HYDE PARK CAPITAL

Integrity | Expertise | Results

Investment Banking | Mergers & Acquisitions | Capital Raising

Overview

Nationally recognized investment bank founded in 2000

Over 300 transactions completed, totaling more than $10 billion in transaction value

Extensive relationships with leading institutional lenders, PE investors, and strategic buyers

Proven ability to source quality buyers and maximize deal value

Industry Expertise

- Healthcare
- Technology
- Business Services
- Industrial Services
- Financial Services
- Consumer

Investment Banking Services

Mergers & acquisitions, recapitalizations, and management buyouts

Capital raising of equity, mezzanine, and senior debt capital

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Comprehensive and targeted sell-side marketing efforts

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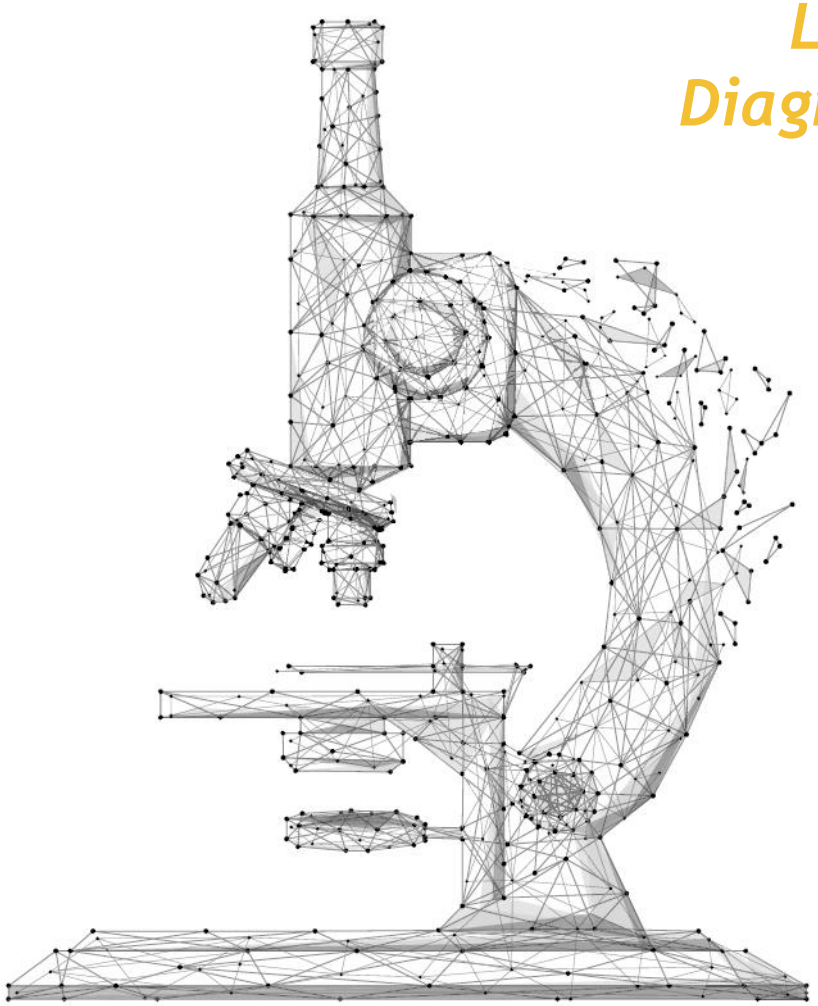


