

HEALTHCARE

HEALTH TECHNOLOGY & DATA: MARKET OVERVIEW

DRIVEN BY NHS PRESSURES AND BACKLOGS, THE MARKET IS RAPIDLY ADOPTING DATA-DRIVEN SOLUTIONS AND TECHNOLOGY, FUELING HIGH GROWTH AND COMPETITION IN INNOVATION AND EFFICIENCY.

COOPER PARRY
DEALS

REACH

HEALTH DATA MARKET SNAPSHOT

Pressures to create a central health data service are shaping a new healthcare analytics industry

CURRENT NHS HEALTH DATA

Around 90% of hospitals across the UK now use an electronic patient record system, with 98% of people in the UK registered with the NHS through a general practice.

However, there is currently no single, comprehensive, up-to-date catalogue of all health-relevant data sources across the UK. Additionally, 80% of NHS healthcare data remains **unstructured**, representing a significant, **under-utilised** resource.

While many companies and researchers pay to access anonymised NHS data, the process is complex and often inefficient. In November 2024, *The Sudlow Review* was published, outlining a vision to overcome these barriers and inefficiencies that currently delay the safe and secure use of health data. Since then, discussions have intensified around the need for a central service to manage and store this information.

Some private companies have already begun compiling their own health data. For instance, *Our Future Health* is leading the UK's largest health research programme, aiming to recruit up to 5 million participants to develop new methods for preventing, detecting and treating diseases.

CURRENT LIMITATIONS OF NHS HEALTH DATA

The lack of access to health data in the UK delays or prevents the production of hundreds of medical and population health research studies which are essential to improving our health and wellbeing. These studies aim to:

- Unravel the underlying causes of diseases
- Develop better diagnosis, prevention and treatment strategies
- Test these in clinical trials
- Undertake analyses in whole populations to assess their uptake, effectiveness and safety in the 'real world'.

There are currently two key limitations of the content of NHS health data:

1. The low percentage of outpatient episodes that are assigned diagnosis and/or procedure codes (3–4%)
2. The lag between patient admission and the submission of data, which are unavailable until an episode of care has been completed

POSSIBLE SOLUTIONS

Electronic Health Records (EHRs) and interoperability: implementing or enhancing electronic health records so patient data can be stored securely and accessed quickly across different departments and facilities. By using interoperable platforms, different healthcare systems can communicate more seamlessly, allowing for a holistic view of a patient's history.

Artificial Intelligence (AI) and Machine Learning (ML) predictive analytics for resource management: AI tools can analyse patient data to predict demand for healthcare services. They can also assist in understanding causes of diseases and developing better diagnosis.

Source: Financial Times, Health Data Research UK, Grand View Research

HEALTHCARE ANALYTICS MARKET

The global digital health market size was estimated at USD240.9 billion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of 21.9% from 2024 to 2030.

However, the ability to use national whole-population health data is unusual. Where it does exist (e.g. in some Scandinavian countries), this is often at a smaller scale (covering up to 10 million people, in comparison with the 67 million UK-wide).

There is a huge opportunity to capitalise on the UK's substantial health data assets, and to accelerate towards a future where the power of health-relevant data is fully realised.

FUTURE M&A TRENDS

- Large healthcare organisations and tech companies will likely continue acquiring analytics firms that specialise in collecting, processing and analysing health data. This consolidation will enable firms to provide more integrated solutions that cover the entire healthcare ecosystem.
- As AI and ML gain prominence in healthcare analytics- particularly for predictive analytics, diagnosis and resource management- AI-driven solutions are likely to become prime acquisition targets.
- There is also growing activity in the research data infrastructure sector. Companies are seeking partnership with healthcare providers, academic institutions and research organisations to create rich datasets to gain insight into patient populations.

HEALTH TECH MARKET SNAPSHOT

Digital care and AI implementation underpin investment trends and a healthy market outlook

AI SURGE

- Did-not-attend's (DNA) are looking to be alleviated by the introduction of tools such as Deep Medical, a machine learning tool that predicts no-shows and short-notice cancellations, which has been shown to reduce DNA rates by up to 50%.
- UK Government's recent announcement of 'Humphrey', investment into a new package of AI tools to increase efficiency across public services.
- Growing backlogs for procedures are being combatted by using AI enabled tech to manage patients. Dora is an AI clinical assistant, that when tested in the UHL NHS Trust, was able to remove 11% of patients off the waiting list, and efficiently manage capacity and demand, with a view to meeting the RTT standard.
- The NHS is launching the world's biggest trial of AI to detect breast cancer, with the tool being deployed to analyse two-thirds of c.700k mammograms over the next few years.

DIGITAL CARE

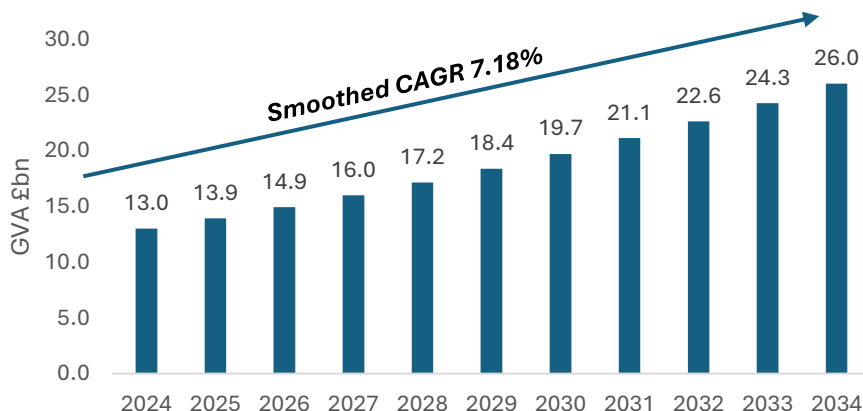
- Virtual GP consultations are helping to relieve NHS pressures, with both NHS and private providers cutting down unnecessary A&E and walk-in clinic visits. Private sector growth is driving M&A, such as AXA's acquisition of HBS UK.
- Despite the growth of virtual services, face-to-face services will remain critical to alleviate pressures.
- Growth of virtual wards are paving the way for hospital-standard care and monitoring from home. This is freeing up demand for physical beds and allowing for stronger integration into an all-encompassing 'digital NHS', with links to Remote Patient Monitoring (see right) and Electronic Patient Records.
- The NHS 2025/2026 guidance prioritises the shift from analogue to digital, which should further accelerate the sector's innovation and adoption of technology.

