



Executive Summary

# Digital Health Funding and M&A

2020 Fourth Quarter and Annual Report

Funding and merger & acquisition activity for the  
Digital Health / Healthcare IT 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, starting in 2010.

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.

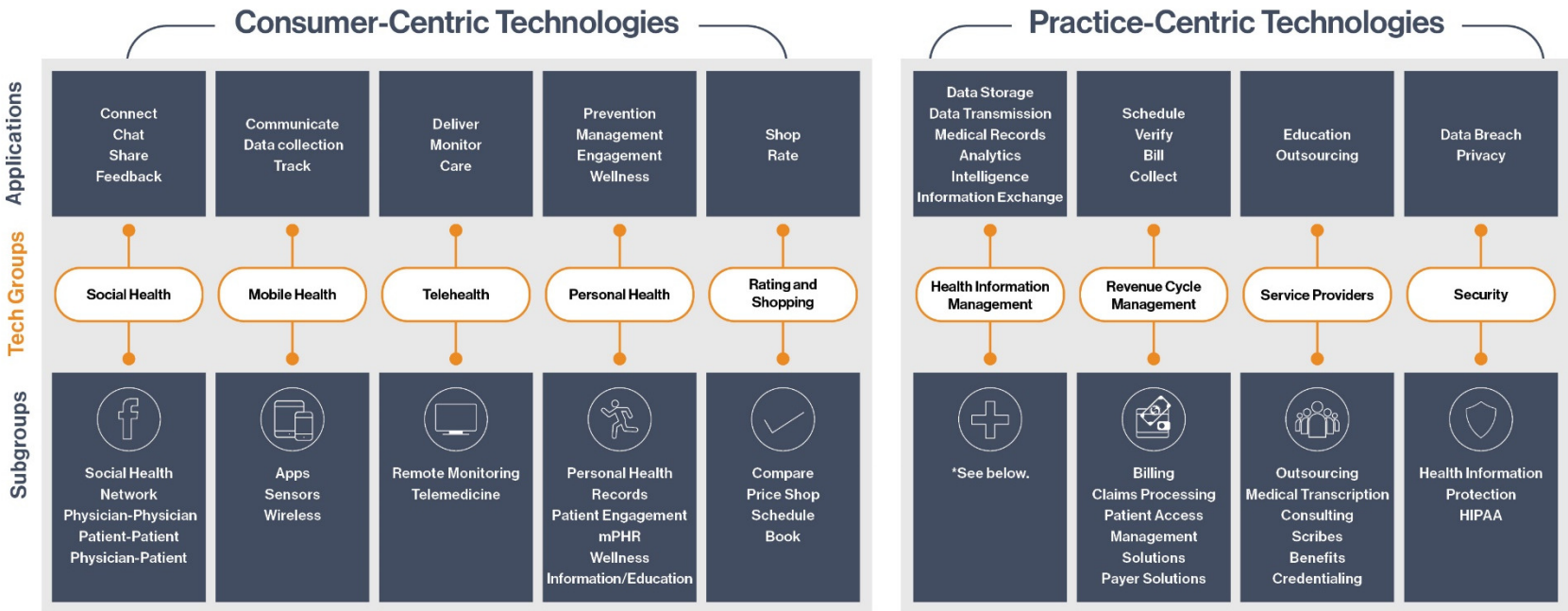
Our subscribers include companies and executives from venture capital, private equity, investment banking, healthcare, healthcare IT (aka digital health and eHealth), insurance, healthcare associations, universities, tech firms, and more.

<b>Audience</b>	<b>Why they like our reports</b>
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

