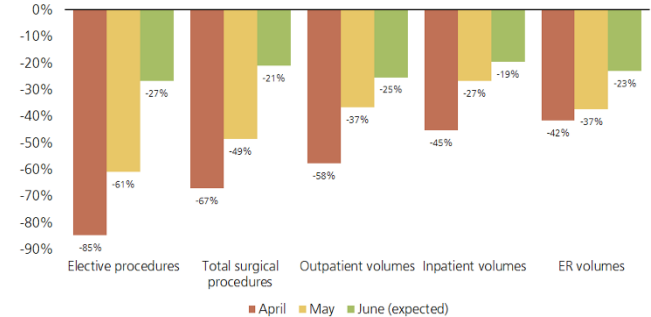


# Medi-Tech Insights

## Dark Clouds & a Silver Lining for Healthcare

After another tough quarter, healthcare companies are looking forward to a better H2 2020. What has been different about this crisis is that even healthcare companies have suffered massive loss of revenues & earnings.

For example, J&J, a bellwether for Pharma & MedTech announced a 35.3% decline in y-o-y earnings, led by decline in medical devices as elective surgery volumes plummeted in Q2. Impact has been felt across sectors including pharma, hospitals & outpatient services like dental, ophthalmology.



*Given these unprecedented times, is there a silver lining for healthcare companies & investors?*

*We believe so.*



Our 3 recommendations for Healthcare CEOs & Investors

### 1. Think outward & strategic

A natural tendency in a crisis is to focus inward, whether it be managing internal teams, issues or portfolio companies. This is required, but from past crisis, we know that the best opportunities are in a crisis. CEOs and Investors should actively scan their industries & look for technologies, companies that may be a good fit for their strategy and act boldly now. The pandemic is still playing out but long-term thinking is ever more important now.

### 2. Be opportunistic

While this may sound contrary to being strategic, it is not. Being opportunistic simply means being able to act with conviction when the right opportunity presents. And with the dislocation of markets & prevailing uncertainty, those that act now (while being prudent) will reap the rewards.

### 3. Be prepared

We believe that the economic impact of the crisis is still be felt fully. Hence it is important for companies & investors alike to ensure that their operations are resilient, sufficiently capitalized & resourced to withstand economic shocks that may be on their way.

*Over the past weeks, we've seen sophisticated investors & companies work on their M&A and growth strategy; reaching out to potential companies, preparing business cases & ready to act when the opportunity presents.*

**Like Churchill said "Never let a good crisis go waste"**