FemTech Landscape 2021

Researched, Authored, & Illustrated by
Dr. Brittany Barreto, PhD, Jessica Karr, Mia Farnham,
Su Wern Khor, Mariana Keymolen, Sangeetha Ranadeeve,
Kala Pham, Brianna Cochran, Alley Lyles, Dr. Julie Hakim, MD

Annual Report
INTRODUCTION TO COYOTE VENTURES

INVESTING IN WOMEN’S HEALTH: WHY IS NOW THE RIGHT TIME?

Companies like Hims&Hers ($1B), Ro ($5B), and Counsyl ($405M) prove that customized health solutions have a growing place in today’s market.

Women’s health and wellness represents the next frontier of dedicated healthcare solutions.

Increasing numbers of women in STEM and Finance have led to an unprecedented increase in women’s health innovation.

Women’s health is a $1T market that has yet to be adequately addressed because women were historically & systemically excluded from healthcare research & innovation.

Women’s health possesses a number of solvable problems that require dedicated solutions. This market is ready to accelerate!

Coyote Ventures is a new Venture Capital fund investing in Seed-stage startups that are innovating in women’s health and wellness, founded by General Partners who are scientists turned entrepreneurs turned investors. Dr. Brittany Barreto holds a PhD in Molecular and Human Genetics from Baylor College of Medicine, was formerly the founder and CEO of a venture-backed startup (Pheramor, the first nation-wide DNA-based dating app), and led the launch of the Houston and Gulf Coast branch of Capital Factory, the most active VC in Texas. Jessica Karr holds an MS in Biochemistry from UC San Diego, was the 12th employee of Impossible Foods where she helped to develop and launch the Impossible Burger, has consulted with over a dozen startups internationally on product strategy, and helped launch a new impact-focused Venture fund founded by Adrian Grenier, the actor and activist. Jessica and Brittany launched Coyote Ventures in early 2021 to invest in many of the amazing companies innovating in the FemTech space. Coyote Ventures is at the ground floor of women’s health innovation, picking winners at the earliest stage while partnering with corporations to create partnerships and for downstream M&A activity.

NETWORK
Network of co-investors, corporate network, & recommend service providers

EVENTS
Meeting founders, investors, & innovators through FemTech Focus events

EXPERTISE
Scientific, Product, & Scaling experience; FemTech sector knowledge

VISIBILITY
Founders featured on media platforms to elevate their stories and increase exposure
THE FEMTECH INDUSTRY NEEDED A CHAMPION.

The FemTech industry needed a champion to discuss women’s biological processes, expose the extent to which women are suffering and dying due to lack of innovation, and promote the technologies that are improving their lives. FemTech Focus is that champion. THE MISSION: FemTech Focus is a 501c3 non-profit organization founded to empower, equip, and bring together healthcare professionals, life-science entrepreneurs, and forward-thinking investors to revolutionize women’s health and wellness. OUR VISION: FemTech Focus is determined to shift FemTech from being perceived as a niche industry to one that is a priority with a surplus of investment and growth. We envision a world where research, medicine, and innovation prioritize women-centered design, women of all races receive equal healthcare, and women’s reports of pain are believed. The health of all sexes, the planet, and the global economy will improve when we invest in female-focused medicine.
DEFINING FEMTECH: TECHNOLOGY THAT IMPROVES WOMEN, FEMALE, & GIRLS’ HEALTH & WELLNESS.

Is FemTech the right word? We define FemTech as technology that improves women, female, and girls’ health and wellness by addressing conditions that solely, disproportionately, or differently affect them. The term FemTech was coined by Ida Tin, founder of Clue, in 2016. Since then, the industry has evolved and some believe that ‘FemTech’ is not the best name to use. Some argue that ‘FemTech’ is not inclusive enough a term and may exclude individuals that experience female health issues but do not identify as a woman. There's also a debate on whether FemTech should include women’s health innovations that are not tech-enabled such as lactation suites, the speculum, and organic tampons. At FemTech Focus, we agree with these points but also find that having a term more specific than ‘women’s health’ for the industry allows us to find one another digitally and beyond. The term allows us to make women’s health mainstream and relevant. Moreover, we believe this term is the catalyst behind a movement of women-centered design and sex & gender-specific analysis in research. We look forward to a world where women’s health is sufficiently addressed in healthtech from benchtop to bedside. Until then, viva la FemTech.

