

*4th International Third Spring of
Life Tourism and Dynamics
Congress
Elderly Care Industry According
to Investors
November 2016*



Agenda

Refresh megatrends

What drives investors

Summary and look out

Megatrends

Our welfare and healthcare depend on how well we can adapt ourselves to 5 megatrends



Accelerating urbanization



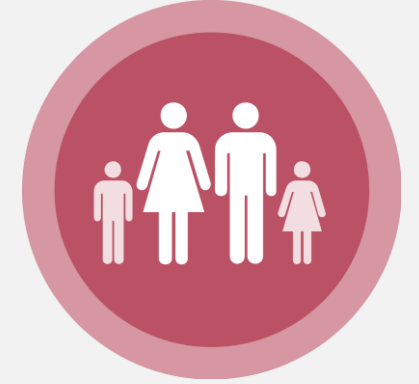
Climate change & resource scarcity



Shift in economic power

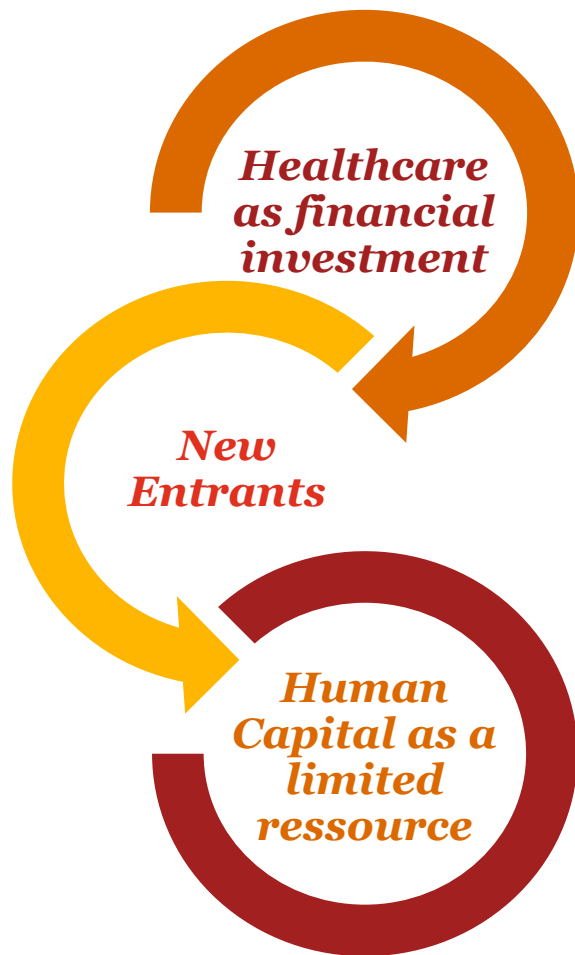


Technological breakthroughs



Demographic shifts

New business models are starting to emerge, new partnerships are developing, and a rebalancing of the public and private sectors is taking place.

