



FY 2024

TRANSLINK
CORPORATE FINANCE

M&A Healthcare
Insights report

About the report

Healthcare is one of the most active sectors in terms of M&A activity

In 2024, the number of transactions in the sector saw a small decline from 4,225 in 2023 to 4,187. Despite this, the number of transactions remains high and comparable to those pre-Covid.

Transactions are driven by numerous factors, from market disruption to “simple” market consolidation. Like many other industry areas, M&A activities in Healthcare are largely driven by strategic buyers.

The Translink Healthcare Industry Group covers the following four segments:

- i. Biotechnologies
- ii. Pharmaceuticals
- iii. Medical facilities
- iv. Medical Equipment, Consumables and Services





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M&A Healthcare

Introduction

M&A Overview in the Healthcare sector in 2024

It is easy to assume that 2024 was a backward step when looking at total deal values (which are c.30% lower than 2023). However, **key healthcare players remained active, targeting strategic plays, boosting pipelines, expanding service lines, and seeking operational efficiencies.**

While 2024 lacked the 'mega mergers' that the healthcare industry has become accustomed to, there has been no let-up in transactional activity as M&A remained resilient.

Innovation was a key M&A motivation and driver in 2024, with acquisitive companies seeking new and **transformative** opportunities with leading-edge technologies, biotech breakthroughs, and in **AI analytics and diagnostics.**

As such, deal multiples remained robust as acquirors have targeted much sought-after assets.

Sources: Translink CF Intelligence, MergerMarket

4,163

deals in Healthcare for FY'24
(-1% YoY)

897

deals in Biotechnology
for FY'23
(-11% YoY)

643

deals in Pharmaceuticals
for FY'24
(+25% YoY)

1,344

deals in Medical
Facilities for FY'24
(-5% YoY)

1,279

deals in Medical
Equipment for FY'24
(no change YoY)

Segmenting the Healthcare industry



Biotechnology

- Biotechnology is a **science-driven industry sector** that makes use of **living organisms and molecular biology** to produce healthcare-related products and therapeutics.



Pharmaceuticals

- Pharmaceuticals include companies that **manufacture, sell, or distribute pharmaceuticals, medications, or prescription and over-the-counter (OTC) drugs.**



Medical Facilities

- Medical Facilities segment includes **in-patient healthcare facilities** such as hospitals, nursing homes, assisted living facilities and detox facilities.
- It also includes **outpatient healthcare services** such as home care nursing and dental services.



Medical Equipment, Consumables and Services

- The Medical Equipment, Consumables and Services segment includes manufacturers and suppliers of medical equipment for diagnostic purposes, analyses, patient monitoring and treatment.
- It also includes **assistive and corrective products** such as implants and hearing aids.



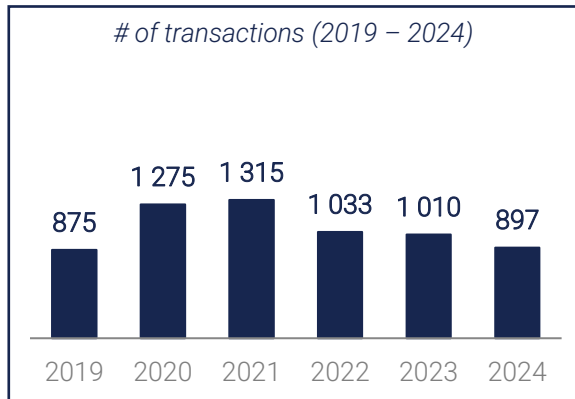
M&A Healthcare

FY2024 Sector review

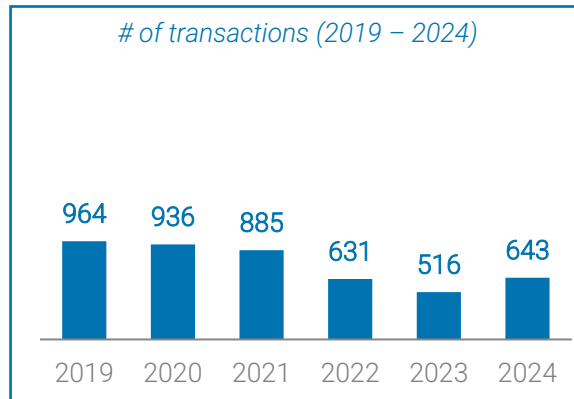
M&A activity in the Healthcare Industry in 2024



