



HEALTHCARE

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Medical Device

Industry News

Medical Devices Industry M&A Deals in Q4 2020 Total \$13.1bn Globally

Medical Device Network [Full Article](#)

Total medical devices industry M&A deals in Q4 2020 worth \$13.1bn were announced globally, according to GlobalData's deals database. This was an increase of 44.5% over the previous quarter and a drop of 16.6% when compared with the last four-quarter average, which stood at \$15.71bn.

The top three medical devices industry deals of Q4 2020 tracked by GlobalData were:

- 1) Koninklijke Philips' \$2.8bn acquisition of BioTelemetry
- 2) The \$2.15bn acquisition of Thrive Earlier Detection by Exact Sciences
- 3) AdaptHealth's \$2bn acquisition of AeroCare

Internet of Medical Things

Wolters Kluwer [Full Article](#)

Significant innovations in new technologies such as smart sensors, smart devices, and other lightweight communication devices are driving medical devices that generate data into care pathways, creating alliances with IoMT systems. These advancements that help aid in the monitoring of biomedical signals and the diagnoses of diseases without human intervention are aiding healthcare organizations to improve patient outcomes, lower costs, and improve efficiency.

The role of MedTech is now even more important, serving as a value-based partner rather than just a developer and supplier of devices. The IoMT market is expected to grow \$285.5 billion by 2029, which is a compound CAGR of 28%.

EY says COVID-19 stunted medtech M&A in 2020, should see improvement in 2021

Mass Device [Full Article](#)

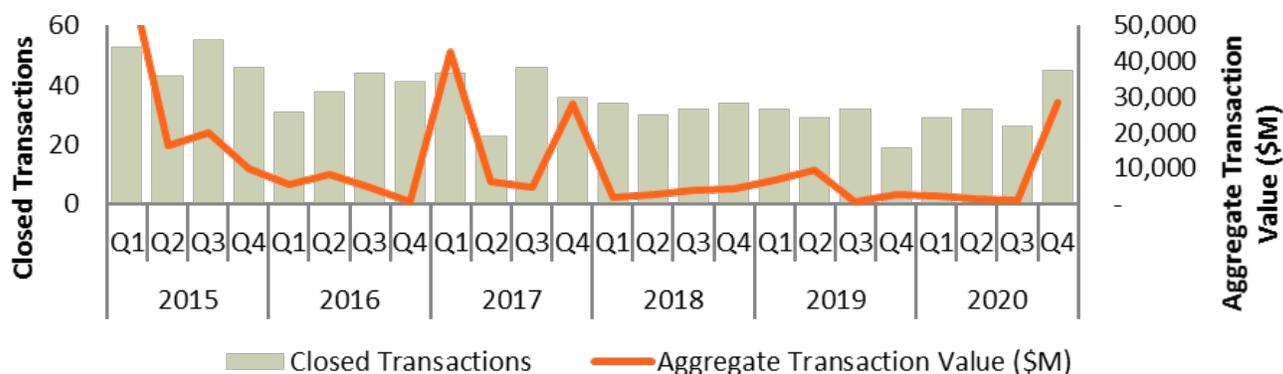
Ernst & Young today released its 2021 EY M&A Firepower report, revealing a staggering dip in mergers and acquisitions (M&A) activity in medtech.

Life sciences M&A activity totaled \$159 billion in 2020, according to the report — a plunge to nearly half of the 2019 total of \$306 billion, representing one of the lowest levels EY has observed since 2014.

"Life sciences M&A activity is beginning to rebound but will not reach the heights of 2019. However, multiple factors point to an active deal-making year in 2021," EY global health sciences & wellness strategy & transactions leader Peter Behner said in a news release.

