

VALUE FOCUS

Medical Device Industry



First Quarter 2017

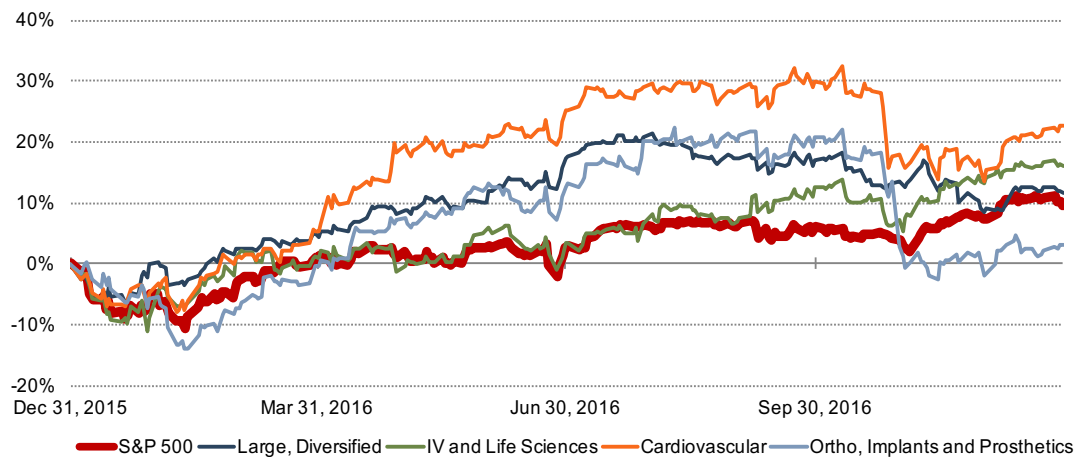
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Stock Market Performance

The strong stock price performance of the medical device sector during the first three quarters of the year was punctuated by significant pullback in the final quarter of 2016. Outside of IVD, each device subsector registered negative stock price appreciation over 4Q16, with cardiovascular, large diversified, and orthopedics ending the fourth quarter 10% to 20% off their 52-week highs. Revenue and EBITDA multiple movements varied across sectors relative to the prior quarter and 4Q15.

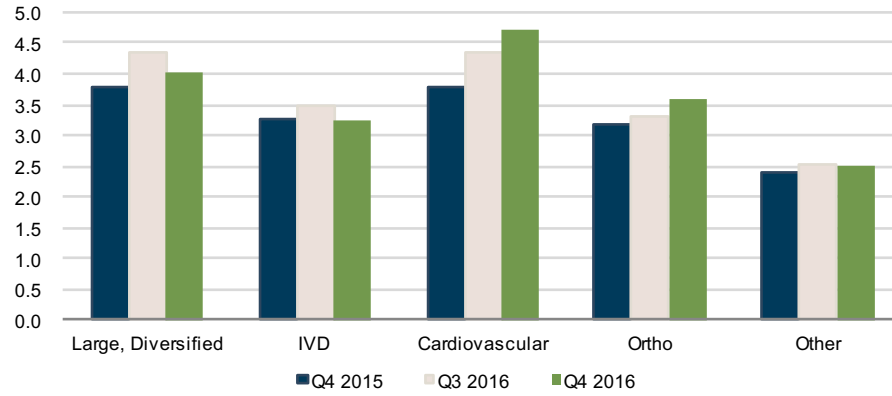
- » IVD company stock prices appreciated 15.9% over 2016 and 3.1% during 4Q16. GenMark Diagnostic's price increased 57.7% in 2016, on heightened confidence of receiving regulatory clearance for its ePlex disease testing system. Other significant stock movers over 2016 included Bio-Rad Laboratories (31.5%) and Bio-Techne (15.8%).
- » Cardiovascular stocks increased a collective 30.0% in the first three quarters in 2016, followed by a 5.6% decline in 4Q16. Edward Lifesciences, while rising 52.6% in the first three quarters, fell over 20% in the fourth quarter due to the company's lower-than-expected revenue, attributed to sales weakness of its minimally invasive heart valves. Abiomed and Teleflex also followed similar patterns, falling 12.4% and 3.9%, respectively, in the quarter.
- » Orthopedics saw positive gains on an annual basis that were curtailed by a weak 4Q16. Orthopedics gained 21% in the first three quarters of 2016 while dropping nearly 15% in 4Q16. Zimmer Biomet, the subsector's largest constituent based on market capitalization, declined over 20% in 4Q16 on integration issues and lowered revenue guidance. Smith and Nephew also declined in 2016, falling 15.5% on an annual basis and 8.2% in 4Q16. Integra LifeSciences and Nuvasive were two bright spot in the subsector, appreciating 26.6% and 24.5% over 2016 respectively.
- » The group of large, diversified companies collectively gained 11.7% over 2016, outpacing the S&P 500. The subsector struggled in the fourth quarter, and stocks fell 4.5% compared to a 3.3% gain for the S&P 500. Stryker (30.7%) and Baxter (17.6%) recorded positive gains over 2016, while Abbott (-12.3%) and Medtronic (- 5.4%) each fell during the year.

