



TM CAPITAL
A DIVISION OF JANNEY

HEALTHCARE MONTHLY

JANUARY 2025

2025 J.P. MORGAN HEALTHCARE CONFERENCE OBSERVATIONS

TM Capital's healthcare team attended the recent J.P. Morgan healthcare conference in San Francisco, where we enjoyed connecting with prospects, clients and healthcare-focused investors. Perhaps buoyed by the perfect weather (a rare occurrence for JPM!), we found widespread optimism and high expectations for 2025 M&A activity. A few key themes emerged from our discussions:

- **Increasing market confidence** – multiple factors are converging to drive investor optimism, including (i) expectations for more favorable healthcare regulatory policies under the Trump administration, (ii) an overhang in PE dry powder (and LP demands for liquidity, especially for “long-in-the-tooth” investments), (iii) increased pitch activity, particularly for PE-owned assets, and (iv) a narrowing of the buyer-seller “valuation gap”. Notwithstanding increased pitch activity in late 2024 and strong early indicators for 2025, there have been fewer post-holiday deals launched (including at JPM), and most investors expect an uptick in new processes closer to mid-year.
- **Sharpened sector focus** – many healthcare investors have clearly defined their focus areas for 2025, with a few subsectors rising to the top (e.g., pharma services, outsourced services to payors and providers, hospice / home health, and behavioral). The PPM landscape has been more polarized – while headlines have focused on investor pullback, regulatory dynamics and the challenges of selling larger practices, we were surprised by the number of investors actively seeking new PPM platforms – leading us to believe there's more interest in these “tried and true” categories than conventional wisdom would suggest. Many PPM investors are focusing on lower acuity sectors or providers with a cash-pay focus (such as aesthetic medicine) vs. practices with traditional reimbursement.
- **Back to basics** – healthcare investors continue to focus on fundamentals: sustainability of growth, addressable market dynamics, organic growth trends (vs. “bought” growth via M&A), and the ability of a target to expand access to care, reduce costs, or mitigate friction in the healthcare ecosystem for payors, patients or providers.

While many healthcare investors focused last year on add-ons and portfolio management, we expect a meaningful uptick in the number of platform investment opportunities launching in the coming months. TM Capital's pipeline of healthcare opportunities continues to expand, and we expect our transactions to generate a strong reception in the market, particularly for clients serving rapidly growing segments of the healthcare landscape with differentiated models and without complex reimbursement exposure.

Please reach out directly to any member of the TM Capital healthcare team to discuss the current market in more detail.

Our healthcare team architects market-defining outcomes for some of the most innovative medical device, life science and diagnostics, healthcare services and pharmaceutical companies in the world.










