



Seale & Associates

CLINICAL LABORATORIES
Q2 2024
VALUATION UPDATE

25 years

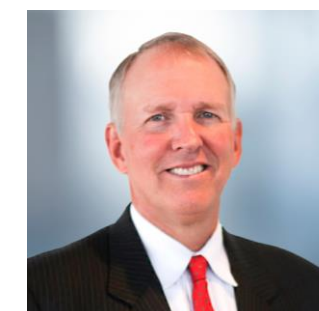
Introduction

We are pleased to share our Clinical Laboratories Industry Multiples Valuation Update for Q2 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.

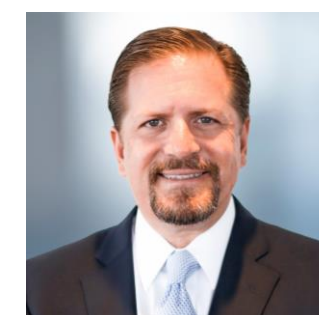
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



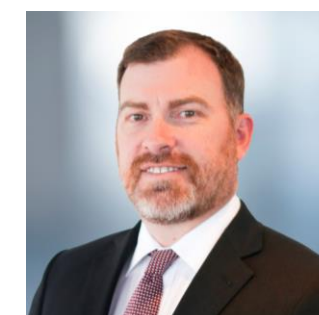
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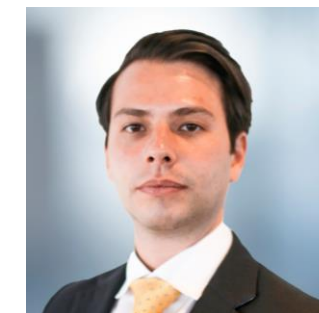
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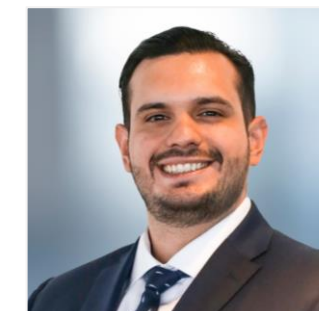
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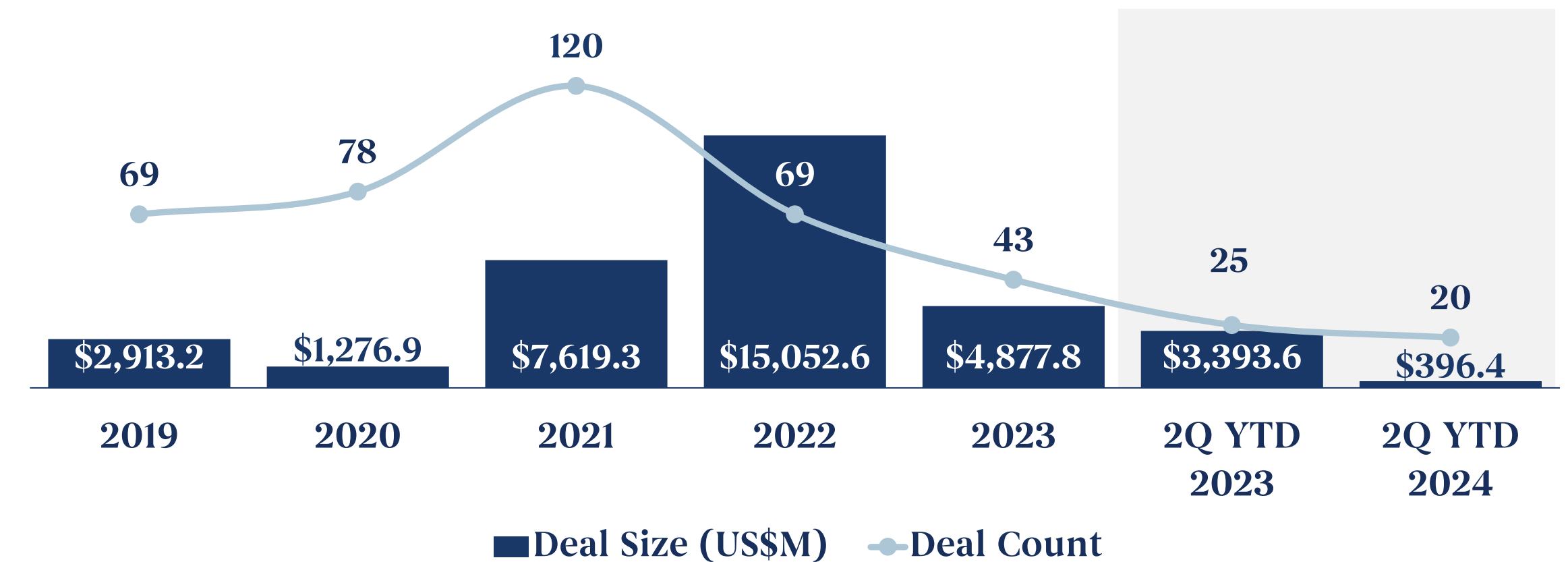
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Clinical Labs Industry Overview, M&A Trends and Market Intelligence






