

ProventisPartners.

M&A FACTS – H1 2024
HEALTH INDUSTRIES SECTOR

August 2024



HEALTHCARE – M&A HIGHLIGHTS AND MARKET INSIGHTS

The M&A market for health industries remains active with higher valuations.

H1 2024 Deal activity

710
Deals

Deal activity in the health sector is dominated by strategic investors looking to acquire capacity and innovation, with an increased share in sponsor-backed transactions.

€101bn
Deal value

Deal activity in H1 2024 was slightly lower than in H2 2023, indicating a hesitant overall M&A environment reflecting investor caution in anticipation of interest rate cuts.

Valuations

EBITDA trading multiples increased compared to the previous half-year, driven by key industry trends.

H2 2023	H1 2024
17.1x	19.4x
Trading EBITDA Multiple	

The median of the transaction multiples increased significantly compared to the previous half-year due to latest developments in GLP-1 medication and high activity in the biotech sector.

H2 2023	H1 2024
13.9x	16.7x
Transaction EBITDA Multiple	

Insights

Overall, the Healthcare M&A market has experienced a slight downturn in a cautious investor environment.



Strategies

Patent expiry will pressure companies to innovate or purchase innovation and new technologies through increasing M&A activities. Conversely, divestiture objectives may involve divesting non-core assets to concentrate on high-performing core units.



Long-term trends

The sector is anticipated to benefit significantly from various positive trends, including digitization, personalized care, rising patient affluence, aging populations, and increased focus on health and well-being.



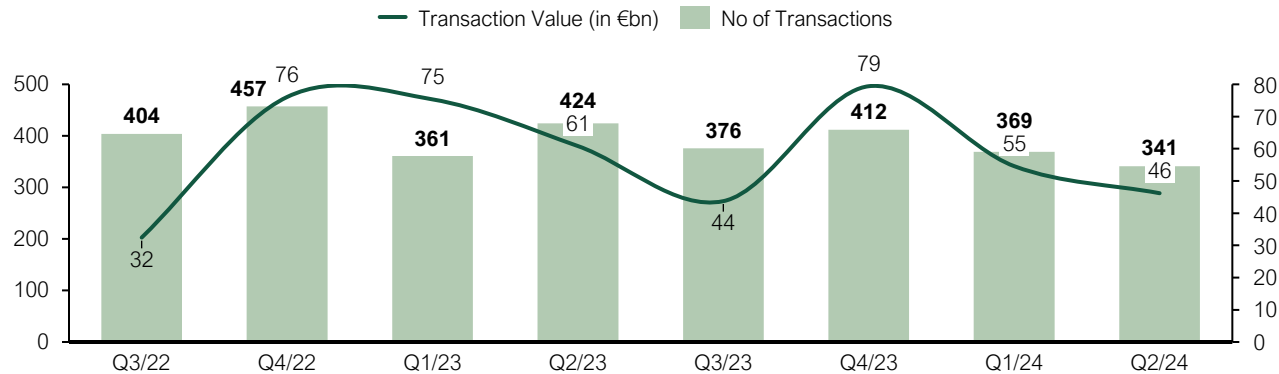
Key growth areas

Key growth areas include digital health applications but also recent developments in the GLP-1 medication space, have recently attracted significant attention in the sector.

M&A SUMMARY

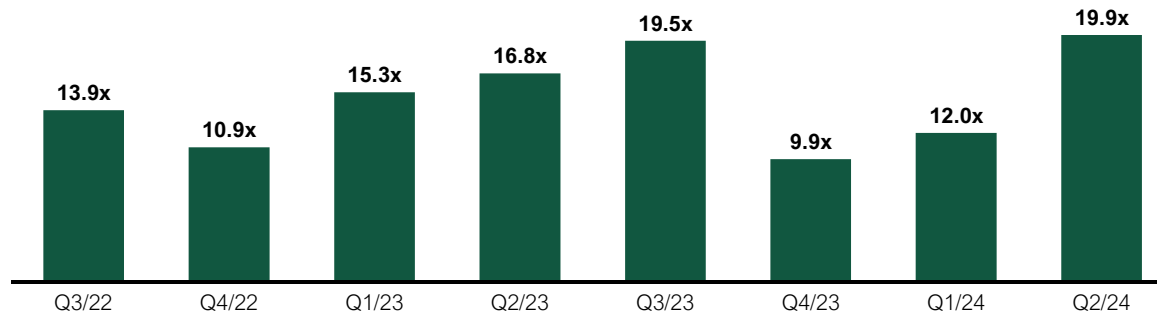
Resilient M&A market for healthcare over the recent years.

Healthcare M&A Deal Count, Recorded Transaction Volume 2022-2024



Healthcare M&A Transaction Multiples 2022-2024

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.



Data Source: S&P Capital IQ.



“In the first half of 2024, the Healthcare sector remained active characterized by new developments in the GLP-1 medication space and remaining high pressure on companies to invest in new innovations due to upcoming patent expiries.”

Jan Wetter
Partner, Zurich

NOTABLE TRANSACTIONS IN THE HEALTHCARE SECTOR

Overall transaction value has slightly declined in the first half of 2024 with strategic pharma deals continuing to dominate.