BioTech / Pharma

Healthcare Services

Life Sciences / Diagnostics

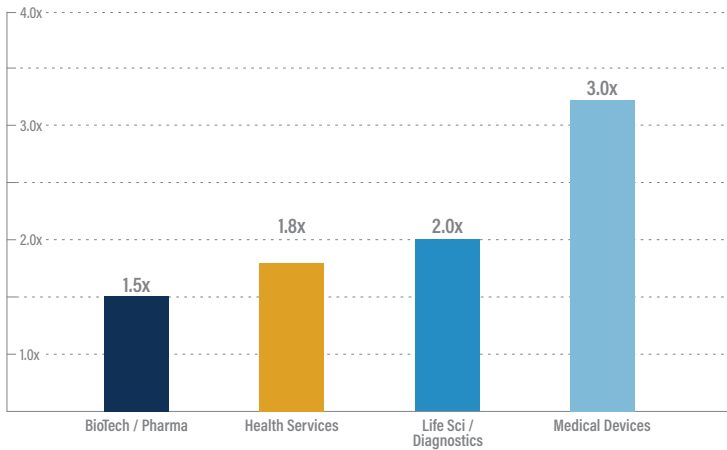
Medical Devices

HEADLINE TRANSACTIONS

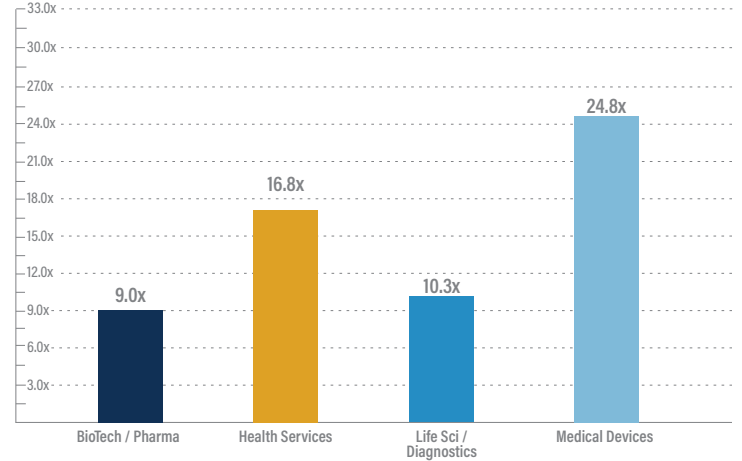
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Medical Devices			<ul style="list-style-type: none"> • Patient Square Capital LP has entered a definitive agreement to acquire Patterson Companies, Inc. (NASDAQ: PDCO) • Patterson Companies is a distributor and wholesaler of consumable products and equipment for dental and animal health to the United States, United Kingdom and Canada • Patient Square Capital is an investment firm managing \$11b of assets within the healthcare sector, investing across medical devices, pharmaceuticals, healthcare providers and tech-enabled services • Total Consideration: \$2.8 billion cash • Per Share Price Premium: 35.7%
Bio Tech / Pharma	 		<ul style="list-style-type: none"> • Goldman Sachs Asset Management LP has entered a definitive agreement to acquire a majority stake in Synthon International Holding BV, a portfolio company of BC Partners LLP • Synthon International Holding is a Netherlands-based company developing, manufacturing and licensing complex generics and hybrid medicines for patients • Goldman Sachs is an asset management firm managing \$1.7T of assets across several sectors • Total Consideration: \$2.1 billion cash
Healthcare Services			<ul style="list-style-type: none"> • New Enterprise Associates, Inc. has entered a definitive agreement to acquire NeueHealth Inc. (NYSE: NEUE) • NeueHealth provides healthcare services to the ACA marketplace, Medicare and Medicaid through owned and affiliated clinics • New Enterprise Associates is a venture capital firm managing \$26b of assets within the enterprise, consumer, fintech, life sciences and digital health sectors • Total Consideration: \$1.3 billion cash • Per Share Price Premium: 91.9%
			<ul style="list-style-type: none"> • Aya Healthcare, Inc. has entered a definitive agreement to acquire Cross Country Healthcare, Inc. (NASDAQ: CCRN) • Cross Country Healthcare provides talent management and other consultative services for healthcare clients • Aya Healthcare offers travel nurse staffing, allied health staffing, per diem and local staffing, locum tenens staffing, workforce consulting, non-clinical staffing and permanent hiring services • Total Consideration: \$615 million cash • Per Share Price Premium: 66.8%

