



BRYAN, GARNIER & CO

The Corporate Mental Health Market

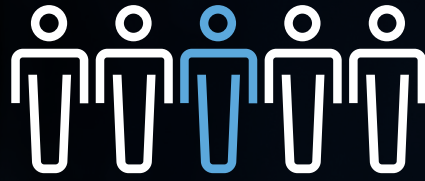
INDUSTRY REFERENCE REPORT



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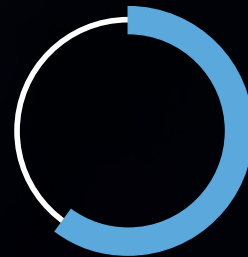
1 IN 5

ADULTS EXPERIENCE MENTAL
ILLNESS EACH YEAR



\$210BN

COST OF MENTAL DISORDER
IN US



60%

OF AMERICANS ARE UNDIAGNOSED
AND DO NOT SEEK MENTAL
HEALTH TREATMENT



264M

PEOPLE OF ALL AGES SUFFERED
FROM DEPRESSION IN 2020



The corporate environment needs psychological support

We don't wait until we have problems to take care of our physical health. We try to eat healthily, we are advised to exercise regularly, we brush our teeth several times a day. But what do we do for our mental health on a daily basis? This is where we think the company has a role to play, as a facilitator and prescriber of change.

JULIA NÉEL BIZ | FOUNDER | TEALE

MENTAL HEALTH AND THE MARKET DEFINITION

The World Health Organization (WHO) defines mental health as “a state of wellbeing that enables people to achieve their potential, cope with life’s normal challenges, and work successfully and productively.” It includes our emotional, psychological, and social wellbeing. We define its market as all the services that address these aspects in different ways.

During the pandemic, digital has become a key way to address everyday work issues. Mental health is no exception: most solutions looking to enter this fragmented market feature a digital component.

STATISTICS AND OBSERVATIONS

One in five adults will experience mental health problems each year in the US and France, a figure that rises to one in four in the UK.^{2,3} The situation is getting worse: claims for mental health disability are growing 10% annually and may jump by 50% due to COVID-19.^{1,4} Anxiety associated with the pandemic has joined long hours, economic insecurity and work-family conflict as another major source of workplace stress.

At work, poor mental wellbeing and stress are major issues that affect employee performance, engagement, communication and productivity.

They are associated with higher rates of both disability and unemployment. Depression, for example, reduces the ability to undertake physical tasks by 20% and diminishes cognitive performance by 35%.⁵ This feeds through into additional costs for employers, corporations and states. The cost to companies of mental health problems is estimated at USD 210 billion in the US and EUR 413 billion in Europe.^{1,6} Almost half of this cost, which is the US has increased 2.5x since 2000, is attributable to absenteeism and lower productivity.¹ Employees at high risk of depression have been found to have the highest healthcare costs, even when the costs of smoking and obesity are taken into account.⁵

Covid has reinforced workforce demands for mental and emotional support in the workplace. Nine out of ten employees think that employers should pay more attention to the mental health of their staff.⁷ And as the second most attractive benefit for job seekers,¹ on-demand emotional support gives recruiters a way to differentiate their offer.

By exposing people's limitations in dealing with stress and pressure, the Covid lockdowns have emphasized the importance of mental health monitoring. Now that employees are three times more likely to report mental wellbeing issues,⁸ more and more of them feel they should rely on their employer for support.

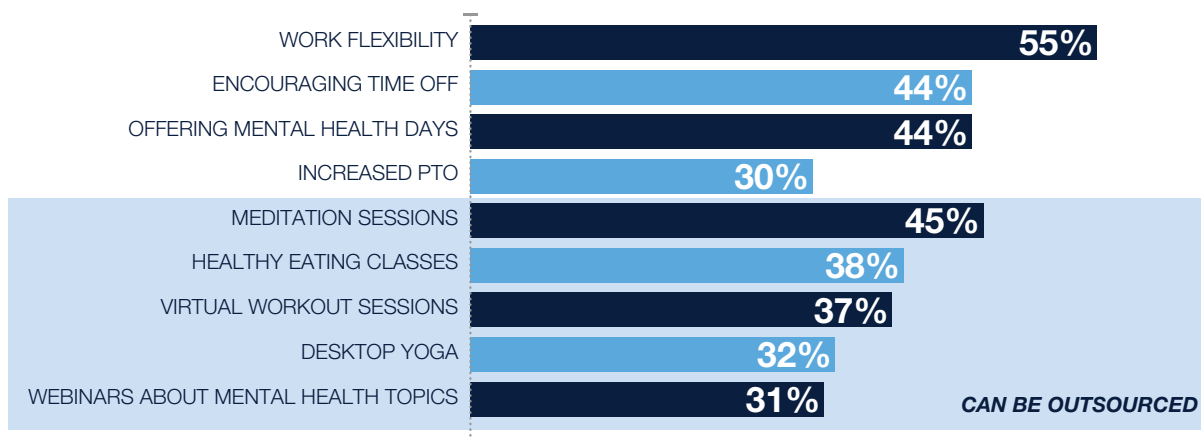
Studies have shown that in particular, people are looking to employers for support around flexible working and time off, with "work flexibility" seen as the best way for employers to reduce staff anxiety.⁸ Support linked to wellness and life care can largely be outsourced.

In 2021, the pandemic led to working from home being offered in 55% of corporations globally. In Europe, the percentage of people working remotely grew from 3% to 10%.⁹ Only 3.4% of the US workforce was already working remotely and 88% of organizations mandated or encouraged it in March 2020.¹⁰

NEED FOR ALTERNATIVE SERVICES

Mental disorders are harder to identify and treat than physical illnesses. Their diagnosis is based on trial and error, which can be time consuming. Laboratory tests are not appropriate and brain scans are too expensive to be used at an early stage. In addition, a shortage of therapists means that 75% of people with mental health issues may not get access to the treatment they need. Malpractice is on the rise and while psychological therapies would be more effective in 75% of cases, psychiatric medications are often prescribed, predominantly by generalist primary care physicians.

