

J.P.Morgan

Q3 2026 Medtech Licensing and Venture Report

October 2026

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Executive summary

Medtech M&A has surpassed full-year 2025 value while venture funding held steady in Q3

Medtech capital markets were mixed through Q3 2026. Venture funding held broadly steady in Q3, while year-to-date M&A value exceeded full-year 2025 despite a third-quarter slowdown. Public market performance in the sector has underperformed relative to the broader market.

M&A remained the more active exit channel, while IPO issuance was limited to two offerings through September. Licensing continued to show limited disclosed upfront cash relative to announced deal value.

Here are a few highlights from our Q3 2026 report:

- **Venture funding:** Venture funding totaled \$8 billion across 278 rounds in 2026 YTD, including \$2.7 billion in Q3, broadly in line with Q2.
- **Licensing:** Licensing partnership value reached \$6 billion in 2026 YTD, with disclosed upfront cash representing 2% of announced deal value.
- **M&A:** Medtech M&A totaled \$64.1 billion across 141 deals in 2026 YTD, including \$15 billion across 42 deals in Q3.
- **IPOs:** Medtech IPOs raised \$710 million across two offerings in 2026 YTD, compared with \$1.8 billion across eight offerings in full-year 2025.

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Parameters

Medtech companies are defined as firms developing medical devices, diagnostics, therapeutic digital health and commercial research tools. Healthcare IT and payer/provider software are excluded.

Therapy areas, development stages, modalities and deal structures are segmented based on the DealForma database.

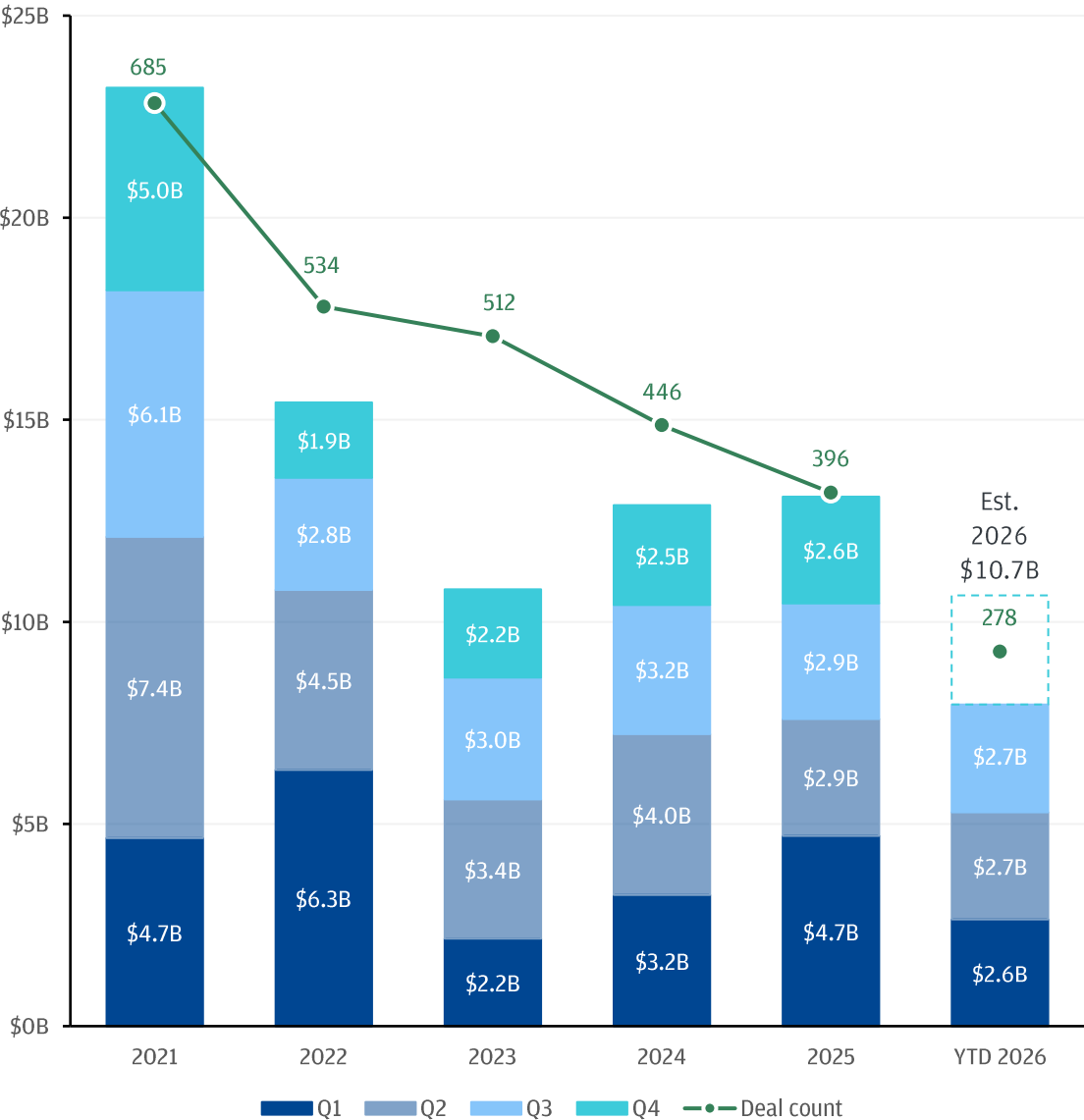
Financials are based on disclosed figures curated by DealForma. Multiple tranches of the same series are counted as one.

Deals are tracked globally unless otherwise noted.

