



SEA healthcare distribution: Delivering value

April 2025

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Executive summary

Investor interest in the Southeast Asian healthcare distribution market has surged in recent years, driven by significant growth opportunities, appreciation of competitive moats, and consolidation potential

Summary of the report

<p>I</p>  <p>Market landscape</p>	<ul style="list-style-type: none"> • While historically underinvested, the healthcare industry in Southeast Asia (SEA) is becoming a key focal point for public and private investment, driven by growing demand from an increasingly aging population • Healthcare distributors in SEA have been coming into the spotlight in recent years, driven by: <ul style="list-style-type: none"> – Distributors moving up the value chain, offering a breadth of services to global manufacturers including handling regulatory & compliance affairs, commercialization / demand generation, managing public tenders, logistics, technical support / training, financial management, and after-sales services – Competitive moats built via (i) understanding of local markets, regulatory environment, and customers, (ii) commercialization and logistical capabilities which translate to economies of scale, and (iii) entrenched supplier and customer relationships supported by their installed base of equipment – The fragmented nature of SEA, which results in many manufacturers lacking scale to build a local presence in each market, vis-à-vis homogenous large markets such as China and India • For the purposes of this exercise, we assessed both the medical devices (Medtech) and pharmaceutical (Pharma) distribution markets as part of the overall healthcare distribution market, which is collectively expected to grow at a combined CAGR of 7% from US\$18bn in 2023 to US\$26bn in 2029
<p>II</p>  <p>Valuation environment</p>	<ul style="list-style-type: none"> • Valuations have been relatively stable and cycle-agnostic in the global Medtech and Pharma distribution sectors over the last few years at low teens and high single-digit EBITDA multiple ranges respectively • Medtech distribution companies tend to trade above their Pharma distribution peers, due to the former's (i) higher growth potential, (ii) stability of cash flows / recurring revenue streams¹, (iii) higher margins, and (iv) lower price sensitivity as quality, reputable products have relatively strong pricing power
<p>III</p>  <p>M&A trends</p>	<ul style="list-style-type: none"> • Investors are turning their attention to healthcare distribution in SEA, leveraging M&A as a means to diversify geographical or end market exposures, as well as to consolidate the highly fragmented regional market • Many financial sponsors have recognized the huge market potential, building regional healthcare distribution platforms via buy-and-build strategies to achieve scale in SEA • Hence, the market has attracted significant capital from strategic and financial investors globally

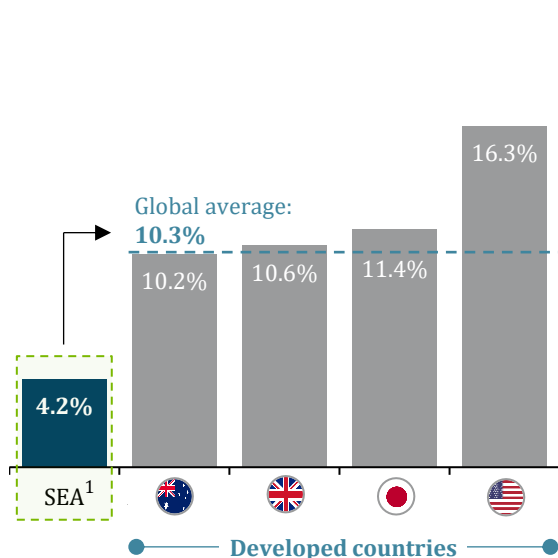
Note: (1) Recurring revenue such as maintenance contracts and consumables sales

A 50,000-foot view – Southeast Asian healthcare landscape

The healthcare industry in SEA is at an inflection point, with significant growth potential as investment activity surges to meet the population's basic and rising healthcare needs

The healthcare sector in SEA is under-invested historically...

Healthcare expenditure as a % of GDP; as of 2024



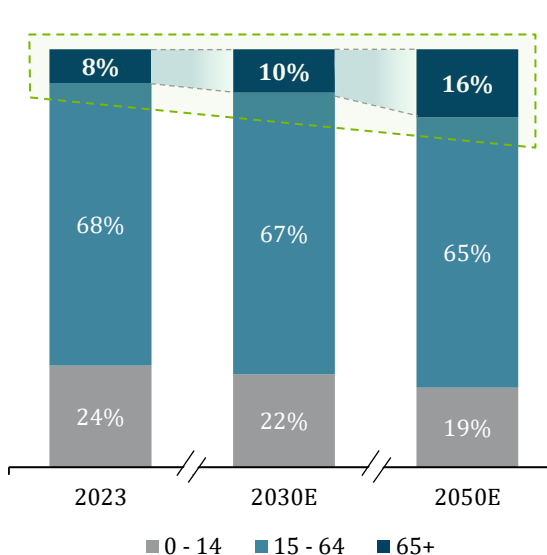
Lack of healthcare infrastructure with SEA having fewer hospital beds, doctors, and nurses per capita



Topographically complex markets creating difficulties for many areas in the region to access healthcare products and services

...and the population is rapidly aging...

