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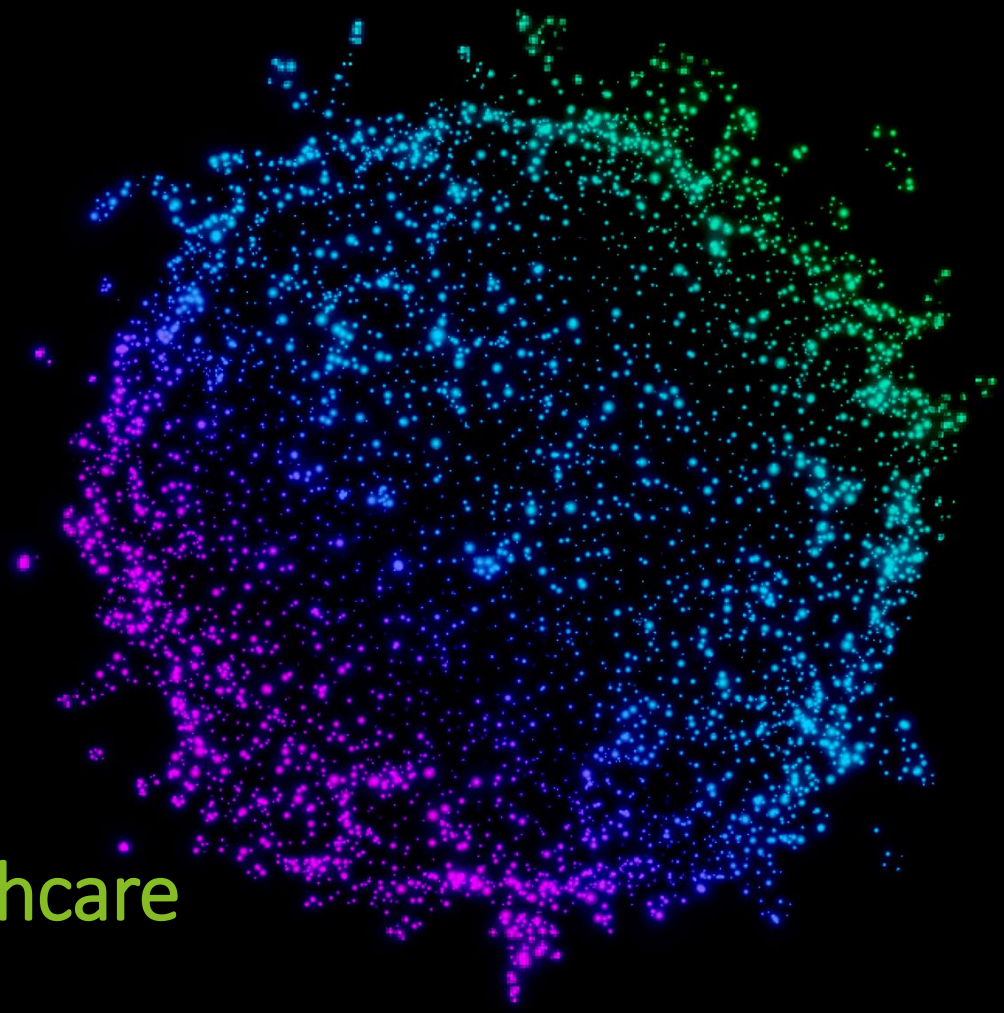


Life Sciences & Healthcare
Quarterly Update

MAKING AN IMPACT THAT MATTERS since 1845

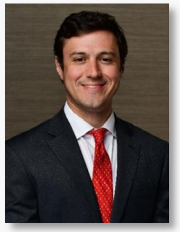
Q1 2025

Deloitte Corporate Finance's Life Sciences & Healthcare Practice

Deloitte Corporate Finance LLC (DCF) is a leading, global middle-market M&A adviser. Our professionals have extensive knowledge in the life sciences and healthcare spaces and use their experience to help clients enhance value.

Life Sciences & Healthcare Leadership

Simon Gisby
Managing Director
New York, NY
sgisby@deloitte.com



Eric Steinberg
Senior Vice President
Charlotte, NC
esteinberg@deloitte.com

AJ Silverman
Senior Associate
Charlotte, NC
ajsilverman@deloitte.com

Firm Overview

#2 2024 Global M&A Advisor by deals completed.(1)

623 Completed deals in 2024.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- **Second ranked global M&A advisor by deals completed** in 2024 according to Mergermarket.(1)

Sector Focus

- Healthcare services
- Healthcare technology
- Life sciences and pharma services
- Medical devices and supplies
- Payors and payor services

Footnote(s): (1) Refer to the appendix on slide 9 for sources.

