

Quarterly Industry Update

As of December 31, 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 December 31, 2015, the median 52-week share price return of the Cardiovascular Equipment industry was 22.6%. Between December 31, 2014 and December 31, 2016, the median EV/EBITDA multiple increased from 14.0 to 16.3. Furthermore, the median price-to-earnings multiple increased from 24.4 to 32.5 over the same period.

Comparable Public Company Key Statistics

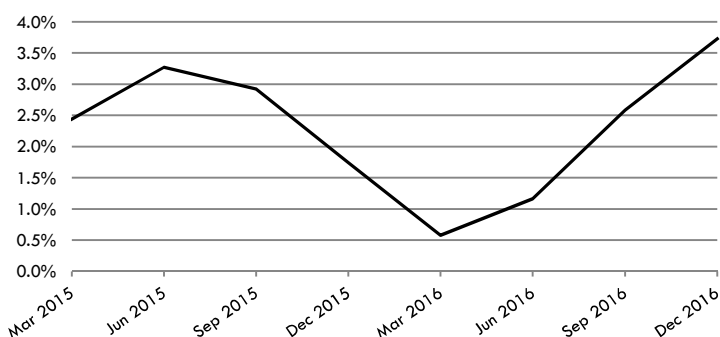
Median 52-Week Return	22.6%	Median EV/Revenue Multiple	4.2x	Median Price/Earnings Multiple	32.5x
Median 3-Year CAGR Return	19.7%	Median EV/EBITDA Multiple	16.3x	Median EV/Gross CF Multiple	29.5x

Comparable Public Company Market Price Returns (As of December 31, 2016)

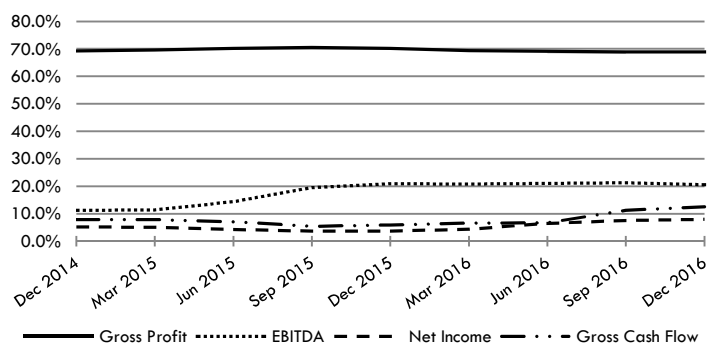
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
ABIOMED, Inc.	24.8%	-12.4%	24.8%	72.1%	61.5%	43.6%	137.2%	42.3%	99.0%	-27.2%	92.2%
BioTelemetry, Inc.	91.4%	20.4%	91.4%	49.3%	41.2%	56.6%	16.5%	26.3%	248.2%	-3.8%	-49.4%
Boston Scientific Corporation	17.3%	-9.1%	17.3%	27.8%	21.6%	32.3%	39.2%	10.2%	109.8%	7.3%	-29.5%
Cardiovascular Systems Inc.	60.1%	2.0%	60.1%	-10.3%	-11.0%	19.7%	-49.7%	-12.3%	173.2%	27.4%	-15.5%
CR Bard Inc.	18.6%	0.2%	18.6%	16.1%	18.8%	21.3%	13.7%	24.4%	37.0%	14.3%	-6.8%
CryoLife Inc.	77.6%	9.0%	77.6%	30.0%	20.0%	31.9%	-4.9%	2.2%	78.0%	29.8%	-11.4%
Edwards Lifesciences Corp.	18.6%	-22.3%	18.6%	21.3%	41.8%	21.5%	24.0%	93.7%	-27.1%	27.5%	-12.5%
Medtronic plc	-7.4%	-17.6%	-7.4%	-0.7%	7.5%	13.2%	6.5%	25.8%	39.9%	7.2%	3.1%
St. Jude Medical Inc.	-79.7%	1.4%	-15.8%	-0.7%	1.3%	19.9%	-5.0%	5.0%	71.4%	5.4%	-19.8%
Teleflex Incorporated	22.6%	-4.1%	22.6%	18.5%	19.7%	21.3%	14.5%	22.3%	31.6%	16.3%	13.9%
The Spectranetics Corporation	62.7%	-2.4%	62.7%	-15.8%	-0.7%	27.7%	-56.4%	38.3%	69.3%	104.6%	39.9%
Median of Industry Public Companies	22.6%	-2.4%	22.6%	18.5%	19.7%	21.5%	13.7%	24.4%	71.4%	14.3%	-11.4%

(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:	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
EV/Revenues Multiple	4.0x	4.1x	4.0x	3.5x	3.8x	4.1x	4.5x	4.8x	4.2x
EV/EBITDA Multiple	14.0x	15.7x	15.9x	15.8x	16.4x	16.6x	19.0x	17.7x	16.3x
Price/Earnings Multiple	24.4x	25.6x	29.4x	34.7x	33.2x	38.4x	36.8x	38.2x	32.5x
EV/Gross Cash Flows Multiple	18.1x	22.8x	27.9x	32.2x	31.2x	33.2x	30.2x	36.6x	29.5x