Laboratory and Diagnostic Services

Market Insights

Summer 2025

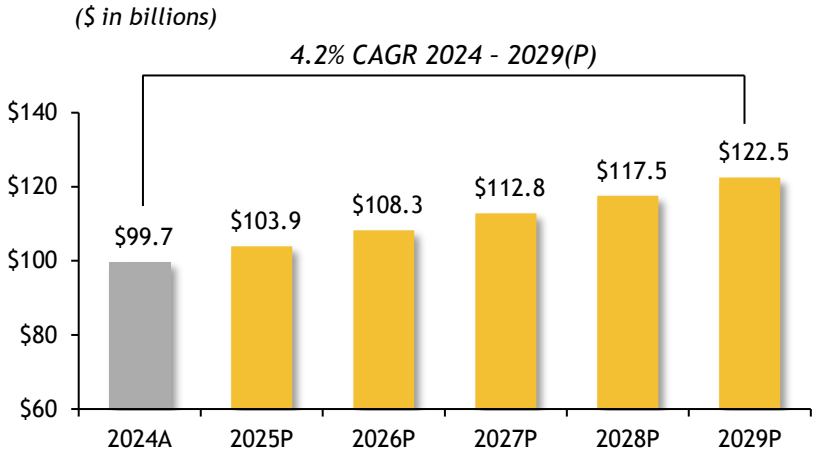
Member FINRA/SIPC

Market Observations

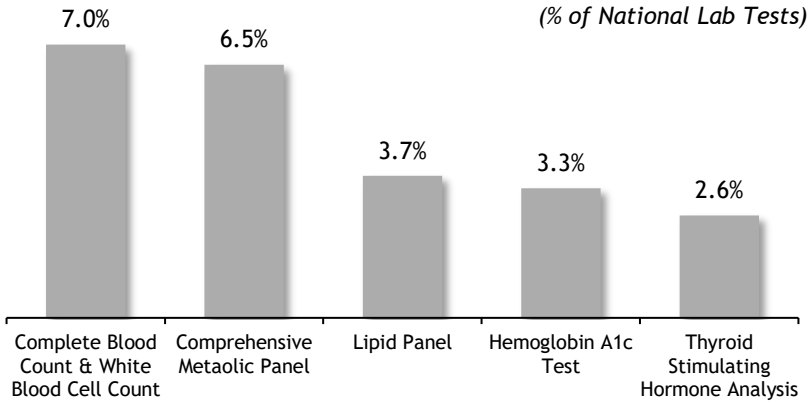
Clinical Lab Services Growth Outlook

- The U.S. clinical lab services market generated $99.7 billion of revenue in 2024, and is projected to reach $122.5 billion by 2029, growing at a 4.2% CAGR.
- Growth is fueled by an aging population, rising chronic disease prevalence, advancements in technology, and a shift toward preventive healthcare.
    - By 2054, the U.S. population aged 65+ is expected to reach 84 million (23%); among adults aged 60+, 95% live with at least one chronic condition, and 80% have two or more.
    - Prevalence of chronic diseases such as diabetes and cardiovascular conditions in particular are on the rise, which by their nature require more regular and thorough diagnostic testing.
    - Lab automation has eased some of the burden caused by a rising number of tests coupled with labor pressures, but technological changes in lab tools and AI integration promise faster and more accurate diagnostics.
    - Sector should be a beneficiary of further secular tailwinds as the healthcare industry as a whole moves away from fee-for-service towards more preventive and value-based care, with the latter models relying more heavily on diagnostics, coupled with increases in corporate and employee wellness programs that already drive ~65 million health screenings annually.

U.S. Clinical Lab Services Market Growth



Most Common Lab Tests by Procedure Volume



Sources: CDC, Definitive Healthcare, GoodRX, National Council on Aging

Market Observations

Operational Impacts and Trends

LDT Final Rule

- On June 3rd, the 60-day window expired for the U.S. Food and Drug Administration to challenge the March 31st U.S. District Court ruling which vacated the agency's rule on laboratory-developed tests (LDTs).
  - This means the court's ruling will stand and the rule will not go into effect.
- The rule would have allowed FDA oversight of the tests, which the American Clinical Laboratory Association (ACLA) challenged would prohibit innovation in tests and delivery to patients in a timely manner.

Automation and AI

- A Siemens Healthineers/Harris Poll survey regarding automation and AI found 95% of lab professionals believe automation enhances patient care, and 89% say its essential to meeting rising demand.
- Automation – used in specimen sorting, centrifugation, reporting, and results delivery – addresses labor shortages and reduces labor costs, which on average represent 40-60% of lab operating expenses.
- Adoption of AI tools and technology hope to further alleviate the ongoing workforce shortage as well as further improve outcomes for the patient, with 91% of laboratory professionals agreeing AI can help address unmet patient care challenges already.

Geopolitical and Tariffs

- Tariff outlook remains uncertain, but its impacts appear mixed among different market players.
- Labcorp noted on its Q1 earnings call that it has contracts that secure its pricing for more than 80% of spending with vendors and plans to renegotiate hard when contracts come up for renewal.
- Bio-Rad had notified customers on May 21st of tariff related surcharges, identifying ~$40 million in tariff impacts, but in a letter to customers on June 18th backed off such plans.
- Certainly, organizations reliant upon imported lab glassware, consumables, reagents, and electronics will feel some impact, but the upstream effects on components and medical plastics also impact domestic manufacturers that feed into lab operators.

