



Medical Technology M&A Review Q2 2016

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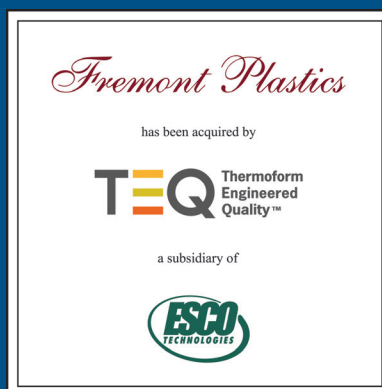
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Select PMCF Medical Technology Transactions



About PMCF

P&M Corporate Finance ("PMCF") is an investment banking firm, focused exclusively on middle-market transactions, with professionals in Chicago, Detroit, and across the globe through Corporate Finance International associates. Our deep knowledge of the medical technology market covers a wide range of sectors, including contract manufacturing & research, medical devices, in vitro diagnostics and life science instruments. Offering a depth of advisory services, PMCF has helped clients worldwide meet their sale, acquisition, financing, and strategic alliance goals. Additional information on PMCF can also be found by visiting our website, www.pmcf.com.

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Venture Capital

Activity Overview — Broad Economy

Driven by large raises from Uber (\$3.5 billion) and Snapchat (\$1.5 billion), \$27.4 billion was invested by the venture capital community through the first six months of 2016. A total of \$15.3 billion was raised in Q2 2016, representing an increase of +26% from Q1 2016. Large investor interest has been shown within the megadeal space (\$100 million+), as it comprised 39% of deal value (\$6 billion) in Q2 2016.

Led by the investments mentioned above, the software industry continued to have the highest level of funding, receiving a total of \$8.7 billion in Q2 2016 (a 70% increase from Q1 2016). The software industry has been the sector with the most dollars invested for 27 straight quarters. The biotechnology industry, the second largest industry by dollars invested, experienced a down quarter in Q2 2016, at \$1.7 billion invested, a decrease of -16% from Q1 2016.

Venture capital investment represents an alternative asset class that is not correlated to market returns, and as such, the total number of investments made is not the best proxy to monitor changes in investor sentiment. Changes in investment dollars, however, provide a clearer picture as to directional trends. During 1H 2016, the amount of investment dollars increased and decreased across different stages of development when compared to 1H 2015. Seed Stage, Early Stage, and Later Stage investments changed by +145%, -14%, and -32%, respectively. Expansion Stage investments showed little change, declining less than 1%. Median pre-money valuations for Series D+ investments continued their downward trend in Q2 2016, finishing at \$192 million. This represents a -37% decline from the annual 2015 median valuation of \$306 million.

Medical Devices & Equipment Segment

Venture capital investment in medical device and equipment represented 4% of total venture investment in 1H 2016, equaling the same proportion of investment in 1H 2015. The amount invested in Q2 2016 was \$539 million, +6% higher than Q1 2016. One of the largest investments of Q2 2016 was AccuraGen Inc., who received a \$40 million round of funding for interest in their cancer detection device.

Outlook

Venture capital investment activity is expected to continue growth throughout the latter half of 2016. Investor sentiment is slowly shifting towards earlier stage companies, perhaps in search of the next “unicorn”. This is evidenced by the growth in dollars invested in Seed Stage companies and the declining investment trend in Later Stage companies. Series D+ median valuations are also expected to continue to decline, as we see more companies look to the public markets for funding via IPOs rather than private venture financing.

Source: Thomson Reuters, PWC MoneyTree Report

Stage Definitions

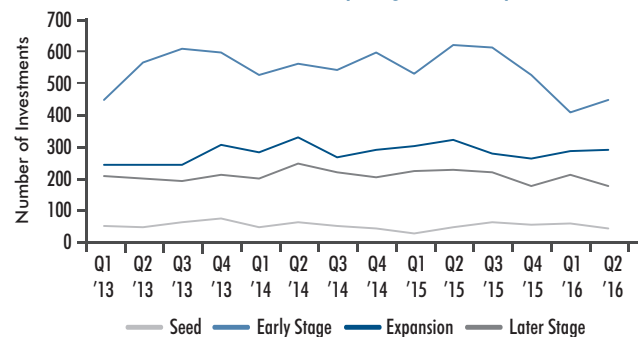
Start-up/Seed: The company has a concept or product under development, but is likely not fully operational. Typically in existence less than 18 months.

Early: The company has a product or service in testing or pilot production. In some cases, the product may be commercially available. May or may not be generating revenue. Typically in business less than three years.

Expansion: Product or service is in production and commercially available. The company demonstrates significant revenue growth, but may or may not be showing a profit. Typically in business more than three years.

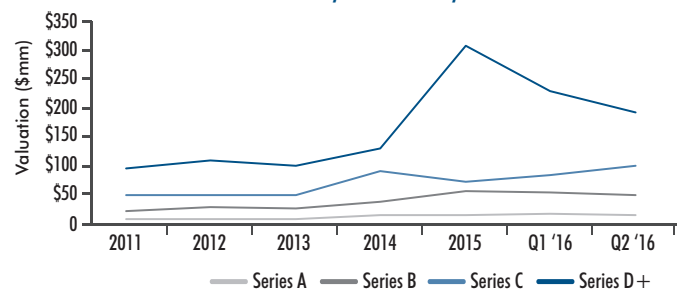
Later: Product or service is widely available. Company is generating ongoing revenue; potentially positive cash flow. More likely to be, but not necessarily, profitable. May include spin-offs of operating divisions of existing public companies and established private companies.

