



Quarterly Review of the Medical Technology Sector (MedTech)

Q3 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 and 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>

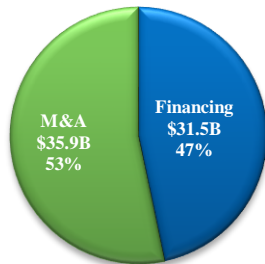
Note: Transactions above only represent a sample of past transactions executed by Navidar.



Navidar at a Glance

Experienced Strategic Advisors

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



Advising Dynamic Companies

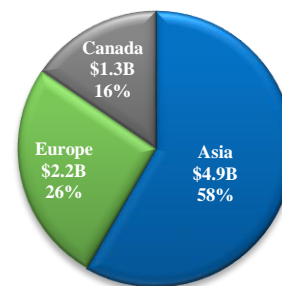


Creative Insights and Customized Solutions



International Expertise

\$8.4B of Transaction Volume



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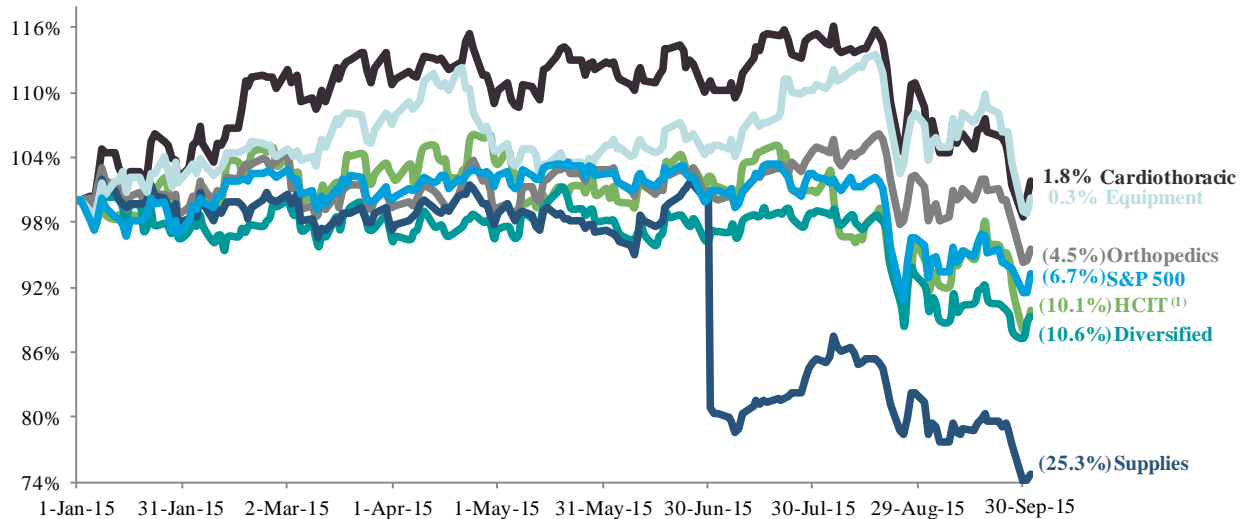
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Q3 2015 Medical Technology Sector Review

Relative Share Price Performance – YTD



MedTech Sector Share Price Performance

Sub-Sector		Q3 Return	YTD Return
Equipment		(4.1%)	0.3%
Orthopedics		(5.7%)	(4.5%)
Supplies		(7.6%)	(25.3%)
S&P 500		(7.6%)	(6.7%)
Diversified		(8.1%)	(10.6%)
Cardiothoracic		(8.5%)	1.8%
HCIT ⁽¹⁾		(12.1%)	(10.1%)

Top 5 Global M&A Deals in Q3 By Value

Date	Acquirer	Target	Deal Value (\$M)
9/15/2015	DENTSPLY	sirona The Dental Company	\$5,098
7/22/2015	ST. JUDE MEDICAL	THORATEC CORPORATION	3,422
8/27/2015	Greatbatch	accelent	1,730
8/06/2015	IBM	MERGE	975
7/06/2015	WebMD	Altegra Health	910

Key Takeaways from the Quarter:

- Medical Technology sub-sectors exhibited mixed performance in Q3'15, with three sub-sectors (Cardiothoracic, Equipment, and Orthopedics) outperforming the S&P 500 Index and three sub-sectors (HCIT, 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 187, the highest level since Q1'12.
- Global MedTech M&A deal value in Q3'15 jumped 3.0x to \$19.3 billion from \$6.5 billion in Q2'15.
- U.S. MedTech M&A deal volume experienced an uptick in Q3'15 to reach 88 total deals, the highest volume since Q4'12. Deal value jumped 6.1x quarter-over-quarter to \$16.4 billion from \$2.7 billion.
- Strategic acquisitions in Q3'15 accounted for 87% of total deal volume.
- ~45% of announced transactions in Q3'15 with disclosed deal values were below \$100.0 million.

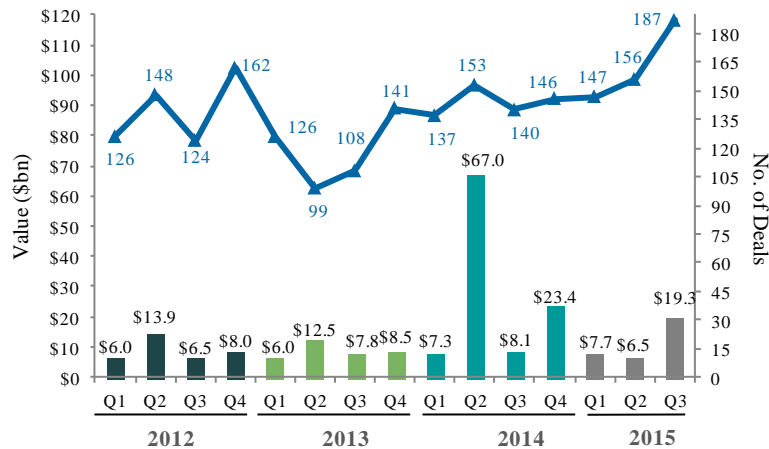
Source: S&P Capital IQ, Industry Research, Online Publications and Navidar Research.

(1) HCIT = Healthcare Information Technology.



Medical Technology Sector M&A Review

Global MedTech M&A Deals — Since 2012

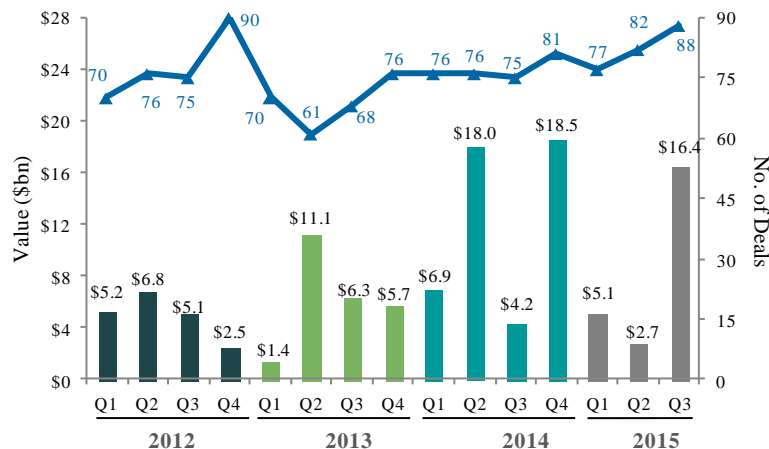


Commentary

Global MedTech M&A transaction volume continued with the upward momentum seen since Q3'14 to reach 187 deals in Q3'15. M&A disclosed deal value jumped in Q3'15 to \$19.3 billion from \$6.5 billion.

- Global M&A transaction volume increased 20% quarter-over-quarter and 34% year-over-year to reach 187 deals
- Deal value jumped 3.0x quarter-over-quarter from \$6.5 billion to \$19.3 billion, and jumped 2.4x year-over-year from \$8.1 billion to \$19.3 billion

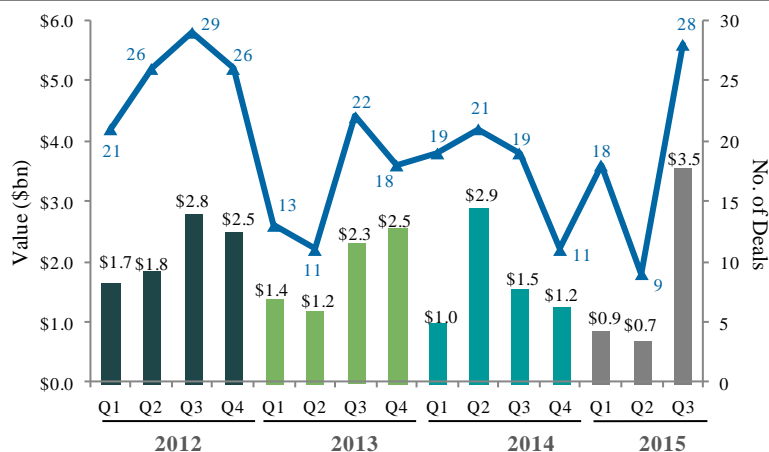
U.S. MedTech M&A Deals — Since 2012



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

- U.S. M&A transaction volume increased 7% quarter-over-quarter from 82 to 88 deals and increased 17% year-over-year from 75 to 88 deals
- Deal value jumped 6.1x quarter-over-quarter from \$2.7 billion to \$16.4 billion, and jumped 3.9x year-over-year from \$4.2 billion to \$16.4 billion

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



U.S. Middle Market deal volume experienced a significant gain, with 28 deals in Q3'15 from the 9 seen in Q2'15.