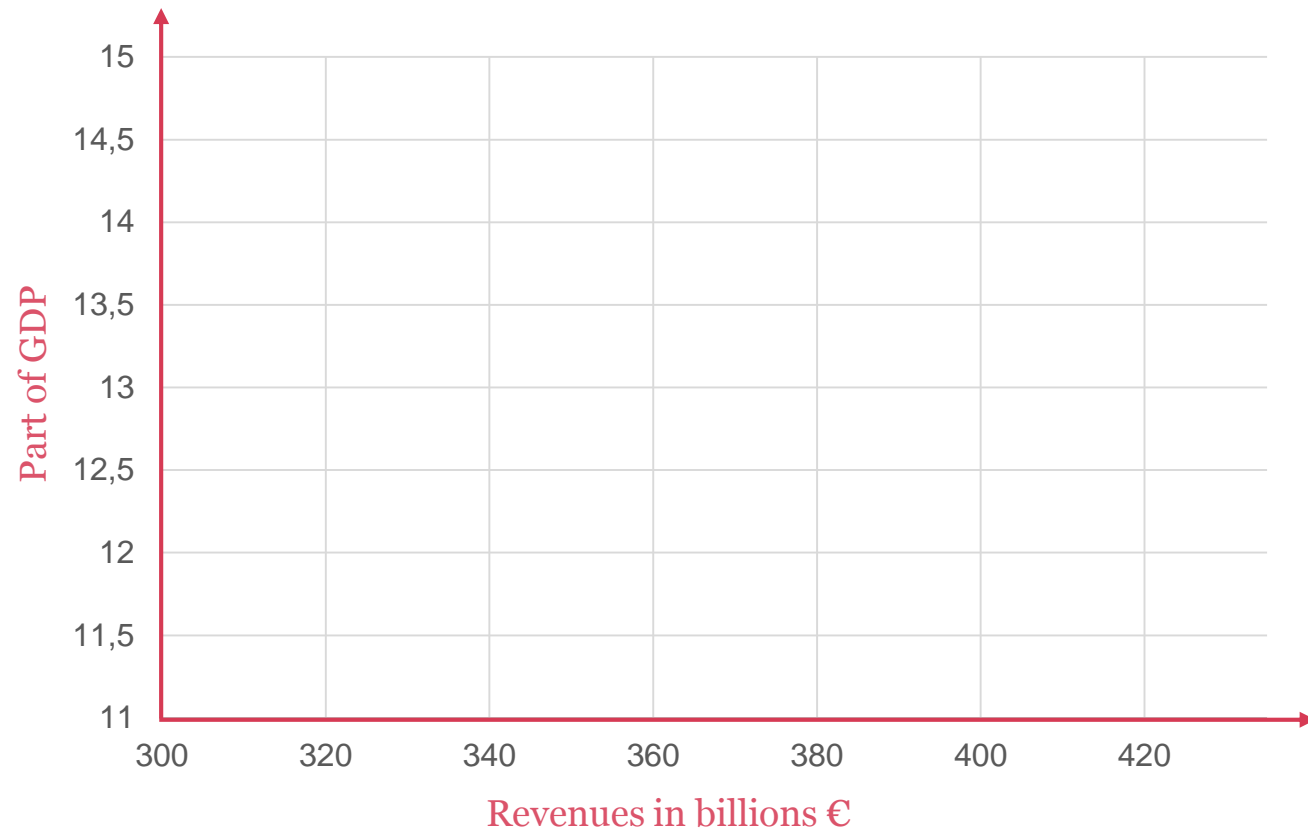


- Rising demand of healthcare services until 2050
 - In most territories the state grants going concern of the healthcare systems
 - High liquidity of capital (pension fund, venture capital, private equity, insurance) and decreasing number of high yield securities
- Financial investments in healthcare becomes a safe haven with moderate yields from 5-7%

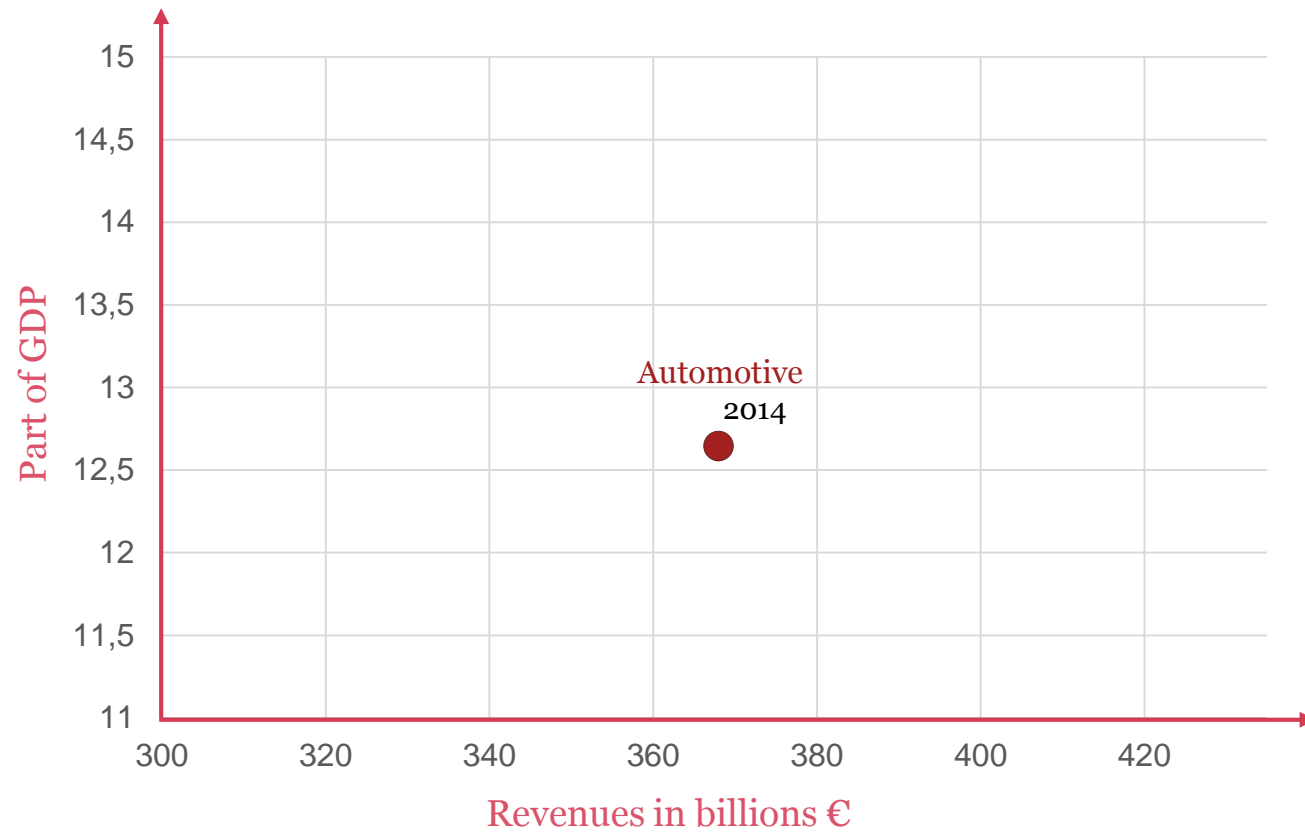
- Staff shortage and increased demand of healthcare services as well as an aging consumer require new business models
- Companies either invest in enlarging their value chain (Linde) or they diversify their risk of demographic changes (DB Regio)

