VIETNAM INVESTORS SERVICE

RATING ANNOUNCEMENT
16 September 2026

VIS Rating affirms Phenikaa's A issuer rating, stable outlook

Hanoi, 16 September 2026 – Vietnam Investors Service and Credit Rating Agency Joint Stock Company (VIS Rating) has affirmed A&A Green Phoenix Group Joint Stock Company (Phenikaa) at A long-term issuer rating. The rating outlook remains stable.
The rating presented in this announcement is effective from the date of the announcement and remains in effect unless and until it is superseded by a subsequent rating action. Please visit https://visrating.com/rating-results to obtain the latest update on the rating.

RATING RATIONALE

The affirmation of Phenikaa's A long-term issuer rating with a stable outlook reflects our expectation that growth in its education and residential real estate businesses will offset weaker quartz stone profitability in 2026-2027 and support more diversified earnings. We also expect the group to maintain good access to domestic bank funding to finance capital expenditures and manage liquidity through 2028.

Phenikaa remains Vietnam's leading quartz stone producer, supported by vertical integration, product innovation and an established U.S. distribution network. However, quartz stone revenue fell by an average of 13% year-on-year during 2025-1H2026, mainly because exports to the U.S. declined after reciprocal tariffs were applied from Q3 2025.

We expect Phenikaa's U.S. quartz stone revenue to remain pressured in 2026–2027 by tariff uncertainty and weak housing demand. Management plans to offset this through targeted discounts, market diversification, and tighter inventory control.

Phenikaa's education segment grew strongly in 2025, with revenue up 67% to VND 1.1 trillion. We expect new facilities to lift enrollment to around 42,000 over the next 12–18 months and support average annual revenue of VND 1.6 trillion in 2026–2028. Residential real estate should also support Phenikaa's profitability and cash flow over the next 12–18 months, with annual revenue of VND 1.2–1.3 trillion in 2026–2027 from Endless Skyline Westlake and Phenikaa Tower. The group has no residential pipeline beyond 2028.

Phenikaa's healthcare business – which complements its education business by providing training and employment for its students - remains early-stage, despite revenue tripling to VND 315 billion in 1H2026 as its customer reach grew. Continued investment in hospitals and equipment will likely keep the segment loss-making over the next 2-3 years.

We assess Phenikaa's EBITDA margin to ease to around 36% in 2026–2028 from 39% in 2025, as growth in education and residential real estate partly offsets weaker quartz stone earnings.

We assess Debt/EBITDA to rise to around 3.9x in 2026–2028 from 3.6x in 2025, driven by higher debt to fund capital spending on education, healthcare, hotel and pharmaceutical projects.

Higher leverage and rising rates will weaken EBIT/interest coverage to about 2.3x in 2026–2028 from 2.7x in 2025. However, stronger operating cash flow from inventory reduction and higher education and residential real estate inflows should support CFO/Debt at around 17%.

We assess Phenikaa's liquidity as well managed over the next 12–18 months, supported by stable operating cash flow, sizable cash balances and access to bank credit lines. Even without new bank financing, we expect internal cash sources to cover all maturing debt.

We do not incorporate any affiliate support or government support in Phenikaa's issuer rating.

Phenikaa is a multi-sectoral group of over 30 member companies. Its core quartz stone business has operated in Vietnam and export markets since 2004. Since 2018, the group has expanded into education, healthcare, and residential and mixed-use property, including Phenikaa University, Phenikaa School, and Phenikaa University Hospital.

Factors that could lead to an upgrade of the rating

Phenikaa's A issuer rating could be upgraded if the group demonstrates its ability to scale and improve the operating performance of both its core and new businesses, and maintains a track record of strong financial metrics, including Debt/EBITDA ratio of below 2x, EBIT/interest expense ratio of above 5x, and CFO/Debt ratio of above 35%.

