cogent valuation
FINANCIAL OPINIONS

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 June 30, 2017, the median 52-week share price return of the Medical Devices industry was 18.0%. Between June 30, 2016 and June 30, 2018, the median EV/EBITDA multiple increased from 15.8 to 18.5. Furthermore, the median price-to-earnings multiple increased from 35.3 to 48.4 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.3% and 10.8%, respectively.

Public Company Key Statistics

Median 52-Week Return	Median 3-Year CAGR Return	Median EV/Revenue Multiple
17.2%	20.6%	5x
Median EV/EBITDA Multiple	**Median Price/Earnings Multiple**	**Median EV/Gross CF Multiple**
18.5x	48.4x	36.3x

Comparable Public Company Market Price Returns as of June 30, 2018

	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
ABIOMED, Inc.	118.3%	40.6%	1 Year	34.8%	89.4%	137.2%	42.3%	99.0%
AngioDynamics, Inc.	33.7%	28.9%	132.4%	13.8%	7.6%	-36.1%	10.8%	56.1%
Atossa Genetics Inc.	-30.3%	-58.9%	-0.6%	-78.6%	-70.3%	-77.6%	-38.4%	-40.5%
AtriCure, Inc.	48.3%	31.8%	-41.3%	1.0%	15.0%	12.4%	6.9%	170.7%
Becton, Dickinson and Company	11.9%	10.5%	7.2%	21.5%	19.9%	10.7%	25.9%	41.3%
BIOLASE, Inc.	-43.2%	-40.4%	18.1%	-18.2%	-37.7%	-68.0%	-6.6%	56.1%
Boston Scientific Corporation	31.9%	19.7%	-69.9%	33.3%	35.2%	39.2%	10.2%	109.8%
Cardiovascular Systems, Inc.	36.5%	47.5%	9.9%	33.3%	6.0%	-49.7%	-12.3%	173.2%
CAS Medical Systems, Inc.	153.3%	54.8%	-22.4%	-14.2%	-22.0%	7.3%	-2.9%	-20.9%
CryoLife, Inc.	45.4%	38.9%	-13.1%	52.7%	32.0%	-4.9%	2.2%	78.0%
Cutera, Inc.	-11.1%	40.6%	20.4%	77.8%	60.0%	19.8%	4.9%	13.1%
Cytosorbents Corporation	8.5%	5.5%	142.8%	-0.9%	2.6%	-44.0%	218.4%	-3.8%
Daxor Corporation	109.5%	-12.2%	56.7%	-23.1%	-6.2%	8.9%	2.2%	-10.1%
InspireMD, Inc.	-76.9%	-30.5%	29.5%	-24.5%	7.0%	48.8%	55.5%	160.6%
LeMaitre Vascular, Inc.	13.8%	9.0%	-97.0%	-39.7%	-25.1%	-35.3%	-12.3%	22.5%
Merit Medical Systems, Inc.	5.0%	-67.7%	47.1%	-64.0%	-53.7%	-34.2%	-18.3%	107.3%
NeuroMetrix, Inc.	-18.4%	-8.1%	56.9%	19.9%	14.7%	17.0%	17.8%	92.4%
NuVasive, Inc.	-10.7%	-40.1%	-71.6%	-90.1%	-91.0%	-88.7%	-68.4%	-36.9%
Median of Industry Public Companies	**13.6%**	**19.9%**	**88.6%**	**75.2%**	**75.9%**	**125.5%**	**-4.5%**	**39.5%**

Multiple year periods are calculated as the average annual return.

