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CORPORATE FINANCE

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Healthcare

Top 5 Healthcare deals of 2017



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Raphael Healthcare

Acquired by Elysium Healthcare

Swanton Care & Community

Acquired by Apposite Capital

Random 42

Management buy-out backed by Graphite Capital

Push Doctor

Raising Capital led by Accelerated Digital Ventures and Draper Esprit

Newbridge House

Acquired by Schoen Klinik

Elysium Healthcare's acquisition of Raphael Healthcare



Elysium Healthcare, newly formed in 2016 because of the CMA investigation into Acadia's acquisition of Priory Group, acquired specialist mental health business Raphael Healthcare in February. This was Elysium's first acquisition following their formation and subsequently (with the backing of BC Partners) they have gone onto acquire Lighthouse, Badby Park, Stanley House and Broadham Care. Elysium has a clear strategy, is well-funded and is likely to continue to make strategic and bolt-on acquisitions into 2018.

Apposite Capital investing in Swanton Care



Apposite Capital, the specialist healthcare investor, acquired Swanton Care & Community, the specialist provider of residential and supported living care for adults with complex learning disabilities, mental health disorders and acquired brain injuries. Private equity houses such as Apposite have significant capital to deploy (they, like others, have recently raised a new fund) and investing in a strong platform with further potential for organic and acquisitive growth continues to be a popular investment theme for private equity. Another notable investment into a new platform was August Equity's acquisition of Genesis Care, a dental business based in the Midlands.

Graphite Capital backed the MBO of Random 42



Following a highly competitive sales process. Graphite backed the management buy-out of Random 42, a leading global 3D and Virtual Reality animation and digital media services provider to the pharmaceutical and healthcare industries. Random 42 produces complex, scientific animations to assist pharmaceutical and biotech companies in their interaction and communication to a wide range of stakeholders. A number of positive global macro drivers have kept Pharma M&A buoyant, in particular the continuing trend for outsourcing across the Pharma value chain. There is strong interest from private equity in businesses that supply niche value added services.

"In a highly competitive environment, trade acquirers continue to dominate. There continues to be significant appetite for assets with the pool of potential acquirers widened by the entry of new investors and corporates, both domestically and noticeably from overseas. This increased appetite and strong underlying market drivers have pushed valuations for premium assets higher over the last 12 months and all the ingredients are in place for strong levels of deal activity to continue into 2018."

Justin Crowther
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Push Doctor raises c£20m for expansion



Push Doctor, a startup with a platform that allows you to speak to a doctor in minutes via a video call, raised c£20m from a cohort of investors. The capital was raised through a Series B funding round led by venture fund Accelerated Digital Ventures and Draper Esprit. babylon, which has a similar offering, also raised further funding earlier this year. These are great examples of funding appetite for new delivery models within healthcare and these businesses are now beginning to scale as consumers become more comfortable accessing healthcare in a new way, using technology as a platform.

Schoen Klinik's acquisition of Newbridge House



Schoen Klinik, one of the largest operators of private hospitals focused on the treatment of psychological and psychosomatic diseases in Germany and Europe and backed by the large private equity firm Carlyle, continues its course of internationalisation with the acquisition of "Newbridge House for Eating Disorders" in Birmingham. With this acquisition, the German group now has two UK locations with a hospital under construction in London which will focus on orthopedics and spinal surgery, another core area for the Group. This expansion continues a trend seen over the last few years of large overseas Corporates entering the UK healthcare markets. For example, in specialist mental health large US corporates Acadia and UHS have acquired large players in the UK market. Antin Infrastructure fund, a French fund, acquired the residential schools business Kisimul earlier in the year. We see overseas acquirers continuing to be active into 2018, aided by the weakness of sterling.

Smart advice

Catalyst advises business owners and management teams on:

- Company sales and acquisitions
- Management buy-outs and buy-ins
- Raising private equity capital
- Raising and refinancing debt capital
- Equity Capital Markets

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