



# MedTech Industry

## Incl. IVD and Distribution

The UK MedTech industry represents a high-value, high-growth opportunity and is among the top MedTech economies globally. The M&A outlook remains robust, recent strategies focus on acquiring technologies, geographic reach, and optimising portfolios.

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# > Key Highlights

## Introduction

The UK MedTech sector is a global leader, driven by a strong R&D ecosystem, particularly in the Golden Triangle and regional hubs. It excels in cutting-edge areas like AI diagnostics, digital health, robotics, and personalised medical devices. The *in-vitro* diagnostics (IVD) segment is also showing strong growth, supported by advances in molecular and genetic testing and its critical role in the NHS.

Demand for MedTech solutions is rising due to an ageing population and increasing chronic disease rates, fuelling interest in remote monitoring, home care, and precision therapies. Government support through NHS adoption initiatives, R&D tax credits, and Innovate UK grants further boosts the sector's momentum.

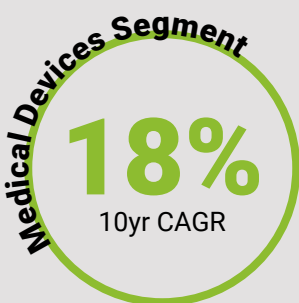
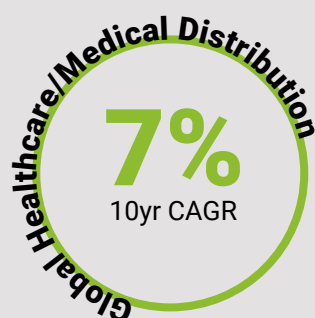
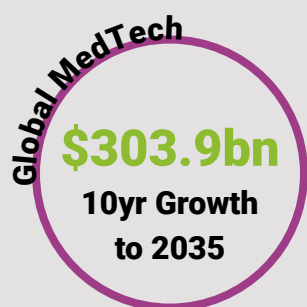
However, the industry faces challenges such as post-Brexit regulatory uncertainty, fragmented NHS procurement, and funding gaps for early-stage companies. These pressures are, in turn, driving

mergers and acquisitions, with investors seeking firms that offer scalable platforms, strong NHS partnerships, and proprietary technologies in diagnostics, surgical robotics, and remote care.

Looking ahead, sustainability is gaining importance, with demand growing for reusable, low-waste devices aligned with NHS Net Zero goals. M&A activity remains strong, focused on acquiring complementary tech and expanding reach. Companies that can navigate regulation, secure NHS validation, and deliver impactful, cost-effective innovations are well positioned for growth and global success.



# ➤ Market Overview



## Global Market

The global MedTech market is experiencing robust growth, driven by continuous technological innovation and rising healthcare expenditures worldwide. Valued at \$549.5 billion in 2025, it's projected to reach \$853.4 billion by 2035, expanding at a CAGR of 4.5% over the period.

Manufacturers are prioritising AI-powered diagnostics, minimally invasive surgical tools, and connected health solutions, such as telemedicine platforms and wearable biosensors, that enhance patient outcomes and operational efficiency. As population age and the prevalence of chronic diseases climbs, the sector's focus on personalised care, predictive analytics, and digital health integration positions it for sustained growth in the coming decade.

Within this, the global healthcare/medical distribution market is also poised for strong expansion, driven by rising pharmaceutical demand, the growing prevalence of chronic diseases, and the increasing complexity of global supply chains. The market is expected to grow at a robust CAGR of 7.08% over the next 10 years, with the medical devices segment expected to record a significant CAGR of 17.9%.

## Europe / UK

The European MedTech market is projected to reach a revenue of £125.4 billion in 2025 and grow to £155.2 billion by 2030, at a CAGR of 4.4%. Medical Devices dominate the sector, with an expected market volume of £108.9 billion in 2025. In the UK, the MedTech market is set to reach £15.7 billion in 2025, with steady growth expected to push it to £20.5 billion by 2030, growing

at a CAGR of 5.4%. Medical Devices lead the way, making up the largest share at £14.3 billion in 2025.

Focusing on the IVD (*in-vitro* diagnostic) segment of the market, the UK accounted for approximately 24.7% of the European IVD market value in 2024, which was valued at \$6.8 billion, and is expanding steadily to reach a projected \$10.0 billion by 2030, reflecting a CAGR of 6.64%.

This growth reflects the UK's strong commitment to innovation in healthcare, with a focus on developing smarter, more effective technologies that improve patient outcomes. Backed by a vibrant research community and supportive policies, the UK continues to play a leading role in shaping the future of medical technology on the global stage.



