

TNH HOSPITAL GROUP

September 2024





TNH Hospital Group

TABLE OF CONTENT

1. TNH at a glance
2. Milestones
3. Who are we
 - Shareholders
 - Management
 - Group Structure
 - Business Model
 - Financial Performance
4. Industry Overview
5. Growth Strategy and Business Plan
 - Vision & Mission
 - Projects in pipeline

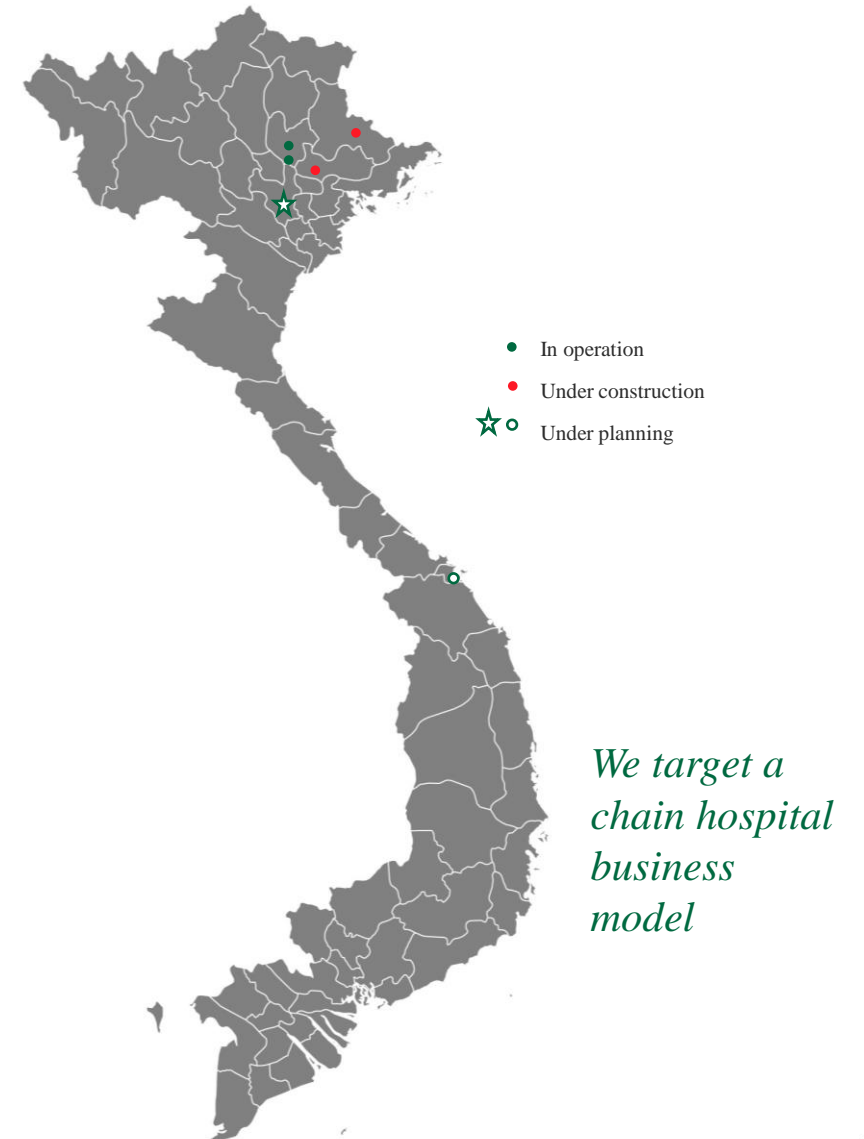
TNH at a glance

A PRIVATE HOSPITAL GROUP WITH GROWTH POTENTIAL IN VIETNAM

Name: TNH Hospital Group

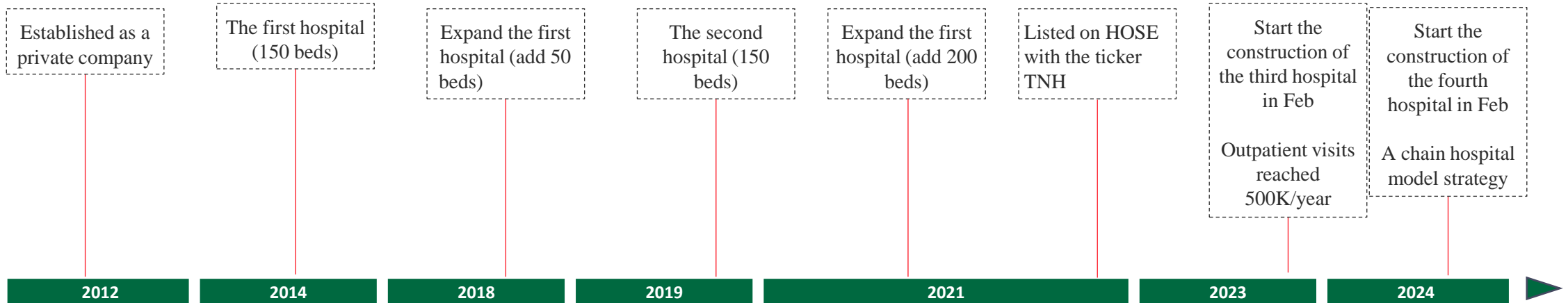
Founded: 2012

- A privately-run company
- Two general hospitals in operation (Sep 2024)
- Located in Thai Nguyen province
- Number of beds: 550
- Doctors and Nurses : 515 (2023)
- Outpatient visit: 1,360 a day (2023)
- Stock ticker: TNH VN (HOSE)
- Market Capitalization: \$110 mn USD (*)
- Revenue (2023): \$19 mn USD (core)

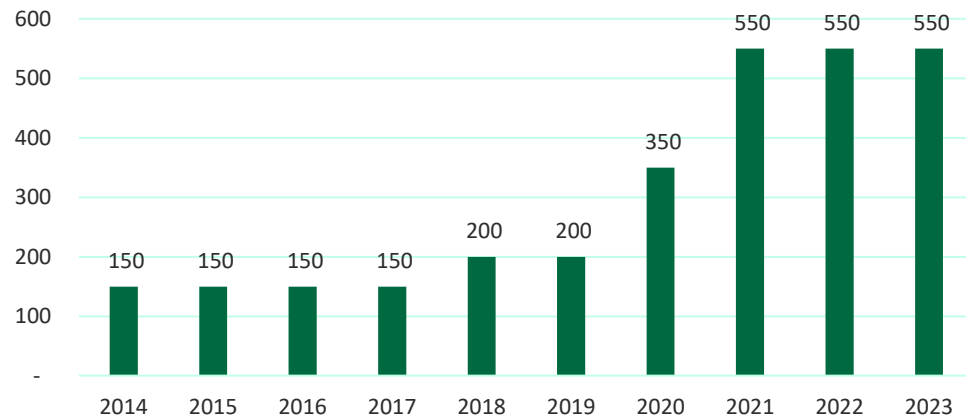


Milestones

SUCCESSFUL TRACK RECORD OF EXPANSION THROUGH GREENFIELD PROJECTS



Number of registered beds



■ Number of registered beds

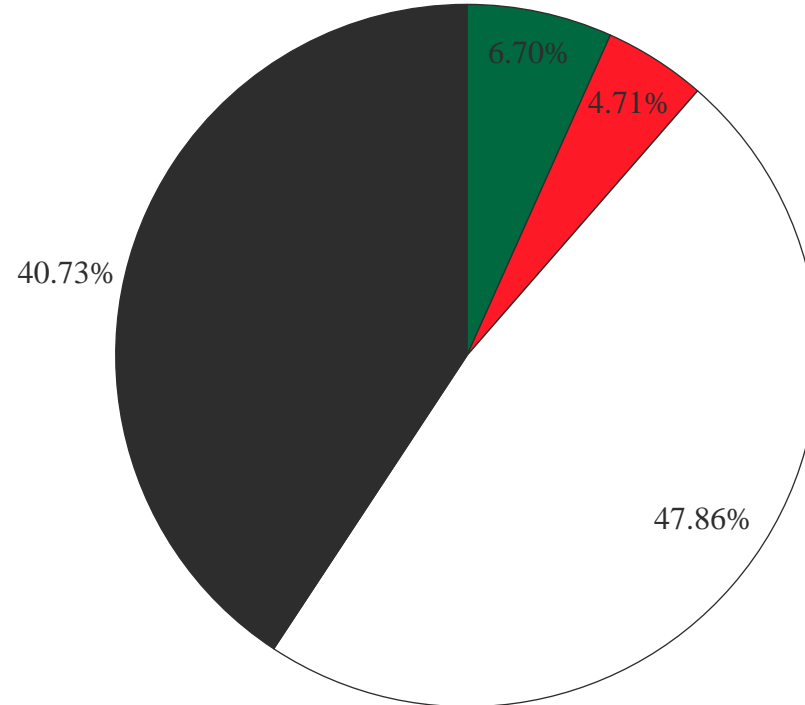
Revenue (VND bn)



■ Revenue (VND bn)

Who are we?

