



Chemicals | Pharma | MedTech | Health Care  
Edition Focus: EU Dental Industry

M&A Industry  
Quarterly

Q1/2025

## M&A industry metrics at a glance



Chemicals



Pharma



MedTech



Health Care

**Total number of deals**  
Q4 24 vs. Q4 23

**43**  
↑ 4,9%

**17**  
↑ 70,0%

**29**  
↓ -19,4%

**124**  
↓ -3,9%

**Total value of deals (b€)**  
Q4 24 vs. Q4 23

**7.9**  
↑ 1275,2%<sup>1</sup>

**0.2**  
↓ -66,1%

**0.1**  
↓ -97,1%

**2.5**  
↓ -44,8%

**Mega deals**  
Q4 24

**1**

**0**

**0**

**1**

**Total number of PE deals**  
Q4 24 vs. Q4 23

**8**  
↑ 166,7%

**6**  
↑ 500,0%

**10**  
↑ 100,0%

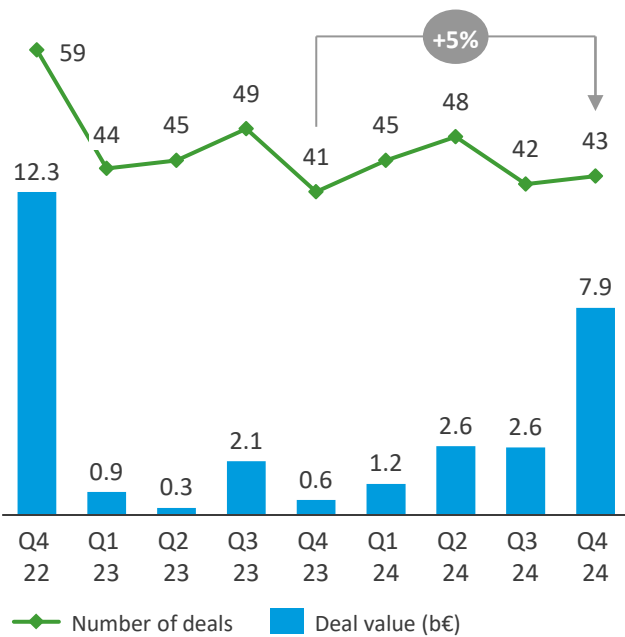
**25**  
↑ 38,9%

Note: Mega deals > 1 b€

1) High difference driven by mega deal in Q4 24 and low deal values in Q3 23

# European Chemicals: Deal activity further stabilizes whereas one mega deal boosts the total deal volume

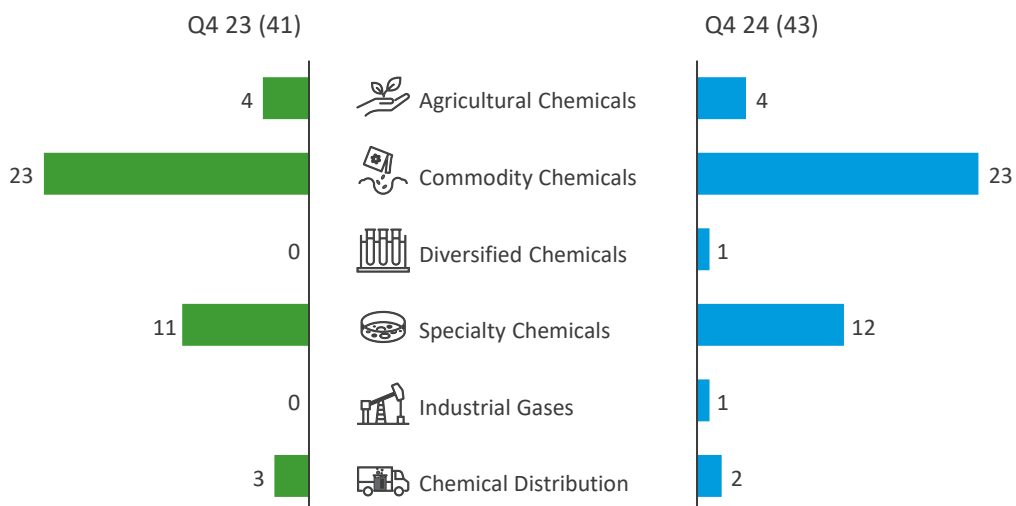
Value & number of deals – Chemicals Europe<sup>1</sup>



## Comments

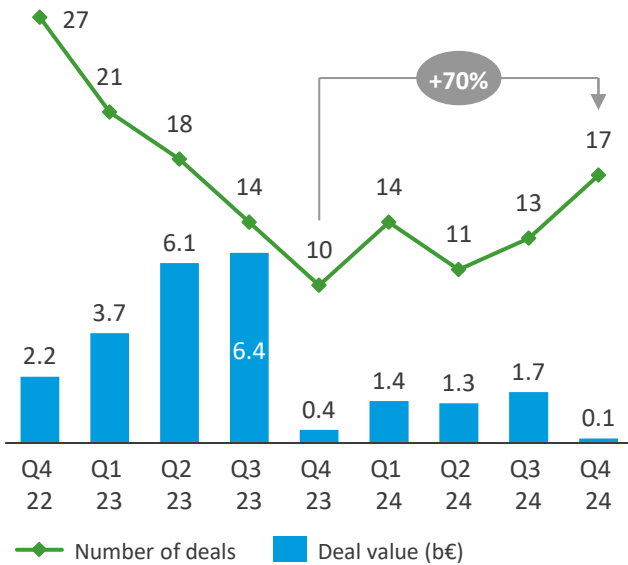
- In Q4 24, total of 43 deals were announced which is at the same level with the average number of deals announced for the last 8 quarters indicating stability in the European chemicals M&A scene
- The announced acquisition of Arcadium Lithium by Rio Tinto for 7.2 b€ is the sole driver for the high deal value in Q4 24
- In Germany LANXESS's sale of Urethan Systems business at 460 m€ to Japanese UBE Corporation is noteworthy as LANXESS has now completed its transition to a pure-play specialty chemicals company – a required measure after facing difficulties across its business units the last years

