

# Quarterly Industry Update

As of December 31, 2014

Industry: Healthcare Equipment



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Healthcare Equipment industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2013, the median 52-week share price return of the Healthcare Equipment industry has decreased by -0.8%. In the last quarter, the median price-to-earnings multiple decreased from 38.1x to 31.2x.

## Comparable Public Company Key Statistics

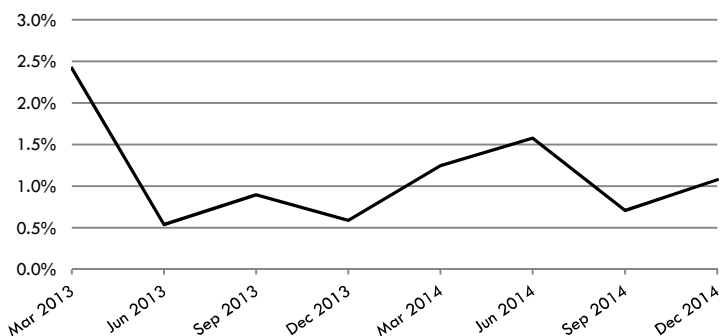
Median 52-Week Return	-0.8%	Median EV/Revenue Multiple	3.1x	Median Price/Earnings Multiple	31.2x
Median 3-Year CAGR Return	18.7%	Median EV/EBITDA Multiple	15.7x	Median EV/Gross CF Multiple	30.3x

## Comparable Public Company Market Price Returns (As of December 31, 2014)

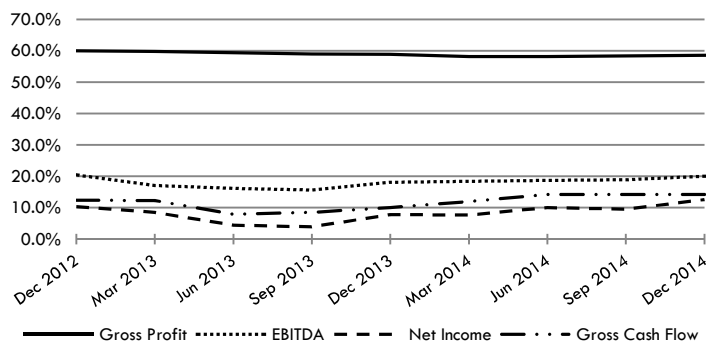
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Illumina Inc.	66.9%	12.6%	66.9%	82.2%	82.3%	43.2%	66.9%	98.9%	82.4%	-51.9%	106.5%
Qiagen NV	-1.5%	3.0%	-1.5%	13.7%	19.3%	1.0%	-1.5%	31.2%	31.4%	-29.4%	-12.4%
Luminex Corporation	-3.3%	-3.8%	-3.3%	5.7%	-4.0%	4.7%	-3.3%	15.5%	-20.9%	16.1%	22.4%
Bruker Corporation	-0.8%	6.0%	-0.8%	13.5%	16.5%	10.2%	-0.8%	29.7%	22.7%	-25.2%	37.6%
Tecan Group Ltd.	-4.0%	8.2%	-4.0%	16.7%	18.7%	8.6%	-4.0%	41.8%	23.0%	-18.6%	10.8%
Waters Corporation	12.7%	13.7%	12.7%	13.7%	15.0%	12.7%	12.7%	14.8%	17.7%	-4.7%	25.4%
PerkinElmer Inc.	6.1%	0.3%	6.1%	17.4%	29.8%	16.3%	6.1%	29.9%	58.7%	-22.5%	25.4%
<b>Median of Industry Public Companies</b>	<b>-0.8%</b>	<b>6.0%</b>	<b>-0.8%</b>	<b>13.7%</b>	<b>18.7%</b>	<b>10.2%</b>	<b>-0.8%</b>	<b>29.9%</b>	<b>23.0%</b>	<b>-22.5%</b>	<b>25.4%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Healthcare Equipment Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Healthcare Equipment Industry

Date:	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
EV/Revenues Multiple	3.1x	3.0x	3.7x	3.6x	3.4x	3.1x	2.8x	3.2x	3.1x
EV/EBITDA Multiple	12.2x	14.5x	14.0x	15.1x	16.5x	15.0x	16.3x	15.2x	15.7x
Price/Earnings Multiple	32.9x	44.5x	33.3x	50.2x	27.8x	45.8x	35.0x	38.1x	31.2x
EV/Gross Cash Flows Multiple	24.9x	30.5x	41.2x	41.3x	26.7x	27.9x	26.1x	24.4x	30.3x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report.

