

Up-and-down test sales and a bigger Medtronic: medtech in 2028



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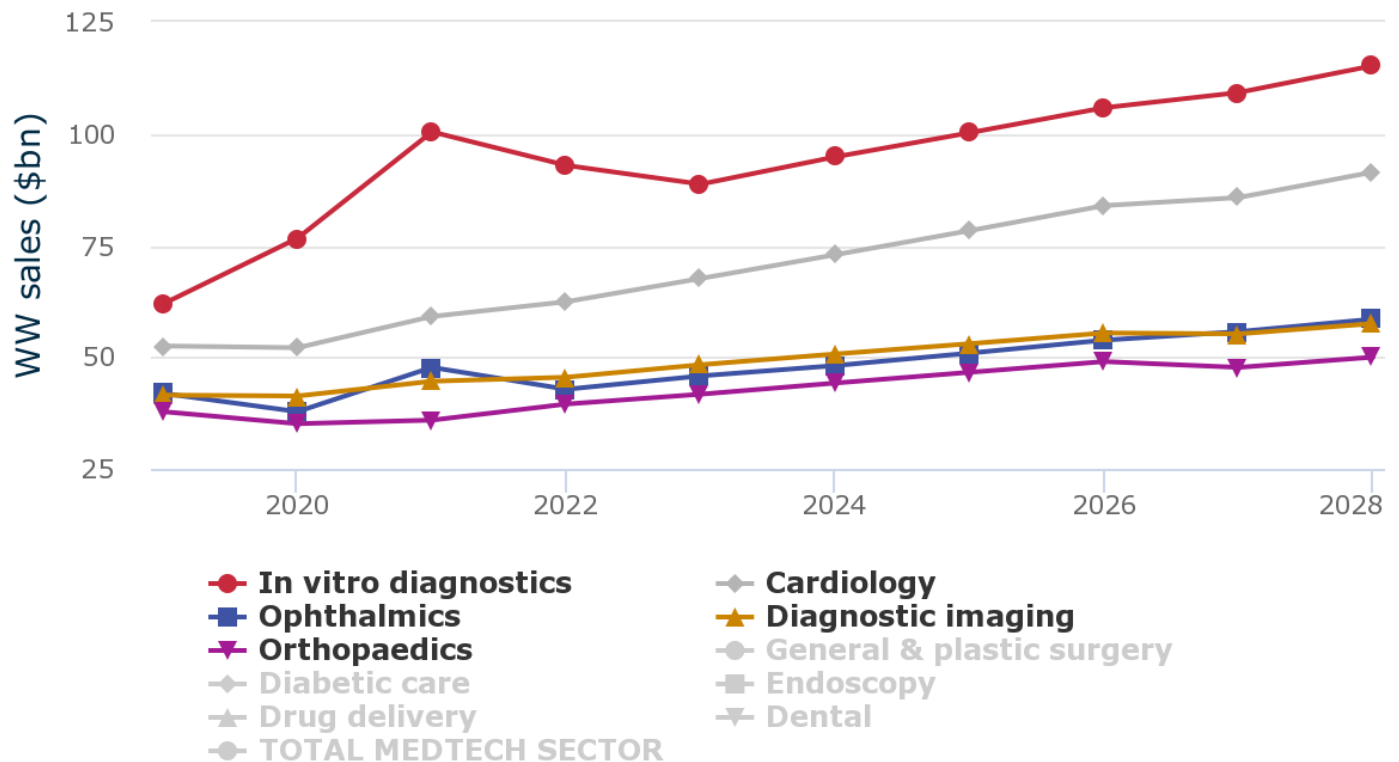
Medtronic, Siemens and Stryker are all expected to seize greater market share, while Roche slides down the rankings.

The medtech industry as a whole will soon be worth three quarters of a trillion dollars. New consensus forecast data from *Evaluate Medtech*, reaching to 2028, foresee an industry growing at 5% a year, with in vitro diagnostic technology making up the largest segment.

As for the leading company, Medtronic is expected to remain at the top of the heap out to 2028 and marginally increase its share of the market, in spite of recent [supply chain troubles](#). Roche's sales, meanwhile, are set to grow so slowly that it will drop from the fifth largest company by medtech sales to the ninth.

The top 10 biggest areas in medtech

2019-2028



Interactive chart/legend. Source: Evaluate Medtech.

As the graph above shows, diagnostics makers enjoyed extraordinary success across 2020 and 2021 – and no prizes for guessing why. As the pandemic has eased, however, the sellside believes that sales of Covid assays will fall, and this is by far the biggest factor behind the forecast decline in test sales to 2023.

After that sales start to rise again, breaching the \$100bn mark in 2025 and hitting \$115bn in 2028.

Several areas experienced the opposite pattern over the pandemic, with makers of surgical, orthopaedic, ophthalmic and dental technologies suffering particularly badly in 2020. These segments are forecast to pick up from this year, however, and grow steadily thereafter.

Jockeying for position

As for the biggest companies six years hence, Medtronic retains its top spot when judged by sales of medical devices. Last year Abbott, fuelled by sales of its Covid diagnostics, overtook Johnson & Johnson to snag the number two post; the top four companies will stay locked in these positions until 2028, according to consensus.

Naturally these forecasts cannot take account of any major takeovers or other business development moves that might occur in the future. Medtronic's management, for example, has hinted that the company might divest some of its slower-growing units, and while the M&A scene is [pretty moribund at the moment](#) companies will start buying again. This data should give a reasonably good idea of expectations for organic growth, however.

On this measure Stryker is a riser, moving up two places from its current place in the rankings, reaching the top five in 2028. As with many orthopaedic groups its sales slumped in 2020, but it has staged a remarkable recovery and is seen growing at a respectable 7% annually to 2028.

Top 10 medtech companies in 2020

Company	WW medtech sales (\$bn)			Market share	
	2021	2028e	CAGR	2021	2028
Medtronic	31.7	44.1	+5%	5.8%	5.9%
Abbott Laboratories	29.9	39.0	+4%	5.5%	5.2%
Johnson & Johnson	27.1	36.2	+4%	5.0%	4.8%
Siemens Healthineers	21.3	32.5	+6%	3.9%	4.4%
Stryker	17.1	26.6	+7%	3.1%	3.6%
Becton Dickinson	18.9	23.1	+3%	3.5%	3.1%
Essilor Luxottica	15.2	23.0	+6%	2.8%	3.1%
Philips	16.3	21.9	+4%	3.0%	2.9%
Roche	19.4	21.2	+1%	3.6%	2.8%
Boston Scientific	11.9	18.5	+7%	2.2%	2.5%

Source: Evaluate Medtech.

Roche, on the other hand, is forecast to slip four places. Its sales are growing overall, but at a slower pace than rivals, and its diabetes and molecular diagnostics sales are actually forecast to fall. The former consists mainly of relatively basic blood sugar monitoring systems that require users to prick their fingers and test a small drop of blood, a technology that is fast losing ground to more advanced systems such as continuous glucose monitors.

But it is molecular diagnostics that will really do for the Swiss group, in the sellside's view. Sales of this unit soared to \$5.3bn in 2021 but [will fall beneath \\$4bn next year](#) on cratering Covid test demand. The effects of the pandemic continue to make themselves felt.

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