



HEALTHCARE

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Spotlight

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Industry News

Global CRO Market Projected to Reach \$220.3 Billion by 2031

PR Newswire [Full Article](#)

The global market for healthcare contract research organizations (CRO) was \$80.6 billion in 2022 by Growth Markets Reports, and the sector is projected to grow at a CAGR of 12.2% to reach \$220.3 billion by the year 2032, factoring rapid advancements of technology due to the COVID-19 pandemic.

The US healthcare contract research organization market is projected to lead the CRO market. This mostly comes from several key pharmaceutical companies within the US. Another fast-growing region within the CRO industry is Europe. Due to the aging population and increasing diseases, pharmaceutical companies are growing their research rapidly.

Thermo Fisher eyes up to \$50bn M&A in coming years

BioProcess International [Full Article](#)

Since 2006 Thermo Fisher has made 44 acquisitions totaling over \$60.0 billion. This includes the CRO acquisition of PPD in 2021 for \$17.4 billion. In a recent interview with CEO Marc Casper, he states that their long term plan is to invest "\$40.0 billion to \$50.0 billion into M&A within the coming years."

Syneos Health to be Acquired by a Private Investment Consortium for Approximately \$7.1 Billion

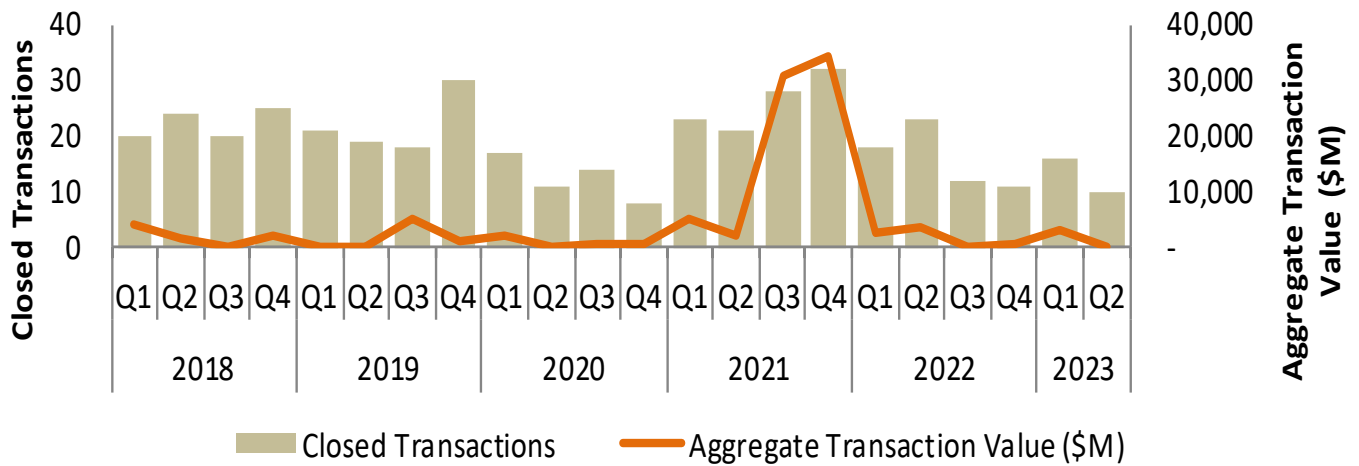
Syneos Health [Full Article](#)

Syneos Health announced in May the company has entered into an agreement to be acquired by several firms including Elliott Investment Management, Patient Square Capital, and Veritas Capital. The all-cash acquisition is valued at \$7.1 billion, equaling \$43.00 per share, representing a 24% premium from Syneos Health stock on Feb. 13, 2023. The acquisition is expected to be completed in later 2023 assuming it is approved by shareholders and regulators. Once the transaction is completed, Syneos Health's will become a private company and no longer trade on the Nasdaq.

Through the acquisition Syneos Health is hoping for accelerating its clinical trial process and access to more patients around the globe.

