

VALUE FOCUS

# MEDTECH & DEVICE

INDUSTRY



Second Quarter 2026

[WWW.MERCERCAPITAL.COM](http://WWW.MERCERCAPITAL.COM)

## 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.

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## STOCK MARKET PERFORMANCE

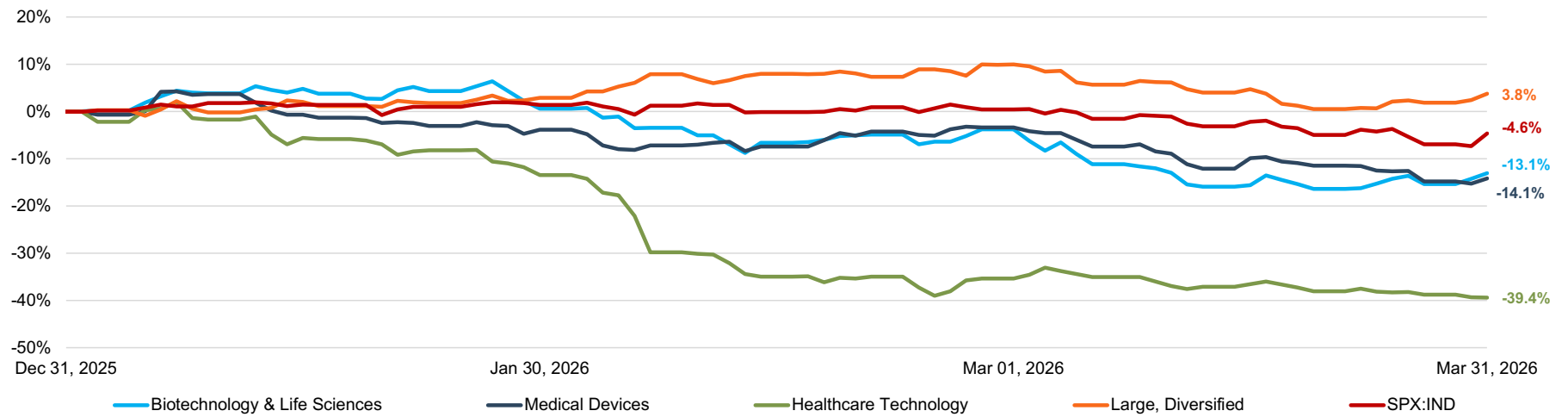
The S&P 500 declined 4.6% during the first quarter of 2026, following a 2.3% increase in the prior quarter. Three of the medtech industry sub-sectors tracked by Mercer Capital underperformed the broader index over 1Q26, while large, diversified companies outperformed the overall market. The biotechnology and life science tools, medical device, and healthcare technology sub-sectors all posted large losses over the quarter. The healthcare technology group declined 39.4% over the quarter, contributing to a -46.5% return over the last twelve months.

- A market-capitalization weighted index of companies included in our biotechnology and life science tools sub-sector decreased 13.1% over the quarter ended March 2026. All 13 companies tracked posted negative returns. The top performer of the group was Eurofins Scientific SE, which reported a negative 1.4% return. ERF provides various analytical testing and laboratory services worldwide. The Company is headquartered in Luxembourg City, Luxembourg.
- The medical device index decreased 14.1% in 1Q26, with only 4 of the 18 companies posting positive returns (after ten companies reported positive returns over the prior quarter). The best performer was Masimo Corporation with a quarterly return of 36.8%. MASI develops, manufactures, and markets various patient monitoring technologies, and automation and connectivity solutions worldwide. The Company is headquartered in Irvine, California.
- Within the healthcare technology index, all 14 constituent companies posted negative returns. The best performer was HealthStream, Inc., a Nashville, Tennessee, based company that provides Software-as-a-Service (SaaS) based applications for healthcare organizations in the United States. This significant decline in 1Q26 continues the declines in 4Q25 as pressures on healthcare IT spending and digital health valuations continue.
- The large, diversified companies as a group increased 3.8% over the quarter. Last quarter, 14 of the 18 companies observed in the group recorded positive returns QOQ. However, only six of 18 companies observed posted positive returns over 1Q26. The top performer within the group was Johnson & Johnson, which increased 18.1% during the period. JNJ, together with its subsidiaries, engages in the research and development, manufacture, and sale of various products in the healthcare field worldwide. The Company is headquartered in New Brunswick, New Jersey.

