2023 SEA Hospital Insights Survey Findings

Summary materials

2023

Agenda

- **Summary**
- Hospital financial outlook
- Operation priorities
- Go-to-market in SEA
- Digitalization trends
- About L.E.K.

Every year, L.E.K. surveys several hundred hospitals across the SEA region to understand their priorities and to support MedTech and pharma companies as they make key decisions

L.E.K. conducts an annual survey of several hundred decision-makers at key hospitals in the SEA region, including Singapore, Thailand, Malaysia, Vietnam, Indonesia and Philippines to better understand how key strategic priorities and purchasing behaviors are shifting

The survey addresses issues relating to the financial outlook of hospitals, top operating priorities in the next few years, as well as the impact of digitalization on hospitals and their relationships with MedTechs and pharmas

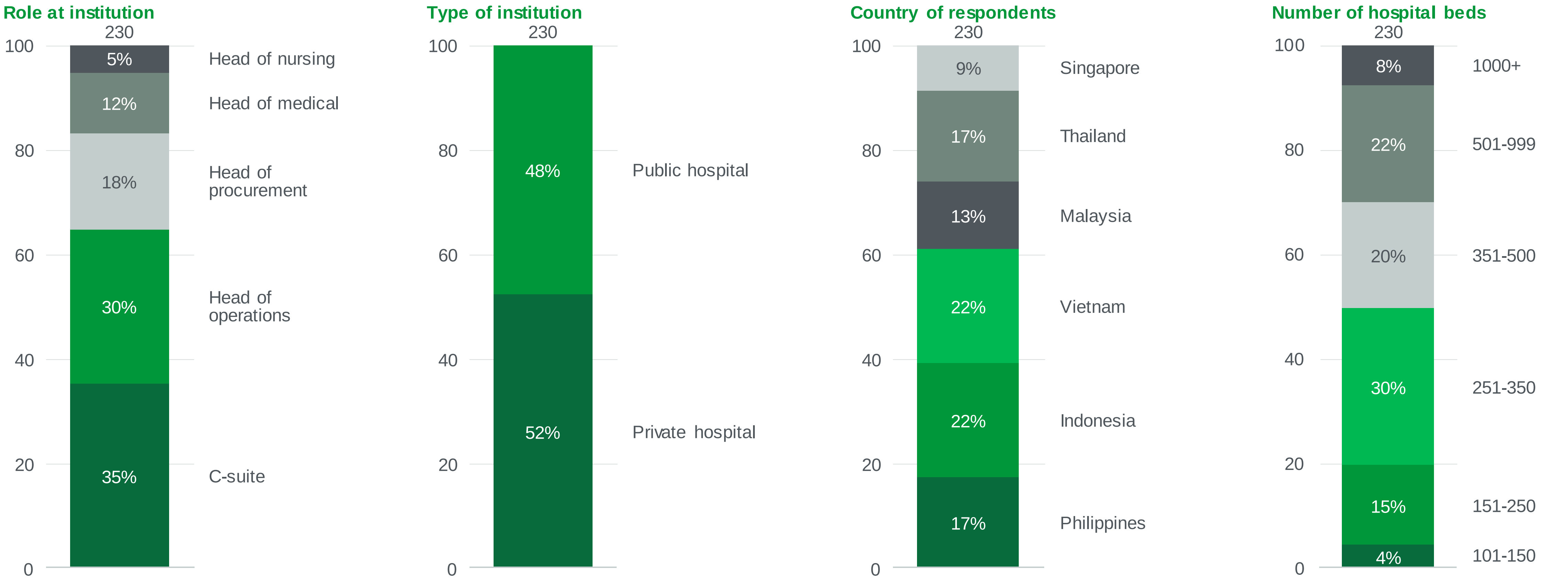
The insights enable MedTech players to make informed decisions, including:

- Which stakeholders to engage and how
- How to tailor their product and service value propositions to address hospitals' priorities
- How to leverage digital channels and enhance their service offerings/engagement models

We surveyed 230 hospital directors from SEA markets across a variety of hospital types, hospital sizes, and geographies

L.E.K. Hospital Priorities SEA survey respondent mix*

Percent of respondents (N=230)



* SEA market includes Indonesia, Vietnam, Thailand, Philippines, Malaysia and Singapore in 2023 survey

Source: L.E.K. 2023 APAC Hospital Priorities Survey

We explore four key themes: financial outlook, operation priorities, GTM, and digitalization

Summary of Findings

Financial outlook

- Robust recovery from COVID-19 with significant financial improvement
- Project to be even more positive for the next three years

Operation priorities

- Top strategic priority is to get new technology
- 90% of hospitals plan to add more acute beds
- Majority expected increase capacity in diagnostic imaging, primary care, dental, and general surgery

Go-to-market

- GPO, reimbursement and guidelines endorsement is gaining importance for hospital listing
- Medical representative access to hospitals is still restricted, but remote channel acceptance is high among hospital stakeholders

Digitalization

- SEA regions show a higher adoption rate in healthcare digitalization solutions than the APAC average
- Hospitals are increasingly recognizing the value brought by healthcare digitalization solutions

Note: GPO=group purchasing organization
Source: L.E.K. 2023 APAC Hospital Priorities Survey

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SEA hospitals have experienced a robust recovery from COVID-19 and have witnessed significant improvement financially; projections indicate an even more positive outlook for the next three years

Summary of findings – financial outlook

- Increasingly optimistic financial prospects for both public and private hospitals in 2023 as they have recovered from COVID-19 impact
- Private hospitals generally reported better profitability profiles

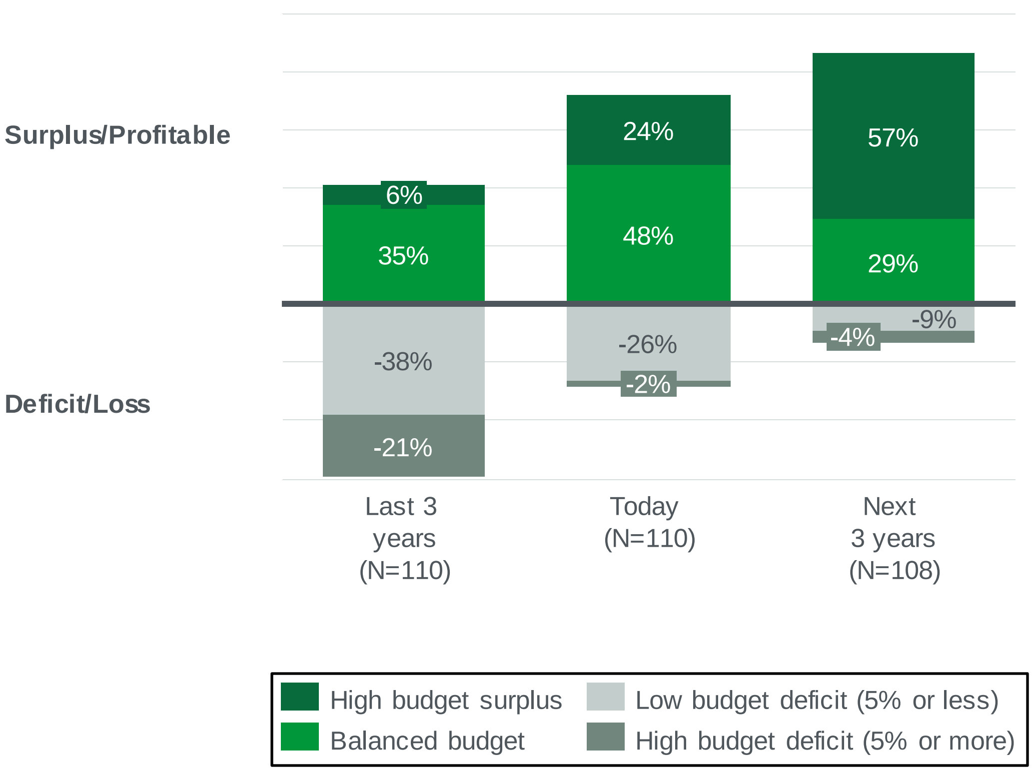
- Using elective procedures as an indicator, surgery-oriented departments, such as orthopedics and oncology, have recovered to 80-90% of pre-COVID level

- Hospitals across SEA are optimistic about future capital expenditure, with a significant number expecting a notable increase of over 5%. This reflects recovered confidence and growing healthcare needs

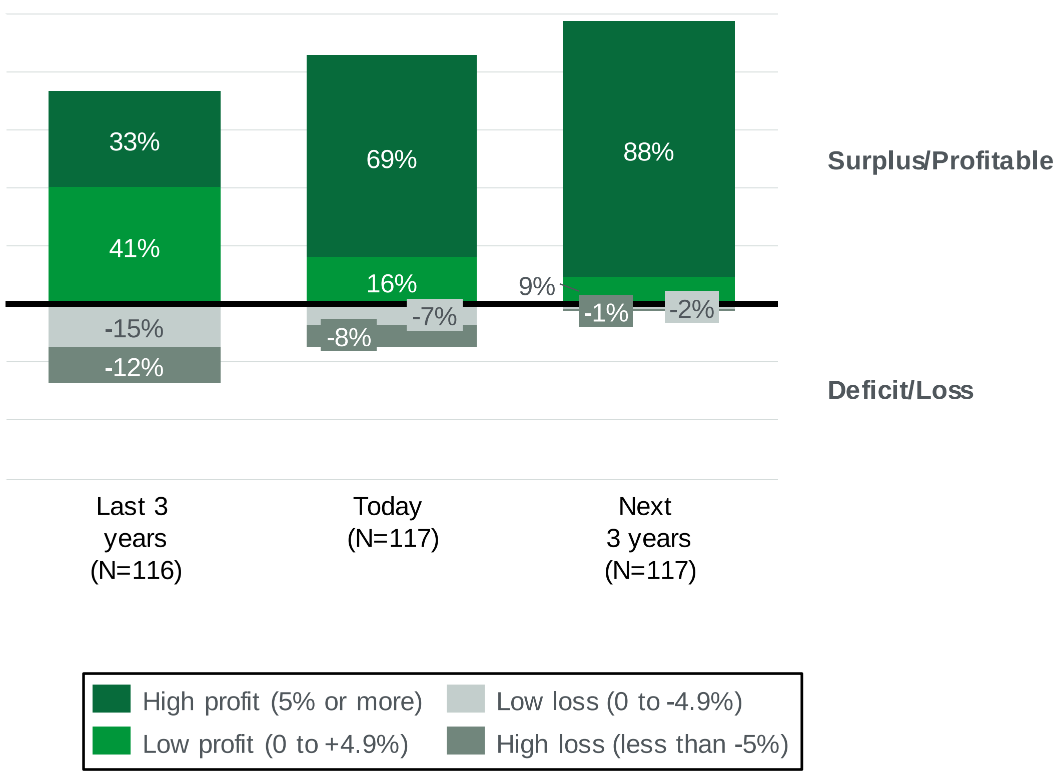
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Increasingly optimistic financial prospects for both public and private hospitals in 2023 as they recover from COVID-19 impact; private hospitals are generally more profitable

Budget outlook for public hospitals*
Percent of respondents^



Profitability/EBITDA margin outlook for private hospitals**
Percent of respondents^

