

Healthcare Sector Update



October 2015

Recent political commentary that forecast potential policy changes negatively impacted share prices for companies in the healthcare industry. This is reflected in the relative performance of these sectors versus the broader market. Further election year policy discussions could continue to impact share prices in the sector over the next 12 months.

Summary – Healthcare Services

- The S&P Healthcare Services Index has declined 3.9% over the last three months; however, it has continued to outperform the S&P 500, which declined 6.9% over the same period.
- Over the past three months:
 - > The best performing sectors were Other Services (up 14.6%), Home Care / Hospice (up 1.1%) and Physician Practice Management (up 0.8%)
 - > The worst performing sectors were Assisted Living (down 26.0%), Diagnostic Imaging (down 24.0%) and Clinical Laboratories (down 22.0%)
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.53x and 12.5x, respectively.
- The sectors with the highest valuation multiples include:
 - > Other Services (2.78x LTM Revenue, 28.5x LTM EBITDA)
 - > Healthcare REITs (11.84x LTM Revenue, 17.0x LTM EBITDA)
 - > Emergency Services (3.19x LTM Revenue, 23.4x LTM EBITDA)

Summary – Pharmaceuticals / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology and Life Sciences Index has declined 11.3% over the last three months, performing worse than the S&P 500, which has declined 6.9% over the same period.
- Over the past three months:
 - > The best performing sectors were Diagnostic Imaging Devices (up 3.4%) and Infection Prevention Devices (up 3.2%)
 - > The worst performing sectors were Lab Instrumentation and Devices (down 26.6%), Surgical Devices (down 24.1%) and Pharmaceuticals (down 23.4%)
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.23x and 13.6x, respectively.
- The sectors with the highest valuation multiples include:
 - > Biotechnology (7.26x LTM Revenue, 13.9x LTM EBITDA)
 - > Dental Devices (3.13x LTM Revenue, 19.5x LTM EBITDA)
 - > Life Science Conglomerates (3.68x LTM Revenue, 17.2x LTM EBITDA)
 - > Large-Cap Pharmaceuticals (5.05x LTM Revenue, 16.6x LTM EBITDA)

Inside

3 Public Trading Data
Healthcare Services
Companies

11 Public Trading Data
Pharmaceuticals, Medical
Devices and Life Sciences
Companies

21 Contact Us

#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.

Healthcare 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	\$56,357	(18.5%)	2.5%	1.14x	8.1x	18.2x	17.0x	1.4x
Assisted Living	4	5,046	(26.0%)	(23.4%)	1.86x	14.3x	NM	9.6x	0.6x
Care Management / TPA	7	10,399	(13.2%)	(10.7%)	1.25x	13.3x	24.5x	19.9x	1.3x
Clinical Laboratories	5	25,235	(22.0%)	(7.5%)	2.05x	12.5x	22.3x	13.7x	1.3x
Consumer Directed Health & Wellness	9	22,603	(10.0%)	(4.7%)	3.79x	18.8x	29.2x	28.9x	1.8x
Contract Research Orgs	7	24,388	(3.7%)	6.3%	2.45x	13.6x	22.4x	21.5x	1.1x
Diagnostic Imaging	3	360	(24.0%)	(16.2%)	1.53x	6.0x	26.2x	18.2x	1.8x
Dialysis Services	2	39,259	(7.4%)	5.4%	1.90x	10.6x	28.6x	20.7x	1.8x
Distribution / Supply	7	107,045	(8.2%)	4.4%	0.27x	13.3x	23.2x	18.0x	1.5x
Emergency Services	2	2,487	(16.3%)	92.9%	3.19x	23.4x	13.5x	13.1x	0.7x
HCIT	18	44,265	(13.2%)	(7.6%)	3.51x	18.6x	41.9x	30.2x	2.0x
Healthcare REITs	13	79,189	(0.7%)	0.6%	11.84x	17.0x	21.5x	21.7x	4.4x
Healthcare Staffing	5	13,969	(5.0%)	46.5%	1.47x	15.0x	38.2x	25.1x	1.7x
Home Care / Hospice	6	5,777	1.1%	53.2%	1.02x	11.8x	28.3x	23.6x	1.7x
Long Term Care	4	3,342	(19.2%)	1.7%	0.85x	9.3x	21.3x	14.2x	1.0x
Managed Care – Commercial	7	251,899	(14.2%)	34.5%	0.70x	9.8x	16.7x	18.2x	1.3x
Managed Care – Government	3	14,116	(2.1%)	42.8%	0.27x	7.9x	29.6x	25.0x	1.3x
Other Services	4	14,424	14.6%	18.7%	2.78x	28.5x	39.9x	35.2x	2.0x
Pharmacy Management	5	56,984	(14.5%)	14.6%	0.69x	9.7x	31.4x	16.1x	1.4x
Physician Practice Mgmt	2	7,231	0.8%	7.6%	1.88x	11.7x	22.7x	21.1x	1.6x
Psychiatric Hospitals	3	6,737	(20.9%)	19.0%	0.37x	17.1x	34.0x	29.2x	NM
Specialty Managed Care	2	5,752	(6.3%)	6.2%	0.31x	6.0x	14.0x	12.6x	1.6x
Surgicenters / Rehabilitation	8	11,921	(17.4%)	22.3%	2.09x	10.4x	20.7x	16.9x	1.0x
Total / Median (\$MM)	131	\$808,785	(13.2%)	6.2%	1.53x	12.5x	23.8x	19.9x	1.5x

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	32	\$670,562	24.4%	82.9%	(7.9%)	2.2%	12.4%	79.8%
\$1 billion – \$5 billion	47	117,543	35.9%	14.5%	(9.4%)	7.1%	18.8%	73.3%
\$250 million – \$1 billion	32	18,842	24.4%	2.3%	(12.9%)	(5.0%)	5.4%	76.6%
\$100 million – \$250 million	8	1,325	6.1%	0.2%	(23.1%)	(5.2%)	2.9%	86.2%
< \$100 million	12	514	9.2%	0.1%	(18.1%)	(23.5%)	(30.2%)	1.8%
Total / Median (\$MM)	131	\$808,785	100.0%	100.0%	(12.9%)	(5.0%)	5.4%	76.6%

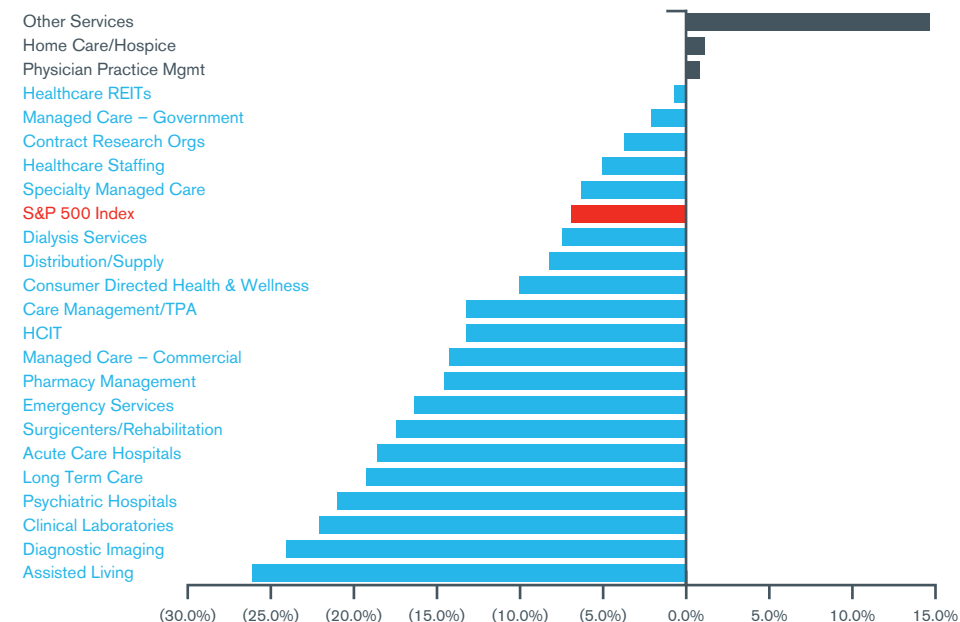
Source: Capital IQ

MARKET INDICES

	Value at 9/30/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	16,284.7	(7.6%)	(8.6%)	(4.4%)	21.2%
S&P 500 Index	1,920.0	(6.9%)	(6.7%)	(2.6%)	33.3%
NASDAQ Composite Index	4,620.2	(7.4%)	(2.4%)	2.8%	48.3%
Russell 2000 Index	1,100.7	(12.2%)	(8.6%)	(0.1%)	31.4%
AMEX Sector Index – Healthcare	87.5	(14.4%)	(12.8%)	(13.3%)	1.0%
S&P Healthcare Facilities (Sub Ind) Index	389.4	(20.6%)	(7.6%)	(1.6%)	102.0%
S&P Healthcare Providers & Services (Industry) Index	622.5	(14.0%)	3.0%	19.5%	101.6%
S&P Managed Healthcare (Sub Ind) Index	402.2	(16.2%)	9.8%	37.1%	117.2%
S&P Healthcare Services	450.1	(3.9%)	9.6%	16.0%	51.8%

