

CONTENTS

3 Market Highlights

4 Medical Device Sector Summary

- 5 Diversified Medical Devices and Conglomerates
- 6 Cardiovascular Devices
- 7 Ophthalmology Devices
- 8 Orthopedics Devices
- 9 Surgical Devices
- 10 Diagnostic Devices
- 11 Selected Medical Device M&A Transactions

12 Corporate Finance Services

13 Contact



2016 Top 25 Firm

as ranked by Accounting Today

2015 Best of the Best Firm

as ranked by Accounting Today

2014 Fastest Growing Firm

as ranked by Inside Public Accounting

Strategic Thinking.
Sound Insights.
Positive Action.

Armanino^{LLP} is the largest independent accounting and consulting firm based in California and one of the largest firms in the United States. Armanino provides an integrated set of audit, tax, consulting, business management and technology solutions to companies in the U.S. and globally. Armanino extends its global services to more than 100 countries through its membership in Moore Stephens International Limited—one of the world's major accounting and consulting membership organizations.



MARKET HIGHLIGHTS

The S&P 500 Health Equipment & Supplies (Industry) Index has underperformed the S&P 500 Index over the past 6 and 12 months, trailing the S&P 500 by approximately 13 percentage points. Over the last 24 months it outperformed the S&P 500 slightly.

The Surgical Devices sector had the highest median LTM revenue multiple (4.7x) in Q4. The Diagnostics sector had the highest LTM EBITDA multiple (17.7x). Momentum is shifting in all sectors, with LTM revenue multiples down over the last 3 months, but most sectors were still higher than over the last 12 months. Almost all sectors had decreases in EBITDA multiples over the last 3 months as well.

Median prices for most sectors decreased during the past 3 months, with changes ranging from 1% up (Orthopedics Devices) to 14.5% down (Surgical Devices). From a twelve month perspective, most sectors had substantial price increases, with the median increase between 0.4% down and 22.9% up.

The two best individual performers in Q4 were Integer Holdings Corporation (+35.8%) and LeMaitre Vascular (+27.7%).

The individual company that declined the most in Q4 was Alphatec Holdings (-65.9%).

The largest M&A announcements in Q4 were ICU Medical's acquisition of Hospira for \$1.1B and Teleflex's acquisition of Vascular Solutions for \$1.0B.

The largest M&A deals that closed in Q4 were Canon's acquisition of Toshiba Medial Systems for \$5.7B and Danaher's acquisition of Cepheid for \$4.0B.

*David Wiedenfeld, PhD, CFA, CPA
Medical Devices Industry Analyst*

MARKET SECTOR	Median % Change		PEG Ratio	Earnings Ratio	
	Price			2016E	LTM
	3 mo	12 mo			
Diversified Medical Devices and Conglomerates	(5.5%)	14.1%	2.1x	28.6x	22.3x
Cardiovascular Devices	(6.5%)	20.3%	1.8x	41.6x	27.5x
Ophthalmology Devices	(3.4%)	18.6%	NM	30.1x	NM
Orthopedics Devices	1.0%	22.9%	2.0x	25.7x	22.5x
Surgical Devices	(14.5%)	(0.4%)	2.1x	56.6x	26.7x
Diagnostics	0.5%	(0.1%)	2.0x	34.7x	25.7x

EV/REVENUE MULTIPLES

MARKET SECTOR	Median 12/30/16	LTM		NTM Median 12/30/16
		Median % Change		
		3 mo	12 mo	
Diversified Medical Devices and Conglomerates	4.4x	(6.3%)	(2.1%)	4.1x
Cardiovascular Devices	4.2x	(8.4%)	1.6%	4.0x
Ophthalmology Devices	4.1x	(1.7%)	18.1%	4.6x
Orthopedics Devices	4.2x	(1.5%)	23.9%	3.8x
Surgical Devices	4.7x	(17.3%)	3.7%	3.9x
Diagnostics	4.4x	(0.3%)	(6.9%)	4.1x

EV/EBITDA MULTIPLES

MARKET SECTOR	Median 12/30/16	Median % Change		NTM Median 12/30/16
		LTM EBITDA Multiples		
		3 mo	12 mo	
Diversified Medical Devices and Conglomerates	14.7x	(5.2%)	5.5%	13.0x
Cardiovascular Devices	16.5x	(11.3%)	(4.8%)	15.9x
Ophthalmology Devices	16.6x	(6.4%)	6.5%	15.2x
Orthopedics Devices	16.4x	(1.1%)	16.8%	14.2x
Surgical Devices	13.5x	(18.6%)	(5.4%)	14.6x
Diagnostics	17.7x	0.4%	(1.9%)	14.6x

