

## Wearable Devices

### INDUSTRY SUMMARY

COGENT VALUATION identified **Wearable Devices** 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. Over the last year since September 30, 2016, the median 52-week share price return of the Wearable Devices industry was 21.9%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple increased from 12.9 to 17.8. Furthermore, the median price-to-earnings multiple increased from 29.9 to 40.6 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.8% and 16.5%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

21.9%

Median 3-Year CAGR  
Return

15.1%

Median EV/Revenue  
Multiple

2.5x

Median EV/EBITDA  
Multiple

17.8x

Median Price/Earnings  
Multiple

40.6x

Median EV/Gross CF  
Multiple

36.4x

## Comparable Public Company Market Price Returns as of September 30, 2017

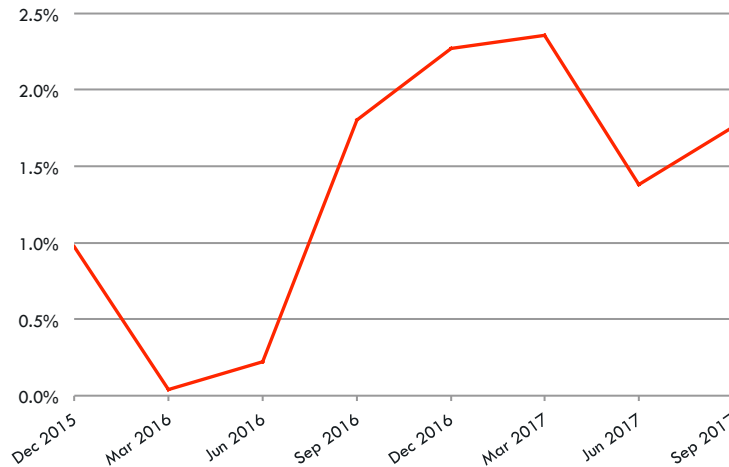
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
<b>CONMED Corporation</b>	18.8%	14.7%	6.7%	-6.5%	4.9%	0.3%	-2.0%	5.8%
<b>C. R. Bard, Inc.</b>	42.7%	27.2%	34.4%	36.1%	30.3%	18.6%	13.7%	24.4%
<b>Exactech, Inc.</b>	20.7%	18.3%	11.4%	19.6%	5.7%	50.4%	-23.0%	-0.8%
<b>Integra LifeSciences Holdings</b>	17.7%	29.4%	36.7%	27.2%	32.3%	26.6%	25.0%	13.7%
<b>Orthofix International N.V.</b>	30.6%	21.8%	9.6%	18.5%	8.6%	-7.7%	30.4%	31.7%
<b>ResMed Inc.</b>	24.0%	8.2%	23.2%	17.5%	15.4%	15.6%	-4.2%	19.1%
<b>Zemach Hammerman Ltd.</b>	1.6%	-9.8%	8.9%	12.0%	3.4%	50.3%	2.7%	-8.8%
<b>Median of Industry Public Companies</b>	<b>20.7%</b>	<b>18.3%</b>	<b>11.4%</b>	<b>18.5%</b>	<b>8.6%</b>	<b>18.6%</b>	<b>2.7%</b>	<b>13.7%</b>

Multiple year periods are calculated as the average annual return.

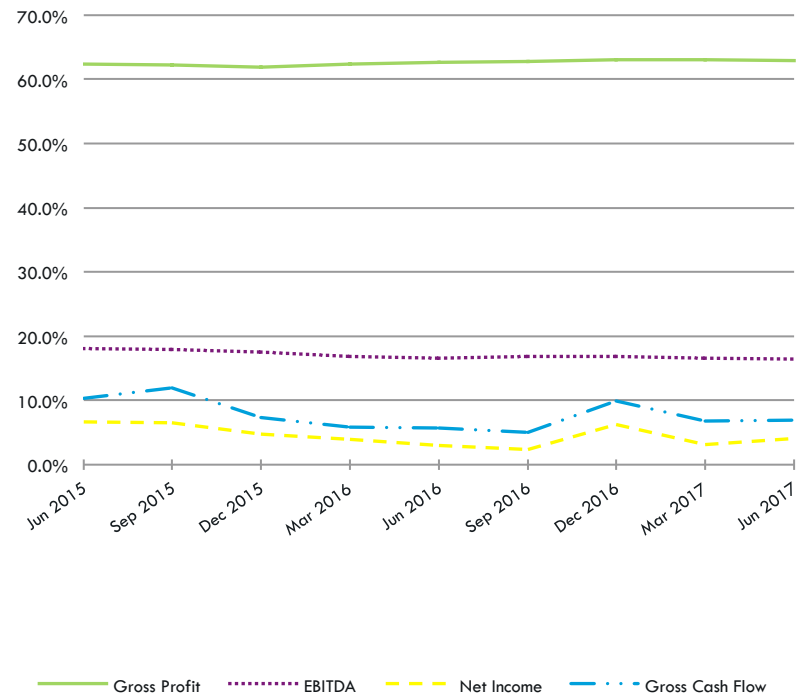
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Wearable Devices Companies



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



## Public Company Median Multiples by Quarter

	9/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
<b>EV/Revenues Multiple</b>	2.5x	2.2x	2.3x	2.2x	2.5x	1.9x	2.0x	2.1x
<b>EV/EBITDA Multiple</b>	17.8x	16.0x	15.6x	16.2x	16.3x	15.4x	14.3x	12.9x
<b>Price/Earnings Multiple</b>	40.6x	34.1x	32.5x	34.5x	43.0x	23.2x	18.8x	29.9x
<b>EV/Gross Cash Flows Multiple</b>	36.4x	31.4x	25.9x	43.6x	25.7x	43.4x	22.2x	32.6x

