

Life Sciences & Health Care Quarterly update

Q2 2018

Explosion of real world data in healthcare⁽¹⁾

Real world data (RWD) refers to health care data gathered from a variety of sources outside of controlled clinical trials. These sources can include genomic data, data from health apps, wearables, and other biometric devices. This information is used to generate real world evidence (RWE) and support data-driven, individualized health care reports. With the rise of digital and electronic health care data comes a need for RWD management in the pharmaceutical space.

Deloitte RWE benchmarking survey findings⁽²⁾

This year Deloitte conducted its second annual survey of pharmaceutical companies' perspectives regarding the advances in RWD management, RWE value creation, and RWE applications. The survey results indicate that the visibility and importance of RWE initiatives are increasing at the executive level. The survey found that most respondents are leveraging RWD across the enterprise to not only generate evidence, but also support other research, corporate, and commercial objectives. Other key findings include:

- **Increasing importance of RWE integration:** Many pharmaceutical companies are now leveraging RWD holistically throughout their organizations to generate evidence and support patient research.
- **Growing data landscape:** More so than ever, respondents are using non-traditional data sources, such as purpose-built linked data, connected wearable technology, and health apps to drive decision making.
- **Shifting RWE activities in house:** 70 percent of respondents reported internally building out data analytics programs to gather and analyze RWE, driving an increase in RWE spending on talent and technology.

RWE in end-to-end evidence management⁽³⁾

The rise of RWD is challenging biopharma's traditional operating model across the product life cycle. To remain competitive and differentiated in a value-based, personalized health care system, biopharma companies are likely to benefit from establishing end-to-end (E2E) evidence-management strategies, which use processes to access data across the organization to support data-driven decision making. By adopting E2E evidence management strategies, companies can use RWE to discover, generate, and optimize product value:

Optimizing value

Applying RWE to develop, support, and sustain a compelling value story for approved therapeutic interventions and to inform new opportunities for therapeutic discovery.

Generating value

Leveraging RWE to maximize the potential for clinical and commercial success, optimize therapeutic response, and assess category dynamics to support pricing strategies.

Discovering value

Using RWE to enhance preclinical and clinical research productivity through precise target and patient cohort identification.

Recent data-driven Health Care M&A activity

Roche Holding acquires Flatiron Health, Inc.:

On April 6, 2018, Switzerland-based Roche Holding (Roche), a diagnostic pharmaceutical company, acquired Flatiron Health, Inc. (Flatiron), a New York-based developer of cancer electronic health record software for \$1.9 billion. Roche hopes to use Flatiron's expertise in real world evidence collection to give them better insights on addressing the complex needs of their patients.⁽⁴⁾

Medidata Solutions, Inc. acquires Shyft Analytics, Inc.:

On June 12, 2018, New York-based Medidata Solutions, Inc. (Medidata), a provider of cloud-based solutions for life sciences across the globe, acquired Shyft Analytics Inc. (Shyft), a Waltham, MA-based provider of cloud-based data, analytics, and mobile solutions to the life sciences industry, for \$195 million. This deal connects Medidata's real world data collection processes with Shyft's comprehensive analytics and AI platform.⁽⁵⁾

In This Update

- Increasing need for data-driven analytics fuels 2018 health care transactions

Also:

- Selected Recent Life Sciences & Health Care (LSHC) M&A Transactions
- LSHC Sector Breakdown and Analysis
- 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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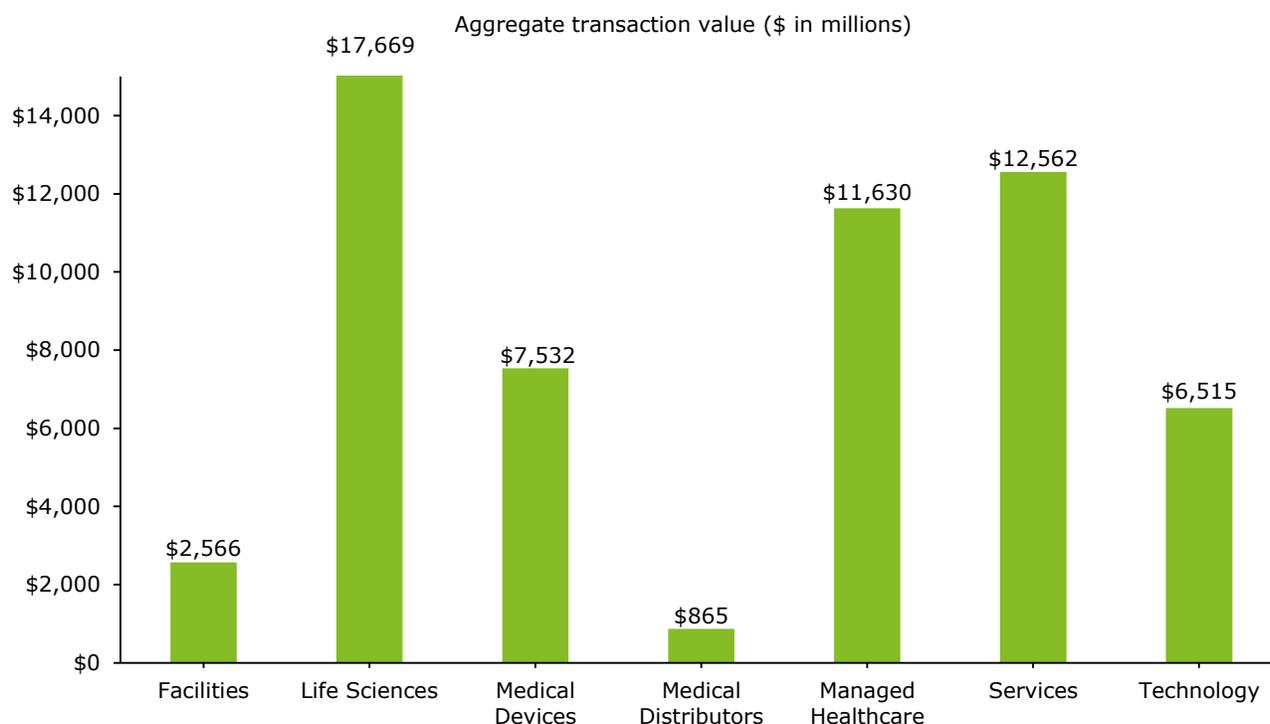
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Q2 2018 US LSHC M&A aggregate transaction value and EBITDA multiples⁽¹⁾⁽ⁱ⁾⁽ⁱⁱ⁾



