

Quarterly Industry Update

As of March 31, 2014

Industry: Healthcare Equipment



Industry Summary

Cogent Valuation identified 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. Since March 31, 2013, the median 52-week share price return of the Healthcare Equipment industry has increased by 19.3%. In the last quarter, the median price-to-earnings multiple increased from 27.8x to 45.8x.

Comparable Public Company Key Statistics

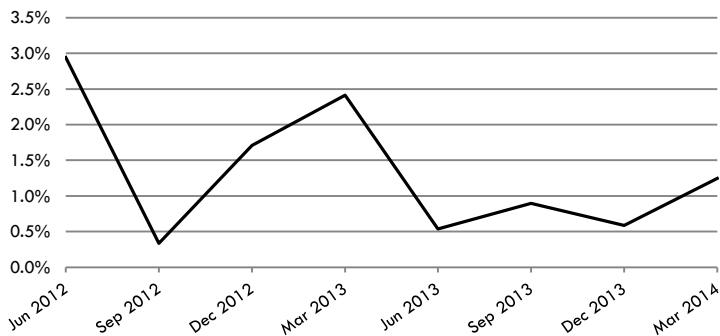
Median 52-Week Return	19.3%	Median EV/Revenue Multiple	3.1x	Median Price/Earnings Multiple	45.8x
Median 3-Year CAGR Return	7.7%	Median EV/EBITDA Multiple	15.2x	Median EV/Gross CF Multiple	28.0x

Comparable Public Company Market Price Returns (As of March 31, 2014)

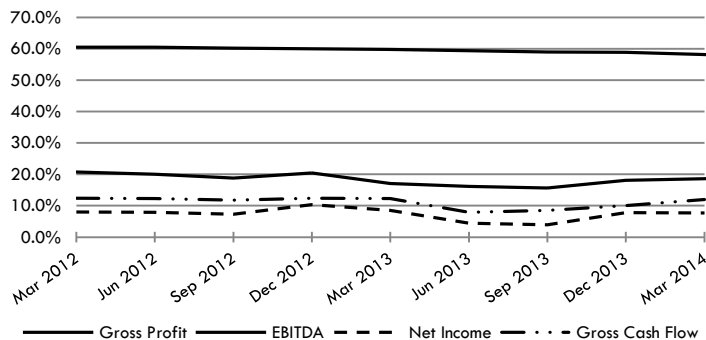
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Illumina Inc.	167.4%	34.4%	175.4%	68.1%	28.5%	31.9%	82.4%	-51.9%	106.5%	17.8%	-12.1%
Qiagen NV	16.2%	-11.4%	0.0%	16.4%	1.7%	5.7%	31.4%	-29.4%	-12.4%	27.2%	-16.6%
Luminex Corporation	7.8%	-6.6%	9.6%	-11.9%	-1.2%	0.0%	-20.9%	16.1%	22.4%	-30.1%	31.5%
Bruker Corporation	49.6%	15.3%	19.3%	22.0%	3.0%	29.9%	22.7%	-25.2%	37.6%	198.5%	-69.6%
Tecan Group Ltd.	43.5%	1.2%	28.0%	27.6%	14.9%	34.9%	23.0%	-18.6%	10.8%	105.5%	-38.9%
Waters Corporation	24.4%	8.4%	15.4%	8.2%	7.7%	24.0%	17.7%	-4.7%	25.4%	69.1%	-53.6%
PerkinElmer Inc.	42.0%	9.3%	33.9%	27.6%	19.7%	28.7%	58.7%	-22.5%	25.4%	48.0%	-46.5%
Median of Industry Public Companies	42.0%	8.4%	19.3%	22.0%	7.7%	28.7%	23.0%	-22.5%	25.4%	48.0%	-38.9%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Healthcare Equipment Companies



