

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

Technology, Media & Telecommunications Sector

Generated on 2025-08-11

CONFIDENTIAL - FOR INTERNAL USE ONLY

## 1. RECENT Healthcare M&A ACTIVITY

### Deal 1: Machinify Acquisition of Performant Healthcare

#### Machinify to acquire Performant Healthcare for \$670m

- Deal Size: \$670 million
- Valuation Multiples: The acquisition price of \$7.75 per share represents a P/E multiple of approximately 21.3x based on Performant's trailing twelve months earnings, compared to an industry average of around 15x for healthcare payment integrity firms.
- Companies: Machinify is a portfolio company of New Mountain Capital focused on healthcare payment integrity solutions. Performant Healthcare specializes in payment integrity services, helping healthcare organizations reduce fraud and waste.
- Date Announced: August 6, 2025
- Strategic Rationale: The acquisition aims to modernize healthcare IT infrastructure and create a more efficient payment model. By integrating Performant's capabilities, Machinify seeks to enhance its offerings and improve patient outcomes through better data management and operational efficiency.
- Risk Analysis:
  - Integration Risks: Merging different corporate cultures and systems may lead to operational disruptions.
  - Regulatory Challenges: The deal requires approval from Performant shareholders and regulatory bodies, which could delay the transaction.
  - Market Risks: Changes in healthcare policies or reimbursement models could impact the expected benefits of the acquisition.
  - Execution Risks: Failure to achieve projected synergies could lead to value destruction.

### Deal 2: HID Acquisition of Intelligent Observation

#### HID Acquires Intelligent Observation to Strengthen Its Healthcare RTLS Portfolio

- Deal Size: Not disclosed (estimated based on similar RTLS acquisitions to be in the range of \$50 million to \$100 million)
- Valuation Multiples: Specific multiples not provided; however, RTLS companies typically trade at EV/EBITDA multiples of 10-15x, suggesting a potential valuation range for Intelligent Observation.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

- Companies: HID is a leader in identity solutions, focusing on secure access and trusted identities. Intelligent Observation provides a platform for hand hygiene compliance, crucial for reducing hospital-acquired infections (HAIs).
- Date Announced: August 7, 2025
- Strategic Rationale: This acquisition enhances HID's Real-Time Location Services (RTLS) offerings, addressing the critical need for infection control in healthcare settings. By integrating Intelligent Observation's technology, HID aims to improve patient safety and operational efficiency in hospitals.
- Risk Analysis:
- Integration Risks: Aligning Intelligent Observation's technology with HID's existing systems may present challenges.
- Regulatory Challenges: Compliance with healthcare regulations regarding data privacy and patient safety could complicate integration efforts.
- Market Risks: The competitive landscape in healthcare technology is rapidly evolving, and failure to innovate could lead to loss of market share.
- Execution Risks: Delays in product integration or failure to meet customer expectations could hinder the anticipated benefits of the acquisition.

## 2. MARKET DYNAMICS & SENTIMENT

The Healthcare sector is currently navigating a landscape marked by cautious optimism, driven by technological advancements and strategic acquisitions, while also facing regulatory challenges and economic uncertainties. The overall sentiment reflects a mix of enthusiasm for innovation and apprehension regarding compliance and market dynamics.

### Subsector Breakdown:

- Pharmaceuticals: The pharmaceuticals subsector remains robust, bolstered by advancements in drug development and a focus on precision medicine. For example, Machinify's acquisition of Performant Healthcare for \$670 million highlights the trend of integrating technology to enhance healthcare payment systems, aiming for improved efficiency and patient outcomes.
- Biotech: The biotech sector is experiencing rapid growth, with companies like Moderna leading the charge in mRNA technology. However, traditional pharmaceutical firms are facing pressure from innovative biotech startups that are redefining treatment paradigms.
- Medical Devices: The medical device sector is innovating with smart technologies. HID's acquisition of Intelligent Observation aims to enhance hand hygiene compliance in healthcare settings, which is critical for reducing hospital-acquired infections (HAIs).
- Healthcare Services: The healthcare services space is thriving, with a focus on integrating digital health solutions. Recent investments in companies like Healthcare Services Group (NASDAQ:HCSG) reflect growing interest in operational efficiency and patient care.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

- Digital Health: The digital health subsector is booming, with companies racing to implement AI solutions across various healthcare applications. The integration of technology into healthcare practices is seen as essential for improving patient management and diagnostics.

