

Emerging LifeSciences M&A and Fundraising Trends

May 17, 2019

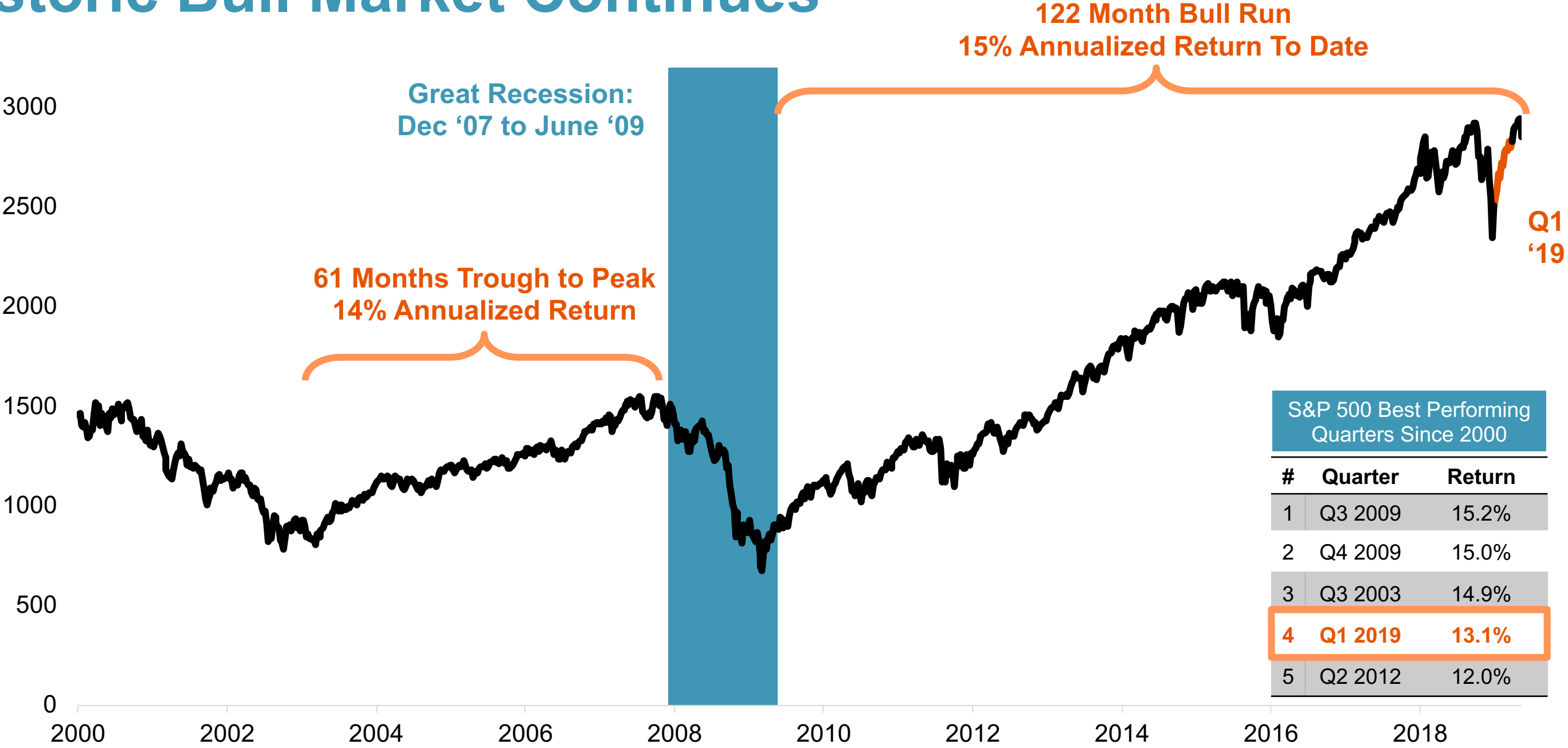
Charles Hamilton
Director
Med Tech Investment Banking



PiperJaffray®

Historic Bull Market Continues

S&P 500



Great Recession:
Dec '07 to June '09

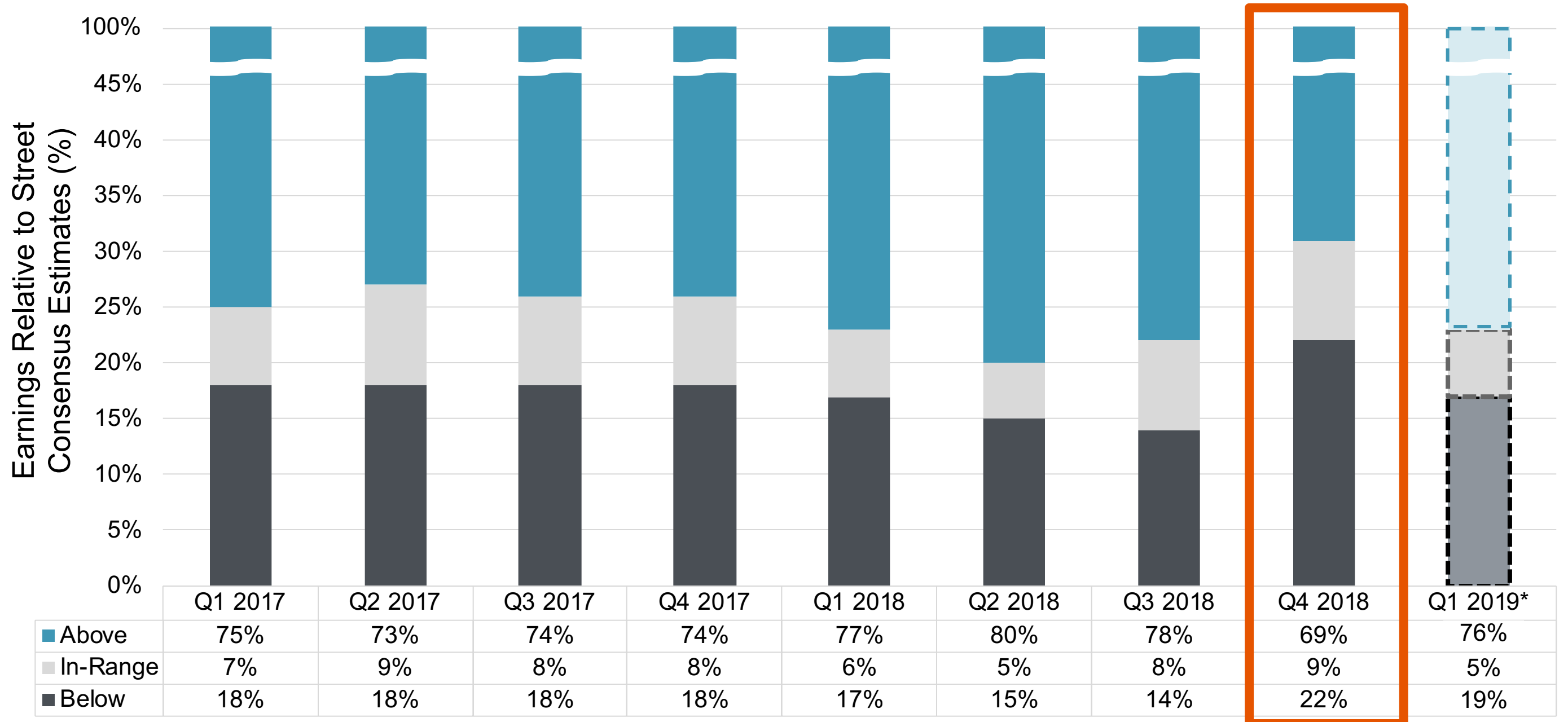
122 Month Bull Run
15% Annualized Return To Date

