

US Healthcare Sector M&A & Valuation TLDR - 2025-11-30

US Healthcare Sector

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1. 30-Second TL;DR

- The US Healthcare sector shows cautious optimism, driven by advancements in biotech and digital health, despite regulatory scrutiny and economic uncertainties.
- Valuation multiples average 18.5x EV/EBITDA, with biotech at 25.1x and digital health at 28.5x, indicating strong investor interest in high-growth areas.
- Key players like Eli Lilly and Moderna are leading innovations, while companies like Molina Healthcare are adapting to integrated care models.

2. 1-Minute TL;DR

- The US Healthcare sector is navigating a landscape of cautious optimism, with strong growth in biotech and digital health, despite challenges from regulatory scrutiny and economic uncertainties.
- The average EV/EBITDA multiple for the sector stands at 18.5x, with biotech and digital health commanding higher multiples at 25.1x and 28.5x, respectively.
- Companies like Eli Lilly are advancing in specialty drugs, while Moderna is expanding its mRNA technology. Molina Healthcare is enhancing service offerings through strategic partnerships.
- Investors are advised to focus on high-growth areas, monitor regulatory developments, and leverage technology partnerships to capitalize on emerging opportunities.

3. 2-Minute TL;DR

- The US Healthcare sector is characterized by cautious optimism, driven by technological advancements and evolving market dynamics. Despite facing regulatory scrutiny and economic uncertainties, high-growth subsectors like biotech and digital health are thriving.
- The average EV/EBITDA multiple for the sector is approximately 18.5x, with notable variations: pharmaceuticals at 15.3x, biotech at 25.1x, medical devices at 12.8x, healthcare services at 14.7x, and digital health at 28.5x. This indicates a premium for high-growth sectors.

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- Key players include Eli Lilly, which is innovating in diabetes treatments, and Moderna, expanding its mRNA technology. The medical devices sector, represented by Fisher & Paykel Healthcare, is also seeing growth due to rising demand for advanced care solutions.
- The banking pipeline is robust, with live deals like Verrica Pharmaceuticals' \$50 million financing and mandated deals from Merck and Amgen focusing on strategic partnerships and acquisitions.
- Investors should prioritize high-growth sectors, stay informed on regulatory changes, and consider current trading multiples when making investment decisions. The ongoing integration of AI in healthcare is expected to reshape patient care and drug development, presenting further opportunities for growth.