



# Quarterly Review of the Medical Technology Sector (MedTech)

**Q4 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 <b>Leadiotec</b> Buyside Advisor</p>	<p>September 2014</p>  <p>Has been acquired by <b>Converge-One</b> Sellside Advisor</p>	<p>June 2014</p>  <p>Has been acquired by <b>stamps.com</b> Sellside Advisor</p>	<p>April 2014</p>  <p>Has been acquired by <b>bazaarvoice</b> Sellside Advisor</p>
<p>March 2014</p>  <p>Private Equity Placement</p>	<p>December 2013</p>  <p>Has been acquired by <b>NTT DATA</b> Sellside Advisor</p>	<p>October 2013</p>  <p>Has acquired <b>avangate</b> Buyside Advisor</p>	<p>December 2012</p>  <p>Has been acquired by <b>TENEX</b> Sellside Advisor</p>
<p>October 2012</p>  <p>Has been acquired by <b>ExactTarget</b> Sellside Advisor</p>	<p>August 2012</p>  <p>Has been acquired by <b>Alta Equity Partners</b> 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 <b>AeroScout</b> Sellside Advisor</p>	<p>July 2011</p>  <p>Has been acquired by <b>HARMAN</b> 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 <b>World Golf Systems Group PLC</b> Buyside Advisor</p>	<p>July 2009</p>  <p>Recapitalization</p>	<p>January 2009</p>  <p>Private Equity Placement</p>

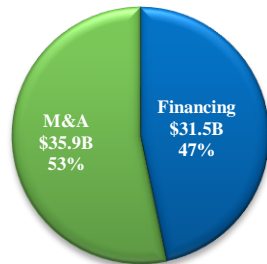
*Note: Transactions above only represent a sample of past transactions executed by Navidar.*



## Navidar at a Glance

### Experienced Strategic Advisors

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



### Advising Dynamic Companies

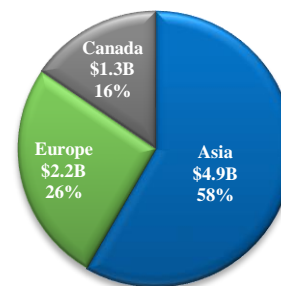


### Creative Insights and Customized Solutions



### International Expertise

*\$8.4B of Transaction Volume*



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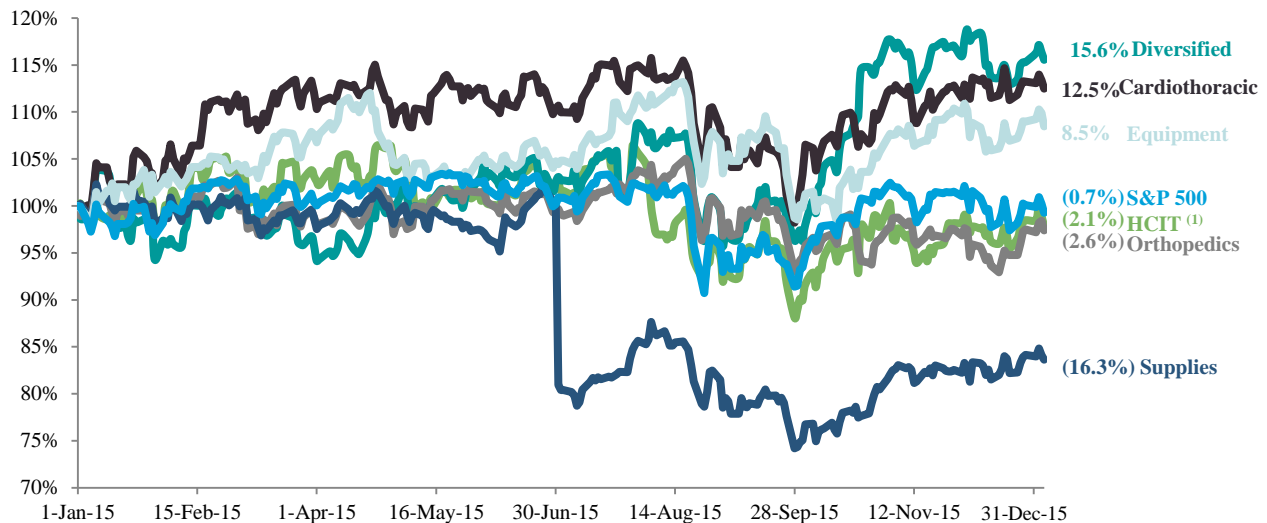
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## Q4 2015 Medical Technology Sector Review

### Relative Stock Price Performance – YTD



### MedTech Sector Stock Price Performance

Sub-Sector		Q4 Return	YTD Return
Supplies		11.6%	(16.3%)
Diversified		10.2%	15.6%
Cardiothoracic		9.5%	12.5%
HCIT <sup>(1)</sup>		8.9%	(2.1%)
Equipment		8.7%	8.5%
S&P 500		6.2%	(0.7%)
Orthopedics		3.3%	(-2.6%)

### Top 5 Global M&A Deals in Q4 By Value

Date	Acquirer	Target	Deal Value (\$M)
11/2/2015	PAMPLONA CAPITAL MANAGEMENT	MedAssets	\$2,775
10/28/2015	中信产业基金 CITICPE	BIOSENSORS INTERNATIONAL	1,116
10/29/2015	Omniceil	aesynt	281
10/29/2015	smith&nephew Global products	BLUE BELT TECHNOLOGIES	275
10/27/2015	SinoCare	NIPRO DIAGNOSTICS	273

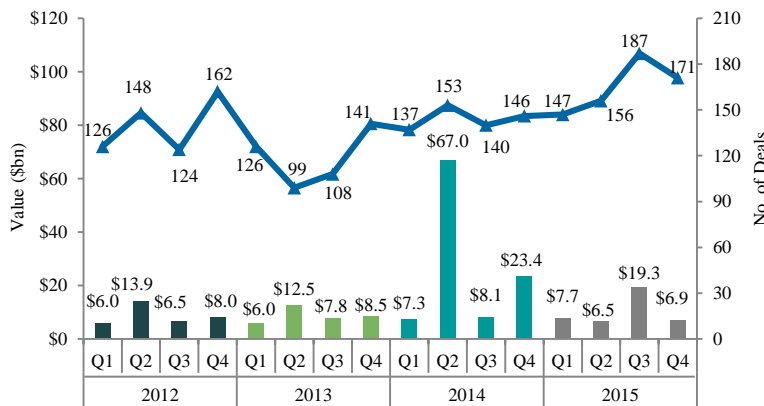
### Key Takeaways from the Quarter:

- Medical Technology sectors had a very good run in Q4'15, with all sub-sectors except Orthopedics outperforming the S&P 500 Index.
- Diversified and Cardiothoracic emerged as the sub-sectors with maximum gains.
- Global MedTech M&A deal volume slumped in Q4'15 to 171 deals from the peak of 187 in Q1'12.
- Similarly, global MedTech M&A deal value saw a fall of 64% to reach \$6.9 billion in Q4'15 from \$19.3 billion in Q3'15.
- U.S. MedTech M&A total disclosed deal value decreased 70% quarter-over-quarter to \$4.9 billion from \$16.4 billion in the previous quarter.
- Strategic acquisitions represented 88% of global MedTech M&A deal volume.
- The majority of announced transactions, ~68%, in Q4'15 with disclosed deal values were below \$100.0 million.

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

## Medical Technology Sector M&A Review

### Global MedTech M&A Deals — Since 2012



### Commentary

**Global MedTech M&A deal volume took a downward turn in Q4'15, settling at 171 deals after having experienced upward momentum since Q3'14. M&A disclosed deal value stood at \$6.9 billion compared to \$19.3 billion in Q3'15.**

- Global M&A deal volume decreased 9% quarter-over-quarter, but increased 17% year-over-year to reach 171 deals.
- Global M&A deal value decreased by 64% to \$6.9 billion quarter-over-quarter from \$19.3 billion, and by 70% year-over-year from \$23.4 billion.

