



Life Sciences & Health Care Quarterly Update

Q2 2017

Rebuilding Health Care Under MACRA⁽¹⁾

A key component of the broader push toward value-based care, the Medicare Access and Chip Reauthorization Act of 2015 (MACRA) promotes a continued shift away from the existing fee-for-service payment model by rewarding physicians for the quality of their care rather than the volume of the procedures they provide. MACRA's incentives pose both opportunities and challenges not only for physicians, but also for all other stakeholders across the industry.

Consolidation of systems through M&A activity will play a key role in facilitating the MACRA implementation. MACRA's fast-paced rollout and broad reach require organizations across the health care industry to work together. However, rather than fostering collaboration and integration, executives say, in many instances, they are hindered by organizational, competitive, and regulatory barriers brought on by other industry players' response to MACRA implementation. Consolidation would help to remove these obstacles and align incentives, ultimately expediting the shift to value-based care through MACRA implementation.

Companies that do not invest in technology will look to M&A to compete with peers that have built-out data capabilities. Health care companies that have made sound investments in technology are expected to fare better on cost and quality measures, as technology and data enables stakeholders to gain insights regarding performance improvement. Those with limited investment in technology will likely look to acquire companies with significant IT and data capabilities to avoid issues such as information blocking from competitors and limited interoperability between clinics and electronic health records.

Providers that best collect patient information and accurately predict costs will likely be acquisition targets. Few health clinics document patient information to accurately and completely reflect patient acuity. Further, some clinics are more cost-effective than others, and clinical variations exist among small practices. Larger industry players are increasingly looking to acquire clinics with robust, cost-effective, patient-focused data collection platforms that enable MACRA compliance and improved care quality.

Navigating the Implementation of MACRA⁽²⁾

Findings compiled by the Deloitte Center for Health Solutions and the Network for Excellence in Health Innovation suggest that health care providers, health plans, life sciences companies, and government organizations are ready to come together and reposition to capitalize on MACRA's value-based incentives. Key industry players will support providers by developing new clinical delivery and payment models centered on value-based care.

Investment in New Technology

Many health care providers find it difficult to develop actionable recommendations from data and integrate them into their practices. Investing in tech enables data delivery in real time, accompanied by reliable benchmarks and goals, so that it can be transformed into actionable, point-of-care information for physicians.

Data Consolidation and Standardization

Health care providers, health plans, life science companies, and regulatory and legislative bodies will need to collaborate to standardize and synthesize data from disparate sources in ways that harmonize different data sets and make data actionable. Enhanced, standardized data collection and sharing will be key.

Establishment of Risk-Based Models

Providers will often bear the burden of MACRA implementation costs, as many lack the tools and capabilities to adapt their operations to value-based care models. Physicians need data and decision-support tools, improved compensation models, and support from other industry participants in order to facilitate their transition under MACRA's implementation.

In This Update

- Challenges and opportunities for health systems under MACRA.

Also:

- Life Sciences & Health Care ("LSHC") Sector Breakdown and Analysis
- Selected Recent LSHC M&A Transactions
- Selected Macroeconomic and Sector Data

Who We Are

Deloitte Corporate Finance LLC ("DCF") is a leading global middle market M&A advisor. DCF's professionals have extensive knowledge of and experience in the Life Sciences & Health Care space.

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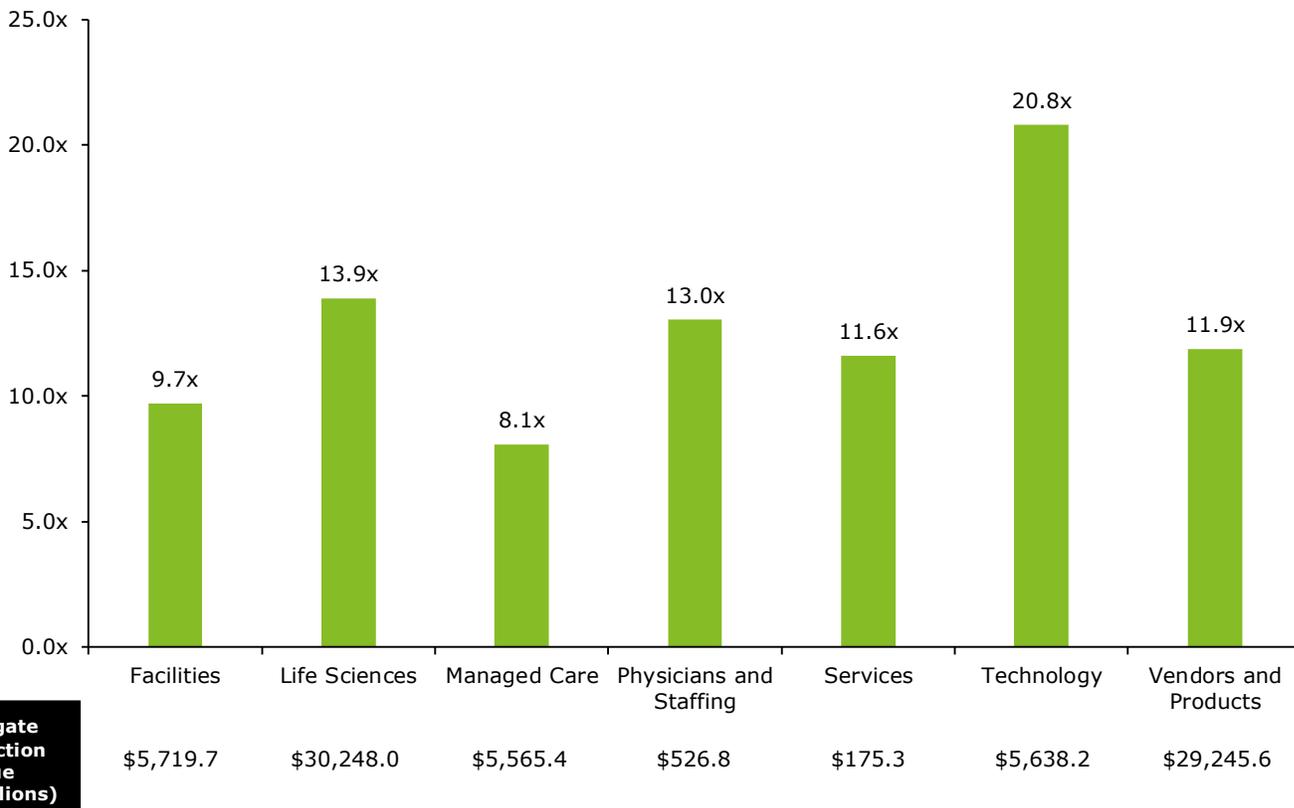
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Q2 2017 LSHC M&A EBITDA Multiples and Aggregate Transaction Value⁽¹⁾⁽ⁱ⁾



