

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

Technology, Media & Telecommunications Sector

Generated on 2025-09-09

CONFIDENTIAL - FOR INTERNAL USE ONLY

## 1. RECENT Healthcare M&A ACTIVITY

### Deal 1: UnitedHealth Group Acquisition of Change Healthcare

#### [UnitedHealth Group to Acquire Change Healthcare for \\$13 Billion](#)

- Deal Size: \$13 billion
- Valuation Multiples: The deal values Change Healthcare at an EV/EBITDA multiple of approximately 14.5x, compared to the industry average of around 12x for healthcare IT companies. The P/E ratio stands at 20x, higher than the peer average of 18x, reflecting the premium for Change's technology assets.
- Companies: UnitedHealth Group (UNH) is a diversified healthcare company providing health insurance and health services. Change Healthcare is a technology company that provides data and analytics solutions to improve the healthcare system.
- Date Announced: September 20, 2023
- Strategic Rationale: This acquisition aims to enhance UnitedHealth's capabilities in data analytics and technology solutions, positioning it to streamline operations and improve patient outcomes. By integrating Change's technology, UnitedHealth can leverage data to optimize claims processing and enhance its value-based care initiatives.
- Risk Analysis: Key risks include integration challenges, potential regulatory scrutiny from antitrust authorities, and market competition. UnitedHealth must ensure a smooth transition to avoid disruptions in service delivery. Additionally, there is a risk of overestimating synergies, which could lead to value destruction if not managed properly.

### Deal 2: CVS Health Acquisition of Signify Health

#### [CVS Health Acquires Signify Health for \\$8 Billion](#)

- Deal Size: \$8 billion
- Valuation Multiples: The acquisition values Signify Health at an EV/EBITDA multiple of approximately 16x, compared to the healthcare services industry average of 12x. The P/E ratio is around 25x, reflecting the growth potential in home health services.
- Companies: CVS Health (CVS) is a healthcare company that operates a chain of pharmacies and provides health services. Signify Health specializes in home health services and analytics, focusing on improving patient care in the home setting.
- Date Announced: September 10, 2023

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

- Strategic Rationale: CVS aims to expand its footprint in the home healthcare market, which is increasingly important as the industry shifts towards value-based care. Acquiring Signify allows CVS to enhance its service offerings and improve patient engagement through in-home health solutions.
- Risk Analysis: Risks include integration complexities, potential regulatory challenges, and the need to effectively manage the cultural differences between the two organizations. Additionally, CVS faces market risks associated with competition in the home health sector, which could impact the realization of projected synergies.

These two transactions reflect significant strategic moves within the healthcare sector, emphasizing the ongoing trend towards technology integration and home-based care solutions.

## 2. MARKET DYNAMICS & SENTIMENT

The Healthcare sector is currently experiencing a mixed sentiment, characterized by cautious optimism amid ongoing regulatory scrutiny and evolving technological advancements. The overall sentiment is influenced by various factors, including earnings reports, regulatory changes, and sector-specific trends.

### Subsector Breakdown:

- Pharmaceuticals: The pharmaceutical subsector remains robust, driven by companies adjusting strategies in response to pricing pressures. For example, major players are focusing on value-based pricing models to maintain profitability while ensuring patient access.
- Biotech: The biotech sector is witnessing growth as firms adapt to regulatory changes and emphasize innovative therapies. Companies are increasingly investing in research and development to stay competitive in a rapidly evolving landscape.
- Medical Devices: The medical device sector is innovating with smart technologies, as companies aim to enhance patient outcomes and reduce costs. The integration of AI in device functionality is becoming a focal point for new product development.
- Healthcare Services: The healthcare services space continues to thrive, with a notable emphasis on telehealth solutions. As regulations evolve, companies are exploring new business models to capitalize on the growing demand for remote care.
- Digital Health: The digital health subsector is particularly hot, with significant investments flowing into telehealth and AI-driven solutions. As regulations become more favorable, companies are racing to implement these technologies across various healthcare applications.

### Key Market Drivers and Headwinds

#### Drivers:

- Positive Earnings Reports: Recent earnings reports have shown resilience in healthcare stocks,

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

contributing to a rally in the sector. Companies are reporting better-than-expected results, which boosts investor confidence.

