



Executive Summary

Digital Health Funding and M&A

2018 First Half Report

Funding and merger & acquisition activity for the
Digital Health sector

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About Mercom's Digital Health Funding and M&A Report

Mercom was one of the first research firms to track funding and M&A activity in the Digital Health (Healthcare IT) sector since 2010 and has a comprehensive deal history.

Here is how Mercom's report is different: Our report includes deals of all sizes, globally, to present a complete picture of Digital Health funding and technology trends. As an independent research firm, we have no conflicts of interest with companies covered in this report.

- This is the most comprehensive report covering funding and M&A deals of all sizes, globally. The trends revealed in this report give a more complete picture of the industry.
- All charts, graphs, and trends are clearly categorized and defined by technology and sub-technology groups.
- This report includes concise deal information for every transaction.
- This report covers historical trends.
- As the industry evolves, our report evolves with it and we continuously improve the information, analysis, charts, and trends covered every quarter.

Our subscribers include companies and executives from venture capital, private equity, investment banking, healthcare, insurance, healthcare associations, universities, tech firms, and more.

Audience

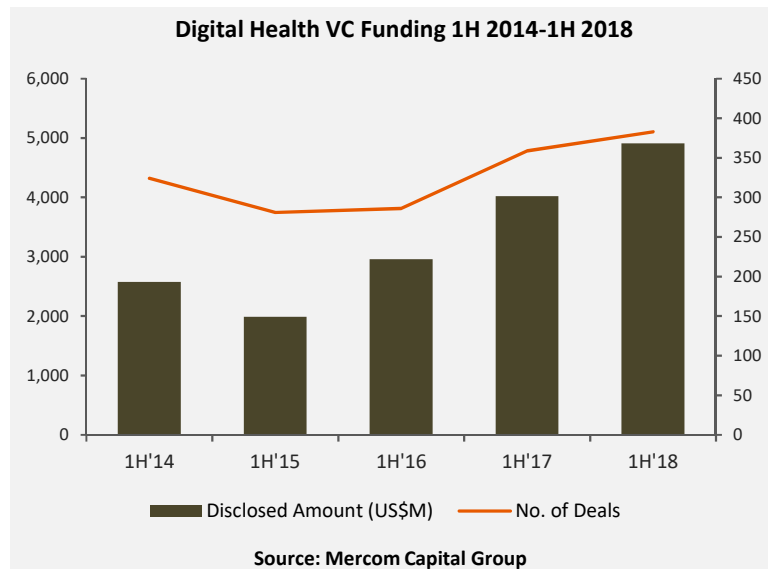
Why they like our reports

Venture Capital/Private Equity	leads from early-stage deals, technology trends
Investment bankers	leads for funding and M&A deals, investor leads
Healthcare IT, Digital health	sector trends, investor targets (by funding behavior, including technology, technology partnership targets, and more)
Insurance companies	acquisition leads, investment leads, technology partnerships
Large healthcare & Tech firms	acquisition leads, R&D partnerships, investment leads

The report covers the categories listed below.

SELECT KEY
FINDINGS










- Global VC funding for Digital Health / Healthcare IT companies in Q2 2018 held strong at \$2.4 billion in 196 deals compared to the record \$2.5 billion in 187 deals Q1 2018.



