



Clairfield industry snapshot

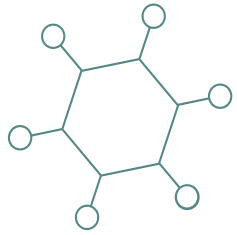
Medtech: medical implants

May 2023

■ **clairfield**

The Endoprosthesis market

Trends in medical implants



Application of new materials

Demand for improved biomaterial-based implants with high strength and low wear increases

Focus on modern environmental policy and use of sustainable materials



Reinforced by the Closed Substance Cycle Waste Management Act and the Sustainable Development Goals



Innovative products and production technologies

3D printing technology enables more customised fitting options and optimised patient-specific implants (IIP-Extrem) supported by advanced production processes and improved M2M communication

By using AI, IoT and robotics, the level of automation in production can be improved, making it possible to work much more cost-efficiently



EU MDR, FDA and Industry 4.0



Artificial intelligence

AI-supported navigation systems simplify implantations, in addition AI enables the individual derivation of personalised implants

Application of modern data analytics and machine-learning



Funding of "Intelligent Implants" by the Federal Ministry of Education and Research



Supply chain adaptation

86% of German companies are planning to relocate their business locally. Spare parts management, such as in the Spine segment, place new demands on logistics and the establishment of local warehouses

Growing foreign sales by 7.4% between 2021 and 2022



Strengthened by the Supply Chain Due Diligence Act LkSG and the goal of competitiveness



Digitisation and innovation drive the market

The medical technology industry, especially endoprosthesis, is under high regulatory and international pressure.

Digitisation, cost reduction in production and supply chain, and the use of highly automated production processes secure market position and further growth

Regulatory

Market share by region of medical implants

Key players secure access to new technologies and customers

Regulatory

Smith+Nephew announces first robotic-assisted surgery using its LEGION◇ CONCELOC◇ Cementless Total Knee System

Surgical Robotics Technology | 1st July 2022 | 3 min read

2022/04/26

French MedTech companies eCential Robotics and Amplitude Surgical announce long-term partnership and join their forces to enhance knee surgery robotics

Übernahme

Alleima erwirbt Endosmart

21.11.2022 | Quelle: Pressemitteilung Alleima

Smith+Nephew acquires novel cementless partial knee system

19 January 2022

Vom Röntgenbild zum maßgeschneiderten Implantat

Mehr Beweglichkeit durch KI: Individualisierte Fingergelenk-implantate aus dem 3D-Drucker

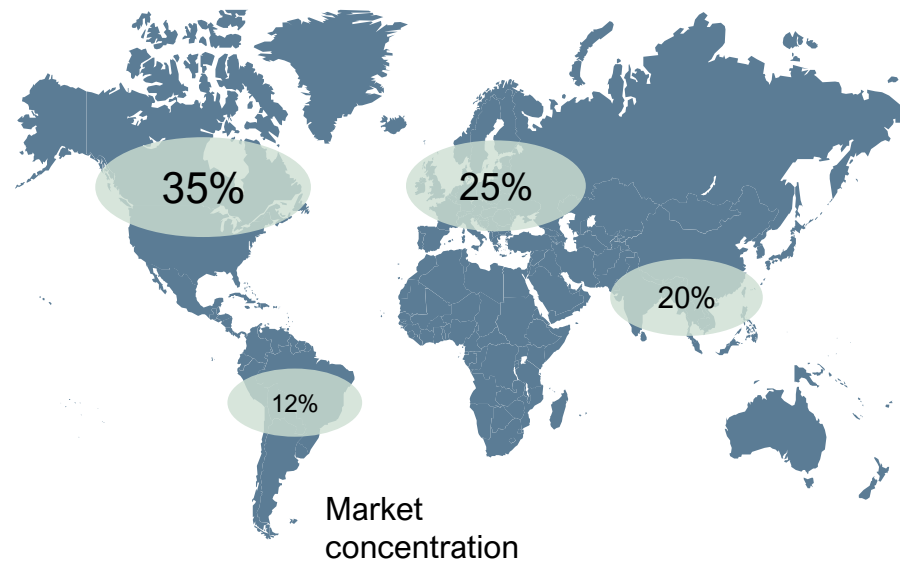
Forschung Kompakt / 01. Dezember 2022

14. Dez. 2022 | 09:54 Uhr | von Nora Menzel

Start-up Allay Therapeutics aus den USA

Evonik investiert in Hersteller schmerzlindernder Implantate

Market share of medical implants by region



The medical implant market is divided into two groups:
There are large companies that dominate and are further expanding their already considerable market share through acquisitions.
Secondly, there are many small, specialised companies active in the market.

Market development

EUR 46 billion

Global medical implants market size

7.35%

Annual growth rate in the market for medical implants 2022 - 2027

35%

of the global market for medical implants is in the field of orthopedics.



