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BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

VALUE FOCUS

Medtech & Device Industry

FEATURE ARTICLE

***Trends in MedTech
Valuation Step-Up Multiples***

Fourth Quarter 2024

This quarter we include a review of market performance, valuation multiple trends, operating metrics, and other data. This issue also includes a review of M&A and IPO activity during the third quarter of 2024.

Also included is an article summarizing our findings on step-up multiples for early-stage companies observed over the last five years.



Medtech & Device Industry Services

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- Healthcare technology
- Large, diversified

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Trends in MedTech Valuation Step-Up Multiples

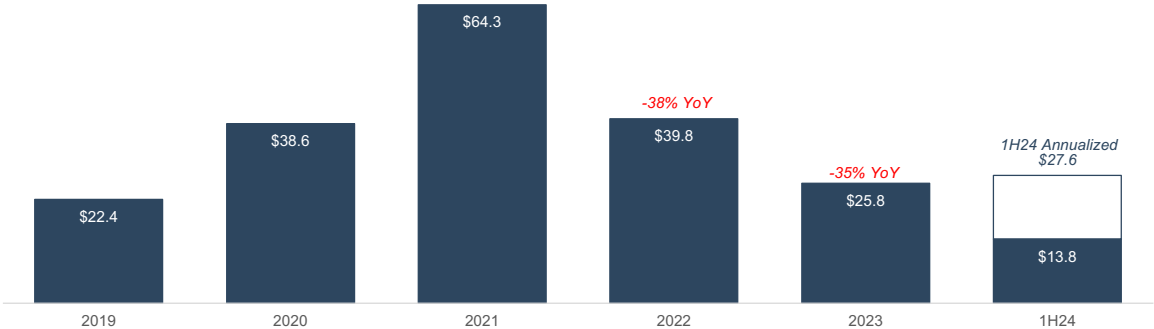
2024

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The last several years have been interesting in the venture capital space. Venture capital financing increased rapidly in 2020 and 2021 and has fallen sharply since the 2021 peak. Less free-flowing capital for start-ups and early-stage companies has led to companies abandoning the “growth-at-all-costs” approach and instead looking for ways to improve profits in order to survive the lower growth post-covid environment. As a result, valuations have contracted, and many early-stage companies have had to raise down-rounds. Not only has start-up financing tightened over the last couple of years, but the step-up in valuation between rounds has also tightened in recent years.

The medtech industry followed the overall venture runup in 2020 and 2021 and was not immune to the drop in funding in 2022 and 2023; medtech venture funding fell 38% in 2022 and decreased a further 35% in 2023. Medtech funding has rebounded slightly in 2024 but is on track to remain well below levels seen in 2021. Against this backdrop, we look at the trends in valuation step-up multiples in this article.

Figure 1 :: Medtech Venture Funding has Decreased Sharply Since 2021 (\$Billions)



Source: S&P Capital IQ, Mercer Capital analysis

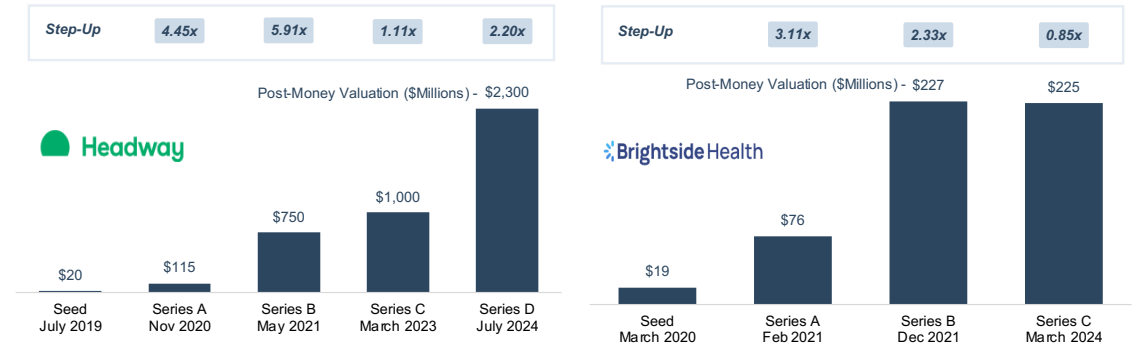
Trends in MedTech Valuation Step-Up Multiples 2024

(cont.)

What Are Valuation Step-Up Multiples?

Valuation step-up multiples are a representation of the increase, or decrease, in a company's valuation between rounds of funding. The multiple is calculated by dividing the most recent round's implied valuation by the previous round's implied valuation.¹ For example, consider an early-stage company valued at \$25 million (post-money) in its Series A funding round and valued at \$50 million (pre-money) in its Series B funding round. The valuation step-up from Series A to Series B for this company would be 2.00x (\$50 million/\$25 million). In other words, the valuation at Series B was two times the valuation at Series A. As illustration, the following charts provide examples that illustrate the valuation history and implied step-up multiples for Therapymatch, Inc. (d/b/a Headway) and Brightside Health, Inc.²

Figure 2 :: Funding Evolution for Headway and Brightside Health



Source: S&P Capital IQ, Mercer Capital analysis

The valuation of an early-stage company can be influenced by many factors including technical milestone achievements, revenue growth, profitability profile, management team, industry trends and conditions, and the overall economy. Step-up multiples allow us to analyze how a company's valuation has changed over time and between funding rounds. Step-up multiples greater than 1.0x imply that the company increased in value between rounds (up-round) while step-up multiples less than 1.0x imply that the company decreased in value between rounds (down-round). An increase in valuation between rounds can be because of exceeding

Trends in MedTech Valuation Step-Up Multiples

2024

(cont.)

financial performance expectations and/or achieving key milestones. And a decrease in valuation between rounds can signal that a company underperformed expectations and did not achieve specific milestones or benchmarks.

Why Are Valuation Step-Up Multiples Important?

It is important for management teams and operators to understand valuation step-up multiples because having knowledge of these multiples allows operators to diligently plan out the financing path of the company. Incorporating an understanding of valuation and the change in valuation between rounds informs how much capital an early-stage company needs to raise and when. The goal of a management team in raising the next round of financing for a company is to maximize the amount of money raised per percent of dilution. In other words, the goal is to raise the minimum amount of money in order to achieve the next milestone so that current owners do not unnecessarily give away ownership in the business. Step-up multiples provide a benchmark for operators to use to guide them while planning and evaluating the financing path of the company.

Investors also need an understanding of valuation and valuation step-up multiples. These also act as benchmarks for investors when evaluating investment opportunities and determining if a certain valuation is reasonable relative to others in the industry. Step-up multiples that are outside (either higher or lower) the range observed in a certain industry may need additional examination, and being able to spot these outliers can help investors find opportunities or avoid underperforming investments. Step-up multiples can also be a useful portfolio planning tool to help investors plan out potential investments in later rounds of a company, especially if they intend to participate in follow-on rounds.