INDICIES	Price 12/30/16	% Change			
		3 mo	6 mo	12 mo	24 mo
S&P 500	2,239	3.3%	6.7%	8.5%	7.6%
Dow Jones Industrial Average	19,763	7.9%	10.2%	12.3%	9.9%
NASDAQ Composite Index	5,383	1.3%	11.2%	6.3%	12.7%
Russell 2000 Index	1,357	8.4%	17.8%	18.0%	11.9%
S&P 500 Health Care (Sector)	797	(4.4%)	(3.9%)	(5.2%)	(0.4%)
S&P 500 Health Care Equipment & Supplies (Industry)	940	(9.4%)	(6.5%)	4.0%	8.5%

Source: Capital IQ. (\$ in '000, except per share)

COMPANY	TICKER	Price 12/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016	LTM	2016	
Diversified Medical Devices and Conglomerates																	
Johnson & Johnson	JNJ	\$115.21	(2.5%)	11.0%	\$ 126.07	\$94.28	\$ 313,432	\$ 299,937	\$ 71,595	\$ 23,765	\$ 74,378	\$ 25,813	\$ 5.48	\$ 6.71	20.2x	17.1x	2.7x
Roche Holding AG	ROG	228.99	(7.9%)	(18.0%)	272.99	214.91	195,984	216,555	50,780	19,378	51,322	20,797	10.27	14.54	22.1x	16.0x	2.2x
3M Company	MMM	178.57	1.3%	17.5%	182.27	134.64	107,404	117,145	30,078	8,659	30,254	8,993	7.58	8.15	22.5x	21.9x	2.1x
Becton, Dickinson and Company	BDX	165.55	(7.9%)	6.5%	181.76	129.50	35,301	45,279	12,483	3,201	12,105	4,006	3.35	8.56	36.9x	0.0x	0.0x
Baxter International Inc.	BAX	44.34	(6.8%)	16.5%	50.16	34.06	24,117	24,347	10,121	1,833	10,374	2,098	0.72	1.91	NM	24.5x	2.0x
C. R. Bard, Inc.	BCR	224.66	0.2%	17.8%	239.43	172.21	16,518	17,163	3,611	1,100	3,856	1,277	1.77	10.26	33.9x	22.9x	2.3x
ResMed Inc.	RMD	62.05	(4.2%)	14.1%	70.90	50.77	8,747	9,138	1,893	538	2,108	592	2.47	2.69	25.3x	0.0x	0.0x
Teleflex Incorporated	TFX	161.15	(4.1%)	21.0%	188.79	125.28	7,099	7,632	1,828	467	1,917	538	4.91	7.30	28.9x	22.8x	2.1x
Masimo Corporation	MASI	67.40	13.3%	59.3%	68.88	33.03	3,348	3,375	672	141	726	167	1.55	2.12	32.5x	34.0x	2.3x
Nevro Corp.	NVRO	72.66	(30.4%)	NA	106.93	NA	2,090	1,939	191	(28)	NA	(21)	(2.54)	(0.97)	NM	NM	NM
Penumbra, Inc.	PEN	63.80	(16.0%)	NA	79.49	40.23	2,019	1,877	245	NA	299	NA	0.08	(0.10)	NM	NM	NM
Abaxis, Inc.	ABAX	52.77	2.2%	NA	55.95	37.71	1,189	1,044	226	53	244	50	0.91	1.32	34.7x	NM	NM
Natus Medical Incorporated	BABY	34.80	(11.4%)	(29.0%)	47.24	29.54	1,127	1,020	374	NM	NA	NM	1.14	1.64	28.3x	23.7x	1.3x
NovoCure Limited	NVCR	7.85	(8.1%)	(66.4%)	23.31	5.95	681	542	65	(117)	186	(56)	(3.67)	(1.15)	NM	NM	NM
Median			(5.5%)	14.1%											28.6x	22.3x	2.1x