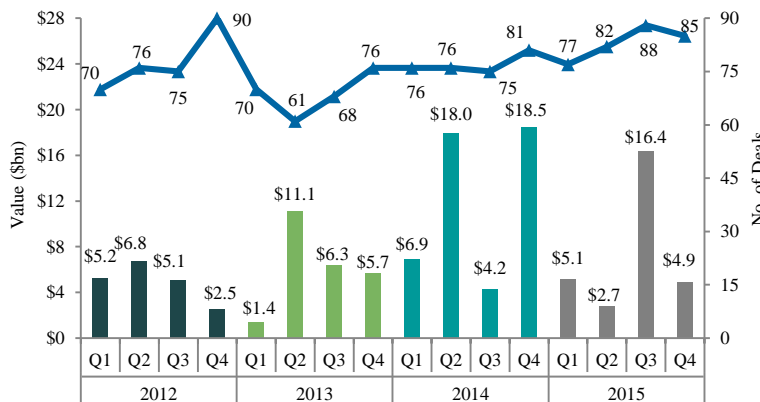
**U.S. MedTech M&A deal volume in Q4'15 slipped to 85 deals from 88 in Q3'15.**

- U.S. M&A deal volume experienced 3% loss quarter-over-quarter to 85 deals from 88, while it rose 5% year-over-year from 81.
- U.S. M&A deal value declined by 70% quarter-over-quarter to \$4.9 billion from \$16.4 billion, and went down 73% year-over-year from \$18.5 billion.

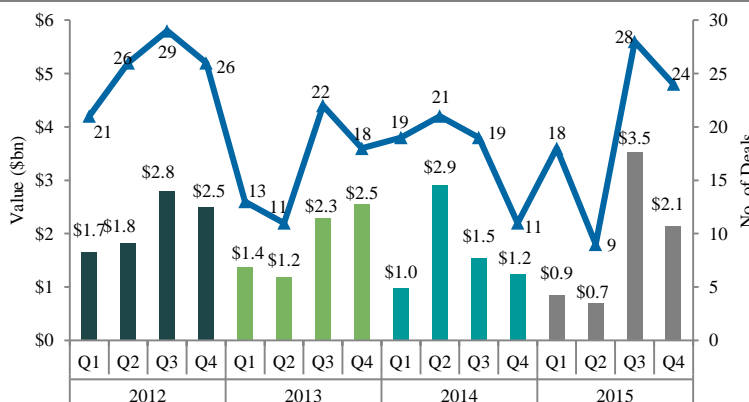
**U.S. Middle Market M&A deal volume decreased in Q4'15 to 24 deals from 28 in Q3'15.**

- U.S. middle market M&A value in Q4'15 sank 39% quarter-over-quarter, while it soared 73% year-over-year to \$2.1 billion from \$1.2 billion.

### U.S. MedTech M&A Deals — Since 2012



### U.S. MedTech Middle Market M&A Deals — Since 2012<sup>(1)</sup>



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 Q4 2015

Date	Acquirer	Target	Enterprise Value (\$USDmm)	Valuation Metrics	
				EV / LTM Revenue	EV / LTM EBITDA
11/25/2015	Computer Programs & Systems (U.S.)	Healthland (U.S.)	\$242	NA	NA
11/2/2015	Pamplona Capital Management (U.K.)	MedAssets (U.S.)	2,775	3.6x	12.7x
10/30/2015	Quality Systems (U.S.)	HealthFusion (U.S.)	190	NA	NA
10/29/2015	Smith & Nephew (U.K.)	Blue Belt Technologies (U.S.)	275	NA	NA
10/29/2015	Omniceil International (U.S.)	Aesynt (U.S.)	275	1.5x	13.8x
10/28/2015	CITIC Private Equity Funds (China)	Biosensors Group (Singapore)	779	2.6x	11.4x
10/27/2015	Sinocare (China)	Nipro Diagnostics (U.S.)	273	NA	NA
10/26/2015	Roper Technologies (U.S.)	CliniSys Solutions (U.K.)	261	NA	NA
10/26/2015	Endologix (U.S.)	TriVascular Technologies (U.S.)	NA	NA	NA
10/4/2015	AtriCure (U.S.)	nContact (U.S.)	132	NA	NA

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

\$ in millions except #	Q4'2015		Q4'2014		Q3'2015	
	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value
< \$50M	12	\$171	7	\$158	9	\$117
\$50M to \$100M	5	365	-	-	6	381
\$100M to \$250M	4	775	2	355	8	1,227
\$250M to \$500M	3	828	2	725	5	1,808
\$500M to \$1000M	-	-	1	540	2	1,906
>1B	1	2,775	3	16,698	3	10,947
Undisclosed	60	-	66	-	55	-
<b>Total</b>	<b>85</b>	<b>\$4,915</b>	<b>81</b>	<b>\$18,475</b>	<b>88</b>	<b>\$16,385</b>

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 Q4

#### *Healthcare Technology*

#### **Omnicell acquired Aesynt for \$275M EV, which implied 1.50x LTM Revenue and 13.8x LTM EBITDA.**

- Acquisition accelerates innovation in the marketplace by leveraging the combined strengths of Aesynt and Omnicell teams.
- Combination would create broad product portfolio in the industry with significant offerings in automated dispensing systems, central pharmacy robotics, IV robotics and enterprise analytics.

Headquartered in Cranberry Township, PA, Aesynt combines healthcare expertise with a comprehensive portfolio of pharmacy automation and information management tools. The Company partners with healthcare organizations to fully optimize all medication forms enterprise-wide, driving dramatic cost reductions and improved patient safety. The Company also provides leading solutions for sterile compounding, enterprise-wide inventory management and medication dispensing.

#### **Roper Technologies acquired CliniSys Group for \$261M EV.**

- Acquisition expands Roper's portfolio of companies with major focus on diagnostic solutions excellence, creating a unique breadth of capabilities to support clinical testing processes and connectivity to systems, instruments and providers across the world.
- Acquisition provides access to largest European suppliers of laboratory information systems.

Headquartered in Surrey, United Kingdom, CliniSys provides laboratory information management solutions to more than 2,000 laboratories in 34 countries. The Company offers GLIMS, a laboratory information, stock, financial and performance management system; CyberTrack, a web-based application for online blood transfusion registration and tracking; CyberLab, a web-based electronic order entry and results communication system; and SampleNet, a laboratory automation and instrument communication solution.

#### **Computer Programs and Systems acquired Healthland Holding for \$250M EV.**

- Acquisition will strengthen CPSI's position in providing healthcare information solutions to the markets it serves and introduces its solutions to the post-acute care market.
- Combination to deliver solutions more quickly to clients and scale development investment and customer support across many communities. The annual revenue of combined company is projected to be \$300 million in 2015 with more than 1,900 employees.

Headquartered in Minneapolis, MN, Healthland provides integrated healthcare information technology solutions to rural community hospitals, clinics and health centers. The Company offers electronic health records to stock patient information across care settings to coordinate treatment, improve patient outcomes and drive patient satisfaction. The Company also offers revenue cycle management solutions.

*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.)*

#### **Quality Systems acquired HealthFusion Holdings for \$165M EV.**

- **Combination will bring intuitive, fully mobile, cloud-based solution that offers smaller groups of physicians and other providers a clean EHR experience within a fully integrated suite of solutions.**
- **Acquisition expands Quality Systems's client base and solution capabilities in ambulatory market.**

Headquartered in San Diego, CA, HealthFusion is a developer of web-based, cloud computing software for physicians, hospitals and medical billing services. The Company's fully integrated solution includes MediTouch EHR, an electronic health record and patient portal, and MediTouch PM, a practice management and claims clearinghouse.

#### **West Corporation acquired ClientTell for \$38M EV.**

- **Combination expands West's solutions in growing markets and demonstrate a commitment to investing in leading technologies.**

Headquartered in Valdosta, GA, ClientTell operates a cloud-based notification platform that provides automated patient appointment reminders for the healthcare service industry. The Company's platform solutions deliver phone, email and text message reminders, as well as smartphone push notifications on confirming appointments, paying past due balances, retrieving lab results and scheduling preventive care visits to patients on behalf of hospitals, medical practices, academic health systems and other healthcare service organizations.

*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*

#### **Smith & Nephew acquired Blue Belt Technologies for \$275M EV.**

- Acquisition will result in combination of complementary products and R&D programs.
- Combination of products in development and Blue Belt's robotic technology will result in an enhanced platform for Smith & Nephew to deliver further expansion.