Median LTM EBITDA multiple⁽ⁱⁱ⁾

NA	10.5x	9.7x	NA	17.5	10.6	17.1x
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Q2 2018 US LSHC M&A activity deal list ⁽²⁾⁽ⁱ⁾

Date announced	Status	Sub-sector	Target	Buyer	Size (\$MM) transaction
11-Jul-18	Announced	Life Sciences	Visterra, Inc.	Otsuka America, Inc.	\$430.0
9-Jul-18	Announced	Medical Devices	Bovie Medical, Inc.	Specialty Surgical Instrumentation, Inc.	97.0
5-Jul-18	Announced	Medical Devices	Cryerion Medical, Inc.	Boston Scientific Corporation (NYSE:BSX)	202.0
3-Jul-18	Closed	Services	Create Group NYC, LLC	Ashfield Healthcare Ltd.	58.4
3-Jul-18	Announced	Life Sciences	Juniper Pharmaceuticals, Inc.	Catalent Pharma Solutions, Inc.	142.6
2-Jul-18	Closed	Facilities	PAMC, Ltd.	Apollo Medical Holdings, Inc.	33.0
28-Jun-18	Announced	Life Sciences	Keryx Biopharmaceuticals, Inc.	Akebia Therapeutics, Inc.	533.0
25-Jun-18	Announced	Life Sciences	Exosome Diagnostics, Inc.	Bio-Techne Corporation	575.0
19-Jun-18	Announced	Life Sciences	Foundation Medicine, Inc.	Roche Holdings, Inc.	2,395.1
19-Jun-18	Announced	Technology	Cotiviti Holdings, Inc.	Verscend Technologies, Inc.	5,118.1
15-Jun-18	Announced	Services	CBR Acquisition Holdings Corp.	GI Partners, LLC	530.0
15-Jun-18	Announced	Services	InfuSystem Holdings Inc.	Argonne Capital Group, LLC	106.5
11-Jun-18	Announced	Life Sciences	Humacyte, Inc.	Fresenius Medical Care AG & Co.	150.0
11-Jun-18	Announced	Services	Envision Healthcare Corporation	KKR & Co. Inc.	11,186.0
6-Jun-18	Announced	Medical Devices	Advanced Sterilization Products Services, Inc.	Fortive Corporation	2,700.0

Notes:

- i) Only US deals with reported transaction size greater than \$30MM listed.
- ii) Represents the median LTM EBITDA multiple by sector for listed deals and for available multiples.

Q2 2018 US LSHC M&A activity deal list ⁽¹⁾ (i)

