



Seale & Associates

CLINICAL LABORATORIES
Q4 2023
VALUATION UPDATE

25 years

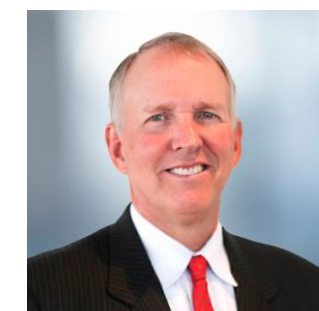
Introduction

We are pleased to share our Clinical Laboratories Industry Multiples Valuation Update for Q4 2023.

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.

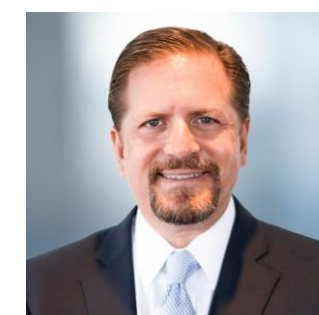
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



Brett M. Carmel | Senior Managing Director

bcarmel@sealeassociates.com



Robert Whitney | Managing Director

rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director

sgarcia@sealeassociates.com



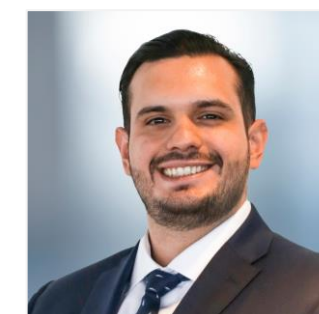
Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

