RATING: 1 | 2 | 3 | **4** | 5

We project that TMDX will continue its strong revenue growth while optimizing operating efficiency. Its revolutionary Organ Care System shows lots of promise in an undersaturated organ transplantation industry, poising TMDX for long-term growth and success.

52-Week Price Range	Market Capitalization	Price as of 11/4/25	Annual Dividend Rate	Industry
$55.00 - $145.50	**$4.495 Billion**	**$122.30**	**$0.00**	**Healthcare**

Recommendation Summary: BUY

VSF Target Price: $156.45
(31.28% Upside)

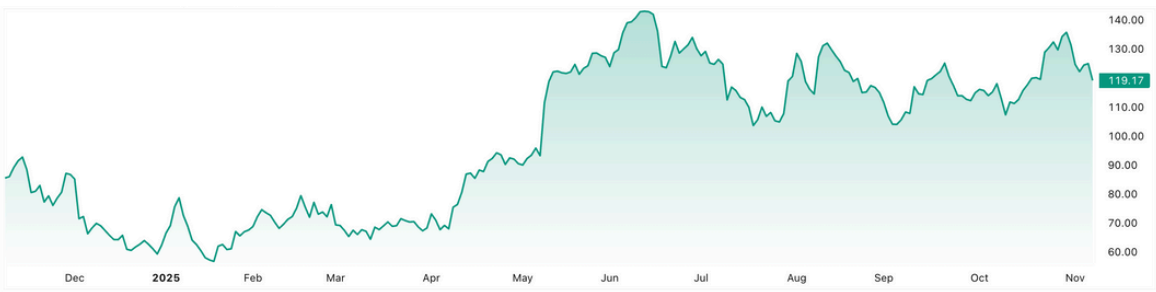
Healthcare industry performance is POSITIVE.

As populations continue to increase throughout the world, chronic diseases become more common, which leads the demand for medical technologies to increase. Because organ failure is an end-of-life condition, it is absolutely necessary to produce high-quality donor organs. The global medical technology industry generated about **$632 billion USD** in 2024 and has a growth projection of **5.6%** in 2025. Specifically, the **global organ transplantation industry** has a market size of around **$10 billion USD** and is projected to grow at a **CAGR of around 9.5%** with the market predicted to reach **30 billion USD** by the early 2030s. TMDX offers massive growth potential due to its innovation, reliability, and signature **Organ Care System (OCS)**, which transports donor organs while preserving them in pristine condition for transplantation. As both the medical technology and organ transplantation markets grow, TMDX becomes a prime candidate to stand out with massive upside potential.

For a comparables analysis of TMDX, it is very important to note that it is the biggest player in its specific niche, so comparables must be chosen on a **product and size basis**. One comparable, **XVIVO.ST**, was chosen based on similarity in product. XVIVO.ST focuses on lung preservation and transportation, rivaling TMDX's lung-specific branch. Other comparables were chosen because of their **similarities in business model/growth stage**, and **adjacent positioning in health-tech**. **PEN** is another fast-growing, hospital-focused technology innovator that manufactures devices to treat vascular conditions. **AXGN** is a leader in providing surgical solutions for peripheral nerve repair. **OM** is a med-tech company that manufactures the Tablo Hemodialysis System, sharing many logistic similarities to TMDX's business model.

Ticker	Company		Share Price ($)	Shares Outstanding (M)	Equity Value (M)	EV/Revenue	EV/EBITDA	P/E	1 yr price change (%)
TMDX	TransMedics Group Inc.	$	131.34	34.17	4487.89	7.67	36.4	58.33	60.47%
XVIVO.ST	XVIVO Perfusion AB	$	19.95	31.5	628.43	6.05	27.31	46.98	-57.89%
PEN	Penumbra Inc.	$	227.37	38.83	8828.78	7.56	50	60.31	-0.66%
AXGN	Axogen, Inc.	$	22.22	46.12	1024.79	4.24	79.43	N/A	58.71%
OM	Outset Medical, Inc.	$	13.12	17.74	232.75	1.41	-22.3	-0.65	53.45%

1Y: TMDX's stock has had a very strong run over the past year. It has bounced back from the 52-week low of $55.0 in Jan 2025 to rally to a high of $145, holding strong at levels close to there due to its strong revenue growth and unsaturated niche market.



