



HealthTech Decoded

1H22

CONTENTS

**Global VC, PE, and M&A
funding in HealthTech**

1

2

Global VC funding in HealthTech

**VC funding in HealthTech
in the Americas**

3

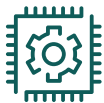
4

**VC funding in HealthTech
in Europe and Asia**

**Global landscape of M&A
and IPO in HealthTech**

5

Executive Summary



Globally, the healthcare industry embraced advanced technologies to develop new vaccines and medicines for improving patient outcomes. The pandemic accelerated the digitalization of the healthcare industry. According to the HIMSS Future of Healthcare Report, 80% of healthcare providers plan to increase investments in technology and digital solutions over the next five years.



The Drug Discovery sub-sector record the best half-yearly period in terms of VC deals, as deal value and volume increased by 25% and 2%, respectively, from 1H21 to 1H22. Several companies in this sub-sector managed to attract large VC deals. For instance, Resilience, a technology-focused biomanufacturing company, closed a deal worth \$625M, the highest ever VC deal in this sub-sector. Management stated the company will invest heavily in developing new manufacturing technologies across cell and gene therapies, viral vectors, vaccines, and proteins.



In the first half of the year, capital invested in HealthTech through VC, PE, and M&A deals (excluding two anomaly deals) witnessed a downward trajectory. Overall, the deal value shrunk 20% in 1H22 compared to 1H21, while the deal volume jumped 15%.



Healthcare Booking Platform is one of the most active sectors for investors. This sector raised ~50% of total funding during 2019–21. For instance, Doctolib raised VC investment worth \$557M, making it the highest valued French startup across all sectors. Overall, VC investment in France accounted for 39% of capital invested in Europe. Thus, France has emerged as a new leader in the HealthTech space in the region.



China, once the dominant player in the VC space in Asia, is now leading the decline in VC investments globally, driven by the ongoing COVID-19 situation and the uncertain geopolitical and macroeconomic environment. In 1H22, 26% of the VC funding stemmed from China and 31% from India, making it a new market leader in the region.

Welcome to this edition of Aranca's "HealthTech Decoded" report, a bi-annual publication wherein we highlight the major trends in VC funding reported in 1H22 within the HealthTech universe across key markets and sectors.

In this report, we present some trends based on deal conducted in the last four years and the outlook for various HealthTech verticals.

We hope this edition would be an interesting and insightful read.

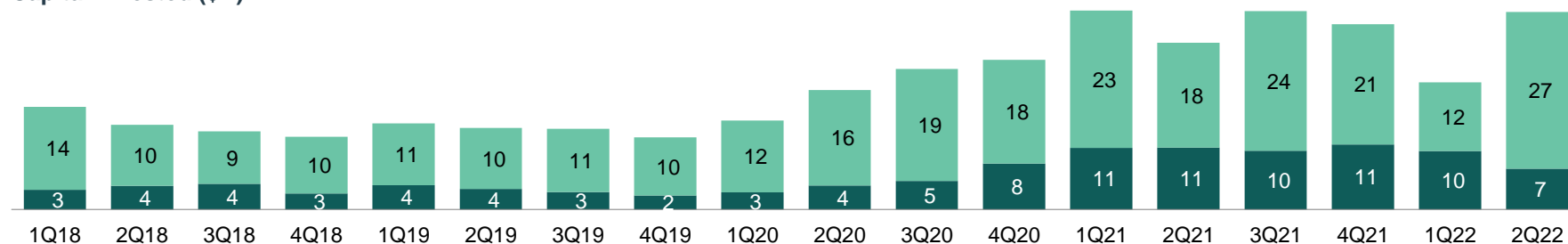
1H22: HealthTech remained one of the key growth areas, holding majority share in overall Healthcare deal

VC funding in healthcare and HealthTech companies

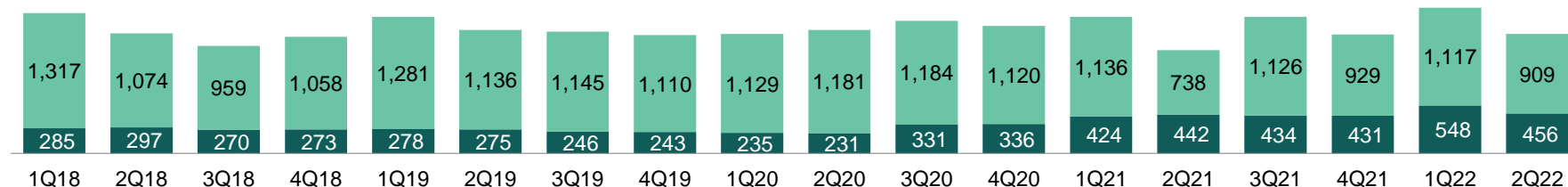
January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified

Capital Invested (\$B)



Deal Volume



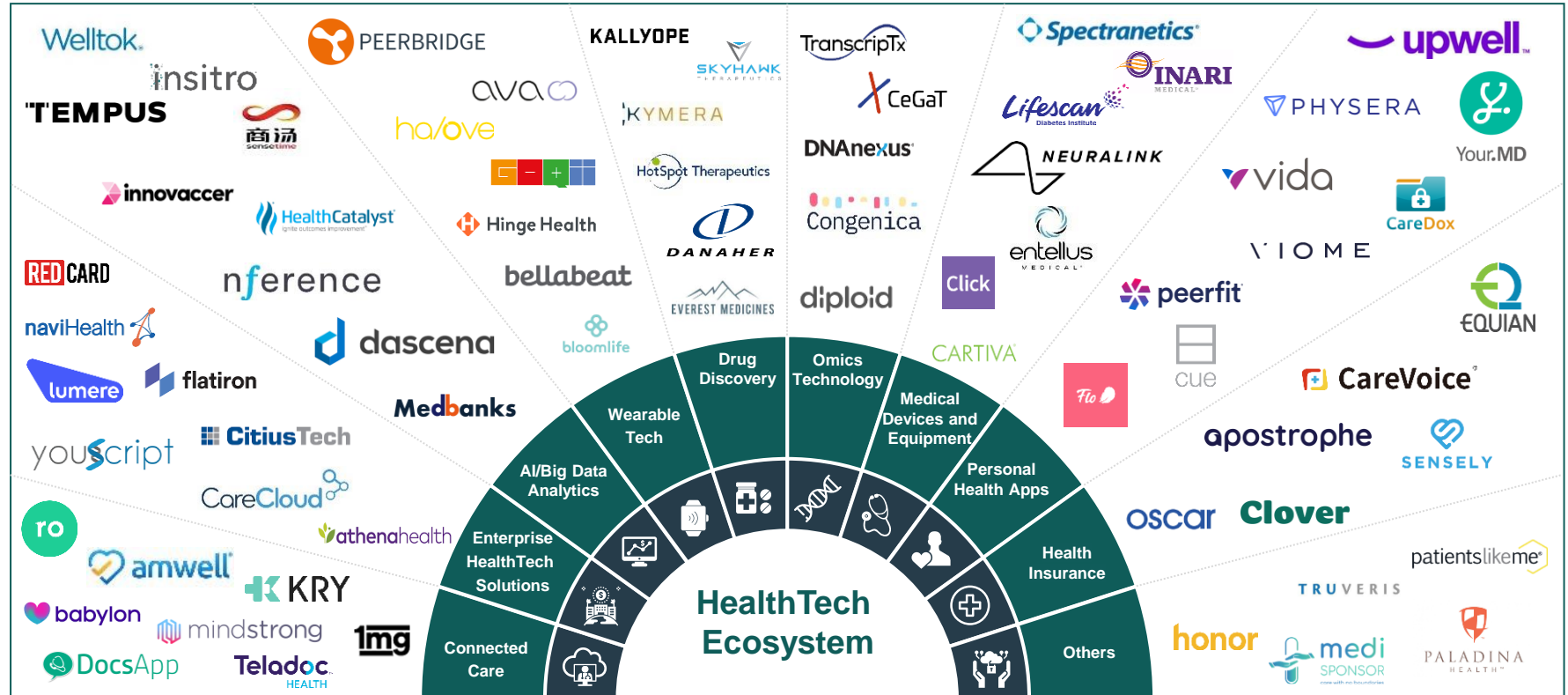
HealthTech Other Healthcare Segments

Data Source: Pitch Book, unless otherwise specified

Note: Other healthcare segments include pharmaceutical, biotechnology, life sciences, clinics and hospitals, and other healthcare companies.

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

HealthTech Ecosystem



The background of the slide is a composite image. On the left, there is a grayscale photograph of a doctor in a white coat with a stethoscope, looking down at a tablet. Overlaid on this and extending to the right are several white line-art icons within hexagonal frames: a heart with an ECG line, a syringe, a clipboard, a pill, a medical bag with a cross, a monitor with an ECG line, and an ambulance. These icons are connected by thin lines, suggesting a network or data flow.

