

Healthcare Deal Insights

Second Quarter 2010



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2Q10 Healthcare Tech M&A Statistics:

Number of Deals: 95

Value of Deals: \$9.0 billion

2Q Deal Vol.: Down 25%

Most Active Sector: Biotech

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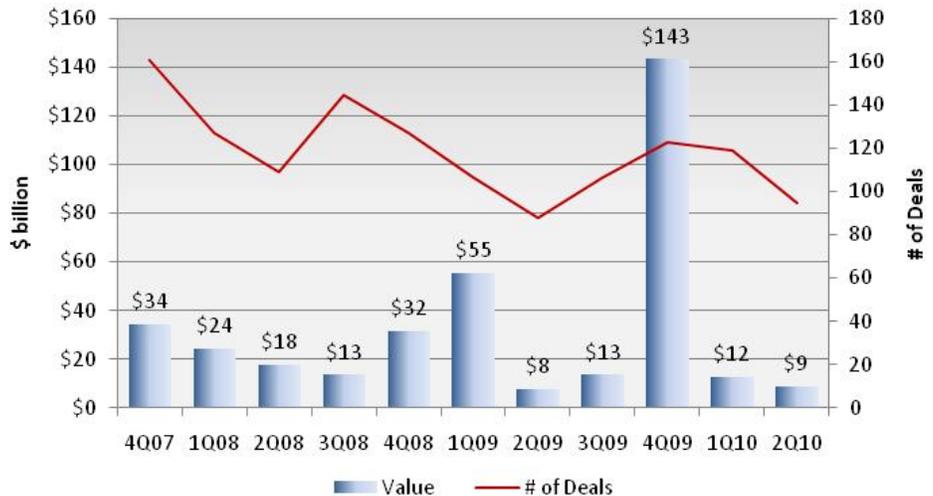


Deals Profiled

Sector	Acquirer	Target
Healthcare-IT	Intuit	Medfusion
Biotechnology	PerkinElmer, Inc.	Signature Genomics
Medical Devices	Merit Medical	BioSphere Medical
Pharmaceuticals	Biovail Corporation	Valeant Pharmaceuticals

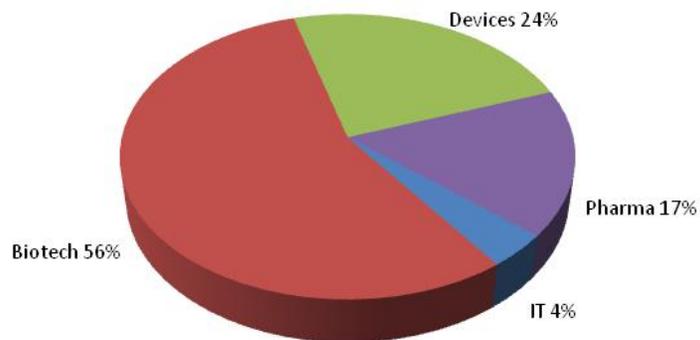
M&A Activity

Healthcare Technology - U.S. M&A Transactions



Source: Capital IQ

Healthcare Technology Deals Breakdown (\$ Value)



Healthcare-IT

Acquirer

Name:	Intuit, Inc. (NasdaqGS:INTU)		
LTM Revenues (\$M):	3,449.0	LTM EBITDA (\$M):	1,091.0
Primary Industry:	Application Software	Year Founded:	1983
Main Products/Services:	Intuit, Inc. provides business and financial management solutions for small and medium sized businesses, consumers, accounting professionals and financial institutions in the U.S., Canada, and the U.K. The company offers QuickBooks financial and business management software and services, technical support, financial supplies as well as merchant services.		
			
Headquarters:	Mountain View, California		

Target

Name:	Medfusion, Inc.		
LTM Revenues (\$M):	--	LTM EBITDA (\$M):	--
Primary Industry:	Healthcare Technology	Year Founded:	1996
Main Products/Services:	Provides communication solutions for physician practices in North Carolina. It offers Virtual Office Suite, a Web-based application that allows physicians to engage their patients online or over the telephone. The company's healthcare solutions include such front office solutions as pre-registration, appointment requests, and patient messaging solutions. Its back office solutions include online bill pay and virtual card swiper. It also provides clinical solutions, including lab results and reminders, prescription renewal/prescription refills, virtual office visits, referral management, and personal health records solutions.		
			
Headquarters:	Cary, North Carolina		

Transaction

Date:	May 10, 2010	Transaction Value (\$M):	91.0	Percent Acquired:	100%
		Implied Enterprise Value (\$M):	91.0	EV/EBITDA:	--

Deal Structure: \$91 million in cash

Rationale: Intuit, which already has a foot in the healthcare door through [Quicken Health](#), said it will combine its own expertise in designing software for small businesses with Medfusion's bill and payment services. As a result, Intuit hopes to make it easier for patients to make sense of their medical bills and for doctors' offices to get paid quicker. The company said it is also looking to help patients more easily access their own personal health information and keep better track of their medical expenses.

Biotechnology

Acquirer

Name:	PerkinElmer, Inc. (NYSE:PKI)		
LTM Revenues (\$M):	1,842.0	LTM EBITDA (\$M):	269.0
Primary Industry:	Healthcare Services	Year Founded:	1937
Main Products/Services:	Provides technology, services, and solutions for early detection for genetic disorders from pre-conception to early childhood, as well as medical imaging for the diagnostics market and a suite of solutions including reagents, liquid handling, and detection technologies that enable researchers to improve the drug discovery process. The company also focuses on the consumer product safety; environmental analysis; food, flavors, and agricultural analysis.		
			
