

Digital Health 2025: Global Funding Cools as AI and Strategic Partnerships Drive New Growth

Global Digital Health funding hit USD 20.6B in 2025 as AI fuels innovation, reshapes strategy, and drives a new phase of sustainable growth.

BOSTON, MA, UNITED STATES, October 14, 2025 /EINPresswire.com/ -- Global Digital Health funding reached USD 20.8 billion across 964 deals in the first nine months of 2025, according to Galen Growth, the global authority in Digital Health intelligence. While total investment fell 23% quarter-on-quarter, the data points to a market entering a phase of measured confidence, evidence-driven innovation, and strategic consolidation.



Galen Growth's Q3 2025 Global Digital Health Key Trends Report, powered by its analytics platform HealthTech Alpha, highlights that investor activity remains strong despite a volatile macro-economic backdrop. AI has become both a tailwind and a headwind — attracting significant investor capital while prompting corporates to pause and recalibrate their digital strategies.

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While total capital has moderated, the quality of innovation has never been higher. AI is transforming healthcare, but investors seek proof — outcomes that deliver both clinical and economic value.”

Julien de Salaberry

Resilient Market, Shifting Dynamics

Persistent inflation, uneven monetary policies, and geopolitical tensions have reshaped the 2025 funding landscape. A weaker US dollar has reignited cross-border

investment but introduced valuation uncertainty. Despite this, average deal size rose to USD 28.8

million in Q3, signalling investor confidence in ventures with validated clinical and commercial models.

In September alone, 294 investors were active — a 74% increase from August — while 165 venture exits year-to-date underline the sector's growing maturity and liquidity.

AI Leads, Evidence Wins

AI-enabled ventures continue to dominate the largest rounds, including Ambience Healthcare (USD 243 million) and EliseAI (USD 250 million). Investors are now prioritising “AI-with-evidence” — companies that deliver measurable outcomes rather than hype. Meanwhile, the fast pace of AI adoption and emerging regulation is encouraging corporates to move deliberately, balancing innovation with compliance and governance.

Partnerships and Focused Growth

Between January and September, 1,913 global partnerships were recorded, down 52% year-on-year but increasingly strategic. Corporations such as Eli Lilly, Novo Nordisk, and Microsoft led high-value collaborations focused on data sharing, real-world evidence, and AI-driven clinical integration.

At the same time, M&A and mega-deals continue to anchor confidence. Galen Growth recorded 38 funding rounds exceeding USD 100 million and over USD 4.2 billion deployed into top-tier ventures in the first nine months of 2025, underscoring investor appetite for scale, proof, and AI-enabled platforms that demonstrate clear commercial traction.

A Rebalanced Market

Galen Growth forecasts global Digital Health funding to close 2025 between USD 25 and 26 billion, establishing a stable baseline for sustainable, evidence-led growth. The data confirms that AI, clinical validation, and interoperability are now the primary drivers of capital allocation — setting the stage for a more disciplined and outcome-oriented era in Digital Health investment.



About Galen Growth and HealthTech Alpha

Galen Growth is the global leader in Digital Health intelligence. Its flagship platform, HealthTech Alpha, tracks over 50,000 ventures, 15,000 corporates, and 16,000 investors, providing real-time insights into the world's most comprehensive Digital Health data lake.

For more information or to access the full report, visit www.galengrowth.com.

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