,000	25,875	26,250
▶ Change	%	3.0%	3.1%	3.5%	5.0%

Source: DC, IMF, Bloomberg, GSO

# Market Forecasts And Valuations

31-Oct-2024	unit	2023	2024F	2025F (protectionism)	2025F (extreme)
Revenue Growth	%	1.2	12.5	11.4	9.1
EPS Growth	%	-4.8	17.1	16.9	7.0
PER	x	11.5	11.8	10.1	11.0
PBR	x	1.5	1.6	1.5	1.5
ROE	%	14.2	14.8	15.4	14.1
Net DER	x	0.3	0.2	0.2	0.2
Yield	%	2.2	1.4	1.5	1.6
VN Index Return	%	12.2	11.9	-	

<sup>1</sup>Top 80 investible stocks across the three exchanges, accounting for 69% of market cap, and its VNI stocks are 82% of that benchmark. All forecasts, valuations and aggregate numbers are adjusted for free float.

# Conclusion

- **Long-Term Economic Outlook:** Remains favourable, driven by a pro-growth leadership that offers more opportunities than risks
- **Short and Medium-Term:** Trump's new policies could heighten Vietnam's equity market volatility
- **Stronger USD Risks:** Possible foreign outflow in emerging markets leading to equity market underperformance compared to earnings growth as investors favour US equities.
- **Valuation:** Our Top-80 universe of stocks remains at 11.6x based on projected 2024 earnings, below its five-year historical average of 13.9x, indicating limited downside potential.

# APPENDIX

05

# In-depth: FPT Corporation – Top IT Service Company



## Investment Rationale

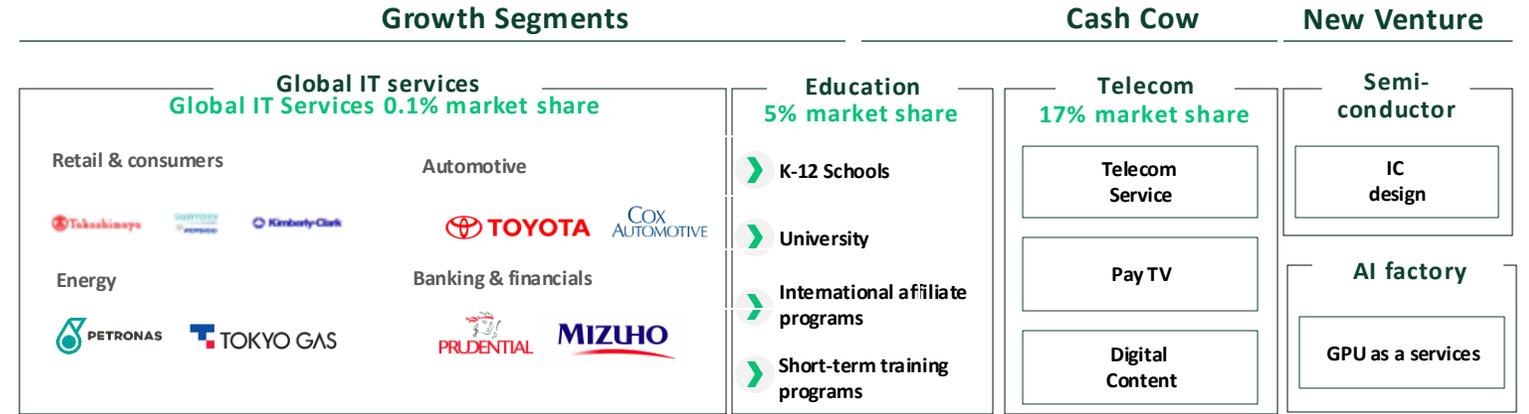
8.1% off VEIL compared with 3.9% of the Vietnam Index

- ▶ Vietnam’s leading tech/telco group with expected 20% earnings CAGR in next three years
- ▶ Global IT Services (Fsoft) is winning more contracts from Fortune 500 companies and become more reputable. Engineers cost 20%-50% less than India and China
- ▶ Education benefits from private education demand, especially IT, and is enhanced by FPT’s sound reputation although faces short term economic slow down.
- ▶ New long-term ventures in AI factory and semiconductors is riding on Vietnam’s rising geopolitical position and tech capabilities

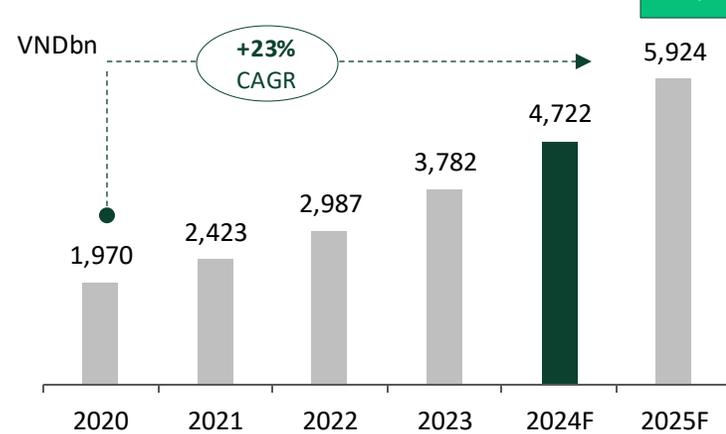
## Financial Summary

	2023	2024F	2025F
Sales growth (%)	19.6	15.7	14.5
EPS growth (%)	21.8	19.6	19.5
PER (x)	20.6	28.4	23.8
PBR (x)	4.9	6.7	5.8
ROE (%)	28.1	28.2	28.7

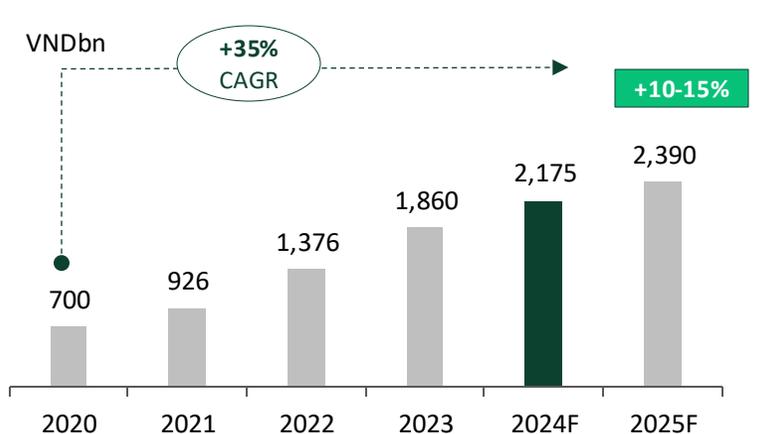
## Comprehensive Ecosystem



## Fsoft Strong Earnings Growth



## Education Business promising



# In-depth: Mobile World – Diversified Retailer



## Investment Rationale

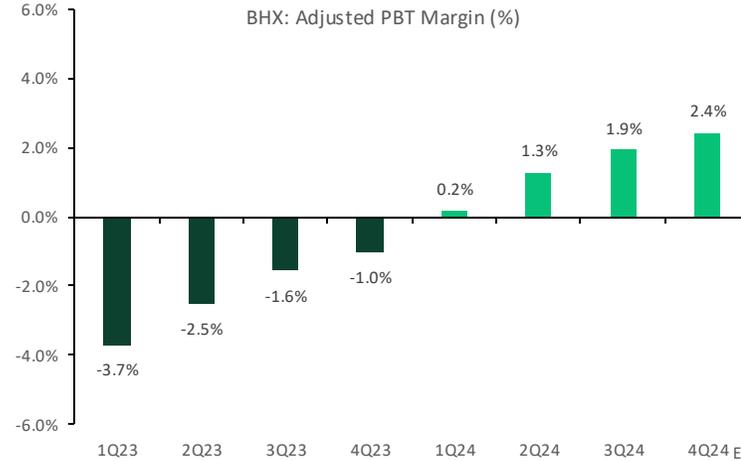
8.8% of VEIL compared with 1.9% of the VNI

- ▶ Best-in-class management leading the retail transformation of Vietnam: CE/ICT, grocery, pharma
- ▶ Grocery chain reached profitability on the back of strong traffic and industry-leading operations
- ▶ Perfection of the Grocery format allows MWG to return to scaling BHX, with stores opening starting to ramp up again
- ▶ NPATMI to increase strongly from the bottom as ICT/CE segment recovers along with BHX's increasing profitability