Number of European Chemicals deals as per subsegment



# European Pharma: Deal activity back at 2023 level backed by several small and mid-cap transactions

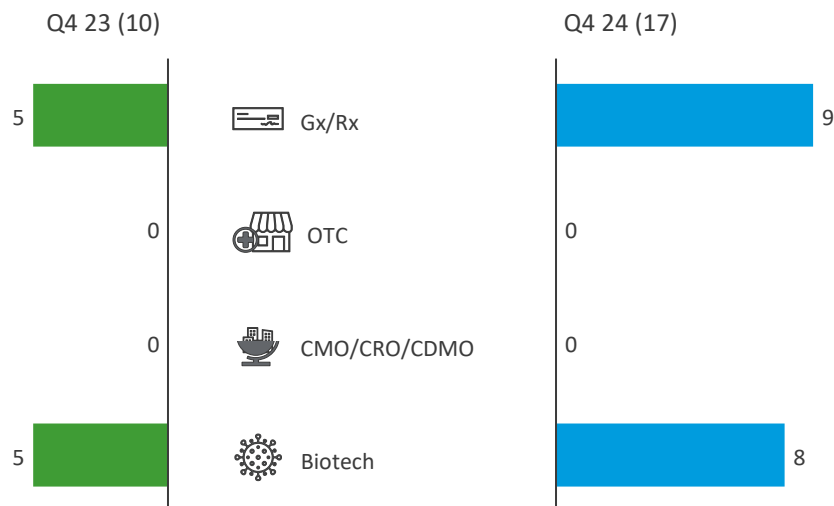
Value & number of deals – Pharma Europe<sup>1</sup>



Comments

- After observing an uptick in deal activity and deal volume in Q3 24, the last quarter in 2024 depicts a further step up in the number of deals, however deal value has dropped sharply to an all time low
- Despite facing various regulatory uncertainties like many other industries, the strong rebound in deal activity to 2023 levels is also promising for future quarters
- The significant drop in deal volume is largely driven by several small and mid-cap transactions being executed with limited availability of deal size data being a key issue

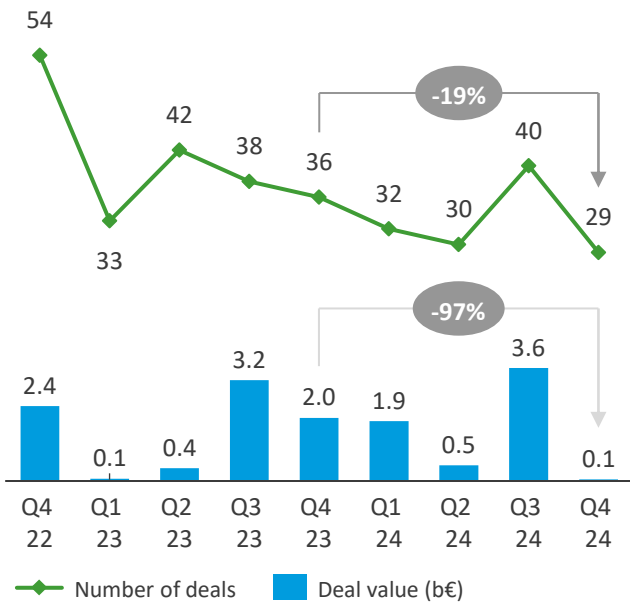
Number of European Pharma deals as per subsegment



Source: RSM ES MC Research, Capital IQ as of 07.01.2025  
 1) Includes transactions where due to small size no details (deal value / multiples) are available

# European MedTech: No year end really despite positive development in Q3 24

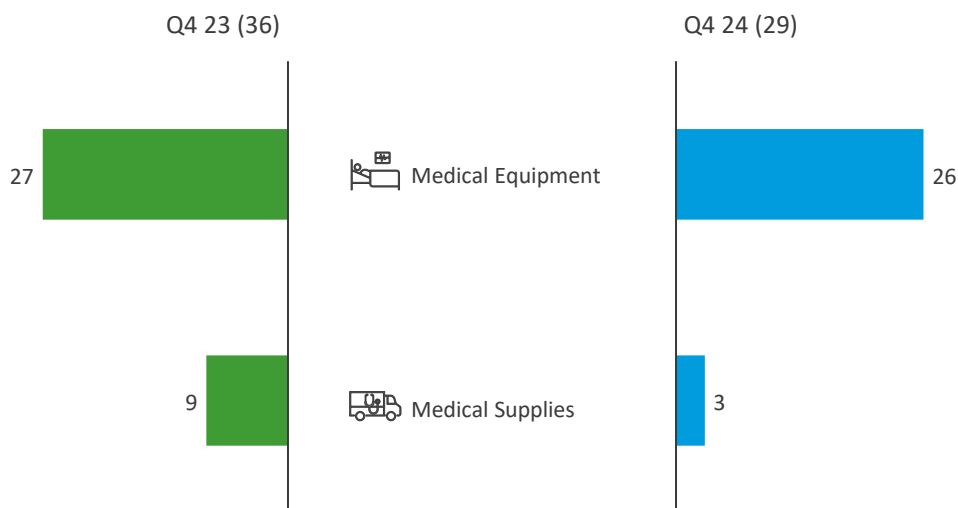
Value & number of deals – MedTech Europe<sup>1</sup>



## Comments

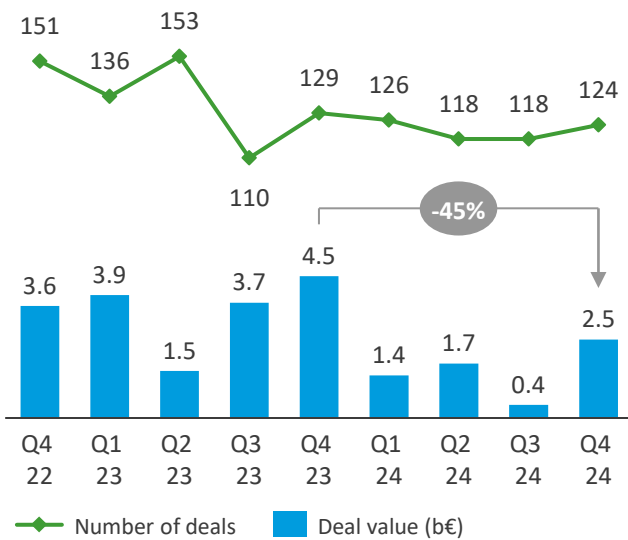
- After Q3 24 showed a promising turn of events with a higher number of deals and the large sale by Baxter International of Vantive Health to the Carlyle Group at >3 b€, deal activity and values again declined in Q4
- MedTech is thereby the only industry in our coverage where both deal number and deal volume decreased significantly by the end of the year
- This raises once more the question whether European MedTech is attractive enough for investors given the current regulatory environment and uncertainty
- In contrast to deal activity observed, investors continue to formulate strong interest in the sector

