

Quarterly Industry Update

As of March 31, 2017

Industry: Medical Devices



Industry Summary

Cogent Valuation identified Medical Devices publicly traded companies, IPOs, and recent M&A transactions within the Medical 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. Over the last year since March 31, 2016, the median 52-week share price return of the Medical Devices industry was 18.2%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple increased from 14.5 to 16.0. Furthermore, the median price-to-earnings multiple increased from 34.9 to 44.7 over the same period.

Comparable Public Company Key Statistics

Median 52-Week Return	14.8%	Median EV/Revenue Multiple	4.2x	Median Price/Earnings Multiple	44.7x
Median Year-to-Date Return	6.5%	Median EV/EBITDA Multiple	16.0x	Median EV/Gross CF Multiple	28.2x

Comparable Public Company Market Price Returns (As of March 31, 2017)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
ABIOMED, Inc.	38.7%	11.1%	32.1%	32.3%	68.8%	41.3%	137.2%	42.3%	99.0%	-27.2%	92.2%
AngioDynamics, Inc.	42.9%	2.8%	41.2%	-1.2%	3.3%	7.2%	-36.1%	10.8%	56.1%	-25.8%	-3.6%
Atossa Genetics Inc.	-84.2%	-46.1%	-85.3%	-83.2%	-68.9%	N/A	-77.6%	-38.4%	-40.5%	N/A	N/A
AtriCure, Inc.	-14.7%	-2.1%	13.8%	-3.3%	0.6%	14.0%	12.4%	6.9%	170.7%	-37.8%	8.1%
Becton, Dickinson and Company	19.0%	10.8%	20.8%	13.0%	16.1%	18.8%	10.7%	25.9%	41.3%	4.6%	-11.6%
BIOLASE, Inc.	60.5%	-3.6%	3.1%	-18.2%	-17.6%	-12.3%	-68.0%	-6.6%	56.1%	-26.6%	52.8%
Boston Scientific Corporation	34.9%	15.0%	32.2%	18.4%	22.5%	33.0%	39.2%	10.2%	109.8%	7.3%	-29.5%
Cardiovascular Systems, Inc.	87.0%	16.8%	172.7%	-14.9%	-3.8%	25.0%	-49.7%	-12.3%	173.2%	27.4%	-15.5%
CAS Medical Systems, Inc.	-18.1%	-9.9%	2.1%	4.2%	-12.6%	-7.9%	7.3%	-2.9%	-20.9%	23.0%	-45.4%
CryoLife, Inc.	54.5%	-13.1%	54.9%	26.7%	18.7%	25.9%	-4.9%	2.2%	78.0%	29.8%	-11.4%
Cutera, Inc.	61.8%	19.3%	84.0%	26.6%	22.8%	19.3%	19.8%	4.9%	13.1%	20.8%	-10.1%
Cytosorbents Corporation	-19.2%	-17.4%	14.8%	-41.6%	-7.8%	4.7%	-44.0%	218.4%	-3.8%	-18.8%	14.4%
Daxor Corporation	-2.6%	-10.2%	-7.8%	14.0%	-3.6%	-3.9%	8.9%	2.2%	-10.1%	-16.5%	-1.6%
Delcath Systems, Inc.	-98.9%	-90.5%	-98.1%	-92.4%	-89.3%	-83.9%	-58.7%	-70.3%	-79.3%	-59.7%	-68.9%
DexCom, Inc.	3.5%	41.9%	24.8%	16.6%	27.0%	52.0%	48.8%	55.5%	160.6%	46.0%	-31.8%
Endologix, Inc.	-26.9%	26.6%	-13.4%	-34.9%	-17.4%	-13.1%	-35.3%	-12.3%	22.5%	24.0%	60.6%
EnteroMedics Inc.	-95.8%	188.0%	-91.5%	-92.3%	-85.6%	-70.0%	-90.8%	-30.4%	-27.1%	64.7%	-44.8%
Escalon Medical Corp.	-90.6%	-4.8%	-87.5%	-72.8%	-59.7%	-37.0%	-34.2%	-18.3%	107.3%	-5.0%	-33.3%
Globus Medical, Inc.	6.5%	19.4%	24.7%	8.3%	3.7%	N/A	17.0%	17.8%	92.4%	N/A	N/A
InspireMD, Inc.	-95.5%	-60.4%	-92.2%	-88.9%	-89.1%	-77.7%	-88.7%	-68.4%	-36.9%	-55.3%	N/A
LeMaitre Vascular, Inc.	42.8%	-2.8%	58.7%	71.4%	45.1%	33.1%	125.5%	-4.5%	39.5%	-3.0%	-12.6%
Merit Medical Systems, Inc.	55.5%	9.1%	56.3%	22.5%	26.4%	18.4%	7.3%	10.1%	13.2%	3.9%	5.7%
MGC Diagnostics Corporation	26.7%	6.0%	36.3%	7.6%	-9.8%	7.8%	3.1%	-49.4%	114.6%	13.0%	0.4%
NeuroMetrix, Inc.	-68.7%	-16.1%	-66.1%	-69.6%	-59.5%	-48.9%	-74.6%	-33.2%	12.5%	-65.4%	-69.4%
NuVasive, Inc.	38.0%	10.9%	53.5%	27.4%	24.8%	34.7%	14.7%	45.9%	109.1%	22.8%	-50.9%
Nxstage Medical, Inc.	22.5%	2.4%	79.0%	24.5%	28.2%	6.8%	22.2%	79.3%	-11.1%	-36.7%	-28.5%
Strata Skin Sciences, Inc.	-45.5%	37.5%	-36.0%	-51.5%	-54.0%	-57.7%	-7.5%	-81.3%	-64.2%	-51.5%	10.1%
Stryker Corporation	41.7%	9.9%	22.7%	19.5%	17.3%	18.9%	-1.5%	25.5%	37.1%	10.3%	-7.4%
Tandem Diabetes Care, Inc.	-89.8%	-44.2%	-86.2%	-69.2%	-62.1%	N/A	-7.0%	-50.7%	N/A	N/A	N/A
The Cooper Companies, Inc.	48.9%	14.3%	29.8%	3.3%	13.3%	19.6%	-17.2%	30.9%	33.9%	31.1%	25.2%
TransEnterix, Inc.	-51.2%	-6.9%	-71.5%	-35.7%	-49.4%	N/A	-14.8%	-64.7%	N/A	N/A	N/A
Utah Medical Products, Inc.	6.4%	-14.4%	-0.4%	2.0%	2.5%	14.9%	-2.5%	5.1%	58.6%	33.5%	0.4%
Varian Medical Systems, Inc.	12.8%	1.5%	13.9%	-1.6%	2.8%	5.7%	-6.6%	11.4%	10.6%	4.6%	-3.1%
Median of Industry Public Companies	6.5%	2.4%	14.8%	2.0%	0.6%	7.8%	-4.9%	2.2%	37.1%	4.6%	-8.8%

