

MEDICAL TECHNOLOGY M&A PULSE

FIRST QUARTER 2024



OUR INSIGHTS

The middle market medical technology sector is on the verge of renewed confidence, driven by strong underlying economic fundamentals, easing inflation, and potential interest rate cuts although uncertainty remains. Generally, the outlook for 2024 is positive for strong assets as ample capital is available to deploy into quality businesses with sustained earnings.

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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
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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



has been acquired by




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a portfolio company of




has been acquired by




has been acquired by



Q1 2024 Market Summary & Outlook

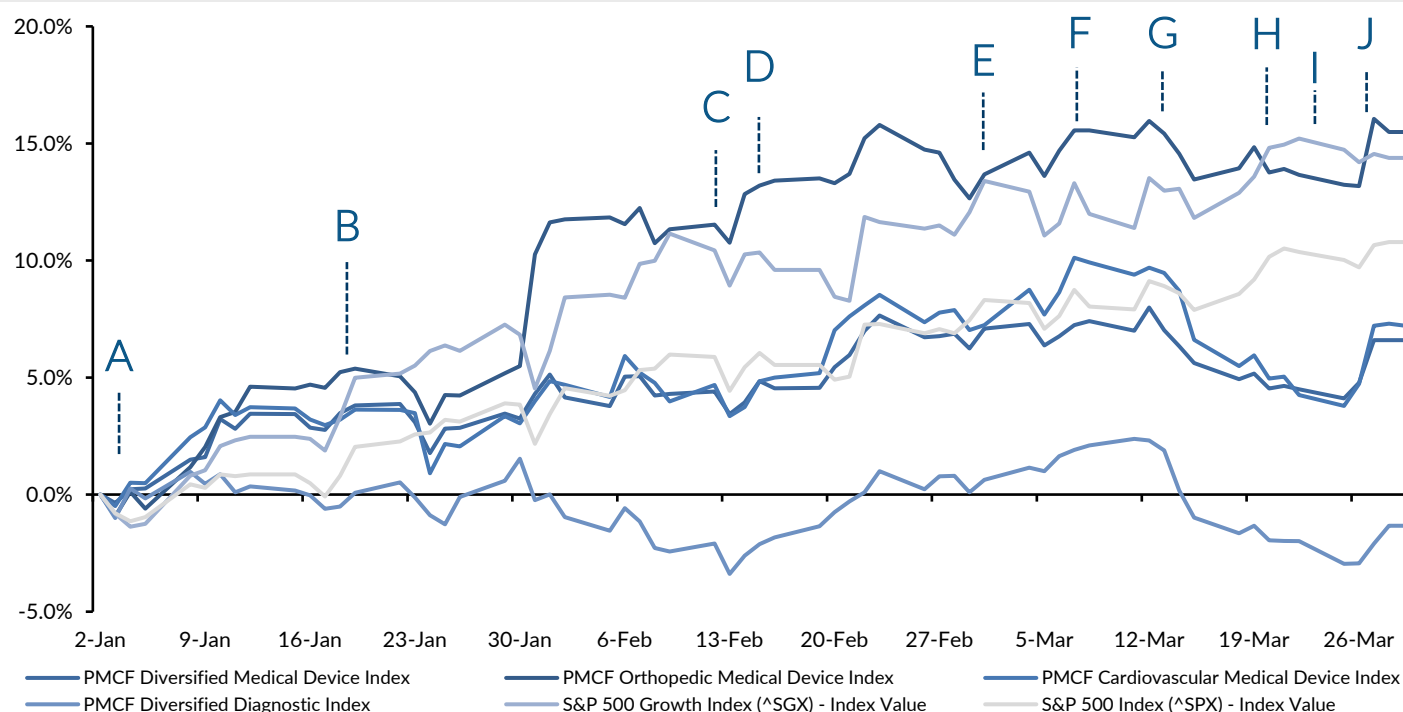
Q1 2024 – Rate Cut Uncertainty

- Persistent inflation in Q1 2024 delayed expected rate cuts as the Federal Reserve back tracked expectations from four to three cuts this year. This higher-for-longer interest rate environment continues to impact M&A activity as financing remains costly and challenging. As 2024 marks an election year and global conflict continues, there remains heightened volatility and uncertainty throughout the economy. Even so, strong economic fundamentals remain and continue to drive deal making and investor returns for quality assets.
- Q1 2024 Medical M&A experienced a strong quarter by volume with 135 transactions announced for the quarter. This early volume is in line with 2020, 2022, and 2023 and sets 2024 up for a solid year. Services was the leading segment, comprising 27% of transactions. This was closely followed by Equipment, Therapeutic Device, and Consumables & Disposable, each making up 15% of volume.
- The first quarter represented a strong start to the year for Medical Device public companies. The Orthopedic index remained the top performer, up 15.5% for the year, which was in line with the S&P 500 Growth Index which was up 14.4%. The Diversified Diagnostic index was the only one of the group with negative quarterly performance, finishing down 1.3%.

2024 NOTABLE EVENTS TIMELINE

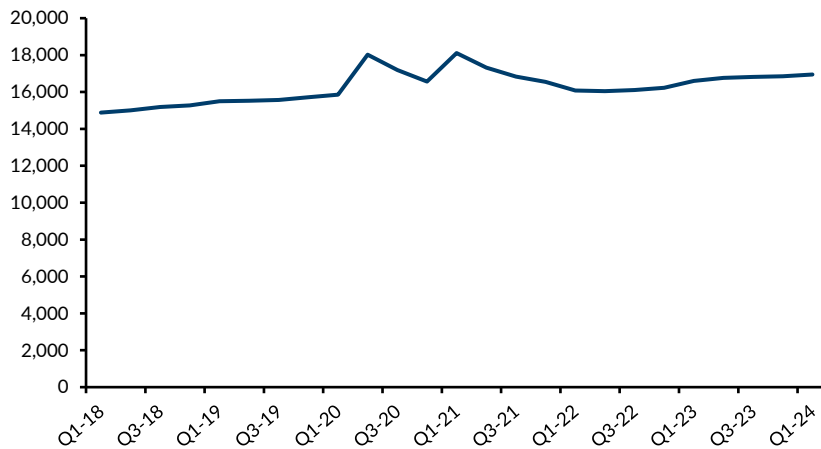
- January 1, 2024 | Claudine Gay, president of Harvard, steps down following allegations of plagiarism
- January 19, 2024 | The Biden Administration cancels \$4.9 billion in federal student loan debt for 74,000 borrowers
- February 13, 2024 | The House of Representatives impeaches Homeland Security Secretary Alejandro Mayorkas
- February 14, 2024 | Mass shooting occurs at the Chiefs Super Bowl Parade in Kansas City
- February 29, 2024 | Gaza's death toll exceeds 30,000 amid continued war in Palestine
- March 7, 2024 | Biden delivers the State of the Union address and positions abortion and healthcare as major ballot topics
- March 12, 2024 | Biden and Trump secure enough delegates to become their parties' nominees for president
- March 21, 2024 | Federal Reserve trims number of expected rate cuts from four to three
- March 22, 2024 | Senate passes \$1.2 trillion of spending bills ending threat of partial government shutdown
- March 26, 2024 | Cargo ship hits Baltimore's Francis Scott Key Bridge causing it to collapse