Source: Capital IQ

Median % Change — 3 months



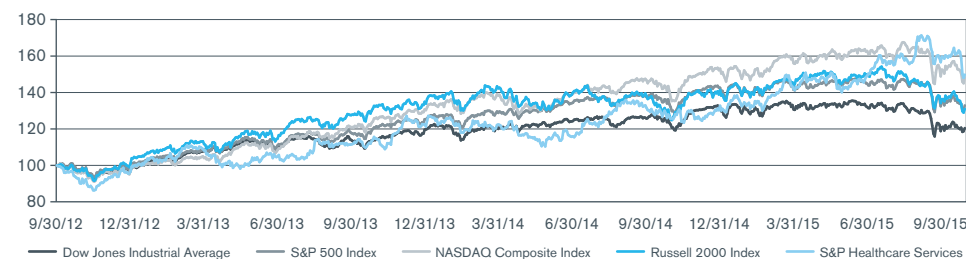
Source: Capital IQ

INTEREST RATES

	Value at 9/30/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.53%	0.53%	0.44%	0.33%
U.S. Treasury – 2 years	0.64%	0.72%	0.64%	0.58%
U.S. Treasury – 5 years	1.38%	1.53%	1.63%	1.78%
U.S. Treasury – 10 years	2.06%	2.19%	2.33%	2.51%
U.S. Treasury – 30 years	2.88%	2.91%	3.10%	3.10%
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 9/30/15	% 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	
Acute Care Hospitals																	
Community Health Systems, Inc.	CYH	\$42.77	(32.1%)	(21.9%)	\$65.00	\$40.52	\$5,054	\$22,233	\$19,491.0	\$2,917.0	\$1.32	\$4.05	1.14x	7.6x	12.4x	10.6x	1.11x
HCA Holdings, Inc.	HCA	77.36	(14.7%)	9.7%	95.49	43.91	32,119	62,724	38,429.0	7,699.0	4.16	5.29	1.63x	8.1x	15.8x	14.6x	1.36x
LifePoint Health, Inc.	LPNT	70.90	(18.5%)	2.5%	88.18	62.95	3,149	5,054	4,963.0	627.5	2.69	3.96	1.02x	8.1x	24.3x	17.9x	2.25x
Tenet Healthcare Corp.	THC	36.92	(36.2%)	(37.8%)	60.93	35.76	3,676	19,937	17,568.0	2,187.0	0.34	2.17	1.13x	9.1x	NM	17.0x	0.77x
Universal Health Services Inc.	UHS	124.81	(12.2%)	19.4%	148.57	95.63	12,360	15,663	8,575.8	1,585.3	5.42	7.00	1.83x	9.9x	20.6x	17.8x	1.72x
Median			(18.5%)	2.5%									1.14x	8.1x	18.2x	17.0x	1.36x
Assisted Living																	
AdCare Health Systems, Inc.	ADK	\$3.36	(2.9%)	(29.1%)	\$4.77	\$3.10	\$67	\$227	\$197.1	\$14.9	(\$0.82)	NM	1.15x	15.3x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	22.96	(33.8%)	(28.7%)	39.89	22.00	4,237	10,634	4,151.0	791.9	(1.01)	2.40	2.56x	13.4x	NM	9.6x	0.64x
Capital Senior Living Corp.	CSU	20.05	(18.2%)	(5.6%)	27.75	19.20	591	1,276	398.1	69.8	(0.83)	(0.56)	3.20x	18.3x	NM	NM	NM
Five Star Quality Care Inc.	FVE	3.09	(35.6%)	(18.0%)	5.07	2.74	152	194	1,115.3	17.1	(1.65)	(0.05)	0.17x	11.3x	NM	NM	NM
Median			(26.0%)	(23.4%)									1.86x	14.3x	NM	9.6x	0.64x
Care Management / TPA																	
Alere Inc.	ALR	\$48.15	(8.7%)	24.2%	\$55.99	\$35.62	\$4,128	\$7,873	\$2,543.6	\$538.4	(\$2.38)	\$2.42	3.10x	14.6x	NM	19.9x	1.99x
Care.com, Inc.	CRCM	5.14	(13.2%)	(36.9%)	9.46	4.89	165	108	136.4	(25.5)	(2.77)	(0.62)	0.79x	NM	NM	NM	NM
CorVel Corporation	CRVL	32.30	0.9%	(5.1%)	39.29	29.27	644	617	495.2	62.1	1.49	NM	1.25x	9.9x	24.5x	NM	NM
Crawford & Company	CRD.B	5.61	(33.5%)	(32.0%)	11.00	4.86	311	515	1,171.5	82.4	0.55	0.59	0.44x	6.2x	15.2x	9.6x	0.96x
ExamWorks Group, Inc.	EXAM	29.24	(25.2%)	(10.7%)	44.33	26.36	1,215	1,651	811.2	112.2	0.25	0.08	2.04x	14.7x	NM	NM	NM
Hooper Holmes Inc.	HH	0.11	(40.3%)	(81.3%)	0.65	0.11	9	10	27.9	(6.6)	(0.08)	NM	0.36x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	59.56	(9.4%)	48.4%	70.00	38.93	3,928	4,015	1,956.5	301.0	2.25	2.40	2.05x	13.3x	25.1x	24.8x	1.32x
Median			(13.2%)	(10.7%)									1.25x	13.3x	24.5x	19.9x	1.32x

Source: Capital IQ as of September 30, 2015; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Clinical Laboratories																	
Invitae Corporation	NVTA	\$7.22	(51.5%)	NM	\$22.35	\$6.58	\$230	\$63	\$4.2	(\$66.9)	(\$56.14)	(\$3.11)	14.92x	NM	NM	NM	NM
Laboratory Corp. of America Holdings	LH	108.47	(10.5%)	6.6%	131.19	95.61	10,966	17,151	7,055.5	1,414.2	5.91	7.89	2.43x	12.1x	23.5x	13.7x	1.21x
Psychemedics Corp.	PMD	10.05	(32.2%)	(29.0%)	17.83	9.82	54	58	28.2	4.0	0.60	NM	2.05x	14.3x	25.5x	NM	NM
Quest Diagnostics Inc.	DGX	61.47	(15.2%)	1.3%	89.00	56.27	8,824	12,452	7,551.0	1,469.0	3.78	4.76	1.65x	8.5x	18.2x	12.9x	1.30x
Sonic Healthcare Limited	SHL	12.83	(22.0%)	(16.4%)	16.68	11.82	5,160	6,586	3,232.8	514.8	0.77	0.72	2.04x	12.8x	21.2x	17.9x	2.57x
Median			(22.0%)	(7.5%)									2.05x	12.5x	22.3x	13.7x	1.30x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$17.42	(13.8%)	(21.1%)	\$23.95	\$13.73	\$618	\$777	\$320.4	\$34.8	(\$0.10)	\$0.90	2.43x	22.3x	NM	19.5x	1.11x
Charles River Laboratories International, Inc.	CRL	63.52	(9.7%)	6.3%	84.69	55.47	2,971	3,609	1,317.1	290.5	2.70	3.64	2.74x	12.4x	21.5x	17.5x	1.84x
ICON Public Limited Company	ICLR	70.97	5.5%	24.0%	84.14	49.75	4,249	4,117	1,554.6	310.9	2.73	3.93	2.65x	13.2x	21.1x	18.0x	0.98x
INC Research Holdings, Inc.	INCR	40.00	(0.3%)	NM	51.69	19.61	2,250	2,627	860.4	181.3	(0.51)	1.78	3.05x	14.5x	NM	22.5x	0.87x
PAREXEL International Corporation	PRXL	61.92	(3.7%)	(1.9%)	76.17	52.19	3,427	3,573	2,016.0	297.2	2.66	2.84	1.77x	12.0x	23.4x	21.8x	1.31x
PRA Health Sciences, Inc.	PRAH	38.83	6.9%	NM	46.35	18.47	2,336	3,219	1,312.3	186.8	(0.83)	1.81	2.45x	17.2x	NM	21.5x	0.98x
Quintiles Transnational Holdings Inc.	Q	69.57	(4.2%)	24.7%	80.45	51.09	8,537	10,225	4,229.4	750.7	2.72	3.16	2.42x	13.6x	25.3x	22.0x	1.75x
Median			(3.7%)	6.3%									2.45x	13.6x	22.4x	21.5x	1.11x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$9.76	(47.8%)	(56.8%)	\$25.83	\$9.00	\$103	\$683	\$447.7	\$114.6	\$0.98	NM	1.53x	6.0x	18.4x	NM	NM
American Shared Hospital Services	AMS	1.92	(24.0%)	(12.6%)	3.05	1.81	10	40	16.5	9.2	(0.19)	NM	2.41x	4.3x	NM	NM	NM
RadNet, Inc.	RDNT	5.55	(17.0%)	(16.2%)	10.35	5.25	247	890	755.2	100.6	0.03	0.31	1.18x	8.8x	33.9x	18.2x	1.82x
Median			(24.0%)	(16.2%)									1.53x	6.0x	26.2x	18.2x	1.82x
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$72.33	(9.0%)	(1.1%)	\$85.17	\$70.12	\$15,587	\$23,985	\$13,289.7	\$2,415.4	\$3.33	\$3.76	1.80x	9.9x	35.0x	19.2x	1.54x
Fresenius Medical Care AG & Co. KGAA	FME	77.71	(5.7%)	11.9%	91.80	56.77	23,671	33,851	16,982.3	3,004.8	3.45	3.51	1.99x	11.3x	22.3x	22.2x	2.09x
Median			(7.4%)	5.4%									1.90x	10.6x	28.6x	20.7x	1.81x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Distribution / Supply																	
Aceto Corp.	ACET	\$27.45	11.4%	42.1%	\$31.75	\$18.03	\$806	\$879	\$547.0	\$65.7	\$0.77	\$1.32	1.61x	13.4x	24.1x	20.8x	1.04x
AmerisourceBergen Corporation	ABC	94.99	(10.7%)	22.9%	120.68	74.32	20,537	21,732	132,080.1	1,544.1	0.15	5.10	0.16x	14.1x	NM	18.6x	1.13x
Cardinal Health, Inc.	CAH	76.82	(8.2%)	2.5%	91.91	71.72	25,262	26,139	102,531.0	2,694.0	3.24	4.58	0.25x	9.7x	21.3x	16.8x	1.52x
Henry Schein, Inc.	HSIC	132.72	(6.6%)	14.0%	149.95	109.34	11,068	12,327	10,418.8	890.4	5.44	5.93	1.18x	13.8x	24.0x	22.4x	2.06x
McKesson Corporation	MCK	185.03	(17.7%)	(5.0%)	243.61	160.10	43,002	48,679	183,115.0	4,237.0	7.54	12.34	0.27x	11.5x	22.3x	15.0x	1.03x
Owens & Minor Inc.	OMI	31.94	(6.1%)	(2.4%)	36.35	31.55	2,013	2,386	9,691.3	257.9	1.06	1.89	0.25x	9.3x	31.2x	16.9x	2.37x
Patterson Companies, Inc.	PDCO	43.25	(11.1%)	4.4%	53.07	39.28	4,358	5,848	4,578.9	440.5	2.02	2.40	1.28x	13.3x	21.0x	18.0x	1.68x
Median			(8.2%)	4.4%									0.27x	13.3x	23.2x	18.0x	1.52x
Emergency Services																	
Adeptus Health Inc.	ADPT	\$80.76	(15.0%)	224.3%	\$123.97	\$24.22	\$1,147	\$1,330	\$298.7	\$34.0	(\$0.34)	\$1.22	4.45x	39.1x	NM	NM	NM
Air Methods Corp.	AIRM	34.09	(17.5%)	(38.6%)	57.50	33.76	1,340	1,982	1,028.0	259.8	2.56	2.60	1.93x	7.6x	13.5x	13.1x	0.66x
Median			(16.3%)	92.9%									3.19x	23.4x	13.5x	13.1x	0.66x
HCIT																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$12.40	(9.4%)	(7.6%)	\$15.41	\$11.00	\$2,343	\$2,938	\$1,372.6	\$80.3	(\$0.37)	NM	2.14x	36.6x	NM	NM	NM
athenahealth, Inc.	ATHN	133.35	16.4%	1.3%	153.25	107.88	5,152	5,337	834.8	61.6	(0.08)	1.22	6.39x	86.6x	NM	NM	NM
Cerner Corporation	CERN	59.96	(13.2%)	0.7%	75.72	55.75	20,691	20,755	3,811.8	1,070.1	1.50	2.12	5.44x	19.4x	41.9x	28.3x	1.56x
Computer Programs & Systems Inc.	CPSI	42.13	(21.1%)	(26.7%)	64.86	41.64	476	439	192.9	43.4	2.94	2.10	2.28x	10.1x	17.2x	20.0x	1.82x
Healthstream Inc.	HSTM	21.81	(28.3%)	(9.2%)	32.41	21.35	690	550	189.2	31.0	0.37	0.23	2.91x	17.7x	NM	95.2x	5.77x
HMS Holdings Corp.	HMSY	8.77	(48.9%)	(53.5%)	23.69	8.11	777	824	453.2	87.1	0.16	0.55	1.82x	9.5x	NM	15.9x	0.83x
Inovalon Holdings, Inc.	INOV	20.83	(25.3%)	NM	33.75	17.78	3,082	2,575	387.2	138.5	0.49	0.53	6.65x	18.6x	43.2x	39.5x	1.82x
MedAssets, Inc.	MDAS	20.06	(9.1%)	(3.2%)	23.90	17.00	1,204	2,034	750.0	218.9	(0.34)	1.24	2.71x	9.3x	NM	16.2x	1.77x
Medical Transcription Billing, Corp.	MTBC	1.81	(3.7%)	(49.2%)	3.64	1.38	20	23	25.2	(2.8)	(0.64)	(0.53)	0.91x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	42.11	(22.5%)	(4.9%)	61.31	37.01	2,329	2,309	365.7	37.4	0.11	0.89	6.31x	61.8x	NM	47.3x	2.16x
Merge Healthcare Incorporated	MRGE	7.10	47.9%	222.7%	7.13	2.04	693	942	227.6	39.5	(0.00)	0.24	4.14x	23.9x	45.4x	30.2x	2.01x
National Research Corp.	NRCLB	33.00	0.0%	(11.1%)	39.30	27.54	365	332	99.5	29.8	0.74	0.68	3.33x	11.1x	NM	48.9x	4.07x
Premier, Inc.	PINC	34.37	(10.6%)	4.6%	39.81	29.29	1,298	4,928	1,007.0	329.4	17.95	1.51	4.89x	15.0x	NM	22.8x	1.94x
Press Ganey Holdings, Inc	PGND	29.59	3.2%	NM	35.09	0.00	1,557	1,731	300.2	27.6	0.36	0.89	5.77x	62.7x	NM	33.3x	2.30x
Quality Systems Inc.	QSII	12.48	(24.7%)	(9.4%)	18.75	12.00	753	636	494.5	52.0	0.36	0.66	1.29x	12.2x	26.6x	18.9x	2.01x
Streamline Health Solutions, Inc.	STRM	2.29	(18.2%)	(50.5%)	4.66	1.02	43	54	28.2	(7.4)	(0.71)	(0.37)	1.91x	NM	NM	NM	NM
Teladoc, Inc.	TDOC	22.29	NM	NM	35.42	0.00	856	991	58.6	(36.5)	(10.25)	(1.52)	16.91x	NM	NM	NM	NM
The Advisory Board Company	ABCO	45.54	(16.7%)	(2.3%)	60.38	37.47	1,938	2,453	666.3	61.9	(0.07)	1.33	3.68x	39.6x	NM	34.3x	2.05x
Median			(13.2%)	(7.6%)									3.51x	18.6x	41.9x	30.2x	2.01x

