



Healthcare

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CRO

Industry News

Charles River Completes Acquisition of MPI Research

Charles River Laboratories [Full Article](#)

On April 3rd, Charles River Laboratories completed the previously announced acquisition of MPI Research, premier non-clinical contract research organization (CRO) providing comprehensive testing services to biopharmaceutical and medical device companies worldwide. Acquiring MPI will enhance Charles River's position as a leading global early-stage CRO by strengthening its ability to partner with clients across the drug discovery and development continuum.

Agilent Acquires Lasergen, Inc.

Agilent [Full Article](#)

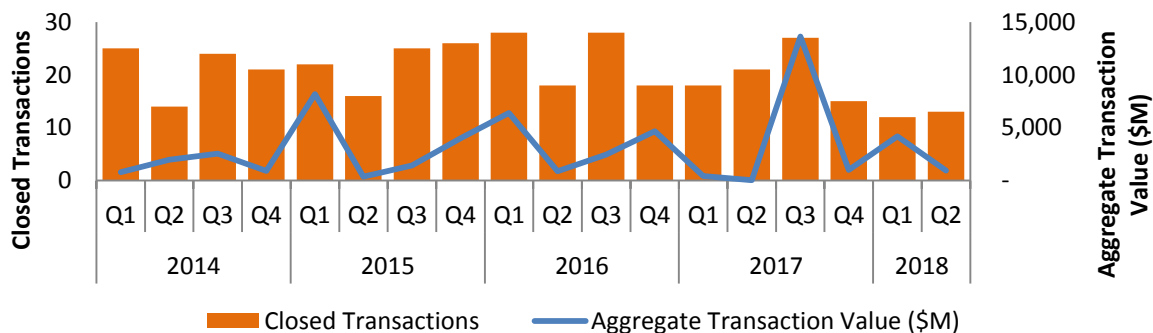
On May 7th, Agilent Technologies Inc. completed the acquisition of Lasergen, Inc., an emerging biotechnology company focused on research and development of innovative technologies for DNA sequencing. Since Agilent's initial investment in 2016, Lasergen and Agilent have been collaborating to develop a workflow solution for clinical applications based on next-generation sequencing leveraging Lasergen's Lightning Terminators™ chemistry.

Frontage Acquires Concord Biosciences

Frontage [Full Article](#)

On April 5th, Frontage Laboratories, a global CRO with headquarters in Exton, Pennsylvania, announced the acquisition of Concord Biosciences, formerly known as Ricerca Biosciences, LLC, a preclinical CRO located near Cleveland, Ohio. Dr. Song Li, Founder and CEO of Frontage Laboratories, said, "We have committed to build a global CRO company with integrated services. The addition of Concord Bio to the Frontage family will enable us to provide pharmaceutical product development services from lead selection to IND-enabling studies to commercialization. Additionally, the agrochemical expertise of Concord Bio will position Frontage as a major CRO in the agricultural products industry."

