



HEALTHCARE MONTHLY

MARCH 2024

2024 MCDERMOTT HPE CONFERENCE OBSERVATIONS

TM Capital's healthcare team recently attended the McDermott Will & Emery Healthcare Private Equity conference. This year's event had record attendance, and we were pleased to connect with many leading healthcare investors on the beach in Miami. Several key themes emerged from our discussions:

- Investors remain cautiously optimistic for healthcare M&A activity in 2024 – underpinned by strong sector demand drivers and an expectation for increased deal flow, particularly for larger platform-sized assets
- An increasing focus on the upcoming election may impact deal activity in certain healthcare sub-sectors, particularly those subject to governmental regulation and/or reimbursement (e.g., physician practice roll-ups have garnered increased scrutiny at both the federal and state level under the current administration) – careful analysis of potential election impacts (and thoughtful positioning) will become increasingly important in M&A discussions throughout this year
- Investors are continuing to focus on fundamentals when evaluating new investments – sustainability of growth, differentiated positioning, and the ability to expand patient access or reduce broader healthcare costs – both to justify current valuation expectations and to ensure continued growth if macroeconomic conditions change in the coming years

Given our discussions and market observations, we continue to expect increased healthcare 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

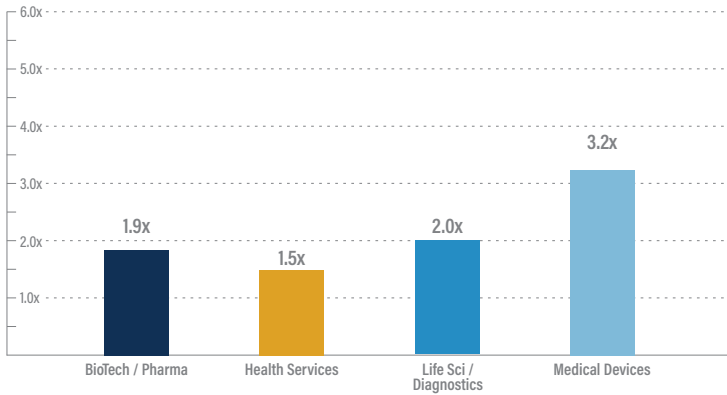
Medical Devices

HEADLINE TRANSACTIONS

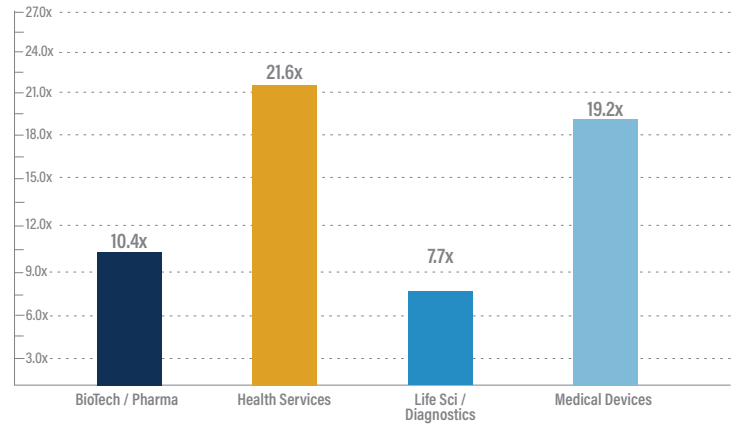
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
			<ul style="list-style-type: none"> Novo Nordisk A/S (NYSE: NVO) has entered a definitive agreement to acquire Catalent, Inc. (NYSE: CTLT) Catalent is a contract development and manufacturing organization operating under four segments: biologics, oral technologies, specialty delivery and clinical supply services Novo Holdings is a holding and investment company managing the assets and wealth of the Novo Nordisk Foundation Total Consideration: \$16.5 billion cash Per Share Price Premium: 16.5%
BioTech / Pharma			<ul style="list-style-type: none"> Gilead Sciences, Inc. (NASDAQ: GILD) has entered a definitive agreement to acquire CymaBay Therapeutics, Inc. (NASDAQ: CBAY) CymaBay is a clinical-stage biopharmaceutical company developing innovative therapies for patients with liver & other chronic illnesses Gilead Sciences develops & markets therapies to treat life-threatening infectious diseases, specializing in HIV and hepatitis B and C Total Consideration: \$4.3 billion cash Per Share Price Premium: 26.5%
	Aqua Business of 	 	<ul style="list-style-type: none"> MSD Animal Health, a subsidiary of Merck & Co, Inc. (NYSE: MRK) has entered a definitive agreement to acquire the Aqua business of Elanco Animal Health, Inc. (NYSE: ELAN) The Aqua Business of Elanco Animal Health includes products, brands and research related to warm-water and cold-water species; Elanco Animal Health is an animal health company developing and manufacturing therapeutics for pets and farm animals MSD Animal Health, a subsidiary of Merck, delivers animal health products & biologic therapeutics Merck is a pharmaceutical company developing and manufacturing therapeutics to treat cardiometabolic disease, cancer & infections Total Consideration: \$1.3 billion cash
Medical Devices			<ul style="list-style-type: none"> Thomas H. Lee Partners, LP ("THL") has entered a definitive agreement to acquire all outstanding shares of Agiliti Health, Inc. (NYSE: AGTI) not currently owned by THL Agiliti is a provider of healthcare technology management and service solutions including clinical engineering, equipment rental, imaging services and onsite management THL is a private equity firm based in Boston with \$16.9 billion AUM investing in North American companies operating in the financial technology & services, healthcare & technology, pharmaceuticals and business solution sectors Total Consideration: \$409 million cash Per Share Price Premium: 30.9%

