

TABLE OF CONTENTS

FOREWORD	iii
LIST OF TABLES	xi
LIST OF FIGURES	vi
EXECUTIVE SUMMARY AND HIGHLIGHTS	1
1. MARKET	9
1.1 Definitions and scope	9
1.1.1 Imaging	10
1.1.2 Pathology	11
1.2 Size	13
1.2.1 Imaging	14
1.3 Historic growth	27
1.3.1 Imaging	27
1.3.2 Pathology	35
1.3.3 Private hospitals	36
1.4 Segmentation/funding - by payor type	38
1.5 Demand drivers	43
1.6 Supply	44
1.6.1 Equipment	44
1.6.2 Staffing	45
1.7 Operating and investment models	46
1.7.1 Imaging	47
1.7.1.1 NHS contracts	48
1.7.1.2 Private hospital contracts	49
1.7.1.3 Independent imaging centres	50
1.7.2 Image reporting	51
1.7.3 Pathology	53
1.7.3.1 NHS joint ventures/full outsourcing	54
1.7.3.2 Full service private labs	54
1.7.3.3 Private hospital outsourcing contracts	54
1.7.4 Histology reporting	55
1.7.5 Specialist labs	55
2. POLITICS AND REGULATION	57
2.1 Current regulators and regulation	57

2.1.1	Care Quality Commission (CQC)	57
2.1.2	Health and Safety Executive (HSE)	57
2.1.3	Ionising Radiation Medical Exposure Regulations (IRMER)	57
2.1.4	The Quality Standard for Imaging (QSI)	57
2.1.5	ISO15189	58
2.1.6	Medicines and Healthcare Products Regulatory Agency (MHRA)	58
2.1.7	Human Tissue Authority (HTA)	58
3.	PAYORS	59
3.1	Payor groups	59
3.1.1	NHS	59
3.1.2	Local authorities	59
3.1.3	Private hospitals and providers	59
3.1.4	Private Medical Insurers (PMI)	59
3.1.5	Self-pay but medically referred	60
3.1.6	Direct to consumer	60
3.2	Payor breakdown and analysis	60
3.2.1	NHS	60
3.2.1.1	Imaging	60
3.2.1.2	Private Medical Insurers (PMI) and self-pay	65
3.2.1.3	Pathology	66
3.2.2	Local authorities	72
3.2.3	Private providers	72
3.2.3.1	Imaging	72
3.2.3.2	Pathology	73
3.2.4	Private Medical Insurers (PMI)	74
3.2.5	Self-pay but medically referred	74
3.2.6	Direct to consumer	75
4.	MAJOR PROVIDERS	77
4.1	Market concentration by segment	77
4.1.1	Image generation	77
4.1.2	Image reporting	78
4.1.3	Pathology laboratory services	79
4.1.4	Pathology reporting	80
4.2	Economies of scale and scope	81
4.2.1	Imaging	81

4.2.2	Imaging reporting	81
4.2.3	Pathology	81
4.2.4	Pathology reporting	81
4.3	Major provider profiles	81
4.3.1	Image generation service providers	81
4.3.1.1	Alliance Medical	82
4.3.1.2	InHealth	84
4.3.1.3	Medical Imaging Partnership	87
4.3.1.4	Diagnostic Healthcare	89
4.3.1.5	Mediscan	90
4.3.2	Image reporting agencies	92
4.3.2.1	Unilabs	92
4.3.2.2	Medica Group	95
4.3.2.3	Everlight	96
4.3.2.4	4ways	99
4.3.3	Laboratory service providers	102
4.3.3.1	Sonic Healthcare	102
4.3.3.2	SYNLAB	104
4.3.3.3	Eurofins Biomnis	107
4.3.3.4	Viapath	111
4.3.3.5	Source BioScience	113
4.3.4	Major international diagnostic service companies not currently present in the UK	116
4.3.4.1	LabCorp	116
4.3.4.2	Quest Diagnostics	121
4.3.4.3	amedes	125
4.3.4.4	Limbach Group	128
4.3.4.5	Medicover	131
4.3.4.6	Affidea	133
5.	KEY SUPPLIERS TO THE MARKET	137
5.1	Major imaging suppliers	137
5.1.1	Philips	137
5.1.2	GE	139
5.1.3	Siemens	142
5.1.4	Hitachi	146
5.1.5	Canon	148

