One interesting deal saw Avincis Mission Critical Services acquire Scandinavian AirAmbulance (SAA) for €75m, just one month after its acquisition by Babcock International.
“Market dynamics remain extremely strong as leading players turn to consolidation to access the technology and global markets they need in order to maintain their competitive edge.”
The mega deal is still alive and well in the medical equipment and supplies market.

Just as 12 months ago we were talking about Medtronic’s blockbuster €35bn acquisition of Covidien, the first months of 2016 have continued to see some huge deals across the globe.

Leading the way is US healthcare products manufacturer Abbott Laboratories which recently acquired St. Jude Medical, a manufacturer of cardiovascular medical devices, for €26.4bn, and also Alere, a point-of-care diagnostics business, for €7.9bn.

However, Far Eastern companies have also got in on the act. In an interesting deal, Canon - the Japanese manufacturer of office and printing products - acquired Toshiba Medical Systems Corporation, a developer of medical diagnostic imaging systems and medical solutions.

Also, Sinocare Inc. the Chinese-listed manufacturer of point-of-care testing devices, acquired Nipro Diagnostics, Inc., a US manufacturer of performance products for people with diabetes.

A notable European transaction saw Sonova Holding, the Swiss hearing systems manufacturer, acquire AudiobNova International, the hearing aid and related products company from the Netherlands.

What is driving this continued surge of activity? Well, market dynamics remain extremely strong as leading players turn to consolidation to access the technology and global markets they need in order to maintain their competitive edge. Driven by the ageing demographic, there remains a huge drive to develop devices that can both help treat age-related conditions and attack chronic diseases.

Halfway through the year, it is little surprise then that 2016 has started so strongly with the market seeing even more deals than at this point last year. The uncertainty caused by the UK’s decision to leave the EU may have an impact in the second half, but looking further ahead there is little to suggest that the medical equipment sector will not continue to attract significant interest from both financial investors and strategic buyers.

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/company/clearwater-international-corporate-finance
Highlights

The medical equipment and supplies market is predicted to grow between 2015-2020 at a CAGR of 4.9%.

10% growth in financial investor deal volume in the last 12 months, compared with the 12 months before this where we saw a 63% increase. The pace of financial investor ready assets coming to market has significantly slowed down.

Total value of deals in 2015 was €42.3bn – 39% increase on 2014.

37% of deals in the first five months of 2016 have been cross-border – this is roughly equal to the same period in 2015.

These three segments account for 56% of deal volume in the past 12 months in the medical equipment sector.

Top three country acquirers by deal volume in 2015:
- USA
- UK
- Sweden
- China

Deals completed in 2015:
- General equipment and supplies: 30%
- Patient monitoring equipment and therapies: 13%
- Disposable equipment and supplies: 13%

37% of deals in the first five months of 2016 have been cross-border – this is roughly equal to the same period in 2015.

The medical equipment and supplies market is predicted to grow between 2015-2020 at a CAGR of 4.9%

1 Lucintel Global Medical Device Market 2015-2020
## Segment breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cardiovascular</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>Dental equipment and supplies, dental implants and prosthetics, dental imaging systems, dental waxes and mouldings, dental laser systems, and any other dental accessories.</td>
</tr>
<tr>
<td><strong>Disposable equipment and supplies</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>General equipment and supplies</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>In vitro diagnostics, equipment and supplies</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Life science tools and services</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Neurovascular</strong></td>
<td>Implants for neurovascular purposes, electrical stimulations, neurovascular equipment, neuromodulation units, and medical devices for the treatment of neurological disease.</td>
</tr>
<tr>
<td><strong>Ophthalmic goods, optical instruments and lenses</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Orthopaedic implants and prosthetics</strong></td>
<td>Implants excluding dental; limb, hip, knee, shoulder, ears, nose, throat, mouth and jaw prosthetics; and orthopaedic braces, plates, supports and orthotics.</td>
</tr>
<tr>
<td><strong>Patient monitoring equipment and therapies</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>
Global market

2016 so far has seen 135 deals in the medical equipment and supplies sector.

Deal volume

The 2016 global market has started brightly, with a 31% increase in the number of deals on the 103 deals we saw in the first five months of 2015. Of these 37% have been cross-border transactions, roughly the same as during the same period last year. 2015 saw 235 deals with a total value of €42.3bn, a 22% fall on the year before. On a like-for-like basis, the past 12 months have seen less deals and a lower value than the preceding 12.

