Market Insights:

Digital Health

July 2026

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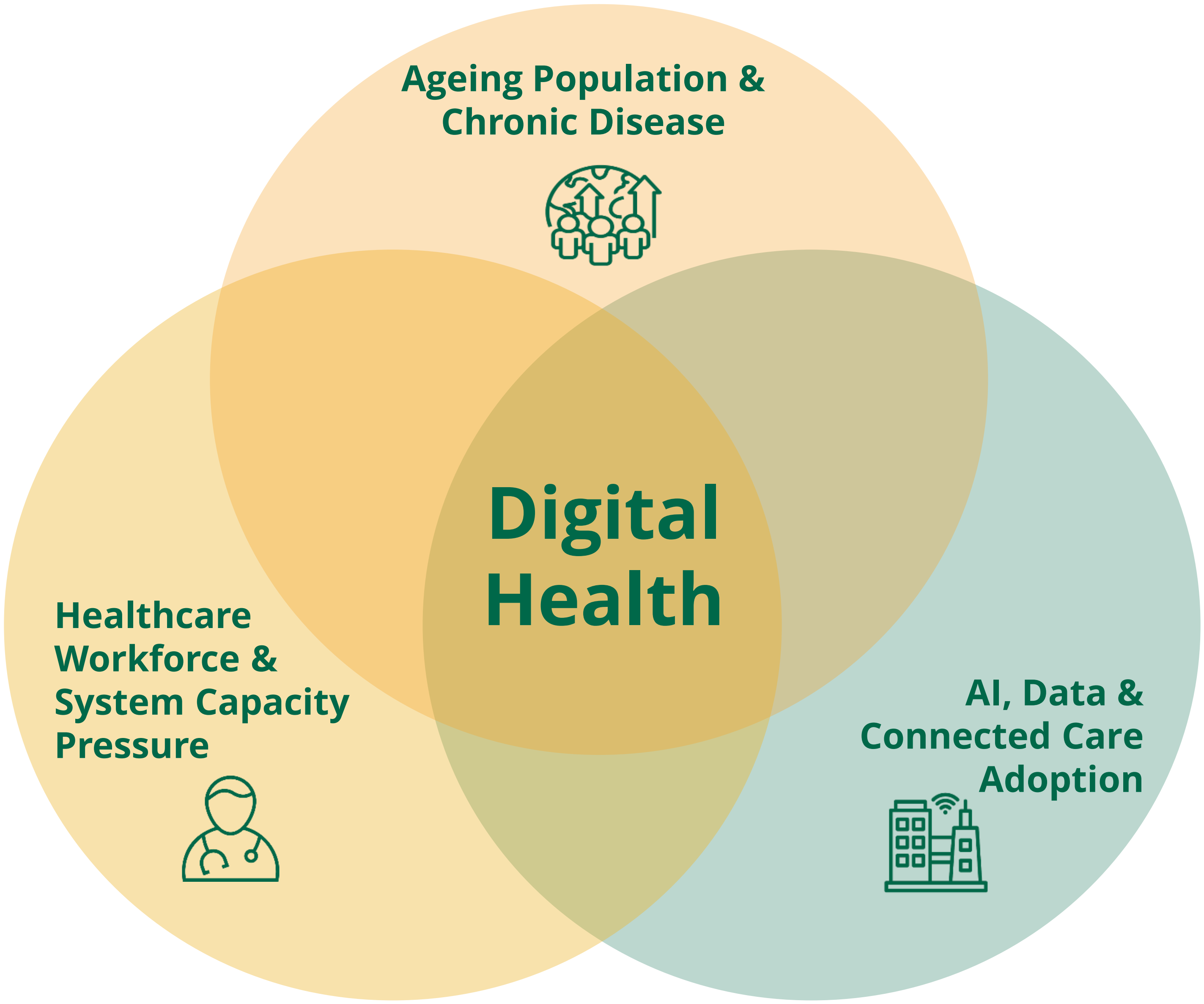
Executive Summary

The digital health sector is becoming central to building more accessible, efficient and resilient healthcare systems as ageing populations, chronic disease, workforce shortages and system backlogs place sustained pressure on care delivery. Investment is accelerating into AI-enabled diagnostics, remote monitoring, virtual care, workflow automation and healthcare data infrastructure. As care shifts from hospitals towards more connected, decentralised and preventative models, digital health is becoming a mission-critical market focused on improving access, outcomes and system productivity.

