



TELEMEDICINE REPORT

Q1 2025 UPDATE

TELEMEDICINE 2024 KEY TAKEAWAYS

M&A RECOVERS, FUNDRAISING SHIFTS AND VALUATION MULTIPLES FLATTEN OUT

Rebound in transactions

- 2024 saw an **uptick in M&A activity** with 53 deals a clear recovery compared to 2023 (42)
- The **growth is heavily US-driven** with +31% YoY compared to a +15% for Europe
- **Major players dominate dealflow** with standout transactions like LetsGetChecked's €480m acquisition of Truepill and GTCR's €166m acquisition of Cloudbreak Health

Funding shift

- A **tougher macroeconomic environment** is weighing on tech investing broadly, pushing capital toward profitable, efficient businesses
- At the same time, **telemedicine is no longer a "blue ocean"** — with fewer newcomers and limited growth potential, early-stage VCs are pulling back
- This double effect explains the 19% drop in fundraising volume and the rise in average deal size (€15.8m vs €10.5m in 2023), as capital concentrates into later-stage, de-risked opportunities

Valuation multiples stabilization

- EV/Revenue multiples increased from 2.7x in H1 2024 to 3.2x in Q1 2025, showing **early signs of recovery and stabilization**
- VCs shift towards risk aversion, moving away from business models with heavy losses and high cash burn is **forcing unprofitable players to either pivot or exit**—driving a sector-wide reset around sustainable business models
- The multiples normalization could **signal a reversion to realistic valuation multiples**, more in line with the sector's fundamentals

Key industry dynamics

- The **telemedicine sector is entering a new phase of maturity**. In 2024, M&A activity rebounded sharply, with 53 deals driven largely by US-based consolidation efforts, confirming the country's continued dominance in the space
- **Fundraising activity on volume declined by 19%** year-on-year, yet the average deal size increased to €15.8 million, marking a clear shift toward later-stage investments
- A **dual trend is emerging** through M&A consolidation and a reallocation of capital toward mature, profitable business. **Both trends are driven by two key dynamics:** (i) a **challenging macroeconomic** environment (characterized by high interest rates, trade tensions, and geopolitical risks) and (ii) a **maturing market** offering fewer untapped opportunities than before
- **For the first time in three years, valuation multiples showed signs of stabilization**, rising from 2.7x to 3.2x, reflecting a more disciplined market shaped by consolidation and the exit of weaker players
- As early-stage capital pulls back, only resilient, profitable companies continue to attract investment. Unprofitable players, now cut off from easy VC funding, face a stark choice: adapt or exit. **The result is a leaner, more stable market — no longer driven by hype, but by fundamentals**



Christophe Morvan
Managing Partner at Drake Star

"The telemedicine market is clearly transitioning into a new phase of maturity. Following the hypergrowth of the COVID era and a sharp post-pandemic correction, 2024 shows signs of stabilization — in deal activity, in valuations, and in strategic focus. Investors are no longer chasing growth at all costs, but rather looking for proven, resilient business models. In short: 2024 is not a return to exuberance, but the emergence of a more disciplined, value-driven market."

TELEMEDICINE 2025 KEY TRENDS

TELEMEDICINE ENTERS 2025 SHAPED BY REGULATION, AI DISRUPTION AND VALUATION STABILIZATION

AI-Driven Innovation and Strategic Acquisitions

- The AI shift is redefining what “telemedicine” platforms are — [from video-conferencing tools to intelligent care orchestration engines](#)
- Large telemedicine players are engaging in strategic acquisitions to [gain access to proprietary algorithms, specialized teams](#) (e.g., ML engineers, clinical data scientists), or AI-enhanced workflows
- With the upcoming EU AI Act and stricter FDA oversight, [AI in healthcare will face tighter regulation in 2025](#)

Rising Regulatory and legal pressures

- [In Europe, stricter regulations](#) (e.g., MDR, Digital Services Act) may increase compliance costs and hinder smaller players
- [The current US positions](#) are likely to have [indirect impacts on Europe](#), potentially leading to [stricter antitrust regulations on cross-border M&A](#) activities involving European companies
- A shift toward [technological decoupling is accelerating](#), with greater emphasis on data localization, cloud sovereignty, and protection of sensitive health data

Market recalibration

- After years of decline, [valuation multiples in telemedicine are no longer collapsing](#) — they’re recalibrating
- [Multiples are likely to remain in the 3.0x–3.5x EV/Revenue](#) range for most companies with solid fundamentals.
- [High-quality, profitable or near-profitable players could see a premium valuation \(4x–5x\)](#), especially in high-growth niches like remote monitoring, chronic care, or AI-enhanced platforms

Key industry trends

- [AI is reshaping the M&A landscape in telemedicine](#). The most attractive targets in 2025 will not just offer telehealth infrastructure — they will natively embed AI across the care experience. Strategic buyers will compete to acquire companies that can deliver clinical efficiency, automation, and scalability through technology, [as illustrated by Stryker’s acquisition of Care.ai](#), which aims to leverage AI-powered patient monitoring to improve hospital workflow efficiency and reduce operational costs
- [In the US, the growing divergence in state-level laws](#) creates legal uncertainty for providers operating across state lines. This could lead to increased regulatory frictions at the federal level, limiting national expansion and exposing US telemedicine players to rising compliance challenges.
- There is a [growing trend toward verticalization](#), with [companies moving beyond pure service platforms to offer integrated solutions](#). This includes adding services like pharmacy offerings for patients or embedding solutions on the supply side with clinics and hospitals. [Public entities are also increasingly adopting telemedicine](#), further supporting vertical integration. The goal is to create unified IT systems for both physicians and patients, enabling seamless navigation across services.
- In 2025, [telemedicine valuation multiples are expected to stabilize](#), with fundamentals driving valuations over hype. The COVID-era hyper-multiples won’t return, but a healthier, more predictable environment will reward profitable leaders, while weaker players face continued pressure



Lawrence Giesen
Partner at Drake Star

“The integration of artificial intelligence into healthcare and particularly into telemedicine is one of the most transformative trends shaping the sector in 2025. AI is no longer seen as an add-on feature; it’s becoming central to competitive advantage, operational efficiency, and clinical differentiation.”

