



Quarterly Review of the Medical Technology Sector (MedTech)

Q1 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 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>

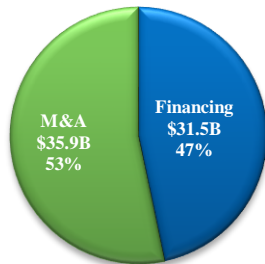
Note: Transactions above only represent a sample of past transactions executed by Navidar.



Navidar at a Glance

Experienced Strategic Advisors

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



Advising Dynamic Companies

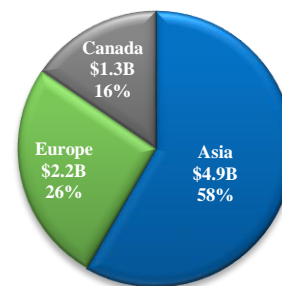


Creative Insights & Customized Solutions



International Expertise

\$8.4B of Transaction Volume



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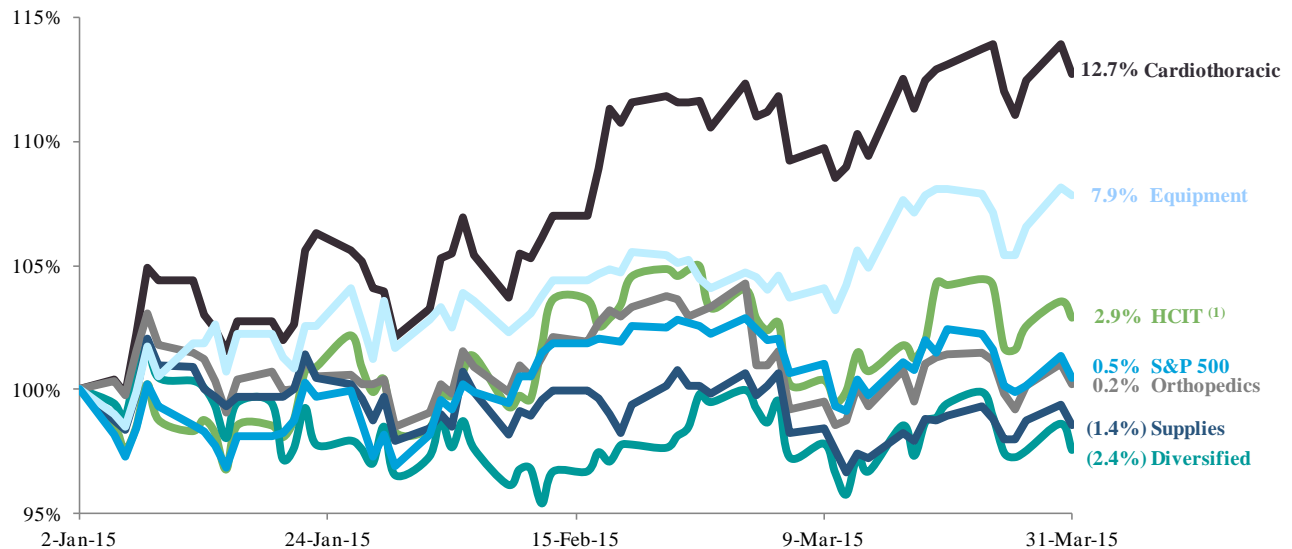
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Q1 2015 Medical Technology Sector Review

Relative Share Price Performance — YTD



MedTech Sector Share Price Performance

Sub-Sector	YTD Return
Cardiothoracic	12.7%
Equipment	7.9%
HCIT ⁽¹⁾	2.9%
S&P 500	0.5%
Orthopedics	0.2%
Supplies	(1.4%)
Diversified	(2.4%)

Top 5 Global M&A Deals in Q1 By Value

Date	Acquirer	Target	Deal Value (\$M)
03/05/2015	Mallinckrodt Pharmaceuticals	IKARIA	\$2,300
03/02/2015	CardinalHealth	ETHICON <small>a Johnson & Johnson company</small> (Certain Assets of Cordis Buss.)	1,944
02/26/2015	Cyberonics	SORIN GROUP <small>an Abbott company</small>	1,537
02/27/2015	Nikon	optos	424
01/29/2015	ThermoFisher Scientific	ASI	300

Key Takeaways From the Quarter:

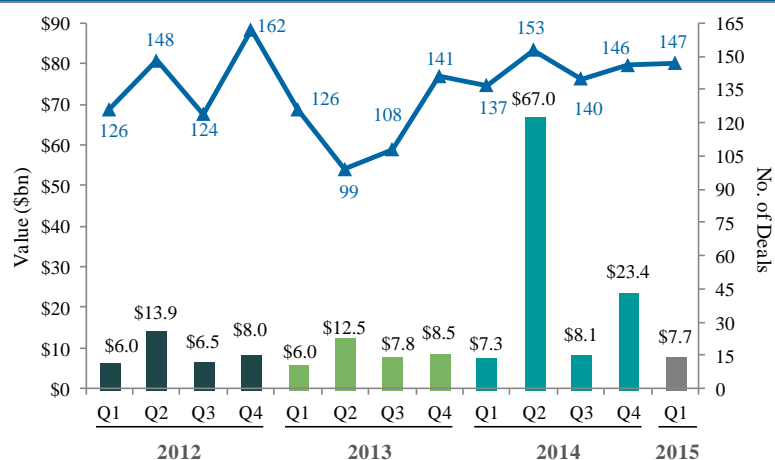
- Medical Technology sub-sectors exhibited a mixed performance in Q1'15, with three sub-sectors (Cardiothoracic, Equipment and HCIT) outperforming the S&P 500 index and three sub-sectors (Diversified, Supplies and Orthopedics) underperforming the S&P 500 index.
- After gaining slight momentum in Q4'14, Global MedTech M&A deal volume in Q1'15 remained relatively flat quarter-over-quarter, with the number of deals increasing from 146 to 147.
- Global MedTech M&A deal value in Q1'15 declined materially to reach \$7.7 billion compared to \$23.4 billion in the previous quarter.
- U.S. MedTech M&A deal volume decreased in Q1'15 to reach 77 deals compared to 81 deals in Q4'14. Deal value decreased 72% over the same period (from \$18.5 billion to \$5.1 billion).
- Strategic acquisitions in Q1'15 accounted for 90% of total deal volume (132 out of 147 transactions).
- About 86% of announced transactions in Q1'15 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

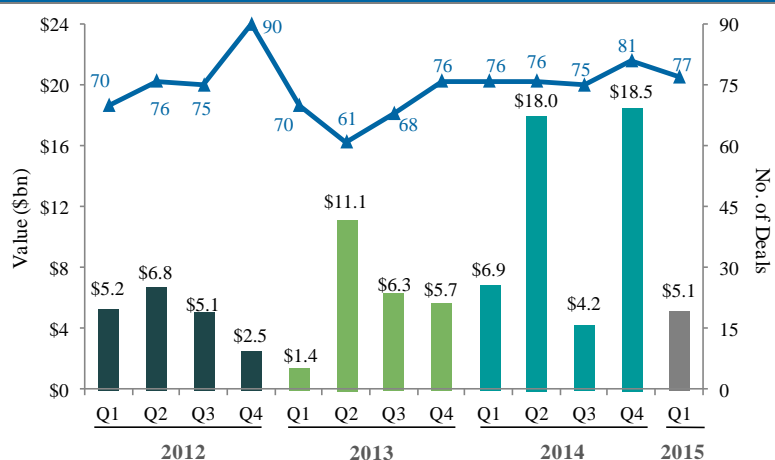


Commentary

Global MedTech sector M&A transaction volume remained flat with 147 deals in Q1'15 compared to 146 deals in Q4'14. However, M&A disclosed deal value in Q1'15 declined materially quarter-over-quarter from Q4'14 (\$23.4 billion to \$7.7 billion).

- Global M&A transaction volume remained flat quarter-over-quarter (146 to 147) and increased 7% year-over-year (137 to 147).
- Deal value decreased 67% quarter-over-quarter from \$23.4 billion to \$7.7 billion and increased 5% year-over-year from \$7.3 billion to \$7.7 billion.

