

**Life Sciences & Health Care**  
Quarterly Update

Q1 2024



# 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



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## Firm Overview

**#2** 2023 Global M&A  
Advisor by deals  
completed.<sup>(1)</sup>

**542** Completed deals  
in 2023.

- 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.<sup>(1)</sup>



## Sector Focus

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

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## Deloitte thought leadership

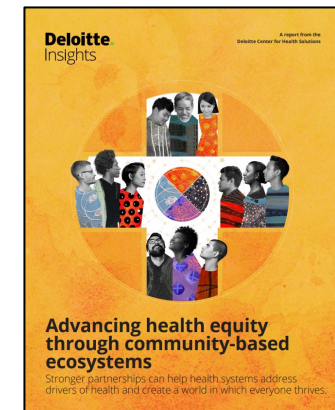
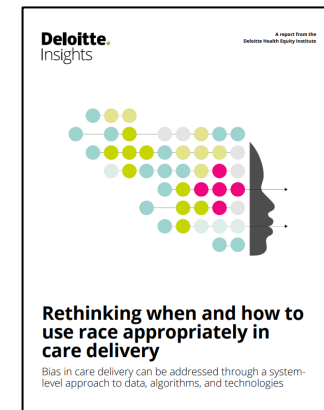
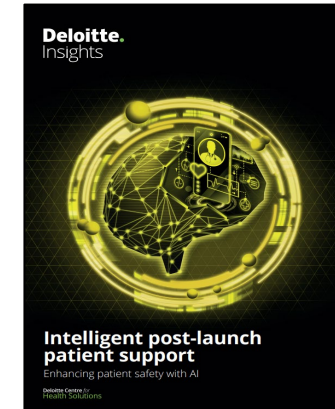
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends enables Deloitte 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 <sup>(1)</sup>

The escalating cost of labor and supplies, coupled with a growing number of high-acuity patients, is causing financial stress for hospitals. Even though hospital visits are increasing, long-term financial stability remains in jeopardy. The advent of AI-powered clinics-in-a-box, with features like biometric body scans and virtual doctor consultations, is set to revolutionize health care delivery. Generative AI solutions are being utilized to manage administrative tasks such as revenue cycle management, a trend that will continue in 2024.

## Select Recent Investment and M&A Activity <sup>(2)</sup>

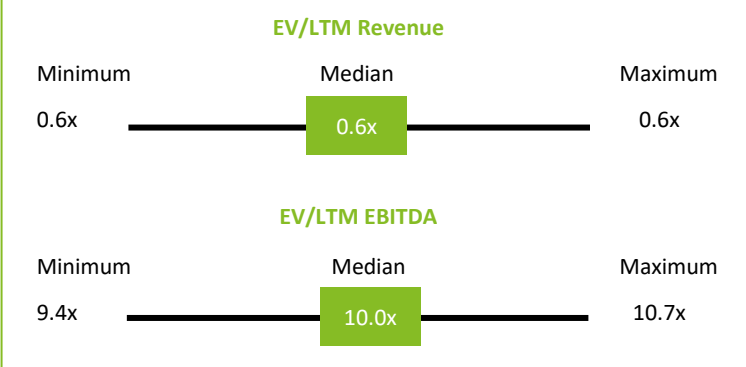
Close Date	Target	Investor	Investment Amount (\$M)
March 2024	Sierra Vista Hospital	Adventist Health System/West	\$550.00
February 2024	J&J Maintenance, Inc.	CBRE Group, Inc. (NYSE:CBRE)	\$1,050.00
February 2024	Assets of Lenco Diagnostic Laboratories	Quest Diagnostics Incorporated (NYSE:DGX)	\$111.00
January 2024	Harbor Health Team, Inc.	Alta Partners LP; General Catalyst Group Management, LLC; Lemhi Ventures, Inc.; Martin Ventures; 8VC; Health2047 Capital Partners	\$95.50
January 2024	Liquidia Corporation (NasdaqCM:LQDA)	Legend Aggregator, LP	\$75.00



