

# Swiss M&A Report – Market and valuation update

Health Industries



December 2024

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## M&A sell-side

- Company sales
- Succession solutions
- Carve-outs
- Management buy-outs
- Financing solutions
- Commercial vendor assistance
- Financial vendor assistance
- SPA advice
- Tax structuring and advice
- Operational carve-outs

## M&A buy-side

- Strategic acquisitions
- Buy-and-build acquisitions
- Mergers
- Management buy-ins
- Joint ventures and strategic alliances
- Commercial due diligence
- Financial due diligence
- Legal due diligence
- Tax due diligence
- Post-merger integration



# Introduction

PwC is the leading mid-market M&A advisor trusted by more top decision-makers than any other service provider. Our clients choose us for our expertise, industry knowledge and proven ability to execute successful transactions. We are a community of experts who combine human ingenuity, experience and technology to deliver sustained outcomes and build trust.

The 'Swiss M&A Report – Market and valuation update' gives you an overview and insights into the current Health Industries M&A market in Switzerland and globally. You will find information on the overall transaction environment as well as current valuation levels of nine selected subsectors covering the entire Health Industries market.

PwC offers holistic M&A advisory services covering all aspects before, during and after a transaction. As your financial advisor, we coordinate and advise you along the entire transaction process, and we can support you on specific enquiries or individual parts of the transaction. With our wider Deals practice, we can support you on any transaction-related matter.

#1

M&A mid-market  
advisor

>25

completed transactions  
in 2023 in Switzerland

>600

completed transactions  
globally

## Who we are...



...the **leading M&A advisor**  
for mid-sized transactions in  
Switzerland and globally.



...your **ideal partner** for all  
matters before, during and after  
a transaction.



...a very experienced **M&A team**  
**focused** on the **Health**  
**Industry** advising on local and  
cross-border deals supported  
by our **global network**.

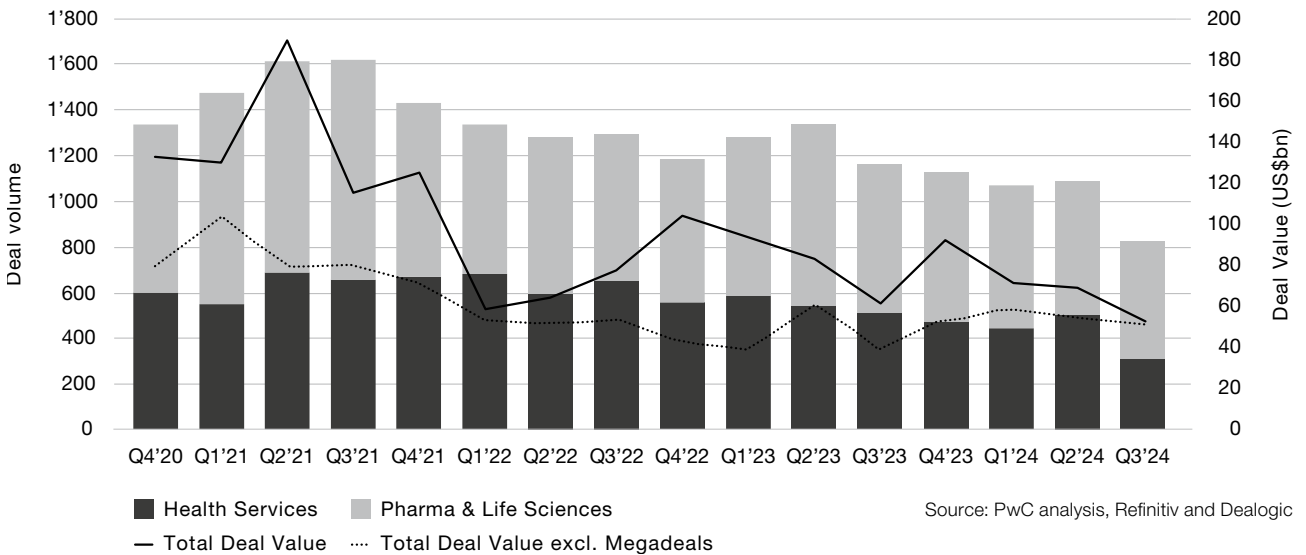


...**one-stop shop offering**  
additionally all other transaction-  
related services, e.g. legal  
and tax advice or due diligence  
and valuation services.

# Transaction environment

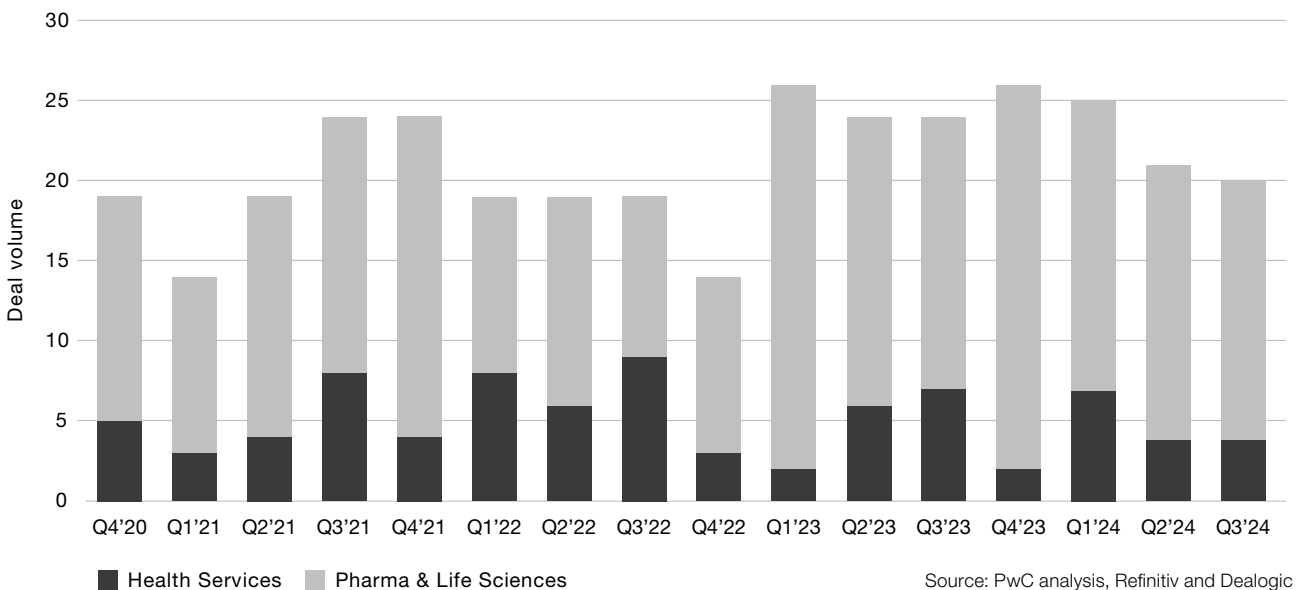
## Global Health Industries deal volumes and values, 2020–2024

Following a peak in global deal volumes and values in 2021, M&A activity has continued to decline, with Q3 2024 volumes declining 37% compared to Q3 2023.



