

Healthcare Investments and Exits

Mid-Year Report 2024

Biopharma | Healthtech | Dx/Tools | Device

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Executive Summary

Rising Tide Lifting Some Boats

If 2023 was the year of venture market shock and volatility, 2024 may be the year of adjustment and **cautious optimism**. Despite a higher-for-longer interest rate environment, challenging public markets and subsequent drought of distributions to paid-in capital (DPI), we saw slow but steady increases in healthcare venture capital (VC) investment, impressive VC fundraising and improved initial public offering (IPO) activity in biotech.

Investment seems bifurcated into the **“haves” vs. the “have nots,”** with VCs increasingly focused on quality over quantity. For many deals, investors can bide their time to ensure a solid syndicate forms before making a move. In biopharma, VCs continue to focus on advanced clinical assets and well-characterized modalities while eschewing early-stage platforms. In healthtech, heightened expectations are rooted in strong unit economics and healthy margins instead of top-line revenue and projected growth rates.

Across all sectors, valuations are under unprecedented scrutiny. At least 28% of reported deals are down or flat rounds¹, marking the highest level in recent history. What’s more, only 14 of 29 unicorns formed in 2020 and 2021 have come back to market to raise another round, meaning **the “markdown hammer” has yet to fully drop.**

With 2023’s shock to the venture market, investors quickly turned their attention to supporting their most promising companies. This strategy continued this year as the exit market remaining historically challenging, resulting in more insider and bridge rounds. Promisingly, we’ve heard that some **investors are spending less time on portfolio management rationalization in 2024.**

Each sector has its own story to tell this year. In biopharma, the IPO window finally opened wider with 13 IPOs so far and six in a 15-day span. However, public debuts slowed in Q2 and remain challenging for pre-clinical and early-stage companies. Historic activity in the public biotech markets (including record-high public M&A, follow-on and private investment in public equity (PIPE) activity) catalyzed investor returns and reinvigorated the private markets.

Healthtech investment over the last four years has been tumultuous. The pandemic ushered in a massive wave of investment as all eyes turned to digital healthcare. Consequently, investment hit higher highs — and dropped to lower lows. However, the sector is showing signs of recovery, albeit slowly. Quarterly investment over the last three quarters consistently hovered around \$3.2B — markedly higher than average quarterly investment in 2019 (\$2.5B).

Healthcare VC fundraising remained strong despite the highest federal funds rate in decades. In H1 2024, \$9B closed (compared to \$7B in H2 2023), and 89% of funds hit their fund targets. Many fundraises followed successful exits, pointing to continued confidence in the sector. And yet, the success wasn’t distributed equally. Emerging managers struggled to close funds, and time between fundraises hit a record high at a median three years between funds.

Building on 20 years of research and data analysis of healthcare VC, this 14th edition of Healthcare Investments and Exits leverages our proprietary data and strong VC network to deliver unmatched industry intelligence.

From our research, it’s evident that 2024 activity shows healthcare investment is finding a path forward despite experiencing strong headwinds. In the market, we are now seeing healthy and sustainable investment revitalize optimism for a solid, albeit bumpy, second half of the year.



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Healthcare Market Highlights

Market Highlights

Macro Outlook

“The Federal Reserve wants to see a consistent trend in economic data, namely inflation heading toward its 2.0% target before justifying a cut in the fed funds rate. Employment has weakened recently but remains solid, and core inflation continued to move toward the Fed’s 2% long-term target. The Fed will likely cut rates in September and borrowing costs are expected to decline. Broad markets anticipate the Fed will reduce interest rates four times during this year. At SAM (SVB Asset Management), our forecast suggests the Fed will lower rates twice in 2024, and we think there are increased odds that they cut rates by as much as 50 basis points (bps) at their September meeting.”



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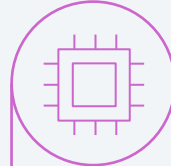
Healthtech

Private investment dollars were down slightly in the first half of 2024 (\$7.8B) compared to the second half of 2023 (\$8.1B). Despite many companies still managing the burden of outsized valuations, AI is a bright spot. Since 2019, the number of healthtech AI deals has increased over 4x, outpacing all other sectors. In the public markets, healthtech is still searching for the first IPO.



Biopharma

2024 started as a very solid year for biopharma with all-time-high public financing activity, a flurry of mega-deals, and a brief sprint for IPOs (six in 15 days). Although successes have been concentrated among the strongest few, the biopharma market is shaking off the rust and building momentum.



Dx/Tools

Despite being the only sector besides biopharma to have IPOs (two in Q2 2024), Dx/Tools is suffering from historically low M&A activity - on pace for the lowest number of private Dx/Tools M&A since 2013. On the private investment side, valuations are taking a hit. Series A median valuations are at their lowest point (\$20M) since 2019 and are 38% off the high set in 2022.



Device

Like diagnostics, the device market is experiencing an exits drought. Device M&A is tracking to the lowest level since 2008. Despite no IPOs to date in 2024, there is positivity in the private market. Median Series A valuations are at an all-time high (\$24M), up 20% from the previous peak in 2022.

Investor Sentiment

A surge in activity puts 2024 on pace to eclipse 2021 in number of deals, though investment dollars are tracking well short of pandemic-era levels (62% of 2021 investment levels¹). Down and flat rounds continue to climb as investors rebalance equity while managing the need for larger reserves of dry powder to support their winners.



Trending

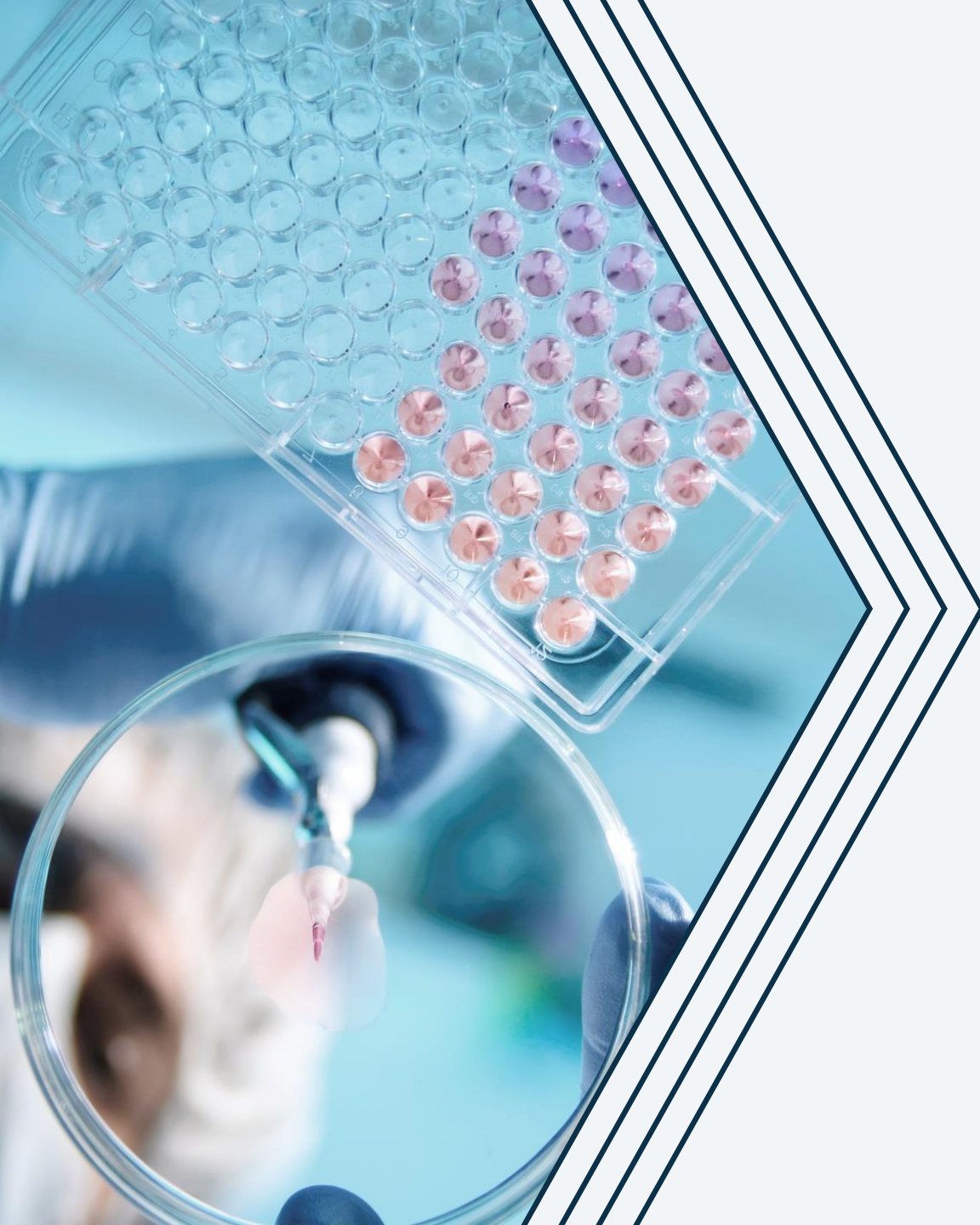
1. Mega-Deals

71 mega-deals² closed in H1 2024, a 50% increase year over year.

2. Administrative AI Solutions³

\$1.5B invested in H1 2024, growing more than 3x year over year.





