

Media release

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Billion Dollar Revenue Growth for New Zealand’s Tech Export Sector

Annual TIN100 Report reveals record revenue growth of 12% over past year, contributing \$9.4 billion to the New Zealand economy

Auckland, 19 October 2016 – Growth in New Zealand’s booming technology export sector has broken through the \$1 billion mark for the first time, underlining the sector’s ascendance as a key driver for the country’s overall economic growth.

New Zealand’s leading 200 tech “exporters” continued to grow strongly in size and diversity, increasing revenue by a record 12% over the past year to reach combined revenues of \$9.4 billion, according to the 2016 TIN100 Report. Double-digit growth was spread across geographies, market sectors and company sizes, with the growth also resulting in a record number of new tech sector jobs.

These are some of the key findings of the twelfth annual TIN100 Report, an analysis of the performance of the top 200 New Zealand-founded high-tech companies, announced at a launch and awards ceremony held at Mantells on the Water in Auckland on Wednesday, 19 October. The findings will also be presented at launch events in Wellington and Christchurch on 26 and 27 October, respectively.

The TIN100 Report monitors the performance of New Zealand’s 200 (TIN100 and Next100) largest technology exporters in the areas of Information and Communication Technology (ICT), High-tech Manufacturing and Biotechnology. It is produced by Technology Investment Network (TIN) and sponsored by NZTE, Callaghan Innovation, EY and AJ Park.

In addition to the TIN100 rankings which include the EY Ten Companies to Watch 2016 and Ten Hot Emerging Companies 2016, for the first time this year’s report also lists 100 promising New Zealand Early Stage Companies and provides in-depth profiles of ten of these firms.

“In no previous year since the launch of the TIN100 Report 12 years ago, has change been so dramatic or widespread”, said TIN Managing Director, Greg Shanahan. “This year’s data signals that an inflexion point has been passed as the industry hits critical momentum, reflecting longer term acceleration of technology growth and a significant closure of the export earnings gap between dairy and tech.”

“We’re also seeing changing dynamics across the industry as more companies are expanding through acquisition than ever before, more investment is being made across the entire breadth of company life cycles and more high growth companies across a range of sectors are muscling out the single market powerhouses,” Mr. Shanahan added.

Additional key findings of this year's TIN100 Report include:

- **Offshore revenues** totalled nearly \$7 billion, up 13.5% on last year
- **US exports increased nearly 26%** to more than \$2 billion, buoyed by currency shifts. The European market grew 12.5% and the Asia market 11.7%
- **ICT led Primary Sector** revenue growth (up 17.3%), but **Manufacturing** contributed the most revenue in dollar terms (61% of total)
- **Healthcare** (\$1.686 million) surpassed Appliances (\$1.682 million) as the largest secondary technology sector. **Financial Services Technology (31.2%)** and **Digital Media (24.3%)** sectors recorded the highest percentage gains
- TIN200 companies created nearly **3,000 new jobs** in the past year, up 7.9%. They now employ almost 40,000 people.
- **Record 16% growth in R&D spend**, now accounting for nearly 9% of total revenues of TIN200 companies
- Record **31 acquisitions** were made by TIN200 companies in the past 12 months
- **40%** more TIN200 companies **generated revenues over \$50 million** than five years ago
- **Wellington** led regional revenue growth (15.3%), while **Auckland** contributed the greatest proportion of revenue (\$5.4 billion). The **South Island** grew 9.2% (*see footnote for additional regional data*)

Copies of the TIN100 Report are available in eBook or hard copy and can be ordered from www.tin100.com. Lists of the top ten and most promising companies in each category are listed below, along with a regional breakdown.

Top 10 Companies by Rank

Rank	Company	2015 Revenue (\$m)
1	Fisher & Paykel Appliances	\$1,164m
2	Datacom Group	\$1,060m
3	Fisher & Paykel Healthcare	\$816m
4	Gallagher Group	\$228m
5	Xero	\$207m
6	Orion Health	\$207m
7	Temperzone Group	\$185m
8	Tait Communications	\$175m*
9	Douglas Pharmaceuticals	\$161m
10	NDA Group	\$150m

*Estimated

EY Ten Companies to Watch: TIN100 companies with the largest revenue growth in 2016

Rank	Name	Growth (\$m)	2016 Revenue
1	Fisher & Paykel Healthcare	\$143m	\$816m
2	Datacom Group	\$123m	\$1,060m
3	Xero	\$83m	\$207m
4	Buckley Systems	\$44m	\$89m
5	Orion Health	\$43m	\$207m
6	Cubic Defence NZ	\$28m	\$103m
7	Magic Memories	\$26m	\$69m
8	Douglas Pharmaceuticals	\$25m	\$161m
9	Gallagher Group	\$25m	\$228m
10	Vista Group International	\$18m	\$65m

The EY Ten Companies to Watch list represents the TIN100 companies who achieved the highest dollar value increase in revenue in the past year. Included are companies that have provided revenue figures and achieved a minimum growth of 5%.

