

Life Sciences & Health Care
Quarterly Update

Q2 2023



Deloitte Corporate Finance’s Life Sciences & Health Care Practice

Deloitte Corporate Finance LLC (DCF) is a leading, global middle-market M&A adviser. Our professionals have extensive knowledge in the life sciences and health care spaces and use their experience to help clients enhance value.



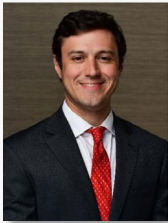
Life Sciences & Health Care Leadership



Simon Gisby
New York, NY
sgisby@deloitte.com



Newman Delany
Tampa, FL
ndelany@deloitte.com



Eric Steinberg
Charlotte, NC
esteinberg@deloitte.com



Firm Overview

#1 2022 Global M&A
Adviser by deals
completed.⁽¹⁾

704 Completed deals
in 2022.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- **Top global middle-market financial advisor** in 2022 according to Mergermarket.⁽¹⁾



Sector Focus

- Health care services
- Health care technology
- Life sciences and pharma services
- Medical devices and supplies
- Payors and payor services

Table of contents

Deloitte thought leadership	3
Health Care services	4
Health Care technology	5
Life Sciences and pharma services	6
Medical devices and supplies	7
Payors and payor services	8
Appendix	9



Deloitte thought leadership

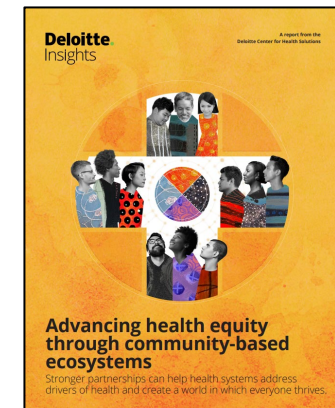
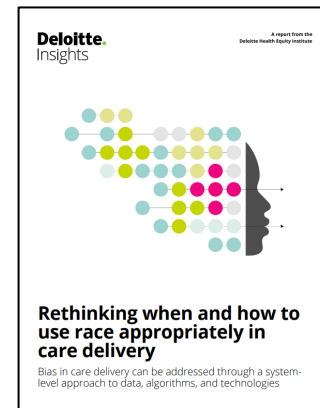
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends enables Deloitte to demonstrate eminence in the life sciences and health care market by redefining the lens through which industry leaders operate.

Extensive knowledge network

- DCF leverages its expansive, cross-business knowledge network, extensive consulting reports, and in-depth industry research to help drive results and provide differentiated insights for our clients.



Recent insights



Health Care Services

Sector Trends ⁽¹⁾

In recent quarters, health care service providers have battled economic headwinds, including high levels of inflation, ongoing labor shortages, and supply chain disruption. In response, the Federal Reserve implemented ongoing rate hikes to control inflation. June’s Consumer Price Index displayed a 3.0% year-over-year increase, the lowest level since March 2021. These headwinds have forced many hospital systems to diversify service offerings and invest in cost reduction initiatives to improve operating margins.

Select Recent M&A Activity ⁽²⁾

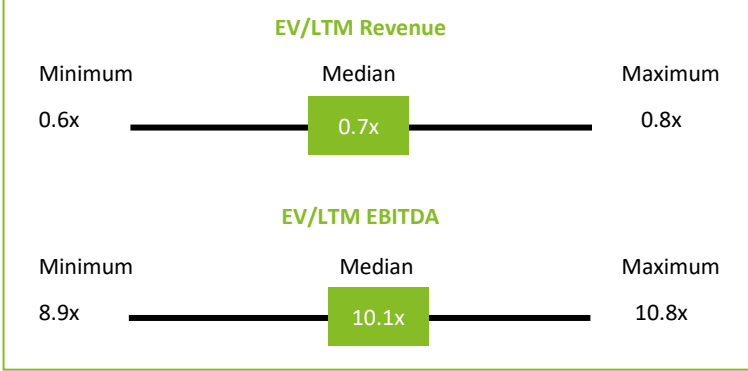
Close Date	Target	Acquiror	Implied EV (\$M)
Jun 2023	OneOncology	AmerisourceBergen and TPG	\$2,100.0
May 2023	Mediclinic International	Remgro Limited and SAS Shipping Agencies Services	\$6,084.1
May 2023	Ardent Health Partners	Pure Health	\$500.0
May 2023	Oak Street Health	CVS Health Corporation	\$10,892.5
April 2023	Epic Staffing Group	The Pritzker Organization	\$675.0



