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ENLIGHTEN THE MARKET

Sector Preview | Vietnam Education:

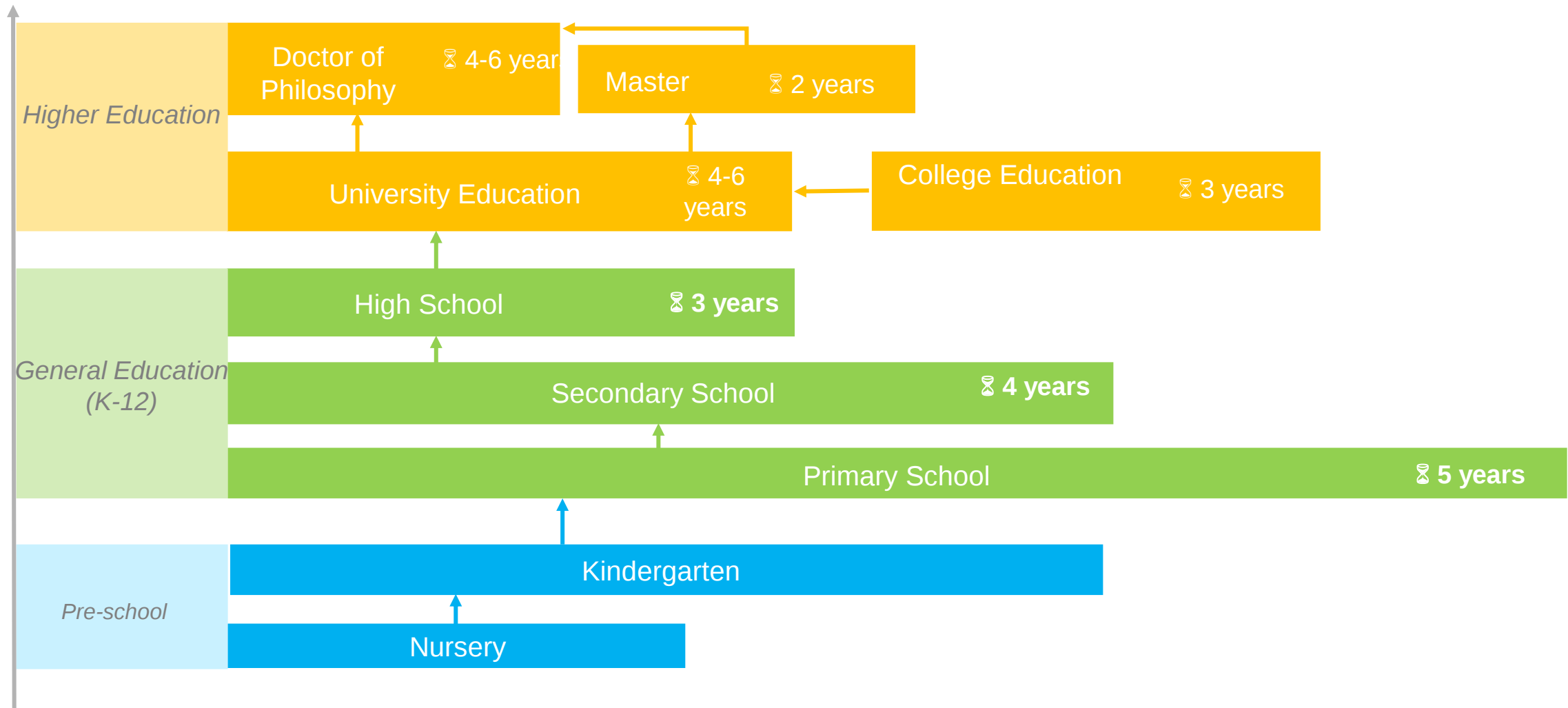
Rising demand for private education in Vietnam

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Overview of Vietnamese Education System

