MAKE A PLAY FOUNDATION X BANK OF AMERICA

FORMULA 1

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TASK

This private equity firm is seeking exposure to a high-potential emerging business in the healthcare industry that aligns with their investment strategy.

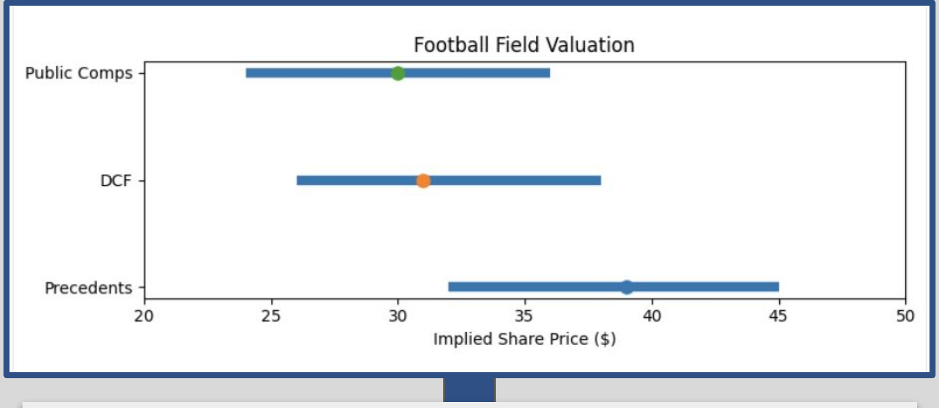
OUR PROPOSAL
SWORD HEALTH

sword

- ***B2B2C digital MSK care platform*** *for employers & insurers*
- ***Expanding*** *clinical programs across digital care pathways*
- *Proprietary AI platform with* ***patented technology***
- ***800K+ members*** *served globally*

Sword Health Financial Snapshot

	FY2024	2026E
Revenue	200M	225M
Non-GAAP Net Income	8M	18M
Non-GAAP Net Margin %	4%	8%



- *Sword Revenue grows from $170M in 2024A to $546M in 2028E (approx.* ***34% CAGR****). Growth decelerates as Sword scales in the Musculoskeletal TAM*
- ***Gross margin expands from 69% to 75%****: driven by increased efficiency in operations, clinician productivity, and software-driven delivery*

Sword Health combines strong market tailwinds, scalable unit economics, and clinically validated outcomes, making it a compelling high-growth investment in the digital healthcare sector.

KEY RISKS

- ***Enterprise adoption delays*** *could* ***slow revenue growth and compress multiples****.*
- ***Regulatory shifts*** *in telehealth reimbursement or HIPAA may pressure margins and* ***increase compliance costs****.*
- ***Increasing competition*** *from Teladoc, Hinge, and other insurer-owned platforms could* ***drive pricing pressure****.*

MITIGATORS

- ***Invest in enterprise sales + AI automation*** *to shorten sales cycles & improve clinician output.*
- ***Diversify payers*** *(self-insured + Medicare Advantage) to reduce reimbursement risk.*
- *Further* ***integration with EHR systems & expand beyond MSK*** *specialization.*

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INVESTMENT THESIS

MASSIVE, UNDERPENETRATED MARKET OPPORTUNITY

Digital MSK care is rapidly expanding as employers seek lower-cost alternatives to traditional physical therapy.

‼ ***Digital MSK market projected to grow from $3.2B (2024) to $11.4B by 2030 (~23% CAGR).***

SCALABLE, HIGH-MARGIN ENTERPRISE PLATFORM

AI-driven, asset-light model with recurring employer and health plan contracts enables strong operating leverage.

‼ ***Revenue expected to reach ~$420M in 2026E with gross margins expanding to ~72%.***

PROVEN CLINICAL OUTCOMES DRIVING ADOPTION & RETENTION

Data-backed results create strong value for employers and differentiate the platform from competitors.

‼ ***Employers achieve ~3.2× ROI from reduced MSK healthcare costs and improved productivity.***

FAQ

Q: How is Sword Health different from competitors?

Unlike competitors (Teladoc Health or Hinge Health), Sword combines proprietary AI technology with human clinicians to deliver personalized care pathways, improving patient outcomes while lowering costs for employers and insurers

Q: Why is the MSK market attractive right now?

Musculoskeletal conditions are one of the largest drivers of healthcare spending globally, and employers are increasingly adopting digital care platforms to reduce costs and improve employee productivity.