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Appendix 9

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Deloitte Thought Leadership

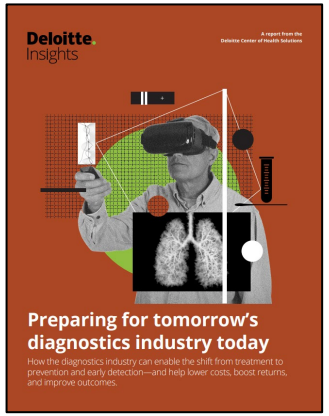
Deloitte thought leadership

- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends enables Deloitte to demonstrate eminence in the life sciences and health care market by redefining the lens through which industry leaders operate.

Extensive knowledge network

- DCF leverages its expansive, cross-business knowledge network, extensive consulting reports, and in-depth industry research to help drive results and provide differentiated insights for our clients.

Recent insights



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Healthcare Services

Sector Trends [1]

During Q1 2025, the Healthcare Services sector saw a surge in M&A activity with dental and behavioral health deals leading the way. This activity was largely fueled by the increasing demand for services, particularly within telehealth and mental health, reflecting a broader trend towards virtual care and proactive, decentralized healthcare models. The rising need for these services, coupled with available capital and a positive industry outlook, created a favorable environment for consolidation and investment. Despite a positive outlook with expectations of increased revenue and improved profitability, healthcare services companies continue to face unprecedented stresses deriving from a significant healthcare professional shortage.

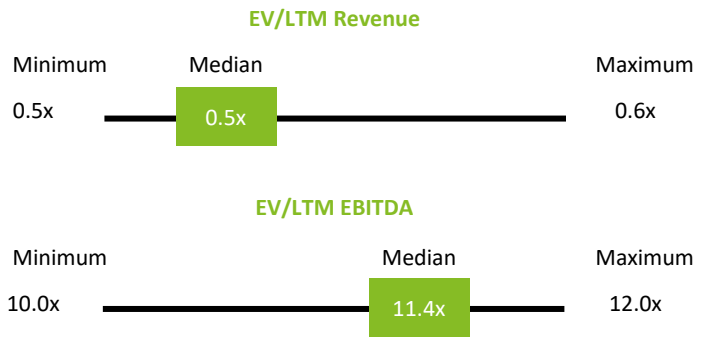
Select Recent M&A Activity[2]

Close Date	Target	Acquiror	Implied EV ($M)
January 2025	Retina Consultants of America	Cencora, Inc.	$5,100.0
January 2025	The GI Alliance Management, LLC	Cardinal Health, Inc.	$3,835.6
February 2025	Ambry Genetics Corporation	Tempus AI, Inc.	$598.0
March 2025[5]	Nova Medical Centers	Concentra Health Services, Inc.	$265.0
February 2025[5]	Catapult Health, LLC	Teladoc Health, Inc.	$70.0

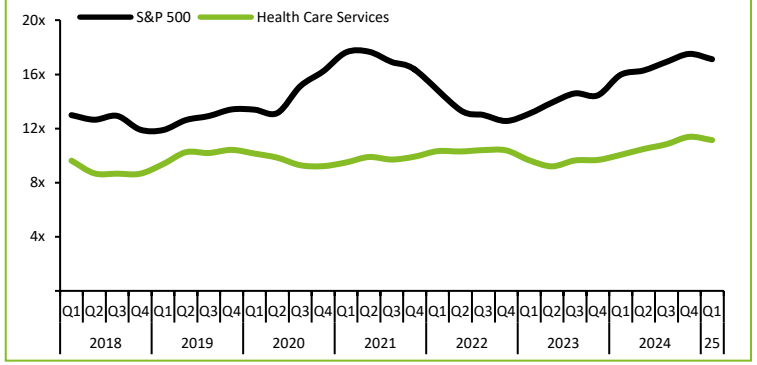
Select Public Comparables[3]

Company Name	Enterprise Value ($M)
DaVita Inc.	$25,206.1
Quest Diagnostics Inc.	$23,156.3
Encompass Health Corporation	$12,721.7
Option Care Health, Inc.	$4,686.7
Amedisys, Inc.	$3,248.7
Agilon Health, Inc.	$433.8

Sector Trading Metrics[4]



Historical EV/EBITDA Multiples[4]



Footnote(s): (1-4) Refer to the appendix on slide 9 for sources, (5) Deals are announced and in-progress.