Sources: 360 Dx, Siemens Healthineers, The Harris Poll, HealthTech, DarkDaily

Market Observations

Reimbursement Themes and Outlook

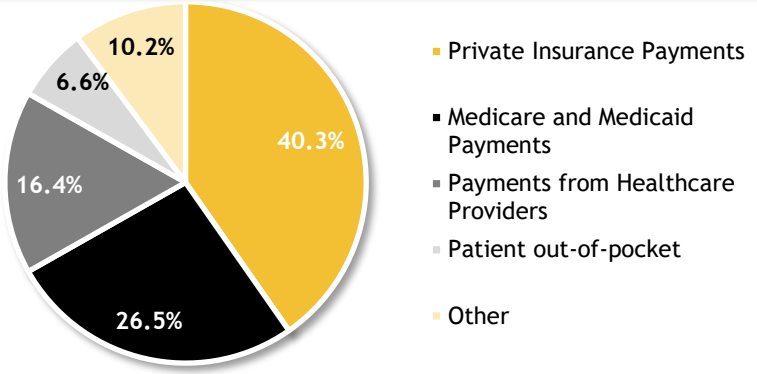
Medicaid

- As the Senate deliberates the House passed "One Big Beautiful Bill Act", the impact for lab and diagnostic services is not yet entirely clear, but Medicaid is the focus.
- Medicaid cuts are likely to impact both volume and rates for testing that relies on this reimbursement.
    - This likely will have the most significant impact on labs serving rural and non-profit health systems that rely more heavily on Medicaid funding.
- Those that have exposure to clinical trial testing, including labs involved in diagnostic test development, may benefit from trial sponsors being able to immediately deduct 100% of domestic R&D expenses from January 19, 2025 to 2029, reversing the 2022 requirement to amortize these costs over five years.

Medicare

- Though planned rate cuts outlined in the Protecting Access to Medicare Act (PAMA) have been repeatedly delayed since enactment in 2014, 72% of the Clinical Laboratory Fee Schedule have faced the potential of payment cuts.
- A 15% reduction in Medicare payment across ~800 tests is planned in 2026 through PAMA, if not delayed again by Congress.

Diagnostic & Medical Laboratories Revenue Sources



Private Insurance

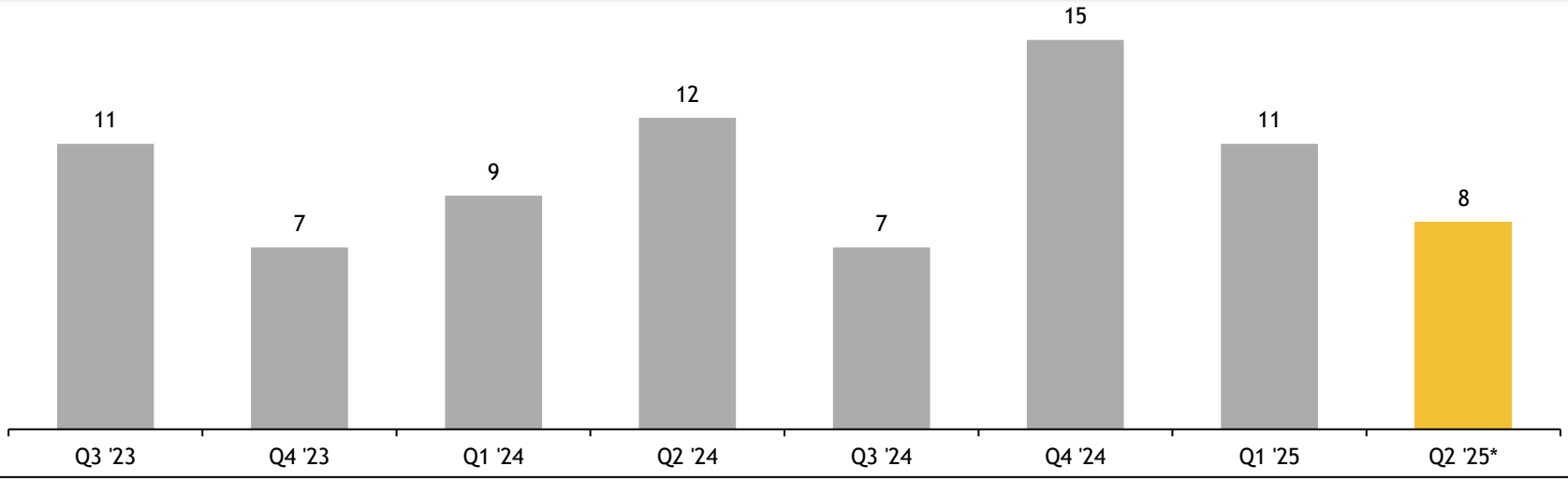
- Insurers continue to try to control costs through negotiating lower rates, particularly for more routine diagnostics, as well as tying to Medicare rates.
- Greater scrutiny being placed on less routine and / or high costs tests, particularly LDTs.
- Preferred labs and network arrangements formed for certain tests, often time with better rates.
- Evidence based rationale increasingly required for both medical efficacy as well as outcomes lowering costs, e.g. decreased hospitalization, use of therapeutics, etc., reflecting decreasing fee-for-service.
- At-home, self and virtual testing reimbursement increasing in adoption.