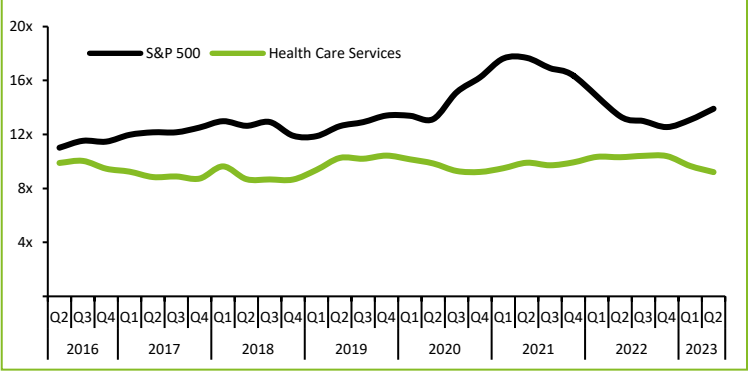
Select Public Comparables ⁽³⁾

Company Name	Enterprise Value (\$M)
DaVita Inc.	\$22,359.4
Quest Diagnostics Inc.	\$20,283.6
Oak Street Health, Inc.	\$10,546.7
Option Care Health, Inc.	\$6,926.3
Amedisys, Inc.	\$3,469.0
Cano Health.	\$1,796.8

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



Health Care Technology

Sector Trends ⁽¹⁾

Artificial intelligence (AI) is one of the fastest growing and most disruptive technologies in modern health care. AI applications including Machine Learning and Deep Learning algorithms can learn, predict, and diagnose several diseases, and are expected to radically change the future of health care. Wellness applications, fitness trackers, wearables, and remote monitoring devices continue to experience increased utilization as individuals play an active role in managing their health. Data from these devices are also being used to train AI models that provide valuable health care insights.

Select Recent M&A Activity ⁽²⁾

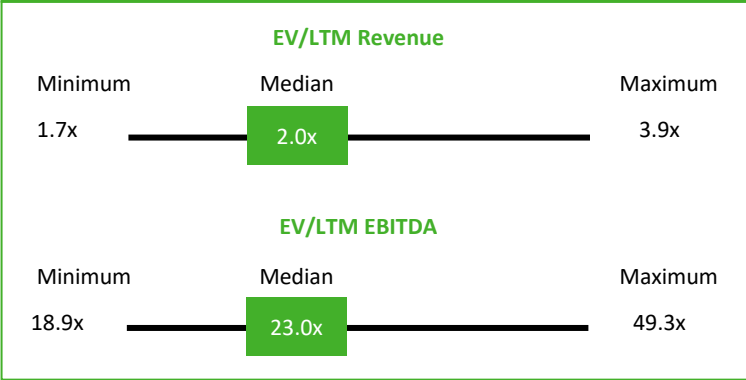
Close Date	Target	Acquiror	Implied EV (\$M)
June 2023	Immunetrics	Simulations Plus	\$23.5
May 2023	Cyclica Therapeutics	Recursion Pharmaceuticals	\$37.4
May 2023	Medtech Concepts	OrthoPediatrics	\$15.2
April 2023	Weekend Health	WW International	\$130.2
April 2023	Simplifeye	Napa EA/MEDX	N/A



