



EUROPEAN & US TELEMEDICINE

UPDATE SEPTEMBER 2023

NEW YORK | LONDON | [PARIS](#) | MUNICH | SAN FRANCISCO
LOS ANGELES | BERLIN | DUBAI



TELEMEDICINE UPDATE (1/2)

WHAT HAPPENED IN H1 2023?

- In this document, we provide a [H1 2023 update](#) to the Drake Star European & US telemedicine report.
- In 2023, [the telemedicine landscape has evolved](#), two major factors have reshaped the investment in this space: rising interest rates and a liquidity crunch faced by venture capitalists. These conditions have put [pressure on valuations](#), prompting VCs to look for companies that are not just [innovative but also profitable](#). Companies that can provide scalable and effective solutions, seamlessly integrating into users' daily routines and delivering health advantages, are more likely to succeed in this competitive environment.
- We have noted a reevaluation of listed telemedicine companies of the Drake Star Telemedicine index as investors are trying to understand the post COVID-19 business potential. [Listed companies currently trade at 3.1 times the revenue](#), lower than the historical 3.9 times excluding the COVID-19 valuation blimp.
- Enterprise values [peaked](#) during the pandemic with companies trading at around 8 times the revenue. During H2 2021 and H1 2023, investors played a [waiting game](#) to see what the market is going to be like after COVID-19.
- We remain [bullish](#) on the telemedicine market, given the significant [healthcare service gap](#). The latter creates [opportunities](#) for [standout entities](#) adept at meeting patient needs.
- It is worth remembering that in [Europe](#), the [main sources of revenues](#) are, in decreasing importance order, the [government reimbursements of services](#), [private insurance companies' reimbursements](#), [doctors' subscriptions to SaaS products](#) and [patients' payments](#). Therefore, as telemedicine continues to mature, operators will position themselves to be [relevant for government and insurances' reimbursement systems](#), and somewhat less to doctors' payments as there are budget constraints.
- Demographically, the telemedicine sector's growth is driven by [governmental support](#), [increased awareness of its services](#), an [aging population](#), [medical diagnostic advancements](#), and a notable [shortage of medical professionals](#).

Low M&A market

We observe a [low M&A activity](#) in European telemedicine with 13 deals completed in H1 2023. The trend is similar in the US with 19 deals in the first semester.

There were either [geographic-oriented](#) deals or vertical integration in [technology](#).

Fundraising still down in EU & US. Preference for either emerging companies or mature ones

Fundraising activity in H1 2023 was down with only 121 deals completed in the first semester. The US were leading both in deal value and deal count, representing almost 70% of the total number of deals in the first semester.

We notice that investors focus both on [seed and late-stage VC](#) rather than [Early-stage](#) and [PE Growth/Expansion](#).

Telemedicine is facing challenges

The Drake Star Telemedicine index⁽¹⁾ declined by [-21.4% in H1 2023](#), underperforming both the Nasdaq (26.6%) and S&P 500 (16.4%).

Tech valuation contractions hinted at waning confidence in the broader tech sector. Investors favored profit-centric companies with strong fundamentals, showcasing a conservative investment trend. Consequently, less financially robust telemedicine entities lagged.

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 20. There are three changes with the initial Drake Star telemedicine index: (a) the withdrawal of Pharmsimple SA because of bankruptcy and suspension of listing; (b) the withdrawal of Babylon Holding which recently got bought by Emed.Com Technologies Limited; (c) the withdrawal of 1Life Healthcare, Inc. because of its sale to Amazon.

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Source: Pitchbook, Capital IQ, Drake Star proprietary research

www.drakestar.com

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TELEMEDICINE UPDATE (2/2)

WHAT TO EXPECT FOR Q4 2023?

- Over the **medium to long term**, we believe that **investors** will draw their attention towards **return on investment**, i.e., **profitability** of telemedicine platforms to cash out the prior investments to help companies grow.
- As of **H1 2023**, we still observe **lots of telemedicine actors** in a **busy market** since massive developments have been recently made following the COVID-19 collapse.
- **Remote trends** have tremendously impacted the telemedicine industry since **remote consultation** remains the most active submarket. However, while we are now back to a pre-pandemic situation, we continue to observe **demand and supply gaps**.
- Additionally, companies will continue to face increased interest expenses payments in Q4 2023 because of **high interest rates**. Hence, growth capital expenditures and M&A activities will pursue the same trend as in the first semester. Telemedicine actors will pay particular attention to their operational margins to overcome the economic difficulties.
- Moreover, if this **high-interest rates context** were to last, **non-profitable businesses** could not anymore **rely on private funding** from investors and could **eventually disappear**.
- We have taken note of the **demise of Babylon Health**. There is a lot of analysis regarding the **reasons** for this **collapse**, a combination of **lack of management focus**, **over-the-top valuation**, and **unsuccessful acquisitions**.
- Overall, we continue to encourage **investors and operators** to be **very focused** on **who will pay** for their services, i.e., consumers, doctors, hospitals, insurance companies, governments, etc.
- **In US and Europe**, the market will address the needs of **emerging companies** born with the COVID-19 outbreak with **pre-seed/seed investments**.
- On the other hand, **mature companies** will maintain their semi-annual growth trajectory by **raising additional capital** and **consolidating** with complementary businesses.
- Finally, we expect **valuations to stabilize** on both trading and transaction multiples.

Busy market

Telemedicine gained **popularity** since the COVID-19 collapse. Notably, **remote consultation** is the most active segment in telemedicine.

However, **supply and demand aren't aligned** yet.

Peak in interest rates

Interest rates continue to put the **global economy under pressure** and loss-making companies will **struggle to find new capital**.

