

J.P.Morgan

Q1 2023 Medtech Licensing and Venture Deals

April 2023

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Executive summary

Medtech saw some quarterly wins despite challenges in the broader tech and healthcare sectors

Medtech, device, diagnostics, and research tool developers, similar to the broader innovation economy sectors, had a harder time signing deals and fundraising in the first quarter of 2023. The IPO window for medtech companies was effectively shut in the quarter. More venture rounds closed in Q1 2023, despite a continued drop in the total dollars invested. Licensing and contract service deals also saw higher deal flow, but smaller sizes for total announced deal values and upfront cash and equity payments.

Here are a few highlights from our first quarter report:

- **R&D licensing and contract services:** \$1.1 billion in total announced deal values for medtech programs across 159 deals. The number of deals was higher than in Q4 2022, which also had \$700 million in upfront cash and equity in the previous quarter.

- **Medtech venture:** \$1.7 billion was raised across 149 private funding rounds for medtech companies in the first quarter of 2023.
- **IPO and M&A:** There were no medtech IPOs completed in the first quarter of 2023. There were 25 M&A transactions for medtech companies announced for a total of \$4.8 billion in total M&A transaction value.

J.P. Morgan is ready to serve the needs of companies across the healthcare and life sciences sectors, at every stage of growth. Our relationship bankers have decades of experience helping entrepreneurs raise funds, thrive and succeed, even in uncertain times.

Kathryn McDonough
Co-Head of Healthcare, Commercial Banking
J.P. Morgan

Parameters

Medtech companies are defined as firms developing medical devices, diagnostics, digital health therapeutics, and research tools. Biopharma companies are defined as firms developing therapeutics and technology platforms engaged in drug discovery, clinical R&D and commercialization. Therapy areas, development stages and modalities are segmented per the DealForma database.

Financials are based on disclosed figures curated by DealForma. Multiple tranches of the same Series are counted as one together.

