

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 June 30, 2016, the median 52-week share price return of the Cardiovascular Equipment industry was 34.4%. Between June 30, 2015 and June 30, 2017, the median EV/EBITDA multiple increased from 15.9 to 20.8. Furthermore, the median price-to-earnings multiple increased from 29.4 to 39.9 over the same period.

Public Company Key Statistics

Median 52-Week
Return

34.4%

Median 3-Year CAGR
Return

-29.5%

Median EV/Revenue
Multiple

20.8x

Median EV/EBITDA
Multiple

20.8x

Median Price/Earnings
Multiple

39.9x

Median EV/Gross CF
Multiple

39.3x

Comparable Public Company Market Price Returns as of June 30, 2017

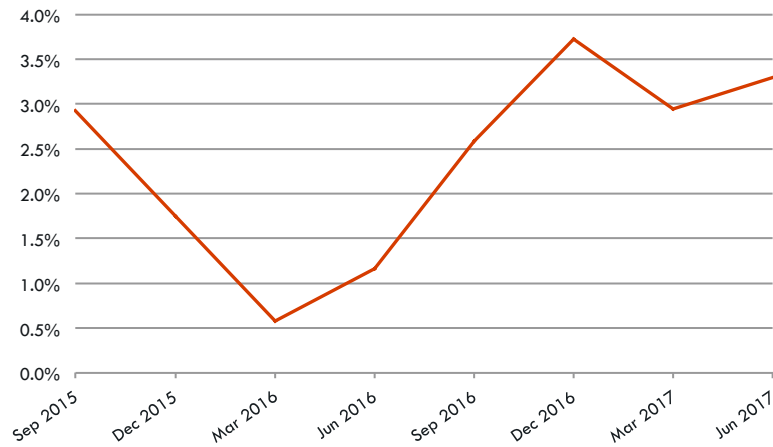
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 2016 | 2015 | 2014 |
|-------------------------------------|-------|---------|--------|--------|--------|--------|--------|--------|
| ABIOMED, Inc. | 27.2% | 14.5% | 31.1% | 47.7% | 78.6% | 24.8% | 137.2% | 42.3% |
| BioTelemetry, Inc. | 49.7% | 15.5% | 105.2% | 88.3% | 67.1% | 91.4% | 16.5% | 26.3% |
| Boston Scientific Corporation | 28.2% | 11.5% | 18.6% | 25.1% | 29.5% | 17.3% | 39.2% | 10.2% |
| Cardiovascular Systems, Inc. | 33.1% | 14.0% | 75.4% | 10.4% | 1.1% | 60.1% | -49.7% | -12.3% |
| C. R. Bard, Inc. | 40.7% | 27.2% | 34.4% | 36.1% | 30.3% | 18.6% | 13.7% | 24.4% |
| CryoLife, Inc. | 4.2% | 19.8% | 68.9% | 33.0% | 30.6% | 77.6% | -4.9% | 2.2% |
| Edwards Lifesciences Corporation | 26.2% | 25.7% | 18.6% | 28.9% | 40.2% | 18.6% | 24.0% | 93.7% |
| Medtronic plc | 24.6% | 10.2% | 2.3% | 9.4% | 11.7% | -7.4% | 6.5% | 25.8% |
| St. James's Place plc | 22.6% | 15.4% | 47.1% | 3.8% | 5.6% | -15.8% | 17.1% | 5.3% |
| Teleflex Incorporated | 28.9% | 7.2% | 17.2% | 23.8% | 25.3% | 22.6% | 14.5% | 22.3% |
| The Spectranetics Corporation | 56.7% | 31.8% | 105.2% | 29.2% | 18.8% | 62.7% | -56.4% | 38.3% |
| Median of Industry Public Companies | 28.2% | 15.4% | 34.4% | 28.9% | 29.5% | 22.6% | 14.5% | 24.4% |

Multiple year periods are calculated as the average annual return.

