

PitchBook Data, Inc.

**Nizar Tarhuni** Vice President, Institutional Research and Editorial

**Paul Condra** Head of Emerging Technology Research

Institutional Research Group

Analysis



**Aaron DeGagne, CFA**  
Senior Analyst, Healthcare  
aaron.degagne@pitchbook.com



**Rebecca Springer, Ph.D.**  
Lead Analyst, Healthcare  
rebecca.springer@pitchbook.com

Data

**Collin Anderson**  
Data Analyst

pbinstitutionalresearch@pitchbook.com

Publishing

Designed by **Joey Schaffer**

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# INDUSTRY RESEARCH

## EMEA 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 EMEA region (Europe, Middle East, and Africa) is a wide-ranging geography with over 100 nations and a population exceeding 2 billion. Healthcare VC investment in EMEA is highly concentrated, with about 50% of deal value in just three locations: London, Paris, and Cambridge. Among EMEA-based healthcare startups, CMR Surgical, Insightec, Kry, Doctolib, and Apollo Therapeutics top the list of the most VC dollars raised, ranging from \$405.0 million (Apollo) to over \$1.1 billion (CMR Surgical). Of these, Cambridge-based startups CMR Surgical (surgical robotics) and Apollo Therapeutics (biopharma) appear most likely to exit via IPO in the coming years, with VC Exit Predictor IPO scores of 92% and 77%, respectively.

While the national care systems that exist in most EMEA countries create a patchwork of regulations and approvals for startups to navigate, there are also benefits to operating within public care delivery systems, as successful commercialization can quickly reach many patients. In Europe, regulatory clearances are managed centrally through the CE marking process, enabling rapid scaling of highly innovative solutions that achieve regulatory clearance. Beyond the traditional investment hot spots in Western Europe, Israel stands out as an outsized contributor in league tables, with over 1,500 healthcare startups in the country, which is over 9% of all EMEA-based VC-backed companies. And as healthcare innovation becomes more globally diversified, operating clinical trials in nontraditional locations has become more attractive due to lower costs and oversaturated patient pools in Western nations.<sup>1</sup>

Antitrust scrutiny has been on the rise on both sides of the Atlantic, and the EU's opposition to Illumina's purchase of GRAIL may have cast a pall on vertical integrations in the life sciences sector—though a recent exception was Denmark-based Novo Nordisk's unexpected purchase of contract development and manufacturing organization Catalent, which is expected to close by the end of 2024. EU regulators initially launched an investigation into the acquisition,<sup>2</sup> and the US Federal Trade Commission has also requested more details on the transaction.<sup>3</sup> Still, given that the stated purpose of the deal is to reduce drug shortages of high-

1: "How Israel and Turkey Are Growing Markets for Clinical Trials," *Pharmaceutical Technology*, Oximio, June 28, 2023.

2: "EU Regulator Investigates Potential Impacts of Novo-Catalent Deal on Drug Supply," *BioSpace*, Tristan Manalac, February 8, 2024.

3: "FTC Request May Signal Trouble for Novo/Catalent Deal," *PharmaVoice*, Kelly Bilodeau, May 29, 2024.

demand GLP-1 drugs, we would place a low likelihood on the possibility of regulators ultimately opposing the deal; Novo Nordisk's capacity to manufacture a greater supply of weight loss drugs would positively benefit patients. Governmental policy in major nations could soon look different, however, as both the UK and France have national elections scheduled this summer in what will be a busy election year globally.

### *Future opportunities*

Rare-disease drug development, AI medical imaging analysis, and precision medicine are a few key innovation themes where we expect continued strong investor interest in EMEA. Compared with other global regions, unique market dynamics exist in the digital treatments space, as regulatory support has provided momentum for patient access to innovative digital therapeutics. Germany has led the way with its Digital Health Applications (DiGA) framework, implemented through 2019's Digital Healthcare Act. The cannabis sector is another space to watch as recreational use remains largely prohibited in Europe, though the long-term trend points toward decriminalization. Switzerland, Germany, and the Netherlands currently have ongoing experiments to test the effects of potential legalization,<sup>4</sup> putting these countries on a path to potentially evolve their cannabis policies over the coming years.

### *VC and PE activity*

Healthcare VC activity in EMEA peaked in Q4 2020 with \$5.5 billion in deal value over 575 deals. From late 2021 into early 2023, deal activity underwent a significant downtrend trend, but it has since reached a steadier state at around \$2.5 billion of quarterly deal value. Since the start of 2023, the largest healthcare VC deals in the region have included Apollo Therapeutics' \$260.0 million Series C (January 2024), CMR Surgical's \$165.0 million late-stage round (July 2023), and Tubulis' \$138.8 million Series B (March 2024). The mix of VC deal stages has shifted over time, and seed and early-stage deals have accounted for a greater percentage of VC deal value over the past 18 months. VC activity has stagnated across all industries since market conditions began to deteriorate in late 2022, and healthcare was not spared, as VC activity in the sector remains far below its peak from 2021. Still, the decline in healthcare VC deal activity in EMEA was not as drastic as the decline seen in other regions, such as the US and Asia-Pacific, and VC deal value and counts are near the levels seen before the COVID-19 pandemic. European VC activity has been largely propped up by the biopharma and medical technology (medtech) sectors, which have proven to be more resilient than healthtech market investment.

