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ACTIVITY REPORT



HEALTHCARE

Despite market headwinds, our 2023 deal volume remained strong, reflecting the resilience of our sectors and our dedication to fostering growth and innovation. We see no slowdown as long as our clients maintain a robust market position.

In 2023, our Healthcare practice remained the #1 European Healthcare Growth ECM investment bank, advising record transactions such as the largest-ever US listing of a French Biotech with Abivax's USD236m Nasdaq IPO.

In M&A and private placements, we advised Boiron's EUR875m tender offer, as well as other transactions involving innovators and pioneers such as home-based dialysis solution provider, Physidia and mental health digital solutions provider, Selfapy.

As we anticipate a dynamic 2024, our teams have sharpened their focus on key subsectors, to continue backing innovators and shaping the future of European Healthcare growth financing.

€3.2bn

raised in public capital
since 2020

€83m

average ECM offering
size in 2023

90+

transactions
since 2020

Subsectors

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THE PULSE OF PHARMA AND BIOTECH

Despite signs of a recovery in venture capital (VC) financing activities within the Pharma and Biotech sectors across European geographies in 2023, the backdrop paints a mixed picture. Over the past five years, both deal count and deal value have doubled to 72 and EUR4.1bn respectively, indicating a potential normalisation in 2023 after the spike observed in 2021. However, ECM activities in this sector have remained fragile, with investors focusing more on existing portfolio assets than on new investment opportunities.

The IPO window remained closed in Europe throughout 2023, with a slow reopening in the US. Follow-ons experienced a slight rebound, both in the EU and the US, after a dramatic decrease already in 2022.

M&A activity in Pharma and Biotech was weak in 2023, with cumulative value returning to pre-2018 levels. Strategic investors led transactions more than PE funds, adjusting to tighter financing conditions.

Bryan Garnier maintained an active role in advising the most innovative technologies in Pharma and Biotech, focusing particularly on rapidly-changing fields such as cell and gene therapies, engineered antibodies

and mRNA applications across various therapeutic areas. In the face of market volatility, the team has adopted a flexible approach to align with investor interests, also exploring value-creating segments such as drug reformulation. In a challenging market environment, Bryan Garnier advised over 10 transactions within the Pharma & Biotech space in 2023. We acted as a unique bridge

to the US Nasdaq for European growth companies, advised entrepreneurs and guided family business through strategic growth. Notable transactions included the high-profile USD236m Nasdaq IPO of Abivax and the EUR875m tender offer by Boiron.

OUTLOOK FOR 2024

Assuming trends from 2022 and 2023 persist, follow-ons and to some extent, venture capital operations are expected to be the main drivers in Pharma and Biotech. A gradual reengagement of private and public investors with new ideas is anticipated after a period of focused attention on existing portfolios. The continued shutdown of IPO activity may support follow-ons and fuel late-stage VC financing. Low valuation levels are likely to drive more take-private transactions from both institutional investors and strategic players in the M&A space.



CASH BURNING MEDTECH NEEDS TO BUCKLE UP

Sound strategic advice from sector experts is particularly crucial in the Medtech sector in current market conditions. Medtech ECM activity has experienced a sluggish two-year period, marked by a significant decline in primary and secondary markets, where the last European Medtech IPO occurred in October 2021 with Onward Medical. Secondary markets transactions saw a record low number of follow-ons in 2023, with less than 10 transactions, compared to over 20 in 2022. Notably, 90% of these deals closed for less than EUR10m. The private placement market also witnessed a decrease in both the number of deals and total transaction value, with EUR2.4bn raised in 2023 compared with EUR4.2bn in 2022. This decline can be attributed to the record high activity seen in 2021 and 2022, driven by a favourable environment with low interest rates, as well as tightening fundraising conditions in 2023.

