



HEALTHCARE

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Spotlight

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Medical Device

Industry News

5 MedTech Trends to Track in 2020

MedTech Dive [Full Article](#)

The MedTech industry entered 2020 celebrating the medical device tax's permanent repeal, a levy it spent the better part of a decade lobbying to kill.

Evergreen challenges in reimbursement and supply chain management weren't so nicely wrapped up and the collateral impact to MedTech from the 2020 election and how hospital price transparency rules affect medical devices remains to be seen.

Medical Device Manufacturers Face Challenges Preparing for 'Stringent' new EU Regulation

Mobi Health News [Full Article](#)

The countdown is on for medical device manufacturers to prepare for the EU Regulation on Medical Devices (MDR), which will fully apply in member states from May this year. In a recently published paper, trade association MedTech Europe raised concerns that the new regulatory system is not ready to support the transition of technology from the old regime.

The new EU MDR came into force on May 5, 2017, replacing two existing directives. Under the MDR, manufacturers have clearer obligations to monitor the quality, performance and safety of devices.

FDA, MITRE Offer Tips for Med Device Cybersecurity

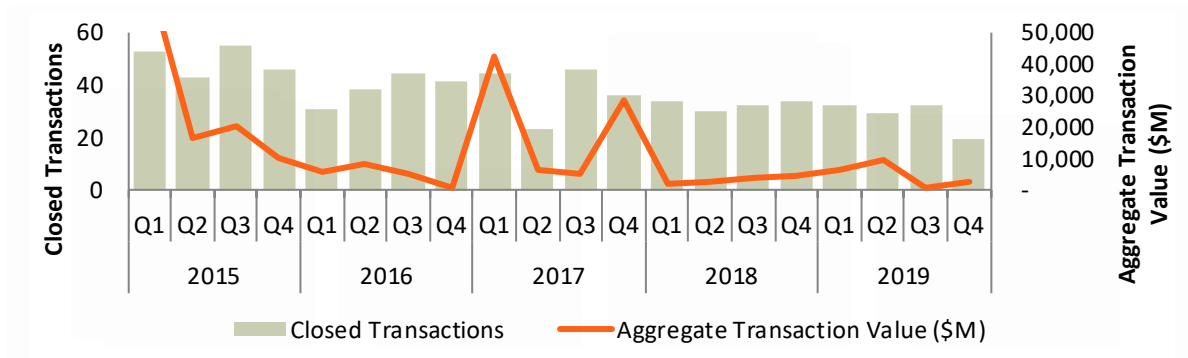
Healthcare IT News [Full Article](#)

The U.S. Food and Drug Administration, in partnership with the MITRE Corporation, has already championed two initiatives to improve medical device cybersecurity preparedness and response.

The first is the development and use of a medical device cybersecurity sandbox to enable security research and technical evaluation of medical device vulnerabilities and potential mitigations across health systems, device manufacturers, and the FDA.