Date announced	Status	Sub-sector	Target	Buyer	Size (\$MM) transaction
6-Jun-18	Closed	Managed Healthcare	Paladina Health, LLC	New Enterprise Associates	100.0
5-Jun-18	Closed	Medical Distributors	CoolSystems, Inc.	Avanos Medical, Inc.	65.0
4-Jun-18	Closed	Services	Cord Blood Bank, Inc.	Cryo-Cell International, Inc.	219.0
4-Jun-18	Announced	Medical Devices	elligence, LLC	Shanghai Xianfeng Ltd.	77.2
29-May-18	Announced	Managed Healthcare	Caidan Holding Company, Inc.	The WellCare Management Group, Inc.	2,500.0
28-May-18	Announced	Services	Counsyl, Inc.	Myriad Genetics, Inc.	375.0
23-May-18	Closed	Facilities	9 Senior Living Properties	MBK Senior Living Ltd.	382.0
16-May-18	Announced	Medical Devices	Abaxis, Inc.	Zoetis, Inc.	1,994.6
14-May-18	Announced	Life Sciences	AurKa Pharma Inc.	Eli Lilly and Company	110.0
10-May-18	Closed	Life Sciences	ARMO BioSciences, Inc.	Eli Lilly and Company	\$1,627.9
7-May-18	Closed	Life Sciences	Gemini Laboratories, LLC	Amneal Pharmaceuticals, Inc.	121.2
7-May-18	Announced	Managed Healthcare	athenahealth, Inc.	Elliott Management Corporation	6,880.0
3-May-18	Closed	Technology	HealthGrid	Allscripts Healthcare, LLC	110.0
3-May-18	Closed	Medical Devices	American Technical Molding, Inc.	Viant	600.0
2-May-18	Closed	Life Sciences	Benevir Biopharm, Inc.	Janssen Biotech, Inc.	1,040.0
1-May-18	Closed	Technology	SCIOInspire, Corp.	Exl Service.com, LLC	236.5
1-May-18	Closed	Facilities	5 Assisted Living/Memory Care Communities	National Health Investors, Inc.	67.5
30-Apr-18	Announced	Life Sciences	SteadyMed Ltd.	United Therapeutics Corporation	86.0
26-Apr-18	Announced	Life Sciences	Somerset Therapeutics, LLC	Par Pharmaceutical, Inc.	159.3
26-Apr-18	Closed	Facilities	United Surgical Partners International, Inc.	Tenet Healthcare Corporation	630.0
25-Apr-18	Closed	Life Sciences	Sublimity Therapeutics Ltd.	Orimed Advisors, LLC.	64.0
25-Apr-18	Closed	Medical Distributors	Medical Specialties Distributors, LLC	McKesson Corporation	800.0
23-Apr-18	Closed	Facilities	Curo Health Services, LLC	TPG Capital	1,400.0
23-Apr-18	Announced	Life Sciences	Orexigen Therapeutics, Inc.	Whitebox Advisors, LLC	75.0
21-Apr-18	Closed	Managed Healthcare	Sound Inpatient Physicians, Inc.	Summit Partners, LLP	2,150.0
20-Apr-18	Announced	Life Sciences	Ionis Pharmaceuticals, Inc.	Biogen, Inc.	625.0
16-Apr-18	Closed	Medical Devices	nVision Medical Corporation	Boston Scientific Corporation	150.0
10-Apr-18	Closed	Medical Devices	Analogic Corporation	Altaris Capital Partners, LLC	948.0
9-Apr-18	Closed	Life Sciences	AveXis, Inc.	Novartis AG	8,696.3
9-Apr-18	Closed	Services	Phillips, DiPisa & Associates, Inc.	AMN Healthcare Services, Inc.	37.0
4-Apr-18	Closed	Life Sciences	Astute Medical, Inc.	bioMérieux S.A.	90.0
3-Apr-18	Closed	Life Sciences	Humco Holding Group, Inc.	Fagron Group BV	70.0
3-Apr-18	Closed	Services	Securus Medical Group, Inc.	Boston Scientific Corporation	50.0
3-Apr-18	Closed	Medical Devices	Paragon Medical, Inc.	Precision Engineered Products, LLC	375.0
3-Apr-18	Closed	Medical Devices	LifeGlobal Group, LLC	CooperSurgical, Inc.	125.0
2-Apr-18	Closed	Technology	Value-Based Care Division of GE Healthcare, LLC	Veritas Capital Fund Management, LLC	1,050.0

Note:

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

LSHC Sector Breakdown: Financial Detail⁽¹⁾

	Enterprise value (\$MM)	Three-year revenue CAGR	LTM			EV / LTM	
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA
Assisted Living / Long-Term Care (5)							
Brookdale Senior Living Inc. (NYSE:BKD)	\$6,469.2	(0.0) %	\$3,748.1	\$605.8	16.2 %	1.7 x	10.7 x
The Ensign Group, Inc. (NasdaqGS:ENSG)	2,226.4	20.2	1,899.7	148.9	7.8	1.2	14.9
Capital Senior Living Corporation (NYSE:CSU)	1,338.4	6.1	463.9	85.2	18.4	2.9	15.7
National HealthCare Corporation (AMEX:NHC)	1,025.8	3.2	971.4	101.9	10.5	1.1	10.1
Five Star Senior Living Inc. (NasdaqCM:FVE)	30.1	0.5	1,128.4	1.6	0.1	0.0	19.3
Median		3.2 %			10.5 %	1.2 x	14.9 x
Hospitals (5)							
HCA Healthcare, Inc. (NYSE:HCA)	\$69,092.4	5.6 %	\$44,414.0	\$8,300.0	18.7 %	1.6 x	8.3 x
Tenet Healthcare Corporation (NYSE:THC)	17,512.3	3.7	19,065.0	2,416.0	12.7	0.9	7.2
Universal Health Services, Inc. (NYSE:UHS)	14,668.7	7.3	10,484.5	1,710.3	16.3	1.4	8.6
Community Health Systems, Inc. (NYSE:CYH)	13,801.4	(9.1)	14,556.0	824.0	5.7	0.9	16.7
LifePoint Health, Inc. (NasdaqGS:LPNT)	4,626.9	9.7	6,264.0	667.6	10.7	0.7	6.9
Median		5.6 %			12.7 %	0.9 x	8.3 x
Psychiatric and Behavioral Health (3)							
Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	\$6,965.0	35.4 %	\$2,899.4	\$590.7	20.4 %	2.4 x	11.8 x
Civitas Solutions, Inc. (NYSE:CIVI)	1,302.8	5.4	1,540.9	150.8	9.8	0.8	8.6
AAC Holdings, Inc. (NYSE:AAC)	559.5	29.4	292.7	\$43.8	15.0	1.9	12.8
Median		29.4 %			15.0 %	1.9 x	11.8 x
Rehabilitation Facilities (3)							
Encompass Health Corporation (NYSE:EHC)	\$9,318.2	16.7 %	\$4,007.9	\$840.4	21.0 %	2.3 x	11.1 x
Select Medical Holdings Corporation (NYSE:SEM)	5,926.1	14.0	4,525.6	542.7	12.0	1.3	10.9
U.S. Physical Therapy, Inc. (NYSE:USPH)	1,275.9	10.9	421.0	66.0	15.7	3.0	19.3
Median		14.0 %			15.7 %	2.3 x	11.1 x
Surgery Centers (1)							
Surgery Partners, Inc. (NasdaqGS:SGRY)	\$2,942.9	38.5 %	\$1,443.3	\$233.1	16.2 %	2.0 x	12.6 x
Median		38.5 %			16.2 %	2.0 x	12.6 x
Clinical Laboratories (3)							
Laboratory Corporation of America Holdings (NYSE:LH)	\$25,301.8	18.8 %	\$10,640.5	\$2,042.3	19.2 %	2.4 x	12.4 x
Quest Diagnostics Incorporated (NYSE:DGX)	19,262.9	1.1	7,776.0	1,573.0	20.2	2.5	12.2
Chemed Corporation (NYSE:CHE)	5,260.7	4.9	1,700.0	254.7	15.0	3.1	20.7
Median		3.0 %			17.6 %	2.8 x	16.4 x
Diagnostic Imaging (1)							
RadNet, Inc. (NasdaqGM:RDNT)	\$1,281.7	8.2 %	\$924.6	\$110.7	12.0 %	1.4 x	11.6 x
Median		8.2 %			12.0 %	1.4 x	11.6 x
Dialysis Services (3)							
Fresenius SE & Co. KGaA (DB:FRE)	\$55,147.9	11.1 %	\$33,645.0	\$5,715.0	17.0 %	1.6 x	9.6 x
DaVita Inc. (NYSE:DVA)	21,256.2	(5.2)	11,109.8	2,390.6	21.5	1.9	8.9
American Renal Associates Holdings, Inc. (NYSE:ARA)	995.3	9.5	762.8	171.5	22.5	1.3	5.8
Median		9.5 %			21.5 %	1.6 x	8.9 x
Disease Management (1)							
Tivity Health, Inc. (NasdaqGS:TVTY)	\$1,542.6	(5.8) %	\$565.9	\$129.8	22.9 %	2.7 x	11.9 x
Median		(5.8) %			22.9 %	2.7 x	11.9 x
Home Care / Hospice (4)							
LHC Group, Inc. (NasdaqGS:LHCG)	\$2,958.3	14.2 %	\$1,109.4	\$99.9	9.0 %	2.7 x	29.6 x
Amedisys, Inc. (NasdaqGS:AMED)	3,125.3	9.0	1,543.2	138.3	9.0	2.0	22.6
BioScrip, Inc. (NasdaqGS:BIOS)	856.7	(6.1)	768.0	43.5	5.7	1.1	19.7
Addus HomeCare Corporation (NasdaqGS:ADUS)	622.0	9.8	427.3	32.5	7.6	1.5	19.1
Median		9.4 %			8.3 %	1.7 x	21.2 x