Source: Capital IQ as of September 30, 2015; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Consumer Directed Health & Wellness																	
Benefitfocus, Inc.	BNFT	\$31.25	(28.7%)	16.0%	\$47.49	\$19.58	\$898	\$850	\$159.8	(\$50.4)	(\$2.51)	(\$1.96)	5.32x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	4.20	(48.4%)	(67.5%)	13.44	4.02	396	232	61.2	(79.4)	(1.16)	(0.69)	3.79x	NM	NM	NM	NM
Connecture, Inc.	CNXR	4.56	(56.8%)	NM	14.39	3.67	100	139	93.4	(0.8)	(10.27)	(0.23)	1.49x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	9.14	(28.5%)	(34.6%)	15.21	8.30	295	361	201.4	18.7	0.17	0.73	1.79x	19.3x	21.1x	12.5x	0.21x
Fitbit Inc.	FIT	37.69	(1.4%)	NM	51.90	30.51	7,797	7,336	1,260.2	291.7	0.63	0.77	5.82x	25.1x	48.5x	49.3x	1.68x
HealthEquity, Inc.	HQY	29.55	(7.8%)	61.4%	34.56	16.11	1,691	1,542	107.1	28.7	0.21	0.30	14.40x	53.7x	NM	98.5x	2.81x
Healthways Inc.	HWAY	11.12	(7.2%)	(30.6%)	23.30	10.84	398	648	772.7	49.0	(0.16)	0.11	0.84x	13.2x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	29.10	(5.1%)	11.1%	33.52	23.58	9,559	13,415	2,708.0	730.0	(0.59)	1.47	4.95x	18.4x	24.5x	19.9x	1.80x
WebMD Health Corp.	WBMD	39.84	(10.0%)	(4.7%)	48.91	34.48	1,469	1,664	597.9	122.2	0.97	1.38	2.78x	13.6x	33.9x	28.9x	2.51x
Median			(10.0%)	(4.7%)									3.79x	18.8x	29.2x	28.9x	1.80x
Healthcare REITs																	
Mordechai Aviv Taasiot Beniyah (1973) Ltd.	AVIV	\$2.30	(3.7%)	5.9%	\$2.42	\$1.94	\$30	\$109	\$31.5	\$5.9	\$0.23	NM	3.47x	18.5x	9.0x	NM	NM
CareTrust REIT, Inc.	CTRE	11.35	(10.4%)	(20.6%)	18.49	10.40	546	908	66.3	52.6	(0.36)	0.26	13.70x	17.3x	47.5x	44.0x	NM
HCP, Inc.	HCP	37.25	2.1%	(6.2%)	49.61	35.37	17,231	28,630	2,418.5	1,801.3	1.94	1.92	11.84x	15.9x	47.3x	19.4x	NM
Welltower Inc.	HCN	67.72	3.2%	8.6%	84.88	61.00	23,830	36,688	3,508.9	1,768.9	1.43	2.41	10.46x	20.7x	27.2x	28.1x	4.39x
Healthcare Realty Trust Incorporated	HR	24.85	6.8%	4.9%	31.20	22.01	2,495	3,876	381.6	226.5	0.35	0.54	10.16x	17.1x	NM	46.4x	NM
LTC Properties Inc.	LTC	42.67	2.6%	15.7%	48.85	36.75	1,483	1,871	124.2	110.1	1.99	1.98	15.06x	17.0x	21.6x	21.6x	NM
National Health Investors Inc.	NHI	57.49	(7.7%)	0.6%	76.98	53.64	2,160	3,065	201.5	190.9	3.04	3.33	15.21x	16.1x	18.1x	17.2x	NM
Newcastle Investment Corp.	NCT	4.39	(0.7%)	(82.7%)	25.74	4.00	292	1,340	418.8	130.1	1.00	0.48	3.20x	10.3x	15.1x	9.2x	NM
Omega Healthcare Investors Inc.	OHI	35.15	2.4%	2.8%	45.46	32.01	6,501	10,292	593.1	551.2	1.74	1.34	17.35x	18.7x	24.8x	26.2x	NM
Sabra Health Care REIT, Inc.	SBRA	23.18	(9.9%)	(4.7%)	34.44	22.23	1,510	2,738	211.9	183.4	0.78	1.25	12.93x	14.9x	19.9x	18.6x	NM
Senior Housing Properties Trust	SNH	16.20	(7.7%)	(22.6%)	23.83	14.98	3,846	7,233	922.7	520.4	0.81	0.75	7.84x	13.9x	21.3x	21.7x	NM
Universal Health Realty Income Trust	UHT	46.94	1.0%	12.6%	57.55	41.22	625	853	65.9	44.5	3.99	NM	12.95x	19.2x	10.3x	NM	NM
Ventas, Inc.	VTR	56.06	(9.7%)	(9.5%)	81.93	52.03	18,640	30,353	3,352.9	1,833.0	1.59	1.70	9.05x	16.6x	36.3x	32.9x	NM
Median			(0.7%)	0.6%									11.84x	17.0x	21.5x	21.7x	4.39x

Source: Capital IQ as of September 30, 2015; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$30.01	(5.0%)	91.1%	\$37.47	\$15.04	\$1,430	\$1,642	\$1,221.9	\$111.2	\$0.69	\$1.23	1.34x	14.8x	31.2x	24.5x	2.04x
Cross Country Healthcare, Inc.	CCRN	13.61	7.3%	46.5%	16.72	8.80	439	502	755.7	25.1	(1.02)	0.34	0.66x	20.0x	NM	40.0x	NM
Envision Healthcare Holdings, Inc.	EVHC	36.79	(6.8%)	6.1%	45.95	30.48	6,833	8,927	4,906.9	593.3	0.66	1.46	1.82x	15.0x	37.2x	25.1x	1.57x
IPC Healthcare, Inc.	IPCM	77.69	40.3%	73.5%	80.09	36.12	1,353	1,431	713.8	70.4	2.21	2.19	2.01x	20.3x	41.5x	35.6x	1.78x
Team Health Holdings, Inc.	TMH	54.03	(17.3%)	(6.8%)	70.21	50.83	3,914	4,734	3,221.4	322.3	1.35	2.70	1.47x	14.7x	39.1x	20.0x	1.48x
Median			(5.0%)	46.5%									1.47x	15.0x	38.2x	25.1x	1.67x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$31.15	11.8%	58.9%	\$35.83	\$17.06	\$344	\$305	\$332.0	\$24.5	\$1.08	\$1.24	0.92x	12.4x	28.3x	25.2x	1.68x
Almost Family Inc.	AFAM	40.05	0.4%	47.4%	50.48	25.01	393	437	506.1	36.6	1.47	2.13	0.86x	12.0x	21.2x	18.8x	NM
Amedisys Inc.	AMED	37.97	(4.4%)	88.2%	48.34	19.03	1,278	1,341	1,203.6	89.3	0.40	1.42	1.11x	15.0x	NM	26.7x	NM
Chemed Corp.	CHE	133.47	1.8%	29.7%	153.98	97.85	2,258	2,386	1,496.4	204.9	5.57	6.75	1.59x	11.6x	22.0x	19.8x	1.98x
LHC Group, Inc.	LHCG	44.77	17.0%	93.0%	51.83	22.37	804	842	756.2	71.8	1.26	1.80	1.11x	11.7x	28.5x	24.9x	1.66x
Providence Service Corp.	PRSC	43.58	(1.6%)	(9.9%)	55.99	34.03	700	1,120	1,861.9	110.7	1.35	1.95	0.60x	10.1x	42.2x	22.3x	1.49x
Median			1.1%	53.2%									1.02x	11.8x	28.3x	23.6x	1.67x
Long Term Care																	
Diversicare Healthcare Services Inc.	DVCR	\$10.08	(21.9%)	(6.2%)	\$17.15	\$8.14	\$63	\$120	\$375.6	\$21.4	\$0.20	NM	0.32x	5.6x	39.1x	NM	NM
Kindred Healthcare Inc.	KND	15.75	(22.4%)	(18.8%)	24.66	15.61	1,321	4,550	6,003.0	444.2	(0.24)	1.36	0.76x	10.2x	NM	11.6x	0.83x
National Healthcare Corp.	NHC	60.89	(6.3%)	9.7%	66.50	54.33	868	893	891.9	106.5	3.14	NM	1.00x	8.4x	19.5x	NM	NM
The Ensign Group, Inc.	ENSG	42.63	(16.5%)	22.5%	54.08	33.17	1,090	1,083	1,155.3	95.9	1.56	2.52	0.94x	11.3x	21.3x	16.9x	1.13x
Median			(19.2%)	1.7%									0.85x	9.3x	21.3x	14.2x	0.98x
Managed Care – Commercial																	
Aetna Inc.	AET	\$109.41	(14.2%)	35.1%	\$134.40	\$71.81	\$38,150	\$45,469	\$59,724.4	\$5,158.5	\$5.68	\$7.52	0.76x	8.8x	16.6x	14.6x	1.31x
Anthem, Inc.	ANTM	140.00	(14.7%)	17.0%	173.59	108.92	36,622	53,421	76,608.3	6,587.2	8.96	10.23	0.70x	8.1x	13.7x	13.7x	1.25x
Cigna Corp.	CI	135.02	(16.7%)	48.9%	170.68	85.75	34,767	38,083	36,644.0	3,930.0	7.83	8.63	1.04x	9.7x	16.7x	15.6x	1.26x
Health Net, Inc.	HNT	60.22	(6.1%)	30.6%	76.67	42.61	4,654	4,507	15,601.8	380.4	1.80	3.32	0.29x	11.8x	NM	18.2x	0.93x
Humana Inc.	HUM	179.00	(6.4%)	37.4%	219.79	121.04	26,530	28,712	52,131.0	2,596.0	7.36	7.76	0.55x	11.1x	21.2x	23.1x	1.62x
UnitedHealth Group Incorporated	UNH	116.01	(4.9%)	34.5%	126.21	80.72	110,623	122,455	138,211.0	12,292.0	5.70	6.33	0.89x	10.0x	18.5x	18.3x	1.47x
Universal American Corp	UAM	6.84	(32.4%)	(14.9%)	11.16	6.73	552	510	1,947.3	(7.4)	(0.35)	0.15	0.26x	NM	NM	44.7x	1.02x
Median			(14.2%)	34.5%									0.70x	9.8x	16.7x	18.2x	1.26x

