COMPANY NOTE

Initiating Coverage

USA | Healthcare | Medical Supplies & Devices

February 23, 2015

Jefferies

Presbia (LENS)

I Can See Clearly Now; Initiating LENS with Buy Rating, $12 Target

BUY
Price target $12.00
Price $7.13

EQUITY RESEARCH AMERICAS

Key Takeaway

Presbia is a leader in corneal inlay technologies for the treatment of presbyopia, a condition affecting everyone over the age of 45. The procedure is easy to perform, customized, and fully reversible and clinical data thus far has shown it to be safe and effective. Even minimal penetration will drive significant value creation. We are initiating with a Buy rating and $12 price target.

Jefferies served as a lead manager for Presbia in its January 28 initial public offering at $10 per share.

A best in class solution for treating presbyopia. Presbia's Flexivue Microlens is a corneal inlay designed to correct presbyopia. The implantable lens greatly improves the ability to see near objects with little or no degradation in distance vision. The procedure is minimally-invasive, fully reversible, and early clinical data has been positive. The Phase III US trial is ongoing and with a CE mark in hand, Presbia is extending commercialization into Brazil, Ireland and Australia this year with more countries to come.

Anyway you cut it, the market for Presbyopia is huge. Presbyopia is an age-related condition that everyone over the age of 45 experiences to some degree. With a target market of about a quarter of all people on the planet, the bigger constraints will be patients' willingness to get the procedure and pay for it; the clinical infrastructure needed to treat patients; and competition. The company is doing its part to address the first two and on the competitive front, The Microlens appears to have distinct advantages over other solutions. Even modest penetration against the opportunity will drive significant revenues for the company.

Valuation compelling. LENS completed its IPO at $10, since then shares are off significantly despite receiving approval from the FDA to continue with the US trial following the 6-month interim safety analysis. Our price target of $12 per share is both DCF based and a multiple of sales discounted back. With continued progress in commercialization and clinical development, we expect shares to trade higher and we initiate with a Buy rating.

Valuation/Risks

Our $12 PT is derived using a blended approach that uses a 4.0x sales multiple on our 2019 targets discounted back 5-years at 30% which yields $12 per share and a 10-year DCF which yields $12 per share. Risks include: 1) US PMA trial milestones; 2) OUS adoption; 3) Competition.

Financial Summary	
Book Value (MM):	$20.8
Book Value/Share:	$1.56
Net Debt (MM):	($37.0)
Long-Term Debt (MM):	$0.0
Cash & ST Invest. (MM):	$37.0

Market Data	
52 Week Range:	$9.32 - $5.52
Total Entprs. Value (MM):	$57.8
Market Cap. (MM):	$94.8
Insider Ownership:	73.0%
Institutional Ownership:	27.0%
Shares Out. (MM):	13.3
Float (MM):	3.7
Avg. Daily Vol.:	NA

USD	Prev.	2014A	Prev.	2015E	Prev.	2016E	Prev.	2017E
Rev. (MM)	--	0.2	--	1.9	--	8.6	--	23.8
EV/Rev		NM		30.4x		6.7x		2.4x
EPS								
Mar	--	--	--	(0.25)	--	--	--	--
Jun	--	--	--	(0.29)	--	--	--	--
Sep	--	--	--	(0.31)	--	--	--	--
Dec	--	--	--	(0.33)	--	--	--	--
FY Dec	--	(1.72)	--	(1.18)	--	(0.85)	--	(0.04)
FY P/E		NM		NM		NM		NM

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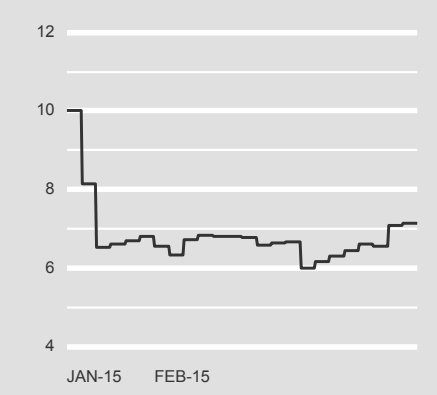
Price Performance



Presbia Plc

Buy: $12 Price Target

THE LONG VIEW

Scenarios

Target Investment Thesis

- Enrollment in US PMA trial is completed by early 2016.
- First three PMA modules are submitted on schedule in 2016-2017 timeframe.
- PMA clearance secured in 2018 followed by US launch.
- OUS revenues approach $60mm by 2018.
- Breakeven achieved by end of 2017; No need for additional capital raise.
- PT: $12 derived using blended approach.
- DCF valuation uses 30% discount rate.

Upside Scenario

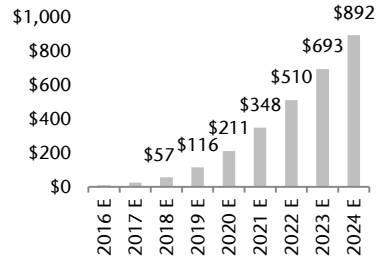
- Enrollment in US PMA trial is completed by early 2016.
- First three PMA modules are submitted on schedule in 2016-2017 timeframe.
- PMA clearance and US launch in 2018.
- First year of US launch mirrors LASIK uptake of close to 100k procedures.
- OUS revenues surpass $80mm by 2018.
- Breakeven achieved by end of 2016.
- PT: $20 derived using blended approach.
- DCF valuation uses 25% discount rate.

Downside Scenario.

- Enrollment in US PMA trial is not completed by early 2016.
- PMA module submissions are delayed.
- PMA study fails to meet primary endpoints.
- OUS expansion efforts delayed.
- OUS revenues less than $50mm by 2018.
- Breakeven not achieved by 2016 triggering need for subsequent capital raise.
- PT: $3 derived using blended approach.

Long Term Analysis

Revenue Trajectory ($MM)



Source: Jefferies estimates

Long Term Financial Model Drivers

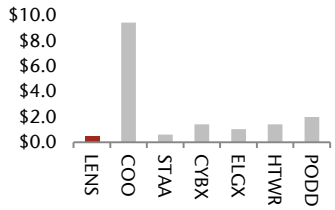
LT Earnings CAGR	**80%+**
Lt Organic Revenue Growth	**58%+**
Acquisition Contribution	**0%**
Annual OM% Expansion	**300bps+**

Other Considerations

Presbia's Flexivue microlens is the latest in corneal inlay technologies that is a relatively new product category addressing presbyopia. Two private competitors, AcuSoft and Revision Optics, are also developing corneal inlay solutions, however the early clinical experience points to better efficacy in improved vision after 12-months with Presbia's Flexivue.

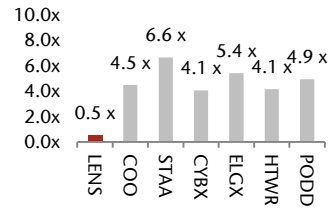
Peer Group

Group EV ($bn)



Source: Factset, Jefferies estimates

Group EV/ 2015 Sales



Source: Factset, Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
LENS	**Buy**	**$12**
COO	Hold	$170
STAA	NC	N/A
CYBX	Buy	$70
ELGX	NC	N/A
HTWR	NC	N/A
PODD	Buy	$56

Catalysts

- Full enrolment on PMA study by late 2015 or early 2016.
- PMA module submissions through 2017.
- PMA clearance by 2018 followed by US entry.
- Entry into additional OUS markets ahead of US entry.
- Quarterly earnings.

Company Description

Presbia Plc is an ophthalmic device company that has developed a proprietary optical lens implant for treating presbyopia, the age-related loss of the ability to focus on near objects. The Flexivue Microlens is currently available in select OUS markets including the EU and Australia with plans to enter the US market by 2018.

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Executive Summary

Presbyopia is the loss of near vision that occurs with age. The native lens of the eye stiffens naturally over time making it difficult to focus close in. Essentially everyone over the age of about 45 loses some amount of near vision.

The ophthalmic community has been searching for viable surgical treatments of presbyopia for years. Current treatments range from less invasive solutions like using reading glasses and what's called monovision, where one would wear a stronger contact in one eye, all the way to surgical interventions, including laser procedures and multifocal or accommodating intraocular lenses, where the patient's native lens is removed and a manufactured lens is put in. All of these current solutions however have drawbacks.

In the last few years there has been a new focus on corneal inlays. These are devices implanted into the eye above the native lens with the promise of improving near-vision without sacrificing distance vision.

Presbia's entrant in the category is called the Microlens. The Microlens is a true lens that has refractive power around its outer edge – by putting the power just around the outer rim it minimizes the effects on distance vision but maximizes the correction of near vision. There are different lens strengths that can be optimized for the patient. The lens is implanted about 200microns below the surface of the eye but above the native lens. 200 microns is about 2/10 the thickness of a dime. The surgeon makes a small pocket with a femtosecond laser and the lens is slotted in. The procedure is fully reversible and the lens can be taken out with no lasting effects or replaced with a lens of a different power. The procedure is not difficult and surgeons use the same laser they use for a LASIK procedure.

Importantly, the lens is only put in one eye. The patient adapts to the lens so that binocular vision (that is the vision out of both eyes) is not diminished – patients have improved near vision with no appreciable sacrifice of distance vision.