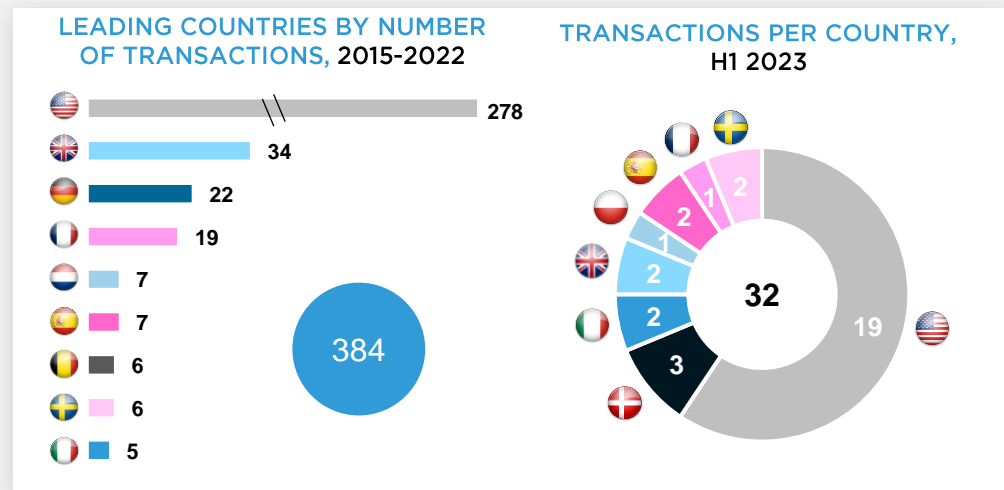
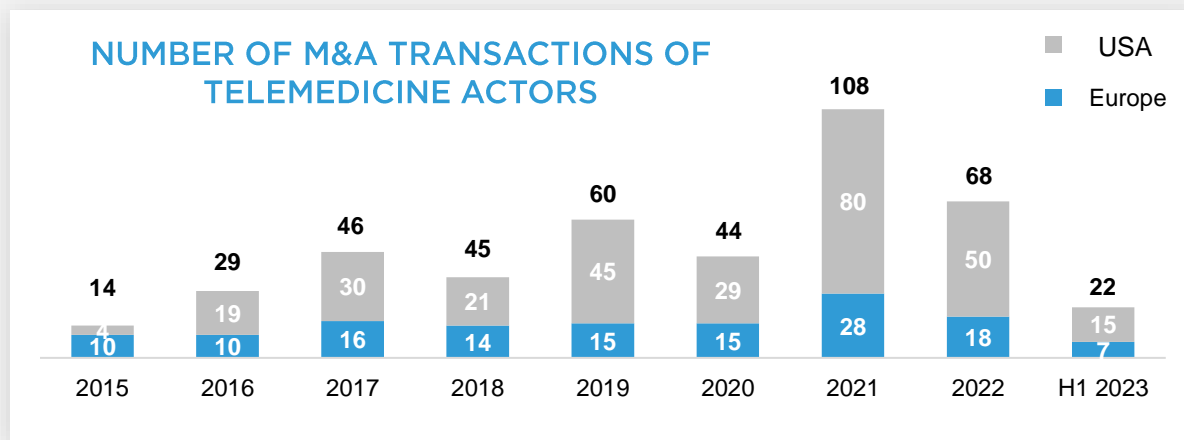
Key considerations for revenue sources

In today's evolving **healthcare landscape**, it's crucial for **investors and operators** to maintain a sharp focus on **identifying the ultimate payers for their services**.

M&A TRANSACTIONS

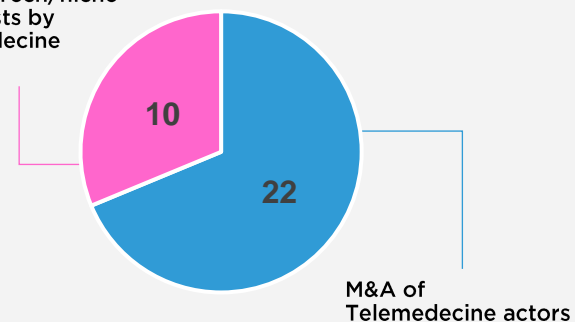
STRATEGIC M&A CONSOLIDATION

- During the first half of 2023, EU & US M&A activity in the telemedicine sector experienced a noticeable slowdown with only 32 deals reported. A significant 60% of these deals targeted American companies. On the other hand, Europe demonstrated a growing presence with a total of 13 deals, making up 40% of the global deal volume. This is an uptick from the previous year when Europe accounted for 26% of the deals.
- In H1 2023, the standout deal has been the acquisition of Heal – known for its remote consultation, clinician selection, and e-booking tools – by Humana, a health insurance provider, totaling \$100M.
- Denmark still led among European peers with 3 deals in H1 2023, followed by Italy, UK, Spain & Sweden with 2 deals, and France & Poland each realized 1 deal in this semester.



NUMBER OF M&A TRANSACTIONS, H1 2023

M&A of Tech/niche specialists by Telemedicine actors


















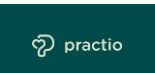




We detected two general trends:

- As mentioned on slides 4 onwards, telemedicine companies are focusing on external growth in new segments and in their own by absorbing competition.
- Then, as illustrated on slides 8 onwards, the market leaders are improving their services by integrating niche specialists to capture more revenues. For example, Doctolib acquired Siilo in January 2023, a Netherlands medical messaging application designed to improve patient care through collaboration.

Source: Pitchbook, Capital IQ, Drake Star proprietary research
Scope: USA & Europe

EU & US M&A DEALS IN THE TELEMEDICINE MARKET, H1 2023 - OVERVIEW

TARGET	SUBSECTOR	COUNTRY	AMOUNT	ACQUIRER	DATE
 Limbix	Specialty care		N.A	BigHealth	Jul-2023
ZIPNØSIS	Remote consultation / Specialty care		N.A	 Florence	May-2023
ZIP DOCTOR	Remote consultation / Specialty care		N.A	 COSMOS HEALTH GLOBAL HEALTHCARE GROUP	Apr-2023
 davinci	Remote consultation		N.A	 UnipolSai ASSICURAZIONI	Apr-2023
 Backline	Remote consultation		N.A	 DrFirst	Feb-2023
 heal	Remote consultation & Clinician selection & e-booking tools		\$100.0M	Humana	Jan-2023
 SWIFTMD <small>Talk to a Doctor. Anytime. Anywhere. A REVIVEHEALTH COMPANY</small>	Remote consultation		N.A	 REVIVE HEALTH	Jan-2023
 practio	Remote consultation & Clinician selection & e-booking tools		N.A	 carelink	Jan-2023

Source: Pitchbook, Company Websites

FOCUS ON EU & US M&A DEALS IN THE TELEMEDICINE MARKET, H1 2023 (1/3)



Limbix
N.A.
ACQUISITION BY
Big Health



DEAL DESCRIPTION

The acquisition will help the company to deliver on a critical customer need, as employers and health plans increasingly seek ways to provide effective treatments across a broader age range.

July 14th, 2023 | San Francisco, USA

BUSINESS DESCRIPTION

Developer of a digital therapeutics' platform intended for the treatment of adolescent mental health. Limbix's platform delivers mental health treatment to young people who suffer from depression, anxiety and other mental illnesses, enabling doctors to prescribe digital, evidence-based, therapeutic interventions to improve the lives of teens.

KEY PERSONNEL

Benjamin Lewis – Co-Founder & CEO
Jonathan Sockell – Co-Founder & COO

 2016
  60
  €27.6m⁽¹⁾
 B2C
  Specialty care

KEY SHAREHOLDERS*

N.A.



ZIPNØSIS
N.A.
ACQUISITION BY
Florence



DEAL DESCRIPTION

With this acquisition, Florence will diversify its offering by incorporating additional features to its proprietary clinical platform and broaden its customer base.






May 24th, 2023 | Minneapolis, USA

BUSINESS DESCRIPTION

Zipnosis's platform offers automated service, patients' greater choice and convenience, providers improved efficiency, and boosts the bottom line for health organizations, enabling clients to expand access to immediate care.

KEY PERSONNEL

Derek Rockwell – Vice President
Lisa Ide MD – Chief Medical Officer

 2008
  36
  €20.6m
 B2B
  Remote consultation / Specialty care

KEY SHAREHOLDERS*





ZIPDOCTOR
N.A.
ACQUISITION BY
COSMOS HEALTH
GLOBAL HEALTHCARE GROUP



DEAL DESCRIPTION

Cosmos Health aims to expand on target current primary care and mental health service offerings to include the ability to speak to a doctor to seek additional medical treatments.

