

Empowering Women's Health: The Rise of Investment Opportunities in Women and Family Healthcare

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At Leerink, we are often asked about the state of the women and family healthcare market. Are there opportunities for private capital? Is there growth in its future? The data is clear, and the answer is a resounding "yes." This market is large, growing, and chronically underserved, despite making up more than half the population. Women control 80% of healthcare spending decisions and often serve as the "Chief Medical Officer" for the home. Accordingly, we view the sector as encompassing healthcare services and technologies that address the unique needs of women and their children.

The Traditional Healthcare System Was Not Built For Women

Bias is pervasive in both clinical research and the provision of care. In 1977, the FDA issued guidelines banning most women of "childbearing potential" from participating in clinical research studies. It took 16 years for the FDA to rescind this guidance, and women were not required by law to be included in clinical trials until the NIH Revitalization Act of 1993. But the shortfall persists: despite their inclusion, there are no requirements for clinical results to differentiate findings on the basis of sex.

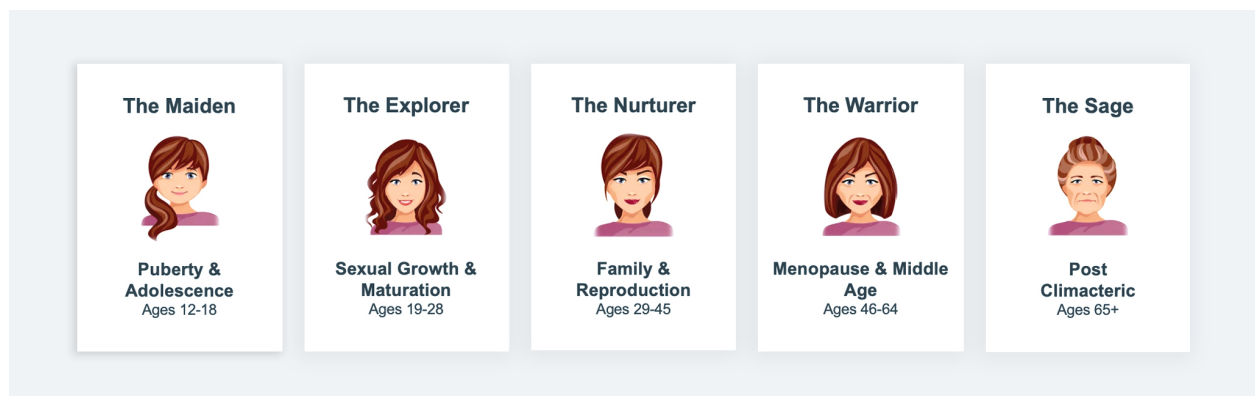
Society and cultural norms continue to stigmatize women's bodies. More often than not, women's pain points are viewed as a taboo, where words such as vagina, menopause, and pelvic floor dysfunction are often only whispered behind closed doors. Women require information and support

to manage their bodies and start advocating for themselves in a healthcare setting.

Women have unique healthcare needs that are diverse, multi-faceted and will evolve over time. Most importantly, this space includes more than just a woman's ability or inability to reproduce.

Key Stages of Womanhood

How, then, do we care for women throughout their healthcare journey, from puberty through menopause and beyond? First, we must understand the key health milestones throughout a woman's life.



Source: Leerink Partners Proprietary Analysis.






As one would expect, these stages dictate the therapeutic areas addressed, including reproductive, menstrual, sexual, pelvic floor, vaginal, oncology, bone, brain, autoimmune and cardiovascular. While pelvic health or menopause can span multiple decades, some facets of health needs, such as IVF, contraception, or sexual education serve a purpose at a unique point in time.

At each stage across the continuum of care, there are opportunities to help improve a woman's health outcomes. Treatment may include:






What Is the Market Opportunity?

While market opportunities within OBGYN and Fertility are relatively well understood, there is enormous whitespace to support women longitudinally. In particular, we see interest in addressing pelvic floor dysfunction, postpartum care, and mid-life care, including menopause, to name a few emerging investment areas.