Headquartered in Plymouth, MN, Blue Belt Technologies develops and manufactures surgical instruments for use in orthopedic procedure. The Company offers the Navio surgical system, which provides precise robotic control to surgeons through an intelligent, handheld and computer-assisted bone cutting tool. The Company focuses on developing clinically relevant applications in computer-assisted technology and robotic orthopedic surgery.

#### **Sinocare Group acquired Nipro Diagnostics for \$273M EV, Valuation was not disclosed.**

- Acquisition will provide innovative and affordable solutions for patients living with diabetes.

Headquartered in Fort Lauderdale, FL, Nipro Diagnostics develops blood glucose management systems and other diabetes products for the healthcare community. The Company's products include blood glucose meters and test strips; lancing devices, single-use lancets, and insulin syringes; TRUEmanager, a diabetes management software; ketone test strips for urinalysis; and fiber tablets and multivitamins, as well as glucose gels, tablets and shots.

#### **Endologix acquired TriVascular Technologies for \$211M EV. Valuation was not disclosed.**

- Acquisition enhances the near and long-term growth potential of business opportunities in the field of endovascular abdominal aortic aneurysm ("AAA") treatment.
- Combination also enables Endologix to provide three complementary products – AFX, Ovation and Nellix – systems for physicians to treat a wide range of patient anatomies and results in a deep pipeline of new devices including AFX2 and the Ovation iX.

Headquartered in Santa Rosa, CA, TriVascular Technologies, a medical device company, develops and commercializes technologies to advance minimally invasive treatment of abdominal aortic aneurysms. The Company offers Ovation System, a stent graft platform for the treatment of AAA through minimally invasive endovascular aortic repair.

*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.)*

#### **AtriCure acquired nContact for \$132M EV, which implied 16.10x LTM Revenue.**

- Acquisition provides AtriCure with opportunities in Afib market and improved market access and additional collaboration with cardiac surgeons and electrophysiologists.
- Acquisition expands AtriCure's addressable market with the addition of a proven technology that treats an under-served population of patients as well as expands AtriCure's customer account base.
- Combination expands AtriCure's current product portfolio and minimally invasive (MIS) intellectual property portfolio.

Headquartered in Morrisville, NC, nContact develops and markets a portfolio of devices that provide for less invasive ablation options for the treatment of cardiac arrhythmias. The Company's technology is used in the convergent procedure, a multi-disciplinary therapy in which a closed-chest surgical epicardial ablation and endocardial catheter ablation is performed by an electrophysiologist.

#### **CooperSurgical acquired Research Instruments for \$51M, which implied 3.00x LTM Revenue.**

- Acquisition strengthens CooperSurgical's industry-leading IVF business through the addition of several successful products within the consumables, software and hardware areas.

Headquartered in Cornwall, United Kingdom, Research Instruments specializes in cutting-edge technology, consumables and hardware in the field of in-vitro fertilization (IVF) and micromanipulation technology. The company has operated in the field of IVF since 1980 and has expanded to become the largest hardware ART (assisted reproductive technology) supplier in the world with a global network of distributors and a comprehensive product portfolio.

*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*

#### **ICU Medical to acquire Excelsior Medical for \$60M EV. Valuation was not disclosed.**

- Acquisition will expand ICU Medical offerings by adding SwabCap and SwabFlush, which enhances its infusion therapy product offering across ICU Medical's existing direct and OEM business lines.

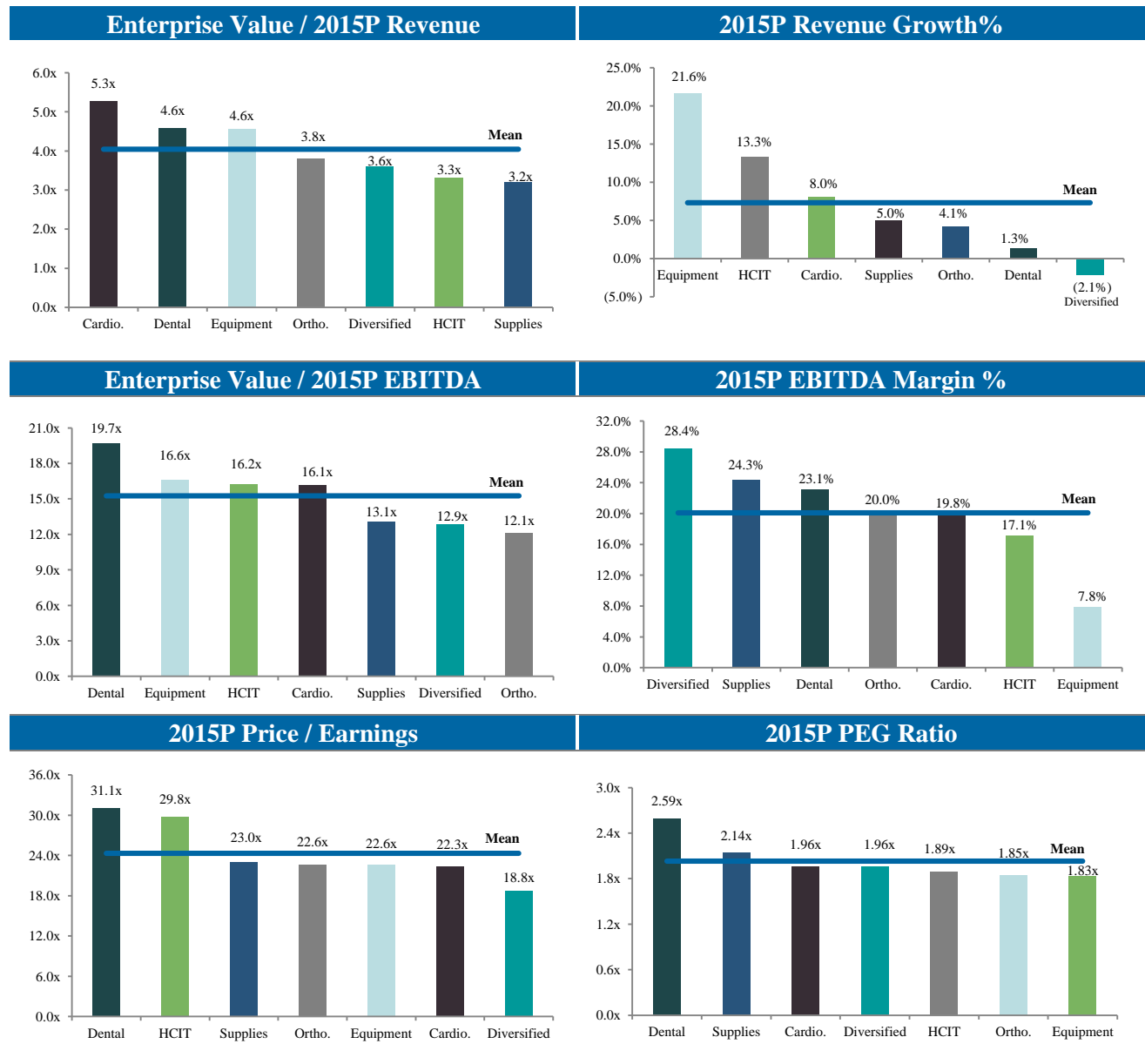
Headquartered in Neptune, NJ, Excelsior Medical manufactures, markets and sells pre-filled catheter flush syringes and syringe pump systems for healthcare practitioners and clinicians throughout the world. The Company primarily focuses on catheter maintenance products and offers pre-filled saline flush syringes, pre-filled heparin flush, lock syringes, dispensing pumps and valve disinfection caps.

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

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



## Comparable Public Company Valuation Metrics – MedTech Sector



Source: S&P Capital IQ.

Note: Market data as of Q4 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.

