

# Life Sciences & Health Care

## Quarterly Update

Q2 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



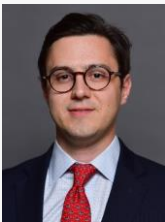
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## Firm Overview

#2

2021 Global M&A  
Advisor by deals  
completed.<sup>(1)</sup>

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.<sup>(1)</sup>



## 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

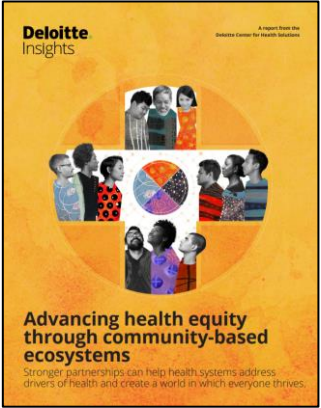
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends enables Deloitte 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 <sup>(1)</sup>

Utilization of telemedicine has started to subside as patients become more comfortable returning to physician offices. The sector is experiencing healthy M&A activity from investors seeking exposure to population health, data analytics, and administrative support services for provider groups. Growth capital is used by providers to improve operational capabilities and technology infrastructure, which is necessary to facilitate high quality and coordinated care. Health care technology now affects how data is conceptualized, collected, and analyzed by providers, thereby improving patient health.

## Select Recent M&A Activity<sup>(2)</sup>

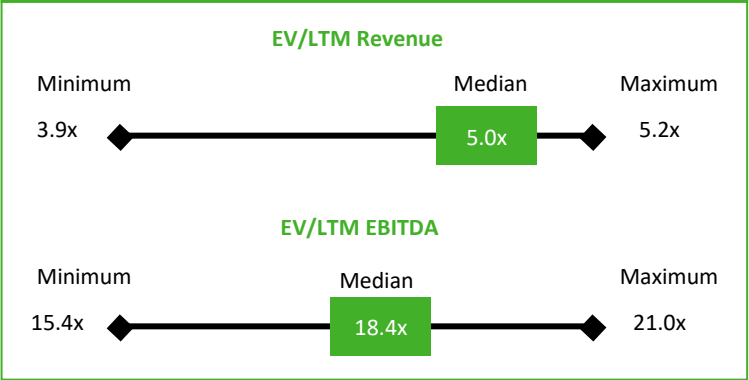
Close Date	Target	Acquiror	Implied EV (\$M)
Jun 2022	Merative L.P.	Francisco Partners Management, L.P.	\$1,065.0
Jun 2022	Cloudmed	R1 RCM Inc.	\$4,031.0
Jun 2022	LifeWorks Inc.	TELUS Corporation	\$2,239.0
Jun 2022	MediFox GmbH	ResMed Inc.	\$989.8
Jun 2022	Cerner Corporation	Oracle Corporation	\$28,155.2



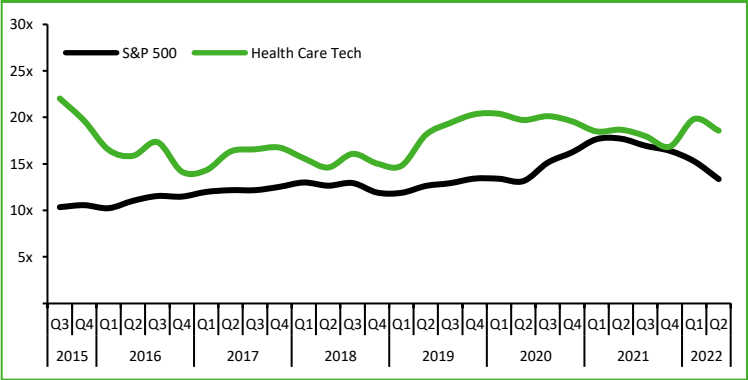
## Select Public Comparables<sup>(3)</sup>

Company Name	Enterprise Value (\$M)
Veeva Systems, Inc.	\$31,599.3
Change Healthcare, Inc.	\$12,431.0
MultiPlan Corporation	\$7,337.7
Teladoc Health, Inc.	\$6,451.4
Omniceil, Inc.	\$5,014.9
American Well Corporation	\$741.9

