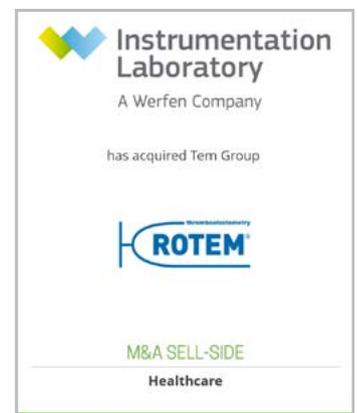


## GLOBALIZING CUTTING EDGE TECHNOLOGY IN POINT-OF-CARE PATIENT BLOOD MANAGEMENT

### Deal snapshot

- Oaklins' team in Switzerland advised the shareholders of TEM Group on the sale of the company to Instrumentation Laboratory (IL).
- TEM is a pioneer in in-vitro diagnostic (IVD) testing for Patient Blood Management (PBM) with their flagship ROTEM testing systems. With a direct sales force in seven markets, including the USA, TEM has consistently achieved above market growth in the PBM market. In hospital trauma and surgical patients with clinically significant bleeding, ROTEM whole blood analyzers provide a rapid differential diagnosis of coagulopathies.
- IL is based in Bedford, Massachusetts. The company's product lines include Critical Care systems, Hemostasis systems and Information Management systems. IL is an integral part of the Werfen group of companies and distributes its products through a direct sales force in North America and the Werfen organization around the globe.
- The acquisition of TEM Group will strengthen IL's product portfolio in Hemostasis and Critical Care IVD and will maximize the potential of the ROTEM product line, which intersects IL's existing business and presents synergies in its core competencies and customer call points.



### Client's transaction rationale

TEM Group is a pioneer in Point-of-Care blood management and has developed an unparalleled system for rapid diagnosis of coagulopathies in PBM. The core of the company has always been the development of its ROTEM testing systems. Although TEM's products have been marketed through its own sales force and a network of distributors, the company required a stronger sales organization in order to fully exploit the market potential of its products. In light of this, TEM was looking for a strong strategic partner to strengthen its already existing distribution channels and increase its marketing power.

### Our role in the transaction

- Oaklins' team in Switzerland acted as lead advisor to the shareholders of TEM Group throughout the sale process.
- This deal demonstrates the value and competitive advantage Oaklins provides in guiding the client in a very close personal relationship through all stages of the process.



## Market trends and deal drivers

- The key market trend in this sector is a **worldwide focus on cost effectiveness in hospital treatments** as public healthcare systems groan under budgetary constraints. Buyers are actively looking to expand their product portfolio with technology in order to help hospitals reduce overall costs, while improving patient care.
- **Being part of standard operating procedures (SOP) in hospitals is crucial for the success of a new product** in the sector, requiring direct access to hospitals, healthcare authorities and their decision makers. Small research-focused companies are gaining access to these networks through M&A transactions with strong, established, global players.
- **Research and development cycles are becoming shorter and costs are on the rise.** Large healthcare companies are increasingly keen to share the risk and pool their resources in their efforts to find new sources of revenue. The quest for the latest innovations in the industry fires M&A activity.

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## M&A valuation aspects

- The published financial terms of this transaction show that the deal was executed at a sales multiple of approximately x5.0.
- The valuation reflects a general appetite to acquire technology and know-how within the healthcare sector, both among national and international players, as well as a strong interest in the company featured in the sale process.

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## Oaklins industry specialists



✉ **Roberto Tracia**, Partner, Oaklins, Switzerland

Roberto has advised a large number of clients over the last 18 years, in particular in the Healthcare sector. Roberto has worked on several deals on the sell-side, on the buy-side and on related corporate finance advice, such as debt advisory and valuations.



✉ **Robert Boersma**, Partner, Healthcare Specialist, Oaklins, The Netherlands

Robert has advised numerous clients in the healthcare industry. He has completed transactions with companies such as Novartis, Alliance Medical, Mediq, Arseus, DSM, C.B. Fleet, Synthon, Gilde Healthcare Services, Pharmaline, Xendo and Tramedico.

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