

An integrated update of Vietnam's FMCG market

Q3 2022

(12 weeks ending 11/09/2022)

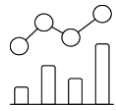
Urban 4 Key Cities & Rural Vietnam
By Worldpanel Division

KANTAR



FMCG Monitor

Executive summary



GDP in Q3 2022 increased significantly compared to the forecast while CPI slightly rose to 3.3%.

Macro economy



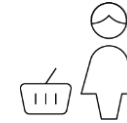
Higher growth of total FMCG is witnessed in Rural while in Urban 4, the growth is slowing down compared to Q3 last year.

FMCG overview



The Beverage sector is set to bounce back post-Covid, hopeful of thriving after a two-year slump, reflected by the higher value index compared to the pre-Covid Q3 2019.

Hot category



Large-scale stores such as Hyper & Supermarkets have recovered strongly from the significant drop in Q3 2021, along with Specialty Stores & Wet Market.

Retail landscape



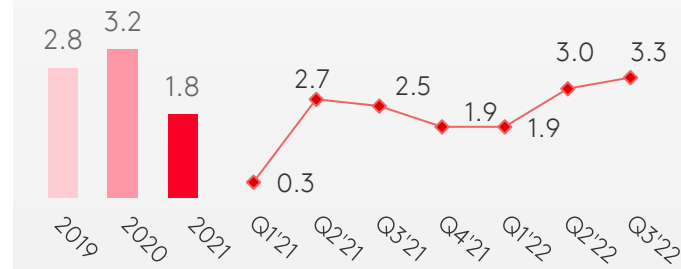
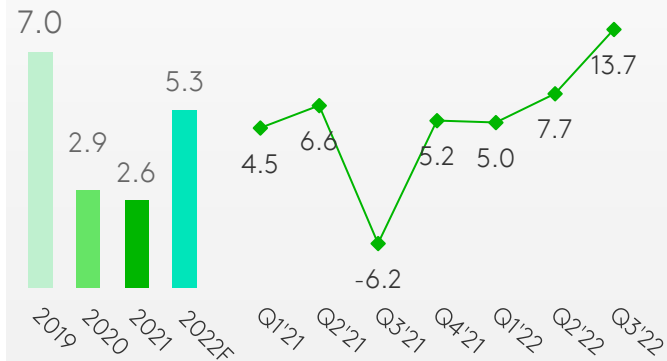
With diverse drink options in the market, understanding a holistic picture of Vietnamese beverage consumption and identifying your "white space" are pivotal.

Spotlight

Vietnam's macro economy

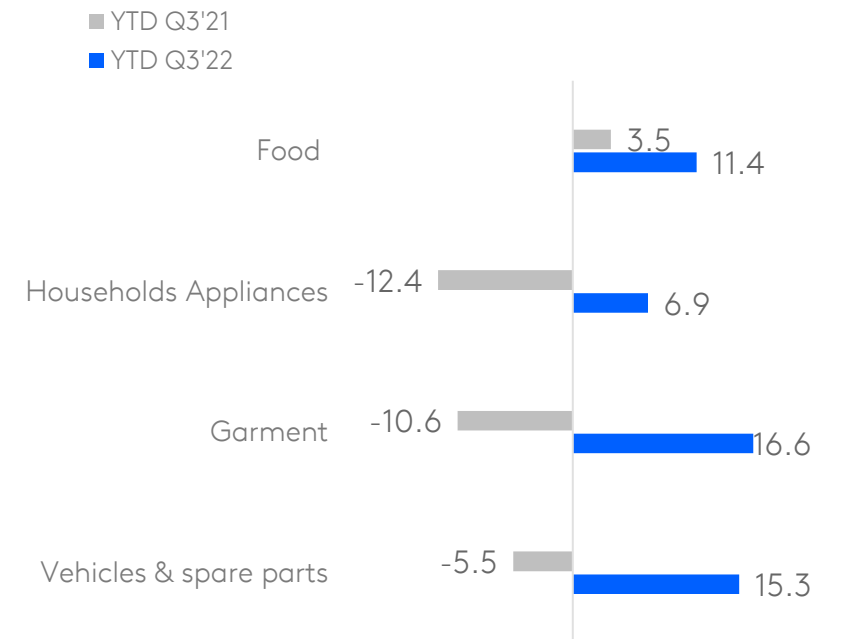
GDP in Q3 2022 grew significantly, outperforming the forecast. However, this substantial increase was mainly due to the calculation based on the negative growth of Q3 2021. Meanwhile, CPI continued to rise, which challenges Government's objective on controlling inflation.

