



Covalon's Acquisition of AquaGuard Opens the Door to the Largest Healthcare Market in the World

Deal Highlights

- IMAP Canada advised Covalon Technologies Ltd. on its acquisition of AquaGuard for USD \$12.4 million.
- The acquisition combines Covalon's rich technology portfolio with AquaGuard's excellent products and specialized salesforce, who will provide selling capabilities for and access to, the United States healthcare market; the largest healthcare market in the world.
- Covalon researches, develops and commercializes new healthcare technologies that help save lives around the world. AquaGuard is a medical technology business that specializes in infection protection products that protect surgical incisions, IV sites, catheters, PICC lines, and other dressings from water and other moisture while a patient showers.
- Future opportunities for Covalon lie in additional medical device technology companies; providing bolt-on opportunities in the infection control and management, surgical, vascular access and wound care markets.

HEALTHCARE 

covalon
TECHNOLOGIES LTD.
Researches, develops, and commercializes new
healthcare technologies
CANADA

Acquired 100% of Business Operations

AQUA GUARD
Specializes in infection protection products
UNITED STATES

IMAP
ADVISED ON PURCHASE OF COMPANY

Market Outlook

- Buyers will continue to look for scalable prospects rich in intellectual property, profitable distribution channels and massive total addressable markets (TAMs).
- Opportunities will also arise as buyers continue to look at scaling their existing platforms, technology, IP, distribution channels and call points, with scalable, profitable and accretive acquisitions.
- Advanced medical device technology companies are a target rich environment that can provide plenty of M&A opportunities on both the buy and sell side.

Valuation Summary

- Total deal value of \$12.4 million.
- Potential for contingent consideration of up to \$0.9 million.
- Fiscal year-ended December 31, 2017 revenues of \$8.5 million.
- Implied total deal value to revenue of between 1.5x and 1.6x.



IMAP Approach

- IMAP Canada not only provides its clients with access to a greater universe of targets across the globe, it consistently delivers battle-tested valuation advice and deal-making expertise.
- With its considerable experience in advising Advanced Medical Devices Companies, IMAP Canada ensured the acquisition process was smooth and the outcome successful.
- With its expertise in recognizing opportunities in new markets, IMAP continues to invest in relationships with potential targets and buyers.

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IMAP has closed 50 transactions in the Healthcare sector since 2015

HEALTHCARE	HEALTHCARE	HEALTHCARE	HEALTHCARE	HEALTHCARE
 Acquired 100% of Business Operations <small>ADVISED ON SALE OF COMPANY</small>	 Acquired Majority Control of Business Operations <small>ADVISED ON PURCHASE OF COMPANY</small>	 Acquired Selected Assets of Seller's Business <small>ADVISED ON SALE OF DIGIPIXEL BRAND</small>	 Established JV with <small>ADVISED ON JV FORMATION</small>	 Acquired <small>ADVISED ON SALE OF COMPANY</small>

IMAP is an International Mergers and Acquisitions Partnership with 450 M&A advisors and a presence in 40 countries. IMAP has closed over 2,100 transactions valued at \$90bn in the last 10 years and is consistently ranked in the world's top ten M&A advisors (Thomson Reuters) for mid-market transactions. IMAP advises primarily mid-sized companies and their shareholders on the sales and acquisitions on a global scale, providing clients with entrepreneurial, unbiased advice and successfully helping them achieve their objectives.