

Private Equity in Vietnam

Bright Spots

March 2025



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Foreword



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Dear Valued Readers,

The years 2023 and 2024 marked a period of uncertainty for the global economy, shaped by persistent inflation, high interest rates, geopolitical tensions, and shifting capital flows. These external headwinds created ripple effects across both developed and emerging markets, prompting investors to adopt a more cautious stance.

Vietnam, while not immune to these global challenges, demonstrated remarkable resilience. The country maintained one of the highest GDP growth rates in Southeast Asia, driven by strong domestic consumption, robust manufacturing output, and accelerating digital transformation. However, subdued capital markets, valuation mismatches, and limited exit options continued to weigh on private equity (PE) activity.

Against this backdrop, our 2025 Vietnam PE Outlook explores how investors are adapting. While deal activity in 2024 saw a modest decline in volume and value, sentiment is shifting. Early signs in 2025 point to renewed optimism, with investors repositioning from defensive strategies focused on cost efficiency to growth-centric approaches emphasizing scalability, innovation, and digital-led value creation.

Sectors such as healthcare, technology, education, and logistics continue to lead investor interest, while AI adoption is rapidly reshaping how PE firms source deals, manage portfolios, and plan exits. As Vietnam progresses toward emerging market status, the evolving regulatory landscape and macroeconomic stability are expected to further enhance its attractiveness as a long-term investment destination.

Thanks to the insightful responses from professionals working at various institutions in the PE sector, we believe that the report will provide a unique insight into the market for such turbulent years. We would like to express our gratitude to all of the respondents for their valuable contributions.

The first part of our report recaps Vietnam's economic outlook, the country's private equity landscape in 2023-3M2025, and attractive sectors. The second part focuses on the Fundraising trends, Investment momentum, and the increased focus PE firms on AI & digital transformation in the Vietnam private equity market in the next 12 months.

Due to restrictions on time and space, many topics in this report cannot be discussed in depth. If there are any subjects that you would like to explore further, please do not hesitate to get in touch with us.



Executive summary

Market outlook

Vietnam achieved 7.09% GDP growth in 2024, among Southeast Asia's highest, driven by manufacturing, consumption, and investment. FDI remained robust, focusing on manufacturing, real estate, and renewable energy. Despite market volatility, investor confidence is high, supported by a potential market upgrade. The digital economy and AI are emerging as key growth drivers, positioning Vietnam as a regional hub for innovation and tech investment.

Valuation

Vietnam's valuations declined in 2024, mirroring global trends amid investor caution. However, optimism for 2025 is rising, with 94% of respondents expecting valuation multiples to increase, driven by sector growth, better macro conditions, and economic reforms. Despite global uncertainties and interest rate risks, Vietnam's strong fundamentals and policy outlook sustain investor confidence.

Private equity deal recap

Vietnam's PE market struggled in 2024 due to fewer large transactions. Technology led in deal count, while Retail and Healthcare dominated in value, with key deals including Warburg Pincus's investment in Xuyen A Hospital and CDH's acquisition in Bach Hoa Xanh. However, early 2025 showed renewed optimism, highlighted by Techcoop's \$70M Series A round, one of Southeast Asia's largest in agritech, indicating growing investor interest in scalable, tech-driven ventures.

Value creation plan

PE investors in Vietnam are shifting their focus from stabilization and cost efficiency to growth and scalability, reflecting increased confidence in the macro outlook. Future value creation will be driven by market expansion, corporate governance, and digital transformation, replacing earlier priorities like restructuring and cash flow management.

Fundraising trends

In 2024, 61% of surveyed PE managers engaged in fundraising, but 64% fell short of targets due to reduced LP allocations, macroeconomic volatility, and extended exit timelines. However, the 2025 outlook is optimistic, with nearly half expecting fundraising to grow over 15%, driven by improved macro conditions, increased LP risk appetite, and Vietnam's potential market upgrade.

AI and Digital transformation in PE firms

In 2024, 61% of PE managers engaged in fundraising, but 64% fell short of targets due to reduced LP allocations, macroeconomic volatility, and longer exit timelines. However, the 2025 outlook is positive, with nearly half expecting fundraising to grow over 15%, driven by better macro conditions, increased LP risk appetite, and Vietnam's potential market upgrade.

Attractive industries

Healthcare, technology, and education are the top sectors for PE investment in Vietnam over the next year, favored for their scalability, resilience, and long-term growth potential. This aligns with shifts in consumer behavior, digital transformation, and workforce upskilling. Transportation & logistics also remains a priority, driven by Vietnam's manufacturing role and rising demand for cold chain and last-mile delivery solutions.

Exits

Exit conditions for PE investors in Vietnam remain difficult, with 64% expecting delays of a year or more due to valuation mismatches and market uncertainty. Despite this, over 75% anticipate IRRs above 20%. Trade sales and secondary buyouts are now the preferred exit strategies, as IPOs lose appeal due to stricter listing rules and limited foreign investor access, reflecting a shift toward faster, more predictable exits.

An aerial night view of a city skyline, likely Ho Chi Minh City, Vietnam. The image features a prominent skyscraper with a purple and gold facade, illuminated against a dark sky. The city is densely packed with high-rise buildings, many of which are lit up. In the foreground, a large body of water is visible, with a large cargo ship docked at a pier. The sky is a mix of dark blue and orange, suggesting a sunset or sunrise. The overall scene is a vibrant and modern urban landscape.

Vietnam Economic Update and Private Equity Recap

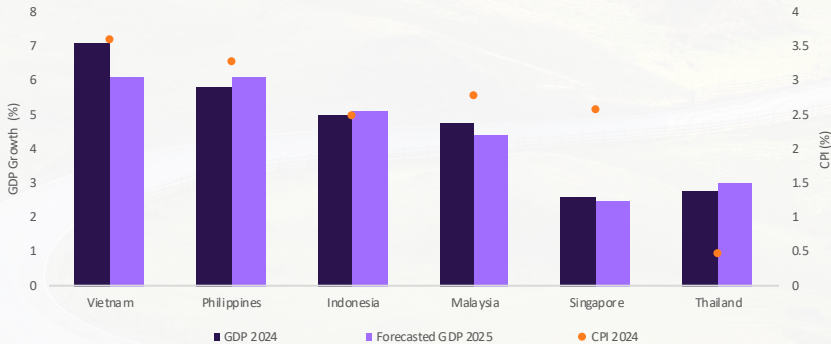
Vietnam economic update

Vietnam has achieved significant economic milestones in 2024, laying a solid foundation for sustainable growth in 2025 and beyond

Strong Economic Performance

In 2024, Vietnam remains a high-growth market with GDP growth at 7.09% - leading SEA, driven by manufacturing exports, consumption, and investment, with inflation controlled at 3.63%. Building on strong momentum in early 2025, the government raised its initial GDP target from 7% to 8% by February, setting the stage for potential double-digit growth in coming years.

