

## Masimo Corporation (MASI)

**\$137.35** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$147.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 10/24/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: A

Value: C

Growth: A

Momentum: A

### Summary

Masimo's focus on patient monitoring and its ongoing research and development (R&D) efforts are impressive. A solid product suite is likely to aid it in solidifying its business globally, as evidenced by its various tie-ups with healthcare providers. The completion of the Sound United sale is expected to boost Masimo's ongoing efforts to focus on its core professional healthcare business. Its tie-up with Philips is also promising. A strong liquidity position is an added advantage. The Zacks model expects total revenues and adjusted earnings per share to improve 7.5% and 21.3%, respectively, between 2024 and 2027. Yet, Masimo's overdependence on its SET platform and persistent reimbursement headwinds are major woes. Its operation in a competitive space and a volatile forex market is concerning. Macroeconomic concerns persist.

### Data Overview

52 Week High-Low	\$194.88 - \$133.70
20 Day Average Volume (sh)	745,583
Market Cap	\$7.4 B
YTD Price Change	-16.9%
Beta	1.26
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Medical - Instruments</a>
Zacks Industry Rank	Bottom 38% (149 out of 243)

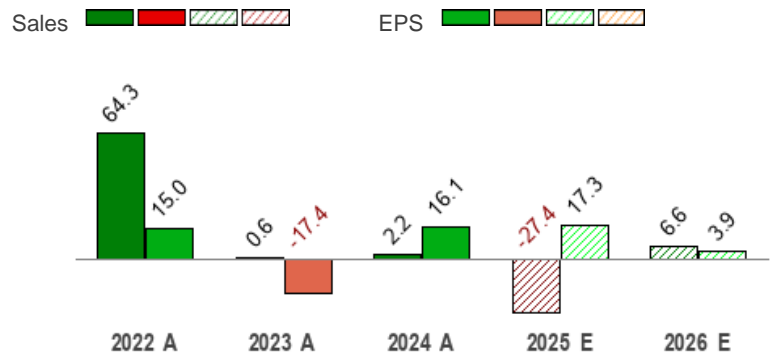
Last EPS Surprise	10.9%
Last Sales Surprise	1.3%
EPS F1 Est- 4 week change	-1.2%
Expected Report Date	02/24/2026
Earnings ESP	-2.8%

P/E TTM	23.7
P/E F1	26.6
PEG F1	2.6
P/S TTM	4.3

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	397 E	396 E	395 E	432 E	1,621 E
2025	372 A	371 A	372 A	406 E	1,520 E
2024	493 A	496 A	505 A	601 A	2,094 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	1.38 E	1.24 E	1.31 E	1.42 E	5.36 E
2025	1.36 A	1.33 A	1.32 A	1.15 E	5.16 E
2024	0.77 A	0.86 A	0.98 A	1.80 A	4.40 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/15/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/11/2025.

## Overview

Irvine, CA-based Masimo Corporation develops, manufactures and markets a family of non-invasive monitoring systems. The company has two segments: Healthcare revenues (66.6% of FY24 revenues, up 9.4% from FY23) and Non-healthcare revenues (33.4%, down 9.5%).

