

MEDICAL TECHNOLOGY M&A PULSE

THIRD QUARTER 2024



OUR INSIGHTS

Interest rate cuts bring a breath of fresh air to the Medical Technology sector, as more capital becomes available for acquisitions. This positivity was already evident in the market, with Q3 recording significant transaction volume. Even so, buyers remain diligent as all eyes turned to the election and market reaction following the results. As these trends continue, buyers are continuing to sit on the sidelines for struggling assets, but 'A' tier companies are driving highly competitive processes with significant interest and strong valuations.

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ABOUT PMCF

PMCF is an investment bank focused exclusively on middle market transactions with professionals in Chicago, Detroit, Denver, and across the globe through Corporate Finance International™ affiliates. Offering a depth of advisory services, PMCF helps clients worldwide meet their sale, acquisition, financing, and strategic growth objectives. Additional information on PMCF can be found by visiting our website, pmcf.com.

Mergers & Acquisitions	Carve-outs & Divestitures	Strategic Assessments	Capital Raising
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MEDICAL TECHNOLOGY INDUSTRY EXPERTISE

In the medical technology sector, it takes a highly focused approach to execute a transaction efficiently. And it requires the constant monitoring of new procedures, technology and product development, and overall market trends. At PMCF, our Medical Technology team brings this dedication and market knowledge to every transaction.

Our transaction expertise in the medical device, bio-pharmaceutical, and healthcare sectors, combined with industry relationships and a proprietary healthcare consulting service offering, afford us a unique perspective in the industry.

Medical Devices	Contract Research	Clinical Services	Therapeutics
Healthcare	Contract Manufacturing	Behavioral Health	Managed Care
Drug Delivery	Bio-Pharmaceutical	Specialty Pharmacy	Specialty Services

SELECT PMCF MEDICAL TECHNOLOGY TRANSACTIONS

has been acquired by

has been acquired by

a portfolio company of

has been acquired by

has been acquired by

Q3 2024 Market Summary & Outlook

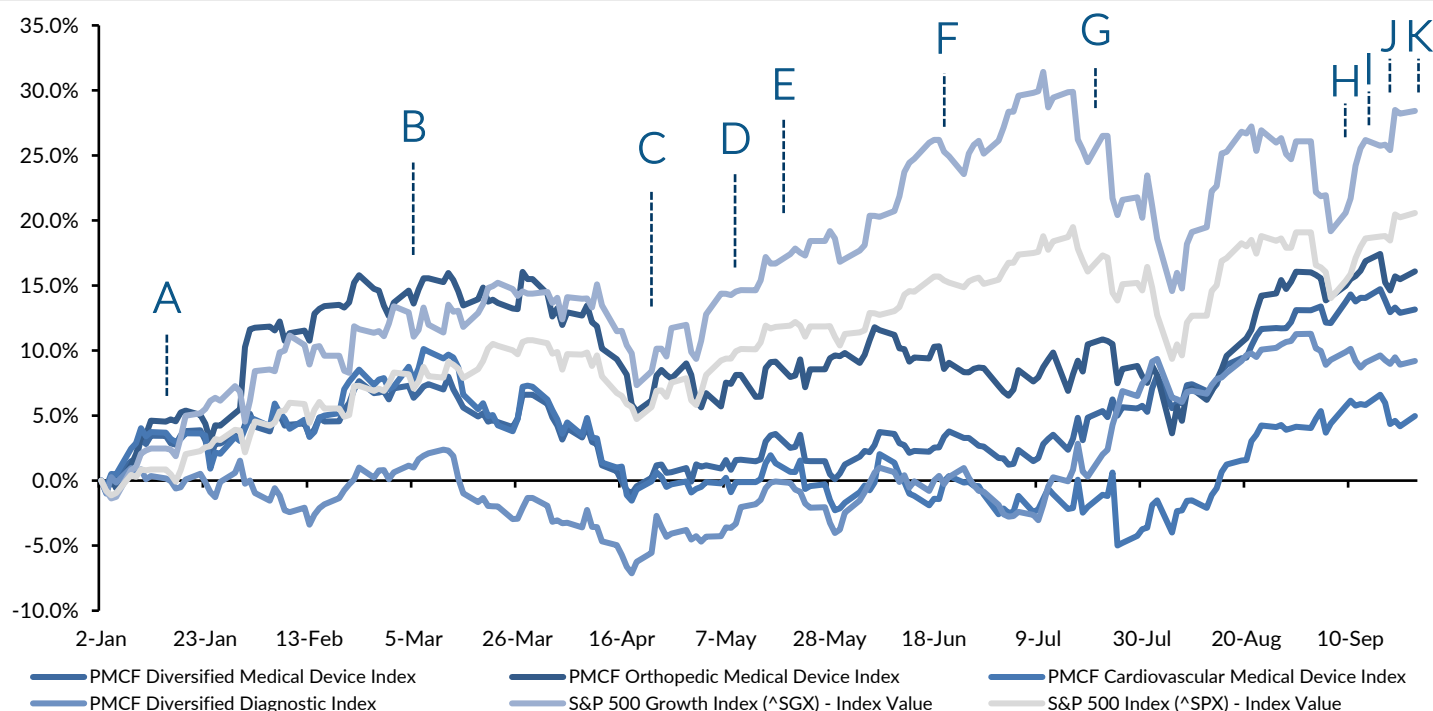
Q3 2024 – Rate-Cuts at Last

- After months of anticipation, the Federal Reserve finally announced a significant drop in the federal funds target, cutting it by a full 50 basis points—more aggressive than many had expected. Investors and acquirers, who had long been calling for this cut, are now poised to be active in capital markets, given the uncertainty about how long rates will remain at this level and the ongoing need for lower financing costs. Additionally, all eyes are on the results of the Presidential election to see how economic policies will shape the next four years. Amid these trends, M&A activity is heating up, positioning 2024 to end on a high note.
- In Q3 2024, Medical Technology M&A had an exceptionally strong quarter with 165 transactions announced, bringing the year-to-date total to 428, slightly surpassing the 424 transactions recorded by Q3 in 2023. The Services segment led with 24% of transactions, followed closely by Equipment, Consumables & Disposables, and Therapeutic Devices, which accounted for 20%, 17%, and 15% of third-quarter M&A activity, respectively.
- The third quarter showed strong results for Medical Device public equity performance compared to a sluggish Q2. The Orthopedic index was the top performer, up 15% for the year, while the Diversified Medical Device index also performed well, up 13%. However, both indices trail the S&P 500 Growth Index which is up 30%. On a less positive note, the Cardiovascular index finished the quarter as the worst performer, up only 5%.

