

Healthcare Sector Update



September 2015

Summary – Healthcare Services

- The S&P Healthcare Services Index has increased 8.6% over the last three months, significantly outperforming the S&P 500 which decreased 6.4% over the last 3 months.
- Over the past three months:
 - > The best performing sectors were Healthcare Staffing (up 26.4%), Other Services (up 19.1%) and Emergency Services (up 15.5%)
 - > The worst performing sectors were Assisted Living (down 23%), Psychiatric Hospitals (down 17.2%), and Diagnostic Imaging (down 13.5%)
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.6x and 12.6x, respectively.
- The sectors with the highest valuation multiples include:
 - > HCIT (3.7x LTM Revenue, 20.0x LTM EBITDA)
 - > Healthcare REITs (12.8x LTM Revenue, 16.4x LTM EBITDA)
 - > Emergency Services (3.7x LTM Revenue, 27.6x LTM EBITDA)

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences Index has declined 6.4% over the last three months, performing in line with the S&P 500, which also declined 6.4% over the last three months.
- Over the past three months:
 - > The best performing sectors were Infection Prevention Devices (up 1.2%) and Dental Devices (up 0.7%)
 - > The worst performing sectors were Lab Instrument and Devices (down 15.6%), Ophthalmology Devices (down 12.7%) and Pharmaceuticals (down 11.6%)
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.5x and 14.4x, respectively.
- The sectors with the highest valuation multiples include:
 - > Biotechnology (7.9x LTM Revenue, 13.9x LTM EBITDA)
 - > Pharmaceuticals (4.9x LTM Revenue, 15.8x LTM EBITDA)
 - > Large-Cap Pharmaceuticals (5.3x LTM Revenue, 17.3x LTM EBITDA)

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

MARKET SECTOR

	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	Rev	EBITDA	LTM	2015E	
Acute Care Hospitals	5	\$64,260	3.8%	4.5%	1.21x	8.6x	20.2x	19.6x	1.9x
Assisted Living	4	5,911	(23.0%)	(24.4%)	1.97x	15.0x	NM	NM	NM
Care Management / TPA	7	11,085	(12.4%)	(26.6%)	1.15x	13.6x	22.8x	21.4x	1.2x
Clinical Laboratories	6	27,947	(9.9%)	(1.7%)	2.24x	12.7x	24.3x	14.9x	1.5x
Consumer Directed Health & Wellness	9	15,502	(10.4%)	(22.5%)	2.86x	18.7x	25.1x	22.7x	2.0x
Contract Research Orgs	7	25,890	6.9%	16.6%	2.70x	14.4x	24.1x	22.7x	1.3x
Diagnostic Imaging	3	436	(13.5%)	(8.1%)	1.63x	6.4x	32.3x	11.8x	1.2x
Dialysis Services	2	39,614	(10.0%)	4.9%	1.92x	10.7x	29.2x	20.8x	1.8x
Distribution / Supply	7	113,301	(4.9%)	13.8%	0.28x	12.6x	24.3x	18.0x	1.8x
Emergency Services	2	2,887	15.5%	108.0%	3.70x	27.6x	14.9x	14.2x	0.8x
HCIT	16	45,462	(5.6%)	(7.4%)	3.67x	20.0x	44.2x	30.1x	2.0x
Healthcare REITs	13	78,250	(6.2%)	(14.5%)	12.76x	16.4x	20.7x	20.6x	5.4x
Healthcare Staffing	5	15,297	26.4%	64.3%	1.58x	16.4x	41.9x	28.1x	1.9x
Home Care / Hospice	6	5,857	12.6%	44.8%	1.01x	11.6x	26.1x	23.3x	1.8x
Long Term Care	4	3,810	(8.2%)	1.3%	0.91x	9.7x	23.5x	16.7x	1.1x
Managed Care – Commercial	7	256,029	(3.8%)	35.7%	0.70x	10.0x	17.4x	18.3x	1.3x
Managed Care – Government	3	15,528	2.5%	55.9%	0.28x	9.1x	32.0x	26.3x	0.8x
Other Services	4	14,523	19.1%	20.6%	2.38x	28.3x	40.4x	35.0x	2.0x
Pharmacy Management	6	59,037	(4.1%)	20.7%	0.68x	10.3x	33.5x	20.0x	1.5x
Physician Practice Mgmt	2	7,602	6.2%	8.2%	1.95x	11.9x	23.8x	22.3x	1.5x
Psychiatric Hospitals	3	7,267	(17.2%)	21.4%	0.37x	18.1x	36.0x	28.6x	1.4x
Specialty Managed Care	2	5,526	0.3%	10.7%	0.31x	6.2x	14.0x	13.6x	2.2x
Surgicenters / Rehabilitation	8	13,007	(5.8%)	15.6%	2.18x	10.7x	23.1x	21.8x	1.5x
Total / Median (\$MM)	131	\$834,029	(4.9%)	10.7%	1.63x	12.6x	24.3x	21.1x	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	\$690,092	24.4%	82.7%	(4.7%)	6.2%	14.2%	96.9%
\$1 billion – \$5 billion	48	123,757	36.6%	14.8%	1.7%	15.2%	22.5%	94.6%
\$250 million – \$1 billion	32	18,644	24.4%	2.2%	(7.8%)	(1.6%)	1.4%	95.5%
\$100 million – \$250 million	7	1,105	5.3%	0.1%	(10.8%)	(1.2%)	1.7%	88.3%
< \$100 million	12	432	9.2%	0.1%	(6.0%)	(14.2%)	(30.9%)	(25.3%)
Total / Median (\$MM)	131	\$834,029	100.0%	100.0%	(6.0%)	(1.2%)	1.7%	94.6%

Source: Capital IQ

MARKET INDICES

	Value at 8/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	16,528.0	(8.2%)	(7.3%)	(3.3%)	26.3%
S&P 500 Index	1,972.2	(6.4%)	(4.2%)	(1.6%)	40.2%
NASDAQ Composite Index	4,776.5	(5.8%)	0.9%	4.3%	55.7%
Russell 2000 Index	1,159.5	(7.0%)	(3.8%)	(1.3%)	42.8%
AMEX Sector Index – Healthcare	91.1	(11.7%)	(9.2%)	(16.0%)	4.2%
S&P Healthcare Facilities (Sub Ind) Index	446.6	1.2%	5.9%	8.6%	152.7%
S&P Healthcare Providers & Services (Industry) Index	684.7	(0.7%)	13.3%	28.5%	131.5%
S&P Managed Healthcare (Sub Ind) Index	439.0	(4.8%)	19.8%	49.8%	135.9%
S&P Healthcare Services	477.4	8.6%	16.2%	18.1%	69.0%

Source: Capital IQ

Median % Change — 3 months



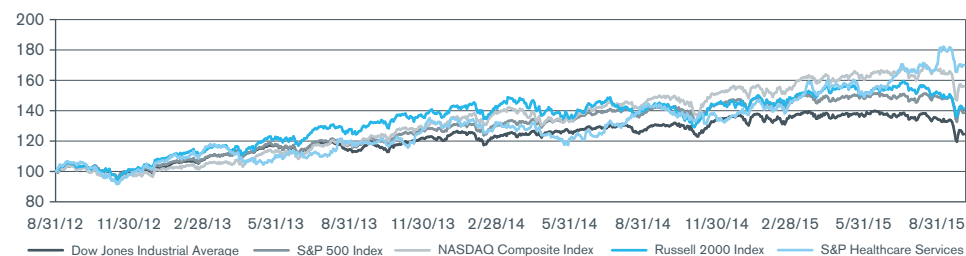
Source: Capital IQ

INTEREST RATES

	Value at 8/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.53%	0.49%	0.42%	0.33%
U.S. Treasury – 2 years	0.74%	0.67%	0.61%	0.48%
U.S. Treasury – 5 years	1.54%	1.55%	1.47%	1.63%
U.S. Treasury – 10 years	2.20%	2.20%	2.09%	2.35%
U.S. Treasury – 30 years	2.93%	2.93%	2.85%	2.85%
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)

