



First ever NZ HealthTech Insights Report offers timely deep dive into NZ's largest tech industry sub-sector: Healthcare Technology

- *New research collaboration between TIN and CMDT aims to increase global awareness and boost investment in Kiwi healthcare technology companies*
- *Report indicates that NZ HealthTech companies are well placed to enable a faster recovery from the current related economic shocks of COVID-19, says TIN*

AUCKLAND, 8 April 2020 – Technology Investment Network (TIN), in association with the Consortium for Medical Device Technologies (CMDT), has today released New Zealand's first ever HealthTech Insights Report, offering a deep dive into the country's largest tech industry sub-sector, Healthcare Technology.

The inaugural report provides a closer look into NZ's healthcare technology sector based on data from TIN's 2019 survey results, including size and significance, key export markets, investment challenges and opportunities, along with a comprehensive directory of 163 early stage HealthTech companies that currently exist in New Zealand.

"The desire for this Report arose out of conversations between key proponents of New Zealand's healthcare industry who agreed that there was no single shared overview of the NZ HealthTech sector that illustrated its potential for economic growth and social contribution," says Greg Shanahan, Managing Director of TIN. "With this Report, we're hoping to change that."

Mr Shanahan says the new HealthTech Insights Report, initially developed in late 2019 following the publication of the annual flagship TIN Report, has taken on a new relevance and resonance in the current global situation around COVID-19.

"Now more than ever, the world needs effective solutions to big health problems. The data in this Report shows that Kiwi companies are already delivering the kind of healthcare solutions that are in high demand globally, and that we are home to talented Kiwis with the smarts to address the toughest new health problems facing the world today," says Mr Shanahan.

Such companies include both established world-leaders like Fisher & Paykel Healthcare with its respiratory devices, to emerging companies like The Clinician which has repurposed its patient outcome measures platform to manage the wellbeing of communities dealing with COVID-19.

"It's my firm belief that the strength of NZ's HealthTech sector as a whole, as reflected in this Report, will help provide greater resilience for New Zealand as we shift to a new way of working through this lockdown period and beyond, and be an ongoing force for good that will enable a faster recovery from the current related economic shocks of COVID-19."

Key Insights from the Report include:

- The New Zealand HealthTech sector has shown steady growth over the past five years, with exports driving the success



- While there are just 22 HealthTech companies with over \$3.6m annual revenue – the threshold required for inclusion in the TIN200 – a further 163 companies provide a rich pipeline of early stage innovation and investment opportunity.
- Of the 200 companies in the 2019 TIN Report, 11% are HealthTech firms, yet they generated 15.4% of the TIN200 revenue, which clearly shows the size and significance of the HealthTech sector in New Zealand.
- Science-based product leadership is driving the sector, with companies that build healthcare devices currently leading the way (eg. Fisher & Paykel Healthcare)
- Other sector categories – Digital Health & Health IT and Diagnostics & Therapeutics, which includes pharmaceuticals – are also expanding significantly (eg Douglas Pharmaceuticals)
- Investment opportunities abound, but challenges persist. Investment in HealthTech companies often requires a longer incubation period, so more needs to be done to address growth acceleration
- HealthTech startups are focused on export markets from day one, as these provide the greatest potential for scaling.

Key HealthTech sector statistics (taken from the TIN HealthTech Insights Report, and based on 2019 TIN Report data)

- 11% of TIN200 companies are HealthTech firms, generating 15.4% of TIN200 revenue
- Three HealthTech companies in New Zealand today earned revenue of more than \$100m
- HealthTech companies generated \$1.9B in revenue, with a five-year CAGR of 9.1%
- Global exports of healthcare technology accounted for \$1.6B, or 87.5% of revenue
- Device companies generated around two thirds of the HealthTech sector’s revenue
- HealthTech companies had revenue growth of \$92m or 8.2% of TIN200 growth
- 34.7% of revenue from NZ HealthTech companies goes to Wages & Salaries
- HealthTech companies employ 7,636 people globally
- The average sector wage of \$85,000 is 41.6% higher than the New Zealand average
- HealthTech companies spent \$226m on R&D in 2019, or 12.1% of revenue
- North America is the largest offshore market for NZ HealthTech companies, accounting for 37.8% of sales, followed by Europe which contributes 23.7%

2019 HealthTech Sector Rankings for TIN100 companies – data taken from 2019 TIN Report

COMPANY	REVENUE	TIN 2019 RANKING
Fisher & Paykel Healthcare	\$1.07B	3
Douglas Pharmaceuticals	\$236.8m	7
Orion Health	\$117.3m	20
New Zealand Pharmaceuticals	\$97.4m	30
AFT Pharmaceuticals	\$85.1m	33
Dynamic Controls	\$75.3m	38
Atlantis Healthcare	\$26.6m	88
Aroa Biosurgery	\$24.2m	95



The HealthTech Insights Report is sponsored by the Ministry of Business, Innovation & Employment (MBIE), Auckland Tourism, Events and Economic Development (ATEED), Medical Technology Association of New Zealand (MTANZ), New Zealand Trade & Enterprise (NZTE), Cure Kids Ventures, Fisher & Paykel Healthcare, Health Informatics New Zealand (HiNZ) and New Zealand Health IT (NZHIT).

Copies of the Report are available via download here <https://tin100.com/product/new-zealand-healthtech-insights-report-2020/>

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Notes to editors

For further information and interview requests with Greg Shanahan (TIN Managing Director), or Diana Siew (Co-founder of the Consortium for Medical Device Technologies, please contact Kate Dobbin on kate.dobbin@tinetnetwork.com or mobile 021 522 103.