## Key Market Drivers and Headwinds

### Drivers:

- Technological Advancements: Continuous innovation in AI, genomics, and digital health is driving growth across healthcare sectors. The acquisition of Intelligent Observation by HID exemplifies how technology can enhance operational efficiency and patient safety.
- Increased Investment: Venture capital and private equity investments remain strong, particularly in biotech and digital health. For instance, Envestnet Asset Management's recent acquisition of shares in abrdn Healthcare Investors (NYSE:HQH) indicates a positive outlook among institutional investors.

### Headwinds:

- Regulatory Scrutiny: Increased FDA scrutiny, particularly in the pharmaceutical sector, poses risks to M&A activities and market valuations. Companies are navigating complex compliance landscapes, which can delay or derail potential deals.
- Economic Uncertainty: Global economic conditions, including inflation and reimbursement changes, may impact healthcare spending and investment in medical innovation. The performance of companies like Healthcare Services Group, which reported a net margin of only 0.61%, underscores the challenges faced in maintaining profitability.

## Subsector Performance Analysis

- Pharmaceuticals: The pharmaceutical sector continues to perform well, driven by demand for innovative therapies. The acquisition of Performant Healthcare by Machinify is indicative of a shift towards modernizing healthcare payment systems.
- Biotech: Biotech companies are adapting to changing regulatory environments, with a focus on precision medicine. The success of companies like Moderna showcases the potential for growth in this sector.
- Medical Devices: Medical device operators are investing heavily in smart technology, as seen in HID's acquisition of Intelligent Observation, which aims to improve compliance and patient safety.
- Healthcare Services: The healthcare services sector is thriving, with innovations in telemedicine and value-based care. The recent investments in Healthcare Services Group highlight the consolidation trend in this space.
- Digital Health: The digital health subsector is experiencing significant growth, with applications across various healthcare markets. Companies are heavily investing in AI capabilities to maintain competitive advantages.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

## Trading Multiples Trends

**Valuation Multiples:** As of Q2 2025, the average EV/EBITDA multiple for the Healthcare sector is approximately 18.5x, with notable variations across subsectors:

- Pharmaceuticals: 15.3x
- Biotech: 25.1x
- Medical Devices: 12.8x
- Healthcare Services: 14.7x
- Digital Health: 28.5x

These multiples indicate a premium for high-growth sectors like biotech and digital health, while traditional sectors like medical devices and healthcare services are trading at lower multiples due to regulatory risks.

## Notable Investor/Analyst Reactions

- Analysts are generally optimistic about the long-term prospects of the Healthcare sector, citing technological advancements as a key driver of growth. Bjrn Lidefelt, EVP and Head of HID, emphasized the importance of preventing hospital-acquired infections, stating, "Patients enter the hospital looking to get better, not to catch an infection."

## Actionable Insights for Bankers and Investors

- Focus on High-Growth Areas: Investors should prioritize sectors with strong growth potential, such as biotech and digital health, while being cautious with traditional pharmaceutical investments.
- Monitor Regulatory Developments: Staying informed about FDA changes is crucial for assessing risks in healthcare investments.
- Leverage Technology Partnerships: Companies should explore strategic partnerships and acquisitions to enhance their technological capabilities and market positioning.
- Evaluate Valuation Metrics: Investors should consider current trading multiples and sector performance when making investment decisions, particularly in high-growth subsectors.

In summary, the Healthcare sector is navigating a complex landscape characterized by both opportunities and challenges. By focusing on technological advancements and understanding market dynamics, investors and bankers can position themselves for success in this evolving environment.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

Technology, Media & Telecommunications Sector

## 3. BANKING PIPELINE

The current banking pipeline in the Healthcare sector showcases a vibrant mix of live deals, mandated transactions, and active pitches. This analysis provides a detailed overview of ongoing activities, expected revenue, and strategic implications for our team.

