

Life Sciences & Health Care

Quarterly Update

Q3 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



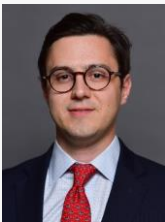
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Firm Overview

#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.
Deloitte Corporate Finance LLC

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.
Deloitte Corporate Finance LLC

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.
Deloitte Corporate Finance LLC

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.
Deloitte Corporate Finance LLC

Client Overview

- CE Resource, Inc. is one of the leading providers of continuing education to health care 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

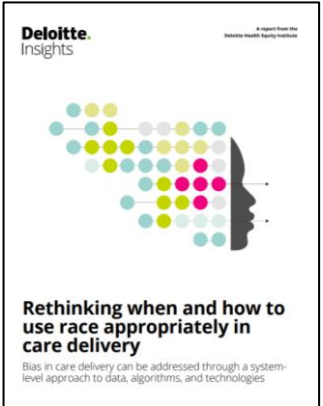
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends enables Deloitte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

Following a period of massive growth during the pandemic, telehealth is well-positioned to remain prominent in the market. This is driven by patients' desire for convenience of care alongside increasing insurance reimbursement rates. Data and advanced analytics continue to drive innovation in population health management, revenue cycle management, and patient engagement. These trends encompass an overarching theme of patients playing a more active role in their health care decisions.

Select Recent M&A Activity ⁽²⁾

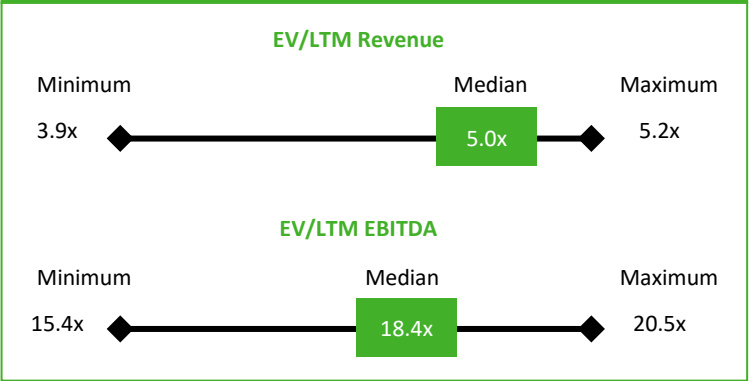
| Close Date | Target | Acquiror | Implied EV (\$M) |
|------------|----------------|----------------------------------|------------------|
| Pending | Rx Savings | McKesson Corporation | \$875.0 |
| Pending | Signify Health | CVS Health | \$8,149.4 |
| Pending | Biolog-id | Genesis Growth Tech Acquisitions | \$312.0 |
| Aug 2022 | CareCentrix | Walgreens Boots Alliance | \$600.0 |
| Jul 2022 | SemanticBits | ICF International | \$220.0 |



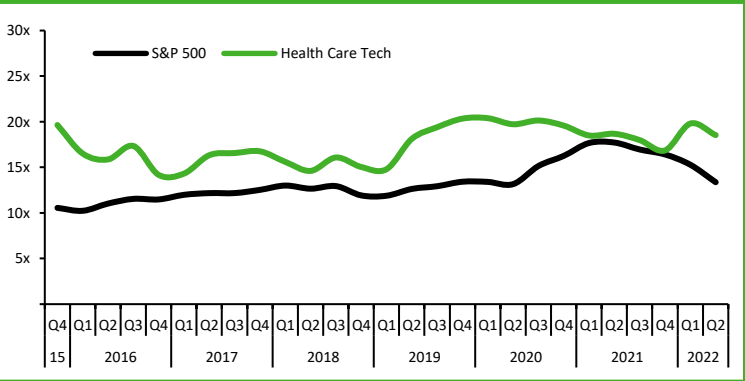
Select Public Comparables ⁽³⁾

| Company Name | Enterprise Value (\$M) |
|---------------------------|------------------------|
| Veeva Systems, Inc. | \$23,621.4 |
| Change Healthcare, Inc. | \$13,471.8 |
| MultiPlan Corporation | \$6,225.7 |
| Teladoc Health, Inc. | \$5,311.6 |
| Omniceil, Inc. | \$3,755.0 |
| American Well Corporation | \$451.9 |

