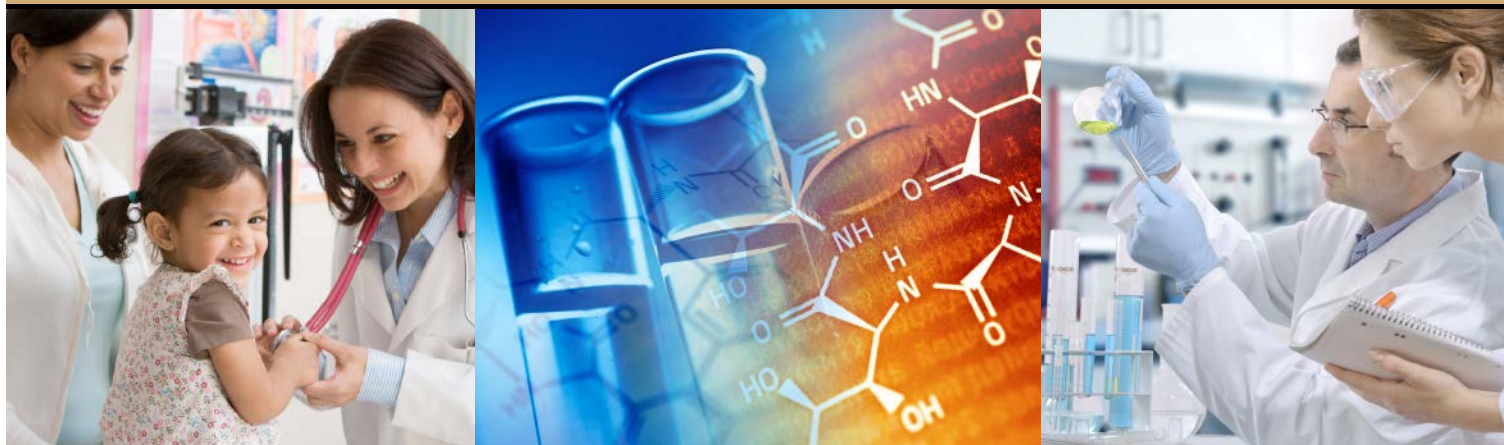


# FOCUS Healthcare and Life Sciences Report



## FOCUS

Seasoned, Systematic, Successful<sup>SM</sup>

Investment Banking

Fall 2014

Vol. 2, No. 2

## Investment Banking and Advisory Services

FOCUS Investment Banking LLC provides a range of investment banking services tailored to the needs of healthcare and life sciences companies. These services include:

Mergers and Acquisitions  
Consulting  
Institutional M&A  
Turnaround Consulting  
Corporate Finance  
Strategic Advisory Services  
Corporate Valuations  
Strategic Partnering and Alliances

[www.focusbankers.com/health](http://www.focusbankers.com/health)

### In this Issue

- 2 Introduction
- 3 Connected Health: *Providing Wellness, Prevention, and Disease Management in the Home*
- 6 Breast Cancer Basics: Screening for Early Detection
- 9 Performance: S&P 500 vs. Public Medical Service Companies | Public Medical Product Companies | Public Pharmaceutical and Biotechnology Companies
- 11 Revenue Earning Pharmaceutical Companies | Pre-Revenue Earning Pharmaceutical Companies
- 12 Revenue Earning Biotechnology Companies | Pre-Revenue Earning Biotechnology Companies
- 13 Medical Devices Supplies and Equipment
- 14 Diagnostics, Laboratories, and Tools Technology and IT
- 15 Provider Services | Other Services
- 16 M&A Activity in Healthcare and Life Sciences
- 17 Recent and Notable Healthcare Industry Transactions
- 19 FOCUS Healthcare and Life Sciences Transactions
- 20 FOCUS Healthcare and Life Sciences Team

## FOCUS Healthcare and Life Sciences Group

# FOCUS Healthcare and Life Sciences Report

By Jonathan Wilfong, Regional Managing Partner, Southeast, and Healthcare and Life Sciences Team Leader, FOCUS Investment Banking LLC

I hope you had an enjoyable summer. Now that the weather is cooling, and the kids are back in school, it is time to refocus on business. As Team Leader of the FOCUS Healthcare and Life Sciences Practice Group, I am pleased to introduce the Fall 2014 issue of the FOCUS Healthcare and Life Sciences Report.

While middle market Mergers & Acquisitions (M&A) activity in general is lower in Q2 2014 compared to 2013 in both the number and volume of transactions, the healthcare M&A market stood out as a bright spot, particularly for companies providing services directly to consumers and businesses in the supplies and equipment sectors.

For healthcare M&A, we continue to see strong interest in all aspects of healthcare IT and medical devices. We also expect to see increasing interest in retail healthcare delivery companies and other businesses providing non-traditional approaches to healthcare delivery while focusing on controlling healthcare delivery costs.

Despite the political uncertainties, the Affordable Care Act (ACA) continues to have considerable impact on M&A activity within the healthcare industry.

Take special note of the article, “Connected Health,” beginning on page three, by FOCUS Senior Advisor Les Mace, which details the emergence and proliferation of smartphones, broadband wireless Internet access, home-based patient monitoring devices, and personalized health applications. When combined with a technology-aware patient population, the result is a unique opportunity the healthcare industry now has to transform healthcare and healthcare economics.

Also in this issue, beginning on page six—in addition to tables of transactions by sector and highlights of significant M&A transactions—is an informative article on breast cancer written by Vivian Lee, Managing Director, Aqua Partners LLC, and Dr. Tim Tankosic, a FOCUS Senior Advisor.

As you know, October is Breast Cancer Awareness month, and this article is both timely and informative. In 2014, it is estimated breast cancer will affect the lives of 232,670 women in the United States. The article provides useful information about breast cancer diagnosis; early detection is the key.

### FOCUS Healthcare and Life Sciences Team

The FOCUS Healthcare and Life Sciences Team is comprised of experienced executives from a broad spectrum of healthcare services, healthcare IT, medical device, pharmaceutical, and life sciences companies.

Our team can leverage years of hands-on and transactional experience in the healthcare industry in order to manage your transaction from initial consulting to deal initiation to a successful close with close personal attention.

The FOCUS Healthcare and Life Sciences Team is uniquely qualified to help you meet your objectives because we:

- Offer strategic advisory services that enhance shareholder value.
- Supply a proven transaction methodology for delivering results.
- Devote significant C-level resources with operating expertise in the sector to executing transactions.
- Deliver the most exact, comprehensive research to help close a deal, deploying a team of research professionals dedicated to producing precise analysis.
- Leverage years of experience in the middle market to maximize opportunities for a successful transaction.
- Supply a national presence with global reach—regional offices ensure that all clients receive personalized service throughout every phase of a transaction.

We hope you enjoy this issue of our Newsletter. It is our intent to publish a quarterly report bringing you key insights into the Healthcare and Life Sciences M&A market from its partners and advisors. Please feel free to contact me at [jonathan.wilfong@focusbankers.com](mailto:jonathan.wilfong@focusbankers.com) with your comments and suggestions.

## Connected Health

# Providing Wellness, Prevention, and Disease Management in the Home

By Les Mace, Senior Advisor, Focus Investment Banking LLC

The United States healthcare system is the most expensive in the world. The 2014 U.S. healthcare system accounts for over \$3.8 trillion in annual expenditures, is growing at a rate of about four percent per annum, and represents about 20 percent of our Gross Domestic Product (GDP). Unfortunately, the U.S. system also underperforms other countries in most categories.

Among 11 nations studied in 2014 (Australia, Canada, France, Germany, Netherlands, New Zealand, Norway, Sweden, Switzerland, and the United Kingdom) the U.S. ranks last. Most troubling, the U.S. fails to achieve better health outcomes than the other countries and ranks last or near last on dimensions of access, efficiency, and equity.

For many years, there has been a recognized need by providers, insurers, and governments to improve services and reduce healthcare costs especially for the aging population and those with chronic illnesses. Technology is now emerging which can assist with achieving this goal.

Worldwide, more people now have cell phones than electricity and safe drinking water. While all industry segments are undergoing this digital transformation, information driven segments—especially healthcare—will experience some of the most profound changes.

The emergence and proliferation of innovations including wireless Internet access, smartphones, tablets, fitness trackers, and other dedicated remote patient monitoring devices and patient-centric applications are offering a unique opportunity to transform healthcare while reducing its cost.

The reduced costs and increased consumer acceptance of this trend will be a major driving force behind this mobile transformation. Consumers understand how mobile health (mHealth) technologies can help them better communicate with providers and manage their personal health.

## Connected Aging

The U.S. population is growing older, and along with the increasing median age comes the rise in chronic illnesses. Seniors prefer to stay in their homes as they age surrounded by family and friends to assist them in their later years. Too often seniors move into nursing homes or assisted care facilities because of a lack of personal funds or availability of loved ones to watch them and administer to their daily needs.

New, efficient, and cost-effective ways of monitoring and treating seniors in their homes are required, and mobile and wireless technologies hold promise in meeting those needs. With mobile connectivity, caregivers can help monitor the patient's condition and provide either timely preventative treatment or prevent the need for treatment.

Mobile connectivity also provides the patient a social channel with family and caregivers reducing patient loneliness as well as allowing for an assessment of the patient's cognitive health.

## Telehealth Communications

Embracing Telehealth as a cost-effective solution becomes more important as our population ages. Telehealth is evolving into a powerful healthcare option for obtaining reliable data about a patient's condition.