amontemayor@sealeassociates.com



Armando Rios | Vice President

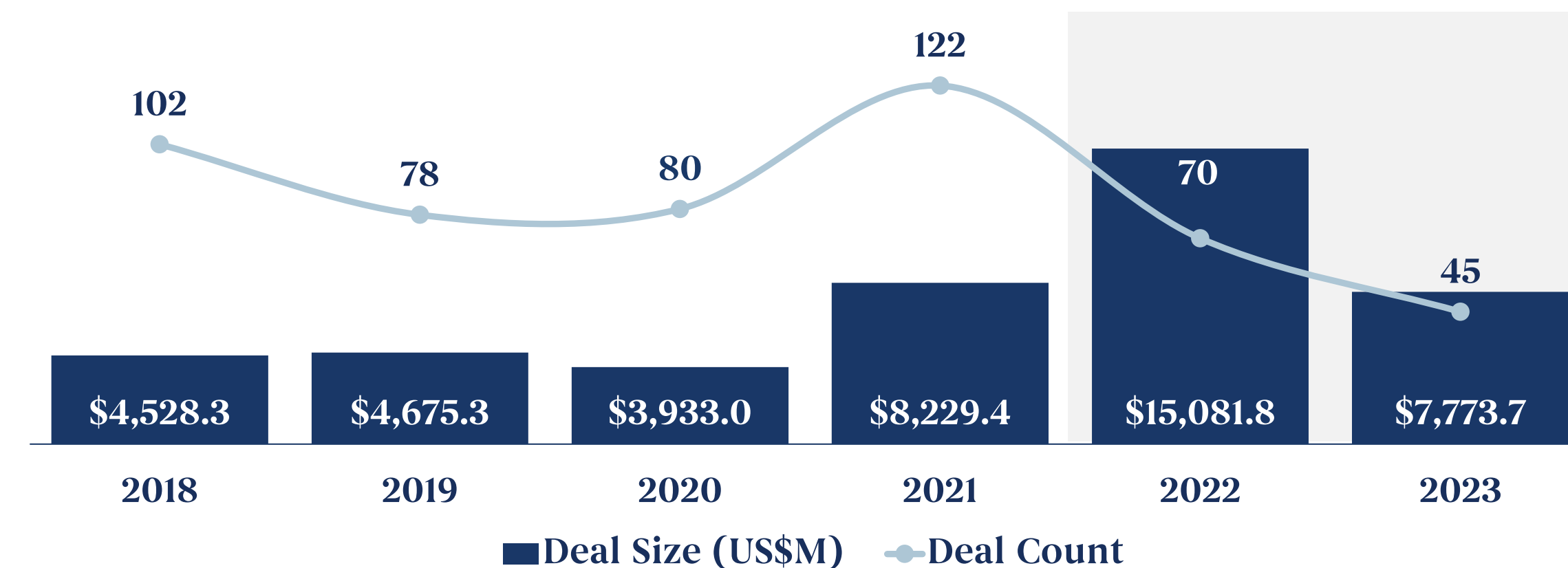
arios@sealeassociates.com

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

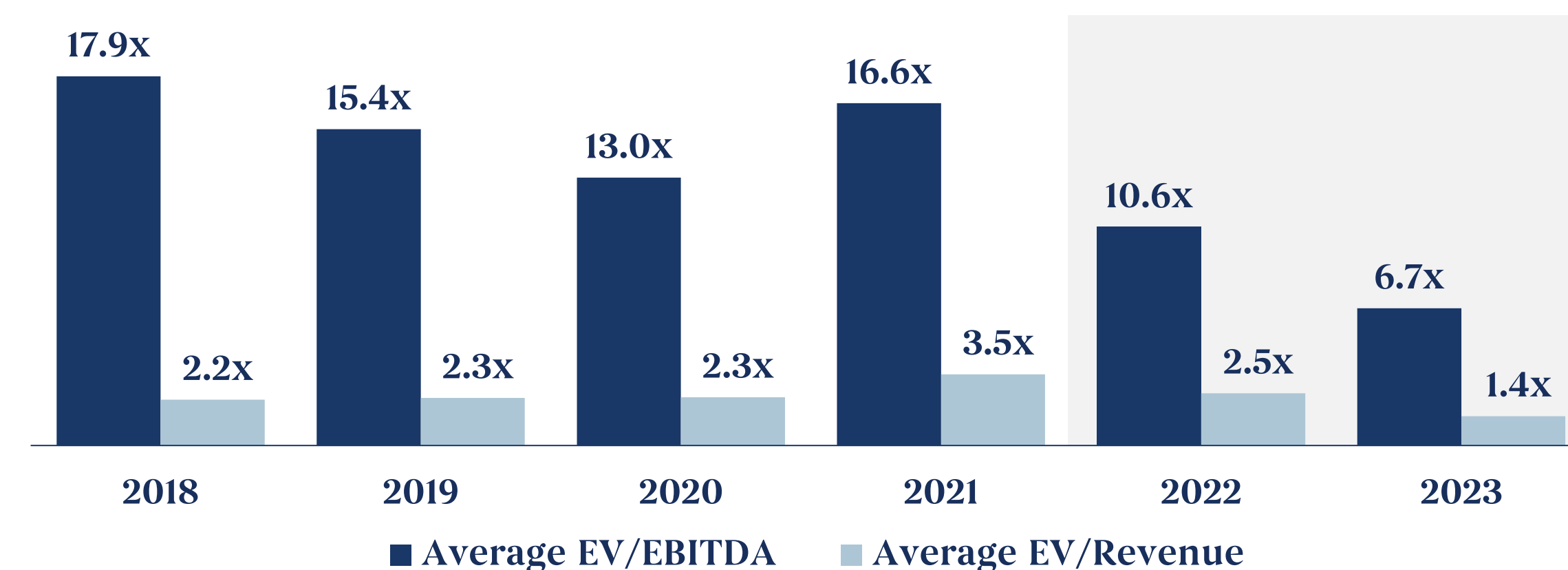
Key Trends Shaping the Industry

- The global clinical laboratory market size is estimated at **US\$277.6 billion in 2024** and is expected to reach **US\$380.6 billion by 2029**, growing at a **CAGR of 6.4%**
- **Artificial Intelligence (AI)** in healthcare technology is expected to reach **US\$200.0 billion** in value grow and at a **37.5% CAGR** through **2030**
- The growth of the **North American** clinical laboratory services market is **primarily fueled** by the presence of **key players and government organizations**, alongside **the high burden of target and chronic diseases** in the region, which increases the demand for early diagnostics
- The independent laboratory segment is experiencing huge consolidation as players **focus on strategic partnerships and collaborations**, which will **drive the market's growth**
- The development of **automated clinical labs** is one of the most notable market trends, as pressure has risen to decrease expenditures, laboratories rely on developing automatic machinery **to maintain profitability**
- The market witnesses notable **M&A activities by leading players**. Leading players are **strategically joining forces** to expand and enhance their services, gain access to new technologies, consolidate in the rapidly growing market, and address the **increasing strategic importance** of clinical laboratory services