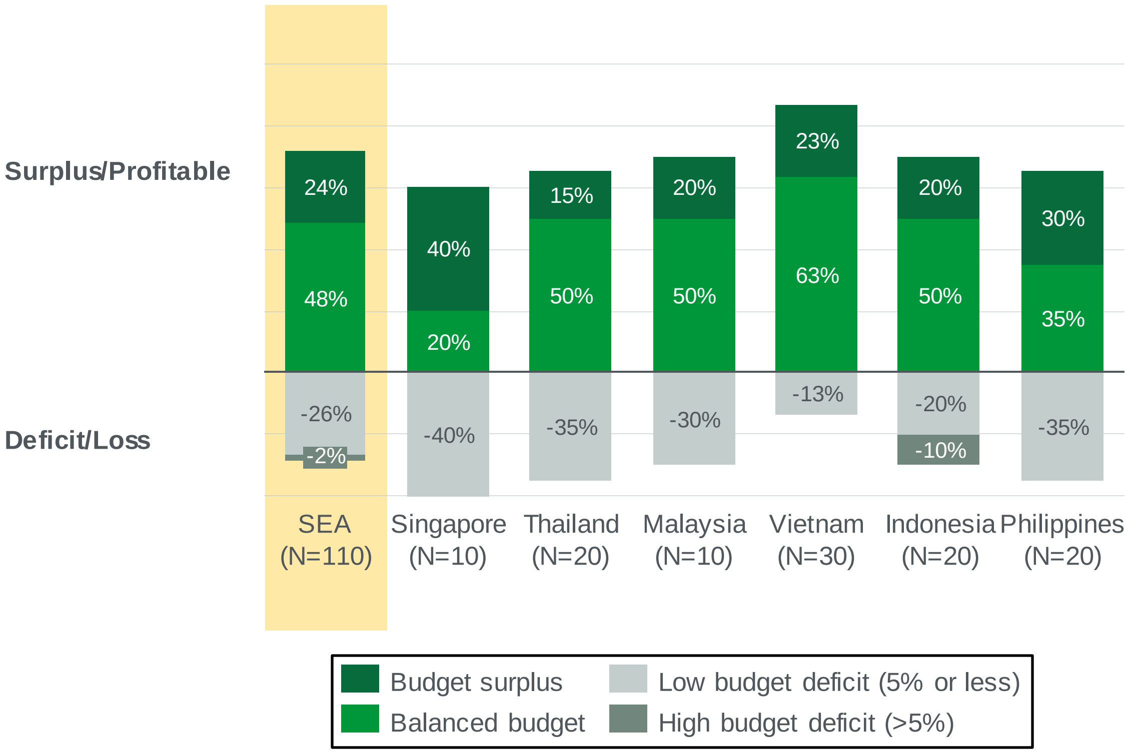


*Question: What is the level of budget surplus/deficit incurred by your hospital over the following time period?; **Question: What is the EBITDA margin/profitability level of your hospital over the following time period?
^Responses with "I do not know/prefer not to disclose" have been excluded
Note: EBITDA=Earnings Before Interests, Tax, Depreciation and Amortization
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Public hospitals in Vietnam and private hospitals in Indonesia exhibit exceptional financial performance; most hospitals maintain a favorable financial outlook across the region

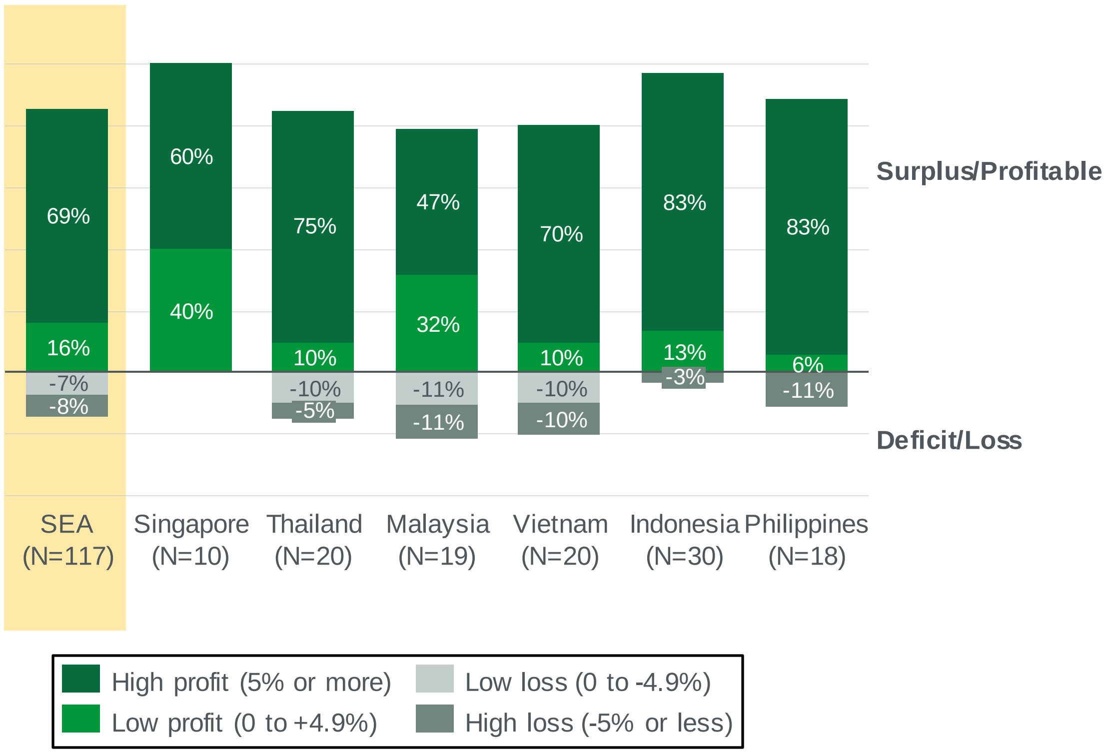
Budget outlook for public hospitals, by region, today*

Percent of respondents^



Profitability/EBITDA margin outlook for private hospitals, by region, today**

Percent of respondents^

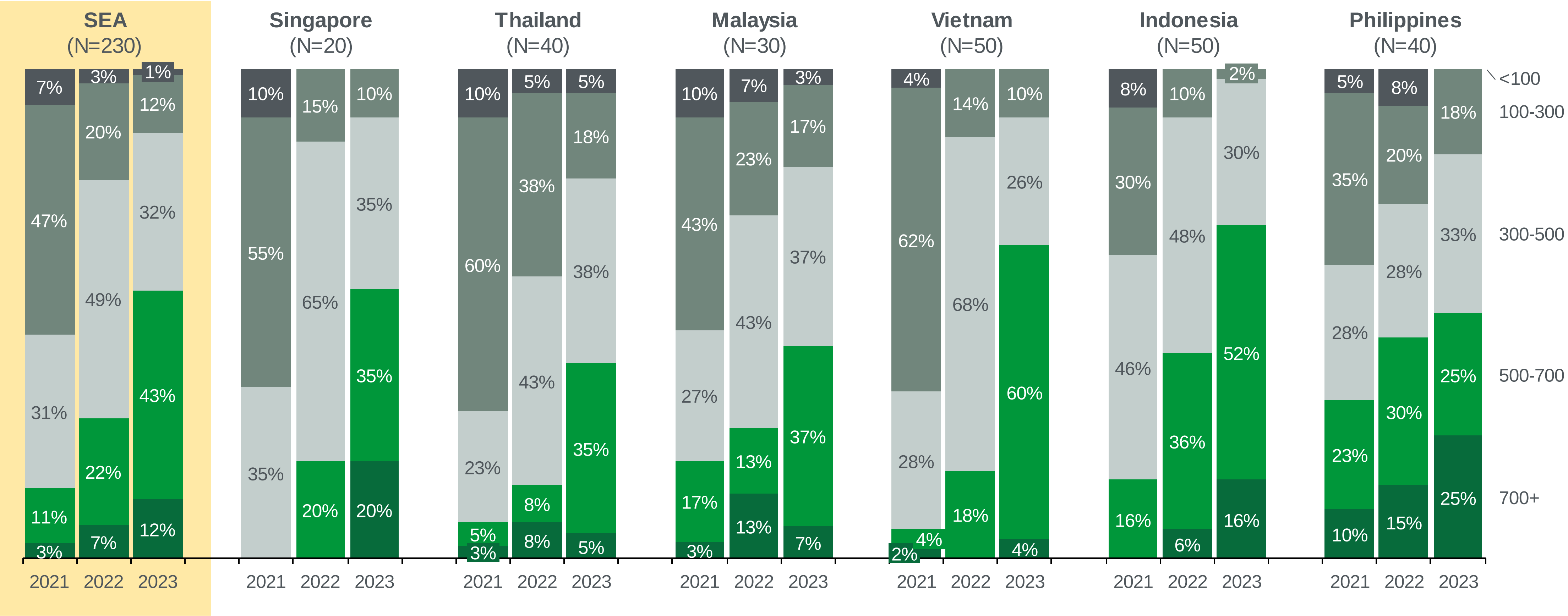


*Question: What is the level of budget surplus/deficit incurred by your hospital over the following time period?; **Question: What is the EBITDA margin/profitability level of your hospital over the following time period?
^Responses with "I do not know/prefer not to disclose" have been excluded
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Procedure volume recovers strongly from the COVID-19 impact; hospitals in Indonesia and Vietnam are experiencing robust growth in elective procedures, surpassing other regions

Number of elective procedures per month performed/expected each year*

Percent of respondents reporting (N = 230)



*Question: How many elective surgeries did your hospital perform/do you expect your hospital to perform over the following time period (monthly figures)?; Elective procedure is surgery that is scheduled in advance because it does not involve a medical emergency

Source: L.E.K. 2023 APAC Hospital Priorities Survey

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Using elective procedures as an indicator, surgery-oriented departments, such as orthopaedics and oncology, have largely recovered to pre-COVID level; Malaysia and Indonesia lead recovery in SEA region

Top ten departments recovered to pre-COVID-19 levels of operations in terms of number of elective procedures*

Percentage of respondents

	SEA (N=230)	Changes from 2022	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections: Orthopaedics	**91%**	↑	88%	**96%**	**100%**	**84%**	88%	92%
Top selections: Oncology	**87%**	↗	71%	81%	96%	**82%**	**92%**	**93%**
Obstetrics and gynaecology	84%	↗	**92%**	**94%**	79%	80%	76%	86%
Paediatrics	83%	↑	54%	83%	76%	74%	**100%**	**93%**
Endocrinology	82%	-	82%	76%	**100%**	75%	81%	81%
Nephrology	80%	-	67%	74%	82%	71%	88%	**93%**
Gastroenterology	79%	↗	67%	71%	96%	68%	84%	85%
Cardiothoracic surgery	78%	-	89%	72%	91%	76%	79%	69%
Interventional radiology/ cardiology	77%	↓	67%	86%	74%	73%	87%	71%
General surgery	76%	↓	**100%**	67%	81%	79%	64%	82%
Average percentage (all options)	**79%**		**72%**	**76%**	**86%**	**73%**	**83%**	**80%**

Top 2 **Changes from 2022** ↑ Increase by ≥15% ↗ Increase by 3-15% ➡ No changes ↓ Decreasing - Not included

*Question: Which departments are still below pre-COVID levels in terms of number of elective procedures performed?
Source: L.E.K. 2023 APAC Hospital Priorities Survey