Key Macro Drivers



Health Systems Under Pressure

- **1 in 5** people in the EU are now aged **65+**, increasing long-term care demand
- Non-communicable diseases account for around **80%** of deaths in Europe
- NHS England waiting lists remain around **7m+** treatment pathways
- WHO projects a global shortfall of **11m** health workers by 2030

Digital Health Is Moving Into Core Care

- The NHS App has **34m+** registered users, creating a national digital front door
- The European Health Data Space will cover **27** EU countries and **c.450m** citizens
- FDA-listed AI/ML medical devices have passed **1,000+**
- Digital tools are targeting the **20–40%** of clinician time absorbed by admin tasks

Regulation & Policy Acceleration

- EU AI Act creates new rules for high-risk AI systems from **2026** onward
- EU MDR transition timelines run into **2027–28**, shaping medtech market access
- UK committed **£3.4bn** to NHS productivity and digital transformation
- UK health policy is shifting care from hospital to community, analogue to digital, and sickness to prevention

Sources: *WHO, OECD, European Commission, Eurostat, NHS England, MHRA/NICE*

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SDG 3 Overview

Capital Intensity

- Digital health underpins more accessible, efficient and resilient healthcare systems as ageing populations, chronic disease and workforce shortages place growing pressure on care delivery.
- SDG 3 aligns with this shift as governments, providers and innovators align around better outcomes, wider access and more sustainable health-system delivery.

3.d Health System Resilience
Pandemic preparedness, health-risk analytics, early-warning systems, digital public-health infrastructure

3.3 Infectious Disease
Rapid diagnostics, disease surveillance, vaccine logistics, antimicrobial resistance tools

3.b Medicines, Vaccines & Health R&D
Medtech R&D, vaccine platforms, novel diagnostics, access-to-medicine models

3.9 Pollution & Environmental Health
Air-quality health analytics, exposure monitoring, occupational-health diagnostics

3.c Health Workforce
Clinical workflow automation, workforce planning, staff training, AI admin tools

3.8 Universal Health Coverage
Virtual care, care-navigation platforms, digital front doors, affordable diagnostics

3.2 Child & Neonatal Health
5 YRS
Neonatal diagnostics, child-health monitoring, vaccination follow-up platforms

3.7 Reproductive Health
Fertility platforms, contraception access, reproductive-health diagnostics

3.4 Chronic Disease & Mental Health
Remote patient monitoring, digital therapeutics, mental-health platforms, AI triage

3.1 Maternal Health
Remote pregnancy monitoring, maternal-risk screening, digital antenatal pathways

3.6 Road Safety
Emergency-response systems, fleet safety analytics, trauma-care coordination

3.5 Substance Abuse
Addiction support platforms, digital CBT, relapse monitoring, behavioural health tools

3.a Tobacco Control
Smoking-cessation apps, behavioural nudges, population-health campaigns

← Public / Partnership-Led Enablers | Emerging Opportunities | Fully Investable →

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Market Overview – Digital Health

~$400bn
Market Value 2026
~46% in software

$1.8tn+
Projected 2033
23%+ CAGR

£3.4bn
UK NHS Digital
Funding

Key Verticals

- Digital Access & Virtual Care
- AI Diagnostics & Decision Support
- Clinical Workflow & Productivity
- Remote Monitoring & Chronic Care
- Health Data Infrastructure
- Digital Therapeutics & Preventative Care

Market Trends

Access Gaps Driving Digital Adoption

- Around **4.5bn** people globally are not fully covered by essential health services
- Europe accounts for around **25%** of global cancer cases despite having under **10%** of the world's population
- Around 2bn people face financial hardship from out-of-pocket healthcare costs, supporting demand for lower-cost digital access

AI and Connected Care Moving Mainstream

- NHS App has **34m+** registered users, creating a national digital front door
- Virtual wards and remote monitoring are shifting care beyond hospitals
- FDA-listed AI/ML medical devices have passed **1,000+**, signalling rapid clinical AI adoption

Policy, Data and Regulation Acceleration

- UK committed **£3.4bn** to NHS productivity and digital transformation
- EU AI Act creates clearer rules for high-risk medical AI systems
- European Health Data Space will cover **c.450m** citizens, spanning over **60%** of the continent

