

# HEALTHCARE IQ

## Spotlight on Behavioral Health

The behavioral health industry focuses on treating people with a variety of conditions including anxiety, ADHD, bipolar disorders, eating disorders, PTSD and substance abuse disorders. The market for mental health and substance abuse treatment is expected to reach \$23 billion in 2019 and is projected to grow 7% per year through 2024.

Despite the expanding market, there is still a significant clinical unmet need as many potential beneficiaries do not seek treatment, cannot afford it, or treatment options are limited. At the same time, the worsening opioid crisis, the continued de-stigmatization of mental illness and the enhanced focus on behavioral health from Capitol Hill has increased the number of people who are seeking and receiving treatment. That trend is likely to continue as payers and providers shift their focus to treating the whole patient, including mental health, as part of the overall continuum of care.

A recent survey by the Substance Abuse and Mental Health Services Administration (SAMHSA) concluded that over 18% of adults suffer from mental illness. Currently, more than 44 million adults in America suffer from some form of a mental health condition, which are widely considered to be the primary drivers of substance abuse. Substance abuse and mental disorders do not only affect adults. Teens and adolescents are suffering from severe depression at increasing rates, which is further fueling the substance abuse and mental health crisis in the United States.

Substance abuse, in particular the growing opioid epidemic, represents an ever-increasing national emergency. According to the Centers for Disease Control and Prevention (CDC), in the past

20 years, overdoses caused by prescription opioids have claimed the lives of over 200,000 Americans, 43,000 in 2017 alone. The increased awareness of mental health and substance abuse conditions is expected to accelerate demand for treatment services.

Recent evidence suggests a strong link between behavioral and physical health. As a result, providers, payers and policymakers recognize the need, not only to shift resources to substance abuse prevention and behavioral health, but also to focus on care models that are designed to treat the whole patient, which aligns with the new outcomes-based care payer models.

The pace of mergers and acquisitions within the behavioral healthcare space has been steadily rising as companies look to expand and diversify both their geographic presence and their service offerings. According to Irving Levin Associates, Inc., there were 88 behavioral healthcare deals in 2018. Substance abuse and addiction treatment programs represent the most popular targets, followed by autism and developmental disabilities programs. Private equity sponsors have continued to invest heavily in behavioral health companies, representing a significant portion of the deal activity in recent years.

This trend is likely to continue as access to services (through payer initiatives, increased focus on outcomes, and new treatment modalities, such as telemedicine) continues to catch up with the demand for services, which will continue to fuel rising valuations and deal activity.

## Recent Deal Activity 2Q/3Q 2019

February 13, 2019 – **Revelstoke Capital Partners LLC, Bain Capital Private Equity, LP, Summit Partners LLP, and certain members of Plano, Texas-based U.S. Renal Care, Inc. management** entered into a definitive agreement to acquire Plano, Texas-based **U.S. Renal Care**. U.S. Renal Care operates a network of outpatient, home, and specialty dialysis centers for serving patients suffering from chronic kidney failures in the United States. The investor group noted U.S. Renal Care's focus on strong physician partnerships and high-quality care as rationale for the acquisition. Financial terms were not disclosed.

March 27, 2019 – St. Louis, Missouri-based **Centene Corporation (NYSE:CNC)** signed a definitive merger agreement to acquire Tampa, Florida-based **WellCare Health Plans, Inc. (NYSE:WCG)**. WellCare Health Plans provide government-sponsored managed care services. The company operates in three segments: Medicaid Health Plans, Medicare Health Plans, and Medicare Prescription Drug Plans. Centene management noted the acquisition plays an important part in its growth strategy, providing the combined company with 22 million members in all 50 states and combined revenue approaching \$100 billion in 2019. The announced transaction value was \$15.6 billion, and the implied equity value to LTM net income was 35.5x.

April 15, 2019 – Somerset, New Jersey-based **Catalent Pharma Solutions, Inc.** entered into a definitive agreement to acquire Baltimore, Maryland-based **Paragon Bioservices, Inc.** Paragon Bioservices operates as a contract research and manufacturing organization that focuses on the development and manufacturing of biopharmaceuticals. Catalent management cited Paragon's expertise in gene therapy manufacturing, which is expected to accelerate Catalent's long-term growth and add a complementary capability, as rationale for the acquisition. The announced transaction value was \$1.2 billion.

May 16, 2019 – Boston, Massachusetts-based **Advent International Corporation** signed a definitive agreement to acquire Dallas, Texas-based **AccentCare, Inc.** AccentCare provides post-acute healthcare services to individuals with chronic conditions. It offers services ranging from personal and non-medical care to skilled nursing, rehabilitation, hospice, and care management. Advent cited AccentCare's industry-leading infrastructure, which will enable them to expand into new service areas and offer additional clinical capabilities, as rationale for the deal. Financial terms were not disclosed.

