LEGO'S FDI IN VIETNAM



IBE EXAM 2025

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BRIEF INTRODUCTION

- **LEGO**: 1932, Kristiansen family, 31,000 people, 7 facilities worldwide
- **1 BN$**, Ho Chi Minh province, 62 football fields, 4K employees 15/04/2025
- Most **sustainable** factory yet, carbon-neutral, 15K solar panels
- Great **CSR**-commitments, +4M USD, school, trees. Prime minister + King



OLI FRAMEWORK?

UNDERSTAND THE FACTORS DRIVING FDI

O – OWNERSHIP ADVANTAGES

Non-location-bound assets - Global leverage
(recognition, patents, management skills, financial resources)

L – LOCATION ADVANTAGES

Vietnam is attractive
(Labor, Proximity (FTA's), infrastructure (spillovers))

I – INTERNALIZATION ADVANTAGES

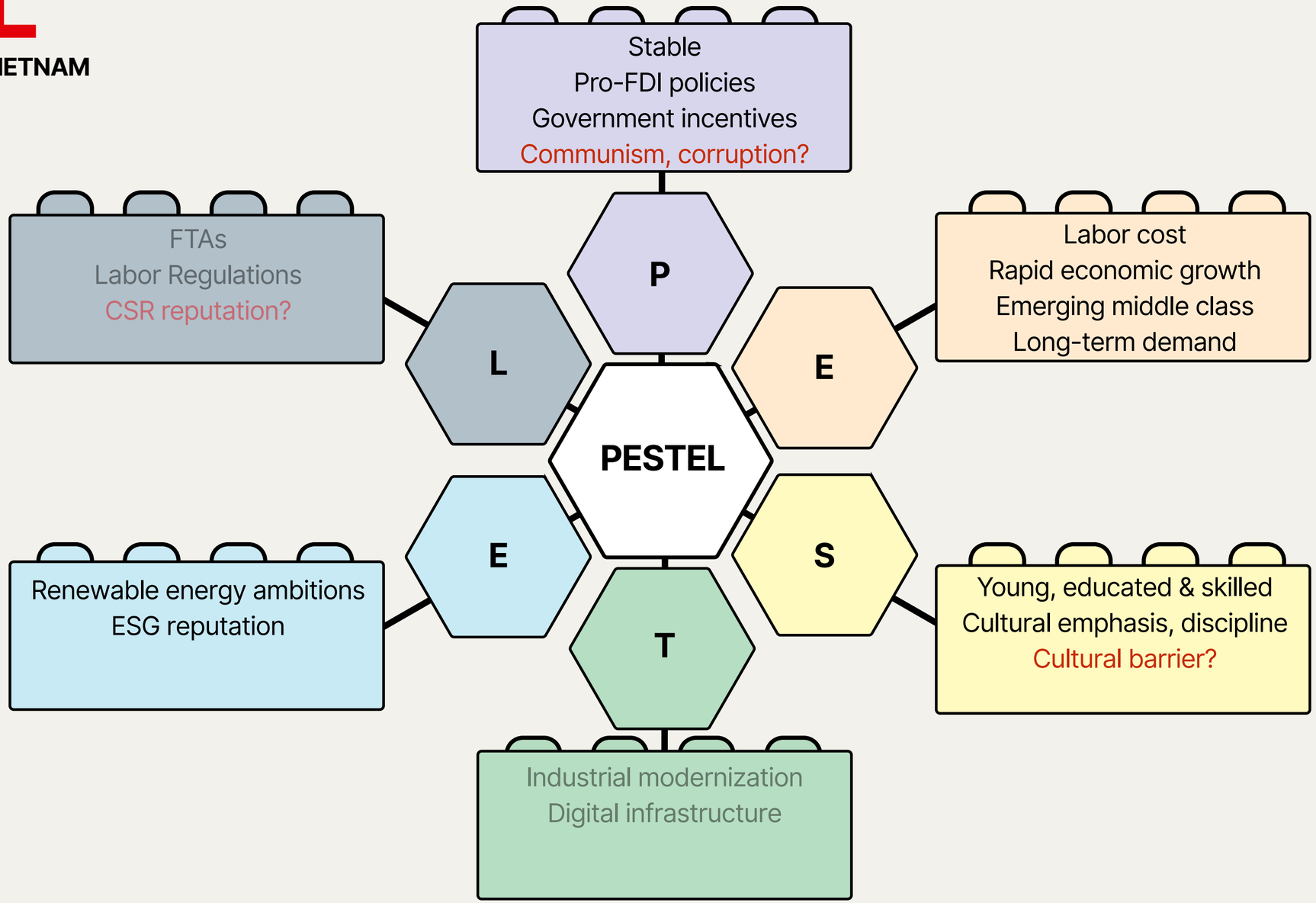
Avoids licensing or JV
(liability of foreignness, quality control, protect know-how)