Stock Price Movement



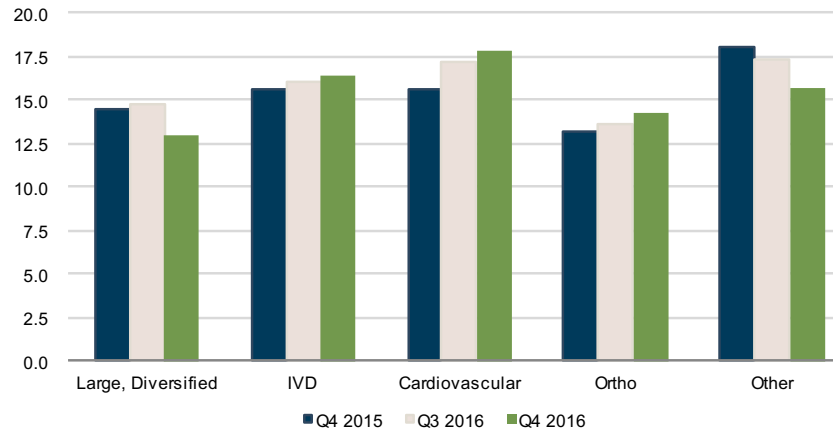
Represents market capitalization weighted index for each group. Source: Bloomberg, Mercer Capital analysis

Revenue Multiples



Median Revenue multiples from each MCM group. Data source: Bloomberg

EBITDA Multiples



Median EBITDA multiples from each MCM group. Data source: Bloomberg

Venture Capital Funding & Exit Activity

Venture Capital funding in the medical device industry fell well below historical funding averages in 4Q16. Medical device investment totaled \$389 million, representing a 35% decline from the previous quarter and the lowest total funding since 2009. Deal volume for the space was also at a recent low, with 37 total deals in the quarter. This represented the lowest total volume for medical devices in over a decade.

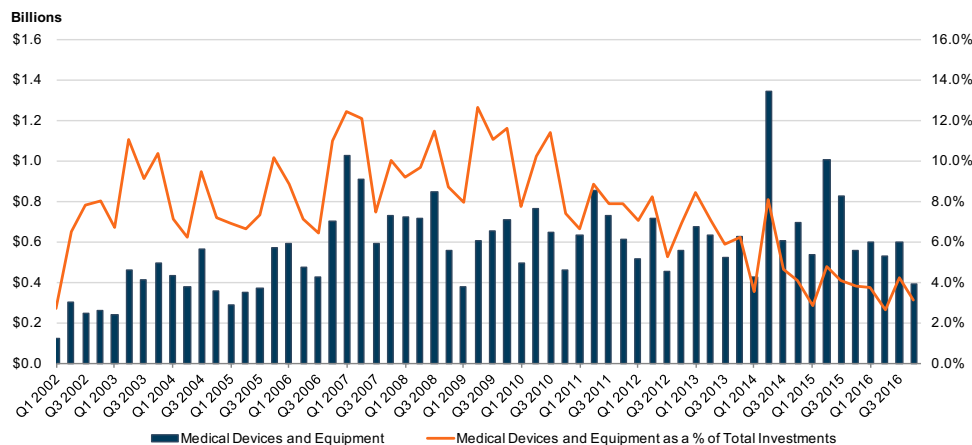
- » VC investments in medical device companies accounted for 3.1% of all VC investments during 4Q16, down from 4.2% in 3Q16. While total deal value was down considerably, total VC funding also fell (down 13.4% from \$14.3 billion in 3Q16 to \$12.4 billion in 4Q16).
- » Total healthcare funding fell to \$2.0 billion in 4Q16. This was nearly 40% below 3Q16 and the lowest total funding for the sector since 3Q14.
- » Average deal size for medical device deals was \$15.1 million, down from \$20.5 million in the previous quarter.

Venture Capital Funding & Exit Activity (continued)

Total **venture-backed exit value** fell to \$6.8 billion in 4Q16, the lowest total exit value since 1Q13. There were 142 exits in the quarter, well below historical averages and a 23% drop from the previous quarter. Total exit value for the year was \$46.8 billion, down from \$50.4 billion in 2015.

- » In 2016, exits of medical device companies saw an approximate 20% decline from 123 in 2015 to 99 in 2016. IPOs dropped 50% from 18 in 2015 to 9 in 2016. M&A was down 14% from 105 in 2015 to 90 in 2016.
- » iRhythm Technologies, a company that has developed products designed to detect cardiac arrhythmia, went public during 4Q16 at a \$359 million post-IPO enterprise value. Other significant exits in 2016 included the acquisitions of Instratek by Stryker in 3Q16 and Peters Surgical acquisition of Vectec in 4Q16. Instratek develops devices for hand, foot, and ankle surgery while Vectec develops devices for minimally invasive surgery.

