

2025 India Hospital Priorities Survey Findings

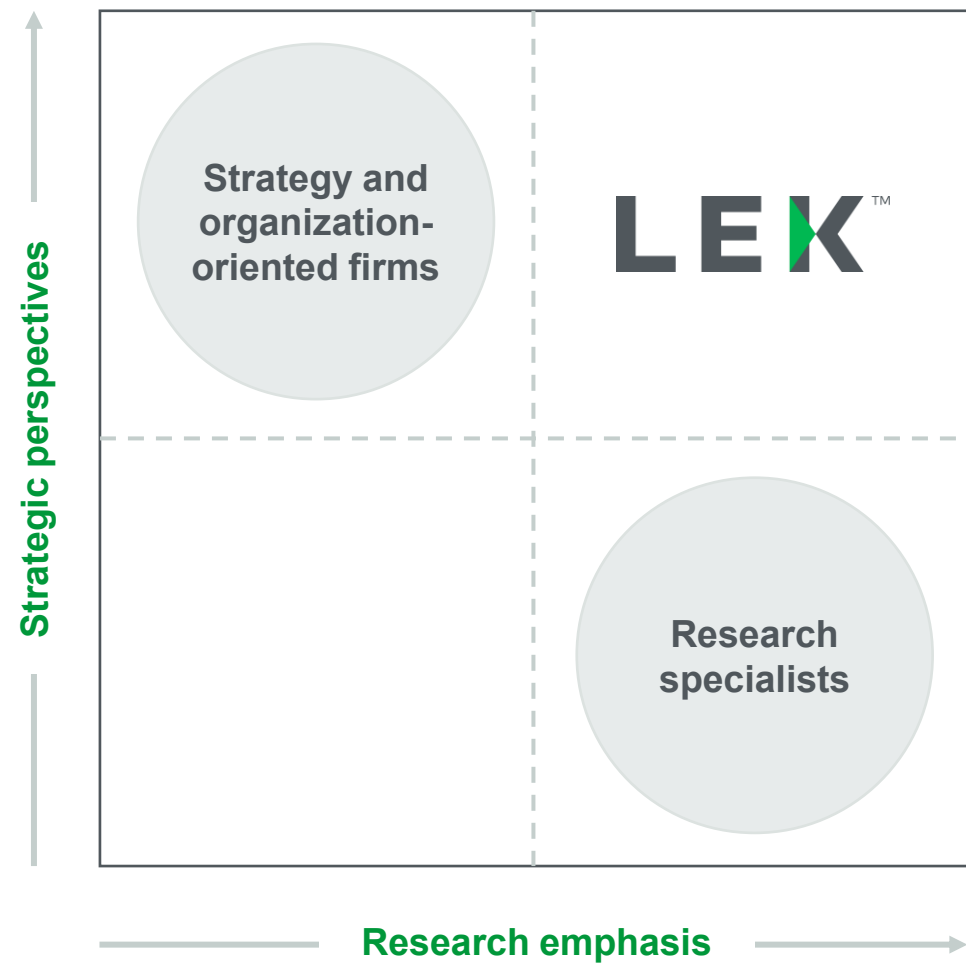
Summary Materials

August 2025






These materials are intended to supplement a discussion with L.E.K. Consulting. These perspectives will, therefore, only be meaningful to those in attendance. The contents of the materials are confidential and subject to obligations of non-disclosure. Your attention is drawn to the full disclaimer contained in this document.



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

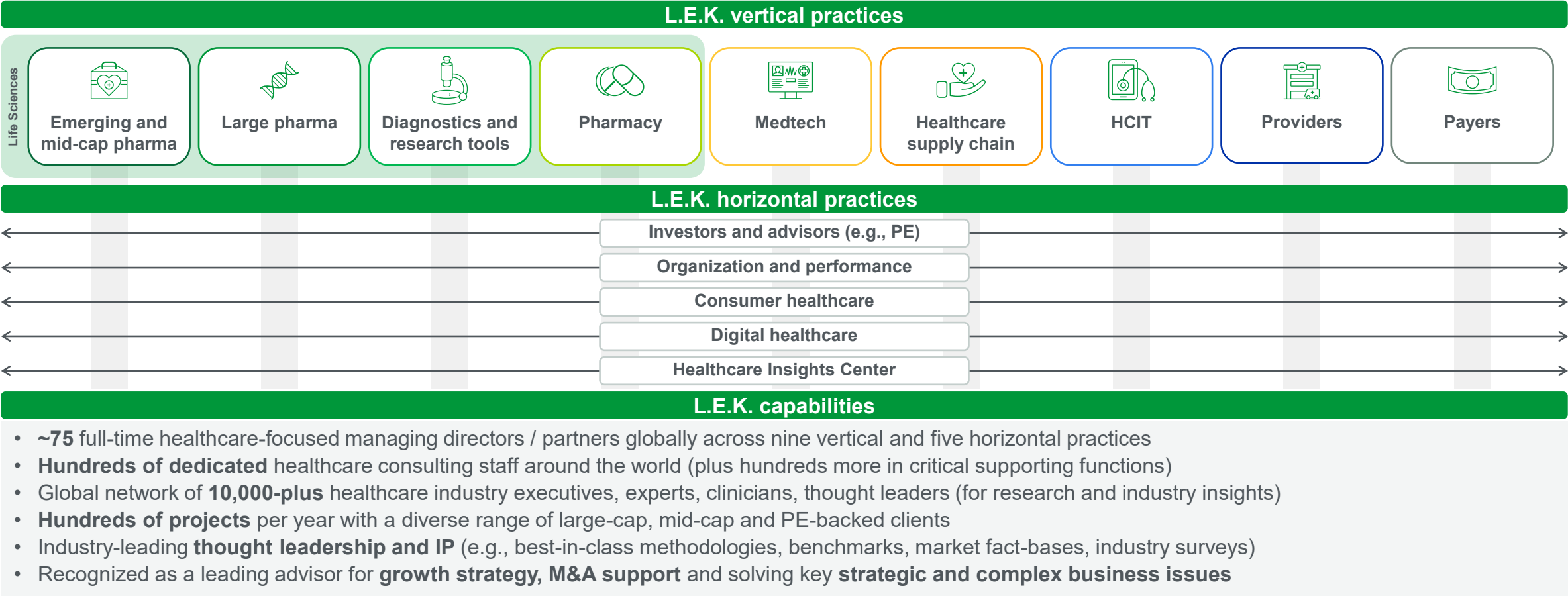


L.E.K.'s key points of differentiation

 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 "prepackaged solutions".
 Industry thought leadership	High-caliber team of Ph.D.s, M.D.s, and MBAs regularly publishing insights and engaging with market leaders and innovative challengers.
 Bias to action	Acknowledgment 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.

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

L.E.K. Healthcare Sector Overview



Note: HCIT=healthcare information technology; PE=private equity; IP=intellectual property

Every year, L.E.K. surveys several hundred hospitals across the APAC region to understand their priorities and support medtech companies and healthcare operators in making key decisions

L.E.K. conducts an annual survey of several hundred decision-makers at key hospitals in the APAC region, including India, 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, and the impact of digitalization on hospitals and their relationships with healthcare companies



The insights gleaned from these surveys enable healthcare companies to make informed decisions, including:

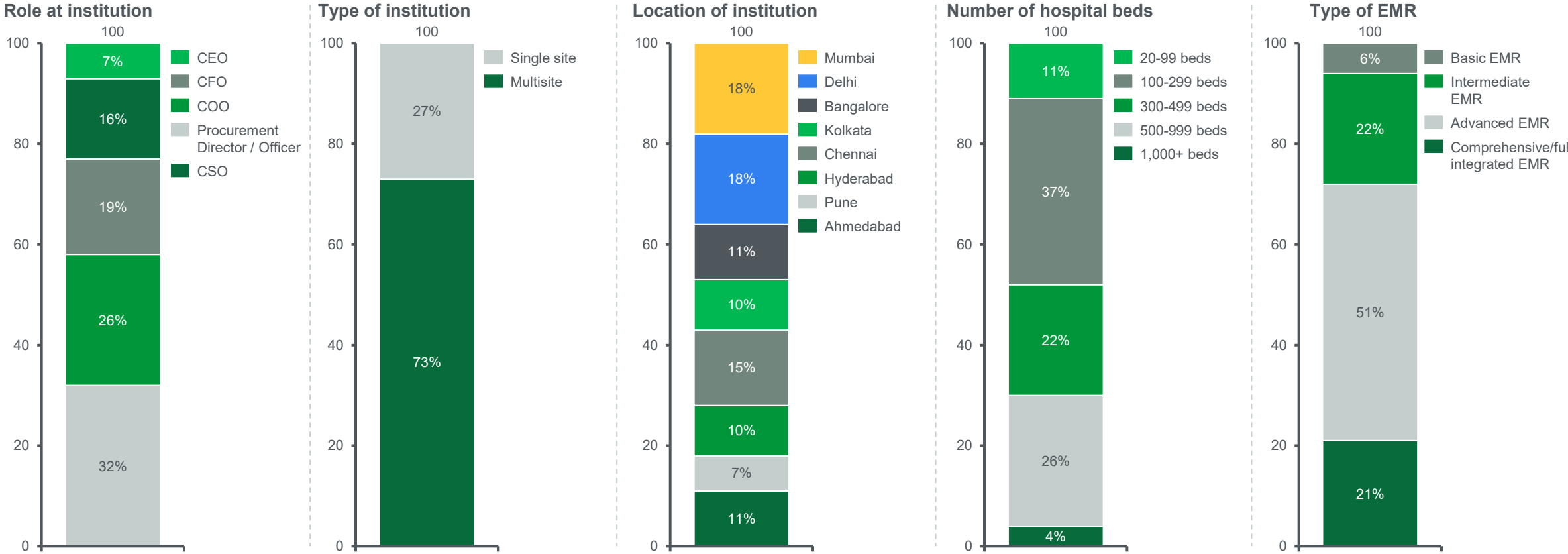
- Which stakeholders to engage and how
- How to tailor their product and service value propositions to address hospitals' priorities
- How to leverage digital channels and enhance their service offerings/engagement models

