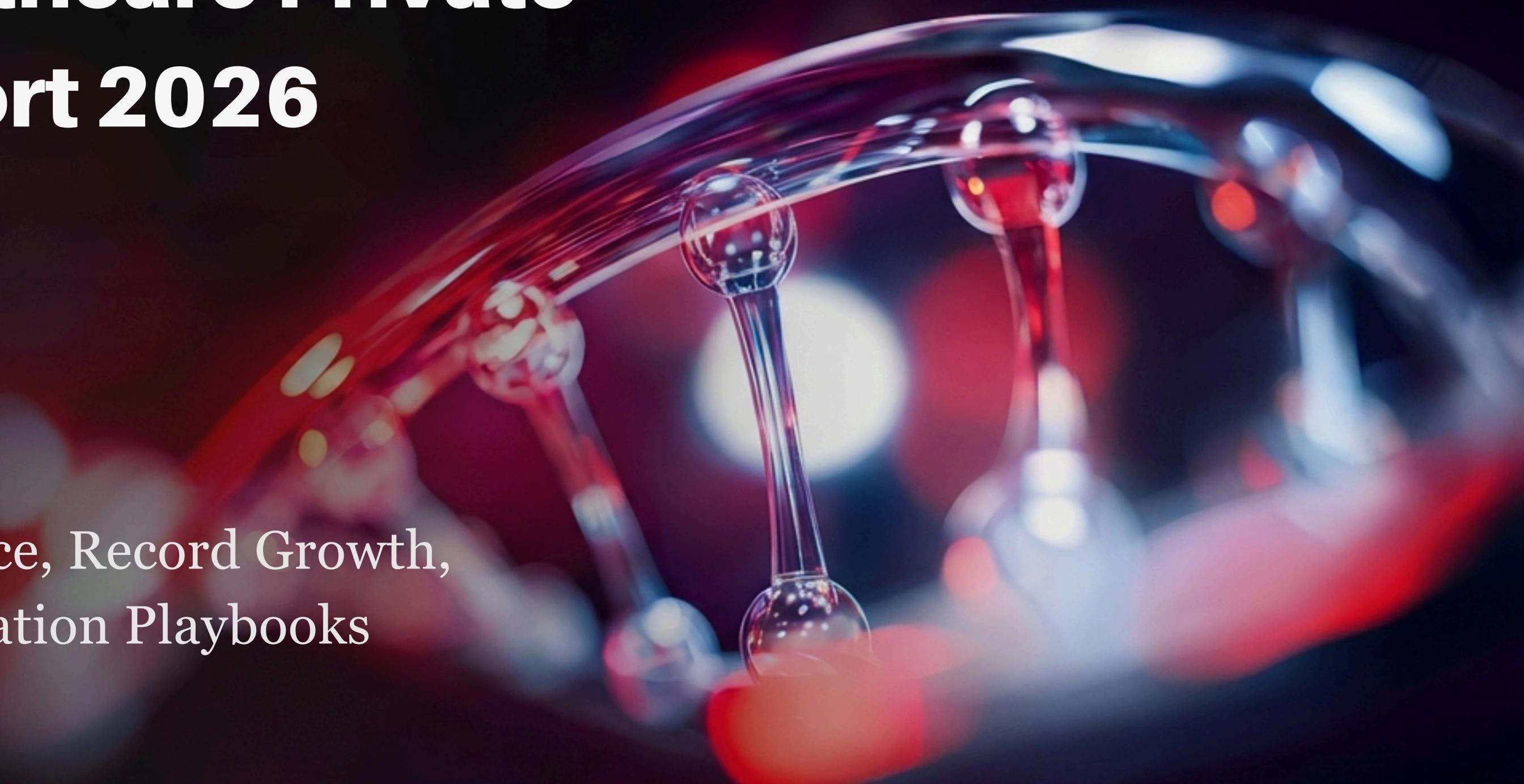
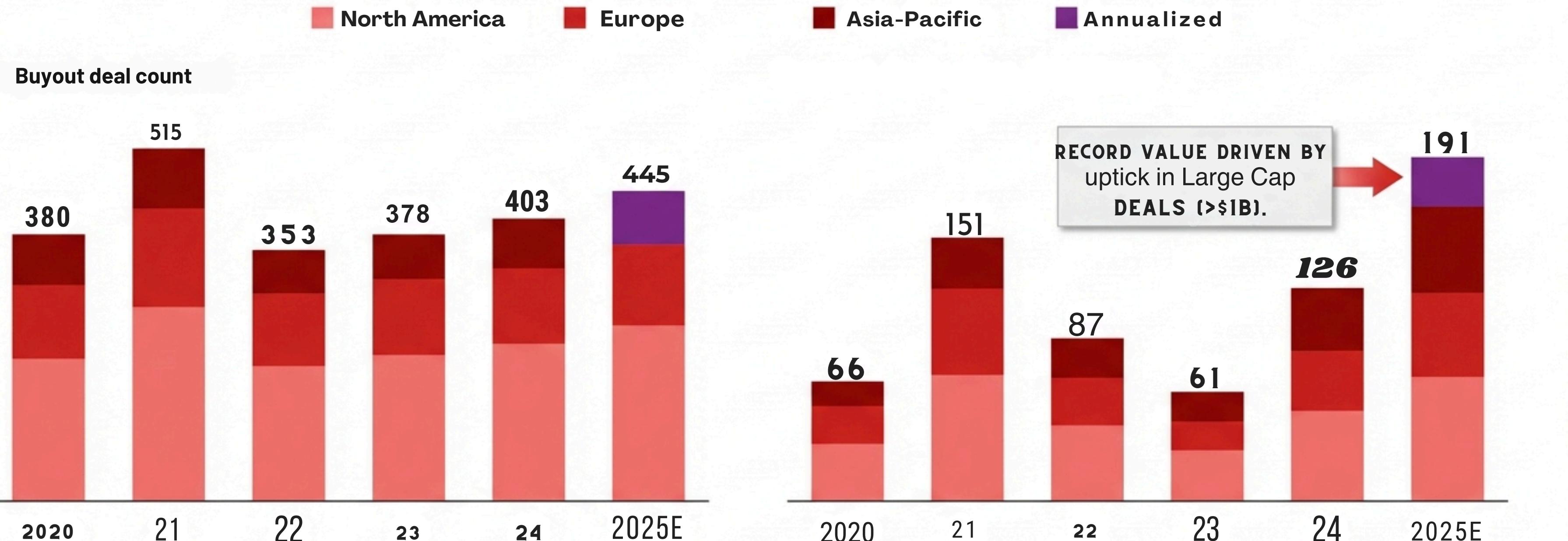


