

# Q3: Quarterly Industry Update

AS OF September 30, 2020



## 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, 2019, the median 52-week share price return of the Blood Diagnostics industry was 29.8%. Between September 30, 2019 and September 30, 2020, 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 September 30, 2020

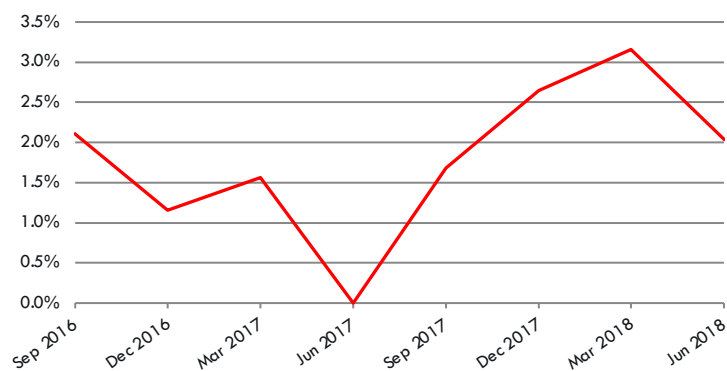
	2020	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
<b>Abaxis, Inc.</b>	67.6%	10.9%	45.6%	24.7%	6.2%	-22.8%	-2.0%	42.0%
<b>DexCom, Inc.</b>	109.7%	-38.0%	-20.0%	-57.8%	-0.2%	-3.9%	-36.1%	10.8%
<b>Escalon Medical Corp.</b>	65.5%	17.3%	-12.5%	4.5%	-77.6%	99.9%	-80.2%	-55.7%
<b>Insulet Corporation</b>	9.5%	39.9%	200.0%	-38.7%	-38.8%	83.1%	-82.8%	-17.3%
<b>Masimo Corporation</b>	25.3%	25.3%	101.2%	61.7%	-50.4%	25.8%	-56.2%	16.1%
<b>Quest Diagnostics Incorporated</b>	-2.0%	-2.0%	-5.7%	45.0%	-4.9%	-6.2%	42.3%	-32.9%
<b>Median of Industry Public Companies</b>	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.

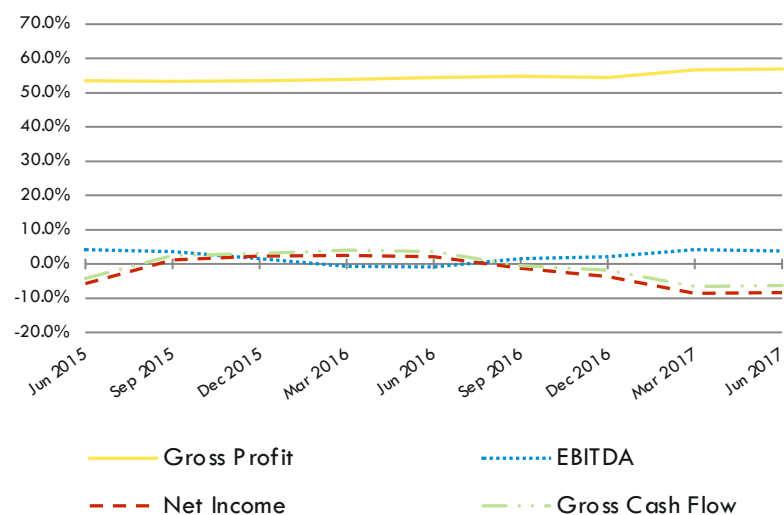
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## 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