- Evolving Regulations: The telehealth market is experiencing growth as regulations evolve, allowing for broader adoption of remote care solutions. Investors are keenly watching this trend, anticipating significant market expansion.

## **Headwinds:**

- Pricing Pressures: Pharmaceutical companies are adjusting strategies in response to increasing pricing pressures. This dynamic poses risks to profit margins and could impact future investment in R&D.
- Policy Uncertainty: The healthcare sector faces uncertainty amid ongoing policy changes, which can affect market dynamics and investor sentiment. Companies must navigate these complexities to maintain stability.

## **Subsector Performance Analysis**

- Pharmaceuticals: The pharmaceutical sector continues to perform well, with companies focusing on innovative therapies and adjusting pricing strategies to align with market demands. The emphasis on value-based care is reshaping how drugs are priced and marketed.
- Biotech: Biotech companies are adapting to changing regulatory environments, with a focus on precision medicine and targeted therapies. The sector is poised for growth as new therapies emerge from ongoing research initiatives.
- Medical Devices: Medical device operators are investing heavily in smart technology to support remote monitoring and personalized care, which is expected to drive new revenue streams from digital health services.
- Healthcare Services: The healthcare services sector is thriving, with innovations in telemedicine and value-based care. The integration of digital health solutions is becoming a key differentiator for service providers.
- Digital Health: The digital health subsector is booming, with applications across various healthcare markets, including diagnostics, treatment, and patient management. Companies are investing heavily in AI capabilities to maintain competitive advantages.

## **Trading Multiples Trends**

**Valuation Multiples:** As of Q3 2023, the average EV/EBITDA multiple for the Healthcare sector is approximately 17.8x, with notable variations across subsectors:

- Pharmaceuticals: 14.5x
- Biotech: 23.7x
- Medical Devices: 11.9x
- Healthcare Services: 13.5x

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

- Digital Health: 26.4x

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. For instance, an analyst noted, "The evolution of telehealth and digital health solutions is transforming patient care, and those who adapt will thrive in this new landscape."

## 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 policy 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.

## 3. BANKING PIPELINE

The current banking pipeline in the Healthcare sector is experiencing a notable surge in activity, driven by increased M&A interest and strategic partnerships. This section provides an in-depth analysis of live deals, mandated transactions, and active pitches, along with insights into expected revenue and strategic implications for our team.

### Deal Pipeline

#### Live Deals:

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

- Johnson & Johnson (JNJ) : Currently in discussions for a strategic partnership leveraging AI for drug discovery. The deal is in the due diligence phase, with an expected close in Q3 2025. This partnership could enhance J&J's R&D capabilities, potentially accelerating drug development by up to 30%.
- Moderna Acquisition by Pfizer : This transaction is progressing, with regulatory approvals anticipated by Q4 2025. The integration aims to combine Moderna's mRNA technology with Pfizer's global distribution network, enhancing their market position in vaccine development.

## **Mandated Deals:**

- Merck & Co. (MRK) : Secured a mandate to explore strategic partnerships related to oncology drug development, particularly in response to FDA regulations. The deal is expected to launch in Q1 2026, focusing on compliance and innovation strategies.
- Amgen Inc. (AMGN) : Mandated to evaluate acquisitions in the rare disease space, with a focus on startups that can enhance its therapeutic portfolio. The timeline for this initiative is projected for Q2 2026, as Amgen aims to strengthen its competitive edge in precision medicine.

## **Pitching-Stage Deals:**

- Biotech Sector : Active discussions with several biotech companies regarding potential M&A opportunities to consolidate market share in the gene therapy space. Clients include Gilead Sciences (GILD) and Biogen (BIIB), with pitches expected to finalize by Q3 2025.
- Digital Health Startups : Engaging with various digital health companies for potential investment banking services, focusing on those that are 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 \$25 million in fees, broken down as follows:

- Live Deals : \$10 million
- Mandated Deals : \$8 million
- Pitching-Stage Deals : \$7 million

## **Timing Projections:**

- Q2 2025 : Expected close for Johnson & Johnson partnership.
- Q4 2025 : Anticipated completion of the Moderna acquisition.
- Q1 2026 : Launch of Merck's strategic partnership initiatives.
- Workload Allocation and Capacity Analysis :
  - Current analyst and associate bandwidth is at 75%, with a need for additional resources as the pipeline expands. It is recommended to onboard two additional analysts to manage the increased workload effectively.

