



# HEALTHCARE IQ

## Industry Insights for Q1 2018

Much has been written in recent years about the impact of a burdensome regulatory environment on innovation. The focus more recently has been on the potential impact (positive or negative, depending on the political views of the commentator) of the current U.S. administration's push to reduce regulatory burden on various industries. With respect to healthcare, the regulatory environment is pervasive, encompassing life sciences, medical technology, and healthcare services. However, given the industry's ultimate goal of preserving and enhancing human life, people seem to be generally more favorably disposed toward regulation in healthcare than in other sectors of business.

That said, the cost of dealing with regulations in product development or regarding compliance with mandates associated with the delivery of healthcare services, to name but a few, can significantly reduce returns and make investing in particular businesses or products less attractive. It seems reasonable to assume that, on the margin, the regulatory burden on healthcare has a somewhat depressive effect on innovation; however, the fact remains that with the intellectual horsepower available in

this country, incentives in place to reward success and capital to implement, innovation continues to thrive. Much like the flowers beginning to push up through the early spring snow, new products and services, and new ways of attacking long-standing issues seem to shrug off the burdens — justifiable or not — placed on businesses by governments.

Interestingly, with respect to healthcare services, despite the turbulence the industry has been subjected to recently (ACA, transition to value based reimbursement, DOJ opposition to significant M&A transactions, etc.), business leaders continue to explore ways to connect assets in unique ways that address the issues of cost, quality, and patient satisfaction. While it's unlikely that all of recent transactions in the healthcare sector will fully achieve their stated objectives, progress will be made. There are too many bright people, too much available capital and too much incentive for it not to. The prize is greater access to care, quality, and patient satisfaction, which, when combined with sustainable cost containment, will yield solid financial performance for industry participants able to achieve these broad metrics.

## Recent Deal Activity 4Q2017/1Q2018

*September 6, 2017* - Moorestown, New Jersey-based **Tabula Rasa Healthcare Inc.** (NasdaqGM:TRHC) acquired Tuscon, Arizona-based **SinfoniaRx Inc.** SinfoniaRx is a leading provider of Medication Therapy Management technology and services for Medicare, Medicaid, and Commercial Health plans. Tabula management noted that Sinfonia's mission, optimizing medication therapy, aligns with Tabula's mission and cited Sinfonia's technology platform, customer base, scale, and revenue diversity as rationale for the transaction. The announced transaction value was \$132 million, which implies a revenue multiple of 4.9x.

*September 11, 2017* - Flint, Michigan-based **Diplomat Pharmacy Inc.** (NYSE:DPLO) acquired Ronkonkoma, New York-based **Focus Rx Pharmacy Services Inc.** Focus Rx provides home infusion and specialty prescription management services. Diplomat management cited Focus Rx's growth opportunities, especially in the key markets of New York and New Jersey, and extensive network of regional and national payor contracts as key drivers for the acquisition. The announced transaction value was \$27 million.

*October 20, 2017* - Private equity group **Webster Capital** acquired Charlotte, North Carolina-based **Cirrus Medical Staffing Inc.** Cirrus operates as a nurse staffing company. Webster management cited Cirrus' track record and growth opportunities and the ability to fund Cirrus' national expansion as rationale for the acquisition. The announced transaction value was \$37 million.

*November 2, 2017* - Flint, Michigan-based **McLaren Health Care Corporation** acquired Indianapolis, Indiana-based **Mdwise Inc.** Mdwise, a not-for-profit managed care organization, provides healthcare service plans for vulnerable population in Indiana. McLaren management noted the acquisition establishes their first operations outside Michigan and economies of scale as rationale for the acquisition. The financial terms of the transaction were not disclosed.

*November 6, 2017* - Flint, Michigan-based **Diplomat Pharmacy Inc.** (NYSE:DPLO) acquired Omaha, Nebraska-based **Pharmaceutical Technologies Inc.** Pharmaceutical Technologies is a fully integrated pharmacy benefit manager serving group health plans, Medicare Part D, managed Medicaid, health insurance exchanges, and workers' compensation programs. Diplomat management cited Pharmaceutical Technologies' proprietary claims-processing system as a key driver for the acquisition. The announced transaction value was \$47 million.

*November 15, 2017* - Flint, Michigan-based **Diplomat Pharmacy Inc.** (NYSE:DPLO) acquired Creve Coeur, Missouri-based **Leehar Distributors Inc.** from investment firms **Nautic Partners, LLC** and **Oak HC/FT Partners LLC.** Leehar is a full-service pharmacy benefits manager (PBM) providing services for health insurance agents, brokers, and consultants; third party administrators; and self-insured organizations. Diplomat management noted the acquisition of Leehar positions Diplomat to become a highly differentiated specialty company and give health care payors access

to a robust specialty pharmacy benefits platform. The announced transaction value was \$596 million, which implies revenue and EBITDA multiples of 1.5x and 14.5x, respectively.

*November 20, 2017* - Grand Rapids, Michigan-based **Great Lakes Management Services Organization** acquired Walker, Michigan-based **Walker Surgical Center LLC.** Walker Surgical operates a surgery center which serves pediatrics and adults with eye, plastic, hand, and upper and lower extremity surgical procedures. Great Lakes management cited the quality of the surgical care and customer service of Walker as key drivers for the acquisition. The financial terms of the transaction were not disclosed.

