

# Healthcare Sector Update

December 2015

## SPOTLIGHT SECTOR SUMMARY

The S&P 500 rose 4.6% over the last three months although the S&P Healthcare Services Index and Pharmaceuticals, Biotechnology & Life Sciences Index lagged rising only 2.6% and 0.2%, respectively. Within Pharmaceuticals, Biotechnology & Life Sciences, the Diagnostic Imaging Devices sector significantly outperformed over the period rising 26%. The sector benefited from the CMS decision to cover new methods of mammography such as 3D which are reported to be significantly more accurate than current methods. As hospitals add 3D scanning systems to attract patients seeking a more reliable diagnosis, the backlog and installed base for this sector is likely to grow.

The Diagnostic Imaging Devices sector is also benefiting from increases in capital expenditures by hospitals needing to accommodate higher patient volumes driven by greater insurance coverage from the Affordable Care Act. The U.S. Census Bureau cited uninsured



Americans fell to 33 million in 2014 from 42 million in 2013. Higher capital expenditures drive increases in Diagnostic Imaging Devices company backlogs, as greater patient volumes increase instrument usage and maintenance requirements.

The Diagnostic Imaging Devices sector does face challenges. The U.S. Preventive Services Task Force re-affirmed its recommendation for mammography screening every two years instead of annually for women age 50 to 74. Should this change the frequency of screens, the industry would likely suffer from reductions in scan volumes. Patient deductibles and coinsurance are rising, which also puts pressure on patient volumes and demand for imaging devices.

Hospital consolidation may create pricing pressure that could reduce margins in the sector and lead some Diagnostic Imaging Devices companies to explore M&A activity or pursue aggressive cost cutting programs.

## By the Numbers: **Healthcare Services**

The S&P Healthcare Services Index has increased 2.6% over the last three months, performing worse than the S&P 500, which increased 4.6% over the same period.

### Over the past three months:

- The best performing sectors were Specialty Managed Care (up 19.0%), Assisted / Independent Living (up 6.2%), and Home Care / Hospice (up 4.7%)
- The worst performing sectors were Acute Care Hospitals (down 23.4%), Skilled Nursing (down 16.8%) and Diagnostic Imaging (down 12.7%)

The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.51x and 12.4x, respectively.

### The sectors with the highest valuation multiples include:

- Healthcare REITs (12.0x LTM Revenue, 17.9x LTM EBITDA)
- Psychiatric Hospitals (0.3x LTM Revenue, 20.3x LTM EBITDA)
- HCIT (3.6x LTM Revenue, 17.7x LTM EBITDA)
- Emergency Services (2.7x LTM Revenue, 18.1x LTM EBITDA)

## By the Numbers: **Pharmaceutical, Medical Devices and Life Sciences**

The S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences Index has declined 0.2% over the last three months, performing worse than the S&P 500, which has increased 4.6% over the same period.

### Over the past three months:

- The best performing sectors were Diagnostic Imaging Devices (up 31.0%) and Infection Prevention Devices (up 29.9%).
- The worst performing sectors were Surgical Devices (down 18.3%), Ophthalmology Devices (down 11.2%) and Cardiology Devices (down 11.1%).

The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.5x and 14.8x, respectively.

### The sectors with the highest valuation multiples include:

- Biotechnology (6.1x LTM Revenue, 11.8x LTM EBITDA)
- Infection Prevention Devices (4.9x LTM Revenue, 24.9x LTM EBITDA)
- Pharmaceuticals (5.9x LTM Revenue, 17.6x LTM EBITDA)
- Dental Devices (3.5x LTM Revenue, 20.2x LTM EBITDA)

**#1** Announced Fairness Opinions in  
the U.S. Over the Past Five Years

**#3** U.S. Middle-Market M&A Advisor Over  
the Past Three Years

**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.

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## Healthcare Services Sector Update

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	\$49,557	(23.4%)	(2.3%)	1.08x	7.9x	16.1x	16.2x	1.7x
Assisted / Independent Living	3	5,001	6.2%	(18.4%)	2.49x	13.1x	NM	NM	NM
Care Management / TPA	7	9,688	(8.6%)	(18.8%)	1.49x	12.4x	28.8x	18.5x	1.4x
Clinical Laboratories	5	28,482	(0.8%)	1.7%	2.35x	13.2x	25.1x	15.4x	1.5x
Consumer Directed Health & Wellness	9	21,428	(8.2%)	10.9%	3.38x	18.0x	36.3x	24.1x	1.4x
Contract Research Orgs	7	25,912	0.5%	22.4%	2.72x	14.3x	24.1x	21.5x	1.4x
Diagnostic Imaging	3	391	(12.7%)	(26.7%)	1.51x	6.0x	18.6x	NM	NM
Dialysis Services	2	40,547	1.7%	3.7%	1.89x	10.5x	29.1x	21.4x	1.8x
Distribution / Supply	7	113,249	4.1%	8.3%	0.29x	12.4x	21.9x	19.4x	1.4x
Emergency Services	2	2,574	(12.2%)	47.9%	2.68x	18.1x	15.8x	31.1x	0.9x
HCIT	18	47,062	2.0%	0.8%	3.60x	17.7x	35.5x	32.8x	2.1x
Healthcare REITs	18	87,078	(0.6%)	(12.4%)	12.01x	17.9x	20.3x	23.3x	4.6x
Healthcare Staffing	4	11,139	(10.4%)	33.8%	1.30x	13.3x	34.4x	21.3x	1.4x
Home Care / Hospice	6	6,224	4.7%	46.9%	1.07x	11.9x	22.9x	23.8x	1.8x
Skilled Nursing	6	4,233	(16.8%)	(13.0%)	1.04x	10.1x	22.5x	14.8x	1.0x
Managed Care – Commercial	7	242,556	(3.9%)	17.8%	0.64x	9.8x	17.2x	17.2x	1.3x
Managed Care – Government	3	13,901	(9.7%)	16.9%	0.25x	7.7x	21.8x	22.5x	0.8x
Other Services	4	13,072	(2.1%)	8.1%	2.87x	17.6x	39.9x	39.3x	2.4x
Pharmacy Management	4	60,058	(5.1%)	(1.8%)	0.69x	10.5x	30.4x	20.8x	1.3x
Physician Practice Mgmt	2	6,735	(6.2%)	(4.7%)	1.75x	10.6x	20.4x	17.5x	1.2x
Psychiatric Hospitals	3	6,811	(7.5%)	(14.0%)	0.32x	20.3x	43.0x	27.1x	1.3x
Specialty Managed Care	2	6,297	19.0%	20.4%	0.35x	10.4x	29.3x	16.2x	2.7x
Surgicenters / Rehabilitation	9	13,497	(3.0%)	4.1%	2.25x	11.0x	15.8x	18.2x	1.5x
Total / Median (\$MM)	136	\$815,492	(3.9%)	3.7%	1.51x	12.4x	23.5x	21.3x	1.4x

Source: Capital IQ

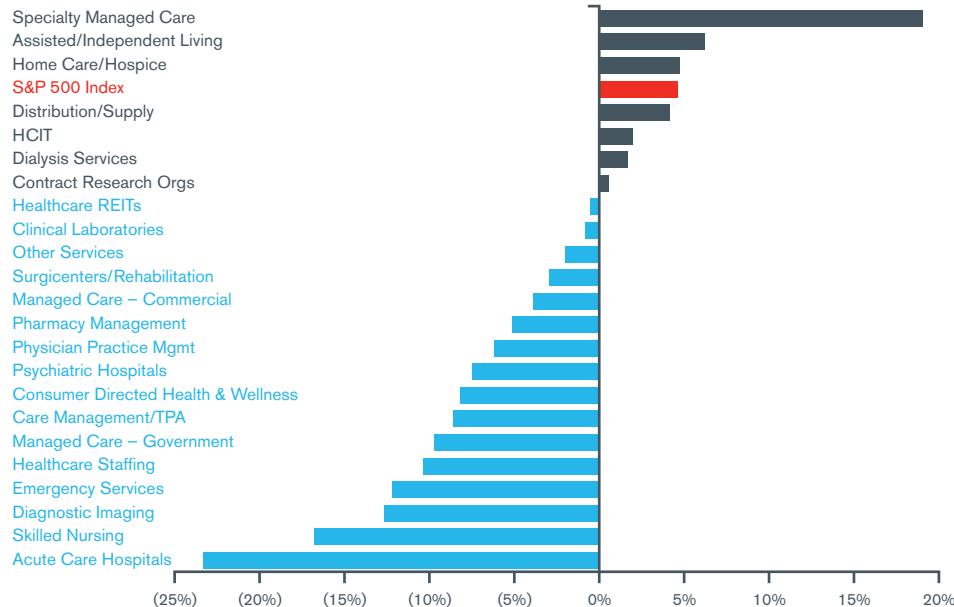
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance				
					3 mo	YTD	12 mo	36 mo	
> \$5 billion	31	\$657,234	22.8%	80.6%	(4.6%)	3.3%	5.6%	83.8%	
\$1 billion – \$5 billion	54	136,738	39.7%	16.8%	(1.8%)	7.6%	11.8%	75.8%	
\$250 million – \$1 billion	31	19,675	22.8%	2.4%	0.1%	1.6%	7.2%	90.8%	
\$100 million – \$250 million	7	1,271	5.1%	0.2%	(2.4%)	(9.0%)	(9.8%)	44.0%	
< \$100 million	13	574	9.6%	0.1%	(24.4%)	(39.1%)	(38.5%)	(22.3%)	
Total / Median (\$MM)	136	\$815,492	100.0%	100.0%	(2.4%)	1.6%	5.6%	75.8%	

Source: Capital IQ

MARKET INDICES		Value at 11/30/15	% Change				
			3 mo	YTD	12 mo	36 mo	
Dow Jones Industrial Average		17,720	6.5%	(0.6%)	(0.6%)	36.0%	
S&P 500 Index		2,080.4	4.6%	1.0%	0.6%	46.9%	
NASDAQ Composite Index		5,108.7	5.8%	7.9%	6.6%	69.7%	
Russell 2000 Index		1,198.1	3.0%	(0.5%)	2.1%	45.8%	
AMEX Sector Index – Healthcare		94.5	4.4%	(5.8%)	(5.8%)	15.7%	
S&P Healthcare Facilities (Sub Ind) Index		363.0	(20.4%)	(13.9%)	(6.9%)	94.2%	
S&P Healthcare Providers & Services (Industry) Index		607.8	(12.6%)	0.6%	4.7%	102.2%	
S&P Managed Healthcare (Sub Ind) Index		405.3	(8.8%)	10.6%	17.7%	125.5%	
<b>S&amp;P Healthcare Services</b>		<b>494.2</b>	<b>2.6%</b>	<b>20.3%</b>	<b>27.8%</b>	<b>79.0%</b>	

Source: Capital IQ

## Median % Change – 3 months



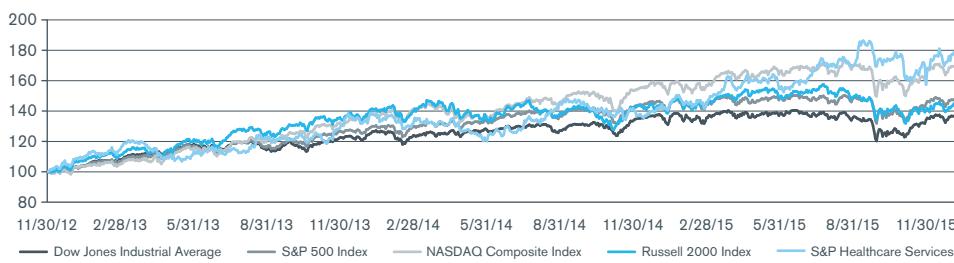
Source: Capital IQ

## INTEREST RATES

	Value at 11/30/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.66%	0.55%	0.53%	0.33%
U.S. Treasury – 2 years	0.94%	0.75%	0.72%	0.47%
U.S. Treasury – 5 years	1.66%	1.52%	1.53%	1.50%
U.S. Treasury – 10 years	2.22%	2.15%	2.19%	2.19%
U.S. Treasury – 30 years	2.99%	2.94%	2.91%	2.91%
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

