

MEDICAL TECHNOLOGY M&A PULSE

FOURTH QUARTER 2024



OUR INSIGHTS

MedTech M&A deal volume in 2024 remained consistent with 2023 levels despite headwinds from rising input costs and regulatory shifts over the past year. The second half of 2024 saw an increase in activity compared to the first six months of the year, and market sentiment suggests M&A may continue to improve in 2025 due to a more favorable regulatory environment, increasing technology innovation in devices and more normalized end market growth rates. Buyer interest remains strong across strategic and financial groups, in part driven by lower financing costs and continued high levels of uninvested capital.

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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

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



Q4 2024 Market Summary & Outlook

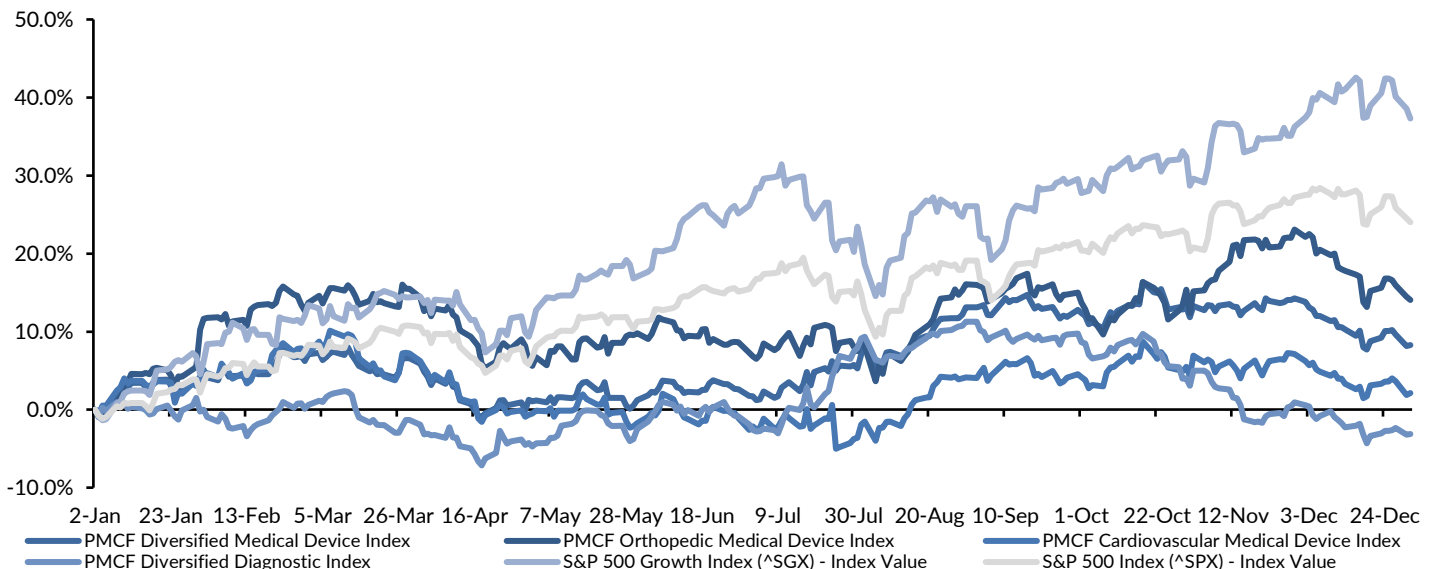
Q4 2024 – Evolving Landscape

- The Medical Technology sector underwent notable changes in 2024, with major industry players continuing their M&A activity while smaller deal making slowed. Acquisitions have become increasingly specialized, with companies focusing on their core MedTech sector strengths and leveraging AI and technology-driven add-ons to gain a competitive edge. As the market remains turbulent and regulatory changes begin to take effect, the industry's ability to build momentum in 2025 will depend on how effectively it navigates this evolving landscape.
- Medical Technology M&A had a formidable year in 2024, with 563 announced transactions, keeping pace with the 569 recorded in 2023 although the 135 deals in Q4 2024 fell below the historical quarterly average of 156. The Services segment led the way in transaction volume, making up 24% of all deals, while Equipment, Therapeutic Devices, and Consumables & Disposables segments accounted for 19%, 18%, and 15% of the activity.
- Medical Device public equity performance in 2024 delivered mixed results. The Orthopedic Index led the sector with a 14% annual gain, while the Diversified Medical Device Index also posted growth at 8%. However, both fell short of the S&P 500 Growth Index's impressive 37% surge. On the downside, the Cardiovascular Index struggled, finishing the quarter as the worst performer with a 3% decline.

MEDICAL TECHNOLOGY QUARTERLY TRANSACTION VOLUME



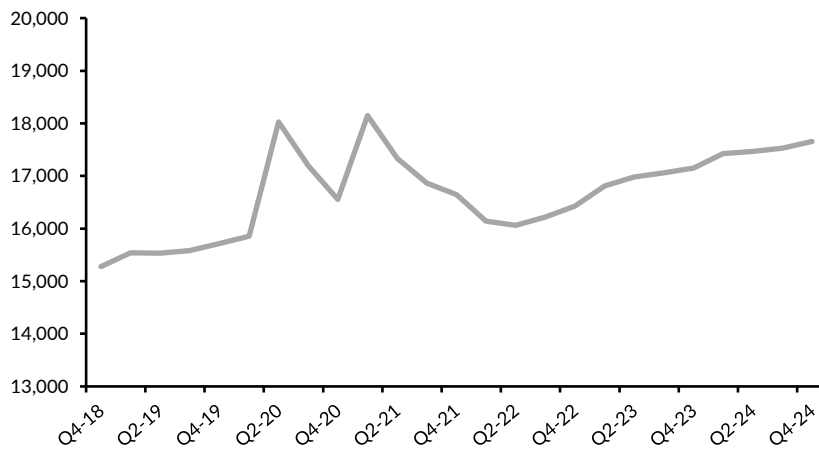
PMCF MEDICAL TECHNOLOGY INDICES PERFORMANCE



Sources: Capital IQ, PitchBook, Company Reports

Macro-Economic Indicators

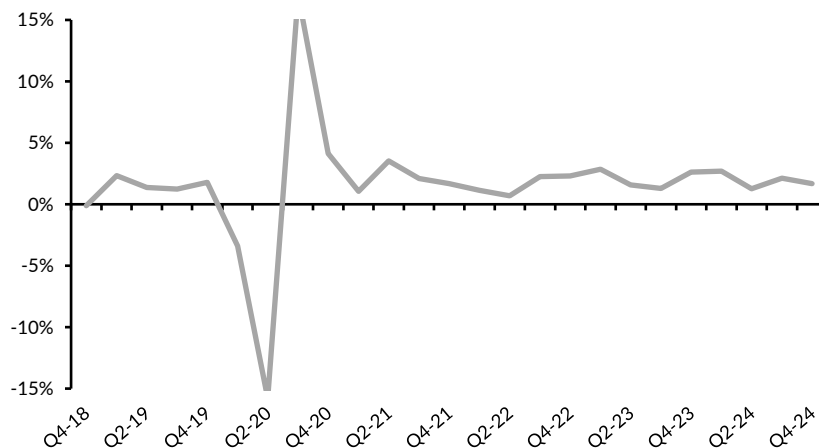
U.S. REAL DISPOSABLE PERSONAL INCOME, 2017 DOLLARS (\$B)



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. Fourth quarter total disposable income was \$17.7B, up 2.9% from the year prior.

