

VALUE FOCUS

HEALTHCARE FACILITIES

Q1 2025

SECTOR FOCUS: DENTAL SERVICE ORGANIZATIONS



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OVERVIEW

Over the past decade, Private Equity (PE) funds have scaled their platform and add-on expansions in healthcare, deploying over \$1 trillion worth of capital. In 2021 alone, the sector saw over **\$200 billion** in acquisitions. Low interest rates fueled PE expansions during the pandemic. After this “golden period,” when rates began to normalize, firms began searching for secure investments with stable cash flows, even in economic recessions. The necessity for acquisitions that provide steady cash flow and offer opportunities for consolidation have led the biggest players in the industry to focus on dental practices. The large firms typically do not invest in single offices; instead, they acquire Dental Service Organizations (DSOs), creating conglomerate networks of dental practices. Dental practices are unique among other businesses due to their abnormally high margins and categorization as essential healthcare workers. No matter what economic events occur, people of all ages are encouraged to routinely see dentists. Routine bi-annual checkups/cleanings for every family member have become a consistent source of cash flow for dental practices. Most of these PE funds have agreed to a 3-month **SOFR +4.5%** to fund 50% of dental acquisitions, and the remaining 50% is backed by equity. With the Fed rates expected to drop by the end of 2025, acquisitions are set to remain constant until the Fed begins to cut rates. As rates fall, we expect acquisitions to rise increasingly as the funds capitalize on the variable interest rates of their loans.

In This Issue

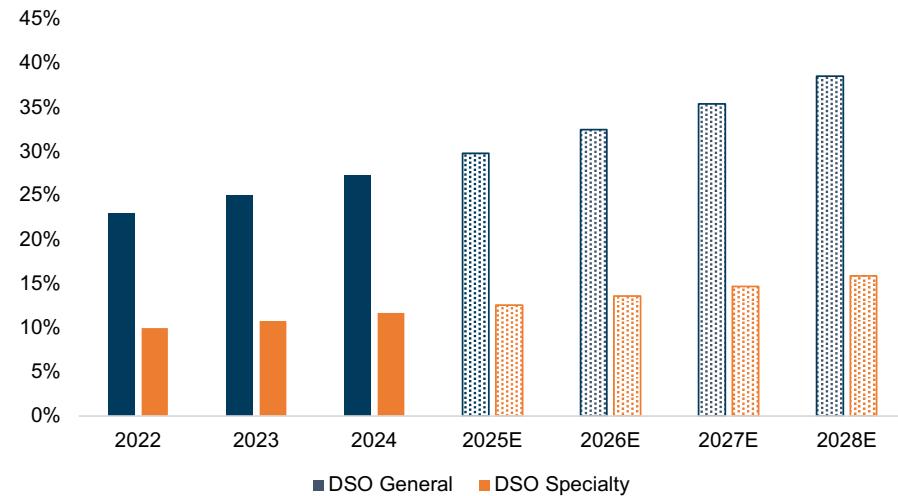
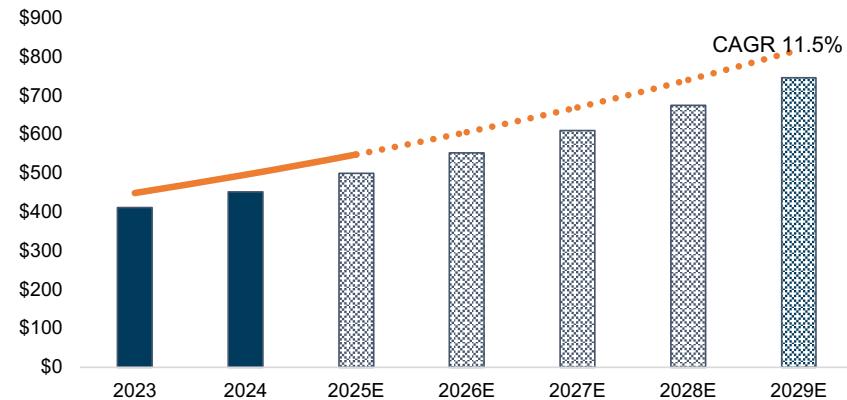
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Learn More about Mercer Capital & our Healthcare Facilities Services at www.mercercapital.com

SECTOR FOCUS

Dental Service Organizations

Dental Service Organizations (DSOs) are run by professionals who help manage the financial reporting, marketing, compliance, and back-end operations of the practices they own. This service alleviates dentists of the complexities of running a business and allows them to focus on patient-first care. In the past two years, the DSO market has seen significant growth, expanding from \$412 billion in 2023 to \$453 billion in 2024. The market is expected to grow at a CAGR of 11.5%, but even with conservative estimates, the market will be worth over **\$700 billion by 2029**. This high growth can be attributed to the attraction of equity rollover offerings by PE funds when DSOs acquire practices and the operational support provided to the practices. In 2024, around 27% of general practices were affiliated with DSOs, and by 2028, an estimated 39% of these practices will be affiliated with DSOs. Although currently most DSOs are targeting general dental practices, there has been stable growth in specialized DSOs acquiring orthodontic, periodontic, and oral surgery practices. By 2028, an estimated 16% of specialized practices will be affiliated with **DSOs**. These specialized practices have even higher margins than general practices and have been receiving more referrals each year, making them particularly attractive to PE firms.