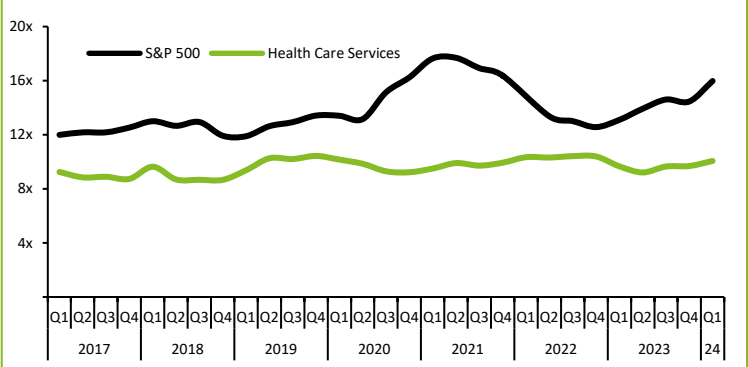
## Select Public Comparables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)
DaVita Inc.	\$24,129.60
Quest Diagnostics Inc.	\$19,384.69
Oak Street Health, Inc.	\$10,546.70
Option Care Health, Inc.	\$6,378.41
Amedisys, Inc.	\$3,442.32
Cano Health.	\$1,034.80

## Sector Trading Metrics <sup>(4)</sup>



## Historical EV/EBITDA Multiples <sup>(4)</sup>



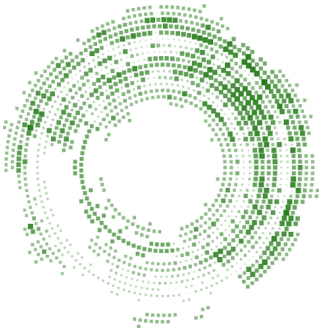
# Health Care Technology

## Sector Trends <sup>(1)</sup>

The health care IT sector is experiencing heightened interest due to evolving consumer preferences and advancements in technology. AI in healthcare is expected to grow at a 37.5% CAGR through 2030 and eclipse \$200 billion in value. With growing and continued excitement toward the space, enterprise values have rebounded from the sharp decline in Q4 2021. This trend displays acquirers' desires to stay ahead of the technological curve and potentially pay a premium for sector opportunities believed to yield future dividends.

## Select Recent Investment and M&A Activity <sup>(2)</sup>

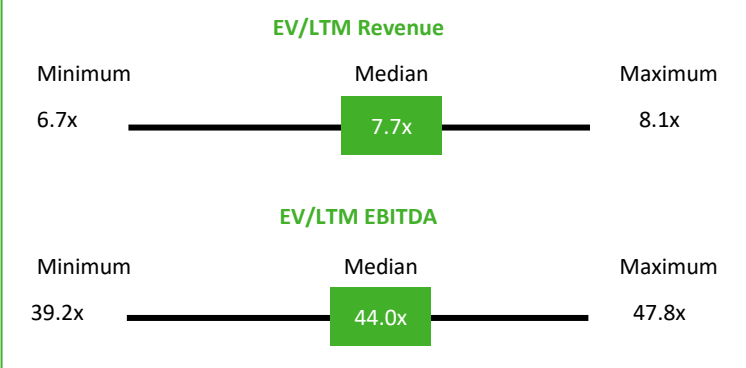
Close Date	Target	Investor	Investment Amount (\$M)
March 2024	Digital Therapeutics, Inc.	Eight Roads Ventures; Kinnevik AB (OM:KINV B); Octopus Ventures Ltd.; Atomico Investment Holdings Limited;	\$58.00
March 2024	Cascade Bio, Inc.	Veradigm Inc. (OTCPK:MDRX)	\$183.55
February 2024	Abridge AI Inc.	Deer Management Company, LLC; Institutional Venture Partners; Redpoint Management, LLC;	\$150.00
February 2024	C2I Genomics Inc.	Veracyte, Inc. (NasdaqGM:VCYT)	\$94.43
February 2024	Health Data Vision, Inc.	Hercules Capital, Inc. (NYSE:HTGC)	\$65.00



