

REPORT ON THE BUSINESS PERFORMANCE

YEAR 2017



Ho Chi Minh City, 15/11/2017

CONTENT



1. Market Summary.



2. Business performance in 9 months of 2017.



3. Evaluation of the Q4 of 2017.



4. Q&A.

MARCO ECONOMIC OVERVIEW

GDP 9 Months

6.41%

Estimation of 2017: 6.7%

Retail sales of goods and services

2,918 trillions

+ 10.5% YoY

Industrial Production Index

+ 7.9%

2016 + 7.1%

FDI registration:

\$ 21.4 billions, + 21.7% YoY

FDI disbursement:

\$ 12.3 billions, + 15% YoY

Credit Growth

11.5%

2016: 10.5%

CPI

+ 3.71% YoY

Estimation of 2017: 4.5%

Trade surplus

\$ 0.33 Bill.

2016 Trade Surplus \$ 2,76
bill.

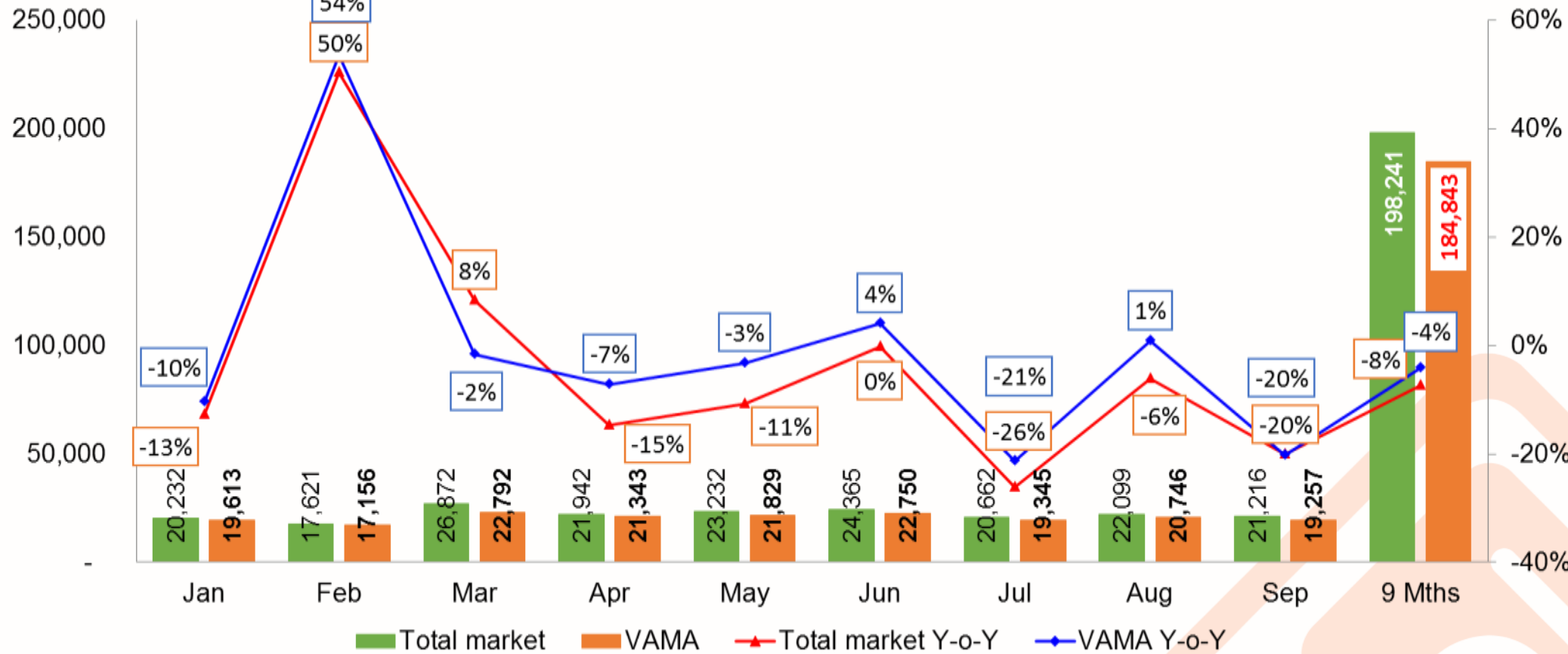
Interest Rate

Short-term 0.8 – 1%

Mid, long-term 6.4 – 7.2%

Updates for 10 months: Industrial Production Index +8.7%, Retail sales of goods and services +10.7%, CPI +3.71%, Trade surplus \$1,23 billion, Credit Growth rate: 13,5%

