



# Healthcare 2035

Dealing in the new health landscape  
November 2025



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# Dealing in the new health landscape

Technological advances and innovation are fundamentally reshaping the healthcare landscape, and current applications reflect only the beginning of this transformation. As the care models and technology improve and scale:



AI drug discovery will help compress development timelines from decades to years.



Advances in robotics, VR and AI are changing where and how surgical procedures take place, driving improved patient outcomes and hospital system efficiency.



Wearables technologies will provide constant feedback on multiple vital signs and biomarkers, integrate with digital healthcare models, and align to consumer ownership of care to not simply detect but also to predict and even prevent conditions.



Data availability will enable regulators, payers and providers to approve, reimburse and deliver new drugs more quickly, based on personalised need and health outcomes.



The availability of information will empower all of us to take greater charge of our health and wellness.

As this combination of technological and behavioural forces reshapes healthcare, **current delivery and operating models are unlikely to be sustainable**. Sector dealmakers have a strategic opportunity to help protect and create value as the healthcare ecosystem transforms.



**The future of healthcare is already fast approaching – reflected in recent announcements by major healthcare companies:**

# 01

## **GSK/Relation Therapeutics**

GSK struck a deal with UK start up Relation Therapeutics to harness Relation's "Lab-in-the-Loop" platform which uses machine learning to generate predictions to direct the lab experiments. Feeding the machine learning model in an iterative feedback loop for identifying novel drug targets in fibrotic disease and osteoarthritis.

# 02

## **Smith+Nephew/Healthcare Outcomes Performance Co**

S+N formed an exclusive collaboration with HOPCo to enhance its orthopaedic surgery and surgical robotics offering with AI-enabled digital health platforms.

# 03

## **Astellas DIGITIVA**

In 2024 Astellas introduced DIGITIVA, its first US digital health solution aimed at improving heart failure management through remote monitoring via a smart sensor device and associated smartphone app.