In 1H22, global VC, PE,
and M&A investments
in HealthTech
companies clocked

\$67.3B

across

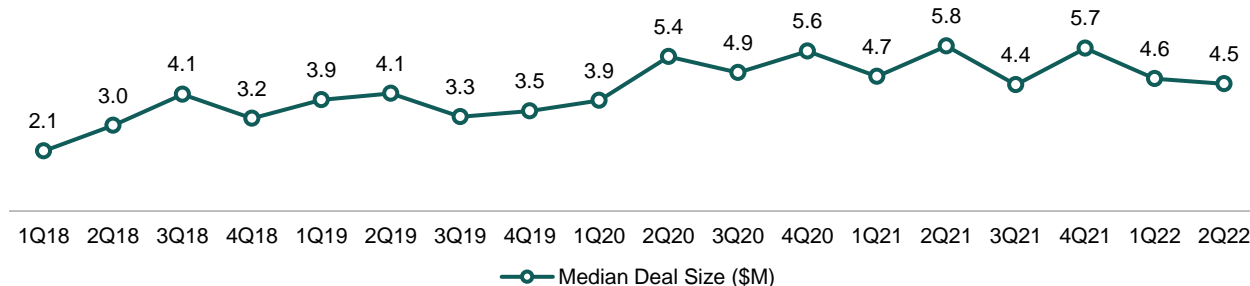
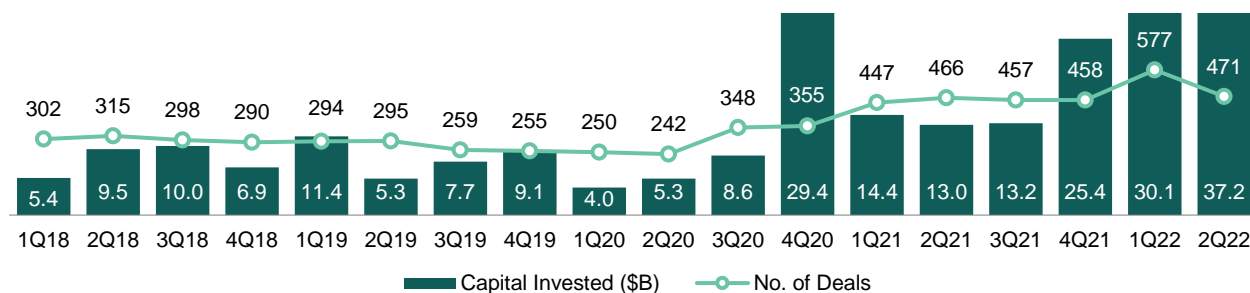
1,048 deals.

1H22: After a wild ride in 2021, HealthTech funding cools down

Global landscape of VC, PE, M&A funding in HealthTech companies

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



Global VC, PE, and M&A funding in HealthTech recorded substantial activity in 1H22, as deal volume jumped by 15%, vis-à-vis that in 1H21. However, excluding the Cerner and Athenahealth outlier deal in 1H22, deal value has shrunk by 20%. Overall, the number of megadeals and the median deal size have declined. The number of megadeals (>\$100M) decline to 52 in 1H22 from 63 in 2H21. The median deal size declined 22% to \$4.5M in 2Q22 from \$5.8M in 2Q21.

Value of M&A deals reached record high in 1H22, particularly owing to the acquisition of Cerner by Oracle for \$28.2B and acquisition of Athenahealth jointly by Hellman & Friedman, Ares Management, Bain Capital, Bain Capital Tech Opportunities, and the Government of Singapore Investment Corporation (GIC) for \$17B

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

The background of the slide is a composite image. On the left, a doctor in a blue coat is shown from the chest down, with their hands resting on a smartphone. Overlaid on this image are various medical and data-related graphics: a stethoscope, a heart rate line, a clipboard with a checklist, a barcode, and several line graphs. The right side of the slide is a solid teal color with white text.

In 1H22, global VC
funding in HealthTech
companies clocked

\$17.0B

across

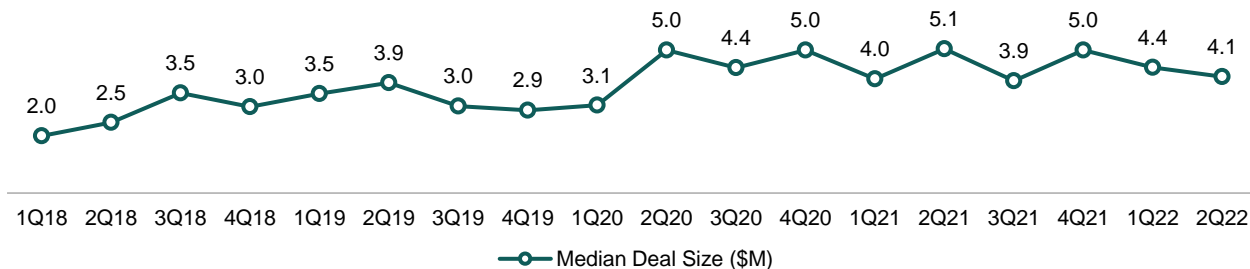
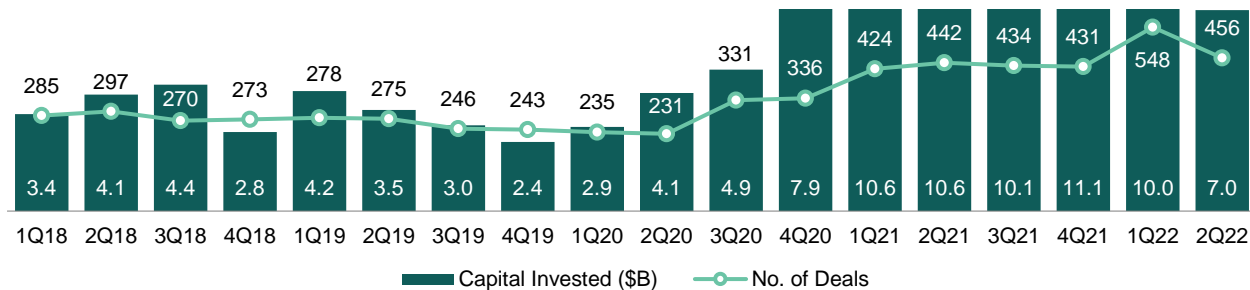
1,004 deals.

1H22: Highest number of VC deals to date, but median deal size declines

Global landscape of VC funding in HealthTech companies

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



In 1H22, the number of VC deals rose to 1,004, the highest ever at a semi-annual level. In terms of value, VC investment capital decreased 20% to \$17.0B in 1H22 from \$21.2B in 1H21.

Consequently, in 1H22, the number of megadeals (>\$100M) declined to 42, the lowest in the past three semi-annual periods. The median deal size also declined to \$4.1M during 2Q22, after reaching a record-high level in 2Q21.

In 2Q22, capital invested decreased to \$7.0B from the record-high levels set in 2Q21 (\$10.6B) and 4Q21 (\$11.1B), but still ahead of 2020 levels. Although the breakneck pace of 2021 slowed down, investment activity (deals and value) remained strong.

Data Source: Pitch Book, unless specified otherwise

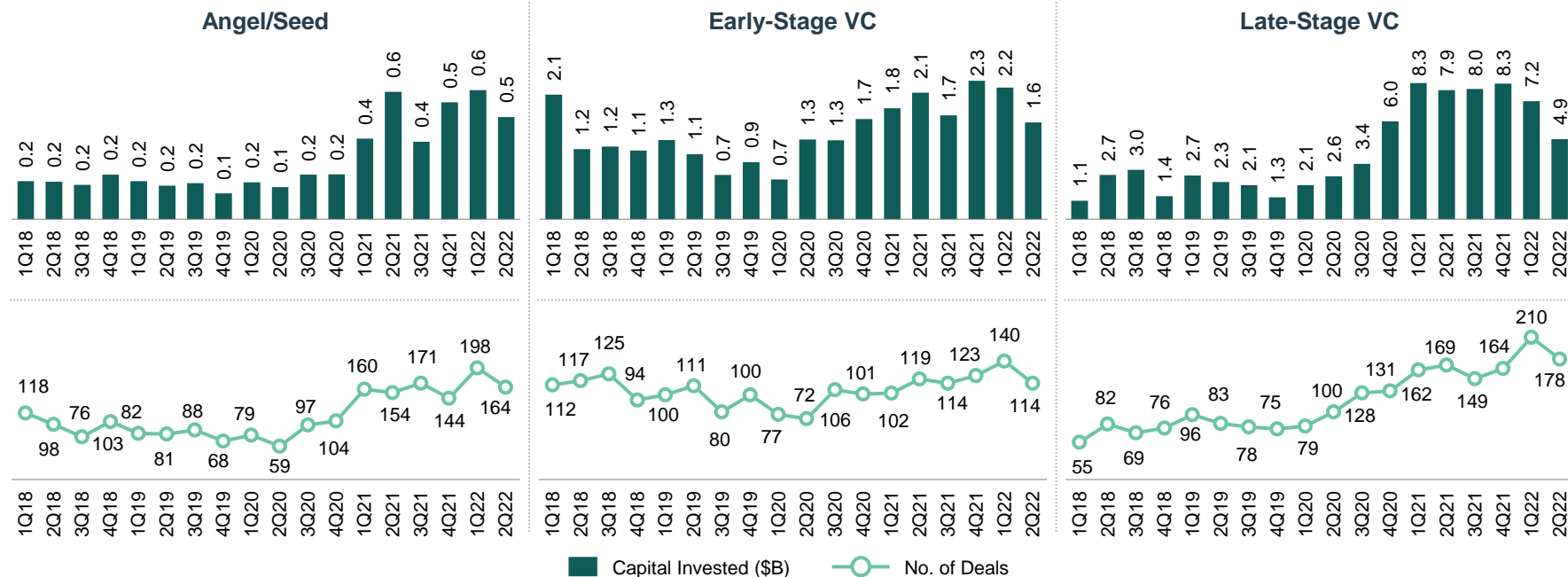
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Lowest capital invested in early- and late-stage VC in past seven quarters primarily driven by weak performance in 2Q22

