

The pressure is on for Omada to go public—here's why it should take the plunge

Article

Digital therapeutics (DTx) company **Omada** is reportedly facing pressure to go public as calls roll in from SPACs and bankers wanting to arrange a deal or an IPO, [according to](#) Insider.

- This news arrives months after rumors **began** swirling that telehealth vendor **Amwell** had proposed an acquisition of Omada.
- However, **Sean Duffy**, CEO and founder of Omada, told Insider that he views an IPO as “more than a financing event” and is instead focusing on widening the startup’s reach to target more consumers.

Other companies' interest in acquiring Omada underscores how rapidly the DTx space has matured within the past few years, particularly within the diabetes management space:

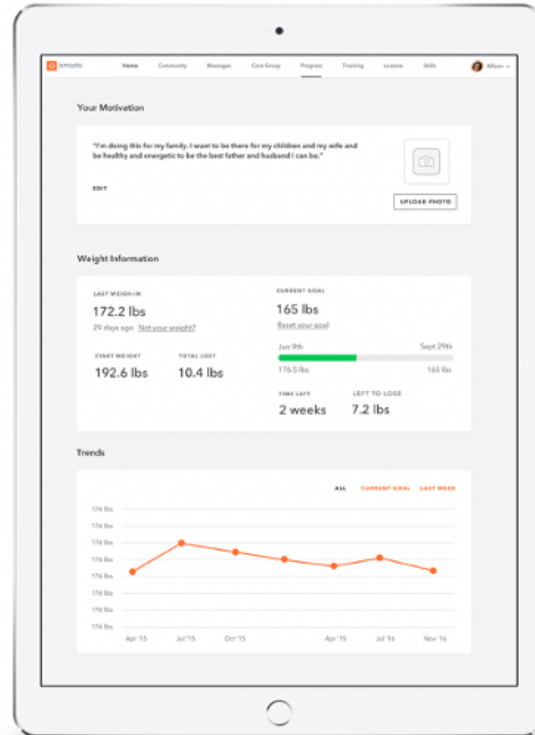
- **The leading DTx players’ focus on diabetes management has helped them attract long-lasting tie-ups.** Companies like **Livongo**, **Omada**, and **Virta Health** primarily focus on diabetes, and they’ve all **racked up** impressive payer partnerships: Omada has been offering its range of programs to insurer Cigna’s **180 million** customers since **2018**, for instance.
- **Diabetes-focused DTx companies have attracted more investor funding than any other DTx company.** Virta has **bagged** over \$373 million in VC funding so far, while Omada trails close behind at a whopping **\$256.5 million**.
- **After telehealth company Teladoc bought DTx firm Livongo in a multibillion dollar deal last August, DTx vendors were catapulted into the limelight.** Duffy told Insider that the Teladoc-Livongo deal “raised the bar” for Omada, attracting more attention from telehealth vendors—something Insider Intelligence **predicted** would occur in the industry after the Teladoc-Livongo deal came to fruition.

Omada hasn’t announced explicit plans to go public any time soon, but here’s why a public debut in the near future would make sense for global expansion purposes:

- **Omada’s digital therapies are currently only offered to US residents—but an IPO could increase its visibility and credibility in international markets.** Worldwide press coverage of an Omada IPO would **boost** the company’s mindshare and set earnings expectations to reel in investors and consumers. This would help Omada better compete with Livongo, which has already **stated** that international expansion is part of its long-term business strategy.
- **Expanding internationally would enable Omada to get its diabetes management tools in the hands of a wider range of consumers.** More than **422 million** individuals suffer from diabetes around the globe, **according to** WHO.
- **If Omada extended its footprint abroad, it would be joining a rising tide of DTx companies seeking more digital health-friendly international consumer bases.** For example, DTx

vendors **Kaia Health** and **Happify Health** have both announced plans to bring their products to Europe. This is likely because countries like Germany are **friendlier** to digital health than the US is, requiring insurance companies to cover digital therapies—which means consumers are more likely to access it.

Omada Health App Interface



Source: Omada Health

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