



Executive Summary

**Digital Health**

**Funding and M&A**

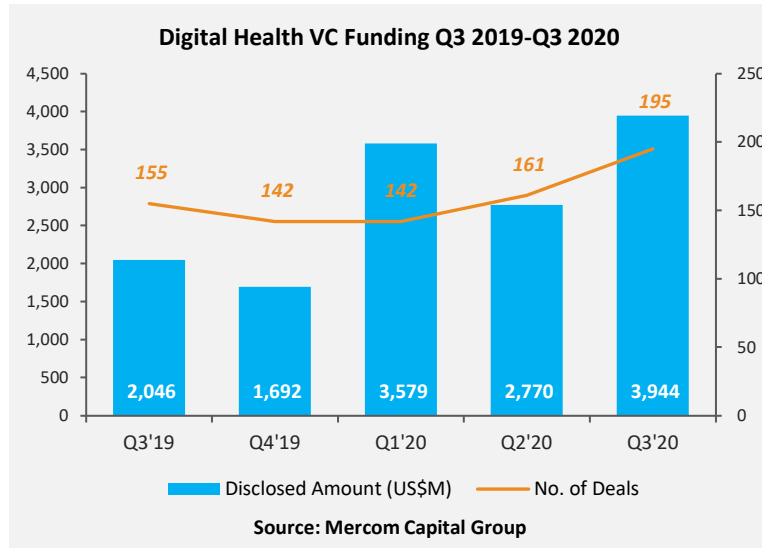
Q3 and 9M 2020 Report

Funding and merger & acquisition activity for the  
Digital Health sector

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**SELECT KEY  
FINDINGS**









- The first nine months (9M) of 2020 broke all previous 9M global Digital Health VC funding records, with \$10.3 billion, a 43% increase in 9M 2020, compared to \$7.2 billion raised in 9M 2019.



- Since 2010, VC funding in the Digital Health sector has totaled over \$54 billion in 5,261 deals.
- Top VC funded Digital Health categories in 9M 2020 were: Telemedicine with \$3.2 billion, followed by Data Analytics with \$1.3 billion, mHealth Apps with \$970 million, Wearable Sensors with \$703 million, Clinical Decision Support with \$660 million, Healthcare Service Booking with \$572 million, Practice Management Solutions with \$553 million, and Wellness with \$523 million.
- Practice-focused companies received \$1.3 billion in 75 deals, accounting for 33% of the Digital Health sector's total VC investments during Q3 2020.
- Consumer-centric companies raised over \$2.7 billion in 120 deals, accounting for 67% of the Digital Health sector's total VC investments during Q3 2020.
- The average VC funding deal size in Q3 2020 was \$20.2 million compared to \$17.2 million in Q2 2020.
- Twenty-one countries recorded Digital Health VC funding in Q3 2020. In Q2 2020 also 22 countries recorded Digital Health VC funding.

- Companies in the United States recorded the highest number of VC funding deals with 129 for \$3 billion in Q3 2020. There were 20 other countries (including, China, Canada, India, Israel, and the UK) recorded VC funding deals in Q3 2020.
- In Q3 2020, 47 deals originated from California, followed by New York with 21 deals, attracting the most VC funding for companies in the United States with \$1.5 billion and \$516 million, respectively.
- A total of 1,522 investors participated in funding deals in 9M 2020 compared to 1,171 investors in 9M 2019.
- In 9M 2020, there were 132 Digital Health M&A transactions (32 disclosed) compared to 125 transactions (21 disclosed) in 9M 2019.
- Practice-focused companies dominated activity in Q3 2020 with 26 of the 49 M&A transactions in Q3 2020. Consumer-centric companies were involved in 23 of the 49 M&A transactions in Q3 2020.
- In 9M 2020, Practice Management Solutions companies led M&A activity with 15 transactions. Data Analytics, mHealth Apps, and Telemedicine companies recorded 14 transactions each.