Number of European MedTech deals as per subsegment



# European Health Care: Floor on M&A activity has been found with small uptick in number of deals

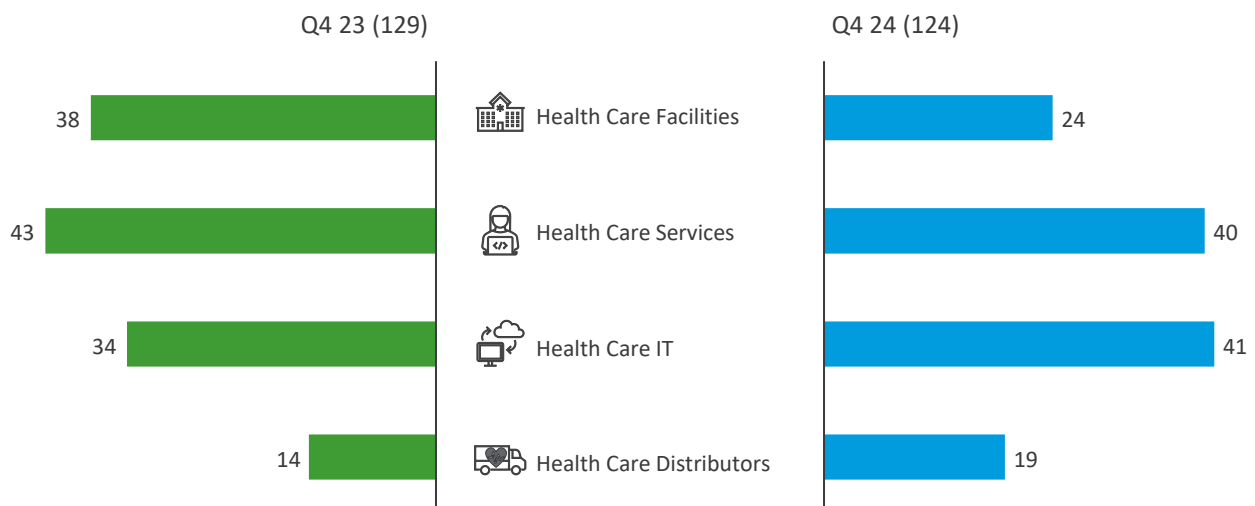
## Value & number of deals – Health Care Europe<sup>1</sup>



## Comments

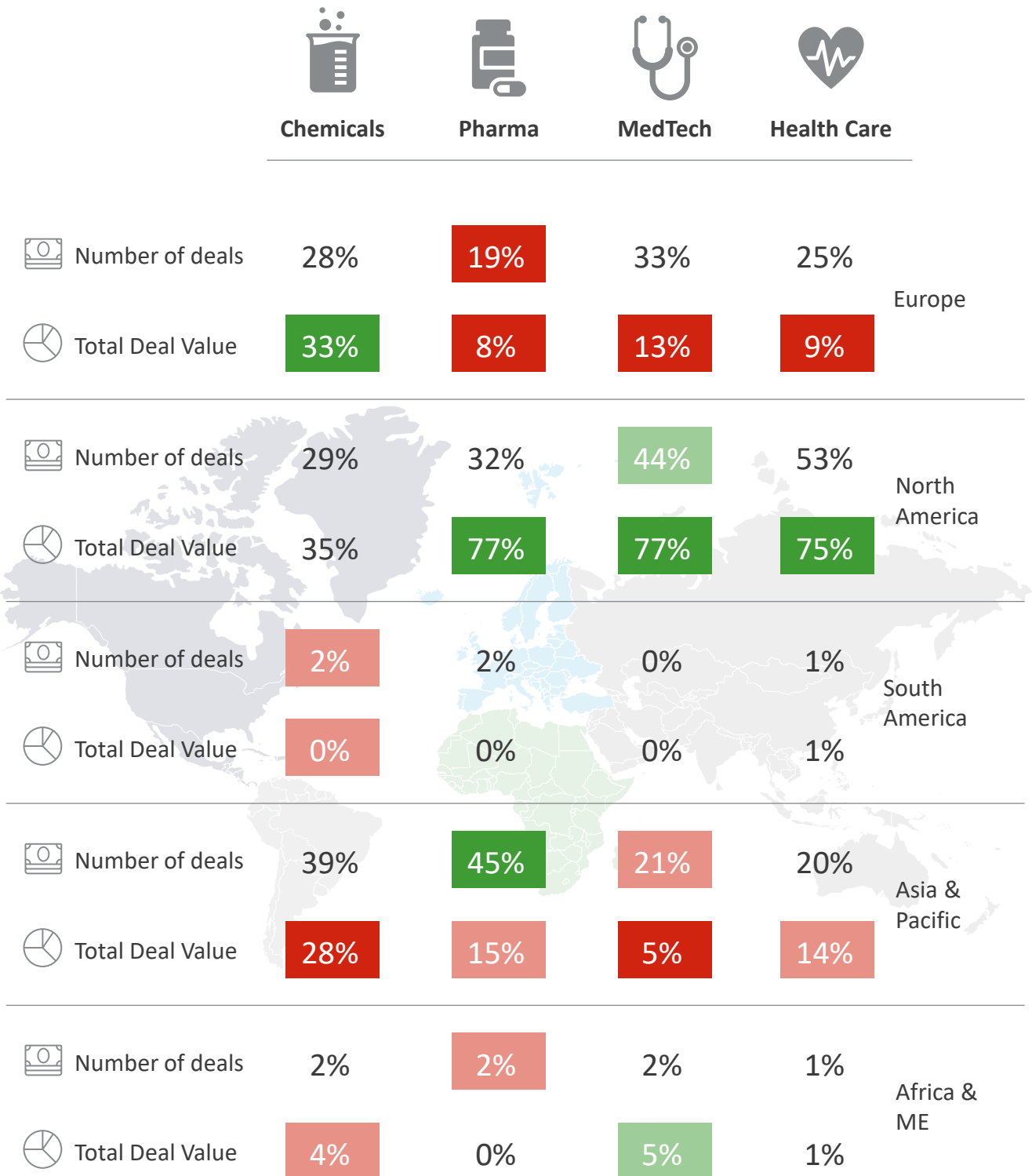
- M&A activity slightly increased in Q4 24 compared to Q3 24 and is thus further stabilizing at around 120 deals per quarter since Q3 23, however the industry remains behind its record years in 2022 and early 2023
- One highlight was the strategic acquisition of the German health care software specialist Nexus AG by TA Associates Management for >1.2 b€ – the partnership aims to capitalize on the market potential of the rapidly growing European e-health market leveraging TA’s extensive software expertise
- The deal distribution per subsegment remains relatively stable with a decline in Health Care Facilities activity but an increase in Health Care IT and Health Care Distributor deals which is explained by the high number of Health Care Facility deals the year prior