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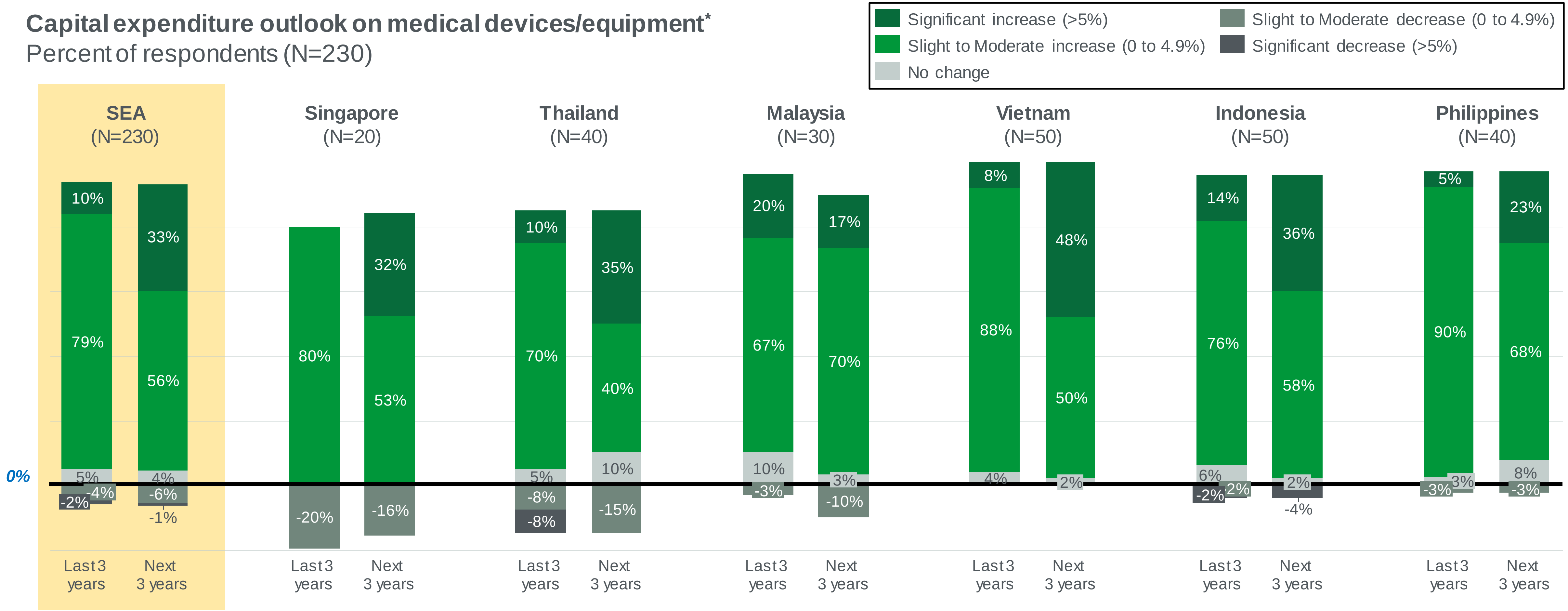
Hospitals are optimistic about future capital expenditure, with a significant number expecting a notable increase over 5%. This reflects recovered confidence and growing healthcare needs within the region

Capital expenditure outlook on medical devices/equipment*
Percent of respondents (N=230)



*Question: 'How have your hospital's capital expenditure on medical devices/equipment changed over the following time period?'
Source: L.E.K. 2023 APAC Hospital Priorities Survey

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In 2023, hospitals prioritize new medical technology, adding acute beds, standardizing consumable purchases, and investing in imaging services

Summary of findings – operation priorities

- Hospitals are expected to prioritize offering new medical technologies or cutting-edge treatments and improving staff safety for the coming years
- Most hospitals anticipate an increase in the proportion of acute beds in the next 5 years, while the few reporting an expected decrease expect bed redeployments rather than retirements
- Hospitals prioritize standardizing purchasing of medical consumables, diagnostic imaging equipment, and clinical support appliances, mainly through choosing a preferred supplier for specific procedures or products
- Hospitals plan to increase investment and capacity in diagnostic imaging, primary care, dental, and general surgery over the next three years to meet growing healthcare demands

Source: L.E.K. 2023 APAC Hospital Priorities Survey

Hospitals are expected to prioritize offering new medical technologies or cutting-edge treatments and improving staff safety in the coming years; Malaysia has put more emphasis on operation optimization

Importance of strategic priorities over the next three years*
Percentage of respondents who chose 6 and 7 (1-7 scale, 1=least, 7=most)

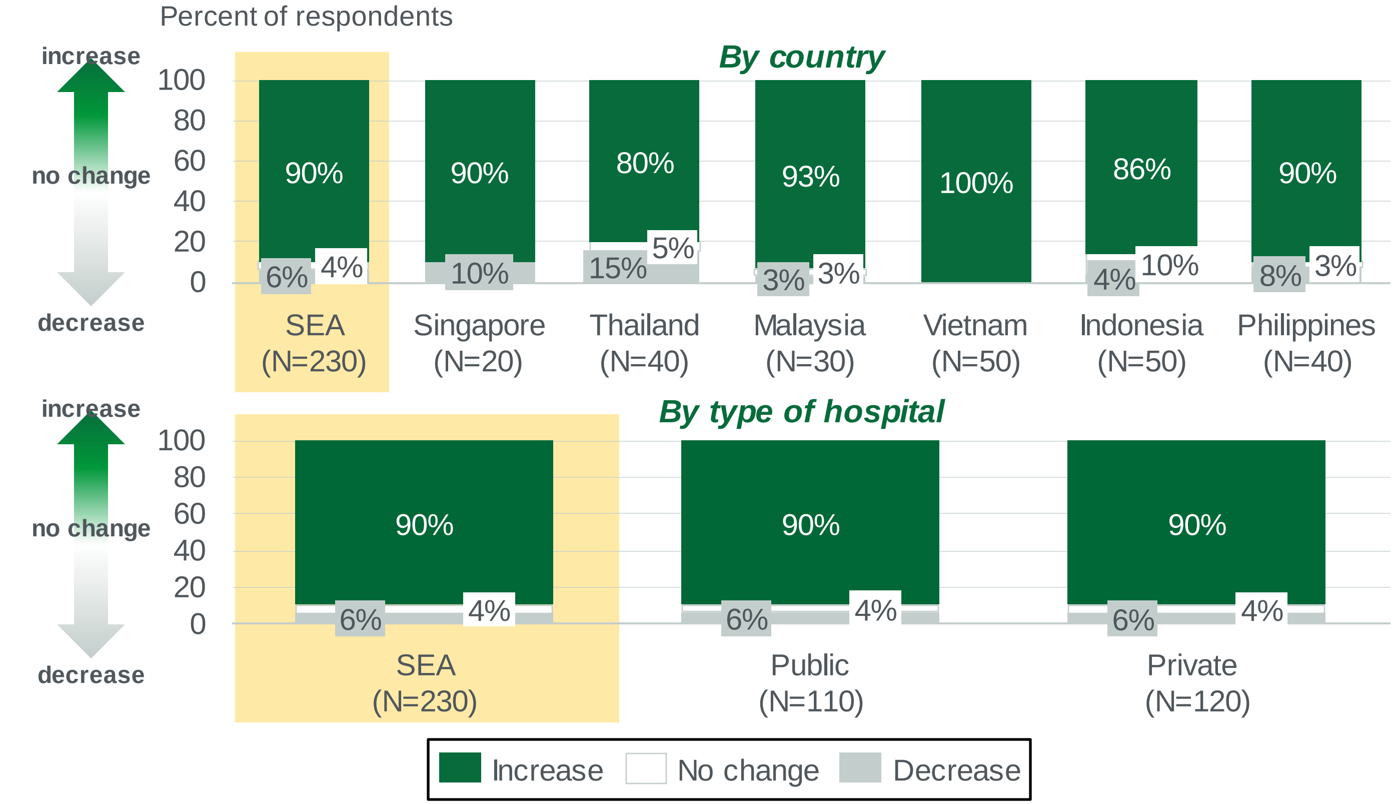
Top 2 priorities

		SEA (N=230)	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections	Offering clinicians access to new medical technologies/Offer cutting edge treatments	74%	65%	75%	60%	88%	72%	75%
	Improving healthcare staff safety (physicians, nurses etc.)	73%	85%	73%	67%	84%	68%	65%
	Standardization of clinical care protocol within and across hospitals	70%	70%	68%	63%	88%	62%	65%
	Reducing readmission rates**	70%	65%	58%	70%	82%	68%	70%
	Dealing with staff shortages in light of front line worker fatigue	69%	60%	68%	73%	90%	60%	58%
	Reducing acquisition costs of capital equipment	69%	65%	65%	70%	72%	74%	65%
	Recovering from the finanical impact of COVID-19	69%	70%	68%	60%	80%	66%	65%
	Emergency preparedness	68%	65%	68%	70%	80%	66%	58%

*Question: How important are the follow ing strategic priorities for your hospital over the next 3 years? ("1" means "not at all important", "7" means "very important")
**Percentage of admitted patients w ho return to the hospital w ithin seven days of discharge
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Most hospitals anticipate a surge in demand on the proportion of acute beds in the next 5 years

Change in proportion of acute beds in the next 5 years* (2023)

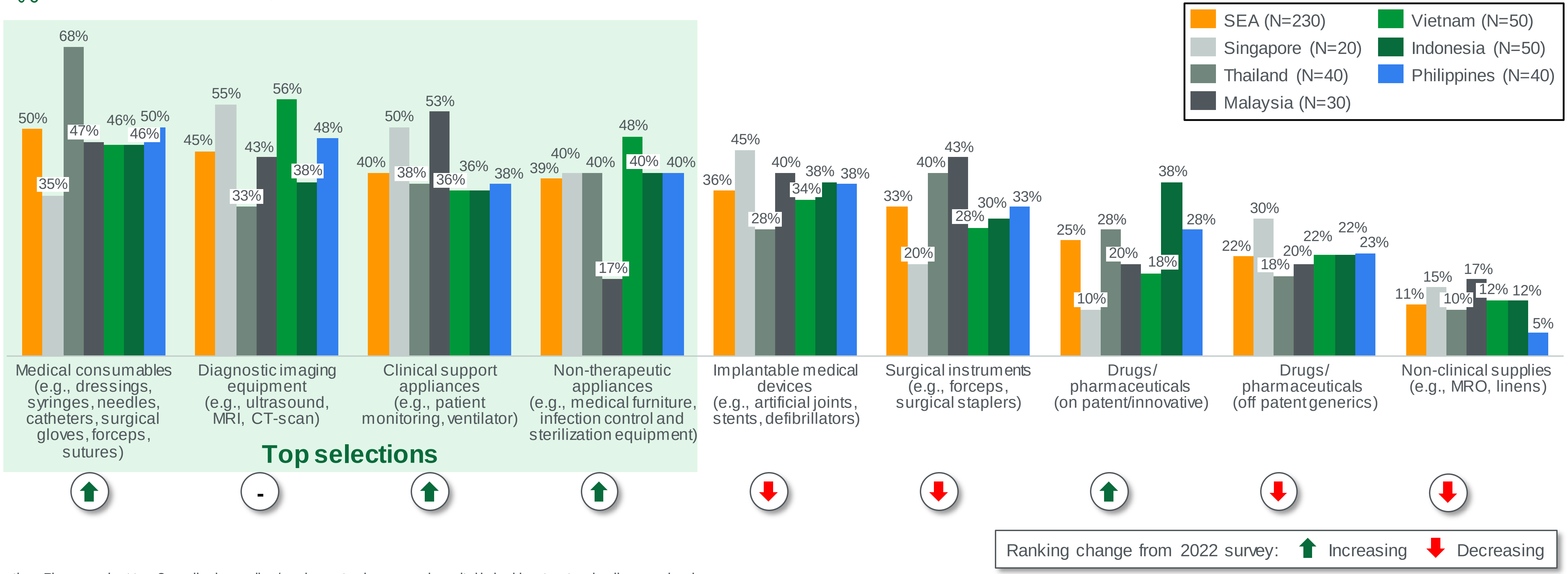


- Over 80% of hospitals estimate that they will repurpose their extra acute beds rather than retire them directly
- The most common relocation plan (~60% of respondents) involves converting these beds into rehabilitation and mental health beds
- ~20% demonstrate an interest of converting into ICU beds