5.1.6	United Imaging	150
5.2	Pathology	152
5.2.1	Major full laboratory/managed equipment service providers	152
5.2.1.1	Roche	152
5.2.1.2	Abbott	154
5.2.1.3	Beckman Coulter	156
5.2.2	Other significant laboratory suppliers	158
5.2.2.1	Becton Dickinson (sample collection systems, cytology systems, microbiology automation)	158
5.2.2.2	Agilent (niche products including mass spectrometry)	161
5.2.2.3	Sysmex (haematology products)	163
5.2.2.4	bioMerieux (Microbiology products)	164
5.2.2.5	Thermo Fisher Scientific (a range of niche products through various subsidiaries)	165
5.2.2.6	Orthoclinical Diagnostics (Blood typing and 'dry' chemistry)	169
5.2.2.7	Illumina (Genetic sequencing)	171
5.2.2.8	Roper Technologies	172
6.	INVESTORS	175
6.1	The investment case	175
6.2	Private Equity Investors involved in the sector and their portfolio companies	175
6.2.1	Selected private equity funds with assets active in the UK	176
6.2.1.1	Apax Partners	176
6.2.1.2	Apposite Capital	176
6.2.1.3	Cinven	177
6.2.1.4	Synova	177
6.2.1.5	Everlight	177
6.3	Public listed companies active in the UK	177
6.3.1	Life Healthcare	178
6.3.2	Sonic Healthcare	178
6.3.3	Eurofins	178
6.4	Major international diagnostic service groups not currently involved in the UK diagnostic market	178
6.4.1	Selected international diagnostic service groups not currently involved in the UK diagnostic market	179
6.4.1.1	Affidea	179
6.4.1.2	amedes	179
6.4.1.3	Quest Diagnostics	179

6.4.1.4	LabCorp	180
6.4.1.5	Medicover	180
6.5	Exits, entries, acquisitions and other key events	180
7.	MARKET POTENTIAL	183
7.1	Future need, prospects	183
7.2	New technology	183
7.2.1	Genomic testing	184
7.2.1.1	Illumina	185
7.2.1.2	Grail	185
7.2.1.3	Helix	185
7.2.1.4	Foundation Medicine	185
7.2.1.5	Guardant	186
7.2.1.6	Centogene (Germany)	186
7.2.1.7	Gene DX	186
7.2.1.8	Genomic Health	186
7.2.1.9	Myriad Genetics	187
7.2.1.10	P4 Diagnostix	187
7.2.1.11	Natera	187
7.2.1.12	BGI (China)	188
7.2.1.13	Exact Sciences	188
7.2.1.14	Agendia	188
7.2.1.15	Biotheranostics	188
7.2.1.16	GenomeDX	189
7.2.1.17	Exosome Diagnostics	189
7.2.1.18	MDx Healthcare	189
7.2.1.19	Inivata	189
7.2.1.20	Oxford Cancer Biomarkers	190
7.2.1.21	Personal Genome Diagnostics	190
7.2.1.22	Nanostring Technologies	190
7.2.1.23	Omniseq	190
7.2.1.24	MML (HMDS lab in Munich)	191
7.2.1.25	Nimgenetics Spain	191
7.2.1.26	Oncologica UK	191
7.2.1.27	Eurofins	191
7.2.1.28	Synlab	192
7.2.1.29	Sonic (TDL parent)	192

7.2.1.30	Source Bioscience	192
7.2.1.31	LabCorp (US)	192
7.2.1.32	Quest Diagnostics	193
7.2.2	Digital histology	193
7.2.3	Artificial Intelligence (AI)	194
7.2.3.1	Kheiron Medical	194
7.2.3.2	Behold AI	194
7.2.3.3	Aidance	195
7.2.3.4	Zebra Med	195
7.2.3.5	Qure	195
7.2.3.6	Google	195
7.2.3.7	Ibex	196
7.3	International comparisons	196
7.4	Market volume, pricing and value forecasts	201
7.4.1	Private hospital image generation	205
7.4.2	NHS image reporting	208
7.4.3	Private image reporting	210
7.4.4	NHS pathology	214
7.4.5	Private hospital pathology	216
7.4.6	The 'Retail' imaging market	219
7.4.7	The 'Retail' pathology market	222
7.4.8	The overall summary of the Wholesale and Retail market values	225
APPENDIX 1. GLOSSARY		231
APPENDIX 2. REGULATORS		235
APPENDIX 3. TRADE BODIES AND ASSOCIATIONS		237

