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# INDUSTRY RESEARCH

## APAC Healthcare Market Snapshot

PitchBook is a Morningstar company providing the most comprehensive, most accurate, and hard-to-find data for professionals doing business in the private markets.

## Commentary

### Industry update

The Asia-Pacific (APAC) region is home to about 60% of the global population and includes the two most populous countries, India and China. Since 2015, Beijing and Shanghai have stood out with the most healthcare VC investment in the region, with \$21.9 billion and \$30.5 billion of VC funding, respectively. The second tier of cities for healthcare VC investment, with total funding ranging from \$8 billion to \$10 billion over the past decade, includes Shenzhen, Hangzhou, and Suzhou, all in China. Outside China, Seoul, Singapore, and Tokyo round out the rankings of top cities for healthcare VC activity. Among APAC-based healthcare startups, MingSight Pharmaceuticals, WeDoctor, Dongyangguang, and AbogenBio have raised the most VC funding. Though care search platform WeDoctor is the exception, most top VC-backed companies by capital raised come from the biopharma sector.

Over the past year, market activity in APAC has been defined by the ongoing dichotomy between a prolonged downturn in China and sunnier market outlooks in Japan and India, where indexes recently reached new highs. A shift toward deglobalization and rising geopolitical tension have also affected the region, as both the US and Europe have been incentivizing domestic production at the expense of existing supply chains in Asia. In healthcare, while there is typically more commercialization overlap between the US and Europe compared with Asia, diagnostics is one area where we have seen Asian startups look to expand into global markets. In liquid biopsy, Singaporean startup Lucence Life Sciences and Guangzhou-based public biotech Burning Rock now have products commercially available in both the US and China and are seeking approval by the US Food and Drug Administration (FDA).

### Future opportunities

An aging population is set to impact healthcare innovation and investment across the APAC region over the coming decades—Japan ranks the highest in its percentage of people over 65, while China and India have the most residents over

65.<sup>1</sup> We expect governments will increasingly prioritize investment in technologies to manage an older population, including tools for aging-in-place, caregiver enablement and effective delivery of at-home care. Biotech innovation for weight loss is another area where we expect to see growth in the APAC region. While Europe and US companies currently hold market leadership, China-based companies including Sciwind Biosciences (\$138.2 million in VC raised) and publicly traded Innovent Biologics have proceeded through clinical trials for GLP-1 equivalents and are expected to enter the market soon. Though obesity rates in APAC countries are not at the same level as Western nations, they have been rising, and the market opportunities could still be significant even with relatively lower adoption.

### *VC and PE activity*

Healthcare VC activity in APAC reached a high point in Q3 2021 with \$10.9 billion of deal value across 745 deals, and this peak occurred around the same time global markets began to falter as inflation drove up interest rates. Since then, VC activity has settled at a lower level, and the decline from the peak was even more drastic in APAC compared with other regions. Over the past four quarters, quarterly VC activity has been in a consistent range between \$2.4 and \$2.6 billion. Average deal counts have also fallen since 2021, and the 352 healthcare deals in Q1 2024 was the lowest quarterly figure since Q3 2017, well before the current market cycle. Since 2015, Qiming Venture Partners and HongShan have been the top healthcare VC investors in the region, with 295 and 239 deals, respectively, well above the next-highest investor during that period (YuanBio Venture Capital).

Over the past 18 months, APAC healthcare investment has dwindled significantly, and deal activity was especially low in Q2 and Q3 of last year when very few deals were getting across the finish line. While biopharma activity has also slowed, it remains the most active VC sector in the region. In the first quarter of 2024, there was \$1.1 billion of deal value across 44 deals, an average of \$25 million per transaction. Across healthcare, there has been a noticeable long-term rise in the number of late-stage deals compared with earlier-stage transactions, with late-stage deals now accounting for about half of all deals, compared with closer to one-quarter five years ago. In our view, this indicates a greater willingness by investors to fund startups longer into their lifecycle as a private company and demonstrates some investor preference for proven business models over the higher-risk/higher-reward dynamic with earlier-stage investments.