% Of Dental Practices Affiliated With DSOs**DSO Market Size (\$B)**

PRIVATE EQUITY INVOLVEMENT

Private Equity firms continue to acquire DSOs because of their ability to scale growth through the consolidation of dental practices in a fragmented market. When PE firms acquire DSOs, they begin to leverage them with debt to prompt rapid acquisitions of practices. Typically, a DSO will acquire at least 70% of equity in the dental practice and give the practice's owner(s) an option to have equity roll-over in the PE fund as an additional bonus. These practices are typically acquired at 4-7x EBITDA or 1-1.5x **revenue**. Once acquired, the practice will pay the DSO a

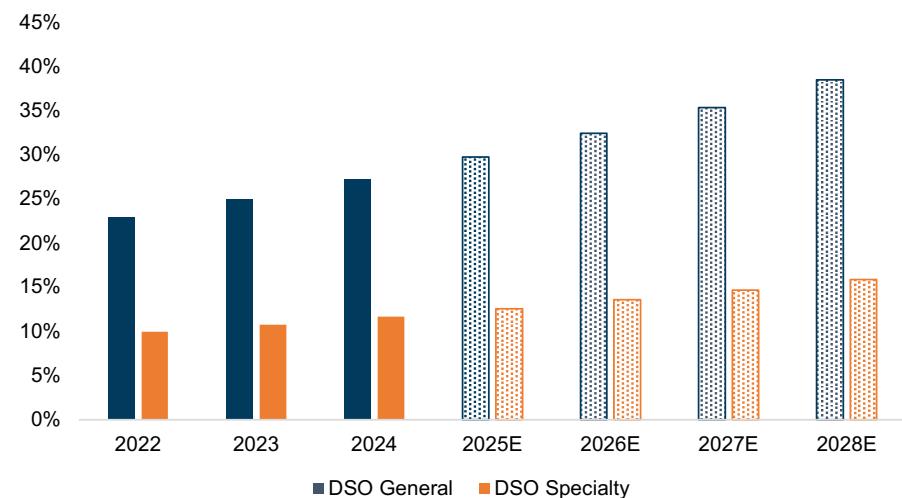
fixed percentage of its profits every year. Out of the top 30 DSOs in size, PE firms own majority stakes in **27 of them**. DSOs that are not engaged with PE firms will perform similar acquisition strategies to the PE-backed firms anyway. Typically, the PE firms will form these large syndicates and then sell them to another PE firm for 10-12x EBITDA. Through these types of activities, the dental market has become less fragmented, and equipment has now become standard throughout their networks. Universities that have their own PE funds, like UNC Chapel Hill, have begun to acquire DSOs to buy practices in their state, further expanding their university's reputation throughout the **region**.

DSO	PE Backer	Number of Practices	Acquisition Price (\$)
Heartland Dental	KKR	1700	Undisclosed
The Aspen Group	Ares Management and Leonard Green	1100	500M
Pacific Dental Smile Brand	Genesis Capital	930	311M
Sonrava Dental	New Mountain Capital	600	2.7B
Affordable Care	Brekshire Partners and Partners Private Equity	400	Undisclosed
MB2	Warburg Pincus	400	Undisclosed
Dental Care Alliance	Harvest Equity	360	Undisclosed
Great Expressions Dental Centers	Roark Capital Group	349	Undisclosed
North American Dental	Jacobs Holding	250	200M
Interdent	H.I.G Capital	172	Undisclosed
Specialty1	Centerbridge Partners	150	300M
Benevis Dental	New Mountain Capital	120	Undisclosed
Rock Dental Brands	Twin Brook Capital	100	90M
Beacon Oral Specialists	Blue Sea Capital	91	150M
Gen4 Dental Partners	Thurston Capital	79	Undisclosed
Dentive	HGGC	74	Undisclosed
Five Point Dental	Tecum Casala Hilltop Capital	60	Undisclosed
DecisionOne	Gryphon Investors	50	Undisclosed
Affinity Dental Management	Midocean Partners	47	Undisclosed
Allied OMS	DuneGlass Capital	32	Undisclosed

WHY DSOs?

