



Cornell
SC Johnson College of Business
Emerging Markets Institute

Powering Vietnam's Future: The Rise of Electric Vehicles

**EMI Cornell Corning Case
Competition 2024**

[Emiconference.com](https://emiconference.com)





Welcome to the 8th Cornell Corning Emerging Market Institute Case Competition!

Dear Participants,

Welcome to the 8th Cornell Corning Emerging Markets Institute Case Competition. This case competition is part of the flagship event of the institute – The EMI Annual Conference. On the 14th anniversary of the EMI at SC Johnson College of Business at Cornell University, this year’s conference theme is “**Innovation and Transformation to Emerge Stronger**”. The Committee is excited to hold this event with the immense support of the Emerging Markets Institute at Cornell SC Johnson College of Business and the enthusiasm of all participating schools across the globe.

For the case competition, EMI chooses a different Emerging Market every year, a topical industry and a company in the country in which the case will be based. This year, the country is Vietnam, a very successful emerging markets with tremendous growth in the last decade, the industry is Electrical Vehicles and the company the Vin group and its successful electrical vehicle division.

The panel of judges is eager to see each of your unique responses. We wish you the best of luck in the competition!

Acknowledgements

This case study was developed by: Iris Arguedas, Kenza Bouarroudj, Yash Jhavar, Nisrina Nur Ulfah, Niyonika Chhabra under the supervision of Lourdes Casanova and Anne Miroux, and the contribution of Julian Galarza

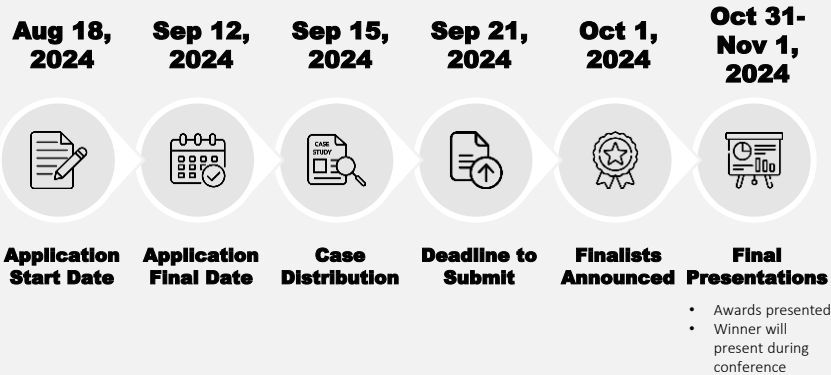
Special thanks to Corning International for its financial support and in particular to Claude Echahamia, President and General Manager, Corning International, Gökhan Doran, Division Vice President and General Manager, Corning International and Quan Do, Vietnam Country Manager Corning





EMI Cornell Corning Case Competition 2024 - Rules

Deadline



Criteria

Content (80%):

| Criteria | Weight |
|---------------------------------|--------|
| • Quality of analysis | 0.4 |
| • Quality of recommendation | 0.2 |
| • Implementation/Plan of Action | 0.2 |
| • Creativity of ideas | 0.2 |

Form (20%):

| Criteria | Weight |
|-----------------------|--------|
| Handling of questions | 0.4 |
| Presentation Style | 0.6 |

Rules

- Each team's submission will be reviewed by judges and evaluated using the rubric below.
- Five final teams will be announced on **October 12, 2024**.
- Presentation slides must be formatted using Microsoft PowerPoint.
- Each team is allowed a **maximum of 11 slides** (the first slide must be an **Executive Summary**), and a **maximum of 5 slides** of appendices (Note: Title slides do **not** count towards the maximum allotted total of 15 slides).
- This presentation will also be used in Round 2 – no edits will be allowed.
- You **must** record an audio presentation using Zoom to accompany your slides. Your recording must be less than 10 minutes and will only be used for Round 1 evaluation.
- Instructions for Recording: If you do not have Zoom, please create a free account and download the free software. Ensure your cameras are disabled and your microphone is enabled. Please share your screen, so the slides are displayed. Press the record button and begin presenting your slides. At the end, please stop recording and submit the recorded file with your submission. If you need further instructions, please reference this [video](#).
- Teams must include their team's name on the submission.
- Teams may not mention their respective university or program in their presentations.
- If your team received assistance from an advisor, include his/her name and position in your team's submission.
- Any avenue of primary and secondary research is allowed so long as it does not violate copyrights. Key details within this Case must be kept confidential and not be shared with external parties.
- Additional media such as music and third-party animation are prohibited.
- File size cannot exceed 15 MB.





Content

1

Company information

2

**Economic and Geopolitical
Considerations**

3

**International Expansion and
Branding**

4

Appendix

VinFast: Case Prompt

Situation

- Your team has been engaged by VinFast to evaluate and revamp their business strategy, focusing on areas such as expansion, brand awareness, financing, and geopolitical uncertainties. VinFast is seeking a comprehensive urgency plan from you, which includes innovative and feasible solutions supported by a financial model
- VinFast, founded in Vietnam in 2017, has achieved remarkable growth and scale in the EV industry, boasting state-of-the-art manufacturing facilities capable of high-volume production. The company specializes in Electric Vehicles offering a wide range of cars for all customer segments and excellent after-sales services
- VinFast has established a presence in key markets worldwide, including the US and Europe, aiming to leverage its premium electric vehicle offerings to compete with established manufacturers
- Listing on Nasdaq in 2023, enhanced VinFast's credibility, demonstrated transparency to current investors, and highlighted its significance on the global stage. However, negative customer reviews regarding car performance, quality, and software undermined their efforts

Complication

- Despite dominating the Vietnamese EV market with a full range of EV, VinFast is facing multiple challenges and competitive pressures as it expands its global presence and market leadership
- Experiencing operational complexities, service quality issues, and negative customer perceptions in the US market, VinFast must rethink its market expansion plans in countries such as United States, Indonesia, Thailand, the Philippines, and India
- Restrictions on fund transfers due to Vietnamese regulations on overseas businesses hinder VinFast's efforts to invest in new markets, necessitating the attraction of external investors

Questions

- What should VinFast's short- and long-term strategy be to achieve profitability while creating synergies with their on-going operations? In the strategy, the following must be considered:
 - Build global awareness (for new and current customers)
 - Resolve customer issues to improve current product's quality perception
 - Growing competition, particularly Asian EV manufacturers
- How can VinFast navigate the ongoing global economic, geopolitical uncertainties with increasing tariffs and protectionism to maintain stability and growth?