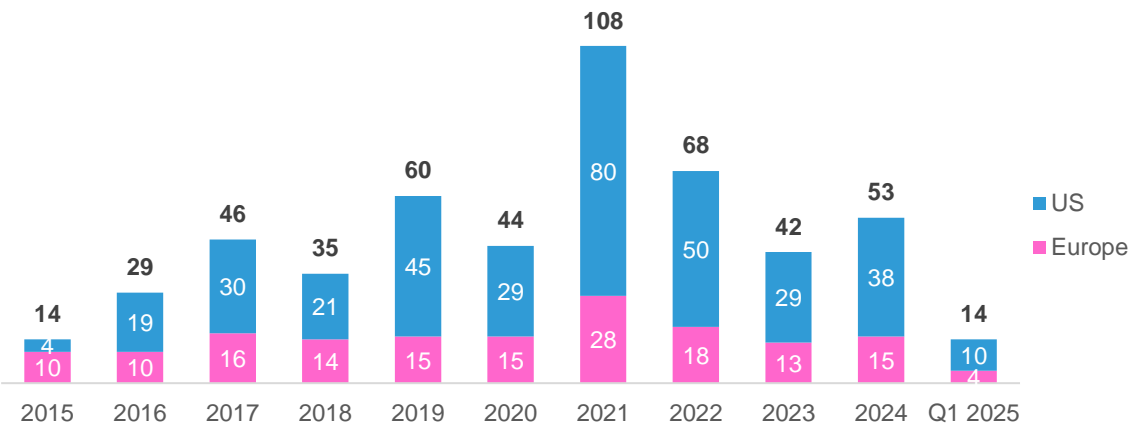
M&A TRANSACTIONS 2024 KEY TRENDS

TELEMEDICINE M&A REBOUNDS IN 2024, DRIVEN BY STRONG US MOMENTUM

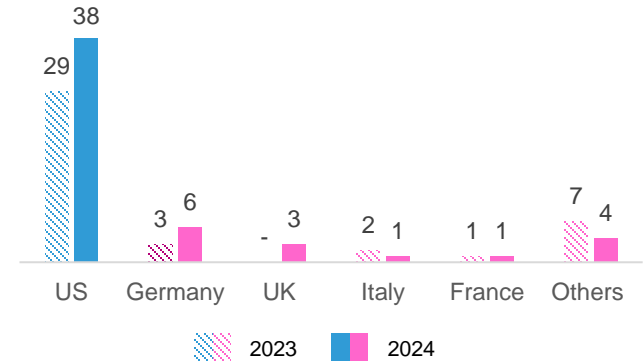
M&A activity highlights

- 2024 saw an **increase in deal activity**, driven by a strong H1 (28 transactions) and a solid H2 (25 transactions). **This growth was largely fueled by the US market**, which experienced a 31% rise in deal volume compared to 15% in Europe. The dominance of the US is even more pronounced considering it accounted for over two-thirds of all transactions across both years. **Overall, 2024 marks a clear acceleration in market activity**, with a notable year-on-year increase in deal volume
- In the first half of 2024, the standout deal was the **acquisition of Cloudbreak Health**, a leading remote video medical interpretation company by GTCR, a prominent US private equity firm for €166m. In the second half of 2024, the most significant transaction was the acquisition of **Truepill**, a digital pharmacy and telehealth company, for approximately €480m **by LetsGetChecked's** a company specialized in at-home diagnostic testing
- In Europe, **the UK and Germany** were the only countries to record multiple deals, other European countries recorded only one deal or none.
- After a period marked by post-COVID volatility, **2024 saw a rebalancing of valuation multiples and a decline in market uncertainty**, fueling a **rebound in consolidation activity**. However, Q1 2025 shows early signs of slowdown, likely driven by renewed geopolitical tensions and **rising trade tariffs, which have triggered investor caution**

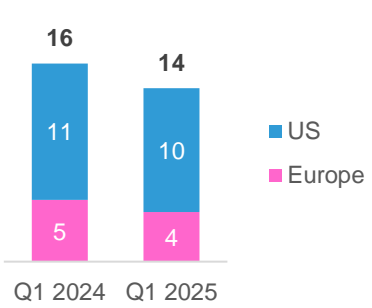
NUMBER OF M&A TRANSACTIONS IN TELEMEDICINE





























LEADING COUNTRIES BY NUMBER OF TRANSACTIONS, (2023-2024)



TRANSACTIONS PER GEO, (Q1 2024 vs. Q1 2025)



SELECTED H2 2024 – Q1 2025 RELEVANT M&A DEALS

TARGET	SUBSECTOR	COUNTRY	AMOUNT (€m)	ACQUIRER	DATE
	Digital pharmacy		1.25bn	Paulus Holding	Mar-2025
	Remote consultation		N.A	 iris telehealth	Jan-2025
	Telehealth emergency care platform		N.A		Jan-2025
	Online platform for medical cannabis products		N.A		Nov-2024
	Consultation booking platform		N.A	 H U M A	Oct-2024
	Digital healthcare platform		N.A		Sep-2024
	Digital pharmacy		N.A		Sep-2024
	Patient monitoring		N.A		Sep-2024
	Digital pharmacy / patient monitoring		480m		Aug-2024

FOCUS ON US & EU M&A DEALS IN THE TELEMEDICINE MARKET



€1.25bn

ACQUISITION BY

Paulus Holding



DEAL DESCRIPTION ⁽¹⁾

Alto Pharmacy, a U.S.-based digital pharmacy platform offering same-day medication delivery and virtual pharmacist care, agreed to be acquired by Paulus Holdings in a transaction estimated at \$1.25 billion.

March 27th, 2025 | San Francisco, United States

RATIONALE

With this acquisition, Paulus Holdings aims to capitalize on Alto's tech-enabled infrastructure and growing footprint across major U.S. cities. The deal supports continued expansion in digital pharmacy services and strengthens capabilities in patient-centered, on-demand medication delivery.

KEY PERSONNEL

Jamie Cohen – CFO (Alto Pharmacy)



2015



B2C / B2B



€703m ⁽²⁾



Digital pharmacy

KEY SHAREHOLDERS ⁽³⁾

Management, VC Investors

 SoftBank



N.A.

ACQUISITION BY

iris telehealth



DEAL DESCRIPTION

Innovatel, a U.S.-based telepsychiatry provider offering behavioral health services for complex conditions, is acquired by Iris Telehealth, a U.S. provider of virtual behavioral health solutions for health systems and community healthcare organizations.

Jan 21st, 2025 | Erie, United States

RATIONALE

With this acquisition, Treatment AI will enhance its patient sorting and onboarding, boost practitioner efficiency and support, and showcase its software for future commercial opportunities. By integrating innovaTel's expertise, Iris Telehealth strengthens its service offering and accelerates access to quality mental healthcare across underserved U.S. populations.

