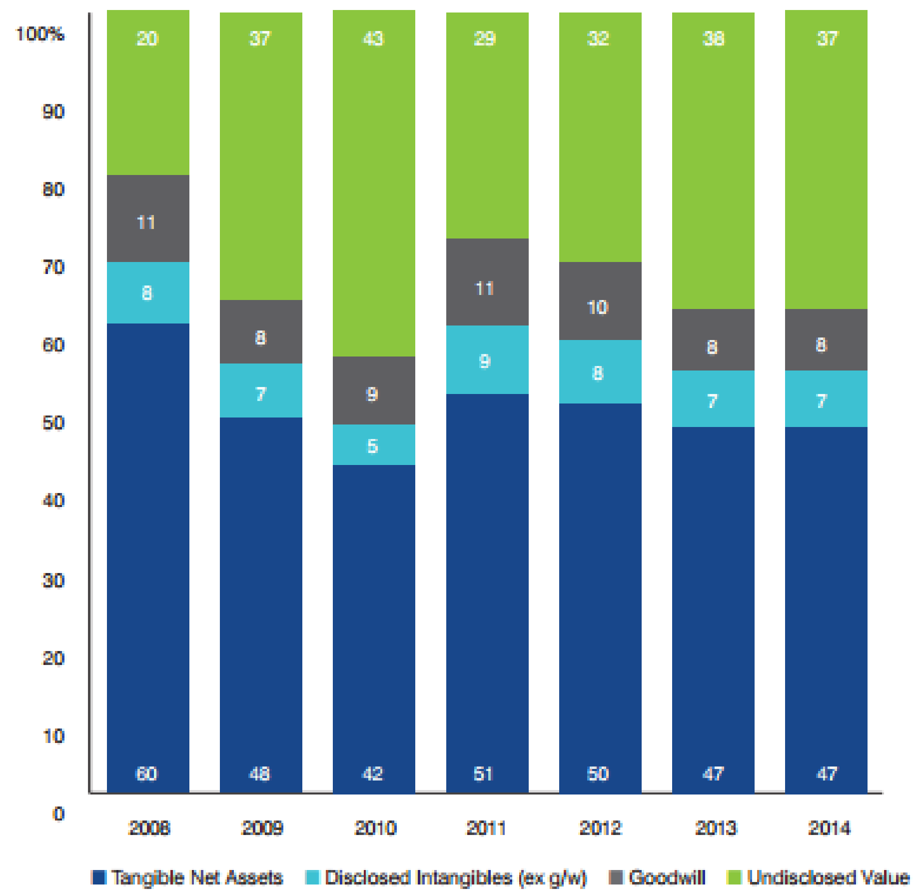
Top 50 Vietnamese Brands 2015

The world‟s only published ranking of ISO compliant brand values

Understanding the value of Intangible Assets - GIFT

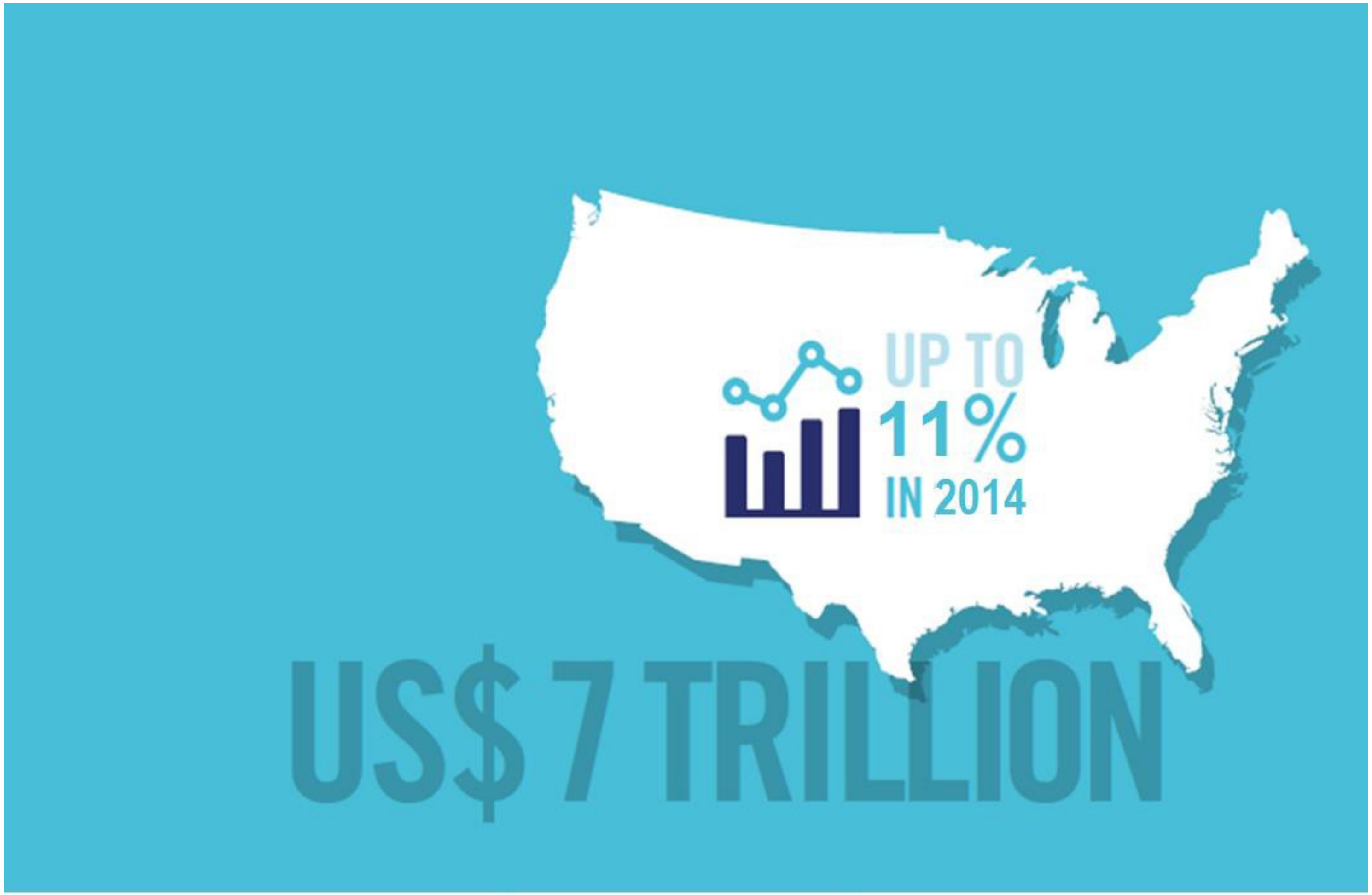
- Most Comprehensive Research ever compiled on Intangible Assets.
- Brand Finance analysis of top 120 national stock exchanges.
- 58,000 companies.
- 99% of total global market capitalization.
- $71 trillion of Enterprise Value.
- $33.5 trillion of Enterprise Value are tangible assets.
- Over 53% of global enterprise value is intangible.

Global Enterprise Value Breakdown (%)



Source : BrandFinance ® Global Intangible Financials Tracker 2015

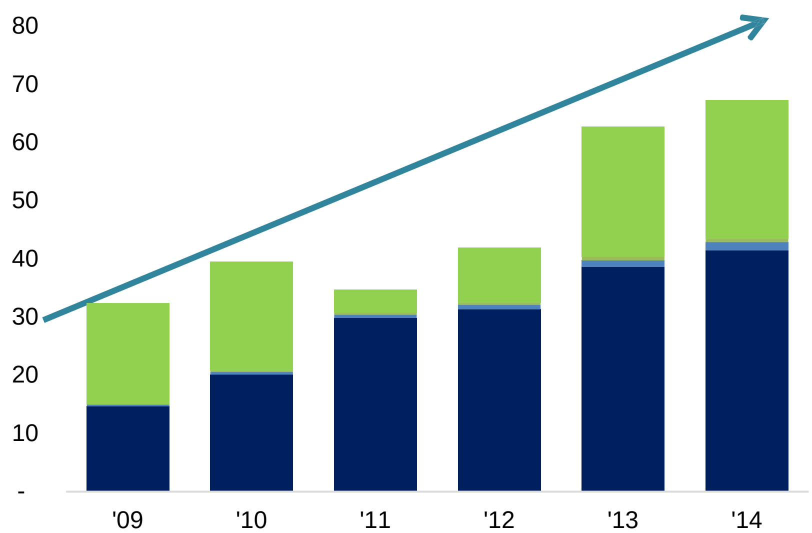
Understanding the value of Intangible Assets - GIFT

