

Healthcare Equipment

INDUSTRY SUMMARY

COGENT VALUATION identified Healthcare Equipment 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. Over the last year since June 30, 2016, the median 52-week share price return of the Healthcare Equipment industry was 26.8%. Between June 30, 2015 and June 30, 2017, the median EV/EBITDA multiple increased from 17.1 to 20.1. However, the median price-to-earnings multiple decreased from 36.4 to 34.3 over the same period.

Public Company Key Statistics

Median 52-Week
Return

26.8%

Median 3-Year CAGR
Return

9.7% %

Median EV/Revenue
Multiple

3.9x

Median EV/EBITDA
Multiple

20.1x

Median Price/Earnings
Multiple

34.3x

Median EV/Gross CF
Multiple

31.1x

Comparable Public Company Market Price Returns as of June 30, 2017

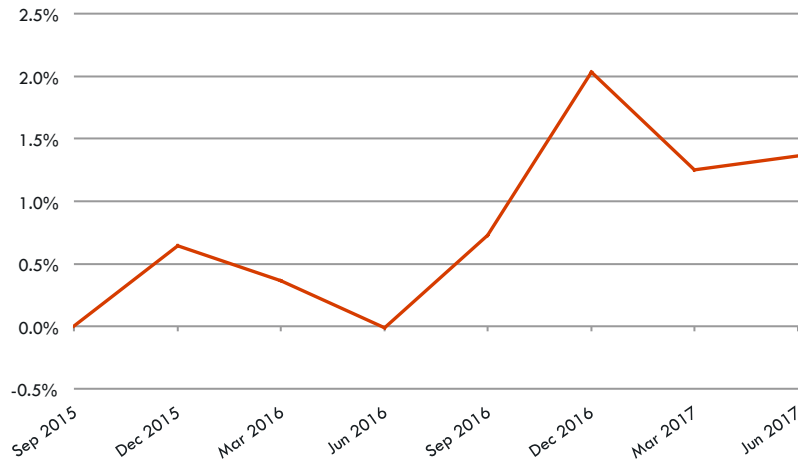
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 2016 | 2015 | 2014 |
|--|-------|---------|--------|--------|--------|--------|-------|-------|
| Bruker Corporation | 36.2% | 23.6% | 26.8% | 18.9% | 5.9% | -12.7% | 23.7% | -0.8% |
| Illumina, Inc. | 35.5% | 1.7% | 23.6% | -10.9% | -0.9% | -33.3% | 4.0% | 66.9% |
| Luminex Corporation | 4.4% | 15.0% | 4.4% | 10.6% | 7.2% | -5.4% | 14.0% | -3.3% |
| PerkinElmer, Inc. | 30.7% | 17.4% | 30.0% | 13.8% | 13.3% | -2.7% | 22.5% | 6.1% |
| QIAGEN N.V. | 15.2% | 15.7% | 48.0% | 14.1% | 9.7% | 1.3% | 17.9% | -1.5% |
| Tecan Group Ltd. | 20.3% | 17.6% | 20.9% | 25.4% | 18.1% | -3.9% | 43.0% | -4.0% |
| Waters Corporation | 36.8% | 17.6% | 30.7% | 19.7% | 20.7% | -0.1% | 19.4% | 12.7% |
| Median of Industry Public Companies | 30.7% | 17.4% | 26.8% | 14.1% | 9.7% | -3.9% | 19.4% | -0.8% |

Multiple year periods are calculated as the average annual return.

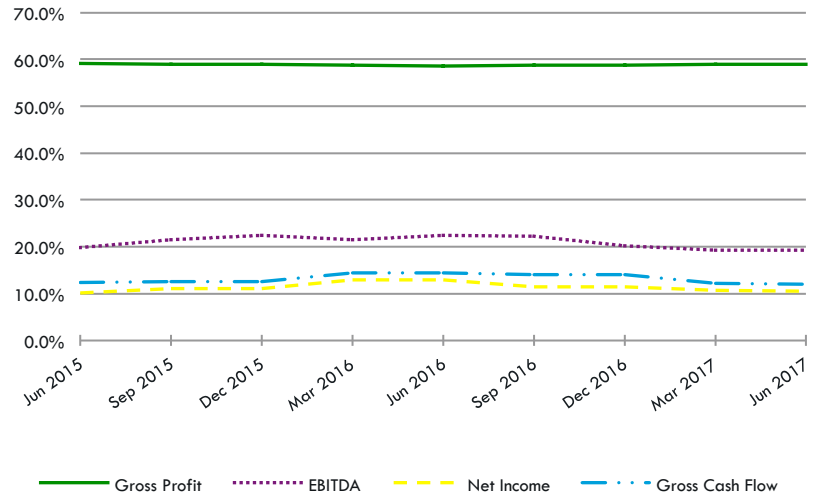
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Healthcare Equipment Companies



