VALUE FOCUS

MEDTECH & DEVICE INDUSTRY

MERCER CAPITAL
BUSINESS VALUATION & FINANCIAL ADVISORY SERVICES

Second Quarter 2025

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EXECUTIVE SUMMARY

This quarterly update includes a broad outlook that divides the healthcare industry into four sectors:

1. Biotechnology & Life Sciences
2. Medical Devices
3. Healthcare Technology
4. Large, Diversified Healthcare Companies

We include a review of market performance, valuation multiple trends, operating metrics, and other market data. This issue also includes a review of M&A and IPO activity.

ICYMI

Medical Device Industry Outlook

Five Long-Term Trends to Watch

What is driving the future of the medical device industry? From powerful demographic shifts to technological innovation and global market expansion, we discuss five key trends that are reshaping the landscape in 2025 and beyond. But it is not all smooth sailing—rising trade tensions, regulatory changes, and evolving reimbursement models could bring new challenges.

>> Read Article

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STOCK MARKET PERFORMANCE

The S&P 500 fell 4.6% during the first quarter of 2025, following a 2.1% increase in the prior quarter. All four medtech industry sub-sectors tracked by Mercer Capital outperformed the broader index over 1Q25. In the prior quarter, all sub-sectors underperformed the S&P 500. Only one group (medical devices) posted negative returns (-1.1%). Biotechnology & life sciences posted a 2.8% return (after a decrease of 18.1% in the prior quarter), while the healthcare technology and large, diversified groups returned 9.8% and 8.7%, respectively.

- A market-capitalization weighted index of companies included in our biotechnology and life sciences sub-sector increased 2.8% over the quarter ended March 2025. Of the 14 companies tracked, five posted positive returns. The top performer of the group was Gilead Sciences, Inc., which reported a 21.3% return. GILD discovers, develops, and commercializes medicines in the areas of unmet medical needs in the U.S., Europe, and other geographies. The Company is headquartered in Foster City, California.

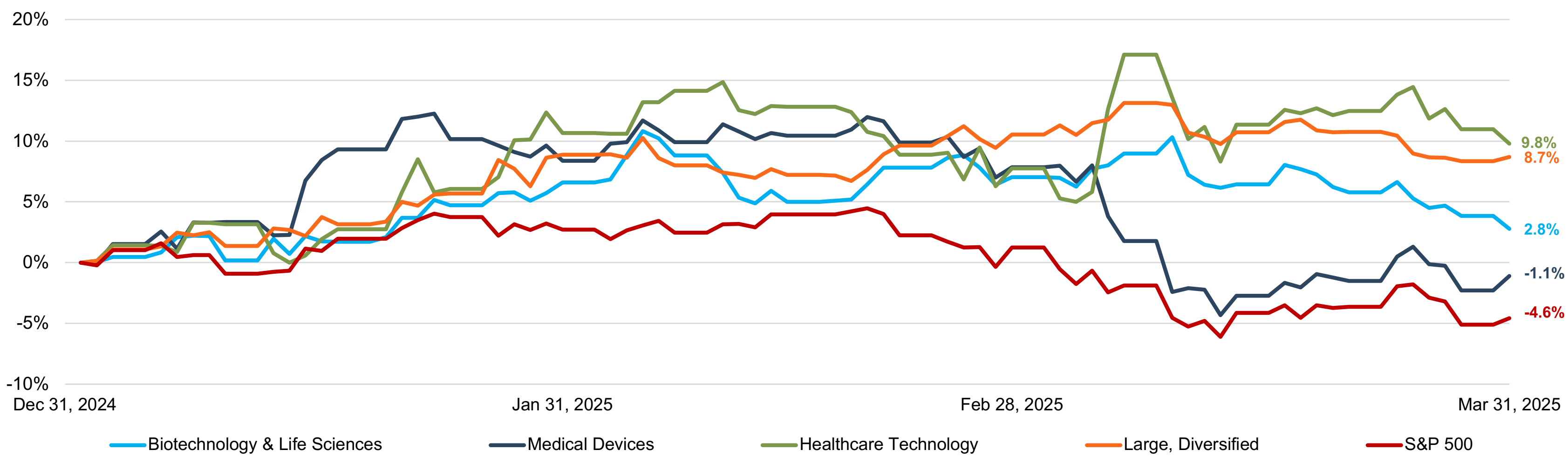
- The medical device index decreased 1.1% in 1Q25, but seven of the 16 companies tracked posted positive returns (after only three companies reported positive returns over the prior quarter). The best performer was Baxter International Inc. with a quarterly return of 17.4%. BAX is an Illinois-based company that develops and provides healthcare products worldwide, operating through four segments: Medical Products & Therapies, Healthcare Systems & Technologies, Pharmaceuticals, and Kidney Care.

- The healthcare technology index increased 9.8% over the quarter, with four of the nine constituent companies posting positive returns. The best performer was M3, which is a Japan-based company that provides medical-related services to physicians and other healthcare professionals. The biggest laggard in the group was Veradigm, Inc. (MDRX), posting a -55.3% return QoQ.