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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Alliança Saúde e Participações S.A.	 BRA	\$221	\$410	\$214	8.2%	19.5x	35.4x	23.4x	1.9x	
Capitol Health Limited	 AUS	\$224	\$308	\$157	16.3%	11.2x	10.4x	12.0x	2.0x	
Dian Diagnostics Group Co.,Ltd.	 CHN	\$1,023	\$1,585	\$1,759	10.8%	7.0x	6.2x	8.3x	0.9x	
Fleury S.A.	 BRA	\$1,477	\$2,080	\$1,343	23.8%	7.3x	8.5x	6.5x	1.5x	
Healius Limited	 AUS	\$727	\$1,747	\$1,165	19.2%	5.4x	7.5x	7.8x	1.5x	
Integral Diagnostics Limited	 AUS	\$417	\$646	\$313	18.6%	13.5x	12.6x	11.1x	2.1x	
Krsnaa Diagnostics Limited	 IND	\$235	\$248	\$78	22.2%	12.1x	13.6x	14.3x	3.2x	
Med Life S.A.	 ROM	\$681	\$1,009	\$530	12.8%	12.1x	13.9x	14.9x	1.9x	
■ Excluded from mean and median						Mean	9.8x	10.4x	10.0x	1.7x
						Median	11.6x	11.5x	11.6x	1.9x

Clinical Laboratories Industry Global Comparable Public Companies


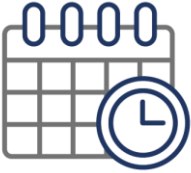







Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Eurofins Scientific SE	 LUX	\$9,619	\$12,577	\$7,204	19.9%	9.7x	9.8x	8.8x	1.7x	
Labcorp Holdings Inc.	 USA	\$17,155	\$23,118	\$12,488	15.2%	7.0x	9.3x	12.2x	1.9x	
Medicover AB (publ)	 SWE	\$2,697	\$3,813	\$2,047	12.8%	12.8x	13.9x	14.5x	1.9x	
Quest Diagnostics Incorporated	 USA	\$15,206	\$20,198	\$9,346	23.1%	6.6x	9.0x	9.4x	2.2x	
RadNet, Inc.	 USA	\$4,353	\$5,554	\$1,714	20.9%	8.1x	10.6x	15.5x	3.2x	
Sonic Healthcare Limited	 AUS	\$8,430	\$10,805	\$5,983	16.5%	7.0x	9.0x	11.0x	1.8x	
SYNLAB AG	 DEU	\$2,637	\$3,969	\$2,802	16.9%	4.7x	7.3x	8.4x	1.4x	
■ Excluded from mean and median						Mean	7.2x	9.1x	9.9x	1.8x
						Median	7.0x	9.3x	11.0x	1.9x

Clinical Laboratories – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24*	 Medinova Diagnostic Services	IND	Provides diagnostic imaging, pathology, and specialized lab services	 VIJAYA DIAGNOSTIC CENTRE	-	37.9%	\$1.6	13.8x	3.7x
Jun-24	 CEALAB	FRA	Provides clinical pathology testing and diagnostics	 iNOVIE	-	100.0%	-	-	-
Jun-24	Medistica Gynaecology + Fertility	POL	Provides gynecology, fertility treatments, and assisted reproductive technologies	OW Proton	Medistica Medical Group	>50.0%	-	-	-
Jun-24*	 CAPITOL HEALTH LIMITED	AUS	Provides diagnostic imaging services	 idx	-	100.0%	\$313.7	10.2x	2.0x
May-24	 Desert Tox, LLC	USA	Provides laboratory drug testing services	 Premier BIOTECH	-	100.0%	-	-	-
May-24	 MUSIC	USA	Provides 3D mammography, ultrasound, and bone density imaging services	 SOLIS Mammography	-	100.0%	-	-	-
May-24	Associate Pathologists of Joliet, Ltd.	USA	Provides pathology services, including diagnostic testing and clinical analysis	 VERSANT DIAGNOSTICS	-	100.0%	-	-	-
Apr-24	 Dallas IVF	USA	Provides fertility treatments	 ivy FERTILITY	-	100.0%	-	-	-

