

Molecular diagnostics sees strength in numbers

Several recent billion-dollar merger and acquisition deals have expanded the range of services provided by leading molecular diagnostics companies.

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Over the last two years, the molecular diagnostics market has seen a handful of billion-dollar merger and acquisition deals, which have helped to expand and evolve the capabilities of larger companies in areas such as in vitro diagnostics and precision medicine. Three selected billion-dollar deals signed in the past few years (see below) have been executed to improve diagnostic solutions in many therapeutic areas including oncology, infectious and respiratory diseases. Two of these deals involved all cash transactions and have been brokered to further increase the usage of leading diagnostics platforms.

The most recent billion-dollar deal was signed in October 2022 when Thermo Fisher announced that it was acquiring the Binding Site Group from a group of equity investors. The Binding Site Group is a global specialist in protein diagnostics and an industry leader in diagnostic testing and monitoring of multiple myeloma. This acquisition will complement the current diagnostics services work of Thermo Fisher.

A few months before Thermo Fisher's deal, SD Biosensor, along with private equity firm SJL Partners, led a consortium to purchase the diagnostic solutions and life sciences raw materials company Meridian Bioscience for \$1.5 billion. Meridian Bioscience is a well-established global provider of innovative diagnostics products, covering the whole spectrum of services from manufacturing to marketing. The company currently serves a range of customers including research centres, hospitals, laboratories and biotech companies.

Finally, Roche expanded its diagnostic portfolio through its \$1.8 billion acquisition of GenMark. Through the deal, which was announced in March 2021 and wrapped up in May of that year, Roche gained ePlex panels. This range of molecular diagnostic tests can rapidly detect multiple pathogens, including the coronavirus that causes COVID-19, enabling the identification and suitable treatment of a potential infection within hours.

Thermo Fisher acquires The Binding Site Group

Deal announced: 31 October 2022

Deal value: \$2.6 billion

Deal background:

- Thermo Fisher expands its service capabilities by acquiring early cancer diagnostics test developer The Binding Site Group from private equity investors.
- Under the agreement, Thermo Fisher will gain access to Freelite, a diagnostic testing solution for the diagnostic treatment and monitoring of multiple myeloma across all stages of the disease, that has been recommended by leading publications. The deal also brings a range of diagnostic assays for other blood and immune system disorders.
- The deal is an all-cash transaction and closely follows another billion-dollar deal signed in December 2021 for Thermo Fisher for the acquisition of CRO PPD for \$17.4 billion.

SD Biosensor buys Meridian Bioscience

Deal announced: 7 July 2022

Deal value: \$1.5 billion

Deal background:

- SD Biosensor, a developer of innovative research platforms, joins with the Korea-based private equity firm SJL Partners to buy Meridian Bioscience. SD Biosensor will own 60% and the remaining 40% will be owned by SJL Partners, through the all-cash transaction merger agreement.
- Cincinnati-based Meridian Bioscience will continue to operate independently once the deal has completed.
- By buying Meridian, SD Biosensor gains an entry to the US in vitro diagnostics market, and will have access to Meridian's suite of diagnostic solutions that target therapeutic areas including gastrointestinal and upper respiratory infectious diseases.

Roche purchases multiplex molecular diagnostics company GenMark

Deal announced: 15 March 2021

Deal value: \$1.8 billion

Deal background:

- Roche acquires GenMark, a provider of multiplex molecular diagnostics to improve Roche's infectious disease diagnostics capabilities and help the company enter the syndromic testing market.
- GenMark is currently based in Carlsbad, California and once the deal is completed the principal operations will continue from there.
- The deal gives Roche a greater foothold in the infectious disease market, including diagnostic tests for respiratory pathogens that cause COVID-19 and for antibiotic-resistant bacteria.

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