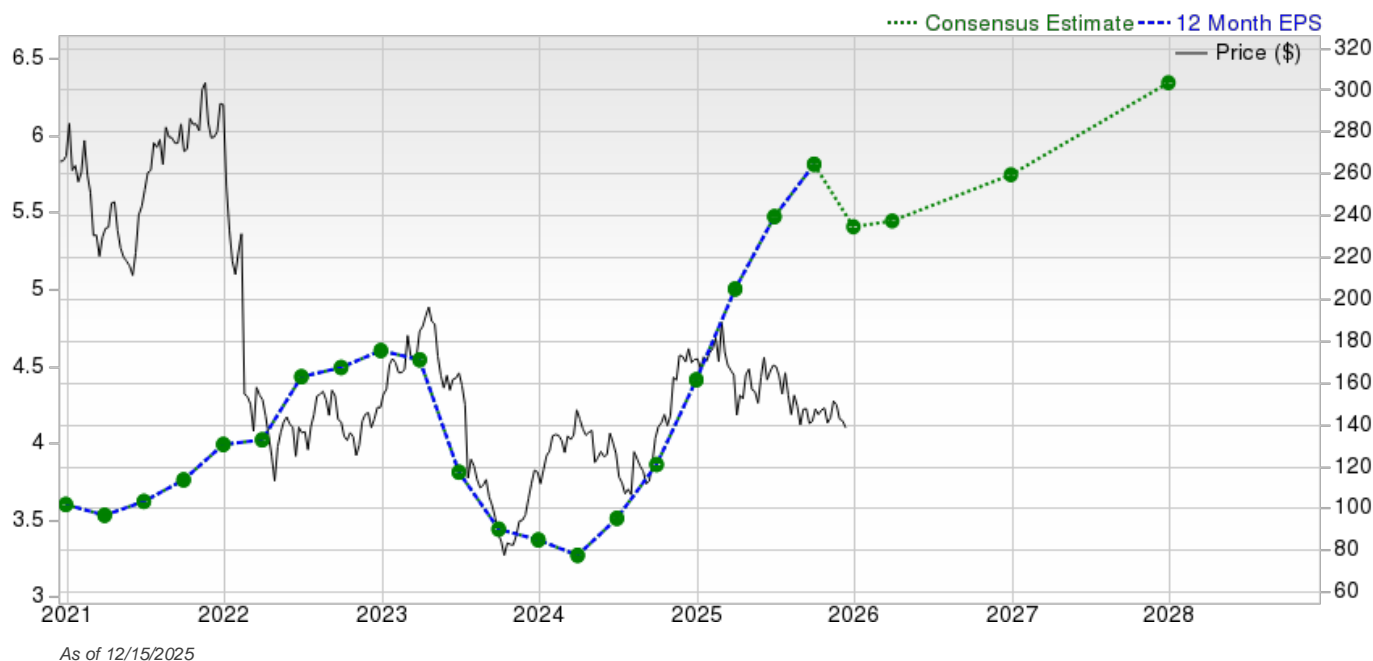
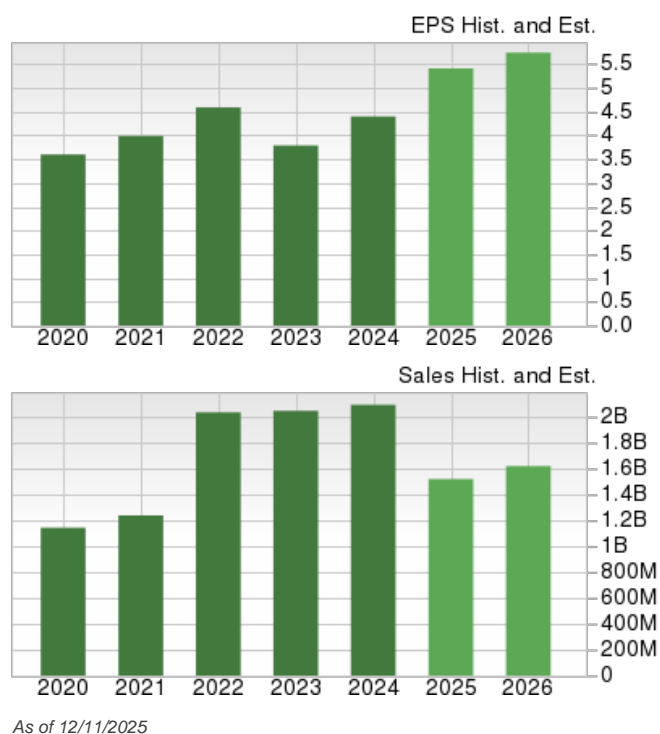
Masimo derives the majority of its Healthcare segment revenue from four primary sources: (i) direct sales under deferred equipment agreements with end-user hospitals where the company provides up-front monitoring equipment at no up-front charge in exchange for a multi-year sensor purchase commitment (ii) other direct sales of non-invasive monitoring solutions to end-user hospitals, emergency medical response organizations and other direct customers (iii) sales of non-invasive monitoring solutions to distributors (iv) sales of integrated circuit boards to original equipment manufacturer (OEM) customers who incorporate the company's embedded software technology into their multiparameter monitoring devices.

Notable products include Masimo's flagship Signal Extraction Technology (SET) Pulse Oximetry, which monitors blood oxygen saturation levels and protect against hypoxemia and hyperoxemia. The device also measures pulse rate. The company has also ventured into non-invasive blood constituent, brain and breathe monitoring. Its rainbow Pulse CO-Oximetry measures blood constituents that include non-invasive hemoglobin (SpHb), oxygen content (SpOC), carboxyhemoglobin (SpCO), methemoglobin (SpMet) and SET measurements of oxygen saturation (SpO2), pulse rate (PR), perfusion index (PI) and pleth variability index (PVi).

Rainbow Acoustic Monitoring measures respiration rate (RRa) non-invasively and on a continuous basis. SedLine monitors the brain functioning of patients under anesthesia or sedation. The company also provides Capnography and Multigas Monitoring OEM solutions.

Non-healthcare revenue is related to hardware and embedded software integrated into final products that are manufactured and sold by the company.

On Apr 11, 2022, Masimo acquired Viper Holdings Corporation, the parent company of DEI Sales, Inc., which owns Sound United, a consumer technology company that owns a portfolio of premium brands, including Bowers & Wilkins, Denon, Polk Audio and Marantz.



## Reasons To Buy:

▲ **Product Portfolio:** Masimo's healthcare business develops, manufactures and markets a variety of non-invasive patient monitoring technologies, hospital automation and connectivity solutions, remote monitoring devices and consumer health products. It primarily sells its healthcare products to hospitals, emergency medical service (EMS) providers, home care providers, physician offices, veterinarians, long-term care facilities and consumers through its direct sales force, distributors and OEM partners. Masimo's non-healthcare business develops, manufactures, markets, and sells premium home sound integration technologies and accessories, along with licensing complete high-performance in-vehicle audio systems under consumer brands such as Bowers & Wilkins, Denon, Marantz, HEOS, Classe, Polk Audio, Boston Acoustics and Definitive Technology. Its products are sold directly to consumers or through authorized retailers and wholesalers. The company also licenses its audio technology to select luxury automotive manufacturers.

Masimo's focus on patient monitoring raise our optimism. A solid product suite and ongoing R&D efforts are also impressive.

Per Masimo management, the company's SET Pulse Oximetry is expected to witness growth of 6-8% between 2024 and 2029 and contribute 68% to Healthcare revenues by 2029. It is expected to have a total addressable market (TAM) of approximately \$3 billion, which is likely to grow 3-4% annually till 2029. Hospital Automation & Telemonitoring (which includes telehealth, opioid solutions and other revenues), having a TAM of approximately \$22.5 billion, is expected to witness growth of more than 20% between 2024 and 2029.

