



HEALTHCARE

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Healthcare Technology

Industry News

Leadership Survey Points to Growth in Healthcare Technology Investments

Redox [Full Article](#)

In a recent survey conducted by IDC and supported by Redox, over 88% of 205 medium-to-large-sized hospital clinical leaders and IT leaders indicated their plans to increase spending on third-party technology in 2023-24.

More than half of the leaders at these health systems and organizations also listed digital transformation as their “most important organizational goal.” The top three technologies impacting the healthcare industry were 5G, advanced data analytics, and artificial intelligence/machine learning. Increased data reliability and availability were the primary goals for new technology investments, while cybersecurity, integration and middleware were cited as areas of concern.

7wireVentures Closes \$217m Healthtech Fund Amid Bullish Industry Outlooks

Forbes [Full Article](#)

In early October, 7wireVentures increased its assets under management to over \$500m with the closing of a new \$217m fund. Through its new investment vehicle -- named the “Growth and Opportunity Fund” -- the team behind Livongo will further its investments in current portfolio companies and begin investing in Series B and C rounds. Despite a prevailing sentiment that markets are “down on digital health,” 7wire Partner Alyssa Jaffee stated that “there is a belief that consumer-directed healthcare can be very successful.” The firm has already made three investments in its largest fund to date and hopes to avoid “missing opportunities” as in the past.

Supporting 7wire’s positive outlook, Silicon Valley Bank released a report indicating signs of resilience and stabilization in the healthtech sector despite the current investment environment. Julie Ebert, managing director of healthtech at SVB, cited an improvement in the public market and increased M&A activity as reasons for this optimistic view.

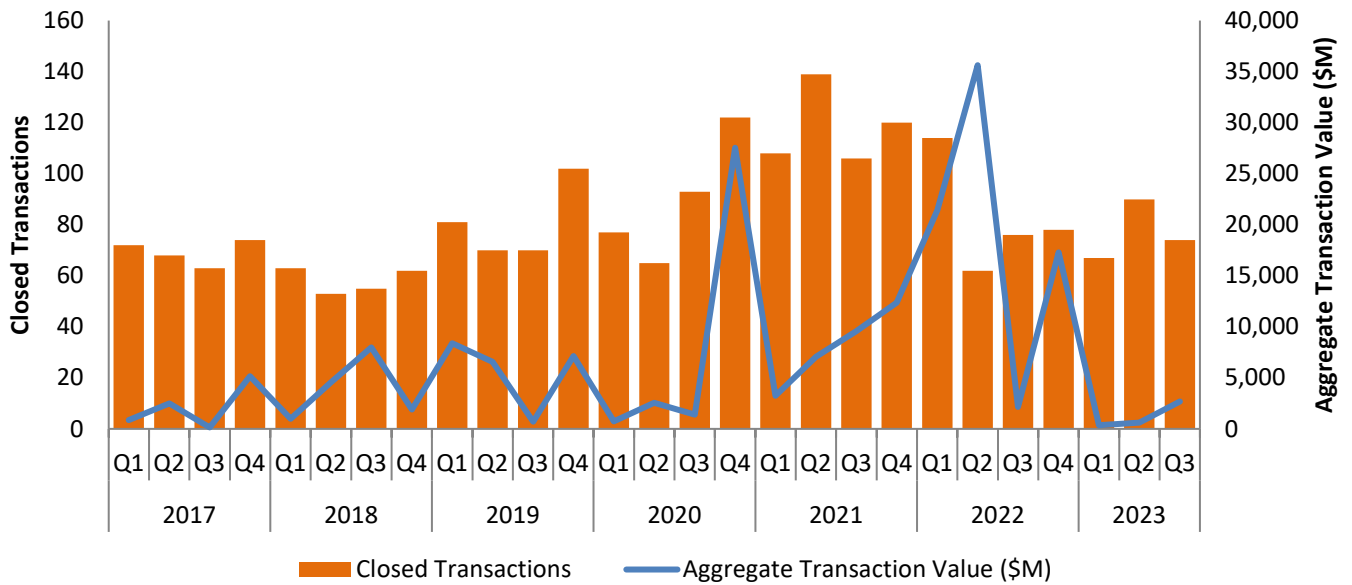
FDA Begins Forming Digital Healthcare Advisory Committee

NextGov [Full Article](#)

The Food and Drug Administration recently announced the creation of a Digital Healthcare Advisory committee tasked with fostering innovation while supporting safe and effective regulation of digital health technologies. Sourcing knowledge from inside and outside of the FDA, the committee will map the potential benefits, risks, and outcomes of digital healthcare technologies to “protect patient health while continuing to support innovation,” stated Jeff Shuren, director of the FDA’s Center for Devices and Radiological Health. Shuren believes digital technology is “critical for achieving transformation in care delivery” and bringing about greater health equity. Nominations for a spot on the nine-member committee are open through December 11, 2023.