% Change vs the same period last year



Consumer Goods – By Sectors

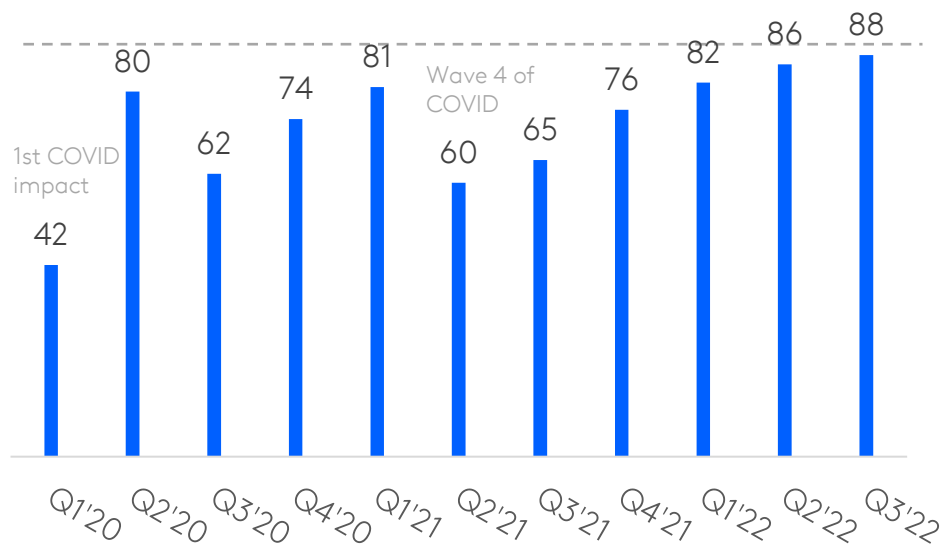
YTD Sep'22 – YoY – GSO Vietnam



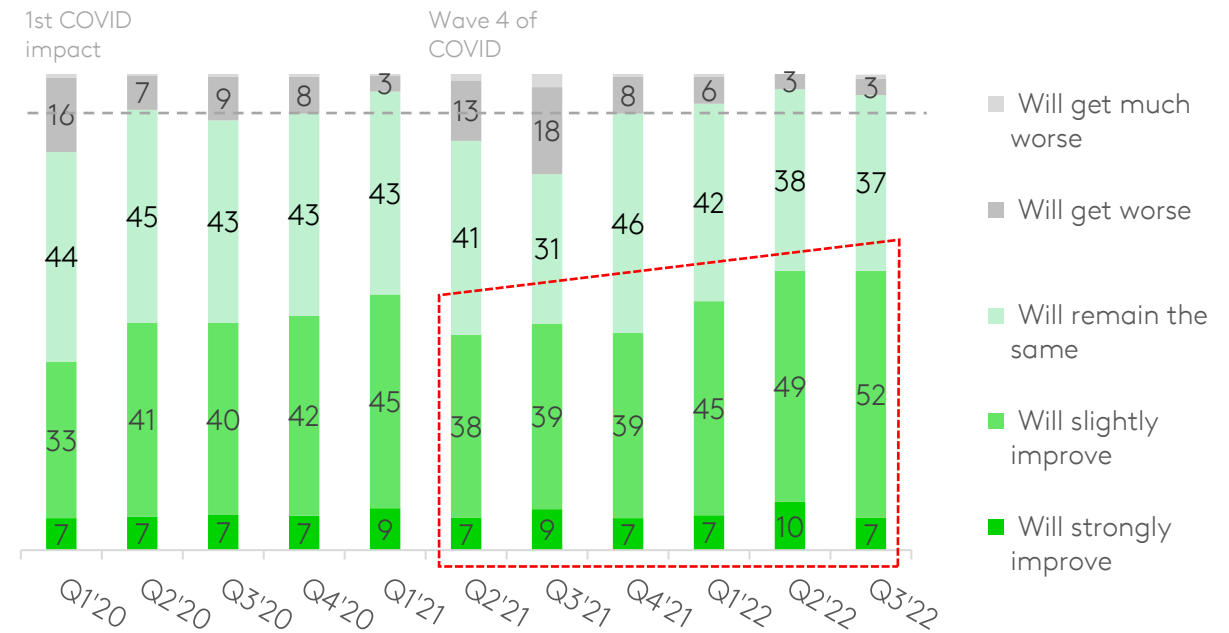
Consumers' perspective

Vietnamese consumers' optimism about both economic outlook and purchasing power is maintained as YTD GDP growth reached a 12-year high (8.83%).