PE activity has also been sluggish, and PE has felt the effects of higher interest rates given the sector's heavy reliance on leverage to boost returns. Though there have not been many notable PE deals so far this year, one exception was Dechra Pharmaceuticals' January take-private by the Abu Dhabi Investment Authority and EQT. Last year, other notable LBOs included SYNLAB's acquisition by Cinven and KKR's purchase of IVIRMA Global.

<sup>4</sup>: "Swiss Initiative Aims to Embed Cannabis Legalization Into Constitution," Forbes, Dario Sabaghi, April 30, 2024.

## *Public markets*

European share prices are currently near all-time highs after a period of underperformance relative to global markets following the beginning of the Russia-Ukraine war in early 2022, which had a meaningful impact on energy prices and inflation. In a positive sign for markets, the European Central Bank lowered its benchmark interest rate by a quarter point on June 6 to 3.75%, moving ahead of the US Federal Reserve in the expected shift to cutting rates from a multiyear period of benchmark rate increases. Over the past five years, the STOXX Europe 600 Health Care Index has meaningfully outperformed both London's FTSE 100 Index and the broader STOXX Europe 600 Index, led by Ozempic-maker Novo Nordisk and other Big Pharma companies. Novo has posted gains exceeding 450% over this period and now accounts for over 23% of the entire healthcare-focused index, as its shares have run up significantly over the past year.<sup>5</sup> Of the largest public listings in EMEA since 2019, the majority occurred in 2021 or earlier, and healthcare IPOs have been a rare occurrence globally. Although VC exits have been hard to come by, there have been a few recent public listings of PE-backed healthcare companies in EMEA, including Dubai-based diversified healthcare company PureHealth and Swiss dermatology vendor Galderma.

## *Sector snapshot: Healthcare IT*

VC deal activity in healthcare IT in EMEA has broadly followed the arc of the industry as a whole, with activity peaking at \$737.6 million invested across 80 deals in 2021 before dropping to just \$441.0 million invested across 54 deals in 2023.

We define healthcare IT as software primarily serving the provider and payer end markets. Provider-facing technologies have often faced challenges with scale in EMEA due to variations in national delivery systems. However, in clinical and operational categories that do not tie directly into the reimbursement ecosystem, some opportunity exists for startups to cross the Atlantic and enter the large and lucrative US market, or to expand from the US into relatively less competitive European markets. For instance, Lumeon built its care orchestration platform in Europe before entering the US market in 2018 and later securing backing from Optum Ventures and Endeavour Vision. Care orchestration plays well both in national healthcare systems seeking to reduce utilization and improve access in EMEA, and in value-based care delivery models in the US. Portuguese startup UpHill, another care orchestration and patient journeys platform, raised a Series A in January. Going the other direction, US-based TeleTracking, which coordinates a variety of hospital operations, including bed vacancies, entered the UK to support the National Health Service's efforts to consolidate regional integrated care systems while improving patient flow, and the company has also made inroads in Germany.

Another important theme in European healthcare IT investing has been the ecosystem's journey toward healthcare "super apps": patient-facing apps that allow individuals to aggregate and securely share their health information with providers and that may also provide additional digital health services, such as virtual care and care search functions. Foundational to this effort are GDPR-compliant healthcare

5: "STOXX Europe 600 Health Care," STOXX, n.d., accessed June 12, 2024.

data exchange platforms such as Medi2data, which raised a late-stage VC round in May 2024, and Enovation, which Legrand acquired for around €500 million in April 2024.

Healthcare IT investing tends to follow healthcare provider consolidation, as scaled provider groups often seek to integrate and improve the technology of practices they acquire. Diagnostic radiology, which is often offered on a private-pay basis, has been the subject of considerable M&A activity in Europe in recent years, and recent VC rounds for Cerebriu and Kheiron Medical underscore investor interest in improving radiology workflows using AI. Looking ahead, we expect continued investment in technologies that improve the operational efficiency of healthcare providers in EMEA. Providers will be looking to technology that can alleviate margin pressure resulting from labor cost inflation pressing up against regulated reimbursement rates, while national systems are highly incentivized to improve access to care to stem the tide of patients opting for private insurance.