# ➤ Growth Drivers and Challenges

## **Aging Population & Rising Demand:**

Demographic trends are significantly driving MedTech, Distribution and IVD demand. The UK's rapidly aging population, with one in four people projected to be over 65 by 2040, and the rising prevalence of chronic diseases are boosting the need for medical devices such as IVD testing kits, cardiac monitors, mobility aids, and chronic care solutions. NHS and social care systems are under pressure, making technologies that support diagnosis, prevention, remote monitoring, and home-based care increasingly essential.

## **Technological Innovation:**

Breakthroughs in AI, digital health, and advanced medical devices are transforming the industry. Investments in artificial intelligence, machine learning, and data analytics are enabling smarter diagnostics and personalised therapies. The COVID-19 pandemic accelerated the adoption of telemedicine, wearable monitors, and remote diagnostic tools. Emerging technologies like 3D printing, robotics, and quantum sensing are creating entirely new product categories. Companies leveraging AI/ML and real-world NHS data are gaining a competitive edge.

## **Global Market Access Opportunities:**

The UK acts as a strategic gateway to global MedTech markets. Despite Brexit, companies benefit from international trade links and frequently pursue CE mark or FDA approval to reach wider markets. The government actively supports exports through trade missions and Life Sciences Offices abroad. The UK's leadership in digital health and genomics further enhances its appeal on the global stage, fuelling opportunities for international growth.



# ➤ Growth Drivers and Challenges

## Government and NHS Initiatives:

Public policy is increasingly supportive of MedTech innovation. Programmes like the Accelerated Access Collaborative, NHS innovation funds, and the Life Sciences Strategy are designed to streamline the adoption of new

technologies. Generous R&D tax credits, SEIS/EIS schemes, and Innovate UK grants are also encouraging innovation. Increased NHS funding for R&D and broader innovation budgets further reinforce this growth environment.

An increased focus on Point-of-Care Testing (POCT) is

enabling decentralised testing with portable, easy-to-use devices. This trend supports faster diagnosis and treatment decisions, aligning with the shift towards more accessible healthcare.

## Digital and Remote Care:

The UK is experiencing rapid



growth in telehealth, digital therapeutics, and remote patient monitoring. Wearable health monitors, home-based diagnostics, and smartphone health apps have become mainstream, particularly after the pandemic. This shift aligns with NHS digital initiatives and growing patient demand for

more convenient, at-home care solutions.

Across Europe, the *in-vitro* diagnostics market is experiencing rising demand for precision and non-invasive diagnostic procedures, driven by the increasing prevalence of chronic and infectious diseases

alongside technological advancements enhancing test accuracy and accessibility. Additionally, homecare IVD testing is emerging as the fastest-growing end-use segment, reflecting consumer preference for convenient, reliable diagnostic solutions outside clinical settings.

# Growth Drivers and Challenges

## **Personalised and Precision Devices:**

There is a rising focus on personalised medicine, with devices tailored to individual patients. Examples include 3D-printed prosthetics, customised implants, and genomic-based diagnostics. Investment from both the NHS and private sector in precision health is growing, fuelled by advancements in genomics, patient-centric care models, and the UK's leadership in bioinformatics.

In the UK *In-Vitro* Diagnostics market, advancements in genetic testing and molecular diagnostics are enabling personalised medicine. This trend is driving demand for genetic testing kits and companion diagnostics, which help identify specific biomarkers to guide tailored treatment decisions.

## **Sustainability and Value:**

Environmental sustainability is becoming a key priority for the MedTech industry. Companies are developing eco-friendly materials and reusable/remanufactured devices to support NHS Net Zero targets and meet consumer expectations. At the same time, value-based care is gaining traction, with increasing emphasis on cost-effectiveness, clinical outcomes, and long-term health system savings.

## **Reshoring and Supply-Chain Adjustment:**

Brexit-related challenges and global supply chain disruptions have led to a renewed interest in onshoring production. UK-based contract manufacturing is on the rise, especially for critical products like diagnostics and PPE. Additionally, companies are investing in the digitalisation of supply chains to improve resilience, visibility, and efficiency.

## **Collaborative Ecosystems:**

The UK is moving toward integrated health ecosystems through greater collaboration between tech giants, startups, and the NHS. Cross-sector partnerships, such as pharma-device or digital-device alliances, are enabling the delivery of connected care solutions. NHS trusts, innovation hubs, and national funding programs are supporting this collaborative innovation environment.