61 Months Trough to Peak
14% Annualized Return

Q1
'19

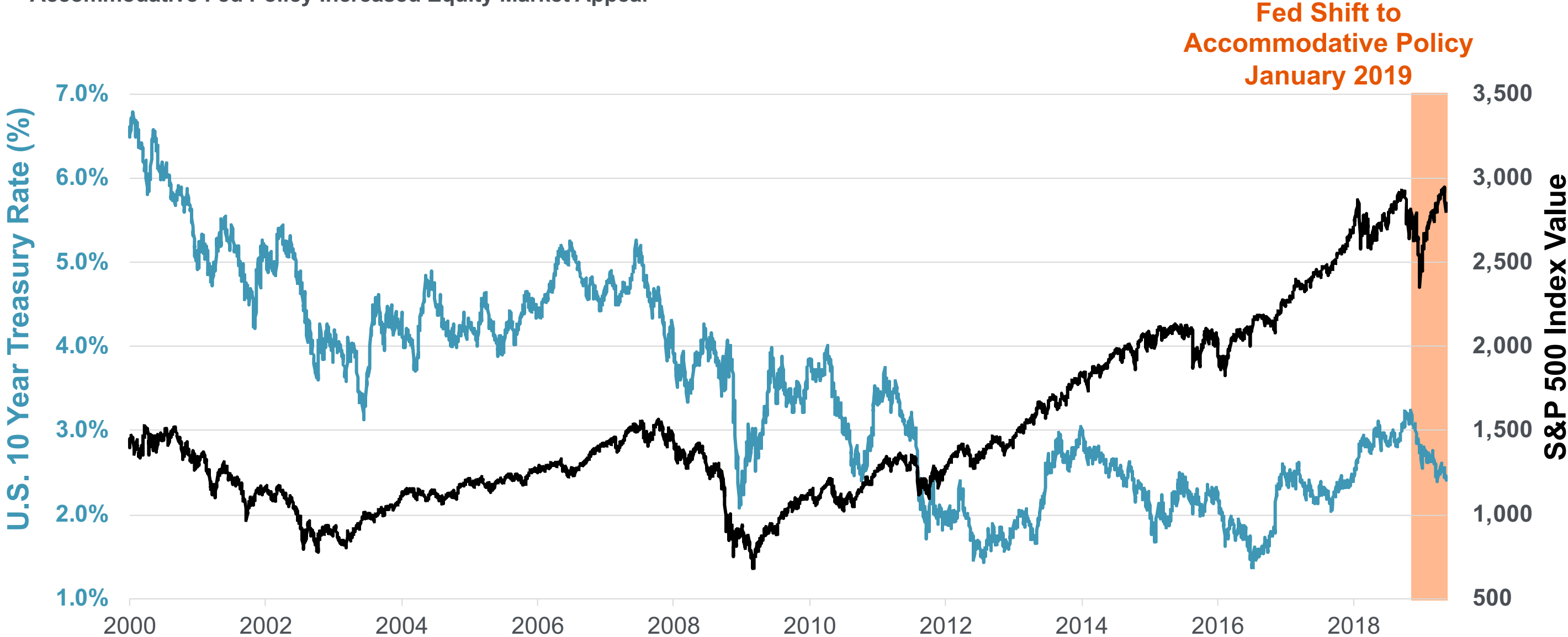
S&P 500 Best Performing Quarters Since 2000		
#	Quarter	Return
1	Q3 2009	15.2%
2	Q4 2009	15.0%
3	Q3 2003	14.9%
4	Q1 2019	13.1%
5	Q2 2012	12.0%