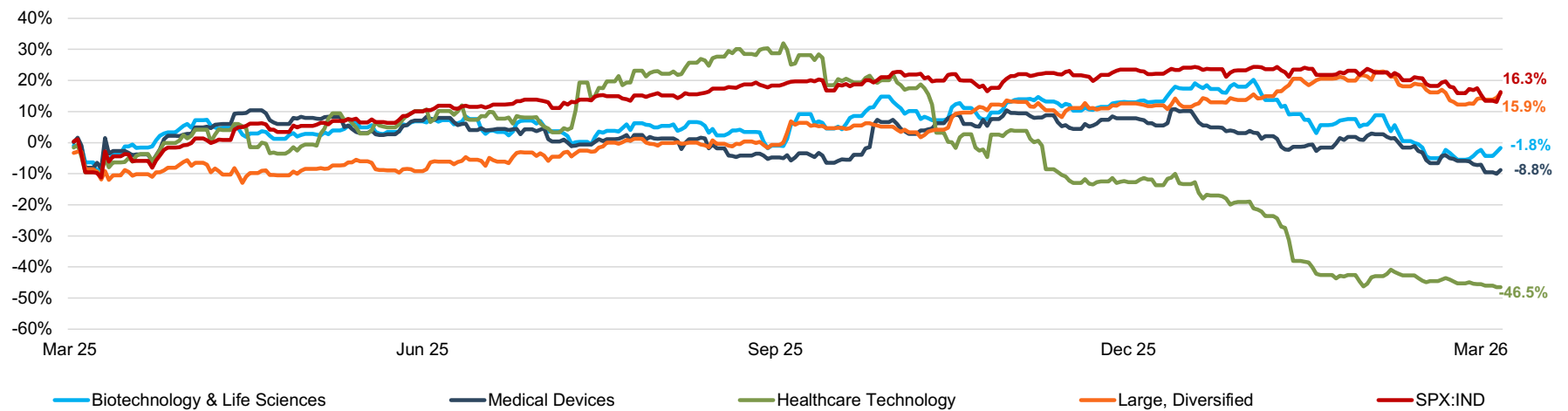
# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## STOCK MARKET PERFORMANCE