May 20, 2019 – Palo Alto, California-based **Varian Medical Systems, Inc. (NYSE:VAR)** entered into a definitive agreement to acquire Pittsburgh, Pennsylvania-based **Cancer Treatment Services International L.P.** Cancer Treatment Services owns and operates cancer treatment facilities. Varian noted the transaction will help accelerate the identification of unmet clinical and operational needs to facilitate advances in technology and services, allowing the combined companies to create new multidisciplinary solutions based on robust clinical information. The announced transaction value was \$279 million, which implies a revenue multiple of 6.4x.

June 6, 2019 – Indianapolis, Indiana-based **Anthem, Inc. (NYSE:ANTM)** announced an agreement to acquire Boston, Massachusetts-based **Beacon Health Options** from investment firms **Bain Capital Equity, LP and Diamond Castle Holdings, LLC**. Beacon offers behavioral health solutions to large regional and specialty health plans, employers, labor organizations, and governments in the United States and the United Kingdom. Anthem management noted that Beacon's extensive track record in behavioral health aligns with Anthem's strategy to better manage the needs of populations with chronic and complex conditions. The financial terms of the transaction were not disclosed.

June 17, 2019 – New York, New York-based **City Practice Group of New York, LLC (dba CityMD)** entered into a definitive agreement to acquire Berkeley Heights, NJ-based **Summit Medical Group, P.A.** The merged entity will be backed by Warburg Pincus LLC, an investor in City Practice Group of New York. Summit Medical Group, P.A., operates as a physician-owned multispecialty practice in New Jersey. City Practice Group management noted the merger will integrate urgent care centers with an exemplary multispecialty medical organization and expand patient access to some of the best medical care in the tri-state area. Financial terms were not disclosed.

June 20, 2019 – Salt Lake City, Utah-based **Intermountain Healthcare, Inc.** reached an agreement to acquire Las Vegas, Nevada-based **HealthCare Partners Nevada, LLC**. HealthCare Partners Nevada operates a network of medical clinics and specialty care affiliates with primary care physicians and specialists. Southern Nevada is proximate to areas Intermountain serves, especially St. George, Utah, where Intermountain owns and operates multiple medical facilities. The announced transaction value was \$450 million.

July 9, 2019 – Dearborn, Michigan-based **Beaumont Health** signed a letter of intent to acquire Akron, Ohio-based **Summa Health System**. Summa Health System is an integrated healthcare delivery system that provides a broad range of healthcare services. SummaCare, Summa's insurance product, will be able to expand into new markets in Ohio and Summa's capabilities and expertise in risk-based health insurance contracts and services could benefit Michigan employers. Financial terms were not disclosed.

August 28, 2019 – Grand Rapids, Michigan-based **Priority Health Managed Benefits, Inc.** agreed to acquire Detroit, Michigan-based **Total Health Care, Inc.** Total Health Care offers various healthcare insurance plans, including employer/group, individual/family, Medicaid, children's health, and Medicare plans. The need for additional size and resources within a consolidating industry was cited as rationale for the transaction. Financial terms were not disclosed.