Market Outperformed Despite Weak Earnings Season

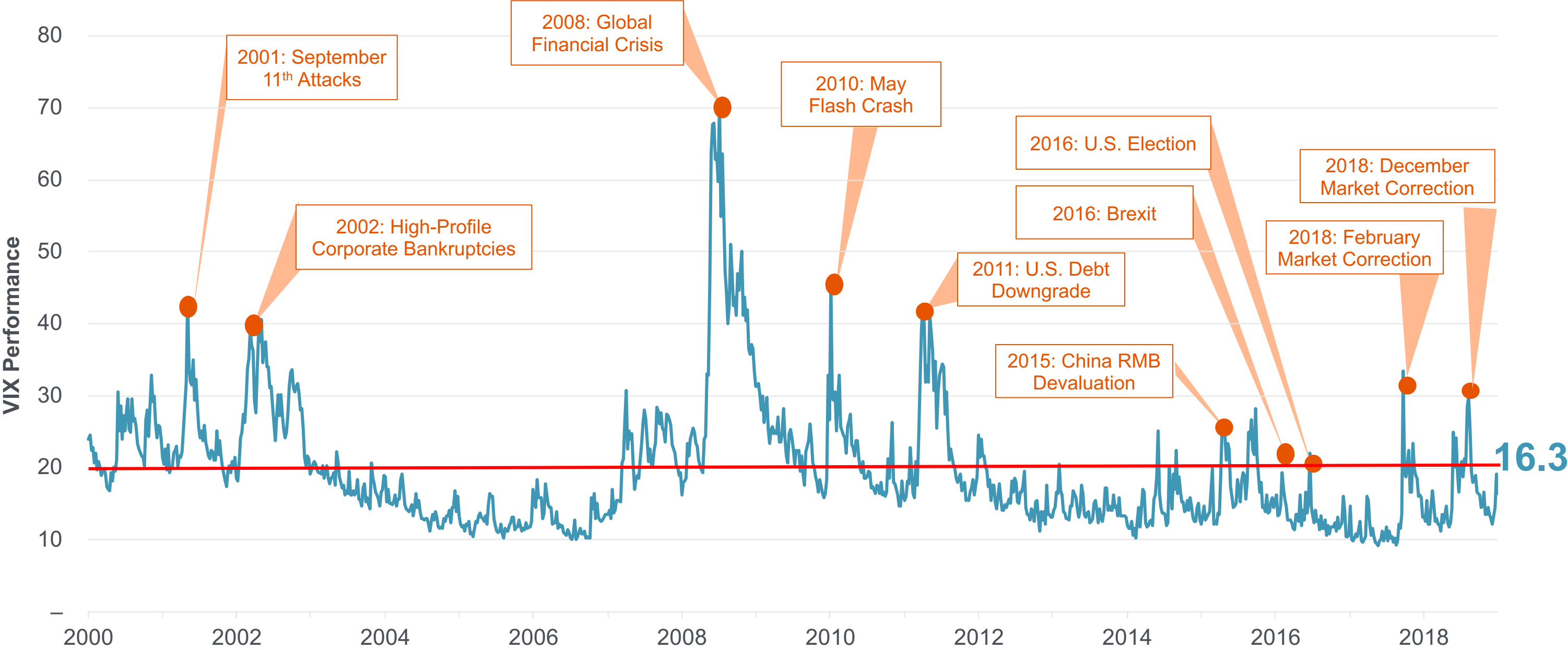


What's Driving Performance?

Accommodative Fed Policy Increased Equity Market Appeal



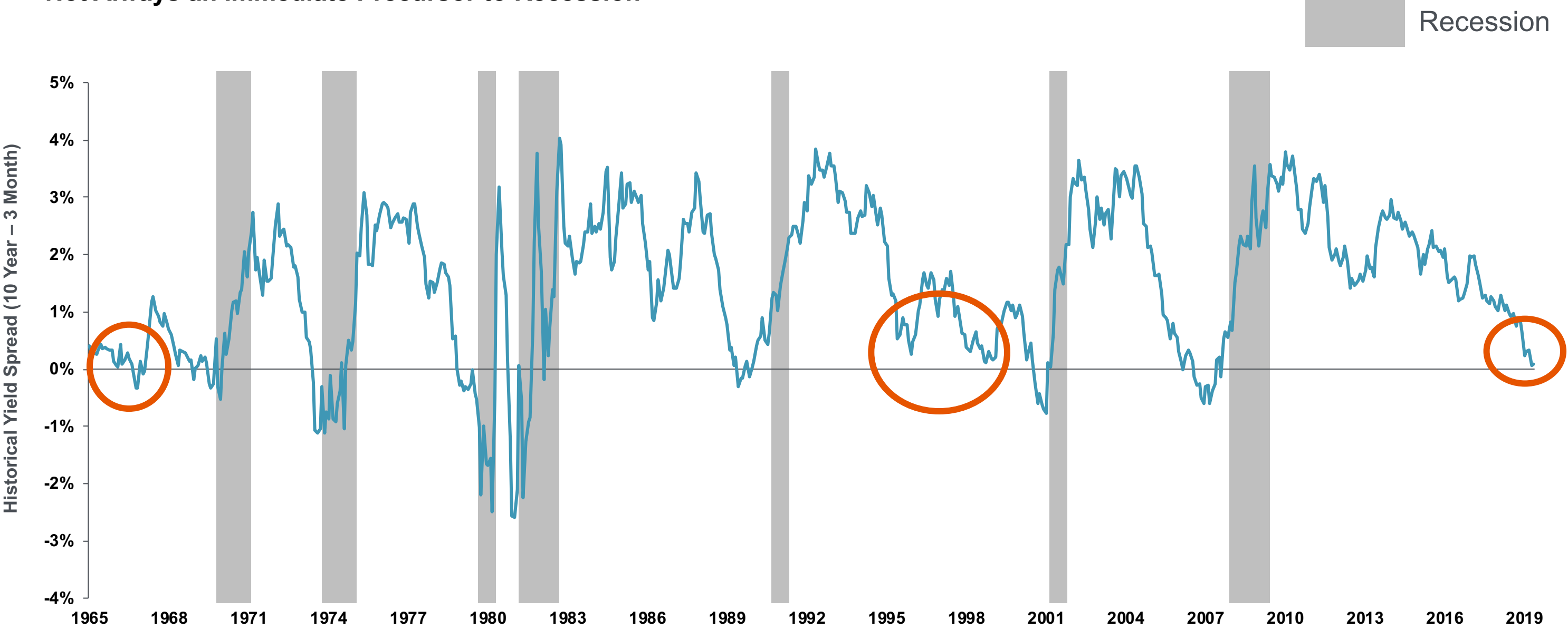
Investors Cautiously Monitoring Volatility (i.e. the Fear Index)



Source: S&P Capital IQ, Fidelity Quarterly

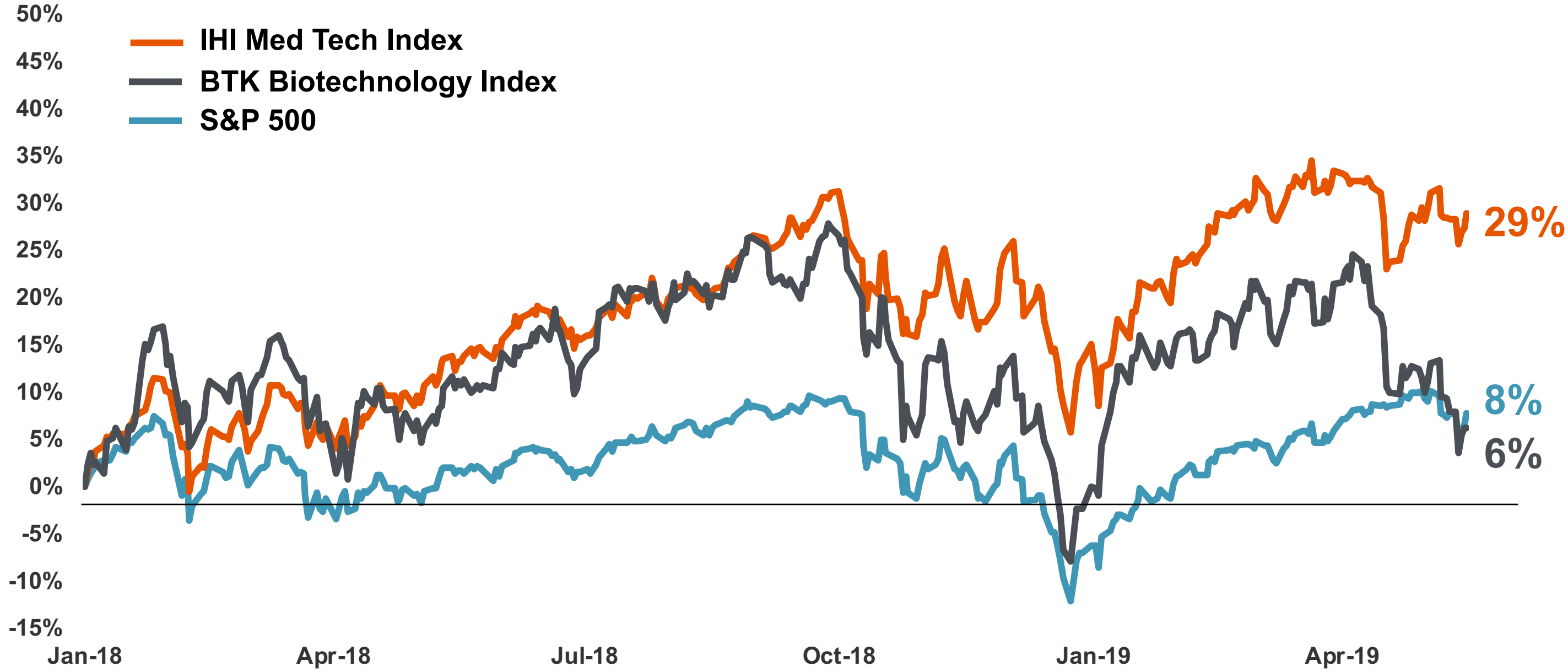
Inverted Yield Curve Adds to Investor Concerns

