



HEALTHCARE

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Spotlight

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Laboratory and Testing Services

Industry News

Commercial Labs ask for \$5B in Federal Funding to meet COVID-19 Testing Demand

Modern Healthcare [Full Article](#)

The American Clinical Laboratory Association on Thursday requested \$5 billion from Congress to support the clinical lab industry in providing testing for COVID-19.

The letter from ACLA President Julie Khani said the direct financial fund would ensure commercial labs have appropriate staffing, equipment, and resources to sustain testing capacity in the U.S. and would be available for six months after the emergency.

Viracor Eurofins Launches Labs@HOME, a Mobile Phlebotomy Service for Post-Transplant Patient Testing

PR Newswire [Full Article](#)

Viracor Eurofins announced on March 30th the launch of Labs@HOME, a mobile phlebotomy service to aid in specimen collection for vital post-transplant testing directly from patient's home. As the hospital system becomes increasingly stressed with Coronavirus Disease 2019 (COVID-19) patients, bone marrow transplant and solid organ transplant patients may be unable to return to the hospital for routine and specialized post-transplant testing and management. These immunosuppressed and immunocompromised patients are already at risk for transplant rejection due to infection or graft failure, and subsequently fall into the high risk category for COVID-19.

By providing this specialty service for the transplant community, Labs@HOME enables Viracor to help these critical patients in an integral time post-transplant in the wake of a rapidly changing healthcare situation.

Charles River Laboratories Wraps up \$380m Acquisition of HemaCare

Pharmaceutical Business Review [Full Article](#)

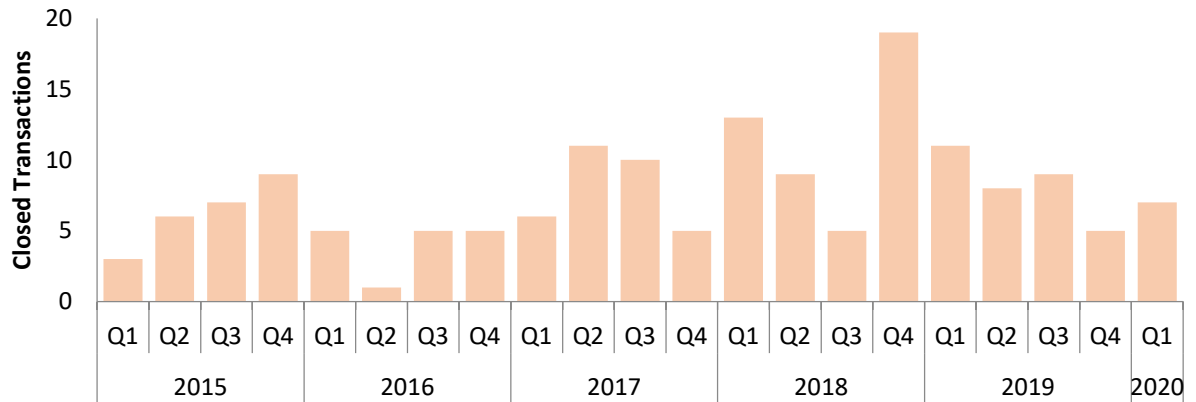
Charles River Laboratories International has wrapped up its \$380m acquisition of HemaCare, a California-based human-derived cellular products provider for the cell therapy market.

As per the deal announced in December 2019, Charles River Laboratories offered to buy HemaCare for \$25.40 per share. The California-based company, which will now operate under Charles River's Research Models and Services segment, provides critical biomaterials. Included in these is a variety of human primary cell types apart from cell processing services to support the discovery, development, and manufacture of cell therapies.