<table>
<thead>
<tr>
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<th>June 14 &gt; May 15</th>
<th>June 15 &gt; May 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>283</td>
<td>261</td>
</tr>
<tr>
<td>Value (€bn)</td>
<td>63.5</td>
<td>27.3</td>
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</table>

During 2015, the US again was the most prolific acquirer with 47% of closed transactions, but this is lower than the 53% we saw in 2014, suggesting there is a gradual shifting away from a US centric medical device market. The UK represents 10% of deal volume followed by Sweden and Germany with 6%, and France with 4%.

We see a similar story when we look at target nations with the US leading the way with 46% of completed deals in 2015, followed by the UK with 11% and Germany with 6%.

A notable trend over the past year has been the continued delisting of large players for various reasons including public to private, 100% acquisition by other strategics and not meeting listing requirements to name a few. In one particular case Hanger, the US manufacturer of orthotics and prosthetics and operator of autism clinics, was delisted after it failed to meet SEC financial filings deadlines.

Other noteworthy delisting deals:

- St Jude Medical’s acquisition of Thoratec Corporation, the US manufacturer of medical devices for circulatory support, vascular graft, blood coagulation and skin incision applications, for €3.1bn;
- Escalon Medical Corp., the US ophthalmic and imaging device company, delisted after failing to meet NASDAQ equity requirements;
- Excelsior Union’s acquisition of Mindray Medical International Ltd, the China-based manufacturer of patient monitoring, life support and in-vitro diagnostic products, for €2.7bn;
- Nikon Corporation’s acquisition of UK retinal imaging devices company Optos Plc, for €352m;
- CITIC Private Equity Funds’ acquisition of Singaporean diagnostics tools, stent and catheter manufacturer, Biosensors International Group, for €704m;
- Perseon Medical Corp., the US manufacturer of microwave ablation devices was delisted after failing to comply with SEC rules relating to the changing of its year end; and
- Danaher Corporation’s acquisition of Pall Corp, the US manufacturer of filtration, separation, and purification products, for €12bn.
Interestingly, only one of these mega deals – the acquisition of patient monitoring products manufacturer Mindray Medical by Excelsior Union - involved a financial investor which, for the purposes of this report, we define as either private equity, other investors or restructuring funds.

**Global financial investor deals**

Investor confidence remains stable with deals involving financial investors slightly ahead of the previous 12 months. This continues the trend of strong financial investor interest in the medical equipment and supplies sector, while more than half of the most recent deals involved US targets.

**M&A targets by country**

Note: Covers period June 15 – May 16

**Financial investor deals**

Note: Covers period June 15 – May 16
Segment breakdown

The general equipment and supplies segment continues to lead, accounting for 30% of deals in the last 12 months, a similar percentage to the previous 12 months. This is followed by patient monitoring equipment and therapies with 13% of deal volumes and disposable equipment and supplies also with 13%.

The orthopaedic implants, orthotics and prosthetics sector remains strong, following on from last year’s acquisitions of Arthrocare Corporation by Smith & Nephew for €1.1bn, and of Biomet by Zimmer Holdings for €10.1bn.

The rise of patient monitoring

The headline deal in this space was Hill-Rom Holdings’ €1.4bn acquisition of US-based medical diagnostic equipment manufacturer, Welch Allyn Inc. This acquisition adds point-of-care diagnostics strength to Hill-Rom’s operations.

Other interesting deals include:

- Circassia Pharmaceuticals Plc’s €170m acquisition of Swedish nitric oxide monitoring products developer, Aerocrine AB;
- Tianjin Chase Sun Pharmaceutical Co. Ltd’s acquisition of Beijing Choice Electronic Tech Co., Ltd, the China-based developer of diagnostic and monitoring products, for €140m;
- Medtronic Plc’s acquisition of Aircraft Medical Ltd, the UK-based manufacturer of video laryngoscopes and other hand-held medical devices, for €103m; and
- Gentherm Inc.’s acquisition of US-based patient temperature control systems manufacturer Cincinnati Sub-Zero Products, Inc., for €57m.

