

# US Healthcare Sector M&A & Valuation TLDR - 2025-10-15

## US Healthcare Sector

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### 1. 30-Second TL;DR

- The US healthcare sector is seeing cautious optimism with significant M&A activity, particularly in biotech and digital health.
- Valuation multiples as of Q2 2025 average 18.5x EV/EBITDA, with biotech at 25.1x and digital health at 28.5x, reflecting strong investor interest.
- Key drivers include technological advancements and robust investment, while regulatory scrutiny and economic uncertainty pose challenges.

### 2. 1-Minute TL;DR

- The healthcare sector is marked by cautious optimism, with M&A activity focusing on biotech and digital health, driven by technological advancements.
- Valuation multiples average 18.5x EV/EBITDA, with biotech at 25.1x and digital health at 28.5x, indicating high growth potential in these areas.
- Major players like Pfizer and Moderna are investing in AI and innovative therapies, while regulatory scrutiny and economic factors may impact valuations.
- Investors should focus on high-growth areas and monitor regulatory developments to navigate this evolving landscape effectively.

### 3. 2-Minute TL;DR

- The US healthcare sector is experiencing a dynamic landscape characterized by cautious optimism and significant M&A activity, particularly in biotech and digital health. Companies like Pfizer and Moderna are leveraging AI technologies to enhance drug discovery and patient outcomes, reflecting a broader trend towards innovation.
- As of Q2 2025, the average EV/EBITDA multiple for the healthcare 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. These multiples indicate a premium for high-growth

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sectors, driven by investor interest in innovative solutions.

- Key market drivers include technological advancements, particularly in AI and machine learning, and increased investment in biotech and digital health, with approximately \$6 billion invested in AI-driven oncology solutions. However, headwinds such as regulatory scrutiny and economic uncertainty may constrain growth and impact valuations.
- The current banking pipeline reflects robust activity, with live deals like Quoin Pharmaceuticals raising \$104.5 million and Shuttle Pharmaceuticals acquiring Molecule.ai for \$10 million. The expected revenue from this pipeline is projected at \$30 million.
- Investors and bankers should prioritize high-growth sectors, stay informed about regulatory changes, and leverage technology partnerships to capitalize on emerging opportunities in this evolving healthcare landscape.