SHAREHOLDERS' STRUCTURE



■ Chairman & his related parties ■ Other BoD members, the management & their related parties □ Foreign investors ■ Other domestic investors

Source: VSDC (18/09/2024)

Who are we?

A balanced board of directors and an experienced management team

- A balanced board of directors: 8 members
 - Five executive members
 - Three independent members

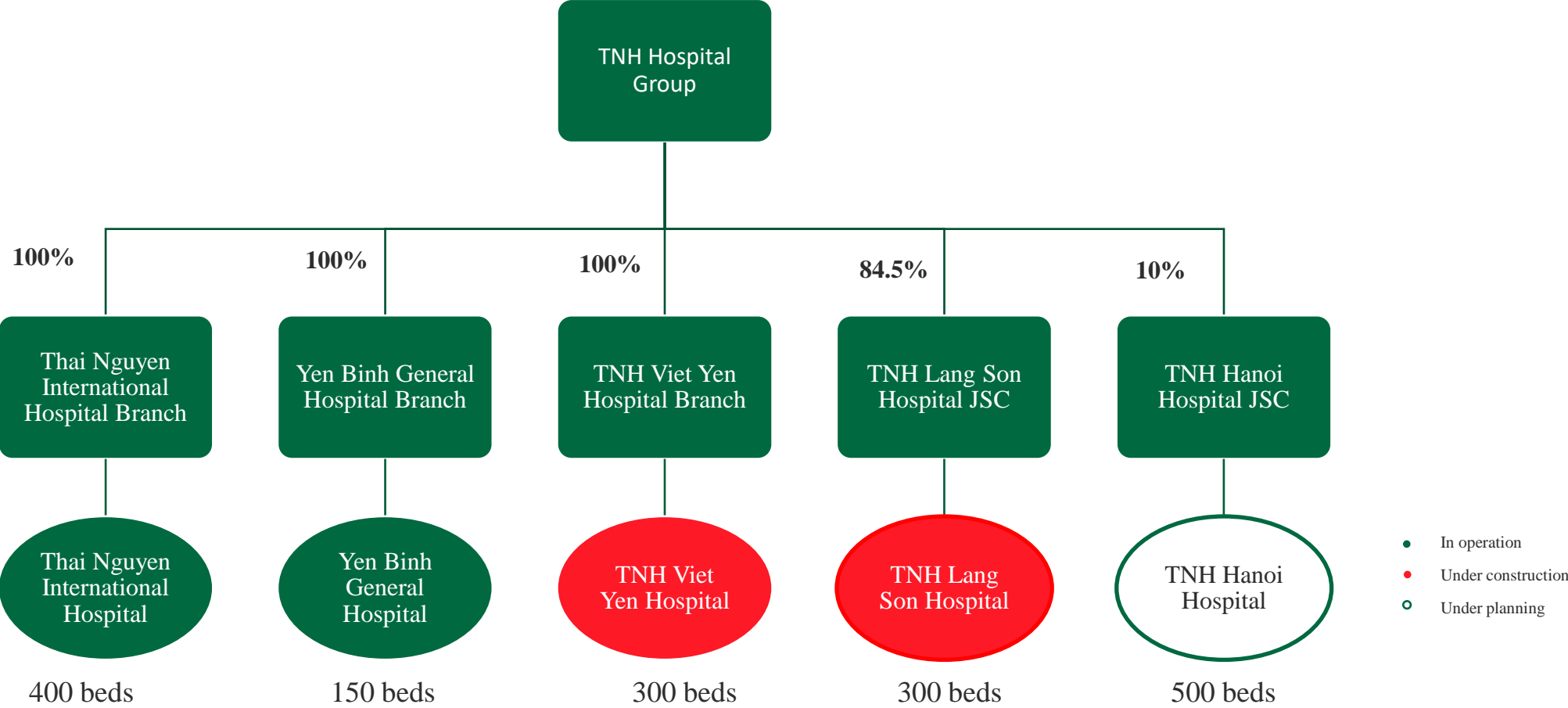
Name	Position	Experience
Mr. Hoang Tuyen	Chairman	30 years in social insurance and hospital business
Mr. Le Xuan Tan	Board director cum CEO	52 years in hospital management
Mr. Nguyen Van Thuy	Board director	52 years in construction and hospital business
Mr. Tran Thien Sach	Board director cum DCEO	20 years in pharmaceuticals and hospital business
Mr. Vu Hong Minh	Independent Board Director	27 years in mining sector
Mr. Ly Thai Hai	Independent Board Director	30 years of business management in the public and private sectors
Mr. Ngo Minh Truong	Board director cum CFO	11 years in auditing
Ms. Nguyen Thi Thuy Giang	Independent Board Director	18 years in finance, securities and investment

- The management

Name	Position	Experience
Mr. Le Xuan Tan	CEO	52 years in hospital management
Mr. Nguyen Anh Dinh	DCEO – Construction & Investment	21 years in project development and management
Mr. Tran Thien Sach	DCEO – Project, Drug, Medical Equipment Supply	20 years in pharmaceuticals and hospital business
Mr. Ngo Minh Truong	CFO cum the CEO of TNH Viet Yen Hospital	11 years in auditing
Ms. Le Thi Thuy An	DCEO cum COO	13 years in accounting, finance and business administration
Mr. Dao Manh Duy	DCEO cum the CEO of Thai Nguyen International Hospital	8 years in financial management
Mr. Nguyen Huu Diep	DCEO – Business & Investment	35 years in business and investment

Who are we?

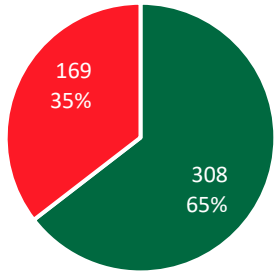
GROUP STRUCTURE



Who are we?

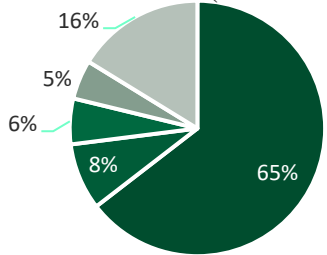
BUSINESS MODEL

Revenue (VND bn)



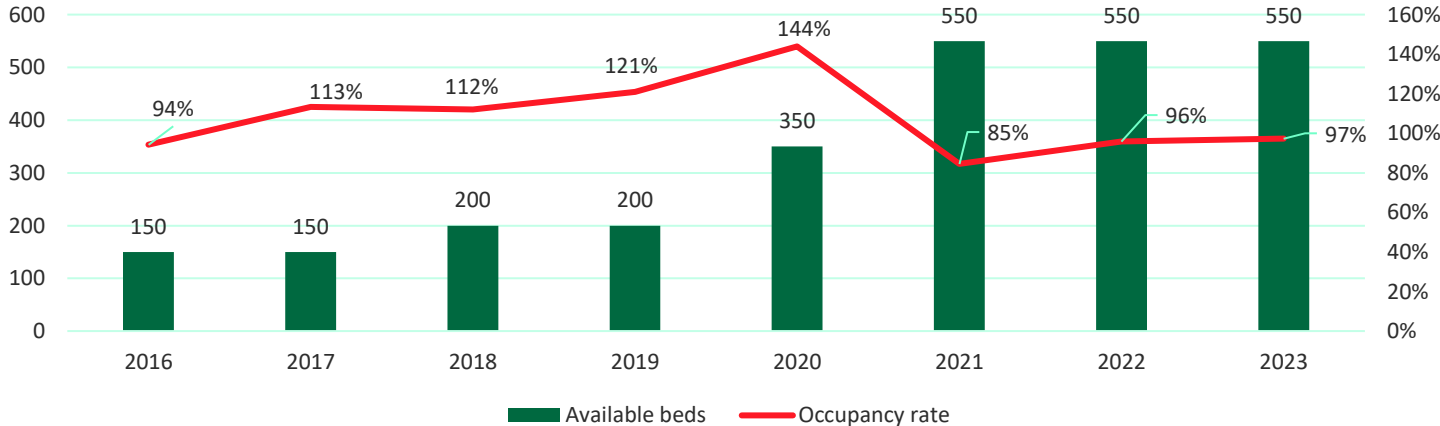
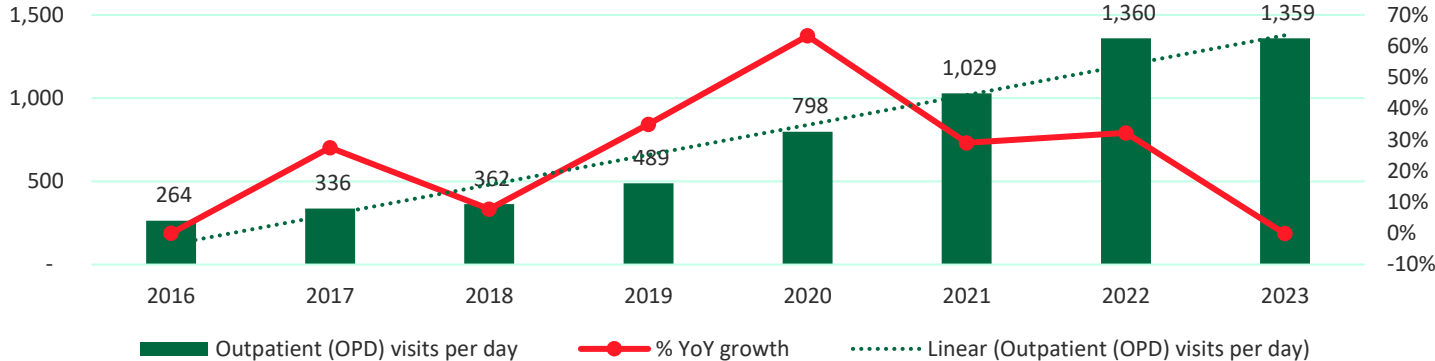
■ Outpatient ■ Inpatient

