



## Life sciences and health care quarterly update

Q1 2020

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## The role of virtual care in COVID-19 response<sup>1</sup>

### Flattening the curve: An uncontested imperative

As the COVID-19 outbreak comes to a head, government and leading health officials are searching for measures to further mitigate the spread of the disease. The US Centers for Disease Control and Prevention (CDC) has recommended social distancing and incremental, preventative hygiene measures to help “flatten the curve,” or reduce the peak demand for health services related to COVID-19, in the hope that overall demand will stay below the aggregate system capacity. Virtual health care services could help stabilize existing supply and increase the capacity of the health care system.

### The role of virtual health: Six ways to increase capacity and protect existing supply

#### Load-balance capacity:

*Virtual health makes it possible to tap into excess provider capacity in geographies that are not currently COVID-19 hotspots.*

#### Reduce workforce exposure:

*Virtual health visits can help reduce staff exposure and lessen the use of personal protective equipment.*

#### Overcome quarantine hurdles:

*Providers who need to self-quarantine can still tend to patients through virtual measures.*

#### Scale scarce expertise:

*The limited capacity of intensive-care physicians can be augmented by deploying e-ICU solutions.*

#### Redeploy clinical experts:

*As elective procedures are delayed, those specialists could help with outpatient care and virtual health.*

#### Expand capacity:

*Virtual health services can enable hospital-at-home solutions, allowing for more rapid discharge of patients and freeing up hospital capacity.*

## Temporary regulatory relief<sup>2</sup>

COVID-19 has helped highlight the importance of health technology, which is suddenly front and center economically, politically, and socially. In response to the pandemic, the following regulatory hurdles have been removed:

- The US Centers for Medicare and Medicaid Services (CMS) temporarily waived restrictions on the use of virtual health among Medicare members.
- The White House enacted the \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which allocates \$200 million to “provide telecommunications services, information services, and devices necessary to operate telehealth services.”
- CMS waived enforcement of HIPAA health-privacy law violations, allowing virtual health visits to be conducted via noncompliant social media platforms.

**While adoption of virtual health will likely accelerate rapidly in the short-term due to COVID-19, investment in the space may continue to grow in the long term if it is able to illustrate its potential.**

## Recent investment activity

### Telehealth startup Tyto Care raises \$50 million:

On April 7, 2020, New York-headquartered Tyto Care announced it had raised \$50 million in a round of funding led by Insight Partners, Olive Tree Ventures, and Qualcomm ventures. Founded in 2012, Tyto Care has developed a handheld exam kit that allows patients to connect with health care professionals and receive diagnoses at home. Tyto Care has seen a surge in demand in the wake of the COVID-19 pandemic and plans to use the funding to further grow its platform to meet demand.<sup>3</sup>

### 98point6 raises \$43 million from Goldman Sachs, others:

On April 3, 2020, Seattle startup 98point6 raised \$43 million to help increase capacity for its virtual healthcare technology amid the COVID-19 outbreak. Investors include Goldman Sachs’ merchant banking division; BlackRock CEO Larry Fink; Costco co-founder Jim Sinegal; and others. 98point6 CEO and co-founder, Robbie Cape said the capital would be used to hire three times more physicians by the end of April in order to address the patient influx from the pandemic.<sup>4</sup>

## In this update

- COVID-19 could alter and even accelerate investment in health-tech, specifically telehealth and virtual care.

This update will focus on news and trends in the following areas:

- 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 adviser. DCF’s professionals have extensive knowledge of and experience in the Life Sciences & Health Care space.