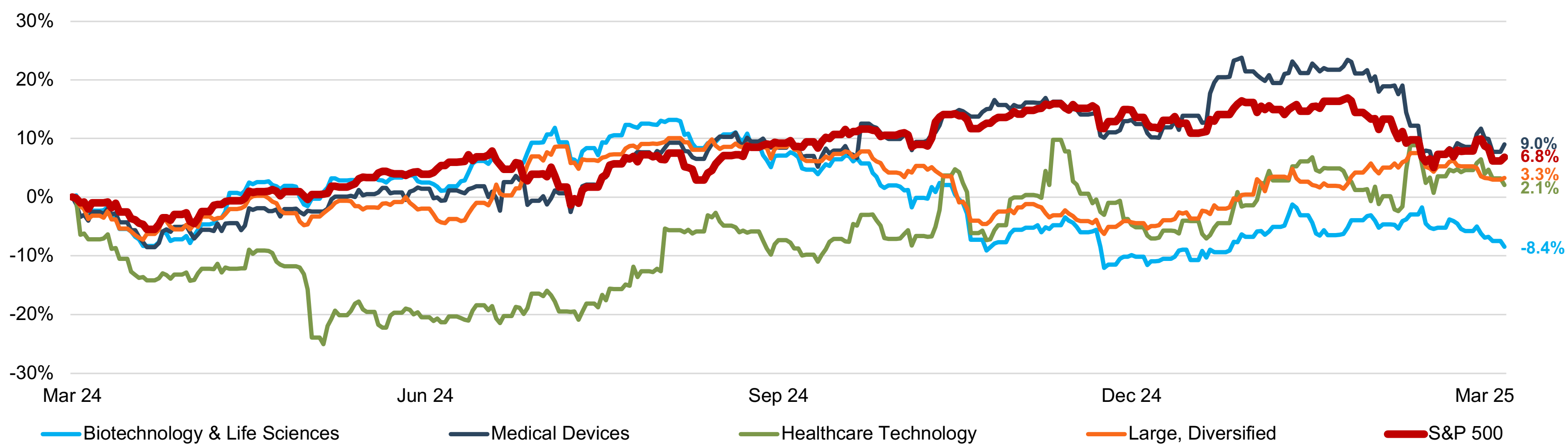
- The large, diversified companies as a group increased 8.7% over the quarter. Last quarter, all 13 companies in the group recorded negative returns quarter-over-quarter; however, nine of 13 posted positive returns over 1Q25. The top performer within the group was Amgen Inc., which increased 19.5% during the period. AMGN discovers, develops, manufactures, and delivers human therapeutics worldwide. The Company is headquartered in Thousand Oaks, California.