Q2 2017 LSHC M&A Deal List⁽²⁾⁽ⁱⁱ⁾

Announce Date	Status	Subsector	Target	Buyer	Transaction Size (\$MM)
30-Jun-17	Announced	Facilities	Kindred Healthcare Operating, Inc., Skilled Nursing Facility Business	BlueMountain Capital Management LLC	\$700.0
28-Jun-17	Announced	Vendors and Products	The Spectranetics Corporation	Philips Holding USA Inc.	2,117.3
28-Jun-17	Closed	Facilities	BCC Cancer Center Venture, L.P.	Physicians Realty L.P.	290.0
27-Jun-17	Announced	Life Sciences	Altor BioScience Corporation	NantCell, Inc.	290.0
22-Jun-17	Announced	Vendors and Products	Electrical Geodesics, Inc.	Philips Holding USA Inc.	30.5
21-Jun-17	Announced	Life Sciences	The Ritedose Corporation	Humanwell Healthcare Co.,Ltd.; et al	605.0
20-Jun-17	Announced	Technology	PAREXEL International Corporation	Pamplona Capital Management LLP	5,291.7
19-Jun-17	Announced	Vendors and Products	InfuSystem Holdings Inc.	22NW Fund, LP	80.7
19-Jun-17	Announced	Physicians and Staffing	Best Doctors, Inc.	Teladoc, Inc.	440.0
19-Jun-17	Announced	Vendors and Products	Novadaq Technologies Inc.	Stryker Corporation	700.6
13-Jun-17	Closed	Physicians and Staffing	Advantage RN, LLC	Cross Country Healthcare, Inc.	86.8
12-Jun-17	Announced	Technology	Miramar Labs, Inc.	Sientra, Inc.	34.0
8-Jun-17	Closed	Technology	Praxify Technologies, Inc.	athenahealth, Inc.	63.0
7-Jun-17	Announced	Life Sciences	BioVision, Inc.	Boai NKY Pharmaceuticals Ltd.	290.0
6-Jun-17	Announced	Life Sciences	Albany Molecular Research, Inc.	GTCR, LLC; The Carlyle Group LP	1,619.5
6-Jun-17	Closed	Facilities	Houston Medical Office Portfolio	Everest Medical Core Properties, LLC	58.0
31-May-17	Closed	Managed Care	Outpatient Clinic Building At Broward County	Healthcare Trust of America, Inc.	49.7
23-May-17	Closed	Life Sciences	True North Therapeutics, Inc.	Bioverativ Inc.	825.0
23-May-17	Closed	Technology	BarioSurg, Inc.	EnteroMedics Inc.	31.3
19-May-17	Announced	Facilities	10 Acute Care Hospitals and One Behavioral Health Facility	Medical Properties Trust, Inc.	1,400.0
15-May-17	Announced	Life Sciences	Patheon N.V.	Thermo Fisher (CN) Luxembourg S.à r.l.	7,298.0
11-May-17	Closed	Technology	Sycle, LLC	Cochlear Limited	78.0
11-May-17	Announced	Life Sciences	Merus Labs International Inc.	Norgine B.V.	340.6
11-May-17	Announced	Facilities	Lakeshore Place, Riverpark, and Stillwater Creek Retirement Residences	Chartwell Retirement Residences	121.0
10-May-17	Announced	Managed Care	National Specialty Hospitals, Inc.	Surgery Partners, Inc.	760.0
10-May-17	Announced	Managed Care	inVentiv Health Inc.	INC Research Holdings, Inc.	4,291.7
10-May-17	Announced	Facilities	Surgery Partners, Inc.	Bain Capital Private Equity, LP	2,418.2

Note:

i) Only deals with reported transaction size shown; ii) Only deals with reported transaction size greater than \$30MM listed.