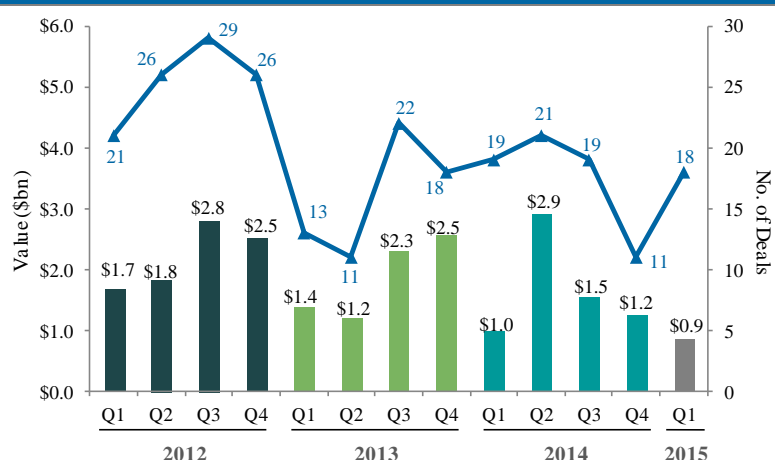
U.S. MedTech M&A Deals — Since 2012



After experiencing an uptick in Q4'14, U.S. MedTech M&A deal volume decreased slightly in Q1'15.

- U.S. M&A transaction volume decreased 5% quarter-over-quarter (from 81 to 77 deals) and was relatively flat year-over-year (from 76 to 77 deals).
- Deal value decreased 72% quarter-over-quarter from \$18.5 billion to \$5.1 billion and decreased 26% year-over-year from \$6.9 billion to \$5.1 billion.

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



U.S. Middle Market deal volume experienced a significant increase in Q1'15 as compared to Q4'14.

- Transaction volume increased 64% in Q1'15 as compared to Q4'14, from 11 to 18 acquisitions. However, deal value in Q1'15 decreased 25% over the same period.

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 Q1 2015

Announced Date	Acquirer	Target	Ent. Value (\$USDmm)	EV / LTM Rev. (x)	EV / LTM EBITDA (x)
03/16/2015	AAC Capital Partners (Netherlands)	Corilus (Belgium)	\$81.5	1.8x	15.0x
03/05/2015	Mallinckrodt Enterprises (U.S.)	Ikaria (U.S.)	2,300.0	NA	NA
03/02/2015	Cardinal Health (U.S.)	Ethicon (Certain Assets of Cordis Business) (U.S.)	1,944.0	2.5x	NA
02/27/2015	Nikon (Japan)	Optos (U.K.)	424.0	2.3x	18.7x
02/26/2015	Cyberonics (U.S.)	Sorin (Italy)	1,536.8	1.8x	12.7x
02/18/2015	TE Connectivity (Switzerland)	AdvancedCath (U.S.)	190.0	NA	NA
02/17/2015	William Demant (Denmark)	Audika Groupe (France)	129.7	1.7x	15.0x
02/13/2015	Sy.Med Development (U.S.)	HealthLine Systems (U.S.)	88.0	NA	NA
01/29/2015	Thermo Fisher Scientific (U.S.)	Advanced Scientifics (U.S.)	300.0	3.8x	NA
01/16/2015	Shanghai Yanhua Smartech Group (China)	Chengdu Chengdian Yixing Digital Health Software (China)	76.9	NA	NA

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

\$ in millions except #	Q4 2014		Q1 2015		Q1 2014	
	No. of Deals	Total Deal Value	No. of Deals	Total Deal Value	No. of Deals	Total Deal Value
< \$50M	7	\$158	13	\$138	13	\$199
\$50M to \$100M	-	-	3	229	4	303
\$100M to \$250M	2	355	1	190	1	160
\$250M to \$500M	2	725	1	300	1	315
\$500M to \$1000M	1	540	-	-	-	-
> \$1B	3	16,698	2	4,244	2	5,880
Undisclosed	66	-	57	-	55	-
Total	81	\$18,475	77	\$5,102	76	\$6,857

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 Q1

Healthcare Technology

Sy.Med Development acquired HealthLine for \$88M EV, which implied 4.68x LTM Revenue and 10.4x LTM EBITDA.

- Acquisition adds market-leading products for credentialing, privileging, quality management and contact center optimization to Sy.Med's product portfolio.

Headquartered in San Diego, CA, HealthLine provides credentialing software, contact center software, and quality management software to hospitals and healthcare organizations. The company's product, Echo, is a SaaS-based solution to support the credentialing process, eliminating paper-based tasks, providing primary source verification sites, and improving workflow and efficiency in accessing reports. HealthLine's FY 2014 revenue was \$18.8 million and EBITDA was approximately \$8.5 million.

Merge Healthcare acquired DR Systems for \$76M EV.

- Acquisition expands Merge Healthcare's position in the acute healthcare market and also broadens its access to the ambulatory market.
- Acquisition helps Merge Healthcare to deploy its iConnect Network and preauthorization services to a broader client base.

Headquartered in San Diego, CA, DR Systems provides information and image management solutions including radiology solutions, such as Unity RISA for managing various imaging-related workflows, automated clinical reporting, PACS for presentation of relevant clinical data, breast imaging and Unity 3D Processing. It also offers cardiology solutions, Unity ECG, cloud-based compliant EHR solutions for the collection, monitoring, and reporting of patient data and disaster recovery solutions.

WuXi PharmaTech acquired NextCODE Health for \$65M EV.

- Acquisition broadens and enhances WuXi's existing genomic laboratory services for biopharmaceutical research and clinical development.
- Acquisition provides WuXi Genome Center, a complete solution for drug development projects from target discovery and preclinical and clinical development to personalized medicine.

Based in Cambridge, MA, NextCODE Health has developed a gene sequence analysis platform and database architecture, enabling clinicians and researchers to obtain clinical insights to deliver rapid diagnoses for patient cases. The company also offers data analysis, genome interpretation, data mining services, security and data protection, productivity and collaboration services, custom integration services, and clinical-grade and non-clinical-grade sequencing services.

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.)

athenahealth acquired Razor Insights. Valuation was not disclosed.

- Acquisition enables athenahealth to integrate and build innovative workflow processes to serve its growing client base. The acquisition also broadens its scope of network insights and domain knowledge to streamline operations and enhance care coordination.
- Acquisition provides a strong customer base in 25 healthcare provider organizations and 15 states. It also brings onboard a dedicated and talented team with deep domain knowledge and expertise in the rural, critical access and community hospital markets.

Based in Kennesaw, GA, Razor Insights offers cloud-based solutions, including ONE-Electronic Health Record, a system that pushes information and work to users based on their role in the organization, and Drug Information Framework, which is used for delivery of proven drug content. The company also offers solutions for rural, critical access and community hospitals and “ONE” — a single-database, cloud solution offering a simple user experience with clinical tools and industry-standard data.

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

Mallinckrodt Enterprises acquired Ikaria for \$2.30B EV.

- Acquisition significantly strengthens Mallinckrodt's footprint in hospitals, extending its presence into critical care respiratory therapies in neonatal intensive care units.
- Acquisition diversifies Mallinckrodt's nephrology rare disease pipeline with terlipressin, a portfolio asset being investigated for the treatment of Hepato-Renal Syndrome Type 1 (HRS 1) – a rare, life-threatening condition with no currently approved therapy in the U.S.

Headquartered in Hampton, NJ, Ikaria focuses on developing and commercializing critical care therapeutics and interventions designed to address the significant needs of critically ill patients. The company offers INOMAX for the treatment of hypoxic respiratory failure associated with pulmonary hypertension in infants and INOMAX Total Care, a service package that delivers uninterrupted support for INOMAX. It also provides cardiopulmonary development programs.

Cardinal Health acquired J&J's Cordis business for \$1.94B EV, which implied 2.49x LTM Revenue.

- Acquisition significantly advances Cardinal Health's interventional cardiology offerings and endovascular solutions for integrated health systems and their patients.

Headquartered in Fremont, CA, Cordis is a global company with a growing portfolio of products serving healthcare systems. Cordis develops, manufactures, and distributes cardiology and endovascular devices. The U.S. is the largest single market for Cordis, however, 70% of total sales come from outside the U.S., with presences in more than 50 international markets. Cordis had annual sales in 2014 of approximately \$780 million, split almost evenly between cardiology and endovascular products.

TE Connectivity (TE) acquired AdvancedCath for \$190M EV.

- Deal establishes TE's Medical business as a leading provider of highly engineered connectivity and sensor solutions for OEMs in the large and growing medical devices market.
- Acquisition strengthens TE's position in the medical devices market by leveraging TE's expertise in engineering and manufacturing with AdvancedCath's strong reputation and domain expertise.