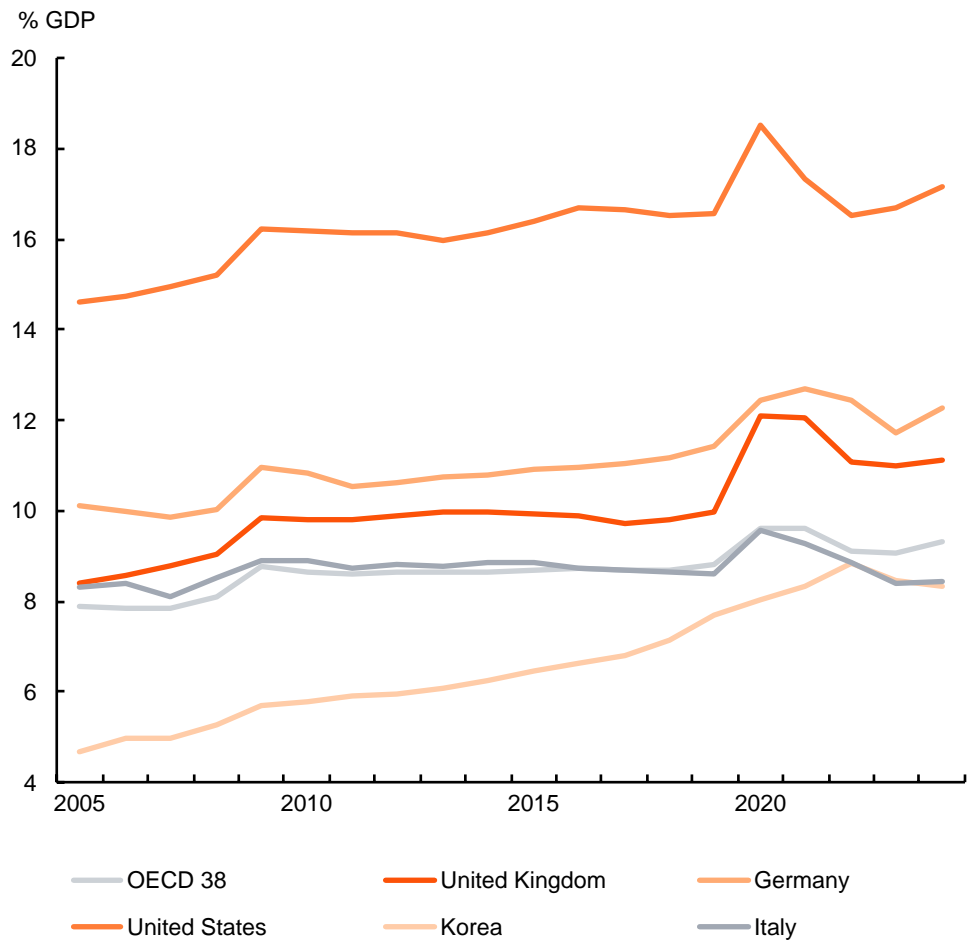
# Public health feels the strain



The model of publicly funded provision is under strain like never before. In the UK, for example, health spending accounts for an increasingly large share of GDP (16p in every £1 of government spending), with demand from an ageing population more prone to chronic diseases heading ever upwards.

Forty percent of UK adults have at least one longstanding illness or condition, and there are more than 2.5 million people who are economically inactive owing to long-term sickness. Investment is crucial, with 61% of NHS leaders saying that they cannot meet their targets without additional capital investment. However, the availability of public funding remains severely constrained.

## OECD showing healthcare spending vs GDP growth



# Consumers take charge

On the other hand, people are more willing than ever to pay for their own care in specific areas – increasingly acting as healthcare consumers rather than traditional patients. The uptake of weight loss GLP-1 drugs is just one example.

PwC research in the US has revealed that more affluent households will spend a significantly higher proportion of their income on health than those in other socioeconomic groups. [PwC UK research](#) shows that consumers are open to new health offers and very willing to shop around. In the future, propositions to win the health consumer will be non-negotiable.

**Of the 1.5 million people in the UK taking GLP-1 drugs as of March 2025, 80% obtained them through a private prescription.**

**- Source IQVIA**



# Capturing the growth

**The influence of rapidly advancing technology, public funding challenges and changing consumer attitudes and behaviour will not be felt evenly across the healthcare sector. Our analysis suggests there are four sub-sectors where dealmakers should focus most attention: Pharma tech and pharma services; Digital health; Biopharma; and Consumer health.**

## 01

### Pharma tech and pharma services

Including accelerated drug development and innovative personalised therapies. AI is already delivering significant efficiencies across the pharma value chain, and AI drug discovery could compress decades of research into years, support breakthrough therapies previously thought to be impossible, and considerably reduce the administrative workload, leading to substantial cost efficiencies. Thermo Fisher's recent partnership deal with OpenAI highlighted this trend, with the collaboration expected to enhance Thermo's integrated and accelerated drug development services.

ActiGraph's acquisition of Biofourmis' life sciences unit further demonstrated the convergence of technology and healthcare – bringing advanced remote patient monitoring and wearable data into its decentralised clinical trial stack, expanding the company's role in digital biomarkers.

The generative AI systems – Delphi-2M – built at the European Molecular Biology Laboratory in Cambridge – and MILTON – developed by AstraZeneca – can now analyse an individual's health records to spot their specific susceptibility to over 1000 diseases.

## 02

### Digital health

Technological advancements are setting the stage for a wave of innovations and simplified care models that can truly change the trend on costs and quality. Agentic AI and applications such as ambient scribing that make notes from patient consultations are significantly enhancing the efficiency of routine processes. Eventually, robots may perform services, augmenting and enabling doctors, nurses, and at-home care. And it is more than a futuristic scenario – more than 60% of large hospitals in developed countries already use robotics and their deployment will increase as the technology advances.

Health systems already use interoperable application programming interfaces (APIs) to share data. However, the amount of data flowing between systems will expand massively. This will enable earlier interventions and accelerate and personalise care delivery. What is more, sensors – from wearables to implants – will shift care towards remote delivery. It is a move that is already being planned for in the UK, with the announcement of significant investment in digital technologies to deliver 'virtual hospitals'.



We'll also see a rise in ever-smarter consumer devices that provide healthcare information. That's already the case for smartwatches and phones, for example, but the range of technologies that do so will increase. That convergence between digital tech and consumers should be fertile territory for deals.

