
SCOTT-MACON

INVESTMENT BANKING

HEALTHCARE INDUSTRY

2021 Update | April 2021



M&A ADVISORY | VALUATION SERVICES | ADVISORY SERVICES | DEBT/EQUITY FINANCINGS

Introduction

We are pleased to provide you with Scott-Macon’s April 2021 Healthcare Industry Update. Please contact Nate Cortright at 203-246-6527 or ncortright@scott-macon.com should you wish to discuss how Scott-Macon can assist you in achieving your business objectives.

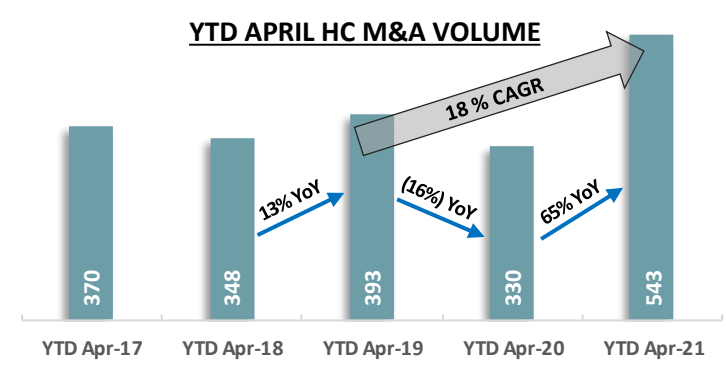
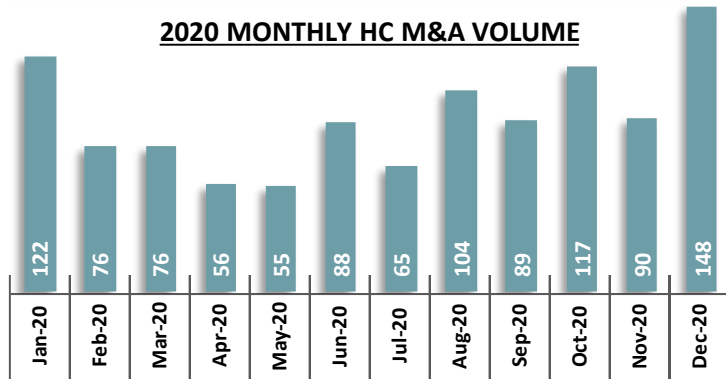
- **Healthcare shines in M&A’s major comeback so far in 2021 with a record setting 543 deals completed through April**
 - Due to record special purpose acquisition company (SPAC) capital formation, favorable financing trends and the likely continued benign interest rate environment, Scott-Macon believes that evolving conditions should support strong healthcare M&A throughout 2021
- **Covid caused disruption across the entire healthcare ecosystem that shed a light on inefficiencies in the healthcare model that incumbents will need to address in the years ahead by building out or buying (M&A) these capabilities**
 - Sudden switch to remote work exposed limitations of the traditional on-premises Healthcare IT systems → *demand for new more open paradigm should give rise to new collaborative solutions that span the continuum of care*
 - Social distancing and fear of the virus led to a surge in demand for telehealth solutions with 46% of consumers using telehealth in 2020, a 4x increase from 2019 → *the promise of telehealth touted for the last decade was realized in 2020, but its place in the overall healthcare system will be tested once the country fully reopens*
- **The mental health impacts of Covid are yet to unfold, but the strong growth in behavioral health investments & deals over the last 12 months signals there is significant pent-up demand— see page 3 for more details**
 - Covid proved not only a physical health crisis, but a behavioral and mental health crisis as well due to prolonged lockdowns, job losses and social isolation
- **Nontraditional partnerships in the health insurance market continue to blur the line between payor, provider and IT services**
 - **UnitedHealth/Optum** to acquire **Change Healthcare** (announced January 2021) – *antitrust concerns raised by AHA*
 - **Humana** to acquire remaining stake in **Kindred Healthcare** (announced April 2021)
 - **Medical Mutual of Ohio** acquired **ESI Employee Assistance** (closed March 2021)

HEALTHCARE M&A TREND: UNPRECEDENTED DEAL VOLUME THROUGH APRIL 2021 EXPECTED TO CONTINUE



- Healthcare M&A volume dropped with Covid clouding the long-term outlook making solvency, not strategy, a top priority
- Business ingenuity, government support and cheap capital alleviated some of the Covid headwinds for healthcare companies
- Healthcare M&A activity increased throughout the second half of 2020 as executives adjusted to the new market dynamics

- The vaccines promise of a return to normalcy has unlocked pent-up demand for healthcare M&A – **543 deals completed through April, a 65% YoY increase**
- Healthcare M&A volume should remain at elevated levels throughout 2021 with multiple tailwinds – *low interest rates, strong balance sheets and a desire for growth*



Behavioral Health

- **Behavioral health deal activity remained remarkably resistant to the pandemic in 2020 and Scott-Macon expects the market to continue to outperform in 2021**
 - Deal volume in behavioral health during 2020 outpaced 2019 despite the broader healthcare market declining by 16%. Q1 2021 significantly outpaced Q1 2020, in deal volumes and sizes, setting up a record year in behavioral health M&A
- **Long-term industry tailwinds buoyed by the COVID-19 pandemic’s negative impacts on behavioral health**
 - The traumas associated with COVID-19 are causing lasting damage to the mental health of millions of Americans, and increasing the demand for treatment options
 - Provisional CDC data shows that in the twelve months ending October 2020 reported overdose deaths were up 28.3% from the prior twelve months in the United States → *the opioid epidemic is accelerating due to COVID-19 and demand for treatment is growing*
- **Digital solutions are highly sought after for their scalability and disruption potential**
 - Venture capital firms are paying premiums for scalable digital solutions in wellness and mental health

COVID-19 impacts on Behavioral Health

40%

of Americans are reporting mental health issues in 2021, up from 10% in '19

~60%

of employers report that mental health issues have impacted them since the pandemic began

75%

of employers said improving behavioral health benefits was a top priority in 2021

29%

of employers plan to expand behavioral health programs or add services in 2021



ADDICTION SERVICES M&A

- ✓ **Significant consolidation in the addiction services market with private equity firms rolling up providers**
- ✓ **Focus on creating geographically diverse operations with services that span across the entire addiction continuum of care**



12 Deals ⁽¹⁾



3 Deals ⁽¹⁾



4 Deals ⁽¹⁾



3 Deals ⁽¹⁾



EMPLOYER SOLUTION M&A

- ✓ **Payers and behavioral health companies acquiring high value, employee wellbeing solutions that promote better mental health**
- ✓ **Focus on adjacent solutions that logically fit into existing portfolio to maximize cross-sell opportunity**