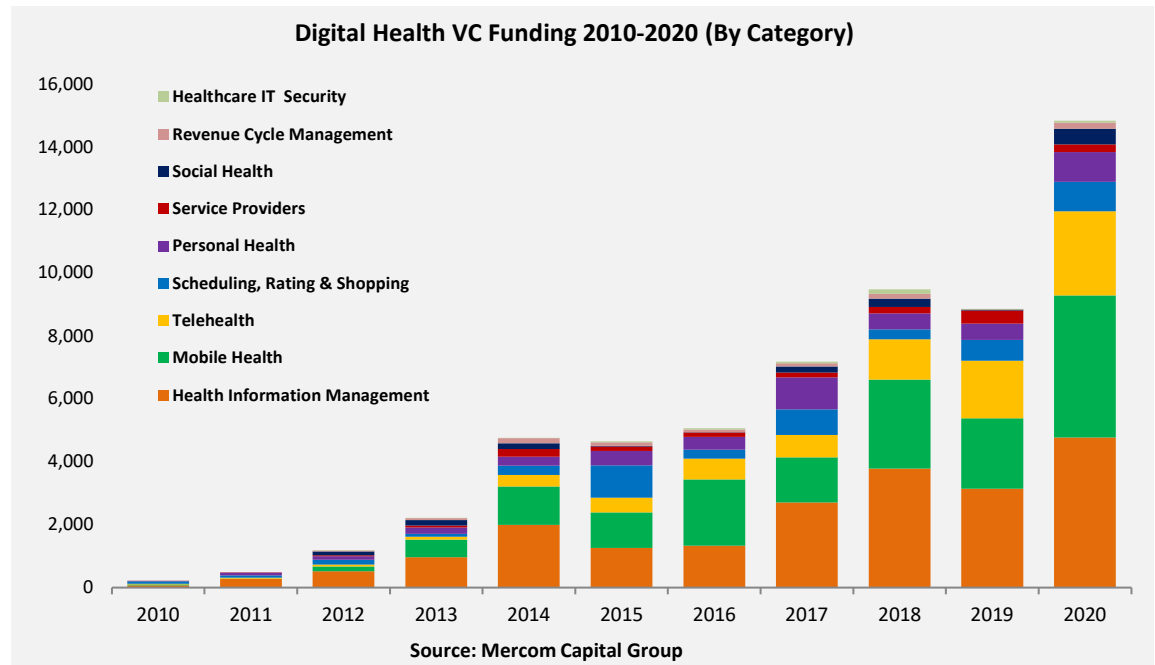
**HEALTHCARE IT / DIGITAL HEALTH**



\*Health Information Management subgroups: Electronic Health Records (EHR), Electronic Medical Records (EMR), Clinical Decision Support (CDS), Practice Management Systems, Business & Clinical Intelligence, ePrescribing, Coding, Emergency Department Information systems (EDIS), Computerized Physician Order Entry (CPOE), Radiology Information Systems (RIS), Picture Archiving & Communication Systems (PACS), Medical Imaging, Asset Tracking, Data Warehousing, Document Management, Health Information Exchange, Health Insurance Exchange (HIE), Long Term and Post Acute Care (LTPAC), Laboratory Information Systems (LIS), Medical Device Data Systems (MDDS), Population Health Management, Data Analytics, Deep Learning, Enterprise Resource Planning (ERP) Software, Asset Tracking- Real Time Location Systems (RTLS), Inventory Tracking, Medical System/Equipment Tracking, Patient Identification Solutions, Barcodes, Wristbands, Patient ID Cards, Genomics, Artificial Intelligence, Machine Learning, and Deep Learning.

**SELECT KEY  
FINDINGS**









- In 2020, global VC funding for the Digital Health sector totaled \$14.8 billion in 637 deals, a 66% increase, compared to \$8.9 billion in 615 deals in 2019.



- Total corporate funding into Digital Health – including VC funding, debt, and public market funding – was up 103%, with \$21.6 billion in 2020 compared to \$10.6 billion in 2019.
- Global VC funding for Digital Health companies came to \$4.5 billion in 139 deals in Q4 2020, a 13% increase QoQ compared to \$4 billion raised in 195 deals in Q3 2020. Year-over-year (YoY) funding increased by 165% in Q4 2020 compared to \$1.7 billion.
- The top-funded categories since 2010 included: Telemedicine with \$9.3 billion, mHealth Apps with \$7.4 billion, Clinical Decision Support with \$4.1 billion, Wearable Sensors with \$3.8 billion, Wellness with \$2.7 billion, Practice Management Solutions with \$2.5 billion, Social Health Network with \$1.3 billion, Medical Imaging with \$1.1 billion, Remote Patient Monitoring \$766 million, and Health Information Exchange with \$708 million.
- The top-funded categories in 2020 included: Telemedicine with \$4.3 billion, Data Analytics with \$1.8 billion, mHealth Apps \$1.4 billion, and Clinical Decision Support with \$1.2 billion.

- The top VC funded deals in 2020 were: \$500 million raised by DXY, \$285 million raised by ClassPass, \$250 million raised by Alto Pharmacy, \$226 million raised by Olive, and \$214 million raised by SomaLogic.
- Thirty-eight countries logged Digital Health VC funding activity in 2020. Most of the funding was recorded in the United States, where \$11.5 billion was raised in 429 deals.
- A total of 1,649 investors participated in VC funding rounds for Digital Health companies in 2020 compared to 1,288 investors in 2019.
- Six IPOs brought in a total of \$6.2 billion in 2020. By comparison, there were five IPOs that brought in a total of \$1.4 billion in 2019.