Global VC funding in HealthTech companies, by stage

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

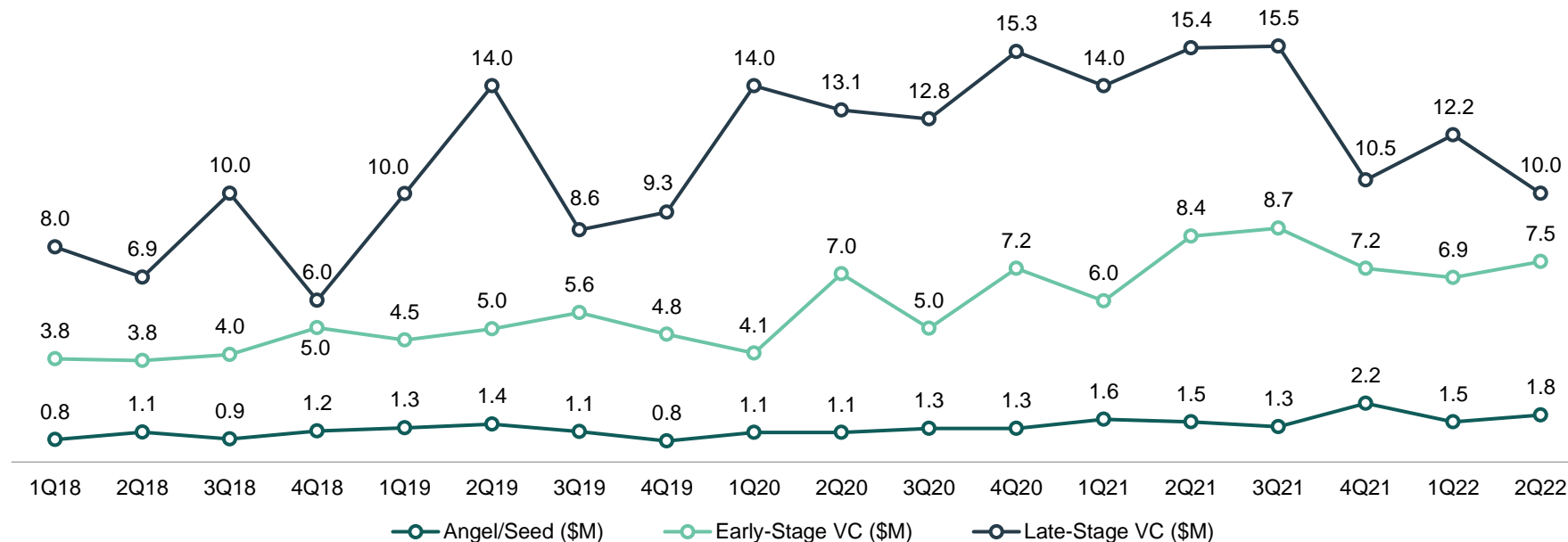
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Decrease in median deal size across stages in 1H22 from record-highs of 2021

Global VC funding in HealthTech companies, by median deal size

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

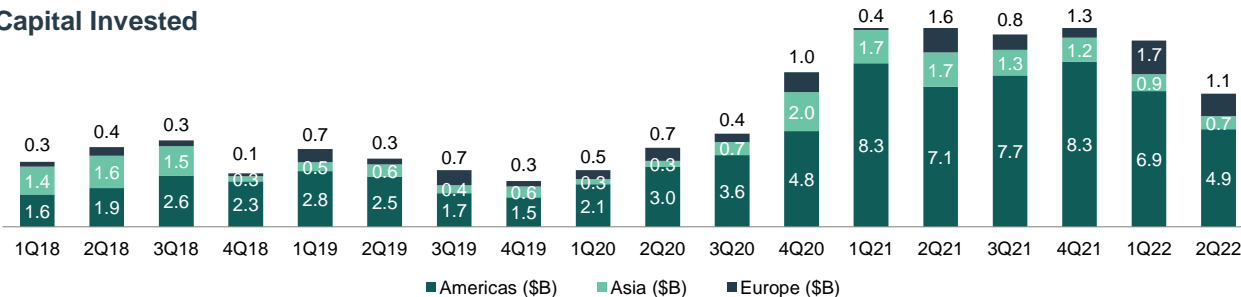
US continues to dominate HealthTech space

Global VC funding in HealthTech companies, by geographic location

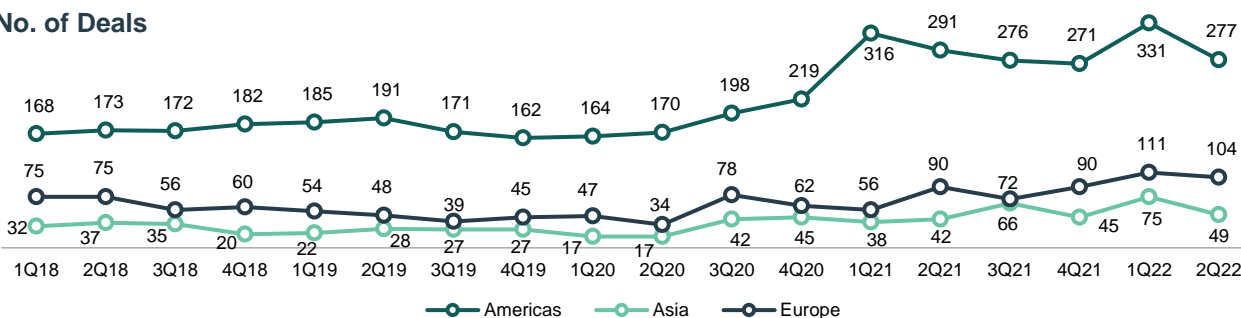
January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified

Capital Invested



No. of Deals



The US has been the market leader in HealthTech domain historically, in terms of innovation and funding. In 1H22, the Americas accounted for 69% of total VC funding globally vis-à-vis 73% in 1H21. It accounted for 34 of the total 42 megadeals closed in 1H22.

Europe, another rising HealthTech hub, accounted for 18% of total VC funding globally in 1Q22, the highest in the past 11 quarters. Funding in the Asian HealthTech space decreased in 1Q22 and 2Q22.

With COVID driving the adoption of digital health solutions, these regions are expected to witness a spike in activity in the coming quarters.

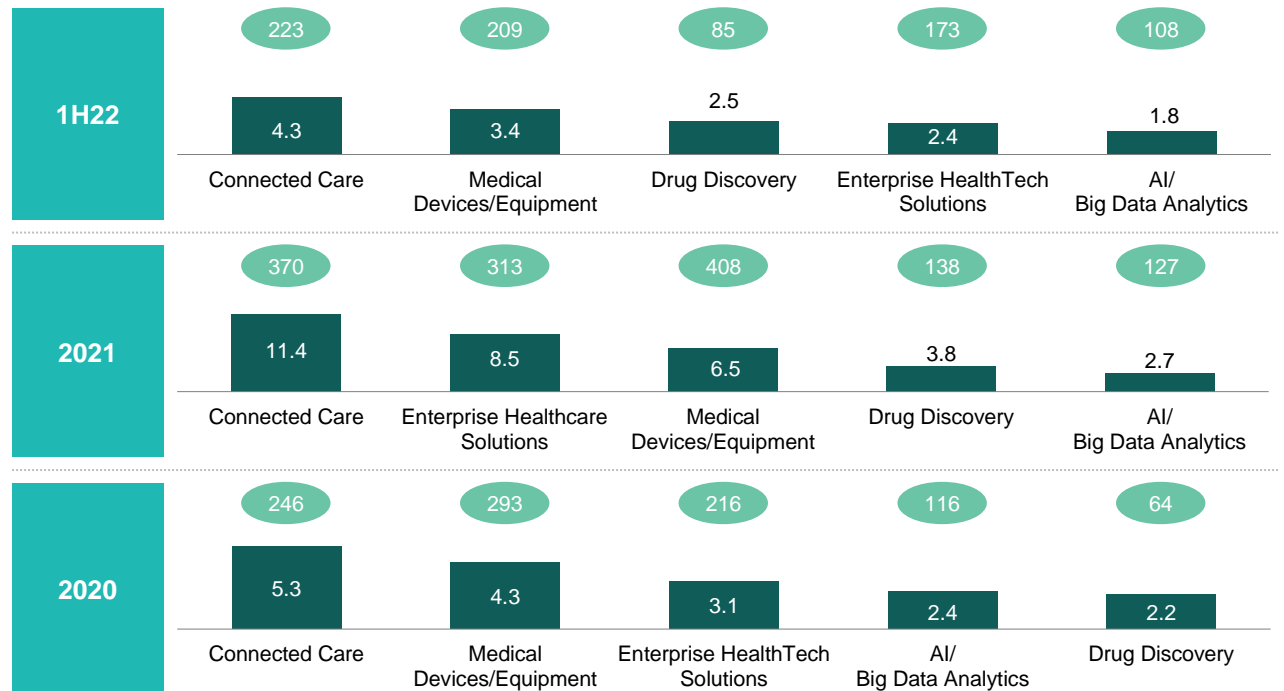
Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Connected care, medical devices, and equipment companies secure the largest share of HealthTech funds

Top five HealthTech subsectors, by global VC funding

Currency in \$, unless otherwise specified



Connected care companies providing healthcare, remote monitoring, and telehealth services attracted the highest VC funding in 1H22. This segment alone received 32% of the total VC funding from megadeals (>\$100M) in 2021.