FEMTECH INCLUDES

<table>
<thead>
<tr>
<th>Category</th>
<th>examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPRODUCTIVE</td>
<td>Contraception, Pre &amp; Post Natal Care, Pregnancy &amp; Nursing</td>
</tr>
<tr>
<td>MENSTRUAL</td>
<td>PMS, Endometriosis, Fibroids</td>
</tr>
<tr>
<td>SEXUAL</td>
<td>Dyspareunia, Hygiene, Pleasure</td>
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<tr>
<td>PELVIC FLOOR</td>
<td>Fecal Incontinence, Urinary Incontinence, Prolapse</td>
</tr>
<tr>
<td>VAGINAL</td>
<td>Laxity / Atrophy, Dryness, Microbiome</td>
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<tr>
<td>ONCOLOGY</td>
<td>Breast, Ovarian, Cervical Diagnosis &amp; Treatment, Life in Remission</td>
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<tr>
<td>BONE</td>
<td>Osteoporosis, Carpal Tunnel, Scoliosis</td>
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<tr>
<td>BRAIN</td>
<td>Mental health, Alzheimer’s, Migraines</td>
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<tr>
<td>AUTOIMMUNE</td>
<td>Hashimoto’s, Rheumatoid arthritis, Lupus</td>
</tr>
<tr>
<td>HEART</td>
<td>Heart Attack, Stroke, Arrhythmias</td>
</tr>
</tbody>
</table>

PRODUCTS TYPICALLY FALL INTO ONE OF THESE CATEGORIES

- Medical Device
- Healthcare Software
- Therapeutic Drug
- Consumer Product
- Consumer Service
- Consumer App
**Market Size**

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Billions by 2027</th>
</tr>
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<tbody>
<tr>
<td>Chronic Conditions</td>
<td>$218</td>
</tr>
<tr>
<td>Reproductive Health</td>
<td>$171</td>
</tr>
<tr>
<td>Breast Health</td>
<td>$99</td>
</tr>
<tr>
<td>Uterine Health</td>
<td>$75</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td>$72</td>
</tr>
<tr>
<td>Fertility</td>
<td>$72</td>
</tr>
<tr>
<td>Menstruation</td>
<td>$66</td>
</tr>
<tr>
<td>Eye Health</td>
<td>$58</td>
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<tr>
<td>Menopause</td>
<td>$53</td>
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<tr>
<td>Sexual Wellness</td>
<td>$49</td>
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<tr>
<td>Contraception</td>
<td>$43</td>
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<tr>
<td>Mental Health</td>
<td>$41</td>
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<tr>
<td>Maternal Health</td>
<td>$26</td>
</tr>
<tr>
<td>Sleep Health</td>
<td>$26</td>
</tr>
<tr>
<td>Bone Health</td>
<td>$22</td>
</tr>
<tr>
<td>Urinary Health</td>
<td>$19</td>
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<tr>
<td>Vaginal Health</td>
<td>$18</td>
</tr>
<tr>
<td>Brain Health</td>
<td>$17</td>
</tr>
<tr>
<td>Pelvic Floor Health</td>
<td>$16</td>
</tr>
<tr>
<td>Hormonal Health</td>
<td>$11</td>
</tr>
<tr>
<td>Ovarian Health</td>
<td>$10</td>
</tr>
<tr>
<td>Abortion</td>
<td>$3</td>
</tr>
<tr>
<td>Breastfeeding</td>
<td>$3</td>
</tr>
</tbody>
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**$1.186T Estimated Worth**

Total global market size by 2027 for all estimated sub-industries that fall under women’s health. Values were adjusted according to percentage of females vs males experiencing the condition.

