

Quarterly Industry Update

As of September 30, 2016

Industry: Cardiovascular Equipment



Industry Summary

Cogent Valuation identified Cardiovascular Equipment publicly traded companies, IPOs, and recent M&A transactions within the Cardiovascular Equipment 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. Over the last year since September 30, 2015, the median 52-week share price return of the Cardiovascular Equipment industry was 46.9%. Between September 30, 2014 and September 30, 2016, the median EV/EBITDA multiple increased from 13.5 to 17.7. Furthermore, the median price-to-earnings multiple increased from 19.6 to 43.4 over the same period.

Comparable Public Company Key Statistics

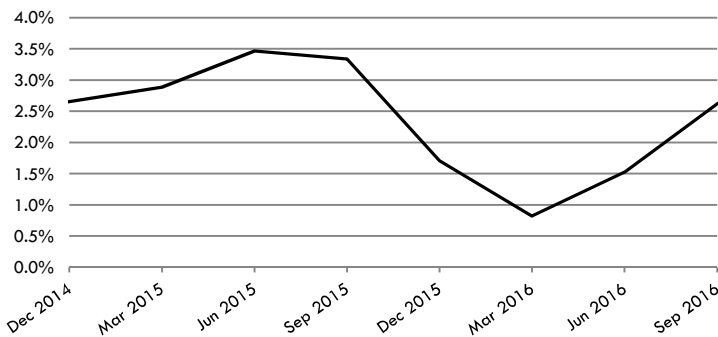
Median 52-Week Return	46.9%	Median EV/Revenue Multiple	4.9x	Median Price/Earnings Multiple	43.4x
Median 3-Year CAGR Return	25.7%	Median EV/EBITDA Multiple	17.7x	Median EV/Gross CF Multiple	37.4x

Comparable Public Company Market Price Returns (As of September 30, 2016)

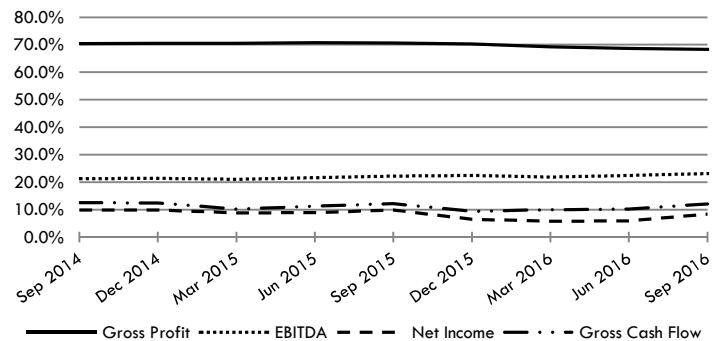
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
ABIOMED, Inc.	42.4%	17.7%	38.6%	127.6%	89.0%	63.4%	137.2%	42.3%	99.0%	-27.2%	92.2%
BioTelemetry, Inc.	59.0%	13.9%	51.7%	66.4%	23.3%	44.0%	16.5%	26.3%	248.2%	-3.8%	-49.4%
Boston Scientific Corporation	29.1%	1.8%	45.0%	42.0%	26.6%	32.1%	39.2%	10.2%	109.8%	7.3%	-29.5%
Cardiovascular Systems Inc.	57.0%	29.2%	49.9%	0.2%	5.8%	15.8%	-49.7%	-12.3%	173.2%	27.4%	-15.5%
CR Bard Inc.	18.4%	-4.6%	20.4%	25.4%	24.9%	20.7%	13.7%	24.4%	37.0%	14.3%	-6.8%
CryoLife Inc.	63.0%	48.8%	80.6%	33.4%	35.9%	31.4%	-4.9%	2.2%	78.0%	29.8%	-11.4%
Edwards Lifesciences Corp.	52.6%	20.9%	69.6%	53.6%	51.3%	27.6%	24.0%	93.7%	-27.1%	27.5%	-12.5%
Medtronic plc	12.3%	-0.4%	29.1%	18.1%	17.5%	21.1%	6.5%	25.8%	39.9%	7.2%	3.1%
St. Jude Medical Inc.	29.1%	2.3%	26.4%	15.2%	14.1%	17.1%	-5.0%	5.0%	71.4%	5.4%	-19.8%
Teleflex Incorporated	27.8%	-5.2%	35.3%	26.5%	26.9%	25.6%	14.5%	22.3%	31.6%	16.3%	13.9%
The Spectranetics Corporation	66.6%	34.1%	112.8%	-2.8%	14.3%	28.6%	-56.4%	38.3%	69.3%	104.6%	39.9%
Vascular Solutions Inc.	40.2%	15.8%	48.8%	39.7%	42.1%	33.3%	26.6%	17.3%	46.5%	42.0%	-5.0%
Median of Industry Public Companies	41.3%	14.8%	46.9%	30.0%	25.7%	28.1%	14.1%	23.4%	70.3%	15.3%	-9.1%

