

Ro goes all in on reproductive health with \$225M Modern Fertility acquisition

Article

Direct-to-consumer (D2C) digital health startup **Ro** is [acquiring](#) reproductive health company **Modern Fertility** for over \$225 million, [according to](#) The New York Times—one of the largest

investments in the reproductive health space thus far. Modern Fertility—one of our 2021 [Digital Health Startups to Watch](#)—offers affordable at-home fertility tests and a digital app-based platform that displays fertility data and enables personalized care. The acquisition will help Ro expand its reproductive health offerings.

This is the latest in Ro's aggressive expansion plan, which it kicked into high gear amid the pandemic:

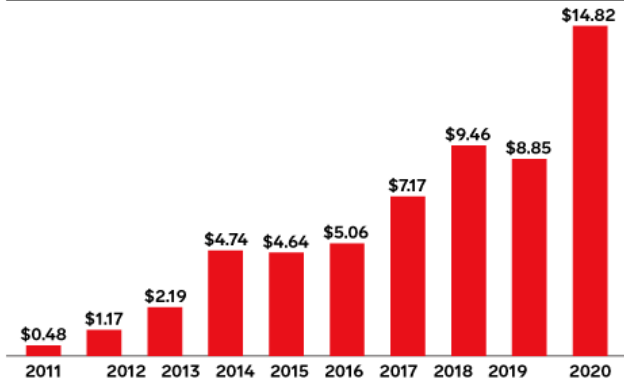
- **Ro started as a men's health startup in 2017, but it's expanded into primary care, telehealth, pharmacy, and at-home care services.** This diversification has paid off: By the end of 2020, Ro raked in **\$230 million** in revenue, which was well over its main competitor Hims' **\$149 million**.
- **In March, Ro [bagged](#) \$500M in Series D funding to branch into telehealth and pharmacy.** This brought the digital health company's valuation to over **\$5 billion**.
- **And in December, Ro branched into in-home care services via its first-ever acquisition of Workpath.** Ro has leveraged this acquisition to broaden its at-home care capabilities, and has since worked with the **New York State's Department of Health** to administer COVID-19 vaccinations to eligible New Yorkers in their homes—a program that's been especially useful for vulnerable populations like the elderly.

Now Ro is operating as a leader in the emerging femtech market—it's one of the first major digital health companies to take a leap into reproductive health.

- **Funding for women's health startups jumped 105% to \$418 million from 2019 to 2020, [per](#) Rock Health.** And the femtech market is geared to grow to around **\$9.4 billion by 2024, [according to](#)** Frost and Sullivan's 2020 research. And there's plenty of room to disrupt this burgeoning space, especially since most players are [smaller startups](#) compared with Ro.
- **Moreover, Ro's D2C model is fertile ground for the launch of digital reproductive health services.** Fertility care can cost tens of thousands of dollars and is not ubiquitously covered by insurance companies, [per](#) the Kaiser Family Foundation—but more affordable options like Modern Fertility's can make reproductive care more accessible to a wider population.

Digital Health Venture Capital Funding Worldwide, 2011-2020

billions



Note: includes private equity and corporate venture capital; 615 deals in 2019; 637 deals in 2020

Source: Mercom Capital Group, "Digital Health Funding and M&A: 2020 Fourth Quarter and Annual Report" as cited in the company blog, Jan 11, 2021

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