

FOUNDERS ADVISORS

Medical Products &
Devices Market Update

Q2 2025

FOUNDERS ADVISORS



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I. Trends & Insights: Macro Trends

Key Trends

Commentary

1

Industry Tailwinds Remain Strong

- The medical products and devices space continues to benefit from strong industry tailwinds, in particular an aging population, increased global spending on healthcare, and an increased prevalence of chronic disease
- The drive for innovation in healthcare leads medical products and devices companies of all sizes to continue developing cutting edge products and services that improve outcomes and cut costs
- Global R&D funding is bouncing back and an increased interest from private equity investors into the medical products and devices space has driven strong competition for premium assets

2

OEMs Turn To Outsourced Manufacturing, Especially Full-Service Partners

- OEMs are increasingly turning towards outsourced partners to aid in the development of complex components; this allows OEMs to remain focused on overall product design, development, marketing, and sales, rather than spending significant time and resources on complex processes
- Further, in an effort to streamline their manufacturing efforts and effectively monitor product quality, OEMs often prefer outsourced manufacturing partners that provide a “one-stop-shop” across design and development work; investors are increasingly desiring these types of full service CMOs

3

Increasingly Stringent Regulatory Requirements





- Over the past several years, the medical device development and approval process has increased in both length and complexity due to more stringent requirements from regulators; this has resulted in the need for reliable outsourced partners to guide OEMs efficiently through the manufacturing and approval process

4

Nearshoring of Supply Chains

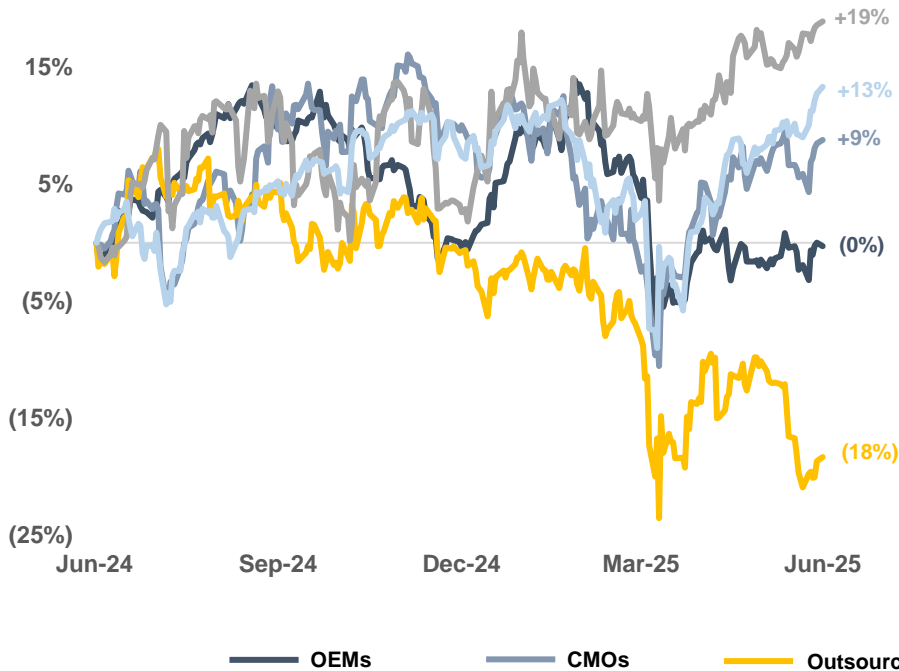
- Especially since the COVID-19 pandemic, manufacturers are turning to nearshoring their production in order to better service their customers; manufacturers have noted that nearshoring protects against supply chain bottlenecks, minimizes production and labor costs, and reduces lead times