## Sector Trading Metrics<sup>(4)</sup>



## Historical EV/EBITDA Multiples<sup>(4)</sup>







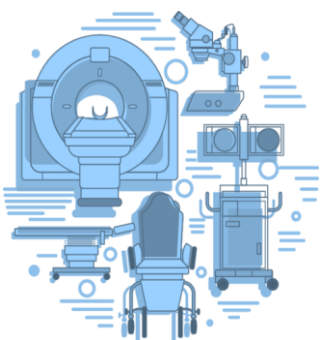
# Medical devices and supplies

## Sector Trends <sup>(1)</sup>

These two sub-segments are the fastest-growing, including remote monitoring devices and point-of-care diagnostics, and are highly attractive to potential acquirors. Supply chain shortages due to the COVID-19 pandemic continue to impact medical device production volume. Strategic acquisitions of downstream suppliers have helped to mitigate supply risk and maximize profitability through vertical integration. As elective medical procedures return to pre-pandemic levels, the demand for medical devices and supplies has outpaced available supply.

## Select Recent M&A Activity <sup>(2)</sup>

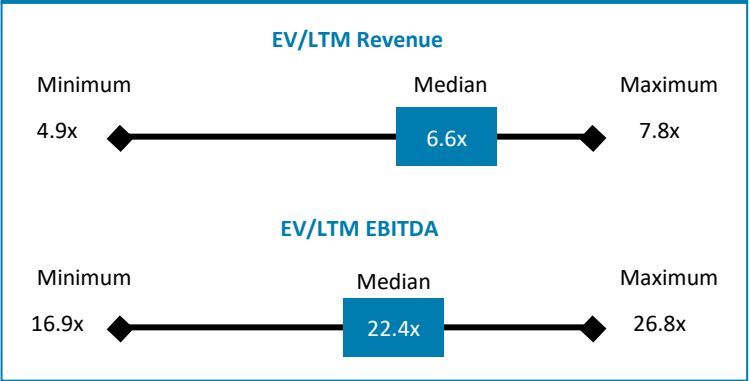
Close Date	Target	Acquiror	Implied EV (\$M)
May 2022	Ortho Clinical Diagnostics Holdings plc	Quidel Corporation	\$8,168.2
May 2022	Intersect ENT, Inc.	Medtronic plc	\$1,015.7
May 2022	Alung Technologies, Inc.	LivaNova PLC	\$110.0
Apr 2022	Carestream Dental LLC	Envista Holdings Corporation	\$582.5
Apr 2022	MD Orthopaedics, Inc.	OrthoPediatrics Corp.	\$20.4



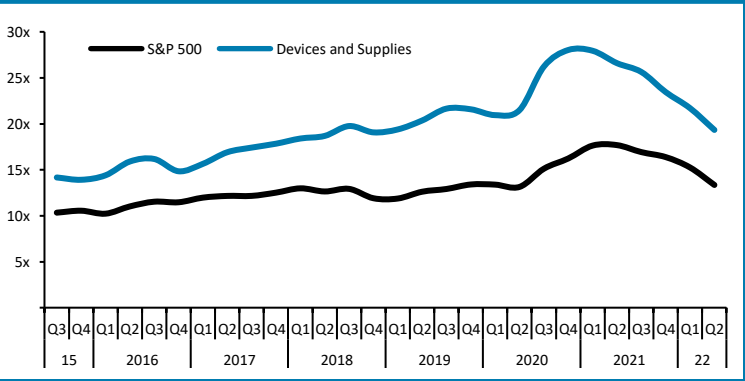
## Select Public Comparables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)
Johnson & Johnson	\$469,126.3
Abbott Laboratoires	\$191,308.0
Medtronic plc	\$133,410.9
Stryker Corporation	\$89,031.6
Becton, Dickinson and Company	\$85,504.0
Baxter International Inc.	\$48,252.0

## Sector Trading Metrics <sup>(4)</sup>



## Historical EV/EBITDA Multiples <sup>(4)</sup>





# Appendix

## Citations

### Page 1:

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

### Page 5:

1. Sector trends in Q2, 2022.
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  - a. [S&P Capital IQ](#). Accessed August 10, 2022. Data as of August 10, 2022.

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  - b. [Sun Life Financial](#). *Q2 2022 Shareholders' Report*. <https://www.sunlife.com/en/newsroom/news-releases/announcement/sun-life-reports-second-quarter-2022-results/123670/>. Accessed August 12, 2022.
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