



# Industry Insights

Imaging Services Newsletter

Winter 2023



# Highlights



The U.S. imaging market's estimated value is

**>\$115B** with over  
700 million

diagnostic imaging procedures performed annually.

# Highlights



Price transparency regulations and payer refusal to cover inpatient imaging procedures have caused volumes to steadily shift to outpatient facilities.

# Highlights



U.S. healthcare spending is expected to

↑ **5.1%** annually from  
2021-2030

and is expected to reach **20% of GDP** by 2024.

# Highlights

- As providers continue to focus on cost savings amidst the shift to value-based care, independent service providers (ISPs) have been taking market share from original equipment manufacturers (OEMs) for imaging services equipment repair and maintenance.
- While many ISPs remain focused on one modality, some have begun to diversify their service offerings, transitioning to multi-modality or provider asset manager models.
- Demand for diagnostic imaging will remain high, primarily driven by an aging population.
- Private equity firms continue to search for ISP platform investments in the imaging services sector due to the buy-and-build opportunity and the attractive business models of targets.
- Add-on acquisition activity remains steady as ISPs attempt to diversify geographically and by modality.
- Outpatient imaging facilities number over 6,000 sites in the U.S. and perform about 40% of imaging volumes—the trend towards outpatient imaging procedures is expected to continue.

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## INDUSTRY SNAPSHOT – BY THE NUMBERS




-  U.S. healthcare spending is expected to grow 5.1% annually from 2021 to 2030 and is expected to reach 20% of GDP by 2024.
-  Price transparency regulations and payer refusal to cover inpatient imaging procedures have caused volumes to steadily shift to outpatient facilities.
-  The U.S. imaging market's estimated value is over \$115 billion with over 700 million diagnostic imaging procedures performed annually.

# OEMs vs. ISPs




## OEM Pros

-  Engineers possess technical know-how on newest models
-  Access to proprietary software
-  Better access to original parts




## OEM Cons

-  More expensive repair option
-  High machine-to-engineer ratio worsens response times
-  Logistical challenges in dealing with large organizations

## ISP Pros

-  Meaningful cost savings compared to OEM service
-  Generally superior on-site response times
-  Individualized, hands-on customer service approach

## ISP Cons

-  Challenges in recruiting and retaining engineering talent
-  Less robust parts inventory than OEMs
-  Often focused on one modality

### Medical Equipment OEMs



### Medical Equipment ISPs



# Provider Asset Managers

- Industry participants are seeking to evolve from ISPs into asset managers to diversify revenue streams and gain wallet share.
- Asset managers, capitalizing on the general trend towards cost containment and value-based care, provide execution support to help healthcare providers lower costs and focus on patient care.
- The mounting pressure to better manage providers' existing equipment has compelled healthcare organizations to adopt effective asset management solutions and technologies.
- Most healthcare organizations and staff spend significant time and money tracking hospital equipment and managing the impact of unanticipated repairs and maintenance, worsening the quality of care. A proper asset management system can save providers valuable resources.
- Asset managers provide analytics and reporting to providers, which can assist in more efficient decision-making regarding equipment lifespans, repair schedules, and replacement decisions.
- Medical equipment typically makes up between 15% and 25% of provider capital expenditures, the second-largest component of total spend behind building and space.



1: Freedom Medical was acquired by US Med-Equip in 2022  
 2: Remi was acquired by PartsSource on an undisclosed date in 2021

## Provider Asset Manager Service Offerings



# Private Equity Platforms in Imaging Services



## Attractive Business Models

Imaging services businesses require minimal capital expenditures, and the contractual business model creates predictable revenue streams



## Healthcare-Light Thesis

Generalist private equity funds are comfortable investing in the imaging services space due to familiarity with the service model and lack of insurance reimbursement risk

Platform Investment	Private Equity Sponsor	Date Acquired	Platform Description
		June 2022	626 is a provider of imaging equipment services, focused on providing service to outpatient imaging centers, hospitals, and other Independent Service Organizations
		May 2022	RSA is a leading provider of repair and maintenance services for radiotherapy equipment, with a specific focus on linear accelerators. The company's customers include hospitals and medical centers, private cancer centers, universities, veterinary clinics, and GPO/asset management groups
		January 2022	Renovo Solutions is a provider of health care and life sciences technology management programs that deliver structured, transparent and customer-focused equipment support services to health care and biopharmaceutical sites nationwide
		December 2021	TTG Imaging Solutions is a provider of end-to-end solutions including equipment, maintenance and repair services, clinical staffing, and radiopharmaceutical products for cardiology and oncology customers
		July 2021	DirectMed Parts & Service is an independent provider of service and parts for MRI and CT machines. The company repairs, supports and sells GE, Siemens and Philips parts to healthcare networks, imaging centers and independent service organizations globally
		July 2021	PartsSource is an online marketplace for medical equipment maintenance parts and service. PartsSource's marketplace connects more than 3,500 hospitals and 15,000 clinics, with more than 6,000 medtech OEMs and 2,000 medtech repair professionals across the country
		March 2021	EMSAR is a service solutions provider offering services and repairs across a diverse set of vertical industries including healthcare, power, retail and security