### 1Q 2026 Stock Price Performance



### LTM Stock Price Performance



# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

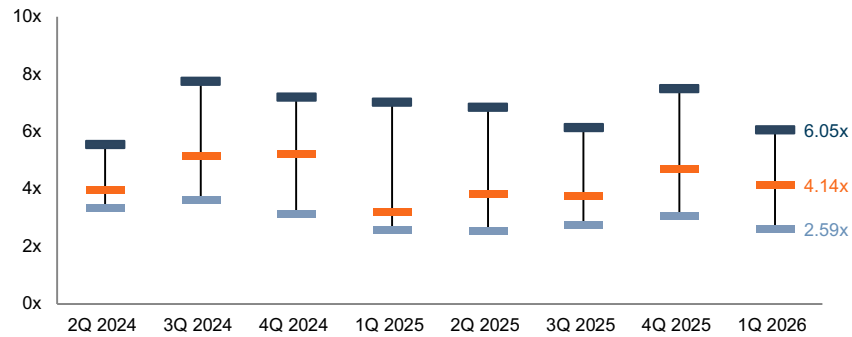
## REVENUE MULTIPLES

■ 75% Quartile ■ Median ■ 25% Quartile

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

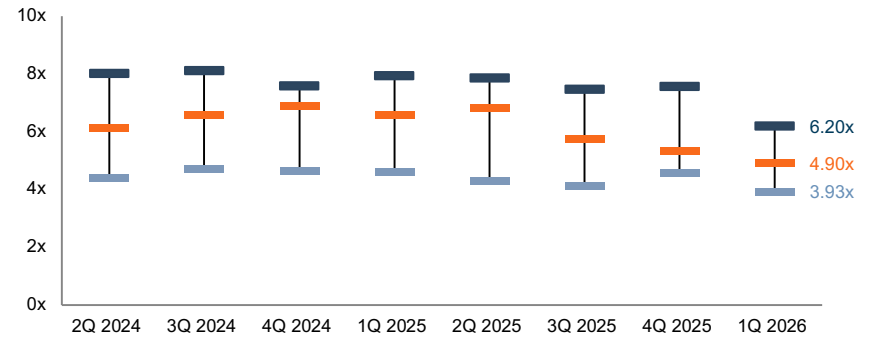
### Biotechnology & Life Sciences

EV / Trailing LTM Revenue



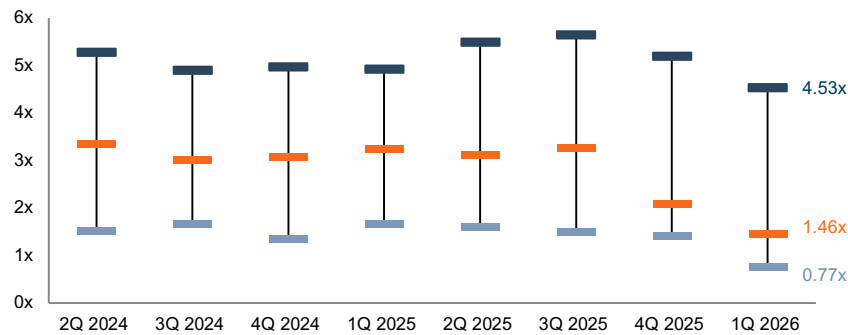
### Medical Devices

EV / Trailing LTM Revenue



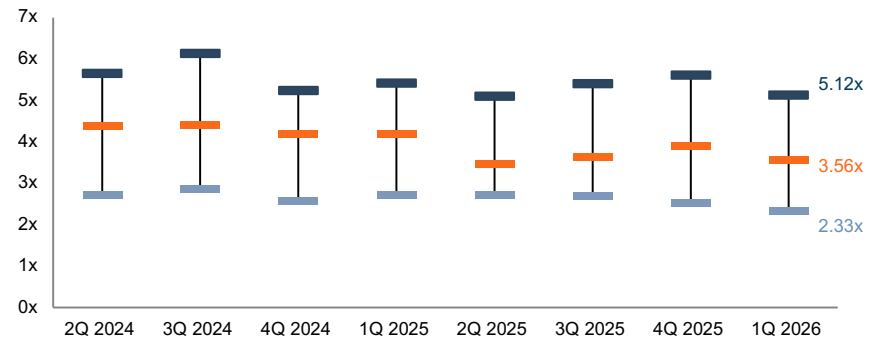
### Healthcare Technology

EV / Trailing LTM Revenue



### Large, Diversified

EV / Trailing LTM Revenue



# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

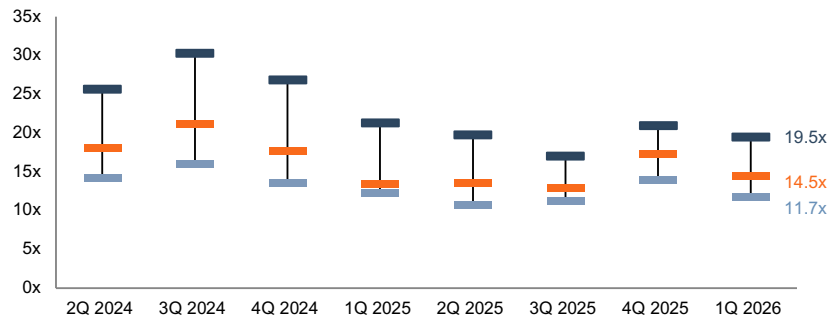
## EBITDA MULTIPLES

■ 75% Quartile ■ Median ■ 25% Quartile

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

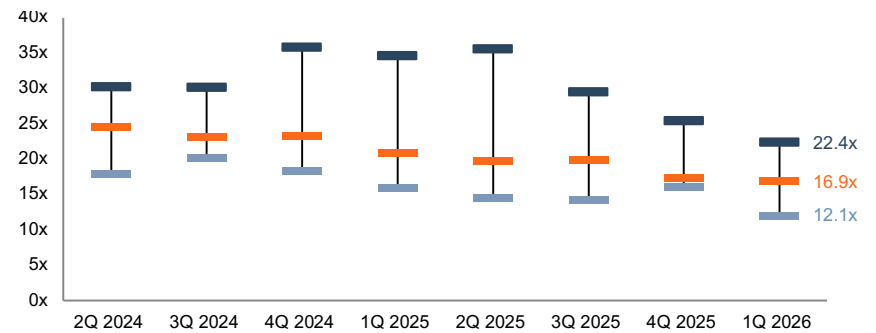
### Biotechnology & Life Sciences

EV / Trailing LTM EBITDA



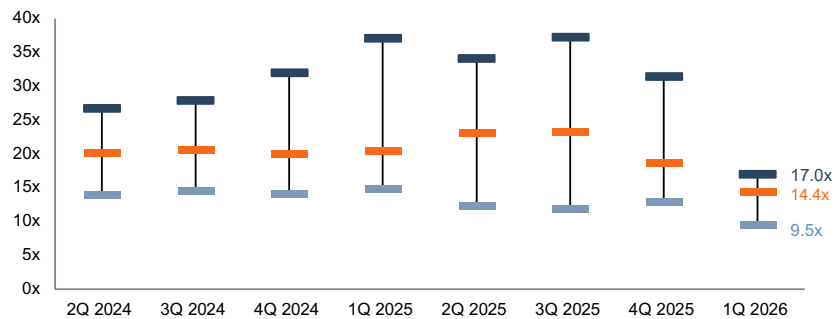
### Medical Devices

EV / Trailing LTM EBITDA



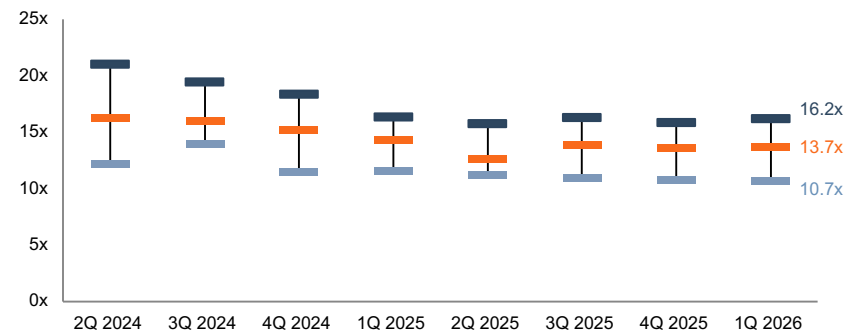
### Healthcare Technology

EV / Trailing LTM EBITDA



### Large, Diversified

EV / Trailing LTM EBITDA



# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## SELECT OPERATING METRICS

