



Sector Preview | Vietnam Healthcare

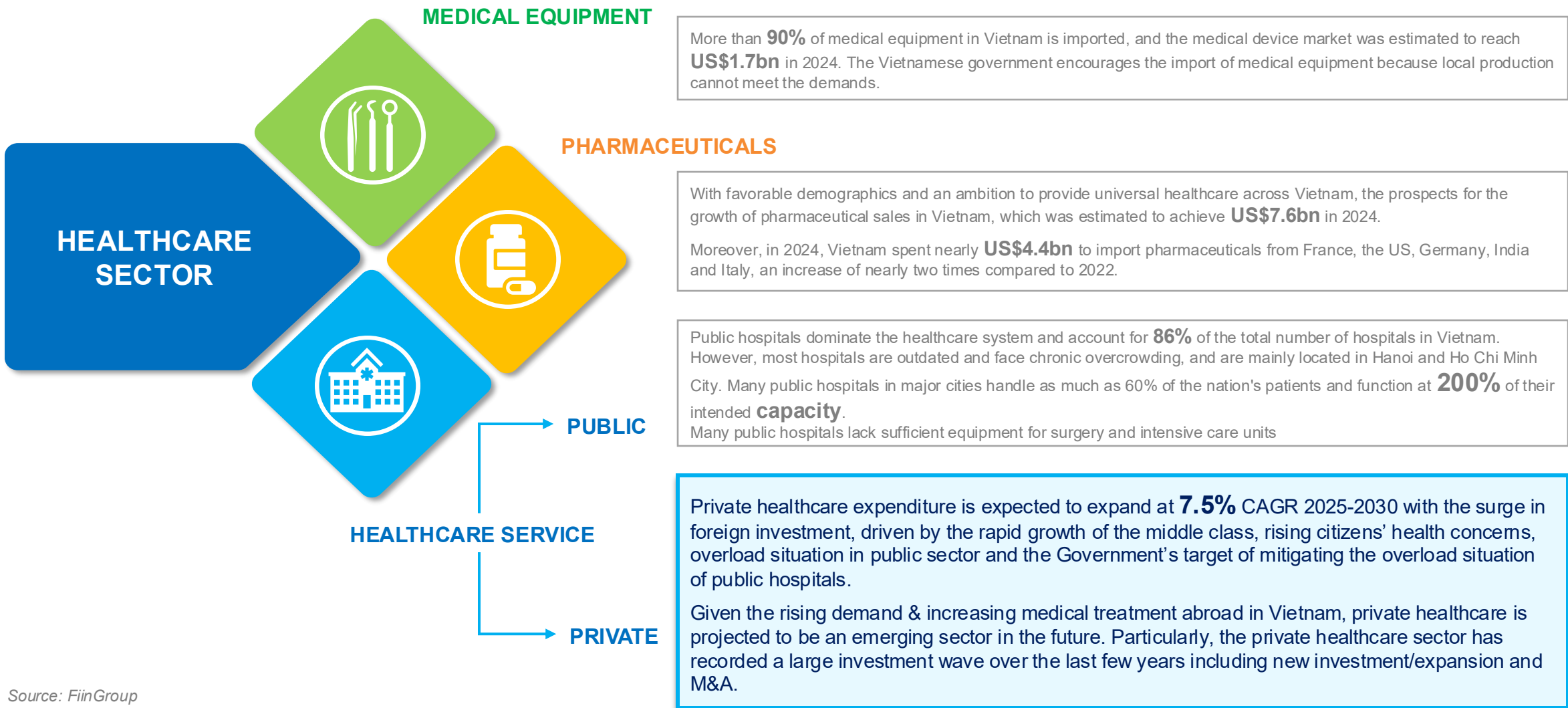
Seeking Expansion to Seize the Growth Potential of Private Healthcare Market

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Private healthcare sector is a crucial part of Vietnam's healthcare system, anticipated to experience exponential growth in the future