		Price	% Change		52-Week				LTM		EPS		LTM Multiples		Earnings Ratio		PEG
Company Name	Ticker	8/31/15	3 mo	12 mo	High	Low	Market Cap	Ent Val (TEV)	Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	Ratio 2015E
Acute Care Hospitals																	
Community Health Systems, Inc.	CYH	\$53.70	(2.9%)	(1.1%)	\$65.00	\$44.74	\$6,345	\$23,524	\$19,491.0	\$2,917.0	\$1.32	\$4.06	1.21x	8.1x	15.6x	13.2x	0.99x
HCA Holdings, Inc.	HCA	86.62	5.9%	24.1%	95.49	43.91	35,964	66,569	38,429.0	7,699.0	4.16	5.29	1.73x	8.6x	17.7x	16.4x	1.54x
LifePoint Health, Inc.	LPNT	78.13	3.8%	4.5%	88.18	62.95	3,470	5,375	4,963.0	627.5	2.69	3.97	1.08x	8.6x	26.8x	19.7x	2.61x
Tenet Healthcare Corp.	THC	49.23	(7.4%)	(19.5%)	63.61	41.47	4,902	21,163	17,568.0	2,187.0	0.34	2.23	1.20x	9.7x	NM	22.1x	1.88x
Universal Health Services Inc.	UHS	137.14	5.8%	19.8%	148.57	95.63	13,580	16,884	8,575.8	1,585.3	5.42	7.01	1.97x	10.6x	22.6x	19.6x	1.93x
Median			3.8%	4.5%									1.21x	8.6x	20.2x	19.6x	1.88x
Assisted Living																	
AdCare Health Systems, Inc.	ADK	\$3.55	(8.3%)	(28.3%)	\$4.99	\$3.19	\$71	\$231	\$197.1	\$14.9	(\$0.82)	NM	1.17x	15.5x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	27.42	(27.2%)	(21.5%)	39.89	26.79	5,059	11,457	4,151.0	791.9	(1.01)	(1.03)	2.76x	14.5x	NM	NM	NM
Capital Senior Living Corp.	CSU	20.84	(19.1%)	(8.9%)	27.75	20.11	615	1,299	398.1	69.8	(0.83)	(0.04)	3.26x	18.6x	NM	NM	NM
Five Star Quality Care Inc.	FVE	3.38	(27.0%)	(27.2%)	5.07	3.08	166	208	1,115.3	17.1	(1.65)	(0.05)	0.19x	12.2x	NM	NM	NM
Median			(23.0%)	(24.4%)									1.97x	15.0x	NM	NM	NM
Care Management / TPA																	
Alere Inc.	ALR	\$51.97	0.8%	46.6%	\$55.99	\$34.74	\$4,455	\$8,200	\$2,543.6	\$538.4	(\$2.38)	\$2.43	3.22x	15.2x	NM	21.4x	1.21x
Care.com, Inc.	CRCM	5.94	(3.6%)	(35.2%)	9.46	5.21	190	134	136.4	(25.5)	(2.77)	(0.63)	0.98x	NM	NM	NM	NM
CorVel Corporation	CRVL	30.03	(16.4%)	(26.6%)	41.47	28.08	598	571	495.2	62.1	1.49	NM	1.15x	9.2x	22.8x	NM	NM
Crawford & Company	CRD.B	6.38	(12.5%)	(29.2%)	11.00	6.30	349	553	1,171.5	82.4	0.55	0.59	0.47x	6.7x	17.3x	10.9x	1.09x
ExamWorks Group, Inc.	EXAM	35.82	(12.4%)	8.7%	44.33	31.10	1,488	1,925	811.2	112.2	0.25	0.07	2.37x	17.2x	NM	NM	NM
Hooper Holmes Inc.	HH	0.14	(62.7%)	(79.5%)	0.69	0.13	11	12	27.9	(6.6)	(0.08)	NM	0.43x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	60.55	(7.4%)	47.0%	70.00	38.93	3,993	4,081	1,956.5	301.0	2.25	2.46	2.09x	13.6x	25.6x	24.7x	1.28x
Median			(12.4%)	(26.6%)									1.15x	13.6x	22.8x	21.4x	1.21x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Clinical Laboratories																	
Opko Health, Inc.	OPK	\$10.82	(38.8%)	21.6%	\$19.20	\$8.02	\$5,847	\$5,744	\$117.8	(\$94.8)	(\$0.41)	(\$0.35)	48.75x	NM	NM	NM	NM
Invitae Corporation	NVTA	10.21	(18.0%)	NM	22.35	8.00	325	158	4.2	(66.9)	(56.14)	(3.15)	37.49x	NM	NM	NM	NM
Laboratory Corp. of America Holdings	LH	117.81	(0.1%)	9.9%	131.19	95.61	11,911	18,095	7,055.5	1,414.2	5.91	7.89	2.56x	12.8x	25.5x	14.9x	1.29x
Psychemedics Corp.	PMD	11.06	(23.0%)	(22.6%)	17.83	9.82	60	63	28.2	4.0	0.60	NM	2.25x	15.7x	28.0x	NM	NM
Quest Diagnostics Inc.	DGX	67.80	(9.9%)	7.3%	89.00	56.27	9,733	13,361	7,551.0	1,469.0	3.78	4.76	1.77x	9.1x	20.1x	14.2x	1.48x
Sonic Healthcare Limited	SHL	14.72	(4.1%)	(10.6%)	16.86	11.73	5,919	7,360	3,297.2	584.6	0.77	0.72	2.23x	12.6x	23.1x	20.5x	2.13x
Median			(13.9%)	7.3%									2.41x	12.7x	24.3x	14.9x	1.44x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$19.94	(1.0%)	0.7%	\$23.95	\$13.73	\$707	\$866	\$320.4	\$34.8	(\$0.10)	\$0.88	2.70x	24.9x	NM	22.7x	2.84x
Charles River Laboratories International, Inc.	CRL	68.89	(4.8%)	16.6%	84.69	55.47	3,223	3,861	1,317.1	290.5	2.70	3.64	2.93x	13.3x	23.3x	18.9x	1.89x
ICON Public Limited Company	ICLR	77.00	18.7%	55.4%	84.14	49.67	4,610	4,478	1,554.6	310.9	2.73	3.93	2.88x	14.4x	22.9x	19.6x	1.24x
INC Research Holdings, Inc.	INCR	41.01	18.6%	NM	51.69	19.61	2,307	2,684	860.4	181.3	(0.51)	1.78	3.12x	14.8x	NM	23.1x	1.06x
PAREXEL International Corporation	PRXL	65.72	(1.1%)	16.4%	76.17	52.19	3,637	3,784	2,016.0	297.2	2.66	2.84	1.88x	12.7x	24.8x	23.2x	1.33x
PRA Health Sciences, Inc.	PRAH	37.63	12.5%	NM	44.02	18.47	2,264	3,147	1,312.3	186.8	(0.83)	1.82	2.40x	16.8x	NM	20.7x	1.04x
Quintiles Transnational Holdings Inc.	Q	74.51	6.9%	32.8%	80.45	51.09	9,143	10,831	4,229.4	750.7	2.72	3.16	2.56x	14.4x	27.1x	23.6x	1.82x
Median			6.9%	16.6%									2.70x	14.4x	24.1x	22.7x	1.33x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$14.32	(22.1%)	(49.7%)	\$31.01	\$12.72	\$152	\$731	\$447.7	\$114.6	\$0.98	NM	1.63x	6.4x	27.1x	NM	NM
American Shared Hospital Services	AMS	2.12	(13.5%)	(7.7%)	3.05	1.98	11	41	16.5	9.2	(0.19)	NM	2.48x	4.4x	NM	NM	NM
RadNet, Inc.	RDNT	6.14	(5.7%)	(8.1%)	10.35	5.88	273	916	755.2	100.6	0.03	0.52	1.21x	9.1x	37.5x	11.8x	1.18x
Median			(13.5%)	(8.1%)									1.63x	6.4x	32.3x	11.8x	1.18x
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$75.64	(9.7%)	1.3%	\$85.17	\$71.50	\$16,300	\$24,699	\$13,289.7	\$2,415.4	\$3.33	\$3.81	1.86x	10.2x	36.6x	19.9x	1.60x
Fresenius Medical Care AG & Co. KGAA	FME	76.54	(10.2%)	8.4%	92.14	56.98	23,314	33,531	16,982.3	3,004.8	3.45	3.52	1.97x	11.2x	21.9x	21.7x	1.92x
Median			(10.0%)	4.9%									1.92x	10.7x	29.2x	20.8x	1.76x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Distribution / Supply																	
Aceto Corp.	ACET	\$22.41	(4.9%)	16.6%	\$27.54	\$18.03	\$652	\$725	\$539.9	\$57.7	\$0.77	\$1.29	1.34x	12.6x	25.4x	17.4x	0.87x
AmerisourceBergen Corporation	ABC	100.04	(11.1%)	29.3%	120.68	74.32	21,629	22,824	132,080.1	1,544.1	0.15	5.11	0.17x	14.8x	NM	19.6x	1.35x
Cardinal Health, Inc.	CAH	82.27	(6.7%)	11.6%	91.91	71.72	26,932	27,809	102,531.0	2,694.0	3.24	4.58	0.27x	10.3x	22.8x	18.0x	1.80x
Henry Schein, Inc.	HSIC	136.81	(3.4%)	14.3%	149.95	109.34	11,410	12,668	10,418.8	890.4	5.44	5.93	1.22x	14.2x	24.7x	23.1x	2.16x
McKesson Corporation	MCK	197.58	(16.7%)	1.3%	243.61	160.10	45,918	51,595	183,115.0	4,237.0	7.54	12.38	0.28x	12.2x	23.9x	16.0x	1.17x
Owens & Minor Inc.	OMI	33.99	2.0%	(1.2%)	36.35	31.55	2,142	2,516	9,691.3	257.9	1.06	1.89	0.26x	9.8x	33.2x	18.0x	2.71x
Patterson Companies, Inc.	PDCO	45.83	(4.2%)	13.8%	53.07	39.28	4,618	6,107	4,375.0	429.4	2.14	2.39	1.40x	14.2x	22.3x	19.2x	2.22x
Median			(4.9%)	13.8%									0.28x	12.6x	24.3x	18.0x	1.80x
Emergency Services																	
Adeptus Health Inc.	ADPT	\$99.64	42.2%	252.2%	\$123.97	\$24.08	\$1,416	\$1,599	\$298.7	\$34.0	(\$0.34)	\$1.21	5.35x	47.0x	NM	NM	NM
Air Methods Corp.	AIRM	37.45	(11.2%)	(36.2%)	60.12	34.25	1,472	2,114	1,028.0	259.8	2.56	2.65	2.06x	8.1x	14.9x	14.2x	0.85x
Median			15.5%	108.0%									3.70x	27.6x	14.9x	14.2x	0.85x
HCIT																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$13.77	(2.1%)	(6.8%)	\$15.41	\$11.00	\$2,601	\$3,196	\$1,372.6	\$80.3	(\$0.37)	\$0.46	2.33x	39.8x	NM	30.0x	1.50x
athenahealth, Inc.	ATHN	132.97	14.0%	(7.9%)	153.25	107.88	5,138	5,323	834.8	61.6	(0.08)	1.22	6.38x	86.4x	NM	NM	NM
Cerner Corporation	CERN	61.76	(8.2%)	7.1%	75.72	55.75	21,312	21,376	3,811.8	1,070.1	1.50	2.12	5.61x	20.0x	43.2x	29.2x	1.71x
Computer Programs & Systems Inc.	CPSI	46.02	(12.1%)	(25.1%)	64.86	43.10	520	483	192.9	43.4	2.94	2.16	2.50x	11.1x	18.8x	21.3x	2.06x
Healthstream Inc.	HSTM	24.85	(12.4%)	(4.3%)	32.41	22.66	786	646	189.2	31.0	0.37	0.34	3.42x	20.8x	NM	72.2x	3.73x
HMS Holdings Corp.	HMSY	10.45	(38.7%)	(54.3%)	23.69	8.11	925	973	453.2	87.1	0.16	0.55	2.15x	11.2x	NM	19.0x	1.01x
Inovalon Holdings, Inc.	INOV	21.89	(17.6%)	NM	33.75	17.78	3,234	2,727	387.2	138.5	0.49	0.53	7.04x	19.7x	45.4x	41.2x	1.83x
MedAssets, Inc.	MDAS	21.12	1.2%	(8.2%)	23.90	17.00	1,267	2,098	750.0	218.9	(0.34)	1.23	2.80x	9.6x	NM	17.2x	1.53x
Medical Transcription Billing, Corp.	MTBC	2.11	3.9%	(37.6%)	4.19	1.38	23	26	25.2	(2.8)	(0.64)	(0.53)	1.04x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	48.02	(17.2%)	3.2%	61.31	37.01	2,655	2,636	365.7	37.4	0.11	0.89	7.21x	70.5x	NM	53.8x	2.37x
Merge Healthcare Incorporated	MRGE	7.09	55.5%	172.7%	7.13	2.04	689	938	227.6	39.5	(0.00)	0.24	4.12x	23.8x	45.3x	30.2x	2.01x
National Research Corp.	NRCLB	31.99	(0.3%)	(16.9%)	40.10	27.54	379	345	99.5	29.8	0.74	0.39	3.47x	11.6x	48.7x	81.7x	6.81x
Premier, Inc.	PINC	35.65	(7.0%)	12.9%	39.81	29.29	1,346	4,976	1,007.0	329.4	17.95	1.50	4.94x	15.1x	NM	23.7x	2.01x
Press Ganey Holdings, Inc	PGND	32.25	17.9%	NM	32.93	0.00	1,697	1,871	300.2	27.6	0.36	0.89	6.23x	67.8x	NM	36.3x	2.47x
Quality Systems Inc.	QSII	13.59	(14.2%)	(13.2%)	18.75	12.00	820	703	494.5	52.0	0.36	0.66	1.42x	13.5x	28.9x	20.5x	1.58x
The Advisory Board Company	ABCO	48.63	(4.2%)	(2.0%)	60.38	37.47	2,070	2,584	666.3	61.9	(0.07)	1.33	3.88x	41.8x	NM	36.6x	2.15x
Median			(5.6%)	(7.4%)									3.67x	20.0x	44.2x	30.1x	2.01x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Consumer Directed Health & Wellness																	
Benefitfocus, Inc.	BNFT	\$36.68	2.2%	11.1%	\$47.49	\$19.58	\$1,054	\$1,006	\$159.8	(\$50.4)	(\$2.51)	(\$1.96)	6.29x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	5.29	(39.4%)	(55.6%)	15.10	4.73	499	334	61.2	(79.4)	(1.16)	(0.69)	5.47x	NM	NM	NM	NM
Connecture, Inc.	CNXR	7.14	(43.6%)	NM	14.39	5.68	156	196	93.4	(0.8)	(10.27)	(0.25)	2.10x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	9.76	(21.3%)	(33.0%)	15.21	8.69	315	381	201.4	18.7	0.17	0.72	1.89x	20.4x	22.5x	13.6x	0.47x
HealthEquity, Inc.	HQY	29.32	10.6%	51.3%	34.56	16.11	1,663	1,548	97.5	25.8	0.21	0.31	15.88x	60.1x	NM	95.9x	2.95x