Sector	TTM Gross Margin		TTM Operating Margin		TTM R&D / Revenue		TTM EBITDA Margin	
	1Q 2026	4Q 2025	1Q 2026	4Q 2025	1Q 2026	4Q 2025	1Q 2026	4Q 2025
Biotechnology & Life Sciences	51.8%	51.8%	17.3%	17.3%	7.4%	7.6%	27.4%	27.3%
Medical Devices	67.4%	67.5%	19.2%	19.1%	7.3%	7.1%	27.1%	27.3%
Healthcare Technology	69.0%	68.3%	8.5%	8.3%	10.1%	10.2%	18.1%	17.5%
Large, Diversified	57.6%	57.8%	19.3%	19.4%	8.6%	8.6%	27.8%	27.8%
<b>Overall Median</b>	<b>65.1%</b>	<b>65.4%</b>	<b>17.7%</b>	<b>17.5%</b>	<b>8.3%</b>	<b>8.3%</b>	<b>27.2%</b>	<b>27.0%</b>

Sector	Revenue Growth		L-T FWD Op. Earn. Growth		Debt / EV		Debt / EBITDA	
	Q / Q	Y / Y	1Q 2026	4Q 2025	1Q 2026	4Q 2025	1Q 2026	4Q 2025
Biotechnology & Life Sciences	0.9%	6.8%	2.9%	1.7%	18.8%	18.0%	2.9	2.8
Medical Devices	2.7%	12.2%	9.2%	10.2%	6.3%	6.6%	1.4	1.5
Healthcare Technology	0.9%	6.1%	2.6%	8.8%	22.3%	16.0%	3.8	2.7
Large, Diversified	1.3%	6.3%	6.1%	4.6%	20.4%	19.0%	2.8	2.6
<b>Overall Median</b>	<b>1.5%</b>	<b>7.1%</b>	<b>5.8%</b>	<b>5.5%</b>	<b>17.5%</b>	<b>14.9%</b>	<b>2.4</b>	<b>2.3</b>

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## PUBLIC MEDICAL DEVICE COMPANIES

		Price		Δ Stock Price		EV	TTM	TTM	FWD EBITDA	FWD EBITDA	EV /	EV /	EV / FWD EBITDA		
		1Q	4Q	1Q	Quarterly		Annual	Rev			EBITDA	Rev.	EBITDA	2027	2028
		2026	2025	2025				1Q 2026			1Q 2026	1Q 2026	FY		
<b>Biotechnology &amp; Life Sciences</b>															
Bio-Rad Laboratories, Inc.	BIO	\$279	\$303	\$244	-8.0%	14.4%	\$7,337	\$2,590	\$479	\$428	\$442	2.83x	15.3x	17.1x	16.6x
Bruker Corporation	BRKR	36	47	42	-23.3%	-13.5%	7,123	3,459	493	720	782	2.06	14.5	9.9	9.1x
Charles River Laboratories International, Inc.	CRL	173	199	151	-13.5%	14.6%	11,432	4,027	978	1,046	1,111	2.84	11.7	10.9	10.3x
Sartorius Stedim Biotech S.A.	DIM	192	247	197	-22.3%	-2.8%	21,098	3,488	950	1,314	1,495	6.05	22.2	16.1	14.1x
Eurofins Scientific SE	ERF	72	73	53	-1.4%	35.8%	17,021	8,397	1,862	2,199	2,419	2.03	9.1	7.7	7.0x
Illumina, Inc.	ILMN	123	131	79	-6.0%	55.4%	20,235	4,393	1,247	1,449	1,581	4.61	16.2	14.0	12.8x
IQVIA Holdings Inc.	IQV	171	225	176	-24.3%	-3.3%	42,870	16,632	3,705	4,265	4,545	2.58	11.6	10.1	9.4x
Lonza Group AG	LONN	629	678	613	-7.2%	2.6%	49,258	4,271	1,199	3,362	3,869	11.53	41.1	14.7	12.7x
Merck KGaA	MRK	124	144	137	-13.8%	-9.3%	63,558	24,493	6,699	7,313	7,847	2.59	9.5	8.7	8.1x
Qiagen N.V.	QGEN	40	47	42	-15.4%	-5.3%	9,301	2,099	735	857	933	4.43	12.7	10.9	10.0x
Revvity, Inc.	RVTY	88	97	106	-9.4%	-17.2%	12,273	2,963	965	944	1,020	4.14	12.7	13.0	12.0x
Bio-Techne Corporation	TECH	52	59	59	-11.1%	-10.9%	8,252	1,211	424	448	507	6.82	19.5	18.4	16.3x
Waters Corporation	WAT	298	380	369	-21.6%	-19.2%	30,171	3,436	1,300	2,389	2,595	8.78	23.2	12.6	11.6x

(\$Millions, except per share figures)

Data Source: Bloomberg

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## PUBLIC MEDICAL DEVICE COMPANIES