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

Median Quarterly Revenue Growth of All Cardiovascular Equipment Companies



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



Median Public Company Multiples of the Cardiovascular Equipment Industry

Date:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	3.5x	3.9x	3.9x	4.2x	3.7x	3.8x	3.9x	4.7x	4.9x
EV/EBITDA Multiple	13.5x	14.0x	15.7x	16.2x	15.8x	16.4x	16.6x	19.0x	17.7x
Price/Earnings Multiple	19.6x	23.1x	26.7x	34.4x	35.4x	36.7x	40.6x	39.3x	43.4x
EV/Gross Cash Flows Multiple	17.4x	19.9x	22.8x	28.6x	31.9x	31.2x	33.2x	31.7x	37.4x

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Quarterly Industry Update

As of September 30, 2016

Industry: Cardiovascular Equipment



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

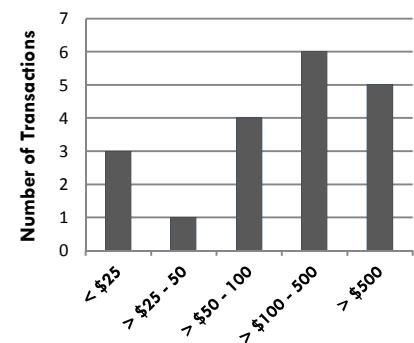
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/17/2011	Sphere Medical Holding PLC	\$1.46	15.1	\$22.1	\$1.5	\$3.8	\$0.0	(\$6.6)	(\$7.0)	(\$6.3)
4/18/2011	InspireMD, Inc.	\$1.50	7.0	\$10.4	\$4.4	\$1.5	\$4.9	(\$3.1)	(\$3.4)	(\$3.0)
2/10/2011	Kips Bay Medical, Inc.	\$8.00	2.1	\$16.5	\$7.2	\$0.0	\$0.1	(\$8.7)	(\$10.2)	(\$8.6)
3/18/2008	BioTelemetry, Inc.	\$18.00	4.5	\$81.0	\$103.0	\$2.8	\$73.0	\$5.2	(\$0.4)	\$8.9
6/14/2006	Volcano Corporation	\$8.00	6.8	\$54.4	\$62.0	\$31.1	\$95.3	(\$4.2)	(\$17.8)	\$0.5
12/12/2005	Lombard Medical Technologies Limited	\$2.82	14.4	\$47.0	\$11.8	\$7.4	\$0.1	\$0.0	(\$13.0)	\$1.3
8/5/2005	AtriCure, Inc.	\$12.00	4.0	\$48.0	\$12.4	\$0.0	\$22.9	(\$4.8)	(\$9.7)	(\$3.7)
8/11/2004	Stereotaxis Inc.	\$8.00	5.5	\$44.0	\$41.1	\$6.0	\$9.9	(\$29.8)	(\$30.5)	(\$29.2)
Median of All IPOs		nm	nm	\$45.5	\$12.1	\$3.3	\$7.4	(\$4.5)	(\$9.9)	(\$3.4)

