



PCE Industry Report

Healthcare



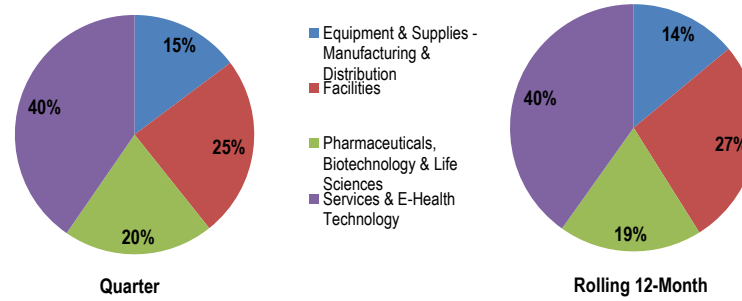
Healthcare - For the Quarter Ended 03/31/15

Industry Trends During Quarter

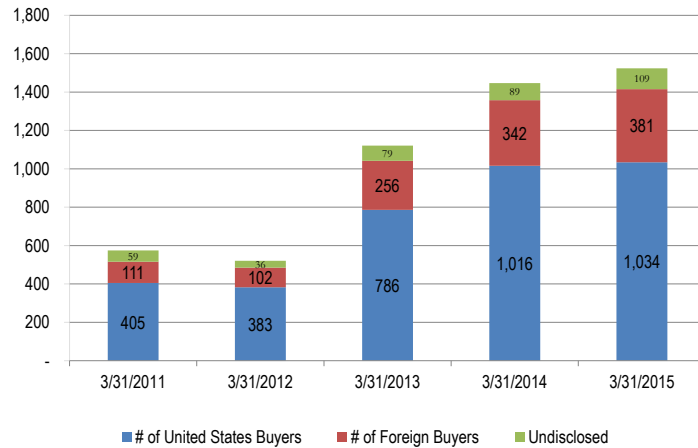
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Equipment & Supplies - Manufacturing & Distribution	↓	→	Market Data Not Available
Facilities	↓	Market Data Not Available	Market Data Not Available
Pharmaceuticals, Biotechnology & Life Sciences	↑	→	Market Data Not Available
Services & E-Health Technology	↑	→	Market Data Not Available

* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

Transaction Volume as % of Industry



Rolling 12-Month Transaction Volume Trends by Buyer Origin



* Results exclude transactions that did not disclose buyer information

Source: S&P Capital IQ as of 5/7/2015 and PCE Proprietary Data

Largest Transactions Closed During Quarter by Transaction Value (\$ in millions)

Sector	Target	Buyer	Transaction Value
Pharma, Biotech & Life Sciences	Pharmacyclics Inc.	AbbVie Inc.	\$19,902.0
Pharma, Biotech & Life Sciences	Hospira Inc.	Pfizer Inc.	\$17,125.5
Services & E-Health	Catamaran Corporation	OptumRx, Inc.	\$14,227.2
Pharma, Biotech & Life Sciences	Salix Pharmaceuticals Ltd.	Valeant Pharmaceuticals International	\$14,039.7
Pharma, Biotech & Life Sciences	NPS Pharmaceuticals, Inc.	Shire Pharmaceutical Holdings Ireland Limited	\$5,026.5
Pharma, Biotech & Life Sciences	Auspex Pharmaceuticals, Inc.	Teva Pharmaceutical Industries Limited	\$3,414.3
Equip & Supplies - Manu Dist	MWI Veterinary Supply, Inc.	AmerisourceBergen Corporation	\$2,524.8
Equip & Supplies - Manu Dist	Ikaria, Inc.	Mallinckrodt Enterprises LLC	\$2,300.0
Equip & Supplies - Manu Dist	Ethicon, Inc., Certain Assets of Cordis Business	Cardinal Health, Inc.	\$1,944.0
Equip & Supplies - Manu Dist	American Medical Systems Holdings Inc., Men's Health	Boston Scientific Corporation	\$1,650.0