## Healthcare Services Trading Multiples

(\$ in millions) Company	09/30/19 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>Alternate Site/Outpatient</b>											
Medical Facilities Corporation	\$6.07	(36%)	\$189	\$420	\$428	\$89	39%	21%	2.0x	1.0x	4.7x
Surgery Partners, Inc.	7.39	(9%)	365	4,371	1,786	340	24%	19%	7.7x	2.4x	12.8x
AAC Holdings, Inc.	0.67	(35%)	17	388	245	(42)	20%	(17%)	NM	1.6x	NM
Acadia Healthcare Company, Inc.	31.08	(9%)	2,751	6,555	3,054	559	41%	18%	6.7x	2.1x	11.7x
Concord Medical Services Holdings Limit	2.41	5%	105	598	27	(46)	(1%)	NM	NM	NM	NM
RadNet, Inc.	14.36	2%	720	1,959	1,060	127	21%	12%	9.1x	1.8x	15.4x
American Renal Associates Holdings, Inc.	6.32	(11%)	206	1,193	819	124	29%	15%	5.6x	1.5x	9.6x
DaVita Inc.	57.07	1%	7,902	17,731	11,253	2,109	29%	19%	4.0x	1.6x	8.4x
Fresenius Medical Care AG & Co. KGaA	67.28	(15%)	20,206	35,180	19,157	3,291	31%	17%	4.3x	1.8x	10.7x
IMAC Holdings, Inc.	3.64	(13%)	31	34	12	(4)	16%	(33%)	NM	2.8x	NM
The Joint Corp.	18.61	(2%)	258	260	36	4	87%	10%	0.7x	7.2x	NM
Encompass Health Corporation	63.28	(0%)	6,242	9,730	4,423	903	41%	20%	3.1x	2.2x	10.8x
Select Medical Holdings Corporation	16.57	6%	2,247	7,520	5,218	635	20%	12%	6.7x	1.4x	11.8x
U.S. Physical Therapy, Inc.	130.55	4%	1,668	1,914	468	75	23%	16%	1.5x	4.1x	NM
<b>Median<sup>(2)</sup></b>							<b>26%</b>	<b>16%</b>	<b>4.3x</b>	<b>1.8x</b>	<b>10.8x</b>
<b>Mean</b>							<b>30%</b>	<b>10%</b>	<b>4.7x</b>	<b>2.4x</b>	<b>10.7x</b>
<b>Home Healthcare/Hospice/Home Infusion</b>											
Addus HomeCare Corporation	\$79.28	4%	\$1,209	\$1,211	\$566	\$41	27%	7%	0.0x	2.1x	NM
Amedisys, Inc.	131.01	10%	4,215	4,560	1,812	180	41%	10%	1.9x	2.5x	NM
LHC Group, Inc.	113.56	(6%)	3,578	3,975	2,037	203	37%	10%	1.4x	2.0x	19.6x
Chemed Corporation	417.57	15%	6,648	6,832	1,837	276	31%	15%	0.7x	3.7x	24.8x
<b>Median<sup>(2)</sup></b>							<b>34%</b>	<b>10%</b>	<b>1.0x</b>	<b>2.3x</b>	<b>22.2x</b>
<b>Mean</b>							<b>34%</b>	<b>11%</b>	<b>1.0x</b>	<b>2.6x</b>	<b>22.2x</b>
<b>Long-Term Care/Senior Housing</b>											
Brookdale Senior Living Inc.	\$7.58	(0%)	\$1,406	\$7,059	\$3,326	\$457	29%	14%	12.4x	2.1x	15.4x
Capital Senior Living Corporation	4.38	(13%)	133	1,364	455	56	32%	12%	21.9x	3.0x	24.3x
Five Star Senior Living Inc.	4.71	(4%)	24	911	1,116	(38)	48%	(3%)	NM	0.8x	NM
Diversicare Healthcare Services, Inc.	2.50	(34%)	17	470	551	14	19%	3%	32.0x	0.9x	NM
Genesis Healthcare, Inc.	1.11	(7%)	120	4,225	4,710	308	45%	7%	14.4x	0.9x	13.7x
National HealthCare Corporation	81.85	1%	1,254	1,369	989	98	41%	10%	1.2x	1.4x	13.9x
The Ensign Group, Inc.	47.43	(18%)	2,527	3,821	2,177	202	14%	9%	6.3x	1.8x	18.9x
<b>Median<sup>(2)</sup></b>							<b>32%</b>	<b>9%</b>	<b>13.4x</b>	<b>1.4x</b>	<b>15.4x</b>
<b>Mean</b>							<b>33%</b>	<b>7%</b>	<b>14.7x</b>	<b>1.5x</b>	<b>17.3x</b>

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

<sup>2</sup> Median and mean values exclude all non-meaningful values.

Source: Capital IQ (as of September 30, 2019)

