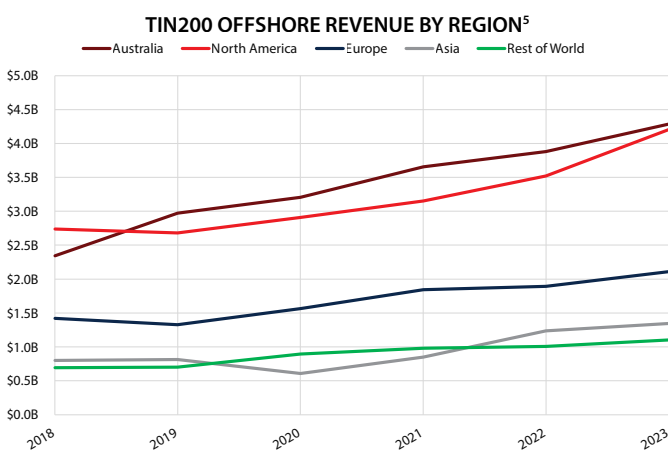


NZ TECH SECTOR DASHBOARD

Summer 2023/24

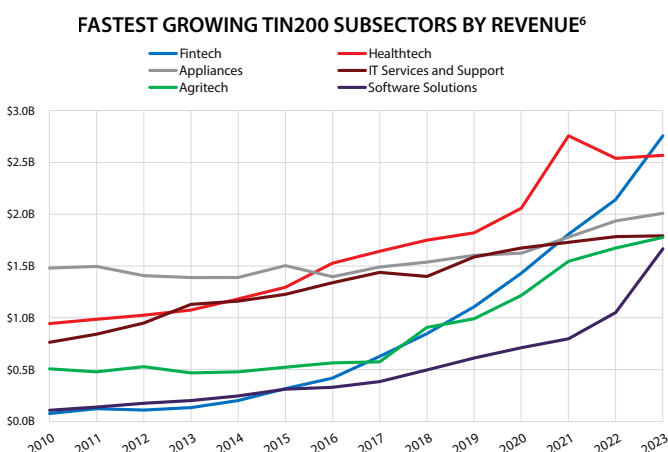


		TECH SECTOR	YEAR ON YEAR	SHARE OF NZ TOTAL	5Y COMPOUND ANNUAL GROWTH RATE	
					NZ TECH SECTOR	NZ TOTAL ECONOMY
JOB		121,770 ¹	▲ 2.54%	4.95%	2.42%	1.93%
FIRMS		24,318 ²	▲ 3.54%	4.02%	3.13%	2.38%
GDP		\$20.98B ³	▲ 11.58%	7.57%	4.32%	2.72%
AVERAGE SALARY		\$99,740 ⁴	▲ 8.50%	+\$25,068	3.62%	4.18%



The NZ tech sector is a reliable engine of growth during a period of economic uncertainty.

The NZ tech sector is growing in economic significance and now captures 8% of GDP, 5% of jobs, 11% of exports, as well as the lion's share of national R&D spend. Innovation-focused and outward-facing, the sector is creating efficiencies in agriculture, manufacturing, and healthcare, helping to ensure the country remains internationally competitive. This growth is driven, in part, by global demand for solutions that support systems under pressure – food, health, banking, transport, and the environment.



NZ tech firms are expanding into new markets and broadening their range of products and services.

NZ's top 200 tech firms by revenue earned (the TIN200) are increasing their offshore sales, which now account for 76% of total revenue, up from 71% in 2018. Total offshore revenue for these firms reached \$13.0B in 2023, up 66% or \$5.2B on 2018 figures. **North America** is closing in on **Australia** as the most lucrative tech market; revenues from this region lifted by 19% in 2023. By subsector, healthtech products accounted for 23% or \$979m of total sales, followed by fintech (16% or \$660m) agritech (11% or \$472m), and software solutions (11% or \$452m). In North America, NZ tech firms employ 10,065 staff, up from 6,187 in 2018.

¹"Jobs" at year-end Feb 2023, Stats NZ.

²"Firms" at year-end Feb 2023, Stats NZ.

³"GDP" at year-end Dec 2022, Stats NZ/NZ Tech Alliance.

⁴"AVG. Wage" at year-end June 2023, Stats NZ/TIN.

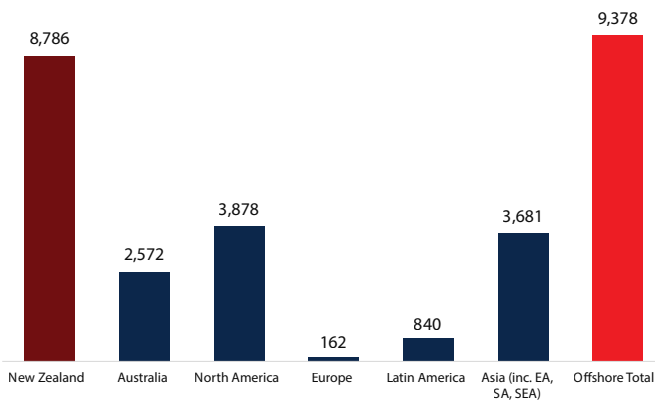
⁵"Offshore Revenue", TIN200 Report 2023.