Sources: 360 Dx, American Clinical Laboratory Association, MedTech Dive, IBIS World

Recent Laboratory & Diagnostic Services M&A Activity

- The pace of M&A activity across the sector has slowed in recent years, though in line with the broader M&A and Healthcare markets as a whole and after many lab and diagnostics businesses were acquired during the 2020 - 2022 M&A wave.
  - Activity was improving in Q4 '24 and Q1 '25, prior to the April 2nd tariff announcements.
- Independent laboratories are still highly sought after by both strategics looking to add further scale and density, as well as private equity looking for platforms or add-ons to capitalize on the sector growth fundamentals.
  - Market remains highly fragmented, with over 250,000 CLIA-certified labs ranging from small single-specialty labs to larger national platforms.
- Those businesses that offer specialized testing and services may command higher premiums due to their more niche offerings, making them attractive bolt-on targets for acquirers looking to diversify and enhance their testing portfolios.
- Quest Diagnostics (NYSE: DGX) and Labcorp (NYSE: LH) have completed over 15 acquisitions combined since beginning of Q1 2024, demonstrating their continued deal appetite.
  - In many of their deals involving acquisitions of a business line or asset of a hospital system or provider, there are service arrangements tied to the acquisition for continued cooperation with the target's parent.

U.S. & Canada Laboratory & Diagnostic Services Quarterly M&A Activity



Source: Pitchbook, Capital IQ, 360 Dx
** As of 06/23/2025*

Select Recent Laboratory & Diagnostic Services M&A Transactions

Deal Date	Target	Buyer/Acquirer(s)	Target Business Description	Enterprise Value ($M)
06/15/25	DAYZERO DIAGNOSTICS (Diagnostic Assets)	BIOMÉRIEUX	Detects pathogen and antimicrobial resistance genes directly from whole blood through sequencing and machine learning.	$25.0
05/05/25*	Incyte DIAGNOSTICS (Clinical Testing Assets)	labcorp	Clinical and anatomic pathology ("AP") testing business, including multiple same-day testing labs and Incyte's main AP lab in Spokane, Washington.	N/A
05/05/25	SIGMA Tactical Wellness	TeleMed2U	Provider of cardiometabolic screening services offering biomarker detection, cardiac imaging and exercise testing.	N/A
04/18/25	North Mississippi Health Services (Ambulatory Outreach Laboratory Business)	labcorp	In addition to acquiring the ambulatory outreach lab business, Labcorp will become a referral lab for NMHS' seven hospitals and clinic laboratories and open three new patient service centers in North Mississippi.	N/A
04/17/25	Heartland Health Laboratories, Inc.	PRINCIPLE HEALTH SYSTEMS	Operator of CLIA-accredited laboratory that offers laboratory testing and specimen collection services.	N/A
04/10/25	CAMBRIDGE CLINICAL LABORATORIES	Source BioScience; HARWOOD PRIVATE EQUITY	Operator of a diagnostic testing laboratory, specializing in disease identification, disease predisposition, and medicine.	N/A
03/24/25	SYNLAB	labcorp	Cinven sold a 15% minority stake in Synlab, a provider of a full range of innovative and diagnostic services to patients, doctors, hospitals, and clinics.	~$190
03/19/25	CORIELL LIFE SCIENCES	InformedDNA Genetics, Decoded.	Provider of pharmacogenomic and precision medicine lab services, including medication risk management programs, genetic variant analysis, and clinical decision support for healthcare organizations.	$446

Sources: PitchBook; Capital IQ
** Denotes Announced Transaction, not yet Closed*

Select Recent Laboratory & Diagnostic Services M&A Transactions (cont.)