Medical device and equipment companies have been on the rise, especially those using AI, helping healthcare providers to get better patient outcomes through early detection and sophisticated techniques. The other winners of the medical device trend were companies providing home testing kits.

Enterprise HealthTech solutions, drug discovery, and big data analytics have consistently remained among the top five segments receiving VC funding.











Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 Global VC funding deals in HealthTech in 1H22

Top 10 global VC funding deals in HealthTech

January 01, 2022–June 30, 2022

Company	Region	Verticals	Deal Size (\$M)	Valuation (\$M)	Business Status	Key Investors	Funding Round
 Resilience	US	HealthTech, Life Sciences, Manufacturing	625	9,000	Generating Revenue	MSD Private Capital, Public Sector Pension Investment Board	Series D
 Doctolib	France	Digital Health, HealthTech, Mobile, TMT	557	6,462	Generating Revenue	-	Series F
 Freenome	US	Artificial Intelligence & Machine Learning, HealthTech, Life Sciences, LOHAS & Wellness, Oncology	300	1,400	Clinical Trials – General	ArrowMark Partners, Byers Capital, Cormorant Capital, Eventide Asset Management, HBM Healthcare Investments, HBM Partners, Intermountain Ventures, Logos Capital, Pura Vida Investments, Ridgeback Capital, Suvretta Capital Management	Series D
 Kallyope	US	HealthTech, Life Sciences, TMT	236	1,136	Generating Revenue	Bill Gates, DNS Capital, Hartford Healthcare Endowment, Mubadala Investment Company, Parkwood, Tao Capital	Series D
 Lyra	US	Digital Health, HealthTech, SaaS, TMT	235	-	Generating Revenue	Dragoneer Investment Group, Salesforce Ventures	Series G
 Reify Health	US	Digital Health, HealthTech, SaaS, TMT	217	4,777	Generating Revenue	Altimeter Capital Management, Dragoneer Investment Group	Series D
 ReCode Therapeutics	US	HealthTech, Life Sciences	200	492	Generating Revenue	Amgen Ventures, EcoR1 Capital, Leaps by Bayer, Matrix Capital Management, NS Investment, Pfizer Ventures, Sanofi Ventures, Superstring Capital Management, Tekla Capital Management	Series B
 Transcarent	US	Digital Health, HealthTech	200	1,820	Generating Revenue	50 South Capital Advisors, Ally Bridge Group, Human Capital, Intermountain Healthcare, Intermountain Ventures, Kinnevik, Northwell Health, Rush University System for Health	Series C
 DNAnexus	US	Digital Health, HealthTech, Life Sciences, LOHAS & Wellness, TMT	200	620	Generating Revenue	Blackstone, Northpond Ventures, Perceptive Advisors	Series I
 Alan	France	FinTech, HealthTech, InsurTech	197	2,902	Generating Revenue	Agnelli family, Lakestar Capital, Ontario Teachers' Pension Plan, Thematic Capital Partners	Series E











Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 VC-funded HealthTech startups with highest total funding

Top 10 global VC-funded companies in HealthTech

January 01, 2022–June 30, 2022

Company	Region	Verticals	Raised to date (\$M)	Valuation (\$M)	Business Status	Key Investors
 Resilience	US	HealthTech, Life Sciences, Manufacturing	2,030	9,000	Generating Revenue	MSD Private Capital, Public Sector Pension Investment Board
 Ro	US	E-Commerce, HealthTech, TMT	1,026	6,600	Generating Revenue	Litani Ventures, Wanxiang Healthcare Investments
 Lyra	US	Digital Health, HealthTech, SaaS, TMT	907	-	Generating Revenue	Dragoneer Investment Group, Salesforce Ventures
 Freename	US	Artificial Intelligence & Machine Learning, HealthTech, Life Sciences, LOHAS & Wellness, Oncology	808	1,400	Clinical Trials – General	ArrowMark Partners, Byers Capital, Cormorant Capital, Eventide Asset Management, HBM Healthcare Investments, HBM Partners, Intermountain Ventures, Logos Capital, Pura Vida Investments, Ridgeback Capital, Suvretta Capital Management
 Commure	US	Digital Health, HealthTech, SaaS	577	3,500	Generating Revenue	Greenoaks Capital Partners, Toba Capital
 Alan	France	FinTech, HealthTech, InsurTech	556	2,902	Generating Revenue	Agnelli family, Lakestar Capital, Ontario Teachers' Pension Plan, Thematic Capital Partners
 Kallyope	US	HealthTech, Life Sciences, TMT	479	1,136	Generating Revenue	Bill Gates, DNS Capital, Hartford Healthcare Endowment, Mubadala Investment Company, Parkwood, Tao Capital
 DNAexus	US	Digital Health, HealthTech, Life Sciences, LOHAS & Wellness, TMT	479	620	Generating Revenue	Blackstone, Northpond Ventures, Perceptive Advisors
 Reify Health	US	Digital Health, HealthTech, SaaS, TMT	477	4,777	Generating Revenue	Altimeter Capital Management, Dragoneer Investment Group
 Impulse Dynamics	US	HealthTech	467	-	Generating Revenue	Fred Alger Management, Squarepoint Capital

Data Source: Pitch Book, unless specified otherwise

Note: SenseTime provides a wider range of HealthTech services.

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.



In 1H22, VC funding in
HealthTech companies
in the Americas clocked

\$11.8B

across

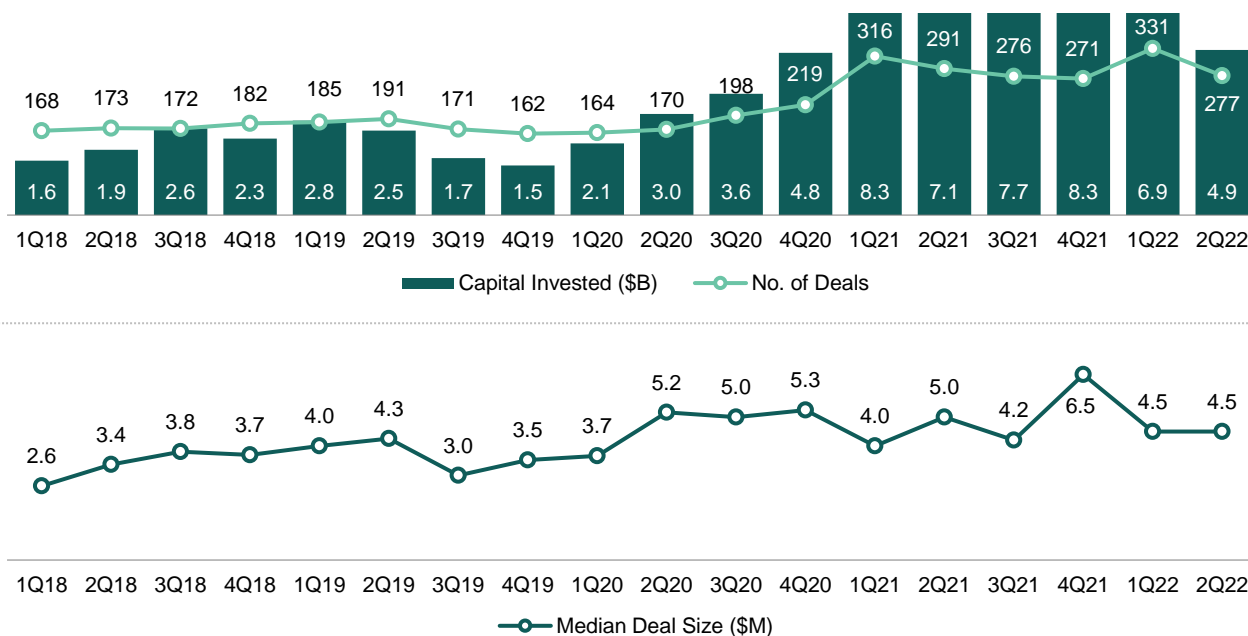
608 deals.

Deal deluge in the Americas' HealthTech space

VC deal landscape in HealthTech companies in the Americas

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



In 1H22, the Americas accounted for around 73% of the global HealthTech VC funding; of this, the US alone accounted for 94%. Capital invested declined by 25% HoH in 1H22. Also, the median deal size declined to \$4.5M in 2Q22 from an all-time high of \$6.5M in 4Q21. The pace of VC activity slowed down in the Americas in 1H22 due to an ongoing stock market rout driven by fears of a looming recession, raging inflation, and aggressive rate hikes.