Announced Date	Target	Acquirer	Stake %	Total Transaction Value	Implied EV/ EBITDA
24/06/2024	Alimera Sciences, Inc., United States	ANI Pharmaceuticals, Inc., United States	100	373	36.0x
29/05/2024	Eyebiotech Limited, United Kingdom	Merck & Co., Inc., United States	100	2'774	n/a
29/05/2024	Surmodics, Inc., United States	GTCR LLC, United States	100	607	21.4x
28/05/2024	Atrion Corporation, United States	Nordson Medical Corporation, United States	100	749	20.6x
02/05/2024	Mariana Oncology, Inc., United States	Novartis BidCo AG, Switzerland	100	1'636	n/a
10/04/2024	Alpine Immune Sciences, Inc., United States	Vertex Pharmaceuticals Incorporated, United States	100	4'612	n/a
05/04/2024	Shockwave Medical, Inc., United States	Johnson & Johnson, United States	100	12'881	69.3x
21/03/2024	Genentech Manufacturing Facility in Vacaville, California	Lonza Group AG, Switzerland	100	1'106	n/a
19/03/2024	Fusion Pharmaceuticals Inc., Canada	AstraZeneca AB, Sweden	100	2'218	n/a
12/02/2024	CymaBay Therapeutics, Inc., United States	Gilead Sciences, Inc., United States	100	4'111	n/a
1 05/02/2024	Catalent, Inc., United States	Novo Holdings A/S, Denmark	100	15'573	42.5x
2 05/02/2024	MorphoSys AG, Germany	Novartis BidCo AG, Switzerland	100	3'788	n/a

Data Source: S&P Capital IQ.

Selected Transactions in H1 2024



Deal Specs:

Novo Nordisk acquired Catalent for an EV of EUR 15'573m.

Details:

Novo Nordisk acquired three manufacturing sites from Catalent. This strategic move aims to boost the company's capacity to meet the high demand for its weight loss drug.



Deal Specs:

Novartis acquired MorphoSys for an EV of EUR 3'788m.

Details:

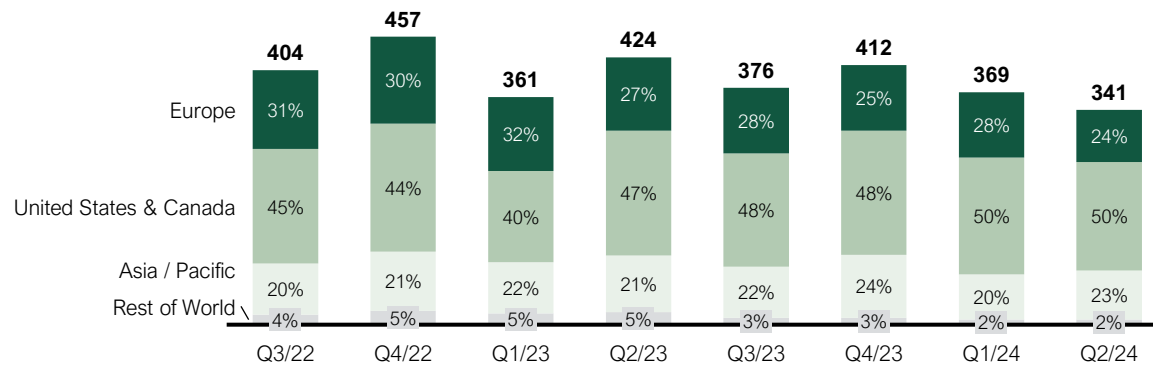
The transaction aligns with Novartis' strategic focus on oncology and enhances the company's efforts to develop next-generation cancer treatment options.

HEALTHCARE M&A DEAL ANALYSIS¹

Majority of transactions driven by strategic buyers, while financial sponsor-backed deals exhibit higher multiples due to outliers.

Deal Volume by Region

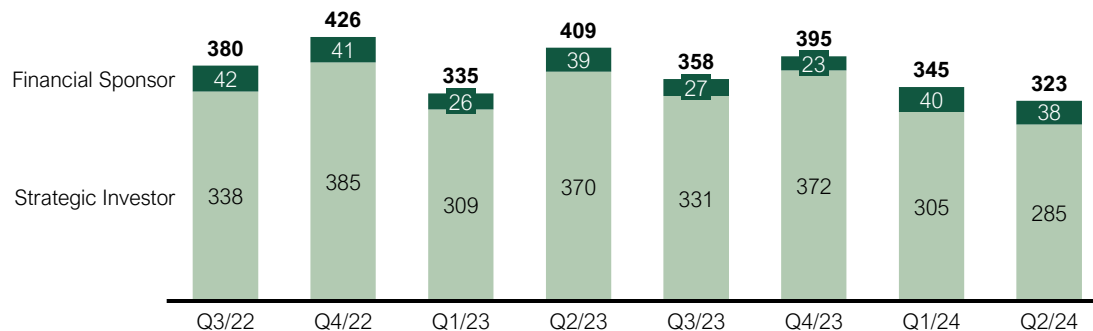
Deal count by Target Region



Deal Volume by Investor Type

Deal count by Investor Type

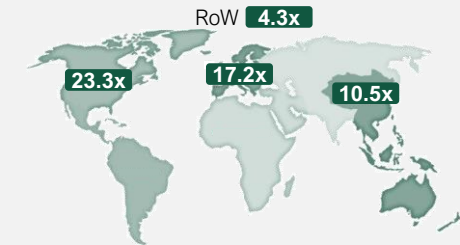
Announced transaction with identified investors.