Not Always an Immediate Precursor to Recession



Source: S&P Capital IQ, Fidelity Quarterly

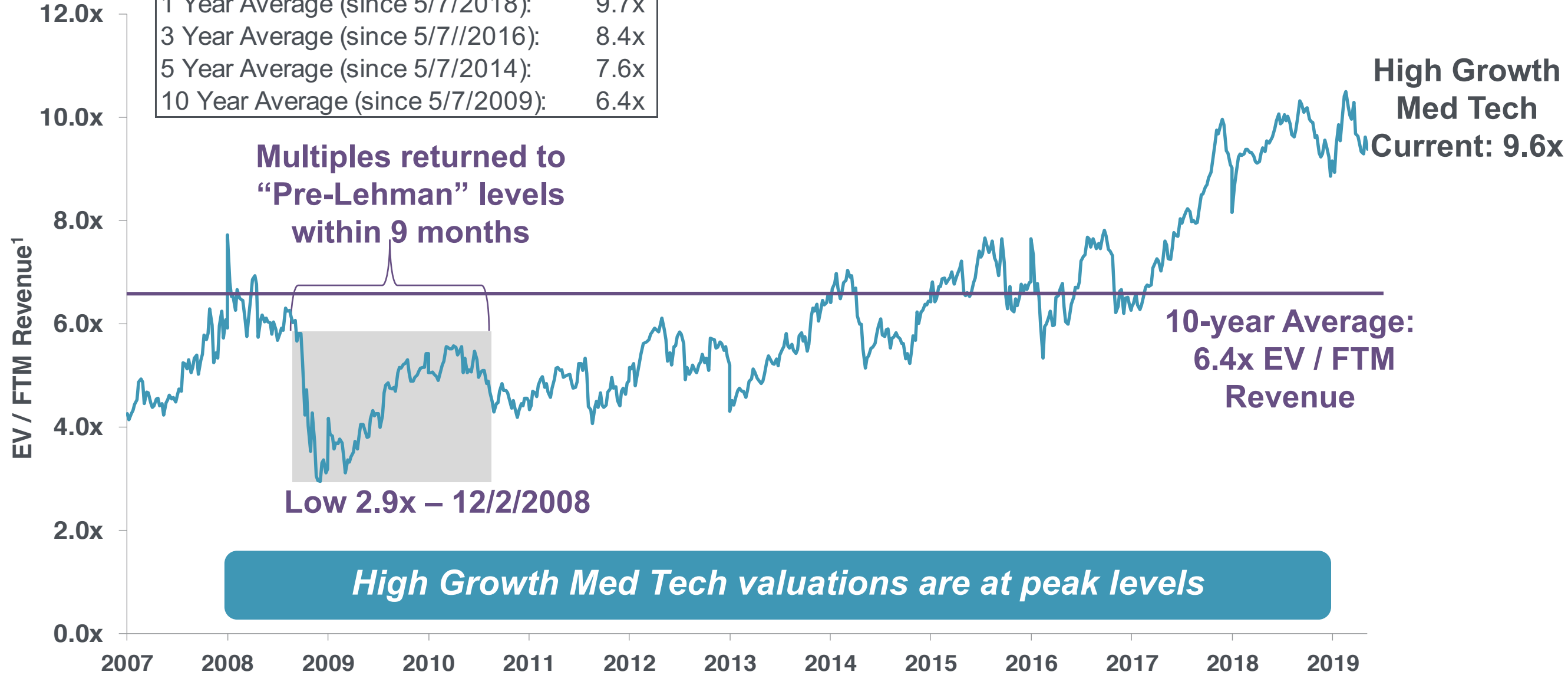
Healthcare Performing Well; Med Tech Leading The Way



Data as of 5/16/2019

Attractive Valuations for Performing Growth Med Tech

Trading Summary	
1 Year Average (since 5/7/2018):	9.7x
3 Year Average (since 5/7/2016):	8.4x
5 Year Average (since 5/7/2014):	7.6x
10 Year Average (since 5/7/2009):	6.4x