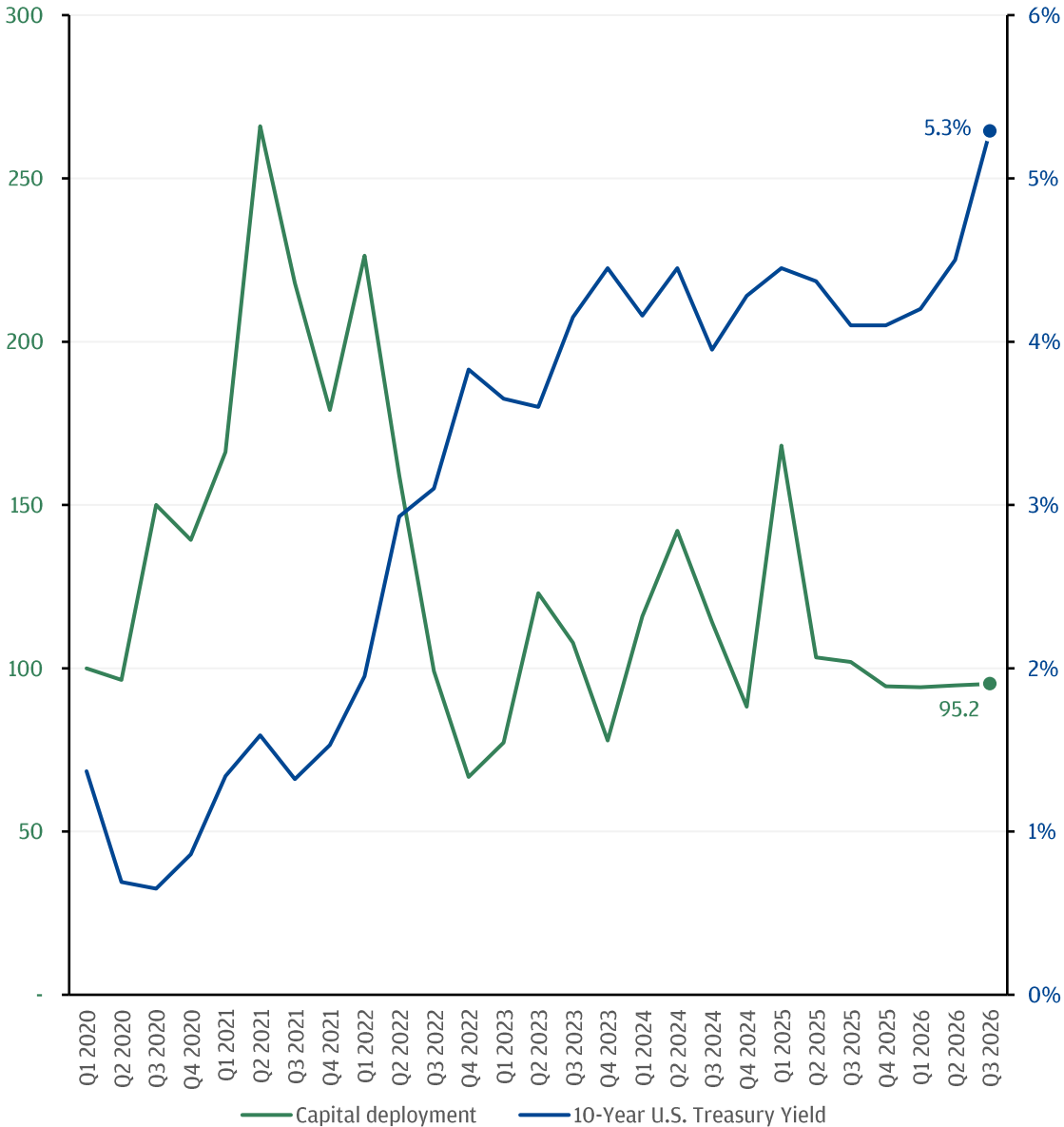
Data as of Sept. 30, 2026

Medtech funding holds steady in Q3 amid a measured deal environment

QUARTERLY MEDTECH VENTURE INVESTMENT VS. ANNUAL VENTURE DEAL COUNT¹



10-YEAR U.S. TREASURY YIELD VS. MEDTECH VENTURE DEPLOYMENT (INDEXED)^{1,2}



Medtech venture funding totaled \$8 billion across 278 rounds through Q3 2026. Third-quarter investment held broadly steady at \$2.7 billion, in line with Q2 and down 7% from Q3 2025.

On the current pace, 2026 funding is estimated to reach approximately \$10.7 billion across 370 rounds, compared with \$13.1 billion across 396 rounds in 2025. The figures suggest a more moderate decline in deal count than in overall capital deployed.

The capital deployment index edged up to 95.2 in Q3, approaching its Q1 2020 baseline of 100, even as the 10-year U.S. Treasury yield rose above 5%. The relative stability in deployment suggests medtech venture activity has remained steady despite a more challenging cost-of-capital environment.

Notes: ¹Financials based on disclosed figures. Data through Sept. 30, 2026. ²Medtech venture capital deployment is indexed to Q1 2020, where Q1 2020=100.

Medical devices stabilized in Q3 but remain well behind broader market gains

3Y PRICE HISTORY – IHI MEDICAL DEVICES ETF, S&P 500 AND NASDAQ (INDEXED)¹



Public-market performance has diverged considerably over the past three years. Since Q3 2023, the Nasdaq and S&P 500 have risen approximately 103% and 78%, respectively, while the iShares U.S. Medical Devices ETF (IHI) has remained only modestly above its starting level. IHI is a proxy for medical device performance; holdings include Abbott Laboratories, Stryker Corp. and Boston Scientific.

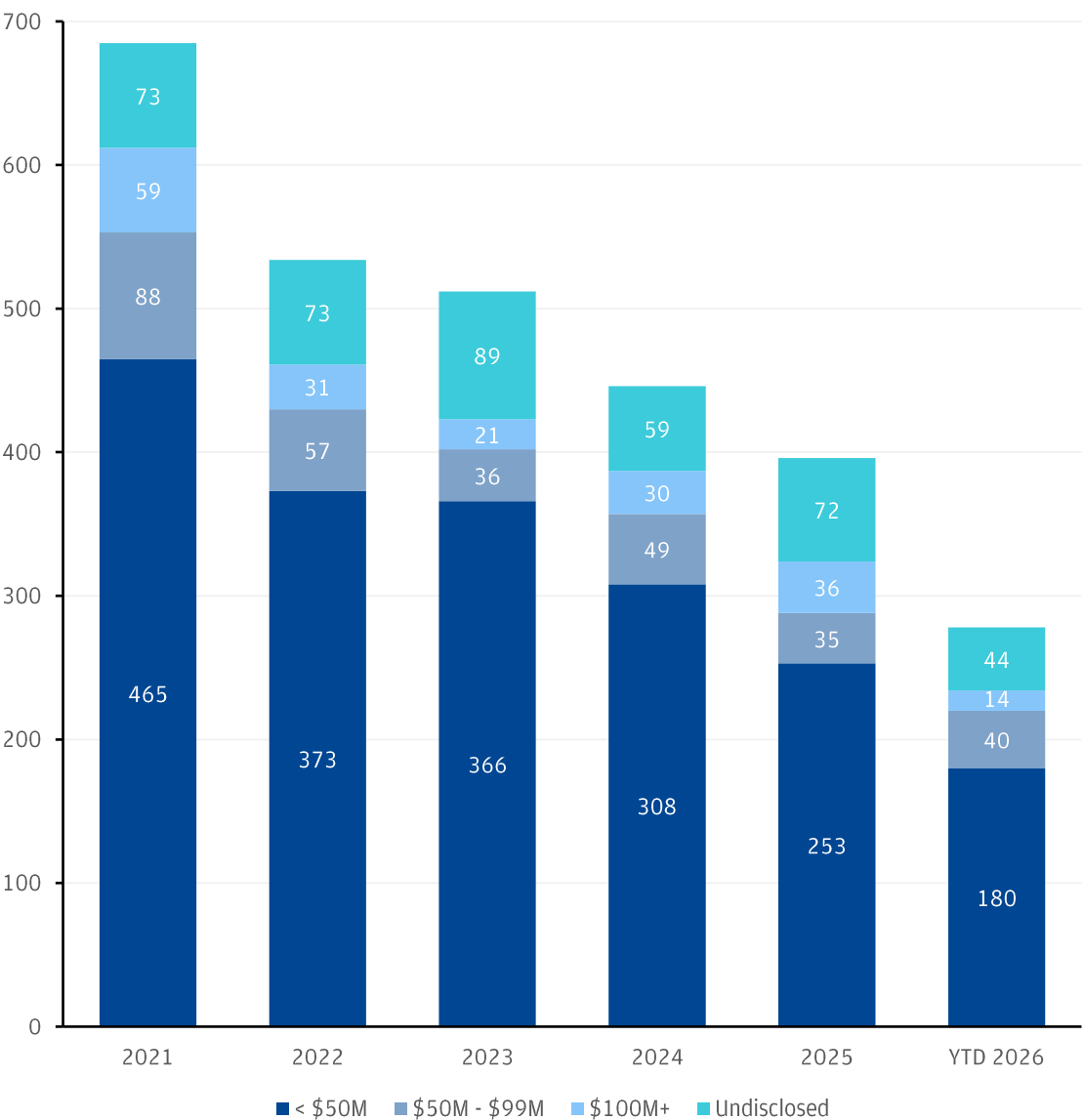
When looking exclusively at Q3 2026 performance, IHI moved modestly higher, suggesting that performance may be stabilizing, although the sector continues to trail the broader indices by a wide margin.

The persistent gap underscores a more selective public-market environment for medical device companies as the sector competes for attention from technology and AI innovations elsewhere in the economy and valuation multiples continue to compress.