Vingroup is a fast-growing ecosystem with track record of developing successful Vietnamese brands and market leaders based on International standards addressing all consumers needs

Vingroup, a family-run business founded in Ukraine as a food processing company in 1993, is now a large conglomerate of privately held corporations who has become a prominent ecosystem in Vietnam with market leadership across diverse businesses and industries. Aims to provide "a better life for people" and contribute to the development of a Strong Vietnam

2000



- Vingroup relocated operations in Vietnam. Entered **the retail, hospitality and entertainment business**
- Constructing of Co-Stone Island 5-star Resorts in a record-breaking 18 months

2011



- Vingroup entered **the real estate sector**
- Transformed empty 200-hectare land into homes within just 8 months, redefining living standards in Vietnam

2012



- Merged its different brands to form a **Joint Stock Company**
- **Focus on three core pillar:** Social Enterprises, Industrials & Technology, Real Estate Development and Services

2017



- Vingroup **built a global automotive OEM manufacturing plant** in Vietnam in just 21 months

2017-Present



- Access to multiple source of capital with top investors¹ to **grow fast and enhance credibility**
- Developing an **education system** within social enterprises to develop future talents
- Invested +11.4 billion into VinFast and adjacent businesses² to develop its **green mobility project** within Industrials & Technology

Differentiators

DNA Execution Excellence: Making the Impossible Possible

National Pride and Heritage

Leveraging Data Analytics for continuous improvement

Integrity, Creativity, Quality, Humanity

Largest employer in Vietnam with ~53,300 employees

Beneficiary of favorable geopolitical shifts and government incentives

Visionary Management and Entrepreneurial Spirit






Extensive network of global partners and technologies

Market Capitalization 5.96B. 1.1% Nominal Vietnam's GDP



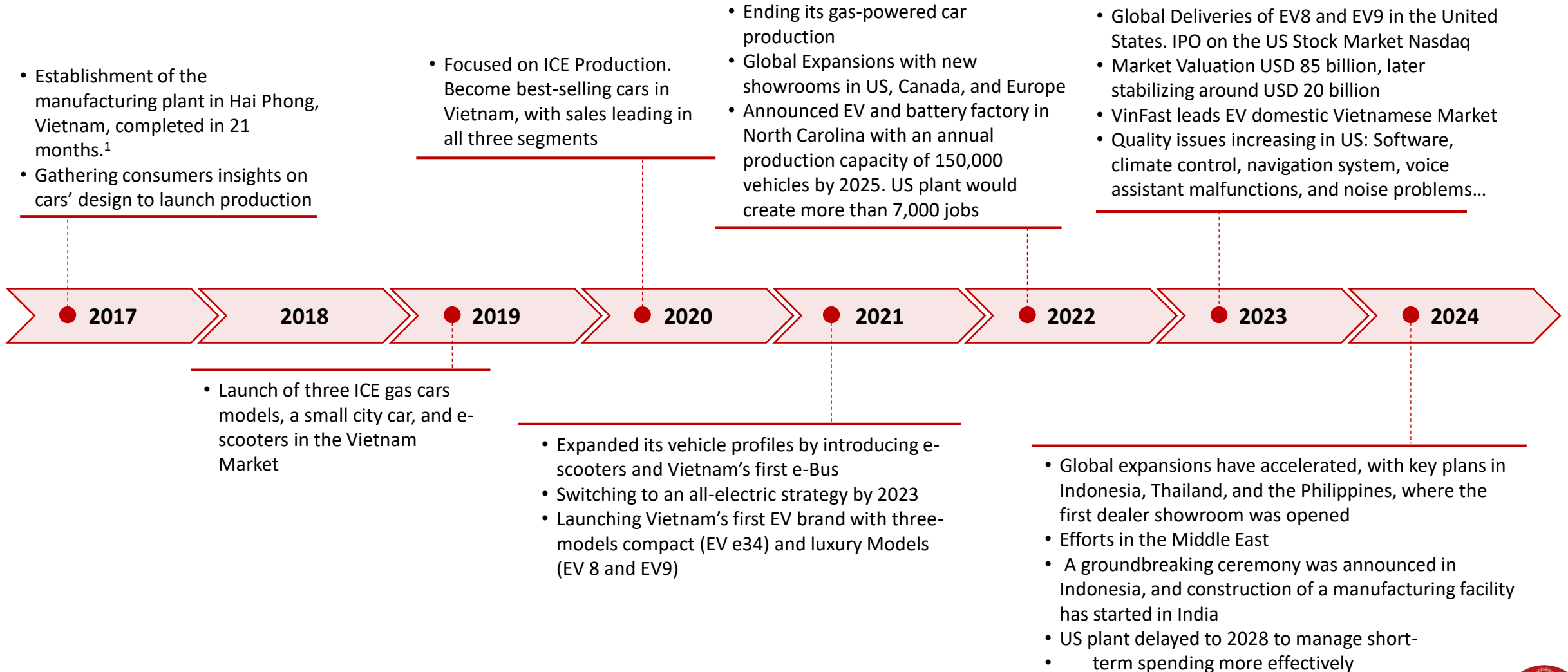
VinFast, subsidiary of Vingroup, is a Vietnamese automaker dedicated to provide electric mobility for all and to become a global EV leader by offering premium products and excellent after-sales service

VinFast's Core Business¹

| | |
|---|--|
|  Concept and Mission | <ul style="list-style-type: none"> • Becoming a global pioneer of smart EV, promoting green mobility for all and a sustainable future. • Elevating Vietnam's presence on the world map through rapid global expansion and introducing innovative solutions. |
|  Products and Services | <ul style="list-style-type: none"> • Offering premium electric vehicles with seven models, and e-scooters for all customers segments and price points. • Fostering strong relationships with its international suppliers (e.g., premium EV SUVs styled by Pininfarina design firm). • High-tech features such as Advanced Driving Assistance System, head-up display, and AI-powered smart services features with Internet of Things (IoT) connectivity and sensor capabilities. • New concepts in R&D such as e-bike and e-truck, based on new trends and consumer preferences. |
|  Strategy | <ul style="list-style-type: none"> • VinFast's strategy prioritizes vertical integration to control most aspects of production, manufacturing, and distribution, ensuring quality, design, and exceptional service. • Strong start-up culture (try, fail, improve) with a human-centric approach and following global standards. • Hire top talents from automotive field (e.g. Ford and Toyota) to build credibility and expertise. • Focus on high growth segment and market such as US, Europe and India. • Fast prototyping, market testing and execution. Collects customer feedback to refine products. • Excellent after-sales services: extended 10-year warranty policy, below 70% battery replacement, repurchase vehicle program, call centers to provide remote-care or technician visits for repairs |
|  Marketing and Distribution | <ul style="list-style-type: none"> • International marketing campaigns and partnerships with well-known brands such as BMW, along with 130 showrooms² including VinFasts and dealerships globally across North America, Europe, and Asia • Incentives free parking, free charging either free home charger or free access to public charging³ • Incentives to employees to drive VinFast's vehicles to access offices and increase brand consistency |
|  Main focus and differentiators | <ul style="list-style-type: none"> • Premium design and quality • Fast execution and reacting fast • Excellent after-sales policy |



Started as an automotive company before focusing on a full electric strategy; became EV market leader in Vietnam and went public¹ in 2023 to increase global presence, credibility, and transparency



Full-Range of electric vehicles fleet to target a broad customer base and facilitate outreach to new markets and businesses

VinFasts' Products¹

| Model | EV-3 | EV-5 | EV-6 | EV-e34 | EV-7 | EV-8 | EV-9 | EV-Truck |
|---------------------------|----------|--------------|-------------|-------------|-------------|-------------|-------------|---------------------------|
| Price | \$9,500 | \$18,400 | \$27,900 | \$29,600 | \$33,400 | \$42,400 | \$59,500 | Launching Soon |
| Price (Battery Inclusive) | \$12,700 | \$21,600 | \$30,100 | \$32,600 | \$39,300 | \$50,700 | \$79,100 | Concept and Testing Phase |
| Range | ~125 mi | ~186 mi WLTP | 248 mi WLTP | 198 mi NDEC | 280 mi WLTP | 293 mi WLTP | 369 mi WLTP | |
| Horsepower | 32 hp | 134 hp | 201 hp | 147 hp | 201 hp | 402 hp | 402 hp | |
| Segment | Mini SUV | A | B | C | C | D | E | Pick-Up Truck |

