

Life Sciences & Health Care

Quarterly Update

Q1 2022



Deloitte Corporate Finance’s Life Sciences & Health Care 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 health care spaces and use their experience to help clients enhance value.



Life Sciences & Health Care Leadership



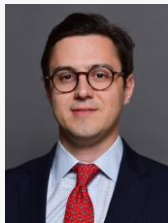
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Firm Overview

#2

2021 Global M&A
Advisor by deals
completed.⁽¹⁾

662

Completed deals
in 2021.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- **Top global middle-market financial advisor** in 2020 according to Mergermarket.⁽¹⁾



Sector Focus

- Health Care Services
- Health Care Technology
- Life Sciences & Pharma Services
- Medical Devices & Supplies
- Payors & Payor Services

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Case studies

Hudson Medical Innovations



has been acquired by
an undisclosed party

The undersigned acted as
exclusive financial advisor to
Hudson Medical Innovations

Deloitte.

Client Overview

- Hudson Medical Innovations is an industry-leading, vertically integrated, high-tech contract manufacturing services provider of medical consumables serving point-of-care diagnostics, microfluidics, advanced wound care, and wearable biosensor end-markets.

“Deloitte Corporate Finance exemplified exceptional guidance and expertise which allowed us to accomplish our financial and operational goals in a seamless process. They successfully presented HMI’s value with great clarity while marketing the deal to a broad universe of investors generating significant competition. Their diligent approach to each stage of the process allowed us to secure a fantastic outcome by identifying the best suited partner for the Company’s future growth.”
-Tim Burns, CEO

Rural Health Alliance



has been acquired by
FAST PACE HEALTH
URGENT CARE
a portfolio company of

The undersigned acted as
exclusive financial advisor to
Rural Health Alliance, LLC

Deloitte.

Client Overview

- Rural Health Alliance, LLC is an operator of 15 rural walk-in clinics providing primary care and integrated ancillary services, such as behavioral health and pediatric care, in Western and Middle Tennessee.

“Deloitte Corporate Finance delivered high touch advisory services at every stage of the sale process. Their experience working with health care services businesses, particularly in the primary care space; deep private equity relationships; and premier execution capabilities enabled Rural Health Alliance to secure a fantastic valuation and overcome the unique challenges presented during the global COVID-19 pandemic.”
- Ruste Via, President and CEO

Workplace Options



has received an investment from

The undersigned acted as
exclusive financial advisor to
Workplace Options, LLC

Deloitte.

Client Overview

- Workplace Options, LLC is a corporate wellness solutions and supplemental health benefits provider offering behavioral health, as well as practical and physical wellbeing support, to employees and their families across the globe.

“Deloitte Corporate Finance’s guidance and industry experience allowed Workplace Options to accomplish its financial and operational objectives. The detailed process included in-depth due diligence and extensive pre-market analysis on several strategic alternatives. These options were presented with great clarity by the Deloitte team. Additionally, by running a highly disciplined and structured marketing process, DCF effectively maintained stiff competition, which enabled us to negotiate transaction terms that exceeded our expectations.”
- Alan King, President and CEO

NetCE



has been acquired by
trc healthcare
a portfolio company of

The undersigned acted as
exclusive financial advisor to
CE Resource, Inc. d.b.a NetCE

Deloitte.

Client Overview

- CE Resource, Inc. is one of the leading providers of continuing education to healthcare practitioners in the United States.

“Deloitte Corporate Finance’s knowledge of the education and training space was evident from day one. Their team drove an efficient and competitive process offering invaluable strategic guidance every step of the way, ultimately providing our team with numerous actionable offers at attractive valuations.”
- Lisa Patterson, CEO

Prior engagement performance is no guarantee of future performance and may not be representative of the experience of other clients. This communication is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security.

Deloitte thought leadership

Deloitte Thought Leadership

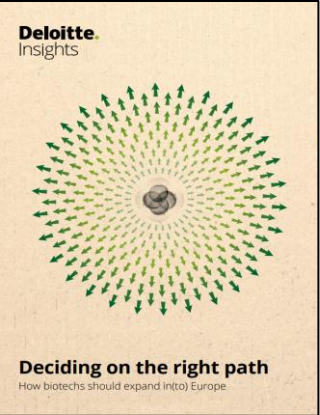
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends enables Deloitte 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 drive results and provide differentiated insights for our clients.



Recent insights



Health care technology

Sector Trends ⁽¹⁾

Incumbent health tech companies, such as EHR vendors, are expanding their portfolios through M&A to provide solutions to meet greater demand for interoperability, virtual health, cloud-based platforms, and artificial intelligence. Additionally, large health care organizations, often slow to renew technology stacks and invest in innovative solutions, are bowing to pressure and are increasingly focused on acquiring or partnering with technology platforms and service providers that help consumers address more health issues from their homes. These trends are expected to drive further consolidation and open the door to lucrative investment opportunities.