*February 5, 2018* - New York, New York-based **Alliance Physical Therapy Management LLC** acquired Grand Rapids, Michigan-based **Agility Health LLC.** Agility provides outpatient rehabilitation services to patients, healthcare providers, and employers in the United States. Alliance management noted the acquisition adds more freestanding outpatient physical therapy clinics, a contracted therapy business, and proprietary clinic management software to Alliance's portfolio. The announced transaction value was \$45 million.

*February 6, 2018* - Bloomfield Hills, Michigan-based **ComForCare Health Care Holdings LLC,** a portfolio company of private equity group **Riverside Company** acquired Gilbert, Arizona-based **CarePatrol Franchise Systems Inc.** CarePatrol operates a franchised assisted living placement company. ComForCare management noted CarePatrol, the nation's largest senior placement franchise, rapidly expands ComForCare's footprint in the older adult care space through strategic partnerships, organic growth and investments. The financial terms of the transaction were not disclosed.

*February 26, 2018* - Chicago, Illinois-based **R1 RCM Inc.** (NasdaqCM:RCM) announced an agreement to acquire Fort Lauderdale, Florida-based **Intermedix Corporation.** Intermedix provides technology-enabled revenue cycle management solutions and data analytics services that support and connect healthcare providers, public health agencies, and emergency management personnel in the United States. R1 management noted that the combination of R1 and Intermedix is expected to enhance R1's position as a leading technology-enabled revenue cycle service provider. The announced transaction value was \$460 million, which implies a revenue multiple of 2.4X.

*March 16, 2018* - Private equity group **Platinum Equity LLC** announced an agreement to acquire Milpitas, California-based **LifeScan Inc.** LifeScan, Inc. manufactures blood glucose monitoring equipment for hospital and home use. Platinum management noted that LifeScan's OneTouch® blood glucose monitoring products play an important role in the lives of millions of patients living with diabetes. The announced transaction value was \$2.1 billion, which implies a revenue multiple of 1.4X.