Venture Capital Investments in Medical Devices



Data Source: MoneyTree Report; PwC/NVCA, Thomson Reuters, Mercer Capital analysis

Medical Devices Select Transactions Summary

(\$Millions)

Acquirer	Target	Announce Date	Close Date	Implied EV	Implied Enterprise Value			Sector
					EBIT	EBITDA	Revenue	
Allergan plc	LifeCell Corporation	12/20/16	2/1/17	2,900.0	NA	NA	NA	Biotechnology
Svenska Cellulosa Aktiebolaget SCA (publ)	BSN Medical Luxembourg Group Holding S.A R.L.	12/19/16	4/3/17	2,863.1	NA	NA	NA	Healthcare Equipment
Astellas Pharma Inc.	Ganymed Pharmaceuticals AG	10/28/16	12/20/16	1,401.6	NA	NA	67.47x	Biotechnology
Teleflex Incorporated	Vascular Solutions, Inc.	12/1/16	2/17/17	968.1	64.3x	44.7x	6.05x	Healthcare Supplies
Dainippon Sumitomo Pharma America Holdings, Inc. (nka:Sumitomo Dainippon Pharma America, Inc.)	Tolero Pharmaceuticals, Inc.	12/21/16	1/25/17	780.0	NM	NA	NA	Biotechnology
Zeppelin Zox Ltd.	Valtech Cardio Ltd.	11/26/16	1/23/17	690.0	NA	NA	NA	Healthcare Equipment
Asahi Glass Co., Ltd.	CMC Biologics A/S	11/29/16	2/1/17	514.3	NA	NA	NA	Life Sciences Tools and Services
HOYA Corporation	Performance Optics, LLC	10/12/16	8/2/17	476.0	NA	16.0x	NA	Healthcare Supplies
Celldex Therapeutics, Inc.	Kolltan Pharmaceuticals, Inc.	11/1/16	11/29/16	369.3	NM	NM	NA	Biotechnology
Guangdong Eastone Century Technology Co., Ltd.	Shenzhen Belter Health Measurement and Analysis Technology Company Ltd.	9/30/16	4/20/17	159.7	NA	NA	6.06x	Healthcare Equipment
Sienna Biopharmaceuticals, Inc.	Creabilis SA	12/6/16	12/6/16	150.0	NA	NA	NA	Biotechnology
Tox Free Solutions Limited	Daniels Corporation International Pty Ltd.	10/26/16	12/1/16	142.4	NA	NA	NA	Healthcare Supplies
Chiesi Farmaceutici S.p.A.	Atopix Therapeutics Limited	11/17/16	NA	79.9	NA	NA	NA	Life Sciences Tools and Services

Only deals with available deal size information shown. | Data Source: Bloomberg and Capital IQ

Medical Devices Select Transactions Summary *(continued)*

(\$Millions)

Acquirer	Target	Announce Date	Close Date	Implied EV	Implied Enterprise Value			
					EBIT	EBITDA	Revenue	Sector
Eagle Pharmaceuticals, Inc.	Arsia Therapeutics, Inc. (nka:Eagle Biologics, Inc.)	11/10/16	11/16/16	78.6	NA	NA	NA	Biotechnology
Takara Bio USA Holdings, Inc.	Rubicon Genomics, Inc.	12/15/16	1/17/17	75.0	NA	NA	NA	Biotechnology
Catalent Pharma Solutions, Inc.	Accucaps Industries Limited	11/23/16	2/16/17	75.0	NA	NA	NA	Pharmaceuticals
Agilent Technologies, Inc.	Multiplicom N.V.	12/19/16	NA	70.5	NA	NA	NA	Healthcare Supplies
Tonrol Bio-Pharmaceutical Co., Limited	Zhejiang Haikang Biologicals Co Ltd	11/25/16	NA	59.3	NM	NA	NA	Biotechnology
Air Water Inc.	Kawamoto Corporation	11/8/16	12/16/16	55.5	49.4x	24.2x	0.24x	Healthcare Supplies
Evotec AG	Cyprotex plc	10/26/16	12/14/16	54.9	14.4x	10.2x	2.58x	Life Sciences Tools and Services
Jiangsu Skyray Instrument Co., Ltd.	Shanghai B&C Biological Technology Co., Ltd.	11/18/16	12/21/16	52.2	25.1x	NA	6.92x	Healthcare Equipment
Union Stem Cell & Gene Engineering Co., Ltd.	Union East China Stemcell & Gene Engineering Co., Ltd.	12/30/16	NA	35.1	NA	NA	7.46x	Biotechnology
TNK Therapeutics, Inc.	Virttu Biologics Limited	11/15/16	4/28/17	35.0	NA	NA	NA	Biotechnology
Repligen Corporation	TangenX Technology Corporation	12/14/16	12/14/16	34.3	14.2x	13.9x	5.80x	Biotechnology
Nina SAS	Euromedis Groupe	12/6/16	NA	32.3	19.5x	9.3x	0.41x	Healthcare Equipment
KODI CO., LTD	Pharos Vaccine Inc.	12/9/16	12/13/16	31.2	NA	NA	17.70x	Life Sciences Tools and Services