Top Digital Health M&A Transactions in 9M 2020 by Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer
 Livongo	18,500	 Teladoc HEALTH
 ancestry	4,700	Blackstone
 ARCHER	1,400	 INVITAE
 SOC Telemed	720	Healthcare Merger Corporation
 InTouch Health	600	 Teladoc HEALTH

Source: Mercom Capital Group

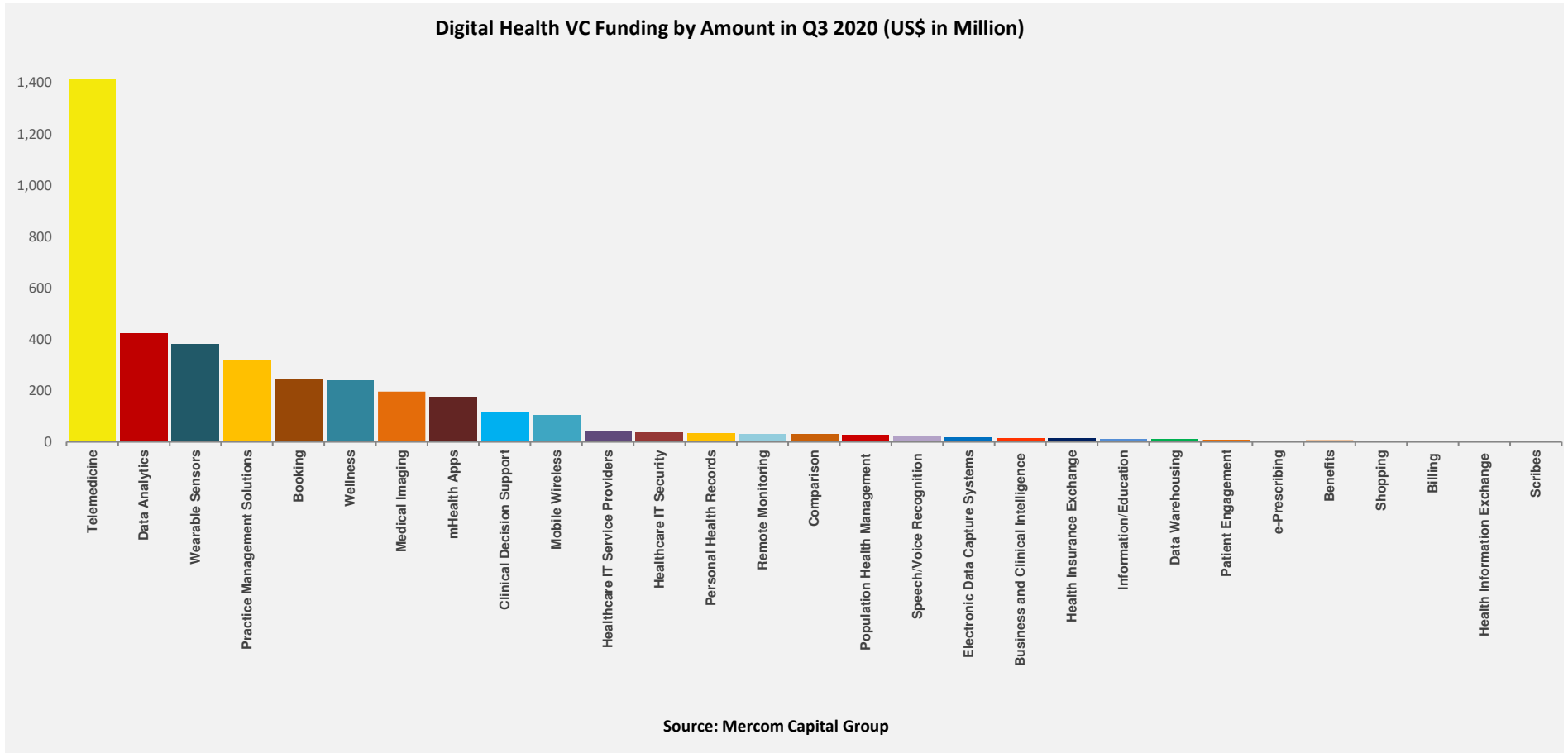


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