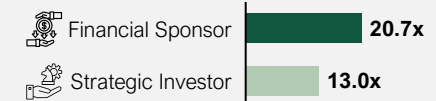
Data Source: S&P Capital IQ.

1) Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.

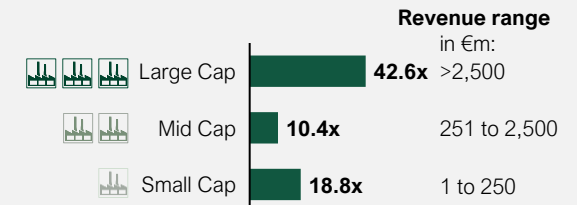
EBITDA Multiple (LTM) by Target Region



EBITDA Multiple (LTM) by Investor Type



EBITDA Multiple (LTM) by Company Size













M&A Facts H1 2024

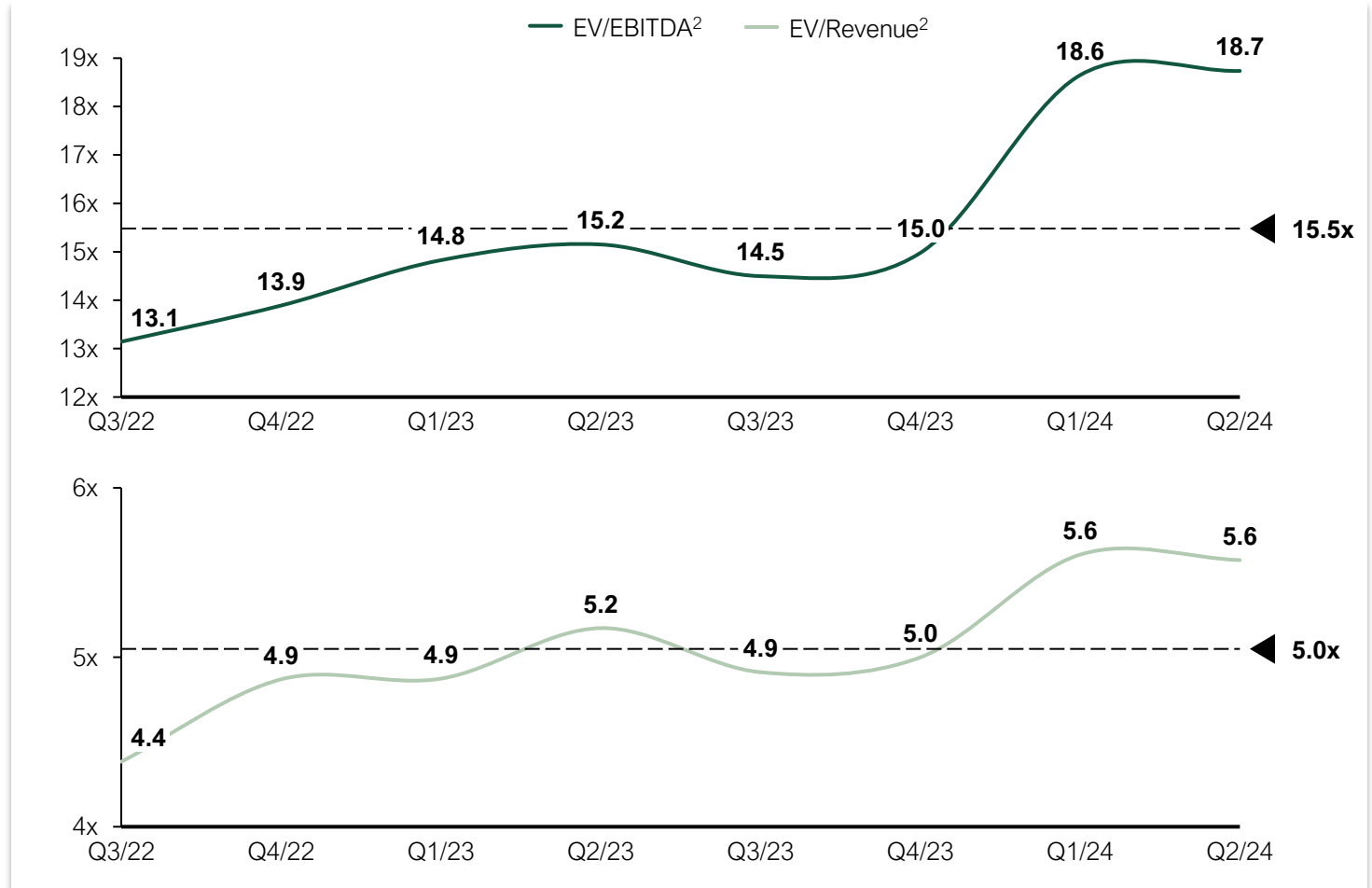
Healthcare

TRADING MULTIPLES – PHARMA & BIOTECH

Valuations of pharma and biotech companies substantially increased compared to H2 2023 due to latest developments in GLP-1 medication and high activity in the biotech sector.