CRO

CRO M&A Environment

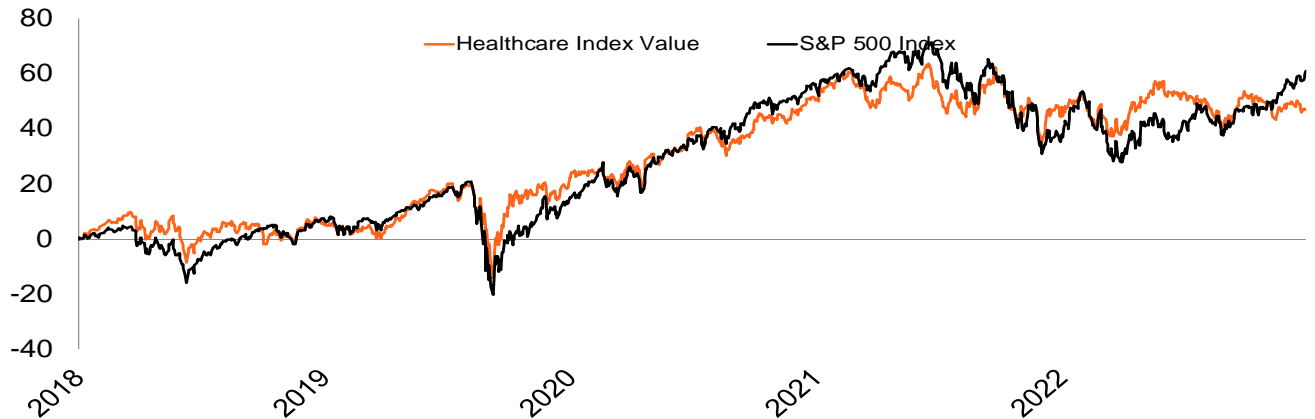


Selected Q2 2023 M&A

Date Closed	Target	Buyers/Investors
6/30/2023	TeralImmune, Inc.	Baudax Bio, Inc. (NasdaqCM:BXRX)
6/9/2023	Comac Medical Ltd.	EdgeCap Partners OU
5/31/2023	Kailos Genetics, Inc.	healthOme, Inc.
5/10/2023	JSS Medical Research Inc.	Genesis Drug Discovery & Development, LLC
5/9/2023	Mercurius Health, S.A.	iCON Infrastructure LLP
5/2/2023	Paragraf USA	Paragraf Limited
4/27/2023	Phixen SAS	Gland Pharma International Pte. Ltd.
4/6/2023	Vector Planning & Services, Inc.	Chugach Government Solutions, LLC
4/5/2023	Complete Technical Solutions (CQV) Ltd.	Ellab (Uk) Limited
4/1/2023	Apotex Pharmaceutical Holdings Inc.	SK Capital Partners

Healthcare

Through the second quarter of 2023, the healthcare sector has rebounded as the US economy has recovered to pre-pandemic levels. The Healthcare Index trails somewhat behind the S&P 500 Index. The industry will continue to be affected by government regulation, the personalization of medicine and digital transformation. In light of the COVID-19 pandemic, telehealth and virtual medicine have and will continue to meet consumer demand for healthcare.