Q2 2017 LSHC M&A Activity Deal List (cont.)⁽¹⁾⁽ⁱ⁾

Announce Date	Status	Subsector	Target	Buyer	Transaction Size (\$MM)
9-May-17	Closed	Vendors and Products	Nuelle, Inc.	Aytu BioScience, Inc.	\$32.6
8-May-17	Announced	Life Sciences	River Vision Development Corp.	Horizon Pharma Public Limited Company	145.0
8-May-17	Announced	Facilities	20 Skilled Nursing Facilities from Sabra Health Care REIT, Inc.	Genesis Healthcare	103.3
8-May-17	Closed	Services	WRB Communications, Inc.	Envoy Health Management LLC.	30.0
5-May-17	Announced	Life Sciences	VWR Corporation	Avantor Performance Materials, Inc.	6,618.4
4-May-17	Closed	Life Sciences	Agro BioSciences, Inc.	Church & Dwight Co., Inc.	100.0
4-May-17	Closed	Vendors and Products	CMP Wellness, LLC	Kush Bottles, Inc.	33.3
2-May-17	Announced	Vendors and Products	Byram Healthcare Centers, Inc.	Owens & Minor, Inc.	380.0
1-May-17	Closed	Vendors and Products	Span-America Medical Systems, Inc.	Savaria Corporation	81.0
1-May-17	Announced	Facilities	Four Hospitals In Houston	HCA Holdings, Inc. (nka:HCA Healthcare, Inc.)	725.0
28-Apr-17	Announced	Technology	Image Stream Medical, Inc.	Olympus America Inc.	87.0
26-Apr-17	Announced	Facilities	Two Acute Care Hospital	Medical Properties Trust, Inc.	40.0
26-Apr-17	Closed	Life Sciences	Acreage Pharms Ltd.	Invictus MD Strategies Corp.	43.8
24-Apr-17	Announced	Life Sciences	Akom, Inc.	Fresenius Kabi USA, LLC	5,091.4
23-Apr-17	Announced	Vendors and Products	C. R. Bard, Inc.	Becton, Dickinson and Company	25,712.3
20-Apr-17	Closed	Life Sciences	Upsher-Smith Laboratories, Inc., Generic Pharmaceuticals Business	Sawai Pharmaceutical Co., Ltd.	1,050.0
19-Apr-17	Announced	Managed Care	Memorial University Medical Center, Inc.	HCA Holdings, Inc. (nka:HCA Healthcare, Inc.)	430.0
18-Apr-17	Announced	Life Sciences	Berkeley Advanced Biomaterials, Inc.	GNI USA, Inc.	59.7
18-Apr-17	Announced	Life Sciences	Medtronic plc, Patient Care, Deep Vein Thrombosis & Nutritional Insufficiency	Cardinal Health, Inc.	6,059.1
17-Apr-17	Closed	Life Sciences	Pharmachem Laboratories, Inc.	Ashland LLC	660.0
17-Apr-17	Closed	Facilities	Texas Rehabilitation Hospital Portfolio	Carter Validus Mission Critical REIT II, Inc.	71.1
12-Apr-17	Closed	Technology	Entrada, Inc.	NextGen Healthcare Information Systems, LLC	34.0
10-Apr-17	Closed	Facilities	Five Behavioral Health Hospitals	Care Capital Properties, Inc.	380.0
3-Apr-17	Closed	Life Sciences	Vtesse, Inc.	Sucampo Pharmaceuticals, Inc.	200.6
3-Apr-17	Closed	Services	Angelica Corporation	KKR Credit Advisors (US) LLC	125.0

Note:

i) Only deals with reported transaction size greater than \$30MM listed.