In August, Masimo received the FDA's 510(k) clearance for expanded indications for the delta hemoglobin parameters provided with O3 Regional Oximetry. With this latest clearance, this capability is now available for use in both cerebral and somatic applications, as well as for all patient populations, including pediatric and neonatal patients.

The Zacks model anticipates total revenues and adjusted earnings per share to improve 9% and 56.9%, respectively, in 2025. Our model expects the metrics to exhibit a CAGR of 7.5% and 21.3%, respectively, between 2024 and 2027. According to our model, the healthcare segment will register a CAGR of 7.5% between 2024 and 2027.

▲ **Patient-Monitoring in Focus:** Masimo's patient-monitoring and connectivity platforms serve as customizable hubs that integrate multiple technologies and systems into a single clinician-focused solution. Management remains optimistic about long-term opportunities in patient care, hospital automation, and bringing hospital-grade monitoring into the home. They believe these areas will grow as healthcare becomes more interconnected, shifts toward home-based care after the pandemic, and faces ongoing caregiver shortages. These trends are expected to increase demand for products that extend physicians' reach without compromising care quality.

Masimo's core measurement technologies include its Measure-through Motion and Low Perfusion pulse oximetry (Masimo SET), rainbow Pulse CO-Oximetry parameters and other modalities such as brain and hemodynamic monitoring. These technologies appear across a range of devices — from bedside monitors like Root to handheld and portable tools, the tetherless Radius PPG and Radius VSM, and the Masimo SafetyNet remote monitoring system.

The Masimo Hospital Automation Platform supports data integration and interoperability through solutions such as Patient SafetyNet, Iris, iSirona, Replica and UniView, improving clinical workflows both onsite and remotely. Building on its hospital-grade expertise, Masimo has expanded into home and wellness products, including Masimo Sleep, the Radius T<sup>o</sup> wearable thermometer, Radius PCG, and its Masimo W1 and Masimo Freedom biosensing smartwatches.

▲ **Strategic Agreements:** Masimo has been collaborating with hospitals across various regions, where its products are being used to improve patient outcomes. In September, the company completed the previously announced sale of its Sound United consumer audio business to HARMAN International ("HARMAN"), a wholly-owned subsidiary of Samsung Electronics Co., Ltd. Per management, the completion of the Sound United sale is an important milestone in Masimo's ongoing efforts to focus on its core professional healthcare business. The agreement was announced in May.

The same month, Masimo announced a multi-year renewal and expansion of its strategic partnership with Royal Philips. The partnership expansion is designed to accelerate the integration of Masimo's monitoring technologies, such as SET pulse oximetry, into a variety of Philips multi-parameter patient monitors through 2026 and beyond. This includes integrating Masimo's Radius PPG with Masimo-board-equipped Philips monitors and next-generation wearable multi-parameter solutions, as well as integrating a range of Masimo sensor technology with all Masimo-equipped Philips bedside monitors and central stations. Philips and Masimo will also work together to strategically develop, produce and co-promote next-generation artificial intelligence (AI)-based monitoring technologies.

▲ **Focus on R&D:** Masimo considers ongoing R&D critical to its success. Its efforts focus on enhancing technical expertise within existing product portfolios, expanding technological leadership across its markets, forming strategic partnerships to help fund new technology development, driving growth in emerging markets and introducing new products to maintain market leadership while reducing care costs. The company also continues to work with Willow on R&D initiatives to advance rainbow technology and other innovations.

Masimo has built a broad intellectual property portfolio through internal development, acquisitions and licensing. Management notes that the company has hundreds of pending U.S. and international patent and trademark applications and continues to file for additional protection when appropriate and cost-effective. Masimo plans to maintain these patents and trademarks to safeguard its technology and branding, including in patent- and trademark-related litigation. Management believes this intellectual property is highly valuable and essential to brand building and marketing its products and services.

Masimo's products have been the subject of various studies over the past few months. In October, the company announced the findings of an exploratory analysis for a unique feasibility study. The researchers found that Masimo SET pulse oximetry performed accurately among

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critically ill adult patients of all skin tones, including those with low perfusion requiring vasopressors, and reported zero occult hypoxemic events. The results were published in CHEST Critical Care.

In June, Masimo announced the findings of a randomized clinical trial in which researchers demonstrated the ability of electroencephalogram (EEG)-guided anesthesia, using Masimo SedLine Brain Function Monitoring, to improve anesthesia administration in children undergoing surgery. The results were published in JAMA Pediatrics.

On the third quarter of 2025 earnings call in November, Masimo's management stated that the company is currently focused on using AI and machine learning to upgrade its sensors and create next-generation monitors. A key part of this is taking the company's advanced algorithms for use outside the hospital and redeploying these into sensors for use inside hospitals. Masimo is currently working on leveraging its de novo grant for the opioid halo that was cleared in April 2023 for the detection of opioid-induced respiratory depression to create a hospital solution that can be integrated into its next generation of smart sensors and AI-enabled patient monitors that are going to launch next year.

For the third quarter of 2025 and the nine months ended Sept. 27, 2025, Masimo's R&D expenses were 8.2% and 8.5%, respectively, of net revenues.

▲ **Strong Liquidity Position:** Masimo exited third-quarter 2025 with cash and cash equivalents of \$312 million compared with \$150 million at the end of the second quarter. The company does not have any current-year debt payable. Therefore, there appears to be no near-term threat to its solvency.

The balance sheet is somewhat leveraged. Total debt was \$559 million at the end of third-quarter 2025, down from \$599 million at the second-quarter-end. The total debt-to-capital ratio of 0.41 represents an increase from 0.37 at the second-quarter-end. However, it compares unfavorably with the total debt-to-capital ratio of the industry, which stands at a lower level of 0.29.