STOCK MARKET PERFORMANCE

1Q 2025 Stock Price Performance



LTM Stock Price Performance



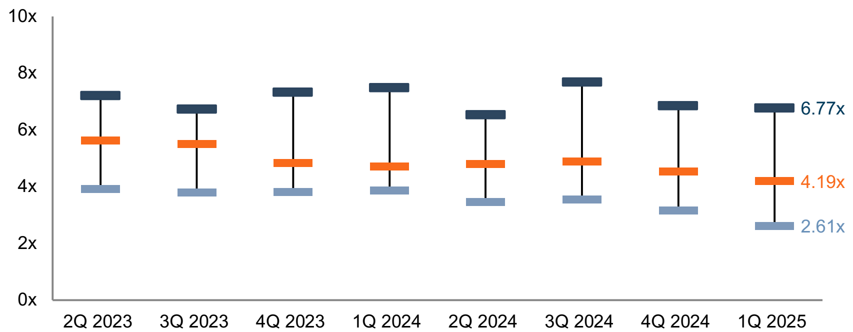
REVENUE MULTIPLES

75% Quartile   Median   25% Quartile

Median Revenue multiples from each MCM group. Data source: Bloomberg

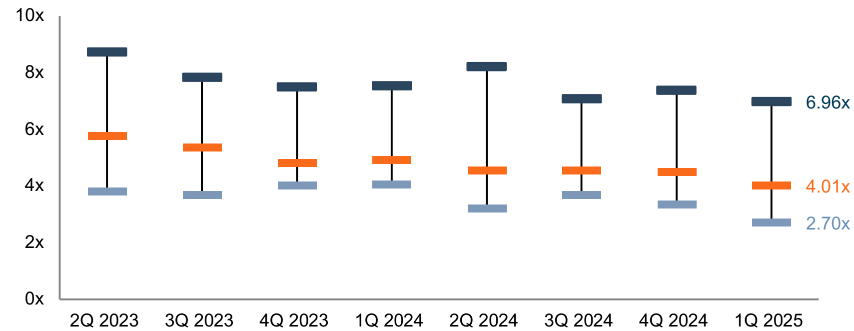
Biotechnology & Life Sciences

EV / Trailing LTM Revenue



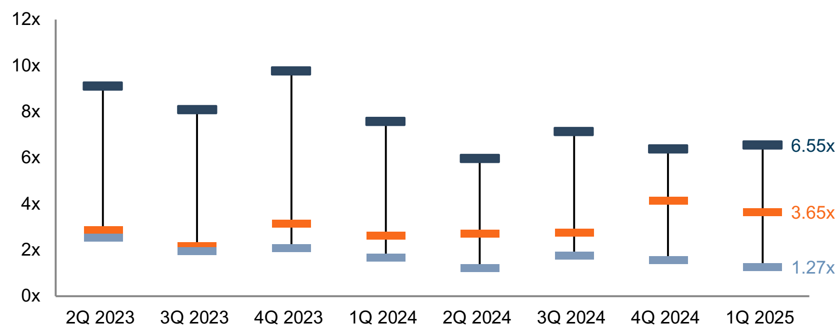
Medical Devices

EV / Trailing LTM Revenue



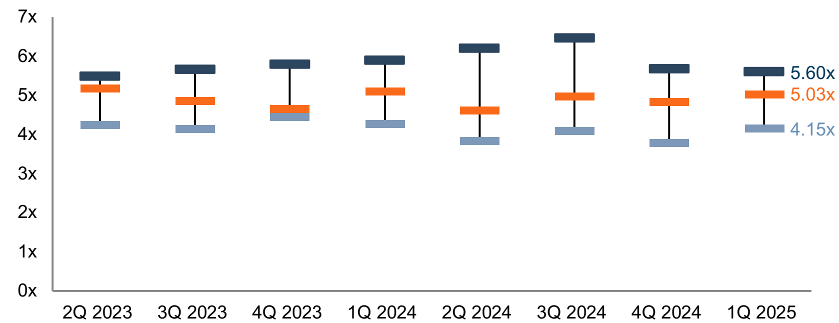
Healthcare Technology

EV / Trailing LTM Revenue



Large, Diversified

EV / Trailing LTM Revenue

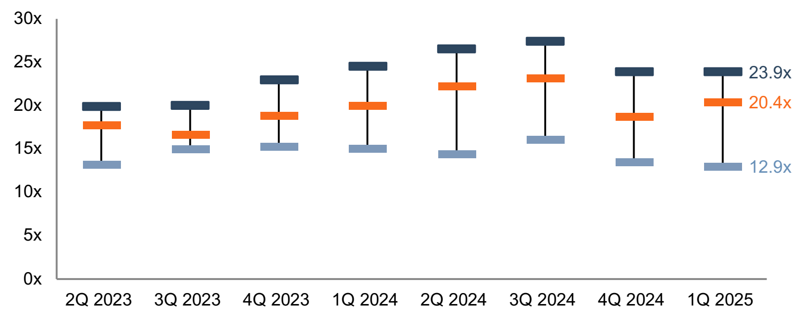


EBITDA MULTIPLES

75% Quartile   Median   25% Quartile
Median EBITDA multiples from each MCM group. Data source: Bloomberg