LSHC Sector Breakdown: Financial Detail⁽¹⁾

	Enterprise Value (\$MM)	3-Year Revenue CAGR	LTM			EV / LTM	
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA Margin	Revenue	EBITDA
Assisted Living / Long-Term Care (6)							
Brookdale Senior Living Inc. (NYSE:BKD)	\$7,971.7	17.7 %	\$4,194.3	\$808.6	19.3 %	1.9 x	9.9 x
Capital Senior Living Corporation (NYSE:CSU)	1,499.0	9.0	452.5	77.3	17.1	3.3	19.4
Five Star Quality Care, Inc. (NasdaqCM:FVE)	159.0	1.2	1,129.0	17.1	1.5	0.1	9.3
Kindred Healthcare, Inc. (NYSE:KND)	3,759.8	14.3	7,149.9	520.0	7.3	0.5	7.2
National HealthCare Corporation (AMEX:NHC)	1,086.0	5.2	936.3	102.8	11.0	1.2	10.6
The Ensign Group, Inc. (NasdaqGS:ENSG)	1,143.0	22.8	1,713.4	119.8	7.0	0.7	9.5
Median		11.7 %			9.1 %	0.9 x	9.7 x
Hospitals (5)							
Community Health Systems, Inc. (NYSE:CYH)	\$15,833.5	9.3 %	\$17,925.0	\$1,896.0	10.6 %	0.9 x	8.4 x
HCA Holdings, Inc. (NYSE:HCA)	61,590.4	6.6	41,853.0	8,168.0	19.5	1.5	7.5
LifePoint Health, Inc. (NasdaqGS:LPNT)	5,324.8	19.5	6,413.5	738.4	11.5	0.8	7.2
Tenet Healthcare Corp. (NYSE:THC)	16,604.3	15.3	19,390.0	2,168.0	11.2	0.9	7.7
Universal Health Services, Inc. (NYSE:UHS)	15,644.5	10.3	9,929.3	1,702.4	17.1	1.6	9.2
Median		10.3 %			11.5 %	0.9 x	7.7 x
Psychiatric and Behavioral Health (3)							
AAC Holdings, Inc. (NYSE:AAC)	\$386.8	36.8 %	\$264.9	\$27.5	10.4 %	1.5 x	14.1 x
Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	6,919.8	56.2	2,873.3	585.2	20.4	2.4	11.8
Civitas Solutions, Inc. (NYSE:CIVI)	1,311.7	6.1	1,438.0	147.7	10.3	0.9	8.9
Median		36.8 %			10.4 %	1.5 x	11.8 x
Rehabilitation Facilities (3)							
HealthSouth Corporation (NYSE:HLS)	\$6,622.5	17.9 %	\$3,711.1	\$824.9	22.2 %	1.8 x	8.0 x
Select Medical Holdings Corporation (NYSE:SEM)	4,456.5	12.8	4,235.7	458.1	10.8	1.1	9.7
U.S. Physical Therapy, Inc. (NYSE:USPH)	984.1	10.8	363.4	59.4	16.4	2.7	16.6
Median		12.8 %			16.4 %	1.8 x	9.7 x
Surgery Centers (1)							
Surgery Partners, Inc. (NasdaqGS:SGRY)	\$2,376.9	NA	\$1,138.5	\$245.7	21.6 x	2.1 x	9.7 x
Median		NA			21.6 %	2.1 x	9.7 x
Clinical Laboratories (3)							
Chemed Corporation (NYSE:CHE)	\$2,894.1	4.3 %	\$1,592.4	\$217.5	13.7 %	1.8 x	13.3 x
Laboratory Corporation of America Holdings (NYSE:LH)	19,788.6	18.1	9,550.1	1,851.3	19.4	2.1	10.7
Quest Diagnostics Incorporated (NYSE:DGX)	16,491.5	2.1	7,551.0	1,422.0	18.8	2.2	11.6
Median		10.1 %			19.1 %	2.1 x	11.1 x
Diagnostic Imaging (2)							
Alliance Healthcare Services, Inc. (NasdaqGM:AIQ)	\$633.9	4.9 %	\$511.8	\$127.8	25.0 %	1.2 x	5.0 x
RadNet, Inc. (NasdaqGM:RDNT)	922.7	8.7	897.2	111.4	12.4	1.0	8.3
Median		6.8 %			18.7 %	1.1 x	6.6 x
Dialysis Services (3)							
American Renal Associates Holdings, Inc. (NYSE:ARA)	\$1,192.7	NA %	\$754.7	\$151.6	20.1 %	1.6 x	7.9 x
DaVita Inc. (NYSE:DVA)	19,886.4	7.4	14,850.2	2,464.0	16.6	1.3	8.1
Fresenius SE & Co. KGaA (DB:FRE)	64,389.0	13.8	32,538.5	6,170.9	19.0	2.0	10.4
Median		10.6 %			19.0 %	1.6 x	8.1 x
Disease Management (2)							
Alere Inc. (NYSE:ALR)	\$5,872.1	(1.6) %	\$2,377.6	\$318.6	13.4 %	2.5 x	18.4 x
Tivity Health, Inc. (NasdaqGS:TVTY)	1,247.1	(8.6)	516.0	109.4	21.2	2.4	11.4
Median		(5.1) %			17.3 %	2.4 x	14.9 x
Home Care / Hospice (5)							
Addus HomeCare Corporation (NasdaqGS:ADUS)	\$405.5	14.3 %	\$409.7	\$32.0	7.8 %	1.0 x	12.7 x
Almost Family, Inc. (NasdaqGS:AFAM)	790.5	19.7	671.2	41.7	6.2	1.2	19.0
Amedisys, Inc. (NasdaqGS:AMED)	1,648.5	6.1	1,437.2	95.5	6.6	1.1	17.3
BioScrip, Inc. (NasdaqGS:BIOS)	660.3	3.4	914.9	25.3	2.8	0.7	26.1
LHC Group, Inc. (NasdaqGS:LHCG)	942.7	12.7	926.3	85.9	9.3	1.0	11.0
Median		12.7 %			6.6 %	1.0 x	17.3 x