## City comparison

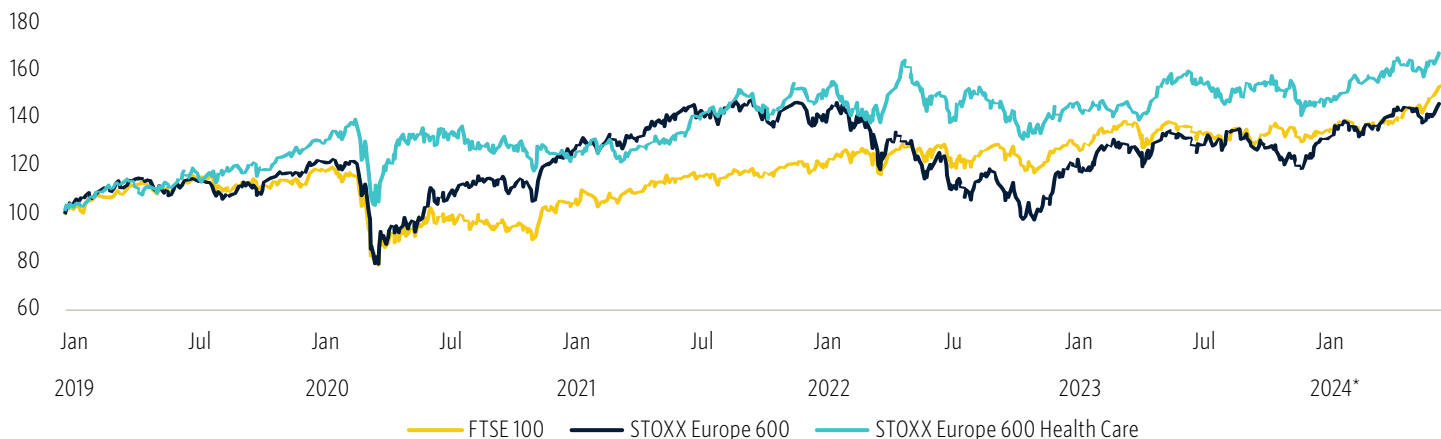
### Healthcare VC activity heatmap (2015-2024)\*

City	VC deal value (\$M)	VC deal count	VC exit value (\$M)	PE deal value (\$M)	PE deal count	PE exit value (\$M)	PE & VC capital raised (\$B)	Median VC valuation (\$M)	First-time financing count
London	\$10,449.9	1,341	\$8,454.6	\$10,938.7	130	\$15,038.5	\$21,388.7	\$7.8	321
Paris	\$4,840.9	513	\$1,350.4	\$9,699.6	109	\$11,451.2	\$14,540.5	\$10.3	109
Cambridge	\$5,936.5	455	\$4,134.1	\$95.9	17	\$265.3	\$6,032.5	\$11.9	69
Barcelona	\$929.2	336	\$272.7	\$3,361.4	60	\$2,608.0	\$4,290.5	\$3.9	68
Berlin	\$1,982.5	322	\$2,466.4	\$603.8	36	\$197.8	\$2,586.3	\$15.3	98
Dublin	\$2,638.5	287	\$1,513.6	\$1,004.3	40	\$172.2	\$3,642.8	\$9.0	55
Tel Aviv	\$2,235.9	280	\$661.9	\$191.6	9	\$10.3	\$2,427.5	\$19.7	84
Oxford	\$2,982.8	254	\$4,402.7	\$71.8	9	\$5.0	\$3,054.7	\$14.5	27
Stockholm	\$1,704.0	237	\$538.0	\$1,378.9	71	\$1,533.5	\$3,083.0	\$6.4	61
Copenhagen	\$1,768.5	222	\$1,162.5	\$0.4	11	\$0.0	\$1,768.9	\$7.2	43
Zürich	\$1,094.7	182	\$402.8	\$110.5	21	\$79.7	\$1,205.2	\$14.1	25
Madrid	\$407.7	177	\$4.6	\$2,160.4	76	\$7,860.2	\$2,568.0	\$3.7	46
Amsterdam	\$991.3	176	\$232.4	\$4,430.2	35	\$0.0	\$5,421.5	\$9.7	68
Helsinki	\$586.5	157	\$568.3	\$2,536.7	48	\$4,080.5	\$3,123.3	\$6.3	33
Basel	\$2,023.6	151	\$2,658.4	\$1,677.6	6	\$528.9	\$3,701.2	\$20.4	21
Munich	\$895.1	134	\$1,392.3	\$8,977.5	61	\$12,532.1	\$9,872.6	\$24.3	39
Edinburgh	\$411.3	123	\$1,262.8	\$107.3	12	\$0.0	\$518.6	\$5.7	18
Vienna	\$332.5	118	\$1,548.0	\$1,234.0	14	\$0.0	\$1,566.6	\$8.0	42
Oslo	\$374.0	117	\$60.9	\$266.7	38	\$557.1	\$640.7	\$8.9	32
Lyon	\$886.0	111	\$249.8	\$2,092.4	18	\$2,292.7	\$2,978.4	\$6.5	30

Source: PitchBook • Geography: EMEA • \*As of May 14, 2024  
 Note: Top cities ranked by VC deal count