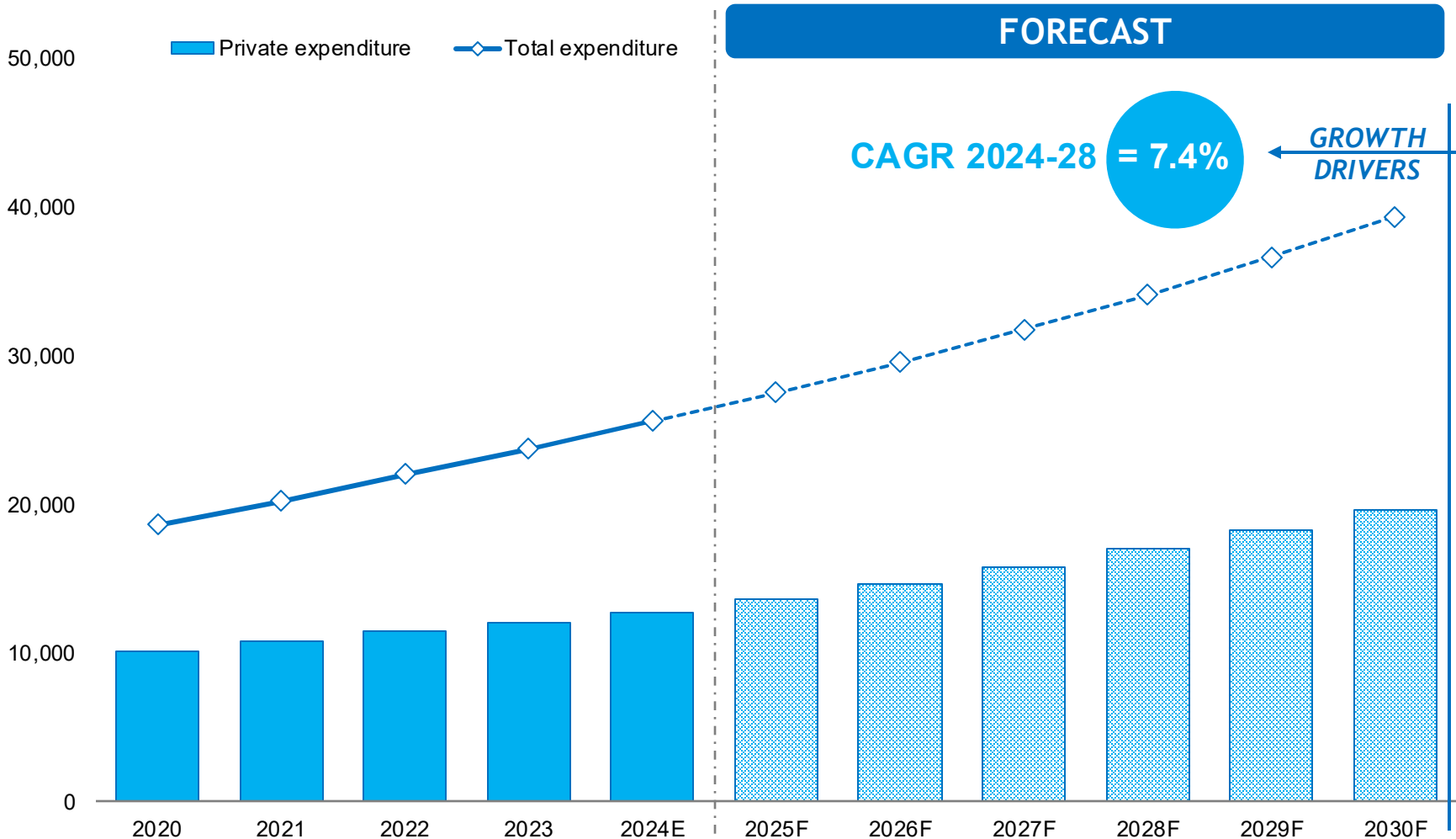
Figure 1: Market Structure and Description of Vietnam Healthcare Sector, 2024



Spending on private healthcare is projected to remain high-growth trend

with CAGR 2025-2030F reaching 7.5%

Figure 2: Healthcare Expenditure (US\$mn) in Vietnam, 2019 - 2028F



Favorable demographic

- Solid GDP growth, disposable income, and household spending.
 - ✓ 20% of household spending in major cities is for health.
- *Population shift from golden to an aging period:* Vietnam is entering a period where the population is aging faster, according to the UN.