GDP and CPI of 2024 among ASEAN 5 and Vietnam



FDI - Long-Term Capital Resilience

Vietnam secured its position in the top 15 developing countries attracting FDI globally with registered inflows reaching USD38.23 billion. Disbursed FDI also hit an all-time high of USD25.35 billion, up 9.4% yoy. Key sectors driving FDI included manufacturing (40%), real estate (18%), and renewable energy (15%), reinforcing Vietnam's role as a strategic production hub in global supply chains.

The surge in FDI signals sustained sectoral growth, particularly in infrastructure, industrial parks, and technology-driven manufacturing.

Total registered capital

\$38.23B ▲ 4.4%

Total disbursed capital

\$25.35B ▲ 9.4%



Singapore
\$10.2B
~26.7%

Korea
\$7.1B
~18.6%

China
\$6.5B
~17.0%

Top Investors

Manufacturing
40%

Real Estate
8%

Renewable Energy
15%

Top FDI Industries

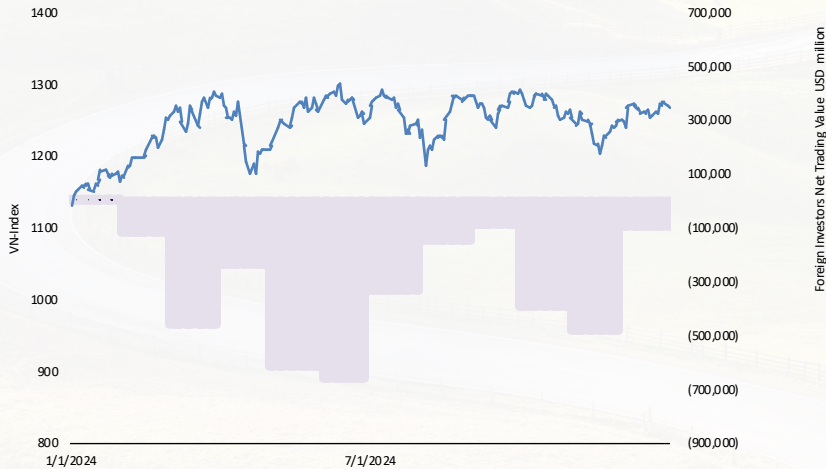
Vietnam economic update (Cont')

Capital Markets

Despite surging FDI, Vietnam's capital markets faced short-term turbulence throughout 2024, with foreign investors net selling USD 3.8 billion due to rising U.S. interest rates, a stronger USD against the VND, and global capital shifts. The lack of excitement in the stock market in recent years, coupled with a subdued IPO environment, has also had certain implications on private equity (PE) activity — including the contraction of the valuation, limited public listing options for portfolio companies.

However, Vietnam's expected 2025 Emerging Market upgrade (with 7 out of 9 FTSE criteria already met) could be a game changer, potentially unlocking up to USD 30 billion in inflows by 2030, significantly boosting market liquidity and revitalizing investor sentiment across both public and private markets.

VN-Index in 2022-2024



Growth Dynamics

Vietnam is rapidly emerging as a regional hub for semiconductors and artificial intelligence (AI), fueled by proactive government support and rising global interest.

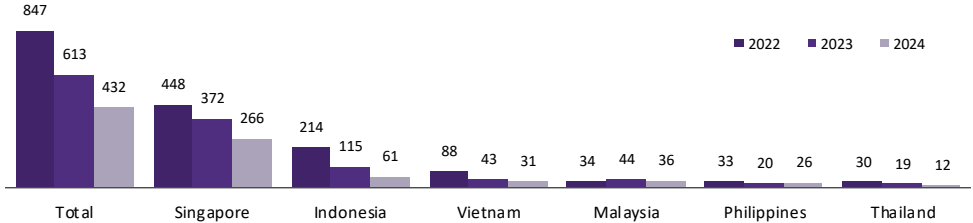
A major highlight was NVIDIA's strategic move into Vietnam, marked by its acquisition of VinBrain (Vingroup's AI subsidiary), showcasing the country's growing prominence in AI innovation. NVIDIA also announced partnerships with the Vietnamese government to establish AI and data research centers, signaling long-term commitment and technology transfer.

These developments not only enhance Vietnam's positioning within the global semiconductor supply chain but also reflect the country's ability to leverage its geopolitical neutrality, young and tech-savvy workforce, and growing digital ecosystem.

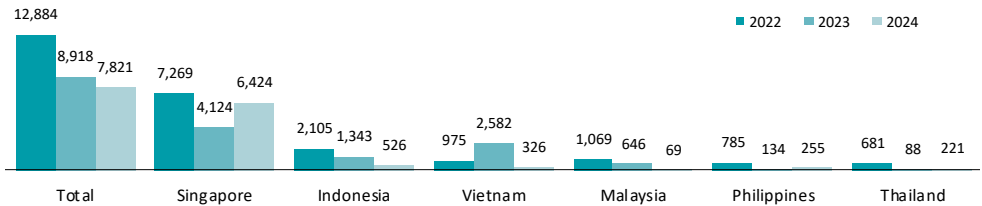
Private equity deals recap

ASEAN 5 and Vietnam

Number of PE deals



PE disclosed deal value (USDmn)



Source: S&P Capital IQ, GT analysis.

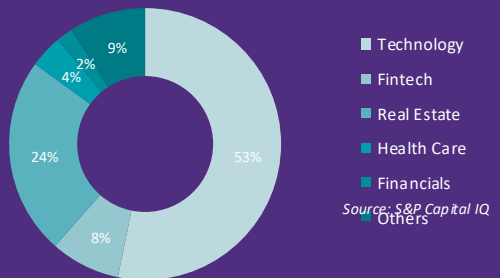
The total number of PE deals across ASEAN continued its downward trend, falling to 428 deals in 2024, compared to 612 in 2023 and 847 in 2022. Meanwhile, the average deal size declined from USD13.9 million in 2023 to USD11.4 million in 2024, reflecting increased investor caution amid global macroeconomic challenges.

