

# HEALTHCARE MONTHLY

AUGUST 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

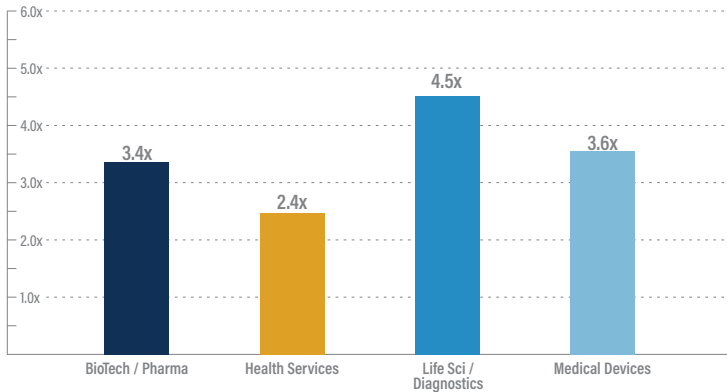
Medical Devices

## HEADLINE TRANSACTIONS

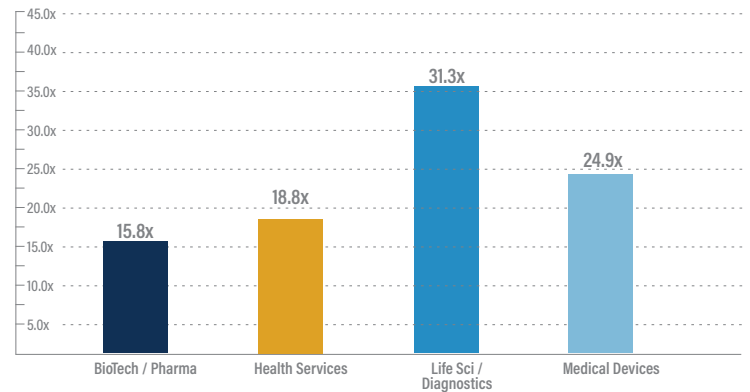
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Medical Devices			<ul style="list-style-type: none"> <li>Medtronic (NYSE:MDT) entered into an agreement to acquire Medicea International (ENXTPA:ALMED) for \$141 million</li> <li>Medicrae, based in France, manufactures and distributes spinal implants internationally</li> <li>Medtronic focuses on the development and sale of device-based medical therapies</li> <li>Implied Enterprise Value / LTM Total Revenue Multiple: 3.8x</li> </ul>
			<ul style="list-style-type: none"> <li>Croda International (LSE:CRDA) agreed to acquire Avanti Polar Lipids for \$260 million with \$185 million paid at close and up to \$75 million in milestones</li> <li>Avanti develops and manufactures polar lipids used in drug delivery technology and vaccines</li> <li>Croda International manufactures and sells specialty chemicals used for Personal Care, Life Sciences, Performance Technologies and Industrial Chemicals</li> </ul>
BioTech / Pharma			<ul style="list-style-type: none"> <li>Grifols (BME:GRF) agreed to acquire a 53.4% stake in Green Cross Biotherapeutics for approximately \$295 million</li> <li>Green Cross Biotherapeutics, based in Canada, manufactures plasma proteins</li> <li>Grifols offers plasma derivatives including intravenous immunoglobulin</li> <li>Implied Enterprise Value / LTM Total Revenue Multiple: 5.3x</li> </ul>
			<ul style="list-style-type: none"> <li>TerSera Therapeutics entered into an asset purchase agreement to acquire Xermelo® from Lexicon Pharmaceuticals (NasdaqGS:LXRX) for \$159 million in cash and up to \$45 million in milestones</li> <li>Lexicon focuses on the development and commercialization of pharmaceutical products; Xermelo® is an oral therapy primarily utilized to treat symptoms associated with carcinoid syndrome</li> <li>TerSera acquires and develops specialty pharmaceutical products</li> </ul>