Deal Date	Target	Buyer/Acquirer(s)	Target Business Description	Enterprise Value ($M)
03/11/25	BioReference® (Oncology Lab Testing Assets)	labcorp	Laboratory testing business focused on oncology and oncology-related clinical testing services. The assets currently generate ~$85-100 million in annual revenue.	$225
03/10/25	pathline	NEO GENOMICS	Provides a range of lab services, including histopathology, immunohistochemistry, cytology, molecular pathology, and flow cytometry to clients throughout the Northeastern U.S.	N/A
03/04/25	FRESENIUS MEDICAL CARE (Select Lab Assets)	Quest Diagnostics	Assets of Fresenius' Spectra Laboratories business, which provides renal testing services in the U.S.	$491
12/16/24	AMAND Dermatopathology (Select Testing Business Assets)	labcorp	Select assets of the independent laboratory's clinical and women's health testing business.	N/A
12/11/24	BalladHealth (Outreach Lab Services)	labcorp	Select assets of outreach lab services. Ballad will continue to operate its inpatient and emergency department laboratory, as well as lab services for hospital-based practices, such as oncology.	N/A
12/09/24*	LADR Der Laborverbund Dr. Kramer & Kollegen	SONIC HEALTHCARE	Operator of regional medical laboratories offering medical testing and diagnostic services, including allergy diagnostics, general laboratory medicine, andrology, autoimmune diagnostics, and more. LADR reported full-year 2024 revenue of ~$388 million.	$444
12/09/24	USDTL	NCP NORTHLANE CAPITAL PARTNERS	Operator of a specialized laboratory focused on substance abuse testing, offering urine, hair, and umbilical cord analysis.	N/A
11/27/24	bioreach	ScriptSave® WellRx	Provider of bloodwork and genetics laboratory services. Offers WellRX further vertical integration for patients concerned with their health and wellness.	N/A

Sources: PitchBook; Capital IQ
** Denotes Announced Transaction, not yet Closed*

Select Recent Laboratory & Diagnostic Services M&A Transactions (cont.)

Deal Date	Target	Buyer/Acquirer(s)	Target Business Description	Enterprise Value ($M)
10/24/24	LABWORKS (Select Assets)	labcorp	Select assets and molecular testing location of Lab Works, an accredited independent clinical laboratory located in Birmingham, Alabama.	N/A
10/14/24	OhioHealth (Outreach Lab Services)	Quest Diagnostics	Provider of outreach laboratory services including hematology, microbiology, and molecular diagnostics services.	N/A
09/16/24	Allina Health (Select Lab Assets)	Quest Diagnostics	Select lab assets across Minnesota and western Wisconsin. Quest will offer its laboratory services to Allina Health clinic physicians and outreach provider clients.	N/A
09/16/24	BioReference (Diagnostics Business Assets)	labcorp	Laboratory testing business focused on clinical diagnostics and reproductive and women's health outside of NY and NJ. The assets currently generate ~$60 million in annual revenue.	$238
08/23/24	LifeLabs	Quest Diagnostics	Provider of laboratory testing services, offering standard lab testing and genetic as well as naturopathic testing. The acquisition is expected to provide Quest ~$710 million in annual revenue.	$981
08/20/24	Orchid Cellmark	eurofins	Provider of DNA testing services as well as alcohol and hair drug testing services.	N/A
08/05/24(1)	INVITAE	labcorp	Genetics information company offering diagnostic testing and research.	$241
07/02/24	SPRINT DIAGNOSTICS	EmeritusDX Together, We Save Lives	Provider of laboratory services intended for anatomic pathology, offering tissue biopsies, immunohistochemistry, molecular tests, and more.	N/A