CRO M&A Environment

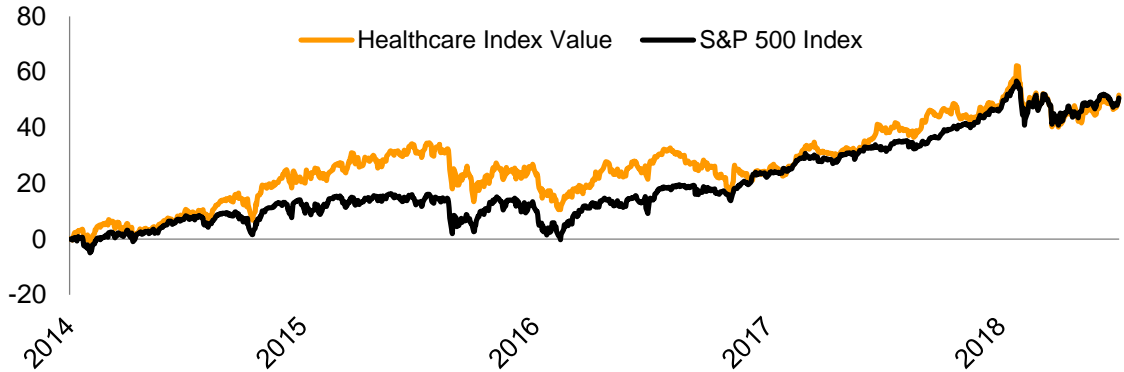


Selected CRO Transactions

Date Closed	Target	Buyers/Investors	Enterprise		EV / LTM	
			Value (\$M)	Revenue	EBITDA	EBITDA
6/28/2018	PCI Synthesis, Inc.	NOVACAP SASU	-	-	-	-
6/13/2018	ABS Laboratories Ltd	ACM Global Central Laboratory, Inc.	-	-	-	-
6/6/2018	MetaSafe AB	Admescope Ltd	-	-	-	-
5/23/2018	OST Developpement S.A.S.	Société Générale Capital Partenaires SAS, SCR	-	-	-	-
5/17/2018	Kalexsyn, Inc.	Dipharma Inc.	-	-	-	-
5/7/2018	LaserGen, Inc.	Agilent Technologies, Inc. (NYSE:A)	202	-	-	-
4/24/2018	Biofides Group	PharmaLex France	-	-	-	-
4/16/2018	Meridien Research, Inc.	Avego Healthcare Capital, LLC	-	-	-	-
4/16/2018	Accelovance, Inc.	Linalcal USA, Inc.	33	1.2x	-	-
4/5/2018	Concord Biosciences, LLC	Frontage Laboratories, Inc.	-	-	-	-
4/3/2018	MPI Research Inc.	Charles River Laboratories International, Inc. (NYSE:CRL)	800	-	-	-
4/2/2018	CRO Business of Public Interest Incorporated Foundation BioSafety Research Center	Anpyo Center Co., Ltd.	-	-	-	-
3/22/2018	Eubioco S.A.	Nevu Sp. z o.o.	-	-	-	-
2/28/2018	Inmunologia y Genetica Aplicada S.A.	Eurofins Scientific SE (ENXTPA:ERF)	-	-	-	-
2/21/2018	GCP-Service International s.r.o.	GCP-Service International Ltd & Co KG	12	-	-	-
2/12/2018	SIT Skin Investigation and Technology Hamburg GmbH	SGS SA (SWX:SGSN)	-	-	-	-
1/26/2018	Concept Life Sciences Limited	Spectris plc (LSE:SXS)	231	-	-	-
1/25/2018	Selcia Limited	Eurofins Agrosience Services Limited	-	-	-	-
1/19/2018	Celeris d.o.o.	PharmaS d.o.o.	4	1.3x	-	-
1/15/2018	Genscript Biotech Corporation (SEHK:1548)	-	-	-	-	-
1/11/2018	KWS BioTest Ltd.	Charles River Laboratories International, Inc. (NYSE:CRL)	24	-	-	-
1/1/2018	C3 Labs, LLC	EVIQ, Inc. (OTCPK:EVIQ)	1	-	-	-

Healthcare

While largely mirroring the S&P 500, the Healthcare market has been steady from an M&A and valuation perspective. Despite recent market volatility, industry valuations remain near all time highs. Midway through the year, M&A activity remains robust, with H1 2018 up 3% over H2 2017, suggesting another strong year of M&A.