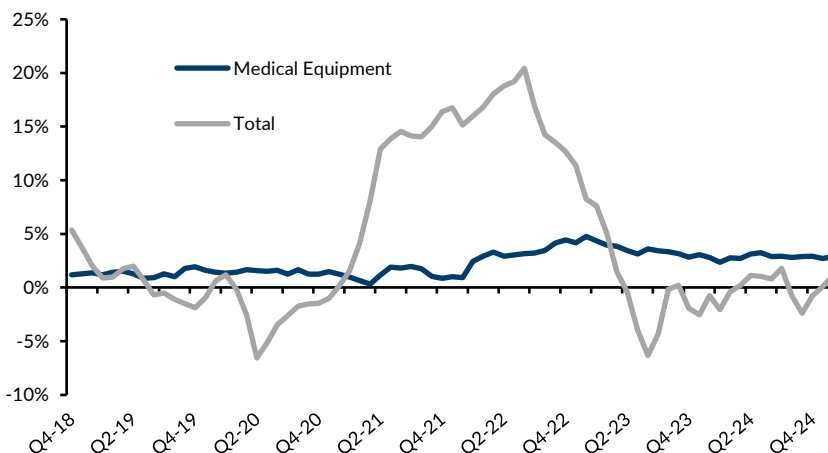
U.S. PERSONAL HEALTH CARE SERVICES EXPENDITURES (QUARTER OVER QUARTER % CHANGE)



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 Q4 were up 1.7% from Q3.

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 up 1.1% over the past year, while Medical Equipment is up 2.9%.

Sources: PMCF Research, FRED, U.S. Census Bureau

Therapeutic Device

Cardinal Health acquires GI Alliance and The Advanced Diabetes Supply Group

Nov 2024 - Cardinal Health (NYSE: CAH) announced that it has entered into definitive agreements to acquire two companies that will accelerate their strategic growth areas and enhance patient care. Cardinal Health will acquire a majority stake in GI Alliance, the country's leading gastroenterology management services organization. Cardinal Health will also acquire the Advanced Diabetes Supply Group, one of the country's leading diabetic medical supplies providers. *"Today is an exciting day at Cardinal Health as we announce two strategic and financially compelling transactions that build upon our progress in Specialty and accelerate growth in our at-Home Solutions business,"* said Jason Hollar, Chief Executive Officer, Cardinal Health. *"Over the past two years, we have improved operating performance and financial flexibility by executing on our focused growth strategy. These transactions enhance Cardinal Health's ability to deliver a greater value proposition for providers and patients, while representing the next step in our ongoing focus to drive sustainable shareholder value creation."*

Consumable & Disposable

Arlington Capital Partners acquires TEAM Technologies

Nov 2024 - Arlington Capital Partners, a Washington, D.C.-area private investment firm specializing in government regulated industries, announced it has acquired TEAM Technologies, Inc, a leading global manufacturer of essential consumable healthcare products, from Clearlake Capital Group. *"The medical device manufacturing industry is incredibly complex, but we feel fortunate to partner with Arlington in our next chapter,"* said Marshall White, CEO of TEAM Tech. *"I have gotten to know the Arlington team well over the past several years and believe that with their 25 years of experience in this highly regulated sector they are best positioned to help us build on the successes we have achieved and accelerate our growth, both organically and through strategic acquisitions, to take our business to the next level."*

Medical Equipment

Patient Square Capital acquires Patterson Companies

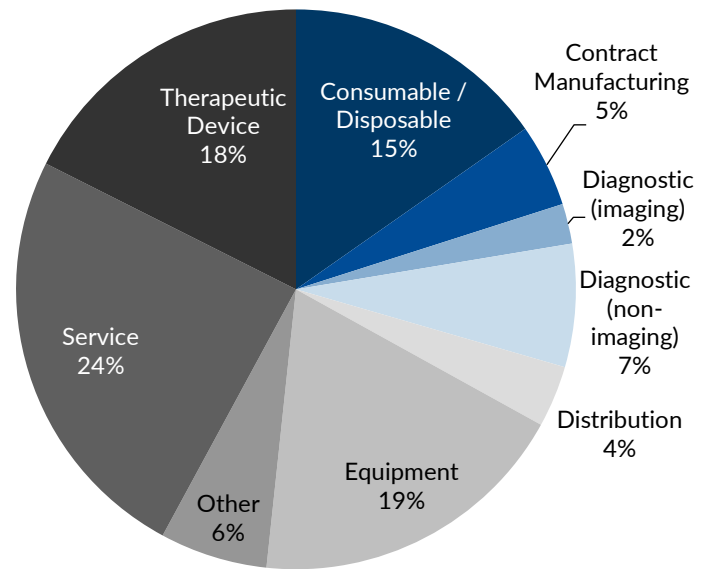
Dec 2024 - Patterson Companies, Inc. (Nasdaq: PDCO), a leading dental and animal health distributor, announced that it has entered into a definitive agreement to be acquired by Patient Square Capital, a dedicated health care investment firm. Under the terms of the agreement, Patterson shareholders will receive \$31.35 in cash per share, representing an approximately 49% premium to Patterson's 30 calendar day volume-weighted average price ending December 4, 2024, or a transaction value of approximately \$4.1 billion. *"Today's announcement marks an exciting next step in Patterson's evolution and delivers immediate and certain value for our shareholders and positions us to continue to invest in serving our customers and driving growth,"* said Don Zurbay, President and Chief Executive Officer of Patterson. *"This transaction follows a review of strategic alternatives by our Board of Directors, with assistance from our independent advisors, maximizing our value and enabling Patterson to continue to execute our strategy well into the future."*

