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# 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.









#### **Firm Overview**

**Sector Focus** 



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



Completed deals in 2024. (1)

2024 Global M&A Advisor by deals

completed.(1)

- 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 2023 according to Mergermarket.(1)

Health care services

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



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#### **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**









## **Health Care Services**

#### Sector Trends (1)

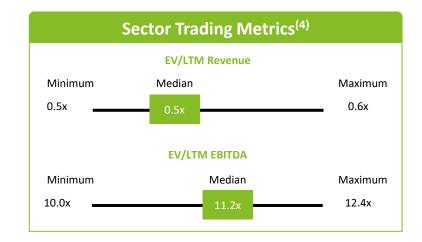
In Q4 2024(A), the US hospital sector experienced 15 M&A deals, a slight decrease from 16 in Q3, indicating steady investor interest despite minor fluctuations. The value of health services M&A deals rose from \$63.0 billion to \$69.0 billion year-over-year, reflecting sustained growth and confidence in the sector. A notable trend is the increased use of real-time, harmonized data through digital transformation, driving innovative strategies for improved patient outcomes and population health.

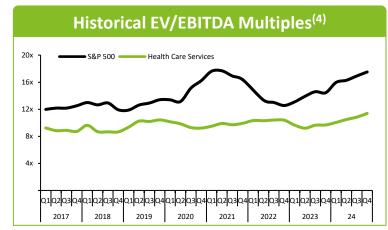
#### Select Recent M&A Activity<sup>(2)</sup>

Close Date	Target	Acquiror	Implied EV (\$M)
December 2024	Integracare of Abilene/NP Plus/Girling Health Care Services Of Knoxville/Girling Heal/certain assets	Addus HealthCare, Inc.	\$350.0
November 2024	Black Hills Surgical Hospital, LLP	Sanford Health	\$194.0
December 2024	Greenbrook TMS, Inc.	Neuronetics, Inc.	\$162.6
October 2024	Brookwood Baptist Health, Inc.	Orlando Health, Inc.	\$1,300.0
December 2024	Integrated Oncology Network, LLC	Cardinal Health, Inc.	\$1,115.0



Company Name	Enterprise Value (\$M)
DaVita Inc.	\$22,359.4
Quest Diagnostics Inc.	\$20,283.6
Oak Street Health, Inc.	\$10,546.7
Option Care Health, Inc.	\$6,926.3
Amedisys, Inc.	\$3,469.0
Cano Health.	\$1,796.8





# Health Care Technology

#### Sector Trends (1)

In Q4 2024(A), the US biotechnology sector saw a surge in deals, increasing to 23 from 13 in Q3, reflecting heightened investor interest. Major players like Andreessen Horowitz and General Catalyst are driving significant advancements in healthcare technology, with venture capital funding becoming increasingly concentrated among top funds. Remote patient monitoring and predictive AI are revolutionizing US health care by enhancing data collection, transmission, and forecasting patient volumes, thereby optimizing hospital staffing and resources.

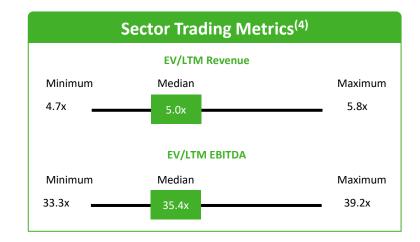
#### Select Recent M&A Activity<sup>(2)</sup>

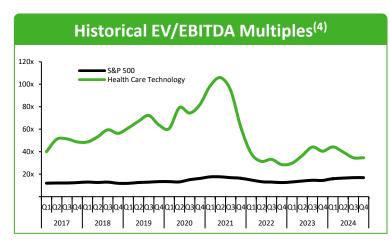
Close Date	Target	Acquiror	Implied EV (\$M)
November 2024	R1 RCM, Inc.	Clayton, Dubilier & Rice, LLC; TowerBrook Capital Partners L.P.	\$8,643.9
December 2024	AdvancedMD, Inc.	Francisco Partners Management, L.P.	\$1,125.0
October 2024	Sharecare, Inc.	Altaris, LLC	\$517.4
October 2024	Augmedix, Inc.	Commure, Inc.	\$133.8
October 2024	Strata Health Solutions, Inc.	Vitalhub Corp. (TSX:VHI)	\$26.4