Revenue (VND bn)



■ Consulting Department
 ■ General Surgery Department
 ■ Obstetrics and Gynecology Department
 ■ General Medical Department
 ■ Other departments

OPD visits per day grew at a CAGR of 26% in 2016-2023

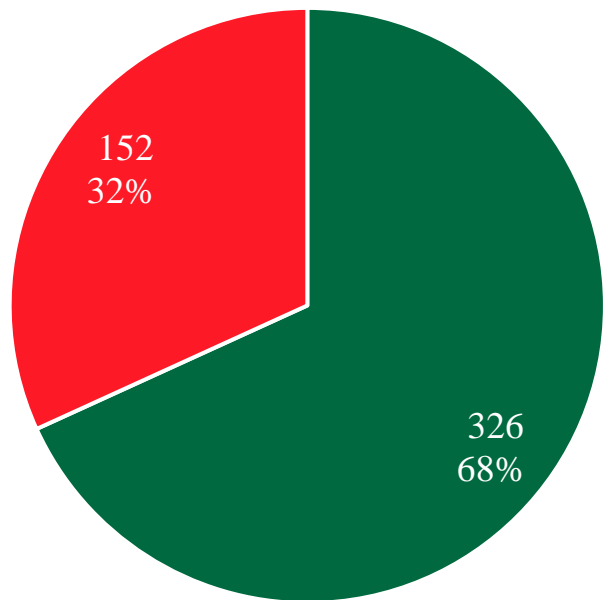


Source: TNH (2023)

Who are we?

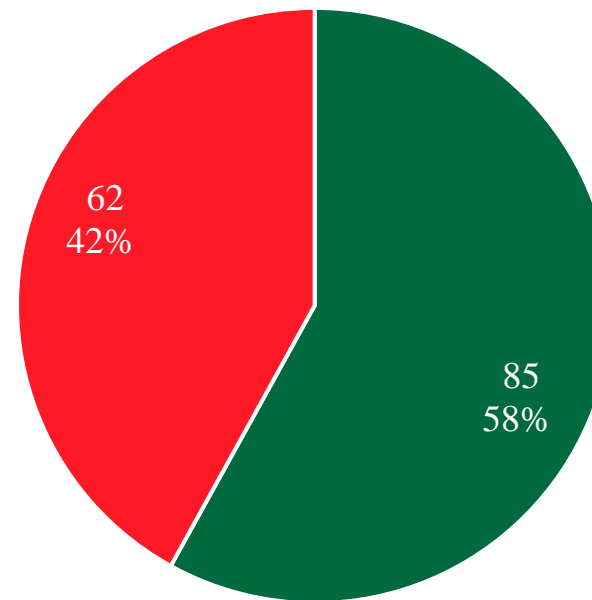
BUSINESS MODEL

Revenue by hospital



- Thai Nguyen International Hospital
- Yen Binh General Hospital

Net profit by hospital



- Thai Nguyen International Hospital
- Yen Binh General Hospital

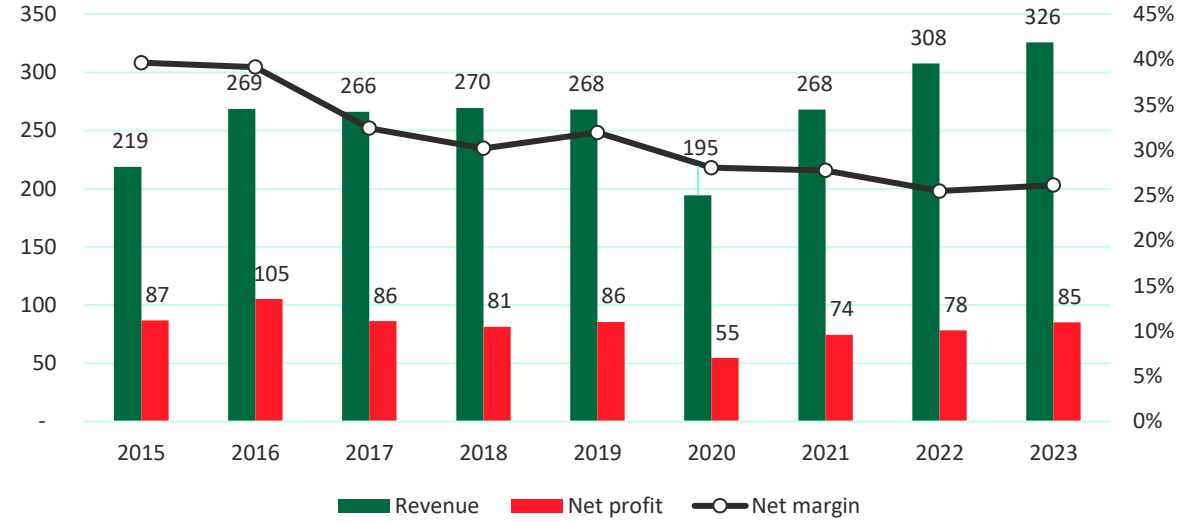
Source: TNH (2023)

Who are we?

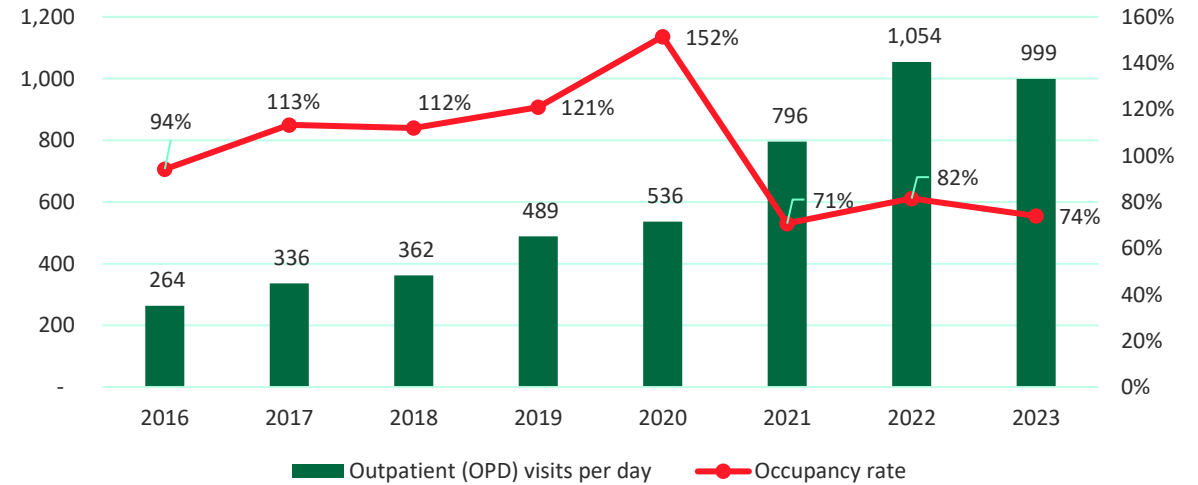
BUSINESS MODEL

Thai Nguyen International Hospital

- Located in the city of Thai Nguyen province
- A general hospital with 17 departments



