

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 September 30, 2016, the median 52-week share price return of the Healthcare Equipment industry was 13.3%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple increased from 17.2 to 18.0. Furthermore, the median price-to-earnings multiple increased from 32.1 to 38.9 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.8% and 19.4%, respectively.

Public Company Key Statistics

Median 52-Week
Return

13.3%

Median 3-Year CAGR
Return

16.5%

Median EV/Revenue
Multiple

1.6x

Median EV/EBITDA
Multiple

18x

Median Price/Earnings
Multiple

38.9x

Median EV/Gross CF
Multiple

28.5x

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

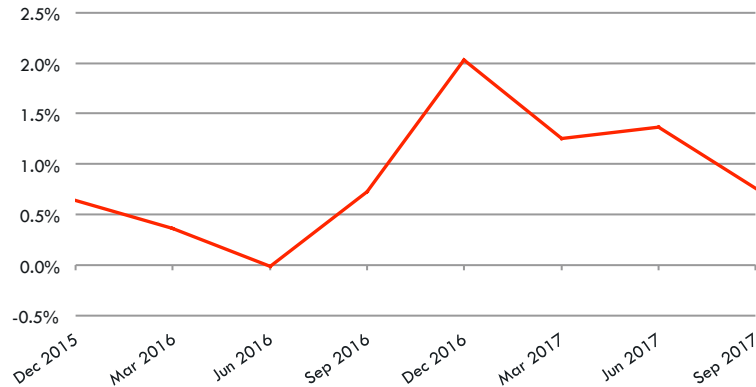
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Bruker Corporation	36.2%	23.6%	26.8%	18.9%	5.9%	-12.7%	23.7%	-0.8%
Illumina, Inc.	35.5%	1.7%	23.6%	-10.9%	-0.9%	-33.3%	4.0%	66.9%
Luminex Corporation	4.4%	15.0%	4.4%	10.6%	7.2%	-5.4%	14.0%	-3.3%
PerkinElmer, Inc.	30.7%	17.4%	30.0%	13.8%	13.3%	-2.7%	22.5%	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.

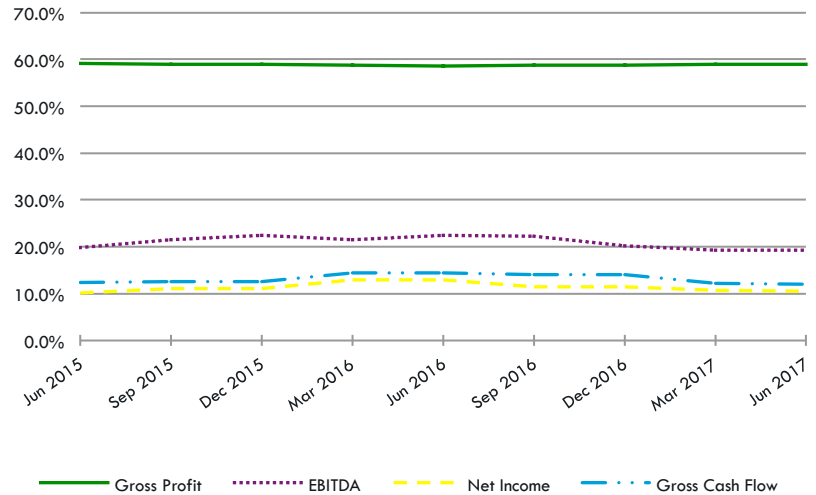
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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



Public Company Median Multiples by Quarter

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
EV/Revenues Multiple	3.9x	3.9x	3.3x	3.2x	3.7x	3.6x	3.5x	3.7x
EV/EBITDA Multiple	18.0x	20.1x	17.4x	14.8x	17.4x	16.0x	15.9x	19.2x
Price/Earnings Multiple	38.9x	34.3x	34.4x	24.0x	32.8x	31.1x	30.6x	36.6x
EV/Gross Cash Flows Multiple	28.5x	31.1x	26.8x	24.2x	26.1x	25.1x	25.7x	32.7x

