

Vingroup (VIC)

Focusing on electric vehicle production


Vingroup (VIC) announced 4Q21 business results with a loss of VND5,964 billion and revenue of VND34,458 billion (-4% YoY). For the whole year, the group saw a loss of VND2,771 billion on revenue of VND125,306 billion (+13% YoY) due to expenses of VND5,484 billion related to the cessation of ICE production and COVID-19 related & charitable expenses of VND6,099 billion. Excluding those expenses, VIC's NPAT is VND4,373 billion, delivering 97% of the 2021 plan.

The sales of inventory properties maintained its growth momentum, leasing activity recovered strongly compared to 3Q21

- In the fourth quarter, Vinhomes (VHM) recorded sales of 17,400 units (+544% YoY) with a total contract value of VND37,900 billion (+130% YoY), featuring seven bulk sale transactions of *Ocean Park*, *Smart City*, *Wonder Park*, *Dream City* and one project in the South worth VND22,000 billion. For the whole year of 2021, VHM sold 39,100 apartments for VND78,900 billion, achieving 83% of the pre-sales plan.
- VHM's 4Q21 NPAT reached VND11,900 billion (+8% YoY) on revenue (including from bulk sale and BCC projects) of VND25,400 billion (-26% YoY). Unbilled bookings by the end of 4Q21 hit VND52,400 billion (-16% YoY).
- In 4Q21, Vincom Retail's (VRE) PAT was VND122 billion (+402% QoQ and -87% YoY) on revenue of VND1,367 billion (+64% QoQ and -58% YoY). Business performance bounced back strongly from the 3Q21 low, but still witnessed a sharp fall as compared to 4Q20 because during the quarter, the company implemented a tenant support package worth VND766 billion vs. VND45.6 billion in 4Q20. By the end of the fourth quarter, VRE's leasing area was 1,654 thousand m² (flat YoY). The occupancy rate in the quarter was 83% (-1% YoY). VRE plans to open three new shopping malls in 2022 including Vincom Mega Mall in Vinhomes Smart City and two Vincom Plaza in My Tho and Bac Lieu, contributing 95 thousand m² of floor space for lease. The company expects business results in 2022 to recover to 2020 levels.

VIC stopped making ICE cars, focusing on the production of electric vehicles

- Production brought in VND21 billion in PBT on revenue of VND4,420 billion in 2021.
- In 4Q, VinFast sold 10,100 cars (-22% YoY) and 12,600 electric motorcycles (+55% YoY), maintaining its leading position in market share across all segments. For 2021, it sold 35,700 cars and 42,000 electric motorcycles, delivering 85% and 20% of the year plan respectively.
- VIC stopped manufacturing ICE cars from the end of 2022 to focus solely on the production of electric cars. Last year, the company launched VF e34 model domestically and VF 8 & VF 9 models in the foreign markets. As of the end of 2021, VIC had received nearly 40,000 pre-orders for electric vehicles. The group has been installing 40,000 charging stations nationwide in 2021. This figure should hit 150,000 this year.



— In December, VinFast began construction of a VinES Battery Manufacturing Factory in the Vung Ang Economic Zone with a capacity of 100,000 packs/year in Phase 1 to provide Lithium batteries for VinFast’s electric cars and buses in the future.

Other business activities

— The hospitality segment recorded a loss of VND2,278 billion on revenue of VND716 billion (– 32% YoY) due to the negative impact of the pandemic. This segment is expected to rebound in 2022 when the pandemic remains under control and Vietnam begins reopening to foreign tourists.

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Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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