L.E.K.'s 2025 hospital priorities survey included directors across hospital types, sizes and locations



L.E.K. Hospital Priorities Survey India respondent mix

Percentage of respondents (N=100)



Note: EMR= electronic medical record

Hospital leaders in India expect budget growth and investment in clinical expansion and new service lines



Financial outlook

- Virtually all private hospitals expect to have a budget surplus in the next three years
- Clinical staff salaries are currently the largest expenditure category and are expected to have the greatest budget growth going forward
- Out-of-pocket payments make up ~50% of funding for private hospitals in India; government funding accounts for <5% of total private hospital funding



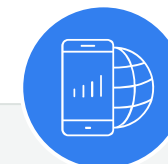
Operating priorities

- Addressing staff shortages and investing in IT infrastructure top the list of strategic priorities
- Most hospitals expect to expand their bariatric, geriatric and cosmetic surgery clinical specialties
- Hospitals are employing a variety of techniques to standardize and streamline purchasing, with an emphasis on medical consumables and surgical instruments



Go-to-market

- Cost is the most critical purchasing criterion, but physician preference is also important, particularly for lower-value purchases
- There is more opportunity for medtech/channel partners to support hospitals with maintenance, particularly PE-owned sites, across the different buckets of capex items
- Nearly half of hospitals have at least some restriction on using foreign products



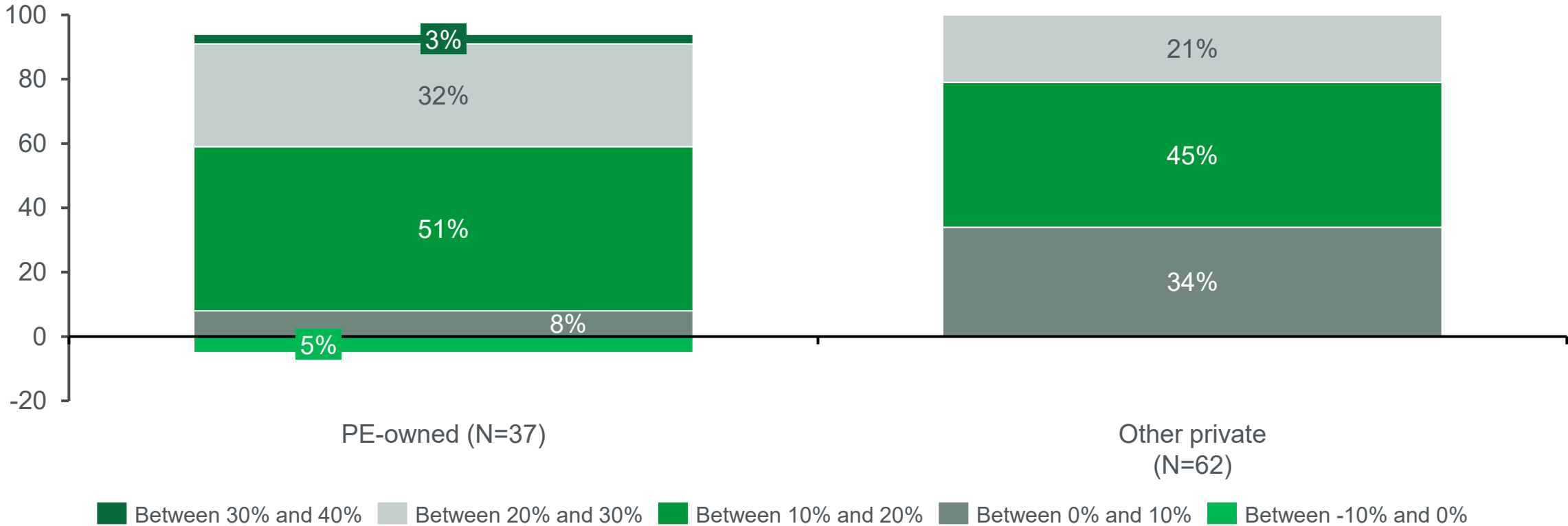
Digitalization

- Hospitals that have invested in more comprehensive/advanced EMR systems/digital stacks are starting to launch initiatives and proactively look for ways to monetize their data
- Fear of job replacement and lack of IT infrastructure today are key barriers to further adoption of digital solutions

Note: PE= private equity; IT= information technology; EMR= electronic medical record

PE-owned private hospitals have a larger proportion of high profitability locations, compared to other private hospitals offering potential purchases of medtech equipment

Profitability/EBITDA margin outlook for private hospitals*
Percentage of respondents



*Survey question: What do you expect your hospital's EBITDA margin to be in the next three years?
Note: PE= private equity; EBITDA= earnings before interest, taxes, depreciation and amortization
Source: L.E.K. 2025 APAC Hospital Priorities Survey

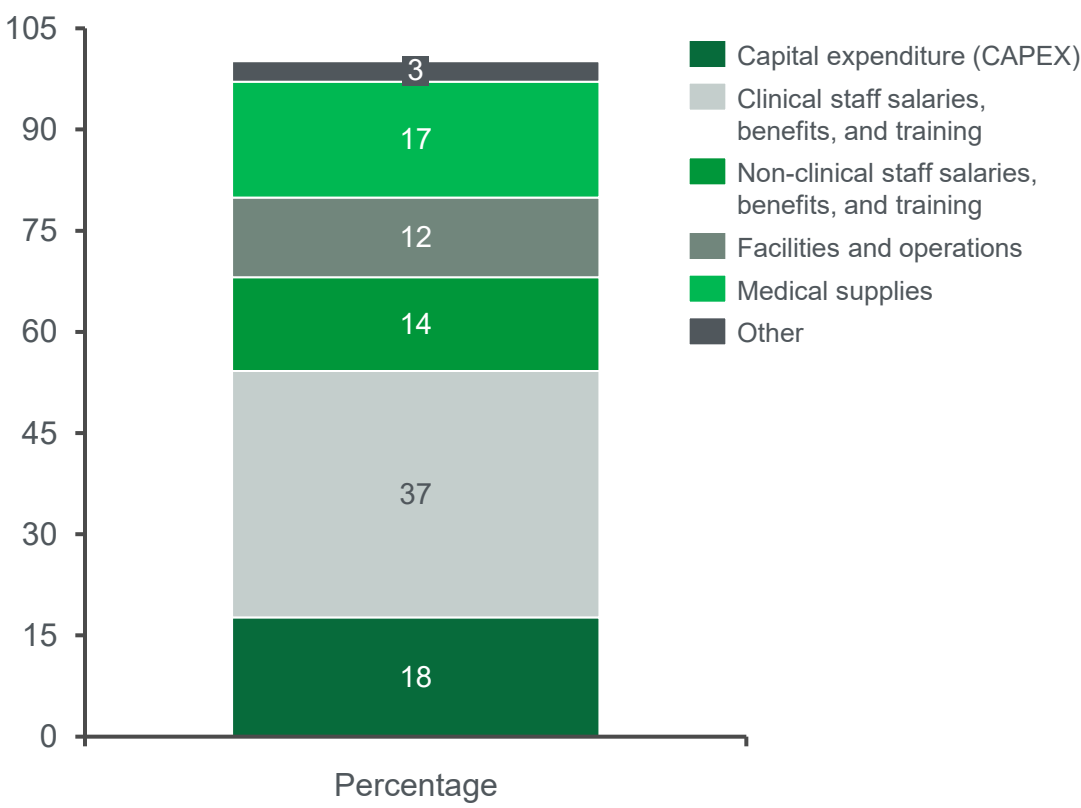
Capital allocation and budgets across private hospitals are generally increasing, clinical staff salaries continuing to be the largest item

1

Financial outlook

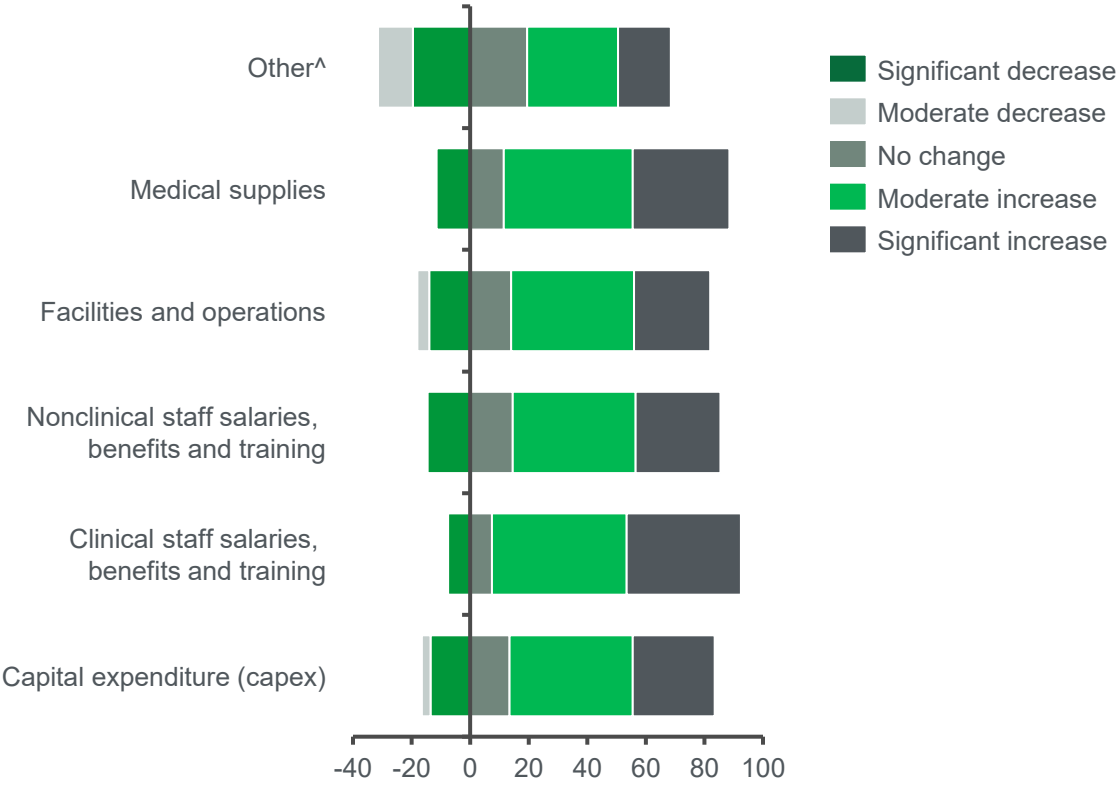
Current hospital budget allocation (FY25)*

