



**Quarterly
Review of the
Medical
Technology
Sector
(MedTech)**

Q2 2015



Mergers & Acquisitions

Custom Capital Solutions

Corporate Finance Advisory





















Member: FINRA / SIPC



About Navidar

Navidar is an **investment banking firm** providing companies and investors in dynamic industries with **strategic M&A advice, capital raising solutions**, vital insights and breakthrough opportunities.

- Big Firm Experience Combined with Senior Banker Attention
- Global Relationships With Top-Tier Investors and World-Leading Companies
- Greater Creativity & Customized Solutions
- Focused on the Middle Corridor of the United States

Past Transactions Executed by Navidar			
<p>October 2014</p>  <p>Has acquired Leadtec Buyside Advisor</p>	<p>September 2014</p>  <p>Has been acquired by Converge-One Sellside Advisor</p>	<p>June 2014</p>  <p>Has been acquired by stamps.com Sellside Advisor</p>	<p>April 2014</p>  <p>Has been acquired by bazaarVOICE Sellside Advisor</p>
<p>March 2014</p>  <p>Private Equity Placement</p>	<p>December 2013</p>  <p>Has been acquired by NTT DATA Sellside Advisor</p>	<p>October 2013</p>  <p>Has acquired avangate Buyside Advisor</p>	<p>December 2012</p>  <p>Has been acquired by TENEX CAPITAL MANAGEMENT Sellside Advisor</p>
<p>October 2012</p>  <p>Has been acquired by ExactTarget Sellside Advisor</p>	<p>August 2012</p>  <p>Has been acquired by Alta Equity Partners Sellside Advisor</p>	<p>February 2012</p>  <p>Capital Structure Review</p>	<p>February 2012</p>  <p>NOL Shareholder Rights Plan</p>
<p>October 2011</p>  <p>Has been acquired by AeroScout Sellside Advisor</p>	<p>July 2011</p>  <p>Has been acquired by HARMAN Sellside Advisor</p>	<p>January 2011</p>  <p>Private Equity Placement</p>	<p>January 2011</p>  <p>Debt Placement</p>
<p>November 2010</p>  <p>Private Equity Placement</p>	<p>July 2010</p>  <p>Has acquired World Golf Systems Group PLC Buyside Advisor</p>	<p>July 2009</p>  <p>Recapitalization</p>	<p>January 2009</p>  <p>Private Equity Placement</p>

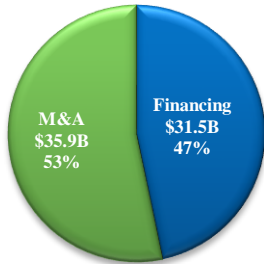
Note: Transactions above only represent a sample of past transactions executed by Navidar.



Navidar at a Glance

Experienced Strategic Advisors

*Executed Over 300 Deals,
Nearly \$70B of Transaction Volume*

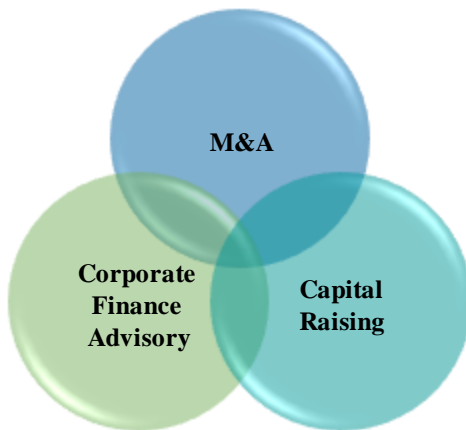


Advising Dynamic Companies



Creative Insights & Customized Solutions

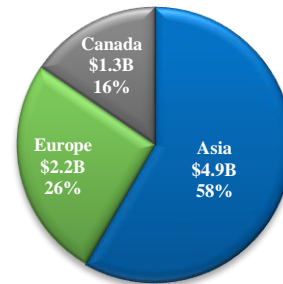
Private Companies



Public Companies

International Expertise

\$8.4B of Transaction Volume



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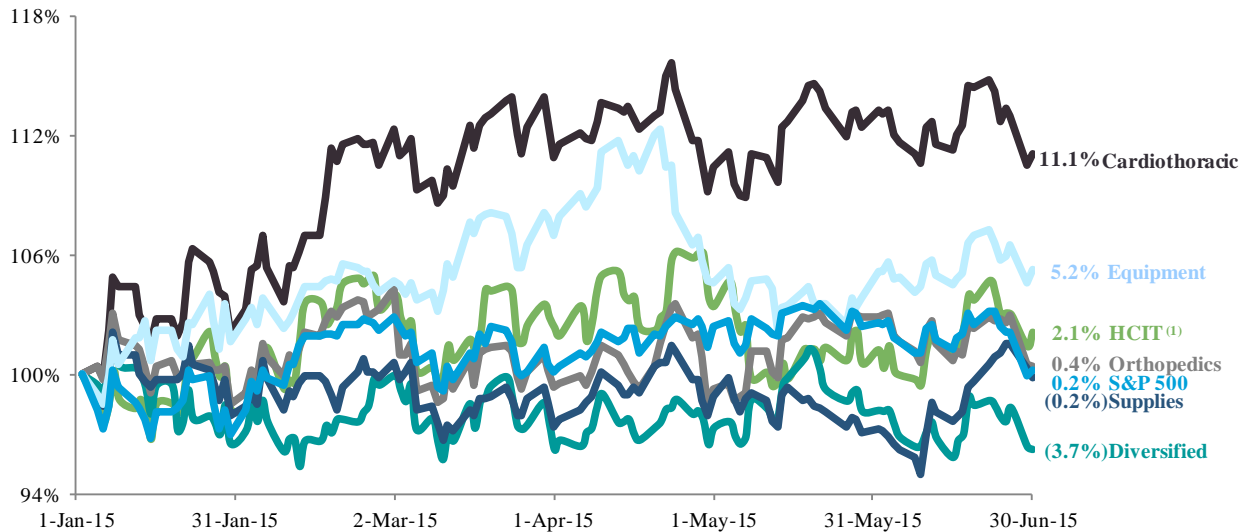
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Q2 2015 Medical Technology Sector Review

Relative Share Price Performance – YTD



MedTech Sector Share Price Performance

Sub-Sector	Q2 Return	YTD Return
Supplies	2.5%	11.1%
Orthopedics	1.0%	5.2%
S&P 500	0.2%	2.1%
Diversified	0.0%	0.4%
HCIT ⁽¹⁾	(0.2%)	0.2%
Cardiothoracic	(0.4%)	(0.2%)
Equipment	(1.7%)	(3.7%)

Top 5 Global M&A Deals in Q2 By Value

Date	Acquirer	Target	Deal Value (\$M)
06/17/2015	Hill-Rom	WelchAllyn	\$2,051
06/10/2015	Panasonic Healthcare	Bayer (Diabetes Care Biz)	1,157
04/01/2015	J.P.Morgan	OLYMPUS	600
06/18/2015	XIO GROUP	LUMENIS	556
05/14/2015	CIRCASSIA	Aerocrine	251

Key Takeaways from the Quarter:

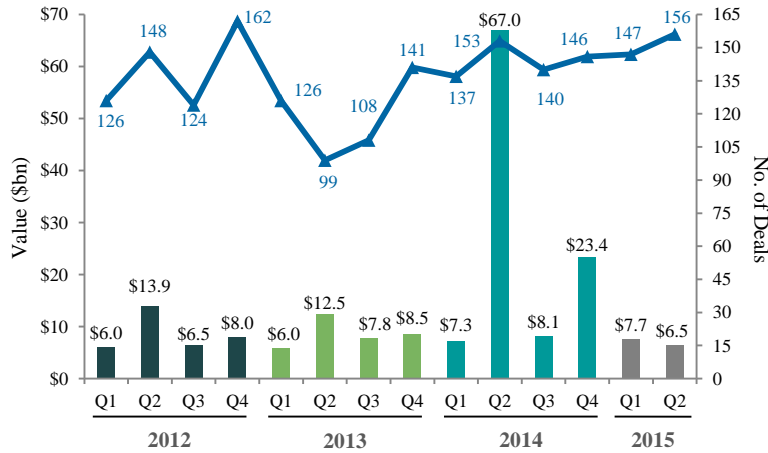
- Medical Technology sub-sectors exhibited mixed performance in Q2'15, with four sub-sectors (Cardiothoracic, Equipment, HCIT and Orthopedics) outperforming the S&P 500 Index and two sub-sectors (Diversified and Supplies) underperforming the S&P 500 Index.
- Global MedTech M&A deal volume continued gains seen since Q3'14 with total deal volume of 156, the highest level since Q4'12.
- Global MedTech M&A deal value in Q2'15 declined to \$6.5 billion from \$7.7 billion in Q1'15.
- U.S. MedTech M&A deal volume experienced an uptick in Q2'15 to reach 82 total deals, the highest volume since Q4'12. However, deal value decreased 47% quarter-over-quarter to \$2.7 billion from \$5.1 billion.
- Strategic acquisitions in Q2'15 accounted for 87% of total deal volume.
- ~66% of announced transactions in Q2'15 with disclosed deal values were below \$100.0 million.

