



ABHI

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**THE IMPACT OF THE PANDEMIC  
ON HEALTHTECH**

*Autumn 2020*

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# THE IMPACT OF THE PANDEMIC ON HEALTHTECH

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**63%** of companies reported a negative impact on their business

**52,514** Jobs furloughed

**200** companies at serious risk

The HealthTech industry has been at the heart of the UK's response to the pandemic. The industry has played a vital role in manufacturing and supplying products for the NHS and social care system, including ventilators, Personal Protective Equipment, and testing. There is no doubt that some companies have done very well as demand for certain products has increased exponentially, but this is a relatively small number, around 20%. Overall, 63% of companies reported a negative impact on their business, and as many as 200 in the sector could be at serious risk. Not only has this had a significant economic impact on the industry, it could also impact on the ability of the NHS to restart and restore services to pre-COVID levels.

# IMPACT OF COVID ON BUSINESS

How big of an impact has the pandemic had on your organisation?



- **63% of HealthTech businesses reported a negative impact on their business**
- **5% of businesses may not survive due to impact of COVID. This suggests 200+ companies are at serious risk**

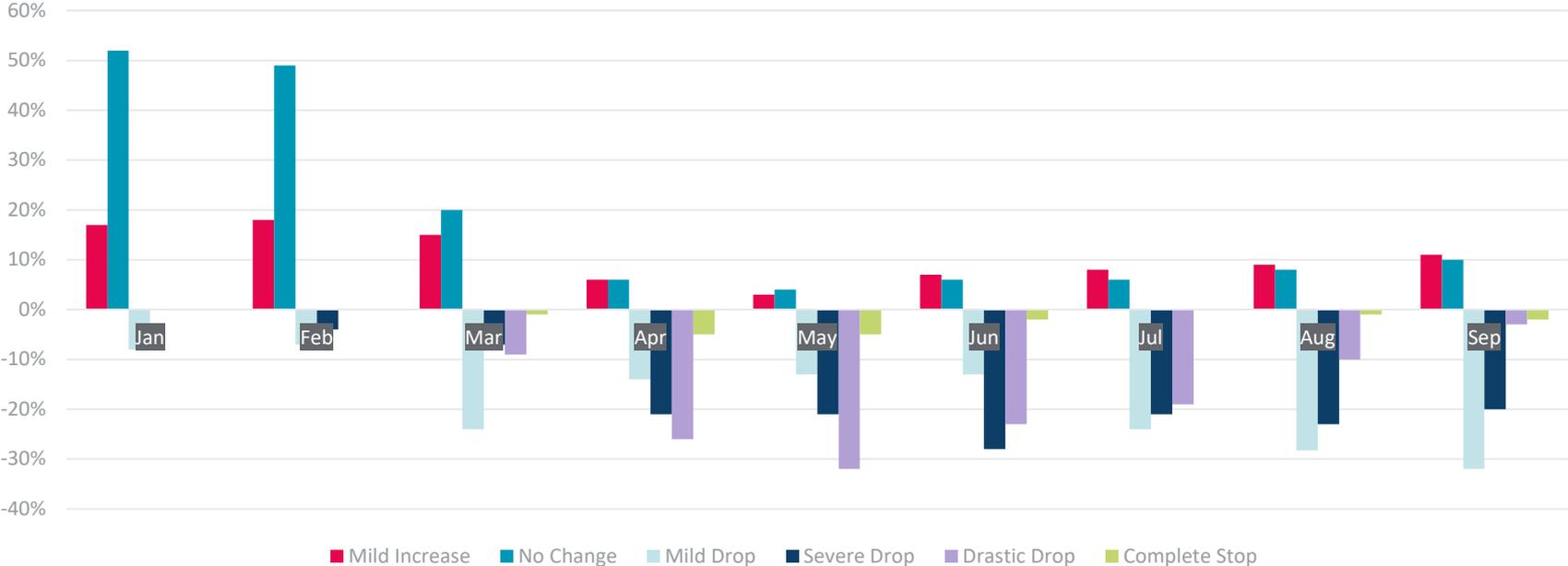
# IMPACT OF COVID ON ORDER NUMBERS

At its worst, the pandemic saw 71% of elective focused companies being hit negatively by the impact of COVID-19.

In May, over a third of industry saw their orders drop by over 50%.

This improved slightly to a peak in September, however 1 in 5 companies were still seeing a 25% hit to their order numbers suggesting we didn't even begin to recover waiting lists.

