One interesting deal saw Avincis Mission Critical Services acquire Scandinavian AirAmbulance (SAA) for €75m, just one month after its acquisition by Babcock International.
“Technological innovation continues to drive the market, with robotic assisted surgery becoming one of the most compelling and significant areas within healthcare. The surgical robotics market is estimated to grow at an annual rate of 12% through to 2018, reaching a size of €16bn.”
2015 couldn’t have got off to a stronger start, with the largest ever deal in medical technology history. However, Medtronic’s blockbuster €34.7bn acquisition of Covidien was only the latest in a string of ‘mega’ deals that we have witnessed across the sector over the past year.

Leading global players in the industry are increasingly turning to consolidation in order to access the new technologies and new markets needed to keep a competitive edge, and as a way to maintain margins, in a price conscious market where value for money is important for payers.

Driven by the ageing demographic, there is a huge drive to develop devices that can both help treat age-related conditions and attack chronic diseases as early as possible.

At the same time, technological innovation continues to drive the market significantly. The fledgling field of surgical robotics is rapidly becoming one of the most compelling and significant areas within healthcare.

Against this backdrop, 2014 proved an extremely strong year on the global M&A front with the sector recording more than 300 deals - a 7% rise on 2013. US players continued to dominate the market, accounting for more than half of closed transactions worth almost €20bn in total.

While 2015 has not quite yet reached such heady levels, this remains an extremely active market which appears to be picking up steam as we head into the second half of the year.

For instance, in the past few weeks as we were compiling this report, we have seen Nordic Capital’s acquisition of mobility products provider Sunrise Medical; Addtech Life Science’s acquisition of Nordic medical technology equipment supplier Mediplast; Madison Dearborn Partners announced the acquisition of Patterson Companies’ medical business; and Hill-Rom - a maker of hospital beds and surgical products – making a €1.8bn bid for Welch Allyn, a specialist in the point of care diagnostics market.

Medtronic has also continued its vigorous acquisition drive, picking up Aptus Endosystems and CardioInsight Technologies.

In this report, we take an in-depth look at the performance of different markets across the globe while also taking a specific look at which segments within the medical technology industry are likely to witness the strongest growth over the next few years.

We hope you enjoy the read.

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For the purposes of this report, we have quoted all figures in euros using the following average exchange rates:

- **2014 USD to EUR**: 0.75
- **2015 USD to EUR**: 0.90
- **2014 GBP to EUR**: 1.24
- **2015 GBP to EUR**: 1.36
- **June 2013 – May 2014 GBP to EUR**: 1.19
- **June 2014 – May 2015 GBP to EUR**: 1.30

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Highlights

37% of deals in the first five months of 2015 have been cross-border - a 6% increase from the same period in 2014.

Strong growth in financial investor deal volume in the last 12 months - on par with 2013.

€30.4bn

An ageing demographic is driving growth. By 2050, 2 billion people (22% of the population) will be over 60.

General equipment and supplies
Patient monitoring equipment and therapies
Life science tools and services
Disposable equipment and supplies
Orthopaedic implants and prosthetics
In vitro diagnostics, equipment and supplies
Ophthalmic goods, optical instrument and lenses
Dental
Cardiovascular
Neurovascular

Deals completed in 2014

303

Top 3 country acquirers by deal volume in 2014

USA
160

UK
32

France
21

Value of deals in 2014 vs 2013

06/2014 - 05/2015
06/2013 - 05/2014

Value of deals in 2014 - on par with 2013

2014 segment breakdown

- General equipment and supplies: 28%
- Patient monitoring equipment and therapies: 14%
- Life science tools and services: 12%
- Disposable equipment and supplies: 12%
- Orthopaedic implants and prosthetics: 13%
- In vitro diagnostics, equipment and supplies: 8%
- Ophthalmic goods, optical instrument and lenses: 5%
- Dental: 3%
- Cardiovascular: 1%
- Neurovascular: 1%

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Disposable equipment and supplies

General disposable equipment and supplies including gloves, syringes, catheters (including PICCs), electrodes, bandages, plasters, first aid kits, sutures, medical register paper, drainage bags, feeding bags, wound management and compression products.