Medical Device

Laboratory and Testing Services M&A Environment

Closed Transactions

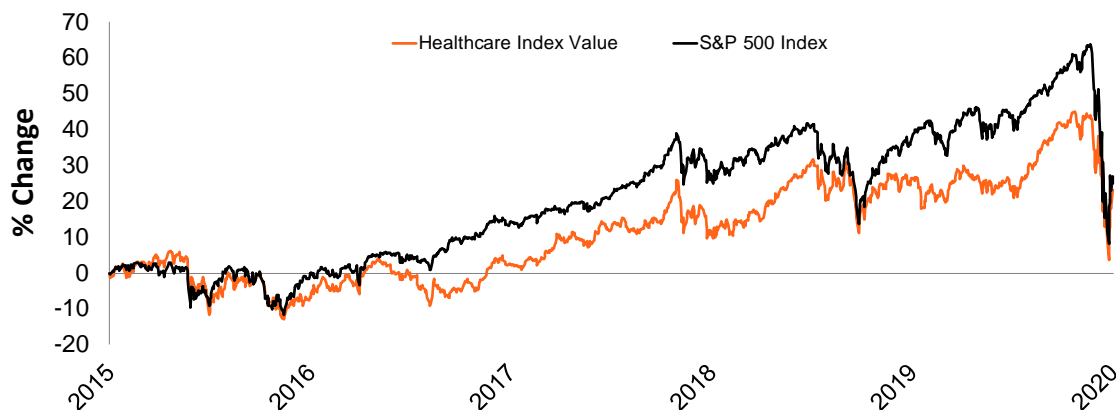


Selected Laboratory and Testing Services M&A

Date Closed	Target	Buyers/Investors	Sector	Enterprise EV / LTM		
				Value (\$M)	Revenue	EBITDA
03/05/2020	J.S. Hamilton Poland S.A.	SP Laboratorija a.d. Becej	Testing Laboratory Services	-	-	-
02/12/2020	Paradigm Diagnostics, Inc.	Exact Sciences Corporation (NasdaqCM:EXAS)	Medical Research Laboratory Services	-	-	-
01/22/2020	Blueprint Genetics Oy	Quest Diagnostics Incorporated (NYSE:DGX)	Medical Research Laboratory Services	111.0	-	-
01/15/2020	NSL Analytical Services, Inc.	May River Capital, LLC	Testing Laboratory Services	-	-	-
01/08/2020	Thomas J. Stephens & Associates, Inc.	SGS SA (SWX:SGSN)	Testing Laboratory Services	-	-	-
12/16/2019	HemaCare Corporation	Charles River Laboratories International, Inc. (NYSE:CRL)	Blood and Chemistry Analysis Laboratory Services	368.74	10.57	44.5
12/18/2019	Accolab	GIE LABEXA	Medical Research Laboratory Services	-	-	-
11/21/2018	LBM BioestereL	SCM Biogroup-LCD	Medical Research Laboratory Services	-	-	-
10/31/2019	Phoenix Central Laboratory For Veterinarians, Inc.	Zoetis Inc. (NYSE:ZTS)	Testing Laboratory Services	-	-	-
10/22/2019	3DR, Inc.	Accumen Inc.	Medical Research Laboratory Services	-	-	-
10/07/2019	SELARL MANESQ	Cerba HealthCare S.A.S.	Medical Research Laboratory Services	-	-	-
07/26/2019	Financiere Ionisos SAS	3i Infrastructure plc (LSE:3IN)	Testing Laboratory Services	245.81	-	-
09/18/2019	SleepMed Incorporated	BioSerenity, SAS	Medical Research Laboratory Services	-	-	-
09/17/2019	ProtomedLabs SASU	VIVitro Labs, Inc.	Medical Research Laboratory Services	-	-	-

Healthcare

The healthcare sector declined in index value significantly along with the broader public market in March 2020 due to the global COVID-19 pandemic. The healthcare sector largely mirrored the fluctuations of the S&P 500, losing 155.3 points over the course of the first quarter. Hospital systems have cut all elective and non-emergency cases, as they manage breakouts of COVID-19 across the world.