2024 NOTABLE EVENTS TIMELINE

- January 19, 2024 | The Biden Administration cancels \$4.9 billion in federal student loan debt for 74,000 borrowers
- March 7, 2024 | President Biden delivers the State of the Union address and positions healthcare access as a major ballot topic
- April 23, 2024 | Congress passes a \$61 billion aid package for Ukraine after months of delay
- May 14, 2024 | The Biden Administration increases tariffs on Chinese imports, including electrical vehicles, computer chips, and medical products
- May 16, 2024 | The Dow Jones Industrial Average breaks 40,000 for the first time
- June 21, 2024 | President Biden drops out of 2024 presidential race and endorses Vice President Harris
- July 13, 2024 | Trump is shot during an election campaign event in Butler, PA
- September 12, 2024 | Harris and Trump face off in the presidential debate
- September 18, 2024 | The Federal Reserve cut the federal funds target rate by 50 basis points
- September 26, 2024 | Hurricane Helen makes landfall causing massive flooding
- September 28, 2024 | Israel's military kills Hassan Nasrallah, the leader of Hezbollah, signaling continued conflict in the middle east

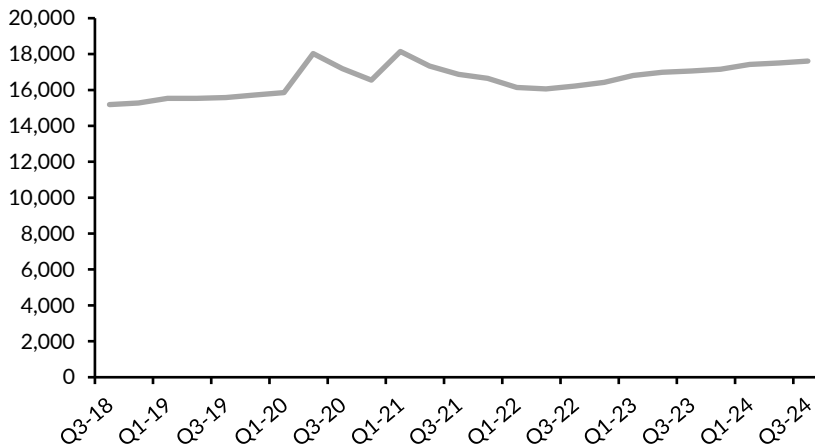
PMCF MEDICAL TECHNOLOGY INDICES PERFORMANCE



Sources: Capital IQ, PitchBook, Company Reports

Trends in Medical Technology

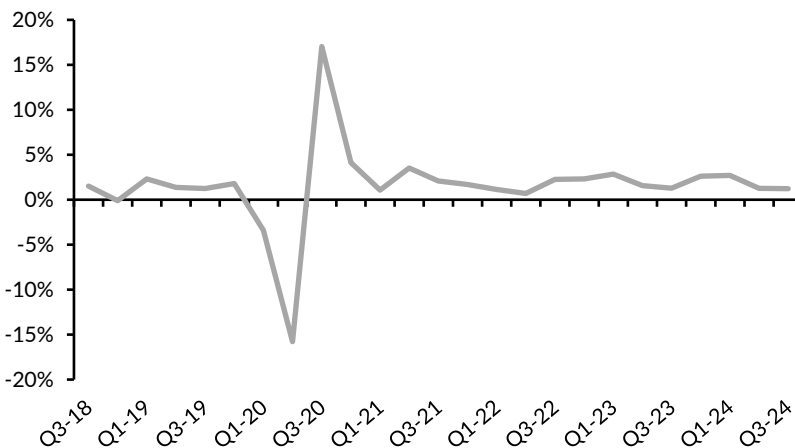
U.S. REAL DISPOSABLE PERSONAL INCOME, 2017 DOLLARS (\$B)



Real disposable personal income refers to the amount U.S. residents have left to spend after paying taxes, adjusted for inflation. It has historically been relatively stable and increasing.

For various segments of the healthcare industry, spending on healthcare is correlated with disposable income, making it a valuable macroeconomic indicator. Third quarter total disposable income was \$17.6B, up 3.2% from the year prior.

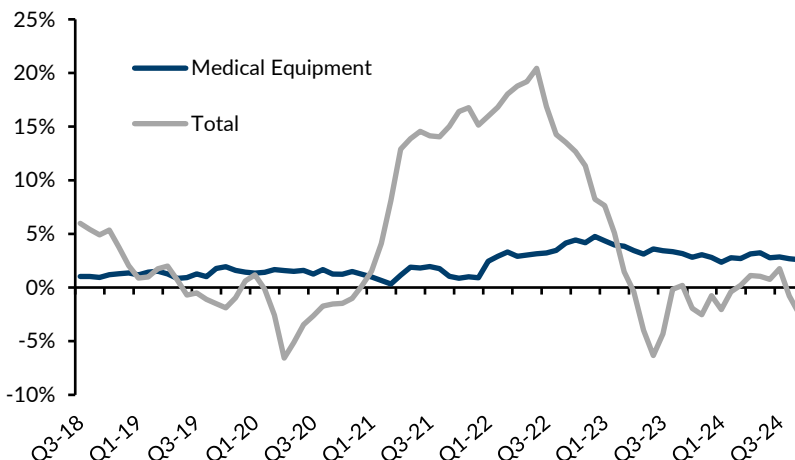
U.S. PERSONAL HEALTH CARE SERVICES EXPENDITURES (QUARTER OVER QUARTER % CHANGE)



Personal Health Care Service expenditures serve as a proxy for activity in the broader Healthcare and Medical industries, with high levels of service expenditures correlated with strong performance in other sectors.

Health care service expenditures continue to grow steadily, following the large swings during the COVID-19 pandemic. Total expenditures in Q3 were up 1.2% from Q2.

PRODUCER PRICE INDEX (PPI) - YEAR OVER YEAR % CHANGE



Similar to the broader U.S. economy, medical equipment producer costs rose dramatically coming out of the pandemic. The Bureau of Labor Statistics provides a Producer Price Index (PPI), which measures the average change in selling price of domestic output. The Medical Equipment & Supply PPI value serves as a proxy for Medical industry costs.

The PPI index is down 2.4% over the past year, while Medical Equipment is up 2.6%.

Sources: PMCF Research, FRED, US Census Bureau

Medical Technology M&A Activity

Therapeutic Device

Johnson & Johnson acquires V-Wave

Aug 2024 - Johnson & Johnson (NYSE: JNJ) announced that it has entered into a definitive agreement to acquire V-Wave Ltd., a privately-held company focused on developing innovative treatment options for patients with heart failure. Under the terms of the agreement, Johnson & Johnson will acquire V-Wave for an upfront payment of \$600 million. V-Wave will join Johnson & Johnson as part of Johnson & Johnson MedTech. "At V-Wave, we are dedicated to achieving our vision to help patients around the world – and we know Johnson & Johnson MedTech shares this mission," said Dr. Neal Eigler, Chief Executive Officer of V-Wave. "We are confident that Johnson & Johnson MedTech is well-positioned to ensure V-Wave's breakthrough ideas and technology reach patients in need as quickly and effectively as possible. I couldn't be prouder of the V-Wave team, and the commitment it has taken to achieve this milestone. We look forward to continuing to build a world where cardiovascular disease is prevented, treated, and cured."

Consumable & Disposable

Platinum Equity acquires ASP Global

Aug 2024 - Platinum Equity announced the acquisition of ASP Global, a leading strategic partner to the healthcare industry that develops, sources and distributes consumable medical products for healthcare providers and distributors. ASP's portfolio spans a diverse range of consumable product categories, including lab supplies, blood collection, wound and injury protection, critical care, staff apparel and rehab mobility. ASP President and CEO Doug Shaver, said, "We are proud of the business ASP has built and have ambitious long-term plans to continue growing. Platinum's expanded access to capital, M&A resources and operational expertise can help us achieve our goals and create new opportunities for ASP to serve the evolving needs of our customers."