Only deals with available deal size information shown. | Data Source: Bloomberg and Capital IQ

Medical Devices Select Transactions Summary *(continued)*

(\$Millions)

Acquirer	Target	Announce Date	Close Date	Implied EV	Implied Enterprise Value			Sector
					EBIT	EBITDA	Revenue	
Kuros Biosciences AG	Xpand biotechnology BV	12/19/16	1/25/17	29.2	NA	NA	NA	Biotechnology
Shenzhen Salubris Pharmaceuticals Co., Ltd.	Yalun Biotechnology (Beijing) Co., Ltd.	10/25/16	NA	27.4	NA	NA	NA	Healthcare Equipment
Sichuan KELUN PHARMACEUTICAL Co., Ltd.	KLUS Pharma, Inc.	10/28/16	10/28/16	12.8	NA	NA	NA	Life Sciences Tools and Services
I'rom Group Co., Ltd.	DSU Pty Ltd.	10/25/16	12/15/16	12.5	NA	NA	NA	Life Sciences Tools and Services
Oxford Immunotec Global PLC	Immunetics, Inc.	10/12/16	10/12/16	12.0	NA	NA	NA	Biotechnology
Heptares Therapeutics Ltd.	G7 Therapeutics AG	11/29/16	NA	11.8	NA	NA	NA	Life Sciences Tools and Services
Advanced Enzyme Technologies Limited	JC Biotech Private Limited	10/28/16	12/1/16	10.7	NA	NA	1.83x	Biotechnology

Only deals with available deal size information shown. | Data Source: Bloomberg and Capital IQ

Select Operating Metrics

Segment	Gross Margin		EBITDA Margin		Operating Margin		R&D / Revenue	
	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016
Large, Diversified	66.2%	66.4%	27.8%	26.9%	15.3%	14.7%	6.8%	7.0%
IVD & Life Sciences	57.9%	55.2%	16.8%	16.2%	10.2%	10.9%	9.3%	9.1%
Cardiovascular	66.3%	66.6%	20.1%	19.9%	10.4%	10.6%	9.9%	10.1%
Ortho, Implants & Prosthetics	69.1%	69.1%	17.6%	17.6%	5.2%	9.1%	7.0%	7.1%
Other	53.3%	53.5%	6.7%	7.4%	2.0%	0.0%	7.7%	7.8%
All Companies	58.9%	58.5%	18.0%	18.0%	8.6%	9.0%	7.6%	7.7%

Segment	Historical Rev Growth		LT Fwd Op Earn Grwth		Debt / EV		Debt / EBITDA	
	Quarterly	Annual	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016
Large, Diversified	0.7%	2.2%	10.1%	10.1%	15.8%	14.4%	2.4	2.2
IVD & Life Sciences	1.4%	3.1%	10.2%	12.7%	8.5%	8.1%	1.6	1.6
Cardiovascular	3.2%	9.6%	16.5%	17.5%	6.9%	8.4%	0.9	0.9
Ortho, Implants & Prosthetics	1.4%	5.1%	13.4%	13.3%	17.6%	18.8%	2.9	2.8
Other	1.4%	7.7%	15.0%	15.0%	1.1%	3.6%	0.0	0.3
All Companies	1.6%	6.6%	12.6%	14.1%	8.6%	8.4%	1.0	1.4

Median measures for each group. | Data Source: Bloomberg, Mercer Capital Analysis