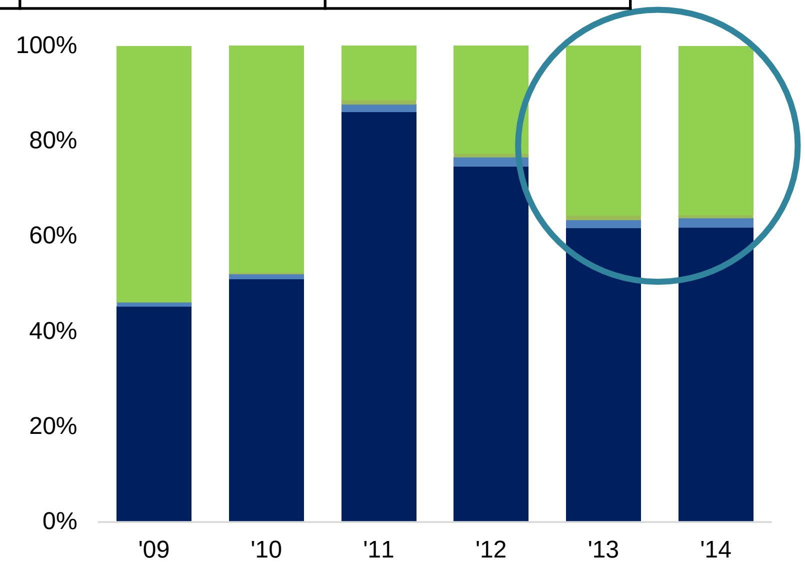


This is like the GDP equivalent of Intangible Value

Country Specific – Vietnam

VIETNAM	US$ BN	%
ENTERPRISE VALUE	67.3	100
NET TANGIBLE ASSETS	41.5	62
DISCLOSED INTANGIBLLE ASSETS (Exc Goodwill)	1.3	2
DISCLOSED GOODWILL	0.5	1
UNDISCLOSED VALUE	24	36



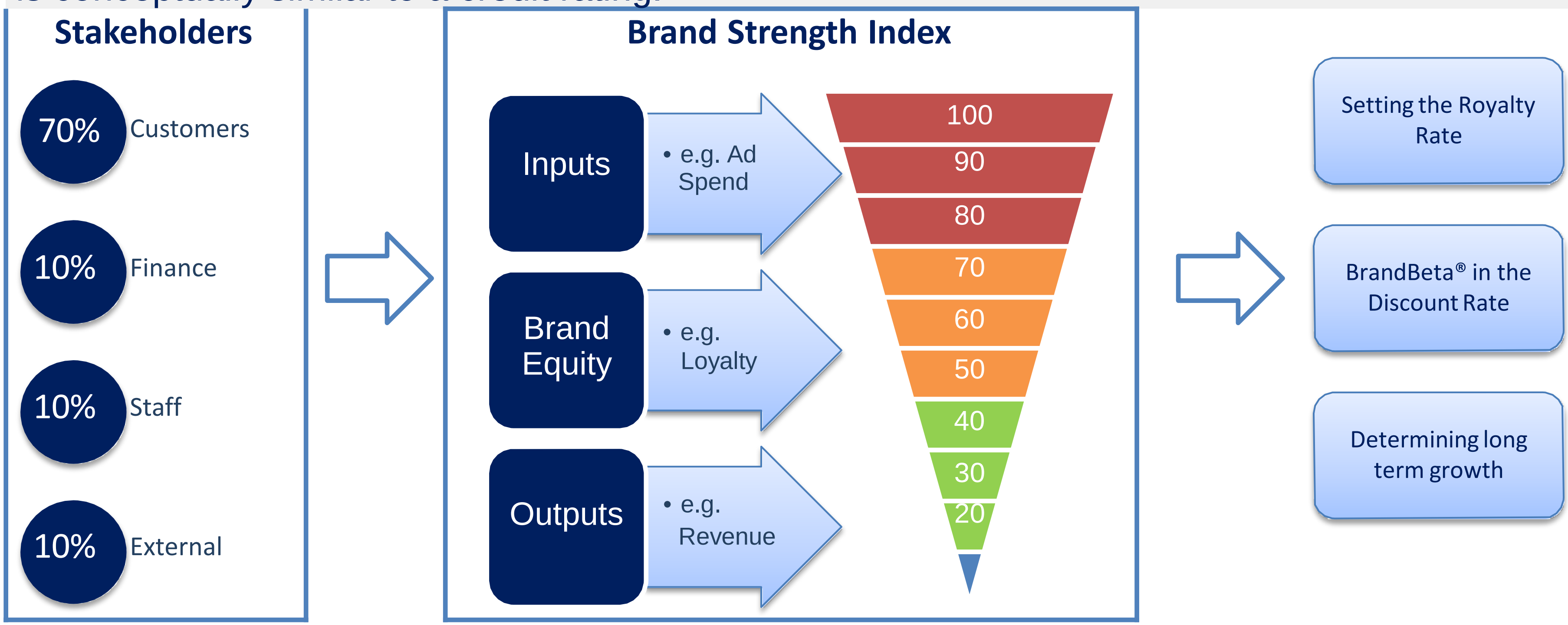


Undisclosed Value
Goodwill
Disclosed Intangibles (ex g/w)
Net Tangible Assets

Source : BrandFinance ® Global Intangible Tracker 2014

Brand Strength Index Methodology

At Brand Finance we assess brand strength using our ***Brand Strength Index*** framework. This benchmarks the strength, risk and future potential of a brand relative to its competitors by ***assessing 32 Parameters*** across *input measures*, *brand equity measures*, and *output performance* across four stakeholder groups. The scale ranges from AAA to D, and is conceptually similar to a credit rating.



Note: Data sources include conventional financial sources, desk research of market indicators and original research. We have contacted brands and some have provided research data to inform the scoring process. Where data is not available our local management teams use their judgement and knowledge to rate the brands

Brand Strength to Brand Rating

Brand Index	Brand Rating
0	D
5	D
10	DD
15	DDD
20	C
25	CC
30	CCC
35	B
40	BB
45	BBB
50	A-
55	A
60	**A+**
65	AA-
70	AA
75	AA+
80	AAA-
85	AAA
90	AAA+
95	AAA+
100	AAA+

Computed Brand Strength Index = 62

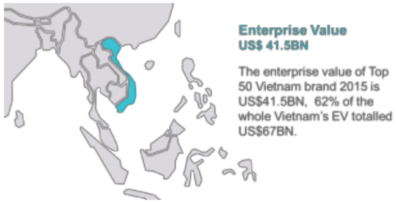
Brand Rating	Strength
AAA	Extremely Strong
AA	Very Strong
A	Strong
BBB-B	Average
CCC-C	Weak
DDD-D	Failing

Vietnam Top 50 Brands Highlights

Enterprise Value
US$ 41.5BN

The enterprise value of Top 50 Vietnam brand 2015 is US$41.5BN, 62% of the whole Vietnam‟s EV (US$67BN.)

Vietnam Top 50 Brands Highlights



TOTAL BRAND VALUE OF THE 50 MOST VALUABLE BRANDS

50

LARGEST BRANDS

US$5.5BN

The total value of Vietnam‟s 50 largest brands and brand portfolios in 2015 is US$5.5BN.

8% of the total EV of the country.

Vietnam Top 50 Brands Highlights

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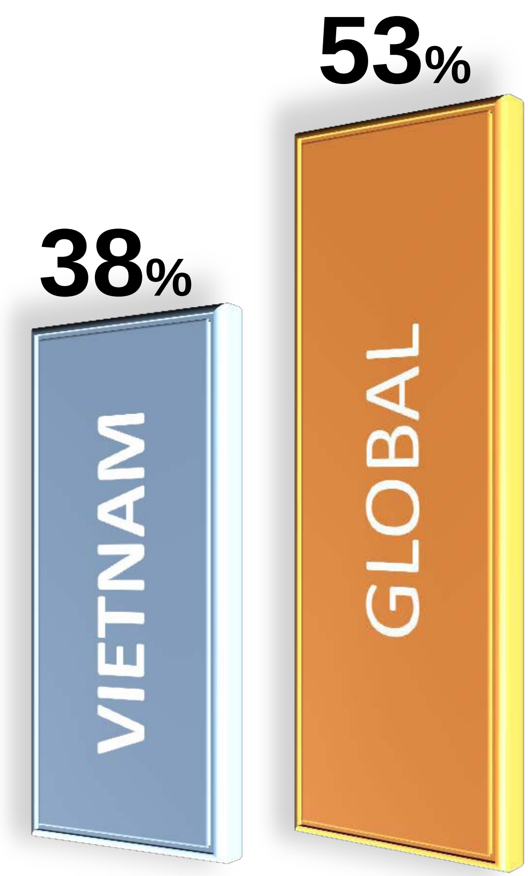
INTANGIBLES BELOW AVERAGE



Overall, only 38% of Vietnam listed value is contributed by the intangibles compared to the global average of 53%.

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INTANGIBLES BELOW AVERAGE

Overall, only 38% of Vietnam listed value is contributed by the intangibles compared to the global average of 53%.

