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Pharma & Healthcare deals in Q1 2025 shift focus to scalable, global models

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Investor interest in India's healthcare and pharmaceutical landscape remains resilient, with strong momentum in health tech



According to the Grant Thornton Bharat Pharma & Healthcare Dealtracker, Q1 2025 recorded 71 deals amounting to \$2.6 billion, reflecting a slight 5% dip in volumes and a significant 69% drop in values compared to Q4 2024.

Despite the moderation in deal values, investor interest in the healthcare and pharmaceutical sector remains resilient. M&A activity contributed 57% of the total deal value, while private equity drove 59% of the overall volume.

Excluding IPOs and QIPs, the quarter saw 67 deals valued at \$2.1 billion—a marginal 3% decline in volumes and a 70% drop in values, primarily due to the absence of the \$5 billion Aster DM Healthcare–Quality Care India merger that skewed the previous quarter's numbers.

Adjusting for this outlier, Q1 2025 saw a 15% increase in deal values. On a year-on-year basis, volumes rose by 34% and values surged by 326%. The quarter also saw a rise in high-value deals (≥ \$100 million), with six such transactions—double that of the previous quarter—indicating robust investor confidence and a continued appetite for scale investments.

The largest M&A deal of the quarter was Intas Pharmaceuticals' \$558 million acquisition of Udenyca from Coherus Biosciences, accounting for nearly 27% of total sector values and signaling India's growing ambitions in the US biosimilars space. Sun Pharma's \$355 million acquisition of Checkpoint Therapeutics further emphasized ongoing consolidation in oncology.

Private Equity (PE) activity remained concentrated in early-stage (≤ Series A) funding, with health tech leading the charge, followed by the wellness segment, particularly in sexual wellness and nutritional products. The top five PE deals accounted for 74% of total PE value, with the largest being Kotak Alternate Asset Managers' \$121 million investment in Tirupati Medicare Pvt Ltd.

Q1 2025 saw three IPOs raising \$503 million and one QIP worth \$74 million, spanning hospitals, medical devices, and pharma.