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Quarterly Industry Update

As of December 31, 2016

Industry: Cardiovascular Equipment

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

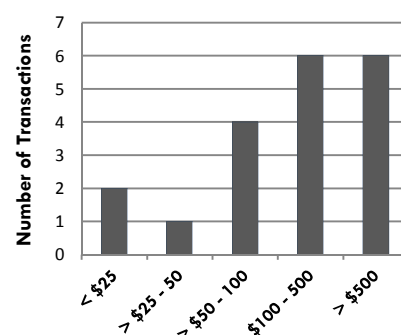
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/17/2011	Sphere Medical Holding PLC	\$1.46	15.1	\$22.1	\$1.5	\$3.8	\$0.0	(\$6.6)	(\$7.0)	(\$6.3)
4/18/2011	InspireMD, Inc.	\$1.50	7.0	\$10.4	\$4.4	\$1.5	\$4.9	(\$3.1)	(\$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	(\$9.5)	(\$13.0)	(\$8.2)
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	(\$5.7)	(\$9.9)	(\$5.0)

nm: not meaningful

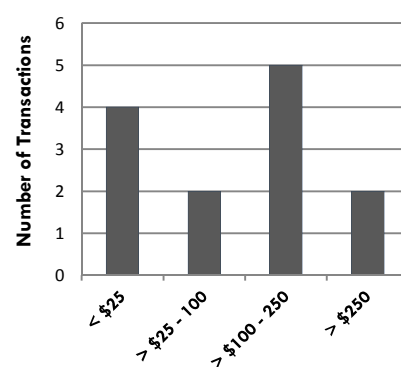
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
2/17/2017	Vascular Solutions, Inc.	Teleflex Incorporated	\$1,031.0	100%	\$160.0	6.2x
11/18/2016	Selexys Pharmaceuticals	Novartis AG	\$665.0	100%	N/A	N/A
4/4/2016	Creganna-Tactx Medical	Tyco Electronics UK Holdings	\$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
Median of the 19 M&A Transaction Targets			\$375.0	100%	\$110.1	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 December 31, 2016

Medical Device Industry Aggregates



Comparable Public Company Key Statistics

Median 52-Week Return	8.5%	Median EV/Revenue Multiple	3.9x	Median Price/Earnings Multiple	35.8x
Median Year-to-Date Return	8.5%	Median EV/EBITDA Multiple	16.0x	Median EV/Gross CF Multiple	27.6x

