



Growth Opportunities in Medical Equipment & Devices Market

Lucintel Brief

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Market Intelligence + Growth Consulting + Opportunity Screening + M&A Due Diligence + Benchmarking = **Your Company's Growth.**

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- ***Executive Summary***
- ***Market Insights***
- ***Drivers & Challenges***
- ***Emerging Trends***
- ***Conclusions***
- ***About Lucintel***

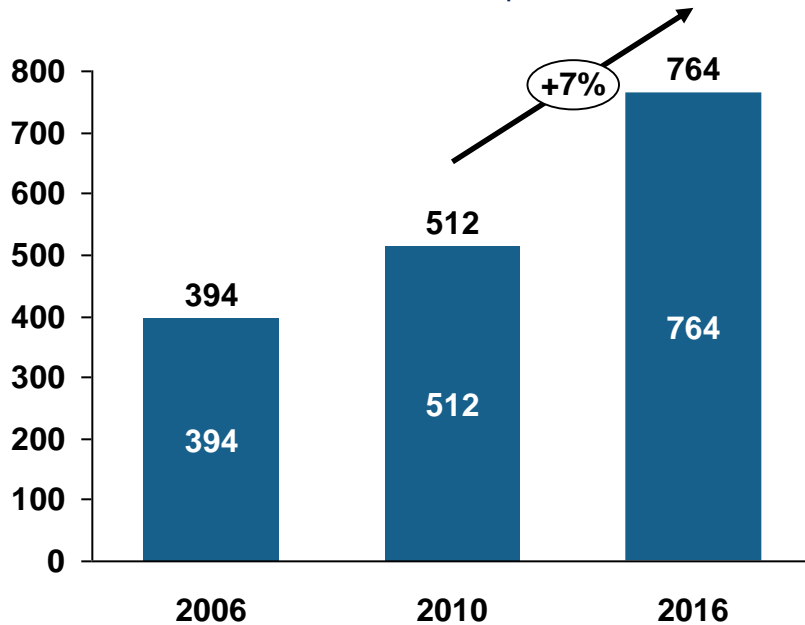
Executive Summary

- **Global medical equipment & devices market was estimated at \$512 B in 2010**
 - Medical devices market holds a major percentage share of ~62%, followed by medical equipment market with 38% share in the year 2010
- **Global medical equipment & devices market is expected to grow at a CAGR of ~7% to reach \$764 B in the next six years**
- **Global medical equipment & devices market is a consolidated market, where top 10 players accounts for approximately 60% market share**
- **Growing & ageing population, increasing life expectancy, Government expenditure on health care sector and increasing awareness on health improvement are the key drivers shaping the Global medical equipment and devices market**
- **APAC has emerged as the most promising region with considerable growth in the past and is expected to register similar growth in the next six years**
- **Key emerging trends in the Global medical equipment & devices market are:**
 - Awareness towards self diagnostic and treatment at home
 - Technological advancements making treatments more affordable
 - Technology impacting upcoming medical equipment and devices, such as nanotechnology, telemedicine, tissue engineering

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Global Medical Equipment and Devices Market Trend and Forecast (2006-2016)