Sources: PitchBook; Capital IQ

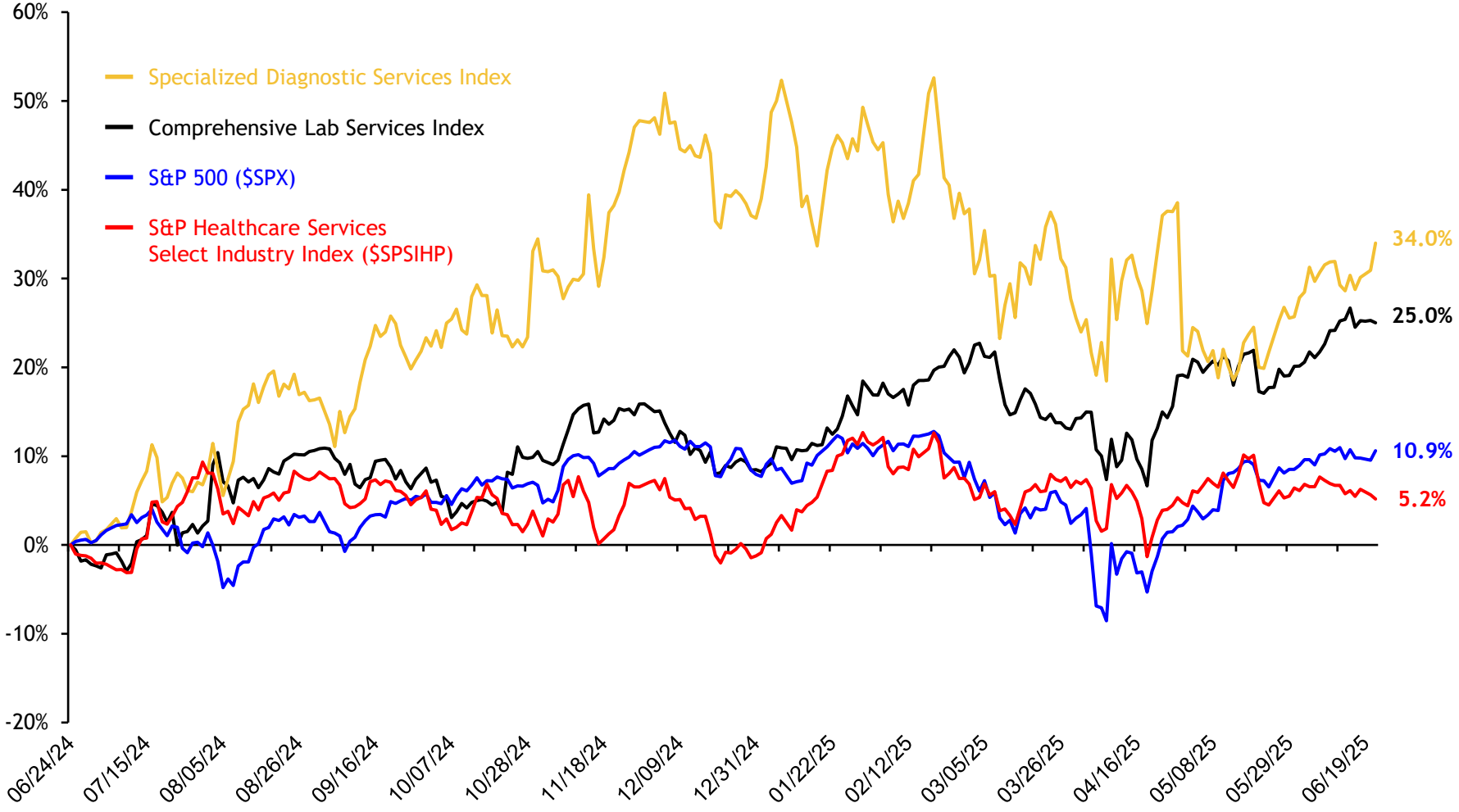
(1) Labcorp selected as winning bidder in court-supervised sale process

Select Recent Laboratory & Diagnostic Services M&A Transactions (cont.)

Deal Date	Target	Buyer/Acquirer(s)	Target Business Description	Enterprise Value ($M)
06/20/24	KASHI CLINICAL LABORATORIES	PRAIRIE CAPITAL	Provider of transplant doner, maternity and monitoring, genomic sequencing, and other laboratory testing services.	N/A
06/11/24	PathAI (Diagnostic Lab Assets)	Quest Diagnostics	Anatomic and digital pathology lab services business. Quest will also license PathAI's digital pathology management system.	N/A
06/07/24	Dr Risch	SONIC HEALTHCARE	Operator of diagnostic laboratories offering a range of medical diagnostics and analyses including urine tests, coagulation tests, venous blood samplings, allergy diagnoses and parasite detection. Dr. Risch generated ~$176 million of revenue in 2023.	$202
05/01/24	VERSANT DIAGNOSTICS	IRON PATH CAPITAL	Leading regional anatomic pathology provider serving the hospital and physician's office markets. Iron Path initially formed the partnership with Versant and Alliance Pathology in October 2021. Iron Path bought additional stakes from other existing investors.	N/A
04/23/24	Providence (Outreach Lab Business)	labcorp	California based laboratory business including ambulatory lab draw stations and an ambulatory facility and other equipment.	$54.9
03/31/24	ASCEND	eurofins	Operator of a clinical reference laboratory, offering testing services for kidney disease.	$166
02/12/24	Lenco (Acquisition of Assets)	Quest Diagnostics	Independent clinical diagnostic laboratory provider serving physicians in New York.	$111
02/01/24	Intermountain Precision Genomics (Tumor & Liquid Laboratory)	Myriad genetics	Select assets including the Precise™ Tumor Test, the Precise Liquid Test, and IPG's CLIA-certified laboratory in St.George, Utah.	N/A

Sources: PitchBook; Capital IQ

Indexed Stock Performance (LTM)



Source: Capital IQ as of 06/23/25
NM: denotes not meaningful
Comprehensive Lab Services Index includes: LabCorp, Quest and Sonic
Specialized Diagnostics Services Index includes: Exact Sciences, GeneDx, Guardant, Hologic, Myriad Genetics, Natera, NeoGenomics and Veracyte