I. Trends & Insights: Voices from the Field

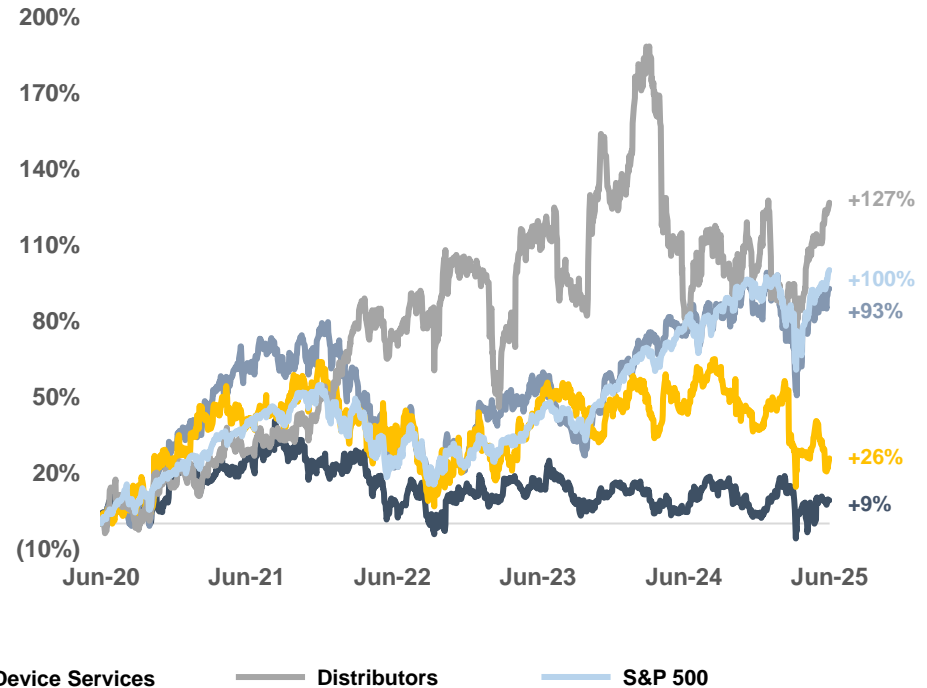
Company	Earnings Call Excerpts
	<p>“To date, we have not seen a slowdown in U.S. capital hospital spending, but in light of macroeconomic uncertainty, we are closely monitoring the situation. Our focus remains on highlighting the benefits of our broad portfolio and the enhanced digital capabilities we have added to improve workflow efficiency.” –Heather Knight, COO (5/1/2025)</p>
	<p>“We remain committed to our diversified global manufacturing footprint, investing across all regions, and notably within the U.S., where we recently opened our new site in Georgia, continued to increase our Minnesota manufacturing capacity and footprint to support long-term growth.” –Michael Mahoney, CEO (4/23/2025)</p>
	<p>“Healthcare, on the other hand, remains a bright spot. We are focusing on higher value segments such as drug delivery devices, diagnostic equipment, and pharma solutions, where our Pii acquisition is already opening the doors. We continue to believe this business will be a margin and cash flow contributor over the long term as we continue to add vertical capabilities in various areas of this end market.” –Mike Dastoor, CEO (6/17/2025)</p>
	<p>“The vast preponderance of potential tariff exposure resides in proxy healthcare services, and the margin profile of that business obviously makes any tariff absorption impossible. While we believe we will be well-positioned to protect the business from a tariff impact, the possibility exists of at least an adverse timing impact on working capital as tariffs are paid ahead of AR collections.” –Jonathan Leon, CFO (5/8/2025)</p>

II. Public Market Benchmarks: Stock Performance

Public Company Stock Performance (LTM)



Public Company Stock Performance (5 Years)



OEMs

Abbott ΔVANOS Baxter BD
Boston Scientific Coloplast GE HealthCare HOLOGIC
icumedical INTUITIVE J&J Medtronic
MERITMEDICAL SIEMENS Healthineers stryker Teleflex

CMOs

Integer™ JABIL
SFS TE connectivity

Outsourced Device Services

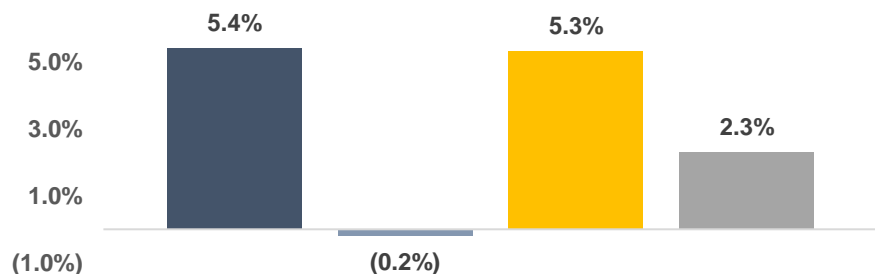
COMPASS GROUP sodexo
Sotera Health STERIS

Distributors

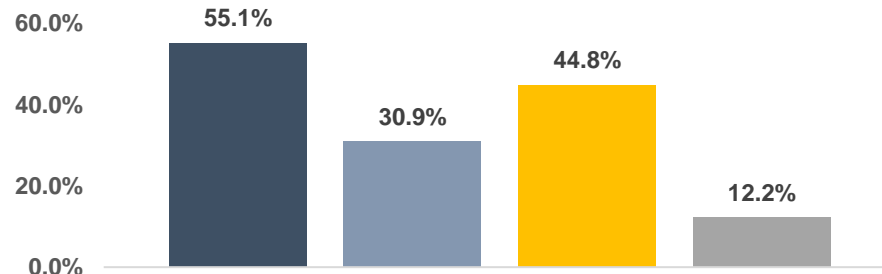
CardinalHealth HENRY SCHEIN®
MCKESSON OM Owens & Minor
PATTERSON COMPANIES, INC.