Others VinFasts' Offerings¹

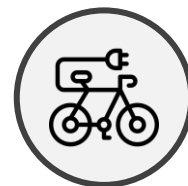


E-Scooters

276,500 delivered to date¹

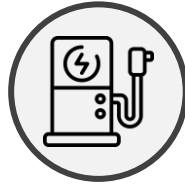


E-Bus



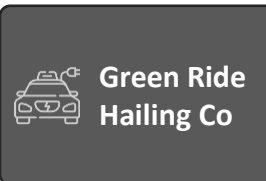
E-Bike

Launching Soon



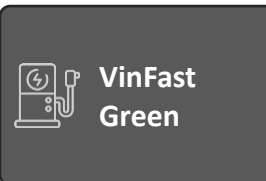
Charging Stations

Co Group Other Businesses



Green Ride Hailing Co

- Green ride hailing app fully electric, one of the main customer of VinFast
- 2nd most popular ride hailing service in Vietnam after Grab
- Superior Service, Safety, Reliability, Reasonable Prices



VinFast Green

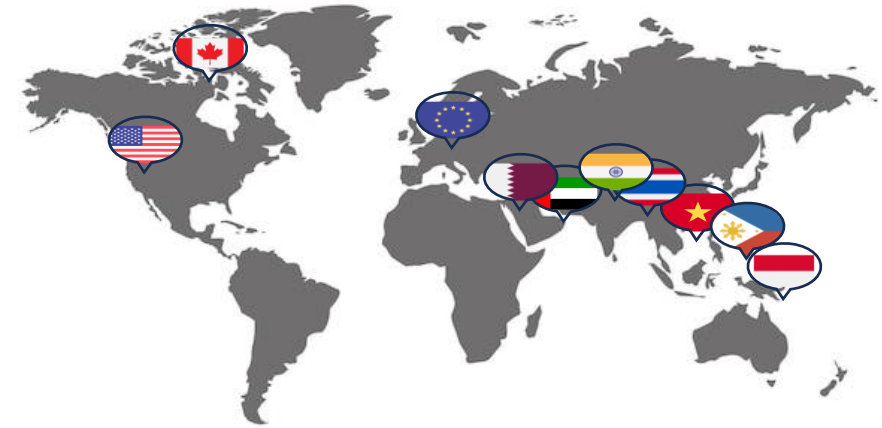
- Operating and managing VinFast's existing charging network
- ~\$404 million invested over 2 years to build new charging stations, upgrade, and complete existing network



Aggressive global expansion with 1301 showrooms opened globally and increasing dealerships agreements signed with local partners in large automotive markets and high growth segments

Strategy Focus: High Growth Segments and Markets

- Large automotive markets and highest EV demands such as Europe and United States
- Markets with favorable infrastructure and efficient manufacturing
- Enhance global position and competitiveness
- Government incentives and favorable tax
- Access to favorable capital access and investors



Distribution Strategy: Owned Showrooms and Dealerships Agreements

North America

- **Canada** : 10 showrooms in British Columbia, Ontario, Quebec, Toronto
- **United States**: 26 owned showrooms in California, Florida, Kansas, North Carolina, Texas, Florida, New York, Alabama. 13 showrooms to be opened via dealership agreement in Pennsylvania, Kentucky, New Mexico and Connecticut
- Factory in North Carolina and production by 2028

Asia

- **Vietnam** : 5 showrooms
- **Indonesia, Thailand and Philippines**: 5 showrooms and 20 showrooms via dealerships

EMEA

- **France, Netherlands, and Germany**: 13 showrooms
- **UAE, Oman, and Qatar**: 5 showrooms via dealerships



Considering VinFast performance, the company is experiencing a financial challenge in path to profitability and have a stagnant share price post-IPO

Strategy Focus: High Growth Segments and Markets

as of Dec 2023



\$1,2 bn
 Total Sales*



~31%
 CAGR sales growth
 from 2020 until 2023


107,323
 Total vehicles
 delivery*


\$1,1bn
 Capex**


-46%
 Gross Profit
 Margin


-113%
 EBITDA Margin



-200%
 Net Profit Margin


227.2%
 Debt to Capital
 Ratio

*Total vehicles delivery consists of EVs by 34,855 and E-scooters by 72,468 units. **72% of total EVs and 46% of total E-scooters were delivered to related parties (green ride-hailing co).**

** Capital expenditure mainly used for car launching, build manufacturing plant in the U.S., development of charging stations and distribution network

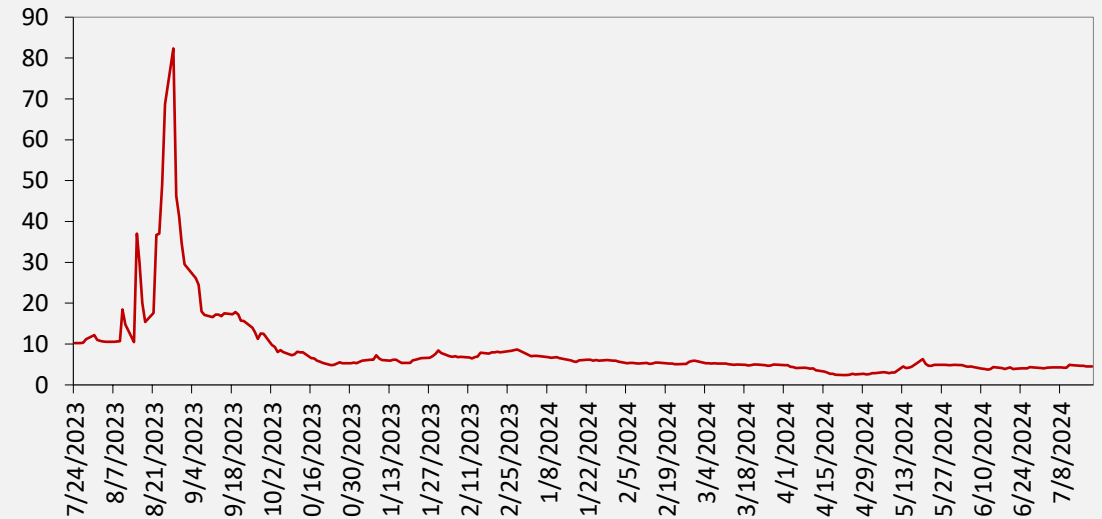

~100,000
 EV deliveries target
 in 2024


52,000
 EVs delivered as of
 Q1 2024


6,600
 Electric scooters delivered
 as of Q1 2024

Strategy Focus: High Growth Segments and Markets

in US\$ as of 22/7/2024



- VinFast went public at NASDAQ on August 15, 2023. Key rationale of IPO is to introduce VinFast as Vietnamese brand to the U.S. market to support sales growth
- Floating shares 2.1% of total shares outstanding with market capitalization of \$10.6bn. Vietnam parent company and founder remained as the main investors
- Stagnant share price post-IPO, hovering around \$4-5 per share, with minimum transaction volume and no significant fundraising activities