Cardiovascular

Stents and pacemakers; cardiovascular equipment, therapies, and medical devices; solutions in cardiovascular disease, soft tissue repair and critical care management; cardiology, radiology and vascular surgery devices.

Dental

Dental equipment and supplies, dental implants and prosthetics, dental imaging systems, dental waxes and mouldings, dental laser systems, and any other dental accessories.

Disposables equipment and supplies

General disposable equipment and supplies including gloves, syringes, catheters (including PICCs), electrodes, bandages, plasters, first aid kits, sutures, medical register paper, drainage bags, feeding bags, wound management and compression products.

General equipment and supplies

Hospital, clinic and outpatient equipment and supplies (including non-disposable durable equipment such as ventilation, patient handling products, rehab and medical furniture). Surgical and electrosurgical devices, instruments and apparatus including carts, tables, consoles and hearing devices.

In vitro diagnostics, equipment and supplies

Chemistry, microbiology, immunology and genetic tests, diagnostic instruments and related reagents and test kits. Equipment used in the detection and monitoring of diseases and disorders. Diagnostic tests, blood diagnostic tests, and blood diagnostic reagents.

Life science tools and services

Any equipment used by laboratories including instruments, glassware and machines. Kits and reagents for life science research, DNA sample storage equipment and technology, and products in protein interaction.

Neurovascular

Implants for neurovascular purposes, electrical stimulations, neurovascular equipment, neuromodulation units, and medical devices for the treatment of neurological disease.

Ophthalmic goods, optical instruments and lenses

Eye related products including contact lenses, intraocular lenses, cataract surgical devices, eye tracking devices, and laser vision correction products. Ophthalmic instruments, imaging systems and viscoelastic devices. Optical scanners and coherence tomography diagnostic devices, and optoelectronic measurement devices.

Orthopaedic implants and prosthetics

Implants excluding dental; limb, hip, knee, shoulder, ears, nose, throat, mouth and jaw prosthetics; and orthopaedic braces, plates, supports and orthotics.

Patient monitoring equipment and therapies

Equipment monitoring vital signs e.g. blood pressure monitoring. Imaging equipment (including medical cameras) i.e. MRI, CT, X-ray, ultrasound etc. Other patient monitoring products including nebulisers and defibrillators. Remote monitoring products and radiography, radiotherapy products and home therapy.
Global market

2015 so far has seen 103 deals in the medical equipment and supplies space.

Total global M&A almost doubled in 2014 compared with the previous year, with impressive growth of 47%1. With each region and sector showing increased deal volume, 2014 was the most successful year of deal making since the global economic crisis in 2007.

Deal volume

The 2015 global medical equipment and supplies market has seen a promising start with a total of 103 deals. 2014 was a strong year, seeing 303 deals - a 7% increase on the previous year. Comparing on a like-for-like basis, the past 12 months has seen a decrease in the number of deals but an increase in value.

<table>
<thead>
<tr>
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<th>June 14 &gt; May 15</th>
<th>June 13 &gt; May 14</th>
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<tr>
<td>Total</td>
<td>283</td>
<td>295</td>
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<td>Value (€bn)</td>
<td>63.7</td>
<td>36.5</td>
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Acquisitions during 2014 were dominated by companies from the US which accounted for 53% of closed transactions. The UK represented 11%, followed by France and Germany with 7% each. In terms of targets, the most popular location was the US (48%), with the UK accounting for 12%, Germany 8% and France 7%.

M&A targets

During 2014, the UK and Ireland became attractive target destinations as companies, mainly based in the US, saw the financial benefit of moving their headquarters to a country with lower corporation tax rates.

