

Q3
24

Healthcare Industry

Mirus Healthcare Technology REPORT

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Healthcare Technology

Healthcare IT Market Projections and Industry Trends

The Business Research Company [Full Article](#)

According to The Business Research Company, the healthcare technology market is expected to reach \$518 billion in 2024, with an 18.0% CAGR projected through 2033. This rapid growth is driven by a shift towards value-based and preventative care, expansion of remote patient monitoring, and the integration of AI and machine learning which can enhance digital decision making and operational efficiency. Key trends include 5G technology—enabling real-time telehealth and high-speed data exchange—and an emphasis on improved interoperability resulting in better access to cross platform patient data. The future growth and momentum of the Healthcare sector is strongly linked to continuous investments in IT infrastructure.

U.S. Department of HHS Updates Federal Health IT Strategy

Healthcare IT News [Full Article](#)

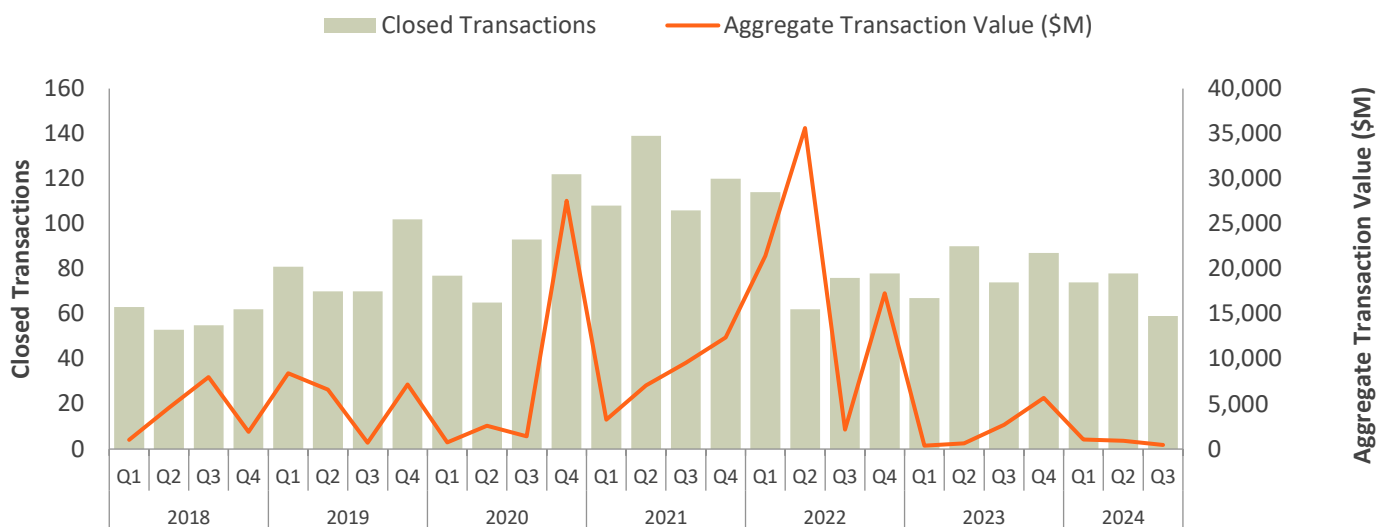
The U.S. Department of Health and Human Services (HHS) recently outlined its 2024-2030 IT strategic plan to improve healthcare data access, equity, and security. Key initiatives include enhancing data interoperability, expanding digital health access for underserved communities through broadband improvements in rural and urban areas, and reinforcing cybersecurity measures to protect patient data. HHS emphasized transparency in AI use, striving to support tools that improve health outcomes without compromising privacy. Moreover, the plan supports healthcare organizations in implementing high-impact security practices to mitigate security risks. HHS' plan better positions the sector to meet rising demands for remote care solutions, streamlined data sharing, and cybersecurity measures in the growing digital healthcare space.