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	\$28.94	(47.4%)	(38.5%)	\$65.00	\$25.36	\$3,420	\$20,827	\$19,557.0	\$2,806.0	\$1.32	\$3.49	1.06x	7.4x	8.4x	8.3x	0.73x
HCA Holdings, Inc.	HCA	68.06	(23.4%)	(2.3%)	95.49	43.91	27,746	58,494	39,065.0	7,691.0	4.16	5.22	1.50x	7.6x	14.2x	13.0x	1.23x
LifePoint Health, Inc.	LPNT	71.61	(10.6%)	3.5%	88.18	58.61	3,117	5,154	5,106.5	649.9	2.69	4.02	1.01x	7.9x	21.9x	17.8x	2.28x
Tenet Healthcare Corp.	THC	33.19	(34.0%)	(30.9%)	60.93	26.62	3,308	19,510	18,085.0	2,270.0	0.34	2.05	1.08x	8.6x	NM	16.2x	1.94x
Universal Health Services Inc.	UHS	121.52	(13.4%)	16.2%	148.57	101.20	11,966	15,336	8,764.7	1,653.7	5.42	6.87	1.75x	9.3x	18.1x	17.7x	1.72x
Median			(23.4%)	(2.3%)									1.08x	7.9x	16.1x	16.2x	1.72x
<b>Assisted / Independent Living</b>																	
Brookdale Senior Living Inc.	BKD	\$22.48	(18.9%)	(36.5%)	\$39.89	\$20.27	\$4,148	\$10,563	\$4,239.8	\$809.3	(\$1.01)	(\$1.27)	2.49x	13.1x	NM	NM	NM
Capital Senior Living Corp.	CSU	22.92	8.5%	(9.9%)	27.75	19.20	677	1,394	404.1	71.4	(0.83)	0.05	3.45x	19.5x	NM	NM	NM
Five Star Quality Care Inc.	FVE	3.59	6.2%	(18.4%)	5.07	2.74	176	221	1,117.8	19.5	(1.65)	(0.04)	0.20x	11.3x	NM	NM	NM
Median			6.2%	(18.4%)									2.49x	13.1x	NM	NM	NM
<b>Care Management / TPA</b>																	
Alere Inc.	ALR	\$41.27	(21.8%)	3.5%	\$55.99	\$35.81	\$3,560	\$7,293	\$2,496.4	\$552.0	(\$2.38)	\$2.23	2.92x	13.2x	NM	18.5x	1.01x
Care.com, Inc.	CRCM	6.90	17.5%	(18.8%)	8.50	4.89	222	162	143.2	(19.7)	(2.77)	(0.57)	1.13x	NM	NM	NM	NM
CorVel Corporation	CRVL	38.75	25.4%	11.8%	39.87	29.27	763	738	495.9	63.2	1.49	NM	1.49x	11.7x	28.8x	NM	NM
Crawford & Company	CRD.B	5.98	(8.8%)	(33.3%)	11.00	4.86	316	529	1,171.0	83.1	0.55	0.38	0.45x	6.4x	35.1x	15.9x	1.59x
ExamWorks Group, Inc.	EXAM	26.42	(26.7%)	(32.9%)	44.33	21.98	1,109	1,520	813.2	111.7	0.25	0.08	1.87x	13.6x	NM	NM	NM
Hooper Holmes Inc.	HH	0.13	(7.5%)	(76.5%)	0.63	0.11	10	14	29.3	(6.1)	(0.08)	NM	0.47x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	56.75	(8.6%)	8.3%	70.00	47.95	3,708	3,847	2,099.8	310.9	2.25	2.24	1.83x	12.4x	24.1x	25.4x	1.42x
Median			(8.6%)	(18.8%)									1.49x	12.4x	28.8x	18.5x	1.42x

Source: Capital IQ as of November 30, 2015; For definitions, see page 12

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Clinical Laboratories</b>																	
Invitae Corporation	NVTA	\$7.69	(29.3%)	NM	\$22.35	\$6.46	\$246	\$107	\$6.1	(\$76.0)	(\$56.14)	(\$3.11)	17.51x	NM	NM	NM	
Laboratory Corp. of America Holdings	LH	121.54	1.6%	16.2%	131.19	99.89	12,300	18,284	7,773.6	1,567.3	5.91	7.89	2.35x	11.7x	26.5x	15.4x	1.33x
Psychomedics Corp.	PMD	11.60	4.5%	(23.1%)	17.83	9.50	63	67	27.6	3.5	0.60	NM	2.44x	19.5x	31.2x	NM	NM
Quest Diagnostics Inc.	DGX	68.32	(0.8%)	4.6%	89.00	60.07	9,794	13,503	7,527.0	1,489.0	3.78	4.76	1.79x	9.1x	14.1x	14.4x	1.51x
Sonic Healthcare Limited	SHL	14.71	(1.4%)	(1.1%)	17.18	12.37	6,080	7,548	3,232.8	514.8	0.77	0.74	2.33x	14.7x	23.6x	20.0x	2.08x
Median			(0.8%)	1.7%									2.35x	13.2x	25.1x	15.4x	1.51x
<b>Consumer Directed Health &amp; Wellness</b>																	
Benefitfocus, Inc.	BNFT	\$40.52	11.5%	49.6%	\$47.49	\$19.58	\$1,181	\$1,146	\$171.0	(\$47.0)	(\$2.51)	(\$1.93)	6.70x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	4.00	(27.3%)	(67.8%)	13.44	3.59	379	231	68.5	(79.1)	(1.16)	(0.70)	3.38x	NM	NM	NM	NM
Connecture, Inc.	CNXR	3.57	(48.5%)	NM	14.39	3.35	78	120	94.5	4.8	(10.27)	(0.26)	1.27x	24.9x	NM	NM	NM
Everyday Health, Inc.	EVDY	6.15	(36.0%)	(52.5%)	15.21	5.34	199	276	213.3	19.9	0.17	0.69	1.29x	13.9x	NM	9.0x	0.60x
Fitbit Inc.	FIT	28.72	(15.0%)	NM	51.90	26.46	6,439	5,863	1,516.6	319.4	0.63	0.97	3.87x	18.4x	48.3x	29.6x	0.95x
HealthEquity, Inc.	HQY	33.00	11.8%	32.9%	35.78	16.11	1,888	1,739	115.8	31.3	0.21	0.30	15.02x	55.7x	NM	NM	NM
Healthways Inc.	HWAY	13.27	11.0%	(14.8%)	23.30	9.93	478	730	783.5	51.8	(0.16)	0.11	0.93x	14.1x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	27.72	(8.2%)	10.9%	33.52	24.47	9,109	13,003	2,787.0	723.0	(0.59)	1.47	4.67x	18.0x	23.6x	18.9x	1.86x
WebMD Health Corp.	WBMD	45.49	9.5%	24.5%	48.91	36.31	1,678	1,868	607.0	128.6	0.97	1.56	3.08x	14.5x	36.3x	29.3x	2.34x
Median			(8.2%)	10.9%									3.38x	18.0x	36.3x	24.1x	1.40x
<b>Contract Research Orgs</b>																	
Albany Molecular Research Inc.	AMRI	\$19.92	(3.3%)	22.4%	\$22.48	\$13.73	\$707	\$987	\$362.5	\$44.3	(\$0.10)	\$0.93	2.72x	22.3x	NM	21.5x	1.40x
Charles River Laboratories International, Inc.	CRL	76.57	8.8%	18.3%	84.69	59.99	3,570	4,362	1,339.0	305.9	2.70	3.71	3.26x	14.3x	25.0x	20.6x	1.81x
ICON Public Limited Company	ICLR	74.33	(4.7%)	33.8%	84.14	49.75	4,254	4,287	1,561.7	323.5	2.73	3.94	2.75x	13.3x	20.8x	18.9x	1.13x
INC Research Holdings, Inc.	INCR	47.30	12.6%	93.9%	51.69	22.17	2,672	3,011	887.1	198.3	(0.51)	1.94	3.39x	15.2x	NM	24.3x	0.82x
PAREXEL International Corporation	PRXL	67.85	0.5%	16.0%	76.17	52.19	3,612	3,937	2,036.4	301.3	2.67	2.87	1.93x	13.1x	27.9x	23.7x	1.35x
PRA Health Sciences, Inc.	PRAH	45.28	19.9%	107.3%	46.41	21.01	2,727	3,609	1,337.3	215.1	(0.83)	1.91	2.70x	16.8x	NM	23.7x	1.04x
Quintiles Transnational Holdings Inc.	Q	67.99	(9.6%)	17.6%	80.45	56.12	8,369	10,001	4,261.9	781.5	2.72	3.31	2.35x	12.8x	23.2x	20.6x	1.63x
Median			0.5%	22.4%									2.72x	14.3x	24.1x	21.5x	1.35x

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<b>Diagnostic Imaging</b>																	
Alliance Healthcare Services, Inc.	AIQ	\$9.01	(37.2%)	(60.0%)	\$25.33	\$6.73	\$95	\$693	\$458.4	\$115.5	\$0.98	NM	1.51x	6.0x	10.9x	NM	NM
American Shared Hospital Services	AMS	1.86	(12.7%)	(26.7%)	3.05	1.57	10	38	16.4	9.1	(0.19)	NM	2.30x	4.1x	NM	NM	NM
RadNet, Inc.	RDNT	6.20	2.6%	(26.4%)	9.99	5.19	286	900	779.5	102.3	0.03	NM	1.15x	8.8x	26.4x	NM	NM
Median			(12.7%)	(26.7%)									1.51x	6.0x	18.6x	NM	NM
<b>Dialysis Services</b>																	
DaVita HealthCare Partners Inc.	DVA	\$73.04	(4.3%)	(4.6%)	\$85.17	\$70.12	\$15,412	\$23,738	\$13,565.0	\$2,485.9	\$3.33	\$3.77	1.75x	9.5x	32.9x	19.4x	1.54x
Fresenius Medical Care AG & Co.-KGAA	FME	82.46	7.6%	11.9%	87.96	61.06	25,135	34,648	17,125.3	3,025.3	3.45	3.54	2.02x	11.5x	25.3x	23.3x	1.97x
Median			1.7%	3.7%									1.89x	10.5x	29.1x	21.4x	1.76x
<b>Distribution / Supply</b>																	
Aceto Corp.	ACET	\$28.21	23.9%	34.3%	\$32.20	\$18.03	\$832	\$910	\$549.6	\$72.4	\$0.78	\$1.40	1.65x	12.6x	21.9x	20.1x	0.89x
AmerisourceBergen Corporation	ABC	98.64	(2.2%)	8.3%	120.68	89.26	20,284	21,558	135,961.8	1,546.9	0.15	5.07	0.16x	13.9x	NM	19.4x	1.38x
Cardinal Health, Inc.	CAH	86.85	4.1%	5.7%	91.91	74.76	28,572	31,289	106,516.0	2,842.0	3.24	4.83	0.29x	11.0x	21.8x	18.0x	1.43x
Henry Schein, Inc.	HSIC	156.48	12.3%	14.1%	157.46	126.17	12,976	14,301	10,480.9	917.2	5.44	5.94	1.36x	15.6x	27.4x	26.4x	2.53x
McKesson Corporation	MCK	189.35	(5.7%)	(10.2%)	243.61	160.10	43,571	49,095	187,716.0	4,213.0	7.53	12.57	0.26x	11.7x	21.3x	15.1x	1.17x
Owens & Minor Inc.	OMI	38.51	13.3%	12.6%	39.29	31.89	2,422	2,871	9,776.8	269.8	1.06	1.93	0.29x	10.6x	28.3x	19.9x	2.92x
Patterson Companies, Inc.	PDCO	45.57	(1.8%)	(5.4%)	53.07	42.62	4,592	5,627	4,989.9	454.3	2.02	2.37	1.13x	12.4x	22.0x	19.2x	2.57x
Median			4.1%	8.3%									0.29x	12.4x	21.9x	19.4x	1.43x
<b>Emergency Services</b>																	
Adeptus Health Inc.	ADPT	\$60.09	(39.9%)	97.4%	\$123.97	\$30.12	\$857	\$1,026	\$329.3	\$36.9	(\$0.34)	\$1.29	3.12x	27.8x	NM	46.8x	0.90x
Air Methods Corp.	AIRM	43.70	15.4%	(1.5%)	54.98	32.81	1,718	2,392	1,062.4	284.5	2.56	2.84	2.25x	8.4x	15.8x	15.4x	0.92x
Median			(12.2%)	47.9%									2.68x	18.1x	15.8x	31.1x	0.91x

