



Learn how the
**XIFIN HEO
PLATFORM** leverages cloud-based
technology to deliver an
unmatched set of solutions.



LEARN MORE



Advancing the Business of Diagnostic Medicine

[Home](#) [Research](#) [Advisory](#) [Periodicals](#) [Events](#) [About](#) [Contact](#) [Log in](#)

[SEARCH](#)

Email:

Password:

[Log In](#)

Biotech Industry ‘Shatters’ Records in 2014

By Lori Solomon, Editor, *Diagnostic Testing & Emerging Technologies*

The biotechnology industry closed 2014 breaking records in many key financing categories, including private venture capital investment and initial public offerings (IPOs). While exact classification of diagnostics companies varies under the life science, medical device, and increasingly under the digital health umbrellas, the overarching trends in the biotech industry are noteworthy.

“The incredible activity bodes well, not just for the companies that raised money, but for venture investors able to realize returns on their past investments, replenish their funds, and have ready capital to finance a new generation of companies,” said G. Steven Burrill, founder of the life science financial firm Burrill & Co., in a statement.

A total of 106 life sciences companies completed IPOs in U.S. markets, raising a total of \$9.3 billion in 2014, according to Burrill data. The strong IPO market fed the investment cycle, replenishing funds’ coffers and increasing venture capitalists’ confidence in their ability to generate returns in the industry. Global venture capital investment in the biotech industry rose in 2014 to a record \$16.5 billion. Burrill data shows that 14 biotech venture rounds closed with investments of \$100 million or more. China-based company BGI Shenzhen, the world’s largest sequencing center, completed the year’s largest venture round raising \$320 million.

Industry watchers took particular note of significant growth in venture funding for digital health companies, which exceeded \$4.1 billion in 2014, nearly equivalent to the combined totals for the three previous years, according to data from digital health incubator Rock Health.

“Digital health funding has demonstrated differentiated growth, outpacing overall funding, the software sector, and traditional health care sectors - biotech and medical devices,” Rock Health wrote in a year-end report.

Rock Health defines digital health as the intersection of health care and technology. It encompasses “technology-enabled, health-related companies” regardless of whether the company’s focus is on the delivery or administration of health care or the process of bringing breakthrough products to market. Diagnostics companies are increasingly represented in the digital health arena of big data, analytics, and personalized medicine firms, such as NantHealth and Invitae, which were among companies closing the largest venture rounds of 2014.

For more information on the 2014 business trends affecting the diagnostics industry, their importance going forward in 2015, and the implications of digital health on the future of the diagnostics industry, please see the January issue of *Diagnostic Testing & Emerging Technologies*.

 FILED UNDER: [ARCHIVE](#), [G2 LAB AND PATHOLOGY INSIDER](#)

[↑ Return to top of page](#)

G2 Intelligence © 2015
Plain Language Media, LLLP
Phone: 888-729-2315 or +1 604-210-4580
All Rights Reserved.