Sales volume of total market and VAMA members' in 9 months of 2017

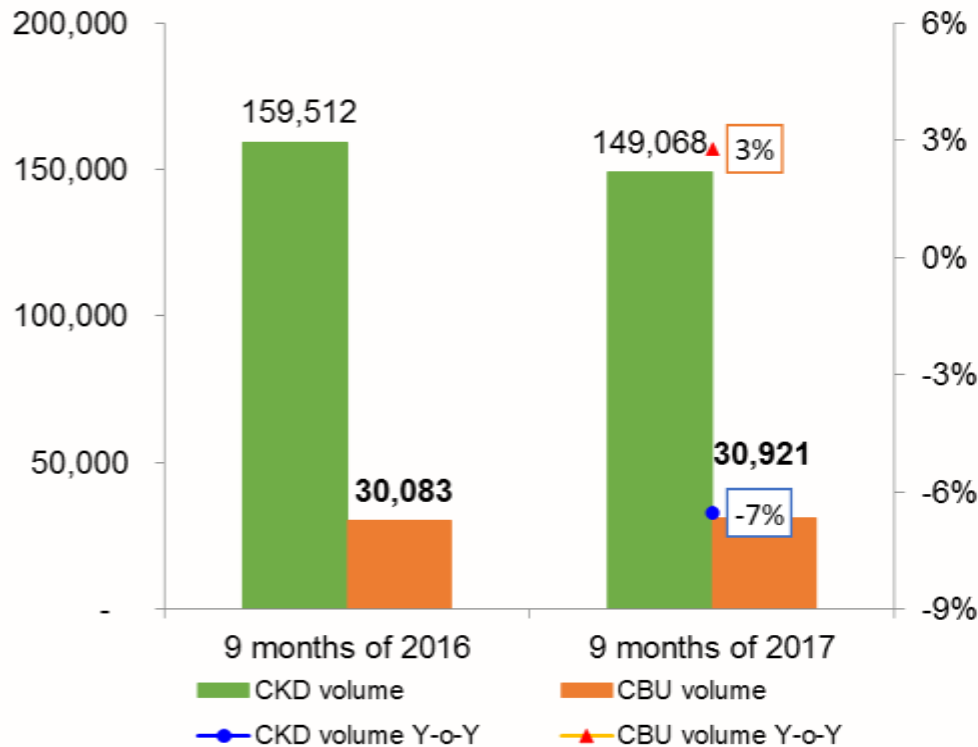


Total 09 months of 2017

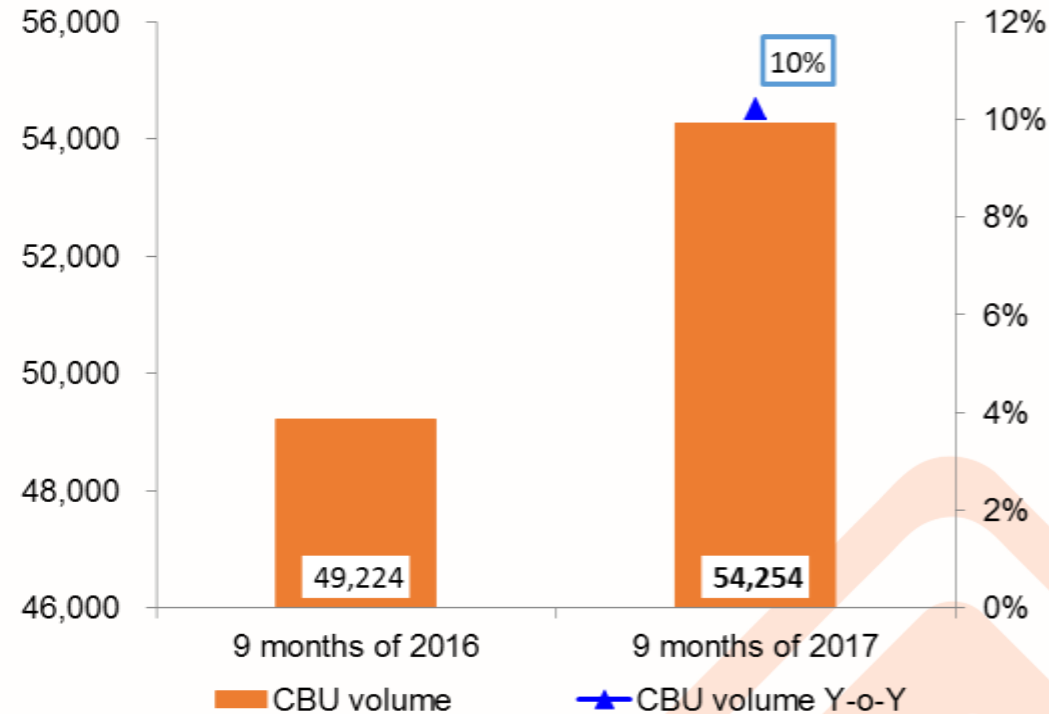
- Total market sold **198.241 units**, were down **8%** in comparison with the same period last year.
- VAMA sold **184.843 units**, were down **4%** in comparison with the same period last year.

