

Healthcare Sector Update

November 2015

SUMMARY

During the 2008 and 2012 elections, the healthcare sector experienced a contraction in valuation due to uncertainty about the shape of healthcare reform (e.g. government payer option, push for generics, medical device tax, etc.). Today, uncertainty revolves around specific sub-industries in healthcare. In particular, the focus has been on drug pricing, which has weighed on valuations of pharmaceuticals and biotech stocks and the sustainability of ACA exchange business for insurers.

Over the last three months (ending October 30, 2015), the overall S&P declined 1.4% while the S&P 500 – Pharmaceuticals, Biotechnology and Life Sciences Index declined 6.1%, despite its defensive nature. Lower drug prices may reduce costs for providers and payers. Over the last three months, the S&P – Healthcare Services Index increased 1.6%.

Given the more nuanced concerns about healthcare in the current election cycle, the overhang may be shorter in duration and less severe than in recent elections. Moreover, certain healthcare industries stand to benefit from recent election policy discussions.

By the Numbers: Healthcare Services

The S&P Healthcare Services Index has increased 1.6% over the last three months, outperforming the S&P 500, which declined 1.4% over the same period.

Over the past three months:

- The best performing sectors were Home Care / Hospice (up 5.3%), Dialysis Services (up 4.3%) and Specialty Managed Care (up 3.0%)
- The worst performing sectors were Diagnostic Imaging (down 37.6%), Acute Care Hospitals (down 26.0%) and Psychiatric Hospitals (down 22.3%)

The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.46x and 12.1x, respectively.

The sectors with the highest valuation multiples include:

- Healthcare REITs (11.54x LTM Revenue, 16.5x LTM EBITDA)
- Emergency Services (2.72x LTM Revenue, 18.8x LTM EBITDA)
- Consumer Directed Health and Wellness (4.57x LTM Revenue, 18.7x LTM EBITDA)
- HCIT (3.30x LTM Revenue, 19.5x LTM EBITDA)

By the Numbers: Pharmaceutical, Medical Devices and Life Sciences

The S&P 500 – Pharmaceuticals, Biotechnology and Life Sciences Index has declined 6.1% over the last three months, performing worse than the S&P 500, which declined 1.4% over the same period.

Over the past three months:

- The best performing sectors were Diagnostic Imaging Devices (up 25.1%), Infection Prevention Devices (up 9.8%) and Dental Devices (up 4.0%).
- The worst performing sectors were Lab Instrumentation & Devices (down 25.4%), Pharmaceuticals (down 20.9%) and Biotechnology (down 16.0%).

The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.35x and 13.7x, respectively.

The sectors with the highest valuation multiples include:

- Biotechnology (6.11x LTM Revenue, 11.6x LTM EBITDA)
- Infection Prevention Devices (4.48x LTM Revenue, 22.8x LTM EBITDA)
- Large-Cap Pharmaceuticals (5.07x LTM Revenue, 13.3x LTM EBITDA)
- Dental Devices (3.53x LTM Revenue, 20.1x 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	\$49,568	(26.0%)	(0.9%)	1.07x	7.7x	16.3x	14.6x	1.2x
Assisted Living	4	4,749	(21.9%)	(21.2%)	1.78x	14.2x	NM	NM	NM
Care Management / TPA	7	10,812	(5.1%)	(26.2%)	1.28x	14.4x	25.2x	19.0x	1.1x
Clinical Laboratories	5	28,143	(7.6%)	(4.5%)	2.21x	12.8x	24.6x	15.6x	1.5x
Consumer Directed Health & Wellness	9	22,951	(14.1%)	(2.3%)	4.57x	18.7x	23.2x	23.9x	1.8x
Contract Research Orgs	7	23,190	(14.4%)	13.1%	2.24x	12.1x	21.9x	19.3x	1.3x
Diagnostic Imaging	3	402	(37.6%)	(28.2%)	1.46x	5.7x	28.2x	9.7x	1.2x
Dialysis Services	2	44,258	4.3%	11.7%	2.02x	11.2x	32.0x	22.8x	1.8x
Distribution / Supply	7	109,612	(1.4%)	11.2%	0.28x	13.2x	24.7x	19.0x	1.6x
Emergency Services	2	2,533	(18.4%)	43.1%	2.72x	18.8x	16.2x	15.5x	0.9x
HCIT	17	47,664	(7.9%)	(6.2%)	3.30x	19.5x	46.4x	31.3x	1.9x
Healthcare REITs	13	77,429	(3.8%)	(11.1%)	11.54x	16.5x	20.8x	20.8x	4.7x
Healthcare Staffing	5	12,718	(2.2%)	40.5%	1.43x	15.2x	39.2x	22.7x	1.6x
Home Care / Hospice	6	6,308	5.3%	46.1%	0.99x	11.5x	23.8x	23.2x	1.8x
Long Term Care	4	3,192	(18.4%)	(5.6%)	0.76x	8.8x	21.1x	13.3x	0.9x
Managed Care – Commercial	7	255,241	(3.3%)	30.2%	0.67x	10.1x	17.6x	18.6x	1.2x
Managed Care – Government	3	14,472	(8.8%)	33.3%	0.27x	8.0x	22.4x	23.2x	0.8x
Other Services	4	13,138	(3.3%)	11.2%	2.51x	17.8x	40.9x	39.7x	2.2x
Pharmacy Management	4	60,398	(17.2%)	(3.2%)	0.66x	10.6x	30.9x	17.5x	1.3x
Physician Practice Mgmt	2	6,626	(7.9%)	0.7%	1.73x	11.1x	20.2x	17.3x	1.2x
Psychiatric Hospitals	3	6,252	(22.3%)	3.9%	0.33x	18.5x	39.1x	25.8x	1.2x
Specialty Managed Care	2	5,984	3.0%	7.8%	0.39x	11.2x	27.1x	14.0x	2.3x
Surgicenters / Rehabilitation	9	12,168	(21.9%)	(2.8%)	2.12x	10.5x	18.9x	16.8x	1.3x
Total / Median (\$MM)	130	\$817,806	(7.9%)	0.7%	1.46x	12.1x	24.2x	19.0x	1.3x

Source: Capital IQ

CAPITALIZATION PROFILE

	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	31	\$675,099	23.8%	82.5%	(7.6%)	4.1%	9.8%	86.1%
\$1 billion – \$5 billion	46	118,952	35.4%	14.5%	(9.7%)	4.5%	7.4%	78.4%
\$250 million – \$1 billion	35	22,284	26.9%	2.7%	(8.4%)	(2.4%)	(1.1%)	91.1%
\$100 million – \$250 million	6	978	4.6%	0.1%	(14.4%)	(15.5%)	(11.7%)	9.4%
< \$100 million	12	493	9.2%	0.1%	(20.2%)	(26.6%)	(30.9%)	(0.2%)
Total / Median (\$MM)	130	\$817,806	100.0%	100.0%	(9.7%)	(2.4%)	(1.1%)	78.4%

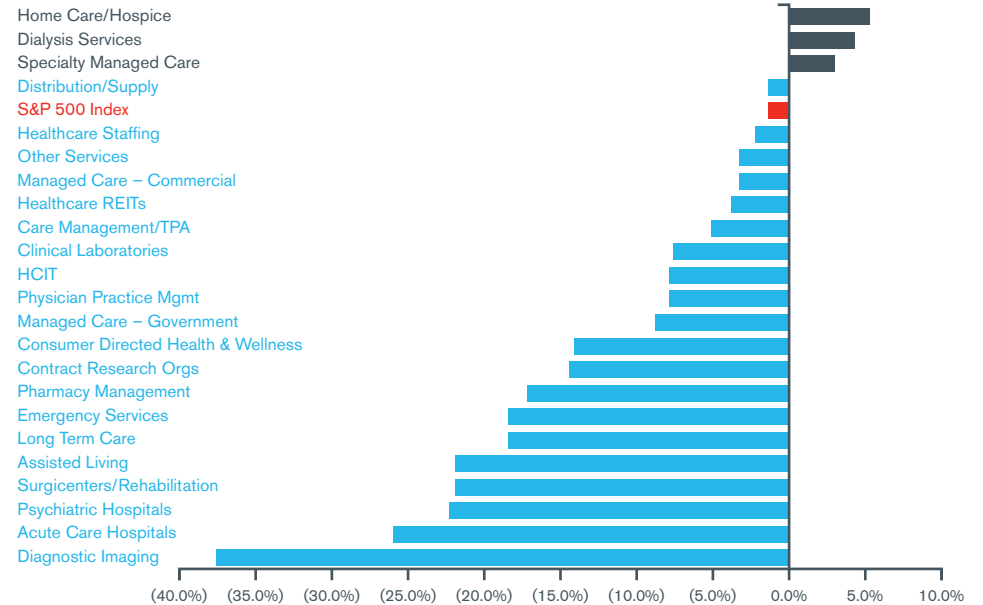
Source: Capital IQ

MARKET INDICES

	Value at 10/30/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	17,664	(0.5%)	(0.9%)	2.7%	34.8%
S&P 500 Index	2,079.4	(1.4%)	1.0%	4.2%	47.3%
NASDAQ Composite Index	5,053.8	(1.5%)	6.7%	10.7%	69.1%
Russell 2000 Index	1,161.9	(5.7%)	(3.6%)	0.5%	42.9%
AMEX Sector Index – Healthcare	87.9	(11.2%)	(12.4%)	(16.1%)	6.0%
S&P Healthcare Facilities (Sub Ind) Index	340.8	(30.9%)	(19.2%)	(15.9%)	93.7%
S&P Healthcare Providers & Services (Industry) Index	599.8	(16.8%)	(0.7%)	9.6%	110.8%
S&P Managed Healthcare (Sub Ind) Index	419.5	(6.3%)	14.5%	34.4%	129.9%
S&P Healthcare Services	480.1	1.6%	16.9%	23.4%	77.1%

