

# Quarterly Industry Update

As of March 31, 2014

Industry: Blood Diagnostics



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Blood Diagnostics 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 March 31, 2013, the median 52-week share price return of the Blood Diagnostics industry has increased by 20.9%. In the last quarter, the median price-to-earnings multiple decreased from 23.7x to 21.3x.

## Comparable Public Company Key Statistics

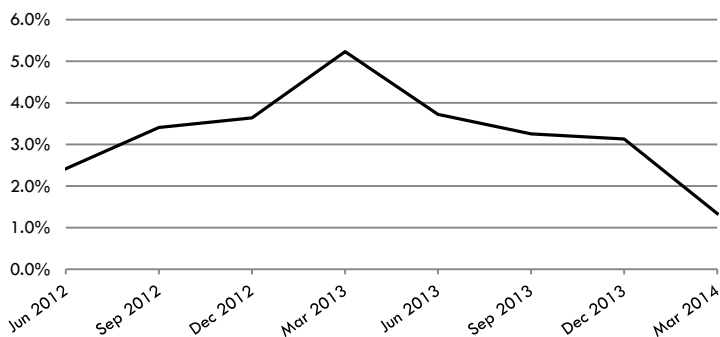
Median 52-Week Return	20.9%	Median EV/Revenue Multiple	2.6x	Median Price/Earnings Multiple	21.3x
Median 3-Year CAGR Return	8.3%	Median EV/EBITDA Multiple	13.6x	Median EV/Gross CF Multiple	16.4x

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

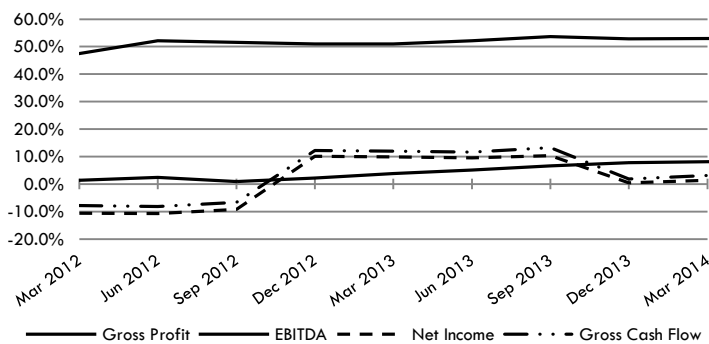
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Insulet Corporation	123.5%	27.8%	83.4%	57.4%	32.0%	63.2%	12.7%	21.5%	8.5%	85.0%	-67.1%
DexCom, Inc.	204.3%	16.8%	147.4%	99.1%	38.6%	58.5%	46.0%	-31.8%	69.1%	192.4%	-68.7%
Masimo Corporation	30.0%	-6.6%	39.2%	8.1%	-6.2%	-1.2%	12.4%	-35.7%	-4.4%	2.0%	-24.4%
Mindray Medical International Limited	-1.0%	-11.0%	-19.0%	-0.9%	8.7%	11.8%	27.5%	-2.9%	-22.2%	88.4%	-58.1%
Quest Diagnostics Inc.	-0.6%	8.2%	2.6%	-2.7%	0.1%	4.1%	0.4%	7.6%	-10.6%	16.3%	-1.9%
Abaxis, Inc.	4.8%	-2.8%	-17.8%	15.5%	10.5%	17.7%	34.1%	3.1%	5.1%	59.4%	-55.3%
Escalon Medical Corp.	61.0%	-22.3%	43.0%	23.1%	7.8%	-4.3%	-5.0%	-33.3%	-4.5%	-1.3%	-55.3%
BG Medicine, Inc.	-16.9%	84.6%	-1.5%	-47.7%	-37.1%	N/A	-51.1%	N/A	N/A	N/A	N/A
<b>Median of Industry Public Companies</b>	<b>17.4%</b>	<b>2.7%</b>	<b>20.9%</b>	<b>11.8%</b>	<b>8.3%</b>	<b>11.8%</b>	<b>12.6%</b>	<b>-2.9%</b>	<b>-4.4%</b>	<b>59.4%</b>	<b>-55.3%</b>

