



**Unilabs**

PRESENTATION

MICHIEL BOEHMER

November 2018



# MICHIEL BOEHMER (1969)



- Husband & father living in Velp NL
- Working accross Europe (Monday to Friday)
- First 10 years of career Marketing & Sales
- Past 13 years in General Management
- Last companies Aalberts Industries NV & Vaillant GmbH (various executive roles)
- 2013-2017 Chief Operating Officer Unilabs
- 2018 – today CEO region south (Benelux, France, Portugal, Spain, Tele-Medicine Clinic)



**BUILDING HIGH PERFORMANCE TEAMS & BELIEVE IN THE POWER OF CULTURE**  
**I COLLECT, ANALYSE, COMBINE & IMPLEMENT**  
**I TRY TO MAKE THINGS SIMPLE**

# WHAT YOU CAN EXPECT

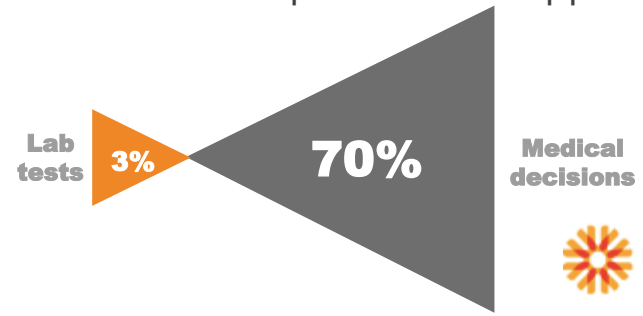


- Insight in Unilabs Group
- Market trends & development in & around the medical diagnostics market
- Our strategic frame work for Medlon & NL
- Some opinions on our market space in NL
- Q&A

# WE ARE AT THE HEART AND START OF ALL EFFECTIVE TREATMENT DECISIONS



- The Clinical Lab provides key information along the healthcare continuum
- Lab tests represents **3%** of the total healthcare spend while influencing more than **70%** of the medical decisions
- Screening, early detection and monitoring treatments increase quality of healthcare to patients and reduce overall healthcare costs
- Advances in science and technology (e.g. molecular and genetic testing) provide for earlier detection and a more personalized approach to care



# OUR SUCCESS STORY IS A RESULT OF HARD WORK, EXCELLENCE AND PASSION



**> 10.000**

Employees



**>200 million**

Annual laboratory tests



**>300**

Laboratories



**>5 million**

Annual imaging exams



**>100**

Imaging Centers



**> 1000**

Medical doctors

# ALL KEY THEMES ARE THE SAME BETWEEN DIFFERENT MARKETS



PRICE PRESSURE WILL BE AN  
ONGOING CONSTRAINT



HOW YOU WIN CUSTOMERS  
DIFFERS PER MARKET



OPERATIONALLY, MARKETS ARE  
ALIKE



HIGHLY UNCONSOLIDATED  
MARKET

# ALL COMPANIES STRUGGLE WITH THE SAME KEY TOPICS



LITTLE COOPERATION AND  
LACK OF BEST PRACTICE  
SHARING



MANAGEMENT NOT CAPABLE  
NOR INCENTIVISED TO DELIVER



NO FOCUS ON COST CONTROL



NO FOCUS ON ORGANIC GROWTH  
BUT FOCUS ON M&A, WITHOUT  
POST M&A INTEGRATION

**MANAGEMENT → EVERY LOCAL CEO MUST HAVE A FULL P&L & DRIVE OPERATIONAL PROFIT FOR INNOVATION  
KEY FUNCTION OF HQ → LEVERAGE SIZE, THE BENCHMARKS & DRIVE BEST PRACTICE IMPLEMENTATION**