PE activity has been choppy in recent years, although PE deal flow in APAC has been overall more resilient than VC investment. Perhaps surprisingly, PE deal activity in the second quarter of 2023 was near the level seen at the peak of the market at \$5.5 billion. For the year to date, notable PE deals have been Geo-Young's buyout by MBK Partners and GL Capital Group's take-private of SciClone Pharmaceuticals. For deals occurring over the past decade, MBK Partners was also among the most active investors, along with US-based firms Blackstone and the Carlyle Group.

<sup>1</sup>: "Countries With the Oldest Populations in the World," Population Reference Bureau, March 23, 2020.

## *Public markets*

Japan's Nikkei index has been on a tear since the start of 2023, with the index rise fueled by lower investor appetite for China and a weaker yen leading to a surge in Japanese exports. The Morningstar Asia Healthcare Index surged during the low-interest-rate environment in the early pandemic period but has come down significantly since then, and the index now sits at about the same level as five years ago. This is partly due to exposure in China, where equity prices have been under pressure. Healthcare's underperformance can also be attributed to the unrealistic valuation heights the sector achieved in 2021, as investors and companies alike overestimated the long-term sales and profit potential of COVID-19 tests and vaccines. Of the 20 largest public listings of VC- and PE-backed companies in APAC since 2015, all occurred in 2022 or earlier, meaning that large healthcare IPOs have been virtually nonexistent over the past 18 months. With PitchBook IPO probability scores exceeding 95%, top IPO candidates include J-Pharma, Orum Therapeutics, 1STBIO, and Orizuru Therapeutics. However, given the relatively moderate size of these businesses, with all having raised less than \$150 million, if the IPO window remains closed, these companies could end up being acquired before a public listing becomes a realistic possibility.

## *Sector snapshot: Biopharma*

The APAC biopharma landscape is experiencing robust growth and transformation. Deal activity remains strong, with significant investments flowing into infrastructure development companies such as Dongyangguang and AbogenBio, as noted in our [recent biopharma coverage](#). During the pandemic, the region benefited from increased investments, though this was due to different mechanisms than in the US, where stimuli and lower federal interest rates drove activity.

China's biopharma sector is capitalizing on its advantages in affordable innovation, developing therapeutically comparable molecules at lower prices to reach underserved patient populations. This approach positions China to potentially become a leading supplier of prescription medications to the developing world over the next decade. While the US-based EQRx attempted a similar strategy, it faced setbacks due to FDA rejection of its clinical data. Regulatory developments, including ongoing pushback against WuXi AppTec in the US, are steering investments inward, reinforcing China's domestic biopharma ecosystem. This shift is likely to accelerate innovation and infrastructure development within the country.

Market leaders in China's pharmaceutical industry as of 2024 include Jiangsu Hengrui Medicine (with a market cap of \$40.6 billion), BeiGene (\$22.7 billion), and Chongqing Zhifei Biological Products (\$14.9 billion). These companies are at the forefront of oncology, vaccine production, and traditional Chinese medicine, respectively. Looking ahead to the rest of 2024 and 2025, the APAC biopharma sector is poised for continued growth, with a focus on bringing emerging therapies from the US, such as CAR-T cell therapy, mRNA, and gene therapy. Long-term predictions suggest an increasing global role for APAC biopharma, particularly in affordable innovation and serving emerging markets.

The market outlook remains positive, with both established incumbents and emerging startups driving innovation. Exit opportunities for investors are expected to remain strong and driven mainly by IPO activity. Our [recently launched pharmatech coverage](#) highlights the expansion of contract research organizations and contract development & manufacturing organizations as they form the backbone for established medicine and drive interest in generics and biosimilars, where China is a major player.