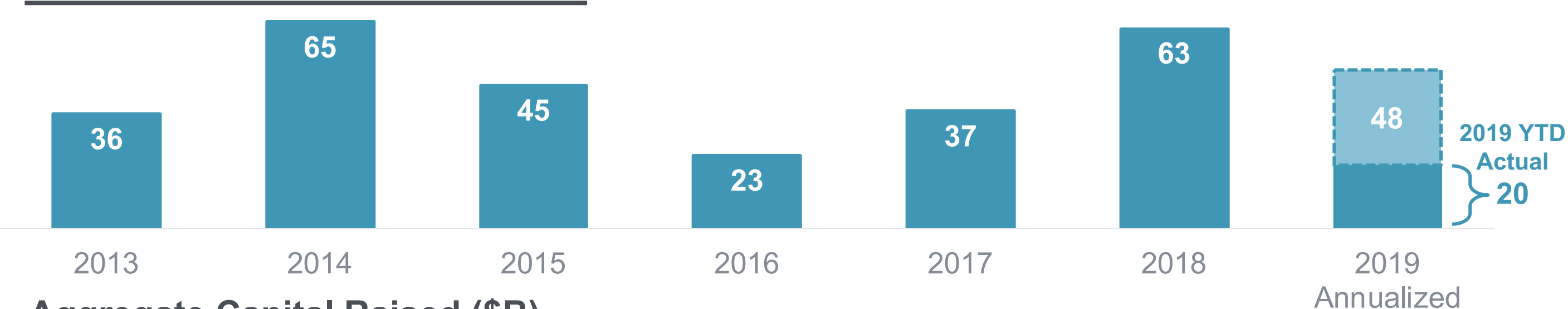


1) Enterprise Value weighted index

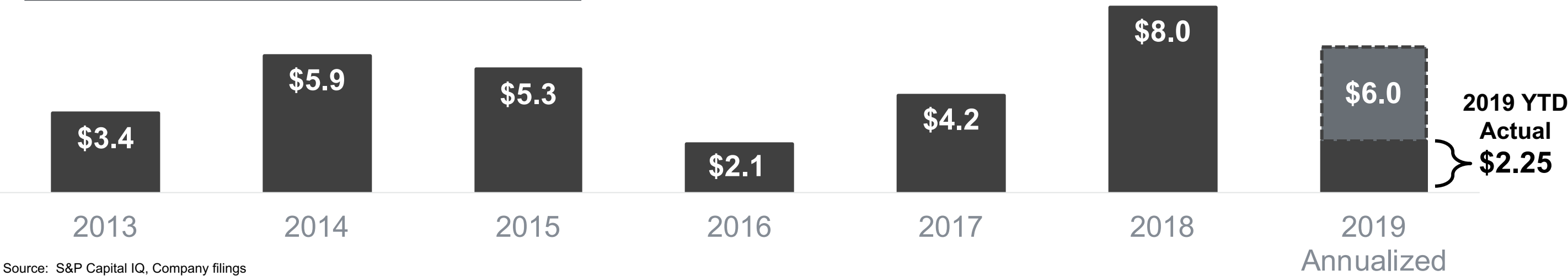
2019 IPO Activity Remains Strong

Life Sciences IPOs > \$50M

Number of IPOs



Aggregate Capital Raised (\$B)

