**Medtech – the ongoing healthcare revolution**

*Combining the disciplines of engineering and medicine, the medical technology – or simply medtech – industry comprises medical devices ranging from smart implants to robotics. A well-established industry responsible for such broadly recognised products as the pacemaker, dialysis machines and imaging instruments, medtech has been revolutionising healthcare for nearly a century.*

In practice, medtech is not only critical to body visualisation – think CT scans and ultrasounds – but also in actually correcting physical defects that affect everything from the bones to the arteries and heart. Many of these innovations have now been widely used for decades. More recently, the covid pandemic reinforced many of the underlying trends that drive medtech growth. One major such theme is the relocation of care from large hospitals to smaller clinics and patient homes. This shift not only frees up ***hospital capacity*** but also limits contagion, especially under pandemic-like conditions in which the hospitals themselves become **hotbeds** for the spread of viruses.

In order to enable this relocation of care, the development of a series of medical technologies is required. Open surgeries will increasingly move to minimally invasive procedures, where available. Carrying out these procedures ***outside of the hospital setting*** involves such high-tech robotic surgery tools as augmented reality and 5G for ***remote operations***. Following such procedures will involve ***remote monitoring, recovery care and rehabilitation***. Performing each of these stages outside of the hospital will necessitate the constant development and improvement of new, increasingly high-tech tools and machines.

This is where it gets exciting for investors seeking out potentially ***disruptive developments***. In 2021, the medtech sector’s total global ***revenues*** are estimated at USD510 bn, with over 5% compound annual growth projected from 2020 to 2025.[[1]](#footnote-1) This growth is underpinned by various ***secular trends***, namely a growing and ageing population and the rising prevalence of chronic diseases globally. The portion of the world’s population that is 65 years of age or older is over 9% and continues to trend upward, creating growing need for scalable healthcare solutions.[[2]](#footnote-2) 

Mergers and acquisitions (M&A) activity in medtech has also been remarkably robust in recent years. In particular, diagnostics companies sitting on ***cash stockpiles*** that were ***padded*** by sales of covid tests in 2020 ***went on buying sprees*** in 2021. The gradual resumption of ***elective surgeries*** that followed the initial covid lockdowns added further support to the sector’s cashflows. This meant that in 2021, M&A took place across sub-sectors rather than being concentrated in a single area like diagnostics. Medtech M&A included multiple transactions valued in the USD billions in the first half of 2021 alone, creating ample potential exit opportunities for investors.[[3]](#footnote-3)

Today, medtech makes up a large portion of the broader healthcare sector. With steady future growth forecasted as emphasis on monitoring devices used in preventative medicine rises, the sector ***holds promising long-term returns potential*** for investors.

**Word list**

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| **English** | **Suggested Russian translation** | **Notes** |
| Free up hospital capacity | Высвобождать коечный фонд |  |
| hotbed | рассадник |  |
| outside of the hospital setting | Вне больницы | Амбулаторно, вне больничных условий |
| remote operations | телехирургия |  |
| remote monitoring, recovery care and rehabilitation | Дистанционный мониторинг, восстановительный уход и реабилитация |  |
| disruptive developments | прорывные технологии | Революционные технологии. Часто используется в публицистике, положительное значение. |
| secular trends | Долгосрочные тенденции | Долговременные тенденции |
| Mergers and acquisitions | Слияния и приобретения |  |
| cash stockpiles | Большие запасы наличности |  |
| Padded by | Увеличиться (за счет чего-л.) |  |
| Go in a buying spree | Активно приобретать (компании)  | Spree — оживление, активность |
| Elective surgery | Плановая операция |  |
| cashflow | Денежный поток |  |
| Exit opportunity | Возможности выхода | Выход из инвестиционной позиции, изъятие инвестиций (капитала) из проекта |
| preventative medicine |  | Вариант «preventive medicine» |
| return | доход | Инвестиционный доход |
| revenue | выручка |  |

1. 1 source: statista.com [↑](#footnote-ref-1)
2. Source: [World Bank](https://data.worldbank.org/indicator/SP.POP.65UP.TO.ZS), 2019 [↑](#footnote-ref-2)
3. Source: [medtechdive.com](https://www.medtechdive.com/news/medtech-ma-expected-to-be-robust-in-second-half-after-2021-began-with-a-fl/603513/), 2021 [↑](#footnote-ref-3)