

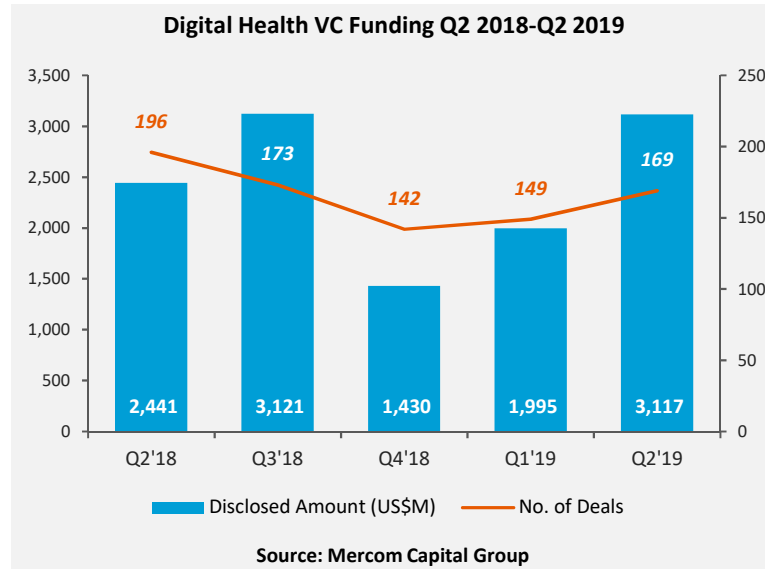


Executive Summary  
**Digital Health  
Funding and M&A**  
2019 First Half Report

Funding and merger & acquisition activity for the  
Digital Health sector

SELECT KEY  
FINDINGS

- VC funding for Digital Health companies in 1H 2019 was slightly higher with \$5.1 billion raised in 318 deals compared to \$4.9 billion raised in 383 deals 1H 2018.



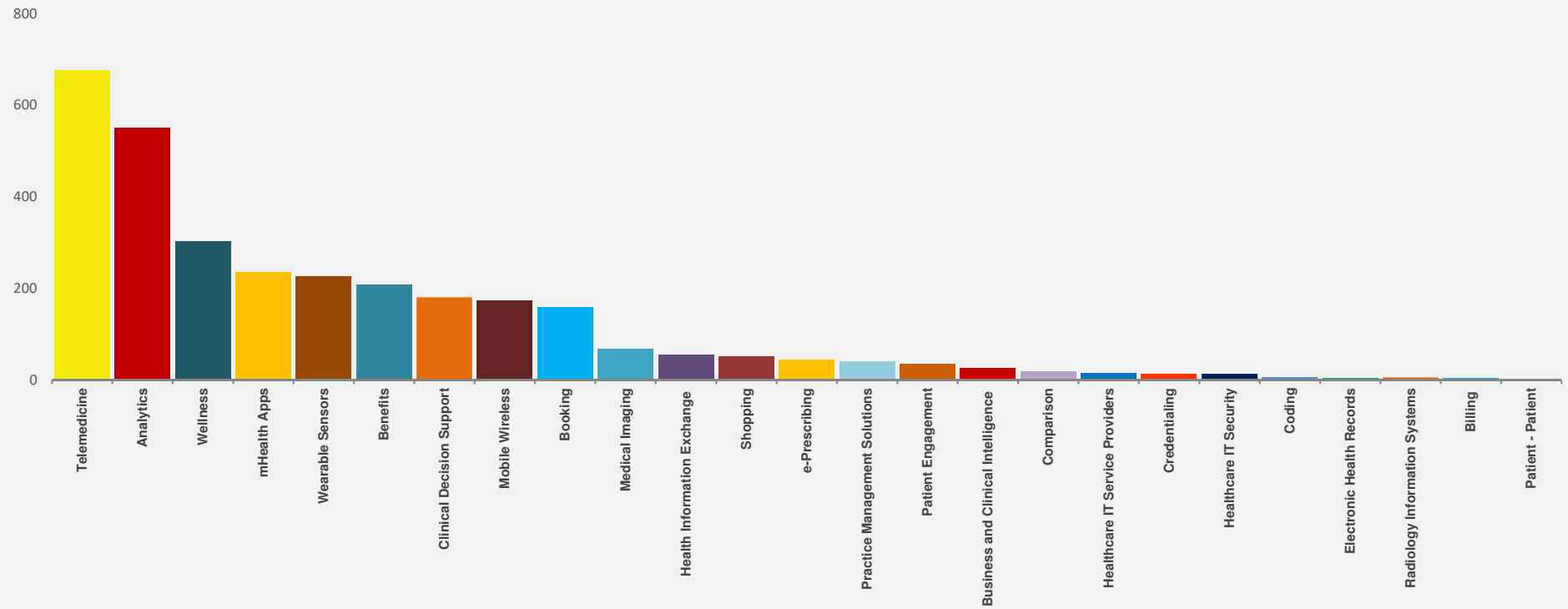
- Digital Health VC funding in Q2 2019 came to \$3.1 billion raised in 169 deals compared to \$2 billion raised in 149 deals in Q1 2019. YoY, funding was up 28% compared to \$2.4 billion raised in 196 deals in Q2 2018.
- Top VC funded Digital Health categories in Q2 2019 were: Telemedicine with \$676 million, followed by Analytics with \$551 million, and Wellness with \$304 million.
- Digital Health practice-focused companies received \$1.2 billion in 76 deals, accounting for 40% of the total \$3.1 billion VC funding raised in Q2 2019.
- Consumer-focused companies raised \$1.9 billion in 93 deals and accounted for 60% of the total \$3.1 billion VC funding raised in Q2 2019.
- The top Digital Health VC deals in 1H 2019 were: \$250 million raised by Tencent Trusted Doctors, followed by \$205 million raised by Collective Health, \$200 million raised by Tempus, \$170 million raised by Doctolib, and \$100 million raised by Health Catalyst.
- There were 21 countries that received Digital Health VC funding in Q2 2019, compared to 17 countries in Q1 2019.

- In Q2 2019 (within the United States), 34 deals originated from California, followed by New York with 15 deals, attracting the most VC funding with \$782 million and \$437 million respectively.
- A total of 450 investors participated in funding deals in Q2 2019, compared to 371 investors in Q1 2019.
- In Q2 2019, announced debt and public market financing raised by Digital Health companies came to \$190 million in five deals compared to \$179 million in six deals in Q1 2019.
- In 1H 2019, there were 91 Digital Health M&A transactions (16 disclosed) compared to 116 transactions (26 disclosed) in 1H 2018.
- In Q2 2019, there were 46 M&A transactions (nine disclosed) involving Digital Health companies compared to the 45 M&A transactions (seven disclosed) in Q1 2019. In a YoY comparison, there were 68 M&A transactions (13 disclosed) in Q2 2018.

#### Top Digital Health M&A Transactions in 1H 2019 By Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer
	5,800	
	1,200	
	700	
	500	
	500	
	195	
Source: Mercom Capital Group		

Digital Health VC Funding By Amount in Q2 2019 (US\$ in Millions)



Source: Mercom Capital Group

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