% breakdown of age groups in SEA¹



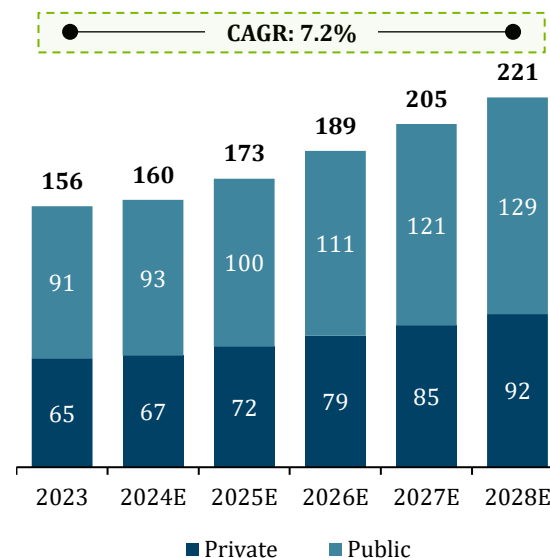
Larger proportion of individuals more prone to chronic illnesses such as diabetes, cardiovascular diseases, and cancer



Increasing need for better healthcare infrastructure, including hospitals, community healthcare centres, and eldercare facilities

...driving substantial growth for private and public investment in the sector

Healthcare expenditure in SEA¹; US\$bn



Greater access to healthcare, particularly in rural and underserved areas to further bridge healthcare inequality



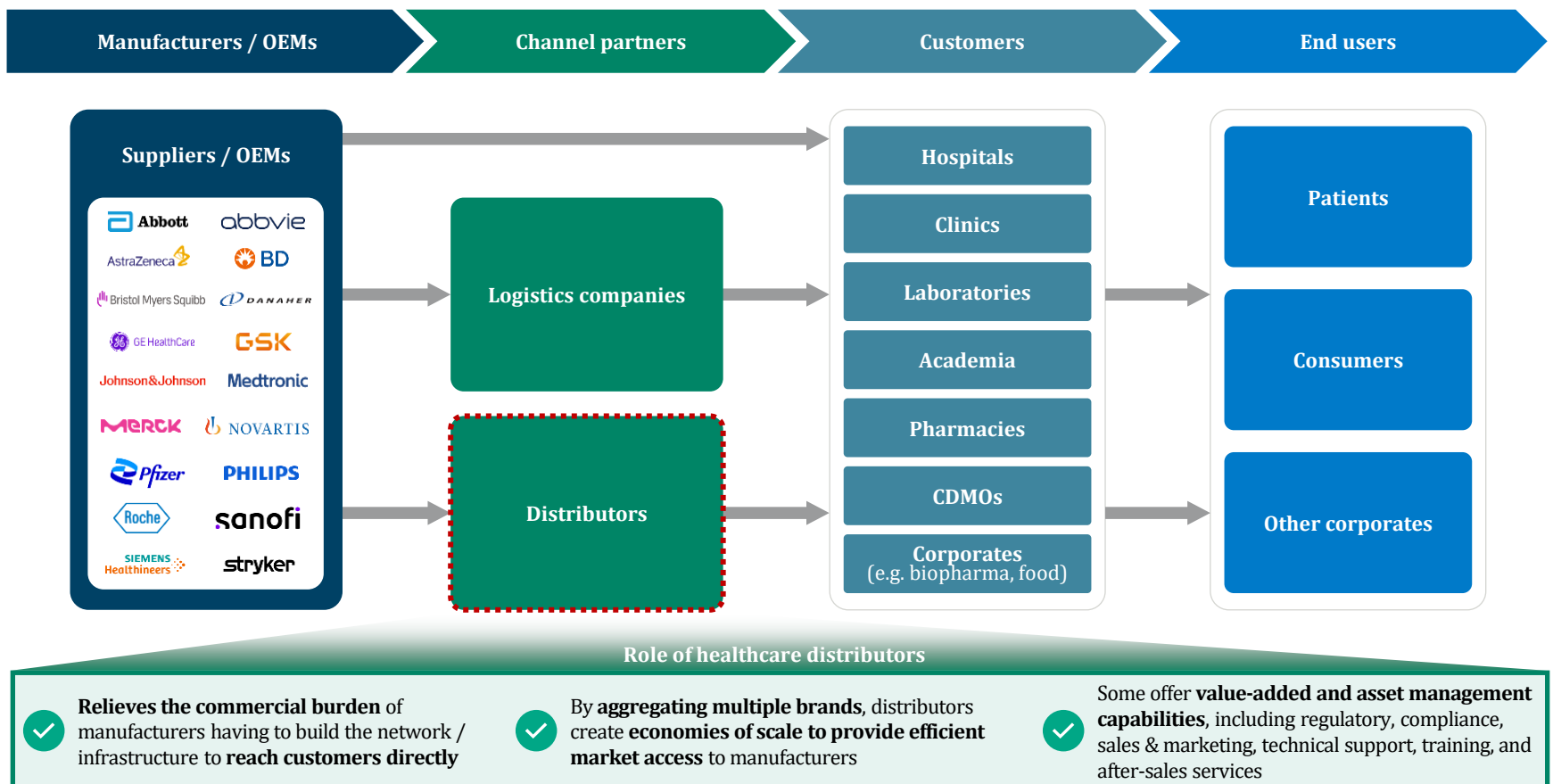
Greater demand for medical devices and pharmaceuticals to better address the healthcare needs in SEA

Sources: Deloitte, Economist Intelligence Unit, Economic and Social Commission for Asia and the Pacific, Frontierview, KPMG, World Health Organization
 Note: (1) Consists of Singapore, Malaysia, Thailand, Vietnam, Philippines, and Indonesia

Healthcare distributors: the nexus between global manufacturers and local customers

OEMs are increasingly relying on value-added distributors to access underpenetrated markets and increase efficiency





Healthcare value chain



The “middleman” myth of healthcare distribution

Investors are developing better appreciation of the competitive moats of healthcare distribution players, whose services used to be perceived as simply “box-moving”

