



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](#)

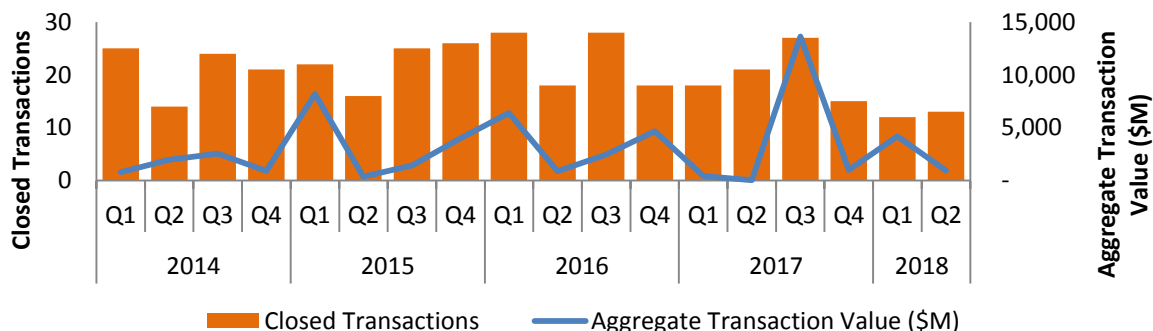
On May 7th, Agilent Technologies Inc. completed the acquisition of Lasergen, Inc., an emerging biotechnology company focused on research and development of innovative technologies for DNA sequencing. Since Agilent's initial investment in 2016, Lasergen and Agilent have been collaborating to develop a 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

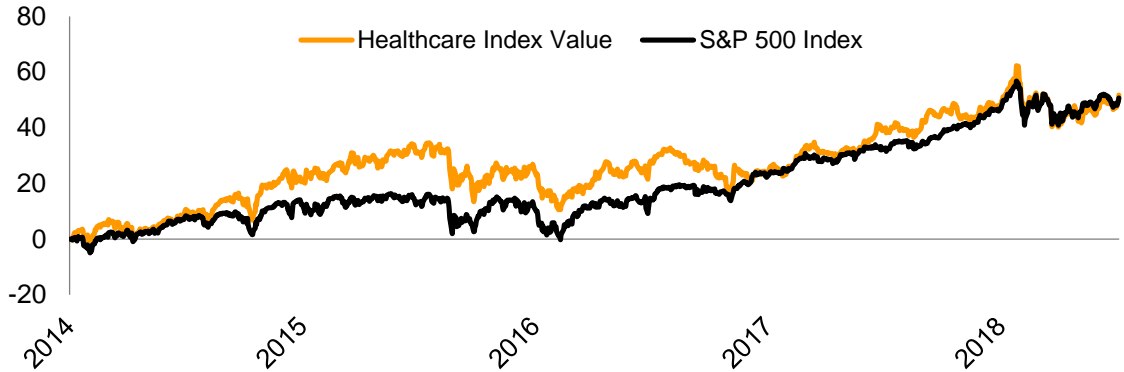


Selected CRO Transactions

| 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. | Linal 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% |

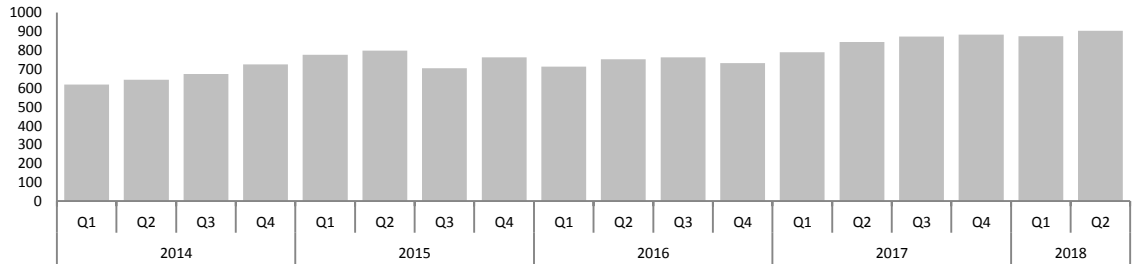
| | | | | |
|--------|------|-------|-------|-------|
| Median | 2.3x | 12.1x | 41.2% | 20.2% |
| Mean | 2.8x | 12.8x | 44.0% | 20.4% |