Medical Equipment

CooperCompanies acquires obp Surgical

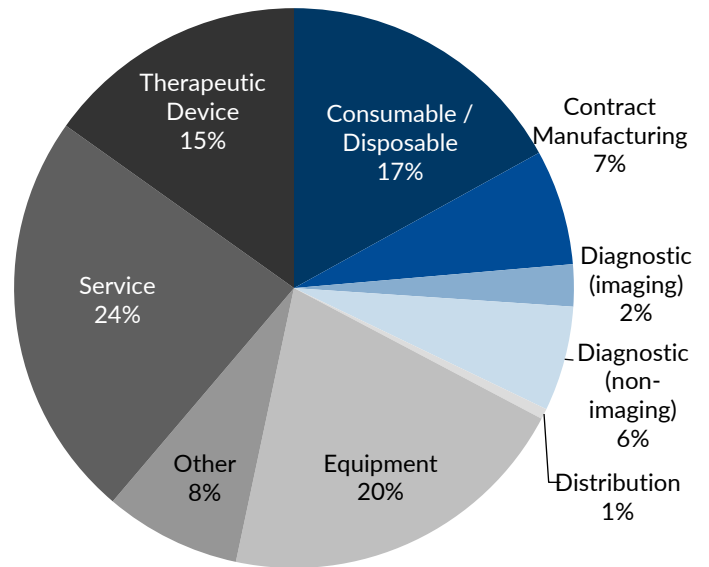
Aug 2024 - CooperCompanies (Nasdaq: COO), announced that CooperSurgical has acquired obp Surgical, a U.S.-based medical device company with a suite of single-use cordless surgical retractors with an integrated multi-LED light source, and single-use surgical suction devices with an integrated, cordless radial LED light source, for approximately \$100 million. The products being acquired generated approximately \$14.5 million of trailing twelve-month revenue. "This acquisition is a great strategic fit that builds upon CooperSurgical's strong portfolio of leading medical devices," said Al White, President and Chief Executive Officer of CooperCompanies. "obp Surgical's differentiated products will integrate seamlessly into our business and allow us to provide clinicians with a broader range of innovative surgical technologies."

M&A Activity Roundup

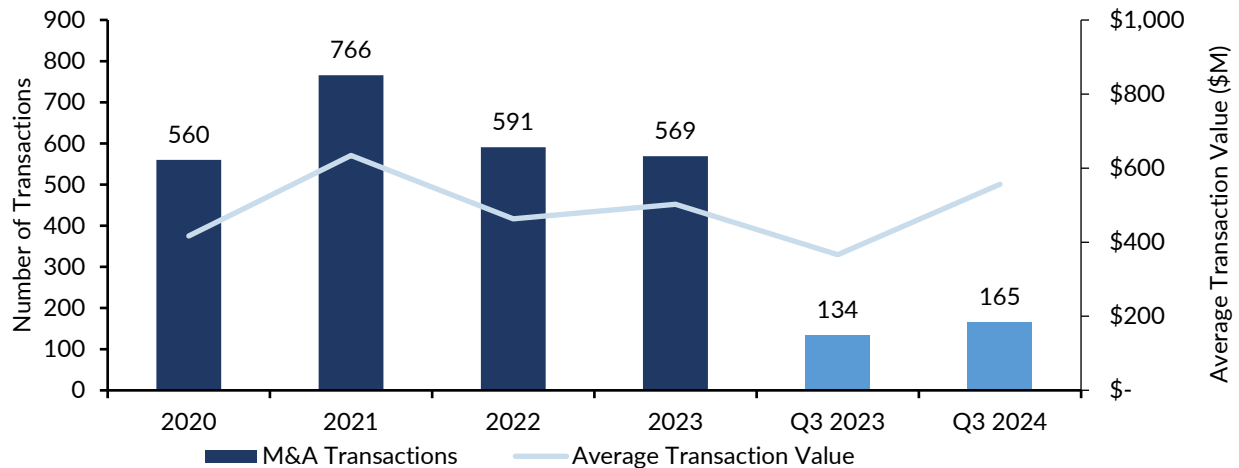
Trends in Medical Technology M&A

- In Q3 2024, M&A activity in the Medical Technology sector saw a notable increase compared to the same period in 2023, with 165 announced transactions versus 134 the previous year. This transaction volume is the highest quarterly volume in the Medical Technology sector since Q2 2022 and positions 2024 to finish as a strong year.
- Transaction activity was broadly distributed across segments in Q3, with the Services segment leading the way, contributing to 24% of the announced deals. The Equipment, Consumables & Disposables, and Therapeutic Devices segments followed closely, accounting for 20%, 17%, and 15% of M&A activity, respectively.
- Transactions with disclosed enterprise values and multiples in Q3 2024 kept pace with historical trends, with the average EV/EBITDA multiple finishing at 15x and the average transaction value at \$556 million.

TRANSACTIONS BY SEGMENT - Q3 2024



MEDICAL DEVICE M&A TRANSACTION METRICS



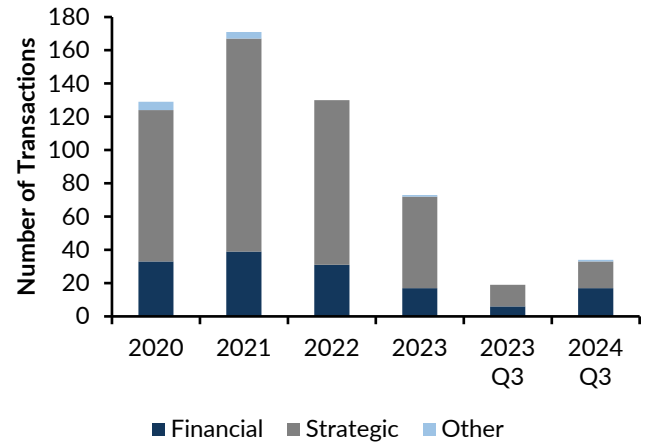
Period	Mean/Median	Transaction Value (\$MM)		TEV/REV	TEV/EBITDA
		Mean	Median		
2024 Q3	Mean	\$ 556.43		2.7x	15.0x
2024 Q3	Median	\$ 40.60		1.3x	9.4x
2023 Q3	Mean	\$ 366.12		3.5x	17.6x
2023 Q3	Median	\$ 52.04		2.9x	12.7x
2023	Mean	\$ 502.30		5.6x	14.1x
2023	Median	\$ 44.40		1.8x	9.6x
2022	Mean	\$ 463.04		10.0x	27.0x
2022	Median	\$ 29.69		2.4x	15.7x
2021	Mean	\$ 634.03		6.1x	17.6x
2021	Median	\$ 60.71		3.7x	14.5x

Sources: Capital IQ, PitchBook, Company Reports, PMCF

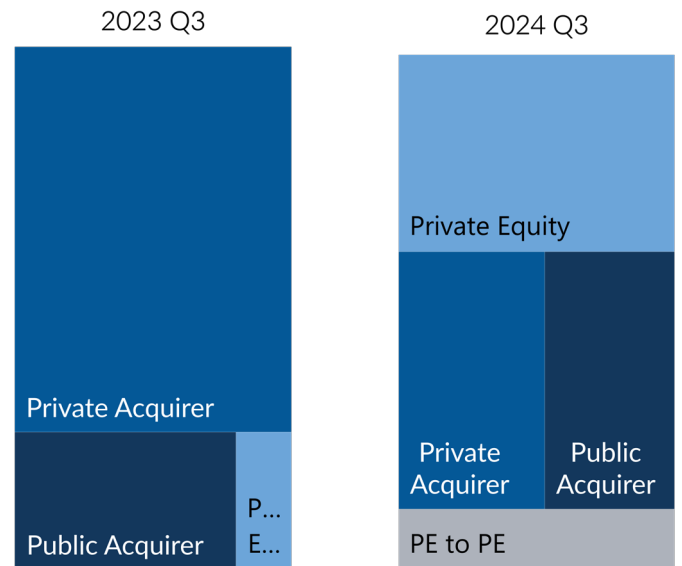
Trends in Medical Equipment M&A

- Medical Equipment M&A volume in Q3 2024 saw a significant increase compared to Q3 2023, with 34 transactions announced versus 19. Both strategic and financial acquirers were equally active, accounting for 17 and 16 transactions, respectively, during the quarter.
- In Q3 2024, private equity acquirers were the most active, with 17 transactions, including four from private equity sellers. Private and public buyers were almost equally active, with 9 and 8 transactions, respectively.
- In Q3 2024, international-only acquisitions led the Equipment segment with 15 transactions, up by three from the previous year. U.S.-only activity also saw a notable increase, with 12 acquisitions involving only U.S. companies, which is 8 more than in Q3 2023.
- Aligning with historical trends, the Furniture/Equipment end market led the category with 14 transactions in Q3 2024. The Monitor and Surgical segments followed as the next most active markets within the subsector, each completing 5 deals.