nm: not meaningful

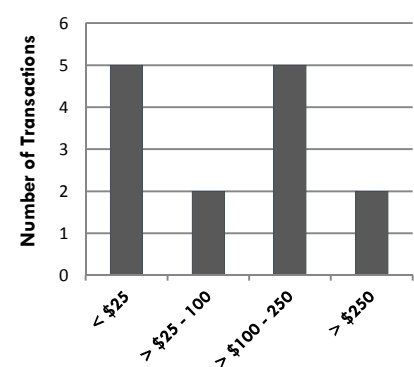
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
4/4/2016	Creganna-Tactx Medical	TE Connectivity Ltd.	\$895.0	100%	\$249.0	3.6x
10/8/2015	Thoratec Corp.	SJM International, Inc.	\$3,683.3	100%	\$483.8	7.0x
9/28/2015	Lazarus Effect, Inc.	Medtronic plc	\$100.0	100%	N/A	N/A
7/30/2015	Altura Medical, Inc.	Lombard Medical, Inc.	\$49.0	100%	N/A	N/A
6/18/2015	CardioInsight Technologies	Medtronic plc	\$123.0	100%	N/A	N/A
5/30/2014	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%	N/A	N/A
2/20/2014	Oscor Inc., Lead Business	Sorin SpA	\$20.0	100%	N/A	N/A
12/1/2013	CircuLite, Inc.	Heartware International	\$401.8	100%	\$1.3	N/A
8/11/2013	Cardiacom	Medtronic	\$200.0	100%	\$50.0	4.0x
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%	\$193.7	1.9x
5/31/2012	SunTech Medical Group	Halma	\$57.0	100%	\$23.0	2.3x
4/25/2012	ZOLL Medical	Asahi Kasei	\$2,216.2	100%	\$544.3	3.9x
8/31/2011	Salient Surgical Technologies	Medtronic	\$452.0	91%	\$100.0	5.0x
8/31/2011	PEAK Surgical	Medtronic	\$96.0	81%	\$20.0	5.9x
12/21/2010	Clariant	GE Healthcare	\$597.9	100%	\$110.1	5.3x
12/21/2010	Biotel	CardioNet	\$11.6	100%	\$10.9	0.9x
12/3/2010	Cardiac Science	Opto Circuits	\$56.3	100%	\$145.9	0.3x
11/30/2010	Beijing Star Medical Devices	Lepu Medical Technology	\$22.6	100%	\$2.7	8.4x
11/17/2010	AGA Medical Holdings	St. Jude Medical	\$1,310.9	100%	\$209.7	6.2x
Median of the 19 M&A Transaction Targets			\$200.0	100%	\$105.0	4.0x

Size of M&A Transactions



LTM Revenues Reported



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Quarterly Industry Update

As of September 30, 2016

Medical Device Industry Aggregates



Comparable Public Company Key Statistics

Median 52-Week Return	9.2%	Median EV/Revenue Multiple	3.9x	Median Price/Earnings Multiple	40.9x
Median Year-to-Date Return	14.1%	Median EV/EBITDA Multiple	17.3x	Median EV/Gross CF Multiple	28.0x