Select Recent M&A Activity ⁽²⁾

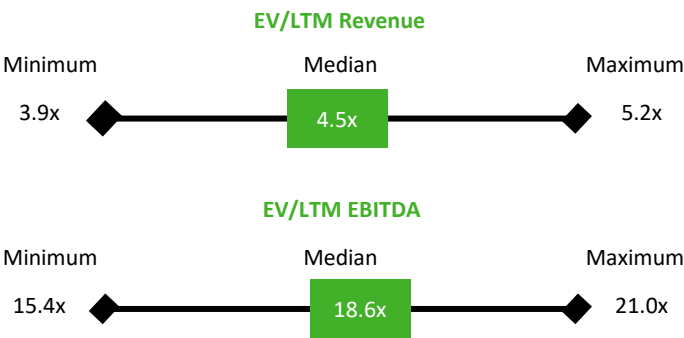
Close Date	Target	Acquiror	Implied EV (\$M)
Pending	Cloudmed, LLC	R1 RCM Inc.	\$4,100.0
Pending	Intelligent Medical Objects	Thomas H. Lee Partners	\$1,500.0
Feb 2022	Vocera Communications, Inc.	Stryker Corporation	\$3,320.0
Feb 2022	Castlight Health, Inc.	Vera Whole Health Inc.	\$380.0
Jan 2022	MedSleuth, Inc.	DaVita Inc.	N/A



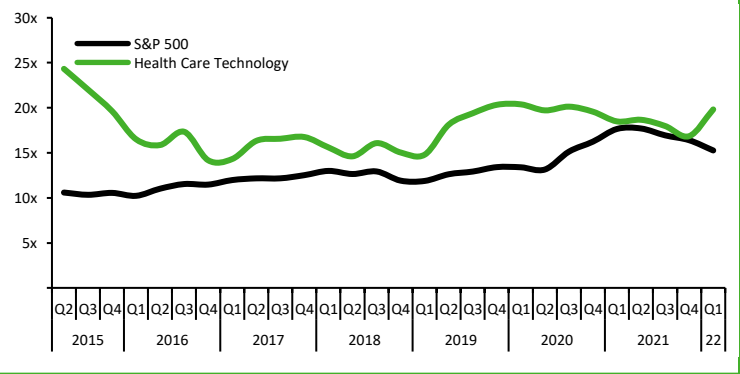
Select Public Comparables ⁽³⁾

Company Name	Enterprise Value (\$M)
Cerner Corporation	\$28,632.8
Veeva Systems, Inc.	\$25,842.1
Change Healthcare, Inc.	\$11,924.4
Teladoc Health, Inc.	\$6,195.0
Omniceil, Inc.	\$5,158.9
American Well Corporation	\$116.0

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



Life sciences and pharma services

Sector Trends ⁽¹⁾

The industry is evolving, driven by increased investment and consolidation by contract research organizations, contract drug manufacturing organizations, international laboratory testing networks, and financial sponsor investors. M&A trends point to clear value drivers, including (i) scale, (ii) market leadership, (iii) differentiated technical expertise, and (iv) services catering to large molecule drug development.

Select Recent M&A Activity⁽²⁾

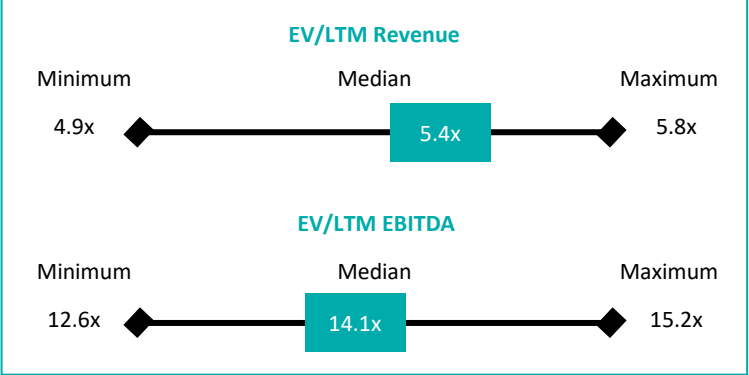
Close Date	Target	Acquiror	Implied EV (\$M)
Pending	GeneDx	Sema4	\$623.0
Mar 2022	Arena Pharmaceuticals, Inc.	Pfizer, Inc.	\$6,728.2
Feb 2022	Triad Life Sciences	ConvaTec	\$450.0
Jan 2022	MyChem LLC	TriLink BioTechnologies	\$240.0
Jan 2022	PreventionGenetics, LLC	Exact Sciences	\$190.0



