

## 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 December 31, 2016, the median 52-week share price return of the Healthcare Equipment industry was 40.2%. Between December 31, 2015 and December 31, 2017, the median EV/EBITDA multiple decreased from 18.7 to 18.4. However, the median price-to-earnings multiple increased from 34.3 to 40.9 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.9% and 20.3%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

40.2%

Median 3-Year CAGR  
Return

18.7%

Median EV/Revenue  
Multiple

4.4x

Median EV/EBITDA  
Multiple

18.4x

Median Price/Earnings  
Multiple

40.9x

Median EV/Gross CF  
Multiple

35x

## Comparable Public Company Market Price Returns as of December 31, 2017

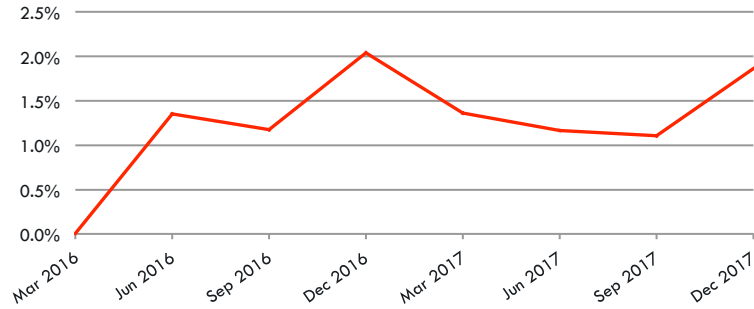
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
<b>Bruker Corporation</b>	62.0%	23.6%	26.8%	18.9%	5.9%	-12.7%	23.7%	-0.8%
<b>Illumina, Inc.</b>	70.6%	1.7%	23.6%	-10.9%	-0.9%	-33.3%	4.0%	66.9%
<b>Luminex Corporation</b>	-2.6%	15.0%	4.4%	10.6%	7.2%	-5.4%	14.0%	-3.3%
<b>PerkinElmer, Inc.</b>	40.2%	17.4%	30.0%	13.8%	13.3%	-2.7%	22.5%	6.1%
<b>QIAGEN N.V.</b>	6.3%	15.7%	48.0%	14.1%	9.7%	1.3%	17.9%	-1.5%
<b>Tecan Group Ltd.</b>	33.0%	17.6%	20.9%	25.4%	18.1%	-3.9%	43.0%	-4.0%
<b>Waters Corporation</b>	43.8%	17.6%	30.7%	19.7%	20.7%	-0.1%	19.4%	12.7%
<b>Median of Industry Public Companies</b>	40.2%	17.4%	26.8%	14.1%	9.7%	-3.9%	19.4%	-0.8%

Multiple year periods are calculated as the average annual return.

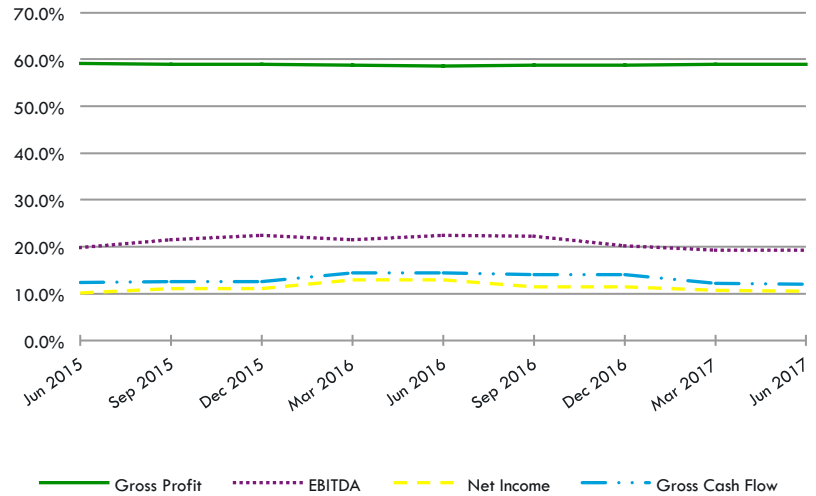
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# 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

	12/31/17	9/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
<b>EV/Revenues Multiple</b>	4.4x	3.9x	3.3x	3.2x	3.7x	3.6x	3.5x	3.7x
<b>EV/EBITDA Multiple</b>	18.4x	17.2x	17.4x	14.8x	17.4x	16.0x	15.9x	19.2x
<b>Price/Earnings Multiple</b>	40.9x	30.8x	34.4x	24.0x	32.8x	31.1x	30.6x	36.6x
<b>EV/Gross Cash Flows Multiple</b>	35.0x	25.4x	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
<b>Median of all IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$45.0</b>	<b>\$46.2</b>	<b>\$12.8</b>	<b>\$39.5</b>	<b>\$1.6</b>	<b>\$0.1</b>	<b>\$2.1</b>

