

*Morula IVF Recognized as the*

**2021**

**Company of the Year**

Indonesia IVF Services Industry

*Excellence in Best Practices*



## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated companies. Morula IVF excels in many of the criteria in the in vitro fertility space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### *Financial Performance*

In the last three years, Morula IVF has witnessed significant growth in Indonesia, in terms of revenue, number of branches, country presence, number of in vitro fertilization (IVF) procedures, and IVF success rate. The company has a strong presence in Indonesia, with nine branches in 2018 and reaching ten branches by 2020. Four of these branches are located in Jakarta, and the rest are spread across Indonesia in Bandung, Yogyakarta, Surabaya, Makassar, Padang, and Pontianak.

The company performed a total of 4,015 IVF procedures in 2020 and has an average monthly success rate of 53%. In 2020, Morula achieved its highest monthly success rate of 71%, with good prognoses among women younger than 35 years.

In 2020, Morula had high development and success because of its noteworthy financial performance in the fertility segment. For example, the company generated total revenue of IDR 347 billion in 2020 through its fertility segment, which is higher than the last two years, with IDR 333 billion in 2019 and IDR 288 billion in 2018. Furthermore, from 2019 to 2020, the company’s revenue grew by more than 4.2%. These numbers are promising and prove Morula’s capability of producing even better results in the coming years.

### *Addressing Unmet Needs*

Morula has identified gaps and unmet needs in the Indonesian fertility industry. For example, organizations should capitalize on stakeholders' awareness, knowledge, and expertise, which is a practice that is still lacking in the industry. Technology updates and research and development (R&D) support from the Indonesian government are still low and not enough to augment industry growth. Furthermore, Morula notes that Indonesia's overall healthcare does not hold significant recognition compared to healthcare in neighboring countries, which makes developing and promoting Indonesia's medical tourism captive market even more difficult.

Morula has addressed these challenges by strengthening its internal teamwork, with Bundamedik Healthcare System (BMHS) as its holding company. Together, Morula and BMHS have worked to create and provide a holistic solution for infertility and have organized education programs for customers. Additionally, through this collaboration, these two companies have contested with Southeast Asian countries in the medical tourism sector through the Indonesian Medical Tourism Board, established by BMHS in 2020. Through its partnership with Perfitri, or Indonesian Association for In Vitro Fertilization (IAIV), Morula offers expertise reinforcement to the Indonesian government for the administration and development of Indonesia's fertility industry to compete with other Southeast Asian countries.

To ensure customers receive the best experience, Morula offers the following innovative products, services, and programs:

**Genomic - preimplantation genetic testing for aneuploidies (PGT-A) and PGT for monogenic disorders (PGT-M)**, in collaboration with Diagnos Genomic Laboratory, is a genetic test carried out on embryos produced by IVF to provide information related to the embryo's genetic health and boost the pregnancy rate. This product focuses on the gender selection program for Morula's patients.

**Endometrial receptivity analysis (ERA)** is a genetic test through which a small sample of a woman's endometrial lining is taken to establish the ideal day to transfer the embryo into her body during an IVF cycle.

**Time-lapse incubator** is used to monitor the embryo's growth digitally after the fertilization procedure. This technology is currently being used at Morula's main branches in Jakarta, Surabaya, Bandung, and Makassar. With this product, the company aims to create substantial Big Data to offer better patient diagnosis.

**Morula Food** offers a special nutrition diet for couples undergoing fertility treatment, either normal fertility treatment or IVF treatment. Daily catering, beverages, and snacks are provided, and the company offers diets for patients with specific fertility needs, such as for polycystic ovary syndrome (PCOS). Additionally, the company provides a fertility diet with its detox program.

**Morula Wellness**, available in Bali, Yogyakarta, and Bandung, is a three-day fertility retreat for couples. To improve the success rate during fertility programs, this service offers different activities, such as fertility yoga, fertility meditation, detox nutrition, and art activities.

**Morula Pharma** is a pharmaceutical manufacturer and distribution company that specializes in fertility products, such as medicine and medical devices.

### ***Brand Equity***

Morula has sustained its leading brand name and position in Indonesia's fertility industry by receiving significant certifications and awards in 2019 and 2020. In 2019, the company received the Ministry of Health Certificate for IVF Services in Indonesia. For the standardization of IVF treatment following the Fertility Society of Australia & New Zealand's (FSA) guidelines (audited annually), the company has received the Reproductive Technology Accreditation Committee (RTAC) International Code of Practice Certification from FSA since 2016. Furthermore, in January 2020, Morula won the award for the Best IVF Center - Best Service and Pregnancy Rate, Outbound Theme Travel, and Medical Tourism Industry Award in China.