Factors that could lead to a downgrade of the rating

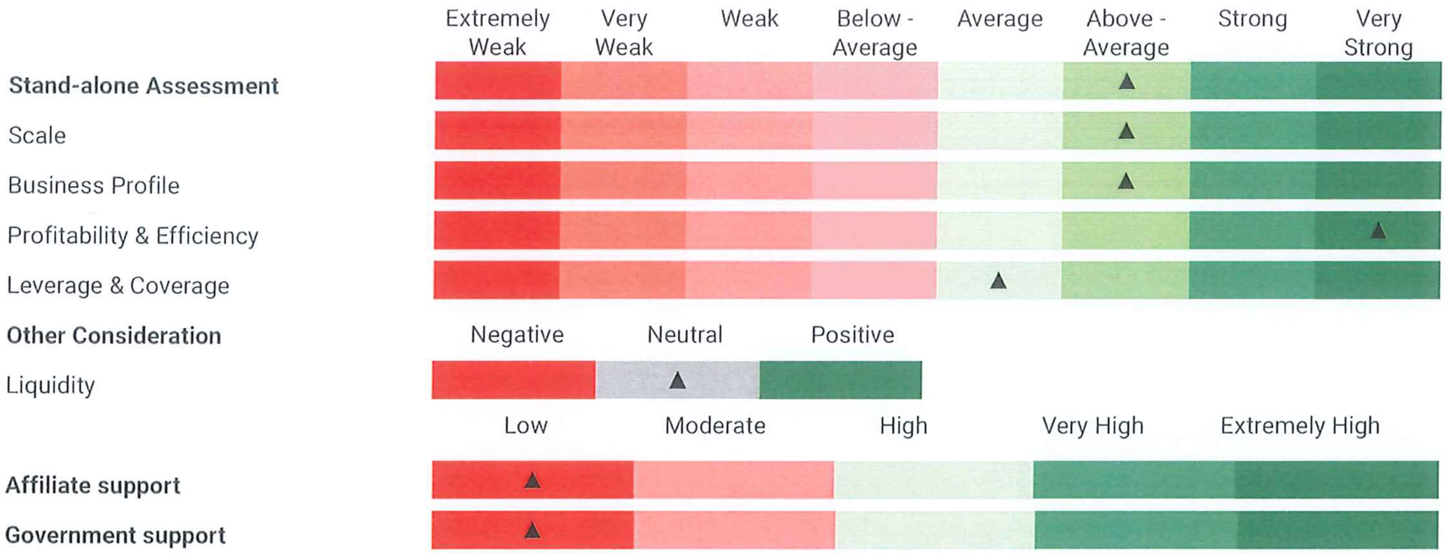
Phenikaa's A issuer rating could be downgraded if the group (1) experiences significant and continued deterioration in the operating performance and cash flow generation, causing EBIT/interest expense ratio to fall below 2x and CFO/Debt ratio below 15% on a sustained basis; (2) increases its leverage substantially in pursuit of growth in its new businesses, for example, Debt/EBITDA ratio rising above 4.5x; and/or (3) begins to show increasing signs of liquidity risks, for example increasing reliance on short-term borrowings and difficulties in refinancing at market rates.

RATING METHODOLOGY

Rating Methodology: Non-Financial Corporates.

For detailed information, please see our full methodologies at: https://visrating.com/quy-trinh-xep-hang/xem-online/non-financial-corporates-rating-methodology.1

SUMMARY OF KEY FACTORS



Source: VIS Rating

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
16 September 2024	Long-term Issuer	A	Stable	First-time assignment
16 September 2025	Long-term Issuer	A	Stable	Affirm
16 September 2026	Long-term Issuer	A	Stable	Affirm

RATING SCALE

Long-Term Rating

AAA	Issuers or debt instruments demonstrate the **strongest** creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate **very strong** creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate **above-average** creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate **average** creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate **below-average** creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate **weak** creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate **very weak** creditworthiness relative to other domestic entities and transactions and are likely in or near default, typically with moderate recovery prospects.
CC	Issuers or debt instruments demonstrate **extremely weak** creditworthiness relative to other domestic entities and transactions and are typically in default, typically with poor recovery prospects.
C	Issuers or debt instruments demonstrate the **weakest** creditworthiness relative to other domestic entities and transactions and are typically in default, with very poor recovery prospects.

Note: Vietnam Investors Service appends the modifiers + and – to each generic rating classification from AA through CCC. The modifier + indicates that the obligation ranks in the higher end of its generic rating category; no modifier indicates a mid-range ranking; and the modifier – indicates a ranking in the lower end of that generic rating category

REGULATORY DISCLOSURES

For further specification of VIS Rating's Rating Symbols and Definitions, please see https://visrating.com/how-to-get-rated/.

Phenikaa's ownership stake in VIS Rating: 0%

The ownership ratio of Phenikaa held by VIS Rating's staff: 0%

Cases in which analysts and credit rating council members cease their participation in the credit rating contract before the contract expires and the reason for the cessation: 0

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This rating is solicited.

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Simon Chen, CFA
Head of Ratings and Research
16 September 2026

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