

US Healthcare Sector M&A & Valuation TLDR - 2025-11-21

US Healthcare Sector

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1. 30-Second TL;DR

- The US Healthcare sector is experiencing mixed sentiment, with pharmaceuticals facing regulatory challenges while biotech and digital health thrive.
- Novartis announced a \$23 billion investment in US infrastructure, and Vivos Therapeutics reported 78% revenue growth.
- The average EV/EBITDA multiple for healthcare is 18.5x, with biotech at 25.1x and digital health at 28.5x, indicating strong investor interest in high-growth areas.

2. 1-Minute TL;DR

- The US Healthcare market shows significant growth opportunities, particularly in biotech and digital health, while traditional pharmaceuticals face regulatory scrutiny.
- Notable developments include Novartis's \$23 billion investment in US manufacturing and Vivos Therapeutics's impressive 78% revenue growth.
- The average EV/EBITDA multiple for the sector is 18.5x, with biotech at 25.1x and digital health at 28.5x, reflecting investor confidence in innovation.
- Market dynamics are shaped by technological advancements and increased investment, but regulatory challenges and economic uncertainties remain key headwinds.

3. 2-Minute TL;DR

- The US Healthcare sector is navigating a complex landscape with both growth opportunities and challenges. Pharmaceuticals are under pressure from regulatory scrutiny, while biotech and digital health are thriving. For instance, Novartis's \$23 billion investment in US infrastructure aims to bolster domestic production, creating 700 jobs. Meanwhile, Vivos Therapeutics reported a remarkable 78% revenue growth, highlighting the demand for innovative treatments.
- The average EV/EBITDA multiple for the healthcare sector is approximately 18.5x, with biotech commanding a premium at 25.1x and digital health at 28.5x, indicating strong investor interest in

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high-growth areas. Traditional sectors like medical devices and healthcare services trade at lower multiples due to regulatory risks.

- Key market drivers include technological advancements, particularly AI integration, and increased investment in biotech and digital health. However, headwinds such as regulatory scrutiny and economic uncertainties could impact future growth.

- The current banking pipeline is robust, with live deals like Alkermes's acquisition of Avadel Pharmaceuticals and Harrow's acquisition of Melt Pharmaceuticals, indicating ongoing consolidation in the sector. Investors should focus on high-growth areas and monitor regulatory developments to navigate this evolving landscape effectively.