

HEALTHCARE MONTHLY

MAY 2023



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

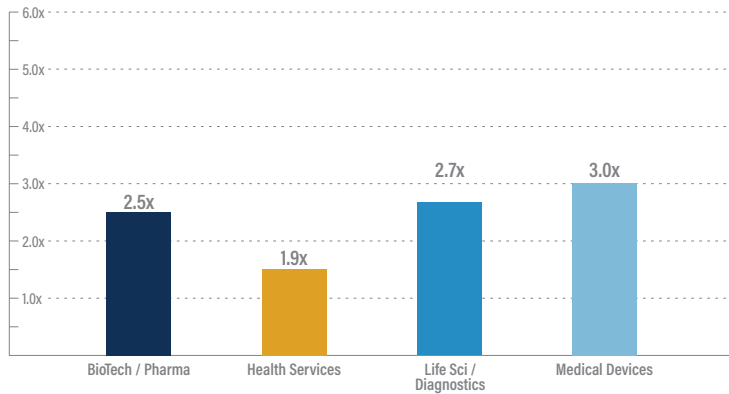
Medical Devices

HEADLINE TRANSACTIONS

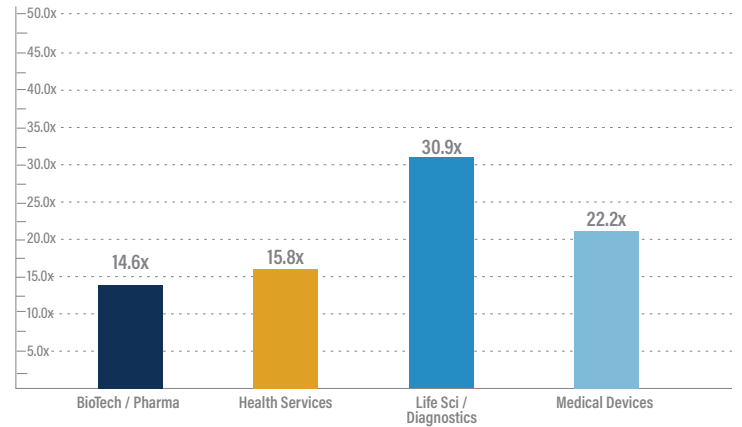
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
BioTech / Pharma			<ul style="list-style-type: none"> Merck & Co., Inc. (NYSE:MRK) has reached a definitive agreement to acquire Prometheus Biosciences Inc. (NASDAQ:RXDX) Prometheus Biosciences is a clinical-stage biotechnology company that discovers, develops and commercializes novel therapeutic and companion diagnostic products for the treatment of immune-mediated diseases Merck is a global healthcare company focused on delivering healthcare solutions through prescription medicines, vaccines, biologic therapies, animal health and consumer care products Total Consideration: \$10.8 billion Per share price represents a premium of ~75%
			<ul style="list-style-type: none"> Astellas Pharma Inc. (TKS:4503) has reached a definitive agreement to acquire Iveric Bio, Inc. (NASDAQ:ISEE) Iveric Bio discovers and develops novel treatments for retinal diseases with unmet medical needs, including therapeutic product candidates for age-related retinal diseases and gene therapy product candidates for orphan inherited retinal diseases Astellas Pharma, based in Japan, researches, develops, manufactures, commercializes and provides lifecycle management for drugs addressing diseases with unmet medical needs by focusing on biology and modality Total Consideration: \$5.9 billion Per share price represents a premium of ~64%
Healthcare Services	 	 	<ul style="list-style-type: none"> TPG Capital, LP (NASDAQ:TPG) and AmerisourceBergen Corp. (NYSE:ABC) have reached an agreement to acquire OneOncology, LLC, a portfolio company of General Atlantic OneOncology operates a network of independent community oncology practices with 15 practices across 14 states TPG is a private equity firm with \$135 billion AUM AmerisourceBergen is a global wholesale distributor of pharmaceutical products and related health care services Total Consideration: \$2.1 billion (\$1.4 billion from TPG and \$0.7 billion from AmerisourceBergen)
Medical Devices	 		<ul style="list-style-type: none"> DuPont de Nemours, Inc. (NYSE:DD) has reached a definitive agreement to acquire Spectrum Plastics Group, a portfolio company of AEA Investors LP Spectrum Plastics Group develops and manufactures specialty medical devices and components, focusing on growing therapeutic areas such as structural heart, electrophysiology, surgical robotics and cardiovascular DuPont provides technology-based materials and solutions across numerous industries including automotive, building & construction, energy, electronics, aerospace, healthcare & medical, packaging & printing and others Total Consideration: \$1.8 billion in cash, 15.6x 2023E EBITDA