Comparable Public Company Market Price Returns (As of December 31, 2016)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
ABIOMED, Inc.	24.8%	-12.4%	24.8%	72.1%	61.5%	43.6%	137.2%	42.3%	99.0%	-27.2%	92.2%
AngioDynamics Inc.	39.0%	-3.8%	39.0%	-5.8%	-0.6%	2.6%	-36.1%	10.8%	56.1%	-25.8%	-3.6%
Atossa Genetics, Inc.	-70.6%	-32.9%	-70.6%	-74.4%	-65.7%	N/A	-77.6%	-38.4%	-40.5%	N/A	N/A
AtriCure, Inc.	-12.8%	23.7%	-12.8%	-1.0%	1.6%	12.0%	12.4%	6.9%	170.7%	-37.8%	8.1%
Becton, Dickinson and Company	7.4%	-7.9%	7.4%	9.1%	14.4%	17.2%	10.7%	25.9%	41.3%	4.6%	-11.6%
BIOLASE, Inc.	66.4%	-20.0%	66.4%	-27.0%	-20.8%	-10.6%	-68.0%	-6.6%	56.1%	-26.6%	52.8%
Boston Scientific Corporation	17.3%	-9.1%	17.3%	27.8%	21.6%	32.3%	39.2%	10.2%	109.8%	7.3%	-29.5%
Cardiovascular Systems Inc.	60.1%	2.0%	60.1%	-10.3%	-11.0%	19.7%	-49.7%	-12.3%	173.2%	27.4%	-15.5%
CAS Medical Systems Inc.	-9.0%	-6.9%	-9.0%	-1.2%	-1.8%	-1.6%	7.3%	-2.9%	-20.9%	23.0%	-45.4%
CryoLife Inc.	77.6%	9.0%	77.6%	30.0%	20.0%	31.9%	-4.9%	2.2%	78.0%	29.8%	-11.4%
Cutera, Inc.	35.7%	45.6%	35.7%	27.5%	19.4%	18.4%	19.8%	4.9%	13.1%	20.8%	-10.1%
Cytosorbents Corporation	-2.2%	-14.8%	-2.2%	-26.0%	20.4%	6.4%	-44.0%	218.4%	-3.8%	-18.8%	14.4%
Daxor Corp.	8.5%	4.7%	8.5%	8.7%	6.5%	-2.0%	8.9%	2.2%	-10.1%	-16.5%	-1.6%
Delcath Systems, Inc.	-88.5%	-62.8%	-88.5%	-78.2%	-75.8%	-74.0%	-58.7%	-70.3%	-79.3%	-59.7%	-68.9%
DexCom, Inc.	-27.1%	-31.9%	-27.1%	4.1%	19.0%	45.0%	48.8%	55.5%	160.6%	46.0%	-31.8%
Endologix Inc.	-42.2%	-55.3%	-42.2%	-38.8%	-31.0%	-13.0%	-35.3%	-12.3%	22.5%	24.0%	60.6%
EnteroMedics Inc.	2.5%	-78.8%	-98.5%	-96.3%	-90.2%	-74.3%	-90.8%	-30.4%	-27.1%	64.7%	-44.8%
Escalon Medical Corp.	-90.1%	-84.3%	-90.1%	-74.5%	-62.4%	-36.3%	-34.2%	-18.3%	107.3%	-5.0%	-33.3%
Globus Medical, Inc.	-10.8%	9.9%	-10.8%	2.2%	7.1%	N/A	17.0%	17.8%	92.4%	N/A	N/A
InspireMD, Inc.	-88.6%	21.5%	-88.6%	-88.7%	-84.0%	-74.2%	-88.7%	-68.4%	-36.9%	-55.3%	N/A
LeMaitre Vascular, Inc.	46.9%	27.7%	46.9%	82.0%	46.8%	33.8%	125.5%	-4.5%	39.5%	-3.0%	-12.6%
Merit Medical Systems, Inc.	42.5%	9.1%	42.5%	23.7%	19.0%	14.6%	7.3%	10.1%	13.2%	3.9%	5.7%
MGC Diagnostics Corporation	19.5%	12.7%	19.5%	11.0%	-14.6%	8.6%	3.1%	-49.4%	114.6%	13.0%	0.4%
NeuroMetrix Inc.	-62.7%	-52.7%	-62.7%	-69.2%	-60.2%	-52.3%	-74.6%	-33.2%	12.5%	-65.4%	-69.4%
NuVasive, Inc.	24.5%	1.1%	24.5%	19.5%	27.7%	39.9%	14.7%	45.9%	109.1%	22.8%	-50.9%
Nxstage Medical, Inc.	19.6%	4.9%	19.6%	20.9%	37.9%	8.1%	22.2%	79.3%	-11.1%	-36.7%	-28.5%
Stryker Corporation	28.9%	2.9%	28.9%	12.7%	16.8%	19.2%	-1.5%	25.5%	37.1%	10.3%	-7.4%
Sunshine Heart, Inc.	-74.1%	-37.5%	-74.1%	-71.3%	-67.0%	N/A	-68.2%	-56.3%	59.4%	N/A	N/A
Tandem Diabetes Care, Inc.	-81.8%	-71.9%	-81.8%	-58.9%	-56.3%	N/A	-7.0%	-50.7%	N/A	N/A	N/A
The Cooper Companies, Inc.	30.4%	-2.4%	30.4%	3.9%	12.2%	19.9%	-17.2%	30.9%	33.9%	31.1%	25.2%
TransEnterix, Inc.	-47.6%	-23.1%	-47.6%	-33.2%	-46.0%	N/A	-14.8%	-64.7%	N/A	N/A	N/A
Utah Medical Products, Inc.	24.3%	21.7%	24.3%	10.1%	8.4%	21.9%	-2.5%	5.1%	58.6%	33.5%	0.4%
Varian Medical Systems, Inc.	11.1%	-9.8%	11.1%	1.9%	4.9%	6.0%	-6.6%	11.4%	10.6%	4.6%	-3.1%
Median of Industry Public Companies	8.5%	-6.9%	8.5%	1.9%	4.9%	10.3%	-4.9%	2.2%	39.5%	4.6%	-10.1%

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

Quarterly Industry Update

As of December 31, 2016

Medical Device Industry Aggregates



Median Public Company Multiples of the Medical Device Industry Aggregates

Date:	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
EV/Revenues Multiple	3.0x	3.5x	3.3x	3.1x	3.5x	3.1x	3.2x	3.7x	3.9x
EV/EBITDA Multiple	13.0x	14.5x	14.0x	14.3x	13.3x	14.9x	15.2x	17.2x	16.0x
Price/Earnings Multiple	34.8x	34.9x	36.0x	35.0x	33.4x	34.0x	35.2x	40.7x	35.8x
EV/Gross Cash Flows Multiple	23.0x	27.8x	30.1x	26.8x	40.0x	27.0x	27.2x	28.0x	27.6x

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	(\$2.7)	(\$3.3)	(\$2.6)
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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