M&A Activity Roundup

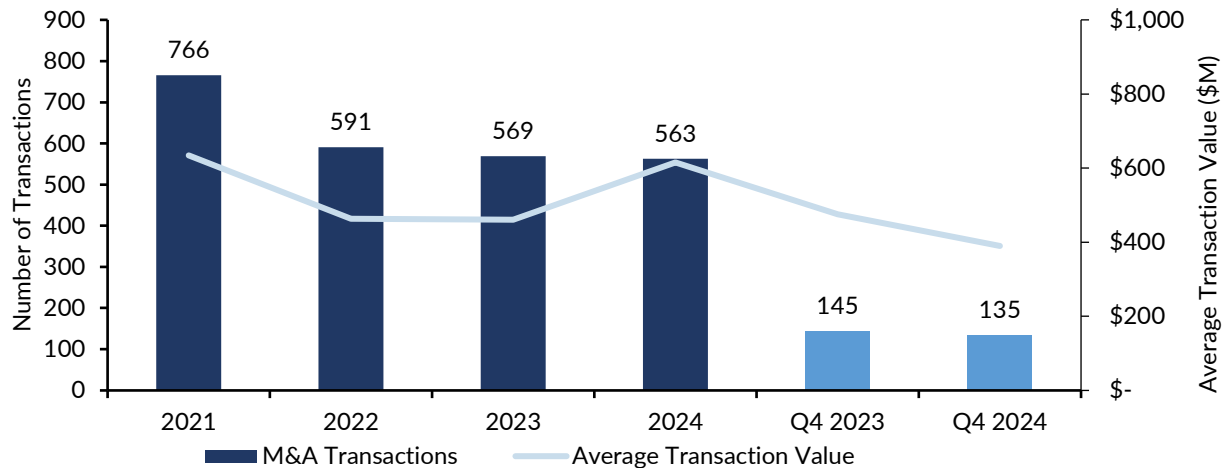
Trends in Medical Technology M&A

- M&A activity in the Medical Technology sector remained steady in 2024, with 563 announced transactions, closely aligning with the 569 deals recorded in 2023. Following the record-breaking activity of 2021, this consistency provides a foundation for market growth in 2025.
- Deals were well-distributed across segments, with the Services sector leading at 24% of total transactions. The Equipment, Therapeutic Devices, and Consumables & Disposables segments accounted for 19%, 18%, and 15% of the activity, reflecting a balanced investment landscape.
- In 2024, average EV/EBITDA valuation multiples rebounded from their 2023 dip, reaching 17.7x, though still below the peaks of 2022. Despite fluctuations in valuation metrics, the average transaction size has risen above 2022 and 2023 levels, reaching \$615 million.

TRANSACTIONS BY SEGMENT - 2024



MEDICAL TECHNOLOGY M&A TRANSACTION METRICS



AVERAGE MEDICAL TECHNOLOGY M&A VALUATION METRICS

Period	Transaction Value (\$MM)	TEV/REV	TEV/EBITDA
2024 Q4	\$ 390.02	8.2x	17.0x
2023 Q4	\$ 475.59	10.9x	14.5x
2024	\$ 615.49	5.0x	17.7x
2023	\$ 460.77	5.6x	14.1x
2022	\$ 463.04	10.0x	27.0x

Sources: Capital IQ, PitchBook, Company Reports, PMCF

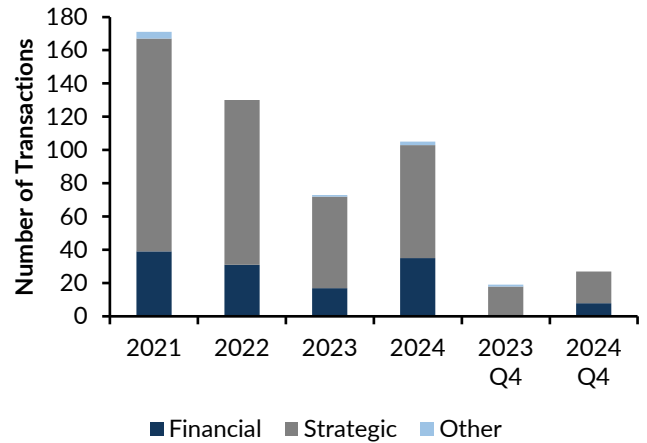
Trends in Medical Equipment M&A

- Medical Equipment M&A activity experienced a notable surge in 2024, with 105 transactions announced, up from 73 in 2023. However, deal volume remained below the levels observed in 2021 and 2022. Strategic acquirers continued to outpace financial buyers, closing 33 more acquisitions throughout the year.
- In Q4 2024, transaction activity remained relatively stable across private, public, and PE acquirers, with 10, 9, and 8 deals, respectively. This marks a notable shift in deal volume, as no private equity transactions were recorded in Q4 2023.
- In 2024, international-only acquisitions dominated the segment with 51 transactions, an increase of four compared to the previous year. U.S.-only activity also experienced significant growth, with 37 acquisitions involving exclusively U.S. companies—a notable rise of 22 deals from 2023.
- Consistent with historical trends, the Furniture/Equipment end market led the category in 2024, accounting for 52 transactions. The Surgical and Monitor segments followed as the next most active markets, with 12 and 9 deals.

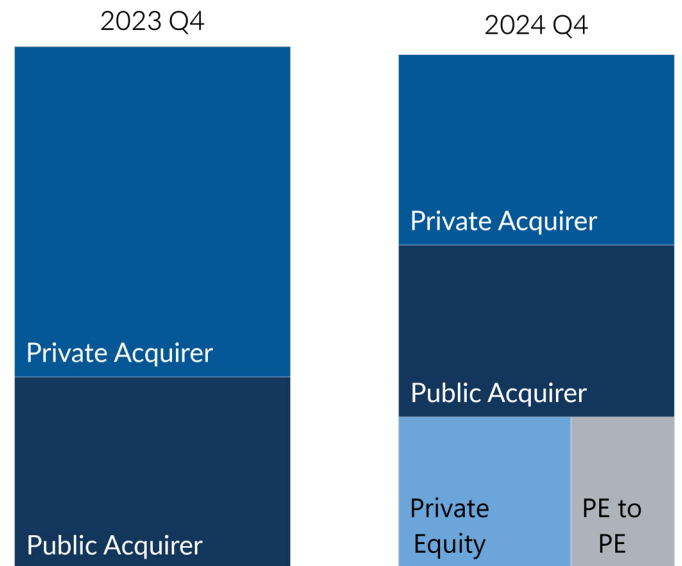
TRANSACTIONS BY END MARKET

End Market	2022	2023	2024	'23 Q4	'24 Q4
Acute Care	-	-	-	-	-
Aesthetic	3	-	3	-	-
Cardiovascular	5	-	4	-	1
Drug Delivery	1	2	4	1	1
Furniture/Equipment	28	32	52	9	13
Home Health	8	3	5	-	2
Hospital Care	13	6	3	2	3
Infection Control	3	1	3	-	1
IVD	3	-	-	-	-
Monitor	15	1	9	-	1
Neurovascular	-	1	1	1	-
Ophthalmology	5	2	3	1	-
Ortho	8	7	2	1	1
Other	5	5	3	-	-
Respiratory	6	1	-	-	-
Support	10	5	1	-	-
Surgical	17	7	12	4	4
Total	130	73	105	19	27

