

**dakota**insights

# HEALTHCARE TRANSACTIONS REPORT

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# EXECUTIVE SUMMARY

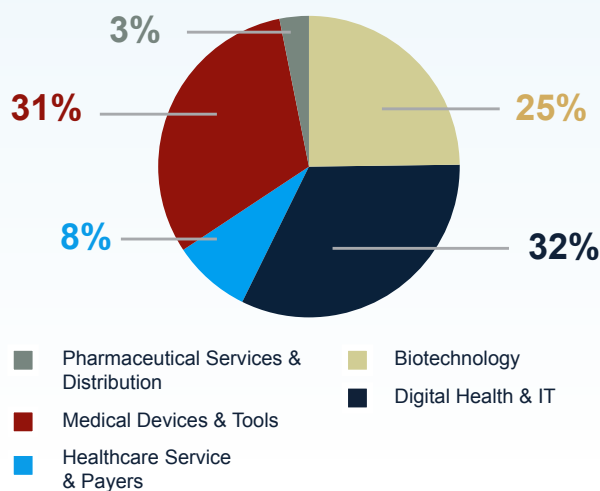
June 2025 marked a breakout month for digital infrastructure in healthcare, with top-ranked transactions overwhelmingly concentrated in Digital Health & IT. Capital deployment remained strong across platform software, AI-powered clinical tools, and next-generation health data infrastructure. This shift reflects growing investor preference for non-binary, scalable assets that can integrate into diverse healthcare workflows.

Venture and growth equity investors leaned heavily into AI clinical enablement, network management, and data-layer platforms—a sign of continued appetite for foundational infrastructure rather than point solutions. Notably, CareLineLive attracted attention for its role in modernizing home care delivery, a growing priority in the shift toward decentralized models, and for its backing by Accel-KKR.

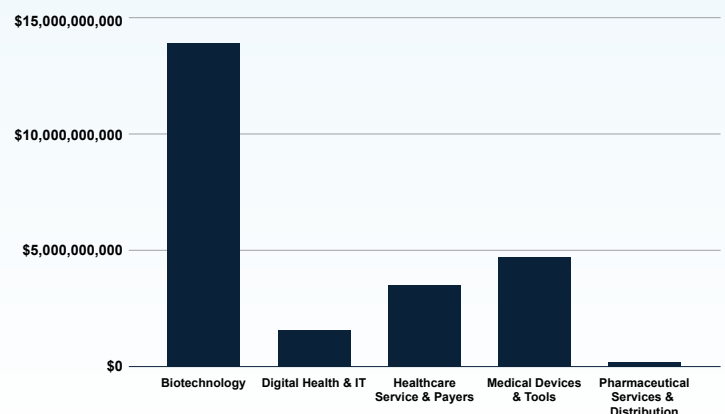
## Key Takeaways for Investors and Operators:

- Digital Health & IT dominated top deal rankings, accounting for all five of the most notable transactions within the month.
- Crossover IPOs are returning for select diagnostics and AI-driven biotech companies, signaling renewed exit optionality for growth-stage assets.
- Strategics are consolidating mid-cap life sciences and medtech tools, rather than placing large-cap bets amid valuation uncertainty.
- AI, automation, and longevity remain the most commonly flagged themes across high-scoring venture deals.
- Buyout firms are capitalizing on non-binary assets in revenue cycle management, outsourced pharma services, and medtech software, supported by \$75bn+ in dry powder.

▶ PERCENTAGE OF TOTAL HEALTHCARE TRANSACTIONS BY VERTICAL (DEAL COUNT)



▶ CAPITAL DEPLOYED BY VERTICAL



# KEY SEGMENTS

## A. Biotechnology

**Market Size: \$1.4T | CAGR: 7.1% | Transaction Value: \$13.93bn**

Biotechnology dominated healthcare capital flows in June 2025, accounting for \$13.93 billion (60% of total capital raised) despite making up only around 26% of transactions. This imbalance signals the large average deal sizes characteristic of the space, particularly among later-stage or platform-oriented players.

Several of the month's top deals were clustered around longevity, oncology, and drug delivery—three of the most thematically resonant sub-sectors identified in the entire healthcare industry. Juvenescence raised a \$150 million Series B round to continue developing therapies that promote healthy aging. Antares Therapeutics, a biotech focused on injectable drug delivery platforms, raised \$177 million in Series A financing. Meanwhile, Draig Therapeutics, an oncology-focused platform, ranked among the top 3 biotech deals despite a more modest raise, highlighting investor appetite for novel therapeutic platforms.