FIG. 1: SUPPORT EMPLOYEES WANT IN THE WORKPLACE



Part 1: US market leading the way



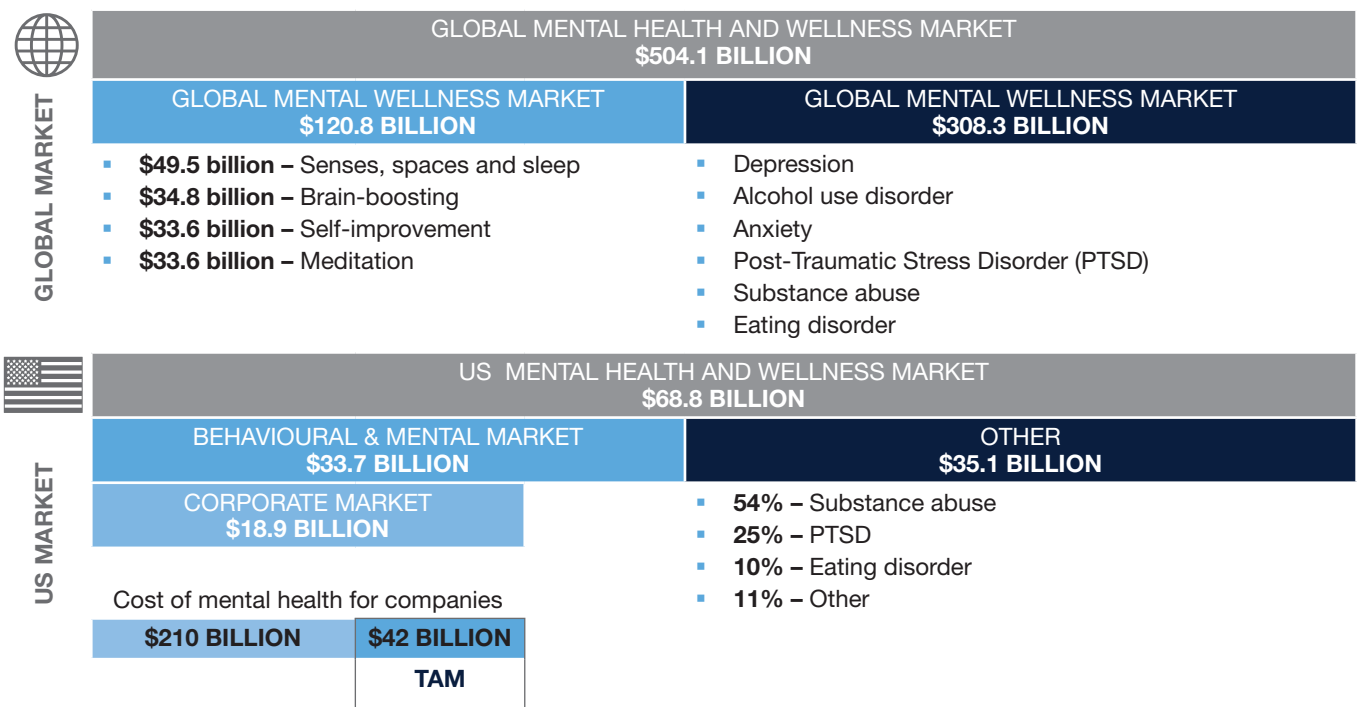
MARKET SIZING

The corporate mental health and wellness market is complex to map and comprises several segments. It was estimated at USD 504.1 billion globally in 2021, with mental health alone representing USD 308.3 billion and expected to grow annually by 3.5%.¹¹ The global mental wellness industry was worth USD 120.8 billion in 2019.¹² In the US, behavioural and mental health accounted for USD 33.7 billion or 49% of the total mental health and wellness market in 2020.¹³ Narrowing the scope to the corporate market, this figure

stands at USD 18.9 billion and includes stress management, nutrition, fitness and smoking cessation.¹⁴

Deloitte’s 2020 study on mental health and employers showed that for each euro spent on mental health solutions, five are saved in direct and indirect costs for companies.¹⁵ Another way to estimate the total addressable market (TAM) is by applying this assumption to the cost of mental health issues for corporations. American companies lose \$210 billion due to poor mental health. We can therefore estimate the TAM of MHPs at \$42 billion.

FIG. 2: MENTAL HEALTH & WELLNESS MARKET BY SEGMENT



Source: Bryan, Garnier & Co



COMPANY LANDSCAPE

The first corporate wellness offering appeared in 2010 with the creation of Ginger. It saw rapid traction and was followed by players such as Talkspace and BetterUp, creating a market for investors prepared to take a leap into an unexploited field.



COLLABORATIVE PLATFORM

Ginger offers preventive care based on a 24/7 access to coaches, therapists, and psychiatrists.

VIRTUAL PLATFORM

Provides interactive content in the form of videos, articles (Quick Tips), guided audio, and podcasts on numerous well-being topics.

MENTAL HEALTH ASSESSMENT

Automatically assesses information and tracks progress to empower better care.

MEDIATION & STRESS MANAGEMENT

Offer science-backed meditation tools. Provides music and audio content and articles.



MEDITATION PLATFORM

Calm is a meditation digital platform providing an online library that include e-books, articles, videos and infographics.

EVENTS

On-demand events hosted by key professionals including authors, meditation instructors, and lecturers.



COLLABORATIVE PLATFORM

Lyra mainly offers evidence-based treatments (EBT) mental health benefits through short-term access to certified coaches.

GUIDED SELF-CARE

Provide a six-week digital care plan, crafted by dedicated coaches.

ACCESS TO B2B PLATFORM OF

Meditation and wellness tools.



LIVE SESSION PLATFORM

Redirect workers to a suitable licensed Talkspace therapist based on a brief mental assessment.

SELF-TRAINING

Provide progress indicators and invite to several exercises to perform a self-mental training.



MENTAL HEALTH ASSESSMENT

Provide a clinically-validated self assessment and additional questions to identify needs.

CONNECT TO CARE

Combination of digital program, group learning, and 1 to 1 coaching and therapy.



GROWTH & TRANSFORMATION PROGRAM

Helps build skills, mindset and behavior to improve personal and professional performances.

BETTERUP CARE

Customized to meet each individual needs, the platform deploy AI-technology to address suitable the suitable team of experts that covers sleep, nutrition etc.



EMPLOYEE ASSISTANCE PROGRAM (EAP)

Supplement or replace traditional EAP offering training, work-life, legal and financial services, and incident support.

