



# HEALTHCARE

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Spotlight

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# Laboratory & Testing Services

## Industry News

### **With 8.7% CAGR, sepsis diagnostics market projected at USD 1509.85 million by 2030**

Strategic Market Research [Full Article](#)

The global sepsis diagnostics market is expected to reach USD 1509.85 million in 2030 from USD 712.74 million in 2021 and estimated to grow at a CAGR of 8.7% during the forecast period from 2021-2030. Growing incidence of hospital-acquired infections along with the rising demand for rapid diagnostic tests are expected to fuel the industry growth, states Strategic Market Research.

Sepsis is a severe condition that arises when the body reacts to an infection that causes tissue damage. Bacterial infections are the prominent cause of sepsis, while viral infections can also lead to sepsis. A post-surgery infection or a small wound that becomes infected might trigger sepsis. Sepsis can result in multiple organ failures, septic shock, and death if it is not diagnosed and treated properly.

### **CVS wins bidding war for Signify Health, will acquire company in \$8B deal**

Fierce Healthcare [Full Article](#)

CVS Health has won the bidding war for home health and technology services company Signify Health. The healthcare giant announced in September that it will acquire Signify in a deal valued at \$8 billion, or \$30.50 per share, in cash. The deal is subject to approval from Signify Health's shareholders, and the companies expect that it will close in the first half of 2023.

Signify Health offers health risk assessments, value-based care and provider enablement services, including a network of 10,000 providers across all 50 states. The company acquired Caravan Health earlier this year to further expand its reach in value-based care and home health.

### **DNA 'Nets' Could Detect, Inhibit SARS-CoV-2**

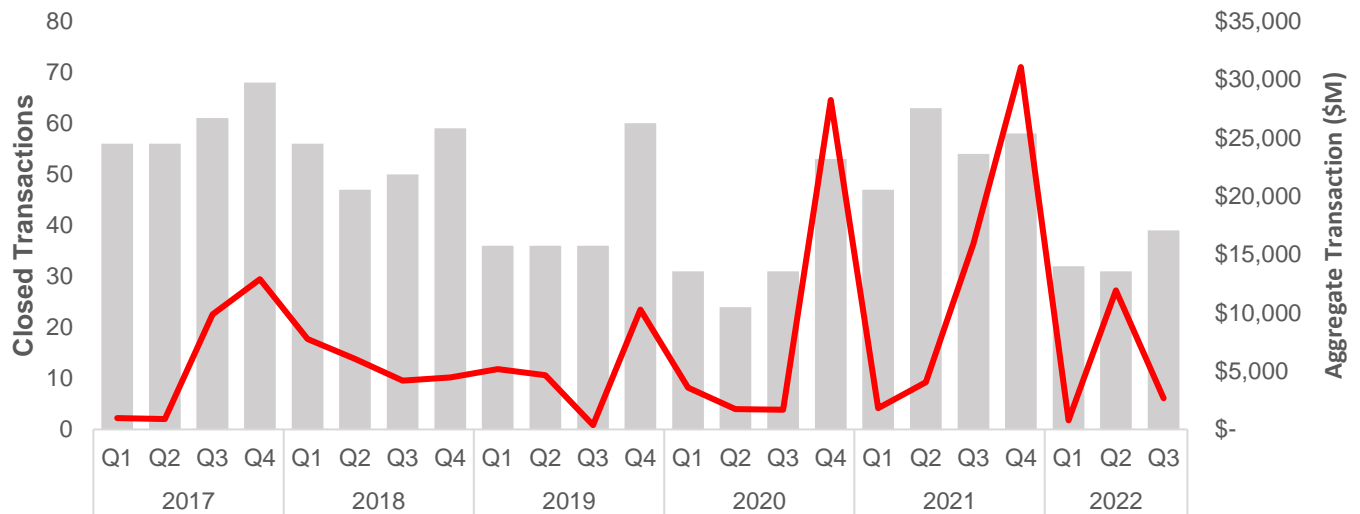
Labcompare [Full Article](#)

Fast, inexpensive and accurate virus tests aid in the tracking and management of epidemics and pandemics like COVID-19. While polymerase chain reaction (PCR) tests are the gold standard for accurately detecting SARS-CoV-2 genetic material, this method typically takes a day or more to return results and requires the use of sophisticated PCR equipment.