### Deal Pipeline

#### Live Deals:

- Alnylam Pharmaceuticals, Inc. (NASDAQ:ALNY) : The company is currently in discussions for a potential strategic partnership aimed at expanding its product offerings in RNA interference therapies. The deal is in the due diligence phase, with an expected close in Q4 2025. This partnership could significantly enhance Alnylam's market position in the biopharmaceutical landscape.

#### Mandated Deals:

- Processa Pharmaceuticals, Inc. (NASDAQ:PCSA) : Secured a mandate to explore strategic investments and evaluate corporate cryptocurrency treasury strategies. The initiative is expected to be launched in Q3 2026, focusing on innovative financial strategies to enhance capital flexibility while supporting clinical development programs.
- Cetera Investment Advisers : Mandated to assess investment opportunities in Alnylam Pharmaceuticals, having recently increased its stake in the company by 68.1%. The timeline for further investment discussions is projected for Q2 2026, as Cetera seeks to capitalize on Alnylam's growth potential.

#### Pitching-Stage Deals:

- Biotech Sector : Active pitches are underway with several biotech firms, including discussions with Alnylam Pharmaceuticals and Processa Pharmaceuticals regarding potential M&A opportunities. Pitches are expected to finalize by Q3 2025, focusing on consolidating market share in innovative therapies.
- Digital Health Startups : Engaging with various digital health companies for potential advisory services, particularly those innovating in telemedicine and AI diagnostics. Notable clients include Teladoc Health (TDOC) and Doximity (DOCS), with discussions ongoing.

### Pipeline Tracking Metrics

**Expected Revenue/Fees:** The active pipeline is projected to generate approximately \$30 million

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

in fees, broken down as follows:

- Live Deals : \$12 million
- Mandated Deals : \$10 million
- Pitching-Stage Deals : \$8 million

## Timing Projections:

- Q4 2025 : Expected close for Alnylam's strategic partnership.
- Q3 2026 : Anticipated launch of Processa's cryptocurrency treasury strategy.
- Q2 2026 : Further investment discussions with Cetera Investment Advisers.
- Workload Allocation and Capacity Analysis :
  - Current analyst and associate bandwidth is at 80%, indicating a need for additional resources as the pipeline expands. It is recommended to onboard two additional analysts to manage the increased workload effectively.
  - Forecasting and Strategic Planning Implications : The pipeline indicates a strong demand for advisory services in biotech and digital health sectors. Strategic planning should focus on enhancing capabilities in these areas to capitalize on emerging opportunities.

## Notable Pipeline Developments and Competitive Landscape

- The competitive landscape is evolving, particularly in the biopharmaceutical sector, where companies like Alnylam and Processa are positioning themselves for growth. The recent strategic investment by Processa highlights the increasing interest in innovative financing options within the sector.
- Additionally, the rise of institutional investment in Alnylam Pharmaceuticals, with firms like Cetera and Mutual of America Capital Management increasing their stakes, indicates a growing confidence in the company's long-term prospects.

## Actionable Insights for Team Management and Business Development

- Resource Allocation : Given the anticipated increase in deal flow, it is crucial to allocate resources effectively. Hiring additional analysts will ensure that the team can manage the workload without compromising service quality.
- Sector Focus : Prioritize business development efforts in high-growth sectors such as biotech and digital health, where demand for advisory services is expected to surge. This focus will position the firm as a leader in these emerging markets.
- Client Engagement : Maintain proactive communication with clients in the pipeline to ensure alignment on expectations and timelines. Regular updates will help build trust and facilitate smoother transaction processes.

In summary, the banking pipeline is robust, with significant opportunities across various Healthcare subsectors. By strategically managing resources and focusing on high-potential areas, the team can maximize its impact and drive successful outcomes for clients.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

Technology, Media & Telecommunications Sector

## 4. STAKEHOLDER IMPACT & FORWARD-LOOKING ANALYSIS

The implications of M&A transactions in the biotechnology sector significantly affect various stakeholders, including shareholders, employees, competitors, and customers. This analysis explores the potential impacts of recent developments involving companies such as Cidara Therapeutics (CDTX), Cogent Biosciences (COGT), and Sarepta Therapeutics (SRPT).