Source: Capital IQ

Median % Change — 3 months



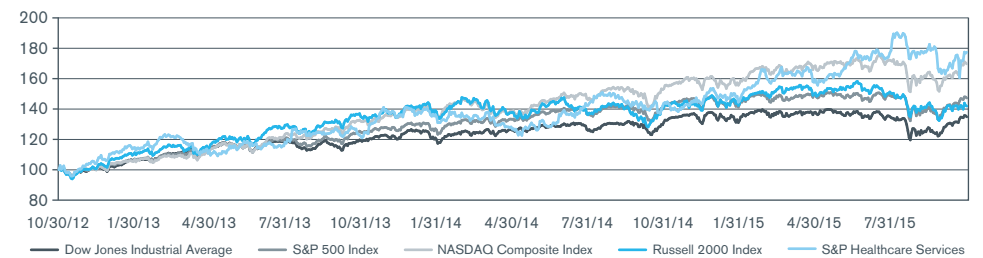
Source: Capital IQ

INTEREST RATES

	Value at 10/30/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.55%	0.53%	0.48%	0.33%
U.S. Treasury – 2 years	0.75%	0.64%	0.72%	0.48%
U.S. Treasury – 5 years	1.52%	1.38%	1.61%	1.58%
U.S. Treasury – 10 years	2.15%	2.06%	2.27%	2.30%
U.S. Treasury – 30 years	2.94%	2.88%	2.95%	2.95%
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 Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	\$28.04	(52.8%)	(47.2%)	\$65.00	\$25.36	\$3,313	\$20,492	\$19,557.0	\$2,806.0	\$1.32	\$3.55	1.05x	7.3x	8.1x	7.9x	0.71x
HCA Holdings, Inc.	HCA	68.79	(26.0%)	(0.9%)	95.49	43.91	28,043	58,791	39,065.0	7,691.0	4.16	5.23	1.50x	7.6x	14.4x	13.2x	1.24x
LifePoint Health, Inc.	LPNT	68.88	(19.9%)	(0.1%)	88.18	58.61	2,998	5,035	5,106.5	649.9	2.69	4.01	0.99x	7.7x	21.0x	17.2x	2.28x
Tenet Healthcare Corp.	THC	31.37	(44.6%)	(43.4%)	60.93	26.62	3,123	19,384	18,085.0	2,270.0	0.34	2.15	1.07x	8.5x	NM	14.6x	1.24x
Universal Health Services Inc.	UHS	122.09	(13.7%)	18.9%	148.57	95.63	12,090	15,456	8,764.7	1,653.7	5.42	6.88	1.76x	9.3x	18.1x	17.7x	1.73x
Median			(26.0%)	(0.9%)									1.07x	7.7x	16.3x	14.6x	1.24x
Assisted Living																	
AdCare Health Systems, Inc.	ADK	\$3.19	(15.7%)	(23.3%)	\$4.50	\$3.00	\$63	\$224	\$197.1	\$14.9	(\$0.82)	NM	1.14x	15.0x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	20.91	(36.1%)	(36.8%)	39.89	20.27	3,858	10,256	4,239.8	765.6	(1.01)	(1.01)	2.42x	13.4x	NM	NM	NM
Capital Senior Living Corp.	CSU	22.62	2.7%	2.8%	27.75	19.20	667	1,352	404.1	71.4	(0.83)	(0.07)	3.35x	18.9x	NM	NM	NM
Five Star Quality Care Inc.	FVE	3.27	(28.1%)	(19.1%)	5.07	2.74	160	203	1,117.8	19.5	(1.65)	(0.05)	0.18x	10.4x	NM	NM	NM
Median			(21.9%)	(21.2%)									1.78x	14.2x	NM	NM	NM
Care Management / TPA																	
Alere Inc.	ALR	\$46.12	(5.1%)	15.2%	\$55.99	\$35.81	\$3,954	\$7,699	\$2,496.4	\$536.0	(\$2.38)	\$2.42	3.08x	14.4x	NM	19.0x	1.08x
Care.com, Inc.	CRCM	6.01	0.3%	(30.6%)	9.46	4.89	193	134	143.2	(19.7)	(2.77)	(0.57)	0.93x	NM	NM	NM	NM
CorVel Corporation	CRVL	33.20	3.4%	(3.3%)	39.29	29.27	662	635	495.9	63.2	1.49	NM	1.28x	10.0x	25.2x	NM	NM
Crawford & Company	CRD.B	6.00	(13.5%)	(39.5%)	11.00	4.86	321	525	1,172.5	83.1	0.55	0.59	0.45x	6.3x	16.3x	10.3x	1.03x
ExamWorks Group, Inc.	EXAM	28.24	(20.1%)	(26.2%)	44.33	26.36	1,173	1,610	813.2	111.7	0.25	0.06	1.98x	14.4x	NM	NM	NM
Hooper Holmes Inc.	HH	0.14	(6.7%)	(74.5%)	0.63	0.11	11	12	27.9	(6.6)	(0.08)	NM	0.44x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	68.20	0.2%	42.3%	70.00	47.99	4,498	4,585	1,956.5	301.0	2.25	2.46	2.34x	15.2x	28.8x	27.8x	1.51x
Median			(5.1%)	(26.2%)									1.28x	14.4x	25.2x	19.0x	1.08x

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

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	\$7.62	(21.6%)	NM	\$22.35	\$6.58	\$242	\$76	\$6.1	(\$75.9)	(\$56.14)	(\$3.15)	12.41x	NM	NM	NM	NM
Laboratory Corp. of America Holdings	LH	122.74	(2.3%)	14.3%	131.19	98.54	12,421	18,405	7,773.6	1,567.3	5.91	7.89	2.37x	11.7x	26.8x	15.6x	1.34x
Psychemedics Corp.	PMD	10.41	(12.5%)	(22.4%)	17.83	9.50	56	61	27.6	3.5	0.60	NM	2.21x	17.6x	28.0x	NM	NM
Quest Diagnostics Inc.	DGX	67.95	(7.5%)	7.0%	89.00	59.25	9,741	13,450	7,527.0	1,489.0	3.78	4.76	1.79x	9.0x	14.0x	14.3x	1.50x
Sonic Healthcare Limited	SHL	13.76	(7.6%)	(16.1%)	16.93	12.13	5,682	7,129	3,232.8	514.8	0.77	0.73	2.21x	13.8x	22.4x	19.0x	1.97x
Median			(7.6%)	(4.5%)									2.21x	12.8x	24.6x	15.6x	1.50x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$18.04	(14.4%)	(20.6%)	\$23.95	\$13.73	\$640	\$800	\$362.5	\$41.3	(\$0.10)	\$0.92	2.21x	19.4x	NM	19.6x	2.45x
Charles River Laboratories International, Inc.	CRL	65.24	(12.4%)	3.9%	84.69	59.99	3,052	3,690	1,339.0	305.9	2.70	3.64	2.76x	12.1x	22.1x	17.9x	1.72x
ICON Public Limited Company	ICLR	63.87	(21.0%)	21.2%	84.14	49.75	3,824	3,692	1,561.7	323.5	2.73	3.94	2.36x	11.4x	17.8x	16.2x	1.03x
INC Research Holdings, Inc.	INCR	41.71	(12.4%)	NM	51.69	19.61	2,356	2,695	887.1	198.3	(0.51)	1.96	3.04x	13.6x	NM	21.3x	0.90x
PAREXEL International Corporation	PRXL	63.12	(8.1%)	18.8%	76.17	52.19	3,374	3,521	2,036.4	301.3	2.66	2.88	1.73x	11.7x	26.0x	21.9x	1.25x
PRA Health Sciences, Inc.	PRAH	35.04	(16.8%)	NM	46.35	18.47	2,108	2,991	1,337.3	215.1	(0.83)	1.82	2.24x	13.9x	NM	19.3x	0.97x
Quintiles Transnational Holdings Inc.	Q	63.65	(19.2%)	13.1%	80.45	54.77	7,835	9,467	4,261.9	781.5	2.72	3.31	2.22x	12.1x	21.7x	19.3x	1.45x
Median			(14.4%)	13.1%									2.24x	12.1x	21.9x	19.3x	1.25x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$8.46	(38.6%)	(66.3%)	\$25.83	\$7.58	\$90	\$669	\$458.4	\$117.0	\$0.98	NM	1.46x	5.7x	16.0x	NM	NM
American Shared Hospital Services	AMS	1.67	(37.6%)	(21.9%)	3.05	1.57	9	38	16.5	9.2	(0.19)	0.23	2.33x	4.2x	NM	7.4x	NM
RadNet, Inc.	RDNT	6.61	0.8%	(28.2%)	10.35	5.19	304	947	779.5	102.3	0.03	0.55	1.22x	9.3x	40.4x	12.0x	1.20x
Median			(37.6%)	(28.2%)									1.46x	5.7x	28.2x	9.7x	1.20x
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$77.51	(1.4%)	(0.1%)	\$85.17	\$70.12	\$16,703	\$25,102	\$13,565.0	\$2,485.9	\$3.33	\$3.89	1.85x	10.1x	37.5x	19.9x	1.53x
Fresenius Medical Care AG & Co. KGAA	FME	90.39	10.0%	23.5%	90.84	62.28	27,554	37,484	17,125.3	3,025.3	3.45	3.51	2.19x	12.4x	26.6x	25.7x	2.16x
Median			4.3%	11.7%									2.02x	11.2x	32.0x	22.8x	1.84x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Distribution / Supply																	
Aceto Corp.	ACET	\$30.16	29.5%	33.6%	\$32.20	\$18.03	\$890	\$963	\$549.6	\$72.8	\$0.77	\$1.43	1.75x	13.2x	26.5x	21.1x	1.05x
AmerisourceBergen Corporation	ABC	96.51	(7.6%)	13.8%	120.68	84.77	20,866	22,191	135,961.8	1,611.3	0.15	5.07	0.16x	13.8x	NM	19.0x	1.34x
Cardinal Health, Inc.	CAH	82.20	(1.4%)	5.1%	91.91	74.76	27,031	27,908	106,516.0	2,842.0	3.24	4.58	0.26x	9.8x	22.8x	17.9x	1.62x
Henry Schein, Inc.	HSIC	151.71	3.4%	26.2%	152.54	119.37	12,652	13,911	10,480.9	917.2	5.44	5.93	1.33x	15.2x	27.4x	25.6x	2.39x
McKesson Corporation	MCK	178.80	(17.7%)	(12.1%)	243.61	160.10	41,144	46,668	187,716.0	4,213.0	7.53	12.57	0.25x	11.1x	20.1x	14.2x	1.07x
Owens & Minor Inc.	OMI	35.85	2.3%	8.5%	36.44	31.89	2,254	2,703	9,776.8	269.8	1.06	1.93	0.28x	10.0x	26.4x	18.6x	2.62x
Patterson Companies, Inc.	PDCO	47.40	(4.8%)	11.2%	53.07	42.62	4,776	6,266	4,578.9	440.5	2.02	2.40	1.37x	14.2x	23.0x	19.7x	2.30x
Median			(1.4%)	11.2%									0.28x	13.2x	24.7x	19.0x	1.62x
Emergency Services																	
Adeptus Health Inc.	ADPT	\$64.89	(41.2%)	98.0%	\$123.97	\$30.12	\$925	\$1,095	\$329.3	\$36.9	(\$0.34)	\$1.26	3.32x	29.7x	NM	NM	NM
Air Methods Corp.	AIRM	40.93	4.3%	(11.8%)	54.98	32.81	1,608	2,251	1,062.4	284.5	2.56	2.64	2.12x	7.9x	16.2x	15.5x	0.92x
Median			(18.4%)	43.1%									2.72x	18.8x	16.2x	15.5x	0.92x
HCIT																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$14.06	(2.4%)	1.7%	\$15.41	\$11.00	\$2,656	\$3,251	\$1,381.6	\$98.2	(\$0.37)	0.5x	2.35x	33.1x	NM	30.7x	1.57x
athenahealth, Inc.	ATHN	152.45	9.6%	26.7%	163.79	110.68	5,920	6,102	880.4	68.3	(0.08)	1.32	6.93x	89.3x	NM	NM	NM
Cerner Corporation	CERN	66.29	(7.9%)	5.8%	75.72	57.42	22,875	22,940	4,103.4	1,133.0	1.50	2.12	5.59x	20.2x	46.4x	31.3x	1.85x
Computer Programs & Systems Inc.	CPSI	38.01	(29.9%)	(41.3%)	63.60	36.04	430	391	184.2	35.3	2.94	1.93	2.12x	11.1x	19.8x	19.7x	1.91x
Healthstream Inc.	HSTM	23.81	(14.5%)	(22.0%)	32.41	20.89	753	609	198.5	32.4	0.37	0.37	3.07x	18.8x	NM	63.9x	3.69x
HMS Holdings Corp.	HMSY	10.53	(9.3%)	(53.0%)	23.69	8.11	932	980	457.9	84.9	0.16	0.55	2.14x	11.5x	NM	19.1x	1.02x
Inovalon Holdings, Inc.	INOV	23.05	(6.8%)	NM	33.75	17.78	3,411	2,904	406.6	136.8	0.49	0.53	7.14x	21.2x	47.8x	43.4x	1.93x
MedAssets, Inc.	MDAS	23.68	0.4%	8.4%	24.00	17.00	1,421	2,251	764.2	217.8	(0.34)	1.25	2.95x	10.3x	NM	18.9x	1.68x
Medical Transcription Billing, Corp.	MTBC	1.54	(31.5%)	(51.8%)	3.64	1.22	17	20	25.2	(2.8)	(0.64)	(0.53)	0.80x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	43.00	(20.4%)	0.6%	61.31	35.81	2,378	2,340	382.8	40.1	0.11	0.87	6.11x	58.3x	NM	49.4x	2.22x
National Research Corp.	NRCI.B	32.23	(6.5%)	(6.4%)	39.30	27.54	434	400	101.1	29.3	0.74	0.39	3.96x	13.6x	49.1x	82.3x	6.86x
Premier, Inc.	PINC	33.81	(4.0%)	2.2%	39.81	30.05	1,277	4,907	1,048.6	338.2	17.95	1.50	4.68x	14.5x	NM	22.5x	1.91x
Press Ganey Holdings, Inc	PGND	31.34	4.2%	NM	35.09	0.00	1,649	1,823	309.2	28.5	0.36	0.88	5.89x	64.1x	NM	35.6x	2.43x
Quality Systems Inc.	QSII	14.05	8.5%	(6.0%)	18.75	12.00	855	744	499.3	57.2	0.36	0.73	1.49x	13.0x	26.5x	19.2x	1.62x
Streamline Health Solutions, Inc.	STRM	1.95	(22.6%)	(49.6%)	4.38	1.02	36	48	28.2	(7.4)	(0.71)	(0.35)	1.68x	NM	NM	NM	NM
Teladoc, Inc.	TDOC	19.67	(36.4%)	NM	35.42	0.00	755	890	67.7	(43.0)	(10.25)	(1.52)	13.16x	NM	NM	NM	NM
The Advisory Board Company	ABCO	43.83	(26.3%)	(17.2%)	60.38	37.47	1,865	2,380	722.3	76.2	(0.07)	1.33	3.30x	31.2x	NM	33.1x	1.89x
Median			(7.9%)	(6.2%)									3.30x	19.5x	46.4x	31.3x	1.91x

