WHITE STAR CAPITAL

# Demographics in Motion

## Through the eyes of an international investor

# Executive Summary

**$17.6bn**

Amount invested globally in consumer fintech in 2022

**$20.1bn**

Amount invested globally in consumer digital health in 2022

**$660m**

Amount invested globally in consumer pet tech in 2022

**$750bn+**

Estimated consumer fintech market size by 2032

**$1.4tn+**

Estimated consumer digital health market size by 2032

**$450bn+**

Estimated consumer pet tech market size by 2032

## Looking at Demographics in Motion from a VC's perspective

The internet has had a profound effect on consumer behavior over several decades as we increasingly discovered and purchased online as much as we did offline. Yet, online consumer behavior continues to evolve rapidly because the profile of an average consumer looks markedly different today than it did in the past decades.

The entire population of younger adults, that make up roughly half of our global population, were born native to the internet. Simultaneously, those aged 65+, who represent one-tenth of the population today but are expected to represent one-quarter by 2100, are already a massive online consumer base. And with record-setting generational wealth transfer already underway, the average consumer's approach to finance and wellbeing for themselves and their pets among many other consumption categories are poised to change drastically.

Through this broader lens, we reflect on how evolving age, income, gender, and other socioeconomic attributes across our global population drive changes in online consumer behaviors over time. As technology investors, we aim to partner with the founders who share this worldview and are working tirelessly towards building the next generation of globally successful consumer businesses.


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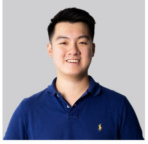

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Source: PitchBook, WSC Analysis (2023), Aggregation of all market size sources within "Technologies & Subsectors" slides

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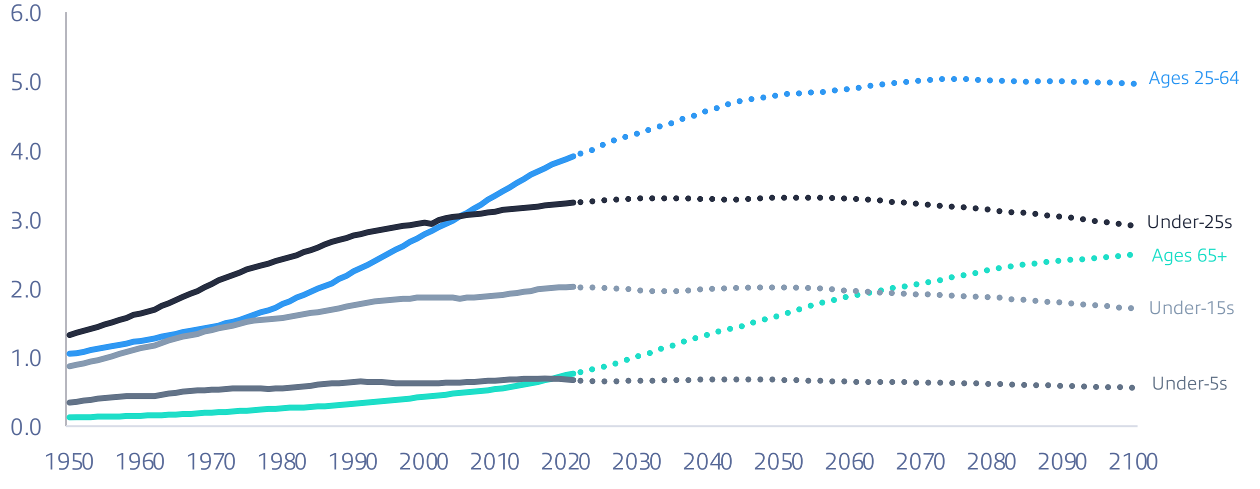
# Demographics in Motion: An Overview

# The global population is growing... and aging

## For the first time ever, there are more people aged 65+ than under 5 globally, marking a historic demographic shift from predominantly young to an increasingly aging population

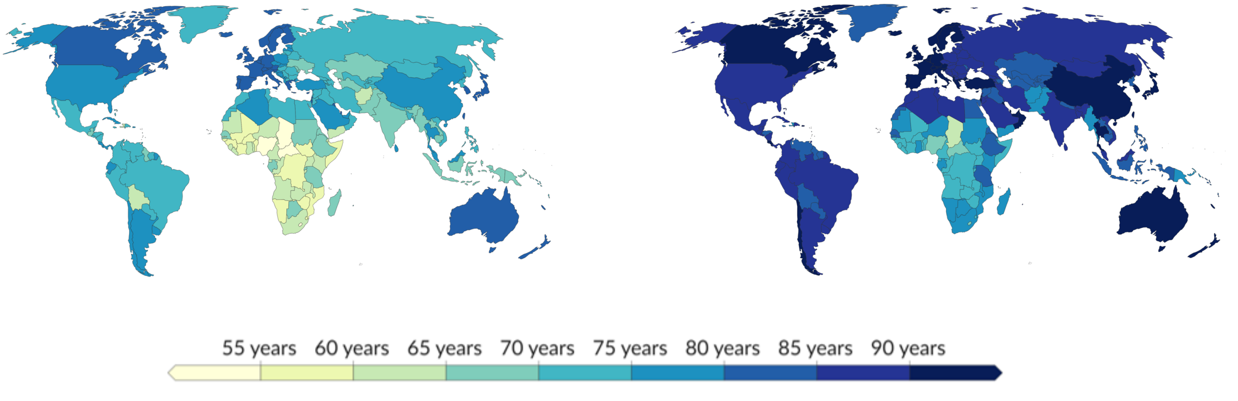
### Population by age group globally (in billions)[1]




The global population of people aged 65+ is projected to double by 2050, and triple by 2100 to ~2.5bn people. At the same time, the number of people aged 25-64 are expected to grow from ~4bn to ~5bn through 2050 and level off thereafter, while the number of people under the age of 15 will decline. This demographic shift will have significant impacts to economies, healthcare, and social security systems globally.

### Life expectancy projections, 2022[1]

### Life expectancy projections, 2100[1]



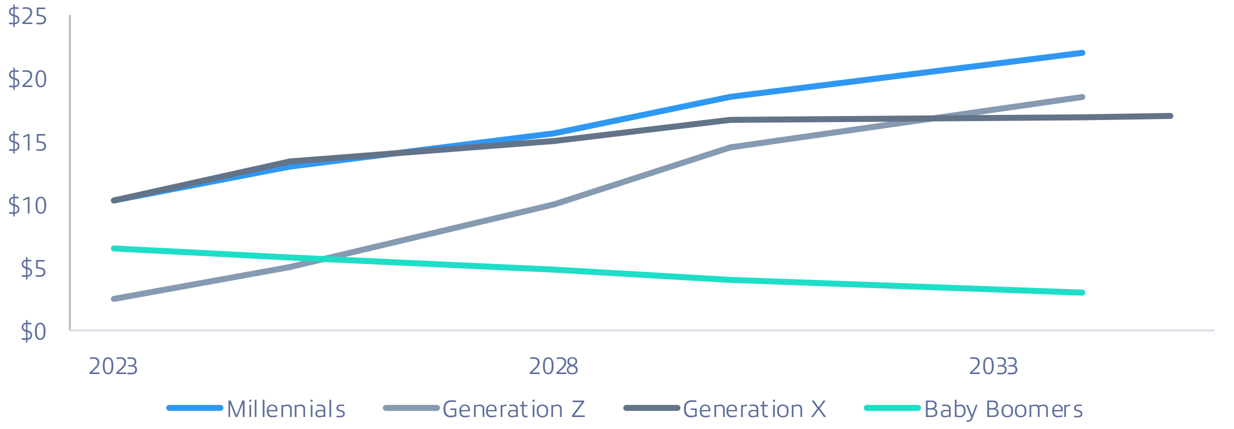

Our aging population is primarily a result of global life expectancy trending upwards while birth rates simultaneously decline, which is expected to continue throughout the twenty-first century. Nearly all countries are expected to experience significant increases in life expectancy through 2100, with most developed countries having populations that live into their 80s and 90s on average. We can attribute a lot of this to advancements in and better access to healthcare and financial resources globally.

Source: [1] United Nations, World Population Prospects (2022) via Our World in Data

# Younger generations will earn more, while older generations get tech-savvier

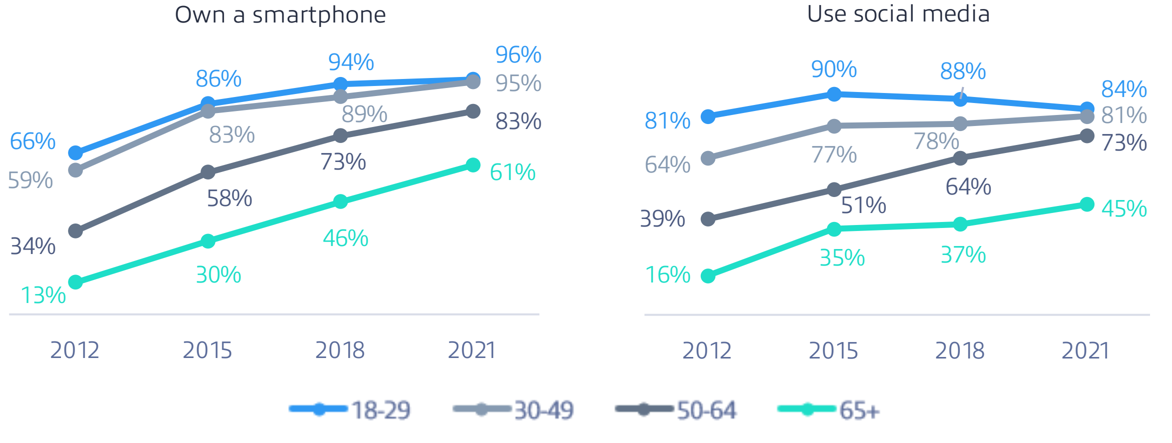
## Income growth across tech-native Millennials and Gen Z, paired with an increasing tech-savvy older population will lead to consumers spending significantly more time online and transacting digitally

### Projected annual aggregate income by generation[1]




Partly due to greater access to higher education vs prior generations, Millennials are poised to have the most spending power in the next decade, closely followed by Gen Z. Millennials and Gen Z are known for being value-driven consumers and will increasingly seek out quality and sophistication when purchasing.

### Tech adoption in the US by age group[2]



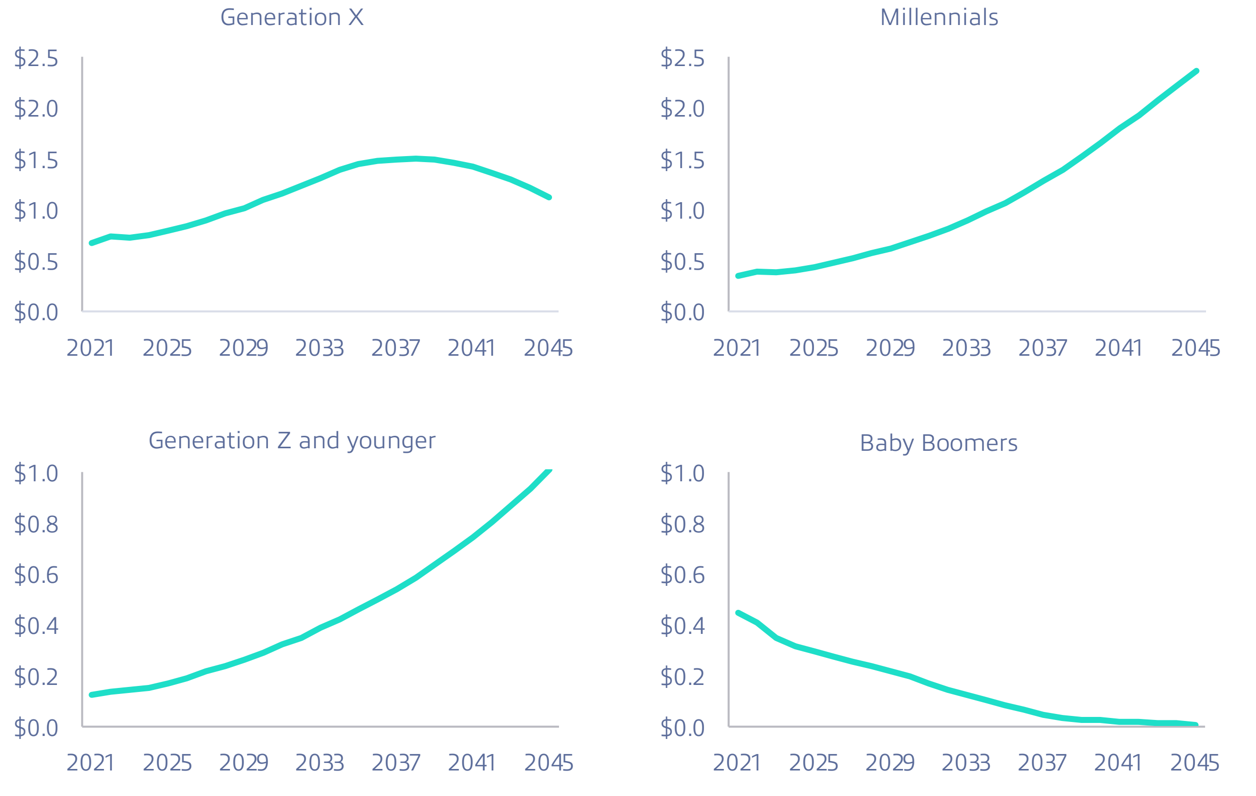

Furthermore, Millennials and Gen Z are highly proficient in navigating digital platforms, holding elevated standards concerning their digital interactions, which impacts the way they socialise, shop, receive healthcare, manage finances, and learn. While there is still a noticeable difference in tech usage between those under 30 and those 65+, there has been significant growth in the adoption of key technologies by older individuals in the past decade. As tech adoption continues to increase across all age demographics, there will be a growing need for tech-first products and services that cater to the needs of these older consumers as well.