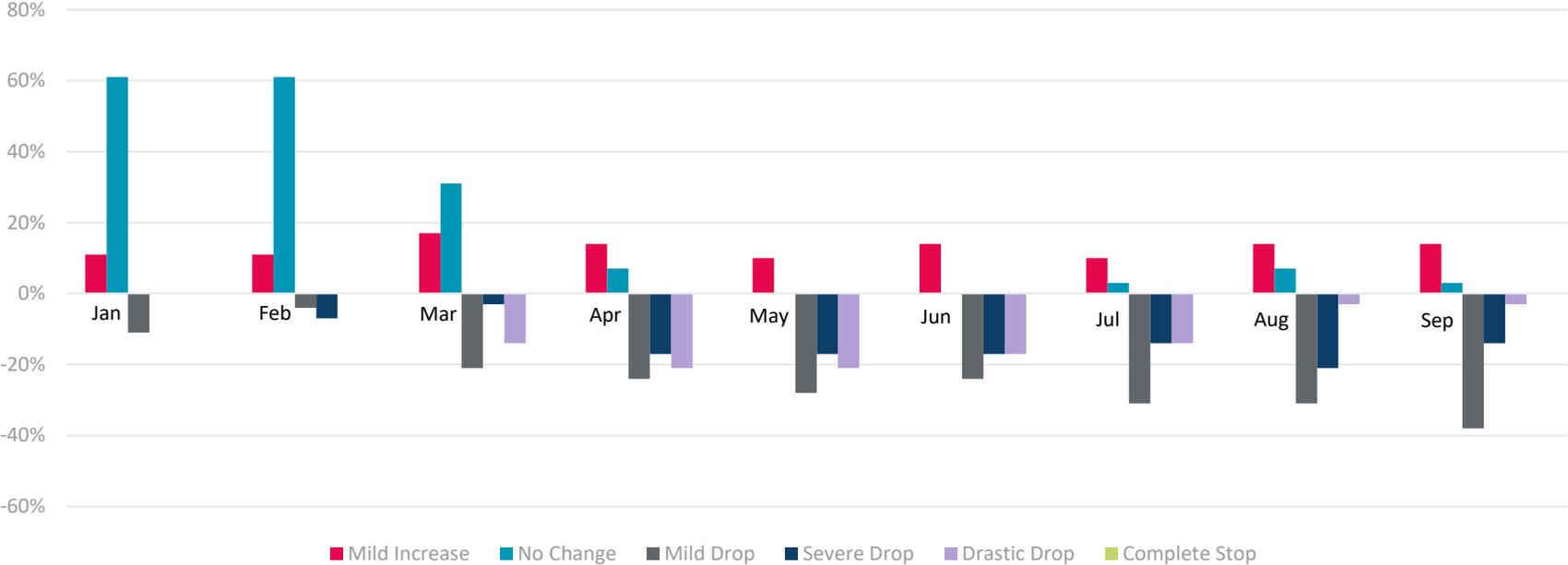
COVID-19 Impact on Sales Revenue  
(Change by number of companies)



# IMPACT OF COVID ON ORDER NUMBERS (Elective focused)

At its worst, the pandemic saw 81% of elective focused companies being negatively impacted.

COVID-19 Impact on Sales Revenue - Elective focused (Change by number of companies)



# FURLOUGH USE

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52,514

The number of staff, we estimate, were furloughed in the HealthTech industry. The same number of jobs may be at risk without support.

57%

of HealthTech companies furloughed staff

75%

of Orthopedic companies furloughed staff



# SUPPORT MEASURES

Despite the negative impact of the pandemic, most companies (50%) did not use support schemes outside of the furlough scheme, with many commenting they were not suitable.