Rising demand for health

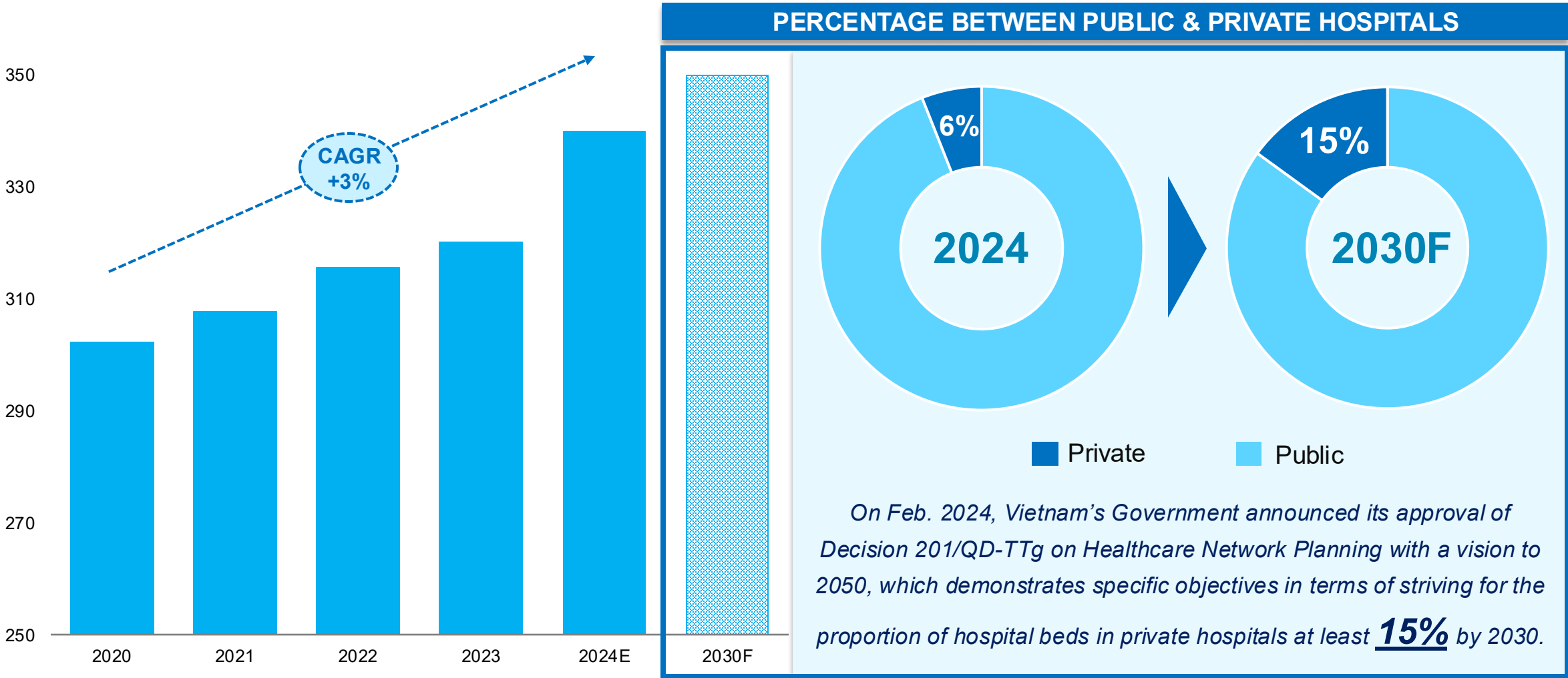
- Increased awareness and education about health and wellness are encouraging more people to seek medical care, preventive services, and health insurance.

