

03 May 2018

Market Study Medical Technology 2018: Consolidation Trend Continues

The market for medical technology is undergoing a profound process of change. Against the background of digitization, increasing cost pressure and high regulatory requirements, bundling initiatives are gaining in importance in the market. A study published in May by M&A consultancy Clairfield International and Luther Rechtsanwaltsgesellschaft analyses the approaches available to startups, SMEs and companies outside the industry.

The 2018 Medical Technology Market Study for the first time provides a comprehensive overview of the medical technology market from a legal, technical and transaction-oriented perspective. The study is based on an analysis of around 900 medical technology companies. Starting from the central challenges of the growth market, the most important current trends are discussed - from technical innovations such as artificial intelligence to the importance of new regulations. In addition to the market in Germany, the study also takes into account the structures and special features in Europe and the USA. Expert interviews with medtech entrepreneurs provide insights into the current perception of the market from the perspective of market participants.

"Against the background of digitization, the rules of the game are changing in the market. New business models and competitors are emerging. Strategic cooperations are becoming more important, for example in data-based services or AI-supported diagnostics," explained Cornelia Yzer, Of Counsel of Luther Rechtsanwaltsgesellschaft. "In addition, new requirements for the

compilation of clinical data and additional reporting obligations make the marketing of medical products increasingly complex."

"As a growth market with a high rate of innovation, the industry is in a state of flux. The challenges are immense, not only in terms of regulation and internationalisation. Strong competition is creating pressure to consolidate. We expect ongoing concentration movements in the market," predicts Dirk Freiland, Managing Partner of Clairfield International. Currently, about 95 percent of all MedTech companies are small and medium-sized enterprises. To remain fit for the future, these companies must, among other things, properly position themselves for emerging markets such as China, India and Brazil.

"The long-established market participants are coming under additional pressure, as more and more companies from outside the industry are pushing into the market - for example from the automotive and IT sectors," says Dr. Ulrich Philippi, partner of Luther Rechtsanwalts-gesellschaft, "medium-sized companies must review their business models and sound out the use of new technologies. This can be helped, for example, by new investors or mergers."

You can find the complete study in German online at:

<https://www.luther-lawfirm.com/publikationen/studien.html>

Brief Profile Luther

Luther is a leading German commercial law firm that offers comprehensive legal and tax services. The full-service law firm employs more than 350 lawyers and tax advisors and is represented at 10 German economic centres and at important investment locations and financial centres in Europe and Asia with international offices in Brussels, London, Luxembourg, Shanghai, Singapore and Yangon. Our clients are medium-sized enterprises and large corporations, as well as the public sector.

Luther works closely with other commercial law firms in all the prevailing jurisdictions worldwide. On the Continent, Luther is part of a group of independent leading law firms who have worked together for many years on joint cross-border projects.

Luther Rechtsanwalts-gesellschaft mbH is a law firm with a business approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit.

Our lawyers and tax advisors have a solid understanding of interdisciplinary matters and a wealth of experience in collaborating on complex tasks. Further information is available at: www.luther-lawfirm.com

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