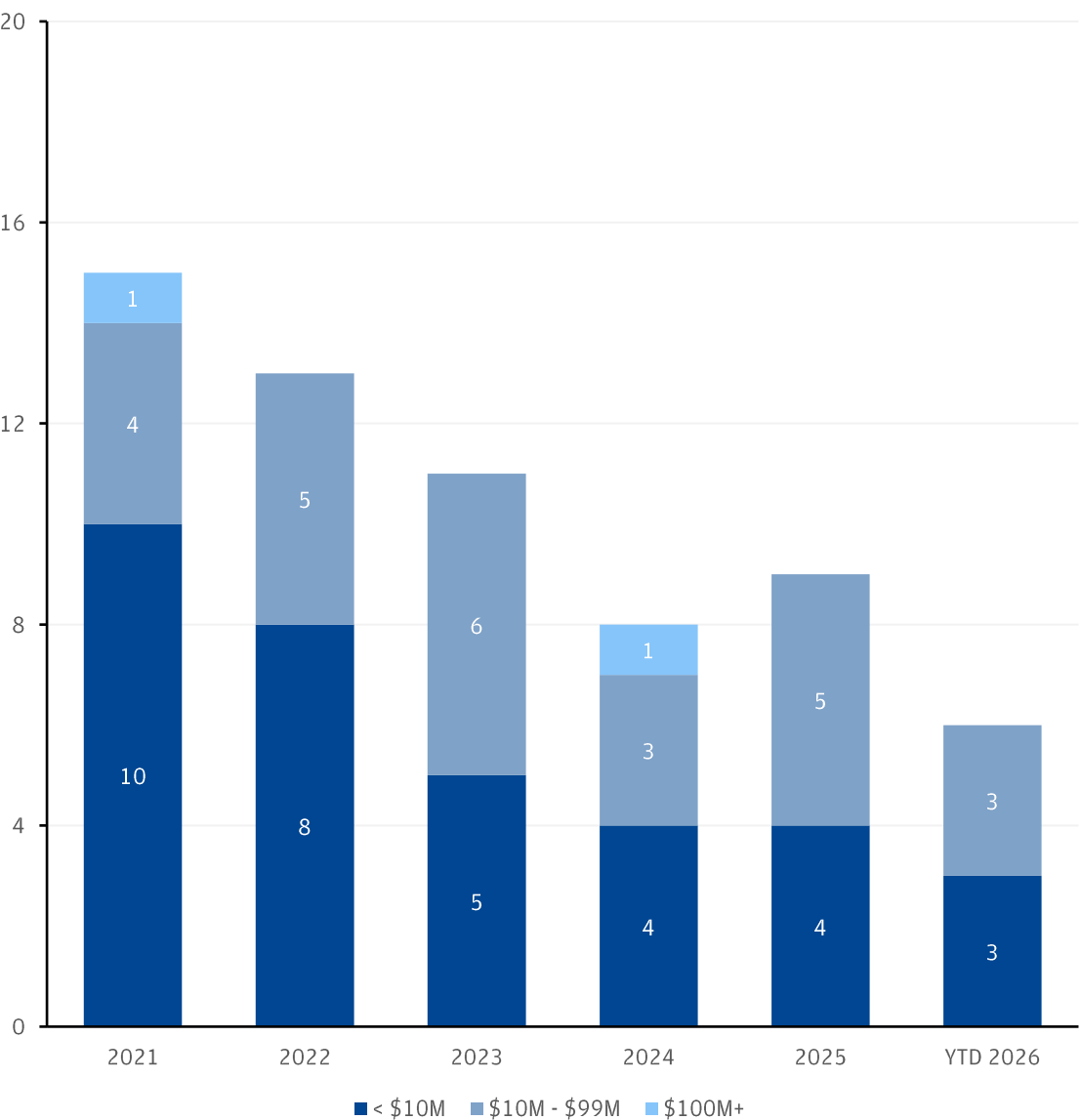
Note: ¹IHI, S&P 500, and NASDAQ are indexed to Q3 2023, where Q3 2023=100. Data through Sept. 30, 2026.

Large venture rounds persist as licensing upfronts remain limited

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE¹



COUNT OF MEDTECH R&D LICENSES BY DISCLOSED UPFRONT CASH & EQUITY AMOUNT¹



Medtech venture activity included 54 rounds of \$50 million or more through Q3 2026, comprising 40 rounds between \$50 million and \$99 million and 14 rounds of at least \$100 million. While overall round volume remains below recent full-year levels, the continued presence of larger financings suggests capital remains available for select companies.

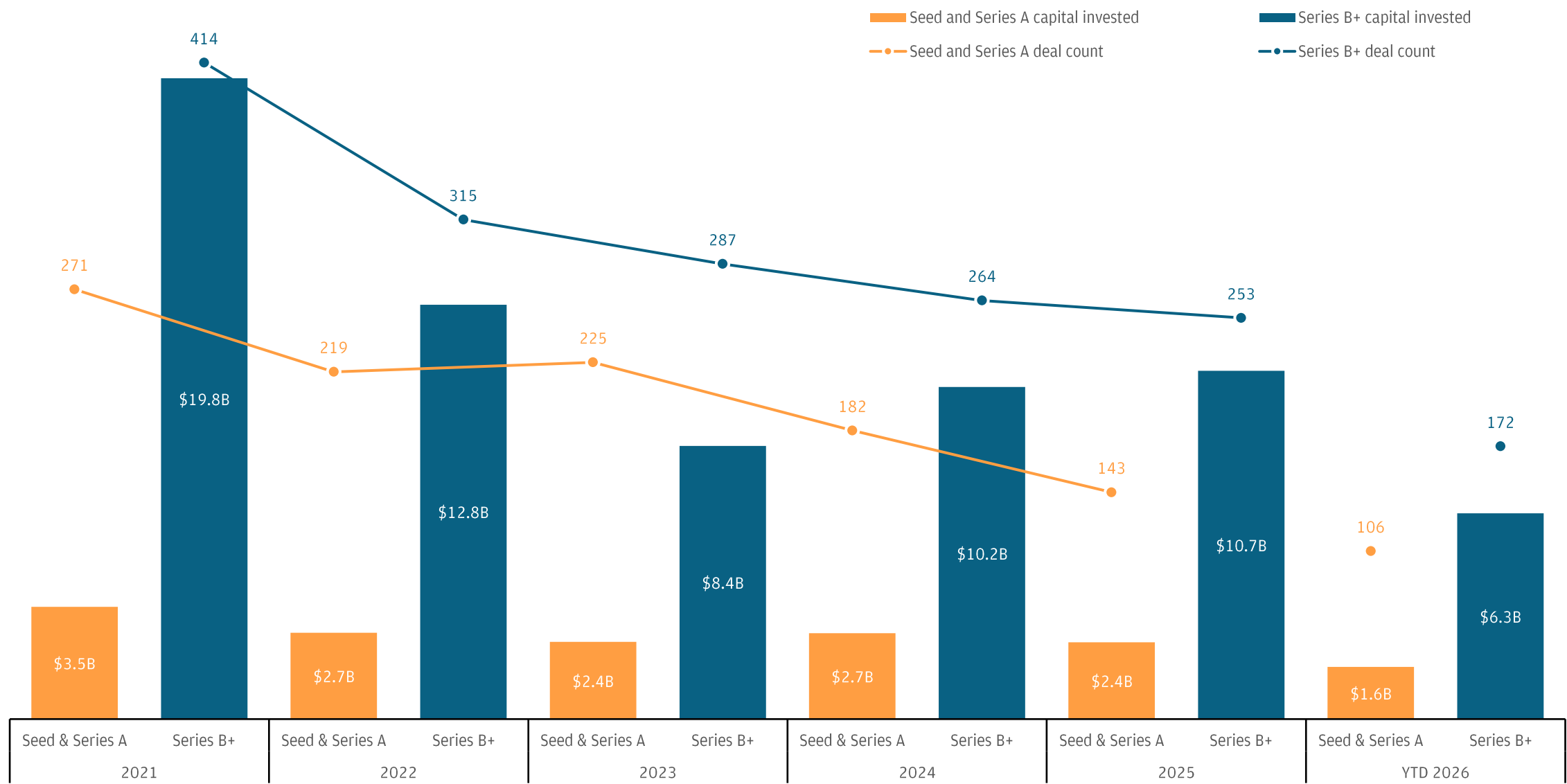
Notable Q3 financings included Precision Neuroscience's \$250 million Series D and HighLife Medical's \$90 million financing.

Licensing upfronts remained comparatively modest. Six medtech R&D and licensing deals disclosed upfront payments through Q3, evenly divided between payments under \$10 million and those between \$10 million and \$99 million. No deal disclosed an upfront payment of \$100 million or more.

Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2026.

Series B and later rounds captured most medtech venture capital through Q3

MEDTECH SEED AND SERIES A VENTURE ACTIVITY VS. SERIES B+ VENTURE ACTIVITY¹



Series B and later rounds raised \$6.3 billion across 172 financings through Q3 2026, compared with \$1.6 billion across 106 Seed and Series A rounds.

