

VALUE FOCUS

MEDTECH & DEVICE

INDUSTRY



First Quarter 2026

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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Learn More about Mercer Capital & our Medtech & Device Valuation and Advisory Services at www.mercercapital.com

STOCK MARKET PERFORMANCE

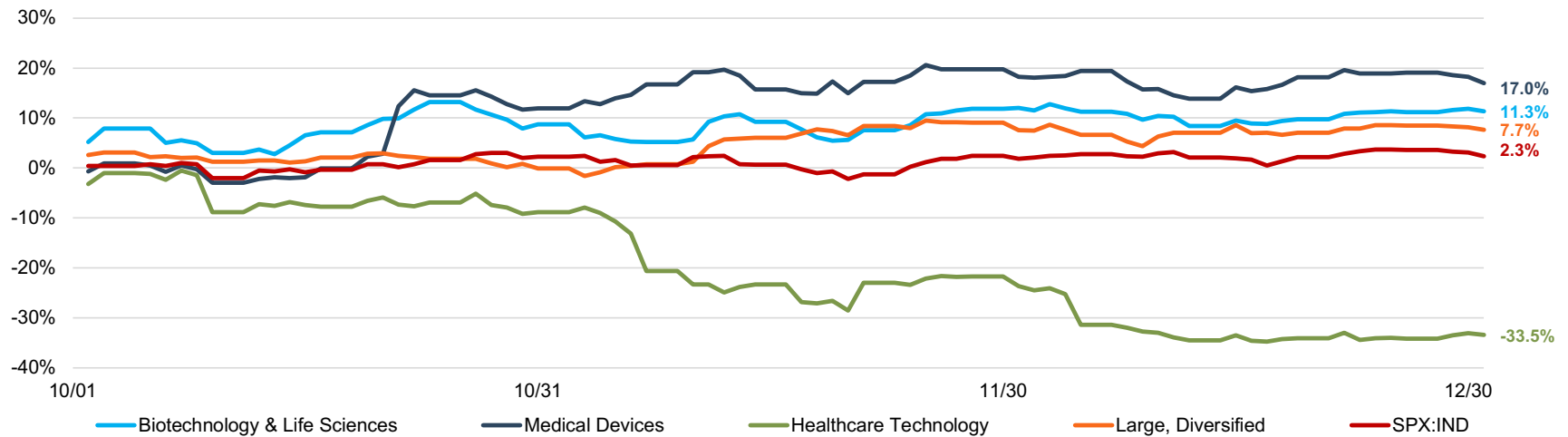
The S&P 500 was up 2.3% during the fourth quarter of 2025, following a 7.8% increase in the prior quarter. Three out of the four medtech industry sub-sectors tracked by Mercer Capital outperformed the broader index over 4Q25, while healthcare technology underperformed. The medical device group was the best performer, followed by the biotechnology & life science tools group, with sizable gains. The healthcare technology group declined 33.5% after posting increases in the prior two quarters.

- A market-capitalization weighted index of companies included in our biotechnology and life science tools sub-sector increased 11.3% over the quarter ended December 2025. All 13 companies tracked posted positive returns. The top performer of the group was Bruker Corporation, which reported a 45% return. BRKR develops, manufactures, and distributes scientific instruments, and analytical and diagnostic solutions. The Company is headquartered in Billerica, Massachusetts.
- The medical device index increased 17.0% in 4Q25, with ten of the 19 companies posting positive returns (after seven companies reported positive returns over the prior quarter). The best performer was Profound Medical Corp. with a quarterly return of 60.9%. PRN is a Canada-based company that develops and markets incision-free therapeutic systems for the image guided ablation of diseased tissue in Canada, Germany, the United States, and Finland. The Company is headquartered in Mississauga, Canada.
- Within the healthcare technology index, only one of the 14 constituent companies posted positive returns. The lone riser was TruBridge, Inc., an Alabama-based company that provides healthcare solutions and services for community hospitals, clinics, and other healthcare systems in the United States and internationally. The company focuses on revenue cycle management and acute care solutions. The healthcare technology industry declined 4% decline over the year.
- The large, diversified companies as a group increased 7.7% over the quarter. Last quarter, ten of the 13 companies observed in the group recorded positive returns QOQ. However, 14 of 18 companies observed posted positive returns over 4Q25. The top performer within the group was Merck & Co., Inc., which increased 25.4% during the period. MRK offers human health pharmaceutical for various areas. The Company is headquartered in Rahway, New Jersey.

