

# Healthcare Sector Update



August 2015

## Summary – Healthcare Services

- The S&P Healthcare Services Index has increased by 12.0% over the last three months, outperforming the S&P 500 (0.9% increase over the last three months).
- Over the past three months:
  - > The best performing sectors were Emergency Services (up 29.7%) and Specialty Managed Care (up 18.3%)
  - > The worst performing sectors were Diagnostic Imaging (down 20.2%) and Care Management / TPA (down 10.6%)
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.7x and 12.6x, respectively.
- The sectors with the highest valuation multiples include:
  - > Consumer Directed Health and Wellness (4.2x LTM Revenue, 23.5x LTM EBITDA)
  - > HCIT (3.7x LTM Revenue, 21.7x LTM EBITDA)
  - > Emergency Services (3.5x LTM Revenue, 25.5x LTM EBITDA)

## Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology and Life Sciences Index has risen 6.9% over the last three months, outperforming the S&P 500 (0.9% increase over the last three months).
- Over the past three months:
  - > The best performing sectors were Infection Prevention Devices (up 13.2%), Biotechnology (up 11.8%) and Life Science Consumables (up 11.6%)
  - > The worst performing sectors were Ophthalmology Devices (down 4.2%) and Mobility Devices (down 2.9%)
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.6x and 15.7x, respectively.
- The sectors with the highest valuation multiples include:
  - > Biotechnology (6.9x LTM Revenue, 13.9x LTM EBITDA)
  - > Pharmaceuticals (5.7x LTM Revenue, 17.0x LTM EBITDA)
  - > Life Science Conglomerates (4.1x LTM Revenue, 19.4x LTM EBITDA)

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**#3** U.S. Middle-Market M&A Advisor Over  
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**Top 10** U.S. Restructuring Advisor

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Source: Fairness opinion rankings calculated by number of deals from Thomson Financial Securities full years 2010 through 2014. M&A rankings calculated by number of deals from Thomson Financial Securities full years 2012 through 2014. Middle-market M&A deals < \$200 million. Bankruptcy case ranking provided by The Deal Q4 2014 league table.

**MARKET SECTOR**

	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	Rev	EBITDA	LTM	2015E	
Acute Care Hospitals	5	\$69,098	17.6%	22.7%	1.25x	8.9x	22.2x	20.8x	2.1x
Assisted Living	4	7,196	(6.8%)	(7.0%)	2.04x	17.7x	NM	NM	NM
Care Management / TPA	7	11,320	(10.6%)	(20.7%)	1.24x	12.6x	23.3x	20.0x	1.1x
Clinical Laboratories	6	31,114	0.1%	20.8%	2.36x	12.9x	24.4x	18.0x	1.5x
Consumer Directed Health & Wellness	10	27,244	(1.3%)	(19.7%)	4.22x	23.5x	32.5x	25.0x	2.2x
Contract Research Orgs	7	27,832	17.1%	39.7%	2.87x	15.2x	25.7x	23.9x	1.7x
Diagnostic Imaging	3	469	(20.2%)	(5.3%)	1.68x	6.3x	23.8x	13.3x	1.5x
Dialysis Services	2	41,893	(2.8%)	15.0%	1.97x	11.0x	31.8x	21.9x	1.8x
Distribution / Supply	7	122,886	4.3%	27.3%	0.31x	13.1x	26.6x	18.6x	1.9x
Emergency Services	2	2,817	29.7%	152.7%	3.50x	25.5x	15.2x	15.0x	0.9x
HCIT	18	52,897	(0.9%)	11.1%	3.70x	21.7x	31.1x	28.3x	1.9x
Healthcare REITs	12	84,819	(3.2%)	(1.0%)	11.77x	17.7x	22.4x	22.4x	5.6x
Healthcare Staffing	5	15,925	13.3%	25.3%	1.46x	17.5x	41.5x	28.7x	1.8x
Home Care / Hospice	6	6,189	18.2%	58.7%	0.99x	12.6x	25.7x	23.1x	1.8x
Long Term Care	4	3,997	(5.1%)	35.1%	0.97x	10.2x	32.1x	18.2x	1.3x
Managed Care – Commercial	7	265,483	9.0%	49.8%	0.75x	10.3x	19.0x	19.2x	1.4x
Managed Care – Government	3	16,139	13.1%	84.7%	0.27x	8.2x	28.8x	25.1x	1.0x
Other Services	4	14,632	10.5%	26.7%	2.30x	29.6x	40.4x	36.5x	2.3x
Pharmacy Management	6	72,942	7.2%	31.3%	0.83x	11.3x	29.7x	22.2x	1.5x
Physician Practice Mgmt	2	7,941	10.8%	11.2%	2.03x	12.6x	25.0x	23.5x	1.6x
Psychiatric Hospitals	3	8,173	9.7%	36.3%	0.40x	7.0x	26.7x	37.2x	1.6x
Specialty Managed Care	2	5,639	18.3%	21.3%	0.39x	7.0x	13.7x	13.2x	1.8x
Surgicenters / Rehabilitation	8	13,360	1.0%	24.3%	2.38x	10.5x	24.7x	21.4x	1.3x
<b>Total / Median (\$MM)</b>	<b>133</b>	<b>\$910,003</b>	<b>7.2%</b>	<b>24.3%</b>	<b>1.68x</b>	<b>12.6x</b>	<b>25.7x</b>	<b>22.1x</b>	<b>1.7x</b>

Source: Capital IQ

**CAPITALIZATION PROFILE**

	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	38	\$776,895	28.6%	85.4%	8.0%	14.2%	29.1%	126.8%
\$1 billion – \$5 billion	47	112,834	35.3%	12.4%	10.6%	22.3%	32.5%	110.3%
\$250 million – \$1 billion	31	18,593	23.3%	2.0%	0.4%	3.2%	9.6%	107.9%
\$100 million – \$250 million	6	1,109	4.5%	0.1%	(11.6%)	(3.7%)	(5.0%)	131.3%
< \$100 million	11	573	8.3%	0.1%	(3.1%)	(0.9%)	(15.4%)	1.1%
<b>Total / Median (\$MM)</b>	<b>133</b>	<b>\$910,003</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.4%</b>	<b>3.2%</b>	<b>9.6%</b>	<b>110.3%</b>

Source: Capital IQ

**MARKET INDICES**

	Value at 7/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,689.9	(0.8%)	(0.7%)	6.8%	36.0%
S&P 500 Index	2,103.8	0.9%	2.2%	9.0%	52.5%
NASDAQ Composite Index	5,128.3	3.8%	8.3%	17.4%	74.5%
Russell 2000 Index	1,238.7	1.5%	2.8%	10.6%	57.4%
AMEX Sector Index – Healthcare	100.5	(3.4%)	0.2%	(0.7%)	14.1%
S&P Healthcare Facilities (Sub Ind) Index	486.5	12.9%	15.4%	28.7%	194.8%
S&P Healthcare Providers & Services (Industry) Index	726.7	14.0%	20.3%	43.9%	152.3%
S&P Managed Healthcare (Sub Ind) Index	457.5	17.2%	24.9%	72.5%	140.5%
S&P Healthcare Services	478.8	12.0%	16.6%	24.3%	81.3%

Source: Capital IQ

**Median % Change – 3 months**



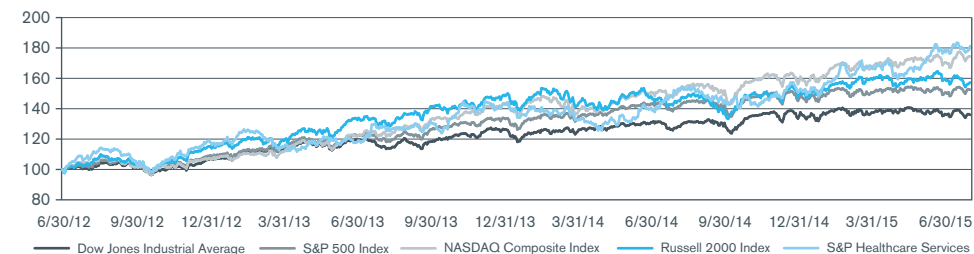
Source: Capital IQ

**INTEREST RATES**

	Value at 7/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.49%	0.44%	0.41%	0.33%
U.S. Treasury – 2 years	0.67%	0.64%	0.58%	0.53%
U.S. Treasury – 5 years	1.55%	1.63%	1.44%	1.76%
U.S. Treasury – 10 years	2.20%	2.33%	2.05%	2.56%
U.S. Treasury – 30 years	2.93%	3.10%	2.75%	2.75%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

**Performance of Market Indices for Latest 36 months**



Source: Capital IQ

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Acute Care Hospitals</b>																	
Community Health Systems, Inc.	CYH	\$58.51	9.0%	22.7%	\$65.00	\$44.74	\$6,906	\$24,333	\$19,491.0	\$3,024.0	\$1.32	\$4.00	1.25x	8.0x	20.4x	14.6x	1.00x
HCA Holdings, Inc.	HCA	93.01	25.7%	42.4%	95.49	62.50	38,536	68,887	38,429.0	7,699.0	4.16	5.28	1.79x	8.9x	19.5x	17.6x	1.45x
LifePoint Health, Inc.	LPNT	82.86	10.7%	15.5%	88.18	62.95	3,680	5,585	4,963.0	627.5	2.69	3.99	1.13x	8.9x	28.4x	20.8x	2.76x
Tenet Healthcare Corp.	THC	56.30	17.6%	6.7%	63.61	41.47	5,586	18,076	17,568.0	2,187.0	0.34	2.23	1.03x	8.3x	NM	25.3x	2.11x
Universal Health Services Inc.	UHS	145.23	24.2%	36.2%	148.28	95.63	14,389	17,693	8,575.8	1,585.3	5.42	6.96	2.06x	11.2x	23.9x	20.9x	2.06x
<b>Median</b>			<b>17.6%</b>	<b>22.7%</b>									<b>1.25x</b>	<b>8.9x</b>	<b>22.2x</b>	<b>20.8x</b>	<b>2.06x</b>
<b>Assisted Living</b>																	
AdCare Health Systems, Inc.	ADK	\$3.82	(5.0%)	(18.9%)	\$5.05	\$3.32	\$83	\$229	\$193.7	\$8.7	(\$0.82)	NM	1.18x	26.5x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	33.13	(8.6%)	(4.4%)	39.89	30.12	6,235	12,593	4,333.9	755.2	(1.01)	(1.35)	2.91x	16.7x	NM	NM	NM
Capital Senior Living Corp.	CSU	22.29	(14.8%)	(9.5%)	27.75	20.33	657	1,312	395.0	69.9	(0.83)	0.05	3.32x	18.8x	NM	NM	NM
Five Star Quality Care Inc.	FVE	4.52	6.4%	(1.1%)	5.07	3.23	221	260	1,112.5	19.8	(1.65)	0.07	0.23x	13.1x	NM	NM	NM
<b>Median</b>			<b>(6.8%)</b>	<b>(7.0%)</b>									<b>2.04x</b>	<b>17.7x</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>
<b>Care Management / TPA</b>																	
Alere Inc.	ALR	\$48.61	2.4%	21.5%	\$54.58	\$33.76	\$4,151	\$7,479	\$2,543.6	\$592.0	(\$2.38)	\$2.43	2.94x	12.6x	NM	20.0x	1.13x
Care.com, Inc.	CRCM	6.00	(6.5%)	(36.8%)	9.55	5.61	192	129	136.4	(26.8)	(2.77)	(0.67)	0.95x	NM	NM	NM	NM
CorVel Corporation	CRVL	31.96	(10.6%)	(20.7%)	41.79	28.08	641	616	495.2	61.7	1.49	NM	1.24x	10.0x	23.3x	NM	NM
Crawford & Company	CRD.B	6.92	(15.3%)	(24.8%)	11.00	6.86	370	587	1,171.5	82.4	0.55	0.65	0.50x	7.1x	14.3x	10.6x	1.06x
ExamWorks Group, Inc.	EXAM	35.08	(14.3%)	(0.6%)	44.33	31.10	1,457	1,894	811.2	112.2	0.25	0.07	2.33x	16.9x	NM	NM	NM
Hooper Holmes Inc.	HH	0.18	(62.5%)	(73.9%)	0.73	0.13	14	13	26.9	(6.4)	(0.08)	NM	0.47x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	68.21	6.6%	64.9%	69.05	37.94	4,494	4,381	1,804.1	278.0	2.25	2.52	2.43x	15.8x	30.6x	27.1x	1.37x
<b>Median</b>			<b>(10.6%)</b>	<b>(20.7%)</b>									<b>1.24x</b>	<b>12.6x</b>	<b>23.3x</b>	<b>20.0x</b>	<b>1.13x</b>

