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## Digital Health's Dot Com Moment – Peril and Promise



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Reading the dot-com bubble burst of the early 2000s provides valuable insights into evaluating the current state of the digital health market. Just as that decade, the growth of the digital health sector has offered the promise of much-needed innovative services and efficiencies to fulfill the high aim of improving outcomes, optimizing costs, and bringing life-changing digital health tools and performance. As key ingredients in the intersection of technology and healthcare will grow and support capital inflows and R&D activity in the sector, 2023 historical perspectives from the crisis, challenging market conditions present a critical perspective that should be observed when the dot-com crash. This is our digital health market disaster often opportunities for consolidation and sets the precedent for critical investments.

### Digital Health Stock Slide – Terribly Similar to NASDAQ's Plunge in Early 00s

While digital health companies have undergone a considerable decline since reaching all-time highs in early 2022, the sector is currently trading off nearly 70% since last year's all-time peak of approximately \$100 billion in market value. Volatility across digital health has compressed value to historic discount multiples at the peak in the market. The shape of the decline closely mirrors the contraction experienced by the tech industry as measured by the NASDAQ after the dot-com bubble burst of the early 2000s. There are several similarities:

\* Following the dot-com era, NASDAQ closed prices plummeted nearly 80% over a two-year period and a half year period before ultimately reaching the trough in