DIGITAL CBT

Cognitive Behavioral Therapy platform providing content focused on long-term skill-building exercises

CONSULTANT

Members get access to coaching, therapy and medication

OTHER:



MARKET STATUS

Already a leader in digital health and home to 77% of companies in the market (3% for the UK and for France), the US has a significant advantage in developing mental health solutions. It has the knowledge and ability to quickly deploy resources, thanks to an informed investor base that is ready to support this new field. Of 831 investors involved in raising funds for mental health startups, nearly two-thirds are based in the US. It is likely that the Europe will follow: with 74 investors, the UK is the most promising market.

ACTIVE PRIVATE EQUITY MARKET

In 2020, mental health companies raised USD 1.5 billion in funding, through 124 deals. While the number of deals has doubled since 2016, the size of funds raised has increased fivefold, illustrating the strong growth of players in both number and size. This pace is not about to slow down: the first quarter of 2021 has already recorded USD 800m in funding.¹⁶

In 2018, the USD 2.5 billion acquisition of Genoa Healthcare heralded the emergence of American unicorns. Five companies have already exceeded

USD 1 billion in valuation and LifeStance Health Group (TPG Capital) is expected to go public in the next years with a valuation of USD 6 billion.

FIG. 3: MENTAL HEALTH STARTUP INVESTORS BY GEOGRAPHY

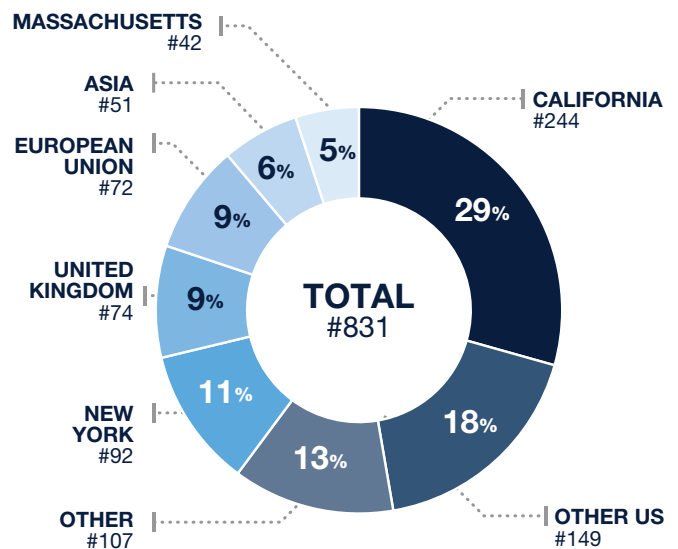
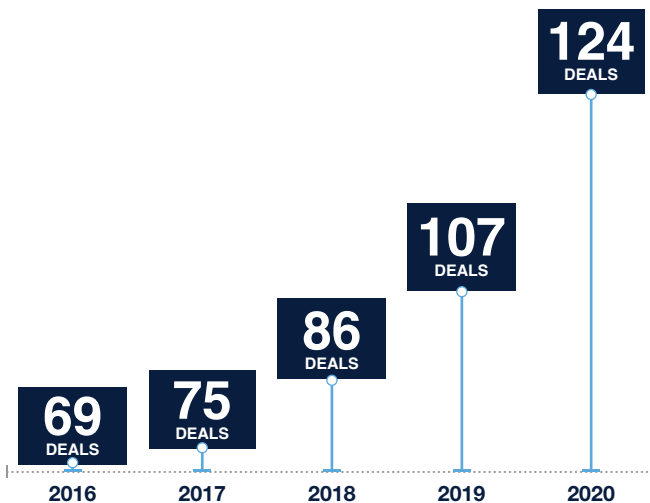


FIG. 4: PRIVATE EQUITY DEALS AND VALUATION OF KEY LEADERS



COMPANY	VALUATION
BetterUp	\$4.7 BILLION
lyra	\$4.6 BILLION
ginger ● headspace	\$3.0 BILLION
genOa healthcare*	\$2.5 BILLION (AQUISITION)
Calm	\$2.0 BILLION
spring health	\$2.0 BILLION
talkspace	\$1.4 BILLION (AT IPO)
▲ Modern Health	\$1.2 BILLION

Source: Bryan, Garnier & Co

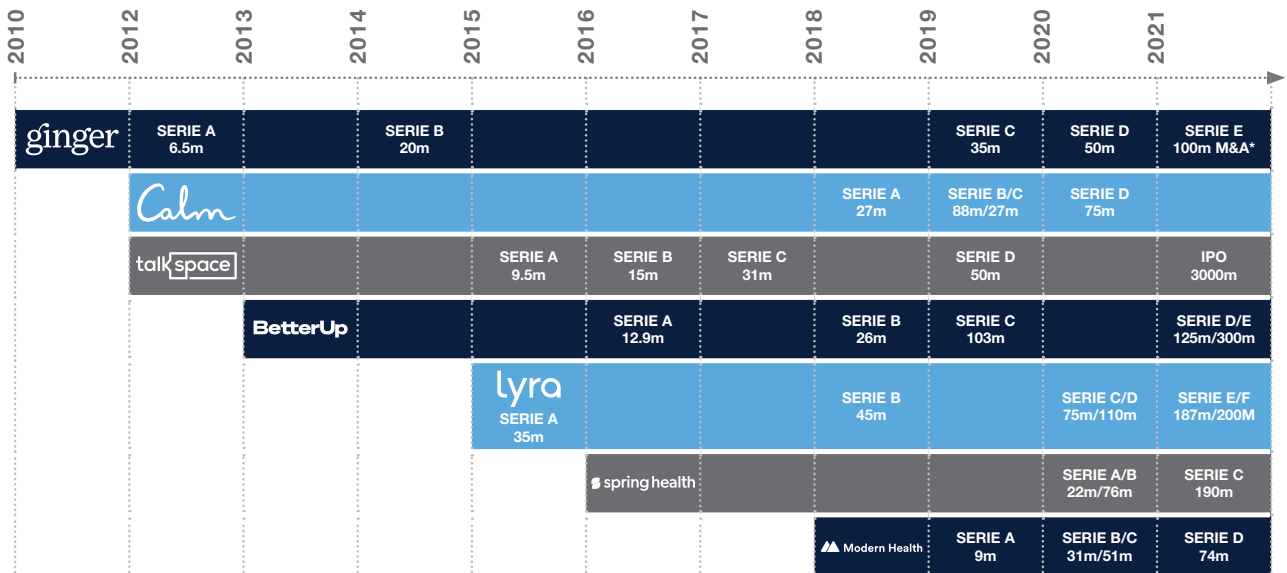
ON THE ROAD TO CONSOLIDATION

The market is moving fast. Major players do not seem to need any external help to reach their critical size. This year has been marked by several strategic moves and reconciliations that suggest consolidation will be internally driven. For example, to differentiate their offering and further develop their content, Lyra and Calm were the first to see the opportunity behind an alliance and in December 2020 announced a partnership to make Calm’s content available on Lyra’s platform.³ Eight months later, Headspace, Calm’s main competitor in digital meditation platforms, merged with Ginger, creating a USD 3 billion mental health company.⁵ By combining Ginger’s teletherapy services with Headspace’s meditation and mindfulness app, the company now has a combined reach to 100 million consumers.¹⁷ Modern Health has acquired start-ups including Kip, enhancing its mental tracking and analysis toolset.¹⁸ Virtual behavioural healthcare company Talkspace has taken another route, going public