II. Public Market Benchmarks: Valuation & KPIs

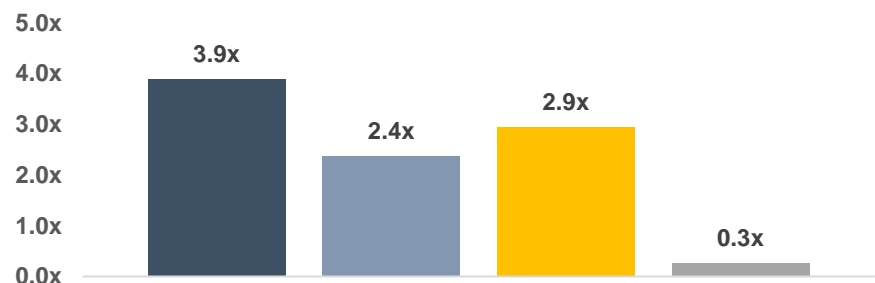
Median LTM Revenue Growth



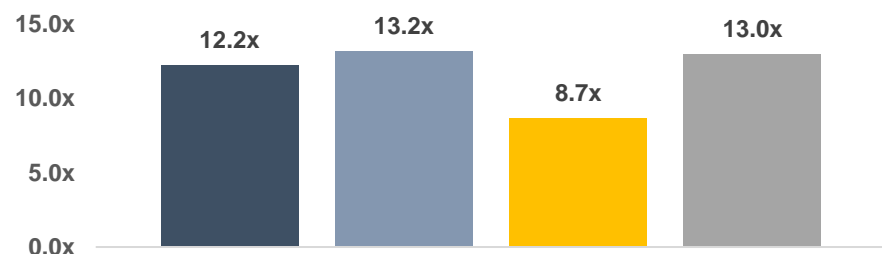
Median LTM EBITDA Margin



Median EV / LTM Revenue



Median EV / LTM EBITDA



OEMs



CMOs



Outsourced Device Services



Distributors



III. Market & Buyer Landscape: Market Map

OEMs



CMOs



Outsourced Device Services



DME / HME



Distributors



III. Market & Buyer Landscape: Notable PE Investors

Audax Group

Portfolio Companies

aspensurgical

BELMONT
MEDICAL
TECHNOLOGIES

GCX
Mounting Solutions

StatLab

Laborie
FOR DIGNITY. FOR LIFE.

numotion
Mobility starts here.

BPOC

Portfolio Companies

HOME CARE
DELIVERED
Your Trusted Partner for Medical Supplies

MPE

CRANIAL
TECHNOLOGIES

Paragon Medical

Reichert
TECHNOLOGIES

sirona
The Dental Company

TIDI
PRODUCTS

Cressey & Company

Portfolio Companies

INTERMED
THE INTERMED GROUP

lifeway
mobility

ATRITECH

SPINEWAVE

StatLab

GTCR

Portfolio Companies

BIOCOAT
INCORPORATED

corza

Regatta
Medical

Sotera
Health



ROUNDTABLE
HEALTHCARE PARTNERS

Portfolio Companies

DDS LAB

eHOB
Partners in Prevention

HCG
HEALTHCARE
Components Group

polymedco

aspensurgical

AVALIGN
Technologies

SunMed

symmetry surgical

TIDI
PRODUCTS

WATER STREET

Portfolio Companies

ALCOR
SCIENTIFIC

AVANTIK
A HIGHER STANDARD

RENOVO
SOLUTIONS

SAFEGUARD
MEDICAL

VIVANT
WE'RE IN IT FOR LIFE.

