

Worldwide IVD Market Review

2023 AACC International Market Briefing & Financial Analyst Briefing

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Speakers

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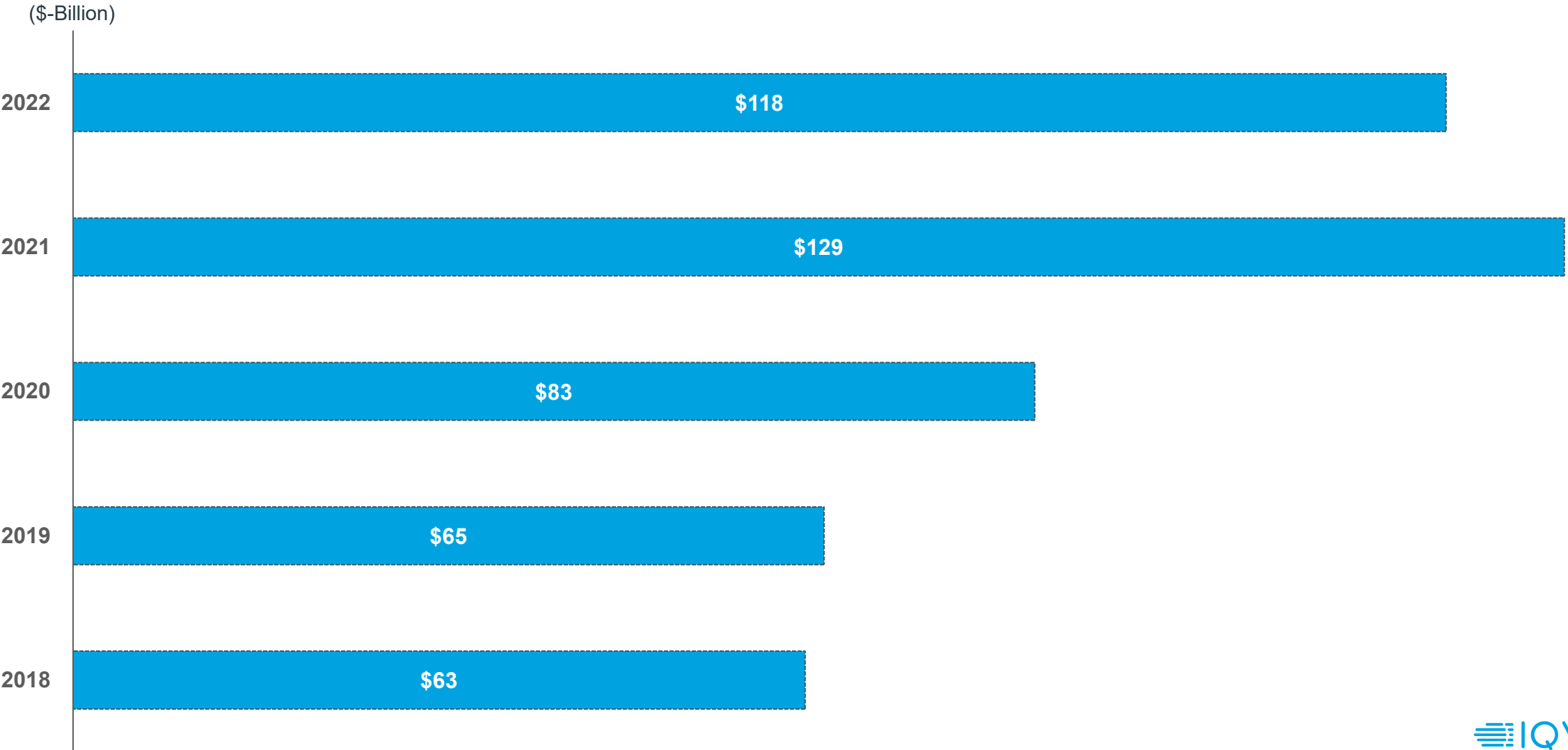


