



Life Sciences & Health Care Quarterly Update

3Q 2017

Long-Term Health Care M&A Trends⁽¹⁾

The long-term health care sector has seen heightened interest from strategic and financial acquirors. M&A drivers include:

- **Strong Long-Term Care Industry Tailwinds:** Health care acquirors are seeking stable growth investments supported by long-term, secular trends, in particular the aging U.S. population and prevalence of chronic diseases requiring long-term patient care. The \$334 billion U.S. long-term care market is estimated to reach nearly \$550 billion by 2024, representing a CAGR of 6.4%.⁽²⁾
- **Expansion of Alternative Long-Term Care Models:** Increasingly the American public is transitioning away from the traditional skilled nursing facility ("SNF") model and moved toward alternative long-term care models, such as home health care, adult day care, and long-term acute platforms, which can offer patients a greater degree of autonomy over a traditional SNF. As a result, many portfolio operators are looking to divest their SNF assets and acquire these alternative long-term care models.
- **Increased Demand for Beds Driving Higher Prices:** As the U.S. population continues to age and the number of SNFs has remained relatively constant, demand for beds at traditional long-term care facilities has surged and will continue to provide the potential for strong growth. The higher demand for beds has led the average SNF price per bed per year to soar to a new record of \$99,200 in 2016, representing a 15% price increase over 2015.⁽³⁾

Long-Term Care Leads Health Services Deals⁽⁴⁾

The number of M&A transactions in the U.S. health services industry reached over 219 during the second quarter of 2017, amounting to \$49.6 billion, which signifies a year-over-year increase from 2016 of more than 201%. Long-term care deals fueled the sector's M&A activity, accounting for 75, or 34%, of the 219 deals consummated in the industry.⁽⁵⁾ The increased demand for long-term care transactions has been driven by the industry's compelling trends.

Aging U.S. Population

The U.S. population will continue to rise, with the senior population expected to grow by a CAGR of 3.0% between 2010 and 2030.⁽⁶⁾

Longer Life Expectancies

As life expectancies continue to increase, a greater portion of the population will live longer but may have chronic illness which is expected to increase the demand of long-term care.⁽⁷⁾

Increase in the Prevalence of Chronic Disease

Patients with chronic conditions are the most frequent users of health care in the U.S. By 2025, chronic illnesses are projected to affect half of the U.S. population, which is expected to increase long-term care demand.⁽⁸⁾

Recent Long-Term Care M&A Activity

Sabra Health Care REIT acquires Care Capital Properties:

On August 17, 2017, California-based Sabra Health Care REIT, an owner and investor in assisted living facilities, acquired Care Capital Properties, Inc., a Chicago-based owner of skilled nursing facilities, to create a premier health care REIT.⁽⁹⁾ The transaction is valued at \$4.1 billion, which implies an enterprise value of 13.2x LTM EBITDA, and the deal is expected to be accretive to earnings by the end of 2017.⁽¹⁰⁾

Columbia Pacific Advisors to purchases Hawthorn Retirement Group:

On June 19, 2017, Seattle-based Columbia Pacific Advisors, LLC agreed to acquire Hawthorn Retirement Group, LLC, a Washington-based developer and operator of senior communities, for \$2.6 billion. The sale represents another investment in the senior living space for Columbia Pacific Advisors, who have invested \$13+ billion in related transactions over the last 25 years.⁽¹¹⁾

In This Update

- Long-term care deals fuel 2017 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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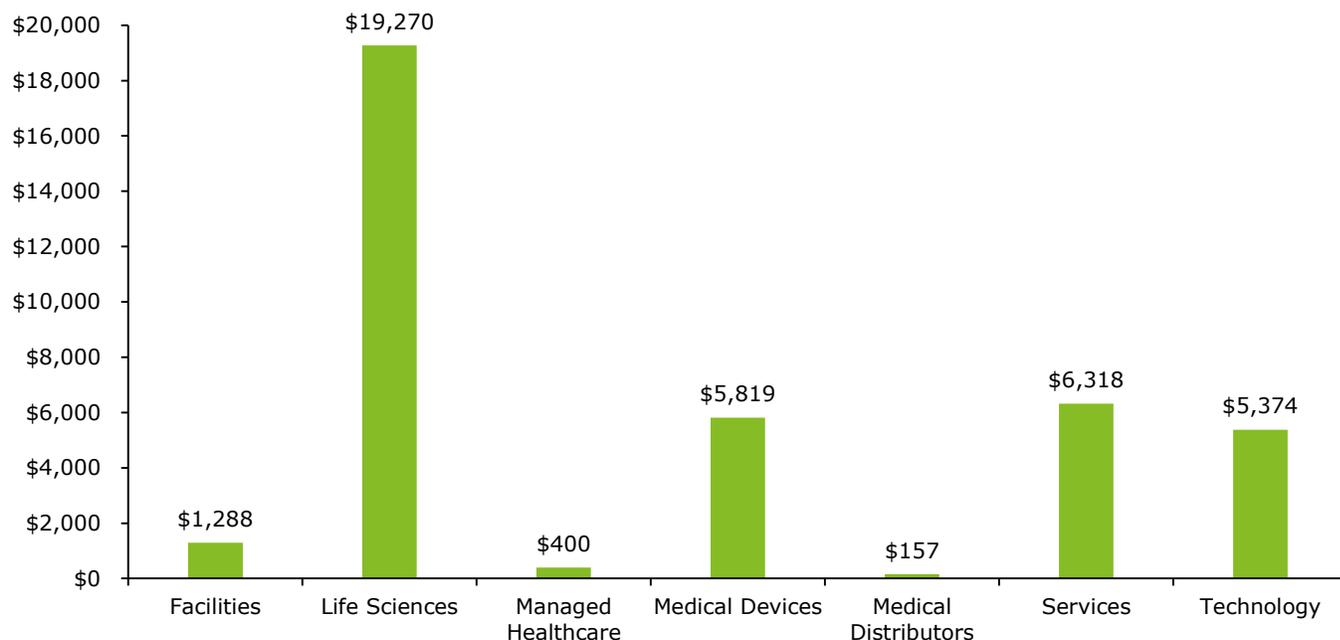
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3Q 2017 U.S. LSHC M&A Aggregate Transaction Value and EBITDA Multiples ⁽¹⁾⁽ⁱ⁾⁽ⁱⁱ⁾