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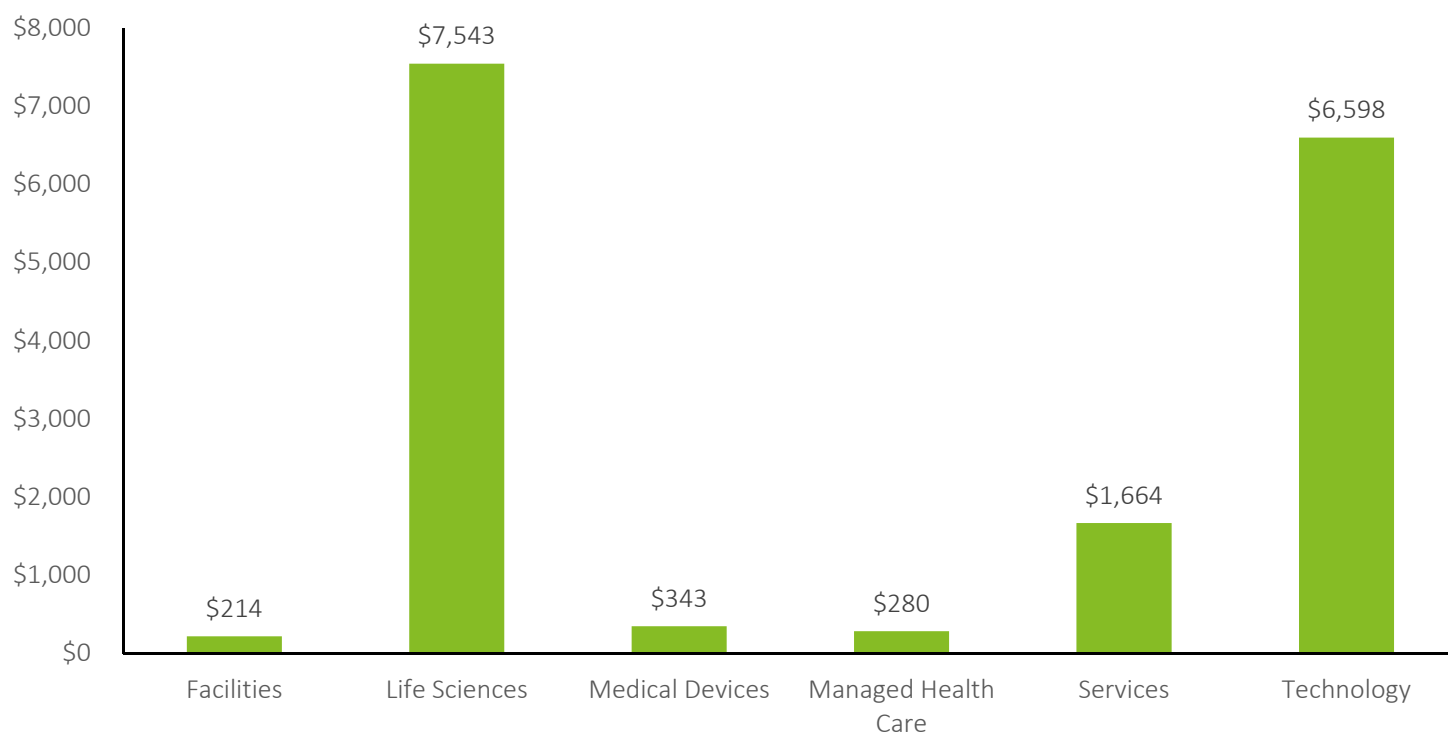
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## LSHC COVID-19 and CARES Act Updates

To be included in Deloitte’s next COVID-19 or CARES Act update, email Lisa Lee at [lwlee@deloitte.com](mailto:lwlee@deloitte.com)

## Q1 2020 US LSHC M&A aggregate transaction value <sup>1, i</sup>

Aggregate transaction value (\$ in millions)