Agenda

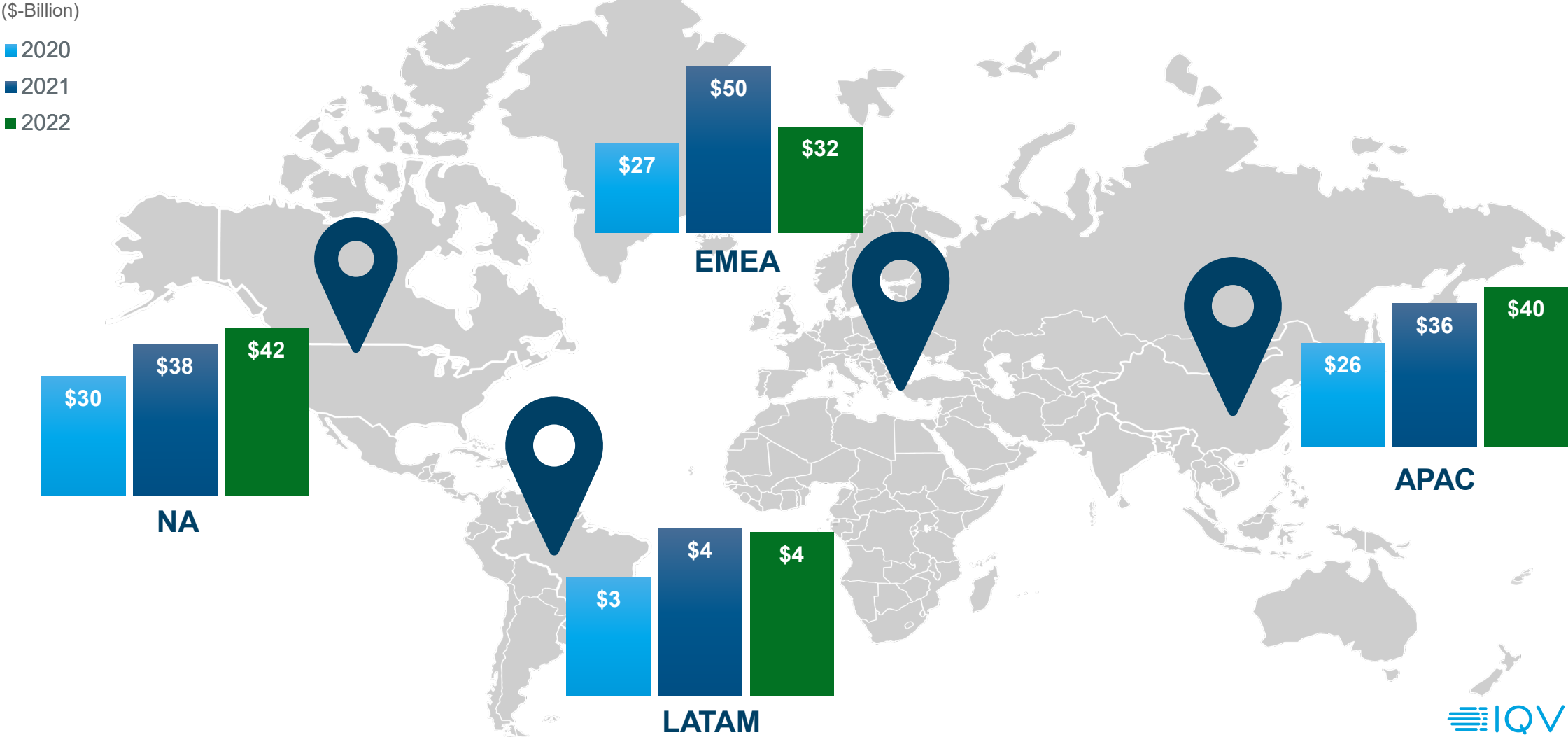
- + IVD Market Review
- + COVID-19 and Rise in Decentralized Testing

Total Annual IVD Market Revenue 2018-2022

The 2022 IVD Market realized a slowdown after robust gains since the start of the pandemic. While COVID-19 contributed to this deceleration, non-COVID-19 segments remained flat.