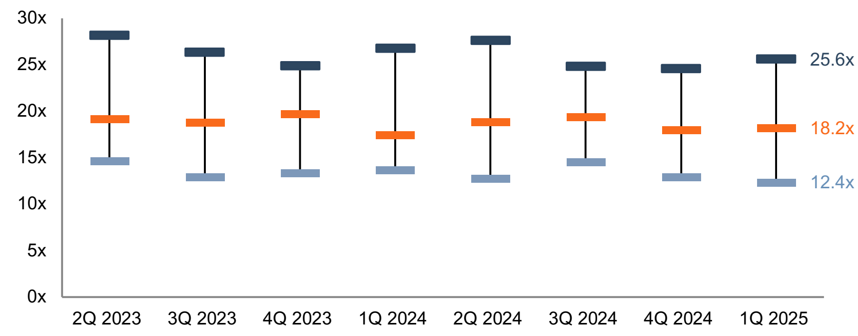
Biotechnology & Life Sciences

EV / Trailing LTM EBITDA



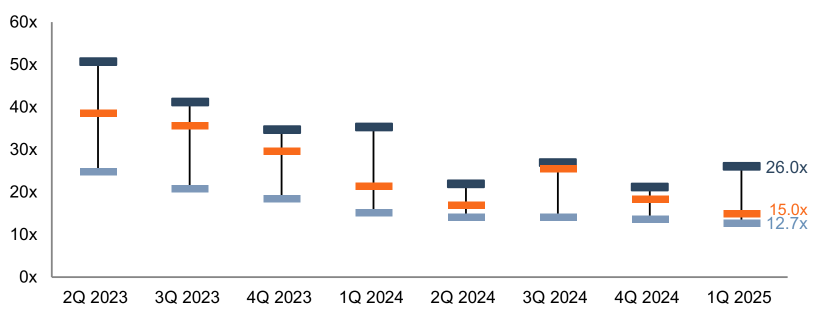
Medical Devices

EV / Trailing LTM EBITDA



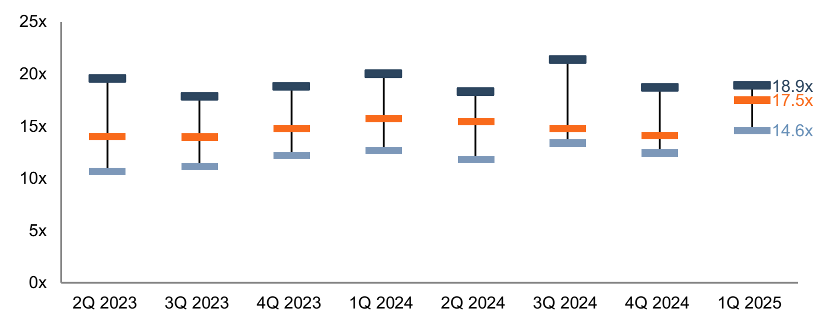
Healthcare Technology

EV / Trailing LTM EBITDA



Large, Diversified

EV / Trailing LTM EBITDA



SELECT OPERATING METRICS

	TTM Gross Margin		TTM Operating Margin		TTM R&D / Revenue		TTM EBITDA Margin	
Sector	**1Q 2025**	**4Q 2024**	**1Q 2025**	**4Q 2024**	**1Q 2025**	**4Q 2024**	**1Q 2025**	**4Q 2024**
Biotechnology & Life Sciences	65.4%	63.9%	14.5%	12.6%	20.6%	21.1%	25.9%	25.9%
Medical Devices	65.4%	65.3%	16.5%	16.6%	6.6%	6.8%	29.3%	30.3%
Healthcare Technology	68.6%	68.6%	8.9%	9.2%	12.0%	12.4%	22.4%	20.9%
Large, Diversified	56.3%	55.8%	17.2%	17.1%	8.5%	8.4%	28.8%	30.8%
Overall Median	**62.7%**	**62.1%**	**16.3%**	**16.0%**	**8.3%**	**8.5%**	**27.9%**	**29.2%**

	Revenue Growth		L-T FWD Op. Earn. Growth		Debt / EV		Debt / EBITDA	
Sector	**Q / Q**	**Y / Y**	**1Q 2025**	**4Q 2024**	**1Q 2025**	**4Q 2024**	**1Q 2025**	**4Q 2024**
Biotechnology & Life Sciences	1.3%	3.2%	8.8%	16.8%	13.3%	11.9%	2.3	2.1
Medical Devices	1.3%	4.2%	12.5%	11.1%	8.2%	8.7%	1.2	1.4
Healthcare Technology	2.6%	5.9%	18.0%	6.8%	3.6%	3.1%	0.5	0.6
Large, Diversified	0.6%	3.0%	8.7%	8.9%	15.8%	18.1%	2.6	2.4
Overall Median	**1.3%**	**3.5%**	**9.8%**	**10.1%**	**12.7%**	**11.4%**	**2.2**	**1.9**

PUBLIC MEDICAL DEVICE COMPANIES

		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		1Q 2025	4Q 2024	1Q 2024	Quarterly	Annual	1Q 2025	1Q 2025	1Q 2025	FY 2026	FY 2027	1Q 2025	1Q 2025	2026	2027
Biotechnology & Life Sciences															
Biogen Inc	BIIB	$137	$153	$216	-10.5%	-36.5%	$24,279	$9,676	$3,038	$3,289	$3,253	2.51x	8.0x	7.4x	7.5x
Bio-Rad Laboratories Inc	BIO	244	329	346	-25.9%	-29.6%	6,533	2,567	531	460	515	2.55	12.3	14.2	12.7
BioMarin Pharmaceutical Inc	BMRN	71	66	87	7.5%	-19.1%	12,981	2,854	672	857	1,117	4.55	19.3	15.1	11.6
Sartorius Stedim Biotech	DIM	197	195	285	1.0%	-30.9%	21,574	3,066	910	911	1,043	7.04	23.7	23.7	20.7
Eurofins Scientific SE	ERF	53	51	64	4.3%	-16.6%	14,398	7,519	1,576	1,641	1,792	1.91	9.1	8.8	8.0
Gilead Sciences Inc	GILD	112	92	73	21.3%	53.0%	158,898	28,734	10,901	14,338	15,026	5.53	14.6	11.1	10.6
Illumina Inc	ILMN	79	134	137	-40.6%	-42.2%	14,017	4,372	572	1,199	1,312	3.21	24.5	11.7	10.7
Incyte Corp	INCY	61	69	57	-12.3%	6.3%	9,346	4,413	57	1,272	1,677	2.12	163.9	7.3	5.6
IQVIA Holdings Inc	IQV	176	197	253	-10.3%	-30.3%	43,359	15,405	3,470	3,807	4,060	2.81	12.5	11.4	10.7
Lonza Group AG	LONN	613	592	599	3.6%	2.3%	47,060	7,471	1,859	2,220	2,568	6.30	25.3	21.2	18.3
Mettler-Toledo International Inc	MTD	1,181	1,224	1,331	-3.5%	-11.3%	26,811	3,872	1,248	1,277	1,377	6.92	21.5	21.0	19.5
Regeneron Pharmaceuticals Inc	REGN	634	712	962	-11.0%	-34.1%	54,063	14,086	3,799	4,819	5,466	3.84	14.2	11.2	9.9
Vertex Pharmaceuticals Inc	VRTX	485	403	418	20.4%	16.0%	115,096	11,020	4,811	5,738	6,615	10.44	23.9	20.1	17.4
Waters Corp	WAT	369	371	344	-0.6%	7.1%	23,266	2,958	1,043	1,114	1,193	7.86	22.3	20.9	19.5
Group Median					**-2.1%**	**-17.8%**						**4.19x**	**20.4x**	**12.9x**	**11.2x**

