



Executive Summary

Healthcare IT/Digital Health Funding and M&A

2017 First Quarter Report

Funding and merger & acquisition activity for the
Healthcare IT / Digital Health sector

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

Mercom was one of the first research firms to track funding and M&A activity in the Healthcare IT / Digital Health sector, starting in 2010.

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

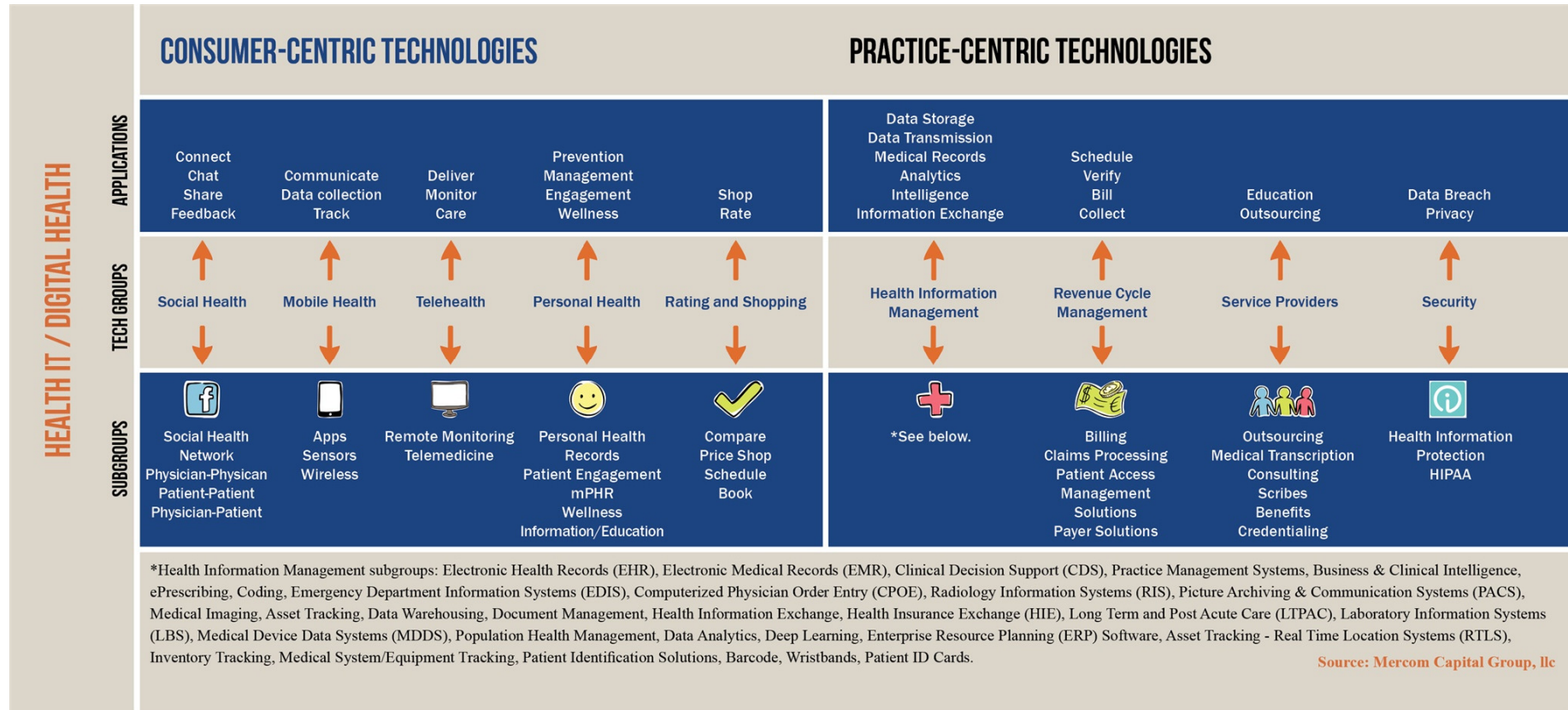
- This is the most comprehensive report covering funding and M&A deals of all sizes, globally. The trends revealed in this report give a more complete picture of the industry.
- This report does not cover bioinformatics and medical devices.
- All charts, graphs, and trends are clearly categorized and 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, healthcare IT (aka digital health and eHealth), 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