Global Healthcare Private Equity Report 2026

A Year of Resurgence, Record Growth,
and New Value Creation Playbooks



Healthcare PE Delivered: Record Value and Near-Record Volume



The Driver:

Record value driven by **Large Cap** deals (>\$1B), while volume growth occurred across all sizes.

The Trajectory:

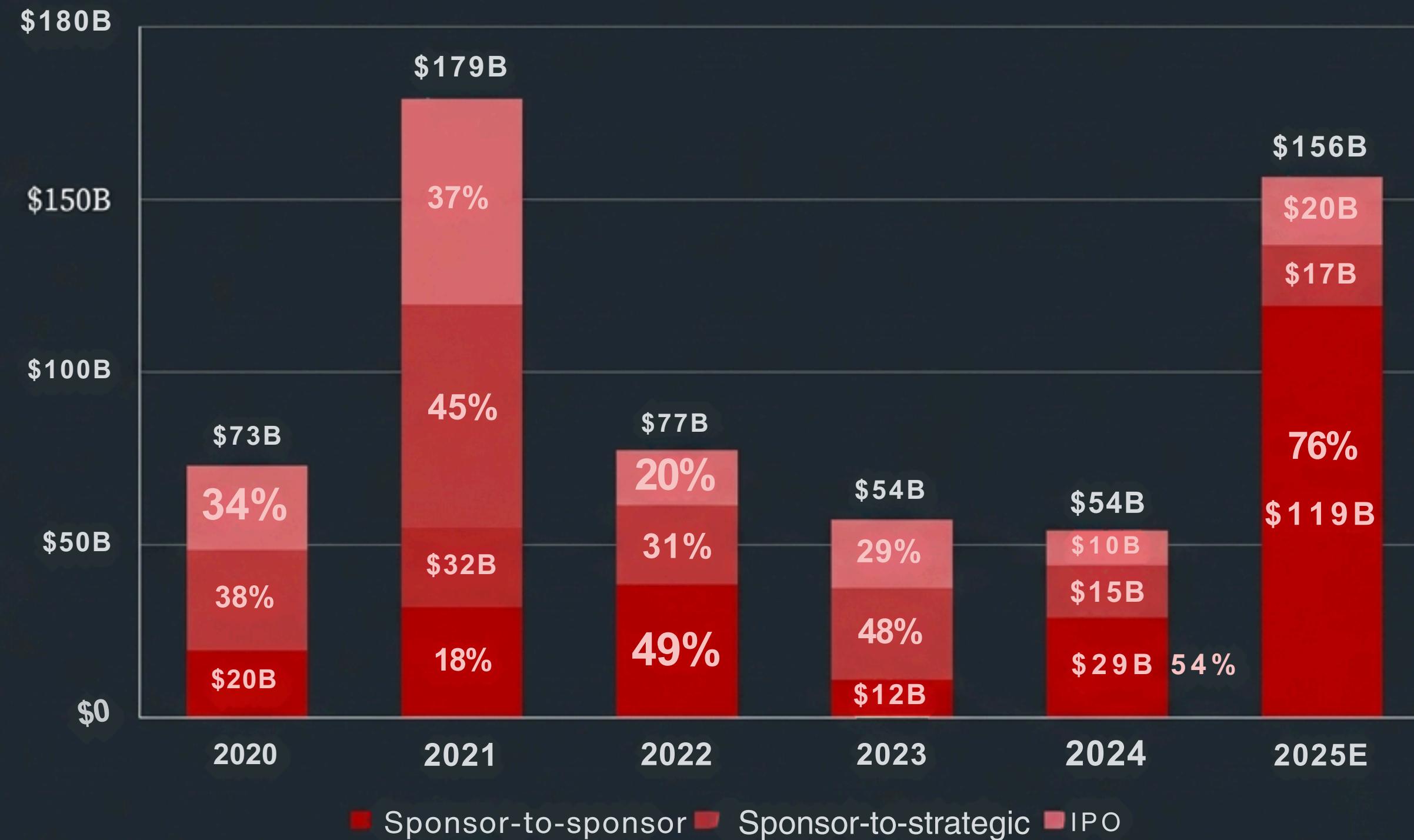
Strong Q1 (+21% volume YoY) interrupted by Q2 pullback, followed by aggressive H2 rebound (+39% volume Q2-Q3).

Context:

Achieved despite high interest rates, signaling fundamental confidence.

The Exit Fuels : Sponsor-to-Sponsor Transactions

Exit Deal Value (\$ Billions)



76%
of exit value driven
by Sponsor-to-
Sponsor deals.

Public markets are active (e.g., Medline \$50B valuation), but PE-to-PE sales are the dominant liquidity mechanism, unlocking capital for future deployment.

A Global Recovery with Distinct Regional Drivers



North America: The "U-Shaped" Recovery.