Acquisitions of health tech and health-adjacent technology platforms, particularly in AI-driven diagnostics, digital therapeutics and care coordination businesses, remain an M&A hotspot.

Nordic Capital recently acquired Arcadia, a leading healthcare platform that enables value-based care through AI-powered analytics, predictive insight and actionable intelligence.

Overall, deals in the digital health domain account for approximately 10% of all European transactions by volume over the past three years.

### **AI is already proving that it can significantly boost the efficiency of how resources are allocated:**

One trial in the UK, for example, greatly improved the accuracy of paramedics' decisions about whether a patient required hospital admission and another offered near-real time predictions of the demand for admissions from emergency departments, considerably increasing the efficiency of allocating beds on wards.

PwC has supported the NHS in implementing AI solutions, including an AI-contact centre at Medway NHS and the Frontline Digitisation Programme.

# Capturing the growth

## 03

### Biopharma

With the dramatic expansion in knowledge and understanding of cells, genomes, microbiomes, neuroscience and the molecular pathophysiology of disease, biopharma is set to help healthcare move from reactive treatment to proactive, predictive, personalised care and prevention. From digital twins of patients' unique physiologies to gene therapies and precision medicine, the developments are already delivering remarkable results such as a recent breakthrough in slowing the progression of Huntington's Disease.

In Biopharma, companies continue to employ alternative deal structures such as earn-outs, royalties and licensing agreements to manage and mitigate development risk, particularly in biotech and diagnostics. Examples from the first half of 2025 include Novartis' \$3.1bn (with \$925m up front) acquisition of Anthos Therapeutics, BMS' agreement to licence a next-generation cancer drug from BioNTech for up to \$11.1bn (with \$1.5bn up front) and Sanofi's purchase of Dren Bio's investigational bispecific antibody DR-0201 for up to \$1.9bn (with \$600m up front).

## 04

### Consumer health

Empowered consumers are willing to take advantage (and pay for) health technology advances that support their wellness goals. The most recent PwC UK Consumer Sentiment report, for example, shows that younger consumers (between 18-34) say they'll spend more on health and wellness over the next 12 months than in the previous year. Consumers' willingness to spend on their wellness is growing fast and as regions around the world, such as India, experience rising mass-affluence it's a global trend that's opening new markets.

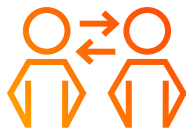
As access to publicly funded services becomes increasingly constrained, there are also pressures on employers to fill the gaps. This is particularly noticeable in areas such as mental and occupational health.

Consumer health product deals have also been a particular area of activity for private equity over the last 12 months, with a number of high-value transactions including the acquisitions of global OTC business Opella by [CD&R](#), embarrassment products focussed [Karo Healthcare](#) by KKR, and health & beauty ingredients CMO HBI by [InvestIndustrial](#).



# From isolated health systems to integrated ecosystems

Just as significant as the trends in each of these individual sub-sectors, is the integration of healthcare providers and life sciences businesses in tech-driven partnerships and ecosystems that address health and wellbeing in new ways. Healthcare verticals are increasingly converging and combining with other sectors such as technology to deliver healthcare.



Through its partnership with telehealth provider HealthTap, Eli Lilly is embedding virtual diabetes management services into **LillyDirect**, a digital health platform – moving from product sales to integrated care delivery.



TELUS Health announced a \$500m acquisition of Workplace Options, a global provider of remote wellness and telehealth solutions.



Bain acquired HealthEdge, a next-generation SaaS platform connecting health plans, providers and patients with a suite of end-to-end digital solutions.

This convergence provides new opportunities for private equity to fund and drive the transition to provide high-quality, joined-up healthcare.

Pharmaceutical companies are extending beyond traditional boundaries leveraging innovation to drive growth – using their expertise and resources to work with tech start-ups or developing their own digital platforms to enhance patient engagement and care coordination. Astex, BMS, Takeda, J&J and Abbvie, for example, entered a data pooling agreement to create Federated **OpenFold 3**, a platform that uses non-sensitive data to train AI.