Medtech Step-Up Multiples

Step-up multiples for an industry can vary over time due to industry conditions and overall economic conditions. Step-up multiples in the medtech space generally increased from 2019 to 2021 and then decreased from 2021 to 2023. The following graphs present the change in step-up multiples for early-stage medtech companies from 2019 to 2023 for Series A, Series B, and Series C rounds.

Trends in MedTech Valuation Step-Up Multiples

2024

(cont.)

The median Series A medtech step-up multiple increased from 1.97x in 2019 to 2.42x in 2021 before falling to 1.46x in 2023 which represents a 40% decrease from 2021. The average step-up over the period was 1.96x.³

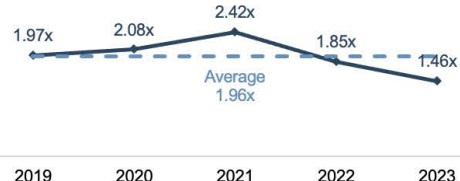
The median Series B medtech step-up multiple increased from 1.77x in 2019 to 1.96x in 2021 before falling to 1.91x in 2023. The average step-up over the period was 1.75x.⁴

Interestingly, the median Series C medtech step-up multiple peaked in 2019 at 1.70x and fell every year except for 2021. The median Series C step-up multiple in 2023 was 1.16x, and the average step-up over the period was 1.35x.⁵

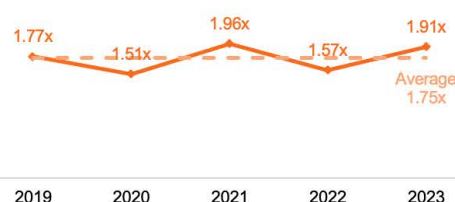
As medtech industry conditions evolve, we will keep a watchful eye on the development of step-up multiples in the future and publish periodic updates.

Figure 3 :: Medtech Step-Up Multiples

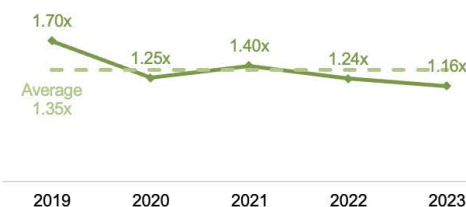
Series Seed to A



Series A to B



Series B to C



Trends in MedTech Valuation Step-Up Multiples

2024

(cont.)

Endnotes:

¹ Step-up in valuation is defined as
$$\frac{\text{Pre-Money Valuation from current round}}{\text{Post-Money Valuation from previous round}}$$

Usually, valuation refers to total equity value, although on a fully-diluted basis this should be equivalent to using per share prices.

² Headway operates a platform that connects patients with in-network licensed therapists and mental health professionals. Brightside Health operates a platform that offers online therapy sessions, personalized treatment plans, and medication management.

^{3,4,5} The following summarizes additional data underlying Figure 3 (source: S&P Capital IQ).

Series A					
Year	Number of Companies Raising	Median Pre-Money Valuation (\$Millions)	Median Amount Raised (\$Millions)	1st Quartile Step-Up Multiple	3rd Quartile Step-Up Multiple
2019	395	\$5.6	\$8.5	1.10x	2.39x
2020	446	\$5.6	\$10.9	1.06x	2.39x
2021	579	\$9.7	\$15.0	1.16x	3.60x
2022	422	\$8.2	\$15.0	1.05x	2.30x
2023	305	\$9.2	\$11.9	0.82x	1.74x
Series B					
Year	Number of Companies Raising	Median Pre-Money Valuation (\$Millions)	Median Amount Raised (\$Millions)	1st Quartile Step-Up Multiple	3rd Quartile Step-Up Multiple
2019	206	\$26.9	\$20.0	1.14x	2.39x
2020	242	\$39.2	\$26.5	1.29x	2.05x
2021	338	\$54.4	\$40.0	1.28x	3.25x
2022	228	\$48.9	\$30.0	1.11x	2.37x
2023	159	\$37.4	\$27.0	1.02x	2.64x
Series C					
Year	Number of Companies Raising	Median Pre-Money Valuation (\$Millions)	Median Amount Raised (\$Millions)	1st Quartile Step-Up Multiple	3rd Quartile Step-Up Multiple
2019	90	\$40.3	\$28.3	1.05x	2.09x
2020	116	\$89.8	\$45.0	1.10x	2.09x
2021	128	\$129.9	\$60.6	1.16x	3.03x
2022	97	\$93.9	\$46.0	1.09x	2.09x
2023	70	\$81.7	\$39.0	0.84x	1.40x

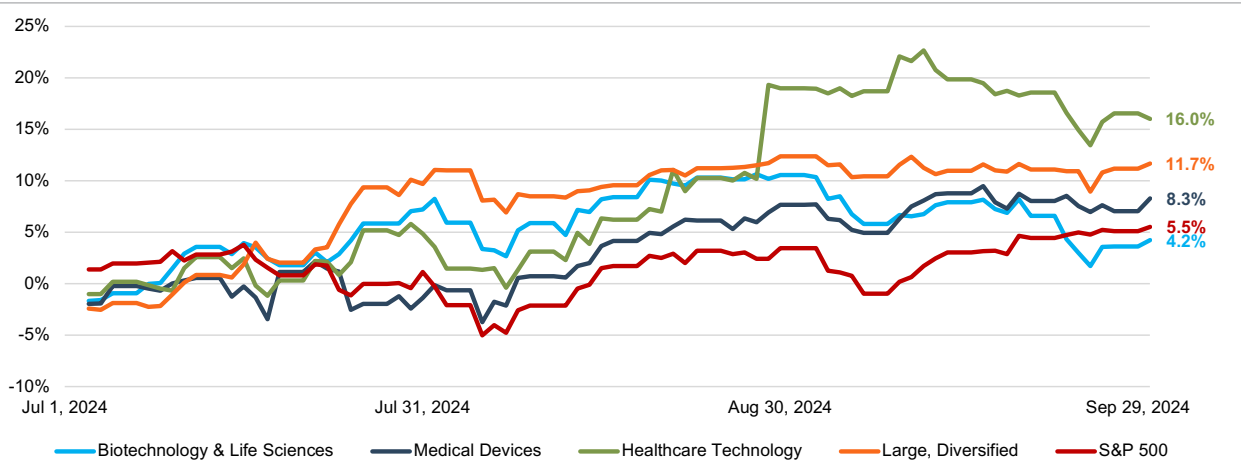
Stock Market Performance

The S&P 500 gained 5.5% during the third quarter of 2024, following a 3.9% increase in the prior quarter. Among the medtech industry sub-sectors tracked by Mercer Capital, the biotechnology & life sciences group was the only sub-sector that underperformed the broader index over 3Q24. After declining 20.7% in the prior quarter, the healthcare technology group led all other sub-sectors. The large-diversified and medical devices groups also posted strong returns in 3Q24.