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



Median Public Companies

The chart below illustrates Public Company Multiples.

| | 6/30/17 | 3/31/17 | 12/31/16 | 9/30/16 | 6/30/16 | 3/31/16 | 12/31/15 | 9/30/15 |
|-------------------------------------|---------|---------|----------|---------|---------|---------|----------|---------|
| EV/Revenues Multiple | 3.9x | 3.3x | 3.2x | 3.7x | 3.6x | 3.5x | 3.7x | 3.1x |
| EV/EBITDA Multiple | 20.1x | 17.4x | 14.9x | 17.4x | 16.0x | 15.9x | 19.2x | 17.2x |
| Price/Earnings Multiple | 34.3x | 34.4x | 24.0x | 32.8x | 31.1x | 30.6x | 36.6x | 32.1x |
| EV/Gross Cash Flows Multiple | 31.1x | 26.8x | 24.2x | 26.1x | 25.1x | 25.7x | 32.7x | 27.5x |

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings – Healthcare Equipment (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 |
|------------|----------------------------------|-------------|----------------|---------------|---------------|---------------|---------------|--------------|----------------|----------------|
| 7/12/16 | Vincent Medical Holdings Limited | \$0.13 | 89.3 | \$16.4 | \$379.1 | \$10.5 | \$462.5 | \$89.9 | \$48.3 | \$91.6 |
| 2/28/16 | Invent Medic Sweden AB (publ) | \$0.35 | 3.0 | \$1.1 | \$3.9 | \$0.3 | \$0.5 | \$0.0 | (\$1.1) | \$0.0 |
| 6/11/15 | Invuity, Inc. | \$12.00 | 4.0 | \$48.0 | \$46.2 | \$14.4 | \$15.4 | (\$22.8) | (\$25.0) | (\$22.1) |
| 6/25/13 | NanoString Technologies, Inc. | \$10.00 | 5.4 | \$54.0 | \$29.6 | \$12.8 | \$24.1 | (\$17.5) | (\$21.4) | (\$15.5) |
| 5/8/13 | Quintiles IMS Holdings, Inc. | \$40.00 | 23.7 | \$947.4 | \$2,426.7 | \$2,421.6 | \$3,731.7 | \$512.8 | \$182.6 | \$564.6 |
| 1/24/13 | LipoScience, Inc. | \$9.00 | 4.6 | \$45.0 | \$47.7 | \$20.7 | \$54.8 | \$3.2 | \$1.3 | \$4.3 |
| 11/7/12 | Atossa Genetics Inc. | \$5.00 | 0.8 | \$4.0 | \$5.7 | \$0.3 | N/A | N/A | N/A | N/A |
| | Median of all IPOs | nm | nm | \$45.0 | \$46.2 | \$12.8 | \$39.5 | \$1.6 | \$0.1 | \$2.1 |

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/ Revenues |
|------------------|----------------------------|-------------------------------|------------------|----------|--------------|--------------|
| 9/13/16 | Source BioScience Plc | Harwood Capital LLP | \$74.9 | 60% | \$38.2 | 2.5x |
| 6/1/16 | OCTAX Microscience GmbH | Vitrolife AB (publ) | \$15.3 | 100% | \$9.5 | 1.6x |
| 2/11/16 | Ellipse Technologies, Inc. | NuVasive, Inc. | \$410.0 | 100% | \$40.2 | 0.0x |
| 1/29/16 | Inova Labs, Inc. | ResMed Inc. | \$110.0 | 100% | N/A | N/A |
| 1/25/16 | Cardiac Science Corp. | CFS 915 LLC | \$82.7 | 100% | N/A | N/A |
| 1/5/16 | Ascensia Diabetes Care | Panasonic Healthcare | \$1157 | 100% | \$1,028.9 | 1.1x |
| 11/26/15 | Delta Med Spa | DB Private Equity GmbH | \$20.9 | 100% | \$17.8 | 1.2x |
| 9/8/15 | Welch Allyn, Inc. | Hill-Rom Holdings, Inc. | \$2,051 | 100% | \$700.0 | 2.9x |
| 6/30/15 | Legacy Oxygen | Patient Home Monitoring Corp. | \$2.5 | 100% | \$2.7 | N/A |
| 1/26/15 | Black Bear Medical, Inc. | Patient Home Monitoring Corp. | \$6.4 | 100% | \$6.8 | N/A |
| 10/3/14 | GenCell Biosystems Ltd. | Becton, Dickinson and Company | \$150.0 | 100% | N/A | N/A |
| 10/1/14 | Scanmedics Pty Ltd | Paragon Care Limited | \$3.8 | 100% | N/A | N/A |