Highest Return *Lowest Return* *Median Return*

Public Company Median Multiples by Quarter

	6/30/18	3/30/18	9/30/17	6/30/17	12/31/16	9/30/16	6/30/16	3/31/16
EV/Revenues Multiple	5.0x	3.8x	4.1x	4.4x	3.9x	3.7x	3.1x	3.1x
EV/EBITDA Multiple	18.5x	18.2x	15.6x	17.3x	16.4x	17.1x	15.8x	14.9x
Price/Earnings Multiple	48.4x	43.7x	46.6x	45.9x	38.5x	42.2x	35.3x	35.7x
EV/Gross Cash Flows Multiple	36.3x	30.2x	29.3x	29.6x	27.6x	29.1x	27.7x	27.7x

Highest Multiple *Lowest Multiple* *Median Multiple*

Industry Initial Public Offerings—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
5/31/18	Hancock Jaffe Laboratories, Inc.	$5.00	1.5	$130.5	$3.4	$1.2	$107.8	$16.7	($0.0)	$0.0
5/29/18	Voluntis S.A.	$16.18	2.2	$34.6	N/A	N/A	$1.4	($5.6)	N/A	N/A
3/22/18	Medartis Holding AG	$50.56	2.5	$45.2	$7.1	$0.5	$3.3	$0.0	($5.1)	($4.2)
11/22/17	IRRAS AB	$5.37	6.4	$11.4	$18.5	$9.9	$3.9	($0.0)	($17.8)	($16.3)
10/11/17	Biom'Up S.A.	$12.44	3.6	$15.3	$379.1	$10.5	N/A	N/A	$48.3	$91.6
6/20/17	Sedana Medical AB (publ)	$2.22	5.1	$5.4	$0.8	$0.0	$0.1	($2.3)	($2.3)	$0.0
10/5/16	Acarix A/S	$1.93	8.0	$75.0	$3.9	($0.3)	$3.6	($16.5)	($1.1)	$0.0
7/12/16	Neurotech International Limited	$0.15	35.0	$16.4	$208.7	$23.2	$59.6	$11.6	($18.2)	$10.1
4/28/16	Obalon Therapeutics, Inc.	$15.00	5.0	$5.3	$102.7	$39.5	$0.0	$0.0	($58.0)	($34.1)
2/28/16	Invent Medic Sweden AB (publ)	$0.13	89.3	$1.1	$24.4	$28.7	$0.1	$0.0	($32.0)	($22.0)
11/10/15	Advanced Accelerator Applications S.A.	$5.00	1.5	$75.0	$2.6	$0.0	$95.8	$1.8	($0.7)	($0.7)
6/4/15	EndoChoice Holdings, Inc.	$15.00	6.4	$95.3	$56.1	$0.0	$64.3	($39.7)	($29.1)	($27.6)
1/30/15	Avinger, Inc.	$13.00	5.0	$132.4	$301.9	$57.9	$11.2	($23.6)	($41.8)	($2.7)
12/19/14	MedoveX Corp.	$5.75	1.4	$78.0	$58.6	$47.7	$0.0	($0.7)	($53.4)	($45.0)
11/13/13	Nevro Corp.	$18.00	7.0	$120.0	$48.6	$29.3	$29.1	($37.1)	($48.1)	($34.2)
10/8/13	LDR Holding Corporation	$15.00	2.5	$75.0	$77.7	$53.2	$104.6	$2.6	($15.3)	$5.7
8/2/12	Globus Medical, Inc.	$12.00	8.3	$100.0	$367.3	$0.0	$363.0	$127.1	$67.0	$144.5
6/27/12	Tesaro, Inc.	$13.50	6.0	$81.0	$93.0	$0.0	$0.0	($23.2)	($23.2)	($23.2)
4/30/12	Supernus Pharmaceuticals, Inc.	$5.00	3.4	$50.0	$43.2	$29.1	$1.0	($35.5)	$55.6	($34.9)
11/17/11	Sphere Medical Holding PLC	$1.46	15.1	$22.1	$12.4	$0.0	$0.0	($4.5)	($5.1)	($4.2)
5/20/15	**Median of all IPOs**	**nm**	**nm**	**$62.5**	**$43.2**	**$9.1**	**$11.2**	**($4.3)**	**($10.9)**	**($3.6)**

