

Q1  
24

Healthcare Industry

# Mirus Laboratory & Testing REPORT

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# Laboratory & Testing

## United States Clinical Laboratory Tests Markets, 2023 and 2024-2029: Intense Competition and Consolidation Likely to Continue, Advances and Integration of Technologies

PR Newswire [Full Article](#)

The U.S. clinical laboratory tests market is expected to reach \$109 billion by 2029 driven in part by advances in technology integration—including AI and robotics—enhancing diagnostic capabilities, and personalized medicine. Competition remains intense and consolidation is expected to continue particularly among U.S. health system laboratories. Regulatory challenges, however, continue to stifle market expansion in telemedicine and direct-to-consumer solutions.

Government support and insurance coverage have driven growth of the specialty testing market, especially the rapidly growing genetics segment. Clinical and immunochemistry lab tests hold the highest market share due to increasing demand for biomolecule identification used to identify health conditions and predict future disease conditions.

## Clinical Trial Trends & Insights 2024

WCG [Full Article](#)

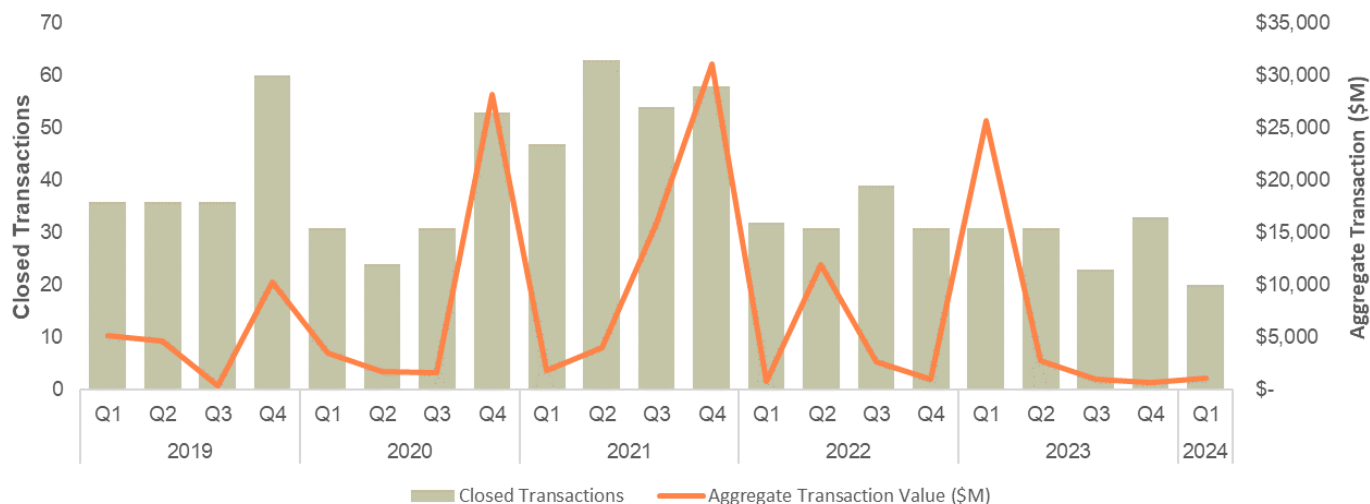
The COVID-19 pandemic drove interest in decentralized clinical trials (DCT) and hybrid trials. DCT and hybrid trials allow for a participant-centric approach and often engage a more diverse patient population. The ability to leverage technology such as remote monitoring, wearable devices, and telemedicine reduces the need for participants to visit physical sites. An emerging area under consideration by the FDA is at-home vaccines, including self administration of an intranasal influenza vaccine. While interest in DCT has been growing, challenges—such as ensuring data quality, maintaining participant engagement, and addressing regulatory complexities—remain.

## Next-Generation Sequencing: 2024 Report Highlights Clinical Applications and Global Market Forecasts

GlobeNewswire [Full Article](#)

As an emerging clinical application, the Next-Generation Sequencing (NGS) market is forecasted to grow globally at a CAGR of 19.3% to \$53 billion in 2028. NGS platforms sequence an entire genomic region or even an entire genome, which means that one test can replace multiple conventional single-gene tests. This results in lower prices and smaller sample sizes needed for the test itself. NGS is often more accurate and reliable than existing diagnostics, which in turn leads to better clinical outcomes.