Facilities

Services

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

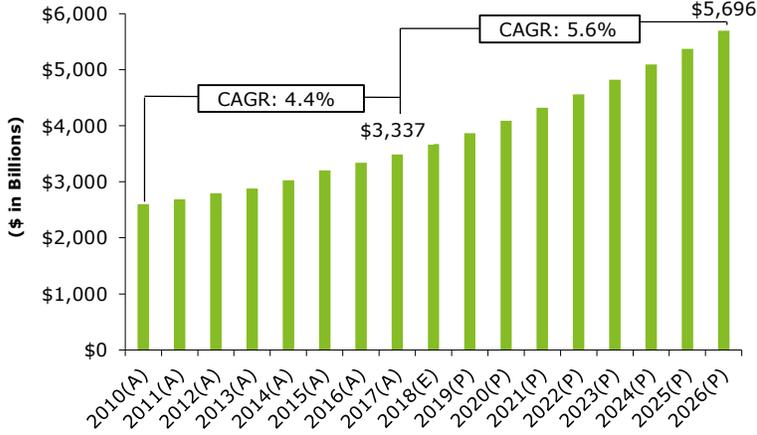
	Enterprise value (\$MM)	Three-year revenue CAGR	LTM			EV / LTM	
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA
Data/Analytics (3)							
Inovalon Holdings, Inc. (NasdaqGS:INOV)	\$1,283.9	5.4 %	\$433.8	\$55.7	12.8 %	3.0 x	23.1 x
National Research Corporation (NasdaqGS:NRC)	859.1	6.1	118.3	38.0	32.1	7.3	22.6
Castlight Health, Inc. (NYSE:CSLT)	548.1	38.1	140.2	(53.4)	NA	3.9	NA
Median		6.1 %			22.5 %	3.9 x	22.9 x
Tech-Enabled Services (10)							
Cerner Corporation (NasdaqGS:CERN)	\$19,466.2	12.9 %	\$5,073.2	\$1,327.4	26.2 %	3.8 x	14.7 x
Veeva Systems Inc. (NYSE:VEEV)	10,571.2	28.9	721.3	170.3	23.6	14.7	62.1
athenahealth, Inc. (NasdaqGS:ATHN)	6,518.0	16.7	1,264.3	211.9	16.8	5.2	30.8
Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX)	3,750.2	11.6	1,906.8	144.9	7.6	2.0	25.9
HealthEquity, Inc. (NasdaqGS:HQY)	4,668.4	35.8	244.0	76.0	31.2	19.1	61.4
Omnicell, Inc. (NasdaqGS:OMCL)	2,241.5	18.1	750.2	63.8	8.5	3.0	35.1
Premier, Inc. (NasdaqGS:PINC)	1,990.9	18.7	1,630.4	666.1	40.9	1.2	3.0
HMS Holdings Corp. (NasdaqGS:HMSY)	2,123.3	6.9	548.9	108.0	19.7	3.9	19.7
Quality Systems, Inc. (NasdaqGS:QSII)	1,271.7	2.7	531.0	44.5	8.4	2.4	28.6
Computer Programs and Systems, Inc. (NasdaqGS:CPSI)	603.6	12.6	283.7	37.3	13.1	2.1	16.2
Median		14.8 %			18.2 %	3.4 x	27.2 x
Biotechnology (7)							
AbbVie Inc. (NYSE:ABBV)	\$172,340.1	13.2 %	\$29,612.0	\$12,898.0	43.6 %	5.8 x	13.4 x
Amgen Inc. (NasdaqGS:AMGN)	131,309.9	3.7	22,939.0	12,446.0	54.3	5.7	10.6
Gilead Sciences, Inc. (NasdaqGS:GILD)	103,038.8	(3.5)	24,690.0	14,145.0	57.3	4.2	7.3
Celgene Corporation (NasdaqGS:CELG)	75,845.8	19.2	13,579.0	5,058.0	37.2	5.6	15.0
Biogen Inc. (NasdaqGS:BIIB)	72,487.4	7.5	12,594.3	6,924.2	55.0	5.8	10.5
Regeneron Pharmaceuticals, Inc. (NasdaqGS:REGN)	38,333.7	25.6	6,064.7	2,360.0	38.9	6.3	16.2
Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	30,742.0	16.8	3,612.4	1,568.0	43.4	8.5	19.6
Median		13.2 %			43.6 %	5.8 x	13.4 x
Contract Research and Manufacturing (8)							
IQVIA Holdings Inc. (NYSE:IQV)	\$30,547.4	25.4 %	\$8,263.0	\$1,737.0	21.0 %	3.7 x	17.6 x
Syneos Health, Inc. (NasdaqGS:SYNH)	7,851.5	47.0	2,658.0	370.0	13.9	3.0	21.2
PRA Health Sciences, Inc. (NasdaqGS:PRAH)	7,499.9	18.9	2,162.5	361.5	16.7	3.5	20.7
West Pharmaceutical Services, Inc. (NYSE:WST)	7,377.3	4.9	1,627.1	335.2	20.6	4.5	22.0
