

# Quarterly Industry Update

As of June 30, 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 June 30, 2013, the median 52-week share price return of the Healthcare Equipment industry has increased by 23.9%. In the last quarter, the median price-to-earnings multiple decreased from 45.8x to 31.9x.

## Comparable Public Company Key Statistics

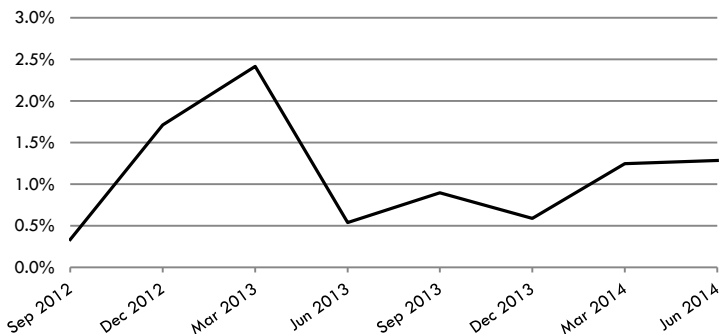
Median 52-Week Return	23.9%	Median EV/Revenue Multiple	2.8x	Median Price/Earnings Multiple	31.9x
Median 3-Year CAGR Return	8.7%	Median EV/EBITDA Multiple	16.4x	Median EV/Gross CF Multiple	26.2x

## Comparable Public Company Market Price Returns (As of June 30, 2014)

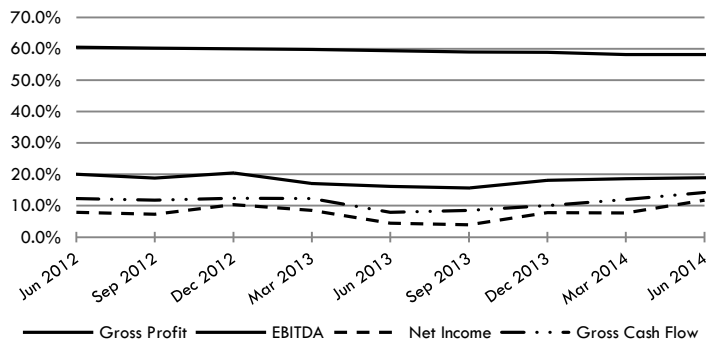
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Illumina Inc.	221.2%	20.1%	138.6%	110.2%	33.4%	35.6%	82.4%	-51.9%	106.5%	17.8%	-12.1%
Qiagen NV	34.7%	15.9%	22.8%	21.0%	8.7%	5.6%	31.4%	-29.4%	-12.4%	27.2%	-16.6%
Luminex Corporation	2.1%	-5.3%	-16.8%	-16.3%	-6.4%	-1.5%	-20.9%	16.1%	22.4%	-30.1%	31.5%
Bruker Corporation	59.3%	6.5%	50.3%	35.0%	6.0%	21.3%	22.7%	-25.2%	37.6%	198.5%	-69.6%
Tecan Group Ltd.	36.8%	-4.7%	23.9%	28.6%	11.0%	24.0%	23.0%	-18.6%	10.8%	105.5%	-38.9%
Waters Corporation	19.9%	-3.7%	4.4%	14.6%	2.9%	15.2%	17.7%	-4.7%	25.4%	69.1%	-53.6%
PerkinElmer Inc.	47.6%	4.0%	44.1%	34.7%	20.3%	21.9%	58.7%	-22.5%	25.4%	48.0%	-46.5%
<b>Median of Industry Public Companies</b>	<b>36.8%</b>	<b>4.0%</b>	<b>23.9%</b>	<b>28.6%</b>	<b>8.7%</b>	<b>21.3%</b>	<b>23.0%</b>	<b>-22.5%</b>	<b>25.4%</b>	<b>48.0%</b>	<b>-38.9%</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:	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014
EV/Revenues Multiple	3.6x	3.8x	3.1x	3.0x	3.7x	3.6x	3.4x	3.1x	2.8x
EV/EBITDA Multiple	11.3x	12.2x	12.2x	14.5x	14.0x	15.1x	16.5x	15.3x	16.4x
Price/Earnings Multiple	33.5x	34.6x	32.9x	44.5x	33.3x	50.2x	27.8x	45.8x	31.9x
EV/Gross Cash Flows Multiple	28.9x	24.5x	24.9x	30.5x	41.2x	41.3x	26.7x	28.0x	26.2x

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 at 415-392-0888 for additional information or questions in connection with this research report.

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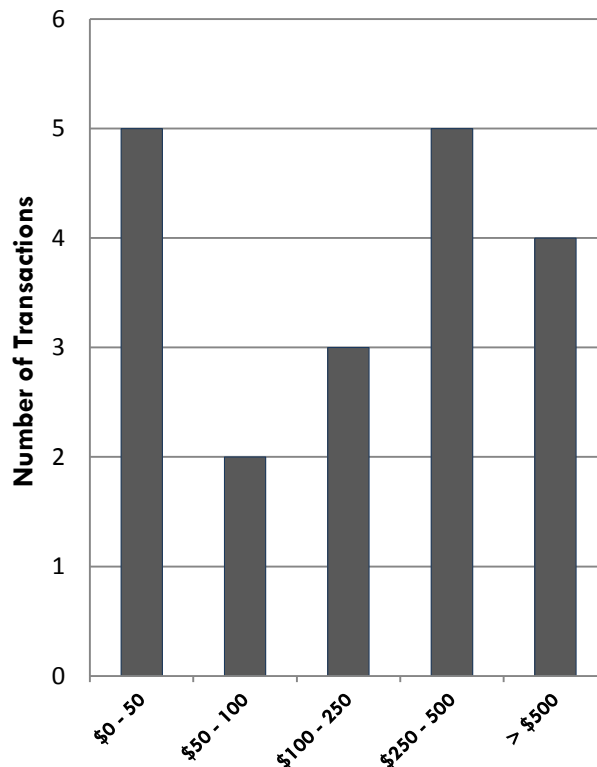
## Industry Initial Public Offerings (dollars in millions, except share prices)

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
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>\$51.8</b>	<b>\$16.1</b>	<b>\$3.8</b>	<b>\$15.1</b>	<b>(\$6.0)</b>	<b>(\$6.6)</b>	<b>(\$5.6)</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/30/2014	Ortho-Clinical Diagnostics, Inc.	The Carlyle Group	\$4,150.0	100%
6/16/2014	iQuum, Inc.	Roche Molecular Systems Inc.	\$450.0	100%
1/6/2014	Alverix, Inc.	Becton, Dickinson	\$40.0	100%
11/18/2013	Cisbio Bioassays	Argos Soditic	\$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%
10/31/2012	IRIS International	Beckman Coulter	\$368.0	100%
10/31/2012	Discovery Labware	Corning	\$730.0	100%
9/13/2012	One Lambda	Thermo Fisher Scientific	\$925.0	100%
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%
6/25/2012	eBioscience	Affymetrix	\$362.5	100%
5/31/2012	Alliance Medical Products	Siegfried Holding	\$58.0	100%
4/20/2012	SeraCare Life Sciences	Linden LLC	\$82.0	100%
4/2/2012	Accutome	Halma	\$25.0	100%
<b>Median of All Transaction Targets</b>			<b>\$200.0</b>	<b>100%</b>

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



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