The clinical efficacy and safety has been confirmed in a 70 patient randomized trial and the technology is CE marked. The company is midstream in its US pivotal trial. The trial has two stages: an initial 6 month phase after which the FDA will review the progress and then allow the company to proceed to full enrollment. The company began enrollment in 2Q14 and six month data on 52 patients was submitted in January. The FDA found no safety concerns and on February 6 allowed the company to begin the second stage of the trial. This involves an additional 337 subjects, for a total of 412 subjects, at up to 10 investigational sites in the United States. Data on a minimum of 300 subjects with 24-month data will be submitted as part of the PMA, and all subjects will be followed for three years following implantation. Submission to the FDA of 24-month data on 300 subjects is expected in the second quarter of 2017 which suggests an FDA approval in 2018.

In trying to size the market, anyway one cuts it leads to a substantial opportunity. If 25% of the world's population is able to pay for the procedure, it puts the potential at about 2 billion people. To put some tighter bands on it, an estimated 40 million LASIK procedures have been down worldwide, including 17mn in the US since 2006. This is a population of people that have shown a willingness to have a surgical procedure to treat an ophthalmic condition, in this case myopia or farsightedness. The Microlens will sell for about $700-900 depending on whether it is sold direct to clinicians or through a distributor. If it follows a similar arc as LASIK, it will be a $28bn market over the next 20 years. We model a much more conservative ramp.

In terms of competition, there are two other corneal inlays in later stage development. One is the Kamra device from Acufocus. This isn't a lens but a disc with a pin hole in it. By

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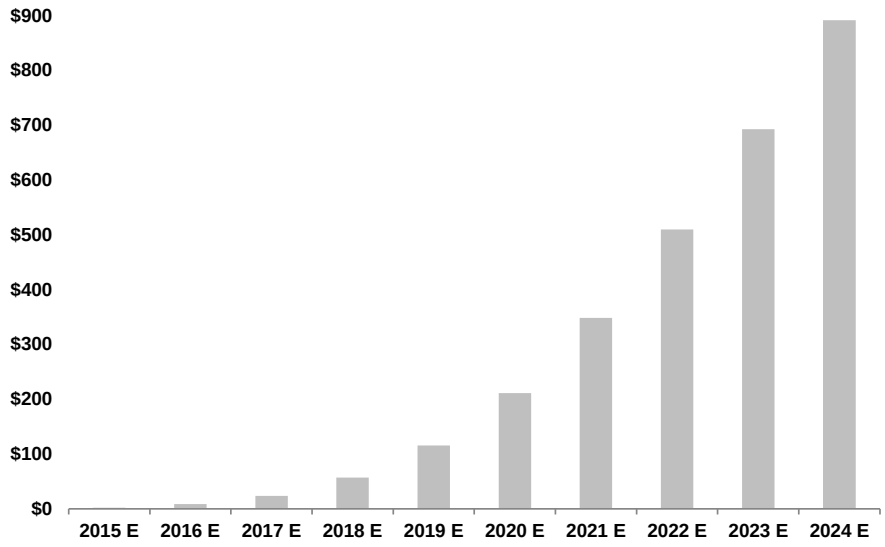
limiting the aperture, the device improves focus at all distances in the treated eye. Kamra has completed its FDA clinical trial, however the panel meeting did not go well and the company continues to collect data to support approval. The second is a technology from a company called Revision Optics. This is a small hydrogel implant that is placed in the eye, changing the shape of the cornea to improve focus.

We model revenues growing steadily over the next several years as Presbia expands commercialization into additional countries and with US approval coming in 2018. Total company revenues in 2024 are modeled at $892mn.

Chart 1: Presbia Revenues ($mm)



Source: Jefferies estimates

In the January 28 IPO at $10 a share, Presbia raised approximately $42mn ($37mn net of expenses). We forecast $16mm in operating losses in 2015 followed by $12mm in 2016 to factor investments into the fledgling OUS launch and US PMA trial. Thereafter, we model leverage gains as expenses increase at a slower pace than revenues, assuming successful uptake in OUS markets, which points to the company achieving breakeven exiting 2017. As such, we don't contemplate any additional need for financing.

Chart 2: Presbia Catalysts. 2014-2018

Timing	Catalyst
2Q 2014	Commencement of FDA pivotal trial (n = 75)
2Q 2014	Last patient (75) enrolled
3Q 2014	Submitted 3-month interim safety report (n = 75)
1Q 2015	Submitted 6-month interim safety report (n = 52)
1Q 2015	Received FDA clearance to complete enrollment in PMA study (n = 337)
4Q 2015 - 1Q 2016	Submit PMA modules 1-3 to FDA for review and approval
2017	Submit clinical PMA modules to FDA (24-month data on 300 subjects)
2018	PMA clearance from FDA followed by US launch
2018	Submit final PMA analysis (36-month data)

Source: Company filings

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Price Target and Valuation

Our $12 PT is derived using a blended approach that uses a 4.0x sales multiple on our 2019 targets discounted back 5-years at 30% which yields $12 per share and a 10-year DCF which yields $12 per share.

Chart 3: LENS Valuation Summary

Metrics	Current	Current Multiples	Target Multiples	Discounted EV (@ 30%)	PT	PT Weight
Price	$7.09					
Market cap ($mm)	$94.5					
Plus: Debt	0.0					
Less: Cash	37.0					
TEV ($mm)	$57.5					
Comparables						
Adjusted EV/sales (2019)		0.5x	4.0x	$124	$12	50%
DCF value (@ 30% discount rate)					$12	50%
Derived Valuation					$12	100%

Source: FactSet, Jefferies estimates

Risks

Clinical trial. Presbia is undergoing a Phase III pivotal trial that began in 2014 and is currently targeting a 2017 submission for its final PMA module. The study's primary outcome measure is improvement in near visual acuity in patients implanted with the Flexivue Microlens. The company submitted a 6-month interim safety report on 52-patients to the FDA in early 2015 which yielded no major safety concerns. The company is now cleared to continuing enrolling an additional 337 patients (for 412 in total) across 10 sites. Through 2015-2016, the company plans on submitting 3 of 4 PMA modules to the FDA followed by the final clinical module in 2017 with an ultimate goal of receiving PMA clearance by 2018. The company's financial situation along with LENS shares could be adversely impacted if these timelines shift or if the clinical trials yield poor outcomes.

Competition; current and emerging. Although the presbyopia market opportunity is vast, Presbia's competes against several established and emerging therapies that could alter the eventual uptake of the Flexivue Microlens. Non-invasive competing solutions include reading glasses, contact lenses, bifocals, and progressive lenses are all well accepted and widely used. Competing surgical techniques include PresbyLASIK and conductive keratoplasty which both work by reshaping the cornea. Competing implantable therapies include intraocular lenses (IOLs) aimed at achieving monovision (lens of near distance in one eye and far distance in other) or restoring multifocality (using multifocal IOL). Within the corneal inlay category, Flexivue competes against two emerging technologies: 1) The Kamra inlay (developed by privately-held AcuFocus) which works by increasing the depth of focus through use of a pinhole; and 2) The Raindrop (developed by private-held Revision Optics) works by reshaping the cornea.

Commercialization challenges. Presbia received CE Mark clearance for Flexivue in November 2010 and subsequently launched the product in select countries including Ireland and the UK; launches in Brazil and Australia are also well underway. Our current model conservatively forecasts 170 active physician users driving nearly 44k procedures translating to $35mm+ in annual revenue by 2017. Presbia plans on committing a portion of the IPO proceeds to these various commercialization efforts. However, should these efforts fall below target levels losses will accrue beyond our current forecasts and the company may be forced to raise additional capital.

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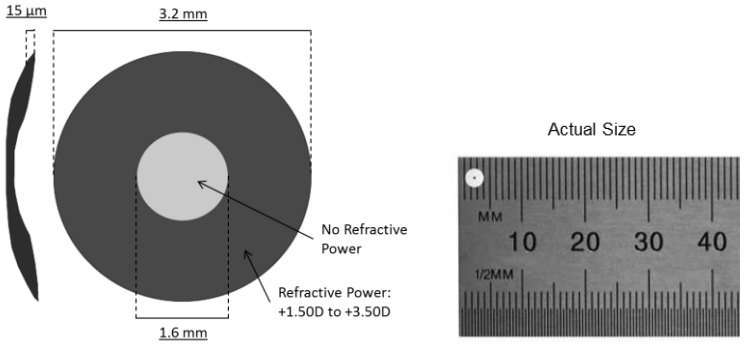
The Presbia Solution

The Presbia Microlens is a 3.2mm wide refractive lens that is implanted into the corneal stroma of the non-dominant eye, inside a pocket created with a femtosecond laser. The lens is transparent and hydrophilic and in the center is a 0.5mm hole that permits oxygen and nutrient transfer through the lens. The central zone of the lens is plano (has no refractive power) while the peripheral edge has an added power. The lens is available in power from +1.5 diopters to +3.5 diopters.