## Q1 2020 US LSHC M&A activity deal list <sup>2, i</sup>

Date announced	Status	Sub-sector	Target	Buyer	Size (\$MM) transaction
2-Jan-20	Closed	Life Sciences	Blue Marble AgBio/ILH Holdings	TS Biotechnology Holdings, LLC	\$53.0
6-Jan-20	Announced	Life Sciences	Osurnia Product Portfolio of Elanco Animal Health Inc.	Dechra Pharmaceuticals PLC (LSE:DPH)	135.0
7-Jan-20	Announced	Facilities	Timber Ridge at Talus	National Health Investors, Inc. (NYSE:NHI)	133.0
7-Jan-20	Announced	Managed Health Care	Universal Care, Inc.	Bright Health Inc.	280.0
8-Jan-20	Closed	Technology	CareCloud Corporation	MTBC, Inc. (NasdaqGM:MTBC)	40.4
10-Jan-20	Closed	Life Sciences	Dermira, Inc.	Eli Lilly and Company (NYSE:LLY)	1,134.7
10-Jan-20	Closed	Life Sciences	Oncology Division of Human Longevity, Inc.	NeoGenomics Laboratories, Inc.	37.0
10-Jan-20	Closed	Technology	SCI Solutions, Inc.	R1 RCM Inc. (NasdaqGS:RCM)	200.0
12-Jan-20	Announced	Technology	InTouch Technologies, Inc.	Teladoc Health, Inc. (NYSE:TDOC)	599.7
13-Jan-20	Announced	Medical Distributors	Tutogen Medical GmbH/RTI OEM, LLC	Montagu Private Equity LLP	490.0
14-Jan-20	Closed	Technology	Connected Care Business of NantHealth, Inc.	Masimo Corporation (NasdaqGS:MASI)	47.3
16-Jan-20	Announced	Life Sciences	Neon Therapeutics, Inc. (NasdaqGS:NTGN)	BioNTech SE (NasdaqGS:BNTX)	81.4
17-Jan-20	Closed	Services	Decision Resources, Inc.	Clarivate Analytics Plc (NYSE:CCC)	950.0
22-Jan-20	Closed	Facilities	Eight Assisted Living Facilities in Three States	Brookdale Senior Living Inc. (NYSE:BKD)	39.3

Note:

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

## Q1 2020 US LSHC M&A activity deal list <sup>2, i</sup>

Date announced	Status	Sub-sector	Target	Buyer	Size (\$MM) transaction
23-Jan-20	Closed	Life Sciences	Karuna Therapeutics, Inc. (NasdaqGM:KRTX)	Goldman Sachs & Co. LLC	200.0
24-Jan-20	Announced	Medical Devices	Parcus Medical, LLC	Anika Therapeutics, Inc. (NasdaqGS:ANIK)	95.0
24-Jan-20	Closed	Technology	Advanced ENT Solutions, Inc.	Smith & Nephew plc (LSE:SN.)	140.0
27-Jan-20	Closed	Life Sciences	NovaBone Products, LLC	Halma plc (LSE:HLMA)	137.0
29-Jan-20	Closed	Technology	Stratus Video, LLC	AMN Healthcare, Inc.	475.0