Companies that have specialised in pharmaceuticals or medical equipment might use their knowledge to develop personalised integrated health solutions that encompass diagnostics, treatment and follow-up care.

One example of these new partnerships is the work being carried out to create a Federated Data Platform for the NHS. PwC is working with the NHS, Palantir and others to shape a single platform that brings together the data held across all the different parts of the NHS. The aims, among others, are to cut patient waiting times, improve patient care and referrals and maximise the utilisation of resources.

# Vision 2035

## What might an integrated healthcare ecosystem look like in 2035?

Advances in technology – such as AI, wearables and robotics – along with the shifts in consumer behaviour exemplified by the focus on wellness, will drive the formation of new health ecosystems. These will increase the emphasis on prevention and enable healthcare professionals and carers to be more effective, with technology lessening the time required for routine administration and allowing them to do what they do best: care for people.

### We could see:

Tech-enabled carers who benefit from personalised in-home connected care hubs and robot assistants to reduce administrative workload, keep their families well and reduce reliance on institutions.

Clinicians as data-orchestrators using AI to triage risk, personalise care and focus on clinical judgment.

A new kind of house call because patients are diagnosed before symptoms emerge and receive high-quality, data-rich care at home, eliminating distance and delays to treatment.

Hospitals shifting from destinations to high-speed care nodes built for brief, precise interventions tightly integrated with virtual-first systems.



## Tech drives efficiency

As well as promising better outcomes for patients, technology will also deliver significant efficiencies that are vital to address the high and rising costs of healthcare across the system. For example, high administrative costs could be cut through the integration of AI and by consolidating multiple platforms that give rise to duplication and waste. More virtual care delivery will eliminate the need for extensive real estate and facilities, with the workforce mix shifting to include more community-based workers, tech-enabled health care professionals and robotic assistants.

Extensive use of AI in the pharma supply chain will also create efficiencies that will help to address the high costs of R&D and drug development. Sanofi recently teamed up with Canadian software company BenchSci to enhance preclinical research using AI. This move is part of Sanofi's broader strategy to incorporate AI across its whole organisation.

# Value in motion: shifting value pools

## ‘How we care’, a £9.3 trillion opportunity

PwC’s Value in Motion research explores how large and familiar value pools—such as health insurance and medical data—will grow and evolve, and more nascent sectors, including personalised medicine and B2B-focused medtech, will gain momentum. Digital technologies, particularly AI, promise to enhance the efficiency and effectiveness of medical practices by providing advanced diagnostic tools, predictive analytics and virtual care. With companies already embracing such efforts, up to US\$216 billion of healthcare revenues could be redistributed in 2025. By 2035, the Care domain could grow to contribute \$9.3 trillion to global GDP—7% of total output.

### Deals and dealmakers will be critical to realising this transformation by:

#### 01

**Mobilising smart capital at scale:** directing investment to the platforms, infrastructure and innovation that can bend the cost curve and accelerate outcomes.

#### 02

**Building future-fit capabilities and operating models:** aligning clinical, digital and commercial capabilities with the evolving needs of people, providers and payers.

#### 03

**Orchestrating ecosystems and partnerships:** convening technology, life sciences, providers, payers and consumer platforms to deliver integrated, preventive and personalised care.

#### 04

**Strengthening resilience and security:** modernising supply chains, manufacturing and cyber defences to protect continuity, data and trust.

#### 05

**Embedding ESG and health equity:** directing capital to innovations that broaden access, improve outcomes and deliver measurable societal value.

#### 06

**Navigating regulatory and political change:** anticipating policy shifts, engaging constructively with regulators and enabling faster, safer pathways to adoption.

#### 07

**Executing post-deal integration with rigour:** delivering operational change, synergy capture and platform builds to create – and protect – value across portfolios.

The dealmakers most likely to succeed will be those with the **vision and drive to back disruptive technologies in therapeutic areas and care settings with lasting relevance** and **pursue opportunities in adjacent sectors** – public health, retail, insurance, real estate, and technology – **as convergence increasingly drives value**. Those ready to embrace **alternative deal architectures, including multi-party partnerships**, will likely be rewarded as a more connected healthcare ecosystem intersects with a more diverse and fluid M&A landscape.

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