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM		% Change		NTM	
		Trailing 12/30/16	3 mo	12 mo	3 mo		12 mo
Diversified Medical Devices and Conglomerates							
Johnson & Johnson	JNJ	4.2x	4.3x	3.8x	(3.2%)	9.2%	4.0x
Roche Holding AG	ROG	4.3x	4.4x	5.1x	(2.8%)	(15.8%)	4.2x
3M Company	MMM	3.9x	3.9x	3.4x	0.6%	16.0%	3.9x
Becton, Dickinson and Company	BDX	3.6x	3.9x	4.3x	(7.9%)	(15.9%)	3.7x
Baxter International Inc.	BAX	2.4x	2.6x	1.3x	(8.5%)	80.7%	2.3x
C. R. Bard, Inc.	BCR	4.8x	4.9x	4.2x	(3.2%)	11.9%	4.5x
ResMed Inc.	RMD	4.8x	5.2x	4.3x	(7.2%)	13.6%	4.3x
Teleflex Incorporated	TFX	4.2x	4.4x	3.5x	(5.3%)	17.9%	4.0x
Masimo Corporation	MASI	5.0x	4.6x	3.6x	10.2%	40.2%	4.6x
Nevro Corp.	NVRO	10.1x	19.4x	36.1x	(47.6%)	(71.9%)	6.6x
Penumbra, Inc.	PEN	7.7x	9.7x	8.9x	(21.2%)	(13.5%)	6.3x
Abaxis, Inc.	ABAX	4.6x	4.6x	5.4x	0.5%	(15.2%)	4.3x
Natus Medical Incorporated	BABY	2.7x	3.1x	4.0x	(13.2%)	(31.8%)	2.5x
NovoCure Limited	NVCR	8.3x	10.6x	75.2x	(21.5%)	(88.9%)	2.9x
Median		4.4x	4.5x	4.2x	(6.3%)	(2.1%)	4.1x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM		% Change		NTM	
		Trailing 12/30/16	3 mo	12 mo	3 mo		12 mo
Diversified Medical Devices and Conglomerates							
Johnson & Johnson	JNJ	12.6x	13.3x	12.0x	(5.2%)	5.5%	11.6x
Roche Holding AG	ROG	11.2x	11.5x	13.4x	(2.8%)	(16.9%)	10.4x
3M Company	MMM	13.5x	13.5x	12.1x	0.1%	11.5%	13.0x
Becton, Dickinson and Company	BDX	14.1x	15.1x	16.9x	(6.4%)	(16.1%)	11.3x
Baxter International Inc.	BAX	13.3x	15.2x	5.1x	(12.5%)	159.5%	11.6x
C. R. Bard, Inc.	BCR	15.6x	16.2x	13.9x	(3.6%)	12.0%	13.4x
ResMed Inc.	RMD	17.0x	18.0x	15.0x	(5.5%)	13.5%	15.4x
Teleflex Incorporated	TFX	16.3x	17.7x	15.9x	(7.8%)	2.9%	14.2x
Masimo Corporation	MASI	24.0x	22.2x	16.9x	8.1%	41.5%	19.3x
Nevro Corp.	NVRO	NM	NM	NM	NM	NM	NM
Penumbra, Inc.	PEN	NM	NM	NM	NM	NM	NM
Abaxis, Inc.	ABAX	19.7x	19.2x	25.5x	2.6%	(22.6%)	18.7x
Natus Medical Incorporated	BABY	14.7x	17.0x	20.1x	(13.3%)	(26.9%)	12.2x
NovoCure Limited	NVCR	NM	NM	NM	NM	NM	NM
Median		14.7x	16.2x	15.0x	(5.2%)	5.5%	13.0x

Source: Capital IQ. (\$ in '000, except per share)

COMPANY	TICKER	Price 12/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio 2016E
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016	LTM	2016	
Cardiovascular Devices																	
Medtronic plc	MDT	\$ 71.23	(17.6%)	(8.1%)	\$89.27	\$71.03	\$ 97,802	\$ 119,092	\$29,012	\$ 8,955	\$30,300	\$ 9,847	\$ 2.41	\$ 4.37	23.7x	NM	NM
Boston Scientific Corporation	BSX	21.63	(9.1%)	16.2%	24.79	15.67	29,453	34,641	8,095	2,103	8,694	2,427	(0.18)	1.11	NM	21.6x	1.8x
Edwards Lifesciences Corporation	EW	93.70	(22.3%)	18.3%	121.75	72.20	20,034	19,435	2,867	856	3,174	1,000	2.25	2.86	37.0x	33.5x	1.9x
ABIOMED, Inc.	ABMD	112.68	(12.4%)	22.3%	132.95	67.81	4,738	4,521	386	79	507	121	2.65	0.79	116.2x	NM	NM
Integer Holdings Corporation	ITGR	29.45	35.8%	(45.4%)	52.40	18.10	909	2,611	1,345	265	1,404	303	(0.29)	2.62	NM	11.5x	0.9x
Cardiovascular Systems, Inc.	CSII	24.21	2.0%	59.1%	27.38	7.50	800	742	183	NM	NM	NM	(1.04)	(1.62)	NM	NM	NM
AngioDynamics, Inc.	ANGO	16.87	(3.8%)	37.7%	17.64	9.71	618	697	357	44.0	364	51.8	(0.09)	0.56	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	25.34	27.7%	44.8%	25.87	12.03	471	436	86	NM	96	NM	0.42	0.58	46.1x	41.2x	2.4x
Median			(6.5%)	20.3%											41.6x	27.5x	1.8x

COMPANY	TICKER
Cardiovascular Devices	
Medtronic plc	MDT
Boston Scientific Corporation	BSX
Edwards Lifesciences Corporation	EW
ABIOMED, Inc.	ABMD
Integer Holdings Corporation	ITGR
Cardiovascular Systems, Inc.	CSII
AngioDynamics, Inc.	ANGO
LeMaitre Vascular, Inc.	LMAT
Median	