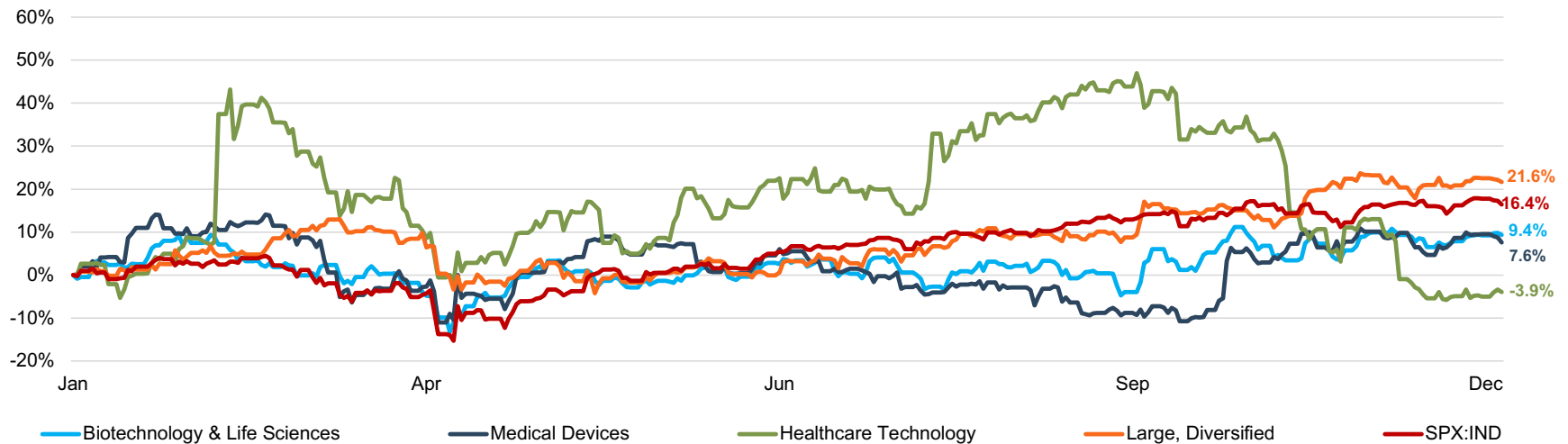
MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

