

# Q2-2020 Laboratory Services Update

## Market Update

The laboratory services market observed multiple deals in the second quarter, despite challenges facing the healthcare environment.

Genalyte's acquisition of BaseHealth and Quest's acquisition of Memorial Hermann Diagnostic Labs represent a growing interest in capturing diagnostics expenditures. While public funding for diagnostics has failed to meet public health demand, commercial players are positioning themselves to capture diagnostics investment in response to COVID-19.

## Laboratory Services Public Trading Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$23.6B	\$11.6B	\$1.8B	2.0x	12.6x
Quest Diagnostics	DGX	\$20.0B	\$7.7B	\$1.5B	2.6x	13.6x
Eurofins	ERFSF	\$15.8B	\$5.2B	\$907M	3.0x	17.4x

As of 6/30/2020

## Select Transactions:

Month	Acquirer	Target	Deal Description
June	Infinity Laboratories	MicroMed Laboratories	Infinity Laboratories, a chemical and microbiological lab, announced that it has acquired MicroMed Laboratories, the Environmental Monitoring and Testing Services division of Sonoma Pharmaceuticals (NASDAQ: SNOA). MicroMed, headquartered in Petaluma, CA, offers cleanroom service, validations, and environmental monitoring as well as a wide variety of microbiology tests.
June	Chr. Hansen	UAS Laboratories	Chr. Hansen, a leading global bioscience firm, has entered into an agreement to acquire UAS Laboratories, a digestive health company, from Lakeview Equity Partners for \$530 million. The acquisition of UAS Labs, which is expected to produce \$85 million in 2020 revenue before synergies, will strengthen Chr. Hansen's global microbial platform.
April	Genalyte	BaseHealth	Genalyte, a next-generation provider of rapid diagnostic services, announced that it has acquired BaseHealth, a Bay Area healthcare data analytics company. The combined company will offer onsite, rapid diagnostics with data analytics capabilities to improve accuracy and efficiency of patient testing.
April	Quest Diagnostics	Memorial Hermann Diagnostic Laboratories	Quest Diagnostics (NYSE: DGX), the leading provider of diagnostic information services, and Memorial Hermann Health System, a not-for-profit health system that includes 17 hospitals and more than 300 care delivery sites in the Greater Houston region, announced a long-term collaboration intended to broaden access to innovative, high-value laboratory services for providers and patients.

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