Source: Capital IQ as of November 30, 2015; For definitions, see page 12

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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>HCIT</b>																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$15.23	10.4%	26.7%	\$15.41	\$11.33	\$2,879	\$3,453	\$1,381.6	\$98.2	(\$0.37)	\$0.5x	2.50x	35.2x	NM	32.8x	1.68x
athenahealth, Inc.	ATHN	167.75	23.6%	43.0%	170.22	110.68	6,514	6,696	880.4	68.3	(0.08)	1.32	7.61x	98.0x	NM	NM	NM
Cerner Corporation	CERN	59.60	(5.6%)	(7.5%)	75.72	55.82	20,389	20,556	4,103.4	1,133.0	1.50	2.07	5.01x	18.1x	40.3x	28.8x	1.78x
Computer Programs & Systems Inc.	CPSI	48.72	6.8%	(17.1%)	62.98	36.04	551	512	184.2	35.3	2.94	1.93	2.78x	14.5x	25.4x	25.3x	1.72x
Healthstream Inc.	HSTM	24.02	(5.3%)	(16.2%)	32.41	20.89	760	615	198.5	32.4	0.37	0.37	3.10x	19.0x	NM	64.5x	3.72x
HMS Holdings Corp.	HMSY	12.13	15.9%	(41.9%)	23.31	8.11	1,043	1,096	457.9	84.9	0.16	0.55	2.39x	12.9x	NM	21.9x	1.14x
Inovalon Holdings, Inc.	INOV	18.56	(14.6%)	NM	33.75	16.52	2,800	2,372	406.6	136.8	0.49	0.50	5.83x	17.3x	41.3x	36.8x	1.63x
MedAssets, Inc.	MDAS	30.13	42.1%	55.8%	31.24	17.00	1,788	2,586	764.2	217.8	(0.34)	1.30	3.38x	11.9x	NM	23.1x	2.10x
Medical Transcription Billing, Corp.	MTBC	1.28	(38.8%)	(58.2%)	3.26	1.19	14	18	24.8	(1.7)	(0.64)	(0.64)	0.74x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	45.83	(5.8%)	7.3%	61.31	35.81	2,538	2,500	382.8	40.1	0.11	0.87	6.53x	62.3x	NM	52.7x	2.37x
National Research Corp.	NRCI.B	34.00	6.3%	0.6%	39.30	27.54	441	410	101.1	29.3	0.74	0.70	4.05x	14.0x	NM	48.6x	4.05x
Premier, Inc.	PINC	34.36	(4.4%)	1.0%	39.81	30.94	1,498	5,493	1,048.6	340.4	17.95	1.51	5.24x	16.1x	NM	22.7x	1.93x
Press Ganey Holdings, Inc.	PGND	32.29	2.0%	NM	36.15	0.00	1,702	1,871	309.2	28.5	0.36	0.92	6.05x	65.8x	NM	35.1x	2.40x
Quality Systems Inc.	QSII	16.25	20.5%	10.3%	18.75	12.00	989	878	499.3	57.2	0.36	0.73	1.76x	15.4x	30.7x	22.2x	2.12x
Rennova Health, Inc.	RNVA	3.62	NM	NM	6.40	2.10	50	61	57.7	(6.6)	0.09	NM	1.07x	NM	NM	NM	NM
Streamline Health Solutions, Inc.	STRM	1.80	(27.1%)	(55.9%)	4.38	1.02	34	45	28.2	(7.4)	(0.71)	(0.35)	1.58x	NM	NM	NM	NM
Teladoc, Inc.	TDOC	21.25	(23.3%)	NM	35.42	0.00	817	692	67.7	(43.0)	(10.25)	(1.74)	10.23x	NM	NM	NM	NM
The Advisory Board Company	ABCO	53.84	8.5%	26.4%	60.38	37.47	2,256	2,759	722.3	76.2	(0.07)	1.35	3.82x	36.2x	NM	39.9x	2.42x
Median			2.0%	0.8%									3.60x	17.7x	35.5x	32.8x	2.10x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Healthcare REITs</b>																	
Care Capital Properties, Inc.	CCP	\$31.65	(3.2%)	NM	\$37.68	\$29.73	\$2,652	\$4,165	\$311.5	\$289.4	NM	\$1.53	13.37x	14.4x	17.9x	20.7x	4.14x
CareTrust REIT, Inc.	CTRE	11.16	(1.4%)	(31.0%)	18.49	10.21	537	926	68.4	53.1	(0.36)	0.23	13.54x	17.4x	NM	48.5x	NM
Community Healthcare Trust Incorporated	CHCT	18.72	3.9%	NM	20.49	0.00	142	126	18.7	—	1.13	(0.19)	6.73x	NA	16.6x	NM	NM
HCP, Inc.	HCP	35.53	(5.8%)	(20.7%)	49.61	32.71	16,523	27,848	2,479.8	1,791.8	1.94	1.22	11.23x	15.5x	NM	29.1x	8.70x
Healthcare Realty Trust Incorporated	HR	27.19	16.1%	3.0%	31.20	22.01	2,736	4,109	384.7	226.8	0.35	0.62	10.68x	18.1x	NM	44.2x	8.11x
Healthcare Trust of America, Inc.	HTA	26.11	6.7%	2.3%	30.28	22.35	3,317	4,918	396.8	249.1	0.37	0.26	12.39x	19.7x	NM	NM	NM
LTC Properties Inc.	LTC	42.63	2.8%	2.0%	48.85	38.64	1,516	2,061	130.2	114.7	1.99	2.02	15.83x	18.0x	21.0x	21.2x	4.15x
Medical Properties Trust Inc.	MPW	12.01	0.8%	(13.3%)	15.62	10.59	2,856	5,897	395.4	270.9	0.29	0.65	14.92x	21.8x	25.7x	18.4x	1.68x
National Health Investors Inc.	NHI	60.39	6.7%	(8.9%)	76.98	53.64	2,269	3,283	215.1	204.9	3.04	3.35	15.27x	16.0x	18.2x	18.0x	3.20x
Newcastle Investment Corp.	NCT	4.35	(11.8%)	(11.4%)	5.49	4.00	289	1,297	401.4	106.3	1.00	0.56	3.23x	12.2x	22.0x	7.8x	NM
New Senior Investment Group Inc.	SNR	9.23	(20.4%)	(47.7%)	18.00	8.56	799	2,769	340.4	145.8	(0.70)	(1.03)	8.13x	19.0x	NM	NM	NM
Omega Healthcare Investors Inc.	OHI	34.44	0.3%	(9.9%)	45.46	31.56	6,442	11,037	664.4	617.1	1.74	1.36	16.61x	17.9x	24.8x	25.4x	4.87x
Physicians Realty Trust	DOC	16.01	9.7%	3.6%	18.12	13.86	1,396	2,019	108.6	71.4	(0.12)	0.18	18.59x	28.3x	NM	91.1x	9.64x
Sabra Health Care REIT, Inc.	SBRA	20.68	(16.5%)	(27.0%)	34.44	18.16	1,347	2,650	227.8	198.2	0.78	1.00	11.63x	13.4x	18.8x	20.6x	4.06x
Senior Housing Properties Trust	SNH	14.45	(9.7%)	(35.9%)	23.83	13.72	3,431	6,872	961.1	544.1	0.81	0.71	7.15x	12.6x	19.7x	20.4x	4.26x
Universal Health Realty Income Trust	UHT	52.69	11.4%	9.0%	57.55	42.81	702	929	66.3	45.1	3.99	NM	14.00x	20.6x	19.6x	NM	NM
Ventas, Inc.	VTR	53.34	(5.9%)	(25.5%)	81.93	49.31	17,761	29,224	3,470.1	1,880.9	1.59	1.74	8.42x	15.5x	37.3x	30.7x	7.40x
Welltower Inc.	HCN	63.19	(2.9%)	(14.2%)	84.88	58.19	22,362	35,200	3,627.4	1,832.6	1.43	2.03	9.70x	19.2x	24.8x	31.1x	6.45x
Median			(0.6%)	(12.4%)									12.01x	17.9x	20.3x	23.3x	4.57x
<b>Healthcare Staffing</b>																	
AMN Healthcare Services Inc.	AHS	\$29.50	(13.0%)	72.3%	\$37.47	\$16.68	\$1,407	\$1,610	\$1,340.2	\$134.8	\$0.69	\$1.50	1.20x	11.9x	20.1x	19.7x	1.40x
Cross Country Healthcare, Inc.	CCRN	18.25	29.1%	71.0%	18.76	9.36	594	642	762.4	30.6	(1.02)	0.53	0.84x	21.0x	NM	34.1x	1.86x
Envision Healthcare Holdings, Inc.	EVHC	27.50	(34.4%)	(22.2%)	45.95	20.33	5,135	7,274	5,123.9	577.9	0.66	1.27	1.42x	12.6x	34.4x	21.7x	1.26x
Team Health Holdings, Inc.	TMH	55.14	(7.8%)	(3.5%)	70.21	45.45	4,002	4,743	3,408.3	337.7	1.35	2.63	1.39x	14.0x	37.2x	21.0x	1.41x
Median			(10.4%)	33.8%									1.30x	13.3x	34.4x	21.3x	1.41x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LT M	2015E	
<b>Home Care / Hospice</b>																	
Addus HomeCare Corporation	ADUS	\$22.79	(20.6%)	(1.3%)	\$38.08	\$18.75	\$251	\$240	\$334.7	\$23.9	\$1.08	\$1.09	0.72x	10.0x	21.3x	21.0x	1.40x
Almost Family Inc.	AFAM	42.37	(6.7%)	53.5%	50.48	27.64	416	505	511.8	36.7	1.47	2.10	0.99x	13.8x	18.6x	20.2x	1.84x
Amedisys Inc.	AMED	40.59	3.8%	59.7%	48.34	24.81	1,368	1,411	1,230.4	89.1	0.40	1.43	1.15x	15.8x	NM	28.4x	1.89x
Chemed Corp.	CHE	154.49	11.5%	40.3%	160.12	100.49	2,608	2,707	1,524.2	217.7	5.57	6.84	1.78x	12.4x	24.4x	22.6x	2.26x
LHC Group, Inc.	LHCG	46.55	7.1%	98.0%	51.83	23.51	837	883	771.8	77.5	1.26	1.85	1.14x	11.4x	27.1x	25.1x	1.67x
Providence Service Corp.	PRSC	48.42	5.6%	23.7%	56.92	35.30	744	1,198	1,983.8	111.7	1.35	1.87	0.60x	10.7x	NM	26.0x	1.62x
Median			4.7%	46.9%									1.07x	11.9x	22.9x	23.8x	1.76x
<b>Skilled Nursing</b>																	
AdCare Health Systems, Inc.	ADK	\$3.01	(12.2%)	(24.0%)	\$4.50	\$2.90	\$60	\$227	\$203.3	\$22.5	(\$0.82)	NM	1.12x	10.1x	NM	NM	NM
Diversicare Healthcare Services Inc.	DVCR	8.69	(21.4%)	(13.0%)	17.15	8.14	54	108	383.4	22.6	0.20	NM	0.28x	4.8x	24.9x	NM	NM
Genesis Healthcare, Inc.	GEN	4.88	(31.7%)	NM	9.32	4.05	749	5,655	5,278.1	469.7	(4.81)	0.36	1.07x	12.0x	NM	NM	NM
Kindred Healthcare Inc.	KND	13.35	(35.3%)	(32.9%)	24.66	11.12	1,119	4,253	6,538.6	504.0	(0.24)	1.23	0.65x	8.4x	NM	10.8x	0.83x
National HealthCare Corporation	NHC	69.10	13.4%	14.7%	69.40	58.96	1,030	1,062	899.1	106.2	3.14	NM	1.18x	10.0x	22.3x	NM	NM
The Ensign Group, Inc.	ENSG	47.57	0.8%	20.7%	54.08	38.44	1,220	1,244	1,245.5	104.8	1.56	2.55	1.00x	11.9x	22.5x	18.7x	1.25x
Median			(16.8%)	(13.0%)									1.04x	10.1x	22.5x	14.8x	1.04x
<b>Managed Care – Commercial</b>																	
Aetna Inc.	AET	\$102.75	(12.1%)	17.8%	\$134.40	\$85.62	\$35,829	\$41,934	\$59,949.6	\$5,221.5	\$5.68	\$7.56	0.70x	8.0x	15.8x	13.6x	1.25x
Anthem, Inc.	ANTM	130.38	(7.2%)	1.9%	173.59	121.22	34,038	50,269	77,952.9	6,324.7	8.96	10.19	0.64x	7.9x	12.5x	12.8x	1.16x
Cigna Corp.	CI	134.98	(2.1%)	31.2%	170.68	99.88	34,771	37,675	37,276.0	3,991.0	7.83	8.58	1.01x	9.4x	16.5x	15.7x	1.26x
Health Net, Inc.	HNT	63.26	(2.4%)	23.1%	76.67	49.60	4,890	4,526	15,965.6	427.4	1.80	3.32	0.28x	10.6x	32.4x	19.1x	0.83x
Humana Inc.	HUM	168.66	(8.3%)	22.2%	219.79	137.18	24,999	27,531	53,256.0	2,697.0	7.36	7.75	0.52x	10.2x	19.4x	21.8x	1.66x
UnitedHealth Group Incorporated	UNH	112.71	(3.9%)	14.3%	126.21	95.00	107,425	132,804	146,941.0	12,486.0	5.70	6.04	0.90x	10.6x	17.9x	18.7x	1.56x
Universal American Corp	UAM	7.48	4.3%	(15.0%)	11.16	6.52	604	473	1,936.0	18.2	(0.35)	(0.05)	0.24x	NM	NM	NM	NM
Median			(3.9%)	17.8%									0.64x	9.8x	17.2x	17.2x	1.26x
<b>Managed Care – Government</b>																	
Centene Corp.	CNC	\$57.75	(7.6%)	16.9%	\$83.00	\$48.16	\$6,884	\$6,658	\$19,854.0	\$853.0	\$2.23	\$2.88	0.34x	7.8x	20.2x	20.1x	1.20x
Molina Healthcare, Inc.	MOH	60.26	(21.0%)	17.9%	82.37	49.37	3,380	2,143	12,728.0	489.9	1.30	2.68	0.17x	4.4x	21.8x	22.5x	0.61x
WellCare Health Plans, Inc.	WCG	82.48	(9.7%)	11.9%	98.79	71.40	3,638	3,427	13,808.2	447.8	1.44	3.44	0.25x	7.7x	32.3x	24.0x	0.77x
Median			(9.7%)	16.9%									0.25x	7.7x	21.8x	22.5x	0.77x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Other Services</b>																	
Healthcare Services Group Inc.	HCSG	\$36.94	10.9%	22.5%	\$38.49	\$29.07	\$2,658	\$2,555	\$1,412.4	\$144.8	\$0.31	\$0.94	1.81x	17.6x	41.1x	39.3x	2.38x
PDI, Inc.	PDII	0.79	(58.0%)	(59.1%)	2.74	0.72	13	32	140.1	(14.9)	(0.63)	NM	0.23x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	9.07	34.6%	108.0%	10.49	4.21	140	125	31.7	2.4	0.08	0.13	3.93x	51.5x	NM	68.6x	2.57x
Stericycle, Inc.	SRCL	120.72	(15.0%)	(6.4%)	151.57	110.56	10,259	11,125	2,774.6	718.7	3.79	4.39	4.01x	15.5x	38.7x	27.5x	1.78x
Median			(2.1%)	8.1%									2.87x	17.6x	39.9x	39.3x	2.38x
<b>Pharmacy Management</b>																	
BioScrip, Inc.	BIOS	\$2.12	(13.8%)	(67.3%)	\$7.01	\$1.30	\$146	\$626	\$1,039.6	(\$30.2)	(\$2.09)	(\$0.30)	0.60x	NM	NM	NM	NM
Express Scripts Holding Company	ESRX	85.48	1.2%	2.8%	94.61	68.06	57,808	73,065	101,889.0	6,928.1	2.64	5.53	0.72x	10.5x	26.6x	15.5x	1.25x
Omnicell, Inc.	OMCL	30.16	(11.5%)	(6.3%)	40.80	26.08	1,069	1,011	475.8	67.4	0.83	1.32	2.12x	15.0x	34.3x	22.8x	1.29x
PharMerica Corporation	PMC	34.02	2.8%	56.0%	36.96	19.42	1,036	1,333	2,031.3	133.5	0.22	1.64	0.66x	10.0x	NM	20.8x	1.39x
Median			(5.1%)	(1.8%)									0.69x	10.5x	30.4x	20.8x	1.29x
<b>Physician Practice Mgmt</b>																	
Birner Dental Management Services Inc.	BDMS	\$12.65	0.1%	(18.3%)	\$15.42	\$12.05	\$24	\$34	\$64.1	\$4.2	(\$0.50)	NM	0.52x	8.0x	NM	NM	NM
MEDNAX, Inc.	MD	71.37	(12.5%)	9.0%	86.09	63.91	6,712	8,006	2,688.8	608.0	3.18	4.07	2.98x	13.2x	20.4x	17.5x	1.20x
Median			(6.2%)	(4.7%)									1.75x	10.6x	20.4x	17.5x	1.20x
<b>Psychiatric Hospitals</b>																	
AAC Holdings, Inc.	AAC	\$24.54	9.1%	(15.0%)	\$46.60	\$15.09	\$550	\$657	\$175.3	\$32.4	\$0.41	\$0.91	NM	20.3x	40.6x	27.1x	1.35x
Acadia Healthcare Company, Inc.	ACHC	69.01	(7.5%)	11.3%	85.62	54.41	4,947	7,039	1,594.1	341.8	1.50	2.22	NM	20.6x	45.4x	31.1x	1.30x
Magellan Health, Inc.	MGLN	52.65	(8.0%)	(14.0%)	73.00	45.40	1,314	1,387	4,311.1	208.1	2.90	3.12	0.32x	6.7x	NM	16.9x	0.84x
Median			(7.5%)	(14.0%)									0.32x	20.3x	43.0x	27.1x	1.30x
<b>Specialty Managed Care</b>																	
Assurant Inc.	AIZ	\$85.52	14.3%	26.5%	\$86.99	\$59.73	\$5,631	\$5,309	\$10,400.4	\$374.2	\$6.44	\$6.91	0.51x	14.2x	47.9x	12.4x	1.84x
Triple-S Management Corporation	GTS	26.44	23.7%	14.4%	27.07	17.34	666	533	2,706.1	80.3	2.41	1.32	0.20x	6.6x	10.8x	20.0x	3.58x
Median			19.0%	20.4%									0.35x	10.4x	29.3x	16.2x	2.71x

