

# Q3-2020 Laboratory Services Update

## Market Update

M&A activity within the laboratory services sector has remained robust despite the mounting pressures being placed on the industry by COVID-19.

Larger laboratory service providers are looking to roll in smaller labs with complementary service offerings. This allows the larger labs to expand capacity while furthering the breadth of their test panel. Valuations within the sector have remained high as investors are optimistic that lab services organizations will remain a crucial component of the pandemic response.

## Laboratory Services Public Trading Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$23.0B	\$11.5B	\$1.7B	1.98x	11.76x
Quest Diagnostics	DGX	\$19.6B	\$7.5B	\$1.4B	2.56x	13.22x
Eurofins	ERFSF	\$15.6B	\$5.2B	\$1.0B	3.59x	20.01x

As of 9/30/2020

## Select Transactions:

Month	Acquirer	Target	Deal Description
July	Infinity Laboratories	DYNALABS	Infinity Laboratories, a chemical and microbiological lab, announced that it has acquired DYNALABS, a privately held analytical testing laboratory that offers lab services, on site testing and quality assurance support based out of St. Louis. This marks Infinity's third acquisition in 2020.
July	MLM Medical Labs	CirQuest Labs	MLM Medical Labs, a Great Point Partners portfolio company, is a specialty central lab based in Germany. They have acquired Memphis, Tennessee based CirQuest Labs, a provider of specialized assay development, biomarker testing, and central lab services, as part of its global expansion strategy. With the acquisition of CirQuest, MLM has expanded to the United States.
July	Element Materials Technology	Analytical Lab Group	Thompson Street Capital Partners, a private equity firm based in St. Louis, announced today that it has completed the sale of Analytical Lab Group, an industry-leading microbiology and viral lab, to Element Materials Technology, one of the world's largest providers of materials and product qualification testing, inspection and certification services. The deal marks Elements movement into the medical laboratories space.
August	Quest Diagnostics	Mid-America Clinical Labs	Quest Diagnostics, the world's leading provider of diagnostic information services, had acquired Indiana-based Mid America Clinical Laboratories, the largest independent clinical lab in Indiana. The lab was formed two decades ago as a joint venture between Quest and the Ascension St. Vincent Hospital system. In the transaction Quest will be buying out its partner's interest in the venture.

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