Public Medical Device Companies

	Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Sales	EV / EBITDA	EV / FWD EBITDA	
	Q4 2016	Q3 2016	Q4 2015	Qtrly	Annual	Q4 2016	Q4 2016	Q4 2016	FY 2017	FY 2018	Q4 2016	Q4 2016	2017	2018
Large, Diversified														
Abbott Laboratories	\$37.72	\$40.44	\$43.37	-6.7%	-13.0%	\$59,961.4	\$20,853.0	\$5,409.0	\$7,258.4	\$7,812.6	2.88	11.1	8.3	7.7
Baxter	\$44.11	\$46.54	\$37.41	-5.2%	17.9%	\$24,088.4	\$10,163.0	\$2,020.0	\$2,370.9	\$2,631.3	2.37	11.9	10.2	9.2
Becton, Dickinson and Company	\$164.27	\$174.30	\$151.70	-5.8%	8.3%	\$45,380.6	\$12,418.0	\$3,449.0	\$3,562.4	\$3,938.6	3.65	13.2	12.7	11.5
Boston Scientific Corporation	\$21.63	\$23.30	\$18.61	-7.2%	16.2%	\$34,741.1	\$8,386.0	\$2,291.0	\$2,524.3	\$2,788.2	4.14	15.2	13.8	12.5
Medtronic, Inc.	\$70.49	\$84.01	\$75.13	-16.1%	-6.2%	\$118,599.2	\$29,361.0	\$9,132.0	\$9,865.1	\$10,940.3	4.04	13.0	12.0	10.8
Johnson & Johnson	\$113.70	\$114.94	\$99.60	-1.1%	14.2%	\$298,651.5	\$71,890.0	\$25,210.0	\$26,614.6	\$29,314.7	4.15	11.8	11.2	10.2
Stryker Corporation	\$119.06	\$114.57	\$92.39	3.9%	28.9%	\$48,393.1	\$11,325.0	\$3,217.1	\$3,442.4	\$3,711.2	4.27	15.0	14.1	13.0
IVD & Life Sciences														
Bio-Rad Laboratories, Inc.	\$182.28	\$161.96	\$139.57	12.5%	30.6%	\$4,984.3	\$2,068.2	\$256.0	\$291.0	\$353.7	2.41	19.5	17.1	14.1
Bruker Corporation	\$21.11	\$22.27	\$24.72	-5.2%	-14.6%	\$3,315.4	\$1,611.3	\$270.4	\$320.5	\$337.5	2.06	12.3	10.3	9.8
Enzo Biochem, Inc.	\$6.94	\$4.92	\$4.60	41.1%	50.9%	\$258.8	\$105.6	(\$2.3)	\$0.3	\$2.1	2.45	nm	911.4	122.1
GenMark Diagnostics, Inc.	\$12.24	\$10.88	\$7.77	12.5%	57.5%	\$546.2	\$49.3	(\$45.1)	(\$48.4)	(\$35.0)	11.09	nm	nm	nm
Haemonetics Corporation	\$40.20	\$35.71	\$32.91	12.6%	22.2%	\$2,283.3	\$901.2	\$180.0	\$196.3	\$214.0	2.53	12.7	11.6	10.7
Hologic, Inc.	\$40.12	\$38.14	\$39.34	5.2%	2.0%	\$13,838.9	\$2,871.9	\$1,058.3	\$1,044.4	\$1,116.5	4.82	13.1	13.3	12.4
Illumina, Inc.	\$128.04	\$176.56	\$191.07	-27.5%	-33.0%	\$18,416.4	\$2,398.4	\$721.6	\$771.6	\$956.9	7.68	25.5	23.9	19.2
Luminex Corporation	\$20.10	\$22.41	\$21.51	-10.3%	-6.5%	\$788.3	\$270.6	\$47.9	\$67.1	\$68.1	2.91	16.4	11.7	11.6
OraSure Technology	\$8.78	\$7.89	\$6.55	11.3%	34.0%	\$370.2	\$128.2	\$25.9	\$22.9	\$27.0	2.89	14.3	16.2	13.7
Quidel Corporation	\$21.42	\$20.89	\$21.28	2.5%	0.7%	\$678.1	\$191.6	\$19.1	\$56.9	\$68.9	3.54	35.4	11.9	9.8
Bio-Techne Corporation	\$102.22	\$107.28	\$89.48	-4.7%	14.2%	\$4,068.3	\$528.1	\$192.8	\$212.4	\$233.6	7.70	21.1	19.2	17.4
Trinity Biotech	\$6.92	\$13.09	\$12.00	-47.1%	-42.3%	\$327.9	\$100.9	\$0.0	\$14.2	\$17.0	3.25	nm	23.1	19.3
Vermillion, Inc.	\$0.95	\$1.29	\$1.81	-26.4%	-47.5%	\$46.3	\$2.6	(\$14.2)	na	na	17.51	nm	nm	nm