Fundraising and Investment

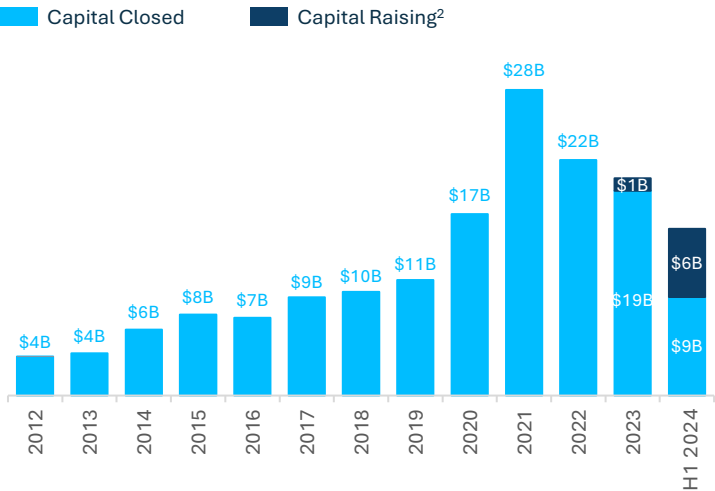
Fundraising Remains Healthy

Against the backdrop of slower deployments, the highest federal fund rate in decades and a historically difficult exit market, healthcare VC fundraising has remained healthy this year. Over **\$9B in capital closed in the first half of 2024** (compared to \$7B in H2 2023), with \$6B still raising. Many fundraises followed successful exits, promoting the recycling of capital into new funds and **pointing to limited partners' (LPs') continued confidence in the sector**. However, fundraising cycles are lengthening. The median years between funds has steadily grown since 2021 from two to three years.

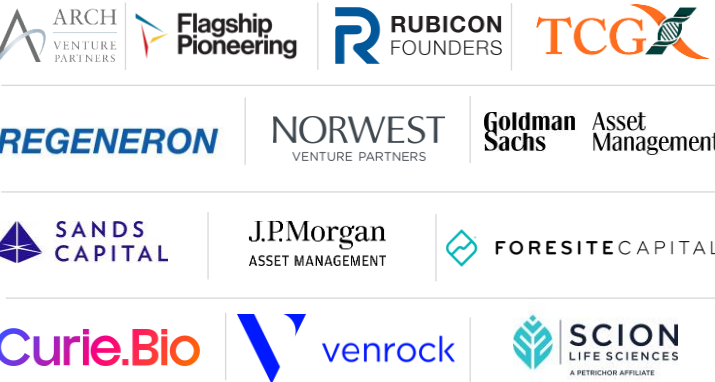
Amidst the turbulent market, LPs are increasingly turning to **established managers** with strong track records of success. Established managers represent most funds closed this year with **first-time funds represented just 6% of funds closed in the first half of 2024**, compared to 18% in 2021. Still, 89% of funds closed so far this year have hit their fund targets. Notable new players that have emerged on the scene in 2024 include Goldman Sachs Asset Management (\$650M), Curie.Bio (\$380M) and Regeneron Ventures (\$500M).

While there is no shortage of dry powder, VCs emphasize the need for larger follow-on reserves to support their winners in the current private-for-longer environment.

US Healthcare VC Fundraising¹ 2012-H1 2024

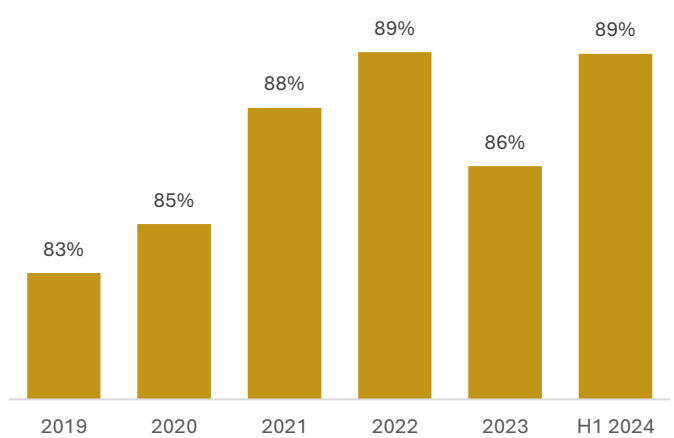


New Funds on the Block Notable 2024 Funds with Healthcare Allocations

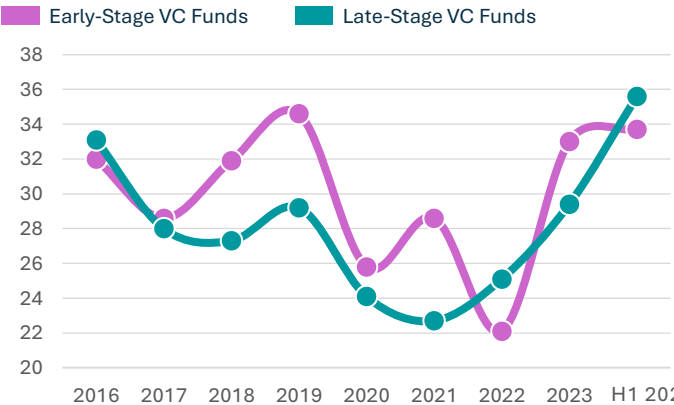


Notes: 1) US Healthcare Venture Capital Fundraising defined as an approximation of healthcare investment dollars to be invested by firms that historically invest in +50% US companies. Estimates based on anecdotal conversations with investors and expert analysis of last fund deal pace. 2) Funds with a vintage of the 2023 or 2024 that have yet to close as of 6/30/2024. 3) Funds with a listed interest in healthcare and a fund size at or above \$25M are included in this analysis. 4) Time between funds calculated as months between close dates from subsequent funds in the same fund series. Source: Preqin, PitchBook Data, Inc. and SVB proprietary data.

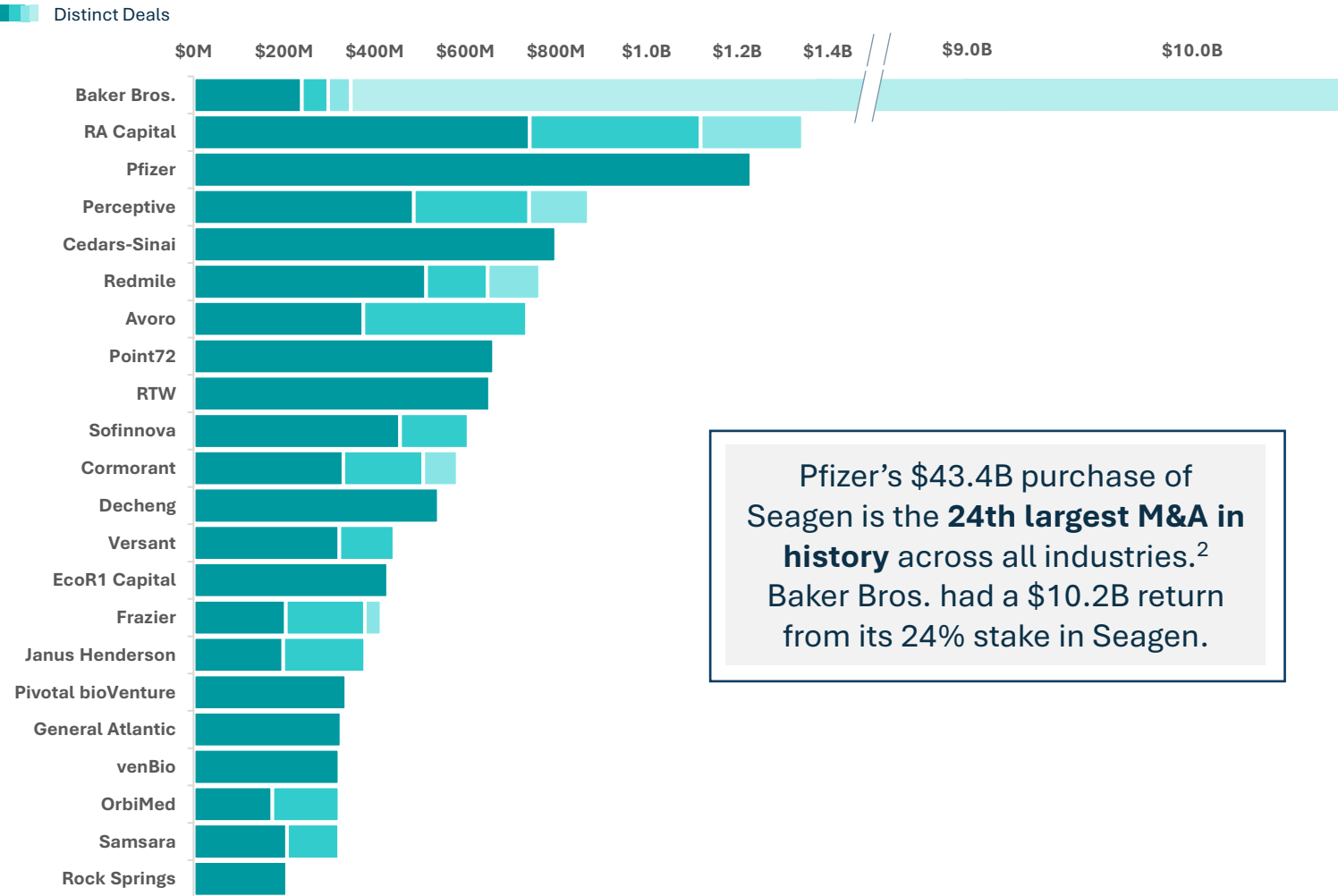
Hitting the Target US VC Funds with Healthcare Interest³ That Hit Their Target



Extended Fundraising Cycles Median Months Between US VC Funds Closed⁴



Capital Recycling Opportunity
VC Proceeds¹ from Public Biopharma M&A Over \$2B (2023-H1 2024)