Data as of 4/6/2023

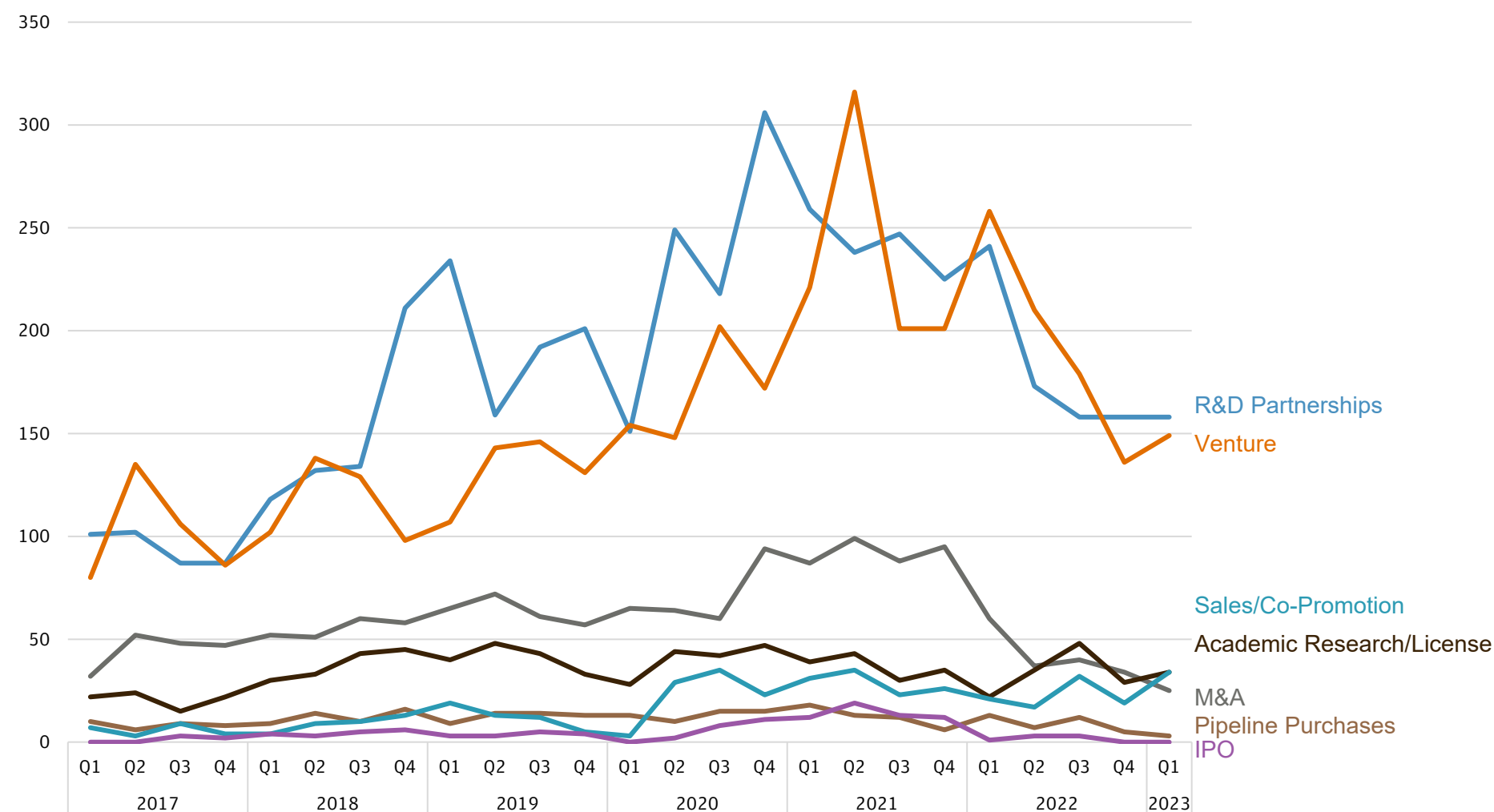
Medtech dealmaking in 2023

Medtech, device, diagnostics, and research tools saw steady partnership and venture activity since Q4 2022, despite the declines from the 2021 records seen in other deal structures.

- 158 medtech R&D licensing partnerships signed in Q1 2023, the same as in Q4 2022.
- 149 venture rounds completed for medtech companies in Q1 2023, a slight increase from 136 in Q4 2022.

Source: DealForma.com database
Financials based on disclosed figures. Data through 4/6/2023.