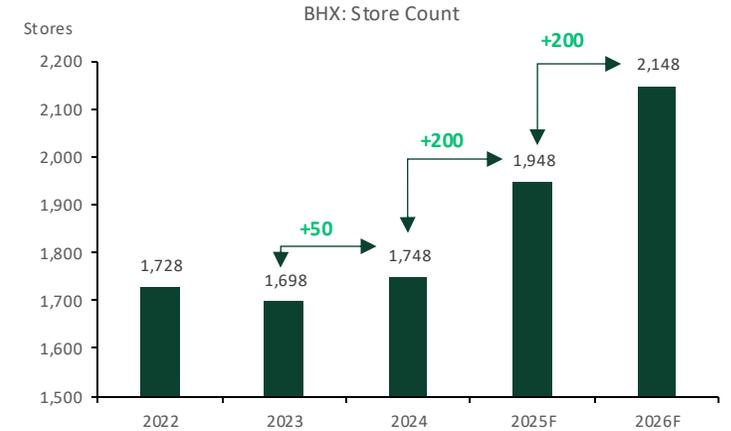
## BHX: Becoming the largest player

2023	BHX	WCM	Co-op
Sales (VNDbn)	31,687	30,054	30,000
YoY Growth (%)	17.1	2.4	-2.8
YE Stores	1,698	3,633	n.a
Sales/Store/Mo. (VNDbn)	1.54	0.70	n.a
EBITDA Margin (%)	1.6	2.3	n.a

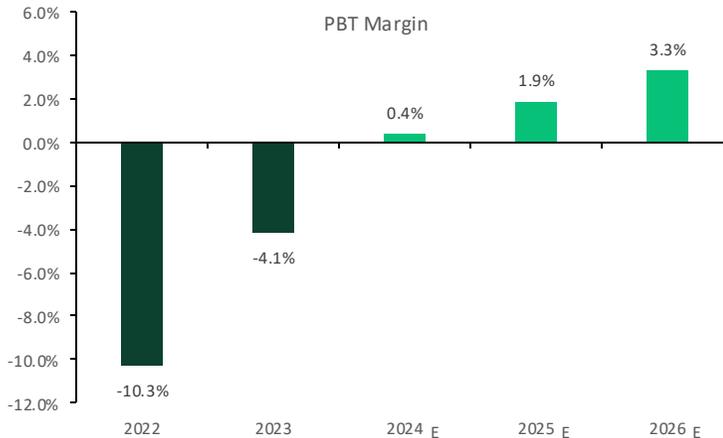
## BHX: Building up on profitability momentum



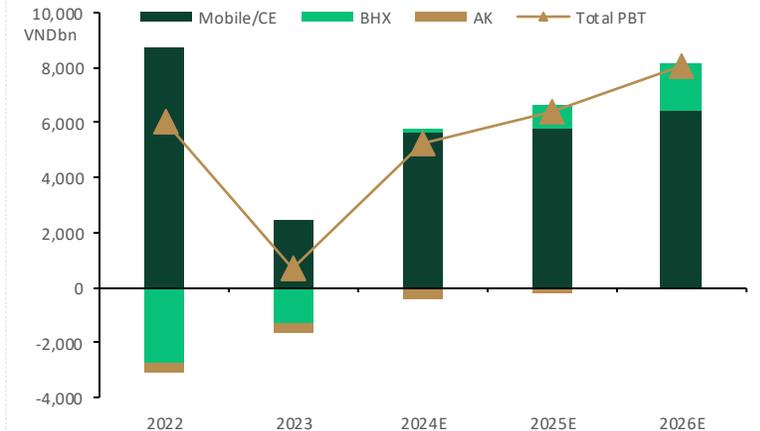
## Store expansion to restart



## BHX: driving improvement in profitability



## Consolidated PBT to strongly recover



# In-depth: FPT Retail – Most exciting retail growth story



## Investment Rationale

2.7% of VEIL compared with 0.5% of VNI

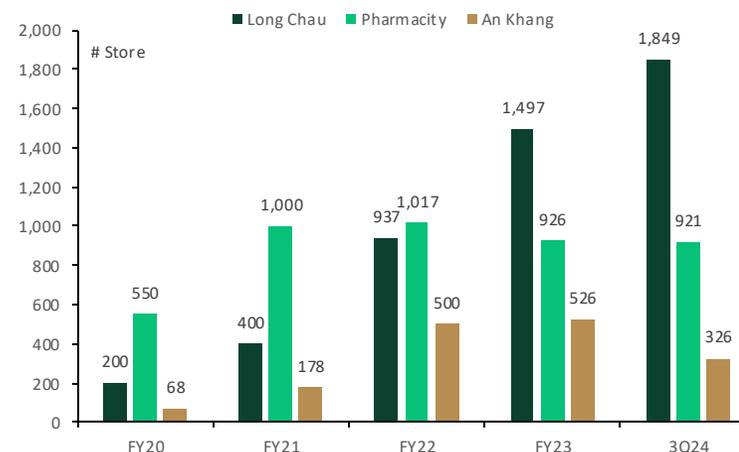
- ▶ No. 1 pharmacy chain (Long Chau) in a \$7bn market with over 1,700 stores and 70% market share in the modern retail segment
- ▶ Aggressive expansion has come expanding profitability, while the competitors operate at a steep loss
- ▶ Transforming into a healthcare platform with 100 vaccination centers in 2024 and a plan to expand into diagnosis and clinics
- ▶ Earnings upside from the healthcare platform and the recovery of traditional ICT business (FPT Shop) can be vastly higher than market expectation

## Financial Summary

	2023	2024F	2025F
Sales growth	+6%	+24%	+17%
EPS growth	n.m	n.m	+118%
PER (x)	n.m	65.2	29.9
PBR (x)	9.1	11.6	8.4
ROE	-19.2%	19.6%	32.6%

Source: Company Data, Bloomberg, Dragon Capital estimates

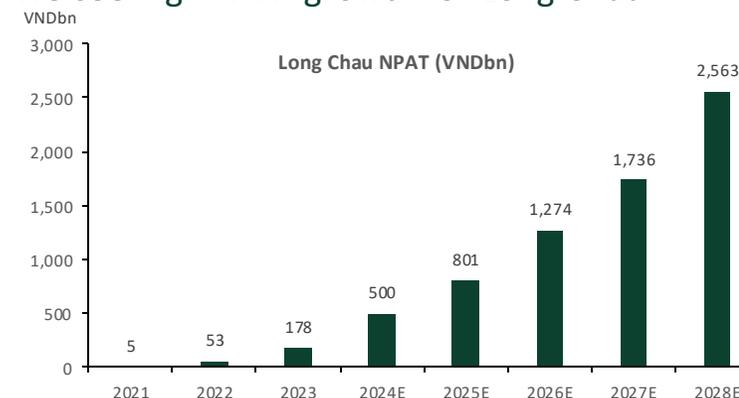
## Clear winner of the pharmacy market



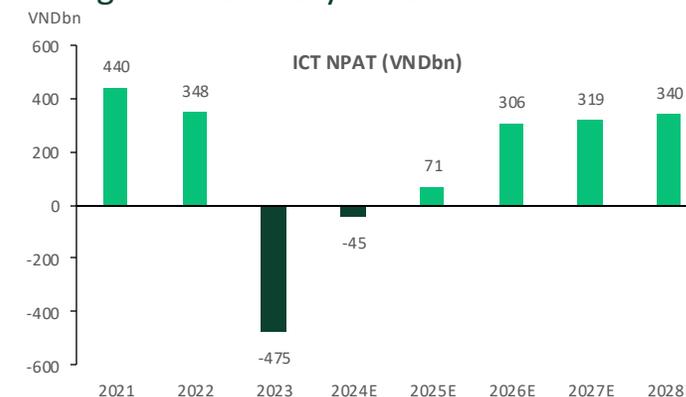
## Vaccination as next growth driver

DC Estimates (VNDbn)	Now	Future
Vaccine Penetration	4%	15%
Market Size	10,000	60,000
Long Chau Share	0%	20%
<b>Potential Revenue</b>		<b>12,000</b>
<b>Net Margin</b>		<b>15%</b>
<b>Potential NPAT</b>		<b>1,800</b>

## We see high NPAT growth for Long Chau



## Along with recovery in ICT NPAT



# In-depth: VPBank – Vietnam’s bank for the majority



## Investment Rationale

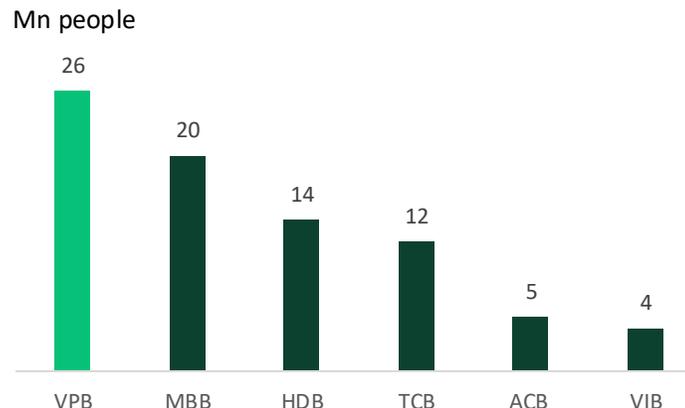
### 8.0% of VEIL compared with 3.1% of the VNI

- ▶ VPB, the bank that serves the masses, has captured the largest customer base in Vietnam.
- ▶ This is attributed to VPB’s dominant position in the consumer finance market.
- ▶ With the inevitable middle-class formation, VPB stands out as the obvious beneficiary
- ▶ Facing significant asset quality challenges in 2023, the situation is rapidly improving. Strong earnings recovery is anticipated for 2024.
- ▶ VPB is trading at attractive valuation level, P/B ratio of 1.0x for 2024.