## Public markets

### Select major indexes five-year price return



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

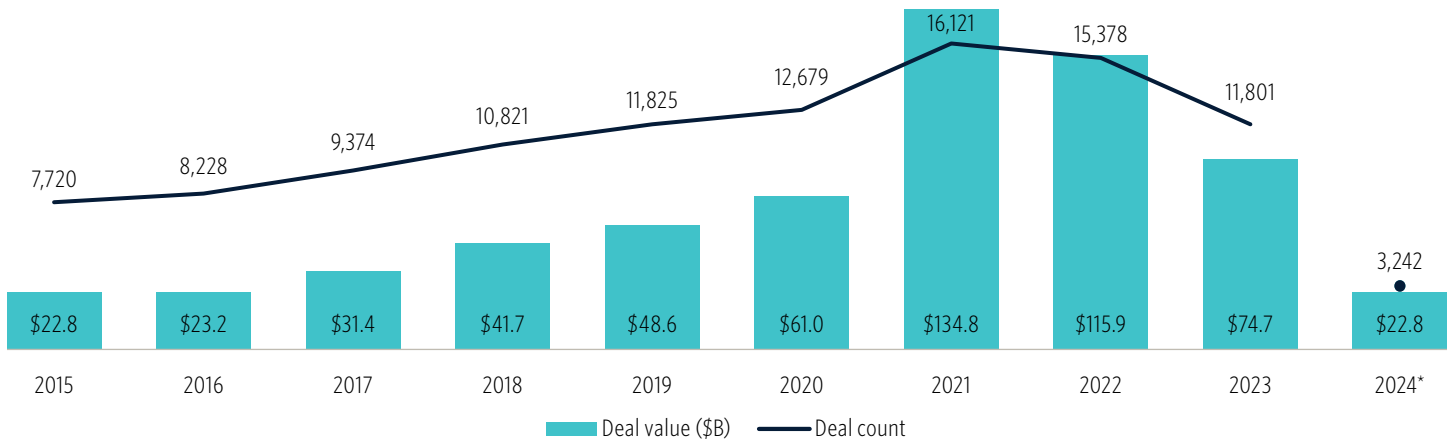
### Top healthcare PE and VC public listings by exit value (2015-2024)\*

Company	Close date	Exit value (\$M)	Market cap (\$M)	Exchange	Backing	Sector	City	Country
PureHealth	December 20, 2023	\$8,874.9	\$11,794.6	Abu Dhabi Securities Exchange	PE	Healthcare services	Dubai	UAE
Galderma	March 22, 2024	\$8,767.7	\$18,692.0	SIX Swiss Exchange	PE	Biopharma	Zug	Switzerland
SYNLAB	April 30, 2021	\$4,302.6	\$2,452.7	Börse Berlin	PE	Healthcare services	Munich	Germany
Convatec	October 26, 2016	\$3,790.2	\$6,750.8	London Stock Exchange	PE	Healthcare devices & supplies	London	UK
BioNTech	October 10, 2019	\$3,243.9	\$22,238.6	NASDAQ	VC	Biopharma	Mainz	Germany
CureVac	August 14, 2020	\$2,602.2	\$695.3	NASDAQ	VC	Biopharma	Tübingen	Germany
LumiraDx	September 28, 2021	\$2,527.0	\$5.8	Over-the-Counter Pink Sheet	VC	Healthcare tech systems	London	UK
Alvotech	June 15, 2022	\$2,436.0	\$3,732.2	NASDAQ	PE	Biopharma	Reykjavik	Iceland
Exscientia	October 1, 2021	\$2,298.1	\$630.6	Börse Düsseldorf	VC	Biopharma	Oxford	UK
Olink Proteomics	March 25, 2021	\$2,115.4	\$2,949.4	Börse Stuttgart	PE	Biopharma	Uppsala	Sweden

