



Original Article

Studying the Impact of Selected Listing on NASDAQ Stock Exchange on Enterprise Profits: Forecasting the Case of VinFast Manufacturing and Trading Company Limited

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Abstract: Initial Public Offering (IPO) is considered a strategic decision of utmost importance for every business, especially companies that wish to list on the stock exchange. international. Using the Wilcoxon non-parametric test method, the study shows that IPO activities have a positive impact on the profits of businesses listed on the NASDAQ Global Select Market stock exchange in general and of VinFast in particular. At the same time, the author had proposed a number of solutions to increase the number of companies in Vietnam conducting IPOs on the international stock market as well as policies to help increase the profits enterprises listed on the international stock market of listed businesses.

Keywords: VinFast Company, IPO, corporate profits, NASDAQ international stock exchange.

1. Introduction

Initial Public Offering (IPO) is one of the most popular methods to raise capital from the public that growing companies choose. There are many reasons why a company wants to be listed on stock exchanges, especially international stock exchanges. IPOs provide cash today and promise more money tomorrow [1]. IPO is also an opportunity to promote the company's brand

to more people. Listing a company on a stock exchange can be considered a successful marketing and public relations strategy by increased visibility of the company in the market through attention from the financial community and the media. Therefore, companies can receive a lot of free publicity, which is one of the least expensive ways to build and strengthen a company's brand [2]. Furthermore, an IPO on an international stock exchange not only positions

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the corporate brand in the international market but also enhances the position and reputation of other businesses in the country where the business is listed.

Rudianto pointed out that initial public offerings change the ownership status of a business, from a company held by a few individuals to a public company. The author believed that an IPO had great potential in mobilizing capital in a relatively large amount, which affected the performance of businesses, including the financial performance and financial situation of the company. The company had also become better since then before the IPO. In addition, the transformation from a private company to a public company made the decisions, strategies and activities of the business not only affect the company itself but also a large number of investors. Therefore, post-IPO operating efficiency of companies is an issue that not only businesses but also investors are very concerned about [3].

Up to now, the impact of IPO on business performance has always been a topic that has attracted the attention of many authors. Typical studies include research on the effectiveness of IPO on initial profits and long-term operating efficiency at issuing organizations [4-6]. A company's performance can be assessed through a number of financial measures such as profitability, operating efficiency, revenue and annual employee income. In the short term, researchers often focus on analyzing the issue of underpricing of stocks (IPO Underpricing), typically in the studies of [7-9]. Meanwhile, not only in the long term but in the short term, profit is always one of the important factors in evaluating company operational efficiency. Furthermore, the performance of businesses after an IPO is often measured by indicators such as return on assets (ROA), return on equity (ROE) or abnormal buy-and-retain return. However, until now, very few scholars have specifically researched the change in profits after the IPO of companies, especially studies in Vietnam. In addition, there are currently no studies predicting profits after IPO for practical cases.

Noticed that in Vietnam recently, VinFast Production and Trading Company Limited, one of the subsidiaries of VinGroup Corporation with an ownership ratio of 50.64% (According to VinGroup's Prospectus 2023), has just announced its listing on the international stock exchange NASDAQ Global Select Market in August 2023. This is a particularly important event that not only affirms the brand value of VinFast in the international market but also motivates companies in Vietnam to join the international stock market. Because up to now, VinFast is the only company in Vietnam that has successfully IPO'd on the NASDAQ stock market. Therefore, research on the impact of IPO on the profits of companies listed on international stock exchanges in general and of VinFast in particular is necessary.

2. Literature Review and Hypotheses

2.1. Definition of Initial Public Offering

Initial Public Offering (IPO) was the first time a private company offered common shares on a stock exchange [10]. IPOs have often been conducted by small-scale, or newly established companies looking for capital to expand, but can also be conducted by large private companies wishing to conduct public transactions and mobilize more capital to expand scale [11-13]. After issuing an IPO, in most cases, a company changed from private ownership to public ownership, and the process of issuing and offering shares was often called "going public" [14].

Companies were divided into two main types of businesses including private companies and public companies. A private company has fewer shareholders and the company's owner is not obligated to disclose business-related information to the outside world. Most small businesses were privately owned (existed as joint stock companies), and almost without exception large companies were also privately owned. Shares of private companies could only be accessed through the owners and were subject to the decisions of the company. In contrast,

public companies are companies that have sold at least part of the ownership of the business to the public and the sold shares will be traded on stock exchanges [15].

There are many benefits for businesses after an IPO, especially IPOs on large exchanges. First, IPOs make it easier for companies to raise more money in the future through secondary offerings. Furthermore, public companies can issue additional shares at any time the need arises. Second, being listed on a stock exchange makes companies more visible to the public, thereby expanding the number of potential customers, suppliers and employees. Furthermore, listing on international markets helps the company enhance its reputation and trust from foreign investors, thereby attracting more foreign capital from foreign individuals and organizations. Diversifying ownership helps businesses have large, experienced shareholders who can contribute to the process of improving governance quality and improving the company's competitiveness. In addition, the business will enhance its position and image when listed on global stock markets. Finally, public companies will often be more closely monitored by the market, so these companies will receive better interest rates when borrowing. However, the IPO process on international exchanges is often complicated, causing problems for some businesses. In addition, after the IPO, the company also faces a number of pressures including: short-term growth pressure, pressure to disclose information to the public, limited company management and loss of business. some personal advantages in business.