# MARKET OVERVIEW DIAGNOSTICS

A LARGE MARKET WITH  
SPECIALTY LABORATORY AND  
IMAGING SERVICES GROWING  
FASTER THAN ROUTINE  
LABORATORY TESTS

## CLINICAL LABORATORY SERVICES



### ROUTINE DIAGNOSTICS

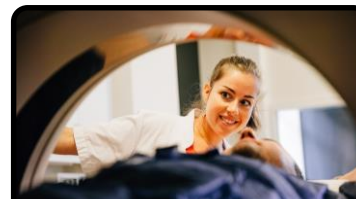
~€25B

1-2%

Market Size

Growth Rate

## IMAGING SERVICES



### IMAGING DIAGNOSTICS

~€58B

4-4.5%





**WE ARE  
PRETTY  
UNIQUE**



WE HAVE A MIX THAT FUELS OUR GROWTH



WE HAVE A UNIQUE WAY OF WORKING



WE HAVE A TRUE COMMITMENT TO  
INNOVATION

# OUR MIX ALSO MAKES US COMPETITIVE



56%

25%

19%



70%

30%



80%

20%



58%

42%



100%



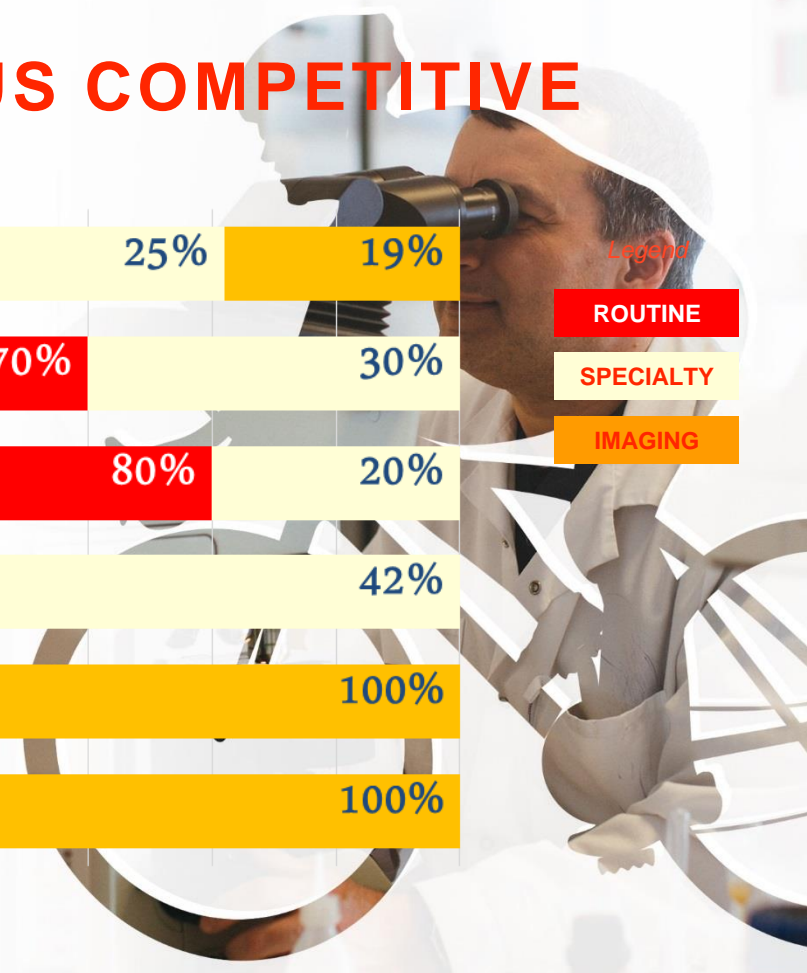
100%

Legend

ROUTINE

SPECIALTY

IMAGING



# WE HAVE A UNIQUE WAY OF WORKING

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## OUR STAND OUT MATRIX



### *What?* **GOALS**

*How do we do this?*  
Through our  
BHAGs

### *What?* **PURPOSE**

*How do we do this?*  
Through our  
MMM

### *How?* **STRATEGIES**

*How do we do this?*  
Through our  
Vital Few

### *How?* **VALUES**

*How do we do this?*  
Through our  
CBBs

# WE ARE COMMITTED TO INNOVATION

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**INITIATIVE 1  
DIGITALIZATION  
& INTEGRATION**