 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
1/25/16	Source BioScience Plc	Harwood Capital LLP	\$74.9	60%	\$38.2	2.5x
1/5/16	OCTAX Microscience GmbH	Vitrolife AB (publ)	\$15.3	100%	\$9.5	1.6x
11/26/15	Ellipse Technologies, Inc.	NuVasive, Inc.	\$410.0	100%	\$40.2	0.0x
9/8/15	Inova Labs, Inc.	ResMed Inc.	\$110.0	100%	N/A	N/A
6/30/15	Cardiac Science Corp.	CFS 915 LLC	\$82.7	100%	N/A	N/A
1/26/15	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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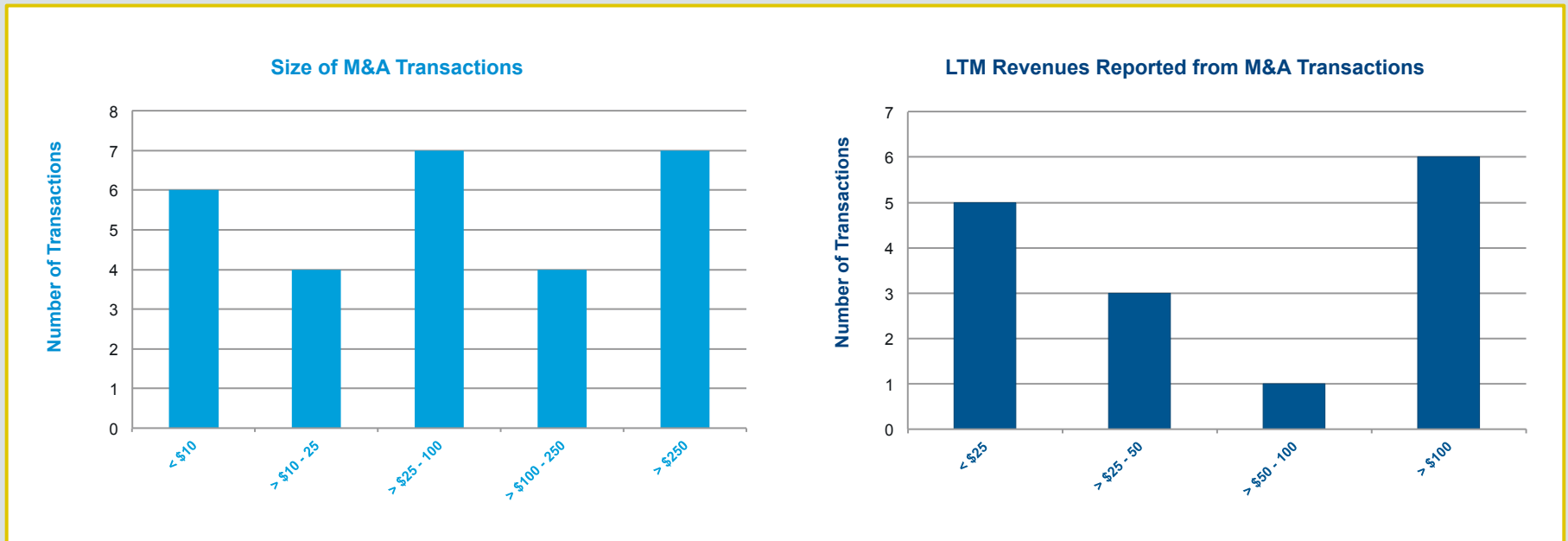
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM11 Revenues	EV/ Revenues
7/16/14	Medisoft SA	MGC Diagnostics Belgium S.P.R.L	\$8.0	100%	\$6.5	1.2x
6/30/14	IBL International GmbH	Tecan Group Ltd.	\$38.8	100%	\$21.4	1.8x
6/16/14	Boulder Diagnostics Inc.	Oxford Immunotec	\$7.9	100%	N/A	N/A
1/6/14	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 September 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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