***“We are building from a strong foundation with a team of experts who are experienced in making new medicines, as well as proprietary drug discovery capabilities and a robust preclinical pipeline fueled by discoveries in drugging previously inaccessible targets.”***

**— Adam Friedman, M.D., Ph.D., Chief Executive Officer of Antares**

The standout public market development was Caris Life Sciences' Nasdaq debut. Backed by Sixth Street, Caris raised \$470 million at a valuation of \$7.7 billion. The IPO marked one of the first crossover-backed exits in diagnostics in several quarters and suggests that the public window may be selectively reopening for late-stage, non-binary assets.

Investor behavior continues to favor platform-driven, non-binary business models over speculative therapeutics. AI integration, especially in R&D and diagnostics, is emerging as a differentiator and value signal, frequently mentioned. However, risks remain prominent. U.S.–China cross-border licensing deals surged in June but introduced geopolitical and intellectual property challenges. Reimbursement pressures, coupled with the binary nature of many early-stage clinical platforms, have also kept private equity cautious on therapeutics.

Longevity, CRISPR, and AI-driven diagnostics emerged as the most consistent themes across biotech transactions in June. These areas attracted significant attention from top-tier sponsors, who continue to prioritize capital-dense, platform-oriented assets with strategic clarity. The backing of leading firms underscores investor conviction in these long-term healthcare innovations, even as the sector remains highly selective.



## B. Medical Devices & Tools

**Market Size: \$510bn | CAGR: 5.8% | Transaction Value: \$4.69bn**

Medical Devices & Tools posted one of the most capital-rich performances of the month, accounting for over \$4.69 billion in transaction value—second only to biotechnology. Deal activity spanned surgical systems, diagnostics, and device-adjacent software platforms, with private equity and strategics both active across the capital stack.

Among the most prominent developments were Corvia Medical's \$55 million growth financing to advance its transcatheter therapies for heart failure, and 32 Biosciences' \$6 million seed round to develop regenerative biologics for musculoskeletal repair. Both transactions reflect sustained investor interest in device-adjacent innovation at the intersection of structural heart interventions, biologics, and software-enhanced clinical workflows.

***“We firmly believe Corvia has the potential to fundamentally alter the landscape of heart failure treatment, and our investors share that vision. With these resources, we are well-equipped to drive the company through the approval process and introduce this groundbreaking therapy to the market.”***

***— Paul LaViolette, Board Chair of Corvia Medical***

Investors are increasingly drawn to vertically integrated models that blend hardware, analytics, and software, particularly where regulatory tailwinds and provider efficiency gains are evident. Medtech companies with embedded EHR capabilities, digital workflows, and patient monitoring functionality received elevated marks. Robotics and minimally invasive surgical systems remain standout themes, particularly as hospitals and ASCs prioritize operational throughput.

Despite the momentum, risks persist. EU medical device regulations (MDR) and FDA approval backlogs are delaying commercialization timelines, while ongoing geopolitical instability is forcing a reconsideration of global supply chains. Our analysis also found emerging concerns around procurement limitations—such as the EU's recent \$60B ban on Chinese medtech firms—which may further complicate market access strategies.

Still, investor sentiment remains bullish. Sponsors continue to pursue opportunities tied to themes like “automation,” “platform,” and “monitoring.” With large-cap targets in play and mid-market software adjacencies proliferating, medical devices and tools remain one of the most dynamic segments in healthcare investing.



## C. Healthcare Services & Payers

**Market Size: \$9.25T | CAGR: 4.9% | Transaction Value: \$3.47bn**

June 2025 saw sustained momentum in Healthcare Services & Payers, driven by robust activity across outpatient care, home-based services, and payer-aligned models. With \$3.47 billion in transaction value, the vertical comprised 13% of total capital raised but accounted for 32% of overall deal volume, highlighting a more fragmented, platform-building investment environment.

The vertical's performance was anchored by strategic acquisitions and growth investments that reflect continued confidence in scalable, cash-generative platforms. General Catalyst's acquisition of Summa Health, a nonprofit hospital system in Ohio, was approved during the month, marking a significant milestone for VC involvement in provider systems. Meanwhile, PE-backed transactions included Constitution Surgery Alliance, supported by Welsh, Carson, Anderson & Stowe, and RIS Rx, a revenue cycle-focused platform backed by Summit Partners. These deals illustrate heightened PE interest in high-margin, outpatient settings and health IT-enabled services.

***“This is not an isolated transaction but part of a broader engagement strategy with our wider healthcare ecosystem – innovators and system partners who will collaborate and share best practices... and in which Summa Health’s progress can be an innovation beacon for the rest of the industry.”***

**— General Catalyst Press Release**

Investor themes in this vertical were especially concentrated around site-of-care shifts and recurring reimbursement streams. There was elevated interest in ambulatory surgery centers (ASCs), behavioral health networks, and home infusion providers. Platforms leveraging tech-enabled tools to reduce administrative burden and improve scalability tended to attract strong investor interest, particularly among top-tier firms.