**Market Size is an Estimated $1.186 Trillion by 2027**

The women’s health market size is an estimated $1.186 Trillion globally. We do not claim this to be the FemTech market size since published market sizes for health conditions do not distinguish the percentage of the market used specifically for tech-enabled products and services. We are confident that the market size for women’s health is an excellent and acceptable quantification to reference when innovating and investing in FemTech since the dollars spent indicates the size of the market and thereby the opportunity. The analysis of the women’s health market size includes 97 health conditions that solely, disproportionately, or differently affect girls, females, and women. These conditions fall into the 23 subsections of women’s health listed to the left. If a condition was disproportionately or different in females then the corresponding ratio of prevalence based on sex was calculated into the market value.
As of July 2021, FemTech Focus and Coyote Ventures have a database of 657 active women’s health companies globally. Approximately 20 new companies are added per month. The most recent database can be found on the www.femtechfocus.org resources page. The most common subsections of female health that are being addressed by these global, active companies are menstruation (100), maternal health (98), fertility (81), & sexual wellness (57). These four areas account for 51% of the total femtech startup landscape. They are by no means saturated or solved for women globally. Similar to the rest of women’s health, they are still in desperate need of research, investment, and innovation.

A N A L Y S I S  O F  F E M A L E  H E A L T H S U B S E C T I O N S  B E I N G  A D D R E S S E D

FemTech companies are addressing relevant and dire issues. The maternal mortality rate is increasing, with the United States having the highest maternal mortality of all developed countries. Women of color are more likely to die than white women. This is an unacceptable reality of the healthcare system that needs to be addressed immediately. Menstruation similarly is not saturated and requires more innovation. Access to feminine hygiene products continues to be an issue with 1 in 5 girls in the United States missing a day of school due to lack of access to menstrual products. Moreover, sanitary pads and tampons are unsustainable with 20 billion menstrual products being sent to landfills in North America every year.

Any saturation that may exist typically targets the affluent consumer. Accessibility & affordability to health products and services remains a critical issue for women around the world. There is a market gap for brands and products that are made for women of color, in emerging markets, and/or low-income. There is huge opportunity for innovation in women’s uterine health, mental health, chronic conditions, and cardiovascular based on the large market size, high demand, and limited players in the space.
ANALYSIS OF FEMTECH PRODUCT TYPES

The most common product type in FemTech is consumer product goods (CPG). Menstrual Hygiene and Sexual Wellness contribute to CPGs the most with 38% and 18% of the total count, respectively. Digital Health products are dominated by fertility (24%) and maternal health (19%) apps for aspiring and current mothers. The majority of marketplace products are for maternal health. Logistics encompasses services such as breast milk storage and transportation, lactation suites, and menstrual product dispensers in public restrooms. Consumer digital products include products such as subscription based video tutorials for pelvic floor training or lactation classes. Apparel does not include all female clothing but rather specific garments that address a female-specific health condition.

A notable feature arises when comparing the frequency of product types to frequency of exits: CPG is the most common FemTech company, yet this category ranks third for exits. A lack of exits for CPGs may be due to government regulations. For example, Procter & Gamble (P&G) could not acquire women’s beauty products startup Billie, following action taken by the U.S. Federal Trade Commission (FTC). The FTC decision was spurred by the lack of competitors in the space and the deal would have allowed P&G to continue to monopolize the femcare market. Thus, it may be necessary for companies in CPG to IPO and then acquire other companies. Additionally, we can hypothesize that a lower number of women-focused medical companies are due to inequality alongside the high cost of therapeutic drug research. Women were banned from clinical trials between 1977 and 1993 and only 4% of pharmaceutical budgets are allocated to R&D for female-specific drugs and devices. In academia, it is still a challenge to obtain grant funding for women’s health. For example, in 2018 endometriosis received only $7M in NIH funding making it one of the least funded research areas even though 1 in 10 women in the US live with the disorder. Areas where we anticipate more startups addressing include supplements, biotech, insurtech, and fintech. Developing supplements is dramatically less expensive than therapeutic drugs, therefore we anticipate more natural remedies for symptoms of women’s health conditions. Scientific advancements such as single cell technology, gene editing tools, and artificial intelligence will lead to more biotech FemTech products. Lastly, insurtech and fintech startups have mostly addressed the expense of fertility treatments. We predict more innovation for cost mitigation in women’s healthcare catalyzed by employers desire to maintain female employees and advancements in financial tech.
Kickstarting FemTech exits was Hologic with an Initial Public Offering (IPO) in 1990. Hologic has since become the most active acquirer of other FemTech companies (20 of the 105 total exits to date). We see a steady increase in FemTech over the last 30 years as the FemTech industry continues to grow. 2020 showed an unprecedented number of FemTech exits and 2021 has already shown a favorable number of exits. Women’s health diagnostics and medical devices are the most exited product type. Medical procedures also exhibit a high number of exits; e.g. Acessa Health created a special software and tool to ablate uterine tissue in a less-painful and more efficient way. Other medical procedures we anticipate more innovation include childbirth (including caesarean section), breast cancer diagnostics, and pelvic floor rehabilitation.