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

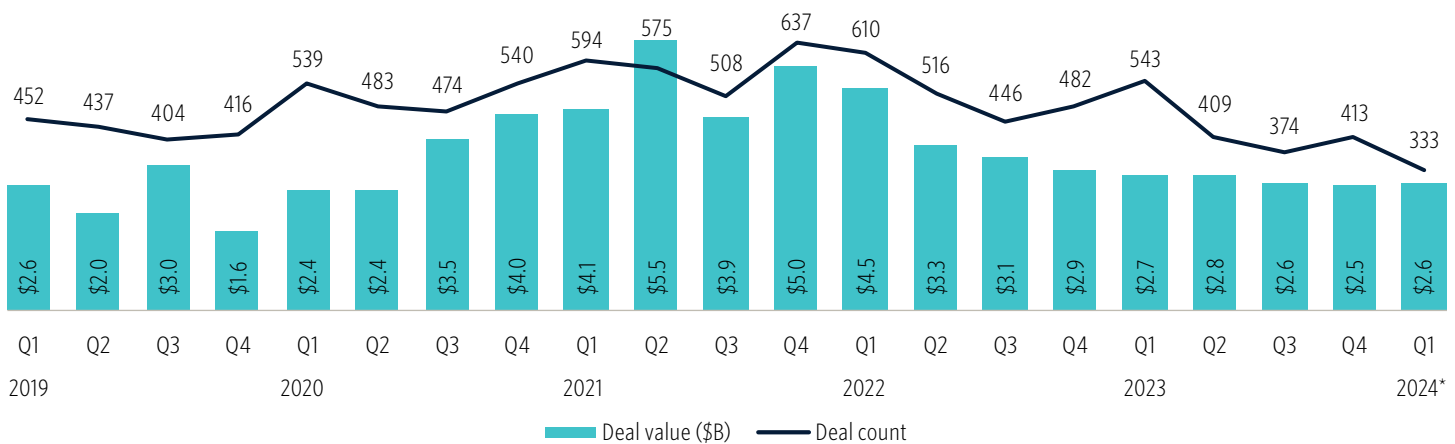
## VC activity

### VC deal activity



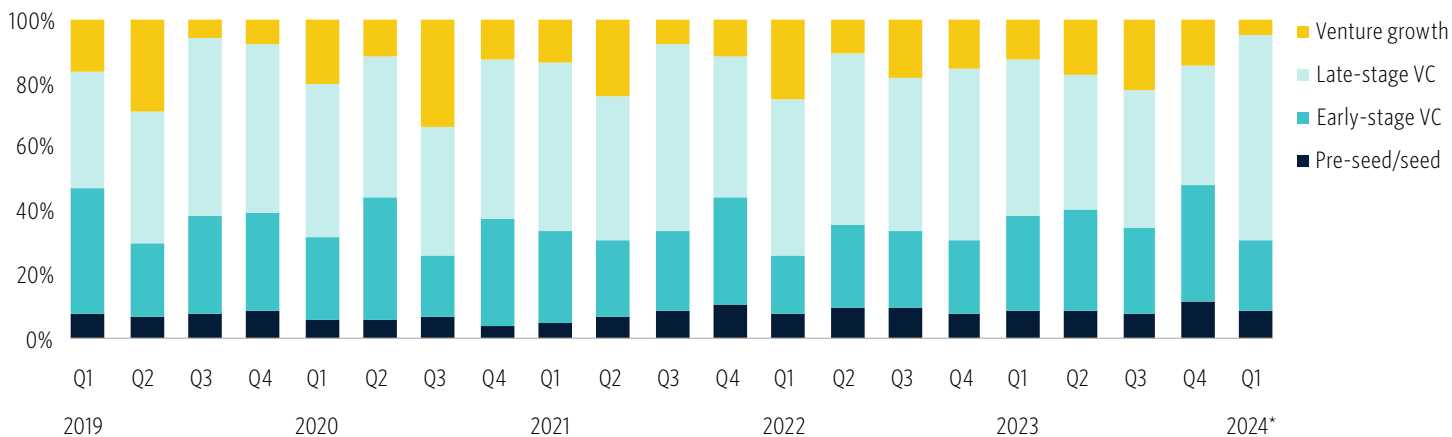
Source: PitchBook • Geography: EMEA • \*As of May 14, 2024

### Healthcare VC deal activity by quarter



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

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



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

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

Company	Close date	Deal value (\$M)	Post-money valuation (\$M)	Deal series	Investor(s)	City	Country
CureVac	July 21, 2020	\$632.8	N/A	N/A	Genmab, GSK, KfW Group, Qatar Investment Authority	Tübingen	Germany
CMR Surgical	June 27, 2021	\$601.3	\$2,698.7	Series D	Ally Bridge Group, Cambridge Innovation Capital, Chimera Capital, Escala Capital Ventures, GE Healthcare, Image Frame Investment, Instrumentarium Holdings, LGT Group, Lightrock, PFM Health Sciences, Railpen, SoftBank Investment Advisers, Tencent Holdings, Watrium	Cambridge	UK
Doctolib	March 15, 2022	\$557.1	\$6,462.4	Series F	Bpifrance, Eurazeo, General Atlantic	Levallois-Perret	France
YgEia3	July 1, 2017	\$475.0	\$875.0	Series D	GSKWLS	London	UK
BioNTech	January 4, 2019	\$425.0	N/A	N/A	Pfizer Ventures, Sanofi	Mainz	Germany
LumiraDx	December 15, 2020	\$389.2	N/A	N/A	Current Yield with Participation Fund, Esperante Ventures, Morningside Group, Petrichor Healthcare Capital Management, Rockefeller Foundation	London	UK
Acerta Pharma	May 15, 2015	\$375.0	N/A	Series B	American Funds Insurance Series, Avoro Capital, Franklin Templeton, Janus Capital Group, Perceptive Advisors, T. Rowe Price, Variable Annuity Life Insurance Company	Oss	Netherlands
BioNTech	July 9, 2019	\$325.0	N/A	Series B	BVCF, Fidelity Investments, Jepsen Capital, MIG AG, Mirae Asset Global Investments, Platinum Asset Management, Redmile Group, The Invus Group, The Struengmann Family Office	Mainz	Germany
Immunocore	July 16, 2015	\$319.8	N/A	Series A	AstraZeneca, Eli Lilly and Company Foundation, Fidelity Investments, Genentech, GlaxoSmithKline Pharmaceuticals, GT Healthcare Capital Partners, Malin Corporation, MediGene, NeoMed Management, RTW Investments, Woodford Investment Management	Abingdon	UK
Cera Care	August 4, 2022	\$312.4	N/A	Series C	8090 Partners, Evolve HealthCare Partners, Guinness Global Investors, Jane Street, Kairos HQ, Loric Ventures, Nordic Eye Venture Capital, Oltre Impact, Robin Klein, Schroders Capital, Squarepoint Capital, Vanderbilt University Endowment, yabeo	London	UK