MARKET INFORMATION

CKD, CBU SALES VOLUME (VAMA MEMBERS)



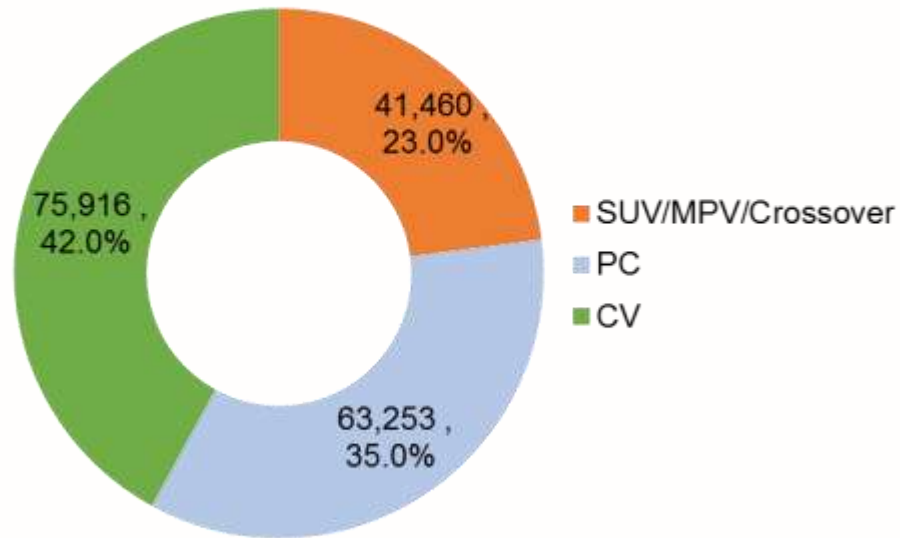
CBU SALES VOLUME (NON- VAMA MANUFACTURERS)



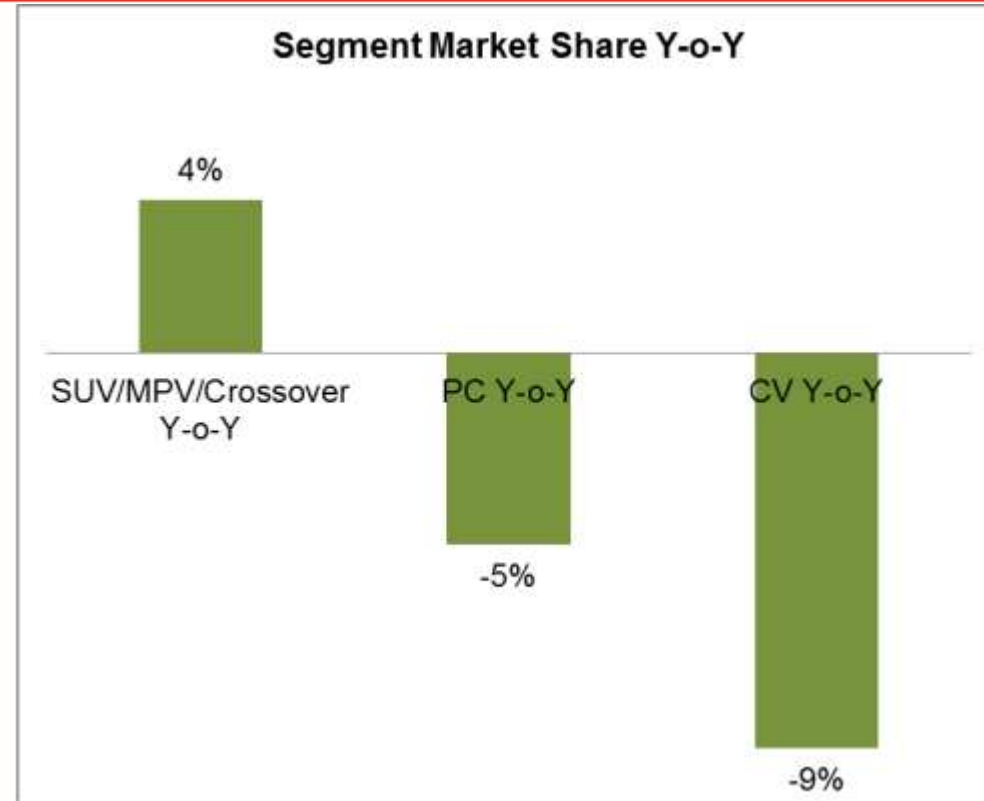
- YTD CKD Sales Volume **were down 7%** to **149.068** units.
- YTD CBU Sales Volume of VAMA members' **were up 3%** to **30,921** units,.
- YTD CBU Sales Volume of NON-VAMA manufacturers', **were up 10%** to **54,254** units.

