Kenan–Flagler Business School

ALPHA CHALLENGE

The University of North Carolina

December 2025

Team 4

TransMedics
Company Overview

Company Description

- Operates the only fully integrated organ preservation and transplant logistics platform in the US, supporting leading transplant centers and Organ Procurement Organizations through the National OCS Program with approximately 22 aircrafts, covering ~78% of mission volume
- Generates predictable procedure-based revenue across OCS consoles, single use disposable kits, and comprehensive NOP logistics services, supported by embedded clinical teams and the NOP connect digital coordination platform
- Redefines transplant workflows through a fully integrated model that combines real-time organ optimization, bedside-to-operating room logistics, and continuous clinical oversight, reducing cold ischemia time, lowering cancellation rates, and increasing usable organ volume
- **Founded:** 1998; **Employees:** 728+; **HQ:** Andover, Massachusetts

Key Financials and Trading Statistics

($mm, unless otherwise stated)

Current Price ($)	$130.93	**52Wk High / Low ($)**	$145.50 / $55.00
Market Cap ($mm)	$5,462	**Avg. Volume (mm)**	1,102.18
Enterprise Value ($mm)	$5,056	**Float (%)**	96.6%
'25E Revenue ($mm)	$600	**Short Interest (%)**	22.9%
'24A-'27E Revenue CAGR (%)	26.4%	**EV / '25E EBITDA (x)**	31.7x
'25E Gross Margin (%)	65.0%	**'25E P/E (x)**	41.8x
'25E EBITDA ($mm)	$160	**Net Debt / '24A EBITDA (x)**	2.5x
'25E EBITDA Margin (%)	26.6%	**'24A ROA (%)**	4.7%
'25E EPS ($)	$3.13	**Dividend Yield (%)**	- -

Sources: Pitchbook, company filings, and FactSet as of 11/21/25.

Product & Service Revenue

Organ Care System

National OCS Program

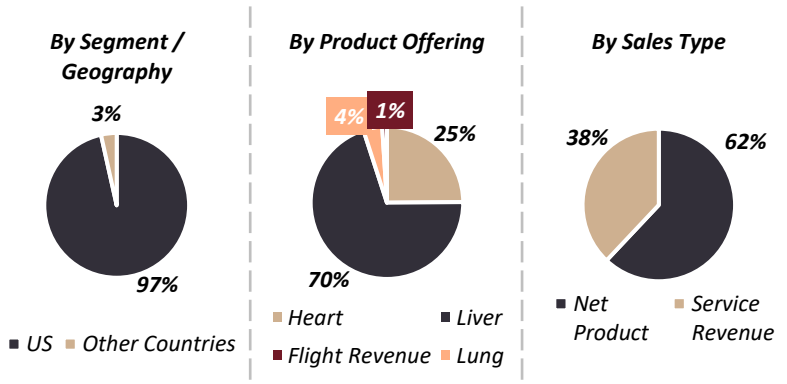
Transplant Centers & Health Systems

Cleveland Clinic, DukeHealth, Mayo Clinic, Johns Hopkins Medicine, NYU Langone Health

Organ Procurement Organizations & Donor-Side Partners

Donor Network West, Mid-America Transplant, giftofhope, New England Donor Services, OneLegacy

Revenue Breakdown (FY 2024A)



~$442mm
2024A Revenue

55+
US Transplant Centers Served

TransMedics

Investment Thesis & Catalysts

Recommended Buy on TransMedics with a target price of $160, representing +22.2% upside

Capture a Massive Unmet Clinical Need

- ✓ *Address a critical national gap where nearly 108,835 (90%) of patients who need a transplant never receive one, positioning TransMedics to materially expand access to viable donor organs*
- ❑ *Expansion drivers add $10 - $22mm of annual revenue and $15 - $25mm of annual EBITDA through 2029E, providing line-of-sight to meaningful earnings outperformance*

Drive Systemwide Adoption Across Leading Centers

- ✓ *Capture market leadership by outgrowing rivals and becoming the preferred transplant system*
- ❑ *Expansion adds $5 - $16mm in revenue and $7 - $17mm in EBITDA from 2026E - 2029E, supporting a multi-year acceleration above consensus*

Build a Predictive AI-Enabled Platform

- ✓ *Monetize transplant data through predictive AI and analytics*
- ❑ *AI monetization adds $3 -$25mm in revenue and $2 - $42mm in EBITDA from 2026E - 2029E, creating clear visibility into sustained double-digit EBITDA growth*

Key Catalysts

TransMedics

Why the Opportunity Exists

Shaking Off Misperceptions

- Cold storage makes the transplant market look supply-constrained, masking how technology can expand usable organs

- Organ volumes appear volatile quarter-to-quarter, leading investors to misjudge long-term adoption
- Logistics is misunderstood as a low-margin service instead of a strategic platform enabler
- Limited understanding of warm perfusion and recovery leads to conservative expectations for utilization
- Market sees TMDX as a device company, not a platform that expands the total addressable market

Know What You Own

What is TransMedics?

Category Creator	**Market Expander**
Clinical Data Engine	**Integrated Platform**
High-Margin Model	**Standardization Flywheel**

So, why is this High-Growth Platform Hiding in Plain Sight?

Sources: Wall Street Research, company filings, and FactSet as of 11/21/25.

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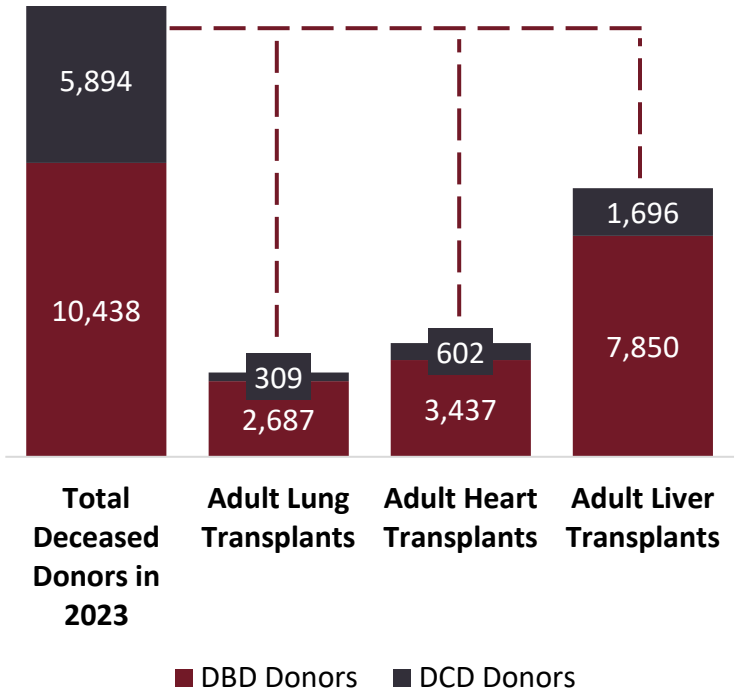
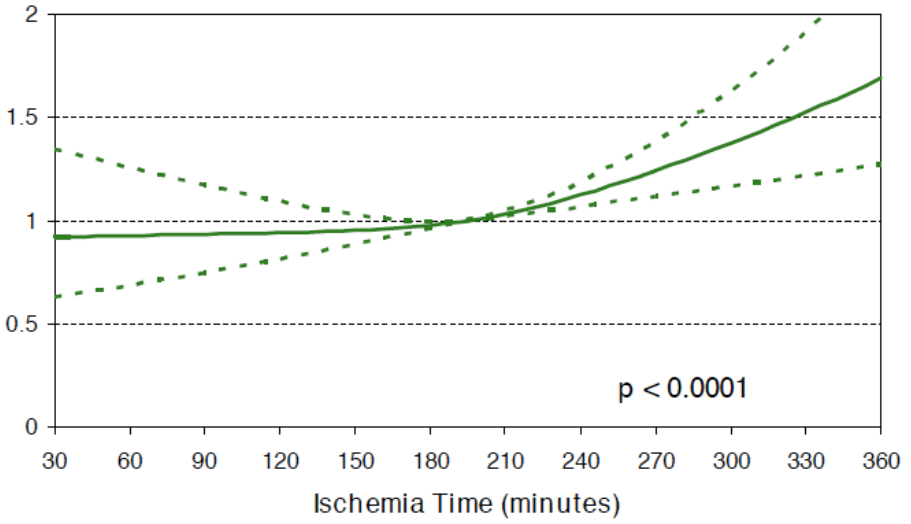
Cold Storage Causes Massive Organ Loss & Poor Clinical Outcomes

Severe Underutilization of Donor Organs

Cold-storage limitations leave thousands of donor organs unused each year, creating a significant opportunity to grow transplant volumes



Ischemic Injury Drives Negative Clinical Events



- Drive 25 - 40% of post-transplant complications through ischemia/reperfusion injury
- Increase 1-year mortality risk as cold-storage time extends
- Provide no ability to assess or optimize organs before transplant
- Create unpredictable clinical outcomes
- Trigger costly clinical management and worse long-term results

Sources: Wall Street Research, company filings, and FactSet as of 11/21/25.