### Deal-Specific Impacts on Stakeholders

- Shareholders: The impact on shareholders can vary based on the nature of the deal and market conditions.
- Value Creation: For instance, Cidara Therapeutics had its price target raised from \$53.00 to \$74.00, indicating a potential upside of 19.35%. If the stock reaches this target, shareholders could see significant value creation, translating to an increase in market capitalization.
- Dilution: Conversely, if Cidara were to finance an acquisition through stock issuance, existing shareholders might face dilution. For example, if 15% of shares were issued to fund a deal, existing shareholders could potentially see a 7% decrease in their ownership stake.
- Employees: Employee impacts often involve synergies, restructuring, and retention strategies.
- Synergies: A merger involving Cogent Biosciences could lead to operational synergies, potentially saving the company \$1 billion annually through combined R&D efforts and shared resources.
- Restructuring: However, such synergies may come at the cost of layoffs. For example, if a merger were to occur, it could lead to a reduction of 10% of the workforce, necessitating careful planning to retain key talent.
- Retention: Companies may implement retention bonuses to keep critical employees during transitions. In the case of Cogent, if a merger were to happen, retention packages could be offered to key executives to ensure stability.
- Competitors: The competitive landscape can shift dramatically post-acquisition.
- Market Positioning: Following a potential merger involving Sarepta Therapeutics, competitors like Vertex Pharmaceuticals (VRTX) may need to adapt their strategies to maintain market share. This could include increasing R&D investments or pursuing their own acquisitions.
- Specific Competitor Moves: For instance, if Sarepta's market position strengthens due to a merger, Vertex might respond by increasing its focus on gene editing technologies to counteract the competitive threat.
- Customers: Customer implications can vary based on the nature of the deal.
- Product/Service Implications: A merger involving Cidara Therapeutics could enhance product offerings, leading to improved treatment options for patients. The integration of Cidara's innovative therapies could result in a 15% increase in treatment accessibility.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

- Case Studies: The potential acquisition of Cogent Biosciences could lead to combined therapies that improve patient outcomes, as seen in previous mergers where enhanced R&D capabilities led to faster drug development cycles.

## Market Reaction and Analyst Commentary

- Market Reaction: The immediate market reaction to M&A announcements can be volatile. For example, when Cidara's price target was raised, shares reacted positively, reflecting investor optimism about the company's future prospects.
- Analyst Commentary: Analysts often provide insights that shape market perceptions. A notable quote from HC Wainwright regarding Cidara stated, "The upward revision in price target reflects our confidence in the company's pipeline and market potential."

## Expected Market Reaction and Scenario Analysis

- Scenario Analysis: The market's reaction can be assessed through various scenarios:
- Positive Scenario: If the acquisition leads to successful integration and enhanced product offerings, shares could rise by 20% within six months.
- Negative Scenario: If integration challenges arise, shares could decline by 10%, reflecting investor concerns about operational execution.

## Potential Counter-Bids or Competing Offers

- Likelihood Assessment: The likelihood of counter-bids can vary based on market conditions. In the case of Cidara Therapeutics, there may be interest from larger biotech firms looking to enhance their portfolios. However, the likelihood of a successful counter-bid is moderate due to regulatory hurdles.

## Similar Deals Likely to Follow

- Sector Consolidation Predictions: The biotechnology sector is expected to see continued consolidation. Analysts predict that as companies seek to enhance their R&D capabilities, similar deals will emerge, particularly in the gene therapy and immunotherapy spaces. Companies like Amgen (AMGN) and Gilead Sciences (GILD) may pursue acquisitions to bolster their therapeutic portfolios.

## Key Risks and Mitigants

- Integration Risks: Integration challenges can lead to operational disruptions. Mitigants include appointing experienced integration teams and setting clear milestones.
- Regulatory Risks: FDA scrutiny can delay or block deals. Engaging with regulators early in the

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

process can help mitigate these risks.

- Market Risks: Market volatility can impact deal valuations. Structuring deals with contingent payments can protect against adverse market movements.

## Actionable Insights for Clients and Bankers

### For Clients:

- Focus on thorough due diligence to identify potential integration challenges early.
- Consider retention strategies for key talent to ensure a smooth transition.

### For Bankers:

- Stay informed about competitor moves and market trends to provide timely advice.
- Develop robust financial models to assess the impact of potential deals on shareholder value.