## Number of European Health Care deals as per subsegment



Source: RSM ES MC Research, Capital IQ as of 07.01.2025  
 1) Includes transactions where due to small size no details (deal value / multiples) are available

# Global deal activity segregated by geographical region in a Q4 24 versus Q4 23 comparison

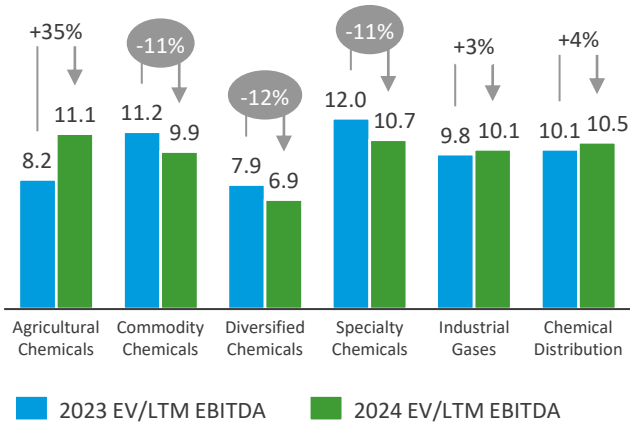


Δ YoY change of share in percentage points

■ < -5%  
 ■ < -2%  
 ■ ± 0%  
 ■ > 2%  
 ■ > 5%

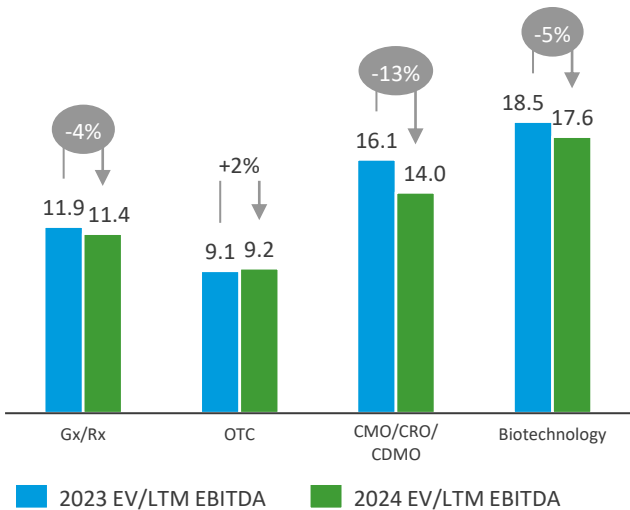
# With the exception of a few sub-segments in Chemicals and Pharma, valuation levels in 2024...

## Chemicals multiples (x) per subsegment (publicly traded companies)



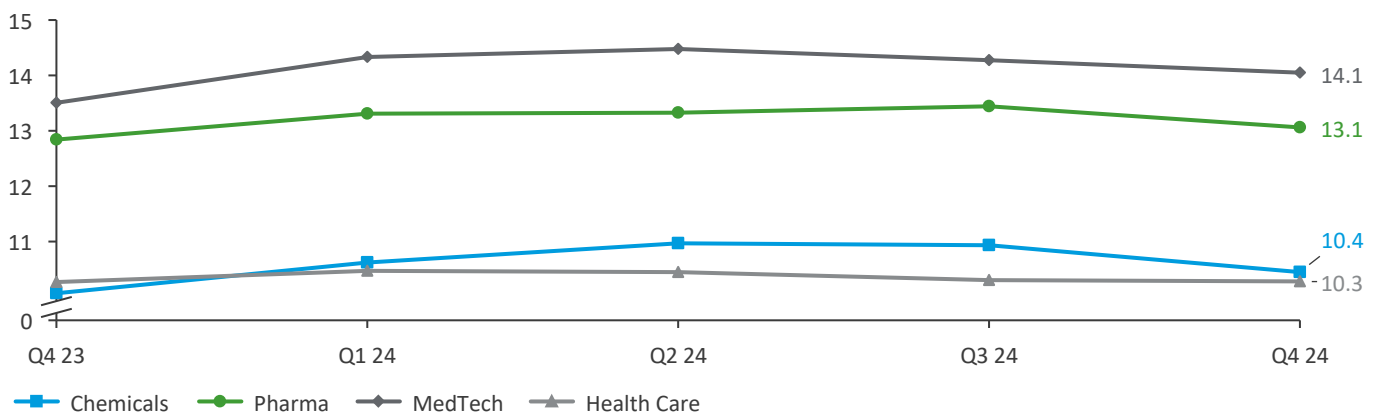
- Agricultural chemicals continue to show a positive development with a 35% increase in the EBITDA multiple comparing FY23 with FY24, driven by more positive market sentiment in FY24 after valuations hit rock bottom in FY22 and FY23
- Typical Chemical segments like Commodity-, Diversified-, and Specialty Chemicals faced downward pressure among our defined peer group due to high costs in Europe that negatively affected valuation levels
- Industrial Gases and Chemical Distributors observe a minor increase in valuation

## Pharma multiples (x) per subsegment (publicly traded companies)



- While biotechnology remains the subsegment with the highest valuation within the data set and pharma in general holds the second highest valuation, the CMO/CRO/CDMO subsegment decreases noticeably
- Core driver behind this development are uncertainties in the economic climate and declined confidence of investors on the competitive outlook of European CDMO's vs. international peers as observed with e.g., ICON Plc in the peer group

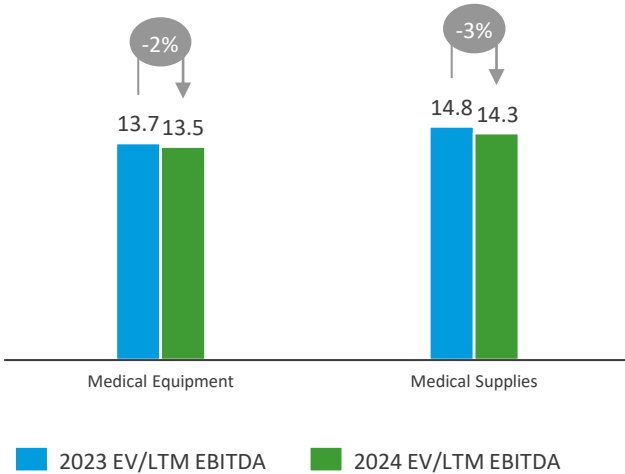
## Development of the EV / EBITDA multiples over time per industry





