

Avendus Capital Advises Suburban Diagnostics on Its Acquisition by Dr. Lal Pathlabs

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DEAL VALUE	INR 925 – inr 1,150 cr
SERVICE	Mergers & Acquisitions
SECTOR	Healthcare

Suburban Diagnostics (Suburban), one of West India's leading diagnostics companies, announced that it has signed a definitive agreement to be acquired by Dr. Lal PathLabs (DLPL). DLPL will acquire 100% of Suburban in an all-cash deal for an enterprise value of INR 925-1,150 crores, based on an 18.5x multiple of FY22 audited EBITDA. The transaction also provides an exit for Sequoia Capital India, who have partnered with the Company since the first investment in 2012. The deal is expected to be closed within the next month.

| Avendus Capital acted as financial advisor to Suburban Diagnostics on the transaction.

Founded in 1994 by Dr. Sanjay Arora, Suburban is a leader in Mumbai, Maharashtra and West India with ~200 centres across 10+ cities. Suburban's culture of clinical excellence and patient centricity has established it as the most trusted brand by the medical community, consumers and the healthcare ecosystem.

With this acquisition, DLPL, India's premier diagnostics company, will expand its leadership position, taking its West India business contribution to 24% (from 10%). Greater Mumbai will also become the second largest cluster for DLPL after Delhi-NCR.

Speaking on the proposed strategic partnership, **Dr. Sanjay Arora, Founder & Managing Director, Suburban Diagnostics** said, "One of my missions has been to unburden healthcare and add value to medical outcomes. By coming together with DLPL, I will get the right platform to make an impact at a national level. The core of any healthcare organization is to add medical value, while continuing to drive good governance and positive commercial success. This association with DLPL allows us to play to our strengths, while continuing to add value to society."

Chintan Kothari, Executive Director and Head, Healthcare Investment Banking, Avendus Capital said, "This strategic acquisition brings together two organizations anchored in similar values. Under the DLPL umbrella, brand Suburban is well-positioned to scale further. We expect the industry consolidation and shift in preference towards organized diagnostics players to continue, benefitting the end consumers and improving healthcare outcomes in the country."

| About Avendus

Avendus Group is a leading financial services firm with a presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus' wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

For more information, please visit www.avendus.com

<p>Deal Release</p> <p>Contact: Lynette D'souza Tel: +91 9920847823 Email: lynette.dsouza@avendus.com</p>	<p>Avendus Capital Private Limited</p> <p>Regd. Office: 901, Platina, 9th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (E), Mumbai 400051</p>
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