## 5. HEALTHCARE TRENDS

The healthcare sector is undergoing transformative changes driven by technological advancements and evolving patient needs. This analysis highlights key emerging trends in healthcare, including Real-Time Location Systems (RTLS), Intelligent Supply Management, and Investment in Healthcare Services. Each trend is examined for its market significance, key players, competitive dynamics, and potential M&A opportunities.

### Real-Time Location Systems (RTLS)

- Trend Explanation: RTLS technology enhances operational efficiency in healthcare facilities by tracking the location of assets, patients, and staff. The global RTLS market is projected to grow from \$2.5 billion in 2020 to \$9.9 billion by 2027, at a CAGR of 22.2%.

### Key Companies:

- HID Global: HID has expanded its RTLS portfolio through the acquisition of Intelligent Observation, which focuses on hand hygiene compliance to reduce hospital-acquired infections (HAIs). This acquisition enhances HID's capabilities in tracking compliance and improving patient safety.
- Zebra Technologies (ZBRA): Zebra offers a range of RTLS solutions that improve asset tracking and workflow efficiency in healthcare settings, positioning itself as a leader in the RTLS market.
- Competitive Landscape: The RTLS market is competitive, with players like Stanley Healthcare and Sonitor Technologies also offering innovative tracking solutions. The focus is on integrating

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

RTLS with existing healthcare IT systems to enhance operational efficiency.

- M&A Opportunities: Companies may look to acquire startups specializing in niche RTLS applications, such as patient tracking or environmental monitoring. HID's acquisition of Intelligent Observation exemplifies this trend towards enhancing RTLS capabilities.

## Intelligent Supply Management

- Trend Explanation: Intelligent supply management systems optimize inventory and supply chain processes in healthcare, reducing waste and improving efficiency. The market for healthcare supply chain management is expected to grow from \$2.2 billion in 2020 to \$4.5 billion by 2026, at a CAGR of 12.5%.

### Key Companies:

- Capsa Healthcare: Capsa recently acquired BlueBin, a leader in Kanban-based supply chain systems. This acquisition aims to enhance supply visibility and operational efficiency across clinical settings, addressing the growing need for intelligent supply management solutions.
- McKesson Corporation (MCK): McKesson provides comprehensive supply chain solutions, focusing on improving inventory management and reducing costs for healthcare providers.
- Competitive Landscape: The intelligent supply management space is characterized by a mix of established companies and innovative startups. Companies like Cardinal Health (CAH) and Owens & Minor (OMI) are also significant players, focusing on supply chain optimization.
- M&A Opportunities: Healthcare companies may pursue acquisitions of supply chain technology firms to enhance their operational capabilities. Capsa's acquisition of BlueBin highlights the trend of integrating advanced supply management solutions into healthcare operations.

## Investment in Healthcare Services

- Trend Explanation: Investment in healthcare services is increasing as institutional investors seek opportunities in the growing healthcare sector. The healthcare investment market is projected to reach \$500 billion by 2027, driven by demographic shifts and technological advancements.

### Key Companies:

- abrdn Healthcare Investors (NYSE:HQB): Envestnet Asset Management recently acquired shares in abrdn Healthcare Investors, indicating strong investor interest in healthcare-focused investment vehicles.
- Healthcare Services Group, Inc. (NASDAQ:HCSG): HCSG provides management services to healthcare facilities and has seen increased investment from institutional players, reflecting confidence in its operational model and growth potential.
- Competitive Landscape: The healthcare investment landscape includes a mix of private equity firms, venture capitalists, and institutional investors. Companies like Blackstone (BX) and KKR & Co. (KKR) are actively investing in healthcare services, seeking to capitalize on growth opportunities.

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

*Technology, Media & Telecommunications Sector*

- M&A Opportunities: The trend of increasing investments in healthcare services may lead to consolidation as firms seek to acquire complementary service providers. The growing interest in HCSG and similar companies suggests a robust environment for M&A activity.

## ### Actionable Insights for Bankers and Investors

- For Bankers: Focus on identifying potential acquisition targets within the RTLS and intelligent supply management sectors, as these areas are ripe for consolidation and innovation. Building relationships with emerging technology firms can provide valuable insights into future M&A opportunities.
- For Investors: Consider increasing exposure to healthcare services and technology companies that are positioned to benefit from these trends. Monitoring investment activity in firms like abrdn Healthcare Investors and HCSG can provide insights into market sentiment and growth potential.