2.2. Profitability

Profit is one of the most important indicators in financial analysis that shows the level of effectiveness in cost management and revenue growth of a business. Profit is the primary goal of all business activities. To grow prosperously and sustainably, a company must be profitable or have positive profits. If it cannot make a profit, the company will not be able to survive long term. From an accounting perspective, some

researchers proposed using information on financial statements to build measurement indicators that reflect the effectiveness of profits, for example return on assets (ROA), return on sales (ROS), and return on equity (ROE) [16].

Return on assets (ROA) represents a company's ability to generate profits through effective use of economic resources and management, and this index is used as a dependent variable in the analysis. economic efficiency assessment. The rate of return on assets tends to increase, confirming the increasingly effective use of the company's economic resources (assets) compared to the profits earned.

Return on sales (ROS) presents economic efficiency from a business perspective. The higher this index shows the more effective the business's ability to convert net revenue into profit. If the ROS rate increases significantly from year to year, it proves that the company's business activities are growing.

Return on equity (ROE) is reviewed as a measure of a company's ability to generate net profit per dollar of equity. This index is considered one of the most important financial indicators and profit measures and is applied in financial analysis practice because it shows the net amount of shareholders. received, thus assisting investors in guiding strategic decisions for the company.

2.3. Impact of IPO on Operational Efficiency and Profits

Initial public offering (IPO) is one of the strategic decisions in the company's development process and is made by the owner of the business for many different reasons. These are benefits in terms of capital mobilization, business promotion and a number of other reasons. However, regardless of the reason, this decision always has an impact on the results of financial and accounting activities. Meanwhile, profit is one of the most important factors contributing to company development. The topic related to the impacts of IPO on corporate profits has attracted the attention of many authors.

Research results show that at different times in different markets, the impact of IPO on corporate profits is different. Table 1 states a summary of previous studies with topics related to the impact of IPO on corporate profits.

Table 1. Related Studies to the impact of IPO on corporate profits

Author	Year	Research results
Pagano et al.,	1998	Issuing shares to the public had a positive relationship with business profitability. This positive relationship was significant across all time periods [17].
Aharony et al.,	2000	The average ROA of companies listed on Chinese stock exchanges reached its highest level in the year of the IPO, then decreased [18].
Report by Boston Consulting Group	2000	From the perspective of investors, after IPO, Europe's most dynamic businesses not only increased in revenue but also rose in profit and create outstanding value [19].
Eije	2000	IPOs caused changes within the company and could contribute positively to the company's profits [20].
Kim et al.,	2004	After the IPO, companies' operating activities were less efficient than before entering the market. Revenue mostly increased but not enough to improve business results after the IPO [21].
Peristani and Hong	2004	ROA of companies participating in the US stock market was lower than the pre-IPO period. However, the deterioration in the financial condition of companies participating in the stock market was not a result of weaker economic conditions but indicated that stock exchanges are facilitating companies "young" was listed [22].
Ahmad and Lim	2005	Operating performance clearly declined after the IPO in the Malaysian market [23].
Wai-yan Cheng	2005	Level Pre-listing earnings of companies did not guarantee good long-term IPO performance, and pre-listing earnings of new issues were not an effective screen for "poor" IPO performers [24].
Wang	2005	Through the results of analyzing more than 700 companies on the Chinese stock market, the author concluded that there was a decline in the value of ROA of companies after IPO [25].
Manas and Manoj	2007	Companies with large scale and high profits had a greater probability of issuing shares to the public than for Indian companies IPOed in the period from 1999 to 2005 [26].
Ron Chuen Yeh and Tran Tu Uyen	2009	IPO has a positive impact on the return on assets (PTBA) of listed Vietnamese enterprises in the period 2000 – 2006 [27].
Wu et al.	2009	In general, banks in China listed on the exchange had worse results than unlisted banks and the IPO had a significant positive impact on ROA and ROE growth at the time before listing and during the IPO process [28].
Radosław Pastusiak et al.,	2016	The profitability of companies one year before IPO was better than one year after the IPO [29].
Sulaksana, RDIZF and Supriatna, N.	2019	There was no difference in the rate of return of companies listed on the Indonesian market in 2014 after IPO [30].
Adiputra, A. K., Christmawan, P. E. E., & Tlonaen, A. C. A.	2023	The results of the T-test method show that there is a negative impact of ROA on stock underpricing in companies that issue shares to the public or companies that issue IPOs on the Indonesia Stock Exchange during the period 2010-2022. These results show that investors always evaluate the performance of the company well before investing and will buy shares of companies with better performance and increase the stock price. This is because investors want to earn profits in the future, both in the form of dividends and profits from the difference between the selling price of shares and the buying price of shares [31].

Source: Author's own preparation.