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

Quarterly Industry Update

As of March 31, 2017

Industry: Medical Devices



Median Public Company Multiples of the Industry: Medical Devices

Date:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	3.5x	3.6x	3.1x	3.4x	3.1x	3.1x	3.7x	3.8x	4.2x
EV/EBITDA Multiple	14.5x	14.0x	14.3x	13.3x	14.9x	15.2x	17.2x	16.2x	16.0x
Price/Earnings Multiple	34.9x	36.0x	35.0x	33.4x	34.0x	35.2x	40.7x	35.8x	44.7x
EV/Gross Cash Flows Multiple	27.8x	30.1x	26.8x	40.0x	27.0x	27.2x	28.0x	26.4x	28.2x

Industry Initial Public Offerings - Industry: Medical Devices (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
12/8/2016	Acarix A/S	\$1.93	8.0	\$15.3	N/A	N/A	N/A	N/A	N/A	N/A
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)
7/12/2016	Vincent Medical Holdings Limited	\$0.13	89.3	\$16.4	\$41.3	\$0.6	\$57.8	\$10.5	\$7.5	\$12.2
4/28/2016	PAVmed Inc.	\$5.00	1.1	\$5.3	\$1.2	\$0.0	\$0.0	\$0.0	(\$1.8)	\$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
11/10/2015	Advanced Accelerator Applications S.A.	\$16.00	4.7	\$75.0	\$233.9	\$27.1	\$88.7	\$1.2	(\$17.3)	\$9.6
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 Corporation	\$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)
4/30/2012	Supernus Pharmaceuticals, Inc.	\$5.00	3.4	\$50.0	\$53.7	\$29.5	\$0.8	(\$36.9)	\$53.8	(\$36.2)
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)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$499.2	\$133.8	\$223.4	\$13.2	(\$62.1)	\$28.6
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)
Median of All IPOs		nm	nm	\$62.5	\$48.6	\$9.1	\$14.6	(\$6.6)	(\$10.3)	(\$3.6)