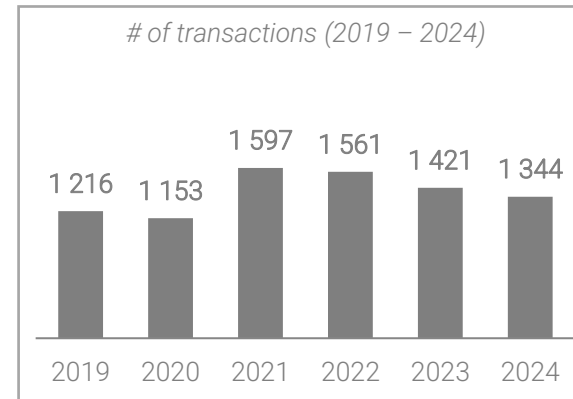
Biotechnology



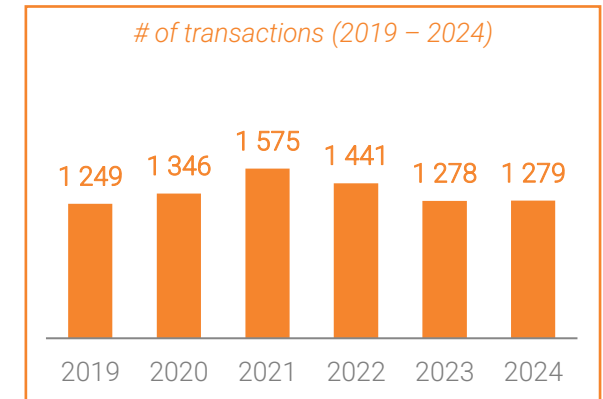
Pharmaceuticals



Medical Facilities



Medical Equipment, Consumables and Services



After a significant growth in transaction volumes during 2021 and 2022, the number of transactions remained at a reasonable level through 2023 and 2024, comparable to pre-COVID levels.

Sources: Translink CF Intelligence, MergerMarket

Key trends shaping the industry in 2024



Accumulated firepower

Healthcare industry players and PE sponsors have **significant cash reserves to deploy** on strategic M&A opportunities.



Valuation stability

Post-Covid valuation fluctuations have stabilised, providing **greater investor certainty** and confidence.



Portfolio optimisation

Strategic assessment of **portfolios** has led to divestment of non-core products to focus on and develop high growth areas.



Cutting-edge technology

Strong opportunities fuelled by **constant innovation** in cellular therapies, mRNA, IT, digital and data.



Profit improvement

Consolidation offers **economies of scale**, greater **buying power** and **operational efficiencies** to maximise profit margins.

Sources: Translink CF Intelligence, MergerMarket

What to expect for FY'25?



Biotechnologies

Biopharma has **substantial capital reserves** aimed at **innovative and breakthrough technologies**, as well as research and development capabilities.



Pharmaceuticals

M&A activity will be driven by big pharma needing to **rebuild pipelines**, filling anticipated revenue gaps, with a **particular focus** on highly prized assets in **high-growth therapeutic areas**.

2025 will show a resurgence in healthcare M&A as wider economic conditions settle down, the cost of capital begins to reduce, and private equity and large corporates actively look for new technology, innovation and scalable business models.



Medical Facilities

Further **consolidation of specialist, fragmented and underperforming facilities** into larger regional and better-capitalised groups to provide **comprehensive and integrated care** under one roof.



Medical Equipment, Consumables and Services

Private Equity will help drive consolidation leading to acquisitions that integrate **hardware, software, and services** for improved patient care and **operational efficiency**.

Sources: Translink CF Intelligence



M&A Healthcare

Valuation references

Deep dive into Biotechnology

Biotechnology

Pharmaceuticals

Medical facilities

Medical Equipment, Consumables and Services

Key drivers

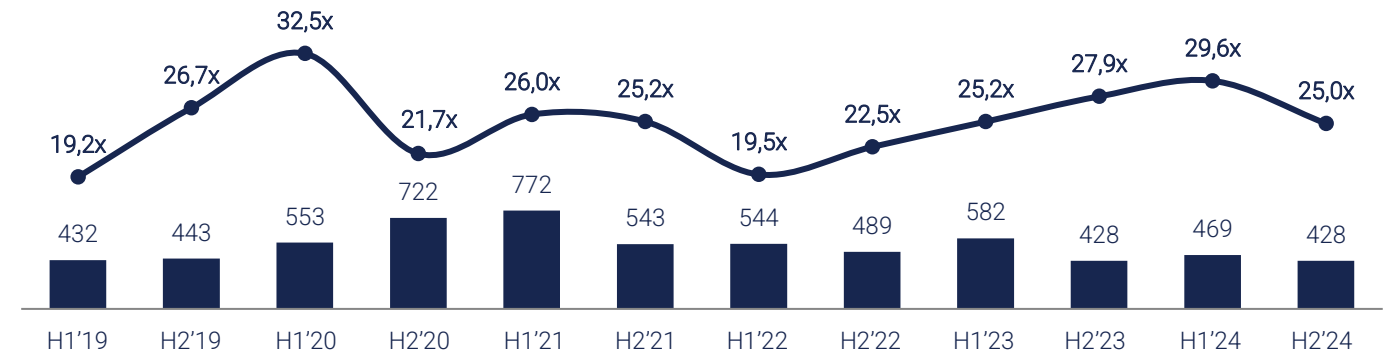
- **Build pipelines:** Acquisitions are motivated by large pharmaceutical businesses rebuilding drug pipelines as patents expire on core product lines.
- **Navigating regulatory challenges:** M&A activities bring together biotech's innovation with pharma's expertise in navigating regulatory challenges and commercialising new drugs.