In the previous period, some studies demonstrated that IPOs had a positive impact on the profits of companies in the United States [4, 26, 32]. In contrast, recently, Pastusiak et al., found that there was a decline in post-IPO profits in companies listed on Asian markets [29]. Another study on Indonesian companies showed that the ratios measuring company profitability increased after IPO, but the level of significance when the Wilcoxon test is greater than 0.05, meaning that the impact of IPO on corporate profits was not statistically significant [30].

Therefore, the desire of this topic is to conduct similar research on companies listed on the international stock market NASDAQ Global Select Market in the period 2019 – 2022, and especially analyze in depth the impact of the IPO to the profits of VinFast company. An equally important reason is that in Vietnam this topic is being researched deeply by very few scholars.

Based on the above documents, the study proposes the following hypotheses:

Hypothesis H1: Return on assets (ROA) of companies increases one year after IPO on international stock exchanges

Hypothesis H2: Return on sales (ROS) of companies increases one year after IPO on international stock exchanges

Hypothesis H3: Return on equity (ROE) of companies increases one year after IPO on international stock exchanges

3. Research Methodology

3.1. Research Procedure

With the purpose of reviewing changes in profitability ratios (ROA, ROS and ROE), the article used quantitative methods for analysis. As follows:

i) Descriptive statistics

Descriptive statistical methods are used to describe the characteristics of variables. After calculating the variables before and after the IPO, the author used SPSS version 20 software to calculate the minimum value (Min), maximum value (Max), average value,

deviation, standard, median value and interquartile ranges of the variables. Thereby, there is an overview of the changing trends of variables after the IPO;

ii) Wilcoxon non-parametric test

The purpose of this test is to test whether the hypothesis about the post-IPO profit change of the sample companies is statistically valid or not. This method is suitable when it allows direct examination and comparison of companies with diverse industries across many countries and over different time periods because it does not require normally distributed data. Furthermore, each company is compared to itself in previous years, so this method is suitable because it allows testing two different independent variables on the same dependent variable. In fact, this method was first used by [10] to analyze the impact of privatization on performance. After that, a number of other studies such as [33, 34] continued to conduct and use the test method. Wilcoxon determination is a key method while evaluating company performance at the time before and after the IPO.

3.2. Sampling Design

Research and select secondary data collection methods to serve the research process of the topic. The biggest advantage of this method is that the data is collected in advance, and has been published on the official information pages of the enterprise, or reputable stock forums, so the collection is easy, less costly and less time consuming in the collection process.

The study selected a sample of 100 businesses listed on the US stock exchange with some sampling bases as follows:

i) The company must have complete financial information for at least three consecutive years, from one year before the IPO (year -1), the year of the IPO (year 0) and one year after the IPO (year 1). Therefore, to have enough research data, the author chose companies that had IPOs in the period 2019 - 2022 on the international stock exchange NASDAQ Global Select Market;

ii) Representativeness: Up to September 2023, the NASDAQ Global Select Market stock exchange has more than 1,600 listed businesses with diverse scales and operating in diverse industries. The IPO period of companies lasts from 1828 to the present. Therefore, after eliminating companies that do not ensure data, the author selected the final sample of 100/318 businesses that had all the required data and were IPOed in the period 2019-2022. These 100 companies represent businesses listed on NASDAQ in terms of both capital scale and business lines.

Data and information about capital sources, industries, and IPO time were compiled by the author from the website Nasdaq.com. Data and financial information of sample companies are collected mainly from two international financial websites, Marketwatch.com and Macro trends.com. This is verified information so the collected data is highly accurate and reliable.

4. Research Results

4.1. Descriptive Statistics

The study selected a sample of 100 listed companies on the US stock exchange with the following sampling bases:

Firstly, the sample companies must have sufficient financial and accounting capacity, complete financial information for at least three consecutive years, from one year before the IPO (year -1), the year of the IPO (year 0) and one year after the IPO (year 1). Therefore, to have enough research data, the author selected companies that conducted IPOs in the period of 2019 - 2022 on the international stock exchange NASDAQ Global Select Market.

Secondly, the selected sample must demonstrate representativeness: As of September 2023, the NASDAQ Global Select Market stock exchange has more than 1,600 listed companies with a variety of sizes and fields of operation. The IPO timing of the companies ranges from 1828 to present. Therefore, after eliminating companies that do

not meet the required data as above, the author randomly selected 100 sample companies from a total of 318 companies that have sufficient required data and were IPOed in the period 2019 -2022. These companies represent the companies listed on the NASDAQ in terms of both capital size and business lines.

Last but not least, since most of the companies listed on the NASDAQ stock exchange operate in the US, the 100 sample companies selected mainly operate in the US. On the other hand, VinFast's goal is to expand its consumer market to European countries, so the selected sample is still representative and comparable.

After collecting data from 100 IPO companies on the NASDAQ Global Select Market stock exchange from 2019 to 2022, the author used SPSS version 20 software to run the data and describe the statistical results, which are shown in Table 2 and Table 3 below.

In this study, there are four (4) basic variables considered to calculate profit measures (Total assets, Equity, Net revenue and Profit after tax) and three (3) measures representing profitability (Return on assets – ROA, Return on sales – ROS, Return on equity – ROE). These are three indicators that provide a comprehensive view of the profitability of a business from different aspects: asset utilization efficiency, equity utilization efficiency, and revenue conversion efficiency. Studying these indicators helps investors and managers more accurately assess the profitability and operating efficiency of a business.