Figure 1: Structure of Education System in Vietnam, 2022



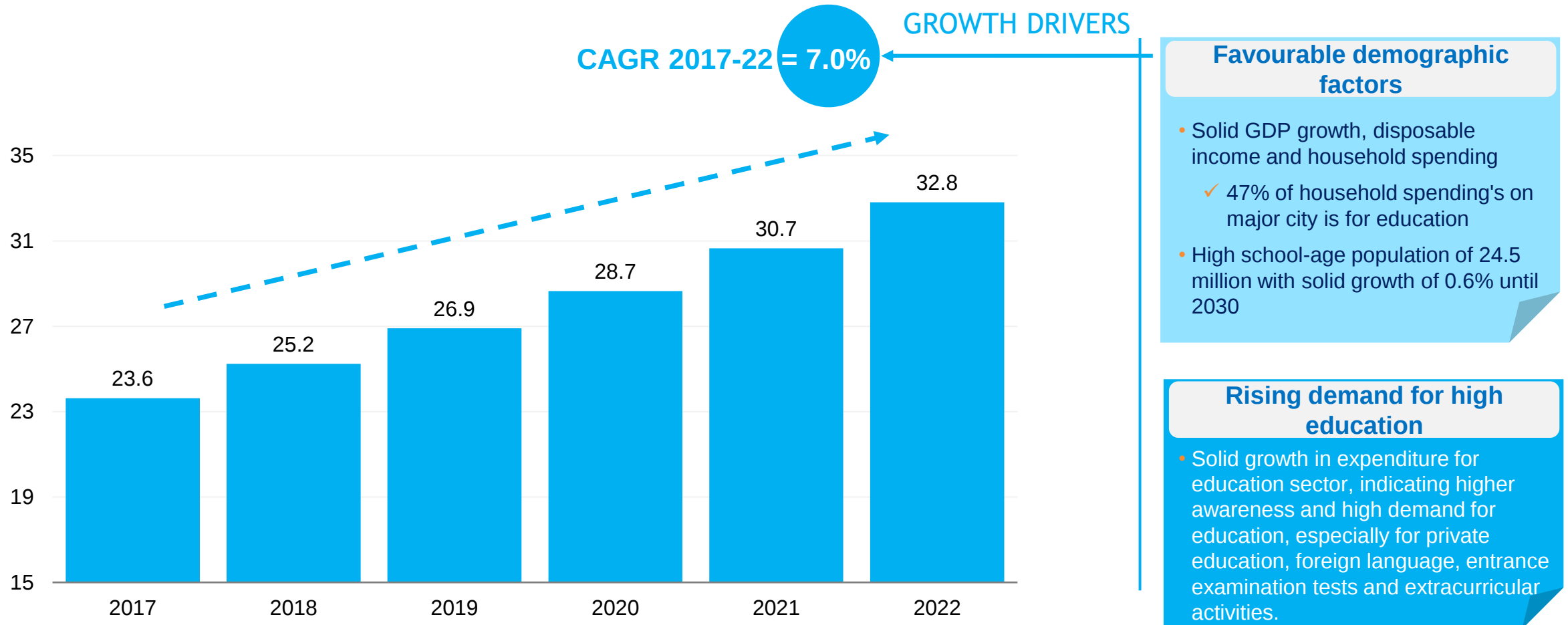
Source: FiinGroup



Education spending witnessed a solid growth

On the ground of favorable demographics, increasing disposable income and rising demand for higher education

Figure 2: Rising Expenditure for Education by Vietnamese People (Unit: US\$bn)