Singapore and Indonesia remained the most active PE markets, despite a decline in both deal count and value. Vietnam recorded 31 deals, trailing behind Malaysia (36 deals) but outperforming Thailand (12 deals) and the Philippines (26 deals).

The technology sector led PE investments in 2024, capturing over 53% of total deal value, driven by cloud computing and AI demand. The rise of AI is set to boost cloud adoption and strain data storage, making AI software firms and data centers prime investment targets.

Other sectors, including Real Estate (24%), Healthcare (9%), and Financial Services (8%), played supporting roles but attracted comparatively lower capital inflows.

2024's PE disclosed deal value by sector



Technology remain dominant sector, benefiting from digitalization trends across ASEAN

Private equity deals recap

Vietnam

From 2023 to 2024, while Vietnam’s M&A market remained relatively active—with 303 deals and a total disclosed value of USD 4.81 billion in 2024—the private equity (PE) market showed a clear year-over-year deceleration. This trend reflects that while investors remain confident in Vietnam’s long-term growth prospects, short-term caution persists due to global market uncertainties and shifting economic dynamics.

In 2023, despite a decline in the number of deals, total transaction value surged to the highest level in the past five years, driven by several landmark investments, including:

- Sumitomo Mitsui Banking Corp acquired 15% of VPBank for nearly USD 1.5 billion, marking the largest PE deal in the financial sector.
- Thomson Medical Group Limited injected USD 400 million into Far East Medical Vietnam Limited, making it a landmark healthcare transaction.
- Bain Capital invested USD 250 million in Masan Group, a key player in Vietnam’s consumer industry.
- KKR investing USD 120 million in EQuest Group, one of Vietnam’s leading education providers.

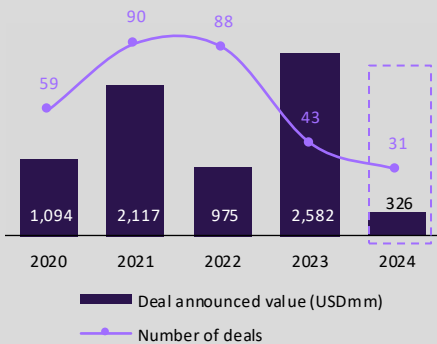
By contrast, 2024 saw the absence of large-scale transactions, resulting in a sharp drop in disclosed deal value compared to 2023, despite only a moderate decline in deal volume.

- Throughout 2024, transaction activity remained relatively consistent across quarters, averaging 7 to 9 completed deals per quarter.
- Notably, high-value transactions were primarily concentrated in Q2 2024, which was dominated by Warburg Pincus’s investment in the Xuyen A Hospital chain.
- The average deal size (*) in 2024 was approximately USD12.5 million, marking a significant decline from the 2023 average of USD 25.6 million.

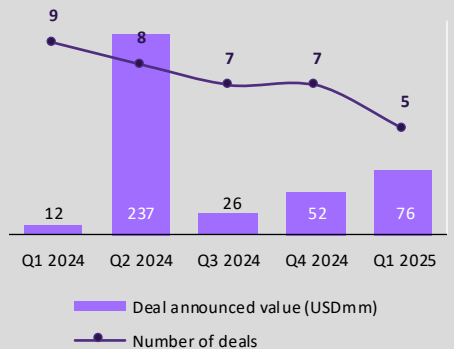
Looking ahead, the first quarter of 2025 brought a more upbeat signal: the PE investment market recorded 5 completed transactions with a total deal value of USD76 million. This points to a more active market compared to the same period in 2024, as the number of deals is lower, but the average deal size rose significantly, suggesting renewed investor confidence and appetite for larger tickets.

(*) Average deal size is calculated based on disclosed value only.

Vietnam PE deals over years



Vietnam PE deals over the quarters



Source: S&P Capital IQ and calculation of GTV

PE capital remains interested in Vietnam but with smaller deal sizes.

Private equity deals recap

Vietnam

Vietnam PE deals by sectors

Sector	2022		2023		2024	
	Deal count	Disclosed Value (USDmm)	Deal count	Disclosed Value (USDmm)	Deal count	Disclosed Value (USDmm)
Information Technology	21	70.1	10	28.1	10	48.4
Fintech	4	9.0	2	4.1	2	5.0
Financials	8	215.9	3	1,611.0	-	-
Communication Services	20	56.9	9	61.3	8	27.3
Real Estate	7	288.8	-	-	-	-
Retails	4	104.9	1	0.3	2	78.0
Health Care	5	190.8	5	420.0	2	150.1
Education	6	17.8	5	152.0	2	7.0
Consumer Staples	4	5.3	5	302.5	1	-
Renewable Electricity	1	-	-	-	2	10.1
Logistics & Transportation	3	0.1	1	-	-	-
Others	5	15.8	2	3.0	2	0.1
Total	88	975.2	43	2,582.4	31	326.1

Source: S&P Capital IQ, GT analysis.

Technology (IT, Fintech, Communication Services), Healthcare, and Retail emerged as the most resilient sectors in 2024, consistently attracting investor interest despite ongoing market fluctuations.

Technology led in volume, accounting for 65% of total deal count, underscoring significant private equity (PE) interest fueled by the surge of artificial intelligence (AI) and increasing demand for digital infrastructure. However, the sector represented only 25% of total deal value, with an average deal size of USD 4–5 million, indicating that most investments remain at early-stage levels with relatively modest ticket sizes.

In contrast, the Retail and Healthcare sectors, despite recording just four transactions in total, contributed to nearly 70% of total deal value. This highlights a clear investor preference for more mature, large-scale opportunities in these sectors.

A notable deal was Warburg Pincus's investment in the Xuyen A Hospital chain. The global PE giant has a strong track record in Vietnam, having previously invested in Techcombank (USD 370 million), Masan Group (USD 100 million), Vincom Retail (USD 300 million), and Novaland (USD 250 million). Xuyen A stands as one of Vietnam's largest private hospital chains, with a growing footprint across key provinces and a capacity of approximately 4,000 inpatient beds. While the transaction value was not officially disclosed, based on Warburg Pincus's historical investment size in the Vietnamese market, the deal is estimated to be in the range of USD 100–150 million.

