



Executive Summary

Digital Health

Funding and M&A

2018 Third Quarter and Nine Month 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.

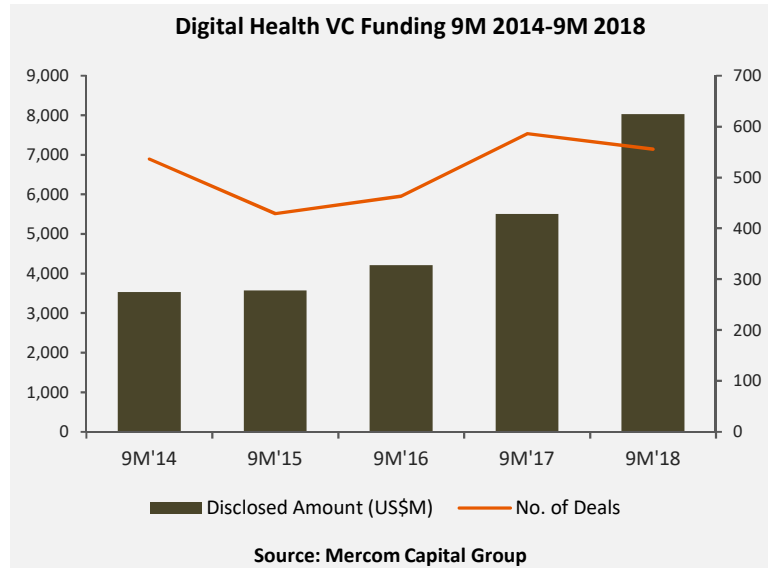
- This is the most comprehensive report covering funding and M&A deals of all sizes, globally. The trends revealed in this report give a more complete picture of the industry.
- All charts, graphs, and trends are clearly categorized and defined by technology and sub-technology groups.
- This report includes 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

SELECT KEY
FINDINGS


- Global VC funding for Digital Health companies totaled \$3.1 billion in 173 deals in Q3 2018 compared to \$2.4 billion in 196 deals in Q2 2018.



- Healthcare Practice-Focused companies secured \$1.3 billion in 62 deals, accounting for 40 percent of the \$3.1 billion in total VC funding that went into the Digital Health sector in Q3 2018.
- Healthcare Consumer-Centric companies raised more than \$1.9 billion in 111 deals in Q3 2018.
- The top funded categories in Q3 2018 were: Data Analytics companies with \$889 million, mHealth Apps companies with \$504 million, Mobile Wireless companies with \$456 million, and Telemedicine with \$374 million.
- The average deal size in Q3 2018 was \$18.4 million compared to the \$12.8 million average in Q2 2018 (excluding accelerator deals).
- There were 24 countries that saw Digital Health VC funding deals in Q3 2018 compared to 22 countries in Q2 2018.
- American companies received the most VC funding and had the most deals.

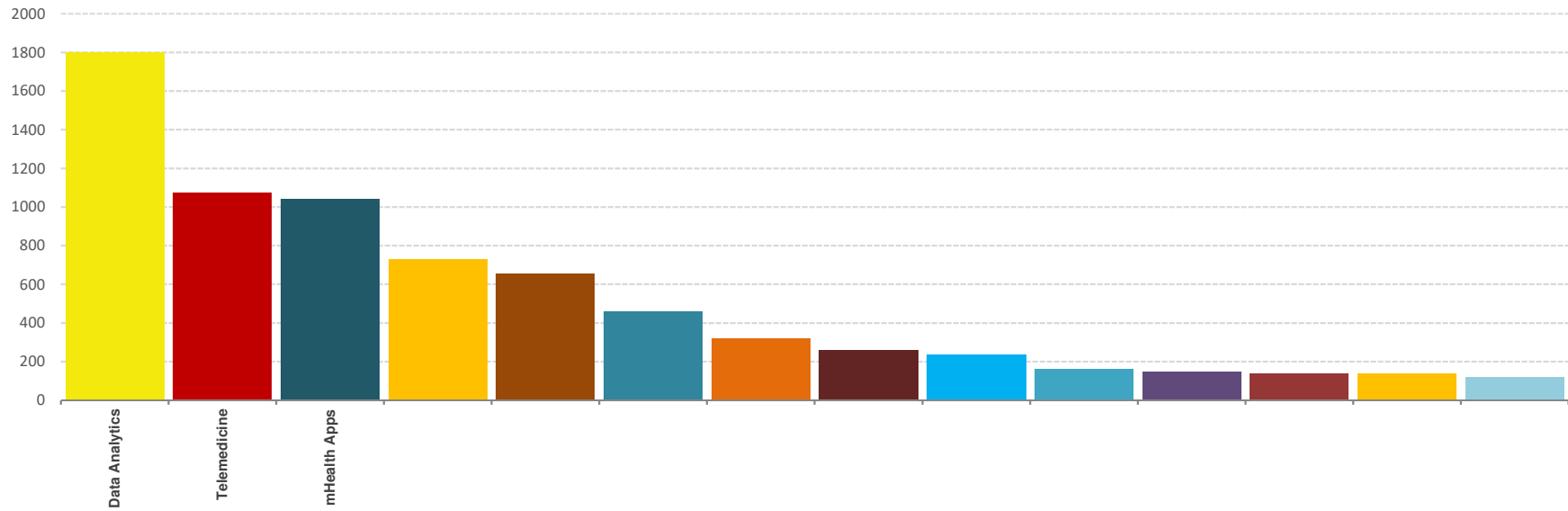
- International VC funding came to \$932 million in Q3 2018 compared to \$664 million in Q2 2018.
- Within the United States, 36 deals originated from California followed by New York with 14, Massachusetts with 11, Florida with six, then Minnesota and Tennessee had four deals each.
- Announced debt and public market financing for Digital Health companies fell \$398 million in six deals in Q3 2018, compared to \$2 billion in six deals in Q2 2018.
- In 9M 2018, there were a total of 172 M&A transactions compared to 146 in 9M 2017.
- A total of 419 investors made investments in Digital Health companies in Q3 2018.

Top Digital Health M&A Transactions in Q3 2018 By Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer	Country
 greatcall	800		USA
 AdvancedMD	700		USA
 New Century Health	217		USA
 ORION HEALTH (Rhapsody and Population Health Business)	152		USA
 SC-WORX	50		USA

Source: Mercom Capital Group

Digital Health VC Funding By Amount in 9M 2018 (US\$ in Millions)



Source: Mercom Capital Group

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