Public Comparables

Comprehensive Lab Services

($ in millions, except share price) Company	Price 06/23/25	% of 52 Week High	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	3-Year CAGR Revenue	3-Year CAGR EBITDA	EV / LTM Revenue	EV / LTM EBITDA	EV / NTM Revenue	EV / NTM EBITDA
labcorp	$261.04	98.9%	$28,079	$13,177	$3,675	$2,004	27.9%	15.2%	(4.4%)	(21.1%)	2.1x	14.0x	2.0x	11.6x
Quest Diagnostics	$179.72	98.5%	$26,565	$10,158	$3,356	$2,418	33.0%	23.8%	(1.7%)	(9.9%)	2.6x	11.0x	2.4x	12.1x
SONIC HEALTHCARE	$16.71	88.4%	$10,853	$5,774	$1,909	$1,021	33.1%	17.7%	0.9%	(19.3%)	1.9x	10.6x	1.7x	9.1x
Average							**31.3%**	**18.9%**	**(1.7%)**	**(16.8%)**	**2.2x**	**11.9x**	**2.0x**	**10.9x**
Median							**33.0%**	**17.7%**	**(1.7%)**	**(19.3%)**	**2.1x**	**11.0x**	**2.0x**	**11.6x**

Specialized Diagnostic Services

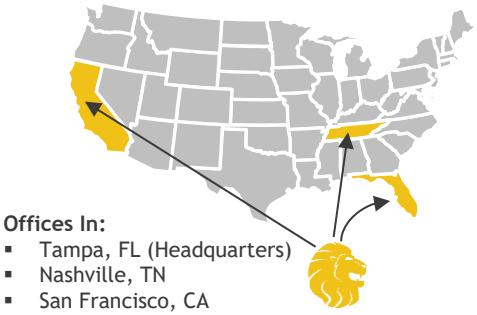
($ in millions, except share price) Company	Price 06/23/25	% of 52 Week High	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	3-Year CAGR Revenue	3-Year CAGR EBITDA	EV / LTM Revenue	EV / LTM EBITDA	EV / NTM Revenue	EV / NTM EBITDA
natera	$170.37	93.1%	$22,467	$1,831	$1,131	($181)	61.8%	NM	40.0%	NA	12.3x	NM	11.0x	NM
HOLOGIC (1)	$64.43	76.1%	$15,263	$4,027	$2,457	$1,287	61.0%	32.0%	(9.3%)	(20.3%)	3.8x	11.9x	3.7x	11.2x
EXACT SCIENCES	$52.54	72.1%	$11,664	$2,828	$1,973	$79	69.8%	2.8%	15.2%	NA	4.1x	NM	3.7x	24.5x
GUARDANT	$48.55	91.7%	$6,623	$774	$475	($381)	61.3%	NM	25.6%	NA	8.6x	NM	7.1x	NM
GeneDx	$79.71	67.7%	$2,230	$330	$215	$16	65.3%	4.9%	17.8%	NA	6.8x	NM	5.9x	45.6x
veracyte	$26.71	56.5%	$1,855	$463	$326	$73	70.4%	15.8%	22.7%	NA	4.0x	25.3x	3.7x	16.7x
NEO GENOMICS	$7.02	36.7%	$1,150	$672	$298	$12	44.3%	1.8%	11.4%	NA	1.7x	NM	1.5x	19.4x
Myriad genetics	$4.86	16.6%	$514	$831	$582	($9)	70.0%	NM	6.8%	NA	0.6x	NM	0.6x	19.1x
Average							**63.0%**	**11.5%**	**16.3%**	**(20.3%)**	**5.2x**	**18.6x**	**4.6x**	**22.8x**
Median							**63.5%**	**4.9%**	**16.5%**	**(20.3%)**	**4.1x**	**18.6x**	**3.7x**	**19.2x**

(1) On May 27, 2025, Hologic received a $16.7 billion ($70 - $72 per share) take-private offer from TPG and Blackstone, causing its share price to surge by over 20%. The initial offer was rejected.

