



HOSPITALITY CONSULTING

Phuket

Medical Tourism Market

February 2016

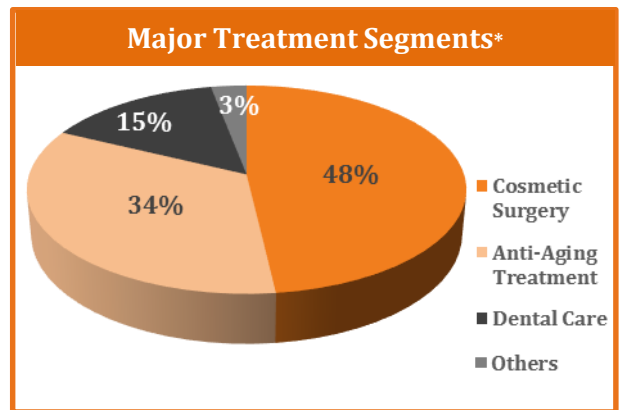
Aesthetic treatments drive over 80% of sector demand

Growing market creates business opportunities for medical facility investment

“Phuket’s reputation as a quality medical hub and the increasing global movement towards beauty enhancements are leading a shifting focus of market offerings and attraction for overseas patients.

Aesthetic procedures have increasingly grown to dominate the market, with cosmetic surgery being the most popular product led mostly by Australians, and anti-aging treatments being driven by travelers from Mainland China.

Hospitals and clinics strategically collaborate with medical tour agencies to provide ‘inclusive packages’ combining wellness and holidays at competitive price points. They also strive to gain a market niche by introducing specialized services.



*Number of patients

Source: C9 Hotelworks Market Research

Existing medical demand reveals high investment potential which is drawing more domestic and international groups into commercial projects such as large-scale expansions and acquisitions. We expect the Phuket healthcare tourism sector to be a positive long-term proposition.”

Bill Barnett, Managing Director, C9 Hotelworks

Key Trends

- Close to half of the total medical offerings consists of cosmetic operations such as breast implants, liposuction and face/body contouring.
- Almost two-thirds of the patients book through international medical tour agencies based in overseas locations such as Australia.
- Current facility expansions and openings include the Phuket International Hospital (PIH) new wing which is exclusively for medical tourists with state-of-the-art facilities.

Forward Outlook

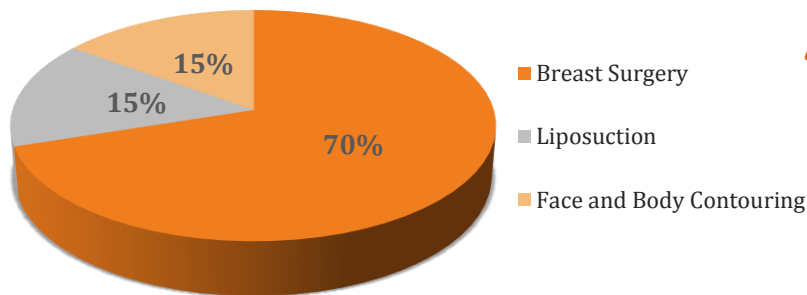
- An increasing trend of hospital acquisitions and cross-border cooperation for developments of wellness and aesthetic treatment facilities.
- AEC commencement should in part lead to more international hospital chains establishing satellite projects in Phuket.
- Hospitals and clinics are looking to develop more non-aesthetic medical services to gain a competitive edge, which will lead to diversification of this segment.

MARKET OVERVIEW

Cosmetic Surgery and Anti-Aging Treatments

- Breast augmentation and lift are most popular in the cosmetic surgery category while hormone treatments have captured the largest demand for anti-aging procedures.

Cosmetic Surgery Composition



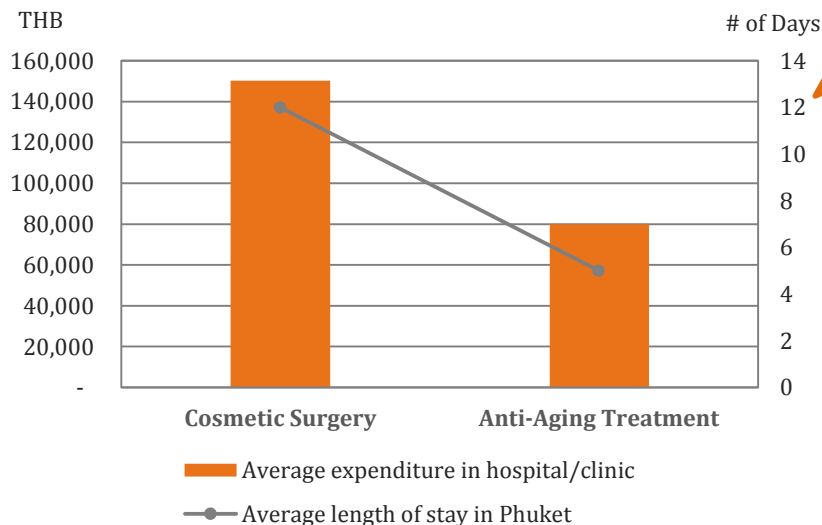
Breast augmentation attracted more than 15,000 medical tourists over the past five years