Largest 2024 Public Biopharma M&A



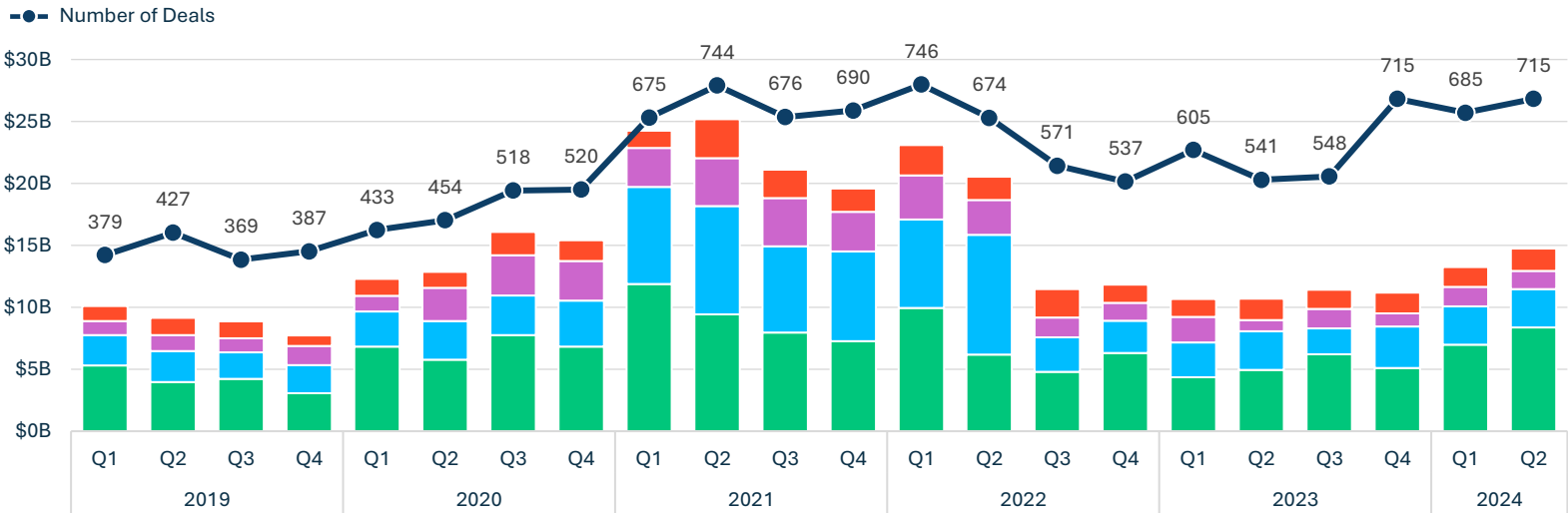
Investment Finding Its Footing

Notwithstanding the higher-for-longer interest rate environment, historically challenging exit market and subsequent drought of DPI, VC investment this year appears to be **finding its footing in line with 2019 to 2020 levels**. This year saw slow but steady increases in investment with Q2 2024 marking the highest quarter since the market downturn in 2022.

While VCs are still focused on supporting portfolio companies — which are staying **private for longer** — navigate the tough market, there is a promising influx of new deal activity. Some investors say this summer is the busiest they’ve seen since 2021 in terms of deals. Still, deals are taking longer to close and, for some deals, investors can bide their time to ensure a good team of investors joins a syndicate before making a move.

Still, **trends remain bifurcated by stage and sector**. New financings at the early stages show recovering valuations, with average Series A valuations and deal sizes up significantly from 2023. **The shift to larger Series A deals** could be attributed to **cautious investors holding a higher bar for new deals**. Late-stage valuations have come down, but with a significant number of late-stage companies yet to raise a follow-on round since 2021, “the hammer” has yet to fully drop.

VC Dollars and Deals by Healthcare Sectors
US, EU and UK





















	2021			2022			2023			H1 2024		
Sectors (\$M)	US	EU & UK	Total	US	EU & UK	Total	US	EU & UK	Total	US	EU & UK	Total
Biopharma	29,975	6,534	36,509	22,999	4,234	27,233	16,627	3,967	20,593	12,839	2,493	15,331
Healthtech ¹	27,981	2,775	30,756	18,466	3,710	22,176	10,240	1,131	11,371	5,637	581	6,217
Dx/Tools	11,277	2,805	14,082	7,682	1,768	9,450	4,083	1,495	5,578	2,469	558	3,027
Device	6,461	2,257	8,717	6,676	1,532	8,208	4,991	1,382	6,373	2,638	764	3,402
Total ²	75,723	14,371	90,093	55,848	11,261	67,108	35,963	7,979	43,942	23,618	4,396	28,014

Note: 1) Healthtech deals that overlap with Dx/Tools and device sectors are not included in healthtech totals on this slide, but they are included in healthtech-specific analyses on page 14. 2) Total rows and columns may not add up due to rounding or companies in stealth.

Source: PitchBook Data, Inc. and SVB proprietary data.

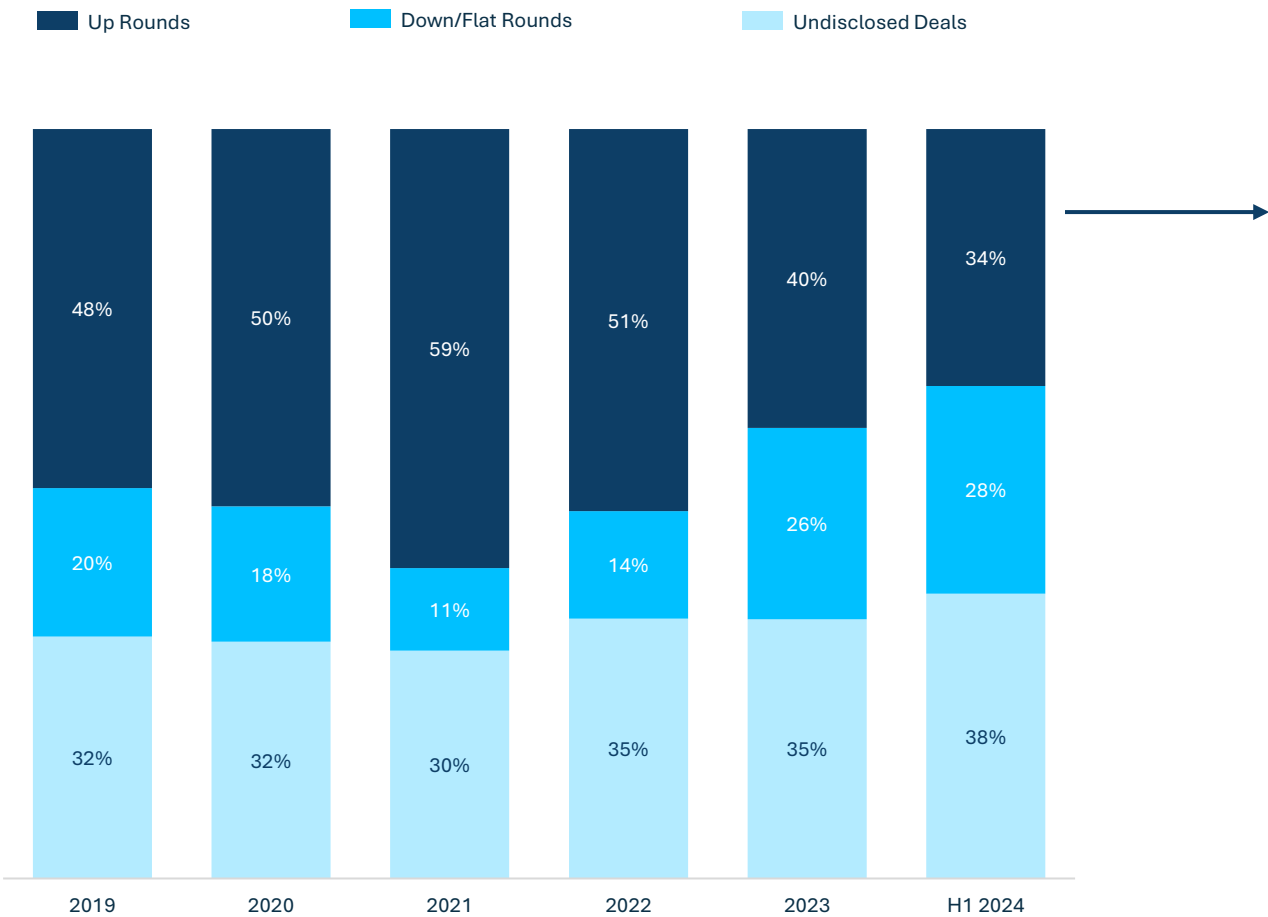
Most Active¹ Healthcare Investors

(2023-H1 2024)

Overall	Biopharma	Healthtech	Dx/Tools	Device
RACAPITAL	RACAPITAL	GENERAL  CATALYST	 mercia asset management	
Gaingels 	 ALEXANDRIA.	Gaingels 	SFC Capital 	NORWEST <small>VENTURE PARTNERS</small>
	 ARCH VENTURE PARTNERS	PLUGANDPLAY	Sofinnova partners	Good Growth Capital
GENERAL  CATALYST		andreessen. horowitz	TEDCO  LEADING INNOVATION TO MARKET	DEERFIELD [®] Advancing Healthcare™
 Alumni Ventures	novo holdings	 CVS Health™	octopus ventures	 Alumni Ventures
 ARCH VENTURE PARTNERS	 Cormorant Asset Management	 First Trust Capital Partners	khosla ventures	 SHANGBAY CAPITAL
PLUGANDPLAY	Forbion.	CALM/STORM	 Bristol Myers Squibb™	 SV HEALTH INVESTORS
 ALEXANDRIA.		 Alumni Ventures	 Alumni Ventures	 Unorthodox Ventures
novo holdings	sanofi ventures	MEMORIAL HERMANN Foundation	 ventures	European Innovation Council 

Down Rounds Creeping Up

Healthcare Valuation Changes for Series A and Beyond¹
US Deals \$15M and Above



Notable 2024 Healthcare Up Rounds
US Deals

	Step-Up ²	Stage	Deal Size	Sector
SEAPORT THERAPEUTICS	38.46x	Series A2	\$100M	Biopharma
allez health	7.13x	Series A	\$60M	Device
SmarterDx	4.51x	Series B	\$50M	Healthtech
growththerapy	4.37x	Series C	\$88M	Healthtech
ABRIDGE	3.41x	Series C	\$150M	Healthtech
Enveda	2.21x	Series B	\$174M	Biopharma
marea	1.65x	Series B	\$160M	Biopharma
Bluejay THERAPEUTICS	1.87x	Series C	\$182M	Biopharma
ENDEAVOR BioMedicines	1.47x	Series C	\$133M	Biopharma
OBSIDIAN THERAPEUTICS	1.39x	Series C	\$161M	Biopharma
Formation Bio	1.33x	Series D	\$372M	Biopharma
Alterome THERAPEUTICS	1.31x	Series B	\$132M	Biopharma

Notes: 1) The methodology for this analysis has changed from prior reports. Up rounds are defined as deals where the pre-money valuation is higher than the prior deal's post-money valuation. Only deals with a reported deal size are considered for this analysis. 2) Step-up multiple calculated by dividing the pre-money valuation on the current venture round by the post-money valuation on the preceding venture round.
Source: PitchBook Data, Inc. and SVB proprietary data.



