

Healthcare & Life Sciences

INDUSTRY REPORT

Summer | 2023

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS
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Market Observations

Market Summary

Healthcare Market

The global health care & life science services faced multiple challenges, including rising costs which involves labor and drug-related cost and supply cost, coverage shifts and regulatory changes coupled with supply chain disruptions, raw material price increases, and an inability to pass price increases through to customers during the period of 2022. The median cost of drugs stands at 5% in 2023, slightly higher than 4.8% and 4.9% in 2021 and 2022, respectively. Despite these obstacles, the industry has largely recovered from the pandemic and is expected to maintain solid demand. According to S&P Global, healthcare spending is projected to grow in the mid-single-digit percent range of about 4-5%. While material costs and supply chain challenges may impact margins, providers can pass on increased costs to payers and patients. Total healthcare costs are anticipated to increase by 62% in 2023, driven by cost inflation, clinical labor wage growth, and rising interest rates. However, the incorporation of digital technology is expected to bring significant cost savings of \$1.5-3.0 trillion by 2030 through innovative solutions such as remote monitoring, artificial intelligence, and digitalization. Additionally, the growing geriatric population is expected to drive the growth of the diagnostic devices market, particularly in areas related to age-related diseases like cancer and diabetes.

Public Company Valuations

The CFA Select Healthcare & Life Sciences Index increased by 3.7% in the second quarter of 2023, and the 12 months return on the Index increased by 3.8%. Our index for each of the subsectors increased in the second quarter of 2023 except for Healthcare Services, Biotechnology and Life Science Tools and Services. Healthcare Providers outperformed all other indices with 15.8% increase in the second quarter of 2023. Biotechnology had the highest median revenue multiple with 6.0x, while Life Sciences Tools & Services had the highest median EBITDA multiple of 19.2x. Healthcare Equipment & Supplies had median revenue and EBITDA multiples with 6.2x and 21.0x, while Healthcare Providers had median revenue and EBITDA multiples with 5.6x and 20.3x, respectively. Healthcare Services, Healthcare Diagnostics & Imaging, Pharmaceuticals, Medical Devices and Life Sciences Tools & Services had median revenue multiples of 4.1x, 3.5x, 1.8x, 1.5x, and 4.2x, respectively, and EBITDA multiples of 17.7x, 14.5x, 13.4x, 11.1x, and 10.5x respectively.



The CFA Select Healthcare & Life Sciences Index increased in the second quarter of 2023...

Mergers and Acquisitions

The healthcare industry is witnessing significant investor interest on a global scale, and we anticipate this trend to persist throughout the latter part of 2023. Major pharmaceutical companies are actively seeking investments in medium-sized biotech firms to address gaps in their pipelines. Meanwhile, portfolio evaluations and divestments of non-core assets are receiving considerable attention. Additionally, private equity firms are eagerly looking to deploy their available funds by acquiring innovative assets in the healthcare sector. However, during the initial half of the year, challenging economic conditions and a consistent disparity between the price expectations of buyers and sellers impeded certain deal-making activities. Therefore, the industry faced a drop in the number of deals. With narrowing valuation gap, the industry anticipates an upswing in deal activity in the second half.

Industry Trends

Digital Health Solution Continues to Evolve

The increasing use of telemedicine and virtual healthcare services is considered to be a significant evolution in the healthcare industry. Telemedicine has been decreasing the cost of healthcare while increasing efficiency through improved management of chronic diseases, reduced travel times, shared health professional staffing, and fewer and shorter hospital stays. Telehealth has gained significant popularity as a healthcare option in recent years, especially due to the Covid-19 pandemic. Both patients and healthcare providers have embraced the convenience of remote consultations and virtual care. A Cisco study found that 74% of patients are comfortable communicating with doctors through technology. Mobile health (mHealth) has also made a significant impact, providing access to health information and services through mobile devices. The global mHealth market was valued at \$56.8 billion in 2022 and is projected to grow at a CAGR of over 10.8% from 2023 to 2030, with wearable devices and remote patient monitoring being key applications. Insider Intelligence predicts that by 2025, 70.6 million US patients (26.2% of the population) will use remote patient monitoring tools, with seniors driving a positive return on investment from such technology, improving the solutions to geriatric care treatments.

Advancement in Life Science through Omics Data Integration

Next-generation sequencing technologies are leading the way in the field of precision medicine. The multi-omics technologies, which encompass various molecular analysis approaches such as genomics, proteomics, transcriptomics, metabolomics, epigenomics, microbiomics, and phenomics are considered to advance the growth in the medical sector. By providing comprehensive molecular insights into health, disease, and clinical decision-making, these omics solutions contribute to a more detailed understanding of human well-being. In 2023, there will be further advancements as researchers increasingly employ multi-omics analyses to gain a comprehensive view of cellular activity, enabling improved prevention and treatment of critical diseases. According to a study by Polaris Market Research, the global omics lab services market is projected to reach \$245.6 billion by 2032, with a CAGR of 13.4% from 2023 to 2032.



Nano Medicine Becomes a Promising Diagnostic Technology

Nanomedicine refers to the use of microscopic materials and devices at the nanoscale for medical purposes, such as diagnosis and treatment. This field includes biocompatible nanoparticles, nanoelectronic devices, and nanorobots, which can be utilized to target cancer cells or viruses within the body. The nanomedicine market is estimated to be valued at \$160 billion in 2023, with a projected growth to reach \$396.2 billion by 2031, according to Brainy Insights. The increasing adoption of nanotechnology for drug delivery and the limitations of traditional therapies offer promising opportunities for the nanomedicine industry. In 2022, the drug delivery segment dominated the market due to the rising prevalence of chronic and infectious diseases, while the therapeutics segment is expected to grow rapidly at a rate of 12.79% from 2023 to 2030, driven by a wide range of products available for treating various conditions. With its precise targeting capabilities and minimal side effects, nanomedicine is emerging as a dynamic and evolving treatment approach.

Significant News

Just – Evotec snags DoD award worth up to \$75M to develop AI-driven antibody therapeutics

Geekwire, July 06, 2023

“Just Evotec, an integrated design company that delivers advanced biotherapeutics discovery won a contract from the U.S. Department of Defense worth up to \$75 million to develop drug candidates for orthopoxviruses, the group of viruses that cause smallpox and monkeypox.”

[Read More >](#)

Abbott Receives FDA Approval for World's First Dual Chamber Leadless Pacemaker

PRNewswire, July 05, 2023

“Abbott today announced that the U.S. Food and Drug Administration (FDA) has approved the AVEIR™ dual chamber (DR) leadless pacemaker system, the world's first dual chamber leadless pacing system that treats people with abnormal or slow heart rhythms. With more than 80% of people who need a pacemaker requiring pacing in two chambers of the heart (both the right atrium and right ventricle), the approval significantly increases access to leadless pacing for millions of people across the U.S.”

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CMS launches No Surprises Act consumer webpage

American Hospital Association, June 15, 2023

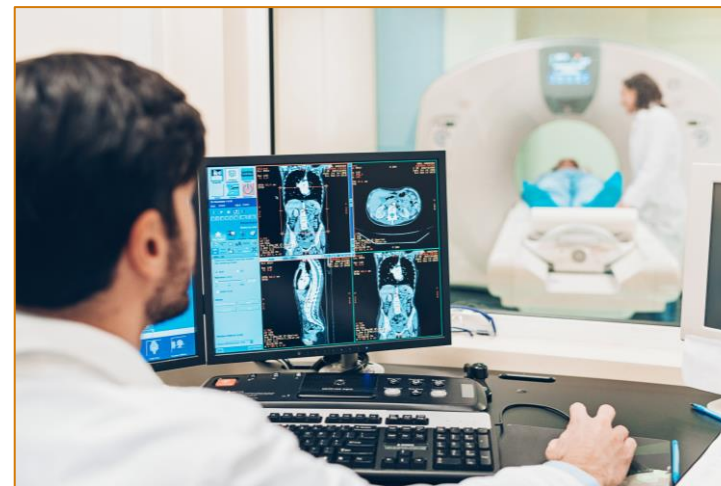
“The Centers for Medicare & Medicaid Services June 14 launched a webpage for consumers on patient protections from unexpected out-of-network medical bills under the No Surprises Act. It also addresses the dispute resolution process for uninsured and self-pay patients interested in disputing their bill based on the provider's good faith estimate.”

