

Quarterly Industry Update

As of June 30, 2015

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 June 30, 2014, the median 52-week share price return of the Wearable Devices industry has increased by 9.1%. In the last quarter, the median price-to-earnings multiple decreased from 36.0x to 29.3x.

Comparable Public Company Key Statistics

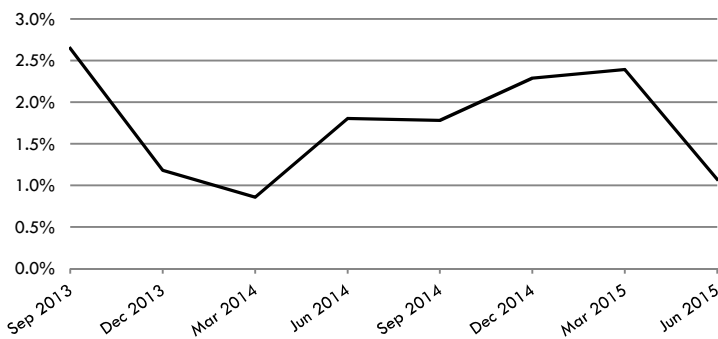
Median 52-Week Return	9.1%	Median EV/Revenue Multiple	3.3x	Median Price/Earnings Multiple	29.3x
Median 3-Year CAGR Return	19.2%	Median EV/EBITDA Multiple	14.8x	Median EV/Gross CF Multiple	31.4x

Comparable Public Company Market Price Returns (As of June 30, 2015)

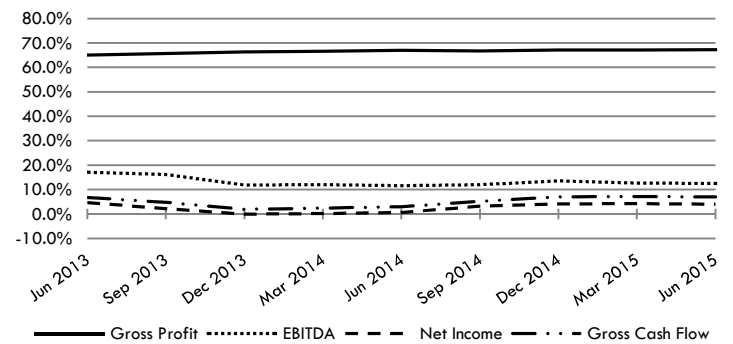
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
ZELTIQ Aesthetics, Inc.	5.6%	-4.4%	94.0%	114.8%	73.9%	N/A	47.6%	308.4%	-59.2%	N/A	N/A
Tornier N.V.	-2.0%	-4.7%	6.9%	19.5%	3.7%	N/A	35.7%	11.9%	-6.7%	N/A	N/A
Wright Medical Group Inc.	-2.3%	1.8%	-16.4%	0.1%	7.1%	9.6%	-12.5%	46.3%	27.2%	6.2%	-18.0%
Integra LifeSciences Holdings Corporation	24.2%	9.3%	43.2%	35.6%	21.9%	12.7%	13.7%	22.4%	26.4%	-34.8%	28.3%
CONMED Corporation	29.6%	15.4%	32.0%	36.6%	28.2%	25.6%	5.8%	52.1%	8.9%	-2.9%	15.9%
ResMed Inc.	0.6%	-21.5%	11.3%	11.8%	21.8%	13.1%	19.1%	13.3%	63.7%	-26.7%	32.5%
CR Bard Inc.	2.4%	2.0%	19.4%	25.3%	16.7%	17.1%	24.4%	37.0%	14.3%	-6.8%	17.8%
Zimmer Holdings, Inc.	-97.7%	13.4%	-11.8%	26.7%	24.5%	11.4%	21.7%	39.8%	24.8%	-0.5%	-9.2%
Exactech Inc.	-11.6%	-18.7%	-17.4%	2.7%	7.5%	4.0%	-0.8%	40.2%	2.9%	-12.5%	8.7%
Orthofix International N.V.	10.2%	-7.7%	-8.6%	11.0%	-7.1%	0.7%	31.7%	-42.0%	11.6%	21.5%	-6.2%
Median of Industry Public Companies	1.5%	-1.3%	9.1%	22.4%	19.2%	12.1%	20.4%	38.4%	13.0%	-4.9%	12.3%

