

Blood Diagnostics

INDUSTRY SUMMARY

COGENT VALUATION identified **Blood Diagnostics** 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. Over the last year since September 30, 2017, the median 52-week share price return of the Blood Diagnostics industry was 68.1%. Between September 30, 2016 and September 30, 2018, the median EV/EBITDA multiple decreased from 15.2 to 11.6. Furthermore, the median price-to-earnings multiple decreased from 23.2 to 17.0 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.5% and 3.4%, respectively.

Public Company Key Statistics

Median 52-Week
Return

68%

Median 3-Year CAGR
Return

19.6%

Median EV/Revenue
Multiple

4.7x

Median EV/EBITDA
Multiple

11.6x

Median Price/Earnings
Multiple

17x

Median EV/Gross CF
Multiple

16.9x

Comparable Public Company Market Price Returns as of September 30, 2018

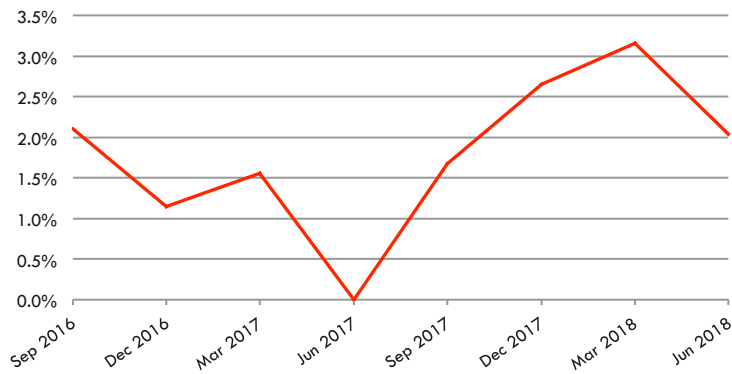
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
BG Medicine, Inc.	-22.6%	10.9%	45.6%	24.7%	6.2%	-5.2%	-2.0%	42.0%
DexCom, Inc.	149.2%	-38.0%	-20.0%	-57.8%	-0.2%	39.0%	-36.1%	10.8%
Escalon Medical Corp.	57.2%	17.3%	-12.5%	4.5%	-77.6%	-89.0%	-80.2%	-55.7%
Insulet Corporation	53.6%	39.9%	200.0%	-38.7%	-38.8%	57.6%	-82.8%	-17.3%
Masimo Corporation	46.9%	25.3%	101.2%	61.7%	-50.4%	-82.7%	-56.2%	16.1%
Quest Diagnostics Incorporated	9.6%	-2.0%	-5.7%	45.0%	-4.9%	-15.5%	42.3%	-32.9%
Median of Industry Public Companies	50.2%	10.9%	2.1%	18.5%	-4.9%	-5.2%	-17.9%	-3.3%

Multiple year periods are calculated as the average annual return.

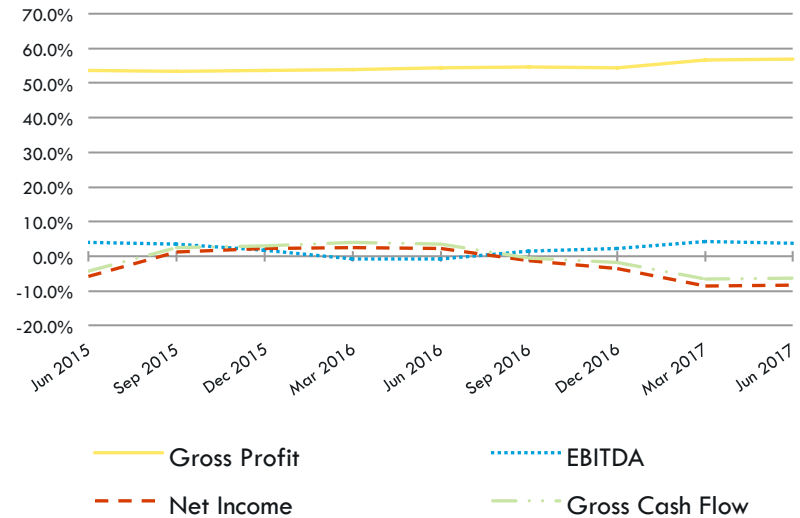
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Blood Diagnostics Companies