**INITIATIVE 3  
SPECIALTY  
REFERENCE**



**INITIATIVE 2  
SERVING  
PHARMA**

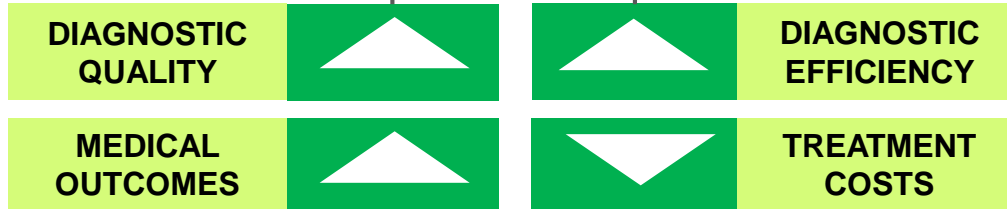


**INITIATIVE 4  
SERVICE  
EXCELLENCE**

# EXAMPLE: VALUE CREATION WITH DIGITALIZATION



**Lead to**



**Which results in Overall Value Creation**

*“Providers with significant experience in treating a given condition have better outcomes, and costs improve as well.”*

Michael E. Porter 2013

## **WITHIN 5 YEARS**

**The Quantified self is alive & well, digital technologies have transformed the culture of health care and new entrants have disrupted delivery models.**

# RELEVANT TRENDS IN HEALTH CARE

## Demographic trends

- Average life expectancy increase from 75 in 1990 to 80,5 years in 2015
- Telehealth use is accelerating in 2018.
  - 65% of interactions with Health Care facilities occurs with mobile devices
  - 80% of doctors already use smartphones & medical apps in HC provision
- By 2020 19,8% of Europeans will be over 65 years old

## Economic trends

- Global pharma spend is growing @ 5% per year (it was only 2,2% per year 2011-2016)
- Biology is one of the fastest growing segments of MedTech reaching \$67,3bn by 2020
- The market for precision medicine increases from \$39bn in 2015 to \$87,7bn by 2023.
- Oncology spending grows at 9 to 12% per year until 2021
- DNA sequencing of genes is a new growth area
- Population health management software & services is projected to increase from \$8,9bn in 2016 to \$50,4bn in 2025



# RELEVANT TRENDS IN HEALTH CARE

## Disease trends

- Every 3 seconds someone develops dementia currently 50m people live with dementia doubling every 20 years
- In 2014 obesity cost \$2 trillion (2,8% of global GDP!) by 2025 1,17bn (!) adults will be affected by obesity
- 415m people have diabetes the cost of treating this is over \$673bn per year
- Cancer is after cardio vascular the biggest killer @ 1 out of 6 deaths world wide hence approximately 9m last year
- .....

There are many more trends and one can drown in them. The art is not to carve a strategy in stone but to stay flexible & agile.

# THE QUANTIFIED SELF IS ALIVE AND WELL

## The genome generation is more informed & engaged in managing their own health

- Individuals will be better informed about their genetics profile, the diseases they have or might develop & the effectiveness of health interventions.
- They are more engaged & involved in improving their own health and their expectations of health care are high
- They embraced prevention & they devote time & money to staying healthy including using health apps & wearables
- The quantified self is a true consumer, they realize they have options and use data about themselves to get the best treatment for them.

Diagnosticians like Unilabs can play a vital part when they provide for a 24/7 digital network connected via software to the devices used. We have no well defined plan for consumers yet

# THE CULTURE IN HEALTH CARE IS TRANSFORMED BY DIGITAL TECHNOLOGIES

## Smart healthcare is delivering more cost effective patient-centered care

- By 2022 demographic and economic changes, increased patient expectations and advanced digital and cognitive technologies have disrupted health care worldwide.
- A growing number of inpatient health care services are now delivered more effectively at home or in outpatient ambulatory facilities.
- Clinical roles have been optimized and staff use cognitive technologies to deliver more seamless, integrated care designed around patient needs.