Comparable Public Company Market Price Returns (As of September 30, 2016)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
ABIOMED, Inc.	42.4%	17.7%	38.6%	127.6%	89.0%	63.4%	137.2%	42.3%	99.0%	-27.2%	92.2%
AngioDynamics Inc.	44.5%	22.1%	33.0%	13.1%	9.9%	5.9%	-36.1%	10.8%	56.1%	-25.8%	-3.6%
Atossa Genetics, Inc.	-56.3%	-50.0%	-81.8%	-67.8%	-70.8%	N/A	-77.6%	-38.4%	-40.5%	N/A	N/A
AtriCure, Inc.	-29.5%	12.0%	-27.8%	3.7%	12.9%	10.2%	12.4%	6.9%	170.7%	-37.8%	8.1%
Becton, Dickinson and Company	16.6%	6.0%	35.5%	25.7%	21.6%	19.6%	10.7%	25.9%	41.3%	4.6%	-11.6%
BIOLASE, Inc.	108.1%	49.6%	94.4%	-16.2%	-2.6%	-9.2%	-68.0%	-6.6%	56.1%	-26.6%	52.8%
Boston Scientific Corporation	29.1%	1.8%	45.0%	42.0%	26.6%	32.1%	39.2%	10.2%	109.8%	7.3%	-29.5%
Cardiovascular Systems Inc.	57.0%	29.2%	49.9%	0.2%	5.8%	15.8%	-49.7%	-12.3%	173.2%	27.4%	-15.5%
CAS Medical Systems Inc.	-2.3%	-6.1%	38.3%	-5.6%	8.9%	-4.4%	7.3%	-2.9%	-20.9%	23.0%	-45.4%
CryoLife Inc.	63.0%	48.8%	80.6%	33.4%	35.9%	31.4%	-4.9%	2.2%	78.0%	29.8%	-11.4%
Cutera, Inc.	-6.8%	6.3%	-8.9%	8.6%	10.2%	10.9%	19.8%	4.9%	13.1%	20.8%	-10.1%
Cytosorbents Corporation	14.9%	40.7%	1.4%	5.5%	36.8%	8.9%	-44.0%	218.4%	-3.8%	-18.8%	14.4%
Daxor Corp.	3.6%	-2.8%	-9.0%	12.8%	3.5%	-5.7%	8.9%	2.2%	-10.1%	-16.5%	-1.6%
Delcath Systems, Inc.	-69.1%	-38.1%	-65.6%	-72.0%	-69.1%	-68.9%	-58.7%	-70.3%	-79.3%	-59.7%	-68.9%
DexCom, Inc.	7.0%	10.5%	2.1%	48.1%	45.9%	48.8%	48.8%	55.5%	160.6%	46.0%	-31.8%
Endologix Inc.	29.3%	2.7%	4.4%	9.9%	-7.4%	5.0%	-35.3%	-12.3%	22.5%	24.0%	60.6%
EnteroMedics Inc.	-93.1%	-53.4%	-96.5%	-91.4%	-80.7%	-65.0%	-90.8%	-30.4%	-27.1%	64.7%	-44.8%
Escalon Medical Corp.	-36.8%	-14.1%	-42.2%	-33.4%	-23.6%	-9.4%	-34.2%	-18.3%	107.3%	-5.0%	-33.3%
Globus Medical, Inc.	-18.9%	-5.3%	9.2%	7.1%	8.9%	N/A	17.0%	17.8%	92.4%	N/A	N/A
InspireMD, Inc.	-90.6%	-74.3%	-95.0%	-93.9%	-84.8%	-75.2%	-88.7%	-68.4%	-36.9%	-55.3%	N/A
LeMaitre Vascular, Inc.	15.0%	39.0%	62.8%	69.8%	43.6%	26.1%	125.5%	-4.5%	39.5%	-3.0%	-12.6%
Merit Medical Systems, Inc.	30.7%	22.5%	1.6%	43.0%	26.0%	13.1%	7.3%	10.1%	13.2%	3.9%	5.7%
MGC Diagnostics Corporation	6.1%	7.4%	6.1%	3.4%	-13.9%	9.0%	3.1%	-49.4%	114.6%	13.0%	0.4%
NeuroMetrix Inc.	-21.2%	-6.0%	-55.8%	-53.5%	-38.2%	-48.2%	-74.6%	-33.2%	12.5%	-65.4%	-69.4%
NuVasive, Inc.	23.2%	11.6%	38.2%	38.3%	39.6%	31.3%	14.7%	45.9%	109.1%	22.8%	-50.9%
Nxstage Medical, Inc.	14.1%	15.3%	58.5%	38.0%	23.8%	3.7%	22.2%	79.3%	-11.1%	-36.7%	-28.5%
St. Jude Medical Inc.	29.1%	2.3%	26.4%	15.2%	14.1%	17.1%	-5.0%	5.0%	71.4%	5.4%	-19.8%
Stryker Corporation	25.3%	-2.9%	23.7%	20.1%	19.9%	19.8%	-1.5%	25.5%	37.1%	10.3%	-7.4%
Sunshine Heart Inc.	-58.5%	21.5%	-74.5%	-68.5%	-63.6%	N/A	-68.2%	-56.3%	59.4%	N/A	N/A
Tandem Diabetes Care, Inc.	-35.1%	1.6%	-13.1%	-24.4%	N/A	N/A	-7.0%	-50.7%	N/A	N/A	N/A
The Cooper Companies Inc.	33.6%	4.5%	20.4%	7.3%	11.4%	17.8%	-17.2%	30.9%	33.9%	31.1%	25.2%
TransEnterix, Inc.	-31.9%	38.5%	-25.2%	-37.7%	-36.7%	N/A	-14.8%	-64.7%	N/A	N/A	N/A
Utah Medical Products Inc.	2.2%	-5.1%	11.0%	10.7%	0.2%	17.7%	-2.5%	5.1%	58.6%	33.5%	0.4%
Varian Medical Systems, Inc.	23.2%	21.0%	34.9%	11.5%	10.0%	13.8%	-6.6%	11.4%	10.6%	4.6%	-3.1%
Vascular Solutions Inc.	40.2%	15.8%	48.8%	39.7%	42.1%	33.3%	26.6%	17.3%	46.5%	42.0%	-5.0%
Median of Industry Public Companies	14.1%	6.3%	9.2%	8.6%	10.0%	12.0%	-4.9%	4.9%	41.3%	5.0%	-10.1%