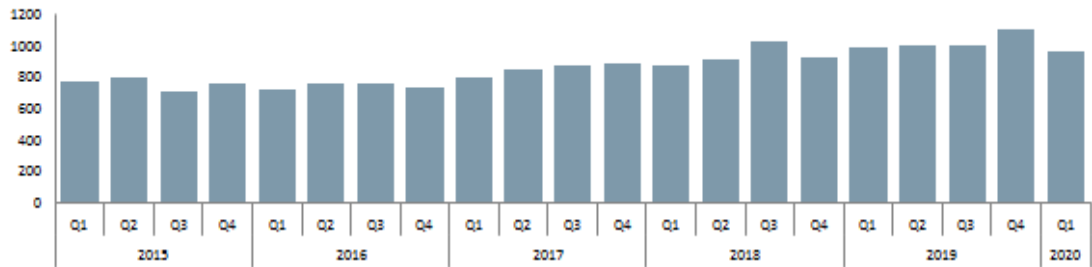
As of 3/31/2020		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$154,325	\$31,904	\$7,909	4.8x	19.5x	58.6%	24.8%
AbbVie Inc.	NYSE:ABBV	\$139,672	\$33,266	\$15,714	4.2x	8.9x	77.6%	47.2%
Agilent Technologies, Inc.	NYSE:A	\$23,605	\$5,236	\$1,273	4.5x	18.5x	53.9%	24.3%
AmerisourceBergen Corporation	NYSE:ABC	\$19,810	\$182,061	\$2,332	0.1x	8.5x	2.7%	1.3%
Amgen Inc.	NasdaqGS:AMGN	\$141,092	\$23,362	\$11,756	6.0x	12.0x	81.4%	50.3%
Anthem, Inc.	NYSE:ANTM	\$73,384	\$104,212	\$7,295	0.7x	10.1x	21.5%	7.0%
Baxter International Inc.	NYSE:BAX	\$43,888	\$11,362	\$2,774	3.9x	15.8x	43.3%	24.4%
Becton, Dickinson and Company	NYSE:BDX	\$81,591	\$17,355	\$5,089	4.7x	16.0x	47.8%	29.3%
Biogen Inc.	NasdaqGS:BIIB	\$57,031	\$14,378	\$7,740	4.0x	7.4x	86.4%	53.8%
Boston Scientific Corporation	NYSE:BSX	\$55,790	\$10,735	\$2,817	5.2x	19.8x	71.1%	26.2%
Bristol-Myers Squibb Company	NYSE:BMJ	\$158,356	\$26,145	\$8,740	6.1x	18.1x	72.4%	33.4%
Cardinal Health, Inc.	NYSE:CAH	\$20,692	\$149,657	\$2,728	0.1x	7.6x	4.6%	1.8%
Centene Corporation	NYSE:CNC	\$37,400	\$70,791	\$3,207	0.5x	11.7x	16.9%	4.5%
Cerner Corporation	NasdaqGS:CERN	\$20,297	\$5,693	\$1,147	3.6x	17.7x	81.2%	20.2%
Cigna Corporation	NYSE:CI	\$99,357	\$153,743	\$11,813	0.6x	8.4x	16.4%	7.7%
Community Health Systems, Inc.	NYSE:CYH	\$14,774	\$13,210	\$1,391	1.1x	10.6x	38.7%	10.5%
Danaher Corporation	NYSE:DHR	\$100,682	\$17,911	\$4,471	5.6x	22.5x	55.7%	25.0%
DaVita Inc.	NYSE:DVA	\$20,981	\$11,388	\$2,371	1.8x	8.9x	30.5%	20.8%
Eli Lilly and Company	NYSE:LLY	\$139,451	\$22,320	\$7,232	6.2x	19.3x	78.8%	32.4%
Genesis Healthcare, Inc.	NYSE:GEN	\$4,263	\$4,566	\$174	0.9x	24.4x	45.6%	3.8%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$94,896	\$22,449	\$6,491	4.2x	14.6x	79.2%	28.9%
