



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

AUGUST 2021

2021 MD&M WEST HEALTHCARE CONFERENCE OBSERVATIONS

TM Capital's healthcare team attended the annual Medical Design & Manufacturing (MD&M) conference in Anaheim earlier this month. We enjoyed the opportunity to reconnect with our healthcare clients, strategic and financial acquirers, and friends of the firm. Attendees remained optimistic about the near-term healthcare outlook, the sector's broad-based COVID resilience, and overall public and private market performance.

A few themes recurred across our many discussions:

- **Healthcare Products** - increased buyer interest in healthcare product acquisitions spanning sectors such as contract manufacturing, single-use disposable products and other areas serving critical needs and exhibiting recurring, stable demand, including diabetes supplies and infection control.
- **Acquirers Casting a Wider Net** - many acquirers have expanded their acquisition criteria to target adjacencies and complementary product offerings with the goal of creating a more diversified revenue mix, filling gaps in existing product / service offerings and securing additional market share in an environment characterized by intense competition for quality deals.
- **Hyperactive Market Dynamics** - transaction activity is significantly above typical levels as sellers seek to close transactions before year-end to mitigate potential tax increases. This is causing buyers to be more selective, focusing their efforts and limited bandwidth on opportunities where they have deep conviction or prior experience. Notwithstanding efforts to close transactions by year end, the longer-term market shows no signs of slowing, and we expect the robust environment to continue into 2022.

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

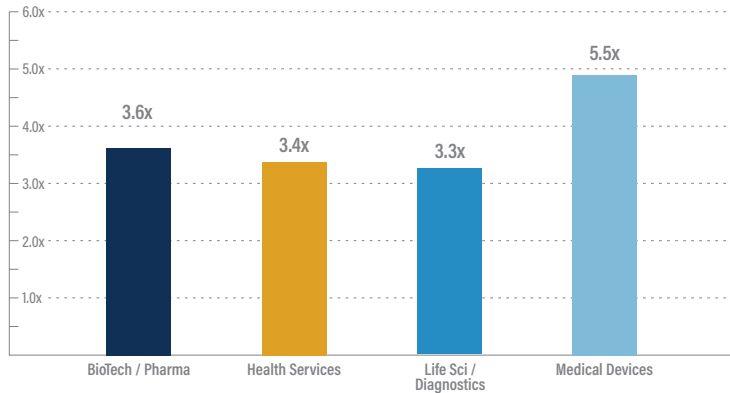
Medical Devices

HEADLINE TRANSACTIONS

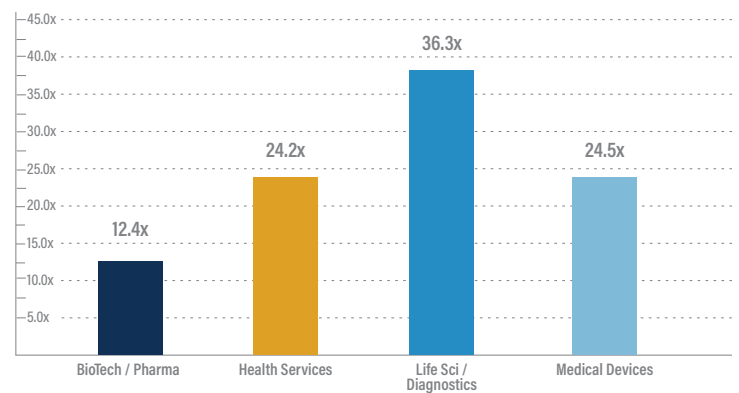
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Medical Devices		 	<ul style="list-style-type: none"> Longview Acquisition Corp (NYSE:LGV) entered into a definitive agreement to acquire HeartFlow Holding, Inc. HeartFlow develops precision heart care treatment through non-invasive, personalized cardiac tests and associated enterprise software suite solutions to address heart disease Longview is a special purpose acquisition company sponsored by Glenview Capital Management Total Consideration: \$2.15 billion in stock, representing an enterprise value of \$2.4 billion
			<ul style="list-style-type: none"> TA Associates entered into a definitive agreement to acquire Smiths Medical from Smiths Group (LSE:SMIN) Smiths Medical develops, manufactures, and supplies medical devices and equipment for hospital, emergency, home, and specialist environments TA Associates is a leading private equity fund with more than \$24 billion in AUM Total consideration: \$1.8 billion in cash and \$500 million in stock with \$200 million in additional earnout, representing an enterprise value of \$2.5 billion Implied Enterprise Value: 2.1x 2021 Revenue, 10.8x 2021 EBITDA
BioTech / Pharma			<ul style="list-style-type: none"> Sanofi (ENXTPA:SAN) entered into a definitive agreement to acquire the remaining 93.5% stake in Translate Bio (NasdaqGS:TBIO) that it did not already own Translate Bio is a clinical-stage messenger RNA (mRNA) therapeutics company specializing in medicines to treat diseases caused by protein or gene dysfunctions Sanofi engages in the research, development, manufacturing, and marketing of therapeutic solutions Total Consideration: \$2.7 billion, representing an enterprise value of \$3 billion
Life Sci / Diagnostics			<ul style="list-style-type: none"> PerkinElmer (NYSE:PKI) entered into a definitive agreement to acquire BioLegend, Inc BioLegend develops and manufactures antibodies and reagents for biomedical research PerkinElmer provides products, services, and solutions to the diagnostics, life sciences, and applied services markets Total Consideration: \$5.3 billion in cash and stock