Ten Hot Emerging Companies: The Next100 companies with the largest revenue growth in 2016

Rank	Name	Growth (\$m)	2016 Revenue
1	Pushpay	\$13m	\$15m
2	PowerbyProxi	\$10m	\$12m
3	Vend	\$7m	\$15m
4	90 seconds	\$6m	\$10m
5	Modica Group	\$5m	\$9m
6	ikeGPS	\$5m	\$9m
7	Flintfox International	\$4m	\$13m
8	Plexure	\$4m	\$7m
9	ARANZ Medical	\$4m	\$9m
10	Pacific Edge	\$3m	\$7m

The Ten Hot Emerging Companies list represents the Next100 companies who achieved the highest dollar value increase in revenue in the past year. Included are companies that have provided revenue figures and achieved a minimum growth of 5%.

Ten Promising Early Stage Companies

Name
8i
BioLumic
CropLogic
Engender Technologies
Footfalls & Heartbeats
Hydroxsys
Invert Robotics
Mars Bio-imaging Ltd
Parrot Analytics
Timely

The award recognises promising TIN companies that are in an early stage of the company lifecycle (development, pre-commercialisation or commercialisation stages) from the 2016 TIN100 Report. These companies have been selected based on an assessment of the innovation of their technology and the potential market opportunity.

AUCKLAND & NORTHLAND

The Auckland region has continued its strong growth in 2016, with TIN200 companies generating over \$5.4 billion revenue (12% revenue growth)

1,203 jobs were created in the region (6% job growth)

The top 5 Auckland companies (in revenue terms) were:

- *Fisher & Paykel Appliances*
- *Fisher & Paykel Healthcare*
- *Orion Health*
- *Temperzone Group*
- *Douglas Pharmaceuticals*

WELLINGTON & LOWER NORTH ISLAND

The Wellington region nearly doubled its revenue growth percentage in 2016, and again topped percentage growth this year. TIN200 companies generated over \$1.9 billion revenue (15% revenue growth)

1,516 jobs were created in the region (18% job growth)

The top 5 Wellington companies (in revenue terms) were:

- *Datacom Group*
- *Xero*
- *Weta Digital*
- *Intergen*
- *Fronde Systems Group*

HAMILTON

Hamilton grew its revenue growth percentage in 2016 by 11%. TIN200 companies generated nearly \$566 million revenue.

62 jobs were created in the region (3% job growth)

The top 5 Hamilton companies (in revenue terms) were:

- *Gallagher Group*
- *NDA Group*
- *Waikato Milking Systems NZ*
- *Pacific Aerospace*
- *Simcro*

CHRISTCHURCH & SOUTH ISLAND

The South Island region further increased its traction in 2016, with TIN200 companies generating nearly \$1.3 billion revenue (9.2% revenue growth)

124 jobs were created in the region (2.2% job growth)

The top 5 South Island companies (in revenue terms) were:

- *Tait Communications*
- *Diligent Corporation*
- *OMNI Orthopaedics*
- *Scott Technology*
- *CWF Hamilton*

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About the TIN100 Report

The TIN100 Report is produced by Technology Investment Network with sponsorship from NZTE (New Zealand Trade and Enterprise), Callaghan Innovation, EY, and AJ Park. The TIN100 Report is a critical reference for benchmarking the performance of New Zealand's 200 largest globally focused technology companies. The size of the tech industry has grown significantly since 2005 and in recognition of this, TIN collated information on more than 450 companies in 2016.

About Technology Investment Network

Technology Investment Network (TIN) is a private company established in 1999 to facilitate the growth of the technology export sector in New Zealand. The company's goal is to contribute to the New Zealand economy by supporting the growth of, large, sustainable, New Zealand based, global technology businesses. For more information visit: www.tinetnetwork.com

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