HEALTHCARE GROWTH & VALUATION TRENDS

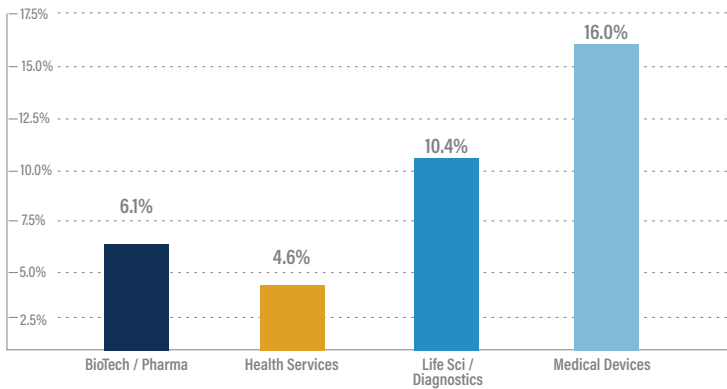
Enterprise Value / LTM Revenue



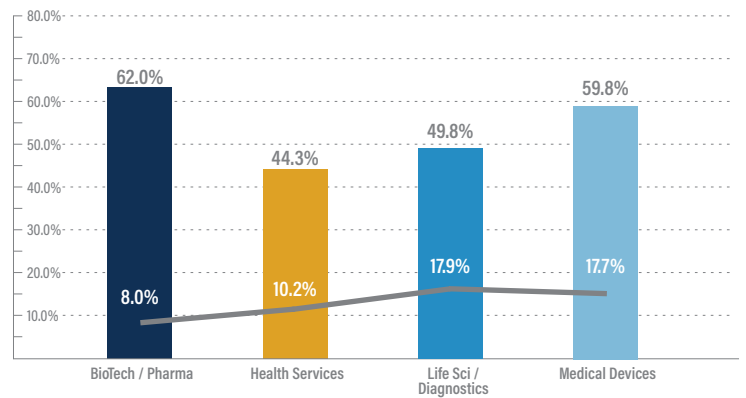
Enterprise Value / LTM EBITDA



LTM Revenue Growth

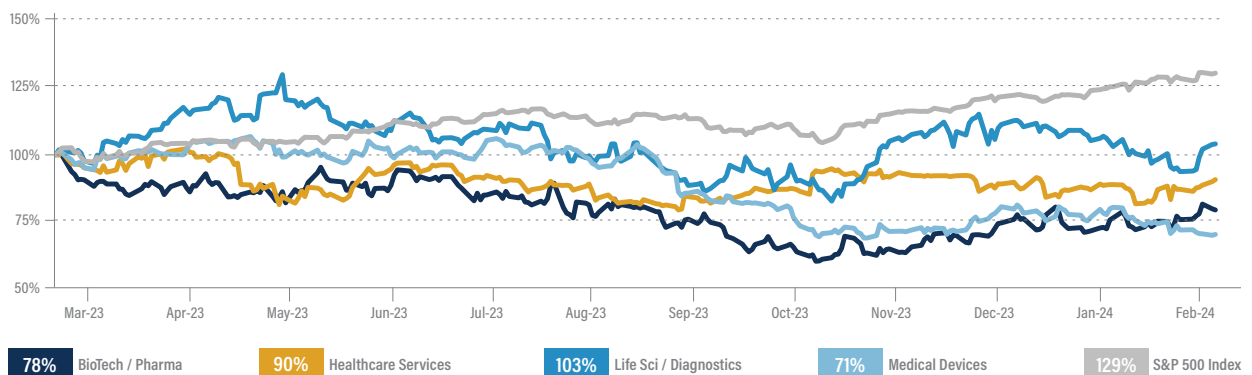


LTM Gross and EBITDA Margins*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



