

Q1: Quarterly Industry Update

AS OF March 31, 2019



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 March 31, 2018, the median 52-week share price return of the Healthcare Equipment industry was 28.2%. Between March 31, 2018 and March 31, 2019, the median EV/EBITDA multiple increased from 17.4 to 17.5. Furthermore, the median price-to-earnings multiple increased from 33.5 to 36.2 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.6% and 19.7%, respectively.

Public Company Key Statistics

Median 52-Week
Return

7.4%

Median 3-Year CAGR
Return

7%

Median EV/Revenue
Multiple

3.9x

Median EV/EBITDA
Multiple

17.6x

Median Price/Earnings
Multiple

60.6x

Median EV/Gross CF
Multiple

43.6x

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

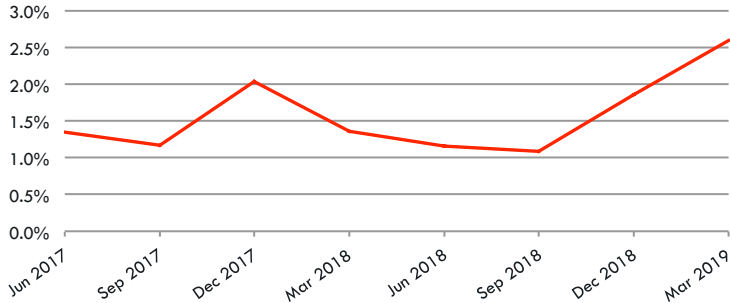
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
Bruker Corporation	-12.8%	-12.8%	-10.1%	-20.6%	2.8%	-47.0%	2.0%	29.3%
Illumina, Inc.	8.2%	8.2%	-14.7%	21.2%	10.3%	7.1%	3.7%	28.2%
Luminex Corporation	7.0%	7.0%	0.9%	-0.9%	-0.9%	6.9%	-16.5%	12.8%
PerkinElmer, Inc.	3.6%	3.6%	-16.4%	3.9%	7.6%	22.8%	-1.8%	16.6%
QIAGEN N.V.	4.5%	4.5%	-18.0%	-1.9%	-3.6%	-10.6%	-10.5%	31.1%
Tecan Group Ltd.	2.0%	2.0%	-11.6%	4.8%	10.8%	31.2%	-32.9%	55.7%
Waters Corporation	2.8%	2.8%	36.9%	-42.2%	-25.6%	-51.0%	-40.2%	20.3%
Median of Industry Public Companies	3.6%	6.8%	-11.6%	3.9%	2.8%	7.1%	-10.5%	25.2%

Multiple year periods are calculated as the average annual return.

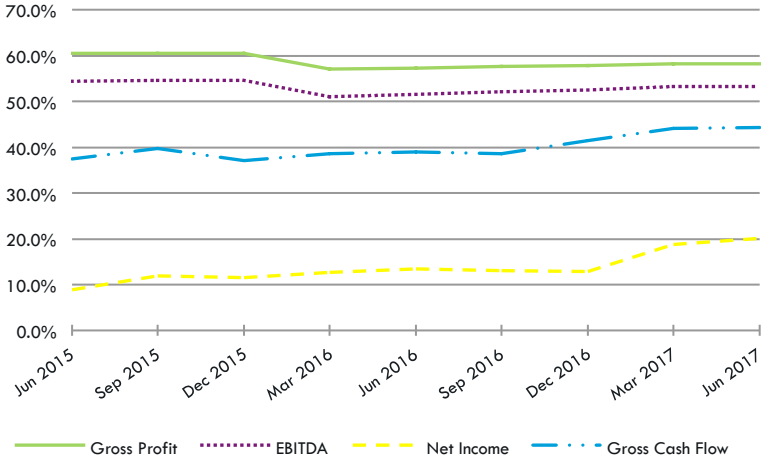
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	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	4.5x	4.4x	3.8x	3.9x	3.3x	3.3x	3.5x	3.2x
EV/EBITDA Multiple	17.5x	17.8x	18.2x	20.0x	17.4x	17.5x	18.6x	16.2x
Price/Earnings Multiple	36.2x	35.5x	30.8x	33.7x	33.5x	33.6x	26.2x	32.0x
EV/Gross Cash Flows Multiple	35.0x	33.9x	25.4x	29.5x	26.6x	25.9x	26.8x	25.0x

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
2/12/19	Vincent Medical Holdings Limited	\$0.13	3.4	\$67.0	N/A	N/A	\$59.6	N/A	N/A	N/A
1/18/19	Invent Medic Sweden AB (publ)	\$0.35	40.7	\$177.4	\$477.7	\$244.4	\$0.1	\$80.0	\$14.0	\$96.2
6/11/15	Invuity, Inc.	\$12.00	104.4	\$39.4	\$386.7	\$232.0	\$15.4	\$0.0	\$35.6	\$0.0
6/25/13	NanoString Technologies, Inc.	\$10.00	173.8	\$1,749.4	\$1,195.9	\$219.5	\$24.1	\$26.6	(\$12.8)	\$41.6
5/8/13	IQVIA Holdings Inc.	\$40.00	22.5	\$270.5	\$12,913.5	\$2,958.6	\$3,731.7	\$52.9	\$1,270.6	\$1,654.0
1/24/13	LipoScience, Inc.	\$9.00	17.5	\$170.5	N/A	N/A	\$54.8	N/A	N/A	N/A
11/7/12	Atossa Genetics Inc.	\$5.00	288.9	\$242.4	N/A	N/A	N/A	N/A	N/A	N/A
	Median of all IPOs	nm	nm	\$177.4	\$836.8	\$238.2	\$39.5	\$39.7	\$24.8	\$68.9

