



HEALTHCARE

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Spotlight

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Medical Device

Industry News

Earnings Forecasts and Company Executives' Comments Set an "Overall Optimistic Tone" for 2023

MedTechDive [Full Article](#)

There were many optimistic views at the JPMorgan healthcare conference that the medical device industry will bounce back from a down year in 2022. Dexcom and Intuitive were two companies that shared their forecasts, with Dexcom expecting their revenue to rise by 20% in 2023.

Small and mid-sized companies could have more success finding buyers in the 2023 M&A markets, but interest in larger deals is still down. Also, with COVID-19 cases rising in China, it's likely that testing companies will take on short-term pressure on revenue from outbreaks and that the medical device market could become slightly more volatile. However, it's unlikely that there's enough volatility to disrupt the overall recovery for medical device companies in 2023

Innovation within the Wearable Medical Device Industry

Forbes [Full Article](#)

In the past several years, we've seen "the internet of medical devices" grow from simple devices used to track vital signs to smart watches and smart gloves that can perform scans to detect blood pressure, predict risk of heart attack, and reduce the tremors suffered by patients with Parkinson's Disease.

Soon, these smart devices will incorporate scans to detect mental illness. NTU published a study showing how activity levels, sleep patterns, and heart rate can be used to detect when individuals may be at risk of depression. Furthermore, some devices are set to move away from the cloud. The smart watches/gloves will be equipped with processors and capable of utilizing in-device analytics. The ability of the device to rely on itself speeds up the detection process and prevents user data from leaving the device.

2022 M&A Activity Falls, Artificial Intelligence and Big Data drive deals

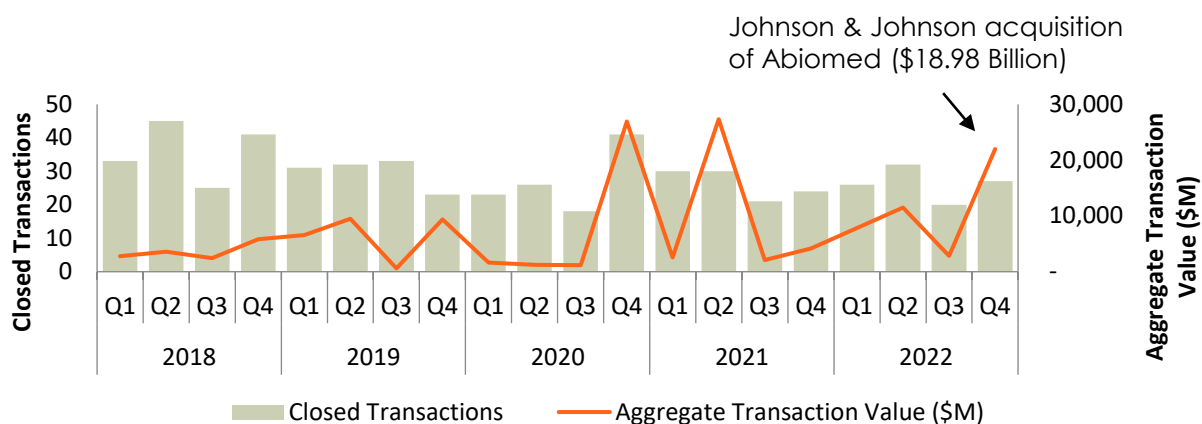
Medical Device Network [Full Article](#)

After a record-breaking year of deal volume in 2021, deal value and volume shrunk in 2022. M&A activity in the market was led by start-up and spin-off companies. In terms of sub-sector, vitro diagnostic devices (IVD) and healthcare IT accounted for one-third of deals in volume and over one-half of deals in value.

The largest deals in 2022 in MedTech incorporated AI and Big Data. In November, Johnson and Johnson offered \$16.6 Billion to buy Abiomed, the US maker of Impella heart pump devices and Breethe OXY-1 Systems. Abiomed utilizes an AI algorithm to predict the next five minutes of a patient's arterial pressure based on the prior five minutes.