As of 6/30/2018

Company Name	Ticker	Enterprise Value	LTM Financials		Valuation Metrics		LTM Margins	
			Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$125,177	\$28,445	\$6,560	4.4x	19.1x	58.6%	23.1%
AbbVie Inc.	NYSE:ABBV	\$168,676	\$29,612	\$12,898	5.7x	13.1x	76.4%	43.6%
Aetna Inc.	NYSE:AET	\$61,574	\$60,705	\$6,266	1.0x	9.8x	27.3%	10.3%
Agilent Technologies, Inc.	NYSE:A	\$18,894	\$4,720	\$1,141	4.0x	16.6x	54.2%	24.2%
AmerisourceBergen Corporation	NYSE:ABC	\$21,720	\$159,327	\$2,376	0.1x	9.1x	2.9%	1.5%
Amgen Inc.	NasdaqGS:AMGN	\$125,513	\$22,939	\$12,446	5.5x	10.1x	83.1%	54.3%
Anthem, Inc.	NYSE:ANTM	\$76,612	\$90,063	\$5,736	0.9x	13.4x	20.3%	6.4%
Baxter International Inc.	NYSE:BAX	\$40,140	\$10,763	\$2,286	3.7x	17.6x	43.1%	21.2%
Becton, Dickinson and Company	NYSE:BDX	\$85,537	\$13,503	\$3,862	6.3x	22.1x	49.1%	28.6%
Biogen Inc.	NasdaqGS:BIIB	\$61,243	\$12,594	\$6,924	4.9x	8.8x	86.6%	55.0%
Boston Scientific Corporation	NYSE:BSX	\$50,598	\$9,267	\$2,547	5.5x	19.9x	71.6%	27.5%
Bristol-Myers Squibb Company	NYSE:BMJ	\$91,498	\$21,040	\$5,684	4.3x	16.1x	70.4%	27.0%
Cardinal Health, Inc.	NYSE:CAH	\$22,587	\$134,426	\$3,222	0.2x	7.0x	5.3%	2.4%
Celgene Corporation	NasdaqGS:CELG	\$73,090	\$13,579	\$5,058	5.4x	14.5x	88.6%	37.2%
Centene Corporation	NYSE:CNC	\$24,993	\$47,198	\$2,117	0.5x	11.8x	18.3%	4.5%
Cerner Corporation	NasdaqGS:CERN	\$19,363	\$5,073	\$1,327	3.8x	14.6x	84.5%	26.2%
Cigna Corporation	NYSE:CI	\$43,922	\$42,522	\$4,994	1.0x	8.8x	33.5%	11.7%
Community Health Systems, Inc.	NYSE:CVH	\$14,444	\$14,556	\$824	1.0x	17.5x	34.7%	5.7%
Danaher Corporation	NYSE:DHR	\$78,411	\$18,819	\$4,560	4.2x	17.2x	56.0%	24.2%
DaVita Inc.	NYSE:DVA	\$22,454	\$11,110	\$2,391	2.0x	9.4x	29.6%	21.5%
Eli Lilly and Company	NYSE:LLY	\$94,179	\$23,343	\$6,932	4.0x	13.6x	73.0%	29.7%
Envision Healthcare Corporation	NYSE:EVHC	\$9,998	\$8,018	\$1,049	1.2x	9.5x	24.8%	13.1%
Express Scripts Holding Company	NasdaqGS:ESRX	\$56,045	\$100,179	\$7,110	0.6x	7.9x	8.8%	7.1%
Genesis Healthcare, Inc.	NYSE:GEN	\$4,545	\$5,189	\$345	0.9x	13.2x	43.2%	6.7%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$96,545	\$24,690	\$14,145	3.9x	6.8x	82.1%	57.3%
HCA Healthcare, Inc.	NYSE:HCA	\$69,809	\$44,414	\$8,300	1.6x	8.4x	37.2%	18.7%
Henry Schein, Inc.	NasdaqGS:HSIC	\$13,738	\$12,759	\$1,081	1.1x	12.7x	27.2%	8.5%
Humana Inc.	NYSE:HUM	\$37,417	\$54,284	\$3,662	0.7x	10.2x	19.2%	6.7%
IQVIA Holdings Inc.	NYSE:IQV	\$29,898	\$8,263	\$1,737	3.6x	17.2x	42.5%	21.0%
Johnson & Johnson	NYSE:JNJ	\$342,795	\$78,693	\$26,366	4.4x	13.0x	67.0%	33.5%
Laboratory Corporation of America Holdings	NYSE:LH	\$24,801	\$10,641	\$2,042	2.3x	12.1x	33.4%	19.2%
LifePoint Health, Inc.	NasdaqGS:LPNT	\$4,842	\$6,264	\$668	0.8x	7.3x	31.9%	10.7%
Magellan Health, Inc.	NasdaqGS:MGLN	\$2,832	\$6,338	\$226	0.4x	12.5x	4.4%	3.6%
McKesson Corporation	NYSE:MCK	\$34,066	\$208,357	\$3,872	0.2x	8.8x	5.4%	1.9%
Merck & Co., Inc.	NYSE:MRK	\$179,859	\$40,725	\$11,861	4.4x	15.2x	68.6%	29.1%
Molina Healthcare, Inc.	NYSE:MOH	\$4,394	\$19,194	\$375	0.2x	11.7x	13.1%	2.0%
Owens & Minor, Inc.	NYSE:OMI	\$1,842	\$9,362	\$199	0.2x	9.3x	13.0%	2.1%
Patterson Companies, Inc.	NasdaqGS:PDCCO	\$3,049	\$5,466	\$304	0.6x	10.0x	21.9%	5.6%
Pfizer Inc.	NYSE:PFE	\$242,395	\$52,673	\$21,290	4.6x	11.4x	79.7%	40.4%
Quest Diagnostics Incorporated	NYSE:DGX	\$18,894	\$7,776	\$1,573	2.4x	12.0x	39.2%	20.2%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$36,254	\$6,065	\$2,360	6.0x	15.4x	58.9%	38.9%
Stryker Corporation	NYSE:SYK	\$68,563	\$12,730	\$3,476	5.4x	19.7x	66.2%	27.3%
Tenet Healthcare Corporation	NYSE:THC	\$19,964	\$19,065	\$2,416	1.0x	8.3x	35.9%	12.7%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$103,485	\$22,006	\$5,509	4.7x	18.8x	45.0%	25.0%
UnitedHealth Group Incorporated	NYSE:UNH	\$257,482	\$207,624	\$17,593	1.2x	14.6x	23.7%	8.5%
Universal Health Services, Inc.	NYSE:UHS	\$14,438	\$10,485	\$1,710	1.4x	8.4x	41.2%	16.3%
WellCare Health Plans, Inc.	NYSE:WCG	\$7,379	\$17,699	\$710	0.4x	10.4x	14.0%	4.0%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$32,000	\$7,869	\$2,774	4.1x	11.5x	72.3%	35.3%
Zoetis Inc.	NYSE:ZTS	\$44,535	\$5,442	\$2,066	8.2x	21.6x	67.4%	38.0%