HEALTHCARE GROWTH & VALUATION TRENDS

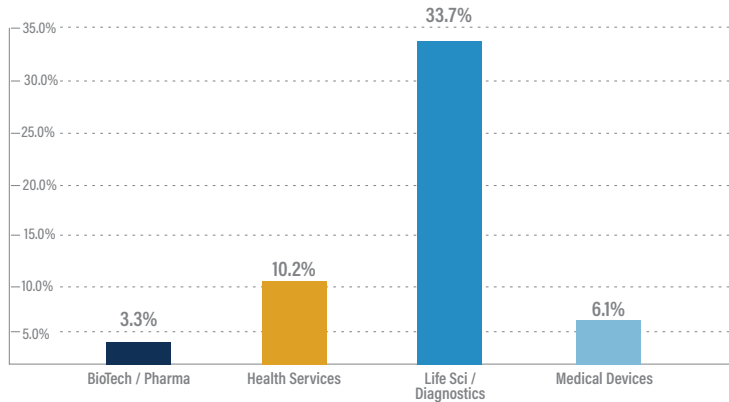
Enterprise Value / LTM Revenue



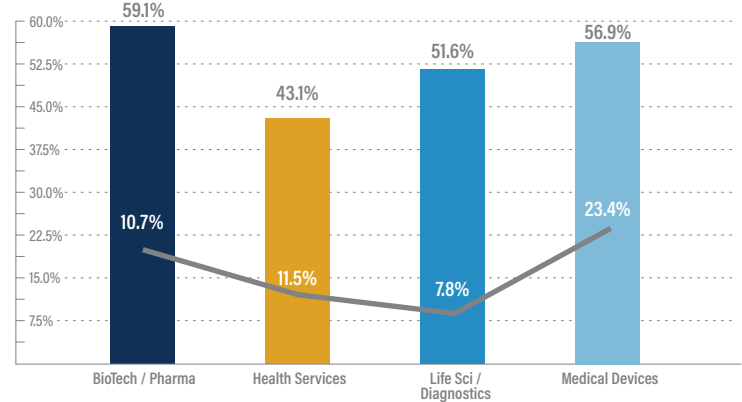
Enterprise Value / LTM EBITDA



LTM Revenue Growth

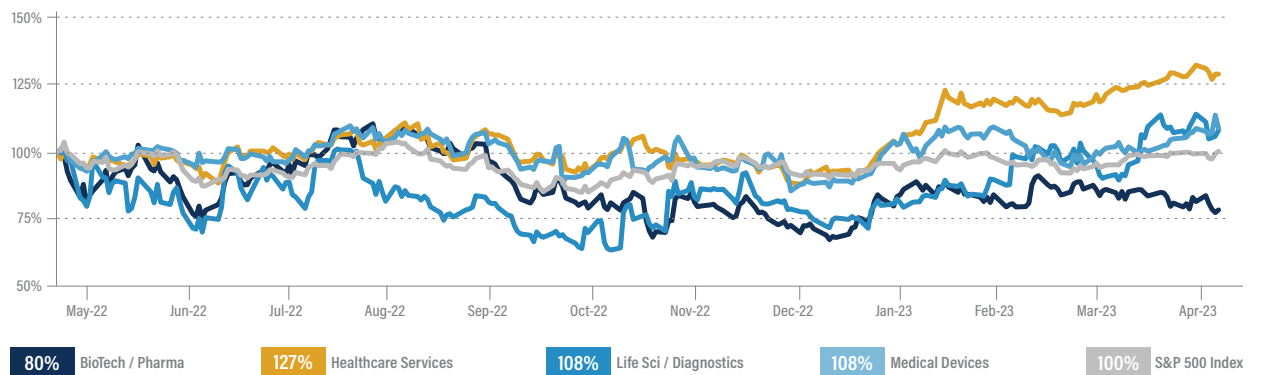


LTM Gross and EBITDA Margins*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