Source: Capital IQ as of November 30, 2015; For definitions, see page 12

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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>Surgicenters / Rehabilitation</b>																	
AmSurg Corp.	AMSG	\$84.06	5.0%	63.0%	\$87.42	\$48.49	\$4,073	\$6,955	\$2,444.4	\$648.8	\$1.27	\$3.59	2.85x	10.7x	34.7x	23.4x	1.48x
Civitas Solutions, Inc.	CIVI	26.21	8.4%	53.0%	27.85	14.08	972	1,605	1,343.1	142.7	(0.71)	0.66	1.19x	11.2x	NM	39.8x	3.98x
Hanger, Inc.	HGR	15.57	(12.7%)	(27.4%)	26.79	13.27	535	1,070	1,060.7	158.9	1.61	1.89	1.01x	6.7x	9.4x	8.3x	0.57x
HEALTHSOUTH Corp.	HLS	35.19	(18.8%)	(14.4%)	48.37	32.55	3,218	5,514	2,857.2	652.6	2.24	2.05	1.93x	8.4x	19.1x	17.2x	1.35x
The Joint Corp.	JYNT	5.64	(33.6%)	(8.7%)	12.99	5.25	69	60	12.1	(5.5)	(0.56)	(0.90)	4.93x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	12.07	(7.1%)	(16.4%)	17.20	10.07	1,583	4,241	3,419.8	363.0	0.91	0.86	1.24x	11.7x	12.5x	14.1x	1.41x
Surgery Partners, Inc.	SGRY	19.11	NM	NM	20.00	16.26	920	2,740	855.1	205.2	NM	0.20	3.20x	13.4x	NM	NM	NM
Surgical Care Affiliates, Inc.	SCAI	37.17	1.1%	16.9%	40.99	27.88	1,471	2,583	975.5	252.4	1.03	2.04	2.65x	10.2x	11.2x	18.2x	1.99x
US Physical Therapy Inc.	USPH	52.84	11.4%	35.9%	56.37	38.17	656	721	319.8	53.7	1.62	1.79	2.25x	13.4x	31.2x	29.6x	1.85x
Median			(3.0%)	4.1%									2.25x	11.0x	15.8x	18.2x	1.48x

### 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

## Healthcare Services Sector Update

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	84	\$634,394	(4.3%)	5.6%	6.12x	11.8x	19.0x	22.6x	1.3x
Cardiology Devices	18	174,703	(11.1%)	(7.6%)	3.37x	16.5x	36.8x	21.1x	1.9x
Conglomerates	5	465,307	8.6%	(2.2%)	3.45x	12.5x	32.2x	20.5x	2.1x
Dental Devices	6	21,014	3.4%	20.0%	3.51x	20.2x	32.9x	29.8x	2.3x
Diagnostic Imaging Devices	4	12,665	31.0%	42.4%	1.64x	14.6x	19.6x	23.9x	2.1x
Diversified Medical Devices	23	74,176	(3.3%)	3.2%	3.51x	15.5x	24.2x	27.8x	2.0x
Infection Prevention Devices	1	2,697	29.9%	48.9%	4.90x	24.9x	56.4x	45.0x	2.5x
Lab Equipment	2	9,424	9.0%	7.8%	2.26x	13.1x	21.2x	26.6x	2.0x
Lab Instrumentation & Devices	4	14,797	(9.8%)	(10.5%)	3.60x	16.7x	40.9x	23.5x	2.3x
Large-Cap Pharmaceuticals	6	674,951	(2.8%)	(3.5%)	5.00x	12.9x	35.4x	15.0x	1.6x
Life Science Conglomerates	3	88,108	7.4%	7.0%	4.05x	19.1x	34.3x	20.6x	1.9x
Life Science Consumables	6	14,358	0.6%	10.0%	2.73x	15.0x	28.7x	26.2x	1.8x
Mobility Devices	4	4,117	(6.2%)	5.7%	1.92x	19.3x	62.1x	32.0x	1.1x
Neural Implant Devices	1	2,319	3.2%	27.4%	2.99x	14.1x	NM	20.3x	1.7x
Ophthalmology Devices	5	7,475	(11.2%)	0.2%	3.37x	8.4x	11.0x	18.9x	1.2x
Orthopedics Devices	5	61,858	(3.2%)	(3.1%)	3.69x	14.2x	31.4x	18.0x	1.9x
Pharmaceuticals	51	96,730	(7.2%)	8.7%	5.47x	17.6x	27.7x	27.0x	1.5x
Surgical Devices	6	21,239	(18.3%)	(25.2%)	3.32x	11.1x	34.8x	26.9x	1.9x
<b>Total / Median (\$MM)</b>	<b>234</b>	<b>\$2,380,332</b>	<b>(3.0%)</b>	<b>5.6%</b>	<b>3.48x</b>	<b>14.8x</b>	<b>32.2x</b>	<b>23.7x</b>	<b>1.9x</b>

Source: Capital IQ

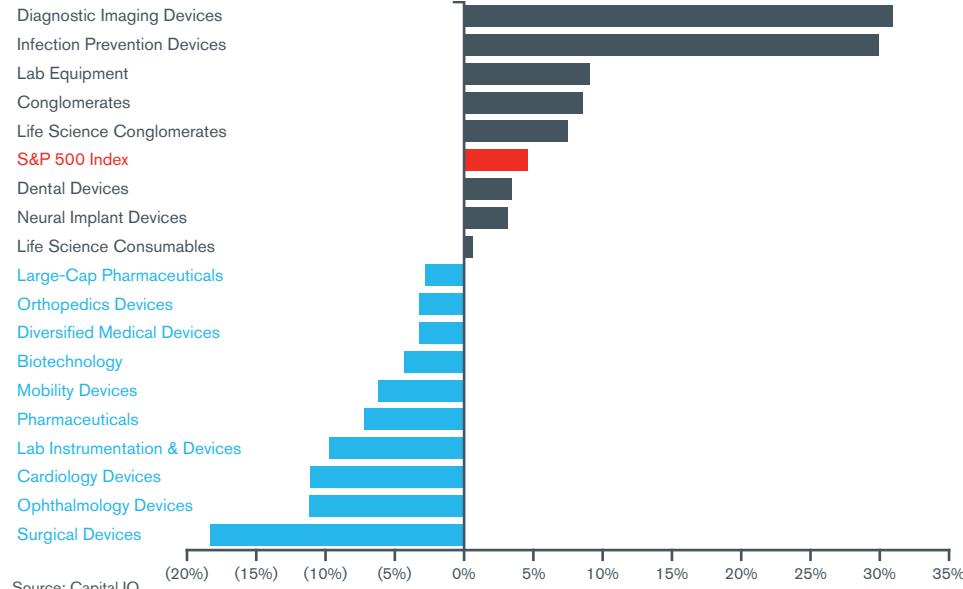
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance				
					3 mo	YTD	12 mo	36 mo	
> \$5 billion	46	\$2,226,849	19.7%	93.6%	1.1%	5.0%	3.9%	92.9%	
\$1 billion – \$5 billion	52	116,551	22.2%	4.9%	7.5%	43.8%	50.3%	228.6%	
\$250 million – \$1 billion	61	28,629	26.1%	1.2%	3.1%	10.3%	18.2%	63.9%	
\$100 million – \$250 million	36	6,379	15.4%	0.3%	(11.6%)	(11.9%)	(4.2%)	85.7%	
< \$100 million	39	1,924	16.7%	0.1%	(21.5%)	(29.6%)	(32.1%)	49.0%	
<b>Total / Median (\$MM)</b>	<b>234</b>	<b>\$2,380,332</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.1%</b>	<b>5.0%</b>	<b>3.9%</b>	<b>85.7%</b>	