Common investor concerns

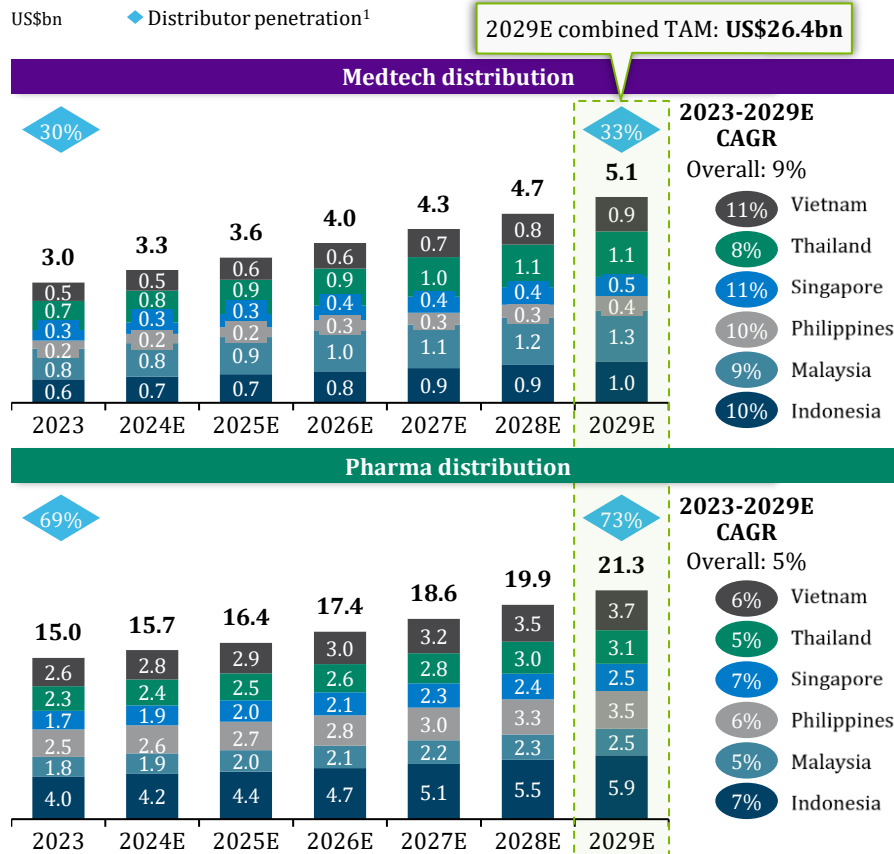
Investor concern	Current observation
 <p data-bbox="156 554 484 696"><i>“Wouldn’t it be more efficient for a manufacturer to distribute to customers directly?”</i></p> <p data-bbox="513 544 975 708">Some believe that the role of a healthcare distributor is unnecessary or at best temporary, and that large global manufacturers are capable of establishing their own channels to penetrate overseas markets</p>	<ul data-bbox="994 496 1852 753" style="list-style-type: none"> • Many manufacturers lack the scale and infrastructure to build a local presence in each market, while local distributors are more efficient and can share the costs across a wide range of products from multiple brands • Even as manufacturers scale, the revenue contribution from each country in SEA will remain relatively small compared to large markets like the US. Hence, OEMs are expected to maintain local distributor relationships • Outsourcing manufacturing and distribution to scaled third-party service providers allows Medtech and Pharma companies to focus investment on their core i.e. product R&D
 <p data-bbox="156 801 484 872"><i>“Aren’t they all the same?”</i></p> <p data-bbox="513 768 975 908">Some believe that there is little differentiation between healthcare distributors, and that there is minimal competitive moat to prevent switching between distributors</p>	<ul data-bbox="994 768 1852 908" style="list-style-type: none"> • Distributors build up market expertise such as customer relationships, product knowledge, and infrastructure such as sales force, logistics capabilities, which require significant time and resources to duplicate • Distributors usually own local product licenses / approvals and installed machine base (for Medtech), creating significant switching costs
 <p data-bbox="156 972 484 1043"><i>“What is their value-add?”</i></p> <p data-bbox="513 925 975 1089">Some believe that healthcare distributors play a narrow role of providing market access to OEM manufacturers, and otherwise adds minimal value within the healthcare value chain, resulting in lower associated margins</p>	<ul data-bbox="994 939 1852 1079" style="list-style-type: none"> • Distributors today offer a breadth of services including regulatory & compliance affairs, commercialization / demand generation, managing public tenders, logistics, technical support / training, financial management, and after-sales services, acting like the local subsidiaries of global manufacturers to drive sales and customer satisfaction
 <p data-bbox="156 1129 484 1222"><i>“What synergies that can be derived from a pan-regional platform?”</i></p> <p data-bbox="513 1110 975 1246">Some believe that the incremental benefits of operating across multiple geographies as opposed to single market are few and far between, and often do not justify the capital investment required</p>	<ul data-bbox="994 1125 1852 1232" style="list-style-type: none"> • A flywheel effect can be generated by achieving scale as a distributor can act as the singular service provider in the region for the supplier, share best practices / product knowledge, deploy resources to the highest growth areas, and hedge single market risks

In Southeast Asia, the complexity of navigating each local market requires a value-added distribution partner with the expertise, team, and infrastructure to effectively reach end-customers to drive sales and growth

Double-clicking into the Medtech and Pharma distribution market in SEA

The healthcare distribution market in SEA is expected to reach US\$26bn by 2029E, with Medtech and Pharma distributors expected to grow at a CAGR of 9% and 5%, respectively