VC INVESTMENT

- ✓ **Virtual care companies are drawing the largest investments, especially those leveraging the existing healthcare ecosystem and making it more accessible**
- ✓ **Focus on solutions that provide quality behavioral health outcomes over pure savings**



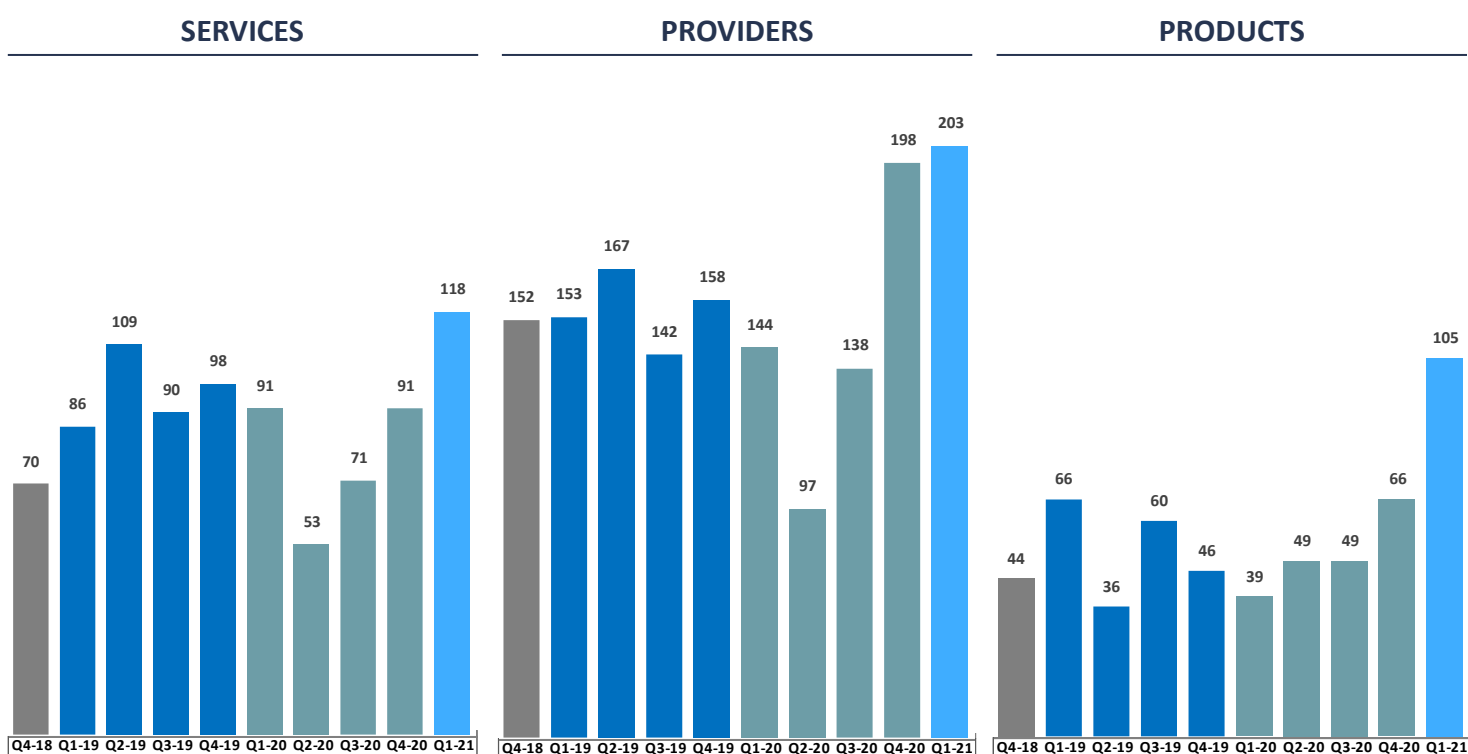
(1) Represents number of deals completed over the last 12 months as of April 2021. All these providers are private equity backed.

Key Metrics

SEGMENT SNAPSHOT

\$ in millions	M&A Stats YTD Apr-21		Trailing 18mo M&A Median		Public Comps @ 4/30/21	
	# Deals	TEV	TEV / Revenue	TEV / EBITDA	TEV / Revenue	TEV / EBITDA
Healthcare IT and Tech-enabled Services	99	\$ 14,791.5	3.22x	14.8x	5.42x	26.8x
Consumer Driven Healthcare	9	1,104.8	NA	NA	3.69x	23.7x
Facilities Management	4	-	NA	NA	2.40x	17.5x
Workforce Solutions	13	-	1.45x	11.3x	1.95x	20.6x
Insurance - Commercial	10	2,144.3	0.39x	21.9x	0.82x	11.6x
Insurance - Government	3	61.1	0.31x	NA	0.58x	11.7x
Distribution	5	6,470.5	0.26x	14.7x	0.61x	15.7x
Labs	9	243.1	1.60x	NA	1.99x	6.9x
Services Segment	152	24,815.3	1.78x	14.7x	1.92x	17.1x
Acute	15	58.3	0.76x	NA	1.08x	9.1x
Senior Living / Long-term Care	37	8,429.4	1.80x	NA	2.19x	18.0x
Behavioral	41	10.9	0.94x	NA	2.30x	11.8x
Home Health	21	561.0	1.24x	12.7x	3.37x	29.9x
Specialty	150	202.9	1.55x	6.1x	2.05x	14.2x
Providers Segment	264	9,262.4	1.45x	8.5x	2.07x	15.5x
Supplies & Distribution	11	2.8	2.31x	12.6x	0.55x	11.1x
Durable Medical Equipment	12	7.2	0.83x	4.8x	1.79x	18.9x
Medical Devices & Products	11	1,028.7	4.35x	NA	6.28x	25.3x
Specialty Devices & Products	90	14,942.1	2.67x	12.7x	7.54x	38.9x
Consumer	3	-	NA	NA	3.87x	10.9x
Products Segment	127	\$ 15,980.8	2.46x	9.1x	4.08x	16.6x

M&A VOLUME BY SEGMENT



Note: Number of deals represents all deals announced during the period

Notable Deals

DEAL SPOTLIGHT

March 3rd, 2021 (closed)



98% CLIENT SATISFACTION	50+ TOTAL EMPLOYEES	1800 EMPLOYER GROUPS	600K EMPLOYEES COVERED
--------------------------------------	----------------------------------	-----------------------------------	-------------------------------------

- ESI provides a differentiated EAP that promotes employee well-being, fosters personal and professional development, and improves productivity
 - ESI maintains a 98% client satisfaction rate and a utilization rate that is three times that of other EAPs
- ESI provides Medical Mutual with a platform for expansion into an adjacent market with strong growth potential both in Ohio and across the United States
 - “EAP are opportunities for employers to support the overall health and wellness of their employees. We know from our existing customers the value employers see in these programs” – Medical Mutual President and CEO, Rick Chiricosta
- Scott-Macon acted as ESI’s exclusive financial advisor on the transaction

