

Futuregrowth invests in hearX, an SA-based global medtech disruptor

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Futuregrowth, on behalf of its clients, has added global exposure to the Futuregrowth Development Equity Fund (DEF) portfolio by investing in a homegrown company, hearX - a disruptive, early-stage medtech company.

The hearX Group was established in 2016 by Pretoria-based academics and still operates from there. Futuregrowth saw great potential in the hearing company's product offering and remarkable team, which has extensive and in-depth industry knowledge and experience, including widespread audiological, engineering and IT skills.

Though still an early-stage investment for DEF, hearX has conducted over one million hearing tests and screenings worldwide since its inception. Its products are now used in over 68 countries. The company's vision is to provide affordable and accessible hearing healthcare solutions through its world-first smartphone technology.

hearX CEO, Nic Klopper, says, "Our team is hard at work to make healthy hearing a very realistic, very affordable option for people with hearing loss around the world. Thanks to investors like Futuregrowth Asset Management, we are fast making this a reality."

Says Amrish Narrandes, Head of Unlisted Equity Transactions at Futuregrowth, "Our investment in HearX shows we remain committed to backing entrepreneurs that are creating proudly South African products, services and IP, and taking them to the rest of the world, thus raising the South African flag high.

"What we particularly liked about hearX is that it met and far exceeded these criteria. hearX has developed world-class solutions in South Africa and is now selling these solutions to almost 40 countries."

These aren't your usual hearing solutions but are high-tech equivalent solutions that address hearing loss prevention, detection, diagnosis and management. In addition to enabling auditory testing and screening, hearX has developed a set of calibrated headphones manufactured by one of the world's most renowned speaker manufacturers. It has also developed a hearing care solution, that includes a hearing aid (the Lexie Lumen), that is selling fast in the US.

Narrandes adds, "The hearX Group is disrupting the traditional hearing healthcare industry by democratising and decentralising access to hearing care. hearX Group is doing this through its unique pricing model, leveraging smart tech and accessing big data through an Omni sales channel."

Although the business built its product using smartphone technology, hearX's unique technology enables it to provide accurate, reliable, time-efficient, quality and cost-effective hearing healthcare solutions. Furthermore, even individuals with minimal hearing healthcare experience can use the products as the software is available through their smartphones.

Ayanda Bolani, an Investment Analyst at Futuregrowth, adds: "The hearX Group's attractiveness stems from the fact that it is a South African startup disrupting the traditional hearing care market globally. We are super excited about its recently launched hearing aid brand, Lexie Hearing, in the US and to see what that market has to offer."

Lexie Hearing was launched to provide individuals who have disabling hearing loss access to affordable and accessible hearing aids. Lexie Hearing is disrupting the space through the team's existing tech experience, disruptive pricing and behaviour change model.

When asked about Lexie Hearing, Klopper said, "The Lexie Hearing offering revolutionises access to affordable hearing care in the US. We are introducing novel concepts like remote access to hearing experts, hearing aids that are personalised and programmed from the comfort of the wearer's home, and the Lexie Rewards programme that puts money back in customers' pockets. Best of all, we have been able to offer our customers all this at a fraction of traditional prices for hearing aids, giving people with hearing difficulties a fresh new take on hearing care."

What we found most attractive about Lexie Hearing, Narrandes says, is that it is sold in a market that is positioned to grow significantly due to the passing of the over-the-counter hearing aid legislation in the US. This will enable consumers to buy hearing aids without a prescription, disrupting the entire hearing aid market.

According to the World Health Organisation, hearing loss is one of the most widespread health conditions worldwide, as 466 million people have permanent disabling hearing loss. About one-third of people over 65 years of age are affected by disabling hearing loss. The prevalence in this age group is most significant in South Asia, Asia Pacific and sub-Saharan Africa.

The hearX investment expands the DEF portfolio's global reach considerably and adds an entirely new dimension to the existing assets within the portfolio. It is also in line with Futuregrowth's commitment to improving all South Africans' lives by striving to identify opportunities that yield optimal financial returns for our clients and make tangible contributions to society. Other early-stage business investments in the DEF portfolio include Rubicon, LifeCheq, Sweep South and Yoco, complemented by a variety of maturing and established companies in the developmental space.

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