# Platform Investment Add-On Acquisitions



## Add-On Acquisitions Add Diversification

Add-on acquisitions allow portfolio companies to increase market share in existing service lines, grow geographically, and diversify repair capabilities by modality



## Fragmented Industry

The fragmented nature of the service and repair markets for imaging equipment has made it attractive for private equity buyers to deploy buy-and-build strategies

Private Equity Sponsor	Platform Investment	Add-On Acquisitions	Rationale
		  	<p>The core competencies of Horizon, Sigma Imaging Technologies, and Modern Biomedical &amp; Imaging align with InterMed's focus on delivering best-in-class medical equipment servicing and program management</p>
			<p>The acquisition of Freedom Medical doubled US Med-Equip's number of locations, increased its workforce, and broadened its geographic scope</p>
		 	<p>Since being acquired by Avista Capital Partners in February 2022, Probo Medical has acquired Canute Medical and MI Healthcare; Probo completed seven add-on acquisitions under prior Varsity Healthcare Partners ownership</p>
 		 	<p>Aramark expands TriMedx's proprietary technology-driven solutions to a broader set of healthcare provider customers, whereas Centurion will enhance TriMedx's clinical asset management and informatics solutions</p>
		 	<p>LBN Medical, headquartered in Denmark, expands DirectMed's parts business outside of North America while ScanMed adds a new repair capability by acquiring a previous vendor</p>

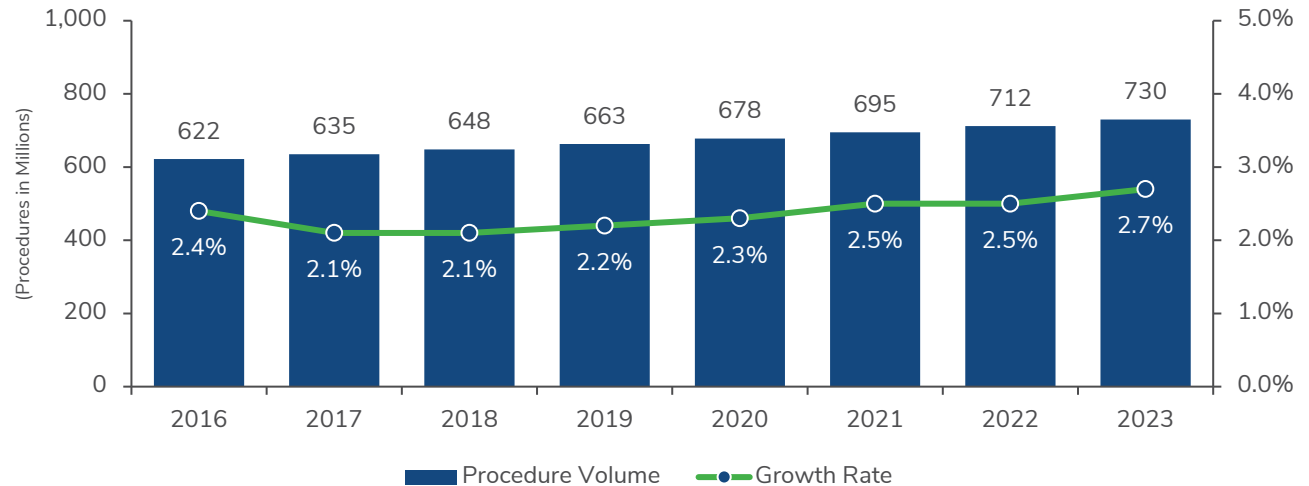
# Diagnostic Imaging Trends

## Diagnostic Imaging Procedure Volumes Moving Towards Outpatient Facilities

- Outpatient imaging centers, which number over 6,000 sites and perform approximately 40% of treatment volumes, are expected to continue to gain market share on imaging services performed in hospital settings.
- The average network rate for an abdominal MRI scan at an outpatient diagnostic imaging center is approximately 61% less than the average rate for an inpatient imaging procedure. The need for outpatient facilities to maintain a low-cost structure will create more opportunities for ISPs.
- Some payors have elected to no longer cover MRIs and CT scans performed at hospitals, requiring patients to have tests performed at outpatient facilities due to the significantly lower cost.
- COVID-19 strained hospital resources and exacerbated staffing shortages as providers were forced to focus on more acute patients. The impact of COVID-19 intensified the shift in imaging volumes towards outpatient facilities, a trend that is not expected to ease in the near future.