Why Your Next Prescription Could Include an App

Axios [Full Article](#)

The U.S. Food and Drug Administration is evaluating and updating its regulatory framework around "Prescription Drug Use Related Software (PDURS)." PDURS are used to help patients make sure they take drugs on time, provide a more personalized approach to managing chronic conditions, or monitor for side effects. The FDA's guidance will allow healthcare providers, software developers, and patients to harness the full potential of digital health technologies more safely. "The progress we've seen in the five years since we released the [initial] framework is astonishing," said Evan Wearne, with the FDA Office of Medical Policy. "While some sponsors are adding software functions to existing therapies as an 'optional tool,' other sponsors are creating drugs with accompanying digital features to improve safety and efficacy."

Healthcare Technology M&A Environment

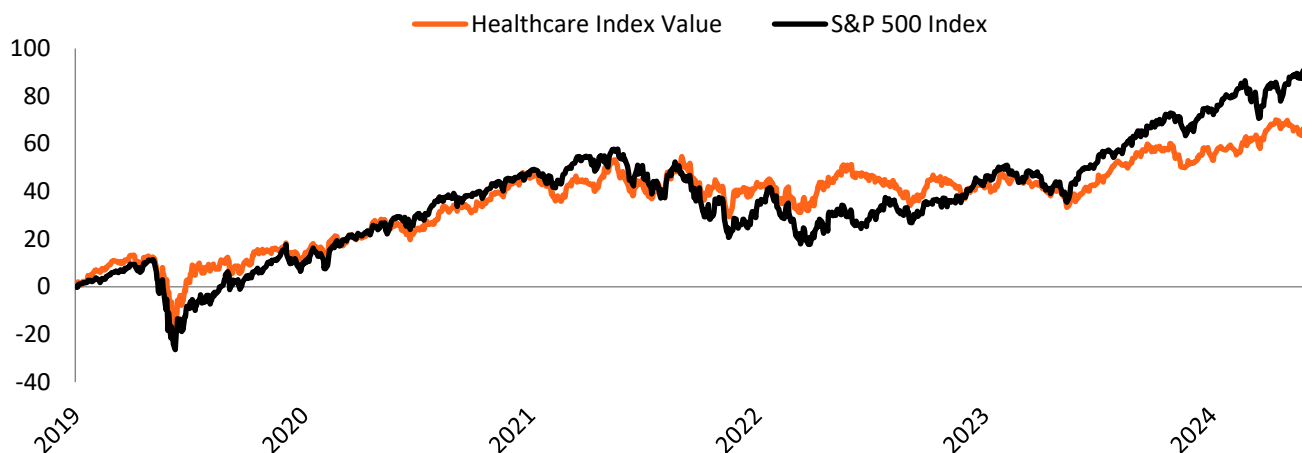


Selected Q3 2024 Healthcare Technology M&A Transactions

Date Closed	Target	Buyers/Investors	Enterprise Value (\$M)
9/30/2024	Science Exchange, Inc.	Waud Capital Partners, L.L.C.	-
9/24/2024	Arrowlytics, LLC	Clarity Ventures Group, LLC	-
9/17/2024	CBIZ KA Consulting Services, LLC	Panacea Healthcare Solutions, Inc.	-
9/17/2024	Leo, Inc.	Fabric Labs, Inc.	-
9/17/2024	Webdr.ai Inc.	Stryker Corporation (NYSE:SYK)	-
9/16/2024	Behavior Science Technology Inc.	CentralReach, LLC	-
9/12/2024	Clinigence Health, Inc.	AssureCare, LLC	-
9/6/2024	Hatch Compliance, Inc.	Kipu Health, LLC	-
9/5/2024	PD Theranostics, Inc.	Ovation.io, Inc.	-
9/4/2024	HealthPivots LLC	Netsmart Technologies, Inc.	-
8/6/2024	Duxlink Health, Inc.	Cardiovascular Associates of America	-
8/1/2024	Pluritem Health Inc	Milliman, Inc.	-
8/1/2024	Certain assets of Machinify Inc.	Evolent Health, Inc. (NYSE:EVH)	32.0
7/29/2024	Smart room solutions of Ouva, LLC	AvaSure Holdings, Inc.	-
7/25/2024	TRxADE HEALTH, Inc.	Scienture Holdings, Inc. (NasdaqCM:SCNX)	83.9
7/25/2024	LogicStream Health, Inc.	QuVa Pharma, Inc.	-
7/25/2024	Wellen Inc.	Bone Health Technologies, Inc.	-
7/24/2024	BridgeView Life Sciences, LLC	Zensar Technologies Limited (BSE:504067)	25.0
7/23/2024	EDNA Platform	AngelEye Health, Inc.	-
7/9/2024	Vizzia Technologies, LLC	HID Global Corporation	-
7/8/2024	Integrated Database Systems, LLC	Homecare Software Solutions, LLC	-
7/3/2024	ATD Health Network Inc.	Bblack	-
7/1/2024	StatRad, LLC.	I-MED Holdings Pty Limited	-
7/1/2024	VeroSource Solutions Inc.	Healwell AI Inc. (TSX:AIDX)	17.6

Sector Update: Healthcare

Through the third quarter of 2024, M&A activity in the healthcare sector has remained consistent with 2023 levels of transaction volume. Advances in patient care technologies, particularly the integration of AI, are driving growth in key areas such as drug discovery, digital mental health, and virtual care. These innovations reflect the sector's focus on enhancing patient monitoring, streamlining documentation, and delivering personalized care. As digital tools become increasingly embedded in healthcare settings, they are not only transforming patient interactions but also reshaping the infrastructure that supports modern care delivery.