# > Recent UK M&A Activity

## Entrepreneurs Hub Case Study


### **This deal was completed in June 2025:**

Entrepreneurs Hub were appointed by the owners of Alpha Laboratories, a leading UK distributor of laboratory supplies and IVD products. The business has been owned by the Giles family for more than 50 years. With no clear family succession, the decision was made to find an acquirer that could support Alpha Laboratories, and its core management team, in realising the full potential of the business.

After a thorough process of preparation and research, Entrepreneurs Hub identified in excess of 140 potential acquirers. Nearly 80% of these were international companies with Europe accounting for half of these.

There was strong interest across Europe and the UK and productive discussions were had with a number of parties. Offers were received and negotiated with interested parties and an undisclosed eight-figure deal agreed and completed at the beginning of June 2025.

The acquirer, Diploma PLC, is a dynamic distribution group composed of more than 60 value-added distribution companies with 4,000 employees operating across the globe. A listed UK PLC, Diploma has an agile and decentralised business model that operates across North America, UK, Europe and Australia to deliver value-add solutions that make customers' lives easier. It has a market capitalisation of more than £6 billion with revenue of over £1.3 billion, 33% of which comes from Europe and the UK.



*Alpha Laboratories has been a significant part of our family's lives for decades, since our father David Giles was one of the founding members. We were looking for a buyer who would not only value what Alpha and its dedicated staff have built, but could also see its immense potential in the rapidly expanding global home care testing market.*

*Entrepreneurs Hub found us the ideal match. With this sale we are confident we are leaving the company in good hands, and the trusted brand of Alpha Laboratories will continue to thrive for generations to come.*

**Nathan Giles**





## > Recent UK M&A Activity

Transaction Date	Transaction	Rationale
July 2025	<b>Alpha Laboratories</b> Advised by <b>Entrepreneurs Hub Ltd</b> Acquired by <b>Diploma PLC</b>	The acquisition strengthens Diploma's regional footprint, product expertise and distribution into the UK market and NHS ecosystem.
May 2025	<b>Optegra</b> Acquired by <b>EssilorLuxottica (France)</b>	Strengthening of the acquirer's downstream clinical services capability, broadening its vision correction offering beyond eyewear manufacturing and retail, and creating a fully end-to-end eye health platform that captures patients from diagnosis through to post-operative care.
February 2025	<b>Labworks UK</b> Merged with <b>PathCare Diagnostics</b>	This consolidation unifies testing capabilities and workforce under a single UK platform, driving cost efficiencies, expanding service offerings for both NHS and private clients, and positioning the combined entity to secure larger contracts and meet rising demand for rapid diagnostics nationwide.
August 2024	<b>Lombard Medical</b> Acquired by <b>MicroPort Scientific (China)</b>	The acquisition adds Lombard's advanced vascular device portfolio to MicroPort's global offerings, enhances its ability to treat complex aortic anatomies, and bolsters its competitiveness in key international markets by combining cutting-edge stent graft technology with MicroPort's established distribution network.
July 2024	<b>Endomag</b> Acquired by <b>Hologic (USA)</b>	Integrating Endomag's magnetic sensing platform with Hologic's breast health portfolio reinforces Hologic's leadership in comprehensive breast cancer care from screening through treatment.



## > Recent UK M&A Activity

Transaction Date	Transaction	Rationale
May 2024	<b>Aparito</b> Acquired by <b>Eli Lilly (USA)</b>	The deal accelerates Lilly's efforts to decentralise clinical research, enhance real-world data collection, boost patient engagement and diversity in trials, and integrate remote monitoring into its global drug development programmes.
February 2024	<b>Virutal Lucy</b> Acquired by <b>AXA Health (UK)</b>	Embedding Virtual Lucy's AI-driven triage into AXA Health's offerings streamlines care navigation, reduces time to appropriate referral, improves member access and satisfaction, and lays the groundwork for broader clinical AI integration within health insurance services.
Q1 2024	<b>Deepverge</b> Acquired by <b>Microsaic Systems (UK)</b>	The bolt-on acquisition enhances Microsaic's sensor and analytics capabilities, broadens its rapid diagnostics portfolio across wastewater surveillance and point of care testing, and strengthens its position in decentralised bioanalytics.
Q1 2024	<b>Innovenn UK</b> Acquired by <b>Microsaic Systems (UK)</b>	Adding Innovenn's machine-learning diagnostic tools accelerates Microsaic's product innovation, deepens its data-centric testing solutions, and positions it as a diversified leader in fast, high-precision biosensor analytics.



