



EvaluateMedTech®

World Preview 2017, Outlook to 2022

Executive Summary

6th Edition – September 2017



Analysis Highlights

- Worldwide medtech sales forecast to reach \$522bn by 2022
 - Worldwide prescription drug market only forecast to grow at a marginally faster rate than the medtech market, with a CAGR of 5.2% between 2016 and 2022, versus 5.1% for medtech
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- Total value of MedTech M&A deals rises by a massive 178% in H1 2017 despite drop in deal count
 - Abbott's acquisition of St. Jude results in it becoming the second largest cardiology company
 - Medtronic remains the largest medtech company in 2016 with sales of almost \$30bn
 - ...and Medtronic will remain at the top in 2022 with sales forecast to reach \$37.7bn; Abbott to jump to third place
 - Global medtech R&D spend set to grow by 3.7% (CAGR) to \$33.5bn by 2022
 - Medtronic top medtech R&D spender in 2022; Abbott to knock Johnson & Johnson off second place spot
 - In vitro diagnostics is expected to remain the largest medtech segment in 2022 with annual sales of \$70bn; Roche remains top player with expected sales of \$12.8bn in 2022
 - Diagnostic imaging sales forecast to reach \$48bn in 2022; Siemens, General Electric and Philips dominate the market
 - Johnson & Johnson continues to lead the orthopedic Market in 2022
 - Approval rate for innovative devices increases in the first eight months of 2017; cardiology outperforms other areas
 - Following the 10-year high in 2015, number of first-time PMAs and HDEs down 22% in 2016
 - Total value of MedTech venture financing deals rises 56% in H1 2017 despite the number of deals falling by 11%
 - Total value of MedTech IPOs continues to fall in H1 2017 to \$122m

Worldwide Medtech Sales by Device Area in 2022

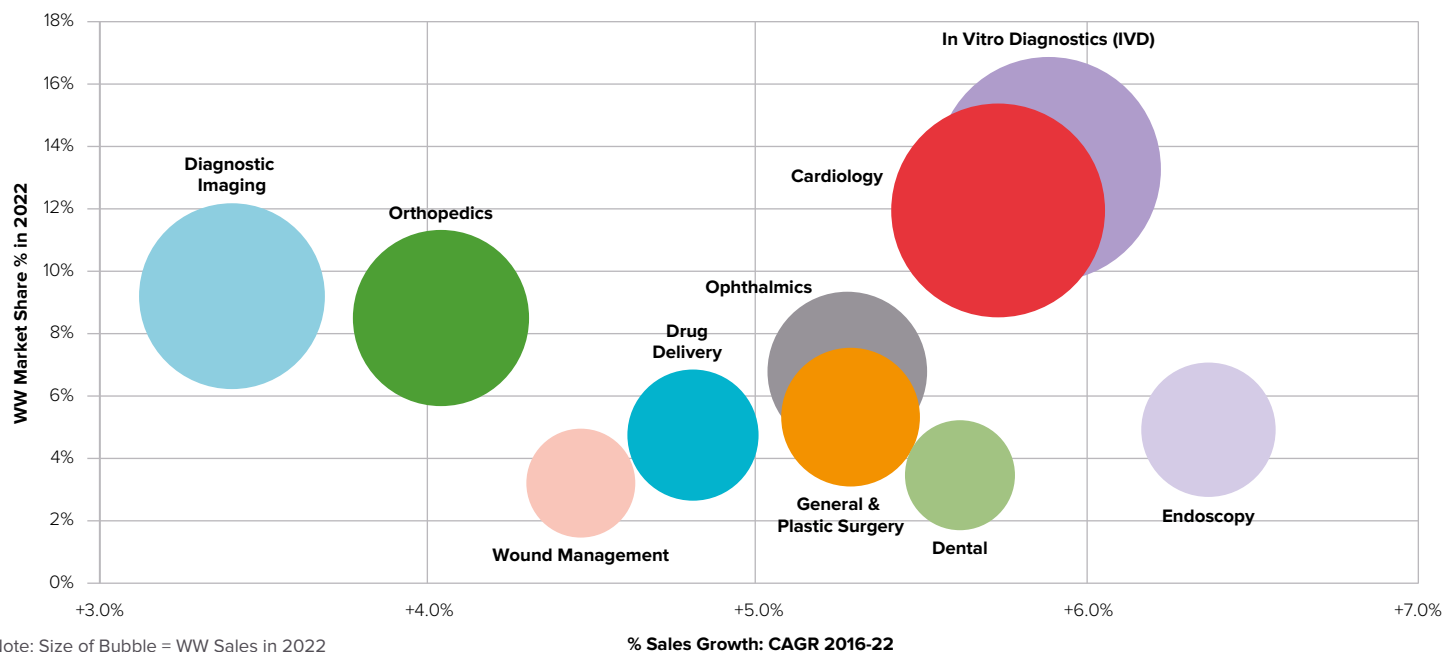
Worldwide medtech sales forecast to grow by 5.1% (CAGR) to \$522bn by 2022; in vitro diagnostics retains its number one spot in 2022.