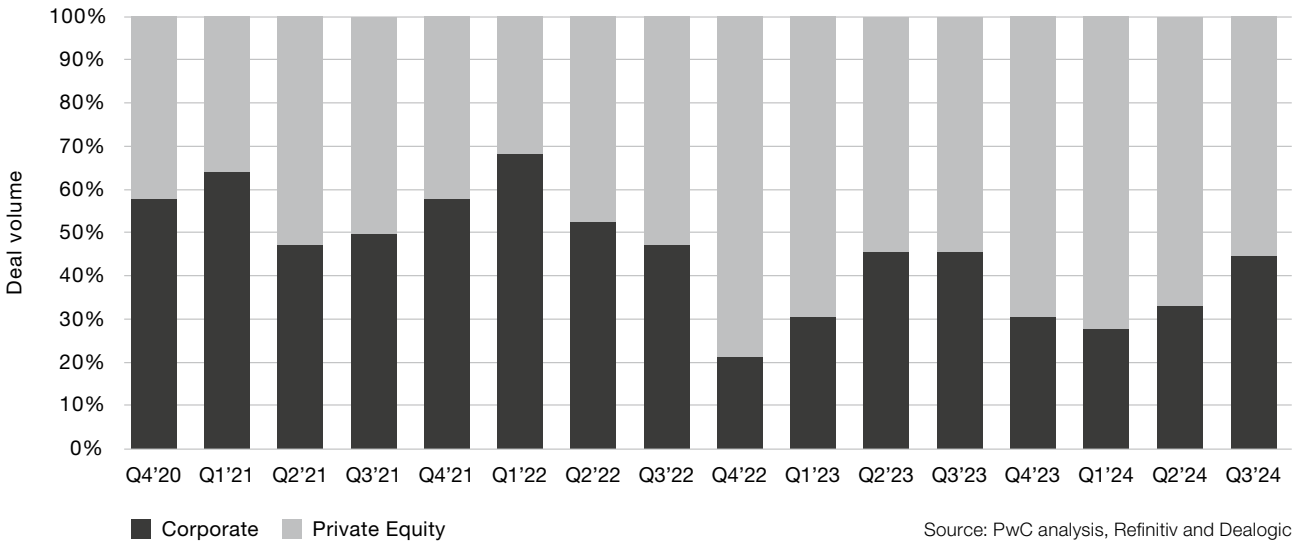
## Swiss Health Industries deal volumes, 2020–2024

Despite the observed Q3 2024 downturn in global M&A deal volumes, Swiss Health Industries dealmaking has had a softer decline, of 17% from Q3 2023 to Q3 2024, given the market's relative insulation from global macroeconomic factors, alongside continued strong buyer demand.



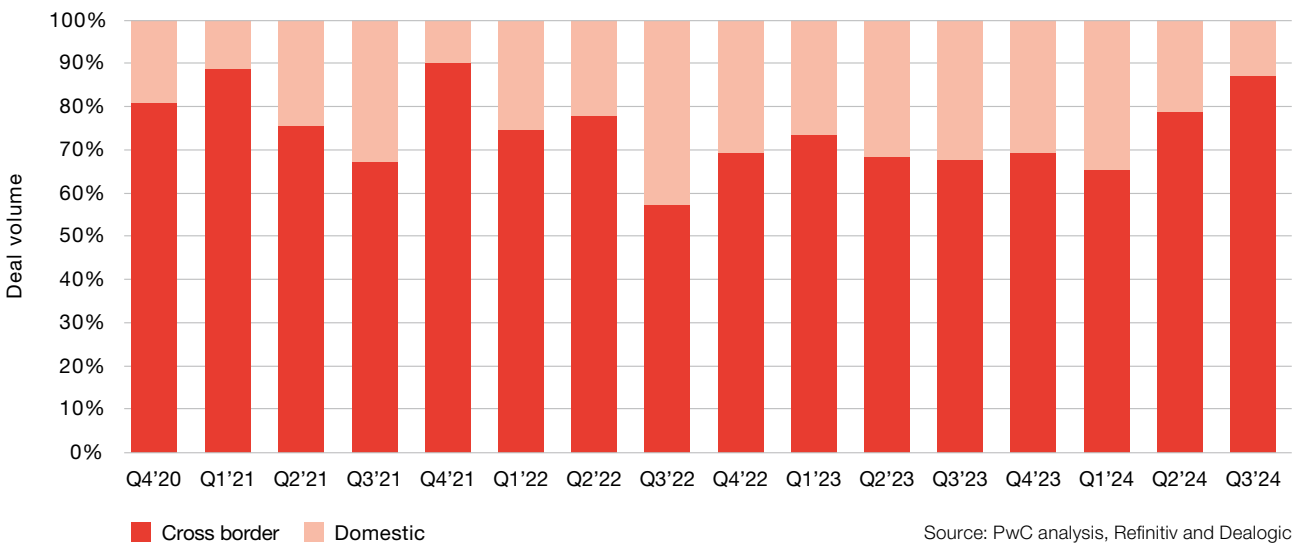
## Corporate vs. private equity in the Swiss Health Industries market, 2020–2024

Private Equity / Venture Capital deals outpaced Corporate dealmaking in Q3 2024, remaining broadly in line with the level seen in Q3 2023.



## Cross-border vs. domestic deals in the Swiss Health Industries market, 2020–2024

Even adjusting for changes in deal volumes, cross-border deal making has been very robust in Q3 2024 compared to prior periods. We would recognise this as early signs of risk-on recovery.



# Top 10 deals in the last six months

## Targets with Swiss HQ by date of announcement

Announced date	Target	Industry	Transaction type (stake)	Buyer	Seller	Deal value (in USD m)
25.11.2024	Baccinex SA	CDMO	Sale (majority stake)	Adragos Pharma GmbH	–	n.a.
07.10.2024	IntiQuan AG	CRO	Sale (100%)	Groupe Product Life SA	–	n.a.
17.09.2024	Neo Medical SA	MedTech	Investment (Series B)	Investor group led by Gyrus Capital SA	–	68
04.09.2024	Haya Therapeutics SA	Biotech	Sale (n.a.)	Eli Lilly & Co	–	n.a.
08.08.2024	Nursing Homes (Bad Säntisblick retirement home in Waldstatt)	Elderly and Specialists Care	Sale (100%)	Stiftung Liebenau	Fortimo Group AG	n.a.
16.07.2024	Asceneuron SA	Biotech	Investment (Series C)	Investor group led by Novo Holdings A/S	–	100
26.06.2024	Northstar Switzerland (Nicotine Replacement Therapy portfolio)	Consumer Health	Sale (100%)	Dr. Reddy's Laboratories SA	Haleon	634
20.06.2024	iOnctura BV	Biotech	Investment (Series B)	Investor group led by Syncona Ltd	–	86
28.05.2024	Numab Therapeutics AG (global rights to NM26)	Biotech	Sale (100%)	Johnson & Johnson	–	1'250
06.05.2024	Buhlmann Laboratories	MedTech	Sale (100%)	KLAR Partners	–	n.a.