3-Feb-20	Announced	Medical Devices	ArthroSurface, Inc.	Anika Therapeutics, Inc. (NasdaqGS:ANIK)	100.0
3-Feb-20	Closed	Services	MaSTherCell Global Inc.	Catalent Pharma Solutions, Inc.	315.0
4-Feb-20	Closed	Services	Substantially all the assets of Acurity, Inc. and Nexera, Inc.	Premier Supply Chain Improvement Inc.	321.5
4-Feb-20	Closed	Facilities	Taj Mahal Medical Building in Laguna Hills, California	Healthcare Realty Trust Incorporated (NYSE:HR)	42.0
6-Feb-20	Closed	Life Sciences	Assets related to NUCYNTA of Assertio Therapeutics, Inc.	Collegium Pharmaceutical, Inc. (NasdaqGS:COLL)	375.0
11-Feb-20	Closed	Life Sciences	Icegen Inc.'s operations in North Carolina	Ligand Pharmaceuticals Incorporated (NasdaqGM:LGND)	40.0
13-Feb-20	Closed	Technology	B4Health, LLC	AMN Healthcare Services, Inc. (NYSE:AMN)	31.9
19-Feb-20	Announced	Life Sciences	Worldwide Rights for Vecoxan of Elanco Animal Health Inc.	Merck Animal Health	55.0
21-Feb-20	Closed	Services	Assets of Veterinary Care, Inc.	Destination Pet, LLC	47.0
24-Feb-20	Closed	Medical Devices	Exact Diagnostics LLC	Bio-Rad Laboratories, Inc. (NYSE: BIO)	60.0
28-Feb-20	Announced	Services	Dalton Chemical Laboratories Inc.	Seikagaku Corporation (TSE:4548)	30.6
28-Feb-20	Closed	Life Sciences	Worldwide rights to IXINITY	Medexus Pharmaceuticals Inc. (TSXV:MDP)	41.0
2-Mar-20	Closed	Life Sciences	Forty Seven, Inc.	Gilead Sciences, Inc. (NasdaqGS:GILD)	4,951.7
3-Mar-20	Closed	Medical Devices	Healthline Medical Equipment, Inc.	AdaptHealth Corp. (NasdaqCM:AHCO)	38.4
10-Mar-20	Announced	Technology	DXC Technology Company (U.S. Health Services Business)	Veritas Capital Fund Management, L.L.C	5,000.0
10-Mar-20	Closed	Technology	YouScript Incorporated	Invitae Corporation (NYSE:NVTA)	63.2
12-Mar-20	Announced	Medical Devices	Impact BioMedical Inc.	Document Security Systems, Inc. (AMEX:DSS)	50.0
16-Mar-20	Announced	Life Sciences	Correvio Pharma Corp. (TSX:CORV)	Mercury Pharma Group Limited	70.1
16-Mar-20	Announced	Life Sciences	Mirataz of Kindred Biosciences, Inc.	Dechra Limited	43.0
16-Mar-20	Announced	Life Sciences	Zyla Life Sciences (OTCPK:ZCOR)	Assertio Therapeutics, Inc. (NasdaqGS:ASRT)	127.9
23-Mar-20	Announced	Life Sciences	Abacus Health Products, Inc. (CNSX:ABCS)	Charlotte's Web Holdings, Inc. (TSX:CWEB)	61.0