Number of Investments by Stage of Development



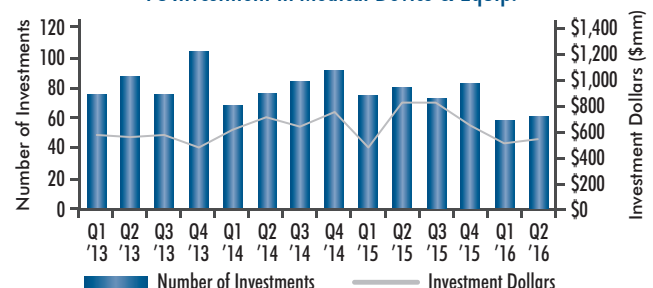
Source: Thomson Reuters & National Venture Capital Association

Median Pre-Money Valuation by Series



Source: Cooley Godward Kronish, LLP

VC Investment in Medical Device & Equip.



Source: Thomson Reuters & National Venture Capital Association

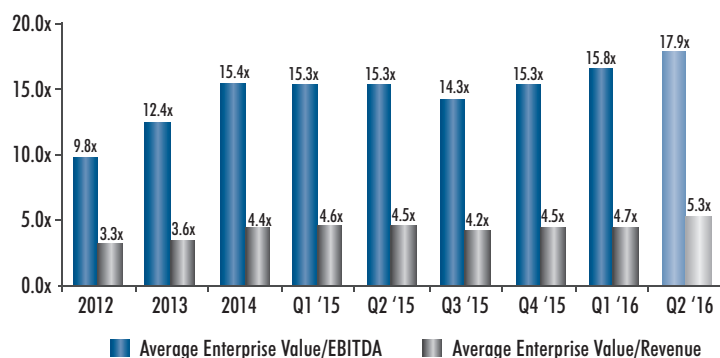
Medical Device Public Comparables

Diversified Medical Device Public Comparables Summary

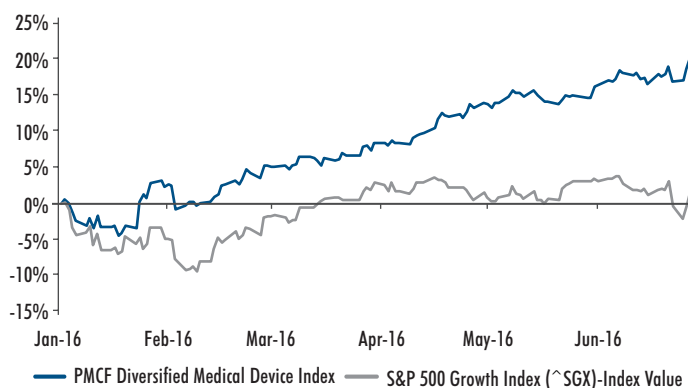
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Boston Scientific Corporation	6/30/2016	438	5,427	31,764	36,753	4.9x	19.1x	NM
CR Bard Inc.	6/30/2016	798	1,641	17,212	18,054	5.3x	17.4x	158.7x
Intuitive Surgical, Inc.	6/30/2016	2,184	0	25,360	23,176	9.7x	26.6x	40.4x
Johnson & Johnson	7/3/2016	42,870	26,557	333,625	317,312	4.5x	14.3x	22.1x
Medtronic plc	4/29/2016	12,634	31,292	121,384	140,042	4.9x	16.0x	35.1x
Smith & Nephew plc	7/2/2016	85	1,779	15,221	16,915	3.9x	15.6x	41.5x
St. Jude Medical Inc.	7/2/2016	409	6,091	22,242	27,924	5.0x	17.5x	31.4x
Stryker Corporation	6/30/2016	3,656	7,644	45,031	49,019	4.5x	16.6x	28.2x
High		42,870	31,292	333,625	317,312	9.7x	26.6x	158.7x
Mean		7,884	10,054	76,480	78,649	5.3x	17.9x	51.1x
Median		1,491	5,759	28,562	32,339	4.9x	17.0x	35.1x
Low		85	0	15,221	16,915	3.9x	14.3x	22.1x

As of July 03, 2016

Diversified Medical Device
Public Trading Multiples



Diversified Medical Device Index



Public trading multiples for the Diversified Medical Device (“DMD”) comparables maintained positive momentum in Q2 2016 as average EV/EBITDA multiples increased to 17.9x, up 13.3% from Q1 2016. Average EV/Revenue multiples also increased in Q2 2016, averaging 5.3x compared to 4.7x in Q1 2016.

The PMCF DMD Index outperformed the S&P 500 Growth Index in Q2 2016, finishing +22.13% for 1H 2016, compared to +2.52% for the S&P 500 Growth Index. On April 28, 2016, Abbot Laboratories entered into a definitive agreement to acquire St. Jude Medical Inc. for \$24.1 billion. The announcement garnered a positive reaction from the market, boosting St. Jude Medical’s valuation metrics. Large gains from Medtronic plc and Johnson & Johnson also drove gains for the DMD index.