Global Medical Equipment and Devices Market Forecast in \$ B



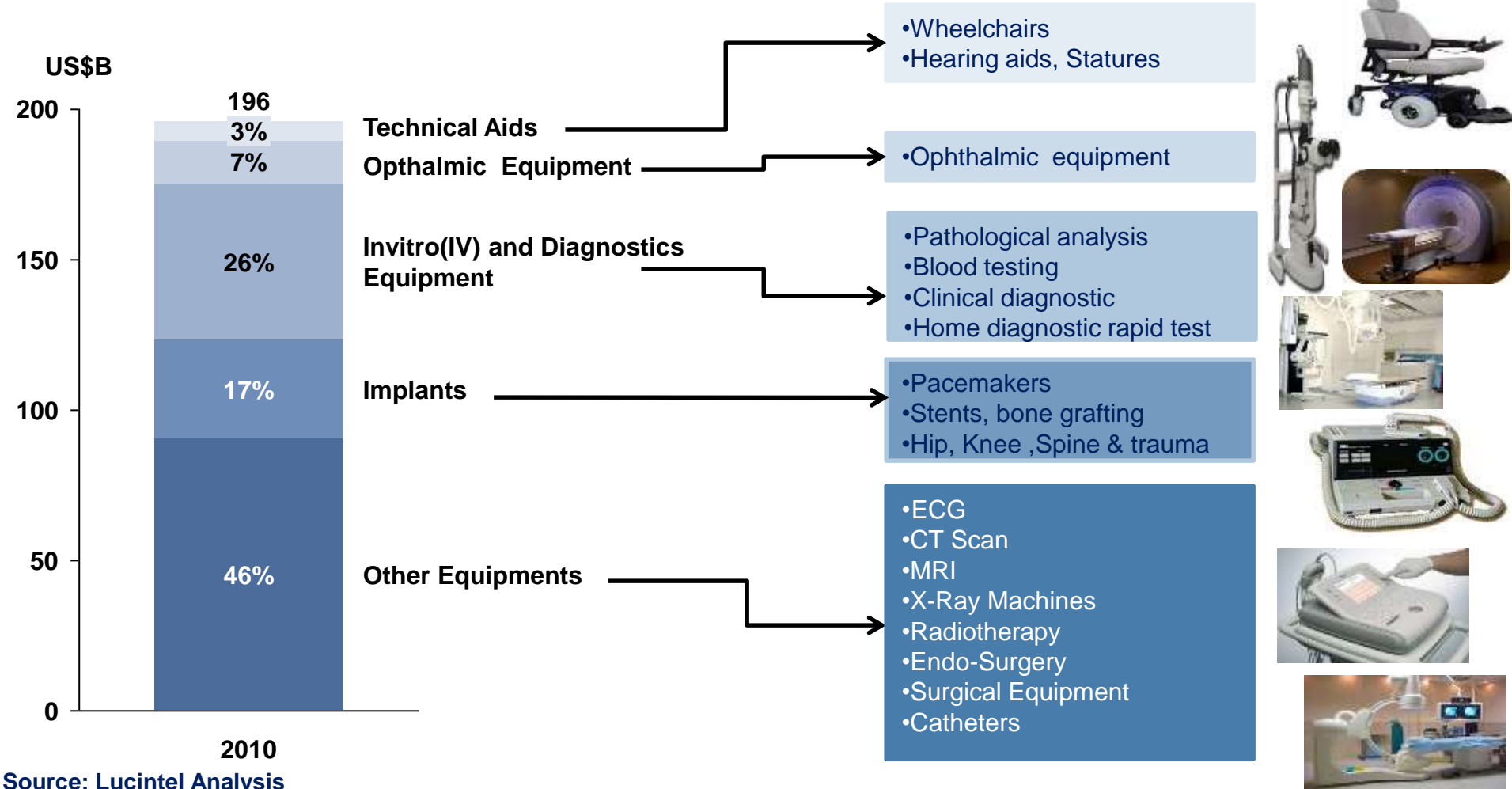
Source: Lucintel Analysis

Key Insights

- Global medical equipment & devices market was estimated at \$512 B in 2010 and is expected to grow at a CAGR of ~7% in the next six years to reach \$764 B by 2016
- Technological advancements is leading towards reduction in the overall cost of treatment by making it more viable and affordable to under served segments
- Growing & ageing population and Government expenditure to improve basic amenities for health care reformation also have significant impact on the medical devices and equipment market

Global Medical Equipment Market in 2010 was Estimated at \$196 B

Global Medical Equipment Market 2010 (\$ B)