S	Select P	ublic	Compa	rables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)	
Veeva Systems, Inc.	\$29,987.8	
MultiPlan Corporation	\$5,727.8	
Teladoc Health, Inc.	\$4,864.8	
Omnicell, Inc.	\$3,316.7	
Health Catalyst, Inc.	\$601.4	
American Well Corporation	\$157.8	





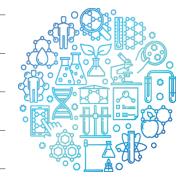
## Life Sciences and Pharma Services

#### Sector Trends (1)

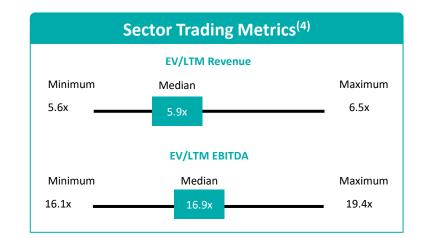
In Q4 2024(A), the US pharmaceutical sector recorded 105 deals, a slight decline from 118 in Q3, yet it remains appealing due to ongoing advancements and high return opportunities. Lab automation is a key trend, enhancing precision, clinical translation, and operational efficiency through GMP compliance, Al-powered analysis, and streamlined workflows. Additionally, pharmaceutical companies are digitizing clinical trials with EHR2EDC systems, remote monitoring devices, and wearable technology, supporting decentralized trials, improving patient engagement, and promoting diversity in clinical research.

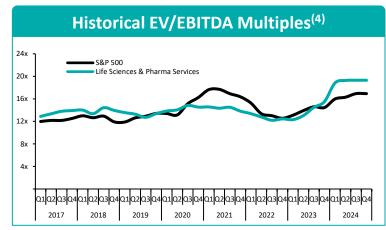
#### Select Recent M&A Activity<sup>(2)</sup>

Close Date	Target	Acquiror	Implied EV (\$M)
December 2024	Catalent, Inc.	Novo Holdings A/S	\$16,704.3
December 2024	Longboard Pharmaceuticals, Inc.	Langkawi Corporation	\$2,364.7
October 2024	PetIQ, Inc.	Bansk Group LLC	\$1,361.3
October 2024	Resonant Clinical Solutions	Audax Management Company, LLC	\$650.0
November 2024	SciSafe Holdings, Inc.	-	\$73.0



Company Name	Enterprise Value (\$M)
AbbVie Inc.	\$296,734.7
Merck & Co., Inc.	\$289.272.3
Thermo Fisher Scientific Inc.	\$234,024.5
Pfizer Inc.	\$221,045.9
Amgen Inc.	\$154,302.3
IQVIA Holdings Inc.	\$53,595.7





# **Medical Devices and Supplies**

#### Sector Trends (1)

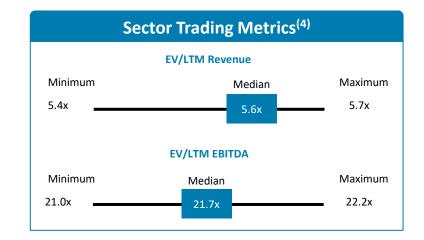
In Q4 2024(A), the US medical devices sector recorded 9 deals, slightly down from 10 in Q3, indicating steady demand driven by the need for improved health care solutions and an aging population. Technological advancements such as 3D printing are revolutionizing medical device manufacturing, prosthetics, and organ transplantation by enabling cost-effective, patient-specific implants and custom prosthetics. Additionally, robotics is set to enhance surgical precision and reduce recovery times, with systems becoming more accessible and facilitating minimally invasive procedures across various specialties.