- Deal value in Q3'15 jumped 5.0x quarter-over-quarter and fell 76% year-over-year from \$0.7 billion to \$3.5 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 Q3 2015

Date	Acquirer	Target	Enterprise Value (\$USDmm)	EV / LTM Revenue (x)	EV / LTM EBITDA (x)
9/15/2015	DENTSPLY International (U.S.)	Sirona Dental Systems (U.S.)	\$5,098	4.5x	18.2x
9/3/2015	Allergan (U.S.)	AqueSys (U.S.)	300	NA	NA
9/1/2015	Heartware International (U.S.)	Valtech Cardio (Israel)	882	NA	NA
8/27/2015	Greatbatch (U.S.)	Accellent (U.S.)	1,730	NA	NA
8/25/2015	Medtronic (Ireland)	Twelve (U.S.)	458	NA	NA
8/6/2015	IBM (U.S.)	Merge Healthcare (U.S.)	975	4.3x	24.7x
8/4/2015	Premier Healthcare Solutions (U.S.)	CECity.com (U.S.)	400	NA	NA
7/22/2015	SJM International (U.S.)	Thoratec (U.S.)	3,422	7.1x	48.6x
7/10/2015	Edwards Lifesciences (U.S.)	CardiaQ Valve (U.S.)	400	NA	NA
7/6/2015	MediFAX-EDI Holding (U.S.)	Altegra Health (U.S.)	910	NA	NA

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

\$ in millions except #	Q3'2015		Q2'2015		Q3'2014	
	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value
< \$50M	9	\$117	4	\$98	11	\$171
\$50M to \$100M	6	381	1	75	2	159
\$100M to \$250M	8	1,227	4	525	5	759
\$250M to \$500M	5	1,808	-	-	1	457
\$500M to \$1000M	2	1,906	-	-	-	-
>1B	3	10,947	1	2,051	1	2,700
Undisclosed	55	-	72	-	55	-
Grand Total	88	\$16,385	82	\$2,749	75	\$4,246

Source: S&P Capital IQ and Industry Research.

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



Healthcare Technology Sector M&A Review (Cont.)

Review of Selected Healthcare Technology Transactions in Q3

Healthcare Technology

International Business Machines acquired Merge Healthcare for \$996M EV, which implied 4.29x LTM Revenue and 24.7x LTM EBITDA.

- Acquisition combines Merge Healthcare's medical imaging management platform with Watson's cloud-based healthcare computing system to collate and analyze data.

Headquartered in Chicago, IL, Merge Healthcare develops software solutions that facilitate the sharing of images to create an electronic healthcare experience for patients and physicians worldwide. The Company operates in two segments, Merge Healthcare and Merge DNA. The Company also offers clinical and financial information systems, including picture archiving and communication systems (PICS) for general image review and management; specialty solutions for cardiology, orthopaedics, ophthalmology, mammography, and oncology; add-on modules, such as referring physician portals and critical test results reporting; and eFilm workstation for radiology reading, among others.

MediFAX-EDI Holding acquired Altegra Health for \$910M EV. Valuation was not disclosed.

- Acquisition combines the Altegra Health's risk adjustment and quality analytics with Emdeon's Intelligent Healthcare Network, revenue cycle management and payment solutions to enable the delivery of innovative products, optimize financial performance and improve the member and patient experience.

Headquartered in Miami Lakes, FL, Altegra Health provides technology enabled business and consulting solutions to the healthcare industry. The Company offers risk adjustment solutions, quality performance solutions, as well as provides program assistance services. The Company serves Medicare health plans, Medicaid health plans, and commercial and marketplace exchange health plans, as well as hospitals, physicians, and other healthcare organizations.

Premier Healthcare Solutions acquired CECity.com for \$400M EV. Valuation was not disclosed.

- Combination provides one consolidated source for both ambulatory and acute care performance management that supports and aligns providers with value-based care.
- Deal will simplify and consolidate value-based payment reporting as well as the submission of physician practice and hospital data to private and public payers, and clinical data registries to scale improvement.

Headquartered in Homestead, PA, CECity.com provides cloud-based healthcare solutions, pay-for-value reporting, and continuous professional education. The Company also provides a Lifetime platform and certifications via ePortfolio; a CME360 back office solution to collaboratively develop activities, manage registries, and measure outcomes; a Velocity platform to track and deliver continuous professional learning and development; and Impact Gateway, which is a cloud solution for enterprise level clinical quality measurement and reporting.

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.)

Wolters Kluwer Health acquired Learner's Digest International for \$150M EV, which implied 3.85x LTM Revenue.

- Acquisition expands Wolters Kluwer's comprehensive lifelong learning solutions and enables them to stay current with the latest research and standards of clinical care.

Headquartered in Glendale, CA, Learner's Digest International provides independent continuing medical education (CME) to physicians and other healthcare professionals in the U.S. The Company developed a mobile audio learning platform that simplifies the traditional, time-consuming CME process, enabling physicians to efficiently and conveniently manage and comply with licensure, certification and professional development requirements.

Inovalon Holdings acquired Avalere Health for \$140M EV, which implied 2.97x LTM Revenue.

- Acquisition enables Inovalon to expand into the pharmaceutical market and fuel growth through the use of big data analytics at life sciences companies.

Headquartered in Washington, DC, Avalere Health operates as an advisory Company that focuses on healthcare business strategy and public policies. The Company offers evidence-based medicine navigation solutions.

Premier Healthcare Solutions acquired Healthcare Insights for \$69M EV. Valuation was not disclosed.

- Combination enables Premier to offer solutions that deliver additional value by including budgeting, clinical financial management and productivity analytics to existing cost and quality applications, including the Company's enterprise resource planning (ERP) solution.

Headquartered in Libertyville, IL, Healthcare Insights provides financial management software solutions for hospitals and healthcare-related businesses.. The Company also provides INSIGHTS Cloud, a solution that enables healthcare organizations to transition business decision support processes from on-premise servers to secure access on the Web.

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

DENTSPLY International acquired Sirona Dental Systems for \$5.5B EV, which implied 4.45x LTM Revenue and 18.2x LTM EBITDA.

- Combination enhances innovation in consumables, equipment and technology and enables to delivery of digital technologies, integrated solutions and workflows.
- Deal creates largest sales and service infrastructure in dental industry with 15,000 employees globally.

Headquartered in Long Island City, NY, Sirona Dental Systems develops, manufactures, and markets dental equipment for dentists worldwide and operates through four segments Dental CAD/CAM Systems, Imaging Systems, Treatment Centers, and Instruments. The Company distributes its products to dental practices, clinics, and laboratories through a direct sales channel and a network of distributors.

SJM International acquired Thoratec for \$3.4B EV, which implied 7.07x LTM Revenue and 48.6x LTM EBITDA.

- Acquisition accelerates St. Jude Medical's growth strategy, adding Thoratec's complementary products and technologies to heart failure portfolio and offer innovative solutions across the heart failure care continuum.

Headquartered in Pleasanton, CA, Thoratec, develops, manufactures, and markets proprietary medical devices used for mechanical circulatory support for the treatment of heart failure patients including ventricular assist devices and CentriMag, an extracorporeal circulatory support device. The Company also offers PediMag and PediVAS extracorporeal full-flow acute surgical support platforms, Thoratec Paracorporeal Ventricular Assist Device (PVAD), and Thoratec Implantable Ventricular Assist Device (IVAD).

Greatbatch acquired Accellent for \$1.7B EV. Valuation was not disclosed.

- Deal creates medical-device components manufacturer with 9,000 employees and sales on three continents.
- Combination enables sales of parts and manufacturing solutions to major medical device companies for cardiac-rhythm management, neuromodulation, and vascular, orthopedic and surgical therapies.

Headquartered in Wilmington, MA, Accellent, doing business as Lake Region Medical, engages in the design, development, manufacture, and supply of medical devices for cardio, vascular, and advanced surgical markets. The Company offers a range of electrophysiology ablation catheter devices, cardiac rhythm management systems, pacemakers, ICDs and CRT implantable pulse generators, catheter-based interventional vascular devices, endovascular and urology related devices, as well as devices and components for the gastrointestinal market, among others.

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.)

Heartware International acquired Valtech Cardio for \$882M EV. Valuation was not disclosed.