ICON Public Limited Company (NasdaqGS:ICLR)	7,369.0	8.1	1,946.6	413.4	21.2	3.8	17.8
Charles River Laboratories International, Inc. (NYSE:CRL)	6,490.1	13.1	1,905.8	449.4	23.6	3.4	14.4
Cambrex Corporation (NYSE:CBM)	1,600.5	13.9	570.7	177.9	31.2	2.8	9.0
Medpace Holdings, Inc. (NasdaqGS:MEDP)	1,761.7	NA	455.8	113.6	24.9	3.9	15.5
Median		13.9 %			21.1 %	3.6 x	17.7 x
Pharmaceuticals (4)							
Pfizer Inc. (NYSE:PFE)	\$247,339.5	2.4 %	\$52,673.0	\$21,290.0	40.4 %	4.7 x	11.6 x
Merck & Co., Inc. (NYSE:MRK)	182,814.5	(0.5)	40,725.0	11,861.0	29.1	4.5	15.4
Bristol-Myers Squibb Company (NYSE:BMJ)	92,006.5	9.3	21,040.0	5,684.0	27.0	4.4	16.2
Eli Lilly and Company (NYSE:LLY)	96,582.7	6.0	23,343.0	6,931.8	29.7	4.1	13.9
Median		4.2 %			29.4 %	4.4 x	14.7 x
Tools and Services (8)							
Abbott Laboratories (NYSE:ABT)	\$127,832.6	11.7 %	\$28,445.0	\$6,560.0	23.1 %	4.5 x	19.5 x
Thermo Fisher Scientific Inc. (NYSE:TMO)	104,615.8	9.2	22,006.0	5,509.0	25.0	4.8	19.0
Becton, Dickinson and Company (NYSE:BDX)	86,844.2	16.9	13,503.0	3,862.0	28.6	6.4	22.5
Illumina, Inc. (NasdaqGS:ILMN)	42,182.4	14.0	2,936.0	928.0	31.6	14.4	45.5
Agilent Technologies, Inc. (NYSE:A)	19,273.8	5.3	4,720.0	1,141.0	24.2	4.1	16.9
Waters Corporation (NYSE:WAT)	14,162.5	5.1	2,341.8	812.6	34.7	6.0	17.4
PerkinElmer, Inc. (NYSE:PKI)	10,208.6	2.2	2,386.8	461.7	19.3	4.3	22.1
Bio-Rad Laboratories, Inc. (NYSE:BIO)	8,567.5	1.1	2,211.6	314.1	14.2	3.9	27.3
Median		7.3 %			24.6 %	4.6 x	20.8 x
Commercial Plans (6)							
UnitedHealth Group Incorporated (NYSE:UNH)	\$262,392.2	15.6 %	\$207,624.0	\$17,593.0	8.5 %	1.3 x	14.9 x
Anthem, Inc. (NYSE:ANTM)	79,743.5	6.3	90,063.2	5,735.8	6.4	0.9	13.9
Aetna Inc. (NYSE:AET)	62,805.0	0.9	60,705.0	6,266.0	10.3	1.0	10.0
Cigna Corporation (NYSE:CI)	44,454.8	5.8	42,522.0	4,994.0	11.7	1.0	8.9
Humana Inc. (NYSE:HUM)	40,111.8	2.4	54,284.0	3,662.0	6.7	0.7	11.0
Magellan Health, Inc. (NasdaqGS:MGLN)	2,899.8	18.9	6,338.0	226.3	3.6	0.5	12.8
Median		6.0 %			7.6 %	1.0 x	11.9 x
Government Plans (3)							
Centene Corporation (NYSE:CNC)	\$26,590.7	40.3 %	\$47,198.0	\$2,117.0	4.5 %	0.6 x	12.6 x
WellCare Health Plans, Inc. (NYSE:WCG)	7,833.5	9.6	17,699.2	709.6	4.0	0.4	11.0
Molina Healthcare, Inc. (NYSE:MOH)	4,852.1	22.5	19,194.0	375.0	2.0	0.3	12.9
Median		22.5 %			4.0 %	0.4 x	12.6 x
Payor Services (1)							
CorVel Corporation (NasdaqGS:CRVL)	\$1,003.9	4.3 %	\$558.4	\$69.7	12.5 %	1.8 x	14.4 x
Median		4.3 %			12.5 %	1.8 x	14.4 x