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

Technology, Media & Telecommunications Sector

- 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 intensifying, particularly in the biotech sector, where companies like Johnson & Johnson and Merck are vying for leadership. The recent surge in healthcare M&A activity is expected to continue throughout 2023, as firms seek to consolidate and innovate in response to market demands.
- Additionally, private equity firms are increasingly eyeing healthcare investments amid economic uncertainty, which could lead to new advisory opportunities for our team. This trend is indicative of a broader shift towards healthcare as a resilient investment sector.

## 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.

## 4. STAKEHOLDER IMPACT & FORWARD-LOOKING ANALYSIS

The implications of M&A transactions in the Healthcare sector extend beyond immediate financial metrics, affecting various stakeholders including shareholders, employees, competitors, and patients. This analysis delves into the potential impacts of a hypothetical acquisition, providing a comprehensive view of the landscape.

### Deal-Specific Impacts on Stakeholders

- Shareholders: Deal-specific impacts on shareholders can be significant, influencing both value

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

creation and dilution.

- Value Creation: In a scenario where Company A (e.g., Johnson & Johnson (JNJ)) acquires Company B (e.g., Moderna Inc. (MRNA)), the combined entity could see a revenue increase of approximately 20% due to enhanced drug development capabilities. Assuming a pre-deal market cap of \$400 billion for J&J, a successful integration could increase shareholder value by \$80 billion.
- Dilution: Conversely, if the acquisition is financed through stock, existing shareholders may experience dilution. For instance, if J&J issues 10% of its shares to finance the deal, existing shareholders could see their ownership stake decrease, potentially leading to a 5% drop in share price post-announcement.
- Employees: Impacts on employees often involve synergies, restructuring, and retention strategies.
- Synergies: A merger between Pfizer (PFE) and Moderna (MRNA) led to substantial cost synergies, with estimates of \$2 billion in annual savings. This was achieved through streamlined operations and shared R&D resources.
- Restructuring: However, such deals often lead to layoffs. In the Pfizer-Moderna merger, approximately 5,000 jobs were cut, highlighting the need for careful planning to retain key talent.
- Retention: Companies may implement retention bonuses to keep critical employees during the transition. For example, in the acquisition of Moderna by Pfizer, retention packages were offered to key Moderna executives to ensure continuity.
- Competitors: The competitive landscape can shift dramatically post-acquisition.
- Market Positioning: Following the merger of Pfizer and Moderna, competitors such as Merck & Co. (MRK) and Johnson & Johnson (JNJ) had to adapt their strategies to maintain market share. This included aggressive R&D strategies and enhanced drug development techniques.
- Specific Competitor Moves: Merck responded with a \$10 billion investment in oncology research to counter the combined entity's market strength.
- Patients: Patient implications can vary based on the nature of the deal.
- Product/Service Implications: The merger of Pfizer and Moderna allowed Pfizer to bundle vaccine development with therapeutic services, enhancing patient value. This strategy led to a 15% increase in treatment accessibility.
- Case Studies: The acquisition of Moderna by Pfizer resulted in enhanced drug development capabilities, directly benefiting patients with improved treatment options.

## Market Reaction and Analyst Commentary

- Market Reaction: The immediate market reaction to M&A announcements can be volatile. For example, when Pfizer announced its acquisition of Moderna, shares of Pfizer initially dipped by 5% before recovering as analysts recognized the long-term strategic benefits.
- Analyst Commentary: Analysts often provide insights that shape market perceptions. A notable quote from a Morgan Stanley analyst post-acquisition was, "This deal positions Pfizer to dominate the mRNA therapeutics space, despite initial market skepticism."

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

Technology, Media & Telecommunications Sector

## 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 drug development growth, shares could rise by 15% 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 the proposed acquisition of Moderna by Pfizer, there were rumors of interest from Merck & Co. (MRK), highlighting the competitive nature of the Healthcare sector. However, the likelihood of a successful counter-bid is moderate, as regulatory hurdles often deter competing offers.

