

Executive Summary

Digital Health Funding and M&A

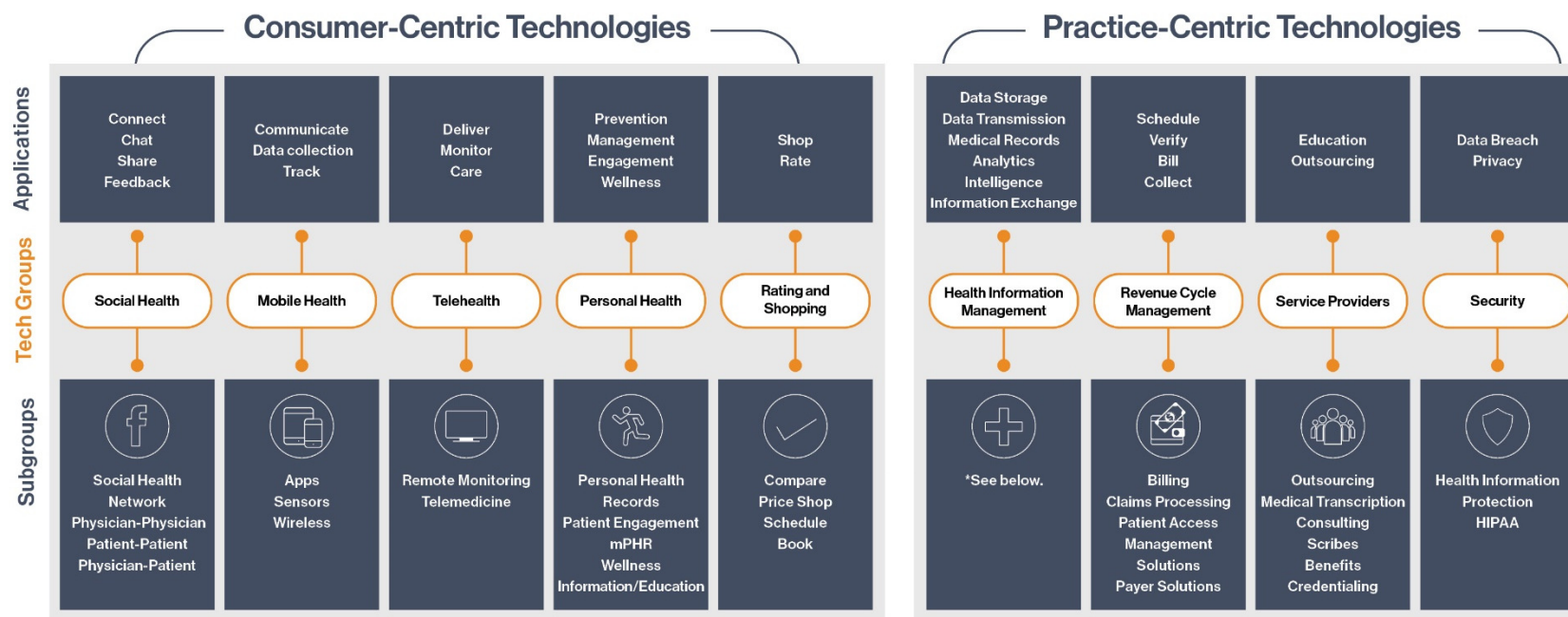
2021 First Half Report

Funding and merger & acquisition activity for the
Digital Health / Healthcare IT sector