Aggregate Transaction Value (\$ in Millions)



Median LTM EBITDA Multiple

NA 19.0x NA 14.3x NA 10.1x 15.5x

3Q 2017 U.S. LSHC M&A Activity Deal List ⁽²⁾⁽ⁱ⁾

Announced Date	Status	Sub-Sector	Target	Buyer	Transaction Size (\$MM)
25-Sep-17	Announced	Technology	invicRO, LLC	Konica Minolta, Inc.	\$285.0
24-Sep-17	Announced	Medical Devices	Argon Medical Devices	RoundTable	850.0
22-Sep-17	Announced	Technology	Miraca Life Sciences	Avista Capital	135.0
22-Sep-17	Announced	Technology	Vios Medical, Inc.	Murata Electronics North America, Inc.	101.7
19-Sep-17	Announced	Life Sciences	Cook Pharmica, LLC	Catalent Pharma Solutions, Inc.	950.0
18-Sep-17	Announced	Services	AdCare Inc	AAC Holdings	85.0
18-Sep-17	Announced	Life Sciences	EAG Laboratories	Eurofins Scientific	780.0
18-Sep-17	Announced	Life Sciences	Teva Pharmaceutical Industries Limited, Four Product Lines	Foundation Consumer Healthcare, LLC	675.0
18-Sep-17	Announced	Life Sciences	Dimension Therapeutics, Inc.	Ultragenyx Pharmaceutical, Inc.	153.0
14-Sep-17	Closed	Services	MicroMass Communications, Inc.	UDG Healthcare	64.0
14-Sep-17	Closed	Facilities	SHI Carlisle Palm Beach	Bridge Investment Group, LLC	77.2
12-Sep-17	Announced	Life Sciences	Rocket Pharmaceuticals Ltd.	Inotek Pharmaceuticals	200.0
11-Sep-17	Announced	Medical Devices	Integra LifeSciences Holdings Corporation, Neurosurgery Assets	Natus Medical, Inc.	47.5
11-Sep-17	Announced	Medical Devices	Teva Women's Health, Inc., Business of PARAGARD	CooperSurgical, Inc.	1,100.0
6-Sep-17	Closed	Facilities	Beyond Faith Homecare & Rehab LLC Hospice LLC	Lifecare Holdings	42.0
6-Sep-17	Announced	Services	Landauer, Inc.	Fortive, Inc.	761.8
6-Sep-17	Closed	Services	SinfoniaRx, Inc.	Tabula Rasa Healthcare, Inc.	131.5
6-Sep-17	Announced	Services	National Health Finance, DM, LLC	JustKapital, Ltd.	68.0
5-Sep-17	Announced	Services	NeoTract, Inc.	Teleflex Urology, Ltd.	1,100.0
5-Sep-17	Announced	Technology	T-System, Inc.	Fidelity National Financial Ventures	200.0
5-Sep-17	Announced	Facilities	Seven Skilled Nursing Facilities in Idaho	CareTrust REIT, Inc.	65.5
5-Sep-17	Closed	Facilities	15 Skilled Nursing Facilities in Indiana	Omega Healthcare Investors, Inc.	190.0
5-Sep-17	Closed	Facilities	Capital Living and Rehabilitation Centres	Centers Health Care, LLC	85.0

Note:

- i) Only U.S. deals with reported transaction size greater than \$30MM listed.
- ii) Multiple represents median LTM EBITDA multiple by sector for listed deals.