MARKET SHARE BY SEGMENT IN 9 MONTHS 2017

Segment Market Share



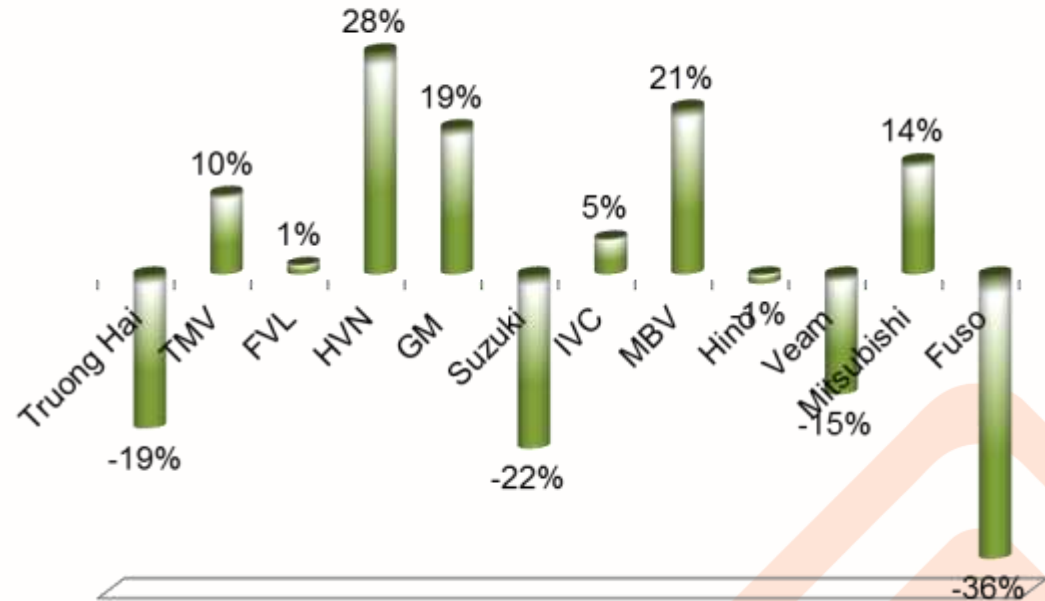
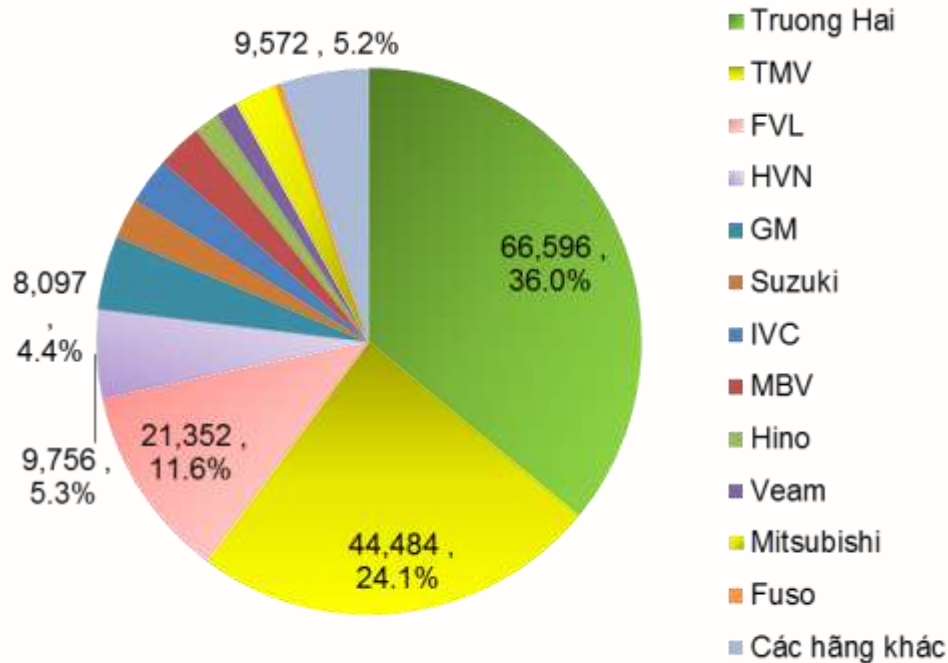
Segment Market Share Y-o-Y



