

Q1: Quarterly Industry Update

AS OF March 31, 2019



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 March 31, 2018, the median 52-week share price return of the Blood Diagnostics industry was 2.1%. Between March 31, 2018 and March 31, 2019, the median EV/EBITDA multiple decreased from 18.3 to 15.3. However, the median price-to-earnings multiple increased from 19.1 to 26.8 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 3.0% and 2.5%, respectively.

Public Company Key Statistics

Median 52-Week
Return

2.1%

Median 3-Year CAGR
Return

6%

Median EV/Revenue
Multiple

5.5x

Median EV/EBITDA
Multiple

15.3x

Median Price/Earnings
Multiple

26.8x

Median EV/Gross CF
Multiple

23.7x

Comparable Public Company Market Price Returns as of March 31, 2019

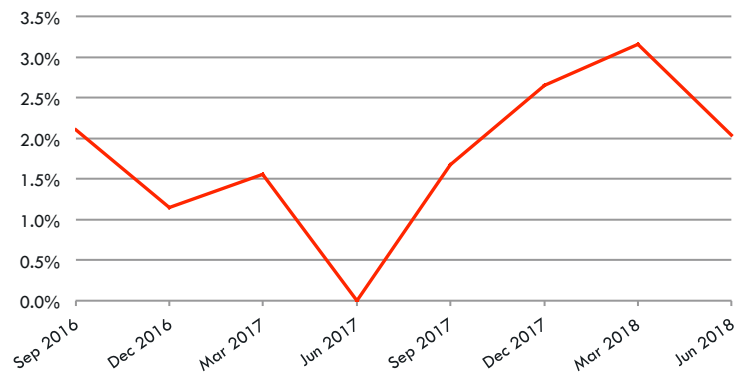
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
Abaxis, Inc.	10.9%	10.9%	45.6%	24.7%	6.2%	-22.8%	-2.0%	42.0%
DexCom, Inc.	-38.0%	-38.0%	-20.0%	-57.8%	-0.2%	-3.9%	-36.1%	10.8%
Escalon Medical Corp.	17.3%	17.3%	-12.5%	4.5%	-77.6%	99.9%	-80.2%	-55.7%
Insulet Corporation	39.9%	39.9%	200.0%	-38.7%	-38.8%	83.1%	-82.8%	-17.3%
Masimo Corporation	25.3%	25.3%	101.2%	61.7%	-50.4%	25.8%	-56.2%	16.1%
Quest Diagnostics Incorporated	-2.0%	-2.0%	-5.7%	45.0%	-4.9%	-6.2%	42.3%	-32.9%
Median of Industry Public Companies	10.9%	10.9%	2.1%	18.5%	-4.9%	7.2%	-17.9%	-3.3%

Multiple year periods are calculated as the average annual return.

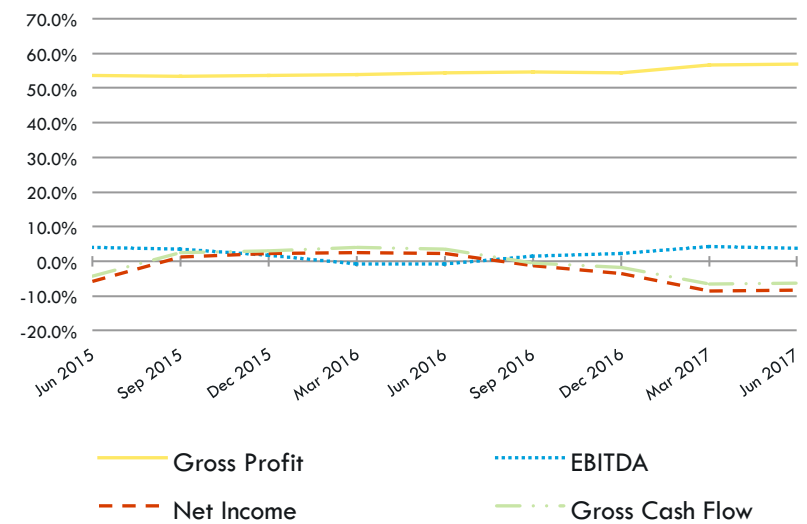
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
EV/Revenues Multiple	5.5x	4.6x	4.6x	5.3x	5.2x	4.5x	4.5x	4.1x
EV/EBITDA Multiple	15.3x	14.9x	18.1x	21.4x	18.3x	18.7x	19.2x	17.3x
Price/Earnings Multiple	26.8x	25.2x	18.9x	21.5x	19.1x	19.5x	29.1x	28.5x
EV/Gross Cash Flows Multiple	23.7x	22.7x	18.8x	21.0x	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
3/13/19	Hemcheck Sweden AB (publ)	\$0.67	4.7	\$3.2	\$0.6	\$0.3	\$917	\$150	(\$0.2)	(\$0.2)
2/17/19	PCL, Inc.	\$6.94	1.5	\$10.4	\$8.6	\$0.9	N/A	N/A	(\$1.9)	(\$1.9)
6/29/18	ExpreS2ion Biotech Holding AB	\$0.70	2.9	\$17.1	\$2.7	\$3.2	\$0.2	(\$7.7)	(\$5.7)	(\$4.5)
7/9/16	Cellnovo Limited	\$11.73	2.0	\$12.0	\$3.3	\$0.0	\$0.1	(\$23.6)	(\$4.2)	(\$3.9)
8/6/14	T2 Biosystems, Inc.	\$11.00	5.2	\$57.2	\$25.8	\$4.6	\$19.8	(\$8.3)	(\$23.0)	(\$20.8)
4/30/14	Quotient Limited	\$8.00	5.0	\$60.0	\$56.3	\$9.7	\$363.0	\$127.1	(\$30.2)	(\$24.6)
4/24/14	Globus Medical, Inc.	\$12.00	0.9	\$8.5	\$3.5	\$27.2	\$61.7	(\$4.8)	(\$2.3)	(\$0.2)
10/18/11	Globus Medical, Inc.	\$13.00	5.0	\$40.0	\$26.4	\$15.0	\$0.8	(\$14.1)	(\$6.6)	(\$5.0)
2/3/11	ZELTIQ Aesthetics, Inc.	\$7.00	1.9	\$19.0	\$1.1	\$5.9	\$227.4	\$12.4	(\$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	\$40.7	\$3.0	(\$5.7)	(\$4.5)