Source: S&P Capital IQ, Company Reports

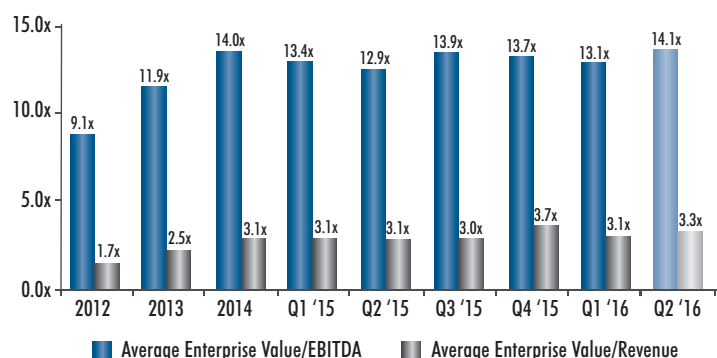
Medical Device Public Comparables

Orthopedic Medical Device Public Comparables Summary

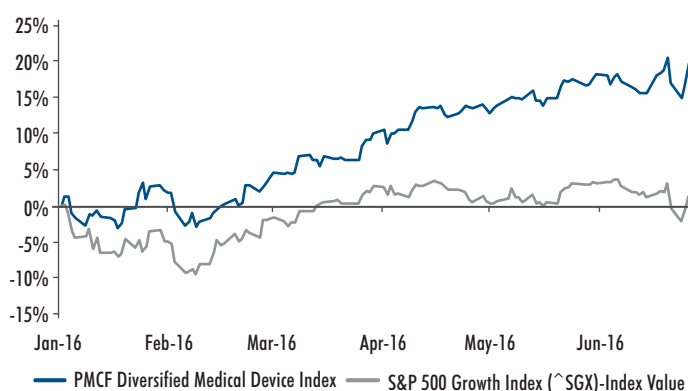
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Alphatec Holdings, Inc.	6/30/2016	9	76	43	133	0.8x	12.8x	NM
Exactech Inc.	6/30/2016	10	20	384	394	1.6x	9.6x	25.7x
Globus Medical, Inc.	6/30/2016	325	0	2,339	2,015	3.7x	10.6x	20.4x
NuVasive, Inc.	6/30/2016	317	675	2,988	3,353	4.0x	19.4x	121.7x
Orthofix International N.V.	6/30/2016	40	0	809	769	1.9x	15.2x	83.0x
Smith & Nephew plc	7/2/2016	85	1,779	15,221	16,915	3.9x	15.6x	41.5x
Stryker Corporation	6/30/2016	3,656	7,644	45,031	49,019	4.5x	16.6x	28.2x
Wright Medical Group N.V.	6/26/2016	326	761	NM	435	4.4x	NM	NM
Zimmer Biomet Holdings, Inc.	6/30/2016	976	11,034	24,097	34,155	5.1x	13.0x	297.2x
High		3,656	11,034	45,031	49,019	5.1x	19.4x	297.2x
Mean		638	2,443	11,364	11,910	3.3x	14.1x	88.2x
Median		317	675	2,664	2,015	3.9x	14.1x	41.5x
Low		9	0	43	133	0.8x	9.6x	20.4x

As of July 02, 2016

Orthopedic Medical Device
Public Trading Multiples



Orthopedic Medical Device Index



Overall, trading multiples for the Orthopedic Medical Device (“OMD”) comparables strengthened in Q2 2016. Average EV/EBITDA multiples for the OMD comparables in Q2 2016 were 14.1x, an increase from 13.1x in Q1 2016, reaching their highest levels since 2014. Average EV/Revenue multiples increased slightly compared to Q1 2016 finishing Q2 2016 at 3.3x.

The PMCF OMD Index outperformed the S&P 500 Growth Index, finishing 1H 2016 +20.79%, compared to an increase of +2.52% for the S&P 500 Growth Index. NuVasive, Inc. saw gains after beating top and bottom line earnings estimates, contributing to the growth of the index. Zimmer Biomet Holdings announced the acquisition of LDR Holding Corporation for \$1.1 billion on June 7, 2016, which led to a 7.6% increase in Zimmer’s stock price in five weeks.