Considering VinFast performance, the company is experiencing a financial challenge in path to profitability and have a stagnant share price post-IPO



Economic & Geopolitical Consideration

- Navigating the policy shift of tariffs for electric vehicle in target countries (i.e. United States imposes 100% tariffs on China-made EV starting Aug 1, 2024 or India reduced import duty by 15% on EVs)
- Leveraging its benefit in tax exemption as Vietnamese EV manufacturer to bolster its sales in Vietnam (i.e. exemption from import taxes on raw materials until 2027)



International Expansion and Branding

- VinFast started to enter U.S. market around 2022 with recommendation from the case competition. Key rationale being testing the product in the most challenging market prior expanding to other countries
- Announced delaying the development of U.S. production facility to 2028
- Acceleration of the Southeast Asia markets with continuing operation in the U.S., Middle East and Europe
- Implementing branding strategy of emphasizing Vietnam's culture to penetrate global market





Vietnam's political outlook remains stable under Communist Party¹, focusing on economic, sustainable reform, and international integration; engaged in various trade agreements



The Vietnam Story

Overview

- **Domestic Outlook:** Political Stability
- **Political Structure:** Single-party socialist republic led by the Communist Party of Vietnam (CPV).
- **Political Stability:** Known for stability, attracting foreign investment, but facing challenges in political freedom and human rights. Great pride in Vietnam's history of resilience and victory during the war
- **Sustainability:** Vietnam made progress in providing regulatory environment to support environmental plans such as Resource Mobilization Plan (JETP) for Greenhouse gas emissions and Green Growth Strategy to incentivizes companies¹

Foreign Policy

- Emphasis on multilateralism, non-alignment, and peaceful resolution of disputes.
- Active member of ASEAN, APEC, and UN.
- Focus on balancing relations with major powers like China and the USA

Trade Agreements

1995

ASEAN Free Trade Area (AFTA)

Impact: Promotes intra-ASEAN trade with reduced tariffs
Opportunities: Facilitates easier market entry for VinFast in ASEAN countries

2015

Vietnam – Korea Free Trade Agreement (VKFTA)

Impact: Reduces tariffs and promotes trade between Vietnam and South Korea
Opportunities: Strengthens supply chain for VinFast through Korean partnerships

2019

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Impact: Reduces tariffs among 11 countries
Opportunities: Expand the Vietnamese company's reach in Asia-Pacific and beyond

2020

Vietnam – EU Free Trade Agreement (EVFTA)

Impact: Eliminates almost all tariffs, boosts trade and enhances market access
Opportunities: Easier access for Vietnamese companies to enter European markets





Vietnam, a fast and emerging market with stable economic growth and increasing foreign direct investment



POPULATION
Census 2023
103,308,324



INFLATION
Annual 2023
3.3%



Nominal GDP
Annual 2023
429.7 (US\$ bn)



UNEMPLOYMENT
ILO 2023
1.61%



USD/VND
July 2024
24,247

Resilient Economic Environment

- Vietnam experience a stable increase in nominal GDP with average ~9% from 2017-2019
- GDP contraction in 2020 due to restrictive measures and disruption because of the pandemic. However, quickly recovered with 6% and 12% growth in 2021 and 2022, respectively

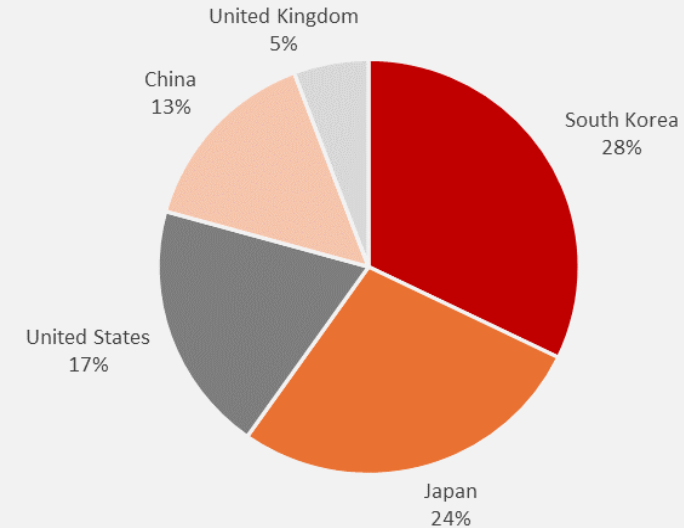
GDP Growth Catalyst

- Economic growth driver including preferential tax rates for inbound investment based on location, scale, key sectors (i.e. high-technology, manufacturing) and tax holidays
- Participation in multiple free trade agreements bolster trade activities
- Relatively strong industrial production index ranging from ~5 to ~10%

Projected GDP Growth

- Strong economic trajectory with expected growth of 5.5% in 2024 driven by increasing global demand and restored domestic consumer confidence

Foreign Direct Investment 2023



The net inflows of foreign direct investment in Vietnam are gradually increasing over the year, except during the pandemic with an average rate of ~18% annually from 2014-2023, mainly dominated by greenfield projects. The largest contributor is South Korea, particularly in electronics and manufacturing sectors, led by LG and Samsung.

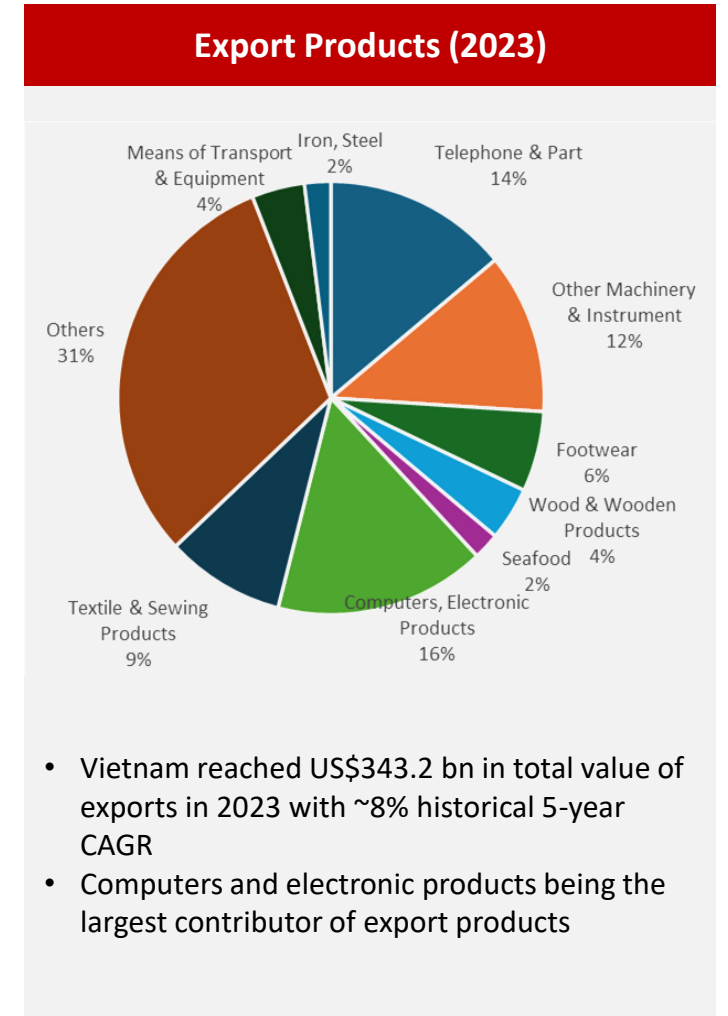
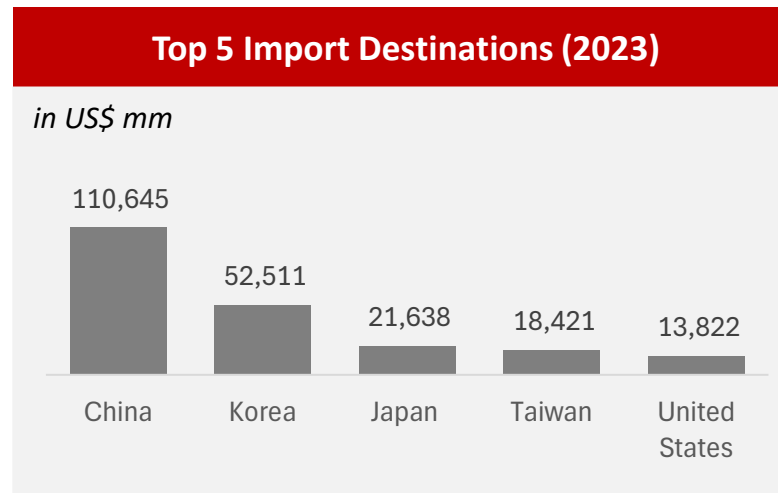




