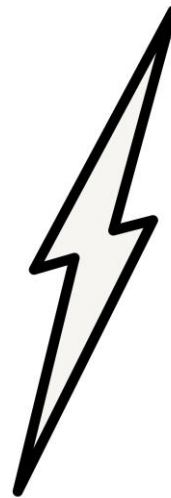


Healthcare PE

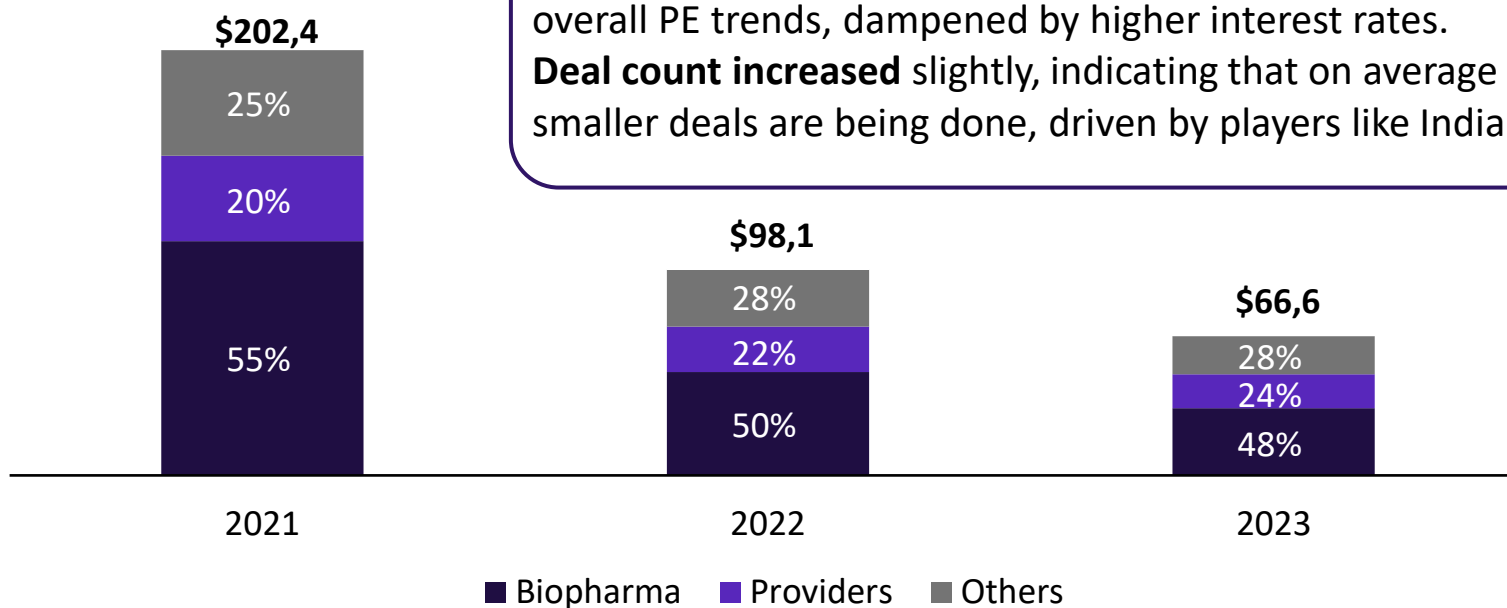
Industry Overview

*Private
Equity
Society*



Deal Volume

Global Healthcare Buyout Deal Value



Healthcare buyout **deal volume decreased** in line with overall PE trends, dampened by higher interest rates. **Deal count increased** slightly, indicating that on average smaller deals are being done, driven by players like India.



Healthcare providers and **biopharma** companies form ca. **70% of total deal volume**

Geographical Trends

North America



North America holds **half of Global Deal Value**, driven by a **privatized and fragmented market**. With the 2024 U.S. election result, there is anticipated **healthcare deregulation**. We foresee buyout activity to increase in areas previously limited by regulations, such as – **telehealth, outpatient care** models, and **alternative insurance** plans.