($Millions, except per share figures)
Data Source: Bloomberg

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PUBLIC MEDICAL DEVICE COMPANIES

		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		1Q 2025	4Q 2024	1Q 2024	Quarterly	Annual	1Q 2025	1Q 2025	1Q 2025	FY 2026	FY 2027	1Q 2025	1Q 2025	2026	2027
Medical Devices															
Terumo Corp	4543	$19	$19	$18	-4.2%	3.5%	$27,520	$6,376	$1,512	$1,820	$2,075	4.32x	18.2x	15.1x	13.3x
Sysmex Corp	6869	19	19	18	2.0%	7.6%	11,679	3,185	789	943	1,067	3.67	14.8	12.4	10.9
Olympus Corp	7733	13	15	15	-13.9%	-11.1%	14,528	6,415	1,565	1,635	1,827	2.26	9.3	8.9	8.0
Align Technology Inc	ALGN	159	209	328	-23.8%	-51.6%	10,935	3,999	827	1,006	1,111	2.73	13.2	10.9	9.8
Baxter International Inc	BAX	34	29	43	17.4%	-19.9%	29,176	12,856	2,198	2,491	2,656	2.27	13.3	11.7	11.0
Boston Scientific Corp	BSX	101	89	68	12.9%	47.3%	160,021	17,553	5,296	5,854	6,589	9.12	30.2	27.3	24.3
Coloplast A/S	COLOB	105	110	135	-4.4%	-22.5%	25,340	3,930	1,247	9,421	10,479	6.45	20.3	2.7	2.4
Edwards Lifesciences Corp	EW	72	74	96	-2.1%	-24.2%	39,384	5,539	1,300	1,755	1,960	7.11	30.3	22.4	20.1
Hologic Inc	HOLX	62	72	78	-14.3%	-20.8%	14,501	4,030	1,299	1,345	1,435	3.60	11.2	10.8	10.1
IDEXX Laboratories Inc	IDXX	420	413	540	1.6%	-22.2%	34,875	3,898	1,262	1,444	1,575	8.95	27.6	24.1	22.1
Intuitive Surgical Inc	ISRG	495	522	399	-5.1%	24.1%	172,999	nm	nm	3,811	4,391	nm	nm	45.4	39.4
ResMed Inc	RMD	224	229	198	-2.1%	13.0%	33,244	4,807	1,659	1,876	2,057	6.92	20.0	17.7	16.2
Smith & Nephew PLC	SN/	14	12	13	12.8%	11.9%	14,993	5,810	1,302	1,562	1,698	2.58	11.5	9.6	8.8
Stryker Corp	SYK	372	360	358	3.4%	4.0%	151,603	22,595	6,415	6,955	7,630	6.71	23.6	21.8	19.9
Teleflex Inc	TFX	138	178	226	-22.4%	-38.9%	7,877	3,047	1,134	910	921	2.58	6.9	8.7	8.6
Zimmer Biomet Holdings Inc	ZBH	113	106	132	7.1%	-14.2%	28,457	7,679	2,547	2,837	2,959	3.71	11.2	10.0	9.6
Group Median					**-2.1%**	**-12.7%**						**4.20x**	**14.1x**	**12.0x**	**11.0x**