Source: S&P Capital IQ, Company Reports

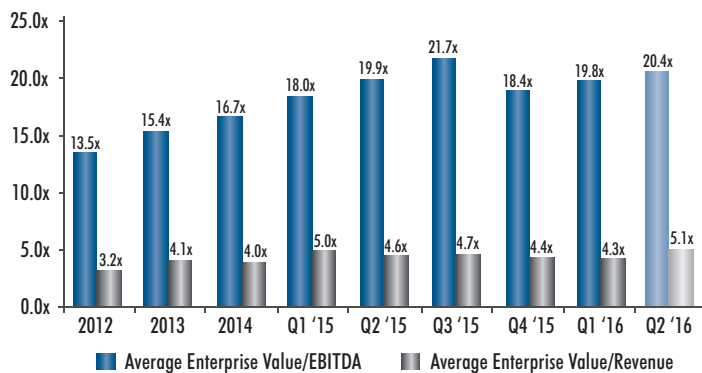
Medical Device Public Comparables

Cardiovascular Medical Device Public Comparables Summary

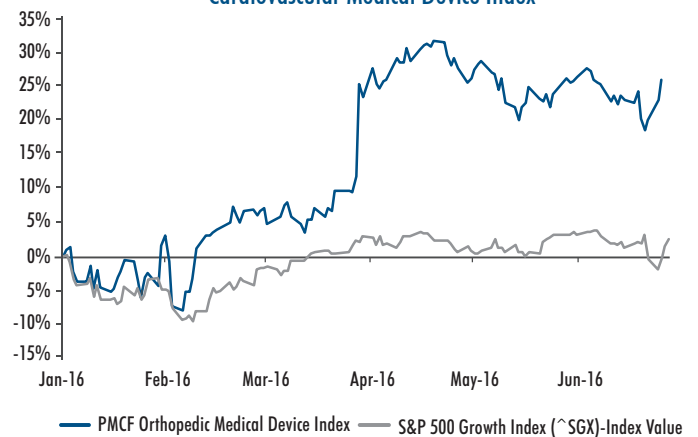
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
ABIOMED, Inc.	6/30/2016	223	0	4,699	4,475	13.6x	64.6x	128.6x
AngioDynamics Inc.	5/31/2016	34	121	521	608	1.8x	16.6x	NM
Cardiovascular Systems Inc.	6/30/2016	61	0	600	540	3.1x	NM	NM
CryoLife Inc.	6/30/2016	47	72	385	410	2.7x	19.6x	51.7x
Edwards Lifesciences Corp.	6/30/2016	1,060	603	21,119	20,661	8.0x	27.8x	42.5x
Endologix Inc.	6/30/2016	73	172	1,019	1,119	6.9x	NM	NM
LeMaitre Vascular, Inc.	6/30/2016	29	0	262	233	3.0x	15.2x	31.8x
Merit Medical Systems, Inc.	6/30/2016	10	233	879	1,101	2.0x	14.6x	38.9x
Vascular Solutions Inc.	6/30/2016	35	0	724	689	4.6x	28.8x	91.3x
High		1,060	603	21,119	20,661	13.6x	64.6x	128.6x
Mean		175	133	3,356	3,315	5.1x	26.7x	64.1x
Median		47	72	724	689	3.1x	19.6x	47.1x
Low		10	0	262	233	1.8x	14.6x	31.8x

As of June 30, 2016

Cardiovascular Medical Device
Public Trading Multiples



Cardiovascular Medical Device Index



In Q2 2016, average valuation multiples for the Cardiovascular Medical Device (“CVMD”) comparables increased to their highest level in the last three quarters, finishing the quarter with an EV/EBITDA multiple of 26.7x. Average EV/Revenue multiples increased as well, from 4.3x in Q1 2016 to 5.1x in Q2 2016.

The PMCF CVMD Index continues to widen the performance gap with the S&P 500 Growth Index. This has been the trend since February, finishing 1H 2016 at +25.53%, compared to +2.52% for the S&P 500 Growth Index. Gains in Q2 2016 were driven primarily by Edwards Lifesciences Corp., who revealed favorable clinical data for its Sapien 3 heart valve device, causing the stock to jump 26% at the beginning of April. Edward Life Sciences also raised guidance after beating Q1 revenue estimates by 20%, which led to a favorable market reaction to the stock and the index.

Source: S&P Capital IQ, Company Reports

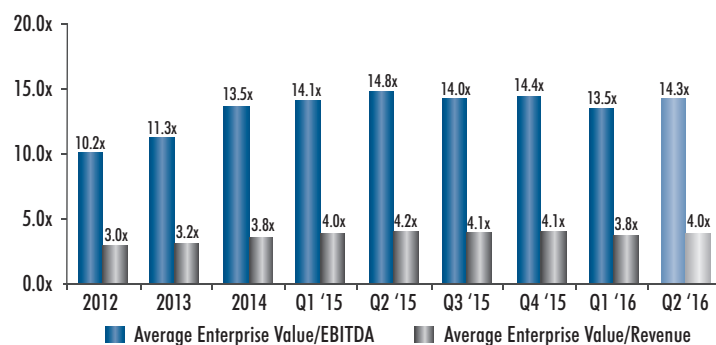
Medical Device Public Comparables

Diversified Diagnostic Public Comparables Summary

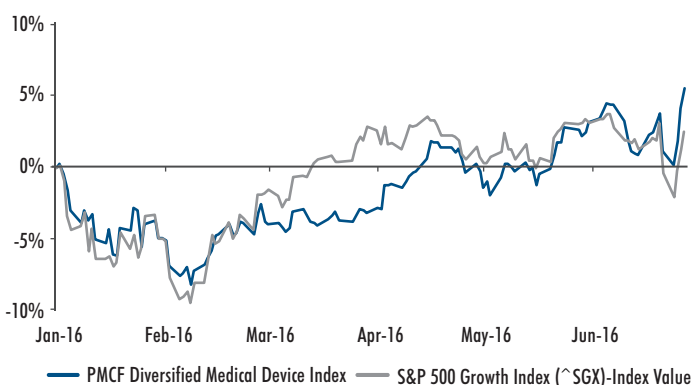
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	6/30/2016	4,438	8,912	58,090	62,684	3.1x	14.3x	27.9x
Becton, Dickinson and Co.	6/30/2016	1,728	11,931	35,998	46,201	3.8x	14.7x	45.3x
Danaher Corp.	7/1/2016	4,098	14,652	70,467	81,097	3.9x	16.8x	25.7x
Hologic Inc.	6/25/2016	442	3,422	9,717	12,698	4.6x	12.8x	49.2x
Johnson & Johnson	7/3/2016	42,870	26,557	333,625	317,312	4.5x	14.3x	22.1x
Laboratory Corp. of America	6/30/2016	640	6,055	13,444	18,875	2.1x	11.0x	22.8x
Novartis AG	6/30/2016	5,648	26,368	192,189	212,985	4.4x	14.3x	30.2x
Orion Oyj	6/30/2016	133	207	5,509	5,584	4.8x	15.8x	24.2x
Roche Holding AG	6/30/2016	6,707	25,444	225,349	246,776	4.7x	12.3x	25.0x
Thermo Fisher Scientific, Inc.	7/2/2016	663	14,148	58,724	72,209	4.2x	17.3x	30.0x
High		42,870	26,557	333,625	317,312	4.8x	17.3x	49.2x
Mean		6,737	13,770	100,311	107,642	4.0x	14.3x	30.2x
Median		2,913	13,039	58,407	67,446	4.3x	14.3x	26.8x
Low		133	207	5,509	5,584	2.1x	11.0x	22.1x