This so-called ‘tax inversion’ became one of the hottest, yet highly criticised, trends in M&A in 2014 and one of the major drivers behind cross-border acquisitions. A record number of tax inversions were announced during the year, despite the US government’s attempt to curb the practice by introducing new legislation.

One inversion deal that survived the White House crackdown was Medtronic’s €34.7bn (15.2x EBITDA) acquisition of Ireland-based med-tech company Covidien in January 2015. The deal marked not only the largest transaction in Medtronic's history but also the largest deal ever transacted in the medical technology industry.

The acquisition was one of a handful of mega deals over the last 12 months. Since June 2014, the medical equipment and supplies sector has seen a total of six deals above the €1bn transaction value mark - proving that consolidation is driven by several factors including product/service diversification, access to technology and geographic expansion, all of which are key to maintaining margin and a competitive edge.

1: Thomson Reuters Mergers & Acquisitions Review 2014

M&A targets by country
Top 10 largest transactions

Three of these mega deals involved a financial investor, which for the purposes of this report we define as either private equity, other investors or restructuring funds. Of these, the largest deal was the €3bn acquisition of Ortho-Clinical Diagnostics, Inc. (OCD) by The Carlyle Group. Formerly a subsidiary of Johnson & Johnson Company, OCD provides in vitro diagnostic products for screening, diagnosing, monitoring and confirming diseases. Carlyle has plans to expand OCD internationally as well as to invest heavily in its R&D.

Global financial investor deals

It seems that investor confidence is still growing within the sector, with deals involving financial investors seeing a 63% increase on the previous 12 months.
Segment breakdown

The general equipment and supplies segment continued to lead the way in 2014, accounting for 28% of deals, followed by disposable equipment and supplies (14%), and orthopaedic implants and prosthetics (13%).

Notably, the latter segment has shown an increase in the last year or so and is likely to see growth over the next 12 months as demand will increase due to the ageing demographic.

The rise of orthopaedics

Deals in this space were led early in 2014 by Smith & Nephew’s €1.1bn acquisition of Arthrocare Corporation, a US company that specialises in designing and manufacturing surgical devices and implants for sports injuries.

Other notable deals include:

- Wright Medical Group’s acquisition of US-based extremity orthopaedic products manufacturers OrthoPro LLC and Solana Surgical LLC for €26.6m and €62.6m respectively;
- Stryker Corporation’s acquisition of Small Bone Innovations Inc., a US-based manufacturer of upper and lower extremity small bone indications with a focus on small joint replacement, for €273.9m;
- US-based private equity firm Riverside Company’s acquisition of Australian manufacturer and distributor of orthopaedic implants Global Orthopaedic Technologies for €34.6m; and
- Zimmer Holdings’ €10bn acquisition of Biomet, a US company that specialises in reconstructive products for orthopaedic surgery. The combined company will be known as Zimmer Biomet.
Any devices that help with age-related conditions such as hearing problems, mobility issues and cardiovascular, neurological and endocrinology diseases are in demand.

European private equity firm EQT Partners showed no hesitation in entering the hearing aid market when it spent €2.2bn on the acquisition of German hearing aid manufacturer Siemens Audiology Solutions (now known as Sivantos) from Siemens AG, in January 2015. EQT’s plan is to position the business for an eventual IPO, fully taking advantage of the attractive and growing market.

Another driver of growth is the increase in the number of people with chronic diseases such as cancer, cardiovascular and chronic lung disease, and diabetes. Demand for devices and therapies that help treat these conditions continues to rise, as does demand for devices for the earlier diagnosis of these diseases.

In December 2014, Montagu Private Equity (jointly with Astorg Partners) bought back France-based in vitro diagnostic speciality company Sebia Group for €1.8bn - four years after originally selling the company to UK-based private equity firm Cinven. Sebia develops diagnostics solutions, including a range of reagents and tests in the fields of oncology, haemoglobin disorders and metabolic disorders including diabetes.