KEY PERSONNEL

Andrew Flanagan – CEO (Innovatel)
Christina Mainelli – CEO (Iris Telehealth)



2014



B2B



€1.1m



Remote consultation

KEY SHAREHOLDERS ⁽²⁾

Quartet



N.A.

ACQUISITION BY

AVEL eCare



DEAL DESCRIPTION

Amwell Psychiatric Care, a U.S.-based virtual psychiatric service, part of Amwell's digital care offering is acquired by Avel eCare, a U.S. provider of clinician-to-clinician telehealth services across multiple specialties, including behavioral health, and backed by Aquiline.

Jan 09th, 2025 | Boston, United States

RATIONALE

With this acquisition, Avel eCare expands its behavioral health services and strengthens its position in telepsychiatry. The deal enables Amwell to refocus its product portfolio on high-growth digital care areas and improve operational efficiency.

KEY PERSONNEL

Doug Duskin – CEO (Avel eCare)
Ido Shoenberg – CEO (Amwell)



2006



B2C



€1.5bn



Telehealth emergency care platform

KEY SHAREHOLDERS ⁽²⁾

AQUILINE
CAPITAL PARTNERS LLC

Notes: ⁽¹⁾ Drake Star did not act as a financial advisor for the transactions in this report if not stated otherwise

⁽²⁾ Total funding raised to date

⁽³⁾ Key shareholders of the acquired company at the time of the transaction

FOCUS ON US & EU M&A DEALS IN THE TELEMEDICINE MARKET



DEAL DESCRIPTION ⁽¹⁾

Greensby, a German digital platform that connects patients, pharmacies, and cannabis providers across the medical and recreational markets is acquired by SYNBIOTIC, a German hemp and cannabis group integrating greensby to build a unified platform covering the entire value chain.

November 25th, 2024 | Düren, Germany

RATIONALE

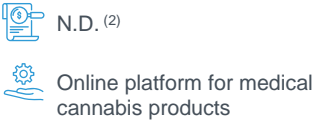
With this acquisition, Treatment AI will enhance its patient sorting and onboarding, boost practitioner efficiency and support, and showcase its software for future commercial opportunities. SYNBIOTIC strengthens its digital reach and consolidates the industry under a single access point, enhancing transparency, user experience, and market efficiency.

KEY PERSONNEL

D Adam Szajcz – CEO (Greensby)
Emilio Ropero – CCO (Synbiotic)

KEY SHAREHOLDERS ⁽³⁾

N.A.



DEAL DESCRIPTION

eConsult, a UK-based digital triage and consultation platform used across primary and urgent care, has been acquired by Huma (UK), a global digital health and AI company supporting remote patient monitoring and digital-first care. platform covering the entire value chain.

October 02nd, 2024 | London, United-Kingdom

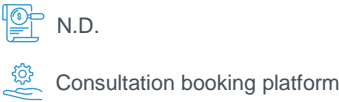
RATIONALE

With this acquisition, Huma integrates eConsult's triage capabilities into its cloud platform to accelerate the NHS's shift toward proactive, digital-first healthcare. The deal enhances care delivery efficiency and strengthens Huma's leadership in end-to-end digital health infrastructure.

KEY PERSONNEL

Murray Ellender – CEO (e-Consult)

KEY SHAREHOLDERS ⁽²⁾



DEAL DESCRIPTION

Leva Clinic, a UK-based fully digital clinic specializing in pain management is acquired by Zerenia Clinic, a UK-based integrated healthcare provider focused on holistic treatments, including medical cannabis. The merger expands access to personalised, evidence-based chronic pain therapies.

September 19th, 2024 | London, United-Kingdom

RATIONALE

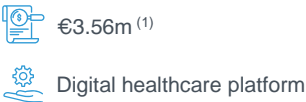
With this acquisition, Zerenia strengthens its presence in the UK and broadens its service offering through digital care. The partnership improves patient access to medical cannabis as an alternative to opioids, aligning with a long-term strategy to deliver comprehensive, sustainable pain management solutions.

KEY PERSONNEL

Eric Bystrom – CEO (Leva)

KEY SHAREHOLDERS ⁽²⁾

Management



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FOCUS ON US & EU M&A DEALS IN THE TELEMEDICINE MARKET

RxLive

N.A.

ACQUISITION BY

scriptology



DEAL DESCRIPTION ⁽¹⁾

RxLive, a U.S.-based telehealth clinical pharmacy provider offering AI-driven SaaS solutions for medication management is acquired by Scriptology, a U.S. tech-enabled platform delivering personalized, scalable medication support.

September 24th, 2024 | St Petersburg, United States

RATIONALE

With this acquisition, Scriptology enhances its tech stack, scales personalized medication management, and supports providers in value-based care. Integrating RxLive's analytics and virtual care tools will improve adherence, patient outcomes, and operational efficiency.

KEY PERSONNEL

Kristen Engelen – Founder (RxLive)



2017



B2B



€4.4m ⁽²⁾



Digital Pharmacy

KEY SHAREHOLDERS ⁽³⁾



care.ai

N.A.

ACQUISITION BY

stryker



DEAL DESCRIPTION

care.ai, a U.S.-based developer of AI-powered virtual care workflows, smart room technology, and ambient intelligence solutions, has been acquired by Stryker, a US-based global leader in medical technologies, as part of its continued expansion in healthcare IT.

September 17th, 2024 | Orlando, United States

RATIONALE

With this acquisition, Stryker strengthens its digital ecosystem and connected device portfolio by integrating care.ai's ambient monitoring and decision-support tools. The deal addresses critical hospital challenges such as staffing shortages, safety concerns, and workflow inefficiencies, accelerating Stryker's smart care facility vision.

KEY PERSONNEL

Toleti Chakravarthy – Founder and CEO (care.ai)



2019



B2B



€26.8m



Patient monitoring

KEY SHAREHOLDERS ⁽²⁾



CRESCENT COVE

Truepill

€480m

ACQUISITION BY

LetsGetChecked



DEAL DESCRIPTION

Truepill, a U.S.-based digital pharmacy platform offering virtual pharmacy experiences and medication fulfilment, is acquired by LetsGetChecked, an Irish global healthtech company providing at-home testing, virtual care, and medication delivery.

August 21st, 2024 | Hayward, United States

RATIONALE

With this acquisition, LetsGetChecked strengthens its end-to-end healthcare offering by integrating Truepill's pharmacy capabilities. This enhances longitudinal care, improves treatment continuity, and supports better health outcomes through a fully connected at-home care model.