As of July 03, 2016

Diversified Diagnostic
Public Trading Multiples



Diversified Diagnostic Medical Device Index



Average EV/EBITDA multiples for the Diversified Diagnostic Medical Device (“DDMD”) comparables rebounded in Q2 2016 after experiencing a slight drop in valuation in Q1 2016. EV/EBITDA multiples increased from 13.5x at the end of Q1 2016 to 14.3x at the end of Q2 2016. Average EV/Revenue also showed a small increase, ending Q2 2016 at 4.0x compared to 3.8x at the end of Q1 2016.

The PMCF DDMD Index closely tracked the S&P 500 Growth Index in 1H 2016, finishing Q2 2016 up +5.54%, compared to +2.52% gains for the S&P 500 Growth Index.

Source: S&P Capital IQ, Company Reports

Mergers & Acquisitions

Medical device transaction activity remained strong in Q2 2016, with 146 transactions taking place in the quarter compared to 130 in Q1 2016, an increase of +12%. From Q1 2016 to Q2 2016, total transaction value and average transaction value declined -28% and -24%, respectively, indicating a higher volume of small deals or “bolt-on” transactions are occurring in the market. These transactions continue to be driven by corporate buyers with large cash reserves and a favorable lending environment. Buyers are motivated to broaden portfolio capabilities, access new geographies, and consolidate core businesses in order to achieve scale and improve their negotiating power with hospital systems to comply with the demands of a value-based healthcare model.

Average TEV/EBITDA multiples decreased in Q2 2016 to 13.04x compared to 20.56x in Q1 2016. Average TEV/Revenue multiples also saw a decrease to 3.00x in Q2 2016 compared to 3.80x in Q1 2016. Overall, average TEV/EBITDA multiples were 14.83x in 1H 2016, down -21% from the 18.81x average in 1H 2015.

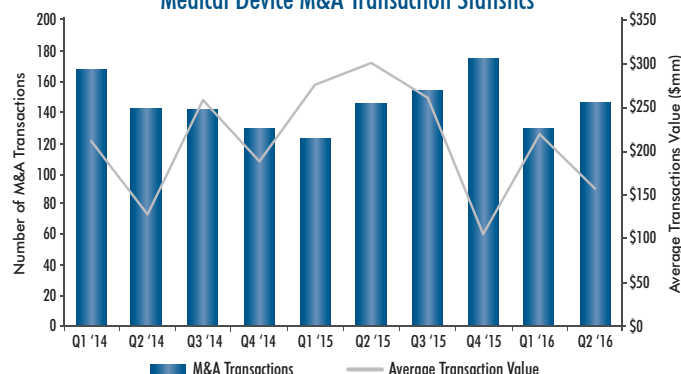
In 1H 2016, M&A activity was spread evenly across product segments with no one segment accounting for more than 22% of overall transaction volume. The Contract Manufacturing segment experienced the most activity, accounting for 22% of transaction volume. This was followed by the Service and Equipment segments with 19% and 16%, respectively. The Distribution and Diagnostic (non-imaging) segments experienced the biggest increases in 1H 2016 compared to 1H 2015, growing 78% and 62%, respectively.

Outlook for Medical Devices & Equipment Segment

Global M&A activity in the medical technology device and equipment industry has been showing consistent upward trends in the Contract Manufacturing and Service segments. Medical OEMs are increasingly aware of CMOs' (contract manufacturing organization) capabilities as true providers of lower-cost, time sensitive, and high quality solutions. Larger CMOs are driving consolidation by acquiring smaller specialized companies with complementary services, from engineering and precision machining to quality assurance. As their multi-faceted cost-saving capabilities broaden, large CMOs are better positioned to become the preferred supplier among OEMs, and ultimately benefit from additional partnerships.

The underlying regulatory framework established by the Affordable Care Act continues to enhance a value-based healthcare system, whereby the reimbursement and price of a product is based on the value of care provided. As a result, companies will continue to revisit their business models and reevaluate their product portfolio in order to comply with this trend. Companies that offer enhanced technological applications, such as integrated diagnostic products and mobile technology are likely to be attractive acquisition targets.