Source: Capital IQ as of July 31, 2015; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Clinical Laboratories</b>																	
Bio-Reference Laboratories Inc.	BRLI	\$44.37	34.0%	41.4%	\$47.49	\$26.32	\$1,235	\$1,280	\$882.5	\$116.0	\$1.81	\$2.01	1.45x	11.0x	24.4x	22.1x	1.24x
Invitae Corporation	NVTA	9.99	(8.8%)	NM	22.35	9.68	318	137	2.7	(54.1)	(56.14)	(2.57)	50.37x	NM	NM	NM	NM
Laboratory Corp. of America Holdings	LH	127.29	6.5%	22.8%	131.19	95.61	12,805	18,990	7,055.5	1,414.2	5.91	7.88	2.69x	13.4x	27.5x	16.1x	1.39x
Psychemedics Corp.	PMD	12.02	(22.5%)	(14.3%)	17.83	9.82	65	69	28.2	4.0	0.60	NM	2.43x	17.0x	30.5x	NM	NM
Quest Diagnostics Inc.	DGX	73.81	3.3%	20.8%	89.00	56.27	10,596	14,224	7,551.0	1,469.0	3.78	4.76	1.88x	9.7x	21.8x	15.5x	1.61x
Sonic Healthcare Limited	SHL	15.16	(3.2%)	(10.3%)	17.41	12.10	6,095	7,558	3,297.2	584.6	0.77	0.76	2.29x	12.9x	21.9x	19.9x	2.42x
<b>Median</b>			<b>0.1%</b>	<b>20.8%</b>									<b>2.36x</b>	<b>12.9x</b>	<b>24.4x</b>	<b>18.0x</b>	<b>1.50x</b>
<b>Contract Research Orgs</b>																	
Albany Molecular Research Inc.	AMRI	\$21.14	17.1%	11.0%	\$23.95	\$13.73	\$747	\$919	\$320.4	\$34.0	(\$0.10)	\$0.86	2.87x	27.0x	NM	24.6x	3.08x
Charles River Laboratories International, Inc.	CRL	77.62	12.2%	43.2%	84.69	52.39	3,631	4,269	1,317.1	290.5	2.70	3.64	3.24x	14.7x	26.3x	21.3x	2.25x
ICON Public Limited Company	ICLR	80.80	25.6%	56.0%	81.90	49.51	4,895	4,723	1,554.6	310.6	2.73	3.93	3.04x	15.2x	24.1x	20.6x	1.30x
INC Research Holdings, Inc.	INCR	50.03	49.2%	NM	50.13	19.61	2,814	3,191	860.4	181.3	(0.51)	1.77	3.71x	17.6x	NM	28.2x	1.69x
PAREXEL International Corporation	PRXL	68.96	8.5%	28.8%	72.69	52.19	3,804	3,891	2,003.6	298.0	2.66	2.88	1.94x	13.1x	25.2x	23.9x	1.43x
PRA Health Sciences, Inc.	PRAH	41.99	47.4%	NM	44.02	18.47	2,526	3,410	1,312.3	186.8	(0.83)	1.82	2.60x	18.3x	NM	23.1x	1.25x
Quintiles Transnational Holdings Inc.	Q	76.72	16.5%	39.7%	80.45	51.09	9,414	11,102	4,229.4	750.7	2.72	3.16	2.62x	14.8x	27.9x	24.3x	1.88x
<b>Median</b>			<b>17.1%</b>	<b>39.7%</b>									<b>2.87x</b>	<b>15.2x</b>	<b>25.7x</b>	<b>23.9x</b>	<b>1.69x</b>
<b>Diagnostic Imaging</b>																	
Alliance Healthcare Services, Inc.	AIQ	\$14.96	(29.7%)	(47.6%)	\$31.01	\$13.65	\$158	\$740	\$440.5	\$117.9	\$0.98	NM	1.68x	6.3x	15.6x	NM	NM
American Shared Hospital Services	AMS	2.68	0.8%	(5.3%)	3.05	1.98	14	45	15.5	8.3	(0.19)	0.24	2.90x	5.4x	NM	11.1x	NM
RadNet, Inc.	RDNT	6.69	(20.2%)	30.9%	10.35	4.71	296	898	730.0	103.4	0.03	0.43	1.23x	8.7x	32.0x	15.4x	1.54x
<b>Median</b>			<b>(20.2%)</b>	<b>(5.3%)</b>									<b>1.68x</b>	<b>6.3x</b>	<b>23.8x</b>	<b>13.3x</b>	<b>1.54x</b>
<b>Dialysis Services</b>																	
DaVita HealthCare Partners Inc.	DVA	\$79.03	(2.6%)	12.2%	\$85.17	\$70.49	\$16,987	\$25,099	\$13,288.0	\$2,415.4	\$3.33	\$3.78	1.89x	10.4x	40.0x	20.9x	1.69x
Fresenius Medical Care AG & Co. KGAA	FME	81.76	(3.0%)	17.7%	90.88	55.32	24,906	34,983	16,982.3	3,004.8	3.45	3.56	2.06x	11.6x	23.7x	23.0x	1.94x
<b>Median</b>			<b>(2.8%)</b>	<b>15.0%</b>									<b>1.97x</b>	<b>11.0x</b>	<b>31.8x</b>	<b>21.9x</b>	<b>1.81x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Distribution / Supply</b>																	
Aceto Corp.	ACET	\$23.43	20.9%	39.8%	\$27.54	\$16.52	\$682	\$754	\$539.9	\$57.7	\$0.77	\$1.29	1.40x	13.1x	26.6x	18.2x	0.91x
AmerisourceBergen Corporation	ABC	105.75	(7.5%)	37.5%	120.68	74.32	23,232	24,427	132,080.1	1,586.5	0.15	5.11	0.18x	15.4x	NM	20.7x	1.43x
Cardinal Health, Inc.	CAH	84.98	0.8%	18.6%	91.91	68.54	28,114	28,990	102,531.0	2,642.0	3.24	4.58	0.28x	11.0x	23.5x	18.5x	1.85x
Henry Schein, Inc.	HSIC	147.98	7.9%	27.3%	149.95	109.34	12,341	13,600	10,418.8	890.4	5.44	5.93	1.31x	15.3x	26.7x	25.0x	2.34x
McKesson Corporation	MCK	220.57	(1.3%)	15.0%	243.61	178.28	51,261	56,938	183,115.0	4,237.0	7.54	12.41	0.31x	13.4x	26.6x	17.8x	1.33x
Owens & Minor Inc.	OMI	35.16	4.3%	6.3%	36.35	31.55	2,216	2,589	9,691.3	257.9	1.06	1.89	0.27x	10.0x	34.3x	18.6x	2.62x
Patterson Companies, Inc.	PDCO	50.16	6.8%	28.6%	51.49	38.04	5,040	5,366	4,375.0	429.4	2.14	2.42	1.23x	12.5x	22.4x	20.7x	2.41x
<b>Median</b>			<b>4.3%</b>	<b>27.3%</b>									<b>0.31x</b>	<b>13.1x</b>	<b>26.6x</b>	<b>18.6x</b>	<b>1.85x</b>
<b>Emergency Services</b>																	
Adeptus Health Inc.	ADPT	\$109.89	73.1%	326.9%	\$113.70	\$23.88	\$1,271	\$1,453	\$298.7	\$34.0	(\$0.34)	\$1.19	4.87x	42.8x	NM	NM	NM
Air Methods Corp.	AIRM	39.39	(13.8%)	(21.6%)	60.74	35.00	1,547	2,171	1,022.0	264.5	2.56	2.62	2.12x	8.2x	15.2x	15.0x	0.90x
<b>Median</b>			<b>29.7%</b>	<b>152.7%</b>									<b>3.50x</b>	<b>25.5x</b>	<b>15.2x</b>	<b>15.0x</b>	<b>0.90x</b>
<b>HCIT</b>																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$14.46	8.7%	(9.2%)	\$15.99	\$11.00	\$2,723	\$3,207	\$1,372.6	\$71.0	(\$0.37)	\$0.44	2.34x	45.1x	NM	32.7x	1.68x
athenahealth, Inc.	ATHN	139.96	14.1%	12.5%	153.25	107.88	5,408	5,593	834.8	61.6	(0.08)	1.22	6.70x	90.8x	NM	NM	NM
Cerner Corporation	CERN	71.72	(0.1%)	29.9%	75.72	53.65	24,677	24,619	3,798.4	982.0	1.50	2.12	6.48x	25.1x	48.5x	33.9x	1.93x
Computer Programs & Systems Inc.	CPSI	46.77	(10.6%)	(28.9%)	65.25	45.01	529	492	192.9	43.4	2.94	2.15	2.55x	11.3x	19.1x	21.8x	1.94x
Evolent Health, Inc.	EVH	21.33	NM	NM	22.00	17.54	1,258	1,330	117.9	(59.6)	(51.65)	(1.09)	NM	NM	NM	NM	NM
Healthstream Inc.	HSTM	28.06	(3.0%)	12.4%	32.41	22.66	888	748	189.2	31.0	0.37	0.34	3.95x	24.1x	NM	82.9x	5.18x
HMS Holdings Corp.	HMSY	11.52	(32.3%)	(37.4%)	23.69	11.16	1,020	1,084	448.8	88.3	0.16	0.56	2.42x	12.3x	NM	20.6x	1.04x
Inovalon Holdings, Inc.	INOV	24.16	(4.3%)	NM	33.75	22.06	3,569	3,071	370.5	131.7	0.49	0.55	8.29x	23.3x	NM	43.5x	1.94x
MedAssets, Inc.	MDAS	23.30	15.1%	9.7%	23.90	17.00	1,398	2,229	750.0	218.9	(0.34)	1.23	2.97x	10.2x	NM	19.0x	1.69x
Medical Transcription Billing, Corp.	MTBC	2.08	(0.9%)	(45.0%)	4.19	1.57	23	26	21.9	(2.6)	(0.64)	(0.25)	1.17x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	53.80	0.7%	20.0%	61.31	37.01	2,974	2,955	365.7	37.4	0.11	0.89	8.08x	79.1x	NM	60.3x	2.65x
Merge Healthcare Incorporated	MRGE	5.49	10.5%	123.2%	6.20	2.04	533	783	227.6	39.5	(0.00)	0.24	3.44x	19.8x	35.1x	23.4x	1.52x
National Research Corp.	NRCI.B	34.78	(2.0%)	(13.1%)	40.10	30.20	432	402	99.5	29.8	0.74	2.52	4.04x	13.5x	NM	13.8x	1.15x
Premier, Inc.	PINC	35.76	(5.6%)	26.4%	39.81	27.95	1,350	5,021	975.9	320.6	17.95	1.49	5.15x	15.7x	NM	23.9x	2.12x
Press Ganey Holdings, Inc	PGND	31.31	NM	NM	32.41	0.00	1,635	2,039	291.1	93.9	0.36	0.86	7.00x	21.7x	NM	36.2x	2.46x
Quality Systems Inc.	QSII	12.75	(18.2%)	(17.8%)	18.75	12.21	769	652	494.5	52.0	0.36	0.66	1.32x	12.5x	27.1x	19.3x	1.75x
Teladoc, Inc.	TDOC	31.57	NM	NM	32.90	0.00	1,170	1,164	50.6	(21.5)	(10.25)	(1.37)	NM	NM	NM	NM	NM
The Advisory Board Company	ABCO	59.90	15.4%	19.5%	60.38	37.47	2,542	3,035	666.3	60.2	(0.07)	1.35	4.56x	50.4x	NM	44.3x	2.77x
<b>Median</b>			<b>(0.9%)</b>	<b>11.1%</b>									<b>4.00x</b>	<b>21.7x</b>	<b>31.1x</b>	<b>28.3x</b>	<b>1.93x</b>

Source: Capital IQ as of July 31, 2015; For definitions, see page 10

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(\$ in millions, except per share amounts)