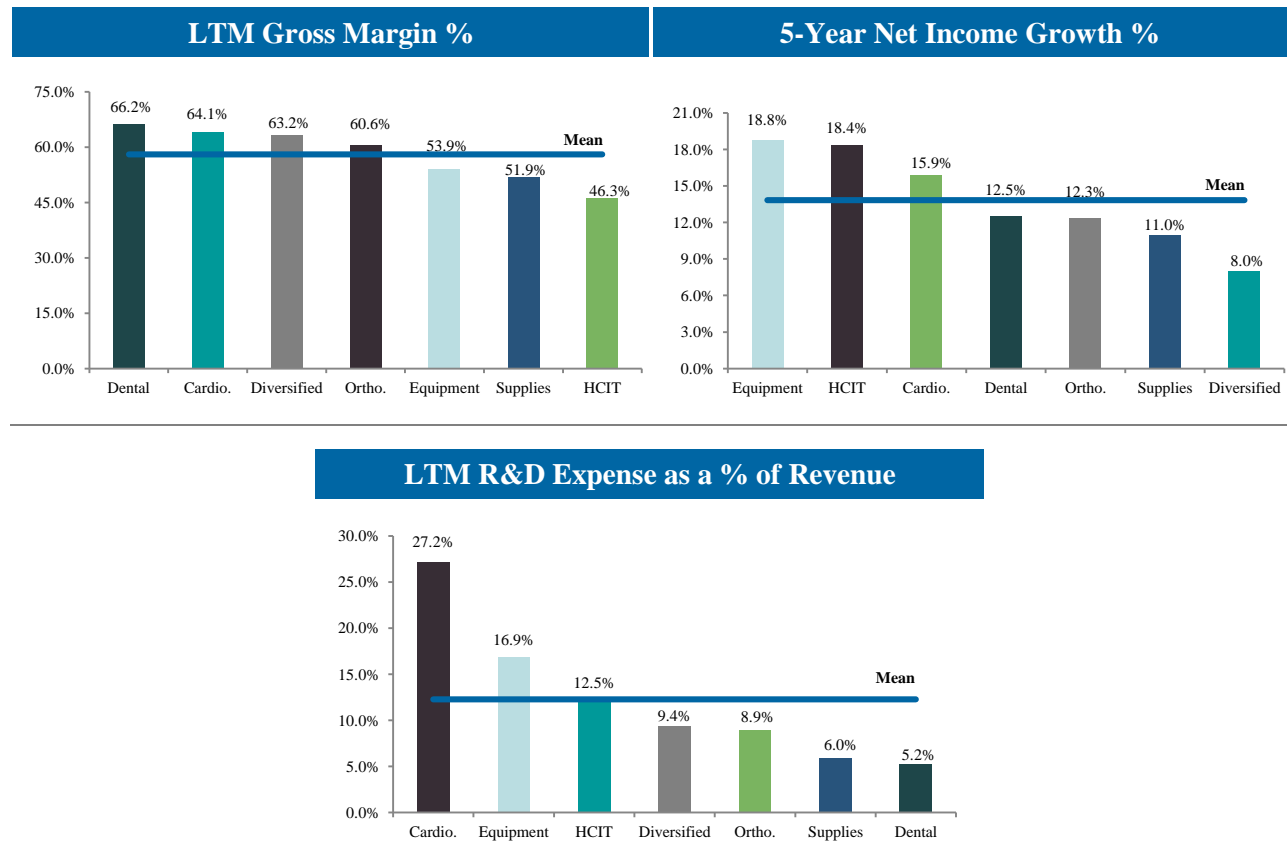
Note: LTM = Last Twelve Months and NTM = Next Twelve Months.

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

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



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



Source: S&P Capital IQ.

Note: Market data as of Q4 2015 quarter end.

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

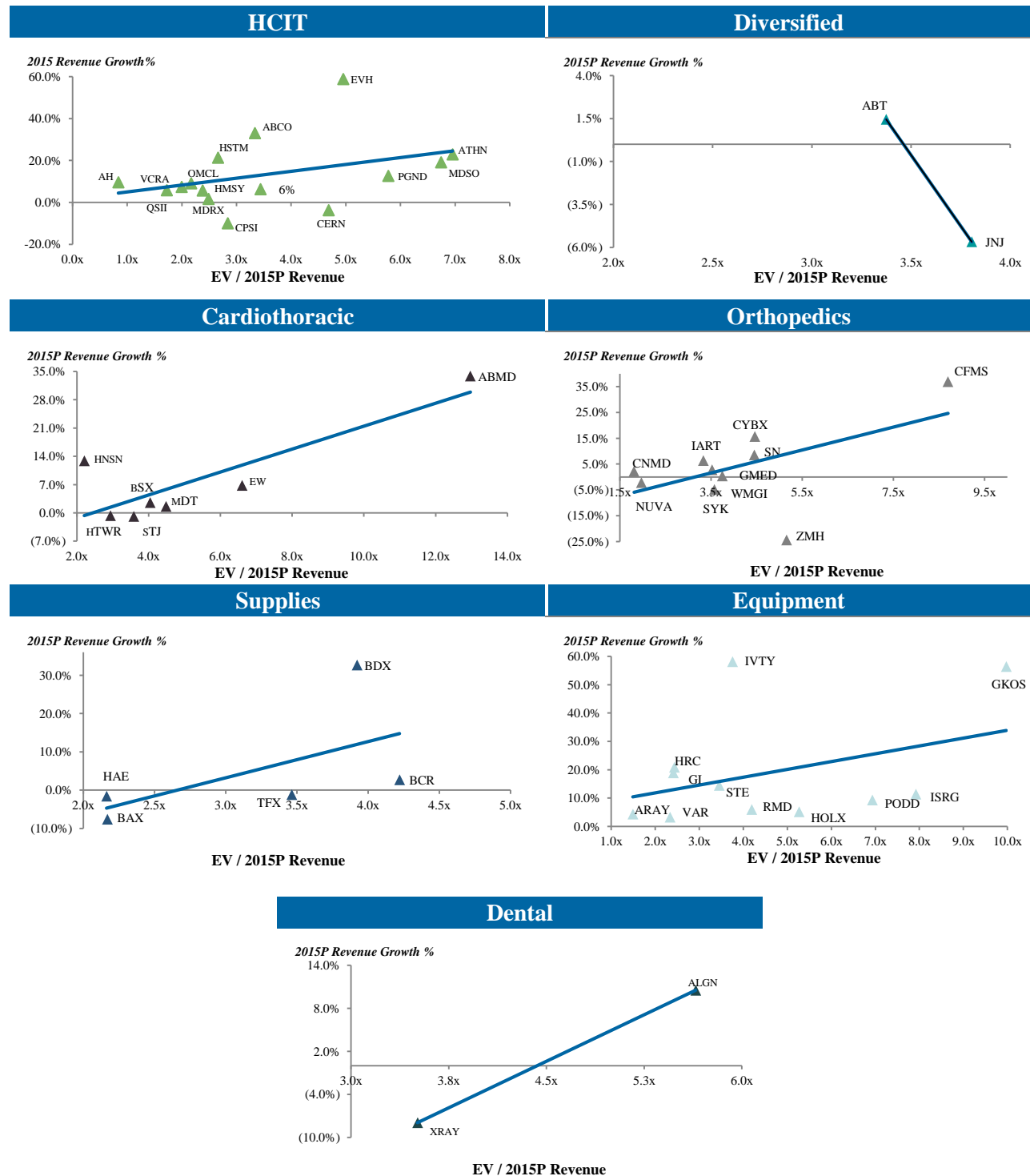
Note: Multiples excludes outlier for EV / Revenue > 15x, EV / EBITDA > 40x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months.