Headquartered in San Jose, CA, AdvancedCath manufactures advanced catheter systems for cardiovascular, peripheral vascular, structural heart, electrophysiology, and neurovascular applications. The company's catheter systems include balloon catheters, extrusions, medical balloons, and braided catheter shaft components and guidewires, catheter shafts and sheaths, and balloon catheter assemblies.

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.)

Becton, Dickinson & Co. (BD) acquired CRISI Medical Systems. Valuation was not disclosed.

- Acquisition provides BD access to the injection safety market with a differentiated platform, significantly enhancing its growing end-to-end IV medication safety offering.

Headquartered in San Diego, CA, CRISI Medical Systems focuses on the development of drug-delivery systems of intravenous injectable medications. The company offers Intelliport, a microprocessor-based, disposable intravenous injection port. CRISI develops innovative drug-delivery products designed to improve clinical outcomes and lower healthcare costs.

CareFusion acquired Surgical Site Solutions. Valuation was not disclosed.

- Acquisition expands CareFusion's surgical clipper portfolio with Surgical Site Solutions' ClipVac, a pre-surgical hair removal system to improve efficacy and patient safety.
- As an attachment to CareFusion Surgical Clippers, ClipVac captures 98.5% of hair and airborne contaminants by vacuum-capturing hair clippings at the source.

Headquartered in Sheboygan, WI, Surgical Site Solutions develops a medical device to remove patient's body hair prior to surgery. The company offers ClipVac, a portable, pre-surgical hair removal vacuum system that captures hair and airborne contaminants at the source.

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

Thermo Fisher Scientific acquired Advanced Scientifics for \$300M EV, which implied 3.75x LTM Revenue.

- Acquisition strengthens Thermo Fisher Scientifics' Bioproduction offering, provides an opportunity to meet customer demand for quality and productivity in bioprocessing, and leverages Thermo Fisher's global reach to bring these innovative products to a larger customer base.

Headquartered in Millersburg, PA, Advanced Scientifics designs, manufactures and delivers customized single-use systems and equipment for the preparation, processing, storage and transportation of biopharmaceuticals for the life sciences, pharmaceutical, diagnostic, and biotech industries. The company offers single-use containers, transfer assemblies, aseptic filling systems for bioreactor and fermentation separation, filtration and finished drug intermediate storage and shipment applications. Advanced Scientifics has 380 employees with revenue of approximately \$80 million in 2014.

3M acquired Ivera Medical. Valuation was not disclosed.

- Acquisition enhances 3M's vascular access product offerings in hospital acquired infections (HAIs) such as catheter-related blood stream infections (CRBSIs).
- Acquisition brings a broader array of vascular access solutions to more health care systems worldwide.
- Ivera's I.V. port connector caps complement 3M's vascular access products, which deliver the critical elements of antimicrobial protection and securement for I.V. site care.

Headquartered in San Diego, CA, Ivera Medical designs, develops, manufactures, and sells infection control products that help healthcare providers reduce facility-acquired patient infections. The company offers Curo Passive Disinfection Devices for swabbable luer-access valves and male luer devices to disinfect and act as a physical barrier to contamination. It also offers CuroDisinfecting Port Protector and Strips for needleless valves, Curo for Tego, a solution for needlefree hemodialysis connector, Curo Tips for male luer connectors, and provides clinical integration services. Ivera employs approximately 60 people and has annual revenue of approximately \$30 million.

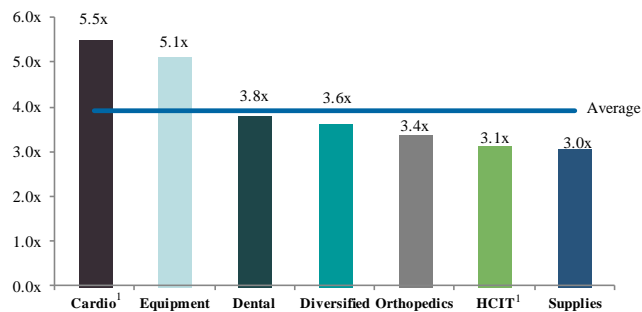
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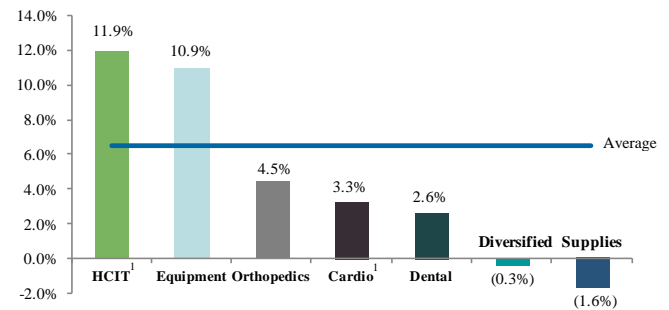


Comparable Public Company Valuation Metrics – MedTech Sector

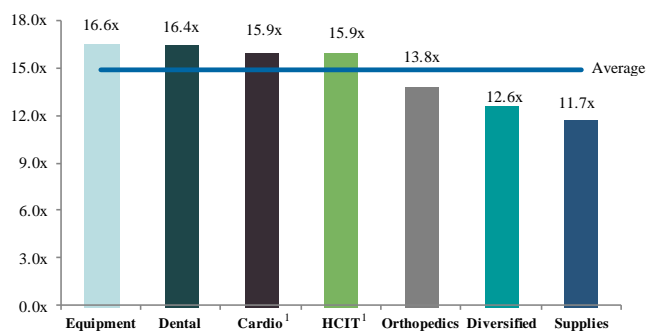
Enterprise Value / CY 2015E Revenue



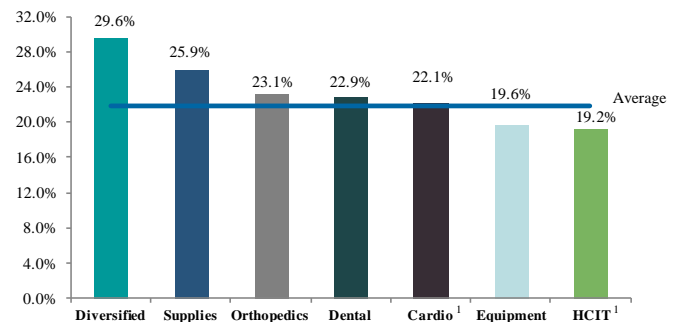
CY 2015E Revenue Growth%



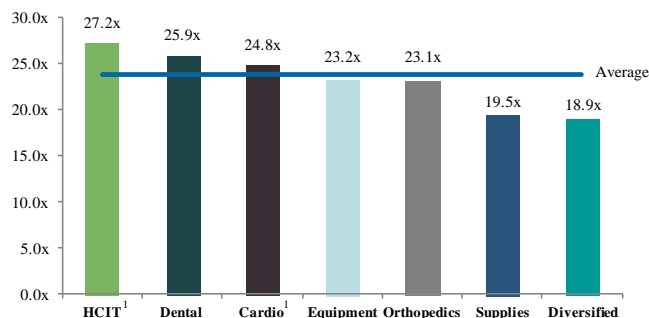
Enterprise Value / CY 2015E EBITDA



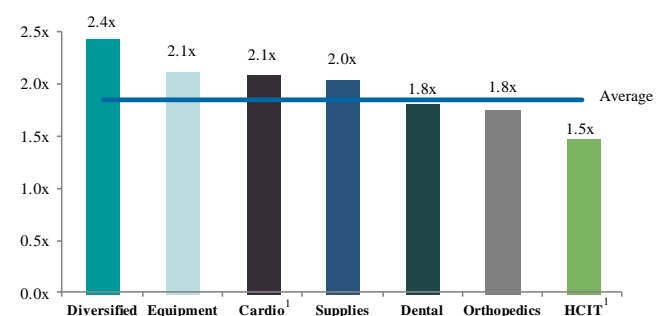
CY 2015E EBITDA Margin %



Price / Earnings 2015E



PEG Ratio 2015E



Source: S&P Capital IQ.

Note: Market Data as of Q1 2015 Quarter End.

Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

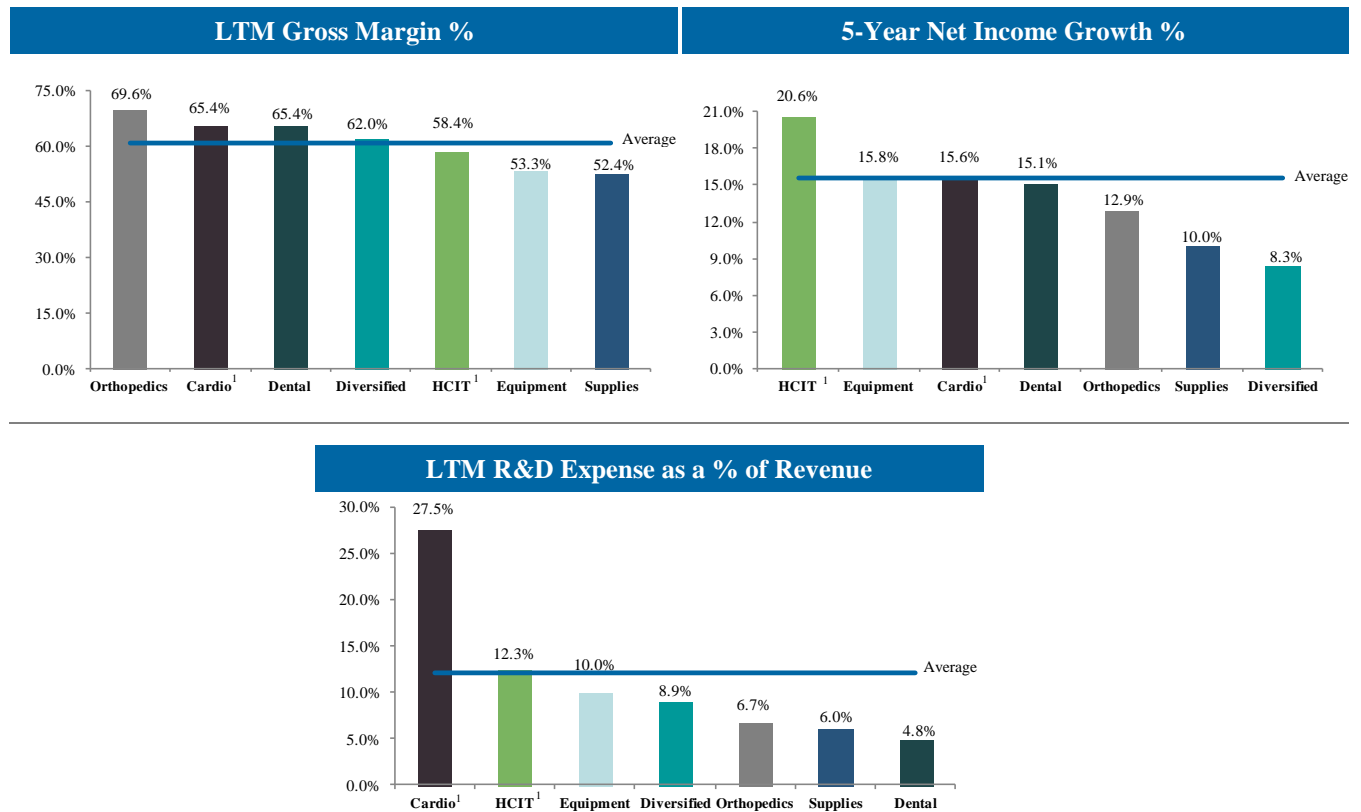
Note: CY=Calendar Year, LTM=Last Twelve Months and NTM = Next Twelve Months.

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

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



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



Source: S&P Capital IQ.

Note: Market Data as of Q1 2015 Quarter End.

Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

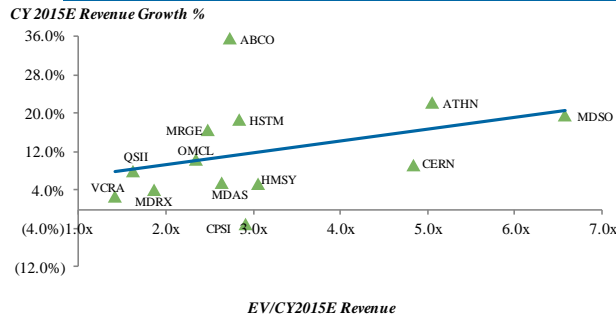
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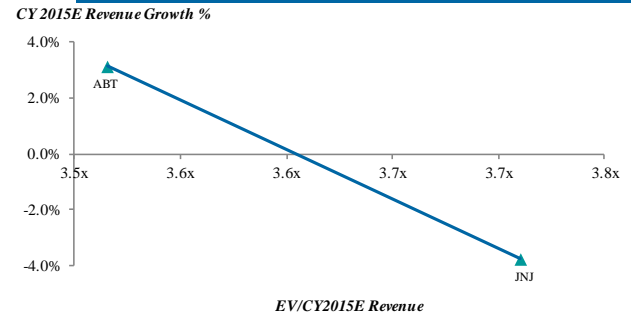


Valuation & Revenue Growth Correlation – Public MedTech Companies

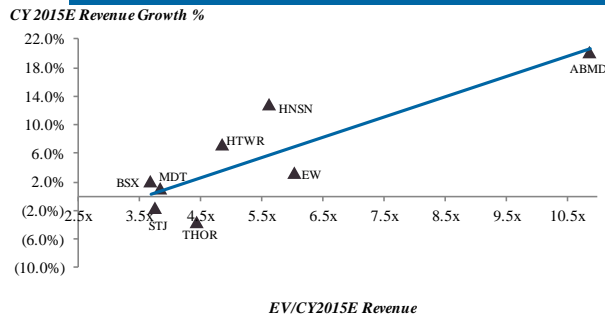
HCIT



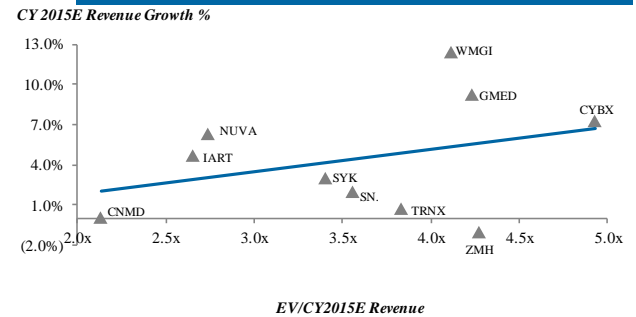
Diversified



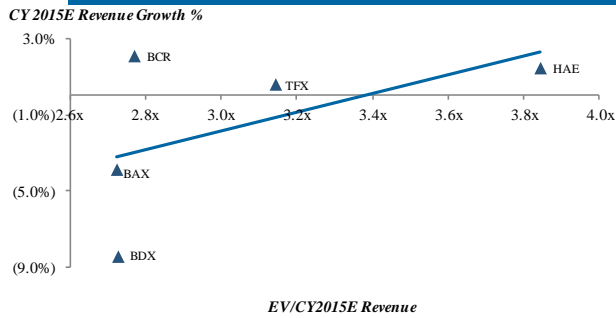
Cardiothoracic



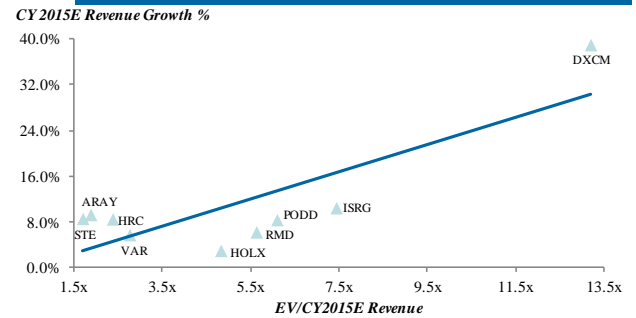
Orthopedics



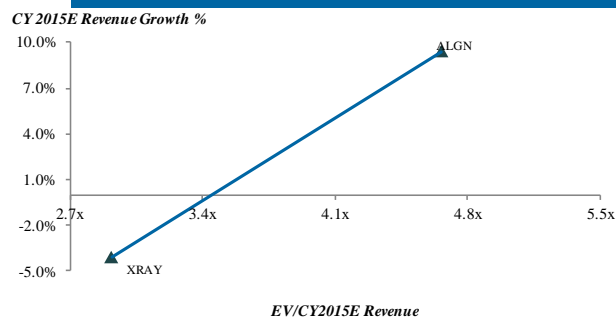
Supplies



Equipment



Dental



Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2015 Quarter End.

