

## MILESTONE 2019 TIN REPORT SHOWS REVENUE GROWTH, INVESTMENT IN R&D AND EMPLOYMENT NUMBERS AT RECORD LEVELS

*Key growth milestones prove tech export sector strength as global investment interest surges*

### Key Highlights

- **\$12.1B:** TIN200 total revenue for 2019
- **\$1.1B:** TIN200 total revenue growth for 2019
- **51,569:** Number of TIN200 full-time staff in 2019
- **\$8.7B:** Total TIN200 exports
- **R&D** reaches more than \$1B for the first time
- **ICT** growth of 15.9% or \$643 million
- **Europe** growth of 18.5% or \$228 million
- **Wellington** region demonstrates strongest revenue growth of 17.5%
- **29** companies qualified for TIN Rising Star status\*, which combined contributed revenue of \$2.2B
- **Datacom Group** #1 on TIN200 list, #1 EY Ten Companies to Watch for third year running
- **90 Seconds** recipient of TIN Rocket Award 2019 for biggest jump in TIN200 rank (climbed 29 places)

**AUCKLAND, 31 October 2019** – For the first time in TIN Report history, New Zealand’s two hundred largest tech exporting companies by revenue – the TIN200 – have broken through the \$12B mark in total revenue, and \$8B in export earnings. This equates to double-digit growth and total growth over a billion dollars for the second consecutive year, and the third time in the past four years, according to the 15th annual Technology Investment Network (TIN) Report, launched tonight at a gala awards event in Auckland.

In other firsts, the Report also shows that investment in R&D has surpassed \$1B for the first time, and employment numbers in the tech export sector have exceeded 50,000 staff.

“We’re delighted to present these record-breaking findings on the performance of the New Zealand tech companies that are exporting Kiwi innovation to the world,” said Greg Shanahan, founder and managing director of TIN. “Through an overwhelming number of key metrics, our tech export sector is sending a strong message that it has the potential to become our country’s leading source of offshore income. We’re very excited to see the potential that this long-term sustainable growth presents.”

Mr Shanahan also notes that the TIN Next100 list has outpaced the TIN100 in terms of growth rate, a clear sign that the New Zealand tech sector is not only made up of a stable group of large companies driving the sector forward, but is also developing a strong pipeline of emerging new companies beneath them.

The TIN Report monitors the performance of New Zealand’s top 200 (TIN100 and Next100) largest technology exporters in the areas of Information and Communication Technology (ICT), High-tech Manufacturing and Biotechnology, approaching almost 1,000 companies for its survey this year.

The Key Highlights from this year’s Report are:

- **TIN200 companies continue their strong upward trajectory, achieving a consecutive year of \$1.1B growth in revenue for the first time.**

Total TIN200 revenue rose to a record \$12.1B in 2019, growing by 10.2% or \$1.1B. This is the first time that the TIN200 has achieved two consecutive years of over \$1B revenue growth.

- **The strength of ICT firms continues to drive the New Zealand tech sector forward.**

The 95 ICT firms in the TIN200 delivered another impressive year, increasing turnover by \$643m or 15.9%. This accounts for well over half of the TIN200 growth, and this compares favourably to the 7.0% and 6.0% growth rates of the High-tech Manufacturing and Biotech primary sectors respectively. Fintech remains a key growth sector, after another strong year of 26.9% growth.

- **Over 50,000 staff are now employed globally by the TIN200.**

The group now employs nearly 52,000 staff around the world, of which over half are employed in New Zealand. These employees are paid over \$4B in wages – another historic milestone never before reached by the TIN200. The average wage for a TIN200 employee is more than \$82,000.

- **Traditionally strong export markets continue to drive TIN200 export growth of 11.3%.**

Offshore revenue for the TIN200 reached a record \$8.7B on the back of 11.3% export growth. Australia and North America maintain their position as the two largest export markets, both growing by 9.7% to contribute nearly 50% of total TIN revenue. Europe, however, topped in growth rate after an 18.5% revenue rise.

- **Significant change is seen in the ownership landscape following considerable foreign interest.**

A total of seven TIN200 companies received offshore investment with \$326m invested between them. With eight TIN200 companies also acquired by offshore interests, there is a clear shifting dynamic in the TIN200 ownership environment.

- **The Wellington region demonstrates the strongest growth in both dollar and percentage terms.**

While growth was seen in all regions across NZ, Wellington stands out as the fastest growing, increasing sales by \$386m or 17.5%. This puts Wellington alongside North Auckland and Otago as the only three regions with double digit 5-year CAGRs, proving they are consistent drivers of overall TIN200 growth.

- **Innovation remains critical for the NZ tech sector.**

R&D continues to be a key focus for TIN200 companies and has reached over \$1B for the first time in TIN Report history. This has pushed it above the 10% of revenue mark, with TIN companies allocating 11.1% of revenue toward R&D activities.