## City comparison

### Healthcare VC and PE activity heatmap (2015-2024)\*

City	VC deal value (\$M)	VC deal count	VC exit value (\$M)	PE deal value (\$M)	PE deal count	PE exit value (\$M)	PE and VC capital raised (\$B)	Median VC valuation (\$M)	First-time financing count
Beijing	\$21,911.2	1,991	\$26,136.4	\$8,682.2	70	\$8,507.4	\$30,593.4	\$136.0	643
Shanghai	\$30,465.5	1,910	\$59,585.6	\$7,484.0	81	\$10,760.4	\$37,949.5	\$158.0	624
Seoul	\$4,896.1	1,201	\$1,873.2	\$7,429.4	26	\$6,438.0	\$12,325.5	\$23.0	452
Shenzhen	\$8,946.5	985	\$11,558.2	\$1,137.0	14	\$882.1	\$10,083.5	\$91.1	332
Hangzhou	\$9,123.2	907	\$9,692.3	\$1,289.1	30	\$5,325.2	\$10,412.2	\$137.9	297
Suzhou	\$9,314.2	892	\$7,692.8	\$243.1	12	\$2,105.9	\$9,557.3	\$74.4	290
Tokyo	\$3,601.1	801	\$2,372.2	\$8,373.5	50	\$5,030.6	\$11,974.6	\$11.1	278
Singapore	\$3,796.5	522	\$324.7	\$3,463.2	51	\$2,218.9	\$7,259.7	\$12.2	145
Bengaluru	\$3,839.2	448	\$263.4	\$4,902.8	61	\$5,783.5	\$8,742.0	\$5.4	107
Guangzhou	\$4,125.3	405	\$6,002.3	\$121.3	12	\$2,366.4	\$4,246.6	\$110.0	127
Nanjing	\$3,020.2	363	\$5,299.6	\$36.0	22	\$5,060.4	\$3,056.2	\$54.3	130
Chengdu	\$2,844.3	318	\$4,612.4	\$175.9	8	\$4,372.5	\$3,020.2	\$73.1	112
Wuhan	\$2,872.3	213	\$1,626.1	\$274.9	11	\$122.1	\$3,147.1	\$78.6	66
Seongnam	\$1,224.8	194	\$834.0	\$0.0	1	\$0.0	\$1,224.8	\$29.7	64
Daejeon	\$743.3	193	\$86.4	\$117.0	1	\$0.0	\$860.3	\$17.2	63
Mumbai	\$815.1	167	\$160.7	\$1,520.0	46	\$4,604.4	\$2,335.1	\$6.7	56
New Delhi	\$308.2	140	\$13.9	\$1,089.1	26	\$768.5	\$1,397.4	\$3.4	48
Hong Kong	\$2,308.3	127	\$2,180.2	\$1,815.3	8	\$1,298.5	\$4,123.6	\$106.8	36
Hefei	\$435.4	126	\$1,350.7	\$333.4	6	\$2,867.3	\$768.8	\$64.9	49
Melbourne	\$540.1	107	\$177.0	\$3,370.2	16	\$108.0	\$3,910.2	\$6.1	33

