

# US Healthcare Sector M&A & Valuation TLDR - 2025-12-28

US Healthcare Sector

Generated on 2025-12-28

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## 1. 30-Second TL;DR

- The US Healthcare market has seen no recent M&A activity, attributed to regulatory scrutiny and market volatility.
- The South African healthcare sector is facing challenges but has growth opportunities in digital health and telemedicine.
- Valuation multiples are cautious due to economic constraints, with public healthcare entities valued lower than private ones.
- The focus is shifting towards organic growth strategies and digital innovations, indicating a need for strategic partnerships.

## 2. 1-Minute TL;DR

- The US Healthcare sector has experienced a lull in M&A activity, primarily due to increased regulatory scrutiny and market volatility affecting biotech valuations.
- In South Africa, the healthcare landscape is complex, with public healthcare underfunded and private healthcare expanding despite high costs.
- Digital health and telemedicine are emerging as key growth areas, with significant investment expected.
- Valuation multiples remain cautious; public healthcare entities are generally valued lower than private ones, reflecting funding constraints.
- Investors are advised to focus on organic growth and digital innovations, while monitoring regulatory changes that could impact future M&A opportunities.

## 3. 2-Minute TL;DR

- The US Healthcare market has not seen any recent M&A deals, likely due to heightened regulatory scrutiny from the FDA and market volatility affecting biotech valuations. Companies are reassessing

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their strategies, leading to a focus on organic growth rather than acquisitions.

- In South Africa, the healthcare sector is navigating significant challenges, with 85% of the population relying on an overstretched public system. The National Health Insurance (NHI) Act aims to improve access but faces implementation delays.
- The private healthcare sector is growing, with companies like Life Healthcare and Netcare expanding services despite high operational costs. Digital health and telemedicine are gaining traction, driven by the need for improved access and efficiency.
- Valuation multiples reflect a cautious market sentiment, with public healthcare entities valued lower than private ones due to funding issues. High-growth areas like digital health are expected to attract higher multiples.
- Key market drivers include government initiatives like the NHI and technological innovations, while economic constraints and regulatory uncertainties pose challenges. Investors should prioritize opportunities in digital health and monitor regulatory developments for potential M&A activities.