On the bright side, despite the current market downturn, the overall fundraising level remains above the long-term transaction value average. Innovative companies with robust technologies and sound business models, placing profitability at core, continue to secure financing at reasonable valuation levels. However, M&A activity experienced a sharp drop in transaction value and volume in 2023,

with only 100 transactions recorded in Europe and a drop of more than 50% in transaction value. On the take-private side, activity increased not only in Medtech but across the entire healthcare spectrum. This correlates with lower valuations in public markets and increased competition for private assets, as healthcare becomes a safe haven for private equity players.

The new MDR regulation imposes stringent requirements on European companies, affecting both time to market and clinical trial costs.

Regulatory constraints have negatively impacted the Medtech sector, hampering the introduction of new technologies to European patients and diminishing M&A activity. This has prompted a clear shift in the strategies of Medtech companies, favouring a US-first approach where FDA approval is sought before entering the European market.



Bryan Garnier has remained laser-focused on supporting high-growth European Medtech companies. In the field of surgical science, we back innovation in niche markets, as shown by Spineart's challenger disc replacement technology. Within information technology, we support early AI adopters such as Median Technologies in oncology and Cleerly in cardiology, which both prioritise robust business models.

In 2023, our team advised strategic transactions across private and public markets, showcasing

our expertise in navigating complex deals through tough environments. These include the follow-on offering and convertible bonds issuance for medical imaging HealthTech Median Technologies and the sale of Physidia, a prominent provider of home haemodialysis solutions and renal care, to Columna Capital. Other landmark deals over the year included the EUR45m sale of leading solutions provider in airway clearance PhysioAssit, and a capital raise for the digital therapeutics Medtech specialising in mental health disorders, Selfapy.

OUTLOOK FOR 2024

Looking ahead to 2024, we anticipate a crucial year for Medtech. Cash burning companies surviving throughout 2021 and 2022 may face challenges, triggering a consolidation wave and potentially leading to discounted valuations. The outlook for 2024 points to a strong vintage in M&A and private placement markets, with the ECM market expected to accelerate in H2 2024 towards a robust 2025.

SHIFTING TIDES IN CDMO AND PRIVATE CARE CENTRES

The European Contract Development and Manufacturing Organisation (CDMO) market continues to experience fragmentation and growth, especially in food supplements, ingredients, and cosmetics. Ongoing consolidation, as reflected by initiatives such as Biopharma, Biodue and Anjac's buy-and-build strategies, is notable. Numerous significant players at the European level are actively pursuing accelerated strategies, seeking funding from private equity sponsors.

Bryan Garnier has turned its focus to this fragmented sector following recent operations, notably with Oncodesign, a leading Contract Research Organisation (CRO) company. Opportunities are buoyant at the European level, attracting interest from established players or those backed by private equity, such as Oncodesign. They are increasingly emphasising a comprehensive approach for their pharmaceutical or Biotechnology clients and exploring acquisitions both upstream and downstream in the value chain.

Private care centres are currently propelled by governments that have long advocated for the development of ambulatory care. This has resulted in the emergence of various private care centre models - cardiology centres, vet clinics, nuclear medicine centres - aiming to

alleviate waiting times. These regulated sectors, characterised by high barriers to entry, are attracting attention from private equity investors.

The European M&A market witnessed a decline in volume in 2023, impacting valuations. The Argos index of European SME transactions recorded a significant drop to 9.1x EBITDA in Q3 2023, following years of multiples around 10x. This decline is attributed to prevailing high interest rates, geopolitical risks and inflation.

Despite the market environment, healthcare transactions continue to demonstrate resilience, with a sustained number of transactions and high multiples, except in the large-cap segment.

Investors are strategically redirecting their focus towards resilient sectors, contributing to a slowdown in other sectors from a transactional standpoint. 2023 market activity in these verticals remained robust despite high interest rates, considering potential dampening effects on investor appeal, particularly for supporting debt intensive buy-and-build strategies.

OUTLOOK FOR 2024

Looking ahead to 2024, a global slowdown in transaction volume is anticipated, even in the Healthcare sector, which has previously shown relative resilience. Valuations are expected to remain high, influenced by inflation, global economic uncertainties and persistently high interest rates.