Many people live in rural communities where their local hospitals have few specialists on premise. Telehealth provides the ability to connect urban-based specialists with local caregivers to provide rapid and potentially life-saving diagnosis.

One project conducted by several hospitals involved patients monitored at home following hospitalizations related to chronic obstructive pulmonary disorder (COPD), congestive heart failure, or diabetes. The study included daily teleconferences between physicians and

patients. Those participating had a lower readmission rate than patients with similar health conditions but without daily teleconferences.

The virtual house call is getting considerable attention as a way to not only diagnose simple maladies but also to check up on those with chronic diseases who cannot make a trip to the doctor's office. Telehealth could be a welcome substitute instead of transporting a disabled or Alzheimer's patient to a doctor's office.

While the Telehealth reimbursement structure is still evolving, more doctors agree patient video-chats are better for their at-home elderly patients. The chats also make office visit time more efficient.

Telehealth might someday be the preferred platform for routine medication adjustments. Even psychiatrists are exploring mental health follow-up counseling from the privacy of a patient's home computer.

### Remote Patient Activity Monitoring

The Center for Technology and Aging estimates U.S. healthcare system could reduce costs by nearly \$200 billion over the next 25 years by using remote monitoring technology for patients with congestive heart failure, chronic obstructive pulmonary disease, and chronic wounds or skin ulcers.

Trials for in-home monitoring already are underway. Patients selected for study had one or more chronic illnesses and/or had multiple hospital admissions. In one program, an in-home monitoring system tracked the movements of participants using multiple sensors installed throughout the patients' homes. The monitoring system included motion sensors placed on walls, beds, and refrigerators. Motion sensors placed on toilets tracked bathroom activity.

After a few days, the software established a pattern of behavior for each patient and began alerting caregivers to changes that could cause alarm, such as disrupted sleep or repeated visits to the bathroom. Everyone's personal routines like eating, sleeping, and physical activity are unique and can alert caregivers about their personal health.

An alarm triggers when the activity exceeds a pre-established individualized threshold. These alarms are important in cases when the patient has multiple chronic conditions, and timely response can change the outcome.

Another in-home monitoring technology consists of a wrist wearable device which tracks activities like walking, running, sitting, standing, lying down, and locations throughout the home. The data is transmitted wirelessly to an Internet-connected hub.

Server-based software then analyzes and stores the data, looking for changes and trends over time potentially indicating the beginning of a particular health issue such as changes in the time it takes a patient to climb stairs.

If the system detects changes in the wearer's daily patterns, it sends an alert to a designated caregiver by text message or email. Caregivers also can log into their loved one's private account from any computer or smartphone to track their loved one's medical data as well as to see alerts.

### Vital Signs Monitoring

There are now numerous wearable devices including heart rate monitor and oximeters available for in-home vital signs measurement. In most cases, these devices allow the patient to measure their heart rate, blood pressure, and respiration rate and body temperature. Additionally there are home devices, which monitor oxygen saturation, blood glucose, and sleep apnea and body weight.

Most of these devices communicate with the patient's smartphone via Bluetooth. These devices can subsequently record and transmit patient data to a designated physician and/or caregiver.

Data analysis seeks changes in the patient health data these wearable devices transmit that could potentially signal an impending health issue. There also is a potential cost saving that comes with monitoring patients in their home remotely versus admitting the patient into an expensive long-term care facility.

### Adherence to Medication Prescriptions

Pharmaceutical companies now are expanding into smart devices along with developing new drugs to improve outcomes. They have some of the biggest opportunities and most significant challenges incorporating mHealth technology in their approach to adherence issues. Everyone occasionally forgets to take and/or misplaces their personal medications, a problem that is exacerbated when a person gets older.

Technology is under development not only to remind in-home patients about the medications, but also to record whether the medications were ingested. One such system involves a wearable sensor to gather information about medication adherence as well as activity levels.

The self-powered ingestible sensor is taken along with medications. The sensor captures the exact time of medication ingestion and transmits a unique code to an exterior body patch.

The disposable patch captures and relays the patient's physiologic responses and behaviors. It receives information from the ingestible sensor, detects heart rate, activity, and resting periods and relays all that data to the patient's Bluetooth connected smartphone, which is shared with the caregiver and clinician.

### Data Tracking, Analysis, and Archiving

When considering the expanding methods for tracking patient activity, measuring and recording patient vital signs and analyzing the adherence to medications, one would be concerned what happens to all that data. Healthcare providers cannot assimilate huge quantities of unprocessed data from many patients without the help of analytical software tools.

Concerns exist about personal health data ownership. There also are concerns about patient access and control of their data and if they can send it to another physician or caregiver.

Healthcare providers generate patient healthcare data, which resides in paper and electronic health records (EHRs), both of which are under healthcare provider control. Building upon the recent popularity of fitness trackers and home-based biometric devices, one can envision a day when an individual using mobile or wearable technology will generate the bulk of their own relevant and actionable patient data instead of their healthcare provider.

The volume of patient-generated healthcare data already is significant and is forecast to grow as more patients begin using home-based, connected trackers and biometric monitors. Several non-healthcare related mobile communications companies are beginning to develop integrated and intuitive hubs for the organization, storage, and management of large amounts of healthcare data.

With user-friendly interfaces, this system would provide individuals a meaningful opportunity to review, manage, understand, and share their data with healthcare providers. Recent Health Insurance Portability and Accountability Act (HIPAA) privacy rules changes will make it much easier for individuals to access to traditional health data that before had been subject to many restrictions.

While industry trends are evolving to allow patients greater access to their healthcare data, much of the data remains fragmented across various repositories. Sometimes the "raw" data might be difficult to interpret and thus meaningless.

Therefore, there remain significant challenges in standardizing patient-generated healthcare data. Industry-wide standards are among the challenges for how app developers construct, transmit, and store data in the cloud and in Electronic Health Records (EHR) systems.

### Conclusion

The emergence and proliferation of smartphones, broadband wireless Internet access, home-based patient monitoring devices, and personalized health applications combined with a technology-aware patient population all contribute to the unique opportunity the healthcare industry and our nation now has to transform healthcare and healthcare economics.

# Breast Cancer Basics: Screening for Early Detection

By Vivian Lee, Managing Director, Aqua Partners LLC, and Timothy Tankosic, MD, Senior Advisor, FOCUS Investment Banking LLC

October is National Breast Cancer Awareness Month, an opportune time to review the most important facts about breast cancer screening and prevention recommendations for women.

One in eight women will be diagnosed with breast cancer at some point during their lives. Although major advances have been made, an estimated 232,670 new cases of invasive breast cancer will be diagnosed in American women this year, and breast cancer will kill an estimated 40,000 women.

In addition, approximately 65,000 cases of non-invasive, in situ breast cancer will be detected. In situ breast cancer hasn't spread beyond its place of origin.

Invasive breast cancer forms initially in the milk-carrying ducts (ductal carcinoma, the most common type) or milk glands (lobular carcinoma). The cancer then spreads to surrounding normal tissues. Upon diagnosis, the stage of the breast cancer is determined. The stage indicates level of spread of malignant cells and guides treatment.

## Early Detection of Breast Cancer Saves Lives

Studies from the National Cancer Institute (NCI) clearly show that breast cancer is more effectively treated in earlier stages than in later stages. The following table provides five-year relative survival rates for each of the general stages of breast cancer. Relative survival rates compare the observed survival with what would be expected for women without breast cancer. This method corrects for the deaths caused by something besides cancer and more accurately describes the effect of cancer on survival.

Breast cancer stage	Five-year relative survival rate
0	100%*
I	100%*
II	93%
III	72%
IV	22%

\*Many breast cancer organizations cite a 98 percent five-year relative survival rate. | Source: NCI data, 2014

Treatments of stages 0 and I breast cancer often include surgical removal of the cancerous tissue, along with radiation treatment, and are very effective. Treatments for later stages of breast cancer may include surgery, radiation, chemotherapy, hormone therapy, targeted therapies, and new experimental therapies.

## Mammography is the Best Screening Tool

Mammography detects an estimated 80 to 90 percent of breast malignancies in women without symptoms. It's the best tool for breast cancer screening. Nearly all experts agree that mammography saves lives and has played a major role in the decline in breast cancer mortality during the last two decades.

The early detection-survival data in the previous table above and the fact that most breast malignancies occur in women without major risk factors underscore the importance of routine screening of asymptomatic women.

Both when to start routine mammography and how often to have one are debated issues:

- The American Cancer Society, other medical organizations, and physicians recommend women start having routine mammography once a year starting at age 40.
- The U.S. Preventive Services Task Force and American College of Physicians and some medical organizations and physicians recommend women start having routine mammography at age 50, every two years. They recommend a non-routine approach, basing mammography for a woman aged 40 to 49 on her breast cancer risk profile and personal preferences (after weighing potential benefits and harms of screening mammography with her provider). Mammography is our best, most powerful—but not perfect—tool that can result in false positive findings. False positives might include a patient without breast cancer being told she has breast cancer, which causes anxiety but is usually quickly resolved, biopsies of lesions later found to be benign, and treatment of a cancer that would not have become clinically significant.

Women should discuss the issues of when and how often to have a mammogram with their health care providers.

## Breast Self-Examination is Important for Detecting Changes

Breast self-exam (BSE) is not an effective screening tool for breast cancer and cannot replace mammography. In large studies, BSE didn't reduce the number of breast cancer deaths, and it led to almost twice as many biopsies of benign (non-cancerous) lesions (false positives).

BSE might help increase the sensitivity of screening when combined with mammography, particularly in younger women in whom mammography may be less effective and in women who receive mammograms every two years rather than every year.