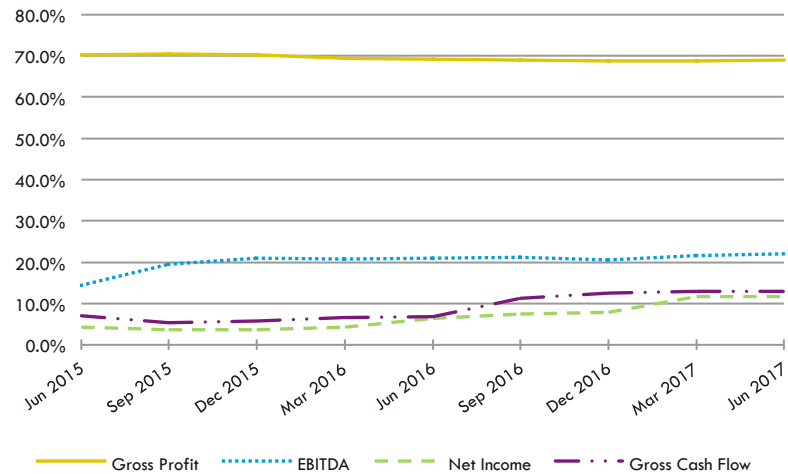
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of Cardiovascular Equipment Companies



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



Median Public Companies

The chart below illustrates Public Company Multiples.

| | 6/30/17 | 3/31/16 | 12/31/16 | 9/30/16 | 6/30/16 | 3/31/16 | 12/10/15 | 9/30/15 |
|-------------------------------------|---------|---------|----------|---------|---------|---------|----------|---------|
| EV/Revenues Multiple | 5.0x | 4.7x | 4.2x | 4.8x | 4.5x | 4.1x | 3.8x | 3.5x |
| EV/EBITDA Multiple | 20.8x | 18.2x | 16.3x | 17.6x | 19.0x | 16.6x | 16.4x | 15.8x |
| Price/Earnings Multiple | 39.9x | 35.5x | 32.5x | 38.2x | 36.8x | 38.4x | 33.2x | 34.7x |
| EV/Gross Cash Flows Multiple | 39.3x | 34.7x | 29.5x | 36.6x | 30.2x | 33.2x | 31.2x | 32.2x |

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: Title Here (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 |
|--------------------|--------------------------------------|-------------|----------------|---------------|--------------|--------|--------------|------------|----------------|----------------|
| 11/17/11 | Sphere Medical Holding PLC | \$1.46 | 15.1 | \$22.1 | \$1.5 | \$3.8 | \$0.0 | (\$6.6) | (\$7.0) | (\$6.3) |
| 4/18/11 | InspireMD, Inc. | \$1.50 | 7.0 | \$10.4 | \$4.4 | \$1.5 | \$4.9 | (\$3.1) | (\$3.4) | (\$3.0) |
| 2/10/11 | Kips Bay Medical, Inc. | \$8.00 | 2.1 | \$16.5 | \$7.2 | \$0.0 | \$0.1 | (\$8.7) | (\$10.2) | (\$8.6) |
| 3/18/08 | BioTelemetry, Inc. | \$18.00 | 4.5 | \$81.0 | \$103.0 | \$2.8 | \$73.0 | \$5.2 | (\$0.4) | \$8.9 |
| 6/14/06 | Volcano Corporation | \$8.00 | 6.8 | \$54.4 | \$62.0 | \$31.1 | \$95.3 | (\$4.2) | (\$17.8) | \$0.5 |
| 12/12/05 | Lombard Medical Technologies Limited | \$2.82 | 14.4 | \$47.0 | \$11.8 | \$7.4 | \$0.1 | (\$9.5) | (\$13.0) | (\$8.2) |
| 8/5/05 | AtriCure, Inc. | \$12.00 | 4.0 | \$48.0 | \$12.4 | \$0.0 | \$22.9 | (\$4.8) | (\$9.7) | (\$3.7) |
| 8/11/04 | 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) |

