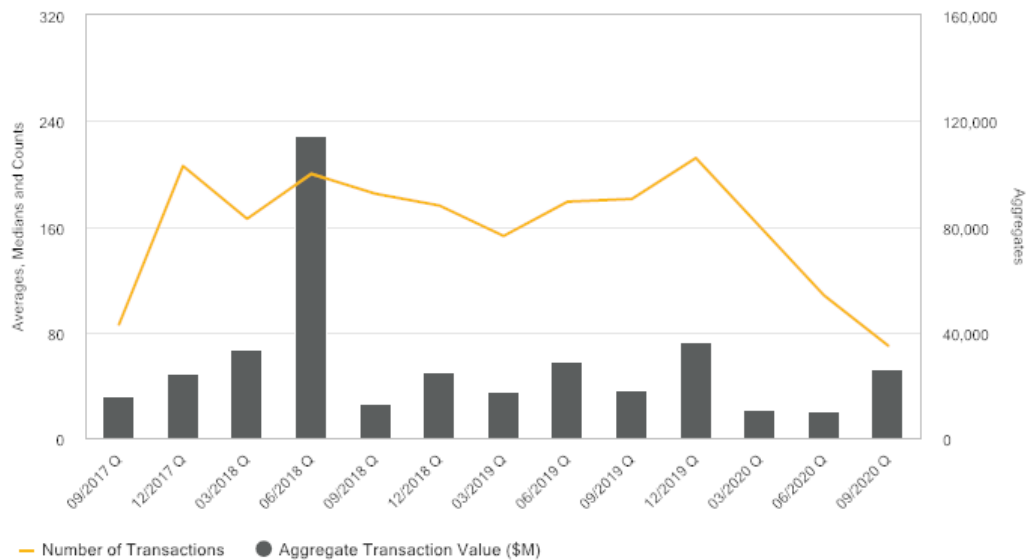


Medi-Tech Insights

Healthcare Deal activity involving Private Equity (incl. venture capital)



Our observations and analysis:

1. We see a **significant drop** in # of deals and aggregate deal value between 2019 and Q1/2 2020. Deal activity has started to pick up slightly in Q3 2020.
2. Majority of the transactions in YTD 2020 have involved **Private Equity** (excl. venture capital) **as a Seller rather than a Buyer**. In these cases, Strategics (corporates already active in the sector) have been the buyers in most cases.

Notable deals include:

- Catalent acquisition of cell & gene therapies CDMO MaSTherCell Global for \$ 0.3 bn
 - Sanofi acquisition of Principia BioPharma (multiple sclerosis & immune disorders)
 - TelaDoc \$ 18.6bn acquisition of Livingo Health
3. **Venture investments continued** into biopharma, biotech & sectors like digital health
 4. **Private Equity** (growth/buyout) made **selective investments** into healthcare sub-sectors such as **homecare, medical services, digital health, Pharma CDMO** that are less impacted by the Covid-19 crisis. Examples:
 - Bain Capital \$1.4 bn offer for Japanese homecare/medical efficiency services provider Nichii Gakkan,
 - Ardian Private Equity-backed Dedalus Group acquisition of Agfa Gevaert Healthcare IT business for \$1bn,
 - Advent International investment into CDMO India-based RA Chem Pharma

With the pandemic dragging on, investors have a choice to make - continue to wait with the dry powder of \$ 1.5 trillion or accelerate prudent investments in Q4 2020. Not an easy decision to make- but investors who have well-researched investment thesis will be potential winners.