Sources: Grand View Research, WHO, OECD, European Commission, NHS England, MHRA/NICE, Qubit Capital

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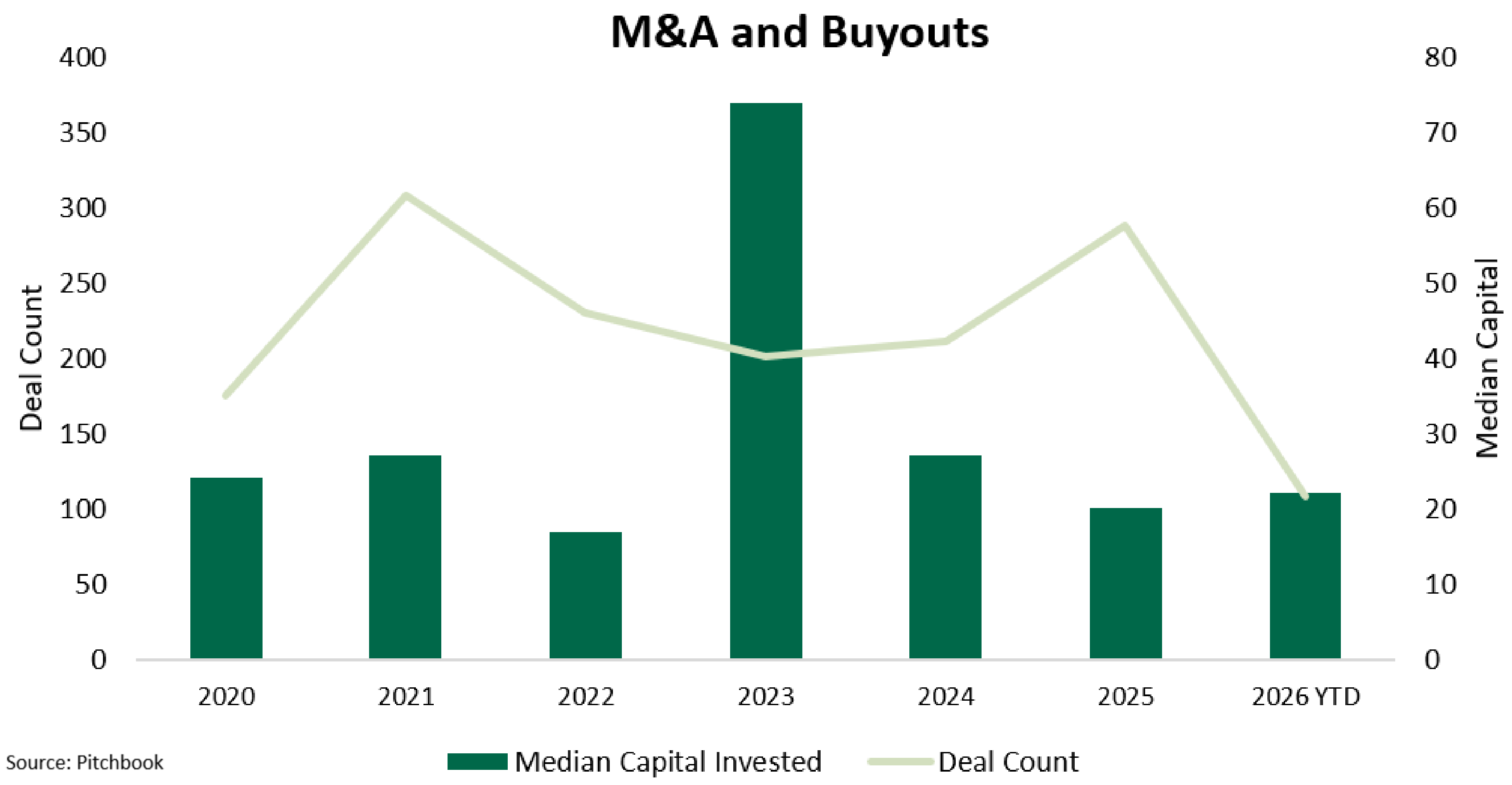
Landmark Transactions – M&A

Target	Buyer	Date	Deal Value	Description
eucalyptus	hims	June 2026	$1.15bn	Expands direct-to-consumer digital care infrastructure, strengthening virtual care delivery, patient acquisition and condition-specific treatment pathways.
HotDoc	potentia	February 2026	$200mn	Backs a digital patient-engagement and appointment-management platform, supporting access, scheduling efficiency and provider-patient connectivity.
	OpenAI	January 2026	$100mn	Expands AI-enabled digital-health capabilities through tools that interpret complex, multi-source medical histories, supporting more accessible and actionable clinical data workflows.