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Healthcare Technology

Sector Trends [1]

In Q1 2025, private equity deal activity in the Healthcare Technology sector continued to focus on the digital health, IT, and software space. Additionally, there was moderate activity in the revenue cycle management (RCM) industry. Corresponding activity in Q1 was largely driven by solution-focused initiatives, including investments in digital interaction technologies, enhanced information sharing among care providers to reduce readmissions, advanced analytics for commercialization, and technologies aimed at cost control and value-based care. As the digital health market continues to mature, larger companies are strategically acquiring innovative startups to broaden their product portfolios and extend their market reach.

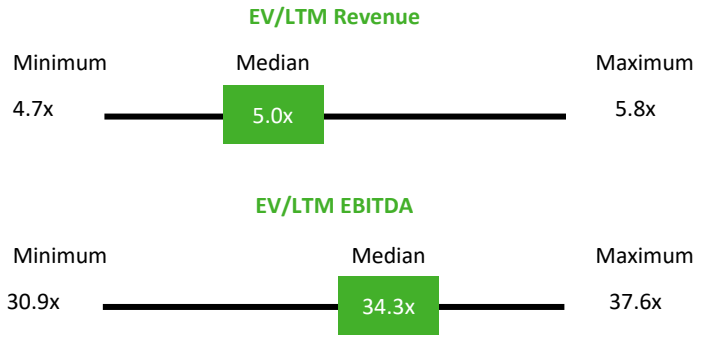
Select Recent M&A Activity[2]

Close Date	Target	Acquiror	Implied EV ($M)
March 2025	Modernizing Medicine, Inc.	ClearLake Capital Group LP	$4,770.0
January 2025	Access Healthcare	New Mountain Capital	$1,450.0
January 2025[5]	Upfront Healthcare Services, Inc.	Health Catalyst, Inc.	$112.3
February 2025	Singular Genomics Systems, Inc.	Deerfield Management Co LP	$51.2
March 2025	Dieta, Inc.	Cylinder Health, Inc.	N/A

Select Public Comparables[3]

Company Name	Enterprise Value ($M)
Veeva Systems, Inc.	$32,003.9
Claritev Corporation	$4,870.6
Omnicell, Inc.	$1,649.6
Teladoc Health, Inc.	$1,633.9
Health Catalyst, Inc.	$314.3
American Well Corporation	($96.7)

Sector Trading Metrics[4]



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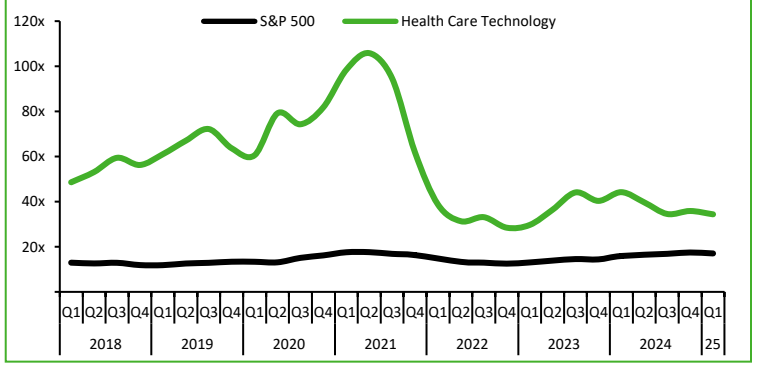

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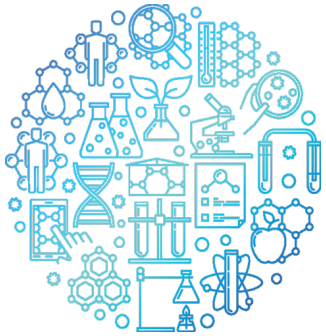
Life Sciences and Pharma Services

Sector Trends [1]

The Life Sciences and Pharma Services sector in Q1 2025 witnessed robust M&A activity, exceeding expectations with a significant number of deals across all subsectors. This surge was driven by several tailwinds, including a rise in demand for specialty medications giving way to a projected specialty pharmaceutical market size of $75.9B in 2030 reflecting a CAGR of 36.5% between 2025 - 2030. Both private equity and strategic buyers actively sought opportunities in areas such as CDMOs, CROs, and commercialization services, reflecting a broader industry shift towards end-to-end service providers and onshoring initiatives.