Medical Device

Medical Device M&A Environment

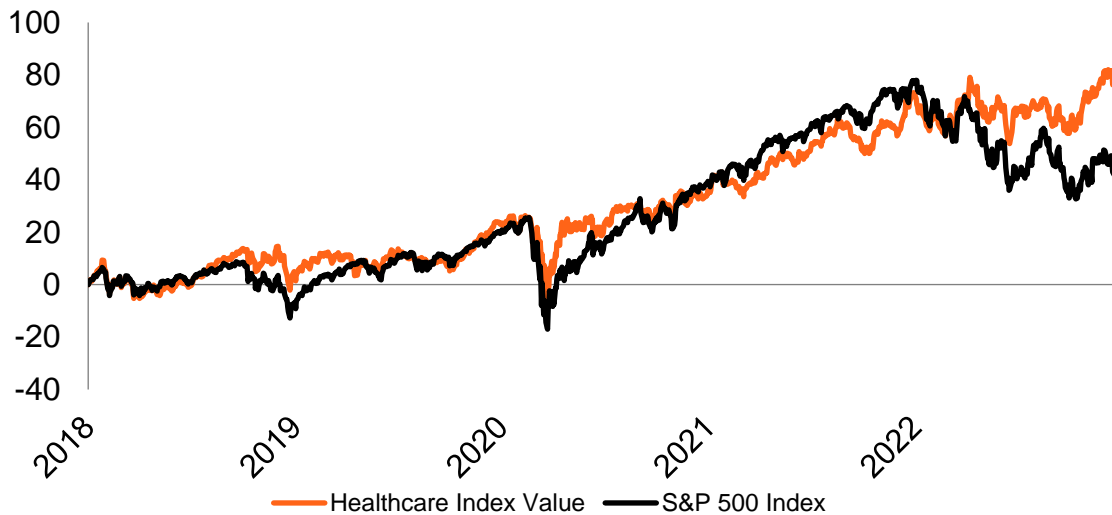


Selected Q4 2022 M&A

Date Closed	Target	Buyers/Investors	Sector	Enterprise		EV / LTM
				Value (\$M)	Revenue	EBITDA
10/03/2022	Genome Diagnostics B.V.	Eurobio Scientific Société anonyme (ENXTPA:ALERS)	Surgical and medical instruments	137.3	7.9	19.6
10/03/2022	Hanger, Inc.	Patient Square Capital, LP	Surgical appliances and supplies	1397.7	1.2	8.7
10/07/2022	S.B.M. SAS	Capital Export SAS	Surgical and medical instruments	-	-	-
10/11/2022	Zeus Scientific, Inc.	Sebia SA	Surgical and medical instruments	-	-	-
10/14/2022	Ohio Medical Corporation	ESAB Corporation (NYSE:ESAB)	Surgical and medical instruments	127.0	2.8	-
10/25/2022	Symmetry Surgical Inc.	Aspen Surgical Products, Inc.	Surgical and medical instruments	-	-	-
10/28/2022	LMF Acquisition Opportunities, Inc.	SeaStar Medical (NasdaqCM:ICU)	Surgical and medical instruments	86.1	-	-
11/01/2022	Kauko Oy	Signal Partners Oy	Surgical and medical instruments	-	-	-
11/14/2022	Sino Medical-Device Technology Co., Ltd.	Qingdao Haiyingkang Investment Co., Ltd.	Surgical and medical instruments	29.4	-	-
11/18/2022	Shanghai Pharmaceutical (Group) Co., Ltd.	S.I. Yangtze River Delta Ecological Development	Surgical and medical instruments	865.4	7.9	19.6
11/21/2022	HyTerra Ltd	Hyterra Ltd (ASX:HYT)	Electromedical equipment	-	-	-
12/06/2022	Surgical Innovation Associates, Inc.	Integra LifeSciences Holdings Corporation	Surgical appliances and supplies	140.0	-	-
12/06/2022	Lakeshore Acquisition I Corp.	ProSomnus, Inc. (NasdaqGM:OSA)	Surgical and medical instruments	153.9	-	-
12/09/2022	SHL Medical AG	EQT Partners AB; Athos Kg	Surgical and medical instruments	-	-	-
12/21/2022	SCHWIND eye-tech-solutions GmbH & Co.	Adagia Partners SASU	Electromedical equipment	-	-	-
12/22/2022	Abiomed, Inc. (NasdaqGS:ABMD)	Johnson & Johnson (NYSE:JNJ)	Surgical and medical instruments	18977.0	16.9	66.2
12/28/2022	InnoTherapy, Inc. (KOSDAQ:A246960)	SCL Healthcare Co., Ltd.	Surgical and medical instruments	16.3	295.6	-