Source: PwC analysis, Mergermarket, S&P Capital IQ, S&P Capital IQ Pro

Notes: Overview only includes deals where the target was headquartered in Switzerland.

# Health Industries sector overview

## Overview of operational key performance indicators

	Sales growth LTM-1	Sales growth LTM	EBITDA margin LTM-1	EBITDA margin LTM
Big Pharma	1.4%	6.3%	35.2%	34.5%
Biotech	7.1%	10.6%	30.0%	30.0%
Consumer Health/OTC	4.2%	-0.5%	14.1%	13.9%
CRO/CDMO	8.0%	3.2%	23.3%	22.7%
Diagnostic Services	-7.2%	5.4%	13.7%	11.6%
Elderly and Specialist Care	8.4%	11.3%	8.4%	8.8%
Generics	12.0%	10.1%	26.0%	27.7%
Hospitals	10.3%	10.2%	14.4%	13.9%
MedTech	5.6%	6.8%	24.5%	23.1%

## Overview of Revenue, EBITDA, and EBIT trading multiples

	EV/Revenue LTM	EV/Revenue 5y average	EV/EBITDA LTM	EV/EBITDA 5y average	EV/EBIT LTM	EV/EBIT 5y average
Big Pharma	4.1x	4.3x	11.1x	11.3x	17.2x	17.8x
Biotech	4.5x	5.6x	12.7x	14.3x	14.3x	21.3x
Consumer Health/OTC	1.6x	1.8x	11.7x	12.2x	15.6x	14.2x
CRO/CDMO	4.1x	5.1x	19.0x	20.1x	23.2x	29.5x
Diagnostic Services	1.9x	2.2x	10.7x	9.5x	21.1x	16.5x
Elderly and Specialist Care	1.7x	2.0x	9.7x	12.3x	16.4x	24.4x
Generics	3.8x	3.3x	13.9x	16.8x	16.3x	19.6x
Hospitals	1.3x	1.7x	8.8x	9.5x	14.4x	16.3x
MedTech	4.5x	5.2x	17.4x	19.8x	25.4x	27.3x

Source: PwC analysis, S&P Capital IQ, S&P Capital IQ Pro

Notes: Peer group categorisation is based on the Global Industry Classification Standard (GICS); Financial year figures for the peer group are based on the last 12 months (LTM) data available as per 18 November 2024.

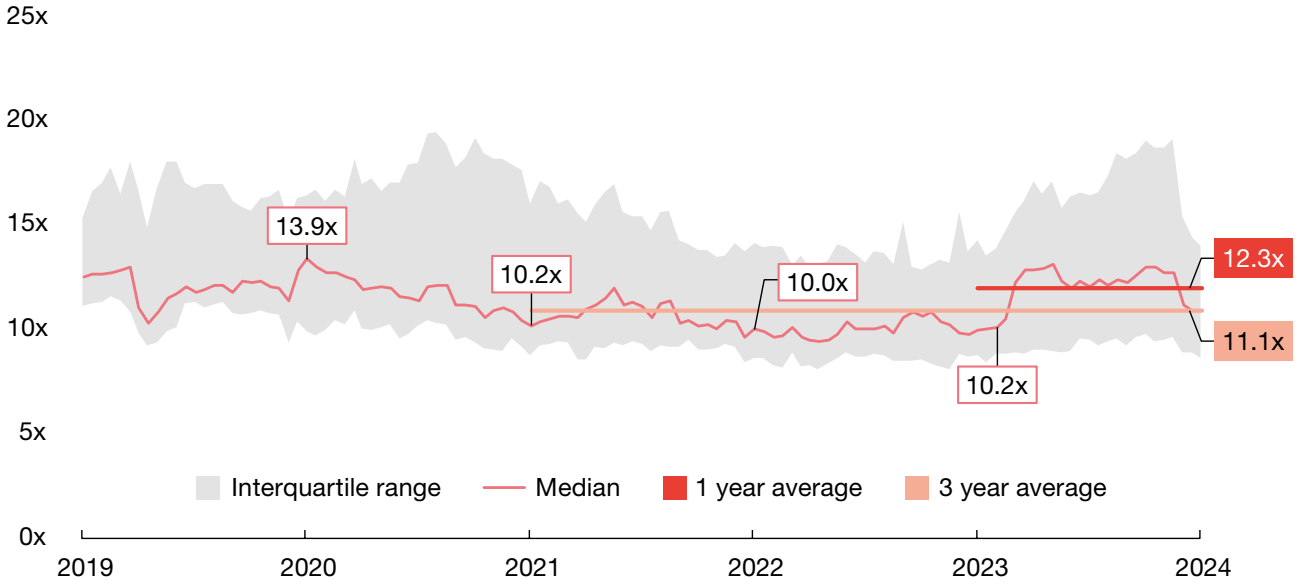


# Big Pharma

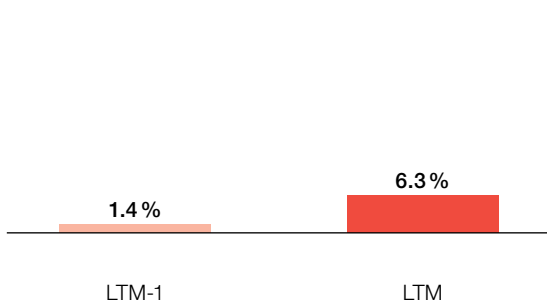


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	4.1x	11.1x	17.2x
5-year average	4.3x	11.3x	17.8x

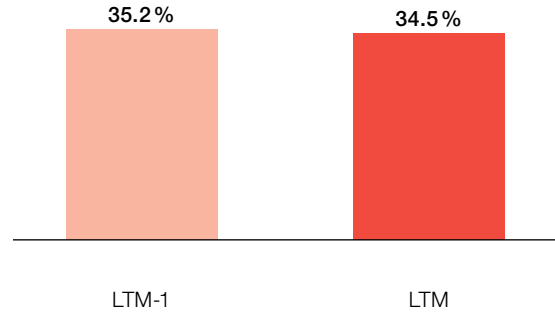
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin