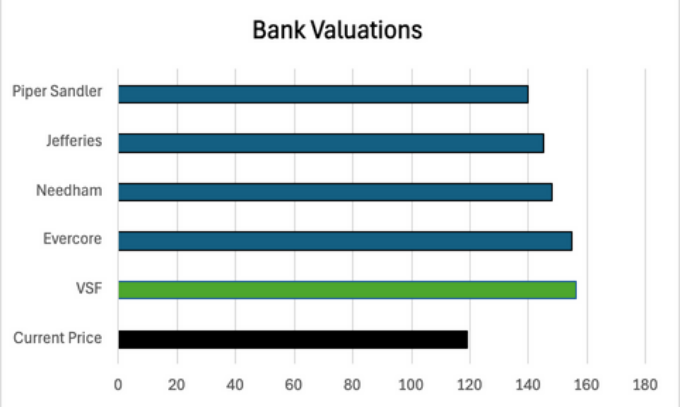
Fiscal Year End -	2021	2022	2023	2024	TTM
Revenue ($M)	30.26	93.46	241.62	441.54	531.29
Net Income ($M)	(44.21)	(36.23)	(25.02)	35.46	71.66
Free Cash Flow ($M)	(32.38)	(57.72)	(192.09)	(80.94)	17.35
Cash Balance ($M)	--	201.18	394.81	336.65	--

Fiscal Year End -	2021	2022	2023	2024	TTM
EPS Growth (%)	--	22.36	38.4	--	98.13
Gross Margin (%)	70	69.8	63.8	59.4	60.3
Operating Margin (%)	-130.3	-33.6	11.9	8.49	10
FCF Margin (%)	-107.01	-61.76	-68.2	-18.3	21.3

Category	Risks	Mitigants
Adoption & Market Penetration	Hospital systems and transplant centers may be slow to adopt the Organ Care System due to concerns about cost, workflow changes, or limited training, which could restrict revenue growth.	Robust clinical trial data demonstrate superior outcomes versus cold storage. TMDX invests heavily in physician training and field support to accelerate the adoption and integration of its products into standard-of-care practices.
Regulatory & Reimbursement	Changes in FDA regulations or delays in expanding approvals to new organs or geographies could slow growth. Reimbursement challenges may also limit hospital purchasing power.	The OCS has received multiple FDA approvals (heart, liver, lung) and continues to expand internationally. Increasing CMS and private insurer reimbursement coverage supports broader market access.
Operational & Scaling	Rapid growth in organ perfusion and logistics services could strain production capacity, logistics coordination, or quality control.	In-house manufacturing, proprietary logistics network (National OCS Program), and scalable operations enable TMDX to control quality, ensure organ availability, and meet rising transplant demand.

Intrinsic Valuation Methodology

Our beginning assumptions were those of a typical early-stage med tech company regarding the growth of revenue, EBITDA, and EBIT, with conservative estimates worked in. We assume that the growth rate slows as the terminal stage is approached. We carried conservative growth estimates throughout and discounted the current EBITDA multiple (36x) back down to 16x, as currently TMDX is in a stage of exceedingly high growth, and it is more likely that this growth will cool off to a more realistic multiple that is more characteristic of the industry in the longer run. From there it was a matter of looking at outstanding shares and recent SEC filings to determine the diluted shares and playing with industry average growth rates to finalize a projected price.

Relative valuation is Positive...

This chart compares TMDX's current price with various bank price targets and VSF's own. Piper Sandler has the most conservative outlook, with a target price of **$140 (potential upside 17.5%)**. Jefferies and Needham have moderate targets of **$145** and **$148**, respectively. Evercore has the highest target price of recent valuations at **$155 (30.1% upside)**. Using an average of growth of perpetuity and EBITDA multiple valuation methods in our DCF, we calculated a **VSF target of $156.45.**