*Question: Please estimate the percentage point change in your estimated proportion of acute beds (inpatients + day bed) in your hospital in the next 5 years;
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Hospitals prioritize standardizing purchasing in medical consumables, diagnostic imaging equipment, and support appliances more than last year

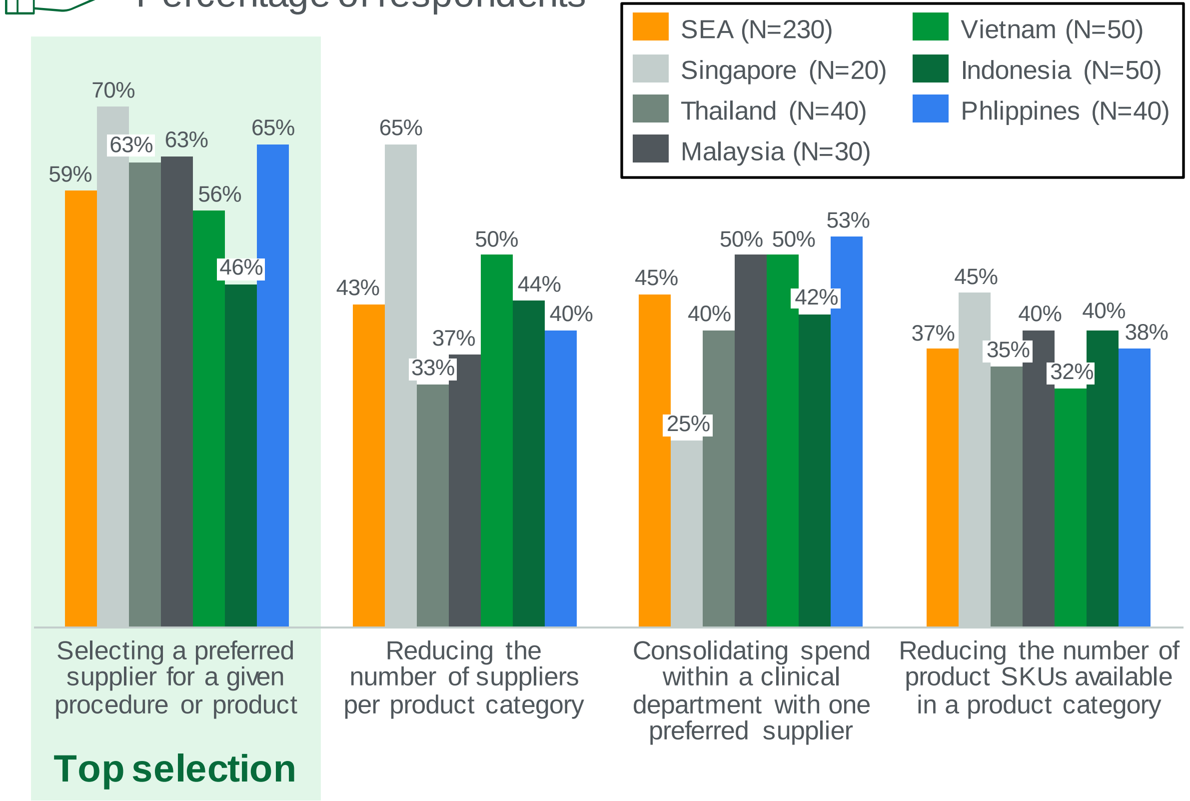
Medical supplies/equipment that hospital is looking to standardize purchasing*
Percentage of respondents



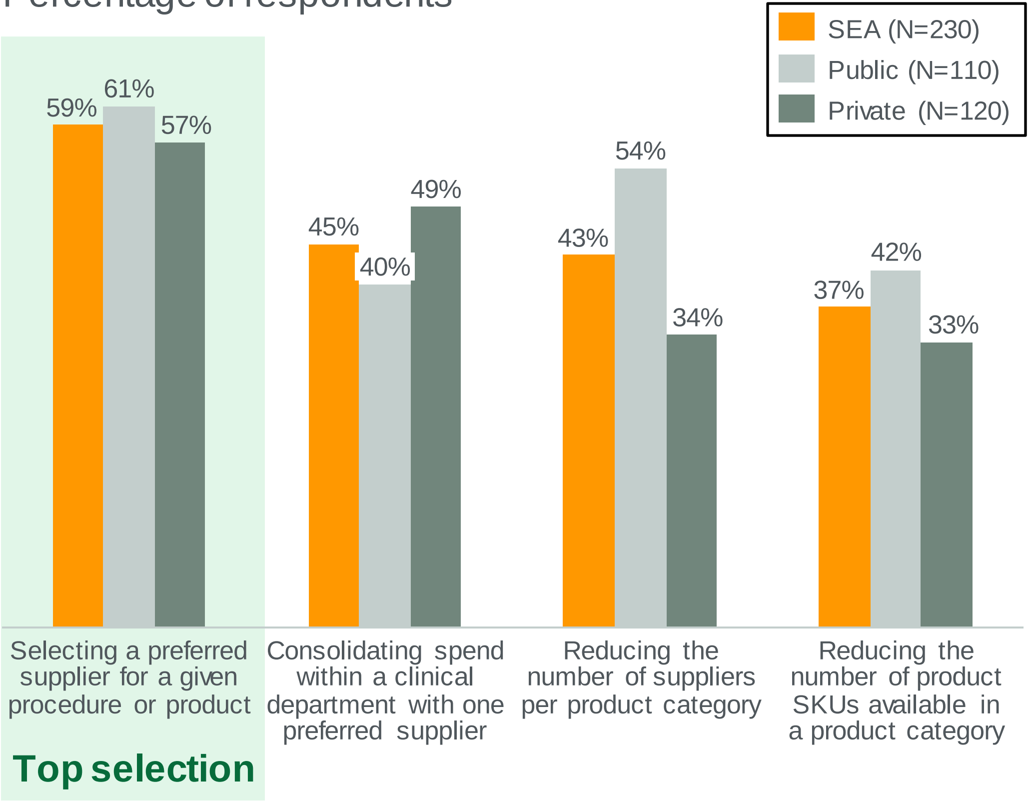
*Question: Please select top 3 medical supplies/equipment where your hospital is looking to standardize purchasing
Note: MRO=maintenance, repair, and operations
Source: L.E.K. 2023 APAC Hospital Priorities Survey

To streamline procurement processes, both public and private hospitals across the region are increasingly inclined to choose a preferred supplier for specific procedures or products

Approach to purchasing standardization, by country*
Percentage of respondents



Approach to purchasing standardization, by hospital type*
Percentage of respondents

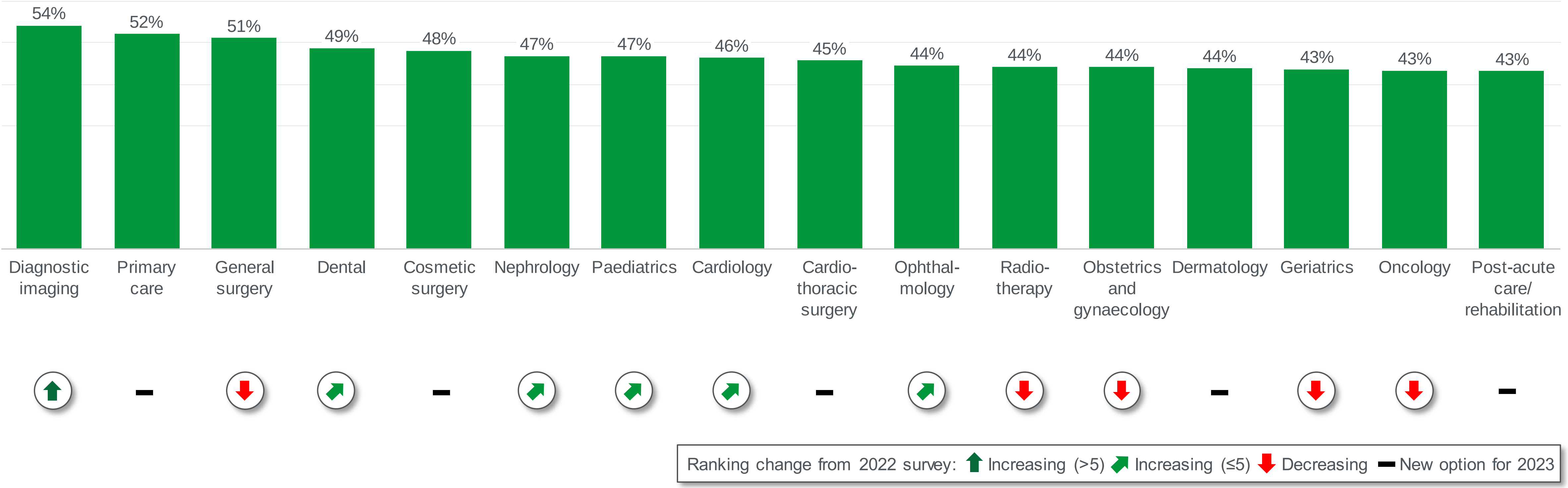


*Question: Please indicate which of the following approaches your hospital uses to standardize the purchasing of medical supplies/devices
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Hospitals plan to increase investment and capacity in diagnostic imaging, primary care and general surgery over the next three years to meet growing healthcare demands

Clinical service offering outlook*

Percent of respondents said they were planning to increase investment/capacity in over the coming three years (n=230)



*Question: Which clinical department is being offered in your hospital, what are the expected changes in offering in the next three years? Expected change in clinical department offering in the next 3 years?
Note: High increasing percentage in 2023 is doubled or more compared to the data in 2022
Source: L.E.K. 2023 APAC Hospital Priorities Survey

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Post-COVID, hospital management has regained procurement decision-making power; Hospitals prioritize partnering with MedTechs for valuable services and emphasize accurate diagnostic and cost-efficiency

Summary of findings – Go-to-market

- Post-COVID-19, hospital management and clinical department heads have regained influence in medical device purchasing throughout SEA, surpassing the exclusive involvement of clinical staff
- Hospital management is overall the key stakeholder in capital equipment, while clinical department heads are more influential for medical consumables and others purchasing