SEA's total addressable market (TAM)



Comparison of Medtech vs Pharma distributors

	Medtech distributors	Pharma distributors
Examples	everlife, THC THAIACOR HEALTHCARE	Pharmaforté, ZUELLIG PHARMA making healthcare more accessible
Product types	<ul style="list-style-type: none"> Diagnostic devices Therapeutic devices Monitoring devices Rehabilitation devices Lab devices / reagents Consumables 	<ul style="list-style-type: none"> Over-the-counter (OTC) Prescription drugs Biologics Consumer health
Product nature	<ul style="list-style-type: none"> High mix low volume 	<ul style="list-style-type: none"> Low mix high volume
Customer examples	<ul style="list-style-type: none"> Primary care physicians Polyclinics Hospitals Diagnostic centres 	<ul style="list-style-type: none"> Primary care physicians Polyclinics Hospitals Retail pharmacies
SEA market growth (%)	<ul style="list-style-type: none"> High single-digit 	<ul style="list-style-type: none"> Mid single-digit
Typical margin profile (%)²	<ul style="list-style-type: none"> Low-to-high teens 	<ul style="list-style-type: none"> Single-digit to mid teens
Market landscape	<ul style="list-style-type: none"> High fragmentation with many players Comprises local / regional players with deep product knowledge and local networks 	<ul style="list-style-type: none"> Several large regional players, with a long tail of small-to-mid sized players Dominated by global and regional players with significant market share in multiple geographies

Sources: Statista, LEK, Roland Berger, BDA analysis

Notes: (1) Penetration level of distributors relative to the Medtech and Pharma market; (2) Based on median EBITDA margins of global, publicly listed companies

Characteristics of the healthcare distribution business model in SEA

Healthcare distributors in SEA benefit from the following factors that makes the business model attractive

Key characteristics of the healthcare distribution business model

1



Market knowledge

- **Market structure:** Individually small markets are challenging to set up logistics infrastructure and navigate the local environment
 - Being able to win public tenders in countries such as Indonesia and Malaysia require an intimate understanding of local requirements
 - Indonesia and the Philippines are archipelagos, making it critical to have local expertise and extensive logistics capabilities
- **Regulatory and legal environment:** Regulatory requirements and registration processes for healthcare products necessitate local expertise
 - Foreign ownership restrictions and local content requirements (e.g. in Indonesia) may also make it challenging for suppliers to operate in certain countries without local partners
- **Customer behavior:** Establishing a network and reputation is critical to drive sales and effective provision of services to local customers
 - Significant investment is required for suppliers to build up commercial capabilities on the ground

2



Economies of scale

- Significant operating and financial leverage potential once a distributor establishes the initial infrastructure in a local market
- Distributors can consolidate the resources of its pool of principals which otherwise would be sub-scale by themselves
- Distributors can sell and distribute products at lower cost than suppliers going direct with a smaller product portfolio by themselves

3



Sticky supplier & customer relationships

- Once a distributor has helped suppliers achieve significant sales, suppliers are not incentivized to disintermediate or switch service providers given the potential disruption to existing sales and services. This is further mitigated by the following:
 - **Return on investment:** Economic benefits of disintermediating may not justify the hefty cost required to replicate the entire operation
 - **Licenses:** Distributors often manage local regulatory affairs and own licenses on behalf of suppliers
 - **Installed base:** The less recurring nature of medical equipment purchase makes it common to adopt the rental reagent model, and thus it requires more time and investment to rebuild the installed base of equipment
 - **Time requirement:** It takes time to rebuild infrastructure and establish customer relationships, while existing sales may be interrupted
- For medical devices especially, customers have established maintenance and technical support protocols with distributors, which will take time for a manufacturer or alternative distributor to re-establish to serve customers satisfactorily

Healthcare distribution sector landscape in SEA

While several regional Pharma distributors have built scale across multiple countries, the Medtech distribution market is still largely dominated by local players with operations in a single country