- **Number of TIN Rising Star companies reaches record heights.**

TIN's category for consistent high growth companies, the TIN Rising Stars, has reached a record 29 companies. Dominated by the ICT primary sector, this expanding group highlights the increasing depth of impressive tech firms in New Zealand.

TIN celebrates its 20<sup>th</sup> anniversary this year, and Mr Shanahan says the organisation is looking to make an enhanced commitment in 2020 and beyond towards making tech companies an increasing force for good in New Zealand, utilising their talents and robust networks to help address economic disparity and bring about genuine societal change.

"In 20 years' time, when we are looking back on another two decades of evolution of the New Zealand tech sector, I'm confident that we'll be able to trace the threads back to the TIN Report of 2019 and see how the successes of today translated into the strong foundations of a tomorrow that brought benefit and prosperity to all," said Mr Shanahan.

David Downs, general manager, New Zealand Trade and Enterprise, will lead a discussion on this topic at tonight's launch event in Auckland, with input from headline speakers Rebecca Tohill, CEO and Founder of Fusion5; Greg O'Grady, Co-founder and Chief Scientific Officer, Surgical Design Studio; and Maru Nihoniho,

Founder and Producer, Metia Interactive. Launch events will also be held in [Christchurch](#) and [Wellington](#) next week.

Copies of the 2019 TIN Report, which is sponsored by New Zealand Trade and Enterprise (NZTE), Absolute IT, BNZ, EY, James & Wells, and NZX, can be ordered [here](#). Lists of the top ten and most promising companies in each category are listed below.

#### Notes to Editors

\*TIN Rising Stars: A TIN200 company qualifies as a TIN Rising Star if it has demonstrated sustained high growth over the past three years (Minimum 20%, 3-year CAGR). The Rising Stars come from a diverse range of New Zealand's highest growth secondary sectors

#### Top Ten Companies by Rank 2019 (measured by revenue)

2019 Rank	Name	2019 Revenue (\$000)
1	Datacom Group	\$1,294,933
2	F&P Appliances	\$1,172,000
3	F&P Healthcare	\$1,070,000
4	Xero	\$552,800
5	Gallagher Group	\$271,000
6	Livestock Improvement Corporation	\$246,561
7	Douglas Pharmaceuticals	\$236,800
8	Temperzone Group	\$200,000
9	Scott Technology	\$182,000
10	Weta Digital	\$175,450*

\*Estimated Revenue

#### EY Ten Companies to Watch 2019: TIN100 companies with the largest revenue growth in 2019

Rank	Name	Growth (\$000)	2019 Revenue (\$000)
1	Datacom Group	\$188,153**	\$1,294,933
2	Xero	\$146,200	\$552,800

3	F&P Healthcare	\$89,600	\$1,070,000
4	Scott Technology	\$49,000	\$182,000
5	Pushpay	\$46,200	\$144,400
6	Gentrack Group	\$29,296	\$104,477
7	Transaction Services Group	\$29,000	\$155,000
8	Grinding Gear Games	\$26,852	\$99,246
9	Vista Group International Ltd	\$24,100	\$130,700
10	Gallagher Group	\$21,000	\$271,000

The EY Ten Companies to Watch list recognises the TIN companies with 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%.

**Notes to Editors**

\*\*Calculated by TIN based on the new NZIRFS standard rolled back and applied to 2018 using the Datacom confirmed growth figure of 17.0%

**Absolute IT Supreme Scale-Ups 2019: The Next100 companies (ranked between 101-200 in the TIN200) with the highest dollar value increase in revenue in the past year**

Rank	Name	Growth (\$000)	2019 Revenue (\$000)
1=	Syft Technologies	\$8,900	\$21,000
1=	ezyVet	\$8,900	\$15,600
3	Education Perfect	\$6,634	\$20,820
4	Howick Ltd	\$6,000	\$15,000
5	The Instillery	\$5,980	\$18,980
6	Soul Machines	\$5,700	\$9,900
7	Bluelab	\$5,500	\$19,400
8	Plexure	\$5,100	\$16,900
9	Coherent Solutions	\$3,928	\$8,123
10	Aeroqual	\$2,840	\$10,250

The Absolute IT Supreme Scale-Up Companies list recognises the Next100 companies (ranked between 101-200 in the TIN200) with 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%.

#### NZX Early Stage Companies 2019 (listed alphabetically)

Ambit
Dotterel Technologies
Joyous
Kami
Montoux
Parkable
Passphere
Surgical Design Studio
TASKA Prosthetics
<u>Winely</u>

The award recognises promising TIN companies outside of the TIN200 that are in an early stage of the company lifecycle (development, pre-commercialisation or in-market stages). These companies have been selected based on an assessment of the innovation of their technology and the potential market opportunity.

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#### About the TIN Report ([tin100.com](http://tin100.com))

The TIN Report is produced by Technology Investment Network with sponsorship from New Zealand Trade and Enterprise (NZTE), Absolute IT, BNZ, EY, James & Wells, and NZX. The TIN 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 has collated information on around 1,000 companies in 2019.