It's important for women to know what is normal for their breasts, how they normally look and feel (e.g., changes during menstruation, usual lumpiness vs. a new lump), so that they can detect changes that might be warning signs of breast cancer soon after they occur.

Women who detect any of the potential warning signs\* in the following list should contact their health care providers:

- Lump, hard knot or thickening inside the breast or underarm area
- Swelling, warmth, redness, or darkening of the breast
- Change in the size or shape of the breast
- Dimpling or puckering of the skin
- Itchy, scaly sore, or rash on the nipple
- Pulling in of your nipple or other parts of the breast
- Nipple discharge that starts suddenly
- New pain in one spot that doesn't go away

In addition to self-examination, many health organizations recommend a clinical breast examination once a year after age 40.

## Family History Matters

Although most (70 to 80 percent) women who get breast cancer do not have a family history of breast cancer, family and genetic history are important. The risk of breast cancer is increased by:

- Having one first-degree relative (mother, sister, or daughter) with breast cancer approximately doubles the risk.
- Having two first-degree relatives with breast cancer triples the risk.

## BENEFITS OF EARLY DETECTION

- Early detection through regular screening tests reduces the chances of dying from breast cancer and increases the range of treatment options.
- Early detection also may allow for less-extensive surgery, the use of chemotherapy with fewer serious side effects, or, in some cases, the option to forgo chemotherapy. It also reduces the risk of death.
- The five-year survival rate for breast cancer when detected early is 98 percent.
- Decades of experience show that mammography screening reduces the risk of dying from breast cancer by 15 to 20 percent.
- Modern mammography screening programs in Europe reduce the risk of dying from breast cancer by more than one-third.

- 
- Inheriting gene defect mutations from a parent (thought to cause five to 10 percent of all breast cancer), harmful BRCA mutations are associated with a lifetime risk of developing breast cancer of 50 to 85 percent. It's important to note men can carry a BRCA mutation, and any child—son or daughter—has a 50 percent chance of inheriting a mutation from an affected mother or father.

Men with BRCA mutations, more commonly with BRCA2 mutations, should be monitored because they have an increased risk of male breast cancer.

Women with harmful BCRA1 or BCRA2 gene mutations may take preventive measures, including hormonal therapy with Tamoxifen or surgical prevention. There also are surveillance protocols to ensure if cancer does strike, it's caught early, at a more treatable stage.

About 20 to 30 percent of women with breast cancer have a family member with this disease, but most of these families do not have abnormal BRCA genes. It's recommended you speak to a certified genetic counselor if breast or other cancers associated with BRCA mutations (ovarian, prostate, pancreatic, and melanoma) run in your family.

*\*Source: Susan G. Komen Organization*

## Reducing Breast Cancer Risk

Preventive measures specific to breast cancer include:

- Breastfeeding for at least six months, which is associated with lower risk of breast cancer, particularly premenopausal breast cancer
- Having a first child before the age of 30
- Avoiding or using the lowest dose and shortest treatment period possible when treating hot flashes during menopause with hormone replacement therapy (HRT) with estrogen and progestin. In addition to increased risk of breast cancer, HRT increases risk of blood clot-related disorders including stroke, deep vein thrombosis, and pulmonary embolism.

Maintaining a healthy diet and normal weight, and limiting the consumption of alcohol, are associated with lower risk of developing breast and other forms of cancer.

The following are not associated with increased risk of breast cancer:

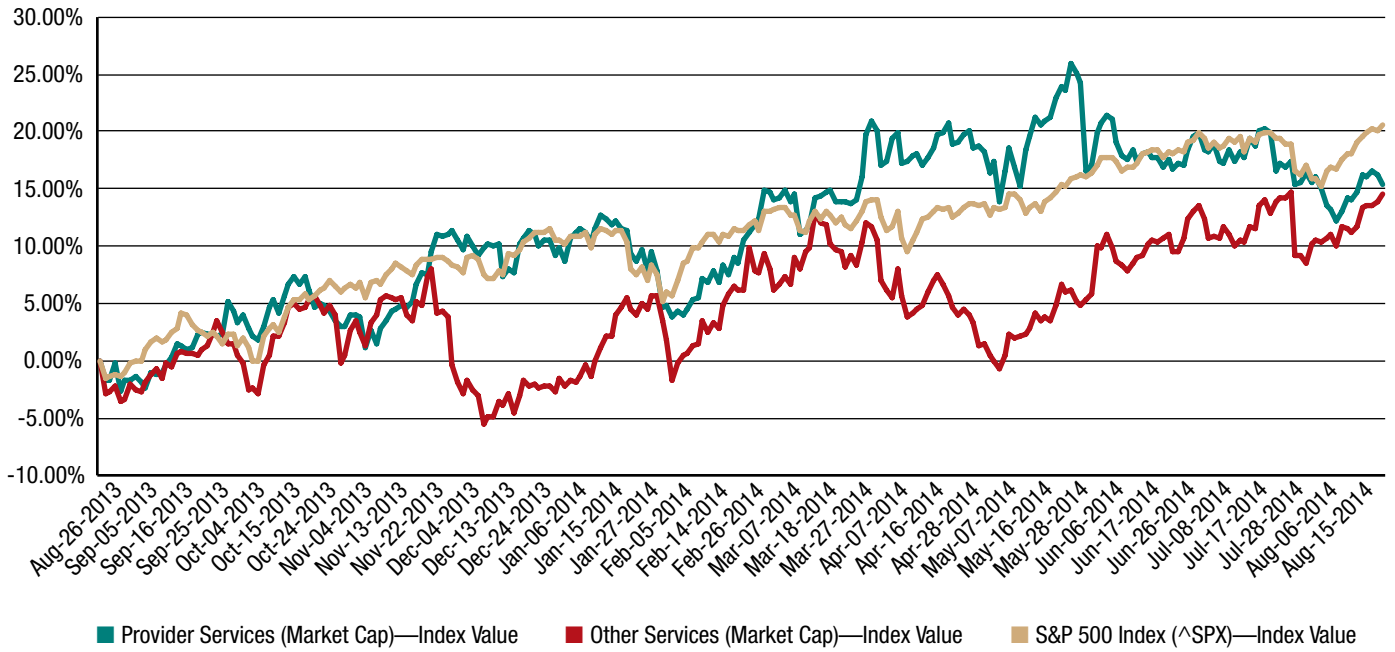
- Nipple piercings
- Breast implants
- Abortion
- Sun exposure
- Antiperspirants
- Bra type (underwire, sports, tight, sleeping with a bra on)
- Contact with a cancerous breast (breast cancer is not contagious)

## Sources and More Information

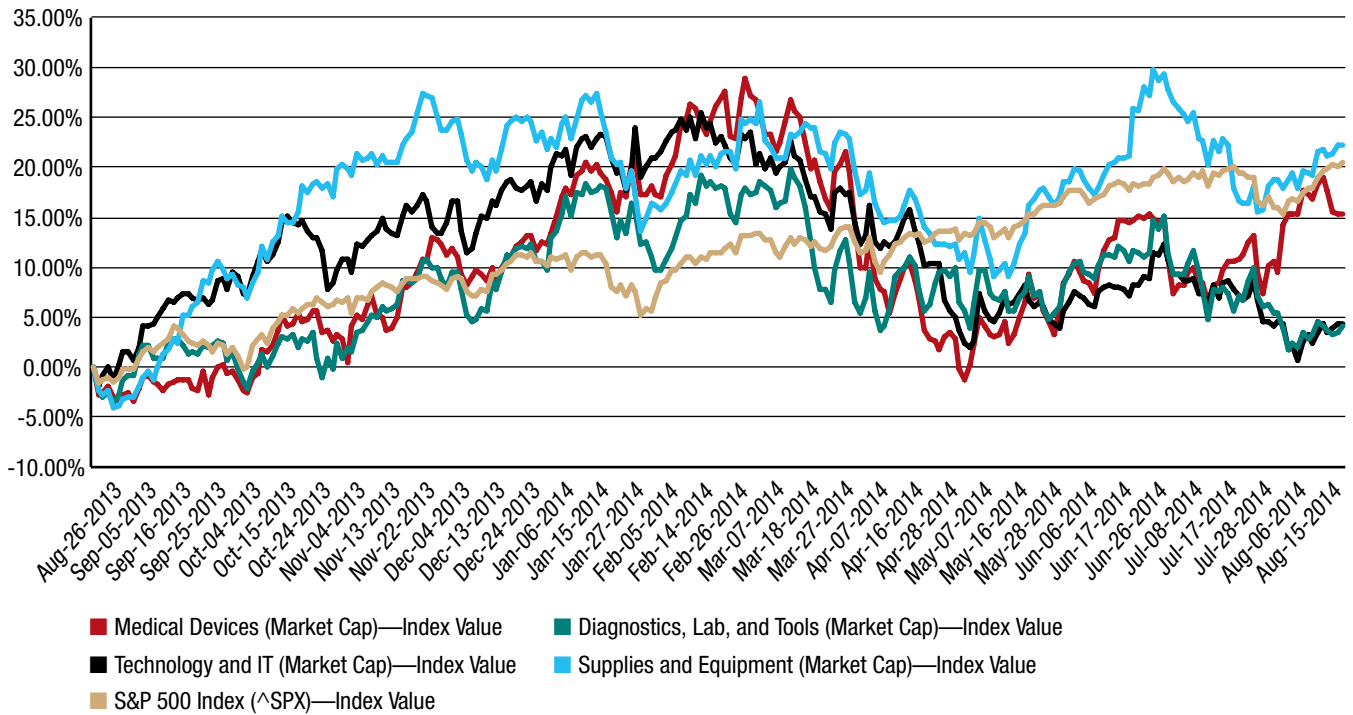
- National Breast Cancer Awareness Month is a collaboration of national public service organizations, professional medical associations and government agencies that work together to promote breast cancer awareness, share information on the disease and provide greater access to services.
- National Cancer Institute (National Institutes of Health):  
<http://www.cancer.gov/cancertopics/types/breast>  
<http://www.cancer.gov/cancertopics/pdq/treatment/breast/Patient/page5>
- Breast Cancer Facts & Figures 2013-2014 (American Cancer Society, Atlanta, GA):  
<http://www.cancer.org/acs/groups/content/@research/documents/document/acspc-042725.pdf>
- Susan G. Komen Organization:  
<http://ww5.komen.org/AboutUs/AboutUs.html>