KEY PERSONNEL

Nigel Clerkin – CFO (LetsGetChecked)

Paul Greenall – CEO (Truepill)



2016



B2C



€370m ⁽¹⁾



Digital Pharmacy, Patient monitoring

KEY SHAREHOLDERS ⁽²⁾



TOWERBROOK

J.P.Morgan

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 DRAKE STAR Source: Pitchbook, websites

www.drakestar.com

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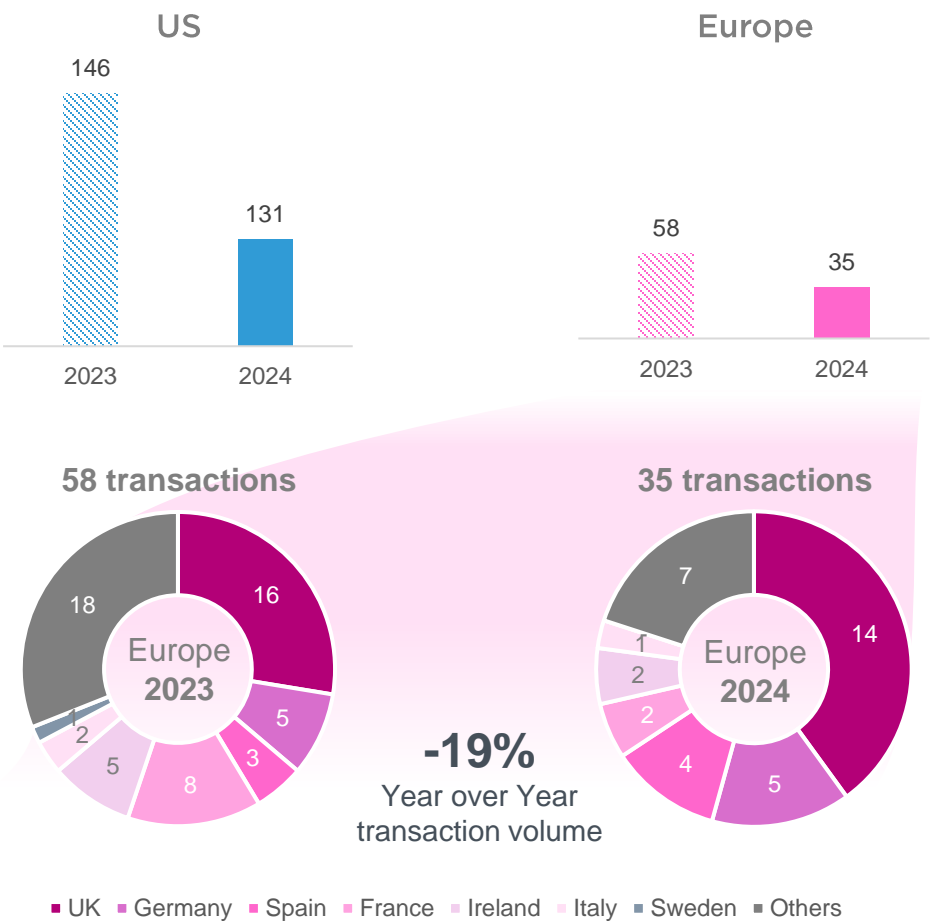
FUNDRAISING 2024 KEY TRENDS

THE US REMAINS THE POWERHOUSE OF TELEMEDICINE FUNDRAISING

2024 Fundraising activity highlights

- The United States remains the most dominant country in telemedicine fundraising, with over 2,472 deals completed between 2015 and 2024. Over the same period, the five most active European countries combined recorded 894 fundraisings. The UK holds its position as the second most active market globally, with more fundraisings than the rest of the top five EU countries combined
- However, there is a notable slowdown in fundraising activity compared to 2023. While M&A activity has increased, the number of new entrants has declined, signaling a maturing and consolidating market
- In terms of capital raised, the US and the UK remain the clear leaders, with €26.6bn and €3.7bn raised in disclosed transaction value respectively. Despite the decrease in volume, the total value of fundraisings has increased, with the average disclosed deal size reaching €15.8m in 2024, up from €10.5m in 2023
- The EU's proportionate share of number of fundraising deals decreased from 15% in 2023 to 10% in 2024