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2021	2022	2023	'23 Q3	'24 Q3
Acute Care	2	-	-	-	-
Aesthetic	1	3	-	-	-
Cardiovascular	4	5	-	-	2
Drug Delivery	8	1	2	-	1
Furniture/Equipment	37	28	32	12	14
Home Health	11	8	3	1	2
Hospital Care	19	13	6	1	-
Infection Control	2	3	1	-	-
IVD	6	3	-	-	-
Monitor	16	15	1	-	5
Neurovascular	2	-	1	-	1
Ophthalmology	8	5	2	-	1
Ortho	6	8	7	-	1
Other	10	5	5	1	1
Respiratory	12	6	1	-	-
Support	11	10	5	3	1
Surgical	16	17	7	1	5
Total	171	130	73	19	34

CROSS BORDER TRANSACTION TRENDS

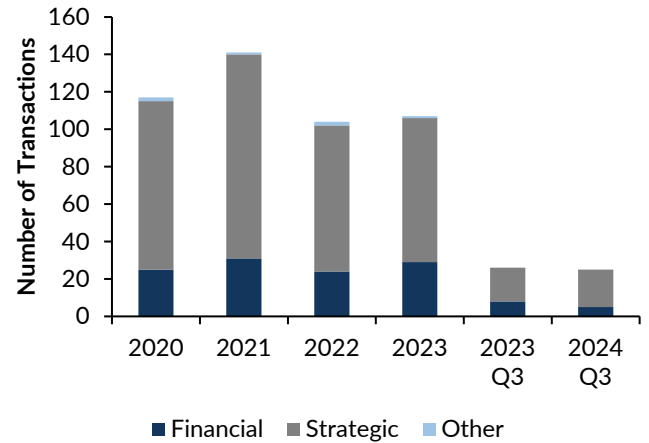
Seller-to-Buyer	2021	2022	2023	'23 Q3	'24 Q3
Int'l-to-Int'l	62	62	47	12	15
U.S.-to-Int'l	16	12	4	1	3
U.S.-to-U.S.	76	43	15	4	12
Int'l-to-U.S.	17	13	7	2	4
Total	171	130	73	19	34

Therapeutic Device M&A

Trends in Therapeutic Device M&A

- Q3 2024 saw 25 announced M&A transactions in the Therapeutic Device sector, just one less than the 26 recorded in Q3 2023. Strategic acquirers made up the majority of activity, accounting for 20 of the total transactions.
- In Q3 2024, public acquirers were particularly active in the Therapeutic Device sector, announcing 15 transactions. In contrast, private equity groups participated in only 5 transactions during the quarter with only one from a private equity seller.
- The Cardiovascular end market led the Therapeutic Device M&A market in Q3 with 6 announced transactions. Trailing closely were Ortho and Surgical, with 5 and 4 transactions, respectively.
- U.S. to U.S. led the way in Q3 2024 with 13 total transactions which is an increase from 7 in Q3 2023. International-based sellers experienced a slight decline to 10 transactions for the quarter.

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE

2023 Q3



2024 Q3



TRANSACTIONS BY END MARKET

End Market	2021	2022	2023	'23 Q3	'24 Q3
Acute Care	3	3	1	1	-
Aesthetic	1	3	3	-	-
Cardiovascular	18	9	15	1	6
Drug Delivery	-	3	6	-	1
Furniture/Equipment	2	1	-	-	-
Home Health	7	1	2	-	1
Hospital Care	1	1	5	2	-
Infection Control	2	-	-	-	-
IVD	1	-	2	-	-
Monitor	-	1	3	-	-
Neurovascular	4	10	10	2	2
Ophthalmology	15	20	4	3	3
Ortho	28	18	18	3	5
Other	45	23	14	4	-
Respiratory	8	3	6	2	3
Support	5	2	1	-	-
Surgical	1	6	17	8	4
Total	141	104	107	26	25

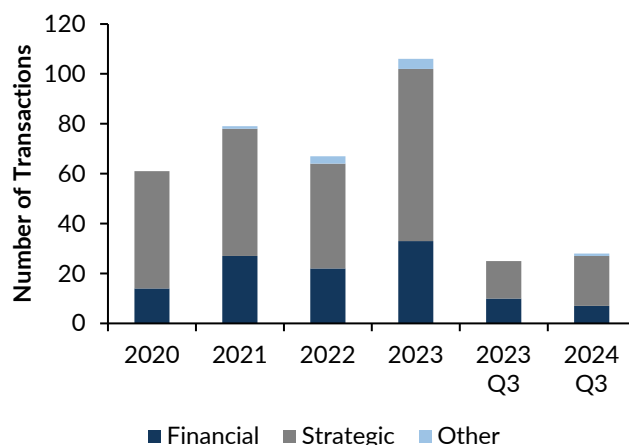
CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2021	2022	2023	'23 Q3	'24 Q3
Int'l-to-Int'l	61	45	35	10	8
U.S.-to-Int'l	10	8	17	5	2
U.S.-to-U.S.	59	38	43	7	13
Int'l-to-U.S.	11	13	12	4	2
Total	141	104	107	26	25

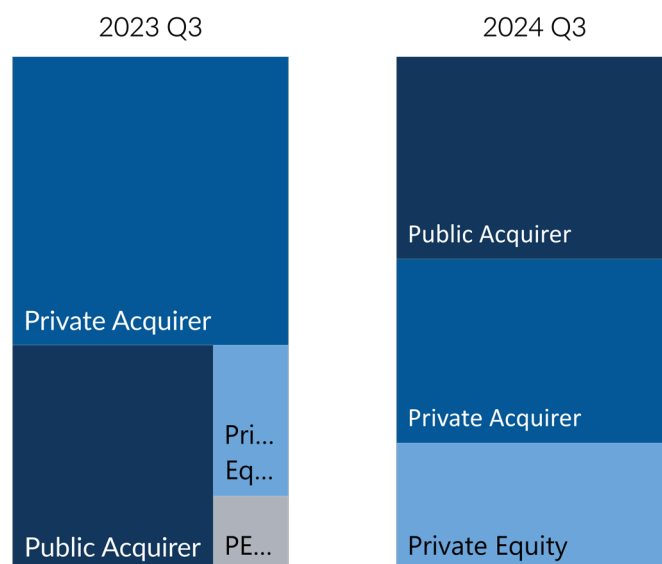
Trends in Consumable & Disposable M&A

- Consumable & Disposable M&A activity in Q3 2024 saw a slight increase compared to the previous quarter, with 28 announced transactions versus 25. This uptick positions the segment for a strong year, building on the record activity levels seen in 2023.
- Transactions by buyer type were largely evenly distributed across industries. Public acquirers led the way with 11 transactions for the quarter, followed by private acquirers with 10 transactions, and private equity buyers with 7.
- Activity in the Consumable & Disposable sector was driven by regional transactions, with pure domestic and pure international deals leading the way at 10 and 9 transactions, respectively. Cross-border transactions included 5 from the U.S. to international markets and 4 from international markets to the U.S.
- Surgical and Drug Delivery-focused transactions led the end markets with 7 and 5 transactions each. However, activity remains well-distributed across various end markets.