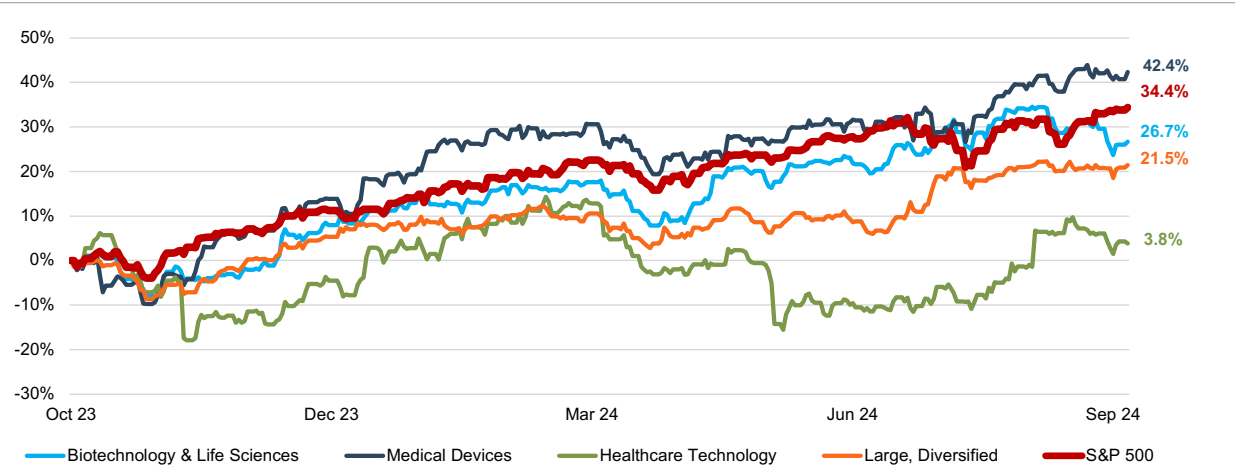
- A market-capitalization weighted index of companies included in our biotechnology and life sciences sub-sector increased 4.2% over the quarter ended September 2024. The top performer of the group was Eurofins Scientific SE, which posted a 28.6% return. ERF provides various analytical testing and laboratory services worldwide. The Company is headquartered in Luxembourg.
- The medical device index increased 8.3% in 3Q24. Fourteen of the sixteen companies in the group recorded positive quarter-over-quarter returns. The best performer was ResMed Inc. with a quarterly return of 27.8%. RMD is a California-based company that develops, manufactures, and markets sleep and respiratory care medical devices and cloud-based software applications for healthcare markets.
- The healthcare technology index increased 16.0% over the quarter, with seven of the nine constituent companies posting positive returns. Omnicell, Inc., up 61.1%, outperformed all other constituents of the group on the strength of its announced 2Q24 financial results. OMCL is a Fort Worth-based company that provides medication management solutions and adherence tools for healthcare systems and pharmacies in the United States and internationally. Another company with notable gains during the quarter was Evolent Health, Inc. (see p. 8).
- The large, diversified companies as a group increased 11.7% over the quarter. The top performer within the group was Koninklijke Philips N.V., which gained 29.7% during the period. (Subsequent to the end of the third quarter, the company announced an earnings miss resulting in an 18% drop in stock price between September 30 and October 31, 2024.) PHIA operates as a health technology company worldwide, providing diagnostic imaging solutions, connected care, and personal health. The Company is headquartered in Amsterdam, the Netherlands.

Stock Market Performance

3Q 2024 Stock Price Performance



LTM Stock Price Performance



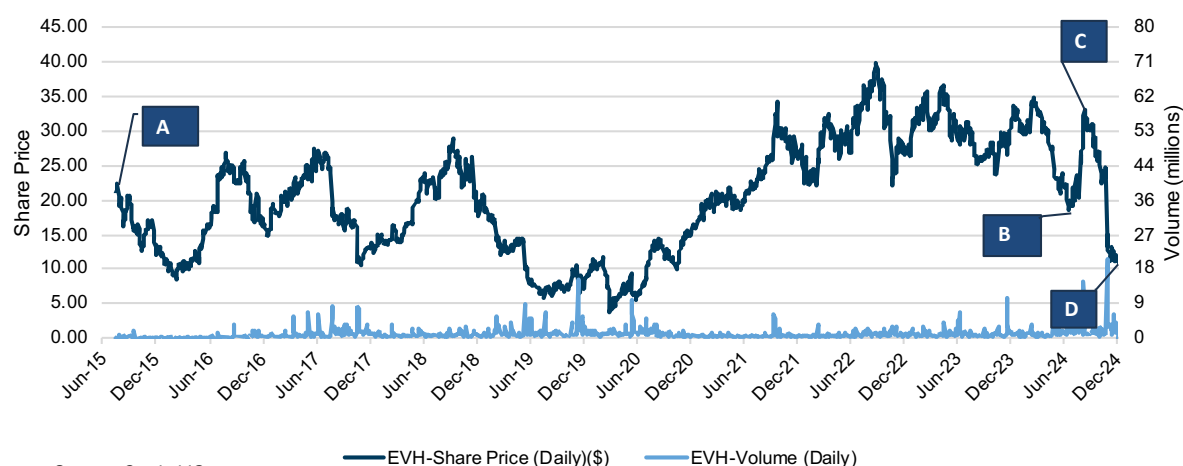
Individual sub-sector performance represented by market capitalization weighted indices for each group. Data Source: Bloomberg LP; Mercer Capital Analysis

Anatomy of Volatility: Evolent (EVH)

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In the **prior quarter's edition** of this newsletter, we noted that Evolent Health, Inc. (NYSE:EVH) reported a large quarterly drop in stock price during 2Q24. Over 3Q24, EVH made up almost all of the ground lost in 2Q24 as the stock price increased by around 48%. However, the stock has languished since, closing on December 13 down almost 60% from the end of the third quarter.

Evolent Health, Inc. Stock Chart



Source: Capital IQ

A few notes on EVH price volatility in recent quarters – we remain observers and may report further notable developments in future editions of this newsletter.

(A): Evolent Health, Inc. debuted on the New York Stock Exchange on June 5, 2015, raising \$195 million and registering almost a \$1 billion market cap.¹ The stock price was \$21.33 per share on July 31, 2015. EVH provides clinical and administrative technology services to help providers and payers with care management and the transition from fee-for-service to value-based care. The revenue model is a mix of risk-based (capitated) and subscription-based products, with the latter expected to contribute higher margins and the majority of EBITDA over time.²

Anatomy of Volatility: Evolent (EVH)

(cont.)