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



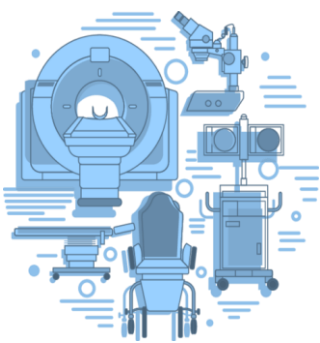
Medical devices and supplies

Sector Trends ⁽¹⁾

Medical device companies are selling a greater number of products directly to consumers. This is placing pressure on major players to grow through acquisition in an attempt to diversify service offerings and add value throughout the supply chain. Device and supply companies remain ripe for vertical integration as consolidation of downstream suppliers and upstream distributors mitigates supply risk, generates new revenue streams, and enhances profit margins. Significant growth in the sector is expected to be seen in wearable and remote monitoring devices.

Select Recent M&A Activity ⁽²⁾

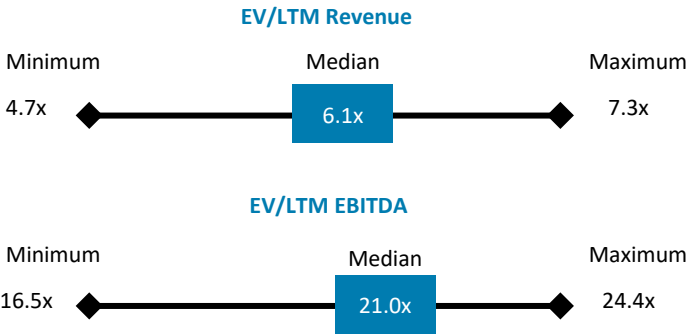
| Close Date | Target | Acquiror | Implied EV (\$M) |
|------------|-------------------------------------|-----------------------|------------------|
| Sep 2022 | Standard Bariatrics, Inc. | Teleflex Incorporated | \$300.0 |
| Aug 2022 | Affera, Inc. | Medtronic plc | \$925.0 |
| Aug 2022 | Second Sight Medical Products, Inc. | Vivani Medical, Inc. | \$182.7 |
| Aug 2022 | Biorez, Inc. | CONMED Corporation | \$250.0 |
| Jul 2022 | Natus Medical Incorporated | ArchiMed SAS | \$1,206.6 |



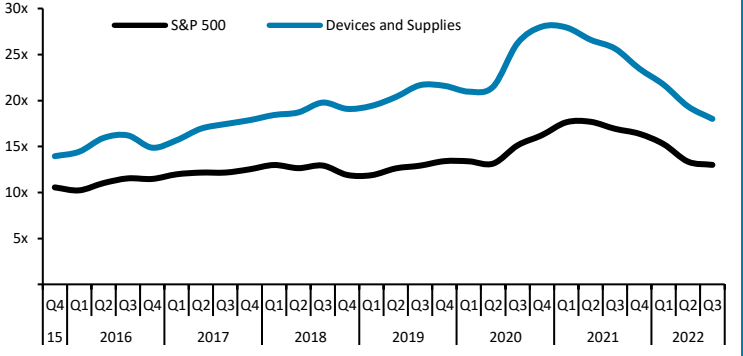
Select Public Comparables ⁽³⁾

| Company Name | Enterprise Value (\$M) |
|-------------------------------|------------------------|
| Johnson & Johnson | \$452,800.1 |
| Abbott Laboratoires | \$180,132.0 |
| Medtronic plc | \$127,950.8 |
| Stryker Corporation | \$99,205.3 |
| Becton, Dickinson and Company | \$80,211.2 |
| Baxter International Inc. | \$44,352.1 |

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



Appendix

Citations

Page 1:

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