Clinical Laboratories Industry M&A Deal Size and Volume










Clinical Laboratories Industry M&A Average EV/EBITDA and EV/Revenue



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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
BML, Inc.		JPN	\$829	\$257	\$998	14.3%	4.0x	1.1x	1.8x	0.3x
Capitol Health Limited		AUS	\$170	\$250	\$156	17.3%	11.6x	11.2x	9.2x	1.6x
Alliança Saúde e Participações S.A.		BRA	\$253	\$474	\$243	9.8%	15.6x	19.5x	19.8x	1.9x
FALCO HOLDINGS Co., Ltd.		JPN	\$163	\$102	\$307	7.4%	3.4x	2.2x	4.5x	0.3x
H.U. Group Holdings, Inc.		JPN	\$1,073	\$1,264	\$1,684	9.8%	5.9x	3.1x	7.6x	0.8x
Healius Limited		AUS	\$809	\$1,934	\$1,153	21.3%	10.0x	5.4x	7.9x	1.7x
Integral Diagnostics Limited		AUS	\$303	\$529	\$311	18.2%	15.1x	13.5x	9.4x	1.7x
Med Life S.A.		ROM	\$465	\$778	\$495	12.3%	10.3x	12.1x	12.8x	1.6x
■ Excluded from mean and median						Mean	7.5x	6.9x	7.6x	1.2x
						Median	10.2x	8.3x	8.5x	1.6x

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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Dian Diagnostics Group Co.,Ltd.	 CHN	\$2,099	\$2,690	\$2,108	14.7%	10.8x	7.0x	8.7x	1.3x	
Eurofins Scientific SE	 LUX	\$12,530	\$15,465	\$7,201	20.0%	13.7x	9.7x	10.7x	2.1x	
Fleury S.A.	 BRA	\$2,033	\$2,675	\$1,334	20.8%	10.3x	7.3x	9.6x	2.0x	
Laboratory Corporation of America Holdings	 USA	\$19,297	\$25,013	\$12,162	19.8%	7.0x	7.0x	10.4x	2.1x	
Medicover AB (publ)	 SWE	\$2,234	\$3,316	\$1,930	13.3%	19.5x	12.8x	12.9x	1.7x	
Quest Diagnostics Incorporated	 USA	\$15,503	\$20,386	\$9,252	22.6%	6.6x	6.6x	9.8x	2.2x	
RadNet, Inc.	 USA	\$2,361	\$3,734	\$1,617	21.1%	9.6x	8.1x	10.9x	2.3x	
Sonic Healthcare Limited	 AUS	\$10,426	\$12,122	\$5,721	19.7%	10.4x	7.0x	10.8x	2.1x	
SYNLAB AG	 DEU	\$2,773	\$4,252	\$2,913	13.8%	6.5x	4.7x	10.6x	1.5x	
■ Excluded from mean and median						Mean	9.3x	7.2x	10.2x	1.9x
						Median	10.3x	7.0x	10.6x	2.1x

Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23	 PANGENIA <small>A step ahead for healthcare</small>	HKG	Develops advanced diagnostic solutions for promoting healthier societies	 EC Healthcare Medical Centre <small>醫思健康醫療中心</small>	 茂宸集團 MASON GROUP	42.9%	\$14.7	-	-
Nov-23	 Thermography Tulsa <small>A Soaak Technologies Clinic</small>	USA	Develops thermal imaging and customized treatment plans	 SOAAK TECHNOLOGIES	-	100.0%	-	-	-
Nov-23	 BioSTAT	USA	Develops mobile medical imaging services, offering x-ray, ultrasound	 PRINCIPLE HEALTH SYSTEMS	-	100.0%	-	-	-
Nov-23	 PATHOLOGY WATCH	USA	Develops digital pathology solutions for dermatological care	 SONIC HEALTHCARE	Multiple Sellers	100.0%	\$130.0	-	8.7x
Nov-23	 eugin	ESP	Develops advanced fertility treatments	Multiple Buyers	 FRESENIUS	100.0%	-	-	-
Oct-23	 Alliance Medical	GBR	Develops and provides medical imaging services	 icon infrastructure	 Life Healthcare	100.0%	\$721.1	-	-
								Mean	8.7x
								Median	8.7x

Selected Transaction Commentary



“This acquisition represents a harmonious blend of wellbeing and technology. By bringing Tulsa Natural Health Clinic into the Soaak family, we are setting a new standard for holistic health care that is both globally accessible and deeply rooted in natural healing traditions.”