Note:

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

## LSHC sector breakdown: financial detail<sup>1</sup>

	Enterprise value (\$MM)	Three-year revenue CAGR	LTM			EV / LTM	
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA
<b>Assisted Living / Long-Term Care (4)</b>							
Brookdale Senior Living Inc. (NYSE:BKD)	\$6,219.1	(8.3) %	\$3,267.0	\$397.6	12.2 %	1.9 x	15.6 x
The Ensign Group, Inc. (NasdaqGS:ENSG)	3,264.0	7.2	2,036.5	178.3	8.8	1.6	18.3
National HealthCare Corporation (AMEX:NHC)	1,177.6	2.6	996.4	94.6	9.5	1.2	12.4
Capital Senior Living Corporation (NYSE:CSU)	1,193.5	(0.2)	443.3	47.0	10.6	2.7	25.4
<b>Median</b>		<b>1.2 %</b>			<b>10.0 %</b>	<b>1.8 x</b>	<b>17.0 x</b>
<b>Hospitals (4)</b>							
HCA Healthcare, Inc. (NYSE:HCA)	\$73,957.3	7.4 %	\$51,336.0	\$9,814.0	19.1 %	1.4 x	7.5 x
Tenet Healthcare Corporation (NYSE:THC)	17,843.1	(2.0)	18,479.0	2,880.0	15.6	1.0	6.2
Community Health Systems, Inc. (NYSE:CYH)	14,232.4	(10.5)	13,210.0	1,391.0	10.5	1.1	10.2
Universal Health Services, Inc. (NYSE:UHS)	13,598.0	5.2	11,378.3	1,803.9	15.9	1.2	7.5
<b>Median</b>		<b>1.6 %</b>			<b>15.7 %</b>	<b>1.1 x</b>	<b>7.5 x</b>
<b>Psychiatric and Behavioral Health (1)</b>							
Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	\$5,714.4	3.4 %	\$3,107.5	\$568.6	18.3 %	1.8 x	10.1 x
<b>Median</b>		<b>3.4 %</b>			<b>18.3 %</b>	<b>1.8 x</b>	<b>10.1 x</b>
<b>Rehabilitation Facilities (3)</b>							
Encompass Health Corporation (NYSE:EHC)	\$10,286.0	8.1 %	\$4,605.0	\$911.2	19.8 %	2.2 x	11.3 x
Select Medical Holdings Corporation (NYSE:SEM)	6,406.4	8.9	5,453.9	684.5	12.5	1.2	9.4
U.S. Physical Therapy, Inc. (NYSE:USPH)	1,034.8	10.6	477.1	77.5	16.3	2.2	13.3
<b>Median</b>		<b>8.9 %</b>			<b>16.3 %</b>	<b>2.2 x</b>	<b>11.3 x</b>
<b>Surgery Centers (1)</b>							
Surgery Partners, Inc. (NasdaqGS:SGRY)	\$3,274.1	17.8 %	\$1,831.4	\$336.6	18.4 %	1.8 x	9.7 x
<b>Median</b>		<b>17.8 %</b>			<b>18.4 %</b>	<b>1.8 x</b>	<b>9.7 x</b>
<b>Clinical Laboratories (3)</b>							
Laboratory Corporation of America Holdings (NYSE:LH)	\$21,210.5	6.5 %	\$11,554.8	\$1,943.3	16.8 %	1.8 x	10.9 x
Quest Diagnostics Incorporated (NYSE:DGX)	16,983.6	2.3	7,726.0	1,548.0	20.0	2.2	11.0
Chemed Corporation (NYSE:CHE)	7,449.1	7.1	1,938.6	311.8	16.1	3.8	23.9
<b>Median</b>		<b>6.5 %</b>			<b>16.8 %</b>	<b>2.2 x</b>	<b>11.0 x</b>
<b>Diagnostic Imaging (1)</b>							
RadNet, Inc. (NasdaqGM:RDNT)	\$1,777.6	9.3 %	\$1,154.2	\$154.5	13.4 %	1.5 x	11.5 x
<b>Median</b>		<b>9.3 %</b>			<b>13.4 %</b>	<b>1.5 x</b>	<b>11.5 x</b>
<b>Dialysis Services (3)</b>							
Fresenius SE & Co. KGaA (XTRA:FRE)	\$45,926.4	6.3 %	\$35,409.0	\$6,023.0	17.0 %	1.3 x	7.6 x
DaVita Inc. (NYSE:DVA)	19,878.9	2.1	11,388.5	2,370.7	20.8	1.7	8.4
American Renal Associates Holdings, Inc. (NYSE:ARA)	910.9	2.4	822.5	121.3	14.7	1.1	7.5
<b>Median</b>		<b>2.4 %</b>			<b>17.0 %</b>	<b>1.3 x</b>	<b>7.6 x</b>
<b>Home Care / Hospice (3)</b>							
Amedisys, Inc. (NasdaqGS:AMED)	\$6,712.4	11.3	1,955.6	197.4	10.1	3.4	34.0
LHC Group, Inc. (NasdaqGS:LHCG)	4,466.1	32.2	2,080.2	177.6	8.5	2.1	25.2
Addus HomeCare Corporation (NasdaqGS:ADUS)	1,077.5	16.7	598.1	42.1	7.0	1.8	25.6
<b>Median</b>		<b>16.7 %</b>			<b>8.5 %</b>	<b>2.1 x</b>	<b>25.6 x</b>

