

What Makes Healthcare Technology Attractive to Investors



Interview with: Christoph Kausch, Founding Partner & CEO, MTIP AG

"The digital transformation happening in the attractive healthcare industry provides a lot of opportunities for investors," says Christoph Kausch, Founding Partner & CEO, **MTIP AG**.

MTIP AG is a venture investment firm, focusing on scaling-up healthtech companies, participating at the **marcus evans Elite Summit 2019**, taking place in Montreux, Switzerland, 12 - 14 June.

Why should investors consider healthcare technology companies? What potential do they hold?

The healthcare industry is a top performer compared to other asset classes. Given the fundamental shift happening right now in the healthcare technology sector, we focus more on the digital health and medical technology side. The IT sector has drastically changed many other industries, but so far the digital revolution has not affected healthcare that drastically. The technology is now mature enough, so we are starting to see a number of new trends in the market.

Healthcare investors have traditionally focused on biotech, pharma and drug development funds, so they do not fully understand digital health and medical technology as it is a different game. For digital health, investors need sound IT knowledge and the ability to assess the technical components. On the other hand, information communication technology focused funds typically lack healthcare expertise. Investors need both points of view.

What are the latest trends in the healthtech space? What opportunities do they open up for investors?

There is a big shift from volume-based to value-based payment solutions. The focus is shifting to quality and individual outcomes that can reduce the cost of care. This trend can no longer be ignored, but the industry lacks solutions on it. There is a need for companies to work on this trend.

Decentralisation of the healthcare industry is another big trend. There is a move away from the clinic into the home, as remote monitoring technologies allow people to be treated and medicated from home. Personalisation of healthcare is another major trend, where people can get the right medical treatment, the right medication, at the right point in time, depending on their condition and medical history. These patient-centric models have not yet been at the core of the healthcare industry, but that is where the industry is moving towards. And finally, the internet of medical technologies, where smart devices can reduce the need for direct physician involvement in many areas of care, for prevention, diagnosis and treatment.

To make sound investments, investors need to deeply understand these trends, be connected to the ecosystem, understand the key players, identify opportunities and have access to the right companies.

What types of solutions and entrepreneurs do you look for? What are your criteria?

We primarily focus on greater Europe, including Israel, where we have a very strong ecosystem and a good overview of potential companies. Last year we screened 500 companies and invested in less than one percent of them. We are very selective. We look for solutions that have clear economical benefits, that improve lives, so we consider the risk and return dimensions, as well as impact. Companies with a strong and sustainable market potential. The scalability of their business model. Having a visible and realistic exit window of less than five years is very

important for us. Investors can get a return sooner than they would in a classic private equity investment.

How can investors manage or eliminate any risks? How do you help the companies overcome challenges?

In this business, it is important to understand the regulatory pathway, the development process, the protectable technology and intellectual property, and to have a strong dedicated management team. Does the team have all the required competencies and skill sets in place? Is it open to adding them on?

As minority investors, we need to have the appropriate processes in place to ensure our voice gets heard. We are very active investors. We get a seat on the board, and help guide management on strategic direction, open doors into the industry, move into new markets, navigate through different regulatory systems, and institutionalise their internal processes as they grow their business.

The healthtech industry is a top performer

About the Elite Summit 2019

The **Investment Network** – **marcus evans Summits** group delivers peer-to-peer information on strategic matters, professional trends and breakthrough innovations.



Please note that the Summit is a closed business event and the number of participants strictly limited.

The Elite Summit is the premium forum bringing top tier buyers and sellers together. The Summit offers the independent advisors of wealthy private investors and international fund and asset managers an intimate environment for focused discussion of the key new drivers shaping wealth management asset allocation. Taking place at the Fairmont Le Montreux Palace, Montreux, Switzerland, 12 - 14 June, the Summit includes presentations on understanding the markets to anticipate the future, exploring the alternative investment market, ensuring the successful execution of the family vision and principles, and creating firm family succession.

www.elitesummit.com

Contact

Sarin Kouyoumdjian-Gurunlian, Press Manager, **marcus evans**, Summits Division

Tel: + 357 22 849 313

Email: press@marcusevanscy.com

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About MTIP AG

MTIP is a Swiss-based growth investor that specializes in scaling up healthtech companies in rapidly expanding global markets. We invest in digitally-connected, decentralized and patient-centric medical technology leaders, based primarily in Europe, with offerings that provide clear health-related economic benefits. Our entrepreneurial investment team, which has complementary private equity skills and exceptional deal-making capabilities, actively works with our portfolio companies to boost growth. MTIP efficiently deploys capital to unlock value and generate attractive returns for our investors.

www.mtip.ch

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