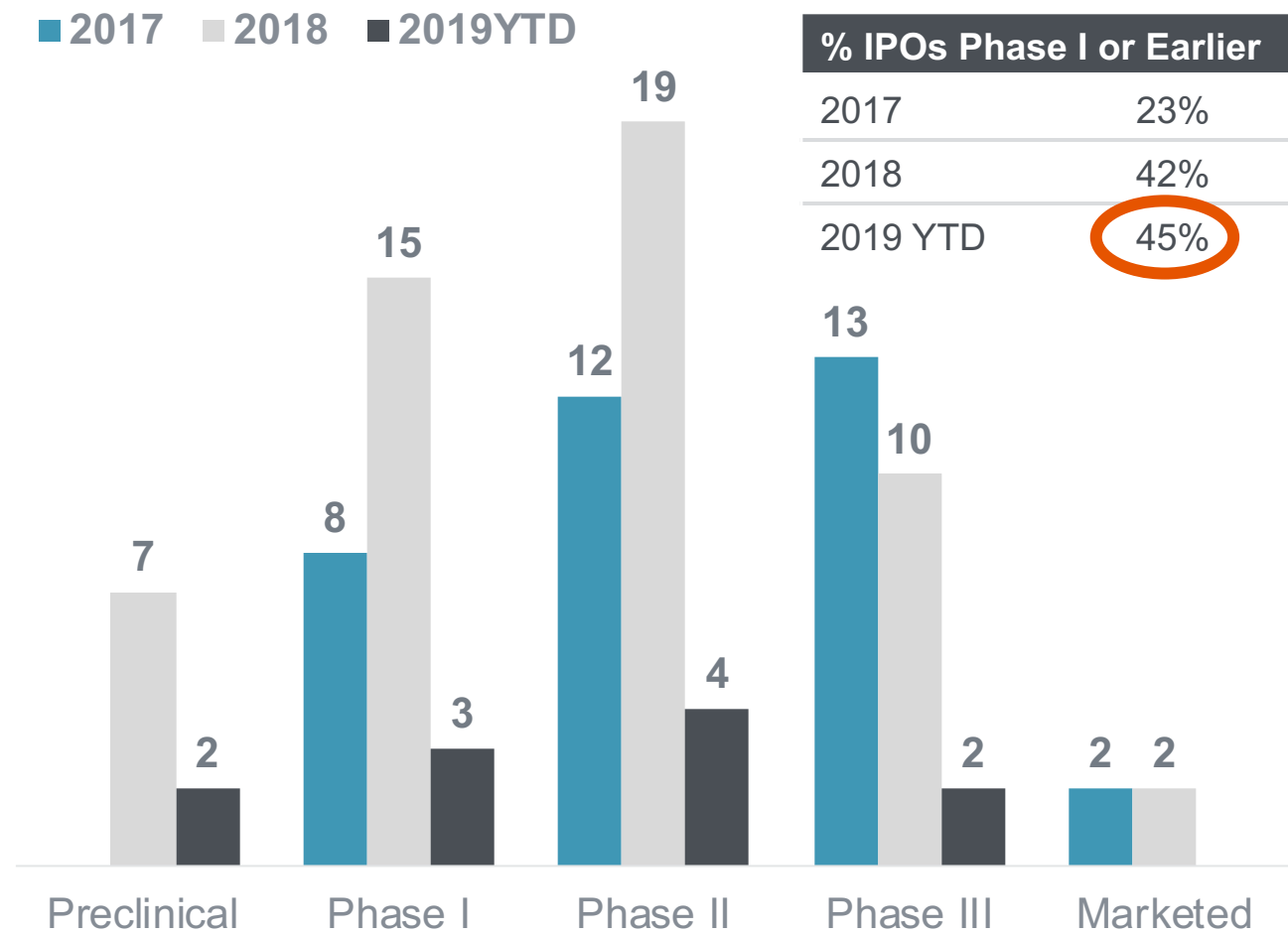


Source: S&P Capital IQ, Company filings

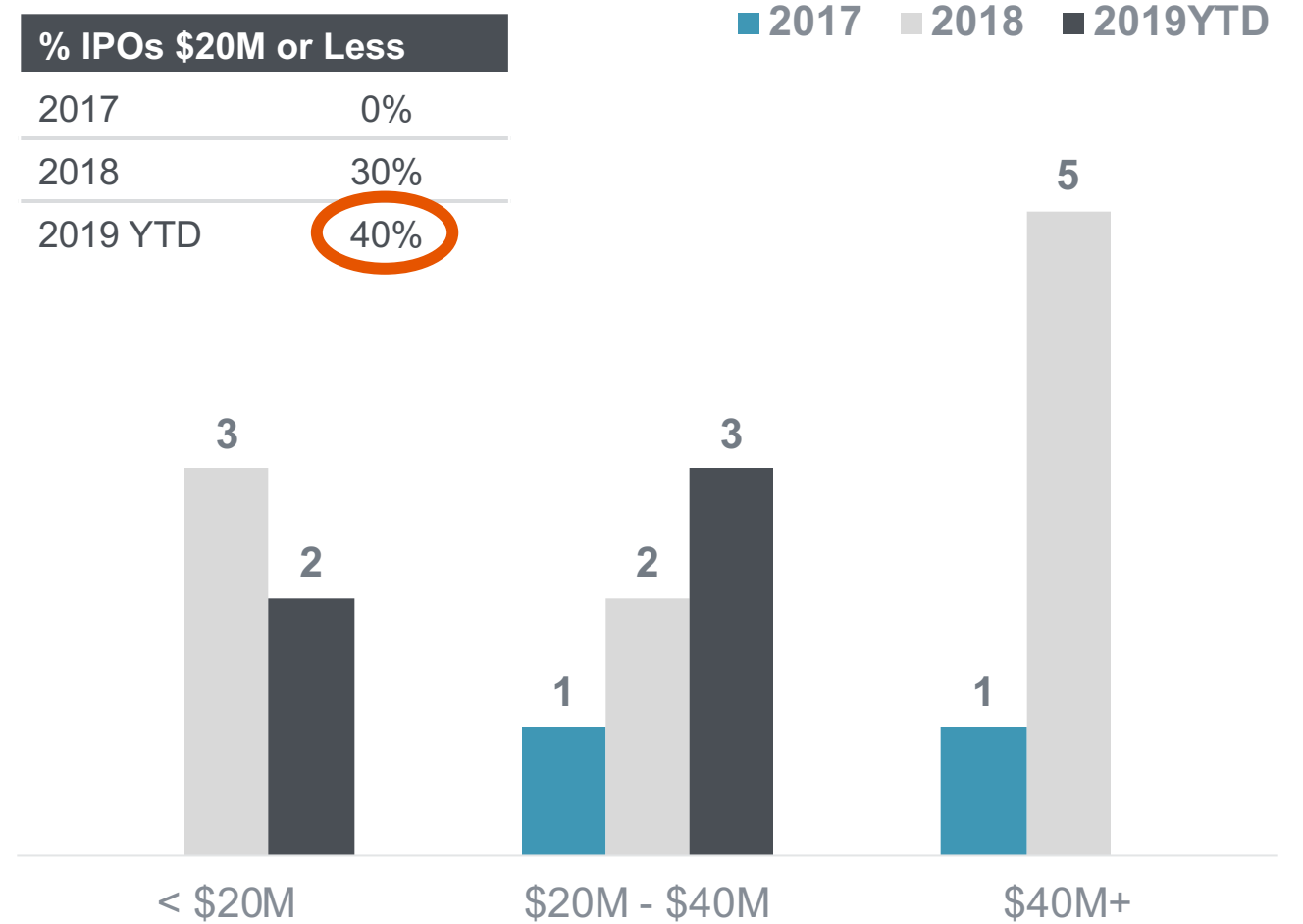
Life Science IPO Overview

The Market is Shifting to Earlier Stage Companies

Biotech IPO Frequency by Phase¹



Medtech IPO Frequency by Revenue (LTM)¹

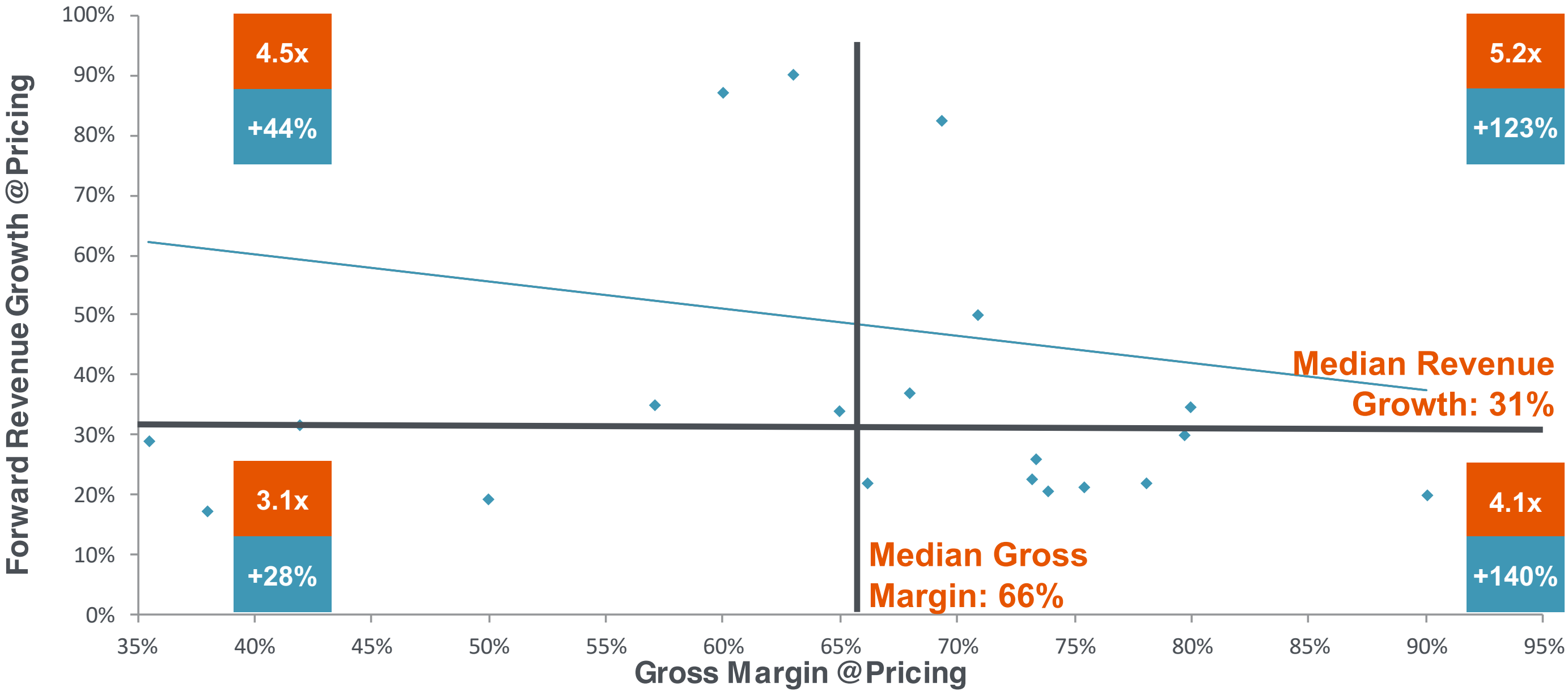


Source: S&P Capital IQ, Company filings

¹Includes IPOs with gross proceeds greater than \$50 million

