



T M C A P I T A L
S U C C E S S . R E A L I Z E D .

HEALTHCARE MONTHLY

MAY 2020

Our healthcare team architects market-defining outcomes for some of the most innovative medical device, life science and diagnostics, healthcare services and pharmaceutical companies in the world.

BioTech / Pharma

Healthcare Services

Life Sciences / Diagnostics

Medical Devices









COVID-19 – IMPACT ON THE HEALTHCARE SECTOR AND HEALTHCARE M&A TRANSACTIONS

The healthcare sector has historically been well insulated from economic cycles given steady growth in patients requiring care and advancing medical technology; however, COVID-19 has rewritten these assumptions, as the focus on addressing this pandemic and the need for social distancing have significantly diminished demand for in-person medical services and elective procedures. On the other hand, this public health emergency is substantially increasing the need for protective equipment, diagnostics and telemedicine capabilities, as well as treatments for the disease and, ultimately, effective therapies and vaccines.

Many healthcare M&A transactions in the sectors most adversely impacted by these developments, such as practice management, have been deferred in light of reduced revenues during this period, uncertain future prospects, and turbulent debt financing market conditions. However, strong buyers continue to eagerly seek acquisitions in the more resilient verticals given the dramatic contrast between the steady performance of these healthcare companies and companies in other industry sectors at this difficult time.

TM Capital continues to see strong progress in our pending healthcare transactions, which are in categories that are largely unaffected by the current economic and market turbulence.

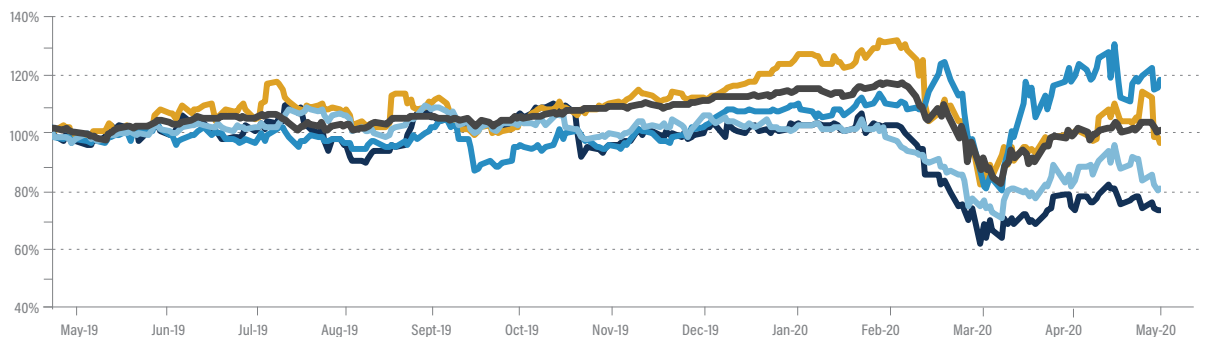
HEADLINE TRANSACTIONS

	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Biotech / Pharma	 Select Asset Portfolio		<ul style="list-style-type: none"> Orifarm A/S entered into an agreement to acquire a portfolio of non-core assets from Takeda Pharmaceutical Company Ltd (TSE:4502) for \$670 million The Takeda Pharmaceutical assets include over the counter products and two international production sites Orifarm distributes pharmaceuticals worldwide
	 NANNA THERAPEUTICS <small>An Astellas Company</small>		<ul style="list-style-type: none"> Astellas Pharma Europe Ltd acquired Nanna Therapeutics Limited for approximately \$15 million and up to \$70 million in milestones Nanna Therapeutics engages in the development and production of drugs for age-related diseases Astellas Pharma Europe develops and produces medicines for therapeutic areas
			<ul style="list-style-type: none"> Under the terms of the agreement, Adicet would merge with a wholly-owned subsidiary of resTORbio in an all-stock transaction, and the equityholders of Adicet will become the majority owners (75%) of resTORbio's outstanding common stock resTORbio, a clinical-stage biopharmaceutical company, develops medicines for the treatment of aging-related diseases Adicet Bio, Inc. designs and develops immunotherapies for cancer
Medical Devices			<ul style="list-style-type: none"> OrthoPediatrics Corp. (NasdaqGM:KIDS) entered into a share purchase agreement to acquire ApiFix Ltd. for approximately \$67 million ApiFix Ltd. develops a minimally invasive scoliosis deformity correction system for adolescent idiopathic scoliosis (AIS) OrthoPediatrics Corp. designs anatomically appropriate implants for the treatment of children with orthopedic conditions Adicet Bio, Inc. entered into a definitive merger agreement to acquire resTORbio, Inc. (NasdaqGS:TORC)