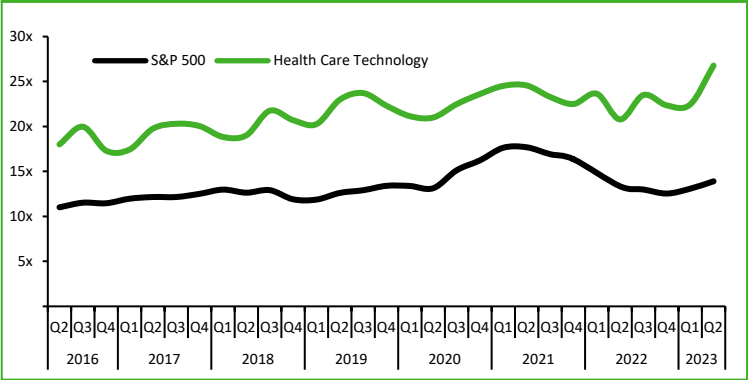
Select Public Comparables ⁽³⁾

Company Name	Enterprise Value (\$M)
Veeva Systems, Inc.	\$29,987.8
MultiPlan Corporation	\$5,727.8
Teladoc Health, Inc.	\$4,864.8
Omniceil, Inc.	\$3,316.7
Health Catalyst, Inc.	\$601.4
American Well Corporation	\$157.8

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



Life Sciences and Pharma Services

Sector Trends ⁽¹⁾

Life sciences and many pharma service providers continue to invest in digital transformation initiatives. These initiatives incorporate digital technology and analytics into early-stage drug discovery and clinical development to reduce timelines and increase the probability of the therapy reaching market. In addition, pharmaceutical companies have also started to adjust their interactions with health care providers and patients, using technology to enhance and tailor experiences to achieve better treatment outcomes.

Select Recent M&A Activity ⁽²⁾

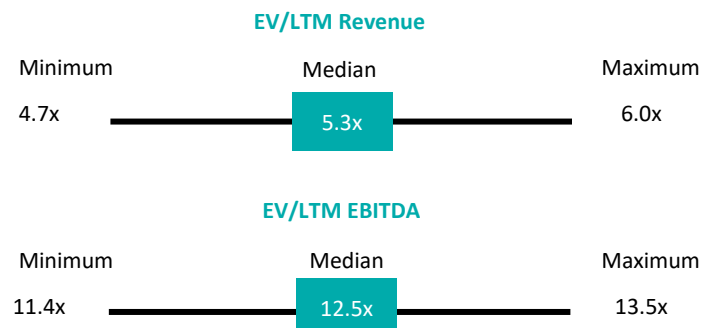
Close Date	Target	Acquiror	Implied EV (\$M)
June 2023	Prometheus Biosciences	Merck	\$10,876.6
June 2023	BELLUS Health	GSK Plc	\$1,970.6
June 2023	Hexo Corp	Tilray Brands	\$217.6
June 2023	Satsuma Pharmaceuticals	Shin Nippon Biomedical Laboratories	\$219.0
April 2023	Provention Bio	Sanofi	\$2,880.9



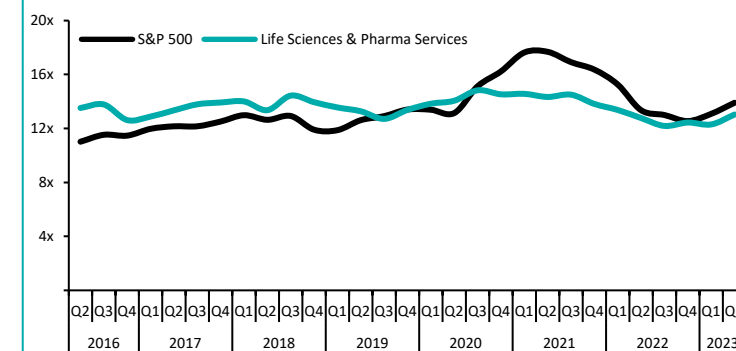
Select Public Comparables ⁽³⁾

Company Name	Enterprise Value (\$M)
AbbVie Inc.	\$296,734.7
Merck & Co., Inc.	\$289,272.3
Thermo Fisher Scientific Inc.	\$234,024.5
Pfizer Inc.	\$221,045.9
Amgen Inc.	\$154,302.3
IQVIA Holdings Inc.	\$53,595.7