Researchers at the University of Illinois Urbana-Champaign, along with collaborators from Louisiana State University and Atom Bioworks Inc., have now developed a sensitive, rapid testing platform based on net-shaped DNA nanostructures; structures that also have potential to inhibit viral infection.

# Laboratory & Testing

## Laboratory & Testing M&A Environment

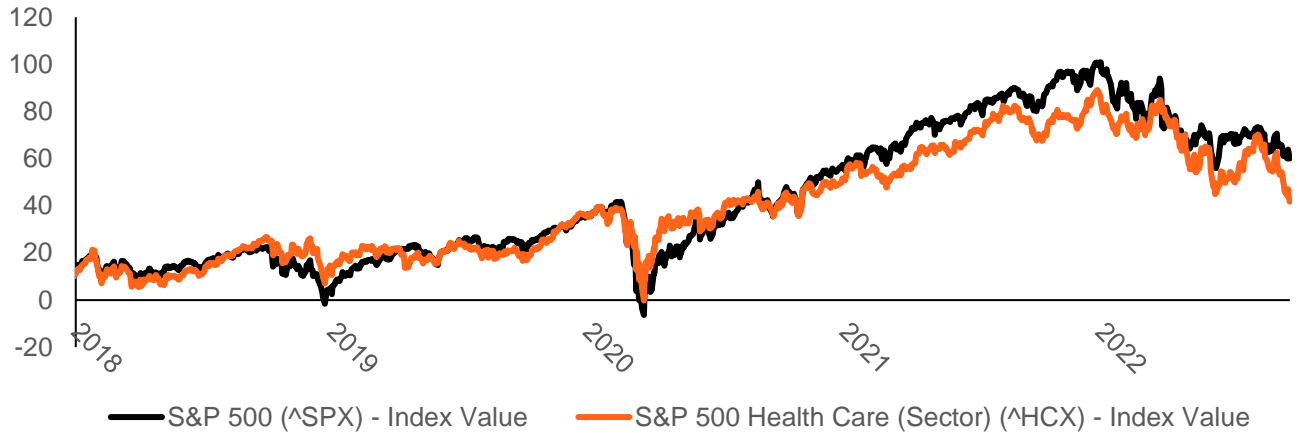


## Selected Q3 2022 M&A

Buyers/Investors	Sector	Enterprise		EV/LTM	
		Value (\$M)	Revenue	EBITDA	
Monash IVF Group Limited (ASX:MVF)	Medical Laboratory Services	2.7	-	-	-
Bora Pharmaceuticals Co., LTD. (TPEX:6472)	Medical Laboratory Services	195.7	-	-	-
URUS Group LP	Medical Laboratory Services	180.0	-	-	-
Frontage Laboratories, Inc.	Medical Laboratory Services	15.0	1.7x	11.4x	
Shimadzu Corporation (TSE:7701)	Medical Laboratory Services	105.0	0.9x	9.4x	
INOVIE group	Medical Laboratory Services	512.2	-	14.3x	
-	Medical Laboratory Services	26.2	-	-	-

# Healthcare

The S&P 500 Health Care index is underperforming the S&P 500 in Q3 2022 and ended the quarter below the broader market index. The pandemic tested the healthcare industry with affordability challenges, access issues, and staffing shortages. Those who can tap into funding to reorganize organizations and accelerate productivity improvements will be able to set themselves up for success in the coming years.



