



EMERGING TECH RESEARCH

Retail Health & Wellness Tech

Q1 2021 VC update

Report preview

The full report is available through the PitchBook Platform





Contents

Vertical overview	3
Q1 2021 timeline	4
VC ecosystem market map	5
VC activity	6
Emerging opportunities	13
Remote patient monitoring devices	14
Fitness technology	16
Select company highlights	21
Everlywell	22
FlexIt	24
23andMe	26

Institutional Research Group

ANALYSIS

Kaia Colban Analyst, Emerging Technology

DATA

Susan Hu Data Analyst

Publishing

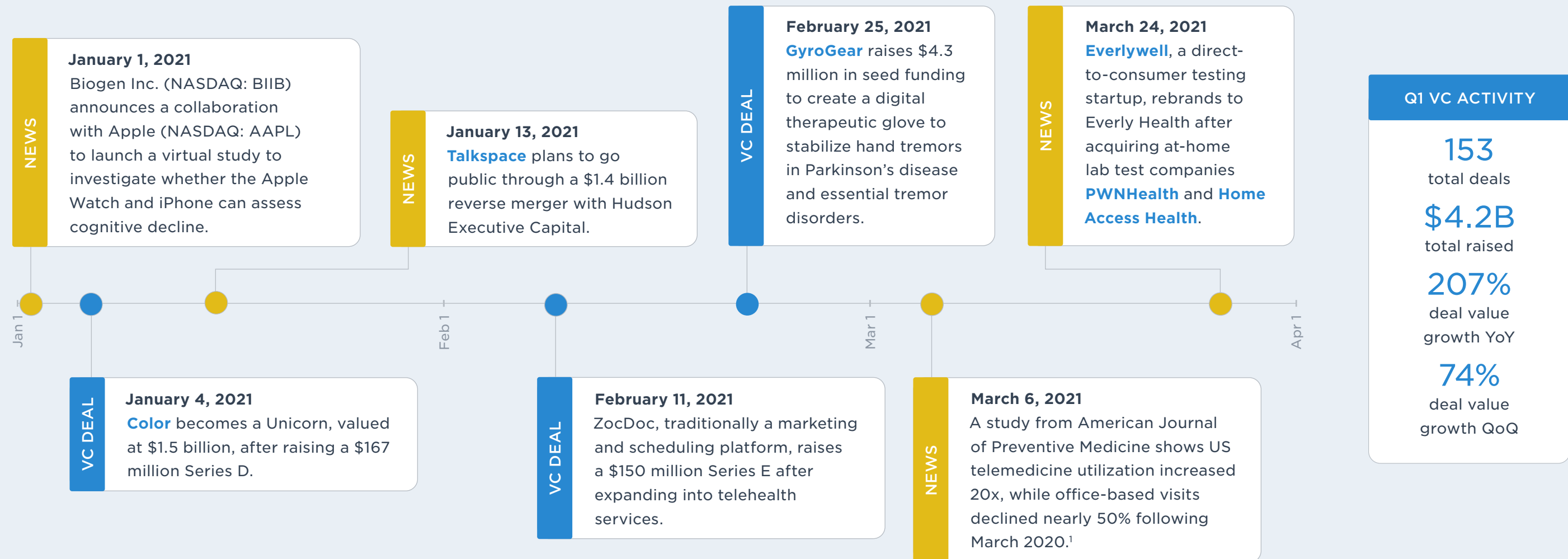
Designed by **Joey Schaffer**