In the retail sector, a notable deal in 2024 was CDH Investment Management Company Limited's investment in Bach Hoa Xanh. CDH, a Chinese private equity firm known for its active focus on traditional sectors such as consumer goods and manufacturing, made a strategic move into Vietnam's retail space through this transaction. According to Reuters, the deal was valued at approximately USD 72 million.

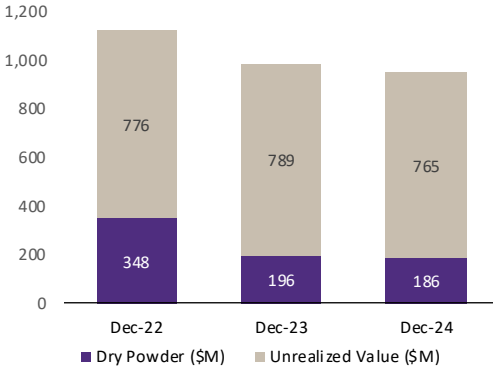
Additionally, education and renewable energy remain key areas of interest, reflecting sustained investor confidence. This continued interest is primarily driven by strong consumer spending growth, increasing healthcare awareness, and favorable long-term demographic trends in Vietnam.

Looking ahead to 2025, early signals suggest a potential shift in the technology investment landscape, particularly in deal sizes. A case in point is Techcoop, a Vietnamese agritech startup, successfully closed its Series A funding round worth USD70 million in Feb 2025, comprising USD28 million in equity and USD42 million in debt financing. This transaction is considered one of the largest Series A investments in the agritech sector in Southeast Asia to date. The round was led by TNB Aura (Singapore) and Ascend Vietnam Ventures (Vietnam), both of which had previously invested USD5 million in Techcoop's seed round in March 2024.

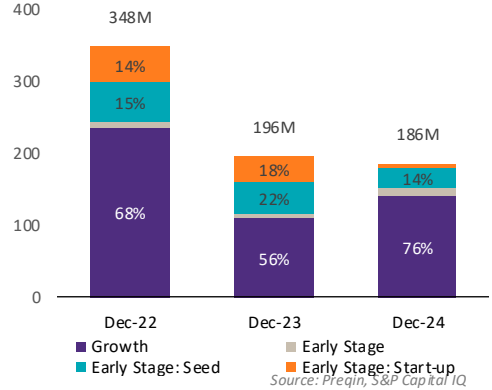
Techcoop's successful fundraising signals growing investor appetite for scaling technology investments, suggesting that 2025 could see a continued shift toward larger investments as tech companies in Vietnam get more mature and expand.

Overview of Vietnam-focused funds

AUM of Vietnam Fund Manager (USD mn)



Dry Powder of Vietnam Fund Manager by strategy (USD mn)



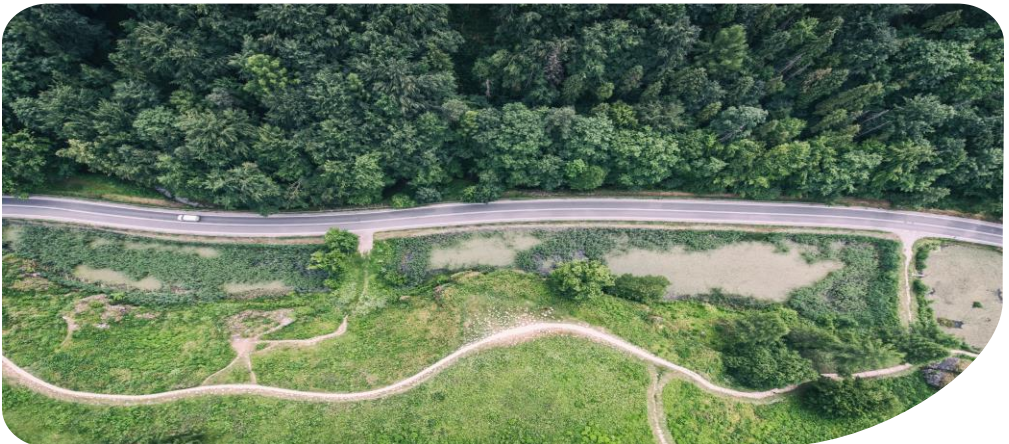
The AUM of Vietnam-focused funds exhibited a declining trend from 2022 to 2024, with unrealized value accounting for the majority (~81%), while dry powder represented a smaller proportion (~19%).

The funds' unspent private equity capital significantly decreased from USD 347 million in 2022 to USD 176 million in 2024, whereas unrealized value remained relatively stable, showing only a slight decline from USD 773 million to USD 764 million during the same period.

This trend can be attributed primarily to challenges in fundraising amid macroeconomic uncertainties and a notable decrease in the valuation of portfolio investments held by PE firms, reflecting the adverse impact of broader economic conditions.

The dry powder allocation strategy exhibited relative stability during the period from 2022 to 2024, with growth-stage investments consistently dominating, although their proportion fluctuated notably—from 68% in 2022, sharply declining to 56% in 2023, and subsequently rebounding to 73% in 2024.

In 2023, there was a significant increase in early-stage investments, with seed and start-up stages collectively accounting for 40% of total dry powder, indicating that fund managers temporarily embraced higher-risk, early-stage ventures in response to emerging opportunities. However, by the end of 2024, investors shifted back toward a more conservative approach, refocusing on growth-stage companies amid persistent economic uncertainties.





Key Challenges and Outlook

Overall market challenges

Despite ongoing challenges, including macroeconomic volatility and exit constraints, optimism remains rooted in Vietnam’s long-term fundamentals.

Our survey and analysis indicate that the biggest challenges for PE investors in 2024 center around declining portfolio valuations and reduced investor confidence in the market. A convergence of factors—including operational struggles faced by investee companies amid geopolitical volatility, compressed valuation multiples due to heightened investor caution, and net foreign selling pressure on Vietnam’s stock market in 2024—has caused a continuous downward trend in portfolio valuations. Consequently, PE funds are experiencing intensified exit pressures. According to data compiled by Cap IQ, the total number of exits recorded in 2024 was **3**, marking a significant drop from **8-11** exits per year before the COVID pandemic. This dynamic has forced many funds to reassess their value creation plan and return expectations.