Source: S&P Capital IQ, Industry Research, Online Publications and Navidar Research.
 (1) HCIT = Healthcare Information Technology.



Medical Technology Sector M&A Review

Global MedTech M&A Deals — Since 2012

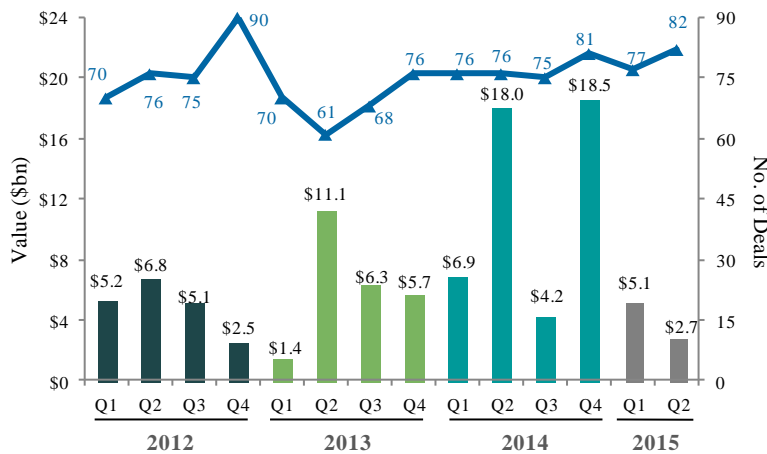


Commentary

Global MedTech M&A transaction volume continued the upward momentum seen since Q3'14 to reach 156 deals in Q2'15. However, M&A disclosed deal value declined in Q2'15 from \$7.7 billion in Q1'15 to \$6.5 billion.

- Global M&A transaction volume increased 6% quarter-over-quarter to reach 156 deals, but remained relatively flat year-over-year
- Deal value decreased 16% quarter-over-quarter from \$7.7 billion to \$6.5 billion, and decreased 17% year-over-year from \$7.8 billion to \$6.5 billion

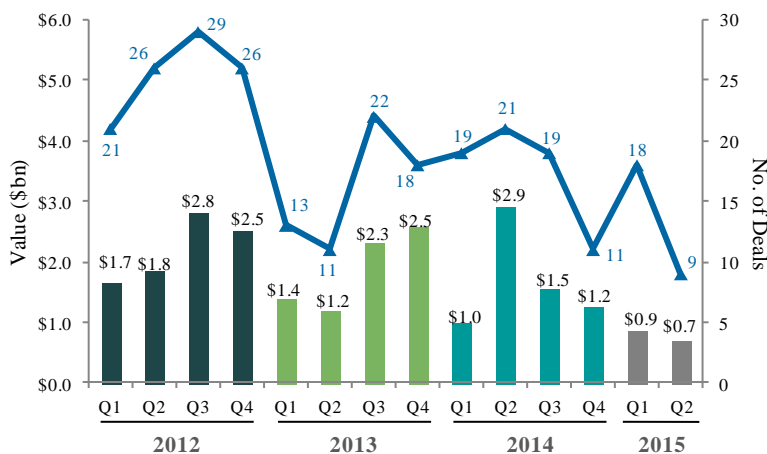
U.S. MedTech M&A Deals — Since 2012



U.S. MedTech M&A deal volume recorded the second highest quarter since Q4'12.

- U.S. M&A transaction volume increased 6% quarter-over-quarter from 77 to 82 deals and gained 8% year-over-year from 76 to 82 deals
- Deal value decreased 47% quarter-over-quarter from \$5.1 billion to \$2.7 billion, and decreased 85% year-over-year from \$18.5 billion to \$2.7 billion

U.S. MedTech Middle Market M&A Deals — Since 2012⁽¹⁾



U.S. Middle Market deal volume experienced significant declines, with 9 deals in Q2'15 from the 18 seen in Q1'15.

- Deal value in Q2'15 decreased 22% quarter-over-quarter and fell 76% year-over-year from \$2.9 billion to \$0.7 billion

Source: S&P Capital IQ, Navidar Research and Industry Research.

(1) Defined as deal value of \$500M EV and less.



Medical Technology Sector M&A Review (Cont.)

Top 10 Global MedTech M&A Transactions in Q2 2015

Date	Acquirer	Target	Ent. Value (\$USDmm)	EV / LTM Rev. (x)	EV / LTM EBITDA (x)
6/18/2015	XIO Group (Hong Kong)	Lumenis (Israel)	\$555.6	1.54x	15.3x
6/17/2015	Hill-Rom Holdings (U.S.)	Welch Allyn (U.S.)	2,051.0	NA	NA
6/10/2015	Panasonic Healthcare (Japan)	Bayer (Diabetes Care Business) (Germany)	1,156.8	1.12x	NA
6/5/2015	Tianjin Chase Sun Pharmaceutical (China)	Beijing Choice Electronic Technology (China)	156.2	NA	NA
5/14/2015	Circassia (U.K.)	Aerocrine (Sweden)	251.3	8.64x	NA
5/5/2015	Shenzhen Das Intellitech (China)	Jiuxin Medical Technology (China)	140.5	2.03x	NA
4/29/2015	Hangzhou Century (China)	Ewell Technology (China)	175.4	5.17x	NA
4/20/2015	St. Jude Medical (U.S.)	Spinal Modulation (U.S.)	175.0	NA	NA
4/7/2015	Straumann Holding (Switzerland)	Neodent (Brazil)	217.5	5.17x	NA
4/1/2015	JPMorgan Securities (Japan)	Olympus (Japan)	600.3	2.05x	11.3x

U.S. MedTech M&A Deal Volume by Size

\$ in millions except #	Q2 2015		Q1 2015		Q2 2014	
	No. of Deals	Total Deal Value	No. of Deals	Total Deal Value	No. of Deals	Total Deal Value
< \$50M	4	\$98	13	\$138	11	\$101
\$50M to \$100M	1	75	3	229	1	65
\$100M to \$250M	4	525	1	190	3	515
\$250M to \$500M	-	-	1	300	6	2,222
\$500M to \$1000M	-	-	-	-	2	1,133
>\$1B	1	2,051	2	4,244	1	13,926
Undisclosed	72	-	57	-	52	-
Total	82	\$2,749	77	\$5,101	76	\$17,962

Source: S&P Capital IQ and Industry Research.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Medical Technology Sector M&A Review (Cont.)

Review of Selected MedTech Transactions in Q2

Healthcare Technology

Extend Health acquired Acclaris for \$140M EV, which implied ~4.00x NTM Revenue.

- **Acquisition enhances Towers Watson's benefits administration and private exchange solutions.**

Headquartered in Tampa, FL, Acclaris offers SaaS technology and services to support account-based healthcare plans. The Company has additional locations in Kansas and India and employs over 600 people to provide technology and services to 6,000 employers, health plans, banks and third-party administrators. Acclaris administers 1.4 million health care accounts and expects 2015P revenues of ~\$35M.

Servelec Group acquired Aura Healthcare for \$2M EV.

- **Acquisition is a continuation of Servelec's growth strategy for its Health & Social Care division.**
- **Aura builds on the acquisition of Corelogic in December 2014, positioning Servelec to support health and social care providers as markets shift in the direction of converged care.**

Headquartered in Reading, U.K., Aura develops healthcare software to automate bed management across hospitals, clinics and primary care centers, enabling improved patient outcomes. Aura's primary offering, Flow, is an intuitive and robust bed management solution, to complement and drive the patient journey, ensuring timely responses and improved quality of care.

Xerox acquired Healthy Communities Institute. Valuation was not disclosed.

- **Acquisition creates the largest repository for population-based insights critical to the improved quality of healthcare as mandated by the Affordable Care Act.**
- **Combined database will also offer socioeconomic and environmental data for a comprehensive view of patient care and actionable recommendations for superior healthcare outcomes.**

Based in Berkeley, CA, Healthy Communities taps patient data from clinical visits, healthcare claims, community-level assessments, and healthcare providers to better understand community demographics, risk factors and disease distribution. This data is then fed into its SaaS platform for easy access by various healthcare agencies, hospitals and public health organizations across the country. Healthy Communities supports over 250 hospitals and public health organizations across 36 states and covers over 100 million individuals across the US.

Source: S&P Capital IQ, Press Releases, Equity Research, Online Publications, Industry Research and Navidar Research.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest - Cash and Cash Equivalents) and LTM = Last Twelve Months.



Medical Technology Sector M&A Review (Cont.)

Healthcare Technology (Cont.)

IBM acquired Explorys and Phytel. Valuations were not disclosed.

- Acquisition complements and strengthens IBM's health-focused data analytics efforts.
- Acquisition enables IBM to accelerate the delivery of IBM Health Cloud and IBM Watson cognitive solutions to model and apply medical evidence and large scale analytics to data.