- Significant Q2 retreat (Value -37%) due to tariff jitters, followed by strong H2 rebound.
- **Key Deals:** Walgreens Boots Alliance (-\$24B) and Hologic (~\$18B).



Europe: The Steady Engine.

- Deal value doubled to \$59B.
- Biopharma accounted for 65% of total value.
- **Key Deal:** Bain Capital/Cinven sale of STADA.



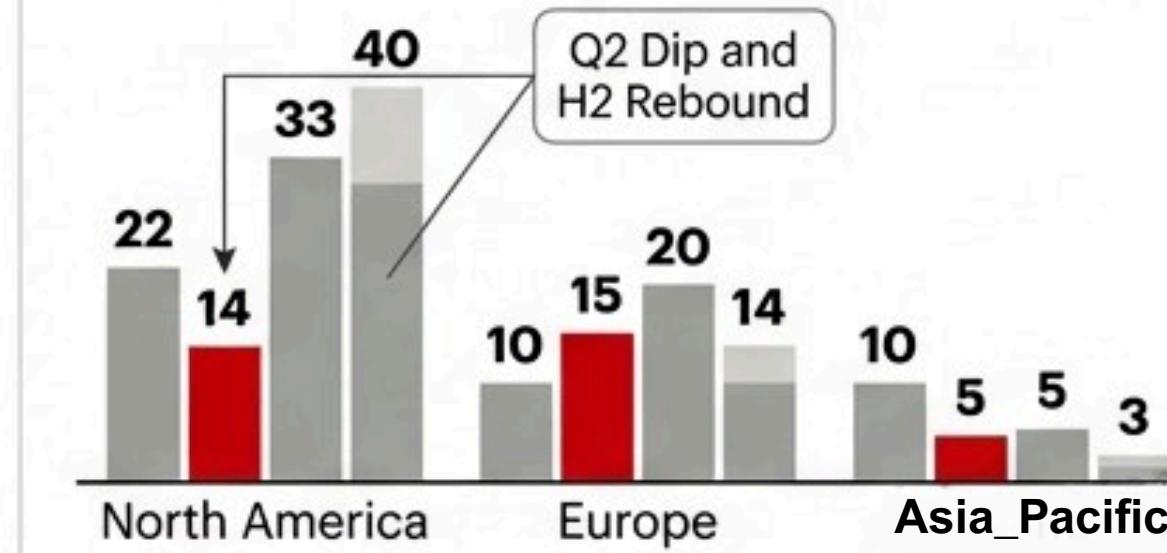
Asia-Pacific: Record Breaking.

- Value >30% higher than 2021 peak.
- Growth broadening to Japan, India, and Australia.
- Provider value expected to double to >\$10B.