## Healthcare Services Trading Multiples (cont.)

Company	09/30/19 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 Care Hospitals</b>											
Community Health Systems, Inc.	\$3.60	32%	\$410	\$14,994	\$13,583	\$1,335	38%	10%	10.5x	1.1x	11.2x
HCA Healthcare, Inc.	120.42	(11%)	41,061	78,642	48,844	9,406	38%	19%	3.8x	1.6x	8.4x
Quorum Health Corporation	1.21	(14%)	40	1,352	1,804	128	37%	7%	10.1x	0.7x	10.6x
Tenet Healthcare Corporation	22.12	15%	2,288	20,270	18,213	2,746	36%	15%	5.7x	1.1x	7.4x
Universal Health Services, Inc.	148.75	14%	13,162	17,657	11,063	1,728	40%	16%	2.6x	1.6x	10.2x
<b>Median<sup>(2)</sup></b>							<b>38%</b>	<b>15%</b>	<b>5.7x</b>	<b>1.1x</b>	<b>10.2x</b>
<b>Mean</b>							<b>38%</b>	<b>13%</b>	<b>6.5x</b>	<b>1.2x</b>	<b>9.5x</b>
<b>Healthcare Information Technology</b>											
Allscripts Healthcare Solutions, Inc.	\$10.98	(5%)	\$1,830	\$2,654	\$1,751	\$116	48%	7%	7.1x	1.5x	22.8x
Benefitfocus, Inc.	23.81	(7%)	779	917	273	(22)	51%	(8%)	NM	3.4x	NM
Castlight Health, Inc.	1.41	(54%)	205	163	154	(27)	62%	(17%)	NM	1.1x	NM
Catasys, Inc.	15.76	(17%)	261	272	24	(12)	46%	(51%)	NM	NM	NM
Cerner Corporation	68.17	(9%)	21,705	21,932	5,527	1,203	82%	22%	0.2x	4.0x	18.2x
Computer Programs and Systems, Inc.	22.61	(15%)	313	443	277	33	53%	12%	3.9x	1.6x	13.2x
Evolent Health, Inc.	7.19	(5%)	603	823	733	(48)	29%	(7%)	NM	1.1x	NM
Fitbit, Inc.	3.81	(11%)	984	520	1,550	(96)	37%	(6%)	NM	0.3x	NM
Health Insurance Innovations, Inc.	24.93	(3%)	306	473	349	32	100%	9%	4.2x	1.4x	14.7x
HealthEquity, Inc.	57.15	(9%)	4,036	3,260	320	110	65%	34%	NM	NM	NM
HealthStream, Inc.	25.89	(0%)	838	710	251	31	58%	12%	NM	2.8x	22.6x
HMS Holdings Corp.	34.47	1%	3,011	3,006	626	154	40%	25%	NM	4.8x	19.6x
Inovalon Holdings, Inc.	16.39	14%	2,528	3,451	585	161	74%	27%	5.7x	5.9x	21.5x
IQVIA Holdings Inc.	149.38	(7%)	29,263	40,512	10,706	1,857	35%	17%	5.9x	3.8x	21.8x
Medidata Solutions, Inc.	91.50	1%	5,525	5,518	685	78	74%	11%	NM	8.1x	NM
MTBC, Inc.	3.78	(23%)	45	40	65	(1)	33%	(1%)	NM	0.6x	NM
Model N, Inc.	27.76	37%	908	899	141	(6)	55%	(4%)	NM	6.4x	NM
NantHealth, Inc.	0.72	33%	79	289	95	(28)	59%	(29%)	NM	3.1x	NM
NextGen Healthcare, Inc.	15.67	(22%)	1,025	1,056	528	38	58%	7%	0.8x	2.0x	NM
National Research Corporation	57.75	4%	1,432	1,468	124	45	62%	37%	0.8x	NM	NM
Omniceil, Inc.	72.27	(16%)	3,010	3,065	836	108	48%	13%	0.5x	3.7x	NM
R1 RCM Inc.	8.93	(31%)	1,002	1,620	1,084	94	15%	9%	4.2x	1.5x	17.2x
Tabula Rasa HealthCare, Inc.	54.94	12%	1,134	1,328	249	14	36%	6%	14.0x	5.3x	NM
Teladoc Health, Inc.	67.72	1%	4,879	4,865	493	(31)	67%	(6%)	NM	9.9x	NM
Veeva Systems Inc.	152.69	(8%)	22,596	21,186	969	289	73%	30%	NM	NM	NM
Vocera Communications, Inc.	24.65	(22%)	776	681	177	(6)	62%	(3%)	NM	3.9x	NM
<b>Median<sup>(2)</sup></b>							<b>57%</b>	<b>8%</b>	<b>4.2x</b>	<b>3.2x</b>	<b>19.6x</b>
<b>Mean</b>							<b>55%</b>	<b>6%</b>	<b>4.3x</b>	<b>3.5x</b>	<b>19.1x</b>

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

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Source: Capital IQ (as of September 30, 2019)