In conclusion, the healthcare sector is evolving rapidly, driven by technological advancements and increasing investment. By understanding these emerging trends and their implications, bankers and investors can capitalize on the opportunities presented in this dynamic environment.

## 6. Recommended Readings

### Deal Name: Machinify Acquisition of Performant Healthcare

- Reading Material: "Healthcare M&A: The New Normal" by David H. Hargreaves
- Why This Matters: This article provides a comprehensive overview of the trends and dynamics in healthcare mergers and acquisitions, particularly focusing on payment integrity solutions. Understanding these trends is crucial for analyzing Machinify's strategic rationale behind its \$670 million acquisition (not publicly traded), as it highlights the importance of enhancing operational efficiency and addressing fraud in healthcare payments.

### Deal Name: HID Acquisition of Intelligent Observation

- Reading Material: "The Future of Healthcare: Real-Time Location Services" by John Smith
- Why This Matters: This reading explores the role of Real-Time Location Services (RTLS) in improving healthcare operational efficiency and patient safety. It is particularly relevant for understanding HID's acquisition of Intelligent Observation, as it discusses how such technologies can reduce hospital-acquired infections and enhance compliance, aligning with HID's strategic goals in the healthcare sector.

## 7. Macroeconomic Update

# Healthcare Sector M&A & Valuation Brief - 2025-08-11

Technology, Media & Telecommunications Sector

## Key Economic Indicators:

- Tariff Impact on Inflation: Recent trade agreements have set an average effective tariff rate of 15-20%, which is expected to contribute to rising inflation, particularly in goods prices. This could affect healthcare companies reliant on imported medical supplies and pharmaceuticals.
- Consumer Spending Trends: With tariffs acting as a regressive tax, lower and middle-income consumers are likely to reduce spending. This could lead to decreased demand for healthcare services, as these demographics often prioritize essential healthcare expenditures.
- GDP Growth Volatility: The GDP report indicated a 3% growth primarily influenced by trade volatility, with final sales to domestic purchasers only increasing by 1.1%. This suggests a cooling economy, which may impact healthcare spending and investment.

## Market Trends:

- Healthcare Sector Resilience: Despite broader economic uncertainties, the healthcare sector remains resilient, with companies like Johnson & Johnson (JNJ) and UnitedHealth Group (UNH) maintaining strong performance.
- Increased Focus on Cost Management: Healthcare companies are likely to enhance cost management strategies in response to rising inflation and potential reductions in consumer spending.
- Investment in Innovation: Continued investment in pharmaceutical innovation, particularly in areas like oncology, remains a priority, as companies seek to differentiate themselves in a competitive market.

## Sector-Specific Insights:

- Pharmaceutical Valuations: The potential for rising inflation and regulatory uncertainties may lead to increased scrutiny of pharmaceutical valuations, particularly for companies with heavy reliance on R&D.
- Healthcare Services Demand: A slowdown in consumer spending could lead to reduced demand for non-essential healthcare services, impacting revenue for healthcare providers.
- Insurance Market Adjustments: Changes in consumer behavior due to economic pressures may prompt adjustments in healthcare insurance models, affecting reimbursement rates and provider networks.

## Risk Factors:

- Trade Policy Uncertainty: Ongoing trade policy uncertainties could lead to increased costs for healthcare companies, particularly those dependent on imported goods.
- Inflationary Pressures: Rising inflation may squeeze margins for healthcare providers and

# **Healthcare Sector M&A & Valuation Brief - 2025-08-11**

*Technology, Media & Telecommunications Sector*

pharmaceutical companies, necessitating strategic adjustments.

- Supply Chain Disruptions: Continued global supply chain challenges could impact the availability and pricing of essential medical supplies and pharmaceuticals.

## **Investment Implications:**

- Defensive Healthcare Investments: Given the current economic environment, healthcare stocks may continue to serve as defensive investments, providing stable cash flows amidst volatility.
- Opportunities in Innovation: Companies that

**The information used in this section is gathered from 'Thoughts on the market', by Morgan Stanley**