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Consumer Directed Health &amp; Wellness</b>																	
Benefitfocus, Inc.	BNFT	\$37.24	7.8%	(3.4%)	\$47.49	\$19.58	\$1,070	\$1,008	\$159.8	(\$50.4)	(\$2.51)	(\$2.12)	6.31x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	7.18	(4.6%)	(46.5%)	15.10	6.52	673	488	53.2	(80.1)	(1.16)	(0.68)	9.17x	NM	NM	NM	NM
Connecture, Inc.	CNXR	9.43	(15.2%)	NM	14.39	8.04	205	237	89.2	1.3	(10.27)	(0.13)	2.65x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	11.87	(3.2%)	(28.6%)	17.44	10.41	376	440	188.0	16.4	0.17	0.77	2.34x	26.8x	NM	15.4x	0.53x
Fitbit Inc.	FIT	47.60	NM	NM	48.98	41.70	10,054	9,975	973.4	241.6	0.63	0.61	10.25x	41.3x	NM	77.8x	3.01x
HealthEquity, Inc.	HQY	33.66	28.4%	91.3%	34.56	16.11	1,909	1,794	97.5	25.8	0.21	0.29	18.41x	69.7x	NM	NM	NM
Healthways Inc.	HWAY	12.66	(27.2%)	(26.8%)	23.30	11.37	453	702	772.7	49.0	(0.16)	0.09	0.91x	14.3x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	33.15	20.2%	27.0%	33.52	23.58	10,852	14,697	2,708.0	730.0	(0.59)	1.47	5.43x	20.1x	27.9x	22.6x	2.22x
Streamline Health Solutions, Inc.	STRM	2.58	14.2%	(48.4%)	5.01	1.02	48	61	26.8	(9.3)	(0.71)	(0.53)	2.26x	NM	NM	NM	NM
WebMD Health Corp.	WBMD	43.58	(1.3%)	(12.5%)	50.47	34.48	1,604	1,799	597.9	122.2	0.97	1.60	3.01x	14.7x	37.1x	27.3x	2.28x
<b>Median</b>			<b>(1.3%)</b>	<b>(19.7%)</b>									<b>4.22x</b>	<b>23.5x</b>	<b>32.5x</b>	<b>25.0x</b>	<b>2.25x</b>
<b>Healthcare REITs</b>																	
CareTrust REIT, Inc.	CTRE	\$12.98	3.9%	(23.9%)	\$18.49	\$11.12	\$410	\$753	\$63.0	\$44.9	(\$0.36)	\$0.27	11.96x	16.8x	NM	48.1x	NM
HCP, Inc.	HCP	38.64	(4.1%)	(7.0%)	49.61	36.20	17,870	27,990	2,418.5	1,808.5	1.94	1.84	11.57x	15.5x	42.2x	21.0x	6.13x
Health Care REIT, Inc.	HCN	69.37	(3.7%)	9.0%	84.88	62.05	24,323	36,597	3,529.0	1,777.6	1.43	2.03	10.37x	20.6x	38.2x	34.1x	6.94x
Healthcare Realty Trust Incorporated	HR	24.04	(6.1%)	(2.7%)	31.20	23.02	2,413	3,848	376.5	223.3	0.35	0.13	10.22x	17.2x	NM	NM	NM
LTC Properties Inc.	LTC	43.87	0.9%	14.5%	48.85	36.75	1,559	1,908	120.5	108.0	1.99	1.96	15.84x	17.7x	22.0x	22.3x	4.30x
National Health Investors Inc.	NHI	65.25	(2.2%)	9.1%	76.98	56.53	2,451	3,365	189.7	179.0	3.04	3.34	17.74x	18.8x	20.9x	19.5x	3.18x
Newcastle Investment Corp.	NCT	4.91	(7.9%)	(81.7%)	28.02	4.00	326	-	349.8	NA	1.00	0.65	-	NA	7.5x	7.5x	NM
Omega Healthcare Investors Inc.	OHI	36.26	0.5%	(0.8%)	45.46	33.55	6,626	8,553	593.1	474.6	1.74	1.52	14.42x	18.0x	22.6x	23.9x	4.98x
Sabra Health Care REIT, Inc.	SBRA	27.35	(8.5%)	(1.3%)	34.44	24.01	1,781	2,823	211.9	179.1	0.78	1.22	13.32x	15.8x	22.6x	22.4x	4.45x
Senior Housing Properties Trust	SNH	17.27	(15.6%)	(24.5%)	23.83	16.87	4,100	6,741	882.0	498.3	0.81	0.79	7.64x	13.5x	22.2x	21.8x	6.33x
Universal Health Realty Income Trust	UHT	48.97	(1.4%)	16.4%	57.55	41.15	652	880	65.9	44.1	3.99	NM	13.36x	19.9x	10.7x	NM	NM
Ventas, Inc.	VTR	67.09	(2.6%)	5.7%	81.93	60.63	22,308	34,021	3,352.9	1,804.3	1.59	1.76	10.15x	18.9x	43.4x	38.2x	7.68x
<b>Median</b>			<b>(3.2%)</b>	<b>(1.0%)</b>									<b>11.77x</b>	<b>17.7x</b>	<b>22.4x</b>	<b>22.4x</b>	<b>5.56x</b>

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(\$ in millions, except per share amounts)

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Healthcare Staffing</b>																	
AMN Healthcare Services Inc.	AHS	\$29.43	29.0%	124.7%	\$32.53	\$13.09	\$1,400	\$1,626	\$1,221.9	\$108.3	\$0.69	\$1.03	1.33x	15.0x	37.7x	28.7x	2.05x
Cross Country Healthcare, Inc.	CCRN	12.07	8.7%	67.9%	13.51	6.73	388	457	685.7	21.0	(1.02)	0.30	0.67x	21.8x	NM	40.9x	4.09x
Envision Healthcare Holdings, Inc.	EVHC	44.80	18.0%	25.3%	45.50	30.48	8,317	10,368	4,906.9	593.3	0.66	1.46	2.11x	17.5x	45.3x	30.6x	1.80x
IPC Healthcare, Inc.	IPCM	55.45	13.3%	12.7%	58.98	36.12	966	1,044	713.8	70.4	2.21	2.19	1.46x	14.8x	29.7x	25.4x	1.69x
Team Health Holdings, Inc.	TMH	67.41	13.2%	19.2%	67.79	50.83	4,855	5,660	3,221.4	322.3	1.35	2.68	1.76x	17.6x	48.1x	25.2x	1.65x
<b>Median</b>			<b>13.3%</b>	<b>25.3%</b>									<b>1.46x</b>	<b>17.5x</b>	<b>41.5x</b>	<b>28.7x</b>	<b>1.80x</b>
<b>Home Care / Hospice</b>																	
Addus HomeCare Corporation	ADUS	\$27.14	1.1%	22.6%	\$29.19	\$17.02	\$299	\$295	\$332.0	\$24.5	\$1.08	\$1.25	0.89x	12.0x	25.7x	21.7x	1.44x
Almost Family Inc.	AFAM	43.76	1.1%	86.7%	49.71	23.11	430	474	506.1	30.3	1.47	2.07	0.94x	15.7x	23.2x	21.2x	1.92x
Amedisys Inc.	AMED	43.63	56.9%	116.2%	46.40	19.03	1,469	1,532	1,203.6	89.3	0.40	1.43	1.27x	17.1x	NM	30.4x	2.25x
Chemed Corp.	CHE	148.46	28.8%	45.8%	150.48	97.85	2,512	2,639	1,496.4	204.9	5.57	6.73	1.76x	12.9x	24.5x	22.0x	2.20x
LHC Group, Inc.	LHCG	40.29	25.7%	71.6%	42.17	22.37	724	782	745.4	65.9	1.26	1.67	1.05x	11.9x	28.6x	24.1x	1.61x
Providence Service Corp.	PRSC	47.06	10.7%	18.8%	55.99	34.03	755	1,166	1,697.6	94.5	1.35	1.88	0.69x	12.3x	38.6x	25.1x	1.57x
<b>Median</b>			<b>18.2%</b>	<b>58.7%</b>									<b>0.99x</b>	<b>12.6x</b>	<b>25.7x</b>	<b>23.1x</b>	<b>1.77x</b>
<b>Long Term Care</b>																	
Diversicare Healthcare Services Inc.	DVCR	\$12.18	(24.4%)	74.5%	\$17.15	\$6.54	\$76	\$129	\$361.6	\$21.3	\$0.20	NM	0.36x	6.1x	43.5x	NM	NM
Kindred Healthcare Inc.	KND	20.63	(10.1%)	(13.7%)	24.66	16.94	1,722	4,988	5,431.0	375.3	(0.24)	1.31	0.92x	13.3x	NM	15.8x	1.13x
National Healthcare Corp.	NHC	63.20	(0.2%)	15.0%	66.42	54.33	898	902	883.6	106.3	3.14	NM	1.02x	8.5x	20.2x	NM	NM
The Ensign Group, Inc.	ENSG	51.12	21.4%	55.2%	54.08	28.00	1,301	1,236	1,155.3	103.2	1.56	2.47	1.07x	12.0x	32.1x	20.7x	1.38x
<b>Median</b>			<b>(5.1%)</b>	<b>35.1%</b>									<b>0.97x</b>	<b>10.2x</b>	<b>32.1x</b>	<b>18.2x</b>	<b>1.25x</b>
<b>Managed Care – Commercial</b>																	
Aetna Inc.	AET	\$112.97	5.7%	45.7%	\$134.40	\$71.81	\$39,381	\$46,539	\$59,834.0	\$5,206.3	\$5.68	\$7.39	0.78x	8.9x	18.7x	15.3x	1.49x
Anthem, Inc.	ANTM	154.27	2.2%	40.5%	173.59	106.52	40,355	57,154	76,608.3	6,587.2	8.96	10.20	0.75x	8.7x	15.1x	15.1x	1.38x
Cigna Corp.	CI	144.06	15.6%	60.0%	170.68	85.75	37,095	40,411	36,644.0	3,930.0	7.83	8.58	1.10x	10.3x	17.8x	16.8x	1.35x
Health Net, Inc.	HNT	66.86	27.0%	62.3%	76.67	40.84	5,167	4,744	15,601.8	377.7	1.80	3.34	0.30x	12.6x	36.7x	20.0x	1.16x
Humana Inc.	HUM	182.09	10.0%	54.8%	219.79	115.51	26,974	29,156	52,131.0	2,596.0	7.36	7.77	0.56x	11.2x	21.5x	23.4x	1.73x
UnitedHealth Group Incorporated	UNH	121.40	9.0%	49.8%	126.05	78.74	115,763	127,595	138,211.0	12,292.0	5.70	6.32	0.92x	10.4x	19.3x	19.2x	1.56x
Universal American Corp	UAM	9.27	(7.2%)	16.8%	11.16	7.76	748	756	1,975.0	(0.3)	(0.35)	0.23	0.38x	NM	NM	40.7x	NM
<b>Median</b>			<b>9.0%</b>	<b>49.8%</b>									<b>0.75x</b>	<b>10.3x</b>	<b>19.0x</b>	<b>19.2x</b>	<b>1.43x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Managed Care – Government</b>																	
Centene Corp.	CNC	\$70.13	13.1%	94.6%	\$83.00	\$35.49	\$8,352	\$7,689	\$18,548.0	\$732.0	\$2.23	\$2.80	0.41x	10.5x	25.2x	25.1x	1.48x
Molina Healthcare, Inc.	MOH	75.43	27.4%	84.7%	76.97	39.65	4,228	3,134	11,618.8	415.9	1.30	2.60	0.27x	7.5x	32.4x	29.0x	0.69x
WellCare Health Plans, Inc.	WCG	80.80	4.4%	29.5%	95.09	55.43	3,559	3,286	13,774.7	401.7	1.44	3.34	0.24x	8.2x	NM	24.2x	1.03x
<b>Median</b>			<b>13.1%</b>	<b>84.7%</b>									<b>0.27x</b>	<b>8.2x</b>	<b>28.8x</b>	<b>25.1x</b>	<b>1.03x</b>
<b>Other Services</b>																	
Healthcare Services Group Inc.	HCSG	\$34.91	15.3%	33.6%	\$35.46	\$25.51	\$2,510	\$2,412	\$1,372.3	\$81.6	\$0.31	\$0.96	1.76x	29.6x	NM	36.5x	2.28x
PDI, Inc.	PDII	2.13	67.7%	(40.7%)	4.02	1.00	35	44	126.4	(10.9)	(0.63)	(1.35)	0.35x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	6.41	1.9%	39.0%	7.03	4.00	99	82	29.0	1.2	0.08	0.07	2.84x	68.9x	NM	95.0x	3.56x
Stericycle, Inc.	SRCL	140.97	5.7%	19.8%	142.69	114.26	11,989	13,643	2,723.8	709.5	3.79	4.67	5.01x	19.2x	40.4x	30.2x	2.03x
<b>Median</b>			<b>10.5%</b>	<b>26.7%</b>									<b>2.30x</b>	<b>29.6x</b>	<b>40.4x</b>	<b>36.5x</b>	<b>2.28x</b>
<b>Pharmacy Management</b>																	
BioScrip, Inc.	BIOS	\$2.51	(46.6%)	(66.5%)	\$8.75	\$2.36	\$172	\$622	\$1,006.4	(\$44.6)	(\$2.09)	(\$0.22)	0.62x	NM	NM	NM	NM
Character Group plc	CCT	7.70	22.3%	127.0%	7.93	2.86	160	154	168.7	20.6	0.57	NM	0.91x	7.5x	10.2x	NM	NM
Express Scripts Holding Company	ESRX	90.07	4.2%	29.3%	94.61	68.78	60,863	76,884	102,444.9	6,819.8	2.64	5.50	0.75x	11.3x	29.7x	16.4x	1.37x
Omnicare Inc.	OCR	96.85	10.1%	55.0%	97.00	59.85	9,384	11,173	6,629.2	770.0	1.74	4.14	1.69x	14.5x	NM	23.4x	NM
Omniceil, Inc.	OMCL	36.52	2.8%	33.3%	40.80	26.00	1,324	1,236	463.1	66.0	0.83	1.34	2.67x	18.7x	42.5x	27.3x	1.54x
PharMerica Corporation	PMC	34.17	19.2%	26.6%	36.96	19.42	1,038	1,339	1,953.9	131.1	0.22	1.63	0.69x	10.2x	NM	21.0x	1.68x
<b>Median</b>			<b>7.2%</b>	<b>31.3%</b>									<b>0.83x</b>	<b>11.3x</b>	<b>29.7x</b>	<b>22.2x</b>	<b>1.54x</b>
<b>Physician Practice Mgmt</b>																	
Birner Dental Management Services Inc.	BDMS	\$13.50	2.0%	(20.6%)	\$17.37	\$12.05	\$25	\$35	\$64.9	\$3.6	(\$0.50)	NM	0.54x	9.8x	NM	NM	NM
MEDNAX, Inc.	MD	84.64	19.6%	43.0%	85.22	49.82	7,916	9,144	2,593.0	589.4	3.18	3.61	3.53x	15.5x	25.0x	23.5x	1.60x
<b>Median</b>			<b>10.8%</b>	<b>11.2%</b>									<b>2.03x</b>	<b>12.6x</b>	<b>25.0x</b>	<b>23.5x</b>	<b>1.60x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Psychiatric Hospitals</b>																	
AAC Holdings, Inc.	AAC	\$38.01	9.7%	NM	\$46.60	\$17.91	\$830	\$858	\$157.7	\$30.9	\$0.41	\$0.79	NM	NM	NM	48.1x	2.41x
Acadia Healthcare Company, Inc.	ACHC	79.78	16.5%	67.4%	81.76	46.48	5,713	7,729	1,408.8	300.9	1.50	2.15	NM	NM	NM	37.2x	1.62x
Magellan Health, Inc.	MGLN	60.59	(4.3%)	5.2%	73.00	52.37	1,630	1,633	4,044.2	232.7	2.90	3.49	0.40x	7.0x	26.7x	17.4x	0.87x
<b>Median</b>			<b>9.7%</b>	<b>36.3%</b>									<b>0.40x</b>	<b>7.0x</b>	<b>26.7x</b>	<b>37.2x</b>	<b>1.62x</b>
<b>Specialty Managed Care</b>																	
Assurant Inc.	AIZ	\$74.60	21.4%	17.7%	\$76.25	\$59.73	\$5,067	\$6,238	\$10,568.7	\$629.3	\$6.44	\$6.76	0.59x	9.9x	19.5x	11.0x	1.55x
Triple-S Management Corporation	GTS	21.58	15.3%	24.9%	26.92	17.02	572	460	2,317.0	112.6	2.41	1.40	0.20x	4.1x	7.9x	15.4x	1.96x
<b>Median</b>			<b>18.3%</b>	<b>21.3%</b>									<b>0.39x</b>	<b>7.0x</b>	<b>13.7x</b>	<b>13.2x</b>	<b>1.76x</b>
<b>Surgicenters / Rehabilitation</b>																	
AmSurg Corp.	AMSG	\$71.74	14.4%	50.2%	\$72.85	\$45.19	\$3,473	\$6,401	\$2,296.6	\$601.2	\$1.27	\$3.36	2.79x	10.6x	NM	21.4x	1.33x
Civitas Solutions, Inc.	CIVI	22.49	19.9%	NM	24.40	11.88	831	1,484	1,315.3	138.6	(0.71)	0.69	1.13x	10.7x	NM	32.4x	NM
Hanger, Inc.	HGR	21.64	(3.1%)	(31.6%)	32.71	18.25	743	1,278	1,060.7	156.2	1.61	1.89	1.20x	8.2x	13.1x	11.5x	0.79x
HEALTHSOUTH Corp.	HLS	45.70	1.1%	19.2%	48.32	35.84	4,179	6,509	2,678.0	621.6	2.24	2.21	2.43x	10.5x	24.7x	20.4x	1.81x
The Joint Corp.	JYNT	9.49	(5.2%)	NM	12.99	6.00	91	75	8.1	(3.1)	(0.56)	(0.92)	9.19x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	14.43	(0.8%)	(7.1%)	17.20	11.46	1,892	3,538	3,051.5	354.8	0.91	0.91	1.16x	10.0x	15.4x	15.8x	1.27x
Surgical Care Affiliates, Inc.	SCAI	38.02	0.8%	29.4%	40.99	26.55	1,495	2,545	934.8	242.7	1.03	1.74	2.72x	10.5x	45.7x	21.9x	NM
US Physical Therapy Inc.	USPH	52.86	12.1%	51.3%	56.37	33.81	655	717	308.4	52.8	1.62	1.87	2.33x	13.6x	32.9x	28.3x	1.77x
<b>Median</b>			<b>1.0%</b>	<b>24.3%</b>									<b>2.38x</b>	<b>10.5x</b>	<b>24.7x</b>	<b>21.4x</b>	<b>1.33x</b>