# HEALTHCARE IQ

## Healthcare Company Trading Multiples

Company	03/31/18 Stock Price	Qtrly Price Change	Market Cap.	Total EV <sup>(1)</sup>	LTM		Gross Margin	EBITDA Margin	Net Debt/ EBITDA	Enterprise Value/LTM	
					Revenue	EBITDA				Revenue	EBITDA
<b>Acute/Inpatient</b>											
AAC Holdings, Inc.	\$ 11.48	28%	\$ 281	\$ 478	\$ 281	\$ 39	38%	14%	5.5x	1.7x	12.4x
Acadia Healthcare Company, Inc.	\$ 39.18	20%	\$ 3,459	\$ 6,654	\$ 2,836	\$ 581	42%	20%	5.5x	2.3x	11.5x
Community Health Systems, Inc.	\$ 3.96	(7%)	\$ 443	\$ 14,413	\$ 15,353	\$ 901	35%	6%	14.8x	0.9x	16.0x
HCA Healthcare, Inc.	\$ 97.00	10%	\$ 34,165	\$ 68,248	\$ 43,614	\$ 8,186	37%	19%	3.9x	1.6x	8.3x
LifePoint Health, Inc.	\$ 47.00	(6%)	\$ 1,832	\$ 4,788	\$ 6,291	\$ 670	32%	11%	4.2x	0.8x	7.2x
Quorum Health Corporation	\$ 8.18	31%	\$ 247	\$ 1,472	\$ 2,072	\$ 96	36%	5%	12.5x	0.7x	15.3x
Tenet Healthcare Corporation	\$ 24.25	60%	\$ 2,452	\$ 19,330	\$ 19,179	\$ 2,259	36%	12%	6.3x	1.0x	8.6x
Universal Health Services, Inc.	\$ 118.41	4%	\$ 11,163	\$ 15,197	\$ 10,410	\$ 1,728	42%	17%	2.3x	1.5x	8.8x
Median <sup>(2)</sup>							37%	13%	5.5x	1.2x	10.1x
Mean							37%	13%	6.9x	1.3x	11.0x
<b>Alt Site/Outpatient</b>											
American Renal Associates Holdings, Ir	\$ 18.85	8%	\$ 605	\$ 1,411	\$ 745	\$ 161	35%	22%	3.0x	1.9x	8.8x
Civitas Solutions, Inc.	\$ 15.40	(10%)	\$ 578	\$ 1,285	\$ 1,511	\$ 149	21%	10%	4.8x	0.9x	8.6x
Concord Medical Services Holdings Lim	\$ 2.86	(14%)	\$ 125	\$ 361	\$ 60	\$ (8)	34%	-13%	NM	6.0x	-45.2x
CoreCivic, Inc.	\$ 19.52	(13%)	\$ 2,314	\$ 3,736	\$ 1,765	\$ 412	29%	23%	3.5x	2.1x	9.1x
DaVita Inc.	\$ 65.94	(9%)	\$ 11,950	\$ 21,942	\$ 9,615	\$ 2,409	30%	22%	3.6x	2.3x	9.1x
Envision Healthcare Corporation	\$ 38.43	11%	\$ 4,597	\$ 11,429	\$ 7,819	\$ 1,047	25%	13%	5.7x	1.5x	10.9x
Enzo Biochem, Inc.	\$ 5.48	(33%)	\$ 258	\$ 194	\$ 110	\$ 0	44%	0%	NM	1.8x	646.1x
Flinders Mines Limited	\$ 0.06	(20%)	\$ 202	\$ 201	\$ -	\$ (2)	0%	0%	NM	NM	-132.8x
Genomic Health, Inc.	\$ 31.29	(9%)	\$ 1,105	\$ 976	\$ 341	\$ 5	82%	2%	NM	2.9x	181.2x
Laboratory Corporation of America Hold	\$ 161.75	1%	\$ 16,482	\$ 22,949	\$ 10,266	\$ 1,983	34%	19%	3.2x	2.2x	11.6x
Medical Facilities Corporation	\$ 10.88	(4%)	\$ 337	\$ 473	\$ 385	\$ 97	42%	25%	0.8x	1.2x	4.9x
NeoGenomics, Inc.	\$ 8.16	(8%)	\$ 657	\$ 782	\$ 259	\$ 26	47%	10%	3.6x	3.0x	30.1x
Nobilis Health Corp.	\$ 1.65	22%	\$ 129	\$ 308	\$ 288	\$ 34	62%	12%	3.3x	1.1x	9.0x
Psychemedics Corporation	\$ 21.36	4%	\$ 117	\$ 113	\$ 40	\$ 11	50%	26%	NM	2.8x	10.7x
Quest Diagnostics Incorporated	\$ 100.30	2%	\$ 13,619	\$ 17,540	\$ 7,709	\$ 1,554	39%	20%	2.4x	2.3x	11.3x
RadNet, Inc.	\$ 14.40	43%	\$ 695	\$ 1,261	\$ 811	\$ 119	22%	13%	4.7x	1.6x	10.6x
Sonic Healthcare Limited	\$ 17.59	(1%)	\$ 7,439	\$ 9,449	\$ 4,155	\$ 678	33%	16%	2.9x	2.3x	13.9x
Enzo Biochem, Inc.	\$ 5.48	(33%)	\$ 258	\$ 194	\$ 110	\$ 0	44%	0%	NM	1.8x	646.1x
The GEO Group, Inc.	\$ 20.47	(13%)	\$ 2,495	\$ 5,009	\$ -	\$ 392	25%	17%	6.4x	NM	12.8x
Median <sup>(2)</sup>							34%	13%	3.5x	2.1x	10.7x
Mean							37%	13%	3.7x	2.2x	76.7x
<b>Managed Care</b>											
Aetna Inc.	\$ 169.00	(6%)	\$ 55,253	\$ 60,593	\$ 54,844	\$ 5,685	26%	9%	0.9x	1.1x	10.7x
Anthem, Inc.	\$ 219.70	(2%)	\$ 56,182	\$ 72,959	\$ 84,514	\$ 5,450	20%	6%	3.1x	0.9x	13.4x
Centene Corporation	\$ 106.87	6%	\$ 18,703	\$ 19,428	\$ 43,540	\$ 1,830	17%	4%	0.4x	0.4x	10.6x
Cigna Corporation	\$ 167.74	(17%)	\$ 40,801	\$ 43,317	\$ 36,512	\$ 4,675	33%	11%	0.5x	1.2x	9.3x
CorVel Corporation	\$ 50.55	(4%)	\$ 954	\$ 901	\$ 548	\$ 70	20%	13%	NM	1.6x	12.8x
Crawford & Company	\$ 8.22	(15%)	\$ 453	\$ 636	\$ 1,106	\$ 105	29%	10%	1.6x	0.6x	6.0x
CVS Health Corporation	\$ 62.21	(14%)	\$ 63,172	\$ 88,389	\$ 184,765	\$ 12,526	15%	7%	2.0x	0.5x	7.1x
