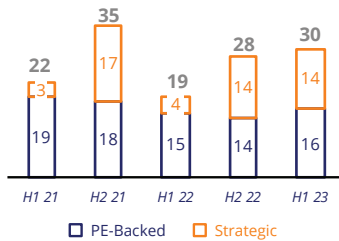


Global MedTech CDMO M&A Update H1 2023

DATA OVERVIEW

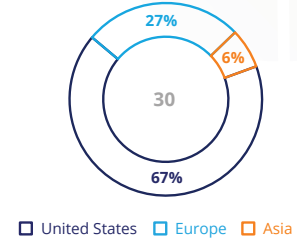
1 RECENT M&A ACTIVITY



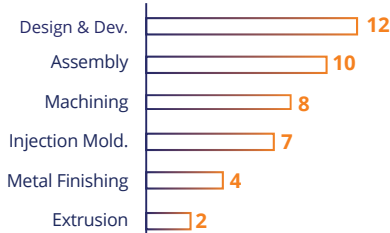
2 H1 2023 PE EXITS^{1,2}

Seller	Target	Acquirer
KIDD & CO.	NextPhase Medical Devices	ARTEREX
AEA	SPECTRUM PLASTICS GROUP	DUPONT
3i	QMD	Cirtec
NORD	ing medical	astorg

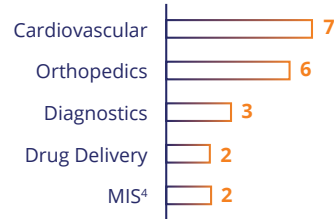
3 GEOGRAPHY



4 TARGET CAPABILITIES



5 TARGET END-MARKETS³



KEY MARKET INSIGHTS

- > The first half of 2023 saw a **sustained volume** of M&A transactions, in line with H2 2022.
 - > Such robust market activity, in the context of a worsening economy and credit crunch, indicates a **continued high interest** of global investors in MedTech CDMO.
 - > As in H2 2022, **strategic** and **financial sponsors** contributed equally to dealmaking (15 each).
- > In H1 2023, we recorded four **private equity exits**. The assets had an average holding period of six years: two were secondary buyouts and two strategic exits.
- > Most transactions happened in the U.S. (~67%) but European M&A showcased a surge in dealmaking. Notably, 17 transactions were global, **cross-border** deals.
- > The core competences targeted by M&A included **design & development** and clean room **manufacturing services**, followed by primary component capabilities like injection molding and machining.
 - > **Vertical integration** is a critical strategic driver, as many acquirers prioritize acquisitions that expand their service offering, while mitigating supply chain risks.
- > Target end-market applications were diversified, with **cardiovascular devices** and **orthopedics** leading the interest of acquirers.

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Note: ¹QMD and Cirtec are both portfolio companies of 3i; ²The holding period was 8y for Kidd & Co., 5y for AEA and 3y for Nord Holding; ³Indicative summary of identifiable medical applications; ⁴Minimally invasive surgery.
Sources: Pitchbook; Arx Deals; GlobalData; Alira Health analysis.