Late-stage deals accounted for 73% of the total VC deals in the region during 1H22. Also, the Americas accounted for 34 of the 42 megadeals (>\$100M) closed in 1H22.

Data Source: Pitch Book, unless specified otherwise

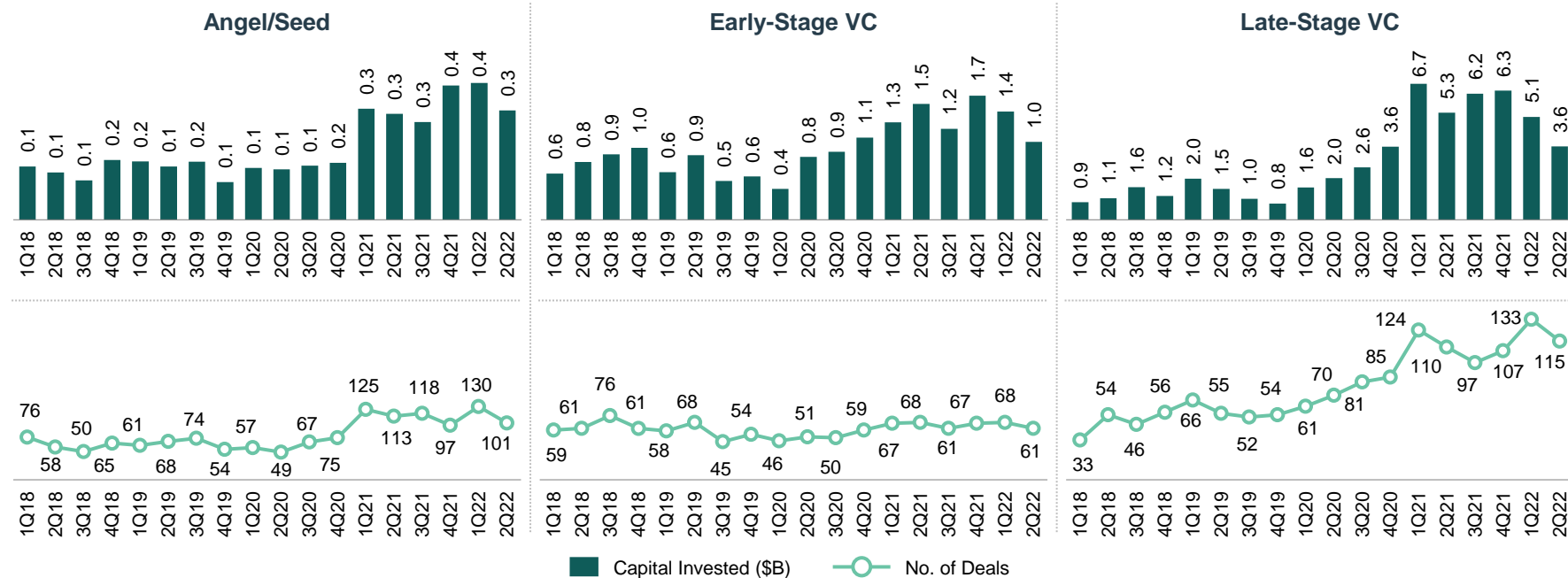
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

VC deal value and volume plummet across stages, primarily due to low deal activity in 2Q22

VC funding in HealthTech companies in the Americas, by stage

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Median size of late- and early-stage VC deals lowest in last five quarters

VC funding in HealthTech companies in the Americas, by median deal size

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

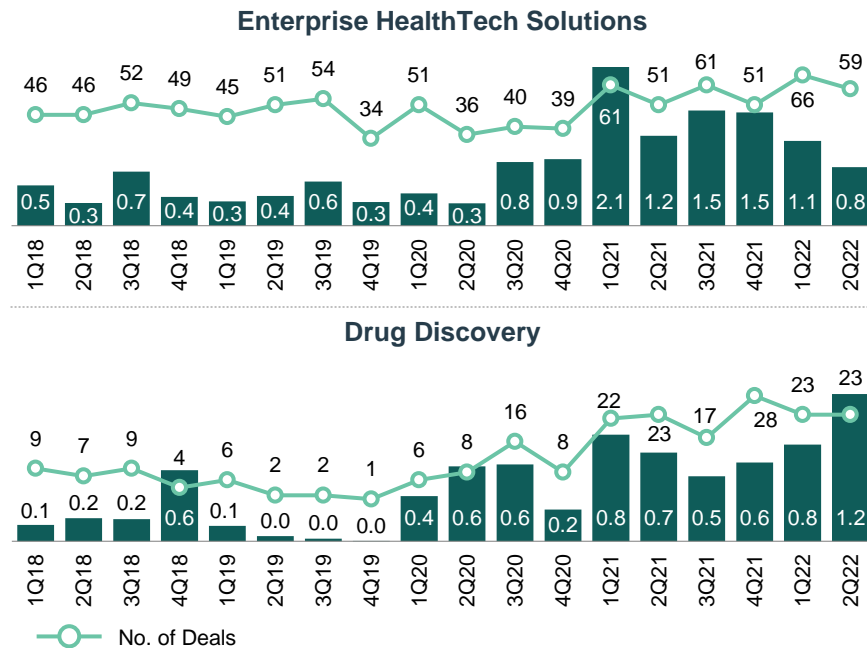
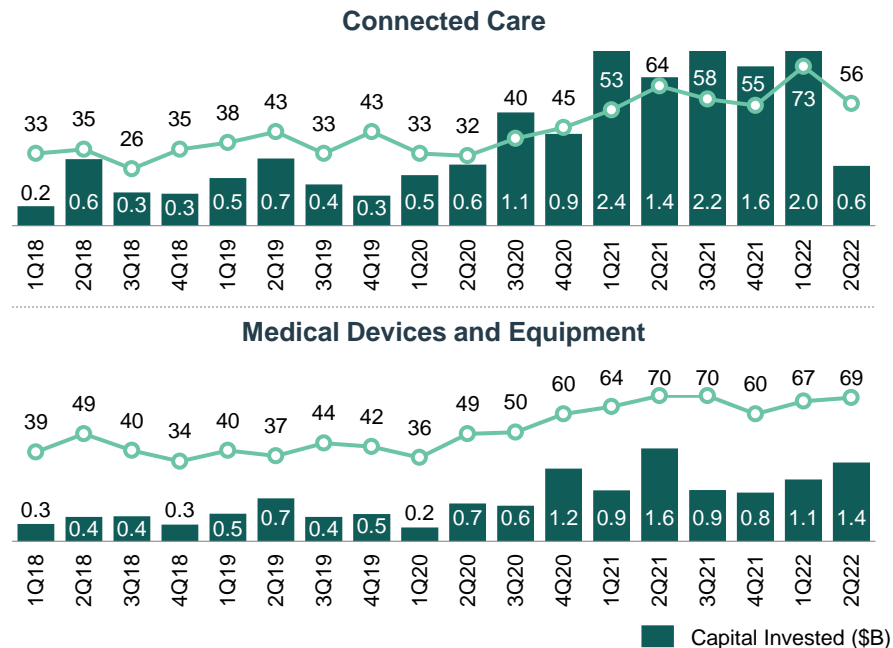
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

2Q22: Best quarter for drug discovery subsector, primarily driven by one megadeal worth \$0.625B

VC funding in the Americas, by subsector

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified













Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 VC funding deals in HealthTech in the Americas in 1H22

Top 10 VC funding deals in HealthTech in the Americas

January 01, 2022–June 30, 2022

Company	Region	Verticals	Deal Size (\$M)	Valuation (\$M)	Business Status	Key Investors	Funding Round
 Resilience	US	HealthTech, Life Sciences, Manufacturing	625	9,000	Generating Revenue	MSD Private Capital, Public Sector Pension Investment Board	Series D
 Freenome	US	Artificial Intelligence & Machine Learning, HealthTech, Life Sciences, LOHAS & Wellness, Oncology	300	1,400	Clinical Trials - General	ArrowMark Partners, Byers Capital, Cormorant Capital, Eventide Asset Management, HBM Healthcare Investments, HBM Partners, Intermountain Ventures, Logos Capital, Pura Vida Investments, Ridgeback Capital, Suvretta Capital Management	Series D
 Kallyope	US	HealthTech, Life Sciences, TMT	236	1,136	Generating Revenue	Bill Gates, DNS Capital, Hartford Healthcare Endowment, Mubadala Investment Company, Parkwood, Tao Capital	Series D
 Lyra	US	Digital Health, HealthTech, SaaS, TMT	235	-	Generating Revenue	Dragoneer Investment Group, Salesforce Ventures	Series G
 Reify Health	US	Digital Health, HealthTech, SaaS, TMT	217	4,777	Generating Revenue	Altimeter Capital Management, Dragoneer Investment Group	Series D
 DNAnexus	US	Digital Health, HealthTech, Life Sciences, LOHAS & Wellness, TMT	200	620	Generating Revenue	Blackstone, Northpond Ventures, Perceptive Advisors	Series I
 Transcarent	US	Digital Health, HealthTech	200	1,820	Generating Revenue	50 South Capital Advisors, Ally Bridge Group, Human Capital, Intermountain Healthcare, Intermountain Ventures, Kinnevik, Northwell Health, Rush University System for Health	Series C
 ReCode Therapeutics	US	HealthTech, Life Sciences	200	492	Generating Revenue	Amgen Ventures, EcoR1 Capital, Leaps by Bayer, Matrix Capital Management, NS Investment, Pfizer Ventures, Sanofi Ventures, Superstring Capital Management, Tekla Capital Management	Series B
 Omada	US	HealthTech	192	1,032	Generating Revenue	Agmen Capital, aMoon Fund, Fidelity Management & Research	Series E
 Commure	US	Digital Health, HealthTech, SaaS	154	3,500	Generating Revenue	Greenoaks Capital Partners, Toba Capital	Series D

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

The background features a dark teal gradient with a silhouette of a person on the left. Overlaid on this are several hexagonal icons: a nurse, a heart with a plus sign, a clipboard, a Wi-Fi symbol, a cloud with a server rack, a magnifying glass, a syringe, a plus sign, a dollar sign, and an envelope.