Source: Capital IQ

INTEREST RATES	Value at 11/30/15		1 mo ago	3 mo ago		12 mo ago		
	LIBOR – USD – 6 months	0.66%		0.55%	0.53%	0.33%		
U.S. Treasury – 2 years	0.94%	0.75%		0.72%		0.47%		
U.S. Treasury – 5 years	1.66%	1.52%		1.53%		1.50%		
U.S. Treasury – 10 years	2.22%	2.15%		2.19%		2.19%		
U.S. Treasury – 30 years	2.99%	2.94%		2.91%		2.91%		
U.S. Prime Rate	3.25%	3.25%		3.25%		3.25%		

Source: Capital IQ

## Median % Change — 3 months



## MARKET INDICES

	Value at 11/30/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	17,719.9	6.5%	(0.6%)	(0.6%)	36.0%
S&P 500 Index	2,080.4	4.6%	1.0%	0.6%	46.9%
NASDAQ Composite Index	5,108.7	5.8%	7.9%	6.6%	69.7%
Russell 2000 Index	1,198.1	3.0%	(0.5%)	2.1%	45.8%
S&P Life Science Tools & Services (Industry) Index	330.2	10.4%	11.3%	7.6%	87.7%
S&P 500 Pharmaceuticals (Industry) Index	598.2	0.9%	2.6%	(0.0%)	58.7%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	701.2	(1.8%)	2.7%	0.4%	78.6%
S&P 500 Biotechnology (Industry) Index	3,830.3	(3.1%)	3.0%	1.1%	133.7%
Dow Jones U.S. Medical Equipment Index	982.7	1.4%	6.3%	6.0%	76.0%
<b>S&amp;P 500 – Pharmaceuticals, Biotechnology &amp; Life Sciences (Industry Group)</b>	<b>785.3</b>	<b>(0.2%)</b>	<b>2.8%</b>	<b>0.4%</b>	<b>76.3%</b>

Source: Capital IQ

## Performance of Market Indices for Latest 36 months



Source: Capital IQ

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	\$42.87	44.3%	10.7%	\$48.50	\$20.00	\$1,426	\$1,310	\$18.0	(\$56.2)	(\$1.63)	(\$1.14)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	38.19	16.7%	4.8%	45.45	25.50	1,648	1,620	479.6	69.6	0.42	0.99	3.38x	23.3x	NM	38.7x	1.34x
Adamas Pharmaceuticals, Inc.	ADMS	15.97	(22.5%)	8.7%	30.86	12.73	294	191	31.7	(24.0)	0.53	(3.24)	6.02x	NM	NM	NM	NM
Aduro BioTech, Inc.	ADRO	30.99	50.4%	NM	49.25	16.28	1,959	1,513	48.5	(17.1)	(0.70)	(1.05)	NM	NM	NM	NM	NM
Advanced Accelerator Applications S.A.	AAAP	26.44	NM	NM	28.08	18.00	1,020	982	88.7	1.0	(0.37)	NM	11.07x	NM	NM	NM	NM
Affimed N.V.	AFMD	7.46	(28.5%)	(2.5%)	24.20	5.00	222	159	7.6	(24.5)	(0.02)	(0.81)	21.07x	NM	NM	NM	NM
Akebia Therapeutics, Inc.	AKBA	10.73	53.3%	(11.2%)	14.20	5.91	329	171	–	(51.5)	(8.04)	(2.20)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	178.44	(0.2%)	(8.4%)	208.88	142.02	40,207	42,398	2,502.7	902.8	3.26	4.97	16.94x	47.0x	NM	35.9x	1.50x
Alkermes plc	ALKS	73.36	16.2%	33.3%	75.99	52.29	11,008	10,590	640.4	(83.7)	(0.21)	NM	16.54x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	2.08	(6.7%)	61.2%	3.33	0.91	381	518	71.6	(99.0)	(0.36)	(0.44)	7.23x	NM	NM	NM	NM
Amgen Inc.	AMGN	161.10	3.3%	(2.5%)	181.81	130.09	121,522	122,163	21,457.0	10,357.0	6.70	10.08	5.69x	11.8x	19.2x	16.0x	1.69x
Ascendis Pharma A/S	ASND	17.83	(7.0%)	NM	23.81	14.75	448	305	10.0	(38.3)	(9.04)	(1.62)	NM	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	39.30	(2.3%)	45.6%	65.56	10.10	1,125	791	–	(42.8)	(5.62)	(1.77)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.10	(4.3%)	(23.1%)	3.43	0.90	92	63	1.6	(27.4)	(0.31)	(0.24)	NM	NM	NM	NM	NM
aTyr Pharma Inc.	LIFE	8.51	(42.5%)	NM	28.29	0.00	201	98	–	(36.3)	(29.69)	(6.99)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	10.48	(2.8%)	(73.5%)	62.48	7.40	270	1	1.6	(43.5)	(2.46)	(1.70)	0.68x	NM	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	23.03	32.8%	NM	33.63	12.25	610	497	0.3	(37.4)	(34.04)	(1.63)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	5.15	(13.0%)	(25.4%)	8.85	3.92	73	50	–	(13.8)	(0.57)	(0.99)	NA	NM	NM	NM	NM
Biogen Inc.	BIIB	286.86	(5.5%)	(6.8%)	480.18	254.00	63,942	64,628	10,562.1	5,492.9	12.37	16.55	6.12x	11.8x	18.7x	17.3x	1.30x
BioSpecifics Technologies Corp.	BSTC	48.45	(7.0%)	27.8%	72.07	35.16	335	304	21.3	13.7	0.66	NM	14.29x	22.2x	39.5x	NM	NM
Calithera Biosciences, Inc.	CALA	7.94	37.4%	(25.6%)	33.48	4.31	144	62	–	(31.1)	(4.67)	(1.92)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	16.55	(14.0%)	79.1%	23.61	8.62	451	340	4.7	(19.0)	(0.85)	(0.98)	NM	NM	NM	NM	NM
Catalyst Biosciences, Inc.	CBIO	3.00	(66.7%)	NM	21.60	2.50	34	32	2.3	(10.5)	(0.69)	NM	13.97x	NM	NM	NM	NM
Celgene Corporation	CELG	109.45	(11.8%)	(3.7%)	140.72	92.98	85,990	93,958	8,778.2	2,866.2	2.39	4.84	10.70x	32.8x	54.9x	22.6x	1.11x
Cepheid	CPHD	35.94	(28.6%)	(34.7%)	63.69	29.21	2,600	2,559	523.1	8.4	(0.72)	0.00	4.89x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	30.37	4.8%	121.2%	38.10	12.38	1,181	1,027	26.3	(191.8)	(10.64)	(6.42)	NM	NM	NM	NM	NM
ContraFect Corporation	CFRX	4.15	(19.4%)	49.2%	6.24	2.50	114	85	–	(21.3)	(3.86)	(0.96)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	2.74	5.8%	85.1%	3.75	1.09	352	284	7.8	(23.5)	(0.22)	(0.51)	NM	NM	NM	NM	NM
CytomX Therapeutics, Inc.	CTMX	19.21	NM	NM	20.49	9.01	692	738	7.6	(25.2)	(35.25)	(2.48)	NM	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	13.36	20.0%	13.0%	27.33	7.61	275	181	0.2	(61.1)	(3.00)	(3.31)	NM	NM	NM	NM	NM
Dimension Therapeutics, Inc.	DMTX	15.04	NM	NM	15.35	11.55	374	384	6.8	(30.0)	(3.61)	(1.86)	NM	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.70	73.5%	32.8%	1.72	0.80	53	56	12.8	(3.3)	(0.18)	NM	4.41x	NM	NM	NM	NM
Edge Therapeutics, Inc.	EDGE	13.88	NM	NM	25.87	11.08	400	446	–	(21.6)	(8.16)	(8.67)	NA	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	37.67	8.7%	51.5%	38.98	24.74	1,467	1,411	502.7	128.4	0.80	1.29	2.81x	11.0x	31.6x	29.2x	1.17x

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Biotechnology (cont.)</b>																	
Exelixis, Inc.	EXEL	\$5.72	(5.5%)	244.6%	\$6.81	\$1.26	\$1,300	\$1,480	\$34.6	(\$131.0)	(\$1.38)	(\$0.85)	NM	NM	NM	NM	NM
FibroGen, Inc.	FGEN	29.74	21.0%	31.3%	40.59	16.95	1,824	1,734	172.5	(71.8)	(3.17)	(0.91)	10.05x	NM	NM	NM	NM
Forward Pharma A/S	FWP	21.79	(19.4%)	9.3%	43.34	17.50	1,014	945	—	(45.3)	(1.79)	(0.93)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	30.32	9.3%	(8.8%)	34.50	20.05	987	889	281.5	(24.7)	(0.78)	(0.91)	3.16x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	105.96	(1.7%)	5.6%	123.37	85.95	152,707	159,748	31,447.0	22,435.0	7.35	12.20	5.08x	7.1x	9.7x	8.7x	1.04x
GlycoMimetics, Inc.	GLYC	6.98	(1.0%)	(27.9%)	9.65	4.88	133	79	20.0	(11.1)	(0.60)	(0.68)	3.95x	NM	NM	NM	NM
Histogenics Corporation	HSGX	3.29	(46.7%)	NM	12.97	2.71	44	7	—	(28.6)	(6.85)	(2.23)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	3.29	52.3%	(20.3%)	5.48	1.50	311	322	5.3	(47.3)	(0.51)	(0.57)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	20.93	26.0%	(34.2%)	40.13	10.17	422	301	10.2	(40.2)	(4.56)	(2.00)	29.60x	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	31.86	(5.8%)	64.5%	46.17	17.75	2,295	2,139	306.2	93.0	0.52	1.33	6.99x	23.0x	46.8x	23.9x	0.79x
Juno Therapeutics Inc.	JUNO	56.39	48.5%	NM	69.28	33.00	5,674	4,515	14.1	(329.2)	(36.82)	(1.65)	NM	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	107.08	12.7%	98.8%	112.40	49.65	2,134	2,149	73.7	29.9	0.56	12.03	29.15x	NM	8.8x	8.9x	0.25x
Loxo Oncology, Inc.	LOXO	32.93	60.6%	219.7%	35.00	9.90	632	538	—	(30.2)	(3.06)	(1.86)	NA	NM	NM	NM	NM
Macrocur Ltd.	MCUR	2.03	(37.0%)	(73.7%)	16.10	0.85	34	4	—	(26.4)	(2.15)	(1.30)	NA	NM	NM	NM	NM
Mirna Therapeutics, Inc.	MIRN	5.73	NM	NM	7.99	5.54	119	184	—	(20.5)	(290.94)	(4.31)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	17.86	(12.3%)	52.3%	25.56	10.22	1,230	855	88.4	(62.2)	(1.91)	(0.97)	9.67x	NM	NM	NM	NM
Myriad Genetics, Inc.	MYGN	43.50	19.4%	29.7%	46.24	30.30	3,035	2,880	737.8	193.3	1.45	1.63	3.90x	14.9x	35.1x	26.7x	1.84x
NantKwest, Inc.	NK	16.31	(12.1%)	NM	38.48	10.10	1,325	966	0.3	(160.5)	(0.75)	(0.50)	NM	NM	NM	NM	NM
Neothetics, Inc.	NEOT	9.13	(23.5%)	(15.3%)	15.05	5.92	125	84	—	(36.0)	(5.36)	(3.70)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	54.37	16.5%	172.8%	58.46	18.59	4,687	4,310	19.8	(83.0)	(0.81)	(1.06)	NM	NM	NM	NM	NM
Nexveta Biopharma Public Limited Company	NVET	3.95	(17.9%)	NM	11.30	3.49	45	(2)	—	(16.6)	(8.79)	(1.56)	NA	0.1x	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	9.48	(45.7%)	(44.0%)	44.19	6.75	234	136	1.8	(34.8)	(2.69)	(1.77)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	10.26	(45.2%)	(22.0%)	23.67	9.80	353	310	86.6	4.4	(0.01)	0.08	3.58x	NM	NM	NM	NM
Otonomy, Inc.	OTIC	26.39	12.3%	9.9%	41.99	16.50	640	440	—	(50.4)	(5.46)	(2.64)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	20.67	(22.4%)	8.5%	39.80	15.02	364	237	4.0	(49.8)	(7.82)	(4.33)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	3.79	(33.0%)	(54.2%)	8.38	3.43	619	721	496.4	456.4	1.86	1.93	1.45x	1.6x	2.3x	2.0x	NM
Pfenex Inc.	PFNX	15.42	(28.4%)	92.8%	24.41	6.27	359	247	8.3	(22.1)	(1.04)	(1.47)	29.62x	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	2.66	80.0%	45.7%	2.67	1.04	1,543	1,552	15.7	(32.0)	0.01	(0.07)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	10.42	(37.6%)	(31.3%)	27.60	8.47	243	136	2.9	(26.8)	(1.32)	(1.06)	NM	NM	NM	NM	NM
Proteon Therapeutics Inc	PRTO	15.94	11.6%	51.2%	20.00	8.57	263	192	—	(17.9)	(3.16)	(1.26)	NA	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	544.50	1.5%	30.9%	605.93	383.87	57,737	57,236	3,808.0	1,317.3	3.07	12.54	15.03x	43.5x	NM	43.4x	1.84x
Regenxbio Inc.	RGNX	23.97	NM	NM	30.84	0.00	631	417	4.3	—	(1.82)	(2.31)	NM	NA	NM	NM	NM
Roka Bioscience, Inc.	ROKA	1.20	(56.4%)	(69.7%)	4.95	1.11	22	(6.4)	5.8	(26.9)	(2.93)	(2.03)	NM	0.2x	NM	NM	NM