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CASE STUDY 1

BOIRON: SUPPORTING FOUNDERS AND ENTREPRENEURIAL FAMILIES THROUGH KEY STRATEGIC MOMENTS IN THEIR GROWTH JOURNEY

Bryan Garnier acted as Financial Advisor to the Boiron family in the EUR875m tender offer for the BOIRON Group, world leader in natural medicine, in partnership with EW Healthcare Partners. This transaction illustrated Bryan Garnier's commitment to supporting founders and entrepreneurial families through key strategic moments in their growth journey, in line with our DNA since our foundation in 1996.

We mobilised and combined our teams - from M&A, debt financing and equity capital markets - to support the family shareholders, the management team and the Boiron Group at every stage of this complex transaction. Our teams were fully engaged and acted as one to bring the best outcome for our client, from the search for a partner in line with the family's values and the group's development strategy, through to the arrangement of a syndicated loan with major banks, and handling of the public offer process.

Boiron, founded in 1932 by Jean and Henri Boiron, produces homeopathic medicines to meet the needs of physicians and patients looking for effective, reliable and non-toxic

therapeutic solutions. Today, the company is the world leader in homeopathic medicines and a major player in the OTC market with presence in 50 countries and revenues reaching EUR534m in FY 2022.

Established in 1985, EW Healthcare Partners is one of the oldest and most respected healthcare growth equity firms in the world. EW Healthcare Partners currently has over USD3bn under management and is investing out of its 10th fund. EW Healthcare Partners has a global reach through three offices and 20 professionals with active investments in the US, Europe and Latin America.

For over 30 years, the firm has maintained a dedicated focus to diversified healthcare investing - serving as lead investor in the founding or critical financing of over 150 healthcare companies in the Pharmaceutical, Biotechnology, Medical Device, Services and Information Technology sectors.

As part of this transaction, the Boiron family transferred its 70% stake in the BOIRON Group to a newly created holding company, BOIRON Développement, joined by EW Healthcare Partners as a minority investor with a stake of approx. 25% and the BOIRON employee fund with approx. 5% of the capital. Additionally, BOIRON Développement raised senior debt from a syndicate of top-tier French commercial banks, which will be able to support the BOIRON Group in its growth strategy.

BOIRON Développement launched a public offer to acquire the 23% of the share capital that it did not own in the BOIRON Group with a view to taking the company private. This public offer valued the BOIRON Group at EUR50 per share (including a EUR10.36/share special dividend already detached on 18th October), representing an approx. EUR875m enterprise value.



CASE STUDY 2

EGETIS THERAPEUTICS: THE FIRST COMBINED OFFERING OF EQUITY AND DEBT BY A LISTED SWEDISH COMPANY

“Thanks to this transaction, we are set to advance Emcitate's development and strengthen our infrastructure as we continue progressing towards a New Drug Application (NDA) in 2024 in the US, to bring the first approved treatment for MCT8 deficiency to patients. Bryan, Garnier & Co's ability to market our story to US-based healthcare specialist institutions and to orchestrate a landmark transaction structure in Sweden combining both equity and debt with Frazier Life Sciences and BlackRock (formerly Kreos), made this financing round a great success.”



Nicklas Westerholm

CEO Egetis

Acting as Sole Global Coordinator and Sole Bookrunner, Bryan Garnier delivered a SEK462m combined offering for Egetis Therapeutics on Nasdaq Stockholm.

This was the first combined offering of equity and debt by a listed Swedish company. The transaction comes after Bryan Garnier reopened the European Healthcare ECM market in 2023 with a previous capital increase for Egetis Therapeutics,

demonstrating its unique ability to raise capital for Nordic healthcare companies in a highly competitive fundraising environment. The transaction consisted of a SEK172m PIPE led by US healthcare investor Frazier Life Sciences and a SEK290m debt financing obtained from BlackRock (formerly Kreos).