Medical Device

Medical Device M&A Environment

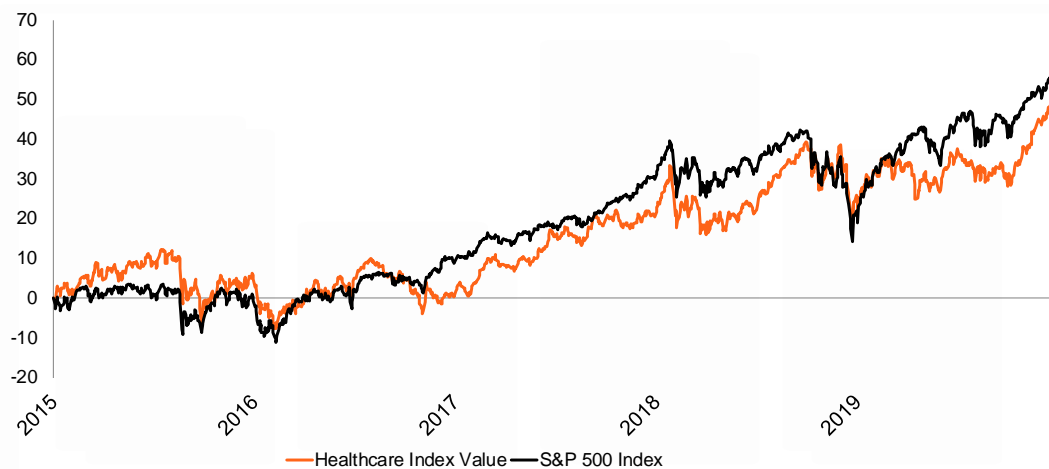


Selected Q4 2019 M&A

Date Closed	Target	Buyers/Investors	Sector	Enterprise		
				Value (\$M)	Revenue	EV / LTM EBITDA
12/31/2019	Orchid Orthopedic Solutions LLC	Nordic Capital	Surgical and medical instruments	-	-	-
12/30/2019	Cynosure, Inc.	Clayton, Dubilier & Rice, LLC	Electromedical equipment	205.0	-	-
12/23/2019	Harvest Healthcare Limited	Prism UK Medical Ltd.	Surgical and medical instruments	-	-	-
12/19/2019	Diabetic Health, Inc.	KNOW Bio, LLC	Surgical and medical instruments	-	-	-
12/18/2019	Xograph Healthcare Limited	Healthcare 21 Ltd	Surgical and medical instruments	-	-	-
12/17/2019	Momina Krepost AD (BUL:5MR)	Medical Supplies OOD	Surgical appliances and supplies	-	-	-
12/13/2019	SuperSonic Imagine SA (ENXTPA:SSI)	Hologic Hub Ltd	Electromedical equipment	65.97	2.38	-
12/09/2019	Direct Healthcare Group Ltd.	ArchiMed SAS	Surgical and medical instruments	-	-	-
11/20/2019	Providien, LLC	Carlisle Companies Incorporated (NYSE:CSL)	Surgical and medical instruments	328.7	3.29	-
11/14/2019	National Seating & Mobility, Inc.	Cinven Partners, LLP	Surgical appliances and supplies	865.4	-	-
11/07/2019	Biosense Technologies Private Limited	Tulip Diagnostics Private Limited	Electromedical equipment	-	-	-
11/07/2019	Restoration Robotics, Inc.	Venus Concept Inc. (NasdaqGM:VERO)	Electromedical equipment	-	-	-
10/31/2019	Quality Electrodynamics, LLC	Canon Inc. (TSE:7751)	Surgical and medical instruments	-	-	-
10/29/2019	Corindus Vascular Robotics, Inc.	Siemens Medical Solutions USA, Inc.	Electromedical equipment	1,085.4	71.21	-
10/21/2019	Thermoplastic Biologics, LLC	Q Holding Company	Surgical and medical instruments	-	-	-
10/01/2019	TSO3 Inc.	9402-4874 Québec Inc.	Electromedical equipment	39.97	11.07	-

Healthcare

Throughout the fourth quarter of 2019, the healthcare sector has largely mirrored the fluctuations of the overall market. The sector is projected to demonstrate continued strength in 2020, as the industry continues to integrate new technologies, moves further toward new patient centric models, and is pushed forward by medical advancement and research in areas such as genetics and cell manufacturing.