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

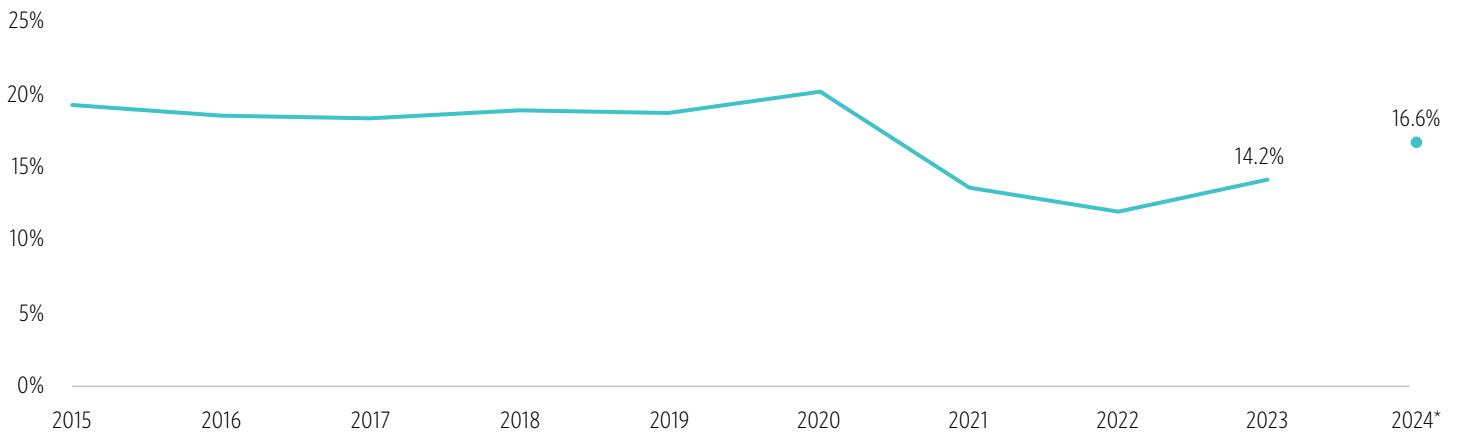


### Top healthcare VC investors by deal count (2015-2024)\*

Investor	Deal count	Pre-seed/seed	Early-stage VC	Late-stage VC	Venture growth	Investor type
Bpifrance	270	51	113	97	9	Sovereign wealth fund
Enterprise Ireland	268	91	85	79	13	VC
High-Tech Gründerfonds	187	74	73	38	2	VC
NLC	162	147	8	7	0	VC
Scottish Enterprise	144	30	40	49	25	Government
Future Planet Capital	120	37	32	37	14	VC
SOSV	119	56	26	33	4	VC
Mercia Asset Management	116	26	33	48	9	Growth/expansion
Almi Invest	112	17	61	31	3	VC