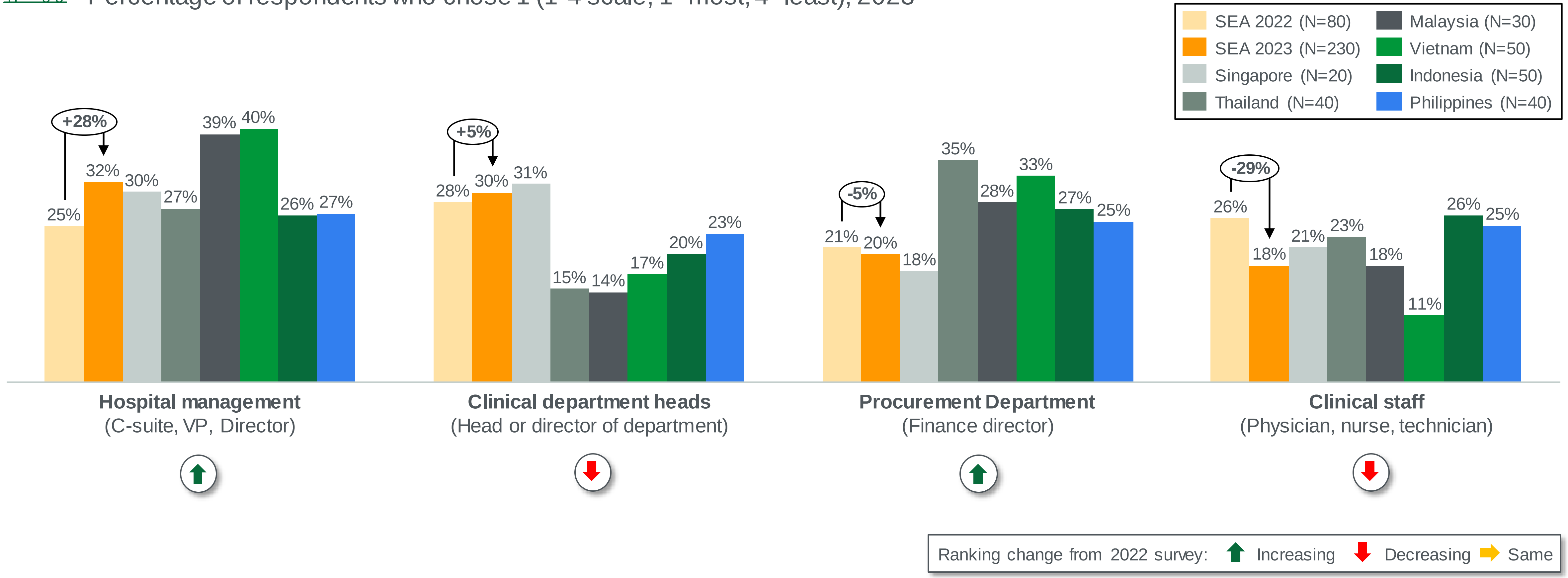
- SEA hospitals, particularly in Vietnam, prioritize working with MedTechs that offer valuable services in addition to products
- The services most valued by hospitals are supply chain and operation management, population health services and clinical education

- When purchasing from MedTech companies, hospitals prioritize accurate diagnostic tools and cost-efficient products

Source: L.E.K. 2023 APAC Hospital Priorities Survey

Post-COVID-19, hospital management and clinical department heads have more influence in medical device purchasing throughout SEA, surpassing the exclusive involvement of clinical staff

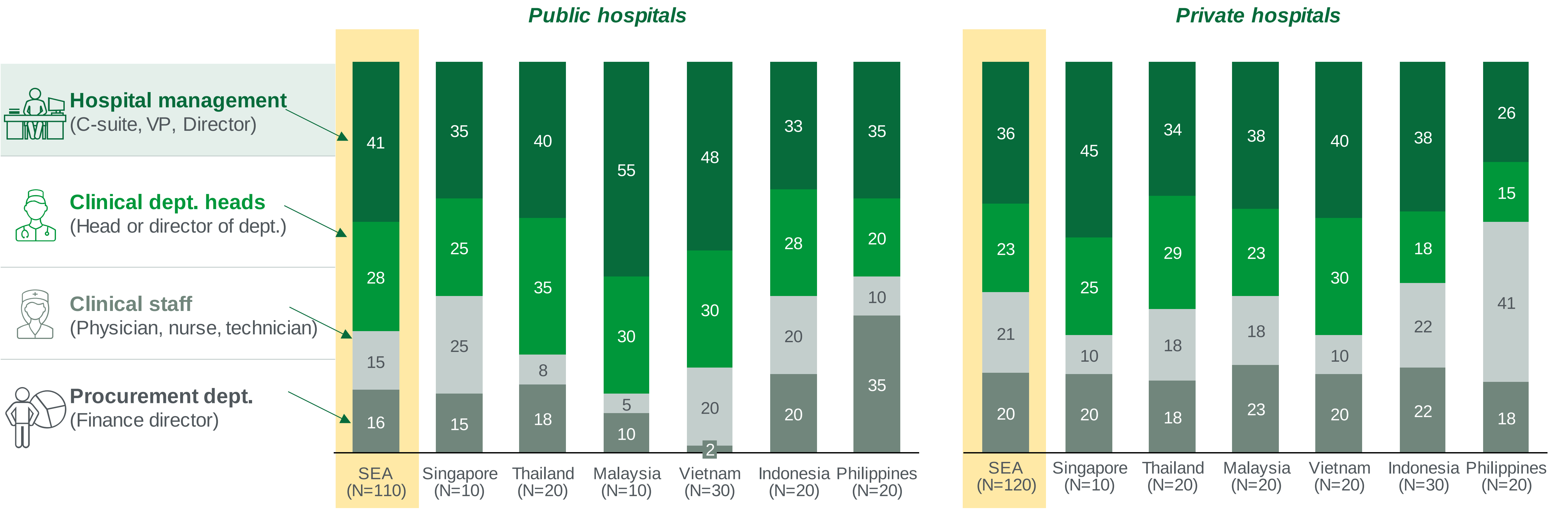
Most influential position for medical device purchasing decisions overall, by region*
Percentage of respondents who chose 1 (1-4 scale, 1=most, 4=least), 2023



*Question: Who has the most influence in purchasing decision for the following medical products today?
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Public hospital management takes lead in purchasing capital equipment and appliances, with clinical department heads being secondary decision-makers to ensure their specific needs are met

Most influential position for capital equipment and clinical support appliances purchasing decisions, by hospital type*
Percentage of respondents who chose 1 (1-4 scale, 1=most, 4=least), 2023



*Question: Who has the most influence in purchasing decision for the follow ing medical products today?
Source: L.E.K. 2023 APAC Hospital Priorities Survey

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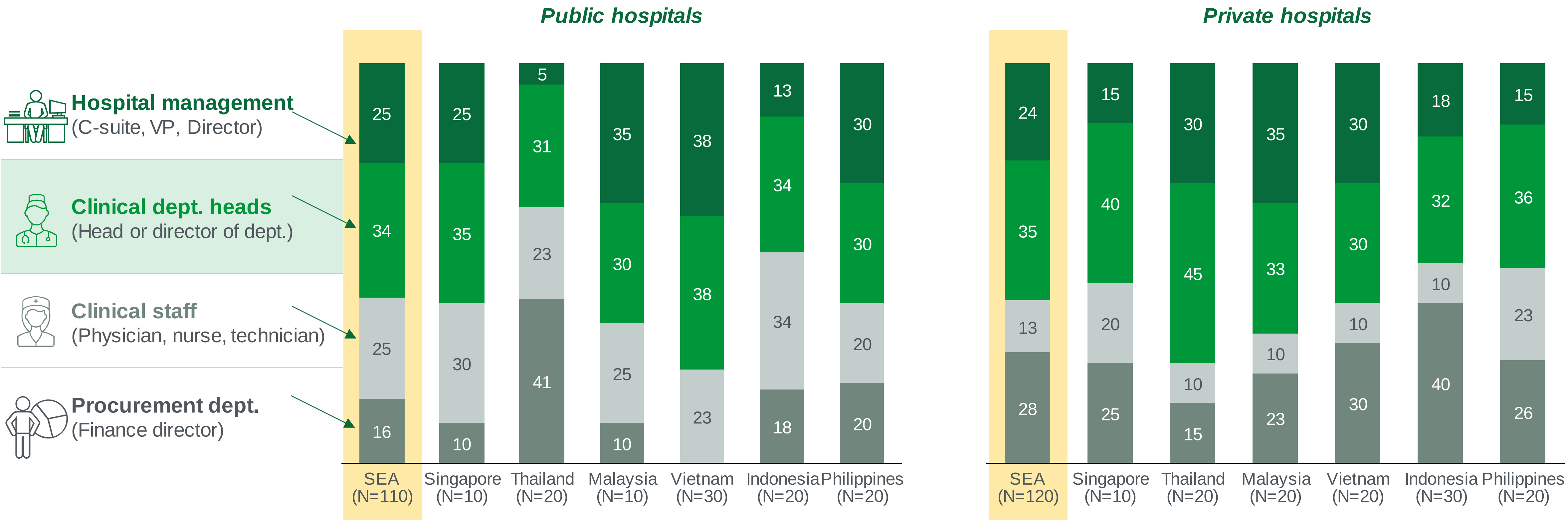
Clinical department heads have a key influence over consumables in hospitals; In private hospitals, engaging with the procurement department is crucial for consumables manufacturers

Most influential position for implantable medical devices and medical consumables purchasing decisions, by hospital type*

Percentage of respondents who chose 1 (1-4 scale, 1=most, 4=least), 2023



*Question: Who has the most influence in purchasing decision for the following medical products today?
Source: L.E.K. 2023 APAC Hospital Priorities Survey

SEA hospitals, particularly in Vietnam, prioritize working with MedTechs that offer valuable services in addition to products

Relationship with MedTech

Percentage of respondents who chose 6 and 7 (1-7 scale, 1=strongly disagree, 7=strongly agree)

*MedTech as **strategic partner** and **solution provider***

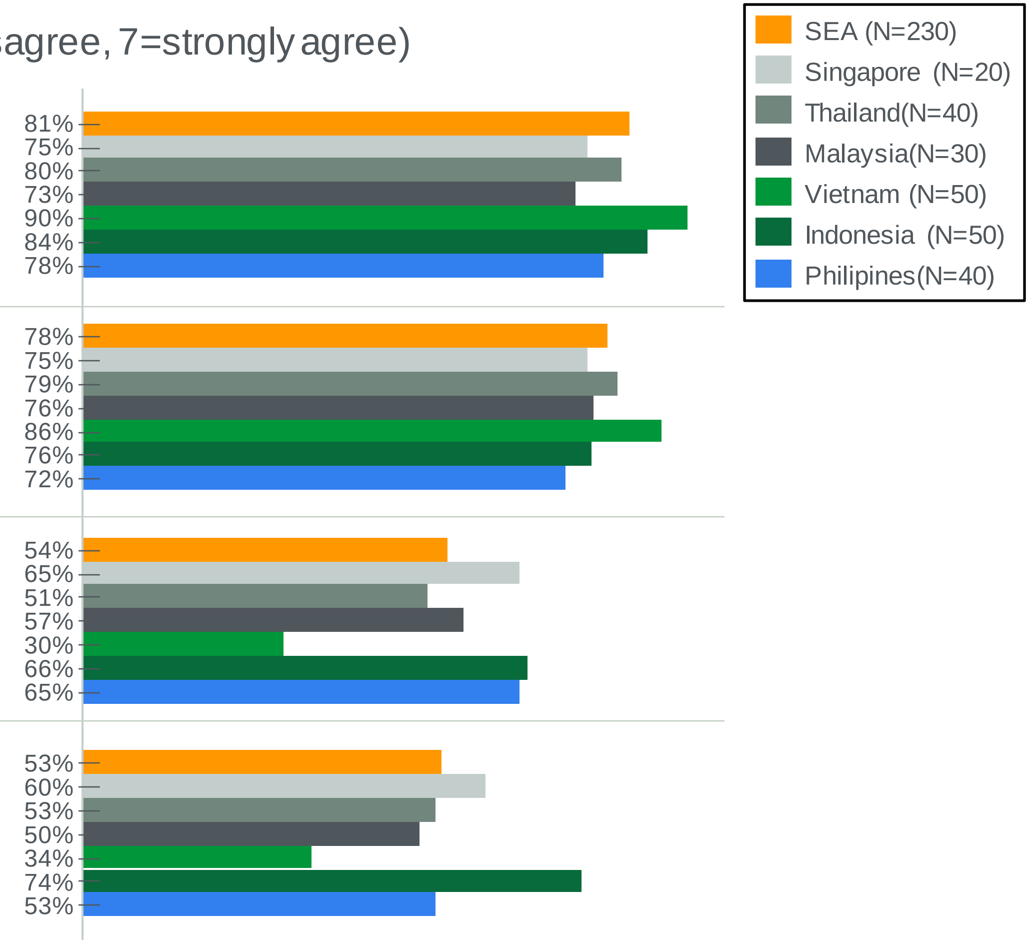
"When it comes to working with MedTechs, we want **partners who can help us achieve our goals**, not just provide us with products"

