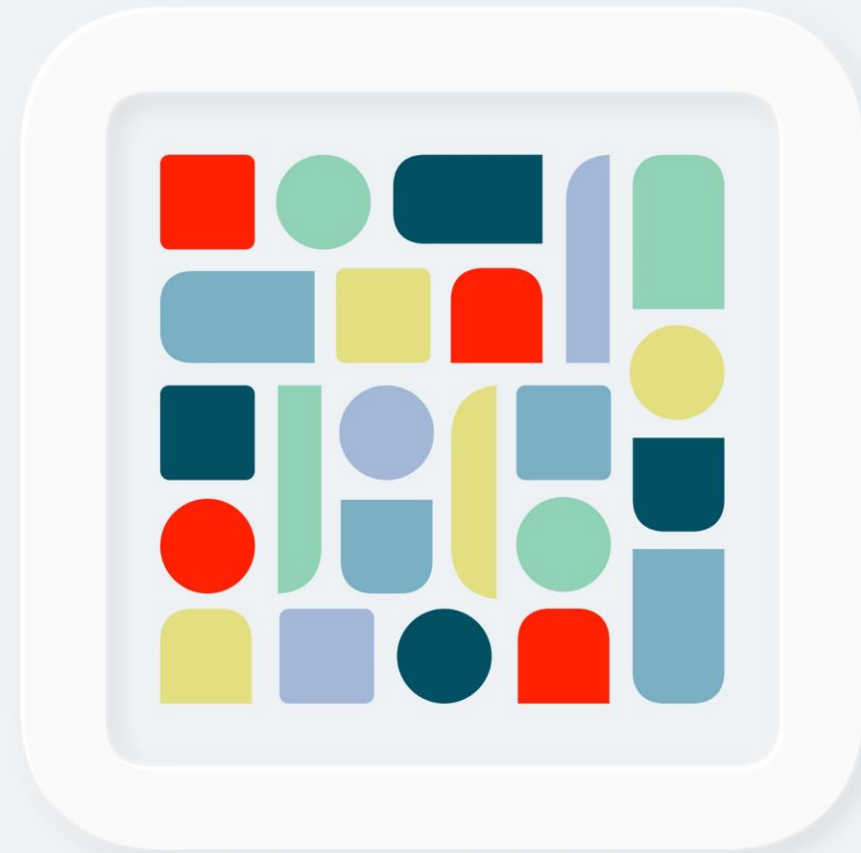




Medical Device Industry Overview

Competitive and Market Intelligence (CMI) Team
September 2021



Medical Device - Market Overview

- ⊕ Medical Device Manufacturing market is valued at \$50.4B in 2021. According to IBIS world report, it is expected to grow at an annual rate of 3% to \$58B in 2026.
- ⊕ Healthcare reform, technological advancements, outsourcing, regulation and an aging population are the key factors driving behind the growth of the medical device market
- ⊕ Hospitals are the largest market of the Industry accounting for an estimated 41.6% of market share
- ⊕ Demographics trends are expected to support the raising demand for medical devices over the next five years to 2026.
- ⊕ Changes in the economic and regulatory environments are paving way for making business attractive outside US for the manufacturers.
- ⊕ Medical devices companies likely to aim to expand into emerging markets such as China, India and countries in Central and Eastern Europe due to the improving economies, aging population and increased chronic devices

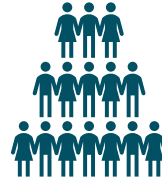
Medical Devices- US Market Snapshot

Revenue



50.4B₍₂₀₂₁₎

Employment



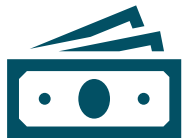
93,089₍₂₀₂₁₎

Establishments



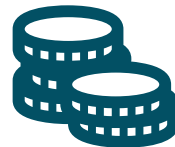
1.1K₍₂₀₂₁₎

Wages



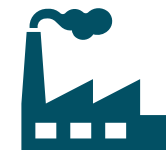
\$9.7B₍₂₀₂₁₎

Profit Margin



10.7%₍₂₀₂₁₎

Industry Value Added



19.6B₍₂₀₂₁₎

Source: IBIS World

Industry Trends

Global

- ✍ **The Internet of Medical Things (IoMT):** Integrating technology at the grass-root medical level. Medical industry is investing in IoMT for better efficiency
- ✍ **Use of Robotics :** Use of robotics is increasing in the medical field to take on traditional surgical practices
- ✍ **Wearable Technology :** Smartwatches are growing in popularity among health-conscious individuals
- ✍ **3D-printed Medical Devices and Accessories :**The growing adoption of 3D printing technology has opened significant opportunities for customization in the medical field