Medtech, Diagnostics, Digital Therapeutics, and Tools: Total Number of Deals



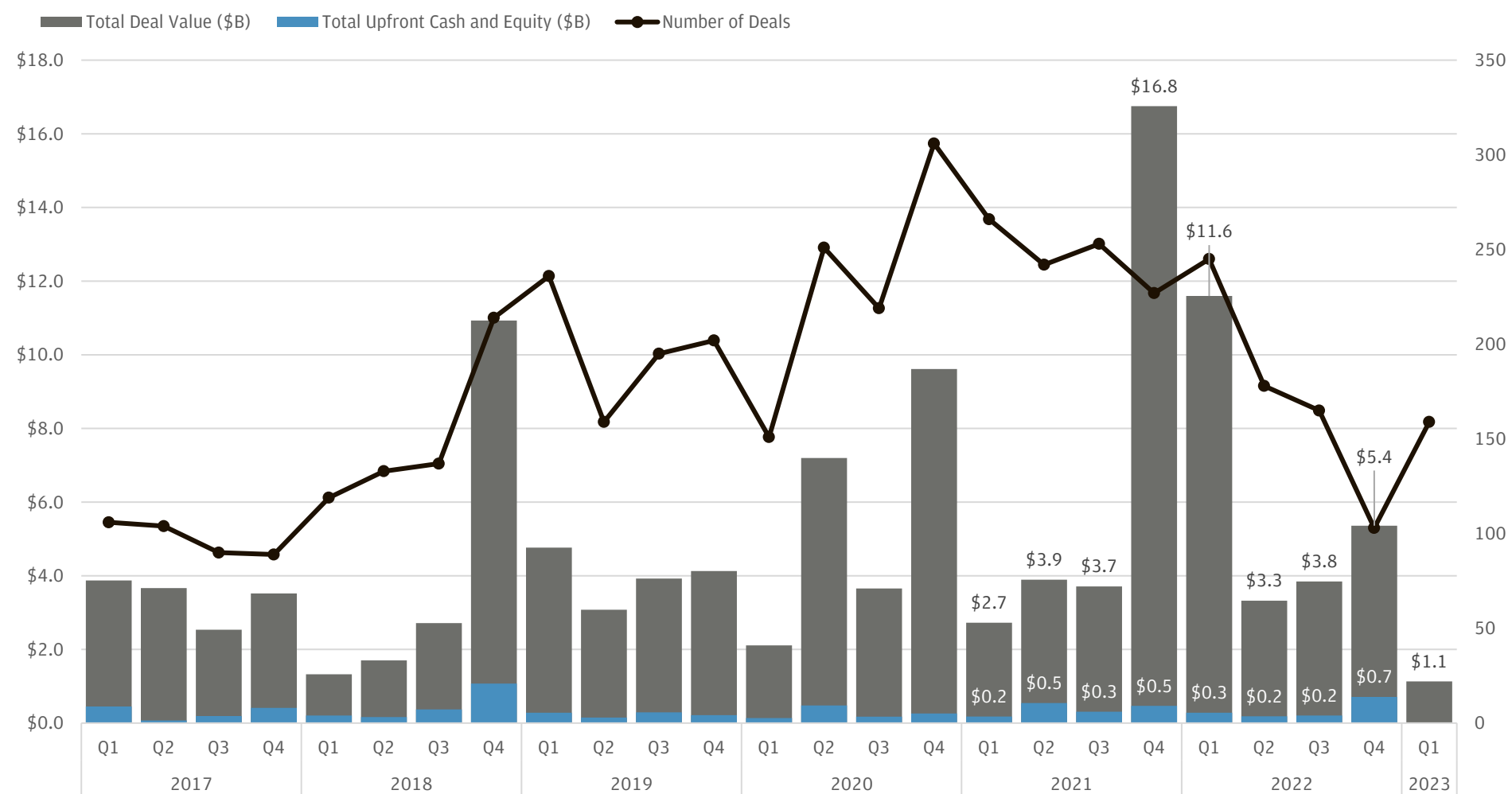
Medtech Licensing and M&A

More, but lower value, partnerships for medtech, diagnostics, and digital therapeutics

Quarterly medtech R&D partnership and contract service deals in Q1 2023 saw more deals signed; however, quarterly deal values were smaller.

- \$1.1 billion in total announced deal values for medtech programs across 159 deals.
- The number of deals was higher than in Q4 2022, which also had \$700 million in upfront cash and equity in the previous quarter.

Medtech, Diagnostics, Digital Therapeutics and Tools: Partnership and Contract Service Activity