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



Median Public Company Multiples of the Healthcare Equipment Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	3.3x	3.6x	3.8x	3.1x	3.0x	3.7x	3.6x	3.4x	3.1x
EV/EBITDA Multiple	13.4x	11.3x	12.2x	12.2x	14.5x	14.0x	15.1x	16.5x	15.2x
Price/Earnings Multiple	32.2x	33.5x	34.6x	32.9x	44.5x	33.3x	50.2x	27.8x	45.8x
EV/Gross Cash Flows Multiple	23.5x	28.9x	24.5x	24.9x	30.5x	41.2x	41.3x	26.7x	28.0x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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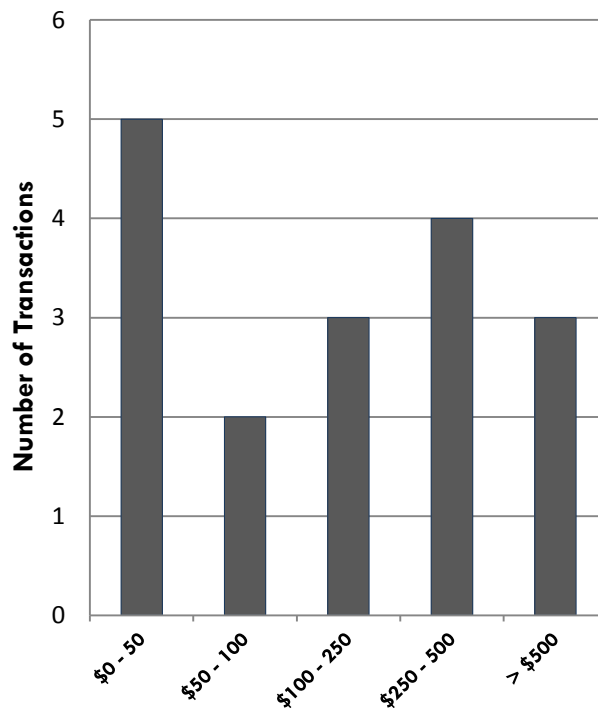
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/25/2013	NanoString Technologies	\$10.00	5.4	\$54.0	\$29.6	\$12.8	\$24.1	(\$17.5)	(\$21.4)	(\$15.5)
5/8/2013	Quintiles Transnational Holdings	\$40.00	23.7	\$947.4	\$2,426.7	\$2,421.6	\$3,731.7	\$512.8	\$182.6	\$566.0
11/7/2012	Atossa Genetics	\$5.00	0.8	\$4.0	\$5.7	\$0.3	\$0.4	(\$4.5)	(\$4.6)	(\$4.5)
10/8/2012	Novacyt Société Anonyme	\$10.51	0.3	\$3.3	\$5.2	\$1.4	\$1.3	(\$0.7)	(\$0.9)	(\$0.7)
2/15/2012	EOS imaging SA	\$8.98	5.5	\$49.6	\$11.6	\$3.4	\$9.9	(\$7.5)	(\$8.6)	(\$6.8)
2/9/2011	Fluidigm Corporation	\$13.50	5.6	\$75.0	\$24.8	\$17.8	\$33.6	(\$13.4)	(\$16.9)	(\$12.3)
2/3/2011	BG Medicine	\$7.00	5.0	\$35.0	\$7.0	\$6.4	\$0.8	(\$14.1)	(\$17.2)	(\$13.6)
5/28/2010	GenMark Diagnostics	\$6.00	4.6	\$27.6	\$16.1	\$0.0	\$1.2	(\$17.8)	(\$20.4)	(\$16.3)
4/22/2010	Dehaier Medical Systems	\$8.00	1.5	\$12.0	\$18.1	\$0.9	\$12.5	\$3.8	\$2.9	\$4.1
Median of All IPOs		nm	nm	\$51.8	\$16.1	\$3.8	\$15.1	(\$6.0)	(\$6.6)	(\$5.6)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/6/2014	Alverix, Inc.	Becton, Dickinson	\$40.0	100%
11/18/2013	Cisbio Bioassays	Argos Sadtic	\$34.0	100%
9/10/2013	Flowsense Medical	Baxter International	\$4.6	100%
9/6/2013	Gambro	Baxter International	\$4,013.8	100%
8/11/2013	Cardiacom	Medtronic	\$200.0	100%
7/22/2013	Bionostics Holdings	Research And Diagnostic	\$104.0	100%
7/17/2013	ZONARE Medical Systems	Mindray Medical International	\$101.7	100%
4/9/2013	HemoCue	Radiometer Medical	\$300.0	100%
1/31/2013	Grass Technologies	Natus Medical	\$18.6	100%
10/31/2012	IRIS International	Beckman Coulter	\$368.0	100%
10/31/2012	Discovery Labware	Corning	\$730.0	100%
9/13/2012	One Lambda	Thermo Fisher Scientific	\$925.0	100%
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%
6/25/2012	eBioscience	Affymetrix	\$362.5	100%
5/31/2012	Alliance Medical Products	Siegfried Holding	\$58.0	100%
4/20/2012	SeraCare Life Sciences	Linden LLC	\$82.0	100%
4/2/2012	Accutome	Halma	\$25.0	100%
Median of All Transaction Targets			\$104.0	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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