Percentage of respondents (N=100)



Future hospital budget allocation (FY26)*

Percentage of respondents (N=100)



*Survey question: What percentage of your hospital's total budget is allocated to the following categories in the current fiscal year? **Survey question: How do you anticipate your hospital's expenditure to change in the next 12 months?
Note: **Includes both private and publicly owned hospitals; ^Includes marketing and community programs, among others
Source: L.E.K. 2025 APAC Hospital Priorities Survey

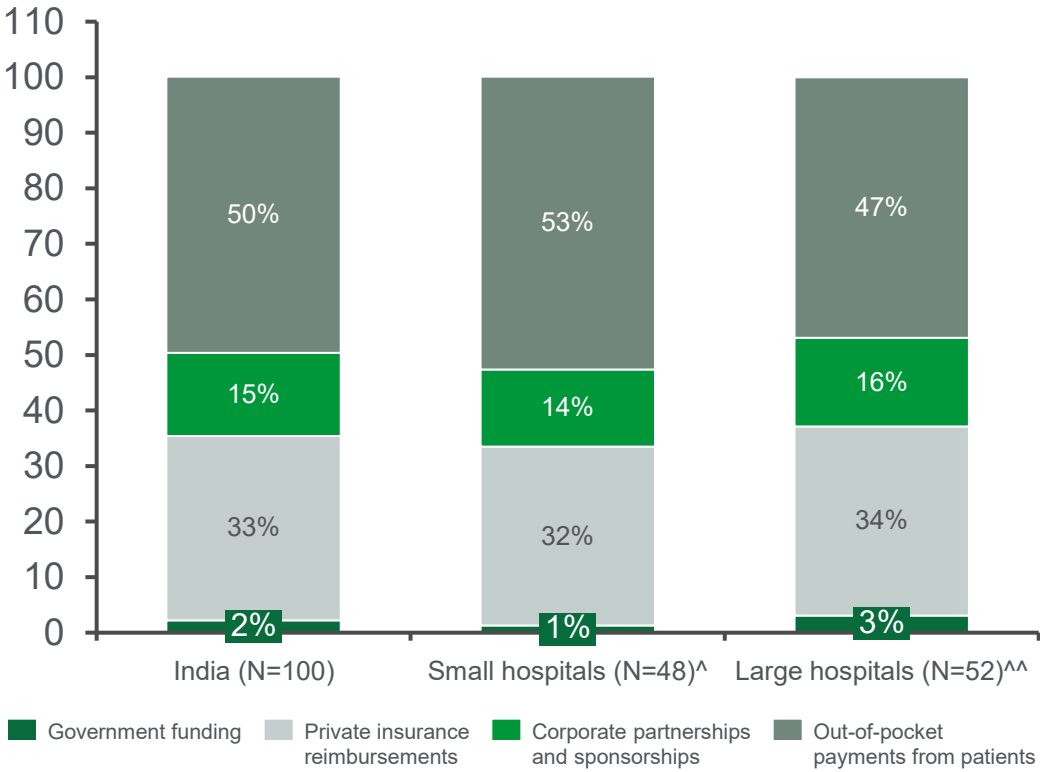
Approximately half of total payments come from out-of-pocket sources; large hospitals have greater dependence on public reimbursement schemes

1

Financial outlook

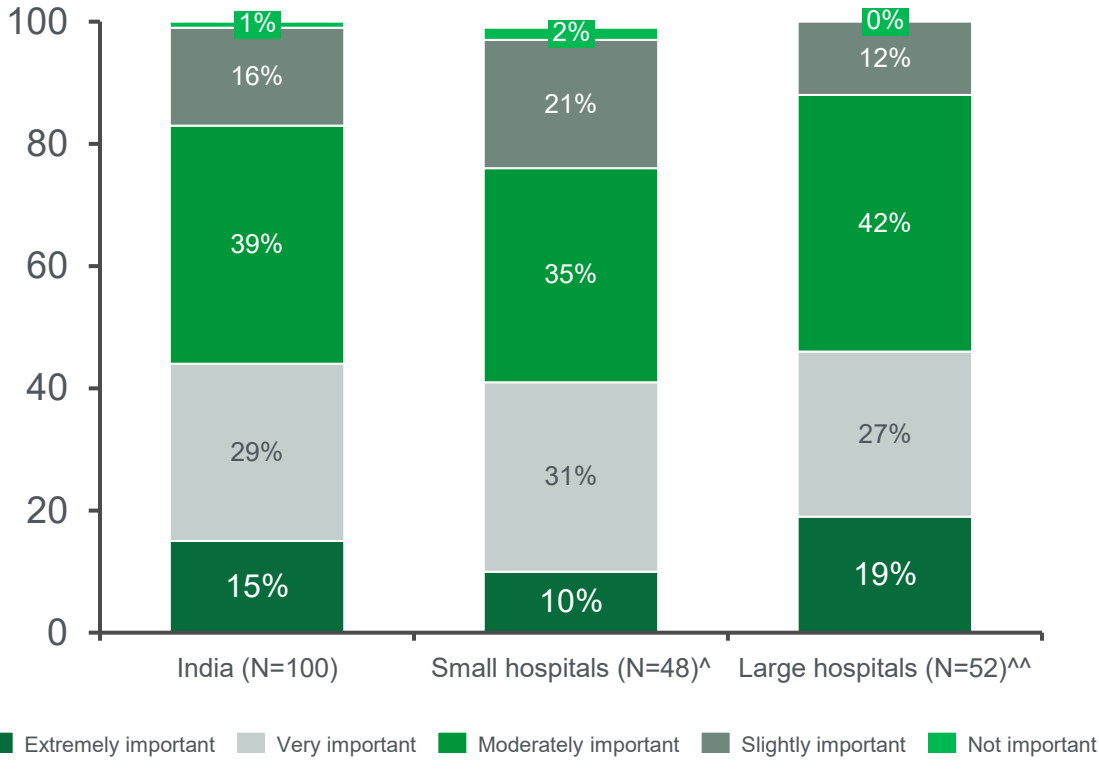
Share of total funding in last 12 months*

Percentage of respondents



Importance of public reimbursement schemes**

Percentage of respondents



*Survey question: Please estimate the percentage of your hospital's total funding over the last 12 months from each of the following sources? **Survey question: How important are public reimbursement schemes?

^ 0-299 beds; ^^ 300+ beds

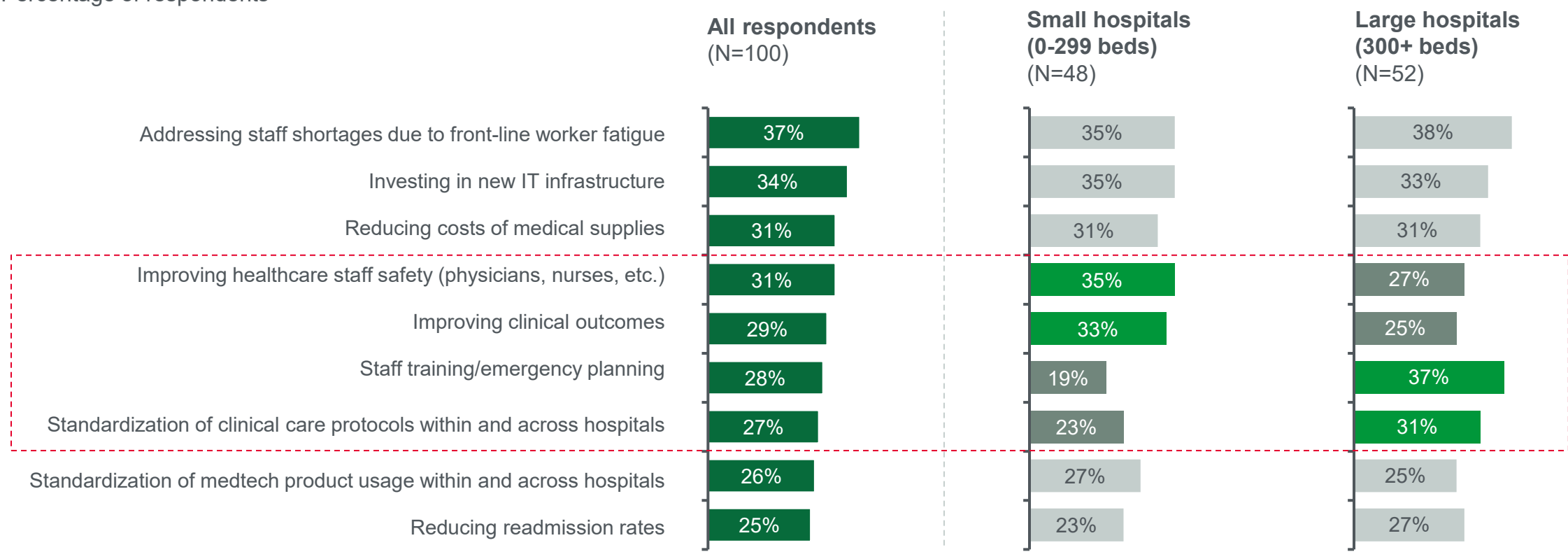
Source: L.E.K. 2025 APAC Hospital Priorities Survey