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## Reasons To Sell:

- ▼ **Macroeconomic Concerns:** Masimo's consumer products are generally considered non-essential, discretionary products. As such, many of these products can be especially sensitive to general downturns in the economy. Negative macroeconomic conditions such as high inflation, recession and decreasing consumer confidence can adversely impact demand for these products, which could negatively impact Masimo's business.

The short and long-term implications of Russia's invasion of Ukraine and the war in Israel are difficult to predict currently. Masimo's management continues to monitor any adverse impact that the outbreak of war in Ukraine and the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, along with the war in Israel, may have on the global economy in general, on its own and its suppliers and customers' businesses and operations. Masimo has stopped selling non-healthcare products in Russia indefinitely. The Israel-Palestine-Iran war could result in disruption in the Middle East and negatively impact its operations in that region.

- ▼ **Tariff Impacts:** Masimo's production footprint includes operations in the United States, Mexico and Malaysia. Currently, certain raw materials are imported from China, and certain sub-assemblies are imported from Malaysia and Mexico. These tariff costs are expected to reflect their impact on the costs of raw materials and sub-assemblies used in production, as well as costs the company may incur on finished goods shipped to its customers. Masimo is actively working to mitigate the operating profit impact of these tariffs with adjustments to its supply chain and manufacturing, as well as a significant amount of administrative effort to qualify its products for exemptions, including those under the United States-Mexico-Canada Agreement. The company is also pursuing longer-term mitigation measures to further reduce its tariff exposure and evaluating alternative suppliers for raw materials and cables currently sourced from China.

On third-quarter 2025 earnings call, Masimo's management stated that tariffs increased the cost of sales in the quarter, aligning with its expectations. Per management, the operating margin of 27.1% was partially offset by a tariff impact of 140 basis points (bps). Excluding the effects of tariffs, the operating margin for the quarter would have been 28.5%.

- ▼ **Overdependence on Masimo SET:** Masimo currently derives the majority of its revenues from its Masimo SET platform, Masimo rainbow SET platform and related products. Thus, the company's business is highly dependent upon the continued success and market acceptance of its proprietary Masimo SET and Masimo rainbow SET technologies, which serve as the basis of its primary product offerings. Continued market acceptance of products incorporating these technologies will depend upon Masimo continuing to provide evidence to the medical community that its products are cost-effective and offer significantly improved performance compared to conventional pulse oximeters.

Healthcare providers that currently have significant investments in competitive pulse oximetry products may be reluctant to purchase Masimo's products. If hospitals and other healthcare providers do not believe the Masimo SET and Masimo rainbow SET platforms to be cost-effective, safe or more accurate or reliable than competitive pulse oximetry products, they may not buy the company's products in sufficient quantities to enable it to generate revenue growth from the sale of these products. In addition, allegations regarding the safety and effectiveness of Masimo's products, whether or not substantiated, may impair or impede the acceptance of its products.

- ▼ **Reimbursement Headwinds:** Sales of Masimo's products depend, in part, on the reimbursement and coverage policies of governmental and private healthcare payers. The lack of adequate coverage and reimbursement for Masimo's products, or the procedures in which its products are used, may deter customers from purchasing the same. Masimo cannot guarantee that governmental or third-party payers will reimburse or begin reimbursing a customer for the cost of its products or the procedures in which they are used. Other payers are continuing to investigate Masimo's products to determine if they will provide reimbursement for the use of the latter. These trends could lead to pressures to reduce prices for the company's current and future products, hinder its ability to obtain market adoption, cause a decrease in the size of the market or potentially increase competition, thus causing a material adverse effect on its business.

Additionally, Masimo expects many payers to continue to explore cost-containment strategies (e.g., comparative and cost-effectiveness analyses) that may potentially impact coverage and/or payment levels for the company's current products or those developed in the future. Outside of the United States, reimbursement systems vary by country and are often subject to the same pressures to curb rising healthcare costs and control healthcare expenditures.

- ▼ **Foreign Exchange Volatility:** Masimo markets its products in certain foreign markets through its subsidiaries and other international distributors. As a result, events that result in global economic uncertainties could significantly affect its results of operations in the form of gains and losses on foreign currency transactions, and potential devaluation of the local currencies of Masimo's customers relative to the U.S. dollar. While a majority of the company's sales are transacted in U.S. dollars, some of its sales agreements with foreign customers provide for payment in other currencies. These foreign currency revenues, when converted into U.S. dollars, can vary depending on the approximation of the exchange rates applied during a respective period. Similarly, certain of Masimo's foreign subsidiaries transact business in their respective country's local currency, which is also their functional currency.

Additionally, Masimo is also exposed to foreign currency gains or losses on outstanding foreign currency denominated receivables and payables, as well as cash deposits. When converted to U.S. dollars, these receivables, payables and cash deposits can vary depending on the monthly exchange rates at the end of the period. In addition, certain intercompany transactions may give rise to realized and unrealized foreign currency gains or losses based on the currency underlying such intercompany transactions.

For the year ended Dec. 28, 2024, Masimo's Healthcare segment revenues were unfavorably impacted by approximately \$4.9 million of

Masimo's overdependence on its SET platform and persistent reimbursement headwinds are major concerns for the company. Other issues like a stiff competitive space, macroeconomic concerns and forex volatility persist.

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foreign exchange rate movements from the prior year period. This increased the U.S. dollar translation of foreign sales that were denominated in various foreign currencies.