Select Recent M&A Activity[2]

Close Date	Target	Acquiror	Implied EV ($M)
January 2025	Poseida Therapeutics, Inc.	Roche Holdings, Inc.	$1,312.6
January 2025	Soleo Health	WindRose Health Investors; Court Square	$1,150.0
February 2025	Avid Bioservices, Inc.	Ampersand Management LLC; GHO Capital Partners LLP	$1,036.6
February 2025	Revance Therapeutics, Inc.	Crown Laboratories, Inc.	$694.4
January 2025	RLS (USA), Inc.	Telix Pharmaceuticals Limited	$250.0



Select Public Comparables[3]

Company Name	Enterprise Value ($M)
AbbVie Inc.	$426.515.2
Merck & Co., Inc.	$243,549.3
Amgen Inc.	$213,004.9
Thermo Fisher Scientific Inc.	$207,997.8
Pfizer Inc.	$182,643.5
IQVIA Holdings Inc.	$42,505.2

Sector Trading Metrics[4]

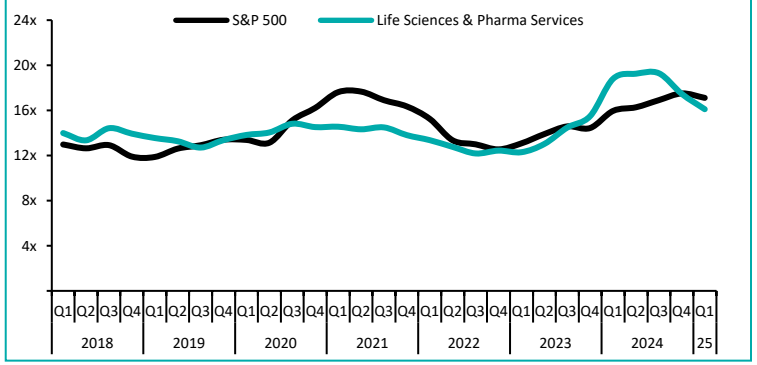
EV/LTM Revenue

Minimum	Median	Maximum
5.6x	5.8x	6.0x

EV/LTM EBITDA

Minimum	Median	Maximum
15.4x	16.9x	17.5x

Historical EV/EBITDA Multiples[4]



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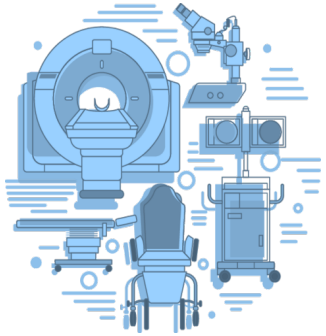
Medical Devices and Supplies

Sector Trends [1]

In Q1 2025, the Medical Devices and Supplies sector experienced moderate growth. Tailwinds include an increase in demand for remote patient monitoring devices and the respective market size expected to grow towards $285.9B in 2034 from $59.9B in 2025 at a CAGR of 18.9%. The adoption of digital health platforms has helped fuel the demand for the supporting devices, increasing the value of care through more accurate data analysis. As the US population continues to age, there will be a steady volume for consumable devices that grow in-line with healthcare utilization ultimately driving M&A activity.

Select Recent M&A Activity[2]

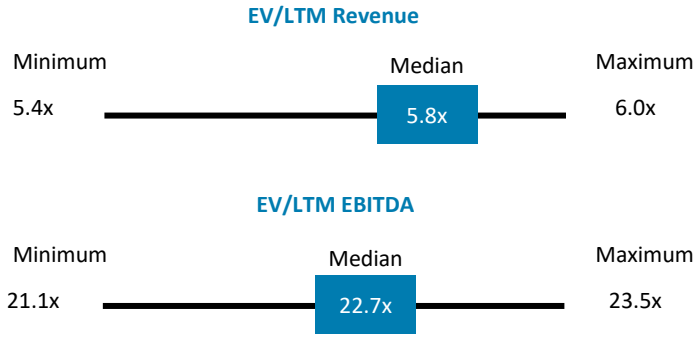
Close Date	Target	Acquiror	Implied EV ($M)
February 2025	Inari Medical, Inc.	Stryker Corporation	$4,808.8
January 2025	Tyber Medical	Montagu Private Equity	$237.5
January 2025	Avenova	RoundTable Healthcare Partners	$11.5
January 2025[5]	MicroSort Reproductive Technology	NewGenIvf Group Limited	$5.0
March 2025	Antibe Therapeutics, Inc.	Taro Pharmaceuticals Inc.	$3.1