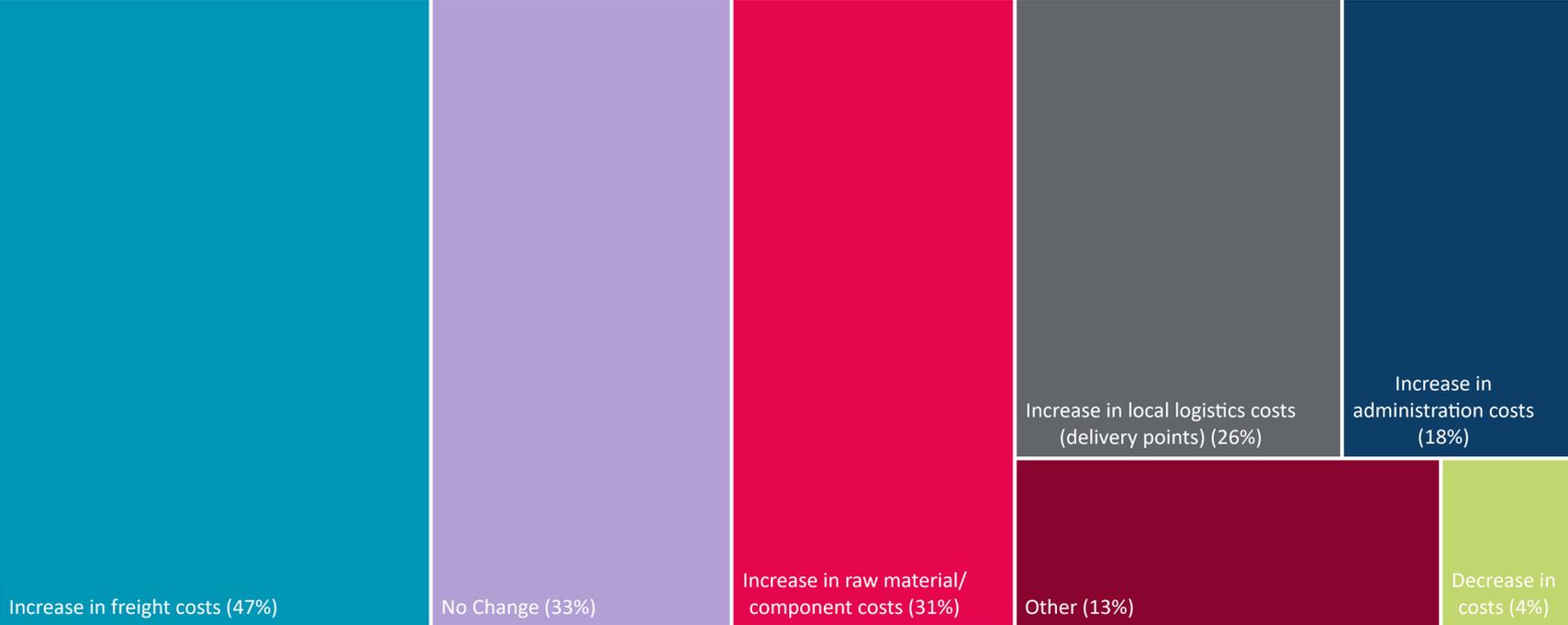
Which finance support initiatives is your business using or intends to use?



# COST BASE

63% of HealthTech companies saw an increase in costs with no scope to recover this from the customer.

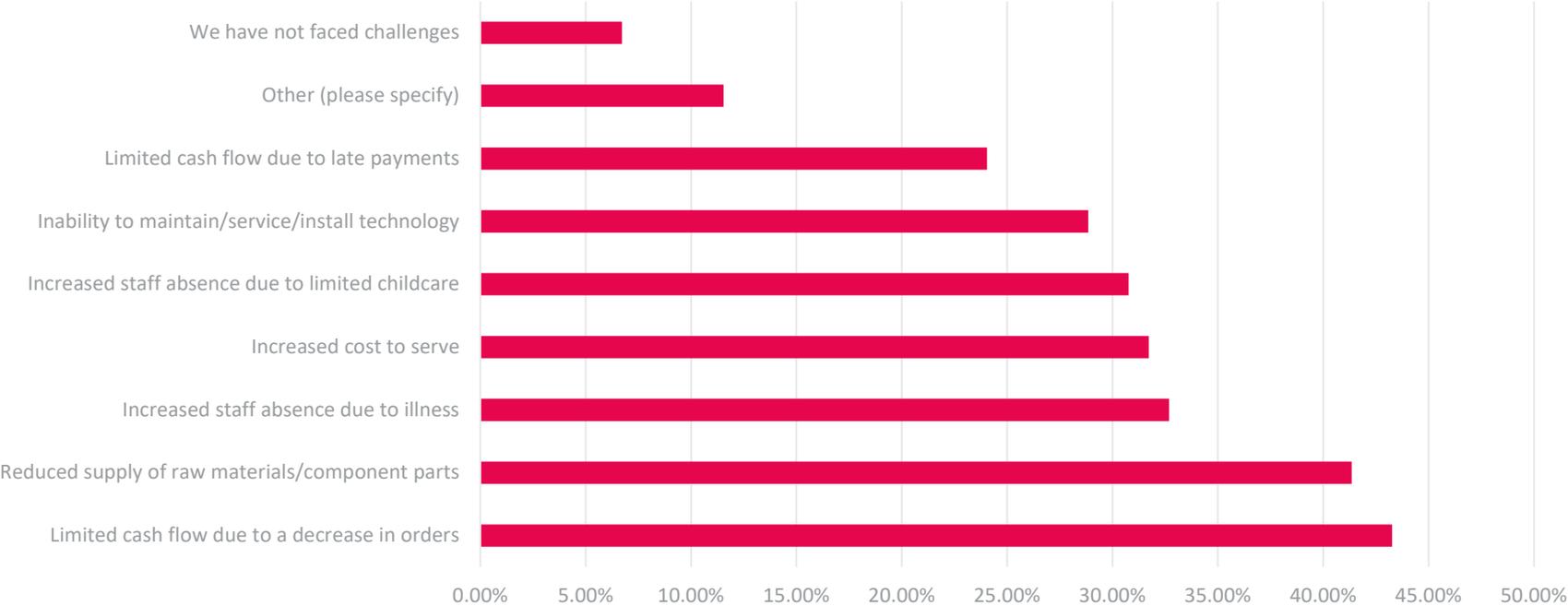
Have you seen any changes to your cost base?