Vietnam serves as a strategic hub for international trade in Southeast Asia that supports export and import activities



Vietnam shares a border with China and has vital land routes to Laos, Cambodia, and Thailand. The long coastline offers important maritime routes and well-connected flight routes to China, North Asia, Europe, Americas enhance its role as a hub and gateway for international trade and global integration.





The country has been rising urban population and purchasing power with significant development in infrastructure

Vietnam Urbanization Indicator¹

- **Urban population** in 2022 reached 37.35 million people, representing **38% of the total population**. **Rural populations migration** to urban regions constantly grow at an average **2.7% per annum**.
- Vietnam's **urbanization rate grew ~13%** with compounded annual growth rate ("CAGR") from 2014 to 2022, relatively lower than that of other Southeast Asian countries
- Increased urbanization **boosted purchasing power of middle class**, which expected to reach **>50% of Vietnam population by 2035²**
- Middle and high-income groups are increasingly opting for **premium and sustainable products**, with preference for product branding promoting **local pride** and heritage
- Vietnam **private consumption expenditure** was reported at \$233.870 billion in Dec 2023, which records an average ~19% CAGR increase since 2013

Vietnam Infrastructure Snapshot



- Vietnam plan to spend \$17.2 billion from \$26.8 billion state public investment to improve its transportation infrastructure
- Nationwide, there are 34 major projects, including railways, airports, highways, ring roads and metro lines.



- Vietnam's traffic index stands at 109.14, least congested among Southeast Asia countries
- Motorbikes are the most common mode of transportation, accounting for 56.35% of commutes



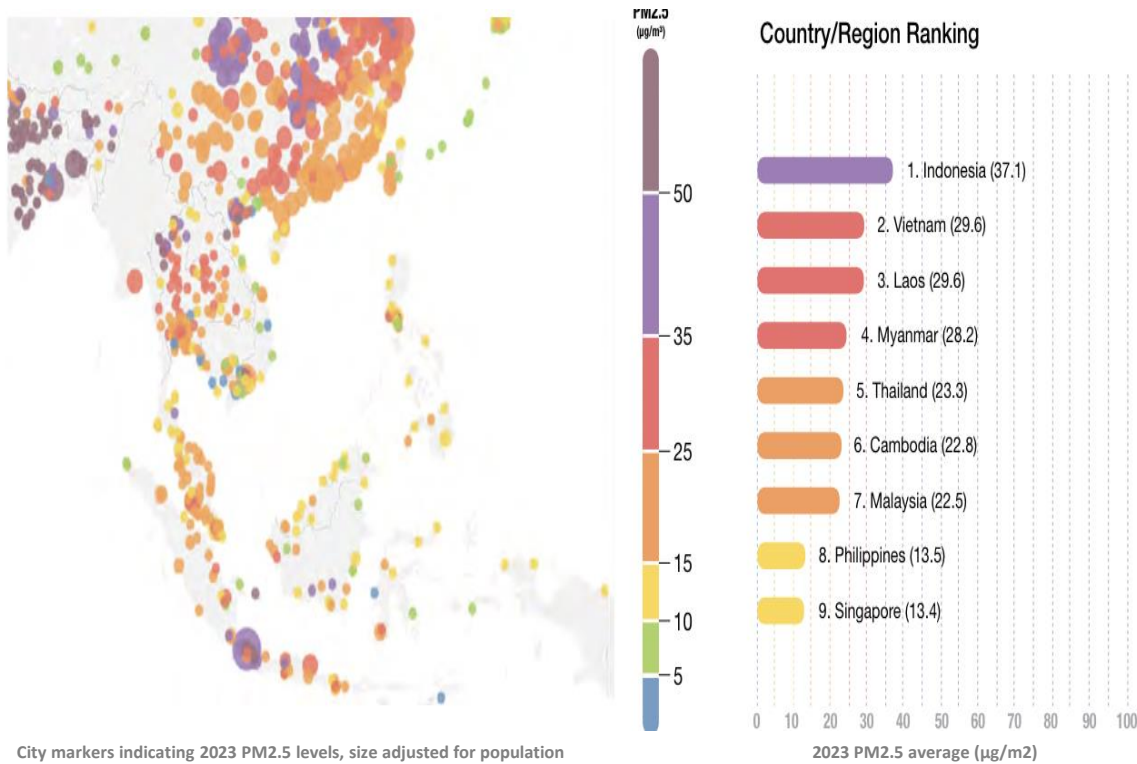
- Significant development in Vietnam's public transportation, especially in major cities like Hanoi and Ho Chi Minh City
- Public transportation coverage includes bus, railways, motorbike taxis, car taxis, with rising presence of ride hailing





Vietnam faces environmental challenges, including climate change and water pollution, but has increased its environmental expenditure

Pollution Level in Southeast Asia Countries 2023¹



Vietnam ranked second in Southeast Asia after Indonesia and 22nd worldwide for the most polluted country



Air pollution:

- **Increasing** due to outdated transportation system, numerous old cars, motorcycles, buses emitting black smoke
- **80% of diseases in Vietnam are caused by polluted water** as stated by Ministry of Natural Resources and Environment



Greenhouse gas emission:

- **Vietnam's GHG emissions (including land use) has been increasing**, reached 6.3 trillion tones per capita in 2022, driven primarily by the rising demand for electricity, heat, and manufacturing²



Energy sources and Renewable energy:

- In 2020, **energy mix included diverse sources**: fossil fuels such as coal (27%) leading source of power for decades, domestic natural gas (11%), and other sources (13%). Renewable energy comprised of hydropower (27%), solar energy (21%), and wind energy (1%)³
- **Share of renewable energy** in total final energy consumption (TFEC) **was around 27% in 2019**, high in comparison to most G20 countries⁴



Environmental expenditure :