▼ **Stiff Competition:** Masimo operates in an intensely competitive medical device industry, and is significantly affected by new product introductions and other market activities of industry participants. A number of the company's competitors have substantially greater capital resources, have established stronger reputations with specific customers, and have also built relationships with GPO and other hospital purchasing groups that may be more effective than Masimo's. The Masimo SET platform faces additional competition from companies developing products for use with third-party monitoring systems, as well as from companies that currently market their own pulse oximetry monitors. Continuing technological advances and new product introductions within the medical device industry place Masimo's products at risk of obsolescence.

Masimo's long-term success depends upon the development and successful commercialization of new products, new or improved technologies and additional applications for its existing technologies. The research and development process is time-consuming and costly, and may not result in products or applications that can be successfully commercialized.

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## Last Earnings Report

### MASI Q3 Earnings and Revenue Beat Estimates, Margins Expand

Masimo delivered adjusted earnings per share from continuing operations of \$1.32 in the third quarter of 2025, up 37.5% year over year. The figure beat the Zacks Consensus Estimate by 10.9%.

The adjustments include acquired intangible asset amortization, and acquisitions, integrations, divestitures, and related costs, among others.

GAAP earnings per share from continuing operations for the quarter was 99 cents, up 120% from the year-ago period's earnings per share of 45 cents.

### MASI's Revenues in Detail

Masimo registered revenues of \$371.5 million in the third quarter, up 8.2% year over year on a reported basis. The figure beat the Zacks Consensus Estimate by 1.3%.

At constant exchange rate (CER), revenues were \$369.2 million, up 7.6% year over year.

Per management, the top line was aided by increased capital equipment sales and other revenue.

The shipments of non-invasive technology boards and instruments, excluding handheld and fingertip pulse oximeters, totaled 66,000 in the third quarter of 2025, up 9.1% year over year.

### Masimo's Segmental Details

Masimo derived its revenues from two business sources — Revenue (excluding related party revenues) and Related party revenues.

Revenue (excluding related party revenues) in the third quarter totaled \$343.1 million (up 8.5% year over year on a reported basis), while Related party revenues were \$28.4 million (up 4.4% year over year on a reported basis).

Segment-wise, Masimo derived its revenues from Healthcare and Other.

Healthcare revenues in the third quarter totaled \$371.2 million, up 8.1% on a reported basis year over year.

Within Masimo's Healthcare segment, the consumable and service revenues grew 1%, while capital equipment and other revenues grew 67% year over year.

Other revenues in the third quarter amounted to \$0.3 million.

### MASI's Margin Analysis

In the quarter under review, Masimo's gross profit increased 8.7% year over year to \$230.6 million. The gross margin expanded 29 bps to 62.1%.

Selling, general & administrative expenses decreased 14.8% year over year to \$116.4 million. Research and development expenses declined 18.2% year over year to \$30.5 million. Total adjusted operating expenses of \$146.9 million decreased 15.5% on a year-over-year basis.

Total adjusted operating profit totaled \$83.7 million, reflecting a 119.1% surge from the year-ago quarter. The adjusted operating margin in the third quarter expanded 1140 bps to 22.5%.

### Masimo's Financial Position

Masimo exited third-quarter 2025 with cash and cash equivalents of \$312.3 million compared with \$149.6 million at the end of the second quarter. Long-term debt at the end of third-quarter 2025 was \$559.1 million compared with \$598.7 million at the second-quarter end.

Cumulative net cash provided by operating activities from continuing operations at the end of third-quarter 2025 was \$156.9 million compared with \$135.5 million a year ago.

### MASI's Guidance

Masimo has revised its outlook for 2025.

For 2025, total revenues are now expected to be in the range of \$1,510 million to 1,530 million (up 8.2%-9.7% on a reported basis and 8.5-10% at CER from the comparable 2024 period), narrowed from the prior outlook of \$1,505 million to \$1,535 million (7.9%-10% on a reported basis and 8.4%-10.6% at CER from the comparable 2024 period). The Zacks Consensus Estimate is pegged at \$1.52 billion.

Excluding the impact of tariffs, the adjusted earnings per share for 2025 is now projected to be in the range of \$5.62-\$5.79, up from the prior outlook of \$5.45-\$5.70. The Zacks Consensus Estimate is pegged at \$5.30.

Including the tariff impact, the adjusted earnings per share for 2025 is now projected to be in the range of \$5.40-\$5.55, up from the prior outlook

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	1.34%
EPS Surprise	10.92%
Quarterly EPS	1.32
Annual EPS (TTM)	5.81

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of \$5.20-\$5.45.

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Recent News

Masimo Completes Sale of Consumer Audio Business: Sept. 23, 2025

Masimo has completed the previously announced sale of its Sound United consumer audio business to HARMAN International (“HARMAN”), a wholly-owned subsidiary of Samsung Electronics Co., Ltd.

Masimo Expands Partnership With Philips: Sept. 11, 2025

Masimo announced a multi-year renewal and expansion of its strategic partnership with Royal Philips. The partnership expansion is expected to accelerate the integration of Masimo’s monitoring technologies, such as SET pulse oximetry, into a variety of Philips multi-parameter patient monitors through 2026 and beyond.

Valuation

Masimo’s shares are down 15.4% and down 20.2% in the year-to-date and the trailing 12-month periods, respectively. Stocks in the Zacks sub-industry and Zacks Medical Market are up 3.1% and up 5.4% in the year-to-date period, respectively. Over the past year, the stocks in the Zacks sub-industry are down 0.9%, while those in the sector are up 0.4%.