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

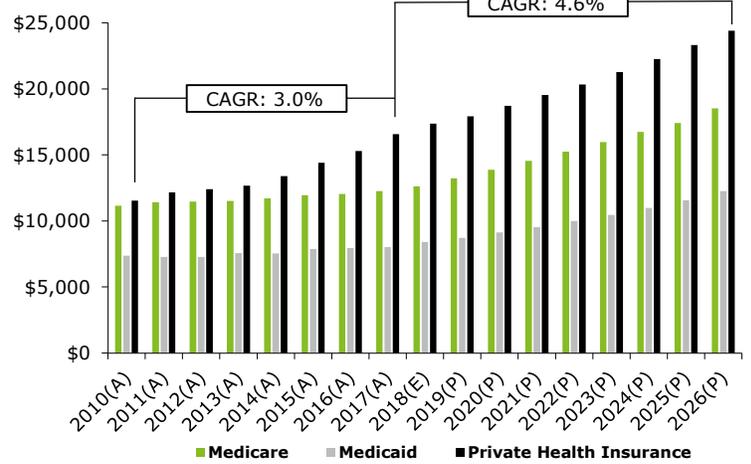
	Enterprise value (\$MM)	Three-year revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA	
Pharmacy	Retail Pharmacy (3)							
	CVS Health Corporation (NYSE:CVS)	\$91,443.5	9.1 %	\$185,944.0	\$12,619.0	6.8 %	0.5 x	7.2 x
	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	76,354.3	10.9	128,244.0	8,324.0	6.5	0.6	9.2
	Rite Aid Corporation (NYSE:RAD)	4,818.6	(7.0)	21,480.9	523.5	2.4	0.2	9.2
	Median		9.1 %			6.5 %	0.5 x	9.2 x
Pharmacy	Specialty Pharmacy (2)							
	Express Scripts Holding Company (NasdaqGS:ESRX)	\$57,968.5	(0.6) %	\$100,179.1	\$7,110.0	7.1 %	0.6 x	8.2 x
	Diplomat Pharmacy, Inc. (NYSE:DPL0)	2,535.3	26.0	4,749.0	81.3	1.7	0.5	31.2
	Median		12.7 %			4.4 %	0.6 x	19.7 x
Physicians / Staffing	Healthcare Staffing (3)							
	ASGN Incorporated (NYSE:ASGN)	\$4,716.8	15.4 %	\$2,684.6	\$294.8	11.0 %	1.8 x	16.0 x
	AMN Healthcare Services, Inc. (NYSE:AMN)	3,164.4	21.5	2,015.8	248.1	12.3	1.6	12.8
	Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	509.8	8.2	867.8	41.5	4.8	0.6	12.3
	Median		15.4 %			11.0 %	1.6 x	12.8 x
Physicians / Staffing	Physician Practice Management (2)							
	Envision Healthcare Corporation (NYSE:EVHC)	\$9,261.2	60.7 %	\$8,017.7	\$1,048.9	13.1 %	1.2 x	8.8 x
	MEDNAX, Inc. (NYSE:MD)	6,037.1	12.0	3,524.6	581.9	16.5	1.7	10.4
	Median		36.3 %			14.8 %	1.4 x	9.6 x
Medical Devices and Products	Medical Devices and Products (18)							
	Johnson & Johnson (NYSE:JNJ)	\$356,661.8	2.3 %	\$78,693.0	\$26,366.0	33.5 %	4.5 x	13.5 x
	Medtronic plc (NYSE:MDT)	132,594.8	13.9	29,953.0	9,499.0	31.7	4.4	14.0
	Danaher Corporation (NYSE:DHR)	78,482.7	(0.6)	18,819.4	4,559.8	24.2	4.2	17.2
	Stryker Corporation (NYSE:SYK)	70,213.1	9.3	12,730.0	3,476.0	27.3	5.5	20.2
	Boston Scientific Corporation (NYSE:BSX)	51,522.3	8.3	9,267.0	2,547.0	27.5	5.6	20.2
	Baxter International Inc. (NYSE:BAX)	40,408.7	5.1	10,763.0	2,286.0	21.2	3.8	17.7
	Zimmer Biomet Holdings, Inc. (NYSE:ZBH)	32,584.5	19.2	7,869.3	2,774.1	35.3	4.1	11.7
	Edwards Lifesciences Corporation (NYSE:EW)	29,981.3	13.0	3,446.6	1,056.0	30.6	8.7	28.4
	ResMed Inc. (NYSE:RMD)	15,451.5	11.5	2,273.3	649.7	28.6	6.8	23.8
	Teleflex Incorporated (NYSE:TFX)	14,406.9	7.2	2,245.7	625.0	27.8	6.4	23.1
	Hologic, Inc. (NasdaqGS:HOLX)	14,075.6	7.3	3,189.4	1,033.5	32.4	4.4	13.6
	DENTSPLY SIRONA Inc. (NasdaqGS:XRAY)	11,570.2	12.4	4,049.0	828.9	20.5	2.9	14.0
	Varian Medical Systems, Inc. (NYSE:VAR)	10,216.0	(2.7)	2,811.9	574.3	20.4	3.6	17.8
	STERIS plc (NYSE:STE)	10,360.8	12.5	2,620.0	598.1	22.8	4.0	17.3
	Hill-Rom Holdings, Inc. (NYSE:HRC)	7,972.1	15.6	2,807.6	548.9	19.6	2.8	14.5
	Integer Holdings Corporation (NYSE:ITGR)	3,691.6	30.5	1,498.3	287.3	19.2	2.5	12.9
	K2M Group Holdings, Inc. (NasdaqGS:KTWO)	1,018.1	11.1	264.0	(9.3)	NA	3.9	NA
		Median		11.1 %			27.4 %	4.2 x
Medical Supplies Distribution	Medical Supplies Distribution (8)							
	McKesson Corporation (NYSE:MCK)	\$32,761.5	5.2 %	\$208,357.0	\$3,872.0	1.9 %	0.2 x	8.5 x
	Cardinal Health, Inc. (NYSE:CAH)	22,918.6	11.2	134,426.0	3,222.0	2.4	0.2	7.1
	AmerisourceBergen Corporation (NYSE:ABC)	21,942.1	7.5	159,327.3	2,375.8	1.5	0.1	9.2
	Henry Schein, Inc. (NasdaqGS:HSIC)	13,352.1	7.0	12,759.0	1,081.0	8.5	1.0	12.4
	Patterson Companies, Inc. (NasdaqGS:PDCCO)	3,036.4	11.8	5,465.7	303.7	5.6	0.6	10.0
	Owens & Minor, Inc. (NYSE:OMI)	1,874.4	(0.7)	9,362.3	198.6	2.1	0.2	9.4
	Invacare Corporation (NYSE:IVC)	692.5	(8.2)	971.8	(9.7)	NA	0.7	NA
	Aceto Corporation (NasdaqGS:ACET)	359.0	10.9	737.1	55.1	7.5	0.5	6.5
	Median		7.3 %			2.4 %	0.3 x	9.2 x