Technological innovation continues to drive the market with robotic assisted surgery becoming one of the most compelling and significant areas within healthcare. The surgical robotics market is estimated to grow at an annual rate of 12% through to 2018, reaching a size of €16bn.1

Whilst great developments have been made to improve safety in neurosurgery, operations on the nervous system is just one area which still carries considerable risks.

With the aim of improving surgical outcomes and controlling the navigation of the narrowest of surgical corners, the fledging field of surgical robotics continues to grow. Its importance has not gone unnoticed, with significant investments being made in the field by the likes of Stryker and Titan Medical.

Optimising capacity and operations is another area in which we see technology driving the market. Streamlining patient flow via the use of technology has become a priority across all major healthcare markets. In 2014, Great Point Partners invested in Citra Health Solutions which offers strategic services through software solutions via risk sharing and other value-based models.

A noteworthy transaction was Getinge’s acquisition of Cetrea, a producer of software for managing patient flow in hospitals in Scandinavia. Another recent deal saw Roper Industries acquire Strata Decision Technology.

1: Thomson Reuters - Could Titan Medical storm the robotic surgery market?
US market

2015 so far has seen a total of 45 deals with a combined value of €12.6bn.

Total US M&A in 2014 reached its highest point since 2007 at a reported €1.1tn\(^1\), driven by favourable economic conditions and corporates with record levels of cash reserves.

In terms of size, the US remains the largest medical equipment and supplies market in the world and continues to lead the way in terms of M&A. In 2014, the sector saw 145 deals worth €19.8bn and 2015 has so far seen a total of 45 deals with a combined value of €12.6bn, where deal values have been disclosed.

However, despite an improved economic situation and the revival of capital markets, financial investors seemed to show a continued slowdown in activity in 2014 - mainly caused by sellers having high expectations of valuations due to a strengthened market. The number of deals dropped to 14, compared to 19 in 2013 and 21 in 2012. Trade deals, however, increased circa 7% compared to 2013.

**US Trade vs Financial Investor deals**

Despite a drop in investor interest, many firms are still investing in the medical equipment and supplies sector.

One of the largest financial investor deals of 2014 saw GTCR Golder Rauner LLC, the US private equity firm, acquire Cole-Parmer Instrument Company (Cole-Parmer) from Thermo Fisher Scientific Inc. for a consideration of €355m.

Cole-Parmer manufactures and distributes speciality laboratory equipment, instruments and supplies to customers in the pharmaceutical, biotech and healthcare industries. GTCR plans to grow the business organically and via acquisitions.

\(^1\) Mergermarket - Global and regional M&A: 2014
Notable transactions in the last 12 months

- **NYSE-listed Becton, Dickinson and Company (BD) acquired medical technology company CareFusion Corporation for €9.6bn.** CareFusion offers products for medication management (helping to reduce medication errors) and infection prevention. The merged company becomes one of the biggest medical devices companies in the world and a leader in the medication management space.

- **Merz Pharma, the German pharmaceutical company, expanded its presence in the aesthetics area via the purchase of medical device company Ulthera Inc. for €441m – the largest acquisition in its history.** Ulthera is a leader in developing technologies for non-surgical lifting and tightening treatments for aesthetic and medical applications.

- **Dutch technology company Philips completed the €959m acquisition of medical technology company Volcano.** Volcano, which makes precision-guided therapy tools that allow doctors to see inside patients’ veins, will help Philips become a leader in the fast-growing minimally invasive surgery market.

- **US healthcare company Abbott Laboratories acquired medical device company Topera Inc. for a value of €431m.** Topera manufactures 3D analysis and mapping systems to assist doctors in the identification, improved diagnosis and treatment of cardiac arrhythmias and atrial fibrillation. The transaction enables Abbott to expand its medical device business and enter the highly attractive catheter-based electrophysiology sector – a market worth approx. €2.7bn that has been growing annually at double-digit rates².

