Groupon Cofounder's Health Startup Hits $2 Billion Valuation With Latest Funding Round

Tempus, a startup using data analytics to improve cancer treatment, raised $110 million in its Series E financing, the company announced Wednesday. Its third fundraise in 11 months, this round brings the company's valuation to about $2 billion.

To date, Tempus has raised $320 million since it was founded by Groupon cofounder and billionaire Eric Lefkofsky in 2015. Propelled to start Tempus after, Lefkofsky says, he noticed during his wife's cancer treatment a few years ago that there was a lack of data to inform her treatment options, his company now collects both molecular and clinical data from hospitals around the country and analyzes it within a database with the aim of improving treatment for patients with cancer. So far, they've partnered with some 250 hospital systems and have collected 2 million clinical records.

The Chicago-based company plans to use its latest fundraise to extend its focus beyond oncology, and into other areas like cardiovascular disease and diabetes, and to work outside the U.S. in Europe, Australia and Asia. Investors in the round include Baillie Gifford, T. Rowe Price, Revolution Growth and New Enterprise Associates.

"He's learned a lot about platforms and tech and importance of scale," says Revolution Growth cofounder and billionaire Ted Leonsis of Lefkofsky. "He would just talk to me in his free time about how you could get more information about where you wanted to go on vacation than about what the best treatment is that would improve the quality of life of my loved one."

Leonsis has known Lefkofsky since he made a personal investment in one of Lefkofsky's earlier ventures, advertising software company MediaBank, now called MediaOcean. Leonsis later invested in Groupon, and his Revolution Growth has also made an investment in Lefkofsky's other unicorn startup, Uptake.

Tempus' valuation has doubled in the last six months. According to Pitchbook, the startup was valued at a little more than $1 billion following its Series D fundraise in March. Other startups focused on using big data to improve cancer care have recently been acquired at valuations similar to what Tempus has reached. Roche acquired Flatiron Health, founded by 30 Under 30 alum Nat Turner, in February for $1.9 billion and Foundation Medicine in June for $2.4 billion.

"I don't know how long this is going to take, and I don't know what the right kind of business model is going to be, but it's undeniable that this is going to be a huge chunk of the healthcare economy in the U.S.," says Mohamad Makhzoumi, general partner and head

of New Enterprise Associate's healthcare services and healthcare IT division.

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