The economic situation will be better or the same as today in the next 12 months (% households agree in Urban 4 key cities)



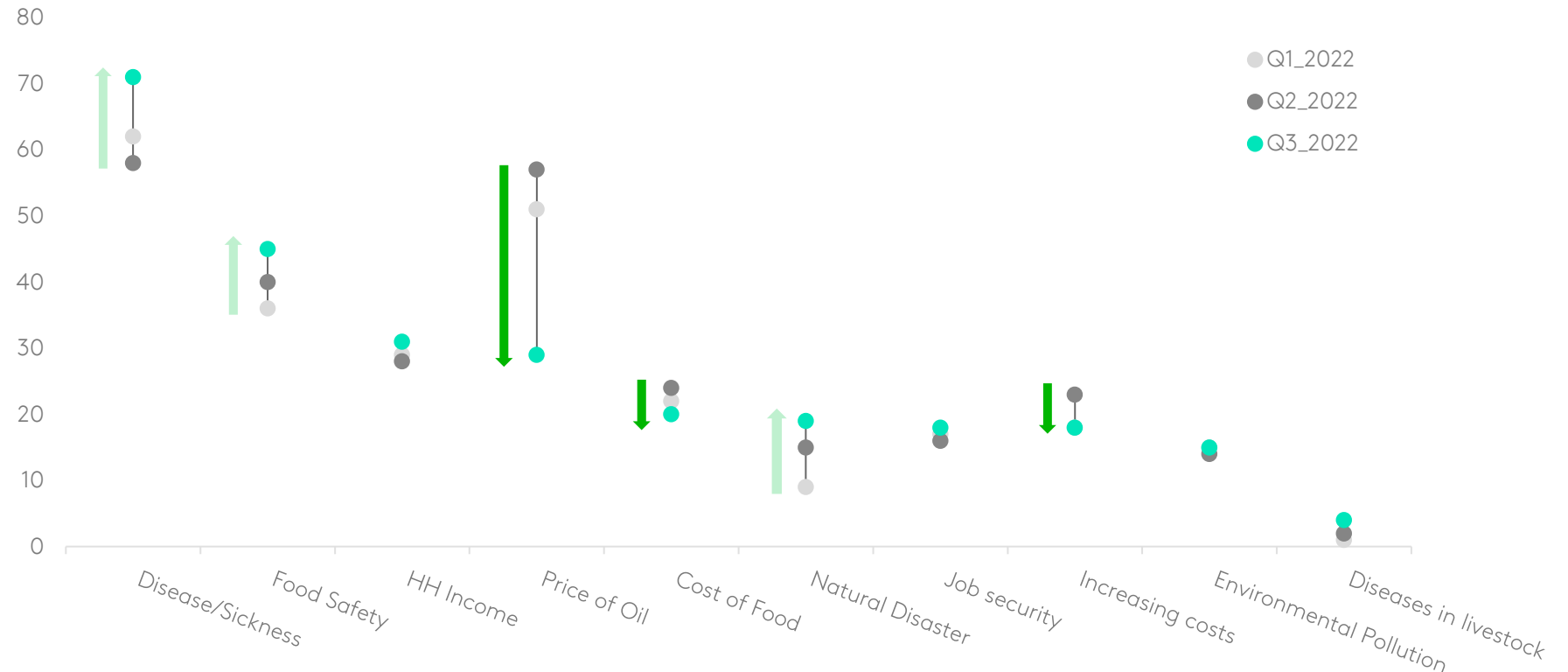
In the upcoming 12 months, do you think that the financial situation in your house... (% households agree in Urban 4 key cities)