Cover by **Julia Midkiff**

Published on June 3, 2021



Q1 2021 timeline



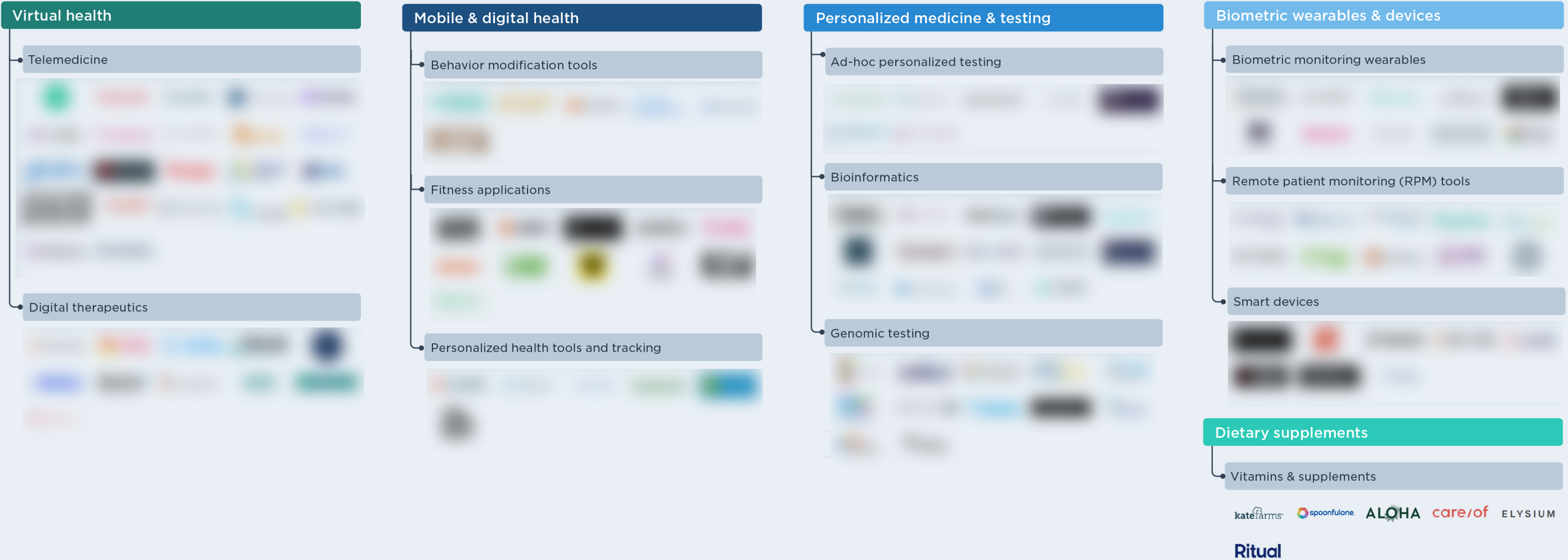
1: "Who Is (and Is Not) Receiving Telemedicine Care During the COVID-19 Pandemic," American Journal of Preventive Medicine, Jonathan H. Cantor, et al., March 6, 2021.



Retail health & wellness tech VC ecosystem market map

Click to view interactive market map on the PitchBook Platform

Market map is a representative overview of venture-backed or growth-stage providers in each segment. Companies listed have received venture capital or other notable private investments.





