



Seale & Associates

CLINICAL LABORATORIES
Q3 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Clinical Laboratories Industry Multiples Valuation Update for Q3 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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Table of Contents

Industry Overview	4
Global Comparable Public Companies	5
Global Transactions	7
About Seale	8

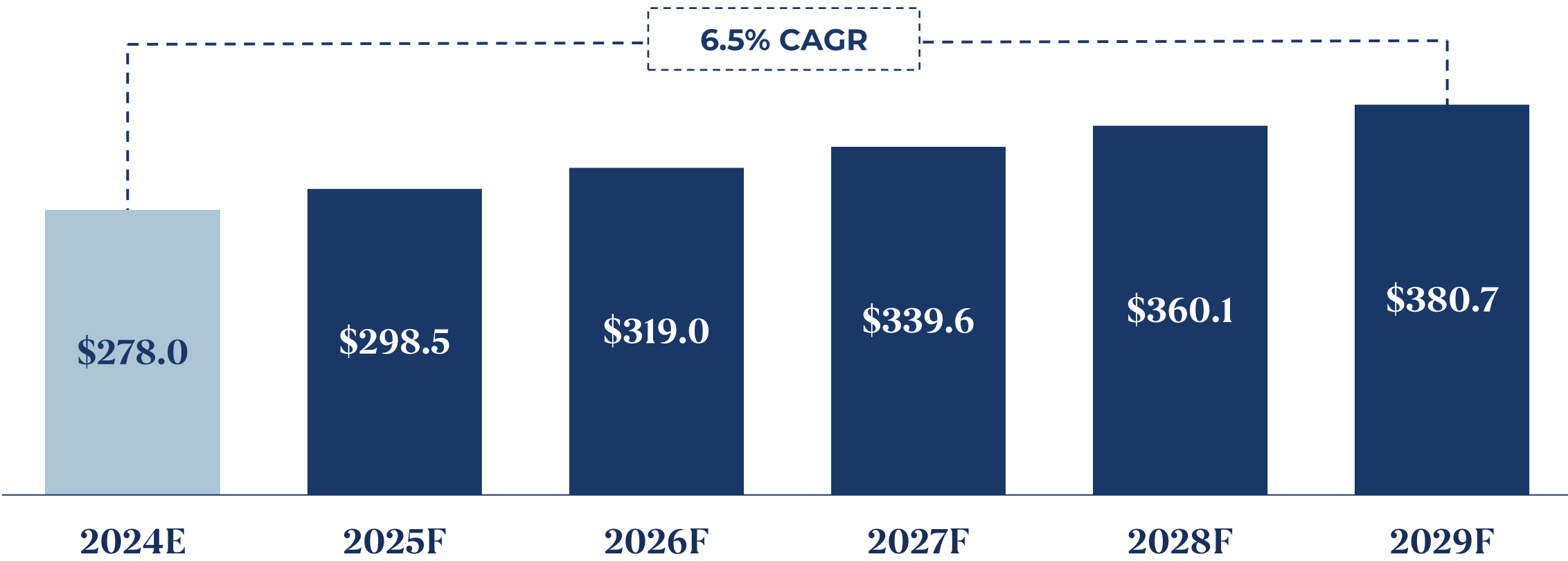
Clinical Labs Industry Overview, M&A Trends and Market Intelligence

Key M&A Trends Shaping the Industry






- Companies are increasingly pursuing **M&A opportunities** to integrate **artificial intelligence (AI)** and **digital capabilities**. These technologies are sought to enhance **diagnostic accuracy** and **operational efficiency**, positioning firms for stronger growth and improved patient outcomes in 2024
- There is a **significant interest** from private equity firms in acquiring **clinical laboratory services**. These investments are motivated by the **stable cash flows** and **growth potential** of these services, particularly in the wake of **increasing demand** for diagnostic tests and personalized medicine
- The independent laboratory segment is experiencing huge consolidation as players **focus on strategic partnerships** and **collaborations**, which will **drive the market's growth**
- Large organizations, including those with clinical laboratory services, are actively **divesting non-core assets**. This strategy is intended to **reduce Research & Development expenses** and **generate cash** to fund new **investments** that align more closely with their core competencies
- As clinical labs face increasing pressure to **optimize margins** and adapt to evolving regulations, the integration of **laboratory information systems (LIS)** with **billing systems** is emerging as a **critical solution**. These platforms streamline workflows, reduce errors, and improve billing accuracy, enabling labs to enhance financial performance while scaling efficiently

Source: Mordor Intelligence, Fortune Business Insights, PwC, DC Advisory, Ropes & Gray Capital IQ