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M&A Metrics

Healthcare & Life Sciences Industry

M&A activity in the Healthcare & Life Sciences industry decreased in Q2 2023. The number of M&A transactions in the Healthcare & Life Sciences industry decreased from 311 in Q1 2023 to 267 in Q2 2023. The number of sub-\$50 million transactions decreased from 277 in Q1 2023 to 235 in Q2 2023. The number of transactions above \$100 million increased from 23 in Q1 2023 to 24 in Q2 2023. The total number of M&A transactions decreased 54.0% year on year from 581 in Q2 2022 to 267 in Q2 2023.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Not Disclosed	302	391	463	442	460	474	426	371	334	304	233	205
Under \$10 MM	94	85	64	83	90	88	56	78	51	66	27	12
\$10 - \$25 MM	35	35	22	36	33	35	20	33	27	23	6	5
\$25 - \$50 MM	20	31	27	28	25	24	18	29	20	17	11	13
\$50 - \$100 MM	21	25	19	31	17	29	17	17	18	14	11	8
\$100 - \$500 MM	38	42	32	55	31	51	29	36	34	29	12	14
\$500 MM+	18	34	41	29	34	26	16	17	18	19	11	10
Total Transactions	528	643	668	704	690	727	582	581	502	472	311	267

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 325412 - Pharmaceutical Preparation Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.14	2.73	2.8
Gross Profit Margin	47.88%	48.70%	54.10%
Net Profit Margin	-3.46%	-5.33%	6.02%
Accounts Receivable Days	87.54	101.48	107.7
Accounts Payable Days	70.12	56.52	74.27
Debt-to-Equity Ratio	1.43	1.41	2.02
Return on Equity	30.55%	25.70%	24.83%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	10.88%	9.99%	15.05%
Profit Growth	11.89%	11.27%	15.34%

NAICs 334510 - Electromedical & Electrotherapeutic Apparatus Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.22	2.15	2.46
Gross Profit Margin	79.78%	63.32%	46.57%
Net Profit Margin	-2.94%	-3.53%	3.04%
Accounts Receivable Days	40.21	39.6	42.44
Accounts Payable Days	37.28	30.53	26.72
Debt-to-Equity Ratio	2.22	2.36	1.46
Return on Equity	50.96%	55.92%	62.29%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	21.76%	20.91%	36.38%
Profit Growth	12.24%	12.24%	71.60%

Source: Profit Cents

NAICs 325414 - Biological Product (except Diagnostic) Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	--	2.5	2.6
Gross Profit Margin	--	42.82%	38.77%
Net Profit Margin	--	4.26%	18.72%
Accounts Receivable Days	--	90.62	78.77
Accounts Payable Days	--	146.39	199.73
Debt-to-Equity Ratio	--	0.88	0.47
Return on Equity	--	31.82%	32.65%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	--	--	12.51%
Profit Growth	--	--	136.25%

NAICs 334516 - Analytical Laboratory Instrument Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.53	2.38	2.95
Gross Profit Margin	44.14%	51.14%	50.33%
Net Profit Margin	7.82%	15.35%	16.36%
Accounts Receivable Days	55.8	58.94	53.59
Accounts Payable Days	64.78	38.07	34.63
Debt-to-Equity Ratio	2.6	3.89	1.98
Return on Equity	47.16%	97.18%	83.53%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	27.65%	23.53%	29.85%
Profit Growth	10.73%	9.03%	45.28%

Industry Metrics

Industry Financial Data and Ratios

NAICs 339112 - Surgical and Medical Instrument Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	4.24	4.78	4.55
Gross Profit Margin	55.89%	51.59%	52.12%
Net Profit Margin	2.37%	0.85%	-1.66%
Accounts Receivable Days	49.33	48.09	50.2
Accounts Payable Days	53.69	55.37	52.5
Debt-to-Equity Ratio	1.23	1.33	1.39
Return on Equity	19.03%	39.44%	50.33%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	17.18%	17.17%	19.14%
Profit Growth	26.75%	0.10%	64.04%

NAICs 524114 - Direct Health and Medical Insurance Carriers

Financial Metric	Last12 Mo	2022	2021
Current Ratio	5.16	2.81	4.45
Gross Profit Margin	77.78%	91.65%	88.97%
Net Profit Margin	9.75%	8.38%	10.06%
Accounts Receivable Days	30.11	33.88	36.03
Accounts Payable Days	76.44	43	46.81
Debt-to-Equity Ratio	1.95	1.72	1.56
Return on Equity	56.48%	46.88%	41.89%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	10.50%	8.33%	9.88%
Profit Growth	10.12%	6.86%	34.33%

NAICs 622110 - General Medical and Surgical Hospitals

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.76	3.11	2.73
Gross Profit Margin	97.99%	97.56%	95.69%
Net Profit Margin	-0.72%	0.35%	9.77%
Accounts Receivable Days	59.4	61.31	55.43
Accounts Payable Days	34.27	29.29	25.26
Debt-to-Equity Ratio	1.59	1.42	1.4
Return on Equity	5.22%	7.88%	27.94%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	4.50%	6.16%	15.13%
Profit Growth	-48.87%	-33.28%	54.83%

Source: Profit Cents



Notable Transactions



In July 2023, **Morphimmune**, a biotech company led by former Seagen CEO Clay Siegall, is merging with a public biotech company, **Immunome**, in a deal boosted with \$125 million from private investors. Siegall will serve as CEO, president and chairman of the board of directors of the merged company, which will be called Immunome and will be headquartered in Seattle.



In June 2023, **Novartis AG**, a Swiss multinational pharmaceutical corporation, acquired **Chinook Therapeutics** for \$40 per share in cash, for a total of \$3.2 billion. Additionally, Chinook shareholders will receive contingent value rights providing for payment of up to \$4 per share upon the achievement of certain future regulatory milestones, according to the company press release.



In May 2023, **CTI BioPharma**, a Seattle-based publicly traded biotech company developing therapies for blood-related cancers, is set to be acquired in a deal with **Swedish biotech giant Sobi**. The acquisition, values CTI at \$1.7 billion, nearly double the company's current market capitalization



In April 2023, Vancouver, B.C.-based biotech company **Aspect Biosystems** inked a partnership worth potentially more than \$2.6 billion with Danish biopharma giant **Novo Nordisk** to develop "bioprinted" tissue therapeutics. The deal comes with \$75 million in up-front payments, research funding and a convertible note investment, with potential for \$650 million in milestone payments for each of four potential products in diabetes or obesity.



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Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
06/01/23	Coris Bioconcept SRL	Avacta Group Plc	12.89	5.70	29.71
06/01/23	Reunion Neuroscience, Inc.	Bioimpact Capital LLC	-7.36	0.00	0.38
05/31/23	Alliance Healthcare Radiology	Clearview Capital LLC; Capitol Imaging Services LLC	NA	NA	NA
05/10/23	CTI BioPharma Corp.	Swedish Orphan Biovitrum AB	1,258.36	75.77	-24.29
05/07/23	Regional Health Care Group Pty Ltd.	Henry Schein, Inc.	NA	28.32	NA
05/05/23	Digirad Health, Inc.	TTG Imaging Solutions LLC	40.00	NA	NA
04/27/23	Haystack Oncology, Inc.	Quest Diagnostics, Inc.	450.00	NA	NA
04/25/23	Spectrum Pharmaceuticals, Inc.	Assertio Holdings, Inc.	249.59	25.73	-3.98
04/24/23	Medica Group Plc	IK Investment Partners Ltd.	322.54	94.82	18.39
04/24/23	Aurora Scientific, Inc.	Branford Castle, Inc.; Lafayette Instrument Co., Inc.	NA	NA	NA
04/24/23	C4 Laboratories LLC	Riverside Partners LLC (New York); SC Laboratories, Inc.	NA	NA	NA
04/20/23	OneOncology LLC	AmerisourceBergen Corp.; TPG Capital LLC; OneOncology LLC /Private Group/	2,100.00	NA	NA
04/18/23	Home Medical Products, Inc.	Viemed Healthcare, Inc.	28.00	28.00	4.12
04/18/23	BELLUS Health, Inc.	GSK Plc	1,558.69	0.02	-17.24
04/16/23	Prometheus Biosciences, Inc	Merck & Co., Inc.	8,896.43	6.81	-61.66
04/11/23	Promedica Care Sp zoo	Danone SA	NA	NA	NA
(\$ in millions) Source: Factset					