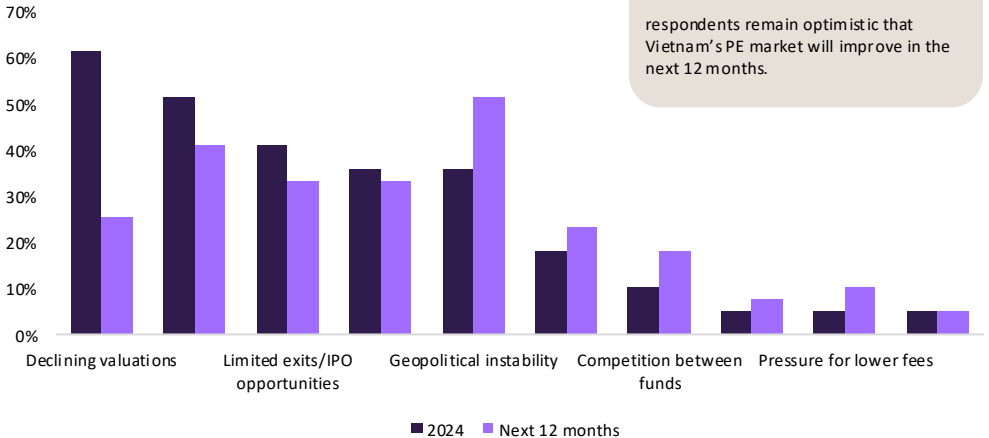
Another pressing challenge in 2024 is the scarcity of compelling investment opportunities. However, this is not due to a lack of available targets but rather a shift in PE funds’ investment approach. Compared to previous periods, funds are exercising greater caution, prioritizing high-quality assets with achievable growth trajectories. This more selective stance reflects an effort to mitigate risks in an increasingly uncertain global economic landscape.

Additionally, the prolonged stagnation of Vietnam’s IPO market in recent years has further constrained private equity (PE) funds’ exit strategies. IPO activity has remained subdued, with only a total of four IPOs recorded between 2023 and 2024, raising a combined USD44 million. This continued lack of IPO momentum has significantly limited viable exit routes for PE funds, leading to longer holding periods and growing pressure on portfolio returns.

While most PE investors agree that structural headwinds are likely to persist over the next 12 months, 63% of respondents remain optimistic that Vietnam’s PE market will improve in 2025. The cautious optimism is grounded in Vietnam’s solid long-term fundamentals including a young, tech-savvy population that continues to drive digital consumption and innovation and proactive government-led initiatives such as the National Digital Transformation Program, which aims to streamline bureaucracy, enhance transparency, and modernize public services.

Moreover, rising FDI inflows underscore investors’ growing confidence in Vietnam as a strategic investment destination. These factors collectively serve as underlying catalysts for a more resilient and dynamic PE landscape.

Key Issues in Private Equity Industry – 2024 vs. Next 12 months



Fundraising trends

Although 2024 fundraising fell short of expectations for most funds, PE investors remain optimistic about 2025, with nearly half anticipating over 15% growth.

According to our survey findings, 61% of respondents engaged in fundraising activities in 2024, yet 64% of them fell short of their targets.

The primary driver behind this shortfall was a shift in LPs' allocation strategies, with a decreasing proportion of capital being allocated to PE investments in frontier markets like Vietnam. Instead, LPs have increasingly prioritized safer investment segments in more developed markets. Additionally, prolonged exit timelines and extended holding periods have further constrained capital recycling, creating an additional challenge for funds seeking to raise new capital.

Survey findings also pointed to other challenges affecting fundraising activities in 2024, including macroeconomic factors such as foreign exchange pressures and overall market downturns, intensified competition among PE funds, and heightened expectations from LPs regarding IRR, portfolio diversification, and investment transparency.

61%

Respondents raised funds in the last 12 months

64%

The scale of fundraising below PE Managers' expectation

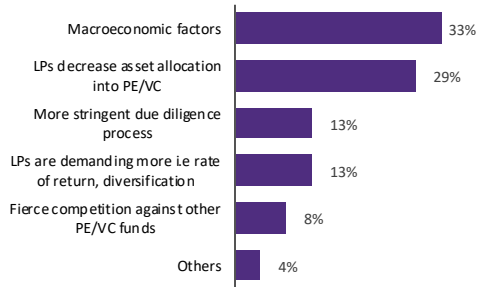
56%

Respondents believe an improvement in capital commitments in 2025

45%

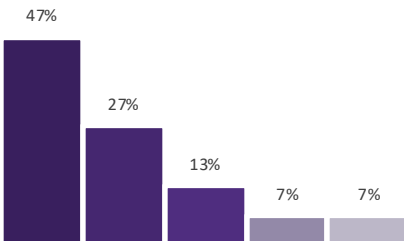
Respondents believe capital commitments will grow over 15% in 2025

2024 Key challenges in fundraising activity



Source: 2025 PE Survey

Key drivers for 2025 growth



- Improved macroeconomic conditions
- More relaxed and open risk appetite of LPs
- High confidence in achieving target returns
- Strong market opportunities
- Others

Source: 2025 PE Survey

While most investors expect these challenges to persist into the next 12 months, all respondents remain optimistic about capital commitments in 2025. Nearly half anticipate fundraising growth of over 15%, supported by expectations of improving macroeconomic conditions, enhanced geopolitical stability, and a more open LP risk appetite. Vietnam's anticipated upgrade to emerging market status is also expected to unlock greater allocations from global LPs.

Looking ahead, the ability of Vietnamese PE funds to secure LP commitments will hinge on differentiation. Firms that focus on portfolio value creation, operational excellence, and clear exit strategies will stand out. In a landscape where investors prioritize quality and track record, a well-defined investment thesis will be key to sustained growth.

Valuation and investment momentum

Vietnam's valuations have mirrored the global downturn, but 94% of surveyed PE investors expect a rebound in 2025.

Following the valuation contraction in 2023, global PE market valuations stabilized in 2024. The median global buyout entry multiple remained virtually unchanged at 11.0x EBITDA, compared to 10.9x in 2023.

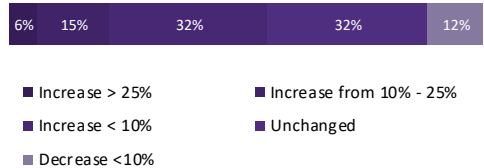
While valuation multiples specific to PE investments in Vietnam are not available, broader market trends provide clear signals that the country is not immune to the global contraction in valuations. Vietnam's overall M&A market saw a notable decline, with average valuation multiples dropping from 16.5x in 2021 to 11.5x in 2023-2024. Similarly, Vietnam's public equity market continues to trade at historically low levels, with a P/E ratio of 11.0x and a P/B ratio of 1.7x—the lowest since 2011.