Healthways Inc.	HWAY	12.21	(19.5%)	(30.1%)	23.30	11.37	438	687	772.7	49.0	(0.16)	0.09	0.89x	14.0x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	29.87	0.4%	7.1%	33.52	23.58	9,812	13,668	2,708.0	730.0	(0.59)	1.47	5.05x	18.7x	25.1x	20.4x	2.00x
Streamline Health Solutions, Inc.	STRM	2.65	18.3%	(44.2%)	4.98	1.02	49	62	26.8	(9.3)	(0.71)	(0.53)	2.31x	NM	NM	NM	NM
WebMD Health Corp.	WBMD	41.13	(10.4%)	(14.9%)	49.32	34.48	1,517	1,712	597.9	122.2	0.97	1.64	2.86x	14.0x	35.0x	25.1x	1.98x
Median			(10.4%)	(22.5%)									2.86x	18.7x	25.1x	22.7x	1.99x
Healthcare REITs																	
Aviv REIT, Inc.	AVIV	\$36.75	0.0%	25.6%	\$40.33	\$23.83	\$1,782	\$3,104	\$182.4	\$150.4	\$0.77	NM	17.01x	20.6x	NM	NM	NM
CareTrust REIT, Inc.	CTRE	11.21	(14.0%)	(35.8%)	18.49	10.40	516	878	66.3	52.6	(0.36)	0.27	13.24x	16.7x	46.9x	42.0x	NM
HCP, Inc.	HCP	37.06	(4.3%)	(14.5%)	49.61	36.20	17,143	28,542	2,418.5	1,801.3	1.94	1.90	11.80x	15.8x	47.1x	19.6x	5.82x
Health Care REIT, Inc.	HCN	63.35	(9.8%)	(6.3%)	84.88	62.05	22,292	35,150	3,508.9	1,768.9	1.43	2.00	10.02x	19.9x	25.4x	31.7x	6.87x
Healthcare Realty Trust Incorporated	HR	22.90	(3.9%)	(8.3%)	31.20	22.78	2,300	3,680	381.6	226.5	0.35	0.65	9.64x	16.2x	NM	35.1x	7.17x
LTC Properties Inc.	LTC	40.79	(3.1%)	(0.4%)	48.85	36.75	1,418	1,806	124.2	110.1	1.99	1.98	14.54x	16.4x	20.6x	20.6x	3.97x
National Health Investors Inc.	NHI	55.10	(16.7%)	(14.6%)	76.98	54.79	2,070	2,975	201.5	190.9	3.04	3.27	14.77x	15.6x	17.3x	16.9x	2.76x
Newcastle Investment Corp.	NCT	4.90	(4.5%)	(81.9%)	27.30	4.00	326	–	350.2	NA	1.00	0.48	–	NA	16.9x	10.1x	NM
Omega Healthcare Investors Inc.	OHI	33.78	(6.2%)	(10.3%)	45.46	33.10	6,209	10,000	593.1	551.2	1.74	1.34	16.86x	18.1x	23.9x	25.3x	4.57x
Sabra Health Care REIT, Inc.	SBRA	23.97	(9.5%)	(15.8%)	34.44	23.90	1,561	2,790	211.9	183.4	0.78	1.44	13.17x	15.2x	20.6x	16.6x	3.29x
Senior Housing Properties Trust	SNH	15.70	(21.5%)	(32.7%)	23.83	15.43	3,727	7,114	922.7	520.4	0.81	0.76	7.71x	13.7x	20.7x	20.6x	5.39x
Universal Health Realty Income Trust	UHT	46.00	(4.0%)	4.1%	57.55	41.15	612	840	65.9	44.5	3.99	NM	12.76x	18.9x	10.1x	NM	NM
Ventas, Inc.	VTR	55.02	(17.3%)	(16.4%)	81.93	54.90	18,294	30,007	3,352.9	1,833.0	1.59	2.22	8.95x	16.4x	35.6x	24.8x	5.85x
Median			(6.2%)	(14.5%)									12.76x	16.4x	20.7x	20.6x	5.39x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$33.60	26.4%	122.2%	\$37.25	\$14.96	\$1,601	\$1,813	\$1,221.9	\$111.2	\$0.69	\$1.27	1.48x	16.3x	35.0x	26.5x	1.89x
Cross Country Healthcare, Inc.	CCRN	13.89	30.8%	74.1%	15.62	7.86	448	511	755.7	25.1	(1.02)	0.35	0.68x	20.4x	NM	40.0x	4.00x
Envision Healthcare Holdings, Inc.	EVHC	40.97	10.9%	12.1%	45.95	30.48	7,610	9,704	4,906.9	593.3	0.66	1.46	1.98x	16.4x	41.4x	28.1x	1.75x
IPC Healthcare, Inc.	IPCM	79.40	60.8%	64.3%	80.09	36.12	1,383	1,461	713.8	70.4	2.21	2.19	2.05x	20.8x	42.5x	36.3x	2.42x
Team Health Holdings, Inc.	TMH	58.74	0.4%	0.4%	70.21	50.83	4,255	5,076	3,221.4	322.3	1.35	2.70	1.58x	15.7x	42.5x	21.7x	1.40x
Median			26.4%	64.3%									1.58x	16.4x	41.9x	28.1x	1.89x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$28.74	2.6%	31.2%	\$30.90	\$17.02	\$317	\$278	\$332.0	\$24.5	\$1.08	\$1.24	0.84x	11.4x	26.1x	23.3x	1.55x
Almost Family Inc.	AFAM	44.30	15.4%	58.3%	50.48	25.01	435	479	506.1	36.6	1.47	2.10	0.95x	13.1x	23.5x	21.1x	1.92x
Amedisys Inc.	AMED	38.64	24.6%	84.7%	48.34	19.03	1,301	1,364	1,203.6	89.3	0.40	1.43	1.13x	15.3x	NM	27.0x	2.00x
Chemed Corp.	CHE	136.35	9.8%	29.1%	153.98	97.85	2,307	2,434	1,496.4	204.9	5.57	6.75	1.63x	11.9x	22.5x	20.2x	2.02x
LHC Group, Inc.	LHCG	43.30	17.8%	68.2%	51.83	22.37	778	815	756.2	71.8	1.26	1.80	1.08x	11.4x	27.6x	24.1x	1.60x
Providence Service Corp.	PRSC	44.83	(6.7%)	(1.5%)	55.99	34.03	720	1,141	1,861.9	110.7	1.35	1.92	0.61x	10.3x	43.4x	23.4x	1.46x
Median			12.6%	44.8%									1.01x	11.6x	26.1x	23.3x	1.76x
Long Term Care																	
Diversicare Healthcare Services Inc.	DVCR	\$10.50	(23.8%)	(5.0%)	\$17.15	\$8.14	\$66	\$122	\$375.6	\$21.4	\$0.20	NM	0.33x	5.7x	40.7x	NM	NM
Kindred Healthcare Inc.	KND	20.08	(12.4%)	(2.8%)	24.66	16.94	1,684	4,913	6,003.0	444.2	(0.24)	1.37	0.82x	11.1x	NM	14.7x	1.05x
National Healthcare Corp.	NHC	60.36	(4.1%)	5.3%	66.50	54.33	860	885	891.9	106.5	3.14	NM	0.99x	8.3x	19.3x	NM	NM
The Ensign Group, Inc.	ENSG	46.95	1.3%	34.1%	54.08	33.17	1,200	1,193	1,155.3	95.9	1.56	2.52	1.03x	12.4x	23.5x	18.6x	1.24x
Median			(8.2%)	1.3%									0.91x	9.7x	23.5x	16.7x	1.15x
Managed Care – Commercial																	
Aetna Inc.	AET	\$114.52	(2.9%)	39.4%	\$134.40	\$71.81	\$39,932	\$47,251	\$59,724.4	\$5,158.5	\$5.68	\$7.48	0.79x	9.2x	17.4x	15.3x	1.42x
Anthem, Inc.	ANTM	141.05	(16.0%)	21.1%	173.59	108.92	36,897	53,695	76,608.3	6,587.2	8.96	10.21	0.70x	8.2x	13.8x	13.8x	1.25x
Cigna Corp.	CI	140.79	(0.0%)	48.8%	170.68	85.75	36,253	39,569	36,644.0	3,930.0	7.83	8.62	1.08x	10.1x	17.4x	16.3x	1.32x
Health Net, Inc.	HNT	64.06	2.9%	35.7%	76.67	42.61	4,951	4,804	15,601.8	380.4	1.80	3.33	0.31x	12.6x	NM	19.2x	0.98x
Humana Inc.	HUM	182.79	(14.8%)	42.0%	219.79	121.04	27,092	29,274	52,131.0	2,596.0	7.36	7.76	0.56x	11.3x	21.6x	23.6x	1.74x
UnitedHealth Group Incorporated	UNH	115.70	(3.8%)	33.5%	126.21	80.72	110,327	122,159	138,211.0	12,292.0	5.70	6.33	0.88x	9.9x	18.4x	18.3x	1.49x
Universal American Corp	UAM	7.15	(30.3%)	(16.4%)	11.16	6.73	577	535	1,947.3	(7.4)	(0.35)	0.15	0.27x	NM	NM	47.0x	1.07x
Median			(3.8%)	35.7%									0.70x	10.0x	17.4x	18.3x	1.32x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Managed Care – Government																	
Centene Corp.	CNC	\$61.72	(18.1%)	58.0%	\$83.00	\$37.53	\$7,350	\$6,687	\$18,548.0	\$732.0	\$2.23	\$2.81	0.36x	9.1x	22.2x	22.0x	1.29x
Molina Healthcare, Inc.	MOH	74.59	2.5%	55.9%	82.37	40.79	4,181	3,087	11,618.8	415.9	1.30	2.63	0.27x	7.4x	32.0x	28.4x	0.69x
WellCare Health Plans, Inc.	WCG	90.67	5.8%	37.7%	97.58	55.43	3,996	3,870	13,774.7	407.8	1.44	3.44	0.28x	9.5x	41.8x	26.3x	0.81x
Median			2.5%	55.9%									0.28x	9.1x	32.0x	26.3x	0.81x
Other Services																	
Healthcare Services Group Inc.	HCSG	\$33.44	10.7%	22.4%	\$35.49	\$26.54	\$2,404	\$2,307	\$1,372.3	\$81.6	\$0.31	\$0.96	1.68x	28.3x	NM	35.0x	2.12x
PDI, Inc.	PDII	2.08	62.5%	(28.5%)	2.97	1.00	35	47	131.8	(14.9)	(0.63)	(1.50)	0.36x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	7.18	27.5%	62.8%	7.36	4.13	110	95	30.9	2.1	0.08	0.13	3.08x	46.1x	NM	53.9x	2.02x
Stericycle, Inc.	SRCL	141.14	2.8%	18.8%	148.87	114.26	11,973	13,628	2,723.8	710.1	3.79	4.67	5.00x	19.2x	40.4x	30.2x	2.04x
Median			19.1%	20.6%									2.38x	28.3x	40.4x	35.0x	2.04x
Pharmacy Management																	
BioScrip, Inc.	BIOS	\$2.43	(31.5%)	(71.3%)	\$8.75	\$1.30	\$167	\$643	\$1,021.7	(\$52.1)	(\$2.09)	(\$0.36)	0.63x	NM	NM	NM	NM
Character Group plc	CCT	7.83	25.1%	130.5%	8.22	2.81	163	157	168.7	20.6	0.57	NM	0.93x	7.6x	10.6x	NM	NM
Express Scripts Holding Company	ESRX	83.60	(4.1%)	13.1%	94.61	68.06	56,491	72,513	102,444.9	6,819.8	2.64	5.50	0.71x	10.6x	27.6x	15.2x	1.27x
Omniceil, Inc.	OMCL	33.98	(8.1%)	20.7%	40.80	26.05	1,220	1,132	463.1	66.0	0.83	1.32	2.44x	17.2x	39.5x	25.7x	1.46x
PharMerica Corporation	PMC	32.72	(1.6%)	31.5%	36.96	19.42	996	1,324	2,002.7	133.8	0.22	1.63	0.66x	9.9x	43.8x	20.0x	1.60x
Median			(4.1%)	20.7%									0.71x	10.3x	33.5x	17.6x	1.42x
Physician Practice Mgmt																	
Birner Dental Management Services Inc.	BDMS	\$12.64	(0.8%)	(24.3%)	\$16.98	\$12.05	\$24	\$32	\$64.4	\$3.6	(\$0.50)	NM	0.50x	9.0x	NM	NM	NM
MEDNAX, Inc.	MD	80.55	13.2%	40.7%	86.09	49.82	7,578	8,805	2,593.0	589.4	3.18	3.61	3.40x	14.9x	23.8x	22.3x	1.52x
Median			6.2%	8.2%									1.95x	11.9x	23.8x	22.3x	1.52x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Psychiatric Hospitals																	
AAC Holdings, Inc.	AAC	\$23.61	(39.2%)	NM	\$46.60	\$15.09	\$529	\$557	\$157.7	\$30.9	\$0.41	\$0.83	NM	18.1x	36.0x	28.6x	1.43x
Acadia Healthcare Company, Inc.	ACHC	73.03	(1.5%)	42.6%	85.62	46.87	5,232	7,150	1,408.8	300.9	1.50	2.18	NM	23.8x	47.5x	33.5x	1.51x
Magellan Health, Inc.	MGLN	56.00	(17.2%)	0.3%	73.00	52.37	1,506	1,509	4,044.2	232.7	2.90	3.49	0.37x	6.5x	24.7x	16.1x	0.80x
Median			(17.2%)	21.4%									0.37x	18.1x	36.0x	28.6x	1.43x
Specialty Managed Care																	
Assurant Inc.	AIZ	\$74.35	12.9%	11.4%	\$80.08	\$59.73	\$4,968	\$4,937	\$10,568.7	\$629.3	\$6.44	\$6.90	0.47x	7.8x	19.4x	10.8x	1.52x
Triple-S Management Corporation	GTS	21.04	(12.3%)	9.9%	26.92	17.89	558	408	2,508.3	89.8	2.41	1.28	0.16x	4.5x	8.7x	16.5x	2.85x
Median			0.3%	10.7%									0.31x	6.2x	14.0x	13.6x	2.18x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$78.42	16.5%	45.8%	\$87.21	\$47.68	\$3,799	\$6,757	\$2,296.6	\$607.5	\$1.27	\$3.55	2.94x	11.1x	NM	22.1x	1.33x
Civitas Solutions, Inc.	CIVI	24.26	9.4%	NM	26.13	11.88	897	1,530	1,343.1	142.7	(0.71)	0.68	1.14x	10.7x	NM	35.8x	3.58x
Hanger, Inc.	HGR	17.93	(22.0%)	(20.0%)	26.79	17.04	616	1,151	1,060.7	156.2	1.61	1.89	1.08x	7.4x	10.9x	9.5x	0.66x
HEALTHSOUTH Corp.	HLS	42.70	(1.1%)	8.4%	48.37	35.84	3,905	6,235	2,678.0	621.6	2.24	2.19	2.33x	10.0x	23.1x	19.5x	1.73x
The Joint Corp.	JYNT	8.37	(12.7%)	NM	12.99	5.99	82	70	9.8	(4.2)	(0.56)	(0.90)	7.17x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	12.90	(21.1%)	(8.0%)	17.20	11.46	1,695	4,451	3,164.7	367.0	0.91	0.93	1.41x	12.1x	13.6x	13.9x	1.11x
Surgical Care Affiliates, Inc.	SCAI	36.55	(3.8%)	22.8%	40.99	26.55	1,443	2,551	934.7	243.6	1.03	1.68	2.73x	10.5x	49.4x	21.8x	NM
US Physical Therapy Inc.	USPH	45.95	(7.8%)	28.7%	56.37	34.00	571	638	313.5	52.6	1.62	1.79	2.04x	12.1x	27.9x	25.7x	1.60x
Median			(5.8%)	15.6%									2.18x	10.7x	23.1x	21.8x	1.47x