STOCK MARKET PERFORMANCE

4Q 2025 Stock Price Performance



LTM Stock Price Performance



MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

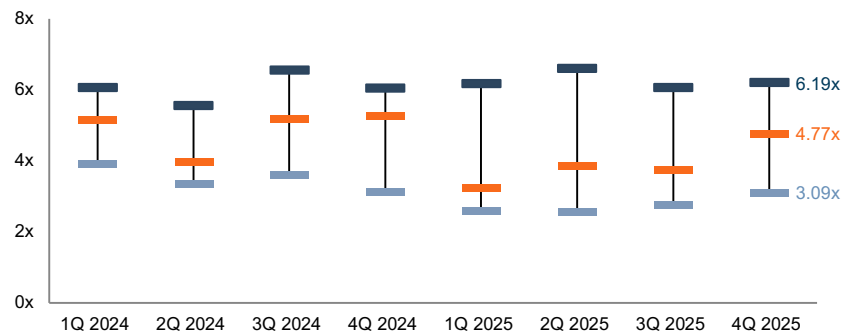
REVENUE MULTIPLES

■ 75% Quartile ■ Median ■ 25% Quartile

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

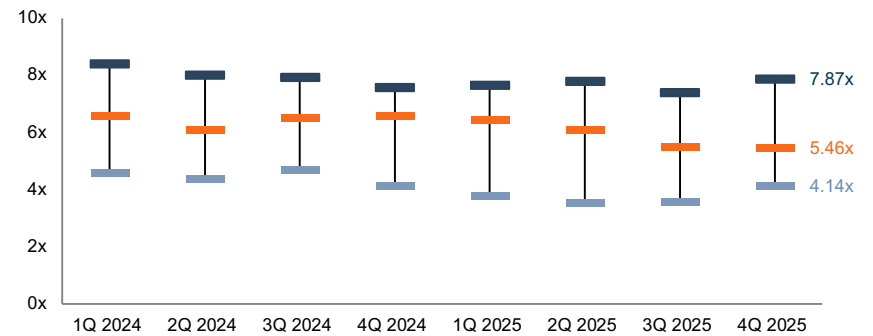
Biotechnology & Life Sciences

EV / Trailing LTM Revenue



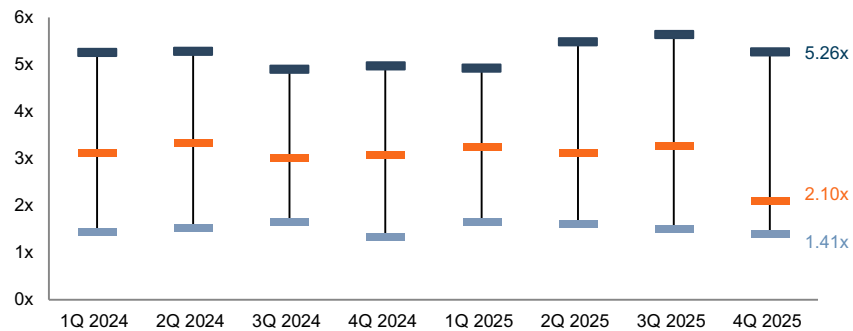
Medical Devices

EV / Trailing LTM Revenue



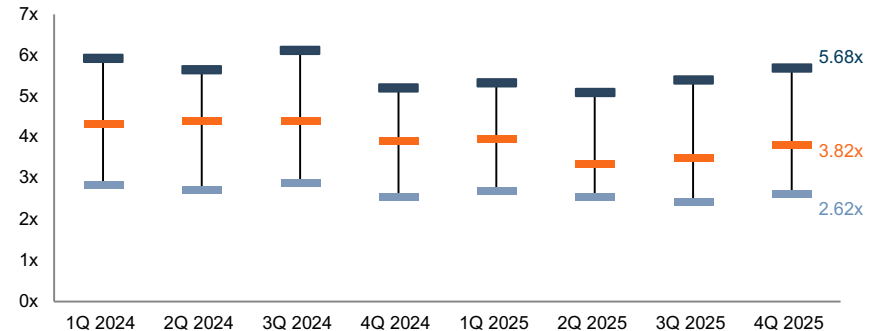
Healthcare Technology

EV / Trailing LTM Revenue



Large, Diversified

EV / Trailing LTM Revenue



MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

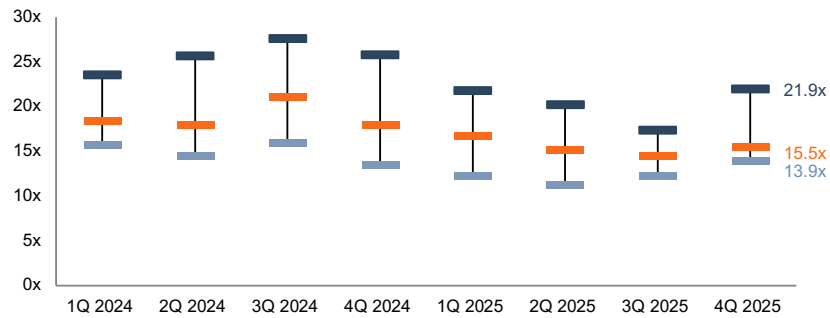
EBITDA MULTIPLES

■ 75% Quartile ■ Median ■ 25% Quartile

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

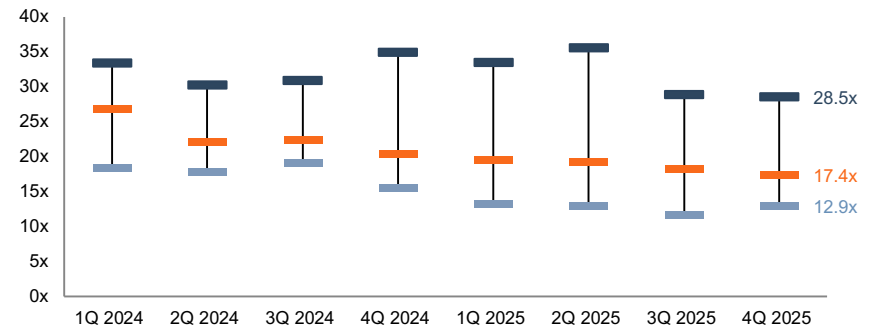
Biotechnology & Life Sciences

EV / Trailing LTM EBITDA



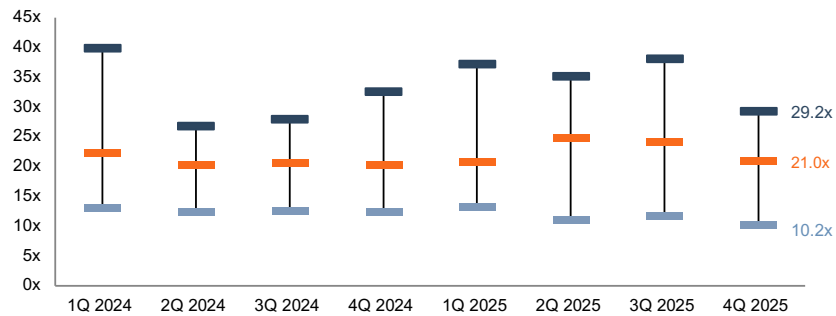
Medical Devices

EV / Trailing LTM EBITDA



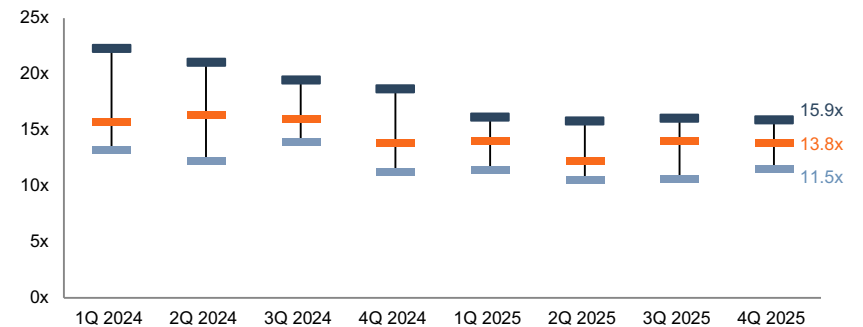
Healthcare Technology

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	
	4Q 2025	3Q 2025	4Q 2025	3Q 2025	4Q 2025	3Q 2025	4Q 2025	3Q 2025
Biotechnology & Life Sciences	52.4%	53.0%	14.8%	15.1%	7.4%	7.4%	26.6%	25.3%
Medical Devices	67.5%	67.0%	18.6%	18.3%	6.4%	6.5%	27.9%	27.7%
Healthcare Technology	68.0%	67.7%	7.5%	7.4%	10.2%	10.2%	17.6%	18.4%
Large, Diversified	57.7%	57.8%	19.1%	18.9%	8.7%	8.7%	27.9%	27.8%
Overall Median	65.2%	65.0%	17.4%	16.6%	8.2%	8.2%	26.7%	26.4%

Sector	Revenue Growth		L-T FWD Op. Earn. Growth		Debt / EV		Debt / EBITDA	
	Q / Q	Y / Y	4Q 2025	3Q 2025	4Q 2025	3Q 2025	4Q 2025	3Q 2025
Biotechnology & Life Sciences	1.3%	3.2%	1.7%	1.7%	19.3%	21.1%	2.8	2.8