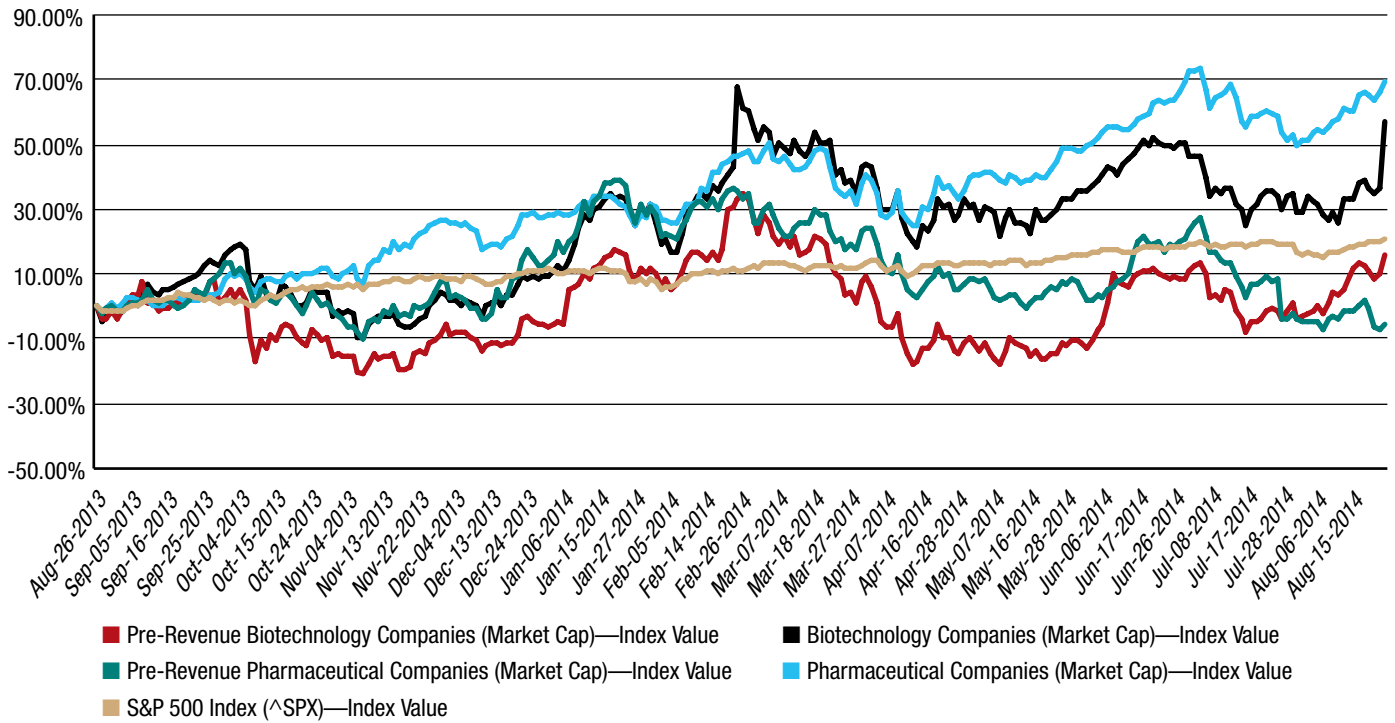
## Performance: S&P 500 vs. Public Medical Service Companies (8/26/2013-8/25/2014)



## S&P 500 vs. Public Medical Product Companies (8/26/2013-8/25/2014)



## Performance: S&P 500 vs. Public Pharmaceutical and Biotechnology Companies (8/26/2013-8/25/2014)



## Revenue Earning Pharmaceutical Companies

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Akorn, Inc. (NasdaqGS:AKRX)	\$4,518.5	\$408.2	\$139.4	11.1X	32.4X	Jun-30-2014
Avanir Pharmaceuticals, Inc. (NasdaqGS:AVNR)	\$923.8	\$104.0	(\$67.1)	8.9X	N/A	Jun-30-2014
AVEO Pharmaceuticals, Inc. (NasdaqGS:AVEO)	\$19.8	\$17.8	(\$50.3)	1.1X	N/A	Jun-30-2014
BioDelivery Sciences International, Inc. (NasdaqCM:BDSI)	\$621.8	\$41.5	(\$29.0)	15.0X	N/A	Jun-30-2014
Cumberland Pharmaceuticals, Inc. (NasdaqGS:CPIX)	\$35.2	\$32.5	(\$0.9)	1.1X	N/A	Jun-30-2014
DepoMed Inc. (NasdaqGS:DEPO)	\$644.5	\$222.3	\$89.8	2.9X	7.2X	Jun-30-2014
Emergent BioSolutions, Inc. (NYSE:EBS)	\$961.0	\$351.4	\$63.8	2.7X	15.1X	Jun-30-2014
Horizon Pharma, Inc. (NasdaqGM:HZNP)	\$723.2	\$172.2	(\$1.1)	4.2X	N/A	Jun-30-2014
Impax Laboratories Inc. (NasdaqGS:IPXL)	\$1,305.0	\$540.2	\$107.5	2.4X	12.1X	Jun-30-2014
Lannett Company, Inc. (AMEX:LCI)	\$1,180.5	\$233.3	\$62.8	5.1X	18.8X	Mar-31-2014
Pacira Pharmaceuticals, Inc. (NasdaqGS:PCRX)	\$3,685.5	\$140.7	(\$26.9)	26.2X	N/A	Jun-30-2014
Pernix Therapeutics Holdings, Inc. (NasdaqGM:PTX)	\$331.6	\$78.8	(\$16.3)	4.2X	N/A	Jun-30-2014
Sagent Pharmaceuticals, Inc. (NasdaqGM:SGNT)	\$679.1	\$265.0	\$23.2	2.6X	29.3X	Jun-30-2014
VIVUS Inc. (NasdaqGS:VVUS)	\$334.8	\$130.0	(\$43.0)	2.6X	N/A	Jun-30-2014
Zogenix, Inc. (NasdaqGM:ZGNX)	\$91.7	\$33.9	(\$75.3)	2.7X	N/A	Jun-30-2014
<b>Summary Statistics</b>						
High	\$4,518.5	\$540.2	\$139.4	26.2X	32.4X	
Low	\$19.8	\$17.8	(\$75.3)	1.1X	7.2X	
Mean	\$1,070.4	\$184.8	\$11.8	6.2X	19.1X	
Median	\$679.1	\$140.7	(\$1.1)	2.9X	16.9X	

## Pre-Revenue Earning Pharmaceutical Companies

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
AcelRx Pharmaceuticals, Inc. (NasdaqGM:ACRX)	\$210.8	\$28.3	(\$8.5)	7.4X	N/A	Jun-30-2014
Acura Pharmaceuticals, Inc. (NasdaqCM:ACUR)	\$35.8	\$0.2	(\$12.0)	179.0X	N/A	Jun-30-2014
Alimera Sciences, Inc. (NasdaqGM:ALIM)	\$225.0	\$6.0	(\$31.3)	37.5X	N/A	Jun-30-2014
Ampio Pharmaceuticals, Inc. (AMEX:AMPE)	\$321.7	\$0.1	(\$32.7)	3217.0X	N/A	Jun-30-2014
Cempra, Inc. (NasdaqGM:CEMP)	\$264.9	\$8.2	(\$61.4)	32.3X	N/A	Jun-30-2014
Imprimis Pharmaceuticals, Inc. (NasdaqCM:IMMY)	\$62.1	\$0.7	(\$8.9)	88.7X	N/A	Jun-30-2014
Supernus Pharmaceuticals, Inc. (NasdaqGM:SUPN)	\$361.3	\$50.3	(\$37.3)	7.2X	N/A	Jun-30-2014
<b>Summary Statistics</b>						
High	\$361.3	\$50.3	(\$8.5)	3217.0X	N/A	
Low	\$35.8	\$0.1	(\$61.4)	7.2X	N/A	
Mean	\$211.7	\$13.4	(\$27.4)	509.9X	N/A	
Median	\$225.0	\$6.0	(\$31.3)	37.5X	N/A	

Source: Capital IQ—stock prices as of 8/21/2014

TEV/EBITDA LTM multiples with n/a values indicate negative LTM EBITDA values and were not used for the Summary Statistics.