FINANCIAL SECTOR IS NO.1. BUT IT IS NOT

- Banks with the highest Enterprise Value contribution of US$ 16.3 BN contribute only 4%, least to the total brand value of the top 50 Vietnamese brands.

Vietnam Top 50 Brands Highlights

ENTERPRISE VALUE TO BRAND VALUE PERCENTAGE

13% (VS. 38%)

TOTAL VALUE OF TOP 10 VS. NEXT 10

U$3.6BN vs. US$0.9BN

TOTAL VALUE OF TOP 25 VS. BOTTOM 25

88% vs. 12%

Vietnam Top 10 Most Valuable Brands

- The ten most valuable brands and brand portfolios of Vietnam are worth **US$3.6billion.**
- They represent **65%** of the total brand value of the Top 50 Vietnam brands.

01	02	03	04	05	06	07	08	09	10
Vinamilk	Viettel	Vinhomes	Mobifone	PetroVietnam Gas	FPT	VietinBank	Vinaphone	BIDV	Vietcombank
Brand Value									
1,137	580	343	306	288	239	197	193	176	157

11-25

Rank 2015	Brand	Brand Value 2015 (USD millions)	Brand Rating 2015	Enterprise Value 2015 (USD millions)	Brand Value / Enterprise Value (%) 2015 (USD millions)
11	Masan Consumer	143	AA	2,031	7%
12	thegioididong.com	102	AA	341	30%
13	Sacombank	99	AA-	844	12%
14	Techcombank	99	AA-	N/A	
15	MB Bank	98	AA	813	12%
16	HAGL	98	AA-	541	18%
17	Bao Viet Holdings	79	A+	1,516	5%
18	Vinacafe Bien Hoa	67	AA-	186	36%
19	Dhg Pharmaceutical	62	AA-	272	23%
20	Phu Nhuan Jewelry	62	AA-	240	26%
21	Hoa Phat Group	61	AA	1,189	5%
22	Kinh Do Corp	61	AA	379	16%
23	Asia Commercial Bank	58	AA	769	8%
24	Petrovietnam Drilling & Well Services	50	A+	969	5%
25	Hung Vuong Corp	47	A	397	12%

26-40

Rank 2015	Brand	Brand Value 2015 (USD millions)	Brand Rating 2015	Enterprise Value 2015 (USD millions)	Brand Value / Enterprise Value (%) 2015 (USD millions)
26	Eximbank	46	AA-	651	7%
27	Saigon Hanoi Bank (Shb)	44	AA-	291	15%
28	Vincom	44	AA	314	14%
29	Petrovietnam Transportation Corp	42	A+	256	16%
30	Hoa Sen Group	37	AA-	477	8%
31	Vinh Hoan Corp	34	A-	222	15%
32	Vinmec	32	AA	244	13%
33	Pvi Holdings/Vietnam	29	A	200	15%
34	Ha Tien 1 Cement	28	A+	644	4%
35	Petrovietnam Nhon Trach 2 Power	28	A	558	5%
36	Vietnam Sun Corp	28	AA-	125	22%
37	Pha Lai Thermal Power	23	A	343	7%
38	Vinaconex	22	BBB	489	5%
39	DGC	22	A-	94	23%
40	Dabaco Corp	22	A-	140	16%

41-50

Rank 2015	Brand	Brand Value 2015 (USD millions)	Brand Rating 2015	Enterprise Value 2015 (USD millions)	Brand Value / Enterprise Value (%) 2015 (USD millions)
41	Saidong Urban Development	21	BBB	102	21%
42	Saigon Securities	21	AA-	514	4%
43	Traphaco	21	A+	84	25%
44	Hoa Binh Construction & Real Estate	21	A	89	24%
45	Hanoi Southern City Development	19	BBB	N/A	
46	Cotec Construction	19	A	75	25%
47	Digiworld Corp	19	A+	67	28%
48	Petrovietnam Fertilizer & Chemicals	19	A+	263	7%
49	577 Corp	18	A+	66	28%
50	Vietnam Electric Cable Corp	18	A-	65	27%

How to Leverage on the Rankings

Brand Finance
#2 Vietnam Most Valuable Brand 2015

Brand Finance
TOP 10 MOST VALUABLE VIETNAM BRANDS 2015

Brand Finance
TOP 20 MOST VALUABLE VIETNAM BRANDS 2015

Brand Finance
TOP 50 MOST VALUABLE VIETNAM BRANDS 2015

- Use the ranking Stamp across all your communication, internal and external.

- Get a copy of the detailed report of your brand to understand some of the drivers and your areas of strength over competitors.

- Use the information to drive better Investor relations and other stakeholder alignment.

Application Examples

Rear View

Forward

Where do you look when you want to move ahead?

- **P&L management**
- **Only tangibles are managed**

This is how most organisations look at the business and the brand

- Research
- Quarterly sales tracking
- Market share
- KPI measures
- Revenue and profit growth

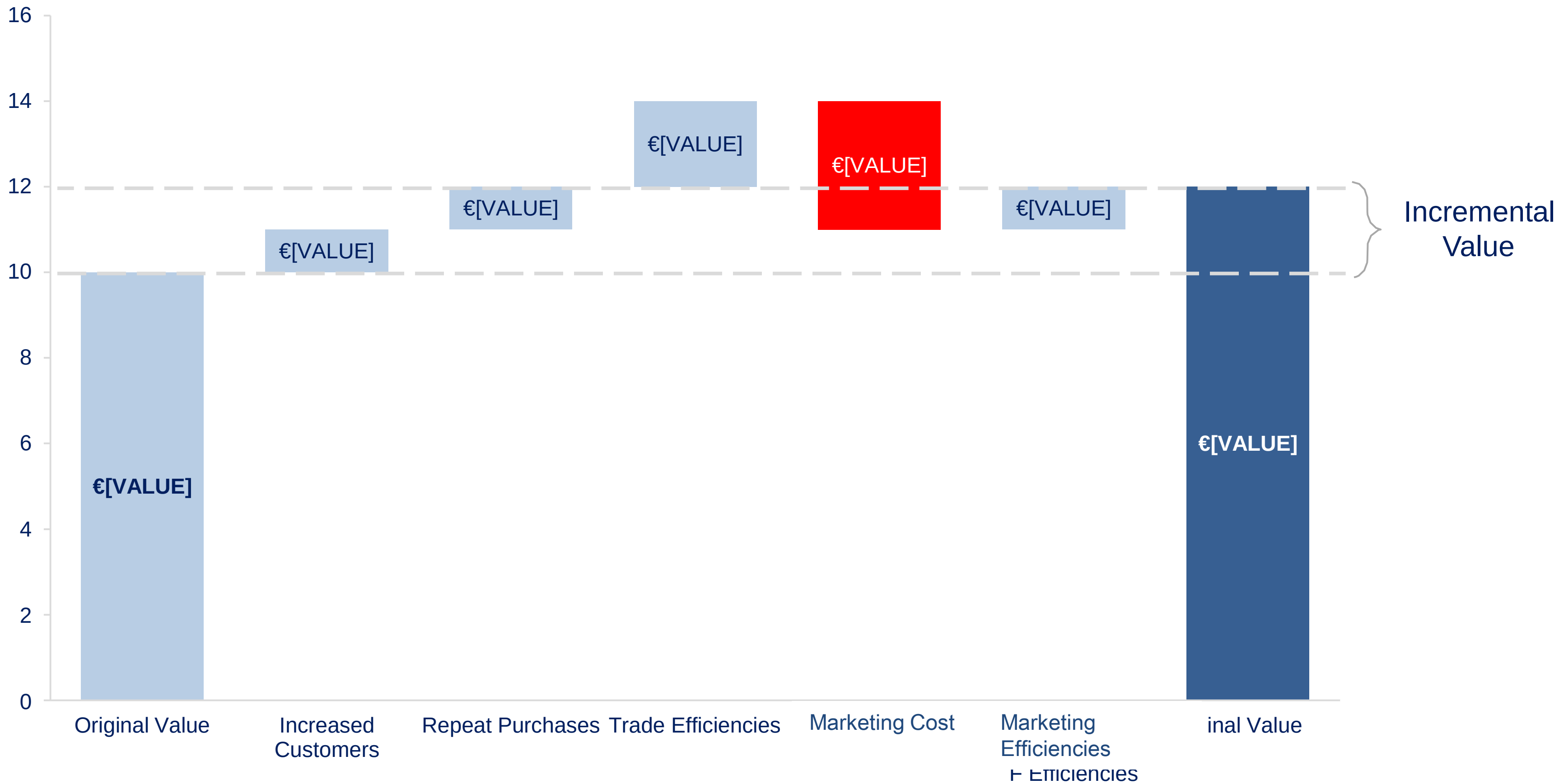
- Forecasted Revenue
- Business growth
- Customer growth
- Brand KPI"s

This is what it allows them to manage

- **Intangibles + Tangibles are managed (Business and Brand Value)**

Re-Brand scenario modelling

Sample illustrative output - revenue uplift, cost analysis and potential synergy savings, market share increase, lifetime customer value impact etc. can all be calculated due to rebranding or change in brand architecture.

