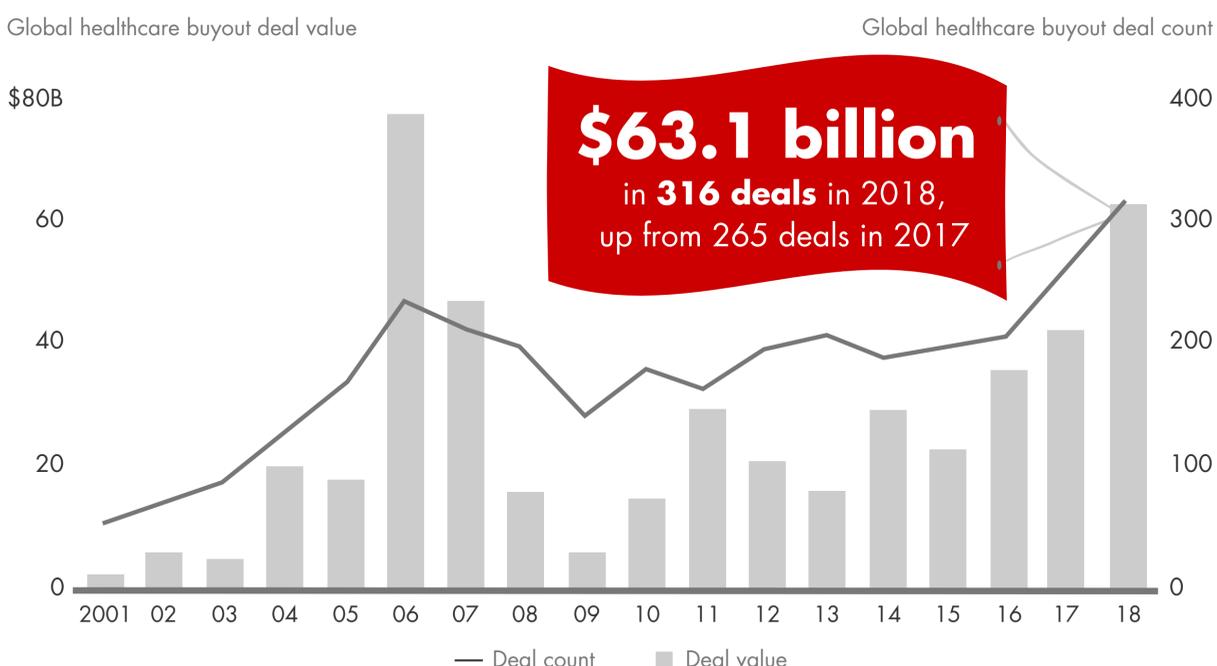


Competition Heats Up in HEALTHCARE PRIVATE EQUITY

Amid global economic and sociopolitical instability, investors are flocking at record levels to healthcare assets

Healthcare PE had a banner year

Total deal count and disclosed value reached highest levels recorded since the recession



Investors made big bets on category leaders

Several large deals across sectors boosted the average deal size in 2018 ...

18 deals were greater than **\$1 billion each**

4 were megadeals that topped \$4 billion each, including one for \$9.9 billion

... and corporate buyers aided the rise in healthcare M&A deals

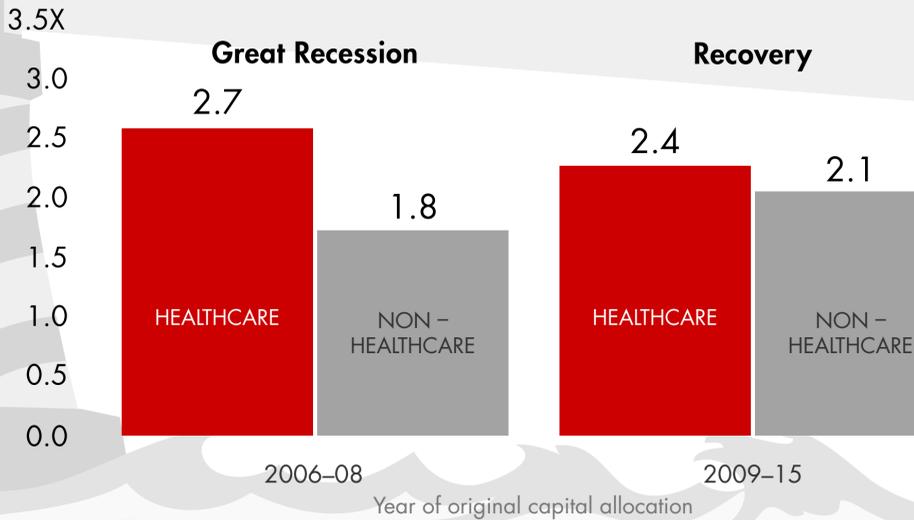
A record **\$435 billion** was invested in 2018, topping the previous high of \$432 billion in 2015

Oasis in a sea of volatility

Healthcare's fundamentals are attractive to investors in a climate of economic and political uncertainty

This is especially true in **North America**, where healthcare PE investments outperformed the rest of the market during the last recession

Gross pooled multiple on invested capital



Source: CEPRES PE Analyzer

4 investment tactics for a crowded market

As intense competition for healthcare assets drives up prices, investors can take more creative approaches



Look for partners

For large, complex assets, PE buyers can seek partners to help finance the deal or spread the risk



Explore public markets

As public valuations look increasingly attractive compared with private companies, look at these markets for carve-out or take-private opportunities



Go beyond the traditional leveraged buyout

Diversify the pool of assets by exploring lower-risk core assets and early-stage growth assets and building value over the long term



Expand the value-creation theses

As return multiples become harder to come by, build a deal thesis based on buy-and-build strategies that focus on regional or category leadership, for example

Read more:



Global Healthcare Private Equity and Corporate M&A Report 2019
www.bain.com/healthcare-pe-2019