Diplomat Pharmacy, Inc.	\$ 20.15	0%	\$ 1,488	\$ 2,124	\$ 4,485	\$ 72	8%	2%	8.8x	0.5x	29.5x
Express Scripts Holding Company	\$ 69.08	(7%)	\$ 38,770	\$ 52,481	\$ 100,065	\$ 7,133	9%	7%	1.9x	0.5x	7.4x
Humana Inc.	\$ 268.83	8%	\$ 37,122	\$ 38,141	\$ 52,771	\$ 3,672	19%	7%	0.3x	0.7x	10.4x
Magellan Health, Inc.	\$ 107.10	11%	\$ 2,605	\$ 3,198	\$ 5,839	\$ 242	5%	4%	2.4x	0.5x	13.2x
Molina Healthcare, Inc.	\$ 81.18	6%	\$ 4,867	\$ 3,850	\$ 18,924	\$ 222	12%	1%	NM	0.2x	17.3x
Rite Aid Corporation	\$ 1.68	(15%)	\$ 1,784	\$ 4,652	\$ 31,956	\$ 937	24%	3%	3.1x	0.1x	5.0x
Tivity Health, Inc.	\$ 39.65	8%	\$ 1,577	\$ 1,695	\$ 557	\$ 127	29%	23%	0.9x	3.0x	13.3x
Triple-S Management Corporation	\$ 26.14	5%	\$ 610	\$ 445	\$ 2,879	\$ 99	19%	3%	NM	0.2x	4.5x
UnitedHealth Group Incorporated	\$ 214.00	(3%)	\$ 207,080	\$ 231,037	\$ 185,759	\$ 16,904	23%	8%	1.2x	1.2x	13.7x
Walgreens Boots Alliance, Inc.	\$ 65.47	(10%)	\$ 64,924	\$ 79,672	\$ 124,028	\$ 7,861	24%	6%	1.8x	0.6x	10.1x
WellCare Health Plans, Inc.	\$ 193.63	(4%)	\$ 8,622	\$ 5,606	\$ 17,007	\$ 637	13%	4%	NM	0.3x	8.8x
Median <sup>(2)</sup>							19%	7%	1.7x	0.6x	10.5x
Mean							19%	7%	2.1x	0.8x	11.3x
<b>HCIT</b>											
Allscripts Healthcare Solutions, Inc.	\$ 12.35	(15%)	\$ 2,234	\$ 4,126	\$ 1,806	\$ 151	50%	8%	9.4x	2.3x	27.3x
athenahealth, Inc.	\$ 143.03	8%	\$ 5,735	\$ 5,843	\$ 1,220	\$ 165	53%	14%	0.7x	4.8x	35.3x
Benefitfocus, Inc.	\$ 24.40	(10%)	\$ 764	\$ 824	\$ 257	\$ (1)	52%	0%	NM	3.2x	-948.7x
Castlight Health, Inc.	\$ 3.65	(3%)	\$ 494	\$ 406	\$ 131	\$ (55)	64%	-42%	NM	3.1x	-7.4x
Cerner Corporation	\$ 58.00	(14%)	\$ 19,291	\$ 19,012	\$ 5,041	\$ 1,368	85%	27%	NM	3.8x	13.9x
Computer Programs and Systems, Inc.	\$ 29.20	(3%)	\$ 402	\$ 544	\$ 277	\$ 33	55%	12%	4.3x	2.0x	16.5x
Computer Task Group, Incorporated	\$ 8.19	61%	\$ 125	\$ 118	\$ 301	\$ 6	19%	2%	NM	0.4x	19.7x
Connecture, Inc.	\$ 0.35	116%	\$ 8	\$ 103	\$ 77	\$ (4)	39%	-5%	NM	1.3x	-24.7x
Cotiviti Holdings, Inc.	\$ 34.44	7%	\$ 3,183	\$ 3,787	\$ 679	\$ 243	63%	36%	2.5x	5.6x	15.6x
Evolent Health, Inc.	\$ 14.25	16%	\$ 1,066	\$ 984	\$ 435	\$ (29)	39%	-7%	NM	2.3x	-33.4x
Fitbit, Inc.	\$ 5.10	(11%)	\$ 1,221	\$ 542	\$ 1,616	\$ (119)	43%	-7%	NM	0.3x	-4.6x
Health Insurance Innovations, Inc.	\$ 28.90	16%	\$ 368	\$ 351	\$ 250	\$ 36	100%	14%	NM	1.4x	9.9x
HealthEquity, Inc.	\$ 60.54	30%	\$ 3,690	\$ 3,450	\$ 230	\$ 70	59%	31%	NM	15.0x	49.0x
HealthStream, Inc.	\$ 24.83	7%	\$ 796	\$ 664	\$ 248	\$ 26	57%	10%	NM	2.7x	25.6x
HMS Holdings Corp.	\$ 16.84	(1%)	\$ 1,396	\$ 1,553	\$ 521	\$ 97	36%	19%	1.6x	3.0x	16.0x
Inovalon Holdings, Inc.	\$ 10.60	(29%)	\$ 1,531	\$ 1,303	\$ 449	\$ 76	66%	17%	NM	2.9x	17.2x
IQVIA Holdings Inc.	\$ 98.11	0%	\$ 20,433	\$ 29,902	\$ 8,060	\$ 1,699	43%	21%	5.4x	3.7x	17.6x
Medical Transcription Billing, Corp.	\$ 3.33	28%	\$ 39	\$ 35	\$ 32	\$ 0	44%	1%	NM	1.1x	148.1x
Medidata Solutions, Inc.	\$ 62.81	(1%)	\$ 3,681	\$ 3,573	\$ 546	\$ 84	77%	15%	NM	6.5x	42.6x
MINDBODY, Inc.	\$ 38.90	28%	\$ 1,834	\$ 1,617	\$ 183	\$ (7)	72%	-4%	NM	8.9x	-243.8x
NantHealth, Inc.	\$ 3.05	0%	\$ 331	\$ 464	\$ 87	\$ (54)	58%	-62%	NM	5.4x	-8.6x
Omnicell, Inc.	\$ 43.40	(11%)	\$ 1,683	\$ 1,861	\$ 716	\$ 48	45%	7%	3.7x	2.6x	39.1x
Premier, Inc.	\$ 31.31	7%	\$ 1,713	\$ 1,758	\$ 1,585	\$ 641	52%	40%	0.1x	1.1x	2.7x
Quality Systems, Inc.	\$ 13.65	1%	\$ 870	\$ 885	\$ 528	\$ 51	55%	10%	0.3x	1.7x	17.4x
Teladoc, Inc.	\$ 40.30	16%	\$ 2,488	\$ 2,573	\$ 233	\$ (40)	74%	-17%	NM	11.0x	-64.2x
Veeva Systems Inc.	\$ 73.02	32%	\$ 10,321	\$ 9,559	\$ 686	\$ 165	69%	24%	NM	13.9x	57.9x
Vocera Communications, Inc.	\$ 23.42	(23%)	\$ 691	\$ 611	\$ 163	\$ (6)	60%	-4%	NM	3.8x	-95.8x
Median <sup>(2)</sup>							55%	10%	2.5x	3.0x	16.0x
Mean							57%	6%	3.1x	4.2x	-31.8x