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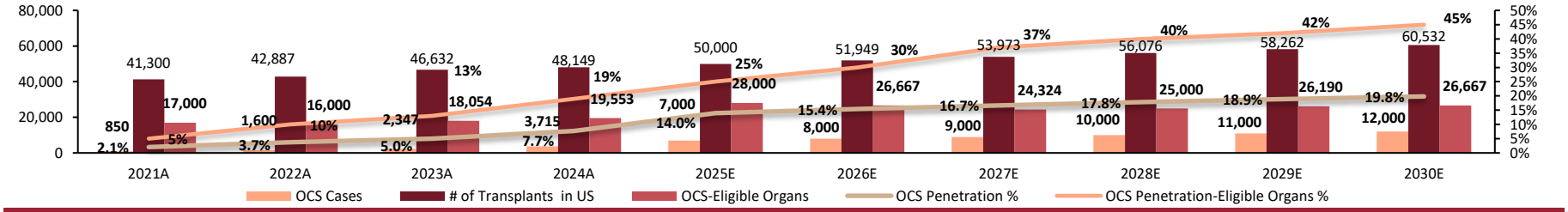
Investment Thesis #1: Address a National Critical Gap Where Nearly 108,835 (90%) of Patients Who Need a Transplant Never Receive One

Why Does the Opportunity Exist[(1)]

OCS usage has surged from 850 to 7,000 cases, creating the fastest-growing transplant platform and signaling early-stage penetration with years of runway ahead



Value Add

By rescuing more organs, validating viability with data, and providing national logistics, driving faster growth and unmatched transplant throughput

1. Expands the Donor Pool by Rescuing Organs Others Cannot Use
2. Converts Transplants from Local to National Through Full-Service Logistics
3. Standardizes Multi-Organ Workflows So Hospitals Can Scale Transplant Volume

Why Competitors Can't Compete

BRIDGE TO LIFE · OrganOx / TERUMO · Organ Recovery Systems · PARAGONIX · XVIVO

1. Don't recover enough usable organs
2. Don't know organ viability without real-time data
3. Don't have national logistics or clinical coverage

~35% *Increased in Transplant Volume Per Day*	***~52.7*** *Reduction In Days On The Waiting List*
~2x *Rate of DCD Donor Liver Utilization*	***100%*** *Direct to Hospital Method*

Financial Impact

Key Performance Indicators

Fleet Coverage

OCS Cases Per Year

Q3 2025 Earnings Call

*"So to summarize, we **expect that number to go up in the mid-80s at least in the foreseeable future, as we continue to gain market share and we continue to prove to the community that TransMedics logistics** is providing not just the safest, the most efficient, but also cost effective logistics partnership in organ transplant"*

Waleed H. Hassanein
Founder, President, Chief Executive Officer & Director
October 30, 2025

(values are in $mm)	2025E	2026E	2027E	2028E	2029E
Revenue Consensus	$601	$724	$862	$998	$1,126
Our Estimates for Revenue	$600	$742	$891	$1,041	$1,189
EBITDA Consensus	$150	$184	$253	$373	$472
Our Estimates for EBITDA	$160	$208	$264	$324	$388
Revenue Expansion Contribution ($)		$10	$15	$17	$22
Revenue Expansion Contribution YoY Growth (%)		*55.0%*	*50.0%*	*40.0%*	*35.0%*
EBITDA Expansion Contribution		$15	$5	$17	$25
EBITDA Expansion Contribution YoY Growth %		*60.0%*	*50.0%*	*35.0%*	*30.0%*

Sources: Organ Procurement & Transplantation Network, Wall Street Research, company websites, company filings, and FactSet as of 11/21/25.
(1) Organ Procurement & Transplantation Network reports, "National data for Organ Transplants" as of 11/21/25.

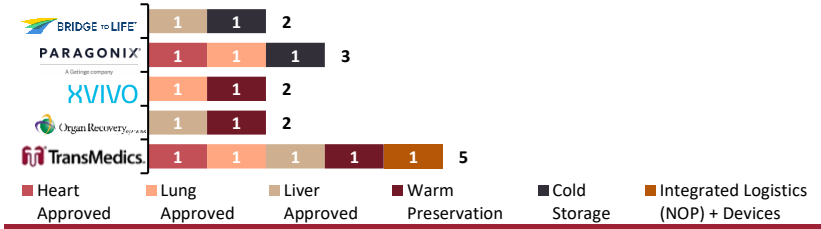
TransMedics

Investment Thesis #2: Capture Market Leadership by Outgrowing Rivals and Becoming the Preferred Transplant System

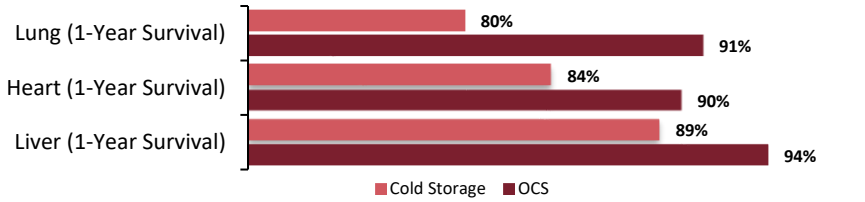
Why Does the Opportunity Exist

The only FDA-approved warm-perfusion platform for heart, lung, and liver gives the company a competitive advantage that competitors can't match

Competitors Landscape [1]



Patient Survival Rates using OCS vs. Cold Storage



Value Add

FDA-backed multi-organ perfusion and consistently superior outcomes make the company the clear category leader competitors can't replicate

1. Only multi-organ FDA-approved platform in the category
2. Proven clinical superiority with consistently higher utilization
3. Better health outcomes

Why Competitors Can't Compete

BRIDGE TO LIFE · OrganOx / TERUMO · Organ Recovery Systems · PARAGONIX · XVIVO

1. Cannot secure broad FDA approval across multiple organs
2. Clinical results are inconsistent
3. Adoption remains niche

~50% ***Reduction of Severe Post-transplant Complications***

~95% ***Patient Survival After DCD Donor Heart Transplants***

~65%+ ***Lower Severe Post-transplant Complications***

~50% ***Reduction of Primary Graft Dysfunction (PDG) Grade 3***

~84% ***Reduction In Long-term Biliary Complications***

Financial Impact

Key Performance Indicators

Organ Utilization

Clinical Outcome Improvements

Q3 2025 Earnings Call

"The primary effectiveness endpoint is not actually patient and graft survival at 30 days alone, it's patient and graft survival at 30 days with freedom of primary graft dysfunction within the first 72 hours after heart transplant. ***When you combine these two, you end up not in the high-90s, as just the patient survival, but probably in low to mid-80s. And that gives us the signal, the wider signal to enable us to power the study appropriately to aim for superiority."***

Waleed H. Hassanein
Founder, President, Chief Executive Officer & Director
October 30, 2025

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EBITDA Consensus	$150	$184	$253	$373	$472
Our Estimates for EBITDA	$160	$208	$264	$324	$388
Revenue Utilization Contribution		$5	$7	$11	$16
Revenue Utilization Contribution YoY Growth %		*30.0%*	*25.0%*	*25.0%*	*25.0%*
EBITDA Utilization Contribution		$7	$3	$12	$17
EBITDA Utilization Contribution YoY Growth %		*30.0%*	*25.0%*	*25.0%*	*20.0%*

Sources: Wall Street Research, company websites, company filings, and FactSet as of 11/21/25.
(1) FDA reports, "Premarket Approval (PMA)"as of 11/21/25.

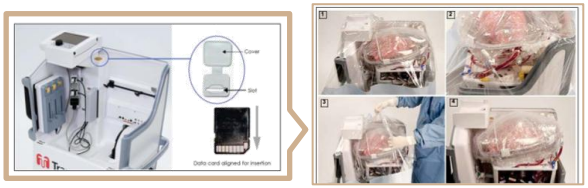
TransMedics

Investment Thesis #3: Monetize Transplant Data through Predictive AI and Analytics

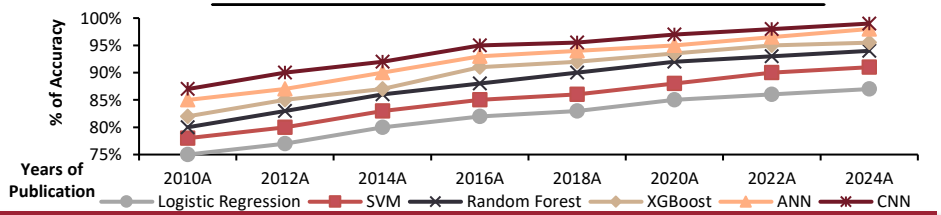
Why Does the Opportunity Exist[1][2]

Data from 7,000+ organs creates the strongest predictive dataset in the industry, powering AI that improves organ assessment and predicts complications

Each OCS case records full clinical and preservation data onto a reusable data card, and the organ stays on the OCS system in preservation mode during transport.



Trend Of ML Model Accuracy For Heart Disease Prediction Over Time



Value Add

Real-time organ data and a 7,000+ case dataset give TMDX a predictive edge competitors lack

1. Captures Real-Time Organ Performance Data
2. Builds a Longitudinal Dataset from 7,000+ Cases
3. Enables Predictive Analytics Hospitals Will Pay For

Why Competitors Can't Compete

BRIDGE TO LIFE · OrganOx / TERUMO · Organ Recovery Systems · PARAGONIX · XVIVO

1. Don't capture real-time organ data
2. Lack FDA scale across organs
3. Lack predictive insights that justify premium hospital spend

87%
Utilization Of Unused Lungs From DBD & DCD Donors

81%
Utilization Of Unused Hearts From DBD donors

~83%
FY2024A Growth in Revenue

7,000+
NOP Transplants

Financial Impact

Key Performance Indicators

Launch of New MedTech Device

Clinical Outcome Improvements

Q3 2025 Earnings Call

"The development of our Gen 3 OCS platform is well underway, with significant progress already made on many of the advanced technology platforms that will be encompassed in that next Gen 3 OCS platform. ***We expect to share more detail on Gen 3 OCS platform in the second half of 2026."***

Waleed H. Hassanein
Founder, President, Chief Executive Officer & Director
October 30, 2025