Looking ahead, investor sentiment for 2025 appears optimistic. A recent survey revealed that 94% of respondents expect valuation multiples to increase next year, a stark contrast to our last year's survey, where 58% predicted falling valuations. This shift suggests that investors believe the worst of the downturn has passed, with expectations of improving macroeconomic conditions, increased deal activity, and potential capital inflows.

The 2025 survey results also highlight key factors shaping investor sentiment and valuation expectations. Sector-specific growth potential (20%) and economic growth (19%) emerged as the most influential drivers, reflecting confidence in Vietnam's long-term expansion across key industries.

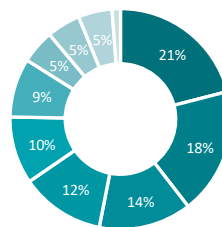
However, global economic uncertainties (13%) and interest rates/inflation trends (14%) remain significant concerns, suggesting that investors are still mindful of external risks that could affect deal-making conditions. While Vietnam's economy has demonstrated resilience, external factors such as global inflation, interest rate hikes, and potential economic slowdowns could weigh on investor confidence. Additionally, geopolitical factors, particularly U.S. President Donald Trump's renewed focus on trade protectionism, could introduce further volatility. The "America First" policies and potential tariff increases may disrupt global supply chains, indirectly impacting Vietnam's export-driven economy and, consequently, the attractiveness of PE investments in the country.

Expected valuation trend in 2025



Source: 2025 PE Survey

Expected factors impact valuation in 2025



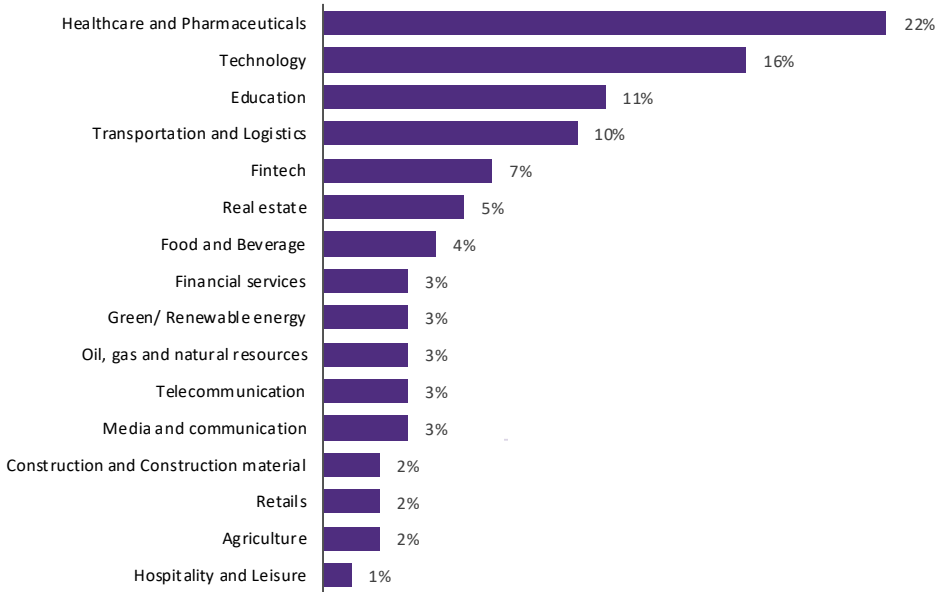
- Sector-specific growth potential
- Economic growth
- Global economic uncertainties
- Interest rates and inflation trends
- Equity market performance
- Funding environment
- Exchange rates
- ESG compliance and attractiveness
- Tax regulations and policies
- Others

Source: 2025 PE Survey

The relatively low prioritization of ESG compliance (4%) and tax regulations (5%) in the 2025 survey suggests that these factors are not yet primary concerns for private equity investors in Vietnam. This stands in contrast to global trends, where ESG considerations and regulatory frameworks are becoming increasingly central to investment decisions. The lower emphasis on ESG may reflect Vietnam's evolving regulatory landscape, where sustainability initiatives are still developing, and investors prioritize immediate financial returns over long-term ESG commitments. Similarly, the low impact of tax policies reflects stability in Vietnam's tax environment, though future global initiatives like the minimum tax may change this.

Attractive Industries

Most attractive industries in the next 12 months voted by our respondents



Source: 2025 PE Survey

In an uncertain global economic environment, private equity (PE) investors in Vietnam are focusing on sectors that demonstrate resilience to economic cycles, scalability, and strong return potential. This explains why the top three most attractive sectors for PE investment over the next 12 months are:

Healthcare & Pharmaceuticals

Driven by rising healthcare demands, increasing government investment in medical infrastructure, and a growing middle class prioritizing health and wellness.

Technology

Fueled by Vietnam's rapid digital transformation, thriving startup ecosystem, and increasing adoption of AI, fintech, and cloud computing solutions.

Education

Supported by rising demand for private education, digital learning platforms, and vocational training as Vietnam focuses on workforce upskilling.

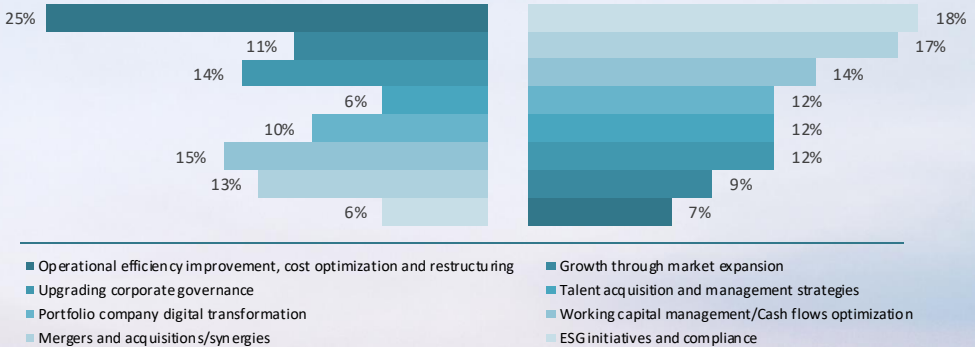
These priorities align with broader regional trends, where healthcare, technology, and education are experiencing strong growth, driven by structural shifts in consumer behavior, digital innovation, and workforce development.

