Evaluating Healthcare & Biotech Opportunities

How specialist investors actually sequence diligence in the sector.

HEALTHCARE & BIOTECH

Healthcare and life sciences opportunities are underwritten differently than most other sectors — regulatory pathway and clinical or manufacturing risk sit ahead of, not alongside, market opportunity. This is the framework we use when originating and evaluating opportunities in the space.

01 The Sequencing Investors Actually Use

Generalist investors often evaluate healthcare opportunities in the same order they'd evaluate any other sector — market, team, financials. Specialist healthcare investors and family offices with sector depth invert this. The order below reflects the latter, because that is the audience most capable of writing a meaningful check.

Order	Question
1	What is the regulatory pathway, and how much of it has already been de-risked?
2	What is the manufacturing or clinical execution risk, and who has retired it before?
3	What is the reimbursement or payer pathway, if applicable?
4	Only then: market size, competitive position, and financial return profile

02 Regulatory Pathway

> Clarity on classification and pathway — and a credible timeline, not an optimistic one. Investors in this space have seen enough regulatory timelines slip that a company's own honesty about risk becomes a positive signal rather than a negative one.

03 Manufacturing & CDMO Relationships

> For therapeutics, diagnostics, and devices alike, manufacturing partner selection is treated as a proxy for execution capability. A tier-one CDMO relationship, validated capacity, and a realistic scale-up plan carry more weight in diligence than most teams expect.

04 Team Composition

> Healthcare-specialist investors weight team differently than generalists: has this team, or its individual members, taken a product through this specific regulatory pathway before? Prior experience in the exact pathway — not just the sector broadly — is a meaningfully different signal.

05 Where Healthcare Opportunities Lose Investors

- **Regulatory timeline optimism.** Presenting a best-case regulatory path as the base case erodes credibility the moment a specialist investor does their own diligence.
- **Manufacturing risk treated as an afterthought.** A pitch that leads with clinical or product data and mentions manufacturing capacity only when asked signals it hasn't been stress-tested internally.
- **Reimbursement strategy absent.** For any product touching payers, the absence of a reimbursement point of view — even a preliminary one — is read as a significant gap.
- **Undifferentiated team narrative.** "Experienced healthcare team" without specificity to the pathway in question doesn't answer the question a specialist investor is actually asking.

OUR PERSPECTIVE

We work across therapeutics, diagnostics, and healthcare infrastructure, originating both financial investors and strategic manufacturing or commercial partners for the same raise. The strongest healthcare capital processes we run address regulatory, manufacturing, and reimbursement questions before a specialist investor has to ask them.

This framework reflects patterns observed across multiple healthcare and biotech capital processes. It is directional, not exhaustive — sector, modality, and stage all shape the specifics.