However, the vertical also presents unique challenges. Regulatory scrutiny around PE ownership in healthcare is intensifying, particularly in emergency medicine, behavioral health, and nonprofit hospital systems. Additionally, reimbursement complexity and labor shortages—especially among skilled clinicians in home and outpatient settings—remain key risks to scale and margin expansion.

Still, the steady deal flow and widespread interest within this vertical suggest that investors remain optimistic about platforms that are both mission-aligned and financially resilient. In a macro environment marked by caution, healthcare services offer a compelling blend of defensibility, scalability, and demographic tailwinds.



## D. Digital Health & IT

**Market Size: \$1.3T | CAGR: 5.4% | Transaction Value: \$1.50bn**

Digital Health & IT dominated June 2025's investment landscape, accounting for all five of the top-ranked deals in our scoring system. Over \$1.5 billion in capital was deployed across 52 transactions, driven by sustained investor demand for scalable platforms that enable workflow automation, care delivery, and infrastructure modernization.

The top deal in this vertical was CareLineLive, a PE-backed care delivery platform backed by Accel-KKR. The transaction drew attention due to the company's structural positioning and platform defensibility, as well as its alignment with ongoing trends in home care delivery. Among growth equity transactions, Abridge AI and Commure both raised over \$200 million and were notable for their focus on clinical documentation, interoperability, and data orchestration. Venture-backed platforms Certify and Tennr also saw significant activity, offering point solutions tied to core provider pain points like network management and revenue cycle automation.

***“No matter where they serve, home care providers want to focus on delivering responsive, respectful and personalized care... We're excited to back CareLineLive and help Josh and his team continue to build market-leading solutions in this category.”***

***— Maurice Hernandez, Managing Director at Accel-KKR***

This high concentration of digital infrastructure deals underscores a broader investor pivot toward non-binary, horizontal platforms that can scale across workflows and customer types. Top-scoring transactions frequently aligned with themes like “AI,” “data,” and “automation”, reflecting investor focus on enabling layers over more specialized point solutions. The vertical also saw diverse capital stack participation—ranging from early-stage venture to late-stage growth equity and private equity roll-ups.

Despite strong tailwinds, the vertical remains exposed to headwinds around reimbursement uncertainty, data privacy, and pricing pressure in digital therapeutics. Yet the volume of activity continues to reinforce Digital Health & IT's centrality in current investor strategy.

With 33% of all transactions but only 6% of capital deployed, this category remains a favored hunting ground for venture and growth equity investors—particularly those targeting margin expansion through tech enablement and operational scale.



## E. Pharmaceutical Services & Distribution

**Market Size: \$844.2bn | CAGR: 8.7% | Transaction Value: \$47.5mn**

Pharmaceutical Services & Distribution remained a quiet corner of the market in June 2025, with no significant disclosed transactions captured in our proprietary dataset. This absence of deal activity, however, should not be mistaken for a lack of interest. Conversations with market participants suggest continued interest in drug distribution, specialty pharmacy carve-outs, and outsourced pharmaceutical logistics models—though deal execution appears to have slowed due to ongoing regulatory pressure and tightening underwriting standards.

Investor caution in this space may stem from growing uncertainty around drug pricing reform, PBM transparency regulations, and margin compression across the pharma supply chain. Many PE firms are actively monitoring the space but appear to be holding back capital until greater policy clarity emerges.

In previous months, high-multiple assets in the specialty pharmacy and third-party logistics (3PL) space garnered considerable interest. We anticipate deal activity to resume in H2 2025 as platforms reposition, carve-outs become more attractive, and policy direction stabilizes. For now, however, Pharmaceutical Services & Distribution remains a sector to watch rather than one actively driving capital deployment.





# TRANSACTION NEWS

The table below highlights the top 5 transactions of June 2025, each notable for its sector relevance, stage of development, and alignment with key investment themes. These companies stood out not just for their capital raised, but for their strategic positioning in high-growth subsectors such as AI-powered diagnostics, injectable therapeutics, and clinical workflow automation.

## TOP 5 HEALTHCARE TRANSACTIONS - JUNE 2025

Rank	Name	Description	Asset Class	Financing Type	Vertical	Transaction Value
1	CareLine-Live	Develops AI-driven solutions to optimize healthcare workflows and improve patient care.	Buyout/Private Equity	Platform	Digital Health & IT	Undisclosed
2	Abridge AI	Uses AI to summarize medical conversations and automate clinical documentation.	Growth Equity	Series E	Digital Health & IT	\$300,000,000
3	Commure	Builds a platform to accelerate digital health solution development and adoption.	Growth Equity	Unknown	Digital Health & IT	\$200,000,000
4	Tennr	Provides AI-powered automation for healthcare administrative tasks.	Venture	Series C	Digital Health & IT	\$101,000,000
5	Assura	Managing a portfolio of primary care, community healthcare buildings, and medical centers across the UK	Buyout/Private Equity	Take-Private / Public-to-Private	Healthcare Services & Payers	\$2,300,000,000