Source: [1] World Data Lab via Brooking; [2] Pew Research Center

# Older generations are already wealthy, and so their heirs are about to get a lot wealthier

## Meanwhile, the largest inter-generational wealth transfer in history is unfolding currently, with the Baby Boomers and the Silent Generation expected to pass down $129tn+ in assets in the US alone

**Annual wealth projected to be inherited per generation ($ trillions)[1]**




Wealth in the US has grown significantly from $38tn (inflation-adjusted) in 1989 to $140tn in 2022, largely as a result of surging home and stock values from decreasing interest rates, paving the way for a projected $73tn wealth transfer from the Silent Generation and Baby Boomers to Gen X, Millennials, and Gen Z by 2045 ($16tn within the next decade), making Millennials 5x as wealthy as they are today. Even yet, some recent reports indicate Boomer and Silent American wealth could be as high as $129tn[2], and so the wealth transfer could be larger than ~$73tn. Furthermore, women, who control just 1/3 of US wealth today and tend to be more concerned than men about meeting financial and healthcare goals[3], are expected to inherit a large portion of the wealth transfer.

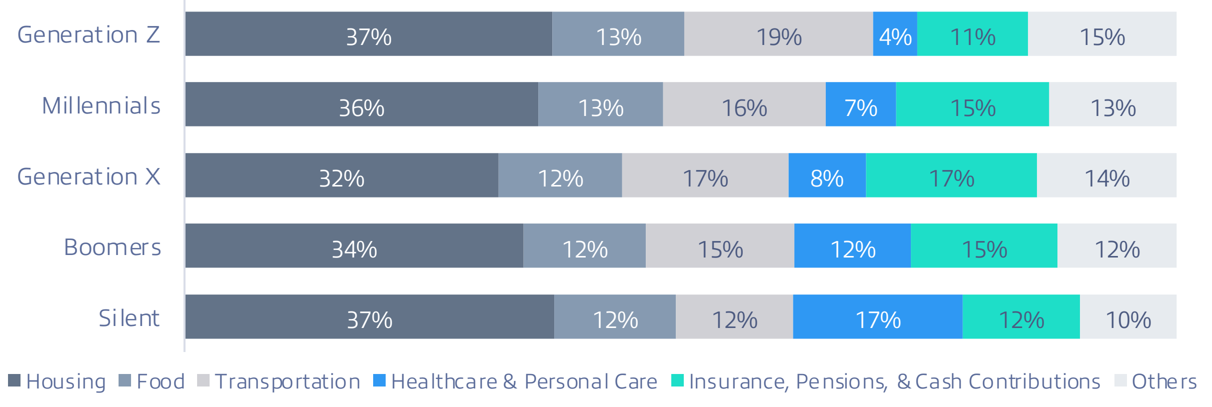
A growing popularity of "giving while living" practices is also leaving impacts. Roughly two-thirds of individuals in the US now prefer to distribute part of their estate while they are still alive, primarily to control the distribution of their assets, reduce estate tax burden, and provide early financial support to their heirs to enable them to achieve their financial goals[4]. Given all of this, the question then becomes, how is all of this wealth going to be spent in the coming decades?

Source: [1] Cerulli Associates via NYTimes, [2] Bank of America Merrill Lynch via Fortune; [3] McKinsey & Company; [4] Bank of America Merrill Lynch

# Most of the modern consumer's discretionary spend is on healthcare and financial services

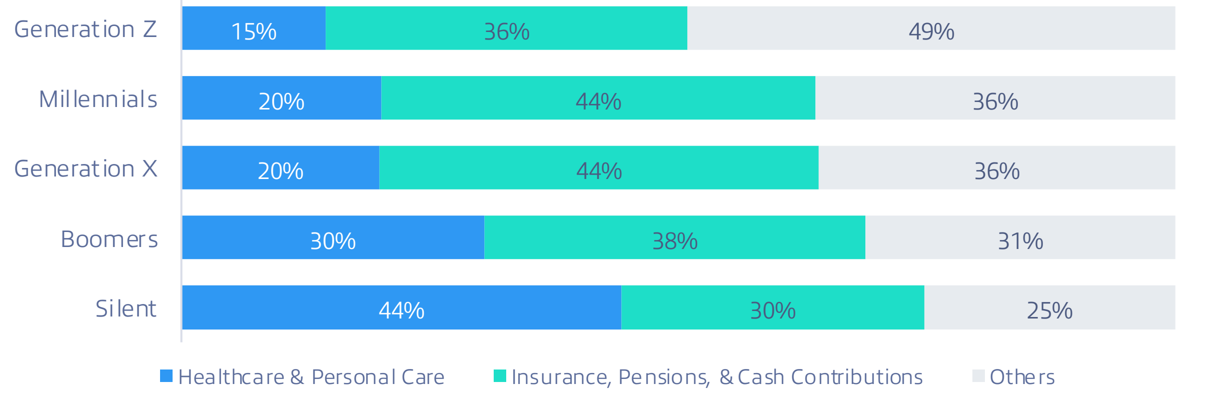
## An increasingly tech-savvy population is currently spending most of their disposable income on healthcare and financial products, aside from consumer necessities such as housing, food, and transportation

### Spend by category by generation in the US[1]




Consumers dedicate a significant portion of spending to healthcare, personal care, insurance and pensions, and cash contributions. These categories are key to well-being and financial security, transcending all age groups.

### Spend by category by generation in the US (excl. housing, food, transportation)[1]




Looking beyond the essential categories of housing, food, and transportation, personal insurance, pensions and cash contributions represent the highest category of spend across most age groups, aside from the Silent Generation who only spends more on healthcare and personal care. For all age groups aside from Silents, healthcare and personal care spend ranks second. This demonstrates the critical role that both health and financial products play in the daily lives of consumers.

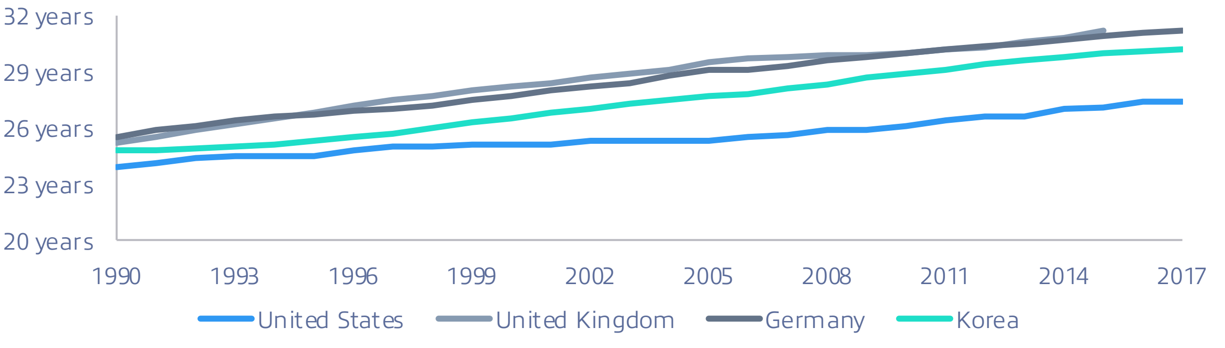
For healthcare specifically, women in the US make ~80% of decisions for their families[2], with similar trends seen across Europe. As such, digital health businesses could gain an edge by effectively marketing gender-neutral products to women.

Source: WSC Analysis, [1] U.S. Bureau of Labor Statistics via Visual Capitalist, [2] National Library of Medicine

# People are getting married and having children later… and they're filling the void with pets

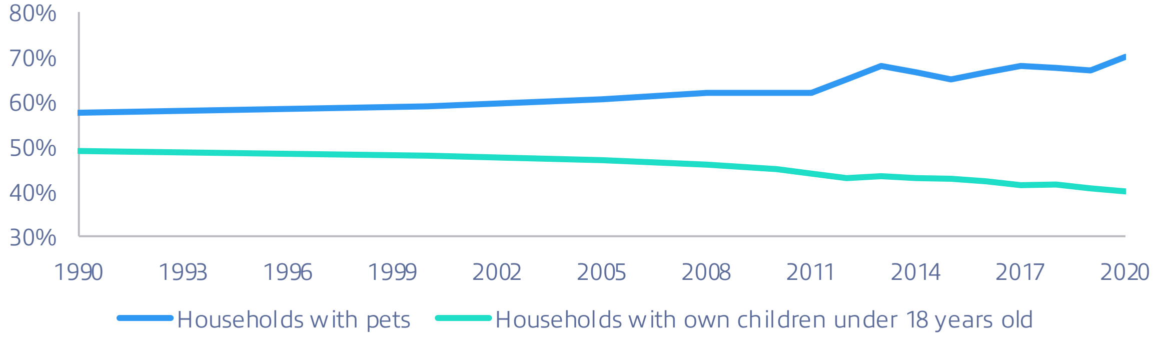
## As people marry and have children later in life, they look to pets for companionship, who are already viewed as equivalent to humans in the household, and in turn command similar spending habits

### Average age of women at marriage[1]




As women increasingly gained better access to and prioritised their education and career in the past several decades, the average age at marriage increased globally. The age of women at birth of their first child generally increased in lockstep as a result[2], to the point where today, 67% of those aged 18-26 chose getting a dog vs having a child[3].

### % of households in the US with a pet vs own child under 18 years old[4]




And we've seen this play out over the past few decades, in which the percentage of US households owning pets increased, while those with children under 18 decreased.

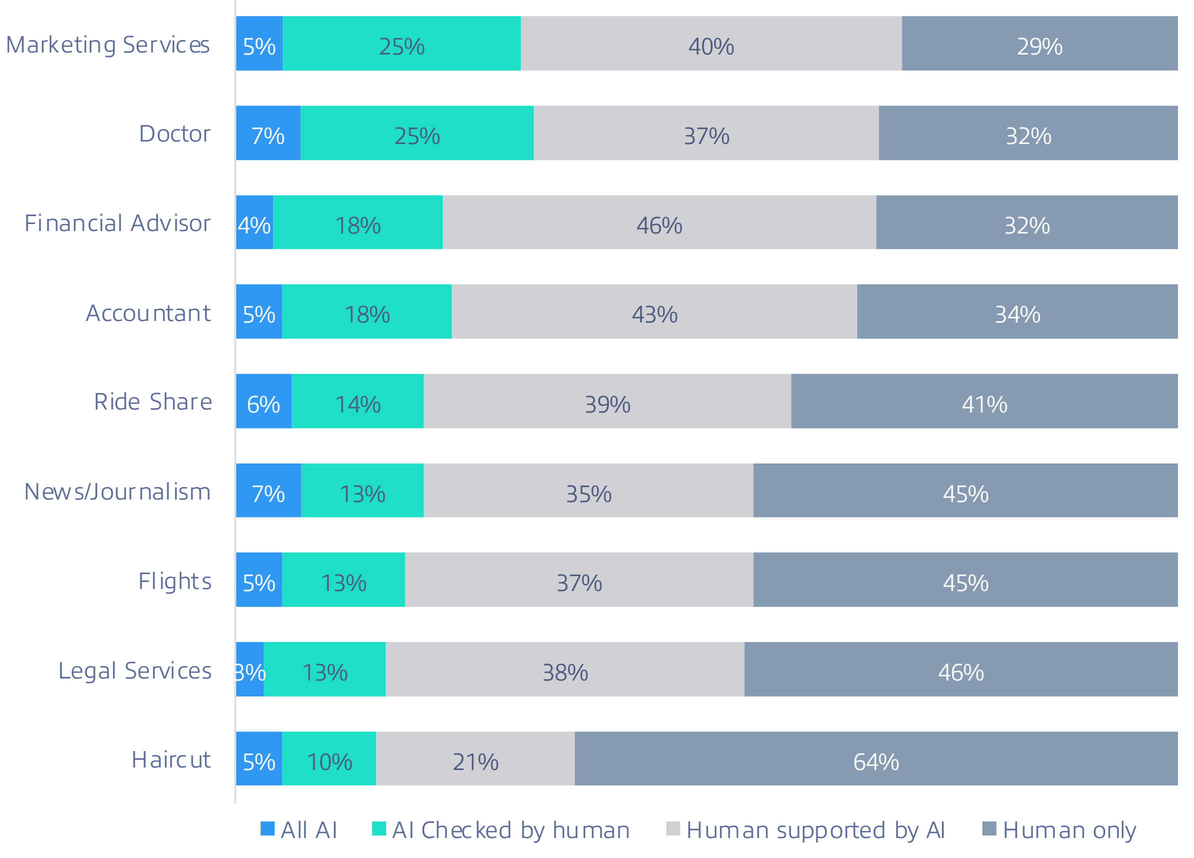
Today, 97% of US pet owners consider their pets part of the family. 51% consider them not only part of their family, but as much a part of it as a human member. Breaking it down by gender, marriage, and parental status, 57% of women (vs 43% of men), 63% of those never married (vs 43% of those married and 54% of those divorced or widowed), and 55% of non-parents (vs 42% of parents) consider their pets on equal footing as their human family members[5]. To put this into practical terms, single women, for example, spend ~1.47% of their income on pets (vs men at ~0.75%)[6]. On a generational basis, Gen Z takes this mentality a step further, with 41% willing to spend $100 on their pet instead of their partner and 36% getting more joy seeing their pet happy than their partner, more than any other generation on both accounts[6].