PMCF MEDICAL TECHNOLOGY INDICES PERFORMANCE



Trends in Medical Technology

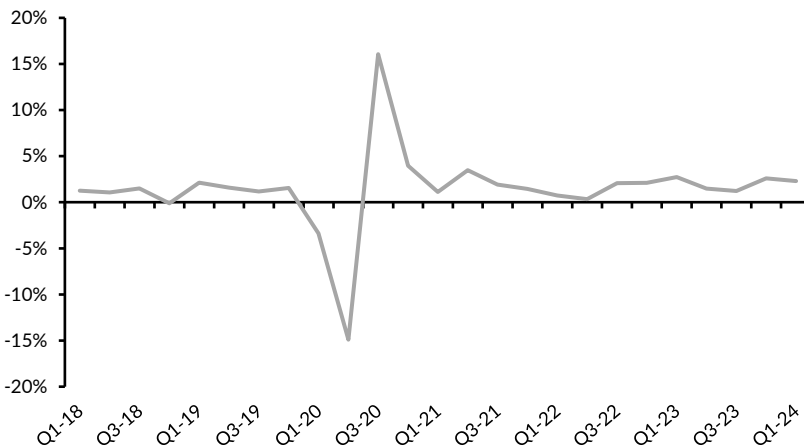
U.S. REAL DISPOSABLE PERSONAL INCOME, 2017 DOLLARS (\$B)



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. First quarter total disposable income was \$16.9B, up 2.1% from the year prior.

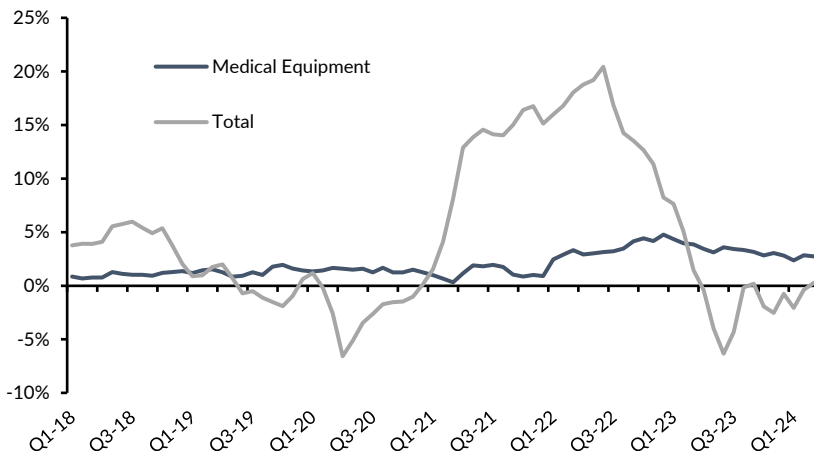
U.S. PERSONAL HEALTH CARE SERVICES EXPENDITURES (YEAR OVER YEAR % CHANGE)



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 Q1 were up 7.8% from Q1 2023.

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 1.2% over the past year, while Medical Equipment is up 3.0%.

Therapeutic Device

Boston Scientific Corporation acquires Axonics, Inc.

January 2024 - Boston Scientific Corporation (NYSE: BSX) announced it has entered into a definitive agreement to acquire Axonics, Inc. (Nasdaq: AXNX), a publicly traded medical technology company primarily focused on the development and commercialization of differentiated devices to treat urinary and bowel dysfunction. The purchase price is \$71 in cash per share, reflecting an equity value of approximately \$3.7 billion and an enterprise value of approximately \$3.4 billion. *"We are excited to add Axonics technologies to the Boston Scientific portfolio, a combination that we expect will further strengthen our ability to serve urologists who are treating patients living with these often-chronic conditions,"* said Meghan Scanlon, senior vice president and president, Urology, Boston Scientific. *"This acquisition also enables our entry into sacral neuromodulation, a high-growth adjacency with opportunities to expand access to care for patients."*

Consumable & Disposable

Novo Holdings acquires Catalent, Inc.

February 2024 - Catalent, Inc. (NYSE: CTLT), a leader in enabling the development and supply of better treatments for patients worldwide, and Novo Holdings, a holding and investment company, announced that they have entered into a merger agreement under which Novo Holdings will acquire Catalent in an all-cash transaction that values Catalent at \$16.5 billion on an enterprise value basis. Alessandro Maselli, President and Chief Executive Officer of Catalent, said: *"Over the past several years, Catalent has built a comprehensive end-to-end offering of services and capabilities to drive innovation in the healthcare system and improve patient outcomes. This transaction is a testament to our team's hard work and dedication to this mission, and I am incredibly excited for this next step in our journey. We look forward to benefiting from Novo Holdings' significant resources to accelerate investment in our business and enhance key offerings as we continue to offer premium development and manufacturing solutions for pharma and biotech customers."*

Medical Equipment

Ingersoll Rand acquires ILC Dover

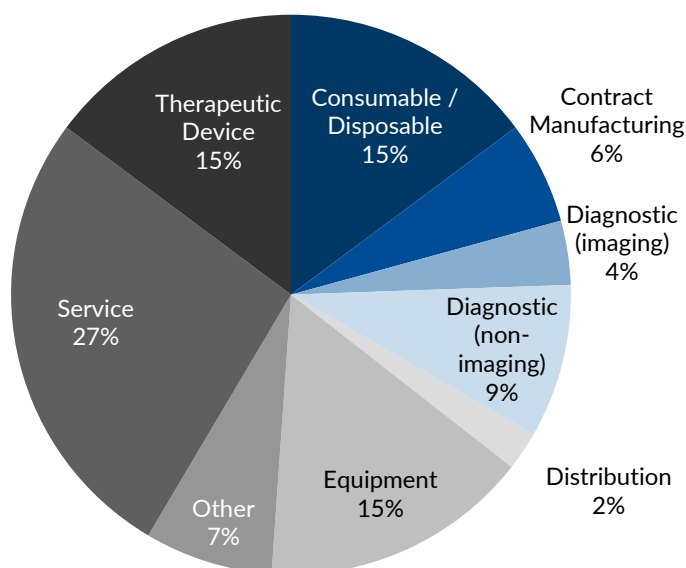
March 2024 - Ingersoll Rand Inc. (NYSE:IR) has entered into an agreement to acquire ILC Dover ("ILC") from New Mountain Capital, LLC. The deal includes an upfront cash purchase price of approximately \$2.325 billion and an earnout tied to the achievement of select operating efficiency metrics in 2024. ILC is a world-leader in the design and production of highly innovative solutions for biopharmaceutical, pharmaceutical, and medical device markets. In connection with this acquisition, Ingersoll Rand will establish a life sciences platform within its P&ST segment, consisting of ILC plus Ingersoll Rand's life science-focused brands including Thomas, Welch, Zinsser Analytic, Tricontinent, Air Dimensions, and ILS. *"This acquisition is the next phase of our long-term vision to expand into higher-growth end markets like life sciences. I am incredibly excited to partner with the outstanding team at ILC, whom we've admired for their innovative products and decades of experience in life sciences, to enhance our presence in key workflows and applications,"* said Vicente Reynal, Ingersoll Rand chairman and CEO.