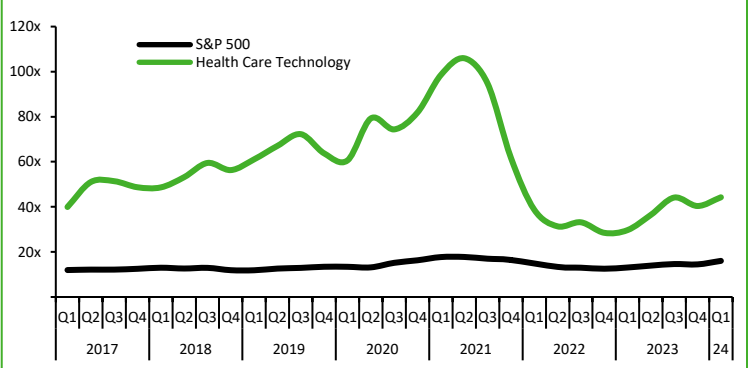
## Select Public Comparables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)
Veeva Systems, Inc.	\$30,667.53
MultiPlan Corporation	\$5,061.49
Teladoc Health, Inc.	\$2,892.80
Omniceil, Inc.	\$1,409.93
Health Catalyst, Inc.	\$1,409.93
American Well Corporation	-\$136.02

## Sector Trading Metrics <sup>(4)</sup>



## Historical EV/EBITDA Multiples <sup>(4)</sup>



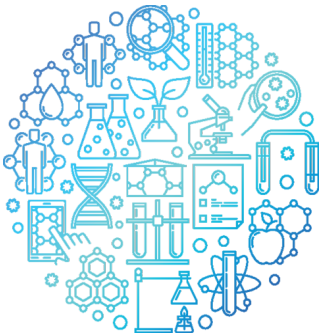
# Life Sciences and Pharma Services

## Sector Trends <sup>(1)</sup>

Amidst capital markets uncertainties, life sciences companies are working to ensure they are ready for IPOs and M&A transactions once market challenges abate. Innovative entry methods like reverse mergers are being explored in the interim due to challenging conditions, but the SEC has intensified regulatory scrutiny on unconventional public entry methods, adding compliance requirements. Despite uncertainties, industry analysts are cautiously optimistic about 2024 with expected sustained M&A activity and potential IPO resurgence in the latter half of the year.

## Select Recent Investment and M&A Activity <sup>(2)</sup>

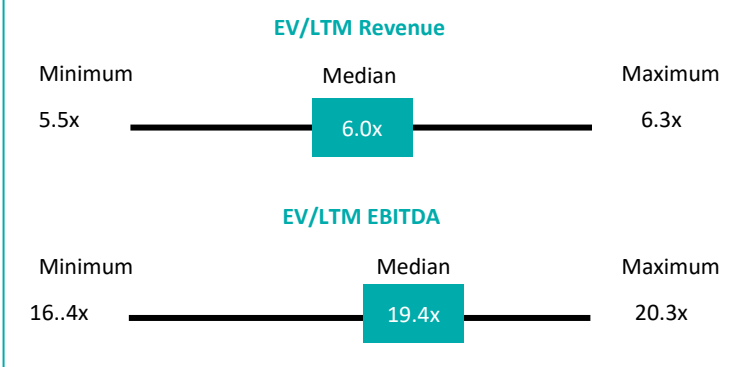
Close Date	Target	Investor	Investment Amount (\$M)
March 2024	CymaBay Therapeutics, Inc.	Gilead Sciences, Inc. (NasdaqGS:GILD)	\$4,428.92
March 2024	Ambrx Biopharma Inc.	Johnson & Johnson (NYSE:JNJ)	\$2,000.40
March 2024	Moderna, Inc. (NasdaqGS:MRNA)	Blackstone Life Sciences	\$750.00
March 2024	Denali Therapeutics Inc. (NasdaqGS:DNL1)	Baker Bros. Advisors LP	\$499.73
March 2024	Harpoon Therapeutics, Inc.	Merck Sharp & Dohme LLC	\$423.42