Source: [1] UN World Marriage Data (2019) and OECD (2017) via Our World in Data; [2] United Nations Economic Commission for Europe; [3] USA TODAY Blueprint and OnePoll; [4] Statista; [5] Pew Research Center; [6] US Bureau of Labor Statistics' (BLS) 2021 Consumer Expenditure Survey via MarketWatch and Pet Food Processing; [7] SWNS via New York Post

# Across the board, consumers want AI to enhance their healthcare and financial decision-making

## Consumers are not only open to the idea, but want AI embedded in decision-making processes with service providers, especially when it comes to their health and financial well-being

### Consumer preferences for AI by category[1]




According to a survey by Orbitmedia, people generally want AI involved in the decision-making processes with service providers. This is especially the case for health and financial advice, where a vast majority want AI involved across doctor, financial advisor, and accountant categories, with only a third preferring AI to be excluded.

For healthcare, one-third of consumers want AI in the driver's seat for their medical decisions, with 25% preferring doctors who use AI to make decisions but check everything and 7% preferring all medical decisions driven by AI. For financial services, two-thirds of people want AI involved in retirement planning/accounting decisions.

Although consumers are not yet comfortable with humans fully out of the loop, in the coming decades, we expect to see an increasing number of personalised, white glove consumer fintech, digital health, and pet tech products powered by AI. The fact that most already prefer AI involved than not is a first step towards this future, presenting a massive opportunity for next-gen consumer fintech, digital health, and pet startups.

Source: [1] Orbitmedia

# Our 10-year outlook

We believe the following trends will lead to increasing opportunities in consumer fintech, digital health, and pet tech over the next decade

## An aging, tech native population will shape society

As described in detail on prior pages, the global world population is not only growing, but aging as result of global life expectancy trending upwards while birth rates simultaneously decline. Our aging population is more tech savvy than ever before and by 2030, the entire world could be considered tech native. Consumer desires will increasingly shift towards products and solutions rooted in technological innovation, and aside from the consumer necessities of housing, food, and transportation, financial services as well as healthcare and wellness with be the largest spend categories (inclusive of pets who are becoming more and more humanised).

**~2.5bn**
Individuals aged 65+ globally by 2100 (up from ~800m in 2022)[1]

**~5.0bn**
Individuals aged 25-64 by 2100 (up from ~4.0bn in 2022)[1]

**155%**
Avg growth in smartphone adoption across ages since 2012[2]

## Hyper-personalised products as the new norm

In the coming years, hyper-personalised products and services will be the new norm. Consumers are increasingly becoming the conductors of their own well-being, not only leveraging, but preferring platforms that offer data-driven insights to optimise all aspects of their lives. This shift won't be confined to niche markets. We see this as particularly primed to transform the consumer fintech, digital health, and pet tech industries. As consumers continue to prioritise convenience and control in their purchasing decisions, we expect to see a gravitation towards platforms that seamlessly integrate health and financial data, offering comprehensive plans and recommendations based on a consumers' specific financial goals and health metrics. Companies that recognise these trends and effectively empower individuals to become the maestros of their own well-being through hyper-personalisation will be well positioned for success in the coming decades.

## The term "underbanked" will become obsolete

While we can't confidently say that the entire world will be "banked" by 2030, we expect to see significant progress, and more specifically see a world where the term "underbanked" becomes a relic of the past. As it's generally defined today, an individual who is "underbanked" has an account at a bank or credit union but relies on alternative financial services for certain banking needs, such as purchasing money orders, taking out a pay day loan, or sending/receiving money via a non-bank such as Venmo)[3]. As fintechs offer new and more convenient/sophisticated ways to manage finances, and they become more engrained in the modern consumer's everyday life, the negative connotation associated with "underbanked" is flipped on its head, especially amongst Millennials and Gen Z.

## Hybrid care as a requirement to win

Companies that refuse to transcend the binary modality of virtual-only or in-person-only care for both humans and pets will fall behind the pack in the next decade. Conversely, the companies that understand the importance of harmonising virtual consultations, remote monitoring, and strategically timed in-person touchpoints in office or at home, underpinned by data-driven insights for personalised care plans, will be primed to win. The future of digital care is about empowering patients and pet owners with the tools to receive their own best version of care, not to replace doctors and vets in the process, and the companies forging forward with a hybrid experience, where convenience meets clinical expertise, will define the future of their categories, regardless of the field of care.

Source: [1] United Nations, World Population Prospects (2022) via Our World in Data; [2] Pew Research; [3] Morning Consult

# 2

# Demographics in Motion: Ecosystem

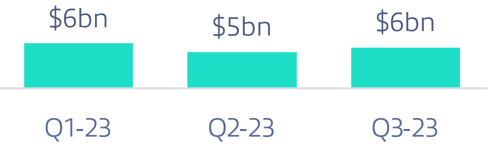
# Ecosystem Highlights

## $115bn

Raised by consumer fintech, digital health, and pet tech startups since 2021

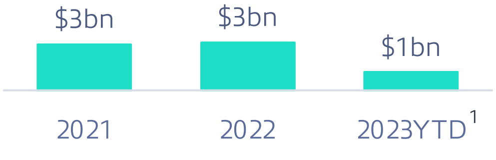

## $17bn

Raised by consumer fintech, digital health, and pet tech startups YTD[1]



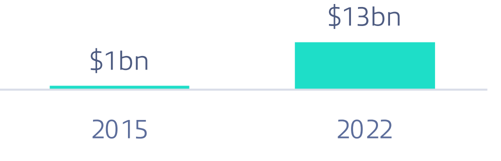

## $6.4bn

VC capital invested in Seed stage consumer fintech, digital health, and pet tech companies since 2021




## 12.3x

VC capital invested across Seed, Series A and Series B stages in consumer fintech, digital health and pet tech in 2022 vs 2015




## 694

VC funds raised investing in consumer fintech, digital health, and pet tech since 2015

## 163

VC-backed consumer fintech, digital health, and pet tech unicorns since 2015

## 410

Consumer fintech, digital health, and pet tech mega rounds[2] since 2021

## 131

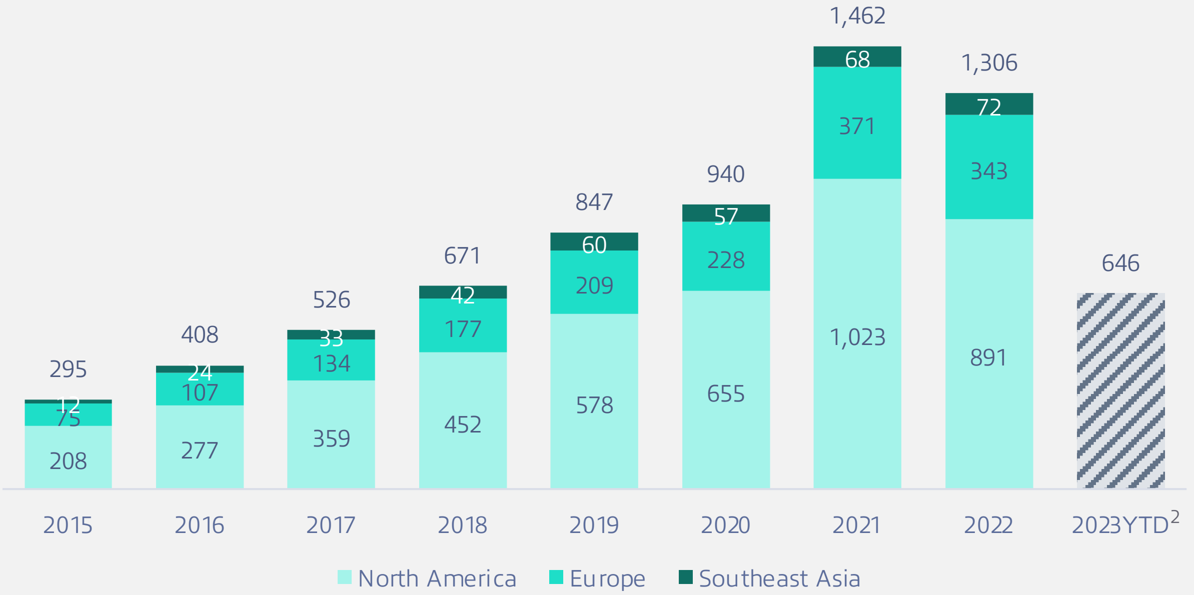
Consumer fintech, digital health, and pet tech exits YTD[1]

Source: Pitchbook (2023); [1] January 1st through September 30th, 2023; [2] Disclosed rounds >$100m

# Deal volume and activity have increased significantly in the last decade

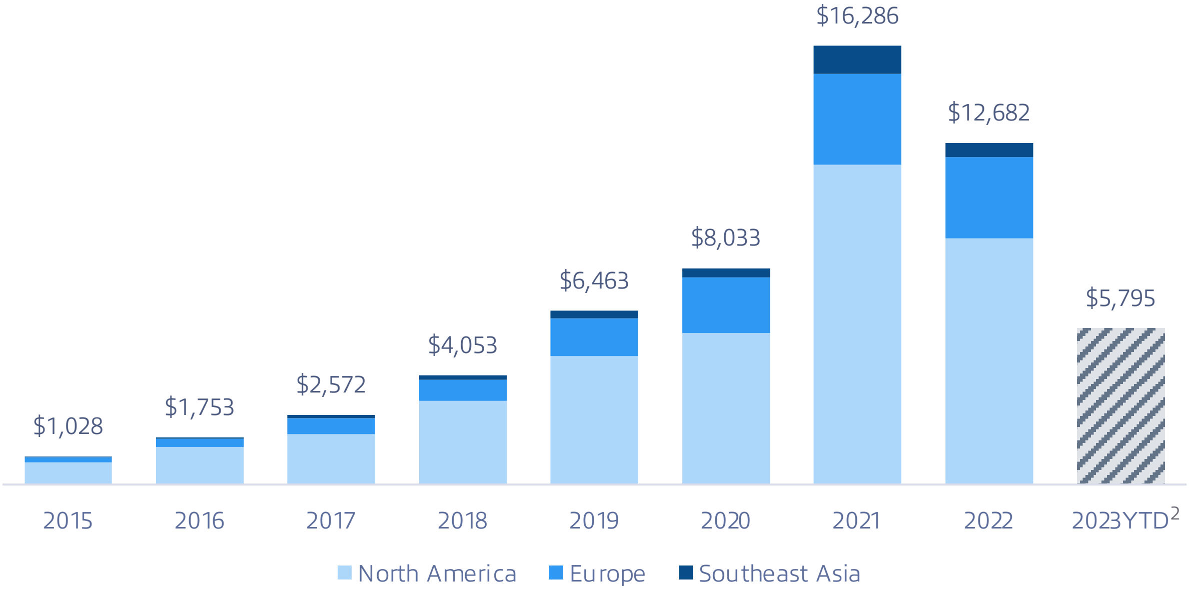
## Deal volume increased significantly, growing at least 4x across all regions from 2015 to 2022

**Consumer fintech, digital health, and pet tech deal count across Seed, Series A and Series B stages by Region[1]**




## While capital invested in the space also increased significantly since 2015

**Total capital invested in consumer fintech, digital health, and pet tech across Seed, Series A and Series B by Region ($m)[1]**

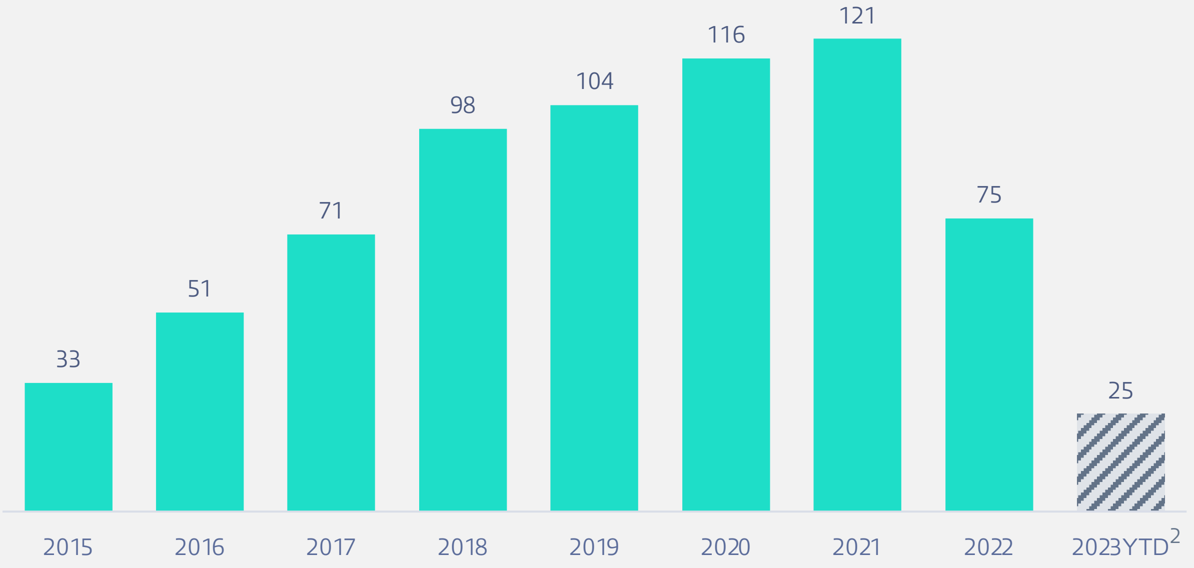



Source: Pitchbook (2023); [1] Filtered for B2C fintech, Insurtech, digital health, health tech, health insurance, wellness, and pet tech industries, excluding clear B2B and other non-consumer fintech, digital health, and pet verticals; [2] As of September 2023