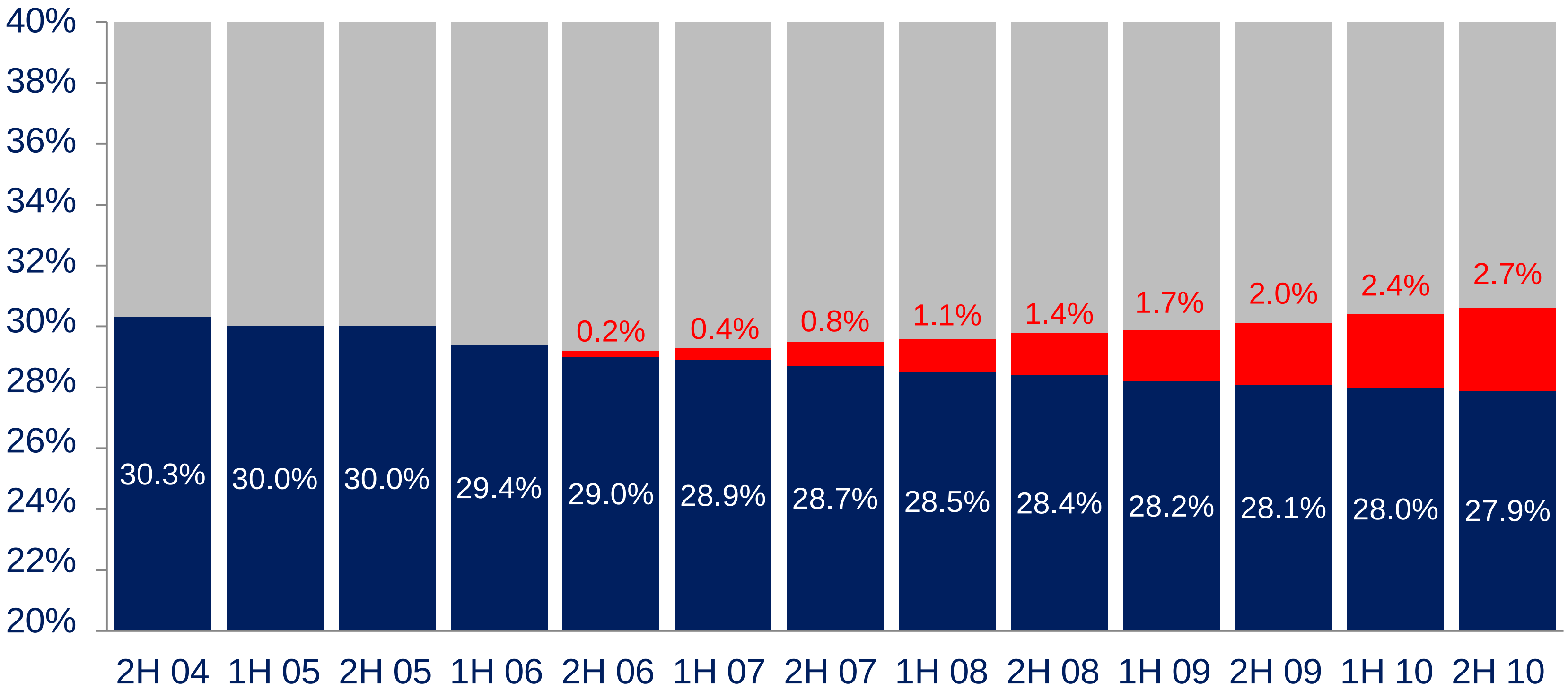


Illustrative

Illustrative

Co-branding uplift impact

The addition of Vodafone brand to a particular Partner brand increases customer acquisition, retention, product uptake, usage and price, driving an increase in customer numbers, market share and revenues

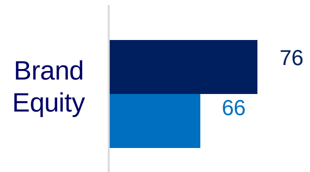


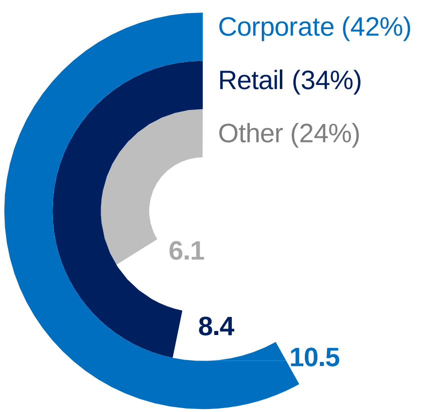
Predicted Market Share of Customers

Brand Uplift due to Advertising/Sponsorship

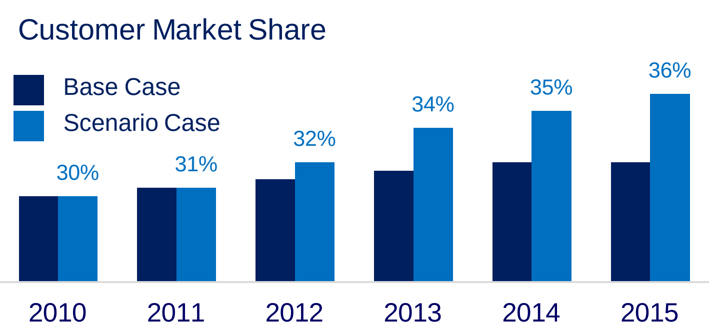
Step 3 – illustrative outputs

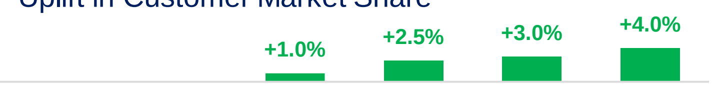
Base case | Scenario | Uplift due to sponsorship