"MedTechs can provide **valuable services, solutions, and support beyond their products**"

*MedTech as **product manufacturer***

"When it comes to working with MedTechs, we **just want to get the products we need** and are **not looking for a deeper relationship"**

"MedTechs are **not well suited to provide services, solutions, or support** beyond their products"



*Question: Please indicate the extent to which you agree or disagree with the following statements
Source: L.E.K. 2023 APAC Hospital Priorities Survey

The services most valued by hospitals are supply chain and operation management, population health services and clinical IT & analytics

Top three service offerings from MedTech companies, by region*
Percentage of respondents

Top 3

	SEA (N=230)	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections							
Product acquisition and supply chain management (e.g., product selection and purchasing assistance)	44%	40%	43%	43%	34%	50%	53%
Population health services (e.g., integrated and high touch care models, discharge and follow-up)	41%	45%	35%	40%	40%	54%	33%
Clinical IT and analytics (e.g., outcomes monitoring, health and economic outcome modeling)	39%	50%	48%	33%	38%	34%	38%
Education, training and compliance (e.g., clinician training, outpatient education services	37%	25%	38%	40%	44%	28%	45%
Operations management and efficiency improvement (e.g., work flow consulting, safety and compliance consulting)	36%	35%	20%	37%	38%	40%	43%
Outsourced non-clinical functions and departments (e.g., preconfigured kits, inventory management)	29%	45%	35%	17%	24%	24%	38%
Equipment service, support and managed services (e.g., product training, device maintenance	28%	35%	20%	33%	38%	28%	15%
Outsourced clinical/medical services (e.g., pharmacy, clinician/technician staffing)	27%	25%	30%	43%	28%	16%	25%
Non-clinical analytics, services and IT (e.g., revenue cycle management, coding, KPIs/metrics)	19%	0%	33%	13%	16%	26%	13%

*Question: Please rank the top 3 service offerings that MedTech companies could provide to your hospital
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Hospitals prioritize accurate diagnostic tools and cost-efficient products when purchasing from MedTech companies; Malaysia has more emphasis on improve clinical outcome

Top three most important criteria when purchasing from a MedTech company*

Percentage of respondents

Cost and efficiency-oriented criteria
Clinical-oriented criteria
Top 3 criteria

	SEA (N=230)	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Improve clinical decisions and patient outcome by increasing the accuracy of diagnosis results	38%	**35%**	**40%**	23%	**42%**	**44%**	**35%**
Provide tools and solutions to optimise resources and increase efficiency of processes	36%	**50%**	23%	**40%**	**36%**	**44%**	30%
Help us improve diagnoses cost, accuracy and turnaround time	33%	**35%**	**38%**	27%	30%	**36%**	33%
Provide tools and solutions that will help us reduce the total cost of our operations	32%	20%	**43%**	**37%**	24%	34%	33%
Help us improve the quality of care and patient satisfaction	32%	30%	35%	**40%**	30%	24%	**38%**
Provide the lastest innovation to significantly improve the delivery of care	32%	**40%**	33%	30%	**34%**	30%	28%
Help us meet required standards, regulations and guidelines	27%	30%	20%	**37%**	26%	26%	25%
Help us improve the efficiency of our medical staff	24%	10%	33%	23%	26%	20%	28%
Help us optimise revenue cycle management	23%	20%	23%	17%	20%	24%	**35%**
Provide the best medical equipment and products	23%	30%	15%	27%	32%	18%	18%

*Question: Please rank the top 3 most important criteria for procuring from a medical equipment supplier

Source: L.E.K. 2023 APAC Hospital Priorities Survey

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Group Purchasing Organizations, reimbursement and treatment guideline endorsement are key for hospital listing

Summary of findings – go-to-market

- The top criteria for adding products to the formulary list include inclusion of GPO, reimbursement eligibility, and alignment with clinical guidelines; higher preference for MNC products in MY
- Pharmaceutical companies are highly valued in most countries for offering treatments that can reduce medical errors, have improved patient outcomes, and do not need to be administered in hospitals
- Sales representatives have encountered greater hospital access restrictions compared to 2022
- Digital engagement is widely accepted in most hospitals across SEA, with the highest level of acceptance seen in Indonesia

Note: GPO=group purchasing organization; MNC=multinational corporation; MY=Malaysia
Source: L.E.K. 2023 APAC Hospital Priorities Survey

There is a growing importance of centralized procurement, reimbursement eligibility, and alignment with clinical guidelines for adding products to the formulary listing

Top three criteria for adding a drug onto the formulary list*

Percentage of respondents

Top 3

	Criteria	SEA (N=230)	Change from 2022	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections	Drug is procured through GPO/ centralized purchasing department	**49%**	↗	**50%**	**40%**	**47%**	**50%**	**44%**	**65%**
Top selections	Drug is in the reimbursement list (national/government or private insurance)	**46%**	↗	35%	**50%**	**47%**	**56%**	40%	**40%**
Top selections	Drug is included in national/international guideline for treatment	**44%**	↓	**50%**	**45%**	**47%**	**42%**	**46%**	**40%**
Top selections	Drug is produced by an internationally well-known company	**43%**	↑	**60%**	**40%**	**63%**	30%	**46%**	33%
	Drug is the most advanced/ cutting-edge treatment available	36%	↗	30%	**40%**	27%	32%	40%	**40%**
	Drug is lower priced	30%	↓	30%	28%	17%	32%	34%	35%
	Drug is from preferred supplier	30%	↓	25%	35%	33%	30%	28%	25%
	Drug is locally produced	23%	↓	20%	23%	20%	28%	22%	23%

Changes from 2022 ↑ Increase by ≥15% ↗ Increase by 3-15% ⇒ No changes ↓ Decreasing

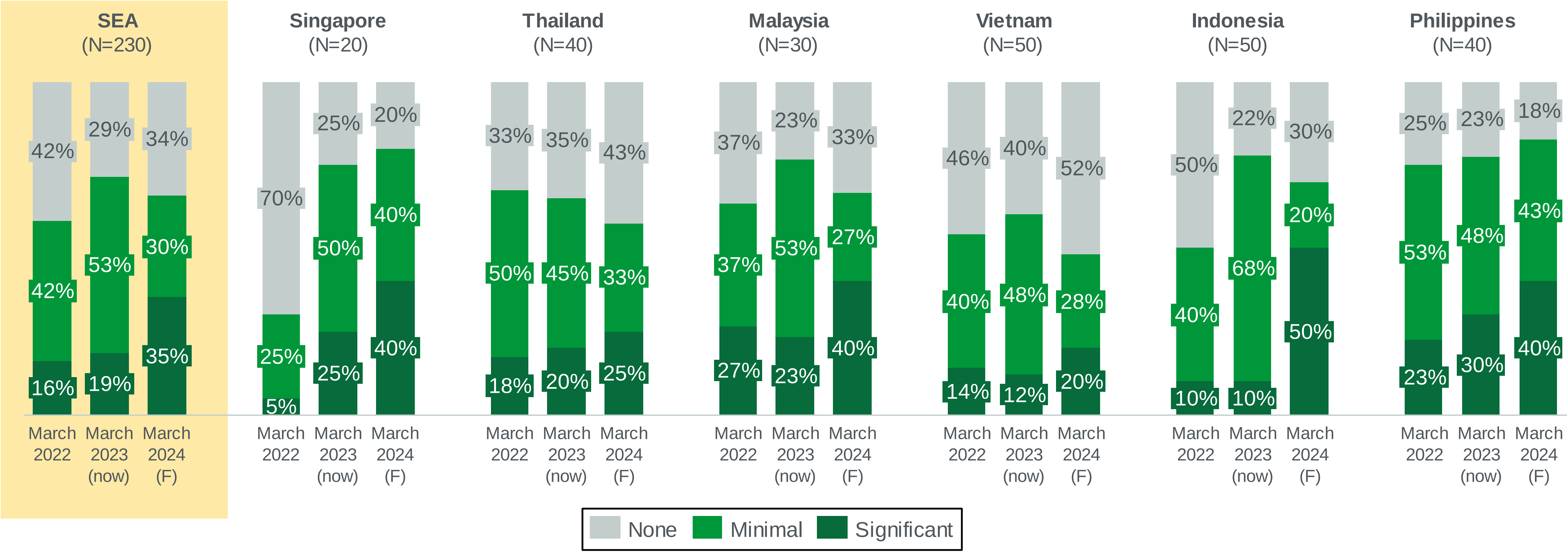
*Question: Please choose the top 3 most important criteria for adding a drug onto the formulary list

Note: GPO=group purchasing organization

Source: L.E.K. 2023 APAC Hospital Priorities Survey

Sales representatives have encountered greater hospital access restrictions compared to 2022; a growing number of respondents indicate there will be significant access restrictions in the coming year

Sales representative hospital access restrictions in 2022, 2023 and 2024*
Percent of respondents reporting



*Question: Please select which of the following best describes your hospital's approach to managing supplier (e.g., pharma, MedTech) sales/marketing representative access in your facilities. (Choices provided: No restriction on sales rep access to clinicians and/or facilities; minimal restrictions on access of sales reps to clinicians and/or facilities; significant restrictions on access of sales reps to clinicians and/or facilities)
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Pharmaceutical companies are highly valued in most countries for offering treatments that can reduce medical errors, have improved patient outcomes, and do not need to be administered in hospitals

Top three areas where Pharma companies can help in achieving hospital goals*
Percentage of respondents