		Price		Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA							
		1Q	4Q	1Q	Quarterly				Annual	1Q 2026			1Q 2026	1Q 2026	FY 2027	FY 2028	1Q 2026	1Q 2026	2027	2028
		2026	2025	2025																
<b>Medical Devices</b>																				
Align Technology, Inc.	ALGN	\$171	\$156	\$159	9.8%	7.9%	\$11,276	\$4,096	\$935	\$1,235	\$1,332	2.75x	12.1x	9.1x	8.5x					
Boston Scientific Corporation	BSX	63	95	101	-34.2%	-37.8%	103,073	20,615	5,578	7,391	8,196	5.00	18.5	13.9	12.6x					
Coloplast A/S	COLO B	67	86	105	-21.6%	-35.8%	18,732	4,389	1,889	1,503	1,610	4.27	9.9	12.5	11.6x					
The Cooper Companies, Inc.	COO	72	82	84	-12.8%	-15.2%	16,603	4,152	1,128	1,450	1,509	4.00	14.7	11.5	11.0x					
DexCom, Inc.	DXCM	63	66	68	-5.4%	-8.0%	23,139	4,818	1,327	1,903	2,204	4.80	17.4	12.2	10.5x					
Edwards Lifesciences Corporation	EW	80	85	72	-6.1%	10.5%	43,201	6,304	1,932	2,371	2,681	6.85	22.4	18.2	16.1x					
Globus Medical, Inc.	GMED	86	87	73	-1.3%	17.7%	11,139	3,101	968	1,152	1,252	3.59	11.5	9.7	8.9x					
Intuitive Surgical, Inc.	ISRG	461	566	495	-18.6%	-6.9%	159,335	10,582	3,905	5,869	6,699	15.06	40.8	27.1	23.8x					
Masimo Corporation	MASI	178	130	167	36.8%	6.8%	9,693	1,526	355	542	0	6.35	27.3	17.9	nm					
Penumbra, Inc. (NYSE:PEN)	PEN	328	311	267	5.6%	22.8%	12,487	1,454	239	370	432	8.59	52.2	33.7	28.9x					
Insulet Corporation	PODD	210	284	263	-26.2%	-20.1%	15,305	nm	nm	993	1,212	nm	nm	15.4	12.6x					
Profound Medical Corp.	PRN	6	8	6	-18.8%	11.6%	189	19	(38)	(25)	22	10.02	nm	nm	8.4x					
ResMed Inc.	RMD	224	241	224	-6.8%	0.3%	31,741	5,538	2,164	2,400	2,607	5.73	14.7	13.2	12.2x					
Smith & Nephew plc	SN.	16	17	14	-6.1%	11.6%	16,069	6,164	1,498	1,866	2,026	2.61	10.7	8.6	7.9x					
STERIS plc	STE	221	254	227	-12.8%	-2.4%	23,179	5,936	1,591	1,773	1,922	3.90	14.6	13.1	12.1x					
Stryker Corporation	SYK	329	351	372	-6.5%	-11.7%	138,114	25,270	7,129	8,533	9,452	5.47	19.4	16.2	14.6x					
Teleflex Incorporated	TFX	120	122	138	-2.0%	-13.4%	7,692	1,840	454	621	660	4.18	16.9	12.4	11.7x					
Zimmer Biomet Holdings, Inc.	ZBH	90	90	113	0.6%	-20.1%	24,808	8,409	2,595	2,877	2,983	2.95	9.6	8.6	8.3x					

(\$Millions, except per share figures)

Data Source: Bloomberg

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## PUBLIC MEDICAL DEVICE COMPANIES

		Price		Δ Stock Price		EV	TTM	TTM	FWD EBITDA	EV / Rev.	EV /	EV / FWD			
		1Q	4Q	1Q	Quarterly		Annual	Rev			EBITDA	EBITDA			
		2026	2025	2025				1Q 2026			1Q 2026	1Q 2026			FY 2027
<b>Healthcare Technology</b>															
M3, Inc.	2413	\$10	\$13	\$11	-25.1%	-11.2%	\$6,207	\$2,308	\$423	\$627	\$693	2.69x	14.7x	9.9x	9.0x
Craneware plc	CRW	18	26	23	-32.4%	-23.2%	599	211	41	78	84	2.83	14.7	7.7	7.1x
Claritev Corporation	CTEV	16	43	21	-61.8%	-20.8%	4,993	979	543	634	664	5.10	9.2	7.9	7.5x
Definitive Healthcare Corp.	DH	1	3	3	-57.1%	-57.4%	165	238	39	57	0	0.69	4.2	2.9	nm
Doximity, Inc.	DOCS	23	44	58	-47.4%	-59.8%	3,565	645	228	329	358	5.53	15.7	10.8	10.0x
Evolent Health, Inc.	EVH	2	4	9	-43.0%	-75.9%	1,098	1,889	80	165	193	0.58	13.7	6.7	5.7x
Health Catalyst, Inc.	HCAT	1	2	5	-46.9%	-72.0%	155	302	9	34	31	0.51	17.4	4.6	5.0x
HealthStream, Inc.	HSTM	21	23	32	-10.2%	-35.6%	556	312	72	81	0	1.78	7.7	6.8	nm
OptimizeRx Corporation	OPRX	6	12	9	-48.8%	-27.5%	121	107	19	27	0	1.13	6.3	4.5	nm
Phreesia, Inc.	PHR	8	17	26	-50.5%	-67.2%	540	481	25	129	145	1.12	21.5	4.2	3.7x
TruBridge, Inc.	TBRG	15	22	28	-33.7%	-46.8%	345	346	33	83	0	1.00	10.5	4.2	nm
Teladoc Health, Inc.	TDOC	5	7	8	-22.1%	-31.5%	1,260	2,514	61	296	316	0.50	20.7	4.3	4.0x
Veeva Systems Inc.	VEEV	176	223	232	-21.3%	-24.2%	22,226	3,195	1,001	1,621	1,841	6.96	22.2	13.7	12.1x
Waystar Holding Corp.	WAY	24	33	37	-26.4%	-35.5%	5,948	1,157	420	601	692	5.14	14.2	9.9	8.6x