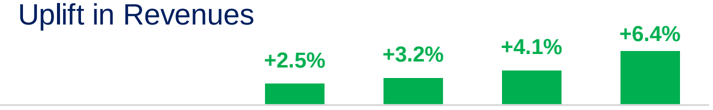


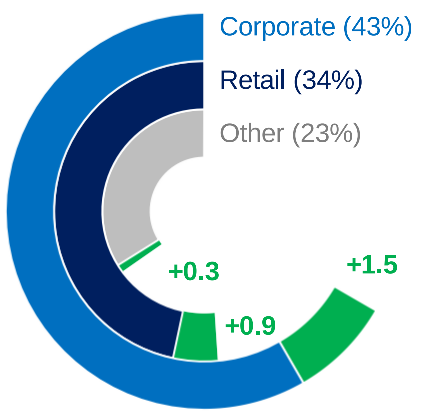


Branded Business Value
Base Case: € 25.0bn





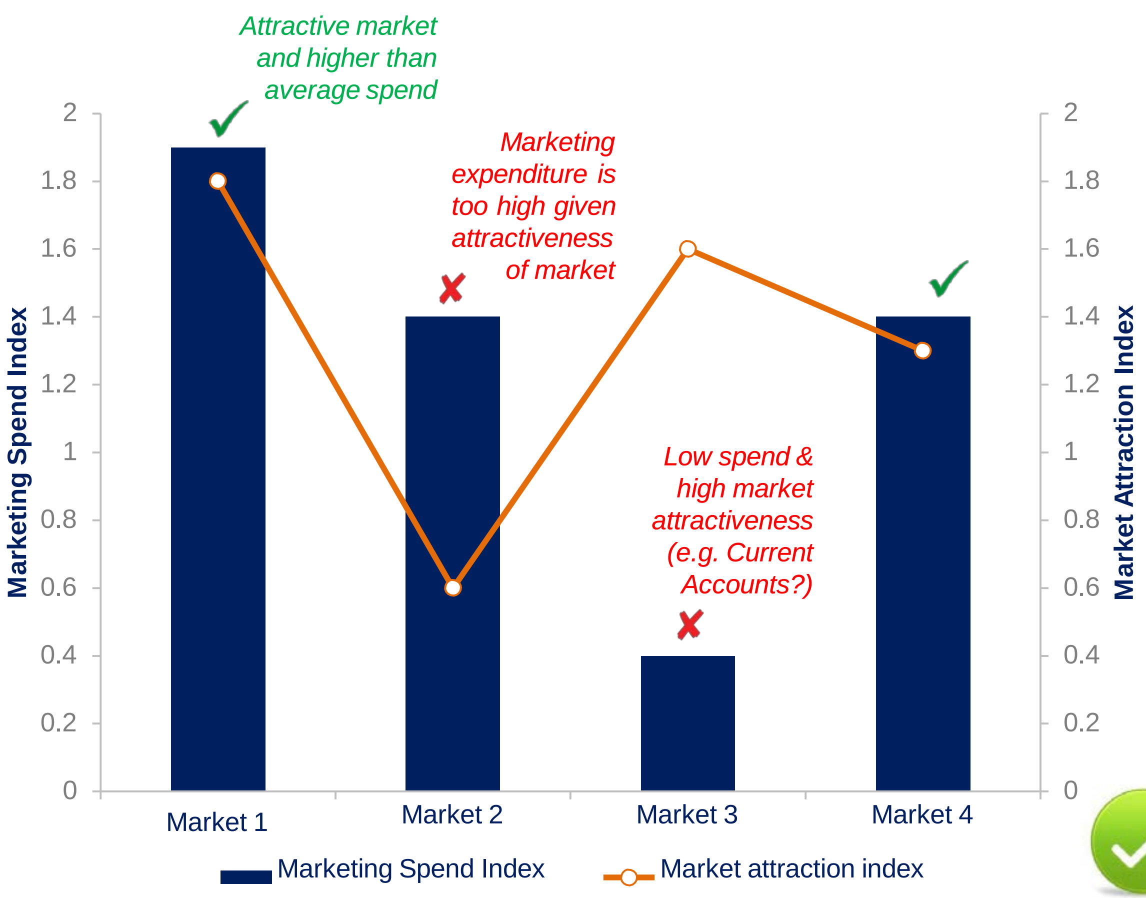




Branded Business Value
Scenario Case: € 27.7bn **(+11%)**
Base Case: € 25.0bn
Uplift in value due to sponsorship: **€ 2.7bn**

Marketing spend allocation analysis across markets/products/channels

It is possible to assess media budgets, at a high level, by comparing a market"s contribution towards brand value to its share / consumption of marketing spend



Top level analysis of budget allocation

- Compares Market Attractiveness to marketing expenditure relative to competitors with in each market or segment
- We would develop a „Market Attraction Index" with Telenor (combining measures such as overall growth, forecast profitability, level of competition etc)
- Is Telenor spending more or less than its average spend across all markets - in the appropriate markets

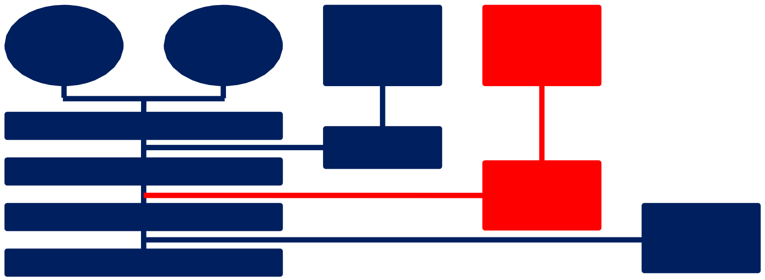
Key benefits

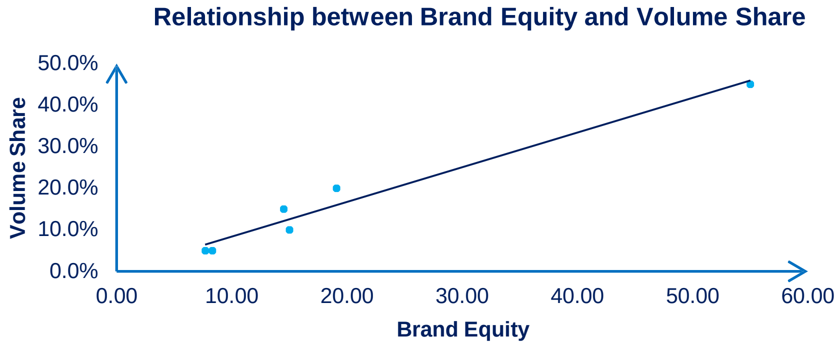
- Provides useful guidance regarding allocation of marketing spend

Illustrative

Brand Contribution Analysis – Consumer brands

Method 1



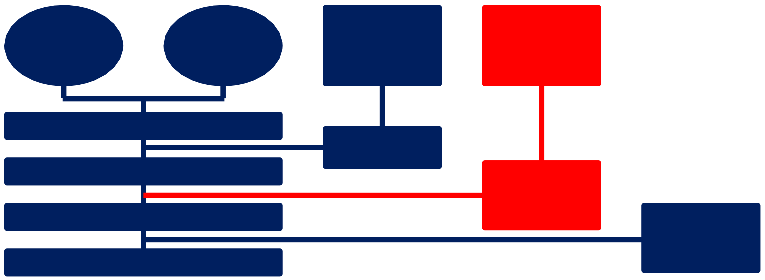


SEGMENT		*Brand Equity*	*Volume Share*
Company A		19.1	20%
Company B		14.5	15%
Company C		55.0	45%
Company D		8.3	5%
Company E		7.7	5%
Company F		15.0	10%

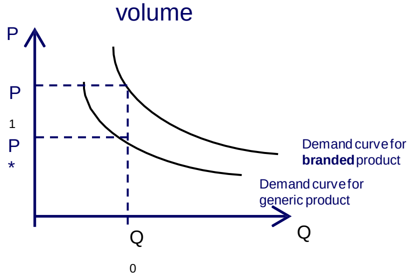
Process

1. **Determine and measure Brand Strength**
   - Brand Equity („BE") measures the strength of the Brand Proposition („BP").
   - BP refers to the values, benefits and reasons to believe in the brand in the minds of consumers.
   - Strength is based on the relationship between the *endorsement* and the *importance*.
2. **Establish a relationship between Volume/Value Share and Brand Strength**
   - Compare with other accepted Market Research measures of Brand Proposition and Market Share
   - Determine the relationship between changing BE score and market share.
3. **Determine the Volume/Value Share of weakest or unbranded players**
   - The brand with the weakest BE score in the sample acts as a proxy for a generic (unbranded) product, as if it had no brand effect.
   - The brand contribution for the analysed brand is calculated as the additional financial brand contribution it generates above the proxy „unbranded" product.

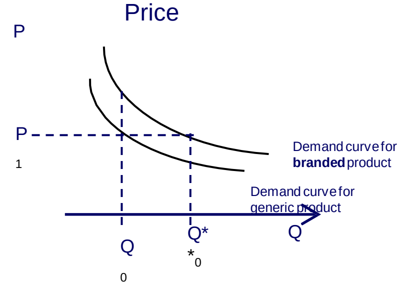
Brand Contribution Analysis – Business to Business



Price premium at fixed volume



Volume effect at fixed Price



SEGMENT		Price Premium (% additional price attributable to branded offer)	Volume Effect (% additional volume attributable to branded offer)
Segment 1		+11.0%	+ 81.5%
Segment 2		+0.4%	+ 2.0%
Segment 3		+1.4%	+ 5.7%

Process

1. **Calculate the brand effect**
   - The impact of the brand on the performance can be estimated by Conjoint Research
   - This isolates the incremental revenues and profits attributable to the brand over the generic, „unbranded‟ alternative.
2. **Convert research results to an arm's length value for the brand**
   - Using the results of the research we split the operating profit forecasts between those attributable to:
     a) The price premium and volume uplift created by the brand;
     b) The rest of the results, which can be thought of as the results of an unbranded market participant of the company‟s size
   - We then apply the volume/price premium to determine the economic value uplift commanded by the brand, this is referred to as the brand contribution
   - which we refer to throughout as the "base case".