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



CROSS BORDER TRANSACTION TRENDS

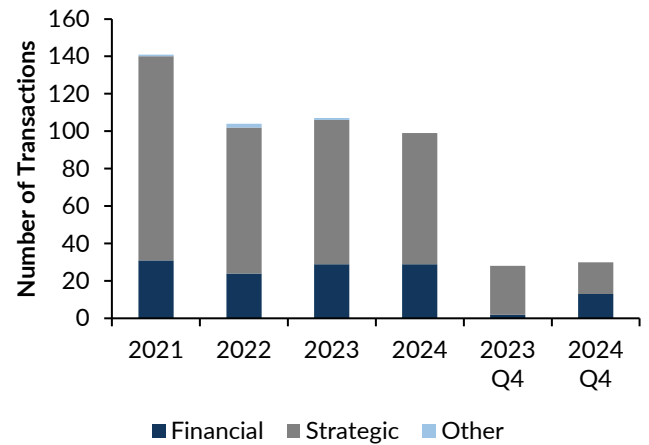
Seller-to-Buyer	2022	2023	2024	'23 Q4	'24 Q4
Int'l-to-Int'l	62	47	51	13	14
U.S.-to-Int'l	12	4	10	-	3
U.S.-to-U.S.	43	15	37	5	9
Int'l-to-U.S.	13	7	7	1	1
Total	130	73	105	19	27

Therapeutic Device M&A

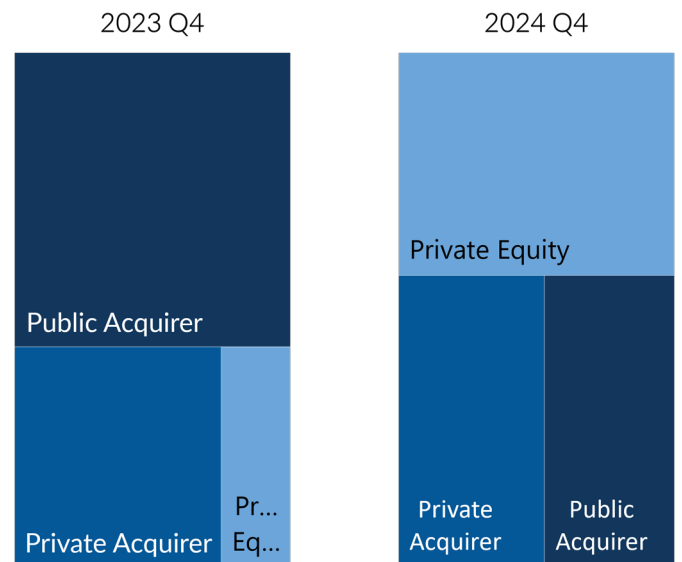
Trends in Therapeutic Device M&A

- In 2024, the Therapeutic Device sector saw 99 announced M&A transactions, just eight fewer than the 107 recorded in 2023. Strategic acquirers dominated the market, accounting for 70 of the total deals.
- Private equity acquirers were particularly active in Q4 2024, announcing 13 transactions in the sector. Meanwhile, private and public acquirers participated in 9 and 8 transactions, respectively, during the quarter.
- The Orthopedic end market led Therapeutic Device M&A activity in 2024 with 24 announced transactions, followed by Cardiovascular and Ophthalmology with 16 and 14 transactions, respectively.
- International-to-international transactions led the market with 42 deals, closely followed by U.S.-to-U.S. transactions, which totaled 41.

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2022	2023	2024	'23 Q4	'24 Q4
Acute Care	3	1	-	-	-
Aesthetic	3	3	4	-	2
Cardiovascular	9	15	16	8	5
Drug Delivery	3	6	6	4	5
Furniture/Equipment	1	-	-	-	-
Home Health	1	2	5	-	1
Hospital Care	1	5	1	-	1
Infection Control	-	-	1	-	-
IVD	-	2	-	1	-
Monitor	1	3	1	-	-
Neurovascular	10	10	7	6	2
Ophthalmology	20	4	14	-	1
Ortho	18	18	24	5	6
Other	23	14	3	3	1
Respiratory	3	6	6	-	3
Support	2	1	1	-	-
Surgical	6	17	10	1	3
Total	104	107	99	28	30

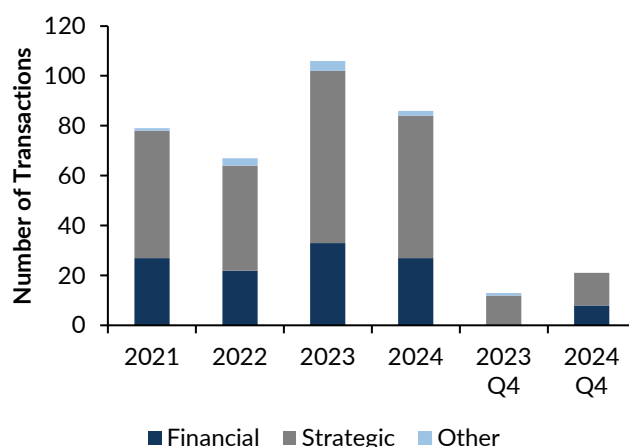
CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2022	2023	2024	'23 Q4	'24 Q4
Int'l-to-Int'l	45	35	42	6	12
U.S.-to-Int'l	8	17	10	4	5
U.S.-to-U.S.	38	43	41	14	11
Int'l-to-U.S.	13	12	6	4	2
Total	104	107	99	28	30

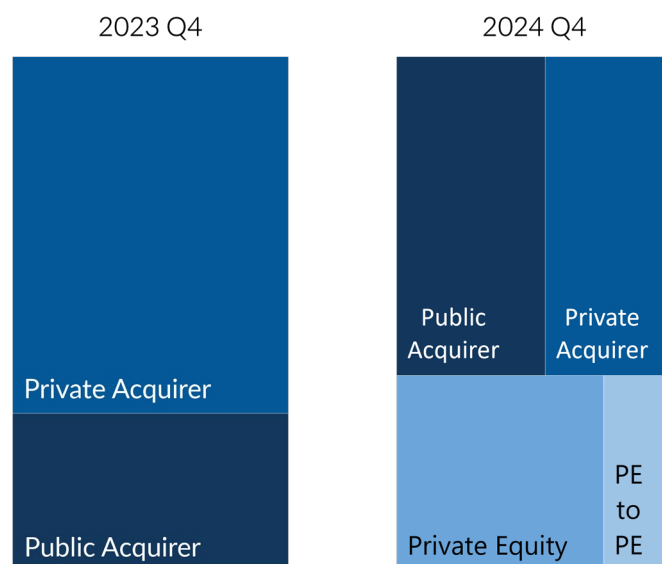
Trends in Consumable & Disposable M&A

- M&A activity in the Consumable & Disposable sector saw a slight dip in 2024, with 86 announced transactions compared to 106 in the previous year. Despite the decline, deal volume remained ahead of 2021 and 2022 levels.
- In Q4 2024, transaction activity was relatively balanced across buyer types. Public acquirers led with 7 deals, while private and private equity buyers closely followed with 6 each. PE-to-PE transactions were less frequent, totaling 2 for the quarter.
- Regional deals dominated the sector, with international-to-international transactions leading at 35 and domestic deals following closely at 33. Cross-border activity was more limited, with 10 U.S.-to-international transactions and 8 moving in the opposite direction.
- Among end markets, Drug Delivery and Surgical sectors saw the highest M&A activity, with 21 and 17 deals, respectively. However, deal flow remained well-distributed across various market segments.

