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Diasorin heads to the US with \$1.8bn Luminex deal



[Elizabeth Cairns](#)



And consolidation in the diagnostics space is only just beginning.

That Covid-19 has had a seismic effect on diagnostics companies' sales has been clear for some time; now, more than a year into the pandemic, the effects on strategic decisions and business development are making themselves felt.

Yesterday's debt-fuelled purchase of Luminex by Diasorin is, at \$1.8bn, tied with Roche's takeout of Genmark Diagnostics as the biggest acquisition of a Covid-19 test developer so far this year. But the buyers also have suites of Covid-19 assays of their own. Drowning in cash as a result, the big guns have their pick of acquisition targets to boost offerings and maintain market share even as demand - theoretically - wanes.

The price is not the only thing this merger has in common with the Roche-Genmark deal. Both allow the buyer access to the fast-growing multiplex testing market - as was also the case with Hologic's acquisition of Mobidiag last week.

Diasorin is paying \$37 a share cash for Luminex, a 12% premium to Friday's close. It is taking on a vast amount of debt to fund the deal, signing a \$1.1bn five-year term loan with a syndicate of banks and a \$500m 12-month bridge loan. At least Luminex is profitable, with net income of \$15.2m last year.

The deal values Luminex at 4.4 times its 2020 sales. According to Berenberg analysts, this is a relative bargain. The Roche-Genmark and Hologic-Mobidiag deals came in at multiples of 10.5x and 18.9x 2020 sales, respectively.

Multiplex

Luminex has two multiplex assays: NxTag Cov extended panel, which detects the viruses that cause Covid-19, Sars and Mers; and NxTag respiratory pathogen panel + Sars-Cov-2, which identifies [a swathe of viruses and bacteria](#). Beyond the current emergency, Luminex has multiplex assays for bloodstream, gastrointestinal and healthcare-associated infections.

In buying Luminex, Diasorin also gets a greater toehold in the US market, and within that the hospital testing channel. Around 90% of Luminex's molecular test revenues come from the US, whereas only 41% of Diasorin's overall sales come from the US and Canada combined. As hospitals in the US open up further, sales here ought to expand.

But Luminex also has a sizeable life sciences supply business, selling its diagnostic technology to academic researchers and drug and vaccine developers. This unit, which made up around 44% of Luminex's sales last year, is less familiar to Diasorin, and while the Italian group might choose to continue this business it is also possible that it could sell it off, and concentrate on the hospital market.

With many diagnostics groups very much in the money thanks to their Covid-19 testing revenues, further acquisitions along these lines are likely in the coming months. In another year or so the diagnostics industry could look markedly different from pre-pandemic times.

2021's top 5 Covid-19 test maker acquisitions

Date	Acquirer	Target	Value (\$m)	Acquirer's main Covid-19 tests	Target's main Covid-19 tests
Apr 11	Diasorin	Luminex	1,800	Liaison Sars-Cov-2 Ag (Ag); Liaison Sars-Cov-2 S1/S2 IgG (Ab); Simplexa Covid-19 Direct (RNA)	Aries Sars-Cov-2 (RNA); NxTag RPP + Sars-Cov-2 and NxTag Cov extended panel (MP)
Mar 12	Roche	Genmark Diagnostics	1,800	cobas Sars-Cov-2 & influenza A/B (MP); Sars-Cov-2 Rapid Antigen (Ag); Elecsys Anti-Sars-Cov-2 (Ab)	ePlex respiratory pathogen panel 2 (MP)
Apr 8	Hologic	Mobidiag	795	Aptima Sars-Cov-2 assay (RNA)	Amplidiag Covid-19 and Novodiag Covid-19 (RNA); Amplidiag Resp-4 (MP)
Jan 7	Perkinelmer	Oxford Immunotec	591	New Coronavirus Nucleic Acid Detection Kit (RNA)	T-Spot Discovery (T cell test)
Jan 19	Thermo Fisher Scientific	Mesa Biotech	550	TaqPath Covid-19 diagnostic (RNA); TaqPath Covid-19, Flu A/B, RS Combo (MP)	Accula Sars-Cov-2 (RNA)

RNA = viral RNA test. Ag=antigen test. Ab=antibody test. MP=multiplex test. Source: Evaluate Medtech & company releases.

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