# We've seen more and larger funds focused on consumer fintech, digital health, and pet tech

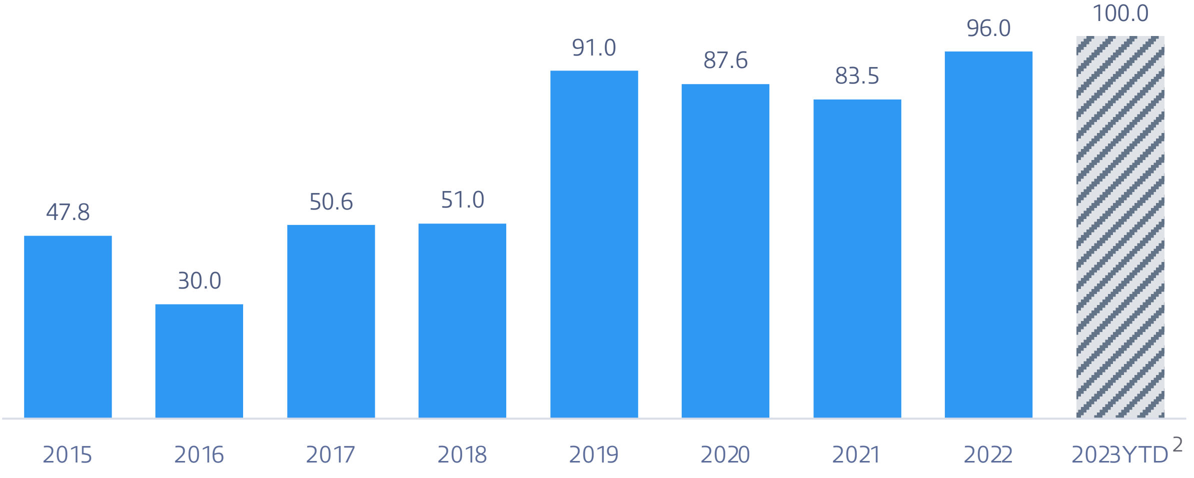
## Number of funds raised investing in consumer fintech, digital health, and pet tech increased since 2015, despite a dip in 2022 due to market conditions

**Number of funds raised globally[1] by VCs investing in consumer fintech, digital health, and pet tech**




## Alongside increases in number of funds, the median fund size for VCs investing in consumer fintech, digital health, and pet tech also increased

**Median fund size raised by VCs investing in consumer fintech, digital health, and pet tech globally ($m)**




Source: Pitchbook (2023); [1] Includes North America, Europe, and Southeast Asia; [2] As of September 2023

# VC funds investing in consumer fintech, digital health, and pet tech by category

**Fintech Specialists**: Fintech general thesis across consumer and/or enterprise business model companies

**Digital Health Specialists**: digital health general thesis across consumer and/or enterprise business model companies

**Consumer and Broader Tech Generalists**: broad focus across the entire technology sector, including consumer tech products and services

## Select Fintech Specialists

anthemis, Aquiline Capital Partners, Augmentum investing in Fintech, Fin Capital, Fintech Collective, Fintech Ventures Fund, flourish, Foxe Capital, F-Prime, mouro capital, NFT Ventures, nyca, OAK HC FT, Outward, Portage, QED Investors, QUONA, Resolution Ventures, Ribbit Capital, ttv, VALAR

## Select Digital Health Specialists

7wire Ventures, Alta Partners, Blue Venture Fund, The Cigna Group Ventures, CVS Health Ventures, Define Ventures, flare capital partners, F-Prime, LRV Health, OAK HC FT, Optum Ventures, Perceptive Advisors, polaris partners, Providence Ventures, Revelation Partners, SwissHealth Ventures, SV Health Investors, town hall ventures, virtue

## Select Consumer and Broader Tech Generalists

10X Capital, 500, 8VC, Eight Roads, Square Ventures, Accel, AlleyCorp, Alumni Ventures, Antler, andreessen horowitz, atomico, AVP, B Capital Group, BainCapital, Baillie Gifford, Balderton, Battery, BDMI, Bessemer Venture Partners, Benchmark, Bling Capital, blisce/, Box Group, BOND, Calm Ventures, Canaan, Cathay Innovation, COATUE, Companion Fund, Mars | Digitalis, Crosslink Capital, Draper Associates, DST Global, Dane Creek Capital Corp., Earlybird, elaia, ENIAC Ventures, felix capital, FirstMark, First Round, FJ Labs, forum ventures, Forerunner, foundation capital, Founders Fund, General Atlantic, General Catalyst, GGV Capital, Greycroft, G Squared, Headline, Heartcore, Imaginary, Index Ventures, inovia capital, Insight Partners, Inspired Capital, Jungle, khosla ventures, kima ventures, Kensington, Kinnevik, Kleiner Perkins, Lake Star, L Catterton, Leap, Left Lane, Lerer Hippeau, Lightspeed, M13, matrix partners, maveron, Menlo Ventures, Molten, NEA, Newark Venture Partners, nextview, Northzone, octopus ventures, OMERS, Operator, Pareto, Primary, peak xv, Primetime Partners, Picus Capital, partech, Plug and Play, Pruven Capital, Qualcomm ventures, Redpoint, R/GA Ventures, Red Sea Ventures, Remarkable Ventures, RRE Ventures, Rosecliff, Sapphire, salesforce ventures, Seedcamp, Sequoia, Soma Capital, Spark Capital, Speedinvest, stripes, techstars, TCV, Thrive Capital, Tiger Global, true Ventures, upfront, USV Union Square Ventures, USVP U.S. Venture Partners, Ventech, Valor Equity Partners, Verlinvest, Warburg Pincus, Westcap, White Star Capital, Y Combinator

Source: PitchBook (2023); WSC Analysis (2023)

# Select VC specialists investing in consumer fintech and digital health globally

| Investor | Founded | HQ | AUM | Stage | Deal Count | Top Deals |
|---|---|---|---|---|---|---|
| **Fintech Specialists** | | | | | | |
| QED Investors | 2007 | USA | $3.6bn | Seed / Series A+ | 362 | SoFi, Nubank, credit karma |
| PORTAGE | 2016 | Canada | $2.5bn | Seed / Series A+ | 127 | CLARK, theGuarantors, Wealthsimple |
| VALAR | 2010 | USA | $1.3bn | Seed / Series A+ | 166 | Wise, Qonto, Petal |
| anthemis | 2010 | UK | $1.2bn | Seed / Series A+ | 293 | eToro, Betterment |
| **Digital Health Specialists** | | | | | | |
| flare capital partners | 2013 | USA | $1.0bn | Seed / Series A+ | 91 | iorahealth, edenhealth |
| town hall ventures | 2018 | USA | $1.0bn | Series A+ | 69 | VillageMD, signifyhealth, cityblock |
| DEFINE VENTURES | 2019 | USA | $800m | Series A+ | 40 | hims & hers, found, tia |
| 7Wire Ventures | 2011 | USA | $500m | Series A+ | 31 | Parsley Health, transcarent, recoveryone |

Source: PitchBook (2023), WSC Analysis (2023)

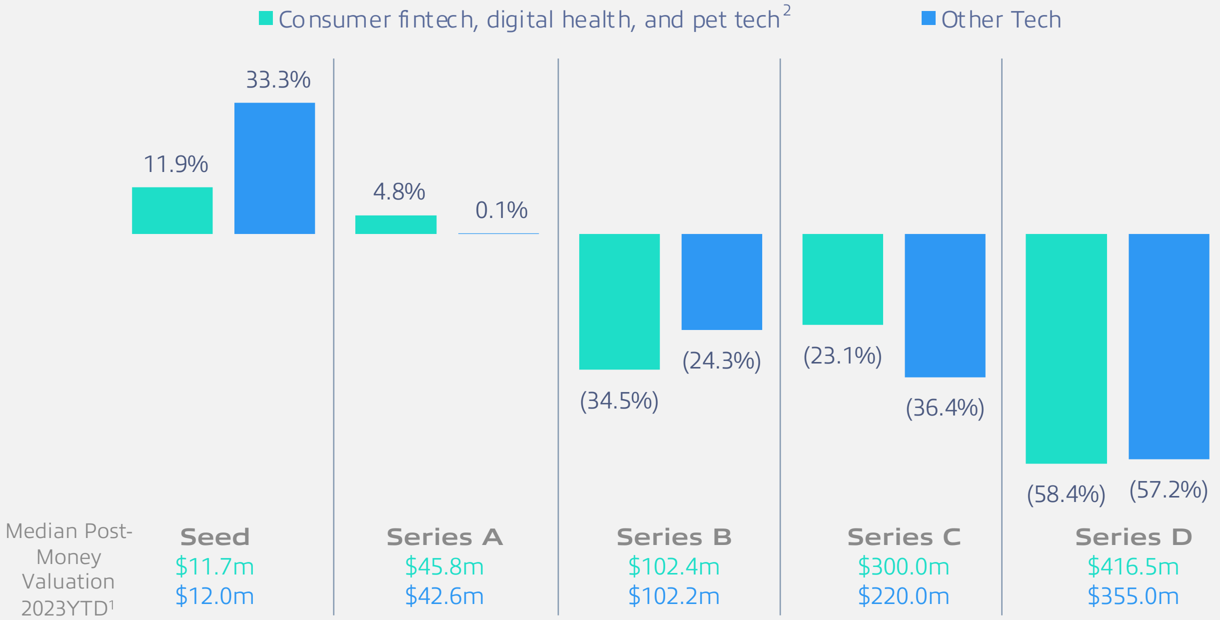
# Select VC generalists investing in consumer fintech, digital health, and pet tech globally

| Investor | Founded | HQ | AUM | Stage | Deal Count | Top Deals |
|---|---|---|---|---|---|---|
| **Consumer and Broader Tech Generalists** | | | | | | |
| General Atlantic | 1980 | 🇺🇸 | $77.0bn | Series A+ | 1,077 | Butternut Box<br>GoodVets<br>chime |
| General Catalyst | 2000 | 🇺🇸 | $25.0bn | Seed / Series A+ | 1,385 | DevotedHealth<br>oscar<br>cityblock |
| Balderton. | 2000 | 🇬🇧 | $4.9bn | Seed / Series A+ | 468 | GoCardless<br>Nutmeg.<br>Revolut |
| Index Ventures | 1996 | 🇬🇧 | $4.0bn | Seed / Series A+ | 1,237 | Revolut<br>alan<br>Robinhood |
| Kensington | 1996 | 🇨🇦 | $2.8bn | Seed / Series A+ | 160 | theGuarantors<br>Borrowell<br>DROP |
| inovia | 2007 | 🇨🇦 | $2.2bn | Seed / Series A+ | 350 | Wealthsimple<br>FORWARD<br>ZWIFT |
| Jungle | 2010 | 🇸🇬 | $1.0bn | Seed / Series A+ | 166 | Kredivo Buy now, Pay later<br>imoney<br>PaySense |

# Valuations in consumer fintech, digital health, and pet tech are starting to recover

## Since 2021, consumer fintech, digital health, and pet tech startup valuations generally moved in line with the broader tech industry

**% Change in Median Post-Money Valuation by Series Globally 2021 – 2023YTD[1]**




## Consumer fintech, digital health, and pet tech all saw increases in valuations from 2022 to 2023YTD[1]

**Median Post-Money Valuation by subsector[2]**

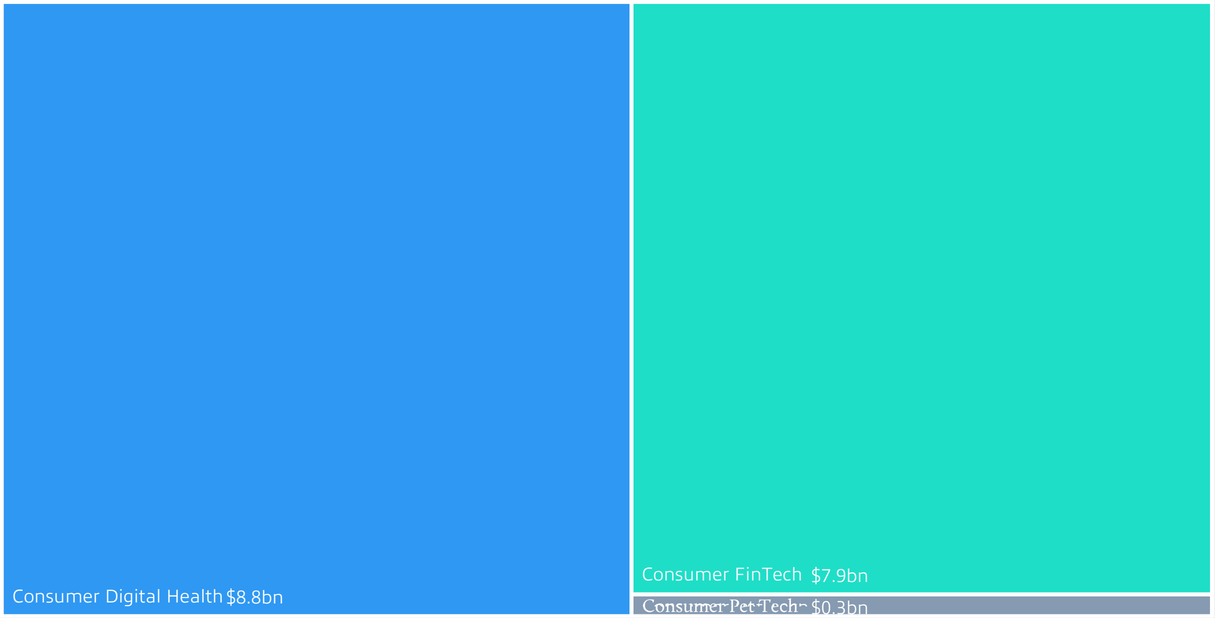
| Sub-sector | 2022 | 2023YTD[1] | % Change |
|---|---|---|---|
| Consumer Fintech | $25.0m | $25.3m | 1.1% |
| Consumer Digital Health | $15.0m | $16.6m | 10.7% |
| Consumer Pet Tech | $6.9m | $15.3m | 120.6% |