Healthcare

In 2022, the healthcare sector outperformed the S&P and ended the year far above the market index. Analysts find the industry well-positioned in 2023 as it's a defensive sector in a volatile market environment and has optimistic company outlooks.



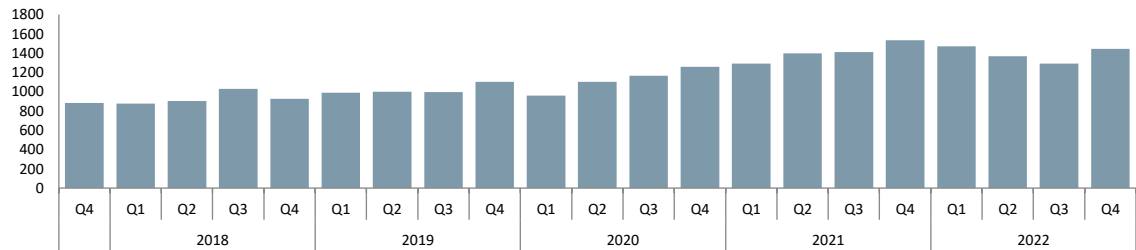
Company Name	Ticker	LTM Financials			Valuation Metrics		LTM Margins	
		Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$198,309	\$43,653	\$12,039	4.5x	16.5x	56.5%	27.6%
AbbVie Inc.	NYSE:ABBV	\$343,858	\$57,819	\$29,801	5.9x	11.5x	69.8%	51.5%
Agilent Technologies, Inc.	NYSE:A	\$46,176	\$6,848	\$1,994	6.7x	23.2x	54.4%	29.1%
AmerisourceBergen Corporation	NYSE:ABC	\$37,106	\$238,587	\$3,490	0.2x	10.6x	3.5%	1.5%
Amgen Inc.	NasdaqGS:AMGN	\$167,365	\$26,330	\$13,425	6.4x	12.5x	75.8%	51.0%
Baxter International Inc.	NYSE:BAX	\$41,024	\$14,740	\$2,956	2.8x	13.9x	38.5%	20.1%
Becton, Dickinson and Company	NYSE:BDX	\$87,844	\$18,870	\$4,864	4.7x	18.1x	45.6%	25.8%
Biogen Inc.	NasdaqGS:BIIB	\$40,731	\$10,363	\$3,491	3.9x	11.7x	77.2%	33.7%
Boston Scientific Corporation	NYSE:BSX	\$74,869	\$12,567	\$3,303	6.0x	22.7x	69.4%	26.3%
Bristol-Myers Squibb Company	NYSE:BMJ	\$190,911	\$46,738	\$20,728	4.1x	9.2x	79.4%	44.3%
Cardinal Health, Inc.	NYSE:CAH	\$21,926	\$186,999	\$2,256	0.1x	9.7x	3.5%	1.2%
Centene Corporation	NYSE:CNC	\$53,238	\$133,308	\$6,576	0.4x	8.1x	18.5%	4.9%
Cigna Corporation	NYSE:CI	\$126,396	\$180,026	\$9,932	0.7x	12.7x	12.8%	5.5%
Community Health Systems, Inc.	NYSE:CYH	\$13,544	\$12,302	\$1,275	1.1x	10.6x	40.6%	10.4%
Danaher Corporation	NYSE:DHR	\$209,989	\$31,471	\$10,910	6.7x	19.2x	60.2%	34.7%
DaVita Inc.	NYSE:DVA	\$19,863	\$11,637	\$2,158	1.7x	9.2x	29.7%	18.5%
Eli Lilly and Company	NYSE:LLY	\$360,378	\$29,240	\$10,380	12.3x	34.7x	75.3%	35.5%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$125,356	\$27,136	\$12,775	4.6x	9.8x	79.2%	47.1%
