



T M C A P I T A L
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HEALTHCARE MONTHLY

MARCH 2022

RECENT HEALTHCARE PRIVATE EQUITY CONFERENCE OBSERVATIONS

TM Capital's healthcare team recently attended the McDermott Will & Emery Healthcare Private Equity conference in Miami. We appreciated the opportunity to reconnect with leading healthcare investors and friends of the firm while enjoying the beautiful weather. A few key themes emerged from our many discussions:

- **Market Activity Remains Robust, With Caveats** – attendees remain optimistic about the pace of deal flow this year after a record-breaking 2021. Attractive healthcare companies continue to garner high-water mark valuations, although buyers are increasingly focused on “fundamentals” as they balance geopolitical and supply chain uncertainties and navigate a rising wage environment. Private equity owners are rapidly adopting continuation funds to facilitate longer hold periods for premier assets, particularly companies with active acquisition strategies, which should drive continued consolidation across a range of healthcare subsectors.
- **Evolving Healthcare Services Landscape** - COVID served as a catalyst within the broader the healthcare services landscape, accelerating the shift towards personalized medicine, increasing adoption of artificial intelligence and other digital health tools to enhance the patient experience, providing easier access to care via telehealth and other remote solutions, and supporting the continued transition toward home-based care. Acquirers are actively seeking ways to capitalize on new tech-forward opportunities while ensuring their portfolio companies are positioned for an increasingly digital healthcare ecosystem.
- **Continued Trends Toward Outsourcing** – buyers continue to cast a wide net seeking attractive outsourced services companies, particularly those providing critical services and generating recurring, stable demand. While the pharma services space has seen robust transaction activity in recent years, many acquirers we spoke with are actively seeking opportunities in medical device outsourcing including design, development and manufacturing, as large medical device OEMs rely on outsourced partners for a growing portion of their product portfolios.