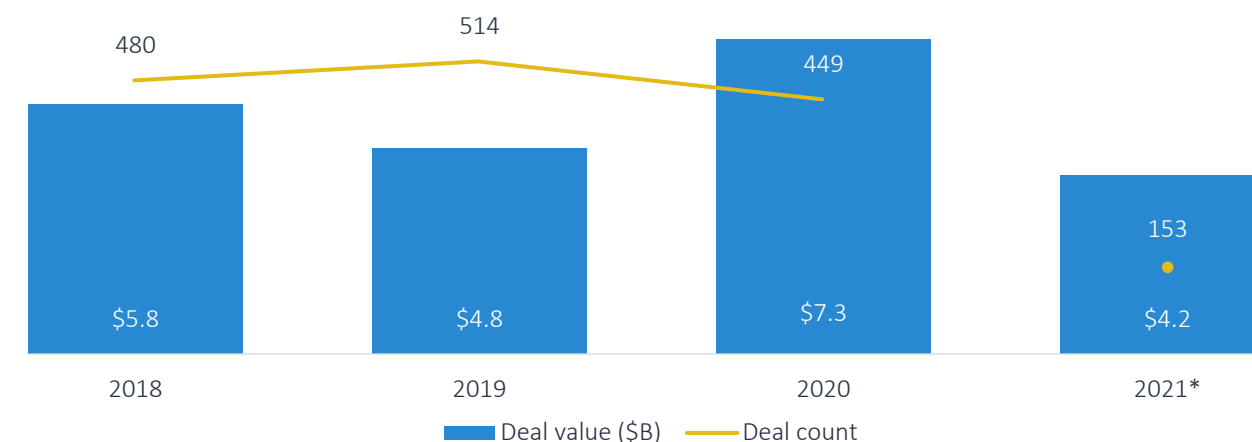
VC activity

Retail health & wellness tech VC deal value set a record in Q1 with \$4.2 billion invested across 153 deals. The leading segments, virtual health and personalized medicine & testing, drove this total with five VC mega-deals each and a total of \$1.7 billion and \$1.4 billion invested, respectively. **Ro**, a vertically integrated primary care platform, raised the largest VC round with a \$500.0 million Series D, raising their pre-money valuation to \$5.0 billion. In addition, **Valo**, a drug discovery & development platform, raised a \$300.0 million Series B, and **Tonal**, an adaptive home fitness strength training machine, raised a \$250.0 million Series E, increasing their valuation to \$1.5 billion and foreshadowing a potential IPO.² Late-stage VC deals outpaced early-stage VC deal count in all segments except mobile & digital health. The decline in late-stage mobile & digital health VC deals could reflect concerns related to increased competition from biometric devices providers developing supplementary mobile health apps. Furthermore, several app developers are conducting trials to gain digital therapeutic classification. It is common for these companies to raise early-stage VC rounds as a mobile application provider before seeking late-stage VC funding once pursuing approval. Startups without accompanying devices or therapeutic approval may have limited competitive positioning.

VC exit activity resumed in Q1 after a slowdown in Q4 2020, with 10 exits contributing \$583.7 million in disclosed exit value, consisting of two IPOs, two LBOs, and six M&A transactions. Mednow (MNOW), an on-demand virtual care and e-pharmacy, went public on the Canadian Venture Exchange. In March 2021, **WelltQ** exited to the CSE via a SPAC, bringing in a post-money valuation of \$23.8 million. **Nightingale**, which conducts blood analysis to detect early disease risk, received \$490.8 billion post-money valuation after going public on the Finnish Nasdaq. SOC Telemed (NASDAQ: TLMD) acquired **Access Physicians** for \$194.0 million in hopes of becoming the largest acute care telemedicine company in the US.

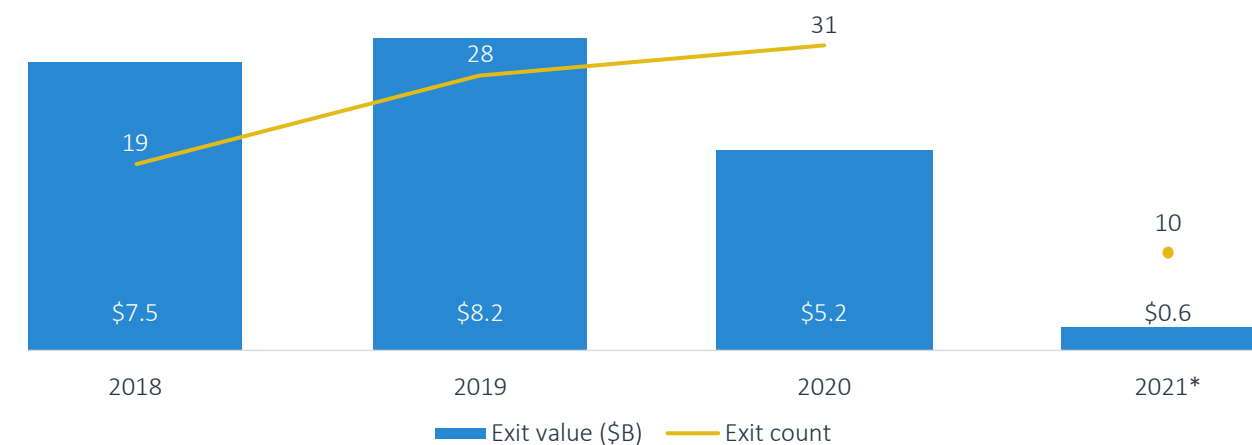
2: "Tonal's Latest Funding Round Foreshadows an IPO," Market Realist, Rachel Curry, April 6, 2021.