Unilabs is shaping a digital network containing 1000 pathologists, radiologists, biologists & geneticists that is connected to 1 stop shop diagnostic centers (in-& outside hospitals). Our mission is to provide answers that help give more effective & efficient care. These answers soon also be given to consumers & patients apart from the GPs & hospital specialists

# THE DIAGNOSTICS INDUSTRY IS INDUSTRIALIZED

**Advanced cognitive technologies have improved the productivity, speed & compliance of care processes**

- Consolidation & standardization brought us standard processes, common methodology and division of labour
- Automation can happen when we have volume, frequency and repeatability. It brought us modular solutions, re-useage of platforms, role based decision frame work, robotics
- Machine learning can happen when we have structured data, codifiable knowledge & high frequency. It brought us patterns, data aggregation, action/ result. fast results, better quality and efficiency.
- Impact of this all is: effort reduction, reduced TAT, far less costs, digitalization allows for analysis of costs & performance & thus different payment models

**Unilabs is the front runner amongst diagnostics companies to go through the above steps & has recently accellerated its machine learning & medical data management activities that will bring the next step of operational excellence**

# Learning from Industry & Manufacturing



**Doing things differently in**  
**VALLIANT GROUP & AALBERTS INDUSTRIES**



# 8

**reasons why  
industrial  
wisdom is an  
opportunity for  
our  
diagnostics  
business**

**1**

**Machines often only utilised 3  
hours per day at max capacity**

**2**

**Very labour intensive  
(personnel 40-50% of sales)**

**3**

**Indirect costs often as high as  
direct costs**

**4**

**CAPEX is aimed to have latest  
& greatest**

# 8

reasons why industrial wisdom is an opportunity for our diagnostics business

5

Focus on supply chain & logistics is relatively low

6

Price pressure is constant but rather predictable

7

Procurement prices differ per country.....

8

Market is still very unconsolidated



# ANYWHERE



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# NEW ENTRANTS ARE DISRUPTING HEALTH CARE

**Non-traditional healthcare providers are driving a more patient centric expertise. Boundries between stakeholders have become increasingly blurred**

- Non traditional health care players using their brand, engineering expertise and knowledge of customers will disrupt the healthcare landscape. These new entrants have partnered with traditional providers to deliver more customer focused experience of health care.
- Telehealth companies bring health care to people's doorsteps or workplace, as new entrants partner with or suppliant incumbents to pioneer pathways into virtual health care.

**Unilabs thinks it is on the right track but would be curious to see what partnership with suppliers like Philips, GE, ThermoFischer, software & AI providers, etc... could bring. What effect do Google and Apple have on GP segment?**

# OUR PATH TO GROWTH IS EXCITING



## ORGANIC GROWTH

TO BE THE FASTEST-GROWING  
DIAGNOSTIC GROUP IN EUROPE



## OPERATIONAL EXCELLENCE

TO BE THE COST- & QUALITY  
LEADER IN OUR INDUSTRY IN  
EUROPE

WE LEAD THE INDUSTRY IN  
DIGITALIZATION &  
INTEGRATION OF DIAGNOSTICS



## GREAT LEADERSHIP

TO BE EMPLOYER OF CHOICE IN  
EUROPE WITH AN EMPLOYEE  
SATISFACTION OF 80 PERCENT



## SMART M&A

TO BE THE LEADING EUROPEAN  
M&A BOLT-ON PLAYER AND  
POST MERGER INTEGRATOR

# FINALLY SOME OPINIONS.....

1. Consolidation in NL → most diagnostics providers are living from their balance sheet due to lack of operational profits
2. Industrialization hasn't happen yet and even the more consolidated platforms are sub-optimal
3. Clinical Chemistry labs are over invested and there are too many of them (GP labs & Hospital labs)
4. Digitalization happened in pathology & networks are being created in NL
5. Knowledge in microbiology is at highest EU standard → there is need outside NL
6. Genetics testing only @ academic hospitals?
7. Blood collection centers are numerous & centered around the GP practices (not the patients)
8. POCT machines are frequently found at GPs → is this fit for purpose?
9. Health monitoring and direct to patients will become more important & will disrupt → collaboration needed
10. Role and focus of insurance companies isn't completely transparent & differs per partner
11. Prevention is not an easy topic in NL
12. NL shouldn't think too local, the rules of the game in NL are complex and not always logic



**Unilabs**

**THANK YOU  
FOR YOUR  
ATTENTION**