# Laboratory & Testing M&A Environment



## Selected Q1 2024 Laboratory & Testing M&A Transactions

Date Closed	Target	Buyers/Investors	Enterprise Value (\$M)	EV / LTM Revenue	EV / LTM EBITDA
01/02/2024	First Hospital Laboratories, Inc.	Sterling Check Corp. (NasdaqGS:STER)	70.0	-	-
01/04/2024	CMIC HOLDINGS Co., Ltd.	SORA Corporation	192.48	0.45x	3.8x
01/31/2024	EUVITRO S.L.U.	GED Iberian Private Equity	535.45	2.2x	-
01/31/2024	Pathology Watch Inc.	Sonic Healthcare USA, Inc.	150.0	1.1x	2.4x
02/05/2024	C2I Genomics Inc.	Veracyte, Inc. (NasdaqGM:VCYT)	94.43	-	-
02/12/2024	The National Center for Drug Free Sport, Inc.	CPC Management LLC	-	-	-
02/12/2024	Reverie Labs Inc.	Ginkgo Bioworks Holdings, Inc. (NYSE:DNA)	-	-	-

“ We see continued progress in companies developing novel proprietary diagnostics, with a particular focus on point-of-care and consumer-initiated tests, as well as pioneering advances in tests for diseases that are currently quite challenging to diagnose.”

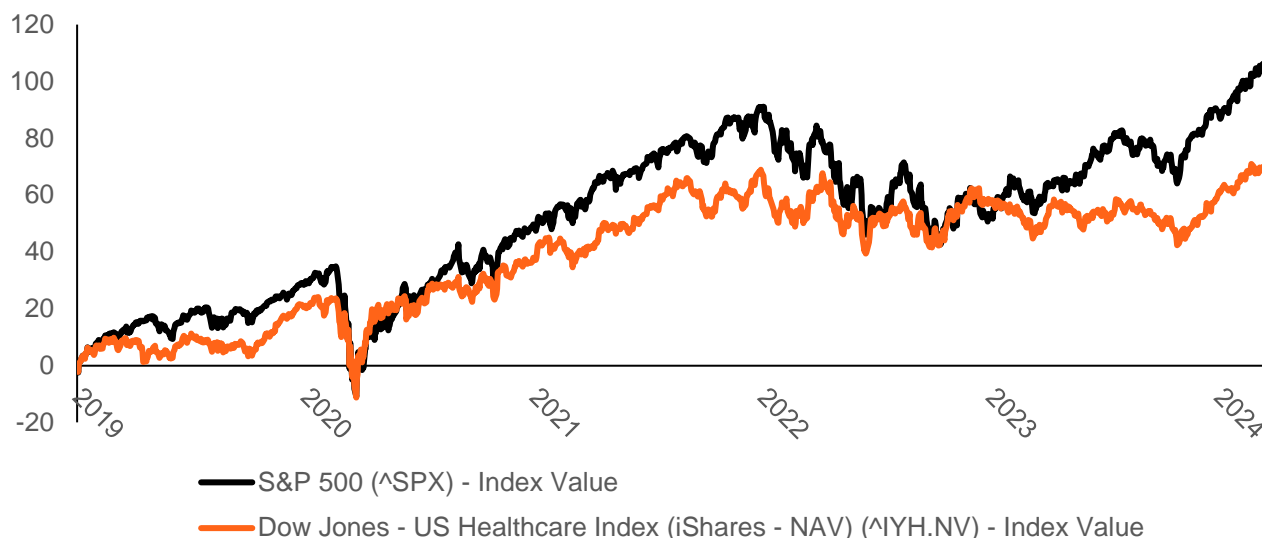
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**Brendan Kiernan**  
Partner

# Sector Update: Healthcare

The US healthcare industry faced demanding conditions in the first quarter of 2024, primarily due to sticky inflation and a tight labor market. However, improvement efforts are expected to help the industry overcome these challenges in 2024 and beyond. Segments such as care settings, specialty pharmacy, and Medicare can expect higher growth.