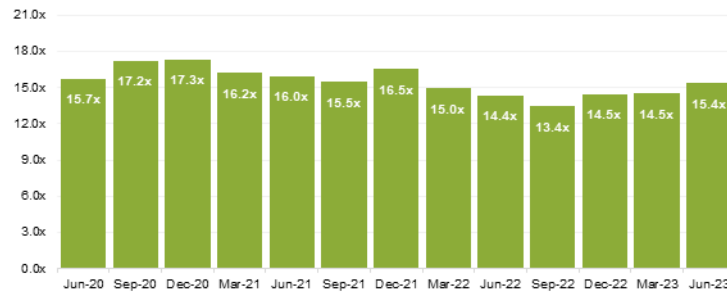


Public Companies

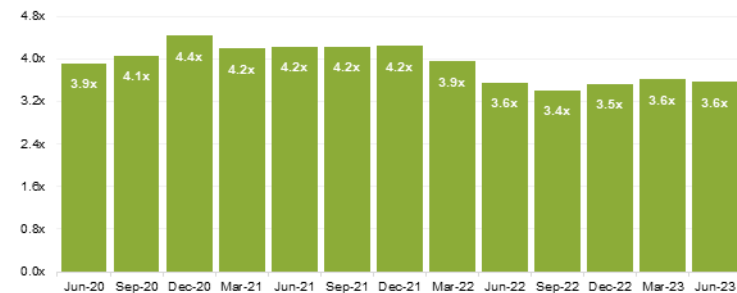
Industry Performance

CFAW Select Healthcare & Life Sciences Index

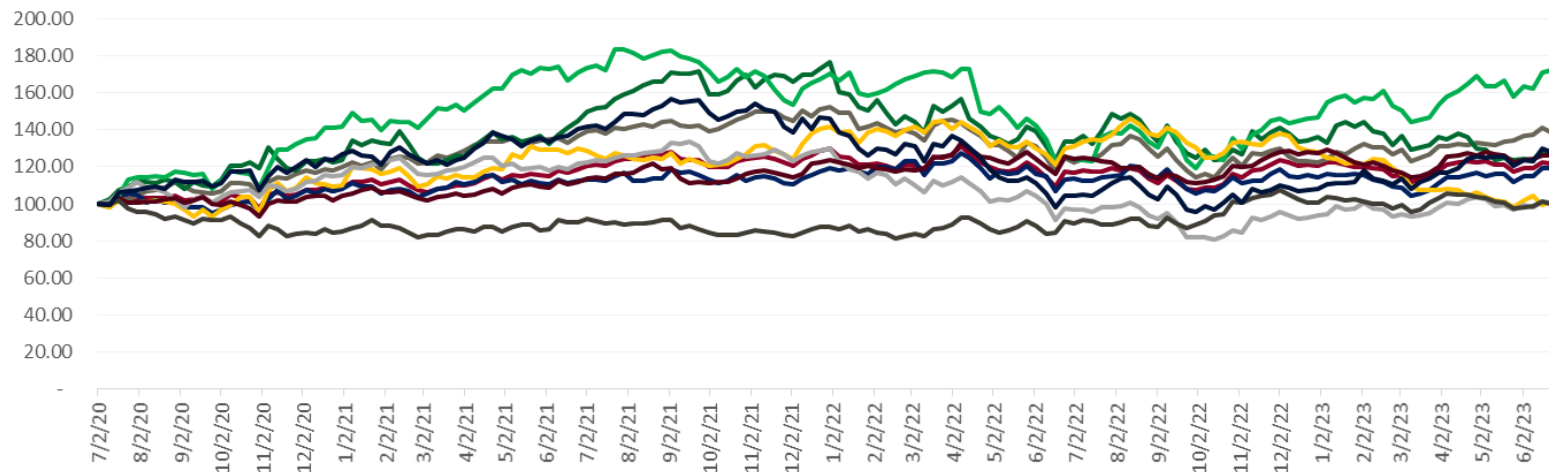
CFAW Select Healthcare & Life Sciences Index | Median EBITDA Multiples



CFAW Select Healthcare & Life Sciences Index | Median Revenue Multiples



- Select CFAW Select Healthcare & Life Sciences Index
- CFAW Selected Life Sciences Tools & Services Index
- CFAW Selected Healthcare Providers Index
- CFAW Selected Healthcare Diagnostics & Imaging Index
- CFAW Selected Biotechnology Index
- S&P 500
- CFAW Selected Healthcare Equipment & Supplies Index
- CFAW Selected Healthcare Services Index
- CFAW Selected Pharmaceuticals Index
- CFAW Selected Medical Devices Index

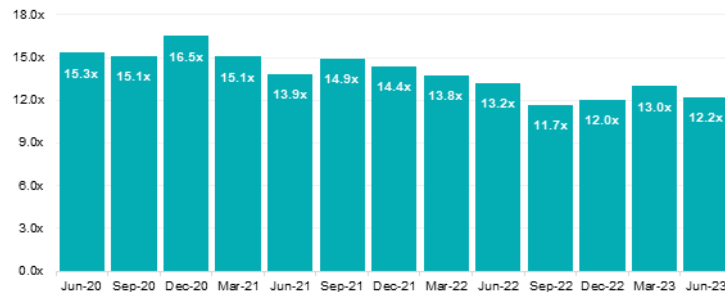


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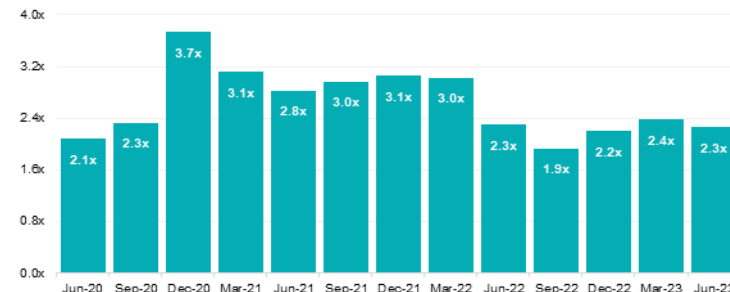
Public Comparables