Note: Covers period June 15 – May 16
Market drivers

Robotics

The use of robotics in surgery allows doctors to perform many types of complex procedures with more precision, flexibility and control than is possible with conventional techniques. Indeed, since the approval of the da Vinci surgical system in 2000, robots have been helping patients have fewer complications, lower incidents of revision surgery, reduced pain and less noticeable scars from surgery.

Recent deals in this space include Smith & Nephew’s acquisition of US-based Blue Belt Technologies, a company which develops and commercialises robotics-assisted technologies for use in orthopaedic surgery and other specialities, for €251m. The acquisition secures Smith & Nephew a leading position in the fast-growing area of orthopaedic robotics-assisted surgery. While at the time of the acquisition the Blue Belt technology was only capable of providing assistance in unicondylar or partial knee replacement surgery, future developments should allow for a wider range of capabilities. This follows on from Stryker’s acquisition of robotic arm developer Mako Surgical, for €1.1bn in 2013.

Meanwhile Verb Surgical, a robotic surgery and medical device joint venture company set up by Johnson & Johnson (J&J) and Google’s life sciences arm, is developing solutions that combine leading-edge robotics and best-in-class medical device technology. J&J recently announced plans to transition the system into more difficult-to-target areas where minimally invasive surgery has not been as readily adopted.

Another intriguing deal saw Bionik Laboratories Corp. acquire Interactive Motion Technologies, Inc., a US-based provider of robotic solutions for patients with neurological conditions. Bionik’s product line now includes: three separate arm, wrist and hand rehabilitation products currently on the market for clinical use; a lower-body product available for research use but being developed for clinical release; and a potential pipeline of other new products.

1 Mayo Clinic: Robotic Surgery
**Point-of-care testing**

In early 2016 life sciences company Meridian Bioscience acquired Magellan Diagnostics, the US-based developer of point-of-care diagnostics products with a focus on lead testing, for €59m.

Spiral Energy Tech acquired Exactus BioSolutions Inc., the US-based developer of point-of-care diagnostics for measuring proteolytic enzymes in the blood. NOWDiagnostics also acquired ZBx Corporation, a US-based developer and manufacturer of rapid format, laboratory, and point-of-care diagnostic products.

This trend is unlikely to be short-lived, especially where a quick result improves efficiency in clinical decision making. This is particularly relevant in developing nations prone to widespread outbreaks of disease and where technological advances and high ownership of smartphones are making devices more affordable.

**3D printing**

This is another area where J&J has interests completing, to date, more than 50 3D printing related projects with technology, academic and government groups. Earlier this year it announced a collaboration with a HP subsidiary to use printing to improve outcomes for healthcare companies and help decrease costs.

This follows similar forays by health and wellness companies, like L’Oreal, into the 3D printing sector. Printing allows for truly bespoke prosthetics and products which are likely to function more effectively. Unique products have previously come at potentially prohibitive prices and it is hoped that the mass adoption of these technologies may bring down the cost and make 3D printed prostheses more affordable.

Given the interest in this area we have not yet seen the transaction activity we would expect. However, one deal saw Tonka Bay Equity Partners acquire Ansonia Plastics, a US-based medical device manufacturer offering pad printing services. Stryker has also invested €500m in a new 3D medical device printing facility.

This is a segment that is likely to see significant M&A in the next few years as advances in technology continue to drive down printing costs.

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1 Betanews: Benefits of 3D printing in healthcare
US market

So far there have been 79 deals in 2016 with a total value of €7.3bn.

In terms of both the number and value of deals, the US remains the most active market for M&A. There has been a 76% increase in the number of deals so far in 2016 compared with the same period a year earlier.

In 2015 the US saw 109 deals with a combined value of €36.1bn, so on this run rate 2016 could surpass last year’s deal volume.

Despite renewed economic confidence, financial investor interest in US medical equipment and supplies companies has been steady in 2016. At this rate, we are on track to see a similar number of deals to 2015, which saw 15 deals.

One of the largest financial investor deals of 2015 saw Madison Dearborn, the US private equity firm, acquire Patterson Medical Supply Inc. from Patterson Companies, Inc., for €645m. The company provides rehabilitation, assistive, and splitting products to hospitals, long-term care facilities and clinics. Madison Dearborn plan to expand Patterson Medical both in the US and internationally. The sale helped Patterson Companies Inc. to pay off the debt from its acquisition of Animal Health International in 2015, and focus on its core dental and animal divisions.
Segment split of deals in 2015

The general equipment and supplies, patient monitoring equipment and therapies and disposable equipment and supplies sectors accounted for over half of the deals completed in 2015.