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

## Median Quarterly Revenue Growth of All Blood Diagnostics Companies



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



## Median Public Company Multiples of the Blood Diagnostics Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	3.6x	3.1x	3.3x	2.9x	4.5x	4.2x	4.0x	2.9x	2.6x
EV/EBITDA Multiple	14.7x	13.2x	14.6x	12.5x	13.6x	13.1x	14.2x	14.4x	13.6x
Price/Earnings Multiple	22.5x	20.5x	22.8x	19.3x	17.7x	19.2x	22.6x	23.7x	21.3x
EV/Gross Cash Flows Multiple	17.7x	15.9x	17.8x	16.2x	16.6x	16.1x	16.5x	18.6x	16.4x

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

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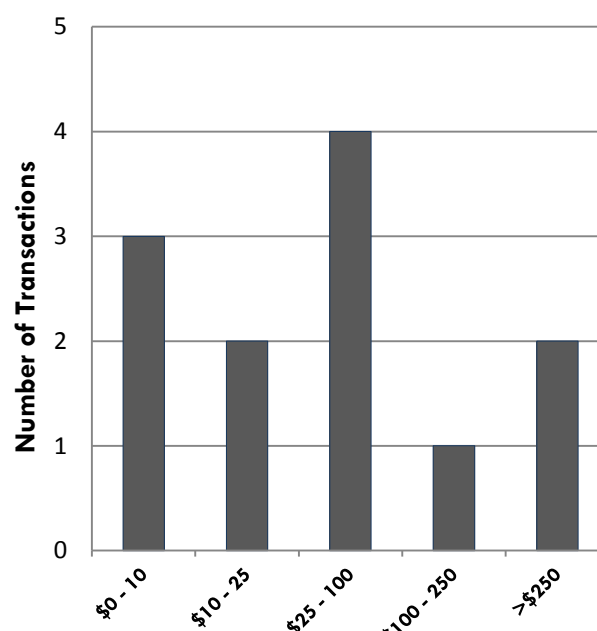
## Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/2/2012	Globus Medical	\$12.00	8.3	\$100.0	\$367.3	\$0.0	\$363.0	\$127.1	\$67.0	\$145.0
10/18/2011	ZELTIQ Aesthetics	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.1)
2/3/2011	BG Medicine	\$7.00	5.0	\$35.0	\$7.0	\$6.4	\$0.8	(\$14.1)	(\$17.2)	(\$13.6)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$12.4	(\$39.5)	\$28.0
8/13/2010	Electromed	\$4.00	1.7	\$6.8	\$14.1	\$4.2	\$14.3	\$2.1	\$0.9	\$2.4
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
4/21/2010	DynaVox	\$15.00	9.4	\$140.6	\$138.9	\$90.0	\$111.7	\$30.2	\$15.0	N/A
8/7/2007	Masimo	\$17.00	11.9	\$202.6	\$174.1	\$37.1	\$241.9	\$77.2	\$42.9	\$81.5
5/14/2007	Insulet	\$15.00	7.7	\$115.5	\$47.7	\$31.2	\$5.4	(\$35.8)	(\$40.6)	(\$33.0)
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$95.5</b>	<b>\$34.4</b>	<b>\$4.2</b>	<b>\$38.0</b>	<b>\$3.0</b>	<b>(\$2.7)</b>	<b>\$2.4</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
9/10/2013	Flowsense Medical	Baxter International	\$4.6	100%
9/6/2013	Gambro AB	Baxter International	\$4,013.8	100%
2/6/2013	Epocal	Inverness Medical	\$241.5	100%
10/3/2012	Drew Scientific	ERBA Diagnostics	\$6.5	100%
8/1/2012	Gen-Probe	Hologic	\$4,204.1	100%
5/31/2012	SunTech Medical Group	Halma	\$57.0	100%
5/22/2012	Navilyst Medical	AngioDynamics	\$374.5	100%
4/2/2012	Accutome	Halma	\$25.0	100%
1/3/2012	Verum Diagnostica	Roche Holding	\$13.3	100%
11/23/2011	Shanghai Yuanqi	SHMY Healthdigit Biochips	\$54.0	70%
11/8/2011	Axis-Shield	Alere	\$396.1	100%
9/2/2011	Life Enhancement Technology	VasoHealthcare	\$3.3	100%
8/23/2011	Phadia	Thermo Fisher Scientific	\$3,512.8	100%
6/29/2011	Beckman Coulter	Danaher	\$7,392.9	100%
6/16/2011	Stanbio Laboratory	EKF Diagnostics Holdings	\$25.3	100%
<b>Median of All Transaction Targets</b>			<b>\$57.0</b>	<b>100%</b>

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



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