- Healthy employee as asset due to demographic shift and aging workforce (average age raises: 3-4 years in next 10 years, 7-8 years in next 20 years)
→ PwC: average age today 34 years and in 2020 over 40 years
- As a result need for a „Health Compliance Officer“ in each company to ensure that every decision is aligned with this aspiration
- High relevance of digitalization and thereby high pressure to implement digital services in order to reduce workload and optimize processes (digitize/ industrialize healthcare)

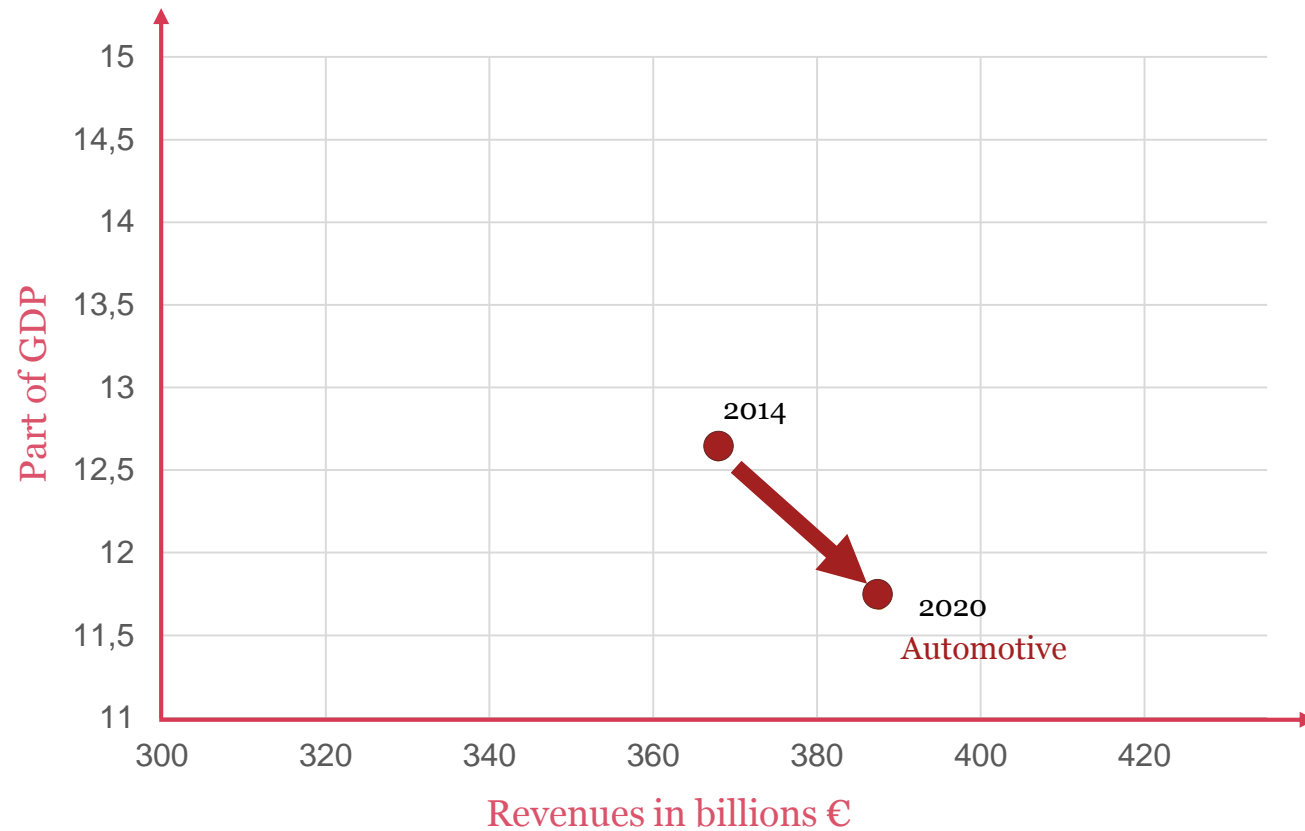
The attractiveness of the health market...