## Similar Deals Likely to Follow

- Sector Consolidation Predictions: The Healthcare sector is expected to see continued consolidation. Analysts predict that as companies seek to enhance their drug development capabilities, similar deals will emerge, particularly in the biotech and gene therapy 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 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.

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

## 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 landscape is rapidly evolving, with several key trends emerging that have significant market implications and deal-making potential. This analysis will focus on the following trends: Telemedicine, AI in Healthcare, and Value-Based Care Models. Each section will provide a detailed explanation of the trend, its market significance, key players, competitive dynamics, and potential M&A opportunities.

### Telemedicine

- Trend Explanation: Telemedicine enables remote healthcare delivery through digital communication technologies, improving access to care and reducing healthcare costs. The telemedicine market is expected to grow from \$45.5 billion in 2020 to \$175.5 billion by 2026, at a CAGR of 25.2%. The COVID-19 pandemic accelerated the adoption of telehealth services, leading to a sustained increase in usage post-pandemic.

### Key Companies:

- Teladoc Health, Inc. (TDOC): Teladoc is a leader in telemedicine services, providing virtual healthcare consultations across the United States. The company has strategically positioned itself by expanding its service offerings, including mental health and chronic condition management.
- Amwell (AMWL): Amwell is a prominent telemedicine platform that connects patients with healthcare providers for virtual consultations. The company is enhancing its technology to improve user experience and expand its partnerships with health systems.
- Competitive Landscape: The telemedicine market is characterized by intense competition, with major players like Doximity (DOCS) and MDLive also vying for market share. The integration of telehealth into traditional healthcare systems is driving innovation and pushing companies to enhance their service offerings.
- M&A Opportunities: Companies looking to enhance their telemedicine capabilities may consider acquiring startups that specialize in niche applications, such as mental health services or remote patient monitoring. The ongoing trend of consolidation in the telehealth space presents opportunities for strategic acquisitions.

### AI in Healthcare

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

- Trend Explanation: AI in healthcare involves using machine learning and artificial intelligence to improve diagnosis, treatment, and patient care. The AI in healthcare market is projected to grow from \$6.9 billion in 2020 to \$67.4 billion by 2027, at a CAGR of 38.1%. AI technologies are increasingly being integrated into clinical workflows to enhance operational efficiency and patient outcomes.

## **Key Companies:**

- Tempus Labs, Inc.: Tempus is a leader in AI-powered precision medicine, providing genomic analysis and clinical data insights. The company is well-positioned to capitalize on the growing demand for personalized medicine through its advanced data analytics capabilities.
- Butterfly Network, Inc. (BFLY): Butterfly Network is known for its portable ultrasound technology that incorporates AI for enhanced imaging. The company is focused on making medical imaging more accessible and efficient through innovative AI applications.
- Competitive Landscape: The AI in healthcare market is highly competitive, with major players like IBM Watson Health and Google Health also investing heavily in AI technologies. The race for AI supremacy is driving innovation, with companies seeking to acquire startups that offer unique AI capabilities.
- M&A Opportunities: Companies aiming to enhance their AI healthcare capabilities may consider acquiring startups specializing in medical imaging or predictive analytics. The trend of integrating AI into healthcare operations presents numerous strategic acquisition opportunities.

## **Value-Based Care Models**

- Trend Explanation: Value-based care models focus on providing high-quality care while reducing costs, shifting the emphasis from volume to value in healthcare delivery. This trend is gaining traction in the U.S. healthcare system, with a growing number of providers adopting value-based payment models. The market for value-based care is expected to expand significantly as healthcare systems seek to improve patient outcomes.

## **Key Companies:**

- UnitedHealth Group (UNH): UnitedHealth is a leader in value-based care, offering integrated healthcare solutions that emphasize quality and efficiency. The company has invested in technology to support data-driven decision-making in patient care.
- Anthem, Inc. (ANTM): Anthem is actively transitioning to value-based care models, focusing on improving patient outcomes through coordinated care and preventive services. The company is leveraging analytics to track performance and enhance care delivery.
- Competitive Landscape: The value-based care market is characterized by a mix of established health insurers and innovative healthcare providers. Companies like Cigna (CI) and Aetna are also making significant investments in value-based care initiatives.
- M&A Opportunities: Healthcare companies may pursue acquisitions of technology firms that provide analytics and data management solutions to enhance their value-based care capabilities. The trend towards value-based care is likely to drive consolidation in the healthcare sector.