Investment Thesis

	<ul style="list-style-type: none"> Women utilize more healthcare than men, use preventative services at higher rate, and control more than 80% of healthcare spending decisions
	<ul style="list-style-type: none"> National provider shortage represents an opportunity for digital and tech-enabled solutions to bridge the care gap
	<ul style="list-style-type: none"> PCP-like nature of OB/GYNs provides substantial ancillary services opportunities
	<ul style="list-style-type: none"> Strong recession resistant demand in fertility market with significant private pay component
	<ul style="list-style-type: none"> Significant and largely untapped opportunities for value-based arrangements

Estimated Market Size

 Women & Family Digital Health	\$100B+ By 2030 ² <ul style="list-style-type: none"> Virtual Care At-home Diagnostics ML / AI in IVF
 Pelvic Rehab	\$46B+ 2023 <ul style="list-style-type: none"> Pelvic Floor PT Pessaries & other vaginal supports Botox / nerve stimulation
 OB/GYN	\$44B+ 2% CAGR <ul style="list-style-type: none"> Gynecology Obstetrics MFM URO-GYN GYN-ONC
 Fertility	\$19B 26% CAGR <ul style="list-style-type: none"> ART IVF PGT Embryology
 Breast Imaging	\$4B 7% CAGR <ul style="list-style-type: none"> Breast Cancer Screening Mammogram

Source: Leerink Partners Proprietary Analysis, Pitchbook, company websites and company press releases.

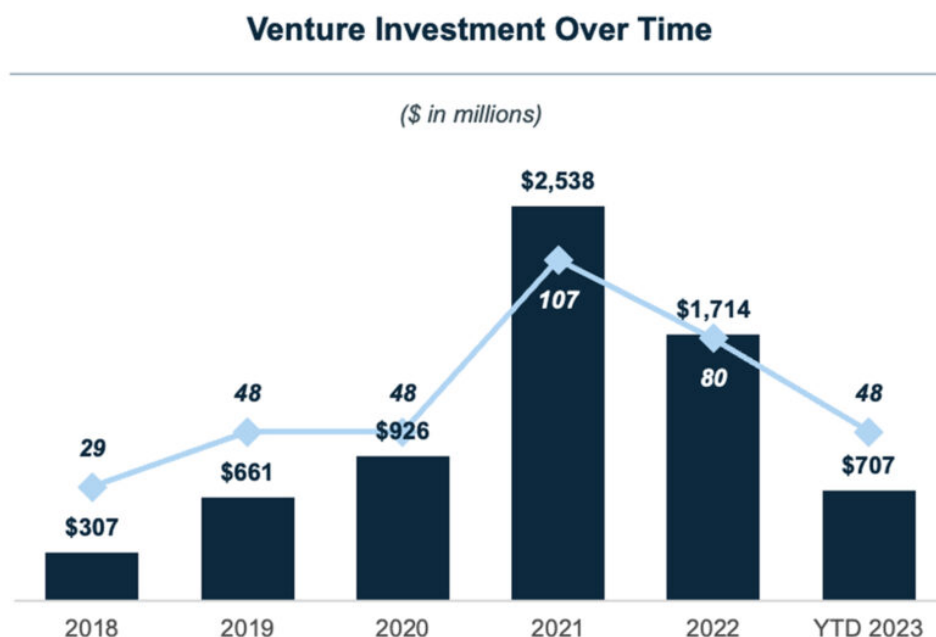
A Place Within Venture That is Here to Stay

The rising awareness of, and investment in, female life stages coupled with more expansive employer benefits, attractive payor contracting, and tailwinds from the COVID-19 pandemic and overturning of Roe vs. Wade have caused a market shift in venture. Investors have increasingly put capital to work in the \$100B market for women & family digital health.

However, investments in women's health are still often viewed as "niche" and it can be challenging to push multiple women's health companies through a firm's investment committee. To combat this challenging backdrop, smart founders are getting creative in tapping alternate sources of funding, such as family offices, impact funds, government programs or other permanent pools of capital, many of whom are actively writing checks.

A Bullish Future for Women and Family Healthcare

Recently, we at Leerink Partners conducted a proprietary analysis on women and family healthcare venture investment since 2018. Venture investment in the sector peaked in 2021 at more than \$2.5B and remains significantly above pre-COVID levels today.