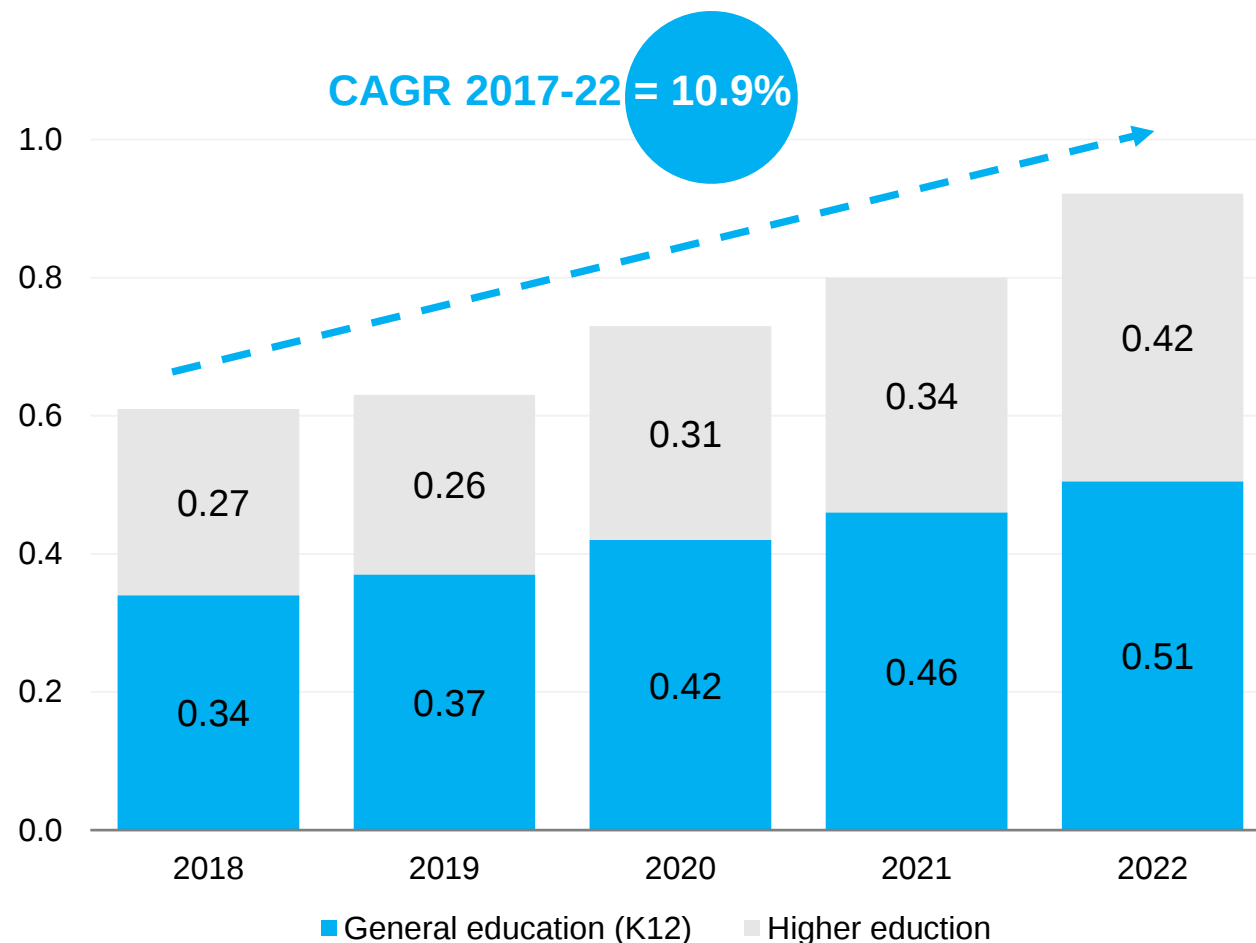


Source: FiinGroup, HSBC. Expenditure for education in Vietnam is calculated based on both public/government and private spendings for education.

Spending for private education increase at a higher speed

Local and foreign investors are now penetrating/expanding to fulfill the rising private education