- Acquisition provides HeartWare opportunities in the areas of mitral and tricuspid valve diseases, from which many ventricular assist device patients suffer.
- Acquisition expands HeartWare's ability to deliver transformative technologies to patients and customers with a range of innovative VAD and valve therapies.

Headquartered in Or Yehuda, Israel, Valtech Cardio manufactures and sells cardiovascular devices. The Company offers surgical and transcatheter mitral valve repair and replacement technologies designed to improve mitral valve function. The Company has full in-house development, manufacturing, and clinical research capabilities, and over 130 patents and patent applications.

Medtronic acquired Twelve for \$458M EV. Valuation was not disclosed.

- Acquisition supports Medtronic's therapy innovation strategy, as TMVR represents an important growth opportunity for the Company's business.
- Deal strengthens Medtronic's existing capabilities in the transcatheter mitral space.

Headquartered in the Redwood City, CA, Twelve develops devices for the treatment of chronic cardiovascular diseases such as valve replacement.

Edwards Lifesciences acquired CardiAQ Valve Technologies for \$400M EV. Valuation multiples were not disclosed.

- Acquisition advances the Edwards Lifesciences development of a transformational therapy for patients with mitral valve disease.

Headquartered in Irvine, CA, CardiAQ Valve Technologies engages in developing transcatheter mitral valve implantation (TMVI) systems. The Company's solutions include a transcatheter system for mitral valve implantation to address mitral regurgitation.

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

Valeant Pharmaceuticals International acquired Synergetics USA for \$186M EV, which implied 2.60x LTM Revenue and 18.4x LTM EBITDA.

- Acquisition expands Valeant Pharmaceutical's offerings to meet customer needs in the ophthalmology and neurosurgery markets.

Headquartered in O'Fallon, MO, Synergetics USA, a medical device Company, provides precision surgical devices, surgical equipment, and consumables primarily for the ophthalmology and neurosurgery markets in the United States and internationally. The Company's product lines focus on precision engineered disposable and reusable devices, surgical equipment, procedural kits, and the delivery of various energy modalities, including laser energy, ultrasonic energy, radio frequency energy for electro surgery and lesion generation, and visible light energy for illumination.

Cintas acquired ZEE Medical for \$130M EV. Valuation was not disclosed.

- Acquisition expands Cintas's presence in North America in first aid, safety, training and emergency products.
- Deal is accretive to future earnings and generates annual revenue of \$110 million to \$120 million.

Headquartered in Irvine, CA, Zee Medical provides van-based first aid, safety, and emergency training solutions and offers hand protection products; and on-site, online, and video training services, as well as eLearning. The Company serves the office, manufacturing, construction, and utility industries. The Company offers its products through representatives in North America.

Cantel Medical acquired Medical Innovations Group for \$80M EV, which implied 2.81x LTM Revenue and 10.5x LTM EBITDA.

- Acquisition enhances Cantel Medical's leadership position in infection prevention and control (IP&C) solutions in the gastrointestinal (GI) endoscopy market.

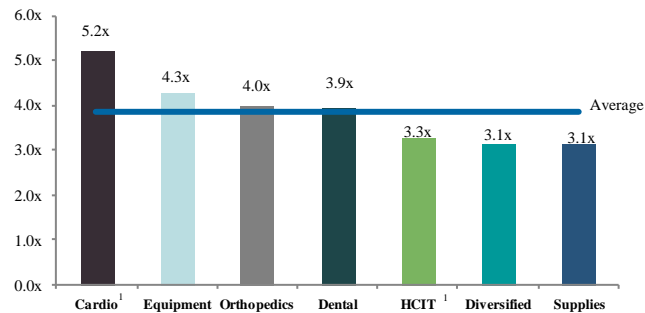
Headquartered in Shoburyness, United Kingdom, Medical Innovations Group designs, develops and manufactures innovative medical products and supplies a range of specialist products to diverse medical markets across the world including hospitals, emergency services and the military. The Company has recently opened Medical Innovations Inc in the USA which has allowed Medical Innovations Group to respond to growing demand and offer efficient distribution worldwide.

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.

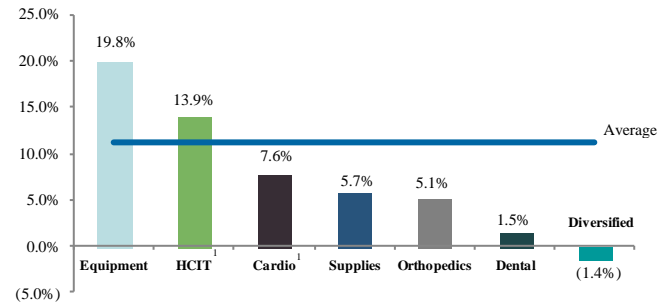


Comparable Public Company Valuation Metrics – MedTech Sector

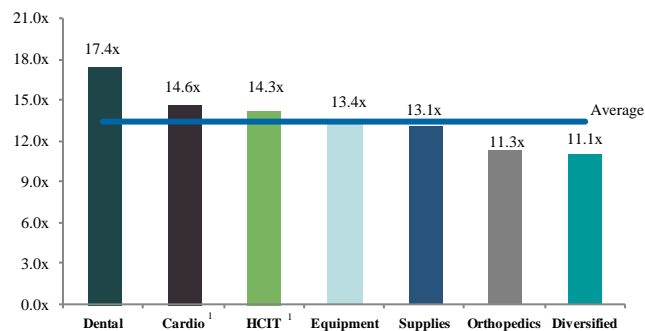
Enterprise Value / 2015P Revenue



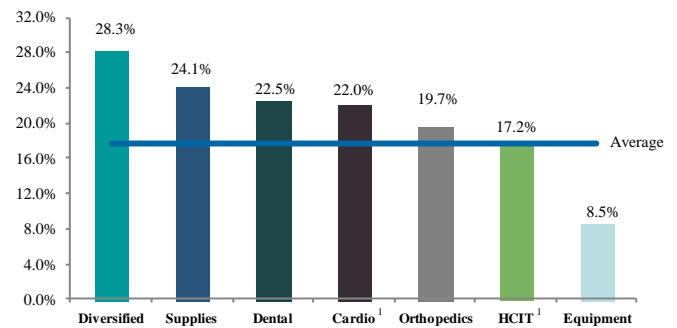
2015P Revenue Growth%



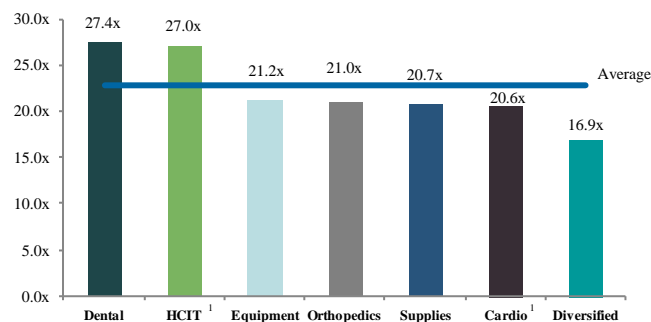
Enterprise Value / 2015P EBITDA



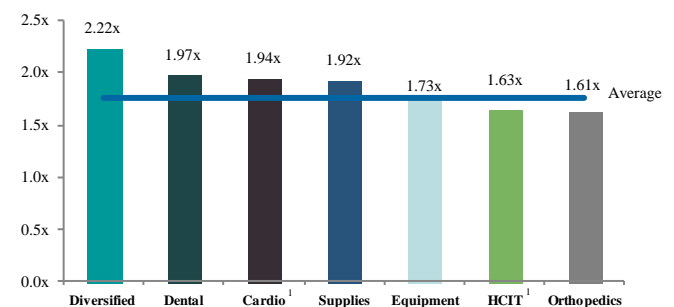
2015P EBITDA Margin %



2015P Price / Earnings



2015P PEG Ratio



Source: S&P Capital IQ.

Note: Market data as of Q3 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.