through the Hudson Executive Capital Corp SPAC. Valued at USD 1.4 billion, the deal was completed in June and was first traded on 23 June 2021. Since then, the stock has plummeted to a USD 350m market capitalization (-75%).¹⁹

As technology development plays a key role in differentiating their offering, MHPs are investing in tech assets through M&A. For example, Ginger acquired the technology assets of the mental health application LiveBetter.²⁰ Similarly, SonderMind purchased the predictive analytics platform Qntfy, bringing data science to mental health.²¹ Device manufacturer Hyperice is entering the mental wellness sector by acquiring Core, a company that invented the first meditation training device and app of its kind.²² Some startups have also expanded beyond healthcare and formed creative partnerships to widen their reach. Examples include Headspace’s partnership with Netflix and Calm’s partnership with HBO Max and Bumble.²³

FIG. 5: TIMELINE OF THE MAIN FUNDRAISING EVENTS



Source: Bryan, Garnier & Co

Part 2: European market situation and outlook



STATE OF THE EUROPEAN MARKET

The European employee wellbeing market is in its infancy. In France, the focus of our analysis, only five to ten players are currently seriously established or are at the end of their testing stage. However, the business model has proven its value and some investors are not willing to wait any longer. For example, Canadian artificial intelligence and machine learning investor AIML Innovation took a stake in Tech2Health. This startup used its digital wellness platform model to generate EUR 3.7 million in revenues, while providing services to leading health insurers such as Malakoff Humanis, Groupe Mutuel, Mapa, Apicil, and others. The two most attractive countries for investors are currently the UK, which accounts for 9% of investment, and France.

MARKET SIZING

In its study, the OECD identifies three categories of costs and spending to illustrate the losses from poor mental health. Of direct concern to corporations is the direct cost impact on social spending (higher paid sick leave, disability or unemployment insurance benefits), and the indirect cost to the labour market (lost income due to mortality, lower employment rate, or greater absenteeism among people

with mental health problems). This cost varies depending on the European country but can reach 4.1% of GDP in Denmark and Finland. France and UK stand below the average at respectively 2.4% and 2.7%. (See Fig. 5 & 6). Using the same method used on page 3, we estimate the total addressable market at EUR 10.4 billion for France and EUR 10.6 billion for the United Kingdom.

MARKET DESCRIPTION AND PLAYERS

THE SERVICES LANDSCAPE

Mental wellbeing is complex and unique to the individual, and must be treated with care. In France and Europe, emerging players are trying to address it by promoting prevention and self-awareness. We approached several players in the French market to better understand the different directions they are taking.

There are three levels of solution that support mental wellbeing in the workplace: mental health mapping, which helps groups and individuals to understand their mental state; prevention and wellness solutions, also called digital therapy; and solutions that serve as intermediaries for practitioners from various fields.

FIG. 5: ESTIMATED DIRECT AND INDIRECT COSTS RELATED TO MENTAL HEALTH PROBLEMS FOR CORPORATES

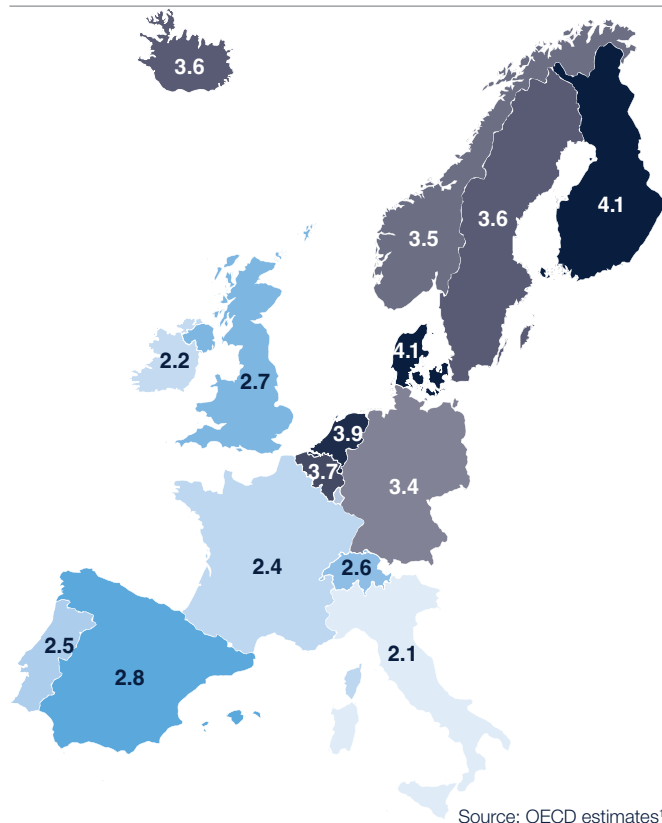
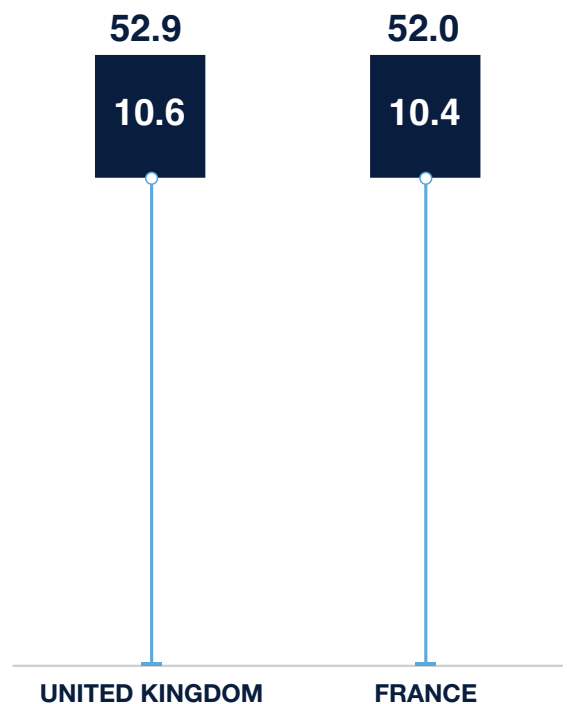


FIG. 6: UK & FRANCE ADDRESSABLE MARKET





At the beginning, a lot of people have pushed us to automate this task, but it doesn't correspond to the world we want to build. We want human interaction within our solution.