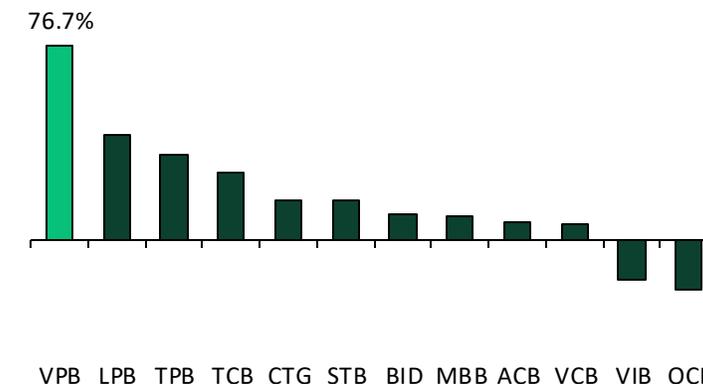
## Financial Summary

	2022	2023	2024F
TOI (%)	30.5	-13.9	19.9
EPS growth (%)	54.0	-53.6	52.6
PER (x)	6.3	15.3	9.9
PBR (x)	1.2	1.1	1.0
ROE	20.7	8.6	10.9

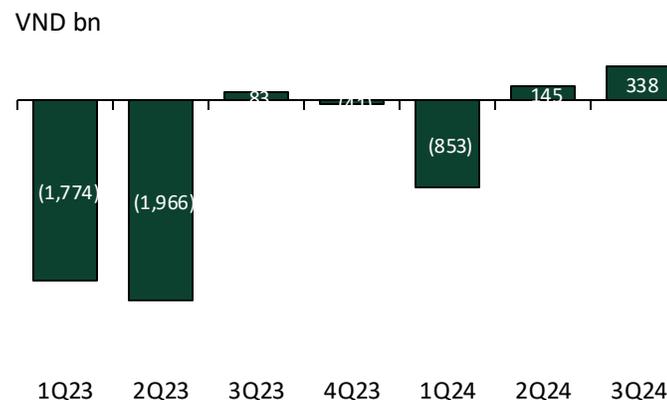
## Leading customer base



## Strongest earnings growth in 2024



## FEC: Consumer lending segment recovering



## Reasonable valuation: P/B under 5Y level



# In-depth: Industrial Real Estate Sector



## Investment Rationale

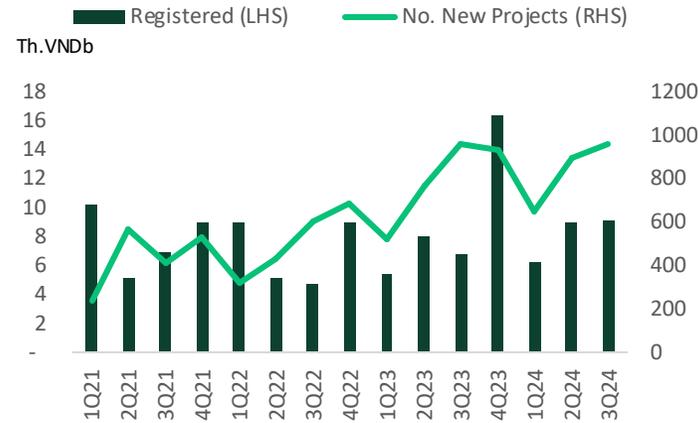
2.5% of VEIL compared with 1.3% of the Vietnam Index

- ▶ Benefit from global manufacturing re-location during President Trump regime.
- ▶ Limited land supply along with stable ASP growth
- ▶ Stable earning growth with attractive dividend yield up to 8%
- ▶ Bargaining valuation with 15-35% discount on RNAV

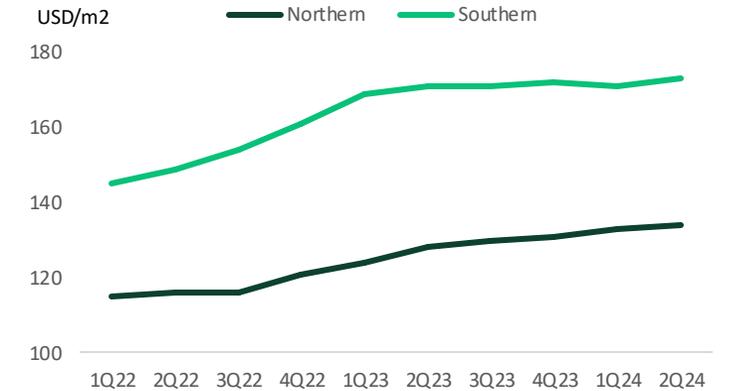
## Sector Financial Summary

	2023	2024F	2025F
Sales growth (%)	16.0	5.3	8.9
EPS growth (%)	6.0	-10.7	17.3
PER (x)	17.1	20.9	17.8
PBR (x)	2.2	2.5	2.5
ROE (%)	13.3	12.7	14.1

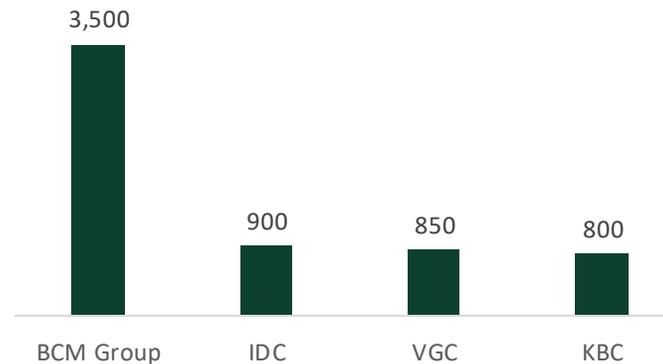
## Benefit from strong FDI inflow



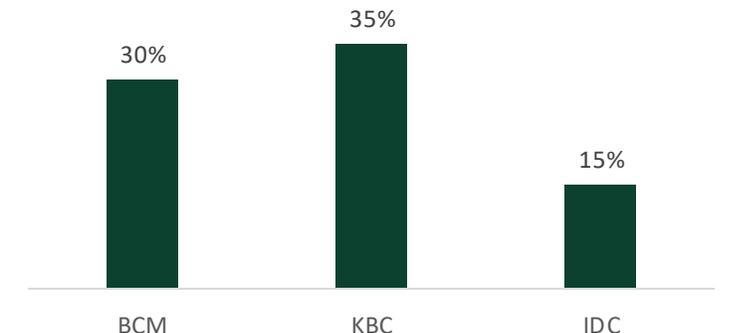
## Stable ASP growth with strong absorption rate