PESTEL

THE L-ADVANTAGES IN VIETNAM



AGGRESSIVE FDI

KNICKERBOCKER'S THEORY OF OLIGOPOLISTIC FDI

First-mover advantages

- Oligopolistic? First-movers in Vietnam?
- Early access to an emerging skilled workforce.
- Institutional ties
- Brand goodwill in Asia

Strategic and proactive expansion

- Capture growth and signal market leadership
- Strengthen supply capacity in Asia
- Resilience and reduce dependence
- Contributes: transnational strategy

Limitations of Knickerbocker

- Doesn't explain LEGO's timing of entry
- Today's global context: FDI multi-dimensional







CONCLUSION

H1 2025 REPORT

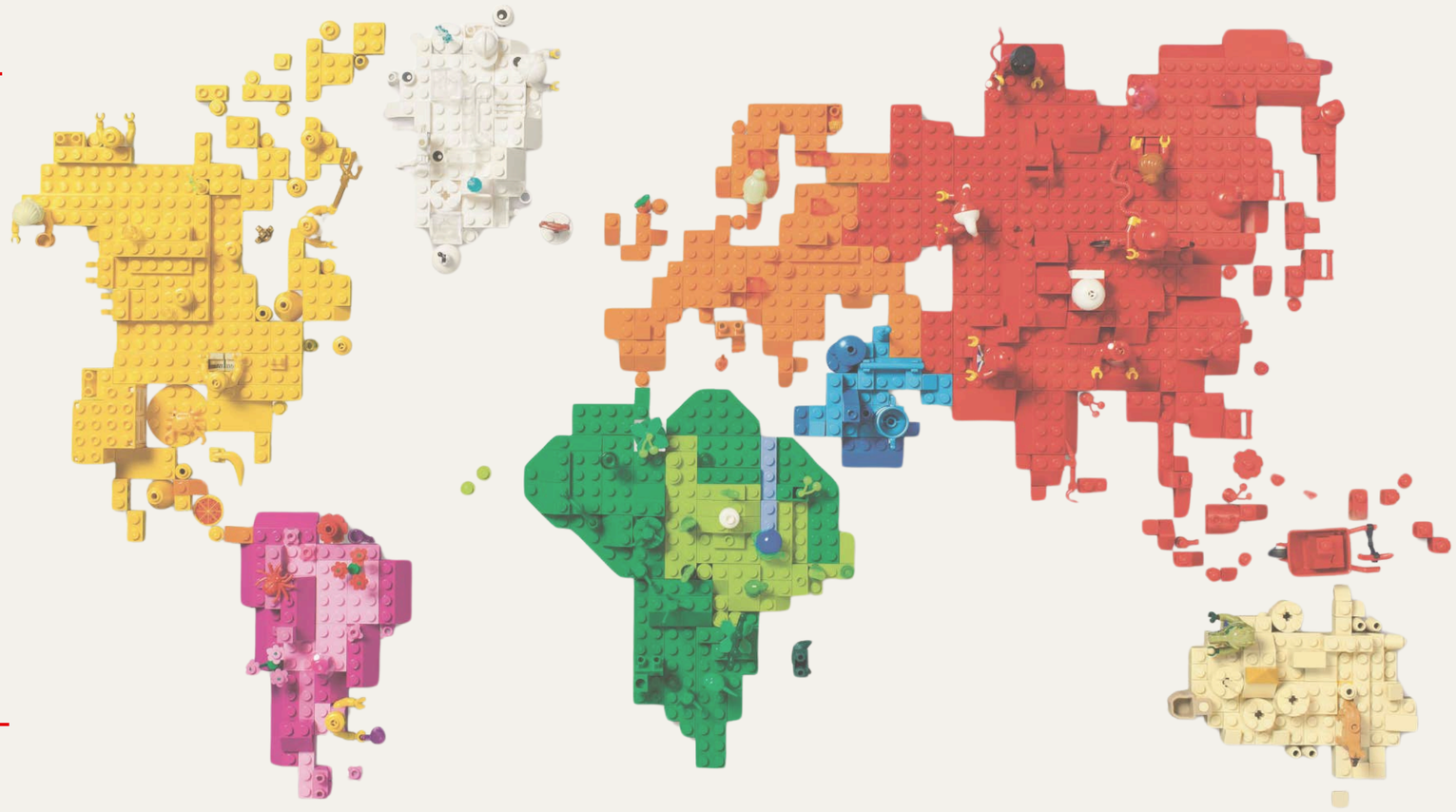
"Record top-line and double-digit bottom-line growth"