The S&P 500 Index is up 19.5% in the year-to-date period and up 16% in the past year.

The stock is currently trading at 24.4X Forward 12-months earnings, which compares to 30.1X for the Zacks sub-industry, 20.7X for the Zacks sector and 23.6X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 76.1X and as low as 20.2X, with a five-year median of 33.8X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$147 price target reflects 25.7X forward 12-months earnings.

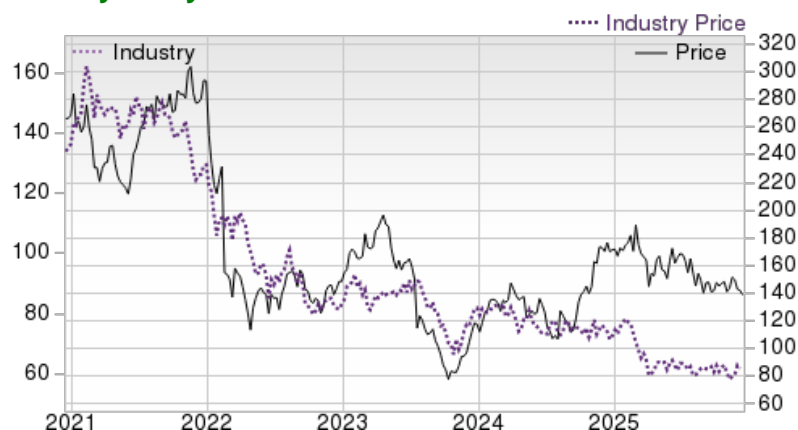
The table below shows summary valuation data for MASI.

Valuation Multiples - MASI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	24.42	30.08	20.70	23.61
	5-Year High	76.09	40.76	23.62	23.78
	5-Year Low	20.18	25.73	17.88	15.73
	5-Year Median	33.83	32.28	20.69	21.21
P/S F12M	Current	4.64	4.35	2.15	5.34
	5-Year High	13.48	6.36	3.41	5.50
	5-Year Low	1.81	3.83	2.01	3.83
	5-Year Median	4.03	4.77	2.64	5.05
P/B TTM	Current	9.27	4.21	3.92	8.57
	5-Year High	11.41	6.65	6.08	9.16
	5-Year Low	3.18	3.63	3.57	6.60
	5-Year Median	6.57	4.72	4.53	8.05

As of 12/10/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 38% (149 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Elekta AB (EKTAY)	Neutral	3
Integra LifeSciences...(IART)	Neutral	3
Integer Holdings Cor...(ITGR)	Neutral	3
LivaNova PLC (LIVN)	Neutral	3
Medtronic PLC (MDT)	Neutral	2
Sysmex Corporation A...(SSMXY)	Neutral	3
Teleflex Incorporate...(TFX)	Neutral	3
Waters Corporation (WAT)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Medical - Instruments

	MASI	X Industry	S&P 500	EKTAY	IART	MDT
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	3	3	2
<b>VGM Score</b>	A	-	-	B	B	D
Market Cap	7.38 B	152.83 M	39.38 B	2.21 B	1.05 B	126.37 B
# of Analysts	5	2	22	1	5	11
Dividend Yield	0.00%	0.00%	1.41%	2.14%	0.00%	2.88%
<b>Value Score</b>	C	-	-	A	A	B
Cash/Price	0.04	0.14	0.04	0.13	0.26	0.07
EV/EBITDA	-38.06	-0.81	14.60	12.14	12.94	15.81
PEG Ratio	2.57	2.28	2.23	NA	NA	2.60
Price/Book (P/B)	9.11	3.02	3.35	2.33	1.01	2.59
Price/Cash Flow (P/CF)	21.51	16.16	15.20	9.80	3.03	12.72
P/E (F1)	26.63	25.36	19.78	17.65	6.13	17.46
Price/Sales (P/S)	4.30	3.72	3.06	1.28	0.64	3.64
Earnings Yield	3.94%	-3.53%	4.99%	5.67%	16.33%	5.73%
Debt/Equity	0.69	0.02	0.57	0.63	1.73	0.57
Cash Flow (\$/share)	6.39	-0.31	8.99	0.61	4.45	7.75
<b>Growth Score</b>	A	-	-	B	D	F
Hist. EPS Growth (3-5 yrs)	5.33%	9.03%	8.16%	-4.42%	-4.52%	3.56%
Proj. EPS Growth (F1/F0)	17.27%	13.24%	8.57%	17.24%	-14.06%	2.91%
Curr. Cash Flow Growth	12.98%	-2.40%	6.75%	-0.88%	-9.01%	3.92%
Hist. Cash Flow Growth (3-5 yrs)	10.69%	6.23%	7.43%	-0.84%	-0.51%	2.31%
Current Ratio	2.84	2.29	1.19	1.05	3.14	2.42
Debt/Capital	40.84%	11.33%	38.01%	38.46%	63.34%	36.17%
Net Margin	-33.20%	-14.85%	12.78%	1.62%	-30.15%	13.71%
Return on Equity	33.04%	-21.72%	17.00%	12.06%	14.06%	14.86%
Sales/Assets	0.75	0.60	0.53	0.59	0.43	0.38
Proj. Sales Growth (F1/F0)	-27.40%	2.11%	5.77%	5.70%	1.20%	7.50%
<b>Momentum Score</b>	A	-	-	F	C	B
Daily Price Chg	-0.68%	0.00%	-1.07%	1.33%	0.37%	-1.30%
1 Week Price Chg	-2.36%	0.00%	-0.63%	-1.23%	1.36%	-1.47%
4 Week Price Chg	-6.55%	2.71%	1.39%	30.72%	14.83%	2.38%
12 Week Price Chg	-3.33%	-1.91%	2.45%	12.15%	-6.52%	4.17%
52 Week Price Chg	-22.49%	-14.39%	12.83%	5.73%	-43.19%	21.17%
20 Day Average Volume	745,583	200,491	2,728,366	4,652	805,386	7,542,970
(F1) EPS Est 1 week change	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-1.20%	0.00%	0.00%	-2.86%	0.00%	0.37%
(F1) EPS Est 12 week change	2.25%	1.49%	0.69%	1.49%	-1.23%	0.54%
(Q1) EPS Est Mthly Chg	-2.55%	0.00%	0.00%	NA	0.00%	-0.86%