Source: PitchBook • Geography: APAC • \*As of May 14, 2024

## Public markets

### Select major indexes five-year price return



Source: PitchBook • Geography: APAC • \*As of May 14, 2024

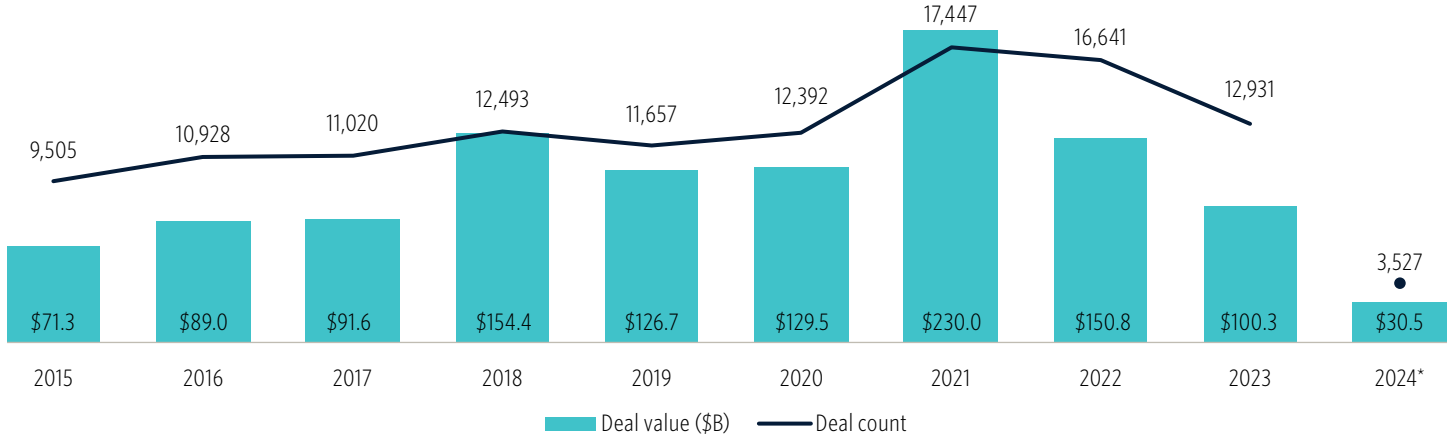
### Top healthcare PE and VC public listings by exit value (\$M) (2015-2024)\*

Company	Close date	Exit value (\$M)	Market cap (\$M)	Exchange	Backing	Sector	Location
United-Imaging	August 22, 2022	\$11,760.2	\$15,457.2	Shanghai Stock Exchange	VC	Healthcare devices & supplies	Shanghai, China
Hansoh Pharma	June 14, 2019	\$9,370.5	\$13,571.9	Hong Kong Stock Exchange	VC	Biopharma	Lianyungang, China
Krishna Institute of Medical Sciences	June 28, 2021	\$8,980.9	\$1,870.0	Bombay Stock Exchange	PE	Healthcare services	Secunderabad, India
CDBIO	October 19, 2021	\$6,387.7	\$1,633.1	Shanghai Stock Exchange	PE	Biopharma	Shenyang, China
Ping An Healthcare and Technology Company	May 4, 2018	\$6,334.2	\$1,755.7	Hong Kong Stock Exchange	VC	Healthcare technology systems	Shanghai, China
MicroPort MedBot	November 2, 2021	\$5,091.5	\$1,963.2	Hong Kong Stock Exchange	VC	Healthcare devices & supplies	Shanghai, China
MGI Tech	September 9, 2022	\$4,731.0	\$3,290.4	Shanghai Stock Exchange	VC	Biopharma	Shenzhen, China
SD Biosensor	July 16, 2021	\$4,722.2	\$968.4	Korea Stock Exchange	VC	Healthcare devices & supplies	Suwon, South Korea
Simcere Pharmaceutical Group	October 27, 2020	\$4,145.0	\$1,866.4	Hong Kong Stock Exchange	PE	Biopharma	Nanjing, China
Celltrion Healthcare	July 28, 2017	\$4,030.2	N/A	N/A	PE	Biopharma	Incheon, South Korea