### Definitions

**PEG Ratio:** Price Earnings to Growth

**EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization

**EPS:** Earnings Per Share

**Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments

**LTM:** Last Twelve Months

Source: Capital IQ as of July 31, 2015

**MARKET SECTOR**

	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	Rev	EBITDA	LTM	2015E	
Biotechnology	77	\$704,671	11.8%	42.2%	6.85x	13.9x	27.2x	28.4x	1.6x
Cardiology Devices	19	183,508	(2.7%)	10.3%	4.00x	15.7x	32.5x	25.2x	2.1x
Conglomerates	5	459,424	1.0%	7.4%	3.20x	11.2x	26.1x	19.9x	2.0x
Dental Devices	7	21,271	5.0%	22.6%	3.33x	23.7x	30.4x	28.5x	2.2x
Diagnostic Imaging Devices	4	12,890	(0.4%)	22.2%	1.40x	12.8x	27.3x	21.9x	2.0x
Diversified Medical Devices	24	90,349	2.4%	20.3%	4.04x	15.7x	31.8x	28.3x	2.0x
Infection Prevention Devices	2	6,417	13.2%	49.8%	3.40x	17.8x	40.8x	29.5x	2.0x
Lab Equipment	2	9,486	5.8%	11.8%	2.24x	12.6x	20.3x	26.3x	2.0x
Lab Instrumentation & Devices	4	14,767	(2.6%)	5.8%	1.73x	16.7x	44.9x	22.8x	2.2x
Large-Cap Pharmaceuticals	6	787,564	7.3%	31.7%	5.23x	17.4x	43.8x	19.8x	2.1x
Life Science Conglomerates	3	93,324	11.0%	14.8%	4.09x	19.4x	36.5x	20.5x	1.9x
Life Science Consumables	7	15,509	11.6%	27.4%	2.50x	13.1x	30.9x	29.2x	1.9x
Mobility Devices	4	3,898	(2.9%)	29.5%	1.66x	14.8x	43.0x	22.3x	1.9x
Neural Implant Devices	2	3,723	5.0%	19.2%	3.86x	13.3x	40.6x	22.4x	1.8x
Ophthalmology Devices	7	10,744	(4.2%)	5.1%	1.52x	17.0x	19.4x	22.5x	1.2x
Orthopedics Devices	6	64,837	1.9%	4.0%	4.26x	15.8x	47.4x	18.5x	1.9x
Pharmaceuticals	53	110,507	11.5%	48.8%	5.74x	17.0x	27.8x	24.2x	1.5x
Surgical Devices	7	22,269	1.6%	6.8%	6.95x	14.4x	39.7x	30.9x	2.0x
<b>Total / Median (\$MM)</b>	<b>239</b>	<b>\$2,615,158</b>	<b>3.7%</b>	<b>19.8%</b>	<b>3.63x</b>	<b>15.7x</b>	<b>32.2x</b>	<b>23.5x</b>	<b>2.0x</b>

Source: Capital IQ

**CAPITALIZATION PROFILE**

	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	47	\$2,442,096	19.7%	93.4%	6.5%	13.5%	29.0%	133.0%
\$1 billion – \$5 billion	56	129,639	23.4%	5.0%	22.4%	44.7%	85.3%	211.7%
\$250 million – \$1 billion	70	36,025	29.3%	1.4%	15.1%	23.1%	30.2%	93.2%
\$100 million – \$250 million	30	5,304	12.6%	0.2%	18.2%	5.1%	27.2%	89.1%
< \$100 million	36	2,093	15.1%	0.1%	(18.6%)	(9.6%)	(20.0%)	70.0%
<b>Total / Median (\$MM)</b>	<b>239</b>	<b>\$2,615,158</b>	<b>100.0%</b>	<b>100.0%</b>	<b>15.1%</b>	<b>13.5%</b>	<b>29.0%</b>	<b>93.2%</b>

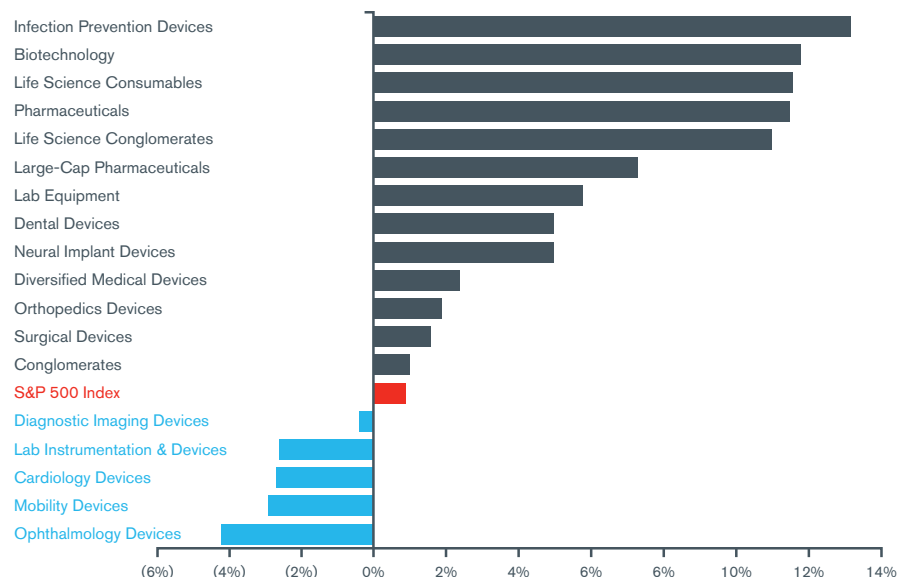
Source: Capital IQ

**INTEREST RATES**

	Value at 7/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.49%	0.44%	0.41%	0.33%
U.S. Treasury – 2 years	0.67%	0.64%	0.58%	0.53%
U.S. Treasury – 5 years	1.55%	1.63%	1.44%	1.76%
U.S. Treasury – 10 years	2.20%	2.33%	2.05%	2.56%
U.S. Treasury – 30 years	2.93%	3.10%	2.75%	2.75%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

**Median % Change – 3 months**



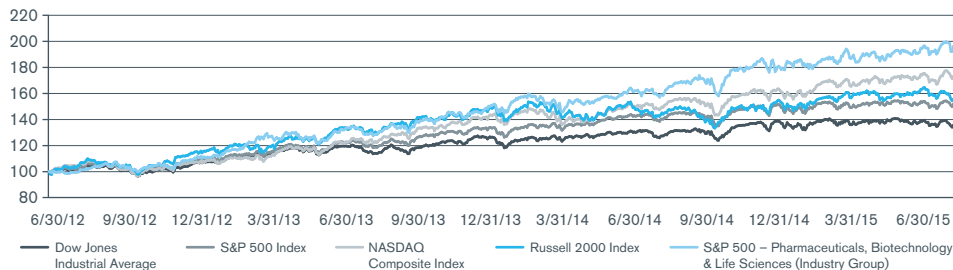
Source: Capital IQ

**MARKET INDICES**

	Value at 7/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,689.9	(0.8%)	(0.7%)	6.8%	36.0%
S&P 500 Index	2,103.8	0.9%	2.2%	9.0%	52.5%
NASDAQ Composite Index	5,128.3	3.8%	8.3%	17.4%	74.5%
Russell 2000 Index	1,238.7	1.5%	2.8%	10.6%	57.4%
S&P Life Science Tools & Services (Industry) Index	328.9	7.8%	10.8%	14.2%	105.9%
S&P 500 Pharmaceuticals (Industry) Index	636.8	4.9%	9.2%	20.9%	71.6%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	767.3	7.3%	12.4%	26.6%	102.5%
S&P 500 Biotechnology (Industry) Index	4,255.3	11.3%	14.5%	31.6%	192.4%
Dow Jones U.S. Medical Equipment Index	1,023.9	7.7%	10.8%	23.1%	98.8%
<b>S&amp;P 500 – Pharmaceuticals, Biotechnology &amp; Life Sciences (Industry Group)</b>	<b>846.5</b>	<b>6.9%</b>	<b>10.8%</b>	<b>23.6%</b>	<b>97.7%</b>