(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:	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
EV/Revenues Multiple	2.0x	2.4x	2.6x	2.8x	3.1x	2.9x	3.1x	3.3x	3.3x
EV/EBITDA Multiple	10.4x	11.6x	13.4x	13.4x	13.1x	12.0x	12.8x	12.9x	14.8x
Price/Earnings Multiple	20.9x	23.7x	21.0x	19.6x	21.5x	26.2x	30.4x	36.0x	29.3x
EV/Gross Cash Flows Multiple	25.6x	17.8x	15.6x	14.6x	20.9x	23.6x	27.2x	27.7x	31.4x

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](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

The disclosures and limitations of this research on page four are an integral part of this report.

Quarterly Industry Update

As of June 30, 2015

Industry: Wearable Devices



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

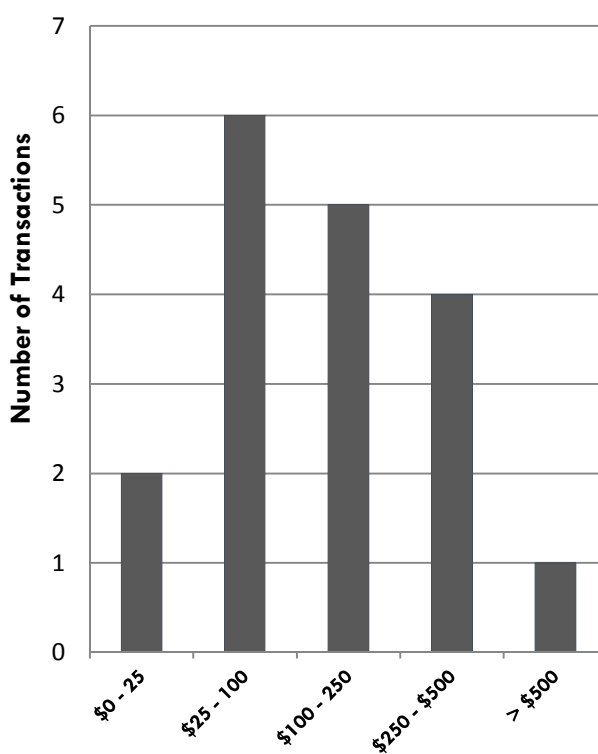
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
10/18/2011	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.1)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$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	\$667.3	\$685.8	\$763.8	\$196.9	\$69.6	\$240.2
Median of All IPOs		nm	nm	\$106.5	\$201.6	\$116.4	\$164.1	\$12.4	(\$15.0)	\$28.0

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/7/2015	PneumRx, Inc.	BTG International Inc.	\$475.0	100%
12/5/2014	Symmetry Medical, Inc.	Tecomet, Inc.	\$456.7	100%
10/15/2014	SARL ADVENCIS	bioMérieux SA	\$12.7	100%
8/26/2014	N.G.C. Medical S.p.A.	Medtronic, Inc.	\$238.0	70%
8/25/2014	Sapiens Steering Brain	Medtronic, Inc.	\$200.0	100%
8/8/2014	Avalon Laboratories, LLC	Nordson Medical	\$180.0	100%
7/29/2014	Ulthera, Inc.	Merz North America, Inc.	\$600.0	100%
7/2/2014	Apica Cardiovascular Ltd.	Thoratec Switzerland	\$75.0	100%
7/1/2014	ECP Entwicklungsgesellschaft	ABIOMED Europe GmbH	\$34.3	100%
7/1/2014	Fuji Medical Instruments	Japan Waste Corporation	\$77.0	81%
6/17/2014	AtheroMed, Inc.	Volcano Corporation	\$170.9	100%
5/30/2014	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%
5/15/2014	Bioster S.p.A.	Synergy Health plc	\$39.7	100%
5/7/2014	logyn, Inc.	Boston Scientific Corporation	\$65.0	72%
5/2/2014	Silhouette Lift SL	Sinclair Holdings Iberia S.L.	\$22.9	65%
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%
Median of All Transaction Targets			\$150.5	100%

Size of Merger and Acquisition Transactions (dollars in millions)



Quarterly Industry Update

As of June 30, 2015

Medical Device Industry Aggregates

Comparable Public Company Key Statistics

Median 52-Week Return	5.5%	Median EV/Revenue Multiple	4.1x	Median Price/Earnings Multiple	26.8x
Median Year-to-Date Return	0.5%	Median EV/EBITDA Multiple	13.8x	Median EV/Gross CF Multiple	27.8x