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

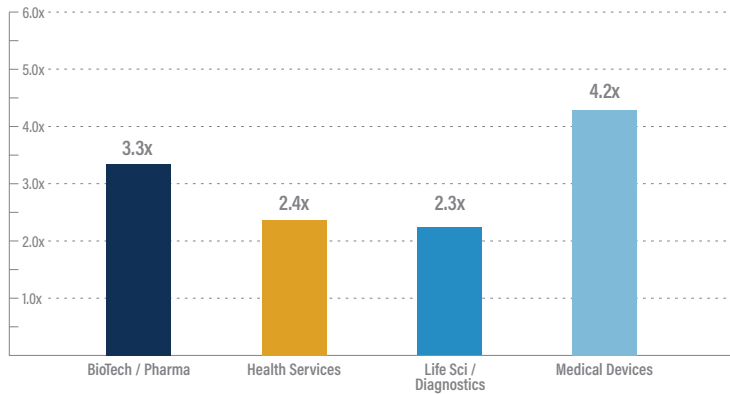
Medical Devices

HEADLINE TRANSACTIONS

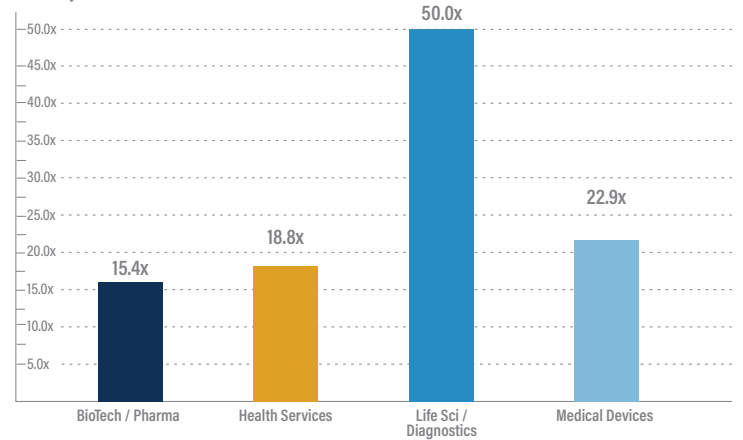
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Healthcare Services			<ul style="list-style-type: none"> Mountain Crest Acquisition Corp (NasdaqCM:MCAE) agreed to acquire ETAO International Group Mountain Crest Acquisition Corp is a publicly traded special purpose acquisition company ETAO is a digital healthcare group operating a platform for health care services including: telemedicine, hospital care, primary care, pharmacy, and health insurance Total Proceeds: \$304 million in cash, representing an enterprise value of \$2.5 billion
			<ul style="list-style-type: none"> Warburg Pincus and Mubadala Investment Company entered into a definitive agreement to acquire the Pharma Intelligence division of Informa plc (LSE:INF) Warburg Pincus is a leading global growth strategy investment firm with more than \$73 billion AUM Mubadala Investment Company is an investment arm of the Sovereign Wealth Fund of the United Arab Emirates Pharma Intelligence offers digital intelligence and data-based products, consultancy, and research services in the pharmaceutical industry Total Consideration: \$2.6 billion in cash
Medical Devices	<p>The Reproductive Health Business of</p> 		<ul style="list-style-type: none"> The Cooper Companies (NYSE:COO) entered into a definitive agreement to acquire the Reproductive Health Business of Cook Medical Cooper Companies is focused on womens health and fertility solutions for Assisted Reproductive Technologies (ART) Cook Medical develops minimally invasive medical devices Total Consideration: \$875 million in cash Implied Enterprise Value: 5.5x LTM Revenue
BioTech / Pharma			<ul style="list-style-type: none"> Collegium Pharmaceutical (NasdaqGS:COLL) entered into a definitive agreement to acquire BioDelivery Sciences International (NasdaqGS:BDSI) Collegium Pharmaceutical develops and commercializes medicines for pain management BioDelivery Sciences develops a portfolio of pain and neurology products that address chronic pain and related symptoms Total Consideration: \$575 million in cash Implied Enterprise Value: 3.3x LTM Revenue, 11.6x LTM EBITDA Represents a 54% premium to BDSI's share price

HEALTHCARE GROWTH & VALUATION TRENDS

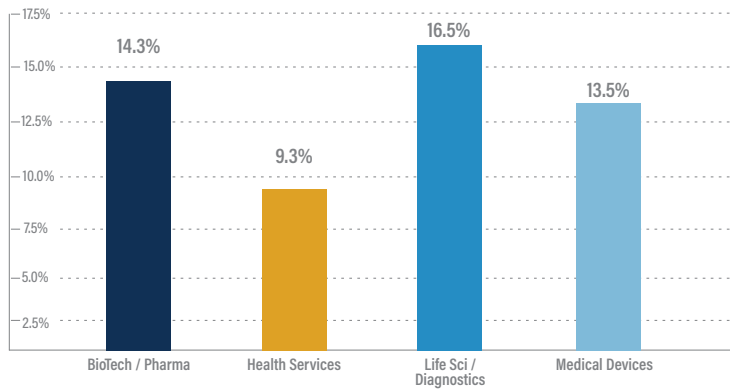
Enterprise Value / LTM Revenue



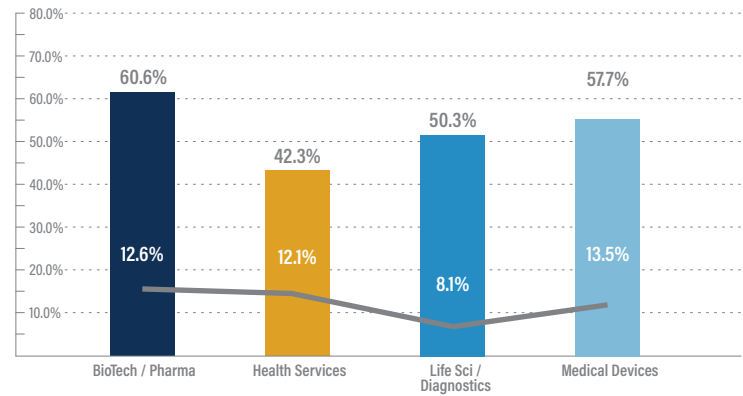
Enterprise Value / LTM EBITDA



LTM Revenue Growth

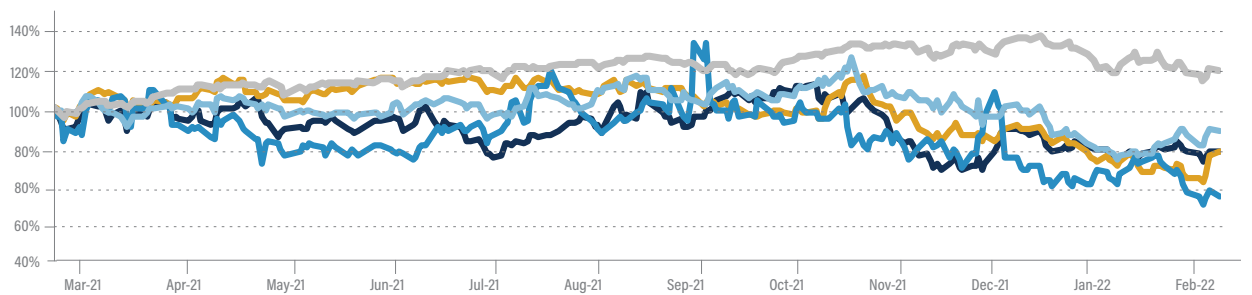


LTM Gross and EBITDA Margins*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



