



# Seale & Associates

CLINICAL LABORATORIES  
Q1 2024  
VALUATION UPDATE

25 years

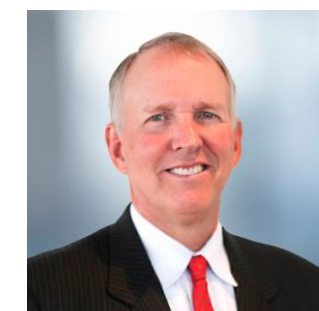
# Introduction

We are pleased to share our Clinical Laboratories Industry Multiples Valuation Update for Q1 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.

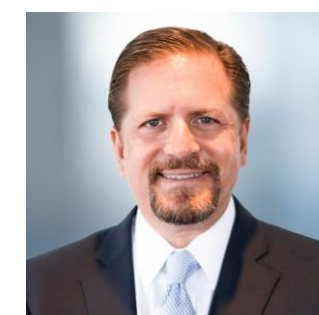
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



**James A. Seale | President**

[jseale@sealeassociates.com](mailto:jseale@sealeassociates.com)



**Brett M. Carmel | Senior Managing Director**

[bcarmel@sealeassociates.com](mailto:bcarmel@sealeassociates.com)



**Robert Whitney | Managing Director**

[rwhitney@sealeassociates.com](mailto:rwhitney@sealeassociates.com)



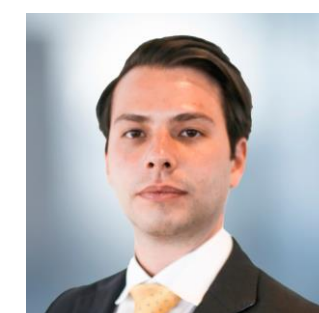
**Sergio Garcia del Bosque | Managing Director**

[sgarcia@sealeassociates.com](mailto:sgarcia@sealeassociates.com)



**Carlos Hernández | Managing Director**

[chernandez@sealeassociates.com](mailto:chernandez@sealeassociates.com)



**Alejandro Montemayor | Vice President**

[amontemayor@sealeassociates.com](mailto:amontemayor@sealeassociates.com)



**Armando Rios | Vice President**

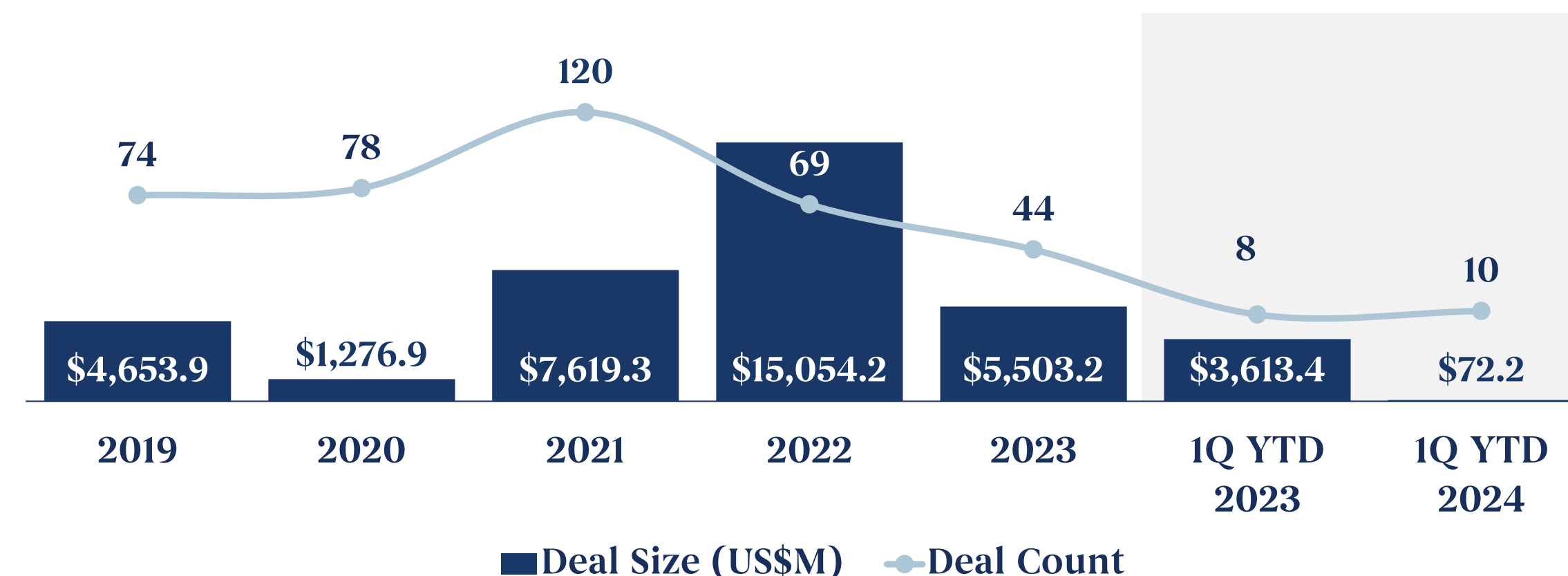
[arios@sealeassociates.com](mailto:arios@sealeassociates.com)