LIST OF TABLES

Table ES1	'Wholesale' Imaging market, UK, 2018 - cost, £m, to hospitals of providing/outsourcing services	2
Table ES2	'Wholesale' Pathology market, UK, 2018 - cost, £m, to hospitals of providing/outsourcing services	3
Table ES3	Diagnostic market, UK, £m, 2018	4
Table 1.1	Diagnostic market, UK, £m, 2018	13
Table 1.2	Estimated volume of images/scans, 000s, in UK by modality, 2018	14
Table 1.3	Proportion of images, 000s, generated by in-house vs outsourced to imaging companies, 2018	15
Table 1.4	Reporting of NHS images for NHS organisations, 2018	16
Table 1.5	'Wholesale' volume and value of image generation market, 2018	17
Table 1.6	Reporting of images market value, 2018	18
Table 1.7	Consultant radiologist primary and secondary interest, 2018	19
Table 1.8	NHS and private pathology test volumes - estimated number of tests undertaken in laboratories, 2018	20
Table 1.9	NHS and private pathology values	21
Table 1.10	NHS biochemistry estimated tests, UK, 2018	22
Table 1.11	NHS haematology tests UK, 2018	24
Table 1.12	Immunology tests NHS, UK, 2018	24
Table 1.13	Selected specialist blood science test technologies NHS, UK, 2018	25
Table 1.14	Microbiology tests NHS, UK, 2018	25
Table 1.15	Cellular pathology tests NHS, UK, 2018	26
Table 1.16	NHS organisation UK average cost, £, of image generation per scan by modality, 2012-2018	27
Table 1.17	NHS organisation UK value, £, of image generation per scan by modality, 2012-2018	28
Table 1.18	Private hospital/clinic UK average cost, £, of image generation per scan by modality, 2012-2018	29
Table 1.19	NHS radiology tariffs, £, (examples of high volume images), 2012/13 - 2019/20 (exc. MFF)	31
Table 1.20	NHS organisations UK reporting by modality, 2012-2018	32
Table 1.21	NHS organisation UK average cost, £, of reporting per scan by modality, 2012- 2018	32
Table 1.22	NHS organisation UK value of reporting, £m, per scan by modality, 2012-2018	33
Table 1.23	Private hospitals/clinics and PPU's UK reporting, millions, by modality, 2012-2018	33
Table 1.24	Private hospitals/clinics UK average cost, £, of reporting per scan by modality, 2012-2018	34