86% BioTech / Pharma 86% Health Services 71% Life Sci / Diagnostics 92% Medical Devices 112% S&P 500 Index

SELECTED HEALTHCARE TRANSACTIONS




Target	Acquiror	BioTech / Pharma Transactions
Bioniz Therapeutics, Inc.	Equillum, Inc. (NasdaqGM:EQ)	Bioniz discovers and develops novel peptide therapeutics for the treatment of immune diseases and cancer Total Consideration: \$330 million in stock
c-Lecta GmbH	Kerry Group plc (ISE:KRZ)	c-Lecta GmbH is an integrated industrial biotechnology company that develops and supplies products for food and pharma markets Total Consideration: \$155 million in cash
Arranta Bio Holdings, LLC	Recipharm AB (publ)	Arranta is a contract development and manufacturing organization, developing live biopharmaceutical products for clinical and commercial supply

Target	Acquiror	Life Sci / Diagnostics Transactions
Rewrite Therapeutics, Inc.	Intellia Therapeutics, Inc. (NasdaqGM:NTLA)	Rewrite Therapeutics develops advanced novel DNA writing technologies, enabling scientists to make more precise edits down to individual letters of the genome Total Consideration: \$45 million in cash and \$155 million in earnout
Genome Explorations, Inc.	Tesis Biosciences, LLC	Genome Explorations provides genomic profiling and molecular diagnostics services to academic centers, the pharmaceutical and biotech industry, oncologists, and pathologists
Metabiotech Corporation (dba Loop Genomics)	Element Biosciences, Inc.	Metabiotech provides DNA sequencing technology solutions that bring clarity to genetic data primarily for pharmaceutical research

Target	Acquiror	Health Services Transactions
SOC Telemed, Inc. (NasdaqGS:TLMD)	Patient Square Capital, LP	SOC Telemed provides acute care telemedicine services and technology to hospitals, health systems, physician groups, and government organizations Total Consideration: \$310 million in cash The purchase price represents a premium of ~366.1% over TLMD's share price
Caravan Health, Inc.	Signify Health, Inc. (NYSE:SGFY)	Caravan offers value-based care advisory services for hospitals and physician practices including care coordination, evidence-based medicine, quality reporting, data and analytics, and others Total Consideration: \$190 million in cash, \$60 million in stock and \$50 million in earnout
Circle Of Care, Inc.	Two Sigma Impact	Circle of Care offers pediatric, occupational, physical, and speech therapy for children

Target	Acquiror	Medical Device Transactions
IntriCon Corporation (NasdaqGM:IIN)	Altaris Capital Partners, LLC	IntriCon designs, develops, engineers, manufactures, and distributes body-worn devices for purposes such as cardiac and glucose monitoring and hearing health Total Consideration: \$230 million in cash Implied Enterprise Value: 1.8x LTM Revenue, 25.4x LTM EBITDA
Nano Precision Medical, Inc.	Second Sight Medical Products, Inc.	Nano Precision develops small implants with the NanoPortal membrane for the treatment of diabetes and other metabolic conditions Total Consideration: \$182 million in stock
Probo Medical, LLC	Avista Capital Partners	Probo Medical is a diversified supplier of refurbished diagnostic imaging equipment, offering a diversified set of products and services including equipment sales, part sales, equipment rentals, depot repair service, equipment installation and de-installation, and field-based repair service.

Selected TM Capital Healthcare Experience

 <p>A PORTFOLIO COMPANY OF HOLLAND CAPITAL HAS BEEN ACQUIRED BY RadNet</p>	 <p>HAS RECEIVED A STRATEGIC INVESTMENT FROM CATHAYCAPITAL 凯辉基金</p>	 <p>THE BLOOD MICROSAMPLING INNOVATOR HAS BEEN ACQUIRED BY TRAJAN</p>
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