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



## 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 Q4 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							
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	
HCIT														
Accretive Health	\$3.20	46%	1.81x	\$330.5	(\$137.7)	\$192.8	0.8x	0.8x	9.1x	6.1x	40.0x	24.6x	1.85x	1.14x
Allscripts Healthcare Solutions	15.38	97%	1.36x	2,907.1	563.6	3,481.8	2.5x	2.4x	14.3x	12.2x	33.4x	26.5x	1.71x	1.36x
Athenahealth	160.97	94%	1.45x	6,250.5	182.0	6,432.5	7.0x	5.8x	35.7x	27.9x	NM	NM	NA	NA
Cerner <sup>(1)</sup>	60.17	79%	1.08x	20,584.5	166.1	20,750.6	4.7x	4.1x	14.3x	12.1x	29.1x	25.6x	1.77x	1.56x
Computer Programs & Systems	49.75	79%	1.38x	562.3	(38.5)	523.9	2.8x	2.7x	16.4x	11.8x	27.5x	21.2x	1.87x	1.44x
Evolent Health	12.11	52%	1.02x	714.5	(210.2)	793.7	5.0x	3.8x	NM	NM	NM	NM	NA	NA
Healthstream	22.00	68%	1.05x	696.2	(144.8)	551.4	2.7x	2.4x	16.5x	14.4x	NM	NM	NA	NA
HMS Holdings	12.34	56%	1.52x	1,061.3	53.0	1,114.3	2.4x	2.2x	9.9x	9.0x	22.6x	20.2x	1.12x	1.00x
MedAssets	30.94	99%	1.82x	1,836.8	797.7	2,634.5	3.4x	3.4x	11.0x	10.7x	23.8x	22.9x	2.16x	2.08x
Medidata Solutions	49.29	80%	1.38x	2,729.1	(37.6)	2,691.6	6.7x	5.7x	29.5x	23.4x	NM	46.1x	NA	2.07x
Omnicell	31.08	76%	1.19x	1,101.1	(57.8)	1,043.3	2.2x	1.9x	11.9x	10.1x	23.5x	19.7x	1.33x	1.12x
Press Ganey Holdings	31.55	87%	NM	1,662.6	169.4	1,832.1	5.8x	5.3x	15.8x	14.0x	34.3x	30.0x	2.34x	2.05x
Quality Systems	16.12	86%	1.34x	981.1	(110.8)	870.3	1.7x	1.7x	11.8x	11.5x	26.8x	24.1x	2.55x	2.29x
The Advisory Board	49.61	82%	1.22x	2,078.4	503.5	2,581.9	3.3x	2.9x	15.0x	12.9x	36.7x	29.5x	2.23x	1.79x
Vocera Communications	12.20	90%	1.37x	319.7	(115.3)	204.4	2.0x	1.8x	NM	NM	NM	NM	NA	NA
Mean						3.5x	3.1x	16.2x	13.5x	29.8x	26.4x	1.89x	1.63x	
Median						2.8x	2.7x	14.3x	12.1x	28.3x	24.6x	1.86x	1.56x	

### 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	LTM	Growth %
HCIT															
Accretive Health	\$3.20	46%	1.81x	\$330.5	(\$137.7)	\$192.8	9.6%	6.7%	(80.8%)	9.2%	12.9%	NA	NA	NA	21.7%
Allscripts Healthcare Solutions	15.38	97%	1.36x	2,907.1	563.6	3,481.8	1.6%	5.4%	46.7%	17.4%	19.4%	NA	13.1%	NA	19.5%
Athenahealth	160.97	94%	1.45x	6,250.5	182.0	6,432.5	22.9%	19.9%	60.7%	19.5%	20.8%	24.3%	10.3%	15.9%	24.4%
Cerner <sup>(1)</sup>	60.17	79%	1.08x	20,584.5	166.1	20,750.6	(3.8%)	13.3%	84.1%	32.8%	34.1%	42.0%	12.3%	8.0%	16.4%
Computer Programs & Systems	49.75	79%	1.38x	562.3	(38.5)	523.9	(10.0%)	5.9%	41.1%	17.3%	22.7%	6.8%	NA	17.0%	14.7%
Evolent Health	12.11	52%	1.02x	714.5	(210.2)	793.7	58.8%	31.7%	30.3%	(22.5%)	(12.9%)	NA	NA	NA	30.0%
Healthstream	22.00	68%	1.05x	696.2	(144.8)	551.4	21.3%	12.7%	57.1%	16.1%	16.4%	17.2%	10.6%	11.4%	17.3%
HMS Holdings	12.34	56%	1.52x	1,061.3	53.0	1,114.3	5.6%	7.2%	32.3%	24.0%	24.8%	NA	NA	NA	20.1%
MedAssets	30.94	99%	1.82x	1,836.8	797.7	2,634.5	6.3%	0.8%	75.2%	31.2%	32.0%	10.2%	4.3%	32.7%	11.0%
Medidata Solutions	49.29	80%	1.38x	2,729.1	(37.6)	2,691.6	19.1%	19.0%	76.5%	22.9%	24.2%	25.4%	22.9%	20.5%	22.3%
Omnicell	31.08	76%	1.19x	1,101.1	(57.8)	1,043.3	9.0%	11.3%	51.8%	18.3%	19.3%	NA	7.2%	NA	17.7%
Press Ganey Holdings	31.55	87%	NM	1,662.6	169.4	1,832.1	12.6%	9.8%	53.7%	36.6%	37.6%	NA	NA	44.5%	14.7%
Quality Systems	16.12	86%	1.34x	981.1	(110.8)	870.3	5.7%	2.6%	55.4%	14.7%	14.6%	3.8%	14.3%	NA	10.5%
The Advisory Board	49.61	82%	1.22x	2,078.4	503.5	2,581.9	33.1%	15.2%	47.6%	22.2%	22.5%	16.5%	NA	16.8%	16.5%
Vocera Communications	12.20	90%	1.37x	319.7	(115.3)	204.4	7.3%	8.4%	62.2%	(3.5%)	0.1%	46.9%	17.4%	17.7%	18.7%
Mean							13.3%	11.3%	46.3%	17.1%	19.2%	21.5%	12.5%	20.5%	18.4%
Median							9.0%	9.8%	53.7%	18.3%	20.8%	17.2%	12.3%	17.0%	17.7%

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

Note: Market data as of Q4 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
<b>Diversified</b>														
Abbott Laboratories	\$44.91	87%	1.15x	\$66,993.1	\$2,216.0	\$69,317.1	3.4x	3.2x	14.2x	13.0x	20.9x	18.8x	1.96x	1.76x
Johnson & Johnson	102.72	96%	1.26x	284,220.4	(17,371.0)	266,849.4	3.8x	3.7x	11.6x	10.6x	16.6x	16.0x	NM	2.99x
<b>Mean</b>							<b>3.6x</b>	<b>3.4x</b>	<b>12.9x</b>	<b>11.8x</b>	<b>18.8x</b>	<b>17.4x</b>	<b>1.96x</b>	<b>2.38x</b>
<b>Median</b>							<b>3.6x</b>	<b>3.4x</b>	<b>12.9x</b>	<b>11.8x</b>	<b>18.8x</b>	<b>17.4x</b>	<b>1.96x</b>	<b>2.38x</b>

### 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	LTM	Growth %
Diversified															
Abbott Laboratories	\$44.91	87%	1.15x	\$66,993.1	\$2,216.0	\$69,317.1	1.4%	5.1%	57.1%	23.8%	24.7%	NA	6.3%	NA	10.7%
Johnson & Johnson	102.72	96%	1.26x	284,220.4	(17,371.0)	266,849.4	(5.7%)	3.5%	69.2%	32.9%	34.6%	3.7%	12.5%	NA	5.4%
						Mean	(2.1%)	4.3%	63.2%	28.4%	29.6%	3.7%	9.4%	NA	8.0%
						Median	(2.1%)	4.3%	63.2%	28.4%	29.6%	3.7%	9.4%	NA	8.0%

### 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
<b>Cardiothoracic</b>														
ABIOMED	\$90.28	82%	2.53x	\$3,829.4	(\$175.5)	\$3,653.9	13.0x	9.8x	NM	NM	NM	NM	NA	NA
Bellerophon Therapeutics	2.96	23%	1.20x	38.8	(41.3)	(2.5)	NA	NA	NA	NA	NM	NM	NA	NA
Boston Scientific	18.44	97%	1.40x	24,805.4	5,509.0	30,314.4	4.0x	3.8x	15.4x	13.5x	20.1x	17.6x	1.62x	1.42x
Edwards Lifesciences	78.98	95%	1.29x	17,036.7	(645.6)	16,391.1	6.6x	6.1x	23.1x	21.6x	35.1x	32.9x	2.26x	2.12x
Hansen Medical	2.33	19%	1.02x	44.0	4.6	48.6	2.2x	1.6x	NM	NM	NA	NA	NA	NA
Heartware International	50.40	53%	1.45x	871.9	(59.5)	812.4	2.9x	3.0x	NM	NM	NM	NM	NA	NA
Medtronic <sup>(1)</sup>	76.92	97%	1.38x	108,161.5	18,689.0	126,850.5	4.5x	4.3x	14.0x	12.6x	18.4x	16.2x	2.42x	2.13x
St. Jude Medical	61.77	76%	1.03x	17,459.9	2,514.0	19,973.9	3.6x	3.2x	12.1x	11.1x	15.7x	14.5x	1.53x	1.41x
<b>Mean</b>							<b>5.3x</b>	<b>4.5x</b>	<b>16.1x</b>	<b>14.7x</b>	<b>22.3x</b>	<b>20.3x</b>	<b>1.96x</b>	<b>1.77x</b>
<b>Median</b>							<b>4.0x</b>	<b>3.8x</b>	<b>14.7x</b>	<b>13.1x</b>	<b>19.3x</b>	<b>16.9x</b>	<b>1.94x</b>	<b>1.77x</b>