NUMBER OF FUNDRAISINGS IN TELEMEDICINE



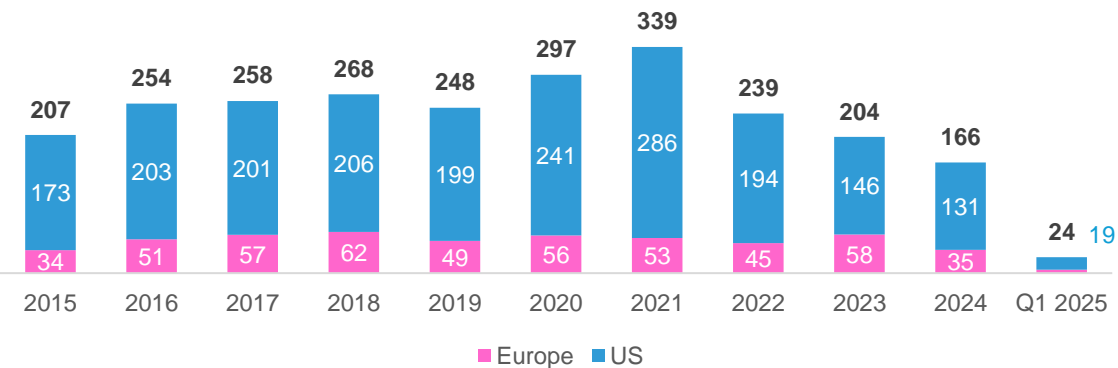
FUNDRAISING 2024 KEY TRENDS

FUNDRAISING ACTIVITY STABILIZES, WITH INCREASED GROWTH INVESTMENTS

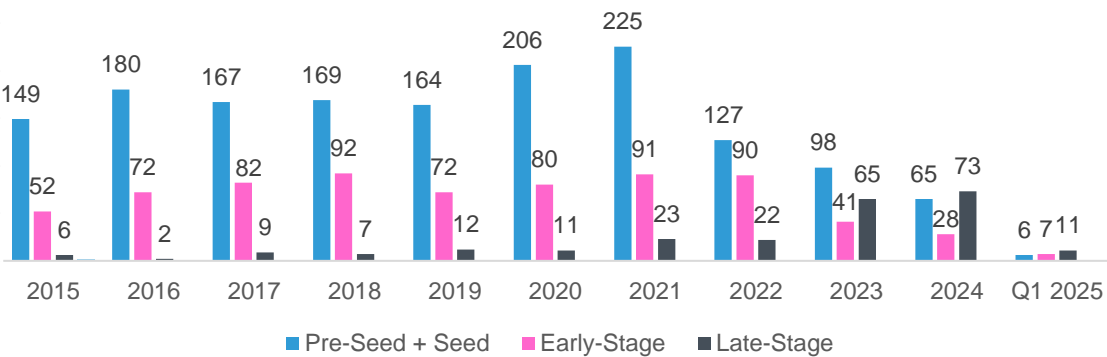
2024 Fundraising activity highlights

- In Europe and the US, investments in 2024 totaled 166, reflecting a significant 19% year-on-year decline in fundraising activity. This drop highlights a clear shift in market dynamics: from a high volume of early-stage investments between 2015 and 2022, the sector has transitioned toward later-stage deals since 2023.
- This trend underscores the growing maturity of the telemedicine market, now dominated by stronger, well-established players that have survived the post-COVID shakeout and benefited from consolidation. As the space becomes increasingly saturated, the number of new entrants has declined.
- Capital is now being dedicated to larger stages pushed by two main drivers:
 - A macroeconomic environment that favors resilience and profitability over rapid growth, leading investors to prioritize more mature, profitable, and operationally efficient companies
 - A structural transformation of the telemedicine market, which is no longer the "blue ocean" it once was. As the sector matures and becomes increasingly saturated, early-stage VC interest is fading, while late-stage investors are stepping in to support scale and consolidation
























NUMBER OF FUNDRAISINGS IN TELEMEDICINE



TELEMEDICINE'S FUNDRAISING LANDSCAPE BREAKDOWN BY INVESTMENT TYPE IN EUROPE & US



SELECTED H2 2024 – Q1 2025 RELEVANT FUNDRAISES

TARGET	SUBSECTOR	COUNTRY	AMOUNT (€m)	INVESTOR	DATE
 Jrnys	Remote consultation		8	N.D	Dec-2024
 alto PHARMACY	Digital pharmacy		40	Convertible Note	Nov-2024
 RHAPSODY	Healthcare organizations software		10	N.D	Nov-2024
 COACHCARE	Patient monitoring		58	 INTEGRITY GROWTH PARTNERS	Nov-2024
 Healthie	Patient monitoring		21	 TCV	Sep-2024
 HR HEXARAD RADIOLOGY	Technical software		13	 +mtip	Aug-2024
 MD ALLY	Telehealth emergency care platform		22	 First Cressey	Aug-2024
 Rula	Remote consultation		116	HEDOSOPHIA	Jul-2024
 HUMA	Patient monitoring		74	AstraZeneca 	Jul-2024

FOCUS ON US & EU M&A FUNDRAISES IN THE TELEMEDICINE MARKET



€8m

FUNDRAISING WITH N.D.



DEAL DESCRIPTION ⁽¹⁾

A US-based developer of a healthcare platform intended to provide symptom-specific telemedicine treatment. The company's platform offers remote patient monitoring, personal health data tracking, and contact tracing while integrating diagnostic tests and triage patients.

December 19th, 2024 | Austin, United States

RATIONALE

Part of the funds is intended to accelerate JRNY's expansion in specialized telemedicine for weight management and sexual health and to further develop their technology platform, particularly around digital prescriptions and health data analysis to enhance treatment personalization

KEY PERSONNEL

Mark Deemer – Founder and VP (JRNY)



2008



B2B



€38.5m ⁽²⁾



Remote patient monitoring

KEY SHAREHOLDERS ⁽³⁾

N.D.



€40m

FUNDRAISING WITH CONVERTIBLE NOTE



DEAL DESCRIPTION

Alto Pharmacy, a U.S.-based digital pharmacy startup backed by SoftBank, secured \$40 million in funding through a convertible note on undisclosed terms, with undisclosed investors.

November 26th, 2024 | San Francisco, United States

RATIONALE

This financing supports continued growth of its digital medication delivery services while preserving ownership flexibility ahead of future funding rounds.

KEY PERSONNEL

Jamie Cohen – CFO (Alto Pharmacy)



2015



B2C / B2B



€703m



Digital pharmacy

KEY SHAREHOLDERS ⁽²⁾

Management, VC investors

SoftBank



€10m

FUNDRAISING WITH N.D.



DEAL DESCRIPTION

Rhapsody, a U.S.-based developer of healthcare integration software for public and private healthcare systems, received €10 million in development capital from undisclosed investors.

November 12th, 2024 | Boston, United States

RATIONALE

N.D.

KEY PERSONNEL

Jeff Chiumiento – CFO (Rhapsody)



1993



B2B



€703m ⁽¹⁾



Healthcare organizations software

KEY SHAREHOLDERS ⁽²⁾



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⁽²⁾ Total funding raised to date

⁽³⁾ Key shareholders of the acquired company at the time of the transaction

FOCUS ON US & EU M&A FUNDRAISES IN THE TELEMEDICINE MARKET



€58m

FUNDRAISING WITH

INTEGRITY GROWTH PARTNERS



DEAL DESCRIPTION ⁽¹⁾

CoachCare, a U.S.-based provider of remote patient monitoring and virtual care management solutions for weight loss, raised \$59 million in equity funding in 2024—led by Integrity Growth Partners (US), Topmark Partners, and Catalyst Investors—and secured up to \$52 million in debt financing from Everberg Capital.

November 07th, 2024 | New-York, United States

RATIONALE

With this funding, CoachCare will scale its platform, accelerate product innovation, and pursue both organic growth and acquisitions. The capital supports its mission to improve patient outcomes, streamline care delivery, and expand its footprint across the remote care landscape.

KEY PERSONNEL


Robert Haydon – CEO (CoachCare)
Elias Davis – Board Member (CoachCare)




2013



B2C



€104m ⁽²⁾



Weight loss patient monitoring

KEY SHAREHOLDERS ⁽³⁾





€21m

FUNDRAISING WITH

TCV



DEAL DESCRIPTION

Healthie, a U.S.-based API-first EHR, scheduling, and patient engagement platform, has raised \$23 million in a Series B round led by TCV (US), with participation from Birchmere, Velvet Sea Ventures, Greymatter, and Watershed.

September 06th, 2024 | New-York, United States

RATIONALE

With this funding, Healthie will expand its certified infrastructure, integrate AI-driven tools, and grow its developer marketplace. The investment supports its mission to power virtual-first and collaborative care models through flexible, scalable tech solutions.