($Millions, except per share figures)
Data Source: Bloomberg

PUBLIC MEDICAL DEVICE COMPANIES

		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		1Q 2025	4Q 2024	1Q 2024	Quarterly	Annual	1Q 2025	1Q 2025	1Q 2025	FY 2026	FY 2027	1Q 2025	1Q 2025	2026	2027
Healthcare Technology															
M3 Inc	2413	$11	$9	$14	27.7%	-19.6%	$6,955	$1,653	$516	$558	$629	4.21x	13.5x	12.5x	11.1x
Craneware PLC	CRW	23	26	28	-13.5%	-17.7%	818	189	53	63	69	4.32	15.5	12.9	11.9
Doximity Inc	DOCS	58	53	27	8.7%	115.6%	10,149	475	176	309	346	21.35	57.8	32.9	29.3
Evolent Health Inc	EVH	9	11	33	-15.8%	-71.1%	1,702	2,555	162	149	184	0.67	10.5	11.4	9.3
HealthStream Inc	HSTM	32	32	27	1.2%	20.7%	902	292	63	72	76	3.09	14.4	12.6	11.8
Veradigm Inc	MDRX	4	10	8	-55.3%	-43.4%	nm	nm	nm	143	66	nm	nm	nm	nm
Omnicell Inc	OMCL	35	45	29	-21.5%	19.6%	1,635	1,112	104	145	161	1.47	15.7	11.3	10.1
Teladoc Health Inc	TDOC	8	9	15	-12.4%	-47.3%	1,667	2,570	165	295	314	0.65	10.1	5.6	5.3
Veeva Systems Inc	VEEV	232	210	232	10.2%	0.0%	32,950	2,488	579	1,324	1,472	13.25	56.9	24.9	22.4
Group Median					**-7.4%**	**-24.6%**						**2.97x**	**18.0x**	**11.8x**	**10.5x**