Select Healthcare Public Companies

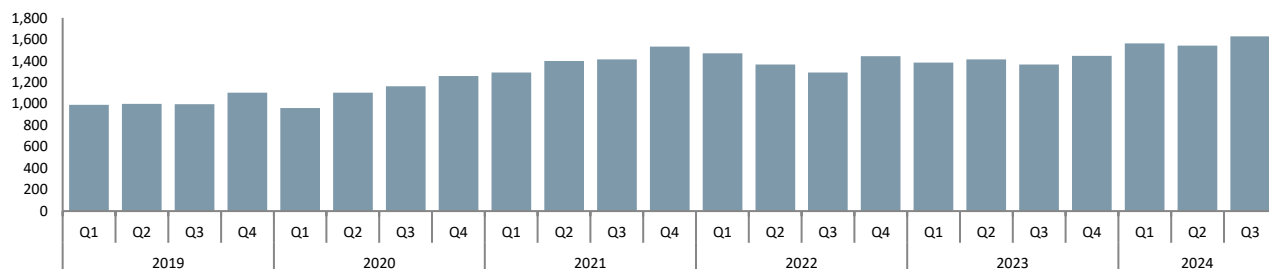
As of 09/30/2024

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	\$206,234	\$41,217	\$10,825	5.0x	19.1x	55.9%	26.3%
AbbVie Inc.	NYSE:ABBV	\$406,642	\$55,533	\$25,630	7.3x	15.9x	70.3%	46.2%
Agilent Technologies, Inc.	NYSE:A	\$43,999	\$6,497	\$1,564	6.8x	28.1x	54.4%	24.1%
Amgen Inc.	NasdaqGS:AMGN	\$226,477	\$32,534	\$12,247	7.0x	18.5x	60.6%	37.6%
Baxter International Inc.	NYSE:BAX	\$30,684	\$14,997	\$2,867	2.0x	10.7x	38.8%	19.1%
Becton, Dickinson and Company	NYSE:BDX	\$83,701	\$19,828	\$5,109	4.2x	16.4x	44.9%	25.8%
Biogen Inc.	NasdaqGS:BIIB	\$32,986	\$9,608	\$2,885	3.4x	11.4x	75.6%	30.0%
Boston Scientific Corporation	NYSE:BSX	\$131,667	\$15,911	\$4,063	8.3x	32.4x	68.7%	25.5%
Bristol-Myers Squibb Company	NYSE:BMJ	\$151,971	\$47,435	\$19,162	3.2x	7.9x	75.9%	40.4%
Cardinal Health, Inc.	NYSE:CAH	\$27,113	\$224,454	\$2,924	0.1x	9.3x	3.4%	1.3%
Cencora, Inc.	NYSE:COR	\$42,965	\$254,425	\$3,418	0.2x	11.5x	2.9%	1.4%
Centene Corporation	NYSE:CNC	\$39,729	\$146,204	\$5,919	0.3x	6.7x	14.8%	4.0%
Cigna Corporation	NYSE:CI	\$122,859	\$229,747	\$8,555	0.5x	14.4x	10.1%	3.7%
Community Health Systems, Inc.	NYSE:CYH	\$13,513	\$1,205	\$1,205	1.1x	11.2x	41.3%	9.6%
Danaher Corporation	NYSE:DHR	\$216,631	\$23,742	\$7,511	9.1x	28.8x	59.9%	31.6%
DaVita Inc.	NYSE:DVA	\$26,784	\$12,667	\$2,658	2.1x	10.1x	32.8%	21.0%
Eli Lilly and Company	NYSE:LLY	\$822,986	\$40,863	\$16,567	20.1x	49.7x	80.9%	40.5%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$123,865	\$27,805	\$13,462	4.5x	9.2x	77.4%	48.4%
HCA Healthcare, Inc.	NYSE:HCA	\$149,684	\$69,621	\$13,747	2.1x	10.9x	40.6%	19.7%
Henry Schein, Inc.	NasdaqGS:HSIC	\$13,429	\$12,499	\$922	1.1x	14.6x	31.6%	7.4%