Note: All premium data calculated based on the closing market value one day prior to announcement

HEALTHCARE GROWTH & VALUATION TRENDS

LTM Stock Price Index



68% Biotech / Pharma

94% Health Services

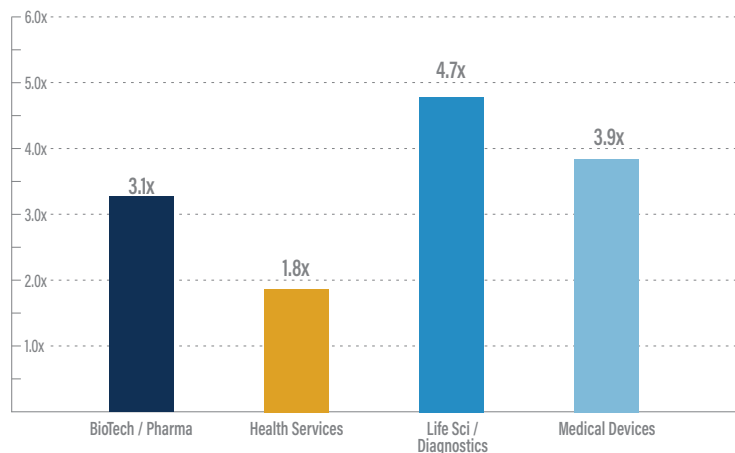
120% Life Sci / Diagnostics

76% Medical Devices

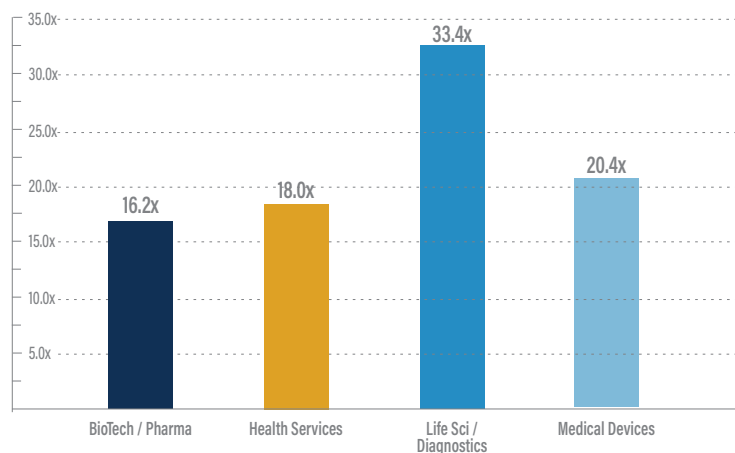
100% S&P 500 Index

HEALTHCARE GROWTH & VALUATION TRENDS (CONTINUED...)