	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	12/30/18
<b>EV/Revenues Multiple</b>	4.7x	5.6x	5.1x	5.1x	5.5x	6.0x	6.3x	4.4x
<b>EV/EBITDA Multiple</b>	11.6x	11.9x	11.4x	11.0x	16.1x	18.1x	19.0x	14.8x
<b>Price/Earnings Multiple</b>	17.0x	18.4x	17.4x	17.2x	15.9x	17.9x	17.3x	15.4x
<b>EV/Gross Cash Flows Multiple</b>	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
9/19/20	<b>HK Biomedicine Co.,Ltd.</b>	\$3.09	4.7	\$3.2	\$0.6	\$0.3	\$27.1	\$150	(\$0.2)	(\$0.2)
8/13/20	<b>Hemcheck Sweden AB (publ)</b>	\$0.67	1.5	\$10.4	\$8.6	\$0.9	\$0.2	N/A	(\$1.9)	(\$1.9)
6/17/20	<b>PCL, Inc.</b>	\$6.94	2.9	\$17.1	\$2.7	\$3.2	\$0.5	(\$7.7)	(\$5.7)	(\$4.5)
11/29/20	<b>ExpreS2ion Biotech Holding AB (publ)</b>	\$0.70	2.0	\$12.0	\$3.3	\$0.0	N/A	(\$23.6)	(\$4.2)	(\$3.9)
7/9/19	<b>Cellnovo Group SA</b>	\$11.73	5.2	\$57.2	\$25.8	\$4.6	\$0.2	(\$8.3)	(\$23.0)	(\$20.8)
4/30/14	<b>T2 Biosystems, Inc.</b>	\$11.00	5.0	\$60.0	\$56.3	\$9.7	\$0.1	\$127.1	(\$30.2)	(\$24.6)
4/24/14	<b>Globus Medical, Inc.</b>	\$8.00	0.9	\$8.5	\$3.5	\$27.2	\$27.1	(\$4.8)	(\$2.3)	(\$0.2)
10/18/11	<b>Globus Medical, Inc.</b>	\$13.00	5.0	\$40.0	\$26.4	\$15.0	\$0.8	(\$14.1)	(\$6.6)	(\$5.0)
2/3/11	<b>ZELTIQ Aesthetics, Inc.</b>	\$7.00	1.9	\$19.0	\$1.1	\$5.9	\$227.4	\$12.4	(\$9.7)	(\$7.6)
2/2/11	<b>BG Medicine, Inc.</b>	\$7.00	5.0	\$35.0	\$6.0	\$4.5	\$1.0	(\$15.4)	(\$18.1)	(\$14.9)
<b>Median of all IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$19.0</b>	<b>\$13.4</b>	<b>\$4.5</b>	<b>\$40.7</b>	<b>\$3.0</b>	<b>(\$5.7)</b>	<b>(\$4.5)</b>

## 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
9/11/20	Exosome Diagnostics, Inc.	Bio-Techne Corporation	\$575.0	100%	N/A	7.2x
7/30/20	Abaxis, Inc.	Zoetis Inc.	\$1,994.6	100%	\$244.7	4.4x
1/20/20	ViroGates A/S	N/A	\$11.7	78%	\$0.3	2.6x
11/4/19	Cepheid	Danaher Corporation	\$4,402.2	100%	\$564.2	3.7x
6/29/19	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

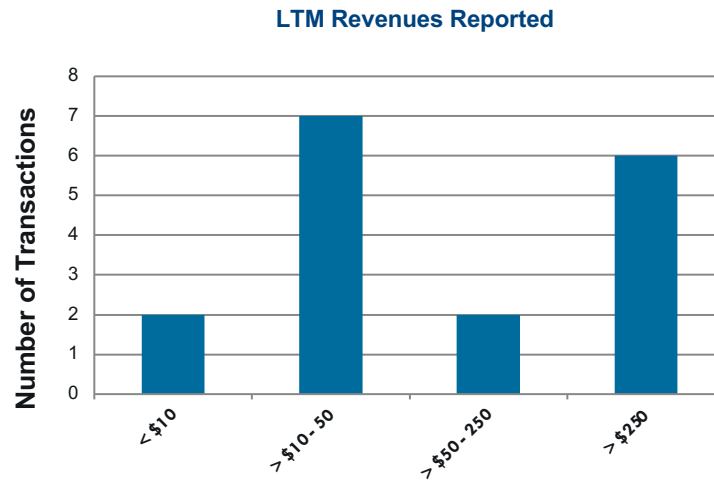
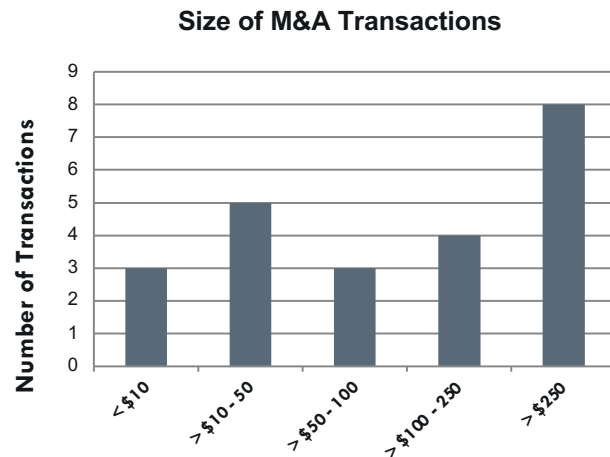
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## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
4/2/12	<b>Accutome</b>	Halma	\$25.0	100%	\$20.2	1.2x
1/3/12	<b>Verum Diagnostica</b>	Roche Holding	\$13.3	100%	N/A	N/A
11/23/11	<b>Shanghai Yuanqi</b>	SHMY Healthdigit Biochips	\$54.0	70%	\$0.1	N/A
11/8/11	<b>Axis-Shield</b>	Alere	\$396.1	100%	\$164.7	2.3x
9/2/11	<b>Life Enhancement Technology</b>	VasoHealthcare	\$3.3	100%	N/A	N/A
8/23/11	<b>Phadia</b>	Thermo Fisher Scientific	\$3,512.8	100%	\$523.4	6.7x
6/29/11	<b>Beckman Coulter</b>	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 September 30, 2020





**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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