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EBITDA Consensus	$150	$184	$253	$373	$472
Our Estimates for EBITDA	$160	$208	$264	$324	$388
Revenue AI Contribution ($)		$3	$7	$15	$25
Revenue AI Contribution YoY Growth (%)		*15.0%*	*25.0%*	*35.0%*	*40.0%*
EBITDA AI Contribution		$2	$3	$19	$42
EBITDA AI Contribution YoY Growth %		*10.0%*	*25.0%*	*40.0%*	*50.0%*

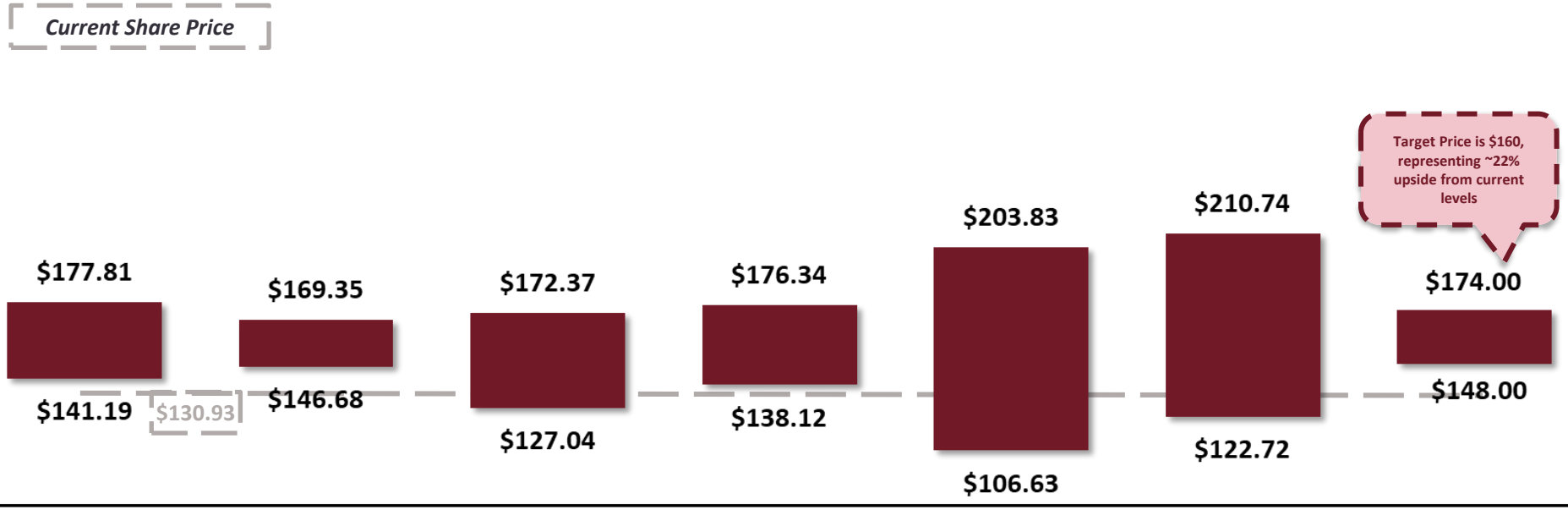
Sources: Wall Street Research, company websites, Frontiers in AI, Nature Communications, company filings, and FactSet as of 11/21/25.

(1) TransMedics published, "Organ Care System (OCS) OCS Liver User Guide" on 09/29/2021.

(2) Frontiers in AI reports," A comprehensive review of machine learning for heart disease prediction: challenges, trends, ethical considerations, and future directions" on 05/12/25.

TransMedics
Valuation Summary

Illustrative Values



Revenue Hyper Growth Comps for 2026E	Revenue Hyper Growth Comps for 2027E	EBITDA MedTech Comps for 2026E	EBITDA MedTech Comps for 2027E	P/E MedTech Comps for 2026E	P/E MedTech Comps for 2027E	Standalone DCF
Range implied by the 25th to 50th percentile valuations of selected 2026E comps, based on 2026E Revenue	Range implied by the 25th to 50th percentile valuations of selected 2027E comps, based on 2027E Revenue	Range implied by the 50th to 75th percentile valuations of selected 2026E comps, based on 2026E EBITDA	Range implied by the 50th to 75th percentile valuations of selected 2027E comps, based on 2027E EBITDA	Range implied by the 50th to 75th percentile valuations of selected 2026E comps, based on 2026E P/E	Range implied by the 50th to 75th percentile valuations of selected 2027E comps, based on 2027E P/E	

Sources: Company filings and FactSet as of 11/21/25.

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Public Company Comparable Valuation and Operational Benchmarking

TransMedics stands out as a faster-growing, higher-margin outlier versus peers despite being far earlier in scale

	Companies	Share Price	Market Cap	Enterprise Value	CY EV / Revenue 2025E	CY EV / Revenue 2026E	CY EV / Revenue 2027E	CY EV / EBITDA 2025E	CY EV / EBITDA 2026E	CY EV / EBITDA 2027E	CY P/E 2025E	CY P/E 2026E	CY P/E 2027E	CY Revenue 2025E	CY Revenue 2026E	CY Revenue 2027E	CY EBITDA 2025E	CY EBITDA 2026E	CY EBITDA 2027E	CY EPS 2025E	CY EPS 2026E	CY EPS 2027E	'25E - '27E CAGR Revenue	'25E - '27E CAGR EBITDA	'25E - '27E CAGR EPS	CY 2025 Margin Gross	CY 2025 Margin EBITDA
MedTech Peers	Insulet	$331.17	$24,099	$23,990	8.91x	7.39x	6.21x	37.9x	30.4x	24.6x	67.6x	53.4x	41.9x	$2,692	$3,246	$3,866	$633	$790	$977	$4.90	$6.20	$7.90	19.8%	24.3%	27.0%	71.4%	23.5%
	Penumbra	$288.47	$11,545	$11,074	8.02x	7.03x	6.20x	43.4x	34.8x	28.1x	76.7x	56.8x	45.1x	$1,381	$1,576	$1,787	$255	$319	$394	$3.76	$5.08	$6.40	13.7%	24.1%	30.5%	67.2%	18.5%
	Masimo	$149.25	$8,158	$8,395	5.52x	5.17x	4.81x	18.5x	16.3x	16.1x	27.1x	25.7x	23.0x	$1,521	$1,624	$1,744	$453	$516	$523	$5.50	$5.80	$6.50	7.1%	7.5%	8.7%	62.3%	29.8%
	veracyte	$44.01	$3,725	$3,359	6.60x	5.94x	5.29x	25.6x	23.5x	20.3x	27.5x	27.5x	24.5x	$509	$566	$635	$131	$143	$165	$1.60	$1.60	$1.80	11.7%	12.3%	6.1%	71.7%	25.8%
	icumedical	$142.34	$3,568	$4,458	2.02x	2.07x	1.99x	11.1x	10.6x	9.8x	NM	17.8x	15.5x	$2,207	$2,155	$2,241	$401	$421	$457	$7.60	$8.00	$9.20	0.8%	6.8%	10.0%	39.3%	18.2%
Hyper Growth Peers	iRHYTHM	$177.82	$6,955	$6,377	8.64x	7.40x	6.41x	102.9x	62.2x	41.7x	NM	NM	NM	$738	$862	$995	$62	$103	$153	($1.30)	($0.30)	$0.70	16.1%	57.1%	(26.6%)	70.5%	8.4%
	Glaukos	$99.65	$6,059	$5,785	11.73x	9.46x	7.47x	NM	NM	56.8x	NM	NM	NM	$493	$612	$774	($26)	$10	$102	($0.30)	$0.80	$1.70	25.3%	99.5%	(138.0%)	82.7%	NM
	Guardant	$105.42	$15,930	$15,878	16.40x	12.93x	10.07x	NM	NM	NM	NM	NM	NM	$968	$1,228	$1,576	($212)	($145)	($6)	($1.80)	($1.40)	($0.60)	27.6%	83.4%	42.3%	65.2%	NM
	MedTech Comps 3rd Quartile (n=5)		$17,822	$17,532	8.46x	7.21x	6.20x	40.6x	32.6x	26.4x	NM	55.1x	43.5x	$2,450	$2,700	$3,053	$543	$653	$750	$6.55	$7.10	$8.55	16.8%	24.2%	28.7%	71.5%	27.8%
	MedTech Comps 2nd Quartile (n=5)		8,158	8,395	6.60	5.94	5.29	25.6	23.5	20.3	47.5	27.5	24.5	1,521	1,624	1,787	401	421	457	4.90	5.80	6.50	11.7%	12.3%	10.0%	67.2%	23.5%
	MedTech Comps 1st Quartile (n=5)		3,646	3,908	3.77	3.62	3.40	14.8	13.4	12.9	NM	21.8	19.2	945	1,071	1,190	193	231	279	2.68	3.34	4.10	3.9%	7.1%	7.4%	50.8%	18.3%
	Hyper Growth Comps 3rd Quartile (n=3)		$15,930	$15,878	16.40x	12.93x	10.07x	NM	NM	NM	NM	NM	NM	$968	$1,228	$1,576	$62	$103	$153	($0.30)	$0.80	$1.70	27.6%	99.5%	42.3%	82.7%	NM
	Hyper Growth Comps 2nd Quartile (n=3)		6,955	6,377	11.73	9.46	7.47	102.9x	62.2x	49.2x	NM	NM	NM	738	862	995	(26)	10	102	(1.30)	(0.30)	0.70	25.3%	83.4%	(26.6%)	70.5%	8.4%
	Hyper Growth Comps 1st Quartile (n=3)		6,059	5,785	8.64	7.40	6.41	NM	NM	NM	NM	NM	NM	493	612	774	(212)	(145)	(6)	(1.80)	(1.40)	(0.60)	16.1%	57.1%	########	65.2%	NM
	MedTech Comps and Hyper Growth 3rd Quartile (n=8)		$14,834	$14,677	11.02x	8.94x	7.21x	58.2x	41.6x	41.7x	NM	55.1x	43.5x	$2,036	$2,022	$2,127	$440	$493	$506	$5.35	$6.10	$7.55	23.9%	76.9%	29.6%	71.6%	26.8%
	MedTech Comps and Hyper Growth 2nd Quartile (n=8)		7,556	7,386	8.33	7.21	6.20	31.8	26.9	24.6	47.5	27.5	24.5	1,175	1,402	1,660	193	231	279	2.68	3.34	4.10	14.9%	24.2%	9.4%	68.8%	21.0%
	MedTech Comps and Hyper Growth 1st Quartile (n=8)		4,308	4,790	5.79	5.36	4.93	16.7	14.8	16.1	NM	21.8	19.2	566	674	829	(4)	33	115	(1.05)	(0.03)	0.95	8.2%	8.7%	(18.4%)	63.0%	15.7%
	TransMedics	$130.93	$5,462	$5,056	8.42x	6.82x	5.67x	31.7x	24.3x	19.2x	41.8x	30.4x	23.2x	$600	$742	$891	$160	$208	$264	$3.13	$4.30	$5.64	21.8%	28.5%	34.2%	65.0%	26.6%

Sources: Wall Street Research, company filings, and FactSet as of 11/21/25.
Note: Dollars are in millions expect per share amount; "NM" represents multiples that are negative or values that exceed their prior year.