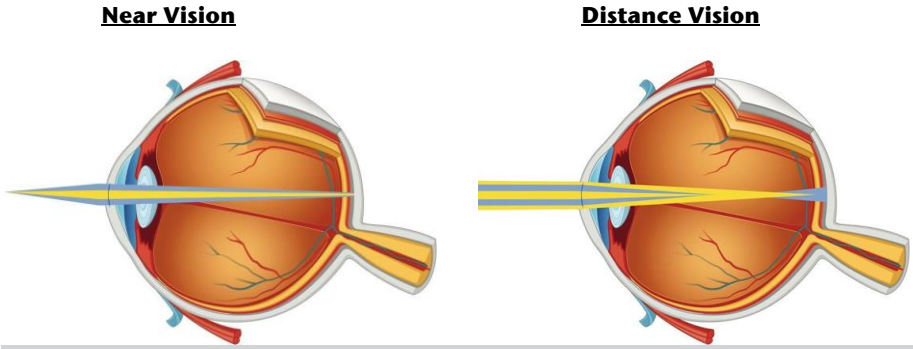
Chart 4: Flexivue Microlens



Source: Presbia

The lens acts to restore near vision as light from near sources is refracted through the powered sections of the lens while light from more distant sources passes through the middle section or outside the lens, only modestly affecting it. A key component to the technology is the neural adaptation that occurs so that binocular distance vision is almost totally unaffected while near vision is restored. Patients must be tolerant of monovision (as evaluated by participation in a monovision tolerance trial for 5 to 7 days with contact lenses).

Chart 5: Microlens Method of Action



Source: Presbia

The procedure to implant the Microlens is fairly straightforward. A femtosecond laser creates a pocket or tunnel in the cornea, approximately 200 micons below the surface of the eye. The lens is inserted using a proprietary insertion tool (preloaded lenses are coming in the next year) and is centered over the visual access. The pocket seals itself, holding the lens in place. The Microlens is fully removable and can be exchanged if the power of the lens needs to be adjusted.

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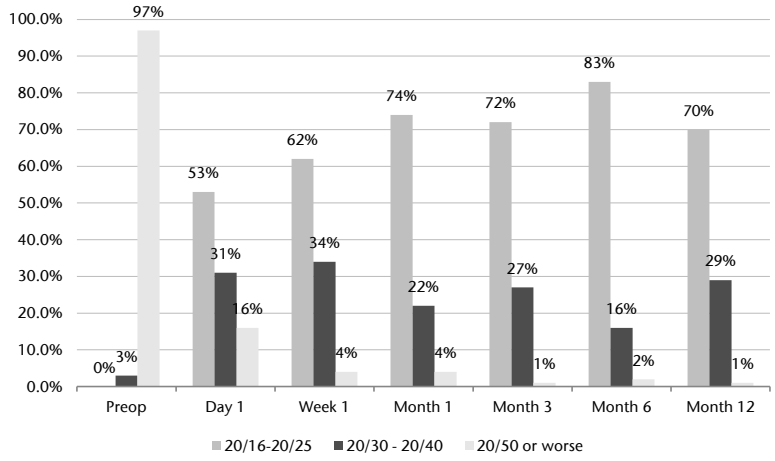
Clinical Data

The major clinical data thus far comes from the company's randomized, multicenter, prospective post market surveillance conducted on 77 emmetropic patients in Europe. 70 patients from Italy and Greece reached the 12 month follow-up and have been reported on. The 7 not reported on include 1 patient who missed the 12 month visit and 6 patients lost to follow-up: three patients had lens exchanges, one patient moved, one patient developed illness unrelated to ophthalmology, and one was explanted.

Before surgery, the 70 patients had an average UCVA (uncorrected visual acuity) in the eye to be operated on of 20/110 and 97% patients started the study with UCVA- of 20/50 or worse in that eye. By month twelve, 99% of patients achieved near visual acuity in the operated eye of 20/25 or better – meaning that for nearly all of the patients in the trial, near vision was restored.

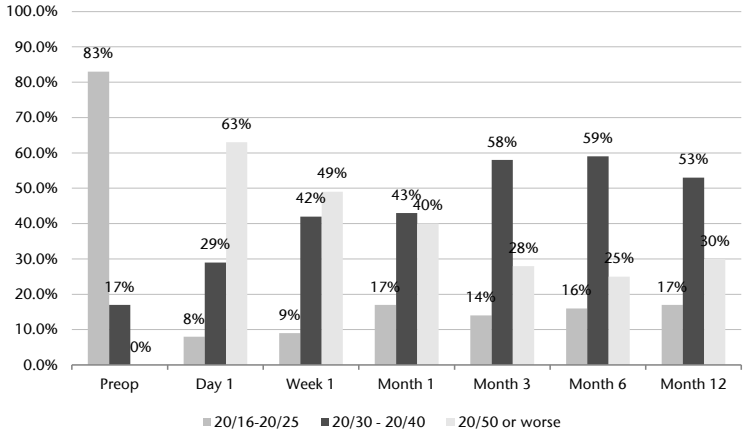
Chart 6: Uncorrected Visual Acuity Operated Eye



Source: Presbia

Patients did experience a loss of distance visual acuity in the operated eye

Chart 7: Uncorrected Distance Visual Acuity Operated Eye



Source: Presbia

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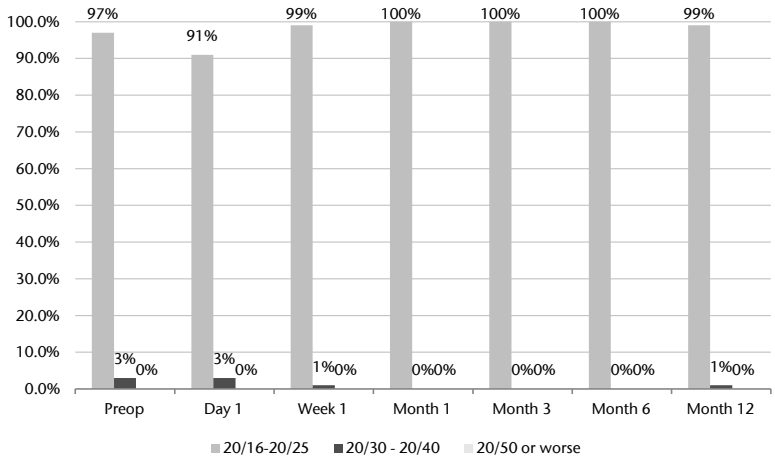
Importanty, the majority of patients did not lose Binocular Uncorrected Distance Visual Acuity at Month 12 postoperative, and Binocular Uncorrected Visual Acuity was stable over time (i.e., patients did not experience a change in uncorrected Binocular Uncorrected Vision Acuity after 12 months). The implication being that while patients did lose some distance acuity in the operated eye, they did not lose binocular distance vision as a result of the procedure – which is evidence of the neural adaptation that takes place with the procedure.

Chart 8: Uncorrected Binocular Distance Visual Acuity



Source: Presbia

In the study, 97% were happy with the Uncorrected Near Visual Acuity; 97% of patients were happy with their binocular Uncorrected Distance Visual Acuity; and 75% of patients did not use glasses for near vision and no patients used glasses most of the time or always for near vision.

In terms of side effects or adverse events, one patient complained of significant halos and glare when driving at night and the lens was removed one month post-surgery; there was one case of transient light sensitivity which resolved with a topical steroid regimen; one case of epithelial ingrowth was reported and resolved after the ingrowth was surgically cleared; four cases of transient stromal haze were reported, which resolved after application of a topical steroid regimen. There was no significant change in: intraocular pressure, endothelial cell density, corneal thickness; or binocular contrast sensitivity.

The data was used to secure CE mark, which the company was granted in 2010.

US FDA Clinical Timelines

Presbia received approval to begin a a staged pivotal clinical trial in the US in December, 2013. The first stage involved implanting 75 subjects at up to six investigational sites; this began in 2Q14. Three month data on all 75 patients was submitted in 4Q and six-month data on 52 subjects was submit as an interim safety report in January 2015—the FDA found no safety concerns and on February 6 allowed the company to begin the second stage of the trial. This involves an additional 337 subjects, for a total of 412 subjects, at up to 10 investigational sites in the United States.

Data on a minimum of 300 subjects with 24-month data will be submitted as part of the PMA, and all subjects will be followed for three years following implantation. Submission to the FDA of 24-month data on 300 subjects is expected in the second quarter of 2017

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which suggests an FDA approval in 2018. A final report with 36-month data on 300 subjects is expected in the second quarter of 2018.

Inclusion criteria is patients aged 45-60 who are emmetropes with presbyopia. Subjects must have uncorrected near visual acuity of 20/50 or worse and have a reading add of +1.50 D to +3.50 D. The primary endpoint is uncorrected near visual acuity at 40 cm of 20/40 or better.

Competitive Landscape

There are several companies developing corneal inlay technologies. Including Presbia, the furthest along are Acufocus and Revision Optics.

The three companies all have different approaches to improving near vision: Presbia's Microlens has refractive power around the periphery; acting as a true lens that changes the refractive power when looking at close objects and trying to mimize the effect on distance vision; the Kamra device from AcuFocus uses a pinhole or small aperture to increase the depth of focus; and the Raindrop from Revision Optics uses an implant to reshape the central cornea.

Acufocus has developed a device called Kamra. The inlay has no refractive power but instead uses the ophthalmic effect of a very small aperture increasing the depth of focus in the visual field. The inlay is solid and has a small pin-hole in the center—a black disc can be seen in the center of the patient's eye. The device is CE marked and the company claims nearly 20,000 worldwide implants (end of 2013).