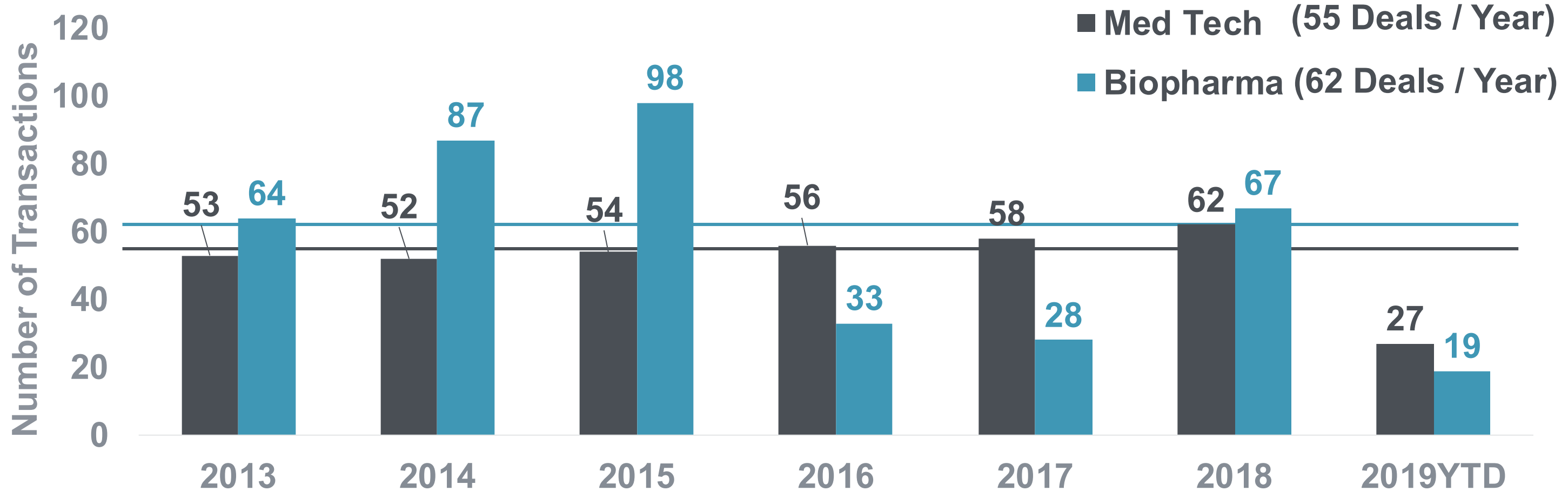
Med Tech IPO Investors Covet Revenue Growth

■ Median EV / FTM Revenue @ Pricing
■ Median Aftermarket Performance (IPO to Current)



Life Sciences M&A Remains Active

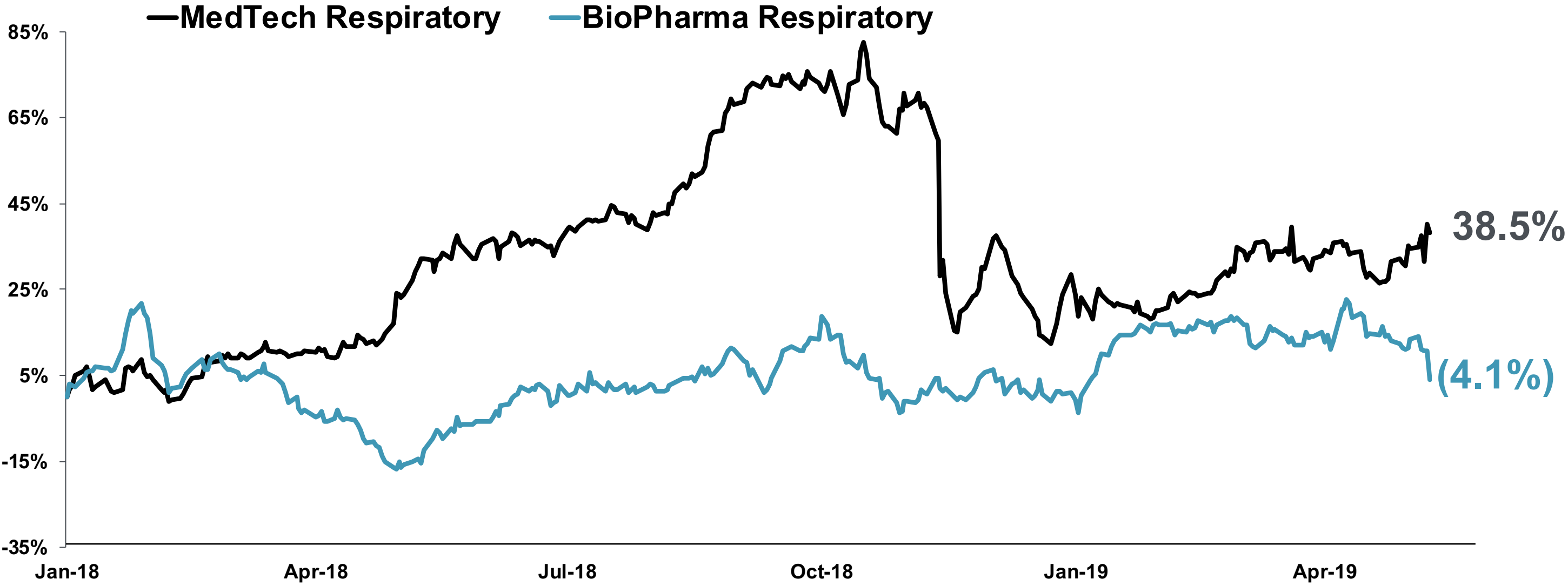
Biopharma Deal Values Rising



Median Transaction Value (\$M):

Med Tech	\$200	\$219	\$178	\$258	\$233	\$202	\$285
Biotech	\$331	\$500	\$417	\$639	\$710	\$452	\$800