M&A Activity Roundup

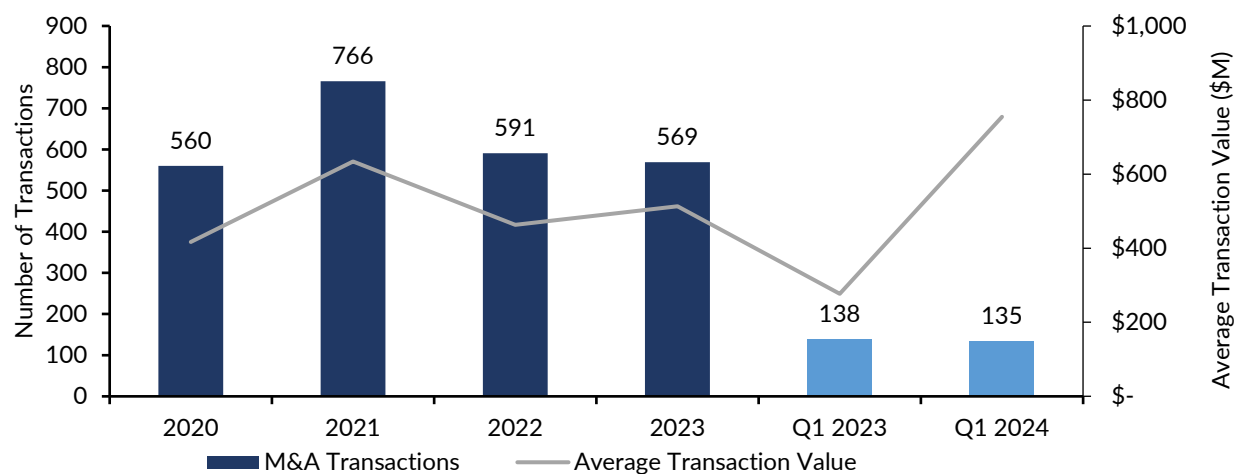
Trends in Medical Technology M&A

- Q1 2024 M&A volume was on par with Q1 of 2023 (135 vs. 138 announced transactions). This strong first quarter indicates Medical Technology M&A is on pace for similar performance as 2023.
- The Services segment once again led in transaction volume with 27% of announced deals. Other notable segments included Therapeutic Device, Equipment, and Consumable & Disposable, each comprising 15% of M&A volume.
- Among Q1 2024 transactions with disclosed enterprise values and EBITDA, the median TEV / EBITDA multiples were notably higher from the year prior (17.0x vs. 9.8x). Potential rate cuts and strong underlying economic factors may be driving these trends as valuations return to standardized levels. Additionally, the average disclosed transaction size was also notably larger than in any prior period, at \$754M.

TRANSACTIONS BY SEGMENT - Q1 2024



MEDICAL DEVICE M&A TRANSACTION METRICS



Period	Mean/Median	Transaction Value (\$MM)	TEV/REV	TEV/EBITDA
2024 Q1	Mean	\$ 754.83	4.4x	17.0x
2024 Q1	Median	\$ 97.83	3.0x	10.3x
2023 Q1	Mean	\$ 276.73	5.2x	9.8x
2023 Q1	Median	\$ 26.80	1.9x	9.7x
2023	Mean	\$ 513.31	5.6x	14.1x
2023	Median	\$ 44.55	1.8x	9.6x
2022	Mean	\$ 463.04	10.0x	27.0x
2022	Median	\$ 29.69	2.4x	15.7x
2021	Mean	\$ 634.03	6.1x	17.6x
2021	Median	\$ 60.71	3.7x	14.5x

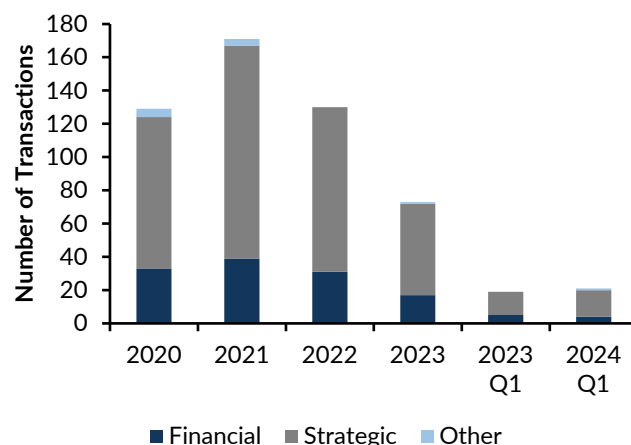
Trends in Medical Equipment M&A

- Medical Equipment M&A volume in Q1 2024 increased compared to Q1 2023, with 21 transactions announced vs 19. Strategic acquirers continued to be the most active with 16 of the total 21 announced transactions in Q1.
- Similar to Q1 2023, private acquirers were more active than public acquirers, announcing 11 transactions. Private equity activity remained steady with 4 transactions recorded in both Q1 2024 and 2023.
- International-only acquisitions once again led M&A in the Equipment segment, with 10 transactions, 1 less than the year prior. U.S.-focused activity saw significant growth with 8 acquisitions involving a U.S. based company, 5 more than in Q1 2023.
- In line with previous quarters, Furniture/Equipment remained the leading end market within the Medical Equipment category with 12 transactions in Q1 2024. Aesthetic, Infection Control and Surgical markets followed behind as the next most active markets in the subsector, however activity continues to be distributed across each of the end markets.