We predict an upcoming consolidation within the industry through mergers and acquisitions between startups. This will allow companies to expand market reach, shorten research and development time, and gain new competencies and resources. Though CPG holds significant market share in the number of FemTech companies, it only ranks third in number of exits, outpaced by medical devices and diagnostics. Additionally, 3 of the 4 unicorns (exited for >$1B) from the FemTech industry fall into these two categories. Paragard (aka Teva Pharmaceuticals) develops intrauterine devices (IUDs) for long-term birth control or contraception. Gyrus Group creates gynecological surgical tools. Cytyc focuses on women’s health diagnostics. The fourth unicorn is Sprout Pharmaceuticals, the first FDA-approved sexual dysfunction drug for women (while men had 26 market options). We predicted an increase in telehealth exits post-pandemic and CPG companies acquiring other CPGs to expand their product lines. In digital health, there are multiple apps targeting certain symptoms of autoimmune diseases, female-centered fitness, and specific mental health conditions. We anticipate larger healthcare systems acquiring these apps along with their user base in the coming years.
For product types, CPG has had on average one yearly exit since 2010 and showed a higher frequency of exits in 2016-2020. Medical Device seems to exit in cycles, but has shown consistent exits since 2002. Historically over a 20 year period, this product type has demonstrated about a 65% likelihood of at least one exit per year. From 2014-2018, Therapeutic Drug had a streak of at least one exit per year. Medical Device, Diagnostics, Therapeutic Drug, and Medical Procedure have shown exits since 1990, hence the higher overall frequency. Companies that were created after 2010 had an average time to exit of 4.5 years, while companies founded before 2010 averaged 13.5 years, indicating growing market potential.

*41 of the 105 exits had undisclosed purchasing prices. Therefore a total value created of $20.4B is critically undervalued.
1. FUNDING
Over 80% of FemTech startups have a female founder. Female founders receive less venture capital funding than male counterparts. Even more challenging is fundraising as a female founder for a women’s health product. 95% of investors are male. Due to society stigma against women’s bodies, male investors frequently perceive FemTech as niche as they have often never heard about the issues founders are describing. Moreover there’s been a massive data gap on the FemTech market with untold exits and market value. We anticipate this report to shift paradigms within the industry and thereby increase fundraising to startups addressing these non-niche problems.

2. ACCESSIBILITY
Due to insurance coverage often being limited for new women’s healthcare drugs, devices, and procedures, many startups will go direct-to-consumer and have the consumer pay out of pocket. Unfortunately this go-to-market strategy often results in products being available only for affluent individuals. Not only should founders be mindful about access to their products regardless of coverage, but there are also opportunities to innovate specifically for these women even in seemingly saturated markets.

3. BLOCKED ADS
There is a critical issue with marketing FemTech products. Often advertisements on platforms such as social media, television, and Google are blocked for being allegedly inappropriate. This censorship not only affects sexual wellness products, but most women’s health including urinary health, fertility, breastfeeding, and maternal health products. The insult to injury is that men’s health ads that use words such as erectile dysfunctional, semen, and ejaculate are often accepted. The resulting consequence for FemTech startups is a high cost to acquire a customer (CAC). The censorship battle is a continuous one that shines light on the systemic sexualization and discomfort society has around women’s bodies.