HCA Healthcare, Inc.	NYSE:HCA	\$67,464	\$51,336	\$9,814	1.3x	6.9x	37.6%	19.1%
Henry Schein, Inc.	NasdaqGS:HSIC	\$9,056	\$9,986	\$918	0.9x	9.9x	31.0%	9.2%
Humana Inc.	NYSE:HUM	\$43,775	\$64,888	\$3,471	0.7x	12.6x	17.0%	5.3%
IQVIA Holdings Inc.	NYSE:IQV	\$32,382	\$11,088	\$1,881	2.9x	17.2x	34.2%	17.0%
Johnson & Johnson	NYSE:JNJ	\$354,407	\$82,059	\$28,079	4.3x	12.6x	66.5%	34.2%
Laboratory Corporation of America Holdings	NYSE:LH	\$19,077	\$11,555	\$1,943	1.7x	9.8x	28.1%	16.8%
Magellan Health, Inc.	NasdaqGS:MGLN	\$1,735	\$7,159	\$180	0.2x	9.6x	3.2%	2.5%
McKesson Corporation	NYSE:MCK	\$35,543	\$224,945	\$3,771	0.2x	9.4x	5.3%	1.7%
Merck & Co., Inc.	NYSE:MRK	\$212,136	\$46,840	\$18,498	4.5x	11.5x	71.9%	39.5%
Molina Healthcare, Inc.	NYSE:MOH	\$7,616	\$16,340	\$1,106	0.5x	6.9x	14.9%	6.8%
Owens & Minor, Inc.	NYSE:OMI	\$2,236	\$9,211	\$188	0.2x	11.9x	12.3%	2.0%
Patterson Companies, Inc.	NasdaqGS:PDCO	\$2,115	\$5,640	\$207	0.4x	10.2x	21.6%	3.7%
Pfizer Inc.	NYSE:PFE	\$224,986	\$51,750	\$21,014	4.3x	10.7x	80.7%	40.6%
Quest Diagnostics Incorporated	NYSE:DGX	\$15,090	\$7,726	\$1,548	2.0x	9.7x	35.3%	20.0%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$50,677	\$7,863	\$2,455	6.4x	20.6x	51.4%	31.2%
Stryker Corporation	NYSE:SYK	\$69,457	\$14,884	\$4,166	4.7x	16.7x	65.8%	28.0%
Tenet Healthcare Corporation	NYSE:THC	\$19,368	\$18,479	\$2,880	1.0x	6.7x	36.2%	15.6%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$129,212	\$25,542	\$6,538	5.1x	19.8x	44.4%	25.6%
UnitedHealth Group Incorporated	NYSE:UNH	\$274,753	\$242,155	\$21,684	1.1x	12.7x	23.8%	9.0%
Universal Health Services, Inc.	NYSE:UHS	\$12,922	\$11,378	\$1,804	1.1x	7.2x	39.9%	15.9%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$28,779	\$7,982	\$2,361	3.6x	12.2x	71.8%	29.6%
Zoetis Inc.	NYSE:ZTS	\$60,609	\$6,260	\$2,578	9.7x	23.5x	69.8%	41.2%