TransMedics

Summary of Historical and Projected Financial Performance Based on Illustrative Explorations

	Historical			Wall Street Research					CAGR	CAGR
	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	'22A- '24A	'25E - '29E
Lung	$9	$12	$18	$26	$35	$46	$57	$67	**41.2%**	**26.3%**
Heart	$38	$73	$110	$167	$239	$331	$444	$554	**69.2%**	**34.9%**
Liver	$46	$152	$310	$403	$463	$509	$535	$562	**158.7%**	**8.7%**
Service revenue	- -	5	4	4	5	5	6	6	**(10.4%)**	**8.7%**
Revenue	**$93**	**$242**	**$442**	**$600**	**$742**	**$891**	**$1,041**	**$1,189**	**117.3%**	**18.6%**
A *% Growth*		*158.5%*	*82.7%*	*36.0%*	*23.5%*	*20.2%*	*16.9%*	*14.2%*		
Less: COGs	(28)	(88)	(179)	(210)	(266)	(326)	(390)	(454)		
Gross Profit	**$65**	**$154**	**$262**	**$390**	**$476**	**$565**	**$652**	**$735**	**100.3%**	**17.1%**
B *% Margin*	*69.8%*	*63.8%*	*59.4%*	*65.0%*	*64.2%*	*63.4%*	*62.6%*	*61.8%*		
Less: R&D	(27)	(63)	(56)	(66)	(78)	(89)	(99)	(107)		
Less: SG&A	(70)	(120)	(169)	(186)	(208)	(223)	(240)	(273)		
Adj. EBIT	**($31)**	**($29)**	**$37**	**$138**	**$190**	**$253**	**$313**	**$354**	**9.3%**	**26.6%**
C *% Margin*	*(33.6%)*	*(11.9%)*	*8.5%*	*23.0%*	*25.7%*	*28.4%*	*30.1%*	*29.8%*		
Plus: Deprecation & Amortization	3	8	20	54	89	125	166	214		
Plus: Total Adjustments	10	10	29	(32)	(71)	(114)	(156)	(180)		
Adj. EBITDA	**($18)**	**($11)**	**$86**	**$160**	**$208**	**$264**	**$324**	**$388**	**118.6%**	**24.8%**
% Margin	*(19.3%)*	*(4.4%)*	*19.5%*	*26.6%*	*28.1%*	*29.6%*	*31.1%*	*32.6%*		
Adj. Net Income	**($36)**	**($25)**	**$35**	**$107**	**$147**	**$193**	**$235**	**$263**	**(1.0%)**	**25.2%**
% Margin	*(38.7%)*	*(10.4%)*	*8.0%*	*17.8%*	*19.8%*	*21.6%*	*22.6%*	*22.1%*		
Adj. EPS	**($1.23)**	**($0.77)**	**$1.01**	**$3.13**	**$4.30**	**$5.64**	**$6.88**	**$7.69**	**(9.3%)**	**25.2%**

Selected Cash Flow Items

Capital Expenditures	$12	$152	$130	$120	$111	$89	$83	$59
% of Revenue	*12.7%*	*62.8%*	*29.4%*	*20.0%*	*15.0%*	*10.0%*	*8.0%*	*5.0%*
Deprecation & Amortization	$3	$8	$20	$54	$89	$125	$166	$214
% of Revenue	*3.7%*	*3.4%*	*4.5%*	*9.0%*	*12.0%*	*14.0%*	*16.0%*	*18.0%*
Change in Net Working Capital		33	40	30	32	35	35	36
% Change in Revenue	- -	*13.8%*	*9.0%*	*4.9%*	*4.3%*	*3.9%*	*3.4%*	*3.0%*

Commentary

A **Revenue grows at a strong ~19% CAGR**, as TMDX expands the transplant market by unlocking organs others cannot use
- **Growth driven by higher organ utilization** across heart, liver, and lung as hospitals standardize workflows on OCS
- **Launch of Gen 3 OCS platform** with more AI and system enhancements
- Additional lift from service revenue scaling as **NOP coverage expands and centers increase case** throughput

B **Gross margin stay at ~60% by '29E**, supporting by TMDX's data and logistics model drives operating efficiency
- Mix shifts toward higher-margin service revenue and increasing scale of OCS kits
- **Manufacturing efficiencies and repeatable workflows** help margins widen despite volume growth

C EBIT margin inflects from negative to ~30% by '29E, reinforcing that **TMDX is becoming the preferred transplant system in the US**
- Meaningful operating leverage from service teams, logistics, and **OCS utilization as volumes rise**
- SG&A intensity normalizes as NOP matures and **more centers convert to standardized OCS workflows**

Sources: company filings and FactSet as of 11/21/25.

TransMedics

Risks & Mitigants

Risk	Description	Mitigation
High Dependence on Continued Clinical Adoption	▪ Growth relies on surgeons and transplant centers continuing to choose OCS over cold storage ▪ Slower-than-expected adoption could affect volume growth	▪ OCS case volumes growing +58% 2024A YoY (2,347 to 3,715) ▪ Proven clinical superiority: Liver 94% vs 89%, Heart 90% vs 84%, Lung 91% vs 80% 1 year survival rates ▪ DCD reliance: OCS used in ~78% of DCD heart/liver recoveries
Execution Risk Around National OCS Program	▪ Scaling aviation, perfusion teams, and logistics is complex and capital-intensive ▪ Any operational bottleneck could slow case throughput	▪ NOP now handles 79% of missions in-house, improving reliability ▪ 1,000+ missions per quarter in 2025E, proving scalability ▪ Strong gross margins (59%) despite heavy NOP investment
Margin Compression from Service Mix	▪ Service (NOP) has ~28% FY24 margin vs ~59% FY24 margin on OCS products ▪ As services grow, blended margin may compress	▪ Overall gross margin remains strong at ~59% ▪ Per-case revenue $115 - 120k provides strong unit economics ▪ Scaling manufacturing reduces product COGS over time
Regulatory/ Compliance Risk	▪ Med-tech companies face ongoing FDA scrutiny ▪ New regulations or compliance issues could delay approvals or expansion	▪ Strong regulatory team + Board oversight (Basile- FDA expert) ▪ Track record of 3 PMA approvals (Heart, Lung, Liver) ▪ PROTECT, INSPIRE, ENHANCE trials underpin clinical evidence
Competition Risk (Future Entrants)	▪ A competitor could eventually secure FDA approval for warm perfusion or alternative organ-preservation tech	▪ TMDX holds 100% of multi-organ PMA approvals ▪ Competitors who are limited: OrganOx (liver only), XVIVO (lung only), Paragonix (cold storage) ▪ Integrated NOP logistics + clinical dominance = high switching costs
Supply Chain or Operational Disruptions	▪ Manufacturing constraints or aviation issues could interrupt NOP operations and case volume	▪ Ops led by SVP Nick Corcoran whose scaling manufacturing + aviation ▪ 22 aircraft fleet; redundancy via national partnerships
Reimbursement or Policy Changes	▪ Changes in CMS or private payer reimbursement could affect hospital economics and adoption	▪ Stephanie Lovell on Board (payer/regulatory expert) ▪ Bundled procedure pricing now widely reimbursed ▪ OCS reduces complications and readmissions leading to strong payer alignment
Concentration in U.S. Market	▪ Majority of revenue still US weighted ▪ Slower international adoption could limit upside	▪ Building first EU NOP hub (Italy 2025E – 2026E) ▪ Europe = 34% of global transplant volume leading to larger untapped TAM ▪ Regulatory head start enables faster international scaling
Keeping Qualified and Hiring More People in Their Sales Team	▪ How do they train staff for their device and selling the device? ▪ How to address ad-hoc situations on organ procurement? ▪ How does sales team help drives volume?	▪ Team includes trained organ procurement surgeons and clinical specialists who provide expert, on-site assistance during the organ procurement and perfusion process using the OCS technology ▪ Educate patients, surgeons, and transplant centers on the benefits of the OCS technology over traditional cold storage methods, aiming to increase organ utilization rates

Sources: Wall Street Research, company filings, and FactSet as of 11/21/25.