Medical Device

Medical Device M&A Environment

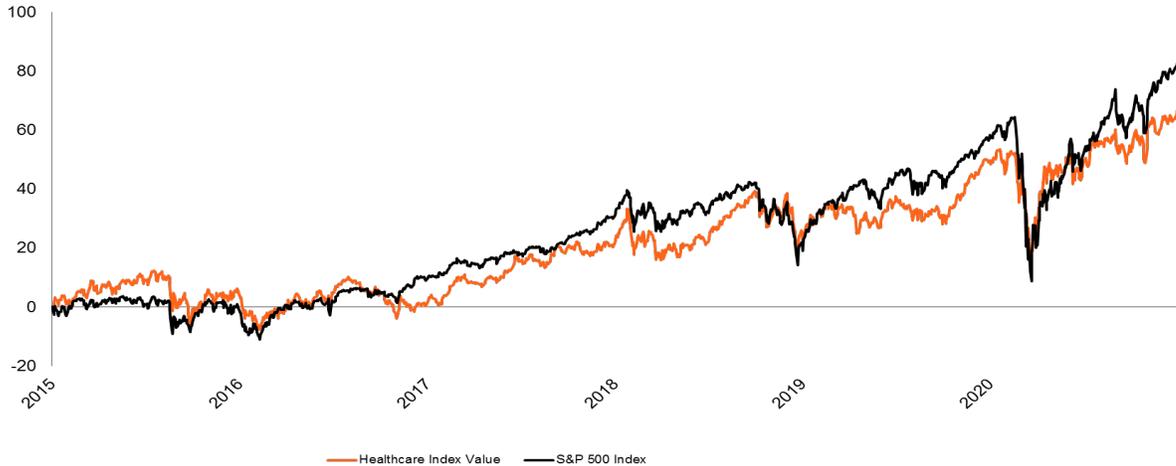


Selected Q4 2020 M&A

| Date Closed | Target | Buyers/Investors | Enterprise Value (\$M) | EV / LTM | |
|-------------|---|--|------------------------|----------|--------|
| | | | | Revenue | EBITDA |
| 11/10/2020 | Wright Medical Group N.V. | Stryker B.V. | \$5,214.8 | 5.7x | 44.7x |
| 11/30/2020 | BioLife Solutions, Inc. (NasdaqCM:BLFS) | Casdin Capital, LLC | \$643.3 | 15.4x | 167.4x |
| 12/29/2020 | Veran Medical Technologies, Inc. | Olympus Corporation of the Americas | \$340.0 | 12.2x | - |
| 11/5/2020 | Medicrea International SA | Covidien Group S.a.r.l. | \$228.4 | 6.7x | - |
| 11/3/2020 | Nine Continents Medical, Inc. | Coloplast A/S (CPSE:COLO B) | \$145.0 | - | - |
| 11/10/2020 | Amplitude Surgical SA (ENXTPA:AMPLI) | PAI Partners | \$63.8 | 2.4x | 12.5x |
| 10/1/2020 | Organ Assist BV | Xvivo Perfusion AB (publ) (OM:XVIVO) | \$28.0 | 6.9x | 240.0x |
| 11/6/2020 | KA Medical, LLC | Merit Medical Systems, Inc. (NasdaqGS:MMI) | \$14.4 | - | - |
| 12/31/2020 | Ad-Tech Medical Instrument Corporation | ArchiMed SAS | - | - | - |
| 12/29/2020 | Degradable Solutions AG | Collagen Matrix, Inc. | - | - | - |
| 12/22/2020 | Neoss Limited | CareCapital Advisors Limited | - | - | - |
| 12/21/2020 | XACT Robotics Ltd. | Sarasota Interventional Radiology | - | - | - |
| 12/18/2020 | Armstrong Medical Ltd | Eakin Healthcare Group Ltd | - | - | - |
| 12/31/2020 | SLMP, LLC | Audax Management Company, LLC; Linden L | - | - | - |

Healthcare

Largely mirroring the S&P 500, healthcare valuations finished slightly below the index in Q4. Analysts expect a strong 2021 for the U.S. healthcare markets as roadblocks caused by the COVID-19 pandemic are diminished.