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

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	\$31.96	(18.1%)	23.5%	\$47.49	\$19.58	\$918	\$870	\$171.0	(\$47.0)	(\$2.51)	(\$2.00)	5.09x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	5.06	(30.9%)	(61.1%)	13.44	3.94	477	313	68.5	(79.1)	(1.16)	(0.69)	4.57x	NM	NM	NM	NM
Connecture, Inc.	CNXR	5.90	(37.6%)	NM	14.39	3.67	129	169	93.4	(0.8)	(10.27)	(0.25)	1.81x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	9.40	(22.3%)	(30.9%)	15.21	8.30	303	369	201.4	18.7	0.17	0.74	1.83x	19.8x	21.7x	12.7x	NM
Fitbit Inc.	FIT	40.54	(10.3%)	NM	51.90	30.51	8,387	7,926	1,516.6	319.4	0.63	0.77	5.23x	24.8x	NM	52.7x	1.73x
HealthEquity, Inc.	HQY	32.71	(2.9%)	61.7%	34.56	16.11	1,872	1,723	107.1	28.7	0.21	0.30	16.09x	60.0x	NM	NM	NM
Healthways Inc.	HWAY	11.77	(5.7%)	(24.2%)	23.30	9.93	424	675	783.5	51.8	(0.16)	0.10	0.86x	13.0x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	27.22	(14.1%)	13.5%	33.52	23.58	8,941	12,822	2,787.0	723.0	(0.59)	1.47	4.60x	17.7x	23.2x	18.5x	1.82x
WebMD Health Corp.	WBMD	40.66	(6.3%)	(2.3%)	48.91	35.64	1,500	1,695	607.0	128.6	0.97	1.39	2.79x	13.2x	34.6x	29.3x	2.35x
Median			(14.1%)	(2.3%)									4.57x	18.7x	23.2x	23.9x	1.82x
Healthcare REITs																	
CareTrust REIT, Inc.	CTRE	\$11.32	(9.1%)	(23.7%)	\$18.49	\$10.40	\$545	\$907	\$68.4	\$53.1	(\$0.36)	\$0.24	13.26x	17.1x	47.3x	47.7x	NM
HCP, Inc.	HCP	37.20	(2.7%)	(14.7%)	49.61	35.37	17,208	28,607	2,479.8	1,791.8	1.94	1.90	11.54x	16.0x	47.2x	19.6x	6.01x
Healthcare Realty Trust Incorporated	HR	26.36	10.8%	0.9%	31.20	22.01	2,647	4,027	384.7	226.8	0.35	0.66	10.47x	17.8x	NM	39.8x	8.12x
LTC Properties Inc.	LTC	42.85	(1.0%)	4.3%	48.85	38.64	1,489	1,878	130.2	114.7	1.99	1.95	14.42x	16.4x	21.7x	22.0x	4.24x
Mordechai Aviv Taasiot Beniyah (1973) Ltd.	AVIV	2.38	(3.8%)	17.0%	2.46	1.97	32	111	31.5	5.9	0.23	NM	3.54x	18.9x	9.2x	NM	NM
National Health Investors Inc.	NHI	58.74	(8.9%)	(9.8%)	76.98	53.64	2,207	3,112	215.1	204.9	3.04	3.30	14.47x	15.2x	18.5x	17.8x	3.58x
Newcastle Investment Corp.	NCT	4.92	4.7%	(79.3%)	24.24	4.00	327	1,375	395.9	76.0	1.00	0.56	3.47x	18.1x	17.0x	8.8x	NM
Omega Healthcare Investors Inc.	OHI	34.52	(3.8%)	(11.1%)	45.46	32.01	6,385	10,175	664.4	617.1	1.74	1.39	15.31x	16.5x	24.4x	24.9x	4.50x
Sabra Health Care REIT, Inc.	SBRA	22.68	(16.1%)	(19.1%)	34.44	22.10	1,477	2,706	227.8	194.8	0.78	1.33	11.88x	13.9x	19.4x	17.1x	3.38x
Senior Housing Properties Trust	SNH	15.19	(11.2%)	(32.3%)	23.83	14.98	3,606	6,993	961.1	544.1	0.81	0.77	7.28x	12.9x	20.0x	19.6x	4.98x
Universal Health Realty Income Trust	UHT	49.69	2.9%	3.1%	57.55	42.81	662	889	66.3	45.1	3.99	NM	13.40x	19.7x	18.5x	NM	NM
Ventas, Inc.	VTR	53.72	(19.0%)	(21.0%)	81.93	52.03	17,888	29,350	3,470.1	1,880.9	1.59	1.74	8.46x	15.6x	37.5x	30.9x	5.37x
Welltower Inc.	HCN	64.87	(5.7%)	(7.4%)	84.88	61.00	22,956	35,795	3,627.4	1,832.6	1.43	NM	9.87x	19.5x	25.4x	NM	NM
Median			(3.8%)	(11.1%)									11.54x	16.5x	20.8x	20.8x	4.74x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$28.37	(2.2%)	65.2%	\$37.47	\$15.62	\$1,352	\$1,564	\$1,340.2	\$134.8	\$0.69	\$1.25	1.17x	11.6x	29.5x	22.7x	1.62x
Cross Country Healthcare, Inc.	CCRN	13.50	11.4%	40.5%	16.72	9.25	435	499	762.4	30.6	(1.02)	0.34	0.65x	16.3x	NM	39.3x	1.97x
Envision Healthcare Holdings, Inc.	EVHC	28.20	(30.6%)	(18.6%)	45.95	20.33	5,238	7,334	5,123.9	577.9	0.66	1.27	1.43x	12.7x	35.3x	22.3x	1.36x
IPC Healthcare, Inc.	IPCM	78.50	46.6%	88.5%	80.23	37.68	1,370	1,498	728.8	66.7	2.21	2.00	2.06x	22.5x	49.7x	39.3x	2.68x
Team Health Holdings, Inc.	TMH	59.67	(8.2%)	(3.7%)	70.21	45.45	4,323	5,143	3,408.3	337.7	1.35	2.69	1.51x	15.2x	43.2x	22.2x	1.49x
Median			(2.2%)	40.5%									1.43x	15.2x	39.2x	22.7x	1.62x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$24.98	(5.5%)	29.4%	\$38.08	\$19.51	\$276	\$237	\$334.7	\$23.9	\$1.08	\$1.08	0.71x	9.9x	22.7x	23.2x	1.55x
Almost Family Inc.	AFAM	41.38	3.5%	43.9%	50.48	26.25	406	450	511.8	37.4	1.47	2.08	0.88x	12.0x	21.9x	19.9x	1.81x
Amedisys Inc.	AMED	39.58	(7.4%)	56.6%	48.34	24.62	1,332	1,396	1,230.4	89.1	0.40	1.41	1.13x	15.7x	NM	28.1x	1.87x
Chemed Corp.	CHE	157.29	7.1%	48.3%	158.48	100.49	2,655	2,755	1,524.2	217.7	5.57	6.84	1.81x	12.7x	24.9x	23.0x	2.30x
LHC Group, Inc.	LHCG	45.07	16.8%	85.3%	51.83	22.37	809	847	771.8	77.5	1.26	1.76	1.10x	10.9x	28.7x	25.6x	1.70x
Providence Service Corp.	PRSC	51.65	13.3%	18.6%	55.99	34.03	829	1,250	1,983.8	118.6	1.35	0.18	0.63x	10.5x	NM	NM	NM
Median			5.3%	46.1%									0.99x	11.5x	23.8x	23.2x	1.81x
Long Term Care																	
Diversicare Healthcare Services Inc.	DVCR	\$9.55	(20.4%)	(19.1%)	\$17.15	\$8.14	\$60	\$116	\$383.4	\$22.6	\$0.20	NM	0.30x	5.2x	37.0x	NM	NM
Kindred Healthcare Inc.	KND	13.40	(34.0%)	(36.9%)	24.66	12.18	1,124	4,353	6,538.6	508.0	(0.24)	1.37	0.67x	8.6x	NM	9.8x	0.70x
National Healthcare Corp.	NHC	65.28	4.6%	7.8%	66.50	58.57	930	956	899.1	106.2	3.14	NM	1.06x	9.0x	20.9x	NM	NM
The Ensign Group, Inc.	ENSG	42.16	(16.5%)	11.3%	54.08	37.67	1,078	1,071	1,245.5	104.8	1.56	2.52	0.86x	10.2x	21.1x	16.7x	1.11x
Median			(18.4%)	(5.6%)									0.76x	8.8x	21.1x	13.3x	0.91x
Managed Care – Commercial																	
Aetna Inc.	AET	\$114.78	0.6%	42.4%	\$134.40	\$81.01	\$40,024	\$46,129	\$59,949.6	\$5,221.5	\$5.68	\$7.54	0.77x	8.8x	17.6x	15.2x	1.40x
Anthem, Inc.	ANTM	139.15	(10.2%)	12.9%	173.59	121.22	36,328	52,558	77,952.9	6,324.7	8.96	10.16	0.67x	8.3x	13.3x	13.7x	1.24x
Cigna Corp.	CI	134.04	(6.9%)	38.0%	170.68	97.58	34,532	37,848	37,276.0	3,991.0	7.83	8.62	1.02x	9.5x	16.6x	15.6x	1.20x
Health Net, Inc.	HNT	64.26	(3.3%)	35.3%	76.67	44.66	4,967	4,819	15,965.6	427.4	1.80	3.33	0.30x	11.3x	NM	19.3x	0.86x
Humana Inc.	HUM	178.63	(2.8%)	30.2%	219.79	129.31	26,477	28,659	53,256.0	2,697.0	7.36	7.76	0.54x	10.6x	21.1x	23.0x	1.69x
UnitedHealth Group Incorporated	UNH	117.78	(2.3%)	25.5%	126.21	93.01	112,311	137,681	146,941.0	12,486.0	5.70	6.33	0.94x	11.0x	18.7x	18.6x	1.53x
Universal American Corp	UAM	7.46	(18.5%)	(19.5%)	11.16	6.56	602	560	1,936.0	18.2	(0.35)	0.15	0.29x	NM	NM	49.1x	1.12x
Median			(3.3%)	30.2%									0.67x	10.1x	17.6x	18.6x	1.24x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E		
Managed Care – Government																		
Centene Corp.	CNC	\$59.48	(14.9%)	32.2%	\$83.00	\$45.40	\$7,090	\$6,864	\$19,854.0	\$853.0	\$2.23	\$2.87	0.35x	8.0x	20.8x	20.7x	1.23x	
Molina Healthcare, Inc.	MOH	62.00	(8.8%)	33.3%	82.37	43.83	3,477	2,240	12,728.0	489.9	1.30	2.67	0.18x	4.6x	22.4x	23.2x	0.64x	
WellCare Health Plans, Inc.	WCG	88.60	12.0%	37.5%	98.79	65.12	3,905	3,779	13,808.2	447.8	1.44	3.45	0.27x	8.4x	40.8x	25.7x	0.79x	
Median			(8.8%)	33.3%									0.27x	8.0x	22.4x	23.2x	0.79x	
Other Services																		
Healthcare Services Group Inc.	HCSG	\$37.26	7.0%	24.3%	\$38.49	\$29.07	\$2,681	\$2,578	\$1,412.4	\$144.8	\$0.31	\$0.94	1.83x	17.8x	41.4x	39.7x	2.41x	
PDI, Inc.	PDII	1.63	(23.5%)	(14.2%)	2.74	1.00	27	40	131.8	(14.9)	(0.63)	(1.62)	0.30x	NM	NM	NM	NM	
Sharps Compliance Corp.	SMED	7.57	19.6%	71.3%	10.49	4.16	117	101	31.7	2.4	0.08	0.13	3.19x	41.9x	NM	58.7x	2.20x	
Stericycle, Inc.	SRCL	121.37	(13.6%)	(1.9%)	151.57	110.56	10,312	11,177	2,774.6	716.2	3.79	4.39	4.03x	15.6x	40.5x	27.6x	1.80x	
Median			(3.3%)	11.2%									2.51x	17.8x	40.9x	39.7x	2.20x	
Pharmacy Management																		
BioScrip, Inc.	BIOS	\$1.97	(18.9%)	(68.4%)	\$7.01	\$1.30	\$135	\$611	\$1,039.6	(\$30.2)	(\$2.09)	(\$0.34)	0.59x	NM	NM	NM	NM	
Express Scripts Holding Company	ESRX	86.38	(4.3%)	14.4%	94.61	68.06	58,417	73,673	101,889.0	6,928.1	2.64	5.53	0.72x	10.6x	26.9x	15.6x	1.29x	
Omniceil, Inc.	OMCL	27.20	(31.6%)	(9.7%)	40.80	26.59	977	919	475.8	67.4	0.83	1.32	1.93x	13.6x	30.9x	20.6x	1.17x	
PharMerica Corporation	PMC	28.57	(15.5%)	3.3%	36.96	19.42	869	1,198	2,031.3	133.5	0.22	1.63	0.59x	9.0x	38.3x	17.5x	1.40x	
Median			(17.2%)	(3.2%)									0.66x	10.6x	30.9x	17.5x	1.29x	
Physician Practice Mgmt																		
Birner Dental Management Services Inc.	BDMS	\$13.26	(1.8%)	(13.2%)	\$16.20	\$12.05	\$25	\$34	\$64.4	\$3.6	(\$0.50)	NM	0.52x	9.3x	NM	NM	NM	
MEDNAX, Inc.	MD	70.47	(14.1%)	14.6%	86.09	61.66	6,601	7,895	2,688.8	608.0	3.18	4.07	2.94x	13.0x	20.2x	17.3x	1.19x	
Median			(7.9%)	0.7%									1.73x	11.1x	20.2x	17.3x	1.19x	