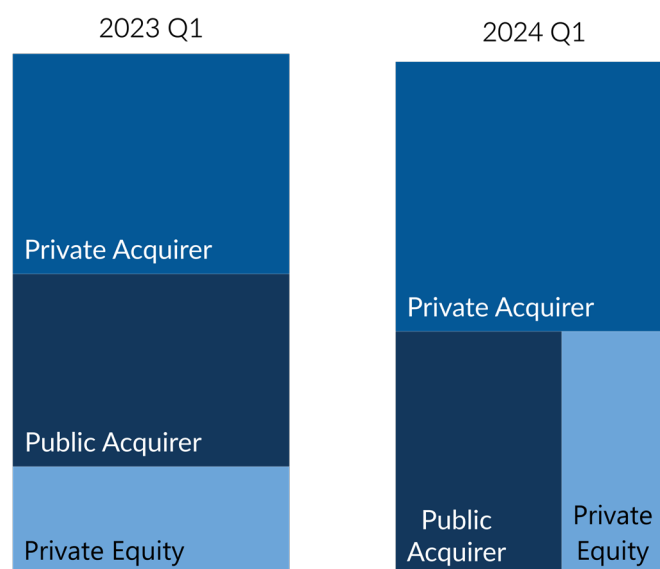
TRANSACTIONS BY END MARKET

End Market	2021	2022	2023	'23 Q1	'24 Q1
Acute Care	2	-	-	-	-
Aesthetic	1	3	-	-	2
Cardiovascular	4	5	-	-	1
Drug Delivery	8	1	2	-	1
Furniture/Equipment	37	28	32	5	12
Home Health	11	8	3	1	-
Hospital Care	19	13	6	2	-
Infection Control	2	3	1	1	2
IVD	6	3	-	-	-
Monitor	16	15	1	-	-
Neurovascular	2	-	1	-	-
Ophthalmology	8	5	2	-	1
Ortho	6	8	7	4	-
Other	10	5	5	3	-
Respiratory	12	6	1	1	-
Support	11	10	5	1	-
Surgical	16	17	7	1	2
Total	171	130	73	19	21

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2021	2022	2023	'23 Q1	'24 Q1
Int'l-to-Int'l	62	62	47	11	10
U.S.-to-Int'l	16	12	4	2	2
U.S.-to-U.S.	76	43	15	3	8
Int'l-to-U.S.	17	13	7	3	1
Total	171	130	73	19	21

Therapeutic Device M&A

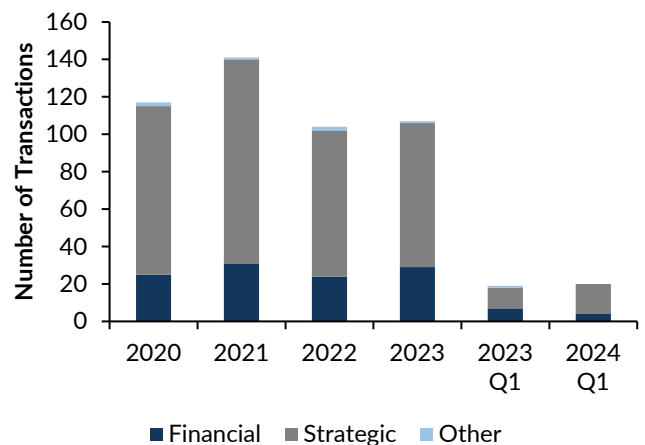
Trends in Therapeutic Device M&A

- Therapeutic Device M&A completed another strong quarter with 20 total transactions announced, slightly surpassing the Q1 2023 volumes of 19 deals.
- Public and private acquirers split Therapeutic Device activity, each announcing 8 total transactions in Q1 2024. Private equity groups were less active once again, participating in only 4 transactions during the same period.
- Ortho and Ophthalmology were the most active end markets within Therapeutic Device, with 5 announced transactions each in Q1 2024. Following closely were Home Health, Aesthetic, and Other end markets (3, 2, and 2 transactions, respectively).
- An increased number of U.S. companies were acquired across both national and global markets. This, combined with consistent, international-only transactions, demonstrates the continued M&A appetite for assets around the globe.

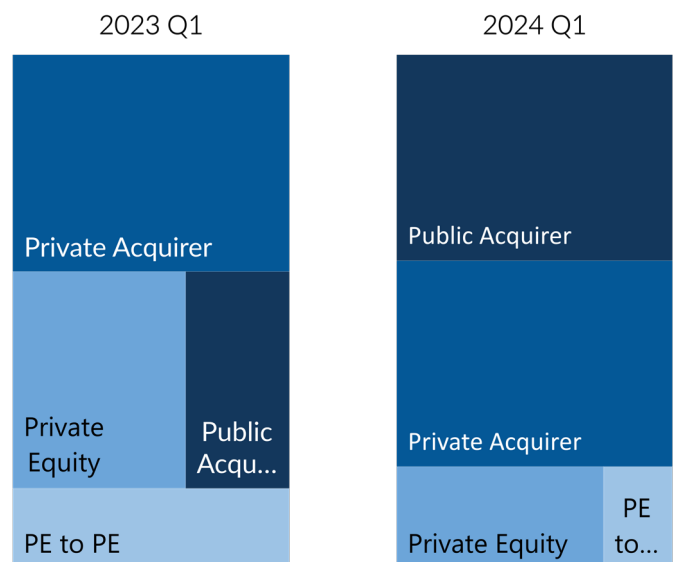
TRANSACTIONS BY END MARKET

End Market	2021	2022	2023	'23 Q1	'24 Q1
Acute Care	3	3	1	-	-
Aesthetic	1	3	3	1	2
Cardiovascular	18	9	15	3	-
Drug Delivery	-	3	6	-	-
Furniture/Equipment	2	1	-	-	-
Home Health	7	1	2	1	3
Hospital Care	1	1	5	2	-
Infection Control	2	-	-	-	-
IVD	1	-	2	-	-
Monitor	-	1	3	2	-
Neurovascular	4	10	10	1	1
Ophthalmology	15	20	4	-	5
Ortho	28	18	18	2	5
Other	45	23	14	3	2
Respiratory	8	3	6	2	-
Support	5	2	1	1	1
Surgical	1	6	17	1	1
Total	141	104	107	19	20

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2021	2022	2023	'23 Q1	'24 Q1
Int'l-to-Int'l	61	45	35	7	6
U.S.-to-Int'l	10	8	17	4	1
U.S.-to-U.S.	59	38	43	6	12
Int'l-to-U.S.	11	13	12	2	1
Total	141	104	107	19	20

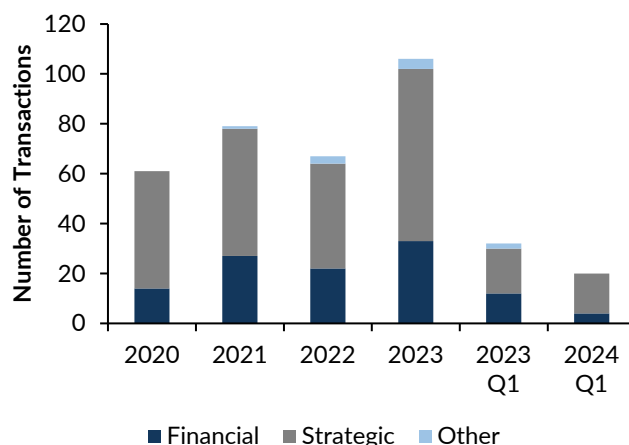
Trends in Consumable & Disposable M&A

- Consumable & Disposable M&A activity in Q1 2024 experienced a decline compared to the previous quarter (20 vs. 32 announced transactions) although 2023 saw uniquely robust activity in this segment.
- Private acquirers led M&A activity, announcing 12 transactions for the quarter. This was followed by public company acquisitions, which constituted 20% of all Consumable & Disposable M&A. Private equity groups remained relatively quiet, announcing only 4 transactions during Q1 2024.
- Consumable & Disposable sector activity was distributed across U.S. and international markets. During Q1 2024, pure domestic transaction activity decreased to 8 transactions for the quarter which is down from 10 in Q1 2023. International transactions also declined to 8, down from 13 in Q1 2023.
- Drug Delivery and Surgical focused transactions led the way among end markets with 7 transactions each. Support experienced the largest decline as 0 transactions were completed in Q1 2024 compared to 10 in the quarter a year ago.