SELECTED HEALTHCARE TRANSACTIONS

Target	Acquiror	BioTech / Pharma Transactions
BELLUS Health Inc. (TSE / NASDAQ:BLU)	GSK plc (LSE / NYSE:GSK)	BELLUS Health is a clinical-stage biopharmaceutical company advancing novel therapeutics for unmet medical conditions, including BLU-5937, a therapeutic for chronic cough Total Consideration: \$2.0 billion Per share price represents a premium of ~103%
BAQSIMI (Eli Lilly and Company (NYSE:LLY))	Amphastar Pharmaceuticals, Inc. (NASDAQ:AMPH)	BAQSIMI, a product developed by Eli Lilly and Company, is used to treat severe hypoglycemia in rescue situations for people with diabetes Total Consideration: \$1.1 billion, consisting of \$500 million in cash, \$125 million in cash upon the one-year anniversary of closing and \$450 million in earnout
Spectrum Pharmaceuticals, Inc. (NASDAQ:SPPI)	Assertio Holdings, Inc. (NASDAQ:ASRT)	Spectrum Pharmaceuticals is a commercial stage biopharmaceutical company that acquires, develops and commercializes novel and targeted oncology therapies Total Consideration: \$291 million, consisting of \$248 million in stock and \$43 million in earnout Per share price represents a premium of ~34%

Target	Acquiror	Life Sci / Diagnostics Transactions
Haystack Oncology, Inc.	Quest Diagnostics Inc. (NYSE:DGX)	Haystack Oncology is an early-stage oncology company focused on minimal residual disease testing to detect residual or recurring cancer Total Consideration: \$450 million, consisting of \$300 million in cash and \$150 million in earnout
Fitzgerald Industries (Trinity Biotech (NASDAQ:TRIB))	Biosynth International (KKR & Co., Ampersand Capital Partners)	Fitzgerald Industries, the life sciences supply division of Trinity Biotech, manufactures and distributes biological materials, such as antigens and antibodies, for the diagnostics industry Total Consideration: \$30 million in cash
Diatech Pharmacogenetics S.r.l. (Alto Partners)	TA Associates Management, L.P.	Diatech Pharmacogenetics, based in Italy, develops, manufactures and commercializes molecular diagnostic tools for precision oncology medicine

Target	Acquiror	Health Services Transactions
Geisinger Health System	Kaiser Permanente through new subsidiary, Risant Health	Geisinger, a Pennsylvania-based regional health care provider, will be folded into Risant Health, a new nonprofit group that will operate independently. Risant Health will expand and accelerate the adoption of value-based care in diverse, multi-payer, multi-provider, community-based health system environments
Ovation Fertility (Morgan Stanley Capital Partners)	US Fertility, LLC (Amulet Capital Partners)	Ovation Fertility provides fertility laboratory services, including in-vitro fertilization laboratory services, genetic testing, egg and embryo storage and other services for the fertility industry
American Vascular Associates, LLC	Petra Capital Partners, Canopy Capital Partners	American Vascular Associates develops and manages a network of outpatient vascular and endovascular centers across the South, Mid-Atlantic, Midwest and Northeastern U.S.

Target	Acquiror	Medical Device Transactions
Robotic-Enabled Minimally Invasive (REMI) System (Accelus)	Alphatec Holdings Inc. (NASDAQ:ATEC)	REMI System is a table-mounted navigation system that guides instrumentation and implants to a precise destination during surgery Total Consideration: \$55 million
Ultra Select Medical, LLC	Probo Medical (Avista Capital Partners)	Ultra Select Medical distributes ultrasound equipment and provides service, maintenance, repair and training for ultrasound equipment
Innovia Medical (Shore Capital Partners)	Inverness Graham	Innovia Medical manufactures branded single-use surgical products and sterile processing systems servicing ENT, ophthalmic, gynecological and aesthetic end markets

Selected TM Capital Healthcare Experience

Montgomery DME
A PORTFOLIO COMPANY OF
MONUMENT
MICROCAP PARTNERS
HAS BEEN ACQUIRED BY
INCLINE
EQUITY PARTNERS

Quantib
A PORTFOLIO COMPANY OF
HOLLAND
CAPITAL
HAS BEEN ACQUIRED BY
RadNet

cpap.com
HAS RECEIVED A STRATEGIC INVESTMENT FROM
CATHAYCAPITAL
凯辉基金

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