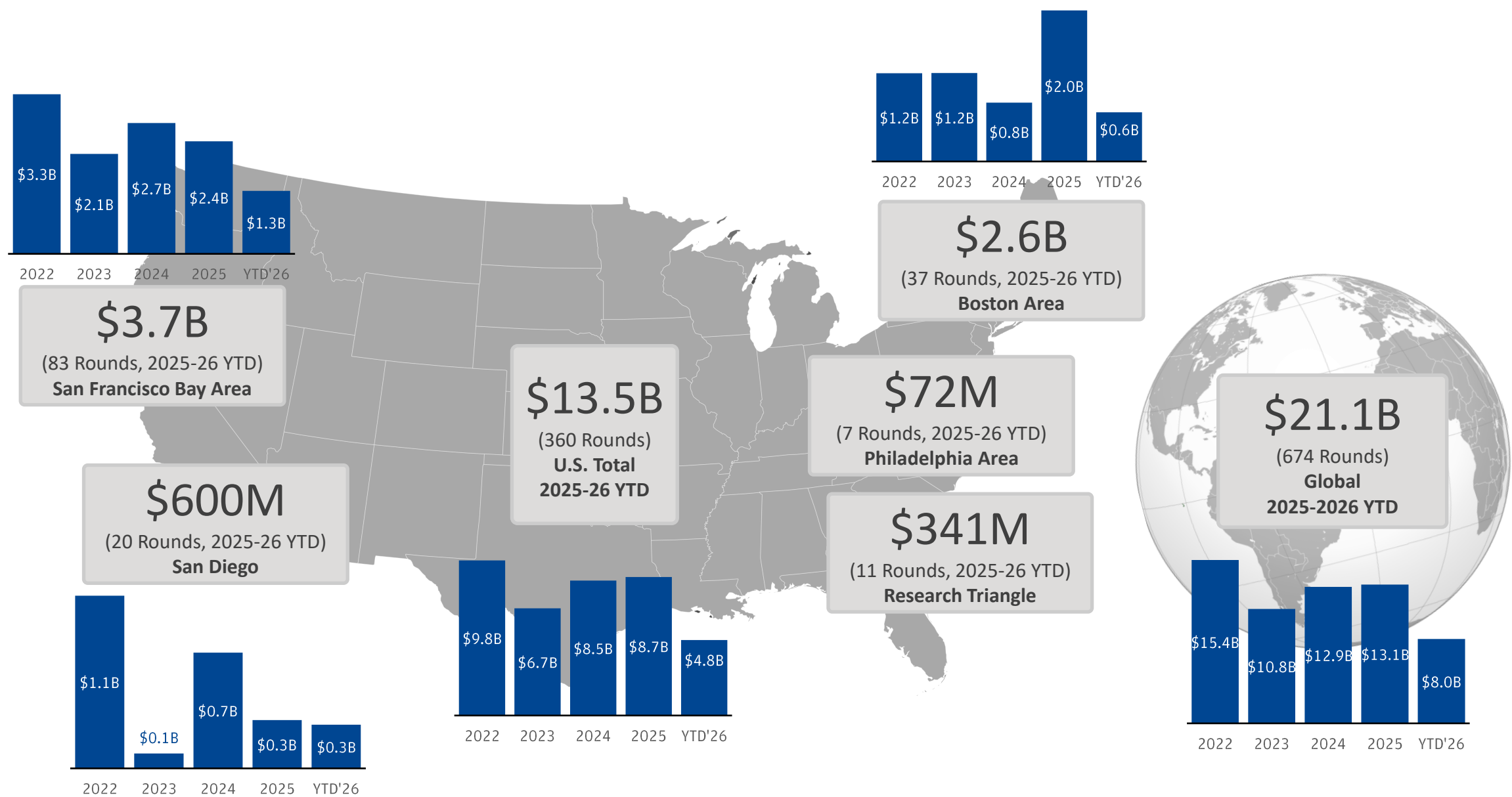
Later-stage financings captured about 80% of medtech venture capital deployed, broadly consistent with their share in recent years. Although 2026 YTD funding remains below full-year 2025 levels, later-stage rounds have continued to outpace early-stage investments by nearly four to one.

Notable early-stage activity included Texas-based Happy Health’s \$135 million Series A, which is intended to support development of its comprehensive sleep diagnostic platform.

Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2026.

U.S. companies captured nearly two-thirds of global medtech funding

MEDTECH VENTURE INVESTMENT BY GEOGRAPHY, 2025 TO Q3 2026¹



From 2025 through Q3 2026, medtech companies raised \$21.1 billion across 674 rounds globally. U.S.-based companies attracted \$13.5 billion across 360 rounds, or about 64% of total capital invested.

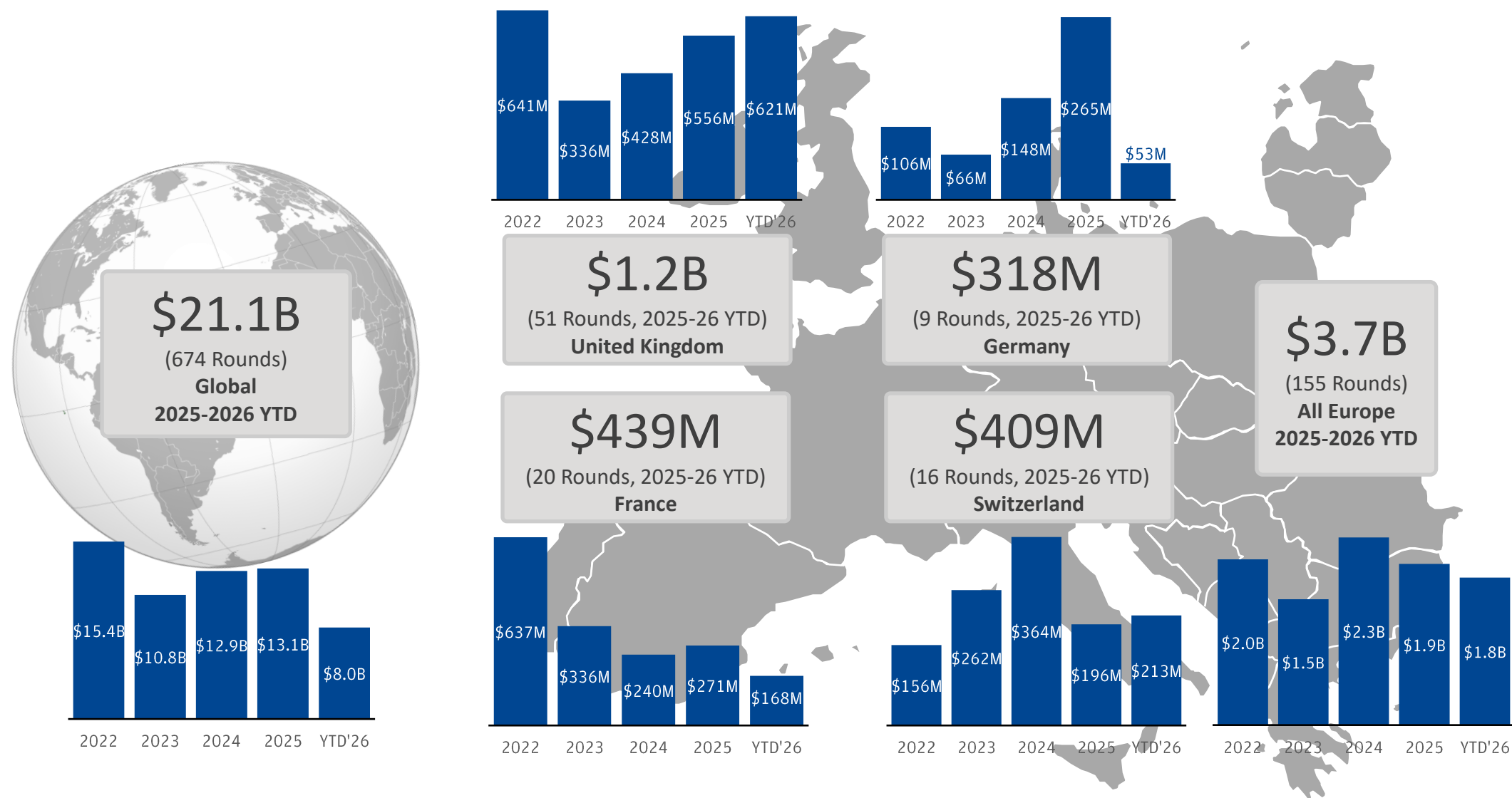
The San Francisco Bay Area and Boston remained the leading U.S. medtech hubs, raising a combined \$6.3 billion across 120 rounds. Together, the two markets accounted for nearly half of U.S. medtech funding over the period.

