

ArchiMed buys Germany's Zyto Group of Cancer Diagnostics companies in partnership with owners and management

With ArchiMed's backing, the group is expected to rapidly become a European leader in diagnostics for cutting-edge, precision medical treatments for cancer.

Private equity healthcare specialist, ArchiMed, announces its acquisition of the Zyto group of companies, a fully integrated developer, manufacturer and distributor of technologically advanced cancer diagnostics tests and equipment for hospitals, clinics and private medical practices.

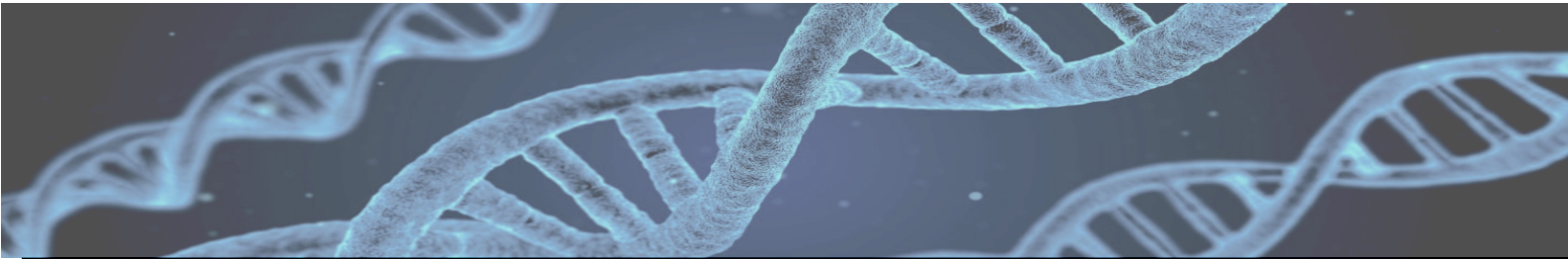
Zyto's three operating companies - Zytomed, ZytoVision and 42 Life Sciences - provide doctors with the diagnostic tools they need to understand the genetic changes that occur (or don't occur) in individual patients' tumors. The approach, which is evolving quickly after recent technological and chemical advances, permits precision medical treatment, in which doctors create more effective, customized care based on a genetic understanding of how disease is evolving in individual patients.

ArchiMed is acquiring a majority stake in the group through its MED II fund, which closed on €315 million in 2017. MED II buys control of small cap healthcare companies in partnership with existing owners and staff. The founders and managers of the Zyto companies will have a significant minority shareholding in the group and will benefit from performance incentives post-transaction.

"Our internal expertise – a majority of ArchiMed team members have science backgrounds and many have operational experience in medical or pathology labs – was key to understanding the potential of Zyto's complex, industry-leading products," says ArchiMed managing partner Vincent Guillaumot. "With our backing, these companies have the resources for further product innovation and for rapid international expansion. Our aim is to bring new precision diagnostics to rare diseases such as lymphoma and leukemia." Prior to co-founding ArchiMed in 2014, Guillaumot, was the managing director of JS Bio, a French Diagnostics company that merged with Cerba, the European leader in reference labs.

Leveraging its MedTalents™ network (a grouping of over 200 ArchiMed-associated senior healthcare industry professionals spread throughout the world), ArchiMed intends to reinforce Zyto's supervisory board with the addition of high caliber Medtech and Tissue Diagnostics professionals. Top tier recruits will also strengthen the Zyto group's international sales focus and its regulatory expertise - complementing an already exceptional management.

The Zyto investment, financed with equity and debt, is ArchiMed's third transaction in the diagnostics industry in the last 24 months. It follows the carve-out from Poland's Cormay of Diesse Diagnostica Senese, an Italian developer of innovative in vitro diagnostic systems (and a leading developer and manufacturer of a proprietary Covid-19 test) in May, 2019 and the acquisition of Austria-based point-of-care diagnostics group EUROLyser GmbH, along with its distributor, EuroLab GmbH, in February, 2019. The Zyto transaction follows another acquisition by ArchiMed in Germany: the 2017 purchase of Neurowerk, a specialist in neurodiagnostics technology. "Germany has a surfeit of superior healthcare companies looking to accelerate growth," says Guillaumot. "With a third of our investment team made up of German speakers, further acquisitions here are definitely on the cards for us."



“We are proud to partner with ArchiMed because they have a thorough understanding of the regulatory environment of Tissue Diagnostics.”, says Kerstin Weyrauch, co-founder of Zytomed GmbH
“ArchiMed’s understanding of clinical challenges will further cement the position of Zytomed and ZytoVision as the partner of choice for pathologists in Germany and abroad for high-quality and innovative precision cancer diagnostics,” adds Sven Hauke, co-founder of ZytoVision GmbH.

About ArchiMed - www.archimed-group.eu:

ArchiMed is an independent investment firm specialized in the Healthcare industries. It is a strategic and financial partner to European and North American companies operating in the Biopharma, Medtech, Diagnostics, Life Sciences, Healthcare IT, Consumer Health, Public Safety and Care Services sectors. ArchiMed’s international team combines investment, medical, technological and operational experience. It works alongside management teams to accelerate their business growth through internationalization, product and service range expansion and capacity extension, both organically and through acquisitions. Over the last 20 years, ArchiMed’s leadership team directly managed and invested in over 40 small, medium and large-size healthcare companies throughout the world, with a combined value above €5 billion. ArchiMed has over €1.7 billion (over \$2 billion) under management across three funds, mid-cap-focused MED Platform I, and small-cap-focused MED I and MED II. Its investment capacity currently exceeds €1 billion and rises to twice this amount when including its strategic investment partners. ArchiMed’s MED I fund, which raised €146 million in 2014, has returned more than six times the value of invested capital and is the top performing buyout fund on a global level for its vintage. ArchiMed seeks ESG impact in addition to profit. ArchiMed is a signatory to the [Principles for Responsible Investment](#) and is pledged to uphold the [UN Sustainable Development Goals](#).

About the Zyto Group of companies

ZytoMax GmbH is a holding created from the acquisition of three companies Zytomed Systems GmbH, ZytoVision GmbH and 42 Life Sciences GmbH & Co KG. The Group is a fully integrated developer, manufacturer, and distributor of in-situ hybridization (ISH) and immunohistochemistry (IHC) cancer diagnostics tests and equipment for clinical pathology labs in hospitals and private practices. The group has a direct presence in Germany and sells its products internationally via a distribution network. ZytoMax is the fourth largest provider of IHC products and the second largest provider of ISH products in Germany. The group offers the broadest product portfolio and the highest service quality in the industry. The combined companies offer over 40,000 products, which cover IHC consumables (primary antibodies, detection systems and ancillary reagents), ISH consumables (probes, kits and reagents for both FISH and CISH, for manual use or semi-automated instruments) and automation instruments.

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