## Selected examples of the peer group



\* EV/EBITDA LTM multiple for Novo Nordisk 24.3x

\*\* EV/EBITDA LTM multiple for Eli Lilly 41.8x



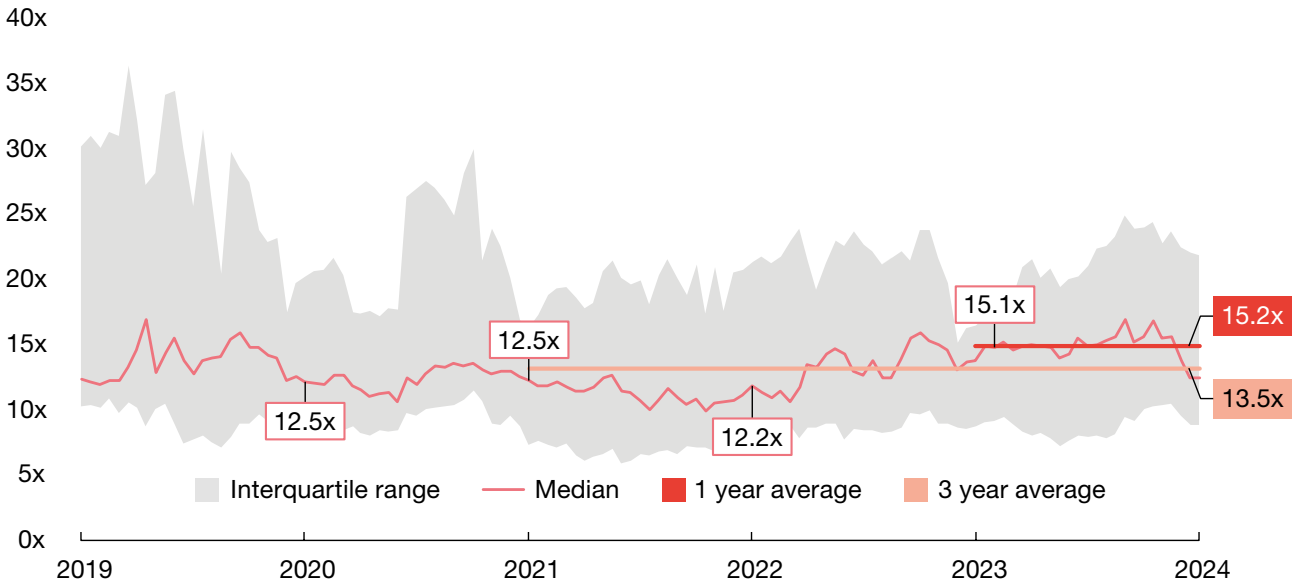


# Biotech

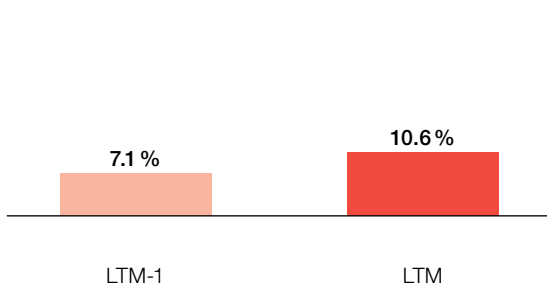


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	4.5x	12.7x	14.3x
5-year average	5.6x	14.3x	21.3x

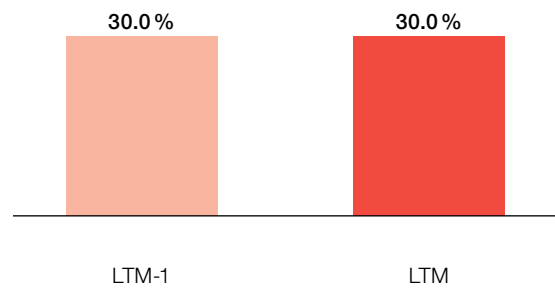
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin



## Selected examples of the peer group



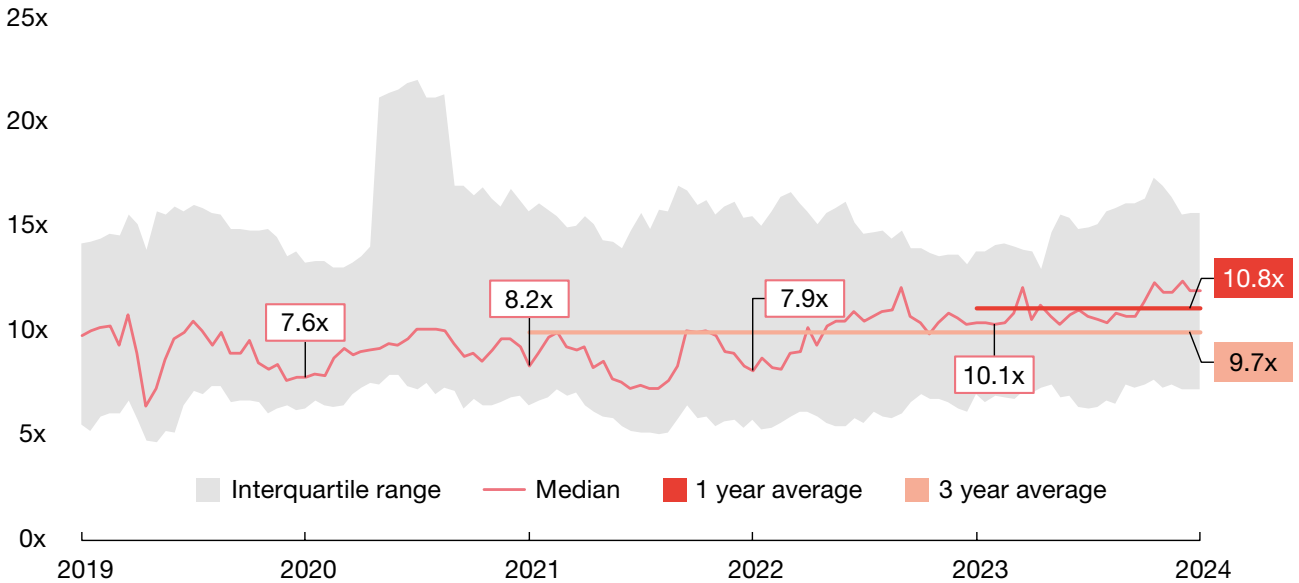


# Consumer Health/ OTC

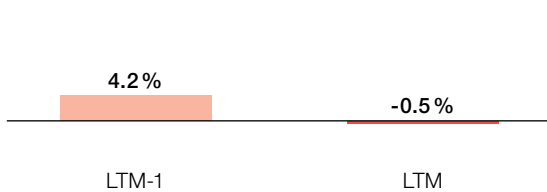


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.6x	11.7x	15.6x
5-year average	1.8x	12.2x	14.2x