Other established hubs also attracted capital, including San Diego, Philadelphia and the Research Triangle (Raleigh-Durham, N.C.), which collectively raised approximately \$1.0 billion across 38 rounds.

Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2026.

U.K. anchors European medtech funding as 2026 activity holds near 2025 levels

MEDTECH VENTURE INVESTMENT BY GEOGRAPHY, 2025 TO Q3 2026¹



In Q3 2026, European medtech companies raised \$337 million (compared with \$665 million in Q3 2025) across 19 funding rounds.

The U.K. remains the largest European hub at \$118 million raised in Q3 2026, accounting for 35% of the \$337 million raised and 37% of 19 rounds across the quarter. Spain follows at \$73 million (22%) across two rounds (11%), followed by Italy at \$37 million (11%) across 2 rounds (11%), and Switzerland at \$35 million (10%) across one round (5%). The remaining capital was raised across Belgium, Sweden, Finland and France, totaling \$73 million (22%) across eight rounds (42%).

Across Europe, the \$337 million of capital raised in Q3 2026 was concentrated primarily in cardiovascular, oncology and neurology.

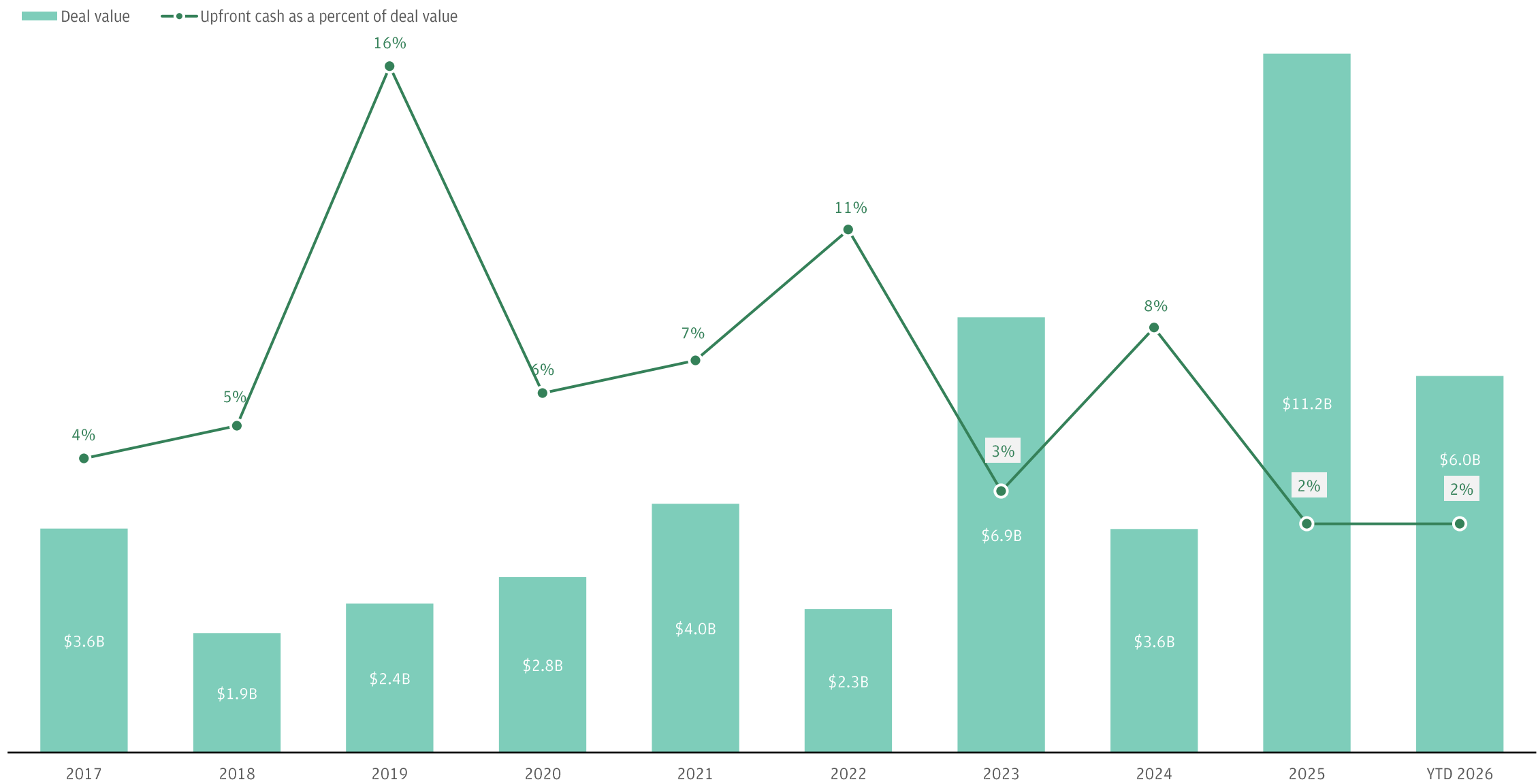
Funding concentration toward fewer, larger rounds, with 55% (\$185 million) of the \$337 million raised concentrated in 21% (four) of the total rounds (19).

Notable funding rounds in Q3 2026 included Leo Cancer Care (\$65 million Series D), Anaconda Biomed (\$56 million Series C) and IMU Biosciences (\$36 million Series A).

Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2026.

Medtech licensing reached \$6 billion through Q3, with limited upfront cash

MEDTECH R&D PARTNERSHIP AND LICENSING DEAL VALUE TOTALS AND UPFRONT CASH AS A PROPORTION OF DEAL VALUE¹



Medtech R&D partnership and licensing value totaled \$6 billion through Q3 2026, exceeding the annual totals recorded from 2017 through 2022, though below \$11.2 billion in 2025.

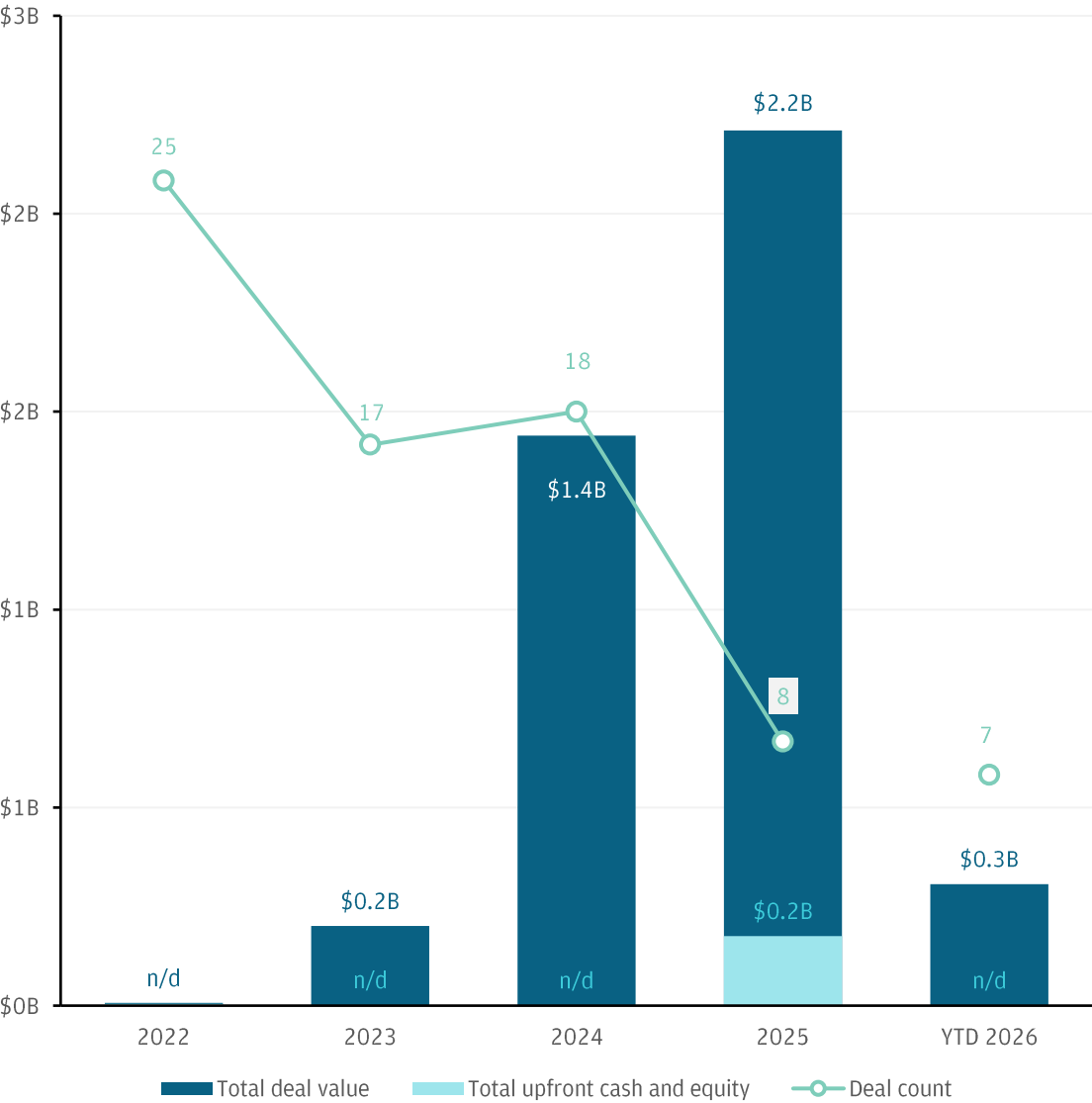
Disclosed upfront cash represented 2% of total announced deal value through Q3, in line with 2025.

