

2020 TIN REPORT: UNPRECEDENTED YEAR FOR NZ TECH EXPORTERS, RESILIENCE IN THE FACE OF GLOBAL COVID-19 PANDEMIC

Tech sector has continued upward trajectory of growth for another financial year; strongly positioned to take advantage of New Zealand's unique position

Key Highlights for 2020

- **\$12.7B:** TIN200 total revenue
- **\$972m:** TIN200 total revenue growth
- **55,000:** Number of TIN200 full-time staff
- **4,000:** new jobs created by TIN200 companies
- **\$9.4B:** Total TIN200 exports
- **ICT** growth of 11.4% or \$541.8 million
- **High Tech Manufacturing:** greatest share of TIN200 revenue: 51.5%
- **Fintech** fastest growing sector for 5th consecutive year
- **Asia** growth of 19.2% or \$123.3 million
- **Wellington/Manawatu** region again demonstrates strongest revenue growth of 10.6%
- **Datacom Group** #1 on TIN200 list
- **Volpara Health Technologies** recipient of TIN Rocket Award 2020 for biggest jump in TIN200 rank (climbed 54 places)

AUCKLAND, 18 November 2020 –Export revenue for New Zealand tech companies is on the rise, as an increasingly diverse international market heightens its demand for Kiwi-designed and manufactured tech products.

According to the 16th annual Technology Investment Network (TIN) Report launched today at [Tech Pulse 2020](#), export revenue for the TIN200 companies rose by 10.6% to a total of \$9.4B this year. TIN200 revenue reached \$12.7B in 2020, slightly less than the \$1B annual growth recorded previously, but overall, the TIN200 shows ongoing strong growth in the face of tough economic headwinds.

This year's TIN Report provides a partial view of the impact the COVID-19 pandemic has had on the tech sector's performance in 2020 so far.

“With continuing double-digit export growth creating record employment growth, the TIN200 companies are well positioned in terms of scale, growing profitability and global spread to absorb the negative impact of COVID-19 and take advantage of the opportunities for growth as a result,” said Greg Shanahan, founder and managing director of TIN.

Key Highlights from this year's Report are:

TIN200 companies continue to demonstrate strong year-on-year growth

In 2020, with the impacts of the COVID-19 pandemic starting to take global effect, total TIN200 revenue reached \$12.7B. This is up 8.3% - or \$972m – on 2019, but a dip in overall revenue growth, dropping below the \$1B recorded last year.

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

The group now employs nearly 55,000 staff around the world, of which over half are employed in New Zealand. These employees are paid over \$4.5B in wages – another milestone never before reached by the TIN200. The average wage for a TIN200 employee is more than \$82,000.

A record number of companies now have revenues of over \$50m

In 2015, 38 tech companies in New Zealand had revenues over \$50m. Five years later, that has increased to 56, and with it the capacity of these companies to scale even further and explore new market opportunities from a position of strength. Companies with revenue of over \$50m accounted for 70% of growth in the TIN200.

ICT firms show strength yet again, lifting both their TIN200 presence and profitability

With 101 companies now in the TIN200 (up from 94 last year), ICT continues to be the driving force behind the New Zealand tech sector, growing its revenue by 11.4%, comparative to the 8.3% overall growth of the TIN200. The ICT sector's drive for profitability was also rewarded with a 38.7% lift in reported EBITDA.

New jobs in the tech sector surge to record levels

Over 4,000 new jobs were created by the TIN200 companies in 2020 – an 8% lift on 2019 – pushing the total number of NZ tech sector-generated jobs internationally up to a record 55,167. Relative to the increasing number of ICT firms in the TIN200, jobs in that primary sector increased by 3,049, while the number of High-tech Manufacturing rose by 977.

Fintech surges again as the fastest-growing secondary sector

In a socially-distanced world, mobile and digital solutions that enable money to flow through economies without personal contact are increasingly in demand, and the NZ tech sector delivered, with Fintechs registering as the fastest growing sector on the TIN200 for the fifth consecutive year. With a 5-year CAGR of 31% and several new company arrivals on the TIN200 in 2020, close attention will no doubt be focused on the NZ Fintech sector in 2021 and beyond.