## Revenue Earning Biotechnology Companies

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
ArQule Inc. (NasdaqGM:ARQL)	\$20.1	\$11.4	(\$24.6)	1.8X	N/A	Jun-30-2014
Array BioPharma, Inc. (NasdaqGM:ARRY)	\$497.8	\$42.1	(\$68.3)	11.8X	N/A	Jun-30-2014
Auxilium Pharmaceuticals, Inc. (NasdaqGS:AUXL)	\$1,399.5	\$405.6	\$0.4	3.5X	3498.8X	Jun-30-2014
Cytori Therapeutics, Inc. (NasdaqGM:CYTX)	\$138.2	\$8.9	(\$36.5)	15.5X	N/A	Jun-30-2014
Dendreon Corp. (NasdaqGS:DNDN)	\$677.4	\$293.8	(\$81.9)	2.3X	N/A	Jun-30-2014
Endocyte, Inc. (NasdaqGS:ECYT)	\$148.1	\$100.3	\$19.9	1.5X	7.4X	Jun-30-2014
InterMune Inc. (NasdaqGS:ITMN)	\$5,515.4	\$111.4	(\$207.5)	49.5X	N/A	Jun-30-2014
NPS Pharmaceuticals, Inc. (NasdaqGM:NPSP)	\$2,883.0	\$193.8	\$18.3	14.9X	157.5X	Jun-30-2014
Savient Pharmaceuticals, Inc. (NasdaqGM:SVNTQ)	\$1,860.7	\$8.8	(\$139.9)	211.4X	N/A	Jun-30-2014
Synageva BioPharma Corp. (NasdaqGS:GEVA)	\$0.0	\$0.2	(\$46.0)	N/A	N/A	Jun-30-2014
Targacept, Inc. (NasdaqGS:TRGT)	\$71.6	\$4.1	(\$48.3)	17.5X	N/A	Sept-30-2013
<b>Summary Statistics</b>						
High	\$5,515.4	\$405.6	\$19.9	211.4X	3498.8X	
Low	—	\$0.2	(\$207.5)	1.5X	7.4X	
Mean	\$1,314.0	\$117.6	(\$56.6)	34.7X	1221.2X	
Median	\$587.6	\$71.2	(\$41.3)	11.8X	157.5X	

## Pre-Revenue Earning Biotechnology Companies

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Aastrom Biosciences, Inc. (NasdaqCM:ASTM)	\$63.3	\$4.4	(\$18.8)	14.4X	N/A	Jun-30-2014
ACADIA Pharmaceuticals Inc. (NasdaqGM:ACAD)	\$1,901.8	\$0.3	(\$62.5)	6339.3X	N/A	Jun-30-2014
Achillion Pharmaceuticals, Inc. (NasdaqGS:ACHN)	\$826.0	\$0.0	(\$59.1)	N/A	N/A	Jun-30-2014
Discovery Laboratories Inc. (NasdaqCM:DSCO)	\$113.1	\$1.3	(\$40.7)	87.0X	N/A	Jun-30-2014
Neurocrine Biosciences Inc. (NasdaqGS:NBIX)	\$965.4	\$1.5	(\$49.9)	643.6X	N/A	Jun-30-2014
NewLink Genetics Corporation (NasdaqGM:NLNK)	\$594.4	\$1.1	(\$33.5)	540.4X	N/A	Jun-30-2014
Opexa Therapeutics, Inc. (NasdaqCM:OPXA)	\$24.3	\$1.4	(\$14.1)	17.4X	N/A	Jun-30-2014
Rigel Pharmaceuticals, Inc. (NasdaqGS:RIGL)	\$54.9	\$5.8	(\$84.5)	9.5X	N/A	Jun-30-2014
TrovaGene, Inc. (NasdaqCM:TROV)	\$62.6	\$0.3	(\$12.2)	208.7X	N/A	Jun-30-2014
<b>Summary Statistics</b>						
High	\$1,901.8	\$5.8	(\$12.2)	6339.3X	N/A	
Low	\$24.3	\$0.0	(\$84.5)	9.5X	N/A	
Mean	\$511.8	\$1.8	(\$41.7)	982.5X	N/A	
Median	\$113.1	\$1.3	(\$40.7)	147.8X	N/A	

Source: Capital IQ—stock prices as of 8/21/2014

TEV/EBITDA LTM multiples with n/a values indicate negative LTM EBITDA values and were not used for the Summary Statistics.

## Medical Devices

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Alphatec Holdings, Inc. (NasdaqGS:A TEC)	\$232.3	\$204.1	\$18.5	1.1X	12.6X	Jun-30-2014
ArthroCare Corporation (NasdaqGS:ARTC)	\$28.1	\$20.7	(\$28.7)	1.4X	N/A	Jun-30-2014
Baxano Surgical, Inc. (NasdaqGM:BAXS)	\$1,526.8	\$285.1	\$94.2	5.4X	16.2X	Jul-25-2014
Cyberonics Inc. (NasdaqGS:CYBX)	\$3,276.0	\$200.5	(\$17.1)	16.3X	N/A	Jun-30-2014
DexCom, Inc. (NasdaqGS:DXCM)	\$871.9	\$140.1	(\$10.2)	6.2X	N/A	Jun-30-2014
Endologix Inc. (NasdaqGS:ELGX)	\$634.8	\$310.9	\$68.5	2.0X	9.3X	Jun-30-2014
ICU Medical, Inc. (NasdaqGS:ICUI)	\$770.2	\$282.6	(\$7.8)	2.7X	N/A	Jun-30-2014
Nxstage Medical, Inc. (NasdaqGS:NXTM)	\$427.5	\$76.1	(\$0.5)	5.6X	N/A	Jul-04-2014
STAAR Surgical Company (NasdaqGM:STAA)	\$63.7	\$64.2	\$7.1	1.0X	9.0X	Apr-30-2014
Synergetics USA, Inc. (NasdaqCM:SURG)	\$1,329.7	\$162.6	\$5.0	8.2X	265.9X	Jun-30-2014
The Spectranetics Corporation (NasdaqGS:SPNC)	\$51.1	\$25.1	(\$5.5)	2.0X	N/A	Jun-30-2014
Uroplasty Inc. (NasdaqCM:UPI)	\$83.8	\$23.8	(\$4.6)	3.5X	N/A	Dec-31-2013
<b>Summary Statistics</b>						
High	\$3,276.0	\$310.9	\$94.2	16.3X	265.9X	
Low	\$28.1	\$20.7	(\$28.7)	1.0X	9.0X	
Mean	\$837.5	\$161.1	\$11.2	4.7X	62.6X	
Median	\$634.8	\$162.6	(\$0.5)	2.7X	12.6X	

## Supplies and Equipment

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Allied Healthcare Products Inc. (NasdaqGM:AHPI)	\$16.0	\$36.7	(\$1.6)	0.4X	N/A	Mar-31-2014
ATRION Corp. (NasdaqGS:ATRI)	\$569.1	\$137.3	\$48.8	4.1X	11.7X	Jun-30-2014
Bovie Medical Corp. (AMEX:BVX)	\$77.3	\$25.3	(\$0.5)	3.1X	N/A	Jun-30-2014
Cantel Medical Corp. (NYSE:CMN)	\$1,495.8	\$467.6	\$88.2	3.2X	17.0X	Apr-30-2014
Derma Sciences Inc. (NasdaqCM:DSCI)	\$130.8	\$83.5	(\$27.3)	1.6X	N/A	Jun-30-2014
Invacare Corporation (NYSE:IVC)	\$539.7	\$1,316.5	\$11.5	0.4X	46.9X	Jun-30-2014
Masimo Corporation (NasdaqGS:MASI)	\$210.0	\$288.3	\$12.7	0.7X	16.5X	Jun-30-2014
Medical Action Industries Inc. (NasdaqGS:MDCI)	\$65.6	\$28.9	(\$4.3)	2.3X	N/A	Jun-30-2014
Retractable Technologies, Inc. (AMEX:RVP)	\$52.4	\$26.6	\$0.5	2.0X	104.8X	Mar-31-2014
Sharps Compliance Corp. (NasdaqCM:SMED)	\$502.9	\$402.5	\$50.7	1.2X	9.9X	Jun-28-2014
Symmetry Medical, Inc. (NYSE:SMA)	\$548.4	\$404.6	\$50.5	1.4X	10.9X	Sept-28-2013
<b>Summary Statistics</b>						
High	\$1,495.8	\$1,316.5	\$88.2	4.1X	104.8X	
Low	\$16.0	\$25.3	(\$27.3)	0.4X	9.9X	
Mean	\$366.0	\$281.3	\$17.9	1.9X	34.5X	
Median	\$170.4	\$110.4	\$6.0	1.8X	16.7X	

Source: Capital IQ—stock prices as of 8/21/2014

TEV/EBITDA LTM multiples with n/a values indicate negative LTM EBITDA values and were not used for the Summary Statistics.