Key market players by country

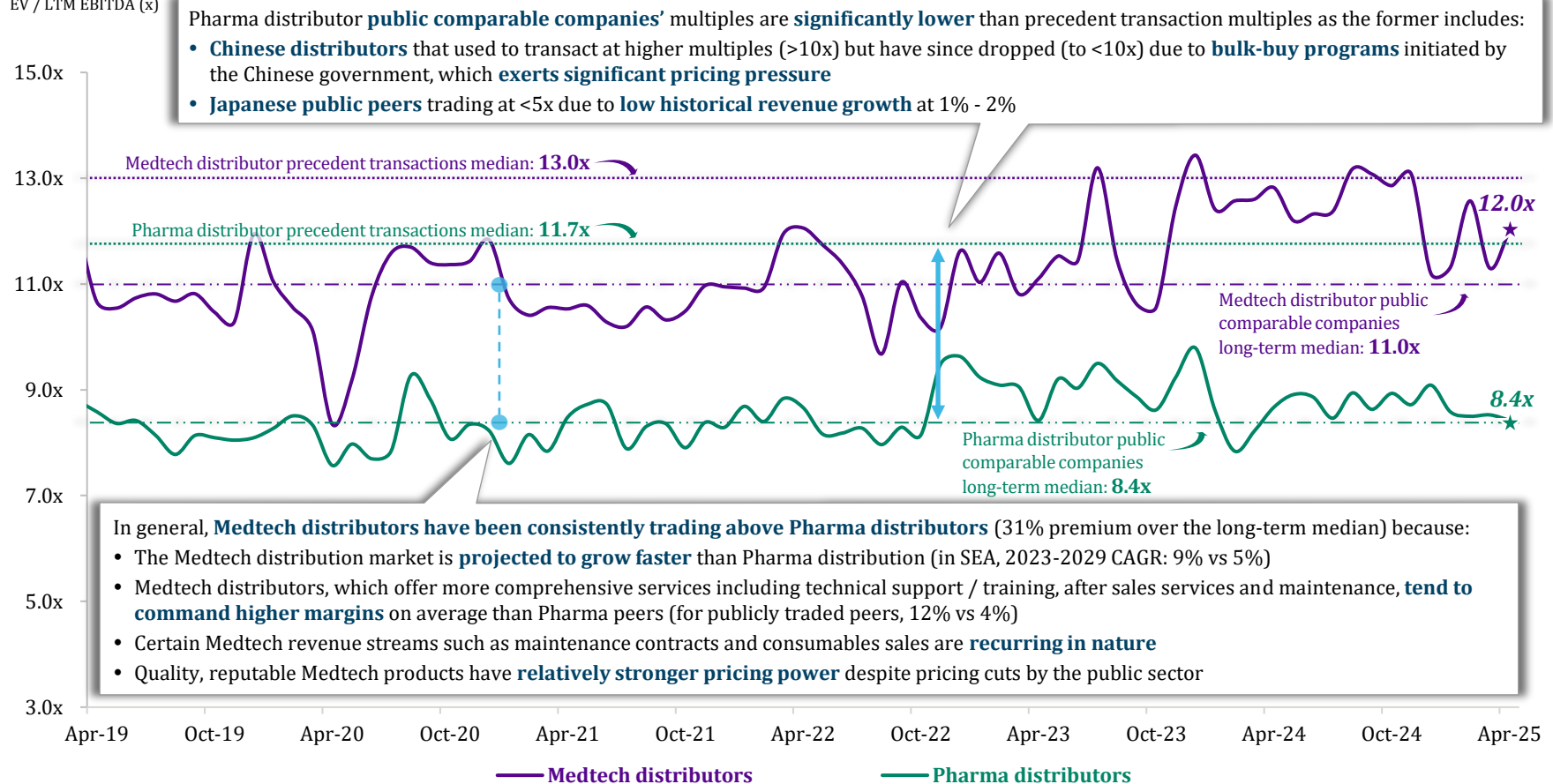


While market valuations have been stable over the last few years, Medtech distributors have consistently commanded a premium to their Pharma counterparts

Since 2019, Medtech distributors have traded at low teen EBITDA multiples, while Pharma distributors have hovered in the high single-digit multiple range

Historical rolling valuation trend























EV / LTM EBITDA (x)



Public comparable companies – Medtech distributors

Global Medtech distributors are trading at **11.7x – 12.0x EV / LTM EBITDA**

Public comparable companies

Company	Country	EV (US\$m)	Market Cap. (US\$m)	EV / Revenue			EV / EBITDA			CAGR (19A-23A)		LTM Margins	
				LTM	2025E	L2Y Avg.	LTM	2025E	L2Y Avg.	Revenue	EBITDA	Gross	EBITDA
 Bunzl		15,769	12,698	1.1x	1.0x	1.0x	10.4x	9.8x	10.7x	6.1%	8.3%	8.3%	10.3%
 Avantor		14,269	10,302	2.1x	2.1x	2.9x	12.0x	11.7x	15.4x	3.6%	6.7%	33.6%	17.5%
 Henry Schein		12,325	8,130	1.0x	0.9x	1.0x	10.8x	11.1x	11.7x	5.4%	1.6%	31.7%	9.0%
 Patterson Companies		3,480	2,737	0.5x	0.5x	0.5x	9.8x	10.2x	8.1x	3.9%	6.0%	20.6%	5.5%
 AddLife		2,259	1,785	2.4x	2.1x	2.0x	16.7x	13.5x	14.7x	29.2%	32.5%	37.5%	14.6%
 Shanghai Runda Medical		2,618	1,646	2.2x	2.0x	1.9x	20.7x	14.1x	16.3x	6.7%	(0.2%)	26.4%	10.5%
 Ship Healthcare		1,027	1,280	0.2x	0.2x	0.3x	5.1x	4.4x	6.1x	6.3%	(1.2%)	9.9%	4.8%
 AS ONE		1,040	1,114	1.6x	1.4x	1.9x	12.3x	10.8x	14.3x	8.3%	1.3%	30.2%	13.0%
 Owens & Minor		2,812	630	0.3x	0.3x	0.3x	4.1x	4.9x	5.7x	2.9%	26.3%	20.7%	6.4%
 Excelsior Medical		401	435	1.5x	1.5x	1.6x	12.5x	NA ¹	14.1x	6.3%	11.0%	20.9%	12.3%
 CHC Healthcare		378	247	3.4x	2.6x	3.6x	14.2x	NA ¹	12.3x	7.1%	5.8%	21.1%	24.2%
Mean				1.5x	1.3x	1.6x	11.7x	10.1x	11.8x	7.8%	8.9%	23.7%	11.6%
Median				1.5x	1.4x	1.6x	12.0x	10.8x	12.3x	6.3%	6.0%	21.1%	10.5%

