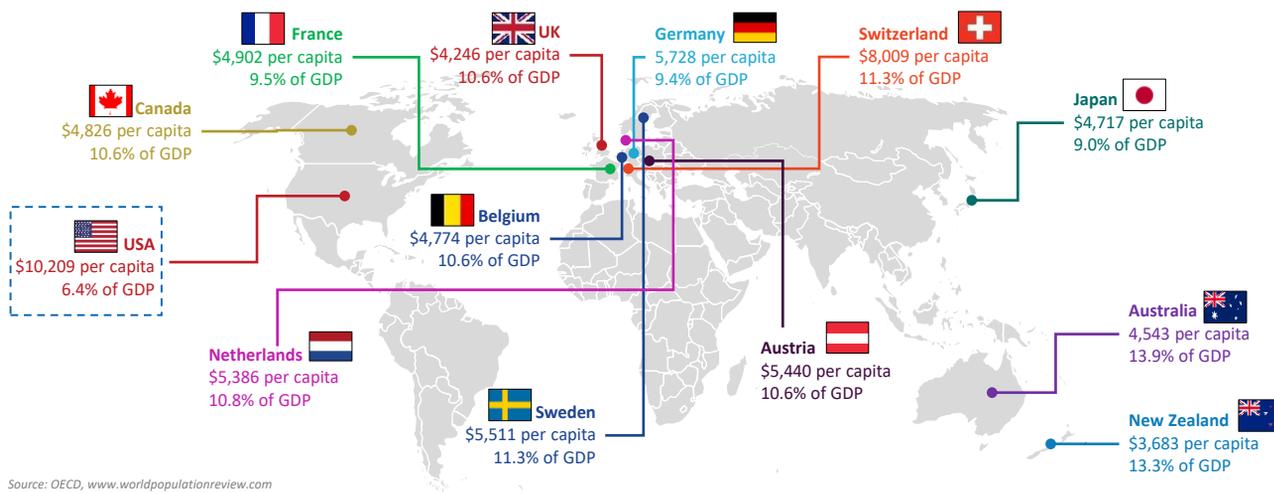


Healthcare Spend per Capita for OECD Economies



Source: OECD, www.worldpopulationreview.com
GDP data as of 2019

Trends for the Healthcare Industry in 2019

- Precision Medicines**
 ~65% of patients prescribed the world's top 5 selling drugs didn't respond to the therapy
- Exponential Technologies to Improve Hospital Performance**
 ~45% of hospitals with negative margins in 2011 were still negative in 2015
- Healthcare Cybersecurity**
 ~32,000 intrusion attacks per day per organization, compared to 14,300 per organization in other industries
- Ageing and Lifestyle Factors**
 The ageing population (those over 65 years old) is set to increase by 8%, from 559 million in 2015 to 604 million in 2020

Source: Deloitte - 2019 US and Global Health Care Industry Outlook and Medcity News - Five innovation trends that will impact the healthcare industry in 2019

Issues for the Healthcare Industry in 2019

- Creating **financial sustainability** in an uncertain health economy
- Investing in **digital innovation and transformation**
- Using **new care delivery models** to improve access and affordability
- Maintaining **regulatory compliance and cybersecurity**
- Adapting to change in **consumer needs, demands, and expectations**
- Recruiting, developing and retaining **top talent**

Source: Deloitte - 2019 US and Global Health Care Industry Outlook

Recent Healthcare Deals

Company Investor \$993Mn	Company Investor \$75Mn
Company Investor \$1.48n	Company Investor \$540Mn

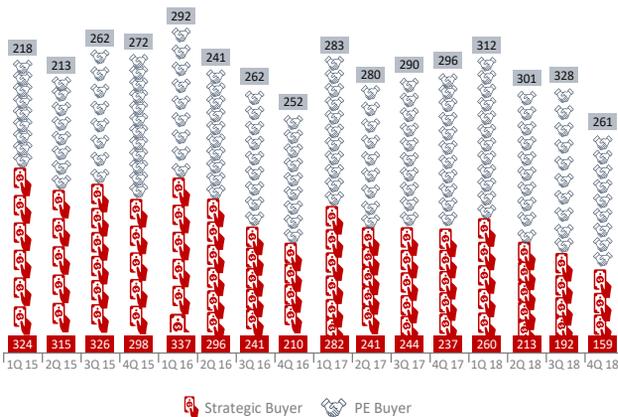
Source: Pitchbook

Factors Driving Healthcare Dealmaking

- Evolving Providers:**
 Scale has increased, leading to M&A volume concentrating in larger deals
- Ever-growing Payors:**
 PE groups have accounted for an increasing share of healthcare services M&A across all sub-sectors
- Rise of Digital M&A:**
 Driven by a consumer-oriented shift, digital health M&A has surged as the industry trends toward convenient care
- Proliferation of Healthcare Technology and Outsourcing:**
 Increased administrative burdens have led to healthcare tech and outsourcing being employed to improve efficiency and control costs