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
11/26/17	<b>ANOTA, S.A.</b>	<b>Prim, S.A.</b>	<b>\$1.5</b>	60%	\$38.2	2.5x
10/2/17	<b>DePuy Synthes, Inc.</b>	<b>Integra LifeSciences Holdings</b>	\$1,045.0	100%	\$9.5	1.6x
9/13/16	<b>Source BioScience Plc</b>	<b>Harwood Capital LLP</b>	\$74.9	100%	\$40.2	0.0x
6/1/16	<b>OCTAX Microscience GmbH</b>	<b>Vitrolife AB (publ)</b>	\$15.3	100%	N/A	N/A
2/11/16	<b>Ellipse Technologies, Inc.</b>	<b>NuVasive, Inc.</b>	\$410.0	100%	N/A	N/A
1/29/16	<b>Inova Labs, Inc.</b>	<b>ResMed Inc.</b>	\$110.0	100%	\$1,028.9	1.1x
11/26/15	<b>Cardiac Science Corp.</b>	<b>CFS 915 LLC</b>	\$82.7	100%	\$17.8	1.2x
9/8/15	<b>Welch Allyn, Inc.</b>	<b>Panasonic Healthcare</b>	\$1,156.8	100%	\$700.0	2.9x
6/30/15	<b>Legacy Oxygen</b>	<b>DB Private Equity GmbH; Augens Capital S.r.l.</b>	\$20.9	100%	\$2.7	N/A
1/26/15	<b>Black Bear Medical, Inc.</b>	<b>Prim, S.A.</b>	<b>\$2,051.0</b>	100%	\$6.8	N/A
10/3/14	<b>GenCell Biosystems Ltd.</b>	<b>Integra LifeSciences Holdings</b>	\$150.0	100%	N/A	N/A
10/1/14	<b>Scanmedics Pty Ltd</b>	<b>Paragon Care Limited</b>	\$3.8	100%	N/A	N/A

■ Highest    
 ■ Lowest    
 ■ Median

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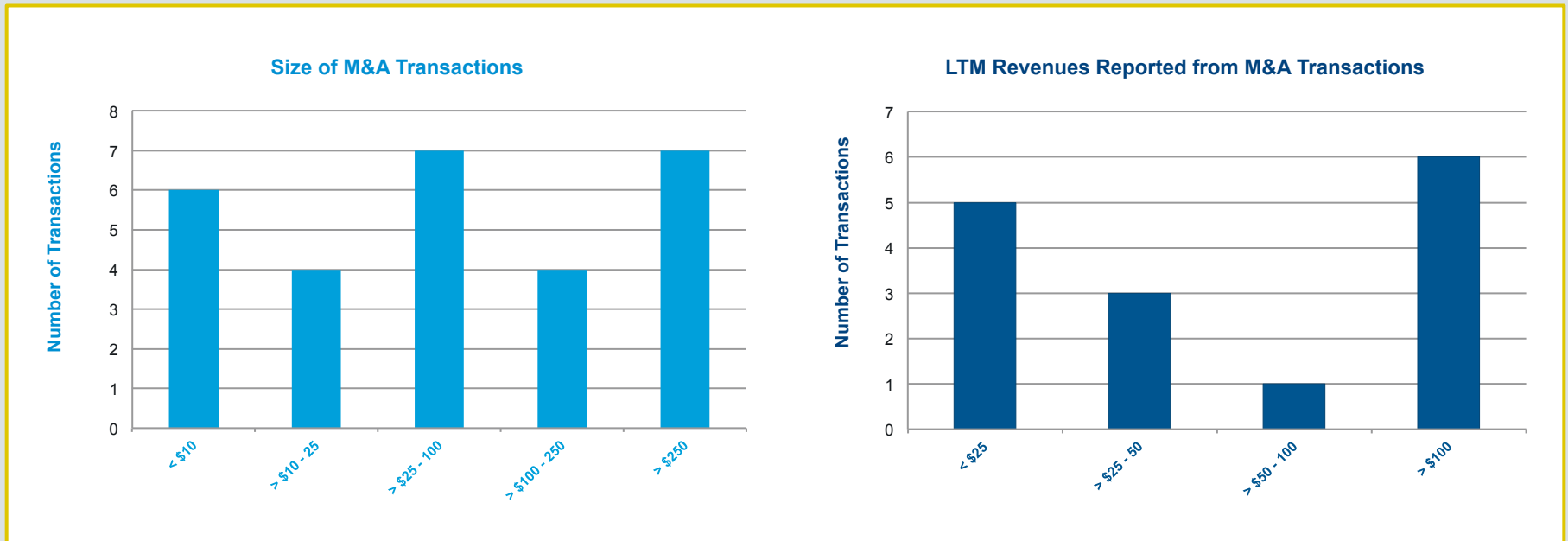
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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
<b>Median of the 21 M&amp;A Transaction Targets</b>			<b>\$38.8</b>	<b>100%</b>	<b>21.4</b>	<b>1.2x</b>

USA
  International
  Highest
  Lowest
  Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of December 31, 2017





COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

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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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