Healthcare Equipment & Supplies

Healthcare Equipment & Supplies | Median EBITDA Multiples



Healthcare Equipment & Supplies | Median Revenue Multiples



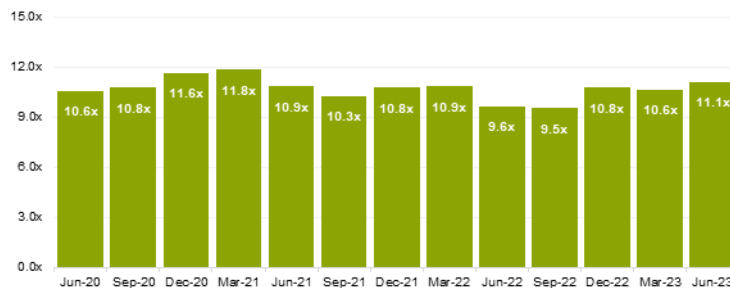
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
McKesson Corporation	\$427.31	135	\$57,645	\$62,835	\$284,040	\$5,286	0.2x	11.9x
AmerisourceBergen Corporation	\$192.43	202	\$38,905	\$42,663	\$254,425	\$3,347	0.2x	12.7x
Cardinal Health, Inc.	\$94.57	255	\$24,078	\$24,824	\$198,657	\$2,380	0.1x	10.4x
Becton, Dickinson and Company	\$264.01	290	\$76,592	\$92,342	\$19,046	\$4,689	4.8x	19.7x
Viatis, Inc.	\$9.98	1,200	\$11,971	\$30,322	\$15,538	\$5,021	2.0x	6.0x
Baxter International Inc.	\$45.56	506	\$23,072	\$38,327	\$14,880	\$2,688	2.6x	14.3x
Henry Schein, Inc.	\$81.10	131	\$10,590	\$13,781	\$12,598	\$1,113	1.1x	12.4x
Owens & Minor, Inc.	\$19.04	77	\$1,457	\$3,783	\$10,135	\$365	0.4x	10.4x
Olympus Corp.	\$15.68	1,266	\$19,851	\$21,374	\$6,508	\$1,814	3.3x	11.8x
DENTSPLY SIRONA, Inc.	\$40.02	212	\$8,473	\$10,419	\$3,936	\$621	2.6x	16.8x
STERIS Plc	\$224.98	99	\$22,194	\$24,859	\$4,958	\$1,333	5.0x	18.7x
ResMed Inc.	\$218.50	147	\$32,104	\$33,420	\$4,016	\$1,309	8.3x	25.5x
Teleflex Incorporated	\$242.03	47	\$11,374	\$12,793	\$2,899	\$799	4.4x	16.0x
Envista Holdings Corp.	\$33.84	164	\$5,544	\$6,424	\$2,582	\$533	2.5x	12.1x
Uniphar PLC	\$3.25	273	\$888	\$1,114	\$2,176	\$104	0.5x	10.7x
HCA Healthcare Inc	\$303.48	272	\$82,543	\$125,370	\$61,920	\$12,308	2.0x	10.2x
Mean				\$34,040	\$56,145	\$2,732	2.5x	13.7x
Median				\$24,841	\$11,366	\$1,573	2.3x	12.2x

Source: FactSet

Public Comparables

Healthcare Providers

Healthcare Providers | Median EBITDA Multiples



Healthcare Providers | Median Revenue Multiples



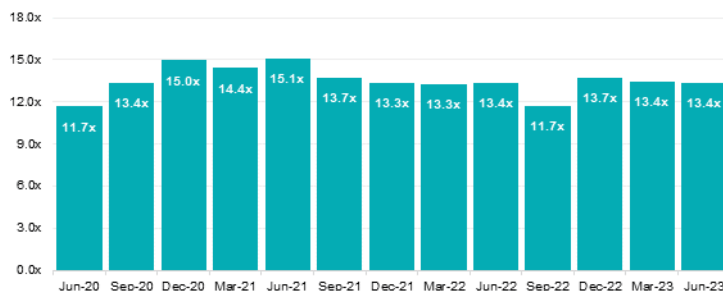
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Fresenius SE & Co. KGaA	\$27.68	563	\$15,590	\$55,860	\$43,577	\$5,927	1.3x	9.4x
Tenet Healthcare Corporation	\$81.38	102	\$8,263	\$26,033	\$19,894	\$3,088	1.3x	8.4x
Community Health Systems, Inc.	\$4.40	137	\$602	\$13,625	\$12,390	\$1,353	1.1x	10.1x
Universal Health Services, Inc. Class B	\$157.77	63	\$9,928	\$16,200	\$13,574	\$1,687	1.2x	9.6x
DaVita Inc.	\$100.47	91	\$9,173	\$21,826	\$11,739	\$2,010	1.9x	10.9x
Select Medical Holdings Corporation	\$31.86	127	\$4,051	\$9,294	\$6,489	\$681	1.4x	13.7x
Encompass Health Corporation	\$67.71	100	\$6,787	\$10,118	\$4,032	\$892	2.5x	11.3x
Brookdale Senior Living Inc.	\$4.22	188	\$794	\$5,373	\$2,891	\$314	1.9x	17.1x
Ensign Group, Inc.	\$95.46	56	\$5,365	\$6,818	\$3,303	\$285	2.1x	23.9x
Acadia Healthcare Company, Inc.	\$79.64	92	\$7,341	\$8,770	\$2,778	\$596	3.2x	14.7x
Amedisys, Inc.	\$91.44	33	\$2,982	\$3,411	\$2,229	\$191	1.5x	17.9x
Surgery Partners, Inc.	\$44.99	126	\$5,691	\$9,677	\$2,662	\$529	3.6x	18.3x
Spire Healthcare Group PLC	\$2.70	404	\$1,092	\$2,428	\$1,476	\$249	1.6x	9.8x
CVS Health Corporation	\$69.13	1,284	\$88,790	\$154,063	\$339,727	\$20,440	0.5x	7.5x
Centene Corporation	\$67.45	541	\$36,523	\$41,127	\$147,923	NA	0.3x	NM
Mean				\$25,641	\$40,979	\$2,732	1.7x	13.0x
Median				\$10,118	\$6,489	\$786	1.5x	11.1x

Source: FactSet

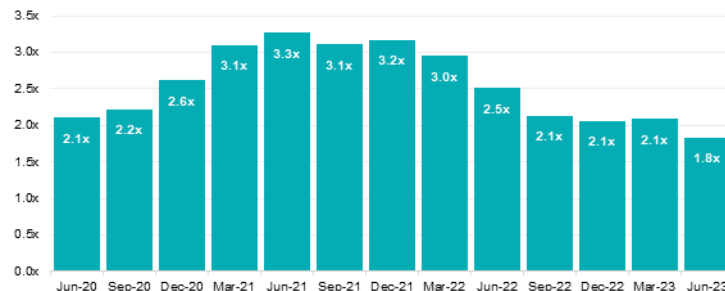
Public Comparables

Healthcare Services

Healthcare Services | Median EBITDA Multiples



Healthcare Services | Median Revenue Multiples



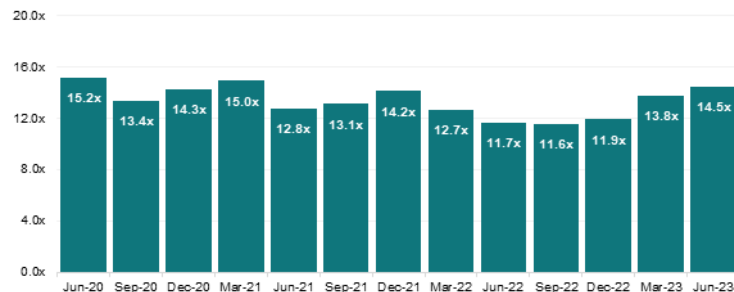
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Molina Healthcare, Inc.	\$301.24	58	\$17,562	\$14,943	\$32,626	NA	0.5x	NM
Cerner Corporation	NA	NA	NA	NA	\$5,807	\$1,725	NM	NM
MAXIMUS, Inc.	\$84.51	61	\$5,137	\$6,529	\$4,822	\$446	1.4x	14.6x
Change Healthcare, Inc.	\$27.49	NA	NA	\$13,454	\$3,497	\$831	3.8x	16.2x
Stericycle, Inc.	\$46.44	93	\$4,297	\$6,027	\$2,715	\$447	2.2x	13.5x
AMN Healthcare Services, Inc.	\$109.12	38	\$4,145	\$5,195	\$4,382	\$616	1.2x	8.4x
Veradigm Inc.	\$12.60	109	\$1,377	\$1,102	\$837	\$160	1.3x	6.9x
Premier, Inc. Class A	\$27.66	119	\$3,294	\$3,701	\$1,336	\$409	2.8x	9.0x
R1 RCM Inc	\$18.45	419	\$7,730	\$9,467	\$2,135	\$464	4.4x	20.4x
agilon health inc	\$17.34	405	\$7,031	\$6,490	\$3,670	(\$102)	1.8x	NM
Teladoc Health, Inc.	\$25.32	165	\$4,177	\$4,802	\$2,531	\$76	1.9x	63.4x
MultiPlan Corp Class A	\$2.11	653	\$1,377	\$5,916	\$966	\$623	6.1x	9.5x
Cross Country Healthcare, Inc.	\$28.08	36	\$1,005	\$1,028	\$2,428	\$210	0.4x	4.9x
Koninklijke Philips N.V.	\$21.61	929	\$20,069	\$27,837	\$19,205	\$2,103	1.4x	13.2x
Becton, Dickinson and Company	\$264.01	290	\$76,592	\$92,342	\$19,046	\$4,689	4.8x	19.7x
Mean				\$14,202	\$7,067	\$907	2.4x	16.7x
Median				\$6,259	\$3,497	\$455	1.8x	13.4x