Source: Pitchbook (2023); [1] As of September 2023; [2] Filtered for B2C fintech, Insurtech, digital health, health tech, health insurance, wellness, and pet tech industries, excluding B2B and other non-consumer fintech, digital health, and pet verticals

# Consumer digital health led the way in terms of total funding and exit count

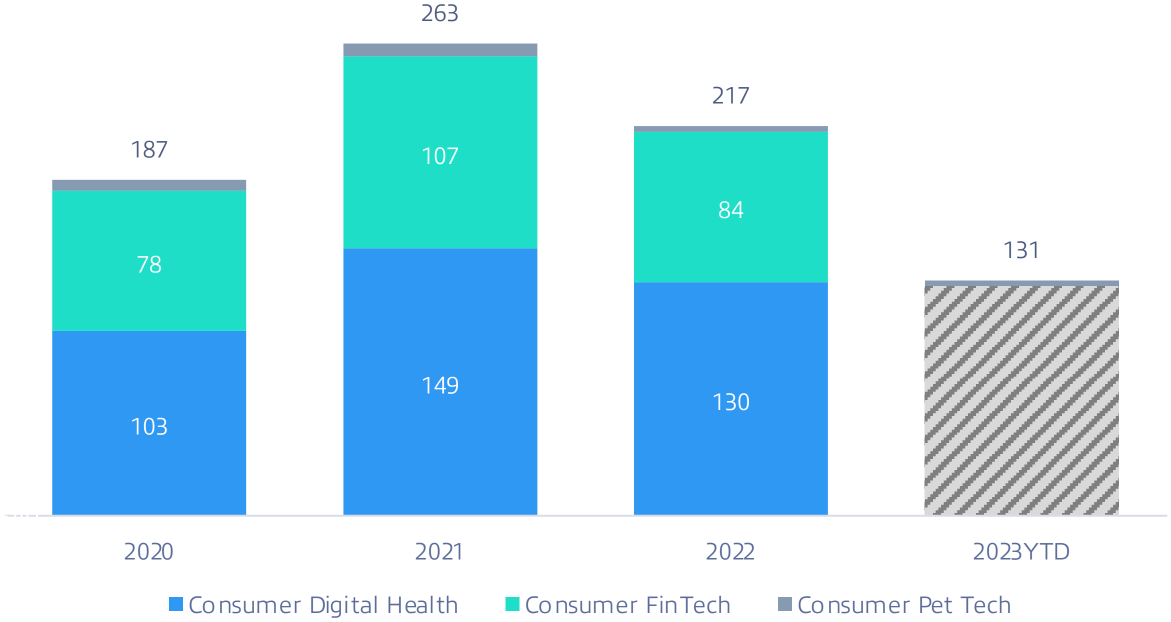
## Funding was split relatively even between consumer digital health and consumer fintech as of 2023YTD[1]

**2023YTD[1] funding by subsector[2]**




## Consumer digital health led the count of exits from 2020 to 2023YTD[1]

**Count of consumer fintech, digital health and pet tech exits across M&A and IPO exits since 2020 by subsector[2]**




Source: Pitchbook (2023); [1] As of September 2023; [2] Filtered for B2C fintech, Insurtech, digital health, health tech, health insurance, wellness, and pet tech industries, excluding B2B and other non-consumer fintech, digital health, and pet verticals

# Exit environment has been strong, which is key to long-term viability of the ecosystem

Exit environment has been robust, with 860 companies exiting via IPOs and acquisitions since 2020, and 44% of exits coming from 2022 to 2023YTD[1] alone despite macro challenges in recent years

**93%**

Of consumer fintech, digital health, and pet tech exits since 2020 were via M&A

**798**

Consumer fintech, digital health, and pet tech exits via IPO and M&A since 2020

**44%**

Of consumer fintech, digital health, and pet tech exits since 2020 were in 2022 and 2023YTD[1]

**$161bn**

Disclosed consumer fintech, digital health, and pet tech exit value since 2020 via IPOs and M&A

**Select large consumer fintech, digital health and pet tech exits since 2020**

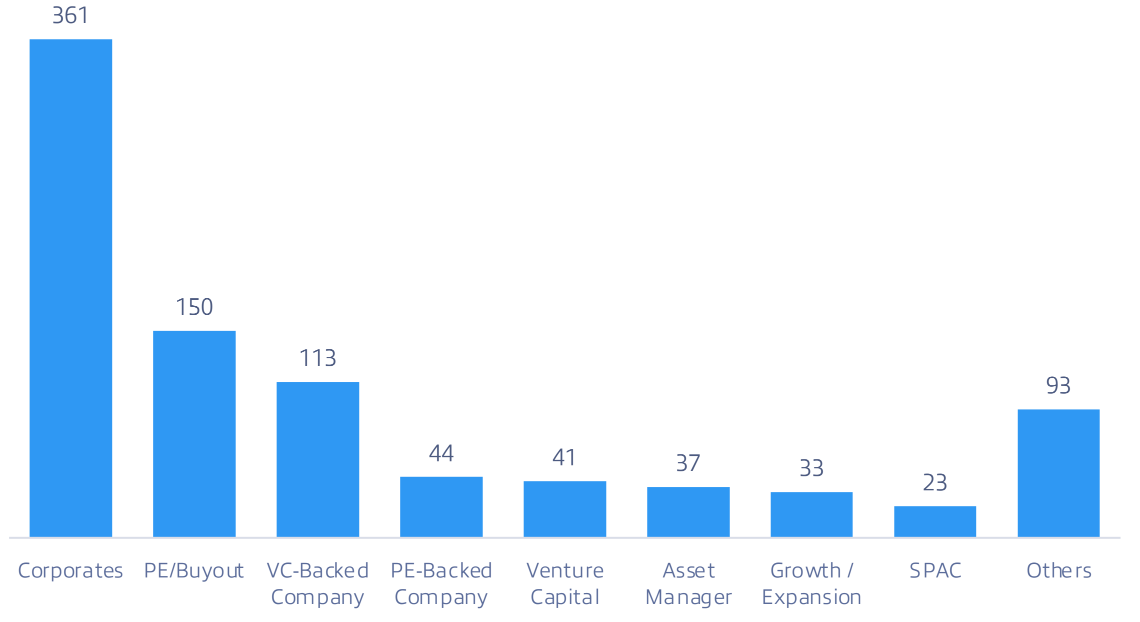
| | | | |
|---|---|---|---|
| SPAC | 2021 | SoFi | *[NASDAQ: SOFI]* *$2.4bn raised at $8.0bn* |
| IPO | 2023 | better.com | *[NASDAQ: BETR]* *$5bn raised at $7.7bn* |
| M&A | 2023 | one medical | *Acquired by Amazon for $3.5bn* |
| M&A | 2023 | Rover | *Acquired by Blackstone for $2.3bn* |
| M&A | 2021 | iorahealth | *Acquired by One Medical for $1.4bn* |
| M&A | 2021 | nutmeg | *Acquired by JP Morgan for $985m* |
| IPO | 2021 | buddi | *[LON: BIG]* *$278m raised at $796m* |
| SPAC | 2022 | Wag! | *[NAS: PET]* *$350m raised at $379m* |

Source: Pitchbook (2023); [1] As of September 2023

# Corporate M&A is driving overall exit count

## Corporates are the most active acquirers of consumer fintech, digital health, and pet tech companies

**Count of top acquirers by investor type since 2020**




## The most active acquirers are strategic corporates operating in healthcare and pet care spaces, followed by financial institutions

**Select active acquirers track record in consumer fintech, digital health and pet tech**


Indicates WSC Portfolio Company Acquirer (Dialogue Technologies)

Source: Pitchbook (2023); [1] As of September 2023

# Select Unicorns

| | |
|---|---|
| **Revolut**<br>*Developer of foreign exchange and money-transferring applications designed for customers and businesses* | $33.0bn valuation |
| **chime**<br>*Developer of mobile banking and finance platform designed to offer banking services on the go* | $25.0bn valuation |
| **VillageMD**<br>*Provider of value-based primary care, multi-specialty care, and urgent care via traditional clinics, in-home, and online appointments* | $15.8bn valuation |
| **Hinge Health™**<br>*Provider of digital healthcare alternatives intended to facilitate the treatment of musculoskeletal pain* | $6.2bn valuation |
| **ManyPets**<br>*Provider of pet insurance and pet wellness services intended to make the world a better place for pets and their parents* | $2.4bn valuation |
| **Kredivo** Buy now, Pay later<br>*Developer of a financial platform designed to create disruptive and meaningful products in retail credit* | $1.6bn valuation |

Source: Pitchbook (2023); [1] As of September 2023

# 3

# WSC's approach to investing in Demographics in Motion

# We've created a WSC VC Investability Index to assess sectors and subsectors of interest

The purpose of this report will be to help shed light on this burgeoning ecosystem, looking at every single industry and identifying opportunities for investment as a generalist venture capital fund

Scoring: Yes = 1 / No = 0

- **Business Model**
  Is this a recurring or recurring-like business model?
- **Technology Readiness**
  Is the existing technology ready to scale?
- **Margins**
  Are margins scalable for long term growth?
- **Company Stage**
  Are there revenue-generating businesses raising at Series A?
- **Market Size**
  Does the potential market size at scale correspond to our criteria ($5bn+)?
- **Exit Environment**
  Have we seen large exits in this sector ($1bn+) and have IPOs performed well?
- **Capital Efficiency**
  Can these businesses achieve scale without overly diluting early shareholders?
- **Market Readiness**
  Are we seeing pull from the market and supportive regulatory regimes?
- **Barriers to Entry**
  Are there barriers to entry?
- **Internationalisation**
  Is this an internationally scalable model?

Legend

| Out of Scope | Work to be done | Within WSC Scope |
|---|---|---|
| Score 0-3 | Score 4-6 | Score 7-9 |

# And broke down Demographics in Motion into 3 sectors and 17 subsectors

## Consumer Fintech

- Digital Banking
- Lending
- Payments & Money Transfer
- Wealth Management
- Insurance

## Consumer Digital Health

- Search & Navigation
- Health Insurance
- Preventative Care
- Hybrid Care
- Virtual-Only Care
- Medication
- Rehabilitation

## Consumer Pet Tech

- Pet Care
- Pet Insurance
- Pet Food & Supplements
- Pet Services
- Other Pet Products

# Our thematic approach to investing led us to focus on specific subsectors

## WSC focuses on key trends underpinning rapid structural change in consumer fintech and consumer digital health

### Unlocking Access
Inclusive digital solutions empower widespread entry to finance and healthcare, fostering societal evolution and inclusivity

### Personalised Experiences
Unique experiences catered to specific preferences and needs of consumers, enhancing customer satisfaction and building brand loyalty

### Enhanced Convenience
Adaptive, user-friendly, and on-to-go solutions adapt to evolving consumer preferences, influencing consumer patterns and behaviors

### Increased Efficacy
Improved outcomes through advanced tech and high-quality first services, driving consumer confidence for continued usage

## We have identified the following subsectors as investible for White Star Capital based on the above key trends and applied more specific scoring criteria in the next section of this report

| | Unlocking Access | Personalised Experiences | Enhanced Convenience | Increased Efficacy |
|---|---|---|---|---|
| **Consumer Fintech** | | | | |
| Digital Banking | ✓ | | ✓ | ✓ |
| Lending | ✓ | | ✓ | |
| Payments & Money Transfer | | | ✓ | ✓ |
| Wealth Management | | ✓ | ✓ | |
| Insurance | | ✓ | ✓ | ✓ |
| **Consumer Digital Health** | | | | |
| Search & Navigation | ✓ | ✓ | ✓ | |
| Health Insurance | | ✓ | ✓ | ✓ |
| Preventative Care | | ✓ | | ✓ |
| Hybrid Care | ✓ | ✓ | | ✓ |
| Virtual-Only Care | ✓ | ✓ | ✓ | |
| Medication | | ✓ | ✓ | |
| Rehabilitation | | ✓ | ✓ | |
| **Consumer Pet Tech** | | | | |
| Pet Care | ✓ | ✓ | ✓ | ✓ |
| Pet Insurance | | ✓ | | ✓ |
| Pet Food & Supplements | | ✓ | ✓ | ✓ |
| Pet Services | | | ✓ | ✓ |
| Other Pet Products | | | ✓ | ✓ |

# 4

# Sector Focus

# Consumer Fintech

# Consumer Fintech

## Consumer fintech enables seamless financial transactions, essential for digital populations, fostering economic stability and inclusion

**~1.0bn**

Adults remain unbanked across North America, Europe, and APAC as of 2022[1]

**$1.5tn**

Expected annual fintech revenue by 2030[2]

**60%**

Of consumers are very or somewhat interested in a using a digital bank in the next year[3]

**90%**

Of banking interactions globally expected to be through digital banking channels by 2025[4]

Investing in conventional stocks/bonds for investments and state's traditional pension tax incentives saving schemes for retirement are no longer resonating with younger generations. Gen Z and Millennials seek personalised, tech-first experiences for greater accessibility, transparency, and flexibility. While the likes of neobanks, commission-free trading, and robo-advisors have already come to be, it must be taken a step further to adequately meet modern consumers' needs.