(B): EVH's stock price fell approximately 42% from \$32.79 per share at 1Q24-end to \$19.12 per share at 2Q24-end, even as the Company reported first quarter revenue that beat expectations and adjusted EBITDA in line with prior guidance. The decline in price likely reflected risks around higher costs due to increased utilization in certain specialties, as well as general uncertainty due to an industry-wide disruption caused by a ransomware cyberattack on a large revenue cycle management company.³

(C): Evolent's stock price rebounded in 3Q24, reaching a high of \$31.98 on August 30, 2024 before closing at \$28.28 at quarter end. Towards the end of August, the Company indicated it had received takeover interest from a number of private equity firms, including TPG, CD&R, and KKR.⁴

(D): EVH stock fell significantly after releasing 3Q24 earnings – revenue fell slightly short of expectations with more meaningful declines in adjusted EBITDA and guidance for the full year. The Company attributed the weaker performance to an unexpected \$42 million increase in medical costs related to (risk-based) specialty services.⁵

¹ "Software maker Evolent Health's IPO priced at \$17/share: underwriter," available at <https://www.reuters.com/article/technology/software-maker-evolent-healths-ipo-priced-at-17share-underwriter-idUSKBN0OK2I9/>

² Evolent Investor Day presentation, May 23, 2023 available at https://filecache.investorroom.com/mr5ir_evolent/117/IR-DAY-May-23-2003-FINAL.pdf

³ "1Q24 Beat and Raise on the Top Line with Three New Contracts Announced Demonstrating Strong End Market Demand," J.P.Morgan North America Equity Research note May 9, 2024.

⁴ "Exclusive: Evolent Health in sale talks after receiving takeover interest, sources say," Reuters Online available at <https://www.reuters.com/markets/deals/evolent-health-sale-talks-after-inbound-interest-sources-say-2024-08-22/>

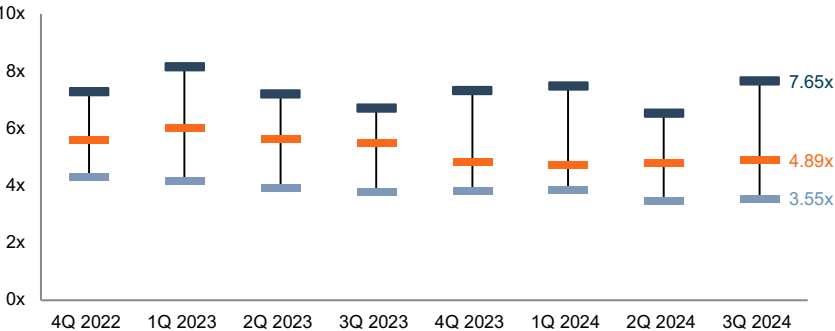
⁵ "Evolent Announces Third Quarter 2024 Results," available at <https://ir.evolent.com/2024-11-07-Evolent-Announces-Third-Quarter-2024-Results>