Based Cleveland, OH, Explorys spun out of the Cleveland Clinic in 2009. The Company offers a cloud-based solution for aggregating several types of data and handling business intelligence and predictive analytics. Headquartered in Dallas, TX, Phytel offers cloud-based software to store various types of health data and provide insight into groups of patients for hospitals. Phytel also sells tools to help health professionals automate patient outreach.

Source: S&P Capital IQ, Press Releases, Equity Research, Online Publications, Industry Research and Navidar Research.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and LTM = Last Twelve Months.



Medical Technology Sector M&A Review (Cont.)

Healthcare Equipment

Hill-Rom Holdings acquired Welch Allyn for \$2.1B EV.

- Acquisition expands Hill-Rom's reach into post-acute care settings such as home health and long-term care centers, as demand for these services is growing with an aging U.S. population.
- Acquisition enables Hill-Rom to reduce \$40 million in annual costs by 2018.

Headquartered in Skaneateles Falls, NY, Welch Allyn manufactures and markets medical diagnostic equipment enabling physicians to conduct diagnostic tests in point-of-care settings such as hospital beds and emergency rooms without having to relocate patients. The Company offers products in the areas of physical assessment, patient monitoring, thermometry, population health management technologies, and healthcare software and services. Welch Allyn employs ~2,600 people across 26 different countries.

Panasonic Healthcare Holdings acquired the Diabetes Care business of Bayer for \$1.2B EV, which implied 1.12x LTM Revenue.

- Acquisition enables Panasonic Healthcare to expand in APAC regions such as China, where a third of all diabetes cases originate.
- Acquisition also strengthens Panasonic Healthcare's global distribution channel.

Headquartered in Basel, Switzerland and Whippany, NJ, Bayer's Diabetes Care segment develops, manufactures and sells blood glucose monitoring systems, lancing devices and diabetes management software. The Diabetes Care portfolio includes the Contour range of blood glucose monitoring meters and strips, as well as other products including Breeze-2, Elite and Microlet lancing devices. The Company employs ~1,500 people and had over \$1B in 2014 revenues across 125 countries.

Circassia acquired Aerocrine for \$193M EV, which implied 8.64x LTM Revenue.

- Acquisition is in-line with Circassia's strategy to become a self-sustaining specialty biopharmaceutical company focused on allergy and asthma.
- The combined organization provides the capability and resources to commercialize its enlarged, late-stage pipeline of potential new allergy and asthma products.

Headquartered in Solna, Sweden, Aerocrine operates as a medical technology company primarily in Europe, North America and Asia. The Company offers NIOX MINO and NIOX VERO devices for checking inflammatory conditions in airways, as well as enhancing diagnosis, treatment, and follow-up of those affected by asthma. Aerocrine had 2014 revenues of \$20M.

Source: S&P Capital IQ, Press Releases, Equity Research, Online Publications, Industry Research and Navidar Research.
Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and LTM = Last Twelve Months.



Medical Technology Sector M&A Review (Cont.)

Healthcare Equipment (Cont.)

St. Jude Medical acquired Spinal Modulation for \$175M EV.

- Acquisition adds DRG stimulation technology to St. Jude Medical's chronic pain portfolio.
- Combination elevates St. Jude as the market leader in the manufacture of radiofrequency ablation spinal cord stimulation and dorsal root ganglion stimulation therapy for chronic pain patients.

Headquartered in Menlo Park, CA, Spinal Modulation develops medical devices for improving the lives of patients with chronic pain. The Company offers Axium, a neurostimulator system and intraspinal neuromodulation therapy that targets the dorsal root ganglion to improve pain management. Spinal Modulation's solution is used to manage chronic, intractable leg pain, as well as difficult to target anatomies, including the back and foot, through stimulation of the dorsal root ganglion.

Medtronic acquired Aptus Endosystems for \$110M.

- Acquisition is in-line with Medtronic's efforts to bolster its footprint in the billion-dollar endovascular aneurysm repair (EVAR) market
- The acquisition will also enable Medtronic to distribute the TourGuide Steerable Sheath, a device with an adjustable tip that allows for quick access and delivery of peripheral vascular products in the U.S. and Europe.

Headquartered in Sunnyvale, CA, Aptus Endosystems produces advanced technology for EVAR and thoracic EVAR (TEVAR). The Company's products secure artificial patches inside weakened aortic arteries, helping to improve a condition known as abdominal aortic aneurysm. Aptus Endosystem's key products include Heli-FX and Heli-FX Thoracic EndoAnchor systems that are designed to treat complex aortic diseases.

*Source: S&P Capital IQ, Press Releases, Equity Research, Online Publications, Industry Research and Navidar Research.
Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and LTM = Last Twelve Months.*



Medical Technology Sector M&A Review (Cont.)

Healthcare Supplies

BSN Medical acquired FarrowMed. Valuation was not disclosed.

- Acquisition complements recent acquisitions by BSN, as FarrowMed strengthens BSN's presence in wound care and vascular franchise therapies.
- Acquisition strengthens BSN's market leadership in lymphoedema and venous disease management.

Headquartered in Bryan, TX, FarrowMed develops and markets Elastic Short-Stretch compression garments for lymphoedema, venous disease, and other acute and chronic edemas. Founded in 2004, the Company has 33 employees, with a strong IP portfolio holding 19 patents and more pending.

Mission Pharmacal acquired ProSolus Pharmaceuticals. Valuation was not disclosed.

- Acquisition enables Mission Pharmacal to enter the highly concentrated transdermal solutions market.

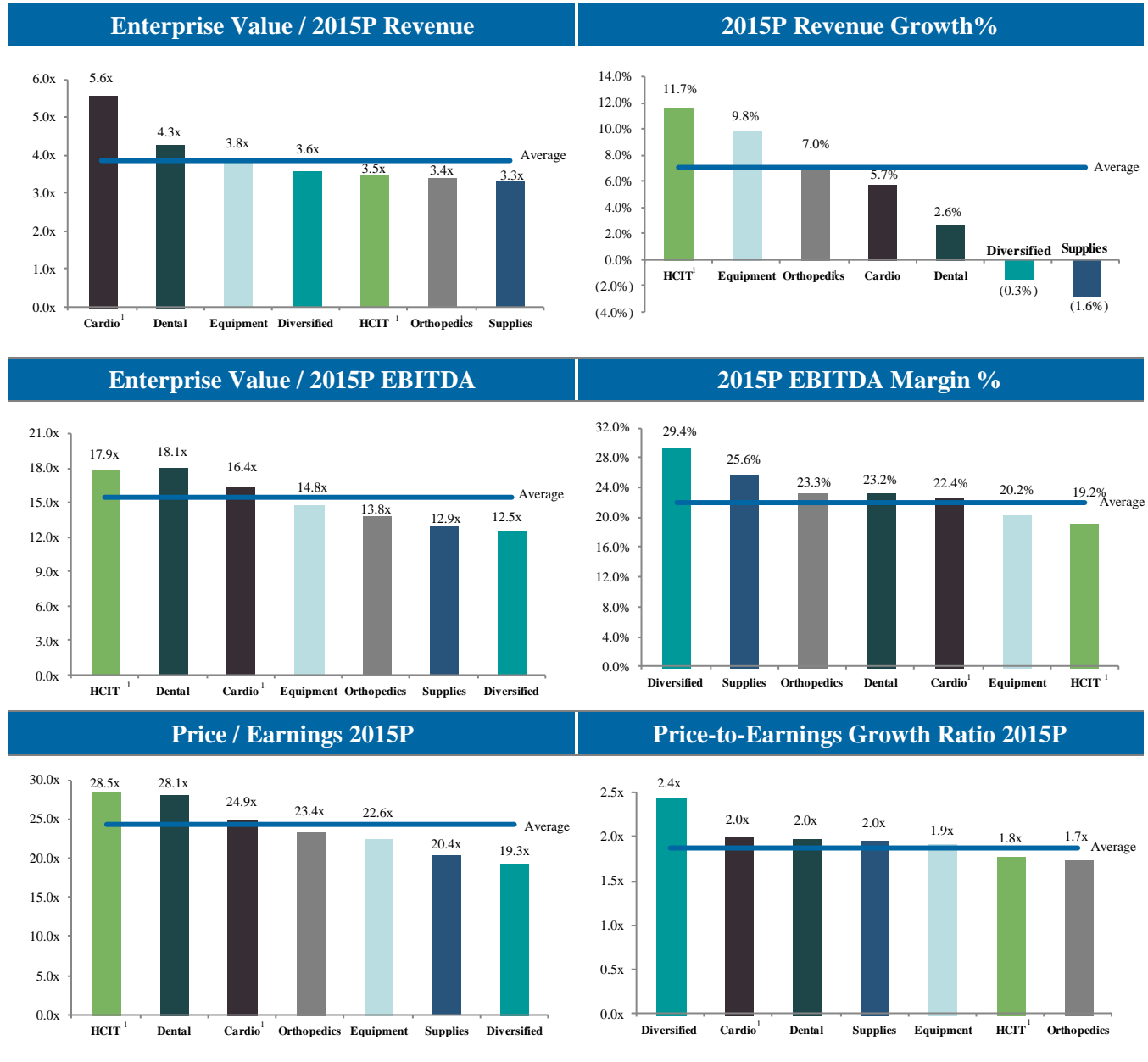
Headquartered in Miami, FL, ProSolus Pharmaceuticals formulates, develops, and manufactures transdermal drug delivery systems for ANDA, NDA, and 505(b)(2) applications. The Company also provides transdermal patches that deliver medication through the skin in a non-invasive manner for various therapeutic categories, including pain management, cardiovascular, and neurologic care.