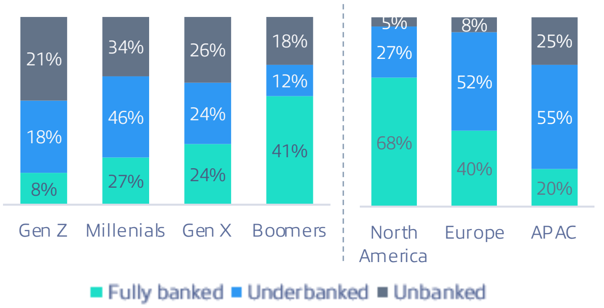
Millennials will have to care for aging parents and children at the same time, more and more young boomers are entering retirement in debt, and the wealthiest 10% will be the ones giving and receiving most of the wealth transfer.[5] The next wave of fintechs will need to have a strong understanding of these nuances to succeed.

| Technology | WSC Score | Notes |
|---|---|---|
| Digital Banking | 8 | Large market demand |
| Insurance | 8 | Demand for personalisation |
| Payments & Money Transfer | 8 | Typically, higher profit margin |
| Wealth Management | 7 | Demand for automation |
| Lending | 7 | Large market demand |

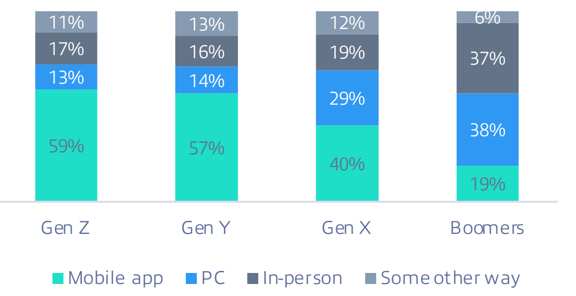
Source: [1] World Bank Financial Inclusion Project via Fintech Nexus; [2] Boston Consulting Group & QED; [3] Bankrate; [4] McKinsey & Company via market.us; [5] The Federal Reserve via NYTimes

# Market Drivers

"Unbanked" and "underbanked" adults[1,2]




Preferred banking channel by generation[3]



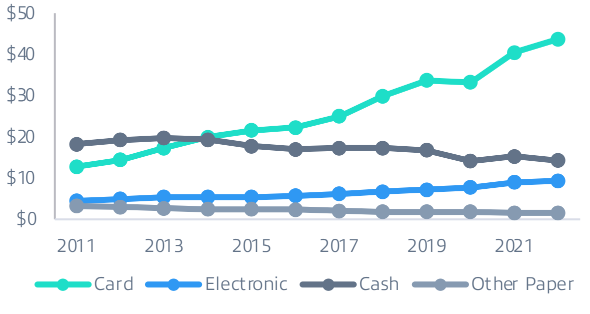

## "Underbanked" are tomorrow's consumers

50%+ of adults across North America, Europe, and APAC are either unbanked (do not have a bank or credit union checking/savings account) or underbanked (do have an account but rely on alternative financial services, from purchasing money orders to sending/receiving money via Venmo). The consumers of tomorrow increasingly want convenience, personalisation, and higher fidelity fintech experiences. Next-gen digital banking platforms should target onboarding younger generations, as almost all Gen Z adults in the US are not fully banked.

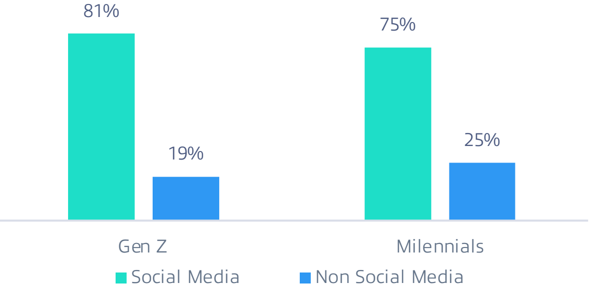
## Digital has trumped in-person banking

Adults in the US prefer to use digital channels over in-person channels for their banking needs. A recent study by Ipsos shows that over 70% of Gen Z and Y and ~70% of Gen X prefer to use digital channels for banking their services.[3] Although Boomers equally prefer to access banking via PCs and in-person, the majority still prefers to bank digitally. As such, we expect the pendulum to swing increasingly digital over time as our tech-savvy population ages, presenting an opportunity for fintech startups to capture this growing aging audience.

Global Consumer Payment Value 2011-2022 ($tn)[4]




Preference for financial advice/info[5]




## Moving towards a cashless future

Euromonitor forecasts a $18tn surge in total card payment value over the next five years, equally split between credit and debit cards. This significant shift reflects a dramatic decline in cash usage, which reached a record low of 22% of volume in 2022 as consumers increasingly embrace electronic alternatives. The migration towards card-based and direct electronic payment channels has been fueled by both policy efforts to increase transparency and security as well as increased access to and acceptance of electronic card payments.

## Desire for digital and personalised insurance

81% of Gen Z and 75% of Millennials are turning to social media platforms (YouTube, TikTok, Twitter, and Instagram) for financial advice, information, and even purchasing of insurance coverage, according to a LIMRA study.[5] Furthermore, younger generations desire access to more personalised insurance products. A Capco survey showed that 47% of Gen Z and Millennial policyholders are willing to share data from smart home devices with an insurance company to unlock hyper-personalisation and "value-for-money."[6]

Source: [1] Morning Consult; [2] World Bank Financial Inclusion Project via Fintech Nexus; [3] Ipsos via Marketing Charts; [4] Euromonitor International; [5] LIMRA; [6] Capco via Businesswire

# Technologies & Subsectors

## Digital Banking

Score: 8

Tailored banking products and platforms with cheaper and more personalised experiences while also eliminating the need for physical branches resonate well with younger populations, especially as it relates to digital account management, wallets, and spend analytics.

### Tailwinds

+ $21.5bn market size in 2022, expected reach $132bn by 2032, (CAGR of 19.9%)[1]
+ Opportunity to capture Boomers, who currently bank heavily offline vs other age groups
+ The average U.S. adult uses the same primary checking account for 14.3 years (retention tactic)[2]

### Challenges

+ A highly regulated space, requiring companies to navigate complex/shifting compliance protocols
+ Historically difficult to scale unit economics for neobanks (e.g. Revolut's thin margins despite scale)[3]
+ Data privacy concerns remain at the forefront of the discussion around new banking technologies

## Insurance

Score: 8

With global insurance premiums surpassing $7tn, InsurTechs will continue to find pockets to grow. Incumbents will likely maintain strong footholds on traditional products but will struggle to adequately cover the evolving needs of the modern, younger consumer, creating opportunities for InsurTechs to capture share.

### Tailwinds

+ $6.5bn market size in 2022, expected reach $82bn by 2032, (CAGR of 28.9%)[4]
+ Opportunity to capture older demographics as they increasingly move to digital for financial services
+ Heightened risk awareness from weather events and geopolitics drive needs for new insurance solutions

### Challenges

+ High CAC and loss ratio risk undermine scalability
+ Complex approval processes for new insurance products can delay market entry/product launches
+ Regulatory challenges have hindered pure-play Insurtechs that don't rely on existing re-insurer networks from emerging and gaining steam

## Payments & Money Transfer

Score: 8

The growing majority are already comfortable with conducting financial transactions online. Revolutionising payment solutions provides consumers with secure, fast, and efficient ways to spend, manage finances, and earn rewards.

### Tailwinds

+ $84.5bn market size in 2022, projected to reach $505bn by 2032 (CAGR of 19.7%)[5]
+ Open banking initiatives are unlocking innovative payment and broader banking solutions
+ Globalisation driving demand for faster, cheaper, and more efficient international money transfers

### Challenges

+ Oversaturated market, with the likes of a few platforms dominating the peer-to-peer payment space (PayPal, Venmo, Cash App, Zelle)
+ Data privacy concerns, although regulations around PSD2 in Europe and KYC/AML could provide some solutions

Source: [1] Polaris Market Research via PR Newswire; [2] Bankrate; [3] Revolut; [4] The Brainy Insights via InsurTech Digitial; [5] The Brainy Insights via Yahoo Finance

# Technologies & Subsectors

## Lending

Score: 7

Platforms providing consumers with the necessary tools to access loans and other forms of credit for shopping have contributed to a massive surge in digital payment volume over the years, but also led to the trends of impulse buying and fueling debt burdens in certain instances.

### Tailwinds

+ $11.8bn market size in 2022, projected to reach $24.3bn by 2032 (CAGR of 7.8%)[1]
+ Higher interests are enabling consumer lending businesses to generate favorable unit economics
+ Government policies promoting sustainability driven consumer lending, such as green loans

### Challenges

+ Recent controversy around predatory consumer lending practices, especially BNPL (34% of BNPL users have fallen behind on one or more payments with 72% of those respondents saying they believe their credit score declined as a result)[2]

## Wealth Management

Score: 7

Accessible and affordable investment platforms, personalised for individual goals and risk appetites that empower consumers to make more informed financial decisions and grow their wealth over time.

### Tailwinds

+ $3.6bn market size in 2021, projected to reach $10.2bn by 2030 (CAGR of 14%)[3]
+ 96% of Gen Z and 79% of both Millennials and Gen X would trust financial advice generated by an algorithm over a human (vs just 38% of boomers)[4]
+ 57% of Americans don't have a financial advisor[5]

### Challenges

+ Robo-advisors of the past few years have not proven to be sophisticated enough to hedge against unexpected macro market events

Source: [1] Allied Market Research via PR Newswire; [2] Qualtrics/Credit Karma Survey; [3] Straits Research via GlobeNewswire; [4] Accenture via Businesswire; [5] Northwestern Mutual via Yahoo Finance, Capco

# Market Map: Seed – Series B

## Digital Banking

ALTRO · ava · BLING · Bridge
Cheese · Elevate · Express Steuer · Growcredit
helios · HyperJar · MAJORITY
MAXREWARDS · MOCAFI · Moneyworld
MyMy · nursewallet · owwn
oxygen · Propel · ScribeUp
Stellar · Yotta · ZURP

## Insurance

AKKO · assurly. · BOUNDLESS RIDER
briteco · Captain · cover · covertree
DEGREE · FAIRMATIC · GETSAFE
GOODCOVER · honeycomb · W! Woop Insurance
Jetty · LOOP · lovys · mila
Oyster · Qoala · STEADILY.
sunday · wallife · westhill

## Payments & Money Transfer

Accrue Savings · afriex · Atlantic Money
baluwo · Billtrim · BILT Rewards
CastlePay · due · GoodCash
Hiiglobe · LEMFI · NEON MONEY CLUB
nyble · Obligo · PayQin
peach · PREPAID2CASH · Snowball Wealth
TAEKUS · waivr · Yendo · YMoney

## Lending

amalan · Beem · BUMPER
creditgenie · ease Capital · Empower · GEN H
HomePace · lendela · LoanSnap
milo · Ownership Mortgage · perpay
PILLAR · Pine · plend · Pretto
renofi · SELINA · Simplist · SKORLIFE
StepLadder · Summer · Tenet · WAYHOME

## Wealth Management

ATLAS · BRICKS.co · Cache · Capitalize
Composer · Endowus · fennel
finary · GOODTRUST · Gotrade · Harness Wealth
invstr · Landis · NewRetirement
nosso · pebble · Penfold · Percent
PIN · plenty · Range · RealVantage
Retirable · Sidekick · VEGA · ZOE Financial

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Seed, Series A, or Series B stage

# Select Growth Stage Category Leaders

**Klarna.**

*Developer of an online payment platform designed to facilitate cashless payments through installments*

$4.7bn raised to date

**eToro**

*Developer of a social trading and investing platform*

$1.7bn raised to date

**Starling Bank**

*Operator of a digital-only banking platform intended to offer online banking services*

$1.0bn raised to date

**upgrade**

*Operator of a neobank intended to offer affordable and responsible credit to mainstream consumers*

$600m raised to date

**CLARK**

*Digital insurance broker and concierge service selling life and non-life insurance products throughout Europe*

$127m raised to date

**theGuarantors**

*Provider of lease guarantee and security deposit replacement services for renters without sufficient credit, income or credit history*

$120m raised to date

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Series C stage and later

# Consumer Digital Health

# Consumer Digital Health

## Digital health solutions enable accessibility for increasingly digital populations, promoting health equity and overall well-being

**9.2%**

Average health expenditure to total GDP ratio in OECD countries in 2022[1]

**66%**

Of Gen Z (vs 40% of other generations), use digital tools to monitor their health[2]

**54%**

Increase in life expectancy since 1960, from 47.7 years to 73.4 years globally[3]

**18.6%**

Expected CAGR for consumer digital health market from 2023 to 2030[4]

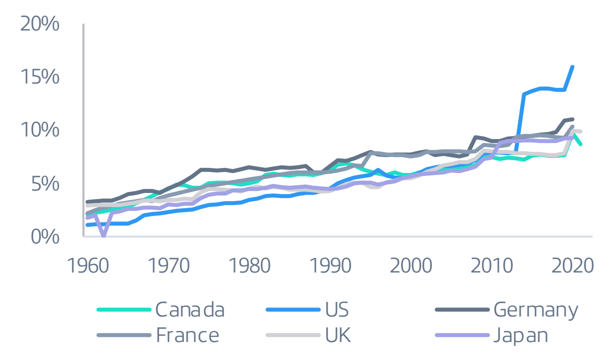
Now that digital health has reached mainstream status and the COVID-19 tailwinds of the last few years have faded, the sector must now rely on new products that create more accessible, affordable, and trustworthy offerings for consumers to see sustained growth.  Digital health founders and tech providers will need to work closer than ever before with medical professionals, patient advocates, and regulatory agencies to ensure new solutions genuinely address the needs of the modern consumer, prioritising hyper-personalisation and quality of care regardless of the care channel.