## Diagnostic Imaging Procedure Volume<sup>1</sup>

Patients aged 65 and older, who undergo diagnostic imaging procedures twice as often as the rest of the U.S. population, are expected to drive growth in procedure volumes over the next decade.



<sup>1</sup>Source: RadNet Investor Presentation, March 2022

# MRI and CT/PET Landscape

## MRI Overview

- The MRI OEM market is segmented into categories that measure the strength of each machine: less than 1.5T, 1.5T, and greater than 1.5T.<sup>1</sup> The market is dominated by 1.5T machines, which make up about 75% of the global installed base.
- GE Healthcare, Siemens, and Philips are the dominant MRI OEMs.
- Private equity interest in MRI ISPs remains high. Over the past 18 months, 626 and DirectMed have been acquired as portfolio companies.

### MRI OEMs

Logos for MRI OEMs: Canon (Canon Medical), GE Healthcare, Hitachi (Inspire the Next), Philips, and Siemens.

### MRI ISPs

Logos for MRI ISPs: 626, Block Imaging, DirectMed (Parts & Service), Innovatus Imaging, InterMed (The InterMed Group), PartSource, TriImaging Solutions, and SharedImaging (Change. Solved.).

## CT/PET Overview

- GE Healthcare is the leading manufacturer of CT machines followed by Siemens, Canon and Philips. The dominant OEMs are mostly the same spanning MRI and CT/PET modalities.
- Many ISPs possess repair capabilities for both MRI and CT/PET machines.

### CT/PET OEMs

Logos for CT/PET OEMs: Canon (Canon Medical), GE Healthcare, Siemens, and Philips.

### CT/PET ISPs

Logos for CT/PET ISPs: Block Imaging, DirectMed (Parts & Service), InterMed (The InterMed Group), PartSource, SharedImaging (Change. Solved.), ITg (Imaging Solutions), and TriImaging Solutions.

<sup>1</sup> Source: Fortune Business Insights, "Magnetic Resonance Imaging (MRI) Equipment Market Size, Share & COVID-19 Impact Analysis." All trademarks, trade names, or logos referenced herein are the property of their respective owners

# Ultrasound and Radiation Oncology Landscape

## Ultrasound Overview

- GE Healthcare is the leading ultrasound equipment OEM. Philips and Canon Medical are the next largest players, while Hitachi and Siemens Healthcare are minor players.
- The ultrasound ISP landscape is fragmented, similar to most ISP landscapes. Probo Medical has been incredibly acquisitive, completing nine acquisitions since 2019 under two private equity sponsors.

### Ultrasound OEMs

### Ultrasound ISPs

## Radiation Oncology Overview

- The linear accelerator (LINAC) OEM market is dominated by Varian, which owns about 75% of the domestic market share.
- In Europe, Elekta and Varian approximately split the LINAC market share.
- While OEMs still perform the majority of repair and maintenance on LINACs, ISPs have been gradually gaining market share.
- The LINAC ISP market is very fragmented—Oncology Services International and RSA are the two largest ISPs.

### Radiation Oncology OEMs

### Radiation Oncology ISPs

# Medical Equipment Services Remain Critical



## Outpatient Imaging Facilities Are Required to Keep Cost Structure Low

The proliferation of outpatient imaging facilities and their need to keep cost structures low will continue to provide opportunities for ISPs to grow.



## COVID-19 Has Strained Provider Resources

COVID-19 has increased healthcare staffing shortages and burnout, requiring more efficient use of resources and tracking of mission-critical medical equipment.



## Engineer Labor Shortages Expected to Worsen

Engineer shortages will make it more challenging for providers to have equipment repaired in a timely manner, adding to the value proposition of ISPs that are able to retain talent and provide reliable service.



## Medical Equipment Service Has Become More Expensive and Complex

As medical equipment has become increasingly complex to operate and service, providers have shifted service responsibilities to third parties with specific expertise on individual modalities.



## Shift to Value-Based Care Pressures Hospitals to Keep Costs Low

Hospitals will continue to look for ways to rein in costs, and ISPs provide an opportunity to do so without sacrificing quality of service.



## Aging Population Will Drive Increase in Medical Procedures

Demand for medical equipment will increase along with the number of medical procedures, making equipment uptime even more important for providers.

# Transaction Announcement

## Kroll Advises RSA on Its Sale to Sheridan Capital Partners

### Sell Side Advisor



Has been acquired by

**SHERIDAN**  
CAPITAL PARTNERS

Financial advisor to RSA, Inc.