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Psychiatric Hospitals																	
AAC Holdings, Inc.	AAC	\$23.20	(38.1%)	9.4%	\$46.60	\$15.09	\$520	\$631	\$175.3	\$32.5	\$0.41	\$0.90	NM	19.4x	38.3x	25.8x	1.29x
Acadia Healthcare Company, Inc.	ACHC	61.41	(22.3%)	3.9%	85.62	54.41	4,399	6,318	1,594.1	341.8	1.50	2.18	NM	18.5x	39.9x	28.2x	1.18x
Magellan Health, Inc.	MGLN	53.40	(11.8%)	(11.1%)	73.00	45.40	1,333	1,406	4,311.1	208.1	2.90	3.12	0.33x	6.8x	NM	17.1x	0.86x
Median			(22.3%)	3.9%									0.33x	18.5x	39.1x	25.8x	1.18x
Specialty Managed Care																	
Assurant Inc.	AIZ	\$81.53	8.5%	20.4%	\$82.58	\$59.73	\$5,448	\$6,619	\$10,400.4	\$374.2	\$6.44	\$6.90	0.64x	17.7x	45.6x	11.8x	1.75x
Triple-S Management Corporation	GTS	20.59	(2.5%)	(4.8%)	26.92	17.34	536	385	2,706.1	80.2	2.41	1.28	0.14x	4.8x	8.5x	16.1x	2.78x
Median			3.0%	7.8%									0.39x	11.2x	27.1x	14.0x	2.27x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$70.09	1.2%	32.1%	\$87.42	\$48.49	\$3,395	\$6,353	\$2,444.4	\$648.8	\$1.27	\$3.60	2.60x	9.8x	NM	19.5x	1.30x
Civitas Solutions, Inc.	CIVI	25.73	15.4%	62.2%	27.85	14.08	954	1,587	1,343.1	142.7	(0.71)	0.66	1.18x	11.1x	NM	39.1x	3.91x
Hanger, Inc.	HGR	14.42	(32.0%)	(38.7%)	26.79	13.27	495	1,030	1,060.7	158.9	1.61	1.89	0.97x	6.5x	8.7x	7.6x	0.53x
HEALTHSOUTH Corp.	HLS	34.83	(22.8%)	(12.1%)	48.37	33.00	3,185	5,481	2,857.2	652.6	2.24	2.08	1.92x	8.4x	18.9x	16.8x	1.32x
The Joint Corp.	JYNT	6.83	(27.7%)	NM	12.99	5.99	68	56	9.8	(4.2)	(0.56)	(0.90)	5.67x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	11.30	(22.9%)	(13.7%)	17.20	10.07	1,482	4,140	3,419.8	363.0	0.91	0.87	1.21x	11.4x	11.7x	12.9x	1.29x
Surgery Partners, Inc.	SGRY	16.82	NM	NM	20.00	16.26	810	2,608	696.3	174.2	NM	0.18	3.75x	15.0x	NM	NM	NM
Surgical Care Affiliates, Inc.	SCAI	29.61	(21.0%)	(2.8%)	40.99	27.88	1,169	2,277	975.5	252.4	1.03	1.89	2.33x	9.0x	40.0x	15.7x	NM
US Physical Therapy Inc.	USPH	49.06	(6.0%)	14.2%	56.37	37.44	609	677	319.8	53.7	1.62	1.79	2.12x	12.6x	29.8x	27.4x	1.71x
Median			(21.9%)	(2.8%)									2.12x	10.5x	18.9x	16.8x	1.31x

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 October 31, 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	82	\$644,297	(16.0%)	(2.1%)	6.11x	11.6x	26.2x	25.8x	1.3x
Cardiology Devices	18	171,292	(10.0%)	(6.8%)	2.62x	15.2x	33.9x	22.3x	2.0x
Conglomerates	5	462,274	1.2%	3.4%	3.46x	12.0x	22.1x	20.5x	2.0x
Dental Devices	6	20,811	4.0%	18.6%	3.53x	20.1x	33.5x	28.3x	2.3x
Diagnostic Imaging Devices	4	12,262	25.1%	41.4%	1.69x	14.8x	20.9x	22.9x	1.9x
Diversified Medical Devices	23	72,013	(7.1%)	(1.9%)	3.74x	15.8x	27.7x	26.7x	2.0x
Infection Prevention Devices	1	2,466	9.8%	41.4%	4.48x	22.8x	51.5x	40.6x	2.3x
Lab Equipment	2	8,659	(4.2%)	8.2%	2.09x	11.9x	19.8x	24.3x	1.8x
Lab Instrumentation & Devices	4	13,716	(25.4%)	(26.0%)	1.32x	14.8x	37.6x	21.7x	2.1x
Large-Cap Pharmaceuticals	6	689,820	(6.0%)	4.6%	5.07x	13.3x	35.7x	15.4x	1.6x
Life Science Conglomerates	3	78,782	(6.0%)	12.2%	3.87x	18.8x	35.6x	20.0x	2.0x
Life Science Consumables	6	13,933	(7.7%)	17.4%	2.42x	12.7x	26.8x	24.4x	1.6x
Mobility Devices	4	3,683	(12.3%)	3.8%	1.43x	17.2x	37.1x	31.6x	1.2x
Neural Implant Devices	1	2,172	(6.9%)	19.8%	2.72x	12.8x	49.1x	19.4x	1.7x
Ophthalmology Devices	5	7,773	(13.7%)	16.4%	3.23x	8.6x	9.9x	19.6x	1.3x
Orthopedics Devices	5	61,751	(10.0%)	2.8%	3.66x	14.1x	31.2x	17.7x	1.8x
Pharmaceuticals	48	86,132	(20.9%)	9.5%	4.91x	12.3x	24.6x	24.5x	1.1x
Surgical Devices	6	20,292	(15.3%)	(27.6%)	3.15x	10.7x	33.3x	25.8x	1.5x
Total / Median (\$MM)	229	\$2,372,129	(7.4%)	6.4%	3.35x	13.7x	32.2x	23.6x	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	46	\$2,236,509	20.1%	94.3%	(6.6%)	2.9%	6.6%	94.7%
\$1 billion – \$5 billion	47	99,808	20.5%	4.2%	(9.7%)	29.7%	40.6%	181.0%
\$250 million – \$1 billion	58	27,032	25.3%	1.1%	(17.2%)	(0.7%)	7.0%	92.3%
\$100 million – \$250 million	39	6,827	17.0%	0.3%	(14.2%)	(4.5%)	12.9%	95.7%
< \$100 million	39	1,954	17.0%	0.1%	(29.3%)	(38.2%)	(41.5%)	29.3%
Total / Median (\$MM)	229	\$2,372,129	100.0%	100.0%	(14.2%)	(0.7%)	7.0%	94.7%

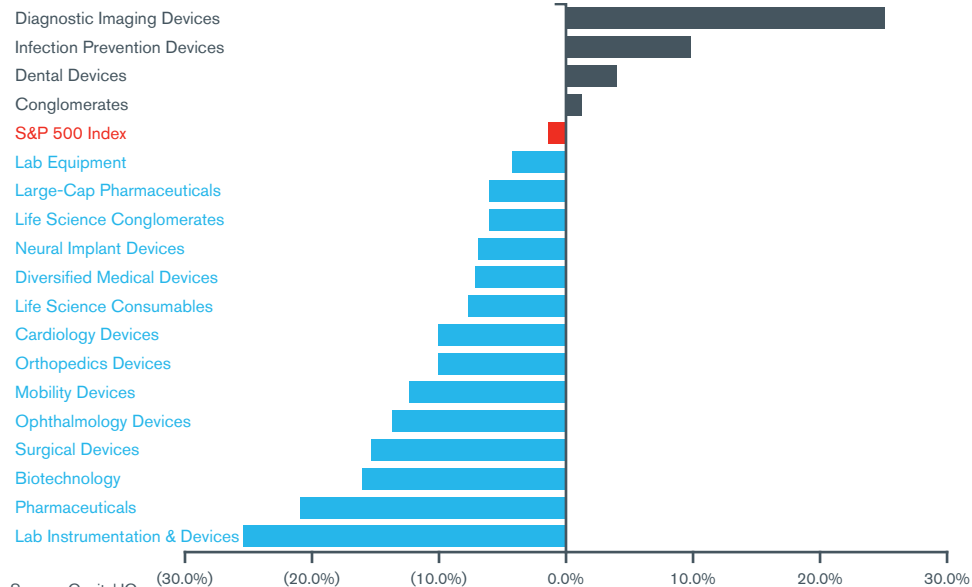
Source: Capital IQ

INTEREST RATES

	Value at 10/30/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 6 months	0.55%	0.53%	0.48%	0.33%
U.S. Treasury – 2 years	0.75%	0.64%	0.72%	0.48%
U.S. Treasury – 5 years	1.52%	1.38%	1.61%	1.58%
U.S. Treasury – 10 years	2.15%	2.06%	2.27%	2.30%
U.S. Treasury – 30 years	2.94%	2.88%	2.95%	2.95%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months