Medical Devices	2.4%	6.7%	10.2%	10.2%	7.9%	7.7%	2.1	2.1
Healthcare Technology	1.5%	4.2%	8.8%	8.8%	14.9%	12.0%	1.7	1.7
Large, Diversified	1.3%	3.3%	4.6%	4.6%	19.6%	20.6%	2.6	2.6
Overall Median	1.6%	4.8%	5.5%	5.5%	14.6%	15.8%	2.5	2.4

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			
		4Q	3Q	4Q	Quarterly		Annual	Rev			EBITDA	EBITDA	2026	2027	
		2025	2025	2024				4Q 2025			4Q 2025	4Q 2025	FY 2026	FY 2027	4Q 2025
Biotechnology & Life Sciences															
Bio-Rad Laboratories, Inc.	BIO	\$303	\$280	\$329	8.1%	-7.8%	\$8,150	\$2,557	\$492	\$465	\$497	3.19x	16.6x	17.5x	16.4x
Bruker Corporation	BRKR	47	32	59	45.0%	-19.6%	8,973	3,439	601	639	693	2.61	14.9	14.0	12.9
Charles River Laboratories International, Inc.	CRL	199	156	185	27.5%	8.1%	12,287	4,024	952	989	1,047	3.05	12.9	12.4	11.7
Sartorius Stedim Biotech S.A.	DIM	247	202	195	22.1%	26.2%	26,690	3,286	875	1,210	1,391	8.12	30.5	22.1	19.2
Eurofins Scientific SE	ERF	73	72	51	1.1%	43.5%	16,947	8,022	1,822	2,067	2,257	2.11	9.3	8.2	7.5
Illumina, Inc.	ILMN	131	95	134	38.1%	-1.8%	21,339	4,288	961	1,256	1,401	4.98	22.2	17.0	15.2
IQVIA Holdings Inc.	IQV	225	190	197	18.7%	14.7%	51,783	15,904	3,547	4,010	4,265	3.26	14.6	12.9	12.1
Lonza Group AG	LONN	678	661	591	2.6%	14.7%	52,362	8,460	2,386	3,245	3,755	6.19	21.9	16.1	13.9
Merck KGaA	MRK	144	128	145	12.1%	-0.6%	73,431	23,727	6,670	7,165	7,617	3.09	11.0	10.2	9.6
Qiagen N.V.	QGEN	47	47	48	0.6%	-1.8%	10,218	2,071	734	830	900	4.93	13.9	12.3	11.3
Revvity, Inc.	RVTY	97	88	112	10.4%	-13.3%	13,407	2,813	865	909	995	4.77	15.5	14.8	13.5
Bio-Techne Corporation	TECH	59	56	72	5.7%	-18.4%	9,413	1,217	391	432	469	7.74	24.1	21.8	20.1
Waters Corporation	WAT	380	300	371	26.7%	2.4%	23,693	3,106	1,098	1,239	1,320	7.63	21.6	19.1	18.0