Medical Device M&A Transaction Statistics



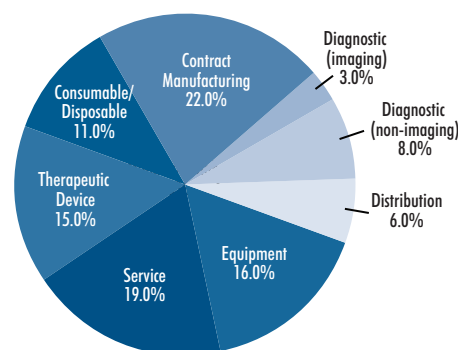
Source: S&P Capital IQ, PMCF

Medical Device M&A Transaction Metrics

Period	Mean/Median	Transaction Value (\$MM)	TEV/Revenue	TEV/EBITDA
Q2 16	Mean	\$157.3	3.00x	13.04x
Q2 16	Median	\$27.5	1.88x	15.24x
Q1 16	Mean	\$219.1	3.80x	20.56x
Q1 16	Median	\$20.1	2.92x	12.15x
Q4 15	Mean	\$105.7	3.86x	13.30x
Q4 15	Median	\$15.6	2.40x	11.50x
Q3 15	Mean	\$260.8	3.60x	19.45x
Q3 15	Median	\$47.1	2.05x	10.88x
Q2 15	Mean	\$300.8	4.18x	19.33x
Q2 15	Median	\$58.1	1.50x	11.50x
Q1 15	Mean	\$275.7	2.27x	17.38x
Q1 15	Median	\$15.6	2.24x	17.30x
Q4 14	Mean	\$185.6	4.52x	16.92x
Q4 14	Median	\$35.1	2.18x	11.45x
Q3 14	Mean	\$258.2	5.18x	12.98x
Q3 14	Median	\$20.2	2.43x	10.10x
Q2 14	Mean	\$128.4	9.36x	18.26x
Q2 14	Median	\$17.8	2.52x	13.80x
Q1 14	Mean	\$211.6	3.89x	16.12x
Q1 14	Median	\$32.1	1.93x	16.90x
1H 2016	Mean	\$187.3	3.35x	14.83x
1H 2015	Mean	\$288.7	3.42x	18.81x
1H 2016	Median	\$25.8	2.38x	13.30x
1H 2015	Median	\$27.2	2.20x	12.30x

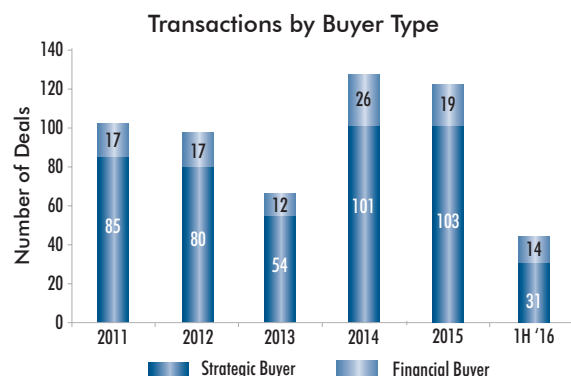
Source: S&P Capital IQ, PMCF
Note: Certain outliers have been removed

Transactions by Product Segment – 1H 2016



Source: S&P Capital IQ, PMCF

Medical Equipment M&A



Source: S&P Capital IQ, PMCF

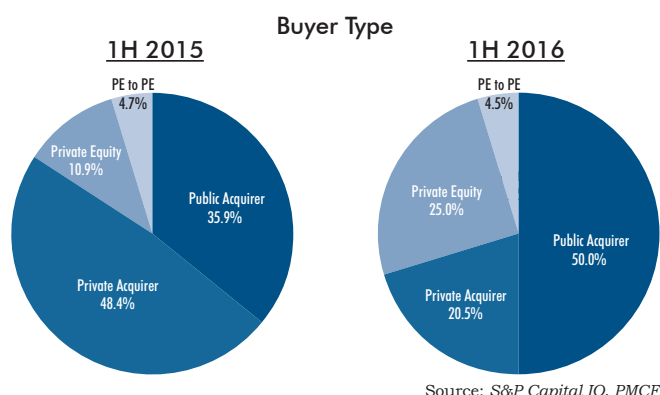
Transactions by End Market

End Market	2014	2015	Q1 '16	Q2 '16
Acute Care	5	4	0	0
Aesthetic	1	3	0	0
Furniture/Equipment	24	24	3	7
Monitor	17	19	3	5
Ophthalmology	5	6	3	0
Respiratory	12	6	2	0
Safety/Drug Delivery	10	12	1	1
Surgical	41	35	2	5
Wound Care	0	0	0	0
Other	12	13	5	8
Total	127	122	19	26

Source: S&P Capital IQ, PMCF

Trends in M&A:

- Medical equipment M&A activity in Q2 2016 increased 37% compared to Q1 2016.
- Strategic buyers remained active in medical equipment, with 17 transactions occurring in Q2 2016. Financial buyer involvement more than doubled Q1 2016 activity, with a total of nine transactions.
- Transaction activity in Q2 2016 was primarily driven by the Furniture/Equipment sector, which had seven transactions in the period, followed by the Monitor and Surgical sectors with five transactions each.
- Cross-border deal volume remained flat compared to Q1 2016, with four transactions occurring between international and US companies.