■ 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
11/4/18	Cepheid	Danaher Corporation	\$4,402.2	100%	\$564.2	7.2x
6/29/18	Nanosphere, Inc.	Luminex Corporation	\$114.7	100%	\$23.0	4.4x
4/5/16	Allenex AB (publ)	CareDx, Inc	\$38.4	78%	\$16.4	2.6x
3/31/16	Affymetrix Inc.	Thermo Fisher Scientific	\$1,466.6	100%	\$359.8	3.7x
3/24/16	Magellan Diagnostics, Inc.	Meridian Bioscience, Inc.	\$66.0	100%	\$16.0	4.1x
9/29/15	Health Diagnostic Laboratory	True Health Diagnostics	\$37.1	100%	N/A	N/A
6/11/15	Biosensors International	Hony Capital (Beijing)	\$50.0	100%	N/A	N/A
11/20/14	LipoScience, Inc.	Laboratory Corp. of America	\$101.2	100%	\$45.5	1.3x
10/31/14	Cell Marque Corporation	Sigma-Aldrich Corporation	\$170.0	100%	N/A	N/A
11/4/18	Flowsense Medical	Baxter International	\$50.0	100%	\$0.1	N/A
11/20/14	Cepheid	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

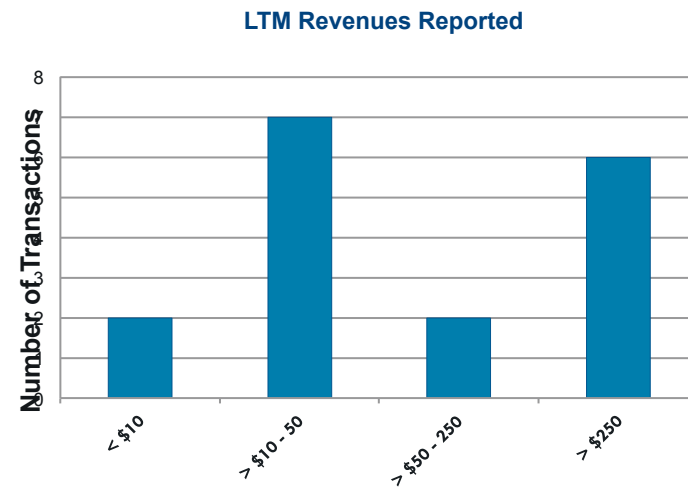
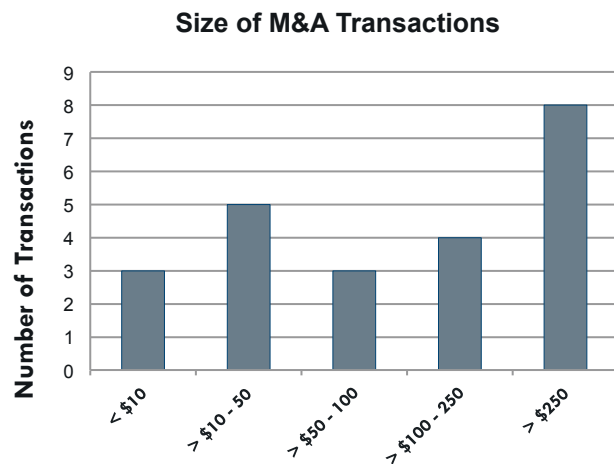
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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 M&A Transaction Targets			\$101.2	100%	\$45.5	2.5x

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as March 31, 2019



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): 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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