# > UK M&A Outlook

## Drivers for M&A activity

### Geographic Expansion and Cross-Border Integration:

UK-based MedTech and HealthTech firms are actively expanding their footprint through both domestic consolidation and cross-border acquisitions. With the UK positioning itself as a global innovation hub in diagnostics, digital health, and AI-driven medical technologies, international players are targeting UK companies to gain access to world-class R&D, regulatory expertise, and proximity to the NHS. For example, Bruker's acquisition of Optimal Industrial Automation, *advised by Entrepreneurs Hub*, in 2023 illustrates this trend, enhancing

Bruker's global automation and data analytics offering in pharmaceutical manufacturing.

### Digital Transformation and AI Capabilities:

Technology and data remain at the heart of M&A activity. Acquirers are increasingly focused on companies that offer AI-powered diagnostics, robotics, data-driven clinical decision tools, and cloud-based health platforms. HealthTech companies with strong IP, proprietary algorithms, or FDA/CE-cleared solutions are high-priority targets. HealthTech Group's £200 million acquisition of Medica AI in early 2024 underscores the growing investor appetite for scalable, AI-based diagnostic platforms. Investors are aggressively pursuing targets that offer digitisation levers or platform-based business models to address cost and outcome pressures in healthcare systems.

### Private Equity Momentum and Buy-and-Build Strategies:

Private equity is playing a pivotal role in driving UK HealthTech consolidation. Sponsors are pursuing buy-and-build strategies, acquiring niche players in diagnostics, surgical equipment, and digital health, and integrating them into broader platforms. According to Barclays, UK mid-cap and lower mid-market deals have surged as PE firms look to acquire undervalued assets amid uncertain macro conditions. Specialist funds are particularly active in mental health tech, care delivery software, and remote patient monitoring.



# > UK M&A Outlook

## **Post-COVID Realignment and Service Integration:**

COVID-19 accelerated digital adoption across the NHS and private sector, creating fertile ground for integrated care models. Acquirers now target firms that offer end-to-end healthcare solutions, combining devices, software, and services, to support hospital-to-home care delivery. M&A is increasingly focused on firms that bridge medical devices with remote monitoring, data platforms, and AI triage tools, enabling cost-effective, scalable care pathways.

## **Sustainability, Compliance, and NHS Alignment:**

Sustainability and NHS alignment are emerging as non-negotiables in acquisition criteria. Buyers are drawn to companies whose products or services help reduce hospital resource burden, lower emissions (e.g., low-waste surgical tools or recyclable devices), and align with the NHS Long Term Plan's goals. Regulatory strength, particularly with UKCA and CE compliance, is also a key differentiator.

## **Consolidation and Specialisation:**

The UK MedTech sector remains moderately fragmented, particularly in diagnostics, surgical consumables, and lab testing services. Acquirers aim to consolidate capabilities for scale efficiencies, stronger procurement leverage, and more cohesive R&D pipelines. Meanwhile, niche players with unique technological or therapeutic specialisations are being folded into larger compliance or safety portfolios.





## > Conclusion

The UK MedTech industry represents a high-value, high-growth opportunity and is among the top MedTech economies globally. The UK *in-vitro* diagnostics (IVD) sector is demonstrating resilient growth. As a critical enabler of NHS services with substantial testing volumes, the sector continues to show superior growth momentum compared to broader European markets.

Demographic tailwinds, including a rapidly aging population and rising chronic disease prevalence, are driving accelerated demand for remote monitoring, home-based care, and precision therapies, while the NHS's adoption initiatives, R&D tax credits, and Innovate UK grants create a supportive policy backdrop.

Despite this momentum, there's a regulatory uncertainty post-Brexit, fragmented NHS procurement, and a funding gap for early-stage SMEs, as well as talent and supply chain constraints. These challenges, however, are catalysing M&A activity, with strategic acquirers and private equity targeting firms that offer solutions and access to NHS partnerships, particularly in diagnostics, surgical robotics, and remote care solutions. Sustainability is also emerging as a key value driver, with low waste and reusable devices gaining traction alongside NHS Net Zero goals.

The M&A outlook remains robust. With enduring global demand for cutting-edge medical technologies, the UK MedTech sector offers a compelling blend of innovation, growth, and strategic resilience.

### Next Steps

Entrepreneurs Hub have recent experience in this sector and if you would like to find out more about how we can help you as you consider, plan or pursue your exit strategy, please contact us.

Speak with one of our Directors on a confidential and no-obligation basis. We can discuss timing, preparing for sale, guide valuations, or just give you an honest opinion of where you're at.

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## About Entrepreneurs Hub

Entrepreneurs Hub is a trusted M&A advisory firm with a focus on UK SME businesses. We are a highly experienced team who have been where you are - entrepreneurs, business owners, and board-level directors, we have bought companies, sold companies and advised hundreds of clients to do the same.

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