As of 9/30/2022		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	\$177,225	\$45,030	\$13,121	3.9x	13.5x	57.2%	29.1%
AbbVie Inc.	NYSE:ABBV	\$300,556	\$57,349	\$27,170	5.2x	11.1x	70.7%	47.4%
Agilent Technologies, Inc.	NYSE:A	\$37,980	\$6,659	\$1,922	5.7x	19.8x	54.2%	28.9%
AmerisourceBergen Corporation	NYSE:ABC	\$32,665	\$236,325	\$3,580	0.1x	9.1x	3.5%	1.5%
Amgen Inc.	NasdaqGS:AMGN	\$149,912	\$26,384	\$13,178	5.7x	11.4x	75.8%	49.9%
Anthem, Inc.	NYSE:ELV	\$127,123	\$153,251	\$10,143	0.8x	12.5x	25.7%	6.6%
Baxter International Inc.	NYSE:BAX	\$42,472	\$14,193	\$3,254	3.0x	13.1x	41.2%	22.9%
Becton, Dickinson and Company	NYSE:BDX	\$77,345	\$20,075	\$5,456	3.9x	14.2x	47.3%	27.2%
Biogen Inc.	NasdaqGS:BIIB	\$40,387	\$10,634	\$3,500	3.8x	11.5x	77.3%	32.9%
Boston Scientific Corporation	NYSE:BSX	\$64,499	\$12,329	\$3,241	5.2x	19.9x	69.4%	26.3%
Bristol-Myers Squibb Company	NYSE:BMJ	\$181,641	\$47,144	\$21,135	3.9x	8.6x	79.8%	44.8%
Cardinal Health, Inc.	NYSE:CAH	\$18,605	\$181,364	\$2,356	0.1x	7.9x	3.6%	1.3%
Centene Corporation	NYSE:CNC	\$53,542	\$130,241	\$5,845	0.4x	9.2x	18.6%	4.5%
Cerner Corporation	NYSE:ORCL	\$245,438	\$44,157	\$18,405	5.6x	13.3x	77.8%	41.7%
Cigna Corporation	NYSE:CI	\$114,246	\$179,183	\$10,227	0.6x	11.2x	13.0%	5.7%
Community Health Systems, Inc.	NYSE:CYH	\$13,451	\$12,392	\$1,461	1.1x	9.2x	40.9%	11.8%
Danaher Corporation	NYSE:DHR	\$206,745	\$31,250	\$10,896	6.6x	19.0x	60.8%	34.9%
DaVita Inc.	NYSE:DVA	\$21,017	\$11,627	\$2,297	1.8x	9.2x	30.3%	19.8%
Eli Lilly and Company	NYSE:LLY	\$320,877	\$29,071	\$10,424	11.0x	30.8x	75.4%	35.9%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$96,281	\$27,515	\$13,213	3.5x	7.3x	79.5%	48.0%
HCA Healthcare, Inc.	NYSE:HCA	\$89,118	\$60,105	\$12,270	1.5x	7.3x	37.9%	20.4%
Henry Schein, Inc.	NasdaqGS:HSIC	\$12,932	\$12,718	\$1,087	1.0x	11.9x	29.9%	8.5%
Humana Inc.	NYSE:HUM	\$67,659	\$90,512	\$4,871	0.7x	13.9x	18.8%	5.4%
IQVIA Holdings Inc.	NYSE:IQV	\$52,531	\$14,136	\$2,676	3.7x	19.6x	34.4%	18.9%
Johnson & Johnson	NYSE:JNJ	\$469,860	\$94,880	\$32,411	5.0x	14.5x	68.1%	34.2%
Laboratory Corporation of America Holdings	NYSE:LH	\$26,835	\$15,715	\$3,480	1.7x	7.7x	32.6%	22.1%
McKesson Corporation	NYSE:MCK	\$51,403	\$268,446	\$3,385	0.2x	15.2x	4.9%	1.3%
Merck & Co., Inc.	NYSE:MRK	\$253,483	\$57,169	\$23,481	4.4x	10.8x	70.8%	41.1%
Molina Healthcare, Inc.	NYSE:MOH	\$13,993	\$29,435	\$1,313	0.5x	10.7x	12.2%	4.5%
Owens & Minor, Inc.	NYSE:OMI	\$5,115	\$9,876	\$453	0.5x	11.3x	16.0%	4.6%
Patterson Companies, Inc.	NasdaqGS:PDCO	\$3,387	\$6,499	\$278	0.5x	12.2x	19.8%	4.3%
Pfizer Inc.	NYSE:PFE	\$306,979	\$92,433	\$37,116	3.3x	8.3x	60.5%	40.2%
Quest Diagnostics Incorporated	NYSE:DGX	\$19,674	\$10,582	\$2,560	1.9x	7.7x	37.4%	24.2%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$52,258	\$14,227	\$7,377	3.7x	7.1x	63.3%	51.9%
Stryker Corporation	NYSE:SYK	\$88,294	\$17,629	\$4,548	5.0x	19.4x	64.8%	25.8%
Tenet Healthcare Corporation	NYSE:THC	\$22,466	\$19,133	\$3,443	1.2x	6.5x	37.4%	18.0%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$227,261	\$42,820	\$12,755	5.3x	17.8x	46.7%	29.8%
UnitedHealth Group Incorporated	NYSE:UNH	\$507,492	\$315,118	\$29,351	1.6x	17.3x	24.2%	9.3%
Universal Health Services, Inc.	NYSE:UHS	\$11,425	\$13,048	\$1,681	0.9x	6.8x	38.5%	12.9%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$27,668	\$7,917	\$2,431	3.5x	11.4x	70.0%	30.7%
Zoetis Inc.	NYSE:ZTS	\$73,425	\$7,995	\$3,251	9.2x	22.6x	70.3%	40.7%