(\$Millions, except per share figures)

Data Source: Bloomberg

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## PUBLIC MEDICAL DEVICE COMPANIES

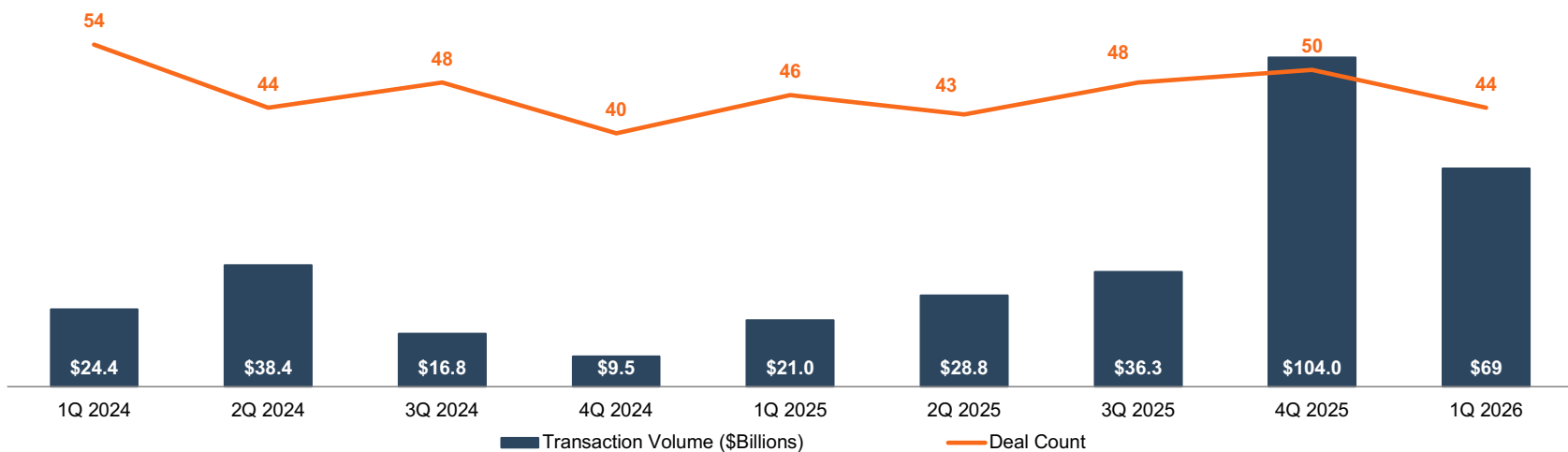
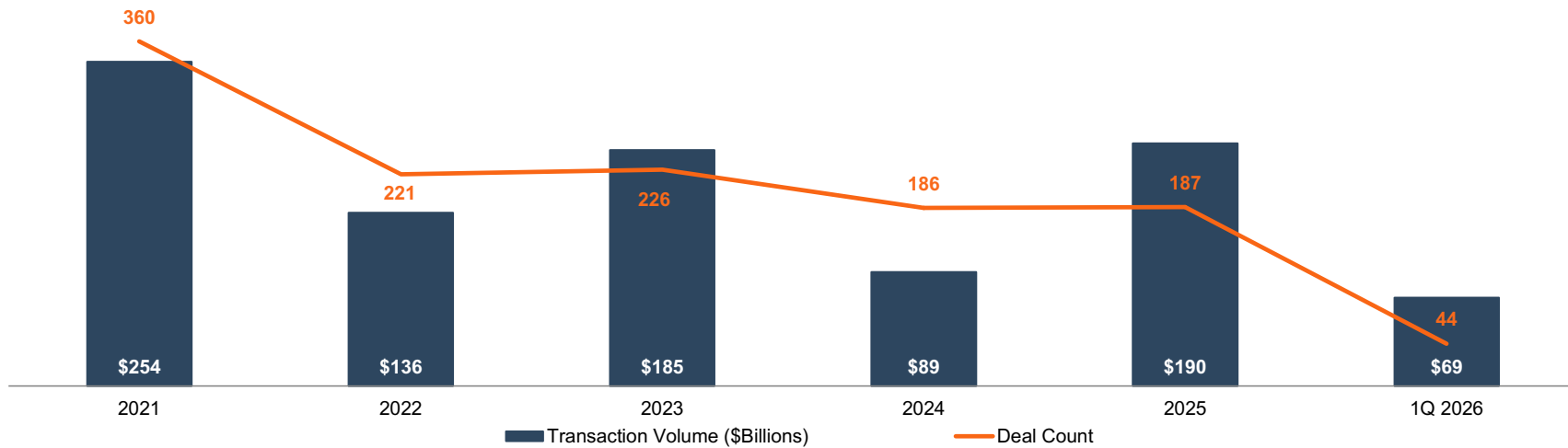
		Price		Δ Stock Price		EV	TTM	TTM	FWD EBITDA	EV / Rev.	EV /	EV / FWD EBITDA			
		1Q	4Q	1Q	Quarterly		Annual	Rev			EBITDA	EBITDA	2027	2028	
		2026	2025	2025				1Q 2026			1Q 2026	1Q 2026			FY 2027
<b>Large, Diversified</b>															
Takeda Pharmaceutical Company Limited	4502	\$36	\$31	\$29	15.5%	20.9%	\$86,836	\$29,674	\$9,843	\$7,932	\$8,615	2.93x	8.8x	10.9x	10.1x
Agilent Technologies, Inc.	A	114	136	117	-16.2%	-2.6%	34,003	7,065	2,049	2,357	2,580	4.81	16.6	14.4	13.2x
AbbVie Inc.	ABBV	217	228	210	-4.8%	3.8%	448,253	62,819	30,013	37,014	40,814	7.14	14.9	12.1	11.0x
Abbott Laboratories	ABT	103	125	133	-18.1%	-22.6%	206,297	45,134	11,645	14,572	15,946	4.57	17.7	14.2	12.9x
Amgen Inc.	AMGN	352	327	312	7.5%	12.9%	234,956	37,220	17,031	21,587	21,007	6.31	13.8	10.9	11.2x
Becton, Dickinson and Company	BDX	157	194	229	-19.0%	-31.4%	61,233	20,600	5,748	5,817	6,066	2.97	10.7	10.5	10.1x
Danaher Corporation	DHR	190	229	205	-17.2%	-7.5%	148,171	24,778	8,043	8,788	9,548	5.98	18.4	16.9	15.5x
GE HealthCare Technologies Inc.	GEHC	71	82	81	-13.2%	-11.8%	41,025	20,979	3,769	4,215	4,537	1.96	10.9	9.7	9.0x
Johnson & Johnson	JNJ	244	207	166	18.1%	47.4%	621,697	96,362	34,376	40,206	43,533	6.45	18.1	15.5	14.3x
Medtronic plc	MDT	87	96	90	-9.8%	-3.6%	131,148	34,758	9,618	10,873	11,755	3.77	13.6	12.1	11.2x
Merck & Co., Inc.	MRK	120	105	90	14.3%	34.0%	340,872	65,768	29,724	33,367	36,013	5.18	11.5	10.2	9.5x
Pfizer Inc.	PFE	28	25	25	12.8%	10.8%	211,682	63,315	25,632	24,297	21,341	3.34	8.3	8.7	9.9x
Koninklijke Philips N.V.	PHIA	27	27	25	-1.4%	6.5%	31,977	20,630	3,288	3,907	4,202	1.55	9.7	8.2	7.6x
Rogers Corporation	ROG	107	92	68	17.2%	58.9%	1,748	821	125	162	0	2.13	14.0	10.8	nm
Sanofi	SAN	95	97	110	-1.8%	-13.4%	132,249	55,354	15,242	17,721	19,329	2.39	8.7	7.5	6.8x
Siemens Healthineers AG	SHL	42	53	54	-20.6%	-21.9%	62,217	26,959	5,267	6,062	6,668	2.31	11.8	10.3	9.3x
Solventum Corporation	SOLV	65	79	76	-17.6%	-14.1%	16,052	8,262	1,154	1,997	2,089	1.94	13.9	8.0	7.7x
Thermo Fisher Scientific Inc.	TMO	492	579	498	-15.2%	-1.2%	222,629	45,197	11,533	13,351	14,483	4.93	19.3	16.7	15.4x