As of 12/31/2020

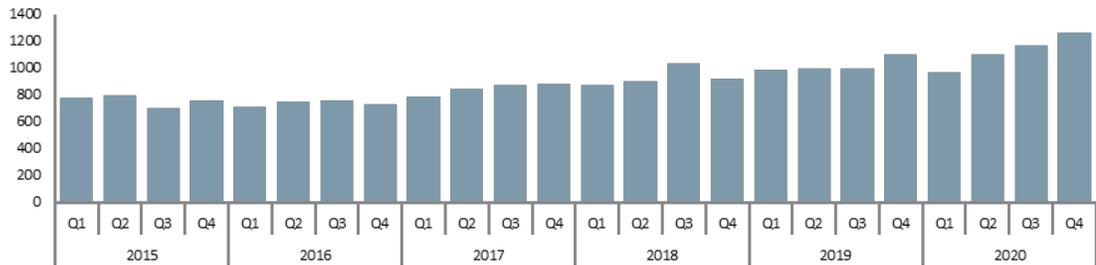
| Company Name | Ticker | Enterprise Value | LTM Financials | | Valuation Metrics | | LTM Margins | |
|--|----------------|------------------|----------------|----------|-------------------|-------------|--------------|---------------|
| | | | Revenue | EBITDA | EV / Revenue | EV / EBITDA | Gross Margin | EBITDA Margin |
| Abbott Laboratories | NYSE:ABT | \$201,641 | \$34,608 | \$8,880 | 5.8x | 22.7x | 56.7% | 25.7% |
| AbbVie Inc. | NYSE:ABBV | \$268,325 | \$45,804 | \$22,170 | 5.9x | 12.1x | 69.3% | 48.4% |
| Agilent Technologies, Inc. | NYSE:A | \$37,455 | \$5,339 | \$1,352 | 7.0x | 27.7x | 53.1% | 25.3% |
| AmerisourceBergen Corporation | NYSE:ABC | \$20,147 | \$194,546 | \$2,650 | 0.1x | 7.6x | 2.8% | 1.4% |
| Amgen Inc. | NasdaqGS:AMGN | \$155,779 | \$25,424 | \$12,768 | 6.1x | 12.2x | 75.8% | 50.2% |
| Anthem, Inc. | NYSE:ANTM | \$98,724 | \$121,868 | \$9,002 | 0.8x | 11.0x | 27.8% | 7.4% |
| Baxter International Inc. | NYSE:BAX | \$43,813 | \$11,673 | \$2,701 | 3.8x | 16.2x | 40.5% | 23.1% |
| Becton, Dickinson and Company | NYSE:BDX | \$88,307 | \$18,207 | \$5,438 | 4.9x | 16.2x | 47.8% | 29.9% |
| Biogen Inc. | NasdaqGS:BIIB | \$40,910 | \$13,445 | \$5,113 | 3.0x | 8.0x | 86.6% | 38.0% |
| Boston Scientific Corporation | NYSE:BSX | \$59,048 | \$9,913 | \$2,252 | 6.0x | 26.2x | 68.5% | 22.7% |
| Bristol-Myers Squibb Company | NYSE:BMJ | \$164,276 | \$42,518 | \$18,184 | 3.9x | 9.0x | 80.1% | 42.8% |
| Cardinal Health, Inc. | NYSE:CAH | \$19,713 | \$156,452 | \$2,747 | 0.1x | 7.2x | 4.5% | 1.8% |
| Centene Corporation | NYSE:CNC | \$40,824 | \$104,176 | \$5,369 | 0.4x | 7.6x | 17.2% | 5.2% |
| Cerner Corporation | NasdaqGS:CERN | \$24,671 | \$5,506 | \$1,281 | 4.5x | 19.3x | 83.1% | 23.3% |
| Cigna Corporation | NYSE:CI | \$106,538 | \$160,550 | \$10,702 | 0.7x | 10.0x | 15.2% | 6.7% |
| Community Health Systems, Inc. | NYSE:CYH | \$13,106 | \$11,789 | \$1,011 | 1.1x | 13.0x | 37.5% | 8.6% |
| Danaher Corporation | NYSE:DHR | \$178,156 | \$22,284 | \$6,479 | 8.0x | 27.5x | 58.0% | 29.1% |
| DaVita Inc. | NYSE:DVA | \$25,008 | \$11,551 | \$2,349 | 2.2x | 10.6x | 30.8% | 20.3% |
| Eli Lilly and Company | NYSE:LLY | \$165,570 | \$24,540 | \$8,875 | 6.7x | 18.7x | 77.7% | 36.2% |
| Genesis Healthcare, Inc. | NYSE:GEN | \$3,444 | \$4,123 | -\$75 | 0.8x | -46.1x | 43.5% | -1.8% |
