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TOP MERGERS + ACQUISITIONS IN MEDTECH + BIOTECH IN 2020

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WHO + WHY?

When looking back at M+A activity this year, I took notice of a few that stood out, irrespective of their size. Unlike many previous years, there was significant disruption and tons of pivoting due to the challenges of COVID-19. Were you able to predict some of the acquisitions in 2020? Did they make sense?



Regardless, it makes for interesting discussion heading into 2021. Before I get to my main list, there are a few points worth mentioning:

- In the general life science space, MedTech appeared to be the hardest hit. Some elective procedures were on hold for almost two months, generating no revenue. Some estimates show business down 5% in this segment.
- Funding was actually okay during the chaos. In MedTech, funding mostly came from debt. Whereas in life science, particularly in tools and diagnostics, VC funding was robust. This segment captured new interests.
- Digital healthcare, AI, and preventative medicine continue to drive growth, paving the way for consistent healthcare and wellness, regardless of region.
- It does not matter how big you are, you can be bought. See the list below regarding AbbVie/Allergan valued at \$63B.



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It is always fascinating to look back at how this niche continues to evolve and see the strategies at play. Although technology is advancing and money is available, exits are continuously proving to be a challenge for small players trying to justify relevancy. Many are predicting a huge surge in M+A with larger companies picking up distressed assets and taking advantage of lower interest rates. If 2021 is anything like what we saw in the last few years, it will be another year of interesting consolidation.

TOP 5 MERGERS + ACQUISITIONS IN MEDTECH + BIOTECH IN 2020

In no particular order, below are my top five mergers + acquisitions in 2020.

1 TELEDOC HEALTH MERGES WITH LIVONGO (\$18.5B VALUE)

Whole person care meets applied health signals. Initiatives like this one will continue to drive personal health capitalizing on technology and convenience for greater patient care. As Jason Gorevic, CEO of Teladoc Health, stated in a press release, “Both Teladoc and Livongo were founded with the same mission: to create a new kind of healthcare experience, one that empowers people everywhere to live their healthiest life.”¹

2 VARIAN COMBINES WITH SIEMENS HEALTHINEERS (\$16.4B VALUE)

By bringing together these two companies with complimenting tools, diagnostics tools, imaging, AI, and radiotherapy, this company will lead the digital transformation of oncology healthcare.² As a result, this could help millions of cancer patients worldwide as healthcare companies continue to fight this disease.





3 EXACT SCIENCES TO ACQUIRE THRIVE EARLY DETECTION (\$2.15B VALUE)

This acquisition will establish Exact Sciences as a leading competitor in blood-based, multi-cancer screening. Chairman and CEO of Exact Sciences Kevin Conroy said, “The acquisition of Thrive is a giant leap toward ensuring blood-based, multi-cancer screening becomes a reality and eventually the standard of care.”³



4 BOSTON SCIENTIFIC ENTERS EXCLUSIVE ACQUISITION OPTION AGREEMENT WITH FARAPULSE

A value has not been assigned to this one, but it is noteworthy because of the focus in the cardiac electrophysiology market, including pulse technologies from the likes of Farapulse and Adagio Medical. Boston Scientific is lining up technologies like this and their recent CE marked cryoablation and contact force catheters, showing strong commitment in this lucrative EP market.⁴



5 ILLUMINA TO ACQUIRE GRAIL (\$8B VALUE)

Much like Exact Sciences’ acquisition, this is all about being better at detecting multiple cancers quickly. This acquisition will allow Illumina to transform cancer care by using genomics and their NGS platform.⁵ Early detection is critical in the fight against cancer. Plus, it significantly reduces the costs associated with treating the disease if it is caught early enough.

IN CONCLUSION

At the time of writing this, not all of the deals mentioned have cleared their required hurdles, but they do look promising. The top 100 companies in this space are constantly changing. Consolidation is not always good, but in some instances, it makes a lot of sense. I hope that this industry continues to bring innovative products, therapies, and technology to ultimately meet its greater goal: improving patient care.

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