- 1.3 billion USD per year spending during 2016-2020.
- Ambitious plans to **invest in renewable energy precisely solar and wind** requiring lot of land space, advanced technologies, grid adjustments, and significant capital investments around 130B³
- Private investors have significantly **boosted Vietnam's energy generation**, contributing 45% of the growth, with 35% from FDI³





EV Global Industry is growing, and it is expected to keep growing in the next years with Tesla being the clear market leader with ~20% of market share

EV Global Industry

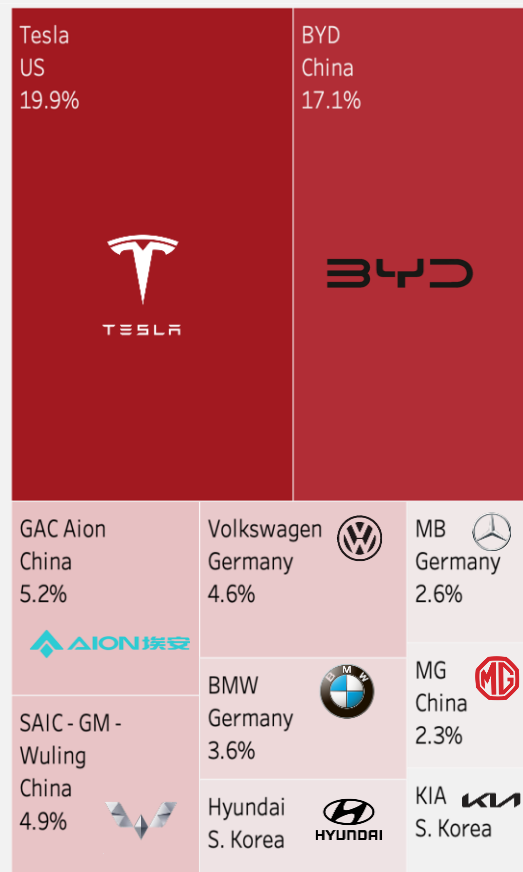
- EV industry forecasted to grow in the next 5 years with sales reaching \$1800B by 2028
- Advancements in battery technologies driving down costs
- Significant investment in Autonomous driving capabilities for increased safety and reduced traffic congestion
- Growing Market, but highly fragmented: ~35% of the market comprised of smaller players
- Global car sales have declined in 2023 due to economic uncertainties, supply chain disruptions, and decreased consumer spending power, with impacts felt across both traditional and electric vehicle markets

Vietnam Automotive Industry

- Car Sales Decline: Overall car sales in Vietnam dropped by 25% in 2023
- Electric Car Growth: Battery Electric Vehicle (BEV) sales surged from under 100 in 2021 to over 30,000 units in 2023, capturing a 15% market share
- VinFast Dominance: Government agreed to implement 50% tax on Chinese cars coming in the country (subject to change)

EV Global Competitive Landscape

BEV Global Market Share (2023)



EV Global Main Competitors

- | | |
|-----------------------------------|---|
| TESLA United States | <ul style="list-style-type: none"> • Global leader in EVs • Advanced technology, superior range, strong brand, extensive supercharger network • High price and QC issues |
| HYUNDAI KIA South Korea | <ul style="list-style-type: none"> • Rapidly growing in EVs • Competitive pricing, reliable performance, strong warranty, stylish design, advanced features • Less luxurious interiors compared to premium brands |
| BYD NIO China | <ul style="list-style-type: none"> • Dominant in China. Expanding internationally • Cost-effective models, strong technological backing, large production capacity, advanced battery tech • Limited brand recognition |
| TOYOTA HONDA Japan | <ul style="list-style-type: none"> • Strong global presence, focusing on hybrids and new EV models • Strong brand reputation, extensive hybrid experience, reliability • Late entry into the EV market, limited model range |
| MERCEDES-BENZ Germany | <ul style="list-style-type: none"> • Luxury EV segment, strong global presence. • High-quality interiors, advanced features, strong performance, sporty driving dynamics • High price points, some models have limited range |





The EV industry is fragmented with many established global players. While Tesla leads in sales, BYD is emerging as a close competitor, with sales just below Tesla's

Benchmark and Opportunity Assessment

| |  |  |  |  |  |  |  |  |  |  |  |  |  |
|------------------------|---|---|---|---|--|---|---|---|---|---|---|---|---|
| Headquarter | Haiphong, Vietnam | Austin, United States | Shenzhen, China | Shanghai, China | Seoul, South Korea | Seoul, South Korea | Toyota City, Japan | Tokyo, Japan | Stuttgart, Germany | Munich, Germany | Wolfsburg, Germany | Detroit, United States | Dearborn, United States |
| Presence | Sales primarily in Vietnam followed by US, Canada and Europe | Global Presence | Strong presence in China and expanding to other regions | Mainly operating in China and expanding to Europe | Significant presence in many global markets with a few EV models | Significant presence in many global markets with a few EV models | Limited EV Models but significant presence in hybrid markets | New EV Model in 2024 but significant presence in hybrid markets | High End Luxury EVs with Global Sales | High End Luxury EVs with global Sales | Strong Manufacturing capacity with global reach through various brands | U.S. based manufacturing with growing EV portfolios | U.S. Based manufacturing with growing EV portfolios |
| Price Range | \$10,000-\$62,200 | \$40,240-\$120,990 | \$9,700-\$149,000 | \$42,800-\$84,000 | \$36,675 - \$66,100 | \$39,550 - \$54,900 | \$43,070 - \$47,180 | \$47,400 - \$57,900 | \$52,750 - \$179,900 | \$52,200 - \$119,300 | \$38,995 - \$185,000 | \$26,595 - \$112,595 | \$40,000 - \$96,874 |
| No. of EV Models | 7 | 4 | 19 | 8 | 4 | 3 | 2 | 0 | 6 | 4 | 8 | 8 | 3 |
| EV Sales (US\$m) | 34,855 | 1,808,581 | 1,600,000 | 160,038 | 268,785 | 576,000 | 104,018 BEV | 0 BEV | 222,600 | 376,183 | 771,100 | 75,883 | 72,608 |
| Manufacturing Capacity | 300,000 | 1,900,000 | 3M+. | 300,000 | Significant. Estimates/ Targets not released | Significant. Estimates/ Targets not released | Significant. Estimates/ Targets not released | Significant. Estimates/ Targets not released | Significant. Estimates/ Targets not released | Significant. Estimates/ Targets not released | Significant. Estimates/ Targets not released | 200,000 Constrained due to battery production | 360,000 |





Consumers in different markets are willing to switch brands if key factors justify