As of 6/30/2023

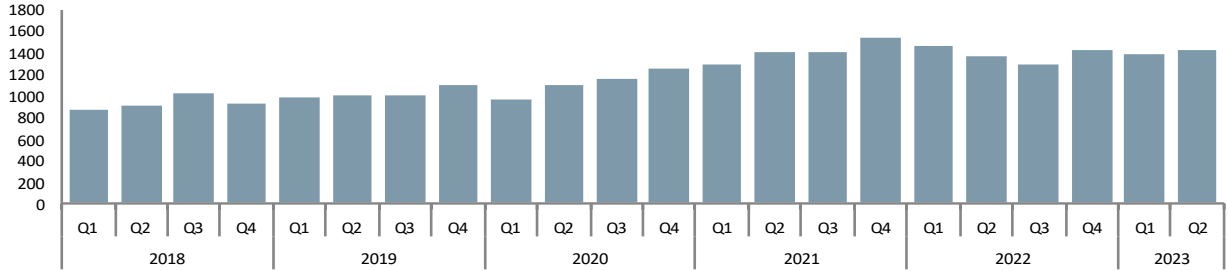
Company Name	Ticker	Enterprise Value	LTM Financials		Valuation Metrics		LTM Margins	
			Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$197,296	\$41,505	\$10,721	4.8x	18.4x	55.6%	25.8%
AbbVie Inc.	NYSE:ABBV	\$293,471	\$56,741	\$29,523	5.2x	9.9x	71.0%	52.0%
Agilent Technologies, Inc.	NYSE:A	\$37,235	\$7,040	\$2,059	5.3x	18.1x	54.6%	29.2%
AmerisourceBergen Corporation	NYSE:ABC	\$43,822	\$247,543	\$3,318	0.2x	13.2x	3.4%	1.3%
Amgen Inc.	NasdaqGS:AMGN	\$148,665	\$26,190	\$13,122	5.7x	11.3x	74.9%	50.1%
Baxter International Inc.	NYSE:BAX	\$38,325	\$15,055	\$3,094	2.5x	12.4x	39.0%	20.6%
Becton, Dickinson and Company	NYSE:BDX	\$91,222	\$18,809	\$4,805	4.8x	19.0x	45.7%	25.5%
Biogen Inc.	NasdaqGS:BIIB	\$41,810	\$10,105	\$3,378	4.1x	12.4x	78.4%	33.4%
Boston Scientific Corporation	NYSE:BSX	\$86,819	\$13,045	\$3,281	6.7x	26.5x	68.7%	25.2%
Bristol-Myers Squibb Company	NYSE:BMY	\$164,527	\$45,848	\$19,618	3.6x	8.4x	78.5%	42.8%
Cardinal Health, Inc.	NYSE:CAH	\$24,824	\$198,662	\$2,337	0.1x	10.6x	3.4%	1.2%
Centene Corporation	NYSE:CNC	\$42,946	\$137,020	\$6,102	0.3x	7.0x	17.4%	4.5%
Cigna Corporation	NYSE:CI	\$107,723	\$182,798	\$9,917	0.6x	10.9x	12.8%	5.4%
Community Health Systems, Inc.	NYSE:CYH	\$13,548	\$12,208	\$1,131	1.1x	12.0x	39.8%	9.3%
Danaher Corporation	NYSE:DHR	\$192,325	\$30,950	\$10,576	6.2x	18.2x	60.1%	34.2%
DaVita Inc.	NYSE:DVA	\$21,844	\$11,665	\$2,024	1.9x	10.8x	29.3%	17.3%
Eli Lilly and Company	NYSE:LLY	\$459,931	\$27,691	\$9,154	16.6x	50.2x	77.7%	33.1%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$113,469	\$27,043	\$12,459	4.2x	9.1x	79.2%	46.1%
HCA Healthcare, Inc.	NYSE:HCA	\$125,845	\$60,879	\$12,279	2.1x	10.2x	38.7%	20.2%