Source: FiinGroup, BMI

Private hospitals' growth is propelled robustly by Vietnam's Government

in order to mitigate the overloading situation at public hospitals

Figure 3: Number of Hospital Beds ('000) in Vietnam, 2020 – 2030F

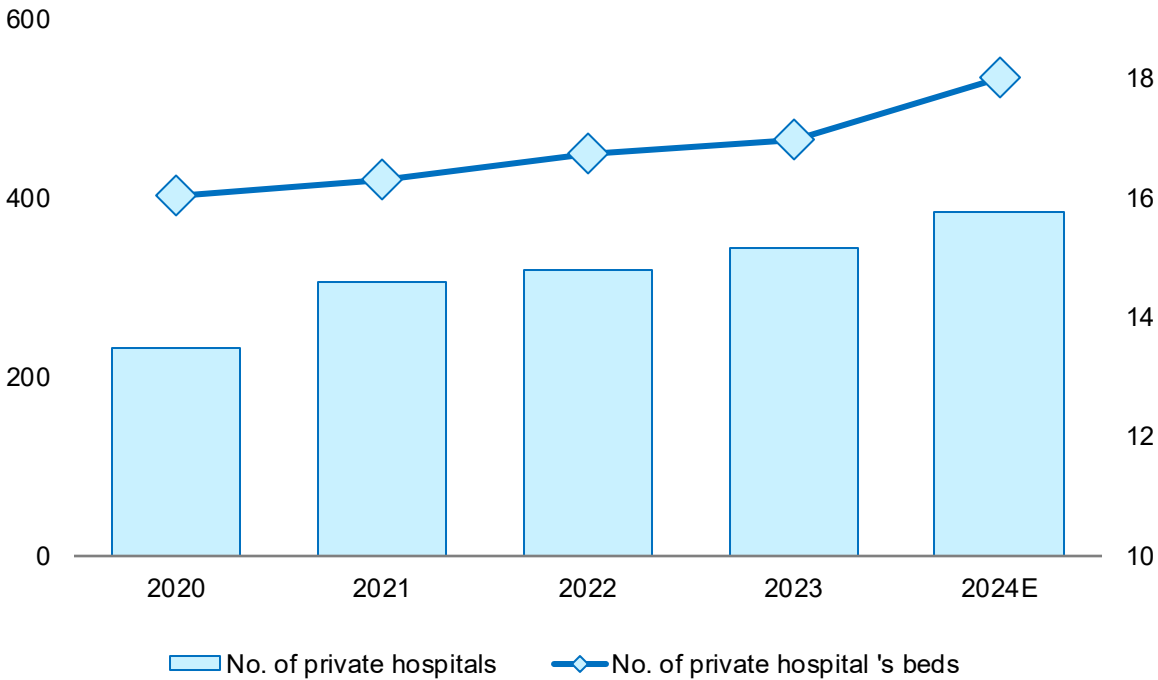


Source: FiinGroup, MOH






Major private hospitals have been witnessing double-digit growth recently

by boosting their presence through expansion plans & investments

Figure 4: Number of Private Hospitals and Private Hospital Beds ('000) in Vietnam, 2020 – 2024E



Source: FiinGroup, MOH

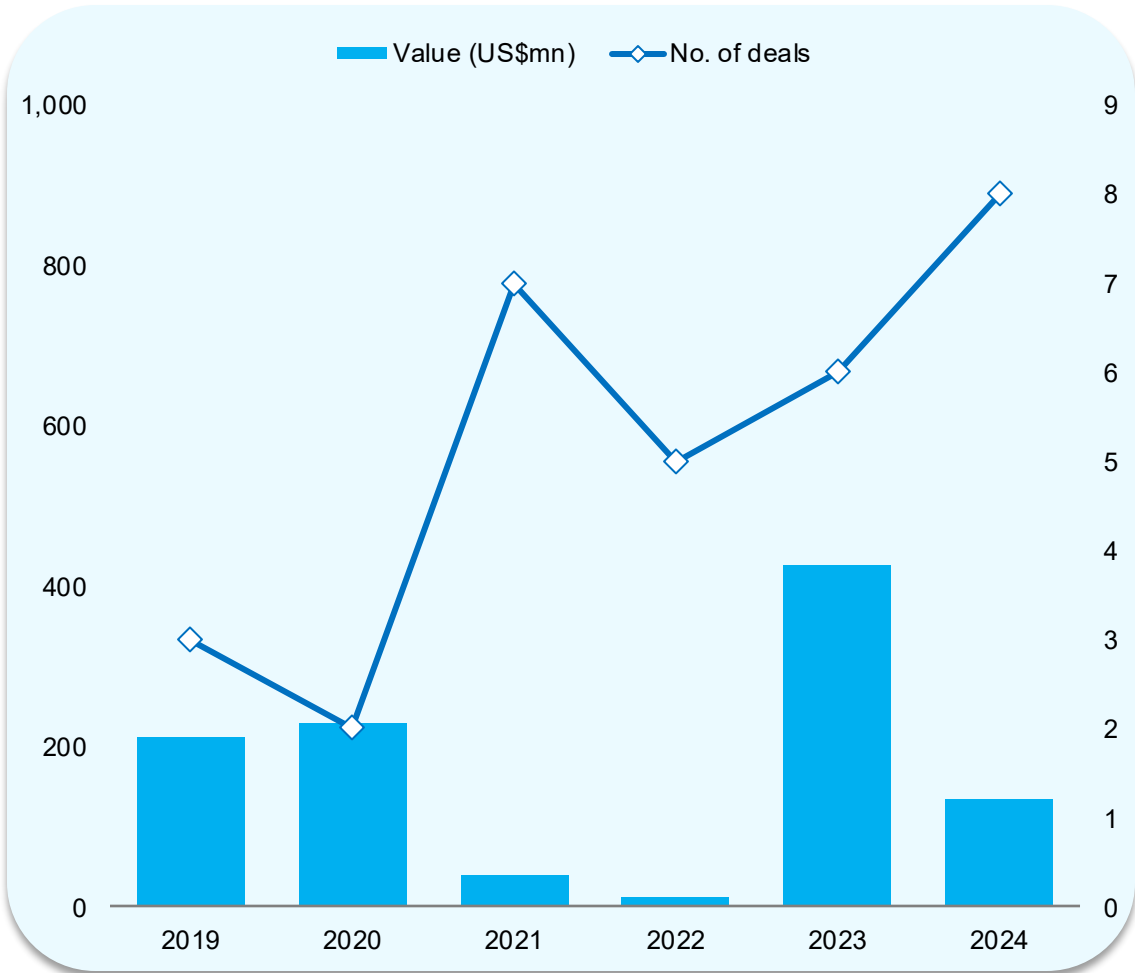
MAJOR PRIVATE HOSPITALS				
Hospital	# patients	# beds	Net sales 2023	
	Per day visit		Value (US\$mn)	CAGR 2021-2023
 VINMEC INTERNATIONAL HOSPITAL	200,000	928	188.5	19.3%
 FV	1,500	220	76.0	8.9%
 HONG NGOC Hospital	1,200	500	74.7	60.4%
 ta Tâm Anh Hospital	1,000	100	58.8	34.8%
 BỆNH VIỆN ĐA KHOA VẠN HẠNH	1,200	150	42.9	34.4%