SELECTED HEALTHCARE TRANSACTIONS

Target	Acquiror	BioTech / Pharma Transactions
MorphoSys, AG (NASDAQ: MOR)	Novartis, AG (SWX: NOVN)	MorphoSys is a biopharmaceutical company developing & commercializing therapies targeting cancer & autoimmune disease Total Consideration: \$2.9 billion cash Per Share Price Premium: 61.3%

Kinnate Biopharma, Inc. (NASDAQ: KNTE)	XOMA Corporation (NASDAQ: XOMA)	Kinnate Biopharma Inc. is a clinical-stage precision oncology company discovering, designing and developing small molecule kinase inhibitors to treat lung cancer, melanoma and other cancers Total Consideration: \$122 million cash Per Share Price Premium: 14%
---	------------------------------------	--

QSAM Biosciences, Inc. (OTCQB: QSAM)	Telix Pharmaceuticals, Ltd (ASX: TLX)	QSAM Biosciences is a biotechnology company developing nuclear medicines for the treatment of cancer and other diseases; its flagship technology, (153) Sm-DOTMP, is a clinical-stage bone-targeting radiopharmaceutical
--------------------------------------	---------------------------------------	--

Target	Acquiror	Life Sci / Diagnostics Transactions
GEDiCube, BV	Renovaro, Inc. (NASDAQ: RENB)	GEDiCube is a developer of proprietary analytical tools designed to analyze genetics using machine learning algorithms

Spectral Instruments Imaging, LLC	Bruker Corporation (NASDAQ:BRKR)	Spectral Instruments Imaging is a provider of preclinical in-vivo optical imaging systems
-----------------------------------	-------------------------------------	---

IBEX Technologies, Inc.	BBI Solutions OEM, Ltd (Novo Holdings A/S (NYSE: NVO))	IBEX is a Canada-based life sciences company producing enzyme reagents and collagen assays for diagnostics companies
-------------------------	---	--

Target	Acquiror	Health Services Transactions
EmVenio Research, Inc. (BroadOak Capital Partners, LLC)	PCM Trials	EmVenio Research is a decentralized research organization providing hybrid decentralized trial solutions to enhance access for underserved and high-risk populations

LivingYoung Center for Health & Anti-Aging (LivingYoung Holdings, LLC)	Advanced Medaesthetic Partners (Leon Capital Group, LLC)	LivingYoung Center for Health & Anti-Aging is a Florida-based medical spa with three locations, offering a suite of wellness and health services including aesthetic, hormone and weight loss therapies
--	--	---

Vanguard Aesthetic Plastic Surgery	Advanced Reconstructive Surgery Alliance (Webster Equity Partners, LP)	Vanguard Aesthetic Plastic Surgery is a Fort Lauderdale, Florida-based cosmetic and reconstructive surgery practice
------------------------------------	--	---

Target	Acquiror	Medical Device Transactions
Dabir Surfaces business unit (Methode Electronics, Inc. (NYSE: MEI))	Undisclosed buyer	TM Capital served as exclusive financial advisor to Methode Electronics, Inc. (NYSE:MEI) in the divestiture of its Dabir Surfaces business unit; Dabir develops & markets alternating-pressure bed overlay surfaces clinically proven to reduce the incidence of hospital-acquired pressure injuries

Command Medical Products, Inc.	Argosy Healthcare Partners (Argosy Capital Group, Inc.)	Command Medical Products is a contract manufacturer of single-use disposable medical devices for global medical device OEMs and life sciences customers
--------------------------------	---	---

(Gulf Region Rental Service Network) Joerns Healthcare, LLC	MasVida Health Care Solutions, LLC (Brixey & Meyer Capital)	Joerns Healthcare's Gulf Region Rental Service Network provides long-term care equipment for rent in Florida, Georgia, Louisiana, Oklahoma and Texas
---	---	--

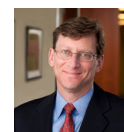
Selected TM Capital Healthcare Experience



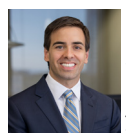
TM Capital's Healthcare Industry Contacts



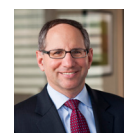
James McLaren
Managing Director
jmclaren@tmcapital.com
212.809.1414



Michael Goldman
Managing Director
mgoldman@tmcapital.com
212.809.1419



John Dean
Principal
jdean@tmcapital.com
404.995.6234



Paul Smolevitz
Managing Director
psmolevitz@tmcapital.com
212.809.1416



Steve Hunter
Managing Director,
Sponsor Coverage
shunter@tmcapital.com
404.995.6232