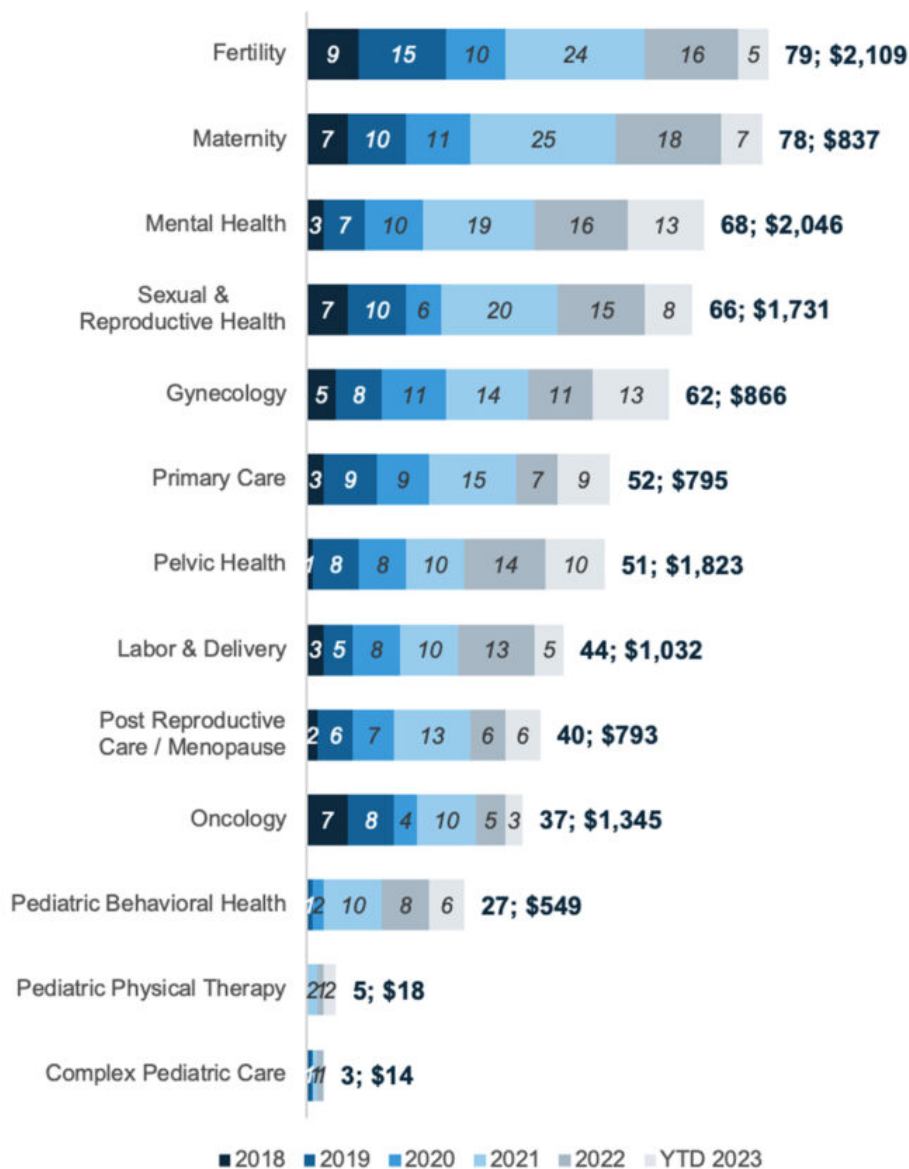


Source: Leerink Partners Proprietary Analysis, Pitchbook, company websites and company press releases.

Despite the recent market pullback, we are seeing several high-quality assets come to market and close oversubscribed rounds, several of which have yet to be announced and are understated as a result. This phenomenon is differentiated from what we are seeing across the broader digital health landscape.

Importantly, investors are demonstrating an appetite for investments outside of just maternity and fertility. While still early days, there has been an increase in funding other areas, such as sexual, pelvic, and mental health.