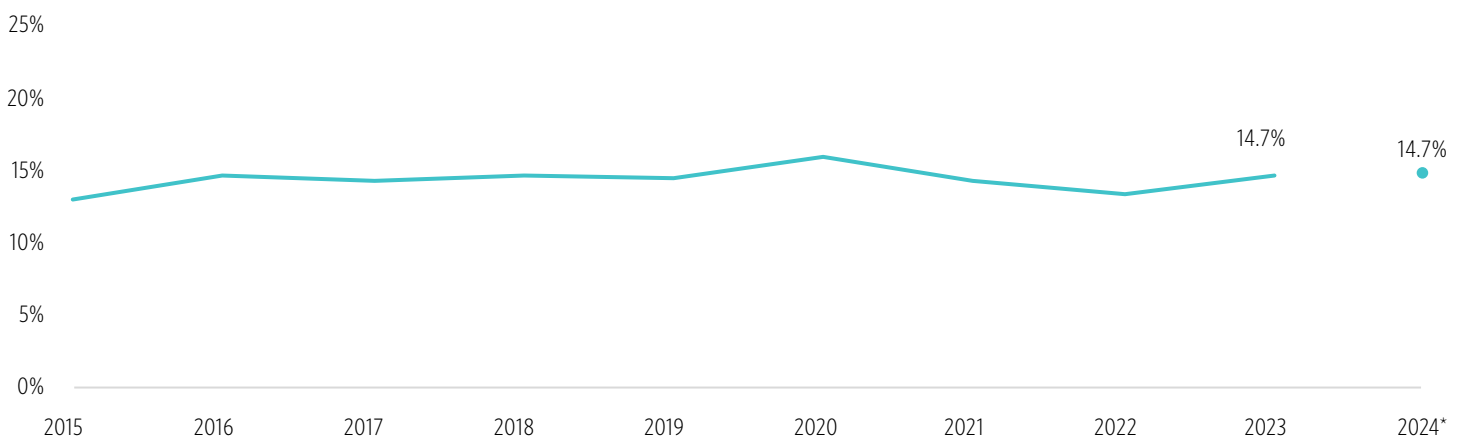
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### Healthcare VC deal value as a share of all VC deal value



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

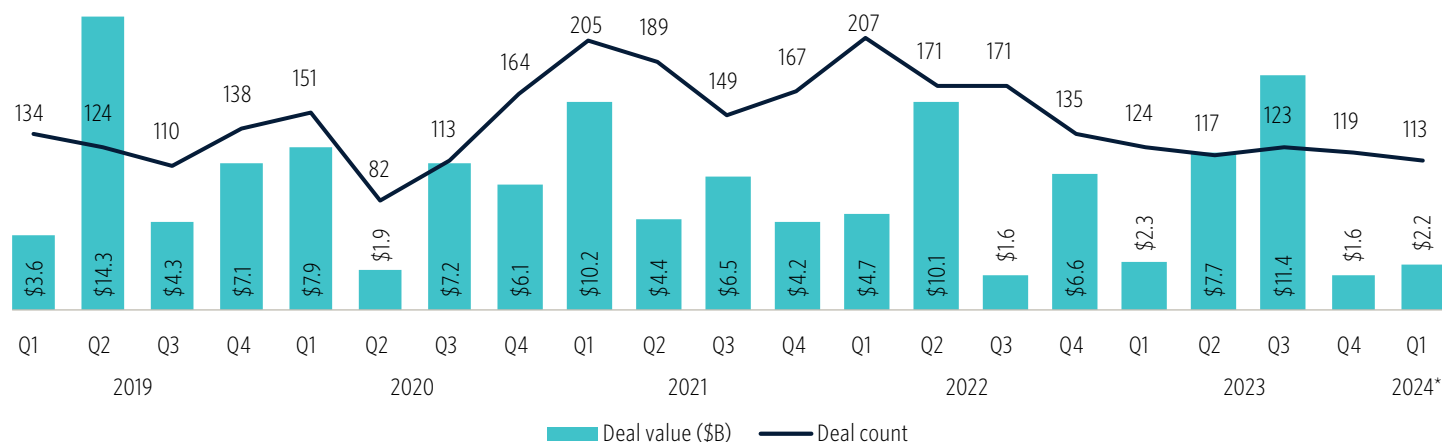
### Healthcare VC deal count as a share of all VC deals



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

## PE activity

### Healthcare PE deal activity by quarter



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

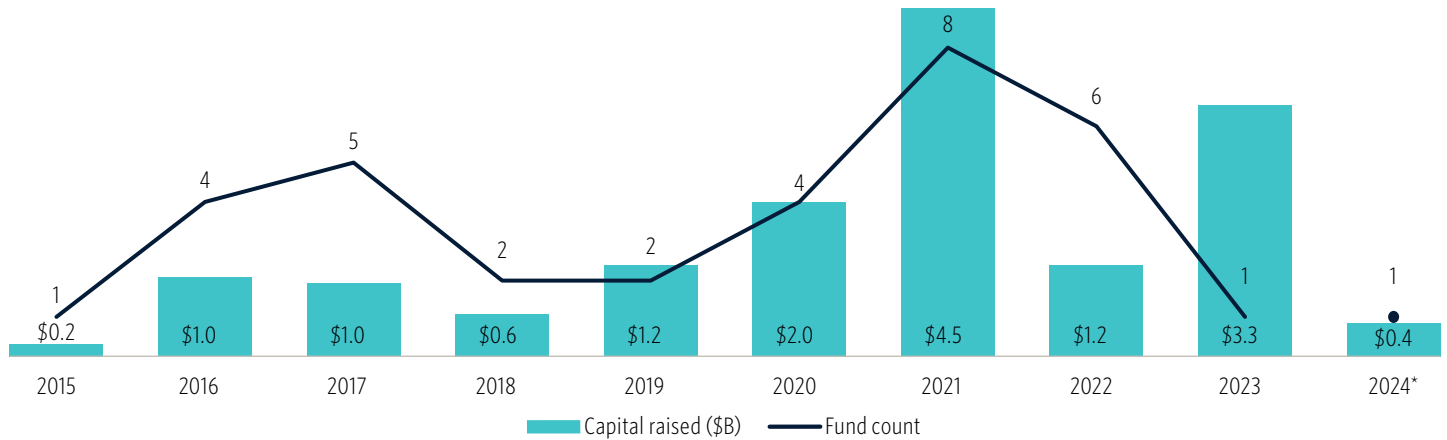
### Top healthcare PE deals by deal value (2015-2024)\*