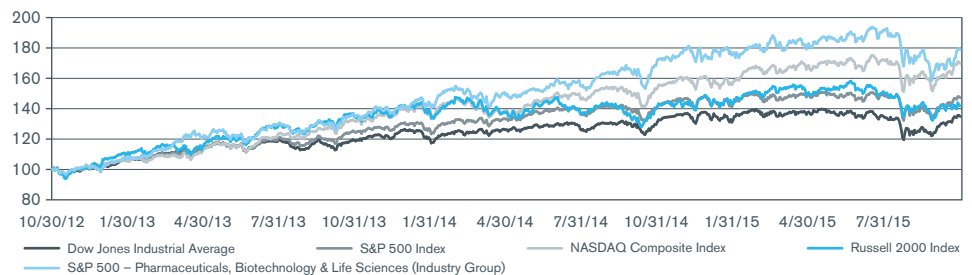
Source: Capital IQ

MARKET INDICES

	Value at 10/30/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	17,663.5	(0.5%)	(0.9%)	2.7%	34.8%
S&P 500 Index	2,079.4	(1.4%)	1.0%	4.2%	47.3%
NASDAQ Composite Index	5,053.8	(1.5%)	6.7%	10.7%	69.1%
Russell 2000 Index	1,161.9	(5.7%)	(3.6%)	0.5%	42.9%
S&P Life Science Tools & Services (Industry) Index	309.2	(5.5%)	4.2%	10.5%	82.7%
S&P 500 Pharmaceuticals (Industry) Index	599.4	(5.3%)	2.8%	5.2%	56.0%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	702.8	(7.8%)	2.9%	3.2%	78.3%
S&P 500 Biotechnology (Industry) Index	3,911.5	(7.5%)	5.2%	1.0%	150.4%
Dow Jones U.S. Medical Equipment Index	962.1	(5.8%)	4.1%	10.3%	76.2%
S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	789.5	(6.1%)	3.4%	3.9%	76.7%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	\$31.21	11.1%	(18.4%)	\$48.50	\$20.00	\$1,032	\$918	\$18.0	(\$56.2)	(\$1.63)	(\$1.20)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	36.04	5.3%	(0.3%)	45.45	25.50	1,544	1,515	479.6	69.8	0.42	0.99	3.16x	21.7x	NM	36.5x	1.26x
Adamas Pharmaceuticals, Inc.	ADMS	14.76	(40.8%)	(7.0%)	30.86	12.73	272	147	31.1	(18.6)	0.53	(3.19)	4.73x	NM	NM	NM	NM
Aduro BioTech, Inc.	ADRO	27.01	4.7%	NM	49.25	16.28	1,682	1,216	31.8	(22.9)	(0.70)	(1.07)	NM	NM	NM	NM	NM
Affimed N.V.	AFMD	6.34	(60.4%)	42.8%	24.20	4.05	189	119	8.2	(17.0)	(0.02)	(0.78)	14.65x	NM	NM	NM	NM
Akebia Therapeutics, Inc.	AKBA	8.92	(5.1%)	(32.0%)	15.46	5.91	258	105	-	(51.9)	(8.04)	(2.08)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	176.00	(11.7%)	(8.8%)	208.88	142.02	39,803	41,994	2,502.7	902.8	3.26	4.97	16.78x	46.5x	NM	35.4x	1.48x
Alkermes plc	ALKS	71.92	6.5%	40.2%	75.17	49.52	10,792	10,374	640.4	(83.7)	(0.21)	(0.39)	16.20x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	1.90	(13.6%)	110.2%	3.33	0.78	348	464	71.6	(99.0)	(0.36)	(0.60)	6.48x	NM	NM	NM	NM
Amgen Inc.	AMGN	158.18	(7.9%)	(2.1%)	181.81	130.09	119,426	120,067	21,457.0	10,357.0	6.70	10.08	5.60x	11.6x	18.9x	15.7x	1.66x
Ascendis Pharma A/S	ASND	18.00	(13.8%)	NM	23.81	14.75	436	282	11.3	(32.6)	(9.04)	(1.99)	25.06x	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	25.77	(53.7%)	30.7%	65.56	10.10	735	580	-	(42.8)	(5.62)	(1.99)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.00	(6.5%)	(28.1%)	3.43	0.90	83	51	1.6	(27.4)	(0.31)	(0.27)	NM	NM	NM	NM	NM
aTyr Pharma Inc.	LIFE	12.46	(31.3%)	NM	28.29	0.00	295	198	-	(31.2)	(29.69)	(11.16)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	8.43	(41.0%)	(76.4%)	62.48	7.40	216	(63.2)	1.6	(43.5)	(2.46)	(1.51)	NM	1.5x	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	12.51	(37.5%)	NM	33.63	12.25	331	212	0.3	(37.4)	(34.04)	(1.45)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	4.95	(25.5%)	(10.8%)	8.85	4.50	70	44	-	(12.4)	(0.57)	(1.13)	NA	NM	NM	NM	NM
Biogen Inc.	BIIB	290.51	(8.4%)	(9.5%)	480.18	254.00	64,756	65,442	10,562.1	5,492.9	12.37	16.55	6.20x	11.9x	19.0x	17.6x	1.32x
BioSpecifics Technologies Corp.	BSTC	58.41	(12.3%)	42.7%	72.07	35.16	400	372	21.3	13.6	0.66	NM	17.48x	27.4x	56.3x	NM	NM
Calithera Biosciences, Inc.	CALA	8.54	13.9%	(17.2%)	33.48	4.31	155	77	-	(31.1)	(4.67)	(1.94)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	14.17	(27.3%)	54.2%	23.61	7.83	385	342	4.7	(19.0)	(0.85)	(1.03)	NM	NM	NM	NM	NM
Catalyst Biosciences, Inc.	CBIO	3.86	NM	NM	21.60	3.51	44	156	2.3	(10.5)	(0.69)	NM	NM	NM	NM	NM	NM
Celgene Corporation	CELG	122.71	(7.0%)	14.7%	140.72	92.98	97,007	97,145	8,778.2	2,866.2	2.39	4.82	11.07x	33.9x	46.5x	25.5x	1.24x
Cepheid	CPHD	33.40	(39.7%)	(37.4%)	63.69	29.21	2,416	2,375	523.1	8.4	(0.72)	0.00	4.54x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	27.85	(17.4%)	NM	38.10	12.27	1,070	863	26.3	(191.9)	(10.64)	(4.57)	NM	NM	NM	NM	NM
ContraFect Corporation	CFRX	4.06	(17.8%)	27.7%	6.24	2.50	103	68	-	(20.2)	(3.86)	(0.99)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	2.04	(36.3%)	60.6%	3.75	1.09	264	192	7.8	(47.9)	(0.22)	(0.52)	24.67x	NM	NM	NM	NM
CytomX Therapeutics, Inc.	CTMX	10.40	NM	NM	17.02	9.01	374	407	7.6	(17.5)	(35.25)	NM	NM	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	10.02	(16.6%)	3.1%	27.33	7.61	206	111	0.2	(55.4)	(3.00)	(3.35)	NM	NM	NM	NM	NM
Dimension Therapeutics, Inc.	DMTX	12.48	NM	NM	12.73	11.55	310	320	5.9	(22.0)	(3.61)	NM	NM	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	0.99	1.5%	(35.2%)	1.59	0.80	31	36	14.3	(2.1)	(0.18)	NM	2.48x	NM	NM	NM	NM
Edge Therapeutics, Inc.	EDGE	17.88	NM	NM	25.87	11.08	492	530	-	(21.6)	(8.16)	(3.06)	NA	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	32.15	(1.9%)	43.8%	36.20	22.12	1,247	1,286	502.7	138.3	0.80	1.23	2.56x	9.3x	33.3x	26.1x	1.02x
Exelixis, Inc.	EXEL	6.02	8.7%	250.0%	6.81	1.26	1,357	1,652	31.0	(141.8)	(1.38)	(0.81)	NM	NM	NM	NM	NM

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

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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.)																	
FibroGen, Inc.	FGEN	\$23.31	1.7%	NM	\$40.59	\$16.95	\$1,412	\$1,294	\$166.6	(\$65.1)	(\$3.17)	(\$0.76)	7.77x	NM	NM	NM	NM
Forward Pharma A/S	FWP	25.16	(24.5%)	21.3%	43.34	17.50	1,170	1,095	–	(34.2)	(1.79)	(1.05)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	20.92	(20.6%)	(42.0%)	37.75	20.05	680	560	281.5	(24.7)	(0.78)	(0.75)	1.99x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	108.13	(8.3%)	(5.3%)	123.37	85.95	162,087	160,302	31,447.0	22,435.0	7.35	12.20	5.10x	7.1x	9.9x	8.9x	1.06x
GlycoMimetics, Inc.	GLYC	6.59	(15.9%)	(5.9%)	9.68	4.88	125	85	20.0	(10.6)	(0.60)	0.16	4.25x	NM	NM	41.2x	NM
Histogenics Corporation	HSGX	4.11	(31.8%)	NM	12.97	3.76	54	11	–	(35.7)	(6.85)	(2.05)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	2.99	41.7%	(25.3%)	5.48	1.50	283	280	5.3	(47.3)	(0.51)	(0.51)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	13.00	(34.9%)	(56.1%)	40.13	10.17	262	133	9.1	(39.4)	(4.56)	(2.00)	14.64x	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	25.76	(41.5%)	22.7%	46.17	17.75	1,851	1,736	306.2	93.0	0.52	0.91	5.67x	18.7x	52.7x	28.4x	0.92x
Juno Therapeutics Inc.	JUNO	51.76	8.4%	NM	69.28	33.00	5,205	4,911	12.5	(327.0)	(36.82)	(1.51)	NM	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	90.35	(16.2%)	66.2%	112.40	49.65	1,794	1,813	73.7	29.9	0.56	1.80	24.59x	NM	58.2x	50.1x	1.43x
Loxo Oncology, Inc.	LOXO	23.38	13.8%	114.5%	25.56	9.90	390	288	–	–	(3.06)	(1.85)	NA	NA	NM	NM	NM
Macrocare Ltd.	MCUR	1.42	(89.4%)	(81.1%)	16.10	1.26	24	(12.2)	–	(26.1)	(2.15)	(1.30)	NA	0.5x	NM	NM	NM
Mirna Therapeutics, Inc.	MIRN	5.78	NM	NM	7.99	5.54	146	204	–	(17.8)	(290.94)	(2.16)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	16.41	(24.6%)	49.3%	25.56	10.15	1,129	752	88.4	(62.2)	(1.91)	(0.41)	8.50x	NM	NM	NM	NM
Myriad Genetics, Inc.	MYGN	40.37	20.0%	6.2%	43.24	30.30	2,799	2,654	737.8	193.3	1.45	1.58	3.60x	13.7x	37.4x	25.5x	1.36x
NantKwest, Inc.	NK	11.90	(62.2%)	NM	38.48	10.10	966	845	0.4	(118.6)	(0.75)	(0.41)	NM	NM	NM	NM	NM
Neothetics, Inc.	NEOT	7.89	(42.5%)	NM	15.05	5.92	108	55	–	(20.9)	(5.36)	(3.47)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	49.09	(1.9%)	166.2%	56.97	17.25	4,231	3,855	19.8	(83.0)	(0.81)	(1.06)	NM	NM	NM	NM	NM
Nexvet Biopharma Public Limited Company	NVET	4.35	16.3%	NM	11.30	3.49	50	(2)	–	(16.2)	(8.79)	(1.74)	NA	0.1x	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	8.63	(63.5%)	(42.8%)	44.19	6.75	213	105	1.5	(30.4)	(2.69)	(1.46)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	17.03	(19.1%)	21.5%	23.67	12.65	587	540	88.3	5.7	(0.01)	0.16	6.11x	NM	NM	NM	NM
Otonomy, Inc.	OTIC	21.64	(15.2%)	(15.5%)	41.99	16.50	524	312	–	(43.8)	(5.46)	(2.88)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	17.36	(30.3%)	NM	39.80	16.00	306	157	4.0	(29.4)	(7.82)	(3.61)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	4.58	(20.5%)	(45.9%)	8.59	4.40	752	812	496.4	456.4	1.86	2.16	1.64x	1.8x	2.4x	2.1x	NM
Pfenex Inc.	PFNX	18.08	(14.7%)	119.2%	24.41	6.27	419	300	9.1	(17.0)	(1.04)	(1.50)	NM	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.64	(4.4%)	15.1%	2.19	1.06	950	948	14.2	(32.9)	0.01	(0.07)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	14.57	(7.6%)	15.3%	27.60	11.04	340	226	1.6	(25.3)	(1.32)	(1.14)	NM	NM	NM	NM	NM
Proteon Therapeutics Inc	PRTO	13.70	(19.5%)	37.0%	20.00	8.57	225	151	2.9	(12.7)	(3.16)	(1.28)	NM	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	557.39	1.9%	41.9%	605.93	365.25	58,894	58,678	3,808.0	1,317.3	3.07	12.38	15.41x	44.5x	NM	45.0x	1.92x
Regenxbio Inc.	RGNX	15.46	NM	NM	30.84	0.00	392	418	4.3	–	(1.82)	(2.02)	NM	NA	NM	NM	NM
Roka Bioscience, Inc.	ROKA	1.74	(39.8%)	(82.8%)	10.30	1.67	31	(2.6)	5.8	(28.1)	(2.93)	(2.10)	NM	0.1x	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	50.23	(25.9%)	28.6%	89.04	32.52	1,450	1,226	–	(78.3)	(1.67)	(3.25)	NA	NM	NM	NM	NM