A notable transaction announced earlier in 2026 involved Alcon licensing postoperative technologies from RxSight in a deal valued up to \$200 million.

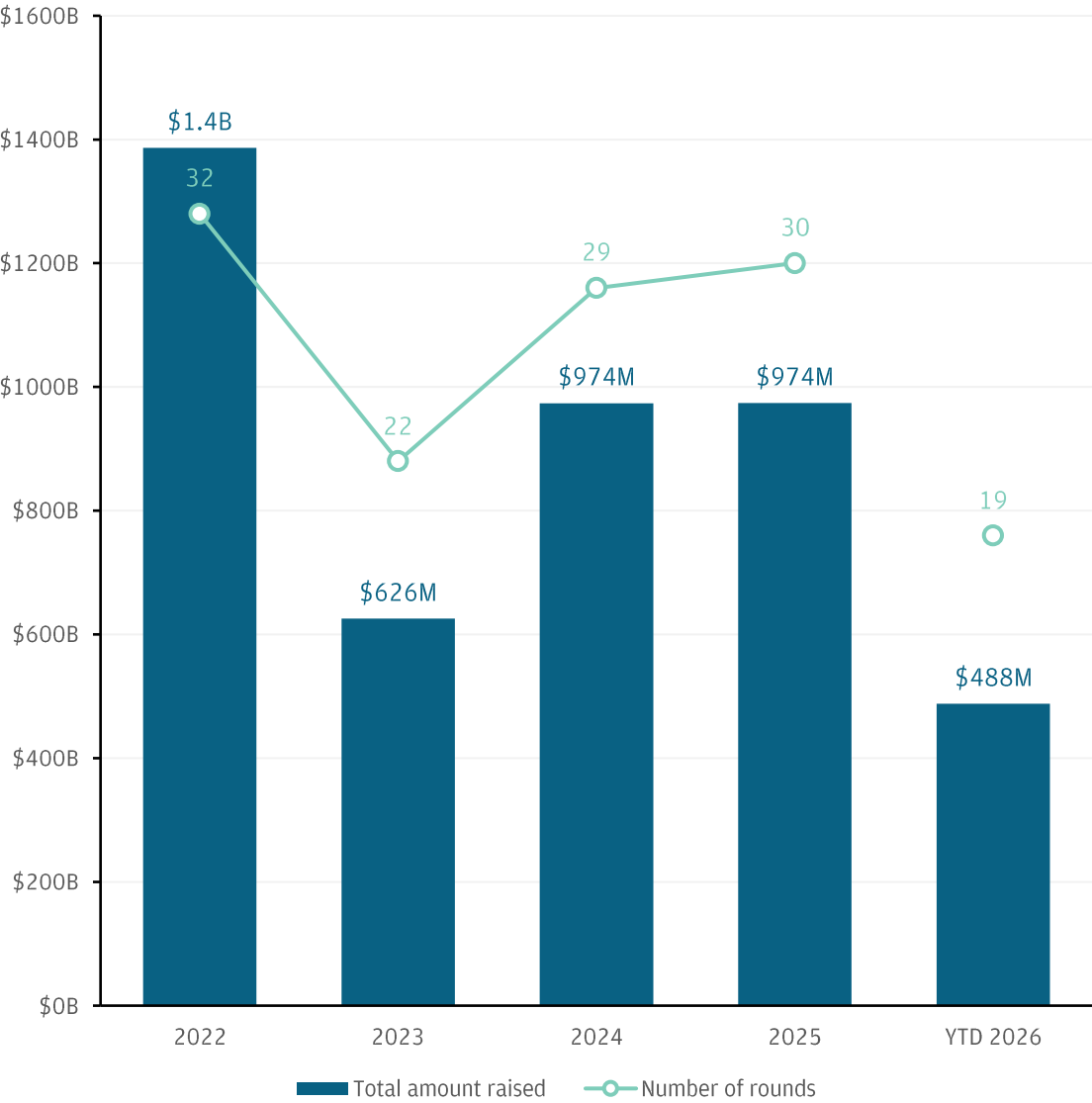
Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2026. The medtech deals in Q1 2026 disclosed only the total deal values and not the upfront payment terms.