| Gilead Sciences, Inc. | NasdaqGS:GILD | \$75,312 | \$24,689 | \$12,697 | 3.1x | 5.9x | 85.1% | 51.4% |
| HCA Healthcare, Inc. | NYSE:HCA | \$83,892 | \$51,533 | \$9,923 | 1.6x | 8.5x | 37.3% | 19.3% |
| Henry Schein, Inc. | NasdaqGS:HSIC | \$11,340 | \$10,119 | \$753 | 1.1x | 15.1x | 27.8% | 7.4% |
| Humana Inc. | NYSE:HUM | \$54,308 | \$77,155 | \$5,251 | 0.7x | 10.3x | 20.1% | 6.8% |
| IQVIA Holdings Inc. | NYSE:IQV | \$46,130 | \$11,359 | \$1,830 | 4.1x | 25.2x | 34.0% | 16.1% |
| Johnson & Johnson | NYSE:JNJ | \$421,287 | \$80,856 | \$27,264 | 5.2x | 15.5x | 65.8% | 33.7% |
| Laboratory Corporation of America Holdings | NYSE:LH | \$25,862 | \$13,979 | \$3,619 | 1.9x | 7.1x | 35.8% | 25.9% |
| Magellan Health, Inc. | NasdaqGS:MGLN | \$2,678 | \$4,578 | \$85 | 0.6x | 31.7x | 2.6% | 1.8% |
| McKesson Corporation | NYSE:MCK | \$36,008 | \$237,621 | \$4,056 | 0.2x | 8.9x | 5.1% | 1.7% |
| Merck & Co., Inc. | NYSE:MRK | \$228,420 | \$47,994 | \$19,070 | 4.8x | 12.0x | 72.0% | 39.7% |
| Molina Healthcare, Inc. | NYSE:MOH | \$11,455 | \$18,375 | \$1,022 | 0.6x | 11.2x | 13.9% | 5.6% |
| Owens & Minor, Inc. | NYSE:OMI | \$3,380 | \$8,480 | \$323 | 0.4x | 10.5x | 15.1% | 3.8% |
| Patterson Companies, Inc. | NasdaqGS:PDCCO | \$3,483 | \$5,542 | \$302 | 0.6x | 11.5x | 21.3% | 5.5% |
| Pfizer Inc. | NYSE:PFE | \$257,474 | \$41,908 | \$15,090 | 6.1x | 17.1x | 79.5% | 36.0% |
| Quest Diagnostics Incorporated | NYSE:DGX | \$19,730 | \$9,437 | \$2,468 | 2.1x | 8.0x | 39.4% | 26.2% |
| Regeneron Pharmaceuticals, Inc. | NasdaqGS:REGN | \$47,783 | \$8,310 | \$3,531 | 5.7x | 13.5x | 53.6% | 42.5% |
| Stryker Corporation | NYSE:SYK | \$98,460 | \$14,351 | \$3,755 | 6.9x | 26.2x | 63.8% | 26.2% |
| Tenet Healthcare Corporation | NYSE:THC | \$19,004 | \$17,640 | \$2,427 | 1.1x | 7.8x | 35.3% | 13.8% |
| Thermo Fisher Scientific Inc. | NYSE:TMO | \$198,172 | \$32,218 | \$10,203 | 6.2x | 19.4x | 49.7% | 31.7% |
| UnitedHealth Group Incorporated | NYSE:UNH | \$363,696 | \$257,141 | \$24,482 | 1.4x | 14.9x | 26.1% | 9.5% |
| Universal Health Services, Inc. | NYSE:UHS | \$14,600 | \$11,559 | \$1,870 | 1.3x | 7.8x | 40.3% | 16.2% |
| Zimmer Biomet Holdings, Inc. | NYSE:ZBH | \$39,281 | \$7,025 | \$1,964 | 5.6x | 20.0x | 69.7% | 28.0% |
| Zoetis Inc. | NYSE:ZTS | \$82,902 | \$6,675 | \$2,696 | 12.4x | 30.7x | 69.5% | 40.4% |