Source: PitchBook • Geography: APAC • \*As of May 14, 2024

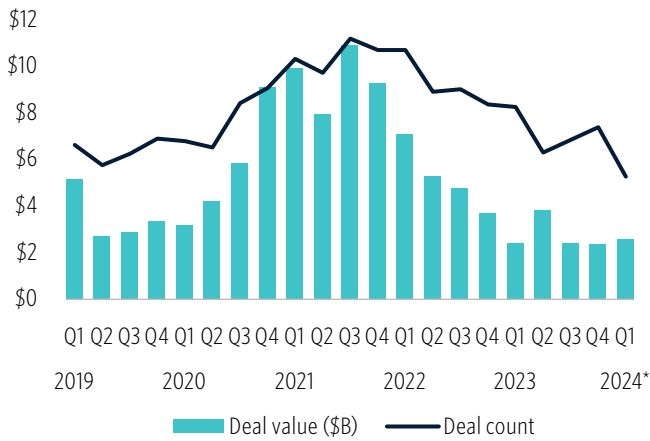
## VC activity

### VC deal activity



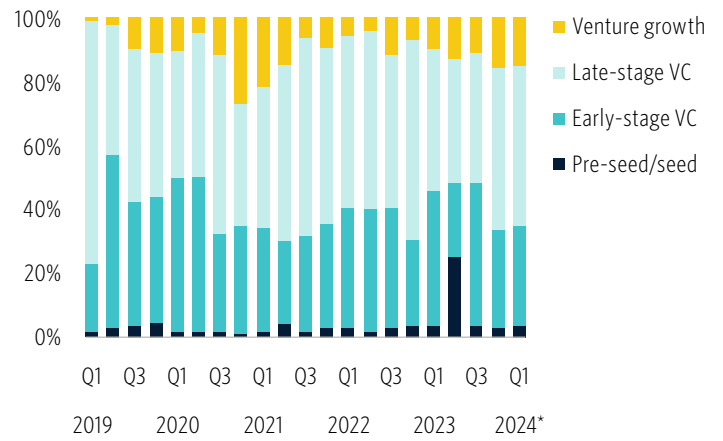
Source: PitchBook • Geography: APAC • \*As of May 14, 2024

### Healthcare VC deal activity by quarter



Source: PitchBook • Geography: APAC • \*As of May 14, 2024

### Quarterly share of healthcare VC deal value by stage



Source: PitchBook • Geography: APAC • \*As of May 14, 2024

## Top healthcare VC deals by deal value (\$M) (2015-2024)\*

Company	Close date	Deal value (\$M)	Post-money valuation (\$M)	Deal series	Investor(s)	Location
Caplin Point Laboratories	January 21, 2019	\$2,530.1	\$5,260.2	Late-stage VC	Eight Roads, F-Prime Capital	Chennai, India
Portea	April 29, 2024	\$1,658.0	N/A	Series D1	N/A	Bengaluru, India
Dongyangguang	July 20, 2021	\$1,235.6	\$3,089.0	Series A	CCB Investments, CICC Capital, Cinda Capital Management, Dongguan Financial Holdings, Dowell Capital, Everbright Capital, et al.	Shenzhen, China
Ping An Healthcare and Technology Company	February 2, 2018	\$1,150.0	\$8,800.0	Series A	Avenue Asset Management, Hermitage Capital, IDG Capital, LYFE Capital, SBI Holdings, SoftBank Investment Advisers, et al.	Shanghai, China
Giant Biogene	October 14, 2021	\$1,139.9	\$3,001.2	Series A	BA Capital (China), CAS Star, CDB Venture, CDH Investments, China International Capital Corporation, CPE Funds Management, et al.	Xi'an, China
MGI Tech	April 16, 2020	\$1,000.0	\$4,000.0	Series B	BGI Co-Win, China Renaissance, CITIC Securities, DK Capital, Flamingo Capital, GF Xinde Investment Management, et al.	Shenzhen, China
Ailomics Therapeutics	May 31, 2023	\$858.5	N/A	Seed	Phoenix Venture Capital, Qiming Venture Partners, Trinity Innovation Fund	Shanghai, China
Magpie Pharmaceuticals	August 15, 2022	\$740.2	N/A	Late-stage VC	Shenzhen Sangel Venture Capital	Guangzhou, China
AbogenBio	August 23, 2021	\$720.0	N/A	Series C	5Y Capital, AIHC Capital, Alwin Capital, BioTrack Capital, Boyu Capital, Kaiser Permanente Ventures, et al.	Suzhou, China
Medlinker	December 31, 2020	\$514.0	\$4,000.0	Series E	Orion Opportunity Fund, Sino Biopharmaceutical	Chengdu, China