3Q 2017 U.S. LSHC M&A Activity Deal List ⁽¹⁾⁽ⁱ⁾

Announced Date	Status	Sub-Sector	Target	Buyer	Transaction Size (\$MM)
3-Sep-17	Announced	Medical Devices	Therapure Biopharma, Inc., Contract Development	3SBio Inc.; CITIC Private Equity Funds	369.1
1-Sep-17	Announced	Facilities	Hahnemann University Hospital (St. Christopher's Hospital)	Paladian Healthcare	170.0
1-Sep-17	Announced	Medical Devices	Argon Medical Devices, Inc.	Weigao International Medical Hong Kong Ltd.	850.0
31-Aug-17	Announced	Life Sciences	Aptevo BioTherapeutics, LLC, Three Hyperimmune	Saol International, Ltd.	74.5
28-Aug-17	Announced	Life Sciences	Calimmune, Inc.	CSL Behring, LLC	416.0
28-Aug-17	Announced	Life Sciences	Kite Pharma, Inc.	Gilead Sciences, Inc.	11,225.6
25-Aug-17	Announced	Life Sciences	Dimension Therapeutics, Inc.	Regenxbio, Inc.	91.3
17-Aug-17	Closed	Medical Devices	ClearCorrect, Inc.	Straumann	150.0
17-Aug-17	Announced	Technology	Dental Wings, Inc.	Straumann Holding AG	50.0
14-Aug-17	Closed	Medical Devices	Cerecor, Inc., CERC-501	Janssen Pharmaceuticals, Inc.	45.0
14-Aug-17	Closed	Facilities	Nine Skilled Nursing Facilities In The Northeast	Summit Healthcare Operating Partnership, L.P	60.0
11-Aug-17	Closed	Technology	Kroll Computer Systems, Inc.	TELUS, Inc.	250.0
11-Aug-17	Closed	Facilities	Rochester Portfolio	Watermark Retirement Communities, Inc	204.0
8-Aug-17	Announced	Services	American Medical Response, Inc.	Air Medical Group Holdings, Inc.	2,400.0
8-Aug-17	Closed	Life Sciences	Confluence Life Sciences, Inc.	Aclaris Life Sciences, Inc.	109.4
8-Aug-17	Announced	Facilities	Portfolio of 15 Medical Office Buildings in the Atlanta, Georgia	Healthcare Realty Trust, Inc.	193.8
8-Aug-17	Announced	Facilities	Nine senior housing facilities located in Florida	Griffin-American Healthcare REIT IV, Inc.	109.5
7-Aug-17	Announced	Medical Devices	Nxstage Medical, Inc.	Fresenius Medical Care Holdings, Inc.	2,076.1
7-Aug-17	Closed	Technology	Symphony Health Solutions	Pharmaceutical Research Associates, Inc.	530.0
4-Aug-17	Closed	Life Sciences	Infacare Pharmaceutical, Inc.	Mallinckrodt Public, Ltd.	425.0
3-Aug-17	Announced	Technology	PF2 EIS LLC and PF2 Enterprise Information Solutions Canada ULC	Allscripts Healthcare Solutions, Inc.	185.0
3-Aug-17	Closed	Medical Devices	RTI Surgical, Inc., Cardiothoracic Closure Business	A&E Medical, Inc.	60.0
3-Aug-17	Closed	Life Sciences	IFM Therapeutics, Inc.	Bristol-Myers Squibb Company	1,310.0
2-Aug-17	Announced	Services	PharMerica, Inc.	KKR & Co. L.P.; Walgreens Boots Alliance, Inc.	1,377.0
2-Aug-17	Closed	Facilities	Two Medical Office Buildings in San Francisco Market	Healthcare Realty Trust, Inc.	50.8
31-Jul-17	Announced	Life Sciences	CombiMatrix, Inc.	Invitae, Inc.	33.1
31-Jul-17	Announced	Services	Good Start Genetics, Inc.	Invitae, Inc.	40.0
31-Jul-17	Closed	Life Sciences	Aptuit, LLC	Evotec AG	300.0
23-Jul-17	Announced	Technology	WebMD	KKR & Co. L.P.; Walgreens Boots Alliance, Inc.	3,472.0
20-Jul-17	Closed	Life Sciences	CellRight Technologies, LLC	Tissue Regenix Group plc	30.0
19-Jul-17	Closed	Life Sciences	GE Healthcare Dharmacon, Inc.	Horizon Discovery Group plc	86.5
19-Jul-17	Announced	Medical Distributors	Woodbury Health Products	Convatec Group Plc	121.0
19-Jul-17	Announced	Life Sciences	Raxibacumab	Emergent BioSolutions, Inc.	96.0
17-Jul-17	Closed	Services	Cambridge BioMarketing Group, LLC	UDG Healthcare plc	35.0
17-Jul-17	Closed	Medical Distributors	Aethon, Inc.	Vision Technologies Systems, Inc.	36.0
17-Jul-17	Announced	Life Sciences	Alere Inc., Triage MeterPro Assets and B-type Naturietic Peptide	Quidel, Inc.	440.0
17-Jul-17	Announced	Medical Devices	Obagi Medical Products, Inc.	Haitong International ZhongHua Finance	190.0
14-Jul-17	Announced	Life Sciences	ACAM2000	Emergent BioSolutions, Inc.	125.0
13-Jul-17	Announced	Managed Healthcare	Senior Whole Health, LLC	Magellan Healthcare, Inc.	400.0
11-Jul-17	Closed	Life Sciences	Protein Sciences, Inc.	Sanofi Pasteur, Inc.	750.0
10-Jul-17	Announced	Technology	RowdMap, Inc.	Cotivi Holdings	70.0
7-Jul-17	Closed	Medical Devices	Spirox, Inc.	Entellus Medical, Inc.	81.3
6-Jul-17	Announced	Life Sciences	Ambry Genetics, Inc.	Innovation Network Corporation of Japan	1,000.0
6-Jul-17	Closed	Facilities	Norvin Austin Rehab, LLC	Global Medical REIT LP	40.7
5-Jul-17	Closed	Technology	GigaGen, Inc.	Grifols Innovation and New Technologies Ltd.	35.0
4-Jul-17	Announced	Services	IRIS The Visual Group, Inc.	New Look Vision Group, Inc.	120.0
4-Jul-17	Announced	Services	Cirtec Medical Systems, LLC	3i Group plc	136.0
3-Jul-17	Announced	Technology	Monster Digital	Innovate Biopharmaceuticals	60.0