Healthcare Technology

Healthcare Technology M&A Environment

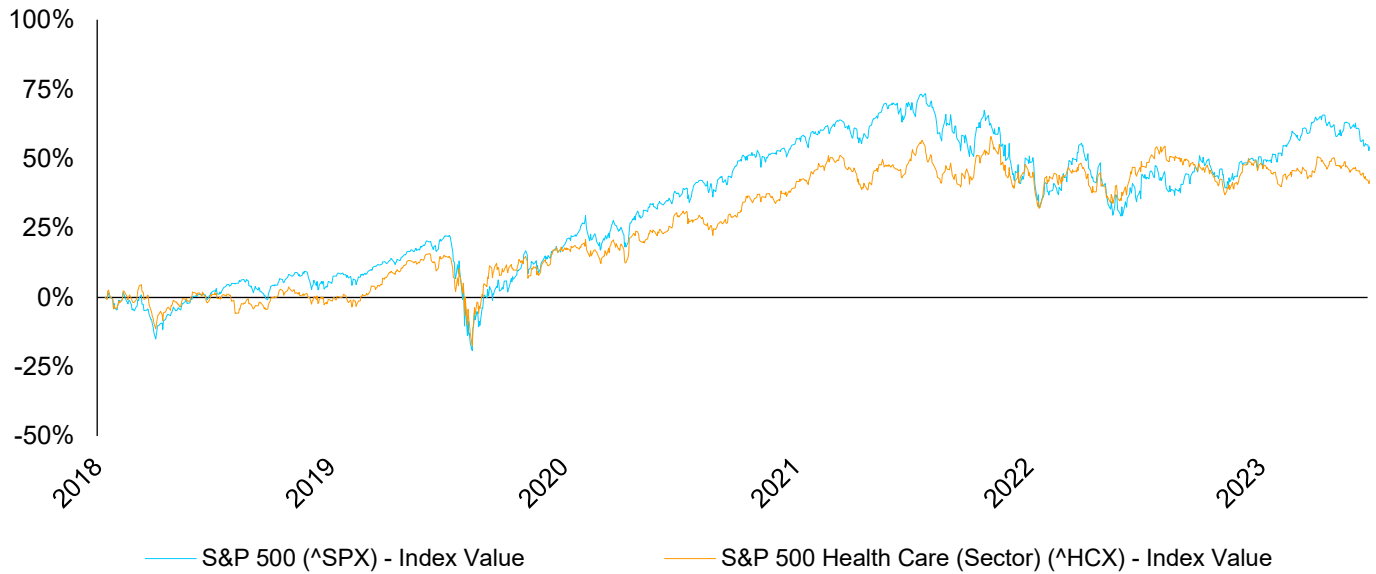


Selected Healthcare Technology M&A

Date Closed	Target	Buyers/Investors	Enterprise Value	EV / LTM	
			(\$M)	Revenue	EBITDA
9/29/2023	RaySearch Laboratories AB (OM:RAY B)	-	273.5	3.2x	17.6x
8/29/2023	Healthcare Accretion Group Inc.	Vinery Capital Inc. (CNSX:VIN)	10.5	-	-
8/15/2023	Mind Cure Health Inc.	LNG Energy Group Corp. (OTCPK:LNGN.F)	9.9	-	-
8/14/2023	Access Managed Services, LLC	Respiri USA Inc.	3.0	-	-
8/11/2023	Access eForms, LP	Phreesia, Inc. (NYSE:PHR)	37.1	-	-
8/4/2023	Evolucare Investment SAS	Gpi France SASU	122.7	-	-
8/2/2023	ImageVision.net, Inc.	Waystar, Inc.	30.0	-	-
8/2/2023	Assets of Luminello, Inc.	SimplePractice, LLC	21.6	-	-
7/31/2023	DMEscripts LLC	Quipt Home Medical Corp. (TSX:QIPT)	15.0	-	-
7/21/2023	Populi, Inc.	Definitive Healthcare Corp. (NasdaqGS:DH)	52.0	-	-
7/12/2023	InstantScripts Pty Ltd	Australian Pharmaceutical Industries Limited	91.6	-	-

Healthcare

The S&P 500 Health Care index has underperformed the S&P 500 in recent months. With an already challenging macro landscape, many investors have focused elsewhere thus far in 2023. Investment in technology and a need to diversify offerings may drive acquisition activity in the upcoming year.