Source: S&P Capital IQ, Press Releases, Equity Research, Online Publications, Industry Research and Navidar Research.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and LTM = Last Twelve Months.



Comparable Public Company Valuation Metrics – MedTech Sector



Source: S&P Capital IQ.

Note: Market data as of Q2 2015 quarter end.

Note: Estimates based on consensus of equity research analyst estimates.

Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

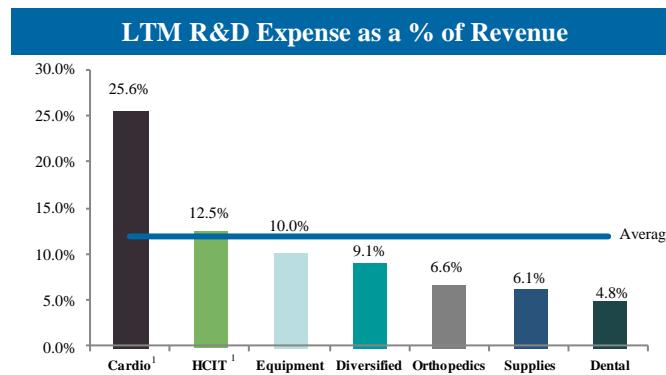
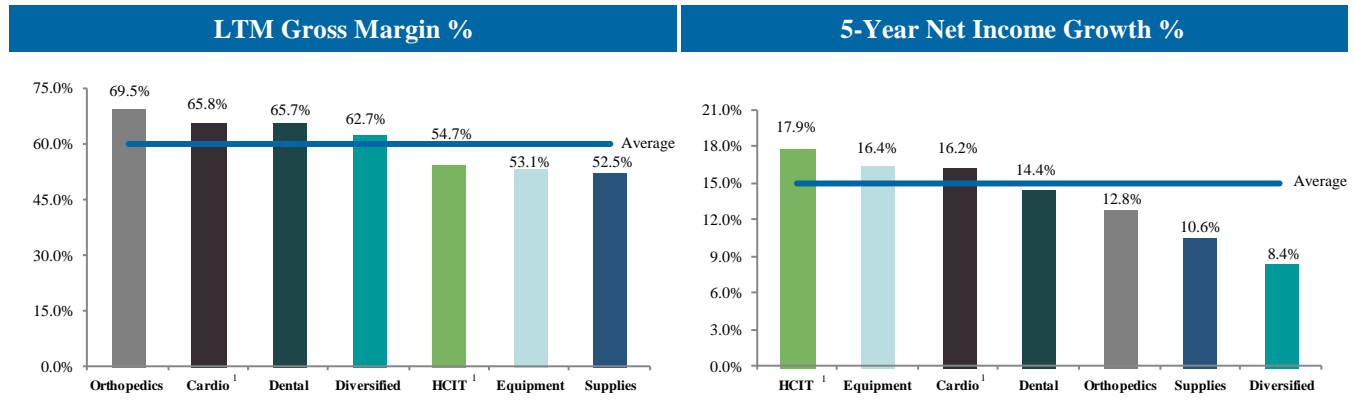
Note: LTM = Last Twelve Months and NTM = Next Twelve Months.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) Cardio = Cardiothoracic and HCTIT = Healthcare Information Technology.



Comparable Public Company Valuation Metrics – Medical Technology Sector (Cont.)



Source: S&P Capital IQ.

Note: Market data as of Q2 2015 quarter end.

Note: Estimates based on consensus of equity research analyst estimates.

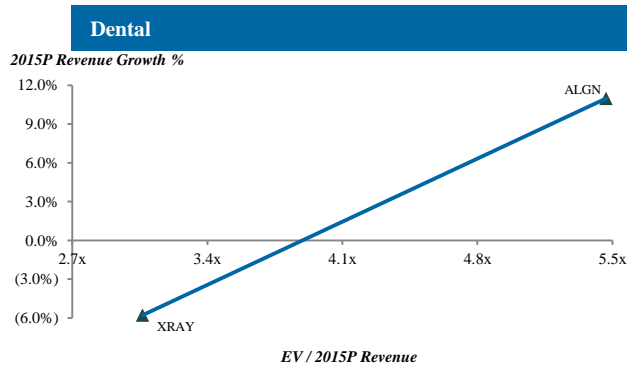
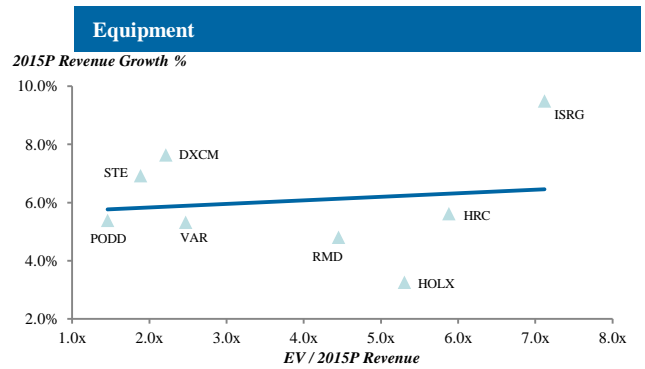
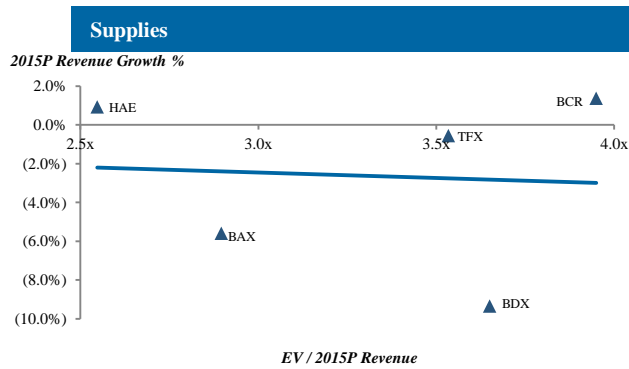
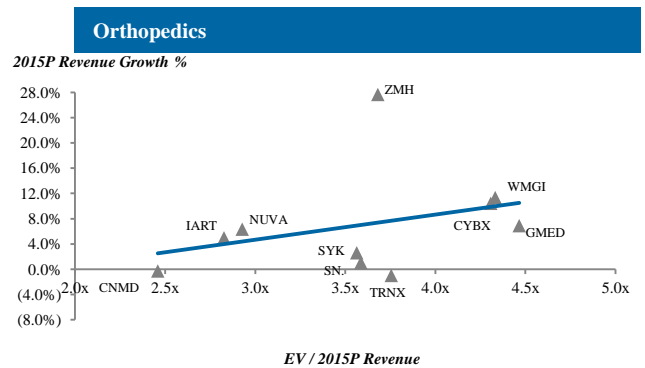
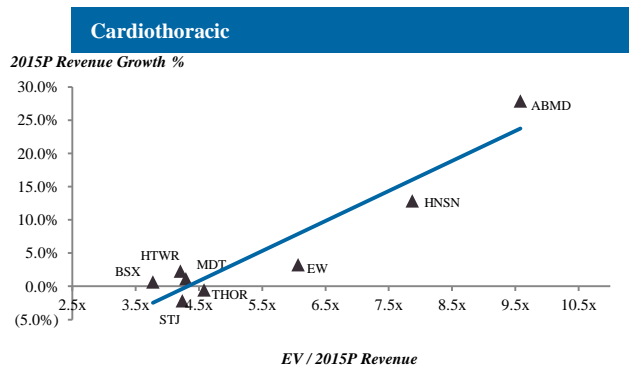
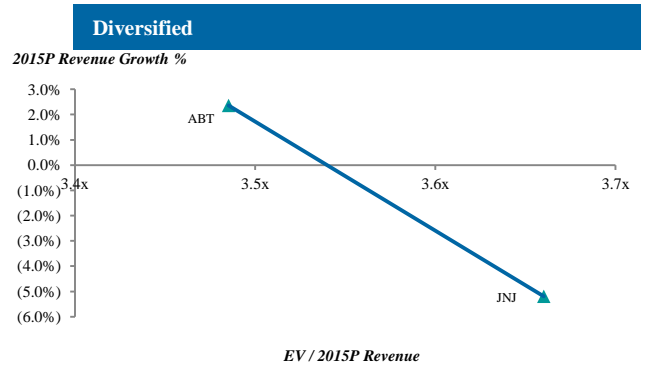
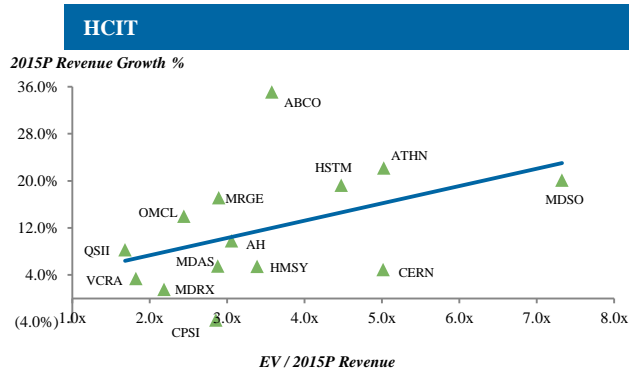
Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months.

