

Case Study

Investment Opportunity Identification in the
European Healthcare Sector



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About the Client



- UK-based PE firm, specialising in growing and building companies with equity requirement of at least €200 million

Client Objectives / Goals



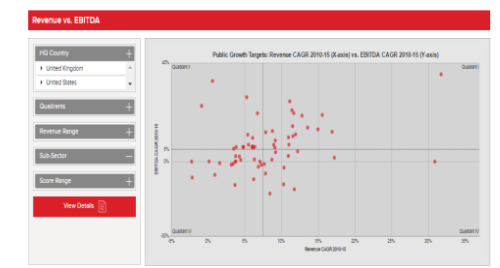
- Identify high growth companies as potential acquisition targets for investment
- Sector: Healthcare
- Firm type: Private
- Target size: Revenue range: €40-250 mn | EBIT margin: >= 8%
- Geographic focus: Target to be headquartered in Europe
- Ownership:**
 - Not a subsidiary of a larger player
 - If a subsidiary, then not aligned with the parent company's core business

Approach and Methodology



- Implemented our proprietary RocEye Growth™ funnel-based deal origination approach to identify hidden gems
- Identified relevant industry segments based on size, growth rate, degree of consolidation and PE buzz. For the shortlisted segment ('Ophthalmic and Optical Technology'), we built a comprehensive list covering 1,000+ private companies leveraging databases, associations, exhibitions/conferences, news aggregators, news portals and social media
- Shortlisted 315 companies based on business relevance and financial investment criteria. Percentile ranked companies based on the financial KPIs and calculated weighted average scores (0-10) to measure relative attractiveness
- Screened companies based on qualitative investment triggers, such as presence in growth segments, product pre-commercialisation buzz, stated expansion plans, recognition, partnership and M&A, management change, etc.
- Shortlisted the top 10 percentile targets based on RocIndex™ score, in consultation with the client. Created a detailed target profile (investment thesis)

Sample Output



Name	Sector	Sub-Sector	HQ Country	Market Focus	Product/Technology	Private Status	Operational			Financial		
							Revenue (€ mil)	EBITDA (€ mil)	EBITDA Margin (%)	Revenue CAGR (%)	EBITDA CAGR (%)	RocIndex Score
00112345	Pharma	Drug Development	UK	Small Molecule	Novel Target	Public	150	10	6.5%	15%	12%	8.5
00123456	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	200	15	7.5%	18%	15%	9.2
00134567	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	250	20	8.0%	20%	18%	9.8
00145678	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	300	25	8.3%	22%	20%	10.1
00156789	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	350	30	8.6%	24%	22%	10.4
00167890	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	400	35	8.8%	26%	24%	10.7
00178901	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	450	40	9.0%	28%	26%	11.0
00189012	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	500	45	9.2%	30%	28%	11.3
00190123	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	550	50	9.4%	32%	30%	11.6
00201234	Pharma	Pharmaceuticals	UK	Small Molecule	Novel Target	Public	600	55	9.5%	34%	32%	11.9

Results / Value-add



26% increase in client's pipeline of potential targets

1000+ analyst hours saved in deal origination

32 investment gems identified from a list of 1,000+ companies