April 3rd, 2023 | Addison, USA

BUSINESS DESCRIPTION

Operator of telemedicine platform intended to serve individuals, couples and families. ZipDoctor offers board-certified physicians and licensed mental and behavioral health counselors and therapists thereby helping its clients to get access to most of their medical results, reports, clinical notes and prescription information.

KEY PERSONNEL

Jacob Cohen, Director of AMIH

 2016
  N.A.
  N.A.
 B2C
  Remote Consultation

KEY SHAREHOLDERS*



FOCUS ON EU & US M&A DEALS IN THE TELEMEDICINE MARKET, H1 2023 (2/3)



N.A.
ACQUISITION BY
UnipolSai



DEAL DESCRIPTION

Unipolsai, the insurance company of the Unipol group, has acquired a 66% stake in DaVinci to diversify its operations and increase the revenue channel related to non-insurance business.






April 1st, 2023 | Milan, Italy

BUSINESS DESCRIPTION

Provider of telemedicine services intended to make healthcare more accessible and closer to the population at any time and in any place. DaVinci's application allows doctors and psychologists to visit patients via video call, enabling them to solve problems that do not require physical contact

KEY PERSONNEL

Stefano Casagrande – Co-Founder & Co-CEO
Andrea Orani – Co-Founder & Co-CEO
Francesco Mainetti – Co-Founder & Partner

 2019
  41
  €1.0m ⁽¹⁾
 B2C
  Remote Consultation

KEY SHAREHOLDERS*

N.A.



N.A.
ACQUISITION BY
DrFirst



DEAL DESCRIPTION

The acquisition will help DrFirst to diversify its offering by incorporating the healthcare messaging platform to its proprietary medical data management software, enabling a flexible and seamless link between doctors and patients






February 1st, 2023 | Rockville, USA

BUSINESS DESCRIPTION

Developer of an online healthcare platform designed to connect physicians with their patients. Backline's platform uses its built-in directory and calls schedules to route phone calls and text messages to deliver key patient data into patient medical records, enabling doctors to view the records on a smartphone and transmit new treatment instructions to the patient's logbook on the go

KEY PERSONNEL

Sherry Henricks – CEO & Board Member
Ben Mishkin – CTO

 2010
  13
  €6.0m
 B2B
  Remote Consultation

KEY SHAREHOLDERS*




\$100.0M
ACQUISITION BY
Humana



DEAL DESCRIPTION

Heal was acquired by Humana to expand the platform's reach into new geographic regions such as Chicago, Houston and Charlotte, North Carolina, to align with its Bold Goal population health initiative

January 1st, 2023 | Los Angeles, USA

BUSINESS DESCRIPTION

Developer of an on-demand healthcare platform designed to offer timely and convenient medical care. Heal's platform provides patients with access to quality healthcare services by connecting them with vetted and licensed pediatricians and family practice doctors through video or house calls, enabling patients to book a telemedicine call and avoid exposure to contagious viruses at the doctor's office

KEY PERSONNEL


Scott Vertrees – CEO
Justin Zaghi – Chief Medical Officer and President
Ravi Guha – CFO

 2014
  380
  €181.9m
 B2C
  Remote consultation & Clinician selection & e-booking tools



KEY SHAREHOLDERS*



FOCUS ON EU & US M&A DEALS IN THE TELEMEDICINE MARKET, H1 2023 (3/3)



N.A.
ACQUISITION BY

DEAL DESCRIPTION

SwiftMD was acquired by ReviveHealth, via its financial sponsor Eir Partners. SwiftMD's offering will complement the existing healthcare services offered by RevivedHealth and primarily improve the remote consultation area



January 24th, 2023 | Exton, USA



BUSINESS DESCRIPTION


Provider of telemedicine services intended to offer an easy way for patients and caregivers to connect with physicians for non-emergency medical care. SwiftMD's telemedicine services offer on-demand access to physicians and health records as well as prescriptions through phone and videoconferencing

KEY PERSONNEL

John Lawlor – CEO
Mark Devine – CFO


 2007
 B2C

 14
 Remote consultation



 N.A. ⁽¹⁾

KEY SHAREHOLDERS*

N.A.



N.A.
ACQUISITION BY

DEAL DESCRIPTION

Practio was acquired by Carelink, via its financial sponsor Dansk Generationskifte. The funds will be used by the company to accelerate the deployment in the UK and to enter the German market



January 5th, 2023 | Copenhagen, Denmark



BUSINESS DESCRIPTION


Operator of a healthcare platform intended to serve patients with the help of local pharmacies. Practio's platform is a provider of an online doctor consultation for travel vaccination facilitating users to communicate with doctors and book an appointment with them, enabling patients to get vaccinated at their nearest pharmacy

KEY PERSONNEL


Mads Mikkelsen – Co-Founder & Board Member
Søren Heupel – COO

 2015
 B2C







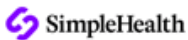
















 37
 Remote consultation & Clinician selection & e-booking tools

 €9.7m

KEY SHAREHOLDERS*



EU & US M&A DEALS BY TELEMEDICINE PLAYERS, H1 2023 - OVERVIEW

TARGET	SUBSECTOR	COUNTRY	AMOUNT	ACQUIRER	DATE
 iWantGreatCare <small>Transforming Healthcare</small>	Medical Data Collection		N.A	 TOP DOCTORS*	Jul-2023
 bluestream*	Healthcare Software Development		N.A	 eVISIT*	Apr-2023
 SimpleHealth	Reproductive Care Services		N.A	TWENTY EIGHT	Apr-2023
 mindstrong	Clinics Services		N.A	 sondermind*	Mar-2023
 siilo.	Medical Messaging		N.A	 Doctolib	Mar-2023
 VAULT	Clinics Services		N.A	 Science 37	Feb-2023
 MyDr	Clinician selection & e-booking tools		\$6.4M	 ZnanyLekarz	Jan-2023
 Alcedis <small>a HUMA company</small>	IT Consulting		N.A	 HUMA	Jan-2023

Source: Pitchbook, Company Websites

FOCUS ON EU & US M&A DEALS BY TELEMEDICINE PLAYERS, H1 2023 (1/3)

iWantGreatCare
Transforming Healthcare

N.A.

ACQUISITION BY

TOPDOCTORS*



DEAL DESCRIPTION

The acquisition helps Top Doctors to become the reference company for patient reviews of doctors, clinics, and hospitals in the UK, creating new synergies in the private sector and accelerating IWGC's penetration into the public sector

July 6th, 2023 | Chipping Norton, United Kingdom

BUSINESS DESCRIPTION

Operator of a patient data and insights platform serving the healthcare industry. iWantGreatCare collects data on the performance of individual services, departments and wards and does quantitative and qualitative data intended to give real-time feedback

KEY PERSONNEL

Jon Twinn – CEO
Dan Agnew – CTO

KEY SHAREHOLDERS*

N.A.

2008

14

N.A. ⁽¹⁾

Deal Completed

Symptom checker & remote monitoring solutions

bluestream*

N.A.