## Analyst Earnings Model<sup>(2)</sup>

### Masimo Corporation (MASI)

In \$MM, except per share data

	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement																		
Revenue - (Excluding Related Party Revenue)					\$1,932.8			\$340.2	\$345.1	\$343.1	\$374.5	\$1,402.9	\$366.4	\$366.6	\$365.1	\$398.9	\$1,497.0	\$1,603.1
Related Party Revenue					\$103.0			\$31.8	\$25.8	\$28.4	\$31.3	\$117.3	\$30.6	\$29.8	\$30.2	\$33.0	\$123.7	\$132.3
Total Revenue, Adjusted			\$1,143.7	\$1,239.2	\$2,065.9	\$1,275.5	\$1,395.2	\$371.0	\$370.3	\$371.2	\$404.6	\$1,517.1	\$397.0	\$396.4	\$395.3	\$431.9	\$1,620.6	\$1,735.5
Business Transition and Related Costs						\$0.0	\$0.0	(\$0.9)	(\$0.6)	(\$0.3)	(\$1.2)	(\$3.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue, GAAP	\$858.3	\$937.8	\$1,143.7	\$1,239.2	\$2,035.8	\$1,275.5	\$1,395.2	\$372.0	\$370.9	\$371.5	\$405.8	\$1,520.2	\$397.0	\$396.4	\$395.3	\$431.9	\$1,620.6	\$1,735.5
Cost of Goods Sold, Adjusted				\$398.8	\$423.7	\$943.2	\$498.4	\$581.6	\$136.9	\$137.5	\$140.4	\$182.3	\$597.1	\$152.6	\$160.2	\$159.8	\$177.5	\$650.1
Cost of Goods Sold, GAAP	\$283.4	\$308.7	\$400.7	\$430.8	\$977.0	\$509.9	\$600.9	\$138.0	\$137.6	\$140.9	\$177.3	\$593.8	\$151.6	\$149.3	\$147.8	\$169.4	\$618.1	\$663.1
Gross Profit, Adjusted			\$744.9	\$815.5	\$1,122.7	\$777.1	\$813.6	\$234.1	\$232.8	\$230.8	\$222.3	\$920.0	\$244.4	\$236.2	\$235.5	\$254.5	\$970.6	\$1,045.6
Gross Profit, GAAP	\$574.9	\$629.2	\$743.1	\$808.3	\$1,058.8	\$765.6	\$794.3	\$234.0	\$233.3	\$230.6	\$228.5	\$926.4	\$245.5	\$247.1	\$247.5	\$262.5	\$1,002.6	\$1,072.3
Selling, General and Administrative Expenses, Adjusted				\$362.7	\$383.5	\$549.5	\$365.1	\$400.9	\$95.9	\$99.6	\$101.7	\$98.2	\$395.4	\$108.8	\$110.3	\$104.1	\$112.6	\$435.8
Selling, General and Administrative Expenses, GAAP	\$285.4	\$314.7	\$369.1	\$395.3	\$657.4	\$451.3	\$548.6	\$119.4	\$138.9	\$116.4	\$128.3	\$503.0	\$138.1	\$147.3	\$133.3	\$148.2	\$567.0	\$619.1
Research and Development, Adjusted				\$118.5	\$137.2	\$190.7	\$128.8	\$143.1	\$31.3	\$31.3	\$28.5	\$31.9	\$123.0	\$32.2	\$31.8	\$31.3	\$34.5	\$129.9
Research and Development, GAAP	\$81.0	\$93.3	\$118.7	\$137.2	\$191.4	\$130.5	\$182.2	\$33.9	\$29.9	\$30.5	\$33.4	\$127.7	\$33.4	\$32.6	\$32.7	\$35.8	\$134.4	\$143.6
Litigation Settlements						\$17.8	\$0.5	\$2.7	\$0.0	\$0.1	\$0.9	\$3.7	\$1.0	\$0.5	\$0.6	\$0.8	\$2.9	\$2.9
Impairment Charge						\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Operating Expenses, Adjusted			\$481.2	\$520.7	\$740.2	\$493.9	\$544.0	\$127.1	\$130.9	\$130.2	\$130.1	\$518.3	\$141.0	\$142.1	\$135.4	\$147.1	\$565.6	\$606.5
Total Operating Expenses, GAAP	\$366.8	\$408.0	\$487.2	\$532.5	\$848.8	\$599.6	\$731.3	\$156.0	\$168.8	\$147.0	\$162.5	\$634.3	\$172.4	\$180.4	\$166.6	\$184.8	\$704.2	\$765.7
Depreciation and Amortization	\$21.1	\$23.5	\$29.3	\$35.6	\$136.1	\$98.3	\$103.0	\$8.6	\$8.4	\$8.2	\$8.0	\$33.2	\$8.7	\$8.6	\$8.4	\$9.1	\$34.8	\$37.2