Source: C9 Hotelworks Market Research

Average Expenditure and Length of Stay

- The average hospital/clinic spend for cosmetic surgery is nearly twice that for anti-aging patients, with median costs of THB150,000 and THB80,000 respectively.
- Medical tourists' average length of stay in Phuket tallies in at 12 days for cosmetic operations as opposed to 5 days for anti-aging treatments.

2015 Average Expenditure and ALOS



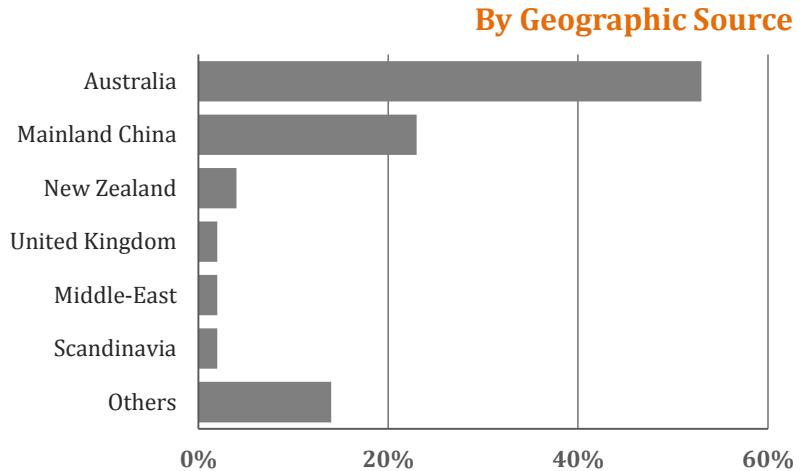
Average length of stay is expected to shorten with the influx of Mainland Chinese patients

Source: C9 Hotelworks Market Research

MEDICAL TOURIST PROFILE

Nationality

Currency volatility may shift geographic segments in 2016

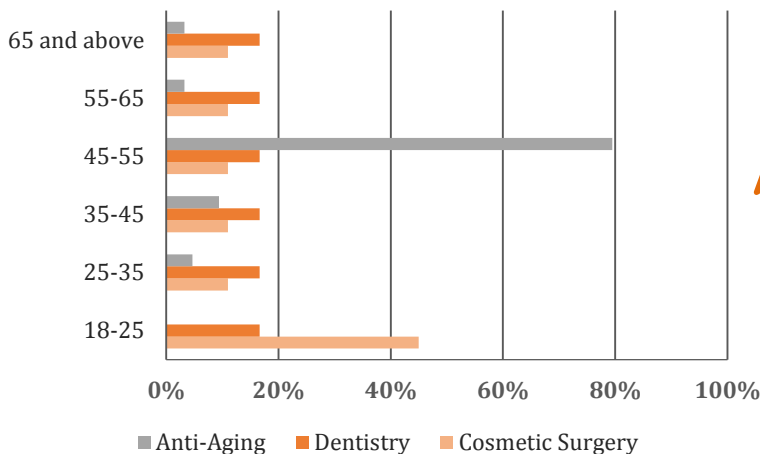


Source: C9 Hotelworks Market Research

- Mainland China is the top geographic source market for anti-aging products, representing almost two-thirds of the segment. They often travel in groups for treatments.
- Australians represent 70% of cosmetic surgery clients who mainly come with all-inclusive packages that provide treatment, transportation and hotel accommodation.

Age and Gender

Age Group Comparison



79% of anti-aging & skin care patients are between 45 to 55 years old, while 45% of cosmetic surgery clients fall between 18 to 25

Source: C9 Hotelworks Market Research

- The industry caters primarily to female patients which comprise almost 93% of the market.
- Medical tourists between 18 to 25 and 45 to 55 years old are the two largest age categories at 33% and 31%, respectively.

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- **Hotel and Resort Development**
- **Asset Management / Ownership Representation**
- **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



HOSPITALITY CONSULTING

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