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2022	2023	2024	'23 Q4	'24 Q4
Acute Care	1	3	4	-	-
Aesthetic	3	5	9	2	4
Cardiovascular	1	4	4	1	-
Drug Delivery	3	9	21	2	6
Furniture/Equipment	-	-	1	-	-
Home Health	1	2	2	-	1
Hospital Care	-	11	10	1	5
Infection Control	21	6	3	-	1
IVD	3	1	3	-	-
Monitor	-	-	-	-	-
Neurovascular	1	1	1	-	-
Ophthalmology	3	4	-	1	-
Ortho	3	4	4	-	-
Other	7	18	5	2	2
Respiratory	1	4	2	1	1
Support	9	20	-	-	-
Surgical	11	14	17	3	1
Total	68	106	86	13	21

CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2022	2023	2024	'23 Q4	'24 Q4
Int'l-to-Int'l	39	48	35	8	12
U.S.-to-Int'l	5	10	10	-	2
U.S.-to-U.S.	20	36	33	5	6
Int'l-to-U.S.	4	12	8	-	1
Total	68	106	86	13	21

Diversified Medical Device Public Comparables

PUBLIC DIVERSIFIED MEDICAL DEVICE COMPANY COMMENTARY:

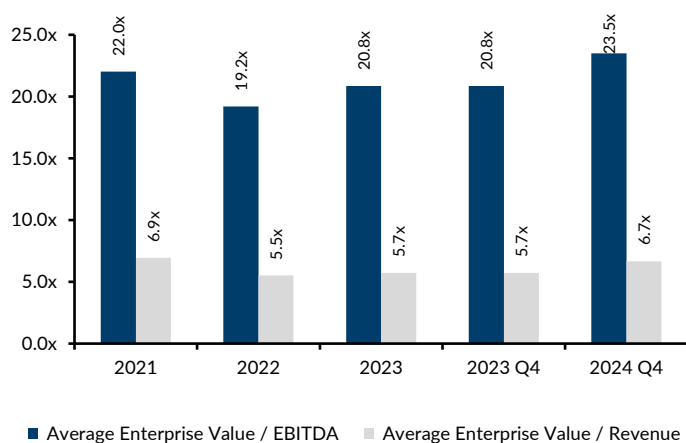
- “On your M&A question, yes, there's been an uptake of activity, no doubt. There are some good opportunities out there. I don't think you're going to see a change in the kind of rate environment, but maybe in the regulatory environment, I think that creates opportunity.” – Robert Ford, Abbott Laboratories, Chairman, President & CEO
- “External innovation has always been a very important part of our capital allocation strategy for Johnson & Johnson for the enterprise. And in fact, we are one of the top investors not only in M&A, but also in R&D. We are always looking for opportunities to be able to enhance our portfolio and our pipeline. And in 2024 alone, we completed more than 40 business development transactions.” – Joaquin Duato, Johnson & Johnson, CEO & Chairman

DIVERSIFIED MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

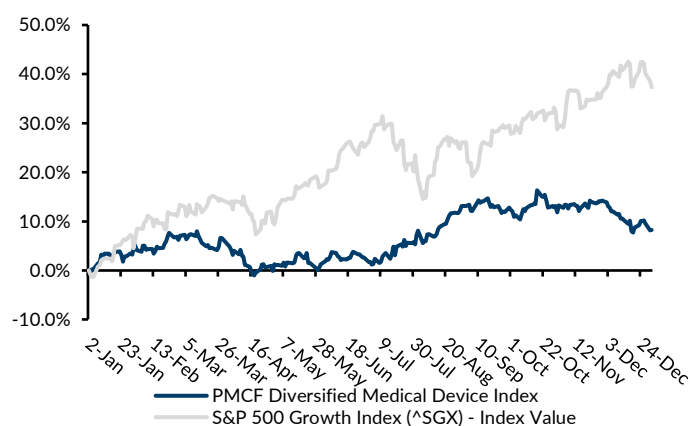
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	12/31/2024	7,968	15,275	196,184	203,728	4.9x	18.2x	34.4x
Baxter International Inc.	12/31/2024	1,764	13,449	14,889	26,634	1.8x	9.0x	122.5x
Becton, Dickinson and Company	12/31/2024	728	18,758	65,794	83,824	4.2x	15.8x	38.7x
Boston Scientific Corporation	12/31/2024	414	11,228	131,642	142,689	8.8x	33.8x	73.9x
Intuitive Surgical, Inc.	12/31/2024	4,013	146	185,911	182,140	23.1x	71.8x	84.0x
Johnson & Johnson	12/29/2024	24,522	37,834	348,190	361,502	4.1x	12.0x	23.8x
Medtronic plc	10/25/2024	7,989	28,326	102,429	122,988	3.7x	13.0x	24.5x
Smith & Nephew plc	12/31/2024	619	3,321	10,824	13,526	2.5x	12.5x	35.9x
Stryker Corporation	12/31/2024	4,493	14,120	137,257	146,884	6.8x	25.3x	38.6x
High		24,522	37,834	348,190	361,502	23.1x	71.8x	122.5x
Mean		5,834	15,829	132,569	142,657	6.7x	23.5x	52.9x
Median		4,013	14,120	131,642	142,689	4.2x	15.8x	38.6x
Low		414	146	10,824	13,526	1.8x	9.0x	23.8x

As of December 31, 2024

DIVERSIFIED MEDICAL DEVICE MULTIPLES



DIVERSIFIED MEDICAL DEVICE INDEX



The median EV/EBITDA multiple for the Diversified Medical Device (DMD) sector closed at 23.5x in 2024, with the Revenue/EBITDA multiple reaching 6.7x—both marking significant gains from 2023. Intuitive Surgical remains the industry leader with an outstanding 71.8x EBITDA multiple, while Boston Scientific and Stryker complete the top three.

The DMD Index ended 2024 with a modest 8% annual gain, reflecting a year marked by significant fluctuations in Q2 and Q3. Despite this, it underperformed the S&P 500 Growth Index by over 25%.

