

Quarterly Industry Update

As of September 30, 2014

Industry: Wearable Devices



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Wearable Devices 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 September 30, 2013, the median 52-week share price return of the Wearable Devices industry has increased by 22.9%. In the last quarter, the median price-to-earnings multiple decreased from 21.5x to 20.6x.

Comparable Public Company Key Statistics

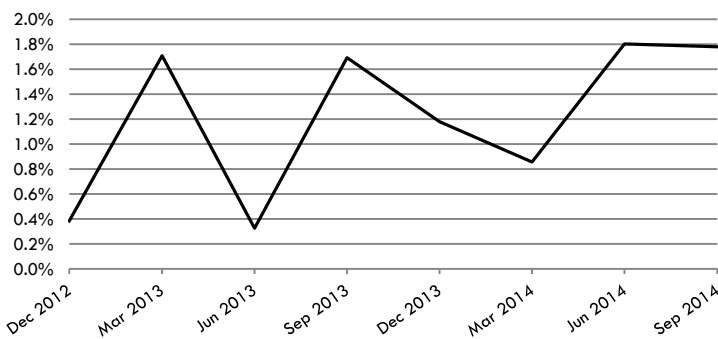
Median 52-Week Return	22.9%	Median EV/Revenue Multiple	3.5x	Median Price/Earnings Multiple	20.6x
Median 3-Year CAGR Return	17.6%	Median EV/EBITDA Multiple	11.6x	Median EV/Gross CF Multiple	16.3x

Comparable Public Company Market Price Returns (As of September 30, 2014)

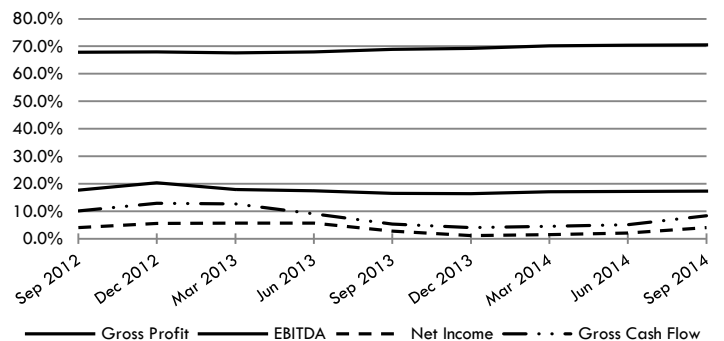
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2013	2012	2011	2010	2009
ZELTIQ Aesthetics, Inc.	19.7%	49.0%	150.9%	100.3%	N/A	N/A	308.4%	-59.2%	N/A	N/A	N/A
Tornier N.V.	27.2%	2.2%	23.6%	12.3%	5.3%	N/A	11.9%	-6.7%	N/A	N/A	N/A
Wright Medical Group Inc.	-1.3%	-3.5%	16.2%	17.1%	19.2%	11.2%	46.3%	27.2%	6.2%	-18.0%	-7.3%
Integra LifeSciences Holdings Corporation	4.0%	5.5%	23.3%	9.9%	11.5%	7.8%	22.4%	26.4%	-34.8%	28.3%	3.7%
CONMED Corporation	-13.3%	-16.6%	8.5%	13.7%	17.0%	14.0%	52.1%	8.9%	-2.9%	15.9%	-4.8%
ResMed Inc.	4.7%	-2.7%	-6.7%	10.3%	19.6%	16.9%	13.3%	63.7%	-26.7%	32.5%	39.5%
CR Bard Inc.	6.5%	-0.2%	23.9%	16.8%	17.7%	12.7%	37.0%	14.3%	-6.8%	17.8%	-7.5%
Zimmer Holdings, Inc.	7.9%	-3.2%	22.4%	21.9%	23.4%	13.5%	39.8%	24.8%	-0.5%	-9.2%	46.2%
Exactech Inc.	-3.7%	-9.3%	13.6%	13.3%	17.6%	7.8%	40.2%	2.9%	-12.5%	8.7%	2.8%
Orthofix International N.V.	35.7%	-14.6%	49.1%	-16.8%	-3.6%	1.0%	-42.0%	11.6%	21.5%	-6.2%	101.8%
Median of Industry Public Companies	5.6%	-2.9%	22.9%	13.5%	17.6%	11.9%	38.4%	13.0%	-4.9%	12.3%	3.2%