Kevin Cox, CEO of Soaak Technologies



“The acquisition of Pathology Watch is an important and enormously exciting step in Sonic's transition to digital pathology and pathology AI and offers multiple avenues for value creation. I warmly welcome the Pathology Watch team into our USA and worldwide team of Sonic Healthcare colleagues. We look forward to working together with this innovative and respected group to enhance our digital pathology and AI strategy, and to provide competitive advantage for Sonic through a superior service offering to referring physicians and their patients.”










Dr Colin Goldschmidt, CEO and Managing Director of Sonic Health Care



“AMG is a leader in each of its principal markets and is a provider of essential diagnostic services across multiple diagnostic modalities. Through AMG, we will continue to invest in the diagnostic infrastructure required to address the growing need for access to high-quality diagnostic imaging, all the while ensuring AMG continues to act as a leading independent provider of radiopharmaceutical products. We are excited to have the opportunity to support AMG’s management teams in this next phase of its evolution.”

Peter Moore, Partner at iCON

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
 Medical and Diagnostic Laboratories <i>NAICS 6215 – Medical and Diagnostic Laboratories</i>	 2018-2023	 \$41.2M	 \$25.0M	 4.5%	 1.7x	 29.6%	 6.0x	 6
Medical Laboratories <i>NAICS 621511 – Medical Laboratories</i>	2017-2018	\$33.1M	\$14.5M	37.8%	2.1x	34.4%	6.3x	10

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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Transaction analysis and market trends

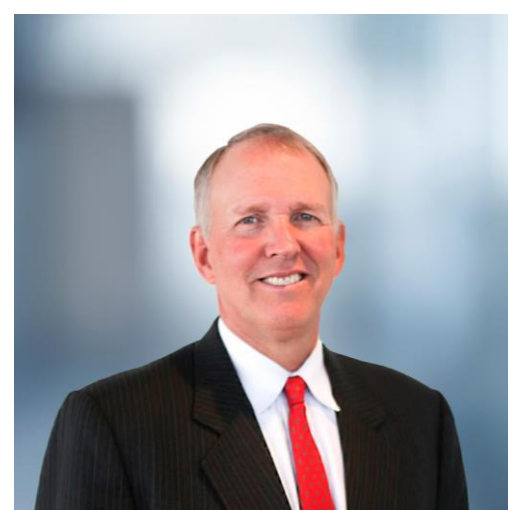
Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they are published for the industries that matter to you the most

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Global M&A Representative Engagements