### Cardiothoracic – 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 %	
Cardiothoracic															
ABIOMED	\$90.28	82%	2.53x	\$3,829.4	(\$175.5)	\$3,653.9	33.9%	32.4%	84.4%	14.9%	20.2%	NA	14.1%	NA	37.8%
Bellerophon Therapeutics	2.96	23%	1.20x	38.8	(41.3)	(2.5)	NA	NA	NA	NA	NA	NA	NA	NA	NM
Boston Scientific	18.44	97%	1.40x	24,805.4	5,509.0	30,314.4	2.5%	7.4%	70.8%	26.3%	27.9%	NA	11.5%	NA	12.4%
Edwards Lifesciences	78.98	95%	1.29x	17,036.7	(645.6)	16,391.1	6.8%	8.7%	75.3%	28.6%	28.1%	NA	15.1%	NA	15.5%
Hansen Medical	2.33	19%	1.02x	44.0	4.6	48.6	12.8%	40.5%	14.2%	NM	NM	4.1%	87.1%	NA	NM
Heartware International	50.40	53%	1.45x	871.9	(59.5)	812.4	(0.7%)	(0.8%)	63.3%	(12.6%)	(10.7%)	NA	42.5%	NA	11.8%
Medtronic <sup>(1)</sup>	76.92	97%	1.38x	108,161.5	18,689.0	126,850.5	1.6%	4.4%	70.2%	32.0%	34.0%	NA	7.8%	NA	7.6%
St. Jude Medical	61.77	76%	1.03x	17,459.9	2,514.0	19,973.9	(0.9%)	11.4%	70.4%	29.6%	29.1%	NA	12.2%	NA	10.3%
						Mean	8.0%	14.9%	64.1%	19.8%	21.4%	4.1%	27.2%	NA	15.9%
						Median	2.5%	8.7%	70.4%	27.5%	28.0%	4.1%	14.1%	NA	12.1%

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

Note: Market data as of Q4 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	\$17.29	64%	1.30x	\$703.9	(\$138.7)	\$565.3	8.7x	5.7x	NM	NM	NM	NM	NA	NA
CONMED	44.05	73%	1.16x	1,220.4	196.5	1,416.9	2.0x	1.9x	11.4x	10.6x	26.4x	24.7x	2.03x	1.90x
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	27.82	96%	1.36x	2,649.4	(238.6)	2,410.8	4.5x	4.1x	12.6x	11.8x	26.0x	23.6x	2.03x	1.84x
Hanger	16.45	61%	1.24x	564.9	535.0	1,099.9	1.0x	NA	6.0x	NA	8.7x	NA	0.60x	NA
Integra LifeSciences Holdings	67.78	96%	1.28x	2,506.7	650.4	3,157.1	3.6x	3.3x	15.2x	12.9x	22.0x	19.7x	1.97x	1.76x
NuVasive	54.11	96%	1.30x	2,656.6	35.1	2,699.5	3.3x	3.1x	13.2x	11.8x	43.3x	36.8x	2.93x	2.50x
Smith & Nephew	17.81	99%	1.20x	15,965.2	1,510.0	17,379.5	3.8x	3.6x	12.6x	11.8x	21.2x	19.7x	1.99x	1.85x
Stryker Corp.	92.94	88%	1.03x	34,945.4	116.0	35,061.4	3.5x	3.3x	13.2x	12.3x	18.2x	16.6x	1.97x	1.80x
Wright Medical Group <sup>(1)</sup>	20.24	NM	NM	1,030.7	311.9	1,162.6	1.8x	1.7x	NM	NM	NM	NM	NA	NA
Zimmer Biomet Holdings <sup>(1)</sup>	102.59	84%	1.16x	20,905.8	10,104.4	31,011.9	5.2x	4.1x	13.0x	10.3x	15.0x	13.1x	1.53x	1.34x
Mean							3.8x	3.5x	12.1x	11.5x	22.6x	21.9x	1.85x	1.80x
Median							3.6x	3.5x	12.6x	11.8x	22.0x	20.1x	1.97x	1.82x

### Orthopedics – 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 %	
Orthopedics															
ConformIS	\$17.29	64%	1.30x	\$703.9	(\$138.7)	\$565.3	36.9%	52.3%	37.6%	(82.7%)	(49.9%)	62.4%	26.4%	35.5%	NM
CONMED	44.05	73%	1.16x	1,220.4	196.5	1,416.9	(2.2%)	2.2%	53.6%	17.4%	18.2%	NA	3.9%	NA	13.0%
Cyberonics	60.78	79%	1.26x	1,580.3	(169.4)	1,411.0	8.5%	8.6%	32.6%	91.8%	90.5%	NA	16.8%	NA	NA
Globus Medical	27.82	96%	1.36x	2,649.4	(238.6)	2,410.8	15.7%	9.5%	76.7%	35.3%	34.5%	NA	6.8%	NA	12.8%
Hanger	16.45	61%	1.24x	564.9	535.0	1,099.9	NA	NM	33.4%	16.1%	NA	NA	NA	NA	14.5%
Integra LifeSciences Holdings	67.78	96%	1.28x	2,506.7	650.4	3,157.1	(4.9%)	9.9%	64.5%	23.5%	25.2%	NA	5.6%	NA	11.2%
NuVasive	54.11	96%	1.30x	2,656.6	35.1	2,699.5	6.3%	7.4%	76.3%	25.3%	26.3%	NA	4.6%	NA	14.8%
Smith & Nephew	17.81	99%	1.20x	15,965.2	1,510.0	17,379.5	0.4%	4.8%	75.3%	29.8%	30.2%	2.1%	4.8%	NA	10.6%
Stryker Corp.	92.94	88%	1.03x	34,945.4	116.0	35,061.4	2.8%	5.5%	66.4%	26.8%	27.1%	NA	6.2%	NA	9.2%
Wright Medical Group <sup>(1)</sup>	20.24	NM	NM	1,030.7	311.9	1,162.6	2.2%	8.9%	75.1%	(2.3%)	1.1%	NA	9.7%	NA	15.0%
Zimmer Biomet Holdings <sup>(1)</sup>	102.59	84%	1.16x	20,905.8	10,104.4	31,011.9	(24.4%)	27.1%	75.2%	39.7%	39.2%	NA	4.4%	NA	9.8%
Mean							4.1%	13.6%	60.6%	20.0%	24.2%	32.2%	8.9%	35.5%	12.3%
Median							2.5%	8.8%	66.4%	25.3%	26.7%	32.2%	5.9%	35.5%	12.8%

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

Note: Market data as of Q4 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).

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



## Appendix– Comparable Public Company Analysis (Cont.)

### Supplies – 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	
Supplies														
Baxter International <sup>(1)</sup>	\$38.15	52%	1.19x	\$20,868.7	\$603.0	\$21,492.7	2.2x	2.1x	14.3x	13.0x	30.4x	26.7x	2.90x	2.54x
Becton, Dickinson and Co.	154.09	98%	1.20x	32,692.6	11,359.0	44,051.6	3.9x	3.4x	14.9x	12.6x	21.1x	17.8x	1.86x	1.57x
CR Bard	189.44	94%	1.16x	13,997.0	406.5	14,403.5	4.2x	4.0x	13.7x	12.8x	23.6x	21.4x	2.52x	2.28x
Haemonetics	32.24	71%	1.09x	1,635.3	334.6	1,970.0	2.2x	2.1x	9.4x	8.2x	19.0x	17.6x	1.49x	1.39x
Teleflex	131.45	94%	1.22x	5,468.6	786.2	6,257.0	3.5x	3.3x	13.1x	12.3x	21.0x	18.4x	1.91x	1.67x
Mean							3.2x	3.0x	13.1x	11.8x	23.0x	20.4x	2.14x	1.89x
Median							3.5x	3.3x	13.7x	12.6x	21.1x	18.4x	1.91x	1.67x