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

## Key M&A Trends Shaping the Industry

- The global clinical laboratory market size is estimated to grow from **US\$274.2 billion in 2024** and is expected to reach **US\$468.1 billion by 2032**, growing at a **CAGR of 6.9%**
- 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 R&D expenses** and **generate cash** to fund new **investments** that align more closely with their core competencies
- 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









Clinical Laboratories Industry M&A Deal Size and Volume











## 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		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
BML, Inc.		JPN	\$750	\$259	\$912	12.9%	1.1x	1.3x	2.2x	0.3x
Capitol Health Limited		AUS	\$167	\$248	\$150	16.7%	11.2x	10.4x	10.0x	1.7x
Alliança Saúde e Participações S.A.		BRA	\$216	\$439	\$233	10.2%	19.5x	35.4x	18.5x	1.9x
FALCO HOLDINGS Co., Ltd.		JPN	\$165	\$102	\$284	7.2%	2.2x	3.0x	5.0x	0.4x
H.U. Group Holdings, Inc.		JPN	\$918	\$1,114	\$1,566	7.1%	3.1x	4.8x	10.1x	0.7x
Healius Limited		AUS	\$627	\$1,625	\$1,103	19.8%	5.4x	7.5x	7.4x	1.5x
Integral Diagnostics Limited		AUS	\$342	\$566	\$298	19.1%	13.5x	12.6x	10.0x	1.9x
Med Life S.A.		ROM	\$442	\$748	\$508	11.7%	12.1x	13.9x	12.6x	1.5x
■ Excluded from mean and median						<b>Mean</b>	6.9x	7.6x	8.2x	1.2x
						<b>Median</b>	8.3x	9.0x	10.0x	1.5x

# 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		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Dian Diagnostics Group Co.,Ltd.	 CHN	\$1,513	\$2,093	\$1,821	16.6%	7.0x	6.2x	6.9x	1.1x	
Eurofins Scientific SE	 LUX	\$12,293	\$15,271	\$7,028	20.5%	9.7x	9.8x	10.6x	2.2x	
Fleury S.A.	 BRA	\$1,630	\$2,297	\$1,423	22.5%	7.3x	8.5x	7.2x	1.6x	
Labcorp Holdings Inc.	 USA	\$18,372	\$23,805	\$12,300	15.3%	7.0x	9.3x	12.6x	1.9x	
Medicover AB (publ)	 SWE	\$1,932	\$2,944	\$1,970	12.7%	12.8x	13.9x	11.8x	1.5x	
Quest Diagnostics Incorporated	 USA	\$14,736	\$19,659	\$9,287	23.2%	6.6x	9.0x	9.1x	2.1x	
RadNet, Inc.	 USA	\$3,587	\$4,918	\$1,658	21.1%	8.1x	10.6x	14.1x	3.0x	
Sonic Healthcare Limited	 AUS	\$9,202	\$11,523	\$5,473	17.6%	7.0x	9.0x	12.0x	2.1x	
SYNLAB AG	 DEU	\$2,596	\$3,993	\$2,821	16.7%	4.7x	7.3x	8.5x	1.4x	
■ Excluded from mean and median						<b>Mean</b>	7.2x	8.7x	9.8x	1.9x
						<b>Median</b>	7.0x	9.0x	10.6x	1.9x

# Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-24	 HORIZONS OPTICAL	ESP	Provides technology solutions for ophthalmic labs	 Oakley Capital	SHERPA	>50.0%	-	-	-
Mar-24	 RAD-X	FRA	Provides diagnostic and imaging services	Multiple Buyers	 Gilde EQUITY MANAGEMENT	ND	-	-	-
Mar-24	 Röntgeninstitut Baden	CHE	Provides diagnostic imaging services	 affidea	 DOKTOR HUUS	100.0%	-	-	-
Feb-24	 Drug Free Sport INTERNATIONAL	USA	Provides drug-testing services	 CPC	 VALESCO INDUSTRIES	ND	-	-	-
Feb-24	 NATIONALRad	USA	Provides subspecialty teleradiology services	 PREMIER RADIOLOGY SERVICES	-	100.0%	-	-	-
Jan-24	 LVM LABORATORIO ANALISI MEDICHE TOSSICOLOGICHE	ITA	Provides medical and toxicological analysis services	 PURELabs	-	80.0%	-	-	-
Jan-24	 FSSolutions Quality Service Since 1989 Accredited by the RBSA	USA	Provides drug and alcohol testing, background checks, and health services	 Sterling	 VAULT HEALTH	100.0%	\$70.0	-	-

ND: Not Disclosed

# Selected Transactions Commentary



*"Horizons Optical has all the hallmarks of a typical Oakley deal: a disruptive market leader, with strong software IP and led by an exceptional management team. We look forward to working with Santiago to help the business realize its full potential, taking advantage of strong market growth drivers as well as leveraging our expertise helping to scale software businesses including Grupo Primavera in Iberia."*

**Peter Dubens, Founder and Managing Partner of Oakley Capital**



*"I couldn't be more pleased with CPC's approach to our partnership and what the future holds for the Company. CPC engages a beneficial long-term hold strategy with its portfolio companies that fosters sustainable success and places an emphasis on human capital."*

**Chris Guinty, CEO of Drug Free Sport International**



*"We're excited to work with NationalRad to increase and diversify our respective service offerings, increase our clinical capacity, and improve patient care and outcomes. Our customers and their patients will certainly benefit from our partnership with NationalRad's leading physicians and best-in-class operations."*










**Drew Guadet, CEO of Premier**



*"This sale allows Vault and Sterling to combine the very best service and delivery of occupational health tests and exams with the broadest possible menu of employment screening products."*

**Claire Cochran, Co-Founder of Vault Health**

# Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 <b>Medical and Diagnostic Laboratories</b> <i>NAICS 6215 – Med. and Diagnostic Laboratories</i>	 <b>2019-2024</b>	 <b>\$35.8M</b>	 <b>\$20.2M</b>	 <b>7.4%</b>	 <b>1.8x</b>	 <b>28.7%</b>	 <b>6.5x</b>	 <b>5</b>

**Notes:**

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.



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We deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



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# Global M&A Representative Engagements

<p><b>BEIJER REF</b></p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p><b>avangardinnovative</b> MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p><b>ZN</b> ZINC NACIONAL</p> <p>has sold</p> <p><b>GSDKO</b></p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p><b>Electrolux</b> PROFESSIONAL</p> <p>has acquired</p> <p><b>unified brands</b> a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p><b>Port Contractors</b> STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p><b>Oxbow</b></p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p><b>Hertz</b></p> <p>has acquired</p>  <p>DONLEN</p>
<p><b>Standex</b></p> <p>has sold</p> <p><b>Enginetics</b></p> <p>to</p>  <p>Enjet AERO</p>	<p><b>ITT</b></p> <p>has sold</p> <p><b>BURNY</b> <b>KALIBURN</b> PLASMA CUTTING INNOVATION</p> <p>and</p> <p><b>CNC</b> Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p><b>Honeywell</b></p> <p>has sold</p> <p><b>TENSOR</b></p> <p>to</p>  <p>GE Power Systems</p>	<p><b>TRIUMPH™</b></p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p><b>TRIUMPH™</b></p> <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>  <p>TGG THE GORES GROUP</p>	<p><b>Rheem</b></p> <p>has acquired</p>  <p>HTPG</p>	<p><b>GRACE</b></p> <p>has sold its GRACE Membranes business</p> <p><b>Uop</b> a subsidiary of</p> <p><b>Honeywell</b></p>
<p><b>convatec</b> - forever caring -</p> <p>has sold</p> <p><b>SENSI CARE</b></p> <p>and</p> <p><b>ALOE VESTA™</b></p> <p>to</p>  <p>MEDLINE</p>	<p><b>United Technologies</b></p> <p>has sold</p> <p><b>MobileView</b></p> <p>to</p> <p><b>SAFE FLEET</b> Driving Safety Forward™</p>	<p><b>United Technologies</b></p> <p>has sold</p> <p><b>HTPG</b> A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p><b>MONOMOY</b> CAPITAL PARTNERS and <b>Starboard</b> Capital Partners</p>	<p><b>LOCKHEED MARTIN</b></p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p><b>ALTEON</b> A BOEING COMPANY</p>	<p><b>FLOWSERVE</b></p> <p>has sold</p> <p><b>D&amp;B</b></p> <p>to</p> <p><b>DB</b> DaviesBaird</p>	<p><b>KBR</b></p> <p>has acquired</p> <p><b>Wabi</b> Wabi Development Corporation</p>	<p><b>H G</b> HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p><b>H. I. G.</b> PRIVATE EQUITY</p>