897

deals in Biotechnology in FY'24
(-11% YoY)

Average half-year EV/EBITDA multiples and deal volumes in Biotechnology:



Some examples of our credentials in Biotechnology:



Sources: Translink CF Intelligence, MergerMarket

Deep dive into Pharmaceuticals

Biotechnology

Pharmaceuticals

Medical facilities

Medical Equipment, Consumables and Services

Key drivers

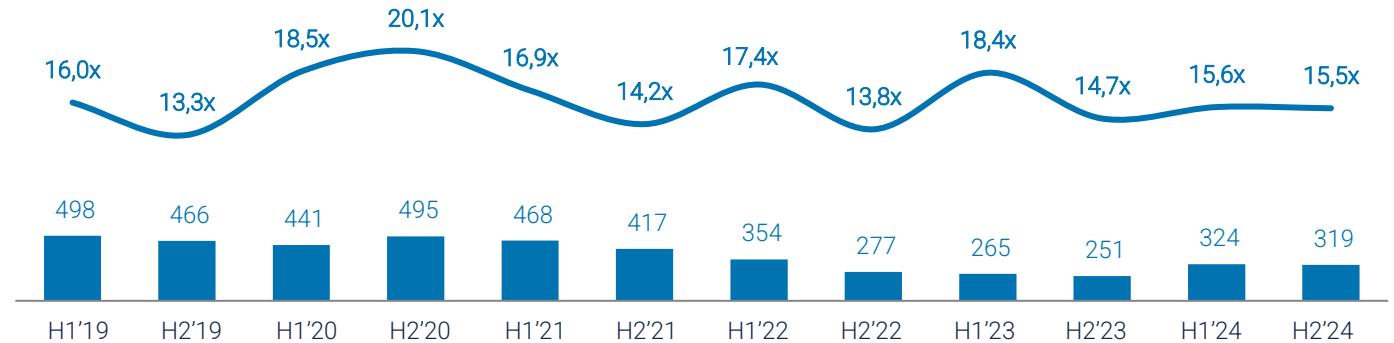
- **Patent loss and pipeline expansion:** Replace expiring patents with targeted acquisition to rebuild product pipelines.
- **Innovation and R&D:** Acquire innovative and proven drugs in favour of heavy R&D, mitigating the financial risks inherent in drug development.
- **Regulation:** Access to new markets, particularly cross-border, navigating complex regulatory hurdles.



643

deals in Pharmaceuticals in FY'24
(+25% YoY)

Average half-year EV/EBITDA multiples and deal volumes in Pharmaceuticals:



Some examples of our credentials in Pharmaceuticals:



Sources: Translink CF Intelligence, MergerMarket

Deep dive into Medical Facilities

Biotechnology

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Medical Equipment, Consumables and Services

Key drivers

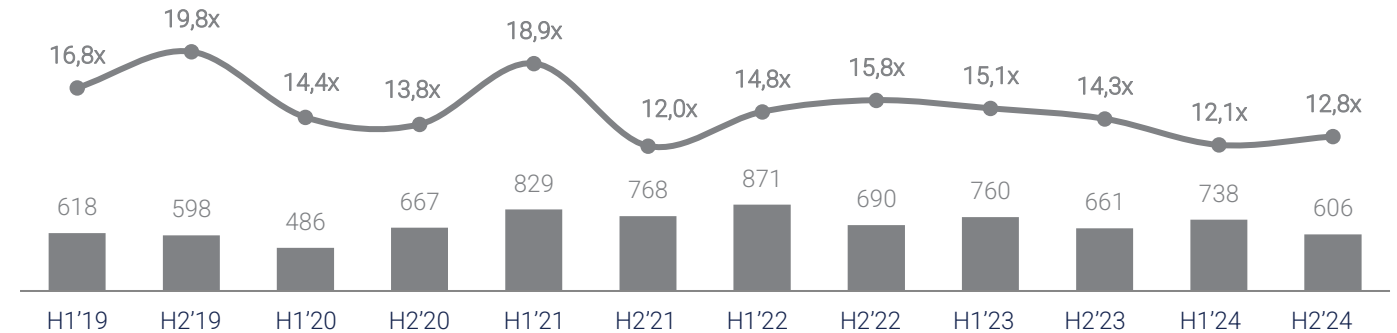
- **Economies of scale:** Maintaining margins has been challenging, acquiring market share provides cost synergies and enhanced buying power.
- **Expansion and specialised services:** The influx of private equity and growth capital has augmented hospital consolidation, adding scale and specialist healthcare services.