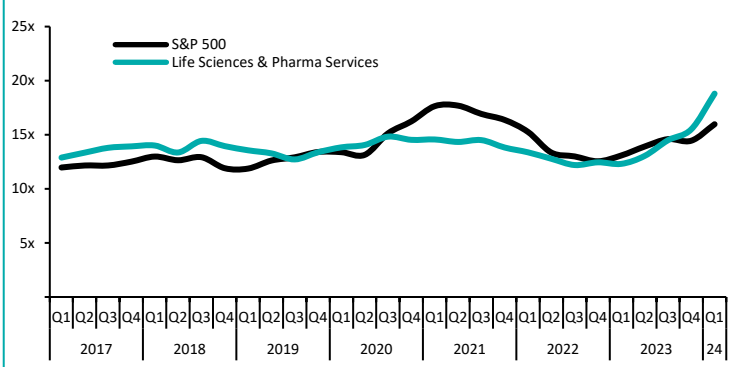
## Select Public Comparables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)
AbbVie Inc.	\$348,809.99
Merck & Co., Inc.	\$353,382.09
Thermo Fisher Scientific Inc.	\$249,696.21
Amgen Inc.	\$199,150.31
Pfizer Inc.	\$213,879.35
IQVIA Holdings Inc.	\$56,733.18

## Sector Trading Metrics <sup>(4)</sup>



## Historical EV/EBITDA Multiples <sup>(4)</sup>



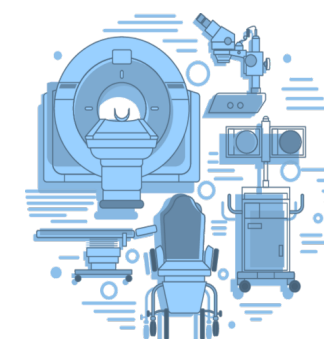
# Medical Devices and Supplies

## Sector Trends <sup>(1)</sup>

The medical device industry is showing signs of optimism, with an upswing in the utilization of AI-powered digital treatments, at-home diagnostics, and a growing acceptance of biometric devices and wearables for remote patient monitoring. With the proliferation of connected devices, enhanced cybersecurity measures are now a necessity. 3D printing is also revolutionizing device design and manufacturing by offering personalized and cost-effective solutions.

## Select Recent Investment and M&A Activity <sup>(2)</sup>

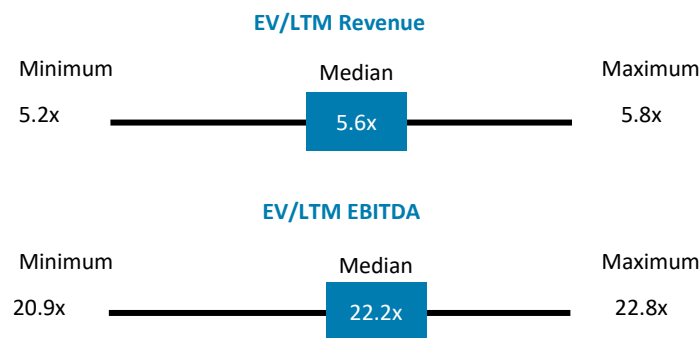
Close Date	Target	Investor	Investment Amount (\$M)
March 2024	Carlsmed, Inc.	USVP Management Company, LLC; B Capital Group Management, L.P.	\$52.50
March 2024	Overjet, Inc.	Insight Venture Management, LLC; CrossLink Capital, Inc.; General Catalyst Group Management, LLC;	\$56.72
February 2024	Cohere Health, Inc.	Polaris Venture Partners, Inc.; Flare Capital Partners; Deerfield Management Company, L.P.	\$50.00
February 2024	Unlearn.AI, Inc.	Insight Venture Management, LLC; EPIC Ventures; Altimeter Capital Management, LP; DCVC; PJSC;	\$50.00
January 2024	SPR Therapeutics, Inc.	River Cities Capital Fund Management; Mutual Capital Partners; Revelation Partners, LLC	\$85.64



