



TM CAPITAL  
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# HEALTHCARE MONTHLY

FEBRUARY 2024

## 2024 MD&M WEST HEALTHCARE CONFERENCE OBSERVATIONS

*TM Capital's healthcare team attended the recent MD&M West conference in California, one of the premier industry events for designers, developers and outsourced contract manufacturers of medical devices. This year's conference was well-attended, evidencing increased interest in the category from leading healthcare-focused investors and key strategic acquirers. Several key themes emerged from our discussions:*

- Acquirers are increasingly focused on opportunities in this sector given the essential nature of medical devices, particularly for companies offering differentiated capabilities and serving attractive end markets
- There remains a scarcity of sizable "platform" investments, with many recent transactions representing add-ons for existing platforms to expand service offerings, add manufacturing capabilities, broaden relationships with key OEMs, and expand geographic reach
- Companies with highly technical service offerings and an integrated suite of services (e.g., design, development and production) continue to command premium multiples

*Given the growing investor interest in this category and continued market fragmentation, we expect increased M&A activity in 2024.*

*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

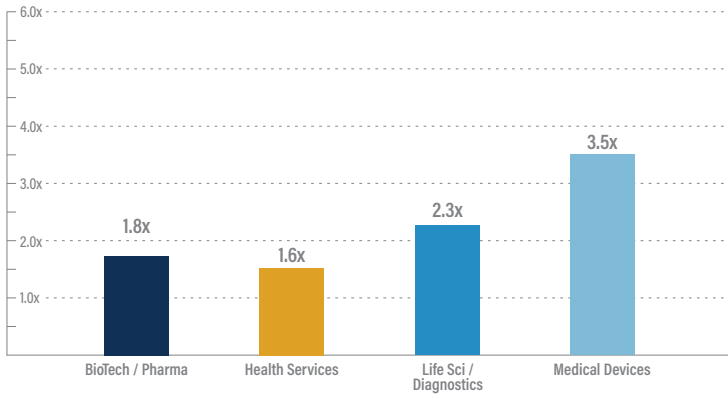
Medical Devices

## HEADLINE TRANSACTIONS

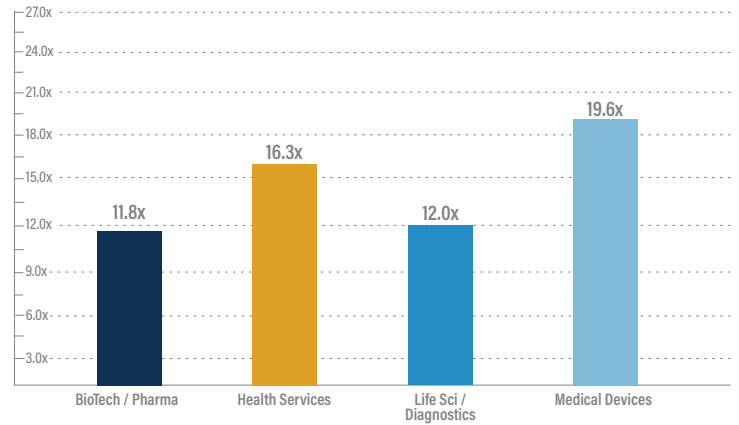
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
	 PRECIPART		<ul style="list-style-type: none"> <li>• <b>TM Capital, together with Oaklins Switzerland, served as a financial advisor to Precipart in connection with a strategic investment from KKR (NYSE:KKR)</b></li> <li>• Precipart, founded in 1950 by the Laubscher family, is headquartered in Switzerland and produces highly engineered precision components and assemblies for medical devices as well as aerospace and industrial markets</li> <li>• KKR is a leading global investment firm with \$553 billion of AUM and is investing in Precipart through its Health Care Strategic Growth Fund, which focuses on high-growth healthcare companies</li> </ul>
Medical Devices	 Axonics		<ul style="list-style-type: none"> <li>• Boston Scientific Corporation (NYSE:BSX) has entered a definitive agreement to acquire Axonics, Inc. (NASDAQ:AXNX)</li> <li>• Axonics is a medical technology company developing and commercializing neuromodulation devices targeting urinary and bowel dysfunction</li> <li>• Boston Scientific is a medical device company manufacturing and marketing equipment for interventional medical specialties including cardiology, radiology, oncology and neuromodulation for chronic pain</li> <li>• Total Consideration: \$3.6 billion cash</li> <li>• Per Share Price Premium: 23.3%</li> </ul>
	 		<ul style="list-style-type: none"> <li>• TJC LP has entered a definitive agreement to acquire Tidi Products LLC from Roundtable Healthcare Partners</li> <li>• Tidi Products is a manufacturer of medical devices and supplies intended to prevent infections across the acute care, alternate site and dental end-markets</li> <li>• The Jordan Company is a US-based middle-market private equity firm with ~\$29 billion of AUM, investing in companies operating across the consumer, healthcare, industrial, telecommunications and logistics sectors across the United States</li> </ul>
BioTech / Pharma			<ul style="list-style-type: none"> <li>• Johnson &amp; Johnson (NYSE:JNJ) has entered a definitive agreement to acquire Ambrx Biopharma, Inc. (NASDAQ:AMAM)</li> <li>• Ambrx Biopharma is a clinical-stage biopharmaceutical company discovering, developing and commercializing antibody drug conjugates targeting prostate cancer, breast cancer and renal cell carcinoma</li> <li>• Johnson &amp; Johnson is a holding company researching, developing, manufacturing and selling products in numerous healthcare segments including consumer health, pharmaceutical and medtech</li> <li>• Total Consideration: \$2.0 billion cash</li> <li>• Per Share Price Premium: 105.4%</li> </ul>