Clinical Laboratories Industry Market Size









Clinical Laboratories Market Trends

-  Adoption of next-generation sequencing (NGS), digital pathology, and artificial intelligence (AI) is **enhancing diagnostic accuracy** and **efficiency**
-  Increased automation to improve **efficiency**, **reduce turnaround times**, and **minimize errors**
-  Emphasis on **affordable diagnostic solutions** through centralized networks and advanced technologies
-  Enhanced collaboration between **public health institutions** and **private labs** to improve access to advanced diagnostic services
-  Growth in emerging markets with **investments** in **healthcare infrastructure** and **increased accessibility** to diagnostic services










Clinical Laboratories Industry Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Alliança Saúde e Participações S.A.		BRA	\$334	\$492	\$221	9.9%	19.5x	35.4x	22.5x	2.2x
Capitol Health Limited		AUS	\$270	\$353	\$163	20.9%	11.2x	10.4x	10.4x	2.2x
Dian Diagnostics Group Co.,Ltd.		CHN	\$1,190	\$1,817	\$1,764	10.2%	7.0x	6.2x	10.1x	1.0x
Fleury S.A.		BRA	\$1,546	\$2,138	\$1,387	25.8%	7.3x	8.5x	6.0x	1.5x
Healius Limited		AUS	\$868	\$1,935	\$1,211	19.1%	5.4x	7.5x	8.4x	1.6x
H.U. Group Holdings, Inc.		JPN	\$1,052	\$1,325	\$1,678	6.7%	3.1x	4.8x	11.8x	0.8x
Integral Diagnostics Limited		AUS	\$482	\$700	\$326	18.9%	13.5x	12.6x	11.4x	2.2x
Krsnaa Diagnostics Limited		IND	\$325	\$337	\$81	22.8%	12.1x	13.6x	18.2x	4.1x
Med Life S.A.		ROM	\$728	\$1,072	\$575	13.3%	12.1x	13.9x	14.0x	1.9x
Excluded from mean and median						Mean	9.8x	10.4x	11.0x	1.8x
						Median	11.2x	10.4x	11.4x	1.9x

Clinical Laboratories Industry Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Eurofins Scientific SE		LUX	\$12,016	\$15,270	\$7,499	21.7%	9.7x	9.8x	9.4x	2.0x
Labcorp Holdings Inc.		USA	\$18,764	\$24,569	\$12,713	15.2%	7.0x	9.3x	12.7x	1.9x
Medicover AB (publ)		SWE	\$2,819	\$4,019	\$2,228	12.9%	12.8x	13.9x	14.0x	1.8x
Quest Diagnostics Incorporated		USA	\$17,282	\$22,217	\$9,539	22.7%	6.6x	9.0x	10.2x	2.3x
RadNet, Inc.		USA	\$5,132	\$6,320	\$1,773	20.9%	8.1x	10.6x	17.0x	3.6x
Sonic Healthcare Limited		AUS	\$9,066	\$11,859	\$6,217	17.4%	7.0x	9.0x	11.0x	1.9x
Excluded from mean and median						Mean	7.7x	9.5x	11.5x	2.0x
						Median	7.5x	9.5x	11.8x	2.0x

Clinical Laboratories – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24	 GENETICS & IVF Institute	USA	Amulet Capital Partners, a private equity firm, acquired Genetics & IVF Institute , a provider of reproductive tissue banking and related reproductive technology services	 AMULET CAPITAL PARTNERS LP	-	100.0%	-	-	-
Sep-24	 GenoStaff ジェノスタッフ株式会社	JPN	RORZE Lifescience , a company specializing in life science automation solutions, acquired Genostaff , a provider of molecular pathology analysis services, to enhance its capabilities in molecular pathology	 RORZE Lifescience	-	100.0%	-	-	-
Sep-24	SYNLAB Lietuva UAB	LTU	Affidea Lietuva , a provider of polyclinics, advanced diagnostic imaging, acquired SYNLAB Lietuva , a laboratory network, to expand its laboratory services and offer integrated outpatient services	 affidea	 SYNLAB	100.0%	-	-	-
Aug-24	Biostat Imaging LLC	USA	Principle Health Systems , a provider of mobile laboratory services to long-term care facilities, acquired BioStat Imaging , a mobile imaging provider, to offer a one-stop solution for both laboratory and imaging needs	 PRINCIPLE HEALTH SYSTEMS	-	100.0%	-	-	-
Aug-24*	 agilus diagnostics	IND	Fortis Healthcare , a provider of integrated healthcare services, announced the acquisition of a minority stake in Agilus Diagnostics , a diagnostics company	 Fortis	Multiple Sellers	31.5%	-	-	-