2025 buyout deal value, \$ billions

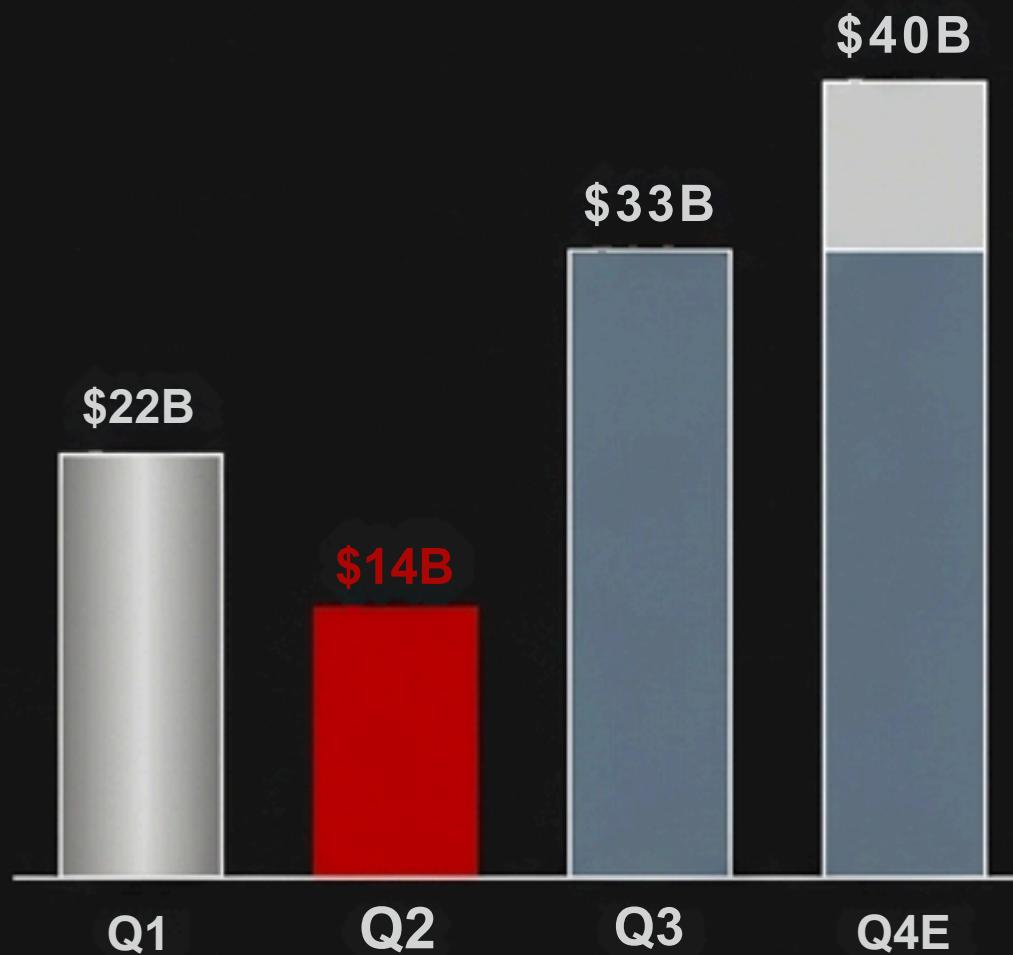
■ Q1 ■ Q2 ■ Q3 ■ Q4E ■ Annualized



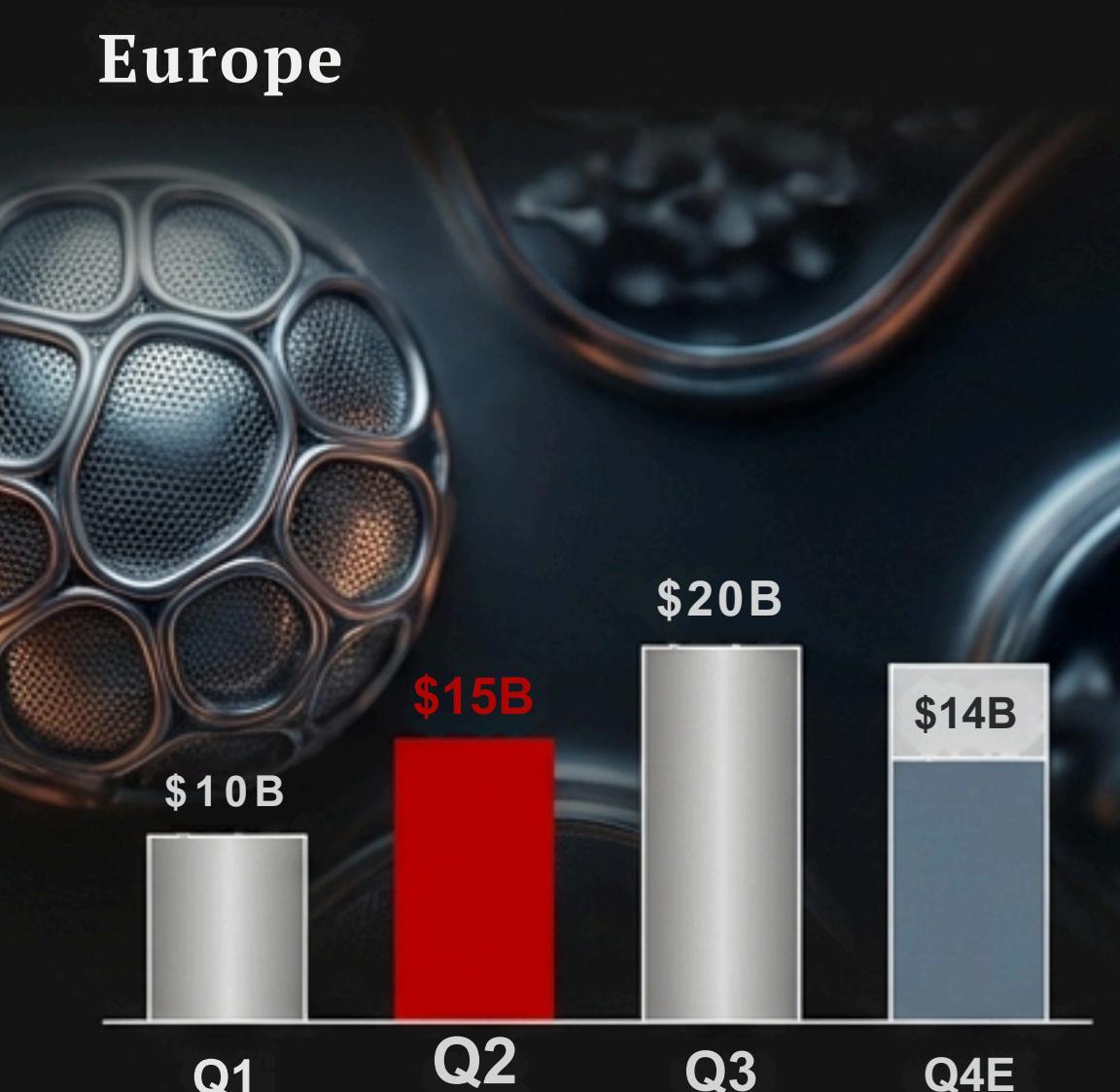
Europe sustains ,while North America and APAC see sharp H2 recovery

North America

2025 Quarterly Deal Value (\$2B)



Europe



Asia-Pacific



Volatile

Significant **Q2 pullback** due to policy scares, followed by strong rebound. 26 deals >\$1B.