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 August 31, 2015

MARKET SECTOR

	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	Rev	EBITDA	LTM	2015E	
Biotechnology	77	\$628,813	(4.3%)	7.4%	7.86x	13.9x	34.8x	27.0x	1.4x
Cardiology Devices	19	172,755	(4.0%)	6.8%	3.79x	15.9x	34.0x	24.8x	2.0x
Conglomerates	5	429,596	(6.2%)	(1.4%)	3.02x	10.5x	21.2x	18.5x	1.8x
Dental Devices	7	20,193	0.7%	10.5%	3.36x	22.5x	29.3x	27.6x	1.9x
Diagnostic Imaging Devices	4	12,076	(5.2%)	4.1%	1.32x	11.3x	25.6x	20.0x	1.9x
Diversified Medical Devices	21	70,329	(8.7%)	11.4%	4.01x	14.7x	28.0x	26.5x	1.9x
Infection Prevention Devices	2	5,895	1.2%	24.9%	3.12x	16.3x	37.3x	27.1x	1.8x
Lab Equipment	2	8,259	(3.3%)	2.0%	1.98x	11.2x	19.4x	23.1x	1.8x
Lab Instrumentation & Devices	4	13,227	(15.6%)	(3.3%)	1.77x	14.1x	37.2x	20.8x	2.0x
Large-Cap Pharmaceuticals	6	719,055	(6.8%)	15.2%	5.33x	17.3x	42.7x	17.7x	1.9x
Life Science Conglomerates	3	84,072	(4.1%)	8.5%	3.75x	18.0x	33.6x	18.8x	1.8x
Life Science Consumables	6	14,052	(3.6%)	7.6%	2.48x	13.8x	28.2x	26.1x	1.6x
Mobility Devices	4	3,710	(9.3%)	14.7%	1.50x	13.5x	40.6x	21.9x	1.7x
Neural Implant Devices	2	3,886	(4.3%)	16.9%	3.96x	13.5x	40.0x	21.8x	1.7x
Ophthalmology Devices	6	8,909	(12.7%)	5.3%	1.44x	16.6x	19.8x	21.6x	1.2x
Orthopedics Devices	5	62,239	(8.3%)	4.3%	3.70x	15.5x	46.5x	18.0x	1.8x
Pharmaceuticals	44	94,542	(11.6%)	21.8%	4.91x	15.8x	26.7x	24.9x	1.3x
Surgical Devices	6	21,095	(4.6%)	(19.7%)	4.41x	13.6x	38.1x	29.3x	1.9x
Total / Median (\$MM)	223	\$2,372,703	(4.9%)	7.5%	3.53x	14.4x	33.8x	22.5x	1.8x

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	\$2,217,552	20.2%	93.5%	(5.5%)	3.5%	13.5%	102.9%
\$1 billion – \$5 billion	52	117,980	23.3%	5.0%	2.1%	33.7%	53.0%	152.5%
\$250 million – \$1 billion	58	29,701	26.0%	1.3%	1.6%	12.2%	18.5%	107.6%
\$100 million – \$250 million	32	5,420	14.3%	0.2%	(7.9%)	1.1%	16.9%	84.0%
< \$100 million	36	2,050	16.1%	0.1%	(25.4%)	(24.4%)	(31.8%)	50.4%
Total / Median (\$MM)	223	\$2,372,703	100.0%	100.0%	(5.5%)	3.5%	16.9%	102.9%

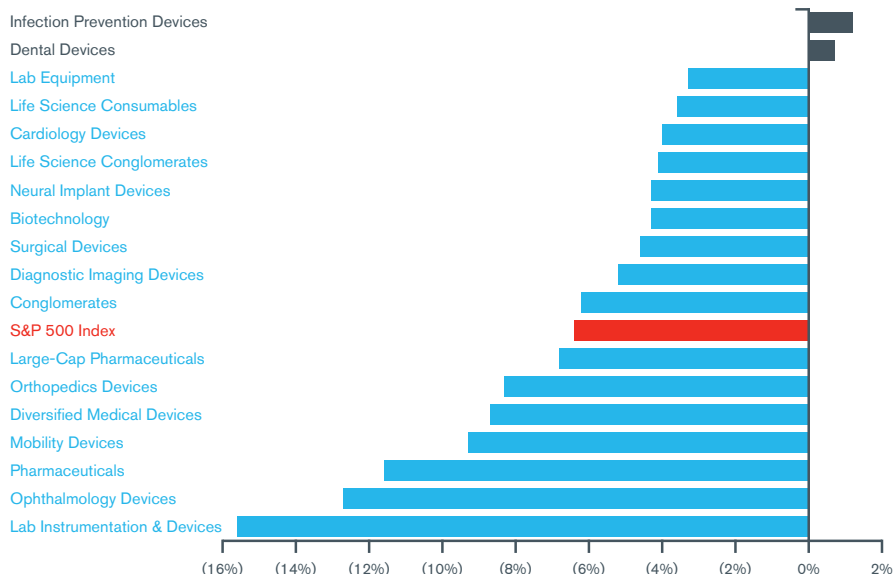
Source: Capital IQ

INTEREST RATES

	Value at 8/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.53%	0.49%	0.42%	0.33%
U.S. Treasury – 2 years	0.74%	0.67%	0.61%	0.48%
U.S. Treasury – 5 years	1.54%	1.55%	1.47%	1.63%
U.S. Treasury – 10 years	2.20%	2.20%	2.09%	2.35%
U.S. Treasury – 30 years	2.93%	2.93%	2.85%	2.85%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change — 3 months