($Millions, except per share figures)
Data Source: Bloomberg

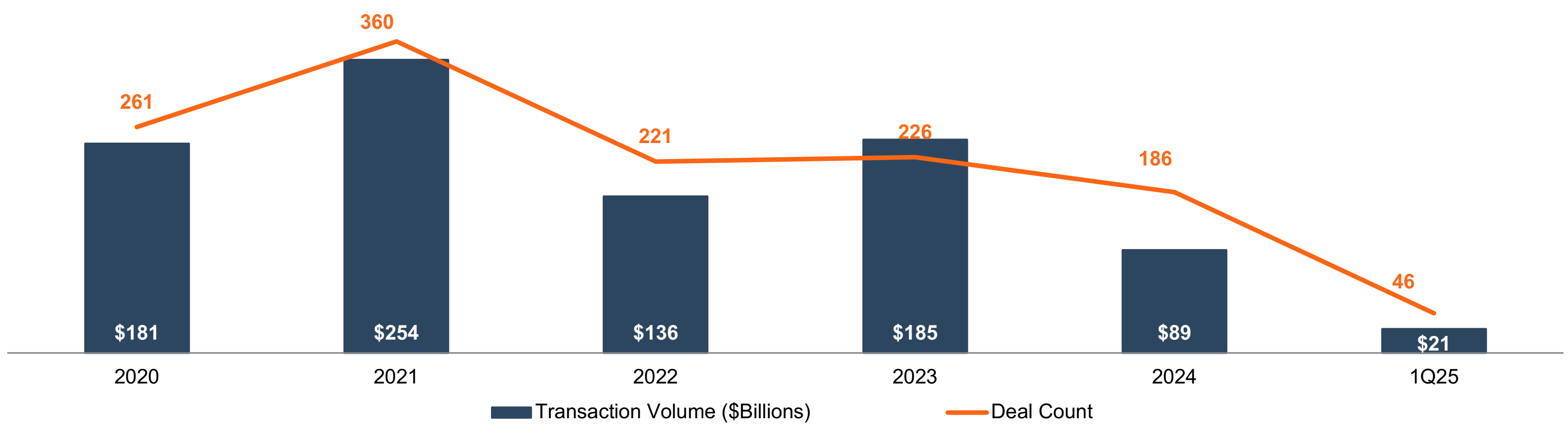
PUBLIC MEDICAL DEVICE COMPANIES

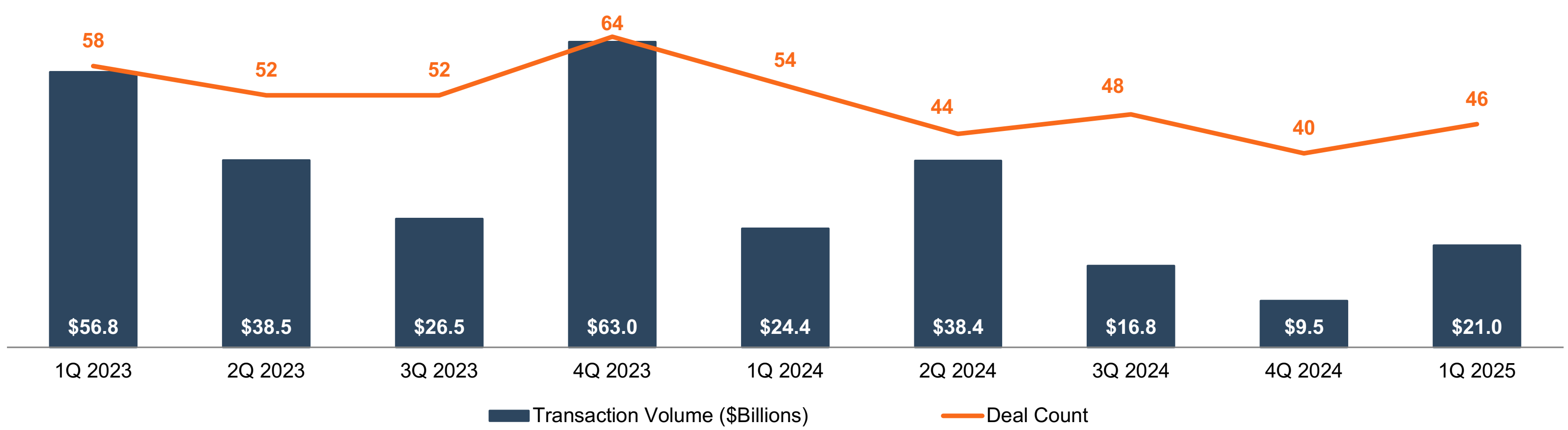
		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		1Q 2025	4Q 2024	1Q 2024	Quarterly	Annual	1Q 2025	1Q 2025	1Q 2025	FY 2026	FY 2027	1Q 2025	1Q 2025	2026	2027
Large, Diversified															
Agilent Technologies Inc	A	$117	$134	$146	-12.9%	-19.6%	$35,262	$6,533	$1,884	$1,989	$2,170	5.40x	18.7x	17.7x	16.3x
AbbVie Inc	ABBV	210	178	182	17.9%	15.1%	433,103	57,367	22,891	30,180	34,447	7.55	18.9	14.4	12.6
Abbott Laboratories	ABT	133	113	114	17.3%	16.7%	237,033	42,344	8,480	11,720	12,875	5.60	28.0	20.2	18.4
Amgen Inc	AMGN	312	261	284	19.5%	9.6%	216,177	33,424	13,376	20,763	18,284	6.47	16.2	10.4	11.8
Becton Dickinson & Co	BDX	229	227	247	1.0%	-7.4%	83,801	20,178	7,107	6,343	6,779	4.15	11.8	13.2	12.4
Danaher Corp	DHR	205	230	250	-10.7%	-17.9%	162,282	23,820	7,470	7,639	8,316	6.81	21.7	21.2	19.5
Johnson & Johnson	JNJ	166	145	158	14.7%	4.8%	412,420	89,331	22,633	34,801	35,822	4.62	18.2	11.9	11.5
Medtronic PLC	MDT	90	80	87	12.5%	3.1%	135,342	32,364	9,225	9,772	10,628	4.18	14.7	13.9	12.7
Koninklijke Philips NV	PHIA	25	25	20	0.1%	25.8%	28,724	19,495	3,307	3,255	3,534	1.47	8.7	8.8	8.1
Roche Holding AG	ROG	328	282	255	16.4%	28.9%	282,777	68,714	27,660	24,627	25,612	4.12	10.2	11.5	11.0
Siemens Healthineers AG	SHL	54	53	61	1.9%	-10.9%	75,220	24,261	5,143	5,001	5,539	3.10	14.6	15.0	13.6
Thermo Fisher Scientific Inc	TMO	498	520	581	-4.3%	-14.4%	215,971	42,898	10,845	10,877	11,974	5.03	19.9	19.9	18.0
Group Median					**7.2%**	**4.0%**						**4.83x**	**17.2x**	**14.1x**	**12.7x**