Comparable Public Company Market Price Returns (As of June 30, 2015)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
ABIOMED, Inc.	72.7%	-8.2%	161.5%	74.6%	42.3%	46.7%	42.3%	99.0%	-27.2%	92.2%	10.1%
AtriCure, Inc.	23.4%	20.3%	34.1%	61.0%	36.9%	29.9%	6.9%	170.7%	-37.8%	8.1%	70.0%
BIOLASE, Inc.	-33.8%	-13.9%	-20.9%	-29.8%	-2.6%	4.6%	-6.6%	56.1%	-26.6%	52.8%	-8.4%
Cardiovascular Systems Inc.	-12.1%	-32.2%	-15.1%	11.7%	39.3%	42.6%	-12.3%	173.2%	27.4%	-15.5%	154.0%
CAS Medical Systems Inc.	-22.4%	-4.1%	-36.3%	-12.5%	-9.4%	-6.2%	-2.9%	-20.9%	23.0%	-45.4%	50.9%
CONMED Corporation	29.6%	15.4%	32.0%	36.6%	28.2%	25.6%	5.8%	52.1%	8.9%	-2.9%	15.9%
CR Bard Inc.	2.4%	2.0%	19.4%	25.3%	16.7%	17.1%	24.4%	37.0%	14.3%	-6.8%	17.8%
CryoLife Inc.	-0.4%	8.8%	26.0%	34.2%	29.2%	15.9%	2.2%	78.0%	29.8%	-11.4%	-15.6%
Cutera, Inc.	44.9%	19.8%	49.0%	32.6%	29.1%	10.9%	4.9%	13.1%	20.8%	-10.1%	-2.6%
Cyberonics Inc.	6.8%	-8.4%	-4.8%	7.0%	9.8%	20.2%	-14.9%	24.5%	56.8%	8.0%	51.8%
Daxor Corp.	-1.9%	20.4%	-0.7%	-4.6%	-8.2%	-7.4%	2.2%	-10.1%	-16.5%	-1.6%	-23.2%
DexCom, Inc.	45.3%	28.3%	101.7%	88.7%	83.4%	47.2%	55.5%	160.6%	46.0%	-31.8%	69.1%
Endologix Inc.	0.3%	-10.1%	0.9%	7.5%	-0.2%	27.6%	-12.3%	22.5%	24.0%	60.6%	35.4%
EnteroMedics Inc.	-56.3%	-32.2%	-60.3%	-26.3%	-43.6%	-22.1%	-30.4%	-27.1%	64.7%	-44.8%	-8.3%
Escalon Medical Corp.	-11.8%	5.2%	-17.0%	2.9%	26.6%	-1.7%	-18.3%	107.3%	-5.0%	-33.3%	-4.5%
Exactech Inc.	-11.6%	-18.7%	-17.4%	2.7%	7.5%	4.0%	-0.8%	40.2%	2.9%	-12.5%	8.7%
Globus Medical, Inc.	8.0%	1.7%	7.3%	23.4%	N/A	N/A	17.8%	92.4%	N/A	N/A	N/A
Greatbatch, Inc.	9.4%	-6.8%	9.9%	28.2%	33.4%	19.3%	11.4%	90.4%	5.2%	-8.5%	25.6%
Heartware International Inc.	-1.0%	-17.2%	-17.9%	-12.6%	-6.5%	0.7%	-21.8%	11.9%	21.7%	-21.2%	146.9%
InspireMD, Inc.	-64.0%	-12.5%	-90.5%	-64.4%	-59.6%	N/A	-68.4%	-36.9%	-55.3%	N/A	N/A
Integra LifeSciences Holdings Corporation	24.2%	9.3%	43.2%	35.6%	21.9%	12.7%	13.7%	22.4%	26.4%	-34.8%	28.3%