(\$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			
		4Q	3Q	4Q	Quarterly		Annual	Rev			EBITDA	EBITDA	2026	2027	
		2025	2025	2024				4Q 2025			4Q 2025	4Q 2025			FY 2026
Medical Devices															
Align Technology, Inc.	ALGN	\$156	\$125	\$209	24.7%	-25.1%	\$10,320	\$3,983	\$857	\$1,123	\$1,176	2.59x	12.0x	9.2x	8.8x
Boston Scientific Corporation	BSX	95	98	89	-2.3%	6.8%	152,357	19,350	5,169	6,928	7,775	7.87	29.5	22.0	19.6
Coloplast A/S	COLO B	86	85	109	0.7%	-21.3%	22,767	4,168	1,381	1,479	1,617	5.46	16.5	15.4	14.1
The Cooper Companies, Inc.	COO	82	69	92	19.5%	-10.8%	18,736	4,092	1,078	1,347	1,460	4.58	17.4	13.9	12.8
DexCom, Inc.	DXCM	66	67	78	-1.4%	-14.7%	25,139	4,516	1,057	1,653	1,955	5.57	23.8	15.2	12.9
Edwards Lifesciences Corp.	EW	85	78	74	9.6%	15.2%	46,329	5,884	1,804	2,054	2,301	7.87	25.7	22.6	20.1
Globus Medical, Inc.	GMED	87	57	83	52.5%	5.6%	11,415	2,770	821	996	1,071	4.12	13.9	11.5	10.7
Hologic, Inc.	HOLX	74	67	72	10.4%	3.3%	17,025	4,101	1,352	1,402	1,494	4.15	12.6	12.1	11.4
Intuitive Surgical, Inc.	ISRG	566	447	522	26.6%	8.5%	195,976	9,612	3,420	4,787	5,538	20.39	57.3	40.9	35.4
Masimo Corporation	MASI	130	148	165	-11.9%	-21.3%	7,260	1,715	233	508	528	4.23	31.1	14.3	13.7
Penumbra, Inc.	PEN	311	253	237	22.7%	30.9%	11,923	nm	nm	305	376	nm	nm	39.1	31.7
Insulet Corporation	PODD	284	309	261	-7.9%	8.9%	20,314	2,522	518	798	984	8.05	39.2	25.5	20.6
Profound Medical Corp.	PRN	8	5	8	60.9%	4.6%	265	14	(42)	(33)	(23)	19.17	nm	nm	nm
ResMed Inc.	RMD	241	274	229	-12.0%	5.3%	34,570	5,257	1,983	2,165	2,356	6.58	17.4	16.0	14.7
Smith & Nephew plc	SN.	17	18	12	-7.3%	34.3%	16,942	5,933	1,482	1,751	1,875	2.86	11.4	9.7	9.0
STERIS plc	STE	254	247	206	2.5%	23.3%	26,635	5,703	1,621	1,639	1,637	4.67	16.4	16.2	16.3
Stryker Corporation	SYK	351	370	360	-4.9%	-2.4%	148,200	24,381	6,793	7,630	8,409	6.08	21.8	19.4	17.6
Teleflex Incorporated	TFX	122	122	178	-0.3%	-31.4%	7,909	3,190	900	954	994	2.48	8.8	8.3	8.0
Zimmer Biomet Holdings, Inc.	ZBH	90	99	106	-8.7%	-14.9%	24,763	8,011	2,646	2,824	2,885	3.09	9.4	8.8	8.6

(\$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			
		4Q	3Q	4Q	Quarterly		Annual	Rev			EBITDA	EBITDA			
		2025	2025	2024				4Q 2025			4Q 2025	4Q 2025			FY 2026
Healthcare Technology															
M3, Inc.	2413	\$13	\$16	\$9	-16.4%	51.7%	\$8,696	\$2,213	\$405	\$565	\$627	3.93x	21.5x	15.4x	13.9x
Craneware plc	CRW	26	32	26	-19.1%	-1.7%	887	208	35	70	77	4.25	25.1	12.6	11.5
Claritev Corporation	CTEV	43	53	15	-19.5%	189.2%	5,327	951	521	622	650	5.60	10.2	8.6	8.2
Definitive Healthcare Corp.	DH	3	4	4	-29.3%	-30.2%	391	242	44	65	67	1.61	8.9	6.0	5.8
Doximity, Inc.	DOCS	44	73	53	-39.5%	-17.1%	7,470	621	256	357	399	12.02	29.2	20.9	18.7
Evolent Health, Inc.	EVH	4	8	11	-52.7%	-64.4%	1,412	2,054	87	152	185	0.69	16.3	9.3	7.7
Health Catalyst, Inc.	HCAT	2	3	7	-16.1%	-66.2%	250	316	(10)	49	55	0.79	nm	5.1	4.5
HealthStream, Inc.	HSTM	23	28	32	-18.3%	-27.5%	607	299	69	76	79	2.03	8.7	8.0	7.7
OptimizeRx Corporation	OPRX	12	21	5	-40.2%	152.3%	238	110	11	21	25	2.17	21.0	11.3	9.6
Phreesia, Inc.	PHR	17	24	25	-28.1%	-32.8%	924	463	19	100	131	2.00	49.1	9.2	7.1
TruBridge, Inc.	TBRG	22	20	20	9.4%	11.9%	468	350	50	75	81	1.34	9.3	6.3	5.8
Teladoc Health, Inc.	TDOC	7	8	9	-9.4%	-23.0%	1,558	2,528	29	295	315	0.62	52.9	5.3	4.9
Veeva Systems Inc.	VEEV	223	298	210	-25.1%	6.2%	30,147	3,080	945	1,437	1,620	9.79	31.9	21.0	18.6
Waystar Holding Corp.	WAY	33	38	37	-13.6%	-10.8%	7,100	1,040	375	530	593	6.83	19.0	13.4	12.0