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)	\$6,986.0	16.1 %	\$4,078.0	\$758.5	18.6 %	1.7 x	9.2 x
Kindred Healthcare, Inc. (NYSE:KND)	3,713.3	13.4	7,081.4	470.6	6.6	0.5	7.9
The Ensign Group, Inc. (NasdaqGS:ENSG)	1,435.8	22.4	1,751.1	121.8	7.0	0.8	11.8
Capital Senior Living Corporation (NYSE:CSU)	1,378.5	8.8	458.2	77.7	17.0	3.0	17.7
National HealthCare Corporation (AMEX:NHC)	915.5	4.5	948.0	101.6	10.7	1.0	9.0
Five Star Senior Living Inc. (NasdaqCM:FVE)	118.1	1.0	1,129.7	13.1	1.2	0.1	9.0
Median		11.1 %			8.8 %	0.9 x	9.1 x
Hospitals (5)							
HCA Healthcare, Inc. (NYSE:HCA)	\$59,783.1	6.1 %	\$42,267.0	\$8,203.0	19.4 %	1.4 x	7.3 x
Tenet Healthcare Corp. (NYSE:THC)	16,368.7	10.7	19,324.0	2,074.0	10.7	0.8	7.9
Community Health Systems, Inc. (NYSE:CYH)	14,896.5	4.5	17,478.0	1,780.0	10.2	0.9	8.4
Universal Health Services, Inc. (NYSE:UHS)	14,784.2	9.9	10,110.8	1,711.0	16.9	1.5	8.6
LifePoint Health, Inc. (NasdaqGS:LPNT)	5,126.2	18.0	6,415.9	760.4	11.9	0.8	6.7
Median		9.9 %			11.9 %	0.9 x	7.9 x
Psychiatric and Behavioral Health (3)							
Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	\$7,379.9	53.1 %	\$2,832.6	\$574.6	20.3 %	2.6 x	12.8 x
Civitas Solutions, Inc. (NYSE:CIVI)	1,339.8	6.2	1,456.3	150.2	10.3	0.9	8.9
AAC Holdings, Inc. (NYSE:AAC)	442.5	37.3	266.8	30.1	11.3	1.7	14.7
Median		37.3 %			11.3 %	1.7 x	12.8 x
Rehabilitation Facilities (3)							
HealthSouth Corporation (NYSE:HLS)	\$7,129.2	17.9 %	\$3,773.4	\$817.1	21.7 %	1.9 x	8.7 x
Select Medical Holdings Corporation (NYSE:SEM)	5,280.1	12.8	4,258.1	474.8	11.2	1.2	11.1
U.S. Physical Therapy, Inc. (NYSE:USPH)	845.6	10.7	377.2	60.4	16.0	2.2	14.0
Median		12.8 %			16.0 %	1.9 x	11.1 x
Surgery Centers (1)							
Surgery Partners, Inc. (NasdaqGS:SGRY)	\$2,307.5	NA	\$1,135.0	\$231.4	20.4 %	2.0 x	10.0 x
Median		NA			20.4 %	2.0 x	10.0 x
Clinical Laboratories (3)							
Laboratory Corporation of America Holdings (NYSE:LH)	\$21,238.5	18.2 %	\$9,666.5	\$1,858.8	19.2 %	2.2 x	11.4 x
Quest Diagnostics Incorporated (NYSE:DGX)	16,263.5	1.8	7,588.0	1,444.0	19.0	2.1	11.3
Chemed Corporation (NYSE:CHE)	3,365.6	4.7	1,617.0	226.5	14.0	2.1	14.9
Median		4.7 %			19.0 %	2.1 x	11.4 x
Diagnostic Imaging (1)							
RadNet, Inc. (NasdaqGM:RDNT)	\$1,171.6	9.0 %	\$908.6	\$118.3	13.0 %	1.3 x	9.9 x
Median		9.0 %			13.0 %	1.3 x	9.9 x
Dialysis Services (3)							
Fresenius SE & Co. KGaA (DB:FRE)	\$56,726.3	14.6 %	\$31,759.0	\$5,929.0	18.7 %	1.8 x	9.6 x
DaVita Inc. (NYSE:DVA)	19,676.1	7.0	15,014.2	2,448.3	16.3	1.3	8.0
American Renal Associates Holdings, Inc. (NYSE:ARA)	959.1	NA	755.1	150.2	19.9	1.3	6.4
Median		10.8 %			18.7 %	1.3 x	8.0 x
Disease Management (1)							
Tivity Health, Inc. (NasdaqGS:TVTY)	\$1,834.8	(8.6) %	\$529.9	\$115.1	21.7 %	3.5 x	15.9 x
Median		(8.6) %			21.7 %	3.5 x	15.9 x
Home Care / Hospice (5)							
Amedisys, Inc. (NasdaqGS:AMED)	\$1,929.8	6.9 %	\$1,454.9	\$105.7	7.3 %	1.3 x	18.3 x
LHC Group, Inc. (NasdaqGS:LHCG)	1,394.0	12.9	961.6	92.0	9.6	1.4	15.1
Almost Family, Inc. (NasdaqGS:AFAM)	860.0	18.5	715.9	40.4	5.6	1.2	21.3
BioScrip, Inc. (NasdaqGS:BIOS)	800.2	1.3	900.6	25.1	2.8	0.9	31.9
Addus HomeCare Corporation (NasdaqGS:ADUS)	451.4	12.9	411.4	33.4	8.1	1.1	13.5
Median		12.9 %			7.3 %	1.2 x	18.3 x