Humana Inc.	NYSE:HUM	\$45,962	\$115,010	\$3,779	0.4x	12.2x	14.7%	3.3%
IQVIA Holdings Inc.	NYSE:IQV	\$55,115	\$15,315	\$2,827	3.6x	19.5x	35.2%	18.5%
Johnson & Johnson	NYSE:JNJ	\$406,134	\$87,696	\$30,052	4.6x	13.5x	69.4%	34.3%
Laboratory Corporation of America Holdings	NYSE:LH	\$24,569	\$12,713	\$1,674	1.9x	14.7x	27.9%	13.2%
McKesson Corporation	NYSE:MCK	\$69,623	\$313,751	\$5,144	0.2x	13.5x	4.1%	1.6%
Merck & Co., Inc.	NYSE:MRK	\$314,353	\$62,480	\$23,632	5.0x	13.3x	75.8%	37.8%
Molina Healthcare, Inc.	NYSE:MOH	\$18,221	\$37,544	\$1,814	0.5x	10.0x	12.4%	4.8%
Owens & Minor, Inc.	NYSE:OMI	\$3,346	\$10,661	\$582	0.3x	5.7x	21.6%	5.5%
Patterson Companies, Inc.	NasdaqGS:PDCCO	\$2,687	\$6,533	\$348	0.4x	7.7x	21.0%	5.3%
Pfizer Inc.	NYSE:PFE	\$227,027	\$59,375	\$18,366	3.8x	12.4x	69.8%	30.9%
Quest Diagnostics Incorporated	NYSE:DGX	\$22,217	\$9,539	\$1,805	2.3x	12.3x	33.0%	18.9%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$98,637	\$13,847	\$4,560	7.1x	21.6x	50.8%	32.9%
Stryker Corporation	NYSE:SYK	\$148,454	\$21,974	\$5,693	6.8x	26.1x	64.0%	25.9%
Tenet Healthcare Corporation	NYSE:THC	\$30,311	\$20,972	\$4,028	1.4x	7.5x	39.5%	19.2%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$262,998	\$42,370	\$10,582	6.2x	24.9x	40.7%	25.0%
UnitedHealth Group Incorporated	NYSE:UNH	\$598,591	\$393,898	\$35,035	1.5x	17.1x	22.9%	8.9%
Universal Health Services, Inc.	NYSE:UHS	\$20,216	\$15,018	\$2,013	1.3x	10.0x	41.1%	13.4%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$27,607	\$7,596	\$2,557	3.6x	10.8x	71.9%	33.7%
Zoetis Inc.	NYSE:ZTS	\$93,711	\$9,152	\$3,764	10.2x	24.9x	70.1%	41.1%
Median					3.3x	13.4x	41.1%	21.0%
Mean					3.9x	15.9x	44.3%	21.5%