- **Precision contract manufacturer Tecomet Inc., a portfolio company of US private equity firm Genstar Capital, acquired the OEM Solutions business of Symmetry Medical, Inc. for €382m.** The OEM business is a contract manufacturer of orthopaedic implants, high-precision surgical instruments and sterilisation cases & trays. The acquisition allows Tecomet to broaden the products, services and capabilities it offers its customers and also diversify its footprint within the market.

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²: PR Newswire: Abbott Completes Acquisition of Topera, Inc.
UK market

2015 has seen a strong start with 14 deals.

Europe is the world’s second largest medical equipment and supplies market, led by France, Germany and the UK. The UK market saw a 59% increase in deal volume in 2014, seeing 35 deals with a value of €1.6bn, and 2015 has seen a strong start with 14 deals.

Trade buyers remained the most active in 2014, whilst financial investor interest seemed to dwindle with only three deals in 2014 compared to five in 2013. Despite the fact that the market is awash with cash, there is a scarcity of assets available in this consolidated market which explains the further drop in financial investor interest.

**UK trade vs financial investor deals**

One important private equity deal saw LDC sell part of its stake in NRS Healthcare, a mobility equipment and disability aids provider, to Dutch private equity firm H2 Equity Partners.

LDC originally bought and created the company when it backed the management buy-out of Findel’s healthcare division for €28m in 2013. H2 plans to continue building on NRS’s position as leader in the aids for daily living market.

The European market alone is expected to see double-digit compound annual growth over the next four years.

The patient handling equipment market seems to be attracting particular attention. Drive Medical - the UK-based subsidiary of Medical Depot Inc., a manufacturer of durable medical equipment backed by private equity firm Ferrer Freeman & Company - has acquired three companies over the last 12 months:

- Specialised Orthotic Services Ltd (SOS), a manufacturer and distributor of specialised seating and mobility products;
- The Days Healthcare Products business of Patterson Medical Ltd, which manufactures healthcare products for the elderly; and
- Park House Healthcare, a supplier of pressure area care equipment, hospital beds and moving & handling equipment.

Other notable deals over the last 12 months include LDC-backed Prism Medical’s acquisition of The Mobility Equipment Company, and Tandem Group’s acquisition of Pro Rider Mobility.

Notable transactions in the last 12 months

- The Cooper Companies Inc. acquired Sauflon Pharmaceuticals Ltd., a manufacturer and distributor of contact lenses, for an enterprise value of €980m. The acquisition enables CooperVision to offer an extensive range of daily disposable contact lenses and gain more share of the daily disposable market which has been growing at 10% p.a.

- Irish marketing and distribution company DCC plc acquired Williams Medical Supplies (WMS) from UK private equity firm Livingbridge for €55.3m. WMS supplies and distributes medical supplies to the UK healthcare market, including GPs and primary care organisations, and the company is the market leader within the UK healthcare industry. The move by DCC is another step forward in strengthening its healthcare division, following on from the acquisitions of Leonhard Lang UK, UPL and Kent Pharmaceuticals.

- Scapa Group plc, a supplier of bonding and adhesive materials and solutions, acquired First Water, an advanced wound dressings and skin adhesives manufacturer, for €21m. As well as broadening Scapa’s global customer base, the acquisition further enhances Scapa’s portfolio of products with enhanced innovation.

- NYSE-listed infection prevention company Cantel Medical Corp acquired PuriCore International Limited, a subsidiary of PuriCore plc, for €19.8m. PuriCore International provides automated endoscope reprocessors and endoscope drying and storage cabinets. In addition to allowing Cantel to expand its reach and capabilities in international markets, the acquisition provides the firm with a well-established UK operation that it can use for future expansion across both the UK and Europe.