While addressing staff shortages and IT infrastructure are universal priorities, small and large hospitals have differences around safety, outcomes, training and standardization

2 Operating priorities

Importance of strategic priorities over the next three years* Percentage of respondents

Delta from total: ■ >2% decrease ■ No change (± 0%-2%) ■ >2% increase



*Survey question: How important are the following strategic priorities for your hospital over the next three years? (Please select top five)
Note: IT= information technology
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Key differences

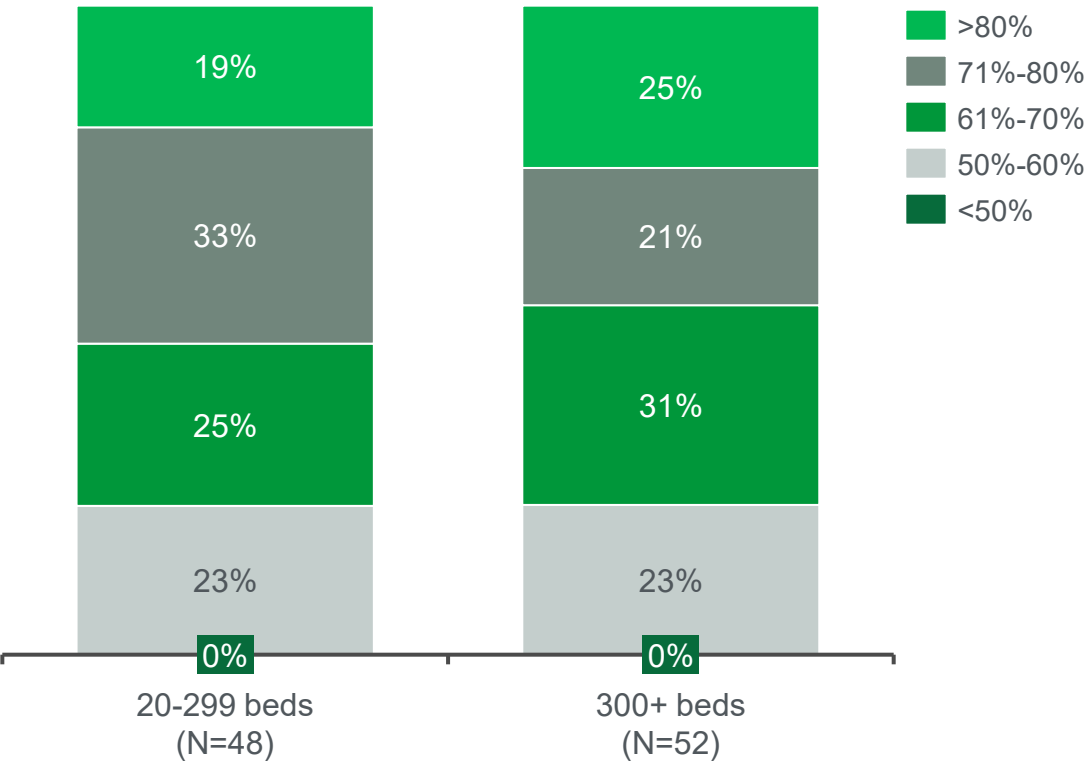


Hospital bed occupancy is largely driven by physician and hospital brand as well as emergency room admissions; operators have an opportunity to do more with their referral flows

2 Operating priorities

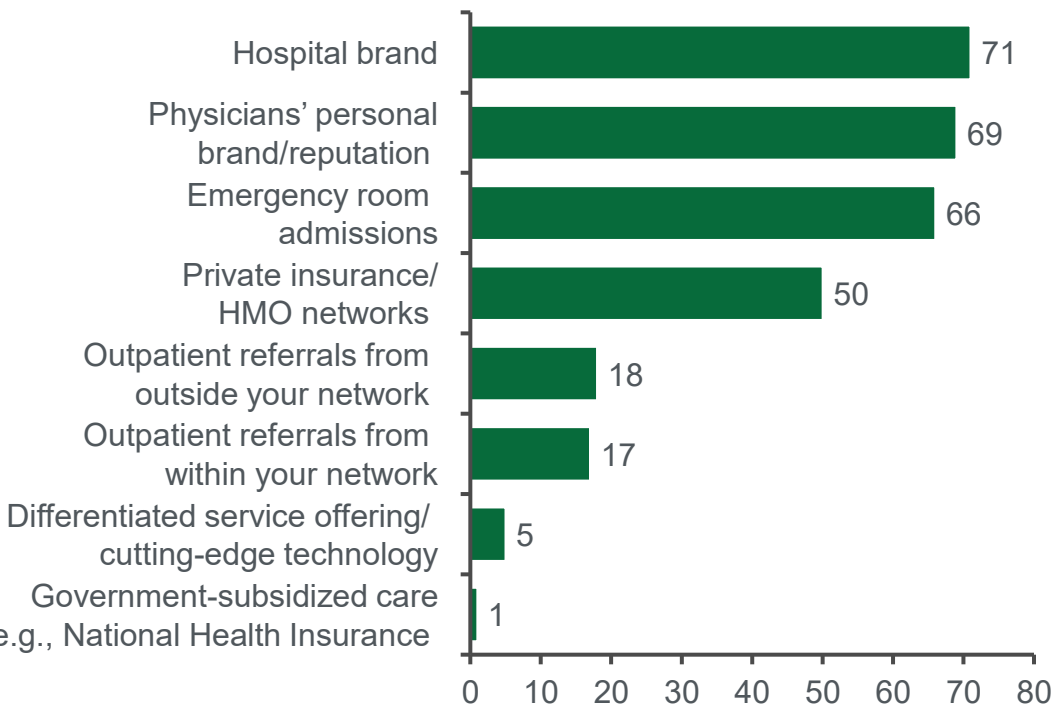
Bed occupancy rate in last 12 months*

Percentage of respondents



Key drivers of occupancy rates**

Percentage of respondents (N=100)



*Survey question: What is your hospital's average bed occupancy rate over the last 12 months? **Survey question: What are your three largest drivers of inpatient admissions? Select two

Note: HMO=health maintenance organization

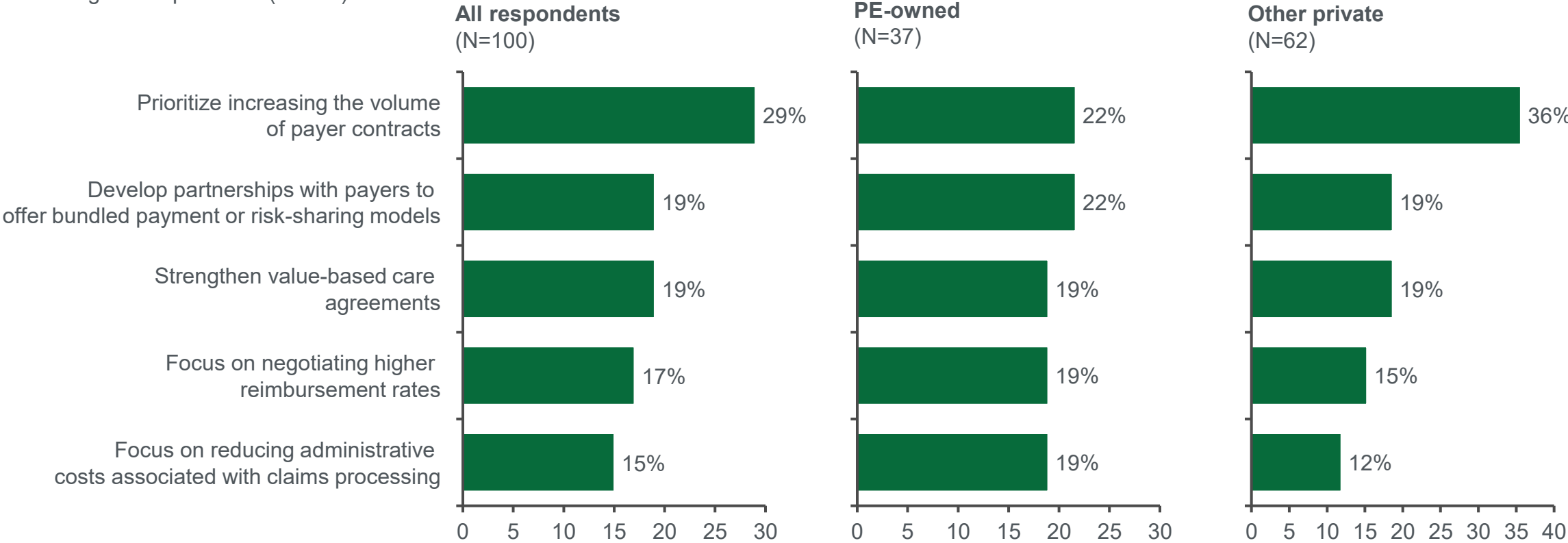
Source: MHLW; Central Social Insurance Medical Council; L.E.K. 2025 APAC Hospital Priorities Survey; L.E.K. research and analysis

PE-backed hospitals are using a more expansive set of strategies to manage their payer relationships; however, non-PE backed private hospitals are still trying to increase the contracted volumes

2 Operating priorities

Strategies for managing payer relationships*

Percentage of respondents (N=100)