# HEALTHCARE GROWTH & VALUATION TRENDS

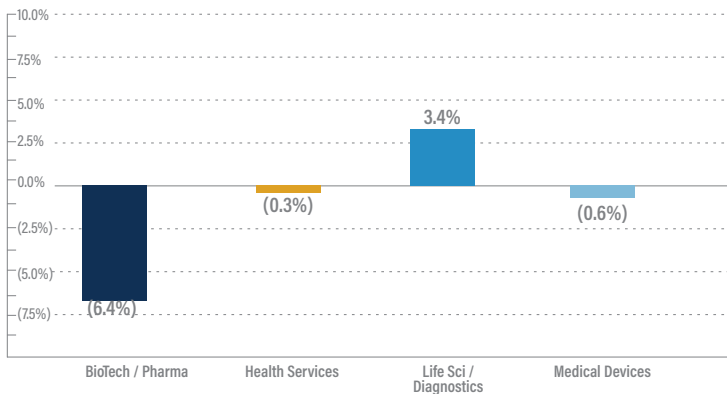
Enterprise Value / LTM Revenue



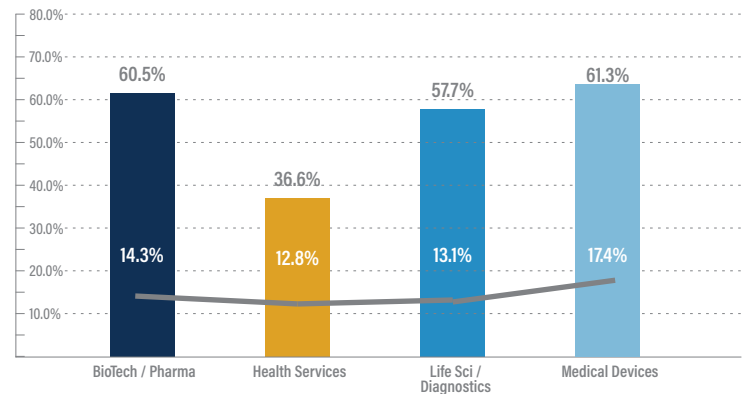
Enterprise Value / LTM EBITDA



LTM Revenue Growth

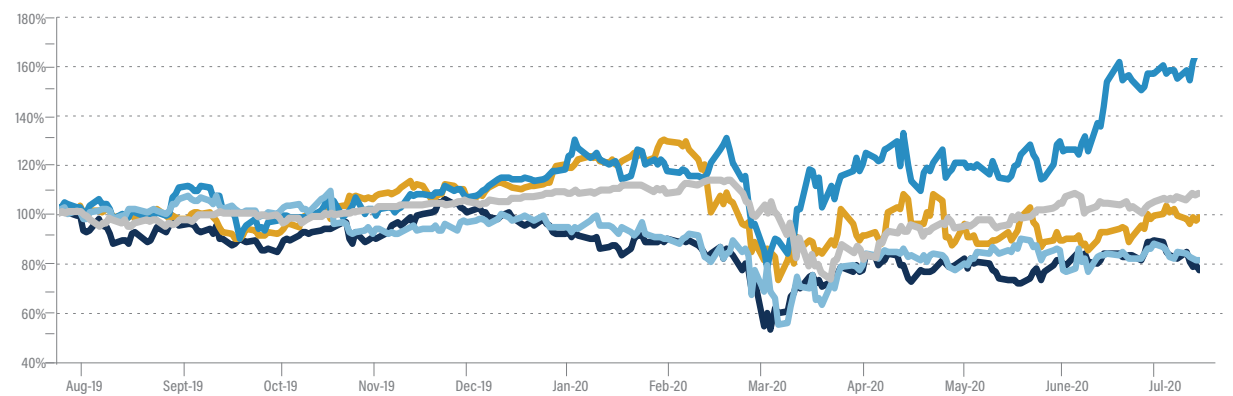


LTM Gross and EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

LTM Stock Price Index



79% BioTech / Pharma    99% Health Services    162% Life Sci / Diagnostics    82% Medical Devices    108% S&P 500 Index

# SELECTED HEALTHCARE TRANSACTIONS

Target	Acquiror	BioTech / Pharma Transactions
San-ei Surochemical Co., Ltd.	Showa Sangyo Co., Ltd.	San-ei Surochemical, based in Japan, manufactures and sells crystalline glucose for medical, food, and industrial use Transaction Value: \$140 million
Chengdu Dikang Pharmaceutical Co., Ltd.	Wuhan Hanshang Group Co.,Ltd.; Hanshang Great Health Industry Co., Ltd.	Chengdu Dikang, based in China, engages in the development and manufacturing of pharmaceutical products and biomedical materials Transaction Value: \$129 million
4basebio AG	Sparta AG	4basebio, based in Germany, manufactures DNA products for therapeutic and other uses Transaction Value: \$111 million

Target	Acquiror	Life Sci / Diagnostics Transactions
Acme Bioscience, Inc.	Frontage Laboratories, Inc.	Acme provides synthetic organic and medicinal chemistry services for the discovery end of the drug development process Transaction Value: \$26 million
Changzhou Biowin Biopharm Co., Ltd	Shineco, Inc.	Changzhou Biowin, based in China, engages in research, development, manufacturing, and distribution of point of care diagnostic test kits Transaction Value: \$25 million
X-Ray One Srl	Garofalo Health Care S.p.A.	X-Ray One, based in Italy, provides radiological diagnostic imaging services and outpatient services for general surgery and other fields Transaction Value: \$14 million

Target	Acquiror	Health Services Transactions
Emergency Medical Services Business of R1 RCM Inc.	Sarnova, Inc.	The Emergency Medical Services Business of R1 RCM offers revenue cycle management (RCM) services for healthcare providers Transaction Value: \$140 million
healthfinch, inc.	Health Catalyst, Inc.	healthfinch, a healthcare IT company, develops specialized technology to streamline prescription renewal requests for various health systems Transaction Value: \$40 million
Pebmed Instituicao De Pesquisa Medica E Servicos Tecnologicos Da Area Da Saude S.A.	Afya Participações S.A	Pebmed Instituicao De Pesquisa, headquartered in Brazil, develops mobile applications and platforms for physicians and medical students Transaction Value: \$26 million

Target	Acquiror	Medical Device Transactions
Quirem Medical B.V.	Terumo Corporation	Quirem, based in the Netherlands, focuses on developing microspheres for targeted interventional treatment of liver malignancies Transaction Value: \$45 million
Albyn Medical S.L.	Creo Medical Group PLC	Albyn, based in Spain, designs, develops, manufactures, and supplies medical devices for Urology, Gynecology, and Gastroenterology Transaction Value: \$28 million
MEDYSSEY Co.,Ltd	Dongwha Pharm. Co.,Ltd	MEDYSSEY, based in South Korea, develops, manufactures and sells orthopedic and neurosurgical spinal implants Transaction Value: \$16 million

## Selected TM Capital Healthcare Experience

## TM Capital's Healthcare Industry Contacts



**James McLaren,**  
Managing Director  
jmclaren@tmcapital.com  
212.809.1414



**Michael Goldman,**  
Managing Director  
mgoldman@tmcapital.com  
212.809.1419



**Paul Smolevitz,**  
Managing Director  
psmolevitz@tmcapital.com  
212.809.1416



**John Dean,**  
Vice President  
jdean@tmcapital.com  
404.995.6234



**Steve Hunter,**  
Managing Director - Sponsor Coverage  
mgoldman@tmcapital.com  
404.995.6232