



EvaluateMedTech®

World Preview 2016, Outlook to 2022

Executive Summary

5th Edition – October 2016

Analysis Highlights

- Worldwide medtech sales forecast to reach \$529.8bn by 2022
 - Worldwide medtech market forecast to grow more slowly than prescription drug market, with a CAGR of 5.2% between 2015 and 2022 versus 6.1% for pharma
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- M&A activity in H1 2016 slumps 79% to \$17bn following 2015's flurry of mega mergers
 - Medtronic becomes the leading medtech company in 2015 following the \$50bn acquisition of Covidien
 - ...and Medtronic remains top in 2022; sales forecast to reach \$39.9bn
 - Johnson & Johnson retains leading position in the orthopedics market in 2022 with 24.1% market share; but Zimmer Biomet forecast to be a close 2nd with 20.6% market share
 - In vitro diagnostics remains number one device area in 2022 with sales of \$70.8bn; Roche continues domination of sector with 2022 sales forecast to reach \$12.8bn
 - Medtronic continues to dominate the cardiology market; sales forecast to reach \$14.1bn in 2022
 - Medtech R&D spend forecast to grow by 4.3% per annum to \$34.0bn in 2022
 - Medtronic tops table of R&D spenders in 2022 with \$2.8bn forecast
 - Number of first-time PMAs and HDEs hits a ten year high in 2015; 510(k) clearances decrease 6% to 3,064
 - Number of venture financing deals slumps 39% to 138 in H1 2016; value of venture financing only falls 6% to \$2.4bn
 - Medtech IPO deal values fall significantly in H1 2016 to \$164m

Worldwide Medtech Sales by Device Area in 2022

Worldwide Medtech Sales Forecast to Reach \$529.8bn by 2022; IVD Remains Number One in 2022.

EvaluateMedTech® consensus forecasts find that the medtech market will achieve sales of \$529.8bn in 2022, growing by 5.2% per year (CAGR) between 2015 and 2022.

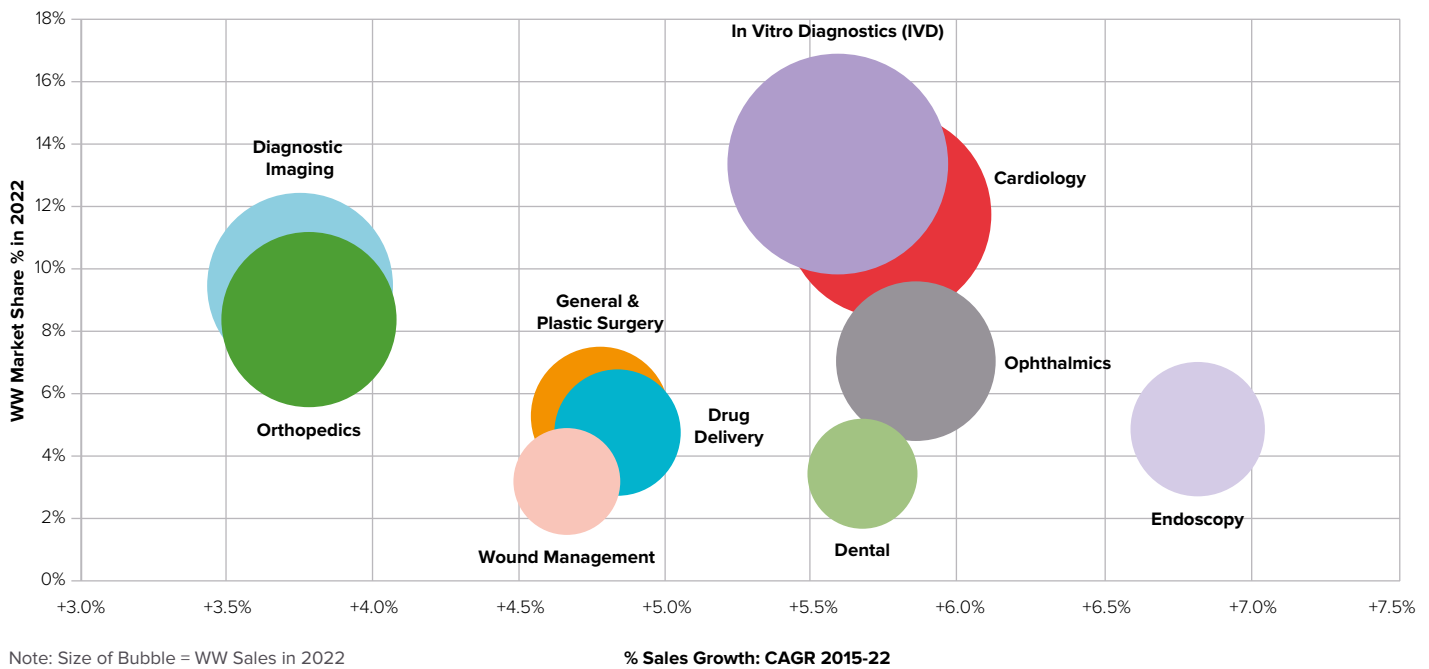
In vitro diagnostics (IVD) will be the largest device area in 2022, with