Acufocus has conducted a 508 patient US clinical trial that was presented and reviewed by an FDA panel in June 2014. The panel was mixed, voting 7-1 that the device is effective; 4-4 on the question of safety, with the tie breaking vote being no; and 4 yes and 3 no with one abstention on the question of benefits outweighing risks. By the company's analysis, 83.5% of patients reaching the 12 month endpoint (478 patients) reached the primary endpoint of achieving uncorrected near visual acuity of 20/40 or better. The FDA however excluded patients who had the inlays removed (44) to arrive at a primary efficacy result of 75.8%. Moreover, the FDA found that only 25% of patients gained more than 4 lines of near improvement (1 diopter) without losing 1 line of distance vision. The FDA also faulted Acufocus for excessive protocol deviations, over enrollment in the trial, and flaws in satisfaction surveys. The timing for Acufocus approval in the US remains unclear.

Revision Optics uses a microscopic hydrogel to correct presbyopia. The device, called Raindrop, is 80% water and it has no refractive power but is designed to make the cornea multifocal by reshaping it. It works by causing steepening in the center of the cornea, and induces variable power as you move from the center to the periphery. Raindrop is currently undergoing trials in the US with its 373 patient trial fully enrolled and in follow-up with 24 month data collection expected in May.

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Chart 9: Corneal Inlay Fund Raising

AcuFocus	
Oct 2014	Raised $21m at $135m pre-money valuation
Nov 2011	Raised $65m at $70m pre-money valuation
Dec 2008	Raised $6m at $125m pre-money valuation
ReVision	
Jul 2013	Raised $40m at $143m pre-money valuation
Apr 2013	Raised $15m at $97m pre-money valuation
May 2010	Raised $35m at $51m pre-money valuation

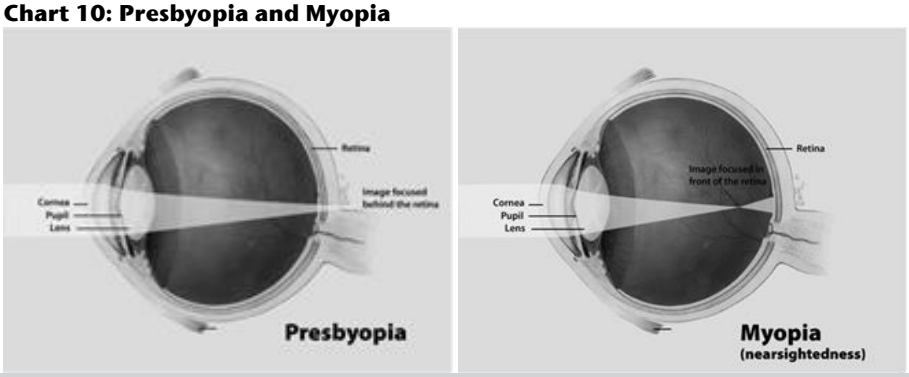
Source: Company reports

Presbyopia and the Market Opportunity

Presbyopia or farsightedness is the most common vision disorder. It occurs with age and is associated with the eye's diminished ability to focus on near objects. It is generally believed to be caused by a gradual thickening and loss of flexibility of the natural lens inside the eye. With less elasticity in the lens, the eye has a harder time focusing up close resulting in decreased near vision as light is not properly focused on the retina but is rather focused behind it.

For reference, the second most common vision disorder is Myopia or nearsightedness is a common type of refractive error where close objects appear clearly but distant objects appear blurry. In myopic patients, light that enters the eye is not directly focused on the retina but rather in front. This causes distant images and objects to be out of focus while near images and objects are in focus.

Chart 10: Presbyopia and Myopia



Source: National Eye Institute

Given that Presbyopia is an age related condition its prevalence is high in most developing countries that have an average life expectancy well beyond 60 years of age.

Various estimates on the global prevalence of presbyopia from a combination of ophthalmic medical societies (AOA, NEI), individual physician studies (Holden et al), and market data reports (Market Scope) peg the number at over 1.0bn globally with expectations for this to increase toward 2.0bn by 2020. According to Market Scope, presbyopia currently affects approximately 1.8 billion people worldwide, or approximately 25% of the global population. The worldwide presbyopic population is expected to grow to approximately 2.0 billion in 2018 and 2.1 billion people by the end of 2020.

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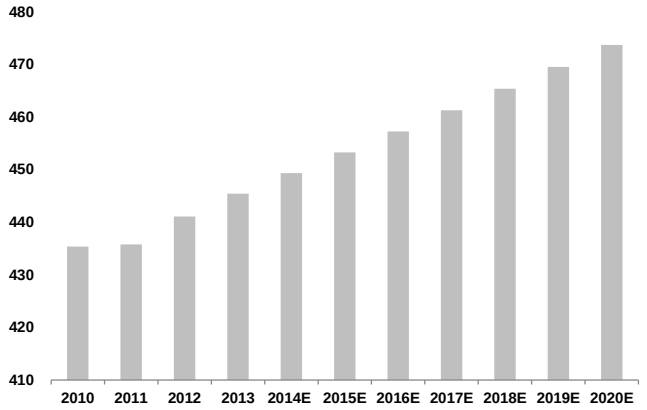
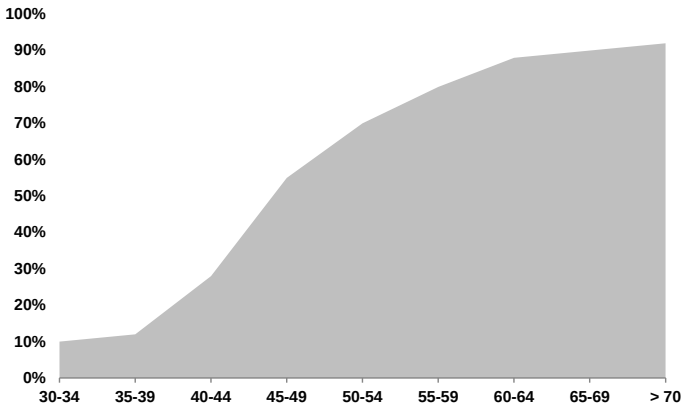
With Presbia's initial focus on the EU, Australia, Latin America, and the US we attempt to estimate the total available market opportunity of presbyopia within these markets by applying prevalence statistics by age to available population data for each region. The exercise yields a total presbyopia patient population of nearly 450mm as of 2014 which is forecasted to surpass 470mm by 2020.

Chart 11: Presbyopia Prevalence in Target Markets



Source: AOA, NEI, Market Scope, Holden et al.

Chart 12: Presbyopia Prevalence by Age



Source: AOA, NEI, Market Scope, Holden et al.

The LASIK experience

The growth of LASIK in the US and globally provides a good case study for the corneal inlay opportunity.

LASIK was approved in the US in 1995 and launched in 1996. By 2000, over 1.4 million procedures were being done annually. The market sustained at this rate until the economic downturn in 2008, at which time procedures fell to about 800,000 and are now annualizing about 600,000 per year. All told, about 17 million people have been treated with LASIK since its launch. International numbers are more difficult to source, but the market appears to be similar in size to the US, at about 700,000 procedures currently.

Chart 13: US LASIK Volumes

Source: Marketscope, company reports, Jefferies estimates

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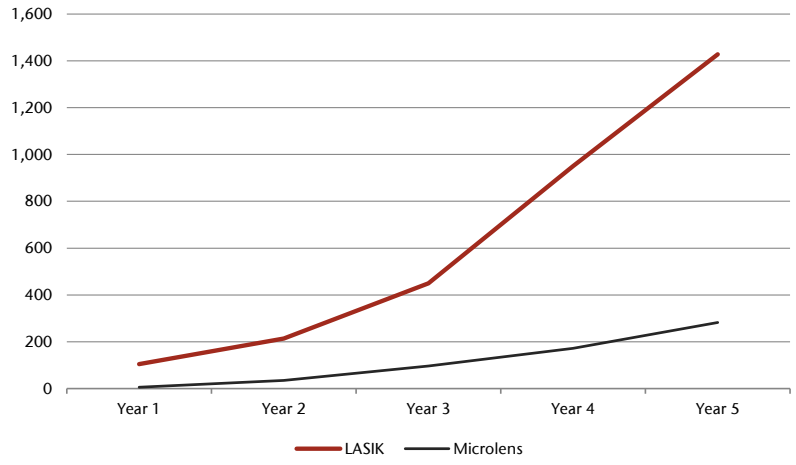
While even a fraction of the LASIK experience would be significant, corneal inlays for presbyopia could prove an even more significant opportunity. Several very positive attributes:

- The 17mn patients in the US and 35-40mn patients outside the US who have undergone LASIK provides a ready pool of patients who have shown a willingness to have vision correction procedures and who are now aging in the demographic for presbyopia
- Corneal inlays target an older and potential more affluent population
- The procedure is fully reversible and replaceable, lowering the commitment required
- There is established capacity with over 4,000 femtosecond lasers installed worldwide. These lasers are often in centers that were built for LASIK and which now have excess capacity that could be used for corneal inlay procedures.

In short, LASIK suggests there is a large market for vision correction solutions. At $900 as a direct sales price for the Microlens or other corneal inlays, a similar trajectory would suggest a market potential in the US alone of over $18bn over the next 20 or so years. And in the peak years, the annual revenue could be well over $1bn.

In the chart below we show our current expectations for US procedure volumes for Presbia in the first five years post approval against the ramp experienced by LASIK over its first five years. Our forecasts are well below LASIK; however, given the uncertainties around the US clinical data as well as how the competitive landscape will look in 2018 and beyond, conservatism is warranted.