ACQUISITION BY

eVISIT*



DEAL DESCRIPTION

The acquisition enables eVisit to increase its highly innovative capabilities with complementary digital front doors and integrated language services for patients to seamlessly access care

April 27th, 2023 | New York, USA

BUSINESS DESCRIPTION

Online telemedicine software intended for fast, easy and efficient access to healthcare specialists. BlueStream offers a virtual care platform that gives nurse triage and behavioral health diagnosis among others and uses in-memory analytics to connect to the right specialist every time

KEY PERSONNEL

Brian Yarnell – Co-Founder & President
Daniel Scalisi – Chief Growth Officer

KEY SHAREHOLDERS*

N.A.

2015

18

N.A.

Deal Completed

Remote consultation

SimpleHealth

N.A.

ACQUISITION BY

TWENTY EIGHT



DEAL DESCRIPTION

Twentyeight Health will be providing the services previously performed by SimpleHealth and will be addressing SimpleHealth's users' ongoing needs for reproductive and sexual health services

April 12th, 2023 | New York, USA

BUSINESS DESCRIPTION

Operator of reproductive care company intended to provide online birth control prescriptions. SimpleHealth's platform takes users' medical history and personal preferences to prescribe a birth control brand that will be safe and effective, providing women with birth control to their door while also taking care of refills

KEY PERSONNEL

Carrie Siu Butt – CEO
Georgia Little – COO

KEY SHAREHOLDERS*

SCHECHTER
INVESTMENTS / PRIVATE CAPITAL / INSURANCE

2015

66

€44.8m

B2C

Remote consultation/Remote pharmacy

FOCUS ON EU & US M&A DEALS BY TELEMEDICINE PLAYERS, H1 2023 (2/3)



N.A.
ACQUISITION BY




DEAL DESCRIPTION

The acquisition will add capabilities to SonderMind, incorporating the tools developed by Mindstrong to enhance the offering of its health care platform and developing complementarities to its current telemedicine capabilities




March 22nd, 2023 | Menlo Park, USA



BUSINESS DESCRIPTION

Operator of a digital therapeutic platform intended to address personal, societal, and economic problems. Mindstrong's platform has developed a biomarker panel that measures brain function from interaction patterns captured passively and continuously from human-computer interfaces

KEY PERSONNEL

Michelle Wagner – CEO
Rusty Taylor – CFO

 1992  135  €145.5m ⁽¹⁾

 Deal Completed  Remote consultation

KEY SHAREHOLDERS*



siilo.
N.A.
ACQUISITION BY




DEAL DESCRIPTION

With this acquisition, Doctolib intends to strengthen its own newly-developed messaging system between healthcare professionals, expand its customer base by acquiring foreign competitors

March 2nd, 2023 | Amsterdam, Netherlands

BUSINESS DESCRIPTION

Developer of a medical messaging application designed to improve patient care through collaboration. Siilo's platform keeps personal and professional data separate on the device, and stores patient information and discussions in a secure encrypted vault, enabling healthcare professionals to manage workflow

KEY PERSONNEL

Joost Bruggeman – Co-Founder & CEO
Arvind Rao – Co-Founder & CFO

 2016  53  €16.0m

 Deal Completed  Clinician selection & e-booking tools

KEY SHAREHOLDERS*



VAULT HEALTH
N.A.
ACQUISITION BY




DEAL DESCRIPTION

The transaction will allow Science 37 to further enhance clinical trial workflow orchestration and data interoperability capabilities of its platform

February 2nd, 2023 | Coral Gables, USA

BUSINESS DESCRIPTION

A life science platform which offers covid-19 testing and health screening services. Vault Health provides comprehensive and adaptable workforce screening services that evolve continuously to meet the needs of their diverse client base

KEY PERSONNEL

Jason Feldman – Co-Founder & CEO





 2019  246  €28.1m

 B2C  Clinician selection & e-booking tools

KEY SHAREHOLDERS*

N.A.

FOCUS ON EU & US M&A DEALS BY TELEMEDICINE PLAYERS, H1 2023 (3/3)

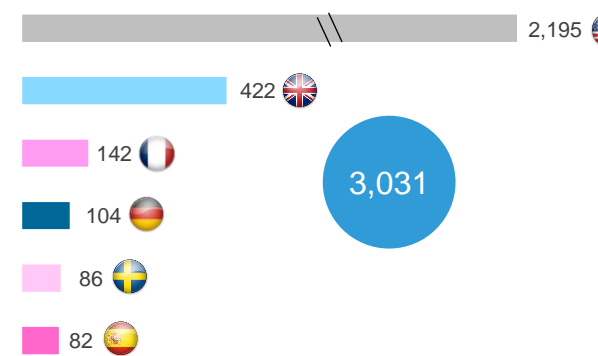
 <p>N.A. ACQUISITION BY</p> 	<p>DEAL DESCRIPTION</p> <p>The acquisition of MyDr will allow ZnanyLekarz to implement the best technological solutions for the entire industry in Poland</p> <p>January 9th, 2023 Warsaw, Poland</p>	<p>BUSINESS DESCRIPTION</p> <p>Operator of a platform for arranging medical appointments software located in Poland. MyDr offers comprehensive data on all medicinal products available on the Polish market catering to doctors, pharmacists and patients</p>	<p>KEY PERSONNEL</p> <p>Piotr Miluski – Managing Director</p> <p>2017</p> <p>Deal Completed</p> <p>N.A.</p> <p>Clinician selection & e-booking tools</p> <p>N.A. (1)</p>	<p>KEY SHAREHOLDERS*</p> <p>N.A.</p>
 <p>N.A. ACQUISITION BY</p> 	<p>DEAL DESCRIPTION</p> <p>Huma will form an advanced clinical trials division offering digital solutions across the entire development pipeline, from early stage through to Phase IV hybrid and fully decentralized trials</p> <p>January 9th, 2022 Giessen, Germany</p>	<p>BUSINESS DESCRIPTION</p> <p>Developer and provider of IT software solutions and services designed for data-driven clinical research and technology utilization. Alcedis's services include clinical operation, regulatory, medical writing, data management, pharmacovigilance, biometrics and monitoring</p>	<p>KEY PERSONNEL</p> <p>Michael Lorschach – Co-Founder & Managing Director Elke Heidrich-Lorschach – Co-Founder & Board Member</p> <p>1992</p> <p>Deal Completed</p> <p>91</p> <p>Symptom checker & remote monitoring solutions</p> <p>N.A.</p>	<p>KEY SHAREHOLDERS*</p> <p>N.A.</p>

H1 2023

THE UNITED STATES REMAINS THE FUNDRAISING LEADER AHEAD OF EUROPE FUNDRAISING (1/2)

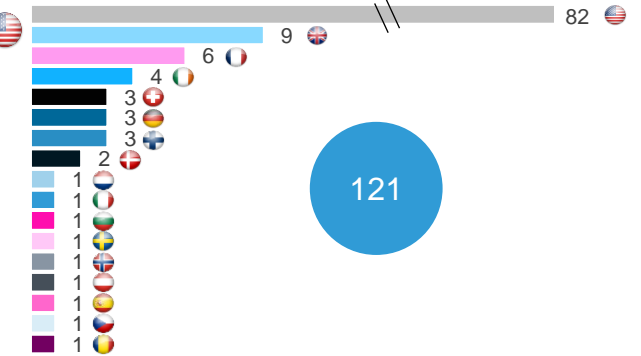
- Geographically, the **United States** was the top ranked country in terms of number of fundraisings with **2,195 transactions** over 2015 - 2022. To compare, the top 5 EU countries only saw 836 completed over the same period. The **United Kingdom** completed nearly **three times** as many fundraisings as **France** over the same period.
- In terms of total amount raised, the **United States** dominated with **over €23bn raised since 2015**. In **Europe**, **UK and France** were the respective leader and challenger, combining over **€4.5bn** raised over 2015 - 2022. **Sweden** was ranked 3rd and leads the way among Nordic countries.
- During **H1 2023**, there were **121 global fundraising events**. As of **H1 2023**, the **United States** also held the **top position** in terms of total funds raised with over **€600m**. In **Europe**, **Germany** ranked 1st per total amount raised, strengthened by the Sanecum fundraising which amounted €250m.