OPD visits per day increased at CAGR of 21% in 2016-2023

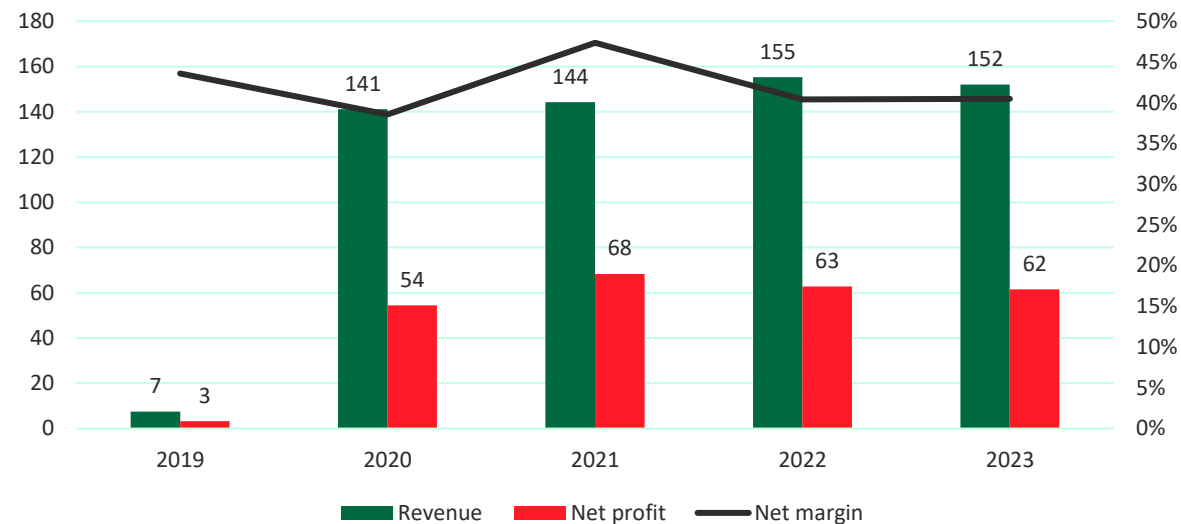


Who are we?

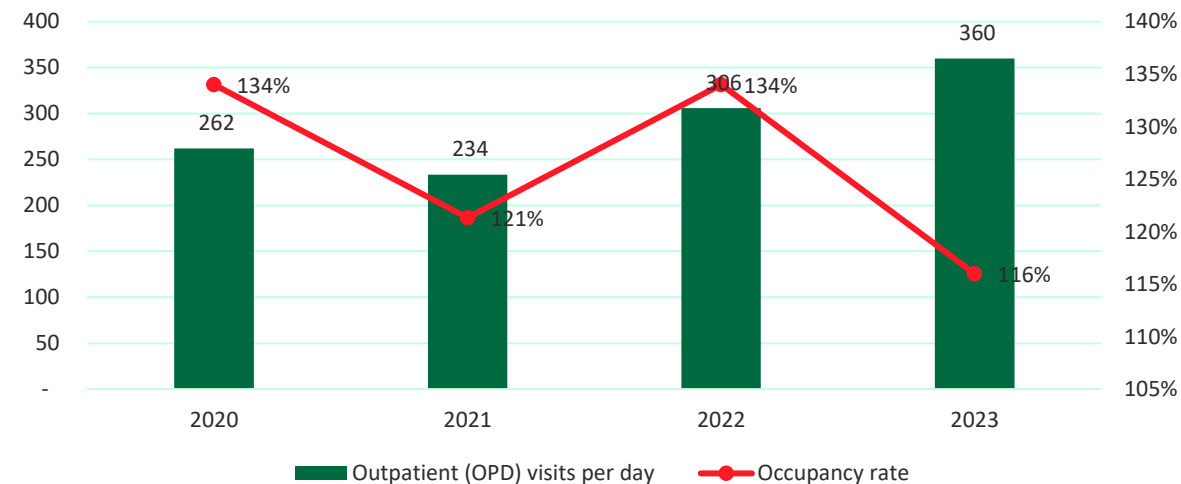
BUSINESS MODEL

Yen Binh General Hospital Thai Nguyen

- Close to many Industrial Parks
- A general hospital with 14 departments



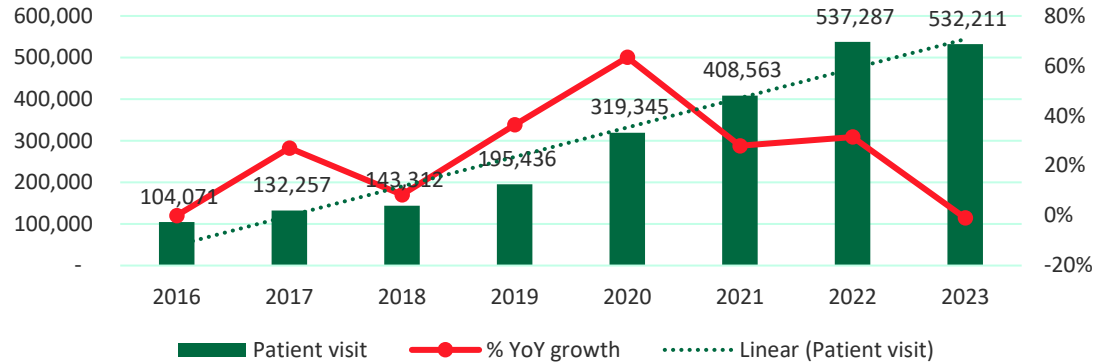
OPD visits per day increased at CAGR of 11% in 2020-2023



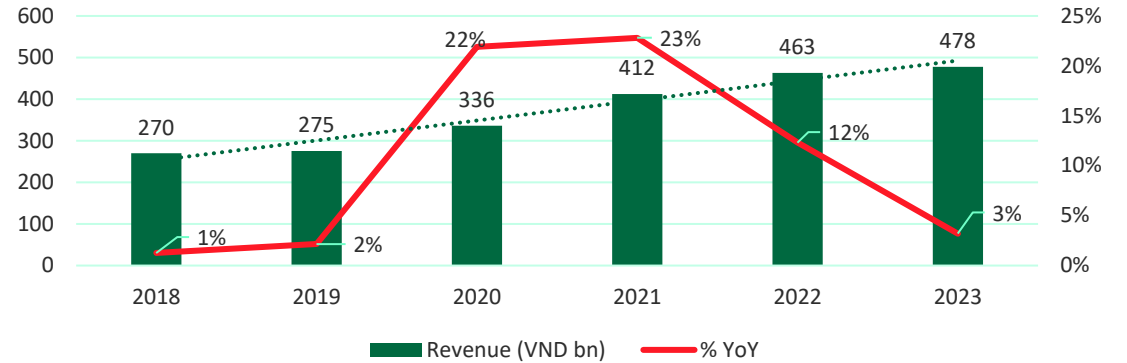
Who are we?

FINANCIAL PERFORMANCE

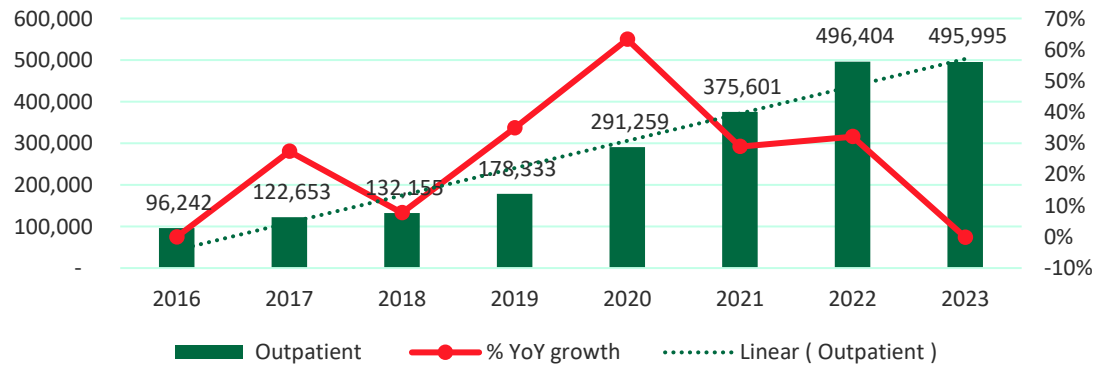
Total patient visits grew at a CAGR of 26% in 2016-2023