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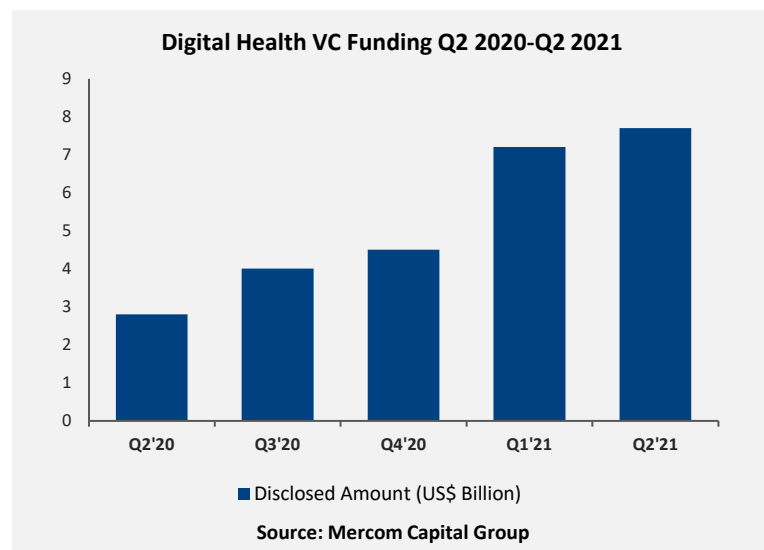
Technologies Covered in This Report

HEALTHCARE IT / DIGITAL HEALTH



KEY FINDINGS











- The first half (1H) of 2021 shattered all previous 1H global Digital Health VC funding records with almost \$15 billion, a 138% increase compared to \$6.3 billion raised in 1H 2020.
- Total corporate funding into digital health including VC, public market financing, and debt totaled \$19 billion in 1H 2021.
- Digital Health companies raised \$7.7 billion in 195 deals in Q2 2021 compared to \$7.2 billion raised in 179 deals in Q1 2021, a 7% increase in QoQ. Year-over-year, funding increased by 175% compared to \$2.8 billion in 161 deals in Q2 2020.



- Top VC-funded Digital Health categories in 1H 2021: Telemedicine with \$4.2 billion, Wellness with \$1.7 billion, mHealth Apps with \$1.6 billion, Analytics with \$1.5 billion, and Clinical Decision Support with \$1.1 billion.
- Top VC-funded Digital Health categories in Q2 2021: Telemedicine with \$2.2 billion, Wellness with \$1.1 billion, mHealth Apps with \$667 million, Analytics with \$565 million, Practice Management Solutions with \$480 million, and Clinical Decision Support with \$434 million.
- Practice-focused companies received \$2.4 billion in 66 deals, accounting for 31% of the Digital Health sector's total VC investments during Q2 2021.
- Consumer-centric companies raised over \$5.3 billion in 129 deals, accounting for 69% of the Digital Health sector's total VC investments during Q2 2021.

- The top Digital Health VC deals in 1H 2021: \$540 million raised by Noom, \$500 million raised by Roman, \$360 million raised by Keep, and \$300 million each raised by Capsule, KRY, and Hinge Health.
- The top Digital Health VC deals in Q2 2021: \$540 million raised by Noom, \$300 million raised by each Capsule and KRY, \$280 million raised by Collective Health, \$235 million raised by Cue Health, and \$220 million each raised by Tempo and Gympass.
- In Q2 2021, 49 deals originated from California, followed by New York with 36 deals. California and New York attracted the most VC funding in Q2 2021, with each state recording \$2.3 billion.
- There were 12 IPOs in 1H 2021. This is the highest number of IPOs in 1H of any year since 2010. There were no IPOs in 1H 2020.
- In 1H 2021, there were 136 Digital Health M&A transactions (29 disclosed), a 64% increase in M&A transactions compared to 83 (18 disclosed) in 1H 2020.
- In Q2 2021, there were 73 M&A transactions compared to 63 (14 disclosed) in Q1 2021. In a YoY comparison, there were 42 M&A transactions in Q2 2020.
- Practice-focused companies dominated M&A activity in Q2 2021, with 43 of the 73 M&A transactions. Consumer-centric companies recorded 30 of the 73 M&A deals in Q2 2021.