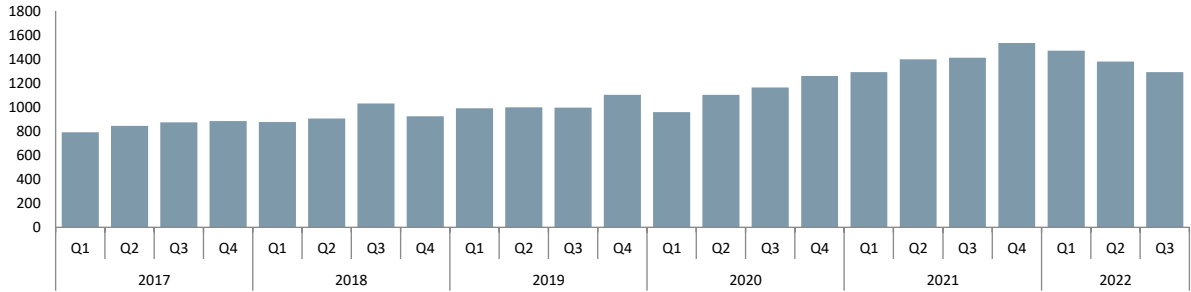
Median	2.7x	11.4x	41.7%	22.7%
Mean	3.0x	12.5x	45.3%	23.0%