■ Highest
 ■ Lowest
 ■ Median

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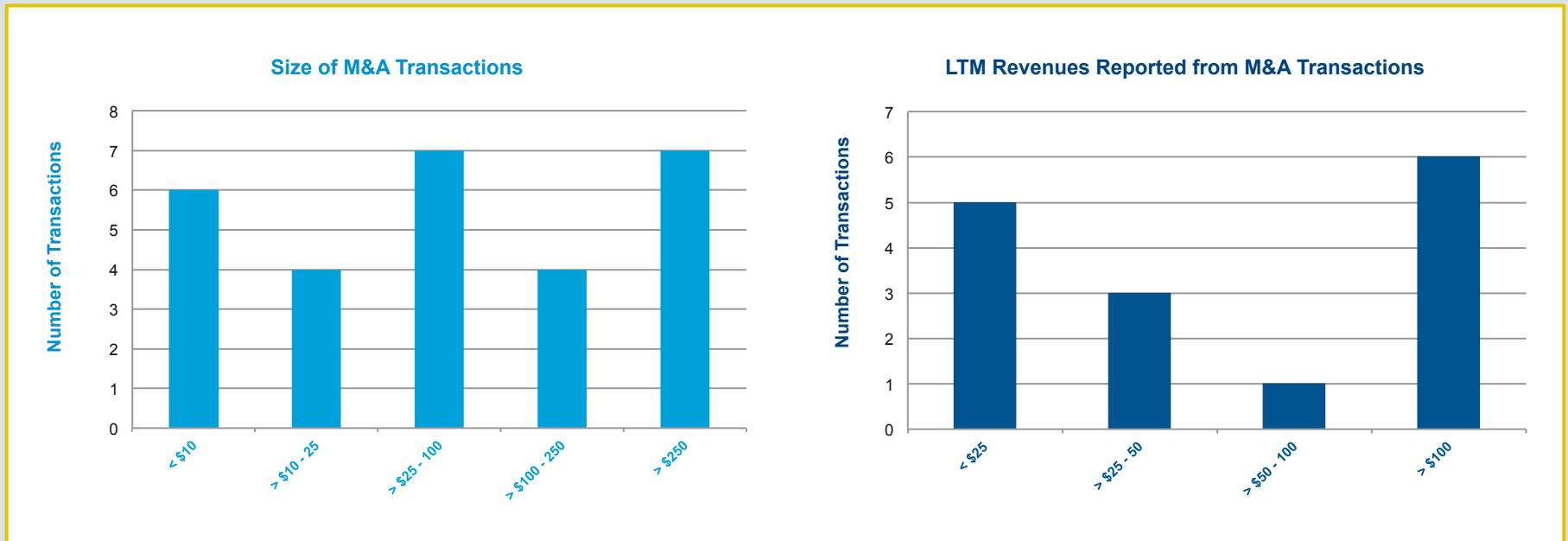
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

(Continued from previous page)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM11 Revenues | EV/ Revenues |
|---|----------------------------|---------------------------------|------------------|-------------|----------------|--------------|
| 8/1/14 | Medisoft SA | MGC Diagnostics Belgium S.P.R.L | \$8.0 | 100% | \$6.5 | 1.2x |
| 7/31/14 | IBL International GmbH | Tecan Group Ltd. | \$38.8 | 100% | \$21.4 | 1.8x |
| 7/31/14 | Boulder Diagnostics Inc. | Oxford Immunotec | \$7.9 | 100% | N/A | N/A |
| 7/16/14 | Gentris LLC | Cancer Genetics, Inc. | \$6.3 | 57% | N/A | N/A |
| 6/30/14 | Ortho-Clinical Diagnostics | The Carlyle Group | \$4,150 | 100% | \$1,890.0 | 2.2x |
| 6/16/14 | IQuum, Inc. | Roche Molecular Sys. | \$450.0 | 100% | N/A | N/A |
| 1/6/14 | Alverix, Inc. | Becton, Dickinson | \$40.0 | 100% | N/A | N/A |
| Median of the 21 M&A Transaction Targets | | | \$38.8 | 100% | 21.4 | 1.2x |

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2017



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Definitions of Financial Terms Used in this Quarterly Industry Update: Enterprise Value (EV): Market Value of Equity + Market Value of Debt
—Cash Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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