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



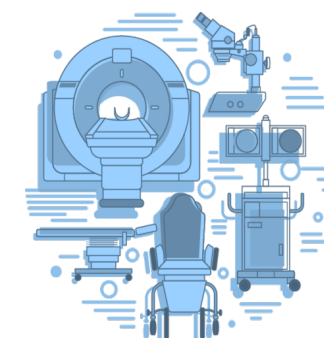
Medical Devices and Supplies

Sector Trends ⁽¹⁾

At the forefront of medical device and supplies is the development and utilization of AI-enabled devices. These innovative products provide data management, remote functionality, and diagnostic and procedural feedback. One of the most significant potential benefits of AI resides in its ability to create new and valuable insights from the vast amount of data generated during the delivery of care. The FDA continues to review and authorize a growing number of AI-enabled devices across diverse medical specialties and industry adoption of these devices is expected to rise.

Select Recent M&A Activity⁽²⁾

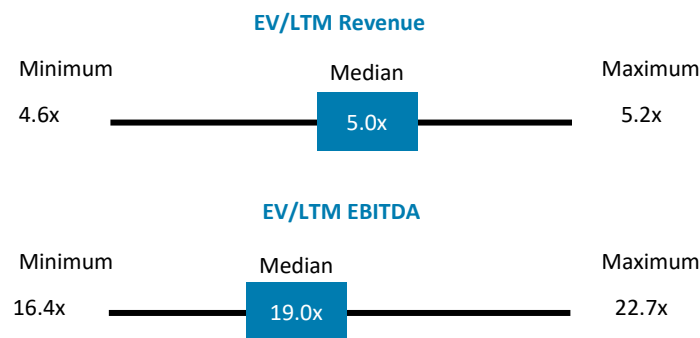
Close Date	Target	Acquiror	Implied EV (\$M)
June 2023	Heska Corporation	Antech Diagnostics	\$1,544.0
May 2023	Cerus Endovascular	Stryker Corporation	\$525.0
April 2023	Apollo Endosurgery	Boston Scientific	\$699.2
April 2023	Cardiovascular Systems	Abbott Laboratories	\$904.0
April 2023	Evident Corporation	Bain Capital	\$3,085.2



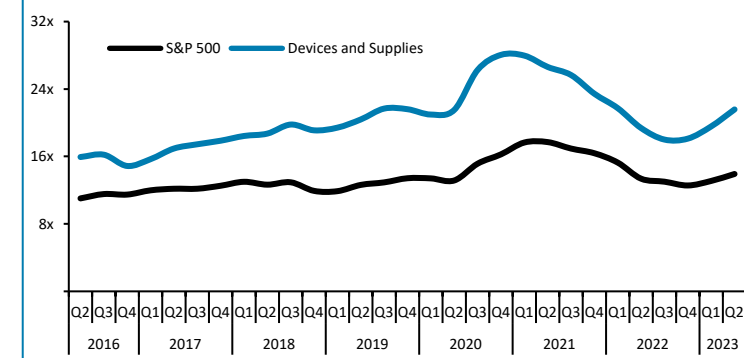
Select Public Comparables⁽³⁾

Company Name	Enterprise Value (\$M)
Johnson & Johnson	\$441,648.6
Abbott Laboratoires	\$193,696.4
Medtronic plc	\$132,734.1
Stryker Corporation	\$124,410.0
Becton, Dickinson and Company	\$89,037.7
Baxter International Inc.	\$39,078.2

Sector Trading Metrics⁽⁴⁾



Historical EV/EBITDA Multiples⁽⁴⁾



Payors and Payor Services

Sector Trends ⁽¹⁾

Ongoing economic and regulatory headwinds have created a uniquely challenging environment for payors to manage health care spend while maintaining access to high quality care. The cost of delivering care continues to increase, largely due to workforce shortages and rising costs associated with clinical labor and drugs. To better contain these costs, many payors have invested in innovative technology to improve operational efficiencies including artificial intelligence and machine learning to better manage member data, streamline prior authorization, and analyze and process claims.