Source: FactSet

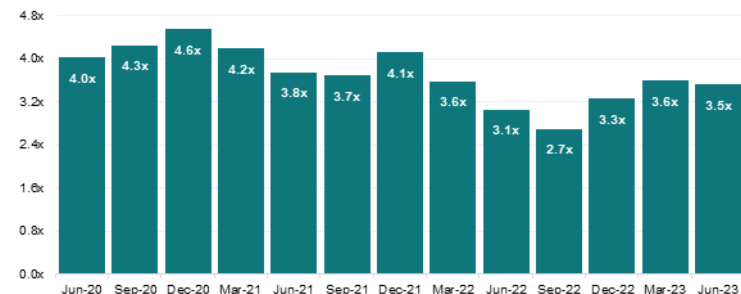
Public Comparables

Healthcare Diagnostics & Imaging

Healthcare Diagnostics & Imaging | Median EBITDA Multiples



Healthcare Diagnostics & Imaging | Median Revenue Multiples



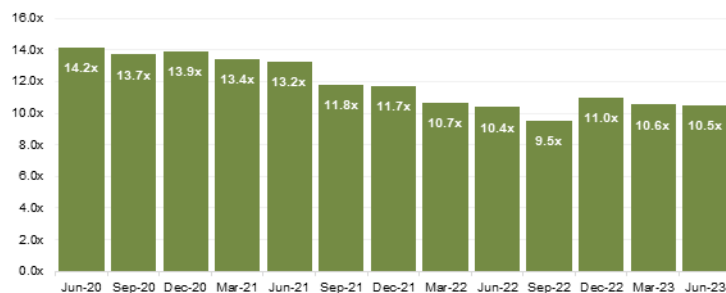
Company \$USD in Millions	Share	Shares	Market	Enterprise	Revenues	EBITDA	Enterprise Value /	
	Price	O/S	Cap	Value	(LTM)	(LTM)	Revenues	EBITDA
Siemens Healthineers AG	\$56.58	1,128	\$63,821	\$79,681	\$22,609	\$4,117	3.5x	19.4x
Laboratory Corporation of America Holdings	\$207.32	89	\$18,369	\$25,705	\$13,352	\$2,262	1.9x	11.4x
Quest Diagnostics Incorporated	\$140.56	112	\$15,776	\$20,691	\$9,488	\$1,817	2.2x	11.4x
Eurofins Scientific SE	\$63.45	193	\$12,235	\$16,230	\$6,980	\$1,448	2.3x	11.2x
Hologic, Inc.	\$80.97	245	\$19,833	\$19,908	\$4,038	\$1,294	4.9x	15.4x
bioMérieux SA	\$104.87	118	\$12,412	\$12,360	\$3,772	\$859	3.3x	14.4x
Sysmex Corporation	\$67.82	210	\$14,224	\$13,940	\$3,029	\$771	4.6x	18.1x
RadNet, Inc.	\$32.62	58	\$1,903	\$3,571	\$1,479	\$245	2.4x	14.6x
Sotera Health Company	\$18.84	283	\$5,324	\$7,377	\$976	\$456	7.6x	16.2x
Myriad Genetics, Inc.	\$23.18	82	\$1,898	\$1,981	\$699	(\$103)	2.8x	NM
Thyrocare Technologies Ltd	\$6.31	53	\$334	\$319	\$65	\$15	4.9x	21.0x
Johnson & Johnson	\$165.52	2,599	\$430,181	\$448,402	\$97,814	\$32,983	4.6x	13.6x
Roche Holding Ltd Dividend Right Cert.	\$305.71	703	\$214,778	\$268,415	\$64,716	\$22,399	4.1x	12.0x
Mean				\$70,660	\$17,617	\$5,274	3.8x	14.9x
Median				\$16,230	\$4,038	\$1,294	3.5x	14.5x

Source: FactSet

Public Comparables

Pharmaceuticals

Pharmaceuticals | Median EBITDA Multiples



Pharmaceuticals | Median Revenue Multiples



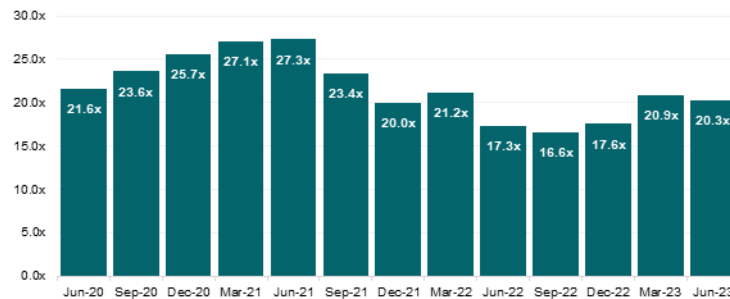
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Novartis AG	\$100.60	2,277	\$229,110	\$225,313	\$51,764	\$18,909	4.4x	11.9x
Merck & Co., Inc.	\$115.39	2,538	\$292,805	\$323,562	\$57,352	\$11,124	5.6x	29.1x
Bayer AG	\$55.28	982	\$54,309	\$100,363	\$50,934	\$13,525	2.0x	7.4x
AbbVie, Inc.	\$134.73	1,765	\$237,805	\$290,052	\$56,023	\$29,202	5.2x	9.9x
GSK plc	\$17.66	4,095	\$72,304	\$89,918	\$35,283	\$10,601	2.5x	8.5x
Bristol-Myers Squibb Company	\$63.95	2,089	\$133,598	\$164,058	\$45,187	\$18,265	3.6x	9.0x
Pfizer Inc.	\$36.68	5,645	\$207,070	\$223,281	\$92,951	\$39,252	2.4x	5.7x
Sanofi	\$107.14	1,265	\$135,476	\$148,647	\$45,371	\$14,144	3.3x	10.5x
Abbott Laboratories	\$109.02	1,735	\$189,189	\$198,110	\$40,226	\$9,283	4.9x	21.3x
Takeda Pharmaceutical Co. Ltd.	\$31.32	1,582	\$49,560	\$79,350	\$29,933	\$9,896	2.7x	8.0x
AstraZeneca PLC	\$143.36	1,550	\$222,188	\$246,237	\$44,489	\$12,929	5.5x	19.0x
Eli Lilly and Company	\$468.98	949	\$445,190	\$461,461	\$29,516	\$9,348	15.6x	49.4x
Merck KGaA	\$165.34	129	\$21,369	\$82,246	\$23,066	\$6,940	3.6x	11.9x
Amgen Inc.	\$222.02	535	\$118,759	\$146,054	\$26,343	\$12,644	5.5x	11.6x
Gilead Sciences, Inc.	\$77.07	1,246	\$96,030	\$114,190	\$27,219	\$11,980	4.2x	9.5x
Mean				\$192,856	\$43,710	\$15,203	4.7x	14.8x
Median				\$164,058	\$44,489	\$12,644	4.2x	10.5x