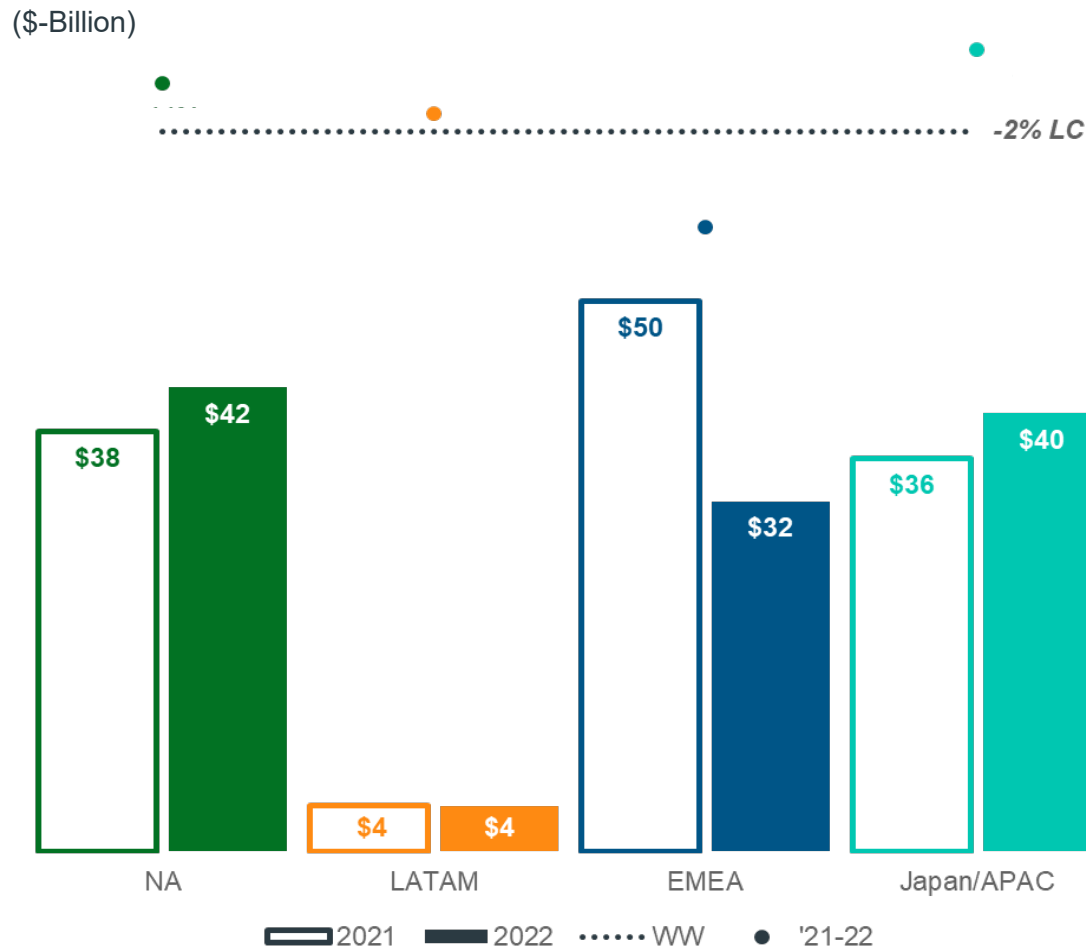


Most regions posted healthy growth, however EMEA realized a notable decline in total IVD sales due to a slowdown in demand and procurement of COVID-19 diagnostics.



The 2022 global IVD market reached \$118 billion, cooling -2% LC vs. 2021, reflecting an unfavorable basis of comparison, with EMEA realizing the greatest reversal in growth followed by LATAM.