Diagnostics and research tool developers maintained their focus on oncology

DIAGNOSTICS AND RESEARCH TOOLS FOR ONCOLOGY: R&D PARTNERSHIPS



DIAGNOSTICS AND RESEARCH TOOLS FOR ONCOLOGY: ALL VENTURE FUNDING



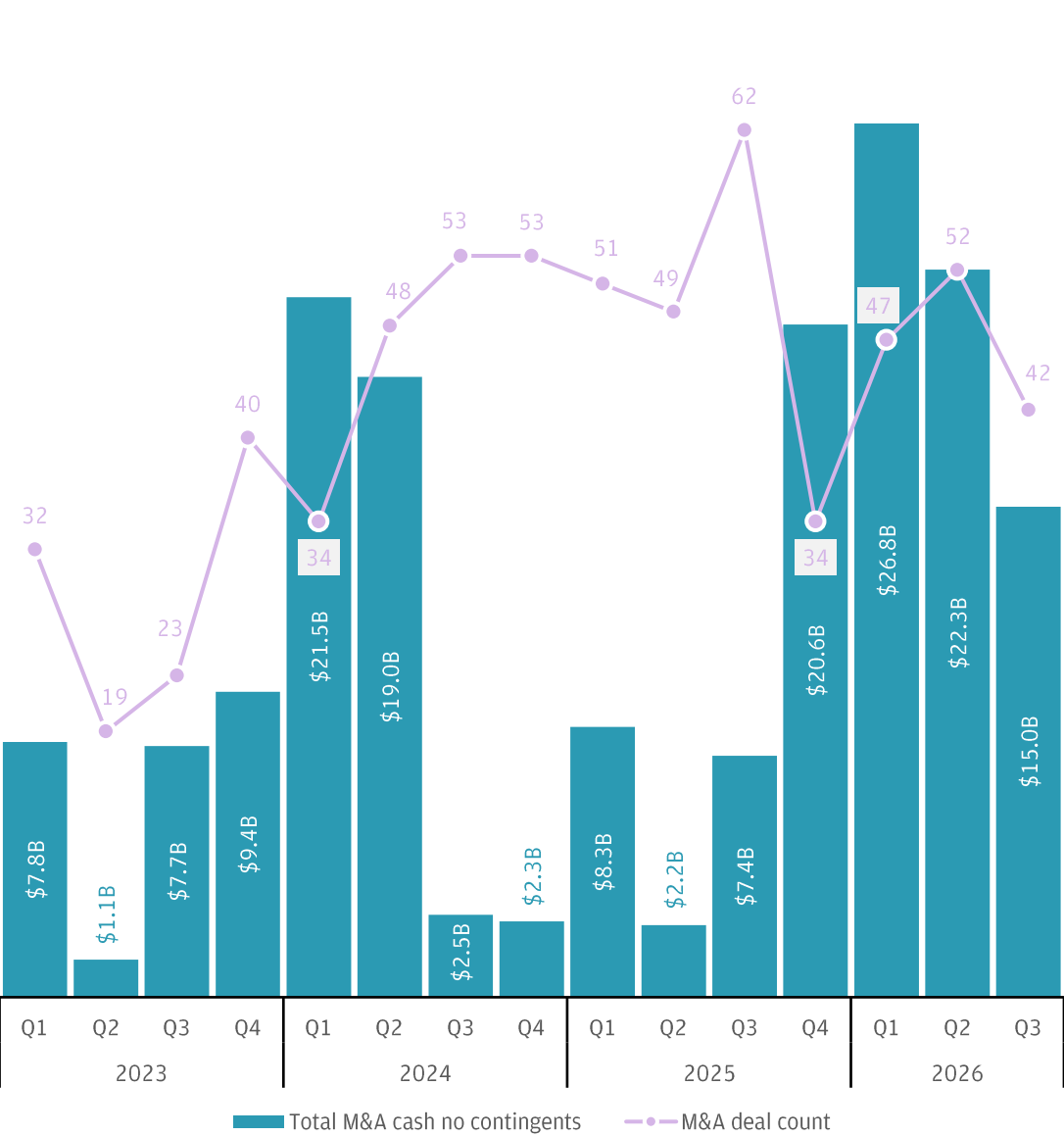
R&D partnerships involving oncology diagnostics and research tools totaled \$307 million across seven deals through Q3 2026, compared with \$2.2 billion across eight deals in full-year 2025. The modest decline in deal count, alongside a significant reduction in value, reflects fewer large disclosed partnership values in 2026 YTD.

Venture funding also slowed, with developers raising \$488 million across 19 rounds through Q3, compared with \$974 million across 30 rounds in 2025. While activity remains below recent annual levels, the number of partnerships and financings indicates continued investment in oncology-focused diagnostic and research capabilities.

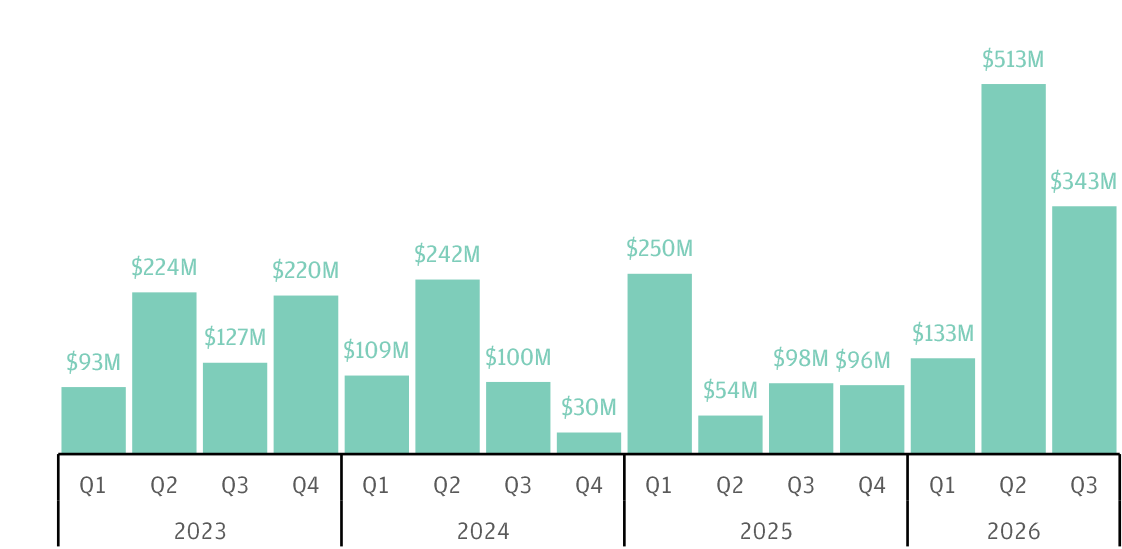
Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2026.

2026 medtech M&A value has surpassed 2025 despite a Q3 slowdown

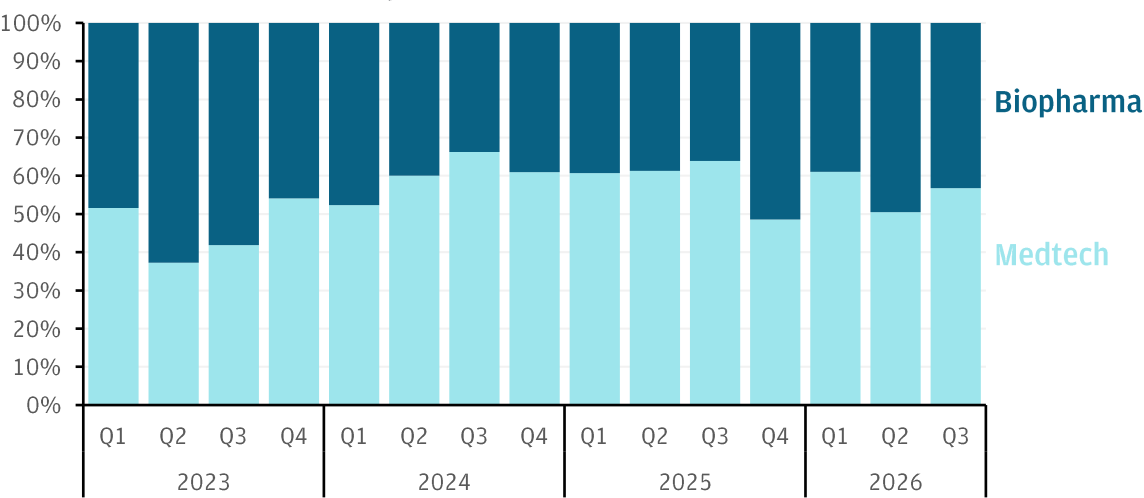
NUMBER OF MEDTECH M&A DEALS AND UPFRONT CASH AND EQUITY^{1,2}



MEDIAN M&A UPFRONT CASH AND EQUITY^{1,2}



COUNT OF M&A DEALS BY ACQUIRED COMPANY TYPE^{1,2}



Medtech M&A moderated in Q3, totaling \$15.0 billion across 42 deals, down from \$22.3 billion across 52 deals in Q2. Despite the sequential slowdown, 2026 YTD value reached \$64.1 billion across 141 deals, exceeding the \$38.5 billion recorded in full-year 2025.

