

Q4: Quarterly Industry Update

AS OF December 31, 2019

cogent valuation
FINANCIAL OPINIONS

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 December 31, 2018, the median 52-week share price return of the Blood Diagnostics industry was 29.8%. Between December 31, 2017 and December 31, 2019, the median EV/EBITDA multiple decreased from 17.3 to 16.2. However, the median price-to-earnings multiple increased from 28.5 to 29.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.0% and 4.0%, respectively.

Public Company Key Statistics

Median 52-Week
Return

29.8%

Median 3-Year CAGR
Return

14.9%

Median EV/Revenue
Multiple

6.3x

Median EV/EBITDA
Multiple

16.2x

Median Price/Earnings
Multiple

29.7x

Median EV/Gross CF
Multiple

25.7x

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

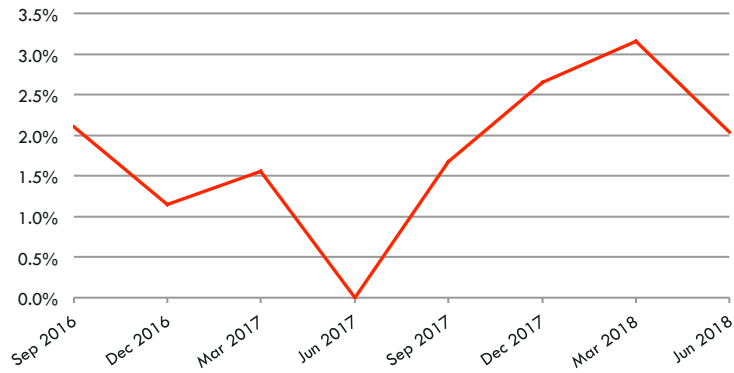
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
Abaxis, Inc.	67.6%	10.9%	45.6%	24.7%	6.2%	-22.8%	-2.0%	42.0%
DexCom, Inc.	109.7%	-38.0%	-20.0%	-57.8%	-0.2%	-3.9%	-36.1%	10.8%
Escalon Medical Corp.	65.5%	17.3%	-12.5%	4.5%	-77.6%	99.9%	-80.2%	-55.7%
Insulet Corporation	9.5%	39.9%	200.0%	-38.7%	-38.8%	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	24.2%	10.9%	2.1%	18.5%	-4.9%	7.2%	-17.9%	-3.3%

Multiple year periods are calculated as the average annual return.

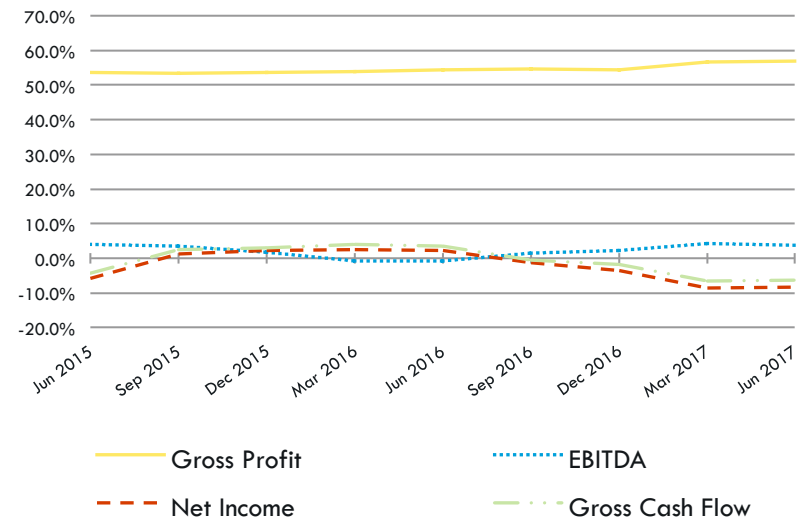
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
EV/Revenues Multiple	4.7x	5.6x	5.1x	5.1x	5.5x	6.0x	6.3x	4.4x
EV/EBITDA Multiple	11.6x	11.9x	11.4x	11.0x	16.1x	18.1x	19.0x	14.8x
Price/Earnings Multiple	17.0x	18.4x	17.4x	17.2x	15.9x	17.9x	17.3x	15.4x
EV/Gross Cash Flows Multiple	16.9x	18.3x	17.7x	17.7x	15.2x	16.9x	16.5x	14.7x