HEALTHCARE GROWTH & VALUATION TRENDS

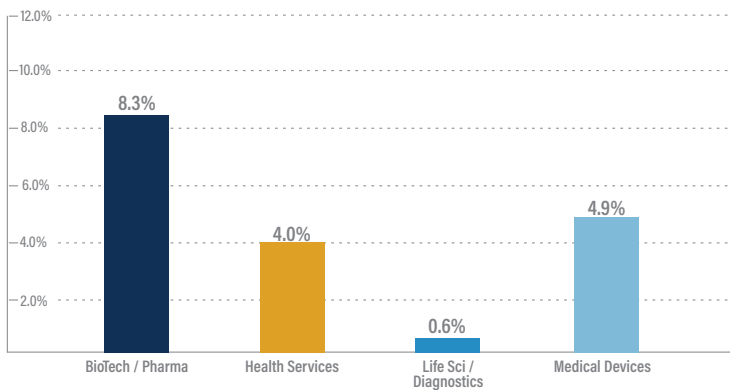
Enterprise Value / LTM Revenue



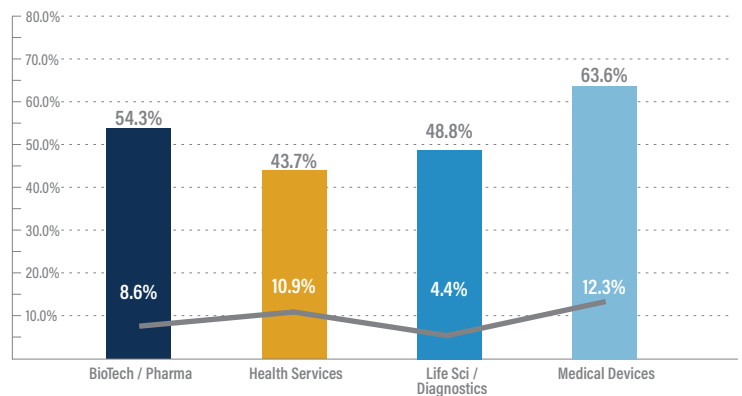
Enterprise Value / LTM EBITDA



LTM Revenue Growth

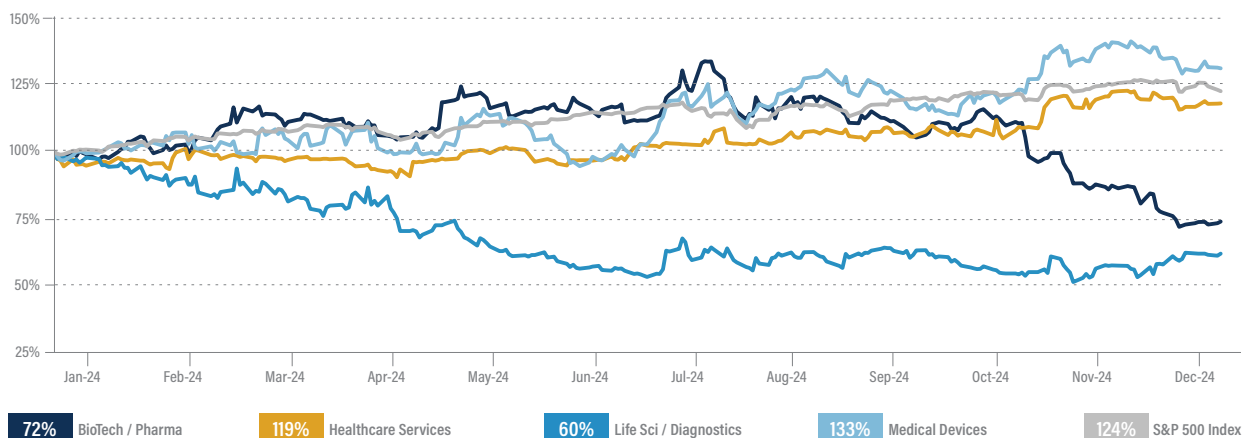


LTM Gross and EBITDA Margins*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



SELECTED HEALTHCARE TRANSACTIONS

Target	Acquiror	BioTech / Pharma Transactions
Nimble Therapeutics	AbbVie (NASDAQ: ABBV)	Nimble is an operator of a biotechnology business intended to facilitate drug discovery of oral peptide therapeutics Total Consideration: \$200 million cash

OccuRX Pty, Ltd	Certa Therapeutics Pty Ltd	OccuRX is a biotechnology company developing a pipeline of pharmaceuticals targeting multiple fibrotic diseases
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Eikonizo Therapeutics, Inc.	Novo Nordisk (NYSE: NVO)	Eikonizo develops disease-modifying therapies targeting cardiorenal and neurodegenerative diseases
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Target	Acquiror	Life Sci / Diagnostics Transactions
Personalis, Inc.	Merck Sharp & Dohme LLC	Personalis is a provider of advanced genomic sequencing and analytics solutions for development of cancer vaccines and immunotherapies

Core Diagnostics Pvt Ltd (Canopy Biosciences)	Metropolis Healthcare Ltd	Core Diagnostics is a local operator of medical and diagnostic laboratories
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Avero Diagnostics	Versant Diagnostics	Avero is a local anatomic pathology provider for hospitals and clinics based in Bellingham, WA
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Target	Acquiror	Health Services Transactions
Lake Norman Regional Medical Center (Community Health Systems, Inc. (NYSE: CHS)	Duke University Health System, Inc.	Lake Norman Regional is a 123-bed hospital in North Carolina offering emergency medicine, a center for surgical weight loss, women's services, a maternity center, cardiology, oncology and surgical services, including orthopedic specialty and outpatient surgery centers Total Consideration: \$280 million