Source: Capital IQ as of September 30, 2015; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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		
Managed Care – Government																		
Centene Corp.	CNC	\$54.23	(32.5%)	31.1%	\$83.00	\$37.53	\$6,458	\$5,795	\$18,548.0	\$732.0	\$2.23	\$2.82	0.31x	7.9x	19.5x	19.3x	1.25x	
Molina Healthcare, Inc.	MOH	68.85	(2.1%)	62.8%	82.37	40.79	3,859	2,766	11,618.8	415.9	1.30	2.60	0.24x	6.6x	29.6x	26.4x	0.81x	
WellCare Health Plans, Inc.	WCG	86.18	1.6%	42.8%	98.79	55.43	3,798	3,672	13,774.7	407.8	1.44	3.45	0.27x	9.0x	39.7x	25.0x	1.56x	
Median			(2.1%)	42.8%									0.27x	7.9x	29.6x	25.0x	1.25x	
Other Services																		
Healthcare Services Group Inc.	HCSG	\$33.70	2.0%	17.8%	\$35.49	\$26.54	\$2,423	\$2,325	\$1,372.3	\$81.6	\$0.31	\$0.96	1.69x	28.5x	NM	35.2x	1.96x	
PDI, Inc.	PDII	1.79	25.2%	(25.4%)	2.74	1.00	30	43	131.8	(14.9)	(0.63)	(1.36)	0.32x	NM	NM	NM	NM	
Sharps Compliance Corp.	SMED	8.76	26.0%	100.5%	9.90	4.13	135	120	30.9	2.1	0.08	0.14	3.87x	57.9x	NM	63.9x	2.56x	
Stericycle, Inc.	SRCL	139.31	4.0%	19.5%	148.87	114.26	11,836	13,490	2,723.8	710.1	3.79	4.64	4.95x	19.0x	39.9x	30.0x	2.00x	
Median			14.6%	18.7%									2.78x	28.5x	39.9x	35.2x	2.00x	
Pharmacy Management																		
BioScrip, Inc.	BIOS	\$1.87	(48.5%)	(72.9%)	\$7.01	\$1.30	\$129	\$604	\$1,021.7	(\$52.1)	(\$2.09)	(\$0.39)	0.59x	NM	NM	NM	NM	
Character Group plc	CCT	7.66	2.4%	120.6%	8.10	2.77	165	159	168.7	20.6	0.57	0.59	0.94x	7.7x	10.5x	13.0x	NM	
Express Scripts Holding Company	ESRX	80.96	(9.0%)	14.6%	94.61	68.06	54,707	70,729	102,444.9	6,819.8	2.64	5.50	0.69x	10.4x	26.7x	14.7x	1.16x	
Omnicell, Inc.	OMCL	31.10	(17.5%)	13.8%	40.80	26.05	1,117	1,029	463.1	66.0	0.83	1.33	2.22x	15.6x	36.2x	23.4x	1.42x	
PharMerica Corporation	PMC	28.47	(14.5%)	16.5%	36.96	19.42	866	1,195	2,002.7	133.8	0.22	1.63	0.60x	8.9x	38.1x	17.4x	1.92x	
Median			(14.5%)	14.6%									0.69x	9.7x	31.4x	16.1x	1.42x	
Physician Practice Mgmt																		
Birner Dental Management Services Inc.	BDMS	\$12.75	(1.9%)	(24.9%)	\$16.89	\$12.05	\$24	\$33	\$64.4	\$3.6	(\$0.50)	NM	0.51x	9.0x	NM	NM	NM	
MEDNAX, Inc.	MD	76.79	3.6%	40.1%	86.09	49.82	7,207	8,435	2,593.0	589.4	3.18	3.64	3.25x	14.3x	22.7x	21.1x	1.58x	
Median			0.8%	7.6%									1.88x	11.7x	22.7x	21.1x	1.58x	

Source: Capital IQ as of September 30, 2015; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Psychiatric Hospitals																	
AAC Holdings, Inc.	AAC	\$22.25	(48.9%)	NM	\$46.60	\$15.09	\$499	\$527	\$157.7	\$30.9	\$0.41	\$0.83	NM	17.1x	34.0x	27.0x	NM
Acadia Healthcare Company, Inc.	ACHC	66.27	(15.4%)	36.6%	85.62	46.87	4,747	6,666	1,408.8	300.9	1.50	NM	NM	22.2x	43.1x	NM	NM
Magellan Health, Inc.	MGLN	55.43	(20.9%)	1.3%	73.00	52.37	1,491	1,494	4,044.2	232.7	2.90	1.77	0.37x	6.4x	24.4x	31.4x	NM
Median			(20.9%)	19.0%									0.37x	17.1x	34.0x	29.2x	NM
Specialty Managed Care																	
Assurant Inc.	AIZ	\$79.01	17.9%	22.9%	\$80.08	\$59.73	\$5,279	\$5,248	\$10,568.7	\$629.3	\$6.44	\$6.97	0.50x	8.3x	20.6x	11.3x	1.34x
Triple-S Management Corporation	GTS	17.81	(30.6%)	(10.5%)	26.92	17.34	472	322	2,508.3	89.8	2.41	1.28	0.13x	3.6x	7.3x	14.0x	1.78x
Median			(6.3%)	6.2%									0.31x	6.0x	14.0x	12.6x	1.56x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$77.71	11.1%	55.3%	\$87.42	\$47.68	\$3,765	\$6,723	\$2,296.6	\$607.5	\$1.27	\$3.55	2.93x	11.1x	NM	21.9x	1.10x
Civitas Solutions, Inc.	CIVI	22.92	7.5%	46.7%	27.85	11.88	850	1,483	1,343.1	142.7	(0.71)	0.69	1.10x	10.4x	NM	33.5x	NM
Hanger, Inc.	HGR	13.64	(41.8%)	(33.5%)	26.79	13.31	468	1,003	1,060.7	156.2	1.62	1.86	0.95x	6.4x	8.3x	7.3x	0.73x
HEALTHSOUTH Corp.	HLS	38.37	(16.7%)	4.0%	48.37	36.10	3,509	5,839	2,678.0	621.6	2.24	2.26	2.18x	9.4x	20.7x	16.9x	1.51x
The Joint Corp.	JYNT	6.48	(36.3%)	NM	12.99	5.99	64	52	9.8	(4.2)	(0.56)	(0.90)	5.27x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	10.79	(33.4%)	(10.3%)	17.20	10.41	1,418	4,174	3,164.7	367.0	0.91	0.93	1.32x	11.4x	11.4x	11.6x	0.93x
Surgical Care Affiliates, Inc.	SCAI	32.69	(14.8%)	22.3%	40.99	26.55	1,291	2,399	934.7	243.6	1.03	2.03	2.57x	9.8x	44.2x	16.1x	0.42x
US Physical Therapy Inc.	USPH	44.89	(18.0%)	26.8%	56.37	34.00	558	625	313.5	52.6	1.62	1.78	1.99x	11.9x	27.2x	25.2x	1.83x
Median			(17.4%)	22.3%									2.09x	10.4x	20.7x	16.9x	1.02x

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 September 30, 2015

MARKET SECTOR

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	78	\$577,215	(22.2%)	(6.7%)	7.26x	13.9x	34.7x	23.1x	1.2x
Cardiology Devices	19	161,559	(13.7%)	0.5%	3.00x	15.1x	32.9x	23.2x	2.2x
Conglomerates	5	426,056	(6.3%)	0.1%	3.01x	10.7x	20.0x	18.2x	2.7x
Dental Devices	6	18,450	(4.5%)	16.3%	3.13x	19.5x	28.6x	26.6x	2.3x
Diagnostic Imaging Devices	4	12,202	3.4%	25.0%	1.40x	11.4x	25.8x	19.7x	2.5x
Diversified Medical Devices	22	66,587	(13.5%)	(1.4%)	3.57x	14.3x	27.3x	24.4x	1.9x
Infection Prevention Devices	2	6,247	3.2%	42.7%	3.32x	17.1x	39.2x	31.9x	2.0x
Lab Equipment	2	7,931	(9.9%)	1.3%	1.92x	11.2x	18.6x	22.2x	2.0x
Lab Instrumentation & Devices	4	12,635	(26.6%)	(7.6%)	2.77x	13.4x	34.1x	20.2x	1.9x
Large-Cap Pharmaceuticals	6	671,327	(12.1%)	10.9%	5.05x	16.6x	42.8x	15.2x	1.8x
Life Science Conglomerates	3	79,379	(12.7%)	5.4%	3.68x	17.2x	31.7x	17.8x	2.2x
Life Science Consumables	6	13,376	(7.9%)	7.0%	2.27x	12.0x	25.8x	24.8x	1.4x
Mobility Devices	4	3,548	(19.8%)	12.6%	1.44x	12.8x	38.5x	20.5x	1.3x
Neural Implant Devices	2	3,752	(4.7%)	19.4%	3.75x	12.9x	38.7x	20.9x	1.6x
Ophthalmology Devices	6	8,113	(12.1%)	12.6%	1.54x	15.7x	19.3x	20.7x	1.2x
Orthopedics Devices	4	57,141	(7.8%)	5.0%	3.32x	14.7x	43.1x	16.6x	2.0x
Pharmaceuticals	45	84,496	(23.4%)	11.4%	4.77x	12.1x	22.4x	24.8x	1.1x
Surgical Devices	6	18,939	(24.1%)	(25.8%)	3.59x	12.4x	34.2x	26.3x	2.0x
Total / Median (\$MM)	224	\$2,228,952	(12.1%)	6.2%	3.23x	13.6x	32.3x	21.5x	1.9x

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	45	\$2,088,291	20.1%	93.7%	(10.9%)	(4.2%)	5.9%	76.7%
\$1 billion – \$5 billion	45	102,698	20.1%	4.6%	(7.2%)	28.6%	57.8%	155.7%
\$250 million – \$1 billion	55	29,002	24.6%	1.3%	(17.4%)	(2.8%)	4.9%	63.5%
\$100 million – \$250 million	37	6,615	16.5%	0.3%	(20.3%)	(9.0%)	3.0%	40.2%
< \$100 million	42	2,348	18.8%	0.1%	(31.1%)	(35.2%)	(36.4%)	47.8%
Total / Median (\$MM)	224	\$2,228,952	100.0%	100.0%	(17.4%)	(4.2%)	4.9%	63.5%

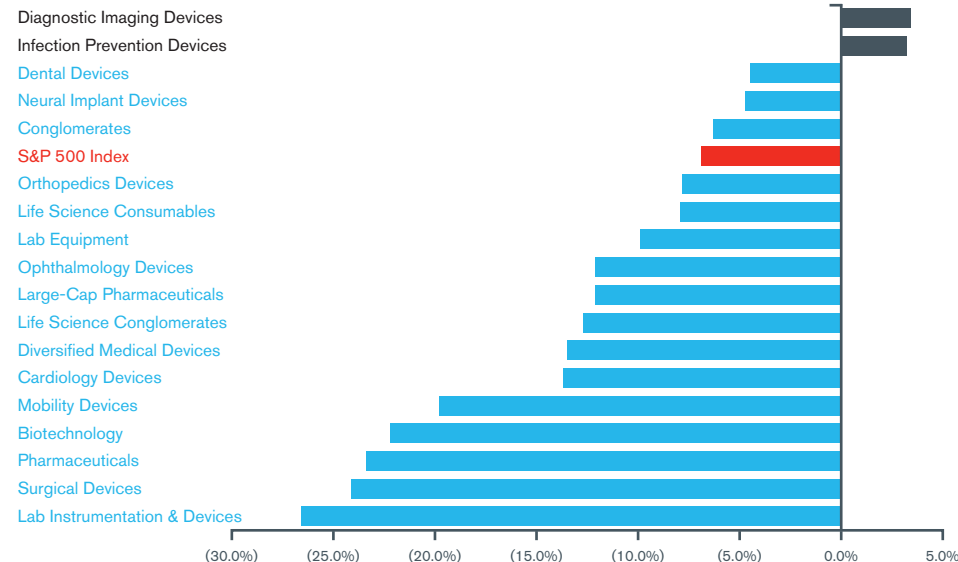
Source: Capital IQ

INTEREST RATES

	Value at 9/30/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.53%	0.53%	0.44%	0.33%
U.S. Treasury – 2 years	0.64%	0.72%	0.64%	0.58%
U.S. Treasury – 5 years	1.38%	1.53%	1.63%	1.78%
U.S. Treasury – 10 years	2.06%	2.19%	2.33%	2.51%
U.S. Treasury – 30 years	2.88%	2.91%	3.10%	3.10%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months