Revenue Multiples

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

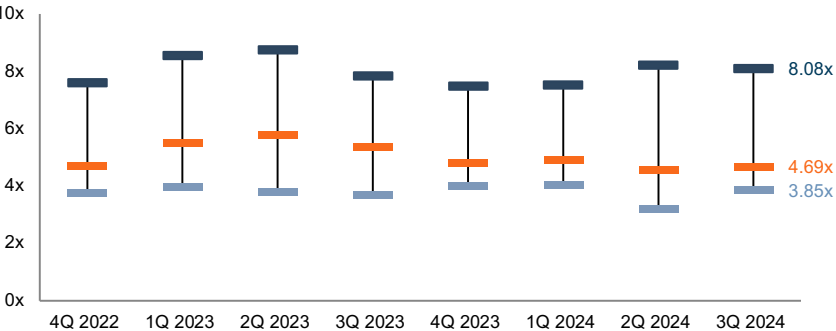
Biotechnology & Life Sciences

EV / Trailing LTM Revenue



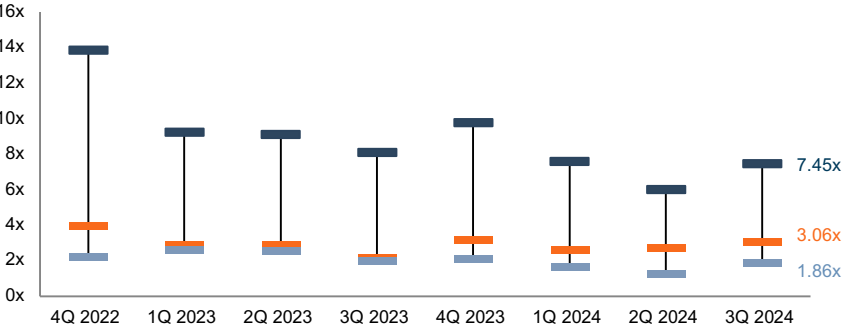
Medical Devices

EV / Trailing LTM Revenue



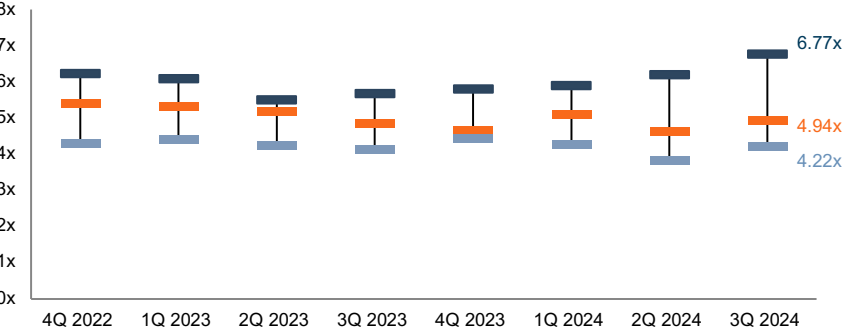
Healthcare Technology

EV / Trailing LTM Revenue



Large, Diversified

EV / Trailing LTM Revenue

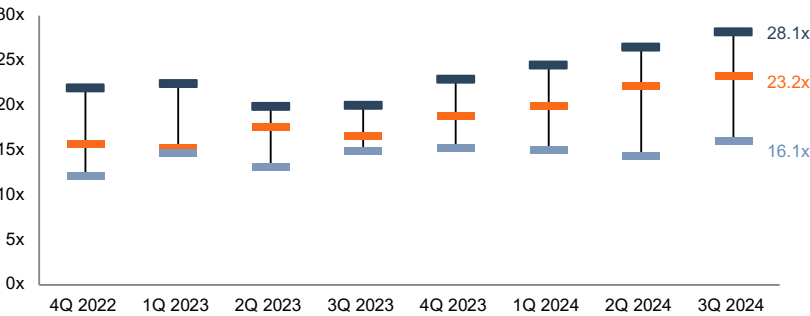


EBITDA Multiples

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

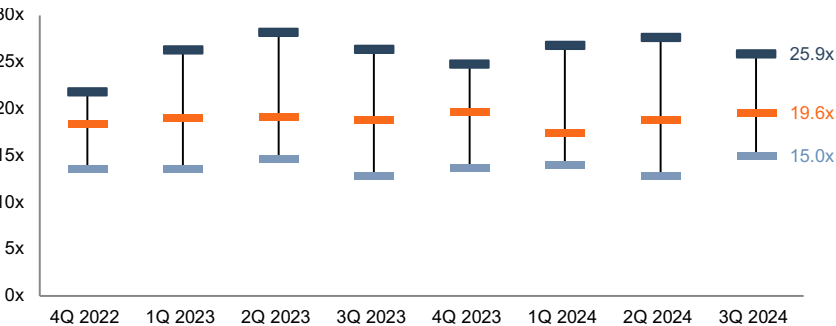
Biotechnology & Life Sciences

EV / Trailing LTM EBITDA



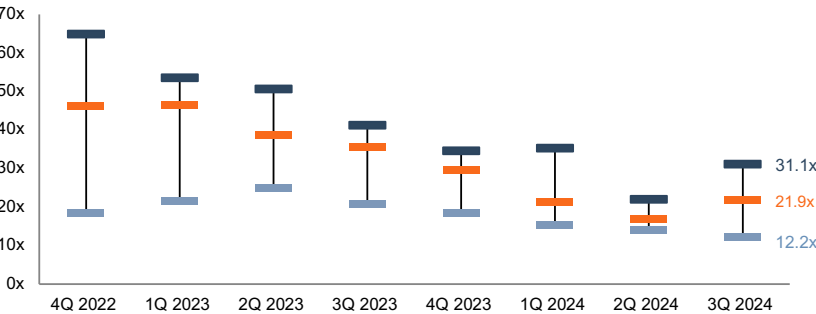
Medical Devices

EV / Trailing LTM EBITDA



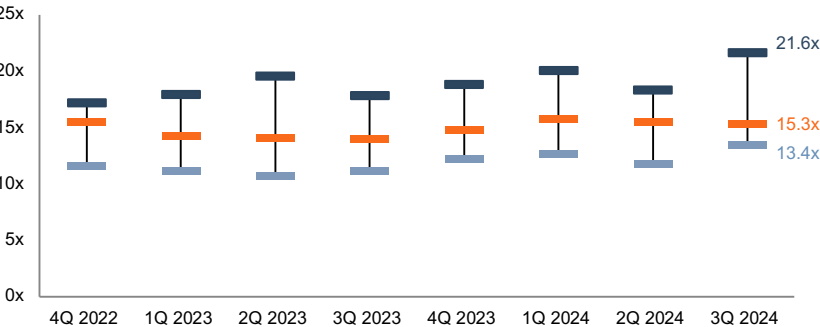
Healthcare Technology

EV / Trailing LTM EBITDA



Large, Diversified

EV / Trailing LTM EBITDA



Select Operating Metrics

Sector	TTM Gross Margin		TTM Operating Margin		TTM R&D / Revenue		TTM EBITDA Margin	
	3Q 2024	1Q 2024	2Q 2024	1Q 2024	2Q 2024	1Q 2024	2Q 2024	1Q 2024
Biotechnology & Life Sciences	63.9%	62.0%	12.6%	13.0%	20.9%	22.1%	25.2%	25.1%
Medical Devices	65.3%	65.2%	16.6%	16.3%	6.8%	7.0%	29.1%	30.1%
Healthcare Technology	68.6%	68.5%	9.2%	8.9%	12.4%	12.7%	20.6%	20.6%
Large, Diversified	55.6%	55.3%	17.5%	17.4%	8.4%	8.4%	30.0%	30.2%
Overall Median	62.1%	62.4%	16.0%	15.9%	8.5%	8.6%	28.8%	28.8%

Sector	Revenue Growth		L-T FWD Op. Earn. Growth		Debt / EV		Debt / EBITDA	
	Q / Q	Y / Y	3Q 2024	2Q 2024	3Q 2024	2Q 2024	3Q 2024	2Q 2024
Biotechnology & Life Sciences	1.0%	3.2%	13.7%	14.0%	10.5%	13.4%	2.0	2.2
Medical Devices	1.6%	4.9%	11.8%	11.4%	9.3%	8.8%	1.6	1.6
Healthcare Technology	0.1%	2.2%	6.1%	8.0%	6.5%	7.8%	1.2	1.2
Large, Diversified	0.7%	2.3%	8.2%	7.4%	17.3%	19.6%	2.7	2.6
Overall Median	1.0%	3.5%	9.0%	9.5%	10.7%	12.6%	2.2	2.1

Median measures for each group. | 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	
		3Q 2024	2Q 2024	3Q 2023	Quarterly	Annual	3Q 2024	3Q 2024	3Q 2024	FY 2025	FY 2026	3Q 2024	3Q 2024	2025	2026
Biotechnology & Life Sciences															
Biogen Inc	BIIB	\$194	\$232	\$257	-16.4%	-24.6%	\$33,194	\$9,608	\$3,009	\$3,370	\$3,432	3.46x	11.0x	9.9x	9.7x
Bio-Rad Laboratories Inc	BIO	335	273	358	22.5%	-6.7%	9,133	2,580	541	469	517	3.54	16.9	19.5	17.7
BioMarin Pharmaceutical Inc	BMRN	70	82	88	-14.6%	-20.6%	12,929	2,753	544	605	891	4.70	23.8	21.4	14.5
Sartorius Stedim Biotech	DIM	209	164	238	27.4%	-12.2%	23,113	2,965	818	771	901	7.80	28.2	30.0	25.6
Eurofins Scientific SE	ERF	63	49	56	28.6%	13.4%	12,272	7,272	1,576	1,506	1,663	1.69	7.8	8.2	7.4
Gilead Sciences Inc	GILD	84	68	72	23.3%	16.5%	122,677	28,299	14,003	8,783	13,556	4.34	8.8	14.0	9.0
Illumina Inc	ILMN	130	104	133	24.9%	-2.3%	22,340	4,390	451	989	1,211	5.09	49.5	22.6	18.5
Incyte Corp	INCY	66	61	58	9.0%	14.4%	11,013	4,076	79	250	1,433	2.70	139.6	44.1	7.7
IQVIA Holdings Inc	IQV	237	211	197	12.1%	20.4%	55,022	15,315	3,483	3,683	3,884	3.59	15.8	14.9	14.2
Lonza Group AG	LONN	633	546	462	16.0%	37.1%	47,119	7,550	1,691	1,882	2,247	6.24	27.9	25.0	21.0
Mettler-Toledo International Inc	MTD	1,500	1,398	1,108	7.3%	35.3%	33,654	3,762	1,177	1,238	1,281	8.95	28.6	27.2	26.3
Regeneron Pharmaceuticals Inc	REGN	1,051	1,051	823	0.0%	27.7%	100,158	13,847	4,705	5,526	5,612	7.23	21.3	18.1	17.8
Vertex Pharmaceuticals Inc	VRTX	465	469	348	-0.8%	33.7%	115,119	10,626	4,670	873	5,844	10.83	24.7	131.9	19.7
Waters Corp	WAT	360	290	274	24.0%	31.2%	22,939	2,905	1,014	1,061	1,131	7.90	22.6	21.6	20.3
Group Median					14.0%	15.5%						4.89x	23.2x	21.5x	17.8x