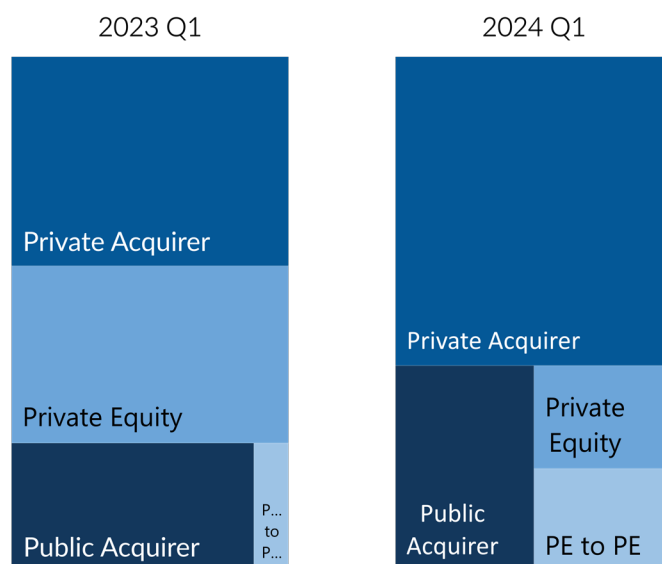
TRANSACTIONS BY END MARKET

End Market	2021	2022	2023	'23 Q1	'24 Q1
Acute Care	9	1	3	-	2
Aesthetic	1	3	5	1	-
Cardiovascular	-	1	4	1	-
Drug Delivery	4	3	9	-	7
Furniture/Equipment	1	-	-	-	1
Home Health	2	1	2	1	-
Hospital Care	14	-	11	4	-
Infection Control	27	21	6	2	1
IVD	3	3	1	1	-
Monitor	1	-	-	-	-
Neurovascular	-	1	1	-	-
Ophthalmology	1	3	4	1	-
Ortho	-	3	4	1	1
Other	4	7	18	5	1
Respiratory	-	1	4	1	-
Support	6	9	20	10	-
Surgical	6	11	14	4	7
Total	79	68	106	32	20

FINANCIAL VS. STRATEGIC BUYER



TRANSACTIONS BY BUYER TYPE



CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2021	2022	2023	'23 Q1	'24 Q1
Int'l-to-Int'l	41	39	48	13	8
U.S.-to-Int'l	8	5	10	5	3
U.S.-to-U.S.	23	20	36	10	8
Int'l-to-U.S.	7	4	12	4	1
Total	79	68	106	32	20

Diversified Medical Device Public Comparables

PUBLIC DIVERSIFIED MEDICAL DEVICE COMPANY COMMENTARY:

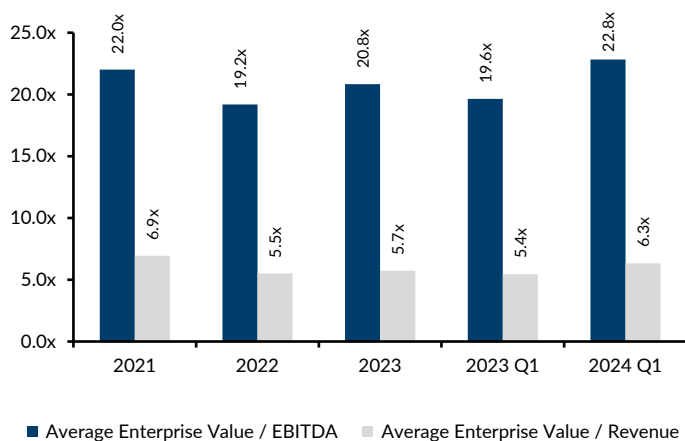
- “We are very, very judicious about capital allocation within the business and where to put money within R&D. We also have plans in '24, but also in '25 to continue to increase the dollar's value that we put to R&D.” – Jose Almeida, Baxter International, Chairman, President & CEO
- “If you compare volumes this year versus last year, you're seeing strong growth. The strength of our diverse portfolio is allowing us to overcome what we see as transitory market dynamics that you're seeing across companies in the life science research area as well as in the B2B pharm systems marketplace where you're seeing destocking in certain areas.” – Thomas Polen, Becton, Dickinson and Co., President, CEO & Chairman

DIVERSIFIED MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

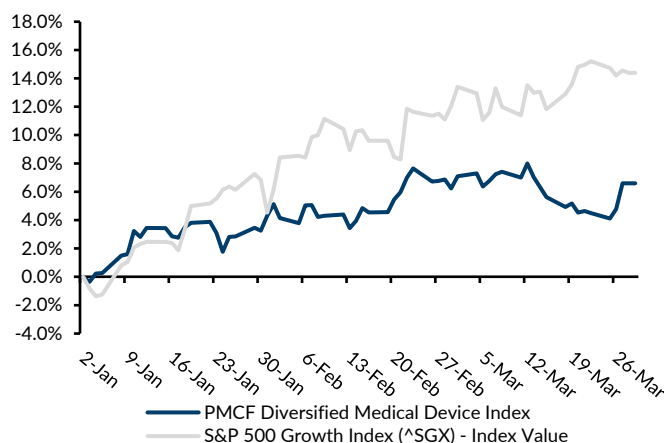
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	3/31/2024	6,651	14,705	197,221	205,508	5.1x	19.0x	34.9x
Baxter International Inc.	3/31/2024	3,026	14,170	21,769	32,975	2.2x	11.1x	NM
Becton, Dickinson and Company	3/31/2024	3,175	18,011	71,489	86,325	4.4x	17.1x	56.7x
Boston Scientific Corporation	3/31/2024	2,329	11,001	100,673	109,587	7.7x	29.6x	64.0x
Intuitive Surgical, Inc.	3/31/2024	4,800	0	141,457	136,741	19.1x	62.1x	79.3x
Johnson & Johnson	3/31/2024	26,218	33,632	381,204	388,618	4.6x	12.6x	30.4x
Medtronic plc	1/26/2024	8,321	25,182	115,720	132,785	4.1x	14.8x	27.7x
Smith & Nephew plc	12/31/2023	302	3,084	10,920	13,702	2.5x	12.1x	42.0x
Stryker Corporation	3/31/2024	2,407	13,400	136,085	147,078	7.1x	27.0x	43.4x
High		26,218	33,632	381,204	388,618	19.1x	62.1x	79.3x
Mean		6,359	14,798	130,726	139,258	6.3x	22.8x	47.3x
Median		3,175	14,170	115,720	132,785	4.6x	17.1x	42.7x
Low		302	0	10,920	13,702	2.2x	11.1x	27.7x

As of March 31, 2024

DIVERSIFIED MEDICAL DEVICE MULTIPLES



DIVERSIFIED MEDICAL DEVICE INDEX



EV/EBITDA multiples for the Diversified Medical Device (“DMD”) sector were modestly higher in Q1 2024 compared to Q1 2023 (22.8x vs. 19.6x). Revenue multiples followed suit, 6.3x vs. 5.4x, however these values have remained consistent since 2021. Intuitive Surgical remains the highest valued in the index at 62.1x EBITDA. Boston Scientific and Stryker follow in a far second and third place.