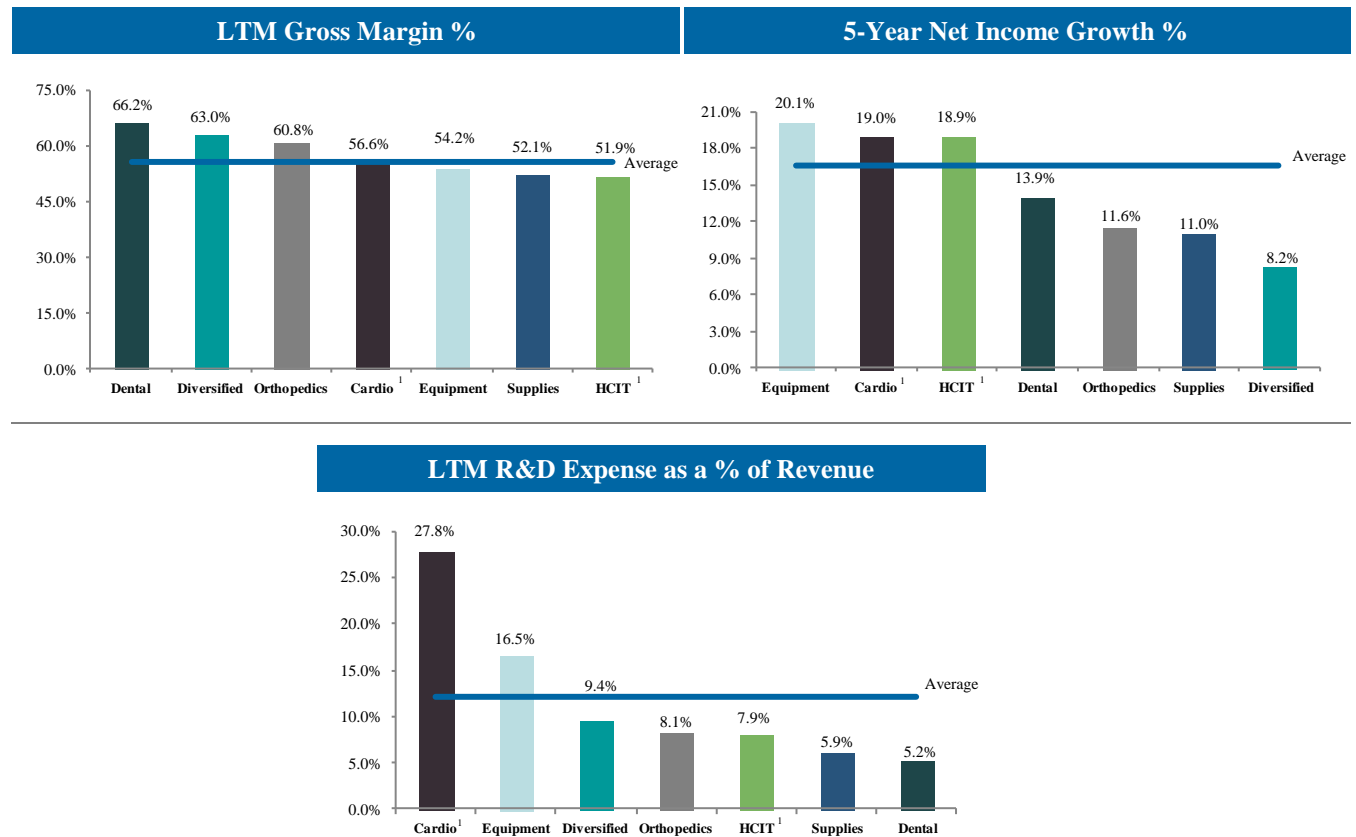
Note: LTM = Last Twelve Months and NTM = Next Twelve Months.

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

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



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



Source: S&P Capital IQ.

Note: Market data as of Q3 2015 quarter end.

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

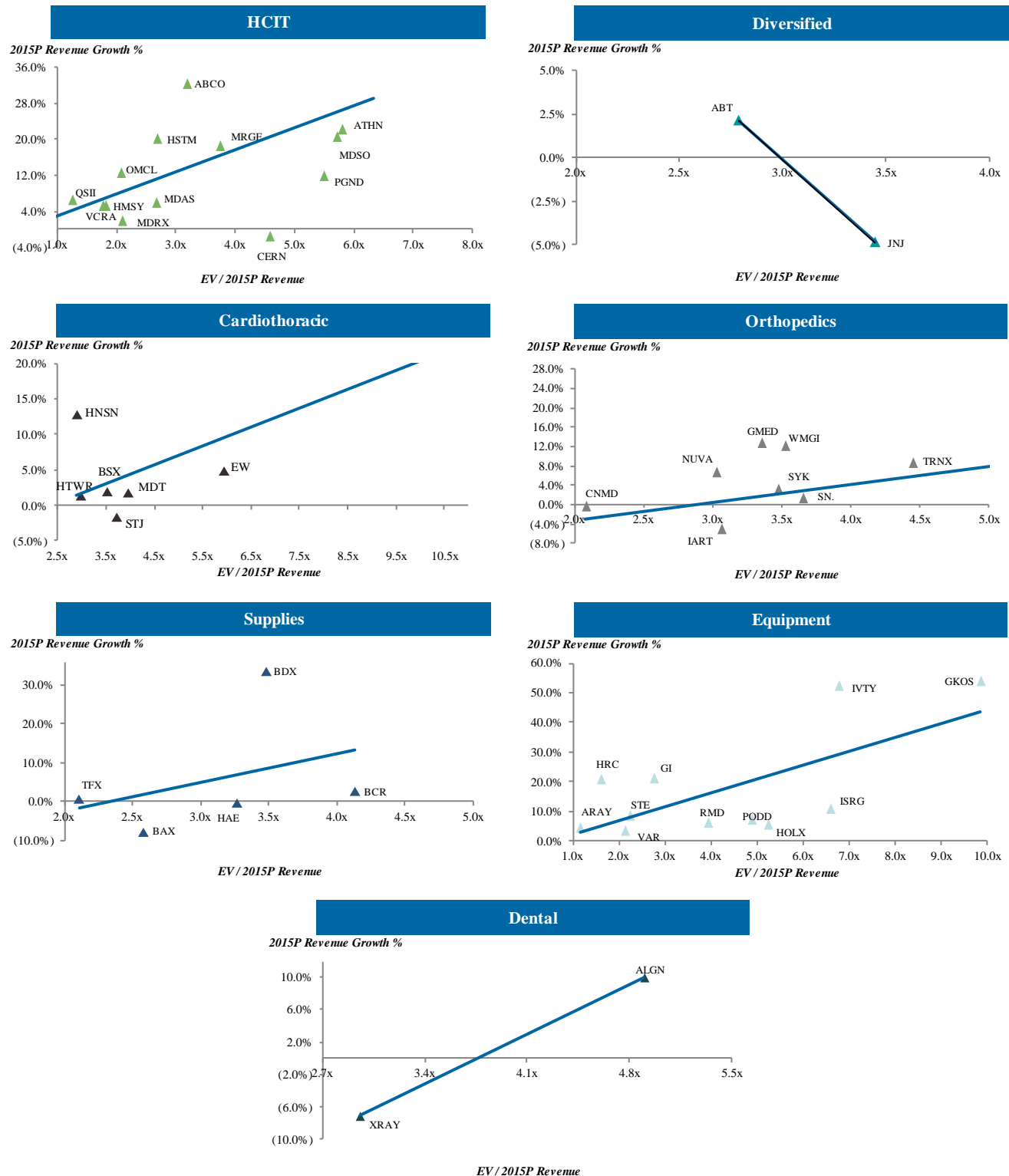
Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

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 Q3 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)

(\$ in millions, except per share values)							Valuation Metrics							
							EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio	
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P	
HCIT														
Accretive Health	\$2.48	27%	1.08x	\$242.9	(\$121.9)	\$121.0	0.5x	0.5x	5.5x	4.1x	27.6x	17.7x	0.92x	0.59x
Allscripts Healthcare Solutions	12.40	80%	1.13x	2,342.6	586.1	2,937.5	2.1x	2.0x	12.1x	10.2x	27.0x	21.8x	1.35x	1.09x
Athenahealth	133.35	87%	1.24x	5,152.4	182.0	5,337.2	5.8x	4.8x	31.8x	26.0x	NM	NM	NA	NA
Cerner	59.96	79%	1.08x	20,690.6	64.7	20,755.4	4.6x	4.0x	13.9x	11.7x	28.3x	23.8x	1.65x	1.39x
Computer Programs & Systems	42.13	65%	1.01x	476.2	(38.5)	439.1	2.3x	2.2x	11.3x	9.7x	20.1x	17.8x	1.94x	1.72x
Evolent Health	15.96	69%	1.04x	941.4	(219.4)	1,016.5	6.3x	4.7x	NM	NM	NM	NM	NA	NA
Healthstream	21.81	67%	1.02x	690.1	(144.8)	550.2	2.7x	2.3x	17.4x	14.2x	NM	NM	NA	NA
HMS Holdings	8.77	37%	1.08x	776.6	47.4	824.0	1.8x	1.6x	7.3x	6.4x	16.1x	13.6x	0.85x	0.72x
MedAssets	20.06	84%	1.18x	1,203.6	797.7	2,034.3	2.7x	2.6x	8.6x	8.3x	16.2x	15.4x	1.44x	1.37x
Medidata Solutions	42.11	69%	1.14x	2,328.5	(37.6)	2,309.3	5.7x	4.8x	24.6x	19.3x	47.3x	36.9x	2.25x	1.76x
Merge Healthcare	7.10	100%	3.48x	692.6	198.9	942.0	3.7x	3.4x	17.6x	14.3x	29.6x	25.8x	1.97x	1.72x
Omnicell	31.10	76%	1.19x	1,116.7	(57.8)	1,028.7	2.1x	1.8x	11.3x	9.7x	23.4x	19.4x	1.32x	1.10x
Press Ganey Holdings	29.59	84%	NM	1,556.6	174.1	1,730.6	5.5x	5.1x	15.1x	13.5x	33.2x	29.0x	2.26x	1.97x
Quality Systems	12.48	67%	1.04x	752.8	(110.8)	636.0	1.3x	1.2x	8.7x	7.6x	20.7x	18.6x	1.59x	1.43x
The Advisory Board	45.54	75%	1.22x	1,938.1	514.7	2,452.8	3.2x	2.7x	14.4x	12.2x	34.4x	27.7x	1.96x	1.58x
Vocera Communications	11.41	86%	1.51x	298.1	(116.1)	182.0	1.8x	1.7x	NM	NM	NM	NM	NA	NA
Mean							3.3x	2.8x	14.3x	11.9x	27.0x	22.3x	1.63x	1.37x
Median							2.7x	2.5x	13.0x	11.0x	27.3x	20.6x	1.62x	1.41x