(1) Cardio = Cardiothoracic and HCIT = Healthcare Information Technology.



Valuation & Revenue Growth Correlation – Public MedTech Companies



Source: S&P Capital IQ. Estimates based on consensus of equity research analyst estimates.
 Note: Market data as of Q2 2015 quarter end.
 Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix



Appendix– Comparable Public Company Analysis

Healthcare Technology (HCIT) – Valuation Metrics

(\$ in millions, except per share values)

Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics								
						EV / Revenue		EV / EBITDA		P/E		PEG Ratio		
						2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P	
HCIT														
Accretive Health	\$5.50	59%	1.06x	\$901.7	(\$196.4)	\$705.3	3.06x	2.96x	23.6x	19.0x	36.7x	28.9x	1.47x	1.16x
Allscripts Healthcare Solutions	13.68	80%	1.24x	2,575.8	586.1	3,060.1	2.19x	2.09x	13.0x	11.4x	31.8x	24.9x	1.63x	1.28x
Athenahealth	114.58	75%	1.06x	4,417.4	184.9	4,622.5	5.03x	4.14x	28.0x	23.2x	NM	NM	NA	NA
Cerner ⁽¹⁾	69.06	91%	1.37x	23,762.0	(58.0)	23,704.0	5.02x	4.40x	15.8x	13.3x	32.6x	27.3x	1.86x	1.56x
Computer Programs & Systems	53.42	80%	1.13x	604.5	(37.0)	563.7	2.86x	2.68x	11.6x	10.3x	20.4x	17.8x	1.81x	1.58x
Healthstream	30.42	94%	1.40x	947.8	(139.9)	911.4	4.48x	3.89x	31.3x	22.3x	NM	NM	NA	NA
HMS Holdings	17.17	72%	1.14x	1,520.2	47.4	1,584.5	3.39x	2.90x	13.1x	10.0x	29.6x	21.1x	1.31x	0.93x
MedAssets	22.06	86%	1.30x	1,331.7	830.6	2,189.1	2.88x	2.74x	9.5x	9.0x	18.4x	17.1x	1.63x	1.52x
Medidata Solutions	54.32	92%	1.47x	3,002.6	(19.2)	2,948.8	7.33x	6.12x	31.5x	24.7x	NM	49.4x	NA	2.17x
Merge Healthcare	4.80	77%	2.35x	464.7	198.9	719.8	2.89x	2.64x	13.6x	11.5x	21.8x	17.1x	1.41x	1.11x
Omnicell	37.71	96%	1.45x	1,366.9	(88.0)	1,227.3	2.44x	2.19x	13.5x	11.6x	27.7x	23.5x	1.57x	1.33x
Quality Systems	16.57	88%	1.27x	999.1	(116.8)	868.6	1.68x	1.57x	11.6x	9.9x	26.3x	23.0x	2.39x	2.09x
The Advisory Board	54.67	97%	1.46x	2,319.8	514.7	2,813.2	3.57x	3.11x	16.1x	13.8x	40.2x	31.5x	2.51x	1.97x
Vocera Communications	11.45	80%	1.51x	294.6	(116.0)	179.8	1.82x	1.68x	NM	NM	NM	NM	NA	NA
Average							3.47x	3.08x	17.9x	14.6x	28.5x	25.6x	1.76x	1.52x
Median							2.97x	2.82x	13.6x	11.6x	28.7x	23.5x	1.63x	1.52x

Healthcare Technology (HCIT) – Operating Metrics

(\$ in millions, except per share values)

Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics									
						Revenue Growth		GM	EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI	
						2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %	
HCIT															
Accretive Health	\$5.50	59%	1.06x	\$901.7	(\$196.4)	\$705.3	9.8%	3.4%	(1.7%)	13.0%	15.6%	0.0%	0.0%	0.0%	25.0%
Allscripts Healthcare Solutions	13.68	80%	1.24x	2,575.8	586.1	3,060.1	1.6%	4.7%	45.4%	16.8%	18.4%	0.0%	13.0%	0.0%	19.5%
Athenahealth	114.58	75%	1.06x	4,417.4	184.9	4,622.5	22.2%	21.3%	60.5%	17.9%	17.8%	24.4%	10.3%	16.5%	25.7%
Cerner ⁽¹⁾	69.06	91%	1.37x	23,762.0	(58.0)	23,704.0	5.0%	14.1%	84.2%	31.8%	33.1%	42.1%	12.2%	7.9%	17.5%
Computer Programs & Systems	53.42	80%	1.13x	604.5	(37.0)	563.7	(3.6%)	6.6%	43.2%	24.5%	26.0%	6.8%	0.0%	15.8%	11.3%
Healthstream	30.42	94%	1.40x	947.8	(139.9)	911.4	19.3%	15.0%	57.1%	14.3%	17.5%	17.6%	10.1%	11.4%	16.0%
HMS Holdings	17.17	72%	1.14x	1,520.2	47.4	1,584.5	5.5%	17.0%	32.4%	25.9%	29.0%	0.0%	0.0%	0.0%	22.7%
MedAssets	22.06	86%	1.30x	1,331.7	830.6	2,189.1	5.5%	5.1%	75.4%	30.4%	30.6%	10.0%	4.4%	32.4%	11.3%
Medidata Solutions	54.32	92%	1.47x	3,002.6	(19.2)	2,948.8	20.1%	19.7%	75.9%	23.2%	24.8%	25.2%	22.2%	21.1%	22.8%
Merge Healthcare	4.80	77%	2.35x	464.7	198.9	719.8	17.1%	9.4%	62.1%	21.3%	23.0%	16.0%	13.4%	12.7%	15.5%
Omnicell	37.71	96%	1.45x	1,366.9	(88.0)	1,227.3	14.0%	11.3%	52.4%	18.1%	18.9%	0.0%	6.9%	0.0%	17.7%
Quality Systems	16.57	88%	1.27x	999.1	(116.8)	868.6	8.3%	6.9%	54.9%	14.4%	15.8%	3.8%	14.2%	0.0%	11.0%
The Advisory Board	54.67	97%	1.46x	2,319.8	514.7	2,813.2	35.4%	15.1%	47.4%	22.2%	22.5%	17.3%	0.0%	17.3%	16.0%
Vocera Communications	11.45	80%	1.51x	294.6	(116.0)	179.8	3.4%	8.4%	61.5%	(4.8%)	1.1%	48.2%	18.9%	18.4%	18.7%
Average							11.7%	11.3%	53.6%	19.2%	21.0%	15.1%	9.0%	11.0%	17.9%
Median							9.1%	10.4%	56.0%	19.7%	20.7%	13.0%	10.2%	12.0%	17.6%

Source: S&P Capital IQ. Estimates based on consensus of equity research analyst estimates.

Note: Market data as of Q2 2015 quarter end.

Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, P/E = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) Revenue growth and EV / Revenue multiple adjusted for acquisitions.



Appendix– Comparable Public Company Analysis (Cont.)

Diversified – Valuation Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / Revenue		EV / EBITDA		P/E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Diversified														
Abbott Laboratories	\$49.08	97%	1.25x	\$73,068.2	(\$2,399.0)	\$72,236.2	3.49x	3.28x	14.3x	13.0x	22.7x	20.4x	2.04x	1.83x
Johnson & Johnson	97.46	89%	1.02x	270,261.0	(14,647.0)	257,925.0	3.66x	3.53x	10.6x	10.0x	15.9x	15.2x	2.83x	2.70x
Average							3.57x	3.41x	12.5x	11.5x	19.3x	17.8x	2.44x	2.27x
Median							3.57x	3.41x	12.5x	11.5x	19.3x	17.8x	2.44x	2.27x

Diversified – Operating Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics								
							Revenue Growth		GM	EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Diversified															
Abbott Laboratories	\$49.08	97%	1.25x	\$73,068.2	(\$2,399.0)	\$72,236.2	2.4%	6.2%	56.5%	24.3%	25.3%	0.0%	6.2%	0.0%	11.1%
Johnson & Johnson	97.46	89%	1.02x	270,261.0	(14,647.0)	257,925.0	(5.2%)	3.6%	69.5%	34.5%	35.3%	3.6%	12.1%	0.0%	5.6%
Average							(1.4%)	4.9%	63.0%	29.4%	30.3%	1.8%	9.1%	0.0%	8.4%
Median							(1.4%)	4.9%	63.0%	29.4%	30.3%	1.8%	9.1%	0.0%	8.4%