The DMD index had a strong start to the year to finish the quarter up almost 7%. The DMD index still lagged behind the benchmark S&P 500 Growth Index by almost 7%.

Orthopedic Public Comparables

PUBLIC ORTHOPEDIC MEDICAL DEVICE COMPANY COMMENTARY:

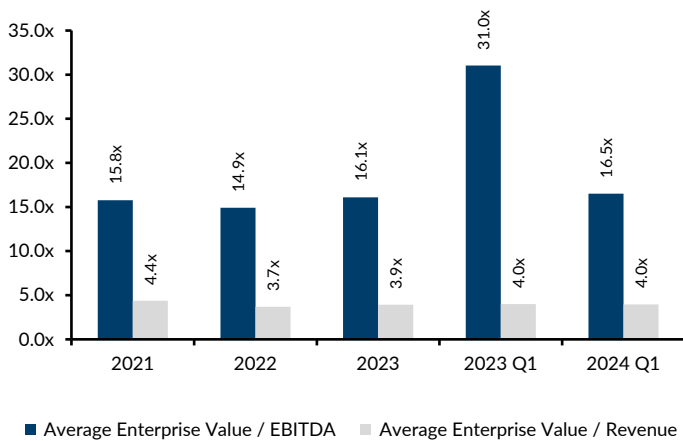
- “As it relates to tuck-in acquisitions, the business is generating strong cash. And as we look ahead, we're really not limited by our balance sheet to go do tuck-ins. We have ample cash on hand plus we have an untapped line of credit should we want to do anything. So, I don't see that limiting us as we look at tuck-ins moving ahead.” – Keith Pfeil, Globus Medical, CFO & COO
- “We expect inflation to start to come down, in terms of our ability to pass through. So, we expect a lower impact of that in '24 compared to '23.” – Deepak Nath, Smith & Nephew, CEO & Director

ORTHOPEDIC MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

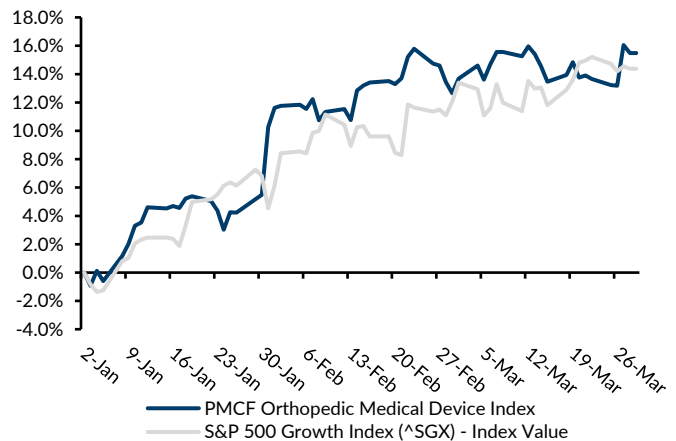
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Alphatec Holdings, Inc.	3/31/2024	144	541	1,903	2,323	4.7x	NM	NM
Enovis Corporation	3/29/2024	66	1,413	3,425	4,774	2.3x	16.9x	NM
Globus Medical, Inc.	3/31/2024	434	526	7,261	7,353	4.6x	16.4x	50.1x
Novartis AG	3/31/2024	9,703	27,284	212,110	229,772	5.1x	13.5x	25.3x
Orthofix Medical Inc.	3/31/2024	28	157	543	672	0.9x	NM	NM
Smith & Nephew plc	12/31/2023	302	3,084	10,920	13,702	2.5x	12.1x	42.0x
Stryker Corporation	3/31/2024	2,407	13,400	136,085	147,078	7.1x	27.0x	43.4x
Zimmer Biomet Holdings, Inc.	3/31/2024	393	6,011	27,117	32,743	4.5x	13.1x	27.0x
High		9,703	27,284	212,110	229,772	7.1x	27.0x	50.1x
Mean		1,685	6,552	49,921	54,802	4.0x	16.5x	37.6x
Median		348	2,248	9,091	10,527	4.5x	15.0x	42.0x
Low		28	157	543	672	0.9x	12.1x	25.3x

As of March 31, 2024

ORTHOPEDIC MEDICAL DEVICE MULTIPLES



ORTHOPEDIC MEDICAL DEVICE INDEX



Orthopedic Medical Device had a steady start to 2024, with valuations maintaining pace with 2022 and 2023. EBITDA to EV multiples were down significantly from Q1 2023 (16.5x vs. 31.0x), though back in line with the year end 2021 – 2023 average. Stryker wrapped up another quarter ahead of peers in terms of valuation trading at an EV/EBITDA of 27.0x.

The OMD index had an incredible start to the year, already up 15%, and surpassed the S&P 500 Growth Index for much of the quarter. Once again, the OMD index is the best performer of those tracked by PMCF.

Cardiovascular Public Comparables

PUBLIC CARDIOVASCULAR MEDICAL DEVICE COMPANY COMMENTARY:

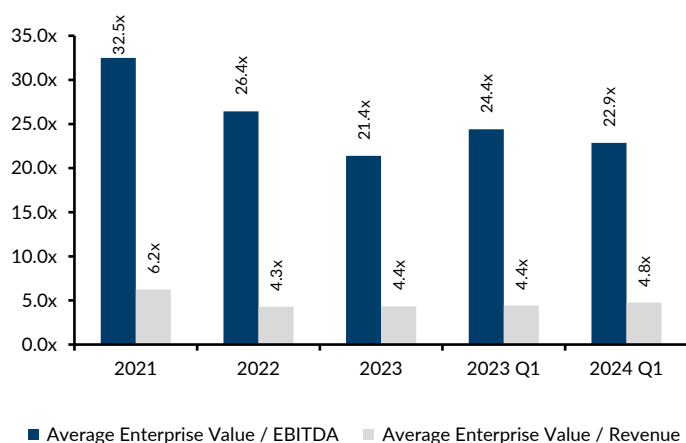
- “We were a little bit disappointed with our overall growth in Europe. We saw some pretty aggressive pricing from competitors that I think led to some trialing. But we expect this to normalize through the course of the year.” – Larry Wood, Edwards Lifesciences Corp., Corporate VP & Group President
- “We had trouble getting people in the door and we had trouble keeping people, turnover was a little bit high. And then we had trouble training folks. And so as we got through that, those manufacturing efficiencies, i.e., the direct labor folks being in their sort of stations longer, more utilization, if you will, and then being more efficient, making devices quicker and that all started to come through to the P&L.” – Joseph Pellegrino, LeMaitre Vascular, CFO