EV/REVENUE MULTIPLES						
	TTM					NTM
	Trailing		% Change			
	12/30/16	3 mo	12 mo	3 mo	12 mo	
	4.1x	4.8x	4.9x	(15.1%)	(17.0%)	3.9x
	4.3x	4.7x	4.2x	(9.8%)	2.5%	4.0x
	6.8x	9.2x	6.7x	(26.2%)	0.6%	6.1x
	11.7x	14.8x	13.4x	(20.6%)	(12.3%)	8.9x
	1.9x	2.1x	2.7x	(7.0%)	(28.1%)	1.9x
	4.1x	4.1x	2.3x	(1.8%)	76.1%	3.5x
	2.0x	2.1x	1.6x	(6.3%)	22.1%	1.9x
	5.1x	4.1x	3.9x	22.9%	30.9%	4.6x
Median	4.2x	4.4x	4.0x	(8.4%)	1.6%	4.0x

EV/EBITDA MULTIPLES						
	TTM					NTM
	Trailing		% Change			
	12/30/16	3 mo	12 mo	3 mo	12 mo	
	13.3x	15.9x	16.5x	(16.1%)	(19.6%)	12.1x
	16.5x	18.6x	17.0x	(11.3%)	(3.2%)	14.3x
	22.7x	30.8x	23.9x	(26.2%)	(4.8%)	19.4x
	57.4x	69.4x	63.8x	(17.4%)	(10.1%)	37.2x
	9.9x	11.0x	15.4x	(10.8%)	(36.0%)	8.6x
	NM	NM	NM	NM	NM	51.5x
	15.9x	17.5x	13.3x	(9.6%)	19.2%	12.9x
	22.9x	20.2x	20.9x	13.1%	9.2%	17.6x
Median	16.5x	18.6x	17.0x	(11.3%)	(4.8%)	15.9x

Source: Capital IQ. (\$ in '000, except per share)

COMPANY	TICKER	Price 12/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio 2016E	
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016	LTM	2016		
Ophthalmology Devices																		
The Cooper Companies, Inc.	COO	\$174.93	(2.4%)	29.1%	\$ 190.99	\$ 119.28	\$ 8,534	\$ 9,767	\$ 1,967	\$ 610	\$ 2,115	\$ 686	\$ 4.14	\$ 8.42	31.3x	NM	NM	
Carl Zeiss Meditec AG	AFX	36.95	(3.4%)	18.6%	39.66	26.83	3,004	3,061	1,149	177	1,221	201	0.86	1.34	28.9x	NM	NM	
IRIDEX Corporation	IRIX	14.06	(3.0%)	51.3%	16.64	7.50	159	149	46	(0)	51	(1)	0.05	(0.09)	NM	NM	NM	
Second Sight Medical Products, Inc.	EYES	1.97	(44.0%)	(67.8%)	6.93	1.71	83	65	6	(28)	12	NM	(0.56)	(0.62)	NM	NM	NM	
Presbia PLC	LENS	0.00	(19.5%)	(36.2%)	6.00	2.94	47	36	0	(15)	NA	(15)	(1.40)	(1.15)	NM	NM	NM	
Median			(3.4%)	18.6%											30.1x	NM	NM	

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Ophthalmology Devices							
The Cooper Companies, Inc.	COO	5.0x	5.3x	4.4x	(6.6%)	13.2%	4.6x
Carl Zeiss Meditec AG	AFX	2.7x	2.6x	2.2x	3.2%	22.9%	2.5x
IRIDEX Corporation	IRIX	3.3x	3.0x	2.0x	10.5%	63.3%	2.9x
Second Sight Medical Products, Inc.	EYES	11.6x	18.7x	24.3x	(37.8%)	(52.3%)	5.3x
Presbia PLC	LENS	NM	NM	NM	NM	NM	25.2x
Median		4.1x	4.1x	3.3x	(1.7%)	18.1%	4.6x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Ophthalmology Devices							
The Cooper Companies, Inc.	COO	16.0x	17.2x	14.4x	(6.8%)	11.0%	14.2x
Carl Zeiss Meditec AG	AFX	17.3x	18.4x	16.9x	(6.0%)	1.9%	15.2x
IRIDEX Corporation	IRIX	NM	NM	64.0x	NM	NM	44.4x
Second Sight Medical Products, Inc.	EYES	NM	NM	NM	NM	NM	NM
Presbia PLC	LENS	NM	NM	NM	NM	NM	NM
Median		16.6x	17.8x	16.9x	(6.4%)	6.5%	15.2x

Source: Capital IQ. (\$ in '000, except per share)