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

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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.)																	
Spark Therapeutics, Inc.	ONCE	\$53.90	(13.7%)	NM	\$79.50	\$36.96	\$1,324	\$1,101	\$5.5	(\$47.9)	(\$4.64)	(\$2.16)	NM	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	5.21	(23.0%)	(31.9%)	7.90	4.89	351	304	164.1	(7.7)	(0.71)	(0.90)	1.85x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	11.12	(22.1%)	(31.7%)	24.04	8.45	226	194	1.9	(39.5)	(4.15)	(2.27)	NM	NM	NM	NM	NM
Theravance Inc.	THRX	8.78	(38.4%)	(45.8%)	21.16	6.36	1,031	1,569	38.4	14.5	(0.66)	(0.18)	NM	NM	NM	NM	NM
Tokai Pharmaceuticals, Inc.	TKAI	11.05	(15.6%)	(29.1%)	17.87	9.77	250	166	-	(34.9)	(3.60)	(1.95)	NA	NM	NM	NM	NM
TRACON Pharmaceuticals, Inc.	TCON	10.50	(20.3%)	NM	21.00	8.46	127	73	7.5	(14.8)	(4.40)	(1.54)	9.63x	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	99.35	(14.2%)	101.4%	137.05	38.01	3,843	3,517	-	(107.5)	(2.25)	(3.29)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	146.63	(9.9%)	12.4%	190.29	117.88	6,691	5,799	1,407.2	756.4	6.28	13.44	4.12x	7.7x	11.5x	10.9x	2.18x
Vanda Pharmaceuticals, Inc.	VNDA	10.74	(11.0%)	(11.4%)	15.51	8.80	454	308	93.4	(21.5)	0.55	(0.59)	3.29x	NM	8.3x	NM	NM
Vascular Biogenics Ltd.	VBLT	6.25	4.5%	(10.1%)	17.02	3.09	124	93	-	(14.2)	(3.09)	(0.72)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	10.33	(42.1%)	(48.4%)	23.99	9.69	303	105	-	(75.6)	(4.39)	(3.06)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	124.74	(7.9%)	12.5%	143.45	97.45	30,651	30,621	759.0	(500.2)	(3.14)	(1.07)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	7.77	(43.4%)	(56.9%)	29.67	2.81	229	157	-	(54.4)	(3.54)	(2.28)	NA	NM	NM	NM	NM
XBiotech, Inc.	XBIT	14.18	(23.4%)	NM	32.50	13.60	455	337	-	(27.3)	(0.90)	NM	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	9.63	(73.1%)	(54.9%)	55.36	9.59	261	49	-	(55.9)	(3.00)	(2.87)	NA	NM	NM	NM	NM
Median			(16.0%)	(2.1%)									6.11x	11.6x	26.2x	25.8x	1.34x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$73.66	(4.7%)	135.0%	\$110.68	\$29.95	\$3,098	\$2,922	\$279.4	\$58.5	\$0.44	\$0.80	10.46x	50.0x	25.4x	92.0x	2.43x
AngioDynamics Inc.	ANGO	12.58	(17.3%)	(25.3%)	19.80	11.80	456	571	349.2	49.3	0.14	0.51	1.64x	11.6x	NM	24.6x	1.64x
Bellerophon Therapeutics LLC	BLPH	3.12	(11.1%)	NM	12.92	2.75	40	(12)	0.0	(52.4)	(7.56)	(4.08)	NA	0.2x	NM	NM	NM
Boston Scientific Corporation	BSX	18.28	6.0%	38.7%	18.62	12.56	24,568	30,077	7,314.0	1,799.0	(0.09)	0.91	4.11x	16.7x	NM	20.0x	1.65x
Cardiovascular Systems Inc.	CSII	13.70	(54.2%)	(53.0%)	41.28	11.80	444	361	181.3	(34.8)	(1.07)	(1.37)	1.99x	NM	NM	NM	NM
CareDx, Inc	CDNA	4.46	(32.7%)	(23.2%)	10.89	3.70	53	32	29.0	(4.9)	0.10	(0.98)	1.10x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	157.15	2.6%	30.7%	159.00	118.89	16,949	16,304	2,440.6	689.3	7.48	4.50	6.68x	23.7x	37.2x	34.9x	2.24x
Greatbatch, Inc.	GB	53.45	2.4%	9.4%	63.19	46.26	1,366	1,477	652.6	113.8	2.14	2.66	2.26x	13.0x	44.6x	20.1x	1.83x
Heartware International Inc.	HTWR	43.19	(51.3%)	(43.3%)	95.59	34.70	748	688	282.0	(20.4)	(1.14)	(3.08)	2.44x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	13.32	(0.6%)	83.7%	14.82	6.81	236	212	75.8	14.0	0.23	0.37	2.80x	15.2x	33.6x	35.8x	2.76x
Lombard Medical, Inc.	EVAR	3.26	(15.5%)	(53.6%)	7.51	3.20	65	30	16.9	(34.7)	(2.39)	(2.20)	1.76x	NM	NM	NM	NM
Medtronic plc	MDT	73.92	(5.6%)	9.6%	79.50	55.54	104,494	122,107	23,127.0	7,024.0	3.11	4.28	5.28x	17.4x	34.3x	17.3x	2.35x
Neovasc Inc.	NVC	5.50	(8.9%)	(6.8%)	9.74	3.82	366	294	9.7	(24.9)	(0.31)	(0.32)	NM	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.59	73.0%	131.1%	0.67	0.20	226	250	0.0	(19.3)	(0.15)	(0.07)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	63.81	(13.7%)	(0.7%)	80.84	60.34	17,978	20,503	5,533.0	1,663.0	3.46	3.93	3.71x	12.3x	18.1x	16.2x	1.62x
Stereotaxis Inc.	STXS	0.95	(35.4%)	(49.7%)	2.97	0.65	20	35	38.2	(3.2)	(0.26)	NM	0.92x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	2.52	(16.0%)	(48.4%)	6.90	1.99	46	20	0.2	(25.9)	(1.51)	(1.54)	NM	NM	NM	NM	NM
TriVascular Technologies, Inc.	TRIV	6.76	4.8%	(45.5%)	15.40	3.98	139	142	36.3	(49.8)	(3.95)	(2.92)	3.92x	NM	NM	NM	NM
Median			(10.0%)	(6.8%)									2.62x	15.2x	33.9x	22.3x	2.03x