Orthopedic Public Comparables

PUBLIC ORTHOPEDIC MEDICAL DEVICE COMPANY COMMENTARY:

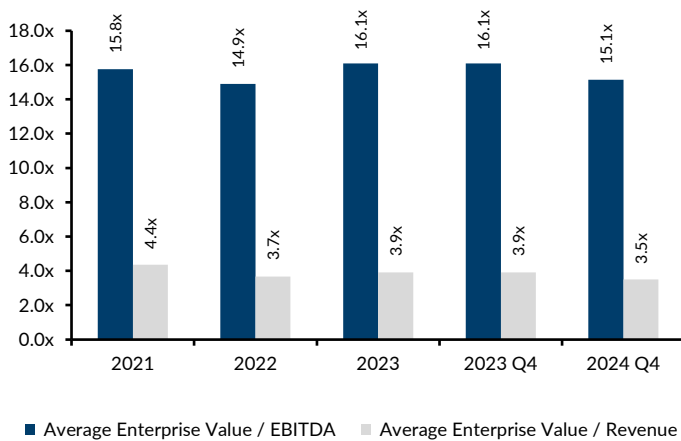
- “Acquisitions are a key part of how we grow and drive value, and you can see the significant impact that acquisitions have had on our company over the last 5 years in the MedTech space.” – Matthew Trerotola, Enovis Corporation, CEO & Chairman
- “We continue to see strong markets. Some of our peers claim the market is growing 5%. We believe it is around 4% to 4.2%. But nonetheless, the markets are healthy, they're steady, and we don't see this slowing down.” – Ivan Tornos, Zimmer Biomet Holdings, COO, President, CEO & Director

ORTHOPEDIC MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

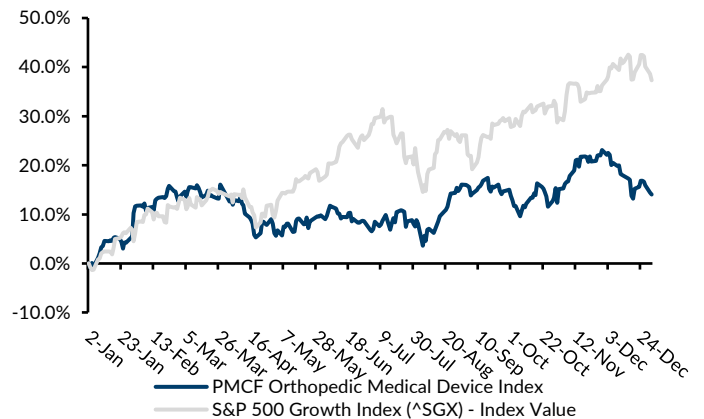
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Alphatec Holdings, Inc.	12/31/2024	139	621	1,302	1,808	3.2x	NM	NM
Enovis Corporation	12/31/2024	48	1,404	2,452	3,810	1.9x	12.0x	NM
Globus Medical, Inc.	12/31/2024	890	538	11,262	10,910	4.5x	16.2x	123.2x
Novartis AG	12/31/2024	13,351	31,401	195,695	213,825	4.6x	10.8x	18.3x
Orthofix Medical Inc.	12/31/2024	83	194	667	778	1.0x	18.8x	NM
Smith & Nephew plc	12/31/2024	619	3,321	10,824	13,526	2.5x	12.5x	35.9x
Stryker Corporation	12/31/2024	4,493	14,120	137,257	146,884	6.8x	25.3x	38.6x
Zimmer Biomet Holdings, Inc.	12/31/2024	527	6,621	21,025	27,127	3.6x	10.3x	20.1x
High		13,351	31,401	195,695	213,825	6.8x	25.3x	123.2x
Mean		2,519	7,277	47,560	52,333	3.5x	15.1x	47.2x
Median		573	2,363	11,043	12,218	3.4x	12.5x	35.9x
Low		48	194	667	778	1.0x	10.3x	18.3x

As of December 31, 2024

ORTHOPEDIC MEDICAL DEVICE MULTIPLES



ORTHOPEDIC MEDICAL DEVICE INDEX



The Orthopedic Medical Device (OMD) sector maintained a stable valuation trend in 2024, with multiples closely aligning with historical averages. The sector's EV/EBITDA multiple averaged 15.1x, while the EV/Revenue multiple stood at 3.5x, slightly below 2023 levels. Stryker and Orthofix continue to lead the sector, boasting EV/EBITDA multiples of 25.3x and 18.8x, respectively.

Following a brief slowdown in Q2, the OMD Index rallied sharply, reaching a peak of 23% before closing the year with a strong 14% gain. True to historical patterns, the OMD Index outperformed its peers, finishing as the top index among those tracked by PMCF.

Cardiovascular Public Comparables

PUBLIC CARDIOVASCULAR MEDICAL DEVICE COMPANY COMMENTARY:

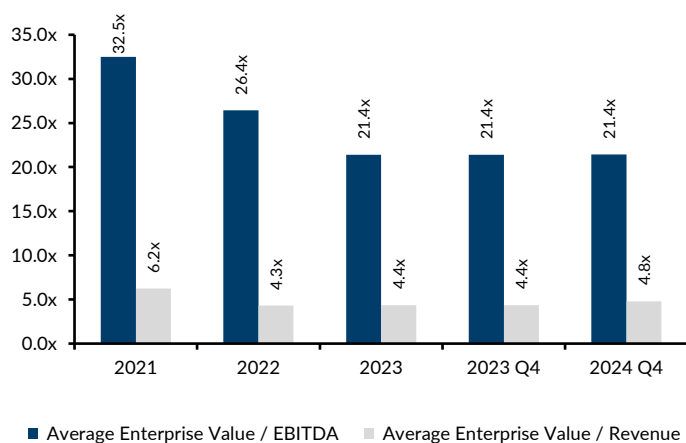
- “We've done dozens of acquisitions or investments over the last 5 years, and we'll continue to make investments. These are things that are complementary to the internal research and development projects that we have underway inside the Company.” – Scott Ullem, Edwards Lifesciences Corporation, CFO & Director
- “Look at the deals that are going on, there's still a lot of consolidation going on in the industry. But for the things that we were looking for that would fit, there was a period of time where it was a little dry because there were a lot of valuation expectations. It seems like some of those expectations, have come down.” – Fred Lampropoulos, Merit Medical Systems, CEO, President & Chairman