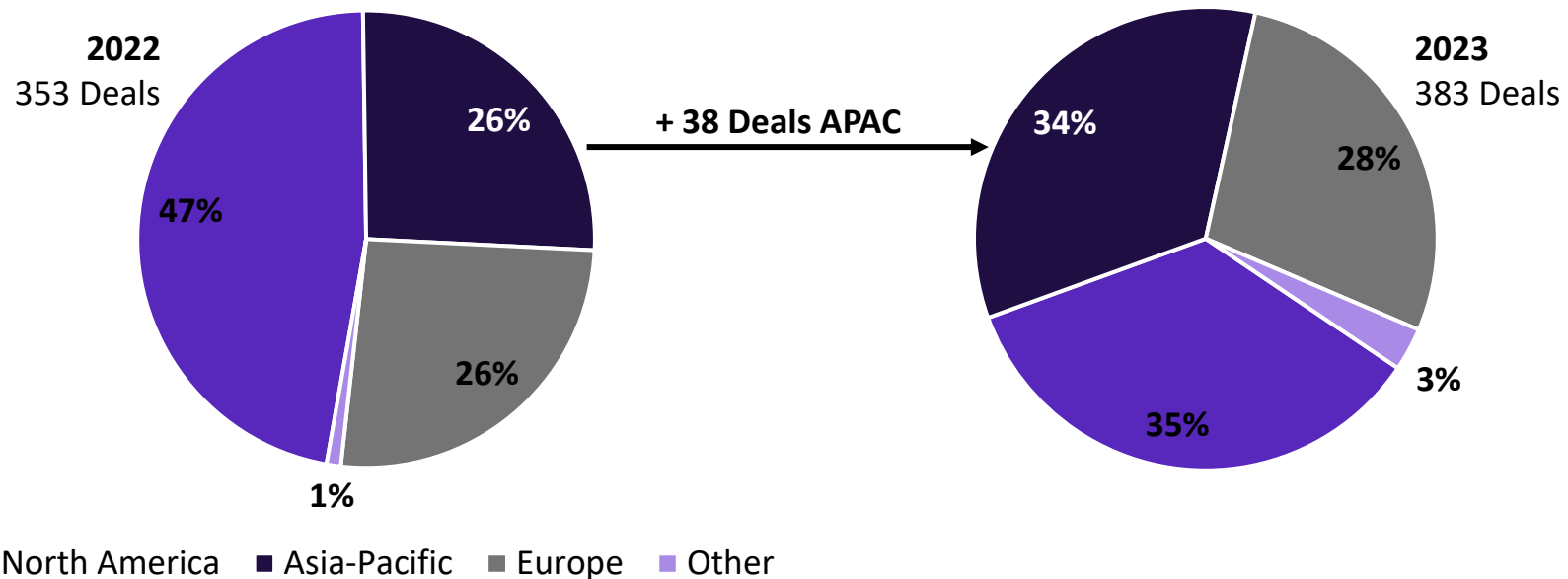
Europe



UK is Europe's largest Healthcare Buyout Market. With the **NHS facing funding pressures and longer wait times**, they have increasingly **outsourced services**, such as diagnostics, elective surgeries, and long-term care. This creates **opportunities for PE firms** to invest in companies to support NHS capacity.

Rising Interest in APAC

Share of Healthcare Buyout Deal Count



Healthcare Buyout Deal Count in the **Asia-Pacific Region** has exceeded Europe's and is catching up with North America. Asia-Pacific has seen intensified **deal activity outside of China**, which has historically been the hotspot for transactions, to countries such as India. India accounted for ca. **30% of deal value from 2022 to 2023**.

Drivers of Interest in India

Strong Exit Potential

Region's Significant Upside Potential. Example: TPG's 2023 sale of stake in India's Care Hospitals to Blackstone

"China plus one" Strategy

Healthcare companies are looking to **diversify beyond China** for business-friendly environments and deep talent pools

Spending on Healthcare

Fast-growing middle class in countries such as India are spending more on healthcare

Evolving Technology Ecosystem

India has historically served as the back end for Western Healthcare Analytics Companies. Recently, Digital Health companies are **servicing Indian Market directly**

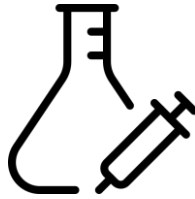


Healthcare Providers

Types of Providers



Patient Care



Clinical Labs



Pharmacies



Business Support

Provider Challenges

Inflationary Pressures

Supply chain disruptions and broader inflationary trends have resulted in **rising costs in medical supplies and overhead expenses**

Labour Pressures

Medical worker burnout post-COVID has caused problems with worker retention. **High turnover** means high recurring training costs

PE Firms create value by:

Healthcare IT

Shifting Sites of Care

Healthcare PE is shifting sites of care to **outpatient facilities**, urgent care, and home health services, **lowering costs and enhancing accessibility** while reducing reliance on costly inpatient settings.