Henry Schein, Inc.	NasdaqGS:HSIC	\$13,382	\$12,528	\$1,048	1.1x	12.8x	30.5%	8.4%
Humana Inc.	NYSE:HUM	\$54,205	\$95,642	\$5,036	0.6x	10.8x	18.5%	5.3%
IQVIA Holdings Inc.	NYSE:IQV	\$53,696	\$14,494	\$2,555	3.7x	21.0x	34.8%	17.6%
Johnson & Johnson	NYSE:JNJ	\$458,436	\$96,263	\$33,301	4.8x	13.8x	67.2%	34.6%
Laboratory Corporation of America Holdings	NYSE:LH	\$27,366	\$14,755	\$2,318	1.9x	11.8x	28.0%	15.7%
McKesson Corporation	NYSE:MCK	\$60,907	\$276,711	\$4,960	0.2x	12.3x	4.4%	1.8%
Merck & Co., Inc.	NYSE:MRK	\$313,226	\$57,869	\$22,367	5.4x	14.0x	72.8%	38.7%
Molina Healthcare, Inc.	NYSE:MOH	\$15,389	\$31,516	\$1,596	0.5x	9.6x	12.8%	5.1%
Owens & Minor, Inc.	NYSE:OMI	\$3,976	\$10,071	\$396	0.4x	10.0x	19.4%	3.9%
Patterson Companies, Inc.	NasdaqGS:PDCO	\$3,646	\$6,471	\$367	0.6x	9.9x	21.2%	5.7%
Pfizer Inc.	NYSE:PFE	\$223,530	\$92,951	\$40,637	2.4x	5.5x	68.9%	43.7%
Quest Diagnostics Incorporated	NYSE:DGX	\$20,306	\$9,603	\$1,789	2.1x	11.4x	34.2%	18.6%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$64,639	\$12,370	\$5,077	5.2x	12.7x	55.8%	41.0%
Stryker Corporation	NYSE:SYK	\$127,618	\$18,952	\$4,648	6.7x	27.5x	62.9%	24.5%
Tenet Healthcare Corporation	NYSE:THC	\$26,184	\$19,666	\$3,564	1.3x	7.3x	37.4%	18.1%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$233,280	\$43,807	\$10,852	5.3x	21.5x	40.4%	24.8%
UnitedHealth Group Incorporated	NYSE:UNH	\$485,476	\$335,944	\$32,153	1.4x	15.1x	24.8%	9.6%
Universal Health Services, Inc.	NYSE:UHS	\$16,280	\$13,574	\$1,687	1.2x	9.7x	38.8%	12.4%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$36,057	\$7,108	\$2,336	5.1x	15.4x	71.6%	32.9%
Zoetis Inc.	NYSE:ZTS	\$84,236	\$8,094	\$3,277	10.4x	25.7x	69.5%	40.5%