## Landbank comparison (ha)



## Trading at discount to RNAV



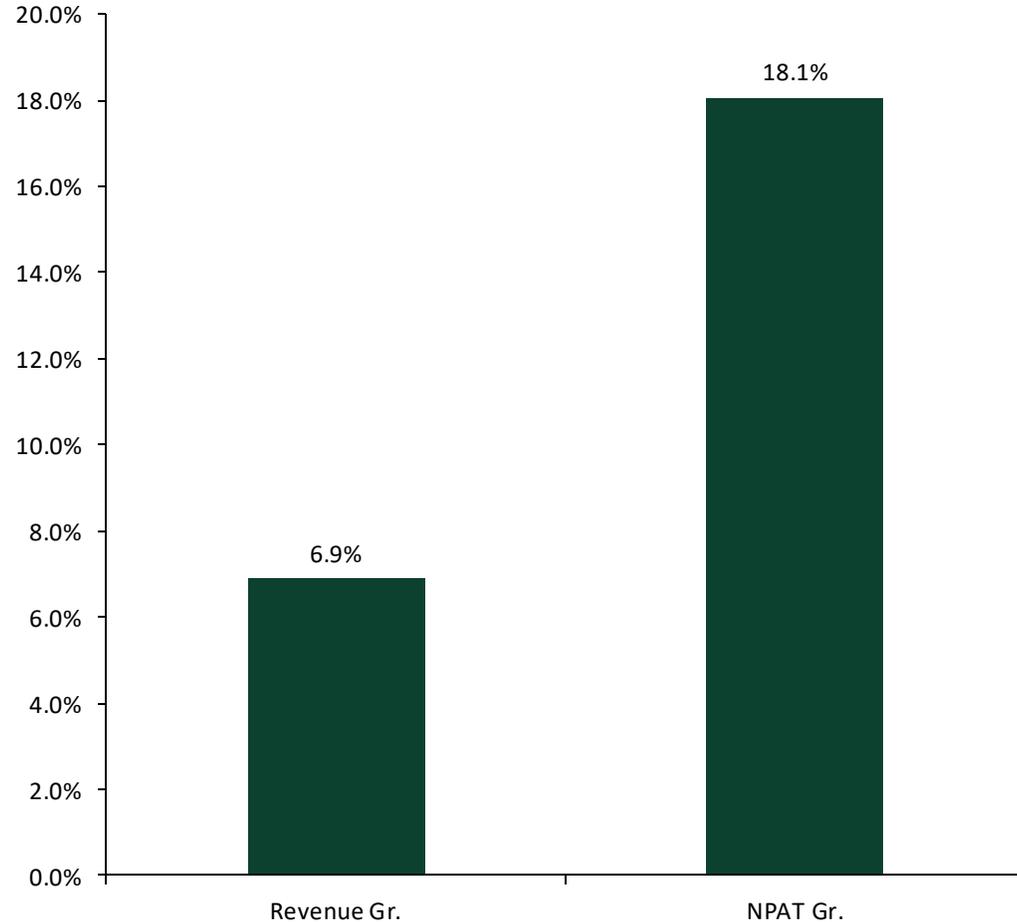
# Domestic Economy

05

# Strong Earnings Performance in 9M24

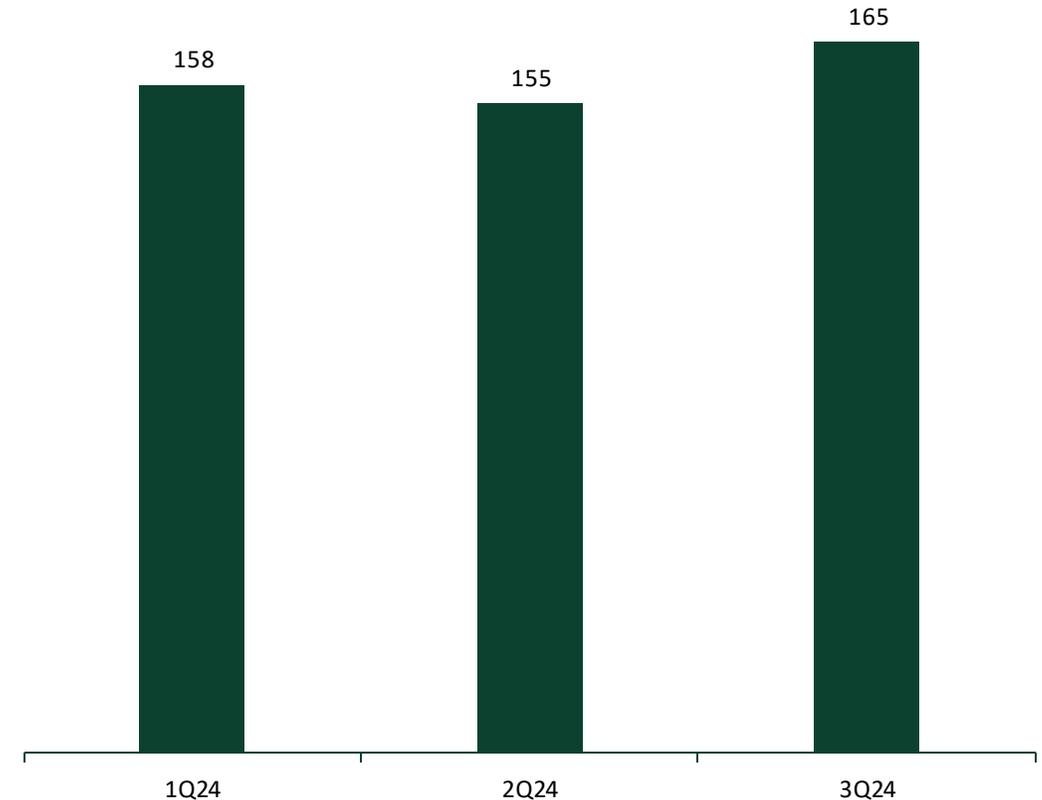
VNI Achieves 18.1% Net Profit Growth in 9M24

VNIndex 9M24 Financials



Importantly, Growth Spreads Across The Board

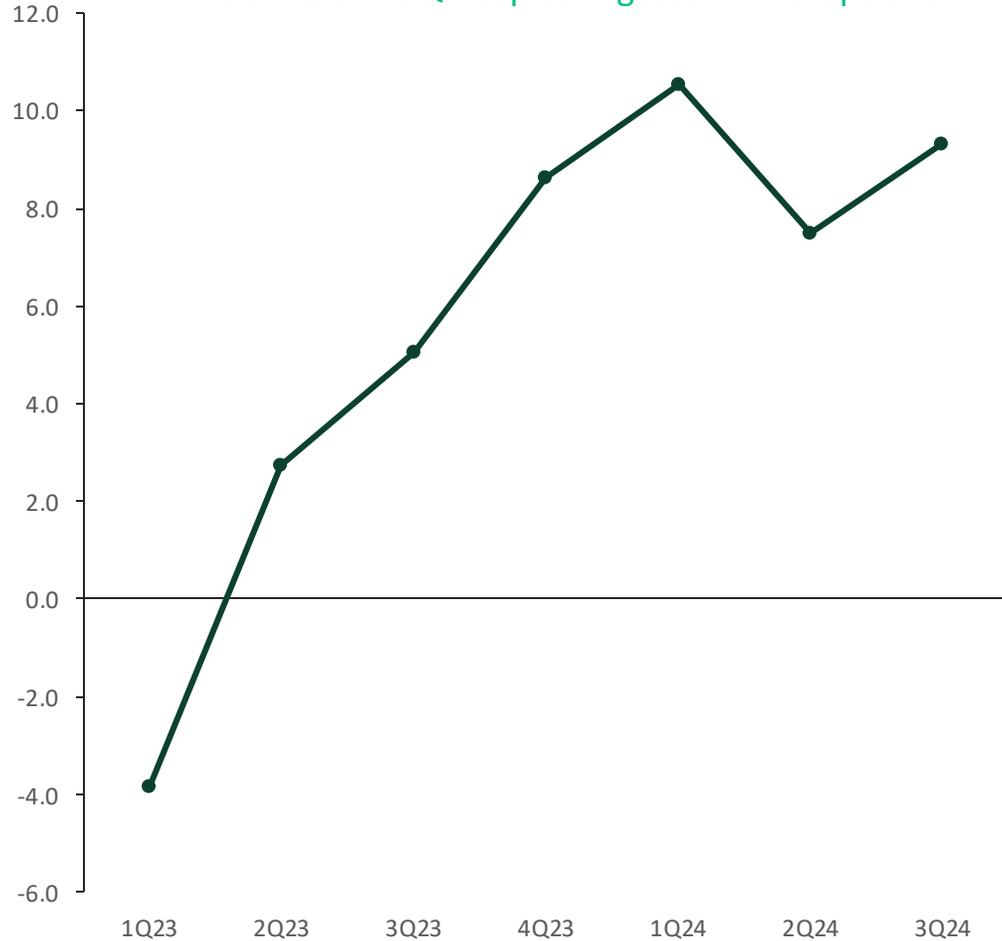
165 companies records >20% YoY growth in 3Q, equivalent to 42% of companies on VN Index



Source: HSX, Dragon Capital calculation

# Manufacturing: Consistent Recovery Strength

Power Consumption Growth (% YoY)  
Accelerated in 3Q Despite Yagi Storm Disruptions



Container Throughput Growth (% YoY)  
Robust Export Activity Reflected in Double-Digit Growth