Key Factors Influencing Consumer Decisions in Car Purchases

| Drivers of Brand Choice | China | Germany | India | Japan | South Korea | Southeast Asia | United States |
|---|-------|---------|-------|-------|-------------|----------------|---------------|
| Price | 32% | 55% | 48% | 58% | 49% | 54% | 59% |
| Product Quality | 52% | 47% | 65% | 48% | 51% | 62% | 57% |
| Vehicle Performance | 53% | 30% | 61% | 49% | 55% | 57% | 52% |
| Vehicle Features | 37% | 39% | 62% | 48% | 31% | 51% | 45% |
| Quality of overall ownership experience | 28% | 31% | 45% | 8% | 27% | 37% | 38% |
| Brand Familiarity | 36% | 39% | 43% | 21% | 25% | 32% | 34% |
| Previous Service experience | 19% | 18% | 22% | 14% | 17% | 21% | 21% |
| Previous sales experience | 10% | 27% | 15% | 10% | 5% | 13% | 17% |
| Brand image | 38% | 15% | 50% | 19% | 22% | 33% | 16% |
| Availability of BEV/ Hybrid options | 33% | 13% | 36% | 22% | 25% | 24% | 14% |
| Brand advertising | 12% | 6% | 25% | 4% | 8% | 14% | 6% |
| Brand affiliations | 14% | 5% | 21% | 5% | 7% | 12% | 5% |
| Other | 0% | 2% | 0% | 2% | 1% | 0% | 1% |

Most cited choices





Higher Tariffs for Chinese competition presents an opportunity for VinFast

Tariffs and Government Incentives in Key EV Markets for a Vietnamese EV Manufacturer

| Country | GDP Growth Rate | Newly Registered EV Cars (2022) | Government Support and Tax Policies for EV Large Global Automotive Market | Import Tariff for Vietnam EVs (2024) |
|-----------|-----------------|---------------------------------|---|--|
| Vietnam | 6.3% | 18,000 | Tax Incentives: Vietnam offers reduced registration fees and excise taxes for electric vehicles. | - |
| USA | 2.1% | 918,500 | Federal Tax Credit: Up to \$7,500 federal tax credit for new EV purchases. State Incentives: Various state-level incentives including rebates, tax credits, and reduced registration fees The USA has increased tariffs on <u>Chinese EV</u> imports to 100% to counteract perceived unfair trade practices and subsidies | 25% |
| Canada | 1.4% | 86,000 | Federal Incentives: Up to \$5,000 rebate for the purchase of new electric vehicles under the Incentives for Zero-Emission Vehicles (iZEV) Program. Provincial Incentives: Additional incentives provided by provinces, such as British Columbia and Quebec, which offer rebates up to \$8,000. | 6.1% |
| Thailand | 3.6% | 20,816 | Tax Reductions: Reduction in excise taxes and import duties for EVs. | 80% |
| India | 6.1% | 41,675 | GST Reduction: Goods and Services Tax (GST) on EVs reduced from 12% to 5%. State-Level Incentives: Various states offer additional incentives, such as subsidies, tax rebates, and reduced registration fees | 10% |
| Indonesia | 5.1% | ~2,000 | Tax Incentives: Exemption from luxury tax for electric vehicles. | 10% |
| EU | 3.4% | 2,200,000 | All EU member states offer some form of tax benefit (either acquisition or ownership) for electric vehicles, although there is significant disparity and fragmentation between the schemes in each country (The EU has imposed tariffs ranging from 17.4% to 38.1% on <u>Chinese EV</u> imports to counteract unfair competitive advantages from subsidies | 43% (Gradual reduction to 0% by 2030) |





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Appendix



VinFast Financials (Balance Sheet, 1/2)

in US\$ mm

| | Dec-31-2020 | Dec-31-2021 | Dec-31-2022 | Dec-31-2023 | Mar-31-2024 ¹ |
|--|----------------|----------------|----------------|----------------|--------------------------|
| ASSETS | | | | | |
| Cash And Equivalents | 35.6 | 132.3 | 180.9 | 164.9 | 119.3 |
| Short Term Investments | - | - | 0.2 | 0.2 | 0.2 |
| Trading Asset Securities | - | - | 22.6 | 22.6 | - |
| Total Cash & ST Investments | 35.6 | 132.3 | 203.6 | 187.7 | 119.4 |
| Accounts Receivable | 12.9 | 18.7 | 27.9 | 22.8 | 24.0 |
| Other Receivables | 30.7 | 55.4 | 79.1 | 147.2 | 136.0 |
| Notes Receivable | 364.7 | 68.4 | 23.1 | - | - |
| Total Receivables | 408.4 | 142.5 | 130.1 | 170.0 | 160.0 |
| Inventory | 233.3 | 292.2 | 915.0 | 1,181.4 | 1,076.4 |
| Prepaid Exp. | 14.6 | 8.6 | 14.1 | 15.0 | 337.8 |
| Restricted Cash | 5.0 | 15.2 | 34.2 | 18.8 | - |
| Other Current Assets | 183.7 | 576.3 | 601.7 | 435.3 | 203.0 |
| Total Current Assets | 880.6 | 1,167.1 | 1,898.7 | 2,008.1 | 1,896.7 |
| Gross Property, Plant & Equipment | 2,505.9 | 2,752.5 | 2,993.3 | 3,676.0 | - |
| Accumulated Depreciation | (231.4) | (386.1) | (378.5) | (595.2) | - |
| Net Property, Plant & Equipment | 2,274.4 | 2,366.4 | 2,614.8 | 3,080.8 | 3,541.2 |
| Long-term Investments | 498.6 | 0.2 | 29.5 | 2.7 | 86.7 |
| Goodwill | 10.1 | 11.9 | 11.5 | - | - |
| Other Intangibles | 185.0 | 138.3 | 61.9 | 53.2 | 52.7 |
| Accounts Receivable Long-Term | 16.5 | 8.0 | 3.5 | 30.1 | 30.4 |
| Loans Receivable Long-Term | 40.8 | 0.7 | - | - | - |
| Deferred Tax Assets, LT | 2.3 | 2.2 | - | - | - |
| Other Long-Term Assets | 92.5 | 35.8 | 190.9 | 237.7 | 258.3 |
| Total Assets | 4,000.9 | 3,730.7 | 4,810.7 | 5,412.6 | 5,866.0 |



VinFast Financials (Balance Sheet, 2/2)

in US\$ mm

| | Dec-31-2020 | Dec-31-2021 | Dec-31-2022 | Dec-31-2023 | Mar-31-2024 ¹ |
|-------------------------------------|----------------|------------------|------------------|------------------|--------------------------|
| LIABILITIES | | | | | |
| Accounts Payable | 133.3 | 162.8 | 1,164.2 | 497.8 | 309.8 |
| Accrued Exp. | 203.1 | 194.9 | 538.7 | 612.9 | 424.8 |
| Short-term Borrowings | 88.7 | 55.5 | 295.9 | 2,469.7 | 1,965.2 |
| Curr. Port. of LT Debt | 264.3 | 698.0 | 351.9 | 766.0 | - |
| Curr. Port. of Leases | 9.3 | 16.4 | 32.6 | 62.7 | 62.1 |
| Curr. Income Taxes Payable | 38.1 | 27.4 | 74.4 | 25.1 | - |
| Unearned Revenue, Current | 24.3 | 58.4 | 71.1 | 42.8 | 32.7 |
| Other Current Liabilities | 102.0 | 2,604.0 | 275.6 | 1,230.2 | 3,637.0 |
| Total Current Liabilities | 863.0 | 3,817.4 | 2,804.4 | 5,707.1 | 6,431.6 |
| Long-Term Debt | 2,030.7 | 2,573.1 | 2,082.3 | 1,341.7 | 998.1 |
| Long-Term Leases | 15.6 | 56.8 | 137.9 | 219.6 | 208.4 |
| Unearned Revenue, Non-Current | - | 1.1 | 21.1 | 74.6 | 71.1 |
| Def. Tax Liability, Non-Curr. | 93.2 | 2.3 | 40.1 | 38.1 | 39.8 |
| Other Non-Current Liabilities | 732.1 | 644.3 | 1,277.8 | 752.0 | 1,341.2 |
| Total Liabilities | 3,734.8 | 7,094.9 | 6,363.6 | 8,133.1 | 9,090.1 |
| Common Stock | - | 24.2 | 36.9 | 405.8 | 397.4 |
| Additional Paid In Capital | 1,666.9 | - | 521.3 | 1,308.4 | 1,546.3 |
| Retained Earnings | (1,910.2) | (3,385.1) | (5,385.9) | (7,607.2) | (8,270.7) |
| Comprehensive Inc. and Other | 508.1 | (2.8) | (4.4) | (15.9) | (14.0) |
| Total Common Equity | 264.8 | (3,363.6) | (4,832.1) | (5,908.9) | (6,341.1) |
| Minority Interest | 1.3 | (0.6) | 3,279.2 | 3,188.5 | 3,117.0 |
| Total Equity | 266.1 | (3,364.3) | (1,552.8) | (2,720.4) | (3,224.1) |
| Total Liabilities And Equity | 4,000.9 | 3,730.7 | 4,810.7 | 5,412.6 | 5,866.0 |