(\$Millions, except per share figures)

Data Source: Bloomberg

MERCER CAPITAL'S MEDTECH & DEVICE INDUSTRY SERVICES

PUBLIC MEDICAL DEVICE COMPANIES

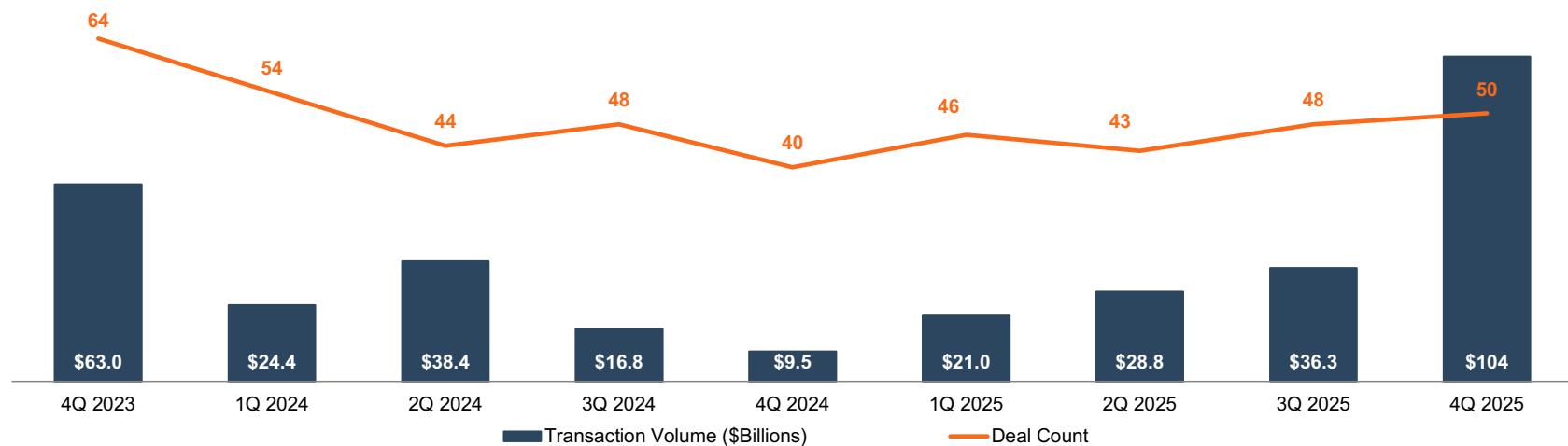
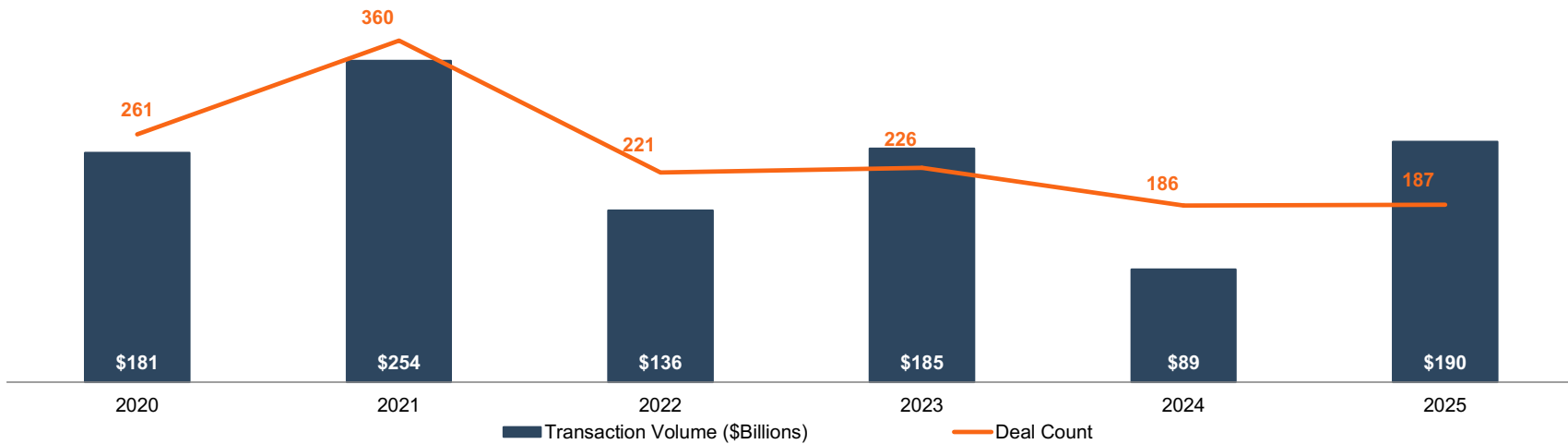
		Price		Δ Stock Price		EV	TTM	TTM	FWD EBITDA	EV / Rev.	EV /	EV / FWD EBITDA			
		4Q	3Q	4Q	Quarterly		Annual	Rev			EBITDA	EBITDA	2026	2027	
		2025	2025	2024				4Q 2025			4Q 2025	4Q 2025	FY 2026	FY 2027	4Q 2025
Large, Diversified															
Takeda Pharmaceutical Company Limited	4502	\$31	\$29	\$27	5.8%	16.0%	\$79,191	\$29,502	\$8,371	\$7,654	\$7,778	2.68x	9.5x	10.3x	10.2x
Agilent Technologies, Inc.	A	136	128	134	6.0%	1.3%	40,330	6,948	2,020	2,112	2,317	5.80	20.0	19.1	17.4
AbbVie Inc.	ABBV	228	232	178	-1.3%	28.6%	467,051	59,644	29,324	33,364	36,657	7.83	15.9	14.0	12.7
Abbott Laboratories	ABT	125	134	113	-6.5%	10.8%	223,411	43,843	11,540	13,066	14,424	5.10	19.4	17.1	15.5
Amgen Inc.	AMGN	327	282	261	16.0%	25.6%	221,392	35,971	18,824	20,345	20,712	6.15	11.8	10.9	10.7
Becton, Dickinson and Company	BDX	194	187	227	3.7%	-14.5%	74,663	21,840	6,177	6,565	6,820	3.42	12.1	11.4	10.9