Chart 14: US LASIK Actual and Microlens Expectations



Source: Marketscope and Jefferies Estimates

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Commercialization Strategy

Presbia received CE Mark clearance for Flexivue in November 2010 and subsequently launched the product in select countries including Ireland and the UK; launches in Brazil and Australia are also underway. Other EU target markets that have been identified for potential entrance ahead of the 2018 US launch include Belgium, Czech Republic, Finland, France, Germany, and Greece. Outside of Brazil, other potential Latin American country targets include Argentina, Columbia, Mexico, and Peru. Outside of Australia, target APAC countries include India and China.

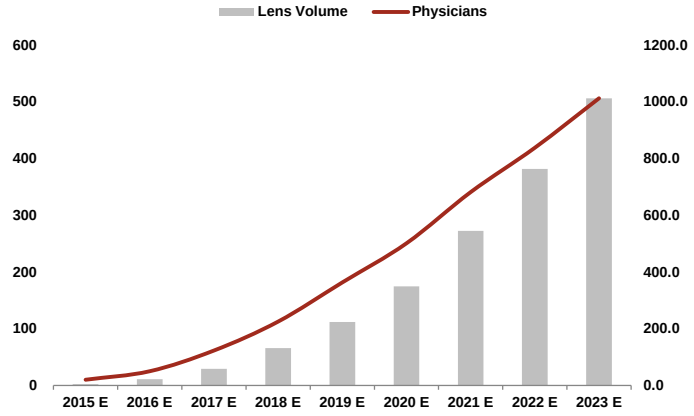
Chart 15: OUS Geographic Targets and Estimated Timing through 2019.

Timing	Region	Country	Target Sites	Estimated Lens Volume ('000)	Estimated Market Size ($mm)
2016	EU	Germany	16	74	$59
2016	EU	Finland	8	49	$39
2016	EU	Greece	6	17	$14
2017	EU	Belgium	9	20	$16
2018	EU	Czech Republic	6	26	$20
2018	EU	France	19	49	$39
2016	LATAM	Argentina	8	25	$20
2016	LATAM	Columbia	24	55	$44
2017	LATAM	Mexico	2	9	$7
2017	APAC	India	28	201	$161
2018	APAC	China	6	151	$121
Totals			**132**	**675**	**$540**

Source: Presbia PLC and Jefferies Estimates

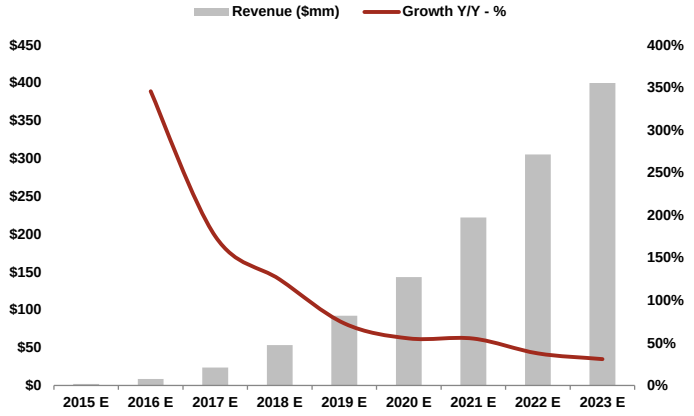
Our current model conservatively forecasts a little over 120 active physicians driving nearly 30k procedures by 2017 translating to $24mm revenue.

Chart 16: OUS Physician and Lens Outlook. 2015-2018E



Source: Jefferies estimates.

Chart 17: Presbia OUS Revenue Outlook. 2015-2018E



Source: Jefferies estimates.

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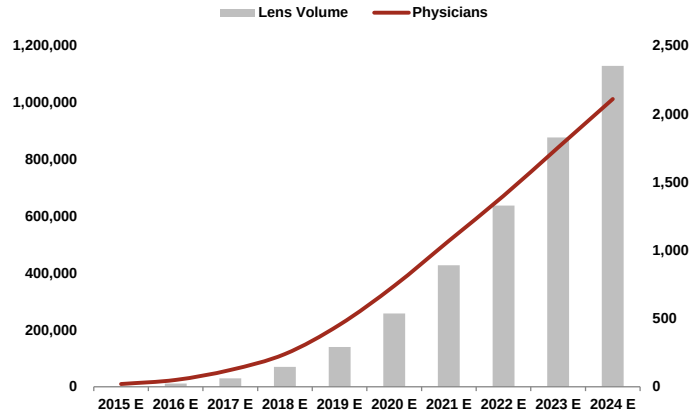
Revenue Outlook

The main drivers of Presbia's revenue model are the OUS launch of Flexivue followed by the anticipated US launch of Flexivue in 2018. More specifically, the company will drive revenue through greater physician adoption of Flexivue. With nearly $37mm in IPO proceeds, the company will begin to make a more aggressive push into its existing OUS markets and will work to expand into additional markets.

Accordingly our revenue model forecasts steady physician adoption initially in Ireland, Brazil, Australia and South Korea followed by other EU and Latin American countries in the 2015-2018 timeframe. Assuming no delays in the US PMA trial, US entry will likely come in 2018 based on our assumption for a 2017 PMA submission.

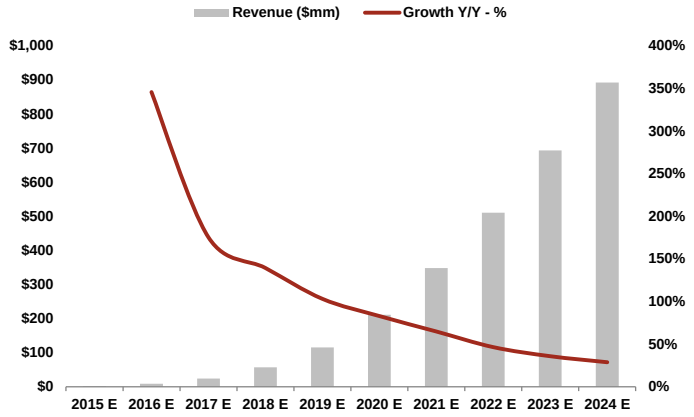
In the first full-year following the US launch our model forecasts over 450 active physicians implanting nearly 140k Flexivue lenses. This is inclusive of 28k US procedures or two-thirds less than that of Lasik in its inaugural year. Ultimately we think this could prove conservative depending upon the outcome results of the PMA study and general awareness of corneal inlays as a viable alternative for presbyopia ahead of the US Flexivue launch. The ASP per Flexivue lens will range from $700-$900 per unit depending upon the sales approach (direct versus indirect) suggesting annual revenues will approach $900mm over the next 10 years.

Chart 18: Physician and Lens Volume Outlook. 2015-2024E



Source: Jefferies estimates.

Chart 19: Presbia Revenue Outlook. 2015-2024E



Source: Jefferies estimates.

P&L Outlook

We forecast $16mm in operating losses in 2015 followed by $12mm in 2016 to factor investments into the fledgling OUS launch and US PMA trial. Thereafter, we model leverage gains as expenses increase at a slower pace than revenues, assuming successful uptake in OUS markets, which points to the company achieving breakeven exiting 2017.

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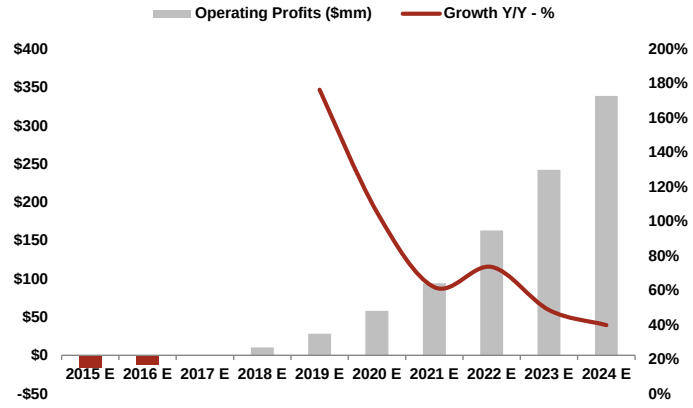
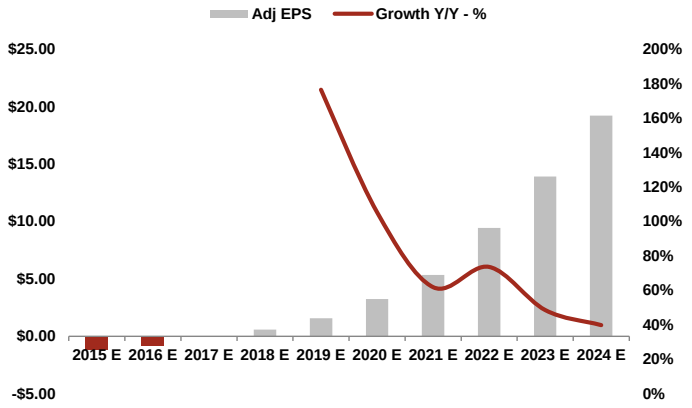
Chart 20: Operating Profit Outlook. 2015-2024E



Source: Jefferies estimates.