Kenan–Flagler Business School
ALPHA CHALLENGE
The University of North Carolina

Questions

Kenan–Flagler Business School
ALPHA CHALLENGE
The University of North Carolina

Appendix

TransMedics

Valuation Overview - Sensitivity Analysis

EBITDA Margin	Revenue Growth 15.0%	20.0%	25.0%	30.0%	35.0%
10.0%	$138.00	$143.00	$148.00	$153.00	$158.00
15.0%	$138.00	$143.00	$148.00	$153.00	$158.00
20.0%	$138.00	$143.00	$148.00	$153.00	$158.00
25.0%	$138.00	$143.00	$148.00	$153.00	$159.00
30.0%	$138.00	$143.00	$148.00	$154.00	$159.00

- ✗ **Face seasonality** that drives quarterly volatility
- ✗ Encounter **slower EU ramps from country-specific** friction
- ✗ **Risk timing shifts** in next-gen heart and lung trial enrollment

EBITDA Margin	Revenue Growth 35.0%	40.0%	45.0%	50.0%	55.0%
10.0%	$158.00	$163.00	$168.00	$173.00	$178.00
15.0%	$158.00	$163.00	$168.00	$173.00	$178.00
20.0%	$158.00	$163.00	$169.00	$174.00	$179.00
25.0%	$159.00	$164.00	$169.00	$174.00	$179.00
30.0%	$159.00	$164.00	$169.00	$174.00	$179.00

- ✓ Unlock unmet demand by **reaching the 10k patients who never get transplanted**
- ✓ **Scale internationally** through Italy and EU NOP expansion
- ✓ Boost **adoption with next-gen heart and lung trials** accelerating volume

EBITDA Margin	Entry EBITDA Multiple 26.0x	27.0x	28.0x	29.0x	30.0x
30.0%	$125.00	$130.00	$135.00	$140.00	$146.00
32.0%	$134.00	$139.00	$145.00	$151.00	$156.00
34.0%	$143.00	$149.00	$155.00	$161.00	$167.00
36.0%	$152.00	$158.00	$165.00	$171.00	$177.00
38.0%	$161.00	$168.00	$175.00	$181.00	$188.00

- ✗ Absorb EU startup costs that **pressure margins**
- ✗ Carry **scaling inefficiencies** as new hubs and teams build out
- ✗ Struggling to manage fleet downtime that **reduces logistics profitability**

EBITDA Margin	Entry EBITDA Multiple 30.0x	31.0x	32.0x	33.0x	34.0x
30.0%	$146.00	$151.00	$156.00	$162.00	$167.00
32.0%	$156.00	$162.00	$168.00	$173.00	$179.00
34.0%	$167.00	$173.00	$179.00	$185.00	$191.00
36.0%	$177.00	$184.00	$190.00	$196.00	$203.00
38.0%	$188.00	$195.00	$201.00	$208.00	$215.00

- ✓ **Expand margins** through double-shifting and higher fleet utilization
- ✓ **Add high-margin AI** that lifts blended profitability
- ✓ **Drive leverage** toward long-term 30%+ operating margins

Net Income Margin	Entry P/E Multiple 38.0x	39.0x	40.0x	41.0x	42.0x
20.0%	$121.64	$125.16	$128.67	$132.19	$135.70
22.0%	$135.00	$138.86	$142.73	$146.59	$150.46
24.0%	$148.35	$152.57	$156.78	$161.00	$165.22
26.0%	$161.70	$166.27	$170.84	$175.41	$179.97
28.0%	$175.06	$179.97	$184.89	$189.81	$194.73

- ✗ Embed high expectations with **limited room for errors**
- ✗ Show EPS noise from **logistics mix and capital spending**
- ✗ Face sentiment pressure from **concerns on liver saturation**

Net Income Margin	Entry P/E Multiple 42.0x	43.0x	44.0x	45.0x	46.0x
20.0%	$135.70	$139.21	$142.73	$146.24	$149.75
22.0%	$150.46	$154.32	$158.19	$162.05	$165.92
24.0%	$165.22	$169.43	$173.65	$177.87	$182.08
26.0%	$179.97	$184.54	$189.11	$193.68	$198.25
28.0%	$194.73	$199.65	$204.57	$209.49	$214.41

- ✓ **Sustain strong growth** that supports premium valuation
- ✓ **Increase earnings visibility** from recurring NOP and logistics revenue
- ✓ Unlock upside from **AI monetization and category leadership**

Sources: Company filings and FactSet as of 11/21/25.

Bear Case | **Bull Case**

TransMedics
Competitive Landscape

	TransMedics (Active Perfusion)	OrganOx / TERUMO (Normothermic Perfusion)	XVIVO (Perfusion Therapy)	Others (Cold Transport)
Market Position	*Undisputed #1*	*#2*	*#3*	*#4-6*
Latest Post-Money Valuation ($bn)	*$5.5* [1]	*$1.5* [2]	*$0.5* [1]	*>$0.5*
Revenue / Scale	*$442mm* [1]	*~$70mm* [2]	*$75mm* [1]	*>$0.4*
# of Transplants	*7,000+*	*7,500+*	*12,000+*	*>18,000+*
Key End Markets Serving	*Multi-Organ Transplant Platforms*	*Liver Perfusion*	*Lung / Kidney / Liver Transplant Perfusion*	*Kidney/Liver Fluids & Legacy Perfusion*
Key Peformance Indicators	▪ *OCS Cases Per Year* ▪ *Clinical Outcome Improvements* ▪ *Organ Utilization*	▪ *# of Liver Perfusion Cases* ▪ *Liver Graft Success Rates* ▪ *Conversion Rate*	▪ *# of Lung Perfusion Cases* ▪ *Survival Outcomes* ▪ *# of Countries & Centers Approved*	▪ *# of Preservation Solutions Sold* ▪ *# of Cold Storage Devices in Use* ▪ *# of Countries with Active Users*
Competitive Moat Strength				
Comprehensives of Offering				
Technology				
Clinical Evidence Strength				

Sources: Wall Street Research, company filings, Pitchbook, and FactSet as of 11/21/25.

1) *Reflects current public market enterprise value and most recent fiscal year revenue.*
2) *OrganOX was acquired by Terumo for $1.5bn on 10/31/25; revenue figures reflect those disclosed at announcement.*

TransMedics

Product Works

	OCS Lung	OCS Heart	OCS Liver	National OCS Program
Product / Service				
Value Proposition	Improves lung viability, reduces PGD, allows better assessment and longer transport, enabling use of higher-risk donors	Expands DCD heart pool, reduces primary graft dysfunction, improves survival rates, and enables longer transport windows	Maximizes liver utilization (DBD + DCD, marginal organs), improves survival rates, reduces EAD, and allows longer/safer transport	Organ retrieval, OCS management, aviation, and coordination ***(Full-service outsourced transplant logistics)***
2024A Revenue Drivers	▪ Volume: 4% ▪ Penetration: 10%	▪ Volume: 25% ▪ Penetration: 18%	▪ Volume: 70% ▪ Penetration: 25%	
2024A Revenue Growth%	▪ Revenue: $18mm ▪ Revenue Growth: 49.4%	▪ Revenue: $110mm ▪ Revenue Growth: 50.7%	▪ Revenue: $310mm ▪ Revenue Growth: 104.0%	▪ Revenue: $4mm ▪ Revenue Growth: (20%)

Sources: Wall Street Research, company filings, and FactSet as of 11/21/25.

TransMedics

Management & Board of Directors Overview

Key Management

Waleed Hassanein
Founder, President & CEO, Director

- Founder of TransMedics
- Did 2 years of general surgery training at Georgetown University Medical Center and 3 years for cardiac surgery research fellowship at the West Roxbury VA Medical Center and Brigham and Women's Hospital in Boston
- Has an MD at Georgetown University School of Medicine

Gerardo Hernandez
Chief Financial Officer

- Joined company in 2024
- Previously worked as Vice President Finance, Head of Corporate Financial Planning and Analysis at Alnylam Pharmaceuticals
- Holds a BA from the University of Wisconsin, La Crosse and an MBA from Fundação Getulio Vargas, Sao Paulo, Brazil

Tamer Khayal
Chief Commercial Officer

- Served in many roles at TransMedics since 2001 such as Chief Medical Officer and Director of Clinical Development
- Prior to joining TransMedics, he worked as Director of Medical Affairs for Zentiva Middle East
- Received his MD degree from Cairo University School of Medicine and a General Certificate of Education from the University of London, England

Anil Ranganath
SVP, *General Counsel & Corporate Secretary*

- Joined company in 2023
- Used to work at Waters Corporation, served multiple roles of increasing scope and responsibility
- Holds a JD from Suffolk University Law School and a BA from Worcester Polytechnic Institute

Nick Corcoran
SVP, Supply Chain & Operations

- Joined company in 2023
- Previously worked as Vice President of Division Operations for Stryker Joint Replacement
- Holds a BA from South East Technological University and MBA from The Smurfit School of Business, University College Dublin

Miriam Provost
VP, Global Regulatory Affairs

- Joined company in 2018
- Served in many roles at an internationally recognized expert in Regulatory Affairs and provided strategic guidance and tactical support for large and small medical device companies as medical device regulatory consultant
- Earned a BA from the University of Dayton and a MS and Ph D from the University of Pennsylvania

Stephen Gordon
Senior Advisor

- Joined company in 2015
- Was Vice President, Financial Planning & Analysis at Analogic Corporation
- Earned a BA from The Wharton School at The University of Pennsylvania and an MBA from Boston University

Sources: Company website and company filings as of 11/21/25.