Due to the lack of some data of companies in the second year before and after the IPO (because some companies do not disclose financial and accounting data), leading to the assessment of changes in less meaningful variables. Therefore, to be reasonable with the general trend of companies and high accuracy of assessment, the study prioritizes a comparison period of one year, meaning that data will be collected from 100 companies that have been IPO during the period one year before the IPO (year -1), the year of the IPO (year 0) and one year after the IPO (year 1).

Table 1. Descriptive Statistics of main variables after IPO

Unit: million USD

Variable	No. of company	Min	Max	Mean	Std. deviation	Company Percentiles		
						25%	50% (Median)	75%
Assets_1	100	78.60	65,517.00	2,319.37	7,025.66	246.13	718.05	1,759.13
Assets0	100	84.50	79,719.70	2,940.69	8,503.40	406.73	1,050.70	2,213.23
Assets1	100	118.30	81,481.20	3,554.50	10,215.81	637.50	1,379.15	2,655.05
Sales_1	100	21.00	6,081.20	660.18	1,035.13	106.13	223.55	672.98
Sales0	100	29.60	9,002.70	839.72	1,381.84	148.78	393.05	865.08
Sales1	100	31.30	10,627.60	1,035.81	1,584.71	171.28	490.25	1,125.90
Equity_1	100	50.20	29,156.00	1,082.10	3,159.39	121.48	305.80	837.25
Equity0	100	57.40	37,940.00	1,326.98	4,043.00	230.70	507.45	931.03
Equity1	100	61.80	39,213.00	1,527.84	4,170.78	285.23	652.90	1,119.10
Return_1	100	3.30	861.40	92.79	124.21	20.15	44.35	122.65
Return0	100	3.90	1,498.90	141.17	200.75	29.60	73.15	165.75
Return1	100	7.60	1,782.00	198.74	289.89	41.08	98.35	237.83

Source: Author's analysis from SPSS 20.

In general, the values of key variables tend to increase sharply after an IPO. For example, the company ranked 25th tripled, similarly the company ranked 50th and 75th also had a significant increase in total assets. Specifically, after one year of IPO, 25% of businesses with total assets of more than 246.13 million USD (year -1 assets) increased sharply to 637.50 million USD. In addition, 50% of businesses with total assets greater than 718.05 million USD (year -1) have increased to 1,379.15 million USD (year 1), 75% of businesses have total assets greater than 1,759.13 million USD (year -1) increased to USD 2,655.05 million (year 1). The total assets of the company with the smallest value one year after the IPO, compared with the company one year before the IPO, showed a slight increase, from 78.60 million USD to 118.30 million USD. In addition, the companies with the largest total assets also increased from 65,517 million USD to 81,481 million USD. Another point to note is that there is no significant difference between the average value of all companies and some companies with large assets. Specifically, 75% of companies have total assets over 1,759.13 million USD while the average total asset value is 2,319.37 million USD one year before the IPO (year -1).

Although the largest asset value of the sample companies is 81,481 million USD, this difference is not significant, proving that only a few companies have such large total assets. The values of revenue, equity and profit after tax also changed similarly.

Table 3 shows that 25% of companies' ROA ratio increased from 2.92% to 3.33%, similarly for 50% and 75% of the sample companies also had a slight increasing trend. In particular, there is a big difference between ROA's profit margin one year before and after the IPO, specifically, this ratio increased from 29.75% (year -1) to two times after one year of IPO to 43, 63%. Similarly, the minimum value of ROA also increased from 0.38% to 0.44% one year before the IPO and one year after the IPO, respectively. In addition, comparing the average value of ROA ratio of all sample companies, we can see that the average value of ROA increased from 9.96% (year -1) to 11.24% (year -1). year 1) and most companies are higher than the average ROA, specifically 75% of the companies have an average ROA value of 14.54% higher than the average value of the companies (9.96%) (year -1). Likewise, ROE and ROS values also have similar trends and are also shown in Table 3.

Table 2. Descriptive Statistics of profit measures after IPO

Unit: Percent (%)

Variable	No. of company	Min	Max	Mean	Std. deviation	Company Percentiles		
						25%	50% (Median)	75%
ROA_1	100	0.38	29.75	9.96	7.95	2.92	718.05	1,759.13
ROA0	100	0.42	33.47	10.35	8.12	3.25	1,050.70	2,213.23
ROA1	100	0.44	43.63	11.24	9.18	3.33	1,379.15	2,655.05
ROS_1	100	0.29	66.84	24.64	15.86	12.25	223.55	672.98
ROS0	100	0.33	69.70	26.40	16.27	12.96	393.05	865.08
ROS1	100	0.45	76.05	28.71	18.55	14.19	490.25	1,125.90
ROE_1	100	0.70	65.52	19.77	14.97	7.25	305.80	837.25
ROE0	100	0.89	68.56	21.29	16.72	7.74	507.45	931.03
ROE1	100	0.92	74.82	23.00	19.02	7.78	652.90	1,119.10

Source: Author's analysis from SPSS 20.