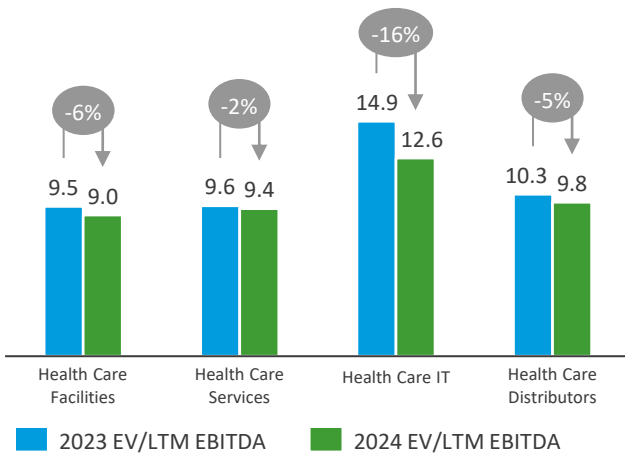
## ... witnessed a slight decline as compared to valuation levels end of 2023

### MedTech multiples (x) per subsegment (publicly traded companies)



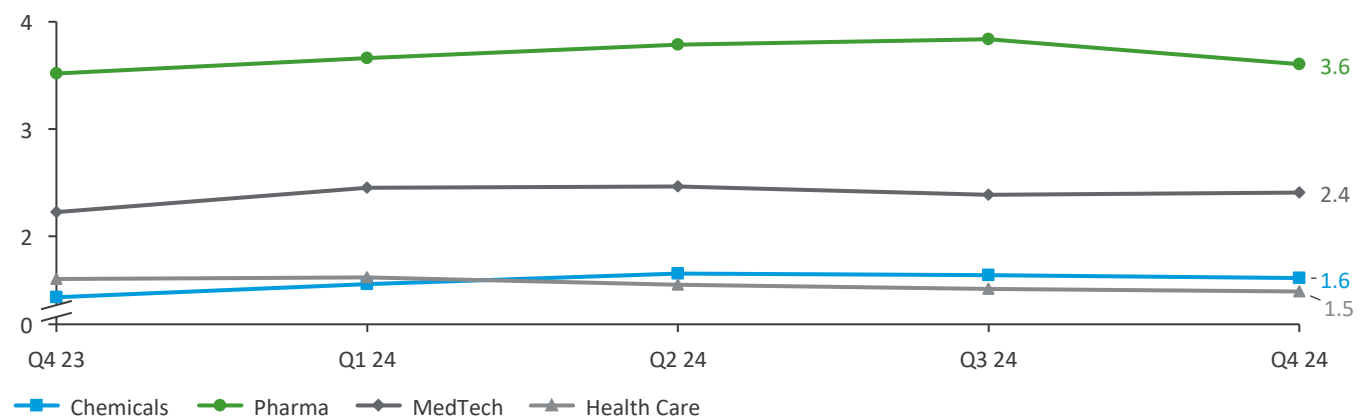
- In contrast to the downward trend observed in deal activity in Q4 24, MedTech trading multiples drop only marginally, indicating an interesting spread between market and transaction performance of the industry which also seems to be differing by region
- While trading multiples for the entire industry decline only marginally by 2.8%, isolated to EU-peers, the decline extends to 8.7% YoY whereas US/Canadian peers lose only 3.7% YoY and Asian players gain 8.5%
- Regulatory hurdles and financial burdens from increased compliance measures appear to reduce valuation levels once more

### Health Care multiples (x) per subsegment (publicly traded companies)



- Despite an active Q4 24 with regards of deal volume, Health Care multiples remain among the lower spectrum of valuations
- Especially, the previously well performing Health Care IT subsegment displays an underwhelming performance in EV/EBITDA trading multiples – however, the development seems to be primarily caused by the sharp decline in valuation of Evolent Health Inc. in the peer group

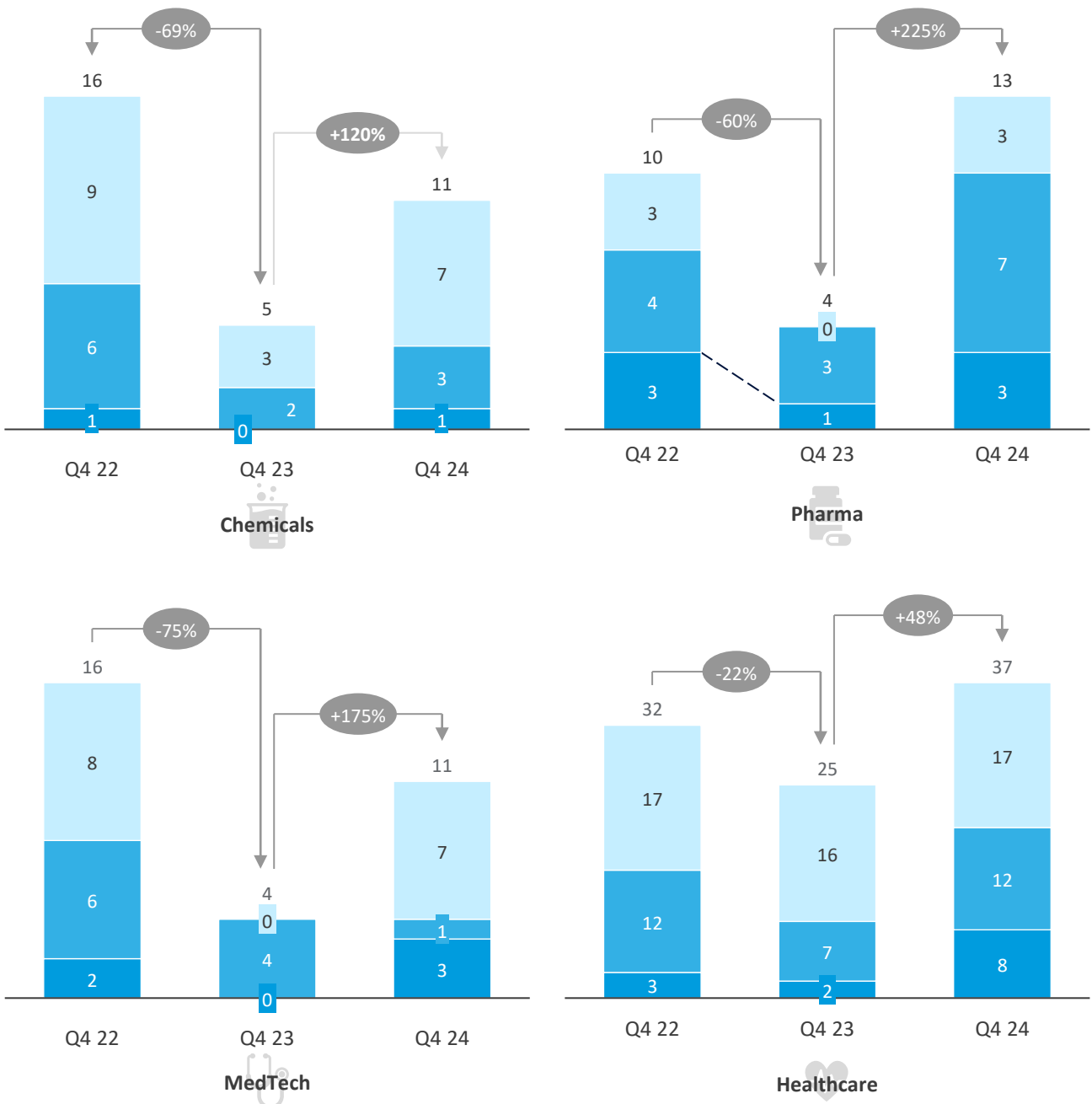
### Development of the EV / Revenue multiples over time per industry