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Biotechnology (cont.)</b>																	
Sage Therapeutics, Inc.	SAGE	\$47.92	(10.6%)	21.2%	\$89.04	\$33.00	\$1,383	\$1,178	–	(\$78.3)	(\$1.67)	(\$3.26)	NA	NM	NM	NM	NM
Spark Therapeutics, Inc.	ONCE	57.79	26.7%	NM	79.50	36.96	1,428	1,216	5.5	(48.0)	(4.64)	(2.60)	NM	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	6.00	(21.1%)	(16.8%)	7.74	4.89	404	368	164.1	(6.4)	(0.71)	(0.84)	2.24x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	11.79	(2.6%)	(34.2%)	24.04	8.45	240	221	1.9	(39.5)	(4.15)	(2.26)	NM	NM	NM	NM	NM
Theravance Inc.	THRX	9.25	(33.1%)	(38.9%)	21.16	6.36	1,086	1,624	38.4	14.5	(0.66)	(0.18)	NM	NM	NM	NM	NM
Tokai Pharmaceuticals, Inc.	TKAI	11.50	(1.5%)	(21.6%)	16.10	9.38	260	187	–	(41.5)	(3.60)	(2.10)	NA	NM	NM	NM	NM
TRACON Pharmaceuticals, Inc.	TCON	11.88	12.8%	NM	21.00	8.46	145	94	7.5	(14.8)	(4.40)	(1.63)	12.44x	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	98.32	(13.3%)	125.6%	137.05	38.01	3,818	3,370	–	(107.4)	(2.25)	(3.60)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	152.63	(4.9%)	15.1%	190.29	117.88	6,964	6,073	1,407.2	756.4	6.28	13.44	4.32x	8.0x	12.0x	11.4x	2.27x
Vanda Pharmaceuticals, Inc.	VNDA	9.86	(17.4%)	(24.3%)	15.51	8.80	422	278	93.4	(21.5)	0.55	(0.80)	2.97x	NM	9.5x	NM	NM
Vascular Biogenics Ltd.	VBLT	5.27	(0.8%)	(15.0%)	17.02	3.09	118	91	–	(16.6)	(3.09)	(0.84)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	12.65	(4.5%)	(29.8%)	23.99	9.69	371	173	–	(75.6)	(4.39)	(3.13)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	129.36	(3.5%)	9.7%	143.45	97.45	31,786	31,756	759.0	(500.2)	(3.14)	(1.07)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTI	9.40	175.7%	(54.6%)	29.67	2.81	286	226	–	(54.4)	(3.54)	(2.15)	NA	NM	NM	NM	NM
Voyager Therapeutics, Inc.	VYGR	25.19	NM	NM	29.53	17.40	656	693	7.5	(16.5)	(6.55)	NM	NM	NM	NM	NM	
XBiotech, Inc.	XBIT	7.47	(59.5%)	NM	32.50	7.17	240	135	–	(31.1)	(0.90)	(1.15)	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	16.91	(54.2%)	(28.4%)	55.36	9.53	461	264	–	(61.2)	(3.00)	(2.67)	NA	NM	NM	NM	NM
Median			(4.3%)	5.6%									6.12x	11.8x	19.0x	22.6x	1.32x
<b>Cardiology Devices</b>																	
ABIOMED, Inc.	ABMD	\$81.57	(17.0%)	129.6%	\$110.68	\$34.53	\$3,460	\$3,284	\$279.4	\$58.5	\$0.44	\$0.80	11.76x	NM	28.2x	NM	NM
AngioDynamics Inc.	ANGO	11.90	(18.9%)	(32.0%)	19.80	11.14	432	546	349.2	49.3	0.14	0.51	1.56x	11.1x	NM	23.2x	1.55x
Bellerophon Therapeutics LLC	BLPH	3.16	(37.1%)	NM	12.92	2.75	41	0	0.0	(46.8)	(7.56)	(3.93)	NA	NM	NM	NM	NM
Boston Scientific Corporation	BSX	18.28	7.1%	42.0%	19.06	12.56	24,590	30,099	7,314.0	1,799.0	(0.09)	0.92	4.12x	16.7x	NM	20.0x	1.65x
Cardiovascular Systems Inc.	CSII	16.00	(34.0%)	(47.8%)	41.28	11.80	520	443	181.3	(34.8)	(1.07)	(1.52)	2.44x	NM	NM	NM	NM
CareDx, Inc	CDNA	6.51	(5.1%)	(7.6%)	10.89	3.70	77	59	29.4	(6.7)	0.10	(1.13)	2.01x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	163.00	12.6%	25.7%	166.87	122.75	17,580	16,935	2,440.6	689.3	7.48	4.50	6.94x	24.6x	38.6x	36.2x	2.32x
Greatbatch, Inc.	GB	58.04	1.7%	17.1%	63.19	46.26	1,774	1,888	652.6	114.4	2.14	2.75	2.89x	16.5x	48.4x	21.1x	1.92x
Heartware International Inc.	HTWR	47.86	(44.5%)	(34.9%)	95.59	34.70	828	768	282.0	(20.4)	(1.14)	(3.01)	2.73x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	15.43	14.7%	109.9%	16.47	7.15	280	256	75.8	14.0	0.23	0.37	3.37x	18.3x	38.9x	41.5x	3.19x
Lombard Medical, Inc.	EVAR	1.45	(61.4%)	(80.7%)	7.50	1.35	29	11	16.9	(34.7)	(2.39)	(2.03)	0.64x	NM	NM	NM	NM
Medtronic plc	MDT	75.34	2.4%	2.0%	79.50	55.54	106,502	124,115	25,819.0	7,831.0	3.11	4.28	4.81x	15.8x	35.0x	17.6x	2.40x
Neovasc Inc.	NVC	5.03	(9.1%)	(20.7%)	9.57	3.75	335	272	9.7	(20.4)	(0.31)	(0.38)	27.87x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.60	19.9%	76.1%	0.68	0.28	229	275	0.0	(20.7)	(0.15)	(0.07)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	63.10	(13.1%)	(7.2%)	80.84	60.34	17,836	20,350	5,533.0	1,663.0	3.46	3.93	3.68x	12.2x	17.9x	16.0x	1.56x
Stereotaxis Inc.	STXS	1.05	(41.7%)	(34.4%)	2.97	0.65	23	37	38.2	(3.1)	(0.26)	NM	0.98x	NM	NM	NM	NM

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Cardiology Devices (cont.)</b>																	
Sunshine Heart Inc.	SSH	\$1.86	(35.0%)	(59.1%)	\$6.90	\$1.65	\$34	\$14	\$0.2	(\$25.9)	(\$1.51)	(\$1.48)	NM	NM	NM	NM	NM
TriVascular Technologies, Inc.	TRIV	6.53	38.3%	(51.5%)	14.00	3.98	134	150	36.3	(49.8)	(3.95)	(2.91)	4.12x	NM	NM	NM	NM
Median			(11.1%)	(7.6%)									3.37x	16.5x	36.8x	21.1x	1.92x
<b>Conglomerates</b>																	
3M Company	MMM	\$156.58	8.6%	(2.2%)	\$170.50	\$134.00	\$96,408	\$105,941	\$30,695.0	\$8,496.0	\$7.49	\$7.65	3.45x	12.5x	20.2x	20.5x	1.97x
Agilent Technologies Inc.	A	41.82	14.5%	(2.2%)	43.59	33.12	13,859	13,514	4,038.0	775.0	1.43	1.75	3.35x	17.4x	32.2x	23.9x	2.10x
Becton, Dickinson and Company	BDX	150.25	5.2%	7.1%	154.98	128.71	31,663	43,022	10,282.0	2,631.0	5.82	7.46	4.18x	16.4x	44.9x	20.1x	1.73x
Johnson & Johnson	JNJ	101.24	6.4%	(6.5%)	108.99	81.79	280,125	262,754	70,517.0	22,554.0	5.70	6.19	3.73x	11.7x	19.4x	16.4x	3.01x
Kimberly-Clark Corporation	KMB	119.15	11.1%	2.2%	122.97	103.04	43,251	50,487	18,880.0	4,216.0	3.91	5.76	2.67x	12.0x	72.1x	20.7x	2.68x
Median			8.6%	(2.2%)									3.45x	12.5x	32.2x	20.5x	2.10x
<b>Dental Devices</b>																	
COLTENE Holding AG	CLTN	\$58.43	(6.1%)	(11.8%)	\$82.22	\$49.62	\$246	\$256	\$170.5	\$28.5	\$3.73	\$3.23	1.50x	9.0x	18.3x	18.1x	2.05x
DENTSPLY International Inc.	XRAY	60.66	13.9%	10.3%	62.48	49.42	8,484	9,406	2,722.2	567.0	2.24	2.61	3.46x	16.6x	31.2x	23.2x	2.88x
Orthofix International N.V.	OFIX	39.56	3.9%	41.7%	42.61	27.92	747	684	392.2	26.2	(0.20)	0.75	1.74x	26.1x	NM	52.7x	2.57x
Osstem Implant Co., Ltd.	A048260	58.26	3.0%	75.8%	61.46	28.96	832	809	227.5	34.1	1.01	1.70	3.56x	23.7x	38.0x	34.2x	0.78x
Sirona Dental Systems Inc.	SIRO	108.48	12.7%	25.6%	111.75	84.30	6,064	5,629	1,161.3	312.2	3.16	4.02	4.85x	18.0x	32.9x	27.0x	2.03x
Straumann Holding AG	STMN	296.27	(2.0%)	14.5%	299.43	187.49	4,640	4,631	800.6	207.6	10.10	9.09	5.79x	22.3x	54.5x	32.6x	2.72x
Median			3.4%	20.0%									3.51x	20.2x	32.9x	29.8x	2.31x
<b>Orthopedics Devices</b>																	
Exactech Inc.	EXAC	\$17.53	(6.0%)	(21.0%)	\$26.20	\$16.11	\$247	\$251	\$242.4	\$42.6	\$1.18	\$1.03	1.04x	5.9x	15.7x	17.1x	1.77x
NuVasive, Inc.	NUVA	52.14	(3.0%)	18.7%	56.61	41.52	2,560	2,603	800.2	162.4	(0.36)	1.26	3.25x	16.0x	42.7x	41.4x	2.87x
Stryker Corporation	SYK	96.46	(3.2%)	3.8%	105.34	89.81	36,269	36,385	9,849.0	2,644.0	1.34	5.11	3.69x	13.8x	31.4x	18.9x	2.06x
Wright Medical Group N.V.	WMGI	21.42	NM	NM	23.46	18.03	2,199	2,511	318.3	(76.9)	(4.83)	(1.41)	7.89x	NM	NM	NM	NM
Zimmer Biomet Holdings, Inc.	ZBH	101.01	(3.2%)	(10.0%)	121.84	88.77	20,584	30,690	5,287.1	2,089.5	4.19	6.87	5.80x	14.7x	NM	14.7x	1.40x
Median			(3.2%)	(3.1%)									3.69x	14.2x	31.4x	18.0x	1.92x
<b>Diagnostic Imaging Devices</b>																	
Analogic Corporation	ALOG	\$83.55	4.1%	14.7%	\$92.31	\$71.80	\$1,038	\$914	\$536.9	\$63.9	\$2.56	\$3.96	1.70x	14.3x	31.4x	21.1x	1.56x
Digirad Corporation	DRAD	5.84	57.8%	59.1%	6.92	3.50	113	94	59.4	6.2	0.13	0.20	1.57x	15.0x	5.2x	29.2x	NM
Fonar Corp.	FONR	15.92	64.1%	34.2%	18.48	9.10	98	107	81.8	16.2	1.70	NM	1.30x	6.6x	7.8x	NM	NM
Hologic Inc.	HOLX	40.35	1.5%	50.6%	43.00	25.26	11,415	14,597	2,681.4	975.0	0.18	1.69	5.44x	15.0x	89.7x	23.9x	2.54x
Median			31.0%	42.4%									1.64x	14.6x	19.6x	23.9x	2.05x