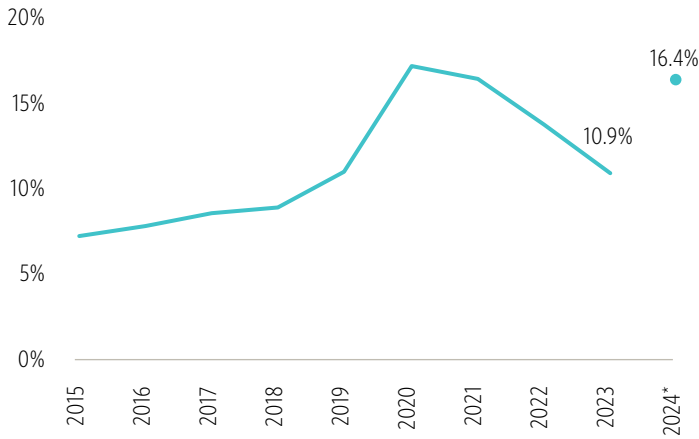
Source: PitchBook • Geography: APAC • \*As of May 14, 2024

## Top healthcare VC investors by deal count (2015-2024)\*

Investor	Deal count	Pre-seed/seed	Early-stage VC	Late-stage VC	Venture growth	Investor type
Qiming Venture Partners	295	5	150	118	22	Venture capital
HongShan	239	10	138	79	12	Venture capital
YuanBio Venture Capital	180	18	88	71	3	Venture capital
Legend Capital	177	6	88	73	10	Venture capital
Lilly Asia Ventures	157	5	85	59	8	Corporate venture capital
Matrix Partners China	142	3	87	44	8	Venture capital
Korea Investment Partners	137	19	70	46	2	Venture capital
Shenzhen Capital Group	134	2	65	56	11	Venture capital
Oriza Holdings	124	11	75	32	6	Asset manager
IDG Capital	120	8	77	31	4	Venture capital

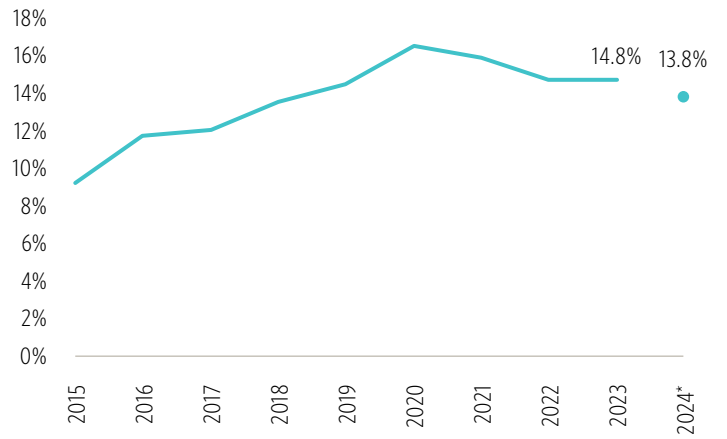
Source: PitchBook • Geography: APAC • \*As of May 14, 2024