Company	Close date	Deal value (\$M)	Deal type	Investor(s)	Sector	City	Country
Galderma	July 17, 2019	\$12,005.5	Corporate divestiture	Abu Dhabi Investment Authority, Ardian, EQT, HarbourVest Partners, Park Square Capital, Princess PE Holding, Public Sector Pension Investment Board	Biopharma	Zug	Switzerland
STADA Arzneimittel	August 18, 2017	\$6,370.2	N/A	Bain Capital, Cinven, CPP Investments	Biopharma	Bad Vilbel	Germany
Dechra Pharmaceuticals	January 24, 2024	\$5,671.1	Public to private	Abu Dhabi Investment Authority, EQT	Biopharma	Northwich	UK
Cerba HealthCare	June 1, 2021	\$5,467.3	Secondary buyout	EQT, Public Sector Pension Investment Board	Healthcare services	Issy-les-Moulineaux	France
LGC	December 2, 2019	\$3,870.3	Secondary buyout	Abu Dhabi Investment Authority, Astorg, Cinven	Healthcare services	Teddington	UK
SYNLAB	November 2, 2023	\$3,816.5	N/A	Cinven	Healthcare services	Munich	Germany
ELSAN	October 23, 2020	\$3,873.9	Secondary buyout	Ardian, AXA, CNP Assurances, CVC Capital Partners, KKR, Mérieux Equity Partners, Sagard	Healthcare services	Paris	France
Recordati	December 6, 2018	\$3,442.0	Management buyout	AlpInvest Partners, CVC Capital Partners, Public Sector Pension Investment Board, StepStone Group	Biopharma	Milan	Italy
IVIRMA Global	January 10, 2023	\$3,249.0	N/A	KKR	Healthcare services	Valencia	Spain
DomusVi Group	June 8, 2017	\$2,634.3	Management buyout	ICG Enterprise Trust, Intermediate Capital Group, Sagesse Retraite Santé	Healthcare services	Suresnes	France

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

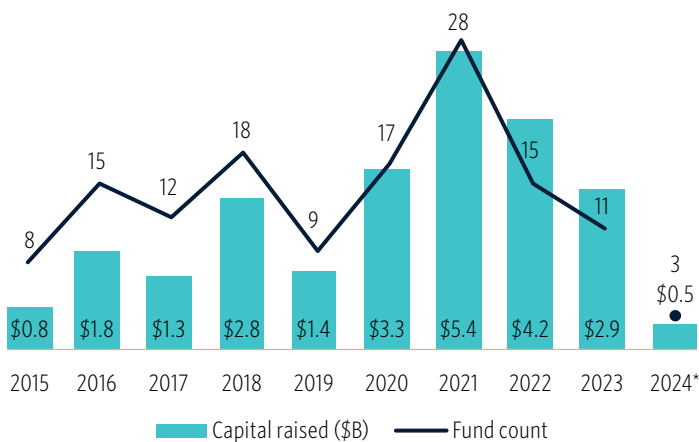
## Fundraising

### Healthcare PE fundraising activity



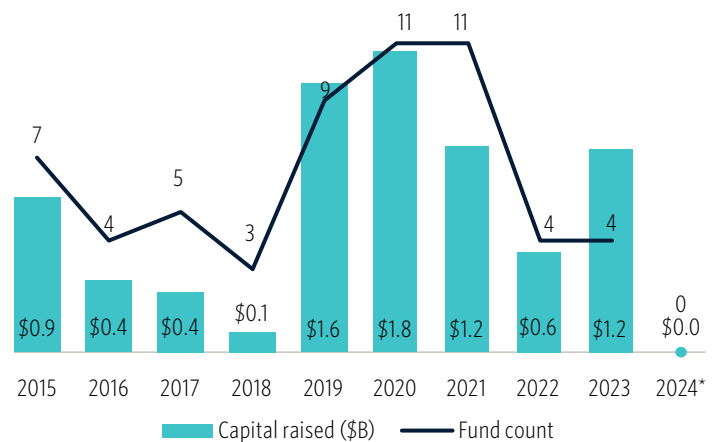
Source: PitchBook • Geography: EMEA • \*As of May 14, 2024

### Life sciences VC fundraising activity



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

### Other healthcare VC fundraising activity



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