Source: FactSet

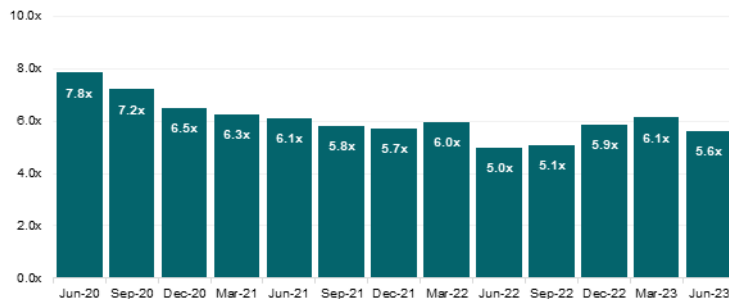
Public Comparables

Biotechnology

Biotechnology | Median EBITDA Multiples



Biotechnology | Median Revenue Multiples



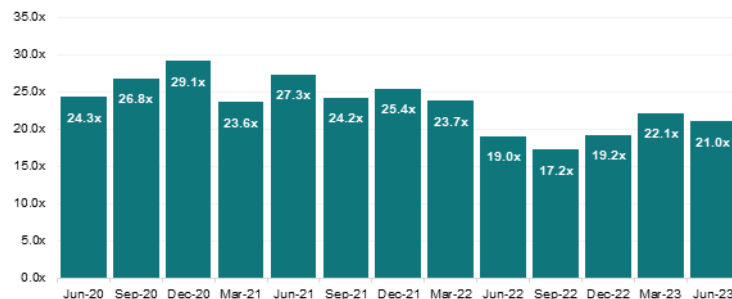
Company \$USD in Millions	Share	Shares	Market	Enterprise	Revenues	EBITDA	Enterprise Value /	
	Price	O/S	Cap	Value	(LTM)	(LTM)	Revenues	EBITDA
Biogen Inc.	\$284.85	145	\$41,253	\$41,751	\$9,336	\$2,641	4.5x	15.8x
Regeneron Pharmaceuticals, Inc.	\$718.54	107	\$76,697	\$72,018	\$12,671	\$5,010	5.7x	14.4x
Vertex Pharmaceuticals Incorporated	\$351.91	258	\$90,826	\$80,249	\$9,357	\$3,983	8.6x	20.1x
Incyte Corporation	\$62.25	224	\$13,949	\$10,519	\$3,513	\$517	3.0x	20.3x
Seagen, Inc.	\$192.46	188	\$36,124	\$34,938	\$2,162	(\$667)	16.2x	NM
Novozymes A/S Class B	\$46.58	227	\$10,586	\$13,997	\$2,489	\$807	5.6x	17.3x
BioMarin Pharmaceutical Inc.	\$86.68	188	\$16,311	\$16,223	\$2,193	\$168	7.4x	96.6x
Neurocrine Biosciences, Inc.	\$94.30	98	\$9,209	\$8,503	\$1,673	\$315	5.1x	27.0x
Alkermes Public Limited Company	\$31.30	167	\$5,213	\$4,772	\$1,462	\$187	3.3x	25.5x
Exelixis, Inc.	\$19.11	318	\$6,084	\$5,048	\$1,714	\$192	2.9x	26.4x
Sarepta Therapeutics, Inc.	\$114.52	93	\$10,682	\$10,186	\$1,003	(\$446)	10.2x	NM
Medtronic Plc	\$88.10	1,330	\$117,209	\$134,845	\$31,227	\$8,208	4.3x	16.4x
Stryker Corporation	\$305.09	380	\$115,867	\$127,830	\$19,455	\$4,845	6.6x	26.4x
Boston Scientific Corporation	\$54.09	1,464	\$79,200	\$88,268	\$13,400	\$3,120	6.6x	28.3x
Mean				\$45,663	\$7,923	\$2,073	6.3x	27.0x
Median				\$34,938	\$3,513	\$807	5.6x	20.3x

Source: FactSet

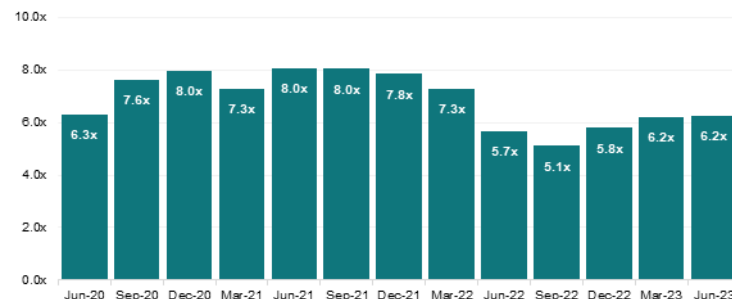
Public Comparables

Medical Devices

Medical Devices | Median EBITDA Multiples



Medical Devices | Median Revenue Multiples



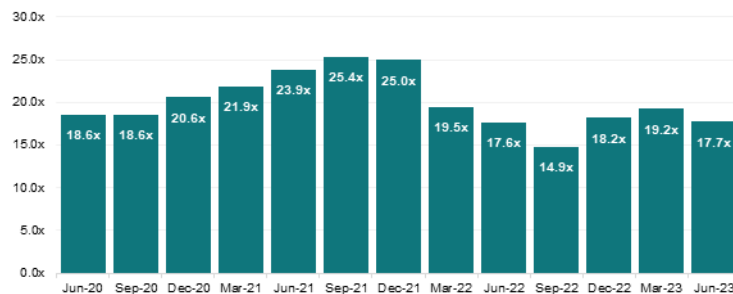
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Alcon AG	\$82.83	500	\$41,388	\$45,063	\$8,875	\$2,144	5.1x	21.0x
Terumo Corporation	\$31.56	748	\$23,599	\$24,098	\$6,052	\$1,384	4.0x	17.4x
HOYA CORPORATION	\$118.14	354	\$41,831	\$38,785	\$5,281	\$2,433	7.3x	15.9x
Smith & Nephew plc	\$16.12	873	\$14,080	\$16,877	\$5,346	\$1,304	3.2x	12.9x
Edwards Lifesciences Corporation	\$94.33	608	\$57,345	\$56,588	\$5,657	\$1,845	10.0x	30.7x
Intuitive Surgical, Inc.	\$341.94	351	\$120,142	\$114,405	\$6,665	\$1,996	17.2x	57.3x
Sonova Holding AG	\$266.25	61	\$16,284	\$17,420	\$3,913	\$1,048	4.5x	16.6x
Align Technology, Inc.	\$353.64	77	\$27,065	\$26,190	\$3,737	\$742	7.0x	35.3x
Cooper Companies, Inc.	\$383.43	50	\$18,983	\$21,511	\$3,427	\$906	6.3x	23.7x
DexCom, Inc.	\$128.51	388	\$49,845	\$49,353	\$3,198	\$609	15.4x	81.0x
Straumann Holding AG	\$162.24	159	\$25,870	\$25,865	\$2,430	\$726	10.6x	35.6x
Thermo Fisher Scientific Inc.	\$521.75	386	\$201,369	\$232,394	\$43,524	\$10,621	5.3x	21.9x
Danaher Corporation	\$240.00	738	\$177,205	\$189,576	\$30,356	\$9,767	6.2x	19.4x
IQVIA Holdings Inc	\$224.77	183	\$41,160	\$53,682	\$14,656	\$2,992	3.7x	17.9x
Agilent Technologies, Inc.	\$120.25	295	\$35,519	\$37,077	\$7,040	\$1,949	5.3x	19.0x
Mean				\$63,259	\$10,010	\$2,698	7.4x	28.4x
Median				\$38,785	\$5,657	\$1,845	6.2x	21.0x