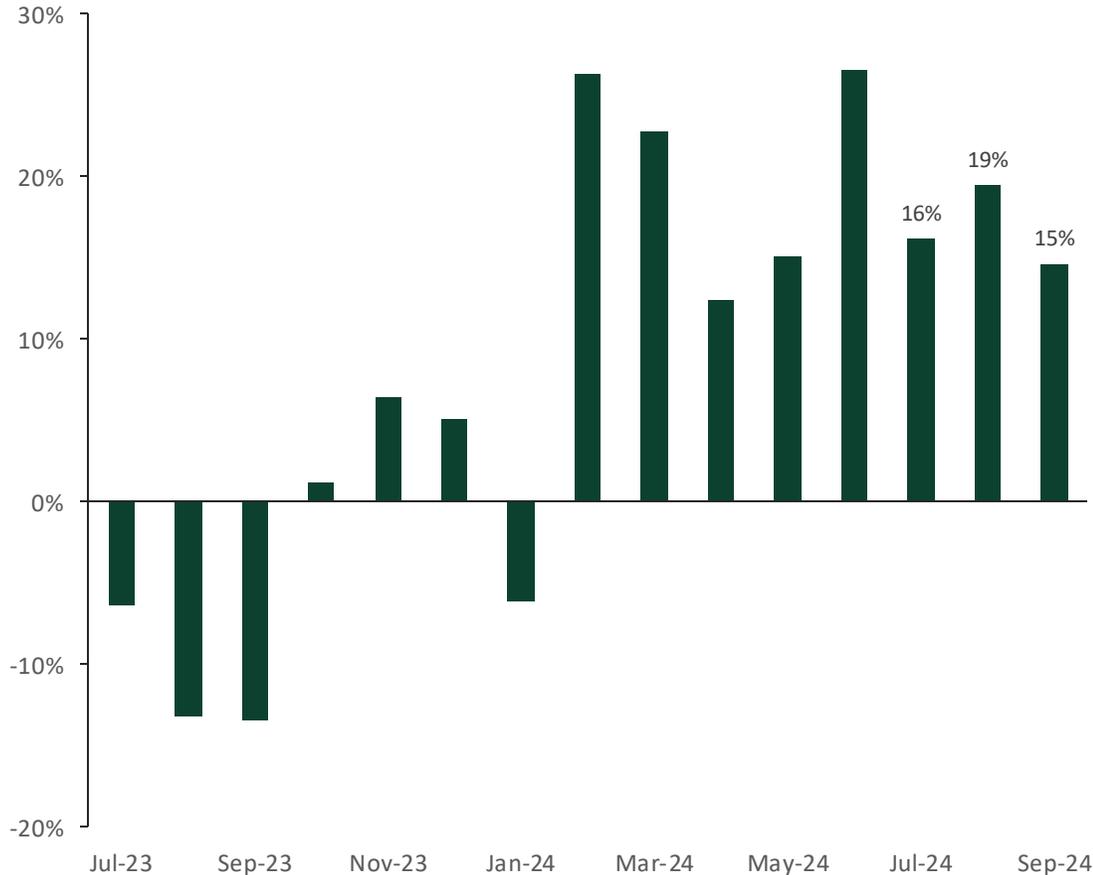


Source: GSO, Vietnam Maritime Administration

# Consumption: Gradual Recovery but Lacks Breakthrough

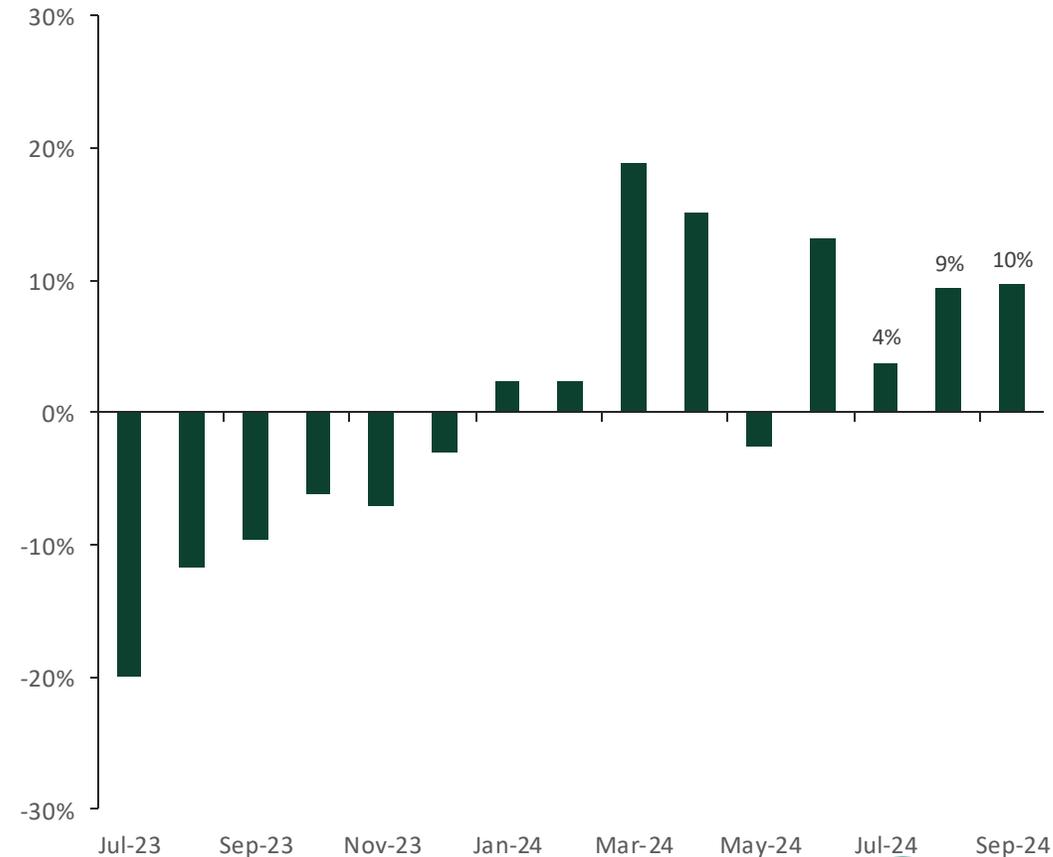
Jewelry Retailing Grows ~15% in 9M24,  
Boostered by Rising Gold Prices

Jewelry Retail Sales Growth (YoY)



More Subtle Recovery in CE Spending  
Due to High Price Sensitivity

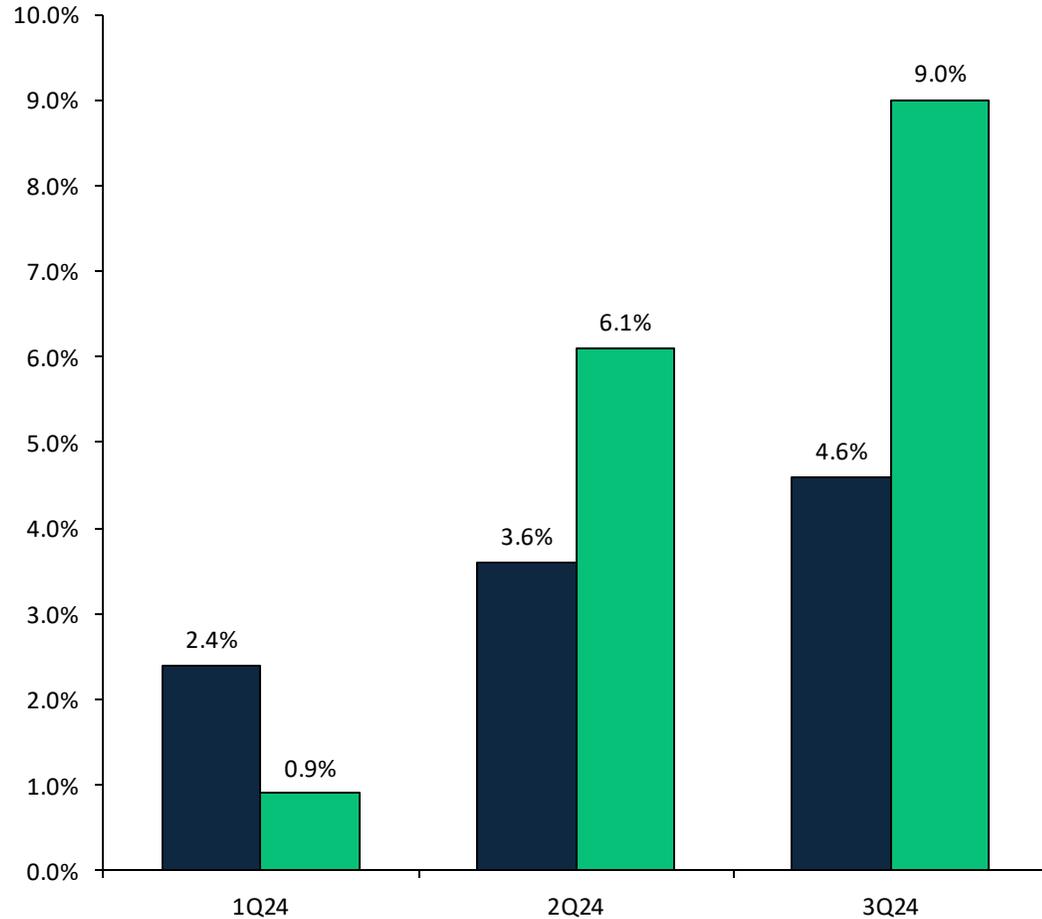
Mobile Phone & CE Sales Growth (YoY)