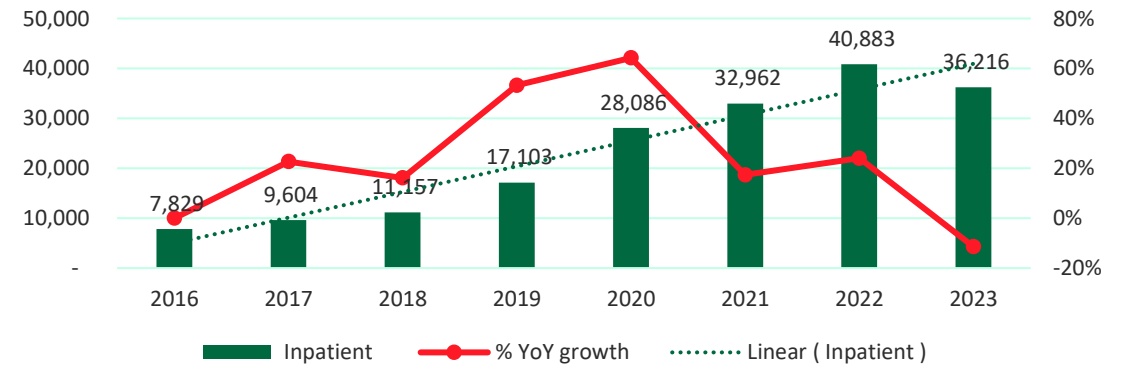
Revenue CAGR reached 12% in the last five years



Outpatient visits grew at a CAGR of 26% in 2016-2023



Inpatient visits grew at a CAGR of 24% in 2016-2023



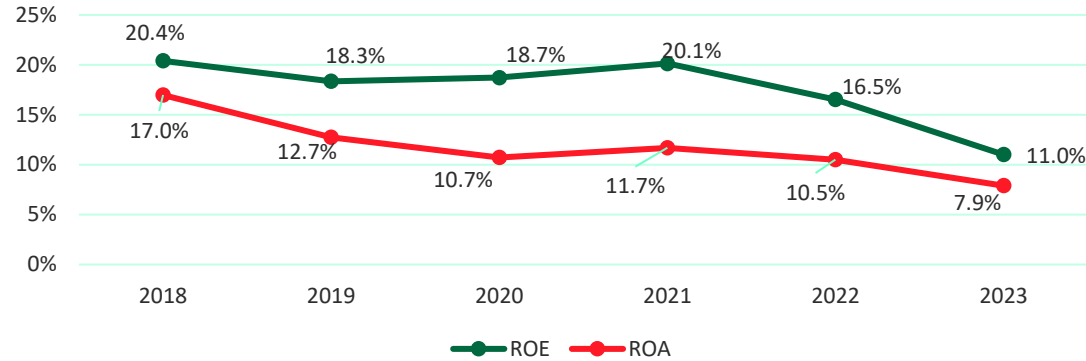
Source: TNH

Source: TNH

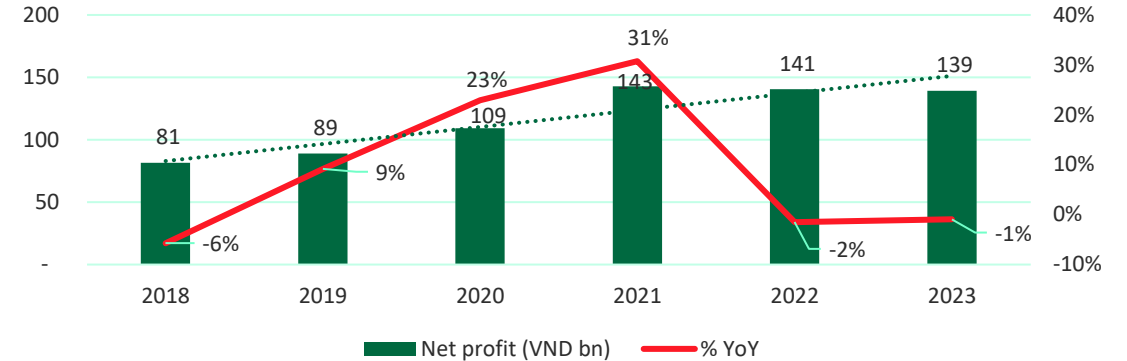
Who are we?

FINANCIAL PERFORMANCE

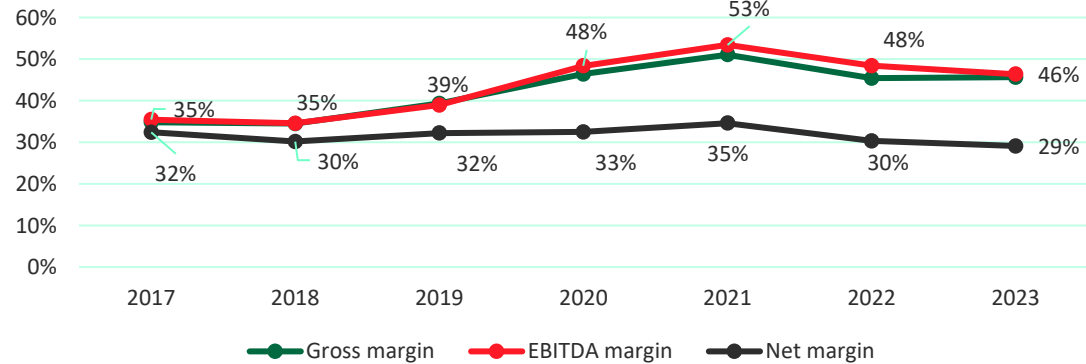
TNH raised more equity for new hospitals in 2023



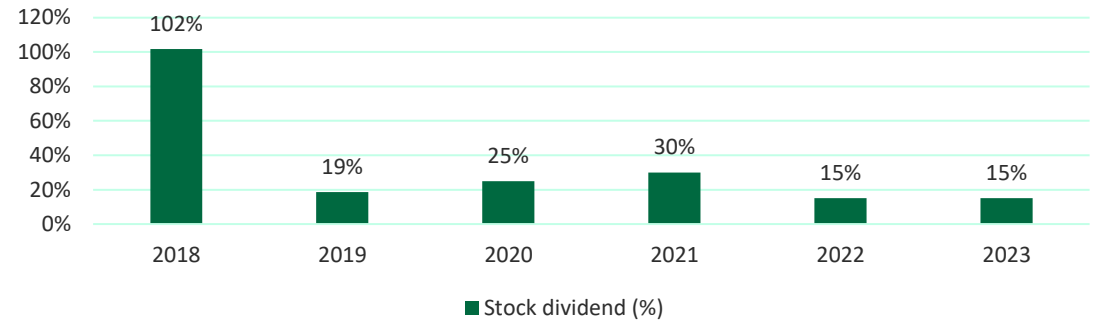
Net profit CAGR reached 11% in the last five years



Profit margins maintained at high levels



TNH only paid stock dividend to reserve cash for new hospital investment



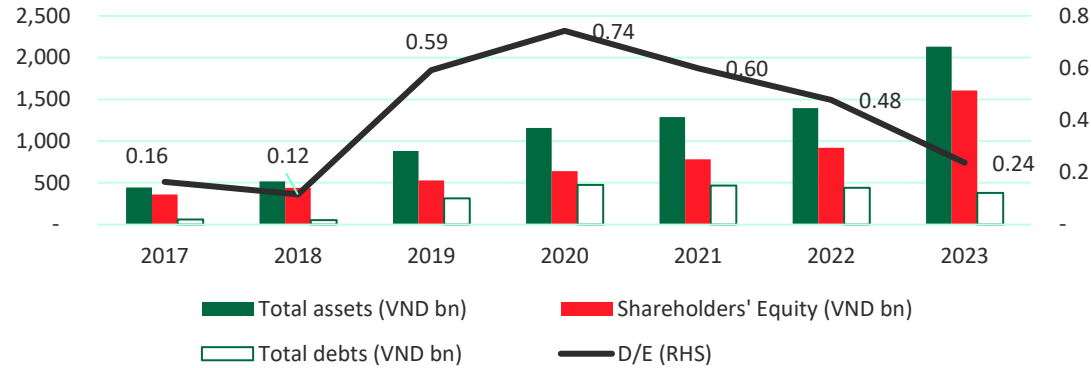
Source: TNH

Source: TNH

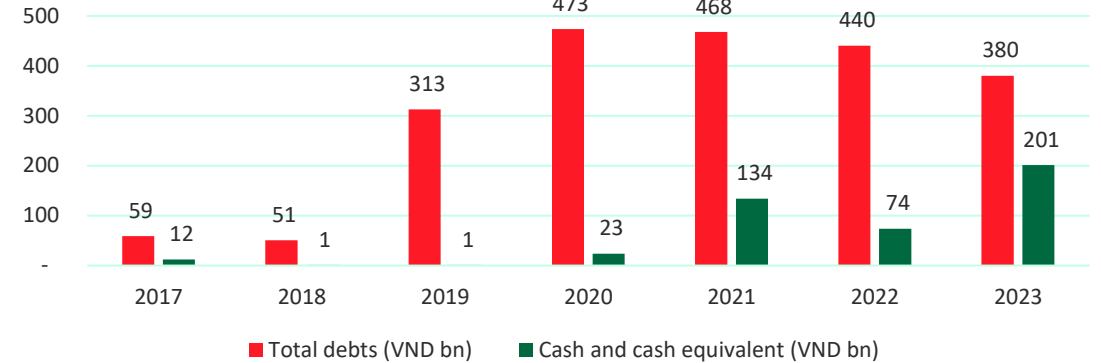
Who are we?