- Atos Medical AB, a Sweden-based manufacturer of ear, nose and throat products and a portfolio company of EQT Partners, acquired Countrywide Supplies, a distributor of prescription tracheostomy, laryngectomy, ostomy and renal supplies, for €13.6m. With the backing of Atos, Countrywide will take advantage of an even greater product range and develop significant strategic opportunities.

Segment split of deals in 2014

The majority of deals in the UK during 2014 came from the general equipment & supplies and patient monitoring equipment & therapies segments.

- General equipment and supplies: 34%
- Patient monitoring equipment and therapies: 17%
- Life science tools and services: 9%
- Disposable equipment and supplies: 6%
- Orthopaedic implants and prosthetics: 6%
- In vitro diagnostics, equipment and supplies: 8%
- Ophthalmic goods, optical instruments and lenses: 6%
- Dental: 14%
- Cardiovascular: 6%
- Neurovascular: 6%
France, Germany & Switzerland

France

Total M&A in France saw a huge 239% increase in 2014 - the largest of any country - with €120bn worth of deals, the region’s highest value since 2007.

The medical equipment and supplies sector has seen two deals so far in 2015, whilst 2014 saw 21 deals compared to six the previous year. Of the 21 deals in 2014, nearly 30% involved some form of financial investor.

One of these was the acquisition of ophthalmic equipment manufacturer Luneau Technology SA by MML Capital Partners, the UK-based mezzanine and private equity investment firm, alongside Carvest SAS and Amundi Private Equity Funds, the France-based investment firms, for a reported €60m. The capital will be used to support the company’s growth, both organically and via bolt-on acquisitions, and for the creation of new products.

In early 2015, NASDAQ-listed orthopaedic implant manufacturer Exactech, Inc. acquired BlueOrtho SAS, a French manufacturer of computer assisted orthopaedic surgical technology, for €10m. Having partnered with BlueOrtho since 2009, the acquired technology will enable Exactech to build a new platform for patient care in total joint arthroplasty.

Prices of med-tech products are expected to decline over the next decade. In response to cost pressures, the players in this market are further professionalising the purchasing process, exercising rigorous cost control over not just commodities such as medical supplies but also higher-end physician-preference items.

The environment of declining price premiums is driving a change in strategic focus. Rather than relying on incremental innovation, sales growth and customer loyalty, the industry is turning its attention to cost control, introducing more sophisticated pricing strategies, and adapting sales forces to deal with the new powers in the purchasing office.

Companies are attending more closely to R&D efficiency and emphasizing low-cost sourcing and production, deploying best practices in operational excellence from other industries. Segment consolidation through M&A can allow cost-conscious companies to increase revenues from existing products, despite declining prices, by leveraging customer relationships and geographic footprint. Consolidation plays are also valuable tools for eliminating overhead and salesforce costs.

Consequently, the M&A environment is expected to continue to grow in 2015. Despite significant challenges in cost and operating factors, attractive acquisition opportunities still exist.

Germany

Germany is the largest European market for medical and surgical devices and third largest in the world behind the US and Japan. It is also Europe’s biggest economy, predicted to grow 2.1% this year.

Despite a 17.6% drop in overall German M&A, deals in the medical equipment and supplies sector were up 140% in 2014 compared with 2013 and 2015 has already seen 10 deals. Aside from domestic acquisitions, the main country investing in the region in 2014 was the US.

The largest deal in 2014 saw the acquisition of the medical unit of the privately held TRUMPF Group by NYSE-listed Hill-Rom Inc. for €190m. TRUMPF manufactures operating room infrastructure products including surgical and examination lights, operating tables and supply units. The purchase doubles the size of Hill-Rom’s already established surgical platform, strengthening its geographic footprint in growing markets such as the Middle East and Eastern Europe.

1: Thomson Reuters
2: Mergermarket: German M&A market 2014
Another deal saw Medtronic acquire medical device company Sapiens Steering Brain Stimulation GmbH (Sapiens SBS) for €152m. Sapiens SBS develops deep brain stimulation technologies for patients suffering from degenerative or functional brain disorders. The deal strengthens Medtronic’s position in an emerging and important area of medicine.