In the past two years, practices have seen an average increase in net income of \$50,000 after joining a DSO. This can be attributed to dentists being able to focus solely on patient care instead of worrying about business operations. By forming conglomerate networks of practices, PE firms can then receive bulk deals on software, technology, and dental tools to further increase the efficiency of these practices. Dental practices already have outstanding margins ranging from 30-40% of their revenue, and specialized practices' margins are around 50%. Once a practice is acquired and placed under the DSO network, its margins increase along with its customer base. The increased efficiency provides the DSO and PE firms with stable and increasing cash flow. Given that the average acquisition cost for a practice is around \$1.5 million, and the dentists receive equity in the DSO/PE Fund, both parties remain happy under this agreement. In the first quarter of 2025 alone, MB2 acquired 6 new practices and Morgan Stanley Private Credit announced its backing of a **DSO**. Since the market is becoming saturated with DSOs, dentists have the opportunity to evaluate multiple competitive offers for their practices. The majority of practice owners are selling to PE firms looking for growth or add-on opportunities, not platform purchases from new funds. Since these growth purchases happen a few years into the fund, dentists can see the current performance of the fund and evaluate their equity rollover options. The offer of having equity in an existing fund convinces most dentists to sell to established DSOs. This has effectively monopolized the dental practice acquisition market and has driven up acquisition prices to around 8x EBITDA if new DSOs want to make platform purchases.

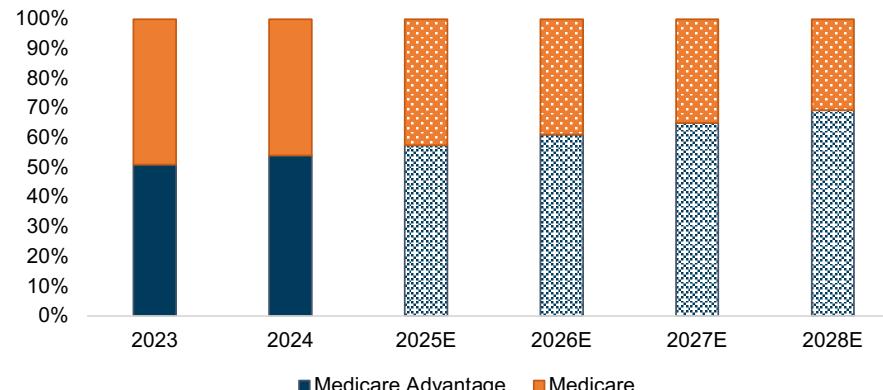
% Of Dental Practices Affiliated With DSOs



MEDICARE ADVANTAGE

With the new administration change in 2024, healthcare is set to experience some major changes. The most prevalent change to the U.S. healthcare market is the idea of “free market” healthcare. This particularly affects the 65 and over population with the decision of Medicare and Medicare Advantage (MA) plans. MA plans provide Part A and Part B coverage to customers, which includes routine dental checkups and coverage. This allows the elderly to not have to pay additional premiums for dental coverage, as they would under traditional Medicare. In 2024, 54% of Medicare customers were enrolled in MA, and by 2028, an estimated 69% of customers will choose **MA plans**. These advantage plans have been providing new and recurring customer bases for dental practices and will continue to increase visits in the coming years. Although there are ethical concerns with the MA providers denying claims of the elderly, enrollment is being pushed by the government and shows no signs of stopping. MA enrollment helps DSOs gather more profit and have a wider range of ages in their customer base.

Medicare Advantage vs. Medicare Enrollment



ETHICAL CONCERN

Although the DSO model delivers meaningful economic and operational efficiencies, there are still a multitude of ethical and compliance risks concerning PE funds. There have already been lawsuits filed against DSOs for pressuring dentists to sell high margin procedures that lack **necessity**. This has exposed PE firms to litigations concerning fraud and abuse claims. Since DSOs also use centralized IT systems, there has been a rising concern of HIPAA violations when PE firms have access to patient data. Because the DSO market is at an immature stage, regulatory oversight to protect patient privacy and safety has not kept up pace with the sector's expansion. Finally, dentists have no obligations to disclose their private equity ownership with patients. This lack of transparency can cause trust issues between the dentist and patient, leading to a dishonest reputation among DSOs. For the sector to continue growing, strict compliance practices, advanced data security protocols, and voluntary ownership disclosures may be implemented to sustain patient confidence and satisfaction.