## LSHC sector breakdown: financial detail (cont.)<sup>1</sup>

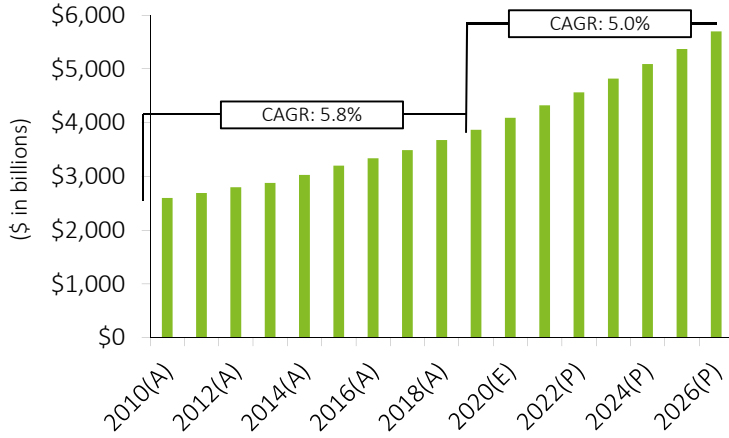
	Enterprise value (\$MM)	Three-year revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA	
Technology	<b>Healthcare Technology (10)</b>							
	Veeva Systems Inc. (NYSE:VEEV)	\$26,001.4	26.1 %	\$1,104.1	\$307.4	27.8 %	23.6 x	NM x
	Cerner Corporation (NasdaqGS:CERN)	21,948.0	5.9 %	5,692.6	1,147.2	20.2 %	3.9 x	19.1 x
	HealthEquity, Inc. (NasdaqGS:HQY)	4,428.2	43.9 %	532.0	164.5	30.9 %	8.3 x	26.9 x
	Inovalon Holdings, Inc. (NasdaqGS:INOV)	3,485.0	14.5 %	642.4	177.9	27.7 %	5.4 x	19.6 x
	Omnicell, Inc. (NasdaqGS:OMCL)	3,083.1	8.8 %	897.0	114.4	12.8 %	3.4 x	26.9 x
	HMS Holdings Corp. (NasdaqGS:HMSY)	2,578.4	8.6 %	626.4	140.8	22.5 %	4.1 x	18.3 x
	Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX)	1,965.0	8.5 %	1,771.7	96.6	5.5 %	1.1 x	20.3 x
	National Research Corporation (NasdaqGS:NRC)	1,373.8	5.4 %	128.0	48.6	38.0 %	10.7 x	28.3 x
	NextGen Healthcare, Inc. (NasdaqGS:NXGN)	762.2	2.2 %	538.6	38.1	7.1 %	1.4 x	20.0 x
	Computer Programs and Systems, Inc. (NasdaqGS:CPSI)	420.7	0.9 %	274.6	34.4	12.5 %	1.5 x	12.2 x
	<b>Median</b>		<b>8.5 %</b>			<b>21.3 %</b>	<b>4.0 x</b>	<b>20.0 x</b>
	Telehealth (1)							
Teladoc Health, Inc. (NYSE:TDOC)		\$12,603.6	65.0 %	\$553.3	(\$28.9)	NA %	22.8 x	NA x
<b>Median</b>		<b>65.0 %</b>			<b>NA %</b>	<b>22.8 x</b>	<b>NA x</b>	
Life Sciences	<b>Biotechnology (6)</b>							
	Amgen Inc. (NasdaqGS:AMGN)	\$160,106.9	0.5 %	\$23,362.0	\$11,756.0	50.3 %	6.9 x	13.6 x
	AbbVie Inc. (NYSE:ABBV)	150,392.3	9.1 %	33,266.0	15,714.0	47.2 %	4.5 x	9.6 x
	Gilead Sciences, Inc. (NasdaqGS:GILD)	106,391.7	(9.6) %	22,449.0	6,491.0	28.9 %	4.7 x	16.4 x
	Biogen Inc. (NasdaqGS:BIIB)	61,590.8	7.9 %	14,377.9	7,739.9	53.8 %	4.3 x	8.0 x
	Regeneron Pharmaceuticals, Inc. (NasdaqGS:REGN)	59,440.6	17.4 %	7,863.4	2,455.3	31.2 %	7.6 x	24.2 x
	Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	23,057.5	17.4 %	4,991.1	2,496.4	50.0 %	4.6 x	9.2 x
	<b>Median</b>		<b>8.5 %</b>			<b>48.6 %</b>	<b>4.7 x</b>	<b>11.6 x</b>
	<b>Contract Research and Manufacturing (7)</b>							
	IQVIA Holdings Inc. (NYSE:IQV)	\$36,693.9	17.6 %	\$11,088.0	\$1,881.0	17.0 %	3.3 x	19.5 x
	West Pharmaceutical Services, Inc. (NYSE:WST)	12,434.7	6.8 %	1,839.9	395.7	21.5 %	6.8 x	31.4 x
	Charles River Laboratories International, Inc. (NYSE:CRL)	8,960.2	16.0 %	2,621.2	565.2	21.6 %	3.4 x	15.9 x
	ICON Public Limited Company (NasdaqGS:ICLR)	8,458.3	19.0 %	2,805.8	495.0	17.6 %	3.0 x	17.1 x
Syneos Health, Inc. (NasdaqGS:SYNH)	8,132.1	65.6 %	4,675.8	583.6	12.5 %	1.7 x	13.9 x	