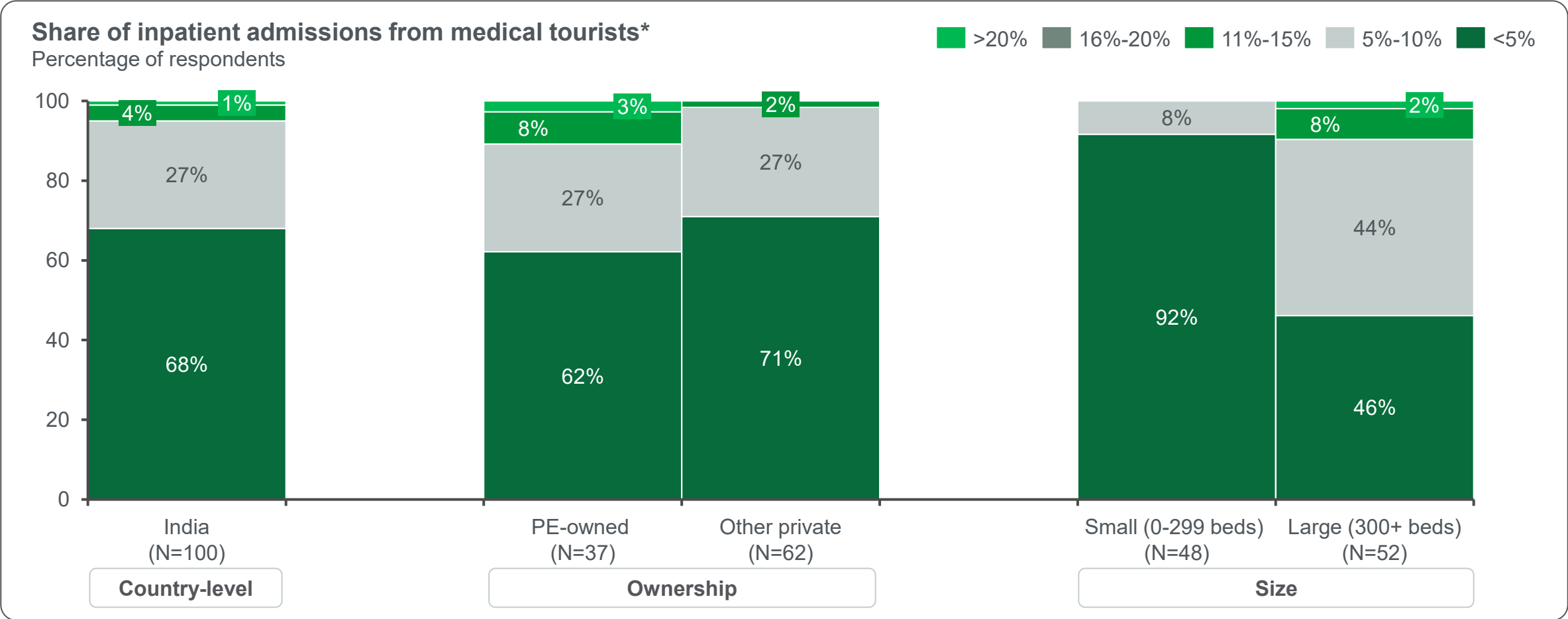


*Survey question: What is your primary strategy for managing relationships with payers?
Note: PE=private equity
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Larger hospitals/PE-owned hospitals are faring better at attracting international medical tourists

2

Operating priorities



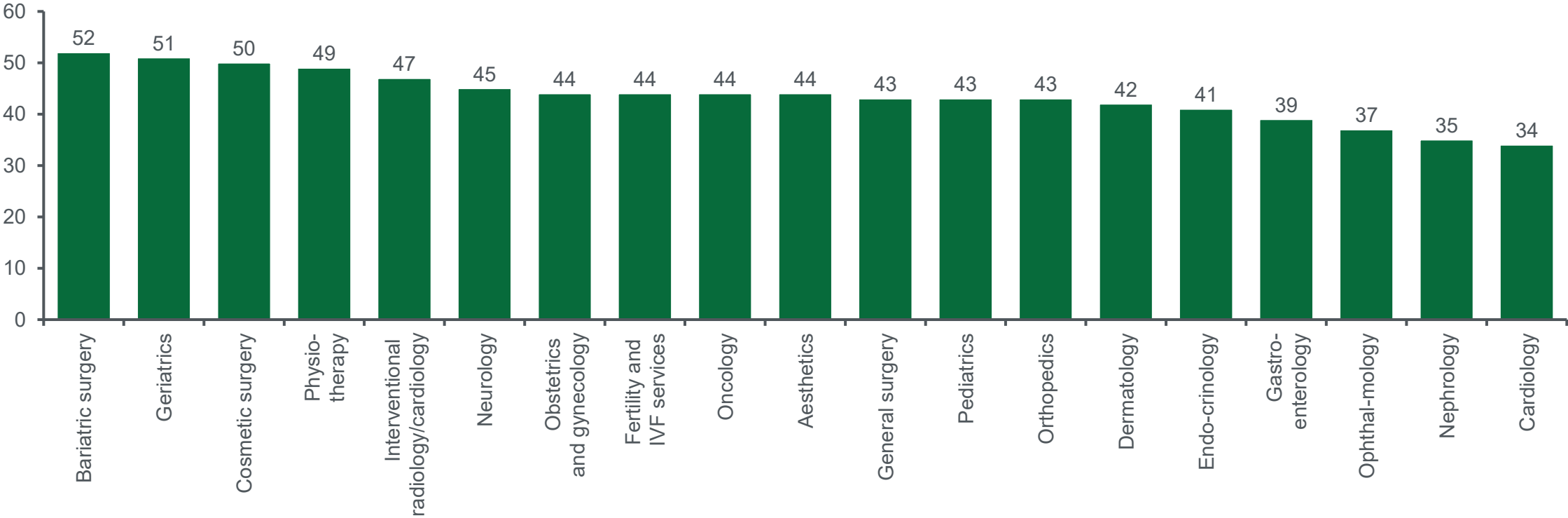
*Survey question: Medical tourists account for what percentage of your admissions (nonresidents of the country your hospital is in) in volume of inpatients?
Note: PE=private equity
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Bariatric surgery, geriatrics and cosmetic surgery are targets for increased investment/capacity over the coming three years

2 Operating priorities

Clinical specialties offering outlook*

Number of respondents who said they were **planning to increase investment/capacity in** over the coming three years (N=100)



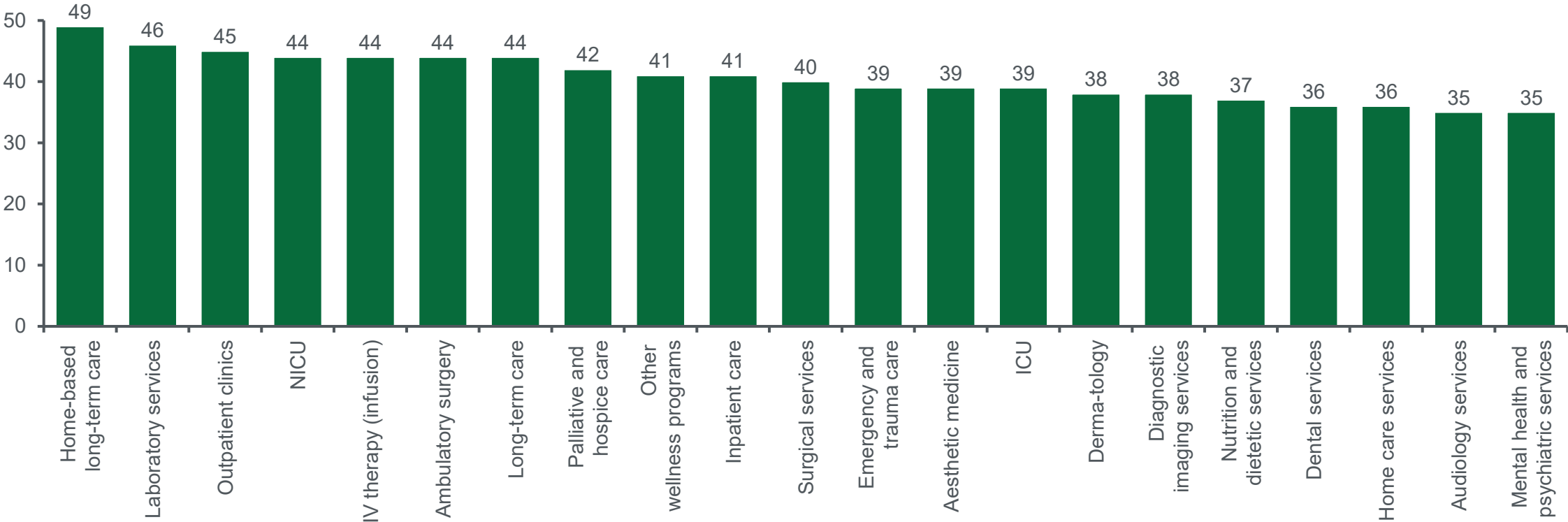
*Survey question: What are the expected changes in your clinical specialties (e.g., dedicated beds, specialists, clinics, subspecialties, specialty-specific technology offerings) over the next three years?
Note: IVF=in vitro fertilization
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Hospitals expect to increase their investment in home-based long-term care, lab services and outpatient services