# CHALLENGES DURING PANDEMIC

Almost half of HealthTech companies are struggling with cashflow due to the impact of halting elective procedures.

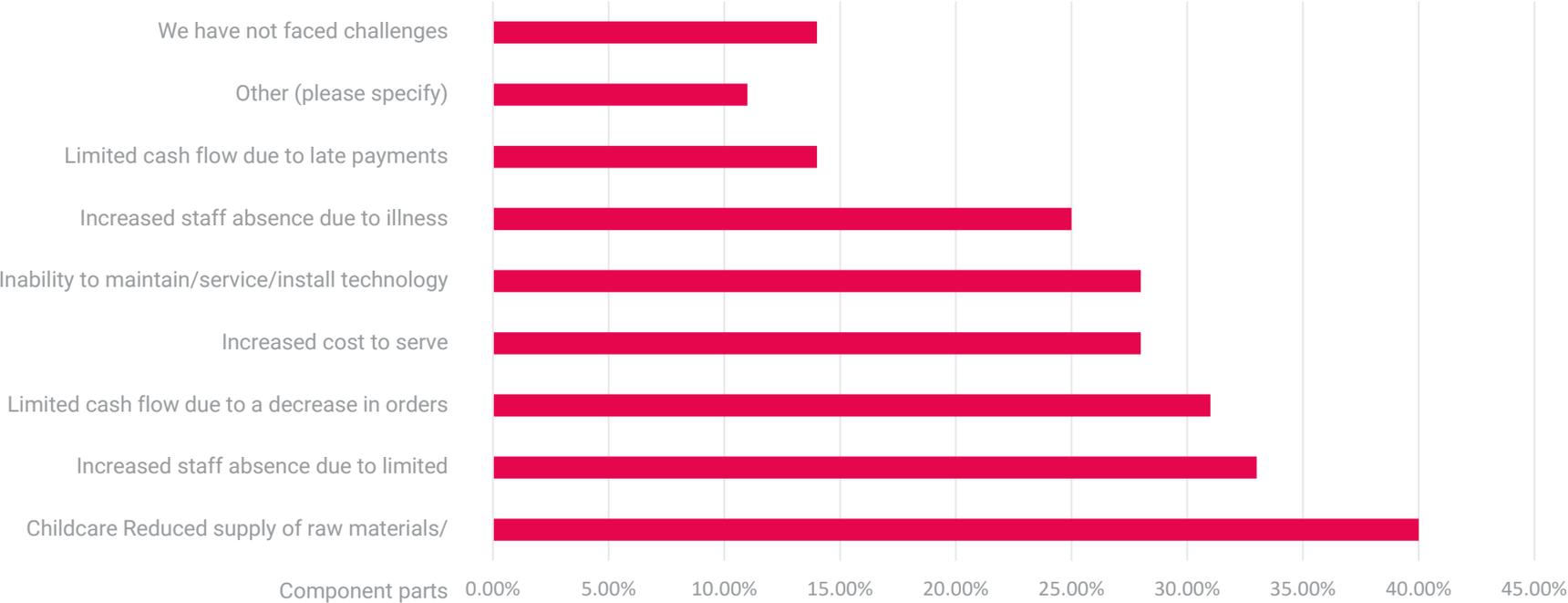
What challenges has your business faced during the COVID-19 pandemic?



# CHALLENGES DURING PANDEMIC (IVD SECTOR)

For IVD companies, reduced supply of raw materials and the reduction in childcare was a much bigger impact

What challenges has your business faced during the COVID-19 pandemic?



# SYSTEM PROCESSES

For those products operating outside of COVID treatment, many saw significant deterioration in system processes. SMEs reported a greater impact than larger companies.

If you saw processes change during the pandemic, how?



# UPCOMING CHALLENGES

The system restart is the biggest challenge for the overall HealthTech industry, however SMEs see generating income to restore profitability as equally challenging. The two will of course be interlinked.