United States

- ✍ **Pandemic:** Demand for medical devices is expected to quickly bounce back following the pandemic
- ✍ **Coverage:** US healthcare reform has been aimed at expanding coverage to a broader range of patients
- ✍ **Increase in revenue:** Increased revenue for medical device and equipment manufactures
- ✍ **Outsourcing:** Changes in the economic and regulatory environments will make it increasingly attractive to do business abroad

TAM in the Americas consists of ~20k businesses

► By Revenue

Medical Device Manufacturing	<\$10M	\$10M-\$19.9M	\$20M-\$49.9M	\$50M-\$99.9M	\$100M-\$249.9M	\$250M-\$499.9M	\$500M-\$999.9M	\$1B+	Total
Global*	145,729	1,895	1,459	543	434	166	90	113	168,429
United States	13,317	365	324	133	149	68	35	62	17,194
Canada	1,475	62	43	9	5	-	-	-	1,785
Mexico	821	38	33	11	7	4	2	1	989

► By # Employees

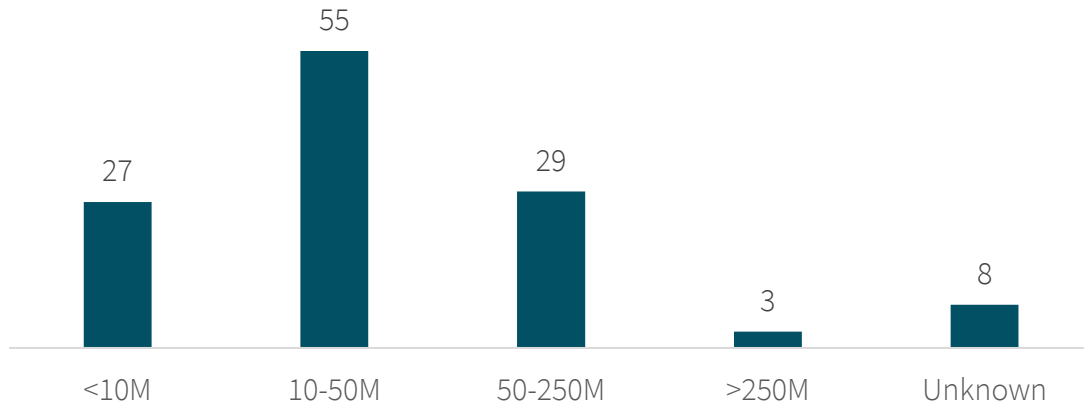
Medical Device Manufacturing	<50	50-99	100-249	250-499	500-999	1000-4999	5000-9999	10000+	Total
Global*	135,716	5,057	2,974	895	484	335	9	5	168,429
United States	15,418	677	604	296	122	65	-	1	17,194
Canada	1,665	38	32	3	1	-	-	-	1,785
Mexico	739	57	49	33	16	32	2	2	989

Notes: The Unknown entities are clubbed under <\$10M and '<50' category; *Global includes US, Canada and Mexico

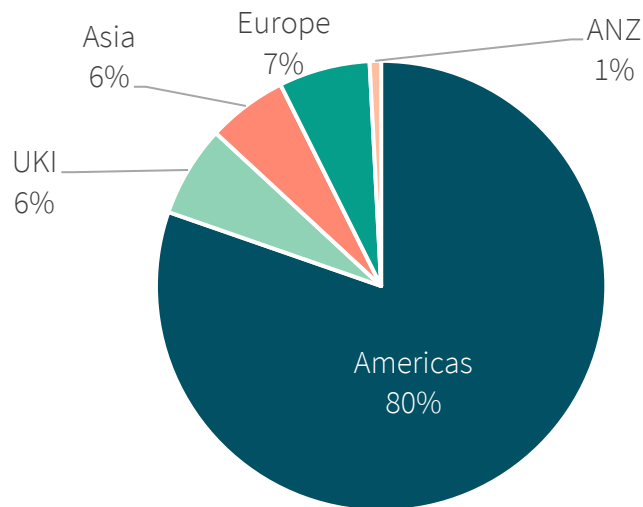
Source: D&B Hoovers

Epicor's Customer Portfolio

Med Device Customers by Revenue Band



Med Device Customers by Region



Top 10 Customers (by Revenue)

- Steris Corp
- Johnson & Johnson Vision Care
- Verathon
- Inline Plastics Corporation
- Zoll Lifecor Inc
- Cardiovascular Systems
- Getinge Holding B.V. & Co. KG
- Healthtronics Group LP
- Thermo Fisher Scientific
- Allosource

Competitive Landscape- Software Vendors

ERP Vendors

IQMS
Manufacturing ERP

EPICOR

infor

SYSPRO™

sage

Microsoft
Dynamics® 365

QAD

IFS

**ORACLE
NETSUITE**

SAP

OmegaCube
Technologies

Niche/Small
Vendors

OptiProERP®
MANUFACTURING

SAP Business One®

rootstock®
CLOUD ERP

MISys®
manufacturing

ORION
HEALTH

Low End

High End

Appendix