Deal Count and Dollars by Indication ¹



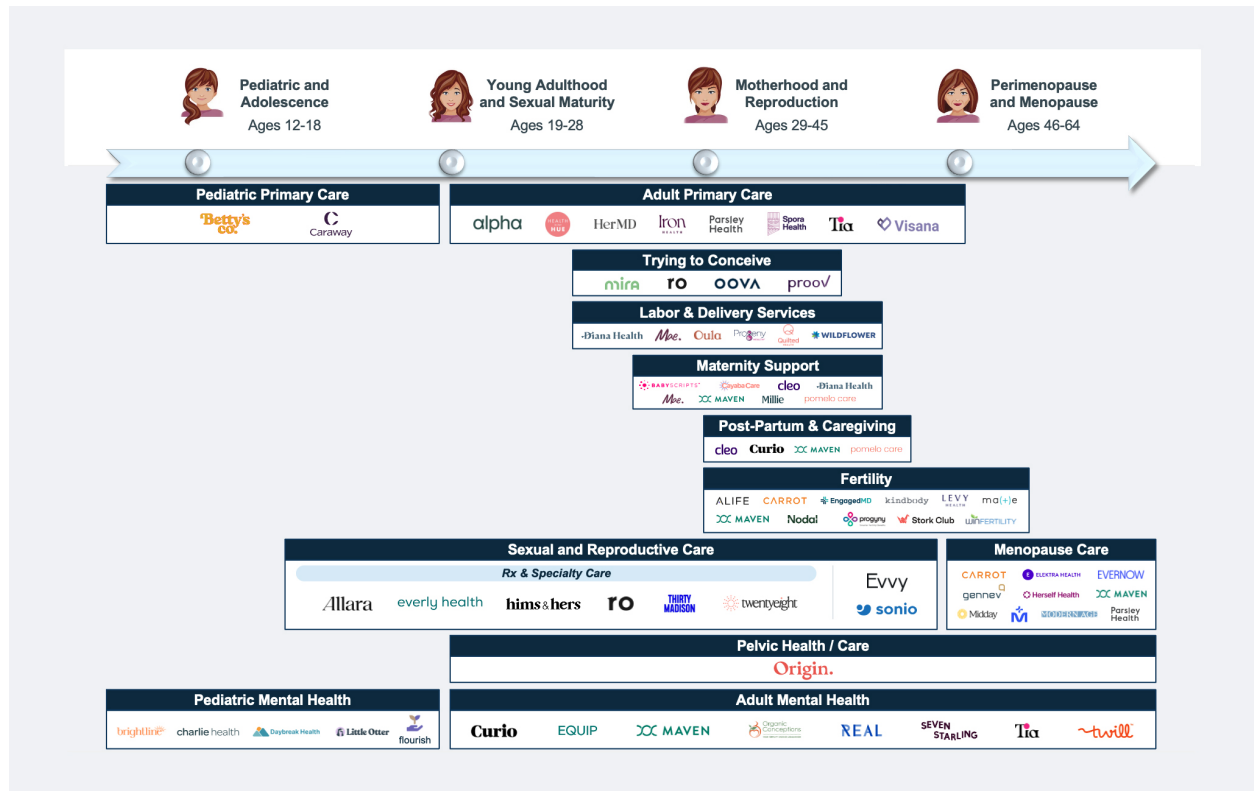
¹ Segments are not mutually exclusive, mental health includes pediatric focused mental health company capital raises.

Note: Represents Healthcare Services, Tech-Enabled and Digital Health assets. Excludes Dx & Tools, Medical Devices and Biotech as of August 31, 2023.

Source: Leerink Partners Proprietary Analysis, Pitchbook, company websites and company press releases.

There is an Emerging Landscape of Companies Seeking to Address Unmet Needs Throughout a

Woman's Life



Source: Leerink Partners Proprietary Analysis

Sector is Ripe for Continued Private Equity Interest

Proven Buy-and-Build Strategies

Source: Company websites, press releases and Wall Street Research.

Private equity is becoming increasingly bullish about an industry with significant potential, both in terms of outcomes and bottom line impact. Service offerings have expanded far beyond the traditional OBGYN vertical and now include offerings within contraception, prenatal care, infertility services, genetic testing and other donor services. Combined with increasing patient volumes, these expanded services provide a significant opportunity for private equity to deploy buy-and-build strategies to establish holistic care platforms covering the full range of women and family healthcare needs. These scalable networks promote greater control of practice management and patient experience, while demonstrating clinical outcomes and increased negotiation leverage with payors. From an M&A perspective, both tuck-ins and transformational transactions are on the table,

as evidenced by [Unified Women's Healthcare's acquisition of Gennev](#) and [US Fertility's acquisitions of Ovation® Fertility](#) and [RMA of New York](#).

Leerink's Take

Although the market is nascent and not immune to the headwinds facing other high growth industries, we are energized by the massive opportunity ahead. Investment in the women and family healthcare sector will improve health outcomes, address systemic unmet needs, and deliver attractive returns to investors.

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