($Millions, except per share figures)
Data Source: Bloomberg

MEDTECH & DEVICE M&A

Medtech & Device M&A





Source: Capital IQ; Mercer Capital Analysis

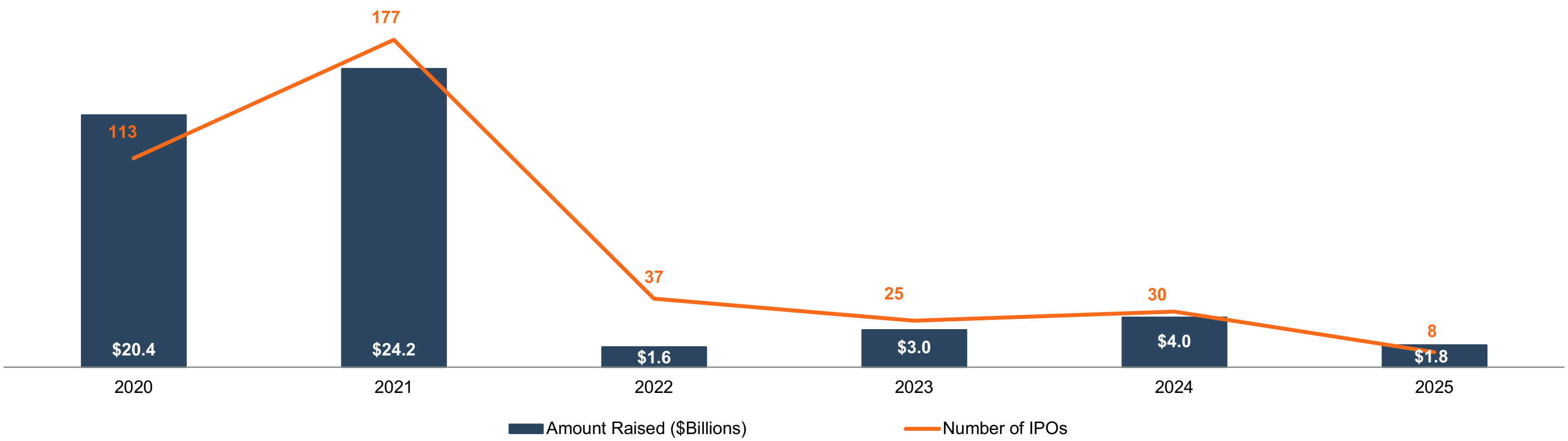
INITIAL PUBLIC OFFERINGS

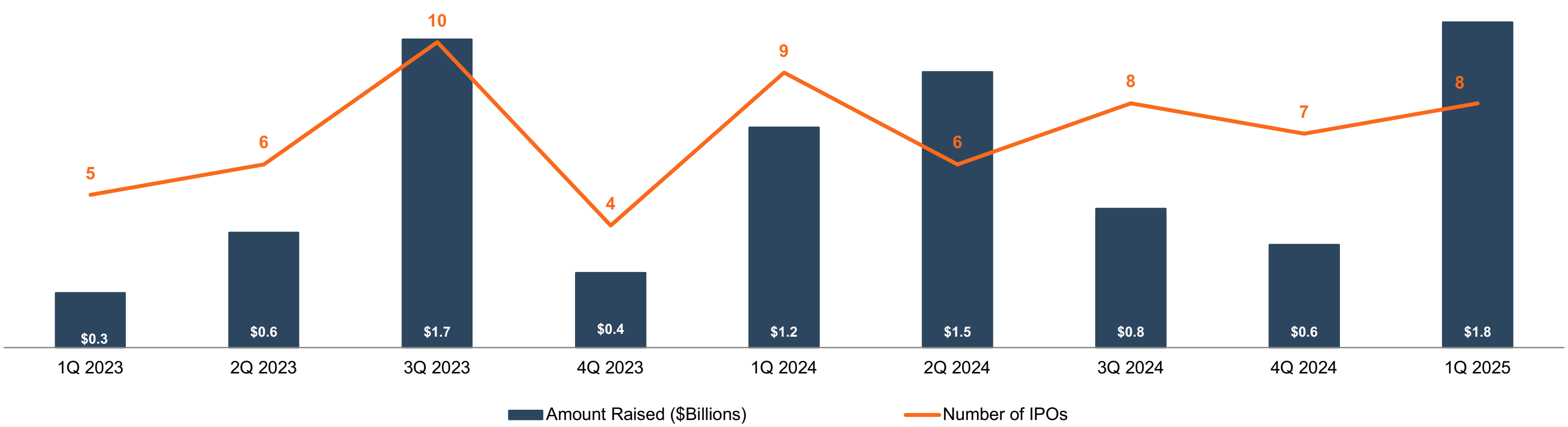
Completed Initial Public Offerings During 1Q 2025

Issuer	Ticker	IPO Date	IPO Price	Gross Proceeds ($mil)	3/31/25 Stock Price	Return Since IPO	3/31/25 Market Cap	Industry
Asker Healthcare Group AB	OM:ASKER	3/27/25	$7.00	$308.5	$8.02	14.6%	$3,071.8	Health Care Supplies
Kestra Medical Technologies, Ltd.	NasdaqGS:KMTS	3/5/25	17.00	202.0	24.92	46.6%	1,278.8	Health Care Equipment
Advanced Biomed Inc.	NasdaqCM:ADVB	3/5/25	4.00	6.6	3.92	-2.0%	84.8	Health Care Supplies
Anbio Biotechnology	NasdaqGM:NNNN	2/18/25	5.00	8.0	7.46	49.2%	327.4	Biotechnology
Sionna Therapeutics, Inc.	NasdaqGM:SION	2/6/25	18.00	190.6	10.46	-41.9%	461.5	Biotechnology
Cardiogeni PLC	OFEX:CGNI	1/30/25	1.83	1.8	0.10	-94.7%	8.3	Biotechnology
Metsera, Inc.	NasdaqGS:MTSR	1/30/25	18.00	275.0	27.22	51.2%	2,859.5	Biotechnology
Beta Bionics, Inc.	NasdaqGM:BBNX	1/29/25	17.00	204.0	12.24	-28.0%	530.6	Health Care Equipment

INITIAL PUBLIC OFFERINGS

Medtech & Device IPOs





Source: Capital IQ; Mercer Capital Analysis

MERCER CAPITAL'S

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>> Click here to learn more about our services

Mercer Capital provides valuation services to start ups, larger public and private companies, and private equity and venture capital funds.

Mercer Capital's expertise in the medtech and device industry spans the following segments:

- Biotechnology and life sciences
- Medical devices
- Healthcare technology
- Large, diversified

Our services include:

- Transaction and valuation advisory
- Purchase price allocations
- Impairment testing
- Portfolio valuation for LP reporting
- Equity compensation valuation for tax compliance

Contact a Mercer Capital professional to discuss your needs in confidence.

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