Source: Pitchbook

Active Buyers

A U.S. medtech group headquartered in Marlborough, Massachusetts, **Boston Scientific** was founded in 1979 and develops devices across cardiovascular, endoscopy, urology and neuromodulation. It is relevant as an active **strategic buyer of specialist clinical technologies** and connected platforms that improve diagnosis, treatment and patient outcomes.

With roots going back to 1949 and current headquarters in Dublin, Ireland, **Medtronic** is one of the largest global medical technology companies. Its activity spans cardiovascular, diabetes, surgical and neuroscience markets, with clear relevance to **digital health** through connected devices, patient monitoring and tech-enabled care delivery.

Best known for sleep and respiratory care, **ResMed** was established in 1989 and is based in San Diego, California. The company combines connected medical devices with software and **remote-monitoring tools**, making it a strong buyer in digital health, particularly across out-of-hospital care and chronic disease management.

Headquartered in Amsterdam and originally founded in 1891, **Philips** has evolved into a major technology player focused on imaging, monitoring, diagnostics and connected care. It is a relevant buyer because of its emphasis on informatics, **AI-enabled care** delivery and digital infrastructure across health systems.

Thermo Fisher Scientific, headquartered in Waltham, Massachusetts, is a global life-sciences and **diagnostics group** with roots going back to 1956. It is relevant to digital health through clinical diagnostics, laboratory data infrastructure, life-sciences tools and connected workflows that support faster testing, research and evidence generation across healthcare systems.

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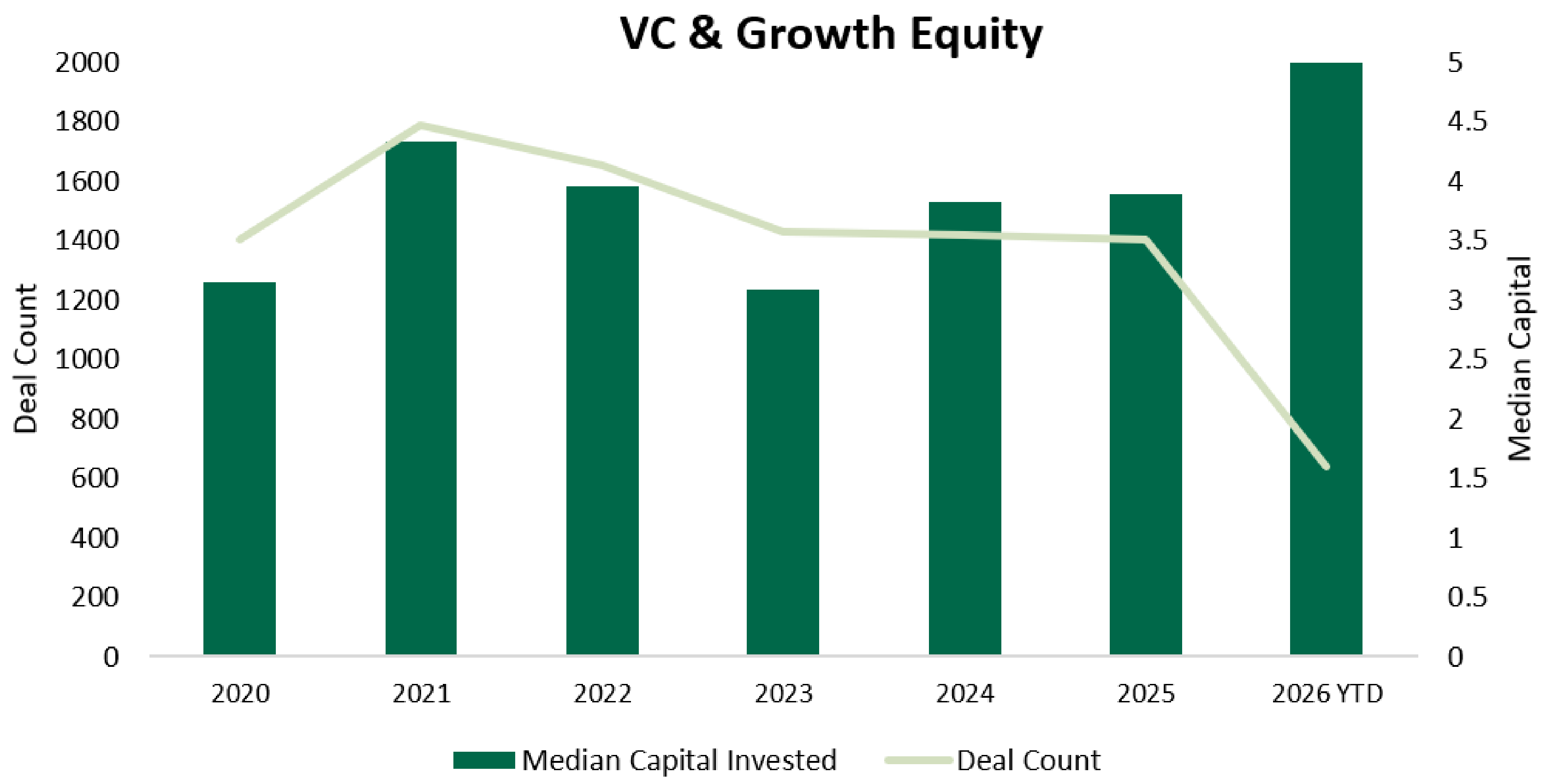
Landmark Transactions – VC & Growth Equity