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

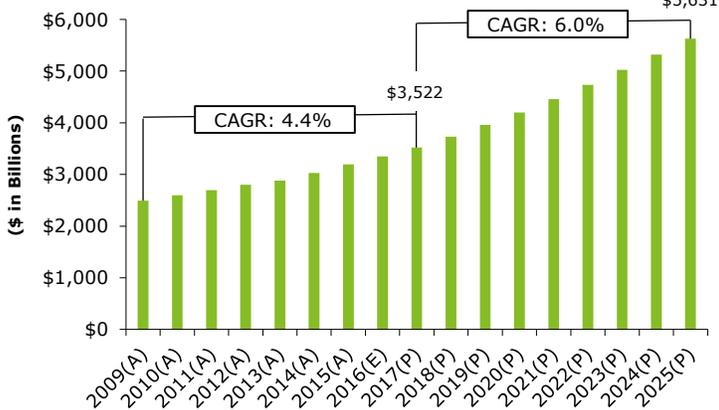
	Enterprise Value (\$MM)	3-Year Revenue CAGR	LTM			EV / LTM	
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA Margin	Revenue	EBITDA
Data/Analytics (3)							
Inovalon Holdings, Inc. (NasdaqGS:INOV)	\$2,257.1	8.9 %	\$420.0	\$67.3	16.0 %	5.4 x	33.5 x
National Research Corporation (NasdaqGS:NRCI.B)	1,276.5	6.2	114.1	39.0	34.2	11.2	32.7
Castlight Health, Inc. (NYSE:CSLT)	469.2	60.9	115.2	N/A	N/A	4.1	N/A
Median		8.9 %			25.1 %	5.4 x	33.1 x
Tech-Enabled Services (11)							
Cerner Corporation (NasdaqGS:CERN)	\$23,889.8	16.8 %	\$4,898.4	\$1,371.5	28.0 %	4.9 x	17.4 x
Veeva Systems Inc. (NYSE:VEEV)	7,301.7	33.4	617.4	154.5	25.0	11.8	47.2
athenahealth, Inc. (NasdaqGS:ATHN)	5,216.0	19.7	1,151.4	127.7	11.1	4.5	40.8
Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX)	3,862.8	6.5	1,657.4	160.1	9.7	2.3	24.1
HealthEquity, Inc. (NasdaqGS:HQY)	2,901.8	40.2	202.5	61.8	30.5	14.3	46.9
The Advisory Board Company (NasdaqGS:ABCO)	2,653.6	NA	799.1	120.8	15.1	3.3	22.0
Omnicell, Inc. (NasdaqGS:OMCL)	2,126.3	18.7	680.2	42.7	6.3	3.1	49.8
HMS Holdings Corp. (NasdaqGS:HMSY)	1,886.4	2.0	495.5	92.8	18.7	3.8	20.3
Premier, Inc. (NasdaqGS:PINC)	1,814.0	16.9	1,454.7	440.7	30.3	1.2	4.1
Quality Systems, Inc. (NasdaqGS:QSII)	1,035.6	4.6	518.3	61.3	11.8	2.0	16.9
Computer Programs and Systems, Inc. (NasdaqGS:CPSI)	555.0	8.7	261.0	28.5	10.9	2.1	19.5
Median		16.8 %			15.1 %	3.3 x	22.0 x
Biotechnology (7)							
AbbVie Inc. (NYSE:ABBV)	\$174,428.2	11.5 %	\$26,710.0	\$11,565.0	43.3 %	6.5 x	15.1 x
Amgen Inc. (NasdaqGS:AMGN)	132,408.2	5.8	23,050.0	12,358.0	53.6	5.7	10.7
Celgene Corporation (NasdaqGS:CELG)	118,398.5	20.1	12,191.2	4,834.1	39.7	9.7	24.5
Gilead Sciences, Inc. (NasdaqGS:GILD)	113,757.0	17.7	28,466.0	17,966.0	63.1	4.0	6.3
Biogen Inc. (NasdaqGS:BIIB)	70,469.3	12.0	11,716.9	6,422.1	54.8	6.0	11.0
Regeneron Pharmaceuticals, Inc. (NasdaqGS:REGN)	48,707.1	28.0	5,236.1	1,820.6	34.8	9.3	26.8
Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	33,255.3	21.1	3,412.0	1,343.0	39.4	9.7	24.8
Median		17.7 %			43.3 %	6.5 x	15.1 x
Contract Research and Manufacturing (8)							
Quintiles IMS Holdings, Inc. (NYSE:Q)	\$28,456.0	20.6 %	\$6,969.0	\$1,507.0	21.6 %	4.1 x	18.9 x
West Pharmaceutical Services, Inc. (NYSE:WST)	7,149.3	3.3	1,544.3	317.9	20.6	4.6	22.5
ICON Public Limited Company (NasdaqGS:ICLR)	6,189.1	6.8	1,718.3	393.6	22.9	3.6	15.7
Charles River Laboratories International, Inc. (NYSE:CRL)	6,188.0	13.9	1,807.4	435.9	24.1	3.4	14.2