COMPANY	TICKER	Price 12/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio 2016E	
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016	LTM	2016		
Orthopedics Devices																		
Stryker Corporation	SYK	\$ 119.81	2.9%	27.1%	\$ 123.55	\$86.68	\$ 44,863	\$ 48,689	\$10,883	\$ 2,968	\$12,053	\$ 3,382	\$ 3.78	\$ 5.79	27.3x	21.2x	2.1x	
Zimmer Biomet Holdings, Inc.	ZBH	103.20	(20.6%)	0.7%	133.21	88.27	20,671	31,765	7,604	2,886	7,875	3,082	0.77	7.94	NM	14.5x	1.5x	
NuVasive, Inc.	NUVA	67.36	1.1%	22.9%	69.50	36.81	3,391	3,875	906	206	1,043	273	1.26	1.64	NM	42.8x	3.2x	
Wright Medical Group N.V.	WMGI	22.98	(6.3%)	(3.8%)	25.50	15.02	2,334	2,793	674	32	733	68	(3.68)	(0.49)	NM	NM	NM	
Exactech, Inc.	EXAC	27.30	1.0%	50.7%	28.90	16.88	387	395	254	42	263	47	1.04	1.15	24.2x	23.9x	1.9x	
Median			1.0%	22.9%											25.7x	22.5x	2.0x	

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Orthopedics Devices							
Stryker Corporation	SYK	4.5x	4.5x	3.6x	(1.5%)	23.9%	4.0x
Zimmer Biomet Holdings, Inc.	ZBH	4.2x	4.8x	5.9x	(12.7%)	(28.7%)	4.0x
NuVasive, Inc.	NUVA	4.3x	4.3x	3.4x	(0.1%)	25.1%	3.7x
Wright Medical Group N.V.	WMGI	4.1x	4.9x	8.7x	(15.5%)	(52.3%)	3.8x
Exactech, Inc.	EXAC	1.6x	1.6x	1.1x	(0.9%)	45.2%	1.5x
Median		4.2x	4.5x	3.6x	(1.5%)	23.9%	3.8x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Orthopedics Devices							
Stryker Corporation	SYK	16.4x	16.7x	13.4x	(1.6%)	22.0%	14.4x
Zimmer Biomet Holdings, Inc.	ZBH	11.0x	12.4x	14.8x	(11.3%)	(25.8%)	10.3x
NuVasive, Inc.	NUVA	18.8x	18.9x	16.8x	(0.4%)	11.5%	14.2x
Wright Medical Group N.V.	WMGI	88.4x	NM	NM	NM	NM	41.0x
Exactech, Inc.	EXAC	9.4x	9.5x	6.1x	(0.7%)	54.5%	8.4x
Median		16.4x	14.5x	14.1x	(1.1%)	16.8%	14.2x

Source: Capital IQ. (\$ in '000, except per share)

COMPANY	TICKER	Price 12/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio 2016E	
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016	LTM	2016		
Surgical Devices																		
Intuitive Surgical, Inc.	ISRG	\$634.17	(12.5%)	14.8%	\$ 727.25	\$ 502.01	\$ 24,572	\$ 22,357	\$ 2,619	\$ 1,021	\$ 2,867	\$ 1,325	\$ 15.54	\$ 22.18	34.2x	29.9x	2.4x	
CONMED Corporation	CNMD	44.17	10.3%	(0.4%)	50.16	35.51	1,229	1,702	750	126	403	137	1.09	1.86	78.9x	23.5x	1.8x	
Entellus Medical, Inc.	ENTL	18.97	(14.5%)	12.2%	22.63	13.72	358	339	72	(22)	87	(23)	(1.06)	(1.43)	NM	NM	NM	
Avinger, Inc.	AVGR	3.70	(22.4%)	(83.5%)	22.46	3.35	84	82	17	(50)	22	(41)	(4.38)	(3.46)	NM	NM	NM	
Alphatec Holdings, Inc.	ATEC	3.21	(65.9%)	(10.8%)	9.65	1.80	28	67	179	13	29	NM	(21.53)	0.00	NM	NM	NM	
Median			(14.5%)	(0.4%)											56.6x	26.7x	2.1x	

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Surgical Devices							
Intuitive Surgical, Inc.	ISRG	8.5x	10.2x	8.2x	(16.3%)	3.7%	7.8x
CONMED Corporation	CNMD	2.3x	2.2x	2.0x	3.5%	14.2%	4.2x
Entellus Medical, Inc.	ENTL	4.7x	5.7x	4.6x	(17.3%)	3.9%	3.9x
Avinger, Inc.	AVGR	4.7x	8.1x	23.5x	(41.9%)	(80.0%)	3.7x
Alphatec Holdings, Inc.	ATEC	0.4x	1.0x	0.6x	(60.6%)	(41.7%)	2.3x
Median		4.7x	5.7x	4.6x	(17.3%)	3.7%	3.9x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Surgical Devices							
Intuitive Surgical, Inc.	ISRG	21.9x	26.9x	24.1x	(18.6%)	(9.1%)	16.9x
CONMED Corporation	CNMD	13.5x	13.0x	11.5x	3.7%	17.1%	12.4x
Entellus Medical, Inc.	ENTL	NM	NM	NM	NM	NM	NM
Avinger, Inc.	AVGR	NM	NM	NM	NM	NM	NM
Alphatec Holdings, Inc.	ATEC	5.1x	15.8x	5.4x	(67.6%)	(5.4%)	NM
Median		13.5x	15.8x	11.5x	(18.6%)	(5.4%)	14.6x