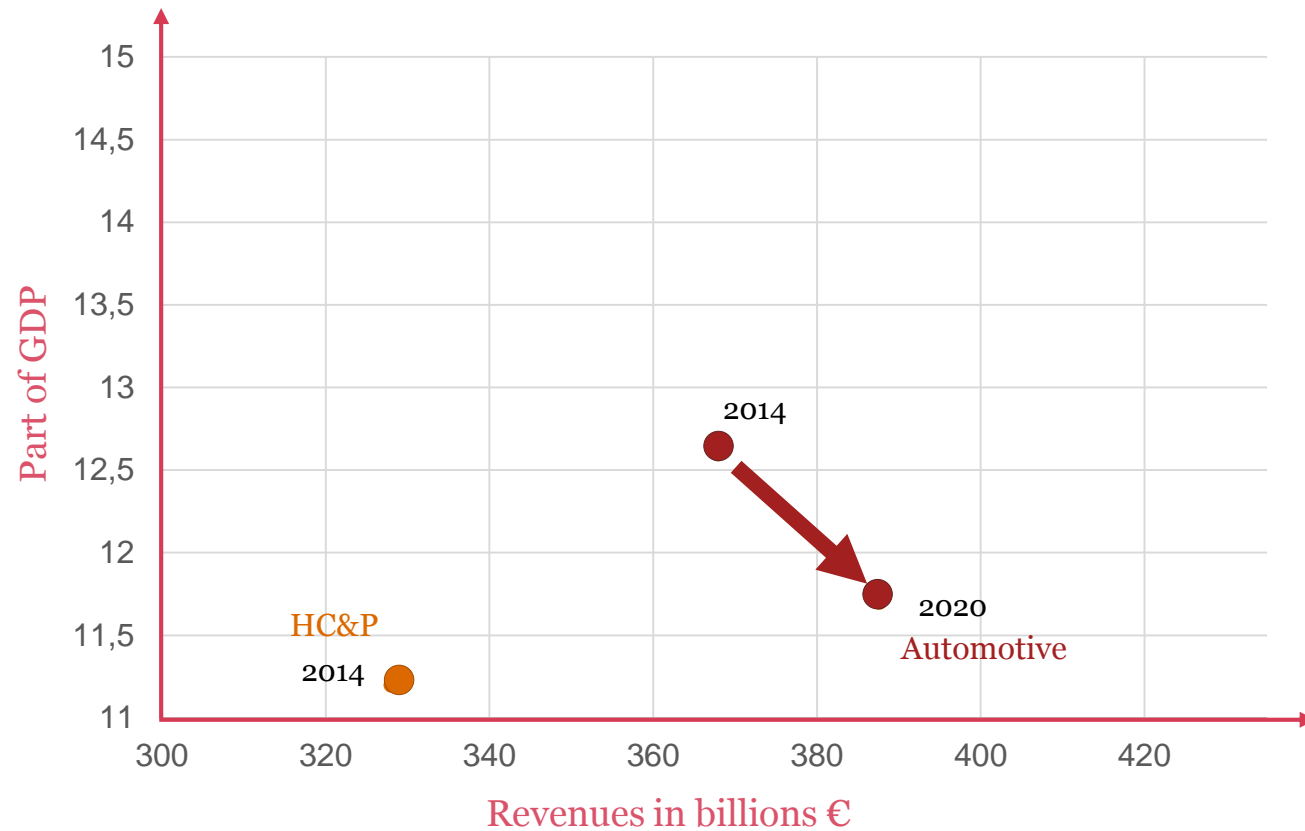
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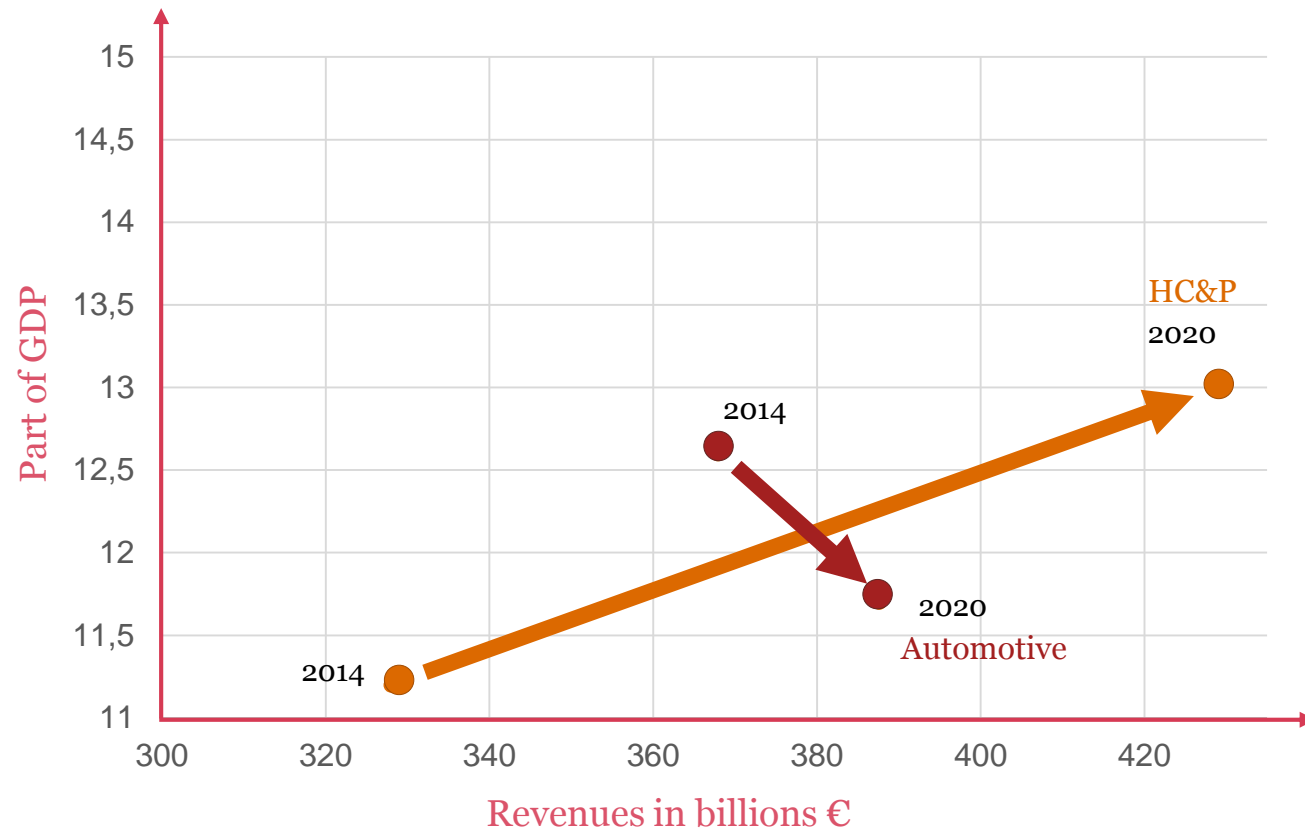
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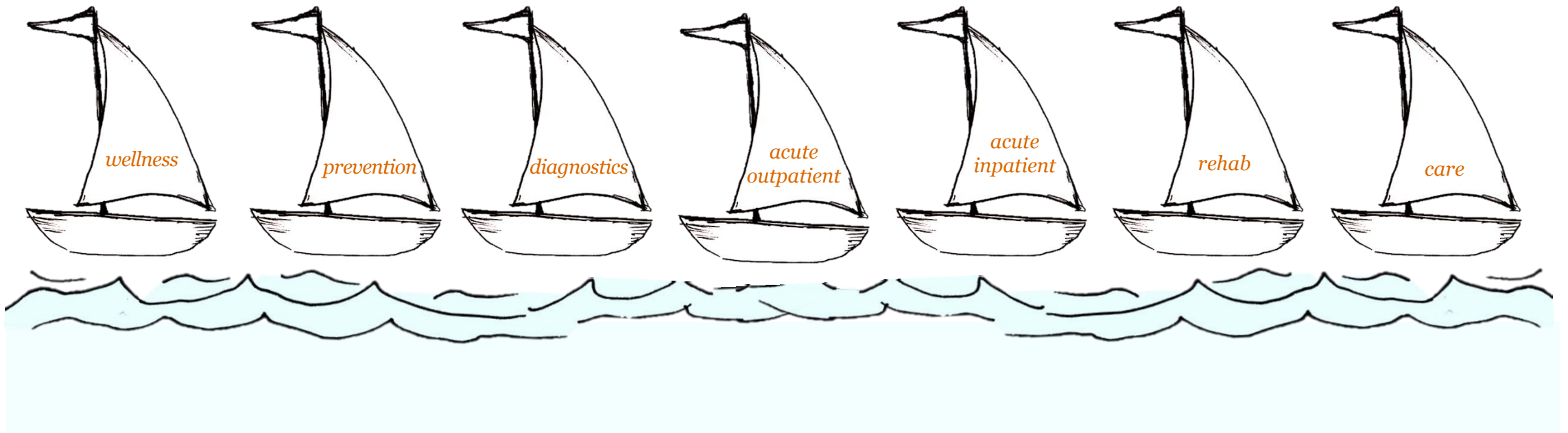
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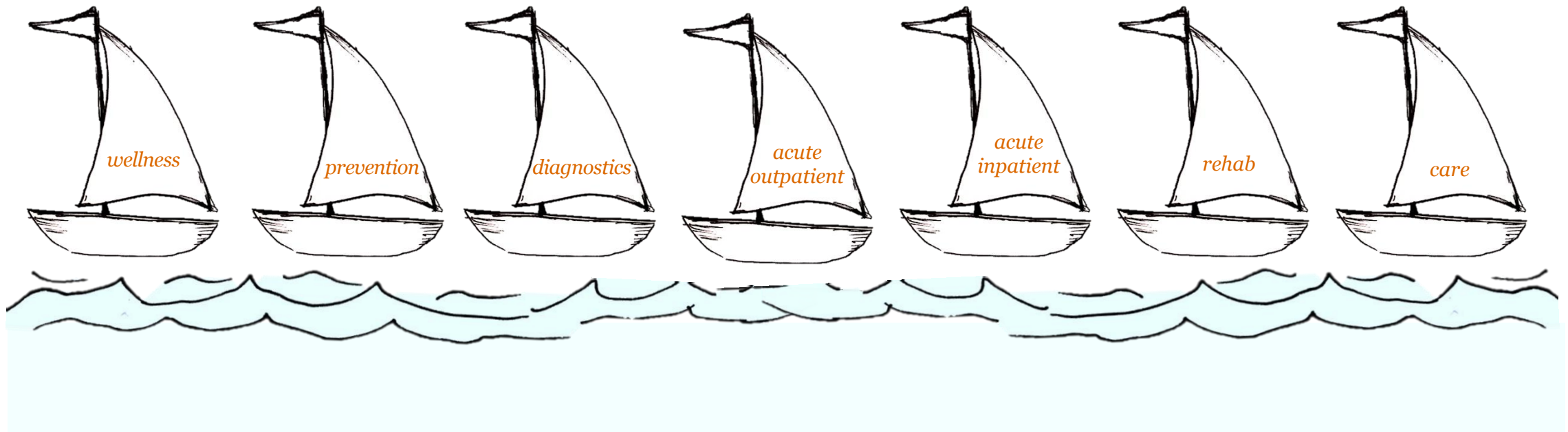
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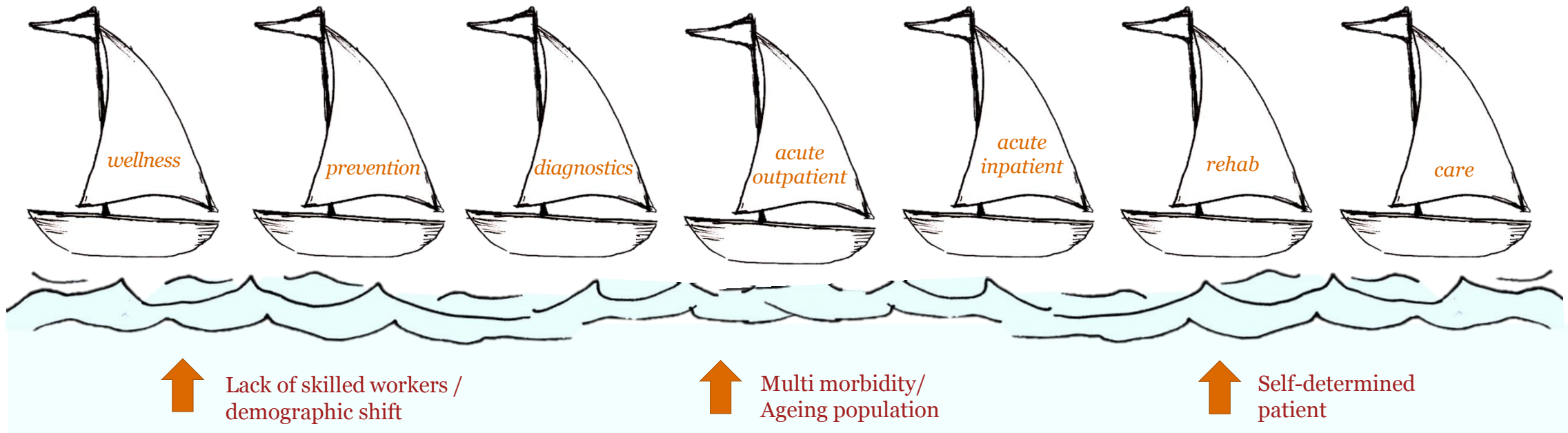
...leads to a battle for the health market positioning.