Table 4. Wilcoxon test results of main variables after IPO

Unit: million USD

Variable	No. of company	Mean (median) before	Mean (median) after	Mean (median) difference	Z statistics (after – before)	p -value/ Asymp. Sig. (2-tailed)	The number of companies increased
Assets	100	2,319.370 (718.050)	3,554.500 (1,379.150)	1,235.130 (661.100)	7.062	0.000	90
Sales	100	660.180 (223.550)	1,035.810 (490.250)	375.620 (266.700)	6.292	0.000	86
Equity	100	1,082.100 (305.800)	1,527.840 (652.900)	445.740 (347.100)	6.285	0.000	87
Return	100	92.790 (44.350)	198.740 (98.350)	105.950 (54.000)	7.277	0.000	87

Source: Author's analysis from SPSS 20.

4.2. Wilcoxon Non-parametric Test

It can be seen that the main variable values of the survey sample all tend to increase strongly after IPO and have statistical significance. Specifically, the average (median) asset value of companies before IPO was 2,319.37 (718.05) million USD and one year after IPO, this number increased to 3,554.50 (1,379,000 USD). 15) million USD. Similarly, the average (median) value of revenue, equity and profit after tax

increased from 660.18 (223.55) million USD, 1,082.10 (305.80) million USD and 92.79 (44.35) million USD to 1,035.81 (490.25) million USD, 1,527.84 (652.90) million USD and 198.74 (98.35) million USD. The growth of these mean (median) values is statistically significant with p value = 0.000 (at the 5% level). Therefore, it can be affirmed that after the IPO the company developed better due to an increase in asset value, revenue, equity and net revenue.

Table 5. Wilcoxon test results of profit measures after IPO

Unit: Percent (%)

Variable	No. of company	Mean (median) before	Mean (median) after	Mean (median) difference	Z statistics (after – before)	p -value/ Asymp. Sig. (2-tailed)	The number of companies increased
ROA	100	9.960 (7.820)	11.240 (9.910)	1.280 (2.090)	2.066	0.039	65
ROS	100	24.640 (22.280)	28.710 (26.750)	4.070 (4.470)	2.524	0.012	62
ROE	100	19.770 (15.310)	23.000 (17.080)	3.230 (1.770)	3.022	0.003	64

Source: Author's analysis from SPSS 20.

As expected, the ratios measuring profitability increased after the IPO. Specifically, the average value (median) of ROA in the period of one year before and after the IPO increased from 9.96% (7.82%) to 11.24% (9.91%) with significance. p-value is 0.039 (significance level is 5%). This result rejects the hypothesis H₀, meaning that there is a difference in ROA ratio after IPO, and this impact is positive. Besides, over a period of one year, the average value (median) of this ratio increased significantly from 24.64% (22.28%) to 28.71% (26.75%). In particular, with a statistical significance level of 5%, the p value is 0.012, proving that ROS increased due to the impact of IPO. Without exception, companies' mean (median) value of ROE increased from 19.77% (15.31%) to about 23% (17.08%) one year after IPO. With a p value of 0.003 at the 5% significance level, it can be confirmed that after the IPO, the return on equity increased significantly.

In short, IPOs have a positive impact on business profitability. This is an inevitable consequence after an IPO for a number of reasons. First, IPOs allow businesses to easily mobilize capital from investors. Thanks to this mobilization, the company can invest in research and development (R&D) costs or invest to expand the market. Additionally, after the IPO, the public becomes more aware of the company's products, thereby creating a large number of potential customers. The results of the above

positive changes help the company become more profitable and the business's profit margins increase significantly.

4.3. Case study of VinFast Manufacturing and Trading Company Limited

VinFast Manufacturing and Trading Company Limited (also known as VinFast LLC or VinFast) is a member of Vingroup Corporation, founded by billionaire Pham Nhat Vuong in 2017, with headquarters in Hai Phong. This is a business company in the electric car and motorbike manufacturing industry with a strategic vision of becoming a global smart electric vehicle company, contributing to promoting the electric vehicle revolution worldwide.

Even though it has only entered the market for a short period of time, VinFast has achieved certain achievements. In particular, on August 15, Ms. Le Thi Thu Thuy, who is currently Vice President of VinGroup and Chairman of VinFast, rang the bell to officially launch VinFast Manufacturing and Trading Company Limited, became a public company and listed on the NASDAQ Global Select Market exchange' [35]. This is an important financial event, demonstrating the company's bravery and class with its desire to reach out to the ocean, increasing the company's scale globally.

VFS shares opened their first trading session at a price of 22 USD on the NASDAQ exchange.