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



Public Company Median Multiples by Quarter

	9/30/18	6/30/18	3/31/18	12/31/17	3/31/17	12/31/16	9/30/16	6/30/16
EV/Revenues Multiple	4.7x	5.6x	5.1x	5.1x	5.2x	4.5x	4.5x	4.1x
EV/EBITDA Multiple	11.6x	11.9x	11.4x	11.0x	18.3x	18.7x	19.2x	17.3x
Price/Earnings Multiple	17.0x	18.4x	17.4x	17.2x	19.1x	19.5x	29.1x	28.5x
EV/Gross Cash Flows Multiple	16.9x	18.3x	17.7x	17.7x	19.1x	19.6x	24.3x	24.1x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Blood Diagnostics (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
7/9/18	Wuhan EasyDiagnosis Biomedicine Co.,Ltd.	\$3.09	4.7	\$3.2	\$0.6	\$0.3	\$0.0	(\$0.2)	(\$0.2)	(\$0.2)
3/13/17	Hemcheck Sweden AB (publ)	\$0.67	1.5	\$10.4	\$8.6	\$0.9	\$0.2	(\$1.9)	(\$1.9)	(\$1.9)
2/17/17	PCL, Inc.	\$6.94	2.9	\$17.1	\$2.7	\$3.2	\$4.1	(\$5.0)	(\$5.7)	(\$4.5)
6/29/16	ExpreS2ion Biotech Holding AB (publ)	\$0.70	2.0	\$12.0	\$3.3	\$0.0	\$0.0	(\$4.0)	(\$4.2)	(\$3.9)
7/9/15	Cellnovo Group SA	\$11.73	5.2	\$57.2	\$25.8	\$4.6	\$0.3	(\$21.4)	(\$23.0)	(\$20.8)
8/6/14	T2 Biosystems, Inc.	\$11.00	5.0	\$60.0	\$56.3	\$9.7	\$2.7	(\$27.0)	(\$30.2)	(\$24.6)
4/24/14	Quotient Limited	\$8.00	0.9	\$8.5	\$3.5	\$27.2	\$4.3	(\$0.4)	(\$2.3)	(\$0.2)
10/18/11	Globus Medical, Inc.	\$12.00	5.0	\$40.0	\$26.4	\$15.0	\$18.5	(\$5.4)	(\$6.6)	(\$5.0)
2/3/11	ZELTIQ Aesthetics, Inc.	\$13.00	1.9	\$19.0	\$1.1	\$5.9	\$0.1	(\$7.9)	(\$9.7)	(\$7.6)
2/2/11	BG Medicine, Inc.	\$7.00	5.0	\$35.0	\$6.0	\$4.5	\$1.0	(\$15.4)	(\$18.1)	(\$14.9)
Median of all IPOs		nm	nm	\$19.0	\$13.4	\$4.5	\$1.5	(5.0)	(\$5.7)	(\$4.5)