Figure 3: Number of Students (million) in Private Education in Vietnam



Source: FiinGroup, MOET

MAJOR PRIVATE SCHOOLS

CAGR 2018-22

11.5%

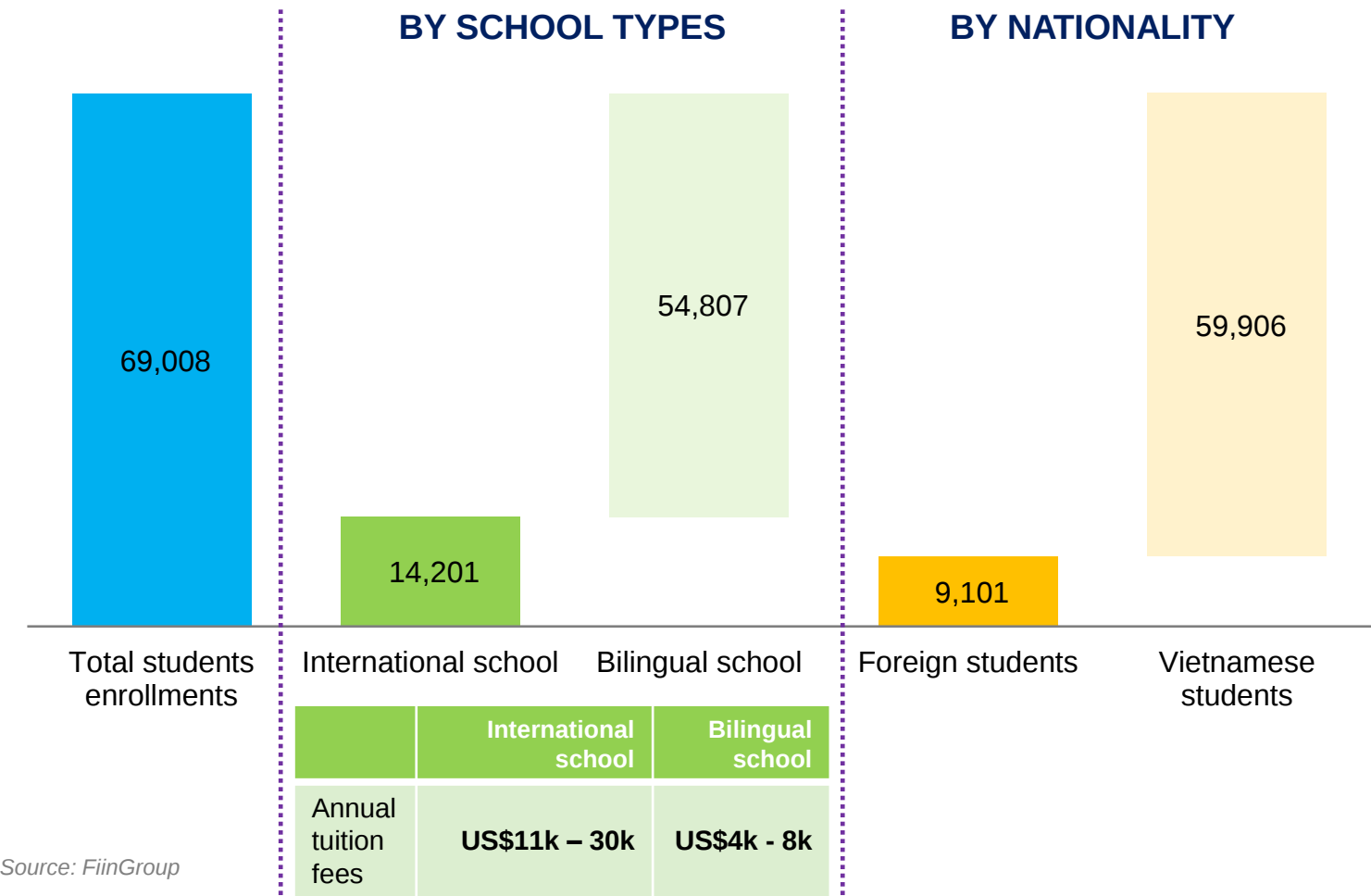
10.4%



Hanoi as example: penetration rate of international & bilingual schools remains low

at 4% for the school year 2023-2024. Huge potential thanks to low penetration rate and rising demand for private schools

Figure 4: Student Enrolments in International & Bilingual Schools in Hanoi, School Year 2023 - 2024



- Penetration rate of international & bilingual schools in Hanoi remains low at **4%** for the school year 2023-2024, indicating **huge potential** for the private sector to tap on
- International programs are based on certified international curriculums such as the International Baccalaureate (IB) Programme (Diploma Programme, Middle Years Programme, and Primary Years Programme), Cambridge (IGCSE, AS, A-level, etc.), Advanced Placement (AP), iPSLE
- Bi-lingual are integrated programs between international curriculums (70%) and local general education curriculums by MOET of Vietnam (30%).

Source: FiinGroup



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Vinschool dominates the market, accounting for 28.3% of market share

by number of student enrollments at international and bilingual schools in Hanoi

Figure 5: Annual Tuition Fee of Major International & Bilingual Schools in Hanoi, School Year 2023 - 2024