Worldwide Revenue by Geography



NA

- ▲ POC observed ongoing robust gains fueled by an uptick in COVID-19 related sales due to a strong respiratory season
- ▲ Core Lab slowed as IA and Coag declined slightly
- ▲ Pathology cooled compared to 2021 led by Advanced Staining
- ▼ MD declined hindered by slowdown in sales of COVID-19 partially offset by a rebound in non-Respiratory business
- ▼ DC witnessed declines driven by sensor-based technology

LATAM

- ▲ POC drove regional growth support by COVID-19 sales
- ▲ Core Lab cooled due to routine volume increases
- ▲ DC observed modest gains
- ▲ Pathology witnessed gains driven by Advanced Workflow
- ▼ MD declined hindered by slowing COVID-19 sales

EMEA

- ▼ POC observed steep declines hindered by an unfavorable basis of comparison to 2021 gains
- ▲ Core Lab grew with EEMEA gains across segments
- ▲ Pathology rose supported by Preanalytical segment
- ▼ MD posted declines challenged by COVID-19 sales
- ▼ DC declined constrained by CGM adoption

Japan/APAC

- ▲ Core Lab grew, limited by deceleration in China
- ▲ MD grew increased by COVID-19 sales in China
- ▲ POC increased driven by Rapids and NAT POC
- ▲ Pathology posted gains driven by Advanced Staining
- ▼ DC declined hindered by COVID lockdowns in China



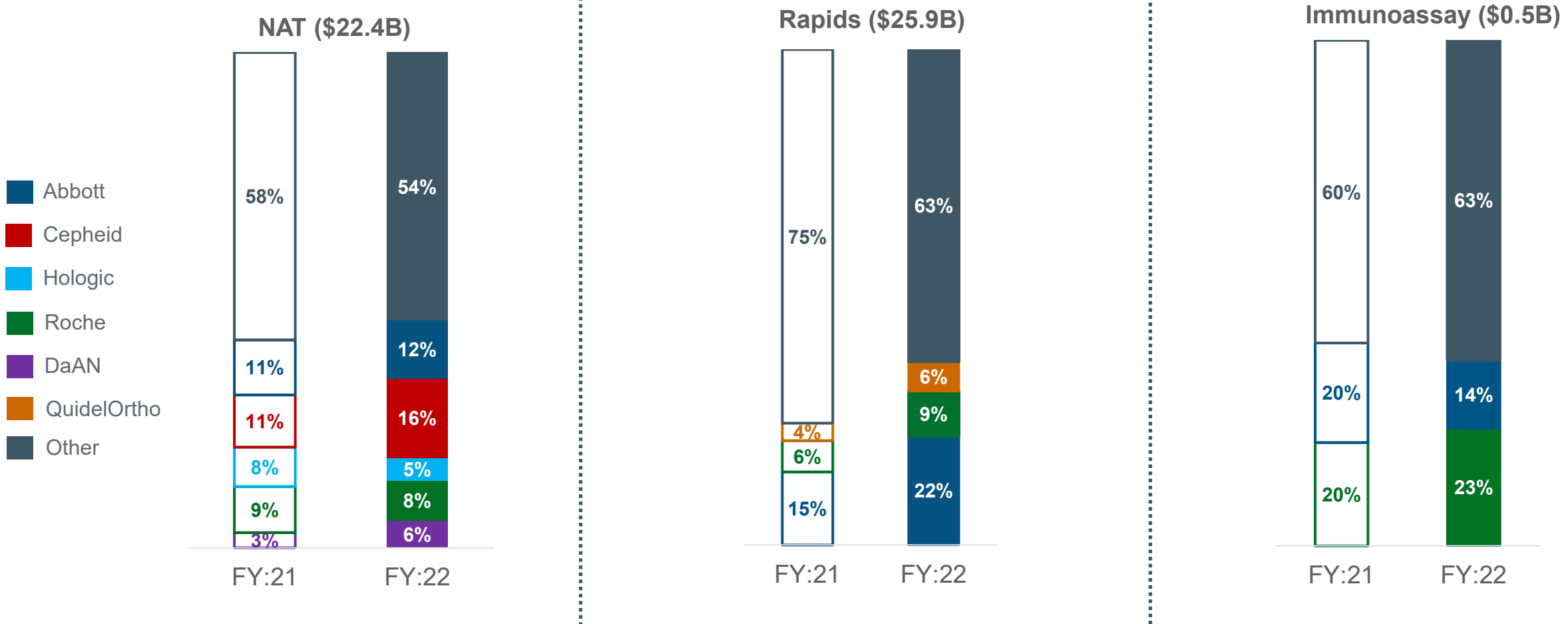
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+ IVD Market Review