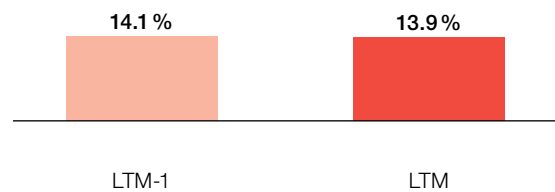
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin

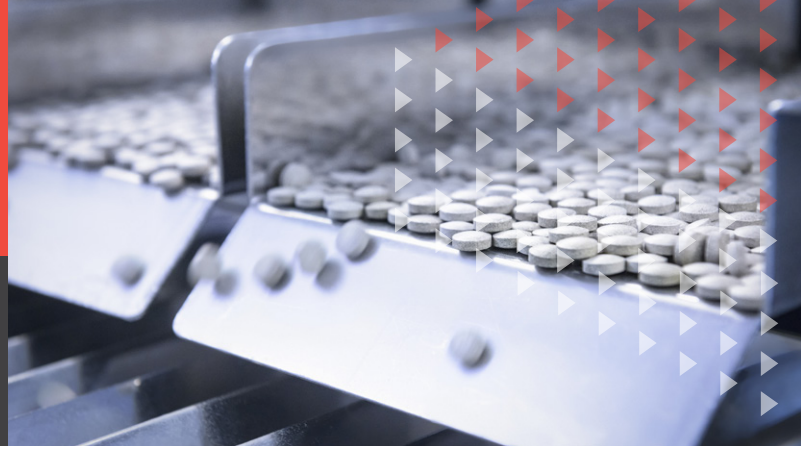


## Selected examples of the peer group



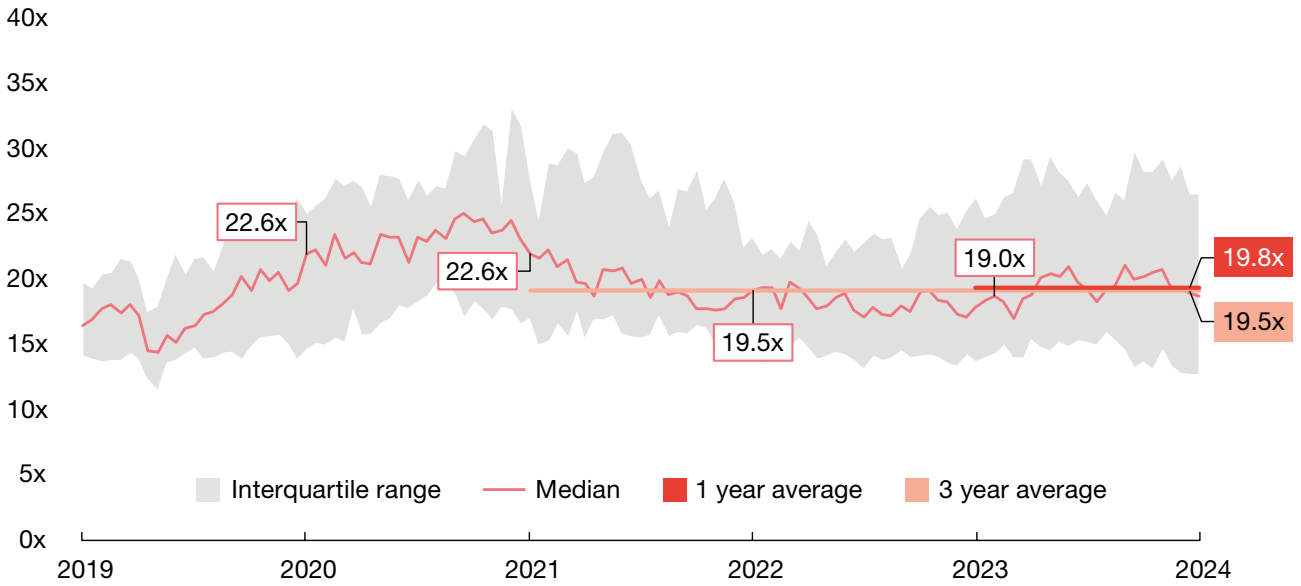


# CRO/CDMO

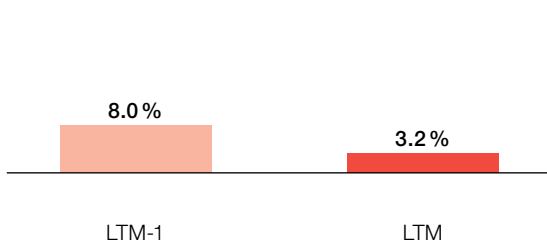


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	4.1x	19.0x	23.2x
5-year average	5.1x	20.1x	29.5x

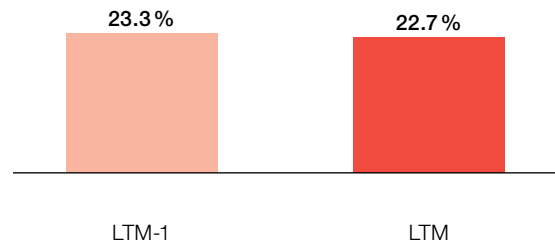
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin



## Selected examples of the peer group



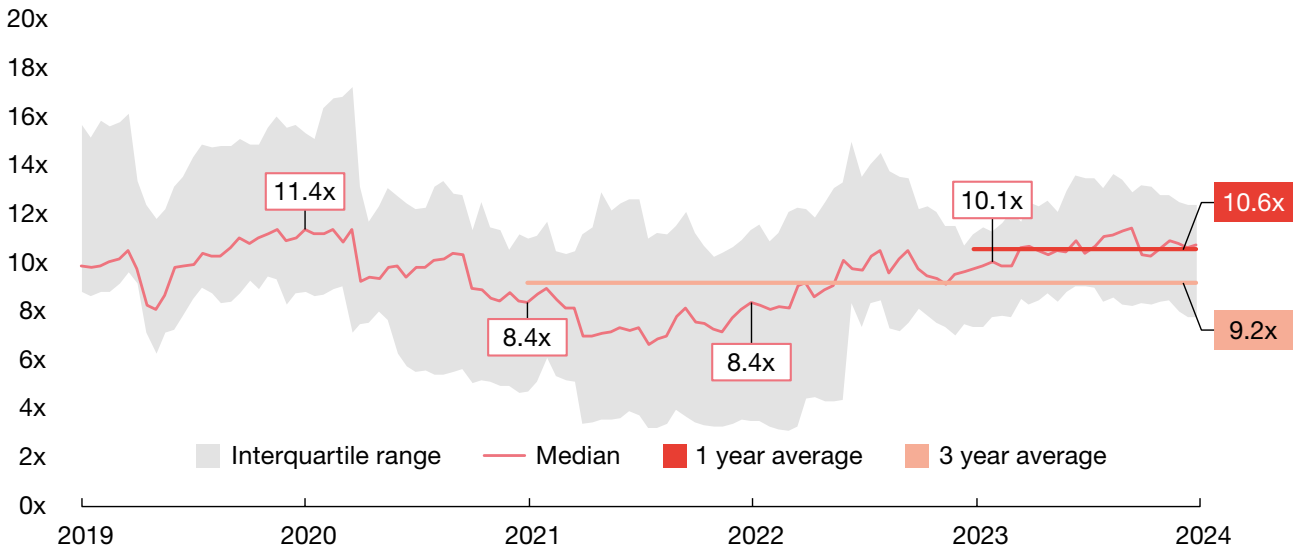


## Diagnostic Services

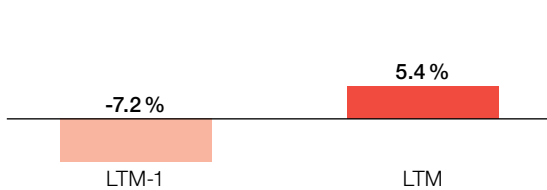


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.9x	10.7x	21.1x
5-year average	2.2x	9.5x	16.5x

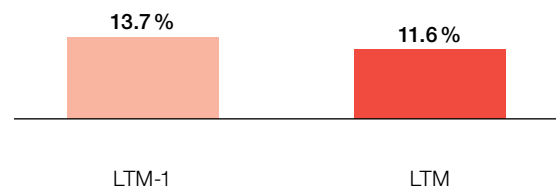
### EV/EBITDA LTM – Trading over time



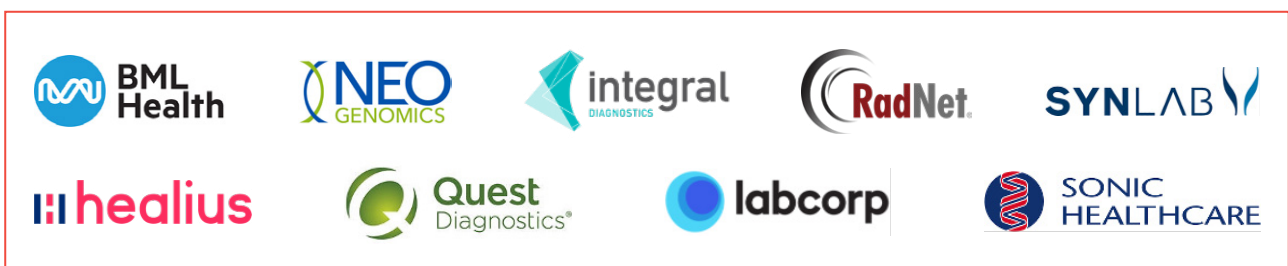
### Revenue growth



### EBITDA margin



### Selected examples of the peer group



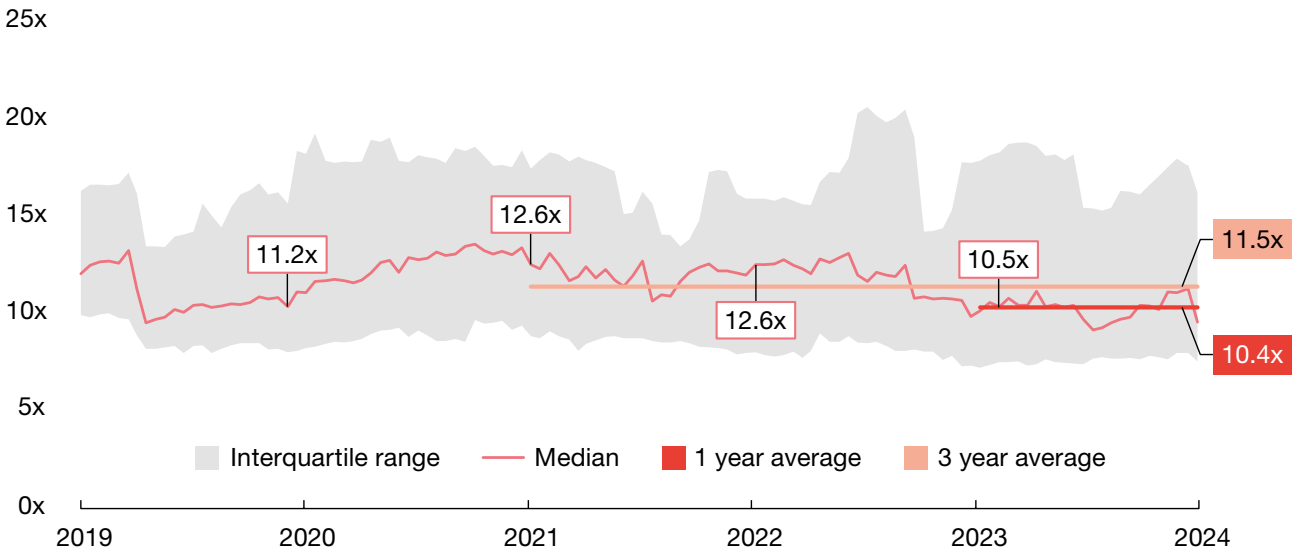


## Elderly and Specialist Care

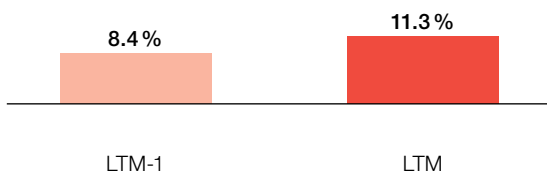


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.7x	9.7x	16.4x
5-year average	2.0x	12.3x	24.4x