## Diagnosics, Laboratories, and Tools

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Abaxis, Inc. (NasdaqGS:ABAX)	\$931.3	\$176.2	\$31.3	5.3X	29.8X	Jun-30-2014
Affymetrix Inc. (NasdaqGS:AFFX)	\$708.1	\$341.4	\$25.1	2.1X	28.2X	Jun-30-2014
Chembio Diagnostics, Inc. (NasdaqCM:CEMI)	\$45.7	\$16.3	(\$4.0)	2.8X	N/A	Mar-31-2014
CONMED Corporation (NasdaqGS:CNMD)	\$27.0	\$30.7	\$1.0	0.9X	27.0X	Jun-30-2014
Enzo Biochem Inc. (NYSE:ENZ)	\$1,207.8	\$747.1	\$124.9	1.6X	9.7X	Jun-30-2014
Fluidigm Corporation (NasdaqGS:FLDM)	\$228.6	\$94.3	(\$8.2)	2.4X	N/A	Apr-30-2014
Genomic Health Inc. (NasdaqGS:GHDX)	\$890.8	\$92.5	(\$21.6)	9.6X	N/A	Jun-30-2014
Luminex Corporation (NasdaqGS:LMNX)	\$778.0	\$272.3	(\$13.2)	2.9X	N/A	Jun-30-2014
Repligen Corporation (NasdaqGS:RGEN)	\$714.0	\$218.1	\$36.2	3.3X	19.7X	Jun-30-2014
Response Genetics, Inc. (NasdaqCM:RGDX)	\$600.3	\$66.1	\$24.6	9.1X	24.4X	Jun-30-2014
Stereotaxis Inc. (NasdaqCM:STXS)	\$30.5	\$17.0	(\$11.7)	1.8X	N/A	Jun-30-2014
Symmetry Medical, Inc. (NYSE:SMA)	\$66.0	\$36.3	(\$7.1)	1.8X	N/A	Jun-30-2014
ThermoGenesis Corp. (NasdaqCM:KOOL)	\$850.2	\$393.4	\$16.6	2.2X	51.2X	Jun-30-2014
Volcano Corporation (NasdaqGS:VOLC)	\$1,150.4	\$390.8	\$31.9	2.9X	36.1X	Sept-30-2013
<b>Summary Statistics</b>						
High	\$1,207.8	\$747.1	\$124.9	9.6X	51.2X	
Low	\$27.0	\$16.3	(\$21.6)	0.9X	9.7X	
Mean	\$544.5	\$192.4	\$14.9	3.5X	27.1X	
Median	\$708.1	\$94.3	\$1.0	2.4X	27.0X	

## Technology and IT

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Accuray Incorporated (NasdaqGS:ARAY)	\$646.2	\$352.3	(\$4.7)	1.8X	N/A	Mar-31-2014
Analogic Corporation (NasdaqGS:ALOG)	\$763.6	\$541.7	\$63.6	1.4X	12.0X	Apr-30-2014
Computer Programs & Systems Inc. (NasdaqGS:CPSI)	\$661.9	\$203.2	\$56.6	3.3X	11.7X	Jun-30-2014
Fonar Corp. (NasdaqCM:FONR)	\$101.0	\$79.6	\$15.4	1.3X	6.6X	Mar-31-2014
iCAD, Inc. (NasdaqCM:ICAD)	\$140.0	\$35.5	\$0.8	3.9X	175.0X	Jun-30-2014
Masimo Corporation (NasdaqGS:MASI)	\$1,166.0	\$545.1	\$93.7	2.1X	12.4X	Jun-28-2014
Merge Healthcare Incorporated (NasdaqGS:MRGE)	\$454.6	\$215.6	\$28.9	2.1X	15.7X	Jun-30-2014
Omniceil, Inc. (NasdaqGS:OMCL)	\$859.1	\$406.6	\$59.9	2.1X	14.3X	Jun-30-2014
Sharps Compliance Corp. (NasdaqCM:SMED)	\$87.7	\$29.0	(\$6.4)	3.0X	N/A	Apr-30-2014
Streamline Health Solutions, Inc. (NasdaqCM:STRM)	\$129.3	\$28.7	\$0.6	4.5X	215.5X	Oct-31-2013
<b>Summary Statistics</b>						
High	\$1,166.0	\$545.1	\$93.7	3.9X	175.0X	
Low	\$87.7	\$29.0	(\$6.4)	1.3X	6.6X	
Mean	\$542.2	\$267.6	\$34.2	2.3X	35.4X	
Median	\$646.2	\$215.6	\$28.9	2.1X	12.4X	

Source: Capital IQ—stock prices as of 8/21/2014

TEV/EBITDA LTM multiples with n/a values indicate negative LTM EBITDA values and were not used for the Summary Statistics.

## Provider Services

Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Addus HomeCare Corporation (NasdaqGM:ADUS)	\$221.7	\$285.8	\$18.3	0.8X	12.1X	Jun-30-2014
Birner Dental Management Services Inc. (NasdaqCM:BDMS)	\$39.7	\$64.7	\$3.4	0.6X	11.7X	Jun-30-2014
Kindred Healthcare Inc. (NYSE:KND)	\$2,823.6	\$5,012.8	\$280.4	0.6X	10.1X	Jun-30-2014
LCA-Vision Inc. (NasdaqGS:LCAV)	\$1,421.0	\$3,736.3	\$206.9	0.4X	6.9X	Jun-30-2014
Magellan Health Services Inc. (NasdaqGS:MGLN)	\$824.9	\$832.4	\$108.3	1.0X	7.6X	Jun-30-2014
National Healthcare Corp. (AMEX:NHC)	\$736.2	\$1,186.9	\$60.7	0.6X	12.1X	Jun-30-2014
Providence Service Corp. (NasdaqGS:PRSC)	\$906.3	\$701.5	\$108.3	1.3X	8.4X	Jun-30-2014
RadNet, Inc. (NasdaqGM:RDNT)	\$774.4	\$956.0	\$119.1	0.8X	6.5X	Jun-30-2014
The Ensign Group, Inc. (NasdaqGS:ENSG)	\$498.4	\$278.3	\$48.9	1.8X	10.2X	Jun-30-2014
US Physical Therapy Inc. (NYSE:USPH)	\$396.7	\$255.7	\$42.7	1.6X	9.3X	Sept-30-2013
Vanguard Health Systems Inc. (NYSE:VHS)	\$4,077.3	\$5,999.4	\$525.3	0.7X	7.7X	Jun-30-2013
<b>Summary Statistics</b>						
High	\$2,823.6	\$5,012.8	\$280.4	1.8X	12.1X	
Low	\$39.7	\$64.7	\$3.4	0.4X	6.5X	
Mean	\$916.2	\$1,450.5	\$106.0	0.9X	9.5X	
Median	\$774.4	\$832.4	\$108.3	0.8X	10.1X	

## Other Services

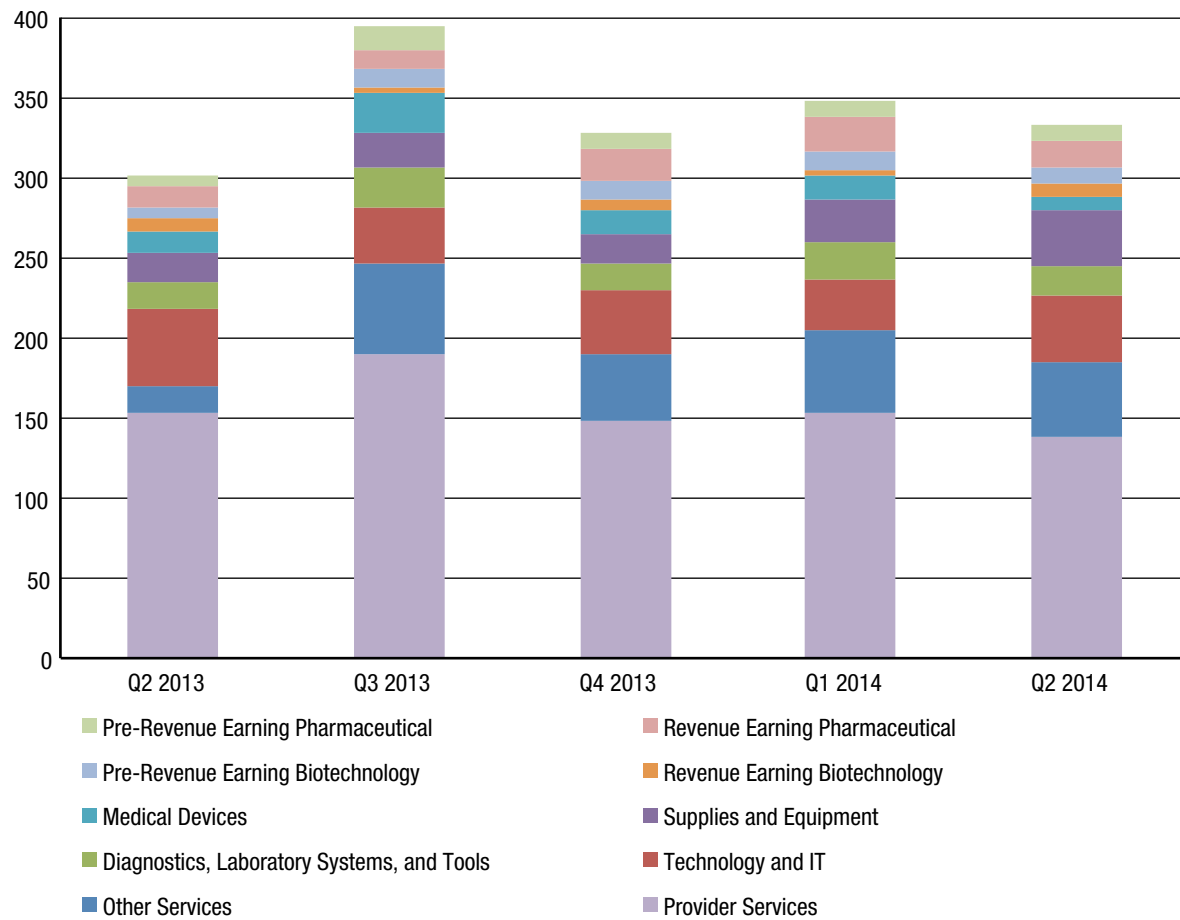
Company Name	Total Enterprise Value Latest (\$ millions)	LTM Total Revenue (\$ millions)	LTM EBITDA (\$ millions)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date, Income Statement
Albany Molecular Research Inc. (NasdaqGS:AMRI)	\$644.0	\$255.4	\$46.8	2.5X	13.8X	Jun-30-2014
AMN Healthcare Services Inc. (NYSE:AHS)	\$835.5	\$997.5	\$84.1	0.8X	9.9X	Jun-30-2014
Bio-Reference Laboratories Inc. (NasdaqGS:BRLI)	\$920.2	\$760.3	\$92.7	1.2X	9.9X	Apr-30-2014
Bioanalytical Systems Inc. (NasdaqCM:BASI)	\$26.4	\$23.7	\$2.5	1.1X	10.6X	Jun-30-2014
Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	\$310.1	\$458.0	\$7.6	0.7X	40.8X	Jun-30-2014
MedAssets, Inc. (NasdaqGS:MDAS)	\$2,105.8	\$683.1	\$202.5	3.1X	10.4X	Jun-30-2014
National Research Corp. (NasdaqGS:NRCI.B)	\$393.1	\$95.4	\$30.5	4.1X	12.9X	Jun-30-2014
PDL BioPharma, Inc. (NasdaqGS:PDLI)	\$1,863.0	\$439.1	\$435.1	4.2X	4.3X	Jun-30-2014
<b>Summary Statistics</b>						
High	\$2,105.8	\$997.5	\$435.1	4.2X	40.8X	
Low	\$26.4	\$23.7	\$2.5	0.7X	4.3X	
Mean	\$887.3	\$464.1	\$112.7	2.2X	14.1X	
Median	\$739.8	\$448.6	\$65.5	1.9X	10.5X	

