

Quarterly Industry Update

As of December 31, 2014

Industry: Cardiovascular Device

Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Cardiovascular Device industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2013, the median 52-week share price return of the Cardiovascular Device industry has increased by 22.3%. In the last quarter, the median price-to-earnings multiple increased from 22.8x to 34.7x.

Comparable Public Company Key Statistics

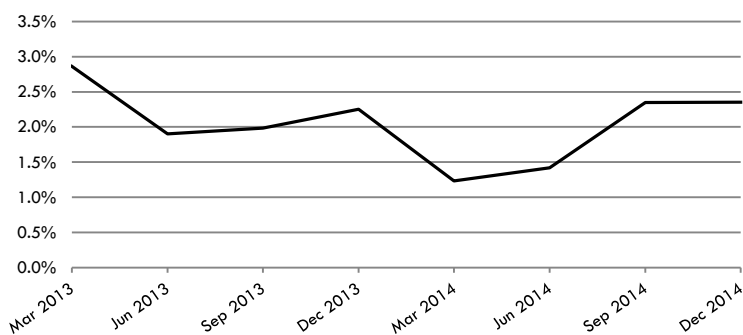
Median 52-Week Return	22.3%	Median EV/Revenue Multiple	3.6x	Median Price/Earnings Multiple	34.7x
Median 3-Year CAGR Return	27.3%	Median EV/EBITDA Multiple	15.4x	Median EV/Gross CF Multiple	25.2x

Comparable Public Company Market Price Returns (As of December 31, 2014)

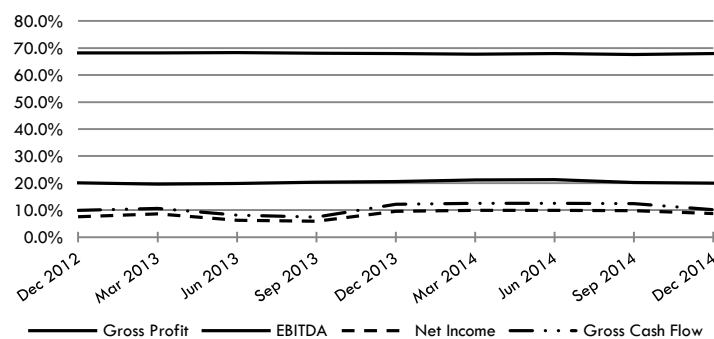
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Vascular Solutions Inc.	17.3%	10.0%	17.3%	31.1%	34.6%	26.5%	17.3%	46.5%	42.0%	-5.0%	39.7%
BioTelemetry, Inc.	26.3%	49.5%	26.3%	109.7%	61.8%	11.0%	26.3%	248.2%	-3.8%	-49.4%	-21.2%
ABIOMED, Inc.	42.3%	53.3%	42.3%	68.3%	27.3%	34.2%	42.3%	99.0%	-27.2%	92.2%	10.1%
Edwards Lifesciences Corp.	93.7%	24.7%	93.7%	18.9%	21.7%	24.0%	93.7%	-27.1%	27.5%	-12.5%	86.2%
Thoratec Corp.	-11.3%	21.4%	-11.3%	-7.0%	-1.1%	3.8%	-11.3%	-2.5%	11.8%	18.5%	5.2%
The Spectranetics Corporation	38.3%	30.1%	38.3%	53.0%	68.6%	37.8%	38.3%	69.3%	104.6%	39.9%	-25.9%
CryoLife Inc.	2.2%	14.8%	2.2%	34.9%	33.1%	12.0%	2.2%	78.0%	29.8%	-11.4%	-15.6%
Volcano Corporation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Boston Scientific Corporation	10.2%	12.2%	10.2%	52.1%	35.4%	8.0%	10.2%	109.8%	7.3%	-29.5%	-15.9%
Medtronic plc	25.8%	16.5%	25.8%	32.7%	23.6%	10.4%	25.8%	39.9%	7.2%	3.1%	-15.7%
CR Bard Inc.	24.4%	16.8%	24.4%	30.6%	24.9%	16.4%	24.4%	37.0%	14.3%	-6.8%	17.8%
St. Jude Medical Inc.	5.0%	8.1%	5.0%	34.1%	23.8%	12.1%	5.0%	71.4%	5.4%	-19.8%	16.2%
Teleflex Incorporated	22.3%	9.3%	22.3%	26.9%	23.3%	16.3%	22.3%	31.6%	16.3%	13.9%	-0.1%
Cardiovascular Systems Inc.	-12.3%	27.3%	-12.3%	54.8%	45.1%	45.6%	-12.3%	173.2%	27.4%	-15.5%	154.0%
Median of Industry Public Companies	22.3%	16.8%	22.3%	34.1%	27.3%	16.3%	22.3%	69.3%	14.3%	-6.8%	5.2%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Cardiovascular Device Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Cardiovascular Device Industry