### Supplies – 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 %	
Supplies																
Baxter International <sup>(1)</sup>	\$38.15	52%	1.19x	\$20,868.7	\$603.0	\$21,492.7	(7.6%)	1.2%	48.7%	15.2%	16.4%	0.3%	7.1%	NA	10.5%	
Becton, Dickinson and Co.	154.09	98%	1.20x	32,692.6	11,359.0	44,051.6	32.6%	13.8%	48.5%	26.3%	27.4%	NA	6.1%	NA	11.3%	
CR Bard	189.44	94%	1.16x	13,997.0	406.5	14,403.5	2.7%	4.7%	61.9%	30.8%	31.5%	0.1%	7.7%	NA	9.4%	
Haemonetics	32.24	71%	1.09x	1,635.3	334.6	1,970.0	(1.6%)	3.3%	48.0%	22.9%	25.7%	0.5%	5.7%	NA	12.7%	
Teleflex	131.45	94%	1.22x	5,468.6	786.2	6,257.0	(1.2%)	5.3%	52.4%	26.4%	26.8%	NA	3.1%	NA	11.0%	
							Mean	5.0%	5.7%	51.9%	24.3%	25.6%	0.3%	6.0%	NA	11.0%
							Median	(1.2%)	4.7%	48.7%	26.3%	26.8%	0.3%	6.1%	NA	11.0%

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

Note: Market data as of Q4 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							
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	
Equipment														
Accuray	\$6.75	67%	1.41x	\$539.1	\$51.7	\$590.8	1.5x	1.4x	24.4x	17.1x	NM	NM	NA	NA
AirXpanders	0.76	98%	2.18x	160.8	(24.6)	137.5	NM	NM	NM	NM	NM	NM	NA	NA
DexCom	81.90	79%	1.54x	6,658.1	(110.4)	6,547.7	NM	12.0x	NM	NM	NM	NM	NA	NA
EndoChoice Holdings	8.35	42%	NM	207.0	(30.9)	176.1	2.4x	1.9x	NM	NM	NM	NM	NA	NA
Glaukos	24.69	73%	1.33x	792.6	(81.5)	711.1	10.0x	7.8x	NM	NM	NM	NM	NA	NA
Hill-Rom Holdings	48.06	82%	1.08x	3,132.0	2,040.4	5,182.4	2.4x	1.9x	14.9x	10.2x	18.2x	14.9x	1.08x	0.88x
Hologic	38.69	90%	1.51x	10,945.6	3,181.8	14,127.4	5.3x	4.9x	14.7x	13.2x	23.9x	20.6x	2.66x	2.30x
Insulet	37.81	81%	1.52x	2,152.5	35.5	2,188.0	6.9x	5.9x	NM	NM	NM	NM	NA	NA
Intuitive Surgical	546.16	97%	1.22x	20,407.4	(1,739.7)	18,667.7	7.9x	7.2x	18.9x	16.9x	29.8x	27.4x	1.92x	1.77x
Invuity	8.82	49%	1.04x	117.4	(39.6)	77.8	3.8x	2.0x	NM	NM	NM	NM	NA	NA
ResMed	53.69	71%	1.10x	7,497.8	(321.5)	7,176.3	4.2x	3.9x	14.5x	13.2x	20.7x	18.9x	1.84x	1.67x
Steris	75.34	96%	1.24x	6,466.9	667.6	7,135.4	3.5x	2.6x	17.4x	12.0x	23.3x	19.3x	1.66x	1.38x
Varian Medical Systems	80.80	84%	1.14x	7,756.5	(349.5)	7,421.7	2.3x	2.3x	11.6x	11.0x	19.8x	17.8x	1.80x	1.62x
						Mean	4.6x	4.5x	16.6x	13.4x	22.6x	19.8x	1.83x	1.60x
						Median	3.8x	3.3x	14.9x	13.2x	22.0x	19.1x	1.82x	1.65x

### 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	Growth %	
Equipment															
Accuray	\$6.75	67%	1.41x	\$539.1	\$51.7	\$590.8	4.3%	6.4%	39.1%	6.1%	8.2%	15.0%	14.3%	12.6%	20.0%
AirXpanders	0.76	98%	2.18x	160.8	(24.6)	137.5	NA	433.3%	NM	NM	(177.1%)	NA	NM	NA	NM
DexCom	81.90	79%	1.54x	6,658.1	(110.4)	6,547.7	50.7%	39.4%	69.4%	(8.5%)	2.5%	NA	36.7%	NA	32.5%
EndoChoice Holdings	8.35	42%	NM	207.0	(30.9)	176.1	18.9%	26.0%	32.3%	(50.6%)	(33.8%)	40.9%	25.9%	30.4%	20.0%
Glaukos	24.69	73%	1.33x	792.6	(81.5)	711.1	56.4%	27.6%	78.2%	(12.4%)	(8.2%)	0.6%	36.7%	NA	30.0%
Hill-Rom Holdings	48.06	82%	1.08x	3,132.0	2,040.4	5,182.4	20.9%	27.5%	45.1%	16.4%	18.7%	NA	4.6%	NA	16.8%
Hologic	38.69	90%	1.51x	10,945.6	3,181.8	14,127.4	5.2%	6.9%	64.6%	35.9%	37.5%	13.5%	8.0%	9.7%	9.0%
Insulet	37.81	81%	1.52x	2,152.5	35.5	2,188.0	9.3%	17.2%	47.0%	(11.5%)	(6.0%)	27.3%	12.7%	14.3%	25.0%
Intuitive Surgical	546.16	97%	1.22x	20,407.4	(1,739.7)	18,667.7	11.4%	10.1%	65.8%	41.8%	42.5%	NA	8.4%	NA	15.5%
Invuity	8.82	49%	1.04x	117.4	(39.6)	77.8	58.1%	88.3%	62.3%	NM	NM	NA	37.4%	NA	20.0%
ResMed	53.69	71%	1.10x	7,497.8	(321.5)	7,176.3	5.9%	7.3%	59.2%	29.0%	29.7%	NA	6.6%	NA	11.3%
Steris	75.34	96%	1.24x	6,466.9	667.6	7,135.4	14.4%	32.1%	42.4%	19.8%	21.8%	0.5%	3.0%	NA	14.0%
Varian Medical Systems	80.80	84%	1.14x	7,756.5	(349.5)	7,421.7	3.3%	2.2%	41.4%	20.2%	20.8%	NA	7.9%	NA	11.0%
						Mean	21.6%	55.7%	53.9%	7.8%	(3.6%)	16.3%	16.9%	16.8%	18.8%
						Median	12.9%	26.0%	53.1%	16.4%	13.5%	14.2%	10.5%	13.4%	18.4%

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

Note: Market data as of Q4 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							
							EV / CY Revenue		EV / CY EBITDA		P / E		PEG Ratio	
							2015P	2016P	2015P	2016P	2015P	2016P	2015P	2016P
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value									
Dental														
Align Technology	\$65.85	96%	1.27x	\$5,234.4	(\$484.8)	\$4,749.7	5.6x	4.9x	23.8x	19.3x	39.0x	29.7x	2.29x	1.74x
DENTSPLY International	60.85	96%	1.23x	8,521.2	920.0	9,442.6	3.5x	3.4x	15.5x	14.6x	23.2x	21.8x	2.89x	2.70x
							Mean	4.6x	4.1x	19.7x	17.0x	31.1x	25.7x	2.59x
							Median	4.6x	4.1x	19.7x	17.0x	31.1x	25.7x	2.59x

### Dental – 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	LTM
Share Price	% of 52-Week High	Current Share Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Enterprise Value										
Dental															
Align Technology	\$65.85	96%	1.27x	\$5,234.4	(\$484.8)	\$4,749.7	10.5%	16.1%	76.0%	23.7%	25.1%	26.7%	7.5%	14.1%	
DENTSPLY International	60.85	96%	1.23x	8,521.2	920.0	9,442.6	(8.0%)	3.8%	56.4%	22.6%	23.2%	NA	3.0%	NA	
							Mean	1.3%	10.0%	66.2%	23.1%	24.2%	26.7%	5.2%	
							Median	1.3%	10.0%	66.2%	23.1%	24.2%	26.7%	5.2%	

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

Note: Market data as of Q4 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 – Q4 Selected MedTech M&A Transactions