Figure 2. RETAIL HEALTH & WELLNESS TECH VC DEAL ACTIVITY



Source: PitchBook | Geography: Global | *As of March 31, 2021

Figure 3. RETAIL HEALTH & WELLNESS TECH VC EXIT ACTIVITY



Source: PitchBook | Geography: Global | *As of March 31, 2021



VC ACTIVITY

Figure 9.
Key retail health & wellness tech late-stage VC deals

COMPANY	CLOSE DATE	SUBSEGMENT	STAGE	DEAL SIZE (\$M)	LEAD INVESTOR(S)	VALUATION STEP-UP*
Ro (Other Healthcare Technology Systems)	March 22, 2021	Telemedicine	Series D	\$500.0	General Catalyst, TQ Ventures, FirstMark Capital	3.00x
Hinge Health	January 5, 2021	Ad-hoc personalized testing	Series D	\$300.0	Tiger Global Management, Coatue Management	6.19x
Tonal	March 31, 2021	Smart devices	Series E	\$250.0	N/A	N/A
DispatchHealth	March 3, 2021	Telemedicine	Series D	\$200.0	Tiger Global Management	N/A
Color (Diagnostic Equipment)	January 4, 2021	Genomic testing	Series D	\$167.0	T. Rowe Price, Viking Global Investors, General Catalyst	N/A
Vida Health	March 12, 2021	Telemedicine	Series D	\$137.0	Ally Bridge Group	2.57x
Pear Therapeutics	March 2, 2021	Digital therapeutics	Series D	\$132.0	SoftBank Investment Advisers	N/A
DNAnexus	March 15, 2021	Bioinformatics	Series H	\$132.0	Northpond Ventures, Perceptive Advisors	1.20x
Paige	March 8, 2021	Bioinformatics	Series C	\$125.0	Casdin Capital, Kohlberg Kravis Roberts, Johnson & Johnson Innovation - JJDC	N/A
TytoCare	March 4, 2021	Telemedicine	Series D	\$100.0	Insight Partners	N/A

Source: PitchBook | Geography: Global | *As of March 31, 2021



FITNESS TECHNOLOGY

Figure 16.
Top funded fitness tech companies since 2015*

COMPANY	KEY PRODUCT	SEGMENT	TOTAL RAISED (\$M)	FINANCING STATUS	LAST FINANCING DATE	LAST FINANCING SIZE (\$M)
ClassPass	Fitness class market aggregator	Software	\$585.7	VC-backed	N/A	\$285.0
Cure.Fit	Fitness, nutrition, & mental wellbeing solutions	Software	\$415.6	VC-backed	March 20, 2020	\$120.0
Gympass	Fitness class market aggregator for employers	Software	\$300.0	VC-backed	June 12, 2019	\$300.0
Headspace	Meditation and sleep tracking	Software	\$215.7	VC-backed	June 10, 2020	\$47.70
iFit	Smart adaptive fitness equipment & classes	Hardware	\$200.0	PE-backed	May 6, 2021	N/A
Keep	Fitness training application	Software	\$617.8	VC-backed	January 28, 2021	\$360.0
Peloton	Smart adaptive fitness equipment & classes	Hardware	\$2,254.0	Public	July 31, 2020	\$86.0
Tonal	Smart adaptive fitness equipment & classes	Hardware	\$526.7	VC-backed	March 31, 2021	\$250.0
Whoop	Sleep and recovery wristband	Hardware	\$207.4	VC-backed	October 28, 2020	N/A
Zwift	Gamified running and cycling application	Software	\$614.0	VC-backed	September 16, 2020	N/A

Source: PitchBook | Geography: Global | *As of March 31, 2021



SELECT COMPANY HIGHLIGHT | EVERLYWELL



Founded
2015

Employees:
500

Total raised:
\$266.1M

Overview

Everlywell develops and distributes DTC at-home regulatory compliant diagnostic tests for health concerns such as food sensitivities, fertility, hormones, thyroid, vitamins, and metabolism. In May 2020, Everlywell issued a call-to-action and pledged to award up to \$1 million to labs that could develop and process at-home COVID-19 diagnostic tests. To qualify, labs had to meet certain requirements, such as having the capacity to process at least 5,000 samples/week and be willing to expand capacity in partnership with Everlywell. In March, Everlywell partnered with PWNHealth and began selling at-home COVID-19 tests. These tests are now approved by the CDC for international travel.