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 March 31, 2017

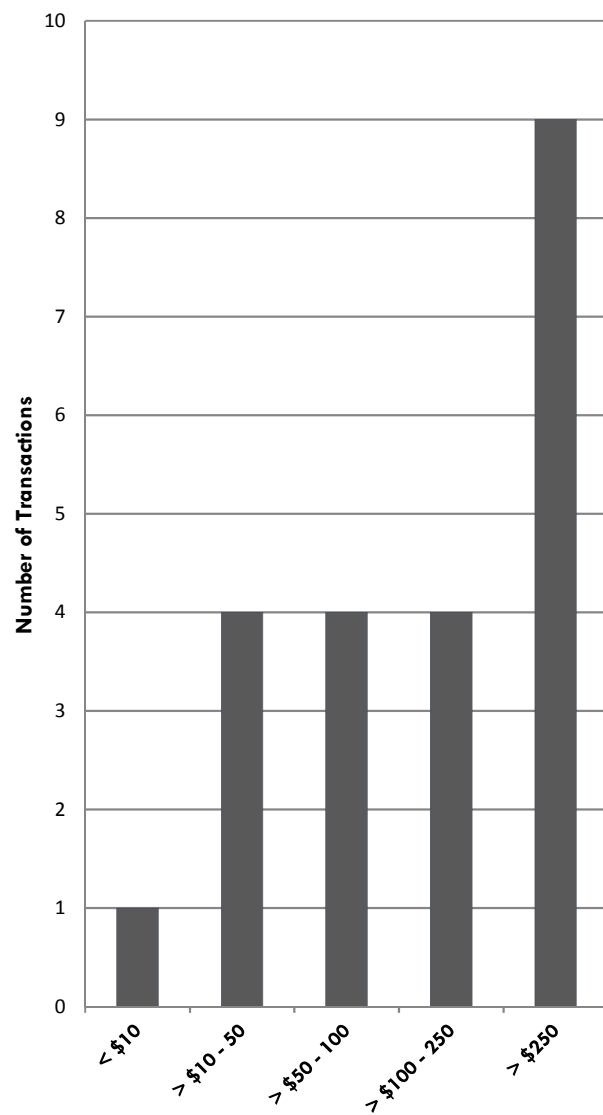
Industry: Medical Devices



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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/17/2017	Vascular Solutions, Inc.	Teleflex Incorporated	\$1,007.2	100%
1/4/2017	St. Jude Medical, Inc.	Abbott Laboratories	\$30,174.8	100%
12/8/2016	Lifeline Scientific, Inc.	Shanghai Genext Medical	\$81.4	100%
11/21/2016	EndoChoice Holdings, Inc.	Boston Scientific	\$250.7	100%
9/16/2016	Laborie Medical Technologies,	Patricia Industries AB	\$640.0	97%
9/1/2016	Xeridiam Medical Devices, Inc.	PPC Industries, Inc.	\$10.5	100%
8/22/2016	Heartware International Inc.	Medtronic, Inc.	\$1,254.8	100%
7/14/2016	Sequent Medical, Inc.	MicroVention, Inc.	\$380.0	100%
6/29/2016	CogENT Therapeutics, LLC	Entellus Medical, Inc.	\$11.0	100%
5/2/2016	CORPAK MedSystems, Inc.	Halyard Health, Inc.	\$174.0	100%
4/29/2016	Alcoa Remmele Medical	Lisi Medical SAS	\$102.0	100%
4/8/2016	Biosensors International	CITIC Private Equity Funds	\$1,104.4	80%
4/4/2016	Creganna-Tactx Medical	TE Connectivity Ltd.	\$895.0	100%
3/24/2016	Magellan Diagnostics, Inc.	Meridian Bioscience, Inc.	\$66.0	100%
2/3/2016	TriVascular Technologies, Inc.	Endologix, Inc.	\$173.1	100%
1/29/2016	Inova Labs, Inc.	ResMed Inc.	\$110.0	100%
1/25/2016	Cardiac Science Corporation	CFS 915 LLC	\$82.7	100%
1/8/2016	NorMedix, Inc.	SurModics, Inc. (nka:Surmodics,	\$14.0	100%
9/28/2015	Lazarus Effect, Inc.	Medtronic plc	\$100.0	100%
9/22/2015	DreamCIS, Inc.	Hangzhou Tigermed Consulting	\$28.6	98%
9/8/2015	Rizzoli Ortopedia S.p.A.	ab medica s.p.a.	\$5.6	100%
8/31/2015	Tendyne Holdings Inc.	Abbott Laboratories	\$360.0	90%
7/30/2015	Altura Medical, Inc.	Lombard Medical, Inc.	\$49.0	100%
6/18/2015	CardioInsight Technologies Inc.	Medtronic plc	\$123.0	100%
2/17/2015	Volcano Corporation	Philips Holding USA Inc.	\$1,363.5	100%
8/8/2014	Avalon Laboratories, LLC	Nordson Medical	\$180.0	100%
7/1/2014	ECP Entwick.	ABIOMED Europe GmbH	\$34.3	100%
5/30/2014	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%
Median of the 28 M&A Transaction Targets			\$148.1	100%

Size of the 28 M&A Transactions (dollars in millions)



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