Source: Capital IQ

**Performance of Market Indices for Latest 36 months**



Source: Capital IQ

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Biotechnology</b>																	
Acceleron Pharma, Inc.	XLRN	\$28.64	3.6%	(3.3%)	\$48.50	\$23.61	\$940	\$839	\$17.4	(\$52.9)	(\$1.63)	(\$1.35)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	34.36	14.3%	17.4%	45.45	28.26	1,470	1,461	437.4	59.6	0.42	0.76	3.34x	24.5x	NM	45.5x	1.57x
Adamas Pharmaceuticals, Inc.	ADMS	24.76	43.4%	55.6%	30.86	13.60	469	355	55.9	12.2	0.53	(2.99)	6.35x	29.1x	NM	NM	NM
Aduro BioTech, Inc.	ADRO	26.22	3.2%	NM	49.25	24.68	1,632	1,665	22.9	(20.0)	(0.70)	0.22	NM	NM	NM	NM	NM
Affimed N.V.	ADMS	16.41	107.7%	NM	24.20	3.55	476	441	8.2	(17.0)	(0.02)	(0.62)	NM	NM	22.1x	NM	NM
Akebia Therapeutics, Inc.	AKBA	9.40	22.6%	(57.5%)	26.77	7.27	271	171	-	(38.7)	(8.04)	(2.11)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	197.44	16.7%	24.2%	208.88	150.06	44,652	46,787	2,391.2	880.0	3.26	4.85	19.57x	NM	67.4x	40.7x	1.83x
Alkermes plc	ALKS	70.02	26.5%	63.8%	75.17	38.49	10,461	10,039	647.7	(34.5)	(0.21)	(0.41)	15.50x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	2.26	17.7%	25.6%	3.33	0.78	400	493	59.2	(96.6)	(0.36)	(0.46)	8.33x	NM	NM	NM	NM
Amgen Inc.	AMGN	176.59	11.8%	38.6%	181.81	124.76	134,032	135,991	20,765.0	9,773.0	6.70	9.74	6.55x	13.9x	23.4x	18.1x	1.84x
Ascendis Pharma A/S	ASND	20.03	17.6%	NM	23.81	14.75	477	313	13.0	(20.0)	(9.04)	(1.74)	24.11x	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	56.14	35.4%	NM	65.56	10.10	1,368	1,201	-	(40.9)	(5.62)	(1.96)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.05	(12.5%)	(34.8%)	3.43	0.90	87	52	1.6	(28.2)	(0.31)	(0.35)	NM	NM	NM	NM	NM
aTyr Pharma Inc.	LIFE	18.75	NM	NM	28.29	0.00	443	539	-	(25.7)	(29.69)	(2.37)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	14.72	(53.8%)	NM	62.48	14.01	376	86	0.7	(32.1)	(2.46)	(1.57)	NM	NM	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	20.35	(15.1%)	NM	33.63	17.46	537	353	1.3	(19.5)	(34.04)	(1.15)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	6.48	13.7%	NM	10.00	4.50	92	63	-	(9.8)	(0.57)	(1.27)	NA	NM	NM	NM	NM
Biogen Inc.	BIIB	318.78	(14.7%)	(4.7%)	480.18	290.85	74,967	73,178	10,295.7	5,243.4	12.37	15.90	7.11x	14.0x	21.6x	20.1x	1.32x
BioSpecifics Technologies Corp.	BSTC	68.72	79.4%	162.9%	71.59	25.77	463	439	16.9	9.7	0.66	1.89	25.96x	45.3x	78.9x	36.4x	NM
Calithera Biosciences, Inc.	CALA	7.40	(26.1%)	NM	33.48	6.51	133	44	-	(25.0)	(4.67)	(1.90)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	21.31	98.2%	67.1%	21.71	7.53	567	519	3.5	(18.6)	(0.85)	(1.08)	NM	NM	NM	NM	NM
Celgene Corporation	CELG	131.25	21.5%	50.6%	140.72	83.16	103,758	103,896	8,426.3	3,205.4	2.39	4.80	12.33x	32.4x	49.7x	27.4x	1.22x
Cepheid	CPHD	55.59	(0.9%)	47.7%	63.69	37.12	3,991	3,974	511.8	22.7	(0.72)	0.19	7.76x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	35.08	61.1%	NM	38.10	12.27	1,327	1,212	33.3	(86.7)	(10.64)	(3.12)	NM	NM	NM	NM	NM
ContraFect Corporation	CFRX	4.91	(6.8%)	NM	6.24	2.50	100	77	-	(16.2)	(3.86)	(0.92)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	3.14	22.2%	61.9%	3.75	1.09	403	330	7.5	(47.8)	(0.22)	(0.45)	NM	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	12.22	(39.1%)	(18.6%)	27.33	8.00	251	164	-	(50.4)	(3.00)	(2.73)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	0.99	(25.0%)	(41.8%)	1.87	0.80	31	37	13.6	(3.3)	(0.18)	NM	2.74x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	32.83	10.6%	49.2%	34.50	19.31	1,259	1,294	475.7	110.1	0.80	1.16	2.72x	11.8x	42.8x	28.4x	1.13x
Exelixis, Inc.	EXEL	5.73	123.0%	42.2%	6.38	1.26	1,123	1,384	29.6	(172.9)	(1.38)	(0.85)	NM	NM	NM	NM	NM
FibroGen, Inc.	FGEN	23.25	0.0%	NM	40.59	16.95	1,378	1,366	136.0	(75.7)	(3.17)	(1.23)	10.04x	NM	NM	NM	NM
Forward Pharma A/S	FWP	32.46	6.1%	NM	43.34	17.50	1,510	1,428	-	(23.8)	(1.79)	(1.02)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	27.08	0.0%	6.3%	37.75	25.06	874	746	277.0	(30.5)	(0.78)	(0.72)	2.69x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	117.86	17.3%	28.7%	123.37	85.95	173,608	172,542	29,194.0	20,316.1	7.35	11.65	5.91x	8.5x	12.4x	10.1x	1.12x

Source: Capital IQ as of July 31, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Biotechnology (cont.)</b>																	
GlycoMimetics, Inc.	GLYC	\$7.66	(7.6%)	(6.5%)	\$9.68	\$6.18	\$146	\$99	\$15.0	(\$ 13.0)	(\$ 0.60)	(\$ 0.64)	6.59x	NM	NM	NM	NM
Histogenics Corporation	HSGX	6.38	(21.9%)	NM	12.97	5.87	84	33	-	(34.4)	(6.85)	(1.86)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	2.05	(43.1%)	(36.7%)	5.48	1.83	192	181	4.4	(46.4)	(0.51)	(0.54)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	19.36	(13.7%)	61.3%	40.13	11.55	387	327	8.3	(33.5)	(4.56)	(2.03)	NM	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	44.92	70.9%	232.4%	45.90	11.26	3,208	3,107	273.2	73.8	0.52	0.92	11.37x	42.1x	86.4x	48.9x	1.61x
Juno Therapeutics Inc.	JUNO	48.92	14.5%	NM	69.28	34.71	4,470	4,084	-	(280.7)	(36.82)	(1.50)	NA	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	108.26	39.4%	120.2%	109.95	41.99	2,129	2,148	71.0	24.7	0.56	1.90	NM	NM	NM	57.1x	1.57x
Loxo Oncology, Inc.	LOXO	20.25	78.3%	NM	21.74	9.90	338	240	-	-	(3.06)	(1.79)	NA	NA	NM	NM	NM
MacroCure Ltd.	MCUR	13.58	40.7%	NM	16.10	6.82	227	185	-	(26.1)	(2.15)	(1.38)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	21.74	24.6%	104.3%	25.56	9.38	1,453	1,254	84.0	(60.9)	(1.91)	(0.33)	14.94x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	34.12	3.3%	(5.5%)	39.95	31.34	2,370	2,235	722.0	196.1	1.45	1.67	3.10x	11.4x	27.2x	20.4x	1.30x
NantKwest, Inc.	NK	30.60	NM	NM	37.50	30.16	2,415	2,365	0.5	(36.7)	(0.75)	NM	NM	NM	NM	NM	NM
Neothetics, Inc.	NEOT	14.13	99.9%	NM	14.20	5.92	193	132	-	(13.7)	(5.36)	(4.00)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	50.12	47.0%	269.1%	56.18	13.18	4,304	3,919	19.8	(64.0)	(0.81)	(0.96)	NM	NM	NM	NM	NM
Nexvet Biopharma Public Limited Company	NVET	3.66	(57.7%)	NM	11.00	3.54	42	(13.9)	0.0	(15.2)	(8.79)	(1.53)	NM	0.9x	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	23.09	5.2%	79.5%	44.19	12.20	570	518	1.2	(26.8)	(2.69)	(1.38)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	21.33	40.6%	44.1%	23.67	11.87	734	688	81.2	7.0	(0.01)	0.41	8.47x	NM	NM	52.7x	NM
Otonomy, Inc.	OTIC	25.77	(1.8%)	NM	41.99	15.19	622	398	-	(41.0)	(5.46)	(2.93)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	25.16	3.4%	NM	39.80	16.00	442	349	4.0	(29.3)	(7.82)	(3.09)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	5.82	(12.7%)	(38.0%)	10.26	5.71	955	1,068	543.6	493.8	1.86	2.07	1.96x	2.2x	3.0x	2.8x	NM
Pfenex Inc.	PFNX	21.19	58.7%	262.2%	24.41	5.59	490	402	10.1	(13.2)	(1.04)	(1.62)	NM	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.74	(12.0%)	53.6%	2.21	0.90	1,008	1,035	15.1	(30.2)	0.01	(0.05)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	16.04	(15.4%)	NM	27.60	11.00	374	255	0.7	(22.7)	(1.32)	(2.26)	NM	NM	NM	NM	NM
Proteon Therapeutics Inc	PRTO	17.28	43.3%	NM	20.00	8.57	284	205	2.9	(10.2)	(3.16)	(1.23)	NM	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	553.66	21.0%	75.1%	569.91	314.00	58,272	58,003	3,396.3	1,106.7	3.07	11.16	17.08x	NM	NM	49.6x	2.00x
Roka Bioscience, Inc.	ROKA	3.12	6.5%	(68.9%)	12.99	2.38	56	22	5.7	(27.5)	(2.93)	(2.01)	3.77x	NM	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	68.36	29.0%	142.2%	89.04	25.46	1,939	1,826	-	(44.9)	(1.67)	(2.84)	NA	NM	NM	NM	NM
Spark Therapeutics, Inc.	ONCE	61.44	7.3%	NM	79.50	40.16	1,508	1,274	4.2	(38.3)	(4.64)	(1.31)	NM	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	6.92	22.4%	(1.8%)	8.50	5.45	463	434	185.3	(14.8)	(0.71)	(1.09)	2.34x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	14.41	(6.9%)	NM	24.50	13.40	292	247	0.9	(36.3)	(4.15)	(2.27)	NM	NM	NM	NM	NM
Targacept, Inc.	TRGT	2.46	7.0%	(11.8%)	3.23	2.15	84	(15.4)	0.2	(17.0)	(0.97)	NM	NM	0.9x	NM	NM	NM
Theravance Inc.	THRX	15.32	(5.7%)	(29.4%)	23.84	10.58	1,790	2,300	25.8	(3.4)	(0.66)	(0.17)	NM	NM	NM	NM	NM
Tokai Pharmaceuticals, Inc.	TKAI	13.04	30.4%	NM	30.00	9.67	292	198	-	(31.8)	(3.60)	(2.01)	NA	NM	NM	NM	NM