LARGEST DEALS

\$ in billions

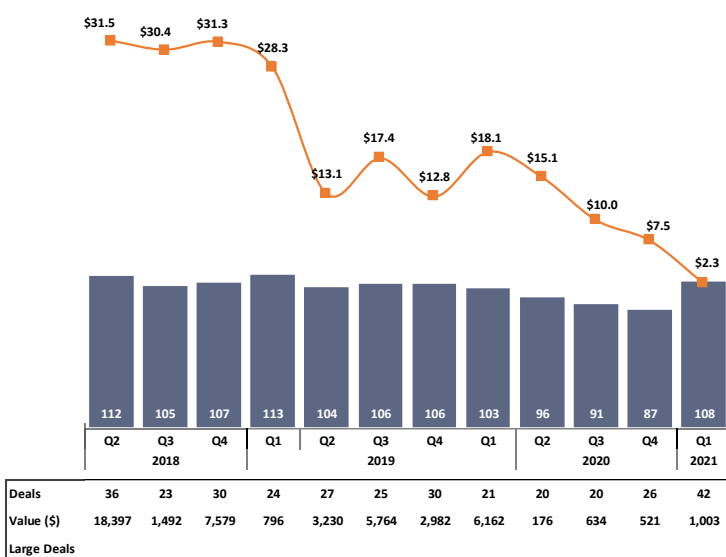
Acquirer	Target	Fast Facts	Acquirer	Target	Fast Facts
1 		TEV: \$13.5 Revenue: \$3.1 Founded: NA	6 		TEV: \$1.1 Revenue: NA Founded: 2017
2 		TEV: \$6.5 Revenue: \$19.1 Founded: N/A	7 		TEV: \$1.0 Revenue: \$0.8 Founded: 1957
3 		TEV: \$4.7 Revenue: \$1.1 Founded: 1963	8 		TEV: \$0.7 Revenue: <\$0.1 Founded: 2016
4 		TEV: \$2.1 Revenue: \$4.6 Founded: 1969	9 		TEV: \$0.6 Revenue: \$0.1 Founded: NA
5 		TEV: \$1.8 Revenue: \$0.2 Founded: 2010	10 		TEV: \$0.6 Revenue: <\$0.1 Founded: 2002

Private Equity Group (“PEG”) vs Corporate Acquirers

- Q1 was a record setting quarter for M&A deal activity (427)
- Strong quarter pushed trailing twelve month deal volume above pre-Covid trend
- Add-on activity by private equity backed companies continues at historic levels – 3 of the 5 top corporate acquirers are Private Equity backed

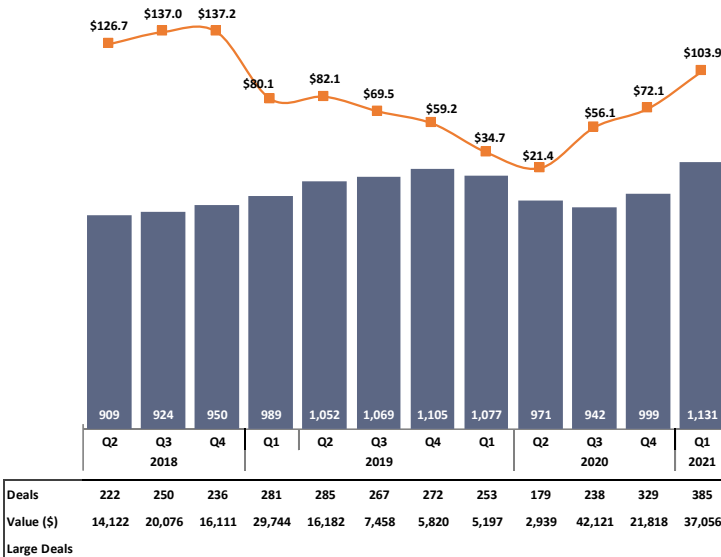
PEG DEAL TRENDS (TTM) ⁽¹⁾

\$ in billions



CORPORATE DEAL TRENDS (TTM)

\$ in billions



“SERIAL” PEG ACQUIRERS

Platform Deals
TTM Apr. 2021

	2
	2
	2
	2
	2

“SERIAL” CORPORATE ACQUIRERS

Deals
TTM Apr. 2021

	11
	8
	7
	7
	6

(1) Excludes add-on investments made by private equity portfolio companies.
TTM: Trailing twelve months.

Deal Volume and Value by Industry Segment

- Sub \$500M middle-market M&A activity remains robust across all segments within the U.S. healthcare industry
- Consistent with prior quarters, a majority of middle-market deals do not disclose transaction values and metrics

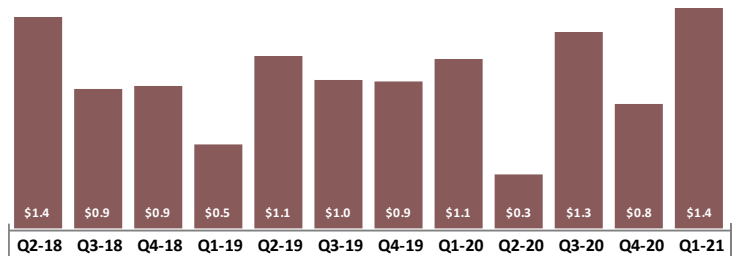
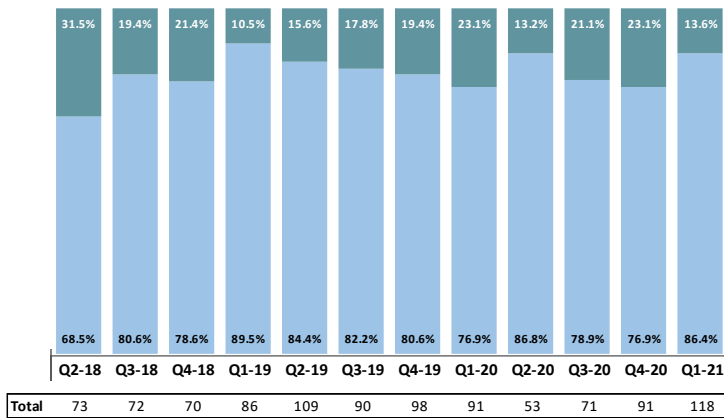
DEAL VOLUME

