

Q3-2018 Laboratory Services Update



Market Update

Increasing demand from patients for advanced technologies and quick, accurate, test results has put pressure on the laboratory services industry to find new and innovative ways to meet a changing healthcare landscape. The majority of industry growth is expected to come from early detection and increasing pressure from payors for preventative medicine. The sector continues to experience heightened consolidation as industry participants look to increase size and geographic scope.

Laboratory Services Public Trading Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$23.7B	\$11.0B	\$2.1B	2.2x	11.4x
Quest Diagnostics	DGX	\$18.5B	\$7.8B	\$1.6B	2.4x	11.8x
Eurofins	ERFSF	\$12.1B	\$3.9B	\$685.4M	3.1x	17.7x
Publicly Traded Avg.		\$18.1B	\$7.6B	\$1.5B	2.6x	13.6x

Select Transactions:

Month	Acquirer	Target	Deal Description
August	Sotera Health	Gibraltar Laboratories	Sotera Health, the world's leading, fully integrated protector of global health, has acquired Gibraltar Laboratories. Gibraltar Laboratories is a leading outsourced provider of microbiology and analytical chemistry testing for pharmaceutical and medical device manufacturers. Financial terms of the deal were not disclosed.
September	Quest Diagnostics	PhenoPath Laboratories	Quest Diagnostics, the world's leading provider of diagnostic information services, has acquired PhenoPath Laboratories, PLLC. PhenoPath is a national provider of specialized anatomic pathology (AP) and related services. Financial terms of the deal were not disclosed.
September	Quest Diagnostics	Oxford Immunotec	Quest Diagnostics, the world's leading provider of diagnostic information services, has announced the signing of a definitive agreement to acquire the U.S. laboratory services business of Oxford Immunotec. Oxford is a global, high-growth diagnostics company focused on developing and commercializing proprietary tests for the management of underserved immune-regulated conditions. Financial terms of the deal were not disclosed.
September	Quest Diagnostics	ReproSource	Quest Diagnostics, the world's leading provider of diagnostic information services, has acquired ReproSource. ReproSource is a national leader in specialty fertility diagnosing services. Financial terms of the deal were not disclosed.

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Upcoming Laboratory Services Conferences

FIME Medlab Americas
 June 26th – 28th Miami, Florida

71st Annual Scientific Meeting and Clinical Lab Expo
 August 4th – 8th Anaheim, California