As of 09/30/2023

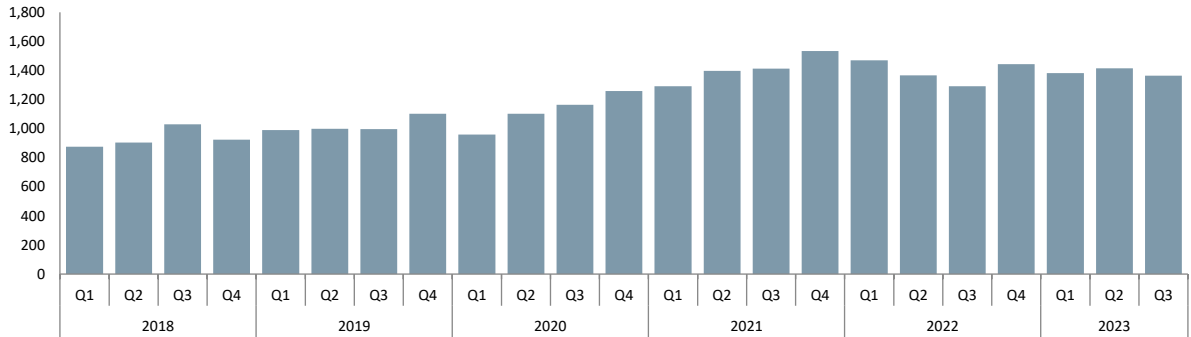
Company Name	Ticker	Enterprise Value	LTM Financials		Valuation Metrics		LTM Margins	
			Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$177,132	\$40,226	\$9,912	4.4x	17.9x	55.4%	24.6%
AbbVie Inc.	NYSE:ABBV	\$315,757	\$56,023	\$29,196	5.6x	10.8x	70.5%	52.1%
Agilent Technologies, Inc.	NYSE:A	\$34,355	\$6,994	\$1,769	4.9x	19.4x	50.9%	25.3%
Amgen Inc.	NasdaqGS:AMGN	\$171,056	\$26,582	\$13,763	6.4x	12.4x	74.3%	51.8%
Baxter International Inc.	NYSE:BAX	\$34,373	\$15,181	\$3,076	2.3x	11.2x	38.8%	20.3%
Becton, Dickinson and Company	NYSE:BDX	\$90,853	\$19,046	\$4,873	4.8x	18.6x	45.6%	25.6%
Biogen Inc.	NasdaqGS:BIIB	\$36,517	\$9,972	\$3,087	3.7x	11.8x	76.2%	31.0%
Boston Scientific Corporation	NYSE:BSX	\$86,598	\$13,400	\$3,384	6.5x	25.6x	69.1%	25.3%
Bristol-Myers Squibb Company	NYSE:BMY	\$151,788	\$45,187	\$18,693	3.4x	8.1x	77.6%	41.4%
Cardinal Health, Inc.	NYSE:CAH	\$22,615	\$205,012	\$2,462	0.1x	9.2x	3.4%	1.2%
Cencora, Inc.	NYSE:COR	\$42,965	\$254,425	\$3,418	0.2x	11.5x	2.9%	1.4%
Centene Corporation	NYSE:CNC	\$41,596	\$138,273	\$6,315	0.3x	6.6x	16.7%	4.6%
Cigna Corporation	NYSE:CI	\$107,900	\$186,021	\$9,860	0.6x	10.9x	12.6%	5.3%
Community Health Systems, Inc.	NYSE:CYH	\$13,402	\$12,390	\$1,244	1.1x	10.8x	40.2%	10.0%
Danaher Corporation	NYSE:DHR	\$195,593	\$30,356	\$9,827	6.4x	19.9x	59.1%	32.4%
DaVita Inc.	NYSE:DVA	\$21,378	\$11,739	\$2,010	1.8x	10.6x	29.4%	17.1%
Eli Lilly and Company	NYSE:LLY	\$498,559	\$29,516	\$9,765	16.9x	51.1x	77.8%	33.1%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$110,126	\$27,382	\$12,164	4.0x	9.1x	79.4%	44.4%
HCA Healthcare, Inc.	NYSE:HCA	\$109,445	\$61,920	\$12,308	1.8x	8.9x	38.7%	19.9%
Henry Schein, Inc.	NasdaqGS:HSIC	\$12,887	\$12,598	\$1,053	1.0x	12.2x	30.6%	8.4%
Humana Inc.	NYSE:HUM	\$56,327	\$98,727	\$5,161	0.6x	10.9x	18.1%	5.2%
IQVIA Holdings Inc.	NYSE:IQV	\$48,556	\$14,681	\$2,631	3.3x	18.5x	34.8%	17.9%
Johnson & Johnson	NYSE:JNJ	\$393,398	\$97,773	\$34,313	4.0x	11.5x	67.5%	35.1%
Laboratory Corporation of America Holdings	NYSE:LH	\$22,211	\$14,881	\$2,230	1.5x	10.0x	27.2%	15.0%
McKesson Corporation	NYSE:MCK	\$63,864	\$284,040	\$5,059	0.2x	12.6x	4.3%	1.8%
Merck & Co., Inc.	NYSE:MRK	\$291,820	\$58,311	\$12,328	5.0x	23.7x	73.2%	21.1%
Molina Healthcare, Inc.	NYSE:MOH	\$16,587	\$31,835	\$1,676	0.5x	9.9x	13.1%	5.3%
Owens & Minor, Inc.	NYSE:OMI	\$3,586	\$10,135	\$342	0.4x	10.5x	19.1%	3.4%
Patterson Companies, Inc.	NasdaqGS:PDCO	\$3,407	\$6,525	\$374	0.5x	9.1x	21.1%	5.7%
Pfizer Inc.	NYSE:PFE	\$208,439	\$77,943	\$31,071	2.7x	6.7x	69.8%	39.9%
Quest Diagnostics Incorporated	NYSE:DGX	\$18,625	\$9,488	\$1,751	2.0x	10.6x	34.0%	18.5%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$74,647	\$12,671	\$4,815	5.9x	15.5x	53.7%	38.0%
Stryker Corporation	NYSE:SYK	\$115,739	\$19,455	\$4,794	5.9x	24.1x	63.1%	24.6%
Tenet Healthcare Corporation	NYSE:THC	\$24,462	\$20,110	\$3,693	1.2x	6.6x	37.6%	18.4%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$229,063	\$43,524	\$10,632	5.3x	21.5x	39.9%	24.4%
UnitedHealth Group Incorporated	NYSE:UNH	\$500,613	\$348,515	\$33,297	1.4x	15.0x	24.8%	9.6%
Universal Health Services, Inc.	NYSE:UHS	\$13,869	\$13,799	\$1,733	1.0x	8.0x	39.0%	12.6%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$29,055	\$7,196	\$2,360	4.0x	12.3x	71.7%	32.8%
Zoetis Inc.	NYSE:ZTS	\$85,142	\$8,222	\$3,389	10.4x	25.1x	70.2%	41.2%