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2021	2022	2023	'23 Q3	'24 Q3
Acute Care	9	1	3	1	1
Aesthetic	1	3	5	2	2
Cardiovascular	-	1	4	1	3
Drug Delivery	4	3	9	5	5
Furniture/Equipment	1	-	-	-	-
Home Health	2	1	2	-	-
Hospital Care	14	-	11	2	3
Infection Control	27	21	6	-	-
IVD	3	3	1	-	2
Monitor	1	-	-	-	-
Neurovascular	-	1	1	-	-
Ophthalmology	1	3	4	1	-
Ortho	-	3	4	3	2
Other	4	7	18	3	2
Respiratory	-	1	4	1	1
Support	6	9	20	2	-
Surgical	6	11	14	4	7
Total	79	68	106	25	28

CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2021	2022	2023	'23 Q3	'24 Q3
Int'l-to-Int'l	41	39	48	9	9
U.S.-to-Int'l	8	5	10	3	5
U.S.-to-U.S.	23	20	36	8	10
Int'l-to-U.S.	7	4	12	5	4
Total	79	68	106	25	28

Diversified Medical Device Public Comparables

PUBLIC DIVERSIFIED MEDICAL DEVICE COMPANY COMMENTARY:

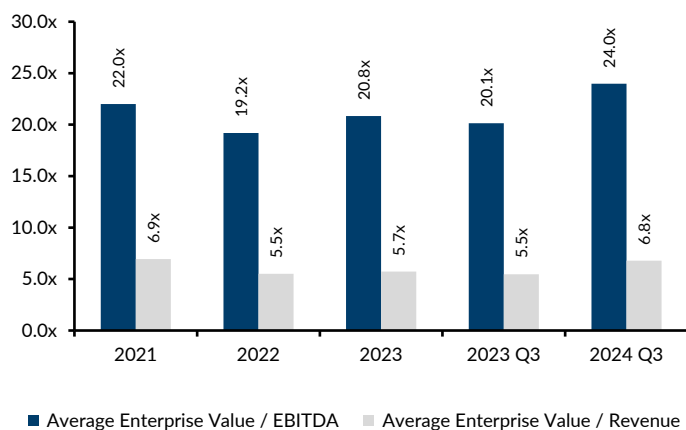
- “Our top capital allocation priority remains strategic tuck-in M&A followed by annual share repurchases to offset dilution from employee stock grants.” – Daniel Brennan, Boston Scientific Corporation, Executive VP & CFO
- “Our spending reflects investment in research and development to support the growth of our platforms and digital tools, expansion of our manufacturing facilities and planned leverage from our enabling functions.” – David Rosa, Intuitive Surgical, President & Director

DIVERSIFIED MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

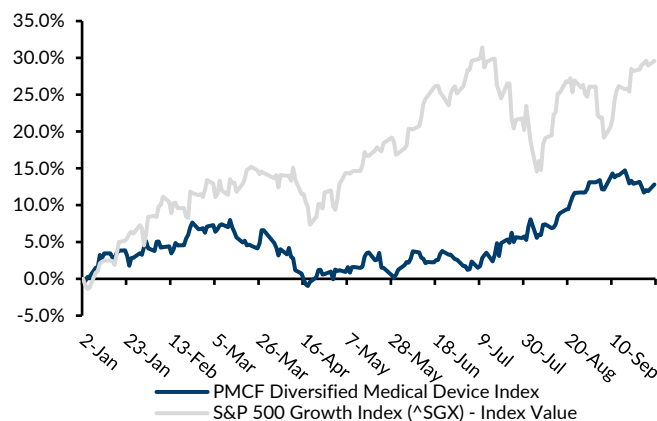
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	9/30/2024	7,788	15,046	198,366	205,856	5.1x	18.9x	36.0x
Baxter International Inc.	9/30/2024	1,420	13,194	19,371	31,215	2.0x	10.0x	NM
Becton, Dickinson and Company	9/30/2024	2,162	20,919	69,688	88,445	4.2x	15.9x	48.2x
Boston Scientific Corporation	9/30/2024	2,502	11,258	123,406	132,410	8.6x	32.5x	68.3x
Intuitive Surgical, Inc.	9/30/2024	4,232	0	174,575	170,437	22.4x	70.4x	84.4x
Johnson & Johnson	9/29/2024	20,297	35,751	390,118	405,572	4.7x	13.0x	24.4x
Medtronic plc	7/26/2024	7,843	27,865	115,463	135,698	4.2x	14.6x	30.3x
Smith & Nephew plc	6/29/2024	568	3,655	13,534	16,621	2.8x	14.2x	41.9x
Stryker Corporation	9/30/2024	4,684	16,007	137,667	148,990	6.9x	26.3x	40.3x
High		20,297	35,751	390,118	405,572	22.4x	70.4x	84.4x
Mean		5,722	15,966	138,021	148,360	6.8x	24.0x	46.7x
Median		4,232	15,046	123,406	135,698	4.7x	15.9x	41.1x
Low		568	0	13,534	16,621	2.0x	10.0x	24.4x

As of September 30, 2024

DIVERSIFIED MEDICAL DEVICE MULTIPLES



DIVERSIFIED MEDICAL DEVICE INDEX



In Q3 2024, median EV/EBITDA multiples for the Diversified Medical Device (DMD) sector reached a notable peak, climbing to 24.0x—an increase of approximately 4 turns compared to Q3 2023. Revenue multiples followed a similar upward trajectory, rising from 5.5x to 6.8x over the same period. Intuitive Surgical continues to lead the sector with the highest valuation, commanding an impressive 70.4x EBITDA multiple. Boston Scientific and Stryker round out the top three.

The DMD Index ended Q3 with impressive momentum, rebounding from a sluggish start to the year to achieve a 13% gain for the full year. Despite this strong performance, the DMD Index still lags the benchmark S&P 500 Growth Index by more than 16bps.

Orthopedic Public Comparables

PUBLIC ORTHOPEDIC MEDICAL DEVICE COMPANY COMMENTARY:

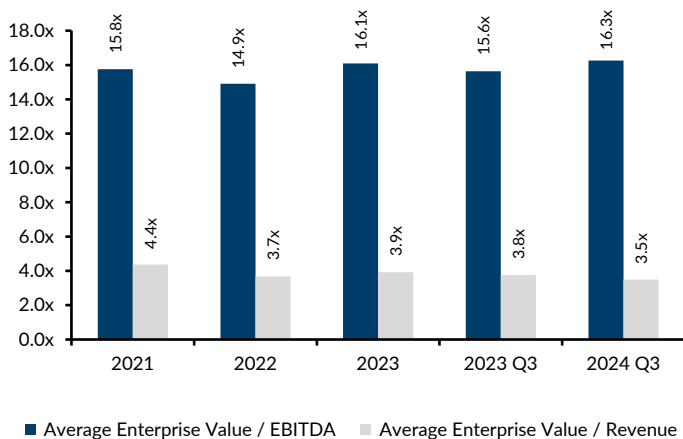
- “We have a balanced approach to capital allocation, invest in the business, growing dividend in Swiss francs, ongoing share buyback with adequate capacity to continue share buybacks as deemed appropriate. And then we’ve been very active in the deal front, really in the sub-\$1 billion asset space.” – Vasant Narasimhan, Novartis, CEO
- “The M&A environment continues to be great. So, we have a very healthy pipeline of deals. We’ve been active with a large number of deals and we’re going to continue to stay active on the M&A front. We do still have significant financial capacity having only spent \$1.6 billion and continue to generate strong cash. So that will be the #1 use of our cash going forward, just as it has been in the past.” – Kevin Lobo, Stryker Corporation, Chairman, CEO & President