BREG

KEYSURGICAL

marketlab

sarnova

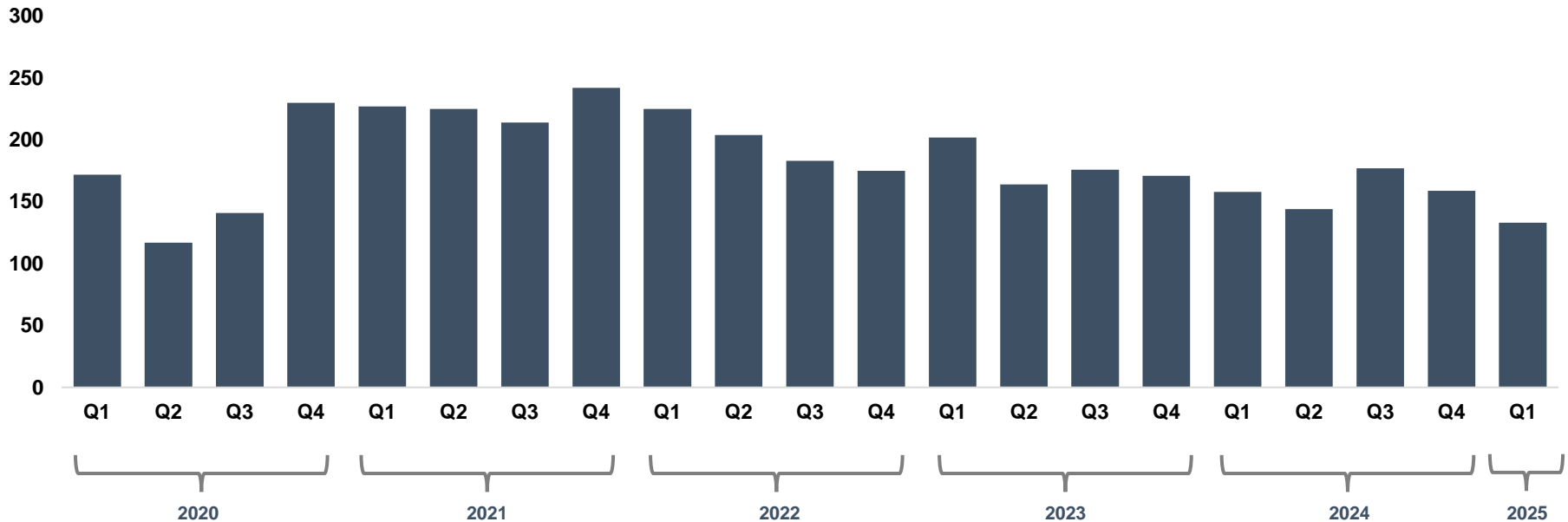
rti surgical

Exited

Source: PitchBook, Company Websites














IV. M&A Activity: Transaction Volume

Medical Products & Devices M&A Deal Volume



- Although deal activity dipped slightly from Q4 2024 into Q1 2025, M&A in the medical products and devices space remains moderately active
 - The medical products and devices space has driven increasing healthcare investor interest due to the significant tailwinds in the subsector and some shifting away from PPM models
- This trend is expected to continue in the coming quarters and deal activity for both platforms and add-ons should be steady for the remainder of 2025

IV. M&A Activity: Notable Recent Transactions

Medical Products & Devices Transactions			
Date	Target	Acquirer	Commentary
26-Jun-25	 Marena®	 CenterGate CAPITAL	Marena, a manufacturer of medical-grade compression garments used in post-surgical settings, was acquired by CenterGate Capital.
09-Jun-25	 IGS GeboJagama	 BC PARTNERS	IGS GeboJagama, a healthcare manufacturer in the tooling market for medical devices, was acquired by BC Partners.
05-Jun-25	 EBI Bone® EBP Bone Healing System	 AVISTA CAPITAL PARTNERS	EBI, a division of Highridge Medical that focuses on implantable and non-invasive bone growth simulation solutions, was acquired by Avista Healthcare Partners.
28-May-25	 antylia SCIENTIFIC	 Brookfield CDPQ	Antylia, a manufacturer and distributor of consumables and testing equipment serving diagnostics, environmental, and life sciences labs, was acquired by Brookfield and CDPQ for \$1.3B.
20-May-25	Biolife	 MERITMEDICAL	Biolife, a manufacturer of hemostatic devices and products under the StatSeal and WoundSeal brand names, was acquired by Merit Medical for \$120M.
17-Apr-25	 LEXINGTON MEDICAL	 & Ampersand	Lexington Medical, a designer and manufacturer of high-performance endoscopic stapling solutions, was acquired by Ampersand Capital Partners.
08-Apr-25	 CERTIFIED GENETOOL A Surplus Solutions Company	 SURPLUS SOLUTIONS	Certified Genetool, a provider of lab instruments and services, was acquired by Surplus Solutions, a portfolio company of NMS Capital.

Sources: PitchBook, Press Releases

V. About Us: Founders Healthcare Team

Healthcare Senior Leaders



Michael White | Managing Director, Head of Healthcare

Michael White is a Managing Director and the Head of Founders' Healthcare Practice. He has over 20 years of experience advising healthcare clients on a range of strategic alternatives, including IPOs, public and private equity and debt capital raises, joint ventures, licensings, and buy-side and sell-side mergers and acquisitions. Michael also served as CFO of Carbalyn Therapeutics, a specialty pharmaceutical company. Michael holds an MBA from the University of Chicago Booth School of Business and a Bachelor of Science in International Finance from the University of Alabama.