Facilities

Services

LSHC Sector Breakdown: Financial Detail (cont.)⁽¹⁾

	Enterprise Value (\$MM)	3-Year Revenue CAGR	LTM			EV / LTM	
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA Margin	Revenue	EBITDA
Data/Analytics (3)							
Castlight Health, Inc. (NYSE:CSLT)	\$399.3	76.4 %	\$106.7	N/A	N/A %	3.7 x	N/A x
Inovalon Holdings, Inc. (NasdaqGS:INOV)	1,441.1	12.7	433.2	81.3	18.8	3.3	17.7
National Research Corporation (NasdaqGS:NRCLB)	951.7	6.1	111.8	37.5	33.6	8.5	25.4
Median		12.7 %			26.2 %	3.7 x	21.5 x
Tech-Enabled Services (11)							
Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX)	\$3,477.3	5.8 %	\$1,617.8	\$153.4	9.5 %	2.1 x	22.7 x
athenahealth, Inc. (NasdaqGS:ATHN)	4,843.9	20.7	1,112.2	112.4	10.1	4.4	43.1
Cerner Corporation (NasdaqGS:CERN)	18,393.4	18.0	4,827.0	1,351.5	28.0	3.8	13.6
Computer Programs and Systems, Inc. (NasdaqGS:CPSI)	501.1	8.8	261.7	28.2	10.8	1.9	17.7
HealthEquity, Inc. (NasdaqGS:HQY)	2,412.1	41.1	189.8	57.6	30.4	12.7	41.9
HMS Holdings Corp. (NasdaqGS:HMSY)	1,594.8	0.3	483.7	90.7	18.8	3.3	17.6
Omnicell, Inc. (NasdaqGS:OMCL)	1,578.5	19.4	672.2	43.9	6.5	2.3	36.0
Premier, Inc. (NasdaqGS:PINC)	1,762.2	13.9	1,353.0	395.3	29.2	1.3	4.5
Quality Systems, Inc. (NasdaqGS:QSII)	966.5	4.6	509.6	58.9	11.5	1.9	16.4
The Advisory Board Company (NasdaqGS:ABCO)	2,371.3	NA	797.2	118.2	14.8	3.0	20.1
Veeva Systems Inc. (NYSE:VEEV)	5,441.9	35.5	582.2	141.4	24.3	9.3	38.5
Median		15.9 %			14.8 %	3.0 x	20.1 x
Biotechnology (7)							
AbbVie Inc. (NYSE:ABBV)	\$128,903.9	11.3 %	\$26,218.0	\$11,150.0	42.5 %	4.9 x	11.6 x
Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	31,098.9	22.3	3,253.0	1,256.0	38.6	9.6	24.8
Amgen Inc. (NasdaqGS:AMGN)	122,263.5	6.5	22,928.0	12,101.0	52.8	5.3	10.1
Biogen Inc. (NasdaqGS:BIIB)	65,610.5	14.7	11,532.7	6,038.5	52.4	5.7	10.9
Celgene Corporation (NasdaqGS:CELG)	98,076.6	20.0	11,677.2	4,114.1	35.2	8.4	23.8
Gilead Sciences Inc. (NasdaqGS:GILD)	103,489.1	28.6	29,101.0	18,236.0	62.7	3.6	5.7
Regeneron Pharmaceuticals, Inc. (NasdaqGS:REGN)	38,842.9	29.5	4,978.6	1,551.9	31.2	7.8	25.0
Median		20.0 %			42.5 %	5.7 x	11.6 x
Contract Research and Manufacturing (10)							
Albany Molecular Research, Inc. (NasdaqGS:AMRI)	\$1,400.4	36.6 %	\$628.7	\$71.8	11.4 %	2.2 x	19.5 x
Cambrex Corporation (NYSE:CBM)	1,669.4	17.4	500.6	161.8	32.3	3.3	10.3
Charles River Laboratories International, Inc. (NYSE:CRL)	5,273.8	14.7	1,772.3	424.0	23.9	3.0	12.4
ICON Public Limited Company (NasdaqGS:ICLR)	4,750.1	7.4	1,697.9	388.4	22.9	2.8	12.2
INC Research Holdings, Inc. (NasdaqGS:INCR)	3,255.1	14.6	1,033.4	230.4	22.3	3.1	14.1