## Healthcare Services Trading Multiples (cont.)

(\$ in millions)	09/30/19	Qtrly Price	Market	Total	LTM		Gross	EBITDA	Net Debt/	Enterprise Value/LTM	
Company	Stock Price	Change	Cap.	EV <sup>(1)</sup>	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
<b>Pharmacy/Specialty Pharmacy/PBMs</b>											
CVS Health Corporation	\$63.07	15%	\$82,022	\$165,737	\$226,053	\$14,830	17%	7%	5.6x	0.7x	11.2x
Rite Aid Corporation	6.95	(19%)	374	7,348	21,569	412	21%	2%	16.9x	0.3x	17.8x
Walgreens Boots Alliance, Inc.	55.31	1%	49,953	67,362	136,354	7,226	22%	5%	2.3x	0.5x	9.3x
Diplomat Pharmacy, Inc.	4.90	(17%)	371	972	5,278	83	6%	2%	7.2x	0.2x	11.7x
Harrow Health, Inc.	5.62	(28%)	141	130	48	(1)	64%	(3%)	NM	2.7x	NM
<b>Median<sup>(2)</sup></b>							<b>21%</b>	<b>2%</b>	<b>6.4x</b>	<b>0.5x</b>	<b>11.4x</b>
<b>Mean</b>							<b>26%</b>	<b>2%</b>	<b>8.0x</b>	<b>0.9x</b>	<b>12.5x</b>
<b>Managed Care</b>											
Anthem, Inc.	\$240.10	(14%)	\$61,422	\$77,903	\$96,742	\$6,483	21%	7%	2.5x	0.8x	12.0x
Cigna Corporation	151.79	(6%)	57,317	93,611	102,510	8,893	20%	9%	4.1x	0.9x	10.5x
Humana Inc.	255.67	(1%)	34,538	36,135	60,726	3,683	19%	6%	0.4x	0.6x	9.8x
UnitedHealth Group Incorporated	217.32	(11%)	205,950	239,431	239,671	21,120	23%	9%	1.5x	1.0x	11.3x
Centene Corporation	43.26	(16%)	17,893	19,036	68,907	3,453	18%	5%	0.2x	0.3x	5.5x
Magellan Health, Inc.	62.10	(15%)	1,515	2,134	7,226	136	3%	2%	4.6x	0.3x	15.7x
Molina Healthcare, Inc.	109.72	(22%)	6,881	6,258	17,054	1,176	16%	7%	NM	0.4x	5.3x
Triple-S Management Corporation	13.40	(42%)	323	183	3,172	86	20%	3%	NM	0.1x	2.1x
WellCare Health Plans, Inc.	259.17	(8%)	13,039	12,391	24,901	1,056	13%	4%	NM	0.5x	11.7x
<b>Median<sup>(2)</sup></b>							<b>19%</b>	<b>6%</b>	<b>2.0x</b>	<b>0.5x</b>	<b>10.5x</b>
<b>Mean</b>							<b>17%</b>	<b>6%</b>	<b>2.2x</b>	<b>0.5x</b>	<b>9.3x</b>
<b>Distribution</b>											
AmerisourceBergen Corporation	\$82.33	(4%)	\$17,151	\$18,776	\$177,248	\$2,282	3%	1%	0.7x	0.1x	8.2x
Cardinal Health, Inc.	47.19	0%	13,799	19,307	145,534	2,808	5%	2%	2.0x	0.1x	6.9x
Henry Schein, Inc.	63.50	(8%)	9,414	11,708	13,421	1,140	27%	8%	1.2x	0.9x	10.3x
McKesson Corporation	136.66	1%	25,269	34,854	217,440	4,225	5%	2%	1.9x	0.2x	8.2x
Owens & Minor, Inc.	5.81	89%	366	2,183	9,953	207	15%	2%	8.8x	0.2x	10.5x
Patterson Companies, Inc.	17.82	(20%)	1,682	2,413	5,567	269	22%	5%	2.7x	0.4x	9.0x
<b>Median<sup>(2)</sup></b>							<b>10%</b>	<b>2%</b>	<b>1.9x</b>	<b>0.2x</b>	<b>8.6x</b>
<b>Mean</b>							<b>13%</b>	<b>3%</b>	<b>2.9x</b>	<b>0.3x</b>	<b>8.9x</b>

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

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Source: Capital IQ (as of September 30, 2019)

