

## The uncertain future of medtech Spac deals



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With [one medtech Spac deal having recently collapsed](#), investors will be on alert for something similar happening to the seven mergers between blank-cheque groups and device, diagnostics or health tech companies awaiting closure. The acquisition of Heartflow by Longview Acquisition Corp II fell apart because the two parties could not agree on the combined company's valuation, initially set at \$2.4bn. Of the current crop of deals, five are aiming for a pro forma enterprise value in the billions, and one, the Chinese telemedicine and software company Etao International, actually seeks to exceed the Heartflow mark. Interestingly the average pro forma enterprise value of the open medtech Spac deals exceeds that of [the open biotech mergers](#) - \$1.1bn versus \$904m. While medtechs do tend to be more shielded than biotechs from turbulence on the markets, now is an extremely tricky time to get these deals done. Dismal market conditions might explain why two of the below deals are still struggling to close after more than six months, though greedy valuations might also play a part. Either way, it would be unwise to rule out further terminations.

### Open health tech Spac deals

Spac	Target	Focus	Announced	Proceeds (IPO+Pipe, \$m)	Pro-forma EV (\$m)	Guidance on closure
Mountain Crest Acquisition Corp III	Etao International	Telehealth	Jan '22	304	2,500	Mid-2022
Social Capital Suvretta Holdings Corp I	Akili	Digital health	Jan '22	412	1,000	Mid-2022
Viveon Health Acquisition Corp	Suneva Medical	Aesthetics	Jan '22	260	511	H1 2022
CHP Merger Corp	Accelus	Spinal surgery	Nov '21	300	482	Early 2022
Artisan Acquisition	Prenetics	Diagnostics	Sep '21	459	1,250	Q1 2022
Medtech Acquisition Corp	Memic Innovative Surgery	Robotic surgery	Aug '21	360	1,000	None given
Healthcare Capital Corp	Alpha Tau Medical	Radiology	Jul '21	367	1,000	End 2021

*EV=enterprise value. Source: company communications & SEC filings.*

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