Medpace Holdings, Inc. (NasdaqGS:MEDP)	1,619.3	NA	376.6	110.8	29.4	4.3	14.6
PAREXEL International Corporation (NasdaqGS:PRXL)	3,817.5	3.5	2,097.0	342.8	16.3	1.8	11.1
PRA Health Sciences, Inc. (NasdaqGS:PRAH)	4,512.7	18.7	1,634.8	262.6	16.1	2.8	17.2
Quintiles IMS Holdings, Inc. (NYSE:Q)	24,316.7	16.6	6,167.0	1,278.0	20.7	3.9	19.0
West Pharmaceutical Services, Inc. (NYSE:WST)	6,095.7	3.7	1,534.7	324.3	21.1	4.0	18.8
Median		14.7 %			21.7 %	3.1 x	14.4 x
Pharmaceuticals (4)							
Bristol-Myers Squibb Company (NYSE:BMJ)	\$91,747.5	6.9 %	\$19,965.0	\$6,893.0	34.5 %	4.6 x	13.3 x
Eli Lilly and Company (NYSE:LLY)	90,929.7	(0.9)	21,585.3	5,639.7	26.1	4.2	16.1
Merck & Co., Inc. (NYSE:MRK)	191,756.8	(2.9)	39,929.0	15,155.0	38.0	4.8	12.7
Pfizer Inc. (NYSE:PFE)	230,155.9	1.3	52,598.0	19,512.0	37.1	4.4	11.8
Median		0.2 %			35.8 %	4.5 x	13.0 x
Tools and Services (9)							
Abbott Laboratories (NYSE:ABT)	\$91,904.9	5.4 %	\$22,303.0	\$4,768.0	21.4 %	4.1 x	19.3 x
Agilent Technologies, Inc. (NYSE:A)	15,990.8	(6.9)	4,324.0	983.0	22.7	3.7	16.3
Becton, Dickinson and Company (NYSE:BDX)	50,811.4	14.4	12,321.0	3,197.0	25.9	4.1	15.9
Bio-Rad Laboratories, Inc. (NYSE:BIO)	5,440.5	(0.7)	2,097.0	271.8	13.0	2.6	20.0
Illumina, Inc. (NasdaqGS:ILMN)	22,827.8	17.1	2,424.4	678.8	28.0	9.4	33.6
PerkinElmer, Inc. (NYSE:PKI)	6,853.9	(0.8)	2,131.6	409.7	19.2	3.2	16.7
Thermo Fisher Scientific Inc. (NYSE:TMO)	78,172.6	10.7	18,744.3	4,686.4	25.0	4.2	16.7
VWR Corporation (NasdaqGS:VWR)	5,570.4	2.6	4,555.0	480.4	10.5	1.2	11.6
Waters Corporation (NYSE:WAT)	11,146.7	4.8	2,190.1	747.0	34.1	5.1	14.9
Median		4.8 %			22.7 %	4.1 x	16.7 x
Commercial Plans (6)							
Aetna Inc. (NYSE:AET)	\$48,497.8	6.6 %	\$62,627.0	\$5,734.0	9.2 %	0.8 x	8.5 x
Anthem, Inc. (NYSE:ANTM)	55,000.5	6.9	87,082.7	6,007.0	6.9	0.6	9.2
Cigna Corporation (NYSE:CI)	37,814.6	7.1	40,169.0	3,905.0	9.7	0.9	9.7
Humana Inc. (NYSE:HUM)	27,127.3	8.5	54,341.0	2,268.0	4.2	0.5	12.0
Magellan Health, Inc. (NasdaqGS:MGLN)	2,210.4	10.8	5,025.5	245.9	4.9	0.4	9.0
UnitedHealth Group Incorporated (NYSE:UNH)	175,462.2	15.1	189,036.0	14,994.0	7.9	0.9	11.7
Median		7.8 %			7.4 %	0.7 x	9.4 x
Government Plans (3)							
Centene Corporation (NYSE:CNC)	\$11,951.7	54.7 %	\$42,468.0	\$2,125.0	5.0 %	0.3 x	5.6 x
Molina Healthcare, Inc. (NYSE:MOH)	1,259.5	37.5	17,873.0	381.0	2.1	0.1	3.3
WellCare Health Plans, Inc. (NYSE:WCG)	2,749.8	12.6	14,650.8	656.2	4.5	0.2	4.2
Median		37.5 %			4.5 %	0.2 x	4.2 x
Payor Services (1)							
CorVel Corporation (NasdaqGS:CRVL)	\$727.2	2.7 %	\$518.7	\$68.5	13.2 %	1.4 x	10.6 x
Median		2.7 %			13.2 %	1.4 x	10.6 x