HCA Healthcare, Inc.	NYSE:HCA	\$108,783	\$60,233	\$12,022	1.8x	9.0x	38.5%	20.0%
Henry Schein, Inc.	NasdaqGS:HSIC	\$13,288	\$12,607	\$1,097	1.1x	12.1x	30.2%	8.7%
Humana Inc.	NYSE:HUM	\$62,182	\$91,485	\$4,401	0.7x	14.1x	18.5%	4.8%
IQVIA Holdings Inc.	NYSE:IQV	\$49,348	\$14,307	\$2,760	3.4x	17.9x	34.7%	19.3%
Johnson & Johnson	NYSE:JNJ	\$459,797	\$96,041	\$32,015	4.8x	14.4x	67.5%	33.3%
Laboratory Corporation of America Holdings	NYSE:LH	\$26,826	\$15,259	\$3,156	1.8x	8.5x	31.4%	20.7%
McKesson Corporation	NYSE:MCK	\$58,100	\$272,027	\$3,803	0.2x	15.3x	4.7%	1.4%
Merck & Co., Inc.	NYSE:MRK	\$300,538	\$58,974	\$24,074	5.1x	12.5x	70.9%	40.8%
Molina Healthcare, Inc.	NYSE:MOH	\$17,435	\$30,303	\$1,441	0.6x	12.1x	12.4%	4.8%
Owens & Minor, Inc.	NYSE:OMI	\$4,262	\$9,872	\$488	0.4x	8.7x	17.8%	4.9%
Patterson Companies, Inc.	NasdaqGS:PDCCO	\$3,330	\$6,385	\$317	0.5x	10.5x	20.8%	5.0%
Pfizer Inc.	NYSE:PFE	\$288,752	\$99,878	\$44,754	2.9x	6.5x	66.2%	44.8%
Quest Diagnostics Incorporated	NYSE:DGX	\$21,871	\$10,294	\$2,304	2.1x	9.5x	36.1%	22.4%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$66,767	\$13,710	\$6,773	4.9x	9.9x	61.1%	49.4%
Stryker Corporation	NYSE:SYK	\$104,249	\$17,948	\$4,454	5.8x	23.4x	63.9%	24.8%
Tenet Healthcare Corporation	NYSE:THC	\$22,500	\$19,040	\$3,341	1.2x	6.7x	37.0%	17.5%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$243,417	\$44,167	\$12,395	5.5x	19.6x	44.5%	28.1%
UnitedHealth Group Incorporated	NYSE:UNH	\$513,470	\$324,162	\$31,835	1.6x	16.1x	24.6%	9.8%
Universal Health Services, Inc.	NYSE:UHS	\$15,207	\$13,228	\$1,654	1.1x	9.2x	38.4%	12.5%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$32,091	\$7,901	\$2,393	4.1x	13.4x	69.9%	30.3%
Zoetis Inc.	NYSE:ZTS	\$72,476	\$8,007	\$3,251	9.1x	22.3x	70.1%	40.6%