**JAMES A. SEALE**

President and Founder | Washington, DC

✉ [in](#) +1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University  
University of Virginia - JD  
University of Kentucky - BS in Accounting

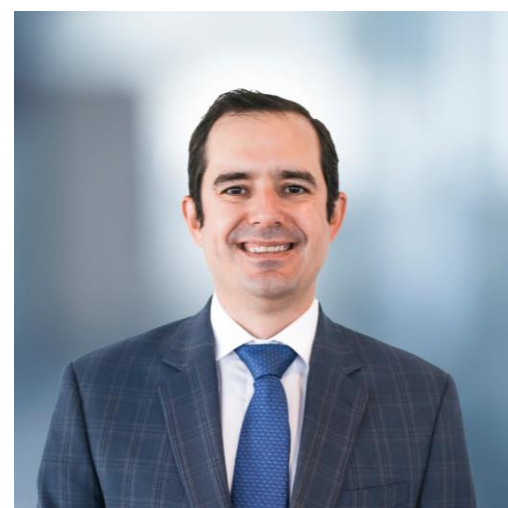


**BRETT M. CARMEL**

Senior Managing Director and Co-founder | Miami, FL

✉ [in](#) +1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University  
The George Washington University - MBA International Business and MA - International Affairs  
University of Florida - BA in Political Science with High Honors

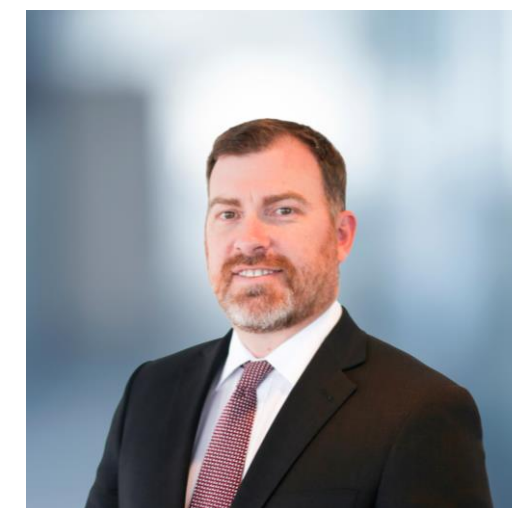


**SERGIO GARCIA DEL BOSQUE**

Managing Director | Mexico City, Mexico

✉ [in](#) +52 (55) 8000-7463

16+ years of global M&A experience  
IPADE - MBA  
Instituto Tecnológico y de Estudios Superiores de Monterrey  
BS in Industrial Engineering



**ROBERT E. WHITNEY**

Managing Director | Washington, DC

✉ [in](#) +1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services  
University of Richmond - BS Business Administration in Accounting