Average enterprise value multiples of selected comparable listed companies since 2022.

Company	EV/Revenue ¹	EV/EBITDA ¹
 Roche	3.9x	10.6x
 Novo Nordisk	13.9x	29.5x
 AstraZeneca	5.4x	17.2x
 GRIFOLS	3.2x	18.6x
 CSL	8.4x	26.8x
 REGENERON	5.4x	13.1x
 eurofins	2.2x	9.6x
 Lonza	6.2x	22.9x
 SAMSUNG BIOLOGICS	21.0x	46.4x
 hikma.	2.2x	8.0x
 teva	2.0x	7.3x
 Divis	11.8x	36.7x



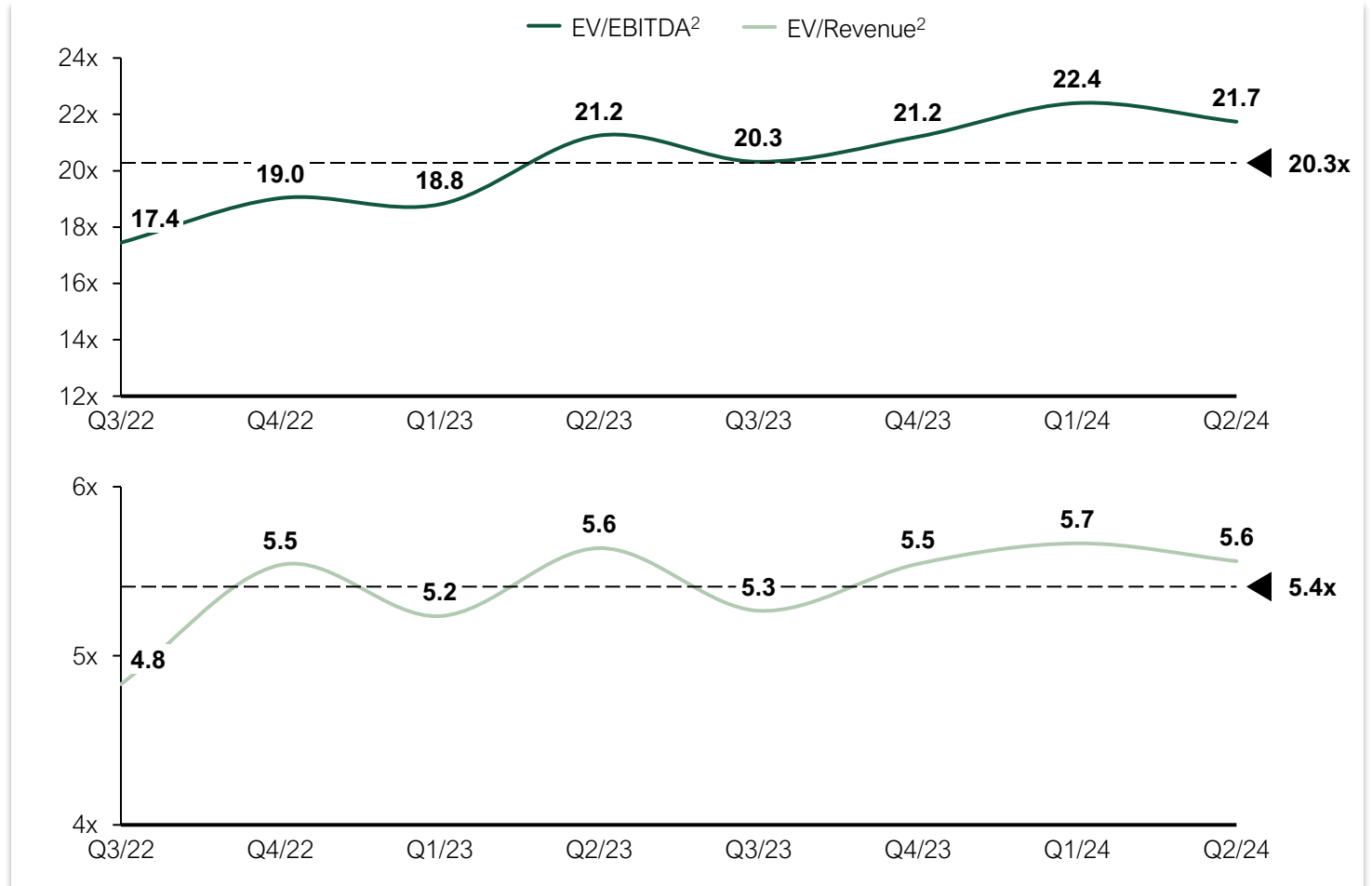
Data Source: S&P Capital IQ. 1) Average Multiples 2) The graph depicts the median multiple for the entire peer group (see appendix)

TRADING MULTIPLES – HEALTH TECHNOLOGY/MEDTECH

Following two consecutive quarters of growth, trading medtech multiples have stabilized at a high level.

Average enterprise value multiples of comparable listed companies since 2022.