PIERRE-ETIENNE BIDON MOKA.CARE



MENTAL HEALTH MAPPING SOLUTIONS

Playing the role of a traditional Employee Assistance Program (EAP), these solutions help companies to assess their employees' wellness at a given time. They are informative and preventive solutions designed to benefit individual employees or management and human resources teams.

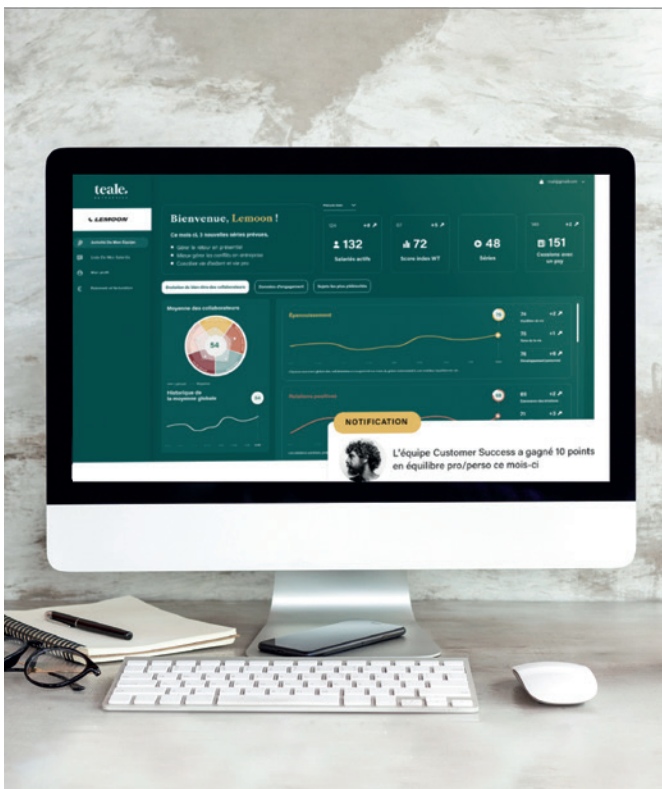
Mapping solutions typically ask a series of scientifically approved questions targeting aspects that may affect mental wellbeing. The results are used either to give guidance or to identify employees with difficulties. The questionnaires act as a preventive measure that informs people and refers them to other services. When risks are identified, the MHP may recommend that an employee lifts their anonymity and seeks support. For HR departments, mapping solutions aim

to inform the management teams and to allow anonymous communication. Returned questionnaires make it possible to evaluate the general mental wellbeing of a group of employees.

Although this method can reach a large population and provide a general, anonymous picture of staff wellbeing, its objective is to quantify rather than resolve problems and it does not relate to specific personalities and lifestyles.

With the deployment of connected devices such as wearables, smartwatches, and smartphones, we can nonetheless expect mental health assessment to include big data-based models. This improves the targeting and personalization of services but also raises privacy concerns.

FIG. 7: TEALE DASHBOARD

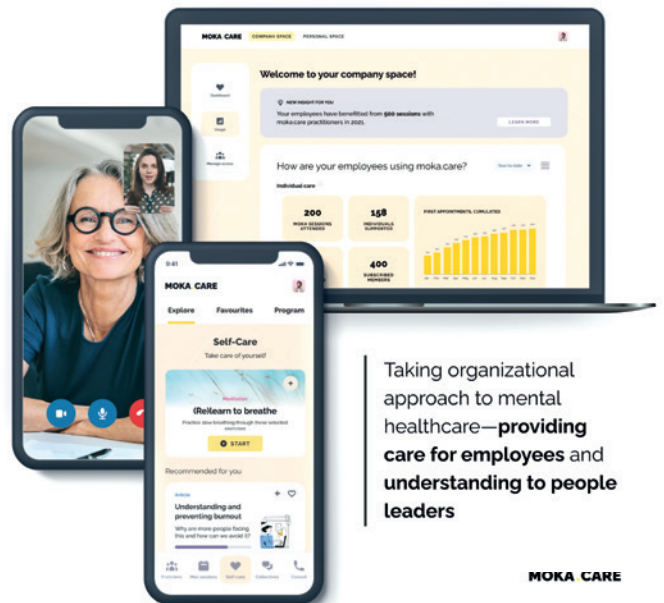


Source: Teale website

FIG. 8: THREE LEVELS OF SOLUTION TO SUPPORT MENTAL WELLBEING



Source: Bryan, Garnier & Co



Taking organizational approach to mental healthcare—**providing care for employees and understanding to people leaders**

MOKA CARE

Source: Moka.Care

DIGITAL MENTAL HEALTH PLATFORMS

Some players offer preventive help through a digital platform. Available on desktops and smartphones, these solutions enable employees to self-monitor their mental state. Teale, the “Netflix of self-care”, as the Teale teams call themselves, uses e-learning, podcasts and videos to cover topics from meditation and stress to confidence and finance management.

Tools such as this have significant potential for the use of data-driven analysis, AI, machine learning and virtual reality to help personalize care. However, players must deal with a range of challenges include engagement, retention, loyalty, refining personalization, and the cognitive load for users.

TELETHERAPY, COUNSELLING AND COACHING

Empowered by the digitization of service industries, digital health has seen many developments in remote consultation over the past decade. Covid has highlighted people’s need for support with mental wellbeing while confined at home. Also, day-to-day issues such as emotional and self-esteem problems have compelled corporations to set up counselling services, typically a 24/7 hotline. However, these are seldom used: Moka.care estimates that just 0.5% to 1% of teams in France use these services. New players are now creating digitalized solutions that offer a greater level of support.