With more than 2.3 billion outstanding shares, VinFast's capitalization is estimated at about 50 billion USD. This meant that VinFast became one of the largest publicly traded companies by US market capitalization up to that point. Not only that, at the peak, at the trading session on August 28, 2023, VinFast's stock price peaked at times of up to 90 USD per share with a volume of 12,782,380 shares, market capitalization value VinFast's market was about 206 billion USD at that time. This means that VinFast has become the company with the third highest capitalization value in the capitalization chart of electric vehicle businesses, behind only Tesla (757 billion USD) and Toyota (225 billion USD), leaving behind a series of names. Old age in the automobile manufacturing industry such as Porsche, BMW, Mercedes, Ferrari, etc. However, after that successful trading session, VFS shares began to trend continuously down. By the end of October 2023, VFS's trading price had twice reached below 5 USD/share. This decline caused VinFast to be sued by an American law firm. However, from an objective perspective, VFS's decline was caused by the general context in the economic and financial market. After more than 3 months of IPO on the NASDAQ market, VinFast's stock price has ranked fourth among electric vehicle companies, behind only Tesla and 2 other Chinese electric vehicle companies and ranked 21st in the automobile manufacturing industry. In the first quarter of 2024, the electric vehicle market in the US in particular and the world in general is in "chaos". Even Tesla, the world's largest electric vehicle company, saw a decline in sales in the first quarter of 2024 compared to the same period last year. This is also seen as another sign that demand for electric vehicles is slowing down. Things are even more bleak for electric vehicle startups. Many of them have gone bankrupt or are facing the risk of bankruptcy. VinFast is no exception. In August 2023, VinFast had a very successful debut on the US stock market with its stock price increasing to 93 USD/share, helping the company's capitalization reach 200 billion USD. In April 2024, the decline of the electric

car manufacturing industry has caused VFS to currently cost only 3.95 USD and become a penny stock. However, in a separate report, Nasdaq has given its forecasts for VinFast shares in the rest of 2024. Accordingly, all 4 Nasdaq analysts rated the current price of VFS as "highly worth buying". The average target they gave for VFS shares is 10.5 USD, equivalent to an increase of nearly 165%, nearly 3% compared to the present. Specifically, the most optimistic analyst believes that VinFast shares will increase to \$13, more than three times the closing price on April 10. The least optimistic believes that VFS shares can increase to \$8, equivalent to double the current increase.

In terms of business performance, the prospectus published by VinFast in the third quarter of 2023 shows signs of improvement for the company after the IPO. Particularly, vehicle sales revenue of the Vietnamese electric car company reached 7,488 billion VND (equivalent to 314.6 million USD), an increase of 147% over the same period and an increase of 387% compared to the first quarter. Consequently, the total revenue of the quarter II to 7,953 billion VND (equivalent to 334.1 million USD), an increase of 131% over the same period and an increase of 303% compared to the first quarter. Total revenue mainly comes from electric car sales. In the second quarter alone, VinFast delivered a total of 9,535 electric cars (including models VF e34, VF 5, VF 8, VF 9 and electric buses) and 10,182 electric motorbikes. While electric motorbike sales only increased slightly, the number of electric cars increased more than 5 times (VinFast Third Quarter Financial Results Report, 2023).

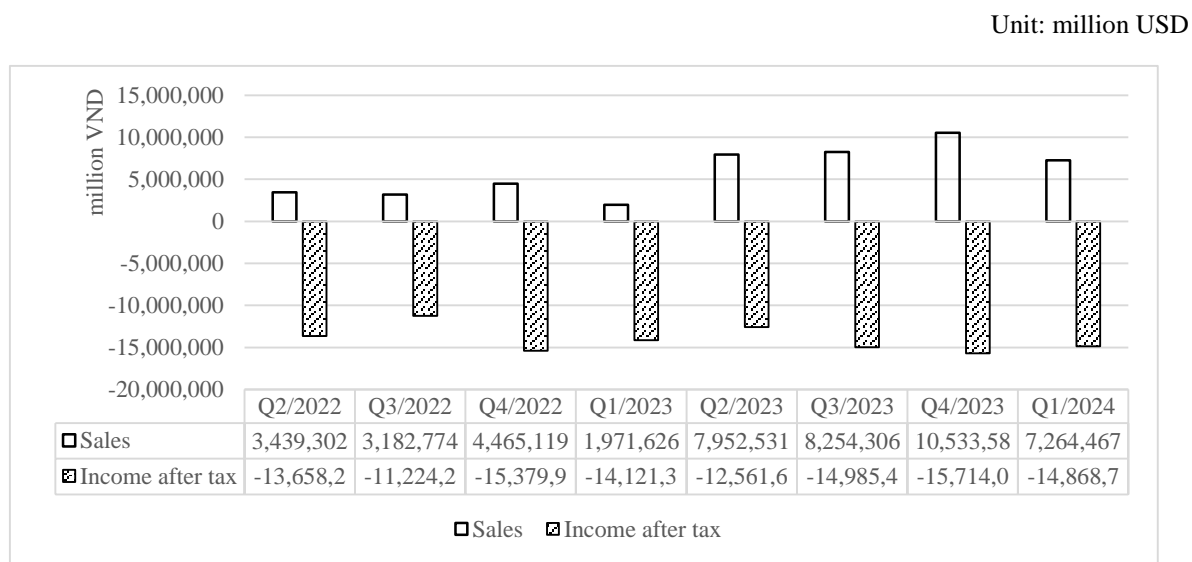
In addition to revenue growth, VinFast also recorded a more positive business signal in business results when gross loss in the second quarter nearly decreased by 29% compared to the previous quarter, to more than 715 billion VND (equivalent to 114 billion VND). Out of which, loss from business activities is 8,922.454 million VND (370.4 million USD), down 9.2% compared to the third quarter of 2022 and down 3.3% compared to the second quarter of 2023.