2 Operating priorities

Medical services offering outlook*

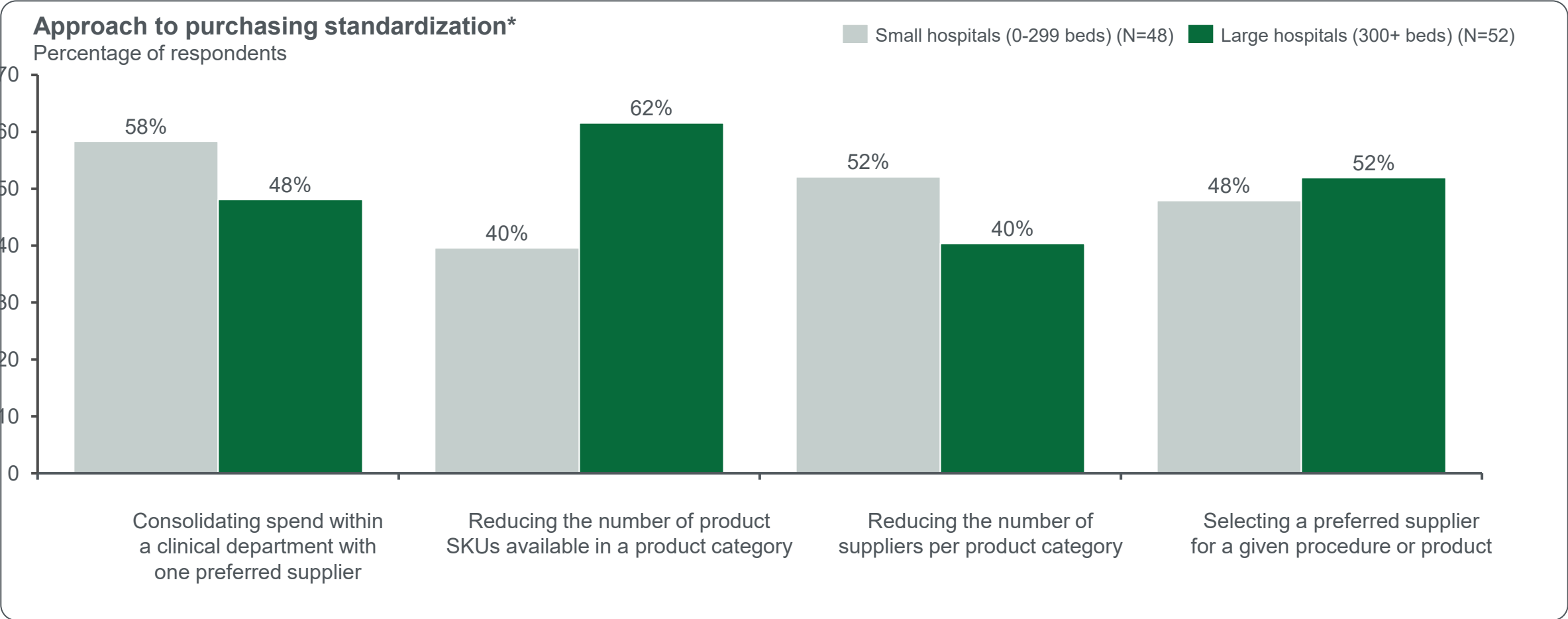
Number of respondents who said they were **planning to increase investment/capacity in** over the coming three years (N=100)



*Survey question: What changes do you expect to see in the medical services offered at your hospital over the next three years?
Note: NICU=neonatal intensive care unit; IV=intravenous; ICU=intensive care unit
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Large hospitals standardize purchasing by reducing the number of product SKUs per category while small hospitals do so by consolidating spend with a preferred supplier in each department

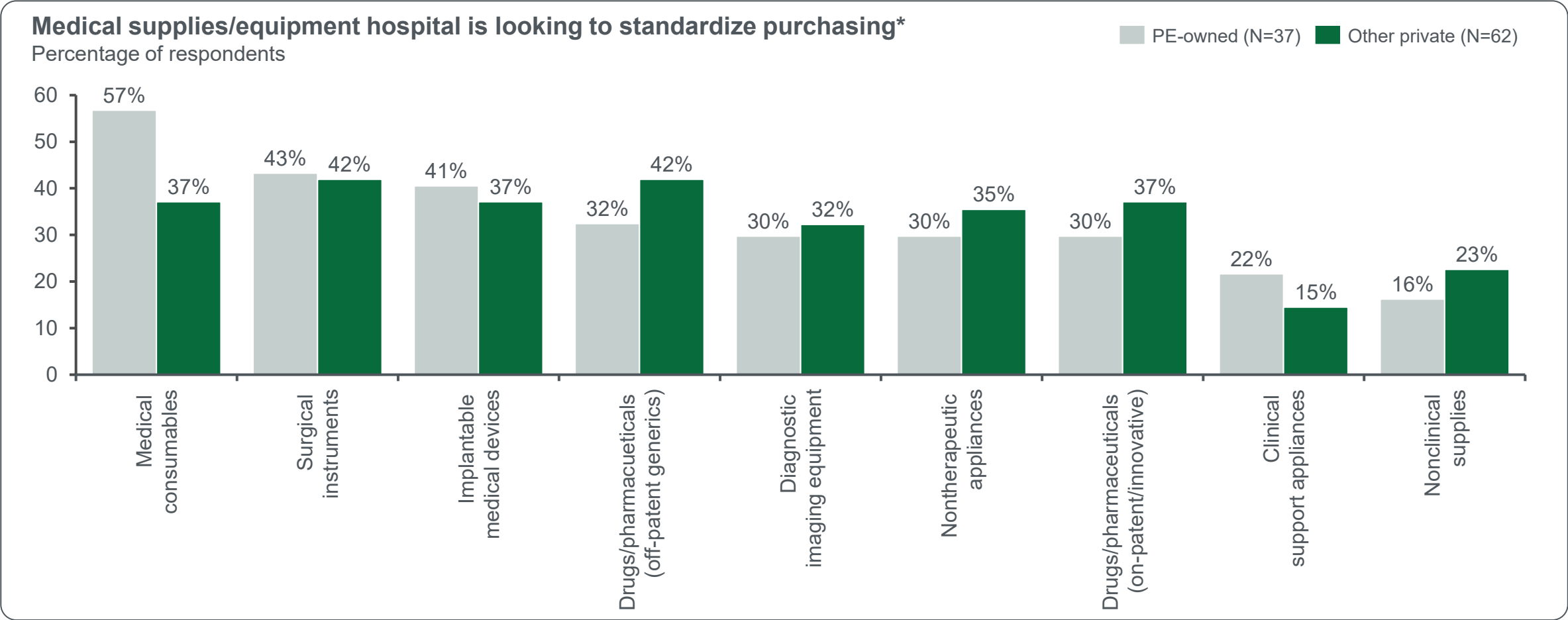
2 Operating priorities



*Survey question: Please indicate which of the following approaches your hospital uses to standardize the purchasing of medical supplies/devices
Note: SKU=stock-keeping unit
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Purchase standardization is most anticipated for medical consumables for PE-owned private hospitals, while other private hospitals prioritize surgical instruments and off-patent drugs

2 Operating priorities



*Survey question: Please select top three medical supplies/equipment that your hospital is looking to standardize the purchasing
Note: PE=private equity
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Cost and physician preference are important both for PE-owned and other private hospitals; importance of maintenance contract increases with capex cost

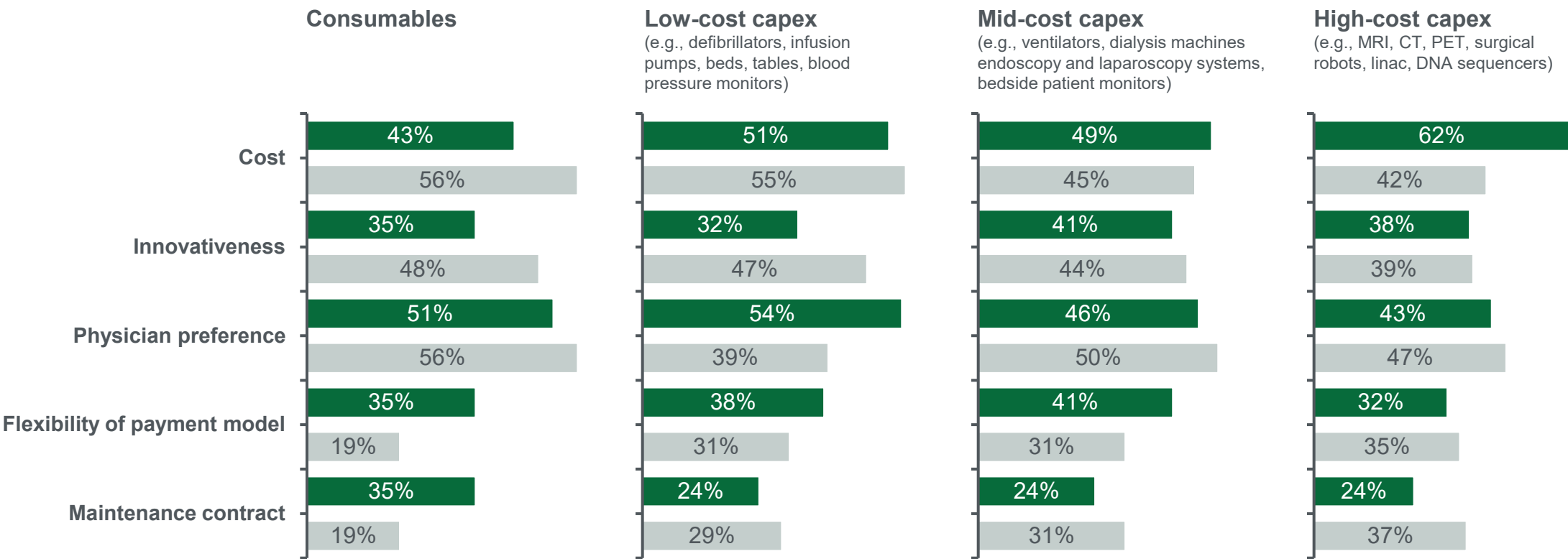
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Go-to-market