| | | | | |
|--------|------|-------|-------|-------|
| Median | 3.0x | 12.1x | 40.5% | 23.1% |
| Mean | 3.4x | 13.4x | 45.1% | 21.7% |

Healthcare

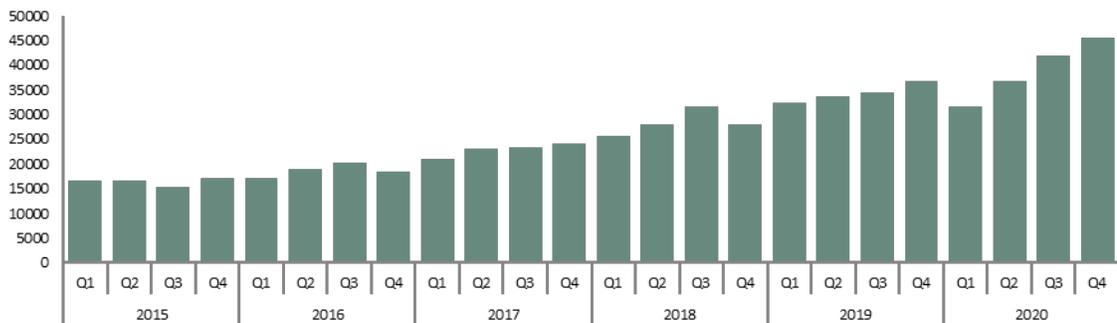
State of the Industry

Dow Jones US Healthcare Index



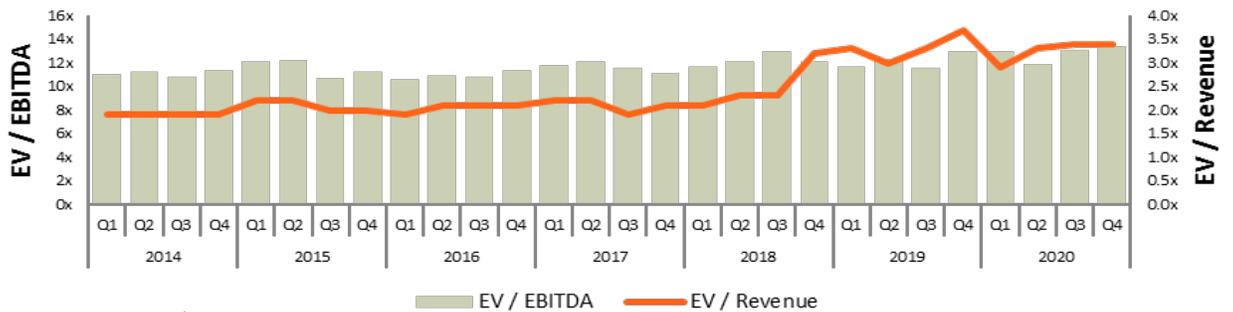
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



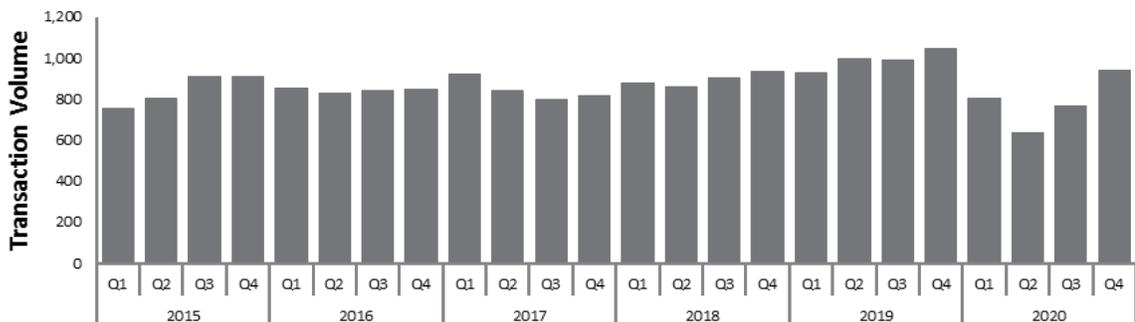
Source: Capital IQ

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 and Kate are accomplished advisors to the medical device sector. Patrick West is an accomplished executive, entrepreneur, advisor and director with extensive executive management and M&A experience in the healthcare technology sectors. Kate has closed deals with global medical equipment companies, middle market and multi-billion dollar private equity firms, family offices, and leading technology companies. Patrick and Kate's experience gives Mirus a unique insight and an informed ability to navigate the deal process.



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



Kate Soto
781-418-5934
soto@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

 **Connect America**

a portfolio company of

**ROCKBRIDGE**
GROWTH EQUITY

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.

CTGT
CONNECTIVE TISSUE GENE TESTS

has been acquired by

 **Health Network**
LABORATORIES®

Founded in 2004 and based in Allentown, Pennsylvania, CTGT has been at the forefront of the constitutional genetic testing field for more than a decade. The Company uses its proprietary analytic methods, mutation database and technology to provide more than 3,300 unique tests covering over 1,000 genes. Operating for over 20 years, HNL is a leader in laboratory medicine that works with more than 10 hospital systems and has over 60 regional patient service centers. Each year, HNL generates more than 60 million clinical and anatomic pathology results for approximately 3 million patients and 12,000 healthcare providers.

Belmont
INSTRUMENT CORPORATION

has been
recapitalized by

**Audax**
Group®

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.