1,344

deals in Medical Facilities in FY'24
(-5% YoY)

Average half-year EV/EBITDA multiples and deal volumes in Medical Facilities:



Some examples of our credentials in Medical Facilities :



Sources: Translink CF Intelligence, MergerMarket

Deep dive into Medical Equipment, consumables and Services

Biotechnology

Pharmaceuticals

Medical facilities

Medical Equipment, Consumables and Services

Key drivers

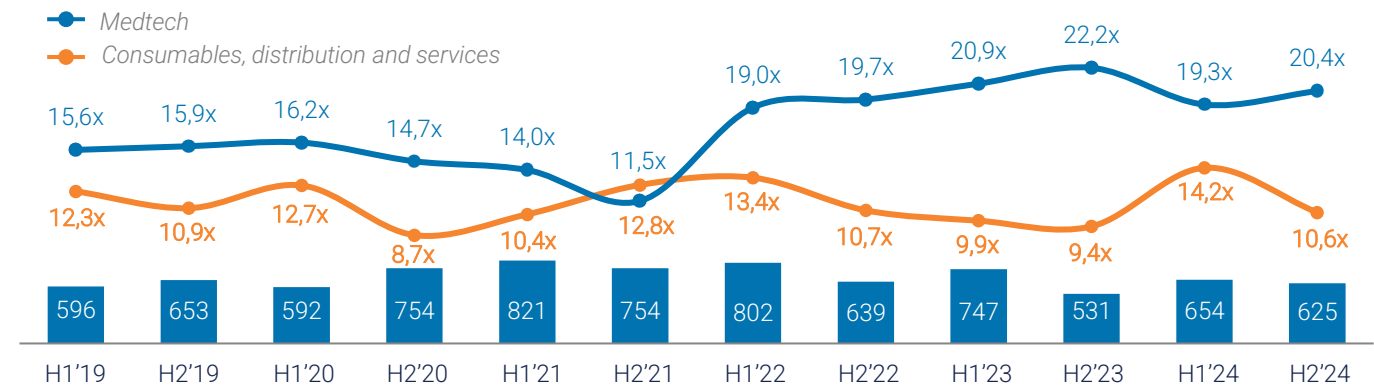
- **Market expansion and portfolio diversification:** Mergers serve as a strategy to expand market reach and diversify service offerings in response to changing industry dynamics.
- **Long-term predictable growth:** Ageing populations with more complex healthcare needs have attracted investor interest with lower-risk acquisition strategies.



1,279

deals in Medical Equipment, Consumables and Services in FY'24 (no change YoY)

Average half-year EV/EBITDA multiples and deal volumes in Medical Equipment, Consumables and Services:



Some examples of our credentials in Medical Equipment, Consumables and Services:




Sources: Translink CF Intelligence, MergerMarket





M&A Healthcare About Translink CF Healthcare team


Meet our international healthcare team

Industry Group leader

 **Tim BRIND**
United Kingdom

 **Don GRAY**
United Kingdom

 **Jack LAFLIN**
United Kingdom

 **Arthur LIBIER**
France

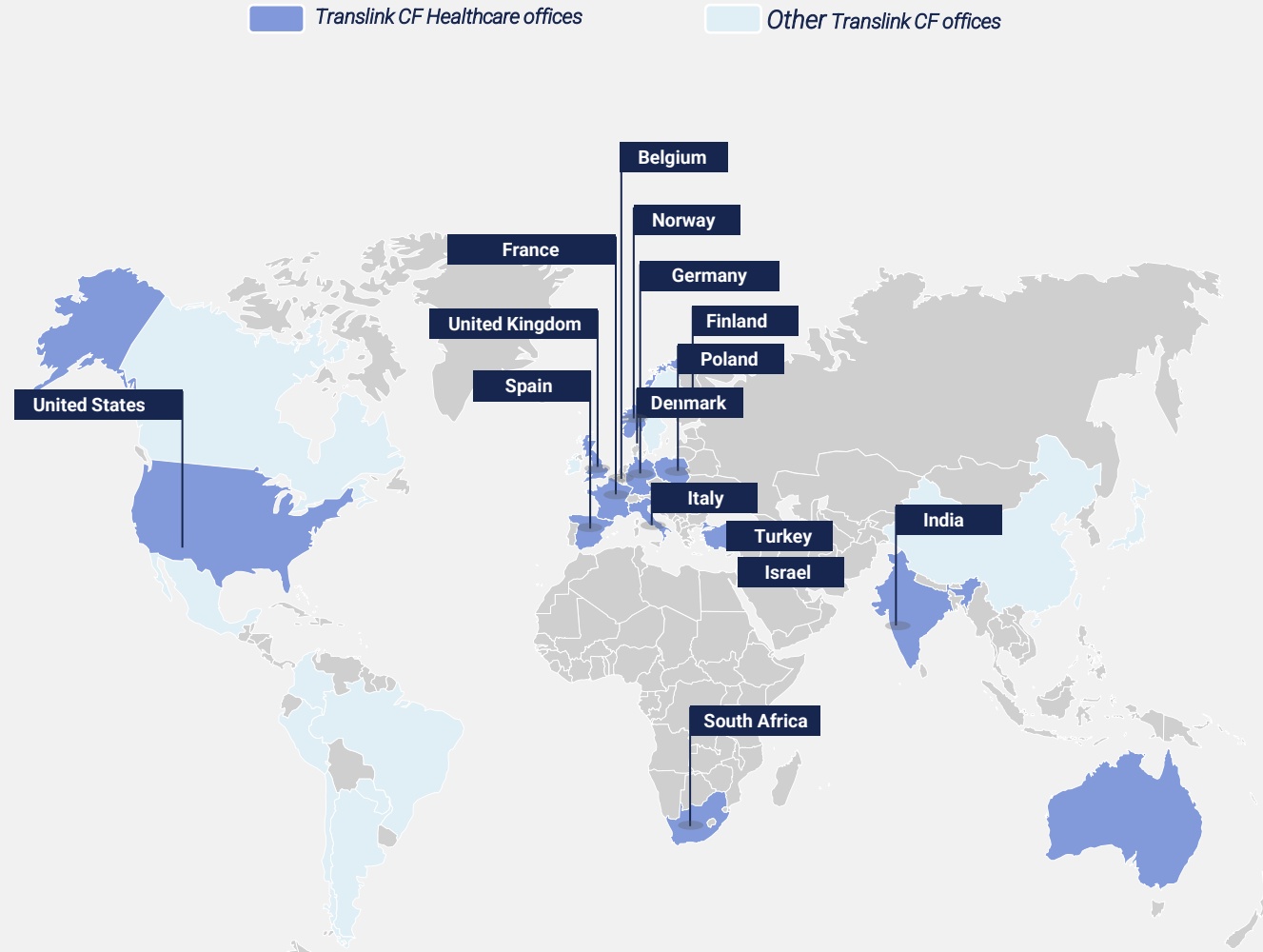
 **Mohit MEHTA**
United States


 **Will DOWNING**
United States

 **José-Maria BANÚS**
Spain

 **Matteo PAGGI**
Italy


 **John BLAKE**
South Africa





 **Nora HABERG**
Norway

 **Jari LAURIALA**
Finland


 **Jens BORELLI-KJAER**
Denmark


 **Maciej CIESLAK**
Poland

 **Christian HÖRNER**
Germany

 **Antoine MOSER**
Belgium

 **Efsane CAM**
Turkey

 **Darshan TRIVEDI**
India

 **Doron EPHRATI**
Israel

The *Healthcare* experts from Translink Corporate Finance gather in an *Industry Group* to discuss the key market dynamics and evolutions of the sector



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ABOUT

Translink Corporate Finance

Translink is a world leader in cross-border mid-market M&A advisory services, specialising in transactions ranging from €10 to €250M. Established in 1972, with over five decades of experience, we get the deal done.

We are a trusted global group with over 400 experts worldwide, and a proven track record with long-standing clients and deep sector specific knowledge. At Translink Corporate Finance, we are easy to approach, and our core ethos revolves around the pursuit of sustainable value creation for our clients – whose best interest always come first.

For more information, contact us on:

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or contact any of our country offices around the world by visiting our website at

www.translinkcf.com



We get the deal done.

www.translinkcf.com

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