Cardiothoracic – Valuation Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / Revenue		EV / EBITDA		P/E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Cardiothoracic														
ABIOMED	\$65.73	85%	3.01x	\$2,743.4	(\$154.9)	\$2,611.4	9.58x	7.83x	NM	38.0x	NM	NM	NA	NA
Boston Scientific	17.70	95%	1.59x	23,730.0	4,209.0	27,756.0	3.77x	3.56x	14.4x	13.0x	19.7x	17.0x	1.96x	1.69x
Edwards Lifesciences	142.43	95%	1.69x	15,319.5	(808.7)	14,551.4	6.06x	5.59x	21.0x	19.9x	33.3x	30.0x	2.12x	1.91x
Hansen Medical	0.92	67%	1.76x	172.5	(7.1)	173.2	7.87x	5.70x	NM	NM	NA	NA	NA	NA
Heartware International	72.69	76%	1.05x	1,254.4	(64.2)	1,198.4	4.21x	3.75x	NM	NM	NM	NM	NA	NA
Medtronic ⁽¹⁾	74.10	93%	1.24x	104,951.6	16,767.0	121,718.6	4.29x	4.14x	13.2x	12.2x	17.4x	15.5x	2.17x	1.94x
St. Jude Medical	73.07	96%	1.33x	20,468.5	2,778.0	23,285.5	4.24x	4.04x	14.0x	13.0x	18.5x	17.0x	1.71x	1.57x
Thoratec	44.57	96%	1.98x	2,415.7	(240.4)	2,175.3	4.58x	4.19x	19.5x	16.2x	35.7x	30.1x	NM	NM
Average							5.58x	4.85x	16.4x	18.7x	24.9x	21.9x	1.99x	1.78x
Median							4.44x	4.17x	14.4x	14.6x	19.7x	17.0x	2.04x	1.80x

Cardiothoracic – Operating Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics								
							Revenue Growth		GM	EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Cardiothoracic															
ABIOMED	\$65.73	85%	3.01x	\$2,743.4	(\$154.9)	\$2,611.4	27.8%	22.4%	83.9%	15.9%	20.6%	0.0%	14.3%	0.0%	19.3%
Boston Scientific	17.70	95%	1.59x	23,730.0	4,209.0	27,756.0	0.6%	6.0%	70.5%	26.3%	27.4%	0.0%	11.4%	0.0%	10.0%
Edwards Lifesciences	142.43	95%	1.69x	15,319.5	(808.7)	14,551.4	3.3%	8.4%	74.5%	28.8%	28.1%	0.0%	14.6%	0.0%	15.7%
Hansen Medical	0.92	67%	1.76x	172.5	(7.1)	173.2	12.8%	38.2%	16.4%	NM	NM	3.9%	90.7%	0.0%	NM
Heartware International	72.69	76%	1.05x	1,254.4	(64.2)	1,198.4	2.3%	12.3%	67.2%	(0.6%)	2.0%	0.0%	42.4%	0.0%	40.5%
Medtronic ⁽¹⁾	74.10	93%	1.24x	104,951.6	16,767.0	121,718.6	1.1%	3.5%	72.5%	32.5%	34.1%	0.0%	8.1%	0.0%	8.0%
St. Jude Medical	73.07	96%	1.33x	20,468.5	2,778.0	23,285.5	(2.2%)	4.8%	71.3%	30.3%	31.1%	0.0%	12.3%	0.0%	10.8%
Thoratec	44.57	96%	1.98x	2,415.7	(240.4)	2,175.3	(0.5%)	9.4%	67.4%	23.5%	25.8%	1.1%	22.8%	0.0%	8.9%
Average							5.7%	13.1%	65.5%	22.4%	24.2%	0.6%	27.1%	0.0%	16.2%
Median							1.7%	8.9%	70.9%	26.3%	27.4%	0.0%	14.5%	0.0%	10.8%

Source: S&P Capital IQ. Estimates based on consensus of equity research analyst estimates.

Note: Market data as of Q2 2015 quarter end.

Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, P/E = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) Revenue growth and EV / Revenue multiple adjusted for acquisitions.



Appendix – Comparable Public Company Analysis (Cont.)

Orthopedics – Valuation Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / Revenue		EV / EBITDA		P/E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Orthopedics														
CONMED	\$58.27	98%	1.63x	\$1,608.1	\$197.6	\$1,800.8	2.46x	2.40x	13.7x	12.7x	31.5x	27.2x	1.97x	1.70x
Cyberonics	59.46	78%	1.23x	1,546.7	(151.2)	1,395.5	4.47x	4.10x	11.5x	10.8x	23.2x	21.2x	1.29x	1.18x
Globus Medical	25.67	98%	1.47x	2,436.3	(199.8)	2,223.0	4.31x	3.96x	12.2x	11.1x	24.9x	22.3x	2.04x	1.82x
Hanger	23.44	72%	1.28x	804.9	535.0	1,339.9	1.17x	NA	7.3x	NA	12.4x	NA	0.86x	NA
Integra LifeSciences Holdings	67.37	96%	1.49x	2,218.8	523.0	2,756.5	2.83x	2.69x	12.9x	11.9x	20.8x	18.9x	1.97x	1.79x
NuVasive	47.38	92%	1.46x	2,291.1	89.8	2,374.5	2.93x	2.74x	11.9x	10.8x	42.7x	35.1x	NM	NM
Smith & Nephew	16.89	88%	1.22x	15,103.5	1,510.0	16,730.1	3.59x	3.41x	12.0x	10.9x	20.0x	17.5x	1.76x	1.54x
Stryker	95.57	97%	1.23x	36,164.5	(811.0)	35,368.5	3.56x	3.38x	13.3x	12.4x	19.0x	17.4x	2.28x	2.09x
Tornier	24.99	88%	1.30x	1,224.4	59.7	1,282.9	3.75x	3.49x	34.6x	25.9x	NM	NM	NA	NA
Wright Medical Group	26.26	80%	1.11x	1,336.8	131.8	1,420.8	4.33x	3.74x	NM	NM	NM	NM	NA	NA
Zimmer Biomet Holdings	109.23	90%	1.15x	22,185.3	10,166.2	21,966.6	3.68x	2.82x	8.9x	7.3x	16.3x	13.9x	1.66x	1.41x
Average							3.37x	3.27x	13.8x	12.6x	23.4x	21.7x	1.73x	1.65x
Median							3.59x	3.39x	12.1x	11.1x	20.8x	20.0x	1.86x	1.70x

Orthopedics – Operating Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics								
							Revenue Growth		GM	EBITDA Margin		S&M Mgn	R&D Mgn	G&A Mgn	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Orthopedics															
CONMED	\$58.27	98%	1.63x	\$1,608.1	\$197.6	\$1,800.8	(0.3%)	2.6%	53.6%	17.9%	18.9%	0.0%	3.9%	0.0%	16.0%
Cyberonics	59.46	78%	1.23x	1,546.7	(151.2)	1,395.5	6.9%	8.9%	90.4%	38.7%	38.0%	0.0%	14.1%	0.0%	18.0%
Globus Medical	25.67	98%	1.47x	2,436.3	(199.8)	2,223.0	10.4%	8.8%	76.9%	35.4%	35.7%	0.0%	6.8%	0.0%	12.2%
Hanger	23.44	72%	1.28x	804.9	535.0	1,339.9	NA	NM	33.4%	16.1%	NA	0.4%	0.0%	0.0%	14.5%
Integra LifeSciences Holdings	67.37	96%	1.49x	2,218.8	523.0	2,756.5	5.0%	5.2%	64.8%	22.0%	22.6%	0.0%	5.4%	0.0%	10.6%
NuVasive	47.38	92%	1.46x	2,291.1	89.8	2,374.5	6.4%	6.8%	76.1%	24.7%	25.4%	0.0%	4.6%	0.0%	7.3%
Smith & Nephew	16.89	88%	1.22x	15,103.5	1,510.0	16,730.1	1.0%	5.2%	75.3%	29.9%	31.3%	2.1%	4.8%	0.0%	11.4%
Stryker	95.57	97%	1.23x	36,164.5	(811.0)	35,368.5	2.6%	5.4%	66.1%	26.8%	27.2%	0.0%	6.2%	0.0%	8.3%
Tornier	24.99	88%	1.30x	1,224.4	59.7	1,282.9	(0.9%)	7.7%	77.0%	10.9%	13.4%	0.0%	7.1%	0.0%	25.0%
Wright Medical Group	26.26	80%	1.11x	1,336.8	131.8	1,420.8	11.4%	15.9%	76.5%	(7.9%)	(2.5%)	0.0%	8.8%	0.0%	8.0%
Zimmer Biomet Holdings	109.23	90%	1.15x	22,185.3	10,166.2	21,966.6	27.7%	30.7%	74.6%	41.6%	38.5%	0.0%	4.2%	0.0%	9.8%
Average							7.0%	9.7%	69.5%	23.3%	24.9%	0.2%	6.0%	0.0%	12.8%
Median							5.7%	7.2%	75.3%	24.7%	26.3%	0.0%	5.4%	0.0%	11.4%

Source: S&P Capital IQ. Estimates based on consensus of equity research analyst estimates.