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E		
<b>Mobility Devices</b>																		
Hill-Rom Holdings, Inc.	HRC	\$50.91	(4.5%)	11.3%	\$58.73	\$44.11	\$3,318	\$5,368	\$1,988.2	\$294.9	\$1.03	\$2.77	2.70x	18.2x	62.1x	18.4x	1.09x	
Invacare Corporation	IVC	19.92	12.9%	31.7%	23.59	14.00	670	684	1,177.3	10.9	(2.15)	(0.73)	0.58x	NM	NM	NM	NM	
Prism Medical Ltd.	PM	7.02	(17.6%)	0.1%	10.58	6.05	35	45	39.8	2.2	2.55	0.15	1.14x	20.3x	NM	45.6x	NM	
ReWalk Robotics Ltd.	RWLK	7.79	(7.9%)	(70.5%)	26.17	7.20	95	70	3.9	(22.4)	(6.34)	(1.96)	17.94x	NM	NM	NM	NM	
Median			(6.2%)	5.7%										1.92x	19.3x	62.1x	32.0x	1.09x
<b>Infection Prevention Devices</b>																		
Cantel Medical Corp.	CMN	\$64.83	29.9%	48.9%	\$65.80	\$39.26	\$2,697	\$2,744	\$560.6	\$110.4	\$1.03	\$1.44	4.90x	24.9x	56.4x	45.0x	2.50x	
Median			29.9%	48.9%										4.90x	24.9x	56.4x	45.0x	2.50x
<b>Neural Implant Devices</b>																		
Integra LifeSciences Holdings Corporation	IART	\$62.71	3.2%	27.4%	\$70.32	\$47.72	\$2,319	\$2,970	\$992.2	\$210.5	\$1.03	\$3.09	2.99x	14.1x	NM	20.3x	1.67x	
Median			3.2%	27.4%										2.99x	14.1x	NM	20.3x	1.67x
<b>Ophthalmology Devices</b>																		
IRIDEX Corporation	IRIX	\$9.57	38.9%	13.8%	\$11.28	\$6.42	\$95	\$85	\$41.1	\$1.3	\$0.97	NM	2.07x	NM	11.0x	NM	NM	
Opt Sciences Corp.	OPST	19.50	4.0%	16.4%	21.81	16.50	15	3	7.8	2.1	1.62	NM	0.36x	1.3x	9.9x	NM	NM	
Presbia PLC	LENS	5.48	(21.7%)	NM	9.38	0.00	73	48	0.2	(20.4)	(1.71)	(1.59)	NM	NM	NM	NM	NM	
Second Sight Medical Products, Inc.	EYES	5.06	(49.2%)	(67.0%)	19.63	4.57	181	160	8.1	(19.4)	(1.41)	(0.55)	19.70x	NM	NM	NM	NM	
The Cooper Companies Inc.	COO	146.25	(11.2%)	(13.4%)	190.00	136.75	7,110	8,407	1,797.1	540.7	5.29	7.73	4.68x	15.5x	36.4x	18.9x	1.25x	
Median			(11.2%)	0.2%										3.37x	8.4x	11.0x	18.9x	1.25x
<b>Surgical Devices</b>																		
Alphatec Holdings, Inc.	ATEC	\$0.23	(57.4%)	(82.0%)	\$1.54	\$0.21	\$23	\$116	\$191.9	\$22.8	(\$0.16)	(\$0.08)	0.61x	5.1x	NM	NM	NM	
Avinger, Inc.	AVGR	17.99	20.3%	NM	18.83	9.35	227	201	10.9	(34.1)	(132.63)	(4.08)	18.44x	NM	NM	NM	NM	
Bovie Medical Corporation	BVX	1.94	(15.7%)	(50.6%)	4.01	1.72	53	43	28.7	(6.6)	(1.03)	(0.26)	1.49x	NM	17.6x	NM	NM	
CONMED Corporation	CNMD	42.50	(21.0%)	0.2%	60.66	37.94	1,177	1,374	717.6	123.6	1.16	1.67	1.91x	11.1x	34.8x	25.5x	1.96x	
Entellus Medical, Inc.	ENTL	17.44	(21.4%)	NM	28.81	14.72	328	274	58.0	(11.3)	(4.62)	(1.04)	4.72x	NM	NM	NM	NM	
Intuitive Surgical, Inc.	ISRG	520.02	1.1%	0.4%	564.86	447.00	19,431	17,691	2,296.9	784.6	11.11	18.33	7.70x	22.5x	35.9x	28.4x	1.83x	
Median			(18.3%)	(25.2%)										3.32x	11.1x	34.8x	26.9x	1.89x

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Diversified Medical Devices</b>																	
Abaxis, Inc.	ABAX	\$53.17	11.0%	(7.4%)	\$66.89	\$41.53	\$1,208	\$1,075	\$217.1	\$46.3	\$1.00	\$1.15	4.95x	23.2x	49.2x	46.2x	2.31x
AtriCure, Inc.	ATRC	21.48	(15.8%)	14.7%	28.15	17.22	692	644	122.7	(17.8)	(0.61)	(0.98)	5.25x	NM	NM	NM	NM
Baxter International Inc.	BAX	37.65	(2.8%)	(48.4%)	75.29	32.18	20,595	21,219	16,106.0	4,144.0	3.56	1.26	1.32x	5.1x	11.3x	29.9x	2.85x
Capnia, Inc.	CAPN	2.00	(11.9%)	(39.9%)	9.90	1.02	25	20	0.4	(10.4)	(10.42)	NM	NM	NM	NM	NM	NM
CR Bard Inc.	BCR	186.82	(5.4%)	11.6%	202.47	163.08	13,803	14,210	3,412.4	1,038.0	3.76	8.13	4.16x	13.7x	NM	23.0x	2.35x
CryoLife Inc.	CRY	10.86	9.7%	7.5%	12.29	9.41	309	271	143.2	11.4	0.25	0.14	1.89x	23.7x	NM	80.4x	3.22x
HTG Molecular Diagnostics, Inc.	HTGM	4.95	(13.0%)	NM	19.75	4.50	34	13	4.1	(16.3)	(175.03)	(4.85)	3.23x	NM	NM	NM	NM
IDEXX Laboratories, Inc.	IDXX	70.82	(3.3%)	(5.2%)	84.26	61.37	6,442	7,235	1,554.2	337.7	1.79	2.06	4.66x	21.4x	38.6x	34.4x	2.36x
InfuSystem Holdings, Inc.	INFU	2.93	4.6%	6.2%	3.42	2.22	66	100	64.1	17.0	0.15	NM	1.56x	5.9x	23.6x	NM	NM
Masimo Corporation	MASI	41.48	(0.1%)	58.0%	46.00	23.73	2,086	2,172	617.9	130.7	1.30	1.49	3.51x	16.6x	27.8x	27.8x	1.67x
Medovex Corp.	MDVX	1.53	(31.8%)	NM	5.80	1.16	17	16	0.0	(5.5)	(0.37)	NM	NA	NM	NM	NM	NM
Misonix, Inc.	MSON	9.47	(16.7%)	(12.2%)	14.50	8.20	74	64	22.9	(0.8)	0.36	NM	2.79x	NM	16.3x	NM	NM
Natus Medical Inc.	BABY	48.78	17.8%	42.5%	49.72	29.34	1,582	1,500	369.9	73.5	1.00	1.52	4.06x	20.4x	40.4x	32.1x	1.73x
Nevro Corp.	NVRO	60.38	39.2%	123.7%	61.48	27.20	1,687	1,484	46.2	(56.0)	(6.94)	(2.72)	NM	NM	NM	NM	NM
NovoCure Limited	NVCR	24.35	NM	NM	30.89	15.01	2,036	1,923	24.5	(93.9)	(6.46)	(1.10)	NM	NM	NM	NM	NM
OpGen, Inc.	OPGN	1.79	(30.8%)	NM	5.44	1.45	22	13	3.0	(10.5)	(1.20)	NM	4.34x	NM	NM	NM	NM
Penumbra, Inc.	PEN	50.32	NM	NM	52.04	0.00	1,504	1,345	167.1	4.1	(0.18)	(0.07)	8.05x	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	0.41	(45.3%)	(76.5%)	2.95	0.35	9	6	118.3	(13.6)	(3.26)	(0.73)	0.05x	NM	NM	NM	NM
ResMed Inc.	RMD	59.57	13.5%	12.0%	75.33	48.99	8,319	7,997	1,710.2	485.5	2.46	2.58	4.68x	16.5x	24.2x	23.1x	2.05x
Sientra, Inc.	SIEN	4.84	(79.7%)	(72.1%)	26.67	2.78	87	(37)	48.7	(12.4)	(2.28)	(1.22)	NM	3.0x	NM	NM	NM
SurModics, Inc.	SRDX	21.06	(9.1%)	0.2%	27.68	20.00	272	217	61.9	24.4	0.89	0.94	3.50x	8.9x	23.4x	22.4x	1.49x
Teleflex Incorporated	TFX	131.70	(0.6%)	10.5%	140.50	107.45	5,479	6,267	1,787.9	403.5	4.10	6.25	3.51x	15.5x	31.9x	21.1x	1.91x
Varian Medical Systems, Inc.	VAR	80.78	(2.0%)	(8.7%)	96.67	71.07	7,826	7,492	3,099.1	634.1	3.84	4.15	2.42x	11.8x	19.8x	19.5x	1.88x
Median			(3.3%)	3.2%									3.51x	15.5x	24.2x	27.8x	2.05x
<b>Life Science Conglomerates</b>																	
Illumina Inc.	ILMN	\$183.90	(8.8%)	(3.7%)	\$242.37	\$130.00	\$26,923	\$26,626	\$2,140.6	\$770.8	\$2.37	\$3.30	12.44x	34.5x	53.8x	55.7x	2.89x
PerkinElmer Inc.	PKI	53.16	7.4%	16.9%	54.45	40.84	5,950	6,784	2,262.6	355.2	1.42	2.57	3.00x	19.1x	34.3x	20.6x	1.94x
Thermo Fisher Scientific, Inc.	TMO	138.40	9.4%	7.0%	141.25	14.00	55,235	68,053	16,805.7	4,060.8	4.71	7.39	4.05x	16.8x	28.1x	18.7x	1.62x
Median			7.4%	7.0%									4.05x	19.1x	34.3x	20.6x	1.94x

