

# Medical devices

## Longer Term Investments (LTI)

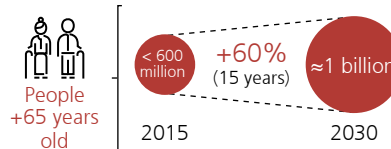
Medical devices can assist in the treatment of many conditions. Some reduce the risk of a treated condition worsening, perhaps as an alternative to drug therapy; others improve users' quality of life or functionality; and still others can solve problems untreatable with drugs. An aging population and growth of the over-65 age group will create more opportunities for companies selling medical products and devices.

### Projections and opportunities

#### Aging & Population growth

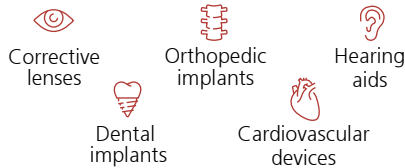
People aged 65 and over account for the majority of medical device use. Over the next 15 years we expect the number of people over 65 to rise by more than 60%.

Source: UBS, 2015



#### Size of key markets

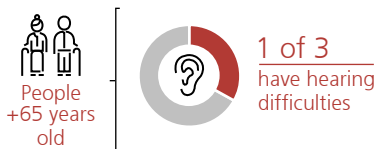
We estimate the total market size of five key markets for implantable or wearable devices at around USD 115 billion.



Source: UBS, as of April 2019

#### Hearing aids

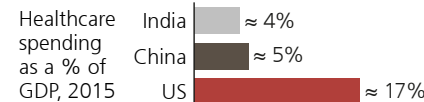
One third of people over 65 years old have hearing difficulties. We see demographics rather than increased penetration as the main future growth driver.



Source: UBS, 2018

#### Emerging markets

We expect structural policies put in place by many developing country governments to ultimately support growth in healthcare spending above GDP.



Source: World Bank, UBS, as of April 2018

#### Corrective lenses

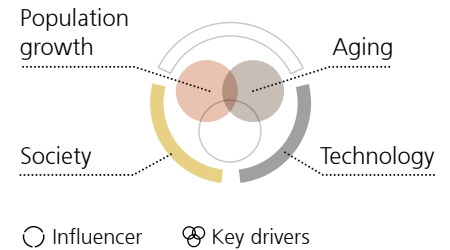
Much of nearsightedness is attributed to the use of computers. More than 90% of 20–65 year olds use digital devices every day and nearly two thirds spend 4 hours or more per day using computers.



Source: EssilorLuxottica, 2016 data



#### Medical devices investment properties



#### Near-term drivers

- Aging population
- Lifestyle diseases such as obesity and heart disease



#### Sustainable investing impact

- Reducing mortality rates
- Improving quality of life
- Enabling people to work
- Boosting economy through productivity
- Broadening access to medical devices



#### Impact investing (UN SDGs)

- SDG 3: Good health and well-being