Meanwhile, Transportation & Logistics (10%) remains a key focus, reflecting Vietnam's role as a major manufacturing hub in Southeast Asia and the increasing demand for efficient supply chain solutions. Investments in smart logistics, last-mile delivery, and cold chain storage are expected to grow as Vietnam strengthens its position in global trade networks.

Value Creation Plan

Our survey findings show a clear shift in value creation—from stabilization and efficiency (2023–2024) to growth and scalability (2025–2026)

Value creation levers for PE investments in 2023–2024 and expected in 2025–2026



Survey results indicate a fundamental shift in value creation priorities for PE investments in Vietnam, moving from an inward-focused efficiency-driven approach in 2023–2024 to a growth-centric strategy in 2025–2026. This transition reflects a broader confidence in Vietnam’s economic recovery, shifting investor priorities from stabilization to scalability.

2023–2024: Focus on Stabilization and Efficiency

During 2023–2024, PE investors prioritized operational efficiency improvement, cost optimization, and restructuring (23%), followed by working capital and cash flow management (16%), corporate governance upgrades (15%), and M&A-driven synergies (15%). This heavy emphasis on financial discipline, cost control, and governance enhancements underscored the need to navigate macroeconomic volatility, rising input costs, and liquidity challenges.

Notably, Digital transformation (10%) ranked lower than traditional restructuring methods, indicating that while investors acknowledged technology’s role, their immediate focus was on short-term operational improvements rather than long-term tech-driven innovation.

Besides, Market expansion (9%) and talent acquisition (7%) were deprioritized, as businesses focused on stabilizing existing operations rather than pursuing aggressive growth. ESG initiatives (6%) remained the least prioritized, suggesting that while sustainability is gaining traction globally, regulatory inconsistencies and enforcement gaps in Vietnam limited its impact on PE decision-making.

2025–2026: A Shift Toward Growth and Scalability

Looking ahead to 2025–2026, there is a clear reorientation towards proactive growth strategies, signaling that investors are shifting from defensive restructuring to offensive market positioning.

Market expansion (18%) surpassing cost efficiency (17%) as the top priority, indicating that investors have confidence in an improving macroeconomic outlook and view this as an opportune time to accelerate the scaling and expansion of investee companies.

Corporate governance (15%) remains crucial, reflecting ongoing institutionalization efforts as PE firms seek higher transparency, risk mitigation, and compliance with global standards.

Digital transformation (12%) is gaining traction, no longer viewed as a secondary cost-cutting tool but as a strategic enabler of efficiency, automation, and AI-driven competitive advantages.

Talent acquisition and workforce management (11%) rising in importance. However, M&A-driven synergies (10%) have slightly declined in priority, likely due to deal-making challenges and valuation gaps, suggesting a stronger focus on organic rather than acquisition-led growth. ESG initiatives (6%) remain a lower priority, though their gradual rise indicates growing investor awareness of sustainability factors, especially as Vietnam aligns with global ESG standards.

AI and Digital transforming

Our survey results indicate a strong uptick in AI adoption among PE firms, particularly in areas such as deal sourcing, due diligence, predictive analytics, and portfolio management.

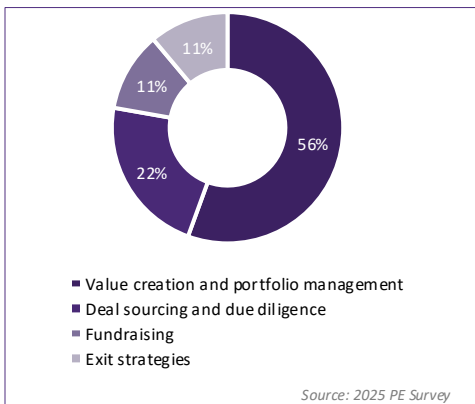
The adoption of AI and digital transformation in PE investments has been accelerating in recent years. According to S&P, PE firms have invested globally \$2.18 billion in GenAI in 2023, more than doubling the \$1 billion recorded in 2022. Forecasts suggest that GenAI investments will comfortably exceed this figure in 2024, reinforcing AI's growing role in reshaping investment strategies and portfolio management.

Our survey results show a similar trend in the Vietnam market with 82% of respondents recognizing AI as a key trend shaping future investments. While 45% have already integrated AI into their operations, an additional 40% plan to implement AI-driven solutions in the coming years, reflecting a strong commitment to technology-driven efficiency and decision-making.

This surge in AI adoption reflects a shift in how PE firms approach efficiency, risk assessment, and value creation. As AI continues to evolve, its role in deal sourcing, due diligence, predictive analytics, and portfolio management is expected to redefine industry best practices.

Our survey findings highlight data analytics and AI-driven insights (54%) as the dominant technology trend shaping private equity investment strategies. This overwhelming lead suggests that PE firms recognize AI's transformative potential in deal sourcing, due diligence, portfolio management, and value creation. The ability to process vast datasets and generate predictive insights is becoming a critical competitive advantage. Cloud computing (13%) and IoT (13%) are also gaining traction, supporting automation and operational improvements.

Stage of investment lifecycle benefits the most from AI/digital transformation



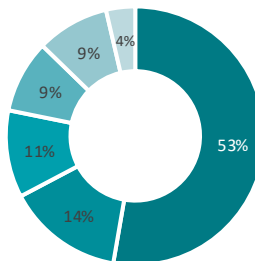
82%

Respondents believe in the use of AI in private equity (PE) investment

85%

Firms implemented or have plan to implement in the next years

Expected technologies will impact PE investment in the next years



- Data analytics and AI-driven insights
- Cloud computing and automation
- ESG-focused tech solutions
- Cybersecurity enhancements
- IoT for operational improvements
- Blockchain for transaction security

Source: 2025 PE Survey

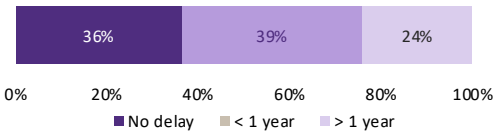
Our survey results indicate that digital transformation plays a critical role in private equity, particularly in value creation and portfolio management (56%), followed by deal sourcing and due diligence (22%). Fundraising and exits are less impacted (11% each), highlighting investors' focus on leveraging digital tools to boost operational efficiency and post-investment value. Looking ahead, due diligence and portfolio performance forecasting are the top areas where organizations plan to implement AI. Insights from a fund manager interview suggest that AI will fundamentally reshape the private equity landscape. As Vietnam advances its digital economy agenda, AI adoption is expected to become a key differentiator for funds pursuing tech-driven value creation.



