

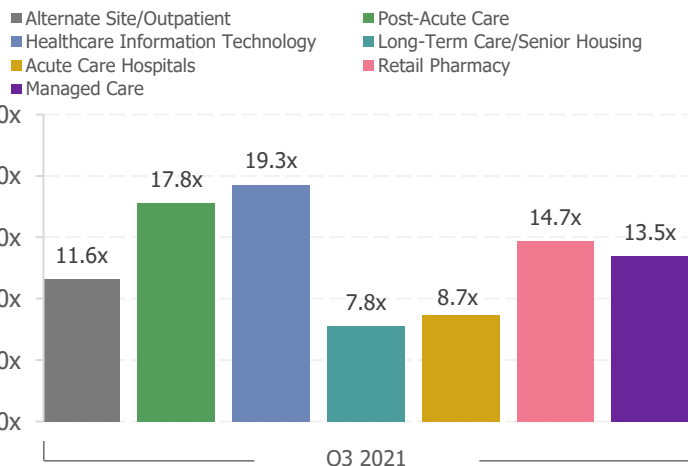
Market Update Q3 2021

- Amherst Partners' Healthcare Indices have generally experienced a steady recovery since the COVID-19 induced lows experienced in Q2 2020, with retail pharmacy and acute care hospitals leading the way in terms of market performance
- Virtual care continues to drive healthcare IT companies, with 80% of consumers reporting they are likely to continue virtual consultations even after the pandemic⁽¹⁾
- Healthcare subsectors continue to be impacted, although in differing ways, by COVID-19 and related issues (e.g., vaccination rollout, delta variant), as the virus can be a boon to one group and a detriment to another
 - Hospitals continue to experience a shortage of nurses as the COVID-19 delta strain continues to weigh on health care staffing
- Valuation multiples within the healthcare sector generally remain strong relative to historical levels, with post-acute care, healthcare IT, and retail pharmacy trading well in excess of the healthcare sector's average Enterprise Value/EBITDA multiple of 13.3x
- In terms of M&A activity, total announced deal value in Q3 2021 was \$15.0 billion, down by 83% compared to Q3 2020, which was dominated by three deals, each valued at over \$15B. Deal volume within the industry remains robust, with over 1,100 reported transactions through Q3 2021
 - One of the more significant transactions announced in the quarter occurred in September when Baxter International, Inc. (NYSE:BAX) announced it will buy Hill-Rom Holdings, Inc. (NYSE:HRC) for \$12.4 billion. The combination will accelerate Baxter's expansion into digital and connected care service offerings

(1) Deloitte

Valuation Multiples – Healthcare

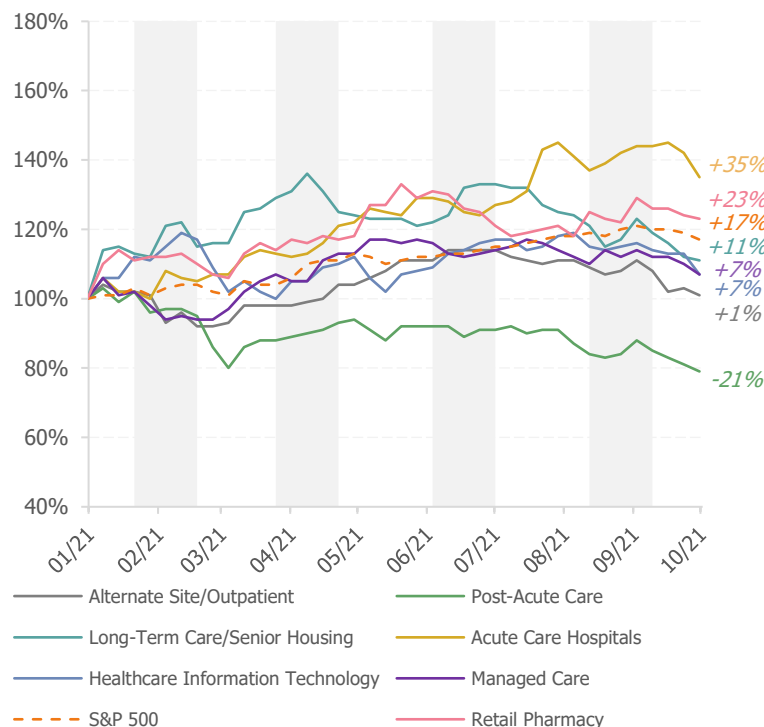
Median Enterprise Value/LTM EBITDA



Source: S&P Capital IQ as of September 30, 2021

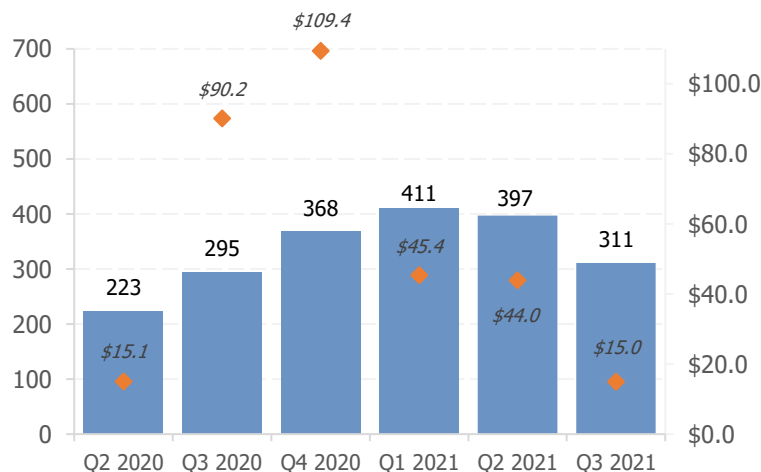
Amherst Partners' Healthcare Indices

Recent Performance



U.S. M&A Activity – Healthcare

of Closed Transactions Transaction Value (\$ in billions)*



*Transaction Value represents publicly announced deal terms

HEALTHCARE **IQ**

in brief

About Amherst

With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services, primarily for closely-held businesses.

Securities related transactions are offered through Amherst's wholly owned subsidiary, One Amherst LLC, a registered broker-dealer and member of FINRA and SIPC.

For more information, visit our website at amherstpartners.com.

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