FINANCIAL PERFORMANCE

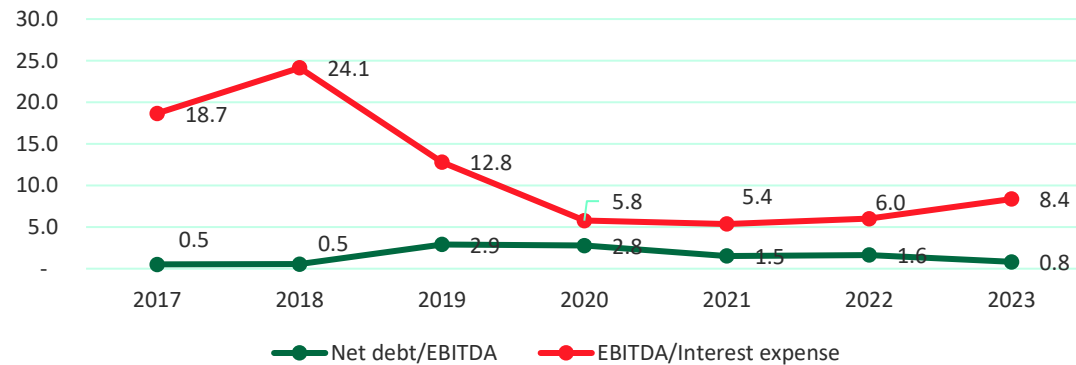
TNH is well leveraged.



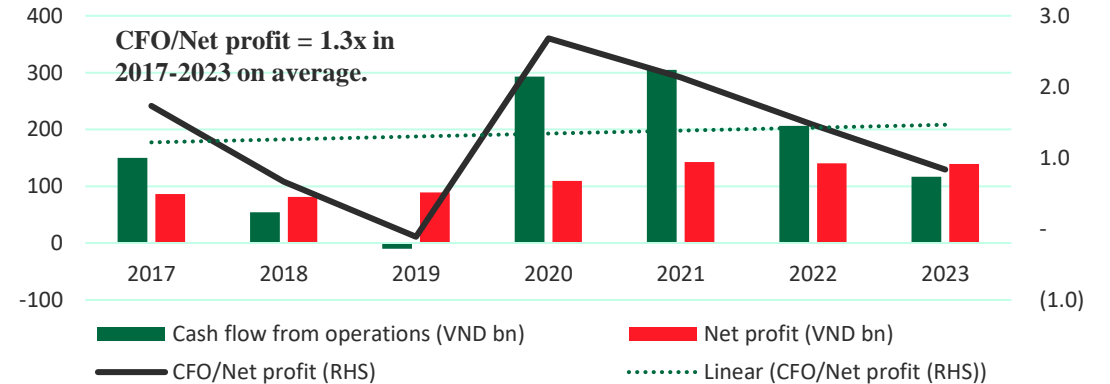
Net debt position ...



... but the capability to pay is strong thanks to ...



... strong cashflow from operations.



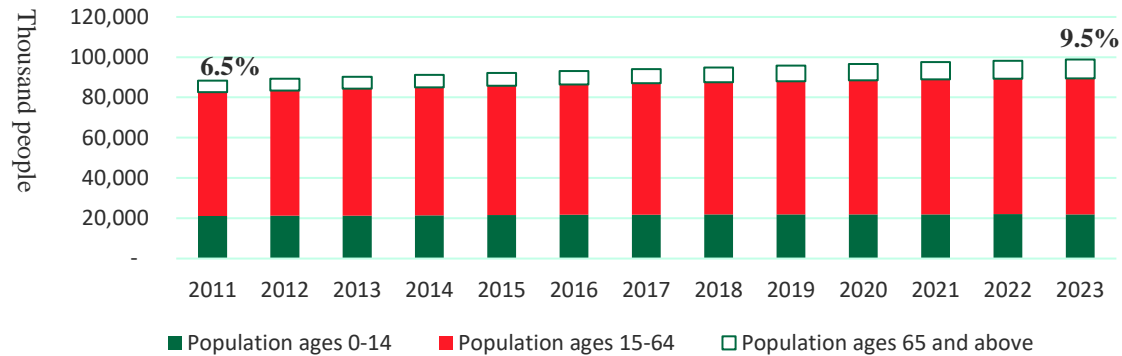
Source: TNH

Source: TNH

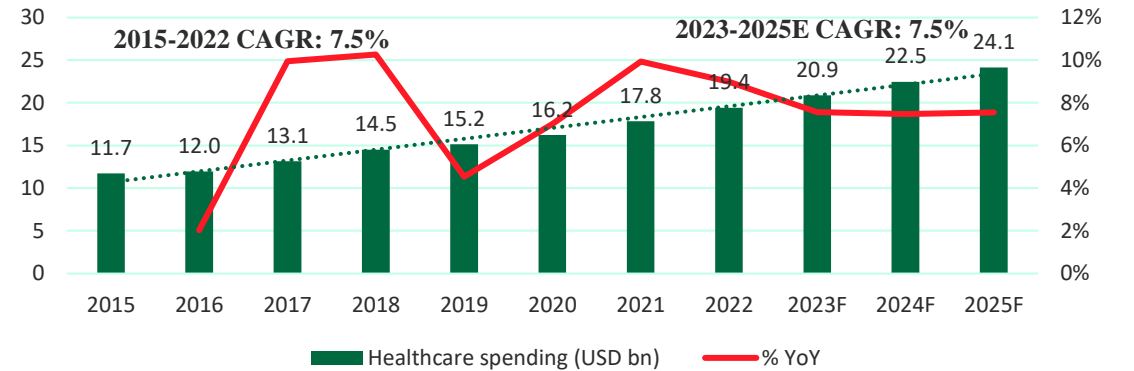
Industry Overview

VIETNAM'S HEALTHCARE SECTOR IS UNDERSERVED AND HAS HUGE POTENTIAL TO GROW

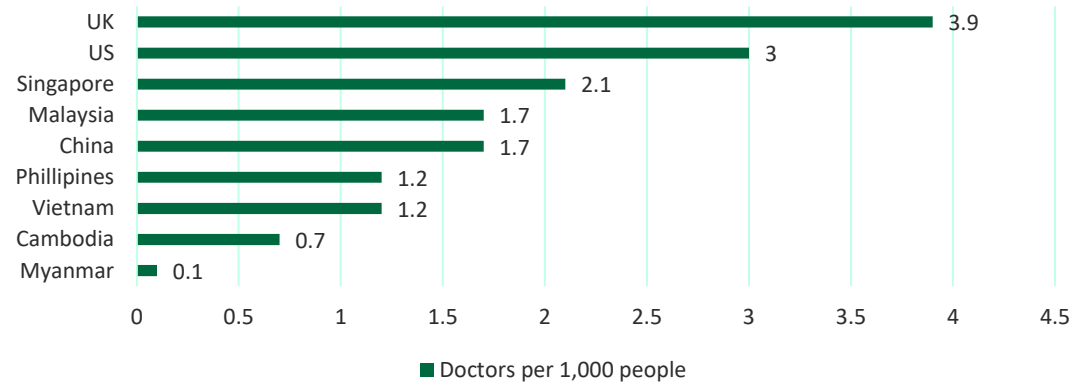
Vietnam population grew 0.84% in 2023, but it's aging



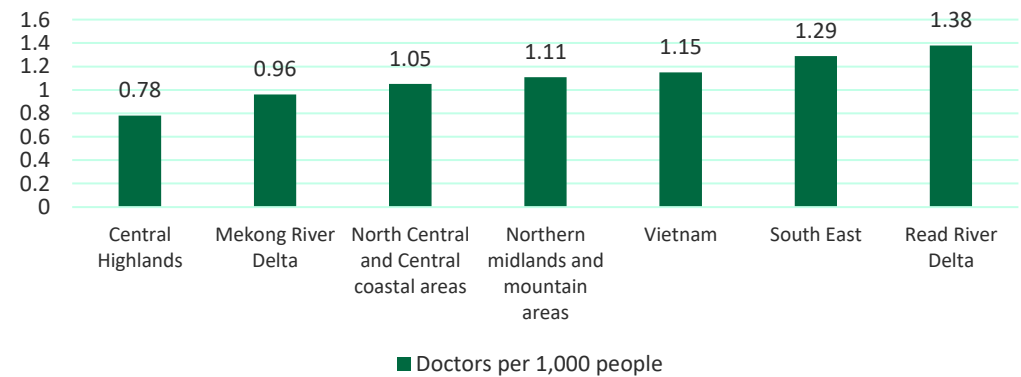
Vietnam healthcare spending expected to grow 7.5%/year



Vietnamese patients are underserved ...