### Insights

- Four of the top five scoring deals in June came from Digital Health & IT, underscoring investor conviction in scalable, tech-enabled healthcare platforms.
- Abridge AI and Commure led in transaction value, both raising over \$200M in growth equity rounds—a sign of capital appetite for AI infrastructure and genomics/data platforms
- CareLineLive topped the list despite an undisclosed deal value, reflecting the strength of its platform model and structural quality as a PE-backed asset
- The absence of biotech from the top ranks this month reflects a relative pullback in high-scoring activity in therapeutics and drug delivery, with investor focus shifting to applied AI and system-level infrastructure

Together, these top deals illustrate a broader shift toward non-binary, scalable platforms in both venture and buyout activity. Investors are gravitating toward companies that offer clarity of value creation—whether through revenue cycle automation, therapeutic platform defensibility, or outpatient delivery innovation.





# KEY TRENDS IN DEALMAKING

## ▶▶ **Valuation bifurcation persists.**

Deal pricing diverged meaningfully across asset class and stage in June. Late-stage and profitable platforms—particularly those in diagnostics, HealthTech, and software-enabled services—continued to command strong EV/EBITDA multiples in the 10–14x range. Meanwhile, early-stage biotech and digital health assets saw more compressed pricing, with multiples often falling below 6x revenue as investors remained cautious on clinical or unproven risk.

## ▶▶ **Activity concentrated in tech-forward services.**

The most active subsectors included revenue cycle management (RCM), AI-powered diagnostics, and platform HealthTech tools. These areas are drawing interest due to their recurring revenue models, defensibility, and ease of integration into existing provider workflows. Medical devices with embedded software layers also saw meaningful traction.

## ▶▶ **Capital availability remains robust, but disciplined.**

Global PE dry powder stands at \$3–4 trillion, with roughly \$75 billion earmarked for healthcare. Fundraising was slower in Q2, but capital deployment continued, driven by longer hold periods and greater selectivity. Lenders remain active, though underwriting standards have tightened for binary or high-capex assets.

## ▶▶ **Strategics skew toward bolt-ons.**

Corporate buyers showed increased activity in mid-sized transactions (\$500M–\$2B), especially in diagnostics, specialty services, and software tools. Large-cap M&A remained rare as boards prioritize capital conservation and ROI certainty.

## ▶▶ **Crossover investors cautiously re-emerge.**

Public market reopenings—like the Caris Life Sciences IPO—demonstrate renewed interest from crossover funds, albeit selectively. Thematic plays in diagnostics and data-driven platforms are seeing most traction, while broader biotech and therapeutics remain out of favor.

## ▶▶ **Exit activity accelerating unevenly.**

PE portfolio companies in HealthTech, RCM, and medtech software are entering exit windows via strategic sale or IPO. However, exits remain elusive for binary, early-stage assets or companies exposed to reimbursement uncertainty. As secondary funds and SPVs gain traction, GPs are exploring more flexible paths to liquidity.



# LOOKING FORWARD

Two themes continue to shape capital allocation across the healthcare investment landscape: the decentralization of care and the rise of tech-enabled outsourcing.

The shift toward ambulatory and home-based care has become a defining structural trend. Investors are backing platforms that capitalize on payor and provider incentives to move care out of the hospital setting—particularly in infusion therapy, ambulatory surgery, and home health. These models offer compelling margin profiles, scalable unit economics, and regulatory alignment.

In parallel, there is rising demand for infrastructure-layer investments across services and life sciences. Growth equity and venture capital are flowing into platforms that enable scalability through automation, AI, and orchestration—particularly in revenue cycle management, data integration, and clinical documentation. These assets are increasingly viewed as foundational enablers of operational efficiency and defensibility. Private equity firms, meanwhile, are placing selective bets on platform assets with strong structural characteristics, even amid broader market selectivity.

Risks remain nontrivial. Regulatory shifts in drug pricing, tightening reimbursement frameworks in infusion and behavioral health, and persistent labor shortages—especially for skilled clinicians—pose continued headwinds to scaling. Heightened scrutiny on PE ownership in essential care delivery sectors also introduces structural volatility.

## **Attractive opportunities remain in:**

- Scaling fragmented platforms in infusion, ambulatory care, and outpatient surgery
- Acquiring and integrating digital infrastructure in medtech and services
- Targeting middle market deals with high EBITDA visibility and low binary exposure
- Building infrastructure around AI-enhanced diagnostics, logistics, and automation tools

For investors, discipline will matter more than capital volume in the months ahead. The most attractive entry points lie at the intersection of scalability, defensibility, and operational leverage—especially in sectors where reimbursement dynamics are stabilizing and digital infrastructure continues to unlock margin expansion.