Median	2.9x	12.1x	40.6%	22.4%
Mean	3.4x	13.7x	44.8%	23.4%

Healthcare

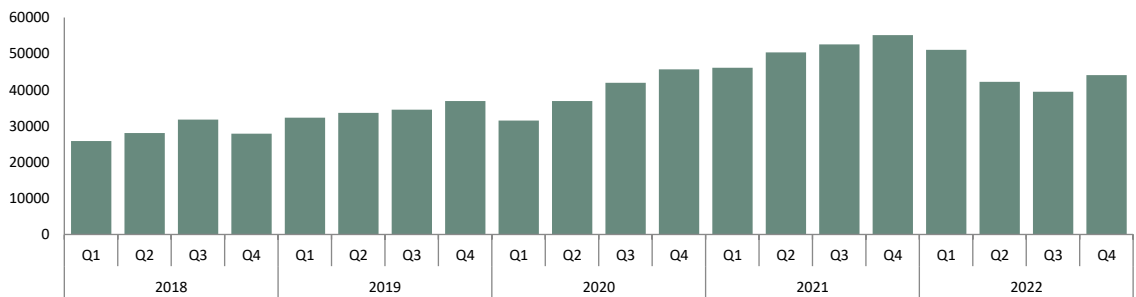
State of the Industry

Dow Jones US Healthcare Index



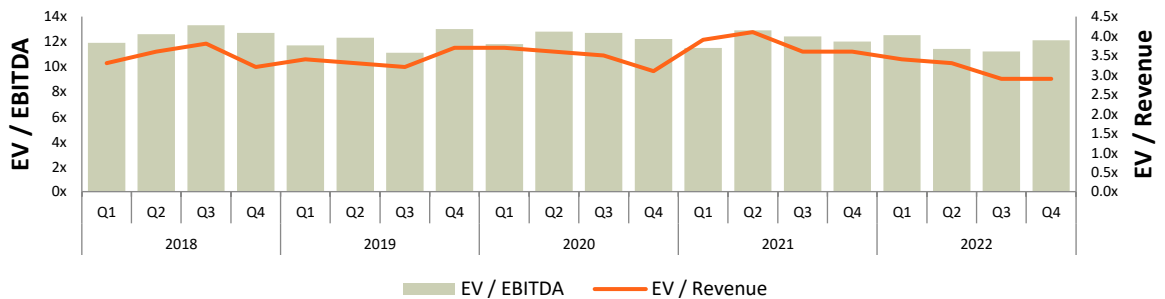
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



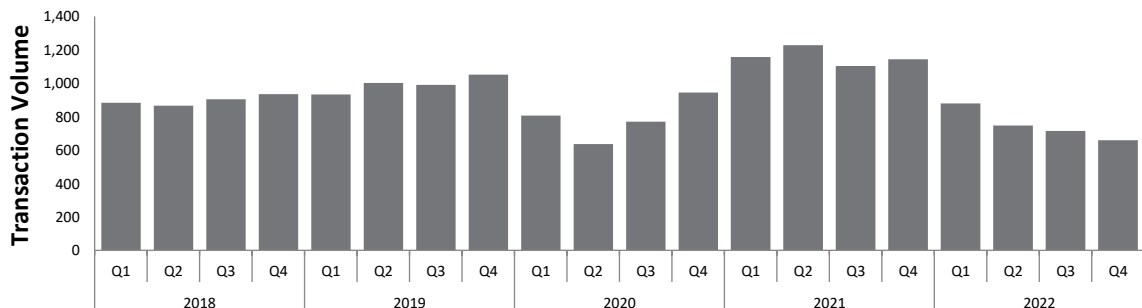
Source: Capital IQ

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 \$4.3 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.



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"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



has been acquired by



a portfolio company of



Jaco, located in Franklin, Massachusetts, is a leading manufacturer and integrator of computer carts and wall-arm workstations for point-of-care Electronic Health Records (EHR). GCX, based in Petaluma, CA, has been providing medical device and IT mounting solutions for the healthcare industry since 1971, through direct sales and working with original equipment manufacturers (OEM). Major product lines include wall mounts, roll stands, countertop mounts, pole mounts, and a variety of mounting accessories



has been acquired by



a portfolio company of



Founded in 2008, TheraCell is focused on the development of advanced technologies for bone and soft tissue repair and is the inventor of the next-generation, TheraFuze DBF® demineralized bone fiber technology. Isto Biologics is a leading biologic and cellular therapy company in the orthopedic space. Hopkinton, MA-based Isto Biologics is focused on Helping Patients Heal Faster™ through innovative solutions for bone regeneration and cell-based therapies.

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 been acquired by



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.