- In recent years, the private hospital system has seen significant growth, with substantial investments in resources, facilities, equipment, and specialized techniques aimed at attracting a large number of patients.
- In order to curb the trend of Vietnamese people seeking medical care overseas &, attracting foreign patients, Vietnam is planning to upgrade 6 private hospitals to international standards including *Bach Mai Hospital*, *Vietnamese-German Hospital*, *Central Military Hospital 108*, *Cho Ray Hospital*, *Hue Central Hospital*, and one more hospital in HCMC.

Healthcare service emerged as the sector with the rising M&A activity


in terms of both transaction value and volume

Figure 5: Overview of M&A Market in the Healthcare Services Sector* in Vietnam




Source: FiinGroup
Note (*): FiinGroup excluded M&A deals in pharmaceutical & medical equipment from the calculation


MAJOR M&A DEALS RECENTLY




In July 2023, Thomson Medical Group has acquired a **100%** stake in FV Hospital for **US\$381.4mn**



In April 2024, Warburg Pincus has invested **US\$100mn** in Xuyen A Hospital



In October 2023, Raffles Medical Group has acquired a **100%** stake in AIH for **US\$45.6mn**



In January 2024, US-based private equity firm KKR acquired a controlling stake of Medical Saigon Group

An ageing population, emerging citizen income, and rising health concern

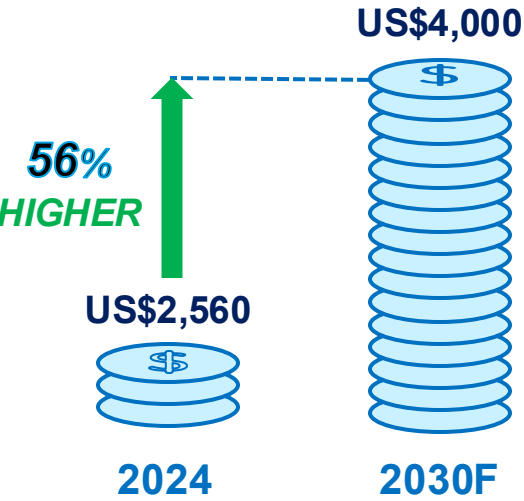
are the key growth drivers to boost the private healthcare sector in the future



INCREASING DISPOSABLE INCOME

- (i) GDP per capita is expected to reach **nearly US\$7,500** in 2030, and (ii) the rising disposable income is expected to create a favorable impact on the private healthcare sector in Vietnam.

