

CASE STUDY

LIFEBRAIN

A well-established Italian laboratory diagnostics operator



www.lifebrain.it

Having spotted significant consolidation opportunities in the European laboratory testing business, Investindustrial invested in Lifebrain in 2018.

Lifebrain, founded in 2013 by Prof. Michael Havel and Bernhard Auer, is the largest Italian player in clinical laboratory testing by number of locations, having acquired and integrated over 200 companies since its inception.

Lifebrain is a leading operator in the routine and specialty medical laboratory testing business in Italy. The Company comprises two main areas of business: the laboratory diagnostics business and the food & environmental testing business. The product portfolio of Lifebrain includes seven www.lifebrain.it main segments in the field

of laboratory diagnostics services: clinical chemistry, hematology, immunochemistry, microbiology, molecular biology, cytology and pathology. Lifebrain owns and operates approximately 350 laboratories in Italy, performing more than 28 million tests annually. Furthermore, at its core, Lifebrain is predisposed to contribute positively to the global challenges posed by the Sustainable Development Goals (SDGs) by providing health and environmental services designed to meet the needs of individuals and the collective public. In doing so, the Company actively supports SDG 3, Good Health and Well Being, SDG 6, Clean Water and Sanitation, and SDG 9, Industry, Innovation and Infrastructure and is considered a Sustainable Development Investment (SDI) by Investindustrial (see page 77 for further details on SDIs).

The Company offers a wide spectrum of core laboratory diagnostics services, from routine to specialised tests, performing tests for the private and the public sectors with B2B (e.g. hospitals or other laboratories) and B2C end clients (i.e. individual patients).

The strong focus on laboratory diagnostic services as the core business, allows the Company to simplify the organisational structure ensuring operational efficiency and maximising the synergy potential.

Buy-and-build: a strategy deeply rooted within Lifebrain's DNA

Since its establishment, Lifebrain's focus has been on implementing a successful buy-and-build strategy in the highly fragmented Italian market, driving industry consolidation. The Company has been able to become the number one player by number of laboratories over the last four years, with approximately 5% market share.

Investindustrial's expertise is increasing Lifebrain's operational scale & scope

Investindustrial's investment allows Lifebrain to further accelerate the rapid pace of

consolidation in the Italian laboratory diagnostic market, to serve a growing customer base with its cutting-edge services. At the same time, Lifebrain will continue to focus on optimising its services and increasing its operational efficiency to strengthen its current position as a preferred partner in laboratory services – providing an effective solution to budget constraints in the national healthcare system. During the pandemic, Lifebrain confirmed its market leadership by being among the first private players to provide COVID-19 screening tests to hospitals as well as its serological tests.

Lifebrain's acquisition pipeline continues to expand into the fast-growing environmental and food testing sector. Lifebrain has completed 57 small-sized acquisitions from the entry of Investindustrial 31st December 2020. They total an enterprise value of approximately €219 million and cumulative EBITDA post synergies of approximately €30 million. Furthermore, management is currently carrying out due diligence activities on more than 15 additional targets, most of which are in an advanced stage of negotiations and are expected to be completed in the coming months. In the strongly fragmented Italian market, the overall acquisition pipeline continues to be strong for Lifebrain. ♦

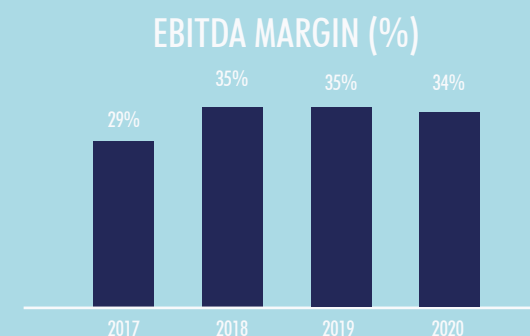
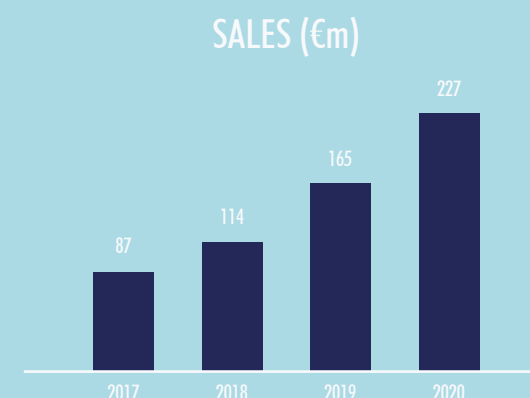


MICHAEL HAVEL
LIFEBRAIN CEO

"Investindustrial is the ideal investor for Lifebrain. The Firm's experience and support will be crucial to consolidate our presence in the Italian market in addition to expanding our business model internationally through a programme of acquisitions while continuing to improve the quality of services offered to our customers."

LIFEBRAIN 2020 EBITDA MARGIN

34%



DEVELOPMENTS SINCE ENTRY ¹⁻²⁻³

Sales growth

160%

EBITDA growth

206%

- 1 EBITDA figures are presented on a run-rate basis including the full impact of synergies to be realised on all the targets signed until the end of the relevant period.
- 2 2017 figures are presented on a pro-forma basis including the contribution of 2017 results of the targets signed in H1 2018.
- 3 2018 and 2019 EBITDA include IFRS 16 adjustments.