Sector Update: Healthcare

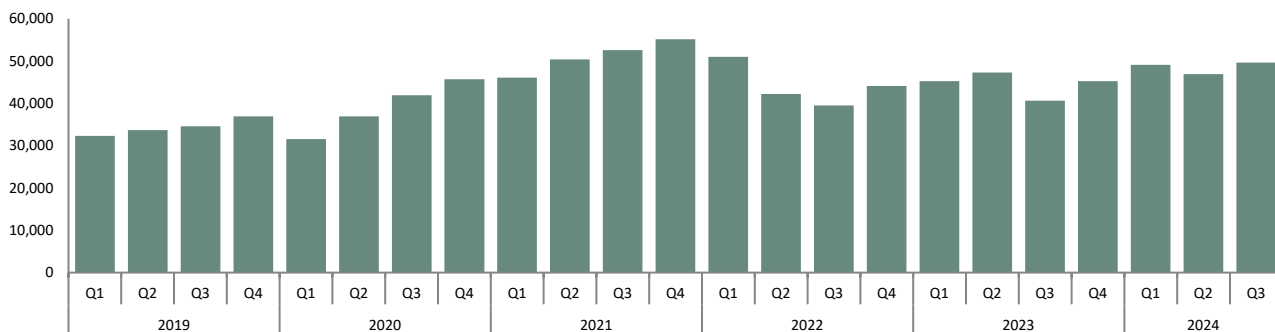
State of the Industry

Dow Jones US Healthcare Index



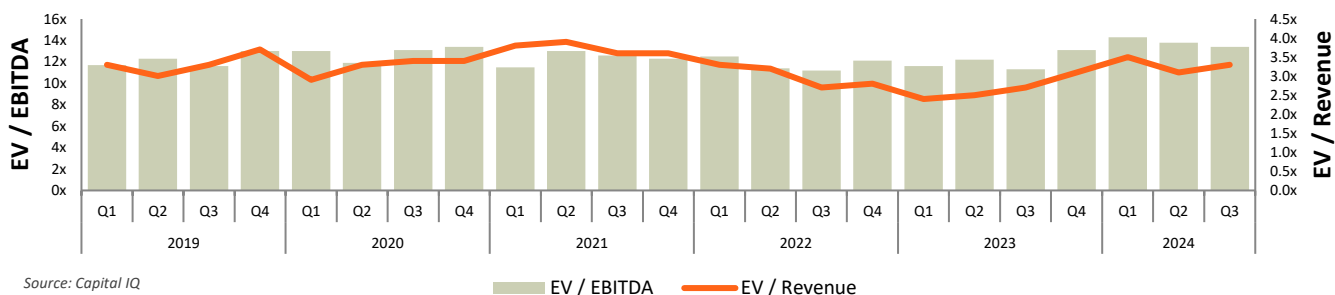
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