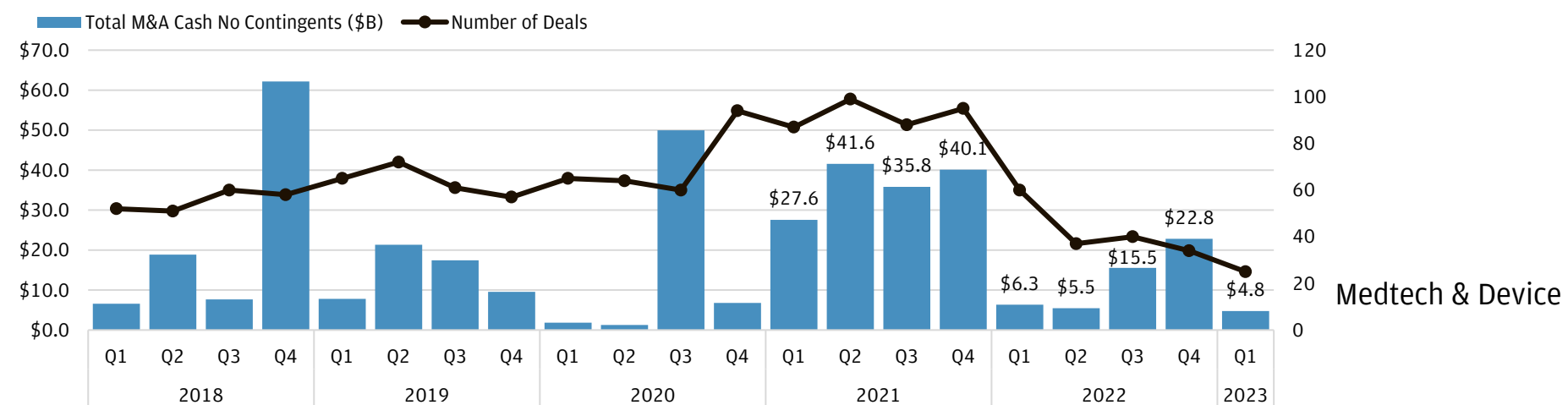
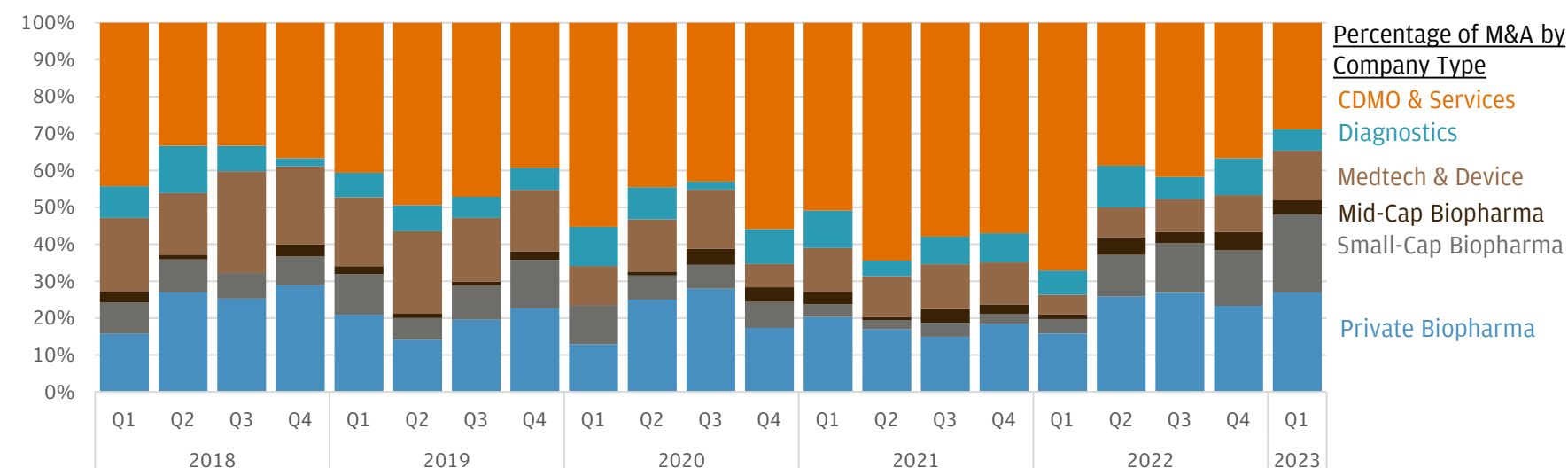
Source: DealForma.com database
Financials based on disclosed figures. Data through 4/6/2023.

Quarterly medtech M&A remained low on fewer and smaller deals in first quarter 2023

Medtech merger and acquisition activity has remained in decline since Q1 2022 with fewer deals and smaller deal total values.

- 25 M&A transactions for medtech, device, diagnostics, and research tools companies were announced in the first quarter of 2023.
- \$4.8 billion in total M&A value for medtech companies, lower than the last eight quarters.

Medtech M&A Activity Compared with Other Healthcare and Life Sciences Subsectors



Source: DealForma.com database
Financials based on disclosed figures. Data through 4/6/2023.