In early 2015, as part of its strategy of moving towards the aesthetics market, Merz Pharma sold its dental business to Shofu Inc., the listed Japan-based manufacturer of dental materials, equipment and instruments. Merz Dental manufactures dental prosthetics as well as dental waxes and mouldings. With this acquisition, Shofu will utilise the production facilities and the sales channels of Merz Dental to expand its international presence in the field of dental prosthetics.

Switzerland

One of the biggest deals of 2014 was Danaher Corporation’s €1.7bn acquisition of dental implant and prosthetic manufacturer Nobel Biocare Holding AG. By combining Nobel Biocare’s expertise in digital prosthetics, implants and software solutions with its own knowledge in 3D imaging, intraoral scanning and digital restoration solutions, Danaher is now able to build a strong platform for future growth. The transaction also provides a leading position in the dental implant market alongside Institut Straumann AG.

With an increase in people wanting cosmetic dentistry and an increasingly ageing population, the demand for dental implants and prosthetics is forecast to continue to rise.
Scandinavia

There were 13 deals in the medical equipment and supplies sector in Scandinavia during 2014 with acquisition targets located in Denmark (46%), Sweden (38%) and Norway (16%). So far in 2015, there have been four deals in the region - predominantly in Sweden.

**Denmark**

A notable deal saw Dutch diversified technology company Philips acquire Unisensor AS, an innovator in the field of optical analysis of fluids for diagnostic applications in healthcare, as well as other industries.

The global oncology in vitro diagnostic sector is growing and the acquisition supports Philip’s goal of becoming a market leader whilst also allowing it to expand its technology platforms for mobile diagnostic solutions. Philips will be integrating Unisensor into its Healthcare Incubator within Philips Innovation, Group and Services.

Plandent AS, the largest dental supplier in Denmark, acquired Fiskers Dental Service AS, the fourth biggest dental distributor. Plandent is part of Plandent Division, whose parent company Planmeca Oy is one of the world’s largest dental equipment manufacturers.

**Sweden**

Healthcare-focused private equity firm PBM Capital Group acquired Breas Medical AB, a manufacturer of home respiratory ventilators and sleep apnoea products, from GE Healthcare. PBM Capital will integrate Breas into existing portfolio company Human Design Medical (HDM) which manufactures medical devices focused on sleep apnoea. HDM owns one of the most commercially successful sleep apnoea devices in the world – the Z1™ CPAP machine.

**Norway**

Aid and support products designed for elderly individuals is a growing market in Norway. One deal saw Nord Kapital, the Norwegian private equity firm, acquire a majority stake in Hepro AS, a producer of support products for the disabled and elderly. Nord Kapital will help Hepro grow the business both organically and through acquisitions.

Another private equity deal in the same space saw Credo Invest acquire a 51% stake in Made For Movement Group AS (MFMG), a manufacturer of unique aids for people with movement disorders. The acquisition will help MFMG to expand its range of solutions and footprint. The ageing demographic and overextended municipal finances are key factors driving this market, underlining the value of offering products that enable elderly individuals to live more independently and safely in their own homes rather than having to be placed into residential care.
Italy, Spain & Turkey

Italy

Cantel Medical Corp, the listed US-based healthcare company manufacturing infection prevention and control products, acquired International Medical Service SRL (IMS) for €20m. IMS is a market leader in the manufacture of products for the sterilisation market, including automated endoscope reprocessors.

IMS will become part of the endoscopy segment of Cantel’s Medivators business unit, bringing key R&D and manufacturing capabilities. The acquisition marked Cantel’s second international purchase in 2014, following its purchase of PuriCore International.

Another deal saw serial acquirer Medtronic Inc., the world’s leading medical device manufacturer, complete the acquisition of the remaining 70% stake in NGC Medical SpA, a medical instruments and equipment manufacturer, for €258m. Medtronic previously acquired 30% in NGC in 2013.