LSHC Sector Breakdown: Financial Detail (cont.)⁽¹⁾

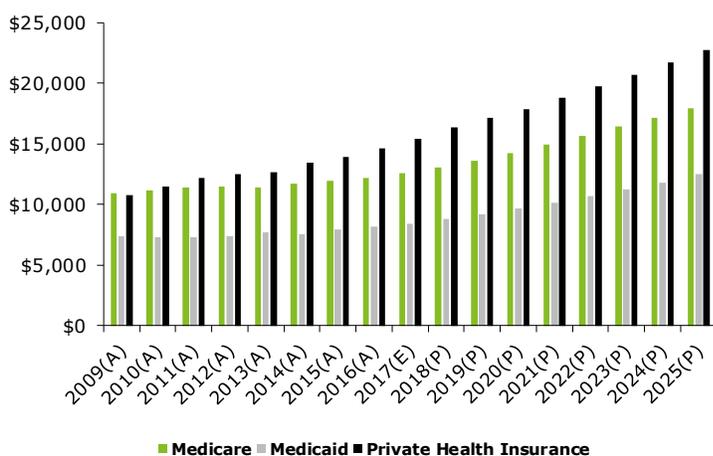
	Enterprise Value (\$MM)	3-Year Revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA Margin	Revenue	EBITDA	
Pharmacy	Retail Pharmacy (3)							
	CVS Health Corporation (NYSE:CVS)	\$105,995.2	11.6 %	\$178,825.0	\$12,813.0	7.2 %	0.6 x	8.3 x
	Rite Aid Corporation (NYSE:RAD)	13,203.8	8.1	32,442.3	999.9	3.1	0.4	13.2
	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	98,610.8	15.7	116,701.0	7,342.0	6.3	0.8	13.4
Median		11.6 %			6.3 %	0.6 x	13.2 x	
Pharmacy	Specialty Pharmacy (3)							
	Diplomat Pharmacy, Inc. (NYSE:DPLO)	\$1,094.4	40.0 %	\$4,493.3	\$75.9	1.7 %	0.2 x	14.4 x
	Express Scripts Holding Company (NasdaqGS:ESRX)	53,453.6	(0.5)	100,150.6	7,136.2	7.1	0.5	7.5
	PharMerica Corporation (NYSE:PMC)	1,268.9	6.4	2,133.4	130.2	6.1	0.6	9.7
Median		6.4 %			6.1 %	0.5 x	9.7 x	
Physicians / Staffing	Healthcare Staffing (3)							
	AMN Healthcare Services, Inc. (NYSE:AMN)	\$2,209.5	24.5 %	\$1,929.4	\$226.9	11.8 %	1.1 x	9.7 x
	Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	578.7	23.7	844.5	39.2	4.6	0.7	14.8
	On Assignment, Inc. (NYSE:ASGN)	3,137.3	14.5	2,484.9	256.1	10.3	1.3	12.3
Median		23.7 %			10.3 %	1.1 x	12.3 x	
Physicians / Staffing	Physician Practice Management (2)							
	Envision Healthcare Corporation (NYSE:EVHC)	\$13,647.3	66.1 %	\$4,849.9	\$913.4	18.8 %	2.8 x	14.9 x
	MEDNAX, Inc. (NYSE:MD)	8,274.0	13.8	3,266.1	648.8	19.9	2.5	12.8
	Median		39.9 %			19.3 %	2.7 x	13.8 x
Vendors / Products	Medical Devices and Products (18)							
	Baxter International Inc. (NYSE:BAX)	\$26,797.1	(12.6) %	\$10,263.0	\$2,131.0	20.8 %	2.6 x	12.6 x
	Boston Scientific Corporation (NYSE:BSX)	40,086.0	6.6	8,582.0	2,222.0	25.9	4.7	18.0
	ConforMIS, Inc. (NasdaqGS:CFMS)	210.4	NA	80.1	NA	N/A	2.6	NA
	Danaher Corporation (NYSE:DHR)	69,626.0	(3.9)	17,164.0	4,164.1	24.3	4.1	16.7
	DENTSPLY SIRONA Inc. (NasdaqGS:XRAY)	15,111.3	9.5	3,873.2	820.8	21.2	3.9	18.4
	Edwards Lifesciences Corporation (NYSE:EW)	18,797.3	15.0	3,149.9	1,007.6	32.0	6.0	18.7
	Hill-Rom Holdings, Inc. (NYSE:HRC)	6,339.1	17.0	2,677.7	458.0	17.1	2.4	13.8
	Hologic, Inc. (NasdaqGS:HOLX)	13,234.2	5.4	2,894.1	1,012.2	35.0	4.6	13.1
	Integer Holdings Corporation (NYSE:ITGR)	2,756.8	26.6	1,400.0	270.3	19.3	2.0	10.2
	Johnson & Johnson (NYSE:JNJ)	311,451.4	0.2	72,174.0	25,120.0	34.8	4.3	12.4
	K2M Group Holdings, Inc. (NasdaqGS:KTWO)	906.5	14.3	242.2	NA	NA	3.7	N/A
	Medtronic plc (NYSE:MDT)	125,734.5	20.7	29,710.0	9,217.0	31.0	4.2	13.6
	ResMed Inc. (NYSE:RMD)	10,540.7	9.3	2,028.7	559.0	27.6	5.2	18.9
	Steris Plc (NYSE:STE)	7,014.4	17.4	2,612.8	518.8	19.9	2.7	13.5
	Stryker Corporation (NYSE:SYK)	50,894.0	8.9	11,785.0	3,231.0	27.4	4.3	15.8
	Teleflex Incorporated (NYSE:TFX)	9,408.7	4.1	1,931.0	506.0	26.2	4.9	18.6
	Varian Medical Systems, Inc. (NYSE:VAR)	7,372.1	3.0	3,253.6	625.1	19.2	2.3	11.8
	Zimmer Biomet Holdings, Inc. (NYSE:ZBH)	33,928.5	18.6	7,757.2	2,808.2	36.2	4.4	12.1
	Median		9.3 %			26.0 %	4.1 x	13.7 x
	Vendors / Products	Medical Supplies Distribution (9)						
		Aceto Corporation (NasdaqGS:ACET)	\$776.3	5.5 %	\$579.1	\$63.3	10.9 %	1.3 x
AmerisourceBergen Corporation (NYSE:ABC)		21,773.3	12.9	149,759.0	2,340.8	1.6	0.1	9.3
Cardinal Health, Inc. (NYSE:CAH)		29,439.2	11.1	128,394.0	3,099.0	2.4	0.2	9.5
C. R. Bard, Inc. (NYSE:BCR)		18,418.8	6.7	3,779.3	1,162.2	30.8	4.9	15.8
Henry Schein, Inc. (NasdaqGS:HSIC)		14,603.7	6.7	11,781.7	1,004.7	8.5	1.2	14.5
Invacare Corporation (NYSE:IVC)		471.0	(7.9)	1,021.6	(8.2)	NA	0.5	-57.7
McKesson Corporation (NYSE:MCK)		37,357.8	13.1	198,533.0	4,354.0	2.2	0.2	8.6
Owens & Minor, Inc. (NYSE:OMI)		2,550.9	1.9	9,596.2	254.5	2.7	0.3	10.0
Patterson Companies, Inc. (NasdaqGS:PDCO)		5,125.4	16.0	5,593.1	408.1	7.3	0.9	12.6
Median		6.7 %			5.0 %	0.5 x	10.0 x	