Accordingly, gross profit margin in the second quarter of 2023 was recorded at -34%, significantly improved compared to -73% in the second quarter of 2022 and -193.2% in the first quarter of 2023. Thanks to improved revenue and profit margin, VinFast's net loss decreased by 8.2% over the same period and 11.2% compared to the first quarter, at 12,535 billion VND (526.7 million USD). Total assets reached 116,828 billion VND (4.91 billion USD) as of June 30. (Report on VinFast's third quarter

financial results, 2023). By 2024, VinFast's total revenue reached VND7,264 billion in Q1, up 269.7% over the same period in 2023. The growth was the result of newly implemented campaigns such as developing the dealer system and customer reception of new car models. The company recorded a gross loss of VND3,619 billion in Q1. Gross profit margin improved from minus 172.9% in Q1 2023 to minus 49.8%.

The change in revenue and profit of VinFast is shown in Figure 1 below.

Figure 1. Change in revenue and profit of VinFast over the quarters in the period from the second quarter of 2022 to the first quarter of 2024



Source: Author compiled from website Stockanalysis.com.

In addition, VinFast's electric vehicle business and development plan is following a good development trend. According to VinFast's report, as of August 2023, the company has launched four electric car models (including VF e34, VF 5, VF 8, VF 9) and has sold 19,000 cars in 2023. In just six months at the beginning of 2023, VFS has sold 4.4 million vehicles, of which the number of electric vehicles sold is 321,000 (accounting for about 7.3% of the total quantity). Then, in the first half of 2024, VinFast marked an impressive growth of 92% compared to the same period in 2023. In the second quarter of 2024 alone, VinFast delivered 12,058

vehicles, up 24% compared to the first quarter and 26% compared to the same period. In the first half of this year, VinFast officially accepted deposits for the mini-SUV VF 3 in the Vietnamese market and recorded a record number of deposits with 27,649 non-refundable orders after 66 hours of opening for sale [36]. In Indonesia, the Company also opened a dealership, opened for sale two models VF e34 and VF 5, and broke ground for the construction of the Electric Vehicle Assembly Plant in Subang, West Java. The VinFast plant is expected to be operational from the fourth quarter of 2025 and will produce the VF 3, VF 5,

VF 6 and VF 7 models with right-hand drive. In the Philippines, VinFast has opened its first three dealerships to provide the VF 5, VF 7, and VF 9 models to local consumers. In the coming time, VinFast will focus on optimizing cost and resource management, improving operational and business efficiency. Accordingly, the Company has adjusted its vehicle delivery target to about 80,000 vehicles in 2024, an increase of 2.3 times compared to 2023, and the factory in North Carolina is expected to go into production in 2028.

With so many positive signs, not only domestic but also many foreign investors have speculated that VinFast could become the second Tesla. However, some experts argue that it is too early to draw this conclusion, and only time will tell. According to ASEAN Briefing, "VinFast with its low-cost, high-tech electric cars can completely develop sustainably in the future." Another thing to note is that up to now, despite receiving many positive signs about its financial health, the company is still not profitable. Specifically, in 2021, VinFast reported a net loss of 1.3 billion USD and had a loss of 1.4 billion USD in the first three quarters of 2022. By the end of the third quarter of 2023, VinFast's accumulated loss was nearly 4.7 billion USD and is expected to continue to increase in the near future. However, these numbers do not reflect VinFast's actual losses. This is the result of differences in the accounting principles of the US and Vietnam. For example, the alleged loss of 1.879 billion USD was essentially due to research and development (R&D) expenses for vehicle models. According to Vietnamese accounting standards, this cost is a long-term investment of the business and is gradually depreciated throughout the product life cycle. However, when applying American accounting standards (US GAAP), this item is considered a short-term expense, leading to increased accumulated losses. In addition, \$690 million of the remaining total loss is depreciation expenses - part of the initial investment, not considered a loss in the business. In particular, billionaire Pham Nhat Vuong - founder of

VinFast car company has affirmed that VinFast's electric car company will reach break-even point in 2024 and can be profitable by the end of 2025 if it operates as planned. In fact, VinFast's revenue in the first quarter of 2024 increased by 268.45% compared to the first quarter of 2023 [37]. In the first quarter of the year, VinFast followed its growth path: launching the brand in Indonesia and Thailand, establishing a presence in the Middle East, starting construction of a factory in India, and expanding its global sales network. The domestic market continued to contribute the majority of sales in Q1. At the same time, VinFast has also begun to record encouraging growth in the US market and a number of new dealers have started to record sales [38]. In Q1, VinFast signed distribution contracts with 10 new dealers, bringing the total number of dealer partners to 16 in 7 US states, including North Carolina, New York, Texas, Florida, Kansas, Connecticut, and Kentucky. The new dealers will open for sales from Q2. In addition to existing markets, VinFast continues to establish its presence and promote sales activities in potential markets in the region. Within the framework of the Bangkok International Motor Show 2024, the Vietnamese electric car company officially launched its brand in Thailand and signed a Letter of Intent to cooperate with 15 dealers to operate 22 stores in Bangkok. Recently, in the Indonesian market, VinFast officially opened its first dealership and launched the C-segment electric SUV VF e34 with a unique battery leasing policy, encouraging Indonesian consumers to switch to electric vehicles with lower initial and operating costs. In March, VinFast also officially delivered the C-segment electric SUV VF 7 to customers in Vietnam. The company also expanded its global operations with distribution agreements in Oman, Ghana and Micronesia.