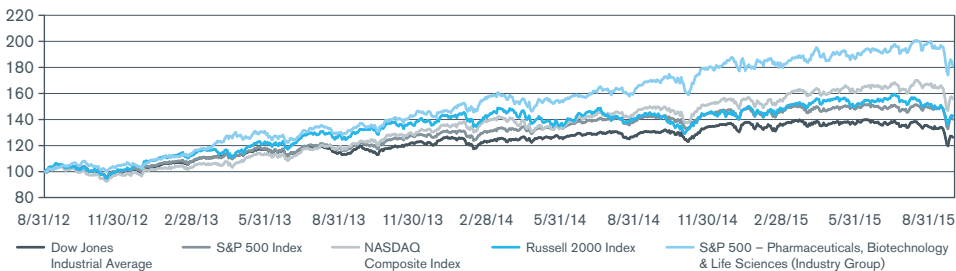
Source: Capital IQ

MARKET INDICES

	Value at 8/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	16,528.0	(8.2%)	(7.3%)	(3.3%)	26.3%
S&P 500 Index	1,972.2	(6.4%)	(4.2%)	(1.6%)	40.2%
NASDAQ Composite Index	4,776.5	(5.8%)	0.9%	4.3%	55.7%
Russell 2000 Index	1,159.5	(7.0%)	(3.8%)	(1.3%)	42.8%
S&P Life Science Tools & Services (Industry) Index	295.8	(5.8%)	(0.3%)	3.1%	80.4%
S&P 500 Pharmaceuticals (Industry) Index	583.0	(7.0%)	(0.0%)	6.9%	59.7%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	698.1	(6.7%)	2.2%	8.5%	84.7%
S&P 500 Biotechnology (Industry) Index	3,829.3	(5.2%)	3.0%	7.3%	155.4%
Dow Jones U.S. Medical Equipment Index	955.2	(2.0%)	3.3%	13.5%	78.8%
S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	770.1	(6.4%)	0.8%	6.8%	80.9%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Biotechnology																	
Acceleron Pharma, Inc.	XLRN	\$28.98	(14.1%)	7.9%	\$48.50	\$20.00	\$958	\$844	\$17.4	(\$52.9)	(\$1.63)	(\$1.21)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	31.97	4.9%	(1.9%)	45.45	27.92	1,370	1,362	437.4	59.7	0.42	0.72	3.11x	22.8x	NM	44.3x	1.53x
Adamas Pharmaceuticals, Inc.	ADMS	20.06	11.5%	7.0%	30.86	13.60	369	245	31.1	(18.6)	0.53	(3.19)	7.86x	NM	NM	NM	NM
Aduro BioTech, Inc.	ADRO	19.36	(42.7%)	NM	49.25	16.28	1,206	740	31.8	(22.9)	(0.70)	(1.07)	23.24x	NM	NM	NM	NM
Affimed N.V.	ADMS	10.08	(3.4%)	NM	24.20	3.55	300	231	8.2	(17.0)	(0.02)	(0.79)	28.28x	NM	NM	NM	NM
Akebia Therapeutics, Inc.	AKBA	6.96	(11.5%)	(69.1%)	23.69	5.91	201	48	–	(41.8)	(8.04)	(2.12)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	172.19	5.1%	1.7%	208.88	150.06	38,942	41,077	2,391.2	880.0	3.26	4.88	17.18x	46.7x	58.8x	35.3x	1.58x
Alkermes plc	ALKS	59.56	(2.5%)	33.2%	75.17	38.49	8,898	8,476	647.7	(34.5)	(0.21)	(0.40)	13.09x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	2.21	(4.3%)	14.5%	3.33	0.78	405	521	64.3	(98.1)	(0.36)	(0.60)	8.10x	NM	NM	NM	NM
Amgen Inc.	AMGN	151.78	(2.9%)	8.9%	181.81	127.67	115,087	117,046	20,765.0	9,773.0	6.70	9.74	5.64x	12.0x	20.1x	15.6x	1.49x
Ascendis Pharma A/S	ASND	19.14	15.0%	NM	23.81	14.75	463	310	11.3	(32.6)	(9.04)	(2.32)	27.52x	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	40.53	(4.3%)	NM	65.56	10.10	1,156	1,001	–	(36.4)	(5.62)	(2.15)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.13	(13.7%)	(19.9%)	3.43	0.90	94	62	1.5	(28.0)	(0.31)	(0.27)	NM	NM	NM	NM	NM
aTyr Pharma Inc.	LIFE	14.48	(36.7%)	NM	28.29	0.00	342	246	–	(31.2)	(29.69)	(11.16)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	10.46	(71.9%)	(64.7%)	62.48	9.36	269	(11.1)	0.8	(37.4)	(2.46)	(1.49)	NM	0.3x	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	17.06	(31.0%)	NM	33.63	15.05	452	333	0.9	(26.9)	(34.04)	(1.45)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	5.84	1.6%	(36.8%)	9.79	4.50	83	57	–	(7.1)	(0.57)	(1.13)	NA	NM	NM	NM	NM
Biogen Inc.	BIIB	297.30	(25.1%)	(13.3%)	480.18	265.00	69,916	68,127	10,295.7	5,243.4	12.37	15.91	6.62x	13.0x	20.1x	18.7x	1.21x
BioSpecifics Technologies Corp.	BSTC	49.66	4.2%	58.8%	72.07	29.99	340	312	19.0	11.4	0.66	NM	16.43x	27.3x	47.8x	NM	NM
Calithera Biosciences, Inc.	CALA	5.83	(44.3%)	NM	33.48	4.31	106	28	–	(27.4)	(4.67)	(1.88)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	18.96	99.2%	85.5%	23.61	7.53	515	472	3.4	(20.6)	(0.85)	(1.03)	NM	NM	NM	NM	NM
Catalyst Biosciences, Inc.	TRGT	11.80	NM	NM	21.60	7.32	135	245	2.2	(8.1)	(0.69)	NM	NM	NM	NM	NM	NM
Celgene Corporation	CELG	118.08	3.2%	24.3%	140.72	83.16	93,347	93,485	8,426.3	3,205.4	2.39	4.77	11.09x	29.2x	44.7x	24.7x	1.11x
Cepheid	CPHD	48.74	(11.7%)	21.8%	63.69	39.57	3,513	3,496	511.8	22.7	(0.72)	0.24	6.83x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	27.60	12.3%	NM	38.10	12.27	1,057	851	35.2	(127.4)	(10.64)	(5.98)	24.15x	NM	NM	NM	NM
ContraFect Corporation	CFRX	4.91	1.4%	NM	6.24	2.50	123	88	–	(20.2)	(3.86)	(0.99)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	2.62	(22.3%)	49.7%	3.75	1.09	340	267	7.5	(23.4)	(0.22)	(0.52)	NM	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	10.97	(33.7%)	(20.4%)	27.33	8.00	226	131	0.2	(55.4)	(3.00)	(3.28)	NM	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	0.99	(1.5%)	(43.7%)	1.84	0.80	31	37	13.6	(3.3)	(0.18)	NM	2.73x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	33.29	4.5%	33.7%	36.20	19.31	1,292	1,330	475.7	110.1	0.80	1.23	2.80x	12.1x	34.5x	27.0x	0.90x
Exelixis, Inc.	EXEL	5.95	88.9%	43.7%	6.40	1.26	1,341	1,636	31.0	(141.8)	(1.38)	(0.82)	NM	NM	NM	NM	NM
FibroGen, Inc.	FGEN	24.50	34.5%	NM	40.59	16.95	1,484	1,367	166.6	(65.1)	(3.17)	(1.03)	8.20x	NM	NM	NM	NM
Forward Pharma A/S	FWP	26.31	(22.3%)	NM	43.34	17.50	1,224	1,142	–	(23.8)	(1.79)	(1.02)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	27.52	1.6%	(7.4%)	37.75	23.00	894	774	277.0	(25.0)	(0.78)	(0.75)	2.80x	NM	NM	NM	NM

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

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Biotechnology (cont.)																	
Gilead Sciences Inc.	GILD	\$105.07	(6.4%)	(2.3%)	\$123.37	\$85.95	\$154,201	\$158,211	\$29,194.0	\$20,321.0	\$7.35	\$11.66	5.42x	7.8x	11.1x	9.0x	0.63x
GlycoMimetics, Inc.	GLYC	7.01	(12.0%)	(14.0%)	9.68	6.18	133	93	20.0	(10.6)	(0.60)	0.16	4.65x	NM	NM	43.8x	NM
Histogenics Corporation	HSGX	6.19	(25.9%)	NM	12.97	5.09	82	38	–	(35.7)	(6.85)	(2.05)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	2.16	(44.0%)	(35.1%)	5.48	1.69	204	201	5.7	(45.6)	(0.51)	(0.51)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	15.94	(27.0%)	32.7%	40.13	11.55	321	192	9.1	(39.4)	(4.56)	(2.02)	21.17x	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	32.42	8.8%	83.6%	46.17	15.45	2,329	2,214	273.2	73.9	0.52	0.99	8.10x	30.0x	66.3x	32.7x	1.09x
Juno Therapeutics Inc.	JUNO	36.31	(31.0%)	NM	69.28	33.00	3,651	3,357	12.5	(327.0)	(36.82)	(1.43)	NM	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	91.94	4.3%	76.7%	112.00	41.99	1,825	1,844	71.0	24.7	0.56	2.11	25.98x	NM	59.3x	43.5x	1.24x
Loxo Oncology, Inc.	LOXO	20.10	62.9%	54.5%	22.00	9.90	335	234	–	–	(3.06)	(1.79)	NA	NA	NM	NM	NM
MacroCure Ltd.	MCUR	3.06	(73.4%)	(67.6%)	16.10	2.60	51	15	–	(26.1)	(2.15)	(1.45)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	19.51	(1.7%)	65.5%	25.56	9.38	1,343	965	84.0	(60.9)	(1.91)	(0.38)	11.50x	NM	NM	NM	NM
Myriad Genetics, Inc.	MYGN	37.56	10.6%	3.8%	39.95	30.30	2,577	2,432	723.1	175.1	1.45	1.57	3.36x	13.9x	34.8x	23.9x	1.78x
NantKwest, Inc.	NK	17.12	NM	NM	37.50	17.06	1,373	1,323	0.5	(36.7)	(0.75)	(0.71)	NM	NM	NM	NM	NM
Neothetics, Inc.	NEOT	11.79	96.5%	NM	15.05	5.92	162	108	–	(20.9)	(5.36)	(3.47)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	46.38	5.7%	184.4%	56.18	15.10	3,983	3,598	19.8	(64.0)	(0.81)	(0.95)	NM	NM	NM	NM	NM
Nexvet Biopharma Public Limited Company	NVET	4.46	(2.0%)	NM	11.00	3.54	51	(4.8)	0.0	(15.2)	(8.79)	(1.53)	NM	0.3x	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	17.62	(27.1%)	7.0%	44.19	13.00	436	327	1.5	(30.4)	(2.69)	(1.51)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	18.00	(3.2%)	26.0%	23.67	11.87	620	573	81.2	7.0	(0.01)	0.21	7.06x	NM	NM	85.7x	NM
Otonomy, Inc.	OTIC	22.67	(7.5%)	13.8%	41.99	18.26	549	337	–	(43.8)	(5.46)	(2.80)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	25.98	(12.8%)	NM	39.80	16.00	456	308	4.0	(29.4)	(7.82)	(3.61)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	5.65	(15.4%)	(44.0%)	10.26	4.58	928	988	500.5	450.7	1.86	2.17	1.97x	2.2x	3.0x	2.6x	NM
Pfenex Inc.	PFNX	21.85	15.1%	238.8%	24.41	6.19	507	388	9.1	(17.0)	(1.04)	(1.52)	NM	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.44	(24.7%)	5.7%	2.16	1.06	837	835	14.2	(32.9)	0.01	(0.07)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	17.42	(4.5%)	NM	27.60	11.00	407	293	1.6	(25.3)	(1.32)	(1.14)	NM	NM	NM	NM	NM
Proteon Therapeutics Inc	PRTD	14.17	(16.2%)	NM	20.00	8.57	233	158	2.9	(12.7)	(3.16)	(1.28)	NM	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	513.50	0.2%	46.5%	605.93	320.06	54,257	54,040	3,396.3	1,106.7	3.07	12.24	15.91x	48.8x	NM	42.0x	1.65x
Roka Bioscience, Inc.	ROKA	2.75	3.0%	(76.5%)	12.00	2.20	50	16	5.8	(28.1)	(2.93)	(2.10)	2.68x	NM	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	54.01	(27.9%)	86.8%	89.04	26.27	1,557	1,332	–	(63.7)	(1.67)	(3.25)	NA	NM	NM	NM	NM
Spark Therapeutics, Inc.	ONCE	43.61	(40.8%)	NM	79.50	36.96	1,071	848	4.2	(38.2)	(4.64)	(1.95)	NM	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	7.27	15.9%	(10.4%)	8.50	5.45	489	443	183.5	(12.9)	(0.71)	(0.90)	2.41x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	11.88	(29.2%)	(48.8%)	24.04	11.00	241	209	0.9	(36.3)	(4.15)	(2.26)	NM	NM	NM	NM	NM
Theravance Inc.	THRX	13.91	(17.7%)	(41.0%)	23.84	10.58	1,629	2,138	25.8	(4.2)	(0.66)	(0.18)	NM	NM	NM	NM	NM
Tokai Pharmaceuticals, Inc.	TKAI	11.81	3.9%	NM	30.00	9.67	266	183	–	(34.9)	(3.60)	(1.93)	NA	NM	NM	NM	NM