PRA Health Sciences, Inc. (NasdaqGS:PRAH)	6,932.3	19.2 %	3,066.3	481.7	15.7 %	2.3 x	14.4 x	
Medpace Holdings, Inc. (NasdaqGS:MEDP)	3,088.9	32.4 %	861.0	150.5	17.5 %	3.6 x	20.5 x	
<b>Median</b>		<b>19.0 %</b>			<b>17.5 %</b>	<b>3.3 x</b>	<b>17.1 x</b>	
<b>Pharmaceuticals (4)</b>								
Pfizer Inc. (NYSE:PFE)	\$248,354.4	(0.7) %	\$51,750.0	\$21,014.0	40.6 %	4.8 x	11.8 x	
Merck & Co., Inc. (NYSE:MRK)	228,578.0	5.6 %	46,840.0	18,498.0	39.5 %	4.9 x	12.4 x	
Bristol-Myers Squibb Company (NYSE:BMJ)	169,251.3	10.4 %	26,145.0	8,740.0	33.4 %	6.5 x	19.4 x	
Eli Lilly and Company (NYSE:LLY)	156,202.4	1.7 %	22,319.5	7,232.0	32.4 %	7.0 x	21.6 x	
<b>Median</b>		<b>3.6 %</b>			<b>36.5 %</b>	<b>5.7 x</b>	<b>15.9 x</b>	
<b>Tools and Services (8)</b>								
Abbott Laboratories (NYSE:ABT)	\$184,266.2	12.9 %	\$32,095.0	\$7,936.5	24.7 %	5.7 x	23.2 x	
Thermo Fisher Scientific Inc. (NYSE:TMO)	148,347.5	11.8 %	25,542.0	6,538.0	25.6 %	5.8 x	22.7 x	
Becton, Dickinson and Company (NYSE:BDX)	90,166.7	11.8 %	17,355.0	5,089.0	29.3 %	5.2 x	17.7 x	
Illumina, Inc. (NasdaqGS:ILMN)	44,971.9	13.9 %	3,543.0	1,216.0	34.3 %	12.7 x	37.0 x	
Agilent Technologies, Inc. (NYSE:A)	26,060.8	7.3 %	5,236.0	1,273.0	24.3 %	5.0 x	20.5 x	
Waters Corporation (NYSE:WAT)	13,714.9	3.6 %	2,406.6	822.1	34.2 %	5.7 x	16.7 x	
Bio-Rad Laboratories, Inc. (NYSE:BIO)	12,320.9	3.8 %	2,311.7	387.1	16.7 %	5.3 x	31.8 x	
PerkinElmer, Inc. (NYSE:PKI)	11,373.5	10.9 %	2,883.7	614.5	21.3 %	3.9 x	18.5 x	
<b>Median</b>		<b>11.3 %</b>			<b>25.2 %</b>	<b>5.5 x</b>	<b>21.6 x</b>	
<b>Commercial Plans (5)</b>								
UnitedHealth Group Incorporated (NYSE:UNH)	\$305,655.5	9.2 %	\$246,268.0	\$21,932.0	8.9 %	1.2 x	13.9 x	
Cigna Corporation (NYSE:CI)	105,619.7	56.6 %	153,743.0	11,813.0	7.7 %	0.7 x	8.9 x	
Anthem, Inc. (NYSE:ANTM)	83,666.4	7.1 %	104,212.0	7,295.0	7.0 %	0.8 x	11.5 x	
Humana Inc. (NYSE:HUM)	51,645.1	6.1 %	64,888.0	3,471.0	5.3 %	0.8 x	14.9 x	
Magellan Health, Inc. (NasdaqGS:MGLN)	1,865.3	14.0 %	7,159.4	180.5	2.5 %	0.3 x	10.3 x	
<b>Median</b>		<b>9.2 %</b>			<b>7.0 %</b>	<b>0.8 x</b>	<b>11.5 x</b>	
<b>Government Plans (2)</b>								
Centene Corporation (NYSE:CNC)	\$44,230.7	23.4 %	\$70,791.0	\$3,207.0	4.5 %	0.6 x	13.8 x	
Molina Healthcare, Inc. (NYSE:MOH)	9,447.9	(1.4) %	16,340.0	1,106.0	6.8 %	0.6 x	8.5 x	
<b>Median</b>		<b>11.0 %</b>			<b>5.6 %</b>	<b>0.6 x</b>	<b>11.2 x</b>	
<b>Payor Services (1)</b>								
CorVel Corporation (NasdaqGS:CRVL)	\$1,037.4	5.1 %	\$596.3	\$84.7	14.2 %	1.7 x	12.2 x	
<b>Median</b>		<b>5.1 %</b>			<b>14.2 %</b>	<b>1.7 x</b>	<b>12.2 x</b>	