HEALTHCARE SNAPSHOT: STOCKS

Healthcare Equipment & Supplies

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
BAX	Baxter International Inc.	\$34.23	\$15,435	\$29,302	\$10,636	\$1,885	17.4%	-19.9%	2.76x	2.26x	15.5x	10.6x	NM	13.8x	43.5%	17.7%	-4.2%
BDX	Becton, Dickinson and Company	229.06	48,912	83,801	20,178	5,164	1.0%	-7.4%	4.15x	3.82x	16.2x	12.7x	38.6x	15.8x	45.2%	25.6%	6.6%
CAH	Cardinal Health, Inc.	137.77	37,110	36,947	226,827	2,856	16.5%	23.1%	0.16x	0.16x	12.9x	11.3x	25.7x	16.3x	3.3%	1.3%	-27.7%
COR	Cencora, Inc.	278.09	56,509	60,571	293,959	4,152	23.8%	14.4%	0.21x	0.18x	14.6x	12.8x	39.6x	17.7x	3.3%	1.4%	209.1%
HOLX	Hologic, Inc.	61.77	14,048	14,423	4,030	1,272	-14.3%	-20.8%	3.58x	3.58x	11.3x	10.8x	19.6x	14.2x	61.0%	31.6%	15.6%
ISRG	Intuitive Surgical, Inc.	495.27	197,793	173,671	8,352	2,826	-5.1%	24.1%	20.79x	18.02x	61.5x	43.5x	77.1x	61.5x	69.1%	33.8%	15.6%
MCK	McKesson Corporation	672.99	89,440	93,382	308,951	5,107	18.1%	25.4%	0.30x	0.22x	18.3x	13.3x	30.8x	18.5x	4.0%	1.7%	-211.4%
RMD	ResMed Inc.	223.85	36,205	33,130	4,685	1,534	-2.1%	13.0%	7.07x	6.12x	21.6x	16.5x	26.4x	22.6x	57.7%	32.7%	22.7%
TMO	Thermo Fisher Scientific Inc.	497.60	150,971	215,074	42,879	10,842	-4.3%	-14.4%	5.02x	4.93x	19.8x	19.0x	30.1x	21.3x	42.2%	25.3%	13.1%
WST	West Pharmaceutical Services,	223.88	15,134	16,006	2,893	749	-31.7%	-43.4%	5.53x	5.53x	21.4x	22.7x	33.5x	36.5x	34.5%	25.9%	17.7%
Median		\$43,011	\$48,759	\$15,407	\$2,841	-0.6%	2.8%	3.87x	3.70x	17.3x	13.0x	30.8x	18.1x	42.9%	25.4%	14.3%	

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Pharmaceuticals

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
ABT	Abbott Laboratories	\$132.7	\$230,058	\$237,602	\$41,950	\$10,714	17.3%	16.7%	5.66x	5.34x	22.2x	20.2x	17.2x	25.8x	43.5%	25.5%	30.9%
ABBV	AbbVie Inc.	209.52	370,636	433,139	56,334	26,718	17.9%	15.1%	7.69x	7.34x	16.2x	15.1x	89.5x	17.1x	45.2%	47.4%	62.3%
AMGN	Amgen Inc.	311.55	167,366	216,272	33,424	15,157	19.5%	9.6%	6.47x	6.15x	14.3x	11.8x	28.5x	15.1x	3.3%	45.3%	67.6%
AZN	AstraZeneca PLC	145.40	225,462	251,283	54,073	17,567	11.0%	7.7%	4.65x	4.40x	14.3x	12.4x	29.3x	16.4x	3.3%	32.5%	17.6%
BMY	Bristol-Myers Squibb Company	60.99	124,100	164,231	48,300	19,407	7.8%	12.5%	3.40x	3.55x	8.5x	9.3x	22.8x	9.1x	61.0%	40.2%	-38.9%
LLY	Eli Lilly and Company	825.91	741,658	772,729	45,043	19,268	7.0%	6.2%	17.16x	13.08x	40.1x	28.1x	67.2x	35.5x	69.1%	42.8%	84.3%
GILD	Gilead Sciences, Inc.	112.05	139,685	155,355	28,754	13,454	21.3%	53.0%	5.40x	5.44x	11.5x	9.9x	23.7x	14.1x	4.0%	46.8%	2.3%
JNJ	Johnson & Johnson	165.84	399,649	412,961	88,821	29,940	14.7%	4.8%	4.65x	4.59x	13.8x	12.4x	18.5x	15.7x	57.7%	33.7%	20.1%
MRK	Merck & Co., Inc.	89.76	226,737	251,377	64,168	29,134	-9.8%	-32.0%	3.92x	3.87x	8.6x	8.2x	13.0x	10.0x	42.2%	45.4%	40.8%
PFE	Pfizer Inc.	25.34	143,715	190,950	63,627	23,322	-4.5%	-8.7%	3.00x	3.00x	8.2x	7.1x	18.4x	8.6x	34.5%	36.7%	9.1%
Median		\$226,100	\$244,443	\$51,187	\$19,338		12.8%	8.6%	5.03x	4.96x	14.0x	12.1x	23.3x	15.4x	42.9%	41.5%	25.5%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