Chart 21: Adjusted EPS Outlook. 2015-2024E

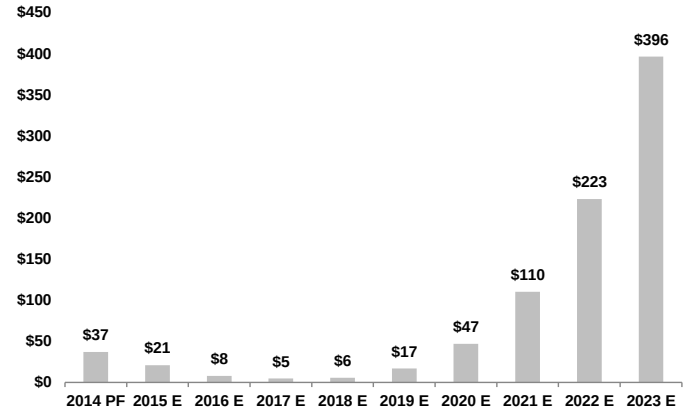


Source: Jefferies estimates.

Balance Sheet & Cash Outlook

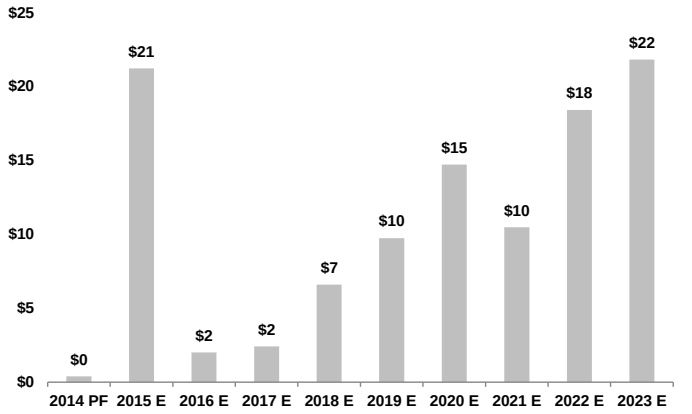
The company raised $37mm in net proceeds on its January 2015 IPO which should be sufficient to fund the business through the US PMA trial. The key risk is the rate of OUS adoption over the next 2 years, which if lower than forecast could trigger an additional need for cash.

Chart 22: Ending Cash Balance Outlook. 2014PF-2024E



Source: Jefferies estimates.

Chart 23: Operating Cash Burn Rates. 2015-2024E



Source: Jefferies estimates.

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Valuation: Comparables Analysis

Our $12 PT is derived using a blended approach that uses a 4.0x forward sales multiple on our 2019 revenue targets discounted back 5-years at 30% which yields $12 per share and a 10-year DCF which also yields $12 per share.

Our 4.0x forward sales multiple is derived from two sets of peer averages that consists of publicly traded ophthalmic companies and high growth medical device companies. Following years of consolidation, the former peer set is limited to STAAR Surgical (STAA, $6.63, NC) and Cooper Companies (COO, $165.81, Hold) which are trading at 2016 forward sales multiples of 2.7x and 4.2x, respectively. We also consider a peer set of high growth, single vertical or product medical device companies to capture the potential for the strong growth we model following the Flexivue product launch. This peer set includes Abiomed (ABMD, $60.35, Buy), Cardiovascular Systems (CSII, $35.31, NC), Heartware International (HTWR, $89.49, NC), and Thoratec (THOR, $40.50, NC) among others which collectively trade at average forward sales multiple of 4.9x based on 2016 consensus estimates.

Chart 24: Presbia Plc Comparables

Ophthalmology Comps	Ticker	Rating	Price	Mkt Cap	Cash	Debt	EV	EV/Sales 2014A	EV/Sales 2015E	EV/Sales 2016E
• Cooper Companies, Inc.	COO	Hold	$164.35	$8,046.6	25.2	1382.4	$9,403.7	4.9 x	4.5 x	4.2 x
STAAR Surgical Company	STAA	NC	$6.75	$258.8	18.4	5.6	$246.0	3.3 x	3.1 x	2.7 x
Mean								**4.1 x**	**3.8 x**	**3.4 x**
Median								**4.1 x**	**3.8 x**	**3.4 x**

Company	Ticker	Rating	Price	Mkt Cap	Cash	Debt	EV	EV/Sales 2014A	EV/Sales 2015E	EV/Sales 2016E
• ABIOMED, Inc.	ABMD	Buy	$60.52	$2,595.3	113.4	0.0	$2,481.9	11.1 x	9.4 x	7.6 x
Cardiovascular Systems, Inc.	CSII	NC	$35.48	$1,117.2	101.3	0.0	$1,015.8	5.5 x	4.4 x	3.4 x
• Cyberonics, Inc.	CYBX	Buy	$57.29	$1,534.9	136.9	0.0	$1,398.0	4.7 x	4.3 x	4.0 x
Endologix, Inc.	ELGX	NC	$14.89	$975.2	100.5	69.6	$944.3	6.4 x	5.8 x	4.9 x
HeartWare International, Inc.	HTWR	NC	$89.76	$1,526.5	180.3	112.8	$1,459.1	5.3 x	4.8 x	4.3 x
Mazor Robotics Ltd Sponsored ADR	MZOR	NC	$11.77	$246.0	47.1	0.0	$198.9	7.3 x	5.8 x	5.0 x
• Insulet Corporation	PODD	Buy	$31.88	$1,779.5	146.4	174.5	$1,807.6	6.3 x	5.4 x	4.5 x
Spectranetics Corporation	SPNC	NC	$34.16	$1,428.6	103.5	230.0	$1,555.1	5.8 x	4.9 x	4.1 x
Thoratec Corporation	THOR	NC	$40.42	$2,292.0	230.5	0.0	$2,061.5	4.5 x	4.1 x	3.8 x
Mean								**6.3 x**	**5.4 x**	**4.7 x**
Median								**5.8 x**	**4.9 x**	**4.3 x**

Source: Factset for NC companies, Jefferies estimates.

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Valuation: 10-Year DCF

Our 10-year DCF analysis factors our operating assumptions which are centered around the ongoing OUS launch of Flexivue, US trial investment phase, followed by the anticipated 2018 US launch. The fledgling OUS launch coupled with US trial expenses result in both operating and cash losses through 2016 which is followed by breakeven in 2017 and accelerating profits thereafter. This will be coupled with minimal working capital needs and capital investments translating to annual FCF that will eventually reach $300mm as the Flexivue cycle matures. We apply a 2% perpetual growth rate and 30% discount rate to arrive at our $12 per share 10-year DCF value.

Chart 25: LENS 10-Year DCF Analysis.

	2015 E Dec	2016 E Dec	2017 E Dec	2018 E Dec	2019 E Dec	2020 E Dec	2021 E Dec	2022 E Dec	2023 E Dec	2024 E Jan	2025 E Jan	CAGRs 7 year
Revenue	1.9	8.6	23.8	56.9	115.5	211.4	348.4	510.2	693.0	892.1	981.3	**36%**
Operating profit	(16.2)	(11.7)	(0.7)	10.2	28.3	58.1	94.1	163.3	242.5	339.0	422.0	
Adjusted taxes	0.0	0.0	0.0	0.0	0.0	0.0	9.4	19.6	36.4	61.0	105.5	
NOPAT	(16.2)	(11.7)	(0.7)	10.2	28.3	58.1	84.7	143.7	206.2	278.0	316.5	
Plus:D&A	0.2	0.4	1.2	2.3	4.0	5.9	6.3	6.1	8.3	20.0	19.6	
Less: Capital expenditures	(0.2)	(0.2)	(1.2)	(2.8)	(4.6)	(6.3)	(7.0)	(7.7)	(10.4)	(19.0)	(24.5)	
Less: Change in w orking capital	(21.2)	(2.0)	(2.4)	(6.6)	(9.7)	(14.7)	(10.5)	(18.4)	(21.8)	(21.0)	24.5	
Unlevered Free Cash Flow Firm	**($38)**	**($13)**	**($3)**	**$3**	**$18**	**$43**	**$73**	**$124**	**$182**	**$258**	**$336**	**51%**
Plus: New debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Less: Debt repayment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Less: Net interest payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Levered Free Cash Flow to Equity	**($38)**	**($13)**	**($3)**	**$3**	**$18**	**$43**	**$73**	**$124**	**$182**	**$258**	**$336**	**51%**

	FCFF
Discount Rate	30%
Terminal Grow th Rate	2%
Terminal Value	**$1,197**
Implied FCF Multiple	6.6x
NPV of Cash Flow s 2015 - 2024	$58
Plus: NPV of Terminal Value	$67
Enterprise Value	$125
Plus: Excess Cash, Securities & Other	$37
Firm Value	$162
Less: MV of Debt	$0
Less: MV of Preferred Stock	$0
Public Equity Value	**$162**
Diluted shares outstanding (mm)	13.3
DCF value per share	**$12**
Current price	$6.60
Implied return potential	**84%**

Source: Factset, Jefferies estimates.

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Senior Management

CEO – Todd Cooper. Mr. Cooper was appointed CEO in January 2015. Prior to Presbia, Mr. Cooper served as CEO of privately-held NVISION, an operator of ophthalmic surgical centers, from July 2011 through November 2014. Previous to NVISION, Mr. Cooper served as General Manager of Henry Schein Medical, a division of Henry Schein (HSIC-$142.55, Hold) from October 2008 through June 2010. Mr. Cooper received a B.A. from the University of Alberta in 1994.

Chief Technology Officer (CTO) - Vladimir Feingold. Mr. Feingold served as Director and CTO of Presbia Holdings since September 2009 through February 2014, as CTO of Presbia PLC since February 2014, as Executive VP of Presbia PLC since June 2014, and as Director of Presbia PLC since January 2015. Previously, Mr. Feingold served as President and Chairman of Staar Surgical AG from 1994 through 1999 and other management positions with its parent, Staar Surgical Co (STAA, $6.63, NC) from 1991 through 1999. Mr. Feingold received his BE and BSc from University of Sydney, Australia.