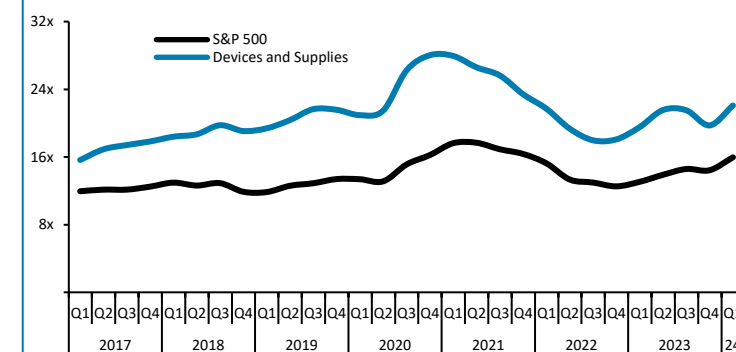
## Select Public Comparables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)
Johnson & Johnson	\$374,731.84
Abbott Laboratoires	\$201,770.49
Medtronic plc	\$129,299.67
Stryker Corporation	\$143,921.28
Becton, Dickinson and Company	\$86,047.06
Baxter International Inc.	\$86,047.06

## Sector Trading Metrics <sup>(4)</sup>



## Historical EV/EBITDA Multiples <sup>(4)</sup>





# Payors and Payor Services

## Sector Trends <sup>(1)</sup>

The first quarter saw a significant rise in health insurance premiums, attributed to medical inflation, wage increases, and increase in costly treatments. The upcoming election could also impact the insurance sector, with health care costs and health care debt as key issues that stand to influence insurance policies and coverage. Record enrollment was observed in the Affordable Care Act (ACA) exchanges in 2024, with over 20 million people securing coverage. The resurgence of mergers and acquisitions signals continuing consolidation trends within the industry.

## Select Recent Investment and M&A Activity <sup>(2)</sup>

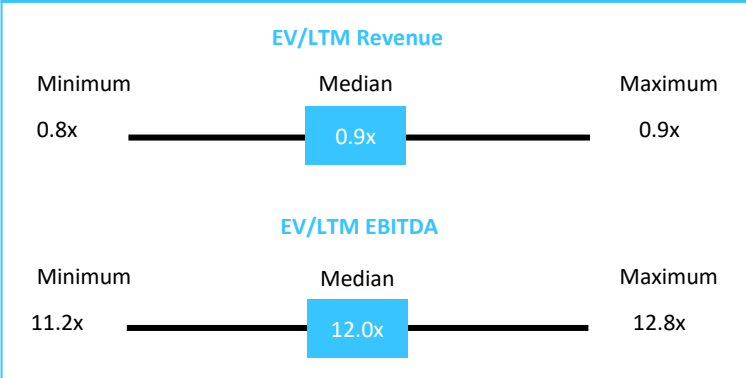
Close Date	Target	Investor	Investment Amount (\$M)
March 2024	Nourish, Inc.	TCMI Inc.; Index Ventures SA; Y Combinator Management, LLC; Thrive Capital Management, LLC	\$35.00
March 2024	Insurights, Inc.	TriNet Group, Inc. (NYSE:TNET); Gliilot Capital Partners; Group 11;	\$32.00
February 2024	Xevant, Inc.	Tech Council Ventures; HCAP Partners, LLC	\$7.59
February 2024	Subscribili, Inc.	Darby Group Companies, Inc.; Napa EA/MEDX, LLC	\$4.30
January 2024	Aspirant, LLC	Wavestone SA (ENXTPA:WAVE)	N/A



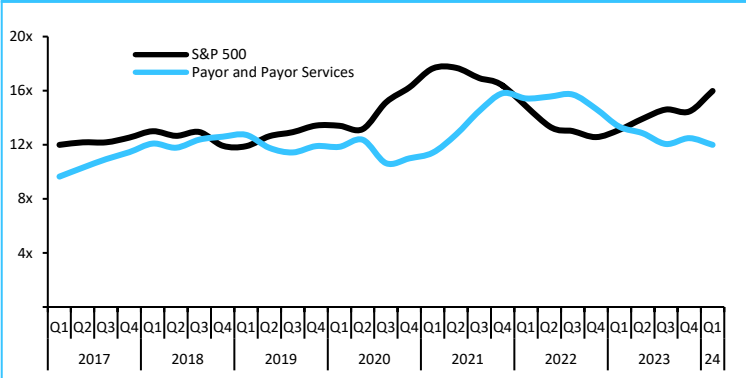
## Select Public Comparables <sup>(3)</sup>