HEALTHCARE GROWTH & VALUATION TRENDS

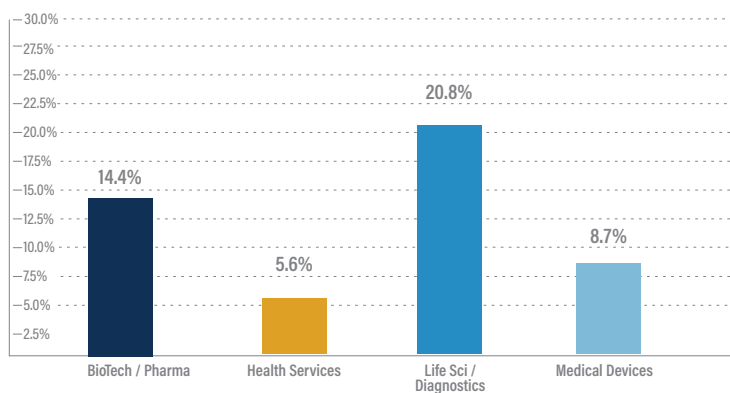
Enterprise Value / LTM Revenue



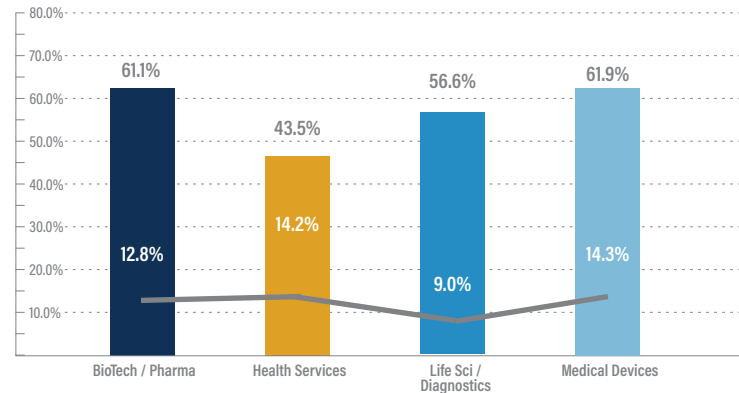
Enterprise Value / LTM EBITDA



LTM Revenue Growth

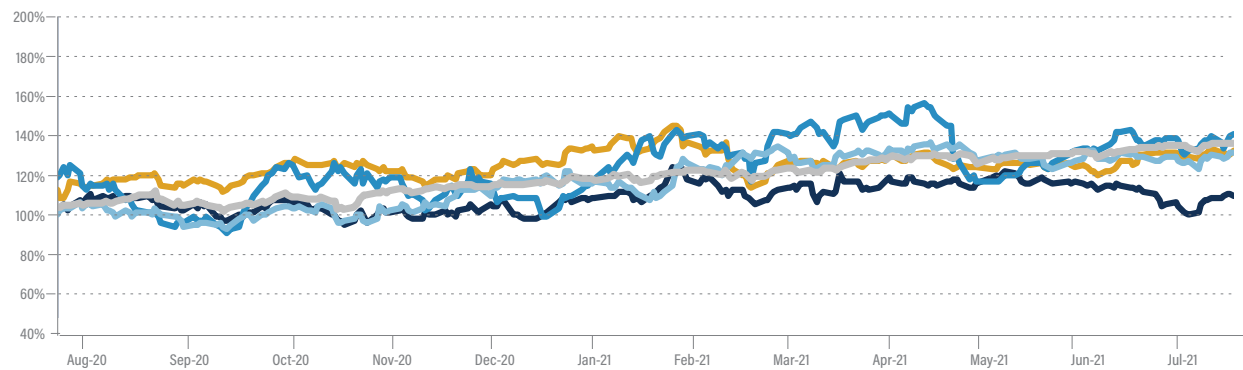


LTM Gross and EBITDA Margins*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



106% BioTech / Pharma

130% Health Services

139% Life Sci / Diagnostics

128% Medical Devices

133% S&P 500 Index

SELECTED HEALTHCARE TRANSACTIONS


Target	Acquiror	BioTech / Pharma Transactions
TeneoBio	Amgen (NasdaqGS:AMGN)	TeneoBio discovers and develops multi-specific biotherapeutic antibodies that redirect the immune system to safely fight disease Total Consideration: \$900 million in cash and \$1.6 billion in milestones, representing an enterprise value of \$2.5 billion
Vividion Therapeutics, Inc.	Bayer (XTRA:BAYN)	Vividion Therapeutics develops therapies for cancers and immune disorders Total consideration: \$1.5 billion in cash and \$500 million in milestones, representing an enterprise value of \$2 billion
Sexton Biotechnologies, Inc.	BioLife Solutions, Inc. (NasdaqCM:BLFS)	Sexton develops purpose-built cell and gene therapy tools and media to enable flexible automation and scaling of cell manufacturing processes

Target	Acquiror	Life Sci / Diagnostics Transactions
BioVision, Inc.	Abcam US Group Holdings Inc.	BioVision develops, manufactures, and sells bioassay kits, antibodies, recombinant proteins and enzymes, and other research tools Total consideration: \$343 million in cash
Vector Laboratories, Inc.	Thompson Street Capital Partners	Vector Laboratories engages in the research, development, and manufacture of protein labeling and detection solutions Total consideration: \$124 million in cash