Note: CY=Calendar Year.

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



Appendix



Appendix– Comparable Public Company Analysis

Healthcare Technology (HCIT) – Valuation Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value									
HCIT														
Cerner ⁽¹⁾	\$73.26	98%	1.51x	\$25,098.0	(\$1,290.5)	\$23,807.5	4.8x	4.3x	15.9x	13.5x	34.7x	29.0x	1.94x	1.61x
Athenahealth	\$119.39	71%	1.23x	\$4,560.2	\$93.5	\$4,653.7	5.1x	4.2x	28.9x	22.9x	NM	NM	NA	NA
Medidata Solutions	\$49.04	84%	1.53x	\$2,668.4	(\$31.9)	\$2,636.5	6.6x	5.5x	28.4x	22.0x	NM	44.6x	NA	1.72x
The Advisory Board Co.	\$53.28	81%	1.42x	\$2,247.6	(\$87.7)	\$2,159.9	2.7x	2.4x	12.4x	10.5x	41.6x	31.5x	2.43x	1.84x
Allscripts Healthcare Solutions	\$11.96	65%	1.09x	\$2,159.0	\$523.1	\$2,682.1	1.9x	1.8x	11.2x	9.8x	26.6x	20.6x	1.18x	0.91x
HMS Holdings Corp.	\$15.45	65%	1.02x	\$1,365.1	\$64.7	\$1,429.8	3.1x	2.6x	11.5x	8.8x	25.8x	18.4x	1.12x	0.80x
Omnicell	\$35.10	98%	1.40x	\$1,269.4	(\$125.9)	\$1,143.5	2.3x	2.1x	12.6x	10.5x	25.9x	22.6x	1.47x	1.28x
MedAssets	\$18.82	74%	1.11x	\$1,133.4	\$877.7	\$2,011.0	2.6x	2.5x	8.7x	8.3x	15.7x	14.5x	1.47x	1.35x
Quality Systems	\$15.98	85%	1.23x	\$963.4	(\$124.8)	\$838.5	1.6x	1.5x	10.4x	9.1x	25.3x	20.1x	1.80x	1.44x
Accretive Health	\$5.78	61%	1.04x	\$901.7	(\$196.4)	\$705.3	3.0x	2.8x	21.3x	17.5x	35.0x	28.9x	1.31x	1.08x
Healthstream	\$25.20	78%	1.21x	\$697.6	(\$121.0)	\$576.6	2.8x	2.5x	22.2x	16.6x	NM	NM	NA	NA
Computer Programs & Systems	\$54.26	80%	1.14x	\$614.0	(\$34.5)	\$579.5	2.9x	2.7x	11.8x	10.3x	20.3x	17.6x	1.56x	1.36x
Merge Healthcare Incorporated	\$4.47	95%	2.27x	\$431.4	\$183.1	\$615.0	2.5x	2.3x	11.0x	9.5x	21.3x	17.9x	0.55x	0.46x
Vocera Communications	\$9.92	59%	1.31x	\$254.8	(\$115.6)	\$139.2	1.4x	1.3x	NM	NM	NM	NM	NA	NA
Average							3.1x	2.7x	15.9x	13.0x	27.2x	24.2x	1.48x	1.26x
Median							2.8x	2.5x	12.4x	10.5x	25.8x	20.6x	1.47x	1.35x

Healthcare Technology (HCIT) – Operating Metrics

(\$Millions, except per share values)

(Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM	
HCIT															
Cerner ⁽¹⁾	\$73.26	98%	1.51x	\$25,098.0	(\$1,290.5)	\$23,807.5	9.2%	12.1%	30.5%	32.0%	17.9%	84.5%	42.1%	11.9%	7.5%
Athenahealth	\$119.39	71%	1.23x	\$4,560.2	\$93.5	\$4,653.7	22.3%	21.7%	17.5%	18.2%	22.2%	59.8%	25.2%	9.2%	16.6%
Medidata Solutions	\$49.04	84%	1.53x	\$2,668.4	(\$31.9)	\$2,636.5	19.6%	19.9%	23.2%	24.9%	25.9%	73.7%	24.9%	21.4%	20.6%
The Advisory Board Co.	\$53.28	81%	1.42x	\$2,247.6	(\$87.7)	\$2,159.9	35.7%	14.9%	22.1%	22.7%	17.1%	47.1%	18.6%	NA	17.3%
Allscripts Healthcare Solutions	\$11.96	65%	1.09x	\$2,159.0	\$523.1	\$2,682.1	4.1%	6.0%	16.6%	18.0%	22.6%	45.5%	NA	14.0%	NA
HMS Holdings Corp.	\$15.45	65%	1.02x	\$1,365.1	\$64.7	\$1,429.8	5.4%	19.1%	26.7%	29.2%	23.1%	35.7%	NA	NA	NA
Omnicell	\$35.10	98%	1.40x	\$1,269.4	(\$125.9)	\$1,143.5	10.4%	10.7%	18.7%	20.2%	17.7%	53.0%	NA	6.3%	NA
MedAssets	\$18.82	74%	1.11x	\$1,133.4	\$877.7	\$2,011.0	5.6%	4.3%	30.3%	30.7%	10.7%	76.1%	9.4%	4.3%	33.0%
Quality Systems	\$15.98	85%	1.23x	\$963.4	(\$124.8)	\$838.5	8.0%	9.0%	15.6%	16.4%	14.0%	53.7%	1.2%	14.0%	NA
Accretive Health	\$5.78	61%	1.04x	\$901.7	(\$196.4)	\$705.3	NA	4.0%	13.9%	16.3%	26.7%	63.0%	NA	NA	NA
Healthstream	\$25.20	78%	1.21x	\$697.6	(\$121.0)	\$576.6	18.7%	14.3%	12.8%	15.0%	20.0%	56.6%	17.5%	9.6%	11.2%
Computer Programs & Systems	\$54.26	80%	1.14x	\$614.0	(\$34.5)	\$579.5	(3.0%)	6.4%	24.8%	26.6%	13.0%	45.9%	7.0%	NA	14.7%
Merge Healthcare Incorporated	\$4.47	95%	2.27x	\$431.4	\$183.1	\$615.0	16.6%	10.3%	22.5%	23.7%	39.0%	60.8%	15.1%	13.4%	12.8%
Vocera Communications	\$9.92	59%	1.31x	\$254.8	(\$115.6)	\$139.2	2.7%	9.7%	(6.7%)	1.6%	18.7%	61.1%	52.0%	18.9%	18.7%
Average							11.9%	11.6%	19.2%	21.1%	20.6%	58.4%	21.3%	12.3%	16.9%
Median							9.2%	10.5%	20.4%	21.4%	19.3%	58.2%	18.1%	12.6%	16.6%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

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

(1) CY Revenue Growth and EV / CY Revenue Multiple Adjusted for Acquisitions.



Appendix– Comparable Public Company Analysis (Cont.)

Diversified – Valuation Metrics

(\$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	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Diversified														
Johnson & Johnson	\$100.60	92%	1.06x	\$279,717.2	(\$14,329.0)	\$265,388.2	3.7x	3.6x	10.7x	10.0x	16.3x	15.5x	2.92x	2.77x
Abbott Laboratories	\$46.33	97%	1.26x	\$69,911.0	\$3,385.0	\$73,409.0	3.5x	3.3x	14.5x	13.3x	21.5x	19.3x	1.95x	1.75x
Average							3.6x	3.4x	12.6x	11.6x	18.9x	17.4x	2.44x	2.26x
Median							3.6x	3.4x	12.6x	11.6x	18.9x	17.4x	2.44x	2.26x

Diversified – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM	
Diversified															
Johnson & Johnson	\$100.60	92%	1.06x	\$279,717.2	(\$14,329.0)	\$265,388.2	(3.8%)	4.2%	34.8%	35.6%	5.6%	69.4%	3.5%	11.4%	NA
Abbott Laboratories	\$46.33	97%	1.26x	\$69,911.0	\$3,385.0	\$73,409.0	3.1%	6.0%	24.3%	25.0%	11.0%	54.6%	NA	6.4%	NA
							Average (0.4%)	5.1%	29.6%	30.3%	8.3%	62.0%	3.5%	8.9%	NA
							Median (0.4%)	5.1%	29.6%	30.3%	8.3%	62.0%	3.5%	8.9%	NA