CARDIOVASCULAR MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

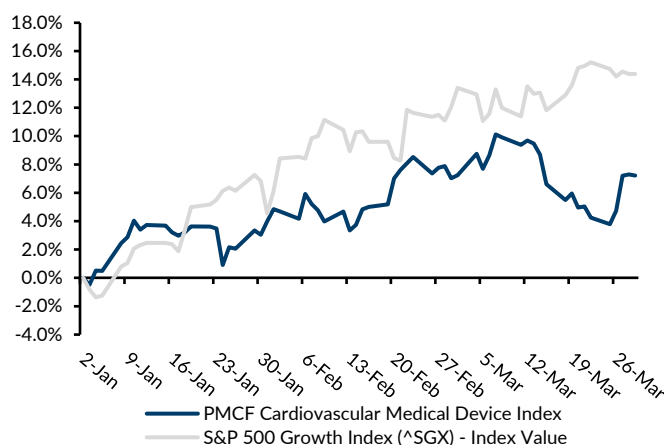
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	3/31/2024	6,651	14,705	197,221	205,508	5.1x	19.0x	34.9x
AngioDynamics, Inc.	2/29/2024	78	4	234	159	0.5x	24.7x	NM
Artivion, Inc.	3/31/2024	51	363	883	1,195	3.3x	26.1x	NM
Edwards Lifesciences Corporation	3/31/2024	1,698	699	57,520	56,590	9.4x	29.7x	41.5x
LeMaitre Vascular, Inc.	3/31/2024	108	19	1,482	1,393	7.2x	28.2x	49.5x
Medtronic plc	1/26/2024	8,321	25,182	115,720	132,785	4.1x	14.8x	27.7x
Merit Medical Systems, Inc.	3/31/2024	583	873	4,388	4,678	3.7x	20.2x	46.8x
Terumo Corporation	3/31/2024	1,355	1,533	26,789	26,967	4.6x	19.9x	41.0x
High		8,321	25,182	197,221	205,508	9.4x	29.7x	49.5x
Mean		2,356	5,422	50,530	53,659	4.8x	22.9x	40.2x
Median		969	786	15,588	15,822	4.4x	22.5x	41.3x
Low		51	4	234	159	0.5x	14.8x	27.7x

As of March 31, 2024

CARDIOVASCULAR MEDICAL DEVICE MULTIPLES



CARDIOVASCULAR MEDICAL DEVICE INDEX



Multiples in the Cardiovascular Medical Devices industry finished on pace with the prior quarter and showed gains against the end of 2023. (EV to EBITDA of 22.9x vs. 21.4x). Revenue multiples remained mostly flat with a light pick up to 4.8x. EBITDA multiples within the industry have little deviation, with the majority of tracked companies trading in the high teens to mid 20 times EBITDA, suggesting market alignment in industry valuation.

The CMD index had multiple swings throughout the quarter, reaching highs of up 10% in early March, but ultimately finished the quarter up 7% from the beginning of the year. It was the second-best performer of the four medical device indices tracked by PMCF.

Diversified Diagnostic Public Comparables

PUBLIC DIVERSIFIED DIAGNOSTIC COMPANY COMMENTARY:

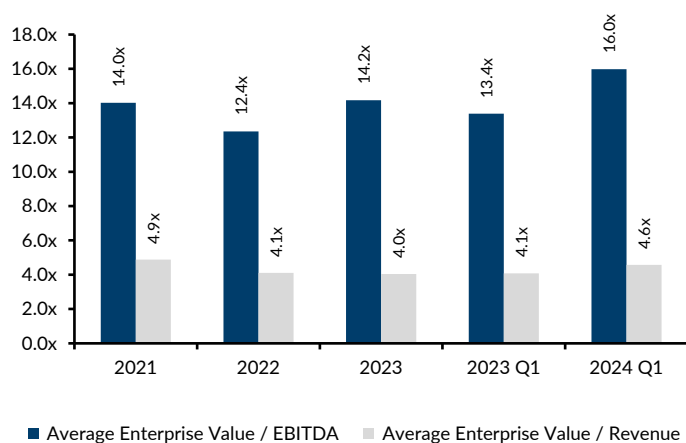
- “While current end market conditions remain challenging, our Life Sciences businesses are well positioned for the long term. A combination of investments in innovation and strategic acquisitions over the last several years has increased our exposure to attractive end markets in Life Sciences and accelerated our growth trajectory.” – Rainer Blair, Danaher Corp., President, CEO & Director
- “When it comes to the R&D expenses related to the new acquisitions that we've made, that's really about prioritization within our R&D portfolio. So, we're being very disciplined about making sure that we're giving those programs everything that they're going to require in order to be maximally successful.” – Teresa Graham, Roche Holdings, CEO Pharmaceuticals

DIVERSIFIED DIAGNOSTIC PUBLIC COMPARABLES SUMMARY

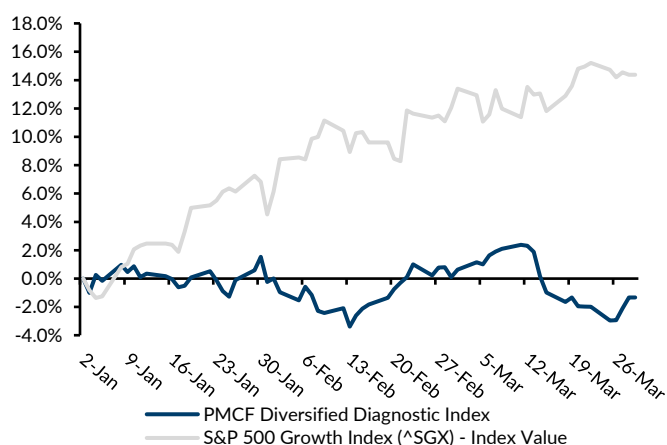
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	3/31/2024	6,651	14,705	197,221	205,508	5.1x	19.0x	34.9x
Becton, Dickinson and Co.	3/31/2024	3,175	18,011	71,489	86,325	4.4x	17.1x	56.7x
Danaher Corporation	3/29/2024	7,031	19,263	184,929	197,166	8.3x	25.4x	44.2x
Hologic, Inc.	3/30/2024	2,188	2,569	18,300	18,680	4.8x	14.8x	37.3x
Laboratory Corporation of America	3/31/2024	99	6,047	18,372	24,335	2.0x	12.6x	50.5x
Novartis AG	3/31/2024	9,703	27,284	212,110	229,772	5.1x	13.5x	25.3x
Quest Diagnostics Incorporated	3/31/2024	474	5,352	14,736	19,728	2.1x	9.1x	17.8x
Roche Holding AG	12/31/2023	12,482	36,636	204,585	233,427	3.5x	9.8x	16.1x
Thermo Fisher Scientific Inc.	3/30/2024	7,250	35,664	221,623	250,144	5.8x	22.3x	37.6x
High		12,482	36,636	221,623	250,144	8.3x	25.4x	56.7x
Mean		5,450	18,392	127,040	140,565	4.6x	16.0x	35.6x
Median		6,651	18,011	184,929	197,166	4.8x	14.8x	37.3x
Low		99	2,569	14,736	18,680	2.0x	9.1x	16.1x

As of March 31, 2024

DIVERSIFIED DIAGNOSTIC MULTIPLES



DIVERSIFIED DIAGNOSTIC INDEX



Diversified Diagnostic (“DD”) industry multiples closed the year higher than a year ago (16.0x vs. 13.4x). This demonstrates the strongest valuation since 2021 quarter end benchmarks. Thermo Fisher and Danaher Corporation continue to lead the index in terms of valuation multiples.