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Biotechnology (cont.)																	
TRACON Pharmaceuticals, Inc.	TCON	\$10.49	(7.7%)	NM	\$21.00	\$9.02	\$127	\$73	\$7.5	(\$10.3)	(\$4.40)	(\$1.42)	9.68x	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	111.62	28.3%	109.2%	137.05	38.01	4,318	3,992	–	(83.6)	(2.25)	(3.09)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	150.62	(18.0%)	27.8%	190.29	110.12	6,859	6,451	1,351.0	337.0	6.28	7.01	4.78x	19.1x	46.1x	21.5x	1.87x
Vanda Pharmaceuticals, Inc.	VNDA	11.79	16.8%	(8.9%)	15.51	8.34	499	352	79.9	(15.8)	0.55	(0.52)	4.41x	NM	9.1x	NM	NM
Vascular Biogenics Ltd.	VBLT	5.39	(33.0%)	NM	17.02	3.09	107	76	–	(14.2)	(3.09)	(0.55)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	12.97	(16.5%)	(43.6%)	24.00	12.46	381	166	–	(69.2)	(4.39)	(3.06)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	127.52	(0.6%)	36.3%	143.45	90.99	31,198	31,160	628.1	(532.6)	(3.14)	(1.33)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	3.74	(82.8%)	(84.4%)	29.67	2.81	90	18	–	(55.6)	(3.54)	(2.33)	NA	NM	NM	NM	NM
XBiotech, Inc.	XBIT	19.18	0.3%	NM	32.50	13.64	615	497	–	(27.3)	(0.90)	NM	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	36.52	12.2%	74.4%	55.36	16.01	991	778	–	(55.9)	(3.00)	(2.86)	NA	NM	NM	NM	NM
Median			(4.3%)	7.4%									7.86x	13.9x	34.8x	27.0x	1.36x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$95.90	60.6%	268.1%	\$110.68	\$21.84	\$4,033	\$3,878	\$254.9	\$49.8	\$0.44	\$0.78	15.21x	NM	34.0x	NM	NM
AngioDynamics Inc.	ANGO	14.76	(8.0%)	4.6%	19.80	13.13	532	650	352.8	51.2	0.14	0.52	1.84x	12.7x	NM	28.3x	1.89x
Bellerophon Therapeutics LLC	BLPH	5.08	(45.3%)	NM	12.92	2.75	66	13	0.0	(52.4)	(7.56)	(4.23)	NA	NM	NM	NM	NM
Boston Scientific Corporation	BSX	16.74	(8.4%)	32.0%	18.62	11.10	22,498	26,707	7,272.0	1,741.0	(0.09)	0.91	3.67x	15.3x	NM	18.5x	1.81x
Cardiovascular Systems Inc.	CSII	24.08	(13.9%)	(15.5%)	41.28	22.33	782	698	178.8	(30.3)	(1.07)	(1.28)	3.91x	NM	NM	NM	NM
CareDx, Inc	CDNA	6.93	43.8%	(30.5%)	10.89	4.60	82	61	29.0	(4.9)	0.10	(0.96)	2.12x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	140.88	7.8%	41.9%	157.61	96.84	15,147	14,338	2,432.5	663.3	7.48	4.37	5.89x	21.6x	35.1x	32.3x	2.26x
Greatbatch, Inc.	GB	56.82	9.3%	24.7%	58.35	42.23	1,452	1,564	677.6	121.4	2.14	2.65	2.31x	12.9x	32.7x	21.4x	1.95x
Heartware International Inc.	HTWR	85.60	16.0%	5.5%	95.59	69.05	1,481	1,417	285.4	(6.2)	(1.14)	(2.24)	4.96x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	13.22	30.4%	81.1%	14.82	6.48	234	215	74.3	13.1	0.23	0.33	2.89x	16.4x	40.5x	40.3x	3.36x
Lombard Medical, Inc.	EVAR	4.05	(18.8%)	(47.3%)	7.78	3.26	81	45	17.0	(34.4)	(2.39)	(2.20)	2.68x	NM	NM	NM	NM
Medtronic plc	MDT	72.29	(5.3%)	13.2%	79.50	55.54	102,232	118,999	20,126.0	6,264.0	3.11	4.30	5.91x	19.0x	30.0x	16.8x	2.10x
Neovasc Inc.	NVC	5.57	(17.5%)	2.6%	9.62	3.77	370	300	11.3	(21.4)	(0.31)	(0.30)	26.55x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.53	34.8%	288.2%	0.53	0.08	177	201	0.0	(19.3)	(0.15)	(0.07)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	70.81	(4.0%)	8.0%	80.84	54.80	19,950	22,757	5,566.0	1,712.0	3.46	3.98	4.09x	13.3x	19.7x	17.8x	1.69x
Stereotaxis Inc.	STXS	1.50	(14.8%)	(49.0%)	3.61	0.65	32	46	37.8	(3.4)	(0.26)	NM	1.22x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	3.00	(31.4%)	(46.3%)	6.90	1.99	55	29	0.3	(25.8)	(1.51)	(1.50)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	62.82	38.4%	151.3%	63.51	24.57	3,442	3,168	483.8	70.5	0.89	1.39	6.55x	45.0x	89.3x	45.1x	3.26x
TriVascular Technologies, Inc.	TRIV	5.31	(2.6%)	(63.2%)	16.62	3.98	109	112	34.7	(50.5)	(3.95)	(2.88)	3.24x	NM	NM	NM	NM
Median			(4.0%)	6.8%									3.79x	15.9x	34.0x	24.8x	2.02x

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

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Conglomerates																	
3M Company	MMM	\$142.14	(10.6%)	(1.3%)	\$170.50	\$130.60	\$88,801	\$93,870	\$31,120.0	\$8,516.0	\$7.49	\$7.82	3.02x	11.0x	18.6x	18.2x	1.75x
Agilent Technologies Inc.	A	36.31	(11.8%)	(36.5%)	59.40	33.57	12,098	11,681	6,974.0	1,221.0	1.43	1.76	1.67x	9.6x	21.2x	20.6x	1.79x
Becton, Dickinson and Company	BDX	141.02	0.4%	20.4%	154.98	112.15	29,650	41,224	9,410.0	2,417.0	5.82	7.53	4.38x	17.1x	35.1x	18.7x	1.64x
Johnson & Johnson	JNJ	93.98	(6.2%)	(9.4%)	109.49	81.79	260,241	245,594	71,882.0	23,498.0	5.70	6.18	3.42x	10.5x	16.6x	15.2x	2.75x
Kimberly-Clark Corporation	KMB	106.53	(2.1%)	(1.4%)	119.01	103.11	38,806	46,102	19,218.0	4,375.0	3.91	5.76	2.40x	10.5x	60.2x	18.5x	2.77x
Median			(6.2%)	(1.4%)									3.02x	10.5x	21.2x	18.5x	1.79x
Dental Devices																	
COLTENE Holding AG	CLTN	\$63.50	(24.7%)	4.4%	\$87.25	\$52.66	\$268	\$278	\$170.5	\$28.5	\$3.73	\$3.54	1.63x	9.8x	18.7x	17.9x	1.46x
DENTSPLY International Inc.	XRAY	52.41	0.7%	9.9%	57.61	43.83	7,327	8,278	2,781.6	572.7	2.24	2.59	2.98x	14.5x	28.0x	20.3x	2.07x
Orthofix International N.V.	OFIX	37.48	14.4%	10.5%	42.10	26.96	707	651	392.0	18.8	(0.20)	0.69	1.66x	34.5x	NM	54.3x	2.65x
Osstem Implant Co., Ltd.	A048260	54.76	11.3%	48.7%	60.09	28.06	782	765	227.5	31.1	1.01	1.68	3.36x	24.6x	42.3x	32.6x	0.74x
Sirona Dental Systems Inc.	SIRO	95.38	(3.4%)	17.0%	105.37	74.38	5,328	4,988	1,146.4	280.2	3.16	4.08	4.35x	17.8x	29.3x	23.4x	1.72x
Straumann Holding AG	STMN	299.20	13.2%	22.2%	314.94	198.26	4,685	4,677	800.6	207.6	10.10	9.40	5.84x	22.5x	51.9x	31.8x	2.80x
Tornier N.V.	TRNX	22.24	(16.3%)	2.9%	28.53	21.43	1,096	1,155	340.4	27.2	(0.60)	(0.44)	3.39x	42.5x	NM	NM	NM
Median			0.7%	10.5%									3.36x	22.5x	29.3x	27.6x	1.90x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$19.61	(8.3%)	(17.9%)	\$26.20	\$16.12	\$276	\$283	\$244.1	\$43.8	\$1.18	\$1.18	1.16x	6.5x	17.4x	16.6x	1.42x
NuVasive, Inc.	NUVA	52.72	4.3%	50.2%	56.61	33.33	2,580	2,678	789.5	150.1	(0.36)	1.19	3.39x	17.8x	55.1x	44.3x	3.15x
Stryker Corporation	SYK	98.65	2.6%	18.4%	105.34	77.87	37,147	36,336	9,818.0	2,623.0	1.34	5.11	3.70x	13.9x	40.4x	19.3x	2.13x
Wright Medical Group Inc.	WMGI	23.07	(15.8%)	(22.7%)	32.65	22.17	1,175	1,307	309.5	(55.9)	(4.83)	(1.74)	4.22x	NM	NM	NM	NM
Zimmer Biomet Holdings, Inc.	ZMH	103.56	(9.2%)	4.3%	121.84	94.73	21,061	31,229	4,630.9	1,813.5	4.19	6.76	6.74x	17.2x	52.6x	15.3x	1.44x
Median			(8.3%)	4.3%									3.70x	15.5x	46.5x	18.0x	1.78x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$80.58	(4.8%)	11.6%	\$92.31	\$63.28	\$1,002	\$883	\$527.8	\$64.0	\$2.56	\$4.21	1.67x	13.8x	30.2x	19.1x	1.42x
Digirad Corporation	DRAD	3.80	(5.7%)	(3.3%)	5.48	3.50	74	52	57.4	5.9	0.13	0.19	0.90x	8.8x	21.1x	20.0x	NM
Fonar Corp.	DRAD	9.61	(11.4%)	(21.4%)	14.25	9.10	63	79	81.6	15.6	1.70	NM	0.96x	5.0x	5.5x	NM	NM
Hologic Inc.	HOLX	38.81	8.5%	56.1%	43.00	22.70	10,937	13,993	2,640.9	964.0	0.18	1.70	5.30x	14.5x	83.4x	22.8x	2.37x
Median			(5.2%)	4.1%									1.32x	11.3x	25.6x	20.0x	1.89x