KEY PERSONNEL

Klavan Klinsky – Founder, CTO (Healthie)



2014



B2C




€37m



Patient monitoring

KEY SHAREHOLDERS ⁽²⁾






€13m

FUNDRAISING WITH

MTIP



DEAL DESCRIPTION

Hexarad, a UK-based teleradiology and radiology software provider, raised €13 million in a growth round led by MTIP (Switzerland), with continued support from existing investors. The company offers end-to-end radiology workflow solutions and serves customers across the EMEA.

August 15th, 2024 | London, United-Kingdom

RATIONALE

With this investment, Hexarad will scale its software suite and international presence to address growing demand for radiology services. The capital supports its mission to reduce diagnostic delays through technology-driven, clinically-led teleradiology solutions.

KEY PERSONNEL


Farzana Rahman – CEO (Hexarad)



2016



B2B



€18m ⁽¹⁾



Technical software

KEY SHAREHOLDERS ⁽²⁾



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FOCUS ON US & EU M&A FUNDRAISES IN THE TELEMEDICINE MARKET



DEAL DESCRIPTION ⁽¹⁾

MD Ally, a U.S.-based provider of 911 diversion and virtual care navigation solutions, raised \$14 million in a Series A round led by Frist Cressey Ventures (US), with participation from General Catalyst, Techstars, Seae Ventures, Red & Blue Ventures, and Alumni Ventures.

August 13th, 2024 | New-York, United States

RATIONALE

With this funding, MD Ally will expand its EMS-integrated technology and public safety partnerships to reduce non-emergency 911 strain. The capital supports its mission to deliver efficient, cost-saving care pathways and improve access and outcomes for millions of patients nationwide.

KEY PERSONNEL

Shane Fields – Co-Founder and CEO (MD Ally)



2018



B2B



€25.6m ⁽²⁾



Telehealth emergency care platform

KEY SHAREHOLDERS ⁽³⁾



DEAL DESCRIPTION

Rula, a U.S.-based mental healthcare platform supporting private practice therapists with marketing, billing, and admin services, raised \$125 million in a Series C round led by Hedosophia (UK), valuing the company at \$1.25 billion post-money.

July 15th, 2024 | Santa Clara, United States

RATIONALE

With this funding, Rula will expand its platform to improve access to personalized mental healthcare while helping therapists focus on care delivery. The capital supports scaling operations, enhancing provider support, and driving growth in a fragmented behavioral health market.

KEY PERSONNEL

Joshua Bruno – CEO (Rula)



2019



B2B



€180m



Patient monitoring

KEY SHAREHOLDERS ⁽²⁾

BLUE VENTURE FUND



DEAL DESCRIPTION

Huma, a UK-based digital health platform powering decentralized clinical trials and remote patient monitoring, has partnered with AstraZeneca (UK) to co-develop Software as a Medical Device (SaMD) companion apps and expand digital-first care across chronic disease areas.

July 16th, 2024 | London, United-Kingdom

RATIONALE

With this partnership, Huma will scale adoption of its technology in global clinical research and patient care. AstraZeneca aims to improve outcomes through earlier diagnosis, enhanced engagement, and real-world data, accelerating its digital health strategy via Huma's proven infrastructure.

KEY PERSONNEL

Dan Vahdat – CEO (Huma)
Karan Arora – CCDO (Astra Zeneca)



2011



B2B



€370m ⁽¹⁾



Patient monitoring

KEY SHAREHOLDERS ⁽²⁾



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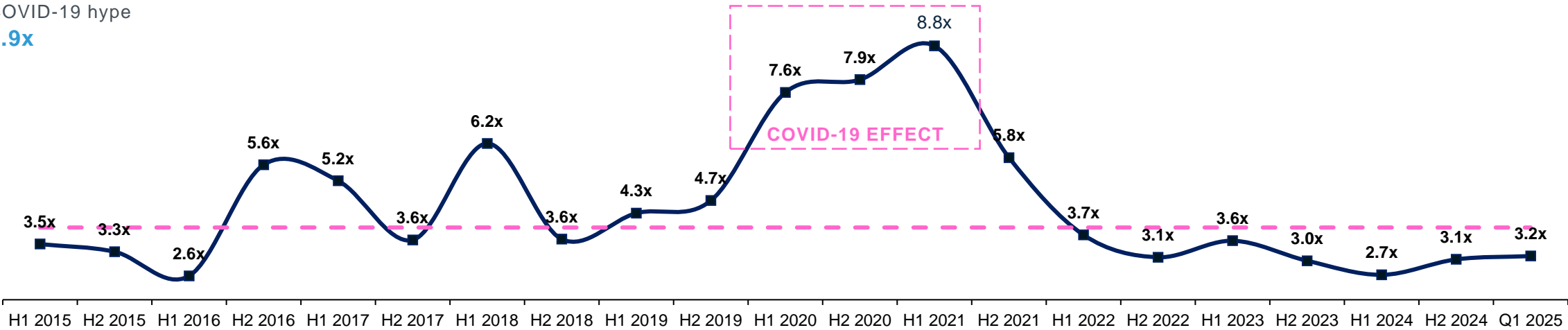
⁽³⁾ Key shareholders of the acquired company at the time of the transaction

MARKET STABILIZATION AFTER A PERIOD OF HIGH VOLATILITY IN TELEMEDICINE

- In H2 2024, valuation multiples showed signs of stabilization following a prolonged period of decline. EV/Revenue multiples from the Drake Star Telemedicine Index slightly recovered from 2.7x to 3.1x, and remained stable at 3.2x in Q1 2025. If this trend continues through the first half of 2025, it will mark the first period of sustained stabilization after years successive shocks to the sector.
- This stabilization comes after a period of extreme volatility. At the height of the COVID-19 pandemic, telemedicine became the primary mode of healthcare delivery, exceeding initial expectations. However, as restrictions eased, many patients returned to in-person appointments, leading to an oversupply of telemedicine services fueled by crisis-era investments. This triggered a wave of market consolidation and a shift in investor focus towards later-stage, more mature opportunities. Central bank tightening and rising interest rates added downward pressure on valuations, while investors increasingly demanded clearer paths to profitability
- In H2 2024 and Q1 2025, valuation multiples appear to be normalizing, following the purge and consolidation of smaller, unprofitable players. Transaction activity is picking up again in a more disciplined market environment. However, protectionist policies initiated by the United States and rising global uncertainty have created strong caution in the financial markets, reinforcing a wait-and-see approach on deals. Q2 2025 will be decisive to determine whether this upward stabilization continues—or whether a new wave of macroeconomic pressure could drive multiples back down
- Within the Index, US companies show significantly higher multiples than European companies, driven by a size premium of US firms having larger market caps and also profitability premium