Comparable precedent transactions – Medtech distributors

Global Medtech distributors transacted at **12.7x – 13.0x EV / LTM EBITDA**

Comparable precedent transactions

Date ann.	Target company	Target country	Target description	Buyer company	Percent acquired	Implied EV (US\$m)	EV/Revenue	EV/EBITDA
Dec-24	Patterson Companies		Dental, vet, and rehabilitation supplies distributor	Patient Square Capital	100%	3,600	0.6x	10.5x
Apr-24	Duomed		Distributor of medical devices specializing in endoscopy, surgery, critical care, and other uses	Palex Medical	100%	NA ¹	NA ¹	Proprietary
Jul-23	Palex Medical		Provider of medical devices, lab & research equipment, and other solutions	Apax Partners	50%	1,103	2.1x	12.5x
May-22	Covetrus		Veterinary supplies and medications distributor	Clayton, Dubilier & Rice, TPG	77%	4,114	0.9x	22.5x
May-22	TSC Group		Distributor of specialized medical equipment and devices	Duomed, G Square	100%	NA ¹	NA ¹	Proprietary
Dec-21	Life Healthcare		Medical device distributor	EBOS Group	100%	835	3.9x	13.9x
Sep-21	Allied 100		Distributor of AEDs and related accessories	Sarnova	100%	290	2.5x	14.5x
Apr-21	Vision Ophthalmology Group (n.k.a AddVision)		Distributor of ophthalmic products	AddLife	100%	217	2.6x	14.1x
Apr-21	Healthcare 21		Medical device distributor	AddLife	100%	306	1.5x	12.9x
Mar-21	Proclinic		Dental instruments distributor	Miura Partners	85%	119	0.7x	7.1x
Sep-19	Shanghai Runda Medical		Provides medical devices, distribution services, and maintenance support services for medical laboratories	Hangzhou Xiacheng District state-owned	20%	1,318	1.6x	9.7x
Jul-19	AdaptHealth		Distributor of medical care equipment such as hospital beds and accessories, urology supplies, etc.	DFB Healthcare Acquisitions ²	100%	958	2.3x	10.8x
Jan-19	GIS Korea		Distributor of medical devices and healthcare products	West Pharmaceutical Services	100%	18	0.8x	5.4x








Sources: Mergermarket, Capital IQ, Press releases, BDA intelligence

Notes: (1) Information unavailable; (2) SPAC formed by Deerfield Management Company and Mr. Richard Barasch

Comparable precedent transactions – Medtech distributors (cont'd)

Global Medtech distributors transacted at **12.7x – 13.0x EV / LTM EBITDA**

















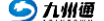

















Comparable precedent transactions

Date ann.	Target company	Target country	Target description	Buyer company	Percent acquired	Implied EV (US\$m)	EV/Revenue	EV/EBITDA
Nov-18	Device Technologies		Distributor of medical equipment and consumables to hospitals and healthcare professionals	Navis Capital Partners	100%	509	1.7x	15.1x
Oct-18	Global Orthopaedic		Distributor of orthopaedic implants	Corin Group	100%	NA ¹	NA ¹	Proprietary
Mar-18	Sarnova		Specialty distributor of health and safety products, services, and other technology solutions	Patricia Industries	100%	903	1.6x	13.6x
Jul-17	Changchun Jinzerui Medical		Medical device distributor	Shanghai Runda Medical Technology	60%	221	4.4x	17.0x
Jul-17	Elemental Healthcare		Distributor of medical products for minimally invasive surgeries, abdominal wall repair, and theatre accessories	Surgical Innovations	100%	12	1.5x	8.6x
Jun-17	idsMED		Medical device distributor	IFC	NA ¹	NA ¹	NA ¹	11.0x
May-17	VWR International		Distributor of laboratory supplies and equipment	Avantor	100%	6,418	1.4x	14.4x
Mean							1.9x	12.7x
Median							1.6x	13.0x

Public comparable companies – Pharma distributors

Global Pharma distributors are trading at **8.4x – 8.5x EV / LTM EBITDA**














Public comparable companies

Company	Country	EV (US\$m)	Market Cap. (US\$m)	EV / Revenue			EV / EBITDA			CAGR (19A-23A)		LTM Margins	
				LTM	2025E	L2Y Avg.	LTM	2025E	L2Y Avg.	Revenue	EBITDA	Gross	EBITDA
 McKesson		94,651	85,612	0.3x	0.2x	0.2x	13.8x	14.9x	13.2x	7.6%	1.4%	3.8%	2.0%
 Cencora		60,629	53,985	0.2x	0.2x	0.2x	13.5x	12.9x	11.6x	10.5%	12.8%	3.3%	1.5%
 Cardinal Health		34,980	31,314	0.2x	0.1x	0.1x	11.1x	10.2x	9.4x	9.6%	0.2%	3.4%	1.4%
 Shanghai Pharmaceuticals		11,526	8,586	0.3x	0.3x	0.3x	7.7x	6.8x	8.3x	8.7%	4.1%	10.7%	4.0%
 Sinopharm		17,005	7,441	0.2x	0.2x	0.2x	5.5x	5.9x	5.6x	8.8%	5.3%	7.6%	3.9%
 DKSH		4,794	4,455	0.4x	0.4x	0.4x	9.6x	8.1x	10.3x	(1.1%)	5.9%	8.2%	4.1%
 EBOS		5,130	4,243	0.7x	0.7x	0.6x	14.1x	13.2x	13.2x	12.9%	16.4%	12.8%	4.7%
 China Resources Pharmaceutical		18,228	4,210	0.5x	0.5x	0.5x	9.2x	7.7x	8.3x	4.6%	9.9%	15.8%	5.6%
 Jointown Pharmaceutical		4,282	3,427	0.2x	0.2x	0.2x	6.2x	5.8x	6.9x	10.8%	7.5%	7.9%	3.3%
 MediPal		2,531	3,297	0.1x	0.1x	0.1x	5.2x	5.4x	6.2x	2.0%	(6.9%)	7.0%	2.1%
 Alfresa Holdings		1,405	2,569	0.1x	0.1x	0.1x	4.1x	3.9x	4.9x	1.2%	(6.3%)	7.3%	1.8%
 Suzuken		986	2,395	0.1x	0.1x	0.1x	3.3x	3.1x	3.2x	1.7%	(6.1%)	8.0%	1.9%
 Nanjing Pharmaceutical		2,422	922	0.3x	NA ¹	0.3x	9.6x	NA ¹	10.1x	9.6%	11.4%	6.3%	3.3%
 NEUCA		1,016	792	0.3x	0.3x	0.4x	8.2x	8.3x	11.1x	9.3%	10.2%	11.4%	4.1%
 Zhejiang International		1,253	773	0.3x	NA ¹	0.3x	8.4x	NA ¹	8.8x	6.8%	10.8%	7.0%	3.2%
 Enseval Putera Megatrading		339	350	0.2x	NA ¹	0.2x	4.8x	NA ¹	5.9x	6.4%	2.2%	9.7%	3.7%
 Apex Healthcare		308	344	1.4x	1.3x	1.7x	11.0x	11.7x	15.3x	8.0%	4.3%	23.5%	13.0%
Mean				0.3x	0.3x	0.4x	8.5x	8.4x	9.0x	6.9%	4.9%	9.0%	3.7%
Median				0.3x	0.2x	0.2x	8.4x	7.9x	8.8x	8.0%	5.3%	7.9%	3.3%