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
1/23/19	ANOTA, S.A.	Prim, S.A.	\$1.5	100%	N/A	N/A
11/22/18	DePuy Synthes, Inc.	Integra LifeSciences Holdings	\$1,045.0	100%	\$2.5	10.9x
9/13/16	Source BioScience Plc	Harwood Capital LLP	\$74.9	100%	N/A	N/A
6/1/16	OCTAX Microscience GmbH	Vitrolife AB (publ)	\$15.3	100%	N/A	N/A
2/11/16	Ellipse Technologies, Inc.	NuVasive, Inc.	\$410.0	100%	N/A	N/A
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	\$1,156.8	100%	N/A	N/A
11/26/15	Delta Med Spa	DB Private Equity GmbH; Augens Capital S.r.l.	\$20.9	100%	N/A	N/A
9/8/15	Welch Allyn, Inc.	Hill-Rom Holdings, Inc.	\$2,051.0	100%	N/A	N/A
6/30/15	(Multiple Equipment)	Patient Home Monitoring Corp.	\$2.5	100%	\$162.0	2.4x
11/23/16	(Multiple Equipment)	Patient Home Monitoring Corp.	\$6.4	100%	N/A	N/A

■ USA ■ International

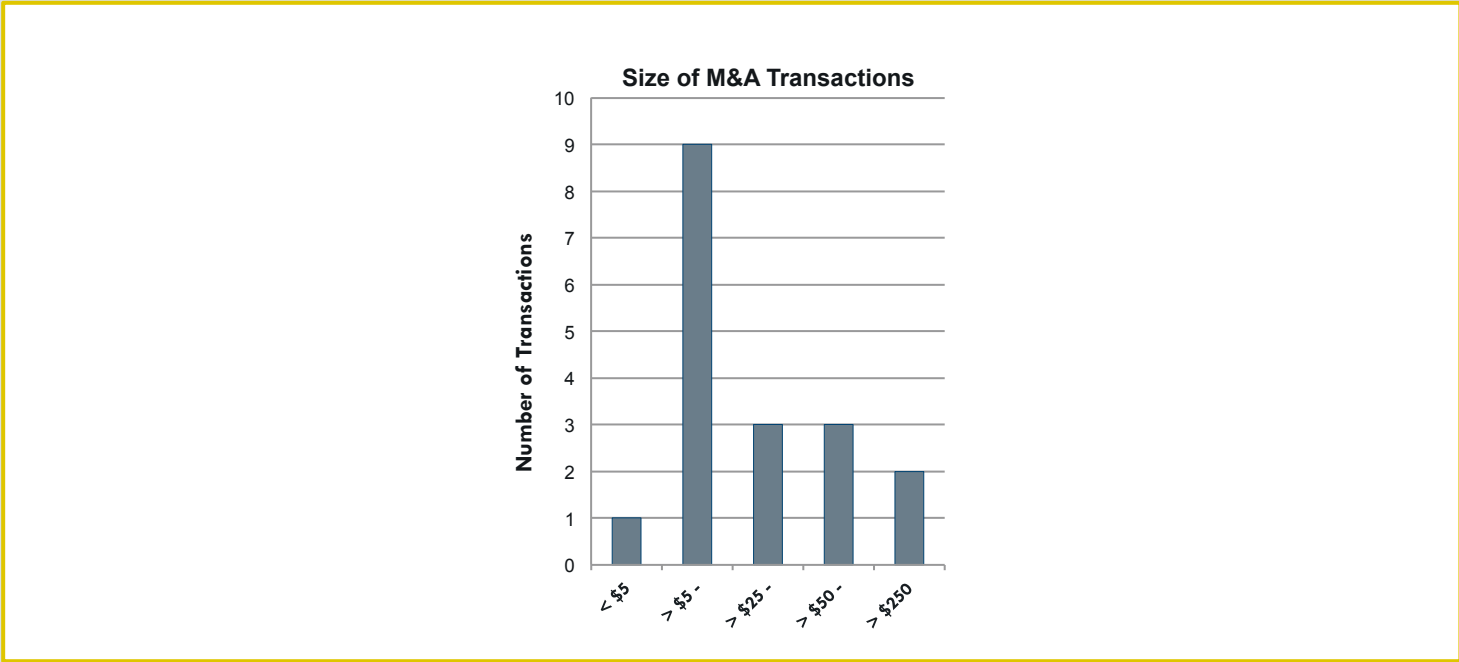
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
11/1/16	(Multiple Equipment)	Tecan Group Ltd.	\$38.8	100%	N/A	N/A
10/6/16	Boulder Diagnostics Inc.	Oxford Immunotec	\$7.9	100%	N/A	N/A
9/23/16	Gentris LLC	Cancer Genetics, Inc.	\$6.3	72%	N/A	N/A
8/2/16	Ortho-Clinical Diagnostics	The Carlyle Group	\$4,150.0	100%	N/A	N/A
7/22/16	IQuum, Inc.	Roche Molecular Sys.	\$450.0	100%	N/A	N/A
7/20/16	Alverix, Inc.	Becton, Dickinson	\$40.0	100%	N/A	N/A
Median of the 18 M&A Transaction Targets			\$20.6	100%	\$82.3	6.7x

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