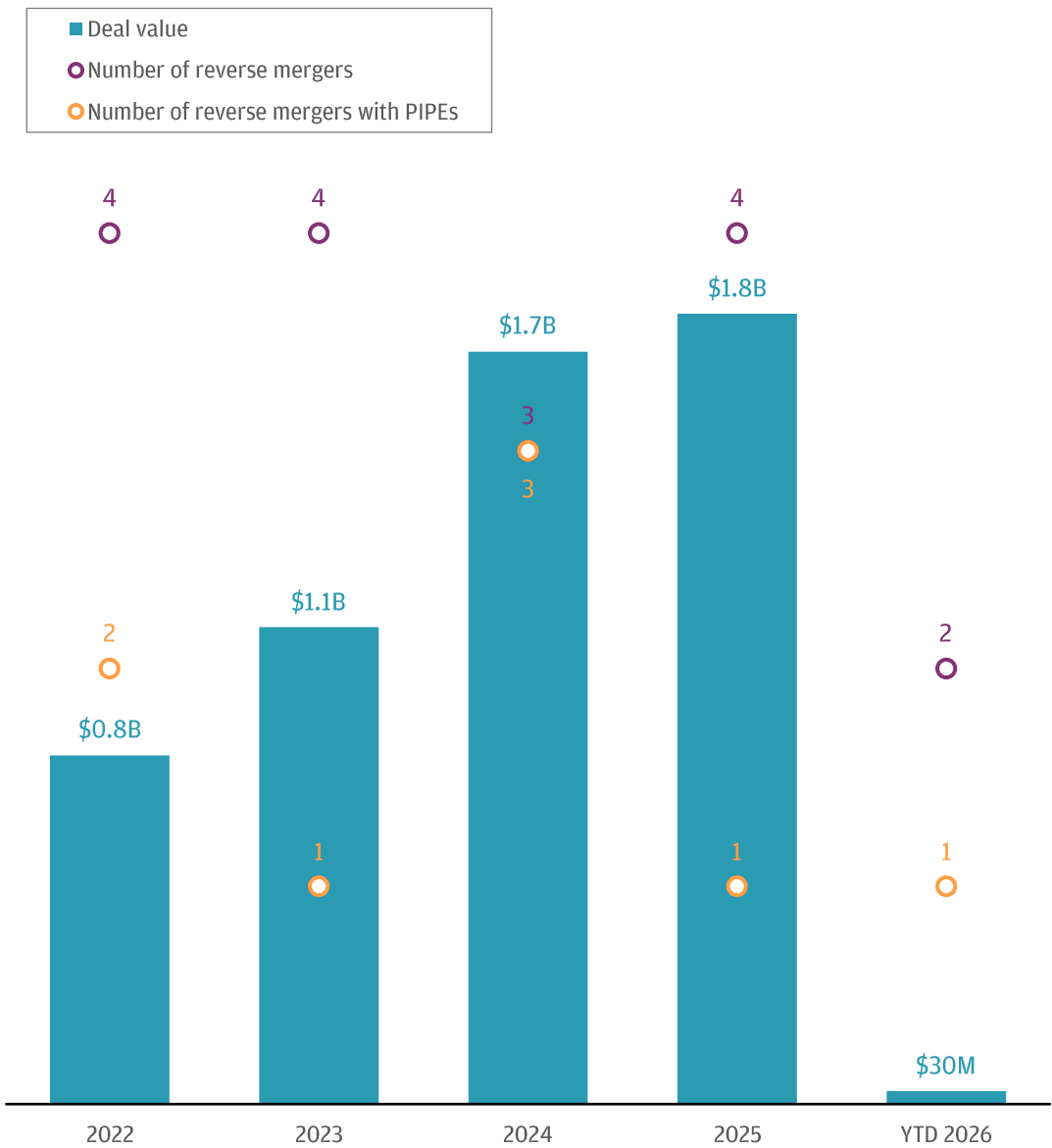
Median upfront cash and equity declined from \$513 million in Q2 to \$343 million in Q3, but remained the second highest quarterly median since 2023. Larger transactions continued to support aggregate value even as activity moderated.

Notable transactions include GE Healthcare acquiring SOFIE Biosciences for \$1 billion and Medtronic's strategic investment in Pi-Cardia (\$80 million), which includes an option to acquire the company for an upfront price of up to \$210 million.

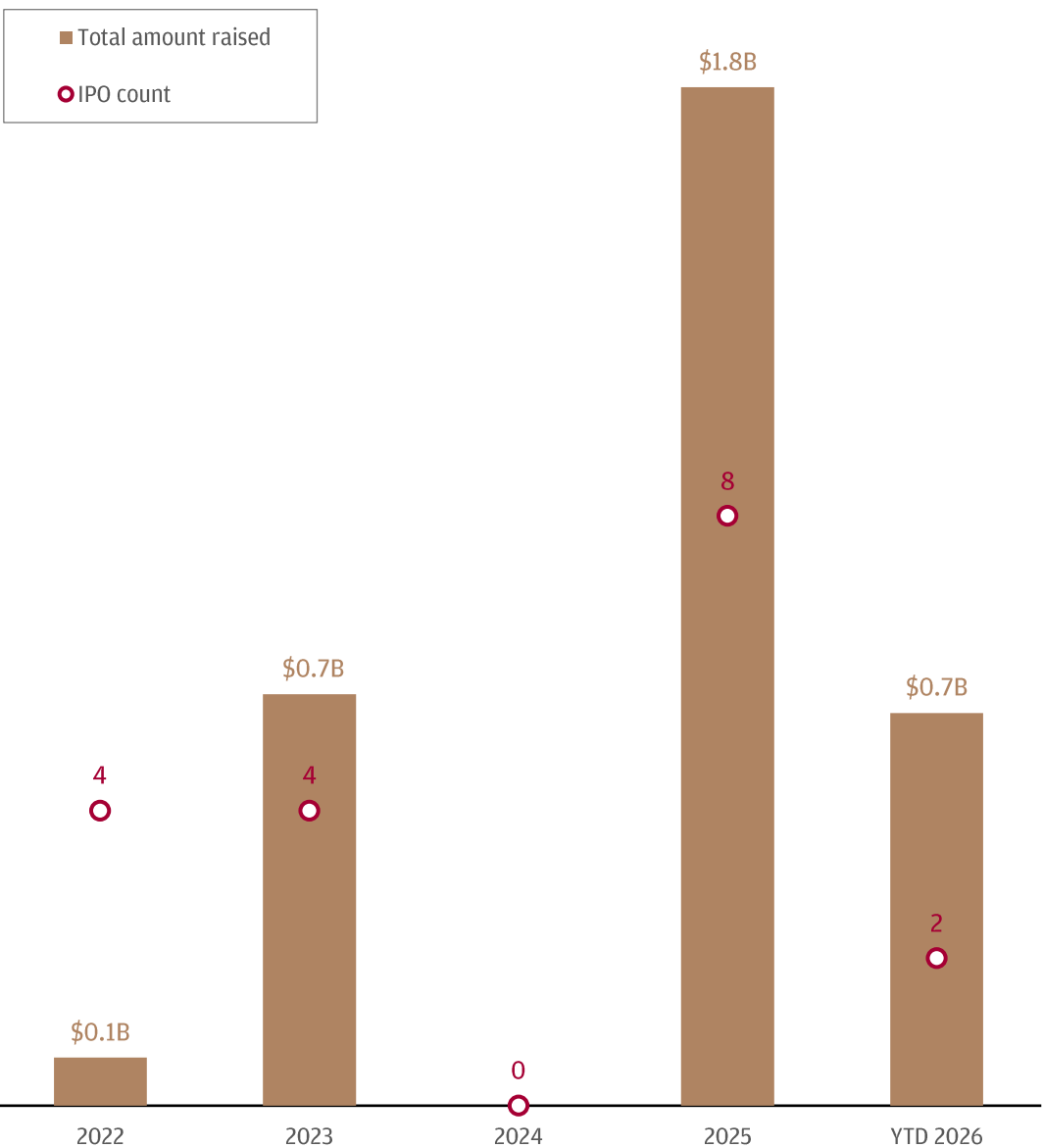
Notes: ¹Financials based on disclosed figures. Data through Sept. 30, 2026. ²Medtech M&A with any buyer type, acquisition options, and reverse mergers. Includes CRO / CDMO transactions.

Medtech public-market activity has slowed this year

MEDTECH REVERSE MERGERS WITH AND WITHOUT CONCURRENT PIPE FINANCINGS¹



NASDAQ AND NYSE COMPLETED MEDTECH IPOs^{1,2}



Medtech IPO activity remained concentrated through Q3 2026, with two offerings raising \$710 million. While proceeds were well below the \$1.8 billion raised across eight IPOs in 2025, average proceeds per offering increased, supported by MiniMed Group’s \$560 million IPO.

Reverse-merger activity also slowed, declining from four transactions in 2025 to two through Q3 2026. One of the two transactions included a concurrent PIPE financing, compared with one of the four in 2025.

The decline was more pronounced in disclosed value: reverse mergers totaled \$30 million through Q3, compared with \$1.8 billion in 2025. Together, the data point to a narrower public-market window, with capital concentrated in a small number of IPOs and limited activity through alternative listing routes.

Notes: ¹Financials based on disclosed figures. Data through September 30, 2026. ²Includes only NASDAQ and NYSE IPOs \$15 million and larger by completion date.

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