Source: Capital IQ

Healthcare

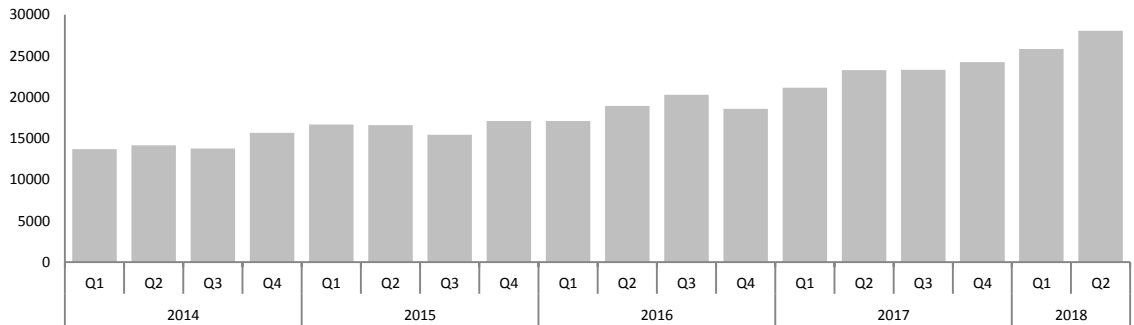
State of the Industry

Dow Jones US Healthcare Index



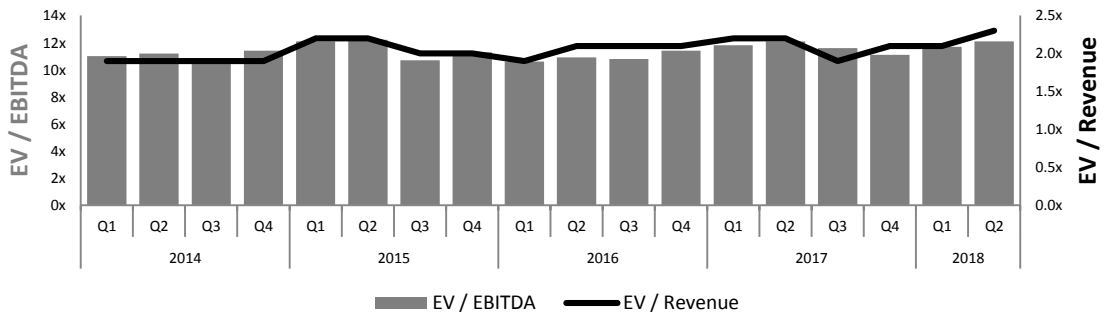
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



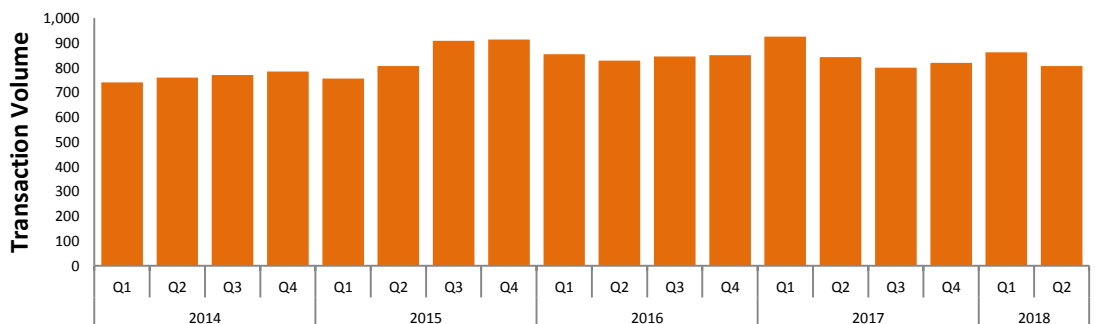
Source: Capital IQ

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
Corporation*



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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.