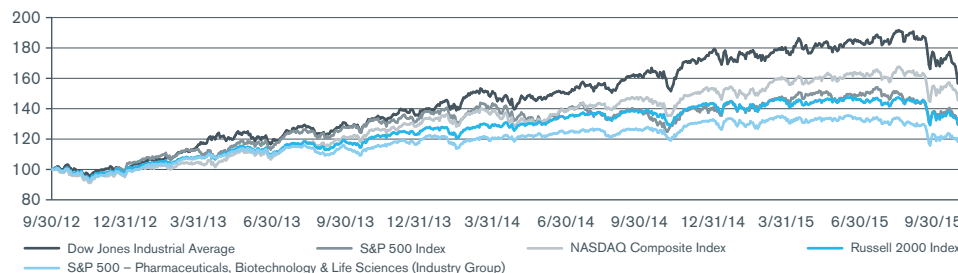
Source: Capital IQ

MARKET INDICES

	Value at 9/30/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	16,284.7	(7.6%)	(8.6%)	(4.4%)	21.2%
S&P 500 Index	1,920.0	(6.9%)	(6.7%)	(2.6%)	33.3%
NASDAQ Composite Index	4,620.2	(7.4%)	(2.4%)	2.8%	48.3%
Russell 2000 Index	1,100.7	(12.2%)	(8.6%)	(0.1%)	31.4%
S&P Life Science Tools & Services (Industry) Index	286.4	(7.4%)	(3.5%)	(0.2%)	69.2%
S&P 500 Pharmaceuticals (Industry) Index	555.8	(9.6%)	(4.7%)	(0.1%)	46.6%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	647.9	(12.7%)	(5.1%)	(0.3%)	64.6%
S&P 500 Biotechnology (Industry) Index	3,519.9	(14.4%)	(5.3%)	(1.5%)	122.5%
Dow Jones U.S. Medical Equipment Index	892.6	(8.3%)	(3.4%)	8.8%	58.8%
S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	723.9	(11.3%)	(5.2%)	(0.9%)	63.3%

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 9/30/15	% 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	
Biotechnology																	
Acceleron Pharma, Inc.	XLRN	\$24.90	(21.3%)	(17.7%)	\$48.50	\$20.00	\$823	\$709	\$17.4	(\$52.9)	(\$1.63)	(\$1.22)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	26.51	(20.5%)	(21.8%)	45.45	25.50	1,136	1,128	437.4	59.7	0.42	0.71	2.58x	18.9x	NM	37.5x	1.29x
Adamas Pharmaceuticals, Inc.	ADMS	16.74	(36.2%)	(10.1%)	30.86	13.60	308	184	31.1	(18.6)	0.53	(3.15)	5.90x	NM	NM	NM	NM
Aduro BioTech, Inc.	ADRO	19.37	(36.1%)	NM	49.25	16.28	1,206	740	31.8	(22.9)	(0.70)	(1.18)	23.26x	NM	NM	NM	NM
Affimed N.V.	ADMS	6.17	(54.2%)	(2.1%)	24.20	3.55	183	114	8.2	(17.0)	(0.02)	(0.81)	14.03x	NM	NM	NM	NM
Akebia Therapeutics, Inc.	AKBA	9.66	(6.1%)	(56.3%)	21.75	5.91	279	126	-	(41.8)	(8.04)	(1.71)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	156.39	(13.5%)	(5.7%)	208.88	142.02	35,368	37,504	2,391.2	880.0	3.26	4.84	15.68x	42.6x	53.4x	32.3x	1.94x
Alkermes plc	ALKS	58.67	(8.8%)	36.9%	75.17	38.49	8,765	8,343	647.7	(34.5)	(0.21)	(0.42)	12.88x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	1.93	(21.5%)	77.1%	3.33	0.78	354	470	64.3	(98.1)	(0.36)	(0.51)	7.31x	NM	NM	NM	NM
Amgen Inc.	AMGN	138.32	(9.9%)	(1.5%)	181.81	127.67	104,881	106,840	20,765.0	9,773.0	6.70	9.76	5.15x	10.9x	18.3x	14.2x	1.18x
Ascendis Pharma A/S	ASND	17.70	0.1%	NM	23.81	14.75	428	275	11.3	(32.6)	(9.04)	(2.15)	24.42x	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	31.44	(40.4%)	NM	65.56	10.10	896	741	-	(36.4)	(5.62)	(1.98)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.10	(9.1%)	(20.9%)	3.43	0.90	91	59	1.5	(28.0)	(0.31)	(0.33)	NM	NM	NM	NM	NM
aTyr Pharma Inc.	LIFE	10.26	(44.6%)	NM	28.29	0.00	243	146	-	(31.2)	(29.69)	(7.00)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	8.24	(49.3%)	(75.9%)	62.48	7.86	212	(68.1)	0.8	(37.4)	(2.46)	(1.68)	NM	1.8x	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	14.53	(31.7%)	NM	33.63	13.66	385	266	0.9	(26.9)	(34.04)	(1.42)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	5.09	(26.1%)	(30.0%)	8.85	4.50	72	46	-	(7.1)	(0.57)	(1.13)	NA	NM	NM	NM	NM
Biogen Inc.	BIIB	291.81	(27.8%)	(11.8%)	480.18	265.00	68,625	66,836	10,295.7	5,243.4	12.37	15.90	6.49x	12.7x	19.8x	18.4x	1.17x
BioSpecifics Technologies Corp.	BSTC	43.54	(15.6%)	23.3%	72.07	32.88	298	270	19.0	11.4	0.66	NM	14.23x	23.7x	41.9x	NM	NM
Calithera Biosciences, Inc.	CALA	5.43	(23.9%)	NM	33.48	4.31	98	21	-	(27.4)	(4.67)	(1.94)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	14.29	17.6%	70.3%	23.61	7.53	388	345	3.4	(20.6)	(0.85)	(1.03)	NM	NM	NM	NM	NM
Catalyst Biosciences, Inc.	TRGT	4.66	NM	NM	21.60	4.18	53	164	2.2	(8.1)	(0.69)	NM	NM	NM	NM	NM	NM
Celgene Corporation	CELG	108.17	(6.5%)	14.1%	140.72	83.16	85,513	85,650	8,426.3	3,205.4	2.39	4.80	10.16x	26.7x	41.0x	22.5x	0.90x
Cepheid	CPHD	45.20	(26.1%)	2.7%	63.69	42.26	3,258	3,241	511.8	22.7	(0.72)	(0.49)	6.33x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	20.04	(30.7%)	NM	38.10	12.27	770	563	35.2	(127.4)	(10.64)	(4.44)	15.99x	NM	NM	NM	NM
ContraFect Corporation	CFRX	4.45	(15.2%)	15.6%	6.24	2.50	112	76	-	(20.2)	(3.86)	(0.98)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	2.02	(39.0%)	43.3%	3.75	1.09	262	189	7.5	(23.4)	(0.22)	(0.52)	25.24x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	8.21	(41.1%)	(35.5%)	27.33	7.61	169	74	0.2	(55.4)	(3.00)	(3.35)	NM	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	0.84	(21.5%)	(46.8%)	1.69	0.80	26	31	14.3	(2.1)	(0.18)	NM	2.17x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	28.49	(13.5%)	33.7%	36.20	19.31	1,105	1,144	475.7	110.1	0.80	1.45	2.40x	10.4x	29.5x	19.6x	NM
Exelixis, Inc.	EXEL	5.61	49.2%	266.7%	6.81	1.26	1,265	1,559	31.0	(141.8)	(1.38)	(0.82)	NM	NM	NM	NM	NM
FibroGen, Inc.	FGEN	21.92	(6.7%)	NM	40.59	16.95	1,328	1,210	166.6	(65.1)	(3.17)	(0.82)	7.26x	NM	NM	NM	NM
Forward Pharma A/S	FWP	23.56	(38.1%)	NM	43.34	17.50	1,096	1,020	-	(34.2)	(1.79)	(0.85)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	21.16	(23.9%)	(25.3%)	37.75	20.35	687	568	277.0	(25.0)	(0.78)	(0.76)	2.05x	NM	NM	NM	NM

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Biotechnology (cont.)																	
Gilead Sciences Inc.	GILD	\$98.19	(16.1%)	(7.8%)	\$123.37	\$85.95	\$144,104	\$148,114	\$29,194.0	\$20,321.0	\$7.35	\$11.65	5.07x	7.3x	10.4x	8.4x	0.50x
GlycoMimetics, Inc.	GLYC	5.60	(29.6%)	(19.3%)	9.68	5.47	107	66	20.0	(10.6)	(0.60)	(0.66)	3.31x	NM	NM	NM	NM
Histogenics Corporation	HSGX	3.98	(38.3%)	NM	12.97	3.91	53	9	-	(35.7)	(6.85)	(2.03)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	1.72	(57.6%)	(53.8%)	5.48	1.50	163	159	5.7	(45.6)	(0.51)	(0.51)	28.15x	NM	NM	NM	NM
Immune Design Corp.	IMDZ	12.20	(40.9%)	(30.9%)	40.13	10.17	246	117	9.1	(39.4)	(4.56)	(2.00)	12.87x	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	28.46	(20.8%)	46.8%	46.17	16.50	2,045	1,930	273.2	73.9	0.52	0.93	7.06x	26.1x	58.2x	30.7x	1.10x
Juno Therapeutics Inc.	JUNO	40.69	(23.7%)	NM	69.28	33.00	4,092	3,798	12.5	(327.0)	(36.82)	(1.47)	NM	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	85.65	(15.1%)	82.3%	112.00	41.99	1,701	1,720	71.0	24.7	0.56	3.52	24.22x	NM	55.2x	24.3x	0.54x
Loxo Oncology, Inc.	LOXO	17.48	(3.1%)	33.1%	23.56	9.90	292	190	-	-	(3.06)	(1.93)	NA	NA	NM	NM	NM
MacroCure Ltd.	MCUR	3.35	(75.8%)	(53.4%)	16.10	2.60	56	20	-	(26.1)	(2.15)	(1.38)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	16.41	(28.1%)	44.7%	25.56	9.38	1,129	752	84.0	(60.9)	(1.91)	(0.25)	8.96x	NM	NM	NM	NM
Myriad Genetics, Inc.	MYGN	37.48	10.3%	(2.8%)	41.81	30.30	2,571	2,426	723.1	175.1	1.45	1.58	3.36x	13.9x	34.7x	23.7x	1.66x
NantKwest, Inc.	NK	11.46	NM	NM	38.48	10.87	930	809	0.4	(118.6)	(0.75)	(1.02)	NM	NM	NM	NM	NM
Neothetics, Inc.	NEOT	8.07	(10.3%)	NM	15.05	5.92	111	57	-	(20.9)	(5.36)	(3.47)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	39.79	(16.7%)	153.9%	56.97	15.20	3,417	3,032	19.8	(64.0)	(0.81)	(0.83)	NM	NM	NM	NM	NM
Nexvet Biopharma Public Limited Company	NVET	3.64	(26.8%)	NM	11.30	3.54	42	(10)	0.0	(15.8)	(8.79)	(1.77)	NM	0.7x	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	14.06	(33.1%)	(6.1%)	44.19	13.00	348	239	1.5	(30.4)	(2.69)	(1.51)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	18.47	(5.1%)	46.7%	23.67	11.87	636	589	81.2	7.0	(0.01)	0.21	7.25x	NM	NM	88.0x	NM
Otonomy, Inc.	OTIC	17.81	(22.5%)	(25.8%)	41.99	17.00	431	219	-	(43.8)	(5.46)	(2.87)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	19.00	(26.3%)	NM	39.80	16.00	334	185	4.0	(29.4)	(7.82)	(3.48)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	5.03	(21.8%)	(32.7%)	8.60	4.58	826	886	500.5	450.7	1.86	2.17	1.77x	2.0x	2.7x	2.3x	NM
Pfenex Inc.	PFNX	15.01	(22.6%)	103.9%	24.41	6.27	348	229	9.1	(17.0)	(1.04)	(1.52)	25.20x	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.10	(41.7%)	(28.7%)	2.14	1.04	638	636	14.2	(32.9)	0.01	(0.06)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	14.57	(12.6%)	(15.2%)	27.60	11.00	340	226	1.6	(25.3)	(1.32)	(0.92)	NM	NM	NM	NM	NM
Proteon Therapeutics Inc	PRTO	13.91	(22.1%)	NM	20.00	8.57	229	154	2.9	(12.7)	(3.16)	(1.28)	NM	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	465.14	(8.8%)	29.0%	605.93	320.06	49,147	48,931	3,396.3	1,106.7	3.07	12.28	14.41x	44.2x	NM	37.9x	1.68x
Regenxbio Inc.	RGNX	22.03	NM	NM	30.84	0.00	558	585	3.6	-	(1.82)	NM	NM	NA	NM	NM	NM
Roka Bioscience, Inc.	ROKA	1.95	(25.0%)	(80.6%)	11.19	1.76	35	1	5.8	(28.1)	(2.93)	(2.10)	0.20x	NM	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	42.32	(42.0%)	34.3%	89.04	28.97	1,220	995	-	(63.7)	(1.67)	(3.24)	NA	NM	NM	NM	NM
Spark Therapeutics, Inc.	ONCE	41.73	(30.8%)	NM	79.50	36.96	1,025	802	4.2	(38.2)	(4.64)	(2.08)	NM	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	5.98	(12.6%)	(26.5%)	8.34	5.45	403	356	183.5	(12.9)	(0.71)	(0.89)	1.94x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	8.76	(46.0%)	(51.6%)	24.04	8.45	178	146	0.9	(36.3)	(4.15)	(2.26)	NM	NM	NM	NM	NM
Theravance Inc.	THRX	7.18	(60.3%)	(58.0%)	21.16	6.36	841	1,350	25.8	(4.2)	(0.66)	(0.14)	NM	NM	NM	NM	NM