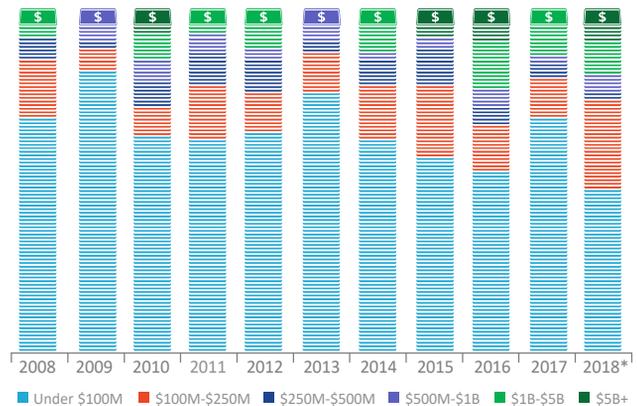
Source: Wells Fargo - A Review of Key Factors Driving Healthcare Dealmaking

Quarterly M&A Activity in US Healthcare



Source: Pitchbook

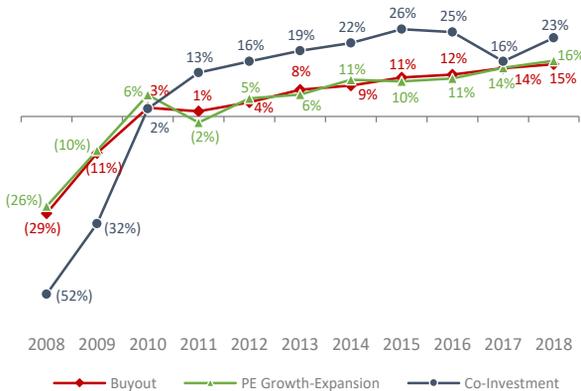
US Healthcare Services M&A (by Size)



Source: Pitchbook

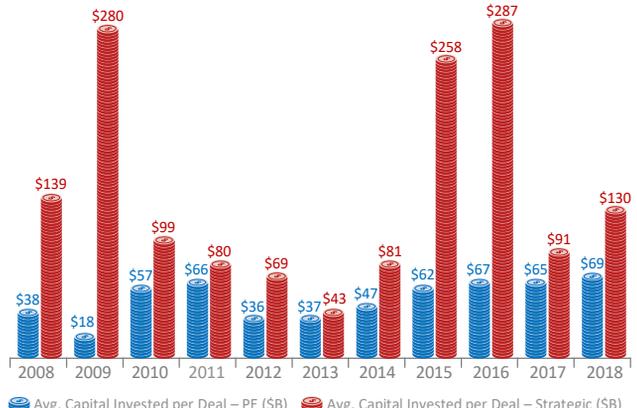
* As of November 08, 2018

IRR for Healthcare Focused PE Funds



Source: Pitchbook

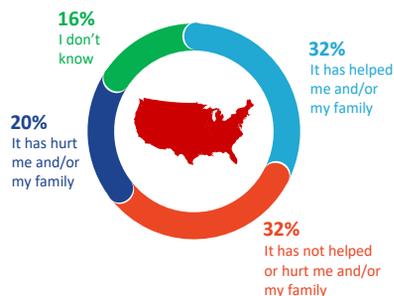
Capital Invested in US Healthcare Deals



Source: Pitchbook

Affordable Care Act (ACA) – An Update

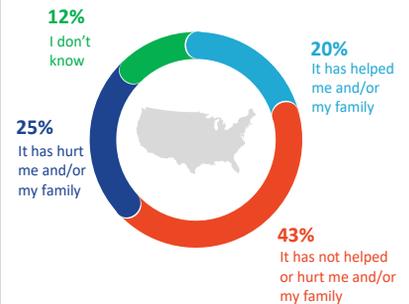
ACA: Medicaid Expansion States



Impact of Recent Changes

- Impact:** Less robust coverage on individual and non-group markets due to greater availability of non-conforming plans
Implication: Payors, providers could triage patients to lower-cost care options such as telehealth/in-home nurse visits
- Impact:** ACA provision for monetary penalties on manufacturers that charge more to go into effect in July
Implication: Attention on drug prices to increase despite slowdown in rule-making
- Impact:** Insurance regulations are falling to states, creating a mosaic
Implication: Stakeholders should closely follow state regulatory decisions when pursuing new opportunities

ACA: Medicaid Non-Expansion States



Source: PwC Health Research Institute consumer survey, September 2018 and CNN – 4 ways Obamacare is changing for 2019

ABOUT TRESVISTA

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