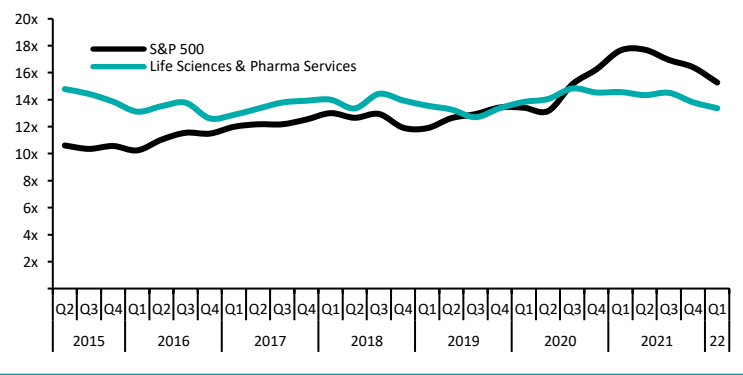
Select Public Comparables⁽³⁾

Company Name	Enterprise Value (\$M)
AbbVie Inc.	\$327,226.9
Pfizer Inc.	\$286,521.6
Merck & Co., Inc.	\$250,833.6
Thermo Fisher Scientific Inc.	\$247,050.7
Amgen Inc.	\$154,880.1
IQVIA Holdings Inc.	\$52,719.9

Sector Trading Metrics⁽⁴⁾



Historical EV/EBITDA Multiples⁽⁴⁾



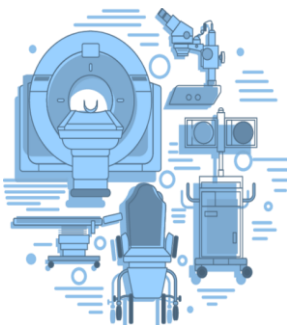
Medical devices and supplies

Sector Trends ⁽¹⁾

Both strategic and financial acquirors continue to seek exposure to the fastest-growing sub-segments, including remote monitoring devices and point-of-care diagnostics. Additionally, manufacturers facing supply chain challenges are increasingly focused on the acquisition of downstream players with strong supplier relationships. And further, as elective medical procedure rates return to as the pandemic subsides, attractive targets are also increasingly sought among industry participants that provide products and supplies supporting such procedures.

Select Recent M&A Activity ⁽²⁾

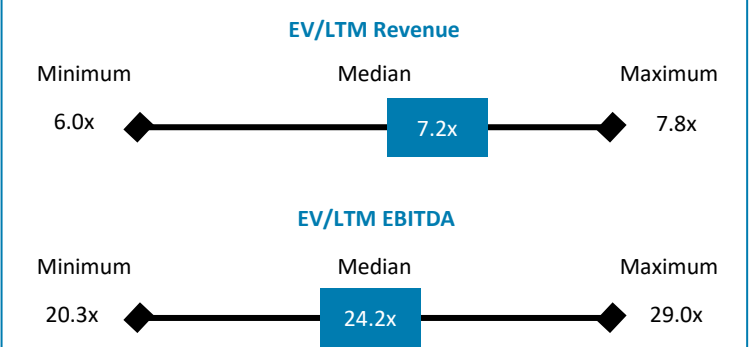
Close Date	Target	Acquiror	Implied EV (\$M)
Mar 2022	Apria, Inc.	Owens & Minor, Inc.	\$1,600.0
Mar 2022	Advant Medical Ltd.	UFP Technologies, Inc.	\$20.6
Feb 2022	Baylis Medical Company Inc.	Boston Scientific Corporation	\$1,750.0
Jan 2022	Smiths Medical Group Ltd.	ICU Medical Inc.	\$1,900.0
Jan 2022	Vesper Medical, Inc.	Koninklijke Philips N.V.	\$245.9



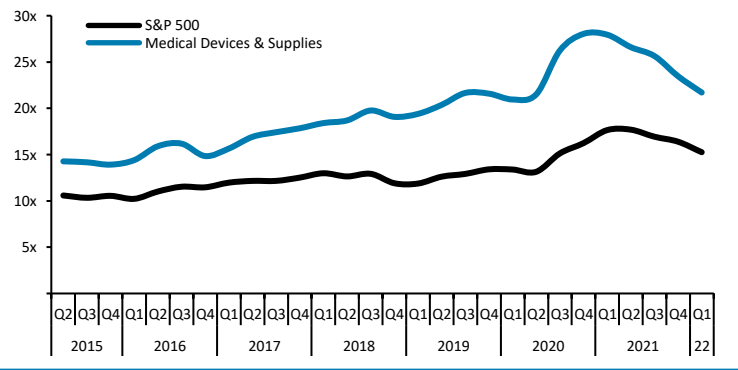
Select Public Comparables ⁽³⁾

Company Name	Enterprise Value (\$M)
Johnson & Johnson	\$475,738.8
Abbott Laboratoires	\$209,379.2
Medtronic plc	\$154,044.0
Stryker Corporation	\$104,191.9
Becton, Dickinson and Company	\$85,907.6
Baxter International Inc.	\$51,212.7

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



Appendix

Citations

Page 1:

1. [Mergermarket](#). Accessed January 19, 2021. Data as of January 19, 2021.

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1. Sector trends in Q1, 2022.
 - a. [Bain & Company](#). *Global Healthcare Private Equity and M&A Report 2022*. Accessed May 2, 2022.
2. Relevant transactions in Q1, 2022.
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