Median	2.7x	11.3x	40.0%	20.1%
Mean	3.4x	14.4x	44.3%	21.0%

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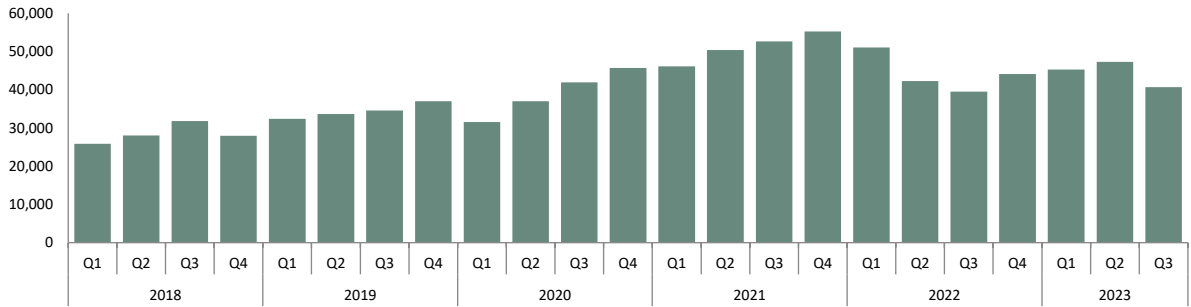
State of the Industry