Median	2.5x	12.3x	39.8%	20.6%
Mean	3.5x	14.5x	44.7%	22.6%

Healthcare

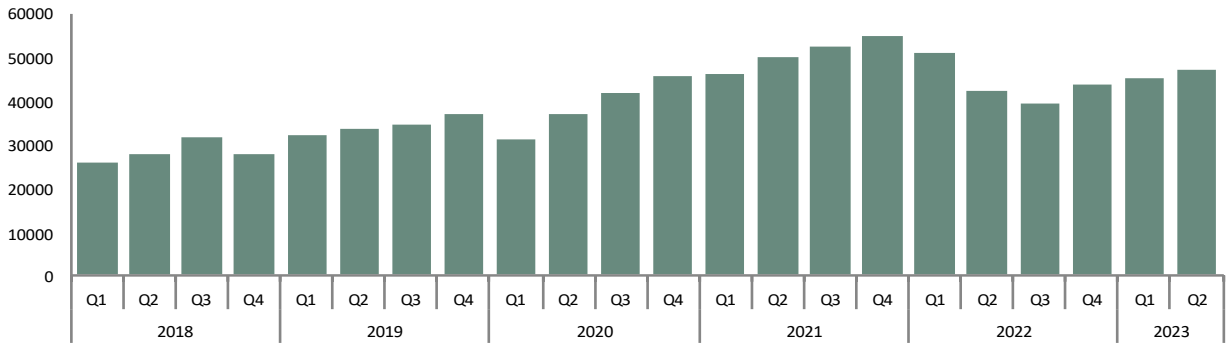
State of the Industry

Dow Jones US Healthcare Index



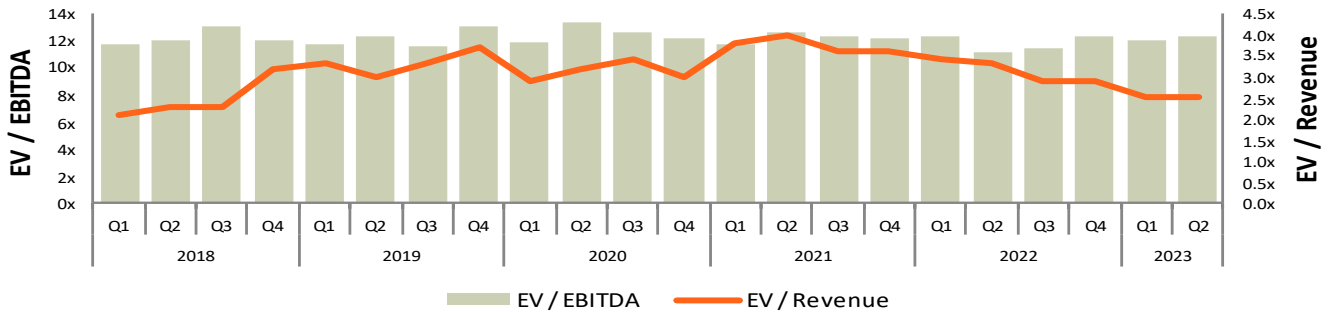
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



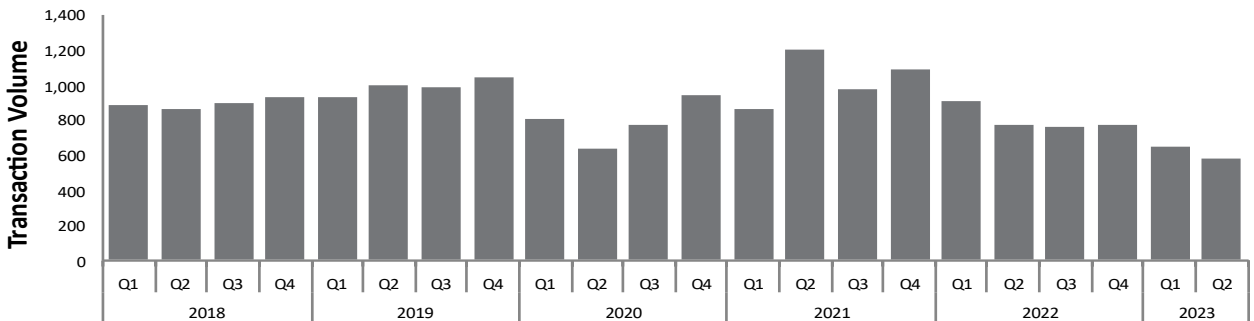
Source: Capital IQ

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 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. Brendan Kiernan is a Partner with Mirus Capital Advisors who joined the firm in 2004. Experienced in business valuation, corporate finance advisory and deal execution, Brendan leads Mirus' Valuation practice, as well as co-leading sell-side and buy-side M&A mandates. Brendan has made significant contributions to several dozen client transactions and engagements during his tenure with the firm. His work has focused primarily on clients in the technology, business services, and industrial and distribution sectors.



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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 is a leading manufacturer and integrator of computer carts and wall-arm workstations for point-of-care Electronic Health Records (EHR). Proudly manufacturing in the United States of America for over 50 years, Jaco has set the healthcare industry standard for superior infection control, ergonomic design and safety, sustainable quality and unmatched capital equipment investment value. The acquisition strengthens GCX's broad portfolio of medical instrument and mounting solutions with the addition of Jaco's battery-powered EVO™ Series mobile carts. The deal also adds new commercial and manufacturing competencies.



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



a portfolio company of



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. Founded in 2008, the firm is headquartered in Los Angeles, CA and maintains offices and laboratories in Littleton, MA. The acquisition will expand Isto Biologics' growing portfolio of orthopedic grafts and introduce TheraCell's proprietary and patented TheraFuze DBF® technology that will become part of Isto Biologics' Influx™ line.