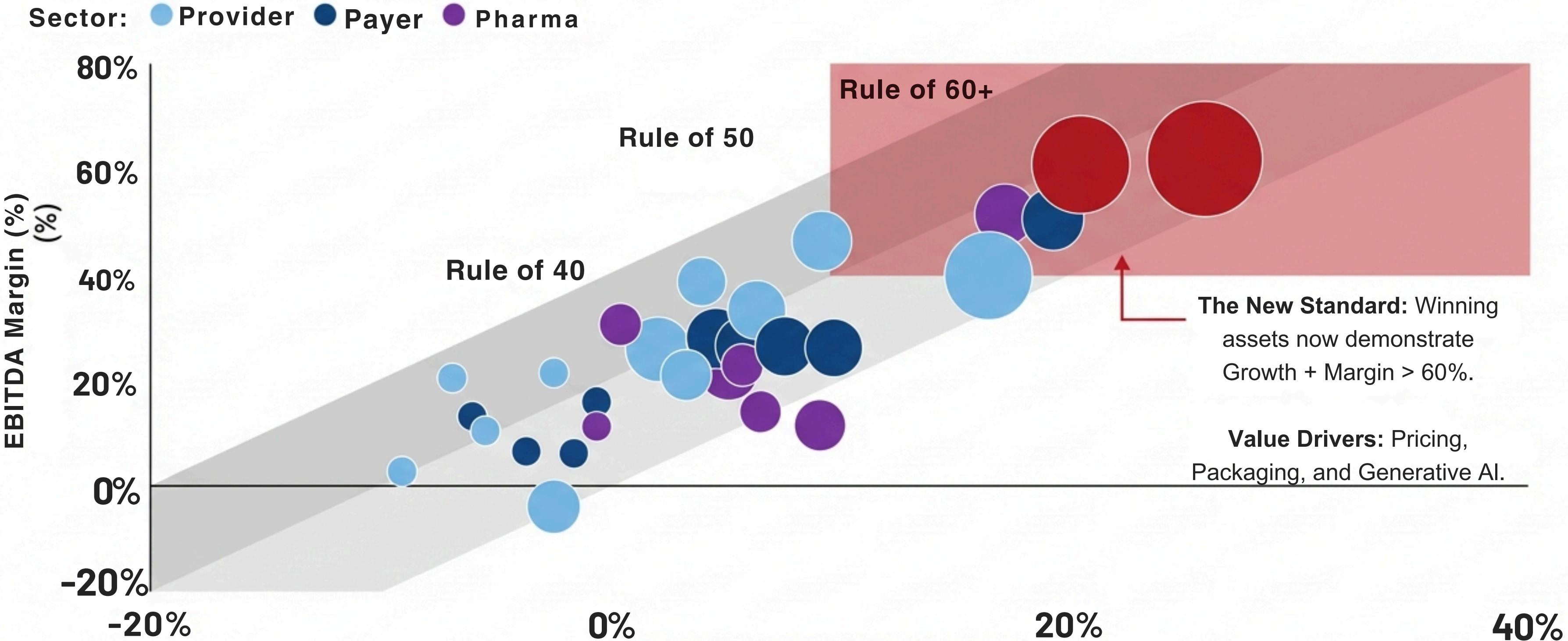
The Steady Engine

Deal value doubled to \$59B. Biopharma drove 65% of value.

Record Breaker

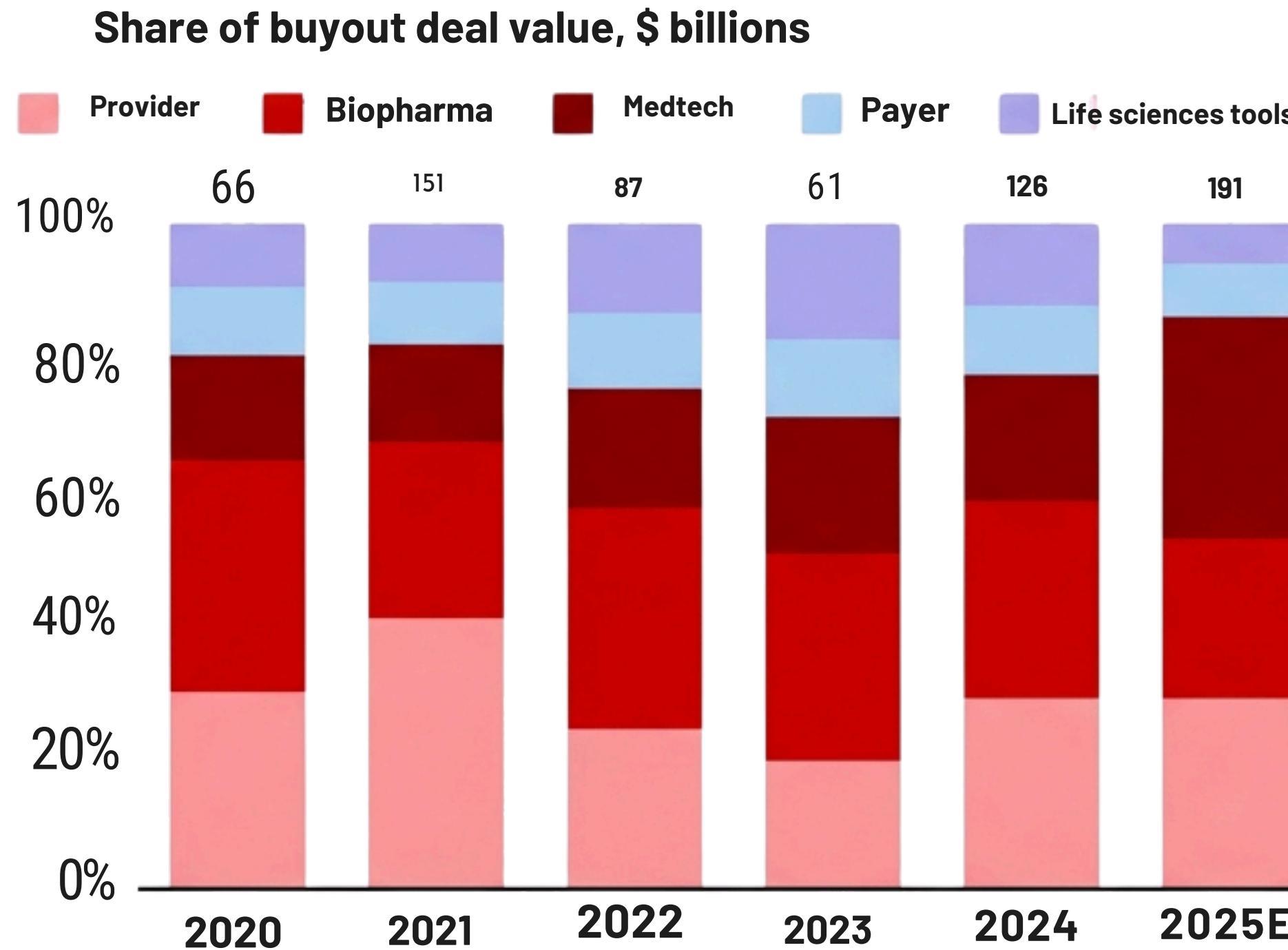
Value >30% higher than 2021. Broadening beyond China to Japan, India, and Australia.