Value Not Disclosed Value Disclosed

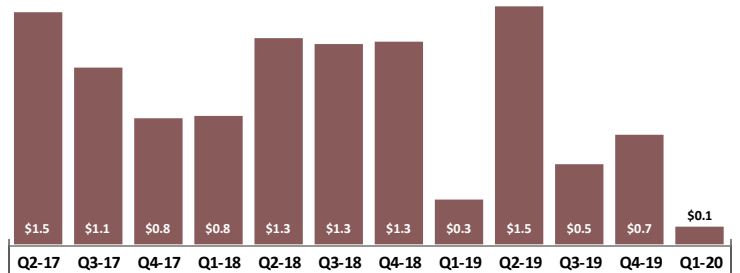
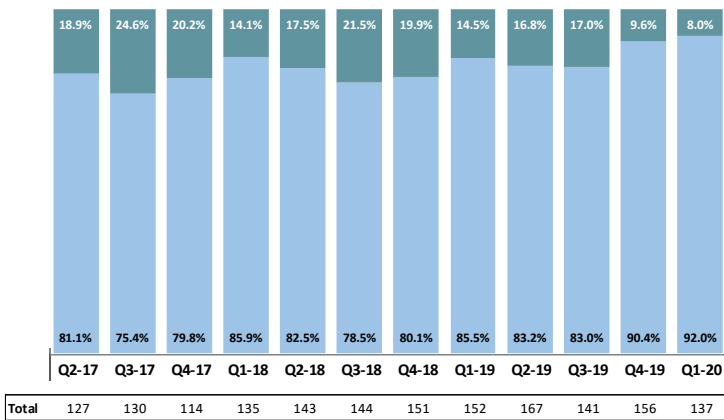
DISCLOSED DEAL VALUE (SUB \$500M)

\$ in billions

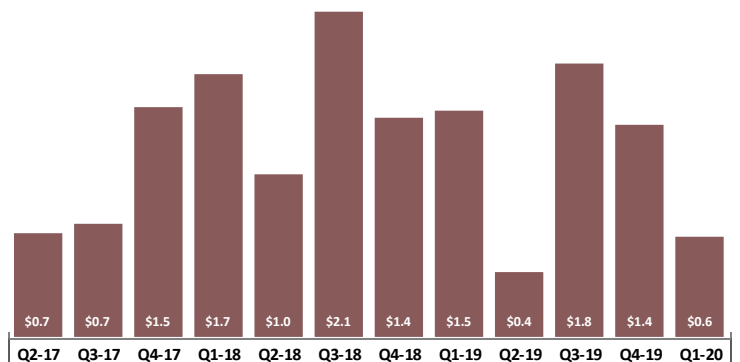
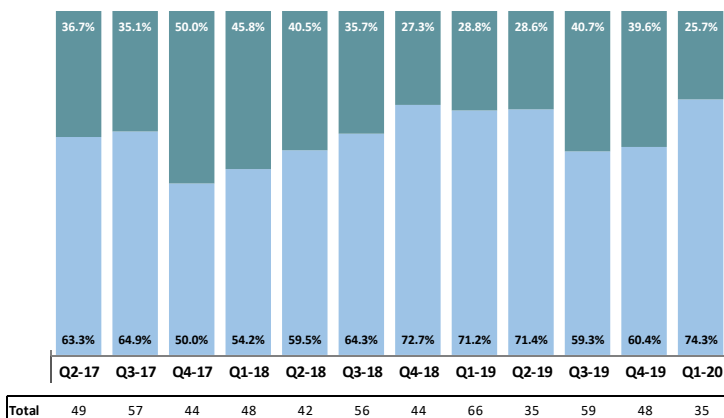
SERVICES



PROVIDERS



PRODUCTS



Introduction

Scott-Macon is one of the oldest independent investment banks in the United States, focused exclusively on middle-market transactions in the \$10-200 million range. Founded in 1973 by Alfred L. Scott, the firm's senior professionals have extensive experience in mergers and acquisitions advisory, debt and equity financing, corporate valuations, fairness opinions and general corporate financial consulting.

In business for over 40 years, Scott-Macon has been retained to undertake a diverse range of domestic and international corporate finance engagements for both public and privately-held corporations. The firm's professionals have significant operating and advisory experience across key industry sectors.

HEALTHCARE INDUSTRY EXPERIENCE

Services Segment	Providers Segment	Products Segment
Revenue Cycle Management	Non-acute Care	Disposables
Facility Management	Home Health & Hospice	Commercial
Tech-enabled	Laboratories	Consumer
Data Analytics	Acute Care	Clinical Devices
Insurance	Long-Term Care	Distribution
Medical Review	Behavioral Health	Non-Clinical Devices
Consulting	Specialty Care	Diagnostic
Regulatory Compliance	Alternative / Integrative Health	Durable Medical Equipment

INDUSTRY GROUPS



Sources

1. Pitchbook
2. S&P CapitalIQ
3. Scott-Macon proprietary transaction information
4. SEC Filings
5. USAFacts COVID-19 Cases & Deaths

Disclaimer:

In the preparation of the information contained in this document, Scott-Macon, Ltd. has endeavored to present information that is as accurate and current as possible from sources believed to be reliable. However, inadvertent errors can occur. Therefore, the information is provided "as is", without any representation or warranty of any kind, expressed or implied. Any reproduction, retransmission, republication, or other use of all or part of this document is expressly prohibited, unless written permission has been granted by Scott-Macon, Ltd. All other rights are reserved.

Copyright 2021 © Scott-Macon, Ltd., all rights reserved.

CONTACTS

Nathan D. Cortright
 Managing Director
 Group Head, Healthcare
ncortright@scott-macon.com
 (203) 246-6527

Alfred L. Scott
 President & Founder
als@scott-macon.com
 (212) 755-8200

Robert B. Dimmitt
 Senior Managing Director
rdimmitt@scott-macon.com
 (212) 755-8200

Alex L. Scott
 Managing Director
ascott@scott-macon.com
 (212) 755-8200

Jeffrey M. Tepper
 Managing Director
jtepper@scott-macon.com
 (212) 755-8200

Leslie S. Lau
 Senior Vice President
llau@scott-macon.com
 (212) 755-8200

George B. James
 Vice President
gjames@scott-macon.com
 (773) 526-6027

Jack D. Stein
 Analyst
jstein@scott-macon.com
 (714) 833-4365

Select Healthcare Transactions

 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has entered into a debt facility with</p> 	 <p>has been acquired by</p> 	 <p>has acquired</p> 	 <p>has been acquired by</p> 
 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has acquired</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has acquired</p> 	<p>Pioneer HealthCare</p> <p>has been acquired by a joint venture between</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has sold its securement division to</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 	 <p>has sold its managed care business to</p> 	<p>Medical Bill Audits</p> <p>has been acquired by</p> 

Note: These include companies where Principals of Scott-Macon were active advisors while employed at Scott-Macon and previous firms.

All logos listed above are registered trademarks of the respective companies.