+ COVID-19 and Rise in Decentralized Testing

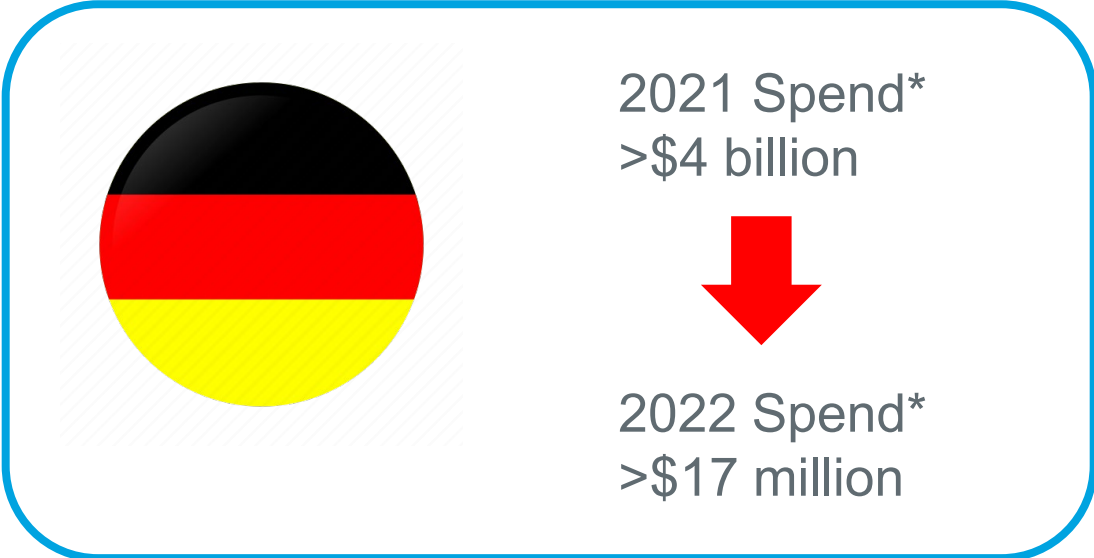
MNC's continued to witness aggressive competition from secondary players throughout the year. Select APAC based competitors noted share gain (e.g., DaAN) leading to inclusion in Top 15 IVD companies.

(%-Share)