Source: Capital IQ. (\$ in '000, except per share)

COMPANY	TICKER	Price 12/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio 2016E	
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016	LTM	2016		
Diagnostics																		
Danaher Corporation	DHR	\$ 77.84	(0.7%)	(16.6%)	\$ 102.79	\$ 75.71	\$ 53,842	\$ 61,256	\$ 22,750	\$ 5,435	\$ 17,574	\$ 4,183	\$ 3.67	\$ 3.60	19.6x	22.6x	2.0x	
Grifols, S.A.	GRFS	16.07	0.6%	(2.2%)	17.40	14.07	12,613	16,583	4,238	1,201	4,455	1,316	0.84	0.96	0.0x	NM	NM	
Sysmex Corporation	6869	57.99	(21.1%)	(10.7%)	70.58	46.51	12,068	11,616	2,143	606	2,284	631	1.07	1.50	32.9x	NM	NM	
Hologic, Inc.	HOLX	40.12	3.3%	2.0%	41.01	31.84	11,162	13,993	2,833	1,031	2,935	1,081	0.45	1.94	34.6x	NM	NM	
QIAGEN N.V.	QGEN	29.10	2.1%	1.5%	29.95	20.71	6,717	7,328	1,320	376	1,395	450	0.54	1.12	58.2x	25.3x	1.8x	
bioMérieux S.A.	BIM	149.79	0.4%	24.5%	151.17	102.58	5,910	6,199	2,145	462	2,307	479	3.04	4.87	41.0x	32.8x	1.6x	
Bio-Rad Laboratories, Inc.	BIO	182.28	11.3%	30.6%	184.89	122.03	5,390	5,018	2,067.3	287.9	2,098.6	315.6	3.85	3.29	54.8x	56.3x	NM	
Opko Health, Inc.	OPK	9.30	(12.2%)	(8.3%)	12.15	7.12	5,185	5,153	1,222.4	96.6	1,330.2	NA	(0.06)	(0.09)	NM	NM	NM	
Alere Inc.	ALR	38.97	(9.9%)	(1.7%)	54.13	31.47	3,390	6,394	2,385.0	356.5	2,406.8	NA	(0.40)	1.87	NM	21.2x	2.1x	
DiaSorin S.p.A.	DIA	59.38	(7.6%)	12.3%	65.92	43.98	3,251	3,202	574	214	662	252	1.99	2.22	27.7x	26.2x	2.3x	
Neogen Corporation	NEOG	66.00	18.0%	13.9%	69.09	43.79	2,506	2,364	341.2	72.4	387.1	86.3	0.90	0.97	64.1x	NM	NM	
Abaxis, Inc.	ABAX	52.77	2.2%	(8.8%)	55.95	37.71	1,189	1,044	226	53	244	56	0.91	1.32	34.7x	NM	NM	
Median			0.5%	(0.1%)											34.7x	25.7x	2.0x	

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Diagnostics							
Danaher Corporation	DHR	2.7x	2.9x	3.7x	(8.2%)	(28.0%)	3.5x
Grifols, S.A.	GRFS	3.9x	3.9x	4.4x	(0.7%)	(11.3%)	3.7x
Sysmex Corporation	6869	5.4x	5.9x	6.5x	(8.3%)	(16.0%)	5.1x
Hologic, Inc.	HOLX	4.9x	4.9x	5.3x	0.0%	(7.4%)	4.8x
QIAGEN N.V.	QGEN	5.6x	5.5x	5.5x	1.4%	1.7%	5.3x
bioMérieux S.A.	BIM	2.9x	2.7x	2.5x	6.6%	15.4%	2.7x
Bio-Rad Laboratories, Inc.	BIO	2.4x	2.2x	1.8x	10.5%	33.2%	2.4x
Opko Health, Inc.	OPK	4.2x	5.5x	22.6x	(22.9%)	(81.4%)	3.9x
Alere Inc.	ALR	2.7x	2.8x	2.9x	(5.6%)	(6.4%)	2.7x
DiaSorin S.p.A.	DIA	5.6x	6.0x	4.9x	(7.2%)	12.7%	4.8x
Neogen Corporation	NEOG	6.9x	6.0x	6.8x	15.5%	2.1%	6.1x
Abaxis, Inc.	ABAX	4.6x	4.6x	5.4x	0.5%	(15.2%)	4.3x
Median		4.4x	4.8x	5.1x	(0.3%)	(6.9%)	4.1x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		12/30/16	3 mo	12 mo	3 mo	12 mo	
Diagnostics							
Danaher Corporation	DHR	11.3x	12.7x	16.6x	(11.3%)	(31.9%)	14.6x
Grifols, S.A.	GRFS	13.8x	13.7x	15.0x	0.7%	(8.0%)	12.6x
Sysmex Corporation	6869	19.2x	20.5x	24.5x	(6.4%)	(21.6%)	18.4x
Hologic, Inc.	HOLX	13.6x	13.6x	14.7x	0.2%	(7.5%)	12.9x
QIAGEN N.V.	QGEN	19.5x	19.9x	19.8x	(2.1%)	(1.9%)	16.3x
bioMérieux S.A.	BIM	13.4x	12.6x	12.3x	6.6%	9.1%	12.9x
Bio-Rad Laboratories, Inc.	BIO	17.4x	15.3x	11.7x	14.1%	48.8%	15.9x
Opko Health, Inc.	OPK	53.4x	62.3x	NM	(14.3%)	NM	NM
Alere Inc.	ALR	17.9x	17.5x	12.6x	2.7%	41.9%	13.7x
DiaSorin S.p.A.	DIA	14.9x	15.8x	13.4x	(5.4%)	11.3%	12.7x
Neogen Corporation	NEOG	32.7x	28.5x	30.5x	14.7%	7.2%	27.4x
Abaxis, Inc.	ABAX	19.7x	19.2x	25.5x	2.6%	(22.6%)	18.7x
Median		17.7x	16.6x	15.0x	0.4%	(1.9%)	14.6x