Headquarters:	Waltham, Massachusetts		

Target

Name:	Signature Genomic Laboratories, LLC		
LTM Revenues (\$M):	--	LTM EBITDA (\$M):	--
Primary Industry:	Life Sciences	Year Founded:	2003
Main Products/Services:	Provides diagnostic cytogenetic services. It offers diagnostic services, including pediatric and adult testing, and prenatal services, as well as FISH analysis of clinically relevant loci. The company also provides prenatal diagnosis services, interpretation with genome microarrays, and G-banded karyotype analysis services.		
			
Headquarters:	Spokane, Washington		

Transaction

Date:	April 09, 2010	Transaction Value (\$M):	90.0	Percent Acquired:	100%
		Implied Enterprise Value (\$M):	90.0	EV/EBITDA:	--
Deal Structure:	\$12.5 million will be held in escrow for up to 18 months to secure indemnification obligations. The purchase price is subject to adjustment based on certain indebtedness and the working capital of Signature as of the closing				
Rationale:	PerkinElmer said its acquisition of Signature will strengthen its existing genetic screening business which includes maternal, molecular, and newborn test portfolios, expand its position in early detection of disease, specifically in the molecular diagnostics market, and give PerkinElmer an entrance into cancer diagnostics.				

Medical Devices

Acquirer

Name:	Merit Medical Systems, Inc. (NasdaqGS: MMSI)	
LTM Revenues (\$M):	266.5	LTM EBITDA (\$M): 44.6
Primary Industry:	Medical Devices	Year Founded: 1987
Main Products/Services:	 <p>Designs, develops, manufactures and markets single-use medical products for interventional and diagnostic procedures worldwide. The company's product offering include products for cardiology, radiology, obesity-related products, gastroenterology and pulmonary products and specialty procedure products. It offers its products primarily to radiologists, anesthesiologists, physiatrists, neurologists, nephrologists, vascular and thoracic surgeons.</p>	
Headquarters:	South Jordan, Utah	

Target

Name:	BioSphere Medical, Inc. (NasdaqGM:BSMD)	
LTM Revenues (\$M):	31.3	LTM EBITDA (\$M): (2.4)
Primary Industry:	Life Sciences Tools	Year Founded: 1993
Main Products/Services:	 <p>Develops, manufactures, and markets bioengineered microspheres to treat uterine fibroids, hypervascularized tumors and vascular malformations through embolotherapy, a minimally invasive, image-guided medical procedure. Markets embolotherapy and delivery systems products through direct sales force in the United States and France; and through distributors in Europe, Asia, Canada, the Middle East and South America.</p>	
Headquarters:	Rockland, Massachusetts	

Transaction

Date:	May 13, 2010	Transaction Value (\$M): 90.6	Percent Acquired: 100%
		Implied Enterprise Value (\$M): 74.0	EV/Revenues: 2.4x
Deal Structure:	<p>BioSphere's stockholders received \$82.1 million in cash (\$4.38 per share). Merit Medical will provide an unsecured loan of up to \$10 million to BioSphere, for funding of redemption of BioSphere's Series A Preferred Stock.</p>		
Rationale:	<p>BioSphere Medical will be merging with and into Merit BioAcquisition Co. Merit Medical Systems' strong reputation and experience in interventional radiology and extensive worldwide distribution network makes it a good fit for BioSphere.</p>		

Pharmaceuticals

Acquirer

Name:	Biovail Corporation (TSX:BVF)	
LTM Revenues (\$M):	866.7	LTM EBITDA (\$M): 387.4
Primary Industry:	Pharmaceuticals	Year Founded: 1983
Main Products/Services:	Engages in the development and commercialization of pharmaceutical products used in the treatment of specialty central nervous system disorders. It distributes other pharmaceutical products for the management of anxiety disorders, treatment of hypertension and prophylaxis of ischemic heart pain associated with coronary insufficiency. In addition, it offers research, development, and clinical contract research services to third parties.	
		
Headquarters:	Mississauga, Ontario, Canada	

Target

Name:	Valeant Pharmaceuticals International (NYSE:VRX)	
LTM Revenues (\$M):	884.5	LTM EBITDA (\$M): 374.2
Primary Industry:	Pharmaceuticals	Year Founded: 1960
Main Products/Services:	It offers specialty pharmaceutical and over-the-counter (OTC) products in dermatology and neurology therapeutic classes. The company also provides branded generic products in antibiotics, antifungal medications, and diabetic therapies in Europe; and antibacterial, vitamin deficiency, and dermatological products in Latin America.	
		
Headquarters:	Aliso Viejo, California	

Transaction

Date:	June 20, 2010	Transaction Value (\$M): 4,506.7	Percent Acquired: 100%
		Implied Enterprise Value (\$M): 4,351.4	EV/EBITDA: 11.6x
Deal Structure:	Valeant stockholders received a one-time special cash dividend of \$16.77 per share immediately prior to closing of the deal and 1.7809 shares of Biovail common stock in exchange for each share of Valeant common stock owned.		
Rationale:	The deal creates one of the largest specialty pharma companies. The combined company will focus on four core growth areas: central nervous system, dermatology, Canada and emerging markets/branded generics.		