Note: Market data as of Q2 2015 quarter End.

Note: Multiples excludes outliers for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, P/E = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Comparable Public Company Analysis (Cont.)

Supplies – Valuation Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / Revenue		EV / EBITDA		P/E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Supplies														
Baxter International	\$69.93	90%	1.09x	\$38,009.1	\$7,550.0	\$45,570.1	2.90x	2.82x	13.4x	12.0x	17.9x	17.5x	2.21x	2.16x
Becton, Dickinson and Co. ⁽¹⁾	141.65	94%	1.26x	29,659.5	11,574.0	41,529.5	3.65x	3.22x	14.0x	12.1x	19.0x	16.1x	1.72x	1.46x
CR Bard	170.70	94%	1.21x	12,673.8	296.6	13,305.6	3.95x	3.78x	12.9x	12.4x	21.3x	19.1x	2.17x	1.95x
Haemonetics	41.36	91%	1.23x	2,110.5	319.8	2,377.7	2.55x	2.38x	11.1x	9.8x	22.1x	17.2x	1.81x	1.41x
Teleflex	135.45	99%	1.33x	5,625.1	787.0	6,420.6	3.53x	3.36x	13.0x	11.6x	21.7x	19.0x	1.85x	1.62x
Average							3.32x	3.11x	12.9x	11.6x	20.4x	17.8x	1.95x	1.72x
Median							3.53x	3.22x	13.0x	12.0x	21.3x	17.5x	1.85x	1.62x

Supplies – Operating Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics								
							Revenue Growth		GM	EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Supplies															
Baxter International	\$69.93	90%	1.09x	\$38,009.1	\$7,550.0	\$45,570.1	(5.8%)	3.1%	49.0%	21.7%	23.5%	0.3%	7.3%	0.0%	8.1%
Becton, Dickinson and Co. ⁽¹⁾	141.65	94%	1.26x	29,659.5	11,574.0	41,529.5	(9.3%)	13.4%	49.6%	26.0%	26.6%	0.0%	6.1%	0.0%	11.1%
CR Bard	170.70	94%	1.21x	12,673.8	296.6	13,305.6	1.4%	4.5%	62.3%	30.5%	30.6%	0.1%	7.3%	0.0%	9.8%
Haemonetics	41.36	91%	1.23x	2,110.5	319.8	2,377.7	0.9%	7.0%	47.9%	22.9%	24.2%	0.5%	5.6%	0.0%	12.2%
Teleflex	135.45	99%	1.33x	5,625.1	787.0	6,420.6	(0.6%)	5.3%	52.4%	27.2%	29.0%	0.0%	3.2%	0.0%	11.7%
Average							(2.7%)	6.6%	52.2%	25.7%	26.8%	0.2%	5.9%	0.0%	10.6%
Median							(0.6%)	5.3%	49.6%	26.0%	26.6%	0.1%	6.1%	0.0%	11.1%

Source: S&P Capital IQ. Estimates based on consensus of equity research analyst estimates.

Note: Market data as of Q2 2015 quarter End.

Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, P/E = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) Revenue growth and EV / Revenue multiple adjusted for acquisitions.



Appendix– Comparable Public Company Analysis (Cont.)

Equipment – Valuation Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / Revenue		EV / EBITDA		P/E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Equipment														
Accuray	\$6.74	67%	1.15x	\$532.4	\$51.4	\$583.7	1.46x	1.38x	20.7x	17.6x	NM	NM	NA	NA
DexCom	79.98	99%	2.31x	6,342.2	(94.0)	6,262.5	NM	12.48x	NM	NM	NM	NM	NA	NA
Hill-Rom Holdings	54.33	94%	1.40x	3,078.3	454.4	3,542.3	1.88x	1.84x	11.6x	10.9x	21.2x	19.3x	1.83x	1.67x
Hologic	38.06	99%	1.68x	10,693.7	3,056.5	13,962.6	5.30x	5.07x	14.7x	13.5x	23.6x	21.2x	2.51x	2.25x
Insulet	30.99	65%	1.24x	1,758.4	34.9	1,793.4	5.88x	5.11x	NM	NM	NM	NM	NA	NA
Intuitive Surgical	484.50	87%	1.29x	17,857.7	(1,561.5)	16,495.5	7.12x	6.45x	18.3x	15.9x	29.2x	25.2x	2.04x	1.76x
ResMed	56.37	75%	1.24x	7,943.8	(416.7)	7,538.0	4.45x	4.13x	15.2x	13.7x	21.8x	19.6x	1.75x	1.57x
Steris	64.44	90%	1.29x	3,848.6	490.0	4,306.2	2.21x	2.12x	11.4x	10.1x	20.5x	18.6x	1.76x	1.59x
Varian Medical Systems	84.33	87%	1.10x	8,415.9	(528.7)	8,000.1	2.47x	2.41x	11.8x	11.1x	19.0x	17.8x	1.64x	1.53x
Average							3.85x	4.55x	14.8x	13.3x	22.6x	20.3x	1.92x	1.73x
Median							3.46x	4.13x	14.7x	13.5x	21.5x	19.5x	1.79x	1.63x

Equipment – Operating Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics								
							Revenue Growth		GM	EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Equipment															
Accuray	\$6.74	67%	1.15x	\$532.4	\$51.4	\$583.7	5.4%	5.9%	37.7%	7.0%	7.8%	17.0%	14.3%	12.3%	NM
DexCom	79.98	99%	2.31x	6,342.2	(94.0)	6,262.5	39.5%	38.8%	68.6%	16.2%	20.8%	0.0%	26.5%	0.0%	32.5%
Hill-Rom Holdings	54.33	94%	1.40x	3,078.3	454.4	3,542.3	6.9%	2.2%	44.8%	16.2%	16.9%	0.0%	4.7%	0.0%	11.6%
Hologic	38.06	99%	1.68x	10,693.7	3,056.5	13,962.6	3.3%	4.7%	64.5%	36.0%	37.5%	13.3%	8.1%	9.8%	9.4%
Insulet	30.99	65%	1.24x	1,758.4	34.9	1,793.4	5.6%	15.1%	51.0%	(2.6%)	3.3%	23.0%	10.4%	18.1%	27.5%
Intuitive Surgical	484.50	87%	1.29x	17,857.7	(1,561.5)	16,495.5	9.5%	10.4%	65.4%	38.8%	40.6%	0.0%	8.4%	0.0%	14.3%
ResMed	56.37	75%	1.24x	7,943.8	(416.7)	7,538.0	4.8%	7.7%	60.2%	29.3%	30.2%	0.0%	6.8%	0.0%	12.5%
Steris	64.44	90%	1.29x	3,848.6	490.0	4,306.2	7.6%	4.6%	42.2%	19.4%	21.0%	0.5%	3.0%	0.0%	11.7%
Varian Medical Systems	84.33	87%	1.10x	8,415.9	(528.7)	8,000.1	5.3%	2.5%	43.0%	20.9%	21.6%	0.0%	7.6%	0.0%	11.6%
Average							9.8%	10.2%	53.1%	20.2%	22.2%	6.0%	10.0%	4.5%	16.4%
Median							5.6%	5.9%	51.0%	19.4%	21.0%	0.0%	8.1%	0.0%	12.1%

Dental – Valuation Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / Revenue		EV / EBITDA		P/E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Dental														
Align Technology	\$62.71	96%	1.45x	\$5,063.8	(\$438.5)	\$4,619.0	5.47x	4.74x	22.0x	17.5x	36.0x	28.4x	1.90x	1.49x
DENTSPLY International	51.55	92%	1.18x	7,207.5	949.1	8,436.6	3.06x	2.96x	14.2x	13.5x	20.2x	18.7x	2.06x	1.91x
Average							4.27x	3.85x	18.1x	15.5x	28.1x	23.5x	1.98x	1.70x
Median							4.27x	3.85x	18.1x	15.5x	28.1x	23.5x	1.98x	1.70x

Dental – Operating Metrics

(\$ in millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Operating Metrics								
							Revenue Growth		GM	EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Dental															
Align Technology	\$62.71	96%	1.45x	\$5,063.8	(\$438.5)	\$4,619.0	11.0%	15.3%	76.1%	24.8%	27.1%	27.3%	7.0%	14.4%	19.0%
DENTSPLY International	51.55	92%	1.18x	7,207.5	949.1	8,436.6	(5.8%)	3.5%	55.9%	21.6%	22.0%	0.0%	2.9%	0.0%	9.8%
Average							2.6%	9.4%	66.0%	23.2%	24.5%	13.7%	5.0%	7.2%	14.4%
Median							2.6%	9.4%	66.0%	23.2%	24.5%	13.7%	5.0%	7.2%	14.4%

Source: S&P Capital IQ. Estimates based on consensus of equity research analyst estimates.