As of 12/31/2019		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$169,476	\$31,904	\$8,185	5.3x	20.7x	59.2%	25.7%
AbbVie Inc.	NYSE:ABBV	\$159,131	\$33,266	\$15,866	4.8x	10.0x	77.7%	47.7%
Agilent Technologies, Inc.	NYSE:A	\$27,487	\$5,163	\$1,281	5.3x	21.5x	54.3%	24.8%
AmerisourceBergen Corporation	NYSE:ABC	\$18,741	\$182,061	\$2,332	0.1x	8.0x	2.7%	1.3%
Amgen Inc.	NasdaqGS:AMGN	\$152,664	\$23,362	\$11,756	6.5x	13.0x	81.4%	50.3%
Anthem, Inc.	NYSE:ANTM	\$93,729	\$104,213	\$7,866	0.9x	11.9x	21.5%	7.5%
Baxter International Inc.	NYSE:BAX	\$45,578	\$11,080	\$2,618	4.1x	17.4x	43.1%	23.6%
Becton, Dickinson and Company	NYSE:BDX	\$92,533	\$17,355	\$5,089	5.3x	18.2x	47.8%	29.3%
Biogen Inc.	NasdaqGS:BIIB	\$55,536	\$14,378	\$7,740	3.9x	7.2x	86.4%	53.8%
Boston Scientific Corporation	NYSE:BSX	\$73,952	\$10,735	\$3,052	6.9x	24.2x	71.7%	28.4%
Bristol-Myers Squibb Company	NYSE:BMJ	\$143,808	\$26,145	\$7,715	5.5x	18.6x	72.4%	29.5%
Cardinal Health, Inc.	NYSE:CAH	\$21,991	\$149,657	\$2,728	0.1x	8.1x	4.6%	1.8%
Centene Corporation	NYSE:CNC	\$27,754	\$70,791	\$3,207	0.4x	8.7x	16.9%	4.5%
Cerner Corporation	NasdaqGS:CERN	\$23,613	\$5,693	\$1,147	4.1x	20.6x	81.2%	20.2%
Cigna Corporation	NYSE:CI	\$111,232	\$153,743	\$12,715	0.7x	8.7x	16.4%	8.3%
Community Health Systems, Inc.	NYSE:CYH	\$14,995	\$13,210	\$1,489	1.1x	10.1x	38.7%	11.3%
Danaher Corporation	NYSE:DHR	\$117,229	\$17,911	\$4,459	6.5x	26.3x	55.7%	24.9%
DaVita Inc.	NYSE:DVA	\$20,941	\$11,388	\$2,371	1.8x	8.8x	30.5%	20.8%
Eli Lilly and Company	NYSE:LLY	\$140,489	\$22,320	\$6,979	6.3x	20.1x	78.8%	31.3%
Genesis Healthcare, Inc.	NYSE:GEN	\$4,247	\$4,616	\$238	0.9x	17.9x	44.7%	5.1%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$84,493	\$22,449	\$6,494	3.8x	13.0x	79.2%	28.9%
HCA Healthcare, Inc.	NYSE:HCA	\$87,637	\$51,336	\$9,814	1.7x	8.9x	37.6%	19.1%
Henry Schein, Inc.	NasdaqGS:HSIC	\$11,967	\$13,574	\$1,167	0.9x	10.3x	27.4%	8.6%
Humana Inc.	NYSE:HUM	\$49,791	\$64,888	\$3,814	0.8x	13.1x	17.0%	5.9%
IQVIA Holdings Inc.	NYSE:IQV	\$41,448	\$11,088	\$1,881	3.7x	22.0x	34.2%	17.0%
Johnson & Johnson	NYSE:JNJ	\$396,176	\$82,059	\$28,079	4.8x	14.1x	66.5%	34.2%
Laboratory Corporation of America Holdings	NYSE:LH	\$23,523	\$11,555	\$1,962	2.0x	12.0x	28.1%	17.0%
Magellan Health, Inc.	NasdaqGS:MGLN	\$2,454	\$7,201	\$124	0.3x	19.8x	2.4%	1.7%
McKesson Corporation	NYSE:MCK	\$35,497	\$224,945	\$3,771	0.2x	9.4x	5.3%	1.7%
Merck & Co., Inc.	NYSE:MRK	\$250,737	\$46,840	\$18,435	5.4x	13.6x	71.9%	39.4%
Molina Healthcare, Inc.	NYSE:MOH	\$7,401	\$16,340	\$1,106	0.5x	6.7x	14.9%	6.8%
Owens & Minor, Inc.	NYSE:OMI	\$2,097	\$9,888	\$181	0.2x	11.6x	14.7%	1.8%
Patterson Companies, Inc.	NasdaqGS:PDCO	\$2,563	\$5,581	\$209	0.5x	12.2x	21.6%	3.7%
Pfizer Inc.	NYSE:PFE	\$261,971	\$51,750	\$21,182	5.1x	12.4x	80.7%	40.9%
Quest Diagnostics Incorporated	NYSE:DGX	\$18,635	\$7,726	\$1,543	2.4x	12.1x	35.3%	20.0%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$38,909	\$7,863	\$2,455	4.9x	15.8x	51.4%	31.2%
Stryker Corporation	NYSE:SYK	\$85,346	\$14,884	\$4,166	5.7x	20.5x	65.8%	28.0%
Tenet Healthcare Corporation	NYSE:THC	\$21,979	\$18,292	\$2,830	1.2x	7.8x	36.3%	15.5%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$146,768	\$25,542	\$6,532	5.7x	22.5x	46.4%	25.6%
UnitedHealth Group Incorporated	NYSE:UNH	\$315,803	\$242,155	\$21,684	1.3x	14.6x	23.8%	9.0%
Universal Health Services, Inc.	NYSE:UHS	\$16,862	\$11,237	\$1,767	1.5x	9.5x	40.2%	15.7%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$38,895	\$7,982	\$2,400	4.9x	16.2x	71.8%	30.1%
Zoetis Inc.	NYSE:ZTS	\$67,854	\$6,260	\$2,578	10.8x	26.3x	69.8%	41.2%

Median	3.7x	13.0x	43.1%	20.2%
Mean	3.2x	14.5x	44.8%	20.8%

Healthcare

State of the Industry

Dow Jones US Healthcare Index



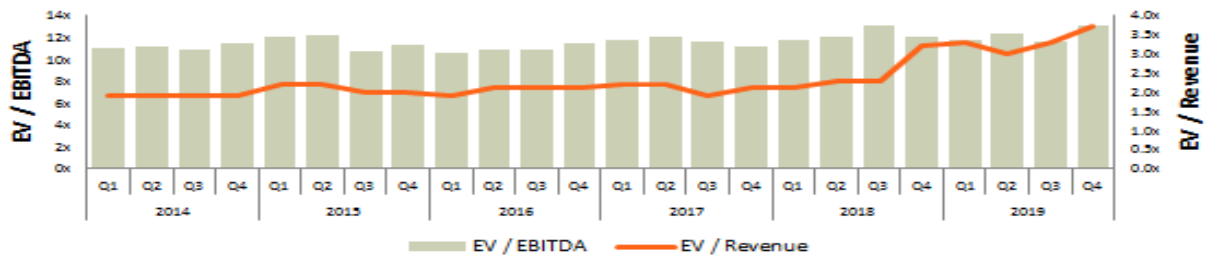
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