Select Recent M&A Activity ⁽²⁾

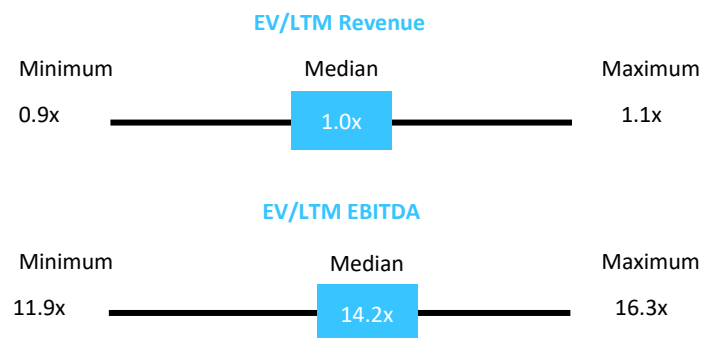
Close Date	Target	Acquiror	Implied EV (\$M)
May 2023	All American Medical Group	Apollo Medical Holdings	N/A
April 2023	V&F Consulting	Rising Medical Solutions	N/A
April 2023	Practice Management of America	Vytalize Health	N/A
April 2023	Regional Cancer Care Associates	US Oncology	N/A
April 2023	Axea Solutions	Aquity Solutions	N/A



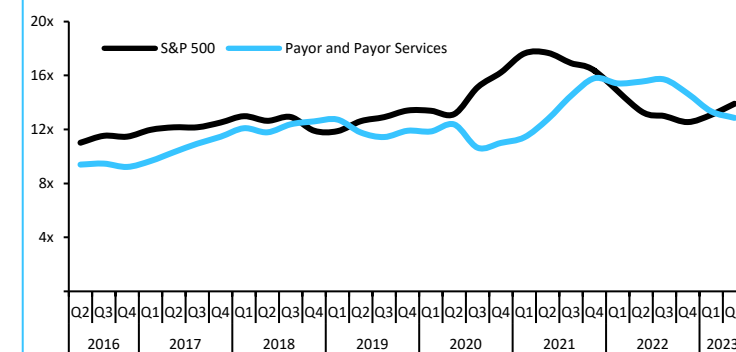
Select Public Comparables ⁽³⁾

Company Name	Enterprise Value (\$M)
UnitedHealth Group, Inc.	\$494,080.0
Elevance Health, Inc.	\$120,419.3
The Cigna Group	\$108,971.3
Humana Inc.	\$53,405.0
Centene Corporation	\$42,331.9
Molina Healthcare, Inc.	\$15,495.4

Sector Trading Metrics ⁽⁴⁾



Historical EV/EBITDA Multiples ⁽⁴⁾



Appendix

Citations

Page 1:

1. [Mergermarket](#). Accessed January 19, 2023. Data as of January 19, 2023.

Page 4:

1. Sector trends in Q2, 2023.
 - a. [McKinsey & Company](#). *What to expect in US healthcare in 2023 and beyond*. <https://www.mckinsey.com/industries/healthcare/our-insights/what-to-expect-in-us-healthcare-in-2023-and-beyond>. Accessed July 21, 2023.
 - b. [CNBC](#). *Inflation Rose Just 2.0% in June, Less Than Expected As Consumers Get A Break From Price Increases*. <https://www.cnbc.com/2023/07/12/inflation-rose-just-0point2percent-in-june-less-than-expected-as-consumers-get-a-break-from-price-increases.html>
2. Relevant transactions in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
3. Select public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
4. Expanded public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.