Company	Investor	Date	Deal Value	Description
everlab	AirTree	June 2026	$45mn	Supports expansion of a preventative health program supporting long-term wellness, with funding used to support international expansion.
garner	Index Ventures	May 2026	$100mn	Funds expansion of Garner's provider-quality platform, supporting AI-powered product innovation, member growth and more data-driven healthcare navigation.
WHOOP	Collaborative Fund	March 2026	$575mn	Funds expansion of wearable health platform, strengthening preventative health, biometric monitoring and consumer-led wellbeing infrastructure.



Active Investors

A global innovation platform based in Sunnyvale, California, **Plug and Play** was established in 2006 and connects start-ups with corporates, investors and sector partners. Its **health programme** makes it relevant for early-stage digital health, AI, care delivery and medical innovation opportunities.

Founded in 2000 and headquartered in Cambridge, Massachusetts, **General Catalyst** is a global venture investor backing technology companies from early stage through growth. In healthcare, it is relevant through **investments in digital care**, health infrastructure, AI-enabled delivery and companies modernising how health systems operate.

Alumni Ventures, founded in 2014 and based in Manchester, New Hampshire, is a venture firm investing across broad technology sectors through **alumni-led networks**. Its relevance comes from exposure to early and growth-stage healthcare technology, including digital health, software and data-led care models.

F-Prime Capital is a global venture firm with roots in Fidelity's investment platform and offices across the U.S., Europe and Asia. It is relevant for digital health through its focus on **healthcare, life sciences and technology** companies, including platforms improving care delivery, diagnostics, healthcare infrastructure and patient access.

Andreessen Horowitz, also known as a16z, is a Silicon Valley venture firm founded in 2009 and based in Menlo Park, California. Its relevance comes from backing **software-led healthcare businesses** across digital care, AI, infrastructure, bio/health and consumer health, making it a strong fit for scalable digital-health platforms.

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Buyer Landscape

Ideal Target Profile

Scalable & Defensible Business Model

- Proprietary technology, diagnostic, data or care-delivery platform with clear clinical or workflow relevance.
- Addresses major system pressures including access, cost, capacity, chronic disease, workforce shortages or prevention.

Repeatable Performance

- Recurring revenue through SaaS, licences, device-plus-software, managed service or usage-based models.
- Evidence of deployment across multiple providers, payers, employers, life-sciences customers or care settings.

Measurable Health Impact

- Demonstrated improvement in access, earlier diagnosis, and patient monitoring.
- Aligned with priorities around prevention, decentralised care and equitable access.