Company	EV/Revenue ¹	EV/EBITDA ¹
ThermoFisher Scientific	5.6x	20.2x
Abbott	4.6x	16.2x
danaher	7.0x	20.3x
INTUITIVE	15.8x	48.5x
Medacta	5.4x	20.7x
sonova	4.9x	18.1x
smith&nephew	2.8x	12.9x
SIEMENS Healthineers	3.4x	19.6x
stryker	6.2x	23.6x
Boston Scientific	6.5x	24.5x





Data Source: S&P Capital IQ. 1) Average Multiples 2) The graph depicts the median multiple for the entire peer group (see appendix)

PROVENTIS PARTNERS HAS ADVISED RHENOPHARMA GROUP IN THE CONTEXT OF A BUY-SIDE MANDATE.

The transaction has enabled us to identify the optimal candidate which complements the specialized service offerings of Allpack Group AG

 **M&A Buy-Side**


Rhenopharma Group has acquired Konapharma, a leading Swiss CDMO specialized in solid dosage forms.


Konapharma ag
your perfect partner

**Proventis Partners advised
Rhenopharma Group**

Initial situation



After a successful growth phase, the Rhenopharma Group, through its subsidiary Allpack Group AG, was looking for a way to expand the value chain and product range for its loyal pharma customers. At the same time, the family-owned company Konapharma AG was facing the challenge of solving its succession.



As a leading contract manufacturer in the pharmaceutical industry (CDMO), Konapharma AG ideally complements the specialized service offerings of the pharmaceutical packaging company Allpack Group AG and sister company Rhenochem AG, both headquartered in the Basel region. The two family-owned Switzerland based companies with decades of specialized experience in the global human and veterinary pharmaceutical industry have a very high strategic and cultural fit.



With this strategic expansion, the Rhenopharma Group aims to provide comprehensive and customized solutions tailored to the specific needs of its global Pharma customers. This innovative concept enables the Group to offer pharmaceutical services, ranging from development, procurement, manufacturing and packaging to worldwide distribution, a uniquely integrated end-to-end value chain (Supply Chain as a Service).

«The Proventis Partners team has supported us efficiently and effectively with dedication and creativity as our financial and strategic advisor in the entire M&A transaction process with all its various aspects.»

Christoph Staub, CEO of Rhenopharma Group

Results & Acquisition rationale

- 1 Preservation of the growth path and expansion of the value chain.
- 2 Gain of expertise as a leading contract manufacturer in the pharmaceutical industry (CDMO).
- 3 Both headquartered in the Basel region.
- 4 More comprehensive and customized solutions for its global Pharma customers.

About Proventis Partners

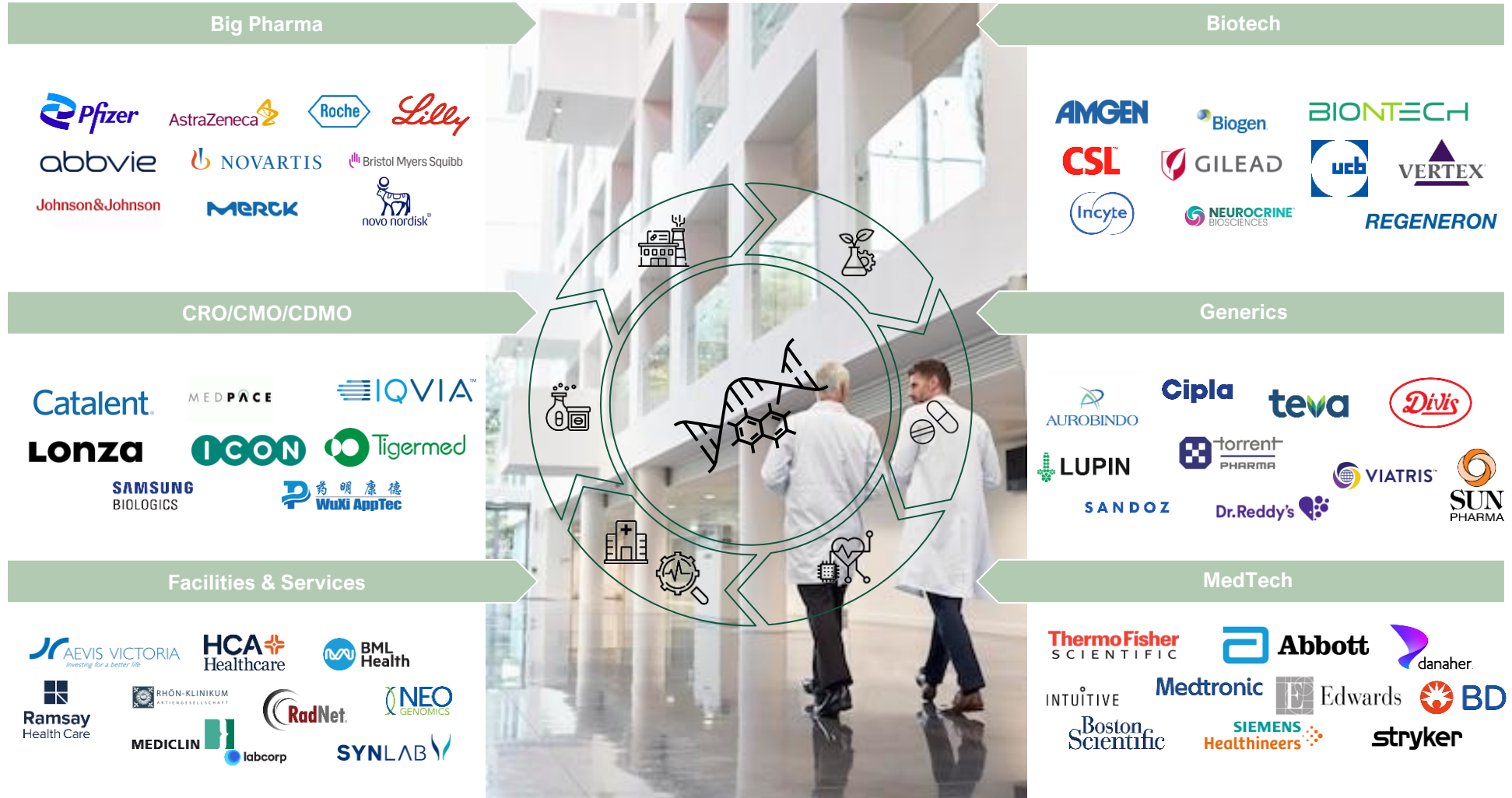
- Proventis Partners, with 30+ M&A professionals, is one of the largest independent M&A advisors in the German-speaking region and globally active in the Healthcare sector with deep industry know how and a proven track record.
- Proventis Partners healthcare team supported the acquirer as exclusive M&A and financing advisor throughout the entire process from early visionary ideas to the closing of the transaction.