## Healthcare Services Trading Multiples (cont.)

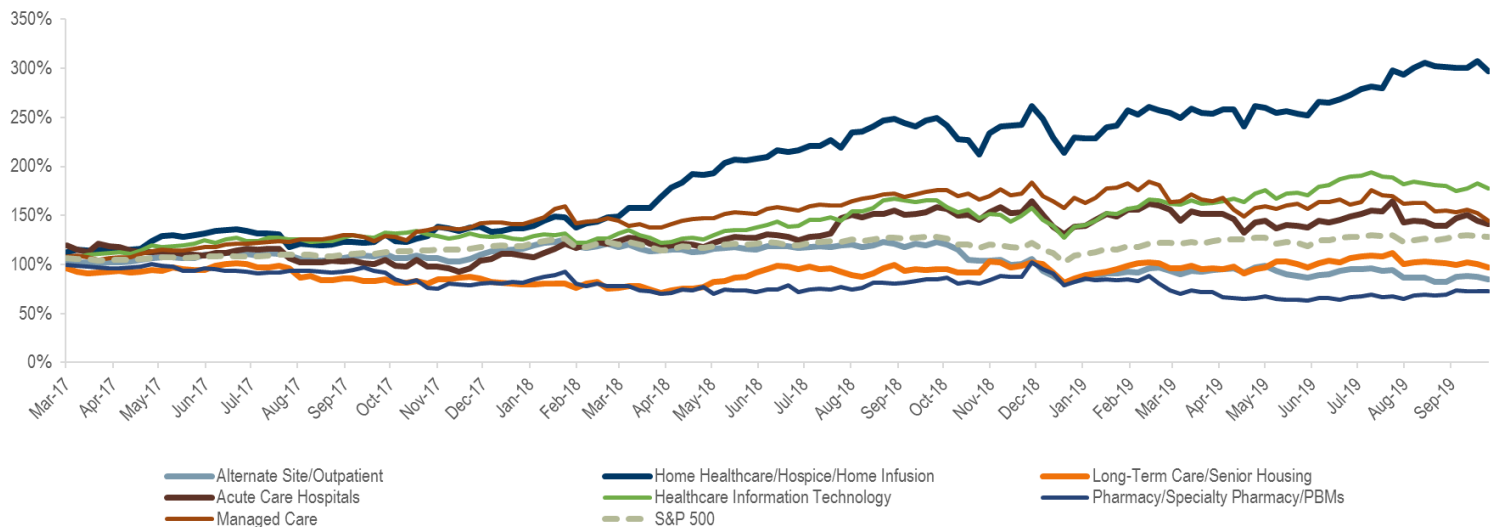
(\$ in millions) Company	09/30/19 Stock Price	Qtrly Price Change	Market Cap.	Total EV <sup>(1)</sup>	LTM		Gross Margin	EBITDA Margin	Net Debt/ EBITDA	Enterprise Value/LTM		
					Revenue	EBITDA				Revenue	EBITDA	
<b>Staffing</b>												
AMN Healthcare Services, Inc.	\$57.56	6%	\$2,686	\$3,442	\$2,123	\$238	33%	11%	3.2x	1.6x	14.5x	
Cross Country Healthcare, Inc.	\$10.30	11%	380	453	800	18	25%	2%	3.9x	0.6x	24.7x	
<b>Median<sup>(2)</sup></b>							<b>29%</b>	<b>7%</b>	<b>3.6x</b>	<b>1.1x</b>	<b>19.6x</b>	
<b>Mean</b>							<b>29%</b>	<b>7%</b>	<b>3.6x</b>	<b>1.1x</b>	<b>19.6x</b>	
<b>Cryopreservation Services</b>												
BioLife Solutions, Inc.	\$16.63	(1%)	\$338	\$320	\$23	\$4	71%	19%	NM	NM	NM	
Cryo-Cell International, Inc.	\$8.25	6%	64	69	32	5	61%	15%	0.3x	2.1x	14.2x	
Global Cord Blood Corporation	\$4.84	(17%)	588	NM	149	66	82%	44%	NM	NM	NM	
<b>Median<sup>(2)</sup></b>							<b>71%</b>	<b>19%</b>	<b>0.3x</b>	<b>2.1x</b>	<b>14.2x</b>	
<b>Mean</b>							<b>71%</b>	<b>26%</b>	<b>0.3x</b>	<b>2.1x</b>	<b>14.2x</b>	
<b>Outsourced/Support Services</b>												
CorVel Corporation	\$75.70	(13%)	\$1,398	\$1,397	\$595	\$90	21%	15%	NM	2.3x	15.6x	
Healthcare Services Group, Inc.	\$24.29	(20%)	1,800	1,754	1,945	111	13%	6%	NM	0.9x	15.8x	
The Providence Service Corporation	\$59.46	5%	767	836	1,436	52	6%	4%	NM	0.6x	16.0x	
Sharps Compliance Corp.	\$4.15	20%	67	64	44	2	30%	5%	NM	1.4x	NM	
Stericycle, Inc.	\$50.93	9%	4,641	7,834	3,384	588	38%	17%	5.4x	2.3x	13.3x	
<b>Median<sup>(2)</sup></b>							<b>21%</b>	<b>6%</b>	<b>5.4x</b>	<b>1.4x</b>	<b>15.7x</b>	
<b>Mean</b>							<b>22%</b>	<b>9%</b>	<b>5.4x</b>	<b>1.5x</b>	<b>15.2x</b>	
<b>Physician Management</b>												
Apollo Medical Holdings, Inc.	\$17.62	11%	\$897	\$1,123	\$499	\$93	28%	19%	0.1x	2.2x	12.1x	
MEDNAX, Inc.	\$22.62	(9%)	1,875	3,943	3,649	525	27%	14%	3.9x	1.1x	7.5x	
<b>Median<sup>(2)</sup></b>							<b>28%</b>	<b>16%</b>	<b>2.0x</b>	<b>1.7x</b>	<b>9.8x</b>	
<b>Mean</b>							<b>28%</b>	<b>16%</b>	<b>2.0x</b>	<b>1.7x</b>	<b>9.8x</b>	

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

<sup>2</sup> Median and mean values exclude all non-meaningful values.