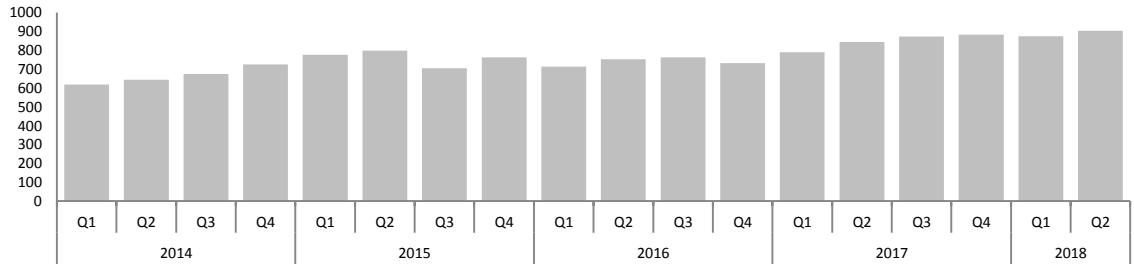
Median	2.3x	12.1x	41.2%	20.2%
Mean	2.8x	12.8x	44.0%	20.4%

Source: Capital IQ

Healthcare

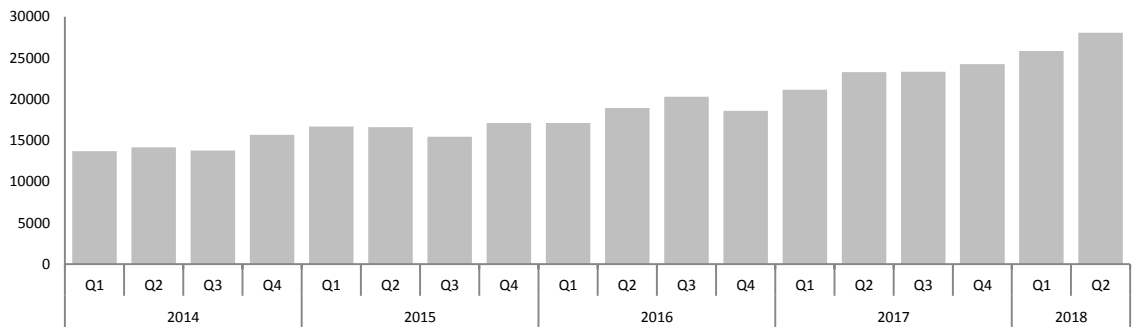
State of the Industry

Dow Jones US Healthcare Index



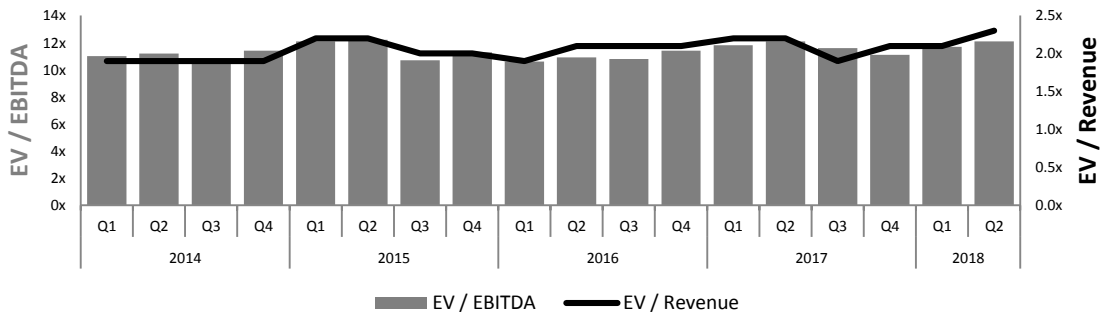
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