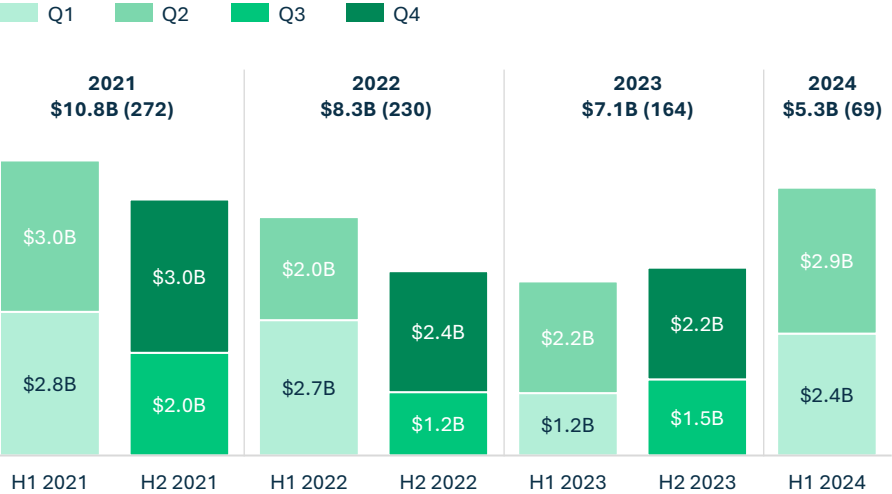
Investment by Sector

Biopharma Investment

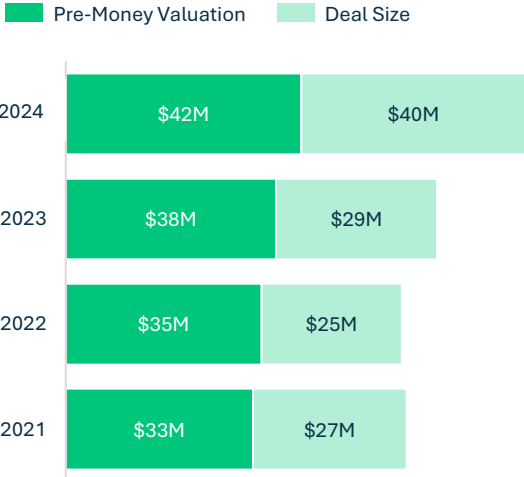
Expectations of near-term rate cuts and historic M&A activity powered the highest level of H1 2024 public financing activity in recent history. PIPEs, secondaries and even IPOs got the machinery moving, and the momentum continued downstream to private investment. **H1 2024 activity was on par with late 2021 and early 2022 activity, but many didn't feel the excitement.** That's because much of the activity was concentrated in mega-deals for the "haves" while the "have-nots" forwent financing or resorted to "strategic options." This is reflected in the larger Series A valuations and deal size (top right). Investors selected for quality and supplied long runways.

Improved public markets also unstuck late-stage financing activity. Series C+ and crossover rounds returned en force, with 34 in H1 2024, compared to 48 in full-year 2023. Levels of new investor participation in Series C+ rounds rose to the highest level seen since 2021, with a median of four new investors entering the round (compared to five in 2021, two in 2022, and three in 2023). Still, we suspect many were at "right-sized" valuations. While painful in the short term, this pragmatic approach increases chances of success.

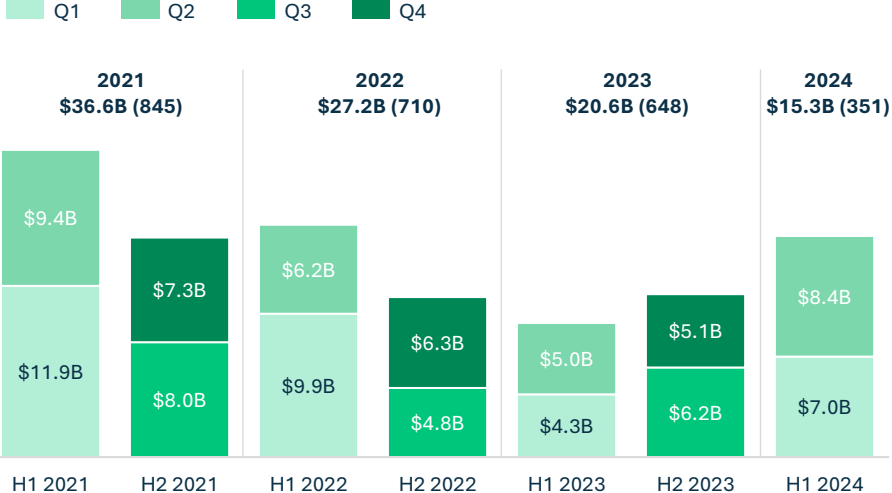
Series A¹ Dollars (and Deals)



Median Series A Valuations



Total Dollars (and Deals)



Notable 2024 Deals

Series A		Later-Stage	
	\$1.0B		\$372M
	\$425M		\$260M
	\$400M		\$259M
	\$400M		\$225M
	\$350M		\$205M
	\$223M		\$200M

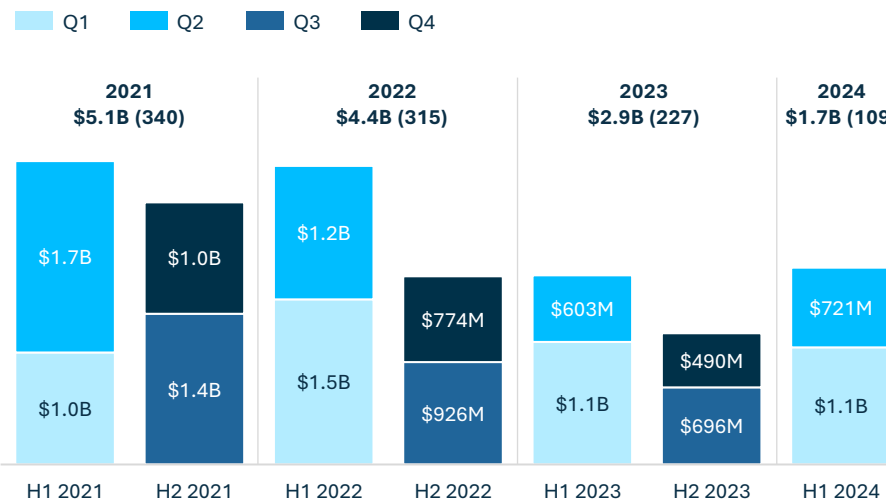
Note: 1) The Series A criteria used for this report has been updated from previous versions of this report. Investments are considered Series A if the deal is disclosed as such and either includes institutional venture investment, corporate venture investment or is equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments. 2) Company is in stealth mode and does not have an available logo. Source: PitchBook Data, Inc. and SVB proprietary data.

Healthtech Investment

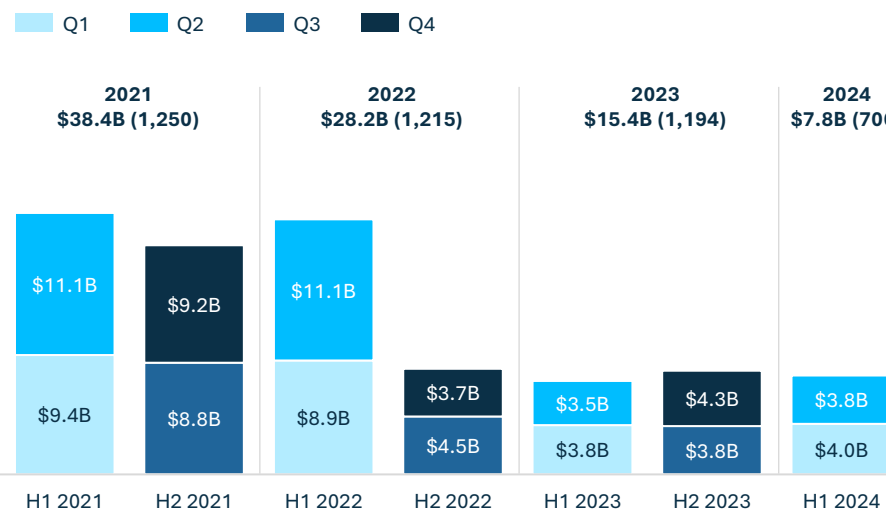
Where biopharma investment has seen a general shift to mature companies, healthtech has seen the opposite. Series A healthtech companies are finding it easier to raise in this environment with less valuation pressure than many later-stage companies are managing. The first six months of 2024 have been the second-strongest start for Series A healthtech investment since 2021. **Later-stage companies that received lofty valuations during the height of the pandemic-fueled healthtech bubble seem to have fallen into a valuation trap.** With limited exit activity putting pressure on valuations, companies have little choice but to target breakeven operations and plan for growth once the fundraising environment improves. After initially expecting a recession this year, investors recognize that prices appear to be stabilizing — establishing a nadir with investors who are now opening up their coffers for new investments.

This prolonged period of price discovery is giving investors an opportunity to extend their diligence process and build conviction alongside the “right syndicate” of investors. Ultimately, this capitalizes companies in a more sustainable fashion.