In 1H22, VC funding in
HealthTech companies
in Europe and Asia
cumulatively clocked

\$4.4B

across

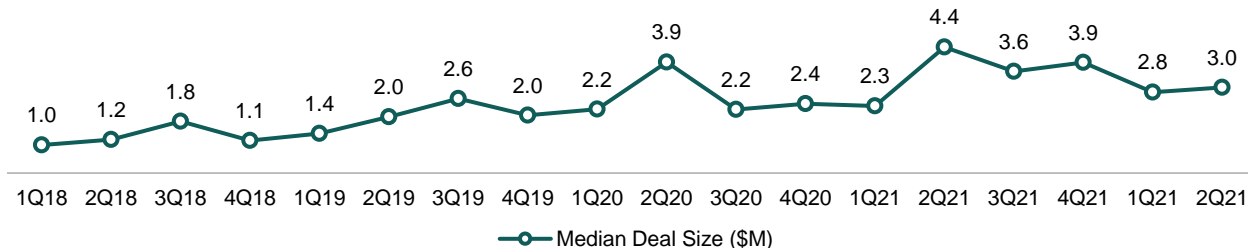
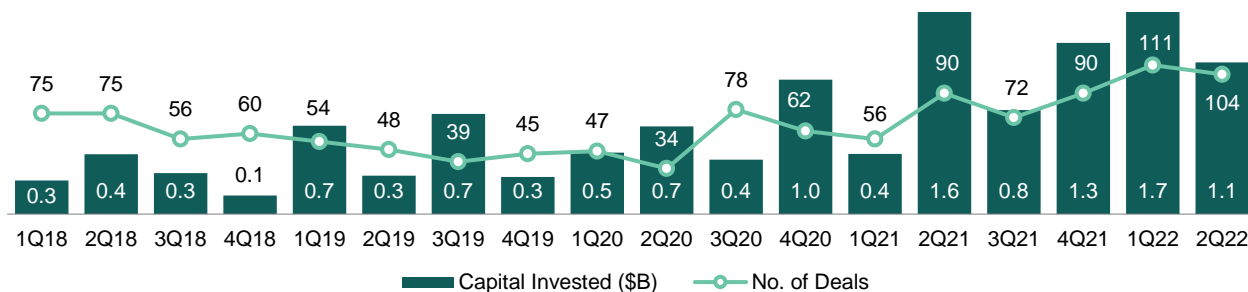
339 deals.

1H22, Europe: Previous highs in deal value and volume breached

VC deal landscape in HealthTech companies in Europe

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



In 1H21, Europe recorded the best semi-annual performance across the past periods. Overall, capital invested and deal size rose by 36% and 47%, respectively, in 1H22 as against 1H21.

The UK led the HealthTech space in Europe in the previous quarters, but in 1H22, France came into the spotlight, accounting for 39% of capital invested in the region. Increase in investments in France was primarily driven by two megadeals: VC investment in Doctolib (worth \$557M, making Doctolib the highest valued French startup across all sectors) and VC investment in Alan (worth \$197M).

The UK and Germany were the other major players in the region.











Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 VC Funding Deals in HealthTech in Europe in 1H22

Top 10 VC funding deals in HealthTech in Europe

January 01, 2022–June 30, 2022

Company	Region	Verticals	Deal Size (\$M)	Valuation (\$M)	Business Status	Key Investors	Funding Round
 Doctolib	France	Enterprise HealthTech Solutions	557	6,462	Generating Revenue	-	Series F
 alan	France	FinTech, HealthTech, InsurTech	197	2,902	Generating Revenue	Agnelli family, Lakestar Capital, Ontario Teachers' Pension Plan, Thematic Capital Partners	Series E
 Patient21	Germany	HealthTech	142	430	Generating Revenue	Eight Roads, Kingsway, Pico Capital, Pico Partners, Piton Capital, Thomas Stafford	
 Ada Health	Germany	Artificial Intelligence & Machine Learning, Big Data, Digital Health, HealthTech, LOHAS & Wellness, Mobile, TMT	120	-	Generating Revenue	Bertelsmann Investments, F4, Farallon Capital Management, Inteligo Bank, Leaps by Bayer, Red River West, Schroders Capital, The Mutschler Group	Series B
 Proximie	United Kingdom	Artificial Intelligence & Machine Learning, Augmented Reality, Big Data, HealthTech	80	-	Generating Revenue	Advent Life Sciences, British Patient Capital, Emerson Collective, Minderoo Foundation, Mubadala Investment Company, SoftBank Investment Advisers, The Impact Investors	Series C
 ONI	United Kingdom	HealthTech, Industrials, Life Sciences, LOHAS & Wellness, Manufacturing, TMT	77	178	Generating Revenue/ Not Profitable	ARCH Venture Partners, ARTIS Ventures, Axon Ventures, Paul Conley, Section 32, Vertical Venture Partners	Series B
 Diabeloop	France	Artificial Intelligence & Machine Learning, Digital Health, HealthTech, Mobile, TMT	74	342	Generating Revenue	Innovacom (Paris), LBO France, Promontoires, Terumo	Series C
 Splice Bio	Spain	HealthTech, Life Sciences	57	-	Generating Revenue	Gilde Healthcare Partners, New Enterprise Associates, Novartis Venture Fund, UCB Ventures	Series A
 Avi Medical	Germany	Digital Health, HealthTech, Mobile	55	220	Generating Revenue	Adrian Auon, Balderton Capital, Eurazeo	Series B
 Sidekick Sidekick (Other Healthcare Technology Systems)	Iceland	Artificial Intelligence & Machine Learning, HealthTech, LOHAS & Wellness, Mobile	55	-	Generating Revenue	-	Series B

Data Source: Pitch Book, unless specified otherwise

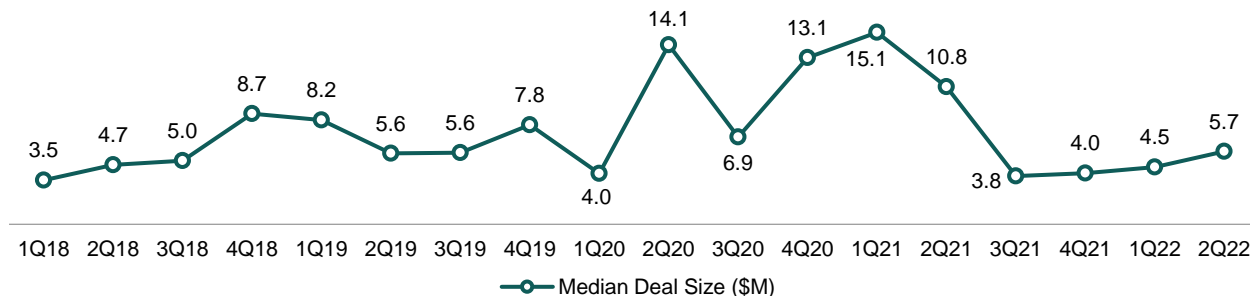
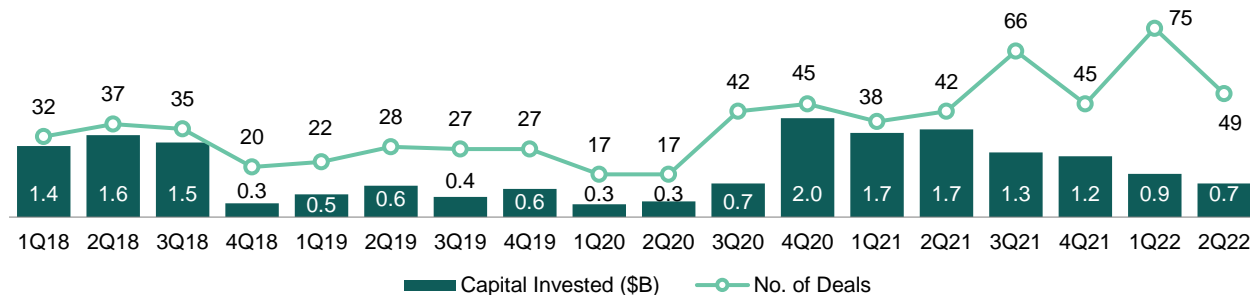
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

1H22: Investor interest declines in China; India leads Asia

Landscape of VC deals in HealthTech in Asia

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



After a successful year (4Q20), funding in the Asian HealthTech space slowed down in 2021 and plunged further in 1H22. In 2021, almost all (~82%) of the megadeals in Asia region were closed in China. However, in 1H22, China did not record any megadeals owing to the ongoing pandemic situation and uncertain geopolitical and macroeconomic environment. Moreover, the value of megadeals declined by 79% to \$251M in 1H22 from \$2,418M in 1H21. On the other hand, the median deal size increased from its all-time low of \$3.8M in 3Q21 to \$5.7M in 2Q22, the highest in the last four quarters across this region.