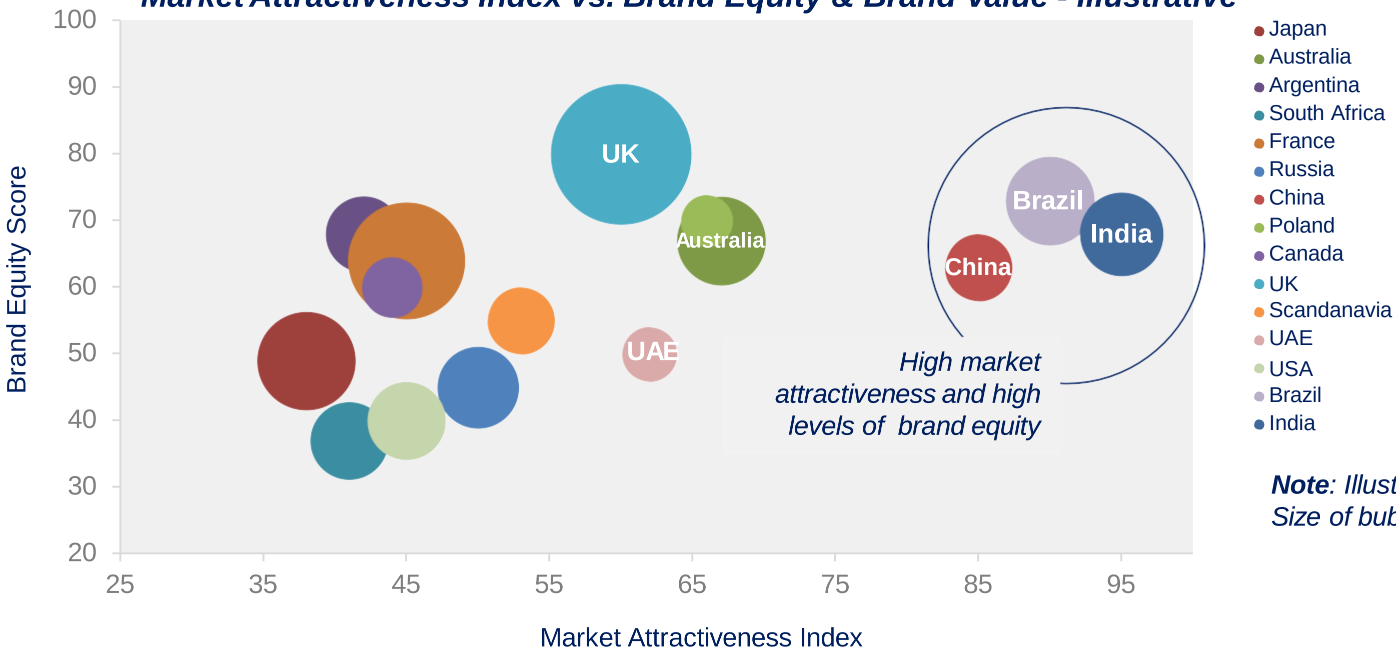
Market Attractiveness Index

Creating a Market Attractiveness Index can help to examine the relationship between Brand Equity, Brand Value and each individual market performance

Key benefits

- This analysis can be used to inform prioritisation of markets; ideally this analysis would show that Telenor has higher Brand Equity scores in the most attractive markets – if not, a change in marketing strategy or budget allocation is required
- ***It can also provide topline guidance on marketing expenditure allocation***

Market Attractiveness Index vs. Brand Equity & Brand Value - Illustrative



***Note**: Illustrative results only.*
Size of bubble denotes brand value

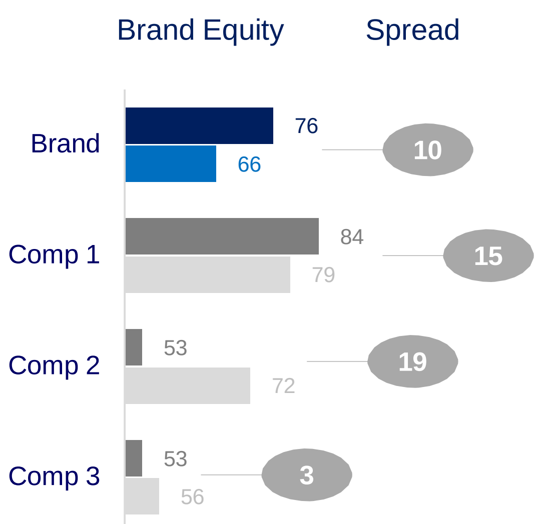
Illustrative

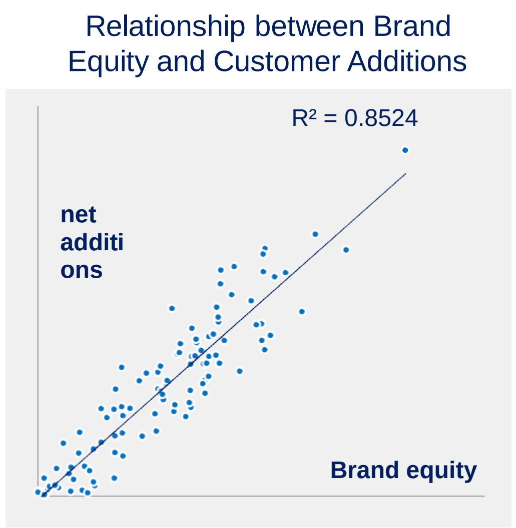
Brand Equity Drivers Analysis

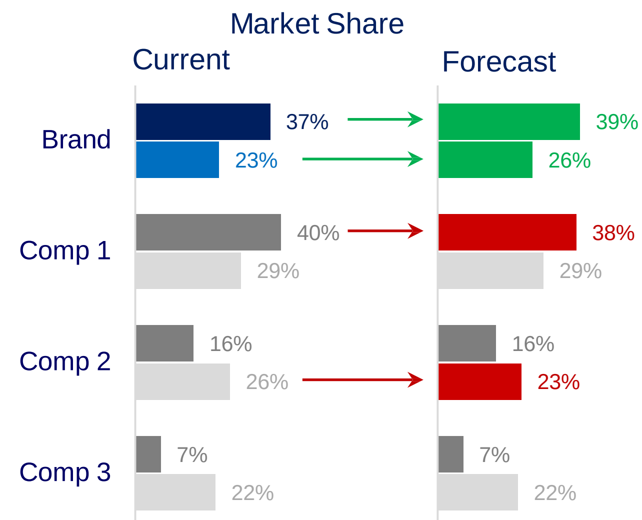
illustrative output

Retail
Corporate

Illustrative outputs







1. Through analysis of historic results we will seek to identify the relationship between Brand Equity and Customer Behaviour.

2. By understanding the impact of the underlying drivers of Brand Equity, specifically “brand”, we can hypothesise the change in Brand Equity and therefore forecast change in customer market share.

Rebrand/Brand Transitions

Risks and rewards of brand transition vary

Criteria \ Company	Brand A	Brand B	Brand C	Brand D	Brand E	Brand F	Brand G	Brand H	Brand I
Opportunity to Increase Brand Awareness/Strength	Low - Medium	Low	Low - Medium	Low	Low - Medium	Low - Medium	Low - Medium	Low - Medium	Low - Medium
Affinity to International Brands/Products	Low	Low	Low - Medium	Medium - High	Low - Medium	Medium - High	Low - Medium	Low - Medium	High
Strength of Competition (Low Score = Strong Comp.)	Medium - High	Medium - High	Low - Medium	Low	Low - Medium	Low - Medium	Low - Medium	Low - Medium	Medium - High
Need to Reposition Company	Low - Medium	Low - Medium	Low - Medium	Low - Medium	Low - Medium	Medium - High	High	High	Low - Medium
Importance of Usage	Medium - High	High	Low - Medium	Medium - High	Medium - High	Medium - High	Medium - High	High	High
Relevance vs. Global Brand Benefits/Products to Base	Low - Medium	Medium - High	Medium - High	Medium - High	Medium - High	Low - Medium	Low - Medium	Medium - High	High
Overall Opportunity vs. Global Brand	5	6	7	7	8	9	9	10	10

Increasing Opportunity for Global Brand (in the Short-Term)

Key: Low | Low - Medium | Medium - High | High

To Conclude

The bottom line for all the decisions for rebrand, merger, migration , refresh or integration should and must be

“ WHATS THE VALUE AT RISK”

- The business Value
- The brand Value
- Lifetime Customer Value
- Value of Brand Equity
- Growth Value
- Leadership Value
- ETC.

Detailed Example

Moderate benefits expected for strong brands in Country C and F

Brand Strength Index includes:

- A benchmark of group brands vs respective market competitors on drivers defining:
  - Brand Support;
  - Brand Health; &
  - Brand Performance.

Is brand strength at risk?

- Although strong, Country A & D are losing ground to competitors;
- Country B is at significant disadvantage (-27) where the market leader score is 82.

Country F is the strongest

- Country F and its local brand are leaders in their respective markets and have historically gained revenue share. These markets are expected to only benefit moderately from the re-brand

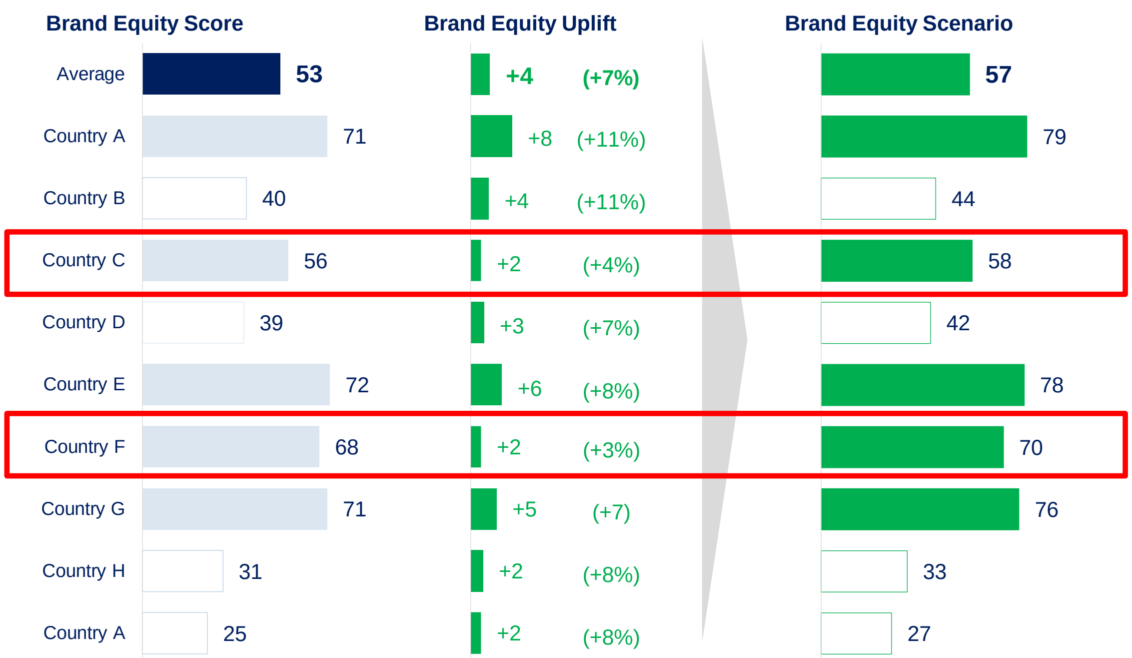
Brand Strength Index		
	Support (25%)	VI
		Marketing
		CAPEX
		Distributio
		n Presence
	Brand Health (50%)	NPS
		Brand Equity
	Performance (25%)	Market Share
		% Net Adds
		Total Revenue
		Rev Growth
		ARPU

