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PROTON THERAPY INDUSTRY, A FIRST CONSOLIDATION IN A NICHE MARKET

With the recent announcement of Hitachi to acquire the particle therapy business of Mitsubishi, we observe the first consolidation in the PT industry. Following this recent announcement, the top three vendors share now 70% of the PT market in 2017 valued at US\$ 0.9 billion. Several companies are expected to enter the market for the first time in the coming years with their own PT systems. The global PT market will then count more than ten PT vendors. Do we have to consider this first acquisition as a premise to further consolidations? Time will tell, but the present market situation might motivate some vendors to merge their PT activities as well.

The global particle therapy equipment market (mainly proton therapy devices) showed an average annual growth rate of almost 14% from 2000 to 2017. For the first time, the proton therapy world market is anticipated to reach just over US\$ 1 billion in 2018. This positive trend is a result of the large number of new orders recorded worldwide during 2015 and early 2016. However from mid-2016 on the number of new orders started to slow down, with a persistent decline during 2017. The number of new PT treatment rooms ordered in 2017 dropped by over 60% versus 2015. This decline will have a direct impact on the proton therapy market size evolution in 2019-2020, with a projected market slowdown of 5-10% annually in 2019 and 2020. This trend may change if particle therapy vendors are able to build a strong order book in 2018 and 2019.

The global PT market is estimated to reach between US\$ 2.3 to 4.3 billion by 2030, with 900 to 1,300 particle therapy treatment rooms open to patients worldwide. This corresponds to a challenging trend that remains realistic, even taking into account the deceleration of PT orders that begun mid-2016 and continued declining persistently during 2017. This deceleration is mainly due to factors such as financial difficulties shown at several proton therapy centers in the recent past which has probably pushed certain potential investors to reconsider their priorities. In addition, apparent difficulties for a number of operational PT centers worldwide to recruit annually a sufficient number of patients are possibly also reconsidering the decision to build new PT centers. Furthermore, the US healthcare reforms are impacting new orders for large healthcare equipment, and the Chinese newly adopted five year plan resulted in delays for new orders from potential customers. Cost hurdles have certainly been also an important factor in the slow adoption of proton therapy facilities in the recent past.

In order to sustain the market growth and to increase the use of proton therapy as an efficient cancer treatment, the PT industry will need to better involve the medical community with stronger marketing to grow the referencing of patients toward proton therapy centers. We see some mixed signals from the proton therapy area, such as the medical-scientific community stating that at least 10% of the population requiring external radiotherapy treatment would benefit from proton therapy. However, this level was only at 0.6% in 2016 and almost all operational PT centers are far to be at capacity. To date, PT center operators face apparent difficulties in recruiting annually a sufficient number of patients. Only 13% of the operational PT facilities were able to treat on average over 200 patients per treatment room in 2016 and only two PT facilities were able to treat more than 300 patients per treatment room.

With the entrance of Varian in 2007 in the proton therapy market, the emergence of new vendors, the recent introduction of lower-cost/compact systems, and, more importantly, with the growing clinical evidence regarding the efficacy of particle therapy that will progressively be used to treat a broader number of indications, there is room for a further acceleration of the market, especially if the industry initiates the development of novel equipment, lighter and less expensive.

All these data are extensively detailed in the new **Proton Therapy World Market Report & Directory, Edition 2018**, a 340-page document featuring a comprehensive review of the world market dynamics with an analysis of both past evolutions and future trends to the year 2030, and a detailed profile of 27 promoters, manufacturers or developers of proton and carbon therapy equipment

Detailed table of contents and sample pages available upon request a peg@medraysintell.com



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MEDraysintell was created in 2013 by Paul-Emmanuel Goethals and Richard Zimmermann. It combines over 40 years of experience in radiation healthcare. www.medraysintell.com

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