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

				Valuation Metrics	
Date	Acquirer	Target	Enterprise Value (\$USDmm)	EV / LTM Revenues	EV / LTM EBITDA
12/22/2015	EM-Tech	Biosoundlab	\$10	6.2x	NA
12/18/2015	Comfort Enterprise	Medisana	34	0.6x	NM
12/17/2015	Halma	Visiometrics & Visual Performance Diagnostics	94	NA	NA
12/17/2015	CooperSurgical	Research Instruments	51	3.0x	NA
12/14/2015	Oscar Investments	HealthFore Technologies	71	NM	NA
12/14/2015	GIOTOS	HPIL Holding (IFLOR SM Device)	20	NA	NA
12/10/2015	Fujian Sanai Pharmaceutical	Fujian Liumai Medical Services	18	NA	NA
12/7/2015	ARKRAY	i-SENS	373	4.4x	16.6x
12/6/2015	Clanwilliam Group	Sláinte Healthcare Limited (Claimsure Business)	13	NA	NA
11/25/2015	Computer Programs & Systems	Healthland	242	NA	NA
11/20/2015	SurModics	Creagh Medical	NA	NA	NA
11/18/2015	Medtronic	Aircraft Medical	110	NA	NA
11/16/2015	Augens Capital	Delta Med Spa	21	NA	NA
11/15/2015	ALPHAEON	LENSAR	59	NA	NA
11/11/2015	Heska	Cuatro Veterinary	8	1.4x	NA
11/10/2015	Boston Scientific	CeloNova Biosciences (Interventional Radiology)	70	NA	NA
11/6/2015	Topcon Europe	Ifa Systems	45	4.2x	14.4x
11/5/2015	Zhejiang Canaan Technology	Beijing Leemit Technology	9	4.3x	NA
11/2/2015	Pamplona Capital Management	MedAssets	2,775	3.6x	12.7x
11/2/2015	West Corporation	ClientTell	49	NA	NA
10/30/2015	Quality Systems	HealthFusion	190	NA	NA
10/29/2015	Smith & Nephew	Blue Belt Technologies	275	NA	NA
10/29/2015	Omniceil International	Aesynt	275	1.5x	13.8x
10/28/2015	CITIC Private Equity Funds Management	Biosensors International Group	779	2.6x	11.4x
10/27/2015	Sinocare	Nipro Diagnostics	273	NA	NA
10/26/2015	3D Medical	Mach7 Technologies	43	NA	NA
10/26/2015	Roper Technologies	CliniSys Solutions	261	NA	NA
10/26/2015	Roper Technologies	Atlas Medical Software	48	NA	NA
10/26/2015	Endologix	TriVascular Technologies	NA	NA	NA
10/23/2015	Euonymus Holdings	UBCare	132	2.2x	26.1x
10/20/2015	CFS 915	Cardiac Science	83	NA	NA
10/13/2015	Progenics Pharmaceuticals	EXINI Diagnostics	7	6.3x	NA
10/5/2015	ICU Medical	Excelsior Medical	60	NA	NA
10/5/2015	Pulse Systems	Nightingale Informatix Corp. (Practice)	13	3.5x	NA
10/4/2015	AtriCure	nContact	132	NA	NA
10/2/2015	Karo Bio Aktiebolag	Swereco	84	4.7x	NA
10/2/2015	Smartgroup Corporation	HEALTH-e Workforce Solutions	8	NA	8.6x
10/1/2015	Heitkamp & Thumann	Balda (Substantially All Assets)	(117)	NA	NA
			Mean <sup>(1)</sup>	3.5x	14.8x
			Median <sup>(1)</sup>	3.5x	13.8x

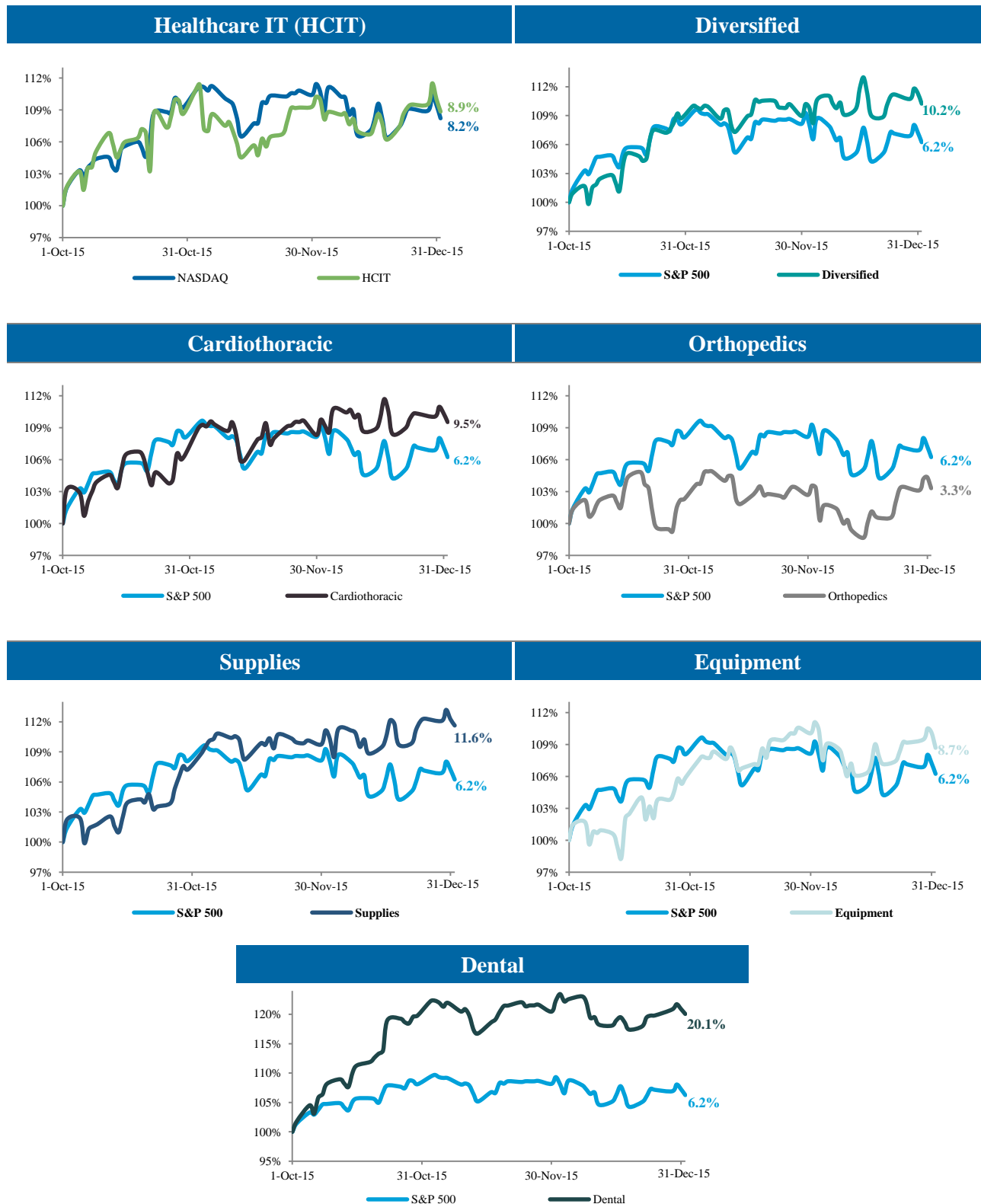
Source: S&P Capital IQ.

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

Note: (1) Excludes outlier multiples for transactions with EV / Revenue > 10x and EV / EBITDA > 40x.



## 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	MDRX
Athenahealth	ATHN
Cerner	CERN
Computer Programs & Sys.	CPSI
Evolent Health	EVH
Healthstream	HSTM
HMS Holdings	HMSY
MedAssets	MDAS
Medidata Solutions	MDSO
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.	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	ARAY
AirXpanders	AXP
DexCom	DXCM
EndoChoice Holdings	GI
Glaukos	GKOS
Hill-Rom Holdings	HRC
Hologic	HOLX
Insulet	PODD
Intuitive Surgical	ISRG
Invuity	IVTY
ResMed	RMD
Steris	STE
Varian Medical Systems	VAR

Dental	
Company Name	Ticker
Align Technology	ALGN
DENTSPLY International	XRAY



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