

Quarterly Industry Update

As of September 30, 2015

Industry: Healthcare Equipment



Industry Summary

Cogent Valuation identified Healthcare Equipment 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. Over the last year since September 30, 2014, the median 52-week share price return of the Healthcare Equipment industry was 7.3%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple increased from 15.8 to 17.2. However, the median price-to-earnings multiple decreased from 42.6 to 32.1 over the same period.

Comparable Public Company Key Statistics

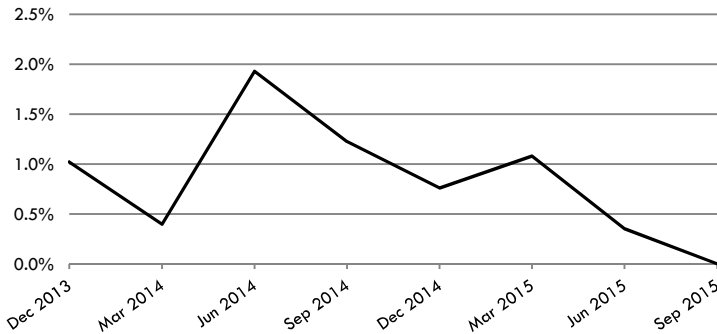
Median 52-Week Return	7.3%	Median EV/Revenue Multiple	3.1x	Median Price/Earnings Multiple	32.1x
Median 3-Year CAGR Return	12.4%	Median EV/EBITDA Multiple	17.2x	Median EV/Gross CF Multiple	27.5x

Comparable Public Company Market Price Returns As of September 30, 2015

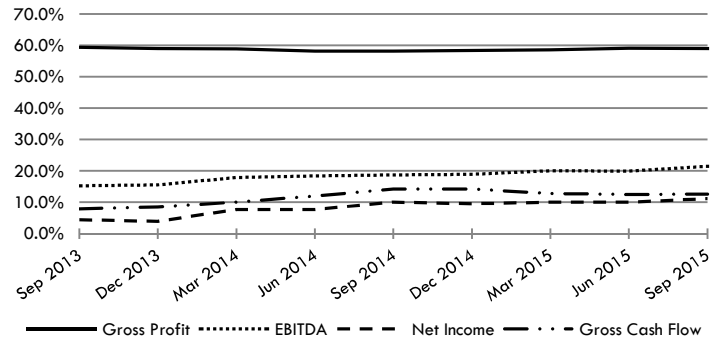
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Bruker Corporation	-0.8%	-19.5%	-11.3%	-10.8%	7.9%	3.2%	-0.8%	29.7%	22.7%	-25.2%	37.6%
Illumina Inc.	66.9%	-19.5%	7.3%	47.5%	53.9%	29.0%	66.9%	98.9%	82.4%	-51.9%	106.5%
Luminex Corporation	-3.3%	-2.0%	-13.3%	-8.0%	-4.5%	1.1%	-3.3%	15.5%	-20.9%	16.1%	22.4%
PerkinElmer Inc.	6.1%	-12.7%	5.4%	10.3%	16.0%	14.7%	6.1%	29.9%	58.7%	-22.5%	25.4%
Qiagen NV	-1.5%	4.1%	13.3%	9.8%	11.7%	7.8%	-1.5%	31.2%	31.4%	-29.4%	-12.4%
Tecan Group Ltd.	-4.0%	17.5%	33.7%	15.4%	24.6%	15.6%	-4.0%	41.8%	23.0%	-18.6%	10.8%
Waters Corporation	12.7%	-7.9%	19.3%	5.5%	12.4%	10.8%	12.7%	14.8%	17.7%	-4.7%	25.4%
Median of Industry Public Companies	-0.8%	-7.9%	7.3%	9.8%	12.4%	10.8%	-0.8%	29.9%	23.0%	-22.5%	25.4%

(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:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	3.6x	3.4x	3.2x	2.8x	3.3x	2.9x	3.3x	3.0x	3.1x
EV/EBITDA Multiple	15.8x	16.3x	15.7x	16.2x	14.4x	14.9x	16.8x	17.2x	17.2x
Price/Earnings Multiple	42.6x	42.5x	30.4x	31.3x	32.6x	36.6x	36.5x	36.4x	32.1x
EV/Gross Cash Flows Multiple	45.8x	44.3x	29.7x	28.9x	25.6x	24.5x	30.8x	34.5x	27.5x

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](mailto:Steven.Kam@CogentValuation.com) at 415-797-9045 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

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Industry: Healthcare Equipment