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

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$52.84	2.5%	20.6%	\$57.95	\$39.58	\$2,997	\$3,462	\$1,894.1	\$274.2	\$1.03	\$2.62	1.83x	12.6x	37.2x	20.2x	1.72x
Invacare Corporation	IVC	17.59	(19.1%)	14.7%	23.59	11.65	572	597	1,214.0	1.3	(2.15)	(0.73)	0.49x	NM	NM	NM	NM
Prism Medical Ltd.	PM	8.11	0.5%	9.8%	10.63	5.51	40	47	40.2	3.3	2.55	0.34	1.17x	14.4x	44.1x	23.6x	NM
ReWalk Robotics Ltd.	RWLK	8.44	(33.0%)	NM	43.71	8.24	101	70	4.0	(19.3)	(6.34)	(1.93)	17.70x	NM	NM	NM	NM
Median			(9.3%)	14.7%									1.50x	13.5x	40.6x	21.9x	1.72x
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$49.63	6.6%	36.1%	\$58.04	\$33.70	\$2,062	\$2,129	\$540.9	\$104.2	\$1.03	\$1.46	3.94x	20.4x	45.9x	34.0x	1.89x
Steris Corp.	STE	64.05	(4.2%)	13.8%	71.39	52.29	3,833	4,325	1,869.6	354.6	2.21	3.18	2.31x	12.2x	28.6x	20.1x	1.72x
Median			1.2%	24.9%									3.12x	16.3x	37.3x	27.1x	1.81x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$65.34	2.1%	13.9%	\$76.48	\$48.19	\$1,699	\$1,530	\$300.6	\$110.3	\$2.45	\$2.73	5.09x	13.9x	30.5x	24.0x	1.63x
Integra LifeSciences Holdings Corporation	IART	59.98	(10.7%)	20.0%	70.32	46.55	2,187	2,710	959.6	206.6	1.03	3.06	2.82x	13.1x	49.4x	19.6x	1.78x
Median			(4.3%)	16.9%									3.96x	13.5x	40.0x	21.8x	1.70x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$6.72	(19.8%)	(16.2%)	\$11.28	\$6.41	\$67	\$55	\$41.4	\$1.7	\$0.97	NM	1.33x	32.1x	7.6x	NM	NM
Lumenis Ltd.	LMNS	13.90	14.2%	55.0%	13.97	8.19	501	447	289.7	28.2	0.36	0.62	1.54x	15.8x	28.9x	22.3x	1.04x
Opt Sciences Corporation	OPST	18.75	(8.5%)	10.9%	20.50	16.50	15	2	7.6	1.9	1.62	NM	0.32x	1.3x	10.7x	NM	NM
Presbia PLC	LENS	7.00	(14.8%)	NM	9.38	0.00	93	64	0.2	(17.9)	(1.71)	(1.18)	NM	NM	NM	NM	NM
Second Sight Medical Products, Inc.	EYES	9.51	(34.0%)	NM	24.02	8.05	341	314	6.5	(20.4)	(1.41)	(0.57)	NM	NM	NM	NM	NM
The Cooper Companies Inc.	COO	162.42	(10.6%)	(0.4%)	190.00	143.62	7,892	9,228	1,780.3	529.3	5.29	7.77	5.18x	17.4x	33.1x	20.9x	1.26x
Median			(12.7%)	5.3%									1.44x	16.6x	19.8x	21.6x	1.15x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$0.58	(57.4%)	(63.1%)	\$1.92	\$0.50	\$57	\$149	\$199.9	\$23.0	(\$0.16)	(\$0.13)	0.74x	6.5x	NM	NM	NM
Avinger, Inc.	AVGR	14.44	23.6%	NM	17.47	9.35	177	146	10.8	(30.3)	(132.63)	(3.72)	13.47x	NM	NM	NM	NM
Bovie Medical Corporation	BVX	2.20	(23.9%)	(48.1%)	4.55	2.06	60	49	27.7	(7.1)	(1.03)	(0.28)	1.76x	NM	31.4x	NM	NM
CONMED Corporation	CNMD	53.06	(4.5%)	34.3%	60.66	36.51	1,470	1,667	723.3	122.5	1.16	1.83	2.31x	13.6x	54.7x	29.0x	1.76x
Entellus Medical, Inc.	ENTL	22.26	(4.7%)	NM	28.81	19.00	417	357	54.8	(7.4)	(4.62)	(0.92)	6.52x	NM	NM	NM	NM
Intuitive Surgical, Inc.	ISRG	510.95	4.8%	8.7%	564.86	449.34	18,915	17,353	2,257.3	750.1	11.11	17.31	7.69x	23.1x	38.1x	29.5x	2.04x
Median			4.6%	19.7%									4.41x	13.6x	38.1x	29.3x	1.90x

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

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(\$ in millions, except per share amounts)

		Price	% Change		52-Week			Ent Val	LTM		EPS		LTM Multiples		Earnings Ratio		PEG
Company Name	Ticker	8/31/15	3 mo	12 mo	High	Low	Market Cap	(TEV)	Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	Ratio 2015E
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$47.02	(11.5%)	(1.5%)	\$66.89	\$44.07	\$1,068	\$939	\$211.6	\$43.8	\$0.99	\$1.12	4.44x	21.4x	47.5x	42.0x	2.29x
AtriCure, Inc.	ATRC	24.46	6.6%	57.6%	28.15	13.19	698	644	117.9	(18.1)	(0.61)	(0.82)	5.46x	NM	NM	NM	NM
Baxter International Inc.	BAX	38.45	(42.3%)	(48.7%)	75.36	34.50	20,976	28,559	16,326.0	4,049.0	3.56	1.32	1.75x	7.1x	12.2x	29.2x	2.78x
Capnia, Inc.	CAPN	2.31	(46.9%)	NM	9.90	1.02	18	11	0.1	(8.6)	(10.42)	(0.65)	NM	NM	NM	NM	NM
CR Bard Inc.	BCR	193.79	13.8%	30.6%	202.47	141.49	14,379	14,676	3,376.7	1,047.6	3.76	8.06	4.35x	14.0x	42.8x	24.0x	2.45x
CryoLife Inc.	CRY	9.78	(8.7%)	(2.6%)	12.29	9.17	290	255	143.6	10.5	0.25	NM	1.78x	24.3x	86.1x	NM	NM
HTG Molecular Diagnostics, Inc.	HTGM	5.57	(61.2%)	NM	19.75	4.50	38	19	4.0	(14.7)	(175.03)	(4.81)	4.79x	NM	NM	NM	NM
IDEXX Laboratories, Inc.	IDXX	71.47	5.4%	15.3%	84.26	56.75	6,576	7,329	1,531.3	331.8	3.58	2.10	4.79x	22.1x	18.2x	34.0x	2.31x
InfuSystem Holdings, Inc.	INFU	2.80	(11.7%)	0.0%	4.50	2.22	63	97	62.2	16.2	0.15	NM	1.56x	6.0x	28.0x	NM	NM
Masimo Corporation	MASI	40.63	15.8%	81.1%	46.00	20.48	2,072	2,130	609.2	122.0	1.30	1.44	3.50x	17.5x	28.8x	28.2x	1.78x
Medovex Corp.	MDVX	2.21	(40.3%)	NM	5.80	2.02	24	21	0.0	(4.6)	(0.37)	NM	NA	NM	NM	NM	NM
Misonix, Inc.	MSON	11.39	4.5%	67.3%	14.90	6.49	88	79	22.2	(0.3)	0.36	NM	3.54x	NM	17.3x	NM	NM
Natus Medical Inc.	BABY	40.68	4.1%	44.7%	46.98	27.80	1,322	1,249	365.2	72.0	1.00	1.51	3.42x	17.4x	36.4x	27.0x	1.46x
Nevro Corp.	NVRO	45.03	(11.4%)	NM	58.87	23.13	1,256	1,021	39.5	(44.9)	(6.94)	(2.77)	25.88x	NM	NM	NM	NM
OpGen, Inc.	OPGN	2.66	(33.2%)	NM	5.44	2.24	33	24	2.8	(8.0)	(1.20)	NM	8.38x	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	0.79	(54.1%)	(90.4%)	8.32	0.70	17	14	128.3	(18.6)	(3.26)	(0.73)	0.11x	NM	NM	NM	NM
ResMed Inc.	RMD	51.94	(11.7%)	(2.1%)	75.33	45.58	7,298	6,882	1,678.9	482.3	2.46	2.57	4.10x	14.3x	21.0x	20.2x	1.60x
Sientra, Inc.	SIEN	23.79	5.6%	NM	26.67	12.53	357	293	49.4	(7.6)	(2.28)	(1.17)	5.92x	NM	NM	NM	NM
SurModics, Inc.	SRDX	22.75	(7.8%)	11.4%	27.68	18.00	294	240	59.9	23.0	0.89	0.88	4.01x	10.4x	23.5x	26.0x	1.73x
Teleflex Incorporated	TFX	130.80	1.6%	19.5%	140.50	101.95	5,441	6,230	1,801.6	409.9	4.10	6.22	3.46x	15.2x	32.4x	21.0x	1.93x
Varian Medical Systems, Inc.	VAR	81.25	(6.2%)	(4.4%)	96.67	76.73	8,021	7,506	3,093.4	658.7	3.84	4.34	2.43x	11.4x	19.7x	18.7x	1.89x
Median			(8.7%)	11.4%									4.01x	14.7x	28.0x	26.5x	1.91x
Life Science Conglomerates																	
Illumina Inc.	ILMN	\$197.61	(4.1%)	10.2%	\$242.37	\$145.12	\$28,594	\$28,387	\$2,071.0	\$742.0	\$2.37	\$3.46	13.71x	38.3x	60.3x	57.1x	2.72x
PerkinElmer Inc.	PKI	48.68	(7.7%)	8.5%	54.45	38.96	5,520	6,316	2,241.2	350.1	1.42	2.58	2.82x	18.0x	33.6x	18.8x	1.75x
Thermo Fisher Scientific, Inc.	TMO	125.37	(3.3%)	4.3%	141.25	14.00	49,958	63,215	16,853.9	4,025.7	4.71	7.39	3.75x	15.7x	25.6x	17.0x	1.46x
Median			(4.1%)	8.5%									3.75x	18.0x	33.6x	18.8x	1.75x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$18.38	(7.4%)	(8.4%)	\$22.32	\$17.26	\$3,091	\$2,968	\$1,677.3	\$207.5	\$0.33	\$0.76	1.77x	14.3x	52.5x	24.3x	1.80x
Great Basin Scientific, Inc.	GBSN	0.30	(91.0%)	NM	9.08	0.26	2	(10)	1.8	(14.2)	(17.32)	(15.69)	NM	0.7x	NM	NM	NM
Harvard Bioscience Inc.	HBIO	4.37	(22.0%)	(3.3%)	6.84	4.07	148	162	110.4	6.8	0.07	0.22	1.46x	23.7x	NM	19.9x	NM
Waters Corporation	WAT	121.38	(9.2%)	17.4%	137.39	93.56	9,986	9,337	2,032.2	675.5	5.07	5.84	4.59x	13.8x	21.9x	20.8x	2.17x
Median			(15.6%)	(3.3%)									1.77x	14.1x	37.2x	20.8x	1.99x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$17.00	2.1%	(5.7%)	\$19.00	\$15.30	\$45	\$47	\$118.8	\$7.8	\$1.47	NM	0.40x	6.0x	14.0x	NM	NM
Mettler-Toledo International Inc.	MTD	296.55	(8.7%)	9.6%	350.11	228.30	8,214	8,693	2,444.3	528.9	11.44	12.83	3.56x	16.4x	24.7x	23.1x	1.75x
Median			(3.3%)	2.0%									1.98x	11.2x	19.4x	23.1x	1.75x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$9.33	(20.5%)	7.6%	\$13.11	\$7.00	\$745	\$751	\$358.3	\$47.3	(\$0.05)	\$0.38	2.10x	15.9x	37.1x	24.7x	1.58x
Bio-Rad Laboratories, Inc.	BIO	139.33	(3.5%)	15.9%	152.38	102.71	4,064	3,772	2,107.8	312.0	3.05	3.52	1.79x	12.1x	42.1x	39.6x	3.96x
Cambrex Corporation.	CBM	47.81	19.5%	118.1%	53.99	15.76	1,500	1,497	394.9	105.6	1.84	2.05	3.79x	14.2x	23.6x	23.4x	1.33x
Luminex Corporation	LMNX	18.22	8.6%	(3.3%)	21.69	15.05	784	663	231.4	49.6	0.93	0.65	2.87x	13.4x	20.1x	28.2x	1.61x
Bio-Techne Corp.	TECH	94.48	(6.7%)	(1.1%)	114.56	86.01	3,512	3,478	451.6	186.2	3.12	3.43	7.70x	18.7x	32.7x	27.6x	2.21x
VWR Corporation	VWR	26.25	(3.7%)	NM	28.83	20.60	3,448	5,385	4,326.8	455.8	2.49	1.46	1.24x	11.8x	14.9x	17.9x	1.55x
Median			(3.6%)	7.6%									2.48x	13.8x	28.2x	26.1x	1.59x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$62.41	(6.3%)	12.9%	\$71.60	\$52.06	\$103,306	\$126,329	\$20,986.0	\$7,828.0	\$1.10	\$4.25	6.02x	16.1x	48.5x	14.7x	1.02x
Bristol-Myers Squibb Company	BMJ	59.47	(7.9%)	17.4%	70.54	47.55	99,166	101,228	16,383.0	4,634.0	1.20	1.83	6.18x	21.8x	55.5x	32.5x	1.92x
Eli Lilly and Company	LLY	82.35	4.4%	29.6%	90.18	60.58	87,343	91,148	19,620.3	4,960.2	2.23	3.27	4.65x	18.4x	42.7x	25.2x	1.81x
Merck & Co. Inc.	MRK	53.85	(11.6%)	(10.4%)	63.62	45.69	151,676	167,095	40,249.0	14,529.0	4.07	3.50	4.15x	11.5x	15.7x	15.4x	1.99x
Pfizer Inc.	PFE	32.22	(7.3%)	9.6%	36.46	27.51	198,712	204,257	48,196.0	19,612.0	1.41	2.07	4.24x	10.4x	22.8x	15.5x	2.03x
Valeant Pharmaceuticals International, Inc.	VRX	230.03	(3.0%)	96.1%	262.35	94.66	78,852	107,104	9,253.5	4,541.6	2.67	11.59	11.57x	23.6x	NM	19.8x	0.77x
Median			(6.8%)	15.2%									5.33x	17.3x	42.7x	17.7x	1.86x
Pharmaceuticals																	
Adaptimmune Therapeutics plc	ADAP	\$10.96	(29.0%)	NM	\$21.57	\$10.01	\$776	\$649	\$4.4	(\$15.3)	(\$1.67)	(\$0.41)	NM	NM	NM	NM	NM
Akorn, Inc.	AKRX	39.79	(13.3%)	2.0%	57.10	33.00	4,553	5,600	593.1	208.3	0.34	1.96	9.44x	26.9x	NM	20.3x	1.05x
Amphastar Pharmaceuticals, Inc.	AMPH	12.87	(16.1%)	6.5%	18.30	8.32	583	556	226.3	(14.9)	(0.26)	(0.30)	2.46x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	17.66	30.1%	52.0%	20.63	9.20	617	549	0.7	(43.8)	(1.30)	(1.33)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	4.76	5.7%	(22.7%)	7.58	3.30	163	98	0.0	(30.0)	(0.66)	(1.15)	NA	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	6.75	(20.8%)	(57.8%)	18.48	5.89	354	316	19.2	(62.7)	(1.12)	(0.23)	16.50x	NM	NM	NM	NM
BioSynt Inc.	RX	5.27	(12.1%)	(37.0%)	9.67	4.46	73	68	10.9	3.9	0.19	0.20	6.23x	17.4x	27.9x	25.9x	NM
Blueprint Medicines Corporation	BPMC	27.36	(4.6%)	NM	37.17	18.00	742	556	3.3	(47.6)	(3.07)	(5.18)	NM	NM	NM	NM	NM
Carbylan Therapeutics, Inc.	CBYL	5.43	(27.5%)	NM	9.22	4.68	143	82	0.0	(17.9)	(1.46)	(1.25)	NM	NM	NM	NM	NM
Catalent, Inc.	CTLT	31.79	(0.5%)	47.9%	34.42	21.21	3,951	5,721	1,840.3	433.5	0.64	1.70	3.11x	13.2x	40.6x	18.7x	2.06x
Cidara Therapeutics, Inc.	CDTX	14.23	(9.3%)	NM	17.21	13.00	195	72	0.0	(20.8)	(3.88)	(4.61)	NA	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	5.31	(46.0%)	(46.5%)	14.72	5.08	138	142	27.0	13.5	0.68	0.12	5.26x	10.5x	13.7x	45.9x	NM
Collegium Pharmaceutical, Inc.	COLL	15.12	(11.1%)	NM	20.62	0.00	313	208	0.0	(17.9)	(2.84)	(1.48)	NA	NM	NM	NM	NM
CoLucid Pharmaceuticals, Inc	CLCD	6.55	(24.5%)	NM	9.46	6.06	99	20	0.0	(11.8)	(0.31)	(3.38)	NA	NM	NM	NM	NM