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

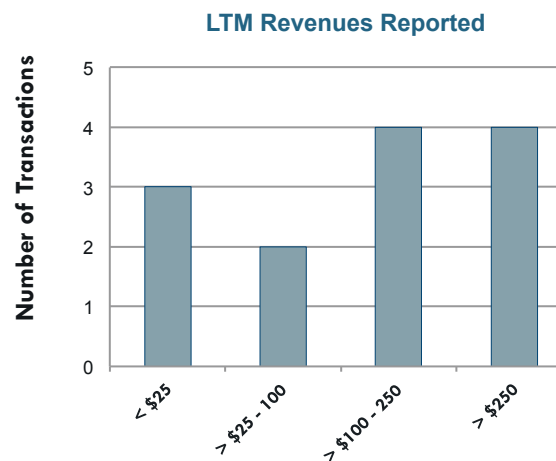
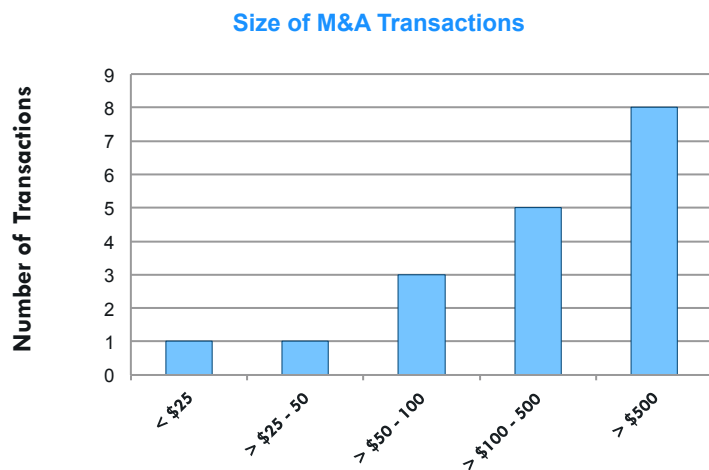
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/ Revenues |
|--|-------------------------------|-----------------------------------|-------------------|-------------|------------------|--------------|
| 8/9/17 | The Spectranetics Corporation | Philips Holding USA Inc. | \$2,117.3 | 100% | \$277.6 | 7.5x |
| 2/17/17 | Vascular Solutions, Inc. | Teleflex Incorporated | \$1,007.2 | 100% | \$160.0 | 6.1x |
| 1/4/17 | St. Jude Medical, Inc. | Abbott Laboratories | \$30,336.5 | 100% | \$5,644.0 | 5.3x |
| 11/18/16 | Selexys Pharmaceuticals | Novartis AG | \$665.0 | 100% | N/A | N/A |
| 4/4/16 | Creganna-Tactx Medical | Tyco Electronics UK Holdings Ltd. | \$895.0 | 100% | \$249.0 | 3.6x |
| 10/8/15 | Thoratec Corp. | SJM International, Inc. | \$3,683.3 | 100% | \$483.8 | 7.0x |
| 9/28/15 | Lazarus Effect, Inc. | Medtronic plc | \$100.0 | 100% | N/A | N/A |
| 7/30/15 | Altura Medical, Inc. | Lombard Medical, Inc. | \$49.0 | 100% | N/A | N/A |
| 6/18/15 | CardioInsight Technologies | Medtronic plc | \$123.0 | 100% | N/A | N/A |
| 5/30/14 | CardioMEMS, Inc. | St. Jude Medical Inc. | \$375.0 | 81% | N/A | N/A |
| 2/20/14 | Oscor Inc., Lead Business | Sorin SpA | \$20.0 | 100% | N/A | N/A |
| 12/1/13 | CircuLite, Inc. | Heartware International | \$401.8 | 100% | \$1.3 | N/A |
| 8/11/13 | Cardiacom | Medtronic | \$200.0 | 100% | \$50.0 | 4.0x |
| 7/3/12 | eResearchTechnology | Genstar Capital | \$423.5 | 100% | \$193.7 | 1.9x |
| 5/31/12 | SunTech Medical Group | Halma | \$57.0 | 100% | \$23.0 | 2.3x |
| 4/25/12 | ZOLL Medical | Asahi Kasei | \$2,216.2 | 100% | \$544.3 | 3.9x |
| 8/31/11 | PEAK Surgical | Medtronic | \$96.0 | 81% | \$20.0 | 5.9x |
| 12/21/10 | Clariant | GE Healthcare | \$597.9 | 100% | \$110.1 | 5.3x |
| Median of the 18 M&A Transaction Targets | | | \$423.5 | 100% | \$160.0 | 5.1x |

■ Highest
 ■ Lowest
 ■ Median

)

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2017



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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.

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