### Healthcare VC deal value as a share of all VC deal value



Source: PitchBook • Geography: APAC • \*As of May 14, 2024

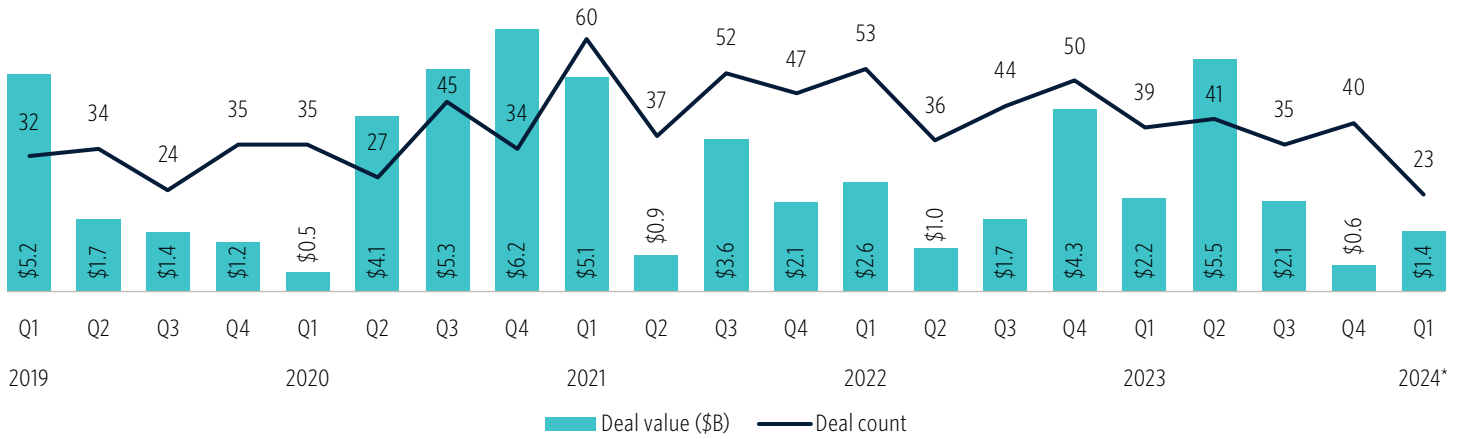
### Healthcare VC deal count as a share of all VC deals



Source: PitchBook • Geography: APAC • \*As of May 14, 2024

## PE activity

### Healthcare PE deal activity by quarter



Source: PitchBook • Geography: APAC • \*As of May 14, 2024



**Top healthcare PE deals by deal value (\$M) (2015-2024)\***

Company	Close date	Deal value (\$M)	Deal type	Investor(s)	Sector	Location
Taibang Biologic Group	April 20, 2021	\$4,760.0	Public to private	Centurium Capital, CITIC Capital, GL Ventures, Parfield International, Temasek Holdings, V-Sciences Investments	Biopharma	Beijing, China
WuXi AppTec	December 10, 2015	\$3,300.0	Public to private	Ally Bridge Group, Bank of China Group Investment, Boyu Capital, Highlight Capital, Hillhouse Investment Group, Ping An Capital, et al.	Biopharma	Shanghai, China
Healthscope	May 1, 2019	\$3,091.5	Public to private	Brookfield Business Partners, Caisse de dépôt et placement du Québec	Healthcare services	Melbourne, Australia
Alinamin Pharmaceutical	March 31, 2021	\$2,225.1	Corporate divestiture	Blackstone	Biopharma	Tokyo, Japan
Nichii Gakkan	August 1, 2020	\$2,089.0	Public to private	Bain Capital, Ergo Partners	Healthcare services	Tokyo, Japan
Manipal Hospitals	June 9, 2023	\$2,000.0	Add-on	Sheares Healthcare Group, Temasek Holdings	Healthcare services	Bengaluru, India
Medit	March 31, 2023	\$1,857.1	Secondary buyout	MBK Partners, Premier Partners	Healthcare devices & supplies	Seoul, South Korea
Icon Group	January 1, 2021	\$1,809.3	Secondary buyout	EQT	Healthcare services	South Brisbane, Australia
New Frontier Health	January 27, 2022	\$1,672.0	Public to private	Aspex Management, Fosun International, Goldman Sachs Asset Management, New Frontier Group, Proprium Capital Partners, Vivo Capital, et al.	Healthcare services	Hong Kong
iKang Healthcare	January 18, 2019	\$1,521.0	Public to private	Alibaba Group, Boyu Capital, QVT Family Office, Tsing Song Capital, Yunfeng Capital	Healthcare services	Beijing, China

Source: PitchBook • Geography: APAC • \*As of May 14, 2024