Source: Capital IQ as of 06/23/25
NM: denotes not meaningful

HPC Overview

- HPC is one of the most active boutique investment banks in the country managing sell-side M&A engagements in the Healthcare sector
- Advised on **300+ transactions** and has been a consistent leader in providing independent and unbiased strategic counsel and advisory services to global sellers and buyers of middle-market firms
- Diverse team with extensive execution experience across all areas of Healthcare
- Bulge bracket capabilities with a boutique touch



Offices In:
- Tampa, FL (Headquarters)
- Nashville, TN
- San Francisco, CA

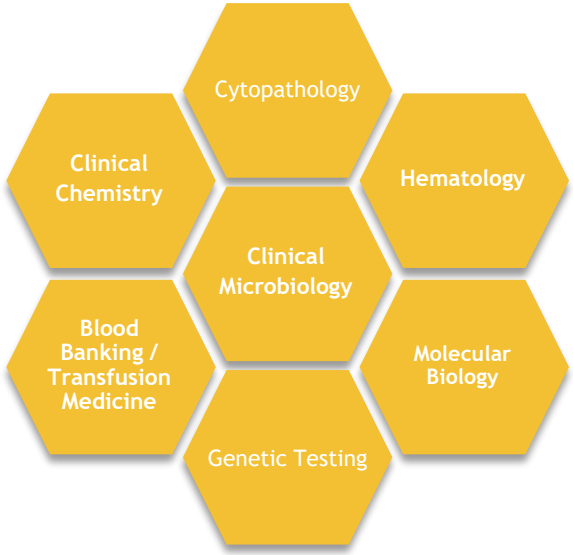
Industry Leading. . .

- **Global 100 Award** (2025 Leading Investment Bank, Tampa)
- **The 2024 USA M&A Atlas Awards** (M&A Deal of the Year Winner & Recapitalization of the Year Winner)
- **24th Annual M&A Advisors Awards** (2024 M&A Deal of the Year Winner - $250M-$500M)

Healthcare Coverage. . .

- Laboratory Services
- Managed Care
- Life Science Tools / Diagnostics
- Medical Devices
- Pharma Services
- Healthcare Providers
- Digital Health

With a Focus on Laboratory Services



HPC Overview

Recent Healthcare Transactions

VitalTech has been acquired by COACHCARE

CODY Compliance. Simplified. has been acquired by IMAGENET a portfolio company of bv Investment Partners

Valley Vital Care Infusion Therapy / vitalcare of Richmond has received a growth equity investment from RF Investment Partners

Orthopedic Institute of Wisconsin / midwest orthopedic Specialty Hospital & Affiliates has entered into a joint venture with SURGERY PARTNERS

PINNACLE Home Care has entered into a strategic partnership with GIRLING Health Care of NY

accuhealth. has been recapitalized by SUNSTONE PARTNERS

OnPoint Healthcare Partners has received a growth equity investment from peloton EQUITY

NEVADA SURGICAL SUITES has entered into a joint venture with SURGERY PARTNERS

Emerald Coast infectious disease has been recapitalized by RENOVUS CAPITAL

TONEY HEALTHCARE CONSULTING has been acquired by CENTREPARTNERS & HEP HEALTH ENTERPRISE PARTNERS

Georgia BONE & JOINT ORTHOPAEDIC EXCELLENCE. EXCEPTIONAL CARE. has entered into a joint venture with SURGERY PARTNERS

Magnolia innovation has been acquired by medicalknowledgegroup a portfolio company of COURT SQUARE

MED FLEET has been acquired by PatientCare LOGISTICS SOLUTIONS

Health Integrated has been acquired by EXL look deeper.

ADVANTICA EYECARE has been acquired by DELTA DENTAL

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Experienced Healthcare Senior Banker

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Tampa, FL 33602

Experience:

- 12 years of investment banking experience, with 5+ years prior corporate finance experience
- Advised clients on 25+ M&A transactions and 50+ equity and debt financings
- ACG and M&A Source Member
- Prior investment banking experience with Bank of America, Jefferies, and Deutsche Bank
- Sector Experience: Laboratory and Diagnostic Services, Pharma Services, Life Sciences, Post-Acute Care, and Behavioral Health

Education:

- B.S. Business Management and History from Bucknell University
- M.B.A from Cornell University

Select Healthcare Transactions

GENE BY GENE *has been acquired by* myDNA	*$65,400,000* equillium *Lead Bookrunner Initial Public Offering*	COMPASSUS *has been acquired by* Ascension *and* TOWERBROOK
The Carlyle Group *has acquired* MedRisk	*$63,000,000* XENON *Lead Bookrunner Follow-on Offering*	*$75,000,000* Progenics Pharmaceuticals *Lead Bookrunner Follow-on Offering*
Agri Stats *a subsidiary of* Lilly *has been acquired by* ***Undisclosed Buyer***	CERTARA *has been acquired by* EQT	True North Therapeutics *has been acquired by* Bioverativ
Neurovance *has been acquired by* Otsuka	Bracket *has been acquired by* GENSTAR Capital	*$30,000,000* ADVAXIS IMMUNOTHERAPIES™ *Lead Placement Agent Registered Direct Offering*

Note: Includes transactions in which T.J Wallace completed while at a former employer.