Over the past four years, on average, China accounted for ~77% of overall HealthTech deals, which declined to 26% in 1H22. In 1H22, India attracted 31% of overall funding, making the country a new market leader in the region.











Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 VC funding deals in HealthTech in Asia in 1H22

Top 10 VC funding deals in HealthTech in Asia

January 01, 2018–June 30, 2022

Company	Region	Verticals	Deal Size (\$M)	Valuation (\$M)	Business Status	Key Investors	Funding Round
 Tessa Therapeutics	Singapore	Health Tech, Life Sciences, Oncology	126	-	Clinical Trials – Phase 3	Polaris Partners	Series A
 MediBuddy	India	HealthTech, LOHAS & Wellness, Mobile	125	450	Generating Revenue	InnoVen Capital, Lightrock (Bangalore), Quadria Capital	Series C
 Sibionics	China	Artificial Intelligence & Machine Learning, Big Data, Digital Health, HealthTech, Life Sciences, Oncology, TMT	78	-	Generating Revenue	China Life Investment Management Company, CPE Funds Management, JG Investment, Jingming Innovation Capital, Qianhai FoF, Xiamen C&D Corporation	Series C2
 AIM (Diagnostic Equipment)	Japan	Artificial Intelligence & Machine Learning, Digital Health, HealthTech, TMT	70	-	Generating Revenue	SoftBank Investment Advisers	Series C
 Healthians	India	HealthTech, TMT	69	209	Generating Revenue	-	-
 Visirna (Arrowhead/Vivo)	China	HealthTech	60	-	Stealth	Arrowhead Pharmaceuticals, Vivo Capital	-
 Qure.ai	India	Artificial Intelligence & Machine Learning, HealthTech, SaaS, TMT	40	500	Generating Revenue	Healthquad, Novo Holdings	-
 Toothsi	India	HealthTech, LOHAS & Wellness, TMT	40	-	Generating Revenue	IIFL Finance, Mahendra Shah, Paramark, Prashant Singh, Tushar Kumar	Series C
 Organoid Sciences	South Korea	HealthTech, Manufacturing	32	-	Generating Revenue	Asan Nanum Foundation, Dongwha Pharm, Korea Development Bank, Mint Venture Partners (Seoul), Time Polio Asset Management, Wonik Investment Partners	Series B
 Tianjin Aiden Technology	China	Big Data, HealthTech	31	-	Generating Revenue	Eastern Bell Venture Capital, Legend Star	Series B

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

The background of the slide is a dark teal color with a network of glowing white lines and dots. Several circular icons are scattered across the background, each containing a white symbol: a flask, a stethoscope, a clipboard with a checklist, a DNA double helix, a heart with an ECG line, a plus sign, and a syringe.

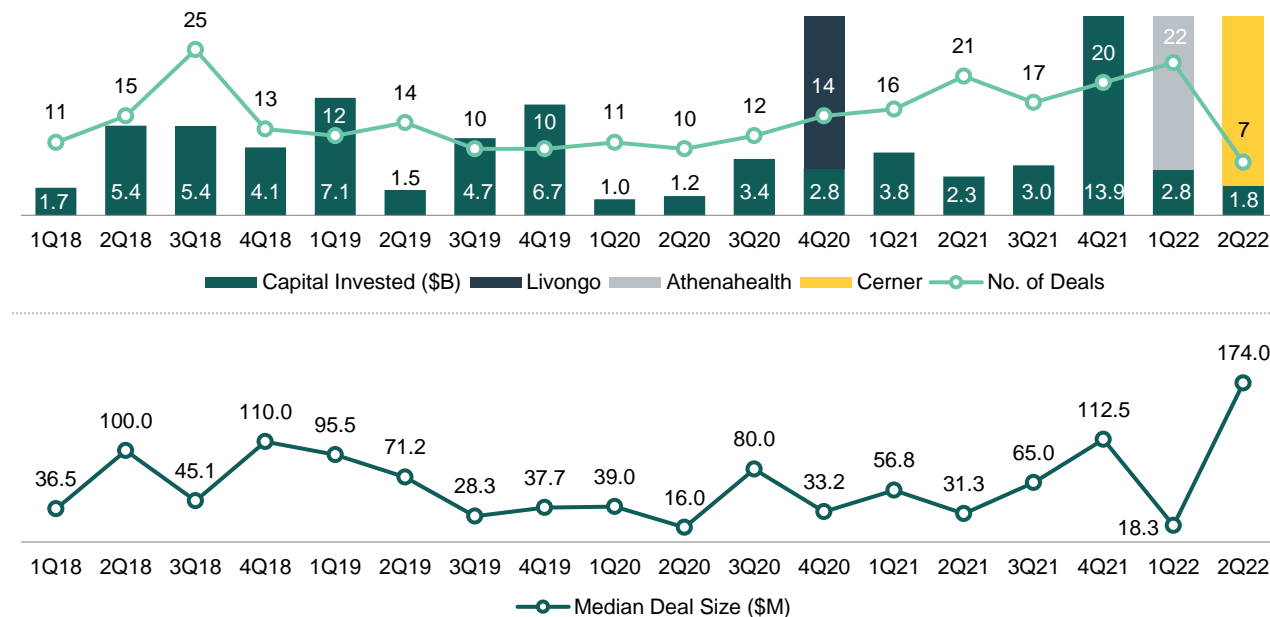
HealthTech: M&A and IPO Landscape

M&A activity in 1H22 bolstered by two big-ticket transactions

Global landscape of M&A deals in HealthTech companies

January 01, 2018–June 30, 2022

Currency in \$, unless otherwise specified



After record venture-backed healthcare exits in 2021, IPOs and M&As declined in all sectors in 1H22 due to public market volatility. Excluding the two anomaly deals (acquisition of Athenahealth and Cerner), M&A deals declined, following a substantially low deal volume and value on a semi-annual period. Overall, deal volume and value declined by 22% and 25%, respectively, in 1H22 compared with 1H21. The Americas accounted for ~99% of M&A activity (18 transactions) in 1H22.

In 1H22, the enterprise HealthTech solutions segment accounted for majority of M&A activity (i.e., 91% of deal value across 7 deals).









Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 global M&A deals in HealthTech in 1H22

Global top 10 M&A deals in HealthTech

January 01, 2018–June 30, 2022

Target	Region	Verticals	Business Status	Buyer	Deal Size (\$M)	EV/Revenue Multiple
 Cerner	US	Digital Health, HealthTech, TMT	Profitable	Oracle	28,200	4.70x
 Athenahealth	US	Digital Health, HealthTech, SaaS, TMT	Profitable	Ares Management, Bain Capital, Bain Capital Tech Opportunities, GIC (Singapore), Hellman & Friedman	17,000	-
 AmeriVet Veterinary Partners	US	HealthTech, Pet Technology	Generating Revenue	Abu Dhabi Investment Authority, AEA Investors, FS KKR Capital BDC	1,600	-
 Intersect ENT	US	Digital Health, HealthTech, Life Sciences, TMT	Generating Revenue/ Not Profitable	Medtronic	1,100	10.09x
 SOC Telemed	US	HealthTech	Generating Revenue/ Not Profitable	Patient Square Capital	303	2.79x
 Alpha Tau (NAS: DRTS)	Israel	HealthTech, Life Sciences, Oncology, TMT	Clinical Trials - General	Healthcare Capital(Wilmington)	275	-
 IntriCon	US	HealthTech, Industrials, Manufacturing	Generating Revenue/ Not Profitable	Altaris Capital Partners	241	1.74x
 Kindful Hospice	US	HealthTech	Generating Revenue	Choice Health at Home, Coltala Holdings, Trive Capital	190	-
 GreenLight Biosciences (NAS: GRNA)	US	AgTech, HealthTech, Life Sciences, LOHAS & Wellness, Supply Chain Tech	Generating Revenue	Environmental Impact Acquisition	177	-
 OrthogenRx	US	HealthTech, Life Sciences	Generating Revenue	Avanos Medical	137	-

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Apprising the two anomaly M&A deals of 1H22; both acquisitions depict the power of cloud-based electronic medical records

Acquisition of Cerner worth \$28.3B

Oracle (NYS: ORCL) acquired Cerner for approximately \$28.3B on June 8, 2022. The consideration consists of \$95 for each company share. The acquisition will enable Oracle and Cerner to have the capacity to help physicians reduce the time spent on face-to-face contact with patients and EHR-related activities. Moreover, the companies will help transform healthcare delivery by providing medical professionals with accurate information, enabling them to make better treatment decisions resulting in better patient outcomes.

Other technology firms are following suit. For instance, Microsoft now operates a separate business offering turnkey solutions to medical professionals.