Board of Directors

James Tobin
Chairman of the Board

- Served as board member since 2011
- Retired President and CEO of Boston Scientific Corporation
- Held many leadership positions such as President and CEO of Biogen
- Received a BA from Harvard College and an MBA from Harvard Business School

Waleed Hassanein
Founder, President & CEO, Director

- Founder of TransMedics
- Did 2 years of general surgery training at Georgetown University Medical Center and 3 years for cardiac surgery research fellowship at the West Roxbury VA Medical Center and Brigham and Women's Hospital in Boston
- Has an MD at Georgetown University School of Medicine

David Weill
Director (Clinical & Medical Oversight)

- Served as board member since 2019
- Previously was Principal of the Weill Consulting Group
- Received a BA from Tulane University and a MD degree from Tulane University Medical School

Edwin M. Kania, Jr.
Director

- Served as board member since 2003
- Works as managing partner at FarField Partners
- Received a BA in physics from Dartmouth College and an MBA from Harvard Business School

Merilee Raines Independent
Director (Audit Committee Chair)

- Served as board member since 2021
- Previously worked as Chief Financial Officer of IDEXX Laboratories
- Received a BA from Bowdoin College and an MBA from the University of Chicago

Thomas Gunderson
Director (Finance Committee Chair)

- Served as board member since 2016
- Was Chair of the Board of Directors at the Minneapolis Heart Institute Foundation
- Has 25+ years of substantive experience in the medical device industry

Stephanie Lovell
Director (Compliance & Health Policy)

- Served as board member since 2021
- Previously worked as the Executive Vice President, Medicare and Chief Legal Officer for Blue Cross Blue Shield of Massachusetts
- Received a BA in philosophy from Hamilton College and a JD from Boston University School of Law

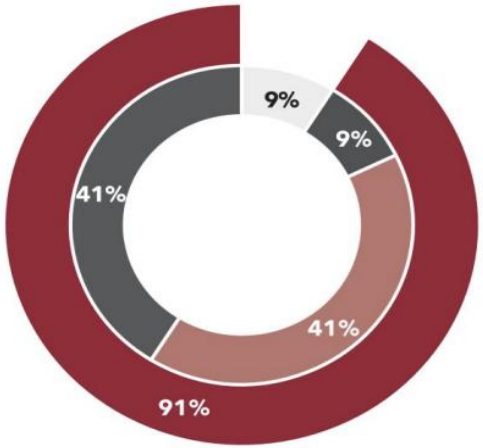
Edward Basile
Director (Governance & Regulatory Oversight)

- Served as board member since 2016
- Completed 25-year tenure with the law firm King & Spalding
- Received a BA Degree from Lafayette College and a JD from George Washington University Law School

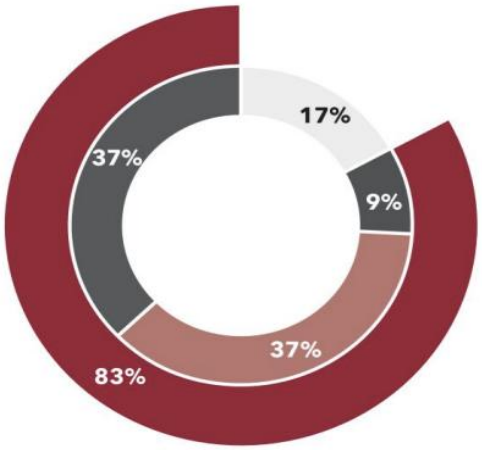
TransMedics

Management Compensation Overview

Target FY24 CEO Pay Mix



Avg. Target FY24 NEO Pay Mix*



Base Salary | Target Bonus | Stock Options | RSUs | Variable, At Risk

2024 Performance Metrics and Goals		Results
Revenue	Revenue target of $370M	$441.5M
Impact Factor One	Scaling TransMedics Aviation to a minimum of 16 planes by September 30, 2024	Met
	Initiation of a US Lung clinical program/trial by December 31, 2024	Not Met
	Completion of ERP upgrade and HRIS implementation by December 31, 2024	Met
	PMA submission of 2 new assembly improvements for current OCS modules by December 31, 2024	Met
Impact Factor Two	Sustained EBITDA positive for a minimum of 2 quarters in 2024	Met
	FDA submission of new OCS boards with integrated lactate and ABG sensors by December 31, 2024	Not Met
	Complete development of OCS Connect II & OCS Cloud Connectivity by December 31, 2024	Met
	Supply chain to control management of all inventory at NOP hubs by December 31, 2024	Met

Sources: Company filings and FactSet as of 11/21/25.

TransMedics

Patent Portfolio

Category	2024 10-K Disclosure
Total Worldwide Patents (Issued + Pending)	▪ 430 patents (owned + licensed, issued + pending)
US	▪ 53 issued patents and 12 pending applications
Outside US	▪ 313 issued patents and 52 pending applications
U.S. and foreign patent applications	▪ Expected to expire between 2025 and 2043, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable.
Expiration Range – Issued Patents	▪ 2025 through 2038
Expiration Range – Pending Applications	▪ If granted, may extend to 2043
Portfolio	▪ Patents and applications related to one or more of the OCS Lung, OCS Heart, OCS Liver and solutions
Technology Areas Covered	▪ OCS Heart, OCS Lung, OCS Liver, warm perfusion tech, pumps, sensors, disposables, perfusion circuits, organ monitoring, software, and aspects of NOP logistics & aircraft-enabled services
OCS Lung or lung transplantation technology	▪ Expected to expire in 2043
OCS Heart or heart transplantation technology	▪ Expected to expire in 2038, . Requested patent term extension for one patent relating to the OCS Heart, U.S. Patent No. 7,651,835, which, if granted, would expire in 2032.
OCS Liver or liver transplantation technology	▪ Expected to expire in 2035 ▪ Requested patent term extension for one patent relating to the OCS Liver, U.S. Patent No. 10,076,112, which, if granted, would expire in 2035
OCS Solutions or other solutions for transplantation systems	▪ Expected to expire in 2035
Where are patients issued	▪ United States, Austria, Australia, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Europe, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Spain, Sweden, and United Kingdom

Sources: Google Patents, company website, and company filings as of 11/21/25.

TransMedics

FDA Regulatory for OCS Devices (Class III PMA)

TransMedics' OCS Heart, OCS Lung, and OCS Liver are Class III, life-supporting devices and follow the FDA's most rigorous Premarket Approval (PMA) pathway

1. Preclinical Development (Bench & Animal Studies)

- Bench testing of pump mechanics, flow/pressure control, temperature regulation, alarms, software.
- Biocompatibility (ISO 10993), electrical safety (IEC 60601), reliability and fatigue testing.
- Large-animal studies demonstrating organ viability, injury reduction, and safe normothermic perfusion.

Goal: show the device is safe enough to move into humans.

2. IDE Approval – Permission to Treat Human Patients

- Company files an **Investigational Device Exemption (IDE)** application with FDA.
- IDE includes: preclinical package, device description, proposed clinical protocol, risk–benefit analysis, and investigator/training plans.
- FDA reviews and, if acceptable, authorizes initiation of human clinical trials.

3. Early Feasibility / First-in-Human Studies (Optional but Common)

- Small first-in-human series (often 10–15 patients) at expert centers.
- Used to refine device design, perfusion protocols, and logistics workflow.
- Helps de-risk the subsequent pivotal trial design.

4. Pivotal Clinical Trial (RCT vs Cold Storage)

- Large, prospective trial comparing OCS vs standard cold storage for a specific organ.
- Endpoints: 30-day and 1-year patient survival, graft failure, EAD/PGD, serious adverse events.

Goal: demonstrate safety and clinical superiority or non-inferiority to standard of care.

5. PMA Submission (Premarket Approval Application)

- Full dossier to FDA, including: All clinical trial data (efficacy & safety), Preclinical and bench data, Manufacturing processes and quality system (GMP), Labeling (indications, contraindications, IFU) and training requirements., Risk–benefit analysis. FDA conducts in-depth scientific and manufacturing review.

6. FDA Advisory Panel Review (for High-Risk Devices)

- Independent panel of experts (e.g., cardiothoracic surgeons, transplant physicians, statisticians) reviews:
  - Clinical data and endpoints.
  - Safety concerns and device complications.
  - Risk–benefit profile vs cold storage.

Panel votes on whether data support safety and effectiveness; FDA considers this in its decision.

7. PMA Approval – Device Can Be Commercialized

If the benefit–risk profile is acceptable, FDA grants **PMA approval**.

8. Post-Market Surveillance & PMA Supplements

Sources: US Food and Drug Administration, publishes, "Premarket Approval (PMA)".