Healthcare Technology (HCIT) – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
	Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	CY Rev. Growth		GM	CY 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	\$2.48	27%	1.08x	\$242.9	(\$121.9)	\$121.0	9.7%	2.6%	(1.7%)	9.6%	12.5%	0.0%	0.0%	0.0%	30.0%
Allscripts Healthcare Solutions	12.40	80%	1.13x	2,342.6	586.1	2,937.5	1.9%	5.6%	45.4%	17.4%	19.4%	0.0%	13.0%	0.0%	20.0%
Athenahealth	133.35	87%	1.24x	5,152.4	182.0	5,337.2	22.2%	21.8%	60.7%	18.2%	18.3%	24.3%	10.3%	15.9%	28.4%
Cerner	59.96	79%	1.08x	20,690.6	64.7	20,755.4	(1.6%)	14.3%	84.3%	32.9%	34.1%	42.1%	12.3%	7.7%	17.1%
Computer Programs & Systems	42.13	65%	1.01x	476.2	(38.5)	439.1	(7.7%)	5.5%	41.1%	20.5%	22.7%	6.8%	0.0%	18.1%	10.3%
Evolent Health	15.96	69%	1.04x	941.4	(219.4)	1,016.5	58.7%	34.3%	27.2%	(23.4%)	(13.7%)	0.0%	0.0%	0.0%	30.0%
Healthstream	21.81	67%	1.02x	690.1	(144.8)	550.2	20.1%	14.3%	57.1%	15.4%	16.6%	17.2%	10.6%	11.4%	19.3%
HMS Holdings	8.77	37%	1.08x	776.6	47.4	824.0	5.2%	7.8%	32.4%	24.2%	25.5%	0.0%	0.0%	0.0%	18.8%
MedAssets	20.06	84%	1.18x	1,203.6	797.7	2,034.3	5.9%	1.5%	75.2%	30.9%	31.8%	10.2%	4.3%	32.7%	11.3%
Medidata Solutions	42.11	69%	1.14x	2,328.5	(37.6)	2,309.3	20.6%	19.5%	76.5%	23.2%	24.8%	25.4%	22.9%	20.5%	21.0%
Merge Healthcare	7.10	100%	3.48x	692.6	198.9	942.0	18.5%	9.6%	62.1%	21.3%	23.8%	16.0%	13.4%	12.7%	15.0%
Omnicell	31.10	76%	1.19x	1,116.7	(57.8)	1,028.7	12.5%	12.4%	51.8%	18.3%	19.1%	0.0%	7.2%	0.0%	17.7%
Press Ganey Holdings	29.59	84%	NM	1,556.6	174.1	1,730.6	11.8%	8.1%	53.5%	36.4%	37.8%	0.0%	0.0%	44.2%	14.7%
Quality Systems	12.48	67%	1.04x	752.8	(110.8)	636.0	6.5%	4.5%	55.4%	14.3%	15.7%	3.8%	14.3%	0.0%	13.0%
The Advisory Board	45.54	75%	1.22x	1,938.1	514.7	2,452.8	32.4%	16.0%	47.4%	22.2%	22.5%	17.3%	0.0%	17.3%	17.5%
Vocera Communications	11.41	86%	1.51x	298.1	(116.1)	182.0	5.2%	9.2%	62.2%	(5.3%)	0.3%	46.9%	17.4%	18.5%	18.7%
						Mean	13.9%	11.7%	51.9%	17.2%	19.5%	13.1%	7.9%	12.4%	18.9%
						Median	10.8%	9.4%	54.4%	19.4%	21.0%	8.5%	8.7%	12.1%	18.2%

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

Note: Market data as of Q3 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)

	Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Diversified														
Abbott Laboratories	\$40.22	78%	1.03x	\$59,945.6	(\$2,399.0)	\$57,664.6	2.8x	2.6x	11.7x	10.8x	18.6x	16.6x	1.70x	1.52x
Johnson & Johnson	93.35	85%	1.14x	258,496.1	(14,647.0)	243,849.1	3.4x	3.3x	10.5x	9.7x	15.1x	14.5x	2.74x	2.63x
Mean							3.1x	3.0x	11.1x	10.2x	16.9x	15.6x	2.22x	2.07x
Median							3.1x	3.0x	11.1x	10.2x	16.9x	15.6x	2.22x	2.07x

Diversified – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	CY Rev. Growth		GM	CY 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	\$40.22	78%	1.03x	\$59,945.6	(\$2,399.0)	\$57,664.6	2.1%	5.6%	56.9%	23.7%	24.5%	0.0%	6.4%	0.0%	10.9%
Johnson & Johnson	93.35	85%	1.14x	258,496.1	(17,371.0)	243,849.1	(4.9%)	3.5%	69.2%	32.8%	34.4%	3.7%	12.5%	0.0%	5.5%
						Mean	(1.4%)	4.5%	63.0%	28.3%	29.4%	1.8%	9.4%	0.0%	8.2%
						Median	(1.4%)	4.5%	63.0%	28.3%	29.4%	1.8%	9.4%	0.0%	8.2%

Cardiothoracic – Valuation Metrics

(\$ in millions, except per share values)

	Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	Valuation Metrics							
							EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Cardiothoracic														
ABIOMED	\$92.76	84%	4.25x	\$3,900.9	(\$175.5)	\$3,746.0	13.3x	10.1x	NM	NM	NM	NM	NA	NA
Bellerophon Therapeutics	5.19	40%	1.89x	67.0	(52.7)	14.3	NA	NA	NA	NA	NM	NM	NA	NA
Boston Scientific	16.41	88%	1.48x	22,054.3	5,509.0	26,263.3	3.5x	3.3x	13.3x	11.5x	18.2x	15.6x	1.78x	1.53x
Edwards Lifesciences	142.17	90%	1.46x	15,285.5	(645.6)	14,476.8	5.9x	5.4x	20.6x	19.4x	32.5x	29.4x	2.28x	2.07x
Hansen Medical	3.76	31%	1.04x	70.9	(7.1)	63.8	2.9x	2.1x	NM	NM	NA	NA	NA	NA
Heartware International	52.31	55%	1.05x	905.4	(59.5)	841.1	3.0x	2.7x	NM	NM	NM	NM	NA	NA
Medtronic	66.94	84%	1.21x	94,627.4	17,613.0	112,240.4	4.0x	3.8x	12.2x	11.1x	15.9x	14.0x	2.18x	1.93x
St. Jude Medical	63.09	78%	1.15x	17,775.3	2,807.0	20,582.3	3.7x	3.5x	12.4x	11.5x	15.8x	14.5x	1.51x	1.38x
Mean							5.2x	4.4x	14.6x	13.4x	20.6x	18.4x	1.94x	1.73x
Median							3.7x	3.5x	12.9x	11.5x	17.0x	15.1x	1.98x	1.73x

Cardiothoracic – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
							CY Rev. Growth		GM	CY 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	\$92.76	84%	4.25x	\$3,900.9	(\$175.5)	\$3,746.0	31.6%	32.7%	84.4%	16.9%	21.6%	0.0%	14.1%	0.0%	31.3%
Bellerophon Therapeutics	5.19	40%	1.89x	67.0	(52.7)	14.3	NA	NA	0.0%	NA	NA	NA	NA	NA	NM
Boston Scientific	16.41	88%	1.48x	22,054.3	5,509.0	26,263.3	2.0%	8.0%	70.9%	26.4%	28.4%	0.0%	11.2%	0.0%	10.2%
Edwards Lifesciences	142.17	90%	1.46x	15,285.5	(645.6)	14,476.8	4.9%	9.3%	75.3%	28.8%	28.1%	0.0%	15.1%	0.0%	14.2%
Hansen Medical	3.76	31%	1.04x	70.9	(7.1)	63.8	12.8%	40.5%	16.4%	NM	NM	3.9%	90.7%	0.0%	NM
Heartware International	52.31	55%	1.05x	905.4	(59.5)	841.1	1.4%	11.9%	63.3%	(2.6%)	1.8%	0.0%	43.2%	0.0%	40.5%
Medtronic	66.94	84%	1.21x	94,627.4	17,613.0	112,240.4	1.8%	4.5%	71.2%	32.5%	34.2%	0.0%	7.9%	0.0%	7.3%
St. Jude Medical	63.09	78%	1.15x	17,775.3	2,807.0	20,582.3	(1.6%)	5.3%	70.9%	30.1%	30.8%	0.0%	12.3%	0.0%	10.5%
						Mean	7.6%	16.0%	56.6%	22.0%	24.2%	0.6%	27.8%	0.0%	19.0%
						Median	2.0%	9.3%	70.9%	27.6%	28.2%	0.0%	14.1%	0.0%	12.4%