M&A Facts H1 2024

Healthcare

SUB-SEGMENTS OF HEALTHCARE

Diverse field of sub-segments, each contributing uniquely to the evolution and efficiency of modern healthcare practices.



PRESENTATION OF THE PROVENTIS PARTNERS SENIOR PROFESSIONALS FROM THE HEALTHCARE SECTOR.

An M&A team of 35 professionals is at your disposal at Proventis Partners.

Our Healthcare Team



Jan Wetter, Partner

- 17+ years of experience in M&A
- Successfully closed several M&A transactions in the healthcare sector.



Dr. Jan-Philipp Pfander, Partner

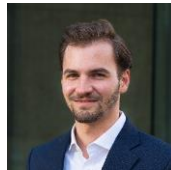
- 30+ years of experience in advising clients in chemicals, pharma CMOs and related sectors
- Numerous relevant M&A projects with and for Lonza, Bayer, etc.



Dr. Uwe Nickel
Partner



Artur Maibach
Vice President



Flavian Gmünder
Analyst



Daniel Bütikofer
Analyst

Selected Healthcare Deals

M&A Buy-Side



Rhenopharma Group has acquired Konopharma AG, a leading Swiss CMO specializing in the manufacturing of solid dosage forms.



M&A Sell-Side



Sale of F. Hunziker + Co AG, leading producer of functional confectionery products, to Amapharm GmbH.



M&A Sell-Side



Sale of OnlineDoctor AG, a leading tele-dermatology platform as part of a successful exit.

M&A Sell-Side



Beyond Capital Partners acquired a majority stake in the ANK medical supply store group.



M&A Sell-Side



The shareholders of Pflgehelden GmbH sold their shares to Rigeto Unternehmerkapital GmbH.



M&A Buy-Side

Cosmetique Totale

Cosmetique Totale acquired My Derma GmbH, a German chain for skincare clinics with locations in major German cities.



PROVENTIS PARTNERS TRACK RECORD

Our experience of results from more than 430 completed M&A transactions with a total value of more than EUR 22 billion.

Experience from 20 years of Proventis Partners

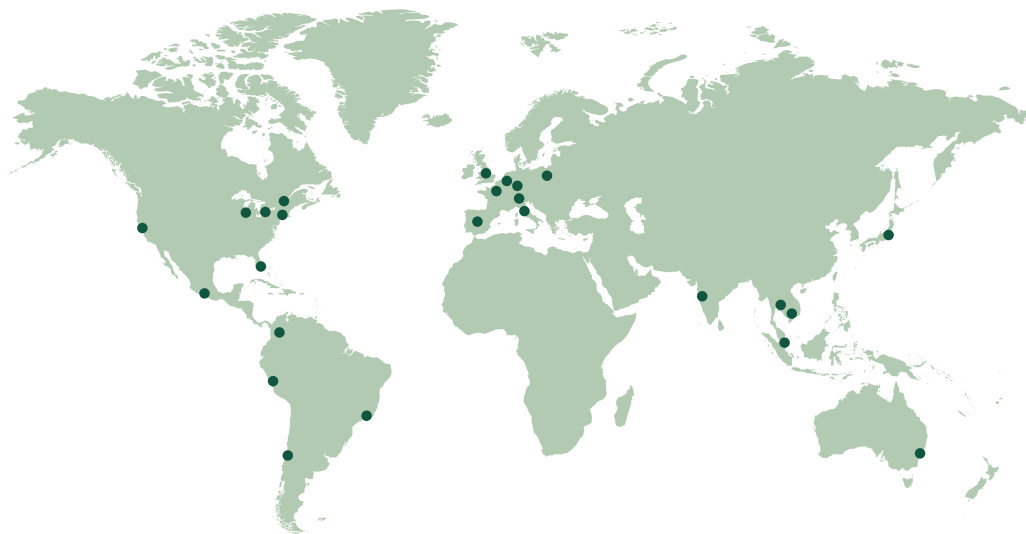
Comprehensive network of executives, M&A decision-makers in corporations and private equity investors	So far, we closed M&A deals in 30 countries	~30 M&A professionals
	>50% Cross-border Deals	Strong track-record on sell- and buy-side mandates
> 430 successful deals	Transaction volume of > EUR 22bn	
> 85% closing success	We are one of the top fully independent M&A advisors in the DACH region	Extensive expertise in our six main sectors