Recent transactions


- Medtronic Plc, the US-listed manufacturer of device-based medical therapies acquired Twelve Inc., a developer of devices for the treatment of chronic cardiovascular diseases, for €401m.

- Edwards Lifesciences Corp., the structural heart disease device manufacturer, acquired CardiAQ Valve Technologies Inc., a specialist in heart valve replacement, for €359m.

- Abbott Laboratories acquired the remaining 90% stake in Tendyne Holdings Inc., a specialist in transcatheter mitral valve replacement, for €352m.

- Allergan Plc acquired AqueSys Inc., a developer of surgical products for the treatment of glaucoma, for €269m. The acquisition adds XEN45, a soft shunt used in minimally invasive glaucoma surgeries to Allergan’s portfolio.
UK market

It has been a quiet start to 2016 with seven deals, totalling a value of €85.3m.

Trade buyers were the most active group in 2015, with financial investors completing three deals, the same as the previous year.

Despite the fact the market is awash with cash, there is a scarcity of high quality medical equipment and supplies assets available in the consolidated market. When assets do come to market, there has been high levels of competition between potential investors.

A recent private equity deal, which Clearwater International advised on, saw Maven Capital Partners acquire Westfield Medical Limited, a provider of sterilisation barrier products to the healthcare and industrial sectors. The management buyout allows the business to increase production and expand its international presence.

Clearwater also advised private equity firm NorthEdge Capital Partners on the acquisition of Direct Healthcare Services Ltd, a provider of pressure area care products. In another deal Palatine Private Equity acquired Vernacare Ltd, an infection control products manufacturer. Clearwater advised on the deal which helps accelerate the company’s move into overseas markets.

One particular area of investor interest has been in orthopaedic implants, orthotics and prosthetics assets. Deals include:

- Össur, a listed Icelandic orthopaedics company acquired Touch EMAS Ltd (aka Touch Bionics), an upperlimb prosthetic hands and fingers manufacturer, for €34m.

- Stryker Corporation, the US-based manufacturer of medical devices and equipment, acquired Stanmore Implants Worldwide Ltd, a manufacturer of orthopaedic implants, for €45m.
Segment split of deals in 2015

Three quarters of deals completed in the UK during 2015 came from the general equipment and supplies, patient monitoring equipment and therapies, and disposable equipment and supplies segments.

Recent transactions
- Cantel Medical Corporation, the US listed provider of infection prevention and control products, acquired Medical Innovations Group Holdings Ltd, the endoscopic, surgical and mobile medical accessories products manufacturer, for €71m.
- CooperSurgical Inc., the US-based provider of medical instruments, devices, and disposables with a focus on women’s health care and minimally invasive surgery, acquired Research Instruments Ltd, a manufacturer and supplier of in-vitro fertilization (IVF) medical devices and systems, for €47m.
- Judges Scientific Plc, the UK AIM-listed manufacturer of scientific instruments acquired CoolLED Ltd, a manufacturer of LED illumination systems for researchers and clinicians, for €6m. The acquisition will help Judges Scientific to increase its earnings and to strengthen its position in the UK market.
- VWR International LLC, the listed US-based distributor of laboratory supplies and equipment acquired Therapak Corporation, the US-based supplier of diagnostic test kits and Therapak Pharma Services Limited, the UK-based supplier of pre-packaged convenience kits and procedure packs.
- Praxair Inc., the listed US gas producer and seller acquired NOxBOX Ltd, the UK-based inhaled gas delivery and monitoring medical equipment manufacturer.

“Now we have narrowly decided to exit the EU, the impact of this decision in the short term will create some uncertainty in the capital markets. In reality the medium term impact on the vast majority of businesses will be neutral. The demand for medical equipment and supplies is not set to dampen throughout Europe and will continue to attract both financial investors and strategic buyer interest.”