## Select Healthcare Public Companies

As of 03/31/2024

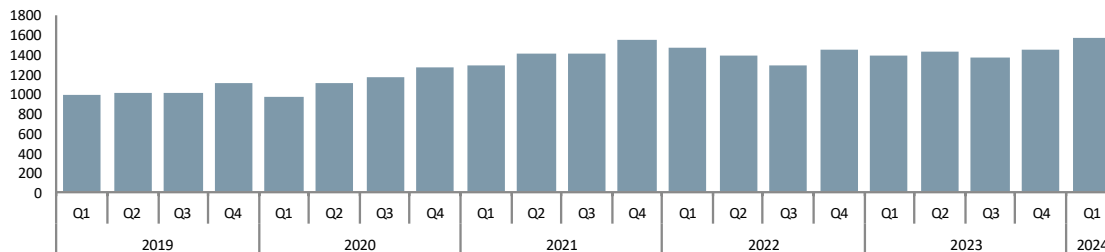
Company Name	Ticker	Enterprise Value	LTM Financials		Valuation Metrics		LTM Margins	
			Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Abbott Laboratories	NYSE:ABT	\$206,039	\$40,109	\$10,463	5.1x	19.7x	55.3%	26.1%
AbbVie Inc.	NYSE:ABBV	\$370,235	\$54,318	\$26,358	6.8x	14.0x	69.2%	48.5%
Agilent Technologies, Inc.	NYSE:A	\$43,613	\$6,735	\$1,640	6.5x	26.6x	50.6%	24.4%
Amgen Inc.	NasdaqGS:AMGN	\$206,851	\$28,190	\$12,235	7.3x	16.9x	70.1%	43.4%
Anthem, Inc.	NYSE:ELV	\$140,162	\$171,745	\$11,152	0.8x	12.6x	27.7%	6.5%
Baxter International Inc.	NYSE:BAX	\$33,005	\$14,813	\$2,776	2.2x	11.9x	38.2%	18.7%
Becton, Dickinson and Company	NYSE:BDX	\$86,417	\$19,492	\$4,912	4.4x	17.6x	44.7%	25.2%
Biogen Inc.	NasdaqGS:BIIB	\$37,723	\$9,663	\$2,520	3.9x	15.0x	51.3%	26.1%
Boston Scientific Corporation	NYSE:BSX	\$109,624	\$14,240	\$3,613	7.7x	30.3x	69.2%	25.4%
Bristol-Myers Squibb Company	NYSE:BMJ	\$138,843	\$45,534	\$18,198	3.0x	7.6x	76.0%	40.0%
Cardinal Health, Inc.	NYSE:CAH	\$27,352	\$216,148	\$2,728	0.1x	10.0x	3.3%	1.3%
Cencora, Inc.	NYSE:COR	\$51,875	\$271,579	\$3,743	0.2x	13.9x	3.4%	1.4%
Centene Corporation	NYSE:CNC	\$43,779	\$141,266	\$6,079	0.3x	7.2x	15.8%	4.3%
Cerner Corporation	NYSE:ORCL	\$423,876	\$52,510	\$20,801	8.1x	20.4x	71.5%	39.6%
Cigna Corporation	NYSE:CI	\$127,214	\$195,187	\$10,722	0.7x	11.9x	12.9%	5.5%
Community Health Systems, Inc.	NYSE:CYH	\$13,169	\$12,522	\$1,338	1.1x	9.8x	41.0%	10.7%
DanaHER Corporation	NYSE:DHR	\$198,605	\$23,737	\$7,417	8.4x	26.8x	58.9%	31.2%
DaVita Inc.	NYSE:DVA	\$24,519	\$12,140	\$2,346	2.0x	10.4x	31.5%	19.3%
Eli Lilly and Company	NYSE:LLY	\$723,566	\$34,124	\$12,315	21.2x	58.8x	79.2%	36.1%
Gilead Sciences, Inc.	NasdaqGS:GILD	\$107,314	\$27,116	\$12,495	4.0x	8.6x	77.8%	46.1%
HCA Healthcare, Inc.	NYSE:HCA	\$131,889	\$64,968	\$12,704	2.0x	10.4x	39.4%	19.6%
Henry Schein, Inc.	NasdaqGS:HSIC	\$13,773	\$12,339	\$943	1.1x	14.6x	31.3%	7.6%
Humana Inc.	NYSE:HUM	\$49,761	\$109,243	\$4,472	0.5x	11.1x	16.1%	4.1%
IQVIA Holdings Inc.	NYSE:IQV	\$58,815	\$14,984	\$2,721	3.9x	21.6x	35.0%	18.2%
Johnson & Johnson	NYSE:JNJ	\$388,709	\$85,159	\$30,767	4.6x	12.6x	69.2%	36.1%
Laboratory Corporation of America Holdings	NYSE:LH	\$23,805	\$12,162	\$1,619	2.0x	14.7x	27.7%	13.3%
McKesson Corporation	NYSE:MCK	\$76,576	\$301,506	\$4,283	0.3x	17.9x	4.0%	1.4%
Merck & Co., Inc.	NYSE:MRK	\$363,411	\$60,115	\$8,297	6.0x	43.8x	73.5%	13.8%
Molina Healthcare, Inc.	NYSE:MOH	\$21,731	\$34,660	\$1,704	0.6x	12.8x	12.8%	4.9%
Owens & Minor, Inc.	NYSE:OMI	\$4,285	\$10,334	\$583	0.4x	7.4x	21.5%	5.6%
Patterson Companies, Inc.	NasdaqGS:PDCC	\$3,255	\$6,567	\$367	0.5x	8.9x	21.3%	5.6%
Pfizer Inc.	NYSE:PFE	\$220,052	\$58,496	\$11,517	3.8x	19.1x	59.0%	19.7%
Quest Diagnostics Incorporated	NYSE:DGX	\$19,659	\$9,287	\$1,775	2.1x	11.1x	33.1%	19.1%
Regeneron Pharmaceuticals, Inc.	NasdaqGS:REGN	\$89,980	\$13,117	\$4,654	6.9x	19.3x	52.3%	35.5%
Stryker Corporation	NYSE:SYK	\$146,526	\$20,498	\$5,246	7.1x	27.9x	63.9%	25.6%
Tenet Healthcare Corporation	NYSE:THC	\$29,347	\$20,548	\$3,659	1.4x	8.0x	38.0%	17.8%
Thermo Fisher Scientific Inc.	NYSE:TMO	\$250,364	\$42,857	\$10,800	5.8x	23.2x	39.9%	25.2%
UnitedHealth Group Incorporated	NYSE:UNH	\$508,252	\$371,622	\$35,130	1.4x	14.5x	24.5%	9.5%
Universal Health Services, Inc.	NYSE:UHS	\$17,565	\$14,282	\$1,743	1.2x	10.1x	39.5%	12.2%
Zimmer Biomet Holdings, Inc.	NYSE:ZBH	\$32,917	\$7,394	\$2,449	4.5x	13.4x	71.8%	33.1%
Zoetis Inc.	NYSE:ZTS	\$82,267	\$8,544	\$3,488	9.6x	23.6x	70.1%	40.8%