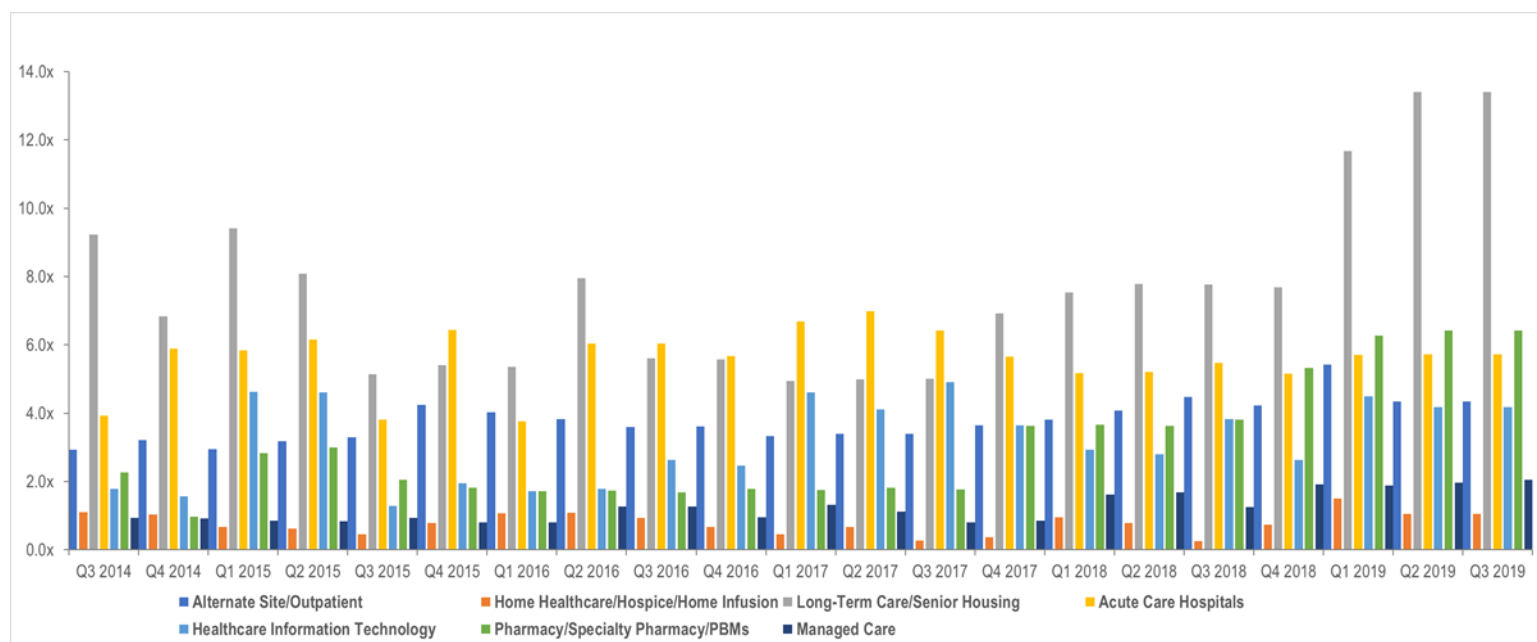
Source: Capital IQ (as of September 30, 2019)