Many offer a hub that connects people with professionals. In companies, this allows employees to book one-to-one or group sessions online with professionals such as psychologists, coaches or experts in a field. Depending on the business model, these professionals can be employed in an exclusive partnership, or as certified independent

contractors. By offering external expertise, these hub solutions mean companies can access specialist expertise and provide their employees with personalized human support. As independent third parties, mental health providers also ensure confidentiality.

BENEFITS FOR COMPANIES

The Deloitte study¹⁵ shows that proactive mental health solutions such as digital platforms provide a 5:1 ROI, compared to 3:1 for reactive solutions such as helplines. The study also confirms that training and diagnosis provides a 6.3 ROI while therapy delivers 2.3. This confirms that digital mental health platforms and mapping solutions would be more profitable for employers. Also, the ROI by size would on average be maximized for group interventions.



This approach has already seduced scale-ups such as JobTeaser, Qonto or Spendex, but also large groups, such as L’Oréal or Engie, in order to reverse the principle of psychological hotlines so that the subject of mental health becomes a real axis of performance improvement.

MOKA.CARE



MAPPING THE PLAYERS

Most French players are inspired by US organizations and can be categorized as follow:

	MENTAL HEALTH MAPPING	DIGITAL MENTAL HEALTH PLATFORM	TELETHERAPY, COUNSELLING & COACHING
AMERICAN PROVIDER			
FRENCH PROVIDER			

FOCUS ON SIGNIFICANT FRENCH PLAYERS

<h2 style="text-align: center;">MOKA.CARE</h2> <p>Founded by Pierre-Etienne Bidon in January 2020, Moka.care provides companies with a mental health solution focused on three services: remote and on-premise therapy and coaching, collective sessions, and a digital platform with a library built around 40 themes. The company works with a community of 90 practitioners across Europe, all experts in human resources consulting. The main differentiating feature of Moka.care lies in the support for management and human resources.</p>	<p style="text-align: center;">20x more used than alternative solutions</p>	<p style="text-align: center;">CLIENT PORTFOLIO OF 60 COMPANIES INCLUDES:</p> 
<h2 style="text-align: center;">teale.</h2> <p>In January 2021, Julia Néel Biz, created Teale to position against “one side fits all” solutions. Teale is the first holistic mental health technologic platform, offering both a scientifically validated mental health assessment, personalized and interactive digital therapy programmes and consultations with expert cognitive and behavioural therapists. Teale digital therapy content offering is currently unrivalled with over 250 videos and 150 interactive exercises within its mobile application. teale also helps companies to implement an impactful mental health roadmap, including tailored-made training and workshops for managers and employees</p>	<p style="text-align: center;">c. 50% engagement rate vs 2% for support hotlines</p>	<p style="text-align: center;">CLIENT PORTFOLIO INCLUDES:</p> 
<h2 style="text-align: center;">móòd Work</h2> <p>MoodWork was founded by Benjamin Brion in 2017 with the will to “put research at the service of the greatest number of people”. Acting on both individual and organization level, the company’s offer respects a precise methodology: the triple As. In the Analysis, the company gives employees tool to make a self evaluation of their mental state. As Action, trainings and content is provided on a platform. To Accompany, it is possible to book call, meetings and to chat with professionals.</p>	<p style="text-align: center;">40% of employees connect at least monthly</p>	<p style="text-align: center;">CLIENT PORTFOLIO OF SMEs, IMIDDLE & LARGE MARKET:</p> 
<h2 style="text-align: center;">monMartin</h2> <p>MonMartin was founded in 2015 by Camille Parouteau to approach mental wellness around three pillars: emotions, nutrition, and physic. The startup provides a turn-key solution that relies on a community of partnered professional. The services include group workshops, e-learnings and a support comity. MonMartin team draws a periodic report of the client’s progress.</p>	<p style="text-align: center;">80% client retention</p>	<p style="text-align: center;">CLIENT PORTFOLIO OF 60 COMPANIES INCLUDES:</p> 
<h2 style="text-align: center;">mindDay</h2> <p>Founded by Boris Pourreau in 2021, MindDay exits trial stage to offer a transversal solutions. A mental mapping help direct employees to relevant content, available on a platform. Combining the expertise of psychologist and coaches to support the greater number, employees can book session if necessary. MindDay is financially supported by Mutuel Impact, regrouping 50 French mutualists.</p>	<p style="text-align: center;">60% of employees use it in client companies</p>	<p style="text-align: center;">CLIENT PORTFOLIO INCLUDES:</p> 

Part 3: Scope for integration into facilities management

THE POTENTIAL FOR CONSOLIDATION

In the US, Covid has created a windfall for many mental wellbeing startups that were born before the crisis. They have been able to raise substantial funds to accelerate their deployment and to play a major role in the consolidation of the sector.

In Europe, and particularly in France, the subject of mental health has long remained taboo, but the pandemic has brought it into the open. The number of start-ups has increased, each bringing its “technological” solution to companies’ growing need to meet the expectations of their employees. There is certain to be a windfall here too, and it is important to be sure that these startups are developing real, verified solutions.




FACILITIES MANAGEMENT PROVIDERS POSITIONED TO EXPAND INTO EMPLOYEE WELLBEING

For corporates today, the growth in types of workplace and their specific needs makes facilities management more complex and creates a range of health and wellbeing issues. Companies should therefore seek out providers with a broad, global service offer and the ability to meet employee wellness requirements as fast as possible.

Mental health is becoming a strategic issue that demands a robust response. Incumbent facilities management and business services players could therefore play a major role in the consolidation and structuring of the mental health offer. All of them already offer services, but remain marginal.

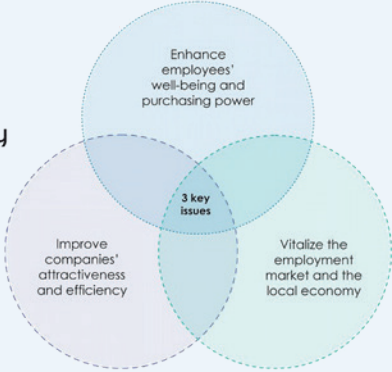



Sodexo is currently the player with the widest range of services alongside its core foodservice business. All of its services designed to facilitate business management and employee well-being already generate 40% of on-site revenue. In addition to these services, the group is also present in service vouchers.