Comparable precedent transactions – Pharma distributors

Global Pharma distributors transacted at **11.5x – 11.7x EV / LTM EBITDA**

Comparable precedent transactions

Date ann.	Target company	Target country	Target description	Buyer company	Percent acquired	Implied EV (US\$m)	EV/Revenue	EV/EBITDA
Apr-24	Geoyoung		Distributor of pharmaceuticals, medical devices, and consumables	MBK Partners	77%	1,414	0.5x	20.0x
Nov-22	BModesto		Distributor and wholesaler of generic pharmaceutical products	Unipharm	100%	77	NA ²	9.7x
Sep-22	Charmacy Pharmaceutical		Distributor of pharmaceuticals and other medical products	Jiangxi Jiangzhong Pharmaceutical	20%	203	0.4x	14.8x
Aug-22	Guangzhou Pharmaceuticals		Distributor and retailer of pharmaceutical such as prescription and OTC medications	Guangzhou Baiyunshan	18%	1,735	0.2x	8.4x
May-22	Cencora (f.k.a. AmerisourceBergen)		Distributor of pharmaceuticals, OTC drugs, and home healthcare supplies and equipment	Undisclosed	3%	36,581	0.2x	9.7x
Jan-22	Charmacy Pharmaceutical		Distributor of pharmaceuticals and other medical products	Jiangxi Jiangzhong Pharmaceutical	27%	208	0.4x	12.7x
Sep-21	Nanjing Pharmaceutical		Distributor and wholesaler of Western and Chinese pharmaceuticals	Nanjing New Industry	19%	2,300	0.4x	11.5x
Jul-21	Australian Pharmaceutical Industries		Distributor of pharmaceuticals and allied products	Wesfarmers	100%	740	0.3x	7.6x
Jan-21	Alliance Healthcare ¹		Distributor and retailer of pharmaceuticals, surgical, medical, and other healthcare products	Cencora (f.k.a. AmerisourceBergen)	Majority	6,471	0.3x	12.0x
Nov-20	Cranach Pharma		Distributor of pharmaceuticals focusing on oncology, rheumatology, neurology, hemophilia, and endocrinology	Medios	100%	144	0.2x	7.4x
May-20	Vision Healthcare		Distributor of cosmetics, general food supplements, OTC drugs, and vitamins	Avista Capital Partners	NA ²	339	2.3x	13.3x
Dec-19	AvKARE / Dixon-Shane		Distributor of pharmaceuticals and other healthcare products	Amneal & others	100%	340	NA ²	5.4x
Dec-19	Tianjin Tasly Medicine Distribution		Distributor and wholesaler of pharmaceutical products	Chongqing Pharmaceutical	100%	776	0.4x	12.9x






Sources: Mergermarket, Capital IQ, Press releases

Notes: (1) Subsidiary of Walgreens Boots Alliance; (2) Information unavailable

Comparable precedent transactions – Pharma distributors (cont'd)

Global Pharma distributors transacted at **11.5x – 11.7x EV / LTM EBITDA**




























































Comparable precedent transactions

Date ann.	Target company	Target country	Target description	Buyer company	Percent acquired	Implied EV (US\$m)	EV/Revenue	EV/EBITDA
Nov-19	Jiangsu Ehwa Herun Medical		Distributor and wholesaler of pharmaceutical products	Nanjing Pharmaceutical	70%	53	0.3x	14.6x
Jan-19	C.Q. Pharmaceutical		Distributor and wholesaler of biopharmaceuticals, Chinese medicines, cosmetics, and other health-related products	Chongqing City Construction	16%	1,824	0.5x	13.8x
Jul-18	DKSH Holding (China business)		Sales and distribution arm of DKSH Holdings in China and Hong Kong	Warburg Pincus	100%	101	0.3x	8.9x
Apr-18	Zuellig Pharma		Healthcare distributor and other services	Zuellig Group	20%	NA ¹	NA ¹	10.0x
Nov-17	Cardinal Health (China business)		Distributor of pharmaceuticals and medical devices	Shanghai Pharmaceuticals	100%	1,200	0.3x	14.4x
Mean							0.5x	11.5x
Median							0.3x	11.7x

What's driving M&A activity in the market?