### Deal Team

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RS&A, LLC (“RSA” or the “Company”), a leading provider of repair and maintenance services for radiotherapy equipment, has been acquired by Sheridan Capital Partners (Sheridan, or the Buyer). The transaction closed on May 27, 2022.

### Client:

Based in Rural Hall, NC, and founded in 1995, RSA is a leading provider of repair and maintenance services for radiotherapy equipment, with a specific focus on linear accelerators. RSA’s repair capabilities include Varian, Elekta, and Siemens LINACs, which make up approximately 95% of the installed LINAC base in the United States. The Company’s customers include hospitals and medical centers, private cancer centers, universities, veterinary clinics, and GPO/asset management groups.

### Buyer:

Sheridan Capital Partners is a healthcare-focused private equity firm headquartered in Chicago. It is focused on founder-owned businesses with underlying secular growth trends that have diversified client bases with limited FDA approval risk or biopharmaceutical risk. Specifically within the healthcare sector, it is focused on healthcare providers, healthcare outsourced services, and consumer health and products.

### Role of Kroll:

Kroll served as exclusive financial advisor to RSA in connection with its sale to Sheridan Capital Partners.

# Transaction Announcement

## Kroll Advises NXC Imaging on Its Sale to Canon Medical Systems

### Sell Side Advisor



Has been acquired by



Financial advisor to NXC Imaging

Northern X-Ray Company, d/b/a NXC Imaging (NXC Imaging or the Company), a leading distributor and service provider of capital medical equipment, has been acquired by Canon Medical Systems USA, Inc. (Canon, or the Buyer). The transaction closed on July 20, 2022.

### Client:

NXC Imaging, headquartered in Minneapolis, Minnesota, is an employee-owned company in business since 1964. NXC is a distributor and service provider of capital medical equipment (MRI, CT, vascular, ultrasound, X-ray, and c-arms) representing premier diagnostic imaging manufacturers Canon, Carestream and Ziehm.

### Buyer:

Canon Medical Systems USA, Inc., headquartered in Tustin, Calif., markets, sells, distributes and services radiology and cardiovascular systems, including CT, MR, molecular imaging, ultrasound, X-ray and interventional X-ray equipment.

### Deal Team

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### Role of Kroll:

Kroll served as exclusive financial advisor to NXC Imaging in connection with its sale to Canon Medical Systems.

# Notable Transaction Activity in Imaging Services

## Platform Investments

Date	 	 	 
Deal Value	September 2022	June 22, 2022	June 2, 2022
Transaction Highlights	Not Disclosed	Not Disclosed	Not Disclosed
	<ul style="list-style-type: none"> <li>Chicago-based private equity firm 5<sup>th</sup> Century Partners acquired Radon Medical Imaging, a West Virginia-based regional independent service organization that sells, refurbishes, and services imaging equipment (MRI, CT, PET, x-ray and other imaging modalities)</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Chicago-based private equity firm Sheridan Capital Partners acquired RSA, a leading medical device independent service provider primarily specializing in linear accelerators (LINACs).</li> <li>Sheridan Capital Partners Partner Sean Dempsey said, "Sheridan has spent years developing a thesis around and actively evaluating opportunities within the attractive, growing medical equipment ISP space, and RSA represents the right platform and team with which to execute on our shared vision."</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Austin-based private equity firm Peak Rock Capital acquired 626 Holdings, a provider of imaging equipment maintenance services.</li> <li>"626 represents a tremendous opportunity to partner with the founders and management of a leading services and maintenance business in the imaging sector, helping to reduce healthcare costs and support high quality patient care," said Spencer Moore, Managing Director of Peak Rock.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>

Sources: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., New York Times DealBook, The Deal, The Wall Street Journal)  
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# Notable Transaction Activity in Imaging Services







## Platform Investments

Date			
Deal Value	Not Disclosed	Not Disclosed	Not Disclosed
Transaction Highlights	<ul style="list-style-type: none"> <li>Avista Capital Partners, a private equity firm focused exclusively on healthcare, acquired Probo Medical, a provider of repair and other services to the medical imaging equipment market.</li> <li>“Probo has earned its strong market position through operational excellence and timely, strategic acquisitions. The Company is well-positioned to accelerate growth as favorable sector trends continue, particularly growing demand for newer, high-quality refurbished equipment,” said Sriram Venkataraman, Partner at Avista.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Water Street Healthcare Partners, a Chicago-based health care private equity firm, invested in Renovo Solutions, a medical equipment service and management company primarily focused on clinical and diagnostic imaging equipment.</li> <li>With the investment, Renovo plans to broaden its service and management capabilities, enhance its proprietary computerized management system, and expand its national footprint.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>TTG Imaging Solutions, a provider of repair, refurbishment, sales, parts, and servicing of medical imaging devices, was acquired by Sentinel Capital Partners, a private equity firm specializing in middle market businesses.</li> <li>“The TTG team has developed an impressive growth playbook and we are thrilled to provide them the capital and support to significantly expand the business. We look forward to working with TTG’s talented team as they enter their next chapter of growth,” said Paul Murphy, a Sentinel Partner.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services