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	\$157.21	3.7%	3.4%	\$170.50	\$134.00	\$96,796	\$106,329	\$30,695.0	\$8,496.0	\$7.49	\$7.69	3.46x	12.5x	20.3x	20.5x	1.97x
Agilent Technologies Inc.	A	37.76	(7.8%)	(30.5%)	55.41	33.12	12,514	12,097	6,979.0	1,198.0	1.43	1.76	1.73x	10.1x	22.1x	21.5x	1.94x
Becton, Dickinson and Company	BDX	142.52	(6.2%)	11.8%	154.98	125.35	29,965	41,539	10,282.0	2,268.0	5.82	7.53	4.04x	18.3x	35.4x	18.9x	1.66x
Johnson & Johnson	JNJ	101.03	1.2%	(5.6%)	109.49	81.79	279,544	262,173	70,517.0	22,554.0	5.70	6.19	3.72x	11.6x	19.4x	16.3x	3.03x
Median			1.2%	3.4%									3.46x	12.0x	22.1x	20.5x	1.97x
Dental Devices																	
COLTENE Holding AG	CLTN	\$65.54	(6.9%)	6.1%	\$85.67	\$51.70	\$277	\$286	\$170.5	\$28.5	\$3.73	\$3.37	1.68x	10.1x	19.7x	19.5x	2.21x
DENTSPLY International Inc.	XRAY	60.85	8.5%	21.5%	61.87	49.42	8,511	9,432	2,722.2	567.0	2.24	2.61	3.46x	16.6x	31.3x	23.3x	2.52x
Orthofix International N.V.	OFIX	34.05	1.8%	15.7%	42.10	27.85	642	586	392.2	26.2	(0.20)	0.69	1.49x	22.4x	NM	49.3x	2.41x
Osstem Implant Co., Ltd.	A048260	58.57	20.0%	40.6%	62.34	29.11	837	819	227.5	31.1	1.01	1.79	3.60x	26.4x	43.6x	32.8x	0.74x
Sirona Dental Systems Inc.	SIRO	109.13	6.2%	38.9%	111.24	77.46	6,100	5,760	1,146.4	306.7	3.16	4.08	5.02x	18.8x	33.5x	26.8x	2.02x
Straumann Holding AG	STMN	283.87	(3.6%)	15.0%	309.21	195.36	4,445	4,437	800.6	207.6	10.10	9.51	5.54x	21.4x	50.1x	29.9x	2.58x
Median			4.0%	18.6%									3.53x	20.1x	33.5x	28.3x	2.31x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$17.03	(14.0%)	(20.2%)	\$26.20	\$16.11	\$239	\$243	\$242.4	\$42.6	\$1.18	\$1.03	1.00x	5.7x	15.2x	16.6x	1.47x
NuVasive, Inc.	NUVA	47.16	(14.1%)	20.1%	56.61	39.92	2,315	2,358	800.2	162.4	(0.36)	1.26	2.95x	14.5x	38.6x	37.5x	2.60x
Stryker Corporation	SYK	95.62	(6.1%)	9.9%	105.34	86.74	35,953	36,069	9,849.0	2,644.0	1.34	5.11	3.66x	13.6x	31.2x	18.7x	2.05x
Wright Medical Group N.V.	WMGI	19.33	NM	NM	23.46	18.03	1,977	2,109	318.3	(49.5)	(4.83)	(1.64)	6.63x	NM	NM	NM	NM
Zimmer Biomet Holdings, Inc.	ZBH	104.57	(0.3%)	(4.3%)	121.84	88.77	21,266	31,370	5,287.1	1,949.4	4.19	6.88	5.93x	16.1x	NM	15.2x	1.39x
Median			(10.0%)	2.8%									3.66x	14.1x	31.2x	17.7x	1.76x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$87.62	9.3%	22.6%	\$92.31	\$70.88	\$1,089	\$965	\$540.3	\$63.5	\$2.56	\$4.16	1.79x	15.2x	32.9x	21.1x	1.56x
Digirad Corporation	DRAD	5.92	41.0%	43.0%	6.05	3.50	115	95	59.4	6.2	0.13	0.19	1.59x	15.2x	5.3x	31.2x	NM
Fonar Corp.	FONR	17.45	74.5%	39.7%	18.28	9.10	108	119	81.8	16.2	1.70	NM	1.46x	7.3x	8.8x	NM	NM
Hologic Inc.	HOLX	38.86	(4.6%)	49.9%	43.00	25.26	10,951	14,007	2,705.0	975.5	0.18	1.70	5.18x	14.4x	83.5x	22.9x	2.33x
Median			25.1%	41.4%									1.69x	14.8x	20.9x	22.9x	1.95x
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$52.69	(4.8%)	19.2%	\$58.73	\$42.54	\$2,989	\$3,453	\$1,988.2	\$242.5	\$1.03	\$2.72	1.74x	14.2x	37.1x	19.4x	1.25x
Invacare Corporation	IVC	17.28	0.5%	10.1%	23.59	14.00	562	576	1,177.3	10.9	(2.15)	(0.73)	0.49x	NM	NM	NM	NM
Prism Medical Ltd.	PM	6.88	(19.8%)	(2.6%)	10.78	6.00	34	45	39.8	2.2	2.55	0.16	1.13x	20.1x	NM	43.9x	NM
ReWalk Robotics Ltd.	RWLK	8.09	(21.8%)	(73.4%)	33.25	7.20	98	67	3.9	(22.4)	(6.34)	(1.93)	17.31x	NM	NM	NM	NM
Median			(12.3%)	3.8%									1.43x	17.2x	37.1x	31.6x	1.25x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$59.28	9.8%	41.4%	\$60.00	\$39.26	\$2,466	\$2,513	\$560.6	\$110.4	\$1.03	\$1.46	4.48x	22.8x	51.5x	40.6x	2.26x
Median			9.8%	41.4%									4.48x	22.8x	51.5x	40.6x	2.26x
Neural Implant Devices																	
Integra Life Sciences Holdings Corporation	IART	59.57	(6.9%)	19.8%	70.32	46.55	2,172	2,695	992.2	210.5	1.03	3.06	2.72x	12.8x	49.1x	19.4x	1.72x
Median			(6.9%)	19.8%									2.72x	12.8x	49.1x	19.4x	1.72x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$8.03	14.2%	19.0%	\$11.28	\$6.42	\$80	\$68	\$41.1	\$1.3	\$0.97	NM	1.66x	NM	9.1x	NM	NM
Opt Sciences Corporation	OPST	19.50	11.3%	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	4.53	(35.6%)	NM	9.38	0.00	61	31	0.2	(17.9)	(1.71)	(1.62)	NM	NM	NM	NM	NM
Second Sight Medical Products, Inc.	EYES	5.88	(58.6%)	NM	24.02	5.22	211	189	8.1	(19.4)	(1.41)	(0.55)	23.31x	NM	NM	NM	NM
The Cooper Companies Inc.	COO	152.36	(13.7%)	(6.9%)	190.00	136.75	7,407	8,704	1,809.5	546.3	5.29	7.78	4.81x	15.9x	38.0x	19.6x	1.29x
Median			(13.7%)	16.4%									3.23x	8.6x	9.9x	19.6x	1.29x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$0.35	(74.3%)	(77.7%)	\$1.63	\$0.30	\$35	\$126	\$191.9	\$25.5	(\$0.16)	(\$0.11)	0.66x	5.0x	NM	NM	NM
Avinger, Inc.	AVGR	16.96	11.5%	NM	18.74	9.35	208	177	10.9	(34.1)	(132.63)	(3.75)	16.19x	NM	NM	NM	NM
Bovie Medical Corporation	BVX	1.90	(11.2%)	(51.8%)	4.22	1.72	52	41	28.7	(6.6)	(1.03)	(0.28)	1.42x	NM	27.1x	NM	NM
CONMED Corporation	CNMD	40.56	(28.7%)	(3.5%)	60.66	39.01	1,124	1,320	717.6	123.6	1.16	1.67	1.84x	10.7x	33.3x	24.3x	1.22x
Entellus Medical, Inc.	ENTL	16.99	(19.4%)	NM	28.81	15.24	318	259	58.0	(11.3)	(4.62)	(0.92)	4.47x	NM	NM	NM	NM
Intuitive Surgical, Inc.	ISRG	496.60	(8.0%)	1.3%	564.86	447.00	18,556	16,816	2,296.9	784.6	11.11	18.16	7.32x	21.4x	34.3x	27.3x	1.69x
Median			(15.3%)	(27.6%)									3.15x	10.7x	33.3x	25.8x	1.45x
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$50.21	2.1%	(2.6%)	\$66.89	\$41.53	\$1,141	\$1,008	\$217.1	\$45.9	\$0.99	\$1.15	4.64x	21.9x	46.5x	43.8x	2.63x
AtriCure, Inc.	ATRC	18.53	(30.3%)	13.2%	28.15	16.40	597	549	122.7	(17.8)	(0.61)	(0.98)	4.47x	NM	NM	NM	NM
Baxter International Inc.	BAX	37.39	(6.5%)	(46.6%)	75.29	32.18	20,398	27,981	16,106.0	4,146.0	3.56	1.24	1.74x	6.7x	11.2x	30.1x	2.86x
Capnia, Inc.	CAPN	1.84	(14.0%)	NM	9.90	1.02	22	15	0.1	(8.6)	(10.42)	(0.65)	NM	NM	NM	NM	NM
CR Bard Inc.	BCR	186.35	(3.5%)	15.8%	202.47	161.79	13,769	14,175	3,412.4	1,038.0	3.76	8.12	4.15x	13.7x	NM	23.0x	2.34x
CryoLife Inc.	CRY	10.54	(4.3%)	4.7%	12.29	9.17	300	261	143.2	11.4	0.25	0.14	1.83x	22.9x	97.7x	78.1x	3.12x
HTG Molecular Diagnostics, Inc.	HTGM	5.27	(42.9%)	NM	19.75	4.50	36	17	4.0	(14.7)	(175.03)	(4.81)	4.27x	NM	NM	NM	NM
IDEXX Laboratories, Inc.	IDXX	68.62	(3.8%)	(3.9%)	84.26	61.37	6,242	7,035	1,554.2	337.7	1.79	2.06	4.53x	20.8x	37.4x	33.4x	2.28x
InfuSystem Holdings, Inc.	INFU	2.72	(13.9%)	(31.8%)	4.24	2.22	61	95	62.2	16.2	0.15	NM	1.53x	5.9x	27.2x	NM	NM

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
Diversified Medical Devices (cont.)																	
Masimo Corporation	MASI	\$39.68	(4.8%)	58.8%	\$46.00	\$23.73	\$2,023	\$2,082	\$617.9	\$130.7	\$1.30	\$1.49	3.37x	15.9x	28.1x	26.7x	1.57x
Medovex Corp.	MDVX	1.76	(47.0%)	NM	5.80	1.66	19	16	0.0	(4.6)	(0.37)	NM	NA	NM	NM	NM	NM
Misonix, Inc.	MSON	11.14	21.0%	(16.1%)	14.89	8.20	86	77	22.9	(0.8)	0.36	NM	3.34x	NM	16.9x	NM	NM
Natus Medical Inc.	BABY	45.53	0.4%	34.4%	46.98	29.34	1,480	1,398	369.9	73.5	1.00	1.52	3.78x	19.0x	37.7x	30.0x	1.62x
Nevro Corp.	NVRO	40.77	(19.0%)	NM	58.87	23.13	1,137	903	46.2	(56.0)	(6.94)	(2.76)	19.54x	NM	NM	NM	NM
NovoCure Limited	NVCR	22.47	NM	NM	30.89	15.01	1,879	1,766	24.5	(93.9)	(6.46)	(1.10)	NM	NM	NM	NM	NM
OpGen, Inc.	OPGN	2.12	(37.5%)	NM	5.44	1.92	27	17	2.8	(8.0)	(1.20)	NM	5.95x	NM	NM	NM	NM
Penumbra, Inc.	PEN	37.03	NM	NM	43.06	0.00	1,112	1,187	149.1	2.0	(0.18)	(0.31)	7.96x	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	0.48	(55.1%)	(87.5%)	4.06	0.35	11	8	92.6	(14.4)	(3.26)	(0.73)	0.08x	NM	NM	NM	NM
ResMed Inc.	RMD	57.61	2.7%	10.6%	75.33	48.99	8,045	7,724	1,710.2	485.5	2.46	2.58	4.52x	15.9x	23.4x	22.3x	1.98x
Sientra, Inc.	SIEN	3.76	(84.0%)	(78.7%)	26.67	3.60	67	3	49.4	(7.6)	(2.28)	(1.22)	0.07x	NM	NM	NM	NM
SurModics, Inc.	SRDX	21.33	(7.1%)	(1.3%)	27.68	20.00	276	222	59.9	23.0	0.89	0.83	3.70x	9.6x	22.0x	25.6x	1.71x
Teleflex Incorporated	TFX	133.00	(0.3%)	17.8%	140.50	107.45	5,533	6,321	1,787.9	403.5	4.10	6.25	3.54x	15.7x	32.2x	21.3x	1.93x
Varian Medical Systems, Inc.	VAR	78.53	(8.7%)	(6.5%)	96.67	71.07	7,752	7,417	3,099.1	615.7	3.84	4.14	2.39x	12.0x	19.2x	19.0x	1.83x
Median			(7.1%)	(1.9%)									3.74x	15.8x	27.7x	26.7x	1.98x
Life Science Conglomerates																	
Illumina Inc.	ILMN	\$143.28	(34.5%)	(25.9%)	\$242.37	\$130.00	\$20,733	\$20,435	\$2,140.6	\$770.8	\$2.37	\$3.31	9.55x	26.5x	41.9x	43.3x	2.24x
PerkinElmer Inc.	PKI	51.64	0.4%	19.0%	54.45	40.84	5,855	6,651	2,262.6	353.6	1.42	2.58	2.94x	18.8x	35.6x	20.0x	1.98x
Thermo Fisher Scientific, Inc.	TMO	130.78	(6.0%)	12.2%	141.25	14.00	52,194	65,012	16,805.7	4,060.8	4.71	7.39	3.87x	16.0x	26.6x	17.7x	1.51x
Median			(6.0%)	12.2%									3.87x	18.8x	35.6x	20.0x	1.98x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$18.37	(11.2%)	(11.0%)	\$22.32	\$15.78	\$3,089	\$2,967	\$1,653.6	\$217.8	\$0.33	\$0.75	1.79x	13.6x	52.5x	24.4x	1.86x
Great Basin Scientific, Inc.	GBSN	0.07	(97.5%)	(98.8%)	9.08	0.05	13	1	1.8	(14.2)	(17.32)	NM	0.46x	NM	NM	NM	NM
Harvard Bioscience Inc.	HBIO	2.94	(39.6%)	(41.1%)	6.84	2.87	100	94	110.7	5.0	0.07	0.14	0.85x	18.6x	NM	21.0x	NM
Waters Corporation	WAT	127.80	(3.6%)	15.6%	137.39	110.44	10,514	9,834	2,039.6	664.9	5.07	5.88	4.82x	14.8x	22.8x	21.7x	2.27x
Median			(25.4%)	(26.0%)									1.32x	14.8x	37.6x	21.7x	2.07x
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$16.66	0.2%	(4.3%)	\$19.00	\$15.30	\$45	\$51	\$119.4	\$7.6	\$1.47	NM	0.43x	6.7x	13.8x	NM	NM
Mettler-Toledo International Inc.	MTD	310.99	(8.6%)	20.6%	350.11	257.17	8,614	9,093	2,419.3	535.5	11.44	12.82	3.76x	17.0x	25.9x	24.3x	1.85x
Median			(4.2%)	8.2%									2.09x	11.9x	19.8x	24.3x	1.85x