⁶"Subsector Revenue", TIN200 Report 2023.

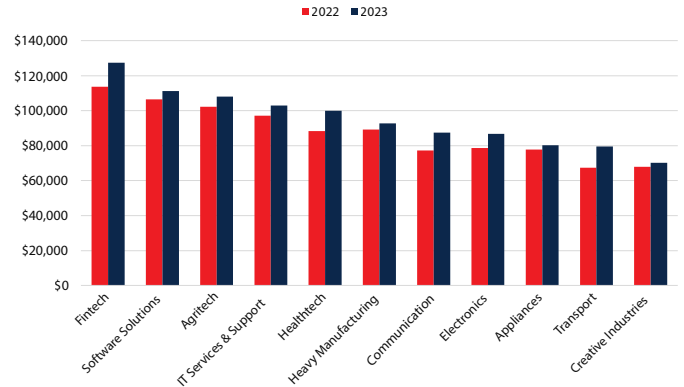
What is the TIN200?

The TIN200 is a ranking of New Zealand's top 200 tech firms by revenue. By ownership, the 2023 TIN200 is comprised of 33 public, 78 private, 45 investment-backed private, and 44 foreign-owned companies. Foreign-owned companies must have originated onshore and maintain a meaningful local presence by way of employment and economic contribution to qualify. A full list of firms and detailed analysis is available in our paid report at TIN100.com.

TIN200 JOBS CREATED BY REGION (2018–2023)⁷



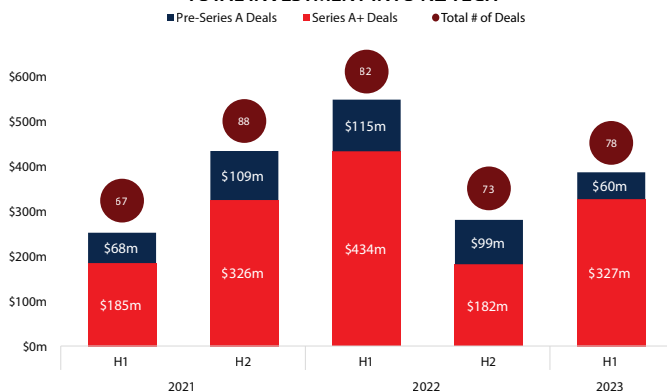
AVERAGE TIN200 SALARY BY SECONDARY SECTOR⁸



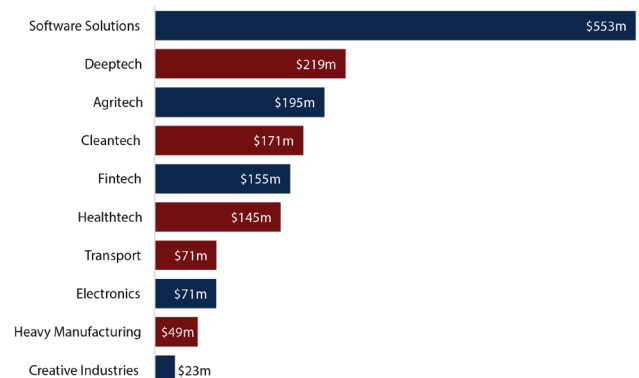
NZ tech firms are becoming global employers.

31,145 staff (or 49% of total staff) employed by NZ's 200 largest tech firms are based offshore, up from 21,766 in 2018. Broadly speaking, offshore staff fall into three categories: 1) business development and sales teams seeking better access to target markets in cities like Denver, Houston, and London; 2) blue-collar workers attached to offshore manufacturing plants in countries like Mexico, India and China; and 3) staff of overseas companies that have been acquired by NZ firms for various strategic reasons. R&D teams tend to remain onshore but are becoming more multinational in composition as firms hire from abroad to address critical skills shortages. Tech salaries paid by NZ's largest 200 firms reached an average of \$99,740 in 2023 – growing at an inflation-beating 9%, and ahead of national average salary increases of 5%.

TOTAL INVESTMENT INTO NZ TECH⁹



TECH INVESTMENT BY SECTOR (JULY 21 – JUNE 23)¹⁰



From a modest baseline, NZ tech investment has risen sharply since 2020, but there is still room for improvement.

In the year to December 2022, NZ recorded its most lucrative tech investment year yet, with \$726m funded across 143 local firms (including Soul Machine's \$120m Series A+ raise). The opportunity and the potential for the country becomes clear when that \$726m is compared to analogous nations: Finland raised NZ\$3.2B, Ireland raised NZ\$2.3B, and Estonia NZ\$2.3B. In the year ending June 2023, NZ tech investment experienced a nearly one-third reduction in total deal value, following a global contraction in VC funding. Early-stage start-ups are benefiting from a proliferation of specialised local tech funds, but scale-up capital is a perennial concern. Many firms continue to use debt financing tools to help achieve their short and long-term goals.