Median	2.9x	11.9x	43.3%	20.2%
Mean	2.9x	13.2x	44.8%	20.8%

Healthcare

State of the Industry

Dow Jones US Healthcare Index



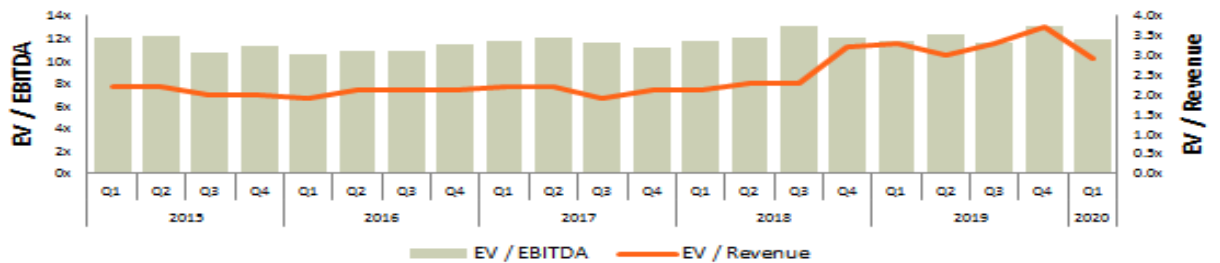
Source: Capital IQ

Dow Jones US Select Medical Equipment Index



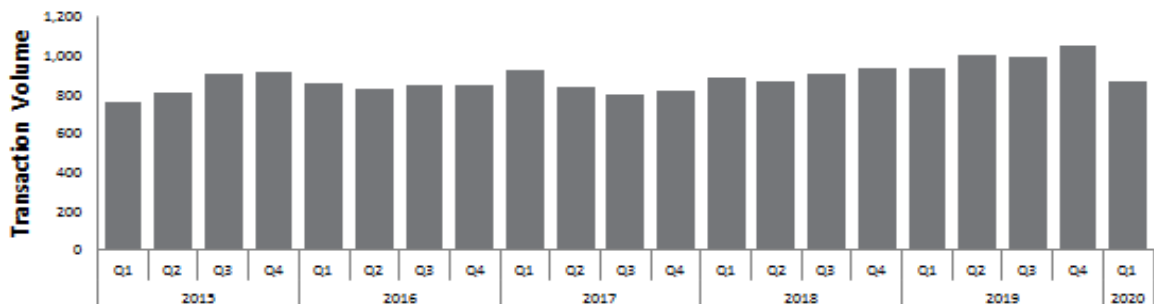
Source: Capital IQ

Industry Valuations



Source: Capital IQ

Healthcare Transaction Volume



Source: Capital IQ



The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

About Mirus

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 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

Patrick West is an accomplished executive, entrepreneur, advisor and director with extensive executive management and M&A experience in the healthcare technology sectors. Having been both a senior level med-tech executive and a successful entrepreneur, Patrick brings the valuable perspective of having sat on both sides of the negotiating table. This allows him unique insight and an informed ability to navigate the deal process. In addition to his focus on helping clients maximize enterprise and ultimately exit value as a partner at Mirus, Patrick continues to hold a range of non-executive board positions and provides angel investment and strategic direction to a portfolio of companies.



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"The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome."

- Bill Hanson, Founder and President of LTI

Mirus Healthcare Spotlight

Tunstall

Americas

has been acquired by



a portfolio company of



Tunstall is a market-leading provider of technology-based health and care solutions and services which improve its customers' ability to deliver new, more efficient and effective models for health and care management in the community setting. Connect America provides personal medical response system (PERS) kits for Americans who wish to continue to live an independent life at home.



has sold substantially
all of its assets to



A Group Company of



AdvanSource develops advanced polymer materials which provide critical characteristics in the design and development of medical devices. Its biomaterials are used in devices that are designed for treating a broad range of anatomical sites and disease states. Its business model leverages proprietary materials science technology and manufacturing expertise in order to expand product sales and royalty and license fee income. Mitsubishi Chemical Performance Polymers, Inc. is a specialty chemical company and direct subsidiary of Mitsubishi Chemical America, Inc., the regional headquarters in North America of Mitsubishi Chemical Corporation.



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. Since its founding in 1999, Audax Private Equity has been focused on building leading middle market companies. Audax has invested \$4.5 billion in 110 platforms and 635 add-on companies. Through its disciplined Buy & Build approach, Audax seeks to help platform companies execute add-on acquisitions that fuel revenue growth, optimize operations, and significantly increase equity value.



has been acquired by



Connective Tissue Gene Tests, LLC (CTGT) is an internationally recognized provider of molecular diagnostic testing services for inherited genetic disorders that delivers clinically actionable diagnostic information to its worldwide customer base. Based in Allentown, Pennsylvania, CTGT has been at the forefront of the constitutional genetic testing field for more than a decade. Health Network Laboratories (HNL) is a leader in high quality, innovative laboratory medicine services. HNL works with more than 10 hospital systems and has over 60 regional patient service centers.