Evaluate consensus forecasts find that the value of the worldwide medtech market will reach \$521.9bn by 2022, growing at a rate of 5.1% per year (CAGR) between 2016 and 2022.

In vitro diagnostics is expected to remain the largest segment in 2022 with annual sales of \$69.6bn, well ahead of second placed Cardiology. Neurology is again forecast to be the fastest-growing device area, with sales expected to rise to \$11.6bn in 2022, representing 7.8% market growth per year (CAGR) between 2016 and 2022.

Analysis on Top 10 Device Areas in 2022, Market Share & Sales Growth (2016-2022)

Source: Evaluate, September 2017



Worldwide Medtech Sales by EvaluateMedTech® Device Area: Top 15 Categories & Total Market (2016 & 2022)

Source: Evaluate, September 2017

Rank	Device Area	WW Sales (\$bn)		CAGR % Growth	WW Market Share			Rank Chg. (+/-)
		2016	2022		2016	2022	Chg. (+/-)	
1.	In Vitro Diagnostics (IVD)	49.4	69.6	+5.9%	12.8%	13.3%	+0.6pp	-
2.	Cardiology	44.6	62.3	+5.7%	11.5%	11.9%	+0.4pp	-
3.	Diagnostic Imaging	39.2	48.0	+3.4%	10.1%	9.2%	-1.0pp	-
4.	Orthopedics	35.0	44.4	+4.0%	9.0%	8.5%	-0.5pp	-
5.	Ophthalmics	26.0	35.4	+5.3%	6.7%	6.8%	+0.1pp	-
6.	General & Plastic Surgery	20.4	27.8	+5.3%	5.3%	5.3%	+0.0pp	-
7.	Endoscopy	17.8	25.7	+6.4%	4.6%	4.9%	+0.3pp	+1
8.	Drug Delivery	18.6	24.6	+4.8%	4.8%	4.7%	-0.1pp	-1
9.	Dental	12.8	17.8	+5.6%	3.3%	3.4%	+0.1pp	+1
10.	Wound Management	13.0	16.9	+4.5%	3.4%	3.2%	-0.1pp	-1
11.	Diabetic Care	11.0	16.2	+6.6%	2.9%	3.1%	+0.2pp	+1
12.	Nephrology	11.1	14.6	+4.6%	2.9%	2.8%	-0.1pp	-1
13.	General Hospital & Healthcare Supply	11.0	12.8	+2.5%	2.8%	2.4%	-0.4pp	-
14.	Neurology	7.4	11.6	+7.8%	1.9%	2.2%	+0.3pp	+3
15.	Ear, Nose & Throat (ENT)	8.0	11.1	+5.5%	2.1%	2.1%	+0.0pp	-1
	Top 15	325.4	438.6	+5.1%	84.1%	84.0%	-0.1pp	
	Other	61.4	83.3	+5.2%	15.9%	16.0%	+0.1pp	
	Total WW Medtech Sales	386.8	521.9	+5.1%	100.0%	100.0%		

Note: Analysis is based on the top 300 medtech companies. Sales in 2016 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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www.evaluate.com

Evaluate Headquarters

Evaluate Ltd.
11-29 Fashion Street
London E1 6PX
United Kingdom
T +44 (0)20 7377 0800
F +44 (0)20 7539 1801

Evaluate Americas

EvaluatePharma USA Inc.
15 Broad Street, Suite 401
Boston, MA 02109
USA
T +1 617 573 9450
F +1 617 573 9542

Evaluate APAC

Evaluate Japan KK
Akasaka Garden City 4F
4-15-1 Akasaka, Minato-ku
Tokyo 107-0052
Japan
T +81 (0)80 1164 4754