Edenred's new Lifestyle Spending Account solution offers employees an easy way to participate in programmes for stress reduction and resilience, weight loss, smoking cessation and nutrition education, whether they are working from home or in the office.

A mission ↴
Be the everyday companion for people at work

In addition to catering and specific offers to promote the benefits of exercise and eating a balanced diet, Compass Group could also help corporates to manage the mental wellbeing of its employees, as it does internally. In the UK and Australia, Compass Group has been working with Medibio, provider of the world's first biometric mental health diagnostic product. Iumen™ is a unique app designed to objectively evaluate the mental wellbeing of a workforce. It helps identify biological markers and patterns to aid in early detection and screening of mental health conditions. It suggests personalized, proactive mental health management strategies and can offer telephone consultations with qualified psychologists where appropriate.

MUTUALS, NATURAL CONSOLIDATORS

Here too, incumbent players should be natural consolidators, alongside new entrants such as the French insurtech Alan.



The group offers a number of services on an ad-hoc basis (lasting approximately one year) including remote psychological support. This is currently provided by telephone (24 hours a day, 7 days a week), chat or video, allowing employees to benefit from free, anonymous and confidential consultations with clinical psychologists.

This service is provided by a specialized independent partner. In 2018, the group launched MH Innov' with EUR 155m to invest directly or via its venture capital partners in the European tech ecosystem to support the growth of start-ups that can also develop partnerships with the Group. According to a September 2021 Malakoff Humanis study, 41% of employees believe that the pandemic has put their mental health to the test. Its existing offers/solutions could largely be expanded through partnerships or even takeovers rather than through internal development to respond to needs as quickly as possible.



Groupe vyv, France's leading mutual insurance company, remains committed to its members, customers and patients on the subject of mental health. The group could continue to expand its offer through acquisitions, such as its purchase of a majority stake in MesDocteurs at the end of 2017, to build its telemedicine platform.



Established by the Mutualité Française and financed by the organization along with 45 mutual insurance companies, this fund aims to invest in and develop companies with a high social impact in the prevention, care and medico-social sectors. A first round of EUR 53m was raised in November 2020, with a final target of EUR 100m. Managed by Xange (Siparex group) and Investir&+, the fund has already financed five companies for a total amount of EUR 11.5m, including MindDay in the mental health sector.



Alan, which offers supplementary health insurance to companies and the self-employed, announced at the end of September 2021 that it had acquired Jour in the US for EUR 20m. This is the first acquisition for the insurtech, which raised EUR 185m last April for a EUR 1.4bn valuation to develop its health "super-app". Jour is a mobile wellness and personal development app, which raised EUR 1.8m in seed funding in 2019, and has over 2m downloads worldwide.

This first acquisition confirms Alan's ambition to become the leader in mental health in Europe with the launch of a new comprehensive digital service dedicated to the mental health of employees in companies.

The Alan mobile application's cognitive behavioural therapy feature.



TELEMEDICINE PLATFORMS

Telemedicine platforms such as the British group HealthHero, founded in 2019, are already active in the consolidation of the sector.

HEALTH HERO®

This UK-based company, which offers solutions such as a teleconsultation and mental healthcare programme for patients, insured persons and employees, took over the French teleconsultation specialist Qare in April 2021.*

As well as aiming to build a European teleconsultation platform, HealthHero is also present in Germany and Ireland: it acquired Fernarzt.com in Germany in August 2020 and myclinic in Ireland in January 2021. The group is expanding its mental health offering, with Qare's Doctopsy offer including:




- a telemedicine platform for teleconsultations or face-to-face appointments with a psychiatrist, child psychiatrist, nutritionist, addiction specialist or a psychologist
- a therapeutic application called Mon Sherpa.



Mon Sherpa

Mon Sherpa is based on proven techniques from CBT (cognitive behavioural therapy), positive psychology and mindfulness meditation. The development of the application was supervised by a scientific committee made up of researchers from institutions such as the CNRS (Centre Nationale de la recherche scientifique) and the Hôpital Pitié-Salpêtrière, and experts in psychological support. Mon Sherpa is free of charge and data stored in the application is saved on servers dedicated to health data in France and therefore protected.

HealthHero now boasts a wide portfolio: triage, virtual GP and musculoskeletal or mental health consultations. It also works with multiple business models: D2C, B2B, and business-to-government. HealthHero appears to be well positioned to become one of the leading European virtual care platforms: it is a name to watch.




* Bryan, Garnier & Co acted as sole financial advisor to Qare during its sale to HealthHero

SOFTWARE COMPANIES

Software companies could also be involved in the development and consolidation of the market, particularly those that are specialized in the health sector, such as cegedim, a leading integrated player in healthcare that has a unique ecosystem.

