

# Quarterly Industry Update

As of July 31, 2013

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 July 31, 2012, the median 52-week share price return of the Cardiovascular Device industry has increased by 24.6%. In the last quarter, the median price-to-earnings multiple increased from 20.4x to 25.7x. Revenue growth and profitability margins remain stable in this industry.

## Comparable Public Company Key Statistics

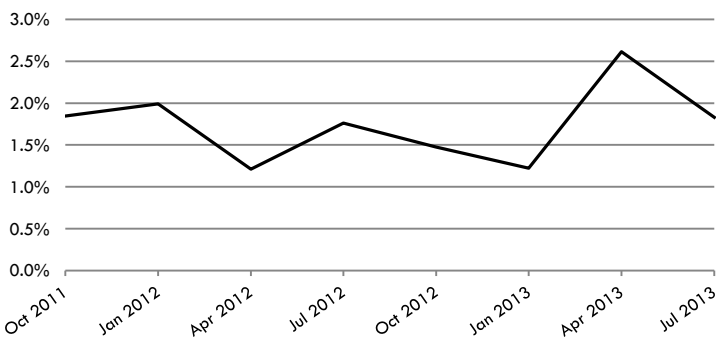
Median 52-Week Return	24.6%	Median EV/Revenue Multiple	3.2x	Median Price/Earnings Multiple	25.7x
Median 3-Year CAGR Return	13.4%	Median EV/EBITDA Multiple	11.7x	Median EV/Gross CF Multiple	23.4x

## Comparable Public Company Market Price Returns (As of July 31, 2013)

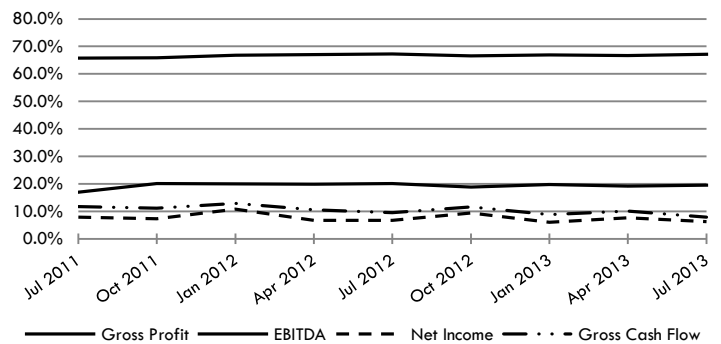
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Vascular Solutions Inc.	2.3%	1.6%	21.1%	11.2%	10.3%	15.6%	42.0%	-5.0%	39.7%	-7.0%	38.8%
BioTelemetry, Inc.	231.6%	159.8%	287.7%	22.5%	16.6%	-22.8%	-3.8%	-49.4%	-21.2%	-75.9%	N/A
ABIOMED, Inc.	86.6%	35.8%	11.2%	23.3%	31.3%	7.2%	-27.2%	92.2%	10.1%	-46.8%	5.7%
Edwards Lifesciences Corp.	-20.8%	11.9%	-29.5%	0.0%	7.3%	17.9%	27.5%	-12.5%	86.2%	58.1%	19.5%
Thoratec Corp.	-12.6%	-9.4%	-4.4%	-1.3%	-3.8%	11.8%	11.8%	18.5%	5.2%	-17.1%	78.6%
The Spectranetics Corporation	22.0%	-3.4%	52.7%	61.3%	51.7%	15.0%	104.6%	39.9%	-25.9%	166.7%	-83.0%
CryoLife Inc.	13.6%	18.0%	27.3%	10.8%	9.7%	-12.2%	29.8%	-11.4%	-15.6%	-33.9%	22.1%
Volcano Corporation	-15.4%	-1.6%	-24.5%	-20.3%	-3.3%	5.7%	-0.8%	-12.9%	57.1%	15.9%	19.9%
Boston Scientific Corporation	90.6%	45.8%	111.2%	23.5%	24.9%	-1.7%	7.3%	-29.5%	-15.9%	16.3%	-33.4%
Medtronic, Inc.	34.7%	18.3%	40.1%	23.8%	14.3%	0.9%	7.2%	3.1%	-15.7%	40.0%	-37.5%
CR Bard Inc.	17.2%	15.3%	17.8%	7.8%	13.4%	4.3%	14.3%	-6.8%	17.8%	-7.5%	-11.1%
St. Jude Medical Inc.	45.0%	27.1%	40.2%	6.1%	12.5%	2.4%	5.4%	-19.8%	16.2%	11.6%	-18.9%
Teleflex Incorporated	11.4%	1.7%	24.6%	14.8%	11.9%	5.3%	16.3%	13.9%	-0.1%	7.6%	-20.5%
<b>Median of Industry Public Companies</b>	<b>17.2%</b>	<b>15.3%</b>	<b>24.6%</b>	<b>11.2%</b>	<b>12.5%</b>	<b>5.3%</b>	<b>11.8%</b>	<b>-6.8%</b>	<b>5.2%</b>	<b>7.6%</b>	<b>-2.7%</b>