TELEMEDICINE'S LEADING COUNTRIES BY NUMBER OF FUNDRAISINGS, 2015-2022



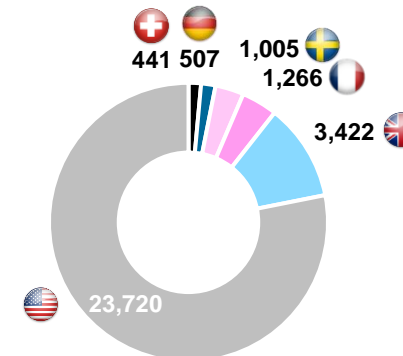
3,031

NUMBER FUNDRAISINGS PER COUNTRY, H1 2023

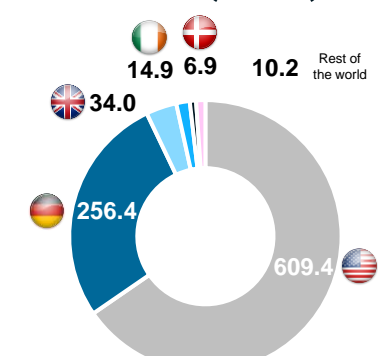


121

TELEMEDICINE'S LEADING COUNTRIES BY TOTAL AMOUNT RAISED AND DISCLOSED, 2015-2022 (IN €M)



TOTAL AMOUNT RAISED AND DISCLOSED PER COUNTRY, H1 2023 (IN €M)



Source: Pitchbook, Capital IQ, Drake Star proprietary research
Scope: USA & Europe

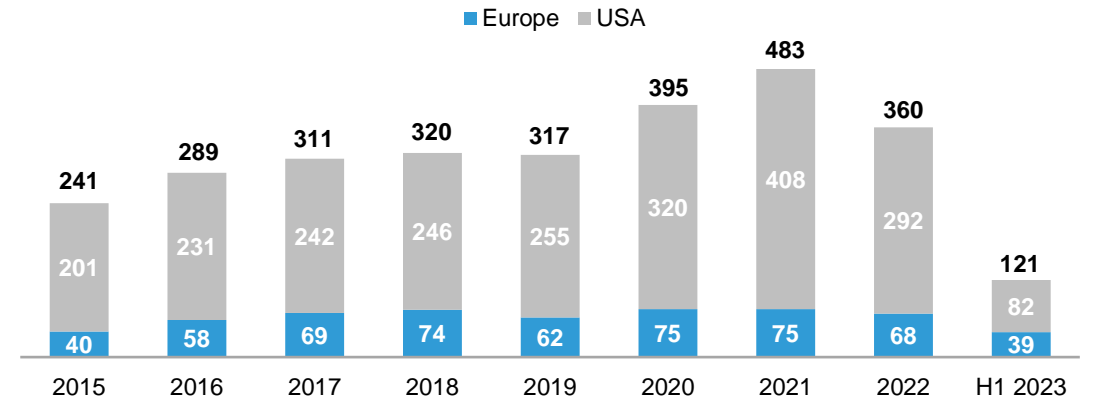
H1 2023

POSSIBLE RECOVERY OF THE FUNDRAISING ACTIVITY IN THE SECOND HALF OF 2023

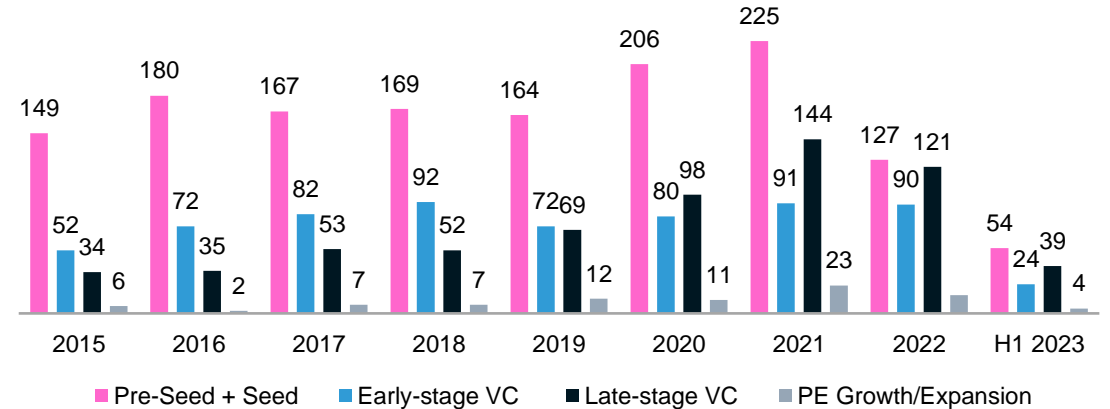
FUNDRAISING (2/2)

- In Europe and in the US, investments in H1 2023 amounted to 121, in line with the current credit environment and rising interest rates. In Europe, fewer deals happened in H1 2023 compared to H2 2022.
- The number of fundraisings dropped by 11% over the period. However, we observe a slight change in Europe compared to what happened between H1 2022 and H2 2022, pointing out to a possible bounce-back of the activity in H2 2023. In the US, in H2 2023, interest rates should stabilize, giving a better visibility to companies for growth and financing.
- Pre-seed investment continue to dominate so far in 2023 both in Europe and in the US since it accounted for 45% of the total in the first semester. Late-stage VC is not far behind in H1 2023 with 28% of the total, solidifying the trend that started in 2020 when it overtook early-stage VC.

