



Executive Summary

Digital Health Funding and M&A

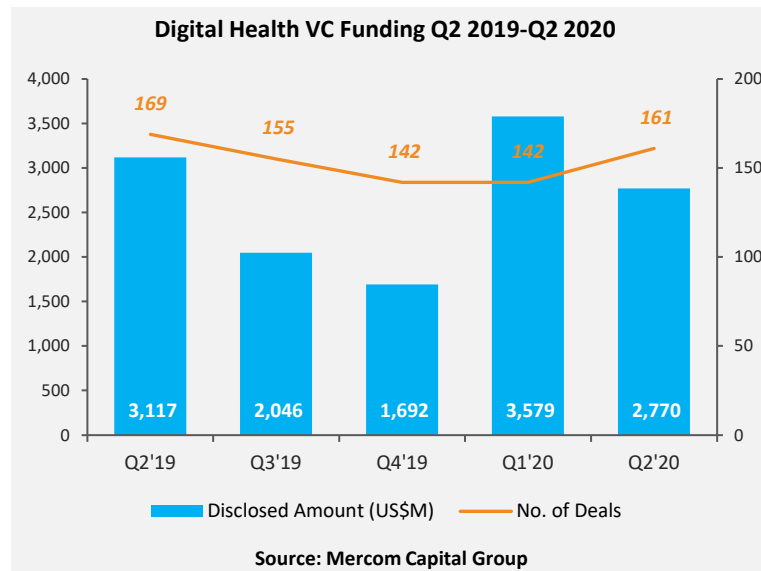
2020 First Half Report

Funding and merger & acquisition activity for the
Digital Health sector

<http://www.mercomcapital.com>

**SELECT KEY
FINDINGS**











- The first half (1H) of 2020 shattered all previous 1H global Digital Health VC funding records, with \$6.3 billion, a 24% increase in 1H 2020, compared to \$5.1 billion raised in 1H 2019.



- Top VC funded Digital Health categories in 1H 2020 were: Telemedicine with \$1.7 billion, followed by Data Analytics with \$826 million, mHealth Apps with \$794 million, Clinical Decision Support with \$545 million, Healthcare Booking with \$326 million, and Wearable Sensors with \$321 million.
- Practice-focused companies received \$947 million in 56 deals, accounting for 34% of the Digital Health sector's total VC investments during Q2 2020.
- Consumer-centric companies raised over \$1.8 billion in 105 deals, accounting for 66% of the Digital Health sector's total VC investments during Q2 2020.
- The average VC funding deal size in Q2 2020 was \$17.2 million compared to \$25.2 million in Q1 2020.
- The top Digital Health VC deals in 1H 2020 were: \$285 million raised by ClassPass, \$250 million Alto Pharmacy, \$194 million raised by Amwell (formerly American Well), \$155 million raised by KRY, and \$150 million raised by Concerto HealthAI.
- Twenty-one countries recorded Digital Health VC funding in Q2 2020 compared to 19 countries in Q1 2020.