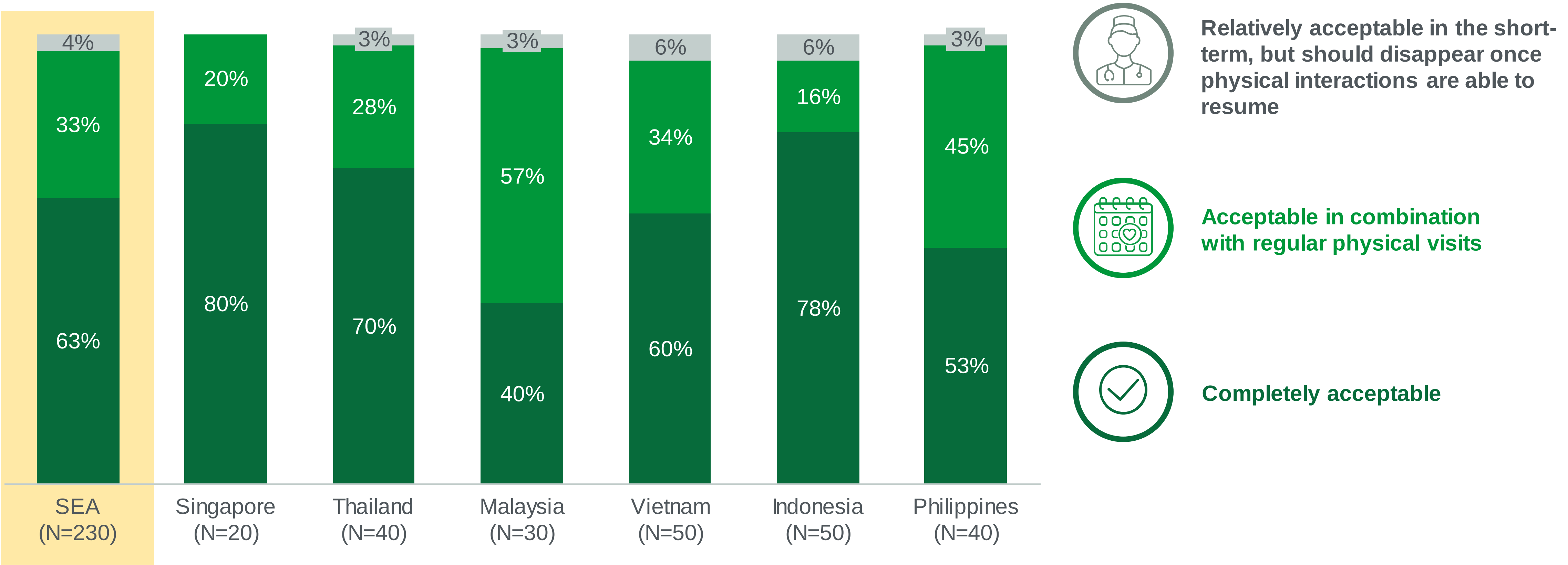
Top 2

		SEA (N=230)	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections	Offer drugs/biologics treatments that allow administration in a non-hospital setting (i.e., rehab facility or home-based) to free up hospital resources	65%	50%	63%	60%	58%	80%	70%
Top selections	Offer innovative drugs/biologics to drive improved patient outcomes (i.e., higher efficacy, lower side effects)	58%	70%	53%	70%	48%	62%	58%
Top selections	Offer solutions to reduce medical errors (i.e., supporting devices that ensure right dosage or simplify complex procedures like drug titration)	58%	75%	58%	53%	68%	52%	50%
	Offer outcome-based pricing designed to improve outcomes and/or lower operating costs	50%	45%	55%	57%	52%	40%	50%
	Offer solutions that ensure patient drug adherence	41%	30%	53%	27%	42%	42%	43%
	Offer lower cost products	28%	30%	20%	33%	32%	24%	30%

*Question: Please rank the top 3 focus areas where you would like Pharma companies to help you in achieving your hospital goals
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Digital engagement is widely accepted in most hospitals across SEA, with the highest level of acceptance seen in Singapore and Indonesia

Digital engagement preference*
Percent of respondents who chose each statement



*Question: How acceptable do you find digital engagement from suppliers vs. traditional physical interactions?
Source: L.E.K. 2023 APAC Hospital Priorities Survey

LEK™

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- Summary
- Hospital financial outlook
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- Go-to-market in SEA
- **Digitalization trends**
- About L.E.K.

SEA hospitals are at the forefront of healthcare digitalization implementation within APAC

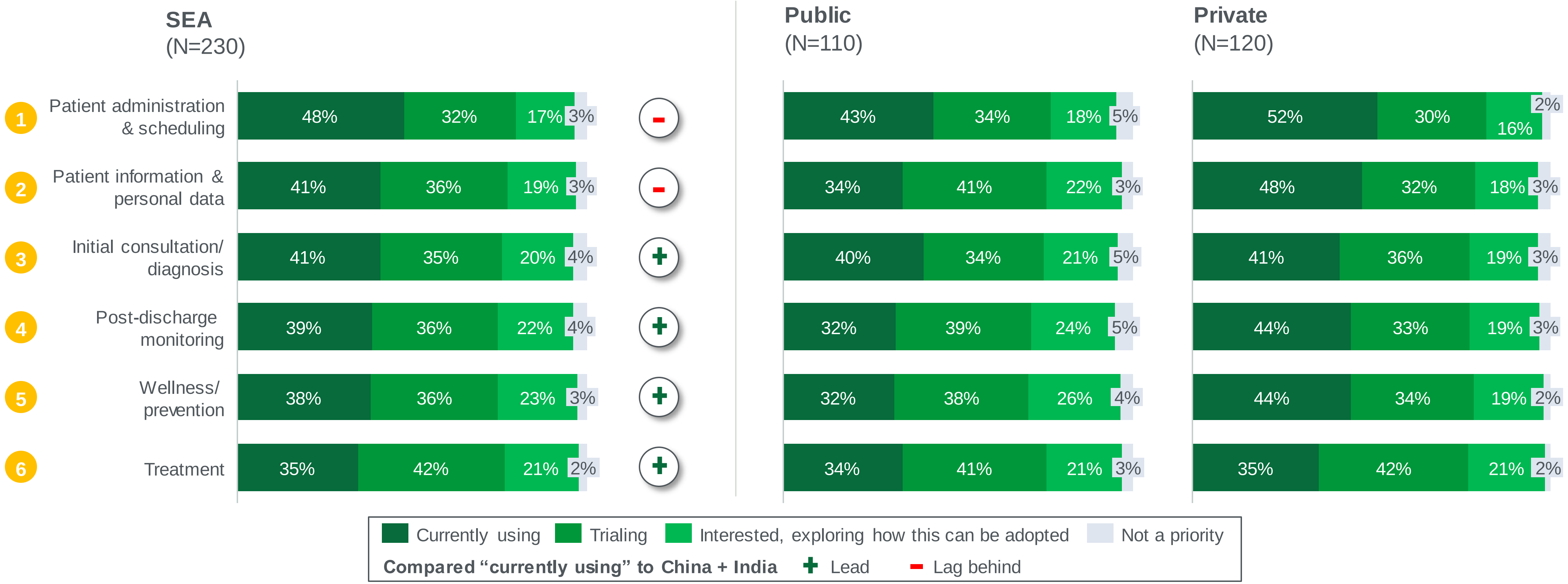
Summary of findings – digitalization

- SEA hospitals generally exhibit a higher rate of digital solution implementation, particularly in areas related to patient administration, patient information management, and personal data handling
- SEA leads in tailored disease management programs, remote consultation, patient administration and treatment, and post-discharge monitoring ahead of China and India, with a continuous rising trend
- Hospitals increasingly realize the diverse value of digital health solutions across the SEA region
- Patient privacy and talent shortage are major concerns for digital health adoption in almost all SEA countries

Source: L.E.K. 2023 APAC Hospital Priorities Survey

SEA hospitals generally exhibit a higher rate of digital solution implementation, particularly in areas related to patient administration, patient information management, and initial consultation

Adoption of digital health solutions*
Percentage of respondents

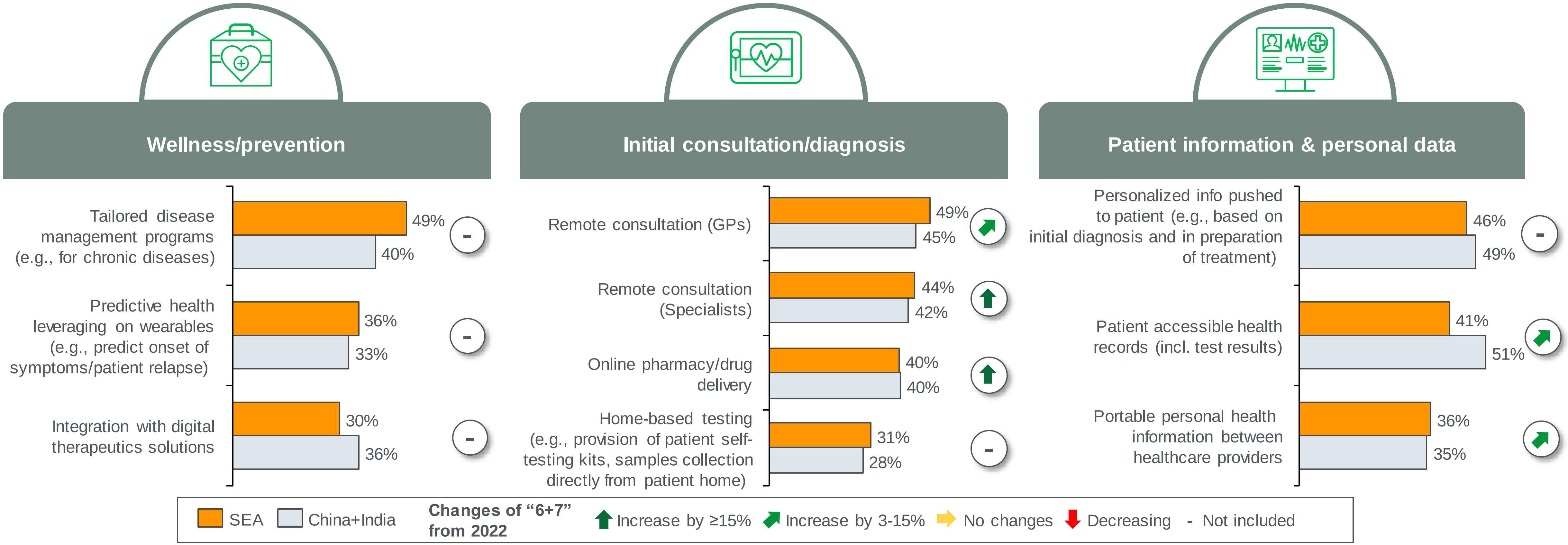


*Question: Digitalization of hospitals is gaining traction in many countries. What digital health solutions have you adopted/would you like to adopt?
Source: L.E.K. 2023 APAC Hospital Priorities Survey; Gemmed; The Japan Broadcasting Corporation (NHK); L.E.K. research and analysis

SEA takes the lead in implementing wellness & prevention programs and remote consultation compared to China and India, but lags behind on patient info and data

Adoption of digital solutions (in the order of patient journey)*

Percentage of respondents "currently using" digital solutions



*Survey question: Digitalisation of hospitals is gaining traction in many countries. What digital health solutions have you adopted/would you like to adopt?

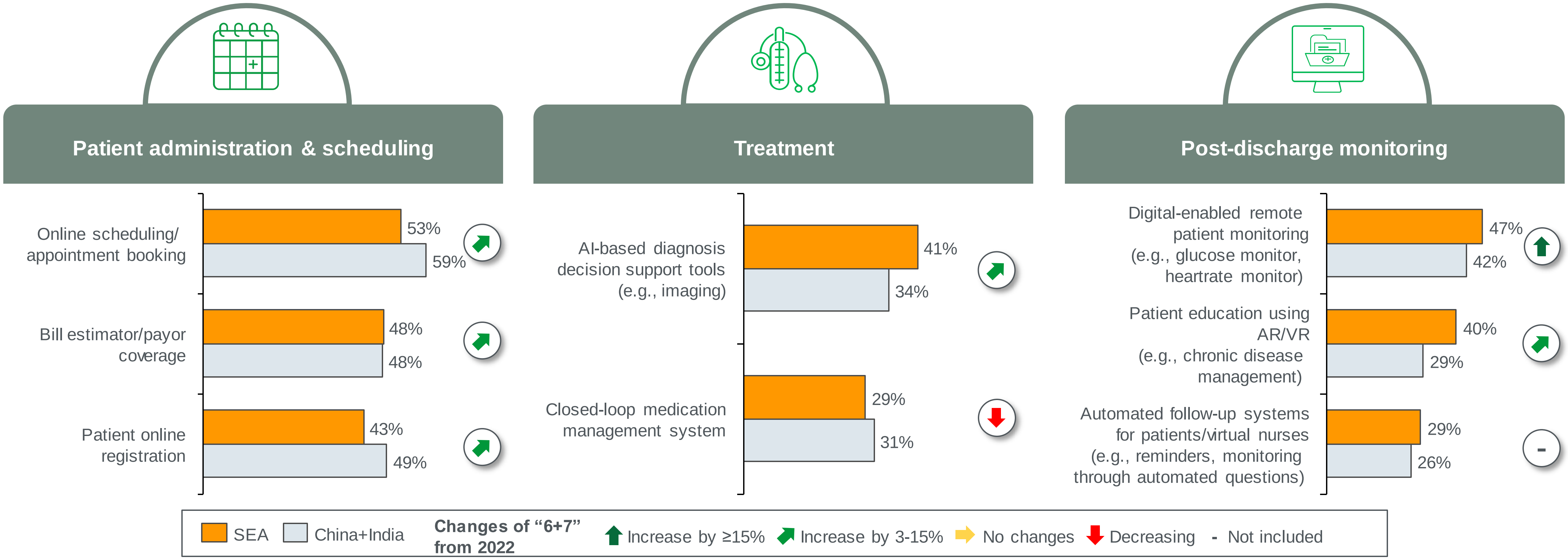
Note: GP=general practitioner

Source: L.E.K. 2023 APAC Hospital Priorities Survey

SEA hospitals have outperformed in the adoption of digital solutions in treatment and post-discharge monitoring compared to China and India, with a rising trend

Adoption of digital solutions (in the order of patient journey)*

Percentage of respondents "currently using" digital solutions



*Survey question: Digitalisation of hospitals is gaining traction in many countries. What digital health solutions have you adopted/would you like to adopt?