Most important criteria when purchasing from a medtech company*

Percentage of respondents who ranked each item in the top two

PE-owned hospitals (N=37) Other private (N=62)



*Survey question: When purchasing, rank the following items in order of importance when choosing a manufacturer.
Note: PE=private equity; MRI=magnetic resonance imaging; CT=computed tomography; PET=positron emission tomography; linac=linear accelerator
Source: L.E.K. 2025 APAC Hospital Priorities Survey

CEO is important stakeholder across various expenditure levels, though procurement and practicing physicians are influential for low- to mid-cost capex

3 Go-to-market

Most influential position for medical device purchasing decisions overall, by type of institution*

Ranked by number of respondents indicating first decision-maker by row

	Consumables	Low-cost capex	Mid-cost capex	High-cost capex
		(e.g., defibrillators, infusion pumps, beds, tables, blood pressure monitors)	(e.g., ventilators, dialysis machines endoscopy and laparoscopy systems, bedside monitors)	(e.g., MRI, CT, PET, surgical robots, linac, DNA sequencers)
India (N=100)	CEO	Procurement	CEO	CEO
PE-owned (n=37)	CEO	Procurement	Practicing physician	CFO
Other private (n=62)	CEO	Practicing physician	CEO	CEO
Small hospitals** (n=48)	CEO	CFO	Procurement	CEO
Large hospitals** (n=52)	CEO	Procurement	Department head	CEO

Role: CEO CFO Procurement Practicing physician Department head

*Survey question: When making a significant capital purchase, please rank the following stakeholders in terms of their influence on the decision-making process; **Small hospitals: 0-300 beds, large hospitals: 300+ beds
Note: CFO=chief financial officer; PE=private equity; MRI=magnetic resonance imaging; CT=computed tomography; PET=positron emission tomography; linac-linear accelerator
Source: L.E.K. 2025 APAC Hospital Priorities Survey

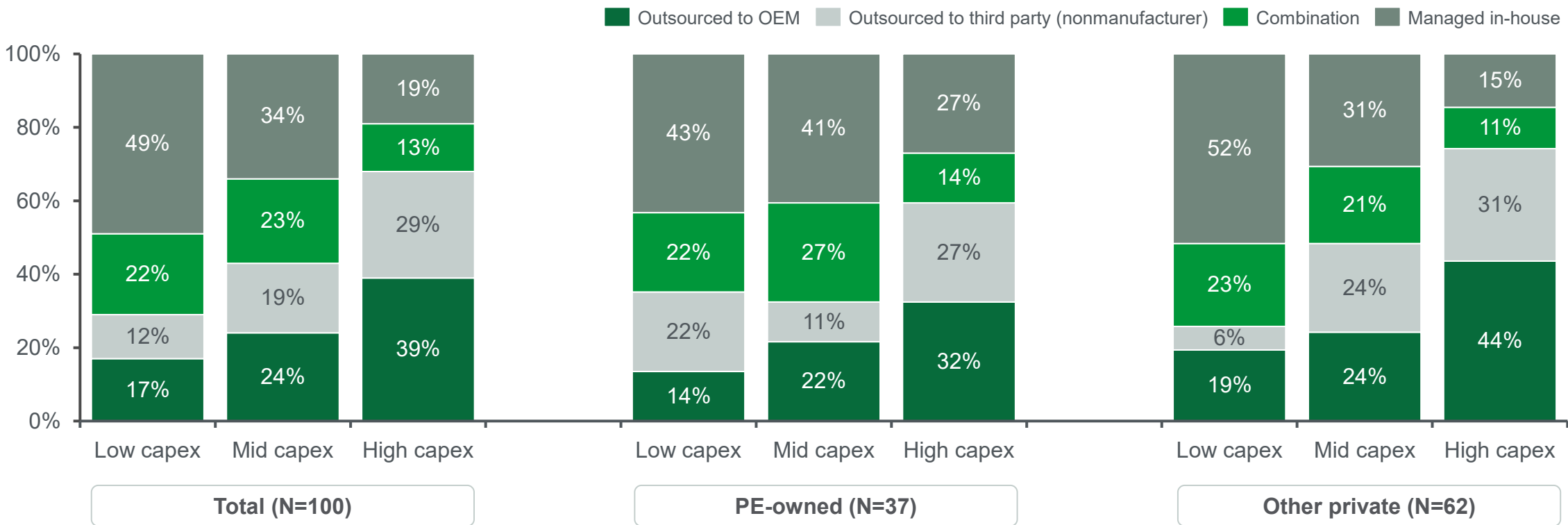
There is more opportunity for medtech/channel partners to support hospitals with maintenance, particularly PE-owned sites, across the different buckets of capex items

3

Go-to-market

Hospital medical equipment maintenance strategy, by type of ownership*

Percentage of respondents



*Survey question: How is the maintenance of your hospital's capital equipment primarily managed?

Note: Low-cost capex (e.g., defibrillators, infusion pumps, beds, tables, blood pressure monitors); mid-cost capex (e.g., ventilators, dialysis machines, endoscopy and laparoscopy systems, bedside patient monitors), high-cost capex (e.g., MRI, CT, PET, surgical robots, linac, DNA sequencers); PE=private equity; OEM=original equipment manufacturer; MRI=magnetic resonance imaging; CT=computed tomography; PET=positron emission tomography; linac=linear accelerator

Source: L.E.K. 2025 APAC Hospital Priorities Survey

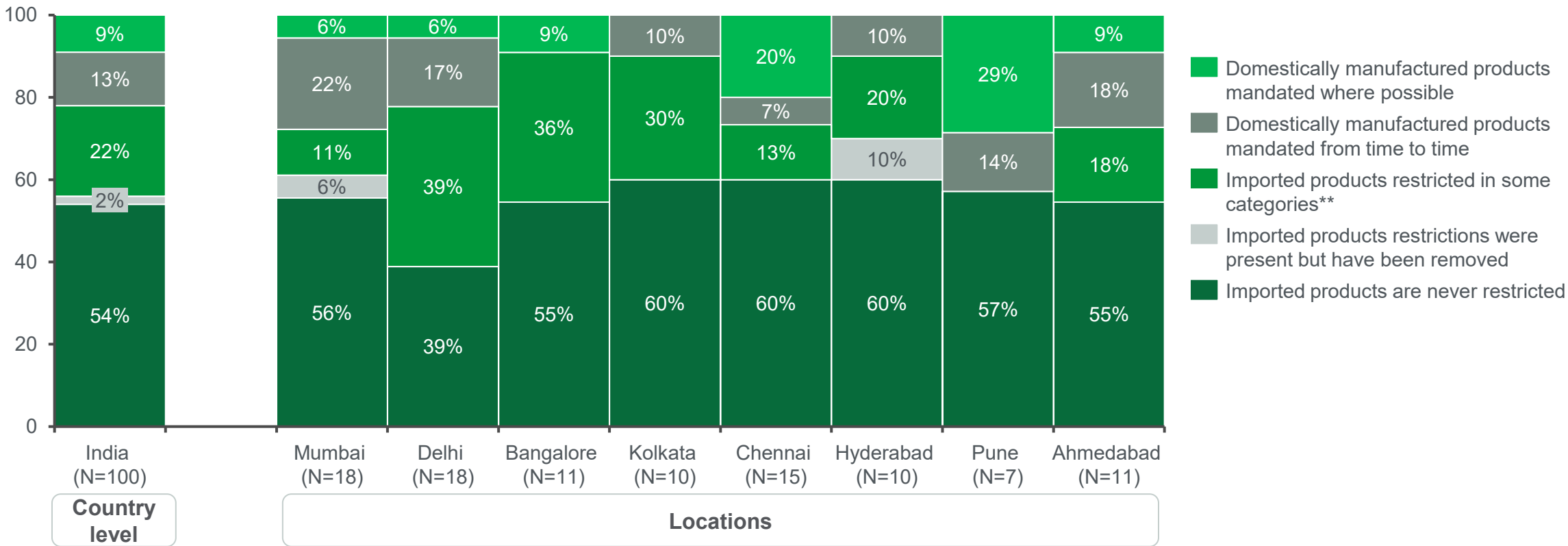
Delhi-based private hospitals encounter restrictions on imported medical devices at a greater rate than other regions

3

Go-to-market

Position on the use of imported medtech/medical devices*

Percentage of respondents



*Survey question: Which of the following statements best describes your hospital's attitude toward the use of imported medtech/medical devices products?