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## Industry Initial Public Offerings (dollars in millions, except share prices)

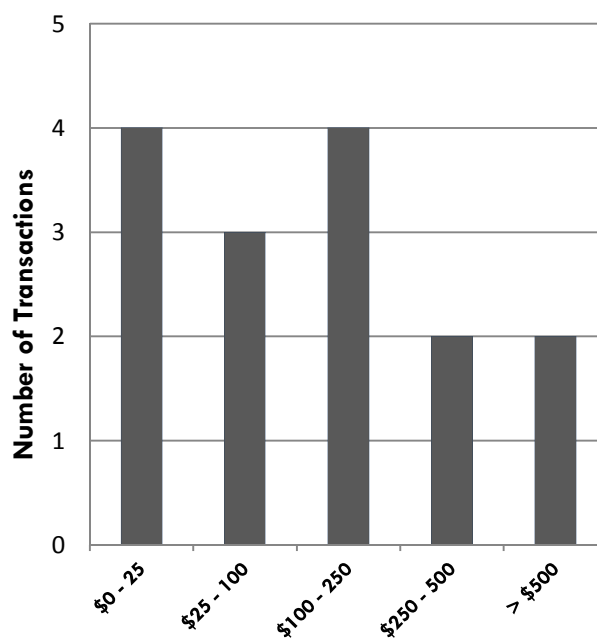
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/25/2013	NanoString Technologies	\$10.00	5.4	\$54.0	\$29.6	\$12.8	\$24.1	(\$17.5)	(\$21.4)	(\$15.5)
5/8/2013	Quintiles Transnational Holdings	\$40.00	23.7	\$947.4	\$2,426.7	\$2,421.6	\$3,731.7	\$512.8	\$182.6	\$566.0
1/24/2013	LipoScience	\$9.00	5.0	\$45.0	\$47.7	\$20.7	\$54.8	\$3.2	\$1.3	\$4.5
11/7/2012	Atossa Genetics	\$5.00	0.8	\$4.0	\$5.7	\$0.3	\$0.4	(\$4.5)	(\$4.6)	(\$4.5)
10/8/2012	Novacyt Société Anonyme	\$10.51	0.3	\$3.3	\$5.2	\$1.4	\$1.3	(\$0.7)	(\$0.9)	(\$0.7)
2/15/2012	EOS imaging SA	\$8.98	5.5	\$49.6	\$11.6	\$3.4	\$9.9	(\$7.5)	(\$8.6)	(\$6.8)
2/9/2011	Fluidigm Corporation	\$13.50	5.6	\$75.0	\$24.8	\$17.8	\$33.6	(\$13.4)	(\$16.9)	(\$12.3)
2/3/2011	BG Medicine	\$7.00	5.0	\$35.0	\$7.0	\$6.4	\$0.8	(\$14.1)	(\$17.2)	(\$13.6)
5/28/2010	GenMark Diagnostics	\$6.00	4.6	\$27.6	\$16.1	\$0.0	\$1.2	(\$17.8)	(\$20.4)	(\$16.3)
4/22/2010	Dehaier Medical Systems	\$8.00	1.5	\$12.0	\$18.1	\$0.9	\$12.5	\$3.8	\$2.9	\$4.1
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$49.6</b>	<b>\$17.1</b>	<b>\$6.4</b>	<b>\$17.7</b>	<b>(\$4.5)</b>	<b>(\$8.6)</b>	<b>(\$4.5)</b>

nm: not meaningful

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
10/13/2014	GenCell Biosystems Ltd.	Becton, Dickinson and Company	\$150.0	100%
7/31/2014	IBL International GmbH	Tecan Group Ltd.	\$38.8	100%
7/31/2014	Boulder Diagnostics Inc.	Oxford Immunotec	\$7.9	100%
7/16/2014	Gentris LLC	Cancer Genetics, Inc.	\$6.3	100%
6/30/2014	Ortho-Clinical Diagnostics	The Carlyle Group	\$4,150.0	100%
6/16/2014	IQum, Inc.	Roche Molecular Sys.	\$450.0	100%
1/6/2014	Alverix, Inc.	Becton, Dickinson	\$40.0	100%
11/18/2013	Cisbio Bioassays	Argos Sodiatic	\$34.0	100%
9/10/2013	Flowsense Medical	Baxter International	\$4.6	100%
9/6/2013	Gambro	Baxter International	\$4,013.8	100%
8/11/2013	Cardiacom	Medtronic	\$200.0	100%
7/22/2013	Bionostics Holdings	Research And Diagnostic	\$104.0	100%
7/17/2013	ZONARE Medical Systems	Mindray Medical International	\$101.7	100%
4/9/2013	HemoCue	Radiometer Medical	\$300.0	100%
1/31/2013	Grass Technologies	Natus Medical	\$18.6	100%
<b>Median of All Transaction Targets</b>			<b>\$101.7</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



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