Source: FactSet

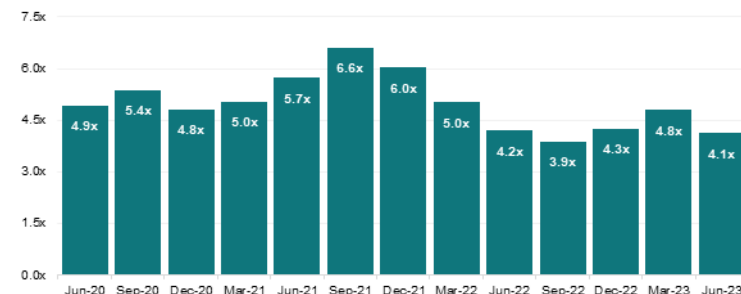
Public Comparables

Life Sciences Tools & Services

Life Sciences Tools & Services | Median EBITDA Multiples



Life Sciences Tools & Services | Median Revenue Multiples



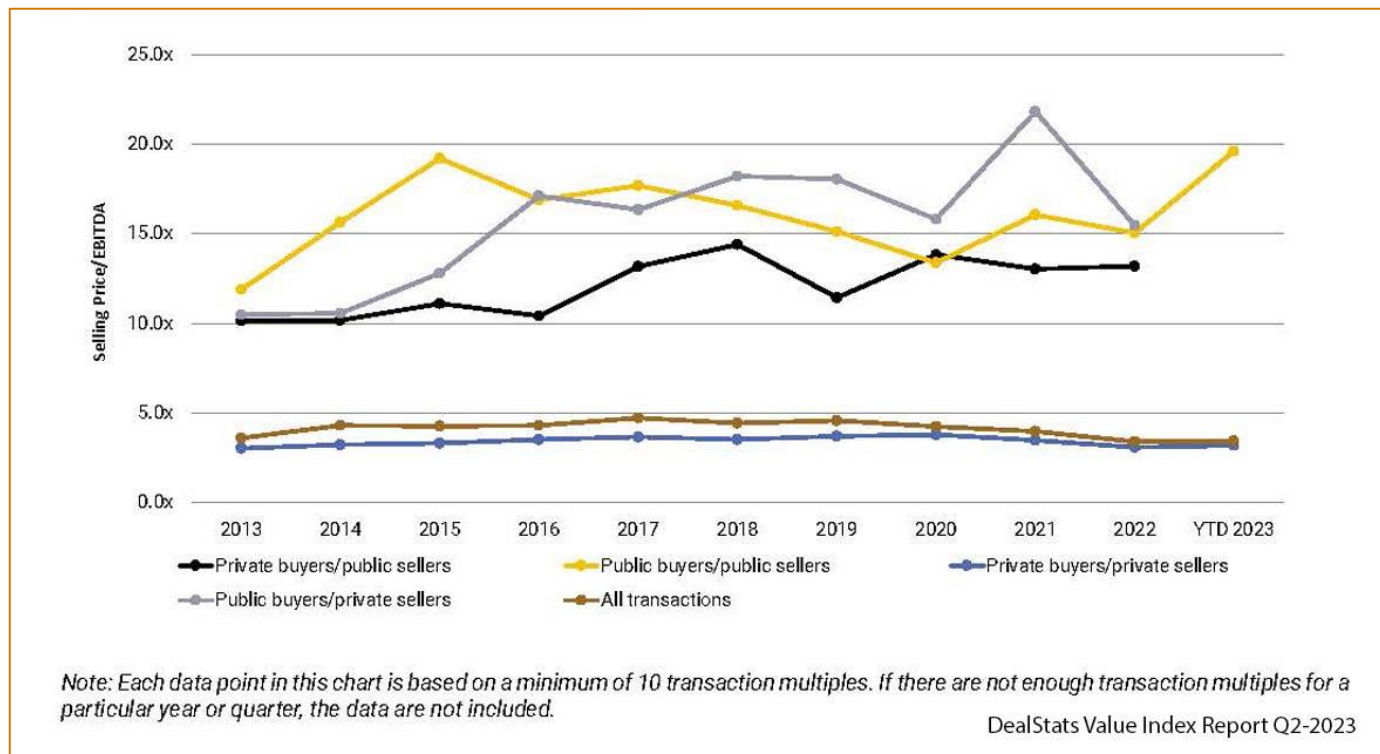
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Syneos Health, Inc. Class A	\$42.14	104	\$4,371	\$7,139	\$5,414	\$662	1.3x	10.8x
Revvity, Inc.	\$118.79	125	\$14,901	\$17,336	\$2,727	\$1,003	6.4x	17.3x
Illumina, Inc.	\$187.49	158	\$29,642	\$31,186	\$4,448	\$516	7.0x	60.4x
Mettler-Toledo International Inc.	\$1,311.64	22	\$28,679	\$30,748	\$3,954	\$1,288	7.8x	23.9x
Charles River Laboratories International, Inc.	\$210.25	51	\$10,761	\$13,770	\$4,092	\$969	3.4x	14.2x
ICON Plc	\$250.20	82	\$20,498	\$24,724	\$8,030	\$1,606	3.1x	15.4x
Bio-Rad Laboratories, Inc. Class A	\$379.12	25	\$9,302	\$10,688	\$2,769	\$587	3.9x	18.2x
Waters Corporation	\$266.54	59	\$15,753	\$18,131	\$2,992	\$986	6.1x	18.4x
Bruker Corporation	\$73.92	147	\$10,846	\$11,532	\$2,621	\$575	4.4x	20.1x
QuidelOrtho Corporation	\$82.86	67	\$5,521	\$8,008	\$3,106	\$863	2.6x	9.3x
Mean				\$17,326	\$4,015	\$906	4.6x	20.8x
Median				\$15,553	\$3,530	\$916	4.1x	17.7x

Source: FactSet

Public vs. Private Comparables

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a “size” premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.





CFA Overview

About CFA

Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Healthcare & Life Sciences Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

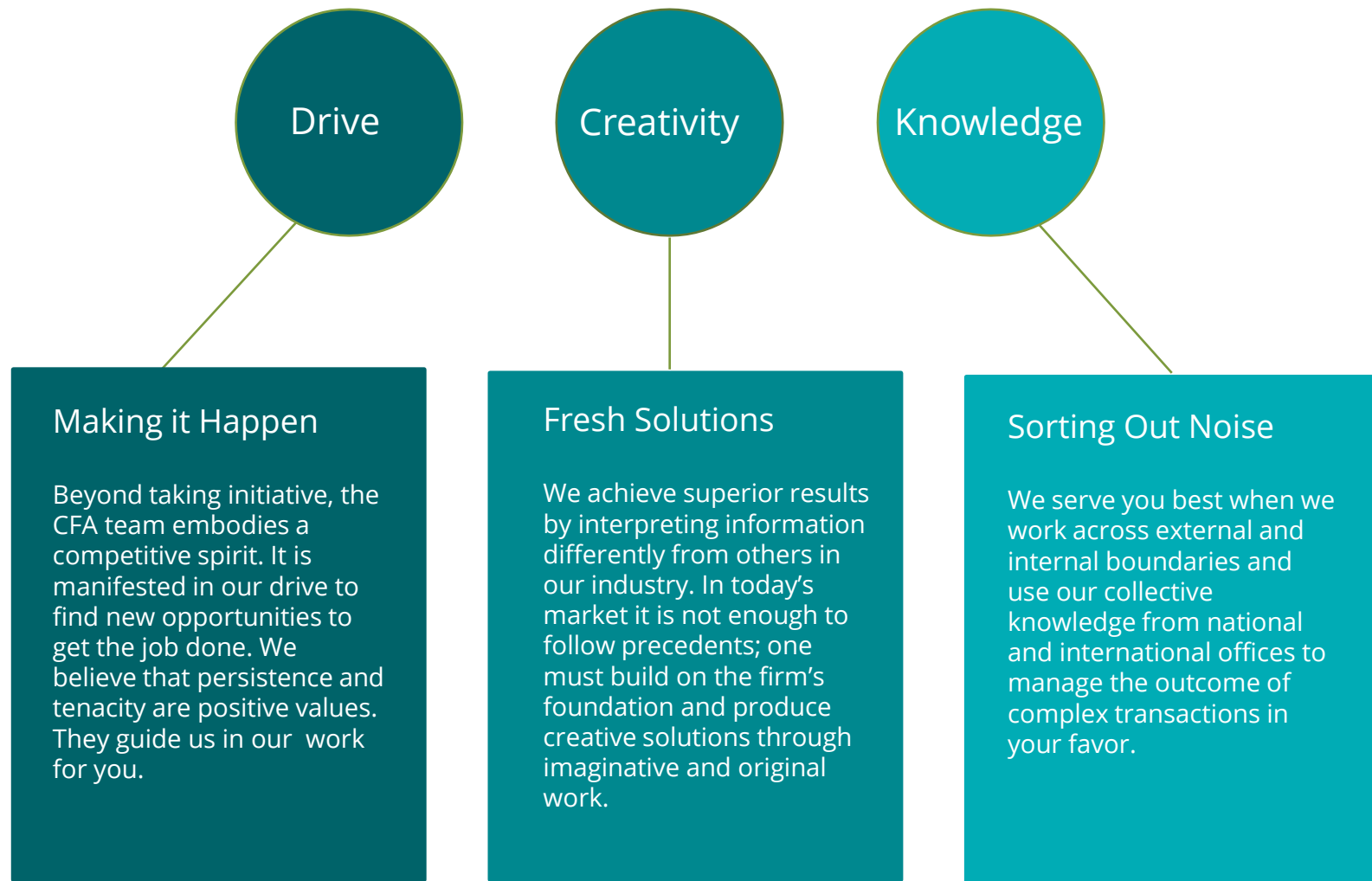
Local Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, Brazil, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.

