

## HEALTHCARE/PHARMA INFORMATION AND TECHNOLOGY INDUSTRY

### 1ST HALF 2023 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2023 KEY HIGHLIGHTS

- The largest transaction in 1st Half 2023 was BioNTech's announced acquisition of InstaDeep, a global provider of decision-making AI systems which allows enterprises to unlock data insights, realize value, increasing efficiency and speed across organizations, for \$437 million.

#### 1ST HALF 2023 KEY TRENDS

- Total transaction volume in 1st Half 2023 declined by ten percent over 2nd Half 2022, from 221 to 199.
- In terms of acquirer type, strategic volume decreased five percent on a half year basis, from 151 to 143. Private equity volume decreased 20 percent, from 70 to 56.
- Total transaction value in 1st Half 2023 fell by 68 percent over 2nd Half 2022, from \$10.9 billion to \$3.51 billion.
- The segment with the largest rise in volume in 1st Half 2023 over 2nd Half 2022 was Pharma IT with a 71 percent gain, from 17 to 29 transactions, returning to 1st Half 2022 volume.
- The median revenue multiple increased from 1.6x in 2nd Half 2022 to 2.8x in 1st Half 2023.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 1,203 Healthcare/Pharma Information and Technology transactions between 2021 and 1st Half 2023, of which 222 disclosed financial terms, and calculated the aggregate transaction value to be \$112.15 billion. Based on known transaction values, we project values of 981 undisclosed transactions to be \$14.36 billion, totaling \$126.52 billion worth of transactions tracked over the past two and a half years.

Transactions from 1st Half 2021 to 1st Half 2023 with enterprise values in the \$10-\$40 million range had a median revenue multiple of 3.3x, whereas those above \$40 million garnered a median revenue multiple of 6.1x.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 3.4x revenue and 13.1x EBITDA.

#### M&A Market Dynamics By Half Year

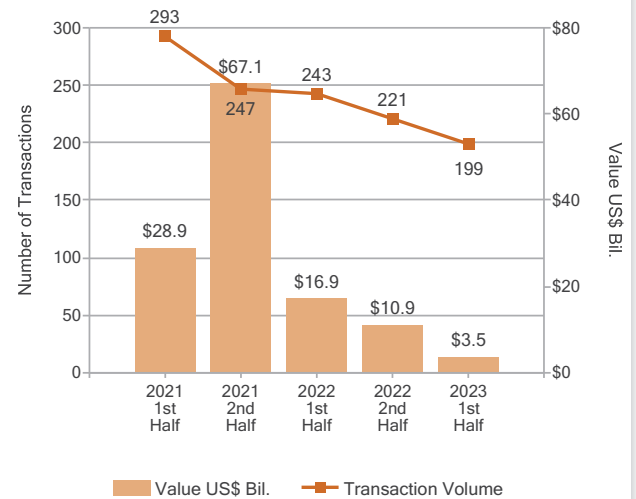


Figure 1. 2021-2023 value and volume comparison.

#### Median Enterprise Value Multiples By Half Year

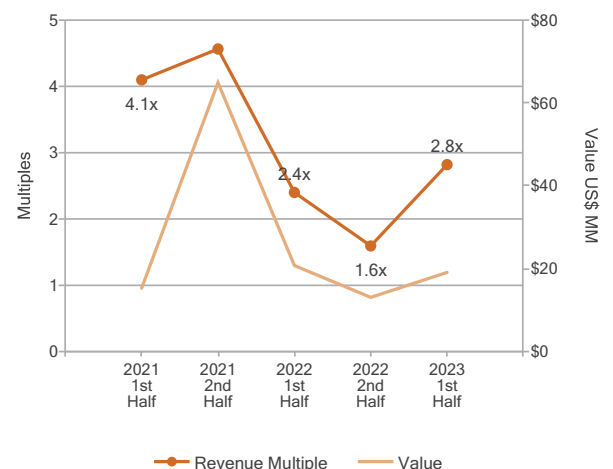
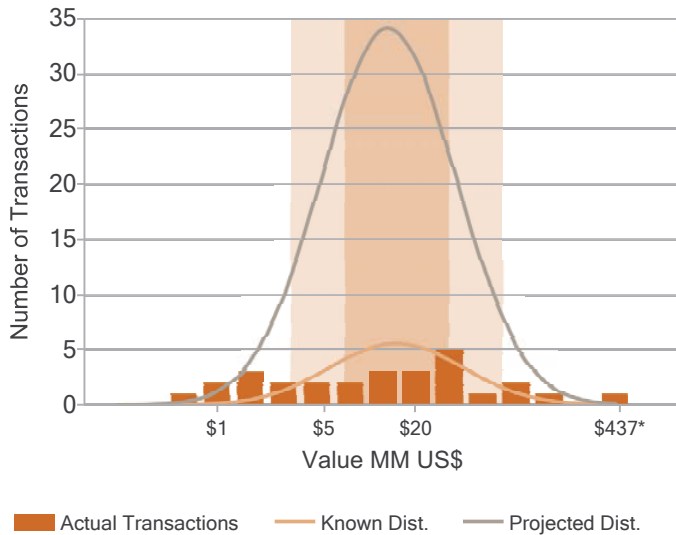


Figure 2. 2021-2023 median: value and revenue comparison.