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

Note: Market data as of Q3 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)

(\$ in millions, except per share values)							Valuation Metrics							
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio		
						2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P	
Orthopedics														
ConforMIS	\$18.06	67%	1.35x	\$734.8	(\$4.0)	\$730.9	11.3x	7.4x	NM	NM	NM	NM	NA	NA
CONMED	47.74	79%	1.30x	1,322.4	196.5	1,520.0	2.1x	2.0x	11.6x	10.8x	26.1x	22.5x	1.37x	1.19x
Cyberonics	60.78	79%	1.26x	1,580.3	(169.4)	1,411.0	4.4x	4.1x	11.6x	10.7x	23.0x	20.5x	1.56x	1.39x
Globus Medical	20.66	71%	1.09x	1,964.4	(199.8)	1,764.6	3.4x	3.1x	9.5x	8.7x	19.7x	17.5x	1.61x	1.43x
Hanger	13.64	51%	1.02x	468.4	535.0	1,003.4	0.9x	NA	5.5x	NA	7.2x	NA	0.50x	NA
Integra LifeSciences Holdings	59.55	85%	1.28x	2,171.4	523.0	2,694.4	3.1x	2.8x	13.2x	11.2x	19.5x	17.5x	1.75x	1.57x
NuVasive	48.22	85%	1.45x	2,359.8	35.1	2,457.6	3.0x	2.8x	12.1x	10.8x	40.5x	34.3x	2.64x	2.23x
Smith & Nephew	17.45	95%	1.31x	15,612.0	1,510.0	17,063.3	3.7x	3.5x	12.2x	11.2x	20.5x	18.2x	1.74x	1.54x
Stryker Corp.	94.10	89%	1.21x	35,434.1	116.0	34,623.1	3.5x	3.3x	13.0x	12.2x	18.5x	16.8x	2.04x	1.86x
Wright Medical Group	20.24	NM	NM	1,030.7	131.8	1,162.6	3.5x	3.0x	NM	NM	NA	NA	NA	NA
Zimmer Biomet Holdings	93.93	77%	1.03x	19,102.1	10,104.4	29,270.1	4.8x	3.8x	12.7x	9.8x	14.0x	12.0x	1.28x	1.10x
Mean							4.0x	3.6x	11.3x	10.7x	21.0x	19.9x	1.61x	1.54x
Median							3.5x	3.2x	12.1x	10.8x	19.7x	17.8x	1.61x	1.49x

Orthopedics – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
							CY Rev. Growth		GM	CY EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	Growth %
Orthopedics															
ConforMIS	\$18.06	67%	1.35x	\$734.8	(\$4.0)	\$730.9	36.7%	52.8%	40.5%	(79.9%)	(47.6%)	59.0%	27.4%	33.8%	NM
CONMED	47.74	79%	1.30x	1,322.4	196.5	1,520.0	(0.5%)	2.8%	53.6%	17.9%	18.8%	0.0%	3.9%	0.0%	19.0%
Cyberonics	60.78	79%	1.26x	1,580.3	(169.4)	1,411.0	8.5%	8.6%	32.6%	91.8%	90.5%	0.0%	16.8%	0.0%	0.0%
Globus Medical	20.66	71%	1.09x	1,964.4	(199.8)	1,764.6	12.6%	9.3%	76.9%	35.2%	35.3%	0.0%	6.8%	0.0%	12.2%
Hanger	13.64	51%	1.02x	468.4	535.0	1,003.4	NA	NM	33.4%	16.1%	NA	0.4%	0.0%	0.0%	14.5%
Integra LifeSciences Holdings	59.55	85%	1.28x	2,171.4	523.0	2,694.4	(5.2%)	9.7%	64.8%	23.2%	24.8%	0.0%	5.4%	0.0%	11.1%
NuVasive	48.22	85%	1.45x	2,359.8	35.1	2,457.6	6.6%	7.2%	76.3%	24.9%	26.0%	0.0%	4.6%	0.0%	15.4%
Smith & Nephew	17.45	95%	1.31x	15,612.0	1,510.0	17,063.3	1.2%	4.9%	75.3%	30.1%	31.0%	2.1%	4.8%	0.0%	11.8%
Stryker Corp.	94.10	89%	1.21x	35,434.1	116.0	34,623.1	3.0%	5.2%	66.4%	26.7%	27.1%	0.0%	6.2%	0.0%	9.1%
Wright Medical Group	20.24	NM	NM	1,030.7	131.8	1,162.6	12.0%	16.6%	76.5%	(7.5%)	(1.2%)	0.0%	8.8%	0.0%	NM
Zimmer Biomet Holdings	93.93	77%	1.03x	19,102.1	10,104.4	29,270.1	(24.0%)	27.3%	72.6%	38.2%	38.6%	0.0%	4.4%	0.0%	10.9%
Mean							5.1%	14.4%	60.8%	19.7%	24.3%	5.6%	8.1%	3.1%	11.6%
Median							4.8%	8.9%	66.4%	24.9%	26.6%	0.0%	5.4%	0.0%	11.8%

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

Note: Market data as of Q3 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)

(\$ in millions, except per share values)							Valuation Metrics							
							EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio	
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P	
Supplies														
Baxter International	\$32.85	44%	1.02x	\$17,921.0	\$7,550.0	\$25,504.0	2.6x	2.5x	16.2x	15.5x	25.2x	23.0x	2.40x	2.19x
Becton, Dickinson and Co.	132.66	86%	1.17x	27,892.3	11,574.0	39,466.3	3.5x	3.1x	13.2x	11.4x	17.9x	15.3x	1.57x	1.34x
CR Bard	186.31	92%	1.32x	13,824.0	406.5	14,120.6	4.1x	4.0x	13.6x	13.0x	23.1x	20.7x	2.36x	2.11x
Haemonetics	32.32	71%	1.04x	1,644.7	319.8	1,964.4	2.1x	2.0x	9.2x	8.1x	17.4x	13.7x	1.42x	1.12x
Teleflex	124.21	88%	1.22x	5,166.7	786.2	5,955.9	3.3x	3.1x	13.2x	11.4x	20.0x	17.4x	1.84x	1.60x
						Mean	3.1x	2.9x	13.1x	11.9x	20.7x	18.0x	1.92x	1.67x
						Median	3.3x	3.1x	13.2x	11.4x	20.0x	17.4x	1.84x	1.60x

Supplies – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
							CY Rev. Growth		GM	CY 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	\$32.85	44%	1.02x	\$17,921.0	\$7,550.0	\$25,504.0	(7.9%)	2.4%	48.7%	15.9%	16.3%	0.3%	7.1%	0.0%	10.5%
Becton, Dickinson and Co.	132.66	86%	1.17x	27,892.3	11,574.0	39,466.3	33.7%	13.0%	49.6%	26.4%	27.1%	0.0%	6.1%	0.0%	11.4%
CR Bard	186.31	92%	1.32x	13,824.0	406.5	14,120.6	2.7%	4.6%	61.9%	30.4%	30.4%	0.1%	7.7%	0.0%	9.8%
Haemonetics	32.32	71%	1.04x	1,644.7	319.8	1,964.4	0.7%	6.1%	47.9%	22.9%	24.6%	0.5%	5.6%	0.0%	12.2%
Teleflex	124.21	88%	1.22x	5,166.7	786.2	5,955.9	(0.4%)	5.3%	52.4%	24.9%	27.3%	0.0%	3.1%	0.0%	10.9%
						Mean	5.7%	6.3%	52.1%	24.1%	25.1%	0.2%	5.9%	0.0%	11.0%
						Median	0.7%	5.3%	49.6%	24.9%	27.1%	0.1%	6.1%	0.0%	10.9%

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

Note: Market data as of Q3 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)