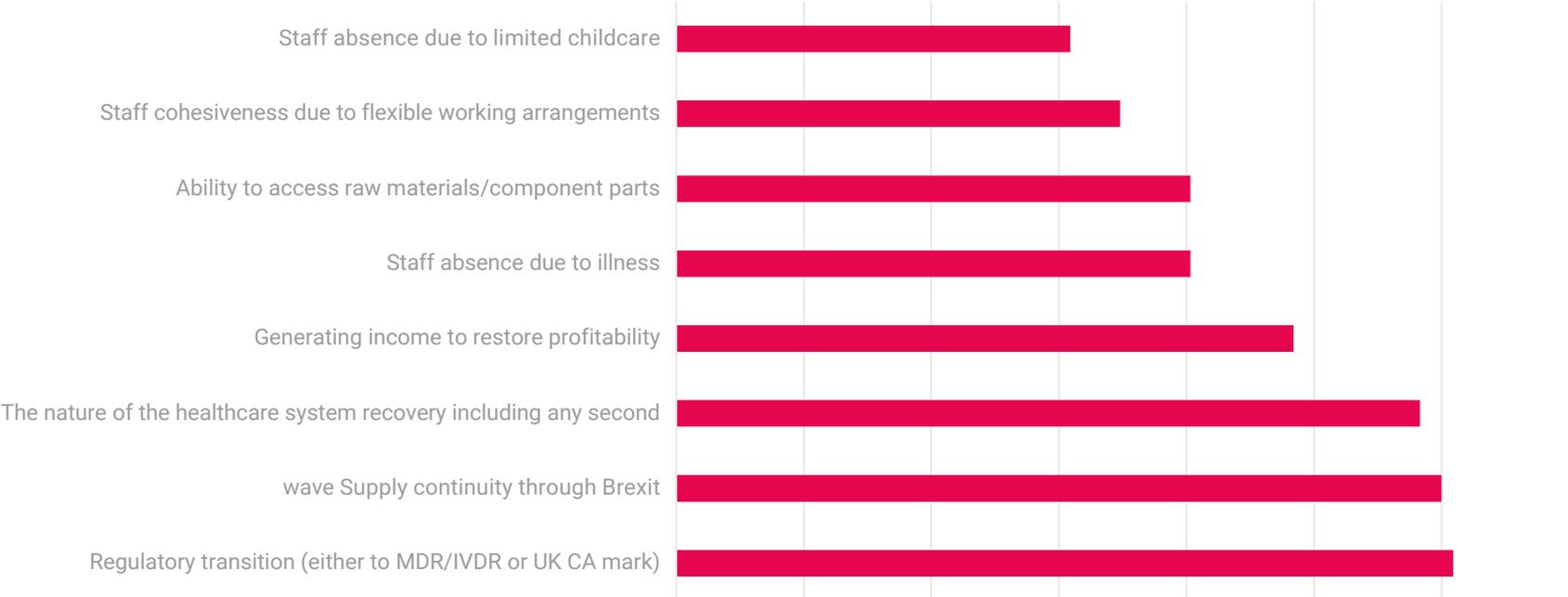
What is the biggest challenge you will face in next 12 months?



# UPCOMING CHALLENGES (IVD sector only)

For IVD businesses, regulatory concerns are a far bigger priority, with the healthcare system restart dropping down to third.

What is the biggest challenge you will face in next 12 months?

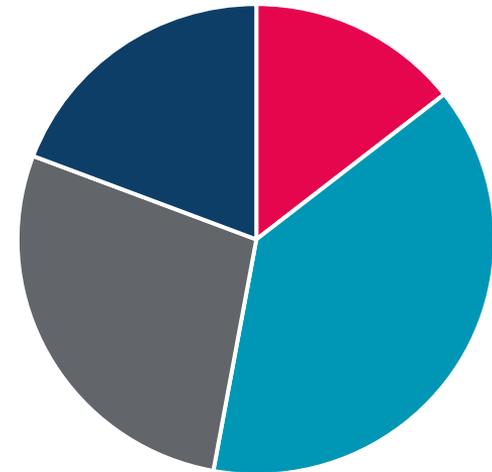


# RESPONSE BREAKDOWN

**104** Individual company responses

SUB-SECTORS	
Respiratory	18%
Cardiovascular	18%
IVD (routine)	35%
IVD (COVID-19)	21%
Ophthalmic	5%
Orthopedic	12%

## COMPANY SIZE



■ Micro ■ Small ■ Medium ■ Large

Any questions?  
[Enquiries@abhi.org.uk](mailto:Enquiries@abhi.org.uk)