Top Five Digital Health M&A Transactions in 2020 By Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer
 Livongo	18,500	 Teladoc HEALTH
 ancestry	4,700	Blackstone
 BioTelemetry <small>INC</small>	2,800	<b>PHILIPS</b>
 ARCHER	1,400	 INVITAE
 CarePort <small>An Allscripts Company</small>	1,350	 WellSky

Source: Mercom Capital Group

- Digital Health M&A activity saw 184 transactions in 2020, compared to 169 transactions in 2019.
- The top M&A transactions in 2020 were: the acquisition of Livongo Health for \$18.5 billion by Teladoc, followed by the acquisition of Ancestry by Blackstone for \$4.7 billion, BioTelemetry's acquisition by Philips for \$2.8 billion, Invitae's acquisition of ArcherDX for \$1.4 billion, WellSky's acquisition of Allscripts (CarePort Health) for \$1.35 billion.

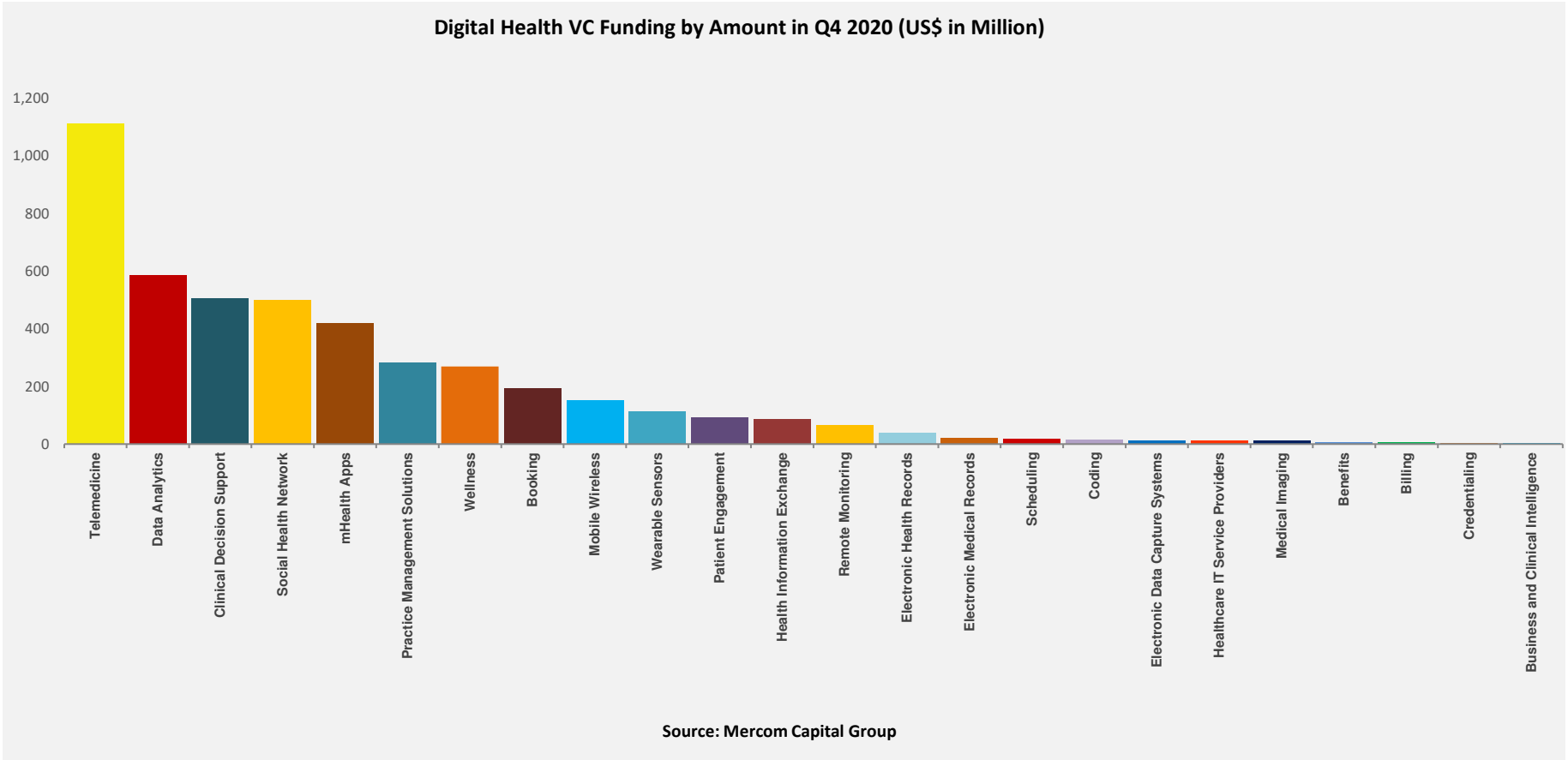


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