Operating Income, Adjusted	\$182.2	\$224.7	\$263.6	\$294.8	\$382.5	\$283.3	\$269.7	\$106.9	\$101.9	\$100.6	\$92.2	\$401.6	\$103.4	\$94.1	\$100.1	\$107.4	\$405.0	\$439.1
Operating Income, GAAP	\$208.0	\$221.2	\$255.8	\$275.8	\$210.0	\$166.0	\$63.0	\$78.0	\$64.5	\$83.6	\$66.0	\$292.1	\$73.1	\$66.7	\$80.9	\$77.7	\$298.4	\$306.6
Non-Operating Income (Loss), Adjusted			\$5.3	\$0.4	(\$21.4)	(\$42.3)	(\$35.0)	(\$6.6)	(\$7.0)	(\$6.6)	(\$11.9)	(\$32.1)	(\$7.5)	(\$7.6)	(\$8.4)	(\$8.2)	(\$31.7)	(\$29.9)
Non-Operating Income (Loss), GAAP	\$5.7	\$13.0	\$7.9	(\$1.4)	(\$16.6)	(\$53.0)	(\$41.2)	(\$9.6)	(\$9.1)	(\$8.7)	(\$10.1)	(\$37.5)	(\$8.8)	(\$8.5)	(\$9.1)	(\$8.4)	(\$34.8)	(\$32.3)
Pre-Tax Income, Adjusted			\$268.9	\$295.3	\$361.1	\$240.9	\$234.7	\$100.3	\$94.9	\$94.0	\$80.2	\$369.4	\$95.9	\$86.5	\$91.6	\$99.3	\$373.3	\$409.1
Pre-Tax Income, GAAP	\$213.8	\$234.2	\$263.7	\$274.4	\$193.4	\$113.0	\$21.8	\$68.4	\$55.4	\$74.9	\$55.9	\$254.6	\$64.2	\$58.2	\$71.8	\$69.3	\$263.6	\$274.3
Income Tax, Adjusted			\$59.7	\$64.9	\$92.4	\$49.0	\$55.8	\$25.6	\$21.8	\$21.9	\$18.7	\$88.0	\$22.3	\$20.2	\$21.4	\$23.1	\$87.0	\$95.3
Income Tax, GAAP	\$20.2	\$38.0	\$23.5	\$44.7	\$49.9	\$5.3	\$5.6	\$21.2	\$10.5	\$21.2	\$15.8	\$68.7	\$18.2	\$16.5	\$20.3	\$19.6	\$74.6	\$77.6
Tax Rate, Adjusted			22.2%	22.0%	25.7%	20.3%	23.8%	25.5%	23.0%	23.3%	23.3%	23.8%	23.3%	23.3%	23.3%	23.3%	23.3%	23.3%
Tax Rate, GAAP	9.5%	16.2%	8.9%	16.3%	25.8%	4.7%	25.7%	31.0%	19.0%	28.3%	28.3%	27.0%	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%
Net Income from Continuing Operations, Adjusted	\$148.4	\$183.9	\$209.2	\$230.4	\$268.7	\$191.9	\$178.9	\$74.7	\$73.1	\$72.1	\$61.6	\$281.5	\$73.5	\$66.4	\$70.3	\$76.1	\$286.3	\$313.8
Net Income from Continuing Operations, GAAP	\$193.5	\$196.2	\$240.3	\$229.6	\$143.5	\$107.7	\$16.2	\$47.2	\$44.9	\$53.7	\$40.1	\$185.9	\$46.1	\$41.7	\$51.5	\$49.7	\$189.0	\$196.7
Income (loss) from Discontinued Operations, net of tax								(\$217.9)	\$6.4	(\$154.1)	\$0.0	(\$365.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income, GAAP								(\$170.7)	\$51.3	(\$100.4)	\$40.1	(\$179.7)	\$46.1	\$41.7	\$51.5	\$49.7	\$189.0	\$196.7
Diluted Shares Outstanding, Adjusted						54.1	54.2	54.8	54.7	53.5	53.5	54.1	53.5	53.5	53.5	53.5	53.5	53.5
Diluted Shares Outstanding, GAAP	52.3	57.1	58.0	57.7	55.2	54.1	54.3	54.8	54.8	54.4	54.4	54.6	54.4	54.4	54.4	54.4	54.4	54.4
Diluted EPS from Continuing Operations, Adjusted	\$2.65	\$3.22	\$3.60	\$3.99	\$4.87	\$3.55	\$3.29	\$1.36	\$1.33	\$1.32	\$1.15	\$5.16	\$1.38	\$1.24	\$1.31	\$1.42	\$5.36	\$5.87
Diluted EPS Continuing Operations, GAAP								(\$3.12)	\$0.94	(\$1.84)	\$0.74	(\$3.28)	\$0.85	\$0.77	\$0.95	\$0.91	\$3.47	\$3.62
Diluted EPS, GAAP			\$5.30	\$0.40	(\$21.40)	(\$42.30)	(\$35.00)	(\$6.60)	(\$7.00)	(\$6.60)	(\$11.94)	(\$32.14)	(\$7.50)	(\$7.59)	(\$8.43)	(\$8.16)	(\$31.69)	(\$29.94)

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Value Score	C
Growth Score	A
Momentum Score	C
VGM Score	A

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