Ramesh Jassal, International Head of Healthcare, UK
German market

Overview
The German market generated revenues of €22.8bn in 2015, making it the third largest in the world behind the US and Japan. The market is predicted to show a CAGR (2014-2019) of 5.5%. The largest three segments were electronics (22%), dental equipment (17%) and orthopaedics, joints and prosthesis (15%). Recent deals within these segments include:

- Chinese healthcare company Xiamen Comfort Science & Technology Group Co., Ltd, acquired Medisana AG, a manufacturer of home and mobile healthcare products including electronic blood pressure monitors, thermometers and related products, for €27m.
- Hangzhou Hema Medical Equipment Co. Ltd, the Chinese medical device distributor acquired INJEX Pharma AG, a manufacturer of needle free injection systems for the dental and other medical sectors.
- Keensight Capital, the French private equity firm acquired aap Biomaterials GmbH, a developer of bone cements and related products for the orthopaedics market, for €36m.

In 2015 around 70% of medical device revenues came from exports, with roughly 40% being exports to the EU. In the last few years export revenues to the EU have been rising as a result of the demand for high quality, innovative products.

On average companies in the sector invest 9% of revenues in research and development (R&D), while there has been an 11% increase in the number of new medical device patents. Around 30% of revenues are generated by products less than three years old and German companies are using this to maintain an edge over competitors. Domestically they are using operational efficiencies to improve their margins in the competitive low tech and heavily supplied end of the medical equipment and supplies market.

Recent transactions
- Panasonic Healthcare, a Japan-based manufacturer of healthcare devices, acquired the diabetes care business of Bayer AG, the listed healthcare products producer, for €1bn. The acquisition enabled Panasonic Healthcare to gain synergies and expand its business overseas.
- A consortium of investors led by Duke Street LLP acquired Medi-Globe Corporation, a specialist in minimally invasive surgery, urology and gastroenterology, from GUB Unternehmensbeteiligungen GmbH & Co.

Future trends
Due to the pooling of purchases in the hospital sector and increased average raw material prices, margins are likely to fall. Given this, even despite market growth, we expect price pressure will continue to drive consolidation in the market.

We also expect to continue to see high and rising R&D expenditure in the areas of orthopaedics, cardiology, endoscopy and diabetes, while we expect German companies to place more of a focus on exports in the year ahead.

“Big is going to be better. Small is not going to survive. We believe that companies will consolidate further to meet the stringent regulatory and compliance cost burdens. Opportunities to expand product portfolios and routes to enter the German and export markets will be key drivers.”

Markus Otto, Managing Partner, Clearwater International, Germany
Irish market

Overview

Ireland is currently the fastest growing economy in the EU and the medical device industry has been identified as a key driver of economic growth. The sector in Ireland is recognised as one of five emerging global hubs and employing 27,000 people, is the second largest employer of medtech professionals in Europe.

Ireland is also one of the largest exporters of medical products in Europe with annual exports of €9bn to more than 100 countries. The country has become an increasingly attractive destination for large corporates, with 18 of the world’s top 25 medical technology companies having a presence there. One particular strength is cardiovascular device manufacturing and research, with approximately 80% of global production occurring in Ireland.

Recent transactions

As a result of its leading market position, Ireland has witnessed a significant volume of deal activity ranging from lower mid-market acquisitions to larger private equity buyouts and corporate M&A. Inbound M&A activity is particularly prevalent as large international trade players acquire innovative domestic operators. A prime example was SurModics Inc.’s acquisition of balloon catheter manufacturer Creagh Medical, for €30m.

Another growth area is contract manufacturing. As OEMs continue to seek efficiencies as a result of competition and price pressures, innovative local sub-suppliers to OEMs have capitalised and emerged within medical device clusters and talent hubs.

International interest in Ireland’s medical devices sector and contract manufacturing was evident at the higher end of the deal spectrum, with TE Connectivity’s €821m acquisition of Creganna Medical in early 2016. Creganna, which provides contract manufacturing of minimally invasive delivery and access devices, was sold by private equity fund Permira Advisors, which first acquired the business in 2010 for €223m.

Another deal worth noting saw US packaging group Bemis Company - which has previously been active in the Irish market – acquire SteriPak, a sterile packaging contract manufacturing business supplying the medical devices and pharma industries.

“We believe that M&A activity within Ireland will continue to thrive as the global medical device industry expands to meet the rising demand for products and services. The trend towards outsourcing of non-core functions by large medical device manufacturers will be a particular driver of M&A activity.”