NUMBER OF FUNDRAISING DEALS IN EUROPE & US

































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



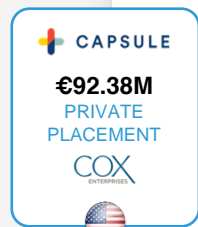
Source: Pitchbook, Capital IQ, Drake Star proprietary research
Scope: USA & Europe

TOP H1 2023 DISCLOSED FUNDRAISING

COMPANY	SUBSECTOR	COUNTRY	AMOUNT	LEAD INVESTOR(S)	DATE
 sanecum.	Specialty Care		€250.0m	 Aduva Capital	Apr-23
 CAPSULE	Specialty Care		€92.4m	 COX ENTERPRISES	Feb-23
 tytocare™	Remote Consultation		€46.1m	 INSIGHT PARTNERS	Mar-23
 fireflyhealth	Remote Consultation		€37.7m	 F/PRIME CAPITAL PARTNERS  bossa	Jan-23
 nocd	Remote Monitoring Solution		€31.8m	 7 wire Ventures	Jan-23
 Uwill Student Mental Health & Wellness	Remote Consultation		€27.4m	 EGP EDUCATION GROWTH PARTNERS	Apr-23
 HicityHealth	Clinical Selection & E-booking Tools		€18.5m	 Arboretum VENTURES	Jun-23
 HelloSelf	Clinical Selection & E-booking Tools		€18.4m	 octopus ventures	Mar-23
 AMALGAM	Remote Monitoring Solution		€16.4m	 NANBAN VENTURES  super morpheus  PLUGANDPLAY	Jan-23

Source: Pitchbook, Company Websites

SELECTED FUNDRAISING DEALS IN THE US



DEAL DESCRIPTION

Capsule raised €92.38m of venture funding in a deal led by Cox Enterprises. The funds will be used to further develop the presence of the company nationwide and globally and invest in the company's technology

February 13th, 2023 | New York, USA

BUSINESS DESCRIPTION

Provider of digital pharmacy services aiming to streamline the process of receiving prescription medications. Capsule's platform not only accepts prescriptions directly from doctors but also enables patients to transfer prescription refills from their previous pharmacy to the platform. This convenient service ensures that users can receive their medications on the same day they order them

KEY PERSONNEL

Eric Kinariwala – Co-Founder & CEO
Sonia Patel – Founding Team Member & Chief Pharmacist

2015	814	€602.0m ⁽¹⁾
B2C	Specialty Care	

KEY SHAREHOLDERS*



DEAL DESCRIPTION

TytoCare raised €46.06 million of Series D extension venture funding in a deal led by Insight Partners. The funds will be used to further develop novel uses of AI in diagnostic support and remote exam assistance

March 16th, 2023 | New York, USA

BUSINESS DESCRIPTION

Operator of a virtual healthcare company intended to provide remote medical examinations so that physicians can check on patients remotely. TytoCare connects people to clinicians over the Internet or through mobile applications to provide a virtual home examination, and diagnosis solutions, enabling healthcare providers a cloud-based data repository with analytics

KEY PERSONNEL

Dedi Gilad – Co-Founder & CEO
Ofer Tzadik – Co-Founder & Chief Operating Officer

2011	189	€179.1m
B2C	Remote Consultation	

KEY SHAREHOLDERS*



DEAL DESCRIPTION

Firefly Health raised €37.69m of Series B1 venture funding from F-Prime Capital, Bossanova Investimentos and What If Ventures. The funds will be used to expand new primary care and patient experience platform

January 6th, 2023 | Watertown, USA

BUSINESS DESCRIPTION

Provider of primary health care services intended to redefine patient care and make it accessible for all. Firefly Health's services blend technology with a thoughtful care team for continuous, intelligent care that changes behavior and drives value by offering a virtual-first primary care approach, live video appointments with primary care physicians, and a team for convenience without any membership fees

KEY PERSONNEL

Fay Rotenberg – CEO
Jeffrey Greenberg – Co-Founder & Chief Network Officer
Andrew Ellner MD - Co-Founder & Chief Clinical Officer

2016	110	€87.5m
B2C	Remote Consultation	

KEY SHAREHOLDERS*



SELECTED FUNDRAISING DEALS IN EUROPE



€250.00
PRIVATE
PLACEMENT
Adiuva Capital
montana capital partners



DEAL DESCRIPTION

Sanecum Group €250m of development capital from Adiuva Capital, Montana Capital Partners and other undisclosed investors. The fund will be used for further growth and business development

April 5th, 2023 | Hamburg, Germany

BUSINESS DESCRIPTION


Provider of telemedicine services intended to provide digital treatment process to the patients. Sanecum Group operates a network of medically managed outpatient facilities that serve the well-being of patients through online consultation hours with their doctor and offers personal medical care through telemedicine

KEY PERSONNEL

Ulf Voelkel – Co-Founder & CEO
Susanne Hoischen – Co-Founder & Managing Partner

 2019	 800	 €395.0m ⁽¹⁾
 B2C	 Specialty Care	

KEY SHAREHOLDERS*

€18.40M
PRIVATE
PLACEMENT
octopus ventures



DEAL DESCRIPTION

HelloSelf raised €18.4m of Series B venture funding in a deal led by Octopus Ventures. The funds will be used to further grow its network of trusted therapists, members, and partners across the UK and Europe






March 14th, 2023 | London, United Kingdom

BUSINESS DESCRIPTION


Provider of online therapy and life coaching services intended to minimize the effects of stress. HelloSelf's services offer features such as checking stress, anxiety, and confidence using clinically tested methods, enabling patients to book sessions with psychologists and therapists at their convenience

KEY PERSONNEL

Charles Wells – Founder & CEO
Neil Bannister – CFO

 2018	 65	 €28.8m
 B2C	 Clinical Selection & E-booking Tools	

KEY SHAREHOLDERS*

€7.00M
PRIVATE
PLACEMENT
ResMed



DEAL DESCRIPTION

Medihive raised €7m of Series B venture funding from ResMed, Irishman Brian McSweeney and Stephen McSweeney. The funds will be used for accelerating the company's international growth and expansion and building its sales, marketing, product and technology teams






January 9th, 2023 | Dublin, Ireland

BUSINESS DESCRIPTION

Developer of online medical services intended to improve medical consultancy and treatment. Medihive's platform offers medical consultations via online medical questionnaires, face-to-face consultations, and home health tests, enabling healthcare, pharmacy, and insurance industries to assist their clients to get affordable treatment anytime, anywhere, and any place

KEY PERSONNEL

Martin Commins – Co-Founder & CPO
Sylvester Mooney – Co-Founder & Medical Director
Oisin Kim – Co-Founder & Chief Information Officer

 2013	 60	 €16.2m
 B2C	 Remote Consultation	

KEY SHAREHOLDERS*



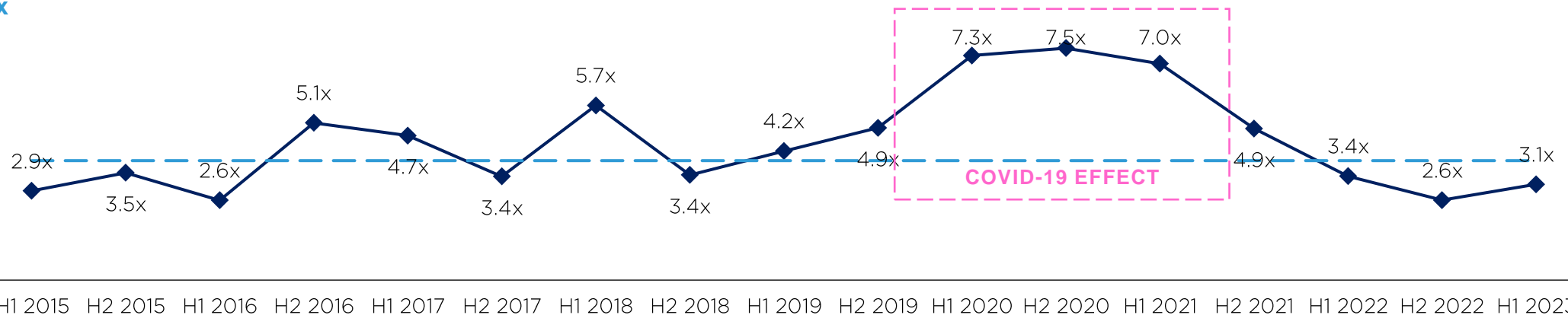
RECALIBRATION OF TELEMEDICINE TRADING MULTIPLES