Furthermore, according to the research results presented above, after the IPO, due to increased product R&D expenses, costs increased and corporate profits decreased, but in the future, it will tend to gradually recover. Combined with the above analysis, the author

predicts that in the short future (one year after the IPO), although VinFast's profits will still be negative in the future, the losses will gradually decrease over time. However, this is not a negative sign after a business IPO. According to Phil Mackintosh, Chief Economist at Nasdaq just because a company was not profitable when it first raised public capital did not mean that those companies were not profitable in the long term. That makes it justifiable if the fixed costs of building a new product and penetrating an existing market are high [39].

In conclusion, VinFast is still a company with the ability to thrive in the future in the US market because of the results it has achieved in the past, especially after its IPO.

5. Conclusions and Recommendations

Using quantitative methods, the research has certified hypotheses H1, H2, H3, which proves that IPOs have a positive impact on the profits of businesses listed on the US international stock exchange. This result has the same opinion as some previous studies by [5,26]. At the same time, the article points out the reason for this impact is because after the IPO, listed companies easily raise more money and become better known to the market, resulting in the company's investment and business development activities being promoted, leading to increased profits.

In addition, research has shown that VinFast's revenue will increase sharply in the near future, but it will be within about three years before the company can compensate for current losses and start making a profit. However, as mentioned, the IPO will still have a positive impact on the performance of this business. This prediction result has important implications for policymakers, investors, and future research.

The research results have created motivation for Vietnamese businesses considering listing on international stock markets to speed up the IPO process. Because being listed on foreign exchanges not only helps Vietnamese businesses have the opportunity to expand their scale by mobilizing capital from abroad, but also is an

opportunity to affirm the brand of the business worldwide. However, a successful IPO on the international stock market is not easy. Therefore, some recommendations are given for unlisted Vietnamese enterprises to successfully IPO on international stock exchanges [40].

For Vietnamese businesses that wish to be listed on international stock exchanges. First, before conducting capital calls on international exchanges, businesses need to affirm their position domestically, then aim for international standards, openness, transparency, and credibility. highly responsible, and operate effectively. Next, companies need to plan and carefully study the regulatory requirements of the stock market they want to list. This work is decisive in the IPO process because the better prepared the company is, the smoother and more effective the IPO process will be, thereby minimizing the costs incurred. Third, companies need to implement a number of policies to attract investors including: building a profitable business model; maintain stable profit growth and high profit margins; develop exclusive products and services with potential for future development; adjust the scale and capital structure to ensure that shares issued to the market have high liquidity; Prepare communication strategies related to comprehensive business introduction and analysis. Fourth, establishing a team of experts related to accounting and law helps the company not only solve difficulties more easily but also detect potential problems and implement policies. The right books to protect yourself.

For the Government of Vietnam, currently, although the State Securities Commission has detailed regulations for companies listed on foreign markets, there are still some regulations that cause difficulties for businesses. However, there are some laws that need more appropriate adjustments such as regulations on limiting the capital ratio of foreign investors in listed companies, foreign exchange laws and Differences in Vietnamese accounting standards and international accounting standards including American

GAAP or IFRS. In addition, the Government needs to develop and maintain cooperation with international stock exchanges to create favorable conditions for cross-listing. This partly allows businesses to easily access a larger group of investors and diversify their investor base.

Finally, in order to develop the revenue and profits of businesses that have IPOed on international stock exchanges in general and of VinFast in particular, the article proposes a number of solutions as follows: Firstly, the company should implement some business strategies to maintain strong strategic growth include: expanding into potential markets, launching new products, improving marketing and sales strategies, and finding customer segments new. Secondly, companies should improve and ensure the business's cash flow is stable and highly liquid. Because a company with strong cash flow will be more trusted by investors as well as credit institutions, making capital mobilization easier. Finally, companies should invest in research and development (R&D) costs to develop and improve new products, as well as improve work performance, which can drive revenue growth. and long-term profits.

In summary, this study has provided some practical values for future research, contributing to the overall treasury of research on the impacts of IPO on the efficiency of production and business activities of enterprises. However, because of time constraints as well as the author's knowledge, the research still has some limitations as follows: Although the research sample was selected in all professional fields, due to limited in terms of data collection, the research sample was only taken from companies conducting IPOs in the period from 2019 - 2022 and using a convenience sampling method, so the sample may not be representative of the whole population. Besides, the study assumes the elimination of other factors that affect profits such as GDP, inflation, epidemics,... therefore, the research results are more or less affected. Third, VinFast's profit prediction is mainly due to the author's subjective results, through

research and analysis of past events of the business.

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