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

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## MEDTECH & DEVICE M&A

### Medtech & Device M&A



Source: Capital IQ; Mercer Capital Analysis

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## INITIAL PUBLIC OFFERINGS

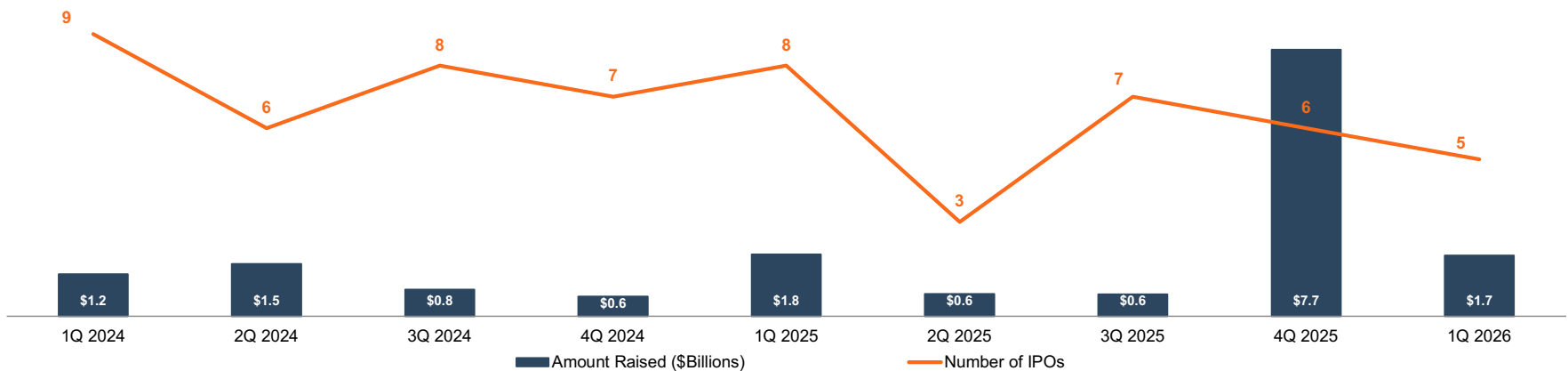
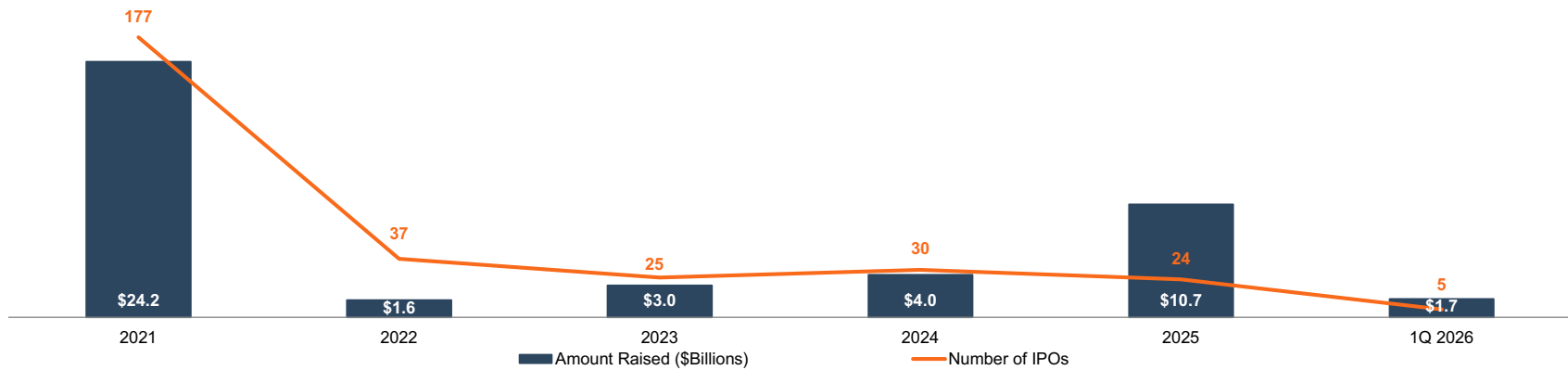
### Completed Initial Public Offerings During 1Q26

Issuer	Ticker	IPO Date	IPO Price	Gross Proceeds (\$mil)	3/31/26 Stock Price	Return Since IPO	3/31/26 Market Cap	Industry
MiniMed Group, Inc.	NasdaqGS:MMED	3/5/26	\$20.00	\$560.0	\$14.92	-25.4%	\$4,189.7	Health Care Supplies
Generate Biomedicines, Inc.	NasdaqGS:GENB	2/26/26	16.00	400.0	12.50	-21.9%	1,593.1	Biotechnology
Innovacell Inc.	TSE:504A	2/24/26	8.67	32.9	5.05	-41.8%	227.8	Biotechnology
Eikon Therapeutics, Inc.	NasdaqGS:EIKN	2/4/26	18.00	381.2	10.58	-41.2%	572.8	Biotechnology
Aktis Oncology, Inc.	NasdaqGS:AKTS	1/8/26	18.00	317.7	17.89	-0.6%	988.9	Biotechnology

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

## INITIAL PUBLIC OFFERINGS

### Medtech & Device IPOs



Source: Capital IQ; Mercer Capital Analysis

# MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

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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.

## MEDTECH & DEVICE INDUSTRY VALUATION TEAM



**Sujan Rajbhandary, CFA, ABV**  
901.322.9749  
sujanr@mercercapital.com



**J. David Smith, ASA, CFA**  
713.239.1005  
smithd@mercercapital.com



**Travis W. Harms, CFA, CPA/ABV**  
901.322.9760  
harmst@mercercapital.com



**Reese Sellers**  
901.723.0661  
reese.sellers@mercercapital.com



**J. Davis Rolfe, Jr., CPA**  
901.322.9712  
rolfed@mercercapital.com