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Biotechnology (cont.)																	
Tokai Pharmaceuticals, Inc.	TKAI	\$10.35	(22.2%)	(31.6%)	\$17.87	\$9.67	\$233	\$150	\$-	(\$34.9)	(\$3.60)	(\$2.03)	NA	NM	NM	NM	NM
TRACON Pharmaceuticals, Inc.	TCON	9.77	(13.8%)	NM	21.00	8.46	118	64	7.5	(10.3)	(4.40)	(1.75)	8.52x	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	96.31	(5.9%)	70.2%	137.05	38.01	3,725	3,399	-	(83.6)	(2.25)	(3.29)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	131.24	(24.6%)	2.0%	190.29	118.47	5,977	5,569	1,351.0	337.0	6.28	6.97	4.12x	16.5x	40.1x	18.8x	1.00x
Vanda Pharmaceuticals, Inc.	VNDA	11.28	(11.1%)	8.7%	15.51	8.34	477	330	79.9	(15.8)	0.55	(0.70)	4.14x	NM	8.7x	NM	NM
Vascular Biogenics Ltd.	VBLT	7.48	21.2%	NM	17.02	3.09	149	117	-	(14.2)	(3.09)	(0.69)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	11.53	(24.2%)	(39.3%)	23.99	9.97	338	124	-	(69.2)	(4.39)	(2.90)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	104.14	(15.7%)	(7.3%)	143.45	96.43	25,478	25,440	628.1	(532.6)	(3.14)	(1.28)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	4.04	(80.9%)	(80.2%)	29.67	2.81	97	25	-	(55.6)	(3.54)	(2.37)	NA	NM	NM	NM	NM
XBiotech, Inc.	XBIT	14.94	(17.4%)	NM	32.50	13.64	479	361	-	(27.3)	(0.90)	NM	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	31.95	(7.7%)	62.6%	55.36	16.01	867	654	-	(55.9)	(3.00)	(2.90)	NA	NM	NM	NM	NM
Median			(22.2%)	(6.7%)									7.26x	13.9x	34.7x	23.1x	1.17x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$92.76	41.1%	273.6%	\$110.68	\$21.84	\$3,901	\$3,746	\$254.9	\$49.8	\$0.44	\$0.82	14.69x	NM	32.9x	NM	NM
AngioDynamics Inc.	ANGO	13.19	(19.6%)	(3.9%)	19.80	13.10	478	595	352.8	51.2	0.14	0.53	1.69x	11.6x	NM	25.1x	1.67x
Bellerophon Therapeutics LLC	BLPH	5.19	(34.6%)	NM	12.92	2.75	67	14	0.0	(52.4)	(7.56)	(4.06)	NA	NM	NM	NM	NM
Boston Scientific Corporation	BSX	16.41	(7.3%)	39.0%	18.62	11.10	22,054	26,263	7,272.0	1,741.0	(0.09)	0.91	3.61x	15.1x	NM	18.1x	1.55x
Cardiovascular Systems Inc.	CSII	15.84	(40.1%)	(33.0%)	41.28	14.91	514	431	178.8	(30.3)	(1.07)	(1.28)	2.41x	NM	NM	NM	NM
CareDx, Inc	CDNA	4.17	(35.8%)	(40.4%)	10.89	3.70	50	29	29.0	(4.9)	0.10	(1.02)	0.98x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	142.17	(0.2%)	39.2%	157.61	97.07	15,286	14,477	2,432.5	663.3	7.48	4.37	5.95x	21.8x	35.4x	32.5x	2.31x
Greatbatch, Inc.	GB	56.42	4.6%	32.4%	63.19	42.26	1,442	1,554	677.6	121.4	2.14	2.65	2.29x	12.8x	32.4x	21.3x	2.13x
Heartware International Inc.	HTWR	52.31	(28.0%)	(32.6%)	95.59	50.03	905	841	285.4	(6.2)	(1.14)	(2.10)	2.95x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	12.19	1.1%	77.2%	14.82	6.48	216	197	74.3	13.1	0.23	0.33	2.65x	15.0x	37.3x	37.1x	2.56x
Lombard Medical, Inc.	EVAR	3.57	(18.9%)	(53.6%)	7.70	3.26	71	36	17.0	(34.4)	(2.39)	(2.14)	2.12x	NM	NM	NM	NM
Medtronic plc	MDT	66.94	(9.7%)	8.1%	79.50	55.54	94,627	112,240	23,127.0	7,024.0	3.11	4.28	4.85x	16.0x	31.1x	15.6x	2.37x
Neovasc Inc.	NVC	5.32	(22.3%)	(6.4%)	9.52	3.73	354	284	11.3	(21.4)	(0.31)	(0.29)	25.18x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.56	55.5%	138.1%	0.56	0.12	190	213	0.0	(19.3)	(0.15)	(0.05)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	63.09	(13.7%)	4.9%	80.84	54.80	17,775	20,582	5,566.0	1,712.0	3.46	3.98	3.70x	12.0x	17.6x	15.9x	1.51x
Stereotaxis Inc.	STXS	0.93	(35.5%)	(60.0%)	2.97	0.65	20	34	37.8	(3.4)	(0.26)	NM	0.91x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	2.20	(36.2%)	(61.0%)	6.90	1.99	40	15	0.3	(25.8)	(1.51)	(1.51)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	63.26	41.9%	136.7%	63.51	25.04	3,466	3,192	483.8	70.5	0.89	1.34	6.60x	45.3x	89.9x	47.1x	4.39x
TriVascular Technologies, Inc.	TRIV	5.00	(6.5%)	(65.5%)	16.62	3.98	103	106	34.7	(50.5)	(3.95)	(2.88)	3.06x	NM	NM	NM	NM
Median			(13.7%)	0.5%									3.00x	15.1x	32.9x	23.2x	2.22x

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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		
Conglomerates																		
3M Company	MMM	\$141.77	(8.1%)	0.1%	\$170.50	\$130.60	\$88,570	\$93,639	\$31,120.0	\$8,516.0	\$7.49	\$7.78	3.01x	11.0x	18.5x	18.2x	2.14x	
Agilent Technologies Inc.	A	34.33	(11.0%)	(39.8%)	57.16	33.25	11,377	10,960	6,979.0	1,198.0	1.43	1.76	1.57x	9.1x	20.0x	19.5x	4.24x	
Becton, Dickinson and Company	BDX	132.66	(6.3%)	16.6%	154.98	112.98	27,892	39,466	9,410.0	2,417.0	5.82	7.53	4.19x	16.3x	33.0x	17.6x	1.35x	
Johnson & Johnson	JNJ	93.35	(4.2%)	(12.4%)	109.49	81.79	258,496	243,849	71,882.0	23,498.0	5.70	6.17	3.39x	10.4x	16.4x	15.1x	3.05x	
Kimberly-Clark Corporation	KMB	109.04	2.9%	1.4%	119.01	103.04	39,721	47,017	19,218.0	4,375.0	3.91	5.76	2.45x	10.7x	61.6x	18.9x	2.67x	
Median			(6.3%)	0.1%									3.01x	10.7x	20.0x	18.2x	2.67x	
Dental Devices																		
COLTENE Holding AG	CLTN	\$58.07	(21.5%)	(5.1%)	\$86.54	\$52.23	\$245	\$255	\$170.5	\$28.5	\$3.73	\$3.50	1.49x	9.0x	17.3x	16.6x	3.91x	
DENTSPLY International Inc.	XRAY	50.57	(1.9%)	10.9%	57.61	43.83	7,070	8,021	2,781.6	572.7	2.24	2.59	2.88x	14.0x	27.0x	19.5x	2.35x	
Orthofix International N.V.	OFIX	33.75	1.9%	9.0%	42.10	26.96	636	580	392.0	18.8	(0.20)	0.69	1.48x	30.8x	NM	48.9x	NM	
Osstem Implant Co., Ltd.	A048260	55.07	(9.4%)	37.1%	60.05	28.04	787	770	227.5	31.1	1.01	1.59	3.38x	24.8x	42.5x	34.7x	0.79x	
Sirona Dental Systems Inc.	SIRO	93.34	(7.1%)	21.7%	105.37	74.38	5,217	4,878	1,146.4	280.2	3.16	4.07	4.25x	17.4x	28.6x	22.9x	2.01x	
Straumann Holding AG	STMN	287.01	4.8%	26.7%	312.36	196.63	4,495	4,486	800.6	207.6	10.10	9.50	5.60x	21.6x	50.2x	30.2x	2.83x	
Median			(4.5%)	16.3%									3.13x	19.5x	28.6x	26.6x	2.35x	
Orthopedics Devices																		
Exactech Inc.	EXAC	\$17.43	(16.3%)	(23.9%)	\$26.20	\$16.12	\$245	\$252	\$244.1	\$43.8	\$1.18	\$1.18	1.03x	5.8x	15.4x	14.7x	NM	
NuVasive, Inc.	NUVA	48.22	1.8%	38.3%	56.61	33.33	2,360	2,458	789.5	150.1	(0.36)	1.19	3.11x	16.4x	50.4x	40.4x	2.72x	
Stryker Corporation	SYK	94.10	(1.5%)	16.5%	105.34	77.87	35,434	34,623	9,818.0	2,623.0	1.34	5.11	3.53x	13.2x	38.6x	18.4x	2.03x	
Zimmer Biomet Holdings, Inc.	ZMH	93.93	(14.0%)	(6.6%)	121.84	90.92	19,102	29,270	4,630.9	1,813.5	4.19	6.71	6.32x	16.1x	47.7x	14.0x	1.25x	
Median			(7.8%)	5.0%									3.32x	14.7x	43.1x	16.6x	2.03x	
Diagnostic Imaging Devices																		
Analogic Corporation	ALOG	\$82.04	4.0%	28.3%	\$92.31	\$63.74	\$1,020	\$896	\$540.3	\$63.5	\$2.56	\$4.16	1.66x	14.1x	30.8x	19.7x	NM	
Digirad Corporation	DRAD	3.74	(13.8%)	(4.8%)	5.48	3.50	72	51	57.4	5.9	0.13	0.19	0.88x	8.6x	20.8x	19.7x	NM	
Fonar Corp.	DRAD	13.41	26.8%	21.8%	14.25	9.10	83	94	81.8	16.1	1.70	NM	1.15x	5.8x	6.7x	NM	NM	
Hologic Inc.	HOLX	39.13	2.8%	60.8%	43.00	22.70	11,027	14,083	2,640.9	964.0	0.18	1.70	5.33x	14.6x	84.0x	23.0x	2.48x	
Median			3.4%	25.0%									1.40x	11.4x	25.8x	19.7x	2.48x	