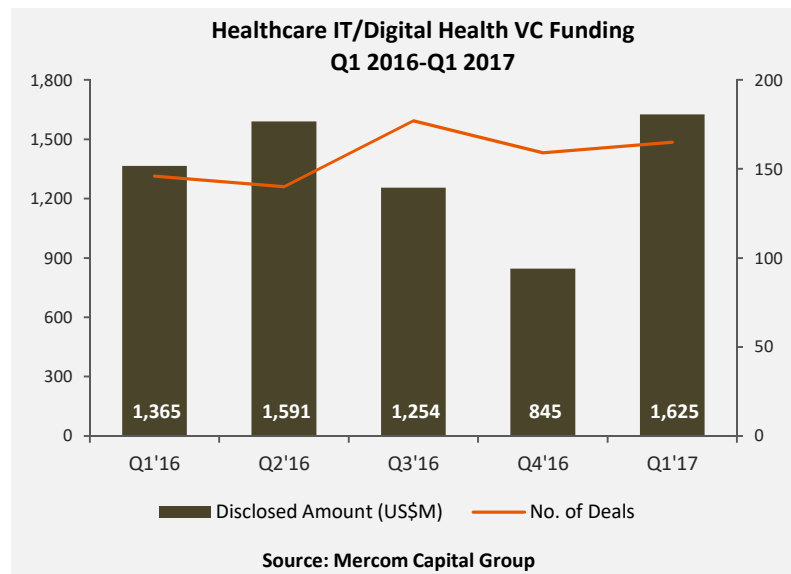
The report covers the technologies listed below and the sub-technologies under them.

Technologies Covered in This Report



SELECT KEY
FINDINGS

- Global VC funding for Healthcare IT/Digital Health companies in Q1 2017 almost doubled with \$1.6 billion in 165 deals compared to \$845 million in 159 deals in Q4 2016.
- Q1 2017 was the ninth billion dollar+ quarter since 2014.



- Since 2010, VC funding in the Healthcare IT sector has crossed \$20 billion.
- The average deal size this quarter was \$10.75 million compared to \$5.6 million in Q4 2016 excluding accelerator deals.
- The top VC deals this quarter were the \$200 million raised by Hudong Feng Technology (Haodaifu), \$115 million raised by Alignment Healthcare, \$100 million raised by PatientsLikeMe, \$90 million raised by Nuna, and \$85 million raised by PointClickCare.
- There were 19 countries that had Healthcare IT VC funding deals this quarter compared to 26 countries in Q4 2016.
- U.S.-based companies received the most VC funding and had the most deals (\$903 million in 110 deals).

- International VC funding deals continued to be robust totaling \$722 million in Q1 2017.
- Within the United States, 38 deals originated from California, followed by New York with 12 deals, Pennsylvania with six deals, Georgia, Illinois, and Massachusetts had five deals each.
- There were 54 deals smaller deals of \$2 million or below, including 14 Accelerator/Incubator deals.
- A total of 306 investors including accelerator/incubators participated in funding deals in Q1 2017.
- In Q1 2017, there were 49 M&A transactions (seven disclosed) involving Healthcare IT companies compared to the 42 M&A transactions (11 disclosed) in Q4 2016. In a YoY comparison, there were 58 M&A transactions (nine disclosed) in Q1 2016.
- Practice-focused companies had the most M&A activity in Q1 2017 with 29 of the 49 total transactions while consumer-centric companies were involved in 20 transactions.