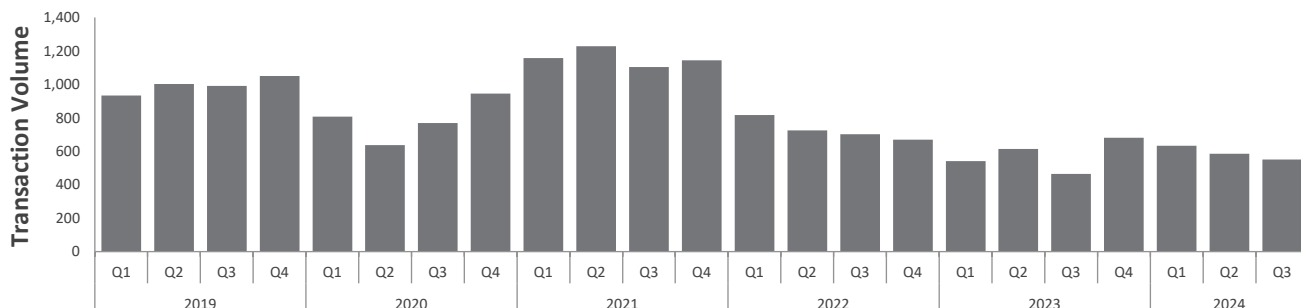
Source: Capital IQ

Healthcare Industry Valuations



Source: Capital IQ

Healthcare Transaction Volume



Source: Capital IQ



35 Years. 350 Deals.

The Value of Accomplishment

About Mirus

The Mirus team works with the owners of closely-held companies in multiple segments of the \$4.5 trillion U.S. 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.

35 Years. 350 Deals.

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.
- 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.



Partner Spotlight



Brendan Kiernan
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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 healthcare, business services, and technology sectors.



Patrick West
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Patrick West is an accomplished executive, entrepreneur, advisor and director with extensive executive management and M&A experience in the healthcare technology and oil and gas / manufacturing sectors. Patrick brings the valuable perspective of having sat on both sides of the negotiating table, allowing him unique insight and an informed ability to navigate the deal process. Patrick also holds a range of non-executive board positions and provides angel investment and strategic direction to a portfolio of companies.



Alan Fullerton
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Alan Fullerton, Partner with Mirus Capital Advisors, has been a leading middle market deal maker for more than 25 years, representing publicly traded companies, professional investors and boards, and closely held businesses. 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.



Kate Soto
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Kate Soto is a Partner with Mirus Capital Advisors and has over a decade of experience in mergers and acquisitions. She has advised over 40 clients on transactions in a variety of industries. She has closed deals with global medical equipment companies, middle market and multi-billion dollar private equity firms, family offices, leading technology companies and others. Her clients have ranged from closely-held and founder-owned businesses to public companies.

Trusted advisors to businesses just like yours

Notable recent Mirus healthcare transactions



applied biomath[®]
REVOLUTIONIZING DRUG INVENTION

has been acquired by



CERTARA[®]
(NASDAQ: CERT)

Founded in 2013, Applied BioMath is an industry-leader in providing model-informed drug discovery and development support to help accelerate and de-risk therapeutic research and development (R&D). Certara accelerates medicines using biosimulation software, technology and services to transform traditional drug discovery and development, with clients across 70 countries. Together, Certara and Applied BioMath are the life sciences industry's largest team of experts in quantitative systems pharmacology (QSP), a method of biosimulation used across the development lifecycle to predict endpoints, biomarkers and the most effective dosing regimen.



JACO

has been acquired by



GCX[®]
Mounting Solutions

a portfolio company of



Audax Private Equity

Based in Franklin, MA, Jaco designs, manufactures, and sells a full line of branded point-of-care IT workstation solutions for the healthcare markets, including powered carts, non-powered carts, wall arms, and video-presentation carts. GCX Corp., 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). 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.



TheraCell

has been acquired by



isto[®]
BIOLOGICS

a portfolio company of



THOMPSON STREET
CAPITAL PARTNERS

Founded in 2008, TheraCell focuses 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. The acquisition will strengthen Isto's focus on offering extraordinary solutions for surgical and clinical care procedures within spine, orthopedics and sports medicine.



AdvanSource
biomaterials

has sold substantially
all of its assets to



mcpp[™]

A Group Company of



MITSUBISHI CHEMICAL

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.

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