To enhance its growth, the company has expanded its footprint in Indonesia with ten Morula IVF Clinics and one Morula Lounge in 2020. From 2020 to 2021, the company will focus on mergers and acquisitions (M&A). To enhance the growth of the medical tourism captive market and outbound and inbound medical tourism, the company engages with all stakeholders, including Indonesia's government. Morula stands to be the only Indonesian IVF chain clinic with ten branches, all of which are largely supported by BMHS. In addition, Morula collaborates with Diagnos Genomic Laboratory and the Bunda Hospital network, allowing Morula to access extra resources and information, which is an advantage not available to any other IVF clinic in the country.

With the implementation and availability of state-of-the-art IVF technologies, Morula has successfully surpassed its competitors in the industry.

### ***Implementation of Best Practices***

Morula implements best practices in the form of new developments, technology investments, and partnerships. From 2017 to 2019, the company expanded its presence with five new clinics and has been transforming its Jakarta branches into flagship IVF clinics by employing the newest technology and holistic treatment, with a 5,000-square meter area. In 2018, Morula became a pioneer in the development of embryology by establishing the Indonesian Society of Human Reproduction (IHSE).

In 2020, the company introduced Morula Lounge in Bali, which is an information center for IVF treatment and serves as a fertility retreat center. To enhance the quality and success of its services, Morula built a customized information system that is specific to the IVF industry. This system focuses on front-office management, enterprise resource planning, finance accounting and reporting systems, customer relationship management, web-based applications for patients and doctors, and electronic medical record system. Furthermore, Morula has implemented advanced technologies, such as intracytoplasmic sperm injection (ICSI), intracytoplasmic morphologically selected sperm injection (IMSI), time-lapse incubator, and PGT-A procedures. By employing these modern techniques, Morula has secured a competitive edge in the industry.

In 2020, Modula experienced strong development by establishing partnerships with 14 Women and Children Hospitals, categorized as Morula Satellite Clinics. The company plans to expand its strategic partnerships by introducing its satellite programs into 300 Morula Satellite Clinics within the next five years. Moreover, the company has expanded its number of partnerships by signing 60 partnerships in 2021.

Morula is concentrating on other growth strategies for its geographical and business expansion. For geographical expansion, the company plans to open two to three new clinics per year over the next three to five years, particularly in the top tier cities with the highest potential. In addition, Morula is strategizing the establishment of M&A activities with only three to four target partners in Jakarta, Bali, and Medan and has decided to expand its footprint by the end of 2022, starting with countries in Southeast Asia and Asia-Pacific. In terms of business segment expansion, the company has introduced its new line of businesses called Morula Food, Morula Wellness, and Morula Pharma and provides patients with new collaborative products and services under BMHS.

R&D is another significant aspect of Morula's growth strategy. Within the next three to five years, the company plans to conduct research on non-invasive preimplantation genetic testing (niPGT-A), hormonal studies, and lifestyle medicine by collaborating with multinational corporations. The company will publish in scientific journals that will feature Morula locally in Indonesia and regionally. In addition, the company is collaborating with Indonesian Reproductive Science Institute (IRSI) to carry out research on reproductive medicine and to provide training to doctors who specialize in fertility treatment.

Morula contributes its time and effort to implementing new technology and scientific innovation and is currently using Big Data from more than 60,000 patients. Moreover, the company creates customized solutions for infertile couples, including intrauterine insemination (IUI), minimal stimulation IVF (Mini-IVF), special treatment for ovarian hyperstimulation syndrome (OHSS) and PCOS, niPGT-A and PGT-M, ERA, microepididymal sperm aspiration (MESA), percutaneous epididymal sperm aspiration (PESA), testicular sperm aspiration (TESA), and testicular sperm extraction (TESE).

In addition, to maintain its leading position, Morula created an operational strategy as a best practice to sustaining growth implementation. To reduce operational waste and improve productivity in delivering excellent service to patients, the company started practicing lean management with a consultant from Germany in 2018. Morula's operations manager and branch heads are authorized to minimize bureaucracy and make decisions based on market trends. Furthermore, to minimize human error and provide patients with better services, the company introduced a new information system that is based on artificial intelligence and machine learning.

The company has established firm standard operating procedures (SOPs), follows medical protocols with a high standard of quality, and has an audit committee that carries out quarterly audits to ensure established protocols are implemented throughout Indonesia.