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		3Q 2024	2Q 2024	3Q 2023	Quarterly	Annual	3Q 2024	3Q 2024	3Q 2024	FY 2025	FY 2026	3Q 2024	3Q 2024	2025	2026
Medical Devices															
Terumo Corp	TRUMF	\$19	\$16	\$13	14.9%	43.5%	\$28,444	\$6,295	\$1,450	\$253,769	\$281,818	4.52x	19.6x	0.1x	0.1x
Sysmex Corp	SSMX	20	16	16	23.3%	25.4%	12,250	3,121	776	129,742	140,847	3.92	15.8	0.1	0.1
Olympus Corp	OCPNY	19	16	13	17.8%	47.4%	21,417	6,495	(1,023)	237,363	272,804	3.30	nm	0.1	0.1
Align Technology Inc	ALGN	254	241	305	5.3%	-16.7%	18,098	3,961	820	949	980	4.57	22.1	19.1	18.5
Baxter International Inc	BAX	38	33	37	14.4%	3.8%	31,160	13,988	2,364	1,937	2,648	2.23	13.2	16.1	11.8
Boston Scientific Corp	BSX	84	77	53	8.8%	58.7%	132,230	15,910	4,662	4,917	5,664	8.31	28.4	26.9	23.3
Coloplast A/S	COLOB	131	120	103	8.9%	26.8%	32,885	3,815	1,222	9,603	10,718	8.62	26.9	3.4	3.1
Edwards Lifesciences Corp	EW	66	92	69	-28.6%	-4.7%	35,180	5,873	1,911	1,756	1,760	5.99	18.4	20.0	20.0
Hologic Inc	HOLX	81	74	69	9.7%	17.4%	19,149	3,988	1,272	1,374	1,476	4.80	15.1	13.9	13.0
IDEXX Laboratories Inc	IDXX	505	487	437	3.7%	15.5%	42,037	3,845	1,242	1,311	1,429	10.93	33.9	32.1	29.4
Intuitive Surgical Inc	ISRG	491	445	292	10.4%	68.1%	170,764	nm	nm	3,263	3,868	nm	nm	52.3	44.2
ResMed Inc	RMD	244	191	146	27.8%	66.8%	36,683	4,584	1,477	1,855	2,012	8.00	24.8	19.8	18.2
Smith & Nephew PLC	SN/	15	12	12	25.2%	28.1%	16,530	5,642	1,155	1,400	1,556	2.93	14.3	11.8	10.6
Stryker Corp	SYK	361	339	271	6.4%	33.5%	149,035	21,974	6,016	6,156	6,889	6.78	24.8	24.2	21.6
Teleflex Inc	TFX	247	210	195	17.8%	26.7%	13,084	3,026	873	897	958	4.32	15.0	14.6	13.7
Zimmer Biomet Holdings Inc	ZBH	108	108	111	-0.3%	-3.0%	27,429	7,596	2,514	2,705	2,834	3.61	10.9	10.1	9.7
Group Median					10.1%	26.7%						4.20x	14.1x	15.3x	13.3x

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		3Q 2024	2Q 2024	3Q 2023	Quarterly	Annual	3Q 2024	3Q 2024	3Q 2024	FY 2025	FY 2026	3Q 2024	3Q 2024	2025	2026
Healthcare Technology															
M3 Inc	MTHRY	\$10	\$10	\$18	5.4%	-44.2%	\$5,622	\$1,672	\$536	\$75,197	\$83,370	3.36x	10.5x	0.1x	0.1x
Craneware PLC	CRW	27	29	18	-8.2%	48.7%	951	171	52	63	69	5.57	18.3	15.0	13.8
Doximity Inc	DOCS	44	28	21	55.8%	105.3%	7,443	468	167	279	308	15.89	44.5	26.7	24.2
Evolut Health Inc	EVH	28	19	27	47.9%	3.9%	3,978	2,464	150	173	217	1.61	26.6	22.9	18.3
HealthStream Inc	HSTM	29	28	21	3.5%	34.2%	795	288	62	67	70	2.76	12.8	11.9	11.3
Veradigm Inc	MDRX	10	10	13	2.1%	-26.2%	1,060	nm	nm	157	150	nm	nm	6.8	7.1
Omniceil Inc	OMCL	44	27	45	61.1%	-3.2%	2,063	1,064	81	132	150	1.94	25.4	15.6	13.8
Teladoc Health Inc	TDOC	9	10	19	-6.1%	-50.6%	1,923	2,590	186	320	325	0.74	10.4	6.0	5.9
Veeva Systems Inc	VEEV	210	183	203	14.7%	3.2%	30,079	2,296	453	1,106	1,253	13.10	66.4	27.2	24.0
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 (continued)

		Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Rev.	EV / EBITDA	EV / FWD EBITDA	
		3Q 2024	2Q 2024	3Q 2023	Quarterly	Annual	3Q 2024	3Q 2024	3Q 2024	FY 2025	FY 2026	3Q 2024	3Q 2024	2025	2026
Large, Diversified															
Agilent Technologies Inc	A	\$148	\$129	\$111	14.8%	33.7%	\$43,962	\$6,497	\$1,851	\$1,872	\$2,043	6.77x	23.8x	23.5x	21.5x
AbbVie Inc	ABBV	196	169	142	16.2%	37.6%	410,000	55,533	28,073	26,744	30,013	7.38	14.6	15.3	13.7
Abbott Laboratories	ABT	113	103	94	10.3%	20.2%	203,671	41,217	10,606	10,705	11,703	4.94	19.2	19.0	17.4
Amgen Inc	AMGN	320	308	259	3.8%	23.5%	223,201	32,534	12,700	17,710	17,874	6.86	17.6	12.6	12.5
Becton Dickinson & Co	BDX	241	233	254	3.6%	-5.2%	83,701	19,828	7,016	6,238	6,850	4.22	11.9	13.4	12.2
Danaher Corp	DHR	278	250	219	11.4%	27.1%	216,883	23,742	7,403	7,496	8,247	9.13	29.3	28.9	26.3
Johnson & Johnson	JNJ	162	145	151	11.7%	7.3%	405,581	87,696	30,176	30,316	32,734	4.62	13.4	13.4	12.4
Medtronic PLC	MDT	90	78	76	15.3%	18.8%	132,339	32,319	9,448	9,760	10,708	4.09	14.0	13.6	12.4
Koninklijke Philips NV	PHIA	33	25	19	29.7%	69.1%	37,554	19,613	3,245	2,955	3,340	1.91	11.6	12.7	11.2
Roche Holding AG	ROG	320	278	263	15.4%	21.9%	284,328	66,264	26,008	22,876	24,932	4.29	10.9	12.4	11.4
Siemens Healthineers AG	SHL	60	57	50	4.6%	19.9%	83,653	23,899	5,460	4,993	5,567	3.50	15.3	16.8	15.0
Thermo Fisher Scientific Inc	TMO	619	553	505	11.9%	22.5%	265,271	42,370	10,640	10,804	11,562	6.26	24.9	24.6	22.9
Group Median					11.8%	22.2%						4.78x	15.0x	14.4x	13.1x