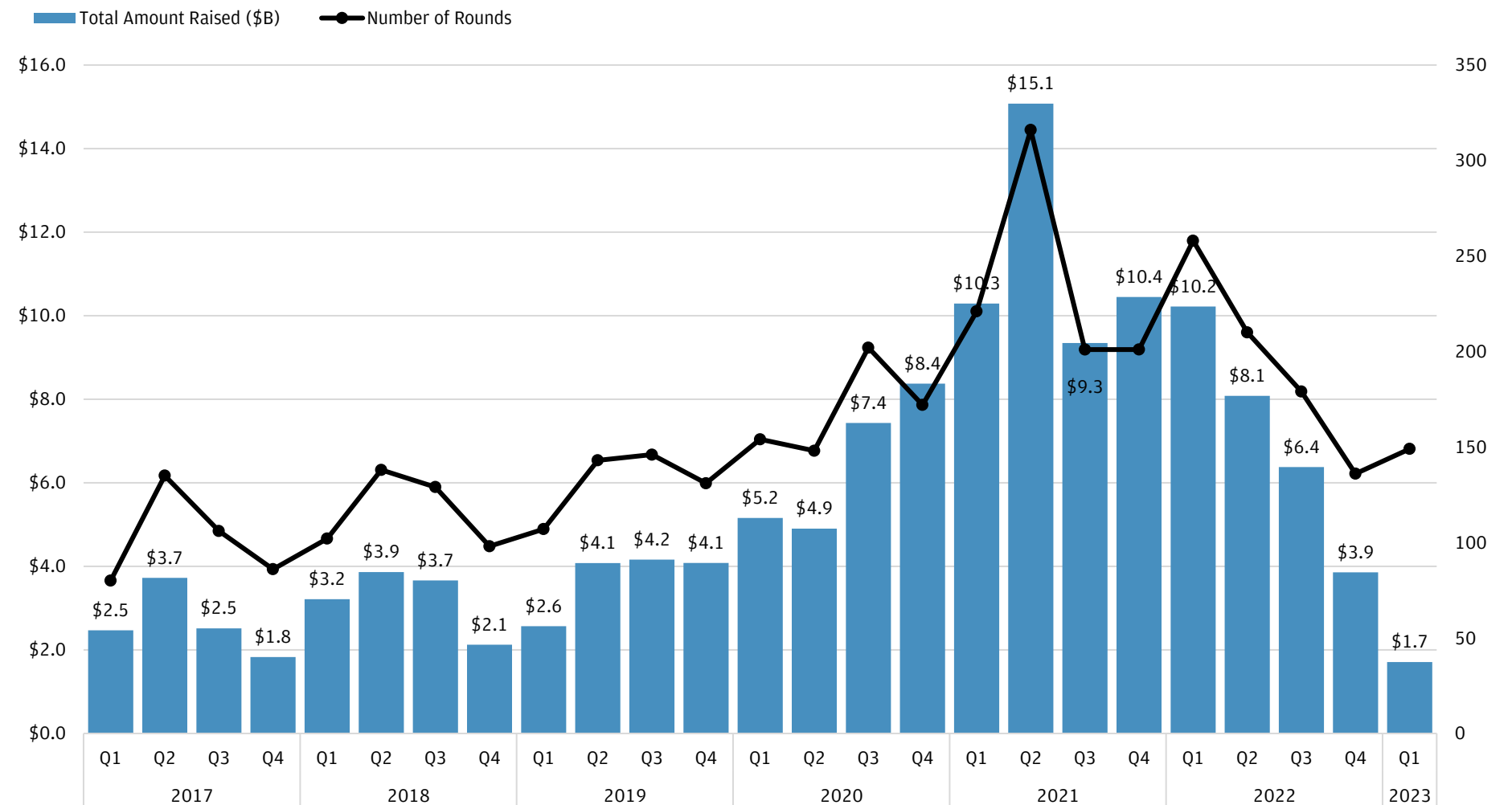
Medtech Venture Highlights

Medtech venture activity saw more, but smaller, funding rounds

Venture funding into medtech companies saw slightly more activity in terms of the number of venture rounds completed in the first quarter of 2023, but those rounds were smaller in value.

- \$1.7 billion was raised in private funding rounds for medtech companies in the first quarter of 2023.
- More rounds were raised this quarter at 149, up from 136 in Q4 2022.