| Technology | WSC Score | Notes |
|---|---|---|
| Hybrid Care | 8 | High fidelity outcomes |
| Health Insurance | 8 | Demand for personalisation |
| Medication | 7 | High convenience factor |
| Preventative Care | 7 | Large market demand |
| Search & Navigation | 6 | |
| Rehabilitation | 6 | |
| Virtual-Only Care | 6 | |

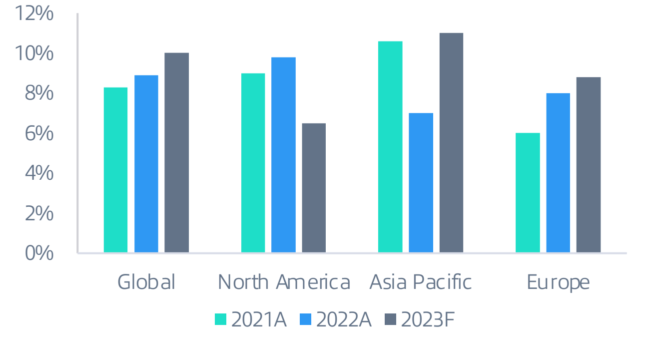
Source: [1] OECD; [2] Oliver Wyman Forum; [3] Worldometer; [4] Grand View Research via Yahoo Finance

# Market Drivers

### Government health expenditure as a % of GDP[1]




### Healthcare benefits costs growth (%)[2]



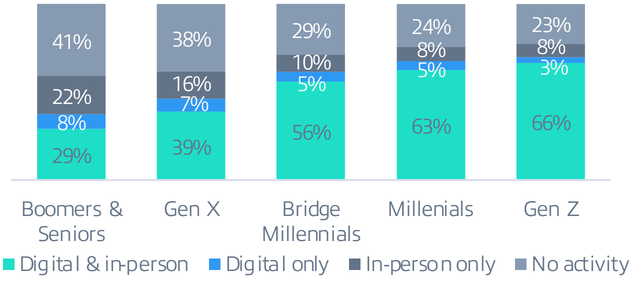

## Increased spend allocated to healthcare

The US spends 15%+ on health expenditures as a share of GDP, triple the amount in 2000, and most European countries, Canada, and Japan have seen similar increases in the past decades too. A significant portion of this spend goes towards older demographics, and this trend is expected to continue moving in an upwards direction as the population ages (~20% of GDP in the US by 2027)[2], which will fuel innovation within digital health for older adults and digital health at large.

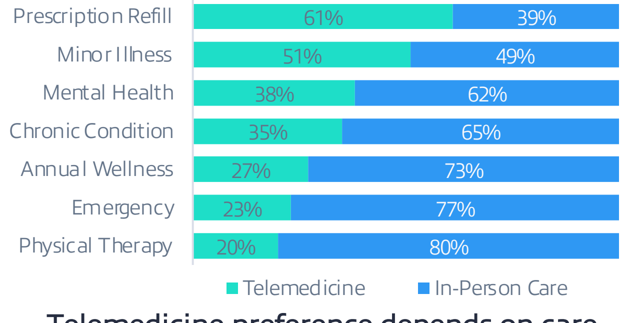
## Raising healthcare costs

A combination of inflation and rising healthcare consumption in recent years has led to continued increases in global healthcare benefit costs. Costs were expected to rise by an ~10% globally in 2023, after sharp rises in 2021 and 2022 already. Fast growing medical costs are largely to blame, which comes as a result of the high costs to develop new healthcare technologies and provider focus on profit margin optimisation.

### Healthcare activity engagement channel by generation[4]




### Telemedicine vs in-person preference[5]




## Growing preference for omnichannel care

Gen Z is the most "digital" health generation yet, with 66% of Gen Z using a mix of digital and in-person care (vs 63% for Millennials, 56% for Bridge Millennials, 39% for Gen X, and 29% for Boomers). While Gen X and Boomers rank lowest on this basis, of those who do engage in healthcare activity, "digital and in-person" ranks highest, presenting an opportunity for digital health startups focused on older adults to capture the 41% and 38% of Boomers and Gen X, respectively, who don't engage in healthcare activity at all.

## Telemedicine preference depends on care

Although telemedicine is the preferred channel for certain types of care like prescription (61%) and minor illness (51%), this is not the case across all types of care. Both convenience and quality of care are factors at play here. While individuals typically value convenience over quality with prescriptions, especially for those with multiple prescriptions (71% of those with 4+ prescriptions who are typically older adults), emergency care and physical therapy for example are typically difficult to adequately address via telehealth only.

Source: [1] Our World In Data; [2] Centers for Medicare and Medcaid Services; [3] Willis Towers Watson (2023 Global Medical Trends Survey); [4] PYMNTS, The ConnectedEconomy Omnichannel Healthcare with CareCredit; [5] RockHealth with Stanford Medicine

# Technologies & Subsectors

## Hybrid Care

Score: 8

Bridging the gap between the convenience of virtual and the personalised touch of in-person care, hybrid models offer a flexible path to optimise health. Seamlessly blending telehealth consultations with targeted in-person visits (in office or at home) empower patients to navigate their healthcare journey with personalized plans, increased access, and enhanced outcomes.

### Tailwinds

+ 500m+ hybrid healthcare primary care visits anticipated by 2030 (20% via telehealth)[3]
+ Hybrid care allows patients to choose the mode of care that best suits their needs/preferences, often leading to increased engagement and retention
+ Enables personalisation, convenience, and fidelity

### Challenges

+ Typically, higher costs of capital required to build out in-person clinics and or provide in-person care, reducing profit margins

## Health Insurance

Score: 8

Purchasing health coverage has long been a frustrating experience for consumers, with many still uninsured globally. Digital health Insurtech platforms empower individuals with tools to compare plans, understand benefits, and manage claims, simplifying the journey to health coverage.

### Tailwinds

+ $6.5bn market size in 2022, expected to reach $82bn by 2032, (CAGR of 28.9%)[4]
+ 10-15% under 65 in the US have no health insurance and those 65+ are mostly government insured[5,6]
+ 38% of Gen Z prefers to buy life insurance online vs 27% for Millennials[7]

### Challenges

+ Rising healthcare costs ultimately make it difficult for insurers to keep premiums affordable and maintain profitability as businesses
+ Complex approval processes for new insurance products can hinder innovation and delay market entry/product launches

## Medication

Score: 7

Medication and pharmacy care platforms play a crucial role in countless remote treatment plans today, offering consumers higher convenience and accessibility by embracing a virtual medication management experience.

### Tailwinds

+ $5.2bn pharmacy automation market size in 2021, expected to reach $10.4bn by 2030, (CAGR of 8%)[1]
+ Development of new drugs, such as in weight loss, are fueling demand to these platforms
+ ~50% of those aged 65+ in the UK take 5 or more medicines[2]

### Challenges

+ Historically have seen instances of unlawful and unethical business practices around the prescription of certain drugs, such as with Adderall and other similar drugs

Source: [1] Fortune Business Insights; [2] American Pet Products Association; [3] SCP Health; [4] The Brainy Insights; [5] US Census Bureau via Statista; [6] GALLUP; [7] LIMRA

# Technologies & Subsectors

## Preventative Care

Score: 7

Traditionally, prioritising preventative care has been a cumbersome process of scheduling appointments, remembering tests, and understanding results. Smart preventative care platforms illuminate the path, guiding individuals through personalized plans, automated reminders, and clear data visualisations, making proactive health a seamless part of their lives.

### Tailwinds

+ $243bn market size in 2022, expected to reach $593bn by 2030, (CAGR of 11.8%)[2]
+ Younger generations are generally more health-conscious and likely to seek out preventative health
+ Wearables and aging in place devices are gaining steam with older adults to live longer/healthier lives

### Challenges

+ Generally, more uneven access and insurance limitations to higher ticketed preventative care, hindering certain demographics
+ Preventative solutions aren't always the most convenient for consumers to access/keep up with and so businesses can experience higher churn

## Search & Navigation

Score: 6

Finding and accessing information/resources for health and wellness has historical been a difficult and confusing process for consumers. Search and navigation tools, like Zocdoc, help solve these pain points for consumers by providing them with actionable options/next steps for care delivery.

### Tailwinds

+ 72% of internet users actively search for health information online[3]
+ Many search and navigation platforms today are web browser first experiences, which caters well to the 70+ age group that prefers to use laptops and desktops over smartphones and tablets

### Challenges

+ Potentially limited market size without room for several large players in certain categories, such as with medical scheduling platforms ($435m global medical scheduling software market size in 2022)[4]
+ General lack of true differentiation amongst different platforms today

## Rehabilitation

Score: 6

The traditional image of rehabilitation, consisting of plain corridors, clunky equipment, and slow progression to recovery is fading into the past, and a digital revolution is sweeping through the world of rehabilitation and recovery, transforming how we heal muscles/minds and treat pain.

### Tailwinds

+ $145bn market size in 2021, expected to reach $246bn by 2030, (CAGR of 6.1%)[1]
+ Technological advancements, such as in VR, AR, and wearable sensors are creating more immersive and personalised experiences

### Challenges

+ The long-term efficacy and cost-effectiveness of tech platform-based rehabilitation compared to traditional methods still needs further study and proving out

Source: [1] Polaris Market Research via PR Newswire; [2] NHS Digital via Statista; [3] Grand View Research; [4] Pew Research; [5] ResearchAndMarkets

# Technologies & Subsectors

## Virtual-Only Care

Score: 6

Expedited from the COVID-19 pandemic, virtual-only care models, which deliver consultations, monitoring, and care delivery remotely (e.g. mental health platforms) offer increased access and convenience for many consumers, particularly those facing geographical or physical limitations.

### Tailwinds

- $9.8bn market size in 2022, expected to reach $113bn by 2032, (CAGR of 28.5%)[2]
- Typically, more cost effective for businesses, and in for turn consumers, resonating well with younger generations who are less wealthy

### Challenges

- Only works well for certain care types, whereas certain diagnoses and treatments still require in-person examinations and procedures
- The absence of physical examinations can increase the risk of misdiagnosis in some cases

Source: [1] Grand View Research; [2] MarketResearch via Globenewswire

# Market Map: Seed – Series B

## Hybrid Care

almond, avi medical, Diana Health, elemy, EnSage, finni, firsthand, gather health, grow therapy, Kindred, KLINIK PINTAR, LES OPTICIENS MOBILES, lifted, Local Infusion, LORA, Meela, Oula, patina, PINE PARK HEALTH, Pollin, spiras HEALTH, twig FERTILITY, Uptiv Health

## Health Insurance

amplify, ASTEYA, Belong Health, bluezone, CrowdHealth, DEVDHAPPY, eleos, GAiA, insured nomads, INTEGRIANT, keen, kyndly, Laven, life5, Liferaft, medici, mira, Modern Life, Papaya, REFRAME FINANCIAL, Sheer Health, susu, taro

## Medication

9amHealth, agelessRx, AIAVA, alloy, &sons, doc DOCTORONCALL, embla, EVERNOW, felix, FORMEL SKIN, found, HeyJane, KINDRA, L·OONI, lvndr, MANUAL, numan, ORDINARY FOLK, Pharmint., PillSorted, stix, Supernormal™, VIKING MAN, Yazen

## Preventative Care

Alba Health, amilis, Antegenes, ARMRA COLOSTRUM, aumio, Aware, Batelle, BOLD, CIRCULAR, COMPLETE SLEEP, exseed, ezra, gabbi, holisticly, InsideTracker, LIFEFORCE, LILIA, LAMBO, Mito, NEKO, NOWATCH, silvertree, thriva, veri, well

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Seed, Series A, or Series B stage

# Market Map: Seed – Series B

## Search & Navigation

Beaming Health
Carewell
DUOS
epiCura
expecting
Fair Square
garner
Granny & Charly
Jasper
Krankenhaus.de
lottie
luna
marta
Mediflix
MeetCaregivers
MENTAL HEALTH MATCH
OPENCARE
OSKAR.health
pal
patientgenie
ROON
sleuth
The Lowdown
Turquoise Health
vården.se

## Rehabilitation

Aivo
akina
aluna
BODII
clynx
DANCINGMIND
flok health
hale
Juniver
kento
Kins
KYROS
LEIA Health
lin
mahana
nema
oto
Override
RECORA
Reframe
rightmove POWERED BY HSS
sidekick
visible.
vori health

## Virtual-Only Care

Allara
AmplifyMD
angelchat
arise
ayble
HelloBetter
Bicycle Health
Caraway
CONCEIVE
Culina Health
Fort
hopscotch
Little Otter
mable
maple
Nia
openup
OSHI HEALTH
Perci
poppy seed health
RYSE HEALTH
summer health
twenty30health
UPHEALTH
vita health

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Seed, Series A, or Series B stage

# Select Growth Stage Category Leaders

**alan**

*Provider of an online digital insurance service intended to give everyone access to a healthy and productive life*

$557m raised to date

**Zocdoc**

*Developer of an online digital health platform intended to help customers find suitable physicians and also schedule appointments*

$504m raised to date

**LetsGet Checked**

*Medical health testing platform connecting customers and laboratories for health testing, telehealth services, and pharmacy capabilities*

$395m raised to date

**sword**

*Developer of an artificial intelligence-powered digital therapeutic system designed to aid with musculoskeletal healthcare needs*

$325 raised to date

/

**halodoc**

*Developer of a digital healthcare platform designed to simplify access to healthcare by connecting patients with doctors*

$285m raised to date

**tend**

*Provider of dental care services intended to produce more accurate diagnoses, craft finer restorations and deliver beautiful aesthetics*

$190m raised to date

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Series C stage and later

# Consumer Pet Tech

# Consumer Pet Tech

Pet tech solutions equip pet owners with the necessary tools to ensure their furry family members thrive with optimal health and happiness

**1bn+**

Pets worldwide, with 471m pet dogs and 370m pet cats alone[1,2]

**90%**

Of pet owners have purchased a pet product online in the last 12 months[3]

**$137bn**

Spent on pets in the US alone in 2022 (vs $91bn in 2018)[4]

**97%**

Of US pet owners consider their pets to be part of their family[4]

The pet industry has proven to be more resilient than most to economic cycles, behind just consumer health, food and beverage, and toys/games[5]. This was validated in recent years by booming pet ownership, accelerated in part from more time spent at home and desires for companionship during the pandemic, paired with an increasing trend of pet humanisation fostering a ripe market for novel pet solutions and concepts globally.