Top Five Digital Health M&A Transactions in 1H 2021 By Disclosed Amount

Company	Terms/Amount (\$M)	Acquirer
 NUANCE	19,700	 Microsoft
 CHANGE HEALTHCARE	13,000	 OPTUM
 CIOX	7,000	 DATAVANT
 THERAPYBRANDS	1,500	 KKR
 Preventice SOLUTIONS	925	 Boston Scientific
Source: Mercom Capital Group		

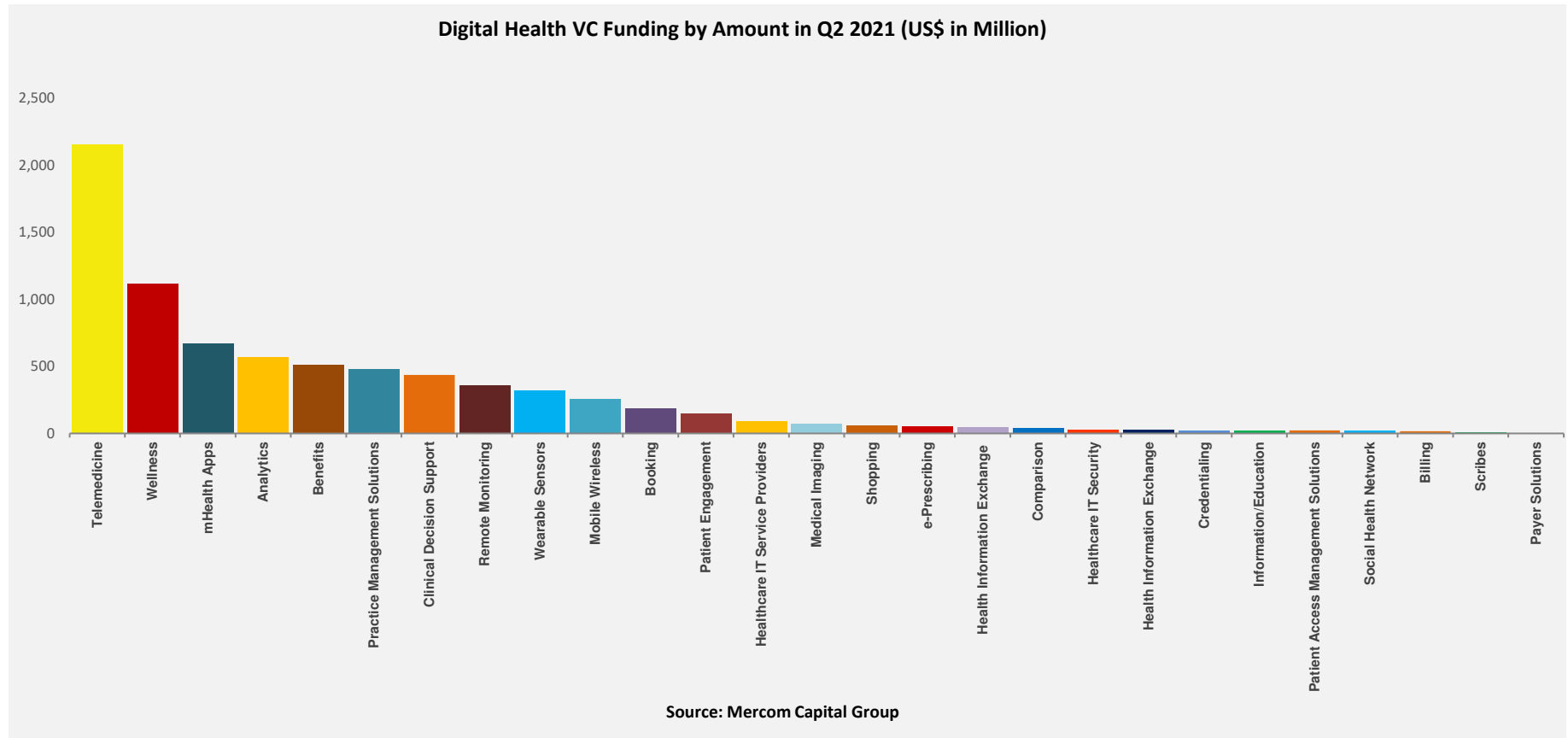


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About Mercom's Digital Health Funding and M&A Report

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 the 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 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.

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