1.7 bDKK – Free cash flow

34.6 BDKK (+12%) – REVENUE

+13% Consumer sales

MATTEL H1
SALES DECLINE 6%



HASBRO H1
SALES OF CP DECLINED
~4%
REV. FLAT

9.0 bDKK (+10%) – Operating profit

5.9 bDKK – Cash flow from operating activities

"Outpaced toy industry and gained market share"

REFERENCE LIST

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LEGO Group opens new state-of-the-art factory in Vietnam - About Us

The LEGO Group today celebrated the grand opening of LEGO Manufacturing Vietnam in Binh Duong province, southern Vietnam.

The LEGO Group / Apr 10



Her er topchefen, der fik kvinder til at elske LEGO

Aldrig har LEGO solgt så mange klodser, tjent så mange penge, investeret så meget, drevet så mange butikker og haft så stærkt et brand – og aldrig har så mange kvinder bygget med LEGO-klodser. Hvordan er...

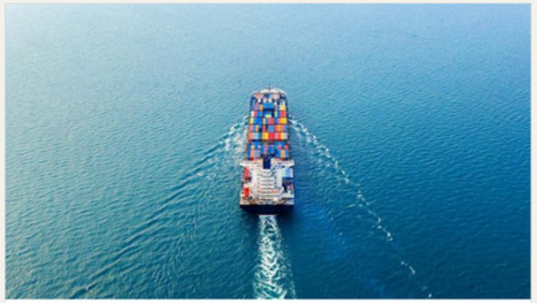
Berlingske / Sep 27



The LEGO Group H1 2025 - About Us

LEGO Group reports H1 2025 revenue up 12% to DKK 34.6B, profit up 10%, driven by innovation, new sets, global expansion and sustainability efforts.

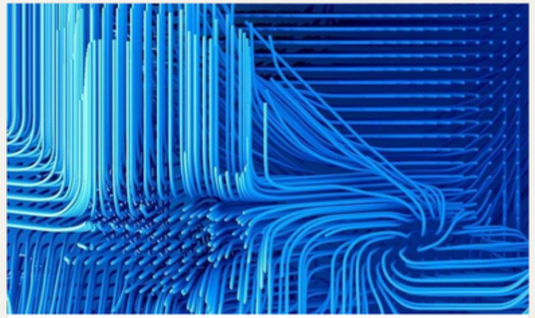
The LEGO Group / Aug 27



Vietnam's International Free Trade Agreements - Vietnam Guide | Doing Business in Vietnam

Vietnam benefits from 18 active and planned Free Trade Agreements, offering significant trade advantages with various countries and regions.

vietnam-briefing.com



Boosting Vietnam's manufacturing sector: From low cost to high productivity

Manufacturing has been the nucleus of Vietnam's exceptional growth. We look at why complex new conditions may mean that the industry has to reinvent itself.

McKinsey & Company / Sep 25, 2023



The new faces of the Vietnamese consumer

In the next decade, Vietnam's middle class is expected to continue to grow, spreading out geographically and becoming more diverse.

McKinsey & Company / Dec 7, 2021



Vietnam ESG Readiness Report 2022

From ambition to impact

PwC /



Lego giver konkurrenter baghjul med nyt regnskab

Lego giver konkurrenter baghjul med nyt regnskabLego sætter en tyk streg under, at virksomheden er det foretrukne legetøj for børn, teenagere og voksne. I et nyt halvårsregnskab, hvor Lego øger omsætn

borsen.dk / Aug 27