

Q3-2022 Laboratory Services & Diagnostics Update

Market Update






Recent macroeconomic factors have led to a slight decline in M&A activity and public company performance throughout the healthcare industry. Despite these trends, the laboratory and diagnostic services sector has demonstrated steady growth and persistent deal flow as consolidation continues its break-neck pace. The increasing burden of chronic diseases and the growing demand for early-capture diagnostic tests remain significant market drivers. Prominent strategic players continue to compete for market share by way of acquisitions as demonstrated by ACT Laboratories' acquisition of CDX Analytics and Labcorp's purchase of RWJBarnabas Health's laboratory division.

Select Transactions:

Lab and Dx Services Trading Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$24B	\$15.7B	\$3.6B	1.55x	6.71x
Quest Diagnostics	DGX	\$19B	\$10.6B	\$2.6B	1.76x	7.24x
Eurofins	ERFSF	\$15B	\$7.7B	\$1.7B	1.90x	8.49x
Hologic	HOLX	\$17B	\$5.2B	\$2.4B	3.25x	7.13x
Exact Sciences	EXAS	\$8B	\$1.9B	-\$531.8M	3.93x	n/a

Lab and Diagnostic Transactions

Month	Acquirer	Target	Deal Description
July	 LabLogistics	 Print • Kit • Mail • Fulfill	Lab Logistics Management, a leading provider of outsourced medical supplies, kitting and logistics services to the healthcare industry and portfolio company of Atlantic Street Capital, announced today the acquisition of The Allied Group, a leading fulfillment services provider offering printing, kitting, and mailing services to healthcare and life science organizations worldwide
August	 labcorp	 Lab Services Business	Labcorp, a leading global life sciences company, today announced that it has closed its acquisition of RWJBarnabas Health's outreach laboratory business and select related assets. RWJBarnabas Health is New Jersey's largest academic health system
July	 PathAI		PathAI, a global provider of artificial intelligence-powered technology for pathology, announced their acquisition of Poplar, the management service organization for Poplar Healthcare PLLC, an industry-leading independent anatomic pathology laboratory services provider
September	 ACT Laboratories		ACT Laboratories, Inc., a leading lab testing company in the legal cannabis and hemp markets, today announced an agreement to acquire CDX Analytics, LLC of Massachusetts to continue its geographic expansion and extend its scientific leadership
September	 everlywell		Everlywell, a leading digital health company, has acquired PWNHealth and Home Access Health Corporation and formed parent company Everly Health, the company announced today. Together, the combined companies support more than 20 million people annually in all 50 U.S. states, Canada, and Puerto Rico

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