## Platform Investments

	 	 	 
Date	July 20, 2021	July 7, 2021	March 31, 2021
Deal Value	Not Disclosed	Not Disclosed	Not Disclosed
Transaction Highlights	<ul style="list-style-type: none"> <li>Global private equity firm Bain Capital acquired PartsSource, a leading online B2B marketplace for medical equipment maintenance parts and services with a network of 6,000+ OEMs.</li> <li>Bain Capital Managing Director Devin O'Reilly said, "We believe PartsSource has clear runway for organic growth and a significant opportunity to broaden the platform and strengthen its offering to customers through strategic acquisitions, product innovation, and international expansion."</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>New York-based private investment firm NMS Capital acquired DirectMed Parts &amp; Service, an independent diagnostic imaging parts supplier specializing in MRI and CT machines.</li> <li>"Working with NMS to analyze and finance acquisitions and to assess opportunities for expansion into new diagnostic imaging modalities will accelerate our progress," said DirectMed CEO Brad de Koning.</li> <li>The investment from NMS Capital will enhance DirectMed's data-driven sales approach and expand the breadth of its parts and service offering to further its customer-centric business model.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Middle-market private equity firm Gauge Capital acquired EMSAR, a leading ISO that provides equipment repair and maintenance services to manufacturers and end users.</li> <li>"We're excited about the opportunity to partner with EMSAR, who has established themselves as the leading player in the biomedical equipment repair market and to work with management to execute on a myriad of organic and M&amp;A opportunities over the coming years," said David Friedman, Principal at Gauge Capital.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services




## Add-On Acquisitions

Date			
Deal Value	October 28, 2022	October 11, 2022	August 15, 2022
Transaction Highlights	Not Disclosed	Not Disclosed	Not Disclosed
	<ul style="list-style-type: none"> <li>▪ RSA, a leading medical device independent service provider primarily specializing in linear accelerators (LINACs), acquired Summit Imaging, a provider of repair, refurbishment, and exchange services primarily focused on ultrasound and mammography</li> <li>▪ "The acquisition meaningfully expands RSAs capabilities and reach. We will immediately be able to leverage Summit's differentiated technical capabilities across our collective customer base to improve medical equipment uptime, performance and the overall delivery of care for our customers," said RSA CEO DJ Conrad.</li> <li>▪ Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ DirectMed Parts &amp; Service, an independent diagnostic imaging parts supplier specializing in MRI and CT machines, acquired ScanMed, a provider of MRI coil design, manufacture, and repair.</li> <li>▪ "For over 10 years, ScanMed has been our go-to vendor for the most complicated MRI coil repairs. All of us at DirectMed are delighted to partner with Dr. Jones and his highly capable staff," said Brad de Koning, President &amp; CEO of DirectMed.</li> <li>▪ Financial details were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Probo Medical, a provider of repair and other services to the medical imaging equipment market, acquired Mi Healthcare, a UK-based provider of medical imaging equipment and services.</li> <li>▪ "Mi Healthcare is well-known in the UK market as a high-quality service provider for their customers with longstanding relationships that evidence that commitment to quality. As we look to harness the shared expertise and collaboration between our teams, we are excited at what this combination will bring to both Probo and Mi Healthcare's customers," said Probo CEO Michael Asmer.</li> <li>▪ Financial details were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services




## Add-On Acquisitions

Date			
Deal Value	August 2, 2022	July 20, 2022	June 22, 2022
Transaction Highlights	Not Disclosed	Not Disclosed	Not Disclosed
	<ul style="list-style-type: none"> <li>US Med-Equip, a leading provider of rented medical equipment and services, acquired Freedom Medical, a provider of movable medical equipment and asset management services.</li> <li>“While hospitals work to ensure they provide the best care possible, our healthcare partners count on patient-ready medical equipment to back up their hospitals’ equipment fleet at a moment’s notice. The Freedom Medical team shares our mission to support clinicians helping comfort and heal every patient who entrusts them with their care,” said Greg Salario, CEO of US Med-Equip.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Canon Medical Systems USA acquired NXC Imaging, a distributor and service provider of capital medical equipment including MRI, CT, vascular, ultrasound, X-ray, and c-arms.</li> <li>Yuji Hamada, CEO and President of Canon Medical Systems, said, “We have partnered with NXC Imaging for over 33 years. Our successful partnership has thrived due to Canon’s innovative technology and trusting collaboration with NXC’s entrepreneurial company culture. The results of our partnership have demonstrated strong results over the past 15 years in the Upper Midwest region.”</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>MXR Imaging, a provider of diagnostic imaging equipment sales, service, training, parts and supplies, acquired Mega Tech, a provider of CT and MRI equipment sales and service.</li> <li>“We are very excited about the technical imaging expertise and talented people that are becoming part of the MXR Imaging organization” said Bernard Amato, CFO of MXR Imaging.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services