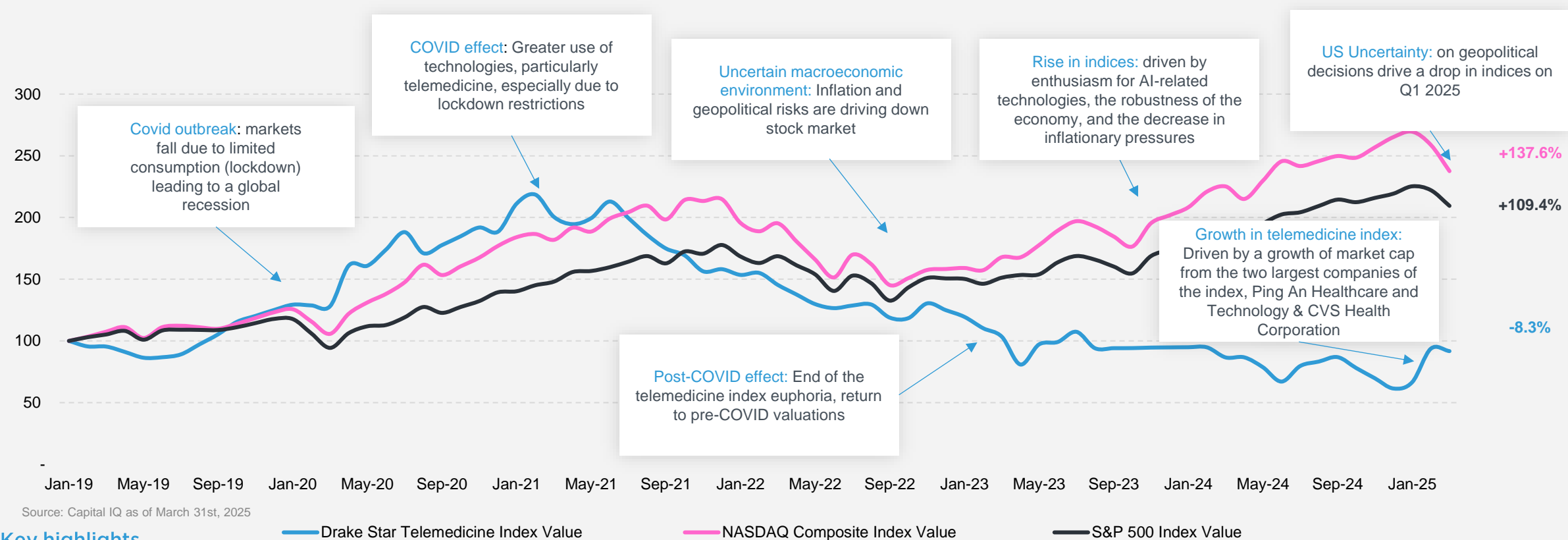
Average EV/REV
excluding
COVID-19 hype
3.9x

DRAKE STAR TELEMEDICINE INDEX (EV/REVENUE VALUATION)



Notes: Only the EV/Revenue of the telemedicine index components ranging from x.1 to 25x were considered
Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 17. This report is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security. The information herein is based on sources we believe to be reliable but is not guaranteed by us and we assume no liability for its use. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.

TELEMEDICINE COMPANIES UNDERPERFORM BUT PRESENT REBOUND OPPORTUNITIES



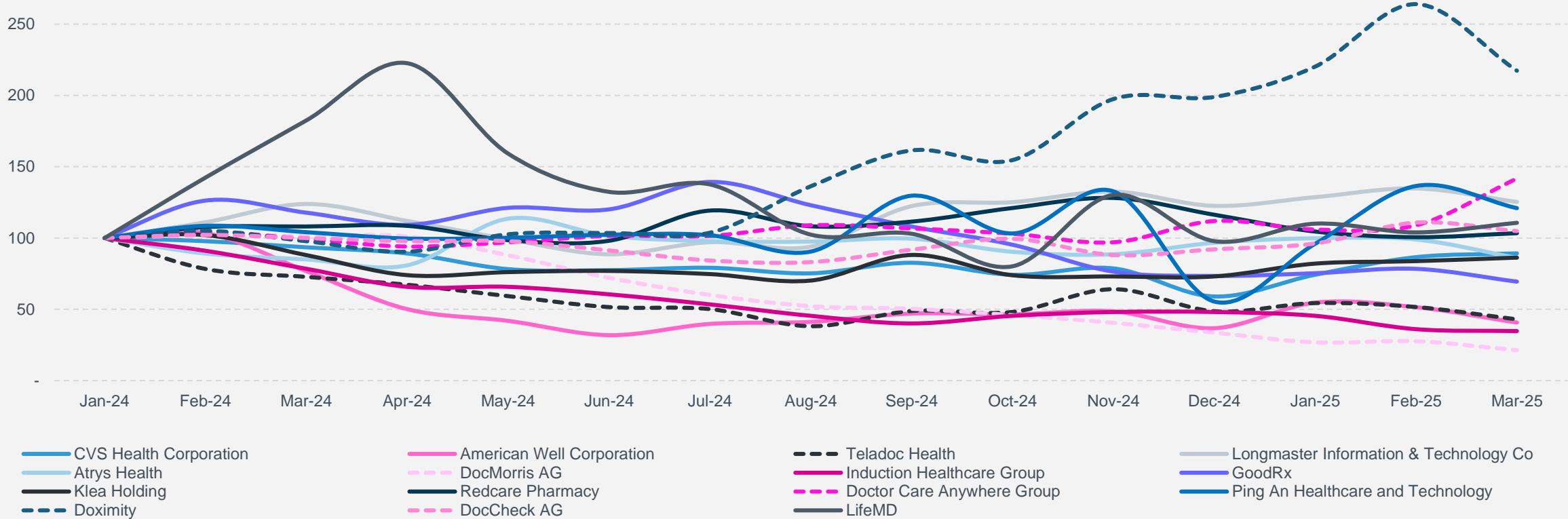
Key highlights

- While the three indices moved in sync until January 2023, the Telemedicine Index has since underperformed significantly —declining by 23.2%, compared to gains of 49.3% for the NASDAQ and 39.4% for the S&P 500. This underperformance is largely due to the sharp declines of its largest market cap constituents, CVS Health and Ping An Healthcare & Technology, which dropped by 26.3% and 34.8% respectively since 2023
- However, in Q1 2025, the Telemedicine Index showed a slight recovery, driven by a rebound in these same two companies:
 - CVS Health benefited from unexpectedly favorable Medicare Advantage reimbursement rate adjustments, stronger-than-expected Q4 earnings, and renewed investor confidence following management changes
 - Meanwhile, Ping An Healthcare returned to profitability in 2024, supported by growth in its B2B health services segment and expansion into elderly care, reinforcing positive sentiment among investors



Notes: ⁽¹⁾Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 17. This report is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security. The information herein is based on sources we believe to be reliable but is not guaranteed by us and we assume no liability for its use. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.