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Lab Instrumentation &amp; Devices</b>																	
Bruker Corporation	BRKR	\$22.64	21.9%	18.0%	\$22.95	\$15.78	\$3,801	\$3,648	\$1,653.6	\$217.8	\$0.33	\$0.78	2.21x	16.7x	58.0x	29.1x	2.24x
Great Basin Scientific, Inc.	GBSN	0.22	(39.2%)	(94.3%)	9.08	0.05	42	38	2.0	(17.7)	(17.32)	(3.21)	19.03x	NM	NM	NM	NM
Harvard Bioscience Inc.	HBIO	3.17	(25.9%)	(35.6%)	6.84	2.73	108	122	110.7	5.0	0.07	0.14	1.10x	24.2x	NM	23.5x	NM
Waters Corporation	WAT	132.82	6.4%	14.6%	137.39	110.70	10,847	10,166	2,039.6	664.9	5.07	5.88	4.98x	15.3x	23.7x	22.6x	2.36x
Median			(9.8%)	(10.5%)									3.60x	16.7x	40.9x	23.5x	2.30x
<b>Lab Equipment</b>																	
Keweenaw Scientific Corp.	KEQU	\$17.44	3.9%	(1.4%)	\$19.00	\$15.30	\$47	\$53	\$120.2	\$6.8	\$1.47	NM	0.44x	7.8x	14.4x	NM	NM
Mettler-Toledo International Inc.	MTD	342.78	14.2%	16.9%	350.11	269.26	9,377	9,877	2,419.3	535.5	11.44	12.87	4.08x	18.4x	27.9x	26.6x	1.98x
Median			9.0%	7.8%									2.26x	13.1x	21.2x	26.6x	1.98x
<b>Life Science Consumables</b>																	
Affymetrix Inc.	AFFX	\$9.47	(0.1%)	3.7%	\$13.11	\$8.28	\$757	\$745	\$357.7	\$46.6	(\$0.05)	\$0.41	2.08x	16.0x	70.8x	23.1x	1.66x
Bio-Rad Laboratories, Inc.	BIO	139.72	0.1%	17.6%	152.38	112.51	4,086	3,736	2,047.1	310.0	3.05	3.57	1.83x	12.1x	39.9x	39.1x	3.91x
Cambrex Corporation.	CBM	53.63	12.1%	135.7%	55.60	21.12	1,691	1,661	406.5	111.0	1.84	2.14	4.09x	15.0x	25.6x	25.1x	1.42x
Luminex Corporation	LMNX	21.52	16.6%	16.3%	22.07	15.05	927	795	235.4	53.0	0.93	0.65	3.38x	15.0x	23.2x	33.3x	1.90x
Bio-Techne Corp.	TECH	91.21	(5.0%)	(0.4%)	114.56	83.90	3,392	3,473	455.6	180.0	3.12	3.34	7.62x	19.3x	31.9x	27.3x	2.18x
VWR Corporation	VWR	26.68	1.1%	(0.5%)	28.83	20.60	3,505	5,435	4,307.9	448.4	2.49	1.46	1.26x	12.1x	23.5x	18.3x	1.56x
Median			0.6%	10.0%									2.73x	15.0x	28.7x	26.2x	1.78x
<b>Large-Cap Pharmaceuticals</b>																	
AbbVie Inc.	ABBV	\$58.15	(9.1%)	(16.0%)	\$71.60	\$45.45	\$95,061	\$117,883	\$21,911.0	\$8,564.0	\$1.10	\$4.29	5.38x	13.8x	33.7x	13.6x	0.90x
Bristol-Myers Squibb Company	BMY	67.01	10.6%	13.5%	70.54	51.82	111,792	113,856	16,531.0	4,465.0	1.20	1.91	6.89x	25.5x	63.1x	35.1x	1.60x
Eli Lilly and Company	LLY	82.04	(1.4%)	20.4%	92.85	67.60	87,014	90,793	19,704.4	5,307.6	2.23	3.44	4.61x	17.1x	37.0x	23.9x	1.66x
Merck & Co. Inc.	MRK	53.01	(4.3%)	(12.2%)	63.62	45.69	148,086	162,755	39,765.0	14,566.0	4.07	3.57	4.09x	11.2x	14.1x	14.9x	1.99x
Pfizer Inc.	PFE	32.77	0.3%	5.2%	36.30	28.47	202,306	221,014	47,922.0	19,478.0	1.41	2.18	4.61x	11.3x	24.6x	15.1x	1.85x
Valeant Pharmaceuticals International, Inc.	VRX	89.96	(61.9%)	(38.2%)	263.81	69.33	30,694	60,263	9,984.1	4,971.6	2.67	11.21	6.04x	12.1x	51.7x	8.0x	0.37x
Median			(2.8%)	(3.5%)									5.00x	12.9x	35.4x	15.0x	1.63x

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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</b>																	
Aclaris Therapeutics, Inc.	ACRS	\$23.55	NM	NM	\$24.60	\$10.99	\$475	\$515	–	(\$18.4)	(\$6.15)	(\$3.28)	NA	NM	NM	NM	NM
Adaptimmune Therapeutics plc	ADAP	9.04	(22.5%)	NM	21.57	7.07	640	368	12.8	(27.7)	(1.67)	(0.30)	28.73x	NM	NM	NM	NM
Akorn, Inc.	AKRX	33.30	(18.8%)	(16.9%)	57.10	19.08	3,811	4,858	593.1	208.3	0.34	1.95	8.19x	23.3x	98.4x	17.1x	0.70x
Amphastar Pharmaceuticals, Inc.	AMPH	15.35	14.6%	47.2%	18.30	8.32	691	666	230.5	(11.2)	(0.26)	(0.19)	2.89x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	5.86	(66.8%)	(55.8%)	20.63	5.53	205	147	0.9	(44.8)	(1.30)	(1.22)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	3.61	(25.7%)	(19.6%)	7.15	3.02	124	67	0.0	(30.3)	(0.66)	(1.04)	NA	NM	NM	NM	NM
Axsome Therapeutics, Inc.	AXSM	8.83	NM	NM	9.70	0.00	169	179	0.0	0.0	(0.66)	NM	NA	NA	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	6.13	(10.8%)	(60.1%)	15.84	4.66	323	298	18.6	(63.2)	(1.12)	(0.30)	16.05x	NM	NM	NM	NM
BioSyent Inc.	RX	5.25	(0.3%)	(43.5%)	9.08	4.43	73	67	10.9	3.8	0.19	0.19	6.15x	17.6x	26.9x	28.0x	NM
Blueprint Medicines Corporation	BPMC	23.16	(13.7%)	NM	37.17	18.00	628	456	6.8	(49.7)	(3.07)	(5.11)	NM	NM	NM	NM	NM
Carbylan Therapeutics, Inc.	CBYL	3.99	(25.8%)	NM	9.22	3.20	105	50	0.0	(19.2)	(1.46)	(1.15)	NM	NM	NM	NM	NM
Catalent, Inc.	CTLT	27.85	(13.4%)	(3.3%)	34.42	22.85	3,468	5,206	1,835.5	415.7	0.64	1.61	2.84x	12.5x	14.6x	17.3x	1.84x
Cerecor Inc.	CERC	4.20	NM	NM	5.00	3.74	36	68	0.0	(11.1)	(5.48)	NM	NA	NM	0.9x	NM	NM
Cidara Therapeutics, Inc.	CDTX	15.42	5.1%	NM	17.21	11.23	212	97	0.0	(26.7)	(3.88)	(4.80)	NA	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	4.59	(13.3%)	(65.9%)	14.65	3.58	119	126	27.0	7.1	0.68	(0.03)	4.65x	17.6x	NM	NM	NM
Collegium Pharmaceutical, Inc.	COLL	18.99	23.8%	NM	24.88	0.00	393	295	0.0	(20.6)	(2.84)	(1.70)	NA	NM	NM	NM	NM
CoLucid Pharmaceuticals, Inc.	CLCD	5.69	(14.2%)	NM	9.46	3.57	86	17	0.0	(20.1)	(0.31)	(3.19)	NA	NM	NM	NM	NM
Cumberland Pharmaceuticals, Inc.	CPIX	5.63	(6.8%)	9.3%	7.78	5.08	93	42	34.8	3.9	0.14	NM	1.19x	10.7x	79.7x	NM	NM
Dermira, Inc.	DERM	30.81	13.1%	78.6%	32.13	14.20	922	709	14.6	(54.6)	(4.96)	(2.82)	NM	NM	NM	NM	NM
DIRECT Corporation	DRRX	2.36	12.4%	156.5%	3.42	0.73	284	272	18.2	(20.2)	(0.20)	(0.20)	14.92x	NM	NM	NM	NM
Endo International plc	ENDP	61.48	(21.9%)	(16.0%)	96.58	46.66	13,911	22,053	3,354.4	782.2	(4.95)	4.56	6.57x	28.2x	NM	13.5x	0.84x
Flex Pharma, Inc.	FLKS	12.10	(2.5%)	NM	24.82	9.23	217	118	0.0	(26.6)	(5.48)	(2.07)	NA	NM	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	7.99	(21.5%)	50.8%	14.00	5.31	244	187	3.6	(11.5)	(0.79)	(0.70)	NM	NM	NM	NM	NM
Heska Corporation	HSKA	34.79	3.1%	123.2%	37.24	14.74	229	241	99.2	12.0	0.41	0.65	2.43x	20.1x	59.0x	53.3x	1.96x
Impax Laboratories Inc.	IPXL	44.06	3.9%	37.9%	52.10	28.11	3,107	3,208	709.6	115.7	0.81	1.27	4.52x	27.7x	NM	34.6x	1.45x
Inotek Pharmaceuticals Corporation	ITEK	11.99	(1.4%)	NM	19.45	4.68	317	198	0.0	0.0	(13.52)	(3.69)	NA	NA	NM	NM	NM
Jaguar Animal Health, Inc.	JAGX	2.19	(36.2%)	NM	7.06	1.69	18	13	0.2	0.0	(2.02)	(2.70)	NM	NA	NM	NM	NM
KemPharm, Inc.	KMPH	17.32	(10.8%)	NM	26.15	10.90	250	246	0.0	(22.9)	(3.13)	(4.75)	NA	NM	NM	NM	NM
Kite Pharma, Inc.	KITE	82.37	47.6%	96.2%	89.84	39.00	3,639	3,271	12.4	(75.5)	(1.91)	(1.39)	NM	NM	NM	NM	NM
Lannett Company, Inc.	LCI	36.96	(25.9%)	(24.8%)	72.44	33.13	1,350	1,129	419.9	237.3	3.42	3.89	2.69x	4.8x	9.3x	9.5x	0.54x
Marinus Pharmaceuticals, Inc.	MRNS	7.27	(50.4%)	6.9%	20.72	4.52	141	115	0.0	(20.5)	(2.17)	(1.54)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	10.30	43.3%	74.0%	10.47	5.00	219	169	0.5	(19.9)	(0.95)	(0.88)	NM	NM	NM	NM	NM

Source: Capital IQ as of November 30, 2015; For definitions, see page 22

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/15	% 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	LT M	2015E	
<b>Pharmaceuticals (cont.)</b>																	
Merus Labs International Inc.	MSL	\$1.54	(7.2%)	9.7%	\$2.63	\$1.02	\$157	\$183	\$36.5	\$22.5	(\$0.09)	\$0.02	5.02x	8.2x	NM	66.1x	3.18x
MyoKardia, Inc.	MYOK	12.37	NM	NM	13.16	8.98	335	372	14.2	(17.6)	(11.30)	(4.03)	26.21x	NM	NM	NM	NM
Mylan N.V.	MYL	51.30	1.8%	(12.5%)	76.69	37.59	25,227	31,025	9,021.3	2,635.9	2.34	4.31	3.44x	11.8x	28.6x	11.9x	0.98x
Nabrixa Therapeutics AG	NBRV	10.19	NM	NM	12.89	0.00	214	92	3.4	(19.8)	(4.99)	(33.02)	27.21x	NM	NM	NM	NM
NeuroDerm Ltd.	NDRM	20.12	(17.0%)	176.0%	26.50	5.67	433	329	0.0	(17.9)	(12.97)	(0.79)	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	60.81	(5.0%)	146.2%	84.64	21.81	2,610	2,109	0.0	(82.3)	(4.04)	(2.42)	NA	NM	NM	NM	NM
Revance Therapeutics, Inc.	RVNC	38.81	27.2%	136.1%	42.41	14.10	1,089	956	0.3	(62.3)	(3.24)	(3.00)	NM	NM	NM	NM	NM
SciClone Pharmaceuticals, Inc.	SCLN	9.17	17.7%	8.0%	11.71	6.47	453	354	155.8	32.6	0.48	0.33	2.27x	10.8x	23.5x	27.8x	NM
SteadyMed Ltd.	STDY	3.16	(21.2%)	NM	11.14	2.62	43	5	0.4	(22.4)	(2.82)	(2.36)	10.47x	NM	NM	NM	NM
The Medicines Company	MDCO	42.01	24.9%	56.7%	43.79	23.32	2,917	2,982	480.7	(197.4)	(0.50)	(2.83)	6.20x	NM	NM	NM	NM
Tobira Therapeutics, Inc.	TBRA	13.40	(1.6%)	NM	24.31	8.75	252	198	0.0	(32.9)	(85.41)	(1.80)	NA	NM	NM	NM	NM
Viking Therapeutics, Inc.	VKTX	3.20	(49.1%)	NM	10.23	3.13	31	15	0.0	0.0	(5.08)	(2.91)	NA	NA	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	14.36	79.1%	(29.4%)	23.35	6.29	314	245	0.6	(39.4)	(3.61)	(2.18)	NM	NM	NM	NM	NM
WAVE Life Sciences Pte. Ltd.	WVE	16.25	NM	NM	17.90	15.10	340	340	0.2	(9.9)	(5.40)	NM	NM	NM	NM	NM	
Xenon Pharmaceuticals Inc.	XENE	9.24	(9.6%)	(30.0%)	23.50	7.78	133	67	17.2	(5.8)	3.28	(1.09)	3.91x	NM	NM	NM	NM
Zoetis Inc.	ZTS	46.70	2.0%	3.9%	55.38	37.73	23,253	26,326	4,811.0	1,432.0	1.16	1.73	5.47x	18.4x	53.1x	27.0x	2.22x
Zosano Pharma Corporation	ZSAN	2.75	(66.0%)	NM	12.40	2.25	33	9	0.7	(20.1)	(2.78)	(2.50)	13.22x	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	89.96	71.9%	109.4%	91.24	25.51	2,273	2,076	0.0	(101.4)	(5.47)	(5.34)	NA	NM	NM	NM	NM
Zynerba Pharmaceuticals, Inc.	ZYNE	13.57	(50.5%)	NM	43.00	12.00	125	80	0.3	(8.5)	(2.56)	(1.80)	NM	NM	NM	NM	NM
Median			(7.2%)	8.7%									5.47x	17.6x	27.7x	27.0x	1.45x

**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 November 30, 2015

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