 Highest Multiple

 Lowest Multiple

 Median Multiple

## Industry Initial Public Offerings—Industry: Wearable 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
9/21/17	BioServo Technologies AB (publ)	\$2.74	2.7	\$7.4	\$5.5	\$0.0	\$1.3	(\$1.2)	(\$1.4)	(\$1.2)
11/3/16	Neurotech International Limited	\$0.15	35.0	\$5.4	\$7.1	\$0.5	\$0.2	(\$4.3)	(\$5.1)	(\$4.2)
10/18/11	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.2)
2/2/11	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$12.4	(\$39.5)	\$27.8
5/4/06	Northstar Neuroscience, Inc.	\$15.00	7.1	\$106.5	\$19.1	\$6.0	\$0.0	(\$15.2)	(\$15.0)	(\$15.0)
<b>Median of all IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$93.8</b>	<b>\$21.2</b>	<b>\$6.0</b>	<b>\$61.7</b>	<b>(\$1.2)</b>	<b>(\$6.2)</b>	<b>(\$1.2)</b>

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
4/28/17	ZELTIQ Aesthetics, Inc.	Allergan plc	\$2,471.3	100%
3/26/15	Gyrus Group plc	Olympus Corporation	\$17.0	100%
1/7/15	PneumRx, Inc.	BTG International Inc.	\$475.0	100%
12/5/14	Symmetry Medical, Inc.	Tecomet, Inc.	\$0.0	100%
10/15/14	SARL ADVENCIS	bioMérieux SA	\$12.7	100%
8/26/14	N.G.C. Medical S.p.A.	Medtronic, Inc.	\$238.0	100%
8/25/14	Sapiens Steering Brain	Medtronic, Inc.	\$200.0	100%
8/8/14	Avalon Laboratories, LLC	Nordson Medical	\$180.0	100%
7/29/14	Ulthera, Inc.	Merz North America, Inc.	\$600.0	100%
7/2/14	Apica Cardiovascular Ltd.	Thoratec Switzerland	\$75.0	100%
7/1/14	ECP Entwicklungsgesellschaft	ABIOMED Europe GmbH	\$34.3	100%
7/1/14	Fuji Medical Instruments	Japan Waste Corporation	\$77.0	100%

■ USA   
 ■ International   
 ■ Highest   
 ■ Lowest   
 ■ Median

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

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/17/14	AtheroMed, Inc.	Volcano Corporation	\$170.9	100%
5/30/14	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%
5/15/14	Bioster S.p.A.	Synergy Health plc	\$39.7	100%
5/7/14	logyn, Inc.	Boston Scientific Corporation	\$65.0	72%
5/2/14	Silhouette Lift SL	Sinclair Holdings Iberia S.L.	\$22.9	65%
1/23/14	Solta Medical, Inc.	Valeant Pharmaceuticals	\$279.2	100%
7/16/13	Pioneer Surgical Tech.	RTI Biologics, Inc.	\$130.0	100%
1/4/13	Corin Group plc	Investimenti e Part.	\$57.6	100%
6/17/14	AtheroMed, Inc.	Volcano Corporation	\$103.5	100%
<b>Median of the 28 M&amp;A Transaction Targets</b>			<b>\$170.9</b>	<b>100%</b>

■ USA

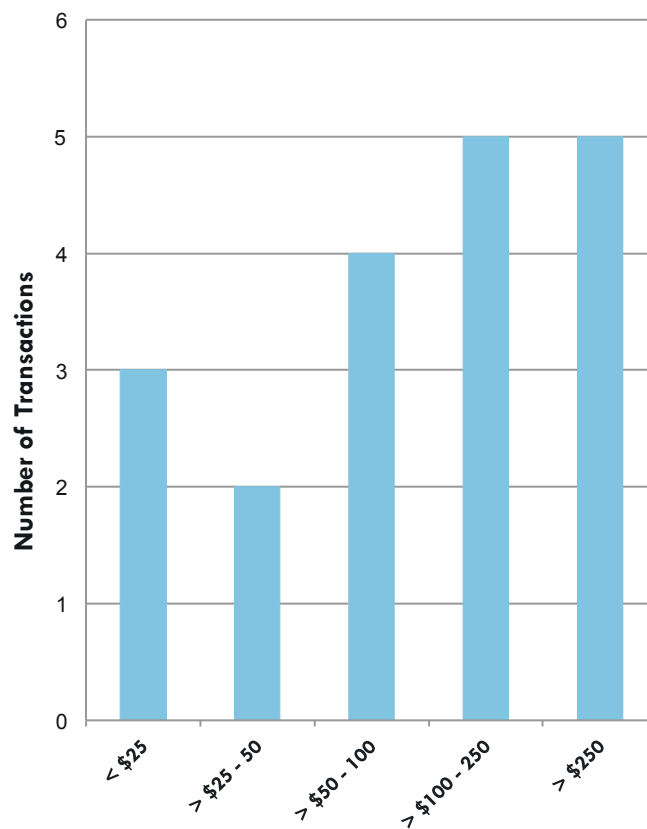
■ International

■ Highest

■ Lowest

■ Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of September 30, 2017





COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

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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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