APPENDIX I

Trailing 18 Month M&A Transactions

SERVICES

Announced Date	Target	Buyer	Enterprise Value	Enterprise Value /	
				Revenue	EBITDA
03/09/2021	Qualtrax, Inc.	Ideagen plc	\$ 14.9	2.87x	NA
02/16/2021	rfxcel Corporation	Antares Vision, Inc.	150.0	8.82x	NA
01/19/2021	Capsule Technologies, Inc.	Koninklijke Philips N.V.	635.0	6.35x	NA
01/06/2021	Majority of Alliance Healthcare Businesses of Walgreens Boots Alliance, Inc.	AmerisourceBergen Corporation	6,470.5	0.34x	NA
01/06/2021	Change Healthcare Inc.	Optum, Inc.	13,547.9	4.41x	14.8x
01/04/2021	Magellan Health, Inc.	Centene Corporation	2,122.3	0.46x	21.9x
12/22/2020	PatientMatters, LLC	Firstsource Solutions Limited	13.0	0.73x	NA
12/21/2020	HMS Holdings Corp.	Gainwell	3,517.7	5.47x	NM
12/16/2020	Substantially All Of the Assets of BioTek Services, Inc	Transcat, Inc.	3.5	1.67x	NA
11/23/2020	e-MDs, Inc.	CompuGROUP Holding USA, Inc.	240.0	2.70x	18.2x
10/13/2020	CarePort Health, LLC	WellSky Corporation	1,350.0	NM	21.0x
10/01/2020	Irving Burton Associates, Inc.	DLH Holdings Corp.	32.7	1.33x	10.6x
09/28/2020	Benchmark Systems, Inc.	CloudMD Holdings Corporation (Delaware) Inc.	5.0	1.02x	9.8x
08/12/2020	Pharmaceutical Strategies Group's (PSG) 340B Link	Omniceil, Inc.	225.0	6.43x	NA
07/01/2020	A Plus Health Care, Inc.	Addus HomeCare Corporation	11.7	1.13x	NA
05/28/2020	US Blood Donor Software Assets of Global Med Technologies, Inc.	Hemasoft America Corp.	28.0	2.48x	NA
04/30/2020	Magellan Complete Care Business of Magellan Health, Inc.	Molina Healthcare, Inc.	850.0	0.31x	NA
03/10/2020	U.S. Health and Human Services Business from DXC Technology Company	Veritas Capital Fund Management, L.L.C	5,000.0	3.57x	NA
02/24/2020	TTE Laboratories	Transcat, Inc.	12.3	1.54x	NA
02/11/2020	CURA Health Management	HLYK Florida, LLC	0.6	0.31x	NA
01/29/2020	Stratus Video, LLC	AMN Healthcare, Inc.	579.2	6.13x	NM
01/17/2020	Decision Resources, Inc.	Clarivate Analytics Plc	957.2	4.62x	20.1x
01/13/2020	Ashfield Pharmacovigilance from UDG	Ergomed plc	10.0	0.86x	11.1x
12/18/2019	Enterprise Content Management Business from Streamline Health	Hyland Software, Inc.	16.0	2.38x	NA
12/09/2019	Diplomat Pharmacy, Inc.	OptumRx	897.3	0.17x	14.7x
11/05/2019	Soliant Health, Inc.	Olympus Partners	612.0	1.78x	11.3x
Median			\$ 232.5	1.78x	14.7x

Note: \$ in millions. Information above only represents transactions with partial or full announced deal terms.
 ND: SM proprietary deal stat has been included in the median.
 NA: Not available.
 NM: Not meaningful.

APPENDIX I

Trailing 18 Month M&A Transactions

PROVIDERS						
Announced Date	Target	Buyer	Enterprise Value	Enterprise Value /		
				Revenue	EBITDA	
04/20/2021	Five Points Healthcare, LLC	Aveanna Healthcare Holdings Inc.	\$ 64.4	1.80x	NA	
04/01/2021	Five clinic physical therapy practice	U.S. Physical Therapy, Inc.	17.1	2.45x	NA	
02/04/2021	RIVER CITY MEDICAL ASSOCIATES, INC.	Skylight Health Group Inc.	4.3	0.71x	3.2x	
12/11/2020	D&D Services, Inc.	Aveanna Healthcare Holdings Inc.	40.6	0.90x	NA	
12/10/2020	Portfolio of 45 Ambulatory Surgery Centers in United States	United Surgical Partners International Inc.	1,851.3	4.31x	8.8x	
12/10/2020	Assets of Six Medical Clinics in Florida	Skylight Health Group Inc.	3.8	0.96x	4.0x	
12/04/2020	SunLife Home Care, LLC	Addus HomeCare Corporation	1.7	0.65x	NA	
12/03/2020	Assets of Healthcare Resources Management, LLC	Skylight Health Group Inc.	0.8	0.48x	NA	
11/11/2020	Queen City Hospice, LLC	Addus HealthCare, Inc.	179.3	3.20x	NA	
11/05/2020	Assets of APEX Family Medical	CB2 Insights Inc. (nka:Skylight Health Group Inc.)	1.8	0.94x	NA	
11/02/2020	County HomeMakers, Inc.	Addus HomeCare Corporation	14.7	0.99x	NA	
10/28/2020	Primary Care Medical Clinic in Tacoma	CB2 Insights Inc. (nka:Skylight Health Group Inc.)	0.4	0.76x	NA	
10/27/2020	West Health Advocate Solutions, Inc.	Teleperformance SE	690.0	4.93x	13.8x	
10/07/2020	Maverick County Medical Family Center	CB2 Insights Inc. (nka:Skylight Health Group Inc.)	0.8	0.67x	NA	
10/02/2020	American Renal Associates Holdings, Inc.	Innovative Renal Care, LLC	1,264.8	1.55x	8.1x	
09/29/2020	Simplura Health Group	Socrates, LLC	575.0	1.24x	11.6x	
08/11/2020	Health Technology Resources, LLC	Protech Home Medical Corp. (nka:Quipt Home Medical Corp.)	5.4	0.98x	3.3x	
08/02/2020	Varian Medical Systems, Inc.	Siemens Healthineers AG	16,390.8	5.13x	NM	
07/20/2020	Emergency Medical Services Business of R1 RCM Inc.	Sarnova, Inc.	140.0	2.12x	10.8x	
05/11/2020	TearLab Corporation	Accelmed Partners	32.0	1.45x	NM	
04/27/2020	AseraCare Hospice	Amedisys Hospice, L.L.C.	235.0	2.01x	NA	
02/27/2020	Four Clinic Physical Therapy Practice	U.S. Physical Therapy, Inc.	18.8	2.84x	NA	
01/10/2020	Oncology Division from Human Longevity	NeoGenomics Laboratories, Inc.	37.0	3.70x	NA	
Median			\$ 32.0	1.45x	8.5x	

Note: \$ in millions. Information above only represents transactions with partial or full announced deal terms.
 ND: SM proprietary deal stat has been included in the median.
 NA: Not available.
 NM: Not meaningful.