Source: S&P Capital IQ, PMCF

Cross-Border Transaction Trends

Seller-to-Buyer	2014	2015	Q1 '16	Q2 '16
Int'l - to - Int'l	45	58	6	17
U.S. - to - Int'l	6	8	2	3
U.S. - to - U.S.	59	39	10	5
Int'l - to - U.S.	17	17	1	1
Total	127	122	19	26

Source: S&P Capital IQ, PMCF

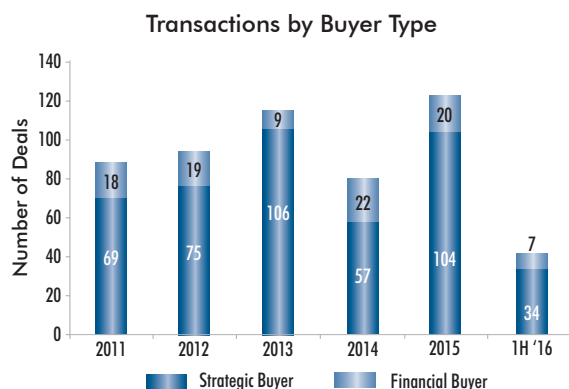
Featured Sector Transactions:

May 2016 — Medtronic plc signed a definitive agreement to acquire Smith & Nephew plc's TRUCLEAR business for \$350 million on May 18, 2016. Medtronic will integrate the gynecology business as part of its Surgical Solutions division within the Minimally Invasive Technologies Group. Smith & Nephew will continue to manufacture the TRUCLEAR System for Medtronic for a transitional period. "We believe gynecology is one of the most underserved specialty procedure areas. Smith & Nephew has developed a rapidly growing business that expands minimally invasive treatment options for gynecology patients," said Chris Barry, senior VP at Medtronic and president of the surgical solutions division. "This acquisition expands our existing GYN portfolio and we believe creates opportunities to further explore and develop global therapies and solutions that improve GYN surgery."

May 2016 — RoundTable Healthcare Partners agreed to acquire Symmetry Surgical Inc. for approximately \$150 million in cash on May 2, 2016. Symmetry Surgical Inc. manufactures and distributes medical devices worldwide. It offers retractor instruments/systems comprising of neurosurgical retractor systems and electro-surgery instruments, such as bipolar and monopolar single-use and reusable instruments. The company also provides containers and sterilization devices, which comprise of container systems, general and specialty surgical instruments, and ligation clips and appliers. "We are very excited to partner with Symmetry," stated Tom Kapfer, senior operating partner of RoundTable, who will serve as Chairman of the Board of Symmetry. "The Company's comprehensive product portfolio is comprised of well-known brands that are recognized by hospitals and physicians worldwide. We look forward to working with the management team as they continue to serve their customers and grow the business."

Source: S&P Capital IQ, PMCF

Therapeutic Device M&A



Source: S&P Capital IQ, PMCF

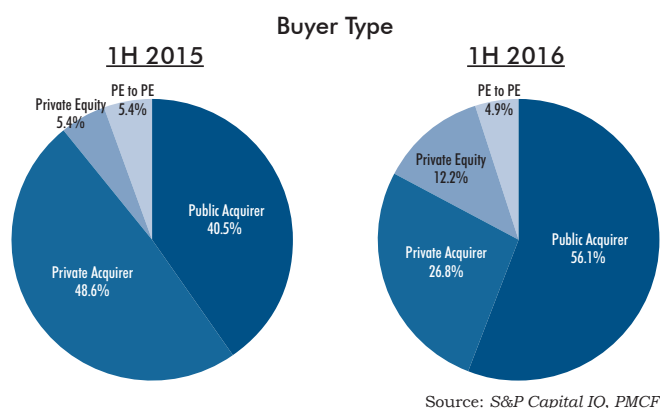
Transactions by End Market

End Market	2014	2015	Q1 '16	Q2 '16
Aesthetic	3	8	1	0
Cardiovascular	12	13	3	4
ENT	3	10	1	3
Gastrointestinal	3	5	1	1
Neurovascular	8	12	2	3
Ophthalmology	10	30	0	3
Ortho	12	20	3	9
Safety	0	0	0	0
Wound Care	9	2	0	0
Other	19	24	4	3
Total	79	124	15	26

Source: S&P Capital IQ, PMCF

Trends in M&A:

- Therapeutic device M&A activity experienced an increase in Q2 2016 when compared to Q1 2016, with a total of 26 transactions.
- Transaction activity in Q2 2016 was primarily driven by the Ortho sector, which had nine transactions in the period, followed by the Cardiovascular sector with four.
- Cross-border deal volume increased compared to Q1 2016, with five transactions between international and US companies.