BioTech

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
ABT	Abbott Laboratories	\$132.7	\$233,034	\$239,733	\$41,950	\$10,714	17.3%	16.7%	5.71x	5.34x	22.4x	20.2x	17.2x	25.8x	56.2%	25.5%	30.9%
ALNY	Alnylam Pharmaceuticals, Inc.	270.02	40,160	40,250	2,248	-120	14.8%	80.7%	17.90x	12.08x	NM	NM	NM	NM	85.6%	-5.3%	362.3%
BIIB	Biogen Inc.	136.84	19,101	23,124	9,676	2,996	-10.5%	-36.5%	2.39x	2.59x	7.7x	7.0x	28.5x	8.7x	77.9%	31.0%	10.4%
BSX	Boston Scientific Corporation	100.88	152,131	163,347	16,747	4,271	12.9%	47.3%	9.75x	8.35x	38.2x	28.1x	29.3x	35.3x	70.3%	25.5%	8.9%
INCY	Incyte Corporation	60.55	13,016	10,650	4,241	178	-12.3%	6.3%	2.51x	2.00x	60.0x	7.7x	22.8x	10.4x	92.6%	4.2%	0.8%
KRYS	Krystal Biotech, Inc.	180.30	3,833	3,077	291	106	15.1%	1.3%	10.59x	9.98x	29.1x	20.1x	43.4x	25.4x	93.1%	36.4%	10.3%
MRNA	Moderna, Inc.	28.35	10,102	2,454	3,236	-3,756	-31.8%	-73.4%	0.76x	2.32x	NM	NM	NM	NM	54.8%	-116.1%	-28.8%
REGN	Regeneron Pharmaceuticals, Inc.	634.23	51,044	36,123	14,202	4,628	-11.0%	-34.1%	2.54x	4.27x	7.8x	12.0x	18.5x	14.9x	88.2%	32.6%	16.0%
SRPT	Sarepta Therapeutics, Inc.	63.82	3,853	4,687	1,902	256	-47.5%	-50.7%	2.46x	2.18x	18.3x	6.4x	13.0x	7.9x	83.2%	13.4%	19.7%
VRTX	Vertex Pharmaceuticals Inc.	484.82	113,972	104,263	11,020	4,775	20.4%	16.0%	9.46x	9.89x	21.8x	20.9x	18.4x	26.9x	86.1%	43.3%	-3.2%
Median		\$29,630	\$29,624	\$6,959	\$1,626		1.2%	3.8%	4.13x	4.80x	22.1x	16.1x	20.6x	20.1x	84.4%	25.5%	10.3%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Healthcare Providers

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
CYH	Community Health Systems, Inc.	\$2.70	\$508	\$12,650	\$12,634	\$1,249	-9.7%	-22.9%	1.00x	0.95x	10.1x	7.8x	NA	NM	NA	9.9%	33.8%
ELV	Elevance Health, Inc.	434.96	86,906	109,526	176,810	9,856	17.9%	-16.1%	0.62x	0.50x	11.1x	7.6x	16.9x	12.6x	16.8%	5.6%	14.8%
EHC	Encompass Health Corporation	101.28	12,226	15,611	5,373	1,175	9.7%	22.6%	2.91x	NM	13.3x	11.2x	22.7x	21.1x	NA	21.9%	23.3%
HCA	HCA Healthcare, Inc.	345.55	91,779	140,129	70,603	13,859	15.1%	3.6%	1.98x	1.76x	10.1x	9.0x	15.7x	13.9x	40.6%	19.6%	824.4%
LH	Labcorp Holdings Inc.	232.74	21,105	27,334	13,009	1,701	1.5%	6.5%	2.10x	1.78x	16.1x	10.4x	26.3x	14.5x	27.9%	13.1%	9.4%
SEM	Select Medical Holdings Corp.	16.70	1,972	5,032	5,187	411	-11.4%	-44.6%	0.97x	0.77x	12.2x	8.0x	9.8x	15.0x	12.2%	7.9%	7.3%
THC	Tenet Healthcare Corporation	134.50	15,961	30,604	20,665	4,036	6.6%	28.0%	1.48x	1.31x	7.6x	6.7x	4.1x	11.1x	82.4%	19.5%	57.8%
CI	The Cigna Group	329.00	83,087	104,662	247,121	11,446	19.1%	-9.4%	0.42x	0.44x	9.1x	8.6x	27.1x	11.1x	10.5%	4.6%	8.6%
ENSG	The Ensign Group, Inc.	129.40	8,657	10,325	4,260	443	-2.6%	4.0%	2.42x	1.48x	23.3x	12.8x	25.3x	20.7x	20.7%	10.4%	17.9%
UHS	Universal Health Services, Inc.	187.90	12,185	17,253	15,828	2,270	4.7%	3.0%	1.09x	0.98x	7.6x	6.9x	11.2x	9.8x	NA	14.3%	17.9%
Median		\$14,094	\$22,293	\$14,418	\$1,986	5.6%	3.3%	1.29x	0.98x	10.6x	8.3x	16.9x	13.9x	20.7%	11.7%	17.9%	