Trailing 18 Month M&A Transactions

PRODUCTS						
Announced Date	Target	Buyer	Enterprise Value	Enterprise Value /		
				Revenue	EBITDA	
04/27/2021	PeriGen, Inc.	Halma plc	\$ 58.0	2.90x	NA	
04/14/2021	BioDot, Inc.	ATS Automation Tooling Systems Inc.	84.0	2.33x	5.6x	
04/12/2021	REV. 1 Engineering, Inc.	Asahi Intecc Co., Ltd.	27.4	4.75x	NA	
04/11/2021	Luminex Corporation	DiaSorin S.p.A.	1,866.0	4.26x	19.8x	
03/30/2021	Bioness Inc.	Bioventus Inc.	106.9	2.67x	NA	
03/23/2021	Symp2Pass Inc	Predictmedix Inc.	4.0	2.20x	NA	
03/12/2021	Cordis Corporation	Hellman & Friedman, LLC	1,000.0	1.33x	NA	
01/21/2021	Preventice Solutions, Inc.	Boston Scientific Corporation	1,139.1	7.21x	NA	
01/12/2021	Cantel Medical Corp.	STERIS plc	4,654.5	4.41x	24.0x	
01/05/2021	Mayhugh's Medical Equipment	Protech Home Medical Corp. (nka:Quipt Home Medical Corp.)	5.8	0.83x	4.8x	
01/05/2021	BioTheragnostics, Inc.	Hologic, Inc.	222.9	6.75x	NA	
12/18/2020	BioTelemetry, Inc.	Philips Holding USA Inc.	2,799.4	6.75x	NM	
11/09/2020	Absorption Systems, LLC/Absorption Systems California, LLC	Pharmaron (US) Lab Testing, Inc.	137.5	3.95x	NA	
10/01/2020	Substantial All Assets of Vascular Simulations, LLC	Mentice AB (publ)	5.4	2.46x	NA	
09/29/2020	Extremity Orthopedics Business of Integra LifeSciences Holdings Corporation	Smith & Nephew plc	240.0	2.67x	NA	
09/08/2020	SleepWell, LLC	Protech Home Medical Corp. (nka:Quipt Home Medical Corp.)	11.5	1.14x	4.6x	
05/26/2020	Solara Medical Supplies, LLC	AdaptHealth, LLC	427.6	2.31x	12.6x	
03/03/2020	Healthline Medical Equipment, Inc.	AdaptHealth Corp.	38.4	1.28x	NA	
02/21/2020	Maxtec, LLC	Halma plc	20.0	0.98x	NA	
12/09/2019	Wise Gull, Inc.	Safilo Group S.p.A.	91.3	2.24x	NA	
12/09/2019	Home Medical Equipment Business Of Advanced Home Care, Inc.	AdaptHealth Corp.	67.5	0.81x	NA	
Median			\$ 91.3	2.46x	9.1x	

Note: \$ in millions. Information above only represents transactions with partial or full announced deal terms.

ND: SM proprietary deal stat has been included in the median.

NA: Not available.

NM: Not meaningful.

Public Company Performance

SERVICES

\$ in millions, except per share data	Stock Price as	52-Week	Market	Enterprise	LTM	EBITDA	EV/LTM		
	of 4/30/21	% Change	Cap	Value (EV)	Revenue	Margins	Revenue	EBITDA	
Healthcare IT and Tech-enabled Services									
Allscripts Healthcare Solutions, Inc.	\$ 15.56	139.4%	\$ 2,197	\$ 1,963	\$ 1,490	2.4%	1.32x	NM	
Cerner Corporation	75.05	8.2%	22,684	23,561	5,506	23.3%	4.28x	18.4x	
Computer Programs and Systems, Inc.	30.02	24.9%	428	498	264	13.0%	1.88x	14.5x	
Evolent Health, Inc.	21.66	200.4%	1,881	1,901	1,022	(0.3%)	1.86x	NM	
Inovalon Holdings, Inc.	30.21	72.6%	4,710	5,599	691	29.6%	8.11x	27.4x	
Model N, Inc.	39.78	37.8%	1,394	1,383	165	1.4%	8.36x	NM	
NextGen Healthcare, Inc.	18.31	73.6%	1,227	1,208	549	5.7%	2.20x	38.3x	
National Research Corporation	51.30	(0.6%)	1,304	1,302	133	37.3%	9.77x	26.2x	
Omnicell, Inc.	145.02	98.9%	6,261	6,230	914	11.1%	6.81x	NM	
R1 RCM Inc.	27.28	164.3%	7,128	7,592	1,271	16.7%	5.97x	35.7x	
Tabula Rasa HealthCare, Inc.	47.56	(24.9%)	1,182	1,449	297	(7.2%)	4.87x	NM	
Vocera Communications, Inc.	36.17	90.8%	1,243	1,372	206	4.0%	6.64x	NM	
Mean		73.8%	\$ 4,303	\$ 4,505	\$ 1,042	11.4%	5.17x	26.8x	
Median		73.1%	\$ 1,638	\$ 1,675	\$ 620	8.4%	5.42x	26.8x	
Consumer Driven Healthcare									
Accolade, Inc.	\$ 50.15	N/A	\$ 2,774	\$ 2,355	\$ 156	(25.0%)	NM	NM	
Castlight Health, Inc.	1.90	159.2%	300	256	143	(1.7%)	1.80x	NM	
HealthEquity, Inc.	75.97	35.0%	6,307	7,053	734	26.7%	9.61x	36.0x	
One Medical	43.51	76.4%	5,973	6,273	380	(14.2%)	NM	NM	
Teladoc Health, Inc.	172.35	4.7%	26,612	27,309	1,367	(26.9%)	NM	NM	
Tivity Health, Inc.	24.18	169.6%	1,190	1,613	438	32.5%	3.69x	11.3x	
Mean		89.0%	\$ 7,193	\$ 7,477	\$ 536	(1.4%)	5.03x	23.7x	
Median		76.4%	\$ 4,374	\$ 4,314	\$ 409	(7.9%)	3.69x	23.7x	
Facilities Management									
Healthcare Services Group, Inc.	\$ 29.95	17.5%	\$ 2,238	\$ 2,133	\$ 1,719	7.3%	1.24x	17.1x	
Stericycle, Inc.	76.28	56.3%	7,000	9,086	2,559	19.9%	3.55x	17.9x	
Mean		36.9%	\$ 4,619	\$ 5,609	\$ 2,139	13.6%	2.40x	17.5x	
Median		36.9%	\$ 4,619	\$ 5,609	\$ 2,139	13.6%	2.40x	17.5x	
Workforce Solutions									
AMN Healthcare Services, Inc.	\$ 79.30	68.8%	\$ 3,741	\$ 4,668	\$ 2,394	10.9%	1.95x	18.0x	
Cross Country Healthcare, Inc.	13.32	111.8%	500	576	836	3.1%	0.69x	22.3x	
HealthStream, Inc.	24.16	5.8%	762	745	247	14.7%	3.02x	20.6x	
Mean		62.1%	\$ 1,668	\$ 1,996	\$ 1,159	9.5%	1.89x	20.3x	
Median		68.8%	\$ 762	\$ 745	\$ 836	10.9%	1.95x	20.6x	
Insurance - Commercial									
Anthem, Inc.	\$ 379.39	35.1%	\$ 92,890	\$ 107,715	\$ 124,632	7.3%	0.86x	11.8x	
Cigna Corporation	249.01	27.2%	86,502	109,882	160,550	6.7%	0.68x	10.3x	
Humana Inc.	445.24	16.6%	57,442	61,174	78,888	6.9%	0.78x	11.3x	
UnitedHealth Group Incorporated	398.80	36.4%	376,423	402,726	262,916	10.0%	1.53x	15.3x	
Mean		28.8%	\$ 153,314	\$ 170,374	\$ 156,747	7.7%	0.96x	12.2x	
Median		31.2%	\$ 89,696	\$ 108,798	\$ 142,591	7.1%	0.82x	11.6x	
Insurance - Government									
Centene Corporation	\$ 61.74	(7.3%)	\$ 35,978	\$ 44,679	\$ 108,147	5.6%	0.41x	7.4x	
Molina Healthcare, Inc.	255.10	55.6%	14,898	12,818	20,377	5.4%	0.63x	11.7x	
Magellan Health, Inc.	94.20	55.1%	2,461	2,658	4,617	2.3%	0.58x	24.6x	
Mean		34.5%	\$ 17,779	\$ 20,052	\$ 44,380	4.4%	0.54x	14.6x	
Median		55.1%	\$ 14,898	\$ 12,818	\$ 20,377	5.4%	0.58x	11.7x	
Distribution									
CVS Health Corporation	\$ 76.40	24.1%	\$ 100,200	\$ 177,388	\$ 267,908	6.8%	0.66x	9.8x	
Rite Aid Corporation	17.52	22.3%	943	7,214	24,043	1.9%	0.30x	15.7x	
Walgreens Boots Alliance, Inc.	53.10	22.7%	45,899	86,611	142,507	2.9%	0.61x	20.8x	
Mean		23.0%	\$ 49,014	\$ 90,404	\$ 144,819	3.9%	0.52x	15.4x	
Median		22.7%	\$ 45,899	\$ 86,611	\$ 142,507	2.9%	0.61x	15.7x	
Labs									
Laboratory Corporation of America Holdings	\$ 265.87	61.7%	\$ 25,960	\$ 30,429	\$ 15,316	29.0%	1.99x	6.9x	
Quest Diagnostics Incorporated	131.88	19.8%	17,229	20,660	10,335	28.7%	2.00x	7.0x	
Mean		40.7%	\$ 21,594	\$ 25,544	\$ 12,826	28.8%	1.99x	6.9x	
Median		40.7%	\$ 21,594	\$ 25,544	\$ 12,826	28.8%	1.99x	6.9x	
Median		37.1%	\$ 4,710	\$ 6,230	\$ 1,367	6.8%	1.92x	17.1x	