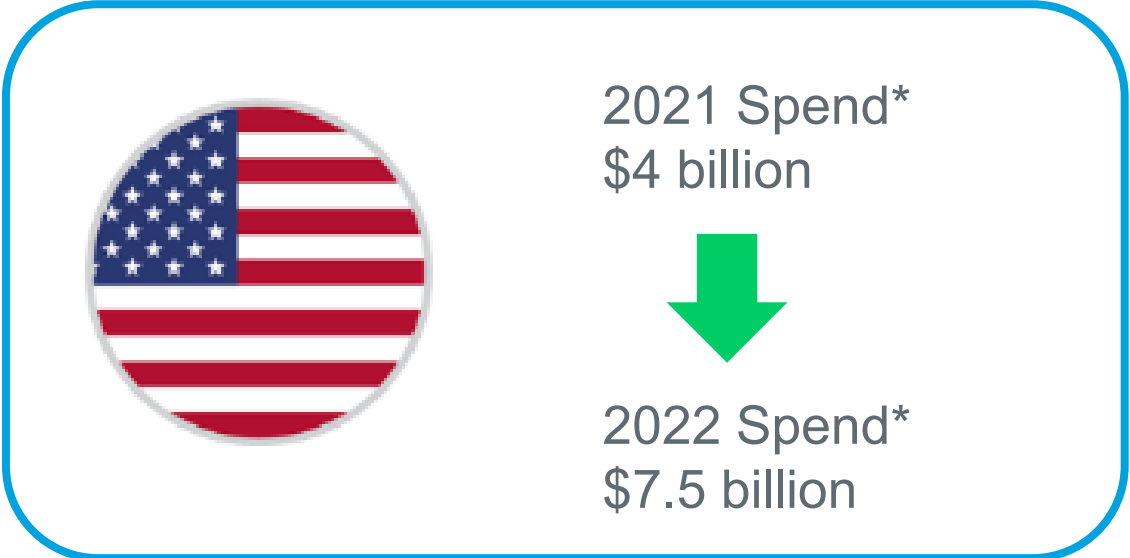
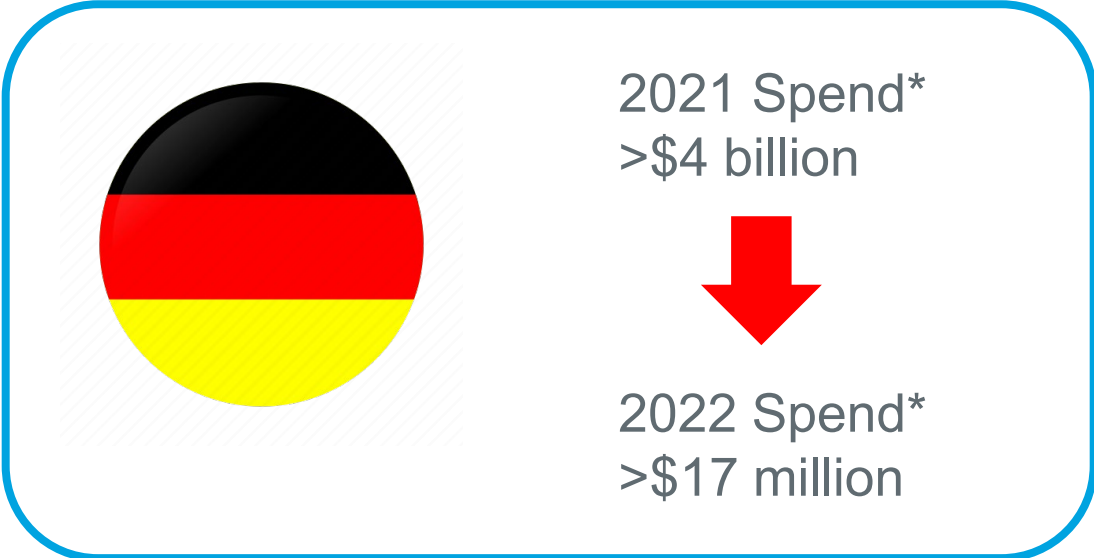
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2021 Spend*
>\$4 billion