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Healthcare Services

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
ALHC	Alignment Healthcare, Inc.	\$18.62	\$2,926	\$2,810	\$2,704	-\$71	65.5%	275.4%	1.04x	0.91x	-39.4x	70.7x	NM	NM	11.2%	-2.6%	-98.9%
AMN	AMN Healthcare Services, Inc.	24.46	769	1,750	2,984	294	2.3%	-60.9%	0.59x	0.71x	6.0x	8.6x	NM	24.0x	30.8%	9.8%	-19.1%
CNC	Centene Corporation	60.71	27,289	30,897	147,169	6,188	0.2%	-22.6%	0.21x	0.18x	5.0x	7.3x	9.6x	8.3x	21.2%	4.2%	12.6%
CLOV	Clover Health Investments, Corp.	3.59	1,537	1,381	1,371	-45	14.0%	352.1%	1.01x	0.90x	-31.0x	36.7x	NM	NM	26.6%	-3.3%	-14.7%
CVS	CVS Health Corporation	67.75	79,797	148,537	370,656	12,616	50.9%	-15.1%	0.40x	0.35x	11.8x	8.6x	18.5x	11.5x	13.8%	3.4%	6.0%
HQY	HealthEquity, Inc.	88.37	9,746	10,565	1,200	365	-7.9%	8.3%	8.81x	6.45x	28.9x	15.7x	81.1x	24.3x	64.8%	30.4%	4.7%
HUM	Humana Inc.	264.60	27,417	36,969	117,761	3,351	4.3%	-23.7%	0.31x	0.19x	11.0x	5.8x	26.5x	16.1x	14.5%	2.8%	7.4%
MOH	Molina Healthcare, Inc.	329.39	15,911	14,821	39,164	1,825	13.2%	-19.8%	0.38x	0.28x	8.1x	6.0x	16.1x	13.5x	15.3%	4.7%	27.1%
PINC	Premier, Inc.	19.28	1,904	2,127	1,346	412	-9.1%	-12.8%	1.58x	2.00x	5.2x	8.1x	NM	14.8x	66.0%	30.6%	5.0%
UNH	UnitedHealth Group Incorporated	523.75	268,368	329,053	400,278	34,986	3.5%	5.9%	0.82x	1.19x	9.4x	12.6x	33.8x	17.6x	22.3%	8.7%	15.1%
Median		\$12,828	\$12,693	\$21,074	\$1,119		3.9%	-13.9%	0.70x	0.80x	7.0x	8.6x	22.5x	15.5x	21.8%	4.4%	5.5%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Medical Devices and Technology

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
DXCM	DexCom, Inc.	\$68.29	\$33,619	\$33,501	\$4,033	\$818	-12.2%	-50.8%	8.31x	5.76x	41.0x	19.0x	48.0x	33.8x	61.9%	20.3%	27.6%
EW	Edwards Lifesciences Corporation	72.48	45,620	42,478	5,440	1,636	-2.1%	-24.2%	7.81x	6.74x	26.0x	22.5x	10.4x	29.6x	79.5%	30.1%	16.6%
IDXX	IDEXX Laboratories, Inc.	419.95	41,997	42,893	3,898	1,320	1.6%	-22.2%	11.01x	8.44x	32.5x	24.5x	39.4x	35.1x	61.0%	33.9%	57.7%
PODD	Insulet Corporation	262.61	22,320	22,786	2,072	390	0.6%	53.2%	11.00x	7.71x	58.5x	33.4x	45.4x	62.7x	69.8%	18.8%	43.0%
ITGR	Integer Holdings Corporation	118.01	4,218	5,541	1,717	333	-10.9%	1.1%	3.23x	2.78x	16.6x	12.7x	35.0x	19.5x	26.7%	19.4%	7.7%
MDT	Medtronic plc	89.86	111,528	131,311	32,364	9,056	12.5%	3.1%	4.06x	3.88x	14.5x	13.3x	27.5x	15.6x	65.3%	28.0%	7.3%
STE	STERIS plc	226.65	23,962	26,005	5,139	1,356	10.3%	0.8%	5.06x	4.24x	19.2x	15.2x	48.0x	23.1x	43.2%	26.4%	8.9%
SYK	Stryker Corporation	372.25	146,407	161,354	22,595	6,006	3.4%	4.0%	7.14x	6.38x	26.9x	22.7x	48.0x	27.6x	64.5%	26.6%	15.3%
TNDM	Tandem Diabetes Care, Inc.	19.16	1,376	1,506	940	-83	-46.8%	-45.9%	1.60x	1.26x	-18.2x	47.6x	NM	NM	51.0%	-8.8%	-33.3%
ZBH	Zimmer Biomet Holdings, Inc.	113.18	18,186	24,136	7,679	2,590	7.1%	-14.2%	3.14x	3.61x	9.3x	10.5x	25.6x	13.7x	71.7%	33.7%	7.3%
Median		\$28,790	\$29,753	\$4,586	\$1,338		1.1%	-6.7%	6.10x	5.00x	22.6x	20.8x	39.4x	27.6x	63.2%	26.5%	12.1%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Life Sciences Tools

