

Q3: Industry Update

AS OF September 30, 2019



Wearable Devices

INDUSTRY SUMMARY

COGENT VALUATION identified **Wearable Devices** publicly traded companies, IPOs, and recent M&A transactions within the Wearable Devices 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, 2018, the median 52-week share price return of the Wearable Devices industry was 26.4%. Between September 30, 2017 and September 30, 2019, the median EV/EBITDA multiple increased from 16.5 to 18.5. However, the median price-to-earnings multiple decreased from 38.4 to 31.0 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.5% and 14.7%, respectively.

Public Company Key Statistics

Median 52-Week
Return

26.4%

Median 3-Year CAGR
Return

22.8%

Median EV/Revenue
Multiple

2.7x

Median EV/EBITDA
Multiple

18.5x

Median Price/Earnings
Multiple

31x

Median EV/Gross CF
Multiple

35x

Comparable Public Company Market Price Returns as of September 30, 2019

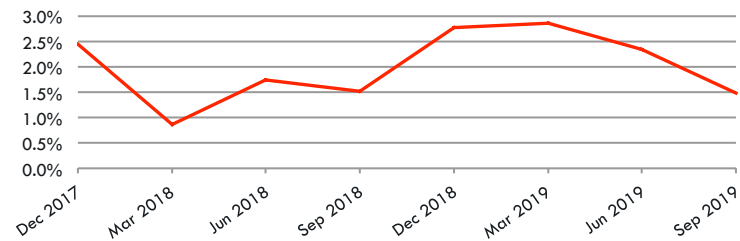
	2019	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
CONMED Corporation	24.2%	24.2%	42.6%	7.6%	4.9%	15.4%	0.3%	-2.0%
C. R. Bard, Inc.	-8.5%	-8.5%	-1.6%	41.9%	30.3%	16.7%	72.5%	8.7%
Integra LifeSciences Holdings	15.6%	15.6%	31.4%	18.8%	32.3%	11.6%	26.6%	25.0%
Orthofix International N.V.	7.5%	7.5%	54.1%	18.1%	8.6%	51.2%	-7.7%	30.4%
ResMed Inc.	16.3%	16.3%	36.8%	25.6%	15.4%	36.5%	15.6%	-4.2%
Zemach Hammerman Ltd.	-2.0%	-2.0%	-6.3%	25.6%	3.4%	5.0%	50.3%	2.7%
Median of Industry Public Companies	11.5%	11.5%	34.1%	22.2%	8.6%	16.1%	21.1%	5.7%

Multiple year periods are calculated as the average annual return.

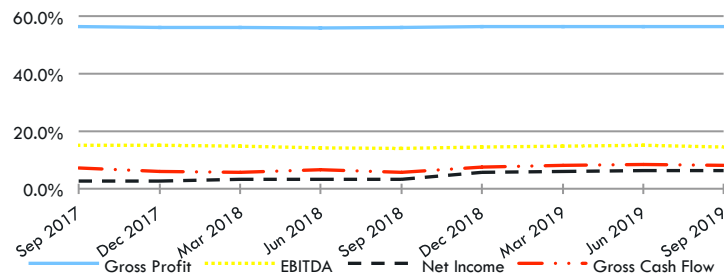
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Wearable Devices Companies



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



Public Company Median Multiples by Quarter

	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
EV/Revenues Multiple	2.7x	2.6x	2.5x	2.2x	2.2x	2.2x	1.9x	1.9x
EV/EBITDA Multiple	18.5x	17.6x	16.8x	16.2x	15.7x	15.3x	12.7x	15.3x
Price/Earnings Multiple	31.0x	37.5x	35.4x	25.7x	31.1x	32.3x	31.5x	26.9x
EV/Gross Cash Flows Multiple	35.0x	30.1x	27.0x	29.7x	31.8x	27.8x	32.0x	24.7x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Wearable Devices