## Add-On Acquisitions

Date			
Deal Value	June 8, 2022	April 4, 2022	February 4, 2022
Transaction Highlights	Not Disclosed	Not Disclosed	Not Disclosed
	<ul style="list-style-type: none"> <li>626 Holdings, a provider of imaging equipment maintenance services, acquired Medical Imaging Solutions, a provider of comprehensive diagnostic imaging and asset management solutions.</li> <li>"The combined companies will have over 120 field service engineers, 7 distribution centers, 25,000 parts, and fleet performance improving technology, all positioned to deliver improved uptime at a value to an enlarged footprint. This is a great move for our customers and investors," 626 President Michael Fischer said.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Probo Medical, a provider of repair and other services to the medical imaging equipment market, acquired Canute Medical, a Canadian service provider for pre-owned medical equipment such as MRI, CT, X-ray and gamma cameras.</li> <li>"We're fortunate to have Ben and his team at Canute join the Probo family as they will add tremendous expertise to our team. With this expansion, we look forward to growing our presence in Canada with a recognized team in the industry," said Michael Asmer, CEO of Probo.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>DirectMed Parts &amp; Service, the largest independent diagnostic imaging parts supplier specializing in MRI and CT machines, acquired LBN Medical, a Denmark-based reseller of aftermarket diagnostic imaging equipment.</li> <li>"We have known LBN Medical for several years and believe they are the logical company to help DirectMed expand our parts business outside of North America," said DirectMed CEO Brad de Koning.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services







## Add-On Acquisitions

Date	 	 	 
Deal Value	January 19, 2022	October 1, 2021	August 18, 2021
Transaction Highlights	Not Disclosed	Not Disclosed	Not Disclosed
	<ul style="list-style-type: none"> <li>Probo Medical, a provider of repair and other services to the medical imaging equipment market, acquired REMETRONIX, a service provider for installation and deinstallation services of medical equipment including CT, MRI, PET-CT, X-ray, and proton therapy.</li> <li>“We are fortunate to partner with the REMETRONIX team whose expertise in this space is unmatched. With many of these services already available under Probo Medical in the UK and Europe, we look forward to working with an industry-leading company to establish our presence in North America,” said Michael Amer, CEO of Probo.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>626 Holdings, a provider of imaging equipment maintenance services, acquired Independence Cryogenic Engineering, a provider of repair and maintenance of cryogenic refrigeration systems that cool superconducting magnets in MRIs.</li> <li>“We are eager to partner with someone who is willing to invest in us and put people in the right place who can take us to the next level. From an overall solution provider perspective, we know they are committed to their customer base in MRI, and we know they will make the necessary investments to help with the scalability that we need to help us grow,” said ICE owner Frank Hughes.</li> <li>Financial terms were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>The InterMed Group, a provider of outsourced medical equipment maintenance, management and service solutions across modalities, acquired Modern Biomedical &amp; Imaging, a provider of asset management and healthcare technology management services.</li> <li>“With the Modern Biomedical team joining forces with The InterMed Group, we believe this creates the ultimate HTM solution for our customers’ needs,” said Randy Bullard, CEO of Modern Biomedical &amp; Imaging.</li> <li>Financial terms were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services

## Add-On Acquisitions

Date	 	 	 
Deal Value	August 17, 2021	August 13, 2021	Not Disclosed
Transaction Highlights	Not Disclosed	Not Disclosed	Not Disclosed
	<ul style="list-style-type: none"> <li>TTG Imaging Solutions, a provider of diagnostic imaging equipment sales and services, clinical staffing and radiopharmaceutical products, acquired Medical Imaging Technologies, a provider of nuclear medicine systems, equipment, service, parts, accessories and computer upgrades.</li> <li>“Our acquisition efforts will continue to expand our national network of FSE’s while bringing opportunity to provide legacy MIT customers with additional offerings in diagnostic imaging and radiopharmaceuticals,” said TTG CEO Jack Tomayko.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Ultrasound Solutions Corp., a provider of diagnostic imaging equipment sales and service solutions, acquired Hi-Tech Medical Imaging, a provider of repair and maintenance of X-ray machines, CT scanners, C-arms, and DR panels.</li> <li>“Hi-Tech is not only known for their expert level knowledge of X-ray equipment but also their personalized customer service which aligns perfectly with USC’s customer-centric philosophy,” said Nat Romeo, President and CEO of Ultrasound Solutions Corp.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>PartsSource, a leading online B2B marketplace for medical equipment maintenance parts and services, acquired Remi, a leading provider of Equipment Maintenance Management Programs designed to reduce a customer’s cost of maintaining a portfolio of equipment.</li> <li>The transaction was not announced by either party and financial terms were not disclosed.</li> </ul>