(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:	7/31/2011	10/31/2011	1/31/2012	4/30/2012	7/31/2012	10/31/2012	1/31/2013	4/30/2013	7/31/2013
EV/Revenues Multiple	2.9x	2.1x	2.0x	2.5x	2.6x	2.6x	3.0x	2.8x	3.2x
EV/EBITDA Multiple	10.3x	8.8x	9.1x	9.1x	9.1x	9.6x	11.7x	12.2x	11.7x
Price/Earnings Multiple	20.0x	16.3x	19.9x	21.9x	21.3x	24.4x	22.2x	20.4x	25.7x
EV/Gross Cash Flows Multiple	16.4x	13.7x	18.1x	20.3x	19.7x	20.8x	21.7x	18.9x	23.4x

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 more information or questions in connection with this research report.

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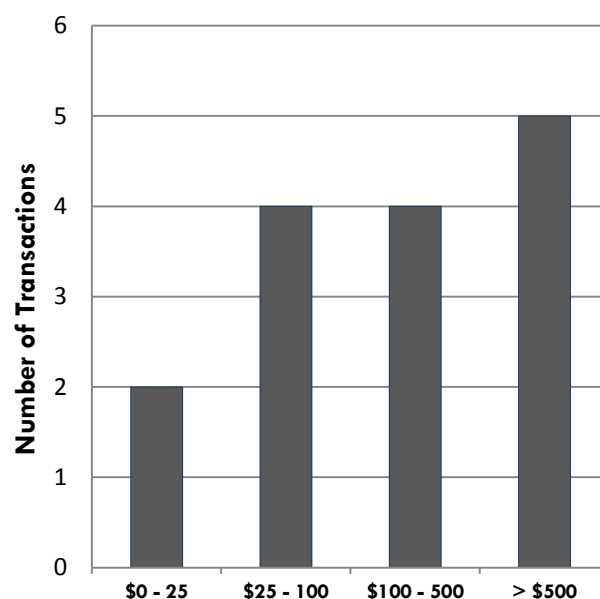
## Industry Initial Public Offerings (dollars in millions, except share prices)

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)	N/A	(\$3.2)
2/10/2011	Kips Bay Medical, Inc.	\$8.00	2.1	\$16.5	\$6.2	\$0.0	\$0.2	(\$8.6)	N/A	(\$8.6)
3/18/2008	BioTelemetry, Inc.	\$18.00	3.4	\$81.0	\$103.0	\$2.8	\$64.9	\$4.8	N/A	\$8.5
6/14/2006	Volcano Corporation	\$8.00	6.8	\$54.4	\$62.0	\$31.1	\$95.3	(\$4.2)	(\$15.1)	\$0.6
12/7/2005	Lombard Medical Technologies PLC	\$2.76	16.5	\$45.4	\$11.8	\$7.4	\$0.1	\$0.0	N/A	\$0.5
8/5/2005	AtriCure, Inc.	\$12.00	4.0	\$48.0	\$12.5	\$0.0	\$25.5	(\$5.8)	(\$3.4)	(\$4.7)
8/11/2004	Stereotaxis Inc.	\$8.00	5.5	\$44.0	\$41.1	\$6.0	\$9.9	(\$29.8)	(\$50.8)	(\$29.2)
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$44.7</b>	<b>\$16.1</b>	<b>\$2.1</b>	<b>\$7.2</b>	<b>(\$5.0)</b>	<b>(\$11.6)</b>	<b>(\$3.9)</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%
5/31/2012	SunTech Medical Group	Halma plc	\$57.0	100%
4/25/2012	ZOLL Medical Corporation	Asahi Kasei	\$2,216.2	100%
8/31/2011	Salient Surgical Technologies	Medtronic, Inc.	\$452.0	91%
8/31/2011	PEAK Surgical, Inc.	Medtronic, Inc.	\$96.0	81%
12/21/2010	Clariant, Inc.	GE Healthcare Ltd.	\$597.9	100%
12/21/2010	Biotel Inc.	CardioNet, Inc.	\$11.6	100%
12/3/2010	Cardiac Science Corporation	Opto Circuits	\$56.3	100%
11/30/2010	Beijing Star Medical Devices	Lepu Medical	\$22.6	100%
11/17/2010	AGA Medical Holdings, Inc.	St. Jude Medical	\$1,310.9	100%
11/4/2010	International Technidyne	Nexus Dx, Inc.	\$55.0	100%
8/12/2010	ATS Medical	Medtronic, Inc.	\$358.8	100%
4/21/2010	Invatec s.r.l.	Medtronic, Inc.	\$500.0	100%
4/19/2010	Facet Biotech	Abbott Laboratories	\$747.4	100%
<b>Median of All Transaction Targets</b>			<b>\$391.1</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



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