PROVENTIS IS PART OF MERGERS ALLIANCE

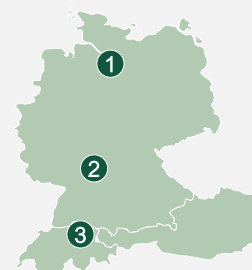
Excellent contacts with national and international strategic buyers and Private Equity firms through our worldwide network.

Overview global network Mergers Alliance



Switzerland Proventis Partners	Benelux OXEYE HJW Capital Advisors	USA Dresner Partners	Peru EFIC Partners	Brazil/Caribbean BroadSpan Capital
Germany Proventis Partners	Italy Ethica Corporate Finance	USA Montminy & Co	Chile Servicios Financieros Altis	Thailand Khronos Advisory
Austria Proventis Partners	Spain Norgeston	Mexico Broadspan	Japan Tokyo Kyodo Accounting Office	Singapore Singhi Advisors
United Kingdom Opus Corporate Finance	Poland IPOPEMA	India Singhi Advisors	Australia Greenstone Partners	
France Aurignac Finance	Croatia InterCapital Investment Banking			

Our locations in German speaking Europe



- 1 Hamburg
- 2 Frankfurt
- 3 Zurich

Total **33** locations globally
A third in Europe



1,654
Deals since
2010

128
Deals
in 2023

250
Professionals

Proventis Partners is an integral part of Mergers Alliance – a partnership of award-winning M&A specialists who provide high-quality advisory services to companies that need an international network for their M&A deals.

OUR CONTACT INFORMATION

We would be happy to meet you personally and support you in an advisory capacity.



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M&A Facts H1 2024

Healthcare

APPENDIX

Healthcare Peer Group (Pharma/Biotech).

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM H2 2023	TEV/EBITDA LTM H1 2024	H2 vs. H1 Trend	Sector
Eli Lilly and Company	United States 	760'835	782'374	33'305	12'396	47.2x	61.9x	△	Big Pharma
Novo Nordisk A/S	Denmark 	598'056	600'419	32'743	15'798	30.6x	37.6x	△	Big Pharma
Johnson & Johnson	United States 	328'298	335'217	80'801	28'967	10.9x	11.7x	△	Big Pharma
Merck & Co., Inc.	United States 	292'647	319'395	58'313	30'850	12.3x	15.9x	△	Big Pharma
AbbVie Inc.	United States 	282'679	335'252	51'332	24'498	11.3x	13.6x	△	Big Pharma
AstraZeneca PLC	United Kingdom 	225'932	250'894	45'856	15'841	11.9x	16.7x	△	Big Pharma
Roche Holding AG	Switzerland 	209'286	234'511	61'055	21'854	9.4x	10.6x	△	Big Pharma
Novartis AG	Switzerland 	203'803	220'350	44'375	18'009	9.3x	12.3x	△	Big Pharma
Pfizer Inc.	United States 	147'976	202'340	51'485	9'285	8.9x	19.3x	△	Big Pharma
Sanofi	France 	112'436	122'462	44'092	11'754	9.2x	9.9x	△	Big Pharma
Median						11.1x	14.7x	△	

1) EBITDA LTM does not include income (loss) from affiliates.

2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

Source: S&P Capital IQ (08/2024)

APPENDIX

Healthcare Peer Group (Pharma/Biotech).

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM H2 2023	TEV/EBITDA LTM H1 2024	H2 vs. H1 Trend	Sector
Amgen Inc.	United States 	156'429	207'119	26'122	10'806	13.1x	18.7x	△	Biotech
Vertex Pharmaceuticals Incorporated	United States 	112'887	99'978	9'648	4'102	20.0x	23.1x	△	Biotech
Regeneron Pharmaceuticals, Inc.	United States 	105'828	92'020	12'055	4'218	16.7x	22.2x	△	Biotech
CSL Limited	Australia 	88'835	100'779	12'698	3'983	26.4x	24.5x	▽	Biotech
Gilead Sciences, Inc.	United States 	79'777	98'056	25'443	11'739	9.8x	8.2x	▽	Biotech
Biogen Inc.	United States 	31'501	36'982	9'027	2'547	16.3x	14.8x	▽	Biotech
UCB SA	Belgium 	26'318	28'433	5'208	1'185	14.7x	22.4x	△	Biotech
Genmab A/S	Denmark 	14'850	11'019	2'384	798	16.7x	13.6x	▽	Biotech
Neurocrine Biosciences, Inc.	United States 	12'931	12'184	1'978	531	31.6x	25.4x	▽	Biotech
Grifols, S.A.	Spain 	4'785	17'750	6'811	1'111	20.2x	14.7x	▽	Biotech
Median						16.7x	20.5x	△	

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Source: S&P Capital IQ (08/2024)

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Healthcare Peer Group (Pharma/Biotech).