Danaher Corporation	DHR	229	198	230	15.5%	-0.3%	178,335	24,268	7,928	8,159	8,886	7.35	22.5	21.9	20.1
GE HealthCare Technologies Inc.	GEHC	82	75	78	9.2%	4.9%	44,328	20,246	3,884	3,931	4,212	2.19	11.4	11.3	10.5
Johnson & Johnson	JNJ	207	185	145	11.6%	43.1%	525,837	94,193	33,407	36,419	37,879	5.58	15.7	14.4	13.9
Medtronic plc	MDT	96	95	80	0.9%	20.3%	144,127	34,200	9,402	10,079	10,931	4.21	15.3	14.3	13.2
Merck & Co., Inc.	MRK	105	84	99	25.4%	5.8%	284,475	64,235	28,955	24,756	33,662	4.43	9.8	11.5	8.5
Pfizer Inc.	PFE	25	25	27	-2.3%	-6.1%	188,821	62,786	24,702	24,950	23,573	3.01	7.6	7.6	8.0
Koninklijke Philips N.V.	PHIA	27	27	25	0.9%	8.0%	33,580	19,792	2,776	3,597	3,897	1.70	12.1	9.3	8.6
Rogers Corporation	ROG	92	80	102	13.8%	-9.9%	1,511	802	99	128	138	1.89	15.3	11.8	11.0
Sanofi	SAN	97	92	97	5.4%	0.1%	133,573	51,346	13,837	16,716	17,754	2.60	9.7	8.0	7.5
Siemens Healthineers AG	SHL	53	54	53	-2.3%	-0.5%	73,713	26,129	5,226	5,782	6,401	2.82	14.1	12.7	11.5
Solventum Corporation	SOLV	79	73	66	8.5%	20.0%	17,239	8,402	1,275	1,885	1,929	2.05	13.5	9.1	8.9
Thermo Fisher Scientific Inc.	TMO	579	485	520	19.5%	11.4%	249,974	43,736	11,195	12,058	12,984	5.72	22.3	20.7	19.3