Consumers' top concerns

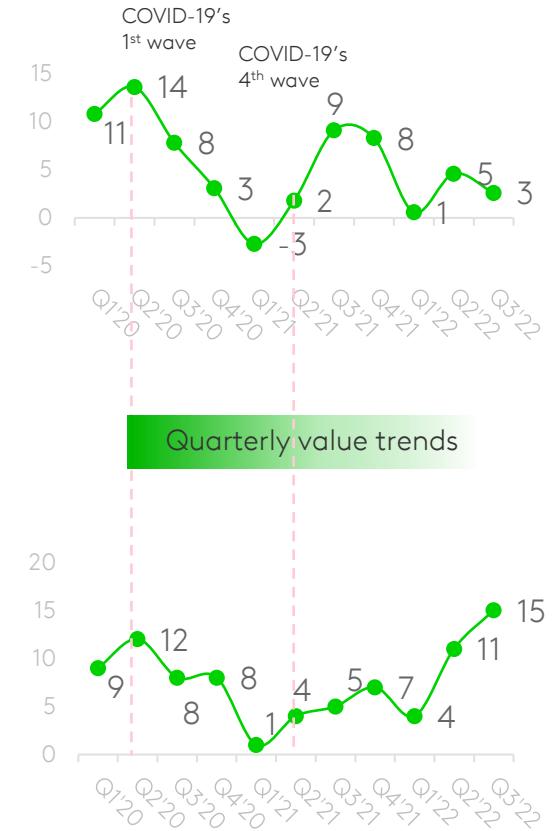
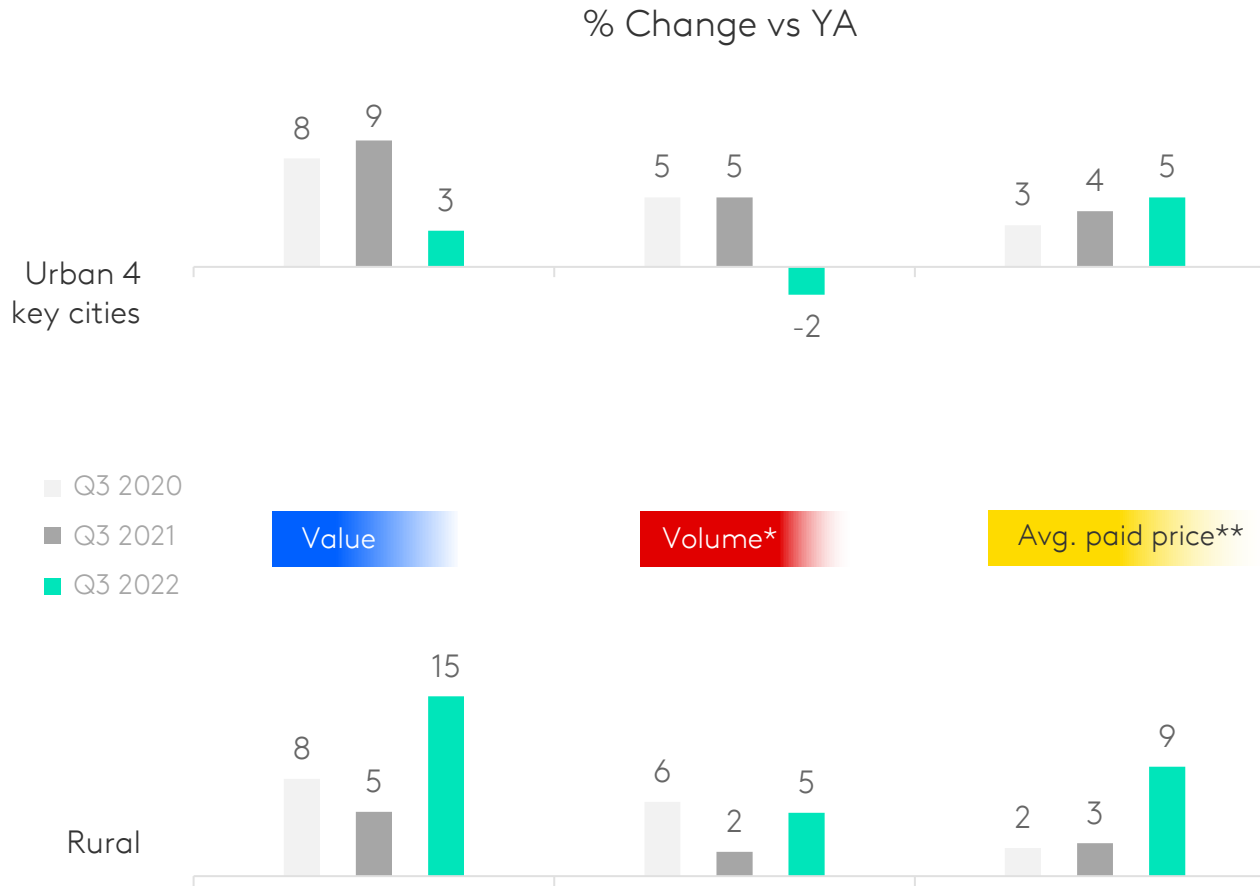
The drop in oil prices relieves some of the cost pressure consumers, while concerns on diseases grow due to the rising risk of Covid's return.

Currently what do you consider to be the biggest concerns you and your household are likely to face? (% households agree in Urban 4 key cities)



FMCG overview

Higher growth of total FMCG is witnessed in Rural while for Urban 4, the growth is slowing down compared to Q3 last year when Covid hit the hardest. Up to now, the average price paid is still the key value driver.