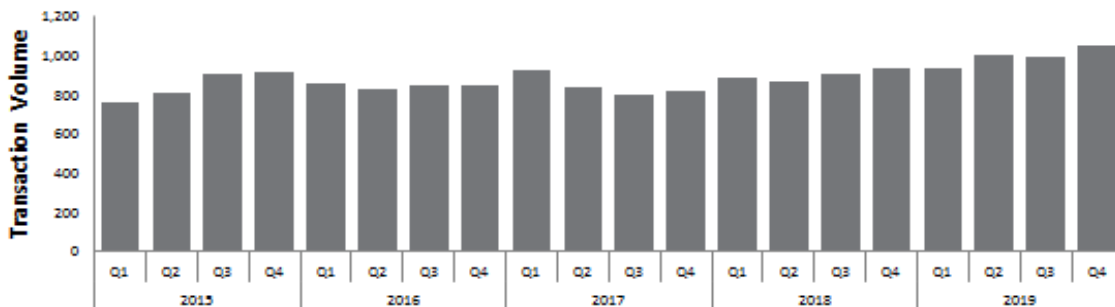
Source: Capital IQ

Industry Valuations



Source: Capital IQ

Healthcare Transaction Volume



Source: Capital IQ



The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

About Mirus

The Mirus team works with the owners of closely-held companies in multiple segments of the \$2.8 trillion US healthcare industry to achieve their desired outcome. While global in focus and experience, we benefit from being in one of the most dynamic healthcare ecosystems that includes some of the most active healthcare focused venture capital and private equity firms, leading research universities, large medical device companies and innovative med-tech and healthcare services firms. The Mirus healthcare team has experience executing a spectrum of engagements with some of the most innovative healthcare companies in the world. We have particular expertise in: medical devices, healthcare equipment, healthcare IT, diagnostics, contract research, healthcare staffing, and related companies.

Partner Spotlight

Patrick West is an accomplished executive, entrepreneur, advisor and director with extensive executive management and M&A experience in the healthcare technology sectors. Having been both a senior level med-tech executive and a successful entrepreneur, Patrick brings the valuable perspective of having sat on both sides of the negotiating table. This allows him unique insight and an informed ability to navigate the deal process. In addition to his focus on helping clients maximize enterprise and ultimately exit value as a partner at Mirus, Patrick continues to hold a range of non-executive board positions and provides angel investment and strategic direction to a portfolio of companies.



Patrick West
781-418-5930
west@merger.com

"The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome."

- Bill Hanson, Founder and President of LTI

Mirus Healthcare Spotlight

Tunstall

Americas

has been acquired by



a portfolio company of



Tunstall is a market-leading provider of technology-based health and care solutions and services which improve its customers' ability to deliver new, more efficient and effective models for health and care management in the community setting. Connect America provides personal medical response system (PERS) kits for Americans who wish to continue to live an independent life at home.



has sold substantially
all of its assets to



A Group Company of



AdvanSource develops advanced polymer materials which provide critical characteristics in the design and development of medical devices. Its biomaterials are used in devices that are designed for treating a broad range of anatomical sites and disease states. Its business model leverages proprietary materials science technology and manufacturing expertise in order to expand product sales and royalty and license fee income. Mitsubishi Chemical Performance Polymers, Inc. is a specialty chemical company and direct subsidiary of Mitsubishi Chemical America, Inc., the regional headquarters in North America of Mitsubishi Chemical Corporation.



has been
recapitalized by



Belmont is a leading provider of fluid warming infusion systems sold into acute care, military, and EMS settings. Headquartered in Billerica, MA, it is a technology leader in rapid infusion systems used to treat critically injured patients experiencing material blood loss. Since its founding in 1999, Audax Private Equity has been focused on building leading middle market companies. Audax has invested \$4.5 billion in 110 platforms and 635 add-on companies. Through its disciplined Buy & Build approach, Audax seeks to help platform companies execute add-on acquisitions that fuel revenue growth, optimize operations, and significantly increase equity value.



has been acquired by



Liberating Technologies is a leading supplier of upper-limb prosthetic devices for adults and children, ranging from simple passive hands and body-powered devices to the sophisticated myoelectrically-controlled prosthetic systems. The company designs and manufactures prosthetic devices such as the Boston Digital™ Arm System, LTI Locking Shoulder Joint and the VariGrip™ prosthetic controller. College Park Industries designs and manufactures a full line of anatomically correct, custom built lower limb prosthetic solutions.