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# Notable Transaction Activity in Imaging Services

## Add-On Acquisitions

Date			
Deal Value	June 7, 2021	March 19, 2021	January 13, 2021
Transaction Highlights	Not Disclosed	\$475 Million	Undisclosed
	<ul style="list-style-type: none"> <li>Probo Medical, a leading provider of medical imaging equipment, parts, repair and service, acquired Tenvision, a provider of ultrasound sales, repair, maintenance and training services to healthcare facilities.</li> <li>“Tenvision is known as a leader in the ultrasound market, particularly with respect to their sales, service and training offering to customers in the mid-south region. More recently, Tenvision has built out an impressive capability set for virtual product demonstrations, trainings and service that will be highly complementary to our commercial efforts,” said Michael Asmer, CEO of Probo Medical.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Agiliti, a nationwide provider of medical equipment management and service solutions, acquired Northfield Medical, an ISO and certified provider of durable medical equipment repair and maintenance services.</li> <li>According to SEC filings, the acquisition of Northfield will enable Agiliti to expand service capabilities, extend its customer base and geographic footprint, and increase the breadth of offerings within the operating room and procedural care space.</li> <li>The stock purchase transaction was valued at \$475 million, consisting of \$461 million of cash at closing, \$11.3 million of stock and a \$2.7 million net working capital adjustment.</li> </ul>	<ul style="list-style-type: none"> <li>Block Imaging, a provider of equipment, parts, and service for diagnostic imaging equipment, acquired Platinum X-Ray Solutions, an imaging field service organization operating mostly in Texas.</li> <li>“The Platinum X-Ray team will further expand our Field Service team, helping to provide outstanding imaging equipment service across the country. Our growing team is passionate about extending the life of imaging equipment, so healthcare providers can extend the lives of patients,” said Jason Crawford, President of Block Imaging.</li> <li>Financial details of the transaction were not disclosed.</li> </ul>

Sources: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., New York Times DealBook, The Deal, The Wall Street Journal)  
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# Public Company Trading Data

Company	Enterprise Value (\$M)	Market Capitalization (\$M)	Enterprise Value/EBITDA		Enterprise Value/Revenue	
			LTM	2023E	LTM	2023E
<b>Imaging Equipment Manufacturers</b>						
Siemens Aktiengesellschaft	154,366.5	106,845.7	12.3x	10.2x	2.2x	1.9x
General Electric Company	111,937.7	93,936.7	15.1x	10.1x	1.6x	1.4x
Olympus Corporation	26,605.6	25,636.1	15.9x	12.9x	4.2x	3.9x
Canon Inc.	25,469.6	23,407.0	6.3x	5.6x	1.0x	0.9x
Koninklijke Philips N.V.	19,943.1	12,957.5	29.8x	7.6x	1.2x	1.1x
FUJIFILM Holdings Corporation	22,440.6	21,054.2	8.5x	7.3x	1.2x	1.1x
Elekta	2,619.8	2,226.5	19.3x	8.6x	1.9x	1.6x
Drägerwerk AG & Co. KGaA	878.2	781.1		3.1x	0.3x	0.3x
Agfa-Gevaert NV	395.4	443.8	134.4x	2.7x	0.2x	0.2x
<b>Imaging Services</b>						
RadNet, Inc.	2,622.8	1,134.0	16.1x	12.4x	2.1x	1.8x
Akumin Inc.	1,727.8	94.1	13.0x	10.1x	2.3x	2.2x
CHC Healthcare Group	354.8	236.0	11.6x	N/A	3.8x	3.1x
<b>Provider Asset Managers</b>						
Cintas Corporation	49,986.7	46,891.6	26.0x	22.3x	7.8x	5.6x
Compass Group PLC	42,746.6	39,256.1	19.5x	12.1x	1.5x	1.1x
Aramark	18,150.3	10,763.8	16.2x	11.5x	1.1x	1.0x
Sodexo S.A.	17,354.3	13,765.6	13.1x	9.1x	0.8x	0.7x
ABM Industries Incorporated	4,386.4	3,121.0	10.0x	8.3x	0.6x	0.5x
Agility, Inc.	3,318.2	2,201.4	11.3x	11.0x	2.9x	2.8x