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

Median Quarterly Revenue Growth of All Wearable Devices Companies



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



Median Public Company Multiples of the Wearable Devices Industry

Date:	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014
EV/Revenues Multiple	2.3x	2.2x	2.4x	2.6x	3.0x	3.2x	3.4x	3.6x	3.5x
EV/EBITDA Multiple	9.6x	9.0x	9.4x	9.3x	10.2x	13.0x	12.5x	12.0x	11.6x
Price/Earnings Multiple	21.6x	17.7x	20.9x	20.9x	23.7x	20.8x	19.6x	21.5x	20.6x
EV/Gross Cash Flows Multiple	17.1x	14.7x	15.8x	17.1x	17.8x	15.4x	14.6x	16.6x	16.3x

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

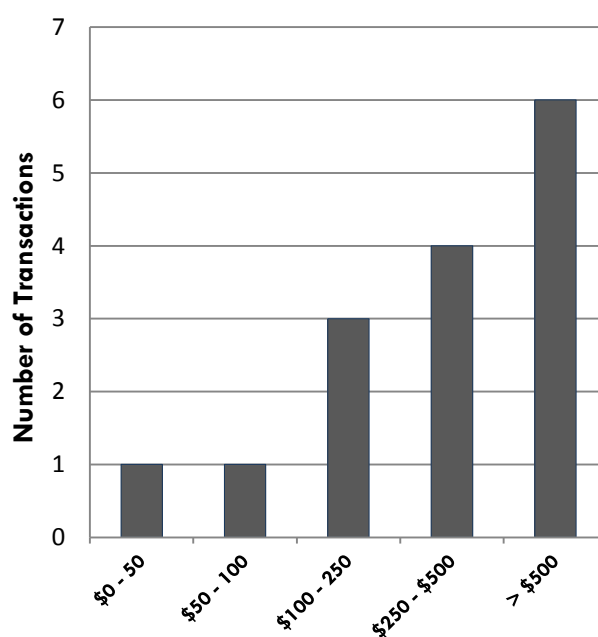
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
10/18/2011	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.1)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$12.4	(\$39.5)	\$28.0
7/13/2001	Wright Medical Group Inc.	\$12.50	7.5	\$93.8	\$201.6	\$116.4	\$164.1	\$36.7	(\$22.0)	\$46.8
5/4/2006	Northstar Neuroscience, Inc.	\$15.00	7.1	\$106.5	\$19.1	\$6.0	\$0.0	(\$15.2)	(\$15.0)	(\$15.0)
2/23/2004	Acelity L.P. Inc.	\$30.00	18.0	\$540.0	\$4,453.7	\$2,288.3	\$6,889.8	\$416.9	\$59.7	N/A
Median of All IPOs		nm	nm	\$106.5	\$201.6	\$116.4	\$164.1	\$12.4	(\$15.0)	\$11.9

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/23/2014	Solta Medical, Inc.	Valeant Pharmaceuticals	\$279.2	100%
7/16/2013	Pioneer Surgical Tech.	RTI Biologics, Inc.	\$130.0	100%
1/4/2013	Corin Group plc	Investimenti e Part.	\$57.6	100%
4/25/2012	ZOLL Medical Corporation	Asahi Kasei Corporation	\$2,216.2	100%
11/4/2011	Kinetic Concepts Inc.	Apax Partners LLP	\$6,291.6	100%
6/24/2011	Orthovita Inc.	Stryker Corporation	\$331.1	100%
6/17/2011	American Medical Systems	Endo Pharmaceuticals	\$2,825.1	100%
3/4/2011	O.R. Solutions, Inc.	Ecolab Inc.	\$260.0	100%
11/16/2010	Osteotech, Inc.	Medtronic Sofamor	\$135.2	100%
7/9/2010	ev3 Inc.	Covidien Group S.a.r.l.	\$2,709.0	100%
3/26/2010	Scient'x Groupe S.A.S.	Alphatec Spine, Inc.	\$136.0	100%
1/8/2010	Medical House plc	Consort Medical plc.	\$27.5	100%
6/17/2009	VNUS Medical Technologies	Covidien, Ltd.	\$470.4	100%
2/24/2009	Advanced Medical Optics	Abbott Laboratories	\$2,769.8	100%
1/30/2009	Datascope Corp.	Getinge AB	\$865.4	100%
Median of All Transaction Targets			\$331.1	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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