Source: Capital IQ—stock prices as of 8/21/2014

TEV/EBITDA LTM multiples with n/a values indicate negative LTM EBITDA values and were not used for the Summary Statistics.

# M&A Activity in Healthcare and Life Sciences

## Healthcare M&A Transactions by Quarter (Q2 2013 to Q2 2014)



Source: Capital IQ



## *Selected Healthcare Transactions Q1 and Q2 2014*

### **Recent and Notable Healthcare Industry Transactions\***

The following healthcare industry transactions have caught the attention of FOCUS Investment Banking:

#### **Bluebird Bio, Inc. Acquires Precision Genome Engineering, Inc.**

Bluebird Bio, Inc. has acquired Precision Genome Engineering, Inc. for \$154.91m. Precision Genome Engineering, Inc. is a biotechnology company designing and engineering molecules for gene and cell-based therapies primarily in the areas of cancer and infectious diseases. (June 30, 2014)

#### **Valeant Pharmaceuticals International, Inc. Acquires E. Claiborne Robins Company, Inc.**

Valeant Pharmaceuticals International, Inc. has acquired E. Claiborne Robins Company, Inc. for \$41.0m. E. Claiborne Robins Company, Inc. manufactures and sells pharmaceutical products to healthcare professionals and patients for the treatment of allergies, cough and cold, analgesics, and poison ivy. (June 20, 2014)

#### **Celsion Corp. Acquires Expression Genetics, Inc.**

Celsion Corp. has acquired Expression Genetics, Inc. for \$44.18m. Expression Genetics, Inc. is a biopharmaceutical company engaging in research and development of therapeutics based on genes, inhibitory RNA, and small molecules. (June 10, 2014)

#### **Repligen Corporation Acquires Refine Technology, LLC**

Repligen Corporation has acquired Refine Technology, LLC for \$33.37m. Refine Technology, LLC develops and commercializes equipment for the enhancement of cell culture processes in the biopharmaceutical industry. (June 3, 2014)

#### **Cross Country Healthcare, Inc. Acquires Medical Staffing Network Healthcare, LLC**

Cross Country Healthcare, Inc. has acquired Medical Staffing Network Healthcare, LLC for \$48.27m. MSNH provides nurses, allied healthcare professionals, and other medical professionals to healthcare facilities on a temporary and contract basis, within the United States. (June 2, 2014)

#### **PetVivo Holdings, Inc. Acquires Gel-Del Technologies, Inc.**

PetVivo Holdings, Inc. has acquired Gel-Del Technologies, Inc. for \$40.0m. Gel-Del Technologies, Inc. designs and produces biomedical products within the United States—including cosmetic tissue fillers, blood vessel grafts, and drug delivery systems. (June 2, 2014)

#### **Ohr Pharmaceutical, Inc. Acquires SKS Ocular, LLC**

Ohr Pharmaceutical, Inc. has acquired SKS Ocular, LLC for \$30.3m. SKS Ocular, LLC is a biopharmaceutical company that develops drug formulations and sustained release formulations for the treatment of ocular diseases. (May 15, 2014)

#### **The Advisory Board Company Acquires HealthPost, Inc.**

The Advisory Board has acquired HealthPost, Inc. for \$26.0m. HealthPost, Inc. provides web-based appointment scheduling software for the healthcare industry. (May 12, 2014)

#### **Alliqua, Inc. Acquires Choice Therapeutics, Inc.**

Alliqua, Inc. has acquired Choice Therapeutics, Inc. for \$11.89m. Choice Therapeutics, Inc. provides wound care products for burns, advanced wound care, and surgical site infections primarily in the United States—including the TheraBond 3D product lines. (May 6, 2014)

#### **Hong Kong Tigermed Consulting Co., Ltd. Acquires Frontage Laboratories, Inc.**

Hong Kong Tigermed Consulting Co., Ltd. has acquired Frontage Laboratories, Inc. for \$50.25m. Frontage Laboratories, Inc. is a pharmaceutical contract research organization. It provides research and development services to pharmaceutical and biotech companies in the United States and internationally. (May 6, 2014)

#### **Boston Scientific Corporation Acquires Iogyn, Inc.**

Boston Scientific Corporation has acquired Iogyn, Inc. for \$65.0m. Iogyn, Inc. develops hysteroscopic morcellator systems to remove uterine fibroids and polyps. It develops Mistral, a bipolar RF system for the hysteroscopic removal of fibroids and polyps. (May 6, 2014)

**Neostem, Inc. Acquires California Stem Cell, Inc.**  
Neostem, Inc. has acquired California Stem Cell, Inc. for \$74.11m. California Stem Cell, Inc. discovers, produces, and supplies human cell populations for research, diagnostics, clinical, and therapeutic applications. (April 14, 2014)

**Perficient Inc. Acquires BioPharm Systems, Inc.**  
Perficient Inc. has acquired BioPharm Systems, Inc. for \$17.6m. BioPharm Systems, Inc. The company focuses on the implementation and hosting of various applications in the areas of clinical trial management, clinical data management, and electronic data management for the healthcare industry. (April 1, 2014)

**Albany Molecular Research Inc. Acquires Cedarburg Pharmaceuticals, Inc.**  
Albany Molecular Research Inc. has acquired Cedarburg Pharmaceuticals, Inc. for \$41.0m. Cedarburg Pharmaceuticals, Inc. is engaged in the contract development and manufacture of active pharmaceutical ingredients and pharmaceutical intermediates. (March 24, 2014)

**EKF Diagnostics Holdings Plc Acquires Selah Genomics Inc.**  
EKF Diagnostics Holdings Plc has acquired Selah Genomics Inc. for \$73.22m. Selah Genomics Inc. is a clinical diagnostics specialist, providing molecular diagnostic testing, assay validation, and genomic profiling services within the healthcare industry. (March 20, 2014)

**Islet Sciences, Inc. Acquires Brighthaven Ventures, LLC**  
Islet Sciences, Inc. has acquired Brighthaven Ventures, LLC for \$83.0m. Brighthaven Ventures, LLC develops Remoglifozin-etabonate, a selective sodium glucose co-transporter 2 inhibitor for the treatment of metabolic disorders. (March 13, 2014)

**American Medical Response, Inc. Acquires Life Line Ambulance Service, Inc.**  
American Medical Response, Inc. has acquired Life Line Ambulance Service, Inc. for \$22.2m. Life Line Ambulance Service, Inc. provides emergency, non-emergency, life care unit/inter-facility critical care ambulance services in Northern Arizona. (March 5, 2014)

**Healthstream Inc. Acquires Health Care Compliance Strategies, Inc.**  
Healthstream Inc. has acquired Health Care Compliance Strategies, Inc. for \$16.0m. The company provides online training courses and learning management systems to hospitals and healthcare institutions. (March 4, 2014)

**PhotoMedex, Inc. Acquires LCA-Vision Inc.**  
PhotoMedex, Inc. has acquired LCA-Vision Inc. for \$105.22m. LCA-Vision offers fixed-site laser vision correction services through its LasikPlus vision centers. Its vision centers provide the staff, facilities, equipment, and support services for performing laser vision correction that empty advanced laser technologies to help patient vision. (February 13, 2014)

**Retrophin, Inc. Acquires Manchester Pharmaceuticals, Inc.**  
Retrophin, Inc. has acquired Manchester Pharmaceuticals, Inc. for \$62.5m. Manchester Pharmaceuticals, Inc. is a specialty pharmaceutical company which identifies, develops, commercializes, and sells therapeutic modalities to address the special needs of patients with ultra-rare diseases. (February 12, 2014)

**21st Century Oncology, Inc. Acquires South Florida Radiation Oncology, LLC**  
21st Century Oncology, Inc. has acquired South Florida Radiation Oncology, LLC for \$87.57m. South Florida Radiation Oncology, LLC owns and operates cancer treatment centers in South Florida. Its radiation oncology centers provides treatments for cancers ranging from brain cancer to sarcomas. (February 11, 2014)

**Wright Medical Group Inc. Acquires OrthoPro, LLC**  
Wright Medical Group Inc. has acquired OrthoPro, LLC for \$36.0m. OrthoPro, LLC manufactures surgical products for the foot and ankle market within the United States. (January 20, 2014)

**Intuitive Surgical International Ltd. Acquires Luna Technologies Inc.—Medical Shape Sensing Business**  
Intuitive Surgical International Ltd. has acquired Luna Technologies Inc. for \$30.0m. The Medical Shape Sensing Business develops and manufactures fiber optic-based shape sensing and position tracking systems. (January 22, 2014)

**Carl Zeiss Meditec, Inc. Acquires Aaren Scientific Inc.**  
Carl Zeiss Meditec, Inc. has acquired Aaren Scientific Inc. for \$70.0. Aaren Scientific Inc. designs and manufactures intraocular lenses and ophthalmic surgical products for cataract and refractive surgeries. (January 7, 2014)

*\*Source: Transaction material sourced from S&P Capital IQ Database and mergermarket.com*

# FOCUS Healthcare and Life Sciences Transactions

This announcement appears as a matter of record only



AGENTEK

has been recapitalized by




Edson  
VENTURE FUND

\$8,000,000 Series A Preferred Stock

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Agentek, Inc.




