G-SIDE CAPITAL ADVISORS

Healthcare & Life Sciences Perspectives

September 2025

Eric Higgins
Co-Founder &
Senior Managing Director
ehiggins@greensideca.com
(978) 761-8111

Bob Snape
Co-Founder &
Senior Managing Director
bsnape@greensideca.com
(339) 236-1050

H&LS Deal Highlights

-16%	-14%	29%
Decrease in YOY deal volume	Decrease in YOY deal value	Private equity involvement

Notable Quotes & Trends:

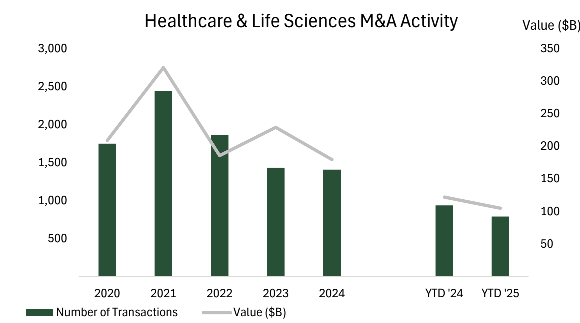
"The proposed acquisition of Blueprint Medicines represents a strategic step forward in our rare and immunology portfolios. It complements recent acquisitions of early-stage medicines that remain our main field of interest." ***– Paul Hudson, CEO, Sanofi***

"I think COVID highlighted this quite well that despite all the challenges the external world had, the pharmaceutical supply chain in totality tends to have enough inventory to get you through these periods. So I would think that tariffs would take a little while to play into the economics." ***– Brian Tyler, CEO, McKesson***

In 2024, the U.S. Food and Drug Administration (FDA) approved 50 new drugs, with an estimated 70 approvals projected for 2025. Globally, there are approximately 20,000 active drug development programs.

Healthcare & Life Sciences M&A on the Road to Recovery

Health industry dealmaking in 2025 continues to face significant challenges due to economic, regulatory, and geopolitical pressures, particularly impacting global pharmaceutical companies operating in the U.S. These factors are creating uncertainty and complicating deal valuations and strategies. New tariffs could raise annual costs dramatically, while proposed U.S. drug pricing reforms and sweeping FDA regulatory changes threaten to reduce profits and delay drug approvals. After an initial optimistic start to the year with Johnson & Johnson's $14.6 billion acquisition of Intra-Cellular, deal sizes since have been more modest, mostly between $1 billion and $10 billion, as companies pursue acquisitions to fill pipeline and capability gaps amid rising uncertainty. Examples include companies developing new cell and gene therapies, oncology, and rare disease treatments. Notable transactions in this segment include Merck's $10 billion acquisition of Verona Pharma and Sanofi's $9 billion acquisition of Blueprint Medicines, along with numerous bolt-on acquisitions of companies with promising drug pipelines. Medical Device M&A is also accelerating as consolidators target firms that address the rising demand for organ transplantation and peripheral vascular disease solutions, a trend fueled by the increasing prevalence of end-stage organ failure and rising incidence of cardiovascular diseases. Specific areas of the Medical Services industry that leverage technology are of focus for M&A, with acquirers targeting companies using AI to enhance patient engagement, streamline workflows, and deliver personalized care through data analytics and interoperability. Acquirors continue to target products and services with high levels of expected demand regardless of regulatory changes.



The Second Wave of Dental M&A

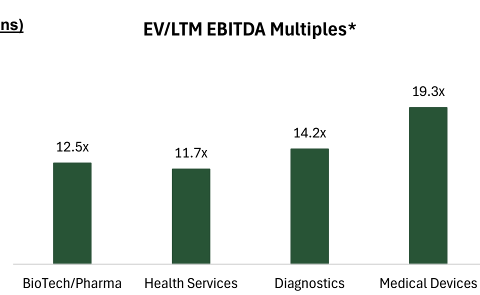
The stage is set for a renewed surge in Dental M&A fueled by Dental Service Organizations' (DSOs) geographic expansion into the Midwest and Sun Belt to meet the demands of these underserved markets. Strong M&A activity is also expected to continue for specialized dental practices in orthodontics, oral surgery, and cosmetic dentistry. These practices are increasingly attractive add-ons for DSOs due to the diversification of revenue provided, overlapping supply chains, and strong cash flow profiles driven by limited competition and increased patient demand. Anticipated interest rate cuts will further drive M&A activity into 2026 as the lower cost of capital will enable PE-backed DSOs to once again aggressively deploy funds into new investments.

Deal & Valuation Tracker

Recent Headline Deals

Acquirer	Target	Value (Billions)
Merck	Verona Pharma	$10.0
sanofi	blueprint medicines	$9.1
Mallinckrodt	endo	$6.7
United Healthcare	amedisys	$3.3
Lilly	SiteOne Therapeutics	$1.0

Public Company Valuations



*As of Aug 2025

G-Side Capital Advisors provides independent M&A and ancillary investment banking advisory services to privately-held middle market businesses in a variety of industries. Learn more at www.g-sideca.com.