Note: Market data as of Q2 2015 quarter end.

Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, P/E = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix – Q2 Selected MedTech M&A Transactions

Selected Global MedTech M&A Comparables (Deals > \$ 10 million or Disclosed Multiples)

Date	Target	Acquirer	Enterprise Value (\$USDmm)	Valuation Metrics	
				EV / LTM Revenues	EV / LTM EBITDA
6/30/2015	Nuvera (Certain Businesses)	Nortek Security & Control	\$12	4.00x	NA
6/23/2015	PhotoMedex (XTRAC & VTRAC Business)	MELA Sciences	43	1.39x	NA
6/19/2015	Aptus Endosystems	Medtronic	110	NA	NA
6/19/2015	CardioInsight Technologies	Medtronic	93	NA	NA
6/18/2015	Lumenis	XIO Group	450	1.54x	15.3x
6/17/2015	Welch Allyn	Hill-Rom Holdings	2,051	NA	NA
6/15/2015	Shanghai Medical Instruments	Jiangsu Yuyue Medical Equipment & Supply	113	NA	NA
6/10/2015	Bayer (Diabetes Care Business)	Panasonic Healthcare Holdings	1,157	1.12x	NA
6/8/2015	Kyma Medical Technologies	Elron Electronic Industries	35	NA	NA
6/5/2015	Beijing Choice Electronic	Tianjin Chase Sun Pharmaceutical	156	NA	NA
5/26/2015	Laboratoires Vivacy	Bloomage BioTechnology	192	NA	NA
5/25/2015	IMRIS; NeuroArm Surgical	Deerfield Management	19	NA	NA
5/18/2015	Infopia	H2H Partners	158	3.19x	NA
5/14/2015	Aerocrine	Circassia	193	8.64x	NA
5/11/2015	Acclaris	Extend Health	140	NA	NA
5/7/2015	Health Information Technology	DHC Software	48	NA	NA
5/6/2015	Aura Healthcare	Servelec Group	2	1.14x	NA
5/5/2015	Jiuxin Medical Technology	Shenzhen Das Intellitech	141	2.03x	NA
5/1/2015	PJA Solutions	The Citadel Group	47	NA	NA
4/30/2015	HT Systems	Imprivata	24	NA	NA
4/29/2015	Ewell Technology	Hangzhou Century	175	5.17x	NA
4/24/2015	Wuxi Yushou Medical Appliances	Suzhou Ta&a Ultra Clean Technology	73	NA	NA
4/23/2015	Orthoconcept	Laboratoire Victhom	0	0.08x	NA
4/21/2015	CARDIONOVUM	China Grand Pharmaceutical and Healthcare	100	NA	NA
4/20/2015	Spinal Modulation	St. Jude Medical	-	NA	NA
4/15/2015	Winnova	Saeron Science	70	4.90x	NA
4/7/2015	Neodent	Straumann Holding	426	5.17x	NA
4/1/2015	Olympus	JPMorgan Securities Japan	13,132	2.05x	11.3x
4/1/2015	Xlumena	Boston Scientific	75	NA	NA

Average ⁽¹⁾	3.11x	13.3x
Median ⁽¹⁾	2.05x	13.3x

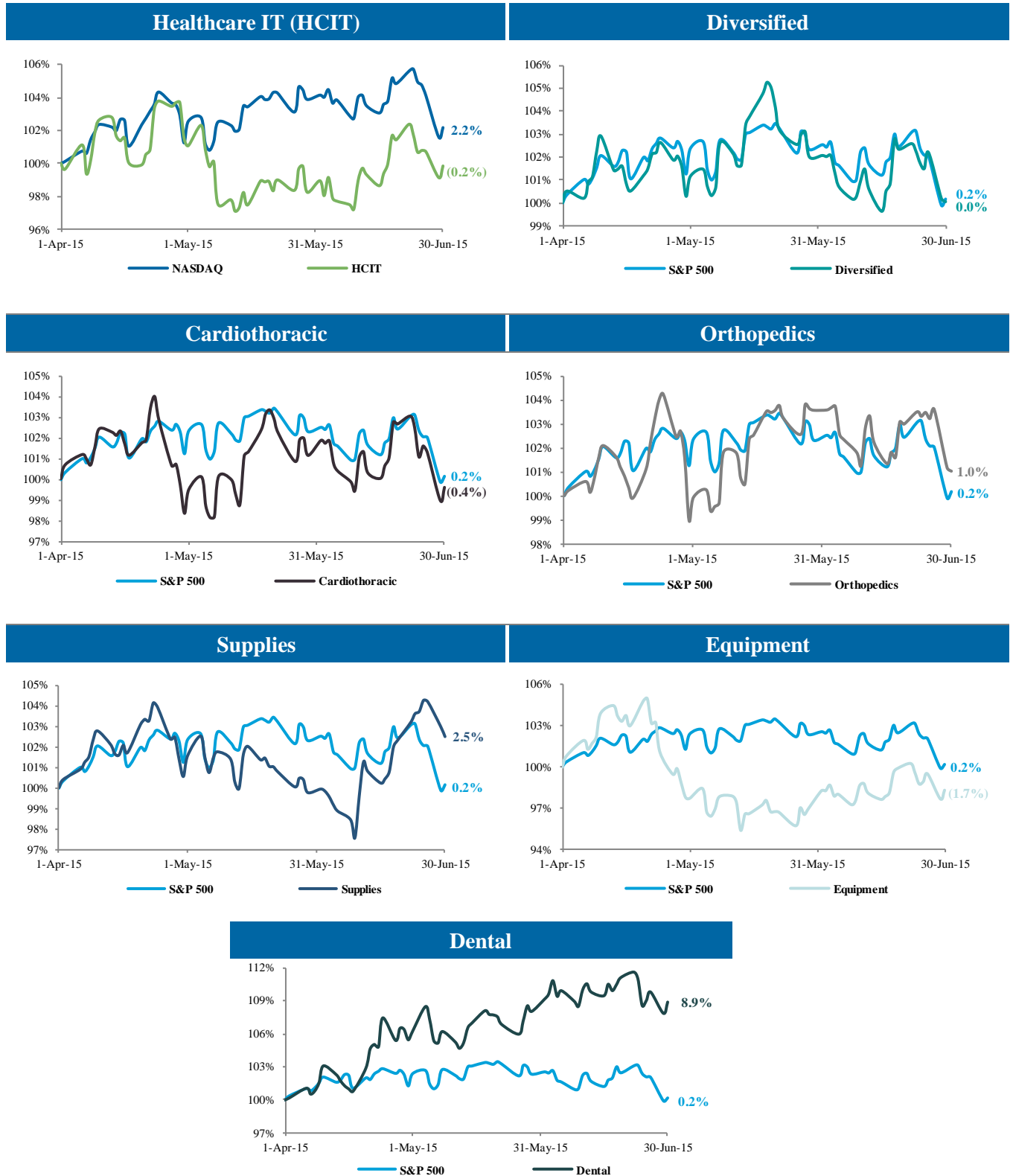
Source: S&P Capital IQ.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) Excludes outlier multiples for transactions with EV / Revenue > 10x.



Appendix – Medical Technology Public Equity Market Performance



Source: S&P Capital IQ.



Appendix – MedTech Public Company Groups

HCIT	
Company Name	Ticker
Cerner	CERN
Athenahealth	ATHN
Allscripts Healthcare	MDRX
Medidata Solutions	MDSO
HMS Holdings	HMSY
The Advisory Board	ABCO
Quality Systems	QSII
MedAssets	MDAS
Accretive Health	AH
Omniceil	OMCL
Healthstream	HSTM
Computer Programs & Systems	CPSI
Vocera Communications	VCRA
Merge Healthcare	MRGE

Diversified	
Company Name	Ticker
Johnson & Johnson	JNJ
Abbott Laboratories	ABT

Cardiothoracic	
Company Name	Ticker
Medtronic	MDT
St. Jude Medical	STJ
Boston Scientific	BSX
Edwards Lifesciences	EW
Thoratec	THOR
Heartware International	HTWR
ABIOMED	ABMD
Hansen Medical	HTWR

Orthopedics	
Company Name	Ticker
Stryker	SYK
Zimmer Biomet Holdings	ZMH
Smith & Nephew	SN.
Globus Medical	GMED
Cyberonics	CYBX
Hanger	HGR
NuVasive	NUVA
Integra LifeSciences	IART
Wright Medical Group	WMGI
CONMED	CNMD
Tornier	TRNX

Supplies	
Company Name	Ticker
Baxter International	BAX
Becton, Dickinson & Co.	BDX
C.R. Bard	BCR
Teleflex	TFX
Haemonetics	HAE

Equipment	
Company Name	Ticker
Intuitive Surgical	ISRG
Varian Medical Systems	VAR
ResMed	RMD
Hologic	HOLX
Steris	STE
Hill-Rom Holdings	HRC
Insulet	PODD
DexCom	DXCM
Accuray	ARRAY

Dental	
Company Name	Ticker
DENTSPLY International	XRAY
Align Technology	ALGN



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