Our survey reinforces that while Vietnam’s PE market remains dynamic, exit conditions are evolving amid broader regional and global challenges. Fund managers are increasingly favoring exit routes that offer both speed and certainty, even as external factors force many planned exits into delay.

Exit Postponement and Underlying Factors

When asked about the likelihood of delays in planned exits over the next year, nearly 64% of respondents expected postponements of up to a year or longer, while 36% anticipated exits to remain on schedule. This reflects a modest improvement from last year, when over 94% of respondents expected delays exceeding one year.

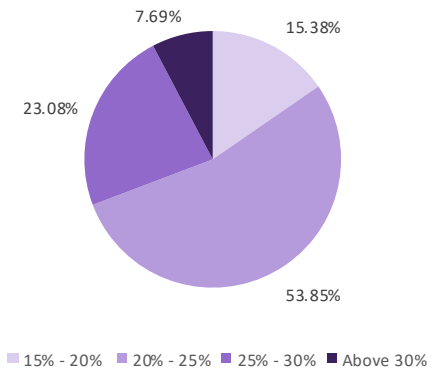


The primary barrier to timely exits remains a valuation mismatch, with nearly one-third of respondents noting that expected pricing does not align with current market realities. This issue is further complicated by challenges in attracting strategic buyers or investors, as well as unfavorable economic conditions that add uncertainty to growth and funding prospects. Additionally, company-specific factors—including operational inefficiencies and unresolved legal matters—continue to contribute to exit delays.

Return Expectations

Despite the challenges in exit timing, the survey indicates a broadly optimistic outlook regarding returns from current portfolio companies. Many respondents expect their investments to perform robustly, with overall returns remaining healthy even in a delayed exit environment.

This optimism reflects confidence in strong underlying asset performance and effective value creation strategies, suggesting that even if exits are postponed, the eventual realized returns should align with or come close to initial expectations.





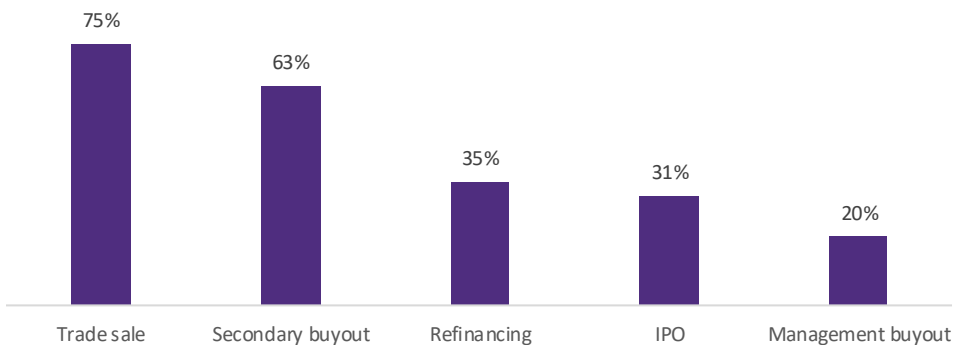
Exit Pathways

Exit Strategy

Our survey findings reveal that trade sales remain the most preferred exit strategy among PE investors, followed by secondary buyouts—which have now overtaken IPOs. Refinancing has also gained momentum, moving into third place, while IPOs have dropped to fourth, reflecting ongoing challenges in the public market.

IPOs have become less attractive due to stricter listing requirements, lengthy regulatory approval processes, and market liquidity concerns. In addition, Vietnam’s evolving securities regulations and delays in foreign investor access post-listing have further discouraged companies from pursuing public offerings. As a result, PE investors are increasingly favoring strategic sales and secondary buyouts as more predictable and efficient exit routes.

Most preferred exit strategy in the next 12 months voted by our respondents





About

Grant Thornton

Our Global Advisory Team with unparalleled experience

About Grant Thornton Vietnam

With 32 years of experience in Vietnam's Private Equity market, Grant Thornton Vietnam has developed a deep understanding of the industries and their key drivers

Global Advisory team with unparalleled experiences



Kenneth Atkinson

Founder and Senior Board Adviser



Nguyen Thi Vinh Ha

National Head of Advisory

How Grant Thornton helps Clients through the full Transaction Life Cycle

Innovative Solutions

Our Transaction Services practice helps organizations navigate the complexity of transactions – whether buying or selling, restructuring, or providing capital solutions – always with competencies, speed, and agility. From deal strategy and valuation to evaluating the financial and operational issues affecting performance and identifying strategic alternatives, we address concerns, manage risk and seize opportunities to maximize your transaction value.

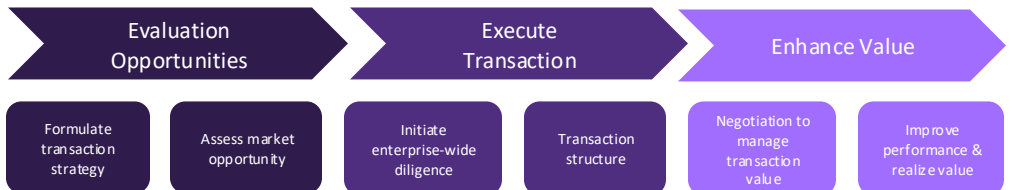
M&A Advisory

- Deal Advisory – Buy & Sell Side
- Valuation and Due Diligence
- Implementation & Closing Support

Fund Raising

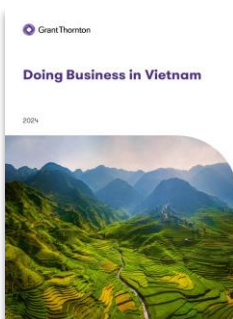
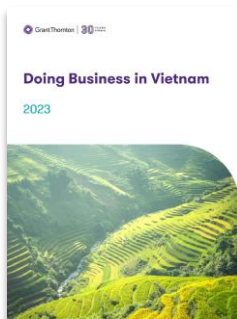
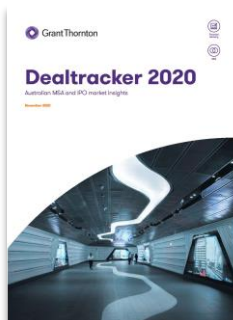
- Private Equity
- Debt & Convertibles

End to End Deal Lifecycle Support



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