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

	Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Sales	EV / EBITDA	EV / FWD EBITDA	
	Q4 2016	Q3 2016	Q4 2015	Qtrly	Annual	Q4 2016	Q4 2016	Q4 2016	FY 2017	FY 2018	Q4 2016	Q4 2016	2017	2018
Cardiovascular														
ABIOMED, Inc.	\$112.68	\$128.42	\$92.12	-12.3%	22.3%	\$4,645.7	\$414.6	\$86.5	\$152.7	\$359.3	11.21	53.7	30.4	12.9
CR Bard Inc.	\$224.04	\$222.86	\$189.25	0.5%	18.4%	\$17,255.1	\$3,714.0	\$1,170.2	\$1,317.9	\$1,420.3	4.65	14.7	13.1	12.1
CardioNet Inc.	\$22.35	\$18.46	\$11.76	21.1%	90.1%	\$633.4	\$208.3	\$40.9	\$53.0	\$66.4	3.04	15.5	12.0	9.5
Cardiovascular Systems, Inc.	\$24.21	\$22.85	\$15.22	6.0%	59.1%	\$720.5	\$192.8	(\$11.4)	\$16.4	\$29.6	3.74	nm	43.8	24.3
CryoLife, Inc.	\$19.15	\$17.41	\$11.25	10.0%	70.2%	\$644.0	\$180.4	\$33.2	\$26.7	#N/A N/A	3.57	19.4	24.1	nm
Edwards Lifesciences Corporation	\$93.70	\$119.26	\$79.21	-21.4%	18.3%	\$19,585.6	\$2,963.7	\$889.5	\$1,115.8	\$1,261.4	6.61	22.0	17.6	15.5
Integer Holdings Corporation	\$29.45	\$21.25	\$49.20	38.6%	-40.1%	\$2,586.7	\$1,386.8	\$263.6	\$290.3	\$308.0	1.87	9.8	8.9	8.4
LeMaitre Vascular, Inc.	\$25.24	\$19.51	\$17.24	29.3%	46.3%	\$446.6	\$89.2	\$18.4	\$24.8	\$30.1	5.01	24.3	18.0	14.8
Merit Medical Systems, Inc.	\$26.50	\$23.76	\$18.96	11.5%	39.8%	\$1,486.8	\$603.8	\$98.0	\$123.8	\$138.7	2.46	15.2	12.0	10.7
St. Jude Medical, Inc.	\$80.19	\$78.96	\$61.37	1.6%	30.7%	\$28,291.6	\$5,956.0	\$1,748.0	\$1,900.8	\$1,988.0	4.75	16.2	14.9	14.2
The Spectranetics Corporation	\$24.50	\$24.17	\$15.23	1.4%	60.9%	\$1,310.7	\$270.8	(\$14.1)	(\$24.5)	(\$6.4)	4.84	nm	nm	nm
Vascular Solutions, Inc.	\$56.10	\$47.45	\$35.28	18.2%	59.0%	\$944.5	\$160.4	\$33.3	\$33.1	\$48.0	5.89	28.4	28.5	19.7

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

	Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Sales	EV / EBITDA	EV / FWD EBITDA	
	Q4 2016	Q3 2016	Q4 2015	Qtrly	Annual	Q4 2016	Q4 2016	Q4 2016	FY 2017	FY 2018	Q4 2016	Q4 2016	2017	2018
Ortho, Implants and Prosthetics														
Alphatech Holdings	\$3.21	\$9.33	\$3.60	-65.6%	-10.8%	\$78.8	\$131.8	\$0.2	na	na	0.60	410.5	nm	nm
Exactech, Inc.	\$27.30	\$26.15	\$18.12	4.4%	50.7%	\$394.2	\$257.6	\$45.2	\$49.7	\$52.5	1.53	8.7	7.9	7.5
Globus Medical, Inc.	\$24.81	\$22.35	\$28.24	11.0%	-12.1%	\$2,026.2	\$564.0	\$203.0	\$225.0	\$248.3	3.59	10.0	9.0	8.2
Intergra LifeSciences Holdings	\$42.90	\$41.38	\$34.19	3.7%	25.5%	\$3,770.3	\$992.1	\$234.7	\$261.7	\$298.1	3.80	16.1	14.4	12.6
NuVasive, Inc.	\$67.36	\$65.75	\$54.81	2.4%	22.9%	\$3,869.5	\$962.1	\$210.9	\$283.1	\$320.9	4.02	18.3	13.7	12.1
Orthofix International N.V.	\$36.18	\$42.13	\$39.58	-14.1%	-8.6%	\$605.4	\$409.8	\$58.9	\$72.8	\$78.1	1.48	10.3	8.3	7.8
RTI Surgical Inc.	\$3.25	\$3.06	\$4.00	6.2%	-18.8%	\$320.1	\$272.9	\$16.8	\$33.3	\$41.6	1.17	19.0	9.6	7.7
Wright Medical Group, Inc.	\$22.98	\$24.14	\$23.90	-4.8%	-3.8%	\$2,926.1	\$690.4	(\$0.9)	\$80.7	\$124.9	4.24	nm	36.3	23.4
Zimmer Holdings, Inc.	\$102.80	\$127.05	\$101.20	-19.1%	1.6%	\$31,279.2	\$7,683.9	\$2,483.9	\$3,024.6	\$3,176.0	4.07	12.6	10.3	9.8