Omegachem Inc.	NuChem Sciences Inc.	Omegachem develops and produces organic compounds and reagents for pharmaceutical, biotechnological, and chemical industries


Target	Acquiror	Health Services Transactions
VRI	ModivCare Inc.	VRI offers remote patient monitoring and medication management platform solutions Total Consideration: \$315 million in cash
Vital Decisions (Windrose Health Investors)	Evolut Health (NYSE:EVH)	Vital Decisions provides advance care planning and counseling services to patients suffering from advanced illness Total Consideration: \$85 million in cash and \$45 million in earnout
Clinlogix, LLC	North American Science Associates, Inc.	Clinlogix is a clinical research organization, providing clinical trial management services to the pharmaceutical, biotechnology, and medical device industries


Target	Acquiror	Medical Device Transactions
Intersect ENT, Inc. (NasdaqGM:XENT)	Medtronic plc (NYSE:MDT)	Intersect is an ear, nose, and throat medical device company Total consideration: \$968 million in cash, representing an enterprise value of \$1 billion (15.2% premium)
Misonix, Inc. (MasdaqGM:MSON)	Bioventus Inc. (NasdaqGS:BVS)	Misonix designs, develops, manufactures, and markets minimally invasive surgical ultrasonic medical devices Total consideration: \$497 million in cash and stock (25% premium)
Zebra Medical Vision Ltd.	Nano-X Imaging Ltd.	Zebra Medical Vision offers an AI-based imaging analytics platform to highlight undetected signs of early-stage diseases Total consideration: \$100 million in stock and \$100 million in earnout

Selected TM Capital Healthcare Experience




HAS BEEN ACQUIRED BY






HAS RECEIVED AN INVESTMENT FROM



\$64,400,000
SERIES C EQUITY



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