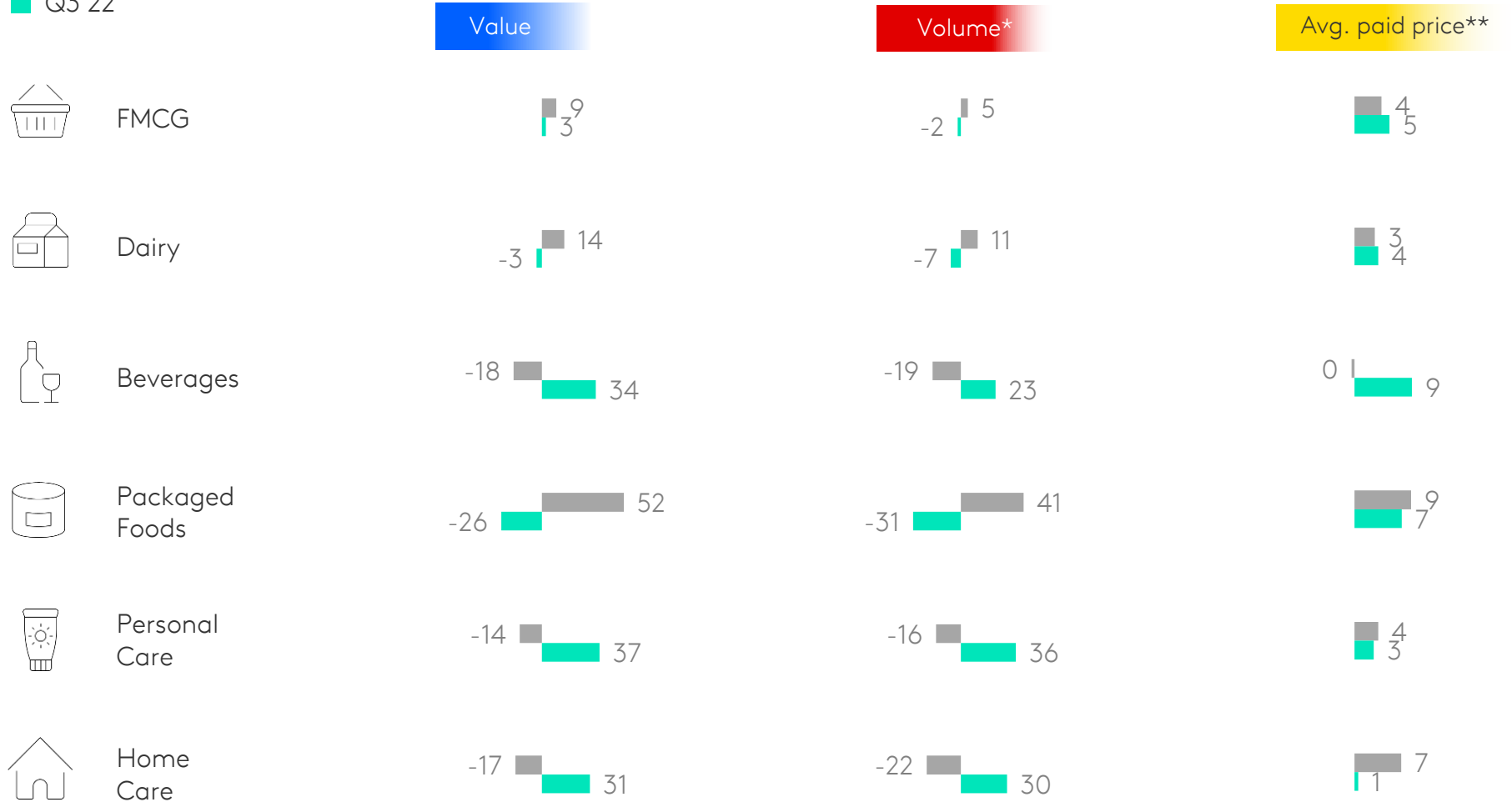
*: To calculate FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)
 **: To calculate FMCG price paid change, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA

Sector performance

The growth of Packaged Foods showed signs of cooling down compared to Q3 of last year along with the Dairy sector, which were the most stocked items during the lockdown. Meanwhile, the Beverage & Non-Food industry has made a strong comeback after the pandemic.