## Healthcare Company Trading Multiples

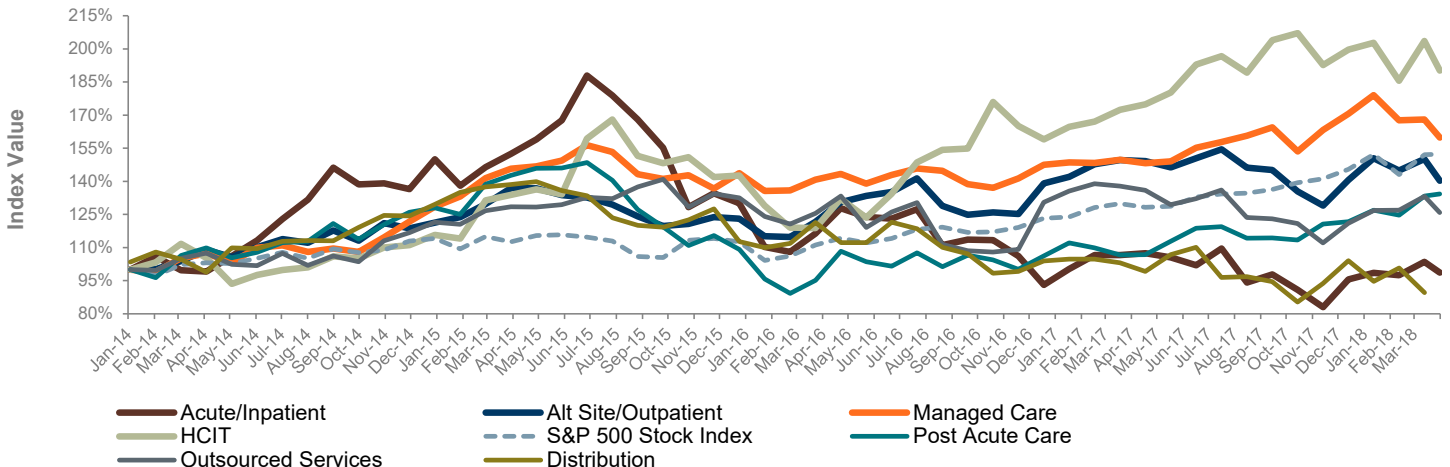
Company	03/31/18 Stock Price	Qtrly Price Change	Market Cap.	Total EV <sup>(1)</sup>	LTM		Gross Margin	EBITDA Margin	Net Debt/ EBITDA	Enterprise Value/LTM		
					Revenue	EBITDA				Revenue	EBITDA	
<b>Post Acute Care</b>												
Addus HomeCare Corporation	\$ 48.65	40%	\$ 559	\$ 548	\$ 417	\$ 33	26%	8%	NM	1.3x	16.7x	
Amedisys, Inc.	\$ 60.34	14%	\$ 2,051	\$ 2,054	\$ 1,509	\$ 128	40%	9%	0.0x	1.4x	16.0x	
BioScrip, Inc.	\$ 2.46	(15%)	\$ 314	\$ 837	\$ 817	\$ 43	33%	5%	10.3x	1.0x	19.6x	
Brookdale Senior Living Inc.	\$ 6.71	(31%)	\$ 1,252	\$ 5,879	\$ 3,856	\$ 662	33%	17%	7.0x	1.5x	8.9x	
Capital Senior Living Corporation	\$ 10.75	(20%)	\$ 328	\$ 1,320	\$ 465	\$ 84	41%	18%	11.8x	2.8x	15.7x	
Chemed Corporation	\$ 272.86	12%	\$ 4,410	\$ 4,500	\$ 1,667	\$ 240	31%	14%	0.4x	2.7x	18.7x	
Diversicare Healthcare Services, Inc.	\$ 7.52	(25%)	\$ 49	\$ 133	\$ 575	\$ 28	20%	5%	3.0x	0.2x	4.7x	
Encompass Health Corporation	\$ 57.17	16%	\$ 5,611	\$ 8,598	\$ 3,919	\$ 833	41%	21%	3.0x	2.2x	10.3x	
Five Star Senior Living Inc.	\$ 1.30	(13%)	\$ 66	\$ 32	\$ 1,136	\$ 9	51%	1%	NM	0.0x	3.5x	
Genesis Healthcare, Inc.	\$ 1.51	98%	\$ 148	\$ 4,534	\$ 5,277	\$ 355	42%	7%	14.1x	0.9x	12.8x	
Hanger, Inc.	\$ 16.00	2%	\$ 569	\$ 1,035	\$ 1,042	\$ 66	33%	6%	7.1x	1.0x	15.7x	
Kindred Healthcare, Inc.	\$ 9.15	(6%)	\$ 836	\$ 4,180	\$ 6,034	\$ 421	40%	7%	7.4x	0.7x	9.9x	
LHC Group, Inc.	\$ 61.56	1%	\$ 1,914	\$ 2,126	\$ 1,063	\$ 90	36%	8%	1.6x	2.0x	23.7x	
National HealthCare Corporation	\$ 59.63	(2%)	\$ 908	\$ 837	\$ 920	\$ 102	41%	11%	NM	0.9x	8.2x	
Select Medical Holdings Corporation	\$ 17.25	(2%)	\$ 2,313	\$ 5,670	\$ 4,364	\$ 519	20%	12%	5.0x	1.3x	10.9x	
The Ensign Group, Inc.	\$ 26.30	18%	\$ 1,354	\$ 1,619	\$ 1,849	\$ 139	12%	8%	1.9x	0.9x	11.6x	
U.S. Physical Therapy, Inc.	\$ 81.30	13%	\$ 1,030	\$ 1,173	\$ 386	\$ 65	22%	16%	0.6x	3.0x	18.0x	
Median <sup>(2)</sup>							33%	8%	4.0x	1.3x	12.8x	
Mean							33%	10%	5.2x	1.4x	13.2x	