FIG. 9: GROUP ECOSYSTEM

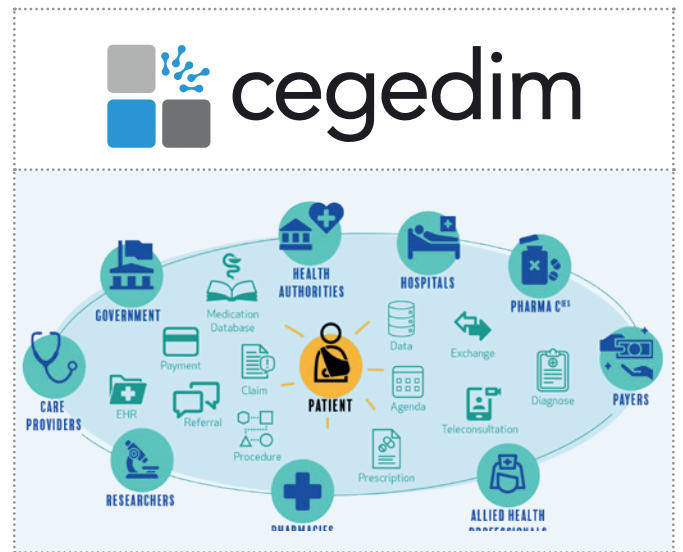
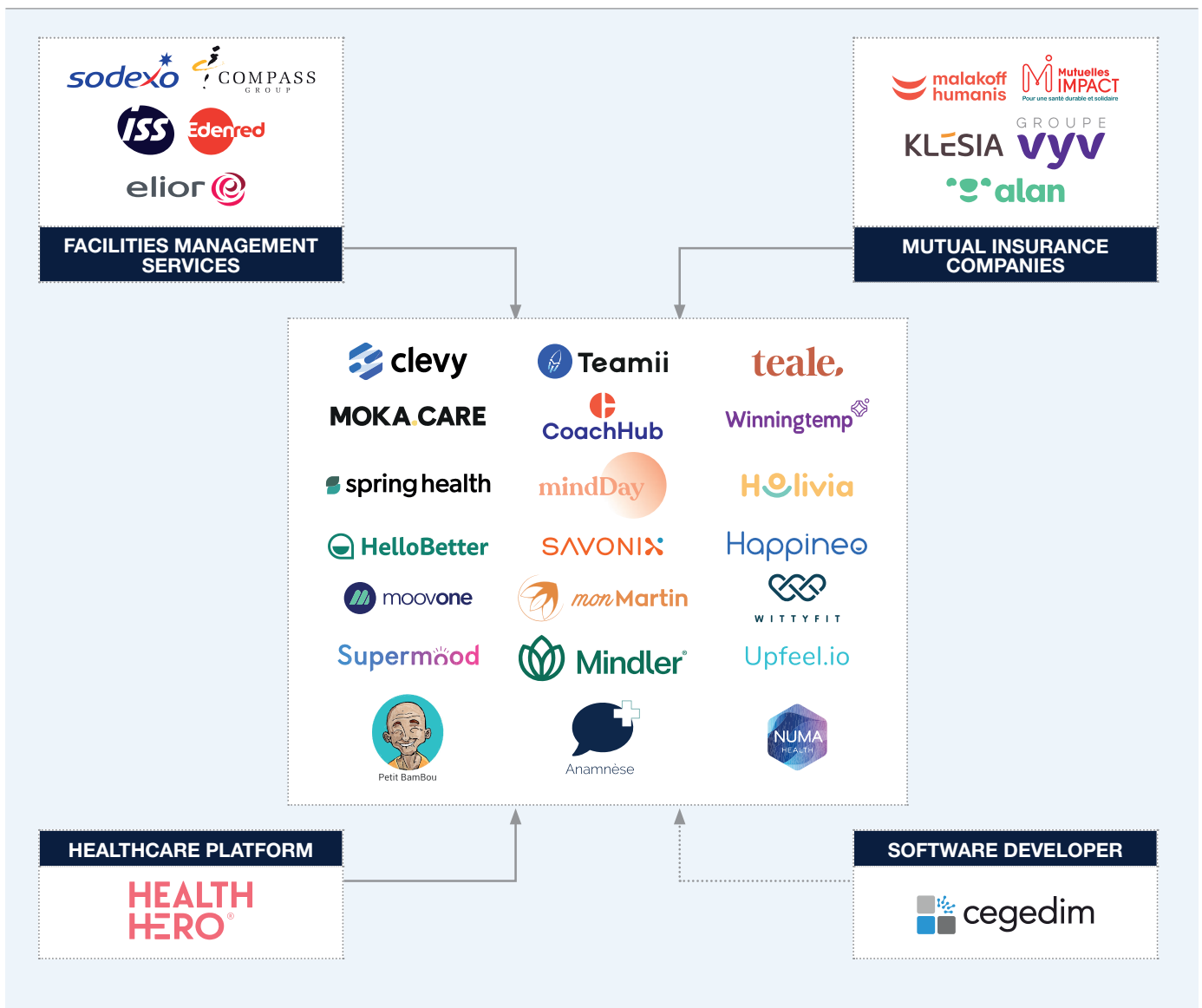


FIG. 10: VECTORS FOR CONSOLIDATION IN THE MENTAL WELLBEING MARKET







Conclusion

In recent months, mental health at work has grown in importance as a theme in business and finance. The pandemic has boosted interest in companies that can improve psychological wellbeing for employees stressed by isolation and threatened by burnout. One in five adults experience mental health problems each year. The work environment is associated with a great deal of anxiety and too few employees are able to find support from their employers. A large majority of employees feel that it is a company's responsibility to look after their mental wellbeing.

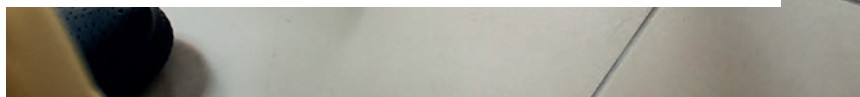
Several startups, initially in the US and now in Europe, have identified a clear opportunity and are offering innovative services to meet the needs of employees and managers. These companies combine “traditional” psychological support provided by psychologists and coaches with state-of-the-art technology that allows for online monitoring of mental health, teleconsultation, online care, and platform-based training and content.

The sector has grown fast in North America. More sensitive to the importance of mental wellness, North Americans began their journey into corporate mental health services early on. In Canada, 78% of workers now feel they can tell someone in their company if they are not feeling well physically or mentally. In the US, Ginger, founded in 2010, pioneered the sector. Its success has attracted many new players eager to

compensate for the lack of therapeutic support in companies. The entire sector is now well established and valued at approximately USD 20 billion. US investors fully understand the potential of the sector.

In Europe, the employee mental health market is in its infancy. In France, where 2.5 million people suffer from burnout,²⁴ mental health remains a delicate subject, especially in the workplace. According to the Malakoff-Humanis Study, 43% of employees believe that their company does not take sufficient account of acute psychological suffering. Now that Covid-19 has highlighted the shortcomings of mental wellbeing support within companies, European companies cannot afford to ignore this nascent market. A number of companies have been created and several fundraisings have been announced. French mental health providers are beginning to tap into what is estimated to be a EUR 10 billion addressable market. Leaders are already serving large companies on a pan-European basis, providing services in three or four languages.

Mental health at work has quickly become a core growth market beyond its narrow healthcare dimension and is now part of the wellbeing/employee benefit segment addressed by world leaders such as Sodexo and Compass. It seems likely that the most promising European companies will attract interest from US pure players that have outgrown their home market, or from diversified domestic players seeking to add mental health to their offering. Consolidation is just beginning.





Glossary

EAP:	Employee Assistance Programmes
SPAC:	Special Purpose Acquisition Company
MHP:	Mental Health Provider
M&A:	Mergers & Acquisitions
TAM:	Total Addressable Market
GDP:	Gross Domestic Product
OECD:	Organization for Economic Co-operation and Development
ROI:	Return on Investment
AI:	Artificial Intelligence
CSR:	Corporate Social Responsibility

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