John Curtin, Partner, Clearwater International, Ireland
Spanish market

Overview
The equipment and supplies market in Spain was valued at €6.8bn in 2015, representing 5.2% of European market value, and is expected to reach €7.6bn by 2018 with a CAGR of around 3.5%.

The market has been growing at a slow pace during the last few years when compared with other European leaders such as Germany or France. However, it is expected to accelerate in the coming years, driven by the recovery of the economy and increases in the public budget for the healthcare industry.

Recent transactions
- Grifols, a Spanish biopharmaceutical company, acquired a majority stake in Progenika Biopharma SA, for €34m.
- PENTAX Medical acquired a majority stake in Sistemas Integrales de Medicina SA, a provider of endoscopy and surgery products. The acquisition enhances Pentax’s portfolio of medical services and will strengthen its position in Spain and Portugal.
- Private equity firm Magnum Capital Industrial Partners acquired Orliman SLU, a manufacturer of orthopaedic products, for €79m.
- Baxter, the US biopharmaceuticals and medical equipment manufacturer, acquired Hospal S.L., the manufacturer of products and therapies for kidney and liver dialysis.
- Private equity firm ProA Capital acquired Avizor SA, the manufacturer of cleaning products for contact lenses, for €30m.
- Prim SA acquired the remaining stake in Luga Suministros Médicos S.L., a manufacturer and distributor of silicon foot care products.
- Laboratorios INDAS SA, owned by Banco Santander SA, acquired Algodones del Bages SA, a manufacturer of sanitary, hygienic, and cosmetic products.

Future trends
Rising life expectancy and an increasingly ageing population is likely to change the product mix of the Spanish medical equipment and supplies sector. As companies seek to develop a larger variety of products for elderly people, their investment strategy is bound to change, placing more emphasis on telehealth and home diagnostics products.

Another significant population dynamic that is affecting the sector is the rise of obesity. The market has already begun to change with ongoing research into all aspects of prevention and treatment, from home diabetes diagnostics kits attracting crowd funding to the development of bands and balloon systems for treating obesity.

Since 2009 government spending on healthcare has fallen significantly in the wake of the economic crisis, although there are hopes that budgets will start to rise again over coming years.

“The Spanish market is expected to see its M&A activity grow, mostly driven by the expansion of the economy and the return of public investment in the healthcare sector. An ageing population and rising life expectancy will increase internal demand and attractiveness of the sector for both local and foreign investors.”

Miguel Ángel Lorenzo, Director, Clearwater International, Spain
Notable deals in selected European countries

Denmark

- ResMed Inc, the US-based manufacturer of respiratory medical devices acquired Maribo Medico A/S, the manufacturer of sleep-disorder breathing medical devices and accessories. With the acquisition, ResMed reinforced its position in the respiratory care, digital and tele-monitoring solutions sectors. Maribo, which was advised by Clearwater International on the deal, has been distributing ResMed’s products for 15 years and the sale allows the company access to new markets.

- Winncare S.A., a France-based manufacturer of medical devices, and a portfolio company of Groupe IDI, the listed France-based private equity firm, has acquired Borringia A/S, a manufacturer of healthcare equipment, and Ergolet A/S, a manufacturer of technical aids for the elderly and disabled.

- BioTelemetry, Inc., the listed US cardiac monitoring device manufacturer acquired the ePatch division of DELTA Danish Electronics, Light & Acoustics, a specialist in extended-wear cardiac monitoring equipment, for €8m.

France

- Vygon SA, the France-based developer of single-use sterile medical devices and surgical products acquired Perouse Medical SAS, the manufacturer of cardiovascular surgery, oncology, and interventional imaging devices.

- 3T Group, the France-based logistics company acquired Laboratoire Tetra Medical, the manufacturer of bandages, compresses and medical devices.

- Etablissements Eloi Pernet SAS (Groupe Eloi), the France-based manufacturer of medical, beauty and luxury equipments acquired Midmark Europe SAS (Promotal), the manufacturer of medical furniture including couches, gynecological tables, specialist chairs, transfer chairs and stretchers.

- Nokia Oyj, the Finland-based technological consumer and professional products manufacturer acquired Withings SAS, the manufacturer of connected products with a focus on consumer health, for €170m. The transaction is in line with Nokia’s expansion strategy into the digital health and more broadly, the connected object industry. Withings’ portfolio includes the Activité smartwatch, a part watch part fitness tracker; the E-ink fitness tracker, a simple fitness gadget; and the Thermo thermometer, a smart and non-invasive Bluetooth temperature sensor.