(\$Millions, except per share figures)

Data Source: Bloomberg

Mergers & Acquisitions

Announced Transactions During 3Q 2024								
Acquirer	Target	Announce Date	Transaction Value	Implied EV	Implied EV			Target Sector
					Revenue	EBIT	EBITDA	
Eli Lilly and Company	Morphic Holding, Inc.	7/8/24	\$3,192	\$2,564	nm	nm	nm	Biotechnology
US Oncology, Inc.	Community Oncology Revitalization Enterprise Ventures, LLC	8/26/24	2,490	3,557	nm	nm	nm	Health Care Technology
Owens & Minor, Inc.	Rotech Healthcare Holdings Inc.	7/23/24	1,357	1,357	1.81	nm	6.0	Health Care Equipment
Boehringer Ingelheim International GmbH	Nerio Therapeutics, Inc.	7/29/24	1,300	1,300	nm	nm	nm	Biotechnology
Otsuka America, Inc.	Jnana Therapeutics Inc.	8/1/24	1,125	1,125	nm	nm	nm	Biotechnology
Edwards Lifesciences Corporation	JenaValve Technology, Inc.	7/24/24	945	945	nm	nm	nm	Health Care Equipment
Agilent Diagnostics & Genomics Group	BIOVECTRA Inc.	7/22/24	925	925	8.19	nm	nm	Life Sciences Tools and Services
Recursion Pharmaceuticals, Inc.	Exscientia plc	8/8/24	712	340	12.70	nm	nm	Biotechnology
Edwards Lifesciences Corporation	Endotronix Inc.	7/24/24	675	675	nm	nm	nm	Health Care Equipment
Audax Management Company, LLC	Clinical Services Business of Avantor, Inc. (nka:Resonant Clinical Solutions)	8/16/24	650	650	nm	nm	nm	Life Sciences Tools and Services
Dechra Pharmaceuticals Limited	Invetx, Inc.	7/18/24	520	520	nm	nm	nm	Biotechnology
Getinge AB (publ)	Paragonix Technologies, Inc.	8/22/24	477	477	11.07	nm	nm	Health Care Equipment
Pharmacosmos Therapeutics Inc.	G1 Therapeutics, Inc.	8/7/24	443	383	6.57	nm	nm	Biotechnology
Astorg Asset Management S A.R.L.; FAX Capital Corp.	Hamilton Thorne Ltd.	7/22/24	287	278	3.83	571.3	57.5	Health Care Equipment
IK Partners; NextStage AM	Eurobio Scientific Société anonyme	7/31/24	282	282	1.80	20.2	12.6	Biotechnology
Commure, Inc.	Augmedix, Inc.	7/19/24	162	134	2.59	nm	nm	Health Care Technology
Ligand Pharmaceuticals Incorporated	APEIRON Biologics AG	7/8/24	128	128	nm	nm	nm	Biotechnology
Winner Medical Co., Ltd.	Global Resources International, Inc.	9/23/24	120	160	1.04	9.8	7.8	Health Care Equipment

Transaction values over \$100 million; Presented in \$millions

Data Source: Capital IQ

Mergers & Acquisitions (cont.)

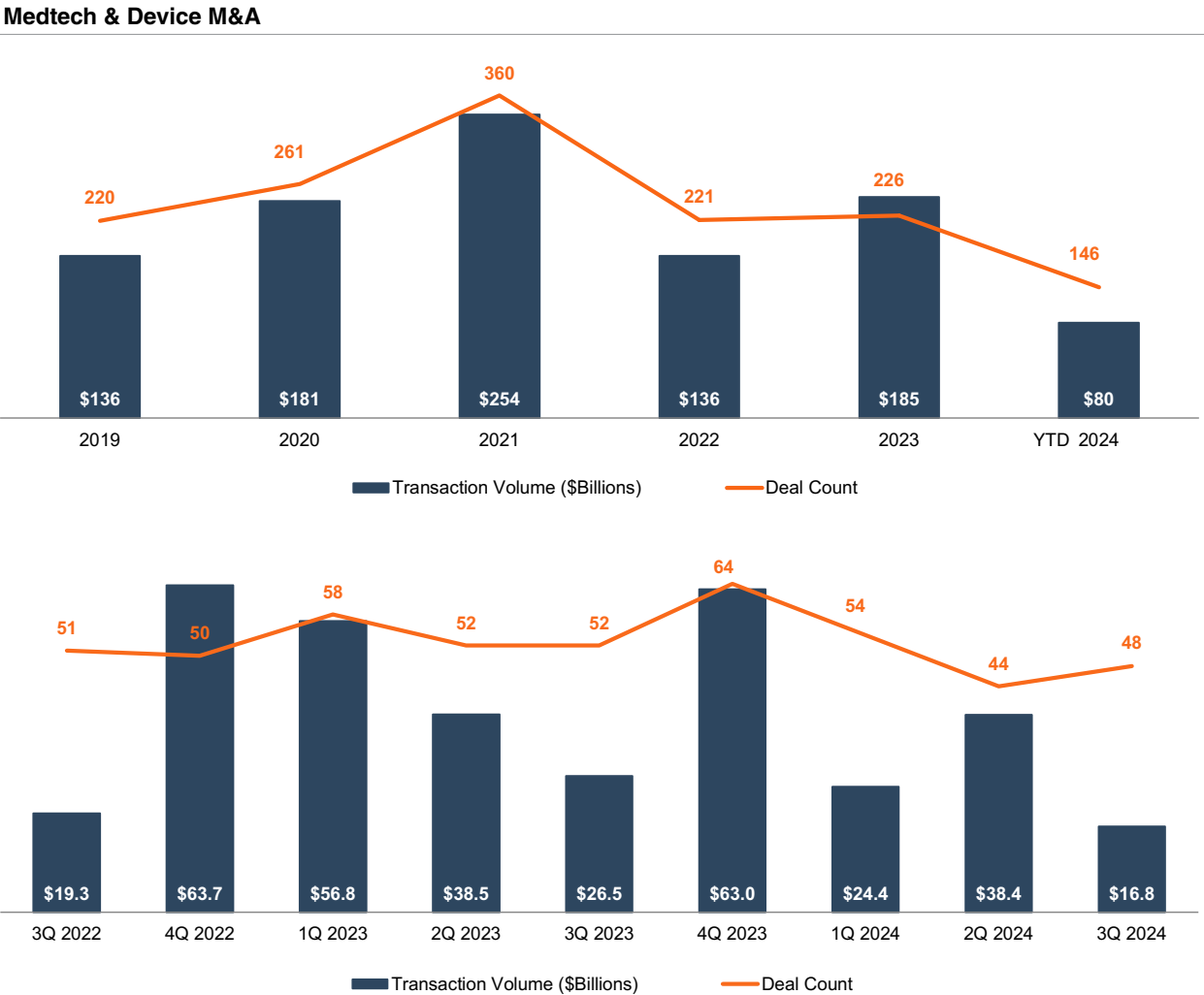
Announced Transactions During 3Q 2024								
Acquirer	Target	Announce Date	Transaction Value	Implied EV	Implied EV			Target Sector
					Revenue	EBIT	EBITDA	
UFP Technologies, Inc.	AJR Enterprises, LLC	7/1/24	110	110	1.47	nm	6.0	Health Care Equipment
Concentra Biosciences, LLC	Singular Genomics Systems, Inc.	9/18/24	101	(28)	-10.18	nm	nm	Life Sciences Tools and Services
Deerfield Management Company, L.P. Series C; Deerfield Private Design Fund IV, L.P.; Deerfield Mgmt IV, L.P.	Singular Genomics Systems, Inc.	9/12/24	101	(30)	-11.20	nm	nm	Life Sciences Tools and Services
CooperSurgical, Inc.	OBP Surgical Corporation	8/1/24	100	100	nm	nm	nm	Health Care Equipment
Otsuka America, Inc.	Jnana Therapeutics Inc.	8/1/24	1,125	1,125	nm	nm	nm	Biotechnology