- **YTD CV** were down 9% to 75.916 units; had the highest market share of **42%**, decreased 2 percentage points of market share in comparison with last year.
- **YTD PC** were down 5% to 63.253 units; had the second highest market share of **35%**, equivalent to last year.
- **YTD SUV/MPV/Crossover** were up 4% to 41.460 units; had the lowest market share of **23%**, increased 2 percentage points of market share in comparison with last year.

MARKET SHARE, SALES VOLUME OF VAMA MEMBERS' IN 9 MONTHS OF 2017

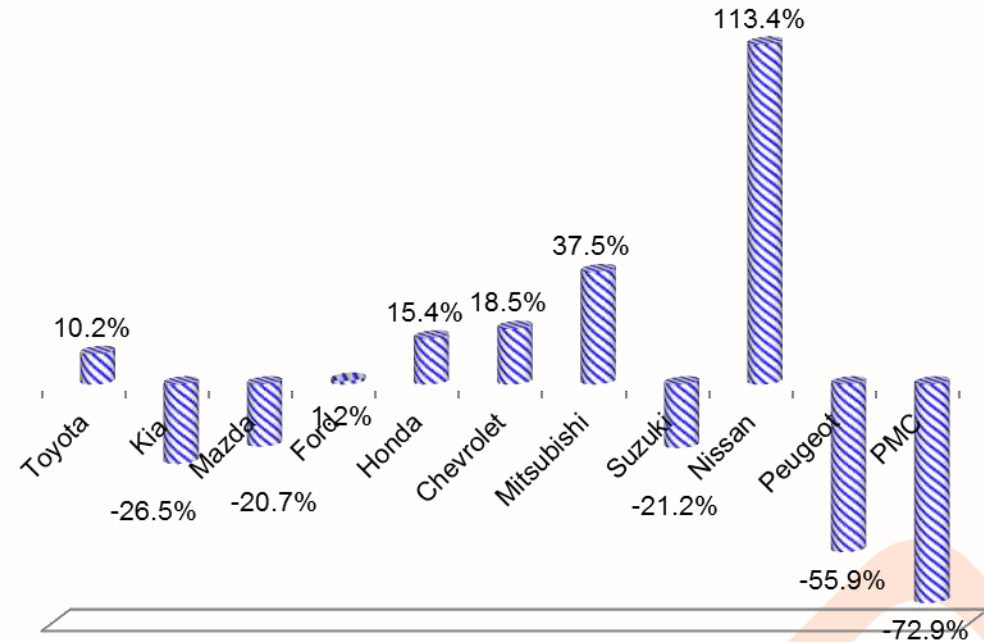
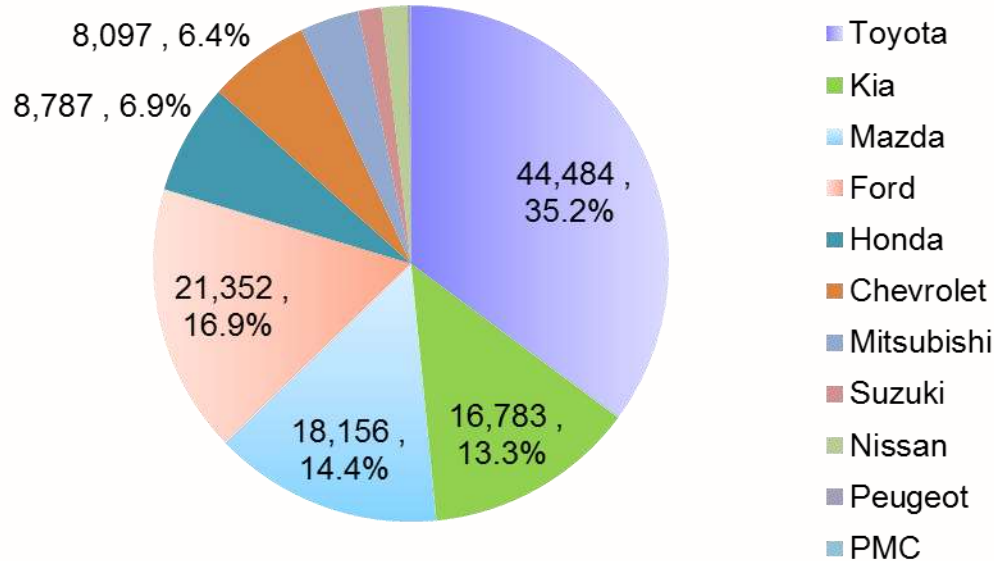
SALES VOLUME Y-O-Y