Top Healthcare IT/Digital Health M&A Deals in Q1 2017 By Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer	Country
	1,100		USA
	170		USA
	134		USA
	110		India
Source: Mercom Capital Group			

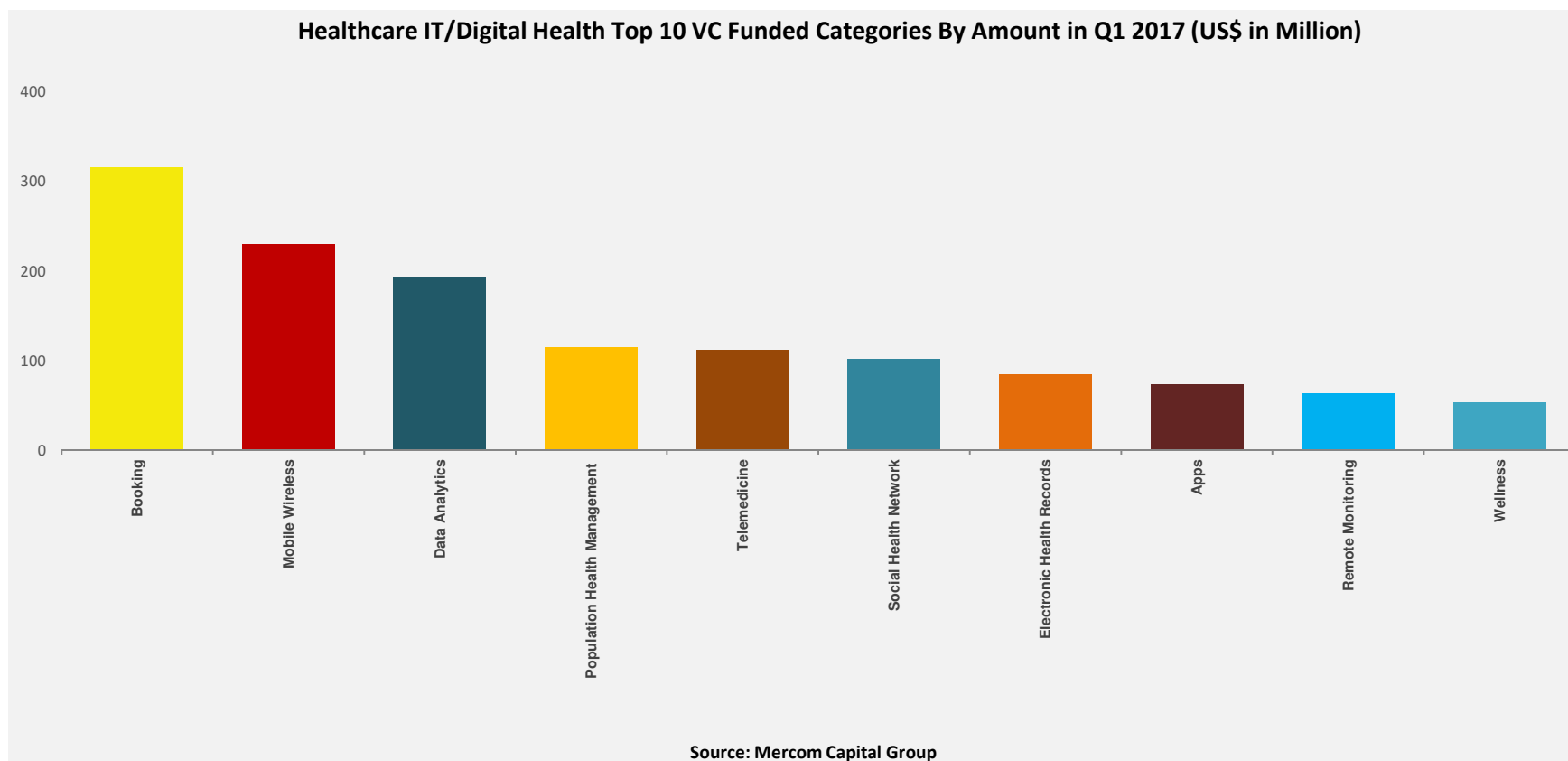


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Healthcare IT/Digital Health
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