



Sword Health Is Valued at \$2 Billion in Latest Funding Round

Valuation is more than 18 times where it was viewed in January

Founder: One goal is to develop therapies that sidestep opioids

22 November 2021, 10:00 WET – Sword Health, a provider of virtual and digital physical therapy, is valued at \$2 billion after a funding round led by Sapphire Ventures that saw its valuation increase by more than 18 times since January.

The company raised \$163 million in a Series D round and \$26 million in a secondary round from new investors including Sozo Ventures, Willoughby Capital, Localglobe and ADQ, according to a statement reviewed by Bloomberg News. Existing investors, including General Catalyst and Khosla Ventures, also participated.

The increase comes after Sword Health was valued at \$110 million in a January 2021 round and at \$485 million in its most recent Series C round from June, according to Virgilio Bento, Sword Health's founder and chief executive officer.

Sword Health plans to use the money to develop more personalized musculoskeletal physical therapy offerings, including preventative therapy and post-surgical care, among other initiatives, he said.

Bento said his goal is to provide physical therapy to solutions to help people avoid costly surgeries and addictive painkillers.

"If you look at the root cause of the opioid epidemic you will see that 60% to 70% of new opioid users start taking it due to a musculoskeletal condition," he said in an interview. "If we want to fix the root cause of this, we should be changing how we address the physical pain."

Sword Health first rolled out commercially in January 2020. It employs about 60 doctors of physical therapy. The company's services are sold to employers who offer them to employees as a benefit. Its more than 150 client companies include PepsiCo Inc. and Danaher Corp.

For those who are eligible, Sword Health sends out a tablet and motion sensors that stick to a patient's body, allowing the person to conduct exercises at home that can be monitored virtually.

"It allows you to do your session in your pajamas at breakfast or at 11 p.m. after you put your kids to bed," he said.

The company's biggest competitor is Hinge Health, which in October closed a funding round at a \$6.2 billion valuation. Sword Health says it has a 74% win rate against its direct competitor in requests for proposal.

While an initial public offering is in the company's long-term plans, Bento said it likely won't be a focus for next year.

"It will happen," Bento said. "We're focused on building the business. We don't have a specific view on that timeline. It's subject to the market conditions."