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Biotechnology (cont.)</b>																	
TRACON Pharmaceuticals, Inc.	TCON	\$13.62	24.8%	NM	\$21.00	\$9.02	\$165	\$107	\$7.5	(\$10.3)	(\$4.40)	(\$1.74)	14.31x	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	120.93	114.3%	176.7%	137.05	38.01	4,573	4,230	–	(67.2)	(2.25)	(2.71)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	169.36	6.1%	86.2%	190.29	86.04	7,713	7,305	1,351.0	337.0	6.28	6.48	5.41x	21.7x	51.8x	26.1x	2.27x
Vanda Pharmaceuticals, Inc.	VNDA	12.24	33.8%	(16.7%)	15.51	8.34	518	371	79.9	(15.8)	0.55	(0.52)	4.64x	NM	9.5x	NM	NM
Vascular Biogenics Ltd.	VBLT	6.00	63.5%	NM	17.02	3.09	119	85	–	(14.6)	(3.09)	(0.80)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	18.10	6.0%	(11.3%)	24.00	14.13	530	299	–	(69.2)	(4.39)	(3.25)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	135.00	9.5%	51.8%	137.50	84.41	32,986	32,794	628.1	(532.6)	(3.14)	(1.31)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	16.22	(33.3%)	(29.2%)	29.67	12.59	389	318	–	(55.6)	(3.54)	(2.61)	NA	NM	NM	NM	NM
XBiotech, Inc.	XBIT	18.65	2.2%	NM	32.50	15.01	597	544	–	(24.8)	(0.90)	NM	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	37.97	22.0%	117.0%	55.36	16.01	1,021	795	–	(44.2)	(3.00)	(2.98)	NA	NM	NM	NM	NM
<b>Median</b>			<b>11.8%</b>	<b>42.2%</b>									<b>6.85x</b>	<b>13.9x</b>	<b>27.2x</b>	<b>28.4x</b>	<b>1.57x</b>
<b>Cardiology Devices</b>																	
ABIOMED, Inc.	ABMD	\$77.46	22.5%	202.6%	\$79.37	\$21.84	\$3,257	\$3,125	\$254.9	\$49.7	\$0.44	\$0.63	12.26x	NM	29.2x	NM	NM
AngioDynamics Inc.	ANGO	15.50	(7.1%)	6.2%	19.80	13.13	557	674	352.8	47.9	0.14	0.52	1.91x	14.1x	NM	29.7x	1.98x
Bellerophon Therapeutics LLC	BLPH	3.47	(61.4%)	NM	12.92	2.75	45	(18)	0.0	(57.8)	(7.56)	(5.00)	NA	0.3x	NM	NM	NM
Boston Scientific Corporation	BSX	17.34	(2.7%)	35.7%	18.62	11.10	23,247	27,456	7,272.0	1,746.0	(0.09)	0.90	3.78x	15.7x	NM	19.2x	1.88x
Cardiovascular Systems Inc.	CSII	29.84	(4.7%)	10.5%	41.28	23.15	946	853	181.5	(30.7)	(1.07)	(1.10)	4.70x	NM	NM	NM	NM
CareDx, Inc	CDNA	6.54	30.8%	(32.6%)	10.89	4.60	77	54	28.6	(0.8)	0.10	(0.78)	1.89x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	152.16	20.1%	68.6%	159.00	89.42	16,360	15,551	2,432.5	663.3	7.48	4.35	6.39x	23.4x	37.9x	35.0x	2.46x
Greatbatch, Inc.	GB	54.53	1.1%	10.1%	58.18	42.23	1,391	1,502	677.6	121.5	2.14	2.64	2.22x	12.4x	31.4x	20.6x	1.88x
Heartware International Inc.	HTWR	90.71	19.8%	7.7%	95.59	69.05	1,565	1,501	285.4	(6.2)	(1.14)	(2.17)	5.26x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	14.24	57.2%	75.6%	14.60	6.48	250	230	74.3	13.3	0.23	0.33	3.10x	17.3x	43.6x	43.4x	3.62x
Lombard Medical, Inc.	EVAR	4.09	(11.1%)	(32.1%)	7.78	3.26	66	31	17.0	(34.4)	(2.39)	(2.19)	1.82x	NM	NM	NM	NM
Medtronic plc	MDT	78.39	5.3%	27.0%	79.50	59.83	110,858	127,625	20,126.0	6,264.0	3.11	4.32	6.34x	20.4x	32.5x	18.2x	2.27x
Neovasc Inc.	NVC	6.09	(24.5%)	0.3%	9.80	3.84	405	327	11.3	(21.4)	(0.31)	(0.28)	28.98x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.37	(10.5%)	146.5%	0.43	0.08	124	151	0.0	(18.3)	(0.15)	(0.08)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	73.82	5.4%	13.2%	80.84	54.80	20,679	23,510	5,566.0	1,693.0	3.46	3.97	4.22x	13.9x	20.6x	18.6x	1.77x
Stereotaxis Inc.	STXS	1.44	(24.2%)	(56.4%)	3.61	1.32	30	44	37.8	(3.4)	(0.26)	NM	1.17x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	3.11	(29.5%)	(37.6%)	6.90	2.41	57	26	0.3	(25.8)	(1.51)	(1.60)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	63.29	57.8%	94.7%	63.51	22.50	3,463	3,223	483.8	70.8	0.89	1.30	6.66x	45.5x	82.5x	48.7x	4.82x
TriVascular Technologies, Inc.	TRIV	6.36	(12.9%)	(53.7%)	16.62	5.08	130	119	34.7	(50.5)	(3.95)	(2.91)	3.43x	NM	NM	NM	NM
<b>Median</b>			<b>(2.7%)</b>	<b>10.3%</b>									<b>4.00x</b>	<b>15.7x</b>	<b>32.5x</b>	<b>25.2x</b>	<b>2.13x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Conglomerates</b>																	
3M Company	MMM	\$151.34	(3.2%)	7.4%	\$170.50	\$130.60	\$94,549	\$99,618	\$31,120.0	\$8,516.0	\$7.49	\$7.85	3.20x	11.7x	19.8x	19.3x	1.86x
Agilent Technologies Inc.	A	40.95	(1.0%)	(27.0%)	59.40	37.68	13,644	13,106	6,974.0	1,221.0	1.43	1.75	1.88x	10.7x	26.1x	23.3x	2.02x
Becton, Dickinson and Company	BDX	152.15	8.0%	30.9%	152.88	112.15	31,858	43,728	9,410.0	1,982.0	5.82	7.51	4.65x	22.1x	27.9x	20.3x	1.76x
Johnson & Johnson	JNJ	100.21	1.0%	0.1%	109.49	95.10	277,492	262,845	71,882.0	23,498.0	5.70	6.18	3.66x	11.2x	17.7x	16.2x	2.89x
Kimberly-Clark Corporation	KMB	114.97	4.8%	10.7%	119.01	103.50	41,881	49,177	19,218.0	4,375.0	3.91	5.77	2.56x	11.2x	65.0x	19.9x	3.01x
<b>Median</b>			<b>1.0%</b>	<b>7.4%</b>									<b>3.20x</b>	<b>11.2x</b>	<b>26.1x</b>	<b>19.9x</b>	<b>2.02x</b>
<b>Dental Devices</b>																	
COLTENE Holding AG	CLTN	\$72.27	(17.5%)	20.1%	\$87.93	\$52.03	\$305	\$308	\$163.5	\$27.7	\$3.73	\$4.03	1.88x	11.1x	18.7x	17.9x	1.49x
DENTSPLY International Inc.	XRAY	56.91	11.6%	22.6%	57.14	43.83	7,956	8,907	2,781.6	572.7	2.24	2.59	3.20x	15.6x	30.4x	22.0x	2.25x
Orthofix International N.V.	OFIX	33.36	3.2%	0.9%	38.94	26.96	626	596	392.0	18.8	(0.20)	0.60	1.52x	31.7x	NM	55.6x	2.80x
Osstem Implant Co., Ltd.	A048260	51.62	18.3%	54.5%	61.27	23.74	737	735	220.5	31.0	1.01	1.43	3.33x	23.7x	53.8x	36.1x	NM
Sirona Dental Systems Inc.	SIRO	103.78	11.9%	29.4%	105.37	74.38	5,765	5,446	1,140.0	267.2	3.16	4.10	4.78x	20.4x	33.1x	25.3x	1.87x
Straumann Holding AG	STMN	297.63	5.0%	25.9%	299.71	199.80	4,661	4,388	715.0	172.6	10.10	9.41	6.14x	25.4x	28.5x	31.6x	2.77x
Tornier N.V.	TRNX	24.89	(3.8%)	20.1%	28.53	19.28	1,220	1,278	340.4	27.6	(0.60)	(0.43)	3.75x	46.3x	NM	NM	NM
<b>Median</b>			<b>5.0%</b>	<b>22.6%</b>									<b>3.33x</b>	<b>23.7x</b>	<b>30.4x</b>	<b>28.5x</b>	<b>2.25x</b>
<b>Orthopedics Devices</b>																	
ConforMIS, Inc.	CFMS	\$23.08	NM	NM	\$26.00	\$17.69	\$902	\$890	\$51.3	(\$44.7)	(\$10.78)	(\$2.24)	17.35x	NM	NM	NM	NM
Exactech Inc.	EXAC	19.98	(8.6%)	(12.1%)	26.20	19.30	279	286	244.1	44.1	1.18	1.18	1.17x	6.5x	17.7x	16.9x	1.45x
NuVasive, Inc.	NUVA	55.01	23.0%	47.2%	55.66	33.33	2,692	2,790	789.5	150.1	(0.36)	1.19	3.53x	18.6x	57.5x	46.2x	3.29x
Stryker Corporation	SYK	102.27	10.9%	28.2%	103.99	77.87	38,511	37,700	9,818.0	2,623.0	1.34	5.11	3.84x	14.4x	41.9x	20.0x	2.38x
Wright Medical Group Inc.	WMGI	25.84	1.9%	(16.2%)	32.65	23.56	1,315	1,447	309.5	(55.9)	(4.83)	(1.74)	4.68x	NM	NM	NM	NM
Zimmer Biomet Holdings, Inc.	ZMH	104.07	(5.3%)	4.0%	121.84	94.73	21,137	31,303	4,630.9	1,812.0	4.19	6.76	6.76x	17.3x	52.8x	15.4x	1.43x
<b>Median</b>			<b>1.9%</b>	<b>4.0%</b>									<b>4.26x</b>	<b>15.8x</b>	<b>47.4x</b>	<b>18.5x</b>	<b>1.92x</b>
<b>Diagnostic Imaging Devices</b>																	
Analogic Corporation	ALOG	\$80.55	(4.7%)	12.0%	\$92.31	\$63.28	\$1,002	\$882	\$527.8	\$64.0	\$2.56	\$4.21	1.67x	13.8x	30.2x	19.1x	1.42x
Digirad Corporation	DRAD	4.37	3.8%	32.4%	5.48	3.11	84	63	56.5	5.4	0.13	0.20	1.12x	11.8x	24.4x	21.9x	NM
Fonar Corp.	DRAD	9.71	(14.2%)	(5.5%)	14.44	9.32	64	79	81.6	15.6	1.70	NM	0.97x	5.1x	5.6x	NM	NM
Hologic Inc.	HOLX	41.66	23.5%	59.8%	42.35	22.70	11,740	14,796	2,640.9	964.0	0.18	1.70	5.60x	15.3x	89.5x	24.5x	2.55x