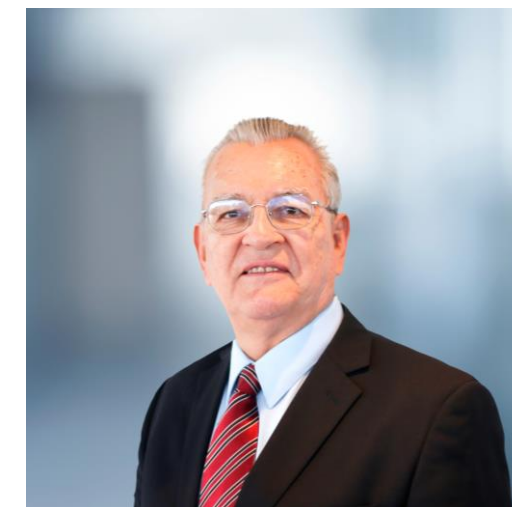


**CARLOS HERNANDEZ**

Managing Director | San Luis Potosi, Mexico

✉ [in](#) +1 (571) 482-3432

14+ years of global M&A experience  
Columbia University - MBA  
Instituto Tecnológico y de Estudios Superiores de Monterrey  
BS in Industrial Engineering



**FELIPE BUENO**

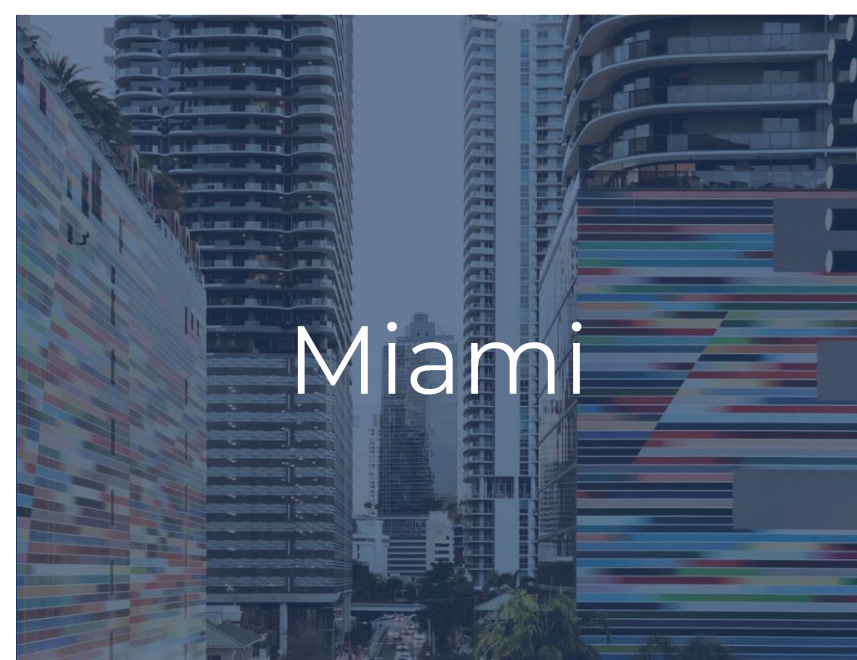
Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

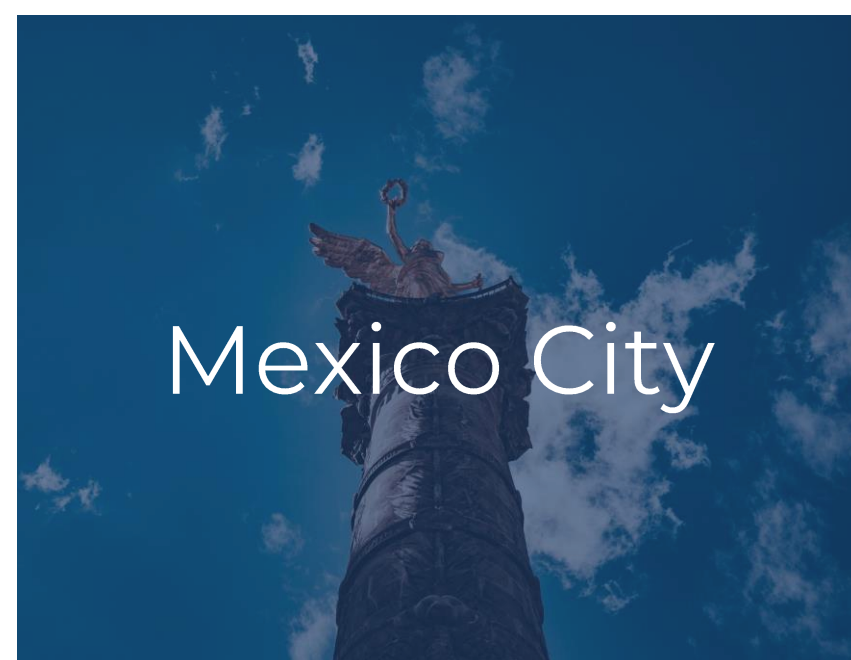
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience  
Instituto Tecnológico y de Estudios Superiores de Monterrey  
MBA and BS in Industrial Engineering