# Healthcare

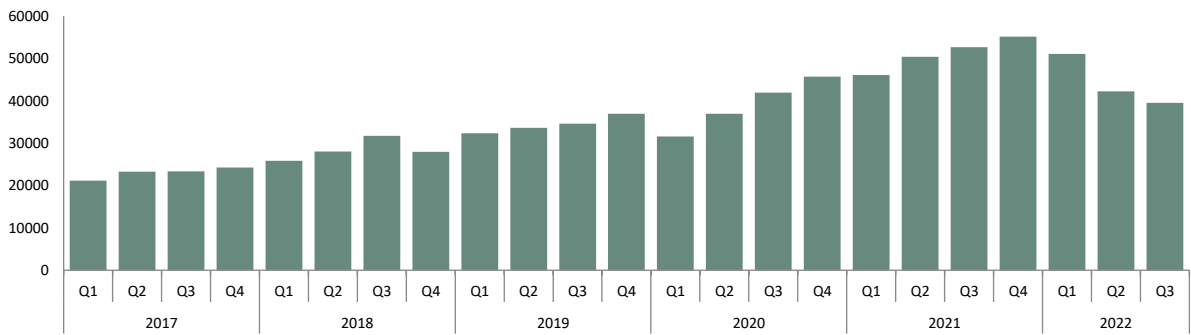
## State of the Industry

### Dow Jones US Healthcare Index



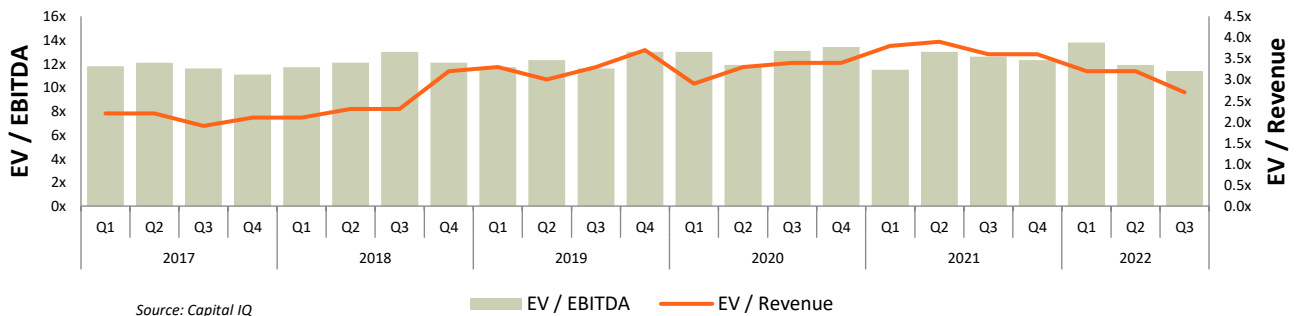
Source: Capital IQ

### Dow Jones US Select Medical Services Index



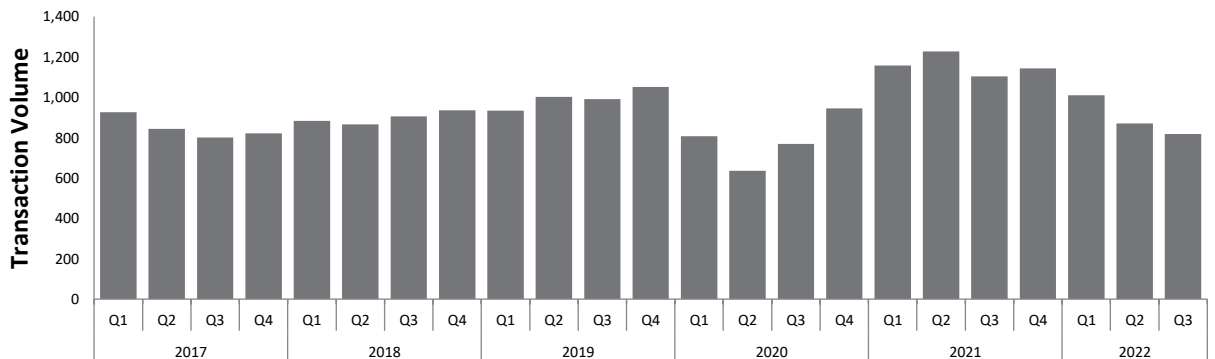
Source: Capital IQ

### 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 \$4.3 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.



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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 been acquired by



a portfolio company of



TheraCell is focused on the development of advanced technologies for bone and soft tissue repair and is the inventor of the next-generation, TheraFuze DBF® demineralized bone fiber technology. Founded in 2008, the firm is headquartered in Los Angeles, CA and maintains offices and laboratories in Littleton, MA. Isto Biologics is a leading biologic and cellular therapy company in the orthopedic space. Hopkinton, MA-based Isto Biologics is focused on Helping Patients Heal Faster™ through innovative solutions for bone regeneration and cell-based therapies. The company's flagship product offerings include the market-leading Magellan® Autologous Platelet Separator, and bone-growth products including InQu® Bone Graft Extender & Substitute, and the Influx™ product family.



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.