The acquisition is a perfect match for Medtronic’s plan of expanding its hospital services business, as NGC is seeking to fast expand across Europe, the Middle East and Africa.

Spain

Despite large Spanish National Health System (SNS) debts, the country continues to be an attractive destination for multinationals. For instance, Bunzl acquired medical equipment supplier Quirumed SL in early 2015.

The deal allowed Bunzl, the UK-listed international distribution and outsourcing company, to gain access to the healthcare sector in Spain for the first time.

Turkey

The market for Turkish M&A remained active in 2014, mostly due to a continued enthusiasm for medium-sized transactions and privatisations.

Strengthening its position in the Turkish market was Elekta AB, the listed Sweden-based healthcare company, which completed the acquisition of Mesi Medikal A.S., a leading distributor of radiation oncology solutions. Cancer is the second leading cause of death in Turkey1 and it is estimated that by 2023 around 170,000 Turkish patients will need radiotherapy each year - a 70% increase on the current figure2.

1: World Health Organisation
<table>
<thead>
<tr>
<th><strong>Handicap-Befordring</strong></th>
<th><strong>Countrywide Supplies</strong></th>
<th><strong>Vanguard</strong></th>
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</thead>
<tbody>
<tr>
<td>Market leader in special care transport services in Denmark</td>
<td>Supplier of prescription laryngectomy, tracheostomy &amp; ostomy products</td>
<td>World’s largest fleet of mobile healthcare facilities</td>
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<tr>
<td>Clearwater International advised on the merger and subsequent sale to Catacap</td>
<td>Clearwater International advised the shareholders on the sale to Atos Medical</td>
<td>Clearwater International advised management on securing a €21m refinancing deal with AIB</td>
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<tr>
<th><strong>Femcare</strong></th>
<th><strong>Prism Medical</strong></th>
<th><strong>Cetrea A/S</strong></th>
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<td>World leaders in female surgical contraception</td>
<td>Provider of safe patient handling solutions</td>
<td>Provider of enterprise software solutions for hospitals</td>
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<tr>
<td>Clearwater International advised Barclays on the sale of its holding to Utah Medical Products Inc</td>
<td>Clearwater International advised NASDAQ-listed Prism Medical on the sale of its UK subsidiary to LDC</td>
<td>Clearwater International advised the shareholders of Cetrea on the sale to Getinge AB</td>
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<th><strong>Finnamore</strong></th>
<th><strong>Days Healthcare</strong></th>
<th><strong>Peckforton</strong></th>
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<td>Leading UK dedicated health and social care consultancy</td>
<td>UK specialists in independent living solutions</td>
<td>Fast-growing manufacturer, distributor and seller of prescription &amp; OTC products</td>
</tr>
<tr>
<td>Clearwater International advised the company on its sale to GE Healthcare</td>
<td>Clearwater International advised on the sale of DCC’s mobility and rehab products division to Patterson Medical</td>
<td>Clearwater International advised the shareholders of Peckforton on its sale to Abbey Pharma</td>
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<th><strong>Optos</strong></th>
<th><strong>Aarhus Dyrehospital</strong></th>
<th><strong>BAC BV</strong></th>
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<td>Provider of devices and solutions to eyecare professionals</td>
<td>Danish animal hospital which treats 12,000 patients annually</td>
<td>Manufacturer of protein purification products used in life sciences</td>
</tr>
<tr>
<td>Clearwater International advised Optos on securing off balance sheet financing to assist with core requirements and support continued international growth</td>
<td>Clearwater International advised Djursjukhusgruppen on the acquisition of the business</td>
<td>Clearwater International advised on the sale of BAC BV to Life Technologies Corporation, a NASDAQ-listed global biotechnology business</td>
</tr>
</tbody>
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International reach, Excellent client outcomes