# HEALTHCARE GROWTH & VALUATION TRENDS

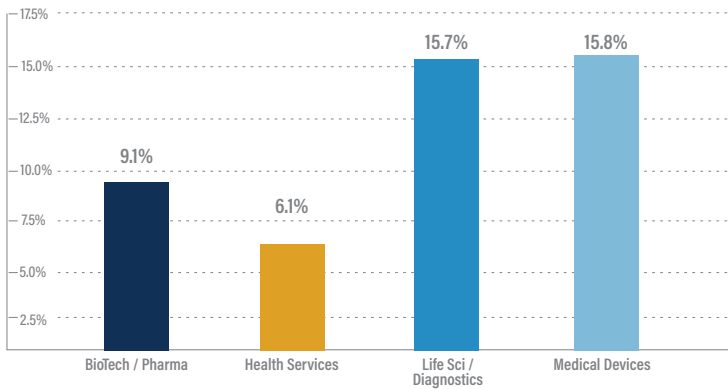
Enterprise Value / LTM Revenue



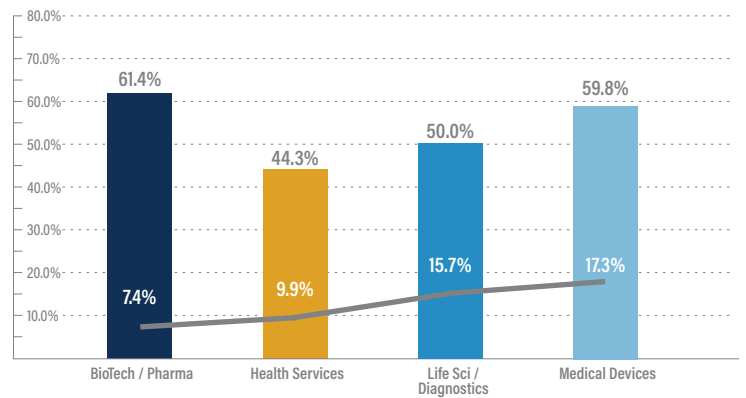
Enterprise Value / LTM EBITDA



LTM Revenue Growth

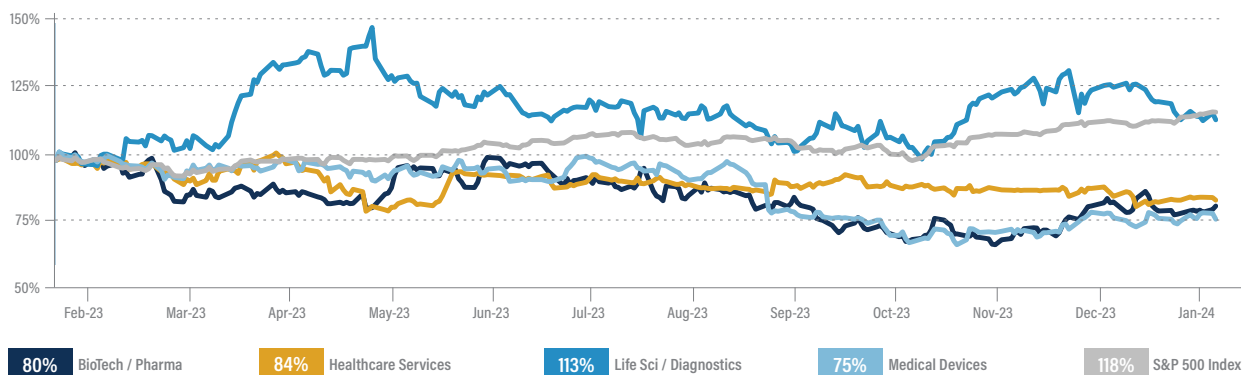


LTM Gross and EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

LTM Stock Price Index



# SELECTED HEALTHCARE TRANSACTIONS


Target	Acquiror	BioTech / Pharma Transactions
Harpoon Therapeutics, Inc. (NASDAQ:HARP)	Merck & Co, Inc. (NYSE:MRK)	Harpoon Therapeutics is a clinical-stage immunotherapy company developing a novel class of T-cell engagers targeting certain kinds of solid tumors and hematologic malignancies Total Consideration: \$680 million Per Share Price Premium: 118%
Calypso Biotech, Inc.	Novartis AG (NYSE:NVS)	Calypso is a German biotechnology company researching and developing monoclonal antibodies targeting chronic autoimmune diseases; its lead product candidate, CALY-002, is under clinical trial for treatment of celiac disease and eosinophilic esophagitis Total Consideration: \$250 million cash; \$175 million earnout
Upsher-Smith Laboratories, LLC (Sumitomo Corporation; Sawai Group Holdings)	Bora Pharmaceuticals Co., Ltd (TPE:6472)	Upsher-Smith is a pharmaceutical manufacturer of 48 generic medicines including morphine, potassium chloride and testosterone Total Consideration: \$210 million cash

Target	Acquiror	Life Sci / Diagnostics Transactions
C2i Genomics, Inc.	Veracyte, Inc.	C2i Genomics is a diagnostics company providing genome-sequencing, liquid biopsy and cloud-based technology services for monitoring post-resection patients Total Consideration: \$70 million cash, \$25 million earnout
Tornado Spectral Systems, Inc.	Bruker Corp. (NASDAQ:BRKR)	Tornado is a Canadian life science company providing Raman spectroscopy instruments for quality control in pharma and biotech end markets
RUWAG Handels, AG	Calibre Scientific, Inc. (StoneCalibre, LLC)	RUWAG is a Swiss distributor of medical diagnostic and life science products