# Transaction Analysis :: January 1, 2023 – June 30, 2023

## Bell Curve - Histogram - 1st Half



**Figure 3.** Shows the distribution of Healthcare/Pharma Information and Technology transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$4.5 million to \$33.1 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2023 at 3.5 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2023 to June 30, 2023.

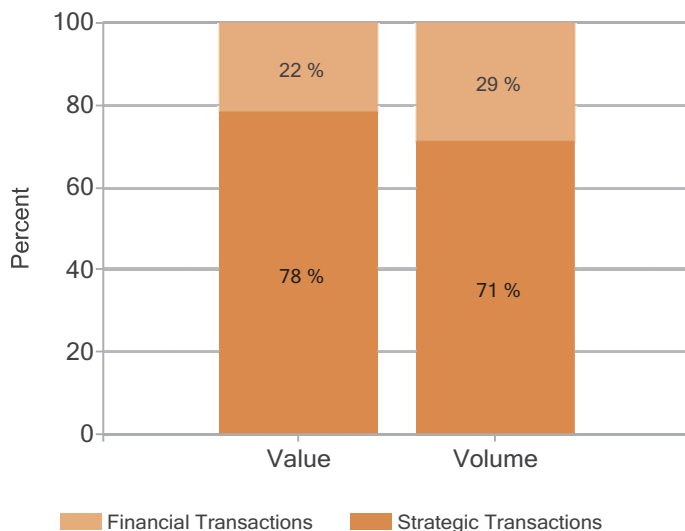
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	0	0	0	0 %	0 %
\$0.6	1	0	1	4 %	4 %
\$1.0	2	1	3	7 %	11 %
\$1.6	3	4	6	11 %	21 %
\$2.7	2	10	11	7 %	29 %
\$4.5	2	19	21	7 %	36 %
\$7.4	2	29	30	7 %	43 %
\$12.2	3	34	37	11 %	54 %
\$20.1	3	31	34	11 %	64 %
\$33.1	5	22	27	18 %	82 %
\$54.6	1	12	13	4 %	86 %
\$90.0	2	5	7	7 %	93 %
\$148.4	1	2	2	4 %	96 %
\$244.7	0	0	0	0 %	96 %
\$403.4	1	0	1	4 %	100 %
Total #		28	171	199	
Total \$ Value		\$1,265	\$2,250	\$3,515	
Middle 3rd of Industry					Middle 2/3rds of Industry

**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison

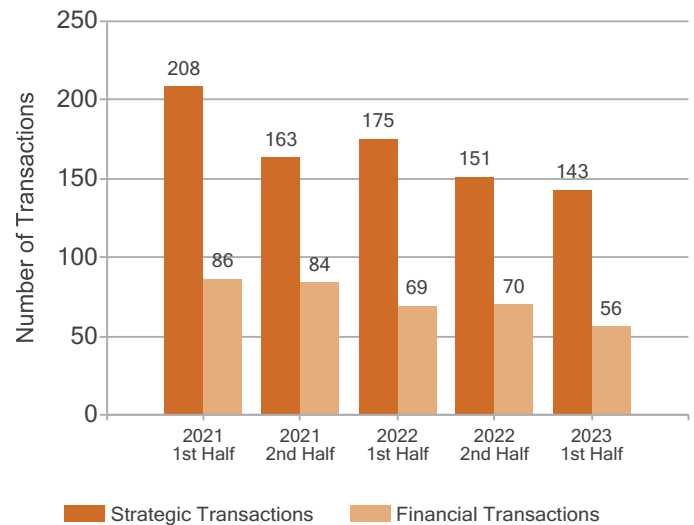
### M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 2021-2023 value and volume comparison by transaction type.

**Note:** Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

### Transaction Type By Half Year



**Figure 6.** 2021-2023 acquirer type comparison by half year.

## Purchaser Analysis

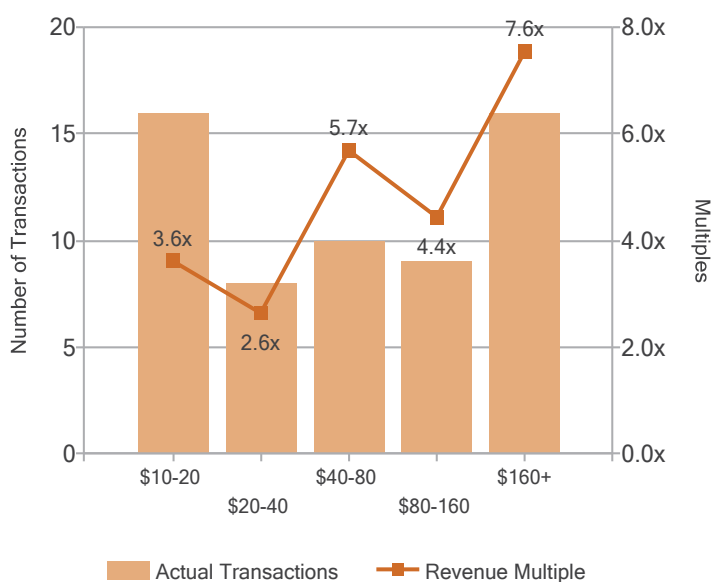
### Top Ten Notable Transactions - 1st Half 2023