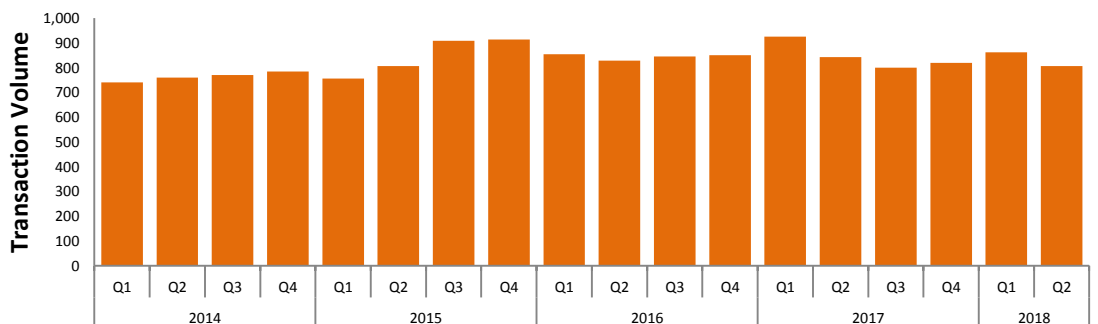
Source: Capital IQ

Industry Valuations



Source: Capital IQ

Healthcare Transaction Volume



Source: Capital IQ

About Mirus

"The Mirus team was very professional and effective throughout. We ran a competitive process when selecting our advisor, and the Mirus team stood out from the beginning. They brought a unique combination of committed competitiveness, deep domain expertise and a real personal touch that was essential in meeting the goals of the shareholders."

*- Andrew Jay, Director,
Belmont Instrument
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The Mirus team works with the owners of closely-held companies in multiple segments of the \$2.8 trillion US healthcare industry to achieve their desired outcome. While global in focus and experience, we benefit from being in one of the most dynamic healthcare ecosystems that includes some of the most active healthcare focused venture capital and private equity firms, leading research universities, large medical device companies and innovative med-tech and healthcare services firms. The Mirus healthcare team has experience executing a spectrum of engagements with some of the the most innovative healthcare companies in the world. We have particular expertise in: medical devices, healthcare equipment, healthcare IT, diagnostics, contract research, healthcare staffing, and related companies.

Partner Spotlight

Brendan Kiernan is a Partner with Mirus Capital Advisors who joined the firm in 2004. Experienced in business valuation, corporate finance advisory and deal execution, Brendan leads Mirus' Valuation practice, as well as leading sell-side and buy-side M&A mandates. Brendan has made significant contributions to many client transactions and engagements during his tenure with the firm. His work has focused primarily on clients in the healthcare, technology, business services, and industrial and distribution sectors. Before joining Mirus, Brendan worked for Dresdner RCM Global Advisors, the asset management arm of Dresdner Bank AG, and the Industry Standard, a business magazine focused on the internet economy.

Mirus Healthcare Spotlight



has been
recapitalized by



Belmont is a leading provider of fluid warming infusion systems sold into acute care, military, and EMS settings. Headquartered in Billerica, MA, it is a technology leader in rapid infusion systems used to treat critically injured patients experiencing material blood loss. Audax partnered with Belmont's private owners in connection with the recapitalization. "The Mirus team was very professional and effective throughout," commented Andrew Jay, one of Belmont's directors. "We ran a competitive process when selecting our advisor, and the Mirus team stood out from the beginning. They brought a unique combination of committed competitiveness, deep domain expertise and a real personal touch that was essential in meeting the goals of the shareholders."



has been acquired by



Liberating Technologies is a leading supplier of upper-limb prosthetic devices for adults and children, ranging from simple passive hands and body-powered devices to the sophisticated myoelectrically-controlled prosthetic systems. The company designs and manufactures prosthetic devices such as the Boston Digital™ Arm System, LTI Locking Shoulder Joint and the VariGrip™ prosthetic controller. College Park Industries designs and manufactures a full line of anatomically correct, custom built lower limb prosthetic solutions.



has been acquired by



Integra Companies provides comprehensive single use connectivity solutions including tubing, hoses and gaskets for high-purity environments. Integra Companies supplies a broad selection of top tier products to customers in the biopharmaceutical, food processing, and microelectronic industries in the Northeast U.S. WR enables science in laboratory and production facilities in the pharmaceutical, biotechnology, industrial, education, government and healthcare industries. With more than 160 years of experience, VWR offers a well-established network that reaches thousands of specialized laboratories and facilities spanning the globe.