Thomas Dixon | Managing Director

Thomas Dixon is a Managing Director on the Healthcare team. Thomas joined Founders in 2024, bringing his diverse experience to the Firm, which includes serving as a development officer at four distinct, PE-backed healthcare platforms and as a Principal at one of the nation's largest healthcare consultancies. Thomas holds an MBA from the University of Minnesota and a B.B.A. in Marketing from the University of Oklahoma.

Select Recent Transactions



Healthcare Junior Team



Courtney Jones | Associate

Courtney joined Founders in 2024 as an Associate. Courtney's primary responsibilities include supporting principals in client service and execution of deals through industry research, preparing financial analyses and marketing materials, and facilitating due diligence. Prior to joining Founders, Courtney worked at Harris Williams as an Investment Banking Analyst in the healthcare division. Courtney received her Bachelor of Science in Accounting from Washington and Lee University.



Braxton Eubanks | Senior Analyst

Braxton Eubanks is an Analyst for Founders Advisors. His primary responsibilities include supporting principals in client service and execution of deals through conducting industry and company research, preparing financial analyses, and facilitating due diligence. Braxton graduated from Mississippi State University with a B.S. in Business Administration, Finance & Accountancy. After completing his undergraduate degree, he received his M.S. in Finance from Southern Methodist University.



Wells Watts | Analyst

Wells joined Founders in 2024 as an Analyst in the Healthcare Practice. Wells's primary responsibilities include supporting principals in client service and execution of deals through conducting industry and company research, preparing financial analyses, and facilitating due diligence. Wells graduated summa cum laude from Auburn University with a Bachelor of Science in Finance.



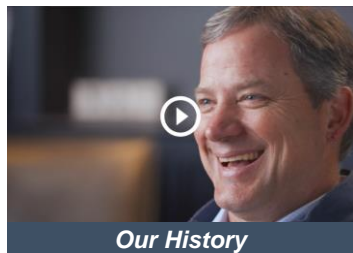
James Nichols | Analyst

James joined Founders in 2025 as an Analyst in the Healthcare Practice where his responsibilities include supporting principals in client service and execution of deals by conducting industry and company research, preparing financial analyses, and facilitating due diligence. James graduated from the University of Georgia with a B.B.A. in Finance.

V. About Us: Founders Advisors Overview

FIRM OVERVIEW

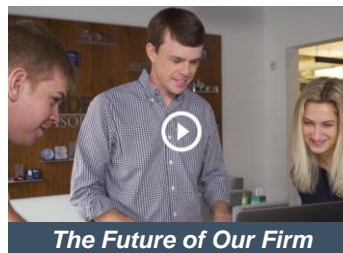
Founders is a mergers, acquisitions, and strategic advisory services firm that has served middle-market companies since 2003. With a nationwide footprint, we pride ourselves in employing a values based and highly personalized relational approach through our five industry-focused advisory teams. Today, Founders employs over 45 professionals and has offices in Birmingham, AL (headquarters), Dallas, TX, and Nashville, TN.



Our History



Our Culture



The Future of Our Firm

OUR WHEELHOUSE

The majority of our clients are founder-owned and operated companies across five industry groups that collaborate together. We listen to our clients and take the time to truly understand each client's unique situation and desired outcomes. Founders has been a trusted advisor to hundreds of middle market business owners, supporting their growth through tailored financing structures and ownership transition transactions

CAPABILITIES & FIRM HIGHLIGHTS



Sell-Side
Advisory



Strategic
Advisory



Capital
Raises



Targeted
Buyside



Spin-Offs /
Divestitures

\$55B+

Founders Managing
Directors' Transacted
Enterprise Value*

100+

Founders' Completed
Engagements
Since 2013

21%

Average Increase in
Initial Bid to Closing

Industries Covered

Business Services

Technology

Consumer

Healthcare

Industrials

PURPOSE

Be Servant Leaders who
value relationships and
results

FIRM VALUES

ORDER

Maintain focus on doing the right things at the right time

SERVICE

Go the extra mile for our clients, co-workers, & community

GROWTH

Reflect, evaluate, and plan for improvement

EXCELLENCE

All we do, we do well

HEALTH

Be and stay healthy, personally, and as a team

COMMUNITY

Be team-focused; we're better together

FOUNDERS

ADVISORS

BIRMINGHAM | DALLAS | NASHVILLE

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