VinFast Financials (Income Statement)

in US\$ mm

| | Dec-31-2020 | Dec-31-2021 | Dec-31-2022 | Dec-31-2023 | Mar-31-2024 ¹ |
|------------------------------------|----------------|------------------|------------------|------------------|--------------------------|
| Revenue | 589.6 | 700.8 | 633.7 | 1,183.3 | 292.7 |
| Cost Of Goods Sold | 877.9 | 1,105.5 | 1,153.2 | 1,728.4 | 438.6 |
| Gross Profit | (288.3) | (404.7) | (519.5) | (545.1) | (145.9) |
| Selling General & Admin Exp. | 109.9 | 202.4 | 390.6 | 456.5 | 134.1 |
| R & D Exp. | 169.2 | 404.7 | 844.4 | 598.3 | 105.9 |
| Other Operating Expense/(Income) | 5.2 | (3.4) | (4.7) | (3.0) | 22.2 |
| Other Operating Exp., Total | 284.4 | 603.7 | 1,230.2 | 1,051.8 | 262.1 |
| Operating Income | (572.7) | (1,008.4) | (1,749.7) | (1,596.9) | (408.0) |
| Interest Expense | (159.4) | (150.5) | (249.1) | (369.2) | (167.7) |
| Interest and Invest. Income | 20.4 | 61.1 | 3.5 | 9.5 | 1.1 |
| Net Interest Exp. | (139.0) | (89.4) | (245.6) | (359.7) | (166.6) |
| Income/(Loss) from Affiliates | (1.8) | (1.6) | - | - | (0.1) |
| Currency Exchange Gains (Loss) | 3.4 | 19.6 | (35.1) | (27.9) | - |
| Other Non-Operating Inc. (Exp.) | (101.1) | (125.1) | (35.8) | (331.3) | (24.6) |
| EBT Excl. Unusual Items | (811.1) | (1,204.9) | (2,066.2) | (2,315.7) | (599.2) |
| Gain (Loss) On Sale Of Assets | (1.1) | (5.0) | - | (3.3) | - |
| Other Unusual Items | - | (189.8) | (4.6) | (45.8) | - |
| EBT Incl. Unusual Items | (812.3) | (1,399.6) | (2,070.8) | (2,364.8) | (599.2) |
| Income Tax Expense | 3.8 | 9.1 | 40.1 | 3.7 | (1.1) |
| Earnings from Cont. Ops. | (816.1) | (1,408.8) | (2,110.9) | (2,368.5) | (598.1) |
| Minority Int. in Earnings | 0.0 | 1.5 | 2.8 | 3.1 | 0.9 |
| Net Income | (816.1) | (1,407.2) | (2,108.1) | (2,365.4) | (597.2) |



VinFast Financials (Cash Flow)

in US\$ mm

| | Dec-31-2020 | Dec-31-2021 | Dec-31-2022 | Dec-31-2023 | Mar-31-2024 |
|--|----------------|------------------|------------------|------------------|----------------|
| Net Income | (816.1) | (1,407.2) | (2,108.1) | (2,365.4) | (597.2) |
| Depreciation & Amort. | 154.2 | 174.6 | 166.2 | 241.1 | 81.0 |
| Amort. of Goodwill and Intangibles | 31.0 | 39.2 | 99.2 | 19.2 | 3.6 |
| Depreciation & Amort., Total | 185.3 | 213.9 | 265.4 | 260.3 | 84.6 |
| (Gain) Loss From Sale Of Assets | - | 5.0 | - | 3.3 | - |
| (Gain) Loss On Sale Of Invest. | 54.7 | 32.9 | (51.1) | 201.1 | 24.6 |
| Asset Writedown & Restructuring Costs | - | 7.2 | 48.0 | 53.7 | 1.5 |
| (Income) Loss on Equity Invest. | 1.8 | 1.6 | - | - | 0.1 |
| Stock-Based Compensation | - | - | - | 6.2 | 1.9 |
| Other Operating Activities | 147.3 | 341.8 | 433.5 | 550.8 | 162.9 |
| Change in Acc. Receivable | (7.3) | (323.8) | 26.4 | 54.1 | (44.8) |
| Change In Inventories | 175.5 | (168.7) | (857.2) | (516.9) | 44.1 |
| Change in Acc. Payable | (126.6) | 33.2 | 753.5 | (398.1) | (168.1) |
| Change in Other Net Operating Assets | (17.2) | (2.5) | (19.0) | (60.1) | (9.6) |
| Cash from Operations | (402.6) | (1,266.7) | (1,508.7) | (2,211.0) | (500.1) |
| Capital Expenditure | (416.5) | (262.7) | (748.7) | (1,028.4) | (193.7) |
| Sale of Property, Plant, and Equipment | 1.4 | 2.1 | 59.8 | 41.4 | - |
| Invest. in Marketable & Equity Secur. | 732.5 | (132.2) | (34.1) | - | - |
| Net (Inc.) Dec. in Loans Originated/Sold | (395.1) | 483.4 | 43.8 | 22.5 | - |
| Other Investing Activities | (1.5) | 15.2 | - | 15.9 | 20.5 |
| Cash from Investing | (79.2) | 105.8 | (679.2) | (948.6) | (173.2) |
| Long-Term Debt Issued | 857.2 | 1,663.4 | 3,712.1 | 4,175.4 | 992.4 |
| Long-Term Debt Repaid | (831.7) | (816.7) | (1,763.2) | (2,090.4) | (370.4) |
| Issuance of Common Stock | 424.7 | 436.7 | 294.9 | 1,105.7 | 3.0 |
| Common Dividends Paid | - | (21.8) | - | - | - |
| Other Financing Activities | - | - | (1.8) | - | (0.4) |
| Cash from Financing | 450.2 | 1,261.7 | 2,242.0 | 3,190.7 | 624.7 |
| Foreign Exchange Rate Adj. | 2.0 | (4.8) | (1.3) | (11.0) | 2.7 |
| Net Change in Cash | (29.6) | 96.1 | 52.8 | 20.1 | (45.9) |