INC Research Holdings, Inc. (NasdaqGS:INCR)	5,804.9	12.2	1,032.7	226.7	22.0	5.6	25.6
PRA Health Sciences, Inc. (NasdaqGS:PRAH)	5,488.2	15.2	1,698.5	250.9	14.8	3.2	21.9
Cambrex Corporation (NYSE:CBM)	1,706.0	14.4	515.5	167.2	32.4	3.3	10.2
Medpace Holdings, Inc. (NasdaqGS:MEDP)	1,386.6	NA	378.5	110.1	29.1	3.7	12.6
Median		13.9 %			22.4 %	3.6 x	17.3 x
Pharmaceuticals (4)							
Pfizer Inc. (NYSE:PFE)	\$243,952.9	1.3 %	\$52,347.0	\$20,244.0	38.7 %	4.7 x	12.1 x
Merck & Co., Inc. (NYSE:MRK)	188,993.7	(2.8)	40,016.0	15,449.0	38.6	4.7	12.2
Bristol-Myers Squibb Company (NYSE:BMJ)	107,585.7	7.7	20,238.0	6,014.0	29.7	5.3	17.9
Eli Lilly and Company (NYSE:LLY)	97,319.7	1.2	22,004.8	5,994.7	27.2	4.4	16.2
Median		1.3 %			34.2 %	4.7 x	14.2 x
Tools and Services (9)							
Abbott Laboratories (NYSE:ABT)	\$107,521.0	6.3 %	\$23,607.0	\$5,140.0	21.8 %	4.6 x	20.9 x
Thermo Fisher Scientific Inc. (NYSE:TMO)	92,940.7	8.9	19,199.1	4,812.1	25.1	4.8	19.3
Becton, Dickinson and Company (NYSE:BDX)	49,807.7	13.4	12,158.0	3,190.0	26.2	4.1	15.6
Illumina, Inc. (NasdaqGS:IILMN)	28,806.6	15.5	2,487.4	666.8	26.8	11.6	43.2
Agilent Technologies, Inc. (NYSE:A)	20,395.0	(2.4)	4,394.0	1,021.0	23.2	4.6	20.0
Waters Corporation (NYSE:WAT)	13,317.6	4.6	2,211.8	766.0	34.6	6.0	17.4
PerkinElmer, Inc. (NYSE:PKI)	8,131.9	(0.9)	2,142.3	416.0	19.4	3.8	19.5
VWR Corporation (NasdaqGS:VWR)	6,489.6	2.3	4,580.8	492.1	10.7	1.4	13.2
Bio-Rad Laboratories, Inc. (NYSE:BIO)	6,326.3	(1.1)	2,084.9	233.6	11.2	3.0	27.1
Median		4.6 %			23.2 %	4.6 x	19.5 x
Commercial Plans (6)							
UnitedHealth Group Incorporated (NYSE:UNH)	\$208,250.8	15.2 %	\$192,604.0	\$15,567.0	8.1 %	1.1 x	13.4 x
Anthem, Inc. (NYSE:ANTM)	63,127.5	6.9	88,026.3	5,754.2	6.5	0.7	11.0
Aetna Inc. (NYSE:AET)	58,815.9	4.4	62,197.0	6,056.0	9.7	0.9	9.7
Cigna Corporation (NYSE:CI)	48,740.6	6.7	40,527.0	4,212.0	10.4	1.2	11.6
Humana Inc. (NYSE:HUM)	32,364.7	6.6	53,868.0	2,661.0	4.9	0.6	12.2
Magellan Health, Inc. (NasdaqGS:MGLN)	2,407.6	12.2	5,280.3	242.6	4.6	0.5	9.9
Median		6.8 %			7.3 %	0.8 x	11.3 x
Government Plans (3)							
Centene Corporation (NYSE:CNC)	\$17,071.2	50.9 %	\$43,646.0	\$2,186.0	5.0 %	0.4 x	7.8 x
WellCare Health Plans, Inc. (NYSE:WCG)	4,798.8	11.5	15,361.4	623.2	4.1	0.3	7.7
Molina Healthcare, Inc. (NYSE:MOH)	2,922.2	34.8	18,508.0	106.0	0.6	0.2	27.6
Median		34.8 %			4.1 %	0.3 x	7.8 x
Payor Services (1)							
CorVel Corporation (NasdaqGS:CRVL)	\$1,039.7	2.9 %	\$527.8	\$70.8	13.4 %	2.0 x	14.7 x
Median		2.9 %			13.4 %	2.0 x	14.7 x