Source: PNJ, MWG, FRT, DGW, Dragon Capital calculation

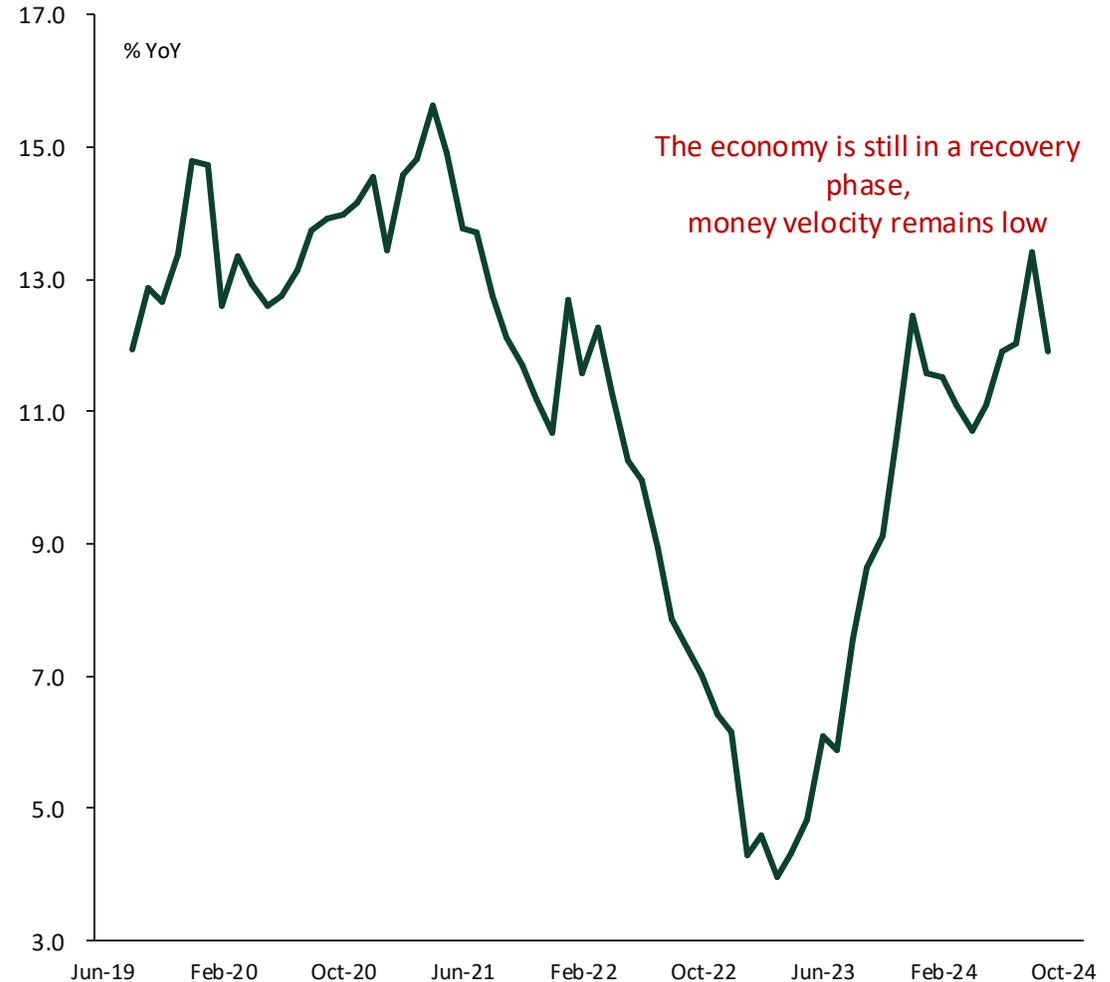
# Credit growth and Money supply

Weak Credit Demand (YTD Credit Growth)



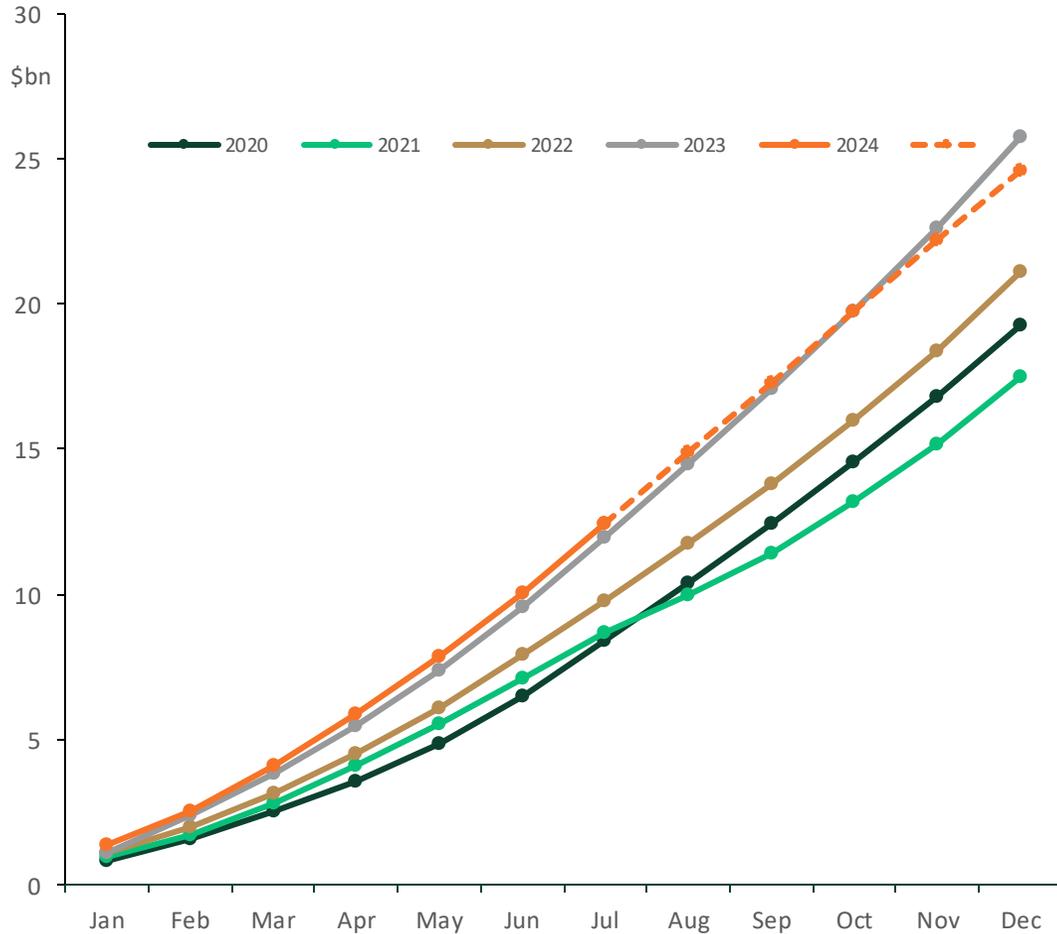
Source: Dragon Capital, SBV, Fiiipro, Bloomberg, Companies' financial statement