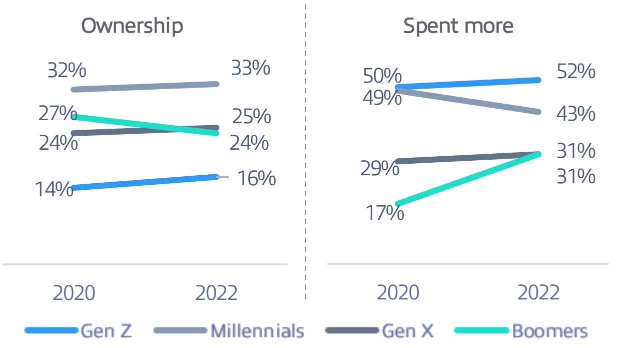
The pet landscape has reached a point where for the first time ownership between older and younger generations is split evenly, and so tech-native Millennial and Gen Z owners will begin to have a growing influence over the trajectory of the industry[2]. Yet, a growing tech-savvy older population holding more wealth and with more time on their hands in retirement to focus on their pets' wellbeing will retain a significant foothold.

| Technology | WSC Score | Notes |
|---|---|---|
| Pet Care | 9 | High fidelity outcomes |
| Pet Insurance | 8 | Demand for personalisation |
| Pet Food & Supplements | 8 | Large market demand |
| Pet Services | 7 | Demand for convenience |
| Other Pet Products | 6 | |

Source: [1] GFK via Health for Animals, Global Animal Health Association; [2] The Zebra; [3] American Pet Products Association (APPA) via Pet Food Processing; [4] APPA via Forbes; [4] Pew Research; ; [5] McKinsey & Company

# Market Drivers

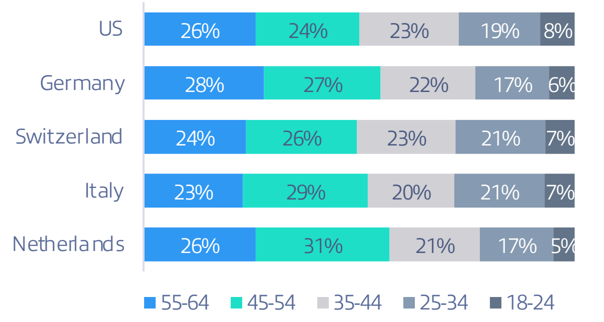
### Pet ownership/spend growth by age[1]




### Spend grows despite ownership shifts by age

As mentioned already, for the first time, pet ownership in the US is split evenly amongst older and younger individuals, as younger generations increasingly adopted pets while older generations fluctuated in ownership. Although only Boomers experienced a decrease in pet ownership, they accounted for the largest increase in pet spending from 2020-2022. This is likely attributed to Boomers holding more wealth than other generations and being less burdened with certain costs, such as child expenses, compared to Millennials and Gen X, presenting an opportunity for pet startups to market to older demographics.

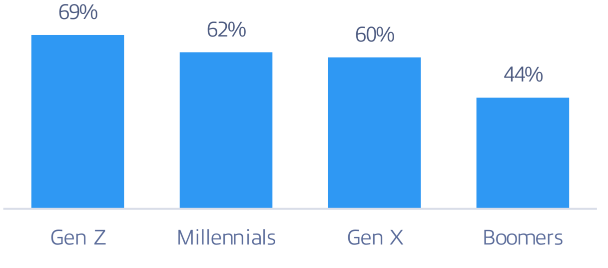
### Online pet product spend by age[2]




### 45+ segment leads in online pet spend

In several countries across North America and Europe, online buyers aged 45+ spend the most on their pets. In countries like the US and Germany specifically, adults approaching retirement age (55-64) spend more online on their pets than any age group. This presents an opportunity for pet startups to market to a growing audience of older adults, who will have more time to focus on their pet's welling being, are generally wealthier, and as such have higher willingness to spend ($949 and $842 average annual pet spend by Gen X and Boomers, respectively (vs $679 and $369 for Millennials and Gen Z, respectively)[3].

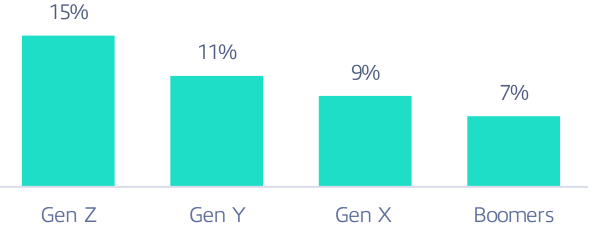
### % preferring specialty pet stores[4]




### Specialty as a choice across generations

When it comes to pet owner purchasing habits, specialty retail is the preference, with 56% preferring to shop for pet products at a pet specialty store, and 25% having a strong preference. This mentality holds true across almost all age groups, except for Boomers at 44% preference (vs 60%+ for all other generations). While Gen Z leads the pack, the gap across two generations between Gen X and Gen Z is much narrower compared to the gap between just Gen X and Boomers, indicating pet owners of the future will increasingly favor specialty products.

### Pet insurance penetration by age[5]




### Pet insurance penetrates young owners first

While older generations are typically more insured than younger generations across the board, such as with valuable protection and umbrella insurance, the narrative is the opposite with pet insurance. This is partly due to younger generations having less disposable income to cover expensive veterinary costs, and therefore prefer to transfer risk to an insurance policy than risk having to cover continuous and/or large expenses out of pocket but is also likely due to lower older adult tech penetration, presenting opportunities for pet Insurtechs to target both younger and older demographics.

Source: [1] American Pet Products Association; [2] Statista Consumer Insights; [3] Bureau of Labor Statistics' 2021 Consumer Expenditure Survey; [4] Market Research.com Packaged; [5] J.D. Power Loyalty Indicator & Shopping Trends

# Technologies & Subsectors

## Pet Care

**Score: 9**

With more than half of the global population estimated to have a pet at home today and an ever-increasing trend of the "humanisation of pets," many of the same digital health products and services people desire today are ultimately being desired for their pets as well.[1]

### Tailwinds

+ $118bn global market size in 2022, expected to reach $208bn by 2032, (CAGR of 5.9%)[2]
+ Stickier than other pet categories (<20% of dog owners would cut pet care if budget was tight, as low as 3% and 4% for medication and emergency surgery, respectively, with similar trends for cats)[3]

### Challenges

+ Pet care models with brick-and-mortar presences can be capital intensive
+ Virtual-only pet care models can have limitations in terms of quality of care, similar to in traditional digital health for humans

## Pet Insurance

**Score: 8**

Rising veterinary costs have made it difficult for pet owners to secure proper veterinary care in the recent past, and so many pets have gone unprotected. This has led to a wave of pet insurance platforms offering more transparency and accessibility to help enable worry-free pet parenthood.

### Tailwinds

+ $9.4bn global market size in 2022, expected to reach $32.7bn by 2030, (CAGR of 17%)[4]
+ Younger generations are more willing to share data with Insurtechs for access to lower premiums plans
+ 91% of owners had financial stress from pet care costs in the past year, as vet costs rose 11% vs 2022[5]

### Challenges

+ Rising veterinary costs ultimately make it difficult for insurers to keep premiums affordable and maintain profitability as businesses
+ Can be costly depending on type of pet, breeds and region, turning some individuals away from adopting plans in general

## Pet Food & Supplements

**Score: 8**

As younger generations continue to seek out alternative pet foods such as fresh, frozen, or raw more than older generations, partly due to their own preferences and a higher acuteness for their pets' digestive sensitivities, novel pet food and supplement have gained increasing steam[6].

### Tailwinds

+ $104bn market size in 2022, expected to reach $161bn by 2032, (CAGR of 4.5%)[7]
+ 38% and 35% of Gen X and Millennial/Gen Z dog owners, respectively, give their dogs nutritional supplements (vs 28% of Boomers) with similar trends seen in cat owners[6]

### Challenges

+ Several well capitalised players in the market already (e.g. Butternut Box and The Farmer's Dog), so newcomers may have difficulty competing
+ While speciality dog food is stickier than accessories and services (24% would cut if budget was tight vs 50% and 39%), it's not as sticky as pet care (<20%)[3]

Source: [1] GFK via Health for Animals, Global Animal Health Association; [2] Precedence Research; [3] Forbes Advisor; [4] Grand View Research; [5] USA TODAY Blueprint and OnePoll; [6] Purchased Facts; [7] Brainy Insights via Feed and Additive

# Technologies & Subsectors

## Pet Services

Score: 7

Calls to return to office following the pandemic have led to a higher need for pet services across the board, such as dog walking, daycare, and overnight boarding to name a few.

### Tailwinds

+ $24.9bn global market size in 2022, expected to reach $50.1bn by 2030, (CAGR of 9.2%)[1]
+ Younger generations are more likely to use certain online pet services like dog walking[2]
+ Opportunity for premium/luxury services to capture older pet owners with higher willingness to spend

### Challenges

+ Although not as high as accessories, if individuals had to cut dog-related expenses due to tight budgets, dog services still ranks higher than most at 39% of respondents, indicating high churn risk[3]
+ Several well capitalised players in certain categories already (e.g. Rover and WAG!)

## Other Pet Products

Score: 6

As pets become increasingly humanised, pet owners look to purchase products that help them better monitor their pet's wellbeing and make them feel more human-like, such as through accessories, leading to a suite of pet products being developed that cater to these desires.

### Tailwinds

+ $2.4bn global market size in 2022, expected to reach $6.9bn by 2030, (CAGR of 14.3%)[1]
+ Some countries like UK and Japan require mandatory microchipping for pets[4,5], presenting an opportunity for pet device startups to sell products to owners already accustomed to pet devices

### Challenges

+ If individuals had to cut dog-related expenses due to tight budgets, accessories (i.e. dog treat, toys, outfits, etc.) rank higher than any other category at 50% of respondents, indicating high churn risk[3]
+ Potentially limited market size today for certain categories like wearables

Source: [1] Grand View Research; [3] PETS International and Yummypets via GlobalPETS; [3] Forbes Advisor; [4] Forbes; [5] The Japan Times

# Market Map: Seed – Series B

## Pet Care

AnimalBiome, animoscope, BetterVet, creature comforts, Dr., Dutch, embark, Felix&Fido, FirstVet, hiPets, koala, Luna Veterinary Care, mixlab, MyPetGo, mysimplepetlab (Vet Approved Pet Care From Home), pawp, PetDx, Petfolk, pickles, ReadiVet, Rex, Scooch, The Vets, vetevo, Vetster, VidiVet, ZumVet

## Pet Insurance

barkibu, Cooper Pet Care, dalma., Fluffy, FRANK*, Fursure, kozoo*, Lassie, napo, Odie, oyen, Petplan, PawlicyAdvisor, RAINWALK PET INSURANCE, WAGMO, waggel*

## Pet Food & Supplements

A PUP ABOVE, ALVAR, Barkyn, BUDDY, dog child, Dog is Human, ELMUT, healthybud, Jinx, KatKin, maev, mammaly, meatly, Nacho, native pet, Ollie, Petty Well, pepette., PetPlate, reggie, SMALLS, SPOT & TANGO, SUNDAYS, Wild Earth, wilder harrier, WINPRO, Yummers

## Pet Services

BARK The SHOPPE, C, CarePod, CuddlyTails, dogdrop, DOGO, good dog, HonestDog, Leash (Driving Pets Daily), Meowtel, PAWSH, PetPair, RiverDog, ROOFUS, Sniffspot, SpotOn.pet, Tailster, TellTail, tuft

## Other Pet Products

biscuit, Boris & Horton, CleverPet, companion, Corro, DOG DRY Waterford, fi, Jagger.lewis, K9 Connectables., feelloo, LEV, LICK, PAWSCOUT., Pet Parade, Petcube, petzbe., puppod, swiftpaws, tractive, thezoo by chewy, trot, Waggle®, weenect

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Pre-Seed, Seed, Series A, or Series B stage; * Indicates bootstrapped or no equity raised to date

# Select Growth Stage Category Leaders

**ManyPets**

*Provider of pet insurance and pet wellness services intended to make the world a better place for pets and their parents*

$480m raised to date

**Butternut Box**

*Operator of a fresh dog food company intended to improve the health conditions of dogs*

$469m raised to date

**The Farmer's Dog**

*Producer of pet food intended to focus on pet nutrition*

$168m raised to date

**Peco**

*Operator of a media platform intended to provide pet information*

$71m raised to date

**halo.**

*Developer of pet application, smart collar, and virtual dog fence designed to help pet parents to know their dogs are safe*

$31m raised to date

**Petdoc**

*Developer of a real-time and around-the-clock pet consultation platform*

$9m raised to date

Source: Pitchbook (2023), WSC Analysis (2023)
Note: Companies shown are Series C stage and later

WHITE STAR
CAPITAL