The pricing was set at SEK4.00, representing a more than 2.3% premium to the last close, and the stock rose by 28% the day following the offering. The PIPE process was run through several months alongside key US specialist investors and resulted in demand well above the 20% authorised mandate with several term sheets received.

Headquartered in Stockholm, Egetis Therapeutics is an integrated pharmaceutical drug development company, focusing on late-stage drug development for the treatment of serious rare diseases with significant unmet medical needs.

The company's lead candidate Emcitate is under development for the treatment of patients with MCT8 deficiency.

MCT8 deficiency is a rare disease affecting approx. 1 in 70,000 males that makes the

body incapable of transporting thyroid hormone in several tissues, including the brain.

Thyroid hormone is a key metabolic regulator with effects on almost all cell types and plays an important role in the development and proper function of multiple organs. Deficiency of the hormone causes impaired development of both cognitive and physical abilities and is detrimental to the growth and development of infants.

Egetis Therapeutics applied for approval in Europe in October 2023. The company already has more than 160 patients on Emcitate under a compassionate use programme. Most of these patients may become revenue generators as soon as approval and reimbursement have been granted.

The net proceeds will continue financing Emcitate's development, applications for market authorisations for Emcitate in the EU and the US as well as the continued build-up of the company's commercial and medical affairs infrastructure including pre-launch activities, as well as general corporate purposes and financial flexibility.



HEALTHCARE SELECTED TRANSACTIONS

calliditas
THERAPEUTICS

Senior Secured Term Loan

ATHYRIUM

\$ 100 000 000

December 2023
Sole Financial Advisor

CardioParc

Investment by

Caisse des Dépôts

CITIZEN CAPITAL

Undisclosed

December 2023
Sole Advisor to the Seller

EGETIS
THERAPEUTICS

PIPE & Debt Financing

Nasdaq

SEK 462 000 000

October 2023
Sole Global Coordinator
& Sole Bookrunner

BOIRON

Tender offer by the Boiron Family
joined by

Healthcare Partners

€ 875 000 000

October 2023
Financial Advisor

ABIVAX

Initial Public Offering

Nasdaq

\$ 236 000 000

October 2023
European Lead Manager

Okivét
RÉSEAU DE CLINIQUES
VÉTÉRIAIRES

Acquired by

M MEDIVET
CVC

Undisclosed

September 2023
Sole Advisor to the Seller

ABIVAX

Structured Debt Financing

BlackRock **SIG**

€ 150 000 000

August 2023
Sole Advisor & Sole Placement Agent

M median

Follow-on Offering
& Convertible bonds issuance

EURONEXT

€ 21 600 000

July 2023
Sole Global Coordinator
& Sole Bookrunner

PhysioAssist

Acquired by

inogen

\$ 45 000 000

July 2023
Sole Financial Advisor to the Company
and its Shareholders

MedinCell

Follow-on Offering

EURONEXT

€ 25 000 000

May 2023
Joint Global Coordinator
& Joint Bookrunner

Physidia
REGENERATE YOUR LIFE

Acquisition of a
majority stake by

COLUMNA CAPITAL

Undisclosed

May 2023
Sole Financial Advisor to the Company
and its Shareholders

ABIVAX

Cross Over Financing

EURONEXT

€ 130 000 000

February 2023
Financial Advisor
& Placement Agent

EGETIS
THERAPEUTICS

Follow-on Offering

Nasdaq

SEK 210 000 000

January 2023
Joint Global Coordinator
& Joint Bookrunner

Selfapy

Growth Financing

MEDICE SHS

Think.Health **SB Ventures** **Top Not Ventures**

Undisclosed

January 2023
Sole Financial Advisor

valneva

Follow-on Offering

EURONEXT
Nasdaq

€ 102 900 000

September 2022
Joint Bookrunner

ncodesign
services

Sale of the Group's
CRO activities to

elyan

€ 100 000 000

May 2022
Sole Financial Advisor



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