Many corporates and sponsors see M&A as an efficient way to penetrate the highly attractive but fragmented, complex, and localized SEA healthcare market

























Key drivers underpinning the robust M&A activity in SEA healthcare distribution, and select transactions¹

Theme	Commentary	Deal date	Target	HQ	Investor	HQ
1 Geographical expansion	<ul style="list-style-type: none"> Leading healthcare distributors such as Zuellig recognize the vast opportunity in SEA, and have made acquisitions to further penetrate the market Australian medical device players such as EBOS and Device Technologies have made acquisitions to access fragmented, high growth SEA markets 	Jul-24	 			
		Dec-23				
		Mar-20		 ²	 making healthcare more accessible	
2 End market diversification	<ul style="list-style-type: none"> Corporates that have had minimal exposure to healthcare have acquired distributors to strategically expand into the sector Acquired targets can also reap synergies by tapping on the larger corporates' global networks 	Mar-24				
		Sep-23				
		Feb-17	 (LSH)			
3 SEA market access	<ul style="list-style-type: none"> OEMs have been acquiring distributors to integrate downstream and gain access to SEA This creates an efficient way – both from a time and cost perspective – to penetrate the market and reach an end-market with robust demand tailwinds 	Jul-24				
		Jun-24		 ³		
		Jul-20				
4 Market consolidation	<ul style="list-style-type: none"> Regional players have been relying on buy-and-build strategies via tuck-in acquisitions to consolidate and gain market share Strong cross-selling opportunities, especially when there are overlaps in customer base 	Mar-24				
		May-23				
		May-22				 ⁴
5 Platform building	<ul style="list-style-type: none"> There is a prevalence of financial sponsors developing regional distribution platforms, given the volume of sub-scale distributors in the region, and significant opportunity to build economies of scale 	Sep-21				
		Jan-21				
		Nov-17				

Notes: (1) Non-exhaustive; (2) Cambodia; (3) Acquisition of Teva Pharma's Thailand business aimed at allowing Lotus to expand its pharmacy distribution channels in Thailand; (4) While DKSH is headquartered in Switzerland, the acquisition of Acutest was intended to capture greater market share in APAC, specifically in SEA

Summary of healthcare distribution opportunities in APAC

Select healthcare distribution companies that BDA is actively tracking

Company	HQ	Key shareholders	Business description
			
			
			
			
			
			

Please contact BDA for additional information

BDA healthcare team



Andrew Huntley
*Managing Partner,
Head of Global Healthcare*
London, Ho Chi Minh City
ahuntley@bdapartners.com



Sanjay Singh
*Partner, Head of India, Co-
Head of Healthcare, Asia*
Mumbai
ssingh@bdapartners.com



Sophia Wu
*Managing Director, Head of
Healthcare, China*
Shanghai
swu@bdapartners.com



Claire Zhen
Director
Shanghai
czhen@bdapartners.com



Yan Xia
Director
Singapore
xyan@bdapartners.com



Aditya Jaju
Director
Mumbai
ajaju@bdapartners.com



Yen Pham
Vice President
Ho Chi Minh City
ypham@bdapartners.com



Eddie Kuo
Vice President
Shanghai
ekuo@bdapartners.com



Mai Truong
Vice President
Tokyo
mtruong@bdapartners.com



Mark Cerelli
Vice President
Singapore
mcerelli@bdapartners.com

Report authors

Andrew Huntley

Managing Partner, Head of Global Healthcare
ahuntley@bdapartners.com

Yan Xia

Director
xyan@bdapartners.com

Mark Cerelli

Vice President
mcerelli@bdapartners.com

Daryl Lee

Associate
dlee@bdapartners.com

Qi Han Ng

Analyst
qing@bdapartners.com

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bdapartners.com

NEW YORK

1270 Avenue of the Americas
Suite 2901
New York, NY 10020,
United States
Tel +1 (212) 265 5300

HO CHI MINH CITY

Level 19, Deutsches Haus
33 Le Duan Street, Ben Nghe Ward
District 1, Ho Chi Minh City,
Vietnam
Tel +84 (28) 3620 8806

SHANGHAI

HKRI Centre Two, Units 1704-1706
288 Shimen Road (No.1)
Shanghai, 200031
China
Tel +86 (21) 3217 8222

LONDON

2nd floor 17 Waterloo Place
St James's London
SW1Y 4AR
United Kingdom
Tel +44 (0) 20 3327 3360

SINGAPORE

50 Collyer Quay
OUE Bayfront, #08-01
Singapore 049321
Singapore
Tel +65 6958 1200

SEOUL

2F, Youngpoong Building
41, Cheonggyecheon-ro, Jongno-gu
Seoul, 03188
Republic of Korea
Tel +82 (2) 735 4220

MUMBAI

B-902, One BKC, G Block,
Bandra Kurla Complex,
Mumbai, Maharashtra 400051
India
Tel +91 (22) 6140 3800

HONG KONG

Suite 2002 20/F, 100QRC
100 Queen's Road
Central
Hong Kong SAR
Tel +852 3698 1700

TOKYO

27F Atago Green Hills Mori Tower
2-5-1 Atago, Minato-ku
Tokyo, 105-6201
Japan
Tel +81 (3) 3433 5800