Note: **Includes categories where locally manufactured medtech/medical devices products offer good value for money

Source: L.E.K. 2025 APAC Hospital Priorities Survey

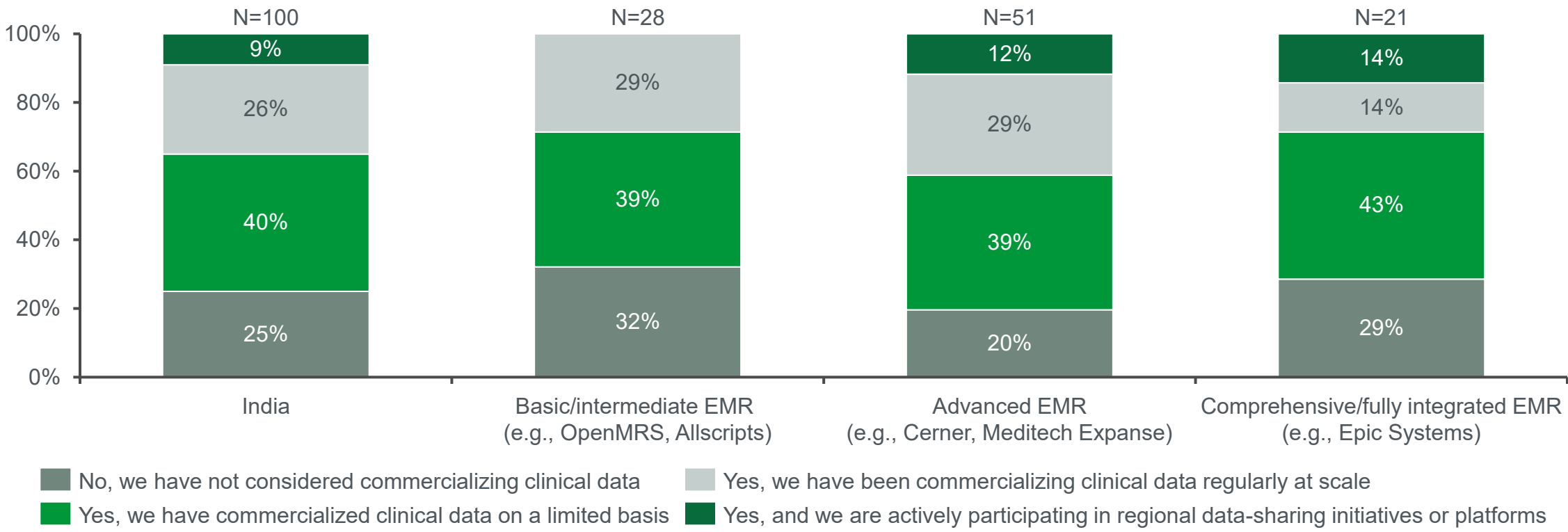
Those who have invested in more comprehensive/advanced EMR systems/digital stacks are starting to launch initiatives and proactively look for ways to monetize their data

4

Digitalization

Data monetization approach*

Percentage of respondents



*Survey question: Has your hospital considered commercializing clinical data (with patient consent or appropriately anonymized) available to pharmaceutical or medtech companies for research, clinical trials or other approved purposes?

Note: EMR=electronic medical record

Source: L.E.K. 2025 APAC Hospital Priorities Survey; L.E.K. research and analysis

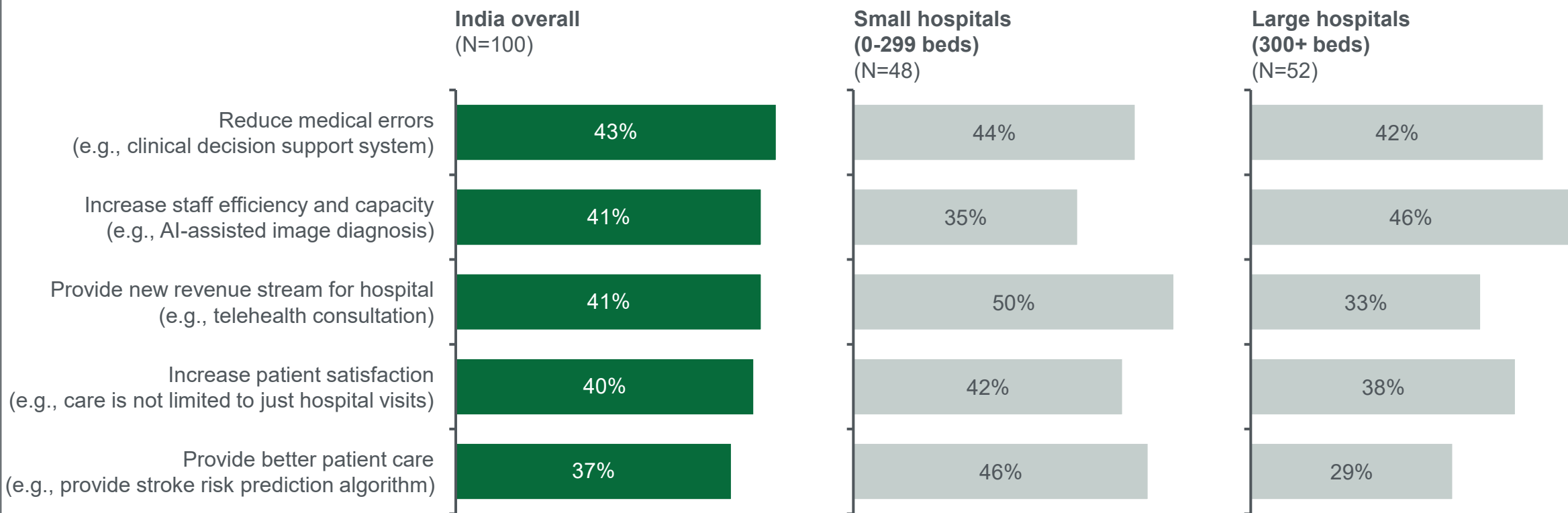
The perceived value from digital solutions varies by institution size, with small hospitals seeking revenue streams and large hospitals focusing on increased efficiency

4

Digitalization

Value from digital health solution adoption*

Percentage of respondents (choose top three that apply)



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

Note: AI=artificial intelligence

Source: L.E.K. 2025 APAC Hospital Priorities Survey

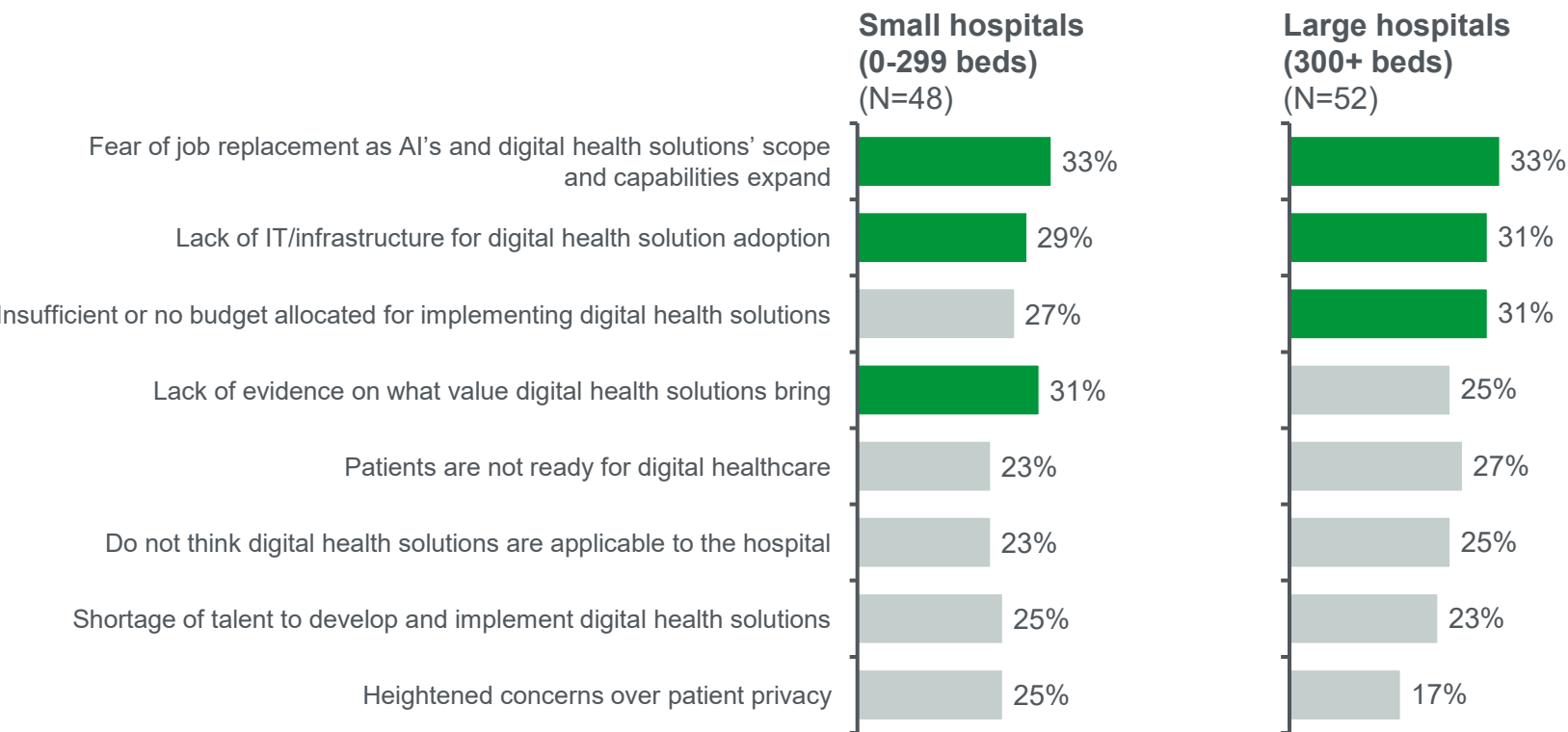
Uncertainty over job replacement, lack of IT/infrastructure and budget-related challenges are top concerns for digital health adoption in hospitals

4

Digitalization

Top concerns for digital health adoption*

Percentage of respondents



Top three

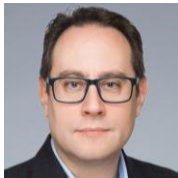
- Concerns around job replacement due to AI and digital health tools has increased as a concern, reflecting persistent uncertainty among staff about the evolving role of technology in healthcare
- Infrastructure challenges also prove to be significant barriers to adoption, indicating that foundational readiness continues to be a constraint

*Survey question: What are your concerns for digital health adoption?

Note: IT=information technology; AI=artificial intelligence

Source: L.E.K. 2025 APAC Hospital Priorities Survey

Connect with us



Stephen Sunderland

Partner, APAC Regional Head,
Healthcare and Life Science

 s.sunderland@lek.com



Ashwin Goel


Partner, Healthcare and Life
Sciences

 a.goel@lek.com



Arnaud Bauer, Singapore

Partner, Healthcare and Life
Sciences

 a.bauer@lek.com



Saleem Butt

Principal, Healthcare and Life
Sciences

 s.butt@lek.com