This announcement appears as a matter of record only




positive ID

has acquired



microfluidic systems

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to PositiveID Corporation.



This announcement appears as a matter of record only



BIOLINE

has been acquired by



Meridian  
Bioscience, Inc.  
Inspired Science. Trusted Solutions.™

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Bioline.




This announcement appears as a matter of record only



Forgentum  
Forging Momentum

has been sold to



fulcrum  
PIVOTAL PERFORMANCE

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Forgentum.



This announcement appears as a matter of record only



VERIFYSOLUTIONS

has been acquired by



hms

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Verify Solutions, LLC.



This announcement appears as a matter of record only



Alliance  
HealthCard

has acquired



BMS, LLC  
BENEFIT MARKETING SOLUTIONS

The undersigned initiated negotiations and acted as financial advisor to Alliance HealthCard.



This announcement appears as a matter of record only



pleiad  
Airdrie, Scotland

has been acquired by




CROM  
SOURCE  
Verona, Italy

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Pleiad Devices, LTD.




This announcement appears as a matter of record only



Medvance


Solby, England

has been acquired by



NAMSA®  
Northwood, Ohio

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Medvance.



“As a company founder who has built a bioscience business over 18 years, I selected FOCUS as our investment bank because of their biotechnology expertise and because of their understanding of the needs of an entrepreneur owner embarking on his first company sale. I was attracted to the fact that FOCUS offers a step-by-step process and worked closely with me every step of the way.” Marco Calzavara, CEO, Bioline

“The acquisition of Benefits Marketing Solutions was very important to the future of Alliance and was too important not to involve professionals who could ensure that the acquisition closed. From initial negotiation of the transaction terms to the deal closing, FOCUS professionals were there to assist us. They ensured that all of the necessary steps, from LOI to due diligence to agreement execution, were completed and successfully managed. The value FOCUS added was significant.” Robert Garces, Chairman, Alliance HealthCard

*\*These testimonials may not be representative of the experience of all clients; testimonials are not a guarantee of future performance or success.*

## FOCUS Healthcare and Life Sciences Team



**Jonathan Wilfong**  
*Regional Managing Partner, Southeast, and  
Healthcare and Life Sciences Team Leader*  
Atlanta  
jonathan.wilfong@focusbankers.com  
404-963-8252

Jonathan E. Wilfong has almost 40 years of broad industry experience in mergers and acquisitions, business development, and capital formation. He was a founder and co-founder of two physician practice management companies.



**John Bradshaw**  
*Partner*  
Bend, OR  
john.bradshaw@focusbankers.com  
541-306-6451

John T. Bradshaw has over 30 years of experience in sales, marketing, manufacturing, finance, and systems engineering with corporations specializing in technology-driven business products and services.



**James J. Braley**  
*Senior Advisor*  
Jasper, GA  
jim@fleetfeetjohnscreek.com  
770-262-3601

For the past 11 years prior to joining FOCUS, James Braley served as Senior Managing Director and Managing Director in the FTI Healthcare group of FTI's Corporate Finance practice and its predecessor companies.



**Mark L. Braunstein, MD**  
*Senior Advisor*  
Atlanta  
mark.braunstein@cc.gatech.edu  
404-385-3448

Dr. Braunstein teaches health informatics and is involved in fostering research and community outreach aimed at the wider adoption of health information technology to improve the quality and efficiency of care delivery.



**Gareth Clarke**  
*Senior Advisor*  
Atlanta  
garethc@bellsouth.net  
770-335-8397

Mr. Clarke is a seasoned, internationally experienced CEO with a background featuring strong financial, marketing, and technology skills. Until recently, Clarke served as Chief Executive at Inviro Medical Devices.



**James "Jim" W. Hawkins, MBA, PhD**  
*Managing Director*  
Washington, DC  
jim.hawkins@focusbankers.com  
202-470-1971

Jim Hawkins, former President and CEO of five early stage biotechnology companies, has experience in all major areas of the biopharmaceutical industry.



**Craig Ladkin**  
*Managing Director*  
Bend, OR  
craig.ladkin@focusbankers.com  
541-390-5005

Craig Ladkin has 25 years of experience managing complex financial and development transactions between private, public, and non-profit sectors in a variety of industries and international jurisdictions.



**Les Mace**  
*Senior Advisor*  
Bend, OR  
les\_mace@bendcable.com  
541-554-7409

Les Mace has over 35 years of experience in the medical device industry including co-founder, market research, technology assessment, manufacturing operations, and much more.

**Barry Michael**

*Senior Advisor*  
Clifton, VA  
barry.michael@focusbankers.com  
301-535-4805

Barry Michael has more than 30 years' experience in medical devices. Previously Mr. Michael held marketing and sales positions at Abbott Diagnostics as well as senior positions at Kimberly-Clark Professional Healthcare.

**John Slater**

*Partner and Capital Financing  
Team Leader*  
Memphis  
john.slater@focusbankers.com  
901-684-1274

John Slater has 28 years of M&A and capital raising experience. Prior to that time, he spent nine years as a practicing attorney, focused primarily on financial transactions, securities, and tax matters.

**Bob Moore**

*Senior Advisor*  
Atlanta  
bmoore@stroudwater.com  
404-229-2484

Bob Moore has held several healthcare senior management positions. He is currently a principal at Stroudwater Associates, a healthcare advisory firm with corporate offices in Portland, Maine and Atlanta, Georgia. He focuses his expertise on physician's and hospital systems.

**Timothy Tankosic, MD**

*Senior Advisor*  
Marina del Rey, CA  
ttankosic@aquapartners.net  
310-773-0665

Dr. Tankosic has over 25 years of experience as a consultant, advisor, and director for pharmaceutical, biotechnology, diagnostics, and device industries. He has broad experience in major therapeutic areas and technologies and expertise in neuroscience and oncology.

**David Roberts**

*Managing Director*  
Walnut Creek, CA  
david.roberts@focusbankers.com  
925-472-6770

David Roberts is a seasoned executive, investor, and transactions professional with more than 30 years of experience founding, building, and advising small to mid-size companies. A former attorney and buy-side securities analyst, Mr. Roberts also has founded 15 companies.

**Gerald Turner**

*Managing Director*  
Washington, DC  
gerald.turner@focusbankers.com  
202-470-1972

Gerald Turner has over 25 years of executive level experience in a wide range of sectors including diverse financial services, direct marketing, specialty retailing, commercial data base management, and consumer brand marketing and packaging.

**Douglas E. Rodgers**

*CEO and Energy Team Leader*  
Washington, DC  
doug.rodgers@focusbankers.com  
202-470-1961

Douglas E. Rodgers has been CEO and Managing Partner of FOCUS since early 2002. He serves FOCUS clients across many industries emphasizing merger and acquisitions opportunities. Mr. Rodgers is an active pilot, with ATP and jet ratings.

## About FOCUS Investment Banking LLC

FOCUS Investment Banking LLC provides a range of middle market investment banking services with an emphasis on mergers, acquisitions, divestitures and corporate finance. FOCUS is a national firm serving clients from offices in major cities across the United States. FOCUS specializes in business units with transactions or revenues in the \$5-300 million range, serving entrepreneurs, corporate owners and various types of investors across a broad range of industries, throughout the U.S. and worldwide. FOCUS bankers are seasoned operating and financial executives with extensive transaction experience. Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker/Dealer and member FINRA/SIPC. For more information on FOCUS, visit [www.focusbankers.com](http://www.focusbankers.com).

© 2014 FOCUS Investment Banking LLC

# FOCUS

## Investment Banking

### MID-ATLANTIC REGION

FOCUS Investment Banking LLC  
Headquarters  
1133 20th Street, NW  
Suite 200  
Washington, DC 20036  
202.785.9404  
202.785.9413 (fax)

### SOUTHEAST REGION

FOCUS Investment Banking LLC  
Atlanta Office  
3353 Peachtree Road, NE  
Suite 1160  
Atlanta, GA 30326  
404.504.8620  
404.814.9141 (fax)

### WESTERN REGION

FOCUS Investment Banking LLC  
Los Angeles Office  
355 South Grand Avenue  
Suite 2450  
Los Angeles, CA 90071  
213.943.1395  
213.943.1397 (fax)

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker Dealer member FINRA/SIPC.