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM H2 2023	TEV/EBITDA LTM H1 2024	H2 vs. H1 Trend	Sector
Lonza Group AG	Switzerland 	36'787	38'370	6'955	1'911	14.3x	19.0x	△	CRO/CMO/CDMO
Agilent Technologies, Inc.	United States 	35'298	36'283	6'164	1'508	24.1x	23.1x	▽	CRO/CMO/CDMO
Samsung Biologics Co.,Ltd.	South Korea 	35'045	34'808	2'704	1'156	34.5x	30.7x	▽	CRO/CMO/CDMO
ICON Public Limited Company	Ireland 	24'190	27'252	7'776	1'605	17.0x	16.8x	▽	CRO/CMO/CDMO
West Pharmaceutical Services, Inc.	United States 	22'393	22'118	2'685	706	27.4x	27.7x	△	CRO/CMO/CDMO
Sartorius Aktiengesellschaft	Germany 	13'762	18'946	3'341	780	25.2x	23.5x	▽	CRO/CMO/CDMO
Avantor, Inc.	United States 	13'440	18'172	6'370	1'080	15.0x	15.4x	△	CRO/CMO/CDMO
Revvity, Inc.	United States 	12'076	14'230	2'528	728	17.3x	18.2x	△	CRO/CMO/CDMO
Medpace Holdings, Inc.	United States 	11'882	11'650	1'895	382	24.5x	29.7x	△	CRO/CMO/CDMO
Eurofins Scientific SE	Luxembourg 	8'977	11'738	6'724	1'308	10.7x	8.8x	▽	CRO/CMO/CDMO
Median						20.7x	21.0x	△	











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Source: S&P Capital IQ (08/2024)

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Healthcare Peer Group (Pharma/Biotech).

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM H2 2023	TEV/EBITDA LTM H1 2024	H2 vs. H1 Trend	Sector
Sun Pharmaceutical Industries Limited	India 	40'855	39'467	5'513	1'478	23.7x	27.2x	△	Generics
Celltrion, Inc.	South Korea 	24'294	25'243	1'597	556	30.0x	47.1x	△	Generics
Teva Pharmaceutical Industries Limited	Israel 	17'177	33'241	15'203	4'261	7.7x	7.7x	△	Generics
Sandoz Group AG	Switzerland 	14'523	17'556	9'001	718	12.1x	23.8x	△	Generics
Divi's Laboratories Limited	India 	13'662	13'216	916	261	53.2x	53.5x	△	Generics
Zydus Lifesciences Limited	India 	12'099	12'291	2'175	585	14.6x	20.2x	△	Generics
Dr. Reddy's Laboratories Limited	India 	11'944	11'256	3'230	891	11.6x	12.5x	△	Generics
Viatrix Inc.	United States 	11'813	27'777	14'203	4'387	6.0x	6.2x	△	Generics
Torrent Pharmaceuticals Limited	India 	10'572	10'911	1'231	389	26.8x	29.1x	△	Generics
Hikma Pharmaceuticals PLC	United Kingdom 	4'949	5'850	2'816	788	8.2x	7.8x	▽	Generics
Median						13.3x	22.0x	△	

1) EBITDA LTM does not include income (loss) from affiliates.

2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

Source: S&P Capital IQ (08/2024)

M&A Facts H1 2024

Healthcare

APPENDIX

Healthcare Peer Group (MedTech).

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM H2 2023	TEV/EBITDA LTM H1 2024	H2 vs. H1 Trend	Sector
Thermo Fisher Scientific Inc.	United States 	197'009	223'628	39'522	10'097	20.9x	21.3x	△	MedTech
Danaher Corporation	United States 	172'717	184'138	21'996	6'962	19.0x	25.6x	△	MedTech
Abbott Laboratories	United States 	168'708	176'443	38'009	9'866	19.0x	17.6x	▽	MedTech
Intuitive Surgical, Inc.	United States 	147'266	142'865	7'067	2'227	52.6x	66.7x	△	MedTech
Stryker Corporation	United States 	120'973	131'232	19'962	5'194	24.2x	25.0x	△	MedTech
Boston Scientific Corporation	United States 	105'667	113'986	14'213	3'685	25.9x	31.8x	△	MedTech
Siemens Healthineers AG	Germany 	60'029	74'097	22'090	3'484	21.5x	19.2x	▽	MedTech
Sonova Holding AG	Switzerland 	17'188	18'540	3'727	859	19.0x	19.4x	△	MedTech
Smith & Nephew plc	United Kingdom 	10'085	12'661	5'266	1'004	14.3x	12.0x	▽	MedTech
Medacta Group SA	Switzerland 	2'529	2'706	511	120	21.7x	22.2x	△	MedTech
Median						21.2x	21.7x	△	

1) EBITDA LTM does not include income (loss) from affiliates.

2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

Source: S&P Capital IQ (08/2024)