# PE year-end rally: Q4 24 demonstrates a rebound in PE activity compared to Q4 23 across all industries

Number of deals driven by PE as buyer / seller

PE Buyer PE Seller PE-to-PE

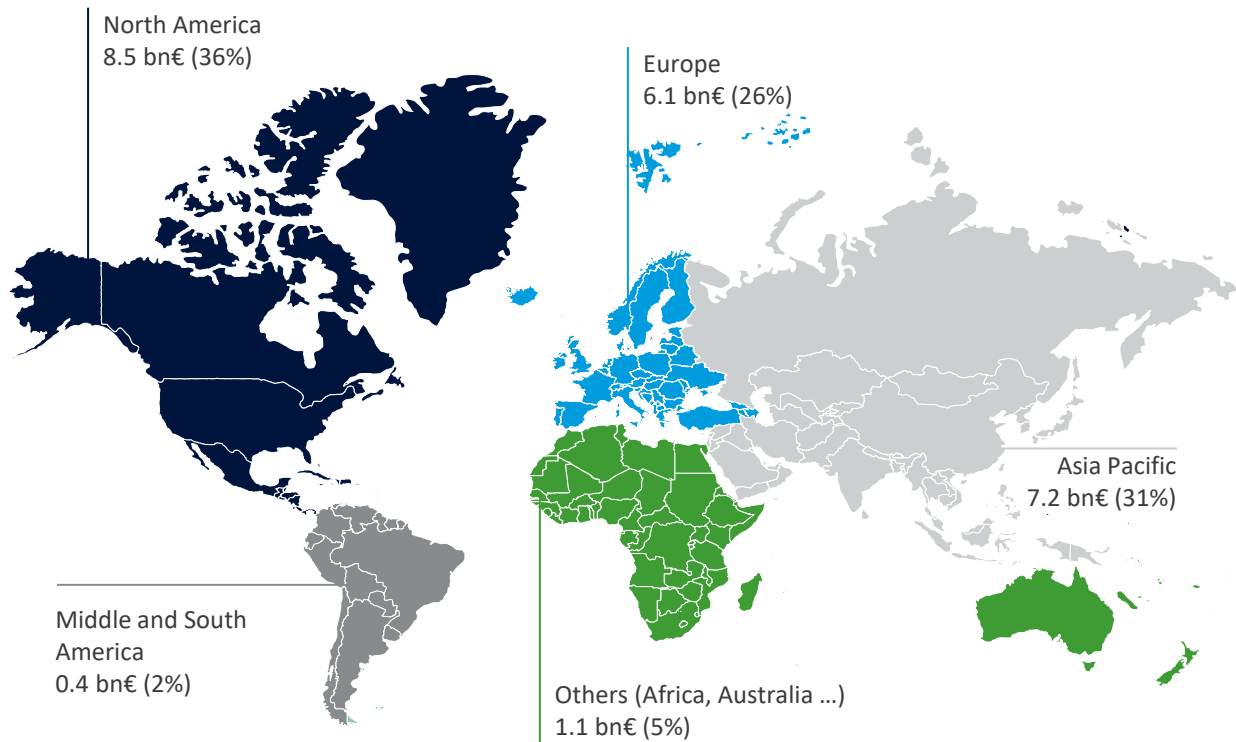


## Q4 24

Deals with PE as seller	PE-to-PE deals	Deals with PE as buyer
Σ 23	Σ 15	Σ 34
10.8% of total deals	7.0% of total deals	16.0% of total deals

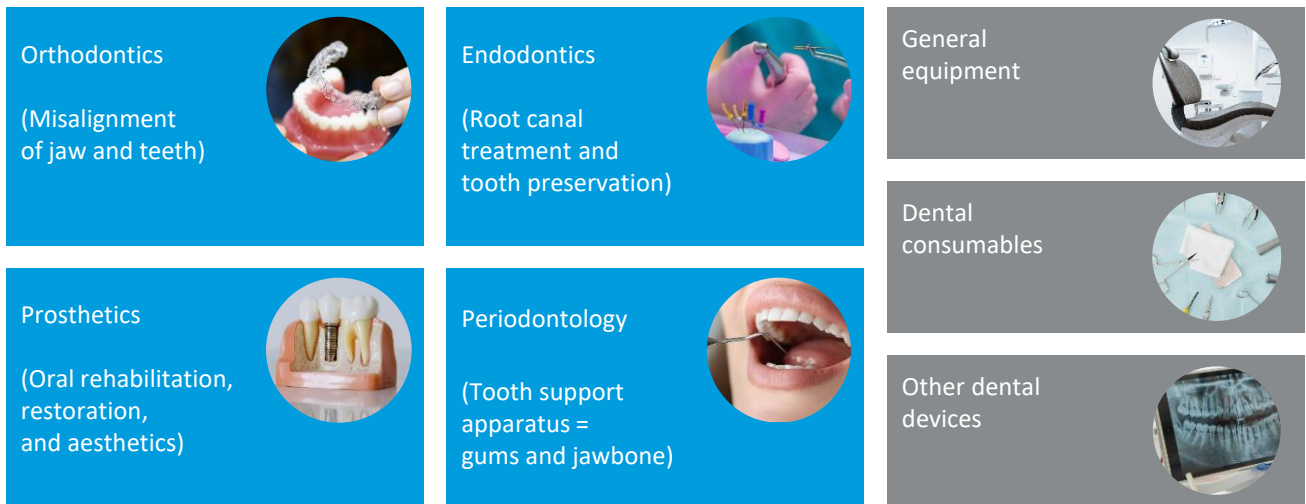
# The global Dental industry exceeds 23 bn€ in market size<sup>1</sup>, with Europe accounting for roughly one quarter