*Announced transactions pending approval and other customary closing conditions

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<div><p>has been acquired by</p><div><p>HERITAGE DISTRIBUTION HOLDINGS</p></div></div>	<div><div><p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p></div><p>has sold a controlling interest to</p><div></div></div>	<div><div><p>ZN ZINC NACIONAL</p></div><p>has sold</p><div><p>GSDK</p></div><p>Zinc Oxide Corporation a subsidiary of</p><div><p>Korea Zinc</p></div></div>	<div><div><p>Electrolux PROFESSIONAL</p></div><p>has acquired</p><div><p>unified brands a DOVER company</p></div><p>from</p><div></div></div>	<div><div><p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p></div><p>has been acquired by</p><div><p>ENSTRUCTURE</p></div></div>	<div><div><p>Oxbow</p></div><p>Oxbow's Senior Subordinated debt issued by</p><div><p>H.J. BAKER ESTABLISHED 1880</p></div><p>was refinanced by</p><div></div></div>	<div><p>has acquired</p><div></div></div>
<div><div><p>Standex</p></div><p>has sold</p><div><p>Enginetics</p></div><p>to</p><div></div></div>	<div><div><p>ITT</p></div><p>has sold</p><div><p>BURNY KALIBURN innovations in shape cutting PLASMA CUTTING INNOVATION</p></div><p>and</p><div><p>CMC Cleveland Motion Controls</p></div><p>to</p><div></div></div>	<div><div><p>Honeywell</p></div><p>has sold</p><div><p>TENSOR</p></div><p>to</p><div><p>GE Power Systems</p></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><div><p>Triumph Processing - Embee Division</p></div><p>to</p><div></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p><p>to</p><div></div></div>	<div><div><p>Rheem</p></div><p>has acquired</p><div></div></div>	<div><div><p>GRACE</p></div><p>has sold its GRACE Membranes business</p><div><p>UOP</p></div><p>a subsidiary of</p><div></div></div>
<div><div><p>convatec — forever caring —</p></div><p>has sold</p><div><p>SENSI CARE</p></div><p>and</p><div><p>ALOE VESTA™</p></div><p>to</p><div></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>MobileView</p></div><p>to</p><div><p>SAFE FLEET Driving Safety Forward™</p></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p></div><p>to</p><div><p>MONOMOY CAPITAL PARTNERS</p></div><p>and</p><div><p>Starboard Capital Partners</p></div></div>	<div><div><p>LOCKHEED MARTIN</p></div><p>has sold</p><div><p>Commercial Flight Training Business</p></div><p>to</p><div><p>ALTEON A BOEING COMPANY</p></div></div>	<div><div><p>FLOWSERVE</p></div><p>has sold</p><div><p>D&B</p></div><p>to</p><div><p>DB DaviesBaird</p></div></div>	<div><div><p>KBR</p></div><p>has acquired</p><div><p>Wabi Wabi Development Corporation</p></div></div>	<div><div><p>HARRISON GYPSUM, LLC</p></div><p>has been recapitalized by</p><div><p>H. I. G. PRIVATE EQUITY</p></div></div>



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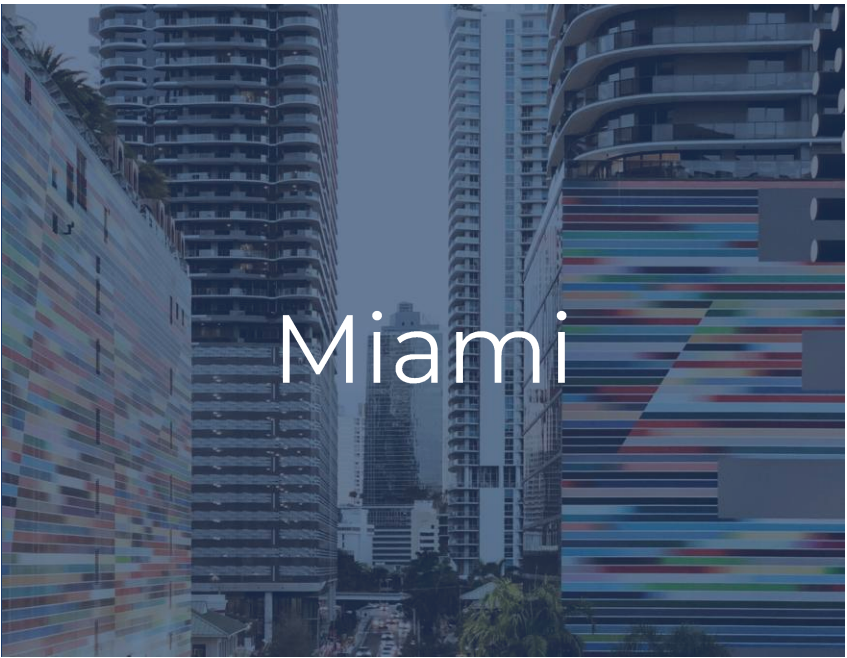


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