	Brand Strength Index	BSI Rank	∆ Rev. Share 2010 – 2012*	Implied BSI Trend
Average	**75**		**1%**	
Counrty A	79	**1st**	-15%	
Counrty B	55	3rd	0%	
Counrty C	89	**1st**	3%	
Counrty D	79	2nd	-4%	
Counrty E	76	2nd	9%	
Counrty F	93	**1st**	1%	
Counrty G	74	2nd	-2%	
Counrty H	54	2nd	8%	
Counrty A	64	2nd	7%	

Re-brand expected to generate +9% average uplift in brand equity

Average BE uplift equal to +9%

- Markets where the new brand positioning aligns with most important drivers experience the highest benefit as do markets where the current brand equity is currently underperforming.
- Country F and C are already well positioned and therefore the uplift is expected to be less significant. Care should be taken not to erode existing brand equity through the new positioning with emphasis on drivers relating to customer sentiment.



Drivers of Change

Emotional

- Is a honest / Credible brand
- Is an innovative brand
- Is a dynamic brand
- Is a caring brand
- Is a youthful brand
- Is a modern brand
- Is a brand with a good future
- Is a customer centric brand

Functional

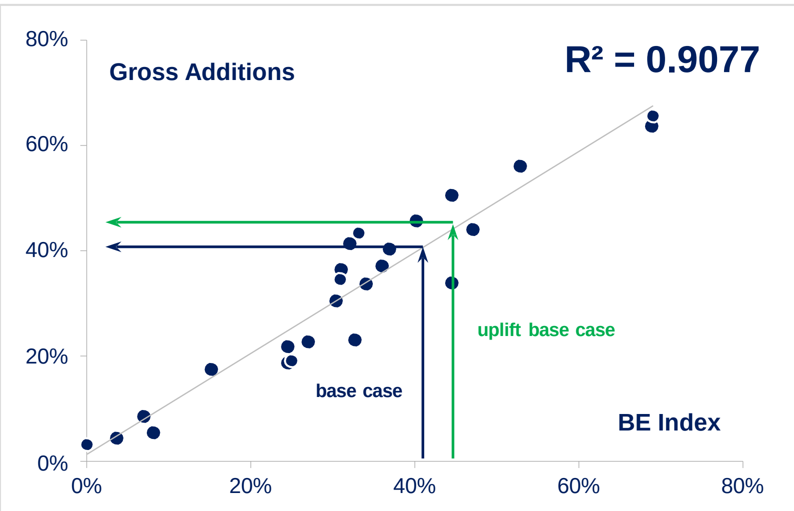
- Has high speed mobile internet
- Has fair billing
- Has attractive value added services
- Provides good customer service at company contact center
- Provides good customer service at company owned stores
- Is effective at handling complaints

* denotes data was not available at time of preparing the report, average uplift used

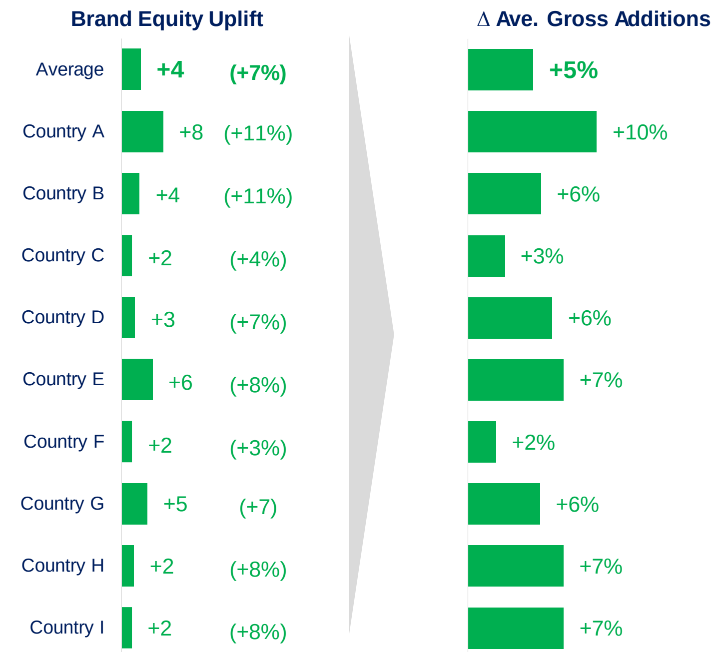
Improved brand equity generating additional +13.3m subs by 2017

Calculating change in gross additions

- By adding those customers who churn back into the customer base of subscribers that a brand can potentially acquire, we account for changes in churn and new customers to the market;
- Applying the change in the BE index to the correlation, we can derive the uplift in customer numbers in any given year over the forecast period 2013 to 2020 and beyond.
- At a total level, average gross additions over the forecast period reached a +5.1% uplift in first 5 years;
- By 2020; total subscribers are forecast to increase by +13.3m.

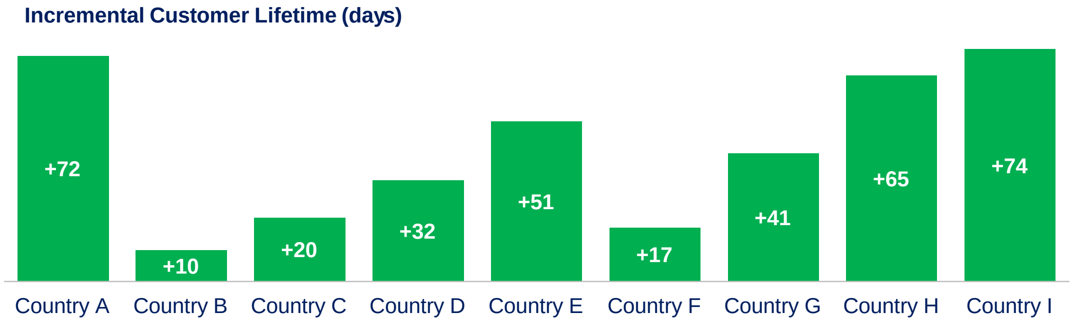


Sample: 25



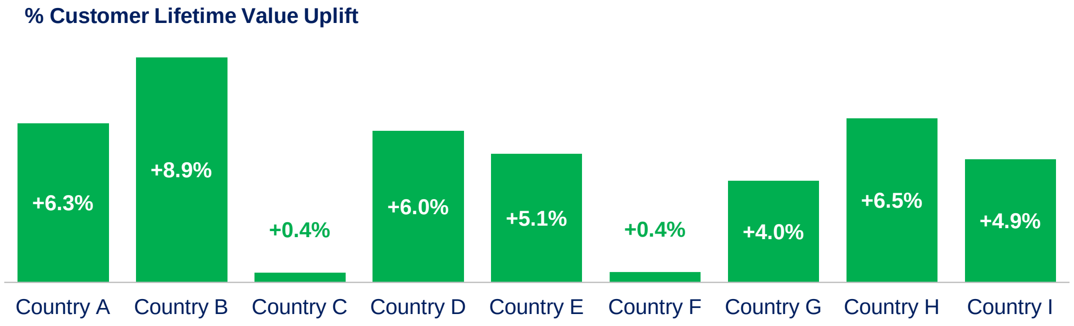
Customers retained +42 days longer generating +4.7% value uplift

Within the first year of the new brand being rolled out across all markets, the new brand strategy would retain customers for longer at a higher value across most markets



Average +42 days
Customer lifetime

- The analysis demonstrates that the increased equity for the new brand could on average retain customers for up to 42 days longer;
- Qatar and Palestine would retain customers for more than 70 days longer.