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

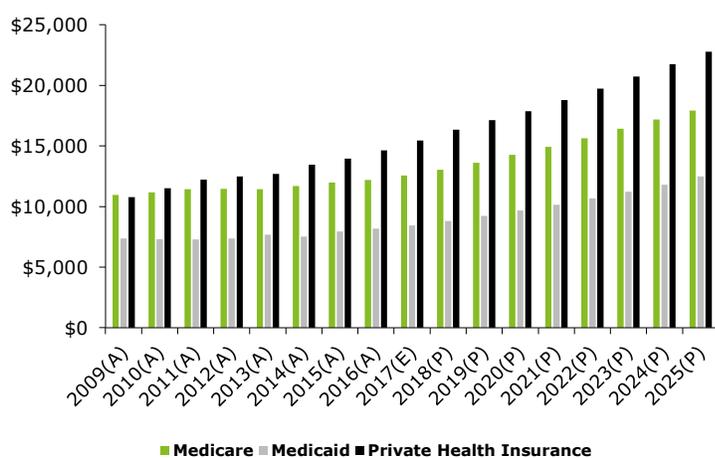
	Enterprise Value (\$MM)	3-Year Revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA Margin	Revenue	EBITDA	
Pharmacy	Retail Pharmacy (3)							
	CVS Health Corporation (NYSE:CVS)	\$106,702.9	11.0 %	\$180,785.0	\$12,647.0	7.0 %	0.6 x	8.4 x
	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	88,926.4	15.7	116,701.0	7,342.0	6.3	0.8	12.1
	Rite Aid Corporation (NYSE:RAD)	9,064.0	7.3	32,091.4	904.1	2.8	0.3	10.0
	Median		11.0 %			6.3 %	0.6 x	10.0 x
Pharmacy	Specialty Pharmacy (3)							
	Express Scripts Holding Company (NasdaqGS:ESRX)	\$49,383.4	(0.1) %	\$100,275.8	\$7,159.5	7.1 %	0.5 x	6.9 x
	Diplomat Pharmacy, Inc. (NYSE:DPLD)	1,555.0	35.6	4,531.2	70.5	1.6	0.3	22.1
	PharMerica Corporation (NYSE:PMC)	1,331.2	7.2	2,205.8	133.0	6.0	0.6	10.0
	Median		7.2 %			6.0 %	0.5 x	10.0 x
Physicians / Staffing	Healthcare Staffing (3)							
	On Assignment, Inc. (NYSE:ASGN)	\$3,440.3	14.5 %	\$2,530.1	\$263.0	10.4 %	1.4 x	13.1 x
	AMN Healthcare Services, Inc. (NYSE:AMN)	2,489.0	24.9	1,945.5	236.0	12.1	1.3	10.5
	Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	529.8	23.1	854.4	38.8	4.5	0.6	13.6
	Median		23.1 %			10.4 %	1.3 x	13.1 x
Physicians / Staffing	Physician Practice Management (2)							
	Envision Healthcare Corporation (NYSE:EVHC)	\$11,251.4	77.6 %	\$6,038.4	\$982.6	16.3 %	1.9 x	11.5 x
	MEDNAX, Inc. (NYSE:MD)	5,822.8	13.5	3,337.3	628.4	18.8	1.7	9.3
		Median		45.6 %			17.6 %	1.8 x
Medical Devices and Products	Medical Devices and Products (18)							
	Johnson & Johnson (NYSE:JNJ)	\$374,182.4	(0.4) %	\$72,531.0	\$25,146.0	34.7 %	5.2 x	14.9 x
	Medtronic plc (NYSE:MDT)	126,658.9	20.6	29,934.0	9,193.0	30.7	4.2	13.8
	Danaher Corporation (NYSE:DHR)	70,970.2	(3.1)	17,432.2	4,163.3	23.9	4.1	17.0
	Stryker Corporation (NYSE:SYK)	57,259.8	8.8	11,957.0	3,285.0	27.5	4.8	17.4
	Boston Scientific Corporation (NYSE:BSX)	46,076.6	6.8	8,714.0	2,312.0	26.5	5.3	19.9
	Baxter International Inc. (NYSE:BAX)	34,054.0	(8.1)	10,283.0	2,227.0	21.7	3.3	15.3
	Zimmer Biomet Holdings, Inc. (NYSE:ZBH)	34,032.2	18.6	7,777.6	2,805.0	36.1	4.4	12.1
	Edwards Lifesciences Corporation (NYSE:EW)	23,110.3	14.9	3,232.4	1,045.5	32.3	7.1	22.1
	DENTSPLY SIRONA Inc. (NasdaqGS:XRAY)	14,268.7	9.2	3,843.9	823.8	21.4	3.7	17.3
	Hologic, Inc. (NasdaqGS:HOLX)	13,037.8	6.4	2,982.8	1,005.7	33.7	4.4	13.0
	Teleflex Incorporated (NYSE:TFX)	12,345.1	4.1	1,986.1	521.1	26.2	6.2	23.7
	ResMed Inc. (NYSE:RMD)	11,272.2	9.9	2,066.7	568.9	27.5	5.5	19.8
	Varian Medical Systems, Inc. (NYSE:VAR)	8,895.1	2.9	3,273.1	643.0	19.6	2.7	13.8
	Steris Plc (NYSE:STE)	8,751.7	15.9	2,582.3	521.3	20.2	3.4	16.8
	Hill-Rom Holdings, Inc. (NYSE:HRC)	7,135.6	18.1	2,711.4	465.3	17.2	2.6	15.3
	Integer Holdings Corporation (NYSE:ITGR)	3,286.7	27.0	1,414.3	275.6	19.5	2.3	11.9
	K2M Group Holdings, Inc. (NasdaqGS:KTWO)	1,000.3	13.5	248.7	NA	NA	4.0	N/A
	ConforMIS, Inc. (NasdaqGS:CFMS)	131.6	NA	79.3	NA	NA	1.7	NA
	Median		9.2 %			26.4 %	4.2 x	16.1 x
Medical Supplies Distribution	Medical Supplies Distribution (9)							
	McKesson Corporation (NYSE:MCK)	\$38,284.0	10.4 %	\$199,851.0	\$3,943.0	2.0 %	0.2 x	9.7 x
	Cardinal Health, Inc. (NYSE:CAH)	25,047.3	12.6	129,976.0	3,069.0	2.4	0.2	8.2
	C. R. Bard, Inc. (NYSE:BCR)	24,011.6	6.4	3,827.5	1,184.7	31.0	6.3	20.3
	AmerisourceBergen Corporation (NYSE:ABC)	20,726.4	10.5	151,584.4	2,426.0	1.6	0.1	8.5
	Henry Schein, Inc. (NasdaqGS:HSIC)	14,139.5	6.5	11,968.5	1,019.7	8.5	1.2	13.9
	Patterson Companies, Inc. (NasdaqGS:PDCC)	4,688.7	10.5	5,564.8	400.2	7.2	0.8	11.7
	Owens & Minor, Inc. (NYSE:OMI)	2,336.8	0.8	9,378.4	230.0	2.5	0.2	10.2
	Aceto Corporation (NasdaqGS:ACET)	648.5	7.8	638.3	68.2	10.7	1.0	9.5
Invacare Corporation (NYSE:IVC)	598.8	(9.0)	980.1	(13.6)	NA	0.6	(43.9)	
	Median		7.8 %			4.8 %	0.6 x	9.7 x