Strategic Shift: From Rule of 40 to Rule of 60



Strategy Shift: Adoption is no longer enough. Returns require pricing/packaging rigor and platform M&A. Example: **Warburg Pincus sale of ModMed (>\$5B).**

Sector Landscape: Medtech Surges While Biopharma and Provider Anchor Value



Biopharma (\$80B Value)

Largest segment. Europe drove 40% volume increase. Focus on CDMOS and Pharma IT.

Provider (\$62B Value)

Value jumped 57% driven by tech-enabled assets/IT. Pure-play provider investment flat.

Medtech (\$33B Value)

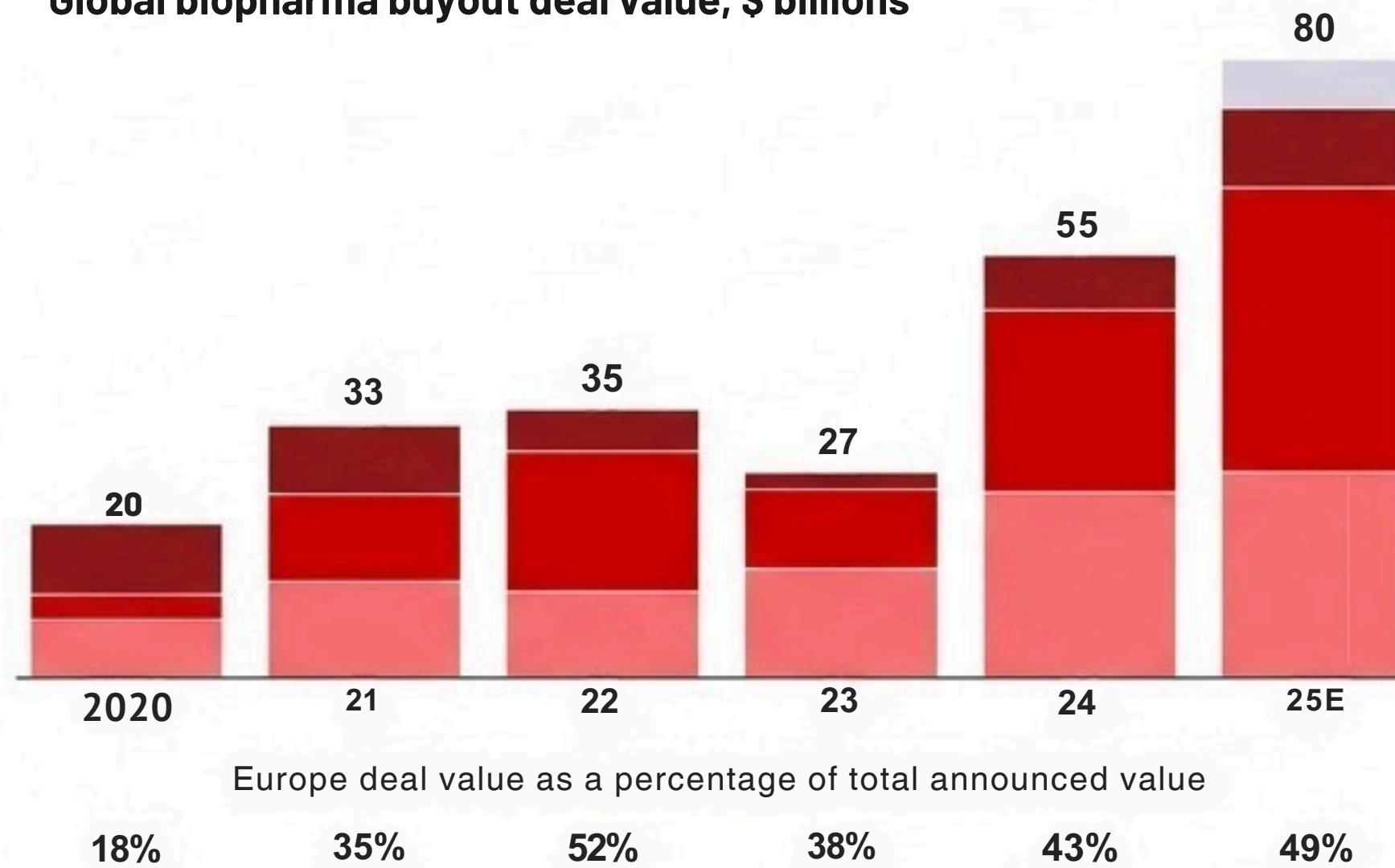
Value nearly doubled. Driven by large take-privates.

Examples: Carlyle/Vantive and Blackstone/Hologic (\$18.3B).

Pharma Services: Quality Amidst Uncertainty

■ North America ■ Europe ■ Asia-Pacific ■ Annualized

Global biopharma buyout deal value, \$ billions



Strategic Focus: Gem Assets

Investors are prioritizing CROS/CDMOS with differentiated tech insulated from biotech funding volatility.

Deal Spotlight

Nordic Capital / Astorg sale of Clario. To Thermo Fisher for \$9B. (Tech-driven CRO).