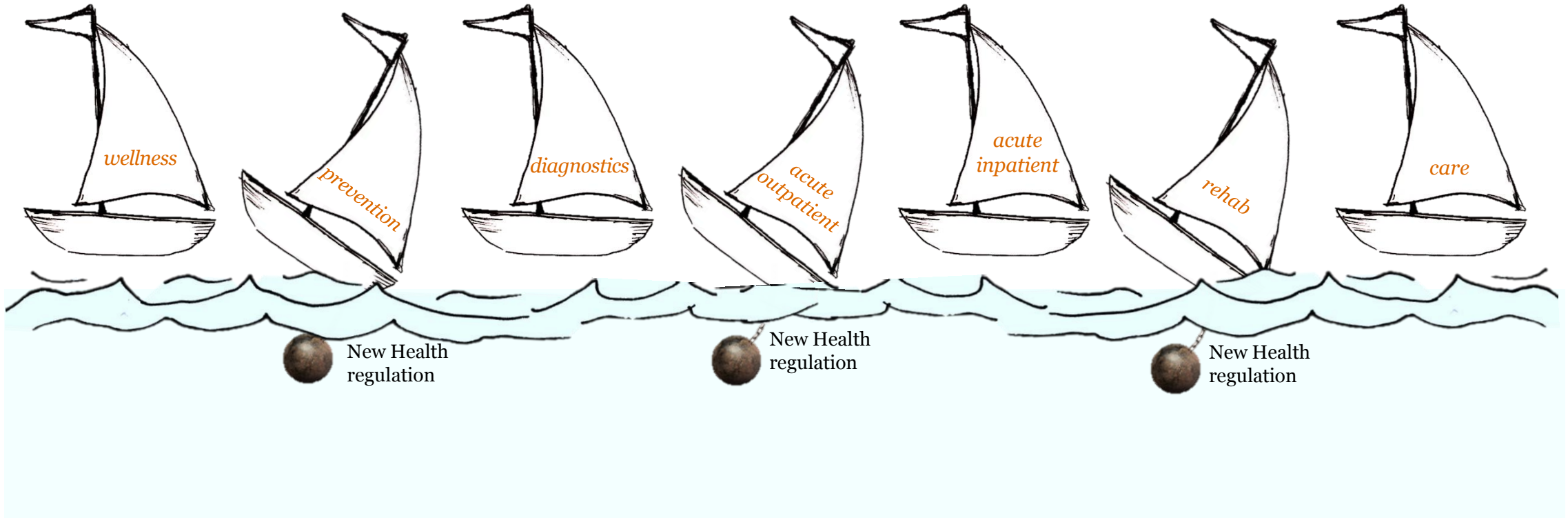
The health market is growing rapidly and brings a lot of challenges.