MENTAL HEALTH

- Increased awareness of mental health problems has led to an approximate wait time of 8 years for an assessment through the NHS. Online mental health platforms are therefore rising to prominence, including Kooth (NHS-commissioned) and BetterHelp.
- Workplaces are increasingly prioritising employee wellbeing, and the importance of mental health problems are becoming widely understood. This shift is driving the expansion of a relatively nascent market with high growth potential. Businesses such as Unmind, a mental health platform into organisations, being used by over 40,000 NHS staff, are attracting significant investment from financial sponsors.
- With mental health assessment referrals outpacing the capacity of services, there is a significant growth opportunity as the sector works to close the current lag.

10Y OUTLOOK GROSS VALUE ADDED TO THE UK ECONOMY

Potential 10y GVA Growth for UK HealthTech Market



Source: Gov.UK, NHS Confederation, The Guardian, ABHI, Cooper Parry Analysis

Keys to Unlock Growth Potential

- Businesses taking initiatives to increase talent pools into health technology verticals, as well as upskilling current traditional healthcare professionals with digital skills, allowing for pivots and/or adoption of businesses adapting into the digital age will be vital to meeting market demands.
- As innovation accelerates, continuing to establish strong collaboration frameworks between private HealthTech businesses and the NHS will stimulate investment into the sector, whilst creating a more efficient healthcare systems in the UK.
- Whilst businesses in the sector are already attracting investment from financial sponsors, the introduction of more agile procurement processes such as the NHS Dynamic Purchasing System may allow for fast-tracked approvals of HealthTech, which should both incentivise innovation, whilst working towards alleviating inefficiency pressures present.

HEALTH DATA MARKET SNAPSHOT

We have advised on multiple deals within the Healthcare Sector, so we are well positioned to advise your business



ANDY PARKER
CORPORATE FINANCE PARTNER

Andy leads Cooper Parry's Corporate Finance business across the Midlands and has 30 years' M&A experience, the majority at PwC, where he was a regional partner advising on deals across multiple sectors including Healthcare, Business Services, Consumer, and Technology.



KATIE CASH
MANAGER

Katie joined the Cooper Parry Corporate Finance team in 2021 having worked in the Cooper Parry audit team beforehand.

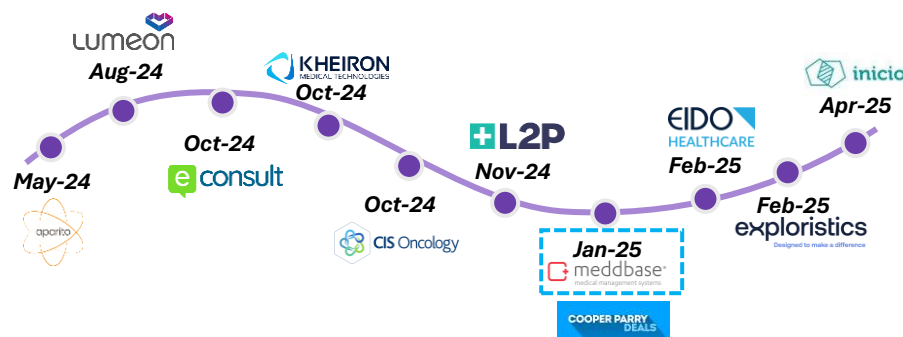
Katie is a Chartered Accountant, qualifying at PwC. She holds a BA (Hons) in History from the University of Nottingham.



JACK CLEMMY
ANALYST

Jack returned to the Cooper Parry Corporate Finance team in 2024 after graduating from Loughborough University, following a placement year at Cooper Parry during his degree. He is a Trainee Chartered Accountant and holds a BSc (Hons) in Finance and Management.

RECENT UK HEALTH TECH & DATA TRANSACTIONS



OUR HEALTH TECH CREDS

Target



Acquirer



Cooper Parry Corporate Finance advised Antser, the Midlands-based tech-driven provider of psychological, psychiatric, and social work, on an MBO, backed by YFM Equity Partners.

Richard Dooner, CEO: "Cooper Parry helped us with the successful sale of Tri-x last year, so we were keen to work with them again on the buyout of the Antser Group. It certainly helped that they already had a good understanding of our business, the sector and our working style. The transaction took a big effort from all involved and the Cooper Parry team persevered to help get the deal over the line successfully."

Target



Acquirer



Cooper Parry Corporate Finance and Transaction Tax teams advised Nourish Care Systems, a leading provider of digital care planning software, on an MBO, backed by Livingbridge.

Nuno Almeida, Founder and CEO at Nourish: "The team at Cooper Parry gave us great support, they understood the brief and were very outcome-driven – they were great in terms of providing guidance to management, engaging, and communicating with all stakeholders, and above all by confidently managing all streams of work."