(\$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

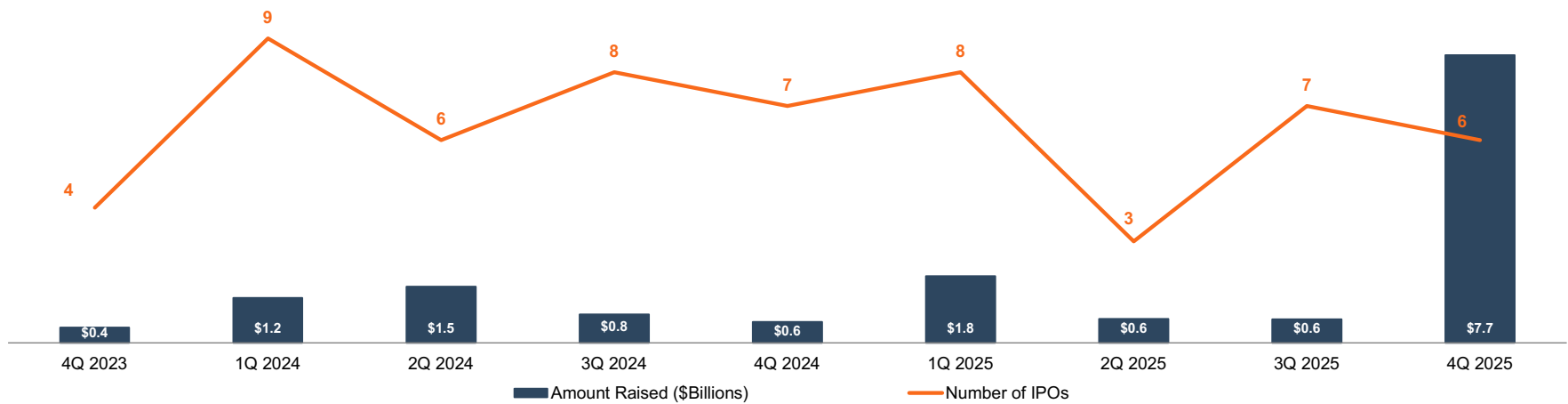
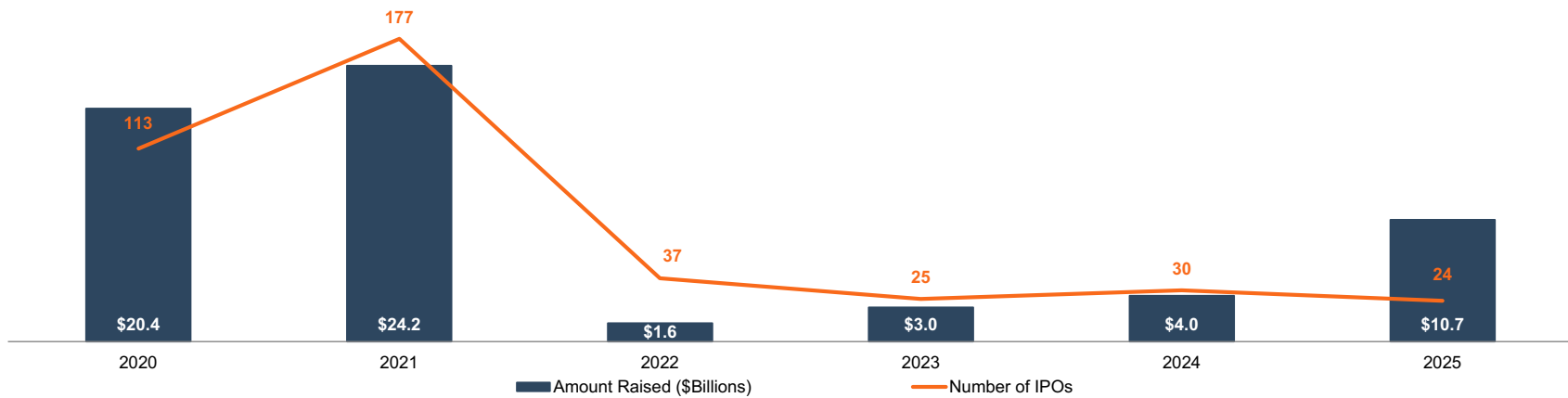
Completed Initial Public Offerings During 4Q25

Issuer	Ticker	IPO Date	IPO Price	Gross Proceeds (\$mil)	12/31/25 Stock Price	Return Since IPO	12/31/25 Market Cap	Industry
GIMIC Co., Ltd.	TSE:475A	12/19/25	\$7.30	\$7.3	\$6.82	-6.6%	\$33.5	Health Care Technology
Medline Inc.	NasdaqGS:MDLN	12/16/25	29.00	6,265.0	42.00	44.8%	34,952.6	Health Care Supplies
Saluda Medical, Inc.	ASX:SLD	12/3/25	1.75	150.0	0.95	-45.6%	239.6	Health Care Equipment
Evommune, Inc.	NYSE:EVMN	11/5/25	16.00	150.0	17.12	7.0%	539.7	Biotechnology
MapLight Therapeutics, Inc.	NasdaqGS:MPLT	10/26/25	17.00	250.8	17.57	3.3%	766.6	Biotechnology
Ottobock SE & Co. KGaA	XTRA:OBCK	10/7/25	77.04	44.2	76.61	-0.6%	4,902.4	Health Care Equipment

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