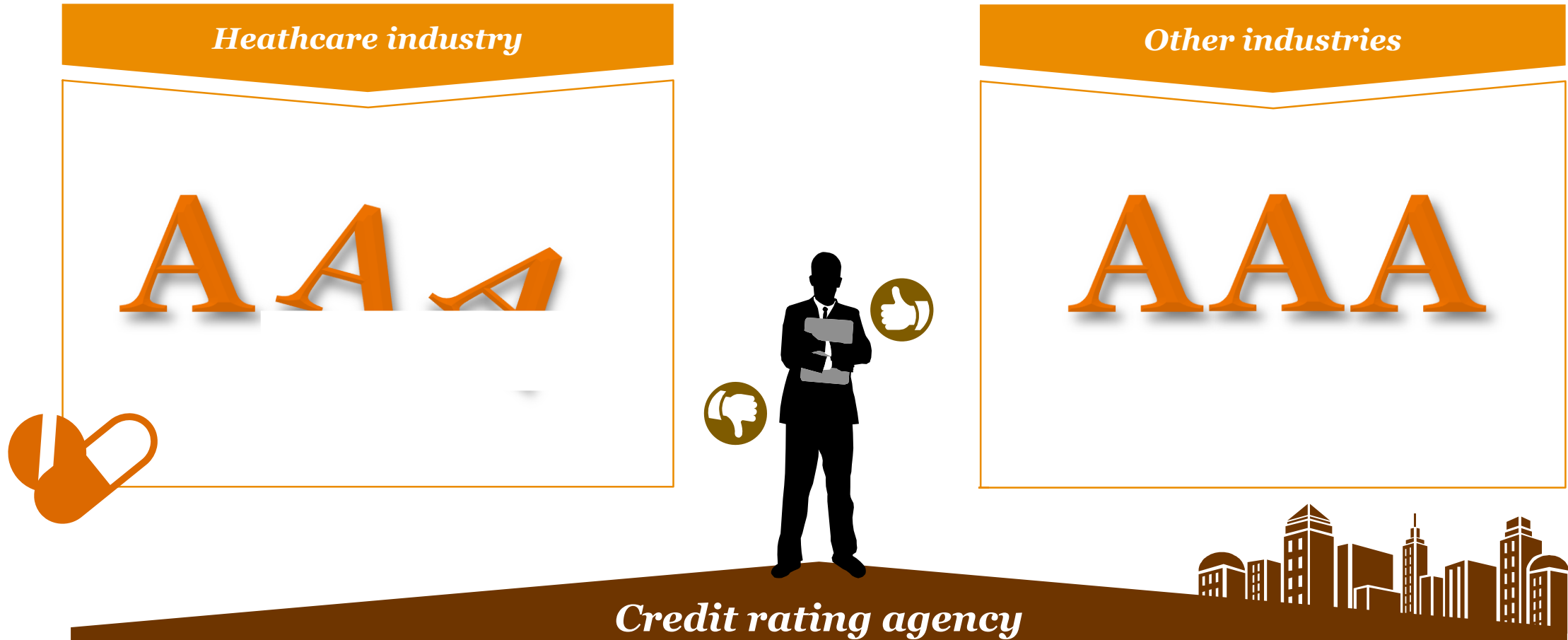
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The legislator passes new health regulations and established companies sink.