*Announced transactions pending approval and other customary closing conditions

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
 <p>Medical and Diagnostic Laboratories NAICS 6215 – Med. and Diagnostic Laboratories</p>	 <p>2019-2024</p>	 <p>\$35.8M</p>	 <p>\$20.2M</p>	 <p>7.4%</p>	 <p>1.8x</p>	 <p>28.7%</p>	 <p>6.5x</p>	 <p>5</p>

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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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 1888</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 IMPROVEMENTS IN SHAPE CUTTING 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</p> <p>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 CAPITAL PARTNERS 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>H G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>

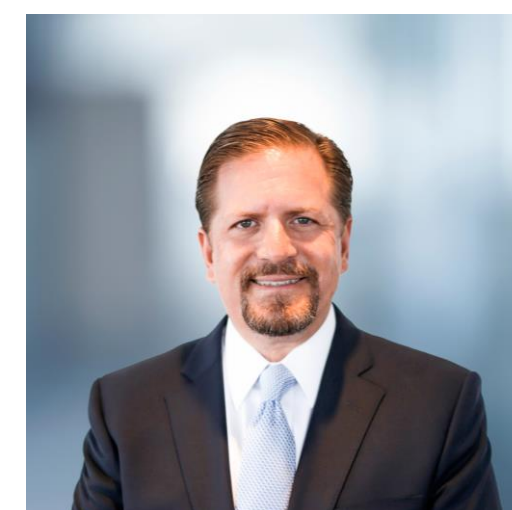


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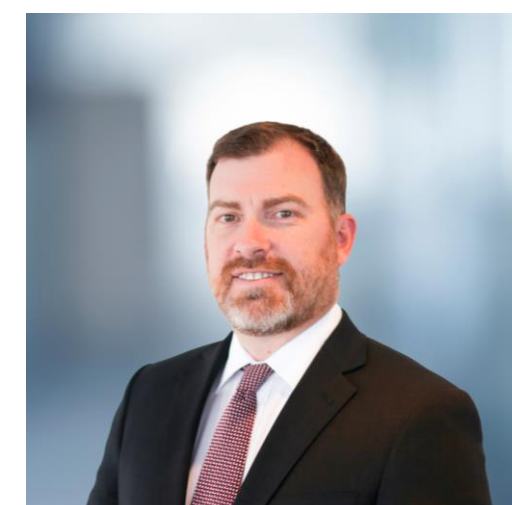


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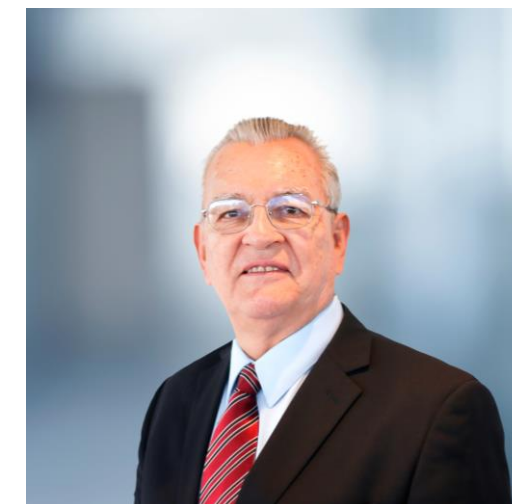