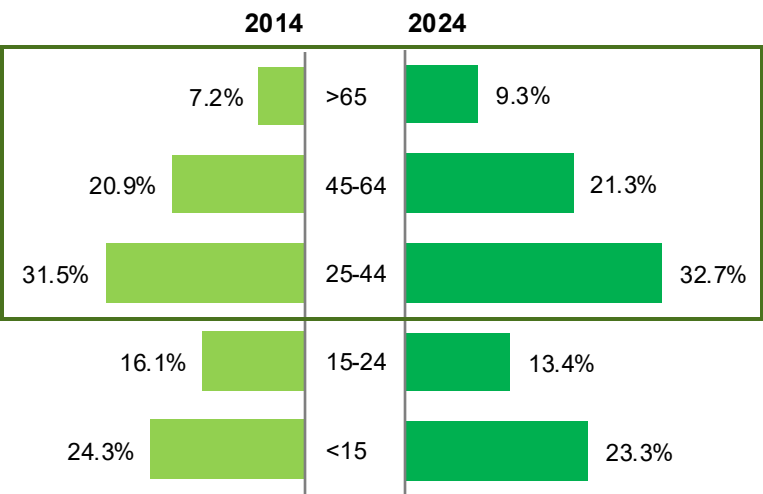
Average Disposable Income per Capita (US\$)



AGING POPULATION STRUCTURE

- The population shift from golden to aging period. However, Vietnam is entering a period where the population is aging faster.
- Therefore, demand for healthcare services is expected to rise from aging population.

The Aging Vietnam's Population Structure



Source: FiinGroup, GSO



RISING HEALTHCARE AWARENESS

- **Overloading of public sector:** Many public hospitals in major cities handle as much as **60%** of the nation's patients and function at **200%** of their intended capacity.
- **Increased Health Spending:** Vietnamese households are increasingly prioritizing healthcare in their budgets. According to the World Bank, out-of-pocket health expenditure in Vietnam was about **46%** of total health expenditure.
- **Growth in Health Insurance Coverage:** As of 2022, around **91%** of the population was covered by health insurance, up from **70%** in 2010.
- **Preventive Healthcare:** Awareness campaigns on early detection & prevention of diseases have been launched. For instance, vaccination rates for diseases like measles have been above **90%**.

Digital healthcare & medical tourism are the key development trends

in Vietnam's healthcare sector in the upcoming time

DIGITAL HEALTHCARE

- The decrease in direct interaction due to the pandemic has brought health-tech into the spotlight.
- Remote medical examinations and digitalization of medical records have been among the key focuses of health-tech startups.



ELECTRONIC HEALTH RECORDS (EHRs)

- The push towards digitizing patient records is gaining momentum, aiming for more efficient healthcare delivery and better patient outcomes

Emerging trends in Vietnam's healthcare sector

MEDICAL TOURISM

- Currently, Vietnamese citizens spend **US\$2bn** on health treatment abroad, demonstrating a huge demand for high-quality medical services. Therefore, it is recorded an ample room for growth by the private sector to explore the market demand.
- Vietnam is emerging for medical tourism in major cities to attract international patients. Hence, Vietnam offers relatively affordable medical services compared to SEA nations. For example, heart bypass surgery costs **US\$10,000-US\$15,000** in Vietnam whereas in Thailand it costs **US\$25,000-US\$30,000**
- Many businesses are also moving to develop medical tourism products. **SacoTravel** company is offering such services as health examination & aesthetic dental care for tourists.

UNIVERSAL HEALTH COVERAGE (UHC)

- Vietnam has been making strides toward achieving UHC, with efforts to expand health insurance coverage to more of the population.
- The government aims to have **100%** of the population covered by health insurance in the near future.



***How can we assist
potential investors in
unlocking the potentials
of private healthcare
sector in Vietnam***



Integrated provider of financial data, industry research and credit rating services



Investor Services/ *How can we assist potential investors in unlocking the potential of the Vietnamese market?*

We support our clients to penetrate or expand their business in Vietnam, looking for investment targets or trusted trading partners via comprehensive and in-depth expertise

1 Industry Report

On-the-shelf industry reports providing clients with comprehensive information and in-depth analysis about market size, historical and forecasted growth, market share, market segmentation, competitive landscape, regulatory and policy framework, key growth drivers and key development trends, key player in-depth analysis to help assess the market's attractiveness and growth potentials.