Cardiothoracic – Valuation Metrics

(\$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	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Cardiothoracic														
Medtronic ⁽¹⁾	\$77.99	98%	1.40x	\$111,150.3	(\$2,261.0)	\$108,889.3	3.8x	3.8x	11.6x	10.7x	17.9x	15.8x	2.35x	2.07x
Boston Scientific	\$17.75	98%	1.60x	\$23,770.5	\$3,672.0	\$27,442.5	3.7x	3.5x	14.4x	13.1x	19.7x	17.2x	1.89x	1.65x
St. Jude Medical	\$65.40	91%	1.19x	\$18,320.0	\$2,394.0	\$20,759.0	3.8x	3.6x	12.1x	11.4x	16.5x	15.1x	1.77x	1.63x
Edwards Lifesciences	\$142.46	95%	1.96x	\$15,317.9	(\$840.7)	\$14,477.2	6.0x	5.6x	21.6x	19.9x	33.8x	30.2x	2.32x	2.07x
ABIOMED	\$71.58	96%	3.53x	\$2,896.4	(\$113.4)	\$2,783.0	10.9x	9.4x	NM	NM	NM	NM	NA	NA
Thoratec Corp.	\$41.89	98%	1.86x	\$2,272.2	(\$230.5)	\$2,041.7	4.4x	4.0x	19.8x	15.7x	36.1x	28.7x	NM	NM
Heartware International	\$87.77	90%	1.27x	\$1,513.1	(\$63.7)	\$1,449.4	4.9x	4.3x	NM	NM	NM	NM	NA	NA
Hansen Medical	\$0.87	31%	1.67x	\$115.8	\$7.9	\$123.7	6.5x	4.1x	NM	NM	NM	NM	NA	NA
Average							5.5x	4.8x	15.9x	14.2x	24.8x	21.4x	2.08x	1.86x
Median							4.6x	4.1x	14.4x	13.1x	19.7x	17.2x	2.10x	1.86x

Cardiothoracic – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value										
Cardiothoracic															
Medtronic ⁽¹⁾	\$77.99	98%	1.40x	\$111,150.3	(\$2,261.0)	\$108,889.3	1.1%	1.6%	33.1%	35.3%	7.6%	74.6%	NA	8.6%	NA
Boston Scientific	\$17.75	98%	1.60x	\$23,770.5	\$3,672.0	\$27,442.5	2.1%	5.1%	25.6%	26.8%	10.4%	69.6%	NA	11.2%	NA
St. Jude Medical	\$65.40	91%	1.19x	\$18,320.0	\$2,394.0	\$20,759.0	(1.7%)	4.5%	31.0%	31.6%	9.3%	71.6%	NA	12.3%	NA
Edwards Lifesciences	\$142.46	95%	1.96x	\$15,317.9	(\$840.7)	\$14,477.2	3.2%	7.9%	27.9%	28.1%	14.6%	73.2%	NA	14.9%	NA
ABIOMED	\$71.58	96%	3.53x	\$2,896.4	(\$113.4)	\$2,783.0	20.2%	16.0%	16.3%	17.6%	17.7%	81.6%	NA	15.8%	NA
Thoratec Corp.	\$41.89	98%	1.86x	\$2,272.2	(\$230.5)	\$2,041.7	(3.7%)	9.7%	22.4%	25.8%	9.3%	67.1%	1.1%	22.4%	NA
Heartware International	\$87.77	90%	1.27x	\$1,513.1	(\$63.7)	\$1,449.4	7.2%	12.6%	(1.8%)	0.3%	40.5%	66.9%	NA	42.6%	NA
Hansen Medical	\$0.87	31%	1.67x	\$115.8	\$7.9	\$123.7	(2.3%)	59.6%	NM	NM	NA	19.0%	3.6%	92.5%	NA
						Average	3.3%	14.6%	22.1%	23.6%	15.6%	65.4%	2.4%	27.5%	NA
						Median	1.6%	8.8%	25.6%	26.8%	10.4%	70.6%	2.4%	15.4%	NA

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

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

(1) CY Revenue Growth and EV / CY Revenue Multiple Adjusted for Acquisitions.



Appendix – Comparable Public Company Analysis (Cont.)

Orthopedics – Valuation Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
Orthopedics														
Stryker Corp.	\$92.25	94%	1.22x	\$34,960.6	(\$1,027.0)	\$33,933.6	3.4x	3.2x	12.7x	11.9x	18.5x	16.8x	2.37x	2.15x
Zimmer Holdings	\$117.52	96%	1.30x	\$19,979.1	(\$211.0)	\$19,769.9	4.3x	4.1x	10.6x	10.1x	18.7x	17.5x	2.16x	2.02x
Smith & Nephew	\$17.00	94%	1.33x	\$15,221.8	\$1,612.0	\$16,758.5	3.6x	3.4x	11.9x	10.9x	19.5x	17.3x	1.80x	1.60x
Globus Medical	\$25.24	93%	1.45x	\$2,390.4	(\$228.7)	\$2,161.7	4.2x	3.9x	12.1x	10.9x	25.0x	22.1x	1.93x	1.71x
NuVasive	\$45.99	90%	1.47x	\$2,214.3	(\$2.0)	\$2,220.6	2.7x	2.6x	11.2x	10.7x	41.8x	34.6x	NM	NM
Integra LifeSciences Holdings	\$61.65	98%	1.45x	\$2,020.8	\$558.9	\$2,579.7	2.7x	2.5x	12.6x	11.4x	19.6x	17.5x	1.74x	1.56x
Cyberonics	\$64.92	85%	1.35x	\$1,689.2	(\$143.2)	\$1,545.9	4.9x	4.6x	12.6x	12.4x	25.2x	22.9x	1.30x	1.18x
CONMED	\$50.49	97%	1.41x	\$1,392.0	\$175.1	\$1,567.1	2.1x	2.1x	11.8x	11.0x	27.1x	23.7x	1.75x	1.53x
Wright Medical Group	\$25.80	79%	1.10x	\$1,311.5	\$51.4	\$1,362.9	4.1x	3.5x	NM	NM	NM	NM	NA	NA
Tornier N.V.	\$26.22	92%	1.57x	\$1,284.5	\$47.6	\$1,332.1	3.8x	3.5x	35.1x	27.2x	NM	NM	NA	NA
Hanger	\$22.69	64%	1.24x	\$780.3	\$535.0	\$1,315.3	1.1x	NA	7.2x	NA	12.2x	NA	1.00x	NA
Average							3.4x	3.3x	13.8x	13.0x	23.1x	21.6x	1.76x	1.68x
Median							3.6x	3.4x	12.0x	11.0x	19.6x	19.8x	1.77x	1.60x

Orthopedics – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value										
Orthopedics															
Stryker Corp.	\$92.25	94%	1.22x	\$34,960.6	(\$1,027.0)	\$33,933.6	3.0%	5.3%	26.8%	27.2%	7.8%	66.3%	NA	6.3%	NA
Zimmer Holdings	\$117.52	96%	1.30x	\$19,979.1	(\$211.0)	\$19,769.9	(1.0%)	3.6%	40.5%	40.7%	8.7%	73.4%	NA	4.0%	NA
Smith & Nephew	\$17.00	94%	1.33x	\$15,221.8	\$1,612.0	\$16,758.5	2.0%	5.5%	29.9%	31.1%	10.9%	75.6%	2.1%	5.1%	NA
Globus Medical	\$25.24	93%	1.45x	\$2,390.4	(\$228.7)	\$2,161.7	9.2%	8.9%	35.0%	35.6%	12.9%	77.8%	NA	6.8%	NA
NuVasive	\$45.99	90%	1.47x	\$2,214.3	(\$2.0)	\$2,220.6	6.3%	6.6%	24.5%	24.0%	10.3%	76.1%	NA	5.0%	NA
Integra LifeSciences Holdings	\$61.65	98%	1.45x	\$2,020.8	\$558.9	\$2,579.7	4.7%	4.9%	21.1%	22.1%	11.2%	64.1%	NA	5.5%	NA
Cyberonics	\$64.92	85%	1.35x	\$1,689.2	(\$143.2)	\$1,545.9	7.3%	8.3%	39.2%	36.6%	19.4%	90.7%	NA	14.9%	NA
CONMED	\$50.49	97%	1.41x	\$1,392.0	\$175.1	\$1,567.1	0.0%	2.9%	18.1%	18.8%	15.5%	55.0%	NA	3.8%	NA
Wright Medical Group	\$25.80	79%	1.10x	\$1,311.5	\$51.4	\$1,362.9	12.4%	18.2%	(7.4%)	(2.5%)	8.0%	76.8%	NA	8.5%	NA
Tornier N.V.	\$26.22	92%	1.57x	\$1,284.5	\$47.6	\$1,332.1	0.7%	8.5%	10.9%	13.0%	25.0%	76.0%	NA	7.0%	NA
Hanger	\$22.69	64%	1.24x	\$780.3	\$535.0	\$1,315.3	NA	NA	15.9%	NA	12.3%	33.4%	0.4%	NA	NA
Average							4.5%	7.3%	23.1%	24.7%	12.9%	69.6%	1.3%	6.7%	NA
Median							3.8%	6.1%	24.5%	25.6%	11.2%	75.6%	1.3%	5.9%	NA