LSHC Sector Data

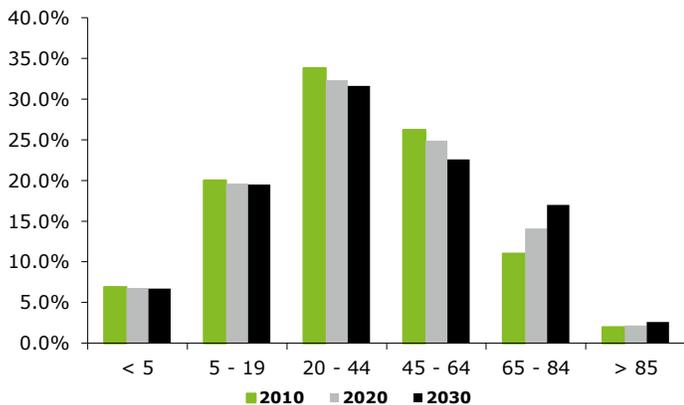
U.S. Health Care Spend⁽¹⁾



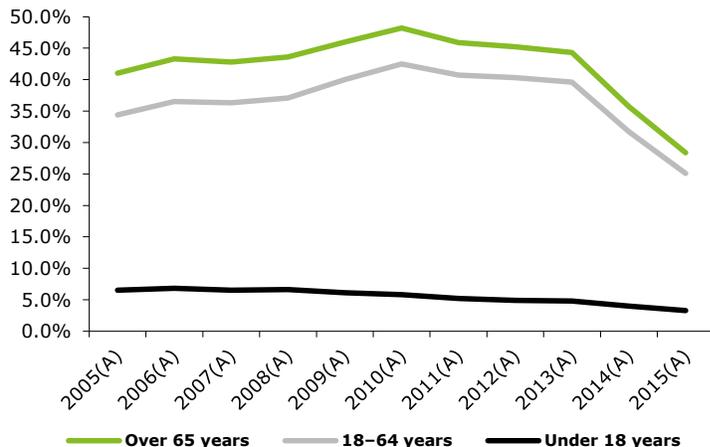
U.S. Health Care Spend by Payor per Capita⁽²⁾



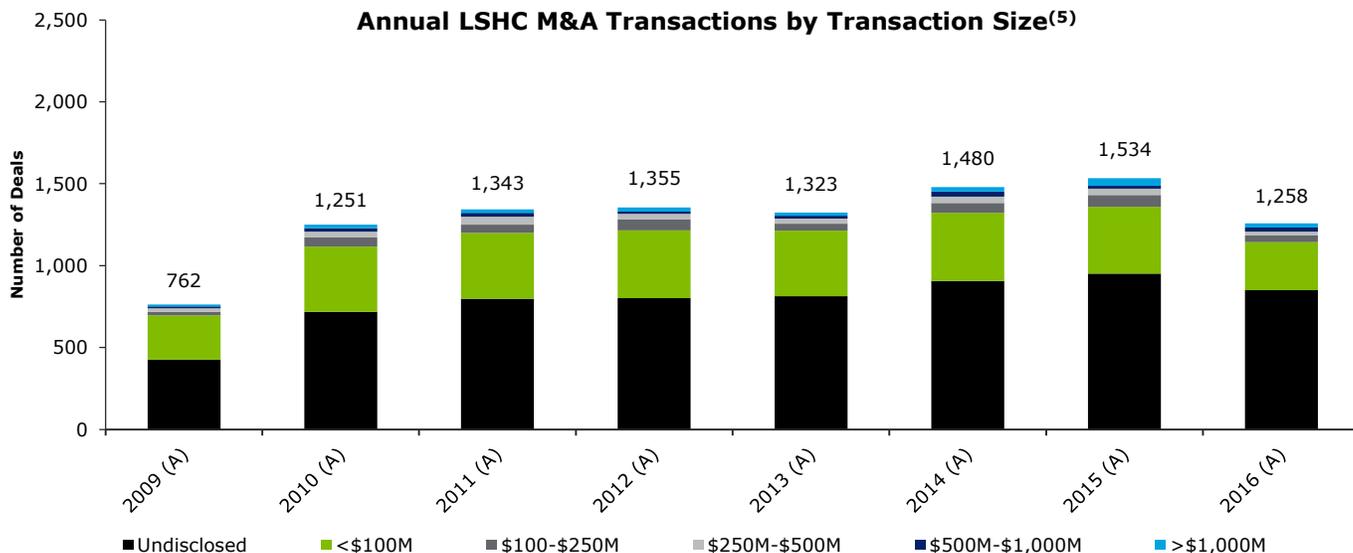
U.S. Population by Age Group⁽³⁾



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



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



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