(\$ in millions, except per share values)							Valuation Metrics							
							EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio	
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P	
Equipment														
Accuray	\$5.00	50%	1.03x	\$398.3	\$59.0	\$457.3	NA	NA	17.5x	12.0x	NM	NM	NA	NA
AirXpanders	0.51	83%	1.51x	107.7	(24.6)	85.2	NM	11.2x	NM	NM	NM	NM	NA	NA
DexCom	85.86	83%	2.21x	6,875.8	(94.0)	6,781.8	NM	13.1x	NM	NM	NM	NM	NA	NA
EndoChoice Holdings	11.36	58%	NM	280.9	(75.9)	205.1	2.8x	2.1x	NM	NM	NM	NM	NA	NA
Glaukos	24.19	71%	1.12x	774.5	(83.2)	691.5	9.9x	7.7x	NM	NM	NM	NM	NA	NA
Hill-Rom Holdings	51.99	89%	1.31x	2,948.9	454.4	3,413.8	1.6x	1.3x	10.1x	6.7x	19.5x	16.3x	1.26x	1.05x
Hologic	39.13	91%	1.72x	11,026.9	3,056.5	14,083.4	5.2x	4.9x	NA	12.7x	23.9x	20.9x	2.48x	2.17x
Insulet	25.91	54%	1.04x	1,474.2	35.6	1,509.8	4.9x	4.2x	NM	NM	NM	NM	NA	NA
Intuitive Surgical	459.58	81%	1.02x	17,013.2	(1,739.7)	15,451.7	6.6x	6.0x	16.1x	14.5x	26.6x	23.5x	1.84x	1.62x
Invuity	14.02	77%	1.40x	186.5	(51.3)	135.2	6.8x	3.5x	NM	NM	NM	NM	NA	NA
ResMed	50.96	68%	1.11x	7,160.7	(321.5)	6,744.1	3.9x	3.7x	13.7x	NA	19.9x	18.3x	1.53x	1.41x
Steris	64.97	91%	1.24x	3,887.7	490.0	4,379.7	NA	NA	11.6x	10.3x	20.6x	18.7x	1.77x	1.60x
Varian Medical Systems	73.78	76%	1.04x	7,283.3	(528.7)	6,769.0	2.1x	2.1x	10.2x	9.8x	17.0x	15.8x	1.48x	1.38x
						Mean	4.9x	5.4x	13.2x	11.0x	21.2x	18.9x	1.73x	1.54x
						Median	4.9x	4.2x	12.6x	11.1x	20.2x	18.5x	1.65x	1.51x

Equipment – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	CY Rev. Growth		GM	CY EBITDA Margin		S&M Mgn	R&D Mgn	G&A Mgn	5-Yr NI	
						2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	LTM	Growth %
Equipment															
Accuray	\$5.00	50%	1.03x	\$398.3	\$51.7	\$457.3	4.3%	7.8%	39.1%	6.6%	8.9%	15.0%	14.3%	11.7%	35.0%
AirXpanders	0.51	83%	1.51x	107.7	(24.6)	85.2	NA	744.4%	NM	NM	(96.1%)	0.0%	NM	0.0%	NM
DexCom	85.86	83%	2.21x	6,875.8	(94.0)	6,781.8	44.8%	37.7%	68.6%	0.9%	10.9%	0.0%	26.5%	0.0%	32.5%
EndoChoice Holdings	11.36	58%	NM	280.9	(75.9)	205.1	21.0%	30.4%	33.8%	(47.5%)	(30.4%)	43.1%	30.2%	31.2%	20.0%
Glaukos	24.19	71%	1.12x	774.5	(83.2)	691.5	53.8%	28.3%	77.5%	(17.7%)	(10.4%)	0.7%	39.2%	0.0%	30.0%
Hill-Rom Holdings	51.99	89%	1.31x	2,948.9	454.4	3,413.8	20.7%	26.9%	44.8%	15.9%	19.0%	0.0%	4.7%	0.0%	15.5%
Hologic	39.13	91%	1.72x	11,026.9	3,056.5	14,083.4	5.4%	7.2%	64.5%	36.3%	38.4%	13.3%	8.1%	9.8%	9.6%
Insulet	25.91	54%	1.04x	1,474.2	35.6	1,509.8	7.0%	16.0%	49.9%	(10.5%)	(7.1%)	25.2%	12.2%	15.5%	27.5%
Intuitive Surgical	459.58	81%	1.02x	17,013.2	(1,739.7)	15,451.7	10.7%	9.7%	65.8%	40.8%	41.4%	0.0%	8.4%	0.0%	14.5%
Invuity	14.02	77%	1.40x	186.5	(51.3)	135.2	52.2%	95.8%	62.4%	NM	NM	0.0%	37.1%	0.0%	20.0%
ResMed	50.96	68%	1.11x	7,160.7	(321.5)	6,744.1	6.0%	5.6%	59.2%	28.8%	NA	0.0%	6.6%	0.0%	13.0%
Steris	64.97	91%	1.24x	3,887.7	667.6	4,379.7	8.3%	5.4%	42.4%	19.4%	20.7%	0.5%	3.0%	0.0%	11.7%
Varian Medical Systems	73.78	76%	1.04x	7,283.3	(528.7)	6,769.0	3.3%	2.0%	42.2%	20.8%	21.4%	0.0%	7.6%	0.0%	11.5%
						Mean	19.8%	78.3%	54.2%	8.5%	1.5%	7.5%	16.5%	5.3%	20.1%
						Median	9.5%	16.0%	54.6%	15.9%	10.9%	0.0%	10.3%	0.0%	17.8%

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

Note: Market data as of Q3 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– Comparable Public Company Analysis (Cont.)

Dental – Valuation Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Valuation Metrics							
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio		
						2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P	
Dental														
Align Technology	\$56.76	85%	1.31x	\$4,545.2	(\$438.5)	\$4,106.7	4.9x	4.2x	21.4x	17.2x	35.4x	26.6x	1.99x	1.50x
DENTSPLY International	50.57	88%	1.15x	7,070.4	949.1	8,020.9	3.0x	2.9x	13.4x	12.7x	19.6x	18.2x	1.95x	1.81x
Mean							3.9x	3.5x	17.4x	14.9x	27.5x	22.4x	1.97x	1.65x
Median							3.9x	3.5x	17.4x	14.9x	27.5x	22.4x	1.97x	1.65x

Dental – Operating Metrics

(\$ in millions, except per share values)

(\$ in millions, except per share values)							Operating Metrics								
	Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value	CY Rev. Growth		GM	CY EBITDA Margin		S&M Mgn.	R&D Mgn.	G&A Mgn.	5-Yr NI
							2015P	2016P	LTM	2015P	2016P	LTM	LTM	LTM	LTM
Dental															
Align Technology	\$56.76	85%	1.31x	\$4,545.2	(\$438.5)	\$4,106.7	10.0%	16.6%	76.1%	22.9%	24.5%	27.3%	7.0%	14.4%	17.8%
DENTSPLY International	50.57	88%	1.15x	7,070.4	949.1	8,020.9	(7.1%)	3.5%	55.9%	22.1%	22.5%	0.0%	2.9%	0.0%	10.0%
						Mean	1.5%	10.0%	66.0%	22.5%	23.5%	13.7%	5.0%	7.2%	13.9%
						Median	1.5%	10.0%	66.0%	22.5%	23.5%	13.7%	5.0%	7.2%	13.9%

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

Note: Market data as of Q3 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 – Q3 Selected MedTech M&A Transactions