Series A¹ Dollars (and Deals)

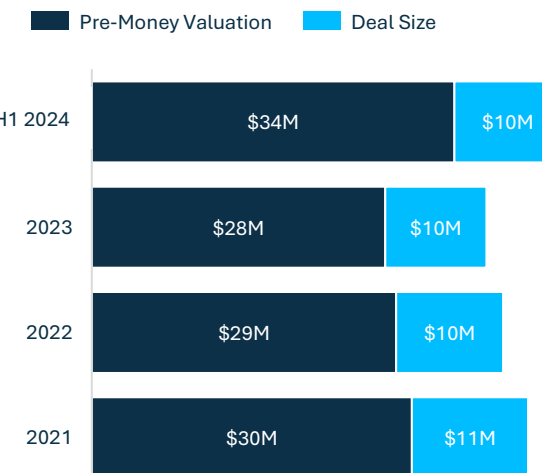


Total Dollars (and Deals)



Note: 1) The Series A criteria used for this report has been updated from previous versions of this report. Investments are considered Series A if the deal is disclosed as such and either includes institutional venture investment, corporate venture investment or is equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments.
Source: PitchBook Data, Inc. and SVB proprietary data.

Median Series A Valuations



Notable 2024 Deals

Series A	Later-Stage
ZEPHYR AI™ \$111M	innovaccer \$250M
LORE Contagious health \$80M	ABRIDGE \$150M
Pi Health \$73M	sword \$130M
tuesday health \$60M	Talkiatry \$130M
fabric \$60M	transcarent \$126M
accompanyhealth \$56M	Capital Rx \$115M

Dx/Tools Investment

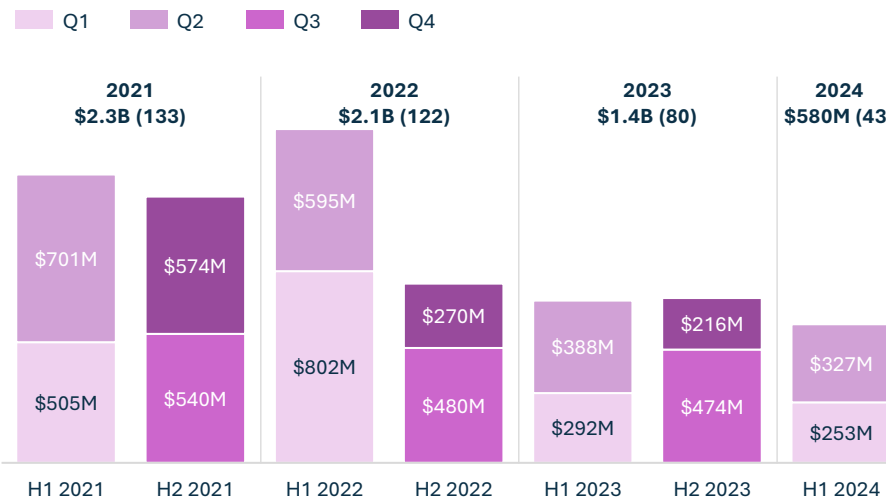
If the overall market is turning around, no one told the diagnostics sector. **For Series A deals, 2024 is on track to be the lowest level of capital invested since 2019.**

The pace of total deal activity is exceeding that of all prior years, but deal sizes are near historic lows. Founders have had to sell larger portions of their company as Series A valuations shrink. Later-stage companies are also feeling the pinch, with median pre-money valuations sitting at \$65M — the lowest level since 2017. Keep in mind these figures are not adjusted for inflation, which means the valuation woes are actually understated.

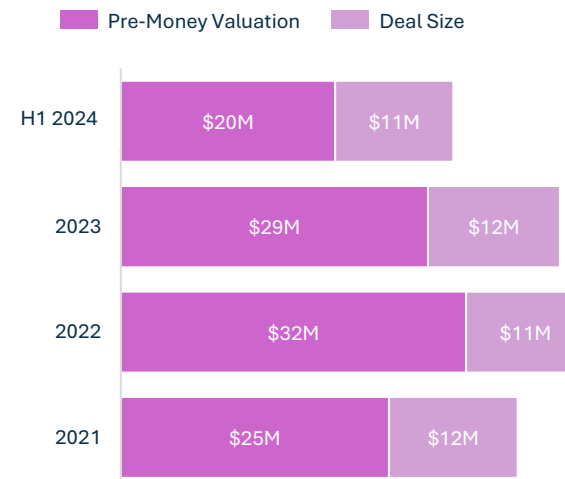
Despite the struggles, there are bright spots on the horizon. Many VCs in this space are finding AI solutions for Dx/Tools use cases worthy of investment. **Over 40% of 2024 deals in Dx/Tools went to companies leveraging AI.** Investors aim to de-risk the innovation that leads to value creation. They pursue solutions that are category defining with large total addressable markets (TAMs) as opposed to “me-too” investing.

Solid exits and public performance have been hard to come by in this sector, and their knock-on effects of reinvigorating private investment are sorely missed.

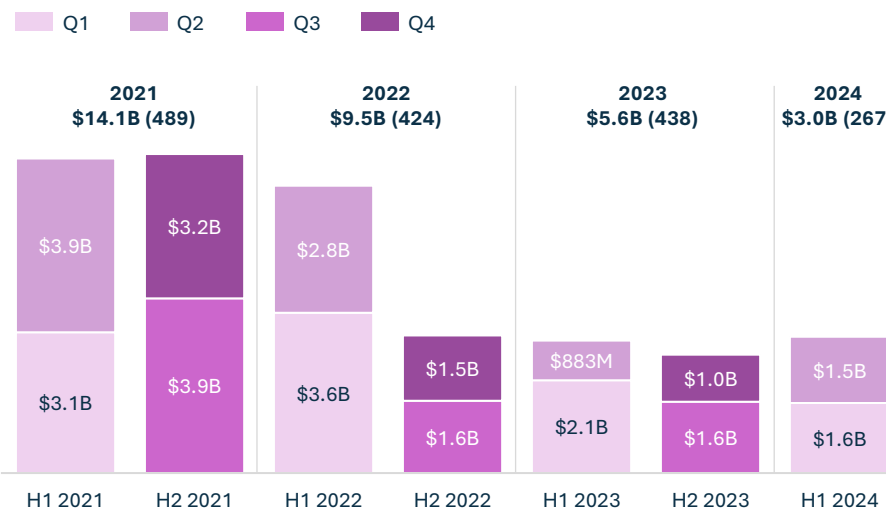
Series A¹ Dollars (and Deals)



Median Series A Valuations



Total Dollars (and Deals)



Notable 2024 Deals

Series A		Later-Stage	
Precede Biosciences	\$57M	Freenome	\$254M
PinkDX	\$40M	cellanome	\$150M
Profluent	\$35M	BILLION TO ONE	\$130M
glyphic//bio	\$33M	ALAMAR BIOSCIENCES	\$128M
vektor MEDICAL	\$29M	DELFI	\$100M
SLINGSHOT	\$26M	KARIUS	\$100M
Moleculent	\$26M	ClevelandDx	\$75M

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Source: PitchBook Data, Inc. and SVB proprietary data.

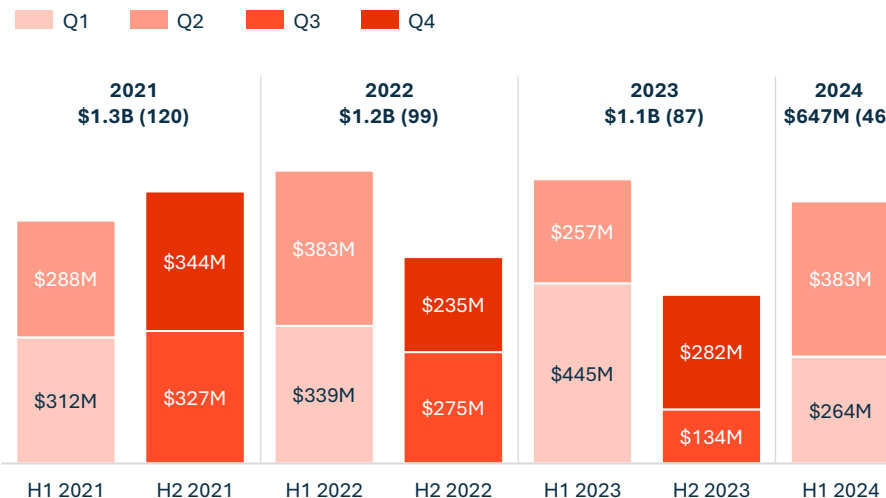
Device Investment

Device investment has modestly risen this year from its lows in H1 2023, hovering around \$1.7B per quarter for the past three quarters. This is still well-ahead of median quarterly investment from 2018-2020 (\$1.4B). Promisingly, Q2 2024 closed at \$1.8B, the highest quarter since Q3 2022 (\$2.3B).

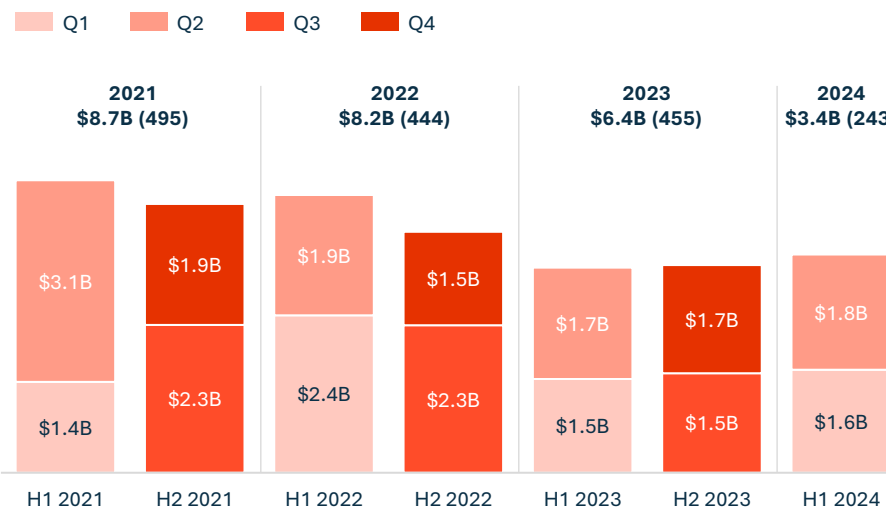
The combination of improving numbers and investor sentiment in the space makes us cautiously optimistic that investment in devices is turning the corner. A year ago, many investors were playing defense and focused on their portfolio. Now, **solid public company performance and acquisitions could spark a wave of new private investments**. Unfortunately, we are still not seeing the high levels of smaller acquisitions, which typically signals an improving market, as buyers seem to be waiting for further drops in valuation.