Haven Behavioral Healthcare	Oceans Healthcare (Webster Equity Partners LP)	Haven Behavioral Healthcare is a Nashville-based provider of specialty behavioral health services with seven hospitals and outpatient services in Arizona, Idaho, Ohio, New Mexico and Pennsylvania
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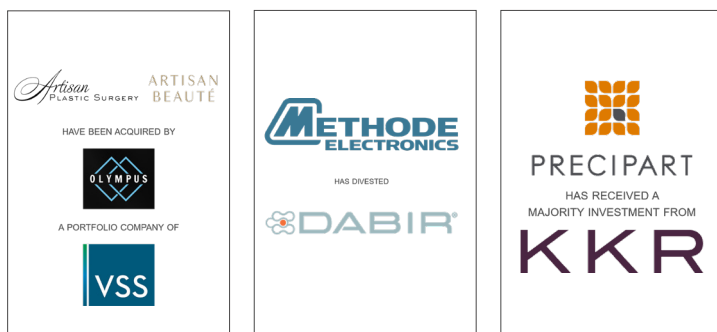
Theoria Management, LLC	Amulet Capital Partners LP	Theoria is management service organization delivering primary care services to senior living communities across the United States
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Target	Acquiror	Medical Device Transactions
ELIOS Vision, Inc.	Bausch + Lomb Corporation (NYSE: BLCO)	ELIOS Vision developed the ELIOS™ procedure, a clinically validated minimally invasive glaucoma surgery procedure using an excimer laser

Prescott's, Inc. (Atlantic Street Capital Management LLC)	Morgan Stanley Capital Partners	Prescott's sells and rents refurbished medical equipment and parts and provides equipment repair and maintenance service solutions, serving health systems, outpatient facilities and other care settings
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Transfusion Medicine business (Haemonetics Corp)	GVS SpA	The Transfusion Medicine business of Haemonetics manufactures automated systems for collection, processing and surgical salvage of blood
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Selected TM Capital Healthcare Experience



TM Capital's Healthcare Industry Contacts



ABOUT TM CAPITAL, A DIVISION OF JANNEY

FOUNDED IN 1989 AND NOW PART OF JANNEY MONTGOMERY SCOTT, TM CAPITAL IS THE CLIENT-FIRST INVESTMENT BANKING TEAM ADVISING INDUSTRY-LEADING COMPANIES ACROSS NORTH AMERICA AND AROUND THE WORLD. IN EVERYTHING WE DO, OUR PROFESSIONALS SHARE A RELENTLESS COMMITMENT TO ENGINEERING EXTRAORDINARY OUTCOMES WITH AN UNMATCHED STANDARD OF CLIENT CARE. OVER THE LAST THREE DECADES, WE HAVE COMPLETED NEARLY 450 TRANSACTIONS WITH A COMBINED VALUE OF \$30 BILLION. WITH OFFICES IN ATLANTA, BOSTON AND NEW YORK, OUR MISSION CRITICAL CAPABILITIES INCLUDE: COMPLEX MERGERS AND ACQUISITIONS; DEBT AND EQUITY FINANCINGS; MINORITY AND MAJORITY RECAPITALIZATIONS; RESTRUCTURINGS; AND BOARD ADVISORY SERVICES. TM CAPITAL IS ALSO A MEMBER OF OAKLINS, THE WORLD'S MOST EXPERIENCED MID-MARKET M&A ADVISOR, WITH OVER 850 PROFESSIONALS AND DEDICATED INDUSTRY TEAMS IN MORE THAN 45 COUNTRIES, HAVING CLOSED 1,700 TRANSACTIONS IN THE PAST FIVE YEARS. FOR MORE INFORMATION, PLEASE VISIT WWW.TMCAPITAL.COM.

ABOUT JANNEY

JANNEY IS A LEADING FULL-SERVICE WEALTH MANAGEMENT, CAPITAL MARKETS, AND ASSET MANAGEMENT FIRM DEDICATED TO PUTTING CLIENT NEEDS FIRST. WE ARE COMMITTED TO PROVIDING INDIVIDUALS, FAMILIES, BUSINESSES, AND INSTITUTIONS WITH TAILORED FINANCIAL ADVICE TO HELP REACH THEIR PERSONAL OR BUSINESS GOALS. WE FOCUS ON BUILDING STRONG RELATIONSHIPS, SUPPORTED BY A FOUNDATION OF TRUST AND PERFORMANCE. WITH A HISTORY OF STRENGTH AND STABILITY, AN ABILITY TO EXECUTE, AND A CULTURE OF SERVICE AND COLLABORATION, WE CONTINUE TO DELIVER ON OUR MISSION OF OFFERING THE HIGHEST STANDARD OF SUCCESS IN FINANCIAL RELATIONSHIPS. JANNEY IS A MEMBER OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, THE NEW YORK STOCK EXCHANGE, AND SECURITIES INVESTOR PROTECTION CORPORATION.

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