Credit growth: 15% YoY vs M2 Growth: 12% YoY

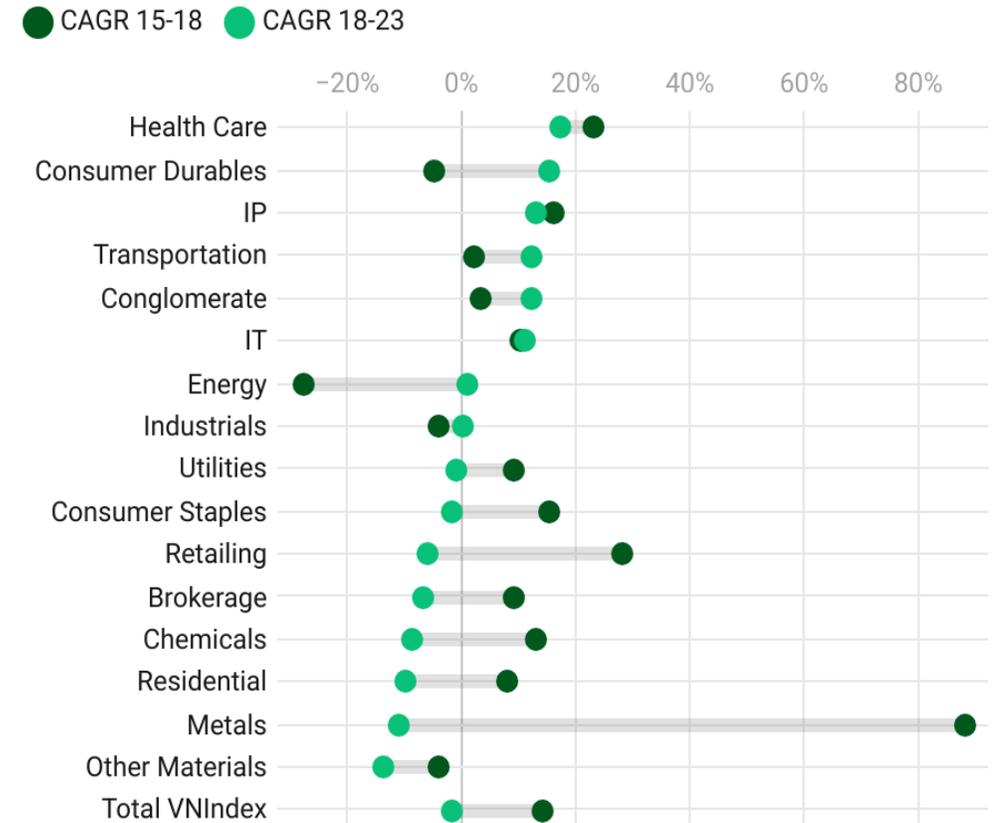


# Understanding Weak Consumer Demand:

Public investment fading momentum in 1H2024



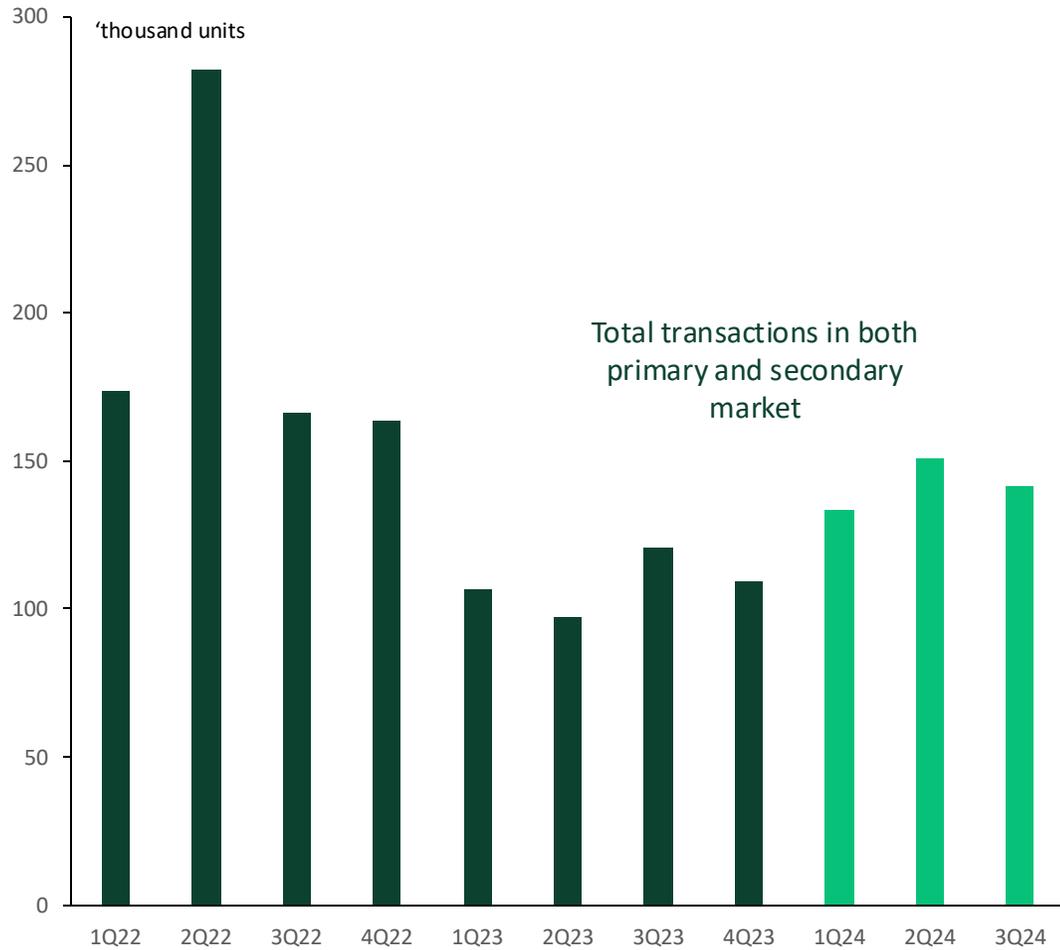
Private Sector: Capex CAGR decreased from 14% to -2.0%



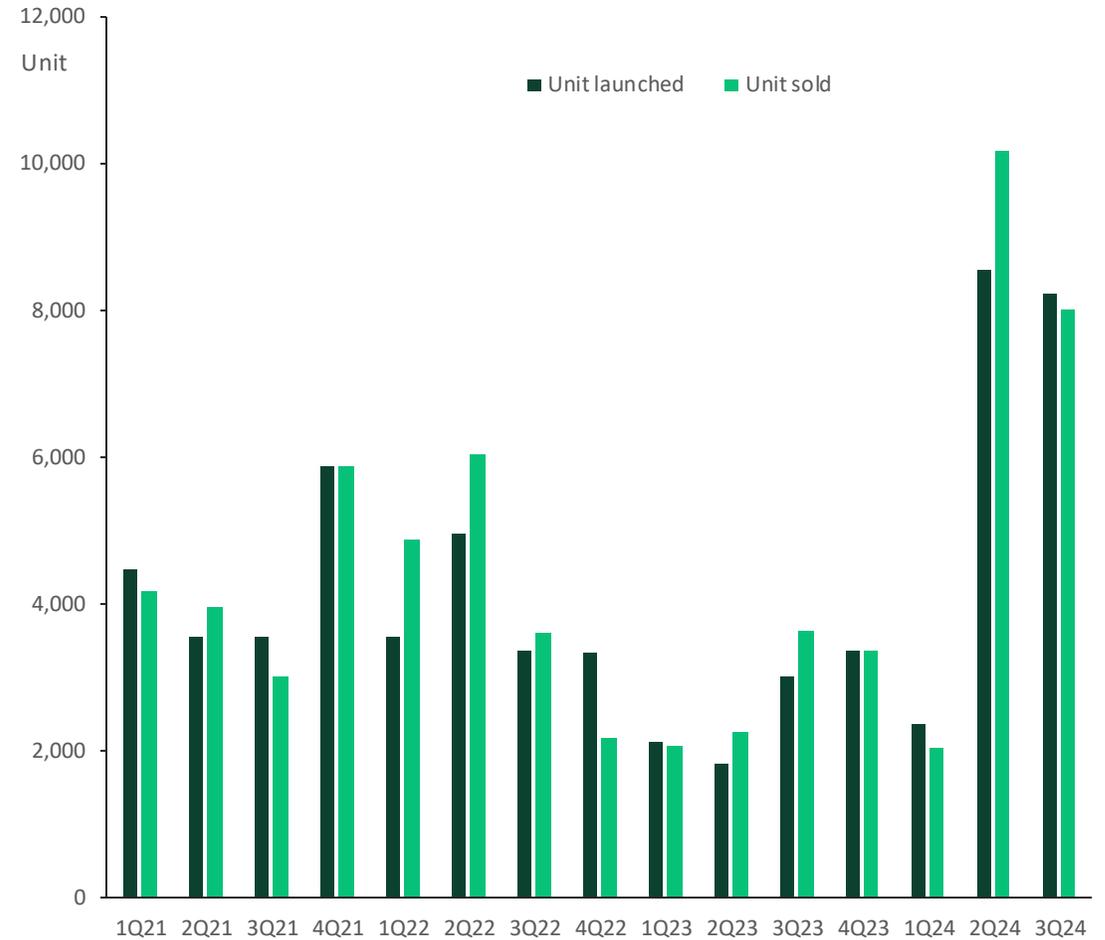
Source: Dragon Capital, MOF, CEIC, Fiinpro, Bloomberg