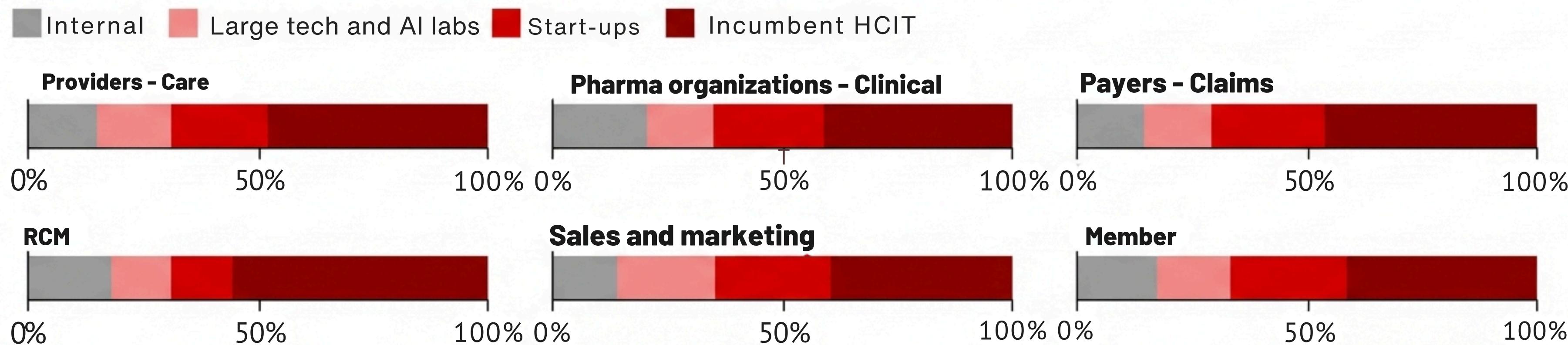
Deal Spotlight

Insight Partners sale of Dotmatics. To Siemens for >\$5B. (R&D Cloud Software).

Where is the Value? Gem Assets in Specialty Pharma (Oncology/Urology) and high-ancillary fields (Dermatology/GI).

Generative AI: Offense and Defense

AI development sources by use case (percentage of respondents, US only)



The Offensive Playbook

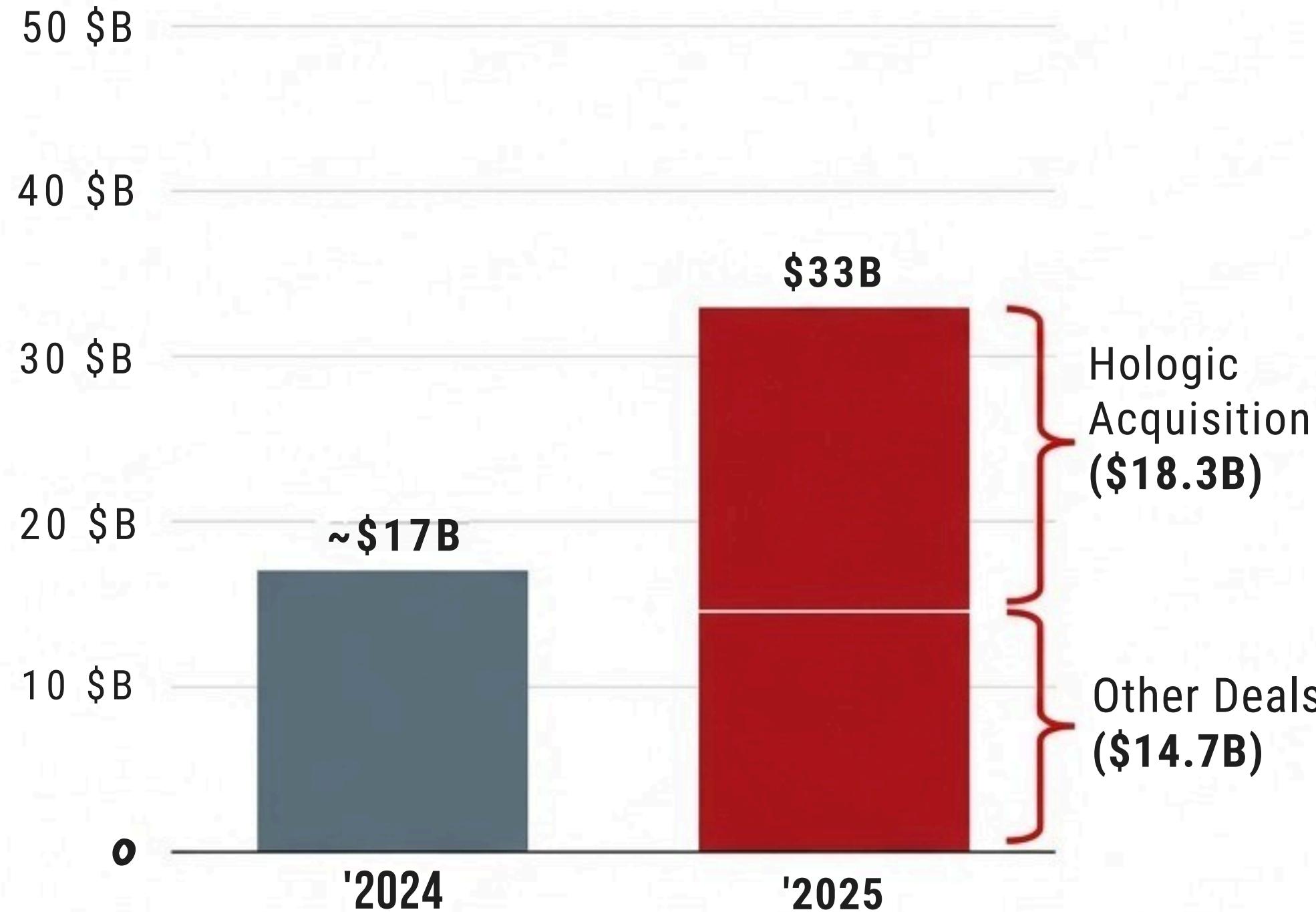
- Revenue: Launch AI-native products for upsells.
- Margin: Automate coding/scheduling to hit "Rule of 60".

The Defensive Playbook

- Protect the Moat: Embed AI into "System of Record" to prevent displacement.
- Diligence: Investors must underwrite AI impact-upside and disruption risk-in every deal.