Company Name	Enterprise Value (\$M)
UnitedHealth Group, Inc.	\$86,047.06
Elevance Health, Inc.	\$137,558.68
The Cigna Group	\$127,004.00
Humana Inc.	\$45,709.02
Centene Corporation	\$40,730.45
Molina Healthcare, Inc.	\$19,735.62

## Sector Trading Metrics <sup>(4)</sup>



## Historical EV/EBITDA Multiples <sup>(4)</sup>



# Appendix

## Citations

### Page 1:

1. [Mergermarket](#). Accessed February 26, 2024. Data as of February 26, 2024.

### Page 4:

1. Sector trends in Q1, 2024.
  - a. [Allied Market Research](#). *5 Key Trends For Q1 2024 Shaping The Future*  
<https://www.alliedmarketresearch.com/resource-center/trends-and-outlook/life-sciences/life-sciences-5-key-trends-for-q1-2024-shaping-the-future>
  - b. [Mapsted](#). *8 Healthcare Industry Trends to Monitor in 2024*  
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2. Relevant transactions in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 5, 2024. Data as of April 5, 2024.
3. Select public comparables set in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 8, 2024. Data as of April 8, 2024.
4. Expanded public comparables set in Q4, 2023.
  - a. [S&P Capital IQ](#). Accessed July 23, 2023. Data as of July 23, 2023.

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<https://www.aprio.com/6-healthcare-insights-from-q4-2023-and-what-they-mean-for-you/>
  - b. [Harris Williams](#). *Healthcare IT Sector Brief Q1 2024*  
<https://www.harriswilliams.com/our-insights/healthcare-it-q1-2024>
2. Relevant transactions in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 5, 2024. Data as of April 5, 2024.
3. Select public comparables set in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 8, 2024. Data as of April 8, 2024.
4. Expanded public comparables set in Q4, 2023.
  - a. [S&P Capital IQ](#). Accessed January 24, 2024. Data as of January 24, 2024.

### Page 6:

1. Sector trends in Q1, 2024.
  - a. [Stout Relentless Excellence](#). *Q1 Activity Shaping the Outlook for 2024 in Life Sciences Sector*  
<https://www.stout.com/en/insights/commentary/q1-activity-shaping-outlook-2024-life-sciences-sector>
2. Relevant transactions in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 5, 2024. Data as of April 5, 2024.
3. Select public comparables set in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 8, 2024. Data as of April 8, 2024.
4. Expanded public comparables set in Q4, 2023.
  - a. [S&P Capital IQ](#). Accessed January 24, 2024. Data as of January 24, 2024.

### Page 7:

1. Sector trends in Q1, 2024.
  - a. [Pride Industries](#). *Medical Device Industry Trends for 2024*  
<https://www.prideindustries.com/our-stories/medical-device-industry-trends-2024>
3. Relevant Transactions in Q1, 2024
  - a. [S&P Capital IQ](#). Accessed April 5, 2024. Data as of April 5, 2024.
2. Select public comparables set in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 8, 2024. Data as of April 8, 2024.
3. Expanded public comparables set in Q4, 2023.
  - a. [S&P Capital IQ](#). Accessed January 24, 2024. Data as of January 24, 2024.

### Page 8:

1. Sector trends in Q1, 2024.
  - a. [Word & Brown](#). *HEALTH INSURANCE AND HEALTH CARE 2024 TRENDS*  
<https://www.wordandbrown.com/NewsPost/Industry-News-2024-Trends>
2. Relevant transactions in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 5, 2024. Data as of April 5, 2024.
3. Select public comparables set in Q1, 2024.
  - a. [S&P Capital IQ](#). Accessed April 8, 2024. Data as of April 8, 2024.
4. Expanded public comparables set in Q4, 2023.
  - a) [S&P Capital IQ](#). Accessed January 24, 2024. Data as of January 24, 2024.



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