# Early Signs of "Animal Spirits" Returning to Real Estate

Nationwide Transactions volume at ~80% of Pre-crisis level, +31% YoY

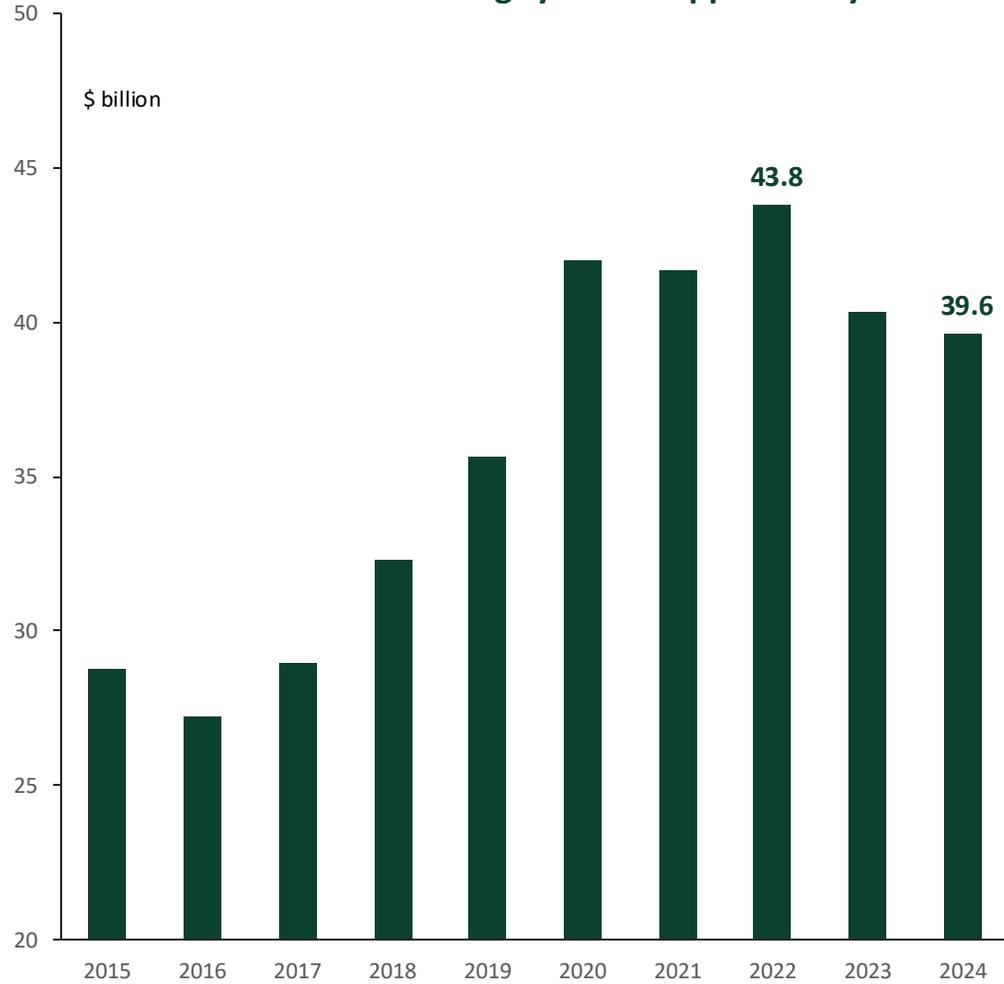


Hanoi High rise: supply & absorption surpassed Pre-covid



# The USD in official channel is decreasing

### Total USD in banking system dropped to 3-year low



### Vietnam's FX Reserves also decreased

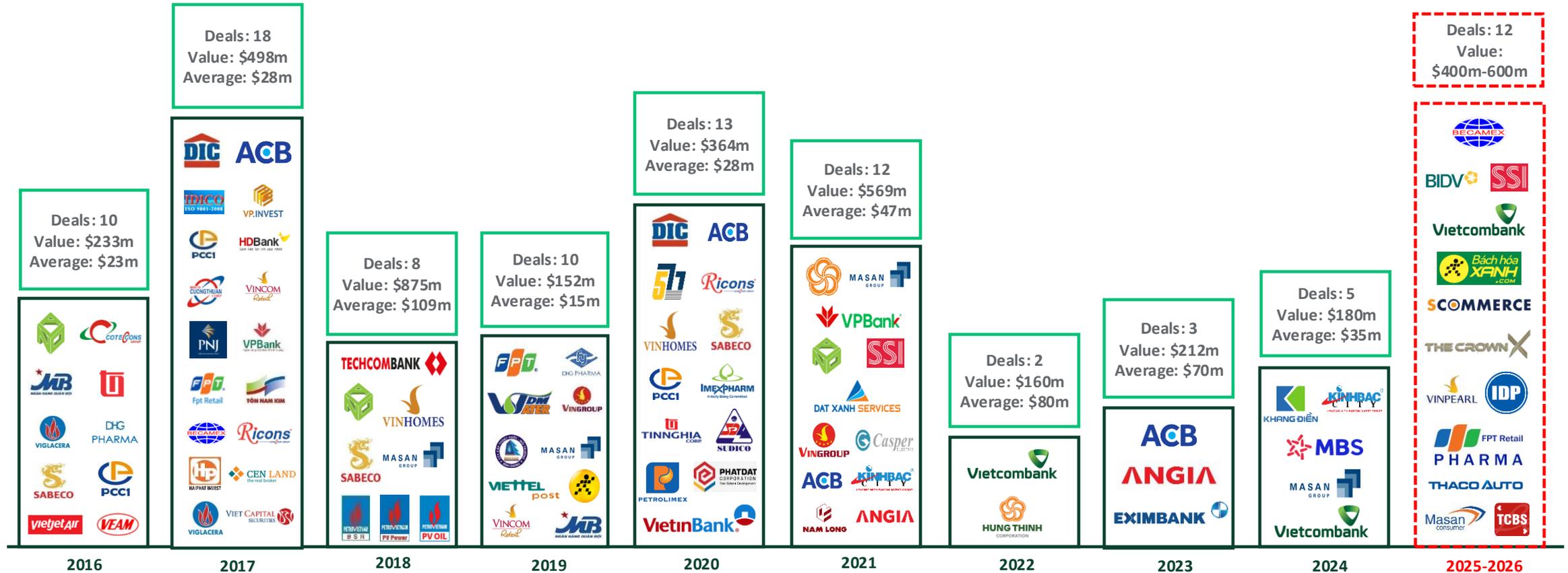


# The Biggest Deal Powerhouse In Vietnam

9 years – 80+ transactions

\$4.0+ billion transaction value

“The Anchor” in IPOs and placings



# Contained Immediate Impact on VNI Earnings

US exports revenue contributes \$617m in 1H24 or 1.3% of VNI ex Financials & Real Estates revenue

	Ticker	L2	Market Cap (\$m)	1H24 US Exports (\$m)	% of Revenue
1	NKG	Metals	188	82	18.30%
2	TNG	Consumer Durables	127	75	51.80%
3	VHC	Consumer Staples	470	72	29.30%
4	HSG	Metals	426	71	8.60%
5	MSH	Consumer Durables	102	68	79.70%
6	PTB	Other Materials	143	54	43.40%
7	HPG	Metals	5,444	51	1.80%
8	GVR	Other Materials	2,752	23	6.00%
9	CSM	Consumer Durables	51	22	22.40%
10	FMC	Consumer Staples	112	19	17.10%
11	AAA	Other Materials	124	19	8.00%
12	DRC	Consumer Durables	102	16	16.90%
13	TCM	Consumer Durables	152	12	15.90%
14	ACG	Other Materials	232	9	13.20%
15	ANV	Consumer Staples	133	8	8.60%
16	HII	Other Materials	15	6	4.50%
17	TDP	Other Materials	98	4	5.00%
18	DGC	Chemicals	1,221	3	1.60%
19	STK	Consumer Durables	95	2	7.50%
20	SBT	Consumer Staples	392	2	0.30%
	Total		12,379	617	

# What have we done?