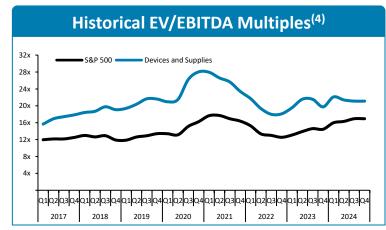
#### Select Recent M&A Activity<sup>(2)</sup>

Close Date	Target	Acquiror	Implied EV (\$M)
November 2024	Axonics, Inc.	Boston Scientific Corporation (NYSE:BSX)	\$3,355.6
November 2024	Hamilton Thorne Ltd.	Astorg Asset Management S A.R.L.; FAX Capital Corp.	\$277.9
October 2024	Sensible Diagnostics, Inc.	Access Genetics, LLC	N/A
October 2024	Vertos Medical, Inc.	Stryker Corporation (NYSE:SYK)	N/A
November 2024	NuAire, Inc.	Kewaunee Scientific Corporation (NasdaqGM:KEQU)	\$55.0



Company Name	Enterprise Value (\$M)
Johnson & Johnson	\$441,648.6
Abbott Laboratoires	\$193,696.4
Medtronic plc	\$132,734.1
Stryker Corporation	\$124,410.0
Becton, Dickinson and Company	\$89,037.7
Baxter International Inc.	\$39,078.2





# **Payors and Payor Services**

#### Sector Trends (1)

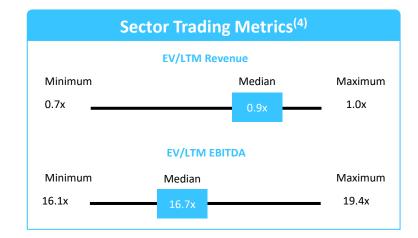
The Revenue Cycle Management (RCM) segment within the B2B health care IT market is witnessing significant demand due to health care providers facing challenges in revenue collection, underscoring the necessity for efficient RCM solutions. Third-party administrator revenue is anticipated to grow at a compound annual growth rate (CAGR) of 1.2%, reaching \$307.9 billion by 2029(P). This growth is driven by increased claims processing from Medicaid and Medicare plans, alongside rising medical costs. Additionally, Medicare Advantage enrollment among dual-eligible individuals is expected to grow at an annual rate of 5% from 2022(A) to 2027(P), further elevating the demand for payor services and third-party administration services.

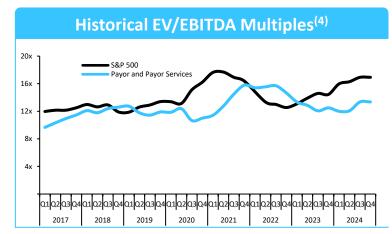
#### Select Recent M&A Activity<sup>(2)</sup>

Close Date	Target	Acquiror	Implied EV (\$M)
December 2024	Union First Insurance Solutions, LLC	Alliant Insurance Services, Inc.	N/A
November 2024	Assets of SFBAG Employee Benefit Insurance Services, Inc.	Relation Insurance Services, Inc.	N/A
November 2024	Gaston Alvarez, Inc.	iPros Insurance Professionals Agency, Inc.	N/A
November 2024	MEBO Health & Benefits	Inszone Insurance Services, Inc	N/A
October 2024	Gettysburg Benefits Administrators, Inc.	Kelly Benefit Strategies	N/A



Company Name	Enterprise Value (\$M)
UnitedHealth Group, Inc.	\$494,080.0
Elevance Health, Inc.	\$120,419.3
The Cigna Group	\$108,971.3
Humana Inc.	\$53,405.0
Centene Corporation	\$42,331.9
Molina Healthcare, Inc.	\$15,495.4





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  - c. <u>Coforge\_Pharma & Life Sciences Industry Trends in 2024. https://www.coforge.com/what-we-know/blog/pharma-life-sciences-industry-trends-for-2024</u>
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# **Appendix**

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  - a. <u>S&P Capital IQ</u>. Accessed July 23, 2023. Data as of July 23, 2023.
- 4. Expanded public comparables set in Q2, 2023.
  - a. <u>S&P Capital IQ</u>. Accessed July 23, 2023. Data as of July 23, 2023.



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