TransMedics

FDA Approvals

Web Address	PMANumb	Applicant	Decision Date	Device
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S019	P160013S019	TransMedics, Inc	2025/10/22	Organ Care System™ (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S008	P180051S008	TransMedics, Inc.	2025/10/22	Organ Care System™ (OCS™) Heart System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S011	P200031S011	TransMedics, Inc.	2025/10/22	Organ Care System™ (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S010	P200031S010	TransMedics, Inc.	2025/07/01	Organ Care System™ (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S007	P200031S007	TransMedics, Inc.	2025/01/13	Organ Care System (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S007	P180051S007	TransMedics, Inc.	2024/10/23	Organ Care System (OCS) Heart System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S018	P160013S018	TransMedics, Inc	2024/10/11	Organ Care System™ (OCS™) Lung
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S006	P180051S006	TransMedics, Inc.	2024/10/11	Organ Care System™ (OCS™) Heart
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S009	P200031S009	TransMedics, Inc.	2024/10/11	Organ Care System™ (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S006	P200031S006	TransMedics, Inc.	2024/02/23	Organ Care System (OCS®) Liver™
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S016	P160013S016	TransMedics, Inc	2024/01/09	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S013	P160013S013	TransMedics, Inc	2023/06/28	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S014	P160013S014	TransMedics, Inc	2023/06/28	Organ Care System™ (OCS™) Lung
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S004	P180051S004	TransMedics, Inc.	2023/06/28	Organ Care System™ (OCS™) Heart
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S004	P200031S004	TransMedics, Inc.	2023/06/28	Organ Care System™ (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S012	P160013S012	TransMedics, Inc	2023/05/09	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S003	P180051S003	TransMedics, Inc.	2023/05/09	Organ Care System (OCS) Heart System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S012	P160013S012	TransMedics, Inc	2023/05/09	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S003	P180051S003	TransMedics, Inc.	2023/05/09	Organ Care System (OCS) Heart System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S003	P200031S003	TransMedics, Inc.	2023/05/09	Organ Care System (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S010	P160013S010	TransMedics, Inc	2023/02/24	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S011	P160013S011	TransMedics, Inc	2023/02/23	Organ Care System (OCS™) Lung
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S002	P180051S002	TransMedics, Inc.	2023/02/23	Organ Care System (OCS) Heart
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S002	P200031S002	TransMedics, Inc.	2023/02/23	Organ Care System (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031S001	P200031S001	TransMedics, Inc.	2022/09/19	Organ Care System (OCS®) Liver™
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S009	P160013S009	TransMedics, Inc	2022/05/06	Organ Care System™ (OCS) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051S001	P180051S001	TransMedics, Inc.	2022/04/27	OCS Heart System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P200031	P200031	TransMedics, Inc.	2021/09/28	Organ Care System (OCS™) Liver
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P180051	P180051	TransMedics, Inc.	2021/09/03	Organ Care System (OCS) Heart System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S008	P160013S008	TransMedics, Inc	2021/08/02	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S007	P160013S007	TransMedics, Inc	2020/12/03	Organ Care System (OCS) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S005	P160013S005	TransMedics, Inc	2019/12/20	Organ Care System (OCS) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S006	P160013S006	TransMedics, Inc	2019/12/20	Organ Care System (OCS) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S002	P160013S002	TransMedics, Inc	2019/05/31	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S003	P160013S003	TransMedics, Inc	2018/12/21	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013S001	P160013S001	TransMedics, Inc	2018/06/14	Organ Care System (OCS™) Lung System
https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?ID=P160013	P160013	TransMedics, Inc	2018/03/22	Organ Care System (OCS™) Lung System

Sources: Google Patents, company website, and company filings as of 11/21/25.

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Reimbursement Concern

US Reimbursement

In addition to these MS-DRG-based payments, Medicare reimburses transplant centers for "reasonable and necessary" organ acquisition costs, which are considered "pass-through" costs from the prospective payment system, and are not based on the payments for the applicable MS-DRG. Pass-through organ acquisition costs include services required for the acquisition of an organ, such as tissue typing, organ preservation, transport of organs, donor evaluation and other acquisition costs. The separate payments for these costs are determined on a reasonable cost basis established through the transplant center's Medicare cost report. During OCS clinical trials, even before the OCS had been approved by the FDA, the Medicare program reimbursed transplant centers for their use of the OCS for lung, heart and liver transplantation. We believe, though cannot be assured, that the costs incurred by transplant centers for the organ-specific OCS Console, OCS Perfusion Sets and OCS Solutions will be classified as organ acquisition costs for which Medicare will provide additional reimbursement. However, Medicare does not reimburse for items determined not to be reasonable and necessary for diagnosis or treatment of an illness or injury. The Centers for Medicare & Medicaid Services, or CMS, and Medicare contractors who administer Medicare around the country have substantial discretion in determining whether the OCS is reasonable and necessary in this context. Either CMS or a Medicare contractor might determine that Medicare will not cover and reimburse for the cost of the OCS in the absence of reliable clinical data evidencing the benefits to patients of the use of the OCS. The data we collect from our prior, ongoing and planned clinical studies and patient registry may not be sufficient for this purpose in a coverage determination by CMS or a Medicare contractor. Accordingly, Medicare might not reimburse transplant centers for all or a portion of the cost of the OCS. We believe that private insurers and other public insurers in the United States generally will follow the coverage and payment policies of Medicare.

EU Reimbursement

insurers or by both national insurance and private insurers, depending on the priorities established by individual programs. These reimbursement arrangements are subject to complex rules and regulations at the national and regional levels that can vary between member states of the European Union and are likely to require that we demonstrate that the OCS is superior to existing preservation methods. We have no studies currently planned to collect such clinical data, and any studies of this kind likely would be expensive and lengthy and may not ultimately produce results adequate to secure reimbursement. In some cases, we might not be able to secure adequate reimbursement for the OCS at all or until we have collected additional clinical data supporting the benefits associated with the use of the OCS in transplant procedures. Hospitals or surgeons in countries or regions where separate additional reimbursement or funding for the OCS is not available may determine that the benefits of the OCS do not or will not outweigh the cost of the OCS. Adoption of our products in the European Union may be hindered if they impede our customer's compliance with the requirements of Directive 2010/53/EU (formerly Directive 2010/45/EU), which imposes certain standards on procurement, preservation and transport of organs intended for transplantation. Even where reimbursement or funding is available, in some foreign countries, particularly in the European Union, the pricing of medical devices is subject to governmental control. In these countries, reimbursement and pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. For example, some foreign reimbursement systems provide for limited payments in a given period and, therefore, result in extended payment periods, which could hinder adoption of the OCS for use in transplantation, limiting sales. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, it may not be profitable to sell our products in certain foreign countries, which could negatively affect the long-term growth of our business.

Sources: Google Patents, company website, and company filings as of 11/21/25.

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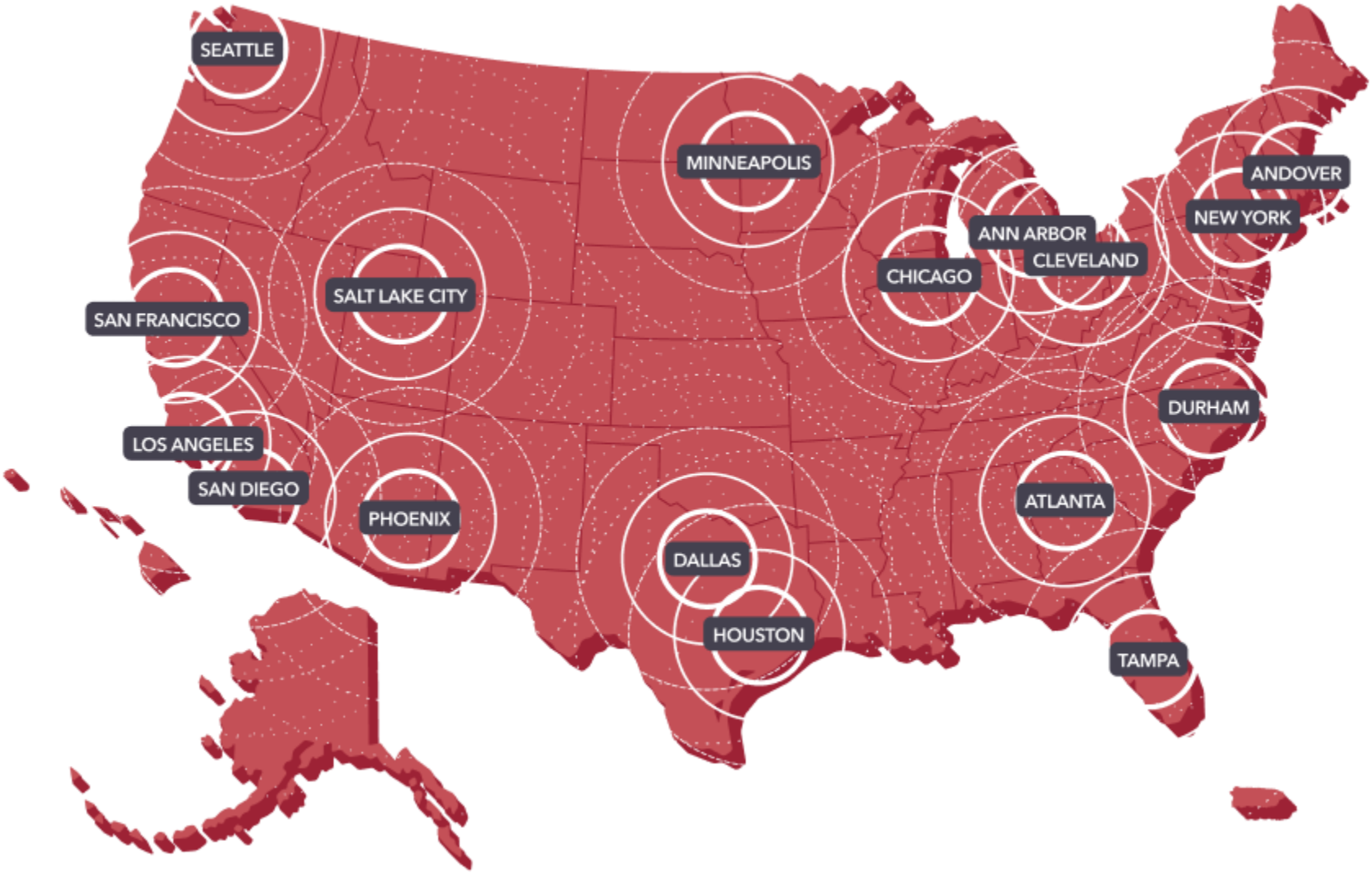
National OCS Program Coverage in US



Sources: Google Patents, company website, and company filings as of 11/21/25.