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

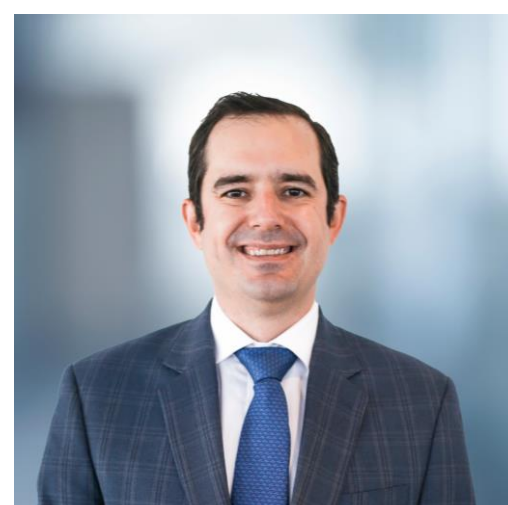


BRETT M. CARMEL

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

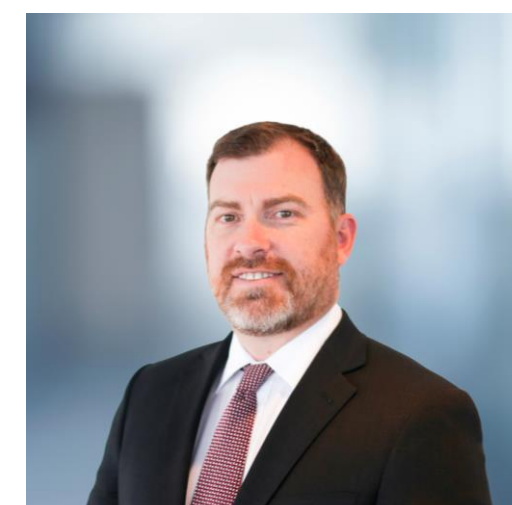


SERGIO GARCIA DEL BOSQUE

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

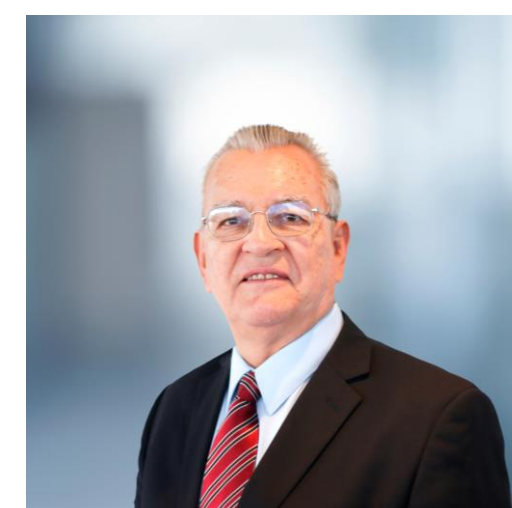


CARLOS HERNANDEZ

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

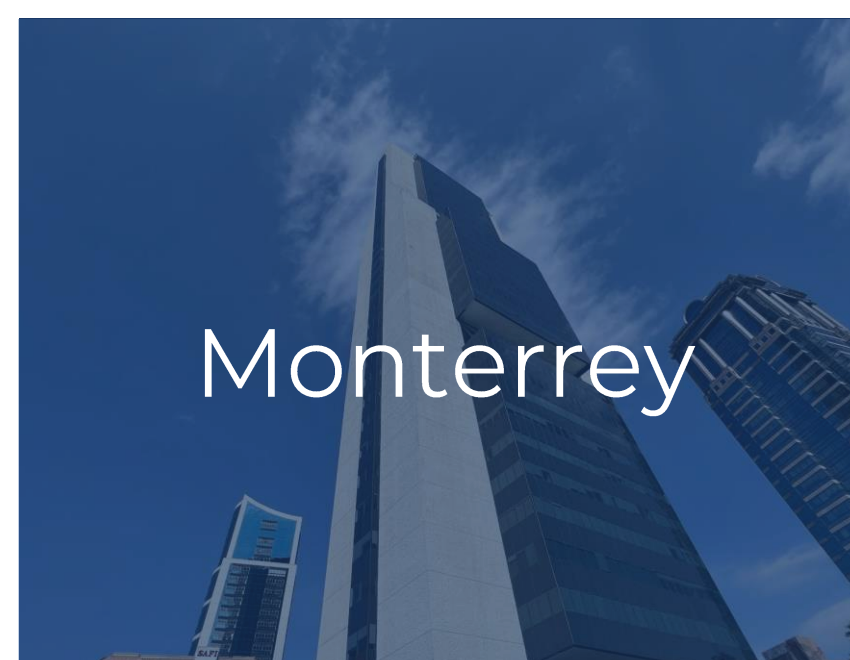
Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

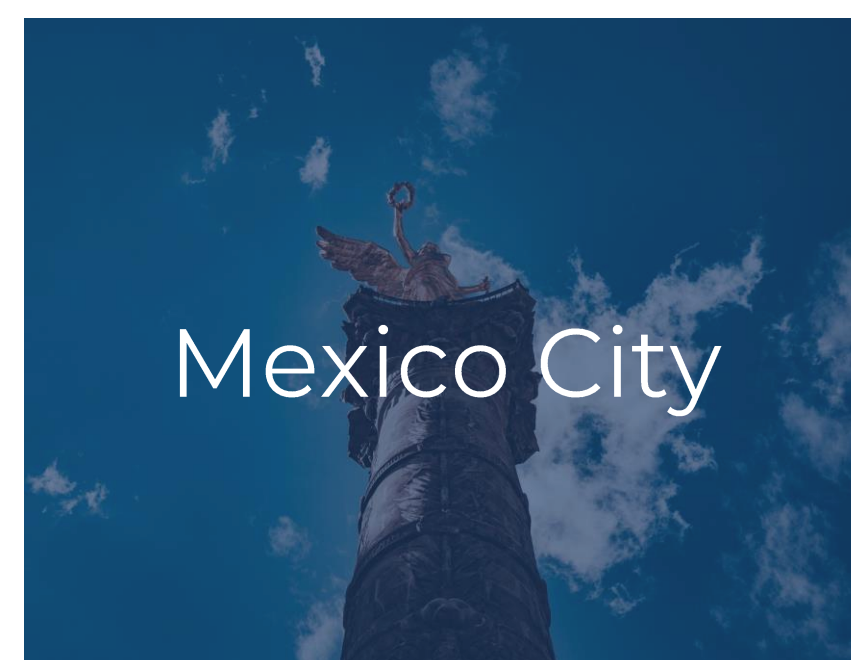
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