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

	Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Sales	EV / EBITDA	EV / FWD EBITDA	
	Q4 2016	Q3 2016	Q4 2015	Qtrly	Annual	Q4 2016	Q4 2016	Q4 2016	FY 2017	FY 2018	Q4 2016	Q4 2016	2017	2018
Cosmetics														
Cutera, Inc.	\$17.35	\$11.75	\$12.61	47.7%	37.6%	\$178.6	\$118.1	\$4.4	\$11.2	\$15.4	1.51	40.4	15.9	11.6
Cynosure, Inc.	\$45.60	\$50.61	\$44.44	-9.9%	2.6%	\$869.7	\$433.5	\$61.7	\$76.3	\$95.7	2.01	14.1	11.4	9.1
PhotoMedex, Inc.	\$2.20	\$1.27	\$2.20	73.2%	0.0%	\$74	\$38.4	(\$5.3)	na	na	0.19	nm	nm	nm
Dental														
Align Technology, Inc.	\$96.13	\$92.41	\$66.10	4.0%	45.4%	\$6,960.5	\$1,079.9	\$272.9	\$355.3	\$454.1	6.45	25.5	19.6	15.3
DENTSPLY International	\$57.57	\$58.86	\$60.93	-2.2%	-5.5%	\$14,488.6	\$3,745.3	\$922.0	\$972.8	\$1,066.1	3.87	15.7	14.9	13.6
Obesity Treatment														
EnteroMedics Inc.	\$2.00	\$10.05	\$147.00	-80.1%	-98.6%	\$1.5	\$0.8	(\$22.7)	na	na	1.87	nm	nm	nm
ZELTIQ Aesthetics, Inc.	\$43.52	\$38.37	\$28.62	13.4%	52.1%	\$1,683.4	\$354.2	\$18.3	\$46.5	\$78.7	4.75	92.1	36.2	21.4
Pediatric Medical Devices														
Natus Medical Incorporated	\$34.80	\$39.04	\$48.98	-10.9%	-29.0%	\$1,037.8	\$381.9	\$75.2	\$81.3	\$93.0	2.72	13.8	12.8	11.2
Surgery and Life Support Devices														
AtriCure	\$19.57	\$15.36	\$22.58	27.4%	-13.3%	\$645.4	\$155.1	(\$20.3)	(\$4.7)	\$3.2	4.16	nm	nm	202.4
Intuitive Surgical, Inc.	\$634.17	\$719.99	\$552.51	-11.9%	14.8%	\$22,017.6	\$2,704.4	\$1,049.4	\$1,167.5	\$1,318.3	8.14	21.0	18.9	16.7
Misonix, Inc.	\$10.45	\$5.30	\$9.10	97.2%	14.8%	\$68.6	\$24.0	(\$5.3)	na	na	2.86	nm	nm	nm
NxStage Medical, Inc.	\$26.21	\$24.55	\$22.37	6.8%	17.2%	\$1,656.5	\$366.4	\$28.4	\$39.6	\$49.0	4.52	58.4	41.9	33.8
Stereotaxis, Inc.	\$0.65	\$0.88	\$0.76	-26.1%	-14.5%	\$11.7	\$32.2	(\$5.9)	na	na	0.36	nm	nm	nm
SurModics Inc.	\$25.40	\$29.29	\$20.61	-13.3%	23.2%	\$291.8	\$72.6	\$23.8	\$8.7	\$6.9	4.02	12.2	33.7	42.3
Teleflex, Inc.	\$160.58	\$163.55	\$131.53	-1.8%	22.1%	\$7,588.7	\$1,868.0	\$505.8	\$622.0	\$709.8	4.06	15.0	12.2	10.7

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

	Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Sales	EV / EBITDA	EV / FWD EBITDA	
	Q4 2016	Q3 2016	Q4 2015	Qtrly	Annual				Q4 2016	Q4 2016			Q4 2016	FY 2017
General Hospital Devices and Supplies														
CONMED Corporation	\$43.78	\$38.99	\$43.15	12.3%	1.5%	\$1,700.0	\$763.5	\$126.2	\$139.3	\$148.0	2.23	13.5	12.2	11.5
Digirad Corporation	\$4.89	\$4.92	\$5.19	-0.5%	-5.7%	\$116.7	\$125.5	\$15.6	\$13.9	\$17.9	0.93	7.5	8.4	6.5
Dynatronics Corporation	\$2.35	\$2.41	\$2.86	-2.5%	-17.8%	\$13.7	\$32.4	(\$0.5)	na	na	0.42	nm	nm	nm
FONAR Corporation	\$19.15	\$20.22	\$17.21	-5.3%	11.3%	\$126.2	\$74.5	\$19.2	na	na	1.69	6.6	nm	nm
Intuitive Surgical, Inc.	\$634.17	\$719.99	\$552.51	-11.9%	14.8%	\$22,017.6	\$2,704.4	\$1,049.4	\$1,167.5	\$1,318.3	8.14	21.0	18.9	16.7
Masimo Corporation	\$67.40	\$58.58	\$42.32	15.1%	59.3%	\$3,042.4	\$694.6	\$168.0	\$196.5	\$214.0	4.38	18.1	15.5	14.2
Opko Health, Inc.	\$9.30	\$10.60	\$10.14	-12.3%	-8.3%	\$5,055.3	\$1,221.7	\$58.2	(\$14.9)	\$84.7	4.14	86.9	nm	59.7
STERIS Corporation	\$66.88	\$71.78	\$75.18	-6.8%	-11.0%	\$6,995.2	\$2,621.8	\$585.0	\$624.0	\$675.7	2.67	12.0	11.2	10.4
Varian Medical Systems, Inc.	\$79.50	\$87.26	\$72.04	-8.9%	10.4%	\$8,197.0	\$3,080.4	\$634.8	\$519.5	\$597.5	2.66	12.9	15.8	13.7
Home Health and Consumer Devices														
Invacare Corporation	\$13.02	\$10.92	\$17.65	19.3%	-26.2%	\$460.7	\$1,047.5	(\$5.8)	(\$10.8)	\$20.6	0.44	nm	nm	22.4
Mine Safety Appliances Company	\$68.69	\$55.41	\$42.64	24.0%	61.1%	\$2,889.5	\$1,150.4	\$207.2	\$233.3	\$262.8	2.51	13.9	12.4	11.0
ResMed Inc.	\$61.45	\$63.23	\$52.74	-2.8%	16.5%	\$9,127.3	\$1,968.4	\$544.5	\$654.8	\$737.0	4.64	16.8	13.9	12.4
Span-America Medical Systems, Inc.	\$18.01	\$17.91	\$18.86	0.5%	-4.6%	\$46.0	\$61.4	\$7.1	na	na	0.75	6.5	nm	nm
Syneron Medical Ltd.	\$8.40	\$6.92	\$7.68	21.4%	9.4%	\$205.2	\$298.1	\$9.7	\$28.0	\$35.5	0.69	21.2	7.3	5.8