CARDIOVASCULAR MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

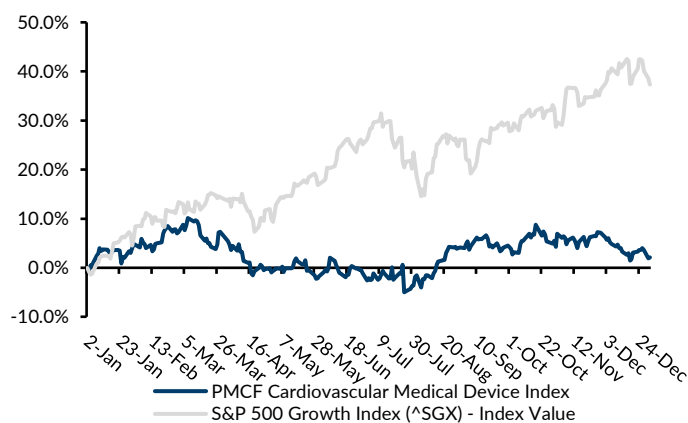
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	12/31/2024	7,968	15,275	196,184	203,728	4.9x	18.2x	34.4x
AngioDynamics, Inc.	11/30/2024	54	0	372	318	1.1x	NM	NM
Artivion, Inc.	12/31/2024	53	362	1,198	1,507	3.9x	25.2x	NM
Edwards Lifesciences Corporation	12/31/2024	4,446	707	43,663	39,989	6.3x	19.2x	28.6x
LeMaitre Vascular, Inc.	12/31/2024	300	18	2,072	1,790	9.2x	31.8x	50.6x
Medtronic plc	10/25/2024	7,989	28,326	102,429	122,988	3.7x	13.0x	24.5x
Merit Medical Systems, Inc.	12/31/2024	377	795	5,637	6,055	4.5x	22.4x	47.2x
Terumo Corporation	12/31/2024	1,352	1,449	28,725	28,822	4.6x	20.1x	38.1x
High		7,989	28,326	196,184	203,728	9.2x	31.8x	50.6x
Mean		2,817	5,866	47,535	50,650	4.8x	21.4x	37.2x
Median		864	751	17,181	17,438	4.5x	20.1x	36.2x
Low		53	0	372	318	1.1x	13.0x	24.5x

As of December 31, 2024

CARDIOVASCULAR MEDICAL DEVICE MULTIPLES



CARDIOVASCULAR MEDICAL DEVICE INDEX



The Cardiovascular Medical Device (CMD) sector saw relatively stable valuation multiples in 2024, remaining largely in line with 2023 levels. However, they still reflect a notable decline from the peak levels of 2021 and 2022. The sector's EV/EBITDA multiple closed at 21.4x, while the EV/Revenue multiple stood at 4.8x. LeMaitre Vascular leads the sector with the highest EV/EBITDA multiple at 31.8x.

The CMD Index delivered lackluster performance throughout the year, struggling to gain meaningful momentum and finishing with a 2% gain. However, it did recover from mid-year lows of -5%, offering a glimmer of hope for potential upside moving forward.

Diversified Diagnostic Public Comparables

PUBLIC DIVERSIFIED DIAGNOSTIC COMPANY COMMENTARY:

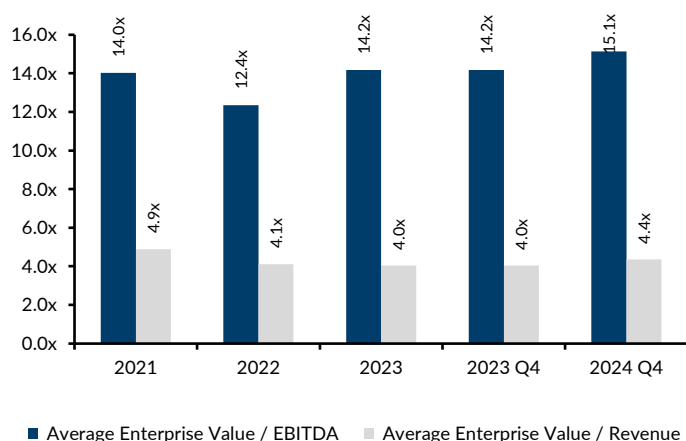
- “We'll have to see what those tariffs are and where they're from and so forth. But the one thing that we learned during COVID was how to build a resilient supply chain that has multiple different ways of getting supply.” – Adam Schechter, Labcorp Holdings, President, CEO & Chairman
- “We like the idea of trying to get into regular acquisition, part of what we articulated last year. My dream would be we could do 3 of these \$300-ish million deals a year and drop one into each of our franchises.” – Stephen MacMillan, Hologic, Chairman, CEO & President

DIVERSIFIED DIAGNOSTIC PUBLIC COMPARABLES SUMMARY

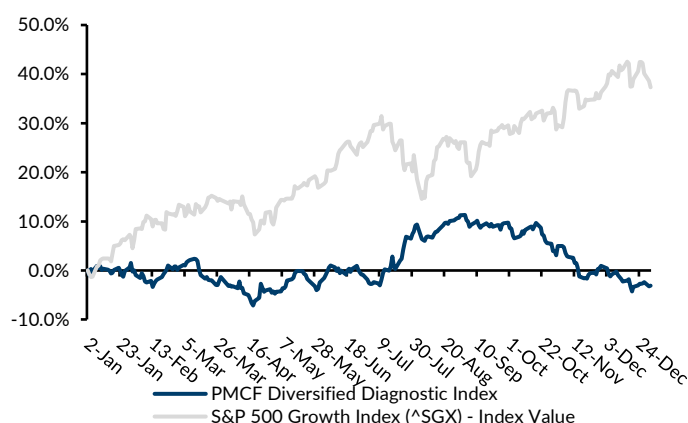
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	12/31/2024	7,968	15,275	196,184	203,728	4.9x	18.2x	34.4x
Becton, Dickinson and Co.	12/31/2024	728	18,758	65,794	83,824	4.2x	15.8x	38.7x
Danaher Corporation	12/31/2024	2,078	17,146	165,798	180,873	7.7x	23.3x	43.3x
Hologic, Inc.	12/28/2024	1,978	2,540	16,360	16,922	4.1x	12.6x	21.7x
Labcorp Holdings Inc.	12/31/2024	1,519	7,350	19,180	25,025	2.0x	13.0x	44.7x
Novartis AG	12/31/2024	13,351	31,401	195,695	213,825	4.6x	10.8x	18.3x
Quest Diagnostics Incorporated	12/31/2024	549	7,121	16,838	23,528	2.4x	10.6x	20.3x
Roche Holding AG	12/31/2024	19,128	40,145	226,435	252,302	3.9x	11.1x	19.3x
Thermo Fisher Scientific Inc.	12/31/2024	5,570	32,832	198,988	226,337	5.4x	20.8x	32.6x
High		19,128	40,145	226,435	252,302	7.7x	23.3x	44.7x
Mean		5,874	19,174	122,364	136,263	4.4x	15.1x	30.4x
Median		2,078	17,146	165,798	180,873	4.2x	13.0x	32.6x
Low		549	2,540	16,360	16,922	2.0x	10.6x	18.3x

As of December 31, 2024

DIVERSIFIED DIAGNOSTIC MULTIPLES



DIVERSIFIED DIAGNOSTIC INDEX



The Diversified Diagnostic (DD) industry valuation metrics delivered strong performance in 2024, with median multiples rising to 15.1x from 14.2x in the previous year. Danaher Corporation continues to lead the sector, while Quest Diagnostics sits at the lower end of the spectrum with EV/EBITDA multiples of 23.3x and 10.6x, respectively.