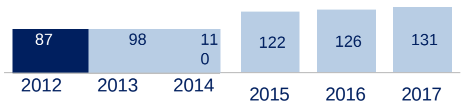
+4.7% Average Uplift
Customer lifetime value

- Excluding re-branding costs, the average uplift in customer lifetime value across the group is +4.7%;
- Five markets benefit from CLV growth above 5%, with only Country C & F increasing by less than 1%.

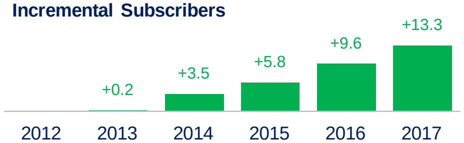
+3.2% market share generates USD$ +425m revenue by 2020

Total subscribers could potentially increase by +15.5% by 2020 through uplift generated by the re-brand

Base Case Subscribers



Incremental Subscribers

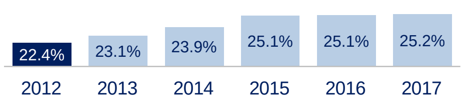


+3.2% **(+15.5m subs) by 2020**
Total market share uplift

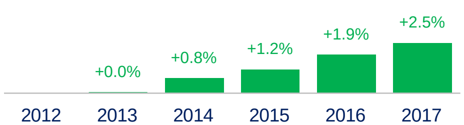
USD$ +425m **(+7.2%) by 2020**
Total wireless revenue uplift

- 85% of customer uplift in 2020 was generated by Country D gaining +4.6% market share;
- Country F was forecast to re-gain +7.2% market share by 2020 (base case forecast for 2017: 77.9%);
- The average revenue uplift across group wireless over 5 years was equal to +6.3% of wireless revenue.

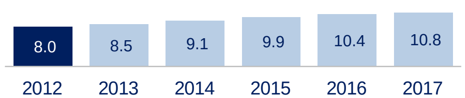
Base Case Market Share



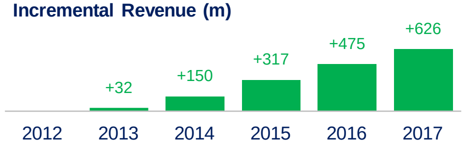
Incremental Market Share



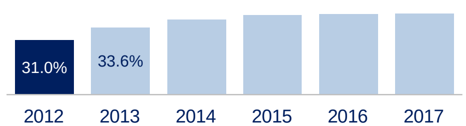
Base Case Wireless Revenue (bn)



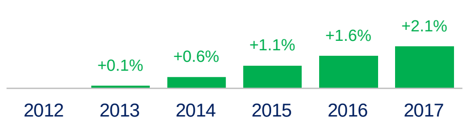
Incremental Revenue (m)



Base Case Revenue Share

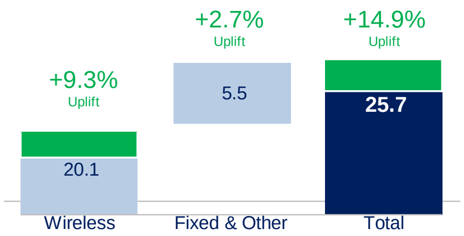


Incremental Revenue Share



Re-brand generates uplift in EV of USD$ +4.3bn

Enterprise Value Uplift

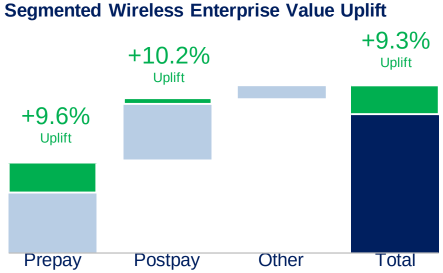


USD$ +4.3bn (+14.9%)
Total enterprise value uplift

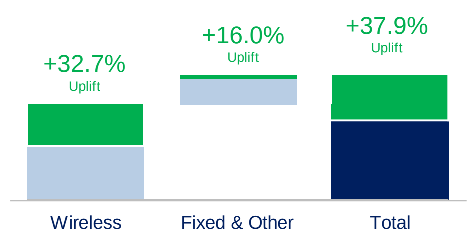
USD$ +863m (+37.9%)
Total brand value uplift

- At USD$ 4.3bn, uplift generated in the wireless business represents 93% of total uplift. The majority of the uplift generated by the fixed & other segment (USD$ 0.150bn) is attributable to Country F home broadband & triple play/ IPTV sectors;
- Total BV increases by +37.9% boosted by the 34.2% uplift in wireless BV;
- The BV to EV ratio increases from 9.0% to 11.6%.

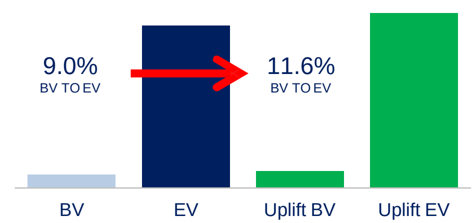
Segmented Wireless Enterprise Value Uplift



Segmented Brand Value Uplift



Brand Value / Enterprise Value



Total OpCo Uplift

+7.9%	+29.9%	+9.2%	+5.3%	+8.2%
Enterprise value	Brand value	Subs 2017	Revenue 2017	EBIT 2017

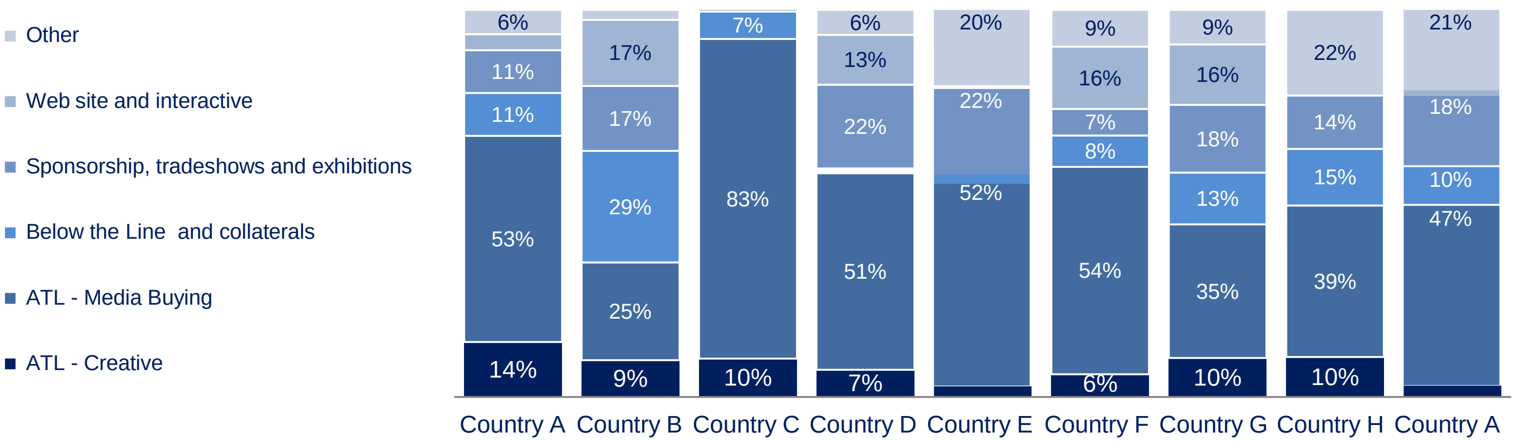
Brand Finance

sage

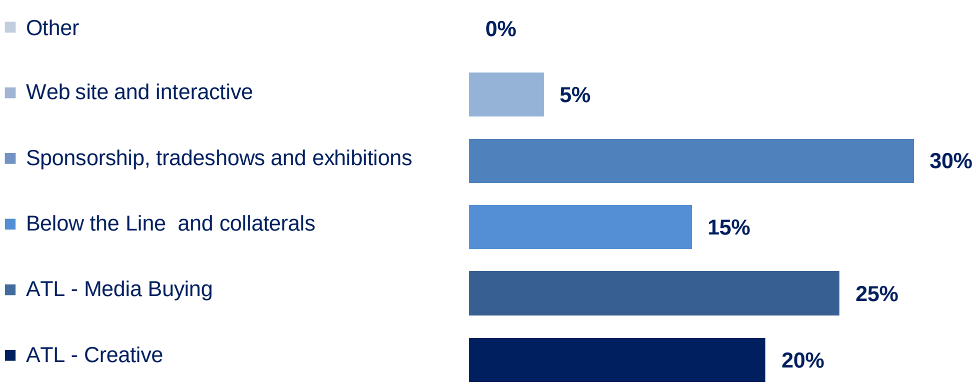
Net incremental value to acquirer/parent +64% after re-branding

Savings relating to activities through Central Brand & Marketing Functions

Allocation of Marketing Spend by country



Target Savings through Central Brand Function



Based on previous experience, Brand Finance identified potential savings by marketing activity that could be achieved through central brand functions.

It must be noted that it takes real time and effort by the central team to drive this through and achieve these benefits.

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