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

Date	Acquirer	Target	Enterprise Value (\$USDmm)	Valuation Metrics	
				EV / LTM Revenues	EV / LTM EBITDA
9/30/2015	Generex Biotechnology	Hema Diagnostic Systems	\$29	NA	NA
9/28/2015	Medtronic	Lazarus Effect	100	NA	NA
9/26/2015	Beiming Software	Shandong Success I.T.	7	8.2x	NA
9/24/2015	Bringspring Science and Technology	Meehealth	39	NA	NA
9/22/2015	Zhuhai Huarui Tianfu Equity I.P.	Bioland Technology	52	7.0x	NA
9/22/2015	Yihua Healthcare	Bioland Technology	47	6.4x	NA
9/22/2015	Zhong zhu Holding	Shenzhen ET Medical Tech.	298	6.5x	NA
9/21/2015	TransEnterix International	TransEnterix Italia	100	NA	NA
9/21/2015	Brighter	Division By Zero	1	3.8x	NA
9/15/2015	DENTSPLY International	Sirona Dental Systems	5,098	4.5x	18.2x
9/14/2015	Practo Technologies	Insta Health Solutions	12	NA	NA
9/14/2015	Cantel Medical	Medical Innovations Group	80	2.8x	10.5x
9/10/2015	Select Comfort	SleepIQ Labs	71	NA	NA
9/9/2015	Sigvaris Management	Pani Teresa Medica	10	2.0x	9.0x
9/8/2015	Altek Biotechnology	Altek	12	NA	NA
9/3/2015	Allergan	AqueSys	300	NA	NA
9/2/2015	Valeant Pharmaceuticals Intl.	Synergetics USA	186	2.6x	18.4x
9/1/2015	Heartware International	Valtech Cardio	882	NA	NA
8/31/2015	Medtronic	Medina Medical	NA	NA	NA
8/27/2015	Greatbatch	Accellent	1,730	NA	NA
8/27/2015	Aptean	Medworxx Solutions	12	2.2x	NA
8/27/2015	Vogo Investment	Bodyfriend	263	NA	NA
8/26/2015	Stada-Arzneimittel	SCIOTEC Diagnostic Tech.	20	NA	NA
8/25/2015	Medtronic	Twelve	458	NA	NA
8/24/2015	Inovalon Holdings	Avalere Health	140	3.0x	NA
8/19/2015	Zhejiang DIAN Diagnostics	Beijing Joinscience Med. Tech.	75	0.8x	NA
8/14/2015	Wolters Kluwer Health	Learner's Digest International	150	3.9x	NA
8/12/2015	Premier Healthcare Solutions	Healthcare Insights	69	NA	NA
8/11/2015	Everyday Health	Tea Leaves Health	50	NA	NA
8/11/2015	Thai Optical Group	Poly Sun	2	0.7x	NA
8/7/2015	Starway Bio-technology	MASEP Medical Science Tech.	268	NA	NA
8/6/2015	International Business Machines	Merge Healthcare	975	4.3x	24.7x
8/6/2015	Imperium Partners Group	ProTom International	16	NA	NA
8/4/2015	Premier Healthcare Solutions	CECity.com	400	NA	NA
8/4/2015	Navamedic	Observe Medical Nordic	19	NA	NA
7/31/2015	Cintas	ZEE Medical	130	NA	NA
7/30/2015	Abbott Laboratories	Tendyne Holdings	275	NA	NA
7/30/2015	Lombard Medical	Altura Medical	49	NA	NA
7/28/2015	Shanghai Fosun Pingyao Invst. Mgmt.	Shenzhen Beacon Display	78	NA	NA
7/27/2015	Xtant Medical Holdings	X-spine Systems	87	2.1x	11.8x
7/27/2015	Guerbet	Contrast Media and Delivery	270	NA	NA
7/27/2015	Zhejiang Jingxin Pharmaceutical	Shenzhen Beacon Display	124	2.8x	NA
7/25/2015	Ningbo Aokesi Kaiyun Medical I.P.	Shanghai Ruimei Computer	31	NA	NA
7/22/2015	SJM International	Thoratec	3,422	7.1x	48.6x
7/22/2015	Magnum Capital Industrial Partners	ORLIMAN	87	NA	NA
7/20/2015	Uscom	THOR Laboratories	0	1.3x	NA
7/15/2015	Alere	US Diagnostics	60	NA	NA
7/13/2015	Valeant Pharmaceuticals Intl.	Unilens Vision	28	3.2x	14.3x
7/13/2015	Medtronic	RF Surgical Systems	235	NA	NA
7/10/2015	Edwards Lifesciences	CardiaQ Valve Technologies	400	NA	NA

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 – Q3 Selected MedTech M&A Transactions

Date	Acquirer	Target	Enterprise Value (\$USDmm)	Valuation Metrics	
				EV / LTM Revenues	EV / LTM EBITDA
7/9/2015	Charles River Laboratories Intl.	Celsis International	212	NA	14.0x
7/7/2015	Mindray Medical International	Wuhan Dragonbio S.I.	143	NA	NA
7/6/2015	Allergan	Oculeve	125	NA	NA
7/6/2015	MediFAX-EDI Holding	Altegra Health	910	NA	NA
7/2/2015	Sober Media Group	Referral Solutions Group	54	4.4x	NA
7/1/2015	Malin Corporation	3D4Medical	43	NM	61.7x
7/1/2015	Zhongtong Yinlai Invst. Mgmt.	AT&M Biomaterials	20	NA	NA
Mean⁽¹⁾				3.8x	23.1x
Median⁽¹⁾				3.2x	16.3x

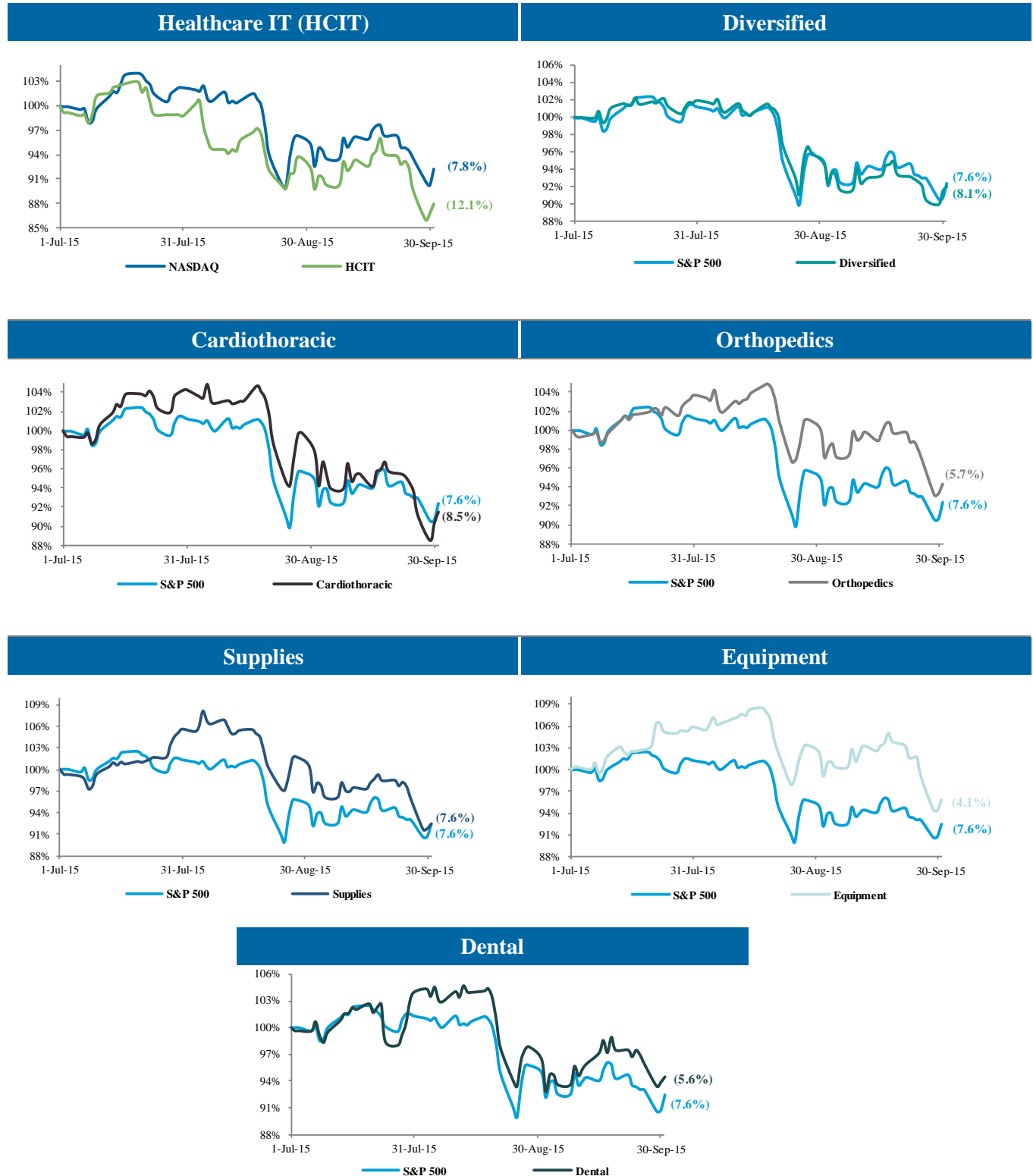
Source: S&P Capital IQ.

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
Accretive Health	AH
Allscripts Healthcare Solutions	MDRX
Athenahealth	ATHN
Cerner	CERN
Computer Programs & Systems	CPSI
Evolent Health	EVH
Healthstream	HSTM
HMS Holdings	HMSY
MedAssets	MDAS
Medidata Solutions	MDSO
Merge Healthcare	MRGE
Omniceil	OMCL
Press Ganey Holdings	PGND
Quality Systems	QSII
The Advisory Board.	ABCO
Vocera Communications	VCRA

Diversified	
Company Name	Ticker
Abbott Laboratories	ABT
Johnson & Johnson	JNJ

Cardiothoracic	
Company Name	Ticker
ABIOMED	ABMD
Bellerophon Therapeutics	BLPH
Boston Scientific	BSX
Edwards Lifesciences	EW
Hansen Medical	HNSN
Heartware International	HTWR
Medtronic	MDT
St. Jude Medical	STJ

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

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

Equipment	
Company Name	Ticker
Accuray	ISRG
AirXpanders	VAR
DexCom	RMD
EndoChoice Holdings	HOLX
Glaukos	STE
Hill-Rom Holdings	HRC
Hologic	PODD
Insulet	DXCM
Intuitive Surgical	ARAY
Invuity	IVTY
ResMed	RMD
Steris	STE
Varian Medical Systems	VAR

Dental	
Company Name	Ticker
Align Technology	ALGN
DENTSPLY International	XRAY



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