Global distribution of sales for dental products and services shows that more than 80% of total spending is allocated to the Northern hemisphere



# Dental industry ranges from tech-driven subsegments like orthodontics to commodities and other devices

## General overview of main segments in the Dental industry



## Overview supply chain in the Dental industry



## Landscape global dental players



Source: RSM ES MC Research, Capital IQ  
 1) Includes the area of Medical devices etc. 2) Includes Physiotherapy devices

# Selected players have been highly active in creating new dental platforms or adding to an existing portfolio

Three players with high deal activity exemplary for three different investing strategies in the dental industry



Strengthening market position through vertical and horizontal investments in niche technology and different subsegments of following targets<sup>1</sup>:





Establishing new business area as investment firm through acquisitions of tech- and equipment focused targets<sup>1</sup>:

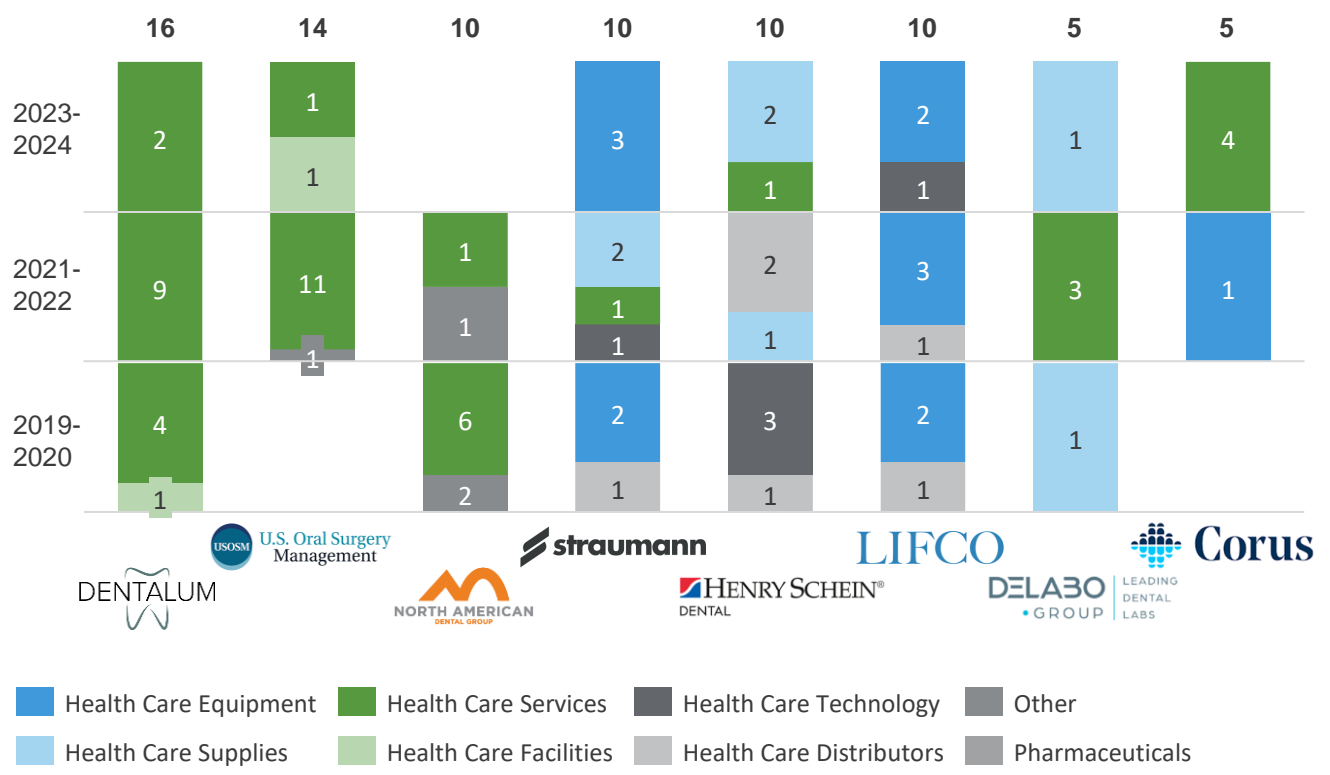




Achieving economies of scale through horizontal acquisition of comparable clinics and practitioners forming a larger corporate group<sup>1</sup>:



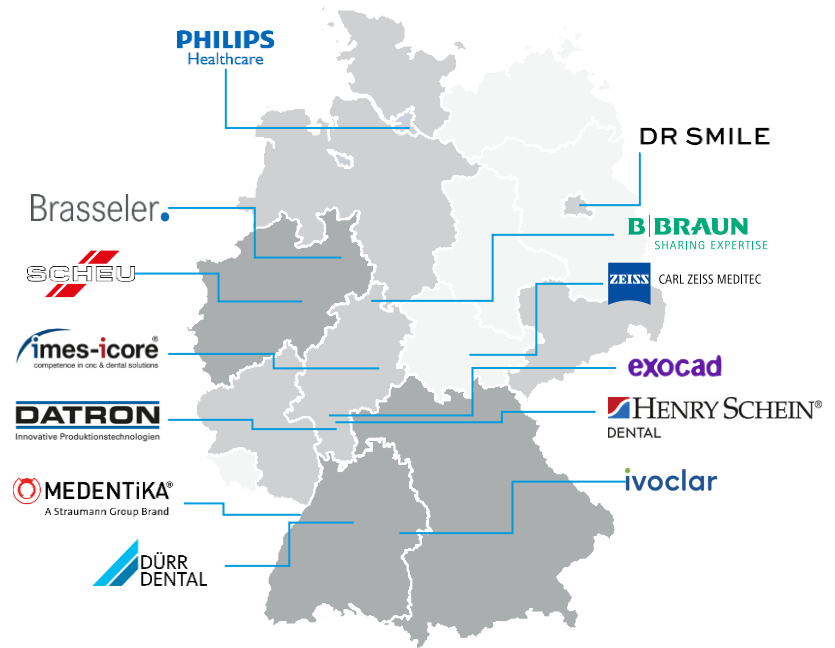
Selected players with high deal activity, offering insights into which sub-segments are currently sought after within the Dental industry



Source: RSM ES MC Research, Capital IQ – all deals since 01.01.2019, Mergermarket  
 1) Selected acquisitions, most recent