9 months/2017 vs. 9 months/2016:

- **Trường Hải** was down **19%** to **66,598** units, accounted for **36%** Vama's market share, decreased by **6.8** percentage points of market share compare to last year.
- **TMV** was increased **10%** to **44,484** units, accounted for **24.1%** of market share, increased **3.1** percentage points of market share compare to last year.
- **FVL** was increased **1%** to **21,352** units, accounted for **11.6%** of market share, increase **0.6** percentage point of market share compare to last year.

MARKET SHARE, SALES VOLUME OF PC of VAMA MEMBERS' IN 9 MONTHS OF 2017



9 months/2017 vs. 9 months/2016:

- **Toyota** was the 1st place with **44,484** units, **increased 10.2%** in comparison with the same period, accounted for **35.2%** of market share, **increased 3.9** percentage points of the market share compare to the same period last year.
- **Ford** was the 2nd place with **21,352** units, **increased 2%** in comparison with last year, accounted for **16.9%** of market share, **increases 0.5 %** percentage points of market share in comparison with last year.
- **Mazda** was the 3rd place with **18,156** units, **decreased 20.7%** in comparison with last year, accounted for **14.4%** of market share, **decreased 3.4 %** percentage points of market share in comparison with last year.
- **KIA** was the 4th place with **16,783** units, **decreased 26.5%** in comparison with last year, accounted for **13.3%** of market share, **decreased 4.4 %** percentage points of market share in comparison with last year.

CONTENT



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2. Business performance in 9 months of 2017



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BUSINESS PERFORMANCE HIGHLIGHTS

Units: Bil dong

Units	Q3.17	+/-% Q3/Q2.17	9 months 2017	9 months 2016	+/- %	9 months/ PL 17
Revenue	3,460.3	-3.1%	10,182.6	9,384.3	8.5%	70.2%
Gross Profits	171.7	-1.3%	516.5	470.3	9.8%	
Other Profits	42.1	-18.8%	126.3	47.4	166.5%	
EBIT	50.0	-22.6%	183.4	183.5	-0.1%	
EBITDA	67.3	-18.1%	237.7	225.7	5.3%	
EBT	26.6	-36.0%	115.6	134.8	-14.2%	46.26%
EAT	20.7	-39.8%	94.2	110.8	-15.0%	47.10%
Attr to Equity Holders	10.8	-44.9%	50.9	69.1	-26.3%	39.18%

FINANCIAL HIGHLIGHTS

	UNITS	30.9.17	01.01.17	% Diff
Liabilities	Bil. Dong	2,570	2,165	18.7%
Debt	Bil. Dong	1,472	1,318	11.7%
Total Assets	Bil. Dong	3,782	3,338	13.3%
Equity	Bil. Dong	1,212	1,172	3.4%
Total Debt/Total Assets	%	68.0%	64.9%	
Total Debt/ Equity	x	2.1	1.8	
Debt/ Total Assets	%	38.9%	39.5%	

FINANCIAL HIGHLIGHTS

	2017 (trailing)	2016
Current Ratio	0.9	1.1
Quick Ratio	0.4	0.6
EBIT Interest Coverage	3.2	4.2
Debt/ EBITDA	4.2	4.0
ROS	1.1%	1.3%
ROA	4.4%	5.7%
ROE	13.4%	15.6%