Raw Material & Intermediates

The shift to biodegradable and alternative materials is reshaping the market, allowing new market players to penetrate deeper into the value chain as well

Market activity:

- Evonik invests in implant manufacturer Allay Therapeutics, which produces materials for the manufacture of pain-relieving implants
- Evonik is also developing products with 3D-printable biomaterials



Design/ Development

Improved digital capture of bone and joint situations through the use of AI is prompting market players to invest in this area, or maintain their market position through strategic collaborations

Market activity:

- Stryker acquires OrthoSensor, which makes sensors for knee treatments and provides data-driven joint replacement solutions, among other products
- As of May 2022, Persona IQ, a knee implant from Zimmer Biomet, is the first approved smart implant on the orthopedic market



Implant production

New technologies prevail over conventional production processes and enable the manufacture of innovative implants

Market activity:

- Implant manufacturer Intech acquires Coulot, a French manufacturer with 3D printing technology
- Saarland University develops smart implants that provide information during surgery and promote bone healing



Placing on the market

The costly and time-consuming certification process puts pressure on distributors. Furthermore, disrupted supply chains are causing close shifts to sales markets

Market activity:

- Spanish manufacturer of titanium parts for dental implants Implant Protesus Dental acquires Biaggini Medical Devices, a manufacturing distributor of dental implants
- Smith-Nephew positions itself in Asian growth market with new manufacturing facility to further expand its orthopedics business

Situation for manufacturers and distributors

1. Printing to open up new technologies in the field of AI (smart medicine), production (3D printing), and the application of new materials.
2. Formation of new partnerships, as well as expansion of the product portfolio, customer access through the acquisition of know-how and new application areas, and thus transform into a full-range supplier.
3. Increasing complexity of business models due to increasing regulation, as well as the associated cost pressure, especially for small and medium-sized companies.
4. Market consolidation of the fragmented market by larger international MedTech companies or market entries by players from outside the industry, e.g. from the pharmaceutical and automotive sectors.
5. Major market players continue to expand their positioning in growth markets such as Asia-Pacific.

Recommendations for action

Alignment of necessary competencies and resources for future market development regarding:

- Innovation pressure
- Cost and margin pressure
- Regulatory hurdles
- Market entries from outside the industry

If transformation is not possible by themselves, companies must examine early cooperation or transactions.

➤ Through strategic partnerships, additional capital providers or mergers, the challenges listed can be better addressed and implemented more quickly.

➤ For the owner-driven implant market in Germany, the high valuation levels offer the opportunity to achieve attractive premiums.

Conclusion




Medical technology companies in Europe are facing the daunting task of managing technological transformation under heavy regulation in order to maintain their position along the value chain. Important players are already recognising the need for cooperation to counteract the growing complexity of the market. Through M&A transactions, companies gain access to competencies, resources and customers. In this way, transformation can be accelerated, and the risk of being left behind can be reduced. M&A activities show that many successful companies are following precisely this path.





Dirk Freiland, Managing Partner


Clairfield transactions in the medtech sector

The active and innovative medical technology market

Medtech 

HumanTech Spine 
 HumanTech Dental 

was sold to


 Consult Invest

Deal spotlight

Hutzel DrehTech GmbH, a German medical implant developer and manufacturer, was sold to Consult Invest Beteiligungsberatungs GmbH, a family-office focusing on mid-market companies.

Hutzel DrehTech GmbH headquartered near Stuttgart, Germany, is a leading manufacturer of spinal and dental implant systems with approximately 140 employees. Its two main units are:

- HumanTech Spine develops, manufactures, and distributes spinal systems as a full-service provider in the spinal care sector with a complete fixation portfolio.
- HumanTech Dental develops, manufactures, and distributes three complete implant systems including all prosthetic components incl. CAD/CAM solutions.

In the context of a company succession, the owner sold an 80% stake to the equity investment company Consult Invest, located near Stuttgart. The purchase is part of Consult Invest's strategy to establish a precision manufacturing and medtech group.

Clairfield International acted as exclusive financial advisor to Hutzel DrehTech GmbH.





Medical devices and supplies 



 sold certain assets of


 to



Medical devices and supplies, 



 was sold to







Medical devices and supplies 



 Weldon Biotech India Private Limited
 sold its POCT business to






Medtech 



 raised equity from


Medical devices and supplies 


 sold


 
 to





Medtech 



 See Patients. Get Paid.
 was sold to





Dental care 



 sold



 to





Dental care 


 was sold to



Dental care 


 acquired


 So einfach ist das.

300+

TEAM MEMBERS

80%

OF OUR MANDATES
ARE INTERNATIONAL

6

SECTOR TEAMS OF
SPECIALIZED EXPERTISE
BACKED BY

clairfield

30

COUNTRIES

30%

DEALS CLOSED WITH
INTERNATIONAL BUYERS

70

INDUSTRY
ADVISORS

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We connect clients with regional and international strategic parties, investors, and decision-makers, while providing expert knowledge of local markets, regulations, and cultures.

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A leading independent M&A advisor for midmarket deals

Top 10

IN EUROPEAN
MIDMARKET RANKINGS

Top 20

IN WORLDWIDE
MIDMARKET RANKINGS

730

DEALS CLOSED IN
THE LAST 5 YEARS

EUR 33 billion

CUMULATIVE DEAL VALUE IN
THE LAST 5 YEARS

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