Target	Acquiror	Health Services Transactions
Specialty Networks, LLC (Linden Capital Partners, LLC)	Cardinal Health, Inc. (NYSE:CAH)	Specialty Networks is a provider of healthcare software solutions including group purchasing contracts, population health management and patient engagement to independent physician practices Total Consideration: \$1.2 billion cash
The Bengtson Center for Aesthetics and Plastic Surgery and Symmetry MedSpa (BCAPS)	United Aesthetics Alliance (Varsity Healthcare Partners)	BCAPS, led by two board-certified plastic surgeons, is a Michigan-based medical aesthetics practice offering injectables, plastic surgery and other aesthetic services
Alpha Independent Review Board, LLC	Sabai Global (Thompson Street Capital Partners)	Alpha IRB is a provider of Institutional Review Board services to biopharmaceutical companies, clinical research organizations and site networks


Target	Acquiror	Medical Device Transactions
Pulse Technologies, Inc.	Integer Holdings Corp (NYSE:ITGR)	Pulse Technologies is a technology, engineering and contract manufacturing company focused on engineered components for structural heart, electrophysiology and neuromodulation end markets Total Consideration: \$140 million cash
Boston Brace International, Inc. d/b/a Boston Orthotics & Prosthetics	OrthoPediatrics (NASDAQ:KIDS)	Boston Orthotics & Prosthetics is a pediatric orthotic management company offering bracing, orthotic and prosthetic technologies to treat neuromuscular disorders with a special focus on scoliosis Total Consideration: \$22 million cash
EHOB LLC	RoundTable Healthcare Partners	EHOB is a family-owned and operated company specializing in pressure injury prevention and patient positioning solutions


## Selected TM Capital Healthcare Experience





**PRECIPART**  
HAS RECEIVED A MAJORITY INVESTMENT FROM  
**KKR**



HAS BEEN ACQUIRED BY  




A PORTFOLIO COMPANY OF  
  
HAS BEEN ACQUIRED BY  


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