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## **AmCham Shanghai Capstone Conference Healthcare Industry Highlights**

*Greg Scott, Chair, Healthcare Committee*

## Healthcare Industry: 2019 vs 2020

***2019 was a strong year for healthcare MNCs in China:***

- 86% of surveyed\* healthcare companies had top line growth
- 81% were profitable
- 71% grew faster in China than globally
- 100% planned to maintain or increase China investment

***But the headwinds of 2020 slowing industry growth in China:***

- 52% estimated first half 2020 China revenue down
- 29% planned to decrease China investment
- #1 reason for negative impact: Coronavirus (77%)

\*Source: 2020 China Business Report, AmCham Shanghai (based on a survey of AmCham member companies)

# VC Investment, IPOs and Cross-border Partnering

- **VC investment has returned to 2018 levels, on track to reach a record \$18B+ in 2020**
  - 60% of cross-border investments with the US
- **Therapeutics (pharma/biotech) largest segment (35%), following by iHealth (25%)**
- **IPOs forecasted to hit a record \$10B+ in new company value**
- **Partnering (e.g., licensing, co-development) could reach nearly \$30B**
  - >80% cross-border deals
  - Average deal size a record \$250M

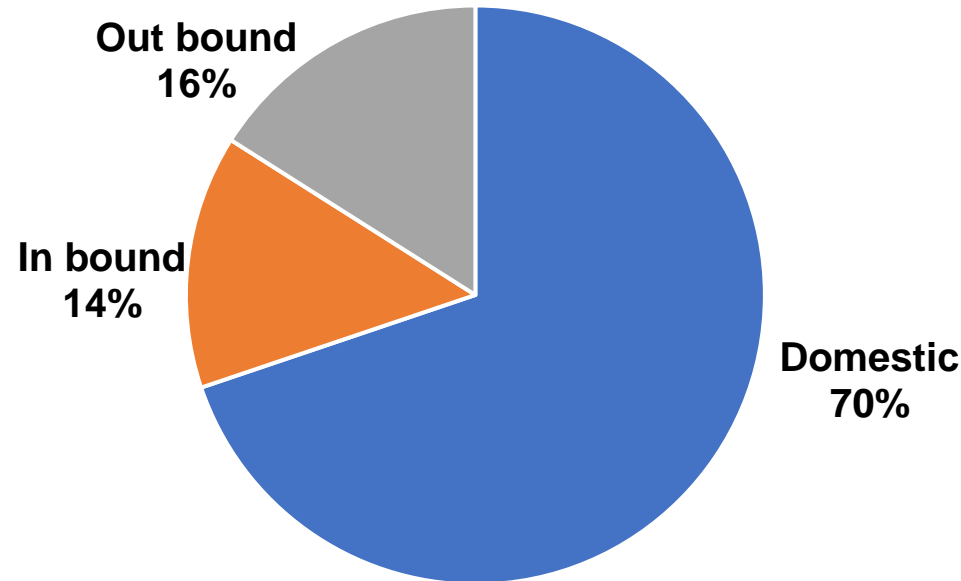
Source: *State of China Life Science: 2020 H1*, ChinaBio® Consulting

# Majority of cross-border VC investments still with US; EU gaining in outbound investment from China

## Cross-border VC/PE Life Science Investment

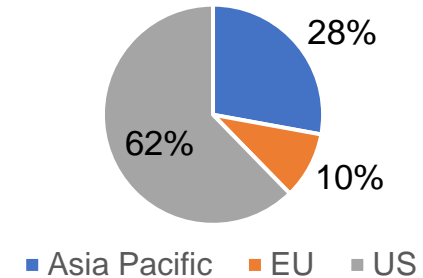
### Investment by Region

# of Deals

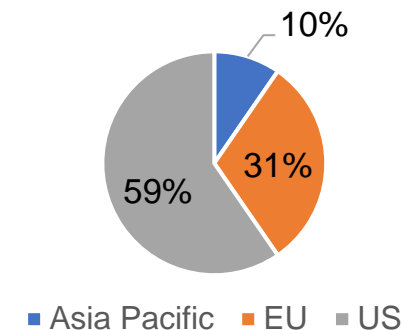


Source: *State of China Life Science: 2020 H1*, ChinaBio® Consulting

### In-bound

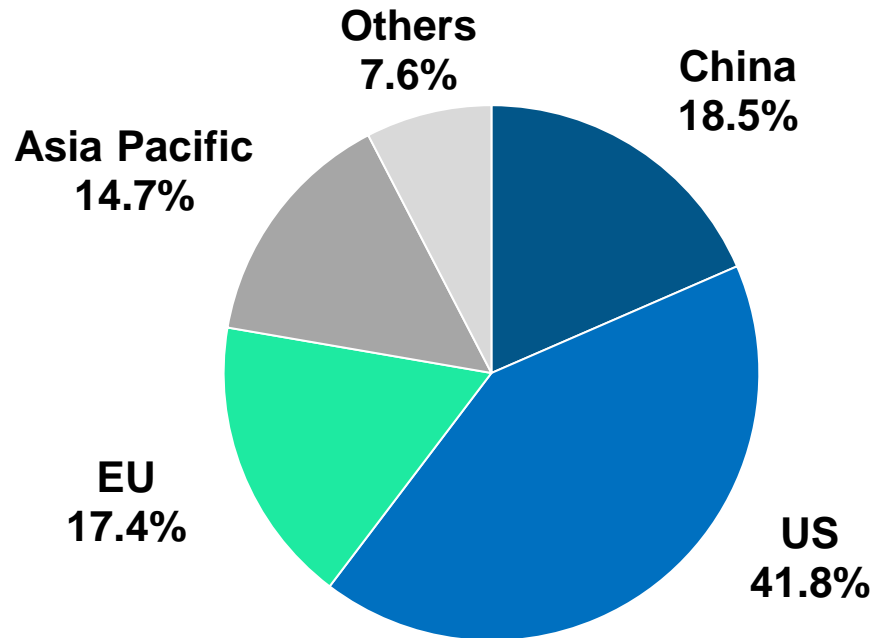


### Outbound



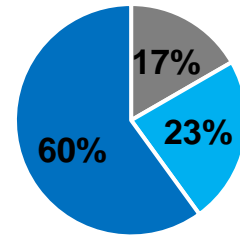
# US still most desirable region for cross border partnering with China healthcare companies

## Pharma Partnering by Region



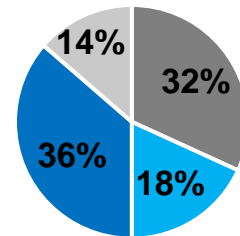
Source: *State of China Life Science: 2020 H1*, ChinaBio® Consulting

### In-bound



■ Asia Pacific ■ EU ■ US

### Outbound



■ Asia Pacific ■ EU ■ US ■ Others

## Major Trends Identified by AmCham HC Committee

- **Shift from crisis response to establishing a “new normal” to leveraging opportunities**
- **Rapid digitization of the healthcare industry**