NM: Not meaningful.

Public Company Performance

PROVIDERS

\$ in millions, except per share data	Stock Price as of 4/30/21	52-Week % Change	Market Cap	Enterprise Value (EV)	LTM Revenue	EBITDA Margins	EV/LTM	
							Revenue	EBITDA
Acute								
Community Health Systems, Inc.	\$ 11.15	268.0%	\$ 1,417	\$ 12,742	\$ 11,777	9.4%	1.08x	11.5x
HCA Healthcare, Inc.	201.06	83.0%	66,482	98,290	52,649	20.4%	1.87x	9.1x
Tenet Healthcare Corporation	59.26	193.7%	6,309	19,403	17,901	14.5%	1.08x	7.5x
Mean		181.5%	\$ 24,736	\$ 43,478	\$ 27,442	14.8%	1.34x	9.4x
Median		193.7%	\$ 6,309	\$ 19,403	\$ 17,901	14.5%	1.08x	9.1x
Senior Living / Long-term Care								
Brookdale Senior Living Inc.	\$ 6.54	81.2%	\$ 1,200	\$ 6,264	\$ 3,023	12.9%	2.07x	16.1x
Capital Senior Living Corporation	40.22	243.6%	82	974	359	13.2%	2.71x	20.5x
Ensign Group, Inc.	85.85	129.5%	4,669	5,652	2,440	11.6%	2.32x	19.9x
National HealthCare Corporation	70.31	2.8%	1,081	1,128	978	7.5%	1.15x	15.3x
Mean		114.3%	\$ 1,758	\$ 3,505	\$ 1,700	11.3%	2.06x	18.0x
Median		105.3%	\$ 1,140	\$ 3,390	\$ 1,709	12.3%	2.19x	18.0x
Behavioral								
Acadia Healthcare Company, Inc.	\$ 60.92	153.7%	\$ 5,467	\$ 6,947	\$ 2,132	21.1%	3.26x	15.5x
Universal Health Services, Inc.	148.41	40.4%	12,633	15,810	11,742	16.5%	1.35x	8.2x
Mean		97.1%	\$ 9,050	\$ 11,378	\$ 6,937	18.8%	2.30x	11.8x
Median		97.1%	\$ 9,050	\$ 11,378	\$ 6,937	18.8%	2.30x	11.8x
Home Health								
Addus HomeCare Corporation	\$ 105.80	30.6%	\$ 1,666	\$ 1,761	\$ 765	8.3%	2.30x	27.9x
Amedisys, Inc.	269.85	46.5%	8,790	9,047	2,117	12.8%	4.27x	33.5x
Chemed Corporation	476.61	14.4%	7,641	7,568	2,091	17.6%	3.62x	20.6x
LHC Group, Inc.	208.27	60.2%	6,594	6,431	2,063	9.7%	3.12x	32.0x
Mean		37.9%	\$ 6,173	\$ 6,202	\$ 1,759	12.1%	3.33x	28.5x
Median		38.6%	\$ 7,118	\$ 6,999	\$ 2,077	11.3%	3.37x	29.9x
Specialty								
DaVita Inc.	116.53	47.5%	12,375	23,601	11,529	20.4%	2.05x	10.1x
MEDNAX, Inc.	26.32	81.3%	2,237	2,918	1,734	11.6%	1.68x	14.6x
ModivCare Inc.	140.08	141.5%	1,966	2,301	1,369	12.1%	1.68x	13.9x
RadNet, Inc.	22.34	58.2%	1,169	2,252	1,098	12.0%	2.05x	17.0x
Select Medical Holdings Corporation	37.72	121.0%	5,086	9,010	5,532	12.4%	1.63x	13.2x
Surgery Partners, Inc.	48.20	308.5%	2,817	5,757	1,860	15.3%	3.09x	20.2x
U.S. Physical Therapy, Inc.	112.45	48.9%	1,450	1,542	418	16.0%	3.69x	23.1x
Mean		104.4%	\$ 4,441	\$ 7,392	\$ 3,529	14.9%	2.30x	15.6x
Median		69.7%	\$ 2,527	\$ 4,337	\$ 1,797	13.8%	2.05x	14.2x
Median		81.2%	\$ 4,669	\$ 6,431	\$ 2,117	12.9%	2.07x	15.5x