Date:	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
EV/Revenues Multiple	2.7x	2.9x	3.1x	3.2x	3.4x	3.7x	3.5x	3.3x	3.6x
EV/EBITDA Multiple	11.2x	10.3x	10.9x	11.8x	13.3x	13.7x	13.5x	12.8x	15.4x
Price/Earnings Multiple	23.8x	25.1x	23.4x	22.4x	21.9x	25.6x	21.8x	22.8x	34.7x
EV/Gross Cash Flows Multiple	20.5x	21.0x	21.9x	21.1x	21.6x	21.5x	20.9x	19.2x	25.2x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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As of December 31, 2014

Industry: Cardiovascular Device

Industry Initial Public Offerings (dollars in millions, except share prices)

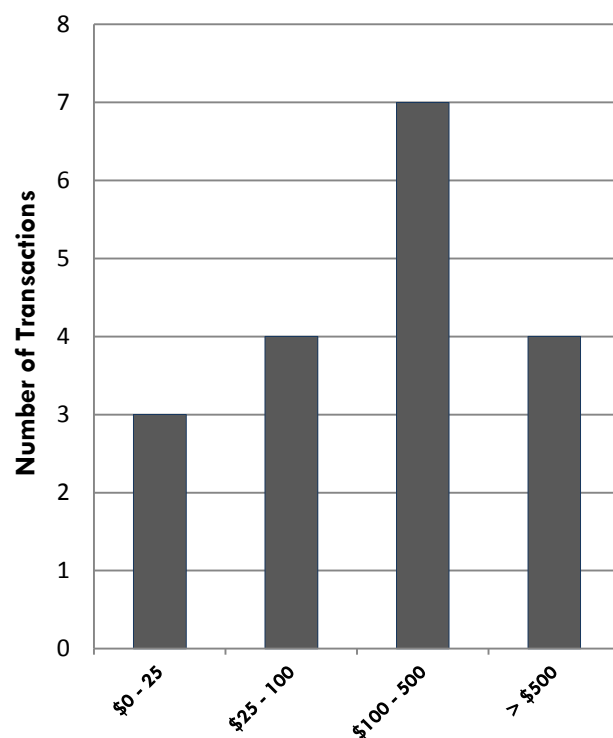
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/17/2011	Sphere Medical Holding PLC	\$1.46	15.1	\$22.1	\$19.4	\$0.0	\$0.0	(\$7.0)	(\$8.1)	(\$6.7)
4/18/2011	InspireMD, Inc.	\$1.50	7.0	\$10.4	\$12.7	\$1.5	\$4.5	(\$3.3)	(\$4.6)	(\$3.2)
2/10/2011	Kips Bay Medical, Inc.	\$8.00	2.1	\$16.5	\$6.2	\$0.0	\$0.2	(\$8.6)	(\$10.9)	(\$8.6)
3/18/2008	BioTelemetry, Inc.	\$18.00	3.4	\$81.0	\$103.0	\$2.8	\$64.9	\$4.8	(\$0.4)	\$8.5
6/14/2006	Volcano Corporation	\$8.00	6.8	\$54.4	\$62.0	\$31.1	\$95.3	(\$4.2)	(\$17.8)	\$0.6
12/12/2005	Lombard Medical Technologies Limited	\$2.82	14.4	\$47.0	\$11.8	\$7.4	\$0.1	(\$9.0)	(\$13.0)	(\$8.6)
8/5/2005	AtriCure, Inc.	\$12.00	4.0	\$48.0	\$12.5	\$0.0	\$25.5	(\$5.8)	(\$10.9)	(\$4.7)
8/11/2004	Stereotaxis Inc.	\$8.00	5.0	\$44.0	\$41.1	\$6.0	\$9.9	(\$29.8)	(\$30.5)	(\$29.2)
Median of All IPOs		nm	nm	\$45.5	\$16.1	\$2.1	\$7.2	(\$6.4)	(\$10.9)	(\$5.7)

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
5/30/2014	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%
2/20/2014	Oscar Inc., Lead Business	Sorin SpA	\$20.0	100%
12/1/2013	CircuLite, Inc.	Heartware International	\$401.8	100%
8/11/2013	Cardiacom	Medtronic	\$200.0	100%
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%
5/31/2012	SunTech Medical Group	Halma	\$57.0	100%
4/25/2012	ZOLL Medical	Asahi Kasei	\$2,216.2	100%
8/31/2011	Salient Surgical Technologies	Medtronic	\$452.0	91%
8/31/2011	PEAK Surgical	Medtronic	\$96.0	81%
12/21/2010	Clariant	GE Healthcare	\$597.9	100%
12/21/2010	Biotel	CardioNet	\$11.6	100%
12/3/2010	Cardiac Science	Opto Circuits	\$56.3	100%
11/30/2010	Beijing Star Medical Devices	Lepu Medical Technology	\$22.6	100%
11/17/2010	AGA Medical Holdings	St. Jude Medical	\$1,310.9	100%
11/4/2010	International Technidyne	Nexus Dx	\$55.0	100%
8/12/2010	ATS Medical	Medtronic	\$358.8	100%
4/21/2010	Invatec	Medtronic	\$500.0	100%
4/19/2010	Facet Biotech	Abbott Laboratories	\$747.4	100%
Median of All Transaction Targets			\$366.9	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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