While Series A valuations appear to be at a high, the general sentiment is that there has been heavy pricing pressure. More mature companies, especially those with deals from the 2021 and 2022 vintage, have experienced challenges raising their next up round. For these companies, **flat to down rounds are the new normal**.

Series A¹ Dollars (and Deals)

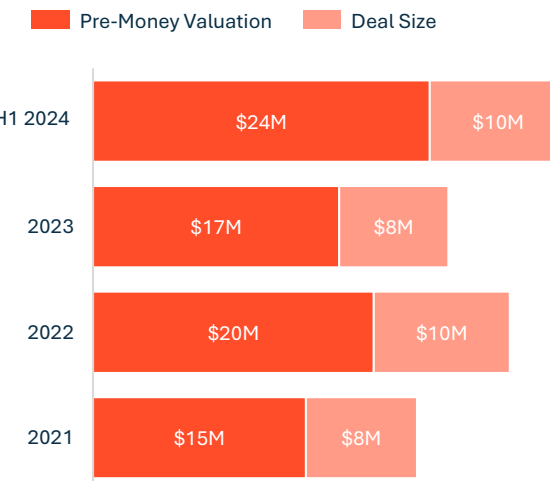


Total Dollars (and Deals)



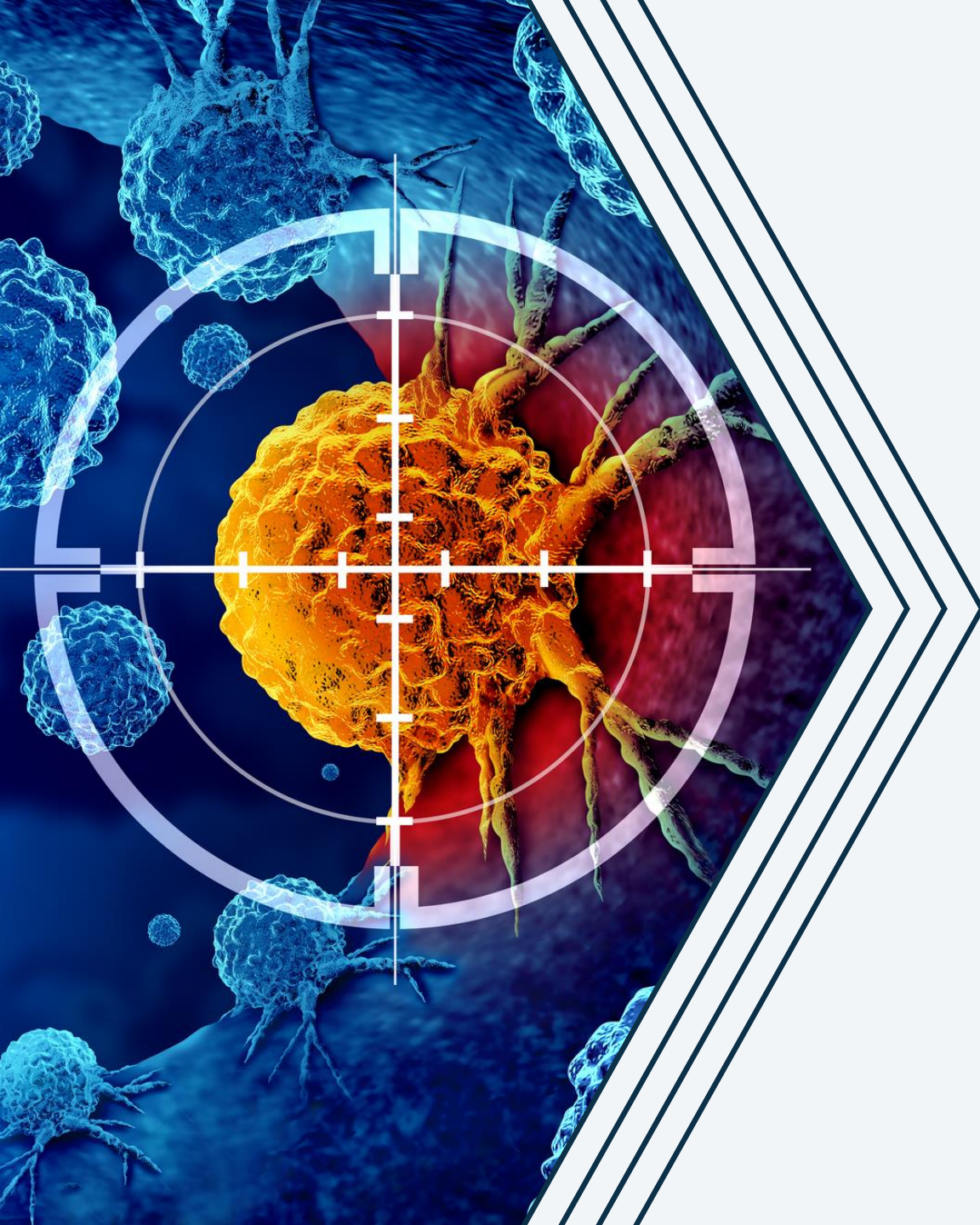
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Source: PitchBook Data, Inc. and SVB proprietary data.

Median Series A Valuations



Notable 2024 Deals

Series A	Later-Stage
\$60M	\$135M
\$50M	\$110M
\$28M	\$96M
\$19M	\$92M
\$19M	\$88M
\$11M	\$87M



Spotlight: Catalysts for Market Momentum

Building Momentum

“It’ll be better in six months” has been a years-long mantra for many, but the pendulum between “cautious” and “optimistic” seems to be swinging in the right direction with renewed resolve as we approach 2025. Here, we highlight categories that may drive market-wide momentum like healthcare companies landing mega-deals,¹ leveraging AI and performing well in the public markets.

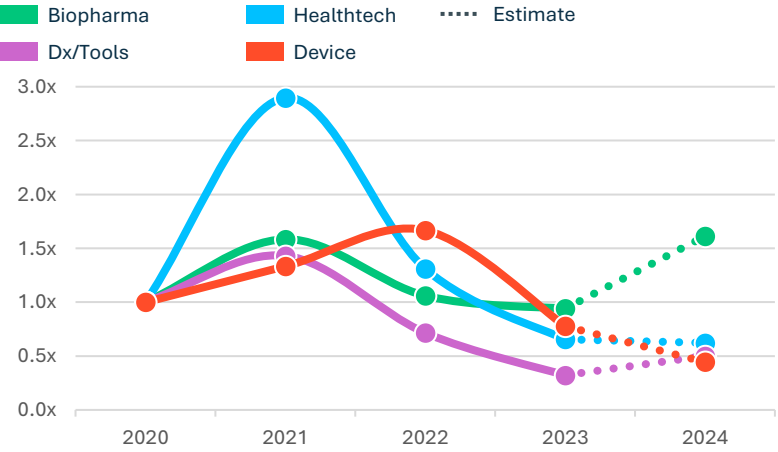
While most sectors are on track to fall short of 2020 mega-deal activity, **biopharma is on pace to set an all-time record**. In terms of total biopharma investment dollars, **65% of the capital invested is from mega-deals**.

As seen in our recent report, [The AI-Powered Healthcare Experience – Mapping the Patient Journey](#), AI is attracting increased interest. The growth in healthtech AI deals may give the sector the boost it needs to bring back a bull run.

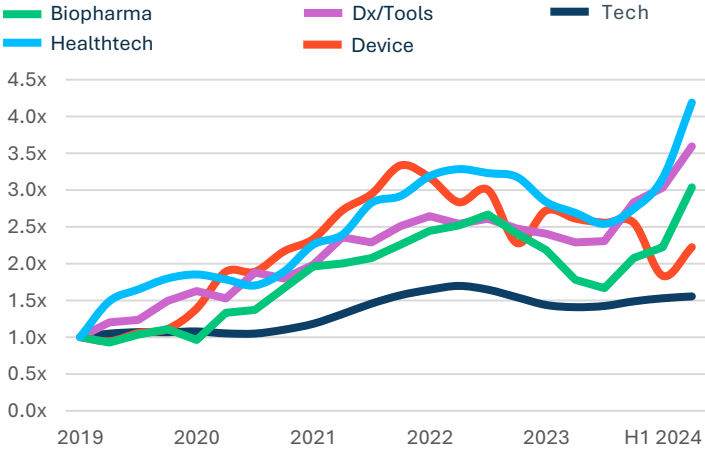
Companies that went public in 2021 and 2022 have shed billions in value. Fortunately for investors, IPO performance has slowly started to recover. So far, **2024 is on track to be the best year for newly public healthcare companies since the pandemic**.

If Tempus and other 2024 IPOs continue to run, the wider market will likely benefit. We expect more filings in late summer from late-stage companies. Biopharma companies with late-stage clinical assets are primed to lead the way.