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

Quarterly Industry Update

As of September 30, 2016

Medical Device Industry Aggregates



Median Public Company Multiples of the Medical Device Industry Aggregates

Date:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	2.8x	3.3x	3.5x	3.7x	3.1x	3.6x	3.2x	3.5x	3.9x
EV/EBITDA Multiple	12.0x	13.0x	14.5x	14.0x	14.3x	13.3x	14.9x	16.5x	17.3x
Price/Earnings Multiple	32.4x	34.8x	34.9x	36.0x	35.0x	33.6x	34.0x	35.2x	40.9x
EV/Gross Cash Flows Multiple	24.4x	23.0x	27.8x	30.1x	24.0x	35.2x	26.9x	26.7x	28.0x

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
11/3/2016	Neurotech International Limited	\$0.15	35.0	\$5.4	\$2.2	\$0.7	\$0.2	(\$2.6)	(\$3.3)	(\$2.5)
10/5/2016	Obalon Therapeutics, Inc.	\$15.00	5.0	\$75.0	\$20.1	\$9.9	\$3.9	(\$15.4)	(\$16.1)	(\$15.2)
7/27/2016	Tactile Systems Technology, Inc.	\$10.00	4.0	\$40.0	\$33.3	\$0.0	\$66.5	\$4.0	\$1.3	\$4.5
7/18/2016	Oventus Medical Limited	\$0.38	24.0	\$9.1	N/A	N/A	FALSE	(\$0.1)	(\$0.1)	(\$0.1)
6/3/2016	Sensus Healthcare, Inc.	\$0.00	2.0	\$11.0	\$10.0	\$0.8	\$11.4	\$0.7	\$0.3	\$0.9
5/17/2016	Pulse Biosciences, Inc.	\$4.00	5.0	\$20.0	\$14.3	\$0.0	\$0.0	(\$3.8)	(\$2.8)	(\$3.7)
4/28/2016	PAVmed Inc.	\$5.00	1.1	\$5.3	\$1.2	\$0.0	\$0.0	\$0.0	(\$1.8)	\$0.0
4/26/2016	Volpara Health Technologies Limited	\$0.39	20.0	\$7.7	N/A	N/A	FALSE	\$0.0	(\$2.3)	\$0.0
2/28/2016	Invent Medic Sweden AB	\$0.35	3.0	\$1.1	\$0.5	\$0.1	\$0.1	\$0.0	(\$0.1)	\$0.0
9/17/2015	Penumbra, Inc.	\$30.00	4.0	\$120.0	\$129.1	\$0.0	\$149.1	\$2.0	\$0.4	\$3.1
7/7/2015	Biocorp Production	\$10.12	1.0	\$9.7	\$6.5	\$4.3	\$2.0	(\$2.6)	\$0.0	(\$2.6)
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	\$23.1	\$32.7	\$11.5	(\$23.9)	(\$32.4)	(\$22.4)
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	\$62.9	\$0.0	\$26.6	(\$26.5)	(\$26.2)	(\$26.5)
5/7/2014	K2M Group Holdings, Inc.	\$15.00	8.8	\$132.4	\$296.9	\$43.2	\$155.6	(\$8.1)	(\$37.9)	(\$1.6)
4/15/2014	TriVascular Technologies, Inc.	\$12.00	6.5	\$78.0	\$64.7	\$44.3	\$19.5	(\$42.9)	(\$50.3)	(\$41.9)
11/13/2013	Tandem Diabetes Care, Inc.	\$15.00	8.0	\$120.0	\$48.6	\$29.3	\$21.0	(\$37.1)	(\$48.1)	(\$34.2)
10/8/2013	LDR Holding Corporation	\$15.00	5.0	\$75.0	\$78.7	\$53.8	\$98.0	\$2.5	(\$10.3)	\$5.6
8/2/2012	Globus Medical, Inc.	\$12.00	8.3	\$100.0	\$354.8	\$0.0	\$347.9	\$121.4	\$63.9	\$138.8
6/27/2012	Tesaro, Inc.	\$13.50	6.0	\$81.0	\$93.0	\$0.0	\$0.0	(\$23.2)	(\$23.2)	(\$23.2)
Median of All IPOs		nm	nm	\$65.0	\$33.3	\$0.7	\$11.5	(\$2.6)	(\$2.8)	(\$1.6)

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