SECTOR VALUATION

- During H1 2023, valuation multiples increased by 19.9% compared to end of 2022. EV/Revenue multiples of listed companies from the Drake Star Telemedicine Index⁽¹⁾ went from 2.6x to 3.1x, around 63% loss compared to pre-pandemic level. This is the consequence of a decrease in activity and operational results following the deceleration of the COVID-19 pandemic and central banks austerity. In line with a landing telemedicine sector and maturing market, the maximum EV/Revenue multiple declined from 23.7x to 18.9x.
- During the peak of COVID-19, telemedicine valuations skyrocketed as it became the primary healthcare avenue, and demand surpassed pre-pandemic predictions. But as health measures relaxed, many patients returned to in-person consultations, creating a disparity with the oversupply of telemedicine services born from heavy pandemic investments. This situation led to market consolidation and a shift towards late-stage VC investments.
- With central banks raising interest rates, the reduction of liquidity on the capital market, telemedicine valuations have been impacted, leading to decreased multiples and heightened VC expectations for profitability. As a result, the investment community remains in a holding pattern, closely monitoring the post-pandemic evolution of the telemedicine market.

Average EV/REV
excluding
COVID-19 hype
3.9x

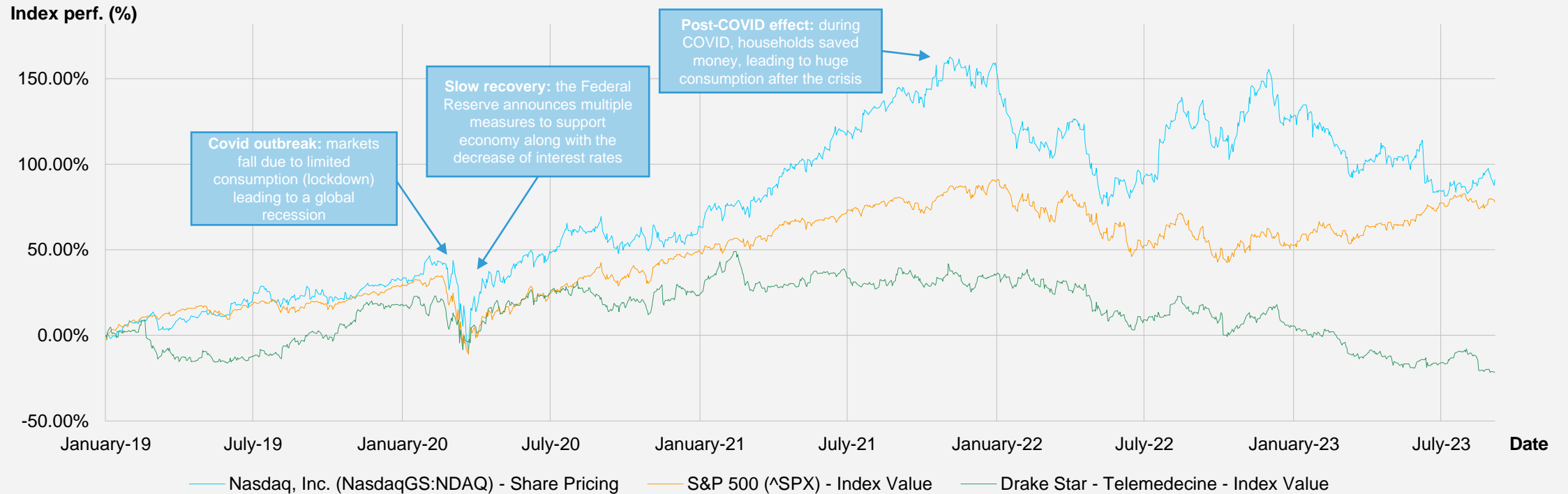
DRAKE STAR TELEMEDICINE INDEX (EV/REVENUE VALUATION)



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 20. There are three changes with the initial Drake Star telemedicine index: (a) the withdrawal of Pharmasimple SA because of bankruptcy and suspension of listing; (b) the withdrawal of Babylon Holding which recently got bought by Emed.Com Technologies Limited; (c) the withdrawal of 1Life Healthcare, Inc. because of its sale to Amazon. 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. Source: Capital IQ as of September 7th, 2023.

RECALIBRATION OF THE TELEMEDICINE INDEX SINCE JANUARY 2022

DRAKE STAR TELEMEDICINE INDEX⁽¹⁾ VS. MAIN INDEXES



KEY HIGHLIGHTS

- In 2023, the Drake Star Telemedicine index recorded a 21.4% decline. Underperforming both the Nasdaq (26.6%) and S&P 500 (16.4%) this semester.
- When looking at performances since January 2019, the Drake Star Telemedicine index is underperforming the broader Nasdaq and S&P 500 by a significant margin. The index decreased by 21.7% while Nasdaq and S&P 500 grew by 91.0% and 77.9% respectively.

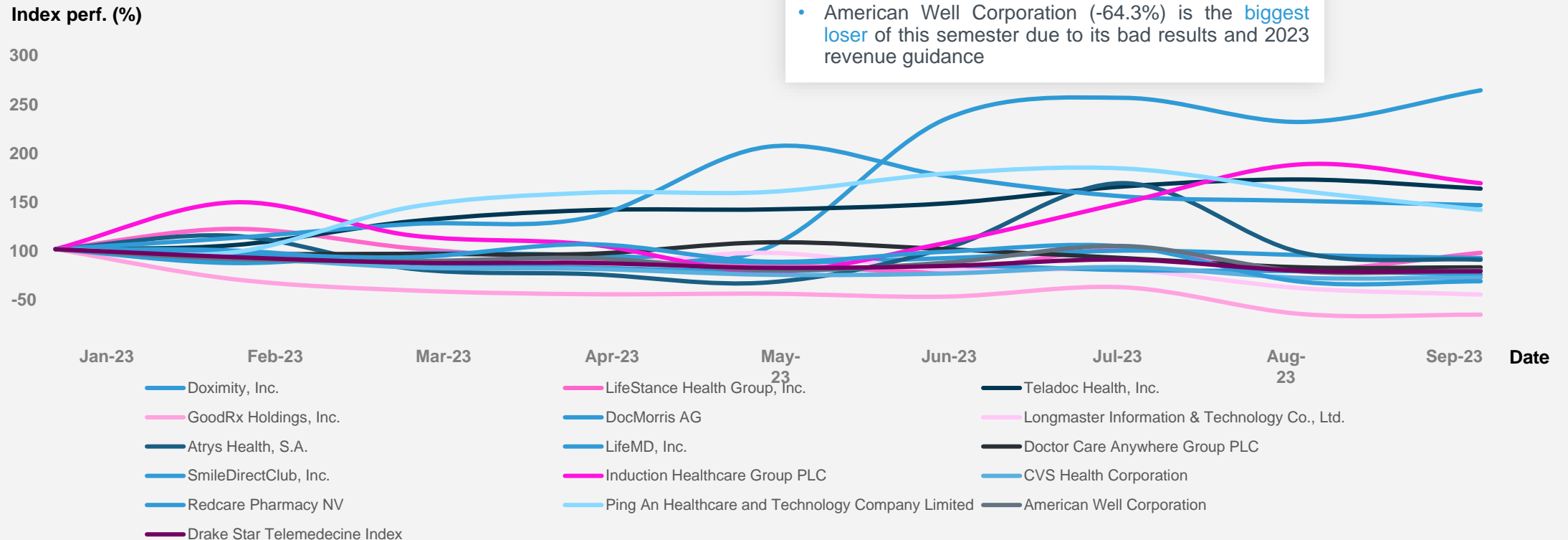
Notes: ⁽¹⁾Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 20. There are three changes with the initial Drake Star telemedicine index: (a) the withdrawal of Pharmasimple SA because of bankruptcy and suspension of listing; (b) the withdrawal of Babylon Holding which recently got bought by Emed.Com Technologies Limited; (c) the withdrawal of 1Life Healthcare, Inc. because of its sale to Amazon.