Select Public Comparables[3]

Company Name	Enterprise Value ($M)
Johnson & Johnson, Inc.	$381,421.2
Abbott Laboratoires Corporation	$235,684.1
Stryker Corporation	$151,588.4
Medtronic, Inc.	$132,405.3
Becton, Dickinson and Company	$82,934.1
Baxter International, Inc.	$29,194.7

Sector Trading Metrics[4]



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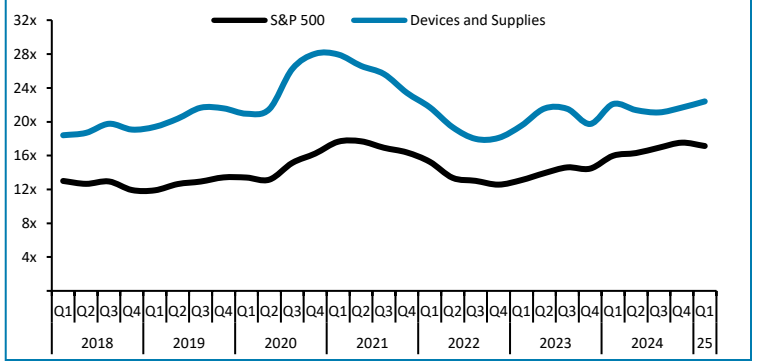

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Payors and Payor Services

Sector Trends [1]

In Q1 2025, the payors and payor services industry experienced moderate M&A activity driven by an increase in Medicare and Medicaid dual-eligible populations, along with expanded offerings from third-party administrators in commercial insurance. Over the past five years, third-party administrator revenue has grown at a CAGR of 2.4%, reaching $319.8B, with a 1.4% increase in 2025 alone. As business activity is anticipated to rebound heading into 2025, the demand for third-party administration services and insurance plans is expected to rise, thereby driving an increase in M&A activity.

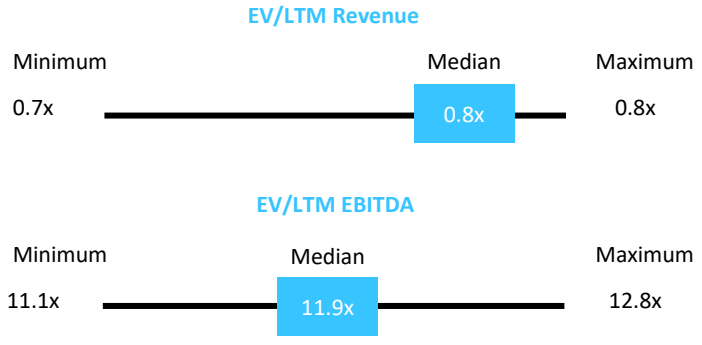
Select Recent M&A Activity[2]

Close Date	Target	Acquiror	Implied EV ($M)
March 2025	Cigna (Medicare Business)	Health Care Service Corporation	$3,700.0
January 2025	Common Ground Healthcare Co-op	Caresource Management Group Co	N/A
March 2025	Blackmaple Group, LLC	Pandion Optimization Alliance	N/A
March 2025	Glidian, Inc.	TIS International (USA), Inc.	N/A
February 2025	Wakefield & Associates, LLC	Revco Solutions, LLC	N/A