Ticker	Name	3/31/25	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
		Stock Price					%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
A	Agilent Technologies, Inc.	\$116.98	\$32,366	\$34,564	\$6,510	\$1,801	-12.9%	-19.6%	5.31x	5.17x	19.2x	17.1x	26.8x	20.6x	54.3%	27.7%	22.0%
AVTR	Avantor, Inc.	16.21	8,825	12,615	6,784	1,131	-23.1%	-36.6%	1.86x	2.23x	11.2x	12.2x	15.6x	15.3x	33.6%	16.7%	12.7%
BRKR	Bruker Corporation	41.74	5,711	7,684	3,366	594	-28.8%	-55.6%	2.28x	2.37x	12.9x	12.2x	55.0x	15.5x	51.6%	17.6%	7.1%
CRL	Charles River Laboratories International, Inc.	150.52	6,935	9,743	4,050	898	-18.5%	-44.4%	2.41x	2.62x	10.8x	11.0x	NM	16.1x	32.9%	22.2%	0.7%
DHR	Danaher Corporation	205.00	137,516	153,108	23,875	7,506	-10.7%	-17.9%	6.41x	6.68x	20.4x	21.2x	38.8x	26.8x	59.5%	31.4%	7.6%
ILMN	Illumina, Inc.	79.34	13,020	14,390	4,372	754	-40.6%	-42.2%	3.29x	3.08x	19.1x	11.1x	NM	17.6x	68.4%	17.2%	-30.1%
IQV	IQVIA Holdings Inc.	176.30	25,495	38,165	15,405	2,921	-10.3%	-30.3%	2.48x	2.74x	13.1x	11.4x	23.5x	14.9x	34.9%	19.0%	22.6%
MTD	Mettler-Toledo International Inc.	1,180.91	24,204	26,214	3,872	1,212	-3.5%	-11.3%	6.77x	6.79x	21.6x	20.9x	29.2x	27.6x	60.1%	31.3%	-623.6%
RVTY	Revity, Inc.	105.80	10,667	12,855	2,755	838	-5.2%	0.8%	4.67x	5.20x	15.3x	16.7x	48.2x	21.4x	55.8%	30.4%	3.6%
WAT	Waters Corporation	368.57	20,610	21,769	2,958	1,029	-0.6%	7.1%	7.36x	7.47x	21.1x	20.5x	34.4x	28.6x	59.4%	34.8%	42.8%
Median		\$16,815	\$18,080	\$4,211	\$1,080		-11.8%	-24.9%	3.98x	4.12x	17.2x	14.5x	31.8x	19.1x	55.1%	24.9%	7.3%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: Initial Public Offerings

Completed Initial Public Offerings During 1Q 2025

Issuer	Ticker	IPO Date	IPP Price (\$)	Gross Proceeds(\$M)	3/31/25 Stock Price	Return since Since IPO	3/31/25 Market Cap (\$M)	Industry
Anbio Biotechnology	NasdaqGM: NNNN	2/19/25	5.00	8.0	7.46	49.2%	302.80	Drug Discovery
Advanced Biomed	NasdaqCM: ADVB	3/6/25	4.00	6.6	3.92	-2.0%	79.00	Biomedical Technology
Kestra Medical Technologies	NasdaqGS: KMTS	3/6/25	17.00	202.0	24.92	46.6%	1190.50	Therapeutic Devices
Wellgistics Health	NasdaqCM: WGRX	2/21/25	4.50	4.0	4.32	-4.0%	207.80	Specialty Retail
Aardvark Therapeutics	NasdaqGS: AARD	2/13/25	16.00	94.2	7.51	-53.1%	201.40	Drug Discovery
Sionna Therapeutics	NasdaqGM: SION	2/7/25	18.00	190.6	10.46	-41.9%	632.10	Drug Discovery
Callan JMB	NasdaqCM: CJMB	2/5/25	4.00	5.7	4.49	12.3%	18.93	Other Devices and Supplies
Maze Therapeutics	NasdaqGM: MAZE	1/31/25	16.00	140.0	11.01	-31.2%	528.00	Drug Discovery
Metsera	NasdaqGS: MTSR	1/31/25	18.00	275.0	27.22	51.2%	3194.60	Drug Discovery
Beta Bionics	NasdaqGM: BBNX	1/30/25	17.00	204.0	12.24	-28.0%	678.20	Therapeutic Devices