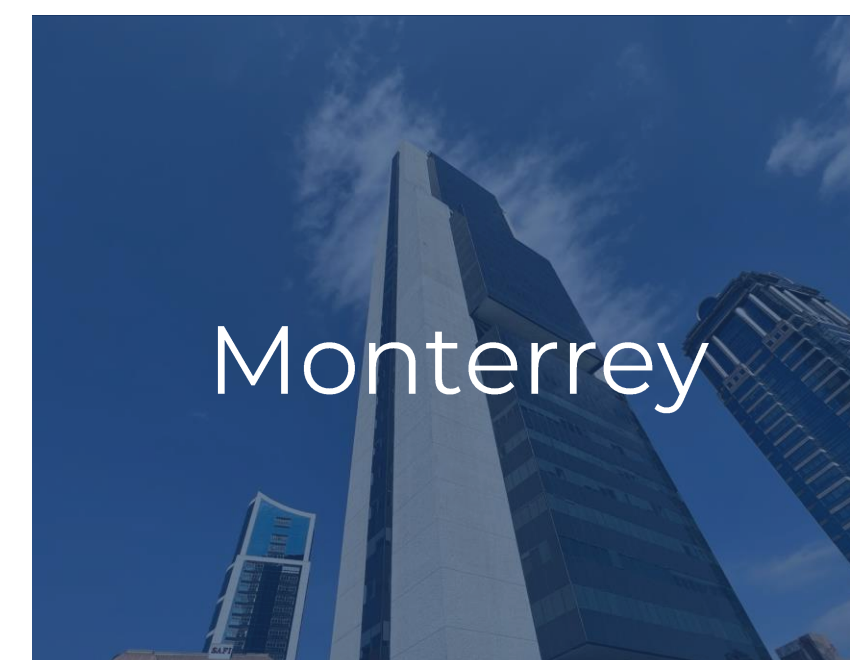
Washington D.C.



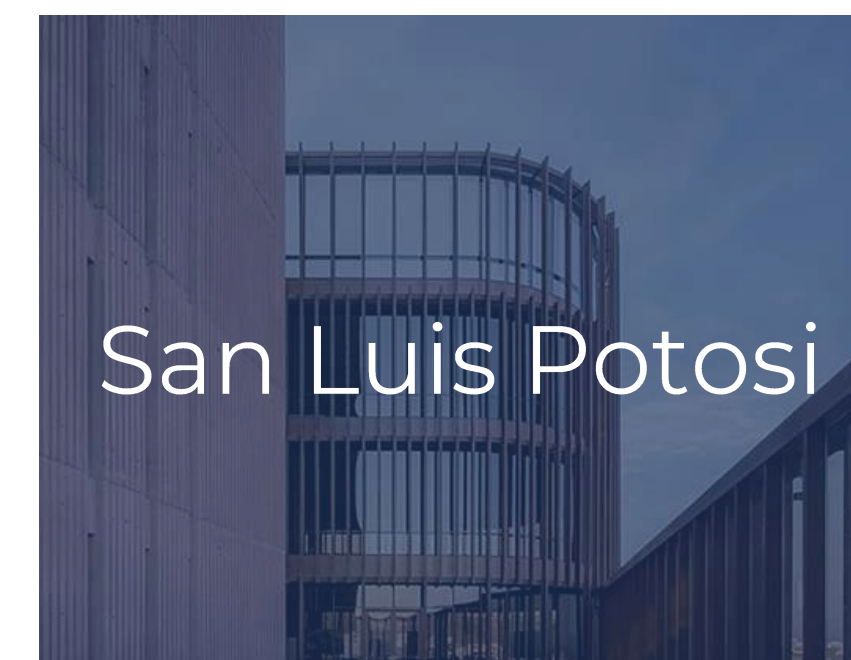
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**25**

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**\$50B+**

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Recapitalizations

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...as well as with reputable funds, family-offices and privately held companies.





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Creative Solutions. Trusted Advice.