ORTHOPEDIC MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

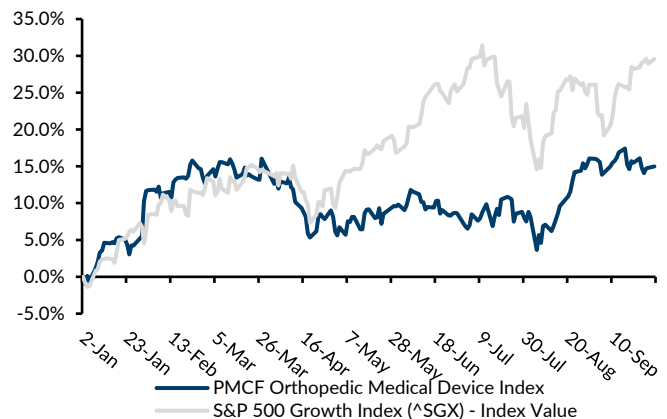
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Alphatec Holdings, Inc.	9/30/2024	81	564	781	1,287	2.3x	NM	NM
Enovis Corporation	9/27/2024	35	1,414	2,404	3,786	2.0x	14.3x	NM
Globus Medical, Inc.	9/30/2024	695	536	9,687	9,529	4.3x	16.1x	235.0x
Novartis AG	9/30/2024	13,851	32,159	232,847	251,279	4.9x	11.7x	22.1x
Orthofix Medical Inc.	9/30/2024	30	156	596	722	0.9x	20.6x	NM
Smith & Nephew plc	6/29/2024	568	3,655	13,534	16,621	2.8x	14.2x	41.9x
Stryker Corporation	9/30/2024	4,684	16,007	137,667	148,990	6.9x	26.3x	40.3x
Zimmer Biomet Holdings, Inc.	9/30/2024	569	6,639	21,984	28,062	3.7x	10.7x	22.5x
High		13,851	32,159	232,847	251,279	6.9x	26.3x	235.0x
Mean		2,564	7,641	52,438	57,535	3.5x	16.3x	72.4x
Median		569	2,535	11,610	13,075	3.2x	14.3x	40.3x
Low		30	156	596	722	0.9x	10.7x	22.1x

As of September 30, 2024

ORTHOPEDIC MEDICAL DEVICE MULTIPLES



ORTHOPEDIC MEDICAL DEVICE INDEX



The Orthopedic Medical Device sector continues to maintain a relatively steady valuation trend, with Q3 2024 multiples aligning closely with historical norms as the average EV/EBITDA multiple stood at 16.3x and the EV/revenue multiple was 3.5x for the quarter. Stryker and Orthofix remain the sector leaders, with EV/EBITDA multiples of 26.3x and 20.6x, respectively.

After a temporary lull in Q2, the OMD Index rebounded strongly, ending the quarter up 15%, nearly matching the highs of Q1. Consistent with historical trends, the OMD Index emerged as the top performer among those tracked by PMCF.

Cardiovascular Public Comparables

PUBLIC CARDIOVASCULAR MEDICAL DEVICE COMPANY COMMENTARY:

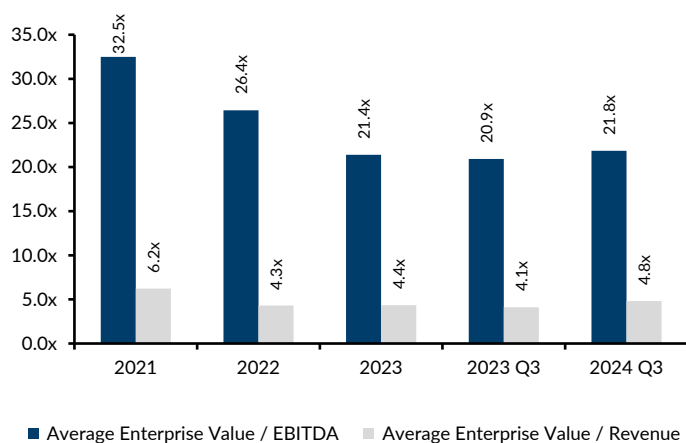
- “As we've talked before in multiple quarters, there are still some areas that haven't recovered from a supply chain standpoint. And this just happens to be one of the areas that's limiting us to be able to deliver on the demand that we're seeing from customers.” – Paul Parra, Merit Medical Systems, CFO & Treasurer
- “Year-over-year decline in gross margin for the Med Tech business was primarily driven by increased hardware depreciation and inflationary pressures. Gross margin for the Med Device business was impacted by inflationary pressures and costs associated with the transition to outsourced manufacturing.” – Stephen Trowbridge, AngioDynamics, Executive VP & CFO

CARDIOVASCULAR MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

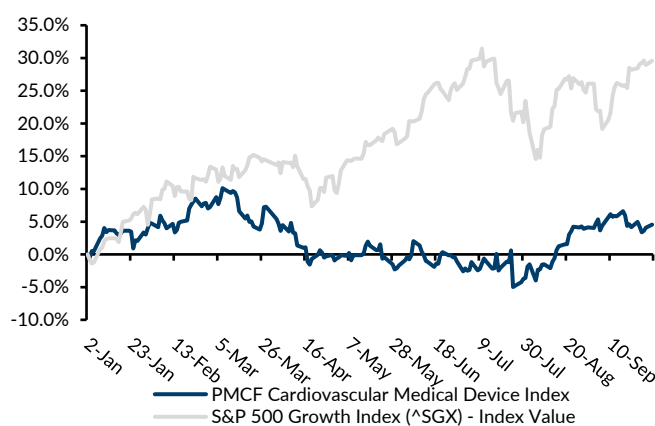
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	9/30/2024	7,788	15,046	198,366	205,856	5.1x	18.9x	36.0x
AngioDynamics, Inc.	8/31/2024	55	5	316	267	0.8x	NM	NM
Artivion, Inc.	9/30/2024	56	364	1,115	1,423	3.8x	25.3x	NM
Edwards Lifesciences Corporation	9/30/2024	4,446	707	39,752	36,079	6.2x	18.7x	26.0x
LeMaitre Vascular, Inc.	9/30/2024	124	18	2,087	1,982	9.7x	34.3x	55.6x
Medtronic plc	7/26/2024	7,843	27,865	115,463	135,698	4.2x	14.6x	30.3x
Merit Medical Systems, Inc.	9/30/2024	523	819	5,753	6,049	4.6x	22.9x	49.2x
Terumo Corporation	9/30/2024	1,361	1,220	27,986	27,845	4.2x	18.2x	34.1x
High		7,843	27,865	198,366	205,856	9.7x	34.3x	55.6x
Mean		2,774	5,756	48,855	51,900	4.8x	21.8x	38.5x
Median		942	763	16,869	16,947	4.4x	18.9x	35.0x
Low		55	5	316	267	0.8x	14.6x	26.0x

As of September 30, 2024

CARDIOVASCULAR MEDICAL DEVICE MULTIPLES



CARDIOVASCULAR MEDICAL DEVICE INDEX



In the Cardiovascular Medical Device sector, median multiples in Q3 2024 edged slightly higher than those observed in Q3 2023, but still reflect a notable decline compared to the peak levels seen in 2021 and 2022 as EV/EBITDA closed at 21.8x and revenue ended at 4.8x. Even so, EBITDA multiples within the sector show relatively little variation among individual companies when compared to other industries, but LeMaitre Vascular stands out with the highest multiple at 34.3x.