■ Q3'21
■ Q3'22

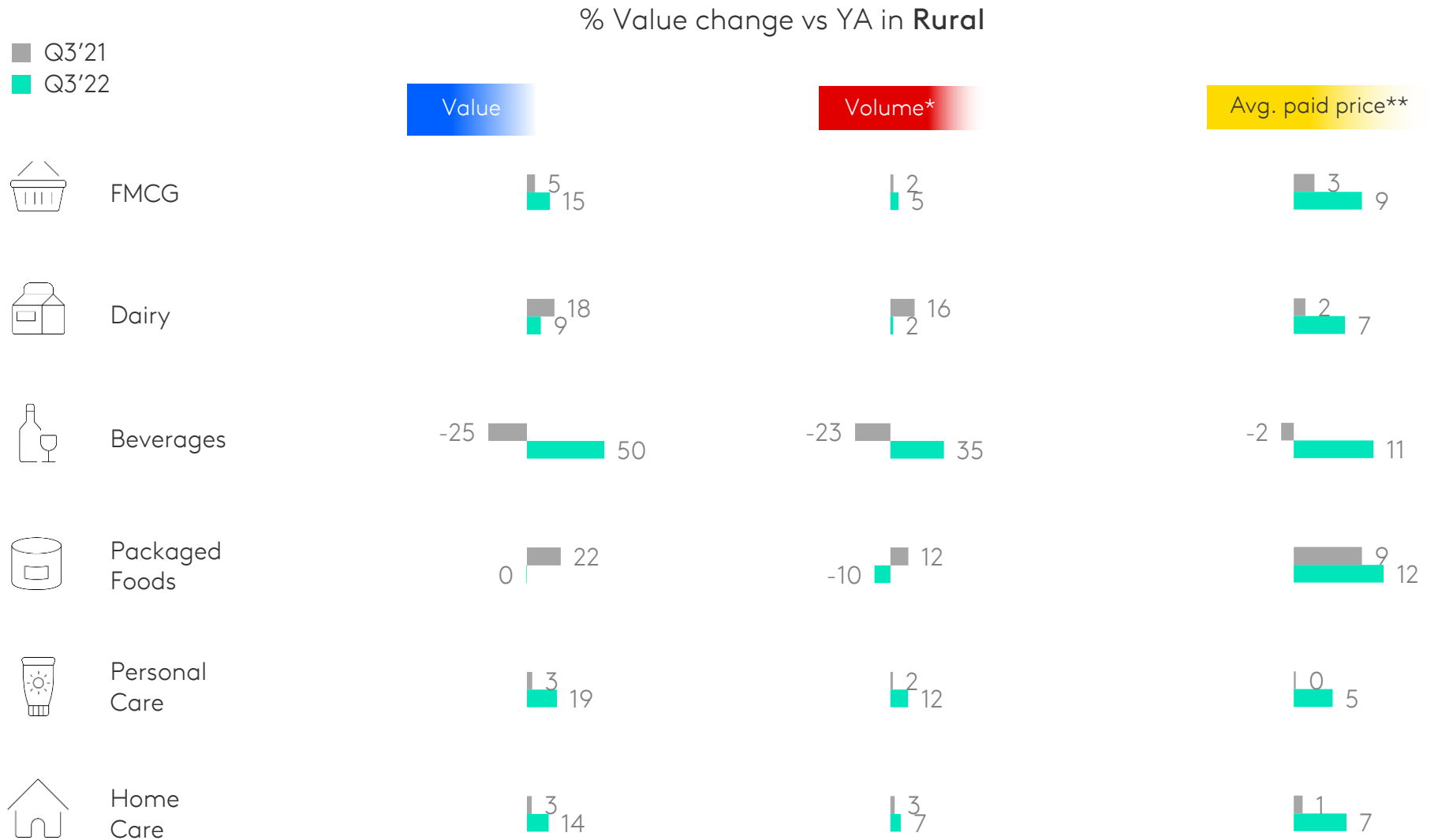
% Value change vs YA in Urban 4 key cities



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Sector performance

The rise of FMCG this quarter came from the strong recovery of Beverages while Packaged Foods' growth in Rural was not as negative as in Urban 4, resulting in a higher growth even compared to last year.



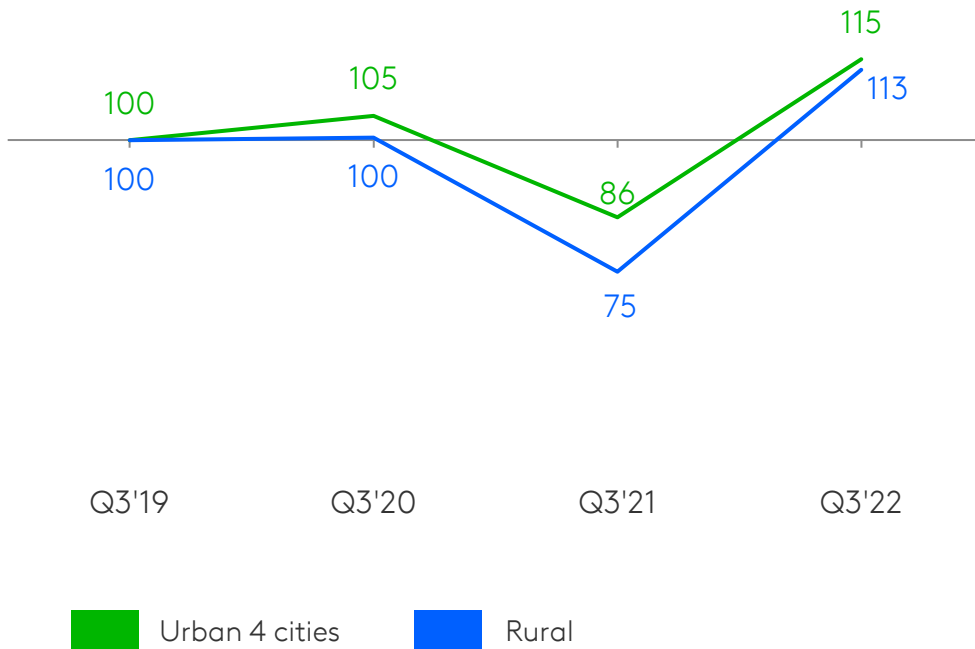
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Hot category