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$51.99	(4.3%)	25.5%	\$58.73	\$39.58	\$2,949	\$3,414	\$1,894.1	\$274.2	\$1.03	\$2.69	1.80x	12.4x	36.6x	19.3x	1.31x
Invacare Corporation	IVC	14.47	(33.1%)	22.5%	23.59	11.65	471	496	1,214.0	1.3	(2.15)	(0.70)	0.41x	NM	NM	NM	NM
Prism Medical Ltd.	PM	7.35	(8.5%)	2.8%	10.53	5.45	36	43	40.2	3.3	2.55	0.34	1.07x	13.2x	40.4x	21.6x	NM
ReWalk Robotics Ltd.	RWLK	7.68	(31.1%)	(77.5%)	34.29	7.20	92	61	4.0	(19.3)	(6.34)	(1.93)	15.39x	NM	NM	NM	NM
Median			(19.8%)	12.6%									1.44x	12.8x	38.5x	20.5x	1.31x
Infection Prevention Devices																	
Canter Medical Corp.	CMN	\$56.70	5.6%	64.9%	\$58.04	\$33.70	\$2,359	\$2,406	\$560.6	\$110.4	\$1.03	\$1.30	4.29x	21.8x	49.3x	43.6x	NM
Steris Corp.	STE	64.97	0.8%	20.4%	71.39	52.29	3,888	4,380	1,869.6	354.6	2.21	3.23	2.34x	12.4x	29.0x	20.1x	2.01x
Median			3.2%	42.7%									3.32x	17.1x	39.2x	31.9x	2.01x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$60.78	2.2%	18.8%	\$76.48	\$48.19	\$1,580	\$1,411	\$300.6	\$110.3	\$2.45	\$2.73	4.69x	12.8x	28.4x	22.3x	1.27x
Integra LifeSciences Holdings Corporation	IART	59.55	(11.6%)	20.0%	70.32	46.55	2,171	2,694	959.6	206.6	1.03	3.07	2.81x	13.0x	49.1x	19.4x	1.89x
Median			(4.7%)	19.4%									3.75x	12.9x	38.7x	20.9x	1.58x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$7.61	(7.8%)	8.7%	\$11.28	\$6.41	\$76	\$64	\$41.4	\$1.7	\$0.97	NM	1.54x	37.3x	8.6x	NM	NM
Lumenis Ltd.	LMNS	13.85	0.9%	55.4%	13.97	8.45	499	445	289.7	28.2	0.36	0.62	1.54x	15.8x	28.8x	22.2x	NM
Opt Sciences Corporation	OPST	19.50	2.4%	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	(33.3%)	NM	9.38	0.00	73	43	0.2	(17.9)	(1.71)	(1.62)	NM	NM	NM	NM	NM
Second Sight Medical Products, Inc.	EYES	5.93	(56.4%)	NM	24.02	5.88	212	186	6.5	(20.4)	(1.41)	(0.57)	28.63x	NM	NM	NM	NM
The Cooper Companies Inc.	COO	148.86	(16.4%)	(4.4%)	190.00	142.11	7,237	8,534	1,809.5	546.3	5.29	7.79	4.72x	15.6x	37.1x	19.1x	1.23x
Median			(12.1%)	12.6%									1.54x	15.7x	19.3x	20.7x	1.23x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$0.33	(76.1%)	(80.6%)	\$1.70	\$0.32	\$33	\$124	\$199.9	\$23.0	(\$0.16)	(\$0.16)	0.62x	5.4x	NM	NM	NM
Avinger, Inc.	AVGR	14.71	13.9%	NM	17.47	9.35	180	149	10.8	(30.3)	(132.63)	(3.71)	13.78x	NM	NM	NM	NM
Bovie Medical Corporation	BVX	1.95	(30.1%)	(51.1%)	4.30	1.72	53	42	27.7	(7.1)	(1.03)	(0.29)	1.52x	NM	27.8x	NM	NM
CONMED Corporation	CNMD	47.74	(18.1%)	29.6%	60.66	36.62	1,322	1,520	723.3	122.5	1.16	1.83	2.10x	12.4x	49.2x	26.1x	1.83x
Entellus Medical, Inc.	ENTL	18.02	(30.3%)	NM	28.81	17.72	337	278	54.8	(7.4)	(4.62)	(0.92)	5.07x	NM	NM	NM	NM
Intuitive Surgical, Inc.	ISRG	459.58	(5.1%)	(0.5%)	564.86	449.34	17,013	15,452	2,257.3	750.1	11.11	17.31	6.85x	20.6x	34.2x	26.6x	2.07x
Median			(24.1%)	(25.8%)									3.59x	12.4x	34.2x	26.3x	1.95x

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$43.99	(14.5%)	(13.3%)	\$66.89	\$42.55	\$999	\$871	\$211.6	\$43.8	\$0.99	\$1.12	4.11x	19.9x	44.4x	39.4x	1.97x
AtriCure, Inc.	ATRC	21.91	(11.1%)	48.8%	28.15	13.19	625	571	117.9	(18.1)	(0.61)	(0.82)	4.84x	NM	NM	NM	NM
Baxter International Inc.	BAX	32.85	(53.0%)	(54.2%)	75.29	32.22	17,921	25,504	16,326.0	4,049.0	3.56	1.32	1.56x	6.3x	10.4x	24.9x	5.94x
Capnia, Inc.	CAPN	2.11	(24.9%)	NM	9.90	1.02	17	9	0.1	(8.6)	(10.42)	(0.76)	NM	NM	NM	NM	NM
CR Bard Inc.	BCR	186.31	9.1%	30.6%	202.47	141.49	13,824	14,121	3,376.7	1,047.6	3.76	9.08	4.18x	13.5x	41.1x	20.5x	1.90x
CryoLife Inc.	CRY	9.73	(13.7%)	(1.4%)	12.29	9.17	289	253	143.6	10.5	0.25	(0.02)	1.77x	24.1x	85.6x	NM	NM
HTG Molecular Diagnostics, Inc.	HTGM	7.62	(31.7%)	NM	19.75	4.50	52	33	4.0	(14.7)	(175.03)	(3.08)	8.30x	NM	NM	NM	NM
IDEXX Laboratories, Inc.	IDXX	74.25	15.8%	(37.0%)	168.51	61.58	6,831	7,584	1,531.3	331.8	3.58	2.11	4.95x	22.9x	18.9x	35.3x	2.46x
InfuSystem Holdings, Inc.	INFU	2.76	(13.5%)	(12.1%)	4.50	2.22	62	96	62.2	16.2	0.15	NM	1.54x	5.9x	27.6x	NM	NM
Masimo Corporation	MASI	38.56	(0.5%)	81.2%	46.00	21.03	1,966	2,025	609.2	122.0	1.30	1.43	3.32x	16.6x	27.3x	26.9x	1.61x
Medovex Corp.	MDVX	2.38	(40.1%)	NM	5.80	2.02	26	23	0.0	(4.6)	(0.37)	NM	NA	NM	NM	NM	NM
Misonix, Inc.	MSON	10.73	12.9%	(10.7%)	14.90	8.20	83	73	22.2	(0.3)	0.36	NM	3.31x	NM	16.3x	NM	NM
Natus Medical Inc.	BABY	39.45	(7.3%)	33.7%	46.98	28.34	1,282	1,209	365.2	72.0	1.00	1.51	3.31x	16.8x	35.3x	26.2x	1.19x
Nevro Corp.	NVRO	46.39	(13.7%)	NM	58.87	23.13	1,294	1,059	39.5	(44.9)	(6.94)	(2.75)	26.84x	NM	NM	NM	NM
OpGen, Inc.	OPGN	2.58	(30.6%)	NM	5.44	2.21	32	22	2.8	(8.0)	(1.20)	NM	8.01x	NM	NM	NM	NM
Penumbra, Inc.	PEN	40.10	NM	NM	43.06	0.00	1,197	1,271	149.1	2.0	(0.18)	NM	8.52x	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	0.52	(61.8%)	(91.6%)	6.29	0.43	11	8	128.3	(18.6)	(3.26)	(0.73)	0.07x	NM	NM	NM	NM
ResMed Inc.	RMD	50.96	(9.6%)	3.4%	75.33	45.58	7,161	6,744	1,678.9	482.3	2.46	2.57	4.02x	14.0x	20.6x	19.9x	2.12x
Sientra, Inc.	SIEN	10.15	(59.8%)	NM	26.67	9.38	182	118	49.4	(7.6)	(2.28)	(1.15)	2.39x	NM	NM	NM	NM
SurModics, Inc.	SRDX	21.84	(6.7%)	20.3%	27.68	18.00	282	228	59.9	23.0	0.89	0.92	3.81x	9.9x	22.6x	23.8x	1.79x
Teleflex Incorporated	TFX	124.21	(8.3%)	18.3%	140.50	101.95	5,167	5,956	1,801.6	409.9	4.10	6.22	3.31x	14.5x	30.7x	20.0x	1.78x
Varian Medical Systems, Inc.	VAR	73.78	(12.5%)	(7.9%)	96.67	71.07	7,283	6,769	3,093.4	658.7	3.84	4.40	2.19x	10.3x	17.9x	16.8x	2.12x
Median			(13.5%)	(1.4%)									3.57x	14.3x	27.3x	24.4x	1.94x
Life Science Conglomerates																	
illumina Inc.	ILMN	\$175.82	(19.5%)	7.3%	\$242.37	\$145.12	\$25,441	\$25,234	\$2,071.0	\$742.0	\$2.37	\$3.46	12.18x	34.0x	53.7x	50.8x	2.43x
PerkinElmer Inc.	PKI	45.96	(12.7%)	5.4%	54.45	38.96	5,211	6,007	2,241.2	350.1	1.42	2.58	2.68x	17.2x	31.7x	17.8x	2.23x
Thermo Fisher Scientific, Inc.	TMO	122.28	(5.8%)	0.5%	141.25	14.00	48,727	61,984	16,853.9	4,025.7	4.71	7.38	3.68x	15.4x	25.0x	16.6x	1.71x
Median			(12.7%)	5.4%									3.68x	17.2x	31.7x	17.8x	2.23x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$16.43	(19.5%)	(11.3%)	\$22.32	\$16.22	\$2,763	\$2,640	\$1,677.3	\$207.5	\$0.33	\$0.76	1.57x	12.7x	46.9x	21.8x	1.65x
Great Basin Scientific, Inc.	GBSN	0.10	(96.6%)	NM	9.08	0.05	19	7	1.8	(14.2)	(17.32)	(9.45)	3.97x	NM	NM	NM	NM
Harvard Bioscience Inc.	HBIO	3.78	(33.7%)	(7.6%)	6.84	3.65	128	142	110.4	6.8	0.07	0.22	1.28x	20.8x	NM	17.2x	NM
Waters Corporation	WAT	118.21	(7.9%)	19.3%	137.39	93.56	9,725	9,077	2,032.2	675.5	5.07	5.85	4.47x	13.4x	21.3x	20.2x	2.18x
Median			(26.6%)	(7.6%)									2.77x	13.4x	34.1x	20.2x	1.92x