Following a similar trend to historical periods, the CMD Index was the worst performer among those tracked by PMCF, finishing the third quarter up only 5%. However, this marked a significant improvement from its recent low of down 5% seen in July.

Diversified Diagnostic Public Comparables

PUBLIC DIVERSIFIED DIAGNOSTIC COMPANY COMMENTARY:

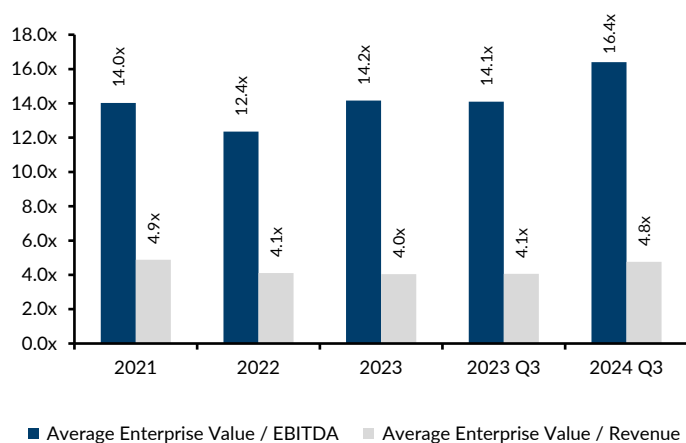
- “On the funnel and M&A pipeline, it does remain strong and lots of discussions going on with various health systems around the country. But we’re in this phase of integration and digestion of the deals that we’ve just completed. Our appetite will continue for small outreach deals, and we’re always on the look for those.” – James Davis, Quest Diagnostics, Chairman, CEO & President
- “I’d be very optimistic about our pipeline of deals, particularly in regional laboratory businesses. And if you look at what we’ve said will happen in our longer-term outlook, we’ve increased the revenue growth that’s going to come from acquisition strategy.” – Adam Schechter, Labcorp Holdings, President, CEO & Chairman

DIVERSIFIED DIAGNOSTIC PUBLIC COMPARABLES SUMMARY

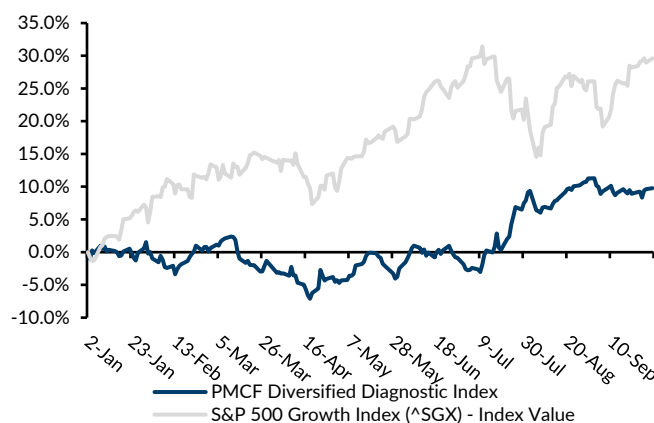
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	9/30/2024	7,788	15,046	198,366	205,856	5.1x	18.9x	36.0x
Becton, Dickinson and Co.	9/30/2024	2,162	20,919	69,688	88,445	4.2x	15.9x	48.2x
Danaher Corporation	9/27/2024	2,627	18,824	200,790	216,993	9.2x	28.0x	51.1x
Hologic, Inc.	6/29/2024	2,448	2,559	18,921	19,032	4.8x	15.0x	27.9x
Laboratory Corporation of America	9/30/2024	1,517	7,776	18,764	25,038	2.0x	12.7x	42.4x
Novartis AG	9/30/2024	13,851	32,159	232,847	251,279	4.9x	11.7x	22.1x
Quest Diagnostics Incorporated	9/30/2024	764	6,970	17,282	23,600	2.4x	10.2x	21.0x
Roche Holding AG	6/30/2024	9,809	40,257	257,623	292,450	4.1x	11.7x	20.4x
Thermo Fisher Scientific Inc.	9/28/2024	6,645	35,513	236,291	265,266	6.2x	23.6x	38.4x
High		13,851	40,257	257,623	292,450	9.2x	28.0x	51.1x
Mean		5,290	20,003	138,952	154,218	4.8x	16.4x	34.2x
Median		2,627	18,824	198,366	205,856	4.8x	15.0x	36.0x
Low		764	2,559	17,282	19,032	2.0x	10.2x	20.4x

As of September 30, 2024

DIVERSIFIED DIAGNOSTIC MULTIPLES



DIVERSIFIED DIAGNOSTIC INDEX



Diversified Diagnostic (DD) industry multiples posted strong performance in Q3 2024, with median multiples rising to 16.4x, up from 14.1x a year ago. This marks a significant increase, surpassing the industry average, which typically hovers around the 14x range. Danaher Corporation continues to lead the sector, while Quest Diagnostics remains at the lower end of the spectrum.

The DD Index rebounded from stagnant results in the first two quarters, ending Q3 up 10%, with nearly all growth occurring in the most recent period. This represents a 17% improvement from the yearly lows seen in April, though the index still trails the S&P Growth by nearly 20%.

Q3 2024 Venture Capital Activity Overview

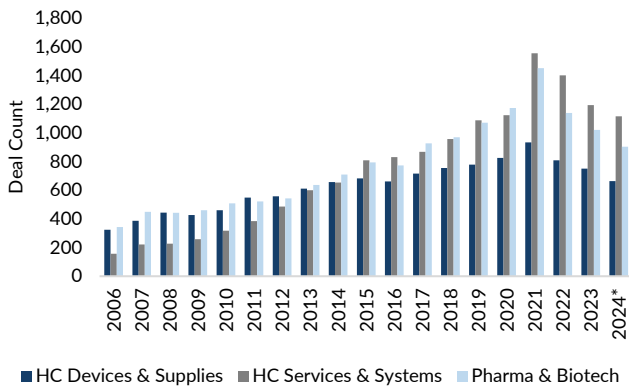
While the rest of the market is on a path of improvement, the Venture Capital sector continues to face headwinds. The lack of investor distributions poses the greatest threat as the exit market remains relatively stagnant with minimal large VC-backed M&A activity and quiet IPO markets. Without significant distributions to investors, fund managers are cautious to raise new capital and deploy existing funds, fearing more investor money will be locked up with no clear return in sight. This trend is also driving a significant accumulation of dry powder that fund managers are hesitant to deploy. Even so, in terms of initial investment activity, deal activity is starting to increase, and the recent Federal Reserve rate cut should help spur more market certainty and potentially action.

In the first three quarters of 2024, Venture Capital activity consisted of 9,466 deals totaling \$131.4B in value, representing a 9% decrease in volume but a 9% increase in value on an annualized basis from 2023. Angel, early VC, and late VC continue to split activity evenly across the market as they represented 33%, 37%, and 30% of 2024 activity, respectively. Medical VC investments followed trends seen by the rest of the market, accounting for 20% of deals in 2024, which is level with 2023.