THE MARKET REWARDS SUSTAINABLE GROWTH AND OPERATIONAL EFFICIENCY IN TELEMEDICINE



Key highlights

- The telemedicine sector is entering a new phase marked by greater selectivity and emphasis on profitability. Investors are clearly favoring companies that demonstrate operational efficiency, revenue growth, and clear strategic positioning—such as LifeMD, Redcare Pharmacy, and Doximity, which have all posted strong gains.
- On the other hand, players like American Well, Teladoc, and Induction Healthcare continue to struggle due to concerns around scalability and sustainable margins in a normalized, post-COVID environment
- Notably, large-cap names like CVS Health and Ping An Healthcare began rebounding in Q1 2025, suggesting a possible turning point. If confirmed, this could mark the start of a more stable valuation environment after years of volatility
- Doximity has outperformed in 2024 and 2025 by leveraging its profitable model, strong growth, and strategic expansion into AI-driven services

VALUATIONS FAVOR COMPANIES WITH DEMONSTRATED PROFITABILITY

COMPANY	MARKET CAP	TEV	REVENUE			EBITDA			EBITDA MARGIN			TEV/REVENUE			TEV / EBITDA			
			FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	
CVS Health	79,030	145,734	358,017	360,078	377,629	12,186	14,743	16,164	3%	4%	4%	0.4 x	0.4 x	0.4 x	12.0 x	9.9 x	9.0 x	
Doximity	10,074	9,304	441	524	588	165	285	320	37%	54%	54%	21.1 x	17.8 x	15.8 x	56.4 x	32.6 x	29.1 x	
Redcare Pharmacy	2,445	2,540	2,371	2,974	3,602	(13)	64	126	n.m.	2%	3%	1.1 x	0.9 x	0.7 x	n.m.	39.4 x	20.1 x	
Ping An Helathcare	1,799	341	636	690	763	(15)	18	36	n.m.	3%	5%	0.5 x	0.5 x	0.4 x	n.m.	18.5 x	9.4 x	
GoodRX	1,565	1,653	765	763	812	96	258	280	13%	34%	35%	2.2 x	2.2 x	2.0 x	17.2 x	6.4 x	5.9 x	
Teladoc Health	1,279	1,544	2,482	2,332	2,375	31	271	293	1%	12%	12%	0.6 x	0.7 x	0.7 x	50.4 x	5.7 x	5.3 x	
Longmaster	644	614	n.a.	n.a.	n.a.	-	-	-	-	-	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Atrys Health	228	462	218	234	250	19	48	53	9%	20%	21%	2.1 x	2.0 x	1.8 x	23.9 x	9.7 x	8.7 x	
LifeMD	224	217	205	249	296	(14)	29	41	n.m.	11%	14%	1.1 x	0.9 x	0.7 x	n.m.	7.6 x	5.3 x	
DocMorris	213	440	1,084	1,264	1,483	(95)	(25)	13	n.m.	n.m.	1%	0.4 x	0.3 x	0.3 x	n.m.	n.m.	32.8 x	
American Well	114	(79)	246	236	255	(158)	(48)	(17)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.5 x	1.6 x	4.7 x	
Klea Holding	64	68	n.a.	n.a.	n.a.	-	-	-	-	-	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
DocCheck	49	30	n.a.	n.a.	n.a.	-	-	-	-	-	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Doctor Care Anywhere	20	24	48	44	54	(5)	1	3	n.m.	3%	6%	0.5 x	0.5 x	0.4 x	n.m.	19.7 x	7.0 x	
Induction Helathcare	7	4	16	14	18	(3)	(1)	1	n.m.	n.m.	5%	0.2 x	0.2 x	0.2 x	n.m.	n.m.	3.7 x	
												MIN	0.2 x	0.2 x	0.2 x	0.5 x	1.6 x	3.7 x
												AVERAGE	0.9 x	0.9 x	0.8 x	13.4 x	15.1 x	11.8 x
												MEDIAN	0.6 x	0.6 x	0.5 x	14.6 x	9.8 x	7.9 x
												MAX	2.2 x	2.2 x	2.0 x	23.9 x	39.4 x	32.8 x

UPDATED MAPPING OF THE US TELEMEDICINE MARKET

REMOTE CONSULTATION



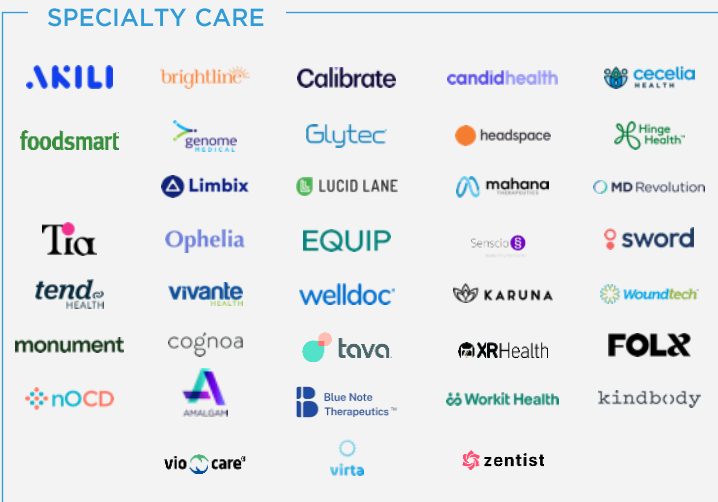
CLINICIAN SELECTION & E-BOOKING TOOLS



SYMPTOM CHECKER & REMOTE MONITORING SOLUTIONS



SPECIALTY CARE



REMOTE PHARMACY



UPDATED MAPPING OF THE EUROPEAN TELEMEDICINE MARKET

REMOTE CONSULTATION



CLINICIAN SELECTION & E-BOOKING TOOLS



SYMPTOM CHECKER & REMOTE MONITORING SOLUTIONS



SPECIALTY CARE



REMOTE PHARMACY





TELEMEDICINE REPORT

Q1 2025 UPDATE

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