Table 1.25	Private hospitals/clinics UK value, £m, of reporting per scan by modality, 2012-2018	34
Table 1.26	Imaging market size, £m, 2012-2018	35
Table 1.27	NHS hospital pathology test volumes, millions, 2012-18	35
Table 1.28	NHS Hospital pathology test average costs per test, £, 2012-2018	36
Table 1.29	NHS Hospital pathology total costs, £m, 2012-2018	36
Table 1.30	Private hospital/clinic pathology test volumes, millions, 2012-2018	37
Table 1.31	Private hospital/clinic pathology test average costs per test, £, 2012-2018	37
Table 1.32	Private hospital/clinic pathology total costs, £m, 2012-2018	37
Table 1.33	Pathology market value, £m, 2012-2018	38
Table 1.34	Imaging - 'Retail' (PMI, self-pay and international), 2014-2018	40
Table 1.35	Pathology - 'Retail' (PMI, self-pay and international), 2014-2018	41
Table 1.36	Self-pay rates in private hospitals and clinics, £ per scan, 2019	42
Table 1.37	Typical imaging rates paid by PMI to private hospitals, £ per reported scan, 2019	42
Table 1.38	Typical pathology rates paid by PMI, £ per test, to private hospitals, 2019	43
Table 1.39	Radiologists employed in the NHS, UK	46
Table 3.1	NHS organisations UK scans by modality, 2012–2018	61
Table 3.2	NHS organisation UK average cost, £ per image, of image generation per scan by modality, 2012–2018	61
Table 3.3	NHS organisation UK value, £m, of image generation per scan by modality, 2012–2018	61
Table 3.4	NHS Radiology tariffs, £, (examples of high volume images), 2012/13-2019/20 (exc. MFF)	62
Table 3.5	Medica reporting prices, £, per scan	63
Table 3.6	Use of commercial image reporting companies by NHS organisations	64
Table 3.7	Imaging - 'Retail' (PMI, self-pay and international), 2014-2018	66
Table 3.8	'Retail' diagnostics market, £m per payer, 2018	75
Table 4.1	Image generation market shares, £m and %, 2018	77
Table 4.2	Image reporting market shares, 2018	78
Table 4.3	Pathology laboratory services market shares, £m, 2018	79
Table 4.4	Pathology reporting market shares, £m, 2018	80
Table 6.1	Major European private equity-owned pathology operators	175
Table 6.2	Diagnostics market, major investment activity, 2007-2019	180
Table 7.1	MRI scans per 1,000 population, 2012-2018 (ranked by 2017)	197
Table 7.2	CT scans per 100 population, 2012-2018 (ranked by 2017)	198
Table 7.3	PET CT Scans per 1,000 population, 2012-2018 (ranked by 2017)	199
Table 7.4	NHS UK scans by modality, 2012–2021 (forecast)	202
Table 7.5	NHS organisation UK average cost, £, of image generation per scan by modality, 2012–2021 (forecast)	203

Table 7.6	NHS organisation UK value, £m, of image generation per scan by modality, 2012–2021 (forecast)	204
Table 7.7	Private hospital/clinic UK scans, 000s, by modality, 2012–2021 (forecast)	205
Table 7.8	Private hospital/clinic UK average cost, £, of image generation per scan by modality, 2012–2021 (forecast)	206
Table 7.9	Private hospital/clinic UK value, £m, of image generation per scan by modality, 2012–2021 (forecast)	207
Table 7.10	NHS organisations ¹ UK reporting by modality, 2012-2021 (forecast)	208
Table 7.11	NHS organisation ¹ UK average cost, £, of reporting per scan by modality, 2012-2021 (forecast)	209
Table 7.12	NHS organisation UK value, £m, of reporting per scan by modality, 2012-2021 (forecast)	210
Table 7.13	Private hospitals/clinics and PPU reporting, 000s, by modality, 2012-2021 (forecast)	211
Table 7.14	Private hospitals/clinics UK average cost, £, of reporting per scan by modality, 2012-2021 (forecast)	212
Table 7.15	Private hospitals/clinics UK value, £m, of reporting per scan by modality, 2012-2021 (forecast)	213
Table 7.16	NHS hospital pathology test volumes, millions, 2012-2021 (forecast)	214
Table 7.17	NHS hospital pathology test average cost per test, £, 2012-2021 (forecast)	215
Table 7.18	NHS hospital pathology costs, £m, 2012-2021 (forecast)	216
Table 7.19	Private hospital/clinic pathology test volumes, millions, 2012-2021 (forecast),	217
Table 7.20	Private hospital/clinic pathology test average cost per test, £, 2012-2021 (forecast)	218
Table 7.21	Private hospital/clinic pathology costs, £m, 2012-2021 (forecast)	219
Table 7.22	Imaging - 'Retail' (PMI, self-pay and international) test volume, 000s, 2014-2021 (forecast)	220
Table 7.23	Imaging - 'Retail' (PMI, self-pay and international) average price per test, £, 2014-2021 (forecast)	221
Table 7.24	Imaging - 'Retail' (PMI, self-pay and international) market size, £m, 2014-2021 (forecast)	222
Table 7.25	Pathology - 'Retail' (PMI, self-pay and international), test volume, 000s, 2014-2018	223
Table 7.26	Pathology - 'Retail' (PMI, self-pay and international) average price per test, £, 2014-2018	224
Table 7.27	Pathology - 'Retail' (PMI, self-pay and international), market size, £m, 2014-2018	225
Table 7.28	'Wholesale' market size, £m, 2012-2021 (forecast)	226
Table 7.29	'Retail' market size, £m, 2012-2021 (forecast)	228