LSHC sector data

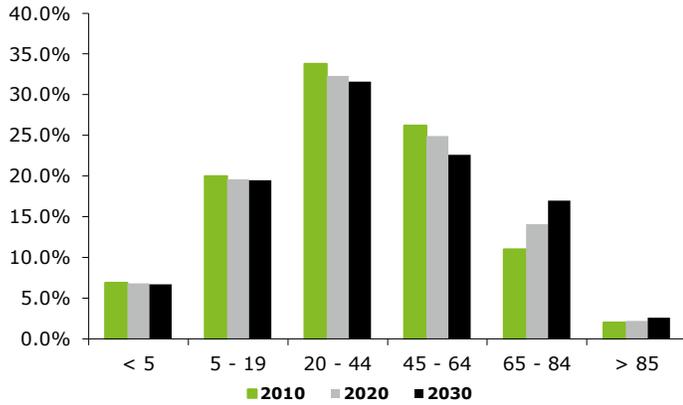
US health care spend⁽¹⁾



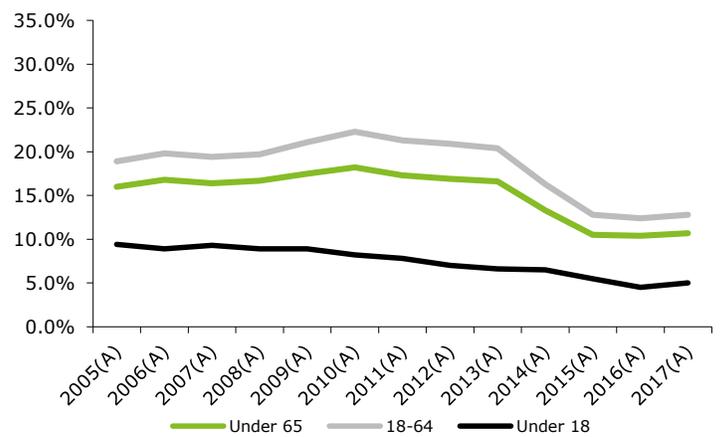
US health care spend by payor per capita⁽²⁾ (i)



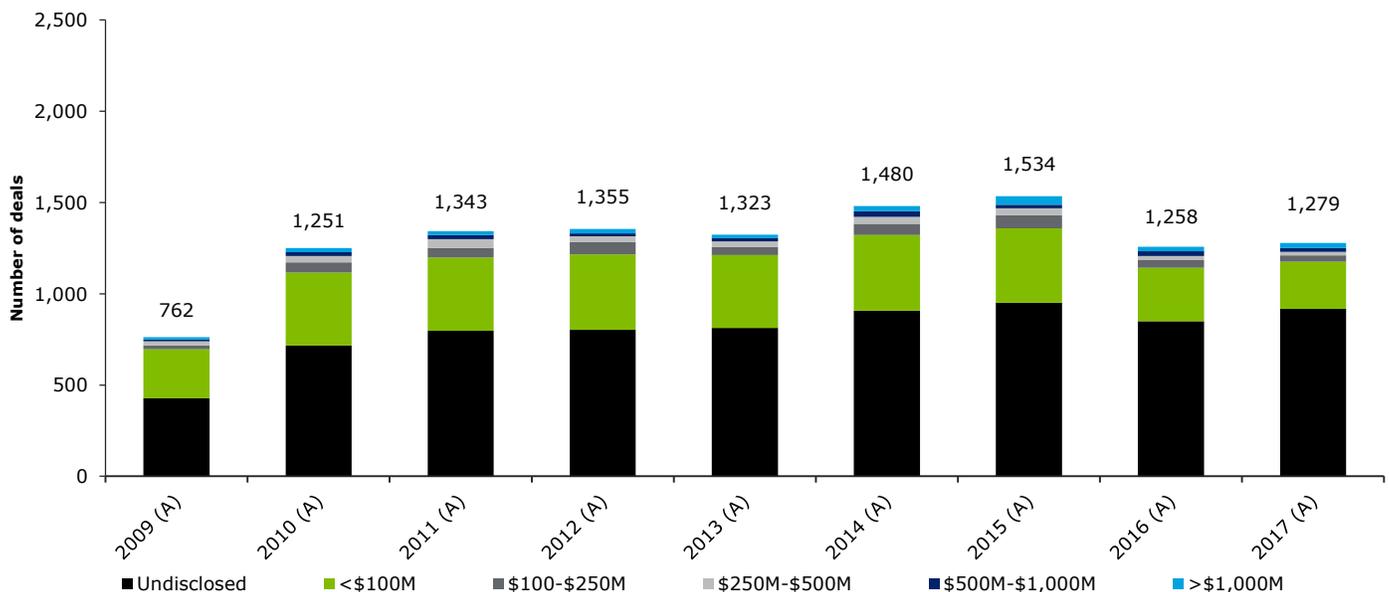
US population by age group⁽³⁾



Percentage of US uninsured by age group⁽⁴⁾



Annual LSHC M&A transactions by transaction size⁽⁵⁾



Note:

i) CAGR listed represents total Medicare, Medicaid and Private Health Insurance.

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