

# Q4: Quarterly Industry Update

AS OF December 31, 2023

**cogent** valuation  
FINANCIAL OPINIONS

## Neurological Equipment Industry Summary

**COGENT VALUATION** identified **Neurological Equipment** publicly traded companies, IPOs, and recent M&A transactions within the Neurological 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 September 30, 2022, the median 52-week share price return of the Neurological Equipment industry decreased from -12.1% to -7.5%, and the median YTD return increased from 12.4% to 13.8%. Between September 30, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 21.8 to 13.8 and the median EV/EBITDA multiple decreased from 10.2 to 8.2. The median price-to-earnings multiple increased from 44.4 to 54.5 and the median EV/Gross CF multiple decreased from 42.3 to 38.3 over the same period. The median MVIC/Earning multiple decreased from 2.2 to 2.1. The median Price/Revenue multiple increased from 14.4 to 21 over the same period.

### Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
-7.5%	13.8%	4.3x	13.8x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
54.4x	38.3x	2.1x	21x

## Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
<b>Median EV/Revenue Multiple</b>	4.3x	3.2x	3.4x	2.4x	3.1x	3.2x	2.9x	3.0x
<b>Median EV/EBITDA Multiple</b>	13.8x	18.0x	17.6x	13.4x	14.6x	14.6x	19.4x	11.3x
<b>Median Price/Earnings Multiple</b>	54.4x	10.9x	20.3x	21.2x	20.8x	19.7x	17.9x	9.7x
<b>Median EV/Gross Profit Multiple</b>	38.3x	22.2x	21.3x	23.6x	24.5x	23.2x	30.4x	25.0x
<b>Median MVIC/Earnings Multiple</b>	2.1x	1.6x	2.7x	3.7x	5.4x	3.5x	2.2x	3.2x
<b>Median Price/ Revenue Multiple</b>	21x	3.2x	3.4x	2.7x	33.6x	1.5x	3.2x	3.2x

■ Highest Multiple    
 ■ Median Multiple    
 ■ Lowest Multiple

## Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year <sup>1</sup>	Three Year <sup>1</sup>	2022	2021	2020
Globus Medical, Inc.	21.2%	52.2%	44.8%	65.7%	-10.8%	17.0%	17.8%
Integra LifeSciences Holdings	13.8%	18.2%	28.2%	11.6%	26.6%	25.0%	13.7%
Natus Medical Incorporated	-11.9%	-7.5%	-6.4%	9.8%	-27.6%	33.3%	60.2%
NeuroMetrix, Inc.	-18.4%	-51.3%	-69.0%	-70.7%	-62.7%	-74.6%	-33.2%
NuVasive, Inc.	-10.7%	-32.2%	3.6%	-13.2%	24.5%	14.7%	45.9%
<b>Median of Industry Public Companies</b>	<b>13.8%</b>	<b>-7.5%</b>	<b>3.6%</b>	<b>9.8%</b>	<b>-10.8%</b>	<b>17.0%</b>	<b>17.8%</b>

■ Highest Return
 ■ Lowest Return
 ■ Median Return

[1] Calculated as the average annual return.

## Industry Initial Public Offerings—Neurological Equipment (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets <sup>1</sup>	Debt <sup>1</sup>	LTM Revenue <sup>1</sup>	LTM EBITDA <sup>1</sup>	LTM Net Income <sup>1</sup>	LTM Cash Flows <sup>1</sup>
12/3/23	<b>Neurotech International Limited</b>	\$0.15	35.0	\$5.4	\$2.2	\$0.7	\$0.1	(\$2.3)	(\$3.3)	(\$2.6)
10/22/23	<b>Globus Medical, Inc.</b>	\$12.00	8.3	\$100.0	\$354.8	\$0.0	\$363.0	\$127.1	\$63.9	\$138.8
4/27/23	<b>Tesaro, Inc.</b>	\$13.50	6.0	\$81.0	\$93.0	\$0.0	\$0.0	(\$23.2)	(\$23.2)	(\$23.2)
11/30/22	<b>Supernus Pharmaceuticals, Inc.</b>	\$5.00	3.4	\$50.0	\$53.7	\$29.5	\$1.0	(\$35.5)	\$53.8	(\$36.2)
2/10/22	<b>Kips Bay Medical, Inc.</b>	\$8.00	2.1	\$16.5	\$7.2	\$0.0	\$0.2	(\$8.6)	(\$10.2)	(\$8.6)
9/2/21	<b>Tornier N.V.</b>	\$19.00	8.8	\$166.3	\$499.2	\$133.8	\$227.4	\$12.4	(\$62.1)	\$28.6
	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$53.0</b>	<b>\$37.0</b>	<b>\$6.4</b>	<b>\$10.3</b>	<b>(\$6.5)</b>	<b>(\$8.3)</b>	<b>(\$6.1)</b>