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Key Revenue Drivers

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	16A-24A CAGR	25E-29E CAGR
US Waitlist Heart Demand																
(+) Additions	5,343	5,460	5,634	5,658	6,532	6,948	7,023	7,800	8,304	8,719	9,155	9,593	10,072	10,576		
(+) Transplants	3,218	3,509	3,900	4,120	4,127	4,245	5,094	5,049	4,572	4,772	4,984	5,206	5,437	5,678		
(-) Other	575	555	633	600	526	601	577	588	599	604	609	614	619	623		
Waitlist Heart Demand (# of cases)	7,986	8,414	8,901	9,178	10,133	10,592	11,540	12,261	12,277	12,887	13,530	14,185	14,890	15,631	5.5%	4.9%
YoY Growth %		*5.4%*	*5.8%*	*3.1%*	*10.4%*	*4.5%*	*8.9%*	*6.2%*	*0.1%*	*5.0%*	*5.0%*	*4.8%*	*5.0%*	*5.0%*		
US Waitlist Liver Demand																
(+) Additions	13,302	13,475	13,719	13,941	14,609	15,439	15,179	16,658	17,447	17,971	18,513	19,073	19,649	20,242		
(+) Transplants	7,746	8,254	8,742	9,464	9,375	9,663	10,111	11,109	11,458	11,802	12,156	12,520	12,896	13,283		
(-) Other	1,984	2,140	2,280	2,138	2,071	2,230	2,141	2,171	2,201	2,233	2,247	2,245	2,260	2,286		
Waitlist Liver Demand (# of cases)	19,064	19,589	20,181	21,267	21,913	22,872	23,149	25,596	26,704	27,539	28,422	29,348	30,285	31,239	4.3%	3.2%
YoY Growth %		*2.8%*	*3.0%*	*5.4%*	*3.0%*	*4.4%*	*1.2%*	*10.6%*	*4.3%*	*3.1%*	*3.2%*	*3.3%*	*3.2%*	*3.2%*		
US Waitlist Lung Demand																
(+) Additions	3,746	3,955	4,164	4,218	4,656	5,064	5,104	5,427	6,011	6,251	6,501	6,761	7,031	7,320		
(+) Transplants	2,354	2,710	3,022	3,282	3,008	2,951	3,275	3,530	3,340	3,507	3,682	3,866	4,060	4,263		
(-) Other	161	165	179	196	224	180	181	182	182	184	186	188	190	192		
Waitlist Lung Demand (# of cases)	5,939	6,500	7,007	7,304	7,440	7,835	8,198	8,775	9,168	9,574	9,997	10,440	10,901	11,392	5.6%	4.4%
YoY Growth %		*9.5%*	*7.8%*	*4.2%*	*1.9%*	*5.3%*	*4.6%*	*7.0%*	*4.5%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.5%*		
Total US Waitlist Demand (# of cases)	**32,988**	**34,504**	**36,090**	**37,750**	**39,485**	**41,300**	**42,887**	**46,632**	**48,149**	**50,000**	**51,949**	**53,973**	**56,076**	**58,262**	4.8%	3.9%
A *YoY Growth %*		*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*3.8%*	*8.7%*	*3.3%*	*3.8%*	*3.9%*	*3.9%*	*3.9%*	*3.9%*		
B Average Revenue per Case (OCS Stack in 000's)	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0	$115.0		
U.S. TAM ($mm)	$3,794	$3,968	$4,150	$4,341	$4,541	$4,750	$4,932	$5,363	$5,537	$5,750	$5,974	$6,207	$6,449	$6,700		
OUS TAM ($mm)	$1,988	$2,079	$2,175	$2,275	$2,379	$2,489	$2,584	$2,810	$2,901	$3,013	$3,130	$3,252	$3,379	$3,511		
(x) Global TAM ($mm)	$5,781	$6,047	$6,325	$6,616	$6,920	$7,238	$7,516	$8,173	$8,439	$8,763	$9,105	$9,459	$9,828	$10,211	4.8%	3.9%
YoY Growth %		*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*3.8%*	*8.7%*	*3.3%*	*3.8%*	*3.9%*	*3.9%*	*3.9%*	*3.9%*		
C *(x) TransMedics Market Penetration Rate (%)*	*0.1%*	*0.1%*	*0.2%*	*0.4%*	*0.4%*	*2.5%*	*3.7%*	*5.0%*	*7.7%*	*14.0%*	*15.4%*	*16.7%*	*17.8%*	*18.9%*		
(x) Revenue Recognition (%)	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*99%*	*99%*	*98%*	*98%*	*98%*		
TransMedics Sales ($mm)	**$6**	**$8**	**$13**	**$24**	**$26**	**$30**	**$93**	**$242**	**$442**	**$600**	**$742**	**$891**	**$1,041**	**$1,189**	70.4%	18.6%
YoY Growth %		*23.8%*	*69.4%*	*81.3%*	*8.6%*	*18.0%*	*208.9%*	*158.5%*	*82.7%*	*36.0%*	*23.5%*	*20.2%*	*16.9%*	*14.2%*		

Commentary

A **TAM growth to ~4% annually, reflecting normalization post-expansion**

- Growth led by modest US waitlist and **transplant volume increases**
- Donor pool widens through DCD and marginal-donor acceptance
- **OUS markets add ~34% of total TAM, with US TAM modeled at ~$5bn in 2022A and ~$7bn by 2028E**
- +100 bps penetration equates to **~100mm revenue upside**

B Per-procedure revenue builds to ~$115k by 2025E with rising aviation mix

- **Weighted-average case value reflects ~$65K consumables, ~$20K services, and ~$30k aviation logistics**
- Higher service utilization (~90%) and growing multi-organ cases lift blended ASP
- Assumes full-service capture across logistics, monitoring, and disposables versus partial adoption in early years

C Captured **TAM assumes 9% penetration and increasing ~4% YoY** under base-case adoption

- Implies ~$600mm captured TAM in 2025E, with potential **to increase penetration by ~19% by 2029E at ~$1.2bn sales**
- OUS TAM modeled as 0.524× US TAM
- Near-term upside capped by capacity and supply constraints; long-term growth driven by next-gen OCS and OUS expansion

Sources: Company website, Organ Procurement & Transplantation Network, company filings, and FactSet as of 11/21/25.

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DCF

	Illustrative Exploration					
	2025E	2026E	2027E	2028E	2029E	Terminal
Revenue	**$600**	**$742**	**$891**	**$1,041**	**$1,189**	$1,189
% Growth		*23.5%*	*20.2%*	*16.9%*	*14.2%*	
EBITDA	**$160**	**$208**	**$264**	**$324**	**$388**	$388
% Margin	*26.6%*	*28.1%*	*29.6%*	*31.1%*	*32.6%*	*32.6%*
Less: Deprecation & Amortization	(54)	(89)	(125)	(166)	(214)	(54)
Less: Total Adjustments	32	71	114	156	180	180
EBIT	**$138**	**$190**	**$253**	**$313**	**$354**	$514
% Margin	*23.0%*	*25.7%*	*28.4%*	*30.1%*	*29.8%*	*43.2%*
(-) Taxes	(29)	(40)	(53)	(66)	(74)	(108)
Memo: Effective Tax Rate	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*
Tax-Effected EBIT	**$109**	**$150**	**$200**	**$248**	**$280**	**$406**
Plus: Deprecation & Amortization	54	89	125	166	214	54
Less: Change in NWC	(30)	(32)	(35)	(35)	(36)	(36)
Less: Capital Expenditures	(120)	(111)	(89)	(83)	(59)	(59)
Unlevered Free Cash Flow	**$13**	**$96**	**$201**	**$295**	**$399**	**$365**
% Year Recognition	*17%*	*100%*	*100%*	*100%*	*100%*	*100%*
Period Adjusted Unlevered Free Cash Flow	**$2**	**$96**	**$201**	**$295**	**$399**	**$365**

Discount Rate	PV of '25E - '29E Cash Flows		PV of Terminal Value at Perpetuity Growth Rate of 2.75%	3.00%	3.25%		Enterprise Value at Perpetuity Growth Rate of 2.75%	3.00%	3.25%
8.8%	1,042		$4,881	$5,094	$5,325		$5,924	$6,136	$6,368
9.0%	1,035	+	4,647	4,840	5,051	=	5,682	5,875	6,086
9.3%	1,028		4,431	4,608	4,800		5,458	5,636	5,828

Equity Value at Perpetuity Growth Rate of 2.75%	3.00%	3.25%	Equity Value Per Share at Perpetuity Growth Rate of 2.75%	3.00%	3.25%		Implied '25E EBITDA Multiple at Perpetuity Growth Rate of 2.75%	3.00%	3.25%
5,518	5,730	5,961	$161.00	$168.00	$174.00		37.1x	38.4x	39.9x
5,276	5,469	5,680	$154.00	$160.00	$166.00	=	35.6x	36.8x	38.1x
5,052	5,229	5,421	$148.00	$153.00	$159.00		34.2x	35.3x	36.5x

Target Price is $160, representing ~22% upside from current levels

Sources: company filings and FactSet as of 11/21/25.
Note: Dollars are in millions expect per share amount. Per share amount to the nearest $0.25; Cash flows discounted to 12/31/24 assuming mid-year convention.

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Weighted Average Cost of Capital Analysis

Cost of Equity	Range Low	Range High	Sources
Risk Free Rate	4.15%		*Ten year U.S. Government Bond yield as of 11/17/2025*
Levered Beta	1.25		*FactSet adjusted beta is based on regression of three years of weekly performance as compared to the broad U.S. equity market*
Equity Risk Premium	4.6%	6.6%	*Equity risk premium relative to the 10 year U.S. Government bond yield per FactSet estimates*
Cost of Equity	**9.9%**	**12.4%**	
Cost of Debt			
Pre-tax Cost of Debt	6.3%		*Based on FactSet estimates*
Marginal Tax Rate	21.0%		*Effective Tax Rate*
After-tax Cost of Debt	**5.0%**		
Debt / Equity	9.9%		*Based on Company's Capital Structure*
Weighted Average Cost of Capital	**9.4%**	**11.7%**	

Sources: FactSet as of 11/21/25.