	# campus	Student enrolments in Hanoi by education program			Avg. tuition fees by education program	
		Total	International	Bilingual	International	Bilingual
UNIS	1	1,000-2,000	100%	0%	31,854	NA
BIS Hanoi	1	1,000-2,000	100%	0%	30,289	NA
St. Paul	1	500-1,000	100%	0%	26,686	NA
HIS	1	Less than 500	100%	0%	26,798	NA
SIS	3	500-1,000	45%	55%	21,977	12,899
BVIS Hanoi	1	1,000-2,000	100%	0%	21,656	NA
TH School	2	500-1,000	100%	0%	21,986	NA
HIBS	1	Less than 500	45%	55%	19,806	11,658
ISPH	1	Less than 500	100%	0%	23,498	NA
International schools (Total/Average)	12	7,127	85%	15%	24,950	NA
Vinschool	7	Over 15,000	0%	100%	NA	4,782
Wellspring	1	1,000-2,000	3%	98%	18,505	8,426
Olympia	1	1,000-2,000	0%	100%	NA	7,127
Hanoi Academy	1	1,000-2,000	0%	100%	NA	5,351
Alfred Nobel	1	1,000-2,000	0%	100%	NA	4,668
Bilingual schools (Total/Average)	11	24,700	0%	100%	NA	NA
Total	23	31,827	19%	81%	NA	NA

Source: FiinGroup's Survey. NA = Data is not available

E-learning/Edtech, STEM and extracurricular activities are major trends in Vietnam education market



E-LEARNING/ EDTECH

- Service offerings: solutions for K12, Students & Workers, Kids – Early Childhood Education, Language, LMS, etc.



General Education – K12

Student & Worker



Language



STEM

- Service offerings:
 - B2C - STEM at centers
 - B2B – STEM at schools



EXTRACURRICULAR ACTIVITIES

- Service offerings:
 - Foreign language programs
 - Music and art
 - Soft skills (i.e communication, presentation, teamwork, business writing etc.,)



POINT AVE



3 common market entry strategies in the education market in Vietnam

Foreign investors have actively penetrated in Vietnam market via M&A, green field and business collaboration

M&A

Acquiror Target company Deal value

KKR

EQUEST
THE QUEST FOR EXCELLENCE

US\$
100mn

BPEA
Baring Private Equity Asia

VUS

N/A

COGNITA



International School
Saigon Pearl



International School
Ho Chi Minh City –
American Academy



International School
Ho Chi Minh City

N/A

Greenfield investment



Jointly developing an
K12 school in Hanoi
in 2022



Developed a K12
school in Hanoi in
2022



Developed 4 English
centers in HCMC so far

Business collaborations

Franchising



Language
Link



Eye Level
I am the key.

Distributors



Licensing



Cambridge Assessment
International Education



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**How can we help
potential investors in
unlocking the potential of
the Vietnamese
education market?**



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



Our Market Research and Consulting / Service Description

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 analysis

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



Our Track Records in Education Sector



National IT Industry Promotion Agency

Client's request

- The Korean organisation hired us for the Assessment of the current situation, and competitive dynamics and identify potential business opportunities

Name of service

- Customized Market Research

FiinGroup's deliverables

- ✓ In-depth analysis of the current situation of the STEM market (STEM curriculum, STEM/robot kit, STEM teaching centers, STEM programs in private schools, etc.) and English education for kids and interactive books in Vietnam (major English centers for kids & interactive book providers, etc.)
- ✓ In-depth analysis of key trends, key players, and top distributors of STEM kits and interactive books in Vietnam
- ✓ In-depth analysis of market potentials, collaboration opportunities and biz matchings for Korean companies.

Praxis Capital Partners

Client's request

- Evaluation of the market potential and a potential investment opportunity in a leading international school in Hanoi

Name of service

- Commercial due diligence

FiinGroup's deliverables

- ✓ In-depth analysis on Vietnam education sector and international school segment in Hanoi
- ✓ Independent assessment on the potential demand and key drivers for international schools in Hanoi (i.e. government budget and household spending) with the forecast on addressable market for international & bilingual schools
- ✓ Competitive landscape of this sector, especially the positioning and benchmarking of the Target (financial, operational and business strategy) with other peers in Hanoi

Result

- ✓ In Jun 2020, Praxis Capital Partners (Korea), together with some other institutional investors, closed the deal to purchase a majority stake in the international school in Hanoi.



Client's request

- Screening of investment opportunities to identify potential financing projects within the industry

Name of service

- Customized Market Research

FiinGroup's deliverables

- ✓ In-depth analysis on Vietnam Edtech sector (i.e. market size, segmentation, trends and key success factors, competitive landscape)
- ✓ A long list and short list of target Edtech companies (including its pre-DD of their ownership structure, key management team, business strategy, future expansion plans, their operational and financial performance)

Our Market Research and Consulting / Industry coverage & Client Portfolio

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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