Median	3.0x	14.0x	39.9%	19.3%
Mean	3.9x	17.0x	43.7%	20.7%

# Sector Update: Healthcare

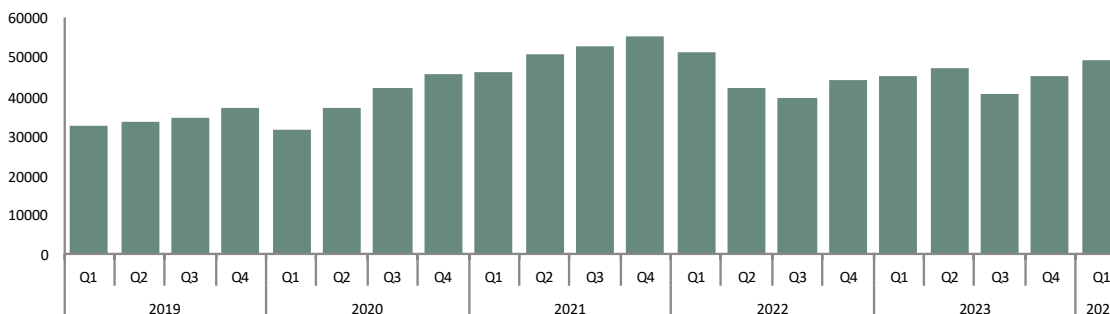
## State of the Industry

### Dow Jones US Healthcare Index



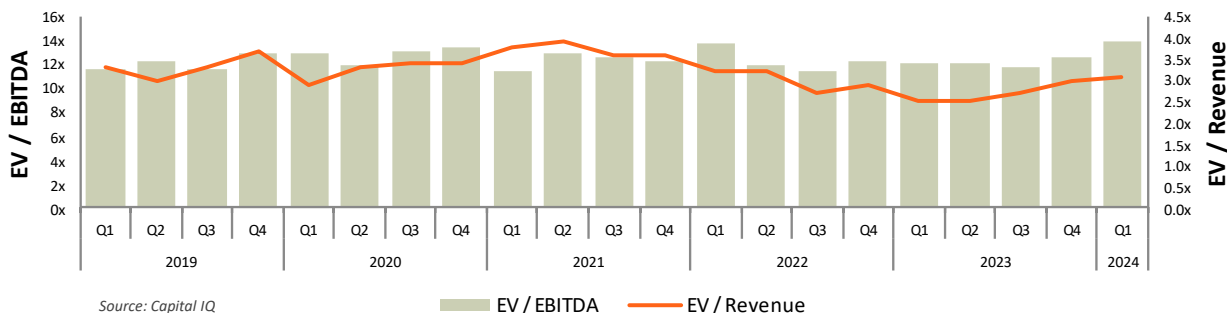
Source: Capital IQ

### Dow Jones US Select Medical Services Index



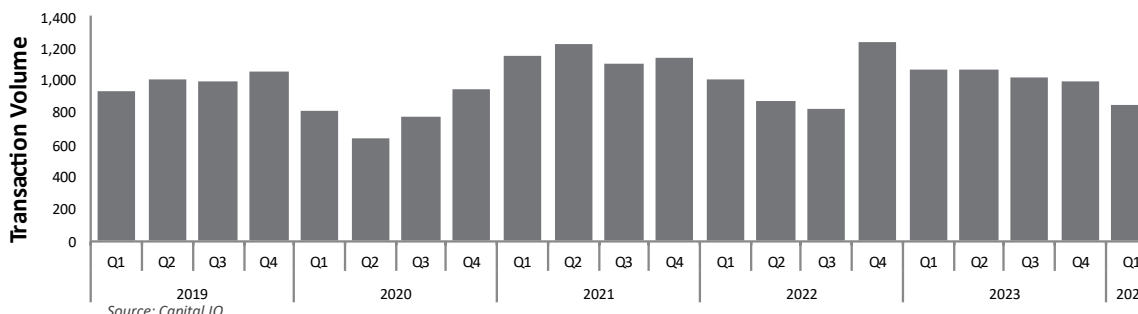
Source: Capital IQ

### Industry Valuations



Source: Capital IQ

### Healthcare Transaction Volume



Source: Capital IQ



# 35 Years. 350 Deals.

## The Value of Accomplishment

### 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.

### 35 Years. 350 Deals.

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.
- 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.

# Partner Spotlight



**Brendan Kiernan**

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 co-leading sell-side and buy-side M&A mandates. Brendan has made significant contributions to several dozen client transactions and engagements during his tenure with the firm. His work has focused primarily on clients in the healthcare, business services, and technology sectors.

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[kiernan@merger.com](mailto:kiernan@merger.com)



**Patrick West**

Patrick West is an accomplished executive, entrepreneur, advisor and director with extensive executive management and M&A experience in the healthcare technology and oil and gas / manufacturing sectors. Patrick brings the valuable perspective of having sat on both sides of the negotiating table, allowing him unique insight and an informed ability to navigate the deal process. Patrick also holds a range of non-executive board positions and provides angel investment and strategic direction to a portfolio of companies.

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# Trusted advisors to businesses just like yours

## Notable recent Mirus healthcare transactions



applied biomath<sup>®</sup>  
REVOLUTIONIZING DRUG INVENTION

has been acquired by



**CERTARA**<sup>®</sup>  
(NASDAQ: CERT)