Acquisition of Athenahealth worth \$17B


Athenahealth was acquired by Hellman & Friedman, Ares Management, Bain Capital, Bain Capital Tech Opportunities, and the Government of Singapore Investment Corporation (GIC) through a \$17B LBO on February 15, 2022. In support of the transaction, JPMorgan Chase, Truist, Morgan Stanley Senior Funding, Barclays, Ares Management, and other lenders provided \$10.25B of debt financing in the form of a \$1B revolver facility, a \$6.9B first-lien term loan B, a \$1B delayed drawn term loan, 1.35B senior notes, and an undisclosed sum of first lien and mezzanine debt to the company.

This acquisition makes Athenahealth the largest and most innovative provider of cloud-based electronic medical records and physician practice solutions in the healthcare sector. Management targets to realize Athenahealth's vision of creating a thriving ecosystem to deliver accessible, high-quality, and sustainable healthcare.

Top 10 Global IPOs in HealthTech in 1H22

Global top 10 IPO listings in HealthTech

January 01, 2018–June 30, 2022

Company	Region	Verticals	Business Status	Funding Raised (\$M)	Valuation (\$M)	Valuation/Revenue Multiple	Listing Date
 Hille Vax	US	Health Tech, Life Sciences	Generating Revenue/ Not profitable	230	568	-	29-Apr-2022
 Amylyx (NAS: AMLX)	China	HealthTech, Life Sciences, LOHAS & Wellness	Clinical Trials – Phase 3	216	1,073	-	07-Jan-2022
 Vigil Neuro (NAS: VIGL)	Italy	HealthTech, Life Sciences	Clinical Trials – Phase 1	98	396	-	07-Jan-2022
 Arrail Dental (HKG: 06639)	US	HealthTech, LOHAS & Wellness	Generating Revenue/ Not Profitable	87	1,088	4.33x	22-Mar-2022
 Tarsus Pharmaceuticals (NAS: TARS)	US	HealthTech	Generating Revenue/ Not Profitable	76	-	-	03-May-2022
 VitalHub (TSE: VHI)	Sweden	HealthTech	Generating Revenue/ Not Profitable	14	-	-	21-Apr-2022
 MoAdata (KRX: 288980)	US	Artificial Intelligence & Machine Learning, Big Data, HealthTech, TMT, Wearables & Quantified Self	Generating Revenue	13	-	-	03-Mar-2022
 NociMed (NAS: ACON)	US	HealthTech, SaaS, TMT	Generating Revenue/ Not Profitable	9	34	564.36x	25-Apr-2022
 Careteq (ASX: CTQ)	China	HealthTech	Generating Revenue	6	25	-	10-Jan-2022
 Sensidose (SAT: SENSI)	US	Digital Health, HealthTech, TMT	Generating Revenue	2	-	-	12-May-2022

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Exhibit (1/1)

Total Number of Mega Deals (Deals > \$ 100M)

January 01, 2018–June 30, 2022

Period	Mega deals in Asia region (\$M)	Global VC mega deals volume
1H18	2,470	10
2H18	1,149	7
1H19	450	12
2H19	463	6
1H20	143	14
2H20	1,383	29
1H21	2,418	64
2H21	1,190	48
1H22	251	42

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Methodology

The underlying deal data used in the report was sourced from Pitchbook. Only transactions with a “Completed” status were considered.

HealthTech Data Selection Criteria

- ◆ All transactions classified under the HealthTech vertical by Pitchbook were selected.
- ◆ We also specifically reviewed details such as business description, original classification, deal value, and nature of deal for all transactions with a deal value surpassing or equal to \$500M using publicly available articles and/or the company website. The data was used to make reasonable judgment about their inclusion or exclusion within the broader HealthTech universe as well as the verticals/segments therein.

Categorization of Deal Type

- ◆ For this report, we focused on HealthTech deals, primarily of three types, as per the Pitchbook classification: VC, PE, and M&A. Furthermore, the report covers IPO deals as classified by Pitchbook. All others deal types such as, but not limited to, secondary transaction, accelerator/incubator, debt-financed, joint venture (JV), and others, were not included in this report.

Venture Capital

- ◆ For this report, we observed the Deal Type and Deal Universe reported by Pitchbook for each deal. Based on Aranca’s analysis, the deals tagged as early-stage VC, late-stage VC, angel (individual), restart-angel, seed round, and corporate were classified as VC deals.

VC Stages

- ◆ Angel/seed deals include deals tagged by Pitchbook as angel (individual) and seed round.
- ◆ Early-stage deals include those tagged by Pitchbook as early stage, which mostly include Series A and Series B companies. VC corporate deals with size less than \$5M that did not contain any specific tag for early or late stage within Pitchbook data were categorized as early stage.
- ◆ Late-stage deals include deals tagged by Pitchbook as late stage, which typically represent Series C (and above) transactions. Furthermore, in the absence of specific classification, VC corporate deals of size greater than or equal to \$5M were categorized as late stage.
- ◆ In this report, accelerator/incubator is not considered a part of the VC universe.

Methodology (continued)

Categorization of Industry Segments

All HealthTech deals are classified into 10 segments: connected care, medical devices and equipment, AI/big data analytics, enterprise HealthTech solutions, drug discovery, personal health apps, omics technology, wearable tech, health insurance, and others.

The companies were classified based on the business description provided by Pitchbook or the company website.

- ◆ **Connected Care:** Companies that provide telehealth/telemedicine, online patient diagnosis, and patient monitoring services as well as online aggregator platforms for finding doctors, ordering drugs, etc.
- ◆ **Medical Devices and Equipment:** Companies that harness technologies to provide medical devices and equipment such as diagnostic equipment, monitoring equipment, therapeutics devices, and point-of-care diagnostic devices
- ◆ **AI/Big Data Analytics:** Companies that provide AI and data analytics solutions for managing patient data that can be used across the healthcare domain
- ◆ **Enterprise HealthTech Solutions:** Companies that provide B2B HealthTech solutions such as workflow optimization, electronic health record and medical record management, claim management, and clinical trial management
- ◆ **Drug Discovery:** Companies that leverage technologies such as AI to research and introduce new drugs into the market
- ◆ **Personal Health Apps:** Companies that provide personal health management apps such as fitness- or diet-tracking apps and personal health-monitoring apps
- ◆ **Omics Technology:** Companies that combine technology and biological omics such as genes, mRNA, proteins, and metabolics to offer diagnostics and other healthcare solutions
- ◆ **Wearable Tech:** Companies that provide smart electronic devices that can be worn by an individual for monitoring or therapeutic purposes
- ◆ **Health Insurance:** Companies that provide insurance solutions in the healthcare space
- ◆ **Others:** Others include miscellaneous companies classified by Pitchbook under the HealthTech vertical that were not included in any of the above nine categories

Glossary

HealthTech	Healthcare Technology
HIPAA	Health Insurance Portability and Accountability Act
VC	Venture Capital
PE	Private Equity
M&As	Merger and Acquisitions

500+

strong professionals across multi-disciplinary domains

2500+

global clients

120+

sectors and sub-sectors researched by our analysts

80+

countries where we have delivered projects

Aranca is a trusted research and advisory partner to global companies, from the hottest startups to the Fortune 500.

PRACTICE AREAS



Growth Advisory

CXOs in Strategy, SBUs, Sales, Marketing, CI/MI, Innovation



Technology | IP Research & Advisory

R&D, Tech Scouting, Open Innovation, IP Teams, Product Development



Valuation & Financial Advisory

CFOs in Startups, PE/VC Firms, Corporate M&A Teams, Mid-Market Cos.



Investment Research & Analytics

Brokerage, Hedge Funds, IRPs, I-Banks, AMCs, Investor Relations

Authors



Bharat Ramnani

Practice Lead, Valuations and Financial Advisory

Email: bharat.ramnani@aranca.com

Ph: +91 22 3937 9999 Ext. 259

[LinkedIn Profile](#)

Bharat has over 15 years of experience in business valuation and corporate finance. Currently, he leads Valuation and Financial Advisory Practice at Aranca. He has managed business valuation assignments for over 400 VC-backed companies for a range of tax and financial reporting purposes. He manages the firm's relationships with PE clients globally and helps them in M&A valuation and evaluation of investment opportunities.

Bharat holds Accredited Senior Appraiser (ASA) designation conferred by the American Society of Appraisers and is a qualified Chartered Accountant (CPA Equivalent in India).



Ashish Rane

Associate Director, Valuations and Financial Advisory

Email: ashish.rane@aranca.com

Ph: +91 22 3937 9999 Ext. 390

[LinkedIn Profile](#)

Ashish has over 10 years of experience in corporate finance, transaction advisory and business valuation and has managed financial advisory engagements for over 300 VC firms focused on investments within the technology domain.

Ashish holds an MBA from New York's Stern School of Business and a Baccalaureate degree in Business and Management Information Systems from Pennsylvania State University.

Disclaimer

This document is for informational use only and may be outdated and/or no longer applicable. Nothing in this publication is intended to constitute legal, tax, or investment advice. There is no guarantee that any claims made will come to pass. The information contained herein has been obtained from sources believed to be reliable, but Aranca does not warrant the accuracy of the information. Consult a financial, tax or legal professional for specific information related to your own situation.

For any queries or assistance please reach out to Ashish Rane at ashish.rane@aranca.com

For additional details, please visit:

<https://www.aranca.com/>

[in https://www.linkedin.com/company/aranca](https://www.linkedin.com/company/aranca)