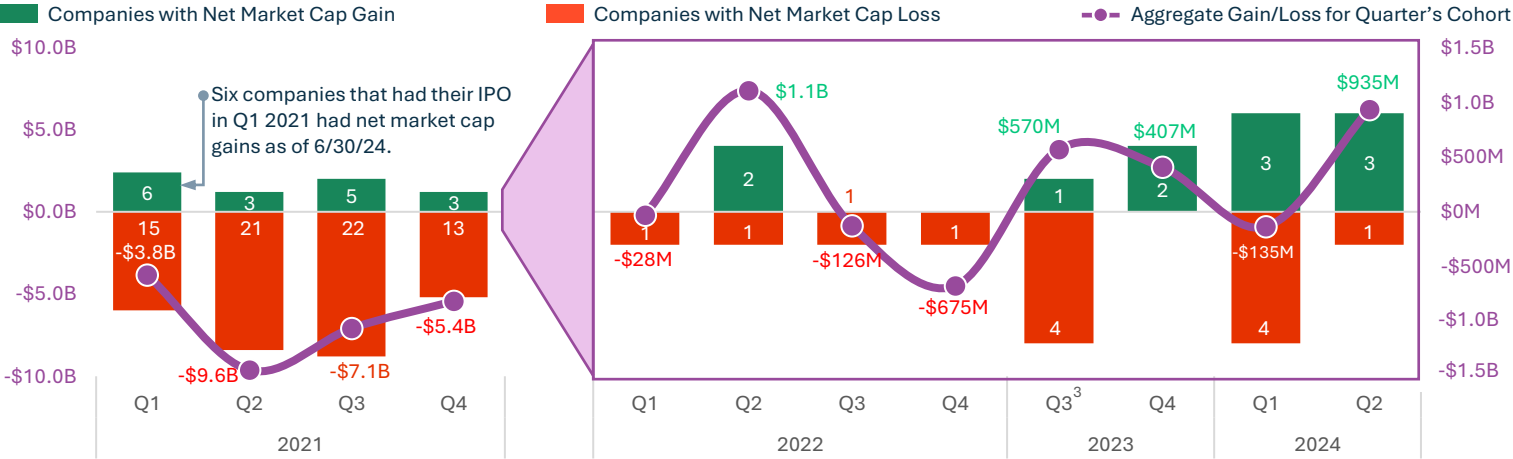
2024 Biopharma Mega-Deals¹ May Set New Highs
Index: Growth/Decline in Number of Mega-Deals vs. 2020



Healthcare AI Deal Activity Accelerating
Index: Tech vs. Healthcare AI Deal Activity Growth TTM²



Turning the Ship Around
Public Company Performance for IPO Quarterly Cohorts



Note: 1) Deals \$100M and above are considered mega-deals. 2) Growth in number of deals trailing 12 months (TTM). 3) There were no healthcare IPOs in Q1 or Q2 of 2023.
Source: PitchBook Data, Inc. and SVB proprietary data.



Healthcare Exits: M&A and IPO Trends

Biopharma Exits

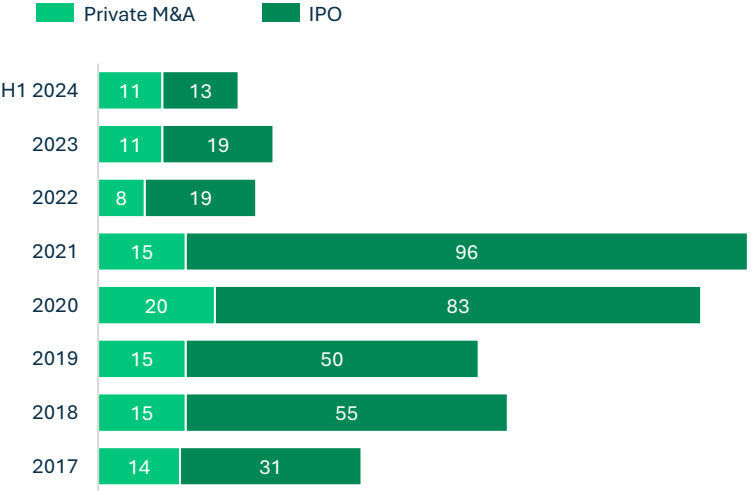
In the first quarter, it felt like the IPO window had been kicked open by incredible M&A activity and near-term rate cut expectations. The Standard & Poor’s Biotech Index (XBI) soared over \$100 for the first time in two years, and **six biopharma IPOs rushed to market in a 15-day span**. Just as we were getting flashbacks to the 2021 IPO craze, a strong jobs report dashed hopes of a rate cut, freshly minted tickers came under pressure and activity fizzled.

Getting to the public stage is just one step on a long path to reaching patients (and investor gains). Companies still need to perform. Of the 13 companies that went public in the first half of 2024, only four were in the green by mid-year with CG Oncology claiming the top spot (up 66%).

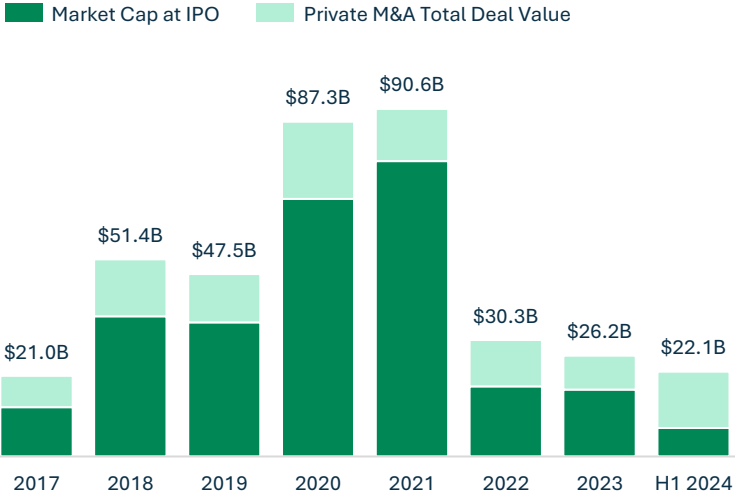
Companies in the red don’t need to despair. Their fresh capital can help them deliver clinical results and successful trials. As always, biopharma is a patience game.

At just halfway through the year, 2024 is on track for the largest number of private M&A deals ever as IPOs take a step toward pre-pandemic levels. With a backlog of companies trying to find an exit, those with upcoming clinical milestones or promising data may be best positioned to be acquired or go public.




Biopharma Private M&A Deals & IPOs



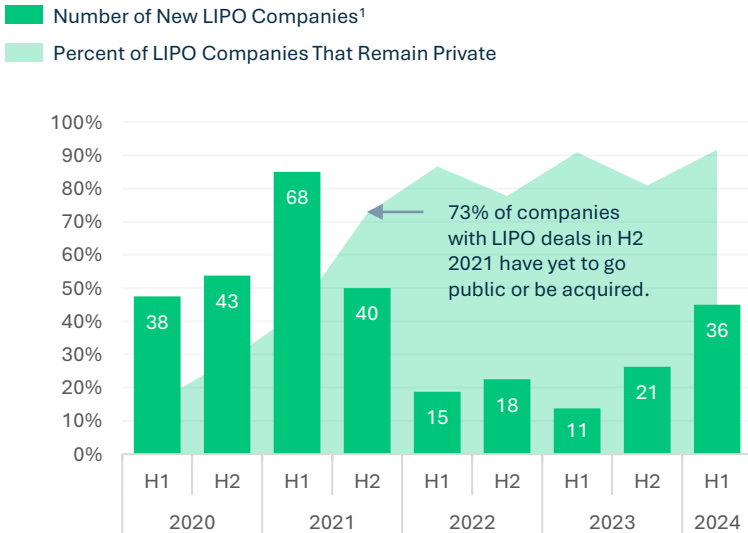
Biopharma Exit Values by Year



Largest 2024 IPOs by IPO Market Cap

	 CG ONCOLOGY	 kyverna TAKING AUTOIMMUNITY™	 alumis
SVB Indication	Oncology	Auto-Immune	Auto-Immune
Stage at IPO	Phase III	Phase II	Phase II
IPO Price (Date)	\$19 (1/25/24)	\$22 (2/8/24)	\$16 (6/28/24)
Market Cap at IPO	\$1.2B	\$898M	\$830M
Step-Up to IPO	1.3x	2.3x	1.2x
Price +/-	66%	-66%	-17%
Market Cap as of 6/30/24	\$2.1B	\$323M	\$690M

Biopharma IPO Backlog



Notes: 1) The likely to IPO (LIPO) list tracks the top 15 crossover-funded private mezzanine deals (\$40M+) as a proxy for IPO sentiment and pipeline.
Source: PitchBook Data, Inc. and SVB proprietary data.

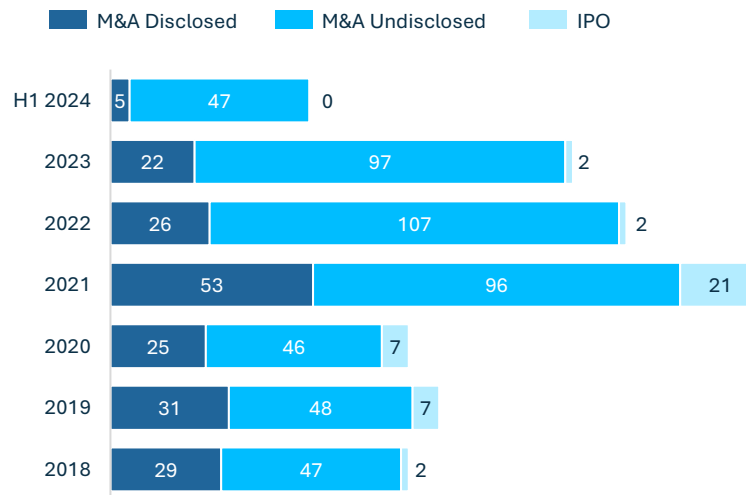
Healthtech Exits

When it comes to healthtech IPOs, the bright side is that there's only one way to go from here. In the aftermath of the pandemic healthtech boom, there is a large backlog of strong companies. Some are getting scooped up in acquisitions, especially in the provider operations space where \$393M in M&A deals have been closed in H1 2024. Many are optimistic that public markets will open in the second half of 2024 and continue into 2025. These companies are preparing themselves to be good public market performers by tuning their cash efficiency and ensuring good unit economics.

There is sentiment that a soft landing and clarity around telehealth regulations, remote prescribing rules and Medicare reimbursement from the upcoming election could drive open the IPO markets. Some are not counting on rate cuts before the election but are anticipating cuts at the end of 2024.

With strong companies like Hinge Health searching for an exit, a bump in M&A is likely. However, many of these deals could have terms more favorable to acquirers due to the overvaluation struggles healthtech companies are experiencing. In July 2024, Augmedix was acquired by Commure for \$139M, which is \$94M less than Augmedix raised to that point. Some investors believe that companies will need to be at least at breakeven to be considered viable acquisition targets.