Source: Capital IQ. (\$ in '000, except per share)

ACQUIRER	TARGET	Date Announced	Headquarters		Enterprise Value	LTM		Enterprise Value / LTM	
			Buyer	Target		Revenue	EBITDA	Revenue	EBITDA
Selected Medical Device Company M&A Transactions Announced Q4 2016 (with Deal Value Disclosed)									
ICU Medical, Inc.	Hospira Inc., Infusion Systems Business	10/6/2016	United States	United States	\$ 1,050,040	\$ 1,200,000	\$ 158,000	0.9x	6.6x
Teleflex Incorporated	Vascular Solutions, Inc.	12/2/2016	United States	United States	991,952	160,002	21,647	6.2x	45.8x
Zeppelin Zox Ltd.	Valtech Cardio Ltd.	11/28/2016	Israel	Israel	690,000	NA	NA	NA	NA
Zhuhai Hokai Medical Instruments Co., Ltd.	Innoscic	12/8/2016	China	China	319,384	NA	NA	NA	NA
Guangxi Yestar Medical Equipment Co. Ltd.	Shenzhen De Run Li Jia Company Ltd.	10/27/2016	China	China	90,200	NA	NA	NA	NA
Guangxi Yestar Medical Equipment Co. Ltd.	Guangzhou Hongen Medical Diagnostic Technologies Company Limited	10/13/2016	China	China	71,349	NA	NA	NA	NA
Agilent Technologies, Inc.	Multiplicom N.V.	12/20/2016	United States	Belgium	70,547	NA	NA	NA	NA
Zhangjiakou Guorong Enterprise Management LLP	79.02% Stake in Tianjin Walkman Biomaterial Co., Ltd. and 88.57% Stake in Shenzhen Bone Medical Devi	12/28/2016	China	China	64,690	NA	NA	NA	NA
Shanghai Haohai Biological Technology Co., Ltd.	Shenzhen New Industries Material of Ophthalmology Co., Ltd.	11/16/2016	China	China	62,021	NA	NA	NA	NA
Zhejiang DIAN Diagnostics Co., Ltd.	Hangzhou Dege Medical Equipment Co., Ltd.	11/18/2016	China	China	45,916	23,545	NA	2.0x	NA
Guangxi Yestar Medical Equipment Co. Ltd.	Guangzhou Shengshiyuan Trading Company Limited	11/11/2016	China	China	34,940	NA	NA	NA	NA
Neuron BioLabs, S.L.	Neuron Bio, SA, Diagnostics Operations, R&D Services and Patents of Alzheimer's Disease	11/14/2016	Spain	Spain	9,647	NA	NA	NA	NA
Median					70,948	160,002	89,824	2.0x	26.2x

Source: Capital IQ. (\$ in '000, except per share)