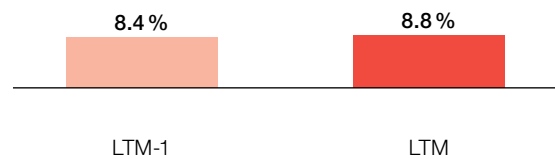
### EV/EBITDA LTM – Trading over time



### Revenue growth



### EBITDA margin



### Selected examples of the peer group





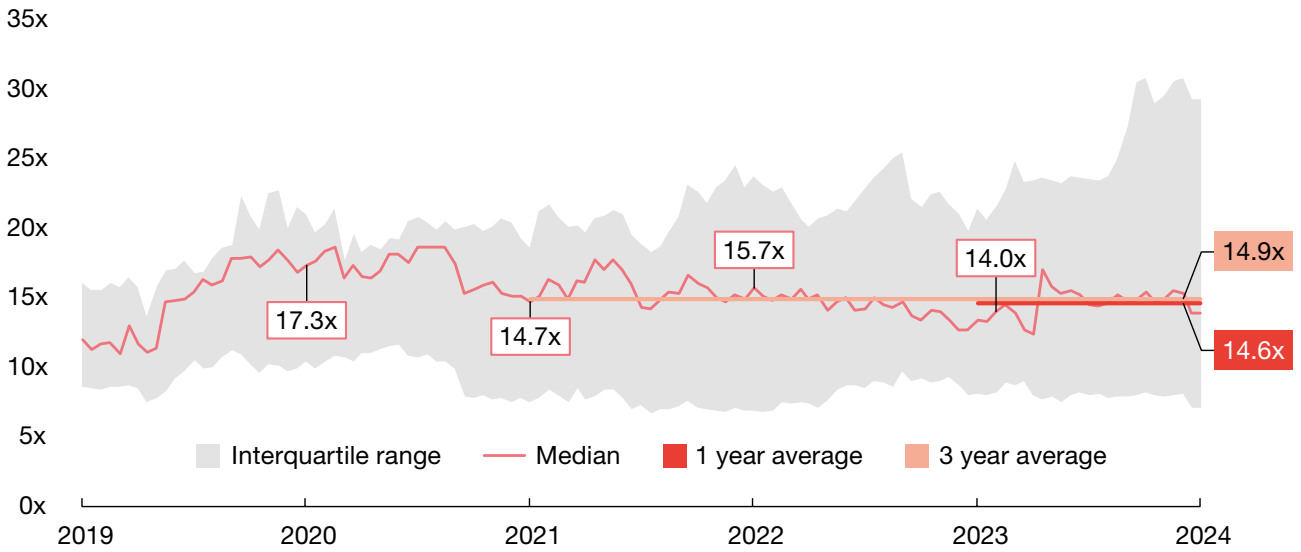


# Generics

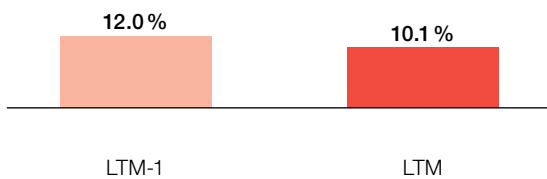


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	3.8x	13.9x	16.3x
5-year average	3.3x	16.8x	19.6x

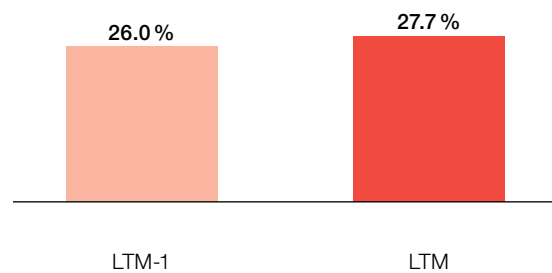
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin



## Selected examples of the peer group



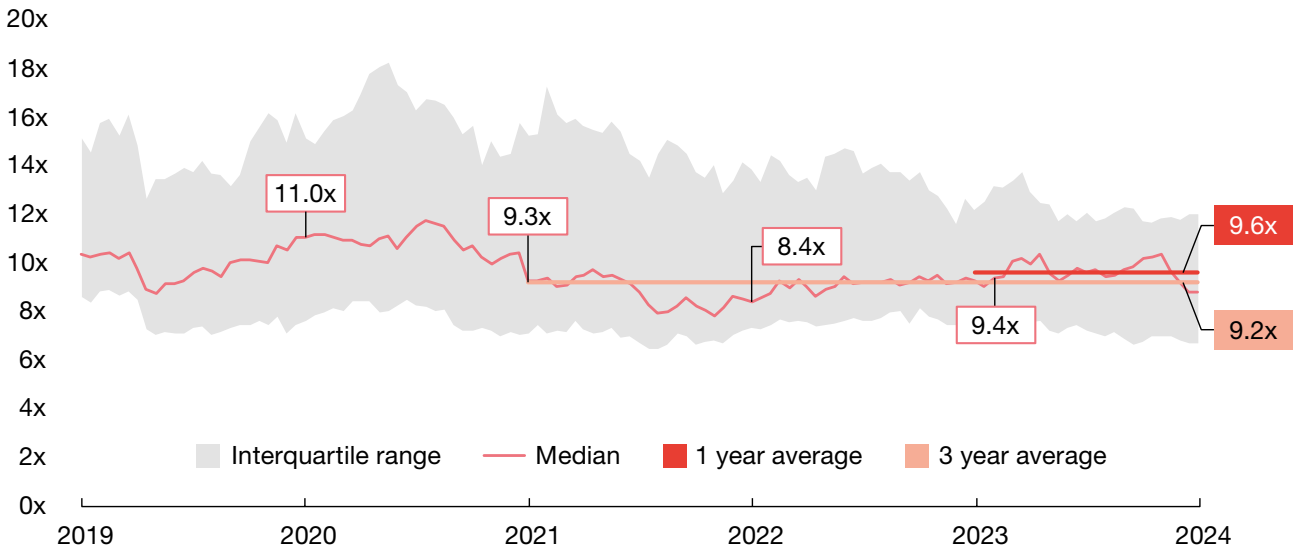


# Hospitals

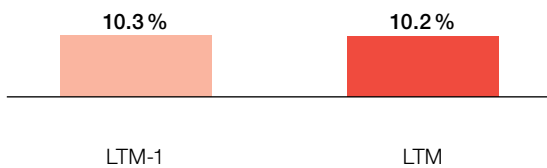


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.3x	8.8x	14.4x
5-year average	1.7x	9.5x	16.3x

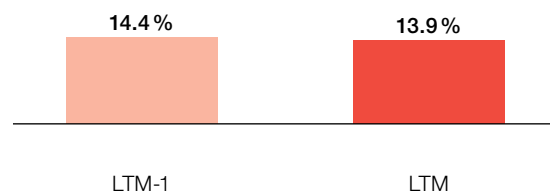
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin



## Selected examples of the peer group



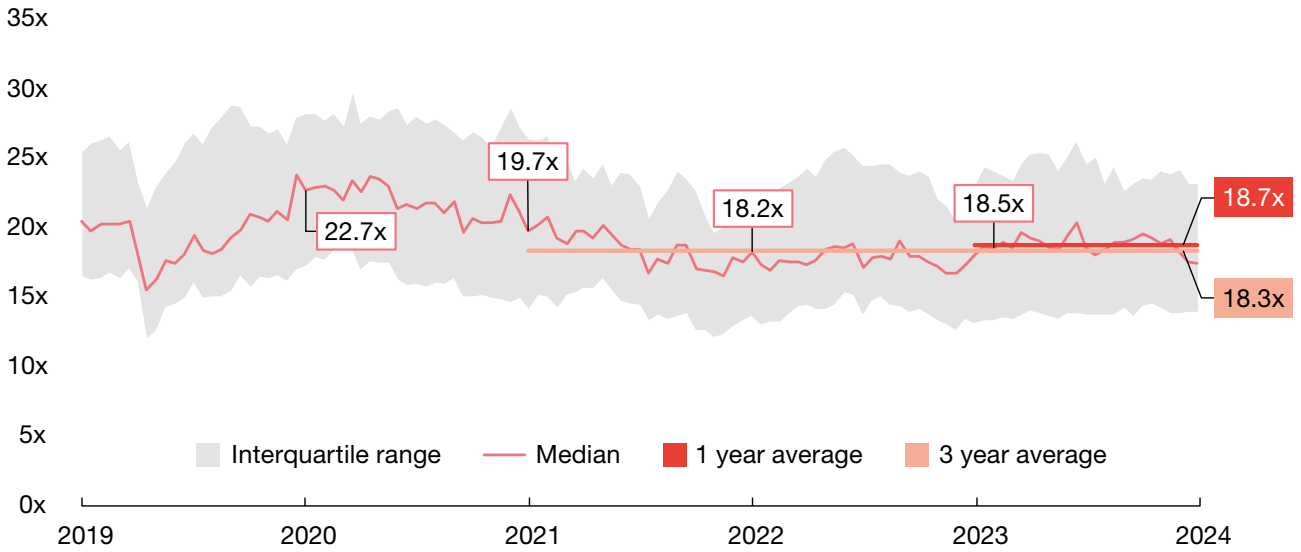


# MedTech

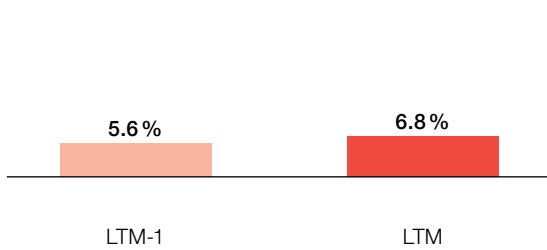


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	4.5x	17.4x	25.4x
5-year average	5.2x	19.8x	27.3x

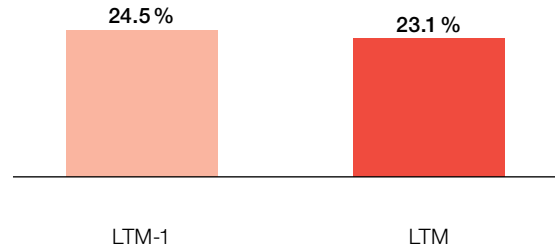
## EV/EBITDA LTM – Trading over time



## Revenue growth



## EBITDA margin



## Selected examples of the peer group





A background image showing a collection of laboratory glassware, including test tubes and beakers, some containing liquids of various colors like red, blue, and white. The glassware is arranged in a somewhat chaotic but organized manner, with some tubes in the foreground and others in the background, creating a sense of depth. The lighting is bright, highlighting the transparency and reflections on the glass surfaces.

“

Since our last report in June 2024, nearly all the sectors that we cover have declined by up to 2x on an EV/EBITDA basis given the continued challenges perceived by investors. Despite this and the ongoing year-on-year declines in global Health Industries dealmaking, the Swiss M&A market has remained strong, underpinned by solid Corporate and PE/VC demand, as well as cross-border activity rising to near 4-year highs.

**Peter Urbanek**  
Director, M&A Health Industries Lead

“

While global volumes are still down, we are optimistic about the short and mid-term outlook for the Health Industries M&A activity. With the pressure of the patent cliff looming, we see valuation of attractive assets continue to be high and again further drive value of CRO/CDMO businesses as well as in Diagnostics. We also see Private Equity getting more and more active, be it by preparing for exits and also by gearing up on the buy-side. For now, we are waiting for the catalyst to start the next rally.

**Luca Borrelli**  
Partner, Deals Health Industries Lead

# Why you should consider M&A and how we can help you



## Continuous disruption

According to creative destruction theory, businesses that do not keep up with current innovations and remain stuck in their status quo risk falling behind the competition and, ultimately, becoming obsolete. History has shown this to be true, including in the Health Industries market.

AI across Pharma and Healthcare, robotics and automation, 3D printing, predictive maintenance, digital transformation, portfolio renewal, Biotech integrations, supply chain digitisation, smart manufacturing, compliance and regulatory pressure optimisation, advanced data analytics

## How does your business stay relevant?



### ...its threats

Declining revenues, lack of motivation, new projects, lack of innovation, status quo, financial stress, critical mass, non-core assets, ongoing consolidation, large platforms/one-stop shops, skill shortage, increasing regulatory requirements, changing consumer behaviour, new generation, globalisation, ESG



### ...its opportunities

Product innovations, new markets, customers diversification, market share, improved market position, synergies, economies of scale, consolidation, exit, succession, expansion, bilateral offer, multiple arbitrage, portfolio diversification, technological leadership, buy and build, new partner for growth, joint venture, enhanced bargaining power, financial stress/needs

We are convinced that M&A can help your business to stay relevant for a long time, secure or monetise your

life's work and protect you from the risks resulting from the ever-increasing pressure to innovate.

## Professional M&A advice mitigates the stumbling blocks to M&A transactions



### ...and actions to succeed

Auction process, exit strategy, re-investment, tax optimisation, due diligence, integration, normalised earnings, adjusted EBITDA, small cap discount, illiquidity discount, control premium, equity story, sale preparation, acquisition strategy, SPA, Information Memorandum, Management Presentation, value drivers, value creation, net working capital target, net debt, equity value, Enterprise Value, multiple analysis, net present value, negotiation

The market value, if professionally considered, depends on multiple factors and needs careful analysis. It is critical to define and pursue well-defined transaction goals to realise a successful and rewarding transaction.

With our highly experienced team, we can help you benefit from the numerous advantages of M&A transactions and mitigate the respective risks, whether your objectives be strategic, financial or personal. The transaction process can be a bumpy ride – but with professional preparation and collaboration throughout the process, it can be the successful end of one chapter and the beginning of a new chapter that opens many new opportunities – and not only in the field of M&A!

The value of businesses is not just the EBITDA multiple times EBITDA – although this can be a good proxy.



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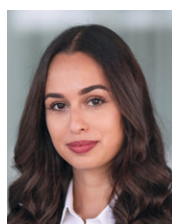
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