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Source: Capital IQ as of September 7th, 2023, index weighted on market cap

SINCE JANUARY 2023, ALL INDEX STOCKS IN RETREAT WITH THE WITHDRAWAL OF DOCCHECK

- In H1 2023, 6 of the 16 companies 38% of Drake Star Telemedicine weighted index are recording a positive stock performance on H1 2023.
- American Well Corporation (-64.3%) is the biggest loser of this semester due to its bad results and 2023 revenue guidance



As of September 2023, the average market cap growth of the 50% best-performing companies in the index was 39%, while that of the 50% worst-performing companies was -39%.

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 20. There are three changes with the initial Drake Star telemedicine index: (a) the withdrawal of Pharmasimple SA because of bankruptcy and suspension of listing; (b) the withdrawal of Babylon Holding which recently got bought by Emed.Com Technologies Limited; (c) the withdrawal of 1Life Healthcare, Inc. because of its sale to Amazon. 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.

Source: Capital IQ as of June 30th, 2023, index weighted on market cap

PUBLICLY LISTED TELEMEDICINE COMPANIES

COMPANY	MARKET CAP	TEV	REVENUE			EBITDA			EBITDA MARGIN			TEV/REVENUE			TEV / EBITDA		
			FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
CVS Health Corporation	78 738	139 971	255 799	300 948	328 166	16 313	18 400	18 558	6%	6%	6%	0.5 x	0.5 x	0.4 x	8.6 x	7.6 x	7.5 x
Teladoc Health, Inc.	3 481	4 067	1 787	2 252	2 461	(41)	(14)	290	n.m.	n.m.	12%	2.3 x	1.8 x	1.7 x	n.m.	n.m.	14.0 x
Doximity, Inc.	4 289	3 487	176	309	386	47	104	121	27%	34%	31%	19.8 x	11.3 x	9.0 x	74.0 x	33.6 x	28.8 x
LifeStance Health Group, Inc.	2 554	2 947	587	804	960	(202)	(130)	52	n.m.	n.m.	5%	5.0 x	3.7 x	3.1 x	n.m.	n.m.	56.2 x
GoodRx Holdings, Inc.	2 290	2 246	655	717	706	43	63	193	7%	9%	27%	3.4 x	3.1 x	3.2 x	52.5 x	35.7 x	11.6 x
Redcare Pharmacy NV	1 855	1 962	1 060	1 204	1 758	(22)	(34)	39	n.m.	n.m.	2%	1.9 x	1.6 x	1.1 x	n.m.	n.m.	50.4 x
DocMorris AG	730	837	1 665	1 627	1 023	(172)	(134)	(40)	n.m.	n.m.	n.m.	0.5 x	0.5 x	0.8 x	n.m.	n.m.	n.m.
Longmaster Information & Technology	688	652	55	58	n.a.	9	10	-	16%	18%	-	11.8 x	11.3 x	n.a.	75.3 x	63.7 x	n.a.
American Well Corporation	364	(35)	222	259	243	(147)	(218)	(152)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.2 x	0.2 x	0.2 x
Atrys Health, S.A.	340	545	124	192	233	8	26	49	7%	14%	21%	4.4 x	2.8 x	2.3 x	65.2 x	20.8 x	11.0 x
LifeMD, Inc.	159	167	82	111	138	(47)	(36)	10	n.m.	n.m.	7%	2.0 x	1.5 x	1.2 x	n.m.	n.m.	16.3 x
Visiomed Group SA	118	121	7	14	n.a.	(2)	(1)	-	n.m.	n.m.	-	16.9 x	8.4 x	n.a.	n.m.	n.m.	n.a.
SmileDirectClub, Inc.	52	311	523	409	412	(177)	(182)	(39)	n.m.	n.m.	n.m.	0.6 x	0.8 x	0.8 x	n.m.	n.m.	n.m.
Induction Healthcare Group PLC	20	15	2	9	15	(7)	(9)	(9)	n.m.	n.m.	n.m.	9.3 x	1.6 x	1.0 x	n.m.	n.m.	n.m.
Doctor Care Anywhere Group PLC	12	14	30	34	50	(23)	(22)	(11)	n.m.	n.m.	n.m.	0.5 x	0.4 x	0.3 x	n.m.	n.m.	n.m.

Notes: Data in million of Euros (€)

(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 20. There are three changes with the initial Drake Star telemedicine index: (a) the withdrawal of Pharmasimple SA because of bankruptcy and suspension of listing; (b) the withdrawal of Babylon Holding which recently got bought by Emed.Com Technologies Limited; (c) the withdrawal of 1Life Healthcare, Inc. because of its sale to Amazon.

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Source: Capital IQ as of September 8th, 2023

MIN	0.3 x	0.4 x	0.3 x	0.2 x	0.2 x	0.2 x
AVERAGE	5.3 x	3.3 x	2.1 x	39.6 x	23.5 x	21.8 x
MEDIAN	2.3 x	1.6 x	1.2 x	52.5 x	20.8 x	14.0 x
MAX	19.8 x	11.3 x	9.0 x	75.3 x	63.7 x	56.2 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



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TELEMEDICINE MARKET UPDATE

H1 2023

Drake Star is an award-winning global tech investment bank that has completed over 450 transactions since 2013. Drake Star team of over 100 senior professionals across offices in New York, London, Paris, Munich, San Francisco, Los Angeles, Berlin, and Dubai* focuses on mergers & acquisitions and corporate finance services worldwide in Consumer & Retail Technology, Digital Media, FinTech, Mobility & Sustainability, Software/SaaS, Digital Services, and Industrial Tech sectors.

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