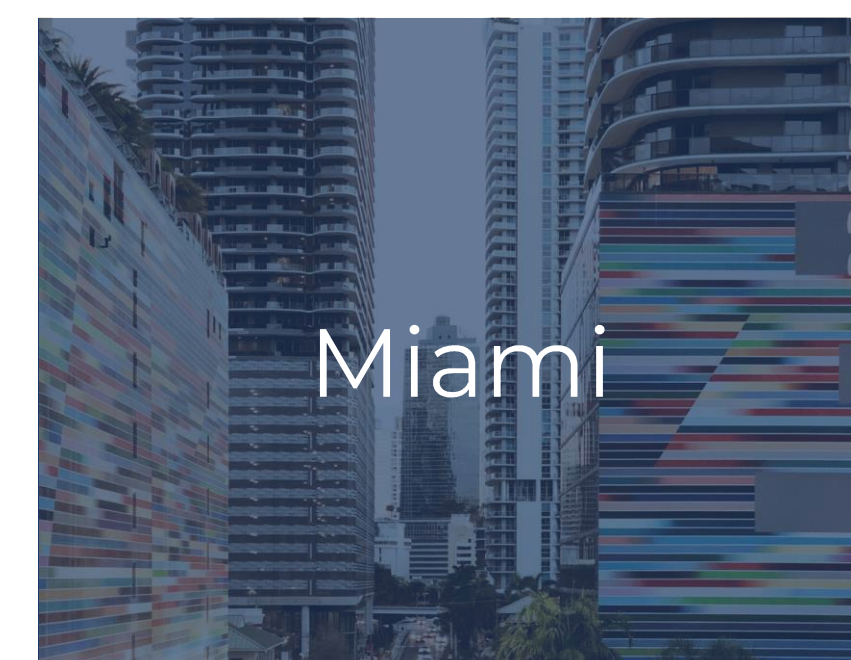
Washington D.C.



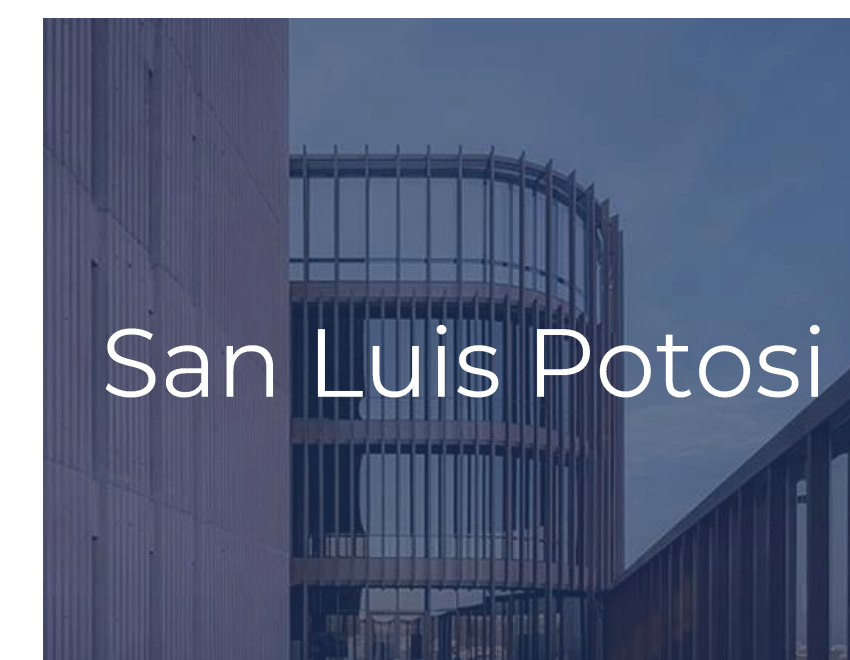
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25

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