What Buyers are Doing

Consolidation & Scaling

- Acquiring point solutions that can be distributed through existing healthcare, provider, payer or medtech channels.
- Building integrated platforms across diagnostics, monitoring, and health data infrastructure.

Impact-Led Value Creation

- Prioritising assets that reduce backlogs, improve access, lower delivery costs and support earlier intervention.
- Seeking measurable clinical and operational outcomes, not just generic digital engagement.

Operational Acceleration

- Buying AI-enabled workflow, triage, care coordination and remote-monitoring capabilities.
- Using data infrastructure to improve patient flow, risk prediction, clinical productivity and resource allocation.

Buyer Profiles

Strategic Corporate Buyers

Large players expanding into connected care, diagnostics, imaging, monitoring and clinical software.

SIEMENS Healthineers, Roche, ABBOTT

Provider, Payer & Care Delivery Platforms

Care providers and payers acquiring digital tools that improve access, patient management and delivery efficiency.

CVS Health, Ramsay Health Care, HCA Healthcare, UNITEDHEALTH GROUP

Health Data & Digital Infrastructure Buyers

Digital health platforms consolidating assets in data analytics, interoperability, workflow and patient engagement.

ORACLE Health, CGM CompuGroup Medical, Microsoft Cloud for Healthcare

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Datavant's buyout of DigitalOwl (October 2025)

DigitalOwl → datavant ($200mn)

Expands digital-health data capabilities by making medical records more accessible and actionable, strengthening AI-enabled workflows across claims, underwriting and health-related decision-making.

Sword Health's acquisition of Kaia Health (January 2026)

kaia health™ → sword ($285mn)

Adds digital musculoskeletal care and AI-supported therapy capabilities, broadening scalable virtual care delivery and supporting more accessible, at-home chronic condition management.

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Fundraising Investment Landscape

Investor Appetite & Thesis

Infrastructure-Grade Assets

- Platforms improving healthcare access, capacity, diagnostics, monitoring or workflow efficiency.
- Addresses system pressures in ageing populations, workforce shortages, and care backlogs.

Technology-Enabled Solutions

- AI, software, data and connected-care platforms improving clinical decision-making or delivery efficiency.
- Scalable models with recurring revenue, provider/payer adoption and evidence of measurable health outcomes.

Clear Health Impact

- Demonstrated improvements in access, diagnosis speed, patient monitoring, adherence or system productivity.
- Aligned with prevention, decentralised care, health equity and more sustainable healthcare delivery.

Capital Deployment Strategies

Growth Equity & Late-Stage VC

- Backs revenue-stage firms scaling across providers, payers, employers or life-sciences customers.
- Invests in platforms with commercial traction, clinical validation and international expansion potential.

Early-Stage VC

- Seed to Series A investment in AI diagnostics, digital care, workflow automation and health-data infrastructure.
- Focused on technically differentiated companies with clear evidence, regulatory pathways and scalable impact.

Impact & Blended Finance

- Supports health-access, prevention and care-delivery models where impact outcomes are central to adoption.
- Key for underserved populations, affordable diagnostics, and health innovation.

Fund Profiles

Healthcare Growth Funds

Specialist investors backing scalable platforms with clinical and commercial traction.

Gilde Healthcare; Meridian Health Ventures; Lauxera Capital Partners

Impact & Health Equity Funds

Investors focused on measurable health outcomes, access, prevention and underserved patient populations.

lightrock; Impact Ventures; Ananda Impact Ventures

Strategic & Corporate VC

Corporate-backed funds investing in digital health technologies aligned with care-delivery strategy.

Optum Ventures; leaps; Bio Venture Hub Powered by AstraZeneca; NVF

Spark Capital's Series A funding in Novellia (February 2026)