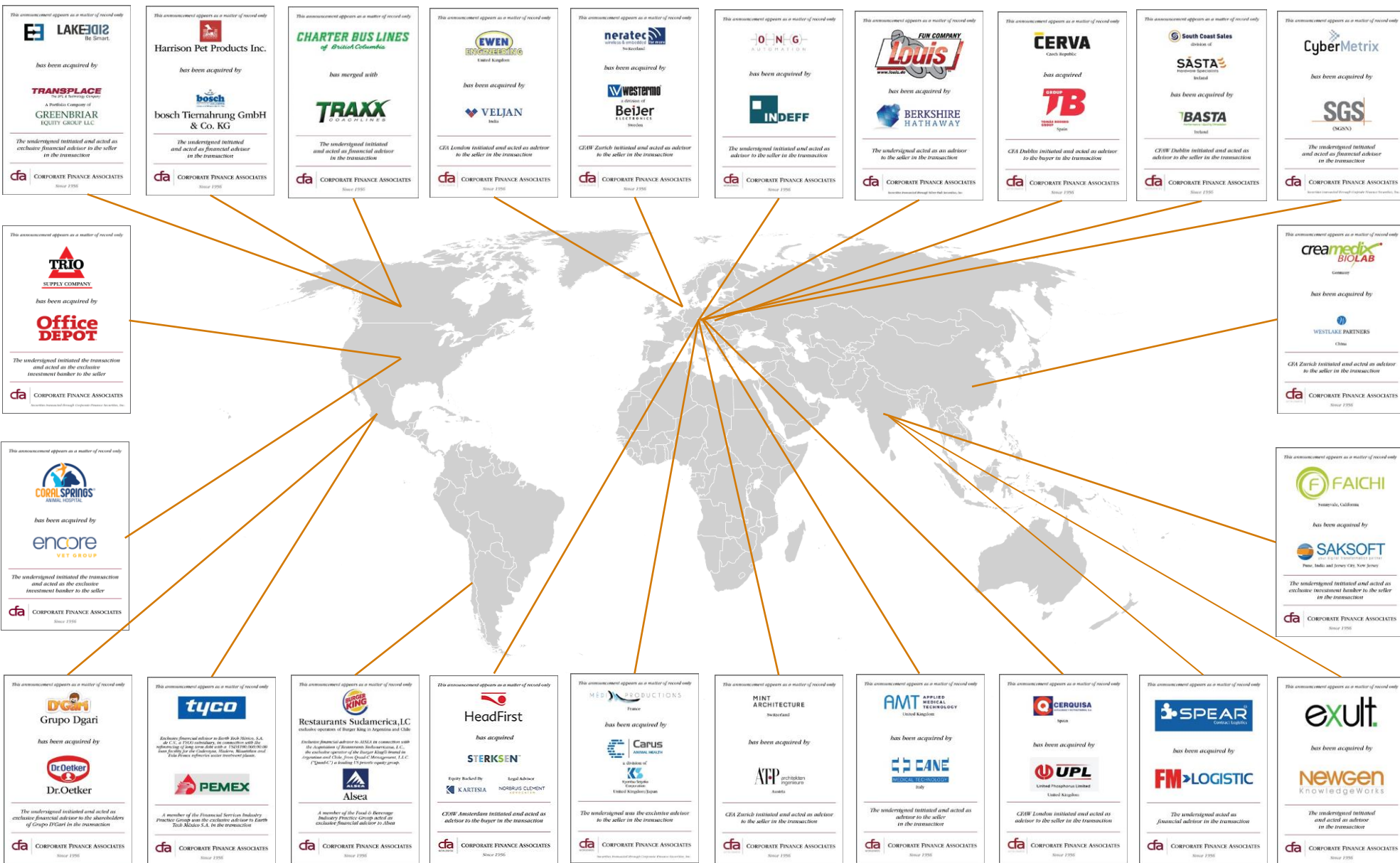


Delivering Results



Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions

Worldwide Transactions



Industry Practice Groups

Healthcare & Life Sciences



The Healthcare & Life Sciences practice group is a multi-disciplinary team of investment banking advisors within Corporate Finance Associates. Collectively, the Healthcare & Life Sciences Practice Group advises companies in all sectors of the animal health industry regarding mergers, acquisitions, recapitalizations, and financial resources. This Practice Group is comprised of advisors with extensive experience working with companies in the healthcare and life sciences industry. We specialize in advising middle market companies in the following sectors:

- Assisted Living & Long-term Care
- Behavioral Health Care & Rehab Clinics
- Biotechnology
- Hospital & Outpatient Providers
- Labs, MRI, Dialysis
- Medical Devices
- Medical Testing Equipment
- Durable Medical Equipment
- Pharmaceuticals
- Physician Medical Groups
- Technology Enabled Services

Whether you want to acquire, merge, sell, or finance, let CFA's industry knowledge, international resources and proven dealmaking skills work for you. We research, identify, qualify, advocate, negotiate and help steer you through the mine fields of due diligence to maximize your value and secure your objective.

Aerospace/Defense/Government
Agriculture
Animal Health
Business Services
Commercial Real Estate
Consumer Retail
Energy
Engineering/Construction
Financial Services & FinTech
Food/Beverage
Healthcare/Life Sciences
Industrials
Metal Fabrication
Print/Packaging
Semiconductors
Technology/Media/Telecom
Transportation/Logistics/Supply Chain
Wholesale Distribution

Recent Industry Transactions

<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has acquired</i></p>  <p><i>CFAW Zurich initiated the transaction and acted as advisor to the buyers</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as financial advisor to the seller in the transaction</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as exclusive advisor to Correct Care in the transaction</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>have entered into a joint venture to form</i></p>  <p><i>CFAW Zurich initiated the discussions between the two joint venture partners and supported the preparations for the joint venture</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as advisor to Blue Box Medical in the transaction</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Since 1956</p>
<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned acted as Purchaser Representative to shareholders of Ginger.io, Inc.</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>CFAW Zurich initiated and acted as advisor to the seller in the transaction</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has acquired</i></p>  <p><i>The undersigned initiated, structured and negotiated the transaction on behalf of the acquirer</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>CFAW Amsterdam initiated and acted as advisor to the seller in the transaction</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as advisor to the seller in the transaction</i></p> <p>cfa CORPORATE FINANCE ASSOCIATES Since 1956</p>

Recent Industry Transactions

This announcement appears as a matter of record only



have been acquired by



A Portfolio Company of



The undersigned initiated the transaction and acted as the exclusive investment banker to the sellers

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



Wild Atlantic Health Ltd.


has received funding from

Private Investors


The undersigned initiated and acted as advisor to Wild Atlantic Health in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only




has been acquired by



The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by

PIEMONTANA HOLDING AG
Switzerland

CFAW Zurich initiated and acted as advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has been acquired by



Pune, India and Jersey City, New Jersey

The undersigned initiated and acted as exclusive investment banker to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has been acquired by



The undersigned initiated the transaction and acted as the exclusive investment banking advisor to the seller

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



CFA Zurich initiated and acted as advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has been acquired by



CFA Zurich initiated and acted as advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



have been acquired by




TRANQUILITY
PREMIUM PROTECTION

The undersigned initiated and acted as advisor to the seller in the transaction


cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



A Portfolio Company of Five Points Capital

has acquired



EMS Billing Division

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

Recent Industry Transactions

This announcement appears as a matter of record only



has been acquired by



The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by

Private Investor

The undersigned initiated and acted as financial advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has been acquired by



The undersigned initiated and acted as financial advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



The undersigned initiated and acted as advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has acquired



CFAW London initiated and acted as advisor to the buyer in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



Bay Area Regional Medical Center, LLC

has received equipment financing from



White Oak Global Advisors, LLC

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



Walnut Hill Physicians Hospital, LLC

has received equipment financing from



Atalaya Capital Management, LP

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



Medigistics, Inc.

has been acquired by



The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



CFAW Zurich initiated and acted as advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has been acquired by



The undersigned initiated and acted as the exclusive financial advisor to the seller in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.