# The German market for dental equipment and materials is estimated at 1.5 bn€ with ~65% export

## Overview Dental market in German (Dental equipment & materials)



## Main challenges and trends of the German Dental Industry



Advancements in IT lead to streamlined processes, standardization, and quality improvement, as well as new diagnostic and therapeutic recommendations through AI



Medical technology innovations such as intraoral scanners and 3D printers as well as the expansion of the telematics infrastructure are leading to innovation pressure among dentists and laboratories



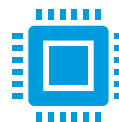
Dental prosthetics have been declining for years due to improved dental health



Increase in expenditures despite declining case numbers (Expenditures in 2021: 9.75 M€; private insurance not considered)



DSGVO and GoBD 2.0-compliant software ensures legal certainty but also increased documentation obligations and bureaucracy



IT in laboratory management, quality assurance, material ordering, and communication



Proximity to dentists plays a lesser role due to digital-based workflows and tele-dentistry (e.g., plaster models, patient records), leading to increased competitive pressure



The number of large laboratory structures is increasing due to digitalization and investment appetite: Digitized processes in dental laboratories are more efficient and, therefore, more competitive

# Constant deal flow depicts high level of attractiveness of the market with US strategics being most active

## Selection of deals within the Dental industry<sup>1</sup>

Year	Subsector	Target	Buyer	Rationale	Volume [m€]	EV / Revenue	EV / EBITDA
2024	Health Care Services	Heartland Dental	 Align Technology	 Strategic	70	n/a	n/a
2024	Medical Equipment	Asensus Surgical	 KARL STORZ	 Strategic	100	11.5x	n/a
2024	Health Care IT	Clinical AI Business – Intell...	 GE HealthCare Technologies	 Strategic	48	4.3x	33.8x
2024	Health Care Distributors	Patterson Companies	 Patient Square Capital	 Financial	3,471	0.5x	9.3x
2023	Pharmaceutical	Pierrel S.p.A.	 Fin Posillipo S.P.A.	 Strategic	13	4.5x	22.1x
2023	Medical Equipment	TriMed	 Henry Schein	 Strategic	219	n/a	n/a
2023	Medical Equipment	Galvo Surge Dental	 Straumann Holding	 Strategic	50	n/a	n/a
2023	Medical Supplies	SIN – Sistema de Implante Nacional	 Henry Schein	 Strategic	296	n/a	n/a
2022	Health Care Services	DDent MVZ GmbH	 Medicover AB	 Strategic	18	1.6x	n/a
2022	Medical Supplies	Biotech Dental SAS	 Henry Schein	 Strategic	399	7.4x	n/a
2022	Medical Supplies	Sunshine Smile GmbH	 Straumann Holding	 Strategic	130	n/a	n/a
2022	Health Care Services	Nihon Implant	 Straumann Holding	 Strategic	40	n/a	n/a
2021	Speciality Chemical	DETAX GmbH & Co.KG	 Consortium	 Financial	n/a	n/a	n/a
2021	Health Care Services	20 dental practices	 dentalcorp Holdings	 Strategic	53	n/a	6.5x
2021	Medical Equipment	Hill-Rom Holdings	 Baxter International	 Strategic	10,343	4.1x	20.9x
2021	Medical Equipment	Elos Medtech AB	 Consortium	 Financial	162	2.9x	10.7x
2021	Health Care Equipment	KaVo Dental GmbH	 planmeca Verwaltungs GmbH	 Strategic	384	1.4x	n/a
2020	Health Care Equipment	Apteryx Imaging	 Planet DDS	 Strategic	27	1.9x	n/a
<b>Average</b>					<b>930</b>	<b>4.0x</b>	<b>17.2x</b>

## Our key takeaways



Deal activity across all industries has found a new baseline in 2024 with a few minor exceptions in isolated quarters and industries such as the number of deals in MedTech in Q3 24 or the recent spike in pharma in Q4 24, while total deal values remain volatile, driven by large individual transactions



Trading multiples experienced little volatility throughout 2024, however, a small downward trend was observed in Q4 24 in terms of EV/EBITDA trading multiples for Chemicals, Pharma and HealthCare, whereas MedTech closes Q4 24 higher



The disparity between the decrease in deals activity versus deals volume is partly attributed to the fact that in these industries, small to mid-cap deals have a significantly higher proportion



Increased PE activity in Q4 24 can be seen as a positive signal for an upward trend into Q1 25, it remains to be observed if financial investors will keep their engagement throughout 2025

**Next M&A Quarterly:**

Q2 /2025

**Edition Focus:**

Overview of Coatings, Adhesives, Sealants and Elastomers (CASE) industry

### Our Team



**Alexander Wenzel**  
Partner, Frankfurt  
+49 160 5361796  
alexander.wenzel@ebnerstolz.de  
Chemicals, Pharma, MedTech, M&A



**Pranshu Rohatgi**  
Senior Manager, Frankfurt  
+49 151 1573 4843  
pranshu.rohatgi@ebnerstolz.de  
Chemicals, Pharma, MedTech, M&A



**André Laner**  
Partner, Cologne  
+49 162 2140764  
andre.laner@ebnerstolz.de  
M&A



**Michael Euchner**  
Partner, Stuttgart  
+49 172 7322029  
michael.euchner@ebnerstolz.de  
M&A



**RSM Ebner Stolz**  
**Management Consultants GmbH**  
Kronenstraße 30  
70174 Stuttgart  
Tel. +49 711 2049-0  
Fax +49 711 2049-1333  
info@ebnerstolz.de

RSM Ebner Stolz ist Mitglied des RSM-Netzwerks und firmiert als RSM. RSM ist der Handelsname, der von den Mitgliedern des RSM-Netzwerks verwendet wird. Jedes Mitglied des RSM-Netzwerks ist eine unabhängige Wirtschaftsprüfungs-, Steuerberatungs- und Unternehmensberatungsgesellschaft, die jeweils eigenständig tätig ist. Das RSM-Netzwerk selbst ist keine eigenständige juristische Person in irgendeiner Rechtsordnung.

Das RSM-Netzwerk wird von RSM International Limited verwaltet, einem in England und Wales eingetragenen Unternehmen (Unternehmensnummer 4040598) mit Sitz in 50 Cannon Street, London EC4N 6JJ.

Die Marke und das Warenzeichen RSM sowie andere von den Mitgliedern des Netzwerks genutzte geistige Eigentumsrechte sind Eigentum der RSM International Association, einem Verein nach Artikel 60 ff. des Schweizerischen Zivilgesetzbuches mit Sitz in Zug.