SPARK CAPITAL → $18mn → novellia

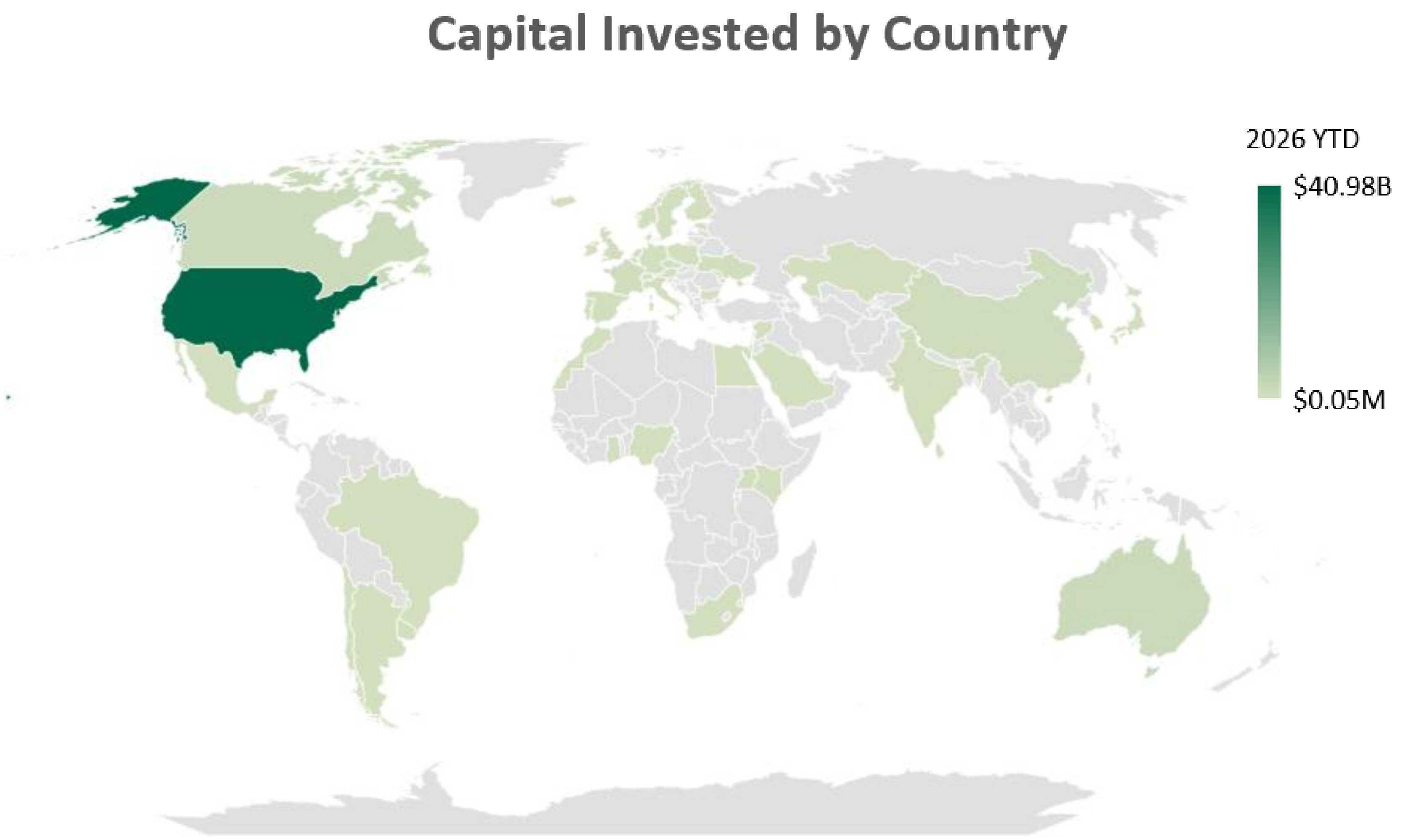
Supports expansion of a patient-controlled health-data platform, helping patients consolidate medical records and securely share data for care coordination, research and real-world evidence.

Transformation Capital's Growth/Expansion funding in Solstice Health (March 2026)