The DD Index was the worst performer of the PMCF tracked indexes as it was the only negative quarterly performer, finishing Q1 down 1.3%. On the positive side, the DD Index was down almost 3% a few weeks prior to the end of the quarter, meaning it finished the period on a high note.

Q1 2024 Venture Capital Activity Overview

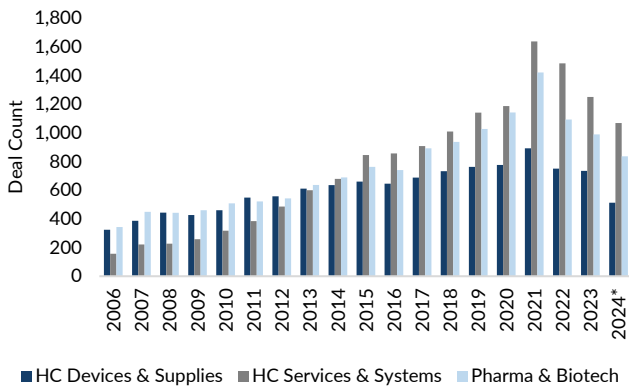
The first quarter of 2024 marked another period of cautious investment sentiment within the VC community, characterized by reduced deal activity and defensive investment strategies. This trend is particularly notable considering Q1 typically experiences displays positive seasonal skew (i.e. more activity than other quarters). In the face of lower transaction volume, capital remains abundant within the community as strong fundraising and limited investment swelled the available pool of dry power to over \$300 billion. Significant shifts in geopolitical, regulatory, and macroeconomic environments continue to plague further investment and activity, promoting VC's to prioritize their existing portfolios. On a positive note, activity is on par with historical VC activity when excluding the record years post covid. Additionally, there is significant potential for 2024 to be a strong year as many funds are undergoing capital calls, portfolio companies are reaching maturity, and the market is presenting ample opportunities for additional investment.

In Q1 2024, Venture Capital activity concluded with 2,703 deals totaling \$36.6B in value, representing a 21% and 12% decrease in volume and value on an annualized basis from 2023. Despite this decline, activity remained consistent with levels seen before the pandemic as 2018 was the first year to recognize over \$26B in deal value on a quarterly basis. Angel, early VC, and late VC continue to split activity evenly across the market as they represented 29%, 38%, and 33% of Q1 2024 activity, respectively. Medical VC investments followed trends seen by the rest of the market, accounting for 21% of deals in Q1 2024, which is up from 20% in 2023.

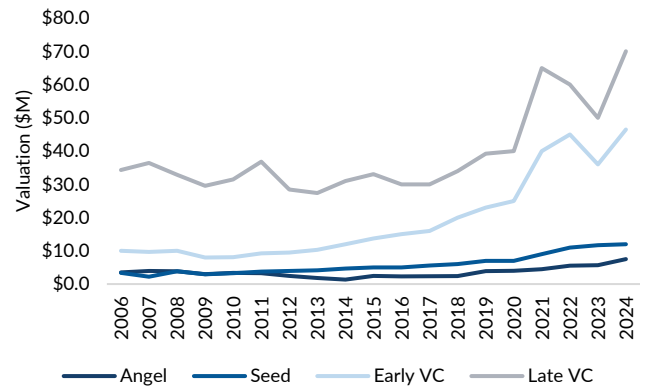
Contrary to fluctuations in transaction activity, median deal valuations experienced strong rebounds from dips after record highs following the pandemic. Valuations at the Angel and Seed stages remained relatively stable, whereas early and late-stage valuations have recognized more significant increases. Across the market, average deal value remains much higher than in 2020 (up 83% across all stages).

While experiencing a challenging past couple of quarters, the VC market is poised for opportunities heading into the remainder of the year. Strong economic fundamentals, potential rate cuts, and emerging technologies are key factors driving these opportunities, with the potential to spur increased VC investment activity in the coming months.

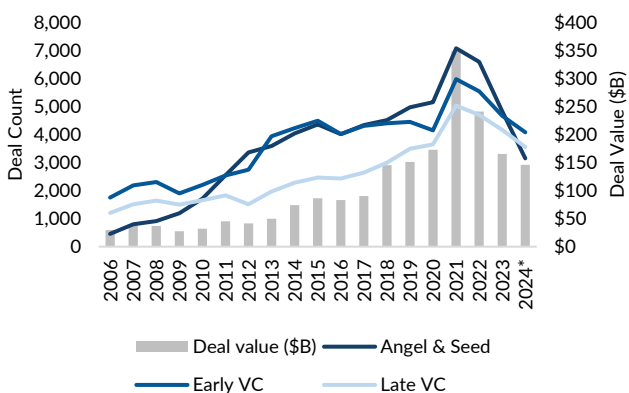
VC INVESTMENTS IN MEDICAL SECTORS



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.

*2024 metrics on an annualized basis

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 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

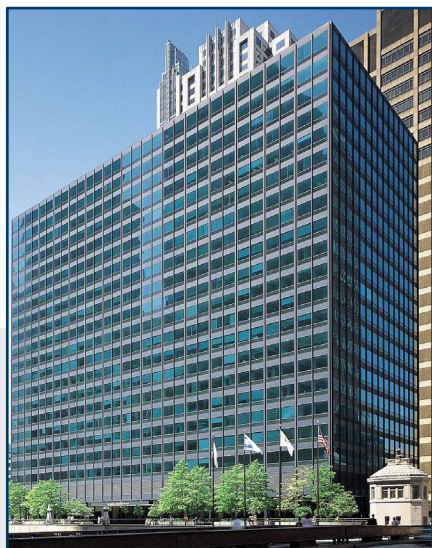
SIGNIFICANT INDUSTRY EXPERTISE AND RESOURCES

Founded in 1995, PMCF has spent 25+ 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

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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 its six months or several years
- Long-term and client first approach allows PMCF to provide unbiased feedback

PMCF | INVESTMENT BANKING



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Awarded, Deal of the Year by ACG Detroit

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