Source: L.E.K. 2023 APAC Hospital Priorities Survey

Hospitals increasingly realize the diverse value of digital health solutions across the SEA region

Value from digital health solution adoption*

Percentage of respondents who chose 6 and 7 (1-7 scale, 1=least, 7=most)

		SEA (N=230)	Changes of "6+7" from 2022	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections	Provide better patient care	72%	⬆	70%	**70%**	**67%**	82%	66%	**73%**
Top selections	Provide new revenue stream for hospital	71%	⬆	**80%**	63%	53%	**86%**	**74%**	**68%**
Top selections	Increase staff satisfaction	71%	-	**80%**	68%	**57%**	80%	72%	**68%**
Top selections	Increase staff efficiency and capacity	69%	⬆	60%	**70%**	**57%**	84%	**78%**	53%
	Reduce medical errors	66%	⬆	70%	**73%**	50%	**86%**	56%	58%
	Increase patient satisfaction	65%	⬆	50%	65%	47%	82%	64%	**68%**
	Contribute to the transition to value-based care	64%	-	70%	63%	43%	78%	70%	55%
	Expand the hospital natural catchment area	60%	-	**80%**	63%	47%	70%	54%	55%

Top 2 (shown in bold) | Changes of "6+7" from 2022: ⬆ Increase by ≥15% ↗ Increase by 3-15% ➡ No changes ⬇ Decreasing - Not included

Note: *Question: What value do you think digital health solutions will likely bring about for your hospital? (1=not likely, 7=very likely)

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

Patient privacy and talent shortage are major concerns for digital health adoption in almost all SEA countries

Top concerns for digital health adoption*
Percentage of respondents

	SEA (N=230)	Changes from 2022	Singapore (N=20)	Thailand (N=40)	Malaysia (N=30)	Vietnam (N=50)	Indonesia (N=50)	Philippines (N=40)
Top selections – Increased concerns around patient privacy	60%	↓	65%	55%	47%	70%	58%	60%
Top selections – Shortage of talent to develop and implement digital health solutions	57%	↑	60%	60%	43%	66%	62%	45%
Incompatibility of the different digital health solutions	43%	↓	40%	55%	40%	46%	38%	38%
Increase in administrative load	41%	↑	35%	43%	43%	40%	36%	48%
Lack of IT/infrastructure for digital health solution adoption	34%	↑	35%	25%	40%	22%	40%	48%
Staff readiness to adopt digital health solutions	34%	↗	35%	45%	20%	36%	36%	28%
Adoption of digital health solution is not part of government recommendation	28%	↗	10%	25%	13%	32%	28%	48%
De-skilling of staff as digital health solutions are replacing years of training	27%	↗	25%	33%	13%	26%	30%	30%

Top 2 **Changes from 2022** ↑ Increase by ≥15% ↗ Increase by 3-15% → No changes ↓ Decreasing - Not included

*Question: What are your concerns for digital health adoption?
Source: L.E.K. 2023 APAC Hospital Priorities Survey

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- **About L.E.K.**

L.E.K. covers all parts of the healthcare ecosystem with deep expertise across all major practice areas

L.E.K. Healthcare Sector Overview

L.E.K. Vertical Practices

Life Sciences

- Emerging & Mid-Cap Pharma
- Large Pharma
- Diagnostics & Research Tools
- Pharmacy

- MedTech
- Healthcare Supply Chain
- Healthcare IT
- Providers
- Payers

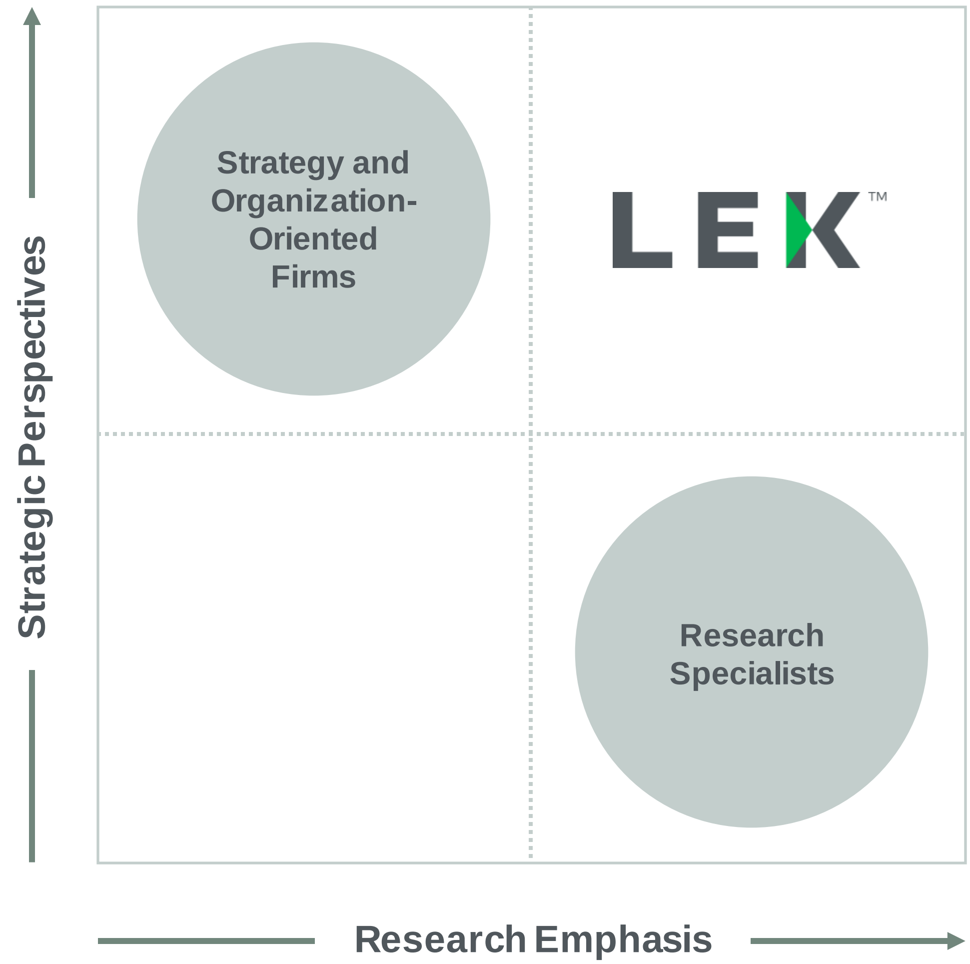
L.E.K. Horizontal Practices

- Investors & Advisors (e.g., Private Equity)
- Organization & Performance (O&P)
- Consumer Healthcare
- Digital Healthcare
- Healthcare Insights Center (HIC)

L.E.K. Capabilities

- **~75** full-time healthcare-focused Managing Directors/Partners globally across 9 vertical and 4 horizontal practices
- **Hundreds of dedicated** healthcare consulting staff across the world (plus hundreds more in critical supporting functions)
- Global network of **10,000+** healthcare industry executives, experts, clinicians, thought leaders (for research and industry insights)
- **Hundreds of projects** per year with a diverse range of large-cap, mid-cap and PE-backed clients
- Industry-leading **thought leadership and Intellectual Property** (e.g., best-in-class methodologies, benchmarks, market fact-bases, industry surveys)
- Recognized as a leading advisor for **growth strategy, M&A support** and solving key **strategic and complex business issues**

L.E.K. is a consulting firm uniquely positioned to deliver the strategic perspectives of a large strategy firm combined with the granular insights of a research specialist



L.E.K.'s key points of differentiation

Hands-on senior team with deep expertise	L.E.K.'s Partner-led execution model ensures depth of insights and an actionable strategy
Fact-based approach	Data-driven and highly analytical approach leveraging world class Market Insight capability; conclusions are based on facts, not conjecture or "pre-packaged solutions"
Industry thought leadership	High caliber team of PhDs, MDs, and MBAs regularly publishing insights and engaging with market leaders & innovative challengers
Bias to action	Acknowledgement that solutions have no value unless they can be readily acted upon. Deep experience working with management teams to develop actionable strategic plans
Speed and flexibility	L.E.K.'s heritage as a transaction advisor has created a working style enabling high-quality, rapid execution

Our MedTech practice is a recognized thought-partner and trusted advisor to senior executives across the MedTech industry

L.E.K.'s MedTech Practice

Engaged with **9 of the top 10** largest medical device companies

Works across **all medical device categories** and the entire **value chain**

Completed **600+ engagements** in the MedTech industry

Global network of **10,000+** healthcare **industry experts** and **thought leaders**

Experience across key customer segments including **IDNs** and **payers**

Deep experience with **Corporate M&A Strategy, Acquisition Screens, and Diligence**

Creativity and Energy engagements in and outside of MedTech

Customized and experienced team of **Ph.D.s, M.D.s, MBAs** and **industry experts** for each engagement

Dedicated, "Hands-on" Senior Team that executes projects

Connect with us

Stephen Sunderland

Partner, Head of SE Asia
Healthcare and Life Sciences

Experience

- Stephen has 21 years of experience in strategy consulting working with major clients in the private and public sectors, and is a Partner leading L.E.K.'s SE Asia MedTech practice
- Stephen has worked with major multinational companies, midsize companies, social enterprises and nonprofits, financial investors, and governments. Stephen advises clients that are active in China and SE Asia MedTech, life sciences and healthcare services, and has previously worked across a range of other sectors
- Stephen focuses on medical technology markets and has recently worked across high-value devices, low-value consumables, equipment, imaging and IVD instruments and reagents

Education

Stephen holds a Masters in Manufacturing Engineering from the University of Cambridge

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Arnaud Bauer

Partner, Healthcare Services
and Healthcare M&A

Experience

- Arnaud has over 15 years of experience in strategy consulting in healthcare and private equity, advising investors, healthcare providers, and government agencies
- He has led dozens of buy/sell-side transaction engagements and greenfield investment projects across emerging Asia Pacific (Southeast Asia, India), EU and Middle East
- Arnaud advises on growth strategy, mergers and acquisition, and digital strategies. His clients include large private healthcare systems and private equity investors
- His experience in healthcare services spans across the general hospital setting all the way to clinic-case specialty care, including fertility, aesthetics, oncology, mental health, dialysis, dental care and dermatology

Education

Arnaud earned his Masters of Engineering from Ecole Centrale (France), Masters of Business from ESSEC Business School (France) in partnership with Nanyang Technological University (Singapore)

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