2022 Spend*
>\$17 million



2021 Spend*
\$4 billion



2022 Spend*
\$7.5 billion



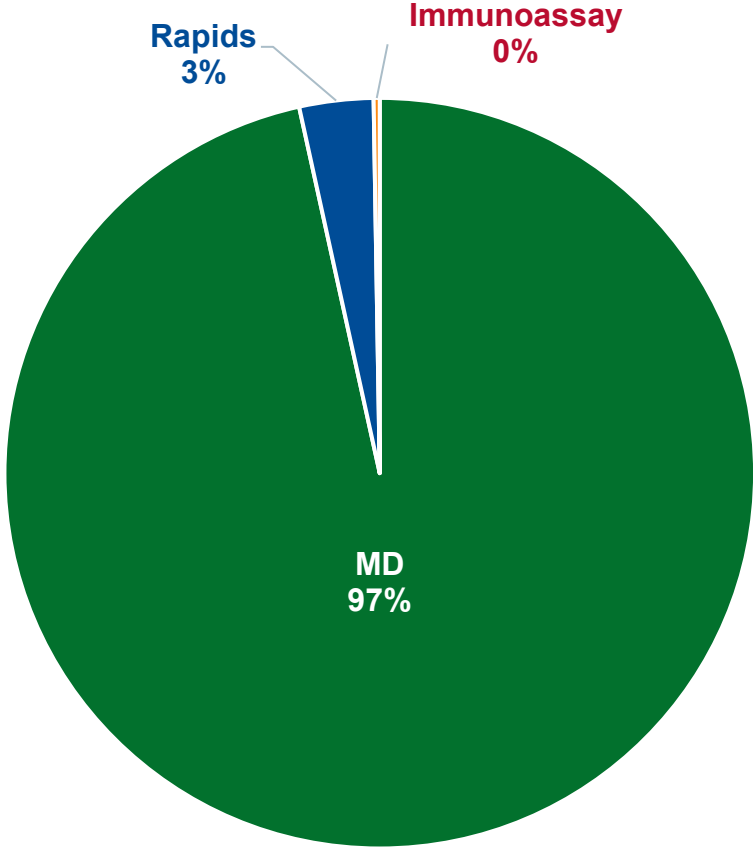
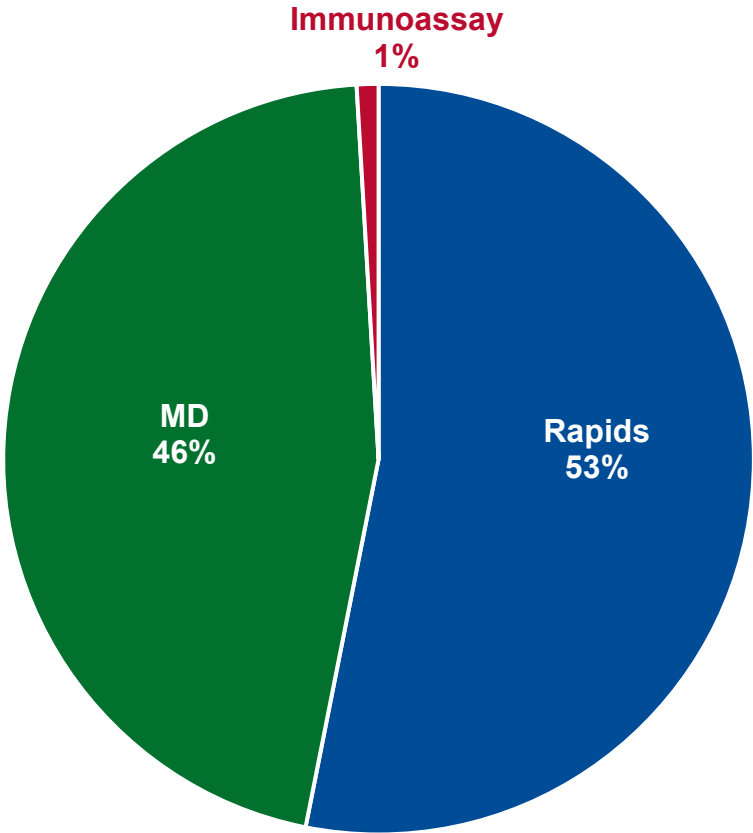
2021 Spend*
\$146 million