The DD Index experienced a challenging Q4, declining nearly 14% from its Q3 highs and ultimately finished the year down 3%. This steep drop marked a stark reversal of the potential momentum, making the DD Index the worst-performing index among those tracked by PMCF in 2024.

Q4 2024 Venture Capital Activity Overview

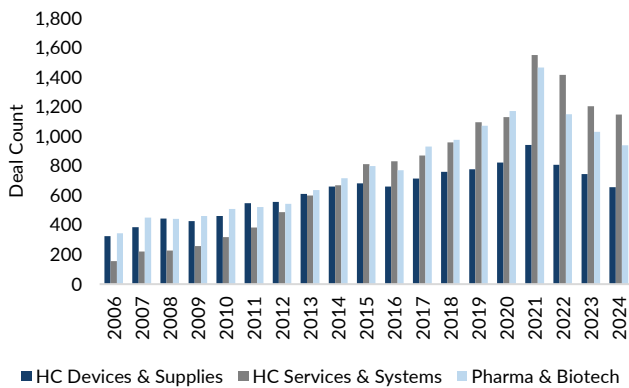
As 2024 comes to a close, the Venture Capital market continues to face challenges with exit activity, as the number of high-value exits has significantly declined over the past three years. While the overall number of exits remains consistent with pre-2021 levels, smaller exits now dominate the market. These deals, although helpful in reducing fund hold periods, fail to deliver the returns needed to meet limited partners' expectations. This trend has dampened fundraising and new dealmaking, with investors adopting a more cautious approach to ensure opportunities meet their hurdle rates. Despite these challenges, optimism is building as macroeconomic conditions improve. Favorable policies and declining interest rates are inspiring renewed potential for investment and a stronger outlook for the year ahead.

For the full year of 2024, Venture Capital activity consisted of 12,942 deals totaling \$209B in value, representing a 7% decrease in volume but a 29% increase in value from 2023. Angel, early VC, and late VC continue to split activity evenly across the market as they represented 34%, 36%, 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.

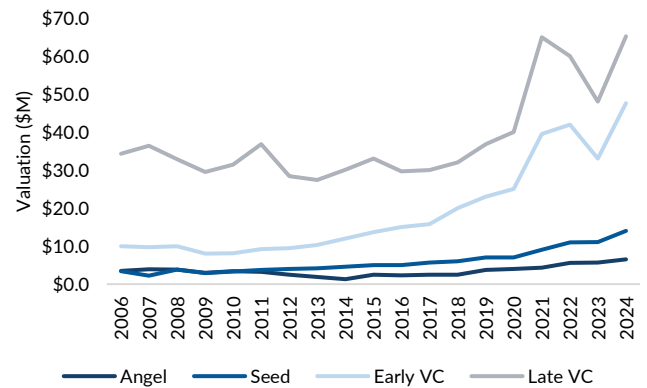
Throughout 2024, median deal valuations have rebounded from their post-pandemic lows. While valuations at the Angel and Seed stages have seen slower gains, they continue to rise. Early and late-stage valuations, however, have experienced substantial increases. Overall, average valuations are significantly higher than in 2023, reflecting 15%, 26%, 44%, and 36% increases across Angel, Seed, Early VC, and Late VC stages, respectively.

Looking ahead to 2025, there is building anticipation surrounding the Trump administration and its anticipated economic policies. As the new administration takes office, the market will be closely watching how campaign promises translate into concrete policies, particularly in areas such as taxes, healthcare, tariffs, and de-regulation. There is hope that these policies will stimulate greater market activity and pave the way for a stronger year ahead, but much uncertainty still lingers at this stage.

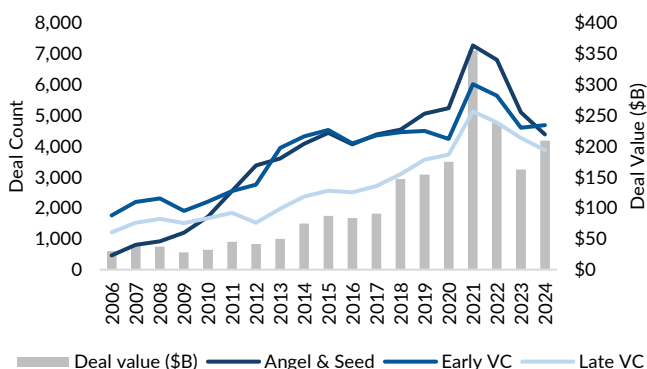
VC INVESTMENTS IN MEDICAL SECTORS



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.

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

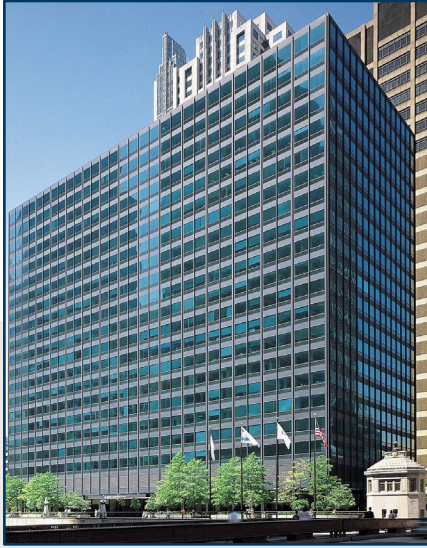
Founded in 1995, PMCF has spent almost 30 years successfully advising clients in the middle market. From M&A advisory or capital raising to strategic assessment and transaction planning, we execute transactions to achieve life-changing outcomes for our clients. We leverage our significant deal experience, 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

OUR LOCATIONS



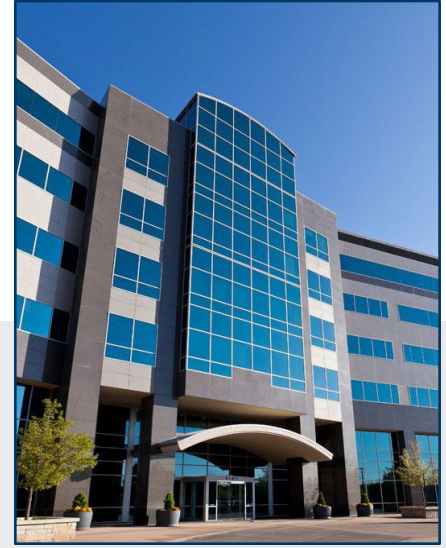
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8181 E. Tufts Avenue
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OUR FIRM

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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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