Revenue Cycle Management

Automating manual tasks such as **billing and claims processing**, allowing providers to operate with smaller administrative teams

Clinical Workflow Optimisation

Automating **patient scheduling**, streamlining **electronic health record (EHR)** management, and integrating **real-time data access**

Patient Engagement

Enabling **self-scheduling**, **virtual consultations**, and personalised **health reminders**.

Healthcare Provider Buyouts

Notable Deals

TOWERBROOK



acquire



\$8.9B

Acquirer: Towerbrook and CDR, US-based PE firms.

Target: R1 RCM is a tech-driven revenue cycle management provider.

Financials: 11% Premium, 14.3x EBITDA Multiple.

Status: Definite Agreement, set to close by year-end.

Deal Rationale:

Efficiency: Streamline R1's processes to cut costs.

Tech Investment: Fund AI and analytics for better billing.

Expansion: Leverage networks to broaden R1's reach into new segments and regions.

CINVEN

acquires



\$2.9B

Acquirer: Cinven, UK-based PE firm.

Target: SYNLAB, Europe's largest diagnostic service provider.

Financials: 42% Premium, 8.9x EBITDA Multiple, 2.9x Leverage Ratio.

Deal Rationale:

Cross-Selling: Expanding test services to partner networks.

Efficiency: Standardising lab processes to cut turnaround times.



acquire



\$0.5B

Acquirers: GED, Southern European PE firm, and IVIRMA Global, reproductive medicine producer.

Target: Eugin Group, fertility clinic operator.

Financials: Undisclosed.

Deal Rationale:

Cross-Selling: IVIRMA can cross-sell its medicine in Eugin's network of fertility clinics.

North America Expansion: IVIRMA can strengthen its presence in NA through EUVITRO's operations there (BOSTON IVF and TRIO).

Biopharma

Definition

Companies that use biotechnology to **develop and manufacture medical therapies (biopharmaceuticals)** as well as **in vivo diagnostic processes**

Increasing Popularity of Biopharma Related Services



Contract Research Organisation (CRO)

Focuses on research and clinical trials



Contract Manufacturing Organisation (CMO)

Large scale-production of commercialized drugs



Contract Development and Manufacturing Organisation (CDMO)

Ranges from research to manufacturing

Key service providers that are essential during different stages of process

- Very Active Vertical in Healthcare PE Space
- Due to **growing demand for outsourcing** in Biopharma
- Robust & Recurring Revenue Stream

Key Themes

Rise of Certain Medications

GLP-1 medications are gaining popularity due to benefits beyond diabetes treatment, including weight loss.

Advanced Modalities

Growing Focus on cell, gene and RNA therapies driving demand for specialised services.

Inflation Reduction Act

Shifting focus towards biologic drugs which have **longer window of 13 years** before potential price reductions.

Early-Stage Therapies

High confidence in long-term value of novel therapies and innovative medical devices.

Biopharma Buyouts

Notable Deals

THE CARLYLE GROUP

acquires

\$3.8B

Vantive

Advent International
GLOBAL PRIVATE EQUITY

WARBURG PINCUS

acquire

\$4.3B

Simtra

VERITAS CAPITAL PATIENT SQUARE CAPITAL

ELLIOTT

acquire

Syneos[™]
Health

Acquirer: Carlyle Group

Target: Vantive, Kidney Care Specialty

Financials: \$3.5bn in Cash, 9.5x EBITDA Multiple

Rationale:

Specialisation: Can concentrate exclusively on kidney care as independent entity.

Efficiency: Use of operational expertise & partnership with Atlas Health to streamline processes and boost productivity.

Global Expansion: Carlyle's global network will facilitate Vantive's market growth.

Acquirer: Advent International and Warburg Pincus

Target: Simtra BioPharma (Leader in GLP-1s)

Financials: 13.7x EBITDA Multiple

Rationale:

Focused Growth: As a standalone CDMO, Simtra can scale rapidly in sterile manufacturing.

Operational Boost: Advent and Warburg's expertise enables faster, streamlined production.

Market Reach: Expanded footprint in the U.S. and Europe through strategic partnerships.

Acquirer: Elliott Investment Management, Patient Square Capital, Veritas Capital

Target: Syneos Health

Financials: 24% premium, 10.1x EBITDA Multiple

Rationale:

Private Focus: Freed from public market pressures, enabling targeted growth.

Tech Investment: AI and data analytics.

Expansion: Accelerated service growth backed by private capital.