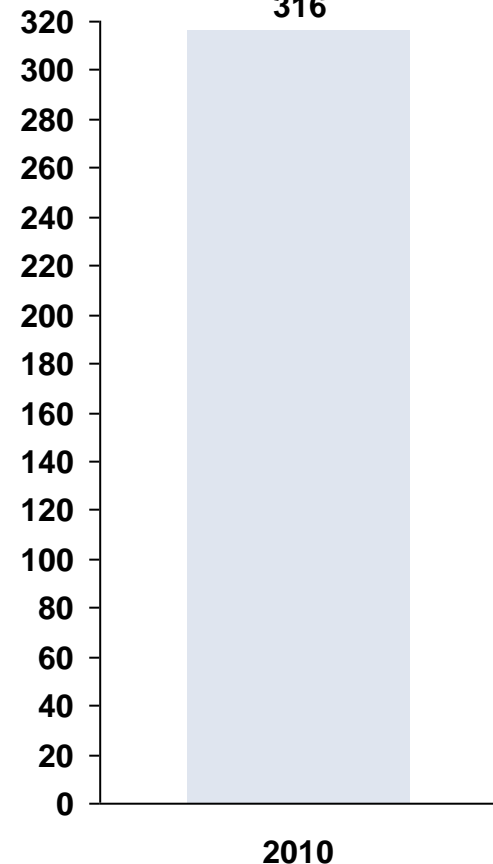
Source: Lucintel Analysis

Global Medical Devices Market in 2010 was Estimated at \$316 B

**Global Medical Device market
2010 (\$ B)**

US\$B

316



•Surgical and Infection Control Devices

- Electrosurgical device
- Sterile instruments/equipment
- Surgical tables & lights
- Syringes



•Cardiovascular Devices

- Cardiac resynchronization therapy devices
- Cardiovascular prosthetic devices
- Cardiovascular monitoring and diagnostic devices



•General Medical Devices

- Ultrasound
- Stethoscopes
- Medical thermometers



•Home Care Devices

- Inhaler
- Glucose monitor
- Inhaler
- Diabetic control devices



•Other Devices

- Neurological kits
- Dental devices
- Topograph
- Stereotactic devices



Source: Lucintel Analysis

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Drivers and Challenges

Key Drivers

Growing & ageing population

- Increasing patient base and increasing life expectancy are the key drivers for growth in the Industry

Increasing Government expenditure on health improvement

- Up-gradation of existing health care centers & hospitals by equipping them with advance machineries
- New hospitals continues to offer advanced methods for treatments, demanding medical equipments

Increasing health care awareness

- People shifting towards better quality life, increased spending on personal care at regular intervals for routine checkups

Infrastructure expansion

- Infrastructure expansion, mainly construction of big hospitals & community centers will drive the growth of medical equipment & devices market in the future

Key Challenges

Intellectual property risk

- Intellectual property risk vary from region to region, especially high in China

Pricing regulations & standards

- Prices are to be kept under control & competitive
- High qualification process and time

Intense competition

- Competitive landscape has changed during last five years. Becton, Dickinson & Co. has emerged amongst top 10 players in the market

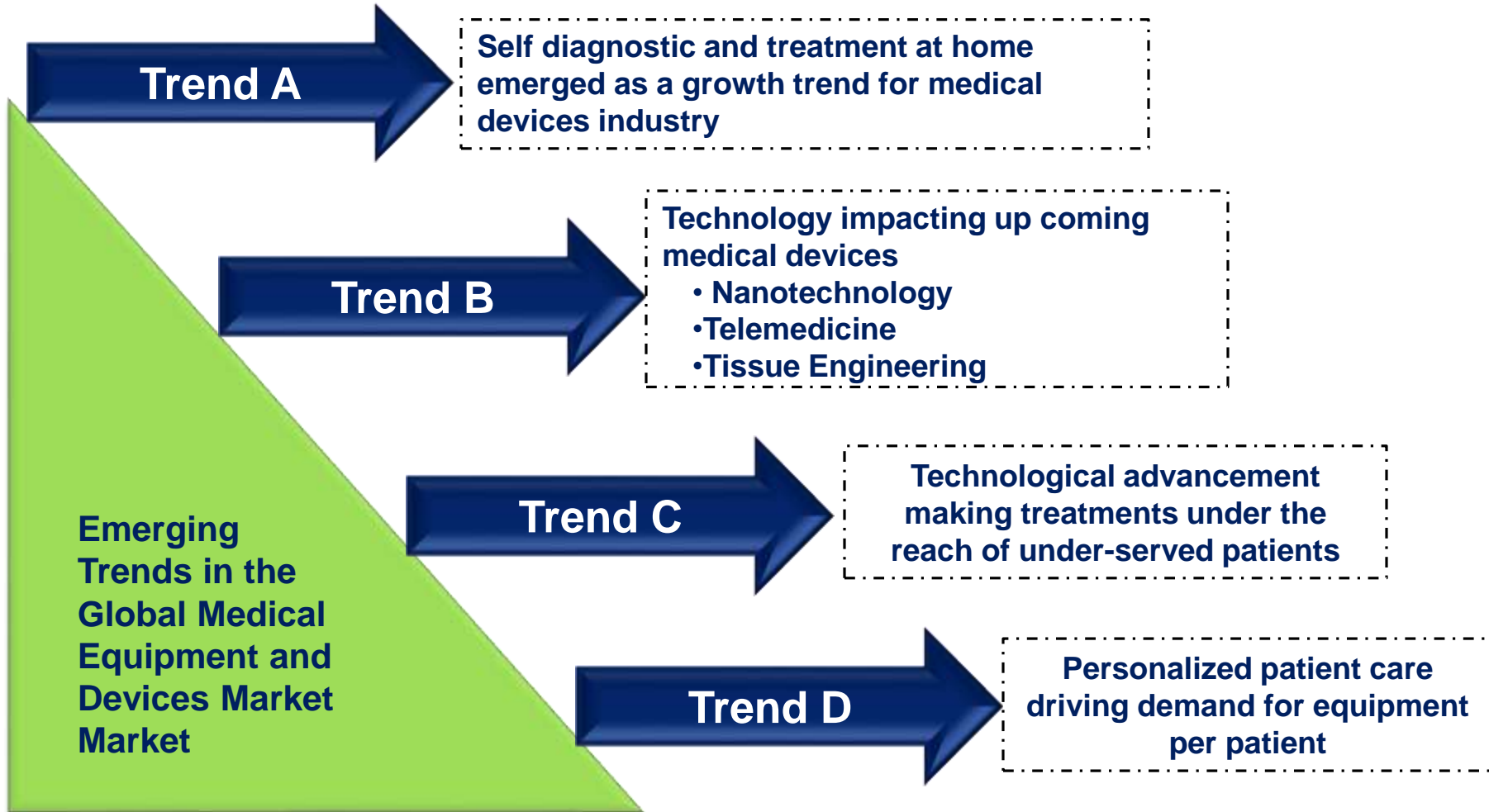
High Intellectual Property Risk and Regulatory Pressure in China and Lack of Infrastructure in India and Brazil Pose a High Challenge for Medical Equipment and Devices Manufacturers