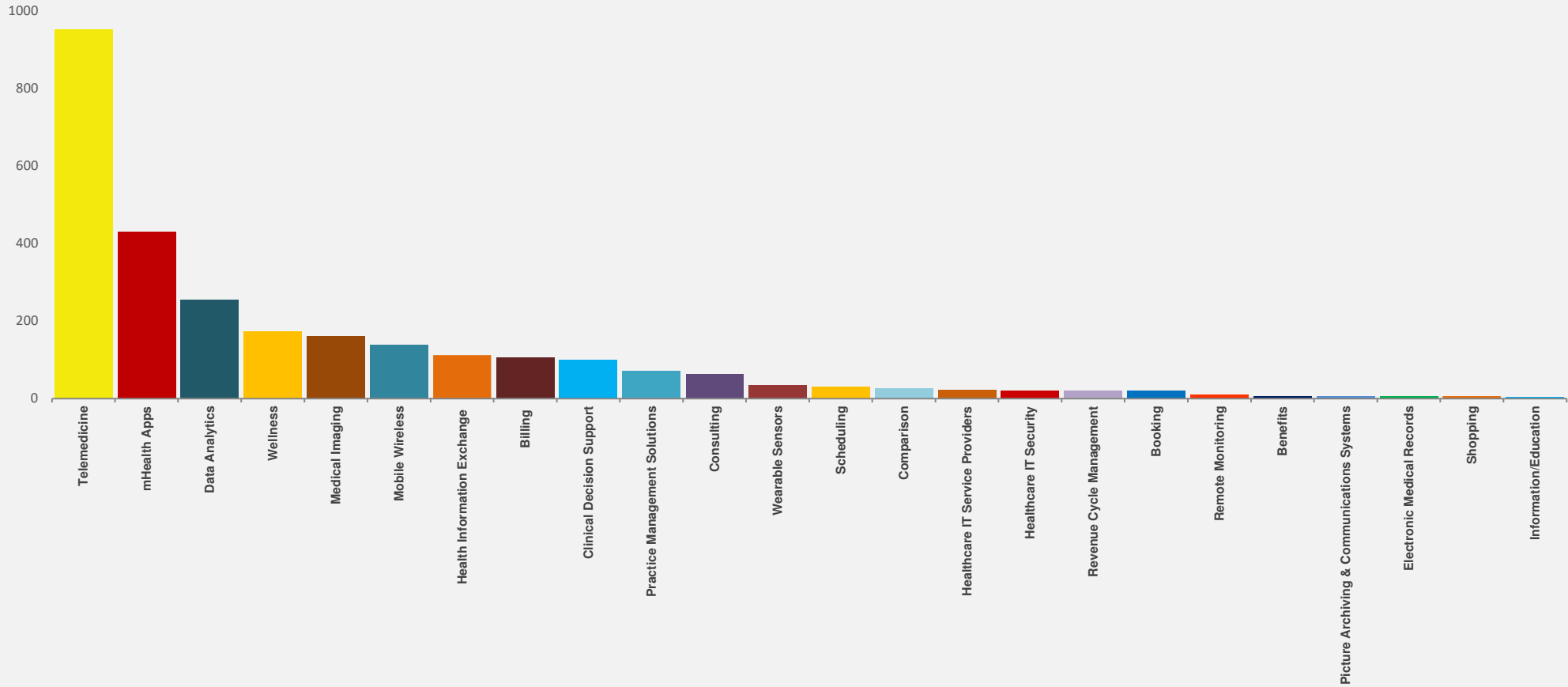
- Companies in the United States recorded the highest number of VC funding deals with 105 for \$2.2 billion. There were 56 international VC funding deals recorded in Q2 2020.
- In Q2 2020, 34 deals originated from California, followed by New York with 25 deals, attracting the most VC funding for companies in the United States with \$832 million and \$476 million, respectively.
- A total of 921 investors participated in funding deals in 1H 2020 compared to 821 investors in 1H 2019.
- Announced debt and public market financing raised by Digital Health companies came in at \$5 million in two deals in Q2 2020 compared to \$73 million in three deals in Q1 2020.
- In 1H 2020, there were 83 Digital Health M&A transactions (18 disclosed) compared to 91 transactions (16 disclosed) in 1H 2019.
- In 1H 2020, mHealth App companies led M&A activity with ten transactions, followed by Data Analytics and Practice Management Solutions companies with nine transactions each, and Telemedicine companies with eight transactions.

Top Digital Health M&A Transactions in 1H 2020 by Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer
 ARCHER®	1,400	 INVITAE
 InTouch Health	600	 Teladoc HEALTH
 MIRROR	500	 (lululemon athletica)
 STRATUS VIDEO	475	 AMN® Healthcare
 Cerner® (Medico, Soarian Integrated Care, Selene Business)	248	 CGM CompuGroup Medical

Source: Mercom Capital Group

Digital Health VC Funding by Amount in Q2 2020 (US\$ in Million)



Source: Mercom Capital Group

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