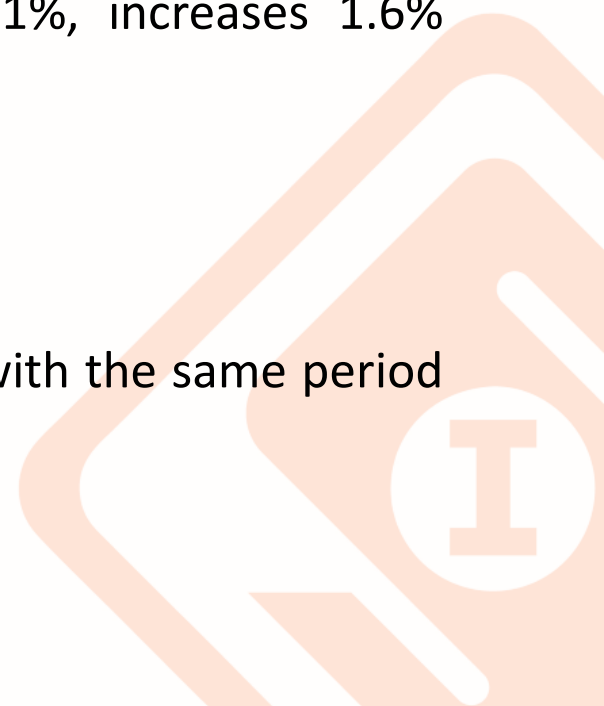
AUTOMOTIVE ACTIVITIES UPDATE

Sales Performance:

- Savico' sales volume in the 9 months is 20,055 units, has increased 11% compare to the same period while VAMA has decreased 4% and total market 8%
- Savico's market share within total market is 10.1%, increases 1.6% compare to the same period.

After-sales Performance:

- Service revenue has increased 27% in comparison with the same period last year.



AUTOMOTIVE PRICE WAR UPDATE

Timeline

Event

12.2016

- Truong Hai has begun the price war by saying to reduce profit off 2 trillions Dong in order to discount for cars in 2017; the discount rate was 25 – 170 mil Dong/car for Mazda and 15 – 125 mil Dong/car for Kia.

02.2017

- TMV join the war price: Yaris E version discounted for 44 mil Dong, Luxury brand Lexus, Land Cruiser 50 – 164 mil Dong
- Mitsubishi discounted for 60 mil + promotions + gifts
- Hyundai discounted between 30 – 50 mil Dong
- Trường Hải: Mazda Cx-5 continues to discount for 30 – 50 mil Dong

03+04.2017

- HVN: Discounted for 30 – 70 mil Dong, CR – V discounted 45 mil Dong but the dealers actually gave discount for 110 mil Dong
- Nissan discounted X – Trail for 70 mil Dong but the dealers actually discount for almost 110 mil Dong
- TMV continued to give promotion: discount from 15-55 mil Dong more
- GM joined: discounted from 15-70 mil Dong
- Ford joined: discounted between 20-63 mil Dong

AUTOMOTIVE PRICE WAR UPDATE

Timeline	Event
05.2017	<ul style="list-style-type: none">- TMV discounted 90 mil Dong more for Camry- Nissan: discounted 10-40 mil Dong, Nissan X-Trail discounted + promotion of 125 mil Dong- Honda dealers gave promotion value of 90-115 mil Dong with CR-V
06.2017	<ul style="list-style-type: none">- Mitsubishi: discounted for 20 – 106 mil Dong- FVL: discounted for 25 – 105 mil Dong- Peugeot: CUV Peugeot 3008 discounted for 75 mil Dong + gifts- GM: Chevrolet Cruze, Chevrolet Colorado discounted for 70 mil Dong- TMV: discounted for 30-115 mil Dong at the end of June- HTC: discounted for 7,5-30 mil Dong- Trường Hải: Mazda 6 (2016) discounted 50 mil dong, Kia Optima 45 mil Dong
07.2017	<ul style="list-style-type: none">- HVN: Odyssey discounted for 200 mil Dong, others from 10-80 mil Dong- Trường Hải: Mazda 6 discounted for 30-40 mil Dong
08.2017	<ul style="list-style-type: none">- HVN: discounted from 52 – 192 mil Dong- Trường Hải: Mazda discounted 10-130 mil Dong more; Kia discounted for 6-9 mil