Challenges

| Market Parameters | India | China | Russia | Eastern Europe | Brazil |
|----------------------------|-------|-------|--------|----------------|--------|
| Intellectual Property Risk | | ● | | | |
| Intensity of Competition | | | | | ● |
| Regulatory Pressure | | ● | | ● | ● |
| Infrastructure | ● | | | | ● |

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Emerging Trends in the Global Medical Equipment & Devices Market



Emerging Trends

PHILIPS

sense and simplicity

Introduced an Imaging 2.0 technology for healthcare equipment market

- To drive efficient and personalized patient care
- It provides innovative and cost-effective solutions for radiology
- This technology includes both CT and PET (Positron Emission Tomography) to lower the radiation and contrast dose

SIEMENS

Introduced a Biograph mMR system for Healthcare Equipment market

- Better identification of disease earlier through three-Dimensional insights, into the body of patient
- Increasing demand of efficient healthcare which offers people the best possible care at affordable price

Roche

Expanding Patient Base

- Defined new pricing arrangements to increase patient access to medicine in emerging markets
- Expansion in diagnostic division and investment in programmes to bring products to local markets quickly

GE

Deep pipeline of high emerging innovations

- Affordable innovation by launching high-margin products at lower price with growth potential in emerging markets

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Conclusion

- Global Medical Equipment & Devices market is expected to see modest growth in 2011, led by accelerated BRIC growth
- Companies driven by innovations will maintain and gain market share
- Population growth, new infrastructural projects, urbanization, increase in middle class population, green movement will drive growth to new horizons
- Consolidated market where top 10 players hold 60% of market share
- Opportunities & Challenges varies by markets, offering unique characteristics for growth
- Emerging markets, such as India, China & Brazil offers a promising growth in medical equipment & devices market

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About Lucintel

Vision:

- Passion for data, insights, strategy and innovation. Empower companies to take better decisions

History

- Founded in 1998
- Over 120 analysts / consultants. Global presence

Industry Leadership

- Over 1000 clients from 70 countries – Fortune 500 companies
- Fifteen years of proven management consulting and market research experience
- Panelists and key note speakers at leading conferences

Services:

- Market entry strategy, M & A services, strategic consulting, due diligence, growth finance, competitive assessment, and opportunity screening