Public Companies lead the growth of the TIN200

Revenue growth from Public Companies in 2020 was exceptionally strong, with the 25 listed companies on the TIN200 representing nearly two-thirds (62%) of the total revenue growth – an impressive growth rate of 20% on last year, led by some of the biggest companies on TIN's list.

Fewer TIN200 Rising Star companies in 2020 still account for nearly half the growth

This group of 22 companies from the TIN200 in 2020 that demonstrated sustained high-growth over three years was down a little from 2019's record high of 29 companies, and yet they represent 49.5% of the overall growth in 2020, compared to 46.6% in 2019 group.

The Wellington/Manawatu region shows strongest percentage growth, but Auckland still leads on revenue

With 120 of the TIN200 companies headquartered in Auckland, New Zealand's largest city continues to be the powerhouse of the NZ tech sector. However, the region containing the nation's capital continued to perform well also, with Wellington region companies generating nearly a quarter of the TIN200 revenue (23.5%) and at the fastest growth rate of 10.6%.

"The key phrase that has resonated with me throughout 2020 is that we may not have all the answers, but we do have purpose. In the midst of this difficult year, and certainly for the years ahead, TIN's purpose has never been clearer to me than it is now. We pursue a simple mission: to help facilitate the growth of the technology sector in New Zealand," said Mr Shanahan.

Copies of the 2020 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 2020 (measured by revenue)

| 2020 Rank | Name | 2020 Revenue (\$000) |
|-----------|----------------------------|----------------------|
| 1 | Datacom Group | \$1,342,000 |
| 2 | Fisher & Paykel Healthcare | \$1,263,700 |
| 3 | Fisher & Paykel Appliances | \$1,204,971 |
| 4 | Xero | \$718,200 |
| 5 | Gallagher Group | \$301,000 |
| 6 | Livestock Improvement Corp | \$253,986 |
| 7 | Scott Technology | \$225,000 |
| 8 | Douglas Pharmaceuticals | \$217,200 |
| 9 | Weta Digital | \$192,995* |
| 10 | Transaction Services Group | \$192,000 |

*estimated revenue

EY Ten Companies to Watch 2020 (the companies with the highest dollar value increase in revenue in the past year)

| 2020 Rank | Name | 2020 Growth | 2020 Revenue (\$000) |
|-----------|----------------------------|-------------|----------------------|
| 1 | Fisher & Paykel Healthcare | \$193,300 | \$1,263,700 |
| 2 | Xero | \$165,400 | \$718,200 |
| 3 | Seequent | \$48,200 | \$106,000 |
| 4 | Pushpay | \$46,153 | \$190,588 |
| 5 | Scott Technology | \$43,000 | \$225,000 |
| 6 | Transaction Services Group | \$37,000 | \$192,000 |
| 7 | Gallagher Group | \$30,000 | \$301,000 |
| 8 | Daifuku Oceania | \$25,000 | \$156,000 |
| 9 | The Instillery | \$24,990 | \$43,970 |
| 10 | AFT Pharmaceuticals | \$20,500 | \$105,600 |

Absolute IT Supreme Scale-Ups 2020 (the companies in the Next 100 ranked between 101-200 in the TIN200 with the highest dollar value increase in revenue in the past year)

| 2020 Rank | Name | 2020 Growth | 2020 Revenue (\$000) |
|-----------|-----------------------------|-------------|----------------------|
| 1 | Volpara Health Technologies | \$7,638 | \$12,638 |
| 2 | Laybuy | \$6,591 | \$13,747 |
| 3 | Enprise Group | \$5,649 | \$12,400 |
| 4 | Aeroqual | \$4,650 | \$14,900 |
| 5 | Data Torque | \$3,700 | \$16,600 |
| 6 | Fuel50 | \$3,376 | \$7,011 |
| 7 | JAVLN | \$3,154 | \$5,632 |
| 8 | Re-Leased | \$2,550 | \$6,300 |
| 9 | SnapComms | \$2,374 | \$12,447 |
| 10 | Virsa | \$2,000 | \$6,890 |

NZX Early Stage Companies (listed alphabetically)

1. Code Avengers
2. CoGo
3. Dawn Aerospace
4. Emergency Q
5. Fingermark
6. Goodnature
7. Kara Technologies
8. Mint Innovation
9. Narrative
10. Revolution Fibres

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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