## AmherstPartners Healthcare Services Indices



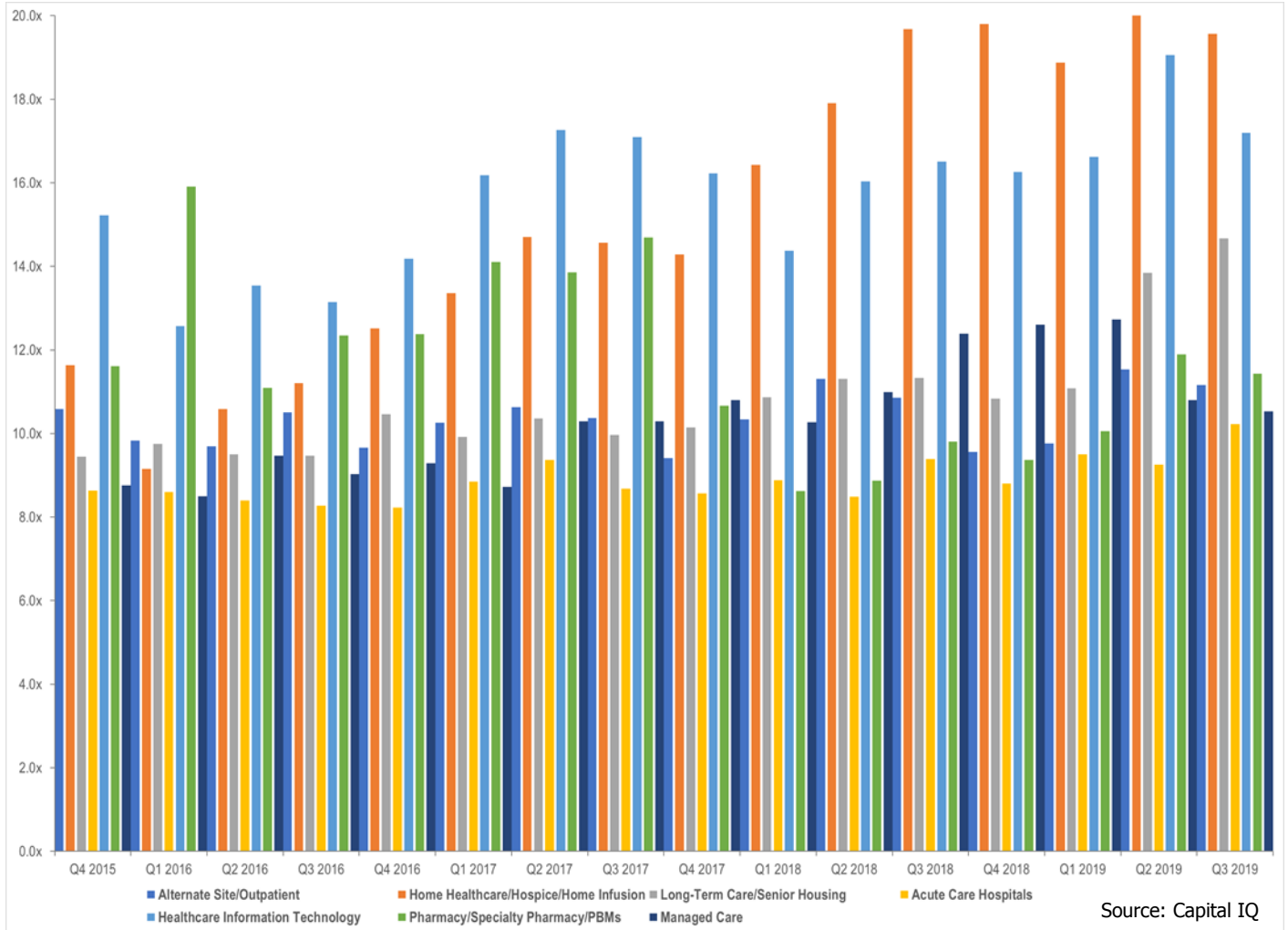
Source: Capital IQ

## Healthcare Indices – Median Net Debt / LTM EBITDA

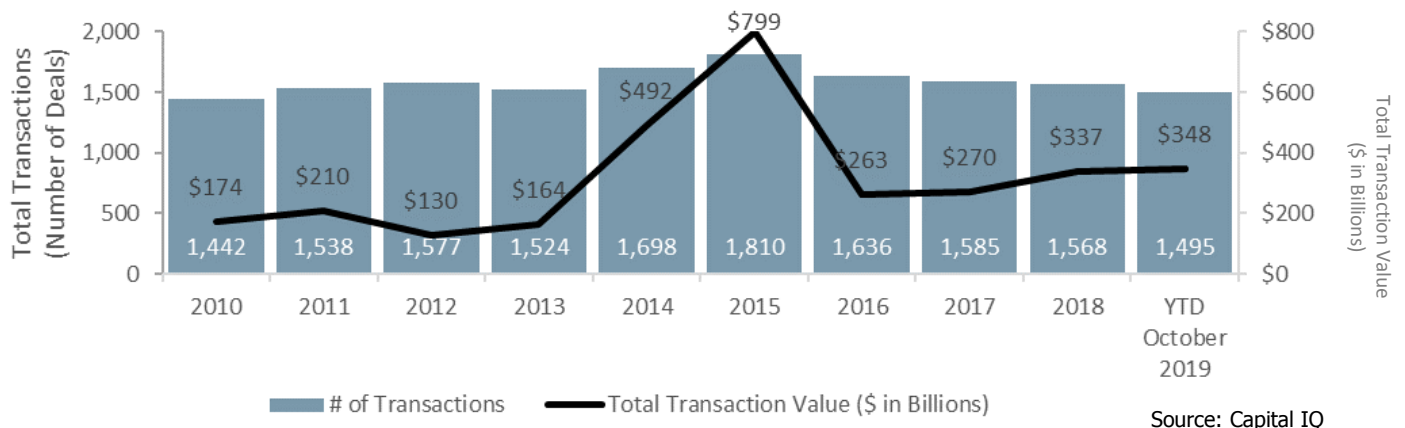


Source: Capital IQ

## Healthcare Indices – Median Enterprise Value/LTM EBITDA



## Healthcare Services M&A Activity





## HEALTHCARE IQ

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