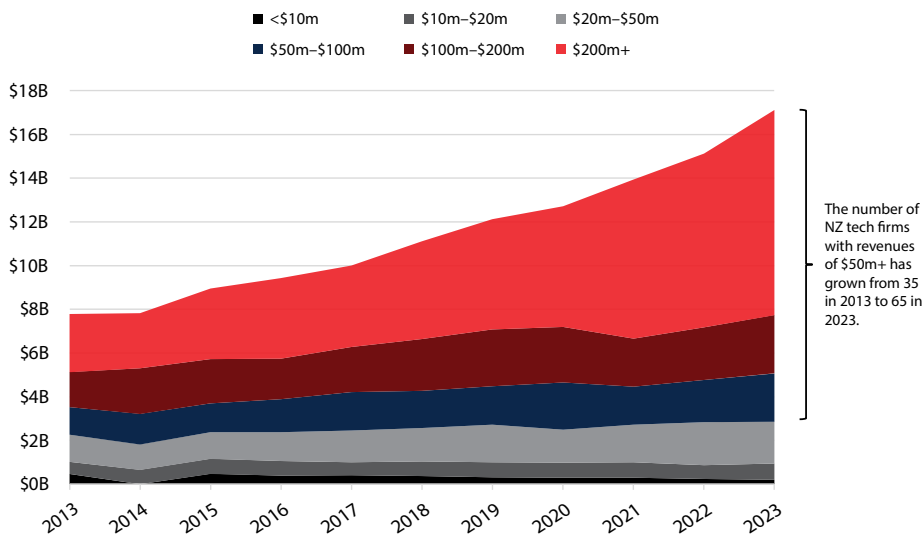
⁷ "Employment", TIN200 Report 2023.

⁸ Ibid.

⁹ "Total Investment", TIN200 Report 2023.

¹⁰ "Capital Raised By Sector", TIN200 Report 2023.

REVENUE GROWTH OF TIN200 FIRMS BY BAND¹¹



NZ's largest tech firms have become self-sustaining.

NZ's largest tech firms are achieving critical mass and are increasingly well-resourced. In the last 10 years, total revenue for TIN200 firms has more than doubled, led by those in the \$200m+ band. These firms deliver a disproportionate amount of employment, wages, foreign exchange, and R&D activity to the local economy. The key question is: **how does NZ create more of these titan firms?**

ABOUT TIN

Technology Investment Network (TIN) is the leading source of information on New Zealand's technology sector. We have been independently collecting and analysing data on New Zealand technology exporting companies for 20 years. The annual TIN Report includes detailed analysis of the sector's performance. The report also ranks the top 200 technology companies by revenue and publicly recognises high-growth achievers with a series of awards. In addition, TIN is commissioned for bespoke analysis and research projects for industry participants, professional services firms, investors, member companies, and government-related clients.



Alex Dickson
Head of Research
alex.dickson@tinetnetwork.com



Bettina Sinclair
Commercial Manager
bettina.sinclair@tinetnetwork.com

DATA SOURCES AND GLOSSARY

Published annually, the purpose of the TIN Report is to quantify the economic significance of New Zealand's globally focused technology industry by capturing key data on the country's top 200 tech companies with offshore revenue.

INCLUSION CRITERIA

To qualify for inclusion in TIN's top 200 rankings, companies must:

1. Originate in New Zealand*.
2. Retain a meaningful presence in New Zealand.
3. Operate in the high-tech manufacturing, ICT, or biotech sectors.
4. Have developed their own technology-based intellectual property.
5. Generate at least 10% of their revenues offshore.

*Foreign-owned companies are included in the report only where they meet the above criteria, are not subsumed within the parent company, and still provide their own financial data.

DATA COLLECTION

TIN maintains a database of technology companies in New Zealand, which is updated on an ongoing basis. Annually, companies in this database are asked to submit key information in an online survey. In addition, TIN collects data from primary and secondary sources including business media, our sponsors, and industry groups. Where surveys are not returned or are incomplete, publicly available figures are used. If none are available, revenue is estimated based on staff numbers, revenue per employee ratios from comparable companies, and data supplied in previous years. Once the data-gathering phase is complete, all companies are emailed a pre-publication check to ensure data accuracy.

RESEARCH LIMITATIONS

Not all companies included in this report chose to participate. Companies may choose to keep their revenue confidential during a commercially sensitive phase. The TIN Report provides an industry overview of New Zealand's top 200 offshore-earning high-tech companies. It does not exclude non-participants. Instead, an estimated revenue figure is published and overall analysis is carried out using that estimate. TIN considers all information to be correct at the time of printing and accepts no liability for factual errors.

¹¹ "Revenue Growth", TIN.