Source: S&P Capital IQ, PMCF

Cross-Border Transaction Trends

Seller-to-Buyer	2014	2015	Q1 '16	Q2 '16
Int'l - to - Int'l	29	63	5	7
U.S. - to - Int'l	13	15	1	3
U.S. - to - U.S.	27	38	9	14
Int'l - to - U.S.	10	8	0	2
Total	79	124	15	26

Source: S&P Capital IQ, PMCF

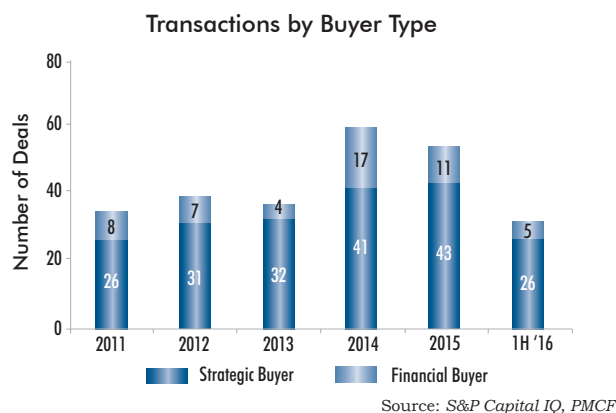
Featured Sector Transactions:

April 2016 — Abbott Laboratories entered into a definitive agreement to acquire St. Jude Medical Inc. for \$24.1 billion in cash and stock. St. Jude Medical, Inc., develops, manufactures, and distributes cardiovascular medical devices for cardiac rhythm management, cardiovascular, and atrial fibrillation therapy areas worldwide. *“Bringing together these two great companies will create a premier medical device business and immediately advance Abbott’s strategic and competitive position,”* said Miles D. White, chairman and chief executive officer, Abbott. *“The combined business will have a powerful pipeline ready to deliver next-generation medical technologies and offer improved efficiencies for health care systems around the world.”*

June 2016 — Medtronic, Inc. signed a definitive agreement to acquire publicly traded Heartware International Inc. for \$1.1 billion. HeartWare International, Inc., a medical device company, designs, develops, manufactures, and markets miniaturized implantable heart pumps for the treatment of advanced heart failure. It offers HeartWare Ventricular Assist System, which comprises a VAD or blood pump, patient accessories, and surgical tools designed to provide circulatory support for patients in the advanced stage of heart failure. *“The addition of HeartWare’s innovative portfolio adds to our expanding portfolio of diagnostics, therapeutics and services that address heart failure patients.”* said Mike Coyle, executive vice president and president of the cardiac and vascular group at Medtronic.

Source: S&P Capital IQ, PMCF

Consumable and Disposable M&A



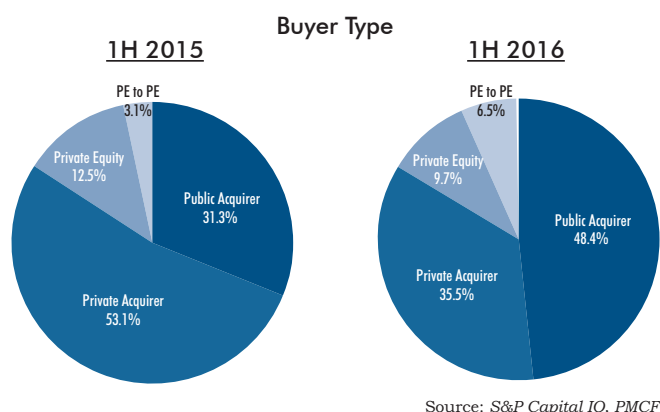
Transactions by End Market

End Market	2014	2015	Q1 '16	Q2 '16
Drug Delivery	4	11	2	0
Home Health	5	9	3	3
Hospital Care	13	9	2	2
IVD	7	2	0	3
Safety/Inf. Control	8	10	0	2
Surgical	12	5	1	1
Wound Care	3	2	1	2
Other	6	6	2	7
Total	58	54	11	20

Source: S&P Capital IQ, PMCF

Trends in M&A:

- Consumable and disposable M&A volume increased in Q2 2016 with a total of 20 transactions, compared to 11 transactions in Q1 2016.
- Deal volume for consumable and disposable manufacturers in Q2 2016 was led by three transactions in the Home Health and IVD end markets.
- Cross-border transaction activity continued to be limited with only three transactions in Q2 2016.



Cross-Border Transaction Trends

Seller-to-Buyer	2014	2015	Q1 '16	Q2 '16
Int'l - to - Int'l	33	24	3	12
U.S. - to - Int'l	1	4	1	2
U.S. - to - U.S.	20	22	7	5
Int'l - to - U.S.	4	4	0	1
Total	58	54	11	20

Source: S&P Capital IQ, PMCF

Featured Sector Transactions:

April 2016 — Halyard Health, Inc. (NYSE: HYH) announced its agreement to acquire privately held CORPAK MedSystems for a total consideration of \$174 million. Corpak, a portfolio company of Linden Capital Partners, develops, manufactures and markets a broad portfolio of high-quality, branded enteral access devices. Robert Abernathy, Halyard Chairman and Chief Executive Officer, commented, *"We are excited to integrate Corpak's innovative products into our market-leading enteral feeding portfolio enabling us to serve our doctors and their patients more broadly. Corpak's business aligns well with our existing Medical Devices segment with slightly higher sales growth and similar gross margins. This first acquisition is an important step in achieving our strategic vision of transforming Halyard into a leading medical devices company, and positioning our business for future growth."*

May 2016 — On May 10, 2016, Elector GMBH acquired Clere AG for \$118 million. Clere AG manufactures and sells plastic products for the pharmaceutical, diagnostics, and medical technology sectors in America and Europe. The company offers finger prickers and tablet dispensers, consumables for high-end diagnostics, and tubes and other packaging materials. Clere AG was formerly known as Balda Aktiengesellschaft and was founded in 1908.

Source: S&P Capital IQ, PMCF



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