(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
9/21/19	Bioservo Technologies AB (publ)	\$2.74	2.7	\$7.4	\$5.5	\$0.0	\$4.4	(\$3.2)	(\$1.4)	(\$1.2)
4/3/19	Neurotech International Limited	\$0.15	35.0	\$5.4	\$7.1	\$0.5	\$1.3	(\$1.2)	(\$5.1)	(\$4.2)
11/18/18	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$0.2	(\$2.7)	(\$6.2)	(\$4.2)
3/2/16	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$50.5	(\$5.1)	(\$39.5)	\$27.8
2/2/11	Northstar Neuroscience, Inc.	\$15.00	7.1	\$106.5	\$19.1	\$6.0	\$223.4	\$13.2	(\$15.0)	(\$15.0)
	Median of all IPOs	nm	nm	\$93.8	\$21.2	\$6.0	\$27.4	(\$2.0)	(\$6.2)	(\$1.2)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
9/6/19	ComfTech s.r.l.	Principia Società Di Gestione Del Risparmio (SGR) S.P.A.	\$8.1	100%
7/18/19	ZELTIQ Aesthetics, Inc.	Allergan plc	\$2,471.3	100%
3/26/19	Gyrus Group plc	Olympus Corporation	\$17.0	100%
1/7/18	PneumRx, Inc.	BTG International Inc.	\$475.0	100%
12/5/18	Symmetry Medical, Inc.	Tecomet, Inc.	\$0.0	100%
10/15/18	SARL ADVENCIS	bioMérieux SA	\$12.7	100%
8/26/18	N.G.C. Medical S.p.A.	Medtronic, Inc.	\$238.0	100%
8/8/18	Sapiens Steering Brain	Medtronic, Inc.	\$200.0	100%
7/29/18	Ulthera, Inc.	Nordson Medical	\$180.0	100%
7/2/18	Apica Cardiovascular Ltd.	Merz North America, Inc.	\$600.0	100%

 USA
  International

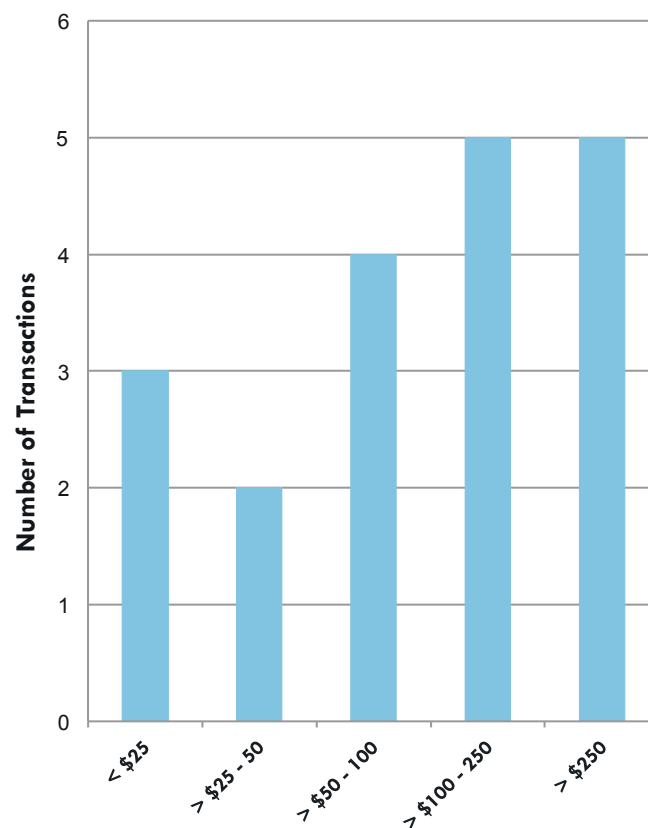
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/17/18	AtheroMed, Inc.	Volcano Corporation	\$170.9	100%
5/30/18	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%
5/15/18	Bioster S.p.A.	Synergy Health plc	\$39.7	100%
5/7/18	logyn, Inc.	Boston Scientific Corporation	\$65.0	72%
5/2/18	Silhouette Lift SL	Sinclair Holdings Iberia S.L.	\$22.9	65%
1/23/18	Solta Medical, Inc.	Valeant Pharmaceuticals	\$279.2	100%
7/16/13	Pioneer Surgical Tech.	RTI Biologics, Inc.	\$130.0	100%
1/4/13	Corin Group plc	Investimenti e Part.	\$57.6	100%
6/17/18	AtheroMed, Inc.	Volcano Corporation	\$103.5	100%
Median of the 19 M&A Transaction Targets			\$170.9	100%

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



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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