Executive Chairman - Ralph "Randy" Thurman. Randy Thurman joined Presbia as a Director in October 2013, served Chairman from January 2014 through December 2014, and was appointed Executive Chairman in January 2015. Prior to Presbia, Mr. Thurman served as a private equity advisors to AEA Investments and New Mountain Capital from 2008 through 2013. Prior to his private equity advisory work, Mr. Thurman served as a Director, Chairman and CEO of CardioNet, a publicly-traded medical technology company focused on cardiac arrhythmia monitoring solutions, from July 2008 to October 2011. From 2001 to 2007, Mr. Thurman was a Founder, Chairman and CEO of VIASYS Healthcare, a privately-held healthcare technology company that was acquired by Cardinal Healthcare (CAH, $87.06, NC) for $1.5bn in 2007. Mr. Thurman received a B.S. in economics from Virginia Polytechnic Institute and an M.A. in management from Webster University.

Director - Richard S. Ressler. Mr. Ressler has served as Director of Presbia Holdings since May 2007 and Director of Presbia PLC in January 2015. Mr. Ressler is founder, owner and President of Orchard Capital, a financial holding, consulting, and advisory firm.

Ownership Structure

Following the US IPO, the ownership structure of Presbia PLC is now approximately split 70% Presbia Holdings/Orchard Capital and 30% public investors. Orchard Capital is Richard Ressler's financial holding/advisory company which has invested approximately $37mn in Presbia to date.

Chart 26: Presbia Ownership Post IPO

Richard Ressler/Presbia Holdings	9,666,667	72.5%
Other insiders	86,666	0.7%
Public float	3,579,667	26.8%
Total	13,333,000	100.0%

Source: Company Data

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Chart 27: Presbia Income Statement

Income Statement
In Millions, Except Per Share Data
FYE Dec 31

Jefferies

	2013 A Dec	2014 A Dec	1Q15 E Mar	2Q15 E Jun	3Q15 E Sept	4Q15 E Dec	2015 E Dec	2016 E Dec	2017 E Dec	2018 E Dec	2019 E Dec	2020 E Dec	2021 E Dec	2022 E Dec	2023 E Dec	2024 E Dec
Total Revenue	**$0.1**	**$0.2**	**$0.1**	**$0.4**	**$0.6**	**$0.9**	**$1.9**	**$8.6**	**$23.8**	**$56.9**	**$115.5**	**$211.4**	**$348.4**	**$510.2**	**$693.0**	**$892.1**
Year-to-Year Growth	nm	nm	nm	nm	nm	nm	nm	345.7%	175.3%	139.3%	103.1%	82.9%	64.8%	46.5%	35.8%	28.7%
Cost of revenues	0.1	0.0	0.0	0.1	0.1	0.2	0.5	1.9	3.6	8.0	15.0	25.4	41.8	61.2	83.2	107.1
Gross Profit	**(0.0)**	**0.1**	**0.1**	**0.3**	**0.4**	**0.6**	**1.5**	**6.7**	**20.2**	**48.9**	**100.5**	**186.0**	**306.6**	**449.0**	**609.8**	**785.1**
Gross Margin %	nm	72.2%	75.0%	75.0%	75.0%	75.0%	75.0%	78.0%	85.0%	86.0%	87.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Operating Expenses																
R&D	2.1	3.5	1.2	1.8	2.0	2.5	7.5	5.5	5.9	10.2	12.1	22.2	27.9	35.7	48.5	62.4
% of Sales	nm	nm	nm	nm	nm	nm	nm	64.0%	25.0%	18.0%	10.5%	10.5%	8.0%	7.0%	7.0%	7.0%
Selling & marketing	1.0	1.6	1.1	1.2	1.4	1.5	5.2	7.8	9.0	17.1	37.0	65.5	121.9	163.3	207.9	249.8
% of Sales	nm	nm	nm	nm	nm	nm	nm	90.0%	38.0%	30.0%	32.0%	31.0%	35.0%	32.0%	30.0%	28.0%
G&A	4.1	8.4	1.2	1.3	1.3	1.2	5.0	5.2	5.9	11.4	23.1	40.2	62.7	86.7	110.9	133.8
% of Sales	nm	nm	nm	nm	nm	nm	nm	60.0%	25.0%	20.0%	20.0%	19.0%	18.0%	17.0%	16.0%	15.0%
Total SG&A	5.1	10.03	2.3	2.5	2.7	2.7	10.2	12.9	15.0	28.4	60.1	105.7	184.6	250.0	318.8	383.6
% of Sales	nm	nm	nm	nm	nm	nm	nm	nm	nm	50.0%	52.0%	50.0%	53.0%	49.0%	46.0%	43.0%
Total Operating Expenses	**7.3**	**13.5**	**3.5**	**4.3**	**4.7**	**5.2**	**17.7**	**18.5**	**20.9**	**38.7**	**72.2**	**127.9**	**212.5**	**285.7**	**367.3**	**446.1**
Operating Income	**(7.3)**	**(13.4)**	**(3.4)**	**(4.0)**	**(4.3)**	**(4.6)**	**(16.2)**	**(11.7)**	**(0.7)**	**10.2**	**28.3**	**58.1**	**94.1**	**163.3**	**242.5**	**339.0**
Operating Margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	18.0%	24.5%	27.5%	27.0%	32.0%	35.0%	38.0%
Adjusted EBITDA	(5.3)	(13.1)	(3.3)	(3.9)	(4.2)	(4.5)	(15.9)	(8.7)	2.3	13.2	31.3	61.1	97.1	166.3	245.5	342.0
EBITDA % of Sales	nm	nm	nm	nm	nm	nm	nm	nm	nm	23.3%	27.1%	28.9%	27.9%	32.6%	35.4%	38.3%
Net interest income (loss)	(2.2)	(2.3)	0.1	0.1	0.1	0.1	0.5	0.3	0.2	0.3	0.6	1.0	1.7	2.7	3.9	3.9
Other Income (expense)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings (Loss) Before Taxes	(9.4)	(15.7)	(3.3)	(3.9)	(4.1)	(4.4)	(15.7)	(11.4)	(0.5)	10.5	28.9	59.1	95.8	166.0	246.4	342.9
Pre-Tax Margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	18.5%	25.0%	28.0%	27.5%	32.5%	35.6%	38.4%
Income Tax Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	7.2	14.2	21.1	33.2	49.3	68.6
Tax Rate	nm	nm	nm	nm	nm	nm	nm	0.0%	0.0%	25.0%	25.0%	24.0%	22.0%	20.0%	20.0%	20.0%
Net Income	**($9.5)**	**($15.7)**	**($3.3)**	**($3.9)**	**($4.1)**	**($4.4)**	**($15.7)**	**($11.4)**	**($0.5)**	**$7.9**	**$21.7**	**$44.9**	**$74.7**	**$132.8**	**$197.2**	**$274.3**
Net Margin	nm	nm	nm	nm	nm	nm	nm	-132.5%	-2.2%	13.9%	18.8%	21.3%	21.4%	26.0%	28.5%	30.7%
Adjusted EPS	**($0.25)**	**($1.72)**	**($0.25)**	**($0.29)**	**($0.31)**	**($0.33)**	**($1.18)**	**($0.85)**	**($0.04)**	**$0.58**	**$1.57**	**$3.24**	**$5.35**	**$9.44**	**$13.91**	**$19.22**
Year-to-Year Growth		nm					nm	nm	nm	-1629.5%	172.3%	105.8%	65.0%	76.5%	47.4%	38.2%
Basic Shares Outstanding	9.2	9.2	13.3	13.4	13.4	13.4	13.4	13.5	13.6	13.7	13.8	13.9	14.0	14.1	14.2	14.3
Diluted Shares Outstanding	9.2	9.2	13.3	13.4	13.4	13.4	13.4	13.5	13.6	13.7	13.8	13.9	14.0	14.1	14.2	14.3

Source: Jefferies estimates

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Please see important disclosure information on pages 22 - 25 of this report.