... nationwide.



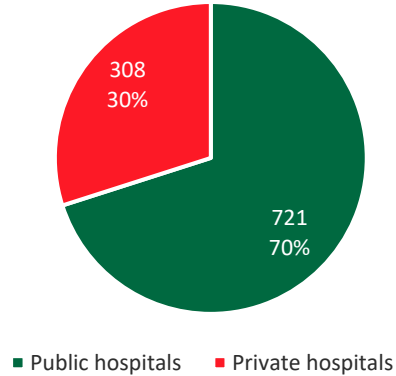
Source: General Statistics Office of Vietnam (GSO), World Bank

Source: Fitch Solutions (2022), GSO (2020)

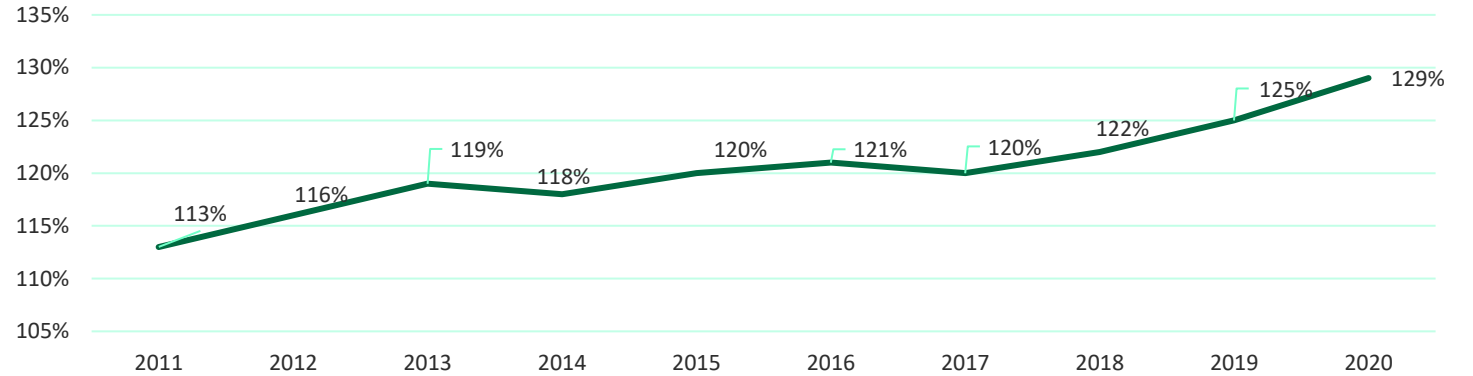
Industry Overview

PUBLIC HOSPITALS DOMINATE THE HEALTHCARE SECTOR BUT DO NOT MEET THE DEMAND

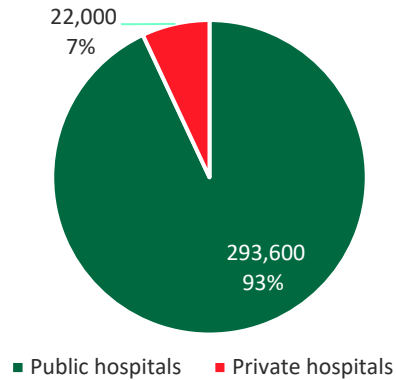
Vietnam's number of hospitals (2020)



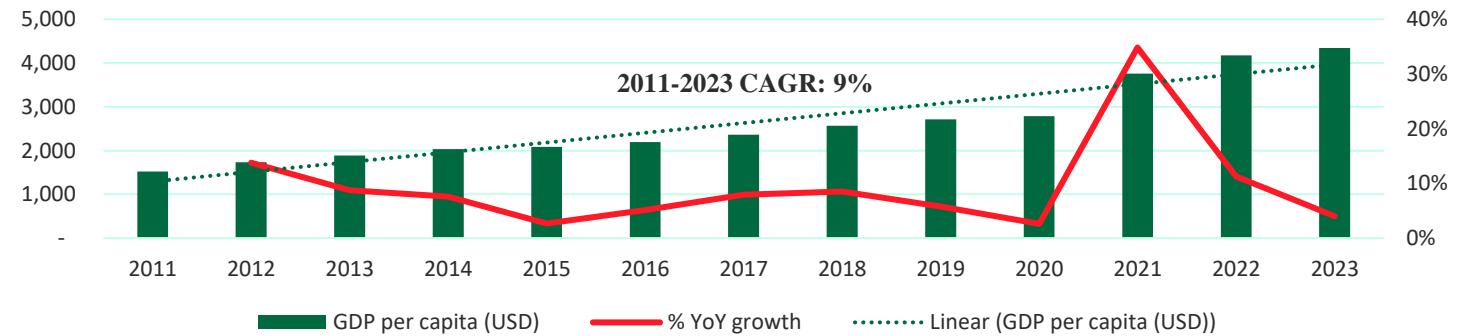
Public hospital bed occupancy rate (%)



Vietnam's number of hospital beds (2023)



Higher income results in higher demand for better healthcare services offered by private hospitals



Source: GSO, Vietnam Private Hospital Association

Source: World Bank

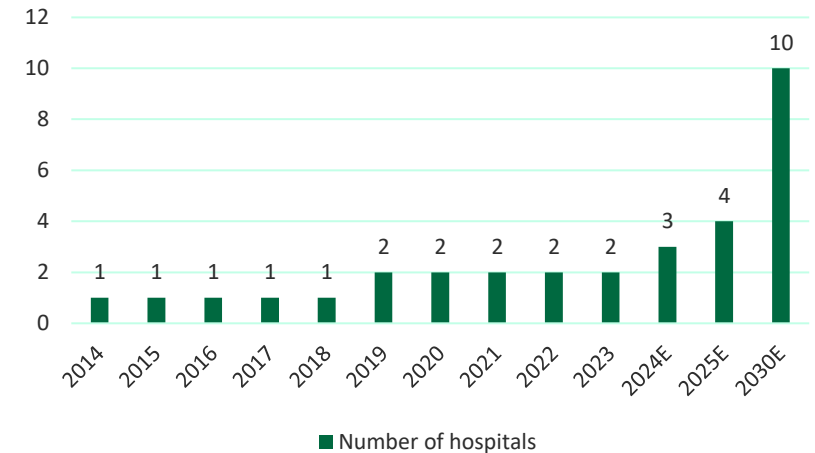
Growth Strategy & Business Plan

VISION AND MISSION

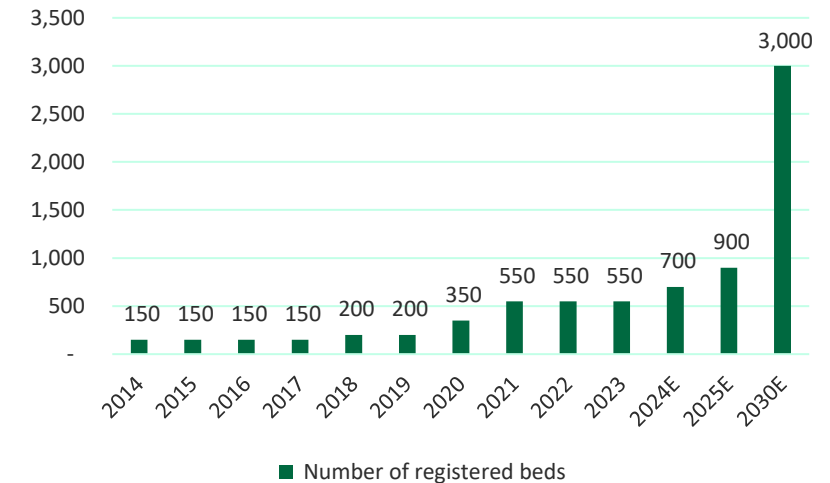
The leading private hospital in Vietnam

- **Vision:** to become a healthcare corporation with extensive coverage across various country regions, to provide high-quality medical services at affordable prices, and to ensure that many customers can access the best healthcare services.
 - To become a diverse and flexible healthcare system, including general hospitals, specialized hospitals, and elderly care centers. The group's main operating center is in Hanoi.
 - To develop a healthcare training institute.
- **Mission:** to provide healthcare for people with professional expertise, medical ethics, and the ability to listen and empathize.
- **Business plan:** By 2030, TNH targets 10 hospitals with 3,000 beds. Total capex: VND13tr/\$520mn. The ROE of new hospitals will reach 10-15% from their fourth year of operation.