TRANSFORMATION CAPITAL → $21.5mn → Solstice

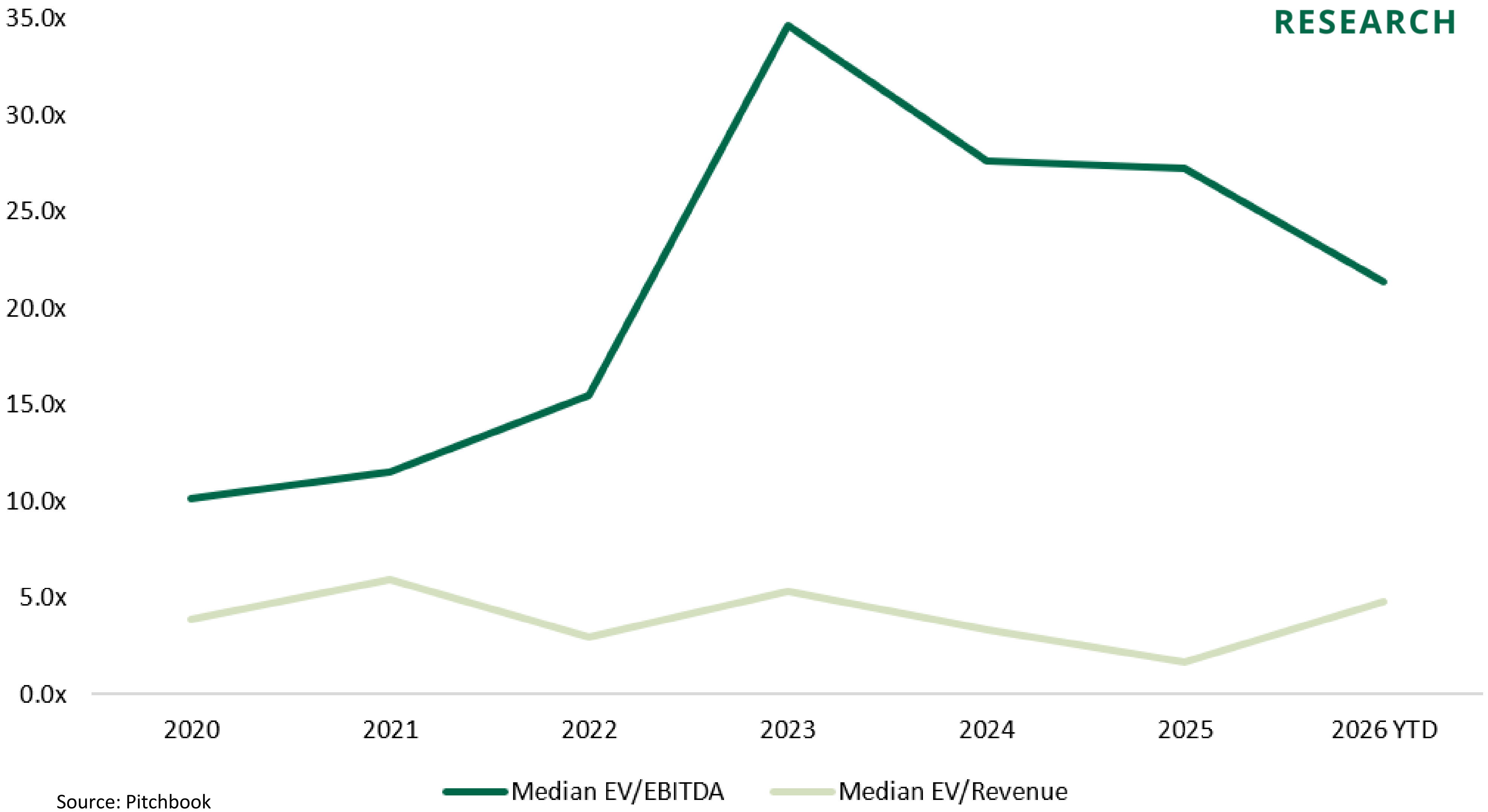
Supports expansion of a digital care platform focused on improving access and coordination, backing a revenue-generating business as it scales tech-enabled patient delivery.

Global Regions



Source: Pitchbook

Sector Valuations



Source: Pitchbook

Market Outlook

- Digital health demand remains **structurally supported** by ageing populations, chronic disease, workforce shortages and pressure to move care outside hospitals.
- AI, virtual care, remote monitoring, workflow automation and health-data infrastructure are becoming **core tools** for improving patient access
- Valuations remain resilient for **scaled digital-health platforms**, but investors are placing greater emphasis on adoption and commercial traction.

Advisory Implications

- The **strongest targets** will combine measurable health impact with defensible software, data or AI infrastructure, recurring revenue and clear investor relevance.
- M&A appetite is strongest where assets improve workflow automation, virtual care, monitoring, care coordination or health-data interoperability.
- Fundraising remains active, but capital is concentrating around platforms with **proven adoption**, clinical validation and a credible route to scale.

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