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
6/11/2015	Invuity, Inc.	\$12.00	4.0	\$48.0	\$46.2	\$14.4	\$15.4	(\$22.8)	(\$25.0)	(\$22.1)
6/25/2013	NanoString Technologies, Inc.	\$10.00	5.4	\$54.0	\$29.6	\$12.8	\$24.1	(\$17.5)	(\$21.4)	(\$15.5)
5/8/2013	Quintiles Transnational Holdings Inc.	\$40.00	23.7	\$947.4	\$2,499.2	\$2,456.0	\$3,692.3	\$486.2	\$177.5	\$538.1
1/24/2013	LipoScience, Inc.	\$9.00	4.6	\$45.0	\$33.5	\$7.7	\$53.7	\$2.8	\$1.1	\$3.9
11/7/2012	Atossa Genetics, Inc.	\$5.00	0.8	\$4.0	\$0.8	\$0.3	N/A	N/A	N/A	N/A
10/8/2012	Novacyt Société Anonyme	\$10.51	0.3	\$3.3	\$3.2	\$1.6	\$1.2	(\$0.8)	(\$1.0)	(\$0.7)
Median of All IPOs		nm	nm	\$46.5	\$31.6	\$10.3	\$24.1	(\$0.8)	(\$1.0)	(\$0.7)

nm: not meaningful, N/A: not applicable

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
9/8/2015	Welch Allyn, Inc.	Hill-Rom Holdings, Inc.	\$2,051.0	100%	\$700.0	2.9x
6/30/2015	Legacy Oxygen and Home Care	Patient Home Monitoring Corp.	\$3.4	100%	\$2.9	1.2x
2/5/2015	Black Bear Medical, Inc.	Patient Home Monitoring Corp.	\$6.4	100%	\$6.8	0.9x
10/3/2014	GenCell Biosystems Ltd.	Becton, Dickinson and Company	\$150.0	100%	N/A	N/A
10/1/2014	Scanmedics Pty Ltd	Paragon Care Limited	\$3.8	100%	N/A	N/A
8/1/2014	Medisoft SA	MGC Diagnostics Belgium	\$8.0	100%	\$6.5	1.2x
7/31/2014	IBL International GmbH	Tecan Group Ltd.	\$38.8	100%	\$21.4	1.8x
7/31/2014	Boulder Diagnostics Inc.	Oxford Immunotec	\$7.9	100%	N/A	N/A
7/16/2014	Gentris LLC	Cancer Genetics, Inc.	\$6.3	100%	N/A	N/A
6/30/2014	Ortho-Clinical Diagnostics	The Carlyle Group	\$4,150.0	100%	\$1,890.0	2.2x
6/16/2014	IQum, Inc.	Roche Molecular Sys.	\$450.0	100%	N/A	N/A
1/6/2014	Alverix, Inc.	Becton, Dickinson	\$40.0	100%	N/A	N/A
11/18/2013	Cisbio Bioassays	Argos Sadtic	\$34.0	100%	\$41.5	0.8x
9/10/2013	Flowsense Medical	Baxter International	\$4.6	100%	\$0.1	79.6x
9/6/2013	Gambro	Baxter International	\$4,013.8	100%	\$1,670.7	2.4x
8/11/2013	Cardiacom	Medtronic	\$200.0	100%	\$50.0	4.0x
7/22/2013	Bionostics Holdings	Research And Diagnostic	\$104.0	100%	\$29.3	3.5x
7/17/2013	ZONARE Medical Systems	Mindray Medical International	\$101.7	100%	\$64.0	1.6x
4/9/2013	HemoCue	Radiometer Medical	\$300.0	100%	\$114.0	2.6x
1/31/2013	Grass Technologies	Natus Medical	\$18.6	100%	\$18.5	1.0x
10/31/2012	IRIS International	Beckman Coulter	\$368.0	100%	\$122.0	2.8x
Median of the 21 M&A Transaction Targets			\$40.0	100%	\$41.5	2.2x

Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

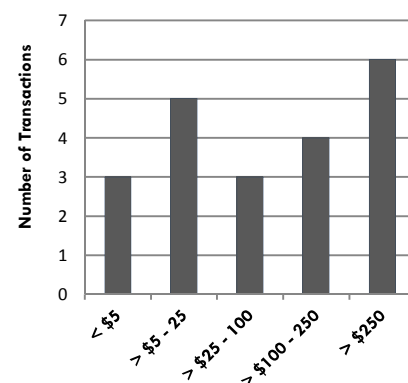
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

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.

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Size of M&A Transactions



LTM Revenues Reported