Number of hospitals



Number of registered beds



Source: TNH

Growth Strategy & Business Plan

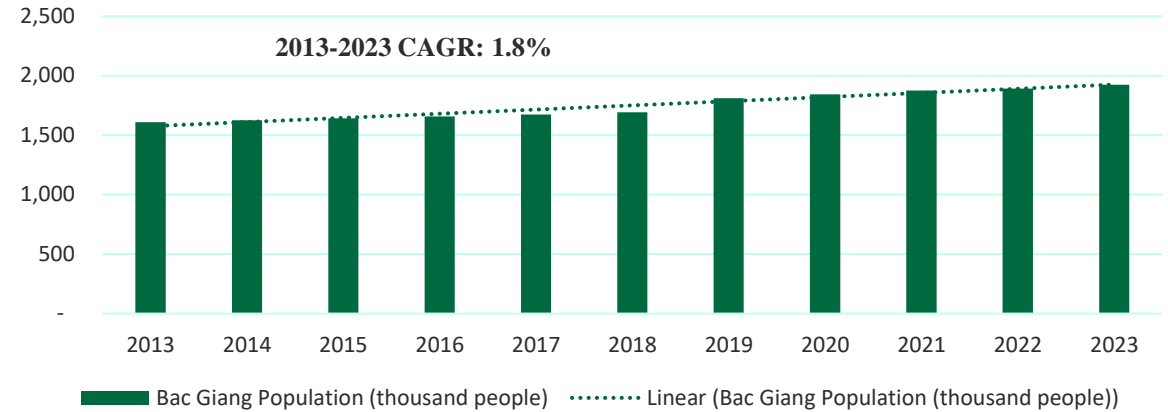
PROJECTS IN PIPELINE – HOSPITALS UNDER CONSTRUCTION

TNH Viet Yen Hospital

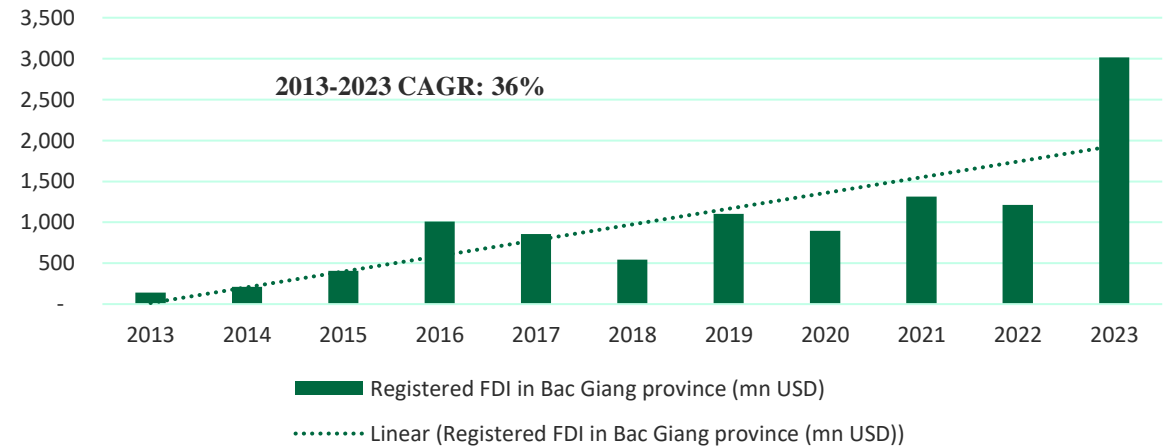
Close to many industrial parks

- Hospital profile:
 - A general hospital
 - 300 beds (Phase 1: 150 beds, phase 2: 150 beds)
 - Total capex: VND753bn
 - Located in Viet Yen, Bac Giang province
 - 4-7km far from many large Industrial Parks (Van Trung IP, Dinh Tram IP, Quang Chau IP).
- Project timeline:
 - Started construction in Feb 2023.
 - Finished construction in Feb 2024.
 - Applied for the operation license from the Ministry of Health in July 2024.
 - Expected to put the first phase of 150 beds into operation in Q4 2024.

In 2013-2023, Bac Giang population grew faster than 1.1% population growth of Vietnam.



In 2013-2023, Bac Giang registered FDI grew much faster than other provinces.



Source: GSO

Growth Strategy & Business Plan

PROJECTS IN PIPELINE – HOSPITALS UNDER CONSTRUCTION

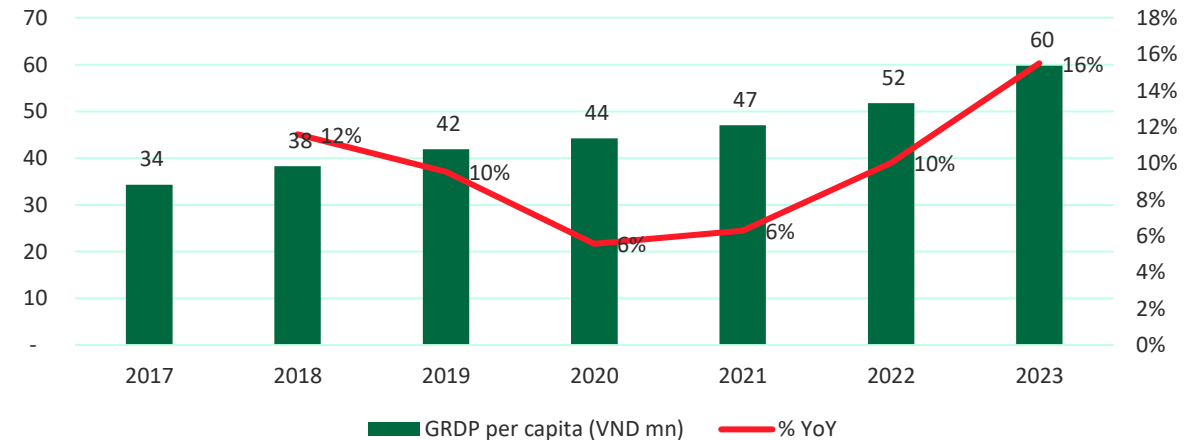
TNH Lang Song Hospital

At the center of a growing city

- Hospital profile:
 - A general hospital
 - 300 beds (2 phases)
 - Total capex: VND 888 billion (tentative)
 - Located in Lang Son City, Lang Son province, the cross-border trade hub of the North of Vietnam with China
- Project timeline:
 - Started construction in Feb 2024.
 - Expected to start operation in 2025.



GRDP per capita growth of 10% in 2017-2023 creates higher demand for better healthcare services



Source: GSO

Growth Strategy & Business Plan

PROJECTS IN PIPELINE – HOSPITALS UNDER PLANNING

- **TNH Hanoi Hospital**

- A general hospital
- 500 beds (tentative)
- Total capex: > 2.5 trillion dong (tentative)
- Located in Tay Ho district, Hanoi, the capital of Vietnam.
- Become a hub to attract and train high-quality human resources for TNH's satellite hospitals.
- Project timeline:
 - TNH Hanoi Hospital JSC set up in Sep 2023.
 - Deposited VND59bn to Nam Thang Long Residential Area Co., Ltd. in Sep 2023.

- **TNH Danang Hospital**

- A general hospital (specializing in oncology)
- 500 beds (tentative)
- Total capex: > 2 trillion dong (tentative)
- Located in Danang city.
- BOT model
- Project timeline:
 - In June 2024, the director board started to do research and feasibility study.



Thank you!

Email: ir.tnh@tnh.com.vn

<https://tnh.com.vn/>