LSHC Sector Data

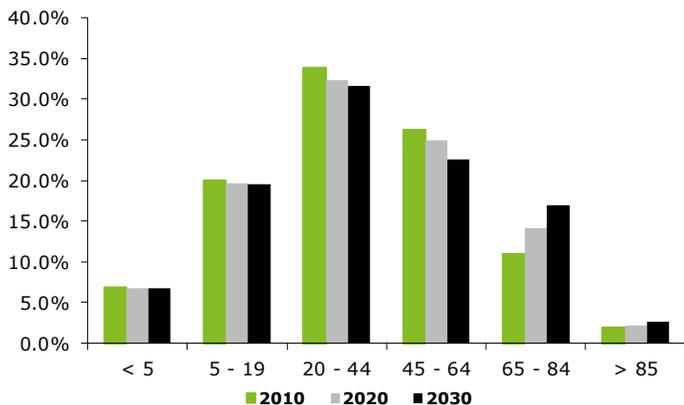
U.S. Health Care Spend⁽¹⁾



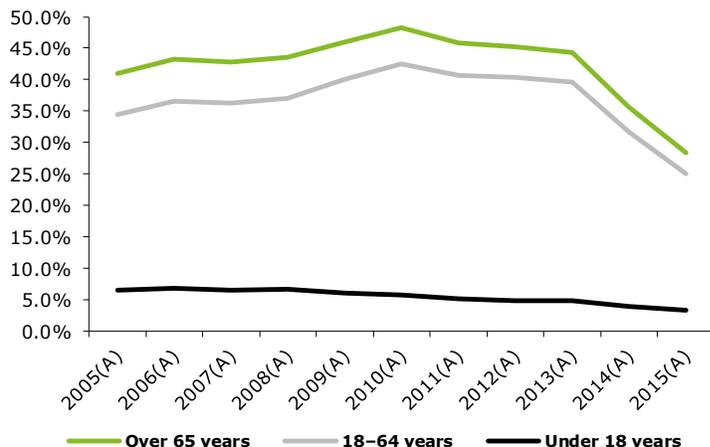
U.S. Health Care Spend by Payor per Capita⁽²⁾



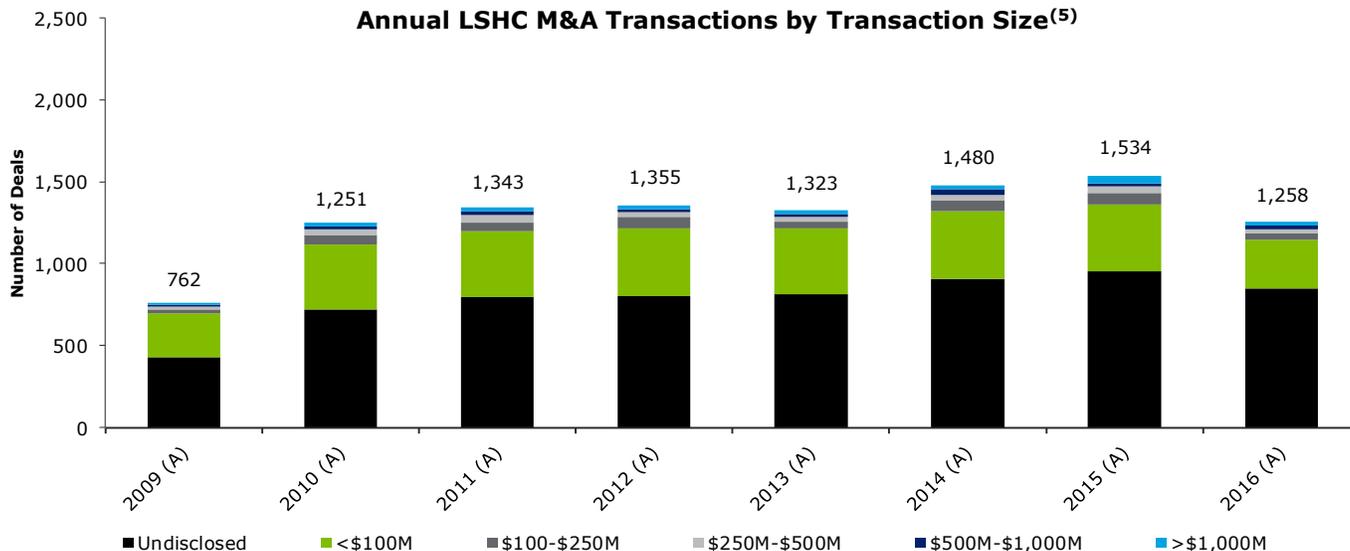
U.S. Population by Age Group⁽³⁾



Percentage of U.S. Uninsured by Age Group⁽⁴⁾



Annual LSHC M&A Transactions by Transaction Size⁽⁵⁾



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