

## Opening a new chapter in the healthcare sector

DEAL FLASH | HEALTHCARE | DECEMBER 2020

### DEAL SNAPSHOT

**CGP Management has sold MediCA klinika and Kardiolita Klinikos (MediCa group), the largest private provider of healthcare services in Lithuania, to Repharm AS, the leading operator of private clinics, laboratories and pharmacies in neighboring Latvia.**

Established in 2011 as a private primary care clinic, MediCa group, through its extensive history of acquisitions and openings, is now present in all levels of the healthcare system. Primary and selected specialist care services are provided in 30 clinics across Lithuania under the brand name MediCa. Kardiolitos Klinikos, which is the only private hospital in the country, has three specialist centers, located in Vilnius, Kaunas and Šiauliai and is a nationally acknowledged center of excellence for cardiology services. In 2019, the clinics generated revenues of US\$38.8 million and US\$6.5 million EBITDA.

Repharm is a Latvian group of companies providing a wide range of healthcare services, from pharmaceutical retail to private healthcare and laboratory services, with an annual turnover of close to US\$360 million in 2019. The group includes Sentor Farm Aptiekas, Veselības Centru Apvienība, Centrālā Laboratorija, Rīgas farmaceitiskā fabrika and Recipe Plus. This acquisition represents the largest ever M&A transaction in healthcare services in the Baltics.

### OAKLINS' APPROACH DELIVERS EXTRAORDINARY VALUE

Oaklins' team in Lithuania acted as the sole sell-side financial advisor to CGP Management in the sale of MediCA klinika and Kardiolita Klinikos to Repharm. Despite the extremely challenging environment, the team managed to arrange a highly competitive bidding process leading to intense negotiations and achieving a result that exceeded the client's expectations.



have been acquired by



“We have worked with Oaklins on various M&A processes for a number of years. The team have proved themselves to be very efficient and inventive financial advisors that we could always rely on. The results achieved during the MediCa sale process have far exceeded our expectations with regard to the competition and final deal terms. We are looking forward to working on more projects with the Oaklins team.”

**ALVYDAS BARSTEIGA**  
MEMBER OF THE BOARD,  
CGP MANAGEMENT, LITHUANIA

## MARKET TRENDS & DEAL DRIVERS

The Lithuanian private healthcare service market has been growing at a double-digit rate throughout the last decade, driven by a strong demand due to growing resident incomes, aging population and the high prevalence of chronic diseases.

As public healthcare service providers are slow to introduce major improvements, the market displays a visible shift towards private ones. Driven by these factors, the healthcare market has yet to present many opportunities for ecosystem stakeholders combined with the expected rise in public and private expenditure for the sector.

In the medium term, the recent challenges of COVID-19 have brought new developments to the market, such as remote consultations, as providers aim to find ways to continue their services to patients and maintain income inflow.

## M&A VALUATION ASPECTS

Terms of the transaction, including valuation, will remain confidential.

Transactions in this sector are typically based on EBITDA multiples and/or a number of subscribed patients, target size and synergy potential.

## TALK TO OUR ADVISOR



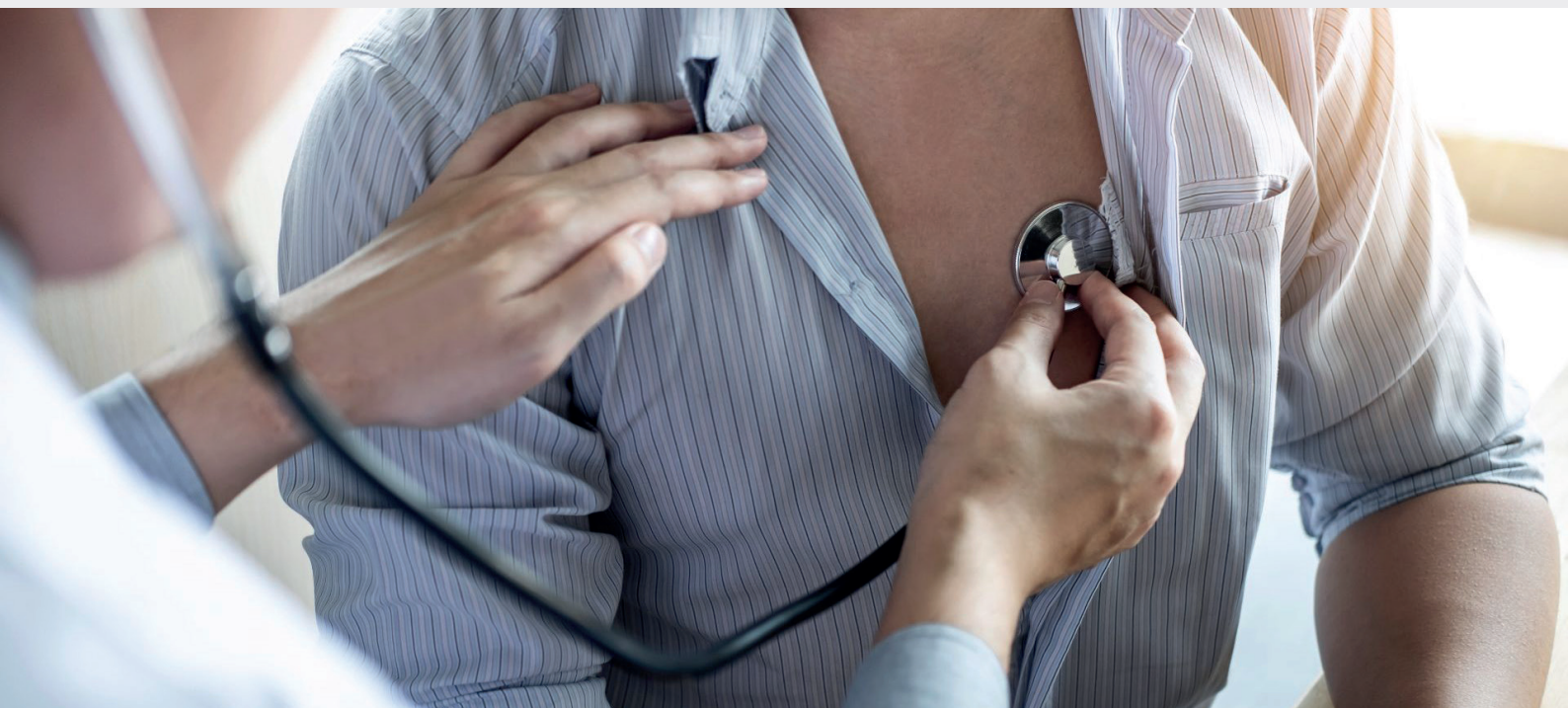
✉ **NATALJA TITOVA**

Associate Partner

Lithuania

T: +370 699 60628

Natalja has more than 10 years of investment banking experience, centered on cross-border M&A transactions in the Baltics and Scandinavia, within a broad range of sectors. She has worked with CGP Management for many years, as buy-side advisor during their clinic acquisitions, and has helped them build their business to become the largest private healthcare service provider in Lithuania.



**OAKLINS HAS CLOSED 382 DEALS IN HEALTHCARE**

Oaklins is the world's most experienced mid-market M&A advisor, with over 850 professionals globally and dedicated industry teams in more than 45 countries. We have closed 1,700 transactions in the past five years.

**Oaklins**

© 2020 Oaklins. All rights reserved.

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. For details of the nature of affiliation, please refer to [www.oaklins.com/legal](http://www.oaklins.com/legal).