Beyond COVID-19, the pandemic stimulated demand for at-home tests as consumers became more acquainted with virtual care. Preventive tests fell sharply during the pandemic; although preventive visits have started to rebound, many patients remain undiagnosed or face long wait times for office visits. Payers fear the future costs of underdiagnosed illnesses and have begun pushing at-home screening. Humana mailed over 1 million at-home preventive screening kits to encourage proactive preventive care.⁸ Everlywell tests are sold DTC for an out-of-pocket cash price. We think contracting with payers could boost its revenue potential.

8: “Humana Mailing More than 1 Million Home Screening Kits to Increase Access to Preventive Care During COVID-19 Pandemic,” Humana, July 7, 2020.

This demand has increased market size and revenue for Everlywell. Julia Cheek, Everlywell’s CEO, reported sales of STI test kits doubled, and tests for heart health, HBA1C, and women’s health tripled.⁹ Due to recent success and desire to deliver more comprehensive care, Everlywell decided to create a new entity, Everly Health, and acquire PNWHealth and its subsidiary Home Access Health. Previously, PWNHealth, which operates a clinician network for diagnostic testing, provided clinical oversight and telehealth services for Everlywell. PWNHealth will operate as an independent subsidiary and maintain complete data independence from Everlywell. The company’s plan to build a unified brand focused on high-quality customer engagement across the board and will share customer experience, design, and product resources.

At-home diagnostic tests can provide a strong alternative to in-person care for underinsured individuals or individuals with high deductible health plans (HDHP). We believe at-home test technology will become more streamlined, allowing individuals to send results directly to their provider. In the future, tests may cover a wider variety of illnesses and health care metrics, such as hormone levels.

Leadership

Everlywell is female-founded by Julia Cheek. Cheek, a Harvard MBA graduate, began the company after working in consulting; she does not have previous healthcare experience. We note heightened success of startups led by individuals with healthcare experience, whether it be with a payer or provider. Cheek realized her lack of knowledge and quickly hired a medical director. Jordan Laser currently serves as Chief Laboratory Officer and Tim Bauer serves as the head of clinical science.

9: “As At-Home COVID-19 Testing Rose, So Did Demand for Other Tests,” MedCity News, Elise Reuter, April 20, 2020



About PitchBook Emerging Tech Research

Independent, objective and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors and companies driving the asset class.

Our Emerging Tech Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

©2021 by PitchBook Data, Inc. All rights reserved. No part of this publication may be reproduced in any form or by any means—graphic, electronic, or mechanical, including photocopying, recording, taping, and information storage and retrieval systems—without the express written permission of PitchBook Data, Inc. Contents are based on information from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. Nothing herein should be construed as any past, current or future recommendation to buy or sell any security or an offer to sell, or a solicitation of an offer to buy any security. This material does not purport to contain all of the information that a prospective investor may wish to consider and is not to be relied upon as such or used in substitution for the exercise of independent judgment.

PitchBook Data, Inc.

John Gabbert Founder, CEO

Nizar Tarhuni Senior Director, Institutional Research & Editorial

Paul Condra Head of Emerging Technology Research

Additional research

Agtech
Alex Frederick
alex.frederick@pitchbook.com

Artificial Intelligence
& Machine Learning
Brendan Burke
brendan.burke@pitchbook.com

Cloudtech & DevOps
Paul Condra
paul.condra@pitchbook.com

Fintech
Robert Le
robert.le@pitchbook.com

Foodtech
Alex Frederick
alex.frederick@pitchbook.com

Health & Wellness Tech
Kaia Colban
kaia.colban@pitchbook.com

Information Security
Brendan Burke
brendan.burke@pitchbook.com

Insurtech
Robert Le
robert.le@pitchbook.com

Internet of Things (IoT)
Brendan Burke
brendan.burke@pitchbook.com

Mobility Tech
Asad Hussain
asad.hussain@pitchbook.com

Supply Chain Tech
Asad Hussain
asad.hussain@pitchbook.com