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

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$9.20	(14.7%)	10.8%	\$13.11	\$8.28	\$736	\$723	\$357.7	\$46.6	(\$0.05)	\$0.41	2.02x	15.5x	68.8x	22.4x	1.62x
Bio-Rad Laboratories, Inc.	BIO	139.48	(7.5%)	23.9%	152.38	102.71	4,079	3,787	2,047.1	310.0	3.05	3.52	1.85x	12.2x	42.2x	39.6x	NM
Cambrex Corporation.	CBM	45.97	(7.9%)	120.4%	54.60	20.96	1,442	1,440	406.5	111.1	1.84	2.05	3.54x	13.0x	22.7x	22.5x	1.28x
Luminex Corporation	LMNX	18.20	6.7%	(4.9%)	21.16	15.05	783	662	235.4	53.0	0.93	0.65	2.81x	12.5x	20.0x	28.2x	1.61x
Bio-Techne Corp.	TECH	88.20	(19.8%)	(3.9%)	114.56	83.90	3,279	3,360	455.6	178.4	3.12	3.34	7.38x	18.8x	30.8x	26.4x	2.12x
VWR Corporation	VWR	27.51	3.3%	24.1%	28.83	20.60	3,614	5,550	4,307.9	448.4	2.49	1.47	1.29x	12.4x	15.6x	18.7x	1.57x
Median			(7.7%)	17.4%									2.42x	12.7x	26.8x	24.4x	1.61x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$59.55	(15.1%)	(2.7%)	\$71.60	\$45.45	\$98,572	\$121,595	\$21,911.0	\$8,564.0	\$1.10	\$4.28	5.55x	14.2x	34.5x	13.9x	0.92x
Bristol-Myers Squibb Company	BMJ	65.95	2.3%	11.8%	70.54	51.82	110,023	112,087	16,531.0	4,465.0	1.20	1.90	6.78x	25.1x	62.1x	34.7x	1.67x
Eli Lilly and Company	LLY	81.57	(3.5%)	22.1%	92.85	65.91	86,515	90,295	19,704.4	5,307.6	2.23	3.44	4.58x	17.0x	36.8x	23.7x	1.54x
Merck & Co. Inc.	MRK	54.66	(6.6%)	(4.6%)	63.62	45.69	153,957	169,376	39,765.0	14,566.0	4.07	3.56	4.26x	11.6x	14.5x	15.3x	2.01x
Pfizer Inc.	PFE	33.82	(5.3%)	13.3%	36.30	28.47	208,580	214,125	47,922.0	19,478.0	1.41	2.19	4.47x	11.0x	25.4x	15.4x	1.89x
Valeant Pharmaceuticals International, Inc.	VRX	93.77	(63.1%)	(28.7%)	263.81	88.50	32,173	61,742	9,984.1	4,971.6	2.67	11.67	6.18x	12.4x	53.8x	8.0x	0.31x
Median			(6.0%)	4.6%									5.07x	13.3x	35.7x	15.4x	1.60x
Pharmaceuticals																	
Aclaris Therapeutics, Inc.	ACRS	\$14.47	NM	NM	\$17.24	\$10.99	\$292	\$320	-	(\$10.5)	(\$6.15)	NM	NA	NM	NM	NM	NM
Adaptimmune Therapeutics plc	ADAP	10.66	(29.4%)	NM	21.57	7.07	755	470	10.7	(22.4)	(1.67)	(0.64)	NM	NM	NM	NM	NM
Akorn, Inc.	AKRX	26.74	(42.3%)	(38.7%)	57.10	19.08	3,060	4,107	593.1	208.3	0.34	1.95	6.92x	19.7x	79.0x	13.7x	0.53x
Amphastar Pharmaceuticals, Inc.	AMPH	11.84	(24.8%)	19.1%	18.30	8.32	537	510	226.3	(14.9)	(0.26)	(0.30)	2.25x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	6.99	(60.8%)	(38.1%)	20.63	5.76	245	176	0.9	(44.7)	(1.30)	(1.35)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	3.89	(23.9%)	(13.6%)	7.15	3.25	133	68	0.0	(30.0)	(0.66)	(1.12)	NA	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	5.38	(29.7%)	(69.8%)	18.33	4.66	282	244	18.6	(63.2)	(1.12)	(0.22)	13.15x	NM	NM	NM	NM
BioSynt Inc.	RX	5.36	2.3%	(43.4%)	9.25	4.52	75	69	10.9	3.9	0.19	0.21	6.35x	17.8x	28.0x	26.0x	NM
Blueprint Medicines Corporation	BPMC	20.09	(24.3%)	NM	37.17	18.00	545	359	6.8	(49.7)	(3.07)	(5.18)	NM	NM	NM	NM	NM
Carbylan Therapeutics, Inc.	CBYL	3.60	(48.7%)	NM	9.22	3.20	95	34	0.0	(17.9)	(1.46)	(1.29)	NM	NM	NM	NM	NM
Catalent, Inc.	CTLT	26.58	(20.1%)	3.7%	34.42	22.85	3,310	5,052	1,835.5	415.7	0.64	1.67	2.75x	12.2x	15.2x	15.9x	1.66x
Cidara Therapeutics, Inc.	CDTX	13.62	0.4%	NM	17.21	11.23	186	64	0.0	(20.8)	(3.88)	(4.61)	NA	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	4.13	(51.3%)	(67.9%)	14.92	3.65	107	111	27.0	13.5	0.68	0.12	4.12x	8.2x	10.5x	35.2x	NM
Collegium Pharmaceutical, Inc.	COLL	18.37	(5.0%)	NM	24.88	0.00	380	275	0.0	(17.9)	(2.84)	(1.48)	NA	NM	NM	NM	NM
CoLucid Pharmaceuticals, Inc	CLCD	3.78	(55.9%)	NM	9.46	3.57	57	(22)	0.0	(11.8)	(0.31)	(3.37)	NA	1.9x	NM	NM	NM

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

Healthcare Services Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 10/30/15	% 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	\$6.20	3.5%	27.8%	\$7.78	\$4.63	\$103	\$52	\$34.8	\$4.2	\$0.14	NM	1.48x	12.4x	57.0x	NM	NM
Dermira, Inc.	DERM	26.99	19.5%	65.3%	32.13	14.20	787	669	7.3	(46.0)	(4.96)	(2.97)	NM	NM	NM	NM	NM
DURECT Corporation	DRRX	2.04	(14.6%)	175.7%	3.42	0.69	246	228	18.2	(20.2)	(0.20)	(0.21)	12.51x	NM	NM	NM	NM
Endo International plc	ENDP	59.99	(30.2%)	(9.5%)	96.58	46.66	13,582	16,481	3,354.4	1,043.7	(4.95)	4.56	4.91x	15.8x	NM	13.2x	0.78x
Flex Pharma, Inc.	FLKS	11.33	(23.3%)	NM	24.82	9.23	203	97	0.0	(26.6)	(5.48)	(1.92)	NA	NM	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	7.13	(30.2%)	29.9%	14.00	5.21	218	153	4.0	(9.5)	(0.79)	(0.70)	NM	NM	NM	NM	NM
Heska Corporation	HSKA	30.76	(10.6%)	126.7%	35.72	13.10	201	212	92.9	9.1	0.41	0.53	2.29x	23.3x	65.3x	58.0x	2.32x
Impax Laboratories Inc.	IPXL	34.63	(28.4%)	21.0%	52.10	27.68	2,430	2,655	709.6	106.6	0.81	1.33	3.74x	24.9x	NM	26.1x	1.10x
Inotek Pharmaceuticals Corporation	ITEK	10.89	(18.7%)	NM	19.45	4.68	288	247	0.0	0.0	(13.52)	(1.44)	NA	NA	NM	NM	NM
Jaguar Animal Health, Inc.	JAGX	3.68	5.1%	NM	7.06	1.69	30	18	0.1	0.0	(2.02)	(3.00)	NM	NA	NM	NM	NM
KemPharm, Inc.	KMPH	16.35	(0.8%)	NM	26.15	10.90	235	221	0.0	(20.8)	(3.13)	(3.40)	NA	NM	NM	NM	NM
Kite Pharma, Inc.	KITE	68.05	(4.6%)	90.4%	89.21	35.82	2,976	2,583	7.3	(58.2)	(1.91)	(1.34)	NM	NM	NM	NM	NM
Lannett Company, Inc.	LCI	44.77	(24.7%)	(19.9%)	72.44	39.61	1,633	1,421	419.9	237.3	3.42	3.92	3.38x	6.0x	11.1x	11.4x	0.80x
Marinus Pharmaceuticals, Inc.	MRNS	6.77	(56.5%)	(10.2%)	20.72	5.49	97	72	0.0	(20.5)	(2.17)	(1.64)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	8.98	32.3%	51.9%	9.85	4.80	191	141	0.5	(19.9)	(0.95)	(1.02)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	1.25	(49.1%)	(17.0%)	2.68	1.04	127	154	31.1	19.7	(0.09)	0.02	4.95x	7.8x	NM	50.2x	2.41x
MyoKardia, Inc.	MYOK	10.21	NM	NM	10.89	10.00	260	287	13.0	(15.7)	(3.07)	NM	22.08x	NM	NM	NM	NM
Mylan N.V.	MYL	44.09	(21.8%)	(15.8%)	76.69	37.59	21,681	27,479	9,021.3	2,635.9	2.34	4.23	3.05x	10.4x	24.6x	10.4x	0.87x
Nabriva Therapeutics AG	NBRV	9.95	NM	NM	12.89	0.00	106	71	2.5	(13.5)	(4.99)	(31.76)	28.76x	NM	NM	NM	NM
NeuroDerm Ltd.	NDRM	18.49	(0.5%)	NM	26.50	5.67	398	362	0.0	(15.2)	(12.97)	(1.37)	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	64.23	(14.6%)	238.8%	84.64	18.12	2,748	2,549	0.0	(82.3)	(4.04)	(2.26)	NA	NM	NM	NM	NM
Revance Therapeutics, Inc.	RVNC	39.17	22.9%	99.6%	40.06	14.02	952	827	0.3	(62.3)	(3.24)	(3.42)	NM	NM	NM	NM	NM
SciClone Pharmaceuticals, Inc.	SCLN	7.62	(17.3%)	(3.4%)	11.71	6.47	383	290	155.8	21.8	0.48	0.33	1.86x	13.3x	24.6x	23.1x	NM
SteadyMed Ltd.	STDY	2.82	(49.6%)	NM	11.14	2.62	38	(4)	0.0	(21.2)	(2.82)	(2.57)	NA	0.2x	NM	NM	NM
The Medicines Company	MDCO	34.24	12.6%	33.4%	43.79	23.32	2,318	2,423	480.7	(188.5)	(0.50)	(1.91)	5.04x	NM	NM	NM	NM
Tobira Therapeutics, Inc.	TBRA	10.08	(26.0%)	NM	24.31	8.75	176	127	0.0	(26.8)	(85.41)	NM	NA	NM	NM	NM	NM
Viking Therapeutics, Inc.	VKTX	5.64	(12.1%)	NM	10.23	5.00	55	35	0.0	0.0	(5.08)	(2.62)	NA	NA	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	11.88	18.4%	(12.8%)	23.35	6.29	260	191	0.6	(39.4)	(3.61)	(1.90)	NM	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	8.05	(27.2%)	NM	23.50	7.94	115	41	26.1	3.6	3.28	(0.62)	1.58x	11.4x	16.6x	NM	NM
Zoetis Inc.	ZTS	43.01	(11.4%)	15.2%	55.38	37.02	21,460	24,589	4,811.0	1,432.0	1.16	1.66	5.11x	17.2x	51.8x	25.9x	1.95x
Zosano Pharma Corporation	ZSAN	2.75	(64.4%)	NM	12.40	2.25	33	11	1.1	(14.7)	(2.78)	(2.36)	10.57x	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	65.01	10.5%	78.4%	84.85	25.51	1,633	1,410	0.0	(107.6)	(5.47)	(4.70)	NA	NM	NM	NM	NM
Zynerba Pharmaceuticals, Inc.	ZYNE	12.59	NM	NM	43.00	12.00	110	121	0.6	(7.0)	(2.56)	(1.89)	NM	NM	NM	NM	NM
Median			(20.9%)	9.5%									4.91x	12.3x	24.6x	24.5x	1.10x

Source: Capital IQ as of October 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

Source: Capital IQ as of October 31, 2015

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