Dow Jones US Healthcare Index



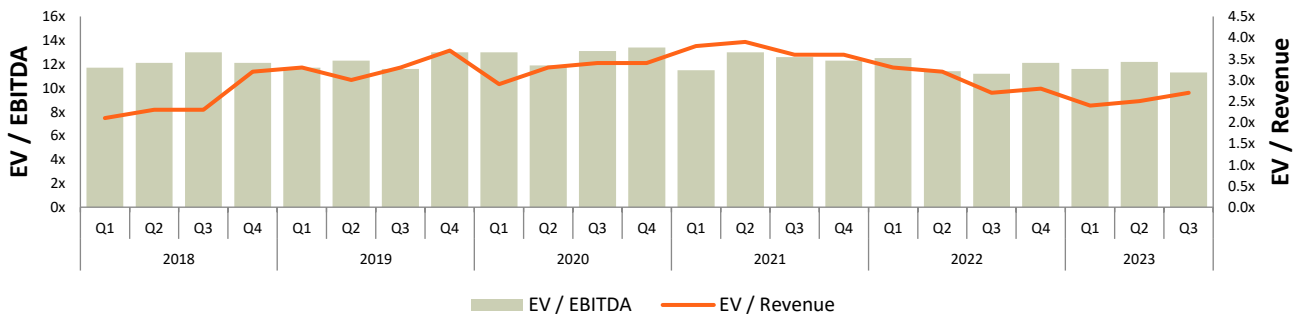
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



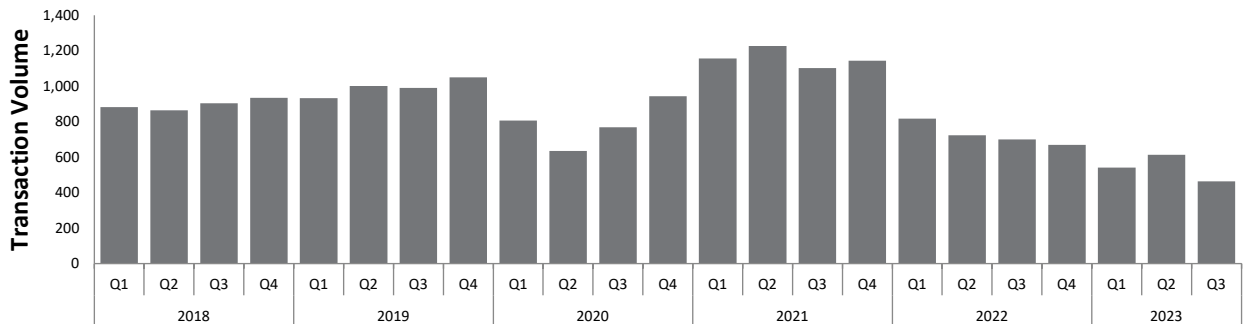
Source: Capital IQ

Healthcare 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

Alan, Kate, Brendan, and Patrick are accomplished advisors to the healthcare technology sector. Alan has closed multiple M&A transactions in the sector for clients in HCIT, hospital equipment, biopharma manufacturing, medical technology, research products and technical services, and technical compliance and safety services. Brendan has worked on more than 75 M&A engagements, managing deals for healthcare clients, technology, software and business services. Kate has closed deals with global medical equipment companies, middle market and multibillion-dollar private equity firms, family offices, leading technology companies and others in the consumer and industrial sectors. As a former senior level med-tech executive and a successful entrepreneur, Patrick brings the valuable perspective of having sat on both sides of the negotiating table.



Alan Fullerton
781-418-5954
fullerton@merger.com



Brendan Kiernan
781-418-5926
kiernan@merger.com



Kate Soto
781-418-5934
soto@merger.com



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

Mirus Healthcare Spotlight



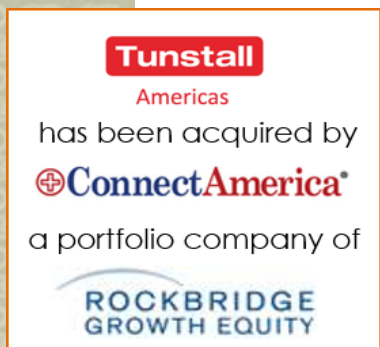
TheraCell is focused on the development of advanced technologies for bone and soft tissue repair and is the inventor of the next-generation, TheraFuze DBF® demineralized bone fiber technology. Founded in 2008, the firm is headquartered in Los Angeles, CA and maintains offices and laboratories in Littleton, MA. 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. The company's flagship product offerings include the market-leading Magellan® Autologous Platelet Separator, and bone-growth products including InQu® Bone Graft Extender & Substitute, and the Influx™ product family.



Connective Tissue Gene Tests, LLC (CTGT) is an internationally recognized provider of molecular diagnostic testing services for inherited genetic disorders that delivers clinically actionable diagnostic information to its worldwide customer base. Based in Allentown, Pennsylvania, CTGT has been at the forefront of the constitutional genetic testing field for more than a decade. Health Network Laboratories (HNL) is a leader in high quality, innovative laboratory medicine services. HNL works with more than 10 hospital systems and has over 60 regional patient service centers.



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.



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.