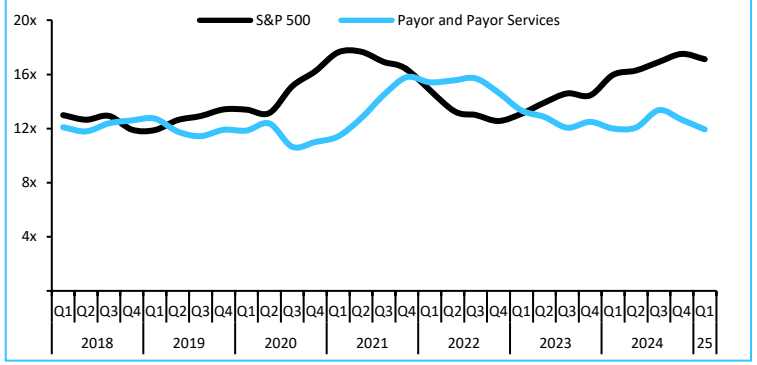
Select Public Comparables[3]

Company Name	Enterprise Value ($M)
UnitedHealth Group, Inc.	$536,228.3
Elevance Health, Inc.	$121,008.1
The Cigna Group Corporation	$120,816.8
Humana, Inc.	$41,522.2
Centene Corporation	$32,830.8
Molina Healthcare, Inc.	$12,056.7

Sector Trading Metrics[4]



Historical EV/EBITDA Multiples[4]



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Appendix

Citations

Page 1:

1. Mergermarket. Accessed March 27, 2025. Data as of March 27, 2025.

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1. Sector trends in Q1, 2025.
    a. *HFMA. Hospital M&A forecast.* Accessed March 27, 2025. Data as of March 27, 2025.
    b. *Fierce healthcare. Healthcare poised for robust M&A activity 2025.* Accessed March 27, 2025. Data as of March 27, 2025.
    c. *IMA. Healthcare Economic Overview and Market Update* Accessed March 27, 2025. Data as of March 27, 2025.
    d. *Healthcare Dealflow. Private Equity Deals of the Month.* Accessed March 27, 2025. Data as of March 27, 2025.
2. Relevant transactions in Q1, 2025.
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3. Select public comparables set in Q1, 2025.
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4. Expanded public comparables set in Q2, 2023.
    a. S&P Capital IQ . Accessed April 1, 2025. Data as of April 1, 2025.

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    a. *Healthcare.Digital. Healthteach Key Priorities for Strategic and Financial Acquirers.* Accessed March 27, 2025. Data as of March 27, 2025.
    b. *Healthcare Dealflow: Private Equity Deals of the Month.* Accessed March 27, 2025. Data as of March 27, 2025.
2. Relevant transactions in Q1, 2025.
    a. S&P Capital IQ . Accessed March 25, 2024. Data as of March 27, 2025.
3. Select public comparables set in Q2, 2023.
    a. PitchBook. Accessed April 2, 2025. Data as of April 1, 2025.
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    b. *IMAP. Pharma Services Sector Update February 2025.* Accessed March 27, 2025. Data as of March 27, 2025.
    c. *Mordor Intelligence. Specialty Pharmaceuticals Market Size & Share Analysis.* Accessed March 27, 2025. Data as of March 27, 2025.
2. Relevant transactions in Q1, 2025.
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3. Select public comparables set in Q2, 2023.
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    a. S&P Capital IQ . Accessed April 1, 2025. Data as of April 1, 2025.

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1. Sector trends in Q1, 2025.
    a. *Goodwin Law. Medtech M&A and VC Signal Positive Momentum Entering 2025.* Accessed March 27, 2025. Data as of March 27, 2025.
    b. *Medical Product Outsourcing. Software as a Medica Device.* Accessed March 27, 2025. Data as of March 27, 2025.
    c. *Custom Market Insights. Global Remote Patient Monitoring Device Market 2025 – 2034.* Accessed March 27, 2025. Data as of March 27, 2025.
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3. Select public comparables set in Q2, 2023.
    a. PitchBook. Accessed April 2, 2025. Data as of April 1, 2025.
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    a. S&P Capital IQ . Accessed April 1, 2025. Data as of April 1, 2025.

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Appendix

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Page 8:

1. Sector trends in Q1, 2025.
    a. IBIS. *Third-Party Administrators & Insurance Claims Adjusters in the US - Market Research Report.* Accessed March 27, 2025. Data as of March 27, 2025.
2. Relevant transactions in Q1, 2025.
    a. S&P Capital IQ . Accessed March 25, 2025. Data as of March 25, 2025.
3. Select public comparables set in Q2, 2023.
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    a. S&P Capital IQ . Accessed July 23, 2023. Data as of April 1, 2025.

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