Medtech: The New Growth Engine (\$33B)

Medtech Deal Value Growth (2024 vs 2025)



- **Deal Volume:** 88 deals (+20% YoY).
- **Impact:** Hologic deal alone represents -9% of total global healthcare PE value.
- **Trend:** Large-scale corporate carve-outs (e.g., Baxter/Vantive) are fueling the sector.

Roll-Up Era Ends 'Integrated Platform Era Begins

28%



23%

Physician Group Deal Share (2021-2025)



Strategic Shift

Old Model

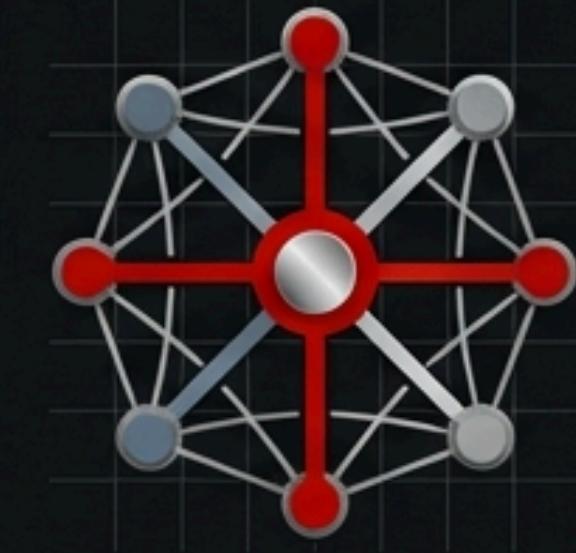
(Loose Confederation)



Buy-and-build for scale.
Focus on multiple arbitrage.

New Model

(Integrated Platform)

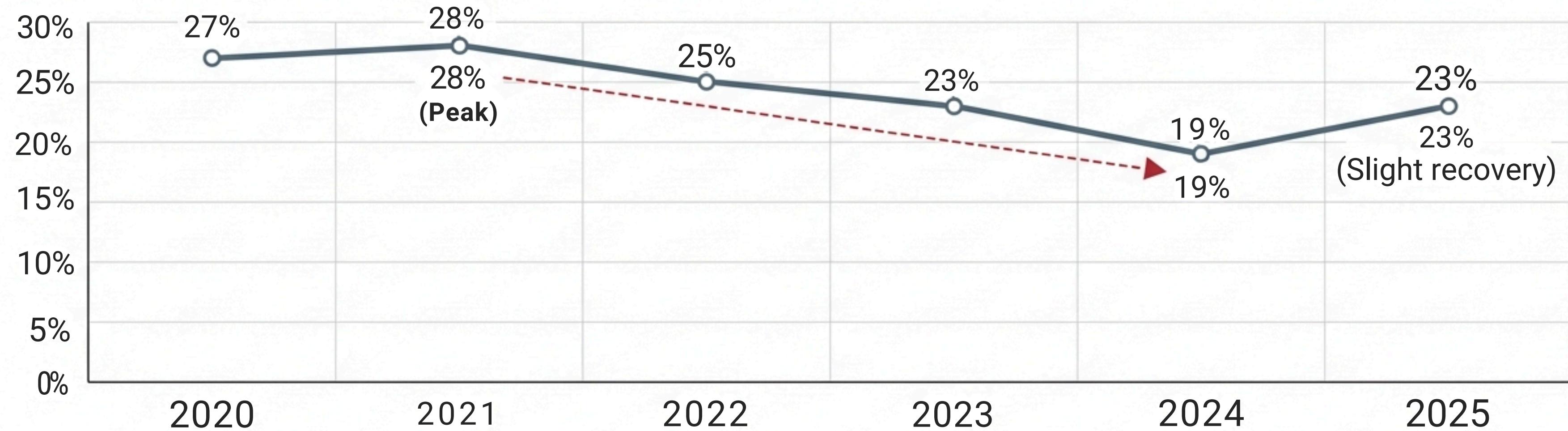


Centralized infrastructure,
tech-enablement, clear
clinician value prop.

Labor shortages and reimbursement pressures mean scale alone isn't enough.
Investors must build cohesive operations to retain talent.

Physician Groups: Market Context

Physician Groups as % of Total Provider Deals (2020-2025)



Market Context

- **Geography:** **North America** accounts for >60% of activity; **Europe/APAC** remain fragmented.
- **Headwinds:** Labor shortages and reimbursement pressure ended the land grab era.
- **New Reality:** Investors prioritize platform quality over sheer scale.

Finding Value In Cohorts



Specialty Pharma

High drug complexity creates management opportunities.

Targets: Oncology, Neurology, Urology.



Value-Based Care

High cost-of-care specialties ripe for bundled payments.

Targets: Orthopedics, Cardiology.



Ancillary Expansion

Owning the diagnostic/service value chain.

Targets: Dermatology, Gastroenterology.

High Growth/Fragmentation

Sectors with consolidation runway: Nephrology, Plastic Surgery, Behavioral Health.

Executive Summary:

A V-Shaped Resurgence



191B

Global Deal Value
(Record **High**)

445

Buyout Volume
(**2nd** Highest on Record)

\$156B

Exit Value
(+188% YoY Recovery)

Market Resilience

- Overcame Q2 tariff-related volatility; Q3 volume rose 39% quarter-over-quarter.
- Mega-deals returned: 40+ exits exceeded \$1B (vs. only 16 in 2024).

Sector & Liquidity

- Sponsor-to-Sponsor liquidity surged to \$110B+, breaking the exit freeze.
- Biopharma (\$80B) and Medtech (\$33B) led value creation; HCIT retains top IRR at 26%.

Global Healthcare Private Equity Report 2026

Anklesh Rawat

Shreshtha Rawat