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$16.35	(3.3%)	(8.5%)	\$19.00	\$15.30	\$44	\$50	\$119.4	\$7.6	\$1.47	NM	0.42x	6.6x	13.5x	NM	NM
Mettler-Toledo International Inc.	MTD	284.74	(16.6%)	11.2%	350.11	228.30	7,887	8,366	2,444.3	528.9	11.44	12.82	3.42x	15.8x	23.7x	22.2x	1.97x
Median			(9.9%)	1.3%									1.92x	11.2x	18.6x	22.2x	1.97x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$8.54	(21.8%)	7.0%	\$13.11	\$7.00	\$682	\$688	\$358.3	\$47.3	(\$0.05)	\$0.38	1.92x	14.5x	34.0x	22.7x	1.34x
Bio-Rad Laboratories, Inc.	BIO	134.31	(10.8%)	18.4%	152.38	102.71	3,909	3,617	2,107.8	312.0	3.05	3.54	1.72x	11.6x	40.6x	37.9x	NM
Cambrex Corporation.	CBM	39.68	(9.7%)	112.4%	53.99	15.76	1,245	1,242	394.9	105.6	1.84	2.05	3.15x	11.8x	19.6x	19.4x	1.29x
Luminex Corporation	LMNX	16.91	(2.0%)	(13.3%)	21.69	15.05	728	607	231.4	49.6	0.93	0.50	2.62x	12.2x	18.6x	34.0x	NM
Bio-Techne Corp.	TECH	92.46	(6.1%)	(1.2%)	114.56	86.01	3,438	3,404	451.6	186.2	3.12	3.43	7.54x	18.3x	32.0x	27.0x	2.16x
VWR Corporation	VWR	25.69	(3.9%)	NM	28.83	20.60	3,375	5,311	4,326.8	455.8	2.49	1.47	1.23x	11.7x	14.5x	17.5x	1.44x
Median			(7.9%)	7.0%									2.27x	12.0x	25.8x	24.8x	1.39x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$54.41	(19.0%)	(5.8%)	\$71.60	\$51.88	\$90,064	\$113,087	\$20,986.0	\$7,828.0	\$1.10	\$4.25	5.39x	14.4x	42.3x	12.8x	0.69x
Bristol-Myers Squibb Company	BMJ	59.20	(11.0%)	15.7%	70.54	47.55	98,716	100,778	16,383.0	4,634.0	1.20	1.84	6.15x	21.7x	55.3x	32.2x	1.62x
Eli Lilly and Company	LLY	83.69	0.2%	29.1%	92.85	60.58	88,764	92,569	19,620.3	4,960.2	2.23	3.28	4.72x	18.7x	43.4x	25.5x	1.90x
Merck & Co. Inc.	MRK	49.39	(13.2%)	(16.7%)	63.62	45.69	139,114	154,533	40,249.0	14,529.0	4.07	3.51	3.84x	10.6x	14.4x	14.1x	2.03x
Pfizer Inc.	PFE	31.41	(6.3%)	6.2%	36.46	27.51	193,716	199,261	48,196.0	19,612.0	1.41	2.09	4.13x	10.2x	22.3x	15.0x	3.62x
Valeant Pharmaceuticals International, Inc.	VRX	177.82	(19.9%)	35.5%	259.66	93.69	60,953	88,915	9,253.5	4,541.6	2.67	11.62	9.61x	19.6x	79.2x	15.3x	0.76x
Median			(12.1%)	10.9%									5.05x	16.6x	42.8x	15.2x	1.76x
Pharmaceuticals																	
Adaptimmune Therapeutics plc	ADAP	\$11.97	(34.7%)	NM	\$21.57	\$10.01	\$847	\$721	\$4.4	(\$15.3)	(\$1.67)	(\$0.49)	NM	NM	NM	NM	NM
Akorn, Inc.	AKRX	28.51	(34.7%)	(21.4%)	57.10	26.30	3,262	4,309	593.1	208.3	0.34	1.95	7.27x	20.7x	84.2x	14.6x	0.58x
Amphastar Pharmaceuticals, Inc.	AMPH	11.69	(33.5%)	0.3%	18.30	8.32	530	503	226.3	(14.9)	(0.26)	(0.32)	2.22x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	8.46	(44.0%)	(15.7%)	20.63	7.71	296	227	0.7	(43.8)	(1.30)	(1.36)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	3.56	(26.7%)	(38.3%)	7.15	3.30	122	57	0.0	(30.0)	(0.66)	(1.22)	NA	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	5.56	(30.2%)	(67.5%)	18.33	4.66	292	254	19.2	(62.7)	(1.12)	(0.22)	13.24x	NM	NM	NM	NM
BioSynt Inc.	RX	5.13	(12.9%)	(47.6%)	9.03	4.41	72	66	10.9	3.9	0.19	0.20	6.06x	17.0x	27.5x	25.4x	NM
Blueprint Medicines Corporation	BPNC	21.34	(19.4%)	NM	37.17	18.00	579	393	3.3	(47.6)	(3.07)	(2.65)	NM	NM	NM	NM	NM
Carbylan Therapeutics, Inc.	CBYL	3.57	(50.1%)	NM	9.22	3.42	94	33	0.0	(17.9)	(1.46)	(1.26)	NM	NM	NM	NM	NM
Catalent, Inc.	CTLT	24.30	(17.1%)	(2.9%)	34.42	22.85	3,026	4,768	1,830.8	418.8	0.64	1.68	2.60x	11.4x	13.9x	14.5x	1.80x
Cidara Therapeutics, Inc.	CDTX	12.72	(9.3%)	NM	17.21	11.23	174	52	0.0	(20.8)	(3.88)	(3.94)	NA	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	3.70	(56.8%)	(64.7%)	14.57	3.56	96	100	27.0	13.5	0.68	0.07	3.70x	7.4x	9.6x	56.8x	NM
Collegium Pharmaceutical, Inc.	COLL	22.11	23.9%	NM	24.88	0.00	457	353	0.0	(17.9)	(2.84)	(1.65)	NA	NM	NM	NM	NM
CoLucid Pharmaceuticals, Inc	CLCD	3.87	(56.5%)	NM	9.46	3.64	59	(21)	0.0	(11.8)	(0.31)	(3.38)	NA	1.8x	NM	NM	NM

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 9/30/15	% 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	
Pharmaceuticals (cont.)																	
Cumberland Pharmaceuticals, Inc.	CPIX	\$5.77	(19.3%)	16.8%	\$7.78	\$4.50	\$96	\$45	\$36.7	\$4.6	\$0.14	\$0.09	1.21x	9.6x	53.0x	64.1x	NM
Dermira, Inc.	DERM	23.34	33.0%	NM	32.13	12.68	681	562	7.3	(46.0)	(4.96)	(2.99)	NM	NM	NM	NM	NM
DURECT Corporation	DRRX	1.95	(18.4%)	32.7%	3.42	0.68	235	217	17.7	(20.8)	(0.20)	(0.20)	12.24x	NM	NM	NM	NM
Endo International plc	ENDP	69.28	(13.0%)	1.4%	96.58	57.14	15,685	18,584	3,262.8	743.1	(4.95)	4.56	5.70x	25.0x	NM	15.2x	1.12x
Flex Pharma, Inc.	FLKS	12.01	(30.2%)	NM	24.82	9.99	215	109	0.0	(20.4)	(5.48)	(1.92)	NA	NM	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	7.33	(28.5%)	34.5%	14.00	4.75	224	159	5.4	(1.6)	(0.79)	(0.71)	29.33x	NM	NM	NM	NM
Heska Corporation	HSKA	30.48	2.7%	131.1%	35.72	11.89	199	211	92.9	9.1	0.41	0.53	2.27x	23.1x	64.7x	57.7x	2.30x
Impax Laboratories Inc.	IPXL	35.21	(23.3%)	48.5%	52.10	23.31	2,537	2,761	646.5	106.2	0.81	1.29	4.27x	26.0x	NM	27.3x	1.04x
Inotek Pharmaceuticals Corporation	ITEK	9.40	91.8%	NM	19.45	4.68	248	208	0.0	0.0	(13.52)	(1.54)	NA	NA	NM	NM	NM
Jaguar Animal Health, Inc.	JAGX	3.24	(32.8%)	NM	7.06	1.90	26	14	0.1	0.0	(2.02)	(3.00)	NM	NA	NM	NM	NM
KemPharm, Inc.	KMPH	19.38	5.5%	NM	26.15	10.90	276	261	0.0	(20.8)	(3.13)	(3.33)	NA	NM	NM	NM	NM
Kite Pharma, Inc.	KITE	55.68	(8.7%)	95.4%	89.21	27.01	2,435	2,042	7.3	(58.2)	(1.91)	(2.05)	NM	NM	NM	NM	NM
Lannett Company, Inc.	LCI	41.52	(30.1%)	(9.1%)	72.44	38.55	1,515	1,302	406.8	236.1	3.42	3.77	3.20x	5.5x	10.3x	11.0x	0.63x
Marinus Pharmaceuticals, Inc.	MRNS	8.34	(28.1%)	28.9%	20.72	5.49	119	86	0.0	(18.1)	(2.17)	(1.82)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	7.63	7.9%	21.1%	9.15	4.60	166	111	0.3	(20.3)	(0.95)	(1.13)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	1.28	(45.5%)	(14.0%)	2.61	0.96	131	157	31.1	19.7	(0.09)	0.05	5.06x	8.0x	NM	28.2x	NM
Mylan N.V.	MYL	40.26	(40.7%)	(11.5%)	76.69	39.16	19,796	27,866	8,410.1	2,306.8	2.34	4.23	3.31x	12.1x	19.5x	9.5x	0.78x
Nabriva Therapeutics AG	NBRV	9.50	NM	NM	12.89	0.00	101	66	2.5	(13.5)	(4.99)	NM	26.82x	NM	NM	NM	NM
NeuroDerm Ltd.	NDRM	20.67	34.7%	NM	26.50	5.67	433	396	0.0	(13.2)	(12.97)	(1.35)	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	69.31	2.4%	230.0%	84.64	16.55	2,966	2,766	0.0	(72.3)	(4.04)	(2.22)	NA	NM	NM	NM	NM
Revanche Therapeutics, Inc.	RVNC	29.76	(6.9%)	54.0%	35.72	14.02	713	587	0.3	(57.3)	(3.24)	(3.58)	NM	NM	NM	NM	NM
SciClone Pharmaceuticals, Inc.	SCLN	6.94	(29.3%)	0.7%	11.71	6.47	349	256	147.2	28.0	0.48	0.33	1.74x	9.1x	22.4x	21.0x	NM
SteadyMed Ltd.	STDY	3.55	(33.3%)	NM	11.14	3.14	48	6	0.0	(21.2)	(2.82)	(2.51)	NA	NM	NM	NM	NM
The Medicines Company	MDCO	37.96	32.7%	70.1%	43.79	19.92	2,570	2,675	580.4	(100.8)	(0.50)	(2.59)	4.61x	NM	NM	NM	NM
Tobira Therapeutics, Inc.	TBRA	9.66	(44.0%)	NM	24.31	8.75	168	120	0.0	(26.8)	(85.41)	NM	NA	NM	NM	NM	NM
Viking Therapeutics, Inc.	VKTX	5.86	(17.9%)	NM	10.23	5.00	57	37	0.0	0.0	(5.08)	(2.50)	NA	NA	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	11.01	(23.5%)	44.3%	23.35	5.41	241	172	6.7	(27.9)	(3.61)	(1.89)	25.84x	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	8.26	(28.4%)	NM	23.50	7.94	118	44	26.1	3.6	3.28	(0.57)	1.70x	12.2x	17.1x	NM	NM
Zoetis Inc.	ZTS	41.18	(14.6%)	11.4%	55.38	34.16	20,547	23,676	4,807.0	1,390.0	1.16	1.66	4.93x	17.0x	49.6x	24.8x	1.95x
Zosano Pharma Corporation	ZSAN	3.96	(45.4%)	NM	12.40	3.43	47	26	1.1	(14.7)	(2.78)	(2.36)	24.19x	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	65.66	25.3%	67.4%	84.85	25.51	1,649	1,426	0.0	(82.7)	(5.47)	(4.35)	NA	NM	NM	NM	NM
Zynerba Pharmaceuticals, Inc.	ZYNE	14.31	NM	NM	43.00	12.00	125	136	0.6	(7.0)	(2.56)	(1.66)	NM	NM	NM	NM	NM
Median			(23.4%)	11.4%									4.77x	12.1x	22.4x	24.8x	1.08x

Source: Capital IQ as of September 30, 2015; For definitions, see page 20

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

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