Page 5:

1. Sector trends in Q2, 2023.
 - a. [IR.COM](#). *Future healthcare technology that will change the world*. <https://www.ir.com/blog/communications/the-future-of-healthcare-technology>. Accessed July 21, 2023.
2. Relevant transactions in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
3. Select public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
4. Expanded public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.

Page 6:

1. Sector trends in Q2, 2023.
 - a. [PwC](#). *Next in pharma: Thriving in 2023*. <https://www.pwc.com/us/en/industries/pharma-life-sciences/pharmaceutical-industry-trends.html>.
2. Relevant transactions in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
3. Select public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
4. Expanded public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.

Page 7:

1. Sector trends in Q2, 2023.
 - a. [McKinsey & Company](#). *What to expect in US healthcare in 2023 and beyond*. <https://www.mckinsey.com/industries/healthcare/our-insights/what-to-expect-in-us-healthcare-in-2023-and-beyond>. Accessed July 21, 2023.
 - b. [MarketResearch.com](#). *7 Top Trends in the Medical Devices Industry in 2023 and Beyond*. <https://blog.marketresearch.com/7-top-trends-in-the-medical-devices-industry>. Accessed July 21, 2023.
 - c. [Deloitte.com](#). *2023 Global Health Care Outlook*. <https://www.deloitte.com/global/en/Industries/life-sciences-health-care/analysis/global-health-care-outlook.html>. Accessed August 22, 2023.
2. Relevant transactions in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 21, 2023. Data as of July 21, 2023.
3. Select public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
4. Expanded public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.

Page 8:

1. Sector trends in Q2, 2023.
 - a. [McKinsey & Company](#). *What to expect in US healthcare in 2023 and beyond*. <https://www.mckinsey.com/industries/healthcare/our-insights/what-to-expect-in-us-healthcare-in-2023-and-beyond>. Accessed July 21, 2023.
 - b. [ClarisHealth](#). *Evolving with 2023 Healthcare Payer Technology Trends*. <https://www.clarishealth.com/blog/healthcare-payer-technology-trends/>. Accessed on July 21, 2023.
2. Relevant transactions in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
3. Select public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.
4. Expanded public comparables set in Q2, 2023.
 - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.



This newsletter is a periodic compilation of certain completed and announced merger and acquisition activity. Information contained in this newsletter should not be construed as a recommendation to sell or a recommendation to buy any security. Any reference to or omission of any reference to any company in this newsletter shall not be construed as a recommendation to sell, buy or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this newsletter. This newsletter is published solely for the general information of clients and friends of Deloitte Corporate Finance LLC. It does not take into account the particular investment objectives, financial situation, or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This newsletter is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known risks, uncertainties and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this newsletter. We and our affiliates and related entities, partners, principals, directors, and employees, including persons involved in the preparation or issuance of this newsletter, may from time to time have “long” and “short” positions in, and buy or sell, the securities, or derivatives (including options) thereof, of companies mentioned herein. The companies mentioned in this newsletter may be: (i) investment banking clients of Deloitte Corporate Finance LLC; or (ii) clients of Deloitte Financial Advisory Services LLP and its related entities. The decision to include any company for mention or discussion in this newsletter is wholly unrelated to any audit or other services that Deloitte Corporate Finance LLC may provide or to any audit services or any services that any of its affiliates or related entities may provide to such company. No part of this newsletter may be copied or duplicated in any form by any means or redistributed without the prior written consent of Deloitte Corporate Finance LLC.

About Deloitte Corporate Finance

Deloitte Corporate Finance LLC (DCF), a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), is an indirect wholly-owned subsidiary of Deloitte Financial Advisory Services LLP and affiliate of Deloitte Transactions and Business Analytics LLP. Investment banking or other services that would require registration as a broker-dealer with the SEC and membership in FINRA would be provided exclusively by DCF. For more information, visit www.investmentbanking.deloitte.com. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (DTTL), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as Deloitte Global) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.