Transaction values over \$100 million; Presented in \$millions

Data Source: Capital IQ

MedTech & Device M&A

(continued)



Source: Capital IQ; Mercer Capital Analysis

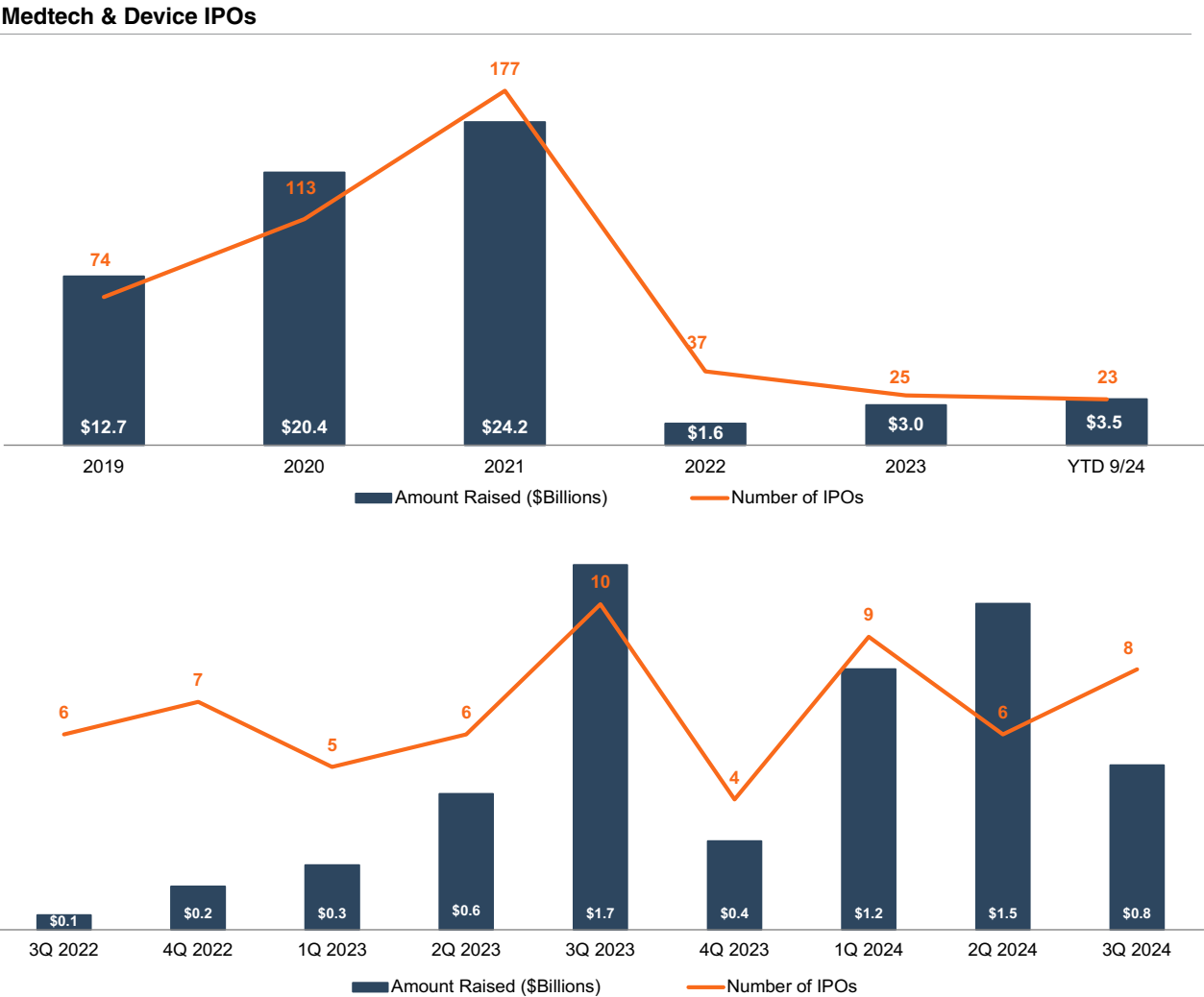
Initial Public Offerings

Completed Initial Public Offerings During 3Q 2024

Issuer	Ticker	IPO Date	IPO Price	Gross Proceeds (\$mil)	9/30/24 Stock Price	Return Since IPO	9/30/24 Market Cap	Industry
Kairos Pharma, Ltd.	NYSEAM:KAPA	9/16/24	4.00	6.2	1.57	-60.8%	20.2	Biotechnology
Zenas BioPharma, Inc.	NasdaqGS:ZBIO	9/12/24	17.00	225.0	16.92	-0.5%	673.3	Biotechnology
Bicara Therapeutics Inc.	NasdaqGM:BCAX	9/12/24	18.00	315.0	25.47	41.5%	1,385.2	Biotechnology
Actuate Therapeutics, Inc.	NasdaqGM:ACTU	8/12/24	8.00	22.4	7.45	-6.9%	145.5	Biotechnology
OS Therapies Incorporated	NYSEAM:OSTX	7/31/24	4.00	6.4	2.80	-30.0%	58.5	Biotechnology
Heartseed Inc.	TSE:219A	7/30/24	7.53	10.6	11.06	46.9%	243.4	Biotechnology
Artiva Biotherapeutics, Inc.	NasdaqGM:ARTV	7/18/24	12.00	167.0	15.45	28.8%	375.2	Biotechnology
NanoEcho AB (publ)	OM:NANECH	7/16/24	0.01	1.7	0.03	141.3%	5.5	Health Care Equipment

Initial Public Offerings

(continued)



Source: Capital IQ; Mercer Capital Analysis



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