sales forecast to reach \$70.8bn, representing 13.4% of the industry's total sales. Cardiology takes the second spot, with annual sales increasing to \$62.3bn in 2022 from \$42.1bn in 2015.

Neurology is forecast to be the fastest-growing device area, with a CAGR of 7.6% between 2015 and 2022.

Analysis on Top 10 Device Areas in 2022, Market Share & Sales Growth (2015-22)

Source: EvaluateMedTech® September 2016



WW Medtech Sales by EvaluateMedTech® Device Area: Top 15 Categories & Total Market (2015/22)

Source: EvaluateMedTech® September 2016

Rank	Device Area	WW Sales (\$bn)			WW Market Share			Rank Chg. (+/-)
		2015	2022	CAGR % Growth	2015	2022	Chg. (+/-)	
1.	In Vitro Diagnostics (IVD)	48.4	70.8	+5.6%	13.1%	13.4%	+0.3pp	-
2.	Cardiology	42.1	62.3	+5.7%	11.4%	11.8%	+0.4pp	-
3.	Diagnostic Imaging	38.9	50.3	+3.7%	10.5%	9.5%	-1.0pp	-
4.	Orthopedic	34.0	44.1	+3.8%	9.2%	8.3%	-0.8pp	-
5.	Ophthalmics	24.9	37.1	+5.8%	6.7%	7.0%	+0.3pp	-
6.	General & Plastic Surgery	20.2	28.1	+4.8%	5.5%	5.3%	-0.2pp	-
7.	Endoscopy	16.4	26.0	+6.8%	4.4%	4.9%	+0.5pp	+1
8.	Drug Delivery	17.6	24.5	+4.8%	4.8%	4.6%	-0.1pp	-1
9.	Dental	12.4	18.3	+5.7%	3.3%	3.4%	+0.1pp	-
10.	Wound Management	12.4	17.0	+4.7%	3.3%	3.2%	-0.1pp	-
11.	Diabetic Care	11.0	16.2	+5.7%	3.0%	3.1%	+0.1pp	-
12.	Nephrology	10.6	15.4	+5.5%	2.8%	2.9%	+0.1pp	-
13.	General Hospital & Healthcare Supply	10.3	14.4	+5.0%	2.8%	2.7%	-0.0pp	-
14.	Healthcare IT	7.8	11.3	+5.5%	2.1%	2.1%	+0.0pp	-
15.	Neurology	6.7	11.1	+7.6%	1.8%	2.1%	+0.3pp	+2
	Top 15	313.7	446.8	+5.2%	84.5%	84.3%	-0.2pp	
	Other	57.3	83.0	+5.4%	15.5%	15.7%	+0.2pp	
	Total WW Medtech Sales	371.0	529.8	+5.2%	100.0%	100.0%		

Note: Analysis is based on the top 300 medtech companies. Sales in 2015 based on company reported data. Sales forecasts to 2022 based on a consensus of leading equity analysts' estimates for segmental sales.



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