MedTech Respiratory Outperforming BioPharma

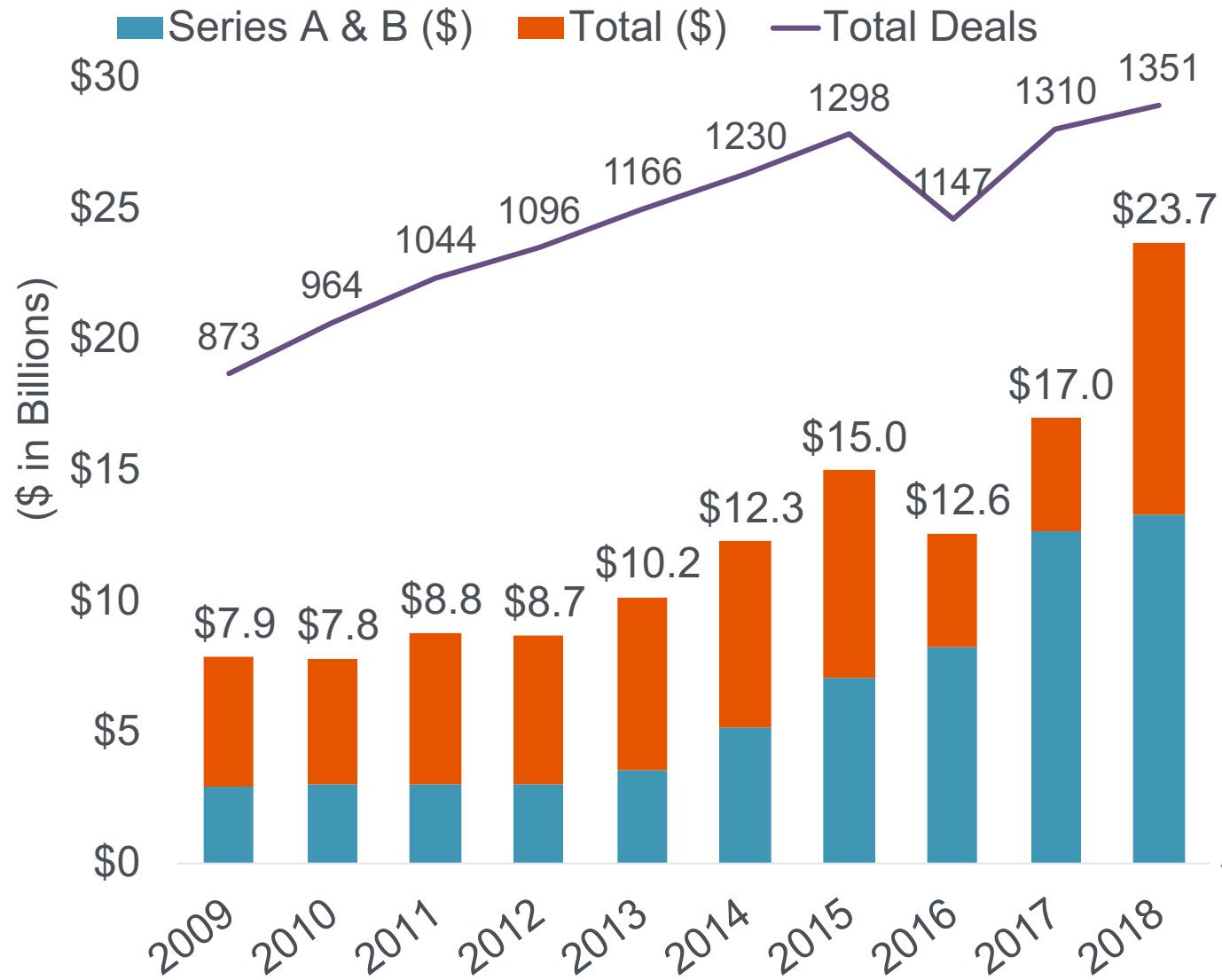


Data as of 5/13/2019

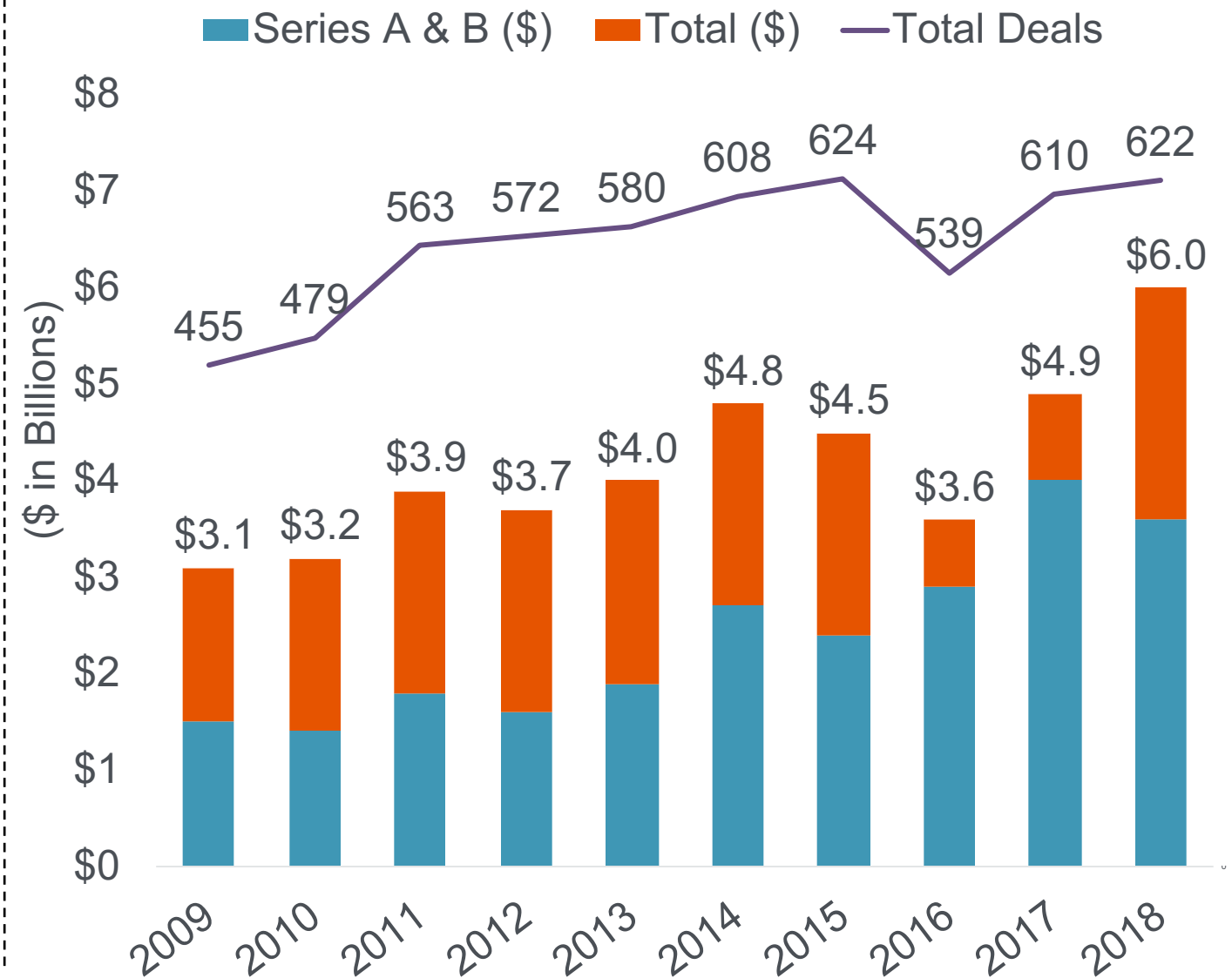
Life Sciences Private Financing Trend Remains Positive

Life Sciences and MedTech continue to see increased private financing activity

Life Sciences US VC Activity (2009 – 2018) ⁽¹⁾



Med Tech US VC Activity (2009 – 2018) ⁽¹⁾



Areas to Watch in 2019

Distal Lung Access

Interventional Device Therapies

Targeted Immunotherapy

Digital Therapeutics

AI-enabled Diagnostics

Hospital-to-Home