

INDUSTRY SNAPSHOT – MEDICAL EQUIPMENT & SUPPLIES MANUFACTURING

Industry reporting and statistics are gathered to provide today’s understanding of the medical equipment & supplies manufacturing marketplace, as well as expectations for the future.

EXECUTIVE SUMMARY

Companies in this industry manufacture medical equipment and supplies, including surgical and medical instruments, dental equipment, and surgical appliances. Medical devices are essential healthcare products; therefore, they generally protect their producers from significant revenue volatility. However, these products also come with high price tags, which makes the industry slightly more vulnerable to economic downturns. Technological advances, the legislative expansion of healthcare access and the improving economy have stimulated demand for medical devices in the past five years, and the aging US population has further contributed to revenue growth, due to the high incidence of health issues requiring medical devices within the elderly population.

KEY DRIVERS AFFECTING THE INDUSTRY

- Number of Physician Visits
- Number of Adults Over 65 Years of Age
- Total Healthcare Expenditure
- Federal Funding for Medicare & Medicaid
- Trade-Weighted Index

TODAY’S PERFORMANCE

- Industry has performed well over the last five years despite the highly competitive, high-margin products
- New technology and the improving economy have stimulated demand for medical devices
- Rising costs and placing downward pressures on industry profit so companies are increasingly outsourcing manufacturing functions
- Companies are looking to acquire smaller companies with disruptive and innovative technologies

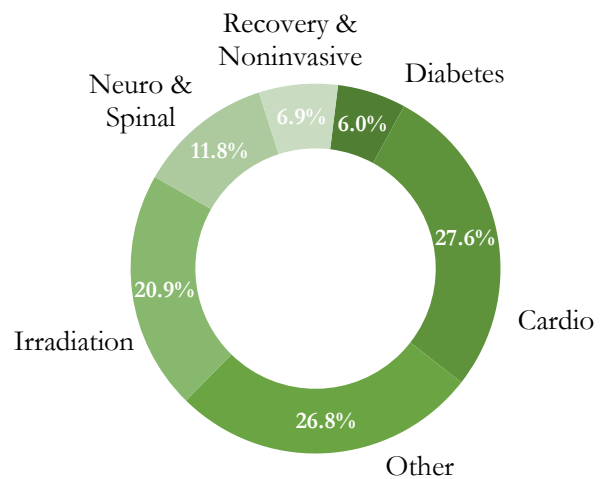
MARKET SEGMENTATION

The main markets for medical device manufacturers are hospitals and clinics, specialists and alternate-care providers, third-party healthcare providers, distributors and other institutions, including governmental healthcare programs and group purchasing organizations.

KEY STATISTICS

Revenue	Profit	Exports
\$44.8bn	\$4.3bn	\$10.6bn
Annual Growth 2011 – 2016	Annual Growth 2016 – 2021	Businesses
5.8%	3.5%	863

PRODUCT SEGMENTATION



INDUSTRY STRUCTURE

Life Cycle Stage	Growth
Revenue Volatility	Medium
Capital Intensity	Low
Industry Assistance	Medium
Concentration Level	Medium
Regulation Level	Heavy
Technology Change	High
Barriers to Entry	Medium
Industry Globalization	High
Competition Level	High