LDR Holding Corporation	31.9%	18.0%	72.9%	N/A	N/A	N/A	38.9%	N/A	N/A	N/A	N/A
Merit Medical Systems, Inc.	24.3%	11.9%	42.6%	39.0%	16.0%	10.9%	10.1%	13.2%	3.9%	5.7%	-17.7%
NeuroMetrix Inc.	-53.4%	-45.9%	-53.1%	-32.6%	-37.5%	-53.3%	-33.2%	12.5%	-65.4%	-69.4%	-72.5%
NuVasive, Inc.	0.5%	3.0%	33.2%	38.2%	23.2%	6.0%	45.9%	109.1%	22.8%	-50.9%	-19.8%
Nxstage Medical, Inc.	-20.3%	-17.4%	-0.6%	0.0%	-5.2%	-0.8%	79.3%	-11.1%	-36.7%	-28.5%	198.0%
Orthofix International N.V.	10.2%	-7.7%	-8.6%	11.0%	-7.1%	0.7%	31.7%	-42.0%	11.6%	21.5%	-6.2%
ResMed Inc.	0.6%	-21.5%	11.3%	11.8%	21.8%	13.1%	19.1%	13.3%	63.7%	-26.7%	32.5%
St. Jude Medical Inc.	12.4%	11.7%	5.5%	26.5%	22.3%	15.2%	5.0%	71.4%	5.4%	-19.8%	16.2%
Sunshine Heart Inc.	-18.6%	-18.6%	-38.4%	-19.8%	1.9%	N/A	-56.3%	59.4%	N/A	N/A	N/A
Tandem Diabetes Care, Inc.	-14.6%	-14.1%	-33.3%	N/A	N/A	N/A	-50.7%	N/A	N/A	N/A	N/A
The Cooper Companies Inc.	9.8%	-5.0%	31.3%	22.3%	30.7%	34.9%	30.9%	33.9%	31.1%	25.2%	47.8%
Thoratec Corp.	37.3%	6.4%	27.9%	19.3%	9.9%	0.8%	-11.3%	-2.5%	11.8%	18.5%	5.2%
Tornier N.V.	-2.0%	-4.7%	6.9%	19.5%	3.7%	N/A	35.7%	11.9%	-6.7%	N/A	N/A
TransEnterix, Inc.	3.1%	2.4%	-40.5%	29.1%	1.1%	-18.8%	-64.7%	N/A	N/A	N/A	N/A
Utah Medical Products Inc.	-0.7%	-0.4%	15.9%	4.8%	21.2%	19.1%	5.1%	58.6%	33.5%	0.4%	-8.3%
Varian Medical Systems, Inc.	-2.5%	-10.4%	1.4%	11.8%	11.5%	10.0%	11.4%	10.6%	4.6%	-3.1%	47.9%
Vascular Solutions Inc.	27.8%	14.5%	56.5%	53.6%	40.3%	22.7%	17.3%	46.5%	42.0%	-5.0%	39.7%
Wright Medical Group Inc.	-2.3%	1.8%	-16.4%	0.1%	7.1%	9.6%	-12.5%	46.3%	27.2%	6.2%	-18.0%
ZELTIQ Aesthetics, Inc.	5.6%	-4.4%	94.0%	114.8%	73.9%	N/A	47.6%	308.4%	-59.2%	N/A	N/A
Zimmer Holdings, Inc.	-97.7%	13.4%	-11.8%	26.7%	24.5%	11.4%	21.7%	39.8%	24.8%	-0.5%	-9.2%
Median of Industry Public Companies	0.5%	-4.1%	5.5%	19.3%	16.3%	11.2%	5.1%	38.4%	13.1%	-6.8%	15.9%