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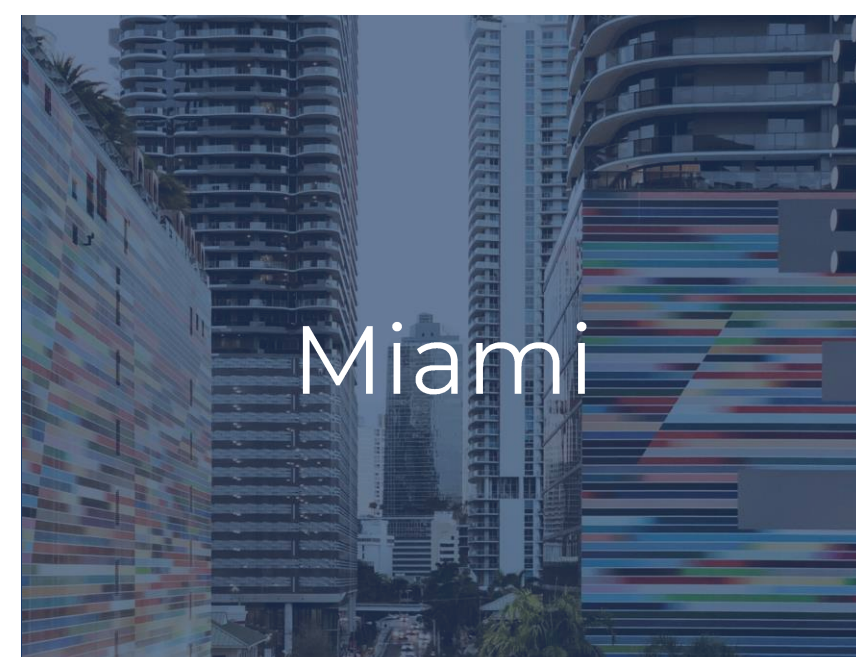
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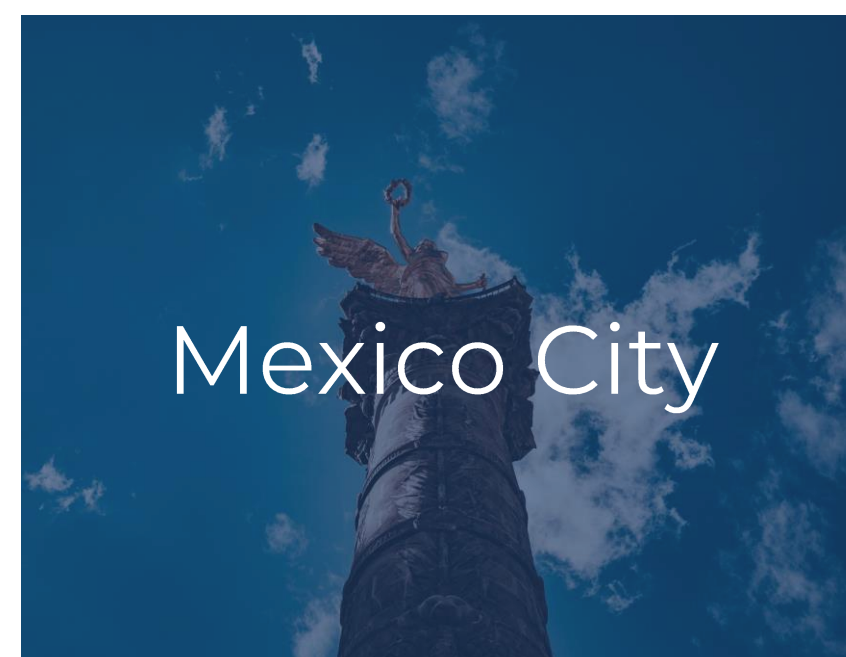
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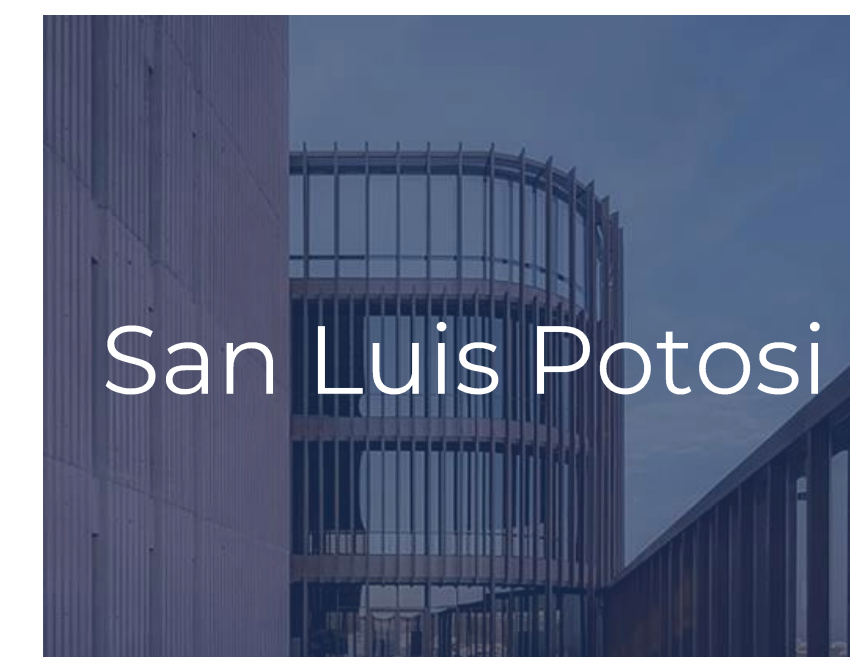
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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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