2022 Spend*
>\$639 million

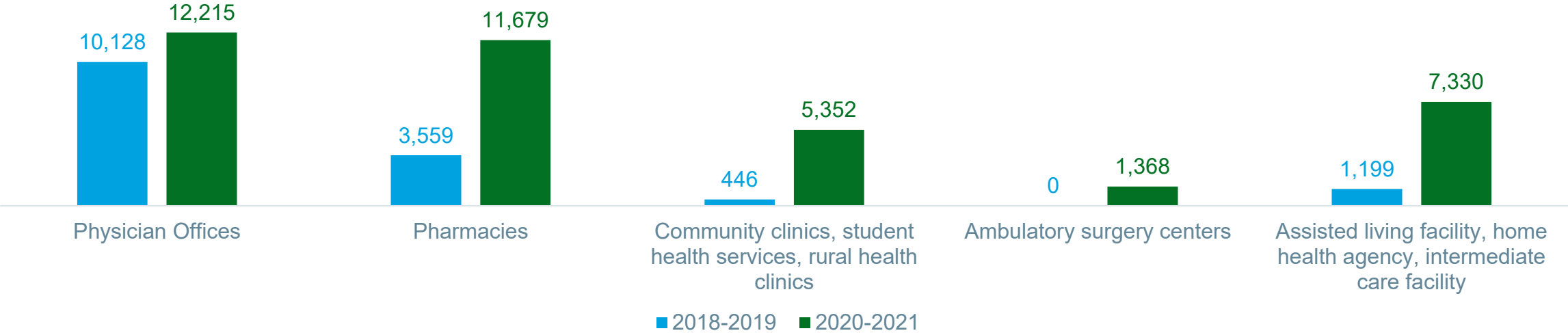
* Includes select milestones; not an exhaustive list.

Total COVID-19 market is expected to witness a steep decline in the near-term hindered by an unfavorable basis of comparison to 2022 revenue and ongoing slowdown in test utilization and government funding for mass screening programs



While nontraditional sites (e.g., airports and sporting/event centers) continued to witness sales erosion as COVID-19 related testing slowed, countries sustained investment in ramping up decentralized testing and overall utilization of POC technology (beyond COVID-19) accelerated


First Time CLIA-Waived (CoW) Facilities (2018-2019 vs 2020-2021)⁽¹⁾



147% increase in select first time CoW facilities

Presents opportunity for testing beyond COVID-19:

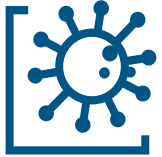
- Cardiometabolic (e.g., **HbA1c**, **BMP/CMP**)
- Non-COVID-19 Resp (e.g., **Strep A**)
- STI testing: **HIV**

-  Increased pharmacy testing (Avricore/Shoppers Drug Mart)
-  NHS released guidelines for POC testing as part of the UK NHS Long Term Plan

1. Source: Increases in CLIA-Waived Testing Sites Since the Start of the COVID-19 Pandemic Laboratory Medicine 2023;54:126–129; <https://doi.org/10.1093/labmed/lmac154>.

Key Take-Home Messages

Worldwide IVD Market Overview



COVID-19 testing volumes are expected to dwindle in the near-term. Utilization of multiplex panels/ combo test for respiratory markers may witness gains supported by an increased molecular installed base globally. Buoyed by COVID-19 testing, self-sampling innovation is expected to remain at the forefront for manufacturers and end-users.



Demand for IT and automation solutions, supported by sustained staffing shortages, expansion of healthcare facilities and networks, is expected to remain a key growth driver.



The pandemic brought a greater emergence of secondary players on the global stage, and select secondary competitors solidified their presence in 2022. M&A activity provided an opportunity for these players to compete on a global scale, leveraging their ability to compete on price.



We will continue to see technology advances within IVD, leading to market disruptions (such as CLIA-waived molecular testing, CGM overtaking BGM) driving the market and perhaps even taking share from conventional methods.



Thank You

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