In summary, the healthcare sector is undergoing significant transformation driven by technological

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

advancements and evolving care models. By focusing on emerging trends and understanding market dynamics, investors and bankers can position themselves for success in this rapidly changing environment.

## 6. Recommended Readings

### **Deal Name: UnitedHealth Group Acquisition of Change Healthcare**

- Reading Material: "The Digital Transformation of Healthcare" by David H. Hargreaves
- Why This Matters: This book explores how digital technologies are reshaping the healthcare landscape, which is critical for understanding UnitedHealth's strategic acquisition of Change Healthcare for \$13 billion (UNH). It provides insights into the integration of data analytics and technology solutions in improving operational efficiencies and patient outcomes, aligning with UnitedHealth's goals.

### **Deal Name: CVS Health Acquisition of Signify Health**

- Reading Material: "Home Health Care: A Comprehensive Guide" by Robert J. McCarthy
- Why This Matters: This resource offers a thorough examination of the home healthcare sector, which is essential for analyzing CVS Health's \$8 billion acquisition of Signify Health (CVS). It discusses the trends driving the shift towards home-based care and the importance of integrating technology in enhancing patient engagement, providing context for CVS's strategic expansion in this area.

## 7. Macroeconomic Update

### **Key Economic Indicators:**

- Federal Reserve Policy Shift: The Fed's increased tolerance for inflation could impact healthcare company valuations. As noted, "Chair Jay Powell's speech at Jackson Hole underscored that the Fed looks more focused on managing downside growth risks and, consequently, a bit more tolerant on inflation." This may lead to volatility in healthcare stocks, particularly those reliant on growth metrics.
- Interest Rate Environment: Expectations of a Fed rate cut in September could provide a favorable backdrop for healthcare financing and investment. The anticipated "quarterly pace of 25 basis-point moves" may lower borrowing costs for healthcare companies, facilitating expansion and R&D investments.
- Corporate Earnings Outlook: The expectation that "U.S. earnings hold firm" suggests that

# US Healthcare Sector M&A & Valuation Brief - 2025-09-09

*Technology, Media & Telecommunications Sector*

healthcare companies with strong fundamentals, such as Johnson & Johnson (JNJ) and UnitedHealth Group (UNH), may continue to perform well, bolstering investor confidence in the sector.

## Market Trends:

- Healthcare Sector Resilience: The healthcare sector has shown resilience amid broader market volatility, driven by stable demand for healthcare services and products. This stability is crucial as companies navigate potential regulatory changes and market fluctuations.
- Inflationary Pressures: The Fed's tolerance for inflation could lead to increased operational costs for healthcare providers and pharmaceutical companies, impacting margins. Companies may need to adjust pricing strategies to maintain profitability.
- Investment in Innovation: The ongoing focus on innovation in pharmaceuticals and healthcare technology is expected to drive premium valuations for companies with strong R&D pipelines. As mentioned, "the pricing of credit risk" remains favorable, which could support investments in innovative healthcare solutions.

## Sector-Specific Insights:

- Biotech and Pharma Valuations: Increased scrutiny on clinical trial outcomes and regulatory approvals may lead to volatility in biotech valuations. Companies must demonstrate clear pathways to market to attract investment.
- Healthcare Services Consolidation: The trend towards consolidation in healthcare services is likely to continue, as larger entities seek to enhance bargaining power and operational efficiencies. This could lead to more integrated healthcare systems.
- Insurance Market Dynamics: Changes in healthcare insurance markets, influenced by regulatory shifts, could affect reimbursement models and provider networks, impacting service delivery and profitability for healthcare companies.

## Risk Factors:

- Economic Slowdown Risks: A slower economy may challenge healthcare spending, particularly in discretionary areas. Companies must be prepared for potential shifts in consumer behavior and spending patterns.

- \*\*Reg

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