## DEFINITIONS

**EBITDA:** earnings before interest, taxes, depreciation and amortization

**Enterprise Value (EV):** market capitalization + total debt + preferred equity + minority interest – cash and short-term investments

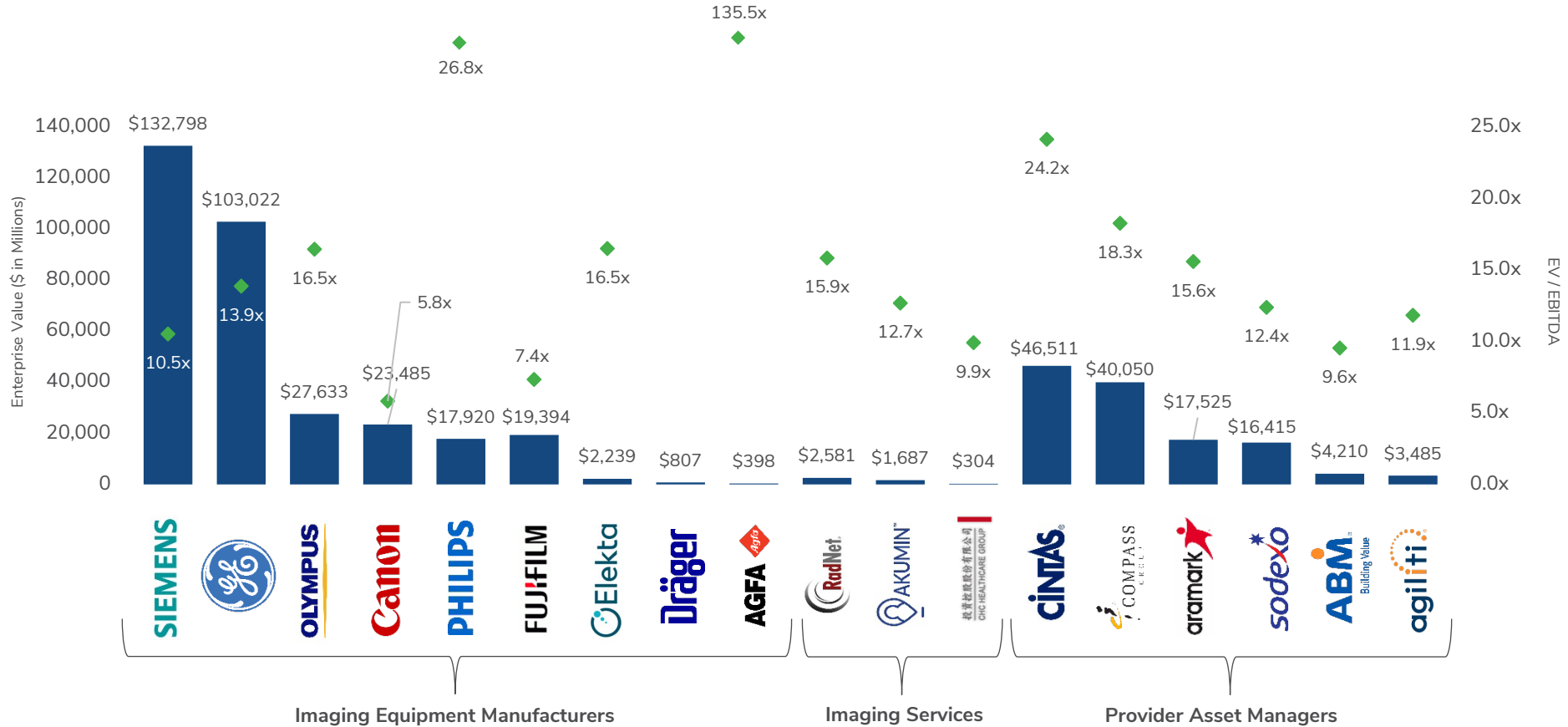
**LTM:** publicly announced last 12 months

Source: Capital IQ as of November 30, 2022

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# Public Company Data

## Market Valuation



**DEFINITIONS**

EBITDA: earnings before interest, taxes, depreciation and amortization

Enterprise Value (EV): market capitalization + total debt + preferred equity + minority interest – cash and short-term investments

Source: Capital IQ as of November 30, 2022

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# Public Company Data



**DEFINITIONS**

**EBITDA:** earnings before interest, taxes, depreciation and amortization

**Enterprise Value (EV):** market capitalization + total debt + preferred equity + minority interest – cash and short-term investments

**Trading Multiple:** enterprise value divided by LTM EBITDA

Source: Capital IQ as of November 30, 2022

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