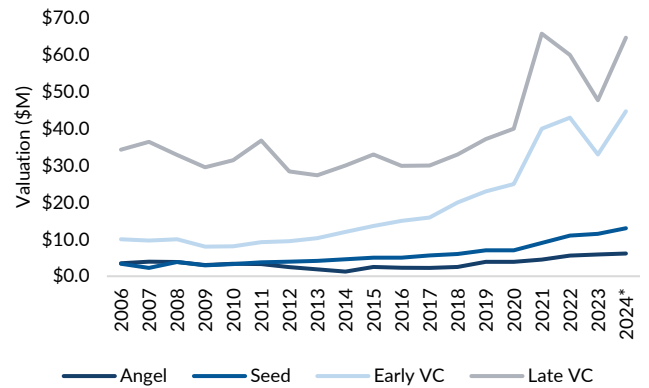
As transaction activity has started to increase, median deal valuations have rebounded from their post-pandemic lows. While valuations at the Angel and Seed stages have seen slower gains, they continue to rise. Early and late-stage valuations, however, have experienced substantial increases. Overall, average valuations are significantly higher than in 2020, reflecting 59%, 86%, 79%, and 62% increases across Angel, Seed, Early VC, and Late VC stages, respectively.

As the VC market looks ahead, some of the factors causing market slowdowns seem poised to eventually subside, and when they do, pent-up activity should trigger a major rebound. Until then, caution prevails with hopes for a brighter and more active 2025.

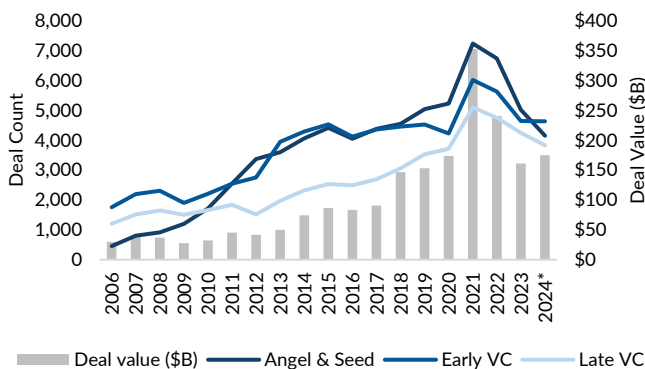
VC INVESTMENTS IN MEDICAL SECTORS



MEDIAN PRE-MONEY VALUATION BY ROUND



DEAL COUNT BY ROUND



Angel/Seed: The company has a concept or product under development but is likely not fully operational. Typically, in existence less than 18 months.

Early: The company has a product or service in testing or pilot production. In some cases, the product may be commercially available. May or may not be generating revenues. Typically, in business less than three years.

Later: Product or service is widely available. Company is generating ongoing revenue; potentially positive cash flow. More likely to be, but not necessarily, profitable.

*2024 metrics on an annualized basis

Sources: Capital IQ, PitchBook, Company Reports, PMCF

What is a Strategic Assessment and Why is it Important?

A Strategic Assessment is a comprehensive report that examines a business holistically with specific consideration given to the financial results, operations, and organizational structure. We advise our clients consider one before a planned liquidity event to ensure your company is ready for a transaction. This process includes:

Determining your company's current value

Identifying factors that enhance or erode value and related risk considerations

Developing strategies to bridge gaps in value and market position

7 Reasons Why a Strategic Assessment is Essential for Maximizing Business Value In Preparation of a Liquidity Event

- 1 Prepares your company for the scrutiny of capital investors
- 2 Helps ownership and management identify the value attributes and constraints of the business
- 3 Provides ownership with an understanding of perceived value considerations in the eyes of investors
- 4 Affords your company an opportunity to address shortfalls and enhance the value in advance of a capital transaction
- 5 Helps align corporate strategy with organizational, tax, and wealth transfer planning
- 6 Helps shareholders/management understand how various business strategies can impact future value
- 7 Resolves potential deal obstacles to ensure a smooth diligence process and higher likelihood of deal success

As an investment in your company, PMCF will complete a complimentary Strategic Assessment.

For additional information, please visit pmcf.com

SIGNIFICANT INDUSTRY EXPERTISE AND RESOURCES

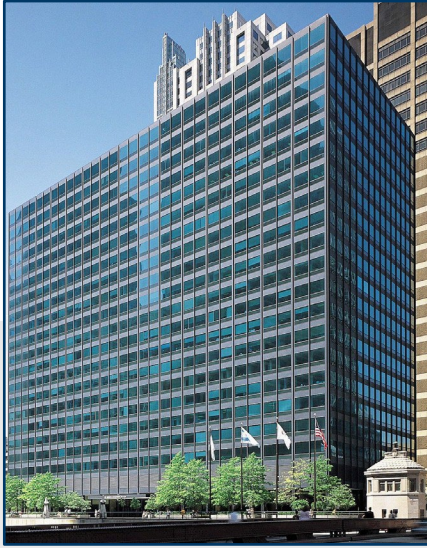
Founded in 1995, PMCF has spent 25+ years successfully advising clients in the middle market. From M&A advisory or capital raising to strategic assessment and transaction planning, we execute transactions to achieve life-changing outcomes for our clients. We leverage our significant deal experience, industry relationships, and a deep understanding of sectors we serve to support our clients' organic and inorganic growth initiatives.

PMCF takes a strategic approach to transaction planning, ensuring the positioning and messaging conveys the unique differentiators of your company. Our affiliation with Plante Moran provides us access to transaction tax experts to provide insight into structure planning considerations.

- Developing strategies to effectively deploy capital and resources to maximize ROI on your high-priority growth initiatives
- Aligning your process capabilities with key macro trends driving industry growth
- Evaluating KPI trends and results and understanding how they are used in daily management
- Reviewing the organizational chart and the internal plan for turnover and/or succession of key management team members
- Pursuing customer diversification at attractive, appropriate margins
- Understanding margin trends and concentrations of margin within product groups or customers
- Assessing your company's differentiation and position in the marketplace
- Leveraging our extensive global relationships to help penetrate new customers and/or markets

About PMCF

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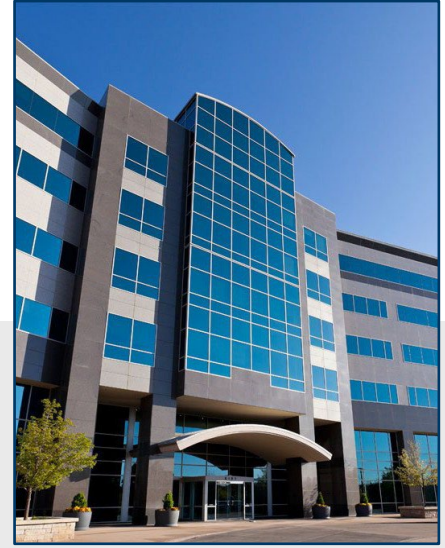
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- Differentiated approach via senior banker leadership and direct involvement through every step of the transaction providing a consistent and highly experienced point of contact
- One of the largest, most active investment banking boutiques with a focus on specialty niche businesses
- Proven positioning and marketing processes to obtain premium valuations in company sales
- Tailored sale process provides for extensive upfront preparation, detailed company review and identification of any potential issues in advance, and buyer evaluation/diligence ensuring the right fit
- Unique sale planning approach that helps shareholders best prepare for a future sale whether it's six months or several years
- Long-term and client first approach allows PMCF to provide unbiased feedback

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