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 8/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Pharmaceuticals (cont.)																	
Cumberland Pharmaceuticals, Inc.	CPIX	\$6.02	(10.9%)	17.6%	\$7.78	\$4.50	\$100	\$49	\$36.7	\$4.6	\$0.14	NM	1.33x	10.5x	55.3x	NM	NM
Dermira, Inc.	DERM	25.70	71.3%	NM	27.76	12.68	750	631	7.3	(46.0)	(4.96)	(3.00)	NM	NM	NM	NM	NM
DURECT Corporation	DRRX	2.06	(20.8%)	30.4%	3.42	0.68	248	230	17.7	(20.8)	(0.20)	(0.20)	12.99x	NM	NM	NM	NM
Endo International plc	ENDP	77.00	(8.1%)	20.9%	96.58	57.14	16,035	18,934	3,262.8	743.1	(4.95)	4.53	5.80x	25.5x	NM	17.0x	1.31x
Flex Pharma, Inc.	FLKS	12.03	(32.6%)	NM	24.82	11.70	216	110	0.0	(20.4)	(5.48)	(1.92)	NA	NM	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	10.16	(18.7%)	NM	14.00	4.75	310	245	5.4	(1.6)	(0.79)	(0.76)	NM	NM	NM	NM	NM
Heska Corporation	HSKA	33.75	6.5%	143.0%	35.63	11.89	220	232	92.9	9.1	0.41	0.53	2.50x	25.4x	71.7x	63.7x	2.54x
Impax Laboratories Inc.	IPXL	40.96	(12.9%)	66.2%	52.10	22.25	2,952	3,176	646.5	106.2	0.81	1.31	4.91x	29.9x	NM	31.3x	1.29x
Inotek Pharmaceuticals Corporation	ITEK	12.33	110.8%	NM	19.45	4.68	326	286	0.0	0.0	(13.52)	(1.54)	NA	NA	NM	NM	NM
Jaguar Animal Health, Inc.	JAGX	2.87	(57.4%)	NM	7.06	1.90	23	11	0.1	0.0	(2.02)	(3.00)	NM	NA	NM	NM	NM
KemPharm, Inc.	KMPH	19.61	59.2%	NM	26.15	10.90	279	264	0.0	(20.8)	(3.13)	(3.40)	NA	NM	NM	NM	NM
Kite Pharma, Inc.	KITE	53.17	(3.6%)	88.1%	89.21	23.85	2,325	1,932	7.3	(58.2)	(1.91)	(1.29)	NM	NM	NM	NM	NM
Lannett Company, Inc.	LCI	47.95	(13.8%)	21.8%	72.44	37.19	1,749	1,537	406.8	236.1	3.42	3.78	3.78x	6.5x	11.9x	12.7x	0.72x
Marinus Pharmaceuticals, Inc.	MRNS	13.43	65.6%	67.5%	20.72	5.49	192	159	0.0	(18.1)	(2.17)	(1.74)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	7.17	22.4%	(1.8%)	9.15	4.60	156	101	0.3	(20.3)	(0.95)	(1.14)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	1.80	(22.9%)	(15.3%)	2.64	0.97	184	210	31.1	19.7	(0.09)	0.03	6.75x	10.7x	NM	52.9x	NM
Mylan N.V.	MYL	49.59	(31.7%)	2.0%	76.69	44.80	24,376	32,446	8,410.1	2,306.8	2.34	4.21	3.86x	14.1x	24.0x	11.8x	1.02x
NeuroDerm Ltd.	NDRM	25.56	87.4%	NM	26.50	5.67	535	498	0.0	(13.2)	(12.97)	(1.29)	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	60.86	26.2%	344.9%	84.64	13.16	2,604	2,404	0.0	(72.3)	(4.04)	(2.25)	NA	NM	NM	NM	NM
Revvance Therapeutics, Inc.	RVNC	30.26	18.2%	29.6%	35.72	14.02	725	599	0.3	(57.3)	(3.24)	(3.45)	NM	NM	NM	NM	NM
SciClone Pharmaceuticals, Inc.	SCLN	7.86	(15.1%)	14.6%	11.71	6.59	395	302	147.2	28.0	0.48	0.33	2.05x	10.8x	25.4x	23.8x	NM
SteadyMed Ltd.	STDY	3.89	(53.8%)	NM	11.14	3.68	53	10	0.0	(21.2)	(2.82)	(2.51)	NA	NM	NM	NM	NM
The Medicines Company	MDCO	41.00	44.6%	60.1%	41.03	19.92	2,737	2,842	580.4	(100.8)	(0.50)	(1.89)	4.90x	NM	NM	NM	NM
Tobira Therapeutics, Inc.	TBRA	12.05	(8.3%)	NM	24.31	10.70	210	162	0.0	(26.8)	(85.41)	NM	NA	NM	NM	NM	NM
Viking Therapeutics, Inc.	VKTX	6.15	(25.3%)	NM	10.23	5.30	60	40	0.0	0.0	(5.08)	(2.50)	NA	NA	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	7.76	(36.7%)	NM	23.35	5.41	170	101	6.7	(27.9)	(3.61)	(1.90)	15.16x	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	9.82	(28.8%)	NM	23.50	8.59	140	67	26.1	3.6	3.28	(0.59)	2.55x	18.3x	20.3x	NM	NM
Zoetis Inc.	ZTS	44.87	(9.8%)	26.6%	55.38	34.16	22,388	25,517	4,807.0	1,390.0	1.16	1.66	5.31x	18.4x	54.1x	27.0x	1.99x
Zosano Pharma Corporation	ZSAN	8.10	(6.9%)	NM	12.40	7.01	97	75	1.1	(14.7)	(2.78)	NM	NM	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	51.16	(12.5%)	27.0%	64.99	25.51	1,285	1,062	0.0	(82.7)	(5.47)	(4.53)	NA	NM	NM	NM	NM
Zynerba Pharmaceuticals, Inc.	ZYNE	28.11	NM	NM	43.00	22.05	246	256	0.6	(7.0)	(2.56)	(1.67)	NM	NM	NM	NM	NM
Median			(11.6%)	21.8%									4.91x	15.8x	26.7x	24.9x	1.30x

Source: Capital IQ as of August 31, 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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