Chart 28: Presbia Balance Sheet

Balance Sheet
In Millions, Except Per Share Data
FYE Sept 30

Jefferies

	2012 A Dec	2013 A Dec	2014 PF Dec	2015 E Dec	2016 E Dec	2017 E Dec	2018 E Dec	2019 E Dec	2020 E Dec	2021 E Dec	2022 E Dec	2023 E Dec
Assets												
Current Assets												
Cash & equivalents	$0.2	$0.6	$0.2	$20.9	$7.7	$4.8	$5.6	$16.9	$46.7	$110.2	$223.1	$396.3
Accounts receivable	0.0	0.0	0.0	0.3	1.0	2.6	6.3	12.9	23.6	39.2	56.7	77.0
Inventories	0.2	0.2	0.3	0.2	0.8	1.9	4.2	7.1	11.9	15.1	19.6	25.6
Prepaid expenses & other current assets	0.2	0.1	0.1	0.4	1.3	3.1	6.8	11.6	16.9	20.9	28.1	34.6
Total Current Assets	**0.6**	**0.9**	**0.6**	**21.8**	**10.9**	**12.4**	**22.9**	**48.5**	**99.0**	**185.4**	**327.4**	**533.5**
PP&E, net	0.7	0.8	0.8	0.9	0.6	0.6	1.2	1.7	2.2	2.9	4.4	6.5
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.1	2.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Assets	**1.4**	**3.8**	**1.5**	**22.8**	**11.6**	**13.1**	**24.2**	**50.4**	**101.3**	**188.3**	**331.9**	**540.1**
Liabilities												
Current Liabilities												
Accounts payable	0.2	2.7	1.4	1.0	1.0	1.3	2.8	6.1	11.4	20.7	30.3	40.2
Due to related parties	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes payable	0.0	0.0	0.0	0.0	0.0	0.8	2.1	3.0	3.6	6.8	7.9	9.3
Accrued and other current liabilities	0.1	0.4	0.6	1.0	1.2	2.1	2.5	2.8	2.9	2.8	2.8	2.6
Total Current Liabilities	**0.4**	**3.2**	**2.0**	**2.0**	**2.2**	**4.3**	**7.4**	**11.9**	**18.0**	**30.3**	**41.1**	**52.1**
Payable due to parent	13.0	9.4	20.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	**13.5**	**12.6**	**22.8**	**2.0**	**2.2**	**4.3**	**7.4**	**12.0**	**18.0**	**30.3**	**41.1**	**52.2**
Shareholders' Equity												
Common stock	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	0.1	12.8	13.1	70.8	70.8	70.8	70.8	70.8	70.8	70.8	70.8	70.8
Accumulated deficit	(12.3)	(21.7)	(34.4)	(50.2)	(61.6)	(62.1)	(54.2)	(32.6)	12.4	87.1	219.9	417.0
Other comprehensive loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Shareholders' Equity	**(12.1)**	**(8.9)**	**(21.2)**	**20.8**	**9.3**	**8.8**	**16.7**	**38.4**	**83.3**	**158.0**	**290.8**	**488.0**
Total Liabilities & Shareholders' Equity	**1.4**	**3.8**	**1.5**	**22.8**	**11.6**	**13.1**	**24.2**	**50.4**	**101.3**	**188.3**	**331.9**	**540.1**

Source: Jefferies estimates

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Please see important disclosure information on pages 22 - 25 of this report.

Chart 29: Presbia Cashflow Statement

Cashflow Statement
In Millions, Except Per Share Data
FYE Dec 31

Jefferies

	2012 A Dec	2013 A Dec	2014 A Dec	2015 E Dec	2016 E Dec	2017 E Dec	2018 E Dec	2019 E Dec	2020 E Dec	2021 E Dec	2022 E Dec	2023 E Dec
Cash from Operating Activities:												
Net Income (loss)	**(5.0)**	**(9.5)**	**(12.7)**	**(15.7)**	**(11.4)**	**(0.5)**	**7.9**	**21.7**	**44.9**	**74.7**	**132.8**	**197.2**
Depreciation	0.0	0.1	0.1	0.2	0.4	1.2	2.3	4.0	5.9	6.3	6.1	8.3
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Write off of deferred offering costs	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory provisions	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock-based comp allocated from Parent	0.0	0.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash interest expense on funding from Parent	1.5	2.2	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash operating expense allocated from Parent	0.5	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash operating expense allocated from related party	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in Working Capital												
Change in A/R	0.0	(0.0)	(0.0)	(0.3)	(0.7)	(1.6)	(3.6)	(6.7)	(10.6)	(15.6)	(17.5)	(20.3)
Change in inventories	(0.1)	(0.1)	(0.1)	0.1	(0.6)	(1.1)	(2.3)	(2.9)	(4.8)	(3.2)	(4.5)	(6.0)
Change in prepaids and other current	(0.1)	0.0	0.1	(0.3)	(0.9)	(1.8)	(3.7)	(4.7)	(5.4)	(4.0)	(7.2)	(6.6)
Change in other assets	(0.1)	0.1	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in A/P	0.1	0.8	(0.2)	(0.4)	0.0	0.4	1.4	3.3	5.3	9.2	9.7	9.9
Change in accrued expenses and other	0.0	0.0	0.0	0.4	0.2	0.9	0.4	0.3	0.1	(0.1)	0.0	(0.2)
Change in taxes payable	0.0	0.0	0.0	0.0	0.0	0.8	1.3	0.9	0.6	3.2	1.1	1.4
Change in deferred rent	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in due from related parties	0.1	0.1	(0.1)	(20.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Change in Working Capital	(0.1)	0.8	(0.4)	(21.2)	(2.0)	(2.4)	(6.6)	(9.7)	(14.7)	(10.5)	(18.4)	(21.8)
Total Cash from Operations	**(3.0)**	**(4.8)**	**(7.4)**	**(36.8)**	**(13.0)**	**(1.7)**	**3.6**	**16.0**	**36.1**	**70.5**	**120.5**	**183.6**
Cash from Investing Activities:												
Purchase of PP&E	(0.7)	(0.1)	(0.1)	(0.2)	(0.2)	(1.2)	(2.8)	(4.6)	(6.3)	(7.0)	(7.7)	(10.4)
Capitalized software costs	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan to related party	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of loan from related party	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash from Investing Activities	**(0.7)**	**(0.1)**	**(0.2)**	**(0.2)**	**(0.2)**	**(1.2)**	**(2.8)**	**(4.6)**	**(6.3)**	**(7.0)**	**(7.7)**	**(10.4)**
Cash from Financing Activities:												
Loan from related third party	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of loan to related party	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from IPO	0.0	0.0	0.0	37.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred offering costs	0.0	(0.0)	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capitalization of Presbia Plc	0.0	0.0	0.1	20.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Funding from Parent	3.8	5.4	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash from Financing	**3.8**	**5.4**	**7.199**	**57.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
F/X Adj.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Cash & Equivalents	0.0	0.4	(0.3)	20.7	(13.2)	(2.9)	0.7	11.4	29.8	63.5	112.8	173.3
Beginning Cash Balance	0.2	0.2	0.6	0.2	20.9	7.7	4.8	5.6	16.9	46.7	110.2	223.1
Ending Cash Balance	**0.2**	**0.6**	**0.2**	**20.9**	**7.7**	**4.8**	**5.6**	**16.9**	**46.7**	**110.2**	**223.1**	**396.3**

Source: Jefferies estimates

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Please see important disclosure information on pages 22 - 25 of this report.

Company Description

Presbia Plc is an ophthalmic device company that has developed a proprietary optical lens implant for treating presbyopia, the age-related loss of the ability to focus on near objects. The Flexivue Microlens is currently available is select OUS markets including the EU and Australia with plans to enter the US market by 2018.

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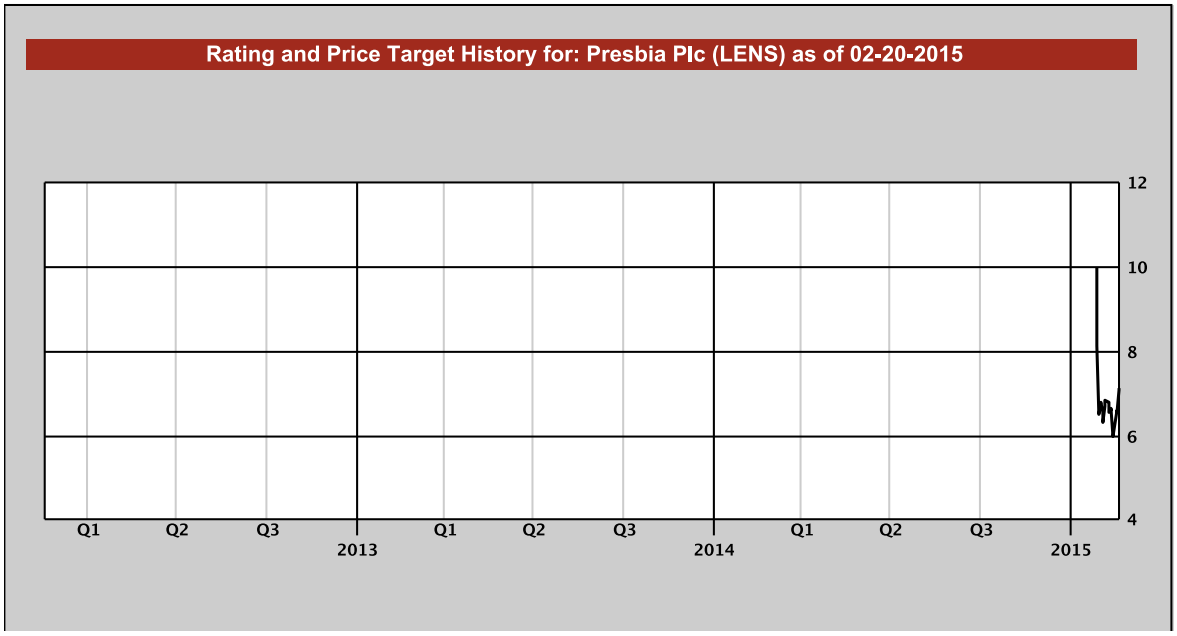
- Henry Schein, Inc. (HSIC: $142.55, HOLD)
- Insulet Corp (PODD: $31.99, BUY)
- The Cooper Companies, Inc. (COO: $165.81, HOLD)



Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos. Count	IB Serv./Past 12 Mos. Percent
BUY	1056	51.19%	291	27.56%
HOLD	835	40.48%	157	18.80%
UNDERPERFORM	172	8.34%	10	5.81%

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