- Bridgepoint Development Capital Ltd, RAISE Investissement, SAS, and Euro Private Equity SA, the private equity firms from the UK, France and Switzerland respectively acquired Acteon Group, a manufacturer and distributor of dental equipment, imaging technologies and consumables.
Portugal

- STB Serviços Telemáticos e Biomédicos Unipessoal LDA, the maintenance services provider for biomedical and clinical engineering devices, acquired a 51% stake in Tunemedix SL, the manufacturer of diagnostic imaging products.

- Allmed Group, the UK-based producer of end-to-end haemodialysis products acquired Pronefro - Produtos Nefrologicos S.A., the specialist in haemodialysis blood lines and other dialysis related products. Pronefro Portugal will be known as Allmed Pronefro PT while Pronefro’s wholly owned sales, marketing and distribution subsidiary in Brazil will be known as Allmed Pronefro BR. The acquisition strengthens Allmed Group in key markets, as well as providing an integrated manufacturing facility within the EU, with substantial expansion capacity.

- Stannah Lifts Holdings Ltd, the UK-based lifting equipment manufacturer acquired Egiro Mais S.A., the mobility products, scooters, lifts and lifting equipment provider. The transaction will enable Stannah to utilise the direct marketing power of Egiro and have a significant share of the Portuguese market. The company will also be able to expand further into Spain and build upon its increasing presence there.

- Iberica De Mantenimiento, S.A., the Spanish provider of medical equipment maintenance and installation services acquired an unknown stake in Iberdata Equipamentos S.A., the Portuguese healthcare equipment distributor, for €7m.
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<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Description</th>
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<tbody>
<tr>
<td>Femcare</td>
<td>Surgical Products</td>
<td>Supplier of prescription laryngectomy, tracheostomy &amp; ostomy products</td>
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<tr>
<td>Countrywide Supplies</td>
<td>Laryngectomy, Tracheostomy, Ostomy Products</td>
<td>Clearwater International advised the shareholders of Countrywide on its cross-border sale to Atos Medical</td>
</tr>
<tr>
<td>Vanguard</td>
<td>Healthcare Services</td>
<td>World's largest fleet of mobile healthcare facilities</td>
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<td>Clearwater International advised management on securing a €21m refinancing deal with AIB</td>
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<tr>
<td>Maribo Medico</td>
<td>Home Healthcare</td>
<td>Denmark's market leader in sleep and respiratory care</td>
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<td>Clearwater International advised Maribo Medico on its sale to US listed ResMed (NYSE: RMD)</td>
</tr>
<tr>
<td>Verna Group</td>
<td>Human Waste Management</td>
<td>Provider of safe patient handling equipment</td>
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<td>Clearwater International advised NASDAQ-listed Prism Medical on the sale of its UK subsidiary to LDC</td>
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<td>Days Healthcare</td>
<td>Pressure Care</td>
<td>UK specialists in independent living solutions</td>
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<td>Clearwater International advised the vendor on the sale of DCC’s mobility and rehab product divisions to Patterson Medical</td>
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<tr>
<td>Jourdan Plc</td>
<td>Medical Technology</td>
<td>Holding company with interests in the consumer and industrials markets</td>
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<td>Clearwater International advised Jourdan Plc’s shareholders on the disposal of its 100% shareholding in Westfield Medical Limited</td>
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<tr>
<td>Direct Healthcare</td>
<td>Pressure Care</td>
<td>Pressure area care solutions</td>
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<td>Clearwater International advised private equity house NorthEdge Capital on the MBO of Direct Healthcare Services</td>
</tr>
<tr>
<td>mic</td>
<td>Early-Stage Technology</td>
<td>Early-stage technology investor</td>
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<td></td>
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<td>Clearwater International advised mic and certain co-investors on the sale of their stake in neuroConn to NeuroCare</td>
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<tr>
<td>BAC BV</td>
<td>Protein Purification</td>
<td>Manufacturer of protein purification products used in discovery and development</td>
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<td>Clearwater International advised Unilever on the sale to Life Technologies Corporation</td>
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