4. RESEARCH
Women have historically & systematically been excluded from research due to fear of hormonal cycles interfering with experimental results & the risk of harming a fetus. Women were banned from clinical trials from 1977-’93. Only 4% of pharmaceutical R&D budgets are for women’s health. The lack of scientific knowledge results in a lack of innovation and higher barriers for FDA approval. The burden of R&D often falls on the FemTech founder.
OUR ECOSYSTEM

FEMTECH ORGANIZATIONS

FemTech Focus
Podcast, Virtual Community, Research, Resources, Non-Profit

Menstrual Health Hub

Global Menstrual Health Database, Resources, Non-Profit

NEWSLETTER INSIDER

Newsletter, Jobs Board

Events, Community, Newsletter

FEMTECH ORGANIZATIONS

femW

Asia-Focused, Events, In-Person Store

femTech Collective

US & Australia footholds, Events, Slack Channel

TECH4EVA

Swiss-Based, 9-month Accelerator, Events

femTech Lab.

Accelerator, News Media Outlet

OUR ECOSYSTEM

Coyote Ventures
US, Seed, Sector Agnostic except therapeutics

Artemis
Europe, Series B & C, Therapeutics

Avestria
US, Seed, Sector Agnostic except therapeutics

FemHealth Ventures
US, Series A, Medical Devices, Therapeutics, & more

Rhia Ventures
US, Seed & Series A, Reproductive & Maternal Health

SteelSky Ventures
US, Growth Stage, General FemTech

Amboy Ventures
US & Europe, Seed & Series A, Sexual Wellness & Women’s Health

PORTFOLIA

US, Seed – Series D, General FemTech

Sweden, Investments & Grants
Menstrual & Sexual Health

ACTIVE INVESTORS w/ FemTech as CORE Thesis

THE CASE FOR HER

THE CASE FOR HER

FEMTECH LANDSCAPE 2021
CONCLUSION

There is a unique opportunity in an underrepresented sector of venture capital to not only enhance the lives of half the world’s population, but to capitalize on the much needed and heavily anticipated disruption in FemTech. We’ve identified the top 4 reasons why to invest:

1. **$1 TRILLION MARKET SIZE**
   - There are 3.8 Billion women in the world. Women have massive purchasing power with $20T per year, control upwards of 85% of the day-to-day spending for a household, and over 80% of healthcare decisions [citations]. FemTech is not niche with huge potential for capital gains.\(^{13}\)

2. **PRIME FOR DISRUPTION**
   - 4% pharma R&D budget is for women’s health as the default is Male-Centered Design. Women are increasing their health expectations but less than 1% of VC funding is going to FemTech.

3. **80% FEMALE FOUNDERS**
   - Female founders have 2X revenue, 35% Higher ROI, and 22% lower employee turnover. Beyond startups, we see that companies with the most women in leadership financially outperform those with the fewest.

4. **AVERAGE EXIT VALUE $301M**
   - M&A Directors are seeking to expand female consumer portfolio. Female-founded exits increased 16% year-over-year while male-founded exits declined by 2% (2019-2020) with 5.1X median return on FemTech exits. FemTech companies are now exiting faster, with an average of 4 years.

Medicine has long misdiagnosed and mistreated women based on misconceptions of female anatomy and biology. In 1921, Margaret Sanger founded the American Birth Control League, the precursor of Planned Parenthood. In the 100 years since, we have seen progress towards demystifying and empowering women’s health and yet there remains a tremendous amount left to improve. The movement for women’s rights and equality in all aspects of life starts with ensuring that women and girls are kept alive and healthy. We anticipate massive growth in the industry over decades to come with billions in capital to be created. Moreover, the social impact of FemTech innovations is obvious. When women thrive, so do their families, communities, and economies. Hence why we are bullish on more men becoming involved in Femtech. In a world where rockets can land on boats, drones are flown on Mars, and entire nations use bitcoin as currency; we cannot use hormone cycles as an excuse to not include women in research and medicine. It’s time for women to receive healthcare that was made for them.
REFERENCES