Public Company Performance

PRODUCTS										
\$ in millions, except per share data	Stock Price as	52-Week	Market	Enterprise	LTM	EBITDA	EV/LTM			
	of 4/30/21	% Change	Cap	Value (EV)	Revenue	Margins	Revenue	EBITDA		
Supplies & Distribution										
AmerisourceBergen Corporation	\$ 120.80	34.7%	\$ 24,729	\$ 24,426	\$ 194,546	1.4%	0.13x	9.2x		
Cardinal Health, Inc.	60.34	21.9%	17,720	20,716	156,452	1.8%	0.13x	7.5x		
Henry Schein, Inc.	72.50	32.9%	10,314	10,896	10,119	7.2%	1.08x	14.9x		
McKesson Corporation	187.56	32.8%	29,853	35,990	237,621	1.7%	0.15x	8.9x		
Owens & Minor, Inc.	36.09	409.7%	2,653	3,767	8,480	3.8%	0.44x	11.6x		
Patterson Companies, Inc.	32.14	75.8%	3,059	3,698	5,637	5.7%	0.66x	11.6x		
Premier, Inc.	35.35	6.6%	4,321	4,824	1,447	31.4%	3.33x	10.6x		
West Pharmaceutical Services, Inc.	328.52	73.6%	24,261	24,099	2,326	26.9%	10.36x	38.5x		
Mean		86.0%	\$ 14,614	\$ 16,052	\$ 77,079	10.0%	2.03x	14.1x		
Median		33.8%	\$ 14,017	\$ 15,806	\$ 9,300	4.7%	0.55x	11.1x		
Durable Medical Equipment										
Hill-Rom Holdings, Inc.	\$ 110.22	(2.0%)	\$ 7,314	\$ 8,808	\$ 2,976	21.2%	2.96x	13.9x		
Invacare Corporation	9.03	20.1%	314	536	851	2.6%	0.63x	23.8x		
Mean		9.0%	\$ 3,814	\$ 4,672	\$ 1,913	11.9%	1.79x	18.9x		
Median		9.0%	\$ 3,814	\$ 4,672	\$ 1,913	11.9%	1.79x	18.9x		
Medical Devices & Products										
Abbott Laboratories	\$ 120.08	30.4%	\$ 212,725	n/a	\$ 37,338	27.3%	NA	NA		
Baxter International Inc.	85.69	(3.5%)	43,089	46,467	11,817	22.7%	3.93x	17.3x		
Boston Scientific Corporation	43.60	16.3%	61,935	n/a	10,122	23.3%	NA	NA		
Cantel Medical Corp.	87.91	137.6%	3,652	4,419	1,061	19.1%	4.16x	21.8x		
Hologic, Inc.	65.55	30.8%	16,796	18,778	5,317	54.4%	3.53x	6.5x		
Johnson & Johnson	162.73	8.5%	428,533	449,475	84,214	33.6%	5.34x	15.9x		
Medtronic plc	130.92	34.1%	176,490	201,736	27,926	22.6%	7.22x	32.0x		
Mettler-Toledo International Inc.	1,313.32	82.4%	30,628	31,970	3,085	27.7%	10.36x	37.4x		
Stryker Corporation	262.63	40.9%	98,945	110,212	14,716	26.1%	7.49x	28.7x		
Teleflex Incorporated	422.48	26.0%	19,744	21,890	2,540	26.2%	8.62x	32.8x		
Mean		40.3%	\$ 109,254	\$ 110,618	\$ 19,814	28.3%	6.33x	24.1x		
Median		30.6%	\$ 52,512	\$ 39,218	\$ 10,970	26.2%	6.28x	25.3x		
Specialty Devices & Products										
Abiomed, Inc.	\$ 320.73	67.7%	\$ 14,520	\$ 14,301	\$ 848	29.8%	NM	NM		
AngioDynamics, Inc.	24.30	133.0%	927	913	273	1.7%	3.35x	NM		
AtriCure, Inc.	77.07	78.7%	3,517	3,505	213	(13.9%)	NM	NM		
Cardiovascular Systems, Inc.	40.32	(4.0%)	1,621	1,570	228	(5.0%)	6.87x	NM		
DexCom, Inc.	386.10	15.2%	37,338	38,477	2,027	18.5%	NM	NM		
Edwards Lifesciences Corporation	95.52	31.8%	59,379	58,893	4,474	32.4%	13.16x	40.7x		
Glaukos Corporation	94.16	156.6%	4,347	4,523	225	(30.9%)	NM	NM		
Globus Medical, Inc.	71.77	51.2%	7,179	6,945	789	22.6%	8.80x	38.9x		
Inogen, Inc.	65.39	30.8%	1,460	1,258	308	2.1%	4.08x	NM		
Intuitive Surgical, Inc.	865.00	69.3%	102,427	101,025	4,551	32.1%	NM	NM		
LeMaitre Vascular, Inc.	52.47	84.2%	1,080	1,104	135	30.3%	8.20x	27.0x		
Masimo Corporation	232.67	8.8%	12,797	12,280	1,173	24.2%	10.47x	43.3x		
Utah Medical Products, Inc.	87.26	5.1%	318	262	42	49.5%	6.21x	12.6x		
Mean		56.0%	\$ 18,993	\$ 18,850	\$ 1,176	14.9%	7.64x	32.5x		
Median		51.2%	\$ 4,347	\$ 4,523	\$ 308	22.6%	7.54x	38.9x		
Consumer										
Prestige Consumer Healthcare Inc.	43.56	7.1%	2,172	3,699	957	35.5%	3.87x	10.9x		
Mean		7.1%	\$ 2,172	\$ 3,699	\$ 957	35.5%	3.87x	10.9x		
Median		7.1%	\$ 2,172	\$ 3,699	\$ 957	35.5%	3.87x	10.9x		
Median		32.3%	\$ 13,658	\$ 11,588	\$ 2,758	22.6%	4.08x	16.6x		

NM: Not meaningful.