<b>Outsourced Services</b>												
AMN Healthcare Services, Inc.	\$ 56.75	15%	\$ 2,714	\$ 3,018	\$ 1,988	\$ 245	32%	12%	1.2x	1.5x	12.3x	
ASGN Incorporated	\$ 81.88	27%	\$ 4,272	\$ 4,813	\$ 2,626	\$ 284	32%	11%	1.9x	1.8x	17.0x	
Cross Country Healthcare, Inc.	\$ 11.11	(13%)	\$ 405	\$ 479	\$ 865	\$ 39	26%	5%	1.9x	0.6x	12.2x	
Cryo-Cell International, Inc.	\$ 7.39	(24%)	\$ 53	\$ 53	\$ 25	\$ 5	74%	21%	0.1x	2.1x	10.1x	
Envision Healthcare Corporation	\$ 38.43	11%	\$ 4,597	\$ 11,429	\$ 7,819	\$ 1,047	25%	13%	5.7x	1.5x	10.9x	
Global Cord Blood Corporation	\$ 10.20	3%	\$ 1,158	\$ 532	\$ 139	\$ 57	80%	41%	NM	3.8x	9.3x	
Healthcare Services Group, Inc.	\$ 43.48	(18%)	\$ 3,204	\$ 3,156	\$ 1,866	\$ 136	14%	7%	NM	1.7x	23.2x	
MEDNAX, Inc.	\$ 55.63	4%	\$ 5,193	\$ 6,975	\$ 3,458	\$ 583	30%	17%	3.1x	2.0x	12.0x	
National Research Corporation	\$ 49.83	(11%)	\$ 790	\$ 756	\$ 118	\$ 39	58%	33%	NM	6.4x	19.5x	
Stericycle, Inc.	\$ 58.53	(14%)	\$ 5,007	\$ 7,719	\$ 3,581	\$ 755	41%	21%	3.6x	2.2x	10.2x	
The Providence Service Corporation	\$ 69.14	17%	\$ 890	\$ 873	\$ 1,624	\$ 65	8%	4%	NM	0.5x	13.4x	
Median <sup>(2)</sup>							32%	13%	1.9x	1.8x	12.2x	
Mean							38%	17%	2.5x	2.2x	13.6x	
<b>Distribution</b>												
Aceto Corporation	\$ 7.60	(26%)	\$ 234	\$ 492	\$ 741	\$ 74	21%	10%	3.5x	0.7x	6.7x	
AmerisourceBergen Corporation	\$ 86.21	(6%)	\$ 18,938	\$ 20,537	\$ 155,441	\$ 2,460	3%	2%	0.7x	0.1x	8.3x	
Cardinal Health, Inc.	\$ 62.68	2%	\$ 19,726	\$ 28,269	\$ 132,614	\$ 3,159	5%	2%	2.7x	0.2x	8.9x	
Henry Schein, Inc.	\$ 67.21	(4%)	\$ 10,330	\$ 12,666	\$ 12,462	\$ 1,058	27%	8%	1.4x	1.0x	12.0x	
McKesson Corporation	\$ 140.87	(10%)	\$ 29,067	\$ 37,078	\$ 205,442	\$ 3,766	5%	2%	1.7x	0.2x	9.8x	
Owens & Minor, Inc.	\$ 15.55	(18%)	\$ 961	\$ 1,758	\$ 9,318	\$ 199	13%	2%	4.0x	0.2x	8.8x	
Patterson Companies, Inc.	\$ 22.23	(38%)	\$ 2,055	\$ 3,123	\$ 5,510	\$ 358	23%	7%	3.0x	0.6x	8.7x	
Median <sup>(2)</sup>							9%	2%	2.7x	0.2x	8.8x	
Mean							14%	5%	2.2x	0.4x	9.4x	

Source: Capital IQ (as of March 31, 2018).