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: Private Equity M&A

PE Healthcare Deals Q1 2025

Date	Target	Buyer	Sector
3/19/25	Medalogix, LLC	Investor Group	Health Care Technology
3/17/25	AMOpportunities, Inc.	AIM Equity Partners	Health Care Services
3/3/25	Brightstar Group Holdings, Inc.	Peak Rock Capital LLC	Health Care Services
3/3/25	Modernizing Medicine, Inc.	Clearlake Capital Group, L.P.	Health Care Technology
2/25/25	Knipper Health, Inc.	Frazier Management, L.L.C.	Health Care Services
5/29/25	bluebird bio, Inc.	Investor Group	Biotechnology
2/19/25	IMRIS Imaging, Inc	Grovecourt Capital Partners	Health Care Equipment
2/13/25	Pharmaceutical Associates, Inc.	Olympus Advisors, LLC	Pharmaceuticals
2/4/25	Horizon Infusions, LLC	Rubicon Founders LLC	Health Care Services
2/3/25	Proud Moments Licensed Behavior Analysts PLLC	Nautic Partners, LLC	Health Care Services
2/3/25	Soleo Health, Inc.	Investor Group	Health Care Services
1/21/25	SYNERGY HomeCare Franchising, LLC	Investor Group	Health Care Services
1/15/25	Valley Vital Care, Inc.	RF Investment Partners, LLC	Health Care Services
4/8/25	Tyber Medical, LLC	Montagu Private Equity LLP	Health Care Equipment
1/13/25	Lancs Industries Holdings, Llc	Pelican Energy Partners LP	Health Care Supplies
2/20/25	Machinify, Inc.	New Mountain Capital, L.L.C.	Health Care Technology
1/7/25	United States Drug Testing Laboratories, Inc.	Northlane Capital Partners, LLC	Biotechnology
1/7/25	Superior Health Holdings, Inc.	Renovus Capital Partners	Health Care Services

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: Healthcare Facilities M&A

Healthcare Facilities M&A Deals Q1 2025

Date	Issuer	Buyer	Aquisition (%)	Issuer Company Revenue LTM
3/30/25	SHI Carlisle Palm Beach	Cerberus Capital Management, L.P.; Newland Realty Capital	100.0	
3/4/25	Rainbow Pediatric Center, P.A.	Pediatrica Health Group, Inc.	100.0	
3/4/25	Spring Arbor Management, LLC	Allegro Senior Living, LLC	100.0	5.8
2/14/25	Quad Cities Wellness Clinic PLLC	Edgelake Capital Partners	100.0	
2/7/25	Oceanside Veterinary Hospital, Inc.	Oregon Coast Humane Society	100.0	
2/3/25	Odyssey Behavioral Healthcare LLC	JLL Partners, LLC	100.0	
2/3/25	Orthopaedic Associates of Maine, P.A.	Growth Orthopedics Services Mso, Llc	100.0	22.7
1/29/25	C.A.B.S Autism & Behaviour Specialists	Autism Behavioral Institute, LLC	100.0	
1/29/25	ANew Healthcare Operations, LLC	Reliant Health Care Pty Ltd	100.0	
1/23/25	Texarkana Surgery Center, LP	AmSurg Holdings, Inc.	100.0	5.4
1/22/25	Nova Medical Centers	Concentra Health Services, Inc.	100.0	16.1
1/17/25	Devotion Hospice LLC	Choice Health at Home, LLC	100.0	1.7
1/16/25	Dayton Surgical Center of Planned Parenthood Southwest Ohio	Planned Parenthood Southwest Ohio Region	100.0	
1/10/25	Sharon Regional Medical Center	Tenor Health Foundation Sharon LLC	100.0	
1/10/25	Solutions Acupuncture & Naturopathic Medicine PLLC	Diamond Lake Minerals, Inc.	100.0	
1/8/25	Penn Highlands Healthcare, Inc	Help At Home, Inc.	100.0	
1/2/25	Surgery Center Of Mount Dora, LLC	Noble Capital Management Group	100.0	9.7
1/2/25	Haven Behavioral Healthcare, Inc.	Oceans Healthcare, L.L.C.	100.0	47.4

Source: CapIQ with Mercer Analysis

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