Healthtech Private M&A Deals & IPOs



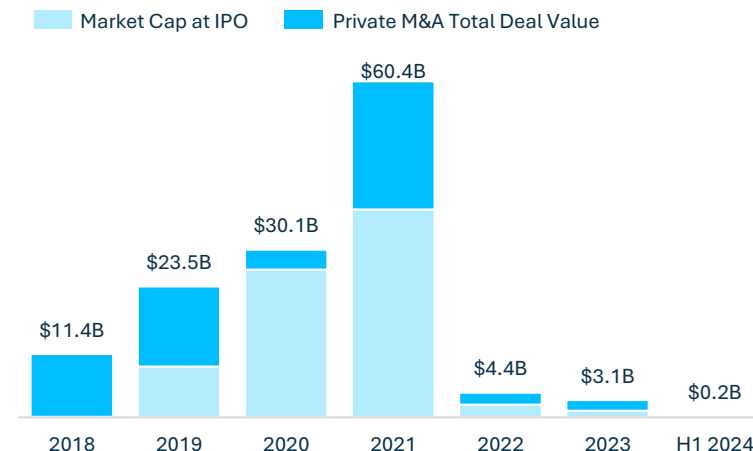
Healthtech M&A by Indication

2017-H1 2024

Indication	M&A Deals	Total Deal Value	\$B+ Exits	Median Years to Exit
Provider Operations	334	\$30.2B	5	5.5
Alternative Care	147	\$17.0B	6	4.7
Wellness & Education	92	\$3.0B	1	4.4
Clinical Trial Enablement	65	\$3.3B	1	4.7
Medication Management	38	\$3.9B	1	5.7
Healthcare Navigation	36	\$1.9B	1	4.0

Source: PitchBook Data, Inc. and SVB proprietary data.

Healthtech Exit Values by Year



Healthtech M&A Deals

H1 2024

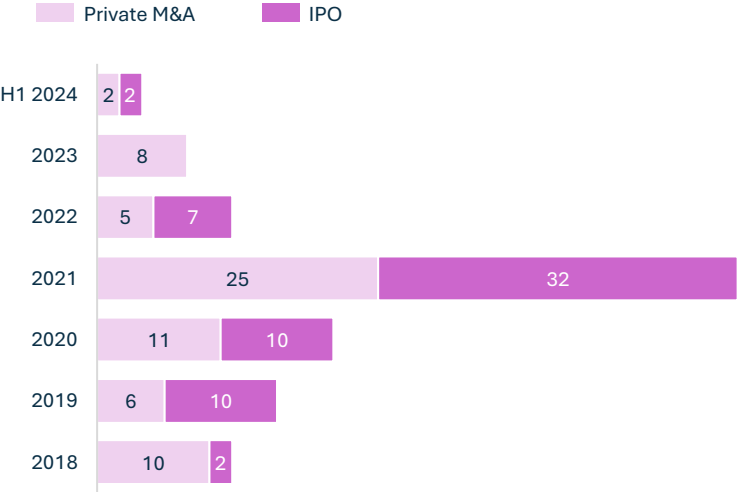
Target	Acquired by	Deal Size	Total Raised	Indication
GOOD CHEMISTRY COMPANY	SANDBOXAQ	\$75M	\$7M	Clinical Trial Enablement
twill	DARIO HEALTH	\$35M	\$155M	Alternative Care
operto	Lilly	\$24M	\$3M	Clinical Trial Enablement
LUMED	BIOMERIEUX	\$10M	\$1M	Provider Operations

Dx/Tools Exits

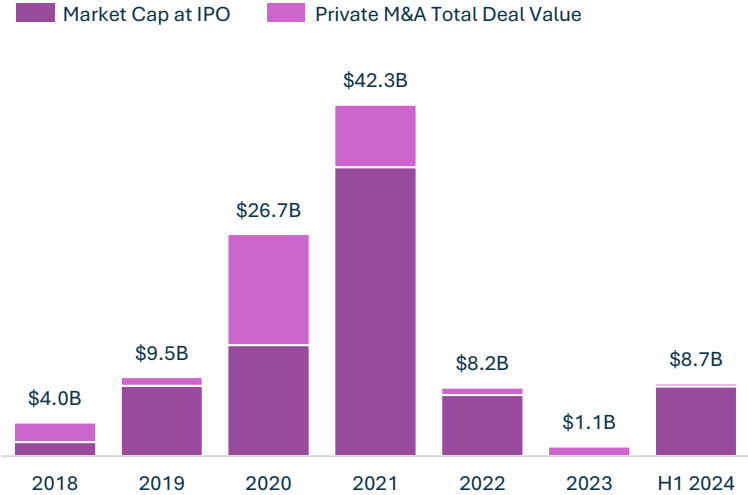
Dx/Tools public exits are showing signs of life after getting shut out in 2023. The sector faces the monumental challenge of overcoming brutal public performances. Of the 13 US-based Dx/Tools IPOs in 2021, all are trading down and three have filed for bankruptcy. “Going for pennies on the dollar” is not hyperbole as **the median company has lost an astounding 96% of its value since becoming public.**

Public market success catalyzes private market activity. As the sole US diagnostics IPO in more than a year, Tempus’s success could blaze the trail for the private-to-public pipeline. In addition to successful public performances, investors have hinted that the private markets could benefit from the public zombie companies being put out to pasture with discounted acquisitions, bankruptcies or reverse mergers.

Dx/Tools Private M&A Deals & IPOs



Dx/Tools Exit Values by Year




Dx/Tools M&A by Indication

2017-H1 2024

Indication	M&A Deals	Total Deal Value	\$B+ Exits	Median Years to Exit
Dx Tests	20	\$16.0B	2	6.2
R&D Tools	35	\$8.6B	1	5.7
Dx Analytics	12	\$1.9B	0	6.1

Dx/Tools M&A Deals

H1 2024

Target	Acquired by	Deal Size	Total Raised	Indication
 artms <small>A Telix Company</small>	 Telix	\$82M	\$22M	R&D Tools
 C2i Genomics	 veracyte.	\$95M	\$113M	Dx Analytics

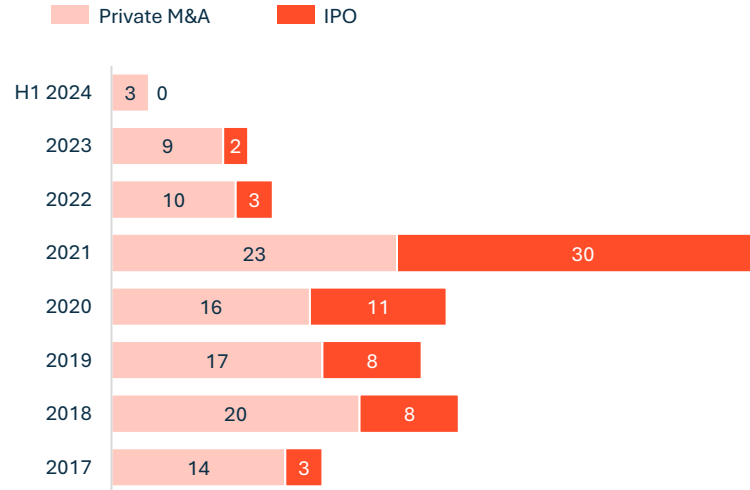
Device Exits

Device exit activity appears to be moving in the wrong direction. We are still looking for the first device IPO in 2024. The lack of activity translates into LPs having less money from successful exits to recycle back into the device industry, potentially affecting the private device markets. And these LPs are not excited about needing to double down in hopes of an eventual positive return. The sentiment from investors is that when the device exit window opens, the positive ripple effect will bolster the private market. They expect the exit window to come back at the end of 2024 or early 2025.

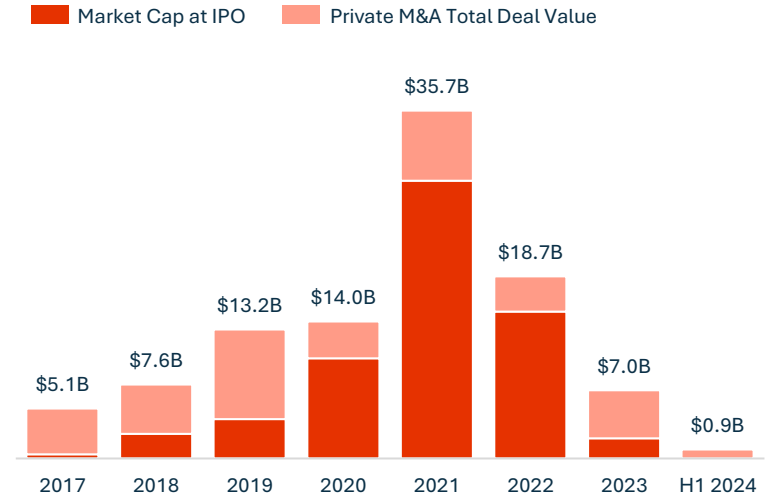
The return of exits may hinge on how current public device companies are performing. While there have been no bankruptcies among the 12 US device companies that went public at the height of the market in 2021, median stock performance is an eye-watering **49% loss since IPO**. At the end of 2023, one company acquired in the cohort, Miromatrix Medical, was acquired at an 18% discount from its market cap at IPO.

The challenges related to the exit window have not softened investors' strategies. **Investors prefer companies that have a standalone path to exit, even at the seed stage**. There isn't much excitement from VC to fund eventual tuck-in acquisitions.

Device Private M&A Deals & IPOs









Device Exit Values by Year



Device M&A by Indication 2017-H1 2024

Indication	M&A Deals	Total Deal Value	\$B+ Exits	Median Years to Exit
Surgical	12	\$8.0B	1	8.5
Cardiovascular	16	\$5.8B	0	4.4
Vascular	16	\$5.4B	1	6.3
Orthopedic	17	\$3.3B	0	8.1
Uro/Gyn	8	\$3.1B	1	8.6
Non-Invasive Monitoring	7	\$2.6B	1	7.9
Ophthalmology	4	\$1.5B	1	7.3

Device M&A Deals H1 2024

Target	Acquired by	Deal Size	Total Raised	Indication
 BELKIN VISION	 Alcon	\$466M	\$29M	Ophthalmology
 Acclarent	 INTEGRA	\$280M	\$104M	ENT
 attunemedical®	 HAEMONETICS	\$160M	\$31M	Surgical

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