(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

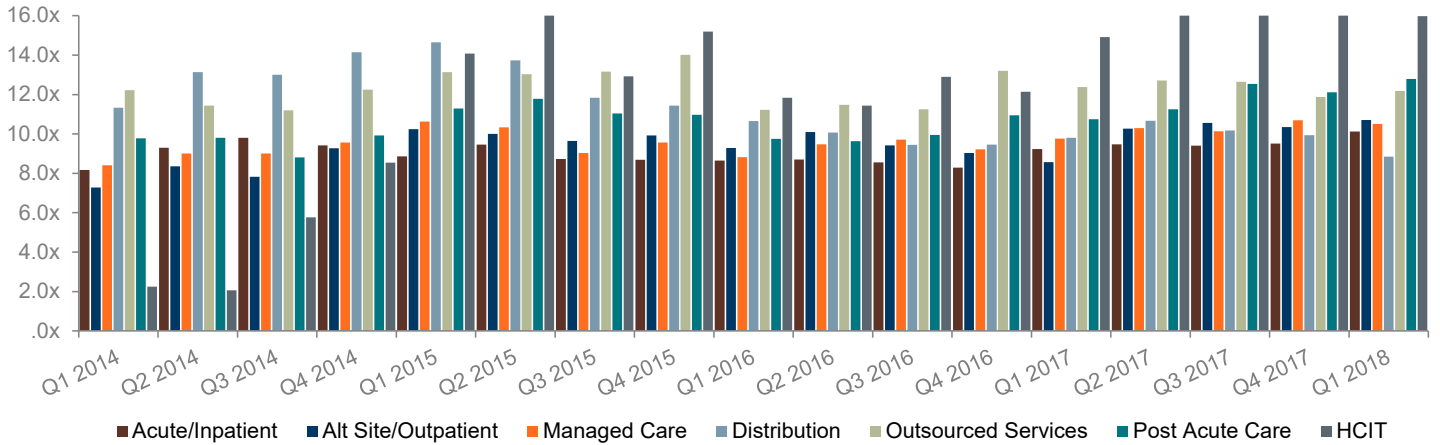
(2) Median and mean values exclude all non-meaningful values.