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = 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

(\$Millions, except per share values)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value								
Supplies														
Baxter International	\$68.50	89%	1.04x	\$37,231.9	\$6,379.0	\$43,646.9	2.7x	2.6x	11.1x	10.7x	16.5x	15.8x	2.78x	2.66x
Becton, Dickinson and Co. ⁽¹⁾	\$143.59	96%	1.29x	\$29,983.2	\$1,348.0	\$31,331.2	2.7x	2.4x	10.7x	9.2x	19.0x	16.4x	2.11x	1.83x
CR Bard	\$167.35	93%	1.26x	\$12,438.5	\$519.8	\$12,958.3	3.8x	3.7x	13.0x	12.1x	20.8x	18.7x	1.82x	1.65x
Teleflex Incorporated	\$120.83	98%	1.21x	\$5,010.1	\$765.2	\$5,777.7	3.1x	3.0x	12.4x	11.0x	19.3x	16.9x	1.73x	1.51x
Haemonetics Corp.	\$44.92	99%	1.50x	\$2,313.0	\$302.7	\$2,615.7	2.8x	2.6x	11.2x	10.2x	22.0x	19.9x	1.78x	1.61x
						Average	3.0x	2.9x	11.7x	10.6x	19.5x	17.5x	2.04x	1.85x
						Median	2.8x	2.6x	11.2x	10.7x	19.3x	16.9x	1.82x	1.65x

Supplies – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value										
Supplies															
Baxter International	\$68.50	89%	1.04x	\$37,231.9	\$6,379.0	\$43,646.9	(3.9%)	3.2%	24.5%	24.7%	5.9%	49.3%	0.3%	7.0%	NA
Becton, Dickinson and Co. ⁽¹⁾	\$143.59	96%	1.29x	\$29,983.2	\$1,348.0	\$31,331.2	(8.4%)	13.8%	25.4%	25.9%	9.0%	51.0%	NA	6.2%	NA
CR Bard	\$167.35	93%	1.26x	\$12,438.5	\$519.8	\$12,958.3	1.5%	4.3%	29.6%	30.5%	11.4%	62.1%	0.1%	8.1%	NA
Teleflex Incorporated	\$120.83	98%	1.21x	\$5,010.1	\$765.2	\$5,777.7	0.6%	4.9%	25.3%	27.2%	11.2%	51.8%	NA	3.3%	NA
Haemonetics Corp.	\$44.92	99%	1.50x	\$2,313.0	\$302.7	\$2,615.7	2.1%	5.3%	24.8%	25.9%	12.4%	47.7%	0.4%	5.5%	NA
						Average	(1.6%)	6.3%	25.9%	26.8%	10.0%	52.4%	0.3%	6.0%	NA
						Median	0.6%	4.9%	25.3%	25.9%	11.2%	51.0%	0.3%	6.2%	NA

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

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

(1) CY Revenue Growth and EV / CY Revenue Multiple Adjusted for Acquisitions.



Appendix– Comparable Public Company Analysis (Cont.)

Equipment – Valuation Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
Equipment														
Intuitive Surgical	\$505.03	93%	1.46x	\$18,603.3	(\$1,232.5)	\$17,370.8	7.4x	6.7x	18.3x	16.2x	29.0x	25.2x	2.25x	1.95x
ResMed	\$71.78	99%	1.62x	\$10,089.0	(\$431.0)	\$9,658.0	5.6x	5.1x	18.1x	15.5x	26.3x	23.7x	2.10x	1.89x
Varian Medical Systems	\$94.09	98%	1.23x	\$9,415.8	(\$447.9)	\$8,969.7	2.8x	2.6x	13.0x	12.0x	21.5x	18.8x	2.43x	2.13x
Hologic	\$33.03	99%	1.63x	\$9,245.4	\$3,410.8	\$12,656.2	4.8x	4.6x	13.4x	12.3x	20.5x	18.7x	2.48x	2.27x
DexCom	\$62.34	96%	2.22x	\$4,832.3	(\$79.0)	\$4,753.3	13.2x	9.7x	NM	NM	NM	NM	NA	NA
Steris Corp.	\$70.27	99%	1.49x	\$4,186.3	\$466.2	\$4,654.4	2.4x	2.3x	11.8x	11.5x	22.3x	18.4x	1.91x	1.58x
Hill-Rom Holdings	\$49.00	99%	1.38x	\$2,768.8	\$468.6	\$3,237.4	1.7x	1.7x	10.3x	9.6x	19.3x	17.8x	1.54x	1.42x
Insulet Corp.	\$33.35	67%	1.23x	\$1,882.5	\$23.4	\$1,906.0	6.1x	5.3x	NM	NM	NM	NM	NA	NA
Accuray Incorporated	\$9.30	95%	1.55x	\$729.9	\$48.4	\$778.3	1.9x	1.7x	31.0x	21.0x	NM	NM	NA	NA
Average							5.1x	4.4x	16.6x	14.0x	23.2x	20.5x	2.12x	1.87x
Median							4.8x	4.6x	13.4x	12.3x	21.9x	18.8x	2.17x	1.92x

Equipment – Operating Metrics

(\$Millions, except per share values)

(S\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM	
Equipment															
Intuitive Surgical	\$505.03	93%	1.46x	\$18,603.3	(\$1,232.5)	\$17,370.8	10.3%	10.5%	40.7%	41.4%	12.9%	66.8%	NA	8.4%	NA
ResMed	\$71.78	99%	1.62x	\$10,089.0	(\$431.0)	\$9,658.0	6.1%	10.9%	31.1%	32.8%	12.5%	62.7%	NA	7.5%	NA
Varian Medical Systems	\$94.09	98%	1.23x	\$9,415.8	(\$447.9)	\$8,969.7	5.6%	6.8%	21.3%	21.5%	8.9%	42.9%	NA	7.6%	NA
Hologic	\$33.03	99%	1.63x	\$9,245.4	\$3,410.8	\$12,656.2	2.9%	4.5%	36.1%	37.6%	8.3%	63.4%	13.1%	8.1%	9.9%
DexCom	\$62.34	96%	2.22x	\$4,832.3	(\$79.0)	\$4,753.3	38.9%	36.1%	1.1%	7.5%	32.5%	68.0%	NA	26.8%	NA
Steris Corp.	\$70.27	99%	1.49x	\$4,186.3	\$466.2	\$4,654.4	8.4%	5.1%	20.2%	19.7%	11.7%	41.7%	0.5%	2.9%	NA
Hill-Rom Holdings	\$49.00	99%	1.38x	\$2,768.8	\$468.6	\$3,237.4	8.5%	1.9%	16.4%	17.4%	12.5%	46.3%	NA	4.4%	NA
Insulet Corp.	\$33.35	67%	1.23x	\$1,882.5	\$23.4	\$1,906.0	8.3%	15.2%	3.7%	11.1%	27.5%	49.6%	21.1%	9.7%	17.1%
Accuray Incorporated	\$9.30	95%	1.55x	\$729.9	\$48.4	\$778.3	9.2%	10.5%	6.1%	8.1%	NM	38.0%	17.6%	14.6%	12.1%
Average							10.9%	11.3%	19.6%	21.9%	15.8%	53.3%	13.1%	10.0%	13.0%
Median							8.4%	10.5%	20.2%	19.7%	12.5%	49.6%	15.4%	8.1%	12.1%