ACQUIRER	TARGET	Date Closed	Headquarters		Enterprise Value	LTM		Enterprise Value / LTM	
			Buyer	Target		Revenue	EBITDA	Revenue	EBITDA
Selected Medical Device Company M&A Transactions Closed Q4 2016 (with Deal Value Disclosed)									
Canon Inc.	Toshiba Medical Systems Corporation	12/19/2016	Japan	Japan	5,704,856	\$ 2,516,218	NA	2.3x	NA
Danaher Corporation	Cepheid	11/4/2016	United States	United States	4,045,606	564,245	588	7.2x	6880.3x
Shanghai Genext Medical Technology Co. Ltd	Lifeline Scientific, Inc.	12/8/2016	China	United States	73,946	42,554	8,910	1.7x	8.3x
Evotec AG	Cyprotex plc	12/14/2016	Germany	United Kingdom	56,961	21,299	5,376	2.7x	10.6x
Jiangsu Skyray Instrument Co., Ltd.	Shanghai B&C Biological Technology Co., Ltd.	12/21/2016	China	China	51,864	NA	NA	NA	NA
Corin France Sa	Tornier SAS	10/21/2016	France	France	32,243	NA	NA	NA	NA
ALK-Abelló A/S	Allergy Laboratories, Inc. and Crystal Laboratory LLC	12/22/2016	Denmark	United States	20,000	NA	NA	NA	NA
Curetis N.V.	Real-Time qPCR Platform	12/13/2016	Germany	Germany	17,572	NA	NA	NA	NA
BioTelemetry, Inc.	Telcare, Inc.	12/1/2016	United States	United States	12,000	NA	NA	NA	NA
Oxford Immunotec Global PLC	Immunitics, Inc.	10/12/2016	United Kingdom	United States	12,000	NA	NA	NA	NA
Ahead Global Investment Ltd	MediRox AB (publ)	12/12/2016	Sweden	Sweden	8,140	3,879	441	2.1x	18.5x
Gentian Diagnostics AS	PreTect AS	10/10/2016	Norway	Norway	3,458	NA	NA	NA	NA
Union Medical Healthcare Limited	50% in Good Union Corporation Limited and Good Union Medical Limited	11/25/2016	Hong Kong	Hong Kong	3,243	4,490	NA	0.7x	NA
Medytox Diagnostics, Inc.	Genomas, Inc.	11/2/2016	United States	United States	2,859	NA	NA	NA	NA
Median					18,786	31,927	2,982	2.2x	14.5x

Source: Capital IQ. (\$ in '000, except per share)

CORPORATE FINANCE SERVICES

The sale of a company can represent the culmination of years of effort by its investors and management. With this in mind, Armanino guides our clients through the sale process, bringing to bear extensive structuring, preparation, negotiation, valuation and corporate finance experience and judgment to optimize value.

Our team has developed its expertise through many M&A, divestiture and strategic partnering transactions for closely-held businesses across most major technology sectors.

Corporate Finance Services include:

- Sell-Side Representation
- Buy-Side Representation
- Intellectual Property and Patents Sales
- Purchaser Representative (SEC Reg 501)

The professionals in our practice have many years of business valuation and corporate finance experience with companies in every major industrial sector and size to deliver superior results for private technology companies in Silicon Valley.

SELL SIDE M&A ADVISORY

We help companies pursuing a sale or merger involving all or part of their business, as well as organizations interested in partial divestitures of a division or assets. We provide end-to-end strategic advisory, introducing the company to potential acquirers and managing a rigorous process to optimize competition, achieve strategic valuations and successfully close transactions.

BUY SIDE M&A ADVISORY

We represent clients pursuing strategic acquisitions, such as asset purchases, mergers, and intellectual property procurements. Our financial advisory includes market analyses, target identification, financial modeling, deal negotiations, preliminary due diligence and final negotiation of the definitive agreements.

IP AND PATENT SALES

Armanino is among Silicon Valley's most experienced financial advisory firms for technology companies that seek to monetize assets including intellectual property (IP).

PURCHASER REPRESENTATIVE SERVICES

A Purchaser Representative may be necessary in merger and acquisition transactions where the consideration is not all cash, but includes securities that are not registered with the SEC.

CONTACT

CORPORATE FINANCE

*Sell-Side and Buy-Side Advisory,
IP & Patent Sales, Purchase Representative*

Gunther Hofmann, CFA, CVA
Director

44 Montgomery Street, Suite 900
San Francisco, CA 94104
gunther.hofmann@armaninollp.com
+1 667 800 6773

TRANSACTION ADVISORY

Due Diligence, Post Merger Integration

John Dunican, CPA
Partner

12657 Alcosta Blvd., Suite 500
San Ramon, CA 94583
john.dunican@armaninollp.com
+1 925 498 1902

VALUATION

*Purchase Price Allocation, M&A Valuation
409A Valuation, Gift & Estate Tax*

Alex Florea
Account Executive

50 West Fernando Ave., Suite 500
San Jose, CA 95113
alex.florea@armaninollp.com
+1 669 800 6771

AUDIT

Katerina Starkova, CPA
Partner

50 West Fernando Ave., Suite 500
San Jose, CA 95113
Katerina.Starkova@amllp.com
+1 408 200 6437

TAX

David Sordello, CPA
Partner

50 West Fernando Ave., Suite 500
San Jose, CA 95113
david.sordello@armaninollp.com
+1 408 200 6403

BUSINESS SYSTEMS / ERP

Life Sciences ERP Solutions

Jeffrey J. Russell, Esq.
Director – Industry Practice

50 West Fernando Ave., Suite 500
San Jose, CA 95113
Jeffrey.Russell@armaninollp.com
+1 408 386 8985

GENERAL: info@armaninollp.com, 925 790 2600