AUTOMOTIVE PRICE WAR UPDATE

Timeline	Event
08.2017	<ul style="list-style-type: none">- TMV: discount + promotion of 20-65 mil Dong- GM: discounted for 23-73 mil Dong
09.2017	<ul style="list-style-type: none">- HVN: CR-V gave huge discount of 300 mil Dong from 1-6/9/17.- Mitsubishi: Outlander, Pajero discounted from 146-230 mil Dong, others 20-65 mil Dong- GM: discounted from 15 - 80 mil Dong- Nissan: discounted from 10-48 mil Dong- Trường Hải: discounted 5-25 mil Dong- HTC: I10 promoted 3-10 mil Dong
10.2017	<ul style="list-style-type: none">- FVL: discounted for Ford Focus from 125-159 mil Dong- HTC: discounted for Tucson from 30-45 mil Dong- Trường Hải: Kia Morning, Sorento, Cerato discounted for 5-26 mil Dong
11.2017	<ul style="list-style-type: none">- TMV: public new price for 2018 applied from 1/11/17 decreased from 24-57 mil Dong- FVL: discounted 20-50 mil Dong with EcoSport, Fiesta and Focus

NEW AUTOMOTIVE DEALER 2017

TOYOTA TÂY NINH



Officially opened and operated in 18/02/2017



NEW AUTOMOTIVE DEALER 2017

VOLVO HÀ NỘI



Officially opened and operated in
28/02/2017



NEW AUTOMOTIVE DEALER 2017

VOLVO HCMC

Officially opened and
operated in **07/2017**



NEW AUTOMOTIVE DEALER 2017

BÌNH THUẬN FORD



Officially opened and operated in
11/10/2017



NEW AUTOMOTIVE DEALER 2017

SGNS – OUTLET AN PHÚ



Officially opened and operated in
17/10/2017

I

DEALERS UNDER CONSTRUCTION

FORD TÂY NINH



DEALERS UNDER CONSTRUCTION

TOYOTA EAST SAIGON HEADQUATER



TOYOTA NAM ĐỊNH

Ground Breaking in 10/2017



DEALERS UNDER CONSTRUCTION

HYUNDAI KIÊN GIANG



HYUNDAI CẨM LỆ

Has Construction license, estimated to start construction in the end of 4th Quarter/2017



MOTOCYCLE UPDATE

Sales Performance:

- Sales volume decreases 5% compare to last year because of closing one Suzuki outlet and scales down business activities to upgrade other outlet.

After-sales Performance:

- Service revenues increases 11% in comparison with last year.



OTHER TRADING-SERVICE

Taxi Business:

- Small scales; facing tough competition from Grab, Uber
 - High rate idle vehicle, revenues decreases significantly → no gross margin
- Company tries to re-organized in 2017



Retail and Office space for lease: nearly 100% occupation

104 Phố Quang:

- Has fulfilled the obligation with the government but hasn't got the Land – used certificate, therefore, can't complete the legal profile to transfer the project as planned.

Mercure Sơn Trà:

- The project is suspended by waiting for Government Inspector's final conclusion regard to master plan and business activities at Son Tra peninsula



Strategic partnership with the Banks:

- **Vietinbank:** Has provided the credits for 35 companies with the total credit of **2,040** bil Dong
- **Vietcombank:** Working to set up a strategic partnership, expected in 4th Quarter/2017



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2. Business's activities in 9 month of 2017.



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**Applied ATIGA from 01.01.2018,
Decree No. 116 about the condition for
producing, importing, and conducting
maintaining services of vehicles in Q4/2017
& implementing plan Q1/2018.**

**Other producers (besides Toyota) might
adjust the prices within 4th Quarter/2017**

2017 BUSINESS PERFORMANCE ESTIMATION

	PL 2017	Worst		Best	
		Values	% PL 2017	Values	% PL 2017
Revenue	14,500	13,000	90%	13,500	93%
EBT	250	140	56%	190	76%
EAT	200	114	57%	154	77%
Attr to Equity Holders	130	64	49%	104	80%
Dividend (VND/share)	1,200				

MAIN ACTIVITIES FOR 4TH QUARTER

Real Estates: Finish all of the legal requirements regard to the 104 Pho Quang project

Trading Service:

- Enhance connectivity and internal information sharing.
- Effective Sales Strategy
- Focus in after-sales services
- Cost management
- Inventory and Ordering Management
- Ensure the deadlines of opening new dealers



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THANK YOU