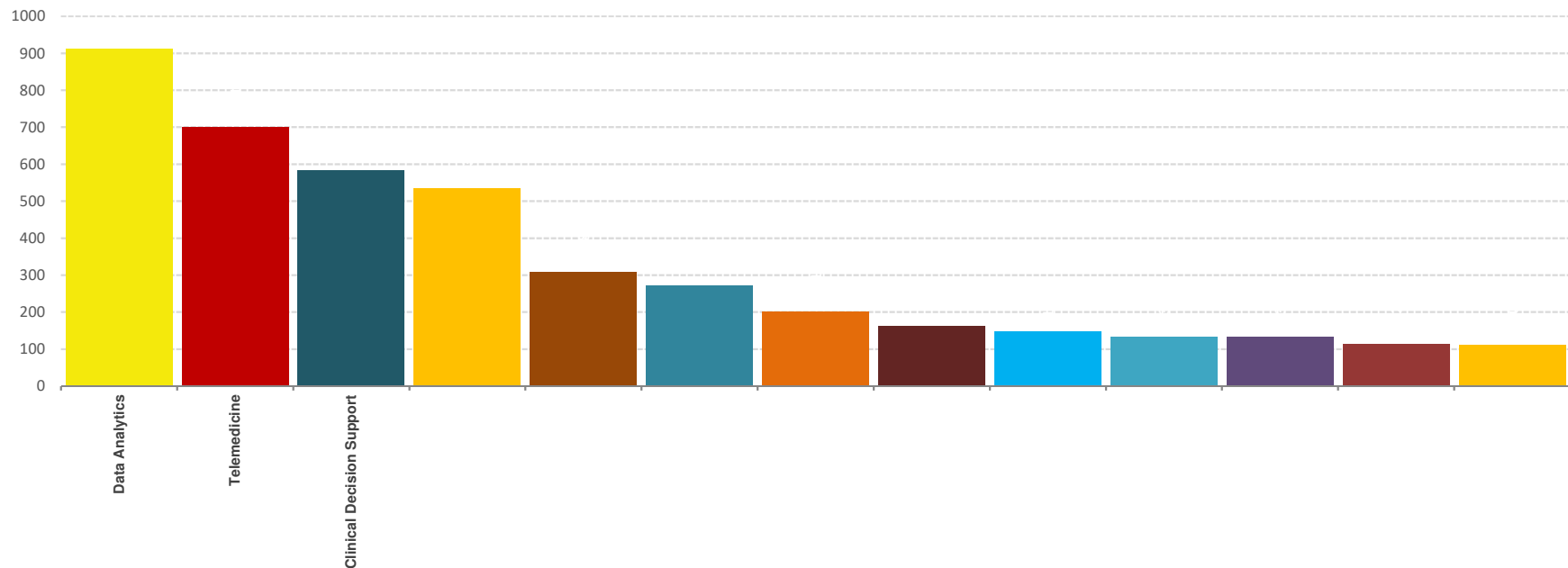
- VC funding in the first half (1H) 2018 was 22 percent higher than the same period in 2017 and is on a record pace for the year with almost \$5 billion raised compared to the \$4 billion raised in 1H 2017.
- Healthcare Practice-Focused companies secured \$702 million in 58 deals in Q2 2018.
- Healthcare Consumer-Centric companies raised more than \$1.7 billion in 138 deals in Q2 2018.
- The average deal size in Q2 2018 was \$12.8 million compared to \$13.4 million average in Q1 2018 (excluding accelerator deals).
- The top five VC deals in Q2 2018 were: the \$291 million raised by American Well, \$105 million raised by Livongo Health, \$100 million raised by DXY (Ting Group), \$75 million raised by WellTok, and \$75 million raised by Helian Health.
- There were 22 countries that saw Digital Health VC funding deals in Q2 2018 compared to 24 countries in Q1 2018.

- In Q2 2018 U.S. companies received the most VC funding and had the most deals (\$1.7 billion in 109 deals).
- International VC funding was \$664 million in Q2 2018, compared to \$634 million in Q1 2018.
- Within the United States, 42 deals originated from California followed by New York with 16 deals, Massachusetts with 11 deals, and Texas and Washington had five deals each.
- Announced debt and public market financing for Digital Health companies spiked to \$2 billion in six deals in Q2 2018 compared to \$517 million in six deals in Q1 2018.
- In 1H 2018, there were a total of 116 M&A transactions, compared to 90 transactions in 1H 2017.

Top Digital Health M&A Transactions in Q2 2018 By Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer	Country
 LIFESCAN a Johnson & Johnson company	2,100	 <i>Platinum Equity</i>	USA
 GE Healthcare	1,050	 VERITAS CAPITAL	USA
 Counsyl	375	 myriad WHEN DECISIONS MATTER®	USA
advance medical	352	 TELADOC	USA
 SCIO health analytics®	240	 EXL	USA
Source: Mercom Capital Group			

Digital Health Top VC Funded Categories By Amount in 1H 2018 (US\$ in Millions)



Source: Mercom Capital Group

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