<b>Median</b>			<b>(0.4%)</b>	<b>22.2%</b>									<b>1.40x</b>	<b>12.8x</b>	<b>27.3x</b>	<b>21.9x</b>	<b>1.98x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Mobility Devices</b>																	
Hill-Rom Holdings, Inc.	HRC	\$56.03	12.2%	42.2%	\$57.95	\$38.85	\$3,175	\$3,639	\$1,817.2	\$272.1	\$1.03	\$2.62	2.00x	13.4x	36.6x	21.4x	1.85x
Invacare Corporation	IVC	17.05	(15.0%)	13.9%	23.59	11.65	552	577	1,214.0	1.6	(2.15)	(0.67)	0.48x	NM	NM	NM	NM
Prism Medical Ltd.	PM	9.26	(1.6%)	29.5%	10.83	5.61	46	53	40.2	3.3	2.55	0.40	1.31x	16.2x	49.4x	23.2x	NM
ReWalk Robotics Ltd.	RWLK	10.52	(4.1%)	NM	43.71	8.76	126	89	4.3	(23.9)	(6.34)	(1.64)	20.95x	NM	NM	NM	NM
<b>Median</b>			<b>(2.9%)</b>	<b>29.5%</b>									<b>1.66x</b>	<b>14.8x</b>	<b>43.0x</b>	<b>22.3x</b>	<b>1.85x</b>
<b>Infection Prevention Devices</b>																	
Canter Medical Corp.	CMN	\$54.88	22.5%	63.7%	\$56.23	\$33.36	\$2,280	\$2,347	\$540.9	\$104.2	\$1.03	\$1.46	4.34x	22.5x	50.8x	37.6x	2.09x
Steris Corp.	STE	69.13	4.0%	35.9%	71.39	49.78	4,137	4,594	1,869.6	348.7	2.21	3.22	2.46x	13.2x	30.7x	21.5x	1.84x
<b>Median</b>			<b>13.2%</b>	<b>49.8%</b>									<b>3.40x</b>	<b>17.8x</b>	<b>40.8x</b>	<b>29.5x</b>	<b>1.96x</b>
<b>Neural Implant Devices</b>																	
Cyberonics Inc.	CYBX	\$61.40	0.8%	3.2%	\$76.48	\$48.19	\$1,596	\$1,445	\$291.6	\$104.6	\$2.45	\$2.57	4.96x	13.8x	28.3x	23.9x	1.62x
Integra LifeSciences Holdings Corporation	IART	64.13	9.1%	35.2%	70.32	46.55	2,127	2,650	959.6	206.6	1.03	3.07	2.76x	12.8x	52.8x	20.9x	2.02x
<b>Median</b>			<b>5.0%</b>	<b>19.2%</b>									<b>3.86x</b>	<b>13.3x</b>	<b>40.6x</b>	<b>22.4x</b>	<b>1.82x</b>
<b>Ophthalmology Devices</b>																	
Glaukos Corporation	GKOS	\$31.79	NM	NM	\$33.44	\$27.04	\$965	\$973	\$52.0	(\$6.1)	(\$0.51)	(\$1.50)	18.72x	NM	NM	NM	NM
IRIDEX Corporation	IRIX	7.16	(27.2%)	(7.1%)	11.28	6.41	72	59	43.0	2.8	0.97	NM	1.37x	20.8x	7.6x	NM	NM
Lumenis Ltd.	LMNS	13.86	23.3%	56.1%	13.89	8.19	500	446	292.4	29.4	0.36	0.62	1.52x	15.1x	28.8x	22.2x	1.03x
Opt Sciences Corporation	OPST	17.52	(7.8%)	0.1%	20.50	15.71	14	1	7.6	1.9	1.62	NM	0.20x	0.8x	10.0x	NM	NM
Presbia PLC	LENS	7.03	(12.0%)	NM	9.38	0.00	94	59	0.2	(15.5)	(1.71)	(1.18)	NM	NM	NM	NM	NM
Second Sight Medical Products, Inc.	EYES	14.11	21.4%	NM	24.02	8.05	499	470	6.5	(20.4)	(1.41)	(0.54)	NM	NM	NM	NM	NM
The Cooper Companies Inc.	COO	177.00	(0.6%)	10.0%	190.00	143.62	8,600	9,936	1,780.3	529.3	5.29	7.78	5.58x	18.8x	36.1x	22.8x	1.46x
<b>Median</b>			<b>(4.2%)</b>	<b>5.1%</b>									<b>1.52x</b>	<b>17.0x</b>	<b>19.4x</b>	<b>22.5x</b>	<b>1.24x</b>
<b>Surgical Devices</b>																	
Alphatec Holdings, Inc.	ATEC	\$1.36	(4.2%)	(2.9%)	\$1.92	\$1.23	\$136	\$227	\$199.9	\$23.0	(\$0.16)	(\$0.06)	1.14x	9.9x	NM	NM	NM
Avinger, Inc.	AVGR	16.21	47.6%	NM	16.84	9.35	198	168	10.8	(30.3)	(132.63)	(3.72)	15.47x	NM	NM	NM	NM
Bovie Medical Corporation	BVX	2.31	(25.4%)	(41.1%)	4.57	2.10	55	43	27.3	(7.3)	(1.03)	(0.34)	1.58x	NM	13.9x	NM	NM
CONMED Corporation	CNMD	56.72	12.9%	45.4%	60.66	35.85	1,571	1,769	723.3	122.5	1.16	1.83	2.45x	14.4x	58.5x	31.0x	1.88x
Entellus Medical, Inc.	ENTL	22.50	(18.2%)	NM	28.81	19.00	421	363	52.1	(5.8)	(4.62)	(0.98)	6.95x	NM	NM	NM	NM
Intuitive Surgical, Inc.	ISRG	533.17	7.5%	16.5%	564.86	438.50	19,737	18,176	2,257.3	750.1	11.11	17.31	8.05x	24.2x	39.7x	30.8x	2.11x
Invuity, Inc.	IVTY	11.78	NM	NM	15.59	10.26	150	139	15.4	(22.8)	(31.63)	(2.91)	9.01x	NM	NM	NM	NM
<b>Median</b>			<b>1.6%</b>	<b>6.8%</b>									<b>6.95x</b>	<b>14.4x</b>	<b>39.7x</b>	<b>30.9x</b>	<b>1.99x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Diversified Medical Devices</b>																	
Abaxis, Inc.	ABAX	\$50.06	(21.8%)	5.6%	\$66.89	\$44.87	\$1,135	\$1,006	\$211.6	\$44.2	\$0.87	\$1.12	4.75x	22.8x	50.6x	44.7x	2.44x
AtriCure, Inc.	ATRC	27.79	26.3%	68.7%	28.10	13.19	793	739	117.9	(18.1)	(0.61)	(0.82)	6.27x	NM	NM	NM	NM
Baxter International Inc.	BAX	40.08	(41.7%)	(46.3%)	76.34	36.40	21,785	29,346	16,326.0	4,046.0	3.56	1.28	1.80x	7.3x	12.7x	31.3x	2.98x
Capnia, Inc.	CAPN	2.19	(65.3%)	NM	9.90	1.02	17	8	0.0	(6.9)	(10.42)	(0.76)	NM	NM	NM	NM	NM
CR Bard Inc.	BCR	196.65	18.1%	31.8%	201.73	141.49	14,591	14,888	3,376.7	1,047.6	3.76	8.07	4.41x	14.2x	43.4x	24.4x	2.49x
CryoLife Inc.	CRY	10.95	7.4%	11.2%	12.29	9.17	311	276	143.6	10.5	0.25	NM	1.92x	26.2x	96.3x	NM	NM
EndoChoice Holdings, Inc.	GI	16.20	NM	NM	19.69	0.00	408	415	67.9	(43.3)	(4.30)	(2.77)	6.11x	NM	NM	NM	NM
Hospira Inc.	HSP	89.45	2.5%	61.3%	89.68	46.56	15,469	16,399	4,635.6	916.2	1.95	3.44	3.54x	17.9x	37.4x	26.0x	NM
HTG Molecular Diagnostics, Inc.	HTGM	8.78	NM	NM	19.75	8.73	60	129	3.5	(13.6)	(175.03)	(2.99)	NM	NM	NM	NM	NM
IDEXX Laboratories, Inc.	IDXX	72.73	16.0%	16.9%	84.26	56.75	6,692	7,445	1,531.3	331.8	3.58	2.10	4.86x	22.4x	18.5x	34.6x	2.47x
InfuSystem Holdings, Inc.	INFU	3.14	2.3%	12.9%	4.50	2.43	70	101	61.1	16.5	0.15	NM	1.65x	6.1x	31.2x	NM	NM
Masimo Corporation	MASI	41.68	23.5%	73.1%	42.48	19.30	2,178	2,169	609.2	122.0	1.30	1.35	3.56x	17.8x	32.4x	30.8x	1.87x
Medovex Corp.	MDVX	3.20	(21.7%)	NM	5.80	3.11	35	30	0.0	(3.8)	(0.37)	NM	NA	NM	NM	NM	NM
Misonix, Inc.	MSON	9.25	(29.0%)	38.1%	14.90	6.01	71	62	21.0	(0.2)	0.36	NM	2.97x	NM	26.2x	NM	NM
Natera, Inc.	NTRA	18.09	NM	NM	24.36	17.61	876	824	179.4	7.4	(1.07)	(1.78)	4.59x	NM	NM	NM	NM
Natus Medical Inc.	BABY	45.16	19.8%	57.0%	46.98	27.00	1,462	1,389	365.2	70.4	1.00	1.51	3.80x	19.7x	40.4x	30.0x	1.62x
Nevro Corp.	NVRO	50.77	12.8%	NM	58.87	24.35	1,354	1,214	35.6	(33.3)	(6.94)	(3.08)	NM	NM	NM	NM	NM
OpGen, Inc.	OPGN	3.33	NM	NM	5.44	3.12	36	44	3.5	(6.4)	(1.20)	NM	12.45x	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	1.11	(46.1%)	(89.7%)	11.08	0.93	25	59	141.6	(15.8)	(3.26)	(1.48)	0.42x	NM	NM	NM	NM
ResMed Inc.	RMD	57.95	(9.4%)	12.0%	75.33	45.58	8,166	7,750	1,678.9	493.3	2.46	2.57	4.62x	15.7x	23.5x	22.5x	1.78x
Sientra, Inc.	SIEN	23.25	33.0%	NM	26.67	12.53	347	279	46.9	(6.6)	(2.28)	(1.22)	5.94x	NM	NM	NM	NM
SurModics, Inc.	SRDX	23.49	(6.9%)	23.7%	27.36	18.00	306	256	59.9	23.0	0.89	0.83	4.28x	11.2x	25.0x	28.3x	1.89x
Teleflex Incorporated	TFX	133.99	9.0%	24.4%	140.50	101.95	5,574	6,363	1,801.6	409.9	4.10	6.22	3.53x	15.5x	33.2x	21.5x	1.98x
Varian Medical Systems, Inc.	VAR	86.07	(3.1%)	4.8%	96.67	76.73	8,590	8,075	3,093.4	644.3	3.84	4.34	2.61x	12.5x	20.9x	19.8x	1.99x
<b>Median</b>			<b>2.4%</b>	<b>20.3%</b>									<b>4.04x</b>	<b>15.7x</b>	<b>31.8x</b>	<b>28.3x</b>	<b>1.99x</b>
<b>Life Science Conglomerates</b>																	
illumina Inc.	ILMN	\$219.30	19.0%	37.1%	\$242.37	\$145.12	\$31,733	\$31,526	\$2,071.0	\$742.0	\$2.37	\$3.46	15.22x	42.5x	66.9x	63.4x	3.01x
PerkinElmer Inc.	PKI	52.92	3.2%	14.5%	54.45	38.96	5,990	6,786	2,241.2	350.1	1.42	2.59	3.03x	19.4x	36.5x	20.5x	1.90x
Thermo Fisher Scientific, Inc.	TMO	139.53	11.0%	14.8%	141.25	14.00	55,601	68,858	16,853.9	4,025.7	4.71	7.38	4.09x	17.1x	28.5x	18.9x	1.57x
<b>Median</b>			<b>11.0%</b>	<b>14.8%</b>									<b>4.09x</b>	<b>19.4x</b>	<b>36.5x</b>	<b>20.5x</b>	<b>1.90x</b>
<b>Lab Instrumentation &amp; Devices</b>																	
Bruker Corporation	BRKR	\$21.05	11.0%	(7.4%)	\$23.13	\$17.26	\$3,547	\$3,415	\$1,677.3	\$203.9	\$0.33	\$0.75	2.04x	16.7x	65.8x	27.9x	2.05x
Great Basin Scientific, Inc.	GBSN	2.79	(34.0%)	NM	9.08	1.48	18	1	1.7	(12.3)	(17.32)	(15.69)	0.64x	NM	NM	NM	NM