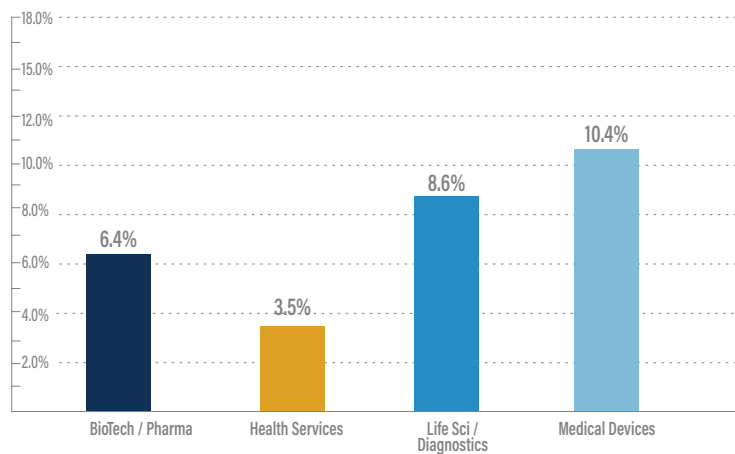
Enterprise Value / LTM Revenue



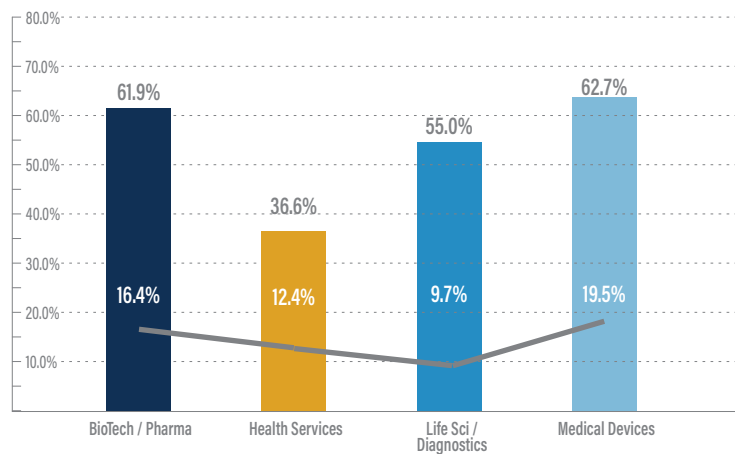
Enterprise Value / LTM EBITDA



LTM Revenue Growth



LTM Gross and EBITDA Margins*



*EBITDA Margins shown as the gray line.

SELECTED HEALTHCARE TRANSACTIONS


Target	Acquiror	BioTech / Pharma Transaction
Assets of Tamir Biotechnology, Inc.	Orgenesis Inc.	The assets of Tamir Biotechnology, Inc. comprise ranpirnase, a broad spectrum anti-viral platform
Business of Novartis Pakistan (Private) Limited	GlaxoSmithKline OTC (Private) Limited	The business of Novartis Pakistan (Private) Limited comprises a pharmaceutical manufacturing business
Three marketed products in US of US WorldMeds, LLC	Supernus Pharmaceuticals, Inc.	The CNS Portfolio of US WorldMeds, LLC includes central nervous system (CNS) treatment drugs

Target	Acquiror	Life Sci / Diagnostics Transaction
BIOTECON Diagnostics GmbH	BioChek B.V.	BIOTECON Diagnostics GmbH engages in developing polymerase chain reaction (PCR) systems for the detection of microbial contaminants and genetically modified organisms
Sienna Cancer Diagnostics Limited	BARD1 Life Sciences Limited	Sienna Cancer Diagnostics Limited develops cancer-related in-vitro diagnostic tests for use in pathology laboratories worldwide Transaction Value: \$15 million Transaction Multiples: 18.4x Revenue
Luminist, Inc.	DiscernDx, Inc.	Luminist, Inc. develops a diagnostic platform for early detection of liver disease


Target	Acquiror	Health Services Transaction
Lixoft SAS	Simulations Plus, Inc.	Lixoft SAS develops modeling and simulation software for drug development
BaseHealth, Inc.	Genalyte, Inc.	BaseHealth, Inc. provides a health management platform for physicians and their patients
Kura Omsorg i Sverige AB	Stirling Square Capital Partners LLP	Kura Omsorg i Sverige AB provides personal assistance and relief care services

Target	Acquiror	Medical Devices Transaction
Flower Orthopedics Corporation	Conventus Orthopaedics, Inc.	Flower Orthopedics Corporation designs and manufactures bone-fixation implants and instruments
Beijing Libeier Bio-engineering Institute Co., Ltd.	AK Medical Holdings Limited	Beijing Libeier Bio-engineering Institute Co., Ltd. engages in the development and manufacture of orthopedic implants and instruments
Handicare's Patient Handling Division	Direct Healthcare Group Ltd.	Handicare's Patient Handling division offers solutions to increase the independence and mobility to individuals


Selected TM Capital Healthcare Experience




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