Deal Date	Target Name	Buyer	Value MM US\$
01/11/23	InstaDeep Ltd	BioNTech AG	\$437
05/09/23	Benefits Science Technologies	MultiPlan, Inc.	\$160
03/06/23	Weekend Health, Inc.	WW International, Inc.	\$106
06/13/23	InstantScripts Pty Ltd	Australian Pharmaceutical Industries	\$91
01/27/23	Deep Lens Inc.	Paradigm Inc	\$90
05/08/23	Valence Discovery	Recursion Pharmaceuticals, Inc.	\$48
02/28/23	MphRx	Agilon Health	\$45
05/08/23	Cyclica Inc.	Recursion Pharmaceuticals, Inc.	\$40
06/07/23	Befitting	Fielmann Group	\$38
01/25/23	PetCareRx	PetMed Express Inc.	\$36
2023 Aggregate Transaction Value			\$3,515
Top 10 Aggregate Transaction Value			\$1,090
Top 10 Aggregate Value as a Percentage of All Transactions			31 %

**Figure 7.** Lists the top ten transactions for 1st Half 2023 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

**Note:** Transaction data based on **announced date**.

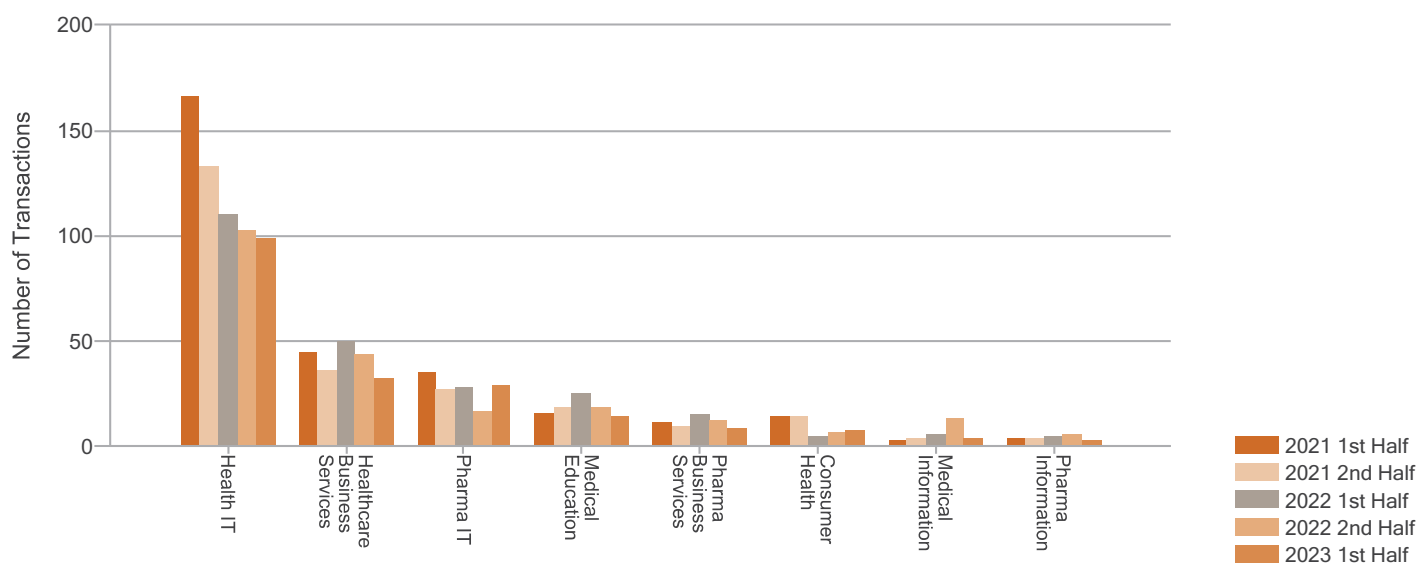
### Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Healthcare/Pharma Information and Technology Industry from January 1, 2021 to June 30, 2023 based on publicly available sales price and revenue data.

## Transaction Volume by Segment :: January 1, 2021 – June 30, 2023

### Transactions By Market Segment By Half Year



**Figure 9.** Presents transaction volume by market segment within the Healthcare/Pharma Information and Technology Industry from January 1, 2021 through June 30, 2023.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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HAS BEEN ACQUIRED BY

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