Dental – Valuation Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
Dental														
DENTSPLY International	\$50.89	90%	1.16x	\$7,142.5	\$1,040.9	\$8,184.3	2.9x	2.8x	13.5x	12.3x	20.0x	18.2x	2.09x	1.90x
Align Technology	\$53.79	83%	1.24x	\$4,341.5	(\$454.7)	\$3,886.9	4.7x	4.0x	19.4x	15.3x	31.8x	24.5x	1.54x	1.19x
						Average	3.8x	3.4x	16.4x	13.8x	25.9x	21.3x	1.81x	1.54x
						Median	3.8x	3.4x	16.4x	13.8x	25.9x	21.3x	1.81x	1.54x

Dental – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics									
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.	
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM	
	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value										
Dental																
DENTSPLY International	\$50.89	90%	1.16x	\$7,142.5	\$1,040.9	\$8,184.3	(4.1%)	2.7%	21.7%	23.0%	9.6%	54.7%	NA	2.8%	NA	
Align Technology	\$53.79	83%	1.24x	\$4,341.5	(\$454.7)	\$3,886.9	9.4%	15.3%	24.0%	26.4%	20.7%	76.0%	28.5%	6.9%	15.1%	
							Average	2.6%	9.0%	22.9%	24.7%	15.1%	65.4%	28.5%	4.8%	15.1%
							Median	2.6%	9.0%	22.9%	24.7%	15.1%	65.4%	28.5%	4.8%	15.1%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 15x, EV / CY EBITDA > 40x, P / E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price / Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

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



Appendix – Q1 Selected MedTech M&A Transactions

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

Date	Target	Acquirer	Enterprise Value (\$US\$mm)	Valuation Metrics	
				EV / LTM Revenues	EV / LTM EBITDA
03/26/2015	Dr Foster	Telstra Health	\$12	NA	NA
03/23/2015	Jazz Pharmaceuticals (Topaz Portfolio Business)	Essex Woodlands Health Ventures	34	NA	NA
03/20/2015	Hironic	NH Investment & Securities	297	NA	NA
03/16/2015	Corilus	AAC Capital Partners	82	1.8x	15.0x
03/06/2015	MD Office Solutions	Digirad	3	1.1x	NA
03/05/2015	Ikaria	Mallinckrodt Enterprises	2,300	NA	NA
03/02/2015	First Water	Scapa Group	23	NA	NA
03/02/2015	Ethicon (Certain Assets of Cordis Business)	Cardinal Health	1,944	2.5x	NA
02/27/2015	Optos	Nikon	395	2.3x	18.7x
02/26/2015	Sorin	Cyberonics	1,505	1.8x	12.7x
02/26/2015	MACH4	Omnicell International	18	NA	NA
02/25/2015	Branch Medical Group	Globus Medical	53	2.3x	5.8x
02/25/2015	DR Systems	Merge Healthcare	76	NA	NA
02/23/2015	MRLB International	Crosstex International	10	NA	NA
02/23/2015	RevenueMed	Navigant Healthcare Cymetrix	26	NA	NA
02/18/2015	AdvancedCath	TE Connectivity	190	NA	NA
02/17/2015	Audika Groupe	William Demant	204	1.7x	15.0x
02/13/2015	HealthLine Systems	Sy.Med Development	88	NA	NA
02/12/2015	Jay Precision Pharmaceuticals	Cipla	26	5.3x	NA
02/09/2015	quCare Solutions	Nexus	23	1.3x	NA
02/05/2015	Merz Dental	Shofu	17	0.9x	NA
02/02/2015	Celleration	Alliqua BioMedical	50	5.7x	NA
01/30/2015	Charter Medical	Solesis Medical Technologies	30	1.5x	9.1x
01/29/2015	Advanced Scientifics	Thermo Fisher Scientific	300	3.8x	NA
01/27/2015	American HealthCare Lending	Prosper Marketplace	21	NA	NA
01/22/2015	Real Time Enterprises	Sparton Corp.	3	0.8x	NA
01/20/2015	Blue Ortho	Exactech	12	NA	NA
01/20/2015	Ceura	Dag Dvergsten	5	NM	NA
01/16/2015	Chengdu Chengdian Yixing Digital Health Software	Shanghai Yanhua Smartech Group	77	NA	NA
01/09/2015	Sino Protection Holdings	Hong Kong Glory Group	29	NA	NA
01/09/2015	NextCODE Health	WuXi PharmaTech	65	NA	NA
01/06/2015	Celdara Medical (Immuno-Oncology)	Cardio3 BioSciences	10	NA	NA
01/05/2015	Claron Technology	Lexmark Canada & Lexmark International	37	NA	NA
Average				2.3x	12.7x
Median				1.8x	13.8x

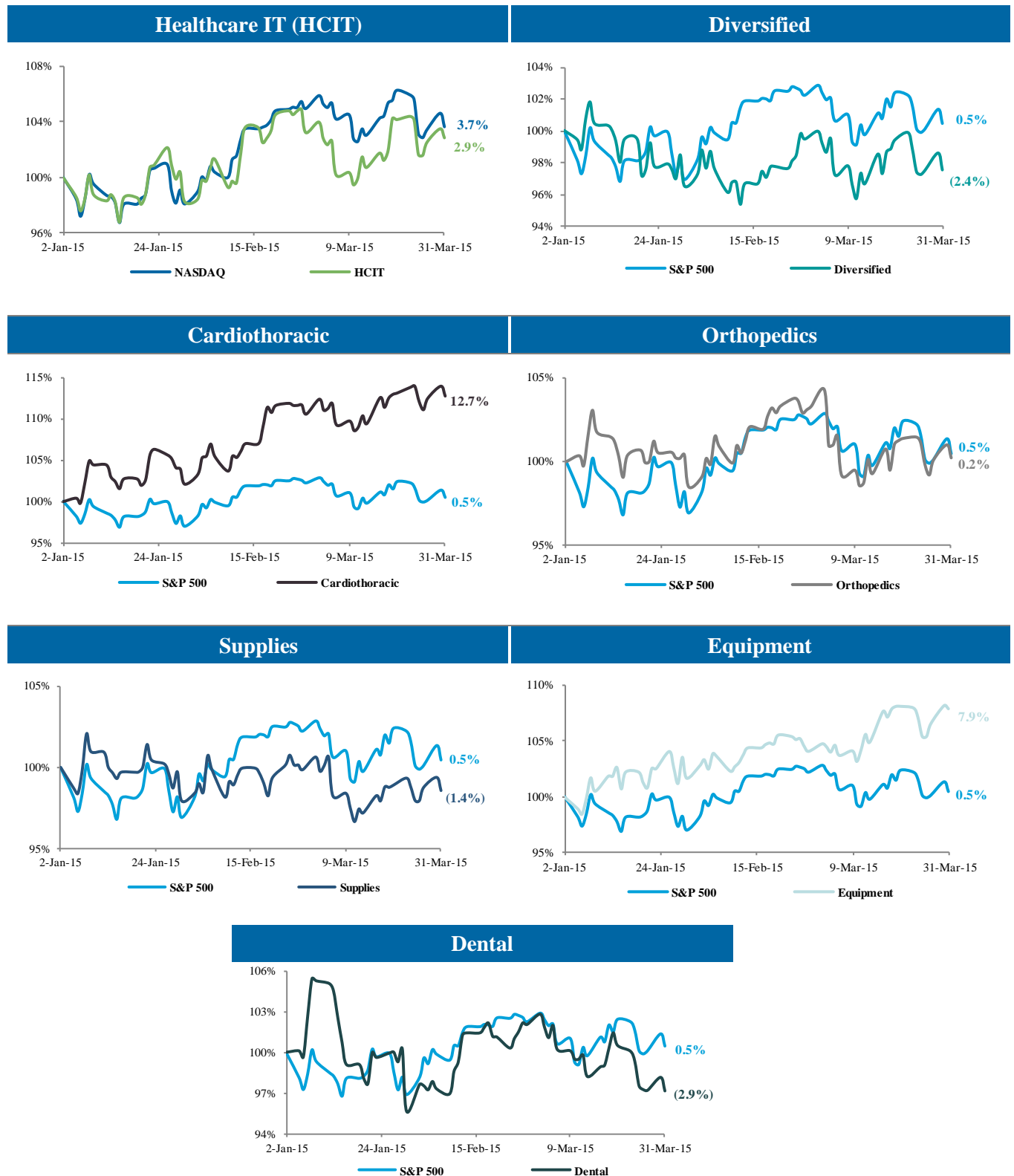
Source: S&P Capital IQ.

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 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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