2 Customized Market Research

Customized market study upon specific requirements by clients in addition to value-added services including investment target sourcing, company visits, and/or business matching.

3 Commercial Due Diligence

In-depth analysis of target company's market environment, competitive landscaping, its business attractiveness, and market positioning in M&A transaction. Thorough assessments of business risks and their impacts on the target's assumptions and business plans

4 Market Entry Advisory

Support of investors and/or entrepreneurs to explore investment or trading opportunities and develop optimal market entry strategies (i.e. M&A, Joint Venture, Minority Equity Investments, Foreign Direct Investments, Trading or any other partnership structure with local partners) with actionable recommendations for all stages in their business journey in Vietnam.

5 Merger Filing Support

Comprehensive merger filing support services to clients throughout a merger process, focusing on economic concentration and anti-competitive effect assessment.

Main Clients:

- Foreign and local corporate clients
- Institutional investors
- Financial Institutions

Usage:

- Market potential assessment
- Business intelligence review
- Investment target screening
- Trade connection/Business Matching



Investor Services/ Track record in Healthcare Sector



Client's request

- JBIC was looking for potential opportunities in healthcare sectors for Japanese investors and engaged FiinGroup to conduct comprehensive market research on Vietnam Healthcare sector.
- Project Name: Market Research on Vietnam Healthcare Market: Healthcare services (Hospital & clinics), Medical devices, Health insurance & Pharmaceutical.

Name of service

- Customized Market Research

FiinGroup's deliverables

- ✓ In-depth analysis on Vietnam Private Healthcare sector, particularly focusing on the operating environment and competitive landscape for private sector in the following areas including hospital, clinics and the oncology and diagnostics services such as imaging centers.
- ✓ Identification of potential opportunities for JBIC including equipment providers, equity investors and opportunities for Japanese investors to collaborate or invest.
- ✓ Matching with the leading hospitals in Vietnam



Client's request

- NTT Data considered to expand their business to Hospital Information System ("HIS") in Vietnam and engaged FiinGroup to conduct a market research on HIS market in order to validate market opportunities and the current competitive landscape.

Name of service

- Customized Market Research

FiinGroup's deliverables

- ✓ Overview of HIS market in Vietnam including sector overview, market size & growth, competition landscape, product offering and in-depth analysis of top 5 HIS providers
- ✓ Current situation of HIS application including IT infrastructure, IT budget and key findings on HIS selection procedure applied by hospitals in Vietnam.
- ✓ In-depth analysis on HIS demand in Vietnam including unmet needs demand from hospitals and their desirable HIS software functionality & usability



Client's request

- SK Telecom engaged FiinGroup to conduct a comprehensive market study of Vietnam healthcare and survey of all hospitals and clinics in Hanoi and HCMC.
- Project Name: Market Entry Strategy and Implementation of Telemedicine Project In Vietnam

Name of service

- Customized Market Research

FiinGroup's deliverables

- ✓ In-depth analysis on the telemedicine market including market players, market sizing, competition dynamics, policy developments, and M&A opportunities.
- ✓ Market entry options for SK Telecom to penetrate into Vietnam telemedicine market
- ✓ Business plan & financial projection for a green-field diagnostic center in HCMC
- ✓ Support SK Telecom with implementing a pilot project in Phu Tho province.

Investor Services/ Industry coverage & Client Portfolio

Service Offerings & Sector Coverage



Service Offerings

- Industry Report
- Customized Market Research
- Commercial Due Diligence
- Market Entry Advisory
- Merger Filing Services

A selection of sectors we cover:

Financial Services

- Banking
- Consumer Finance
- Payment Services
- Leasing
- Insurance

Food & Beverages

- Food Processing
- Food Services
- Beverage

Utilities

- Water Supply
- Energy

Consumer Retail

- ICT Retail
- Fashion Retail
- Convenience Store
- Health & Beauty Store

Construction & Construction Materials

- Cement
- Additives and Concrete
- Admixtures
- Steel & Other Metals
- Construction

Healthcare

- Hospital and Clinics
- Medical Equipment
- Pharmaceuticals

Industrial Goods

- Containers & Packaging
- Flexible Packaging

Logistics

- Warehouse (incl. cold chain logistics)
- Port Operation

Information & Communication Technology

Automobiles & Auto Parts

Client Portfolio

Japanese



Korean



Domestic



International





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