

## Indian healthcare and life sciences sectors attract over \$4.4 B worth investments in H1 2023

19 July 2023 | News

**Growing investment potential of India's healthcare and life sciences sectors draws substantial interest from private equity firms and strategic acquirers**



According to the Grant Thornton Bharat Report, the healthcare and life sciences sector in H1 2023 reported an 85% increase in overall deal values, totalling over \$4.4 billion compared to H1 2022. However, deal volumes remained marginally low with a 17% decline from 89 in H1 2022 to 74 in H1 2023.

Demand for better healthcare services has been on the rise due to factors like an ageing population, higher disposable income, and increased awareness of health outcomes. Further, shifting business priorities coupled with government initiatives is resulting in the growth of life sciences sector.

**Mergers and Acquisition (M&A) Landscape:** During Q2 2023, M&A activity saw a 60% increase in deal volumes over Q2 2022, recording 16 deals. Value surged 97% to reach \$487 million, resulting in an average ticket size of \$30 million, compared to \$25 million in Q2 2022. Serum Institute of India's domestic acquisition of minority stake in Biocon Biologics for \$150 million and IPCA Laboratories acquisition of Unichem Laboratories for \$126 million, contributed to 57% of overall M&A transactions. For H1 2023, the M&A volumes saw an increase of 47% as compared to H1 2022, with a total of 25 deals, with values of \$628 million.

**Private Equity (PE) Landscape:** Despite a fall in the number of deals from 32 to 19 from Q2 2022 to Q2 2023, PE activity recorded a 158% growth in deal value, raising the average ticket size from \$32 million in Q2 2022 to \$139 million in Q2 2023. Temasek Holdings' 41% stake in Manipal Health Enterprises for \$2 billion marked the largest fundraise in the sector in the last 13 years. Healthtech drove PE deal volumes activity in the quarter, followed by those in the wellness and hospital space. While H1 2023 saw a decline in deal volumes from 72 to 49 as compared to H1 2022, values soared a 110% with values totalling \$3.8 billion, led by hospitals segment.