Medtech, Devices, Diagnostics, and Research Tools: Venture Totals (\$B) and Number of Rounds



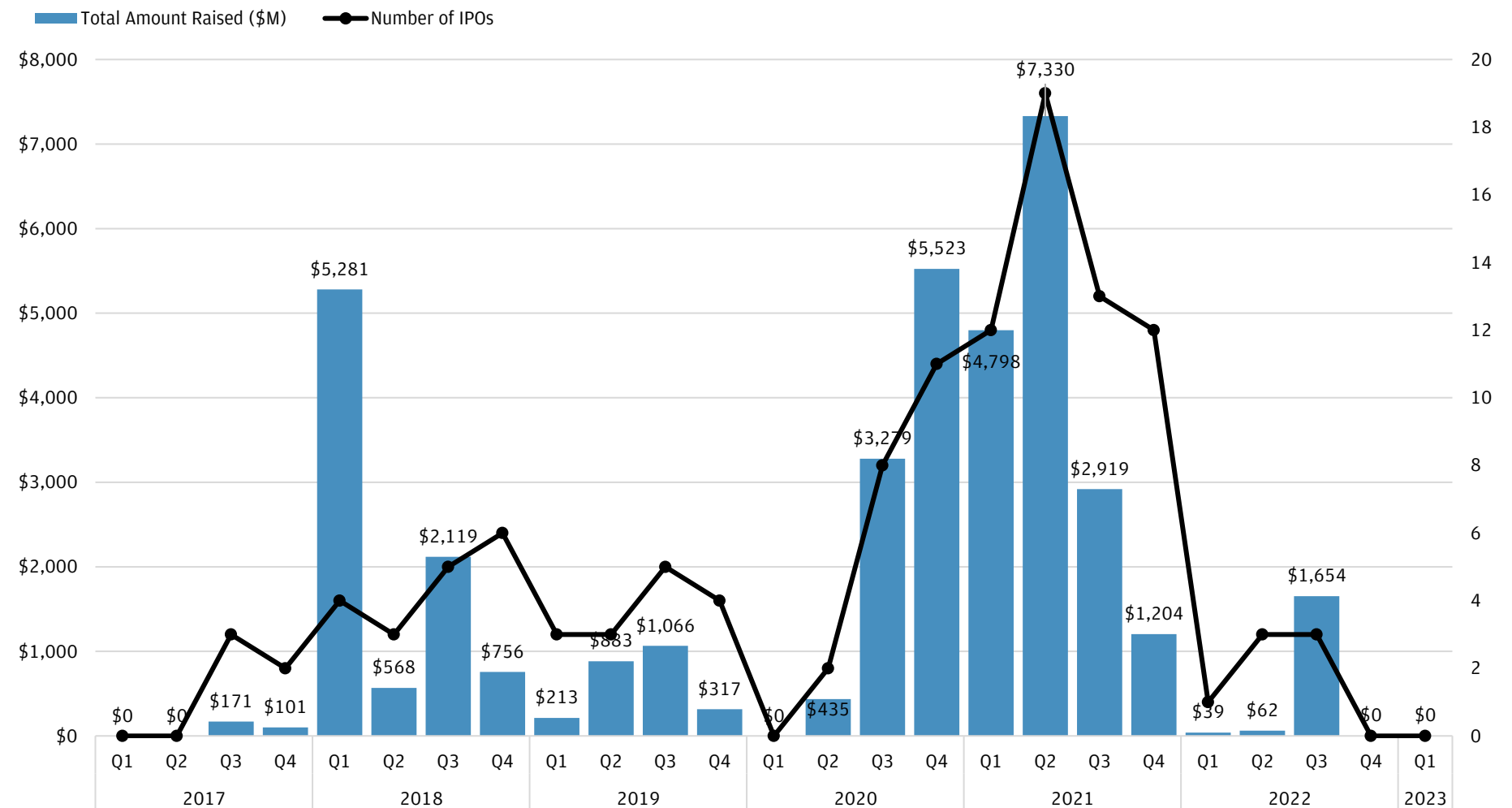
Source: DealForma.com database
Financials based on disclosed figures. Data through 4/6/2023.

Medtech IPO completions were flat at zero again this most recent quarter

Medtech company IPO activity dropped significantly after 2021 and remained down through the last five quarters.

- There were no IPOs completed for medtech, device, diagnostics and research tools developers tracked in the first quarter of 2023.

Completed IPOs in Medtech: Totals (\$M) and Number of Rounds



Source: DealForma.com database
Financials based on disclosed figures. IPOs by first filing date. Data through 4/6/2023.

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