[1] As of the effective date of the IPO

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues <sup>1</sup>	EV/ Revenues <sup>1</sup>
11/2/23	<b>Topera, Inc.</b>	Abbott Laboratories	\$550.0	100%	\$6.2	9.4x
10/1/23	<b>Triangle BioSystems, Inc.</b>	Harvard Bioscience Inc.	\$2.1	100%	\$2,691	1.0x
2/20/23	<b>NuPathe, Inc.</b>	Teva Pharmaceutical Industries Limited	\$280.6	100%	\$58.3	0.6x
12/26/22	<b>Victhom Human Bionics</b>	Ergoresearch Ltd.	\$3.0	80%	\$367.3	4.3x
11/28/22	<b>NeuroLogica Corp.</b>	Samsung Electronics	\$153.7	100%	\$93.0	4.2x
11/1/23	<b>Surpass Medical Ltd.</b>	Stryker Corporation	\$135.0	100%	\$43.2	1.5x
9/21/22	<b>NeuroDyne Medical, Corp.</b>	Zynex NeuroDiagnostic	\$0.8	75%	\$6.2	9.4x
11/10/21	<b>Terme di Crodo S.p.A.</b>	Royal Unibrew A/S	\$19.0	100%	\$491.2	5.3x
6/4/21	<b>Jilin Forest Industry Group</b>	Jilin Forest Industry Co.	\$127.6	97%	\$21.4	1.4x

[1] As of the close of the Transaction

■ USA    ■ International

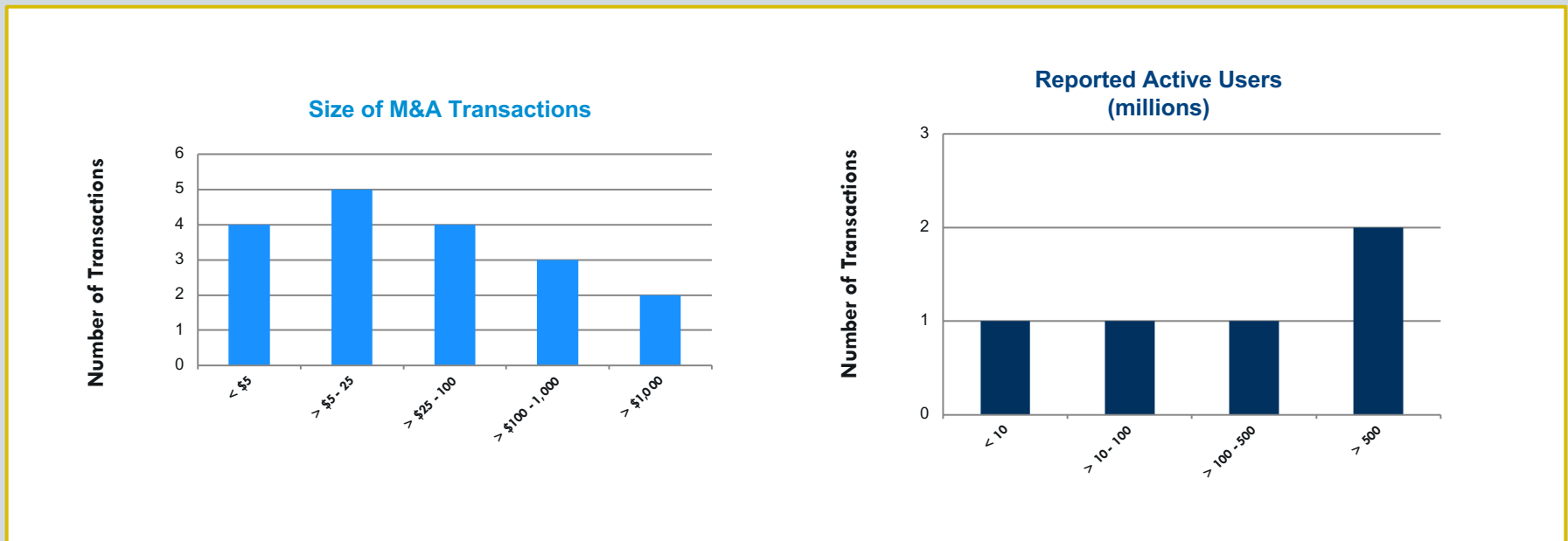
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## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Net Income <sup>1</sup>
9/2/21	<b>Topera, Inc.</b>	<b>Abbott Laboratories</b>	\$550.0	100%	\$0.6
6/1/21	<b>Triangle BioSystems, Inc.</b>	<b>Harvard Bioscience Inc.</b>	\$2.1	100%	\$146.0
2/20/21	<b>NuPathe, Inc.</b>	<b>Teva Pharmaceutical Industries Limited</b>	\$280.6	100%	\$66.3
12/26/21	<b>Victhom Human Bionics</b>	<b>Ergoresearch Ltd.</b>	\$3.0	100%	\$18.2
11/28/21	<b>NeuroLogica Corp.</b>	<b>Samsung Electronics</b>	\$153.7	100%	\$142.6
11/1/21	<b>Surpass Medical Ltd.</b>	<b>Stryker Corporation</b>	\$135.0	100%	\$974.0
11/21/20	<b>NeuroDyne Medical, Corp.</b>	<b>Zynex NeuroDiagnostic</b>	\$0.8	100%	\$19.7
10/10/20	<b>NeuroNexus Technologies</b>	<b>QiG Group, LLC</b>	\$13.5	100%	\$72.4
9/4/20	<b>Synovis Life Technologies Inc.</b>	<b>Baxter International Inc.</b>	\$312.7	100%	\$69.7
9/3/20	<b>PEAK Surgical, Inc.</b>	<b>Medtronic, Inc.</b>	\$96.0	81%	\$38.2
<b>Median of the M&amp;A Transaction Targets</b>			<b>\$135.0</b>	<b>100%</b>	<b>\$69.7</b>

[1] As of the close of the Transaction

## 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):** Profitability metric sometimes also 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.

**Market Value of Invested Capital (MVIC):** Market Value of Equity + Market Value of Debt

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