Healthcare companies never reach A-ratings.



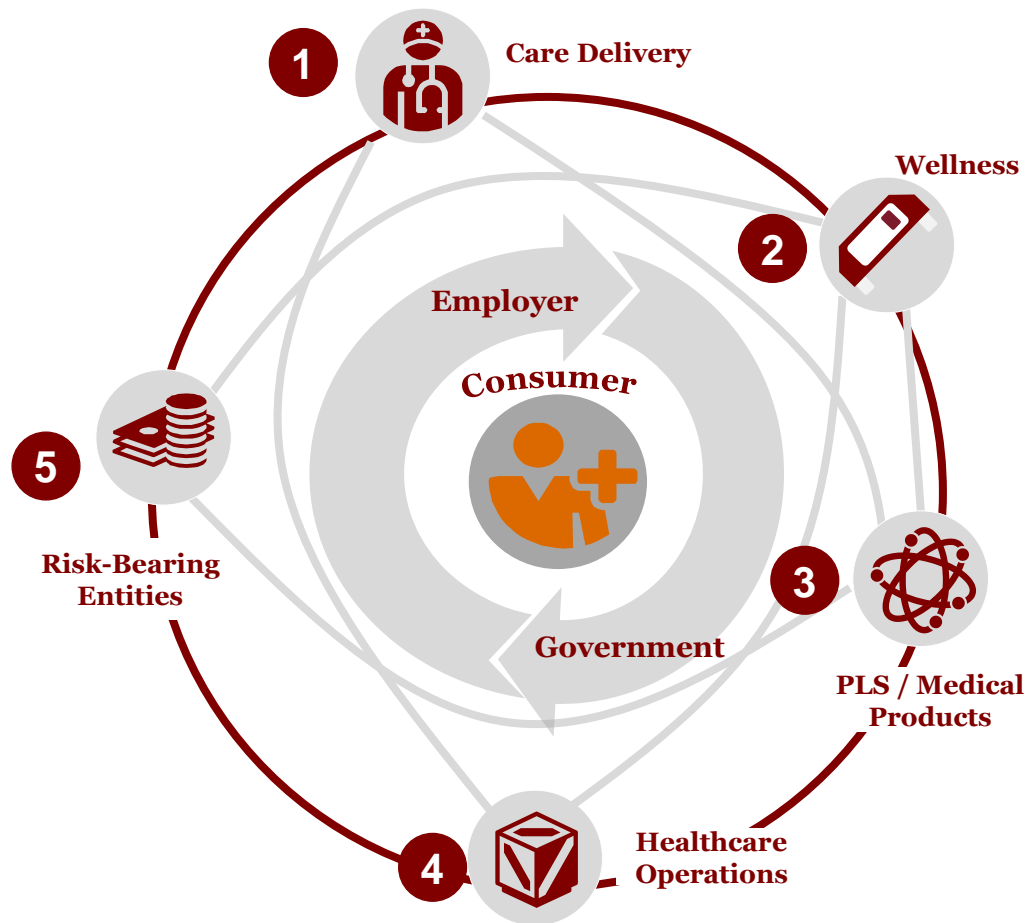
The healthcare market develops in different directions.