### *Customer Ownership Experience*

Morula offers the following two major packages to customers: premium segment and lower segment. The company offers its premium segment at its flagship clinics in Menteng in Jakarta and other Type A clinics in Surabaya, Makassar, and Bandung. The lower segment costs slightly less and follows a moderate pricing strategy, providing Morula with a competitive edge in the market. This lower segment is reasonably priced for patients from Morula Yogyakarta, Margonda - Depok, Ciputat, Pontianak, and Padang, thereby ensuring that every infertile couple has a chance at parenthood.

Morula currently has 47 fertility experts (obstetric gynecologists and embryologists) who work throughout Indonesia. Every expert has more than ten years of experience in fertility treatment and is equipped with the right knowledge to provide the best advice and solutions to couples seeking fertility treatment. With the number of physicians and scientists on its team, Morula has become its own scientific community, wherein all experts can communicate and exchange knowledge with each other. This channel of communication benefits the growth of every doctor and embryologist. Furthermore, the company pays attention to the development of skills and knowledge among its nurses, thus ensuring that every member on the team is aware of the latest updates and innovations in the field of IVF treatment.

For its customer and branding strategies, the company introduced its patient collaboration program that focuses specifically on patient surveys and oversees the development of new products and services that satisfy patient requirements. Morula is improving patients' access and awareness throughout Indonesia by educating patients and making IVF treatment more affordable. Moreover, the company plans to leverage the shareholder value within the next three years, thus becoming attractive to the capital market.

As a marketing strategy, Morula focuses on Morula Fertility Week, digital marketing investment, and integrated services under BMHS. Morula Fertility Week is an initiative that provides education on IVF treatment through a huge exhibition in major cities in Indonesia. This event is covered by the media and has taken place every year since 2018 in different formats. Through this initiative, Morula has successfully educated more than 22,000 couples within the last two years. To ensure couples have a proper idea of Morula's offerings, the company brings its latest IVF technology to events in many locations, such as shopping malls, offices, or any public place.

With its digital marketing investment through social media and webinars, particularly during the COVID-19 lockdown, Morula gained an audience of more than 16,000 and witnessed a 50% increase in followers in 2020. In addition, Morula has started providing integrated services under BMHS.

In collaboration with Diagnos Genomic Laboratory, Morula now offers genomic testing, antenatal care during pregnancy up to delivery, and child care in the Bunda Hospital network. In addition, the company offers trusted medicine and medical devices through Morula Pharma and Bunda Global Pharma supply chain management.

### **Customer Service Experience**

To improve the reliability and user friendliness of its services and to provide the best customer service experience, Morula offers the following services and facilities:

**Improved digital assets:** Morula has made its website and all social media platforms (e.g., Instagram, Facebook, and YouTube) user friendly, introduced a new design on these platforms, and constantly updates them with information about products, services, and guidelines.

**The launch of MIA – national contact center for fertility-related matters at the national hotline number 150 - IVF (483):** This center was primarily established for Morula’s national contact center and later changed to the national information center for fertility-related inquiries and concerns. Both customers and the general public can inquire about anything related to fertility and infertility by using the hotline. Moreover, the national contact center can be used to conduct surveys and acquire patient feedback.

**The utilization of testimonials:** Testimonials are effective tools for conveying messages to customers and improving services based on both their satisfaction and dissatisfaction. These testimonials present patients’ objective feedback that is accessible by Morula patient community management and brand ambassadors who endorse Morula.

To ensure high standards and a continued focus on customer service, Morula uses the following customer feedback mechanism:

**Regular patient survey – entry phase/admission (for new patients):** Patients share information on how they learned about Morula and what they expect from the company during their IVF treatment.

**Regular patient survey – after IVF treatment:** Patients provide feedback on their IVF treatment and the services they received at Morula IVF clinics. This survey requires feedback on all services, including treatment from the staff and doctors, and focuses on suggestions that can be implemented to provide a better patient experience.

### **Conclusion**

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Morula has persistently maintained its leading position within the Indonesian fertility treatment industry. With its sustained efforts and hard work in offering services and solutions designed with state-of-the-art technologies and in implementing the highest standard of service excellence with affordable yet effective solutions, the company has accomplished a high success rate of IVF treatments in Indonesia.

With its strong overall performance, Morula IVF has earned Frost & Sullivan’s 2021 Company of the Year Award in the Indonesian IVF services industry.

## What You Need to Know about the Company of the Year Recognition

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Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends:** Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