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

Quarterly Industry Update

As of June 30, 2015

Medical Device Industry Aggregates



Median Public Company Multiples of the Medical Device Industry Aggregates

Date:	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
EV/Revenues Multiple	2.4x	2.7x	3.2x	3.4x	3.3x	3.5x	3.7x	3.9x	4.1x
EV/EBITDA Multiple	11.7x	12.5x	13.5x	13.2x	13.0x	12.2x	13.4x	13.7x	13.8x
Price/Earnings Multiple	21.9x	22.5x	27.0x	30.3x	27.3x	24.5x	27.5x	29.2x	26.8x
EV/Gross Cash Flows Multiple	22.6x	20.4x	23.7x	26.0x	23.6x	24.4x	19.4x	25.8x	27.8x

Industry Initial Public Offerings - Medical Device Industry Aggregates (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
6/4/2015	EndoChoice Holdings, Inc.	\$15.00	6.4	\$95.3	\$102.7	\$39.5	\$64.3	(\$39.7)	(\$58.0)	(\$34.1)
1/30/2015	Avinger, Inc.	\$13.00	5.0	\$65.0	\$24.8	\$29.1	\$11.2	(\$23.6)	(\$32.0)	(\$22.1)
12/19/2014	Medovex Corp.	\$5.75	1.4	\$8.0	\$2.6	\$0.0	\$0.0	(\$0.7)	(\$0.7)	(\$0.7)
11/5/2014	Nevro Corp.	\$18.00	7.0	\$126.0	\$56.1	\$0.0	\$29.1	(\$27.7)	(\$29.1)	(\$27.6)
5/7/2014	K2M Group Holdings, Inc.	\$15.00	8.8	\$132.4	\$301.9	\$57.9	\$162.2	(\$9.3)	(\$41.8)	(\$1.9)
4/15/2014	TriVascular Technologies, Inc.	\$12.00	6.5	\$78.0	\$58.6	\$47.7	\$23.6	(\$46.0)	(\$53.4)	(\$45.3)
11/13/2013	Tandem Diabetes Care, Inc.	\$15.00	8.0	\$120.0	\$48.6	\$29.3	\$21.0	(\$38.2)	(\$48.1)	(\$35.0)
10/8/2013	LDR Holding Corporation	\$15.00	5.0	\$75.0	\$77.7	\$53.2	\$104.6	\$2.6	(\$15.3)	\$6.2
8/2/2012	Globus Medical, Inc.	\$12.00	8.3	\$100.0	\$367.3	\$0.0	\$363.0	\$127.1	\$67.0	\$145.0
6/27/2012	Tesaro, Inc.	\$13.50	6.0	\$81.0	\$93.0	\$0.0	\$0.0	(\$23.2)	(\$23.2)	(\$23.2)
4/30/2012	Supernus Pharmaceuticals, Inc.	\$5.00	3.4	\$50.0	\$43.2	\$29.1	\$1.0	(\$35.5)	\$55.6	(\$34.9)
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)
10/18/2011	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.1)
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)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$12.4	(\$39.5)	\$28.0
11/23/2010	Anacor Pharmaceuticals, Inc.	\$5.00	12.0	\$60.0	\$20.4	\$9.1	\$31.1	(\$4.3)	(\$6.5)	(\$3.6)
11/22/2010	Zogenix, Inc.	\$4.00	7.1	\$56.0	\$55.0	\$35.9	\$14.6	(\$55.4)	(\$77.6)	(\$54.1)
10/22/2010	STENTYS Société anonyme	\$16.70	1.9	\$31.6	\$34.7	\$1.7	\$0.3	(\$9.4)	(\$9.8)	(\$9.1)
8/13/2010	Electromed, Inc.	\$4.00	1.7	\$6.8	\$14.1	\$4.2	\$14.3	\$2.1	\$0.9	\$2.4
8/2/2010	Trius Therapeutics, Inc.	\$5.00	4.7	\$50.0	\$15.6	\$20.2	\$6.3	(\$16.1)	(\$17.4)	(\$15.6)
7/7/2010	Carmat Société Anonyme	\$23.67	0.8	\$19.6	\$8.7	\$0.0	\$4.4	\$0.0	(\$4.3)	\$0.3
3/24/2010	CorMedix, Inc.	\$6.50	1.9	\$12.5	\$2.2	\$13.8	\$0.0	(\$6.0)	(\$8.1)	(\$6.0)
3/11/2010	AVEO Pharmaceuticals, Inc.	\$9.00	9.0	\$81.0	\$59.8	\$19.7	\$20.7	(\$39.9)	(\$44.1)	(\$38.6)
3/1/2010	Anthera Pharmaceuticals, Inc.	\$7.00	6.0	\$42.0	\$5.9	\$13.1	\$0.0	(\$11.8)	(\$12.2)	(\$11.8)
2/2/2010	Ironwood Pharmaceuticals, Inc.	\$11.25	10.1	\$187.5	\$162.5	\$2.0	\$34.3	(\$56.1)	(\$71.2)	(\$51.3)
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	\$667.3	\$685.8	\$763.8	\$196.9	\$69.6	\$240.2
Median of All IPOs		nm	nm	\$70.0	\$38.9	\$11.1	\$14.5	(\$9.4)	(\$13.6)	(\$8.8)

Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. 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. Copyright © 2015 Cogent Valuation. All Rights Reserved.