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
8/1/18	Exosome Diagnostics, Inc.	Danaher Corporation	\$575.0	100%	\$564.2	7.2x
7/31/18	Abaxis, Inc.	Luminex Corporation	\$1,994.6	100%	\$23.0	4.4x
6/20/18	ViroGates A/S	CareDx, Inc	\$11.7	78%	\$16.4	2.6x
11/4/16	Cepheid	Thermo Fisher Scientific	\$4,402.2	100%	\$359.8	3.7x
6/29/16	Nanosphere, Inc.	Meridian Bioscience, Inc.	\$114.7	100%	\$16.0	4.1x
4/5/16	Allenex AB (publ)	True Health Diagnostics	\$38.4	100%	N/A	N/A
3/31/16	Affymetrix Inc.	Hony Capital (Beijing)	\$1,466.6	100%	N/A	N/A
3/24/16	Magellan Diagnostics, Inc.	Laboratory Corp. of America	\$66.0	100%	\$45.5	1.3x
9/29/15	Health Diagnostic Laboratory	Sigma-Aldrich Corporation	\$37.1	100%	N/A	N/A
6/11/15	Biosensors International	Baxter International	\$50.0	100%	\$0.1	N/A
11/20/14	LipoScience, Inc.	Baxter International	\$101.2	100%	\$1,670.7	2.4x
8/1/18	Cell Marque Corporation	Inverness Medical	\$170.0	100%	N/A	N/A
7/31/18	Flowsense Medical	ERBA Diagnostics	\$4.5	100%	\$13.0	0.5x
6/20/18	Gambro AB	Hologic	\$4,204.1	100%	\$586.6	6.6x
2/6/13	SunTech Medical Group	Halma	\$57.0	100%	\$23.0	2.3x
10/3/12	Navilyst Medical	AngioDynamics	\$374.5	100%	\$148.6	2.5x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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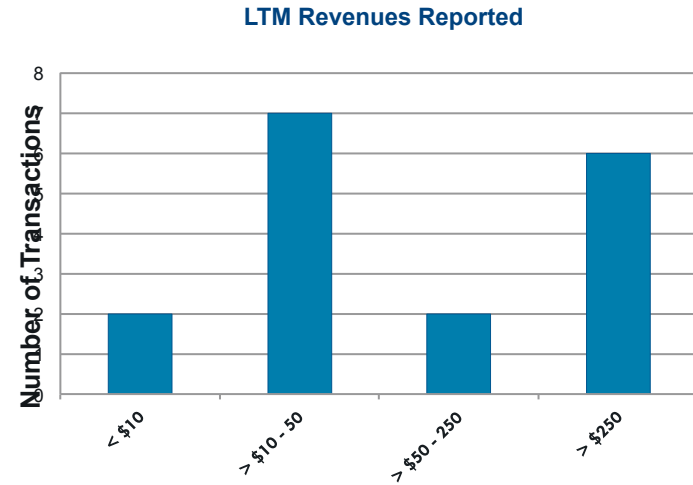
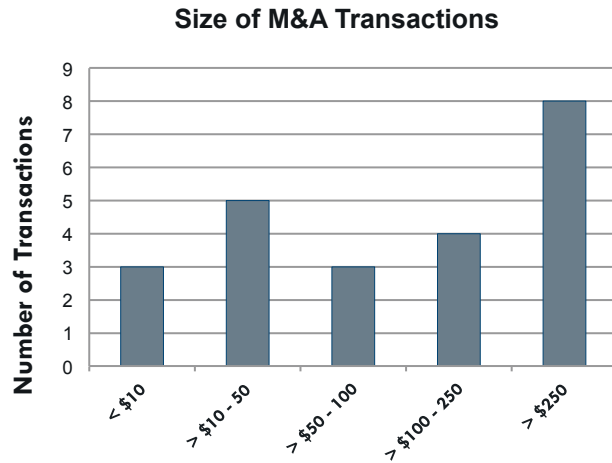
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
4/2/12	Accutome	Halma	\$25.0	100%	\$20.2	1.2x
1/3/12	Verum Diagnostica	Roche Holding	\$13.3	100%	N/A	N/A
11/23/11	Shanghai Yuanqi	SHMY Healthdigit Biochips	\$54.0	70%	\$0.1	N/A
11/8/11	Axis-Shield	Alere	\$396.1	100%	\$164.7	2.3x
9/2/11	Life Enhancement Technology	VasoHealthcare	\$3.3	100%	N/A	N/A
8/23/11	Phadia	Thermo Fisher Scientific	\$3,512.8	100%	\$523.4	6.7x
6/29/11	Beckman Coulter	Danaher	\$7,392.9	100%	\$3,663.4	1.9x
Median of the 28 M&A Transaction Targets			\$101.2	100%	\$45.5	2.5x

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as September 30, 2018



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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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