(\$Millions, except per share figures)

Data Source: Bloomberg

Public Medical Device Companies (continued)

	Price			Δ Stock Price		EV	TTM Rev	TTM EBITDA	FWD EBITDA		EV / Sales	EV / EBITDA	EV / FWD EBITDA	
	Q4 2016	Q3 2016	Q4 2015	Qtrly	Annual	Q4 2016	Q4 2016	Q4 2016	FY 2017	FY 2018	Q4 2016	Q4 2016	2017	2018
Other Medical Device														
Accuray Incorporated	\$4.60	\$6.23	\$6.88	-26.2%	-33.1%	\$437.6	\$374.3	\$9.6	\$24.0	\$34.9	1.17	45.5	18.2	12.5
Allied Healthcare Products, Inc.	\$2.00	\$1.64	\$2.18	22.0%	-8.4%	\$7.2	\$35.4	(\$0.6)	na	na	0.20	nm	nm	nm
Micron Solutions Inc	\$3.80	\$4.17	\$5.48	-8.9%	-30.7%	\$15.1	\$19.6	\$1.0	na	na	0.77	14.5	nm	nm
Escalon Medical Corp.	\$0.11	\$0.65	\$1.04	-83.8%	-89.9%	\$1.0	\$11.3	(\$1.0)	na	na	0.09	nm	nm	nm
IRIDEX Corporation	\$14.06	\$14.28	\$9.29	-1.5%	51.3%	\$135.1	\$46.2	(\$1.8)	na	na	2.93	nm	nm	nm
Navidea Biopharmaceuticals, Inc.	\$0.64	\$0.91	\$1.34	-30.0%	-52.4%	\$159.8	\$18.2	(\$1.5)	na	na	8.78	nm	nm	nm
ThermoGenesis Corp.	\$3.45	\$3.97	\$4.07	-13.1%	-15.2%	\$28.9	\$13.6	(\$9.5)	na	na	2.13	nm	nm	nm
Congentix Medical, Inc.	\$2.01	\$1.81	\$1.27	11.0%	58.3%	\$98.4	\$51.9	\$3.5	na	na	1.90	28.5	nm	nm
Other Diversified Cos with Med-Tech Components														
Agilent Technologies, Inc.	\$45.35	\$45.94	\$41.40	-1.3%	9.5%	\$14,412.8	\$4,241.0	\$962.0	\$1,051.9	\$1,162.7	3.40	15.0	13.7	12.4
Danaher Corporation	\$77.58	\$76.76	\$70.06	1.1%	10.7%	\$65,221.4	\$16,882.4	\$3,836.4	\$4,187.6	\$4,539.1	3.86	17.0	15.6	14.4
General Electric	\$31.09	\$28.83	\$29.62	7.8%	5.0%	\$353,073.9	\$119,687.0	\$20,715.0	\$19,600.9	\$21,040.9	2.95	17.0	18.0	16.8
PerkinElmer, Inc.	\$51.97	\$54.87	\$53.45	-5.3%	-2.8%	\$6,400.0	\$2,185.5	\$436.8	\$472.5	\$512.8	2.93	14.7	13.5	12.5
Thermo Fisher Scientific Inc.	\$140.85	\$155.62	\$142.01	-9.5%	-0.8%	\$71,579.8	\$18,274.1	\$4,595.9	\$5,050.7	\$5,427.5	3.92	15.6	14.2	13.2

(\$Millions, except per share figures)

Data Source: Bloomberg

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