health value chain



In the evolving healthcare ecosystem, roles are being redefined and the definition and direction of value exchange is changing.



Existing

Emerging

1

- **Physician Offices**
- Hospitals
- **Ambulances**

- **Retail Clinics**
- Worksite Clinics
- Telehealth
- Mobile
- **Mobility Provider**

2

- Employers
- Fitness Companies
- Nutrition Companies

- Technology Providers
- Healthcare Providers
- Financial Institutions
- Public Health Entities

3

- Academic Medical Centers
- Pharma
- **MedTech**
- Industrial Designers

- **Automotive Companies**
- Technology Vendors
- Imaging Companies
- **Medical consultant firm**

4

- Wholesalers/Distributors
- Financial Institutions
- Software Providers

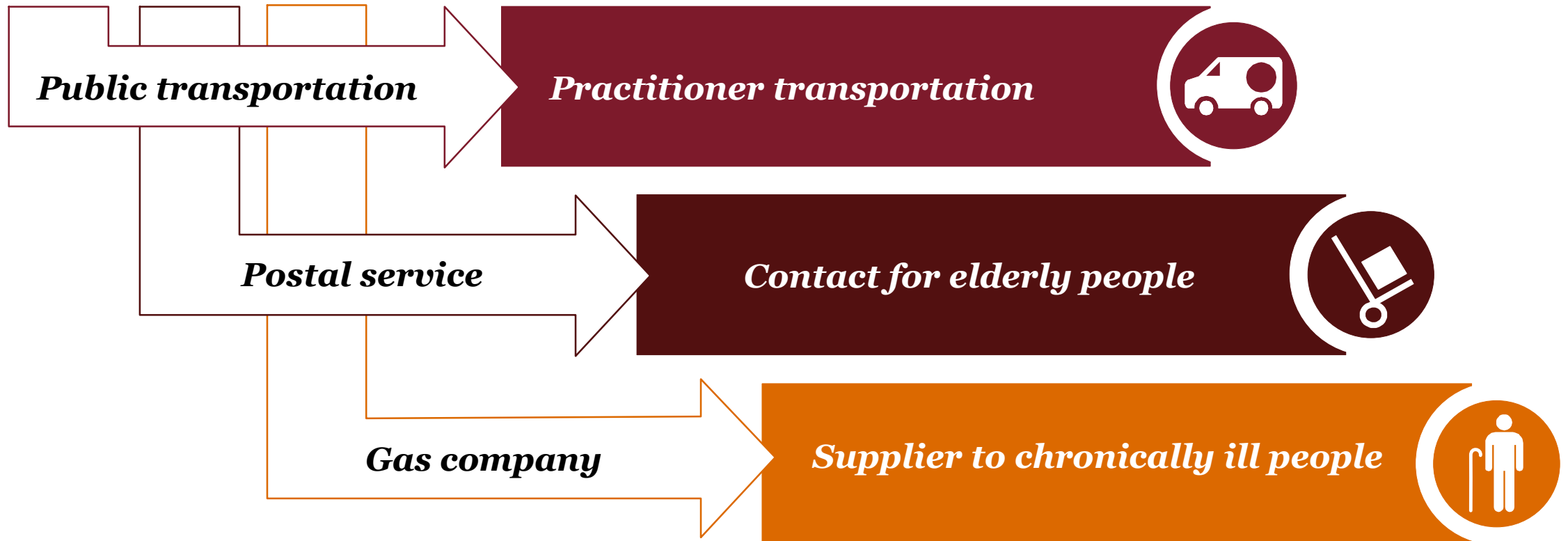
- Technology Providers
- Service Firms
- Consulting Firms

5

- **National Payers**

- **Insurance Companies**
- Healthcare Providers
- **Innovative Healthcare Insurance**

When New Entrants “raiding” healthcare they could tend that way.



Success factors for Investing in elderly Care



Thank you.

Monder Kassem

PwC | Healthcare&Pharma
Head of Elderly Care Consulting Germany
Phone: +496995851085
Mobile: +491752611058
monder.kassem@de.pwc.com