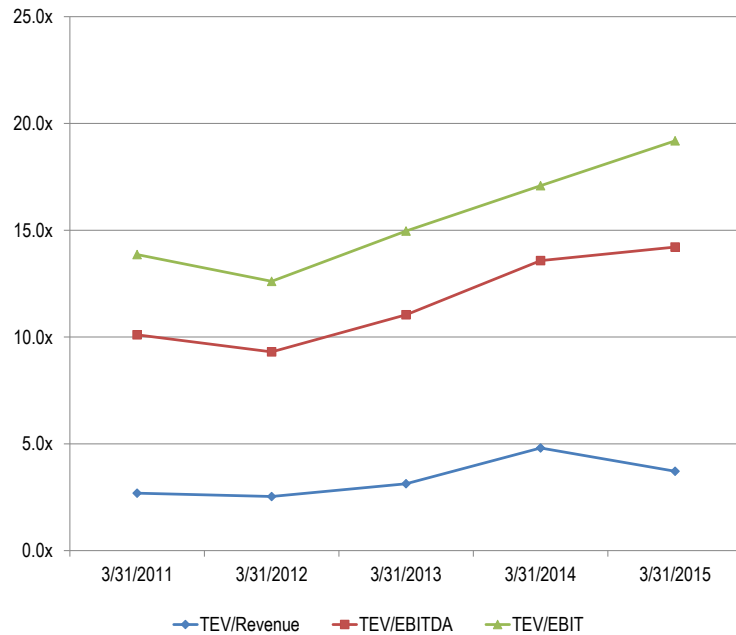
Healthcare - For the Quarter Ended 03/31/15

Summary of Public Comparables as of Quarter End (\$ in millions)

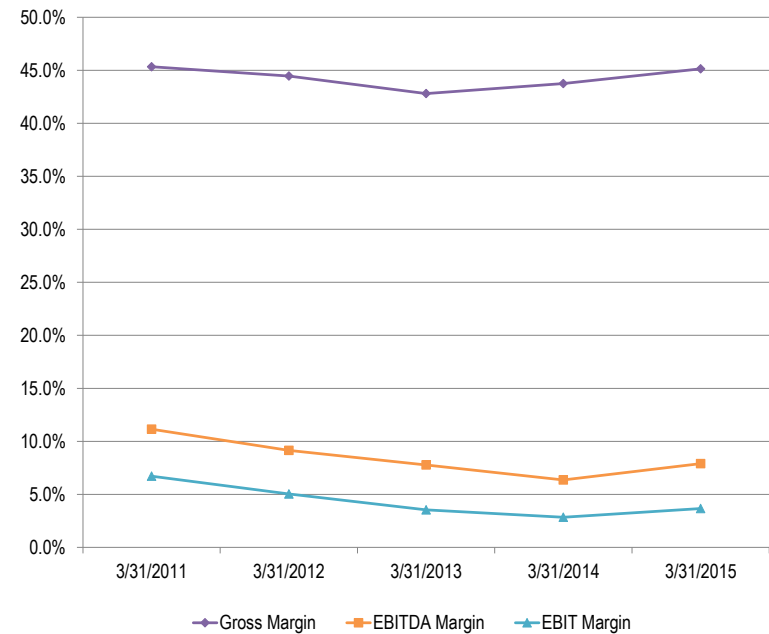
	TEV				LTM 3/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$4,737	10.0x	21.2x	30.0x	TEV/Revenue	↓
Median	\$780	3.7x	14.2x	19.2x	TEV/EBITDA	↑
					TEV/EBIT	↑

	Margins			LTM 3/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	37.3%	37.3%	-7.4%	Gross Margin	↑
Median	45.1%	7.9%	3.7%	EBITDA Margin	↑
				EBIT Margin	↑

Valuation Trends



Margin Trends



Source: S&P Capital IQ as of 5/7/2015 and PCE Proprietary Data

Data Assumptions

At PCE, we consider transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. based companies with either foreign or U.S. based buyers. Transaction information provided is based on announced dates.



David Jasmund

PCE
200 East New England Ave., Suite 400
Winter Park, FL 32789
Direct: 407-621-2111
Main: 407-621-2100
Cell: 407-782-7000
Fax: 407-621-2199
djasmund@pcecompanies.com

www.pcecompanies.com



Michael Poole

PCE
200 East New England Ave, Suite 400
Winter Park, FL 32789
Direct: 407-621-2112
Main: 407-621-2100
Cell: 407-620-2337
Fax: 407-621-2199
mpoole@pcecompanies.com

Glossary

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization

LTM - Last Twelve Months

TEV - Total Enterprise Value

About PCE

Eighteen years ago, PCE was formed to provide professional investment banking, business valuation and advisory services to middle market companies. We determined from our experience as business owners that there was a need that was not being professionally fulfilled.

We understand the importance of creating a relationship and the value of trust when providing our services. PCE's professionals are successful business owner, entrepreneurs, lenders, former Federal Reserve board members, CPA's, CFA's, national & international valuation experts, international analysts and investors. PCE offers senior level attention, sound advice, skilled execution and personalized attention you can trust.

Our mission is to be the premier investment bank serving middle market companies. PCE is committed to providing individualized strategies throughout your business life-cycle, focused on maximizing shareholder value.

PCE Investment Bankers, Inc. – member FINRA and SIPC; PCE Valuations, LLC; PCE Advisory, LLC