Source: Capital IQ as of July 31, 2015; For definitions, see page 20

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Lab Instrumentation &amp; Devices (cont.)</b>																	
Harvard Bioscience Inc.	HBIO	\$4.89	(11.9%)	5.8%	\$6.84	\$4.07	\$164	\$156	\$110.4	\$6.7	\$0.07	\$0.22	1.41x	23.5x	NM	22.2x	NM
Waters Corporation	WAT	133.49	6.6%	29.1%	137.39	93.56	11,039	10,390	2,032.2	670.3	5.07	5.84	5.11x	15.5x	24.1x	22.8x	2.39x
<b>Median</b>			<b>(2.6%)</b>	<b>5.8%</b>									<b>1.73x</b>	<b>16.7x</b>	<b>44.9x</b>	<b>22.8x</b>	<b>2.22x</b>
<b>Lab Equipment</b>																	
Kewaunee Scientific Corp.	KEQU	\$16.62	5.2%	(7.8%)	\$19.00	\$15.30	\$44	\$50	\$118.8	\$7.8	\$1.47	NM	0.42x	6.4x	12.5x	NM	NM
Mettler-Toledo International Inc.	MTD	337.60	6.5%	31.3%	350.11	228.30	9,442	9,921	2,444.3	528.9	11.44	12.84	4.06x	18.8x	28.1x	26.3x	2.00x
<b>Median</b>			<b>5.8%</b>	<b>11.8%</b>									<b>2.24x</b>	<b>12.6x</b>	<b>20.3x</b>	<b>26.3x</b>	<b>2.00x</b>
<b>Life Science Consumables</b>																	
Affymetrix Inc.	AFFX	\$10.96	(9.6%)	27.4%	\$13.11	\$7.00	\$875	\$881	\$358.3	\$47.3	(\$0.05)	\$0.37	2.46x	18.6x	43.6x	29.2x	1.86x
Bio-Rad Laboratories, Inc.	BIO	150.74	12.1%	31.1%	152.38	102.71	4,388	4,114	2,138.5	314.4	3.05	3.45	1.92x	13.1x	44.0x	43.7x	4.37x
Cambrex Corporation.	CBM	49.25	28.0%	133.7%	51.75	15.76	1,545	1,543	394.9	105.6	1.84	1.99	3.91x	14.6x	24.3x	24.7x	1.40x
Lantheus Holdings, Inc.	LNTH	7.37	NM	NM	7.68	6.02	374	753	300.8	62.4	(0.20)	0.29	2.50x	12.1x	NM	27.0x	2.25x
Luminex Corporation	LMNX	17.23	11.0%	(5.3%)	21.69	15.05	743	648	231.4	49.6	0.93	0.59	2.80x	13.1x	17.8x	29.3x	1.40x
Bio-Techne Corp.	TECH	109.38	14.0%	17.2%	111.55	86.01	4,064	4,059	452.2	184.0	3.12	3.52	8.97x	22.1x	37.5x	31.1x	2.49x
VWR Corporation	VWR	26.79	0.9%	NM	28.83	20.60	3,519	5,484	4,348.3	452.6	2.49	1.46	1.26x	12.1x	11.6x	18.3x	1.56x
<b>Median</b>			<b>11.6%</b>	<b>27.4%</b>									<b>2.50x</b>	<b>13.1x</b>	<b>30.9x</b>	<b>29.2x</b>	<b>1.86x</b>
<b>Large-Cap Pharmaceuticals</b>																	
AbbVie Inc.	ABBV	\$70.01	8.3%	33.8%	\$71.60	\$51.37	\$111,531	\$118,939	\$20,986.0	\$7,423.0	\$1.10	\$4.26	5.67x	16.0x	54.4x	16.5x	1.14x
Bristol-Myers Squibb Company	BMJ	65.64	3.0%	29.7%	70.54	47.55	109,455	111,517	16,383.0	4,634.0	1.20	1.82	6.81x	24.1x	61.3x	36.0x	2.17x
Eli Lilly and Company	LLY	84.51	17.6%	38.4%	90.18	60.14	89,634	93,439	19,620.3	4,960.2	2.23	3.26	4.76x	18.8x	43.8x	26.0x	1.94x
Merck & Co. Inc.	MRK	58.96	(1.0%)	3.9%	63.62	52.49	166,575	181,374	40,249.0	14,547.0	4.07	3.48	4.51x	12.5x	17.2x	16.9x	2.17x
Pfizer Inc.	PFE	36.06	6.3%	25.6%	36.46	27.51	222,046	230,645	48,196.0	19,683.0	1.41	2.07	4.79x	11.7x	25.5x	17.5x	2.38x
Valeant Pharmaceuticals International, Inc.	VRX	257.66	19.3%	119.3%	262.04	89.14	88,323	117,106	9,253.5	4,373.6	2.67	11.62	12.66x	26.8x	NM	22.2x	1.02x
<b>Median</b>			<b>7.3%</b>	<b>31.7%</b>									<b>5.23x</b>	<b>17.4x</b>	<b>43.8x</b>	<b>19.8x</b>	<b>2.06x</b>
<b>Pharmaceuticals</b>																	
Adaptimmune Therapeutics plc	ADAP	\$15.05	NM	NM	\$21.57	\$13.75	\$1,065	\$939	\$4.4	(\$15.3)	(\$1.67)	(\$0.41)	NM	NM	NM	NM	NM
Akorn, Inc.	AKRX	46.11	10.7%	35.9%	57.10	31.85	5,277	6,323	593.1	208.3	0.34	1.96	10.66x	30.4x	NM	23.5x	1.30x
Amphastar Pharmaceuticals, Inc.	AMPH	16.26	12.4%	83.1%	18.30	8.32	727	707	221.5	(8.7)	(0.26)	(0.38)	3.19x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	17.62	36.5%	52.8%	20.63	9.20	615	543	0.7	(41.3)	(1.30)	(1.64)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	5.07	3.5%	NM	7.58	3.30	174	123	0.0	(24.1)	(0.66)	(1.01)	NA	NM	NM	NM	NM
Axovant Sciences Ltd.	AXON	14.01	NM	NM	28.00	13.82	1,389	0	0.0	0.0	NM	(0.37)	NA	NA	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	8.15	1.1%	(36.1%)	18.48	7.17	427	374	31.3	(46.1)	(1.12)	(0.23)	11.95x	NM	NM	NM	NM
BioSynt Inc.	RX	5.34	(22.1%)	(26.6%)	9.85	5.09	74	69	10.3	3.9	0.19	0.22	6.71x	17.9x	27.8x	24.8x	NM
Blueprint Medicines Corporation	BPNC	27.02	43.2%	NM	37.17	18.00	733	806	0.7	(43.4)	(3.07)	(2.06)	NM	NM	NM	NM	NM

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Pharmaceuticals (cont.)</b>																	
Carbylan Therapeutics, Inc.	CBYL	\$6.91	37.1%	NM	\$9.22	\$4.68	\$181	\$228	\$0.0	(\$14.6)	(\$1.46)	(\$1.16)	NM	NM	NM	NM	NM
Catabasis Pharmaceuticals, Inc.	CATB	13.00	NM	NM	16.96	11.51	189	174	0.0	(23.3)	(51.56)	(2.83)	NA	NM	NM	NM	NM
Catalent, Inc.	CTLT	34.08	18.5%	70.5%	34.14	19.34	4,236	6,006	1,840.3	433.5	0.64	1.70	3.26x	13.9x	43.5x	20.0x	2.21x
Chiasma, Inc.	CHMA	23.57	NM	NM	24.86	19.00	542	471	8.6	(8.4)	(66.21)	NM	NM	NM	NM	NM	NM
Cidara Therapeutics, Inc.	CDTX	13.98	(4.4%)	NM	17.21	13.00	189	205	0.0	0.0	(3.88)	(4.44)	NA	NA	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	8.17	(21.1%)	(1.8%)	15.00	6.77	212	175	26.5	16.8	0.68	0.29	6.61x	10.5x	14.0x	28.3x	NM
Collegium Pharmaceutical, Inc.	COLL	20.03	NM	NM	20.62	0.00	414	496	0.0	(17.4)	(2.84)	(1.51)	NA	NM	NM	NM	NM
CoLucid Pharmaceuticals, Inc.	CLCD	8.15	NM	NM	9.46	7.56	123	180	0.0	(4.6)	(0.31)	(1.13)	NA	NM	NM	NM	NM
Cumberland Pharmaceuticals, Inc.	CPIX	6.23	(5.0%)	34.3%	7.78	4.45	105	52	36.7	4.9	0.14	NM	1.42x	10.5x	50.4x	NM	NM
Dermira, Inc.	DERM	22.58	53.1%	NM	25.24	12.68	558	438	7.3	(37.4)	(4.96)	(3.26)	NM	NM	NM	NM	NM
DURECT Corporation	DRRX	2.35	19.3%	58.8%	3.42	0.68	281	272	17.7	(20.8)	(0.20)	(0.24)	15.32x	NM	NM	NM	NM
Endo International plc	ENDP	87.54	4.1%	30.5%	96.58	57.14	18,226	23,395	3,120.5	742.8	(4.95)	4.53	7.50x	31.5x	NM	19.3x	1.54x
Flex Pharma, Inc.	FLKS	15.59	(6.8%)	NM	24.82	12.55	280	169	0.0	(20.4)	(5.48)	(1.70)	NA	NM	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	10.64	7.3%	NM	14.00	4.75	320	279	4.5	(5.1)	(0.79)	(0.75)	NM	NM	NM	NM	NM
Heska Corporation	HSKA	33.75	20.1%	157.6%	34.55	11.89	219	230	92.9	9.1	0.41	0.53	2.48x	25.4x	71.7x	63.7x	2.54x
Impax Laboratories Inc.	IPXL	48.46	7.1%	107.2%	52.10	22.12	3,475	3,729	620.4	123.5	0.81	1.40	6.01x	30.2x	76.3x	34.6x	1.42x
Inotek Pharmaceuticals Corporation	ITEK	12.99	114.4%	NM	19.45	4.68	212	168	0.0	0.0	(13.52)	(1.44)	NA	NA	NM	NM	NM
Jaguar Animal Health, Inc.	JAGX	3.56	NM	NM	7.06	3.18	29	38	0.1	0.0	(2.02)	NM	NM	NA	NM	NM	NM
KemPharm, Inc.	KMPH	16.82	52.4%	NM	20.08	10.90	239	290	0.0	(17.9)	(3.13)	(2.08)	NA	NM	NM	NM	NM
Kite Pharma, Inc.	KITE	72.77	44.4%	209.7%	89.21	21.01	3,133	2,705	2.9	(48.5)	(1.91)	(1.01)	NM	NM	NM	NM	NM
Lannett Company, Inc.	LCI	59.60	3.7%	77.3%	72.44	33.56	2,160	1,936	388.2	221.0	3.42	3.76	4.99x	8.8x	15.8x	15.8x	0.91x
Marinus Pharmaceuticals, Inc.	MRNS	16.49	85.7%	NM	17.60	5.49	235	196	0.0	(18.1)	(2.17)	(2.00)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	7.01	18.8%	(19.4%)	9.15	4.60	151	91	0.4	(20.8)	(0.95)	(1.12)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	2.51	14.5%	2.8%	2.69	0.99	254	302	28.8	17.6	(0.09)	0.09	10.47x	17.1x	NM	28.3x	NM
Mylan N.V.	MYL	55.99	(22.5%)	13.4%	76.69	44.80	27,437	35,766	8,410.1	2,132.5	2.34	4.13	4.25x	16.8x	26.3x	13.6x	1.06x
Neos Therapeutics, Inc.	NEOS	20.01	NM	NM	21.86	18.75	290	399	0.9	(18.7)	(27.56)	NM	NM	NM	NM	NM	NM
NeuroDerm Ltd.	NDRM	18.99	62.9%	NM	20.26	5.67	397	359	0.0	(15.2)	(12.97)	(1.28)	NA	NM	NM	NM	NM
Nivalis Therapeutics, Inc.	NVLS	16.97	NM	NM	19.60	14.07	248	267	0.0	(16.3)	(20.27)	(1.84)	NA	NM	NM	NM	NM
ProNAi Therapeutics, Inc.	DNAI	27.40	NM	NM	33.75	25.16	790	756	0.0	(27.0)	(69.08)	NM	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	78.32	118.5%	778.0%	84.64	8.08	3,285	3,075	0.0	(72.3)	(4.04)	(2.11)	NA	NM	NM	NM	NM
Revance Therapeutics, Inc.	RVNC	31.03	57.7%	1.1%	35.72	14.02	743	590	0.3	(53.6)	(3.24)	(3.37)	NM	NM	NM	NM	NM
Ritter Pharmaceuticals, Inc.	RTTR	3.67	NM	NM	5.50	3.02	29	43	0.0	(3.4)	(6.79)	NM	NA	NM	NM	NM	NM
Seres Therapeutics, Inc.	MCRB	37.85	NM	NM	51.40	28.11	1,432	1,330	0.0	(31.0)	(2.67)	(1.41)	NA	NM	NM	NM	NM

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Pharmaceuticals (cont.)</b>																	
SciClone Pharmaceuticals, Inc.	SCLN	\$9.11	11.5%	89.0%	\$11.71	\$4.74	\$452	\$356	\$141.8	\$31.7	\$0.48	\$0.58	2.51x	11.2x	16.0x	15.7x	NM
SteadyMed Ltd.	STDY	5.55	(42.7%)	NM	11.14	4.63	75	27	0.0	(18.2)	(2.82)	(2.32)	NA	NM	NM	NM	NM
The Medicines Company	MDCO	31.39	22.6%	34.3%	34.70	19.92	2,079	2,034	580.4	(83.2)	(0.50)	(1.88)	3.50x	NM	NM	NM	NM
Tobira Therapeutics, Inc.	TBRA	14.36	NM	NM	24.31	10.70	250	357	0.0	(25.2)	(85.41)	(1.68)	NA	NM	NM	NM	NM
Viking Therapeutics, Inc.	VKTX	6.09	(30.8%)	NM	10.23	5.72	60	61	0.0	0.0	(5.08)	(1.49)	NA	NA	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	10.11	(24.2%)	NM	23.35	5.41	221	149	6.7	(28.0)	(3.61)	(1.66)	22.45x	NM	NM	NM	NM
vTv Therapeutics Inc.	VTVT	10.00	NM	NM	14.00	9.20	78	613	1.6	(28.3)	(7.01)	NM	NM	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	10.89	(17.8%)	NM	23.50	8.59	155	80	27.4	9.6	3.28	(1.08)	2.91x	8.3x	8.9x	NM	NM
Zoetis Inc.	ZTS	48.98	10.3%	48.8%	55.38	31.67	24,458	27,571	4,807.0	1,388.0	1.16	1.66	5.74x	19.9x	41.5x	29.5x	2.23x
Zosano Pharma Corporation	ZSAN	7.81	(15.7%)	NM	12.40	7.01	93	52	1.5	(11.3)	(2.78)	(2.13)	NM	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	59.73	56.9%	113.2%	64.99	25.51	1,493	1,244	0.0	(71.4)	(5.47)	(3.78)	NA	NM	NM	NM	NM
<b>Median</b>			<b>11.5%</b>	<b>48.8%</b>									<b>5.74x</b>	<b>17.0x</b>	<b>27.8x</b>	<b>24.2x</b>	<b>1.48x</b>

**Definitions**

**PEG Ratio:** Price Earnings to Growth

**EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization

**EPS:** Earnings Per Share

**Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments

**LTM:** Last Twelve Months

Source: Capital IQ as of July 31, 2015

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