Founded in 2013, Applied BioMath is an industry-leader in providing model-informed drug discovery and development support to help accelerate and de-risk therapeutic research and development (R&D). Certara accelerates medicines using biosimulation software, technology and services to transform traditional drug discovery and development, with clients across 70 countries. Together, Certara and Applied BioMath are the life sciences industry's largest team of experts in quantitative systems pharmacology (QSP), a method of biosimulation used across the development lifecycle to predict endpoints, biomarkers and the most effective dosing regimen.



JACO

has been acquired by



**GCX**<sup>®</sup>  
Mounting Solutions

a portfolio company of



Audax Private Equity

Based in Franklin, MA, Jaco designs, manufactures, and sells a full line of branded point-of-care IT workstation solutions for the healthcare markets, including powered carts, non-powered carts, wall arms, and video-presentation carts. GCX Corp., based in Petaluma, CA, has been providing medical device and IT mounting solutions for the healthcare industry since 1971, through direct sales and working with original equipment manufacturers (OEM). The acquisition strengthens GCX's broad portfolio of medical instrument and mounting solutions with the addition of Jaco's battery-powered EVO™ Series mobile carts. The deal also adds new commercial and manufacturing competencies.



TheraCell

has been acquired by



**isto**<sup>™</sup>  
BIOLOGICS

a portfolio company of



THOMPSON STREET  
CAPITAL PARTNERS

Founded in 2008, TheraCell focuses on the development of advanced technologies for bone and soft tissue repair and is the inventor of the next-generation, TheraFuze DBF<sup>®</sup> demineralized bone fiber technology. 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 acquisition will strengthen Isto's focus on offering extraordinary solutions for surgical and clinical care procedures within spine, orthopedics and sports medicine.



AdvanSource  
biomaterials

has sold substantially  
all of its assets to



**mcpp**<sup>™</sup>

A Group Company of



MITSUBISHI CHEMICAL

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.



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