## Amherst Partners' Healthcare Indices



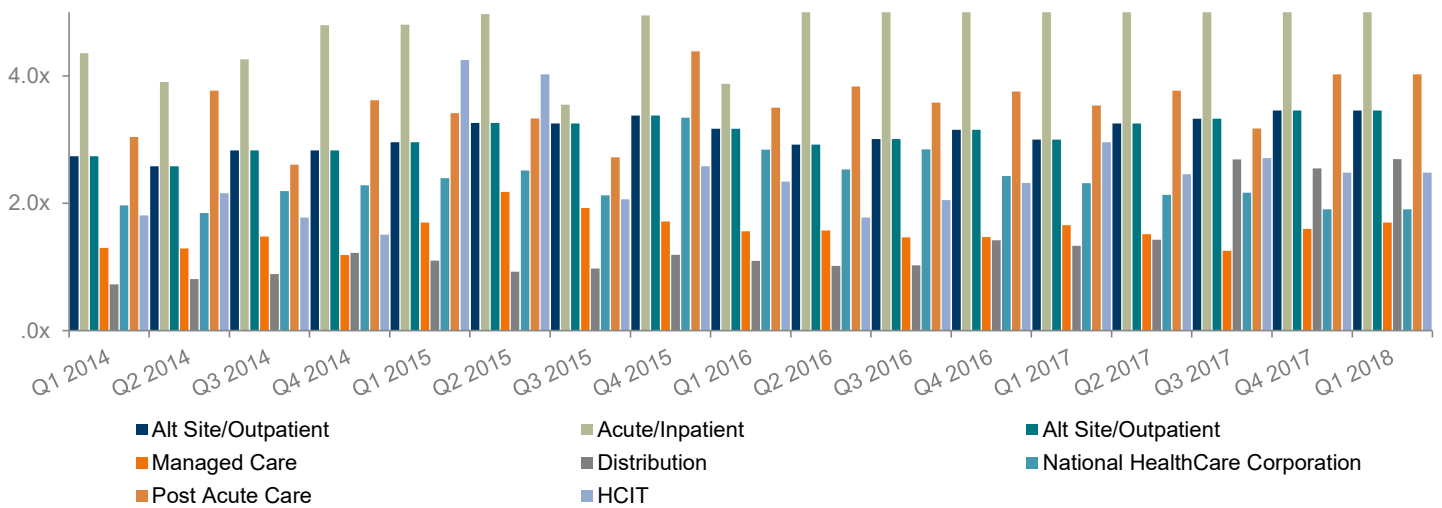
Source: Capital IQ

## Healthcare Indices - Median Enterprise Value/LTM EBITDA



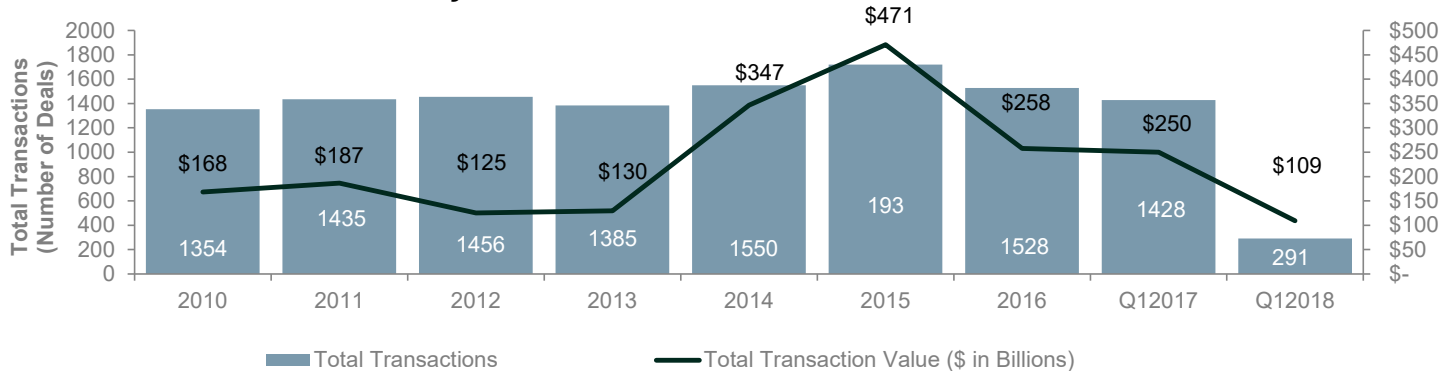
Source: Capital IQ

## Healthcare Indices - Median Net Debt/LTM EBITDA



Source: Capital IQ

## U.S. Healthcare M&A Activity



Search Criteria:  
 (1) Acquisition of Majority Stake  
 (2) Transactions Announced Date (Including Bids and Letters of Intent)

Source: Capital IQ

## HEALTHCARE IQ

© Copyright 2018 Amherst Partners, LLC All Rights Reserved.

Amherst Partners LLC is a boutique, independent Investment Banking, Restructuring Advisory, and Management Consulting firm. Securities transactions are offered through Amherst Partners' wholly-owned subsidiary, One Amherst Partners LLC, a registered broker-dealer and member of FINRA ([www.finra.org](http://www.finra.org)) and SIPC ([www.sipc.org](http://www.sipc.org)).

This report is published solely for informational purposes and is not to be construed as rendering legal, accounting or investment advice or as a solicitation or an offer to buy or sell securities. Although information contained in this report has been obtained from and is based on sources that Amherst Partners LLC believes to be reliable, it is not guaranteed as being accurate. Past performance is not an indication of future results.

### About Amherst

Amherst Partners' track record spans over 20 years of investment banking excellence, using senior level advisors to create unique solutions for middle-market transactions.

### Our Services

- Merger & Acquisition Advisory
- Capital Raising
- Restructuring Advisory
- Management Consulting

## IMAP

As a partner in IMAP, Amherst maintains a well-established network of international offices in over 35 countries. In 2017, IMAP advisers completed 191 global transactions, worth over \$12 billion. Through our IMAP partners, Amherst benefits by having seasoned deal professionals on the ground across the globe, with firsthand knowledge of the local cultural and business environment.

For more information:  
[www.amherstpartners.com](http://www.amherstpartners.com)

### Contact Us

#### Head of Industry Healthcare Group

John W. Patterson, *Managing Director*  
908.403.2135

[jpatterson@amherstpartners.com](mailto:jpatterson@amherstpartners.com)

Chas Chandler, *Partner*  
248.633.2140

[chandler@amherstpartners.com](mailto:chandler@amherstpartners.com)

Scott Eisenberg, *Partner*  
248.633.2150

[seisenberg@amherstpartners.com](mailto:seisenberg@amherstpartners.com)

Don Luciani, *Partner*  
248.633.2139

[dluciani@amherstpartners.com](mailto:dluciani@amherstpartners.com)

Sheldon Stone, *Partner*  
248.633.2135

[sstone@amherstpartners.com](mailto:sstone@amherstpartners.com)

Jeremy Falendysz, *Managing Director*  
248.633.2147

[jfalendysz@amherstpartners.com](mailto:jfalendysz@amherstpartners.com)

Thomas McCabe, *Managing Director*  
847.651.6565

[tmccabe@amherstpartners.com](mailto:tmccabe@amherstpartners.com)

James Morden, *Managing Director*  
248.633.2051

[jmorden@amherstpartners.com](mailto:jmorden@amherstpartners.com)

Brian Phillips, *Managing Director*  
248.633.2131

[bphillips@amherstpartners.com](mailto:bphillips@amherstpartners.com)

Matthew Feldman, *Director*  
248.633.2060

[mfeldman@amherstpartners.com](mailto:mfeldman@amherstpartners.com)