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
4/30/18	Spinal Kinetics, Inc.	Blackstone Medical, Inc.	$105.0	76%
4/20/18	Cogentix Medical, Inc.	LM US Parent, Inc.	$238.1	100%
4/16/18	nVision Medical Corporation	Boston Scientific Corporation	$275.0	100%
1/23/18	Argon Medical Devices	Weigao International Medical	$844.2	100%
12/1/17	Harpoon Medical, Inc.	Edwards Lifesciences Corporation	$250.0	100%
12/1/17	JOTEC GmbH	CryoLife, Inc.	$253.6	100%
8/31/17	Eternity Healthcare, Inc.	Team Youn Bio Medicine	$1.2	100%
8/9/17	The Spectranetics Corporation	Philips Holding USA Inc.	$2,117.3	100%
6/19/17	Refine LLC	Sinclair Pharma plc	$7.3	100%
5/22/17	BarioSurg, Inc.	EnteroMedics Inc.	$31.3	100%
1/4/17	Nuelle, Inc.	Aytu BioScience, Inc.	$32.6	100%
12/8/16	Ergon Medical Limited	InnovaDerma PLC	$81.4	100%
11/21/16	EndoChoice Holdings, Inc.	Boston Scientific	$250.7	100%
9/16/16	Laborie Medical Technologies, Inc.	Patricia Industries AB	$640.0	97%

USA *International* *Highest* *Lowest* *Median*

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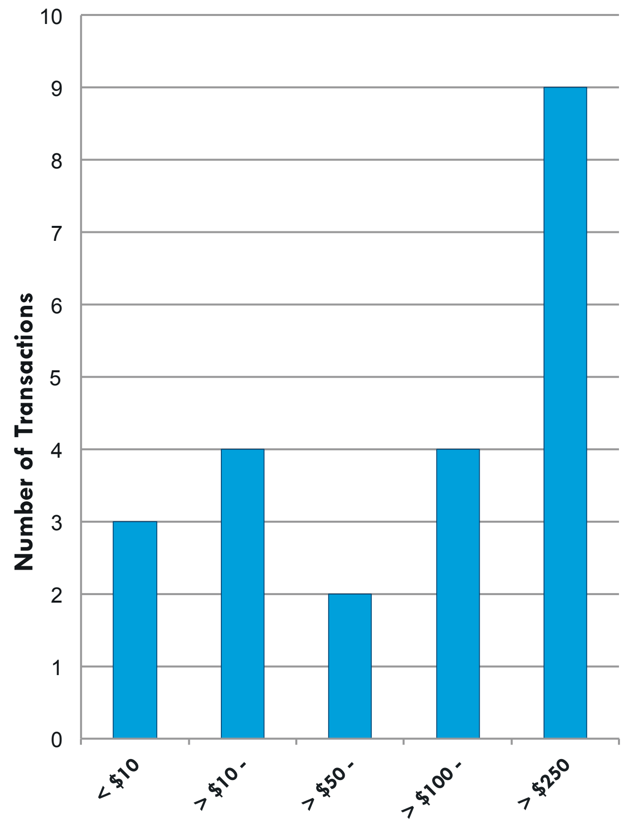
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
9/1/16	**Magellan Diagnostics, Inc.**	**Meridian Bioscience, Inc.**	$66.0	100%
8/22/16	**TriVascular Technologies, Inc.**	**Endologix, Inc.**	$173.1	100%
7/14/16	**Inova Labs, Inc.**	**ResMed Inc.**	$110.0	100%
6/29/16	**Cardiac Science Corporation**	**CFS 915 LLC**	$82.7	100%
5/2/16	**NorMedix, Inc.**	**SurModics, Inc.**	$14.0	100%
4/29/16	**Lazarus Effect, Inc.**	**Medtronic plc**	$100.0	100%
4/8/16	**DreamCIS, Inc.**	**Hangzhou Tigermed Consulting Co.**	$28.6	98%
4/4/16	**CardioInsight Technologies Inc.**	**Medtronic plc**	$123.0	100%
9/1/16	**Magellan Diagnostics, Inc.**	**Meridian Bioscience, Inc.**	$66.0	**100%**
8/22/16	**TriVascular Technologies, Inc.**	**Endologix, Inc.**	$173.1	100%
	Median of the 22 M&A Transaction Targets	ResMed Inc.	$110.0	100%

USA *International* *Highest* *Lowest* *Median*

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2018



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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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