■ 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
12/9/19	Wuhan EasyDiagnosis Biomedicine Co.,Ltd.	\$3.09	4.7	\$3.2	\$0.6	\$0.3	\$27.1	\$150	(\$0.2)	(\$0.2)
11/13/19	Hemcheck Sweden AB (publ)	\$0.67	1.5	\$10.4	\$8.6	\$0.9	\$0.2	N/A	(\$1.9)	(\$1.9)
10/17/19	PCL, Inc.	\$6.94	2.9	\$17.1	\$2.7	\$3.2	\$0.5	(\$7.7)	(\$5.7)	(\$4.5)
8/29/18	ExpreS2ion Biotech Holding AB (publ)	\$0.70	2.0	\$12.0	\$3.3	\$0.0	N/A	(\$23.6)	(\$4.2)	(\$3.9)
7/9/18	Cellnovo Group SA	\$11.73	5.2	\$57.2	\$25.8	\$4.6	\$0.2	(\$8.3)	(\$23.0)	(\$20.8)
4/30/14	T2 Biosystems, Inc.	\$11.00	5.0	\$60.0	\$56.3	\$9.7	\$0.1	\$127.1	(\$30.2)	(\$24.6)
4/24/14	Globus Medical, Inc.	\$8.00	0.9	\$8.5	\$3.5	\$27.2	\$27.1	(\$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)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
8/11/19	Exosome Diagnostics, Inc.	Bio-Techne Corporation	\$575.0	100%	N/A	7.2x
7/31/19	Abaxis, Inc.	Zoetis Inc.	\$1,994.6	100%	\$244.7	4.4x
6/20/19	ViroGates A/S	N/A	\$11.7	78%	\$0.3	2.6x
11/4/18	Cepheid	Danaher Corporation	\$4,402.2	100%	\$564.2	3.7x
6/29/18	Nanosphere, Inc.	Luminex Corporation	\$114.7	100%	\$23.0	4.1x
9/29/17	Health Diagnostic Laboratory	CareDx, Inc	\$38.4	100%	\$16.4	N/A
6/11/17	Biosensors International	Hony Capital (Beijing)	\$1,466.6	100%	\$359.8	N/A
11/20/16	LipoScience, Inc.	Laboratory Corp. of America	\$101.2	100%	\$45.5	1.3x
10/31/16	Cell Marque Corporation	Sigma-Aldrich Corporation	\$170.0	100%	N/A	N/A
11/4/15	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

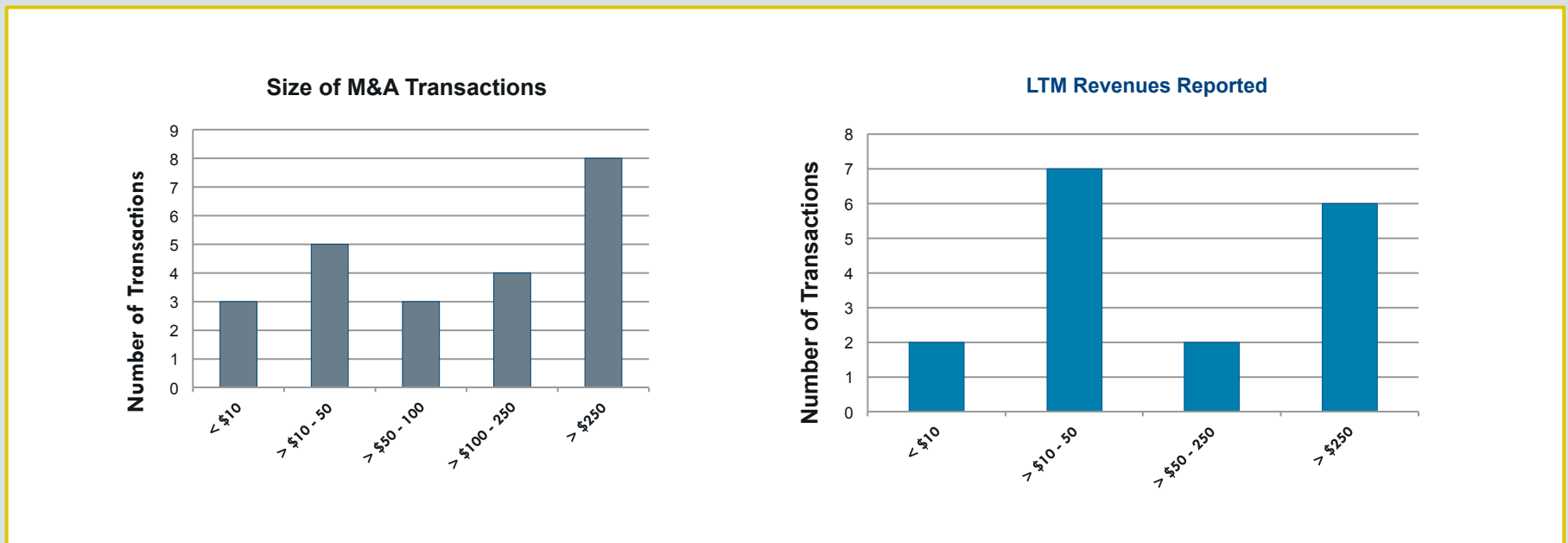
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
11/2/12	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 23 M&A Transaction Targets			\$101.2	100%	\$45.5	2.5x

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