The Beverage sector is set to bounce back post-Covid, hopeful of leaving behind a two-year slump and even thriving, reflected by a higher value index compared to the pre-Covid Q3 2019. As the pandemic has been successfully contained, consumers are feeling more secure and willing to celebrate, and CSD & Beer have also shown encouraging signs.

Spending on Beverages

Value index vs Q3 2019

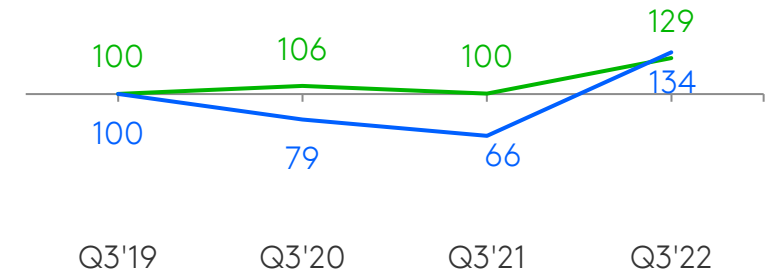


The top recovery categories

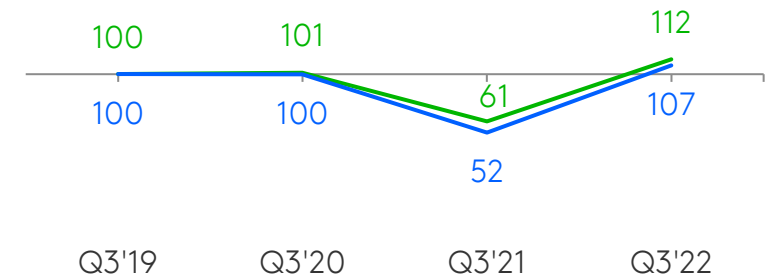
Value index vs Q3 2019



CSD



Beer



Retail landscape

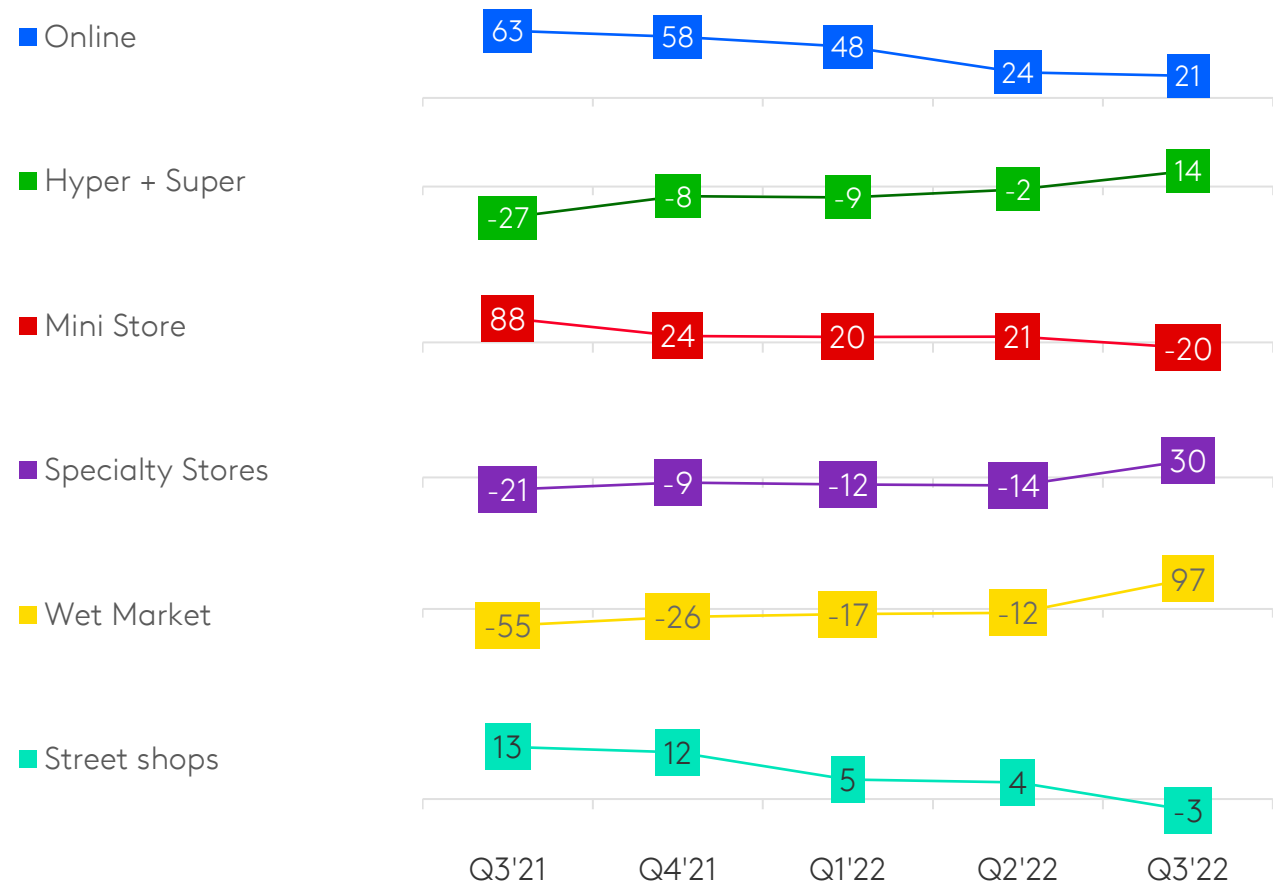
By the Q3 of 2022, large-scale stores such as Hyper & Supermarkets have recovered strongly from the significant drop in Q3 last year, along with Specialty Stores & Wet Market which were impacted the most during the pandemic. Online growth is slowing down, but still maintaining double-digit growth.

% Value contribution of channel



The rest is other channels, including hand-carry, direct sales, factory outlet,...

% YOY value change by channel

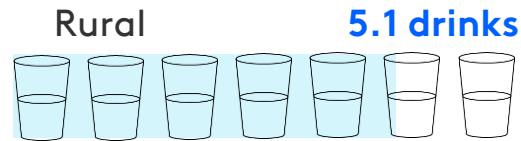
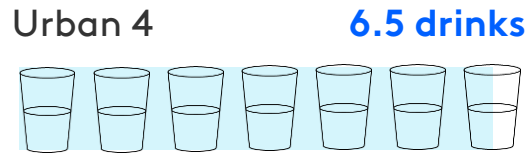


Spotlight

On average, an individual in Urban consumes approx. 7 drinks a week and in Rural approx. 5 drinks a week, meaning they nearly choose a different drink every day & the gap between the 2 areas is close. Among various choices of drinks, the top 3 categories with the biggest occasion shares in both areas are Tea, Nutritional Drinks and Coffee.

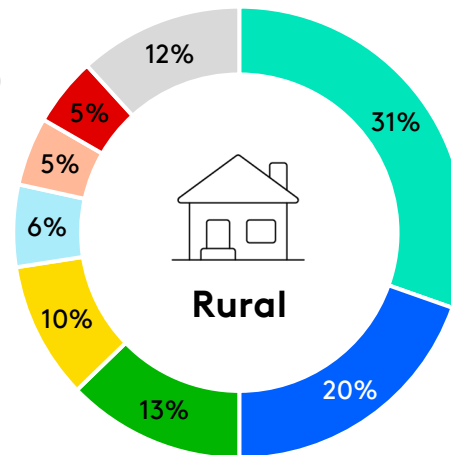
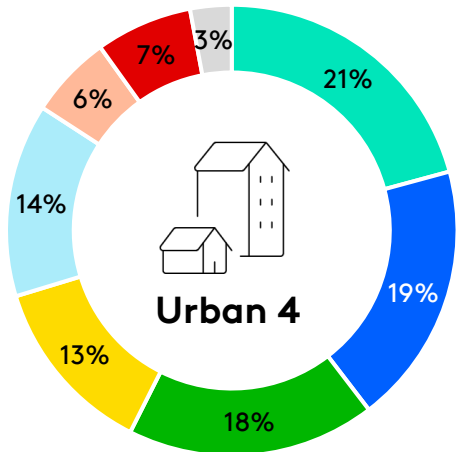
drink choices per week (*)

* Drink choices = category x variant/flavor



Share of throat % drinking occasions

- Tea
- Nutritional Drinks (liquid milk, yogurt,...)
- Coffee
- Fruit/Veg Juice
- Bottle Water
- Energy Drink
- CSD
- Others



How do you identify **growth potentials** across specific drinking occasions?

What's your **product personality**?
Is it serving the **right need** at the **right moment**?

The Kantar logo is displayed in the top left corner. It features the word "KANTAR" in a bold, white, sans-serif font. The letter "K" is uniquely styled with a vertical yellow bar on its left side. The background of the slide is a dark, abstract composition of overlapping, semi-transparent geometric shapes in shades of blue, purple, and red, creating a sense of depth and movement.

KANTAR

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