## LSHC sector breakdown: financial detail (cont.)<sup>1</sup>

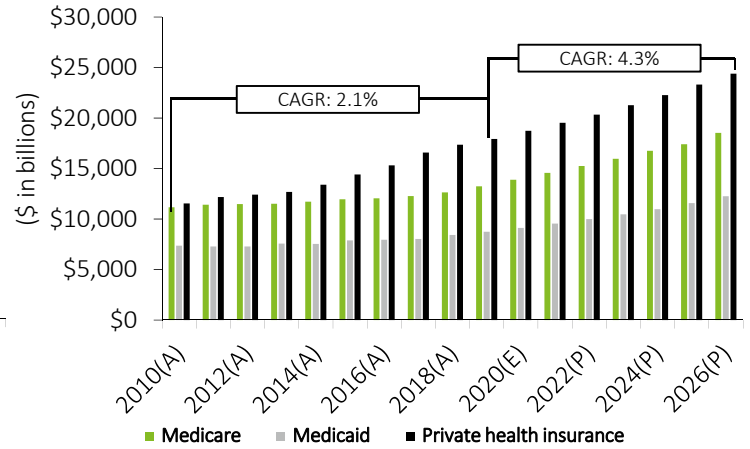
	Enterprise value (\$MM)	Three-year revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA	
Pharmacy	<b>Retail Pharmacy (3)</b>							
	CVS Health Corporation (NYSE:CVS)	\$163,577.6	12.9 %	\$255,765.0	\$16,189.0	6.3 %	0.6 x	10.1 x
	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	80,555.8	6.1	138,705.0	5,879.0	4.2	0.6	13.7
	Rite Aid Corporation (NYSE:RAD)	6,716.4	(1.5)	21,928.4	558.3	2.5	0.3	12.0
	<b>Median</b>		<b>6.1 %</b>			<b>4.2 %</b>	<b>0.6 x</b>	<b>12.0 x</b>
Physicians / Staffing	<b>Healthcare Staffing (3)</b>							
	AMN Healthcare Services, Inc. (NYSE:AMN)	\$3,270.2	5.3 %	\$2,222.1	\$242.6	10.9 %	1.5 x	13.5 x
	ASGN Incorporated (NYSE:ASGN)	3,089.2	17.2	3,923.9	406.4	10.4	0.8	7.6
	Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	321.7	(0.5)	822.2	20.0	2.4	0.4	16.1
	<b>Median</b>		<b>5.3 %</b>			<b>10.4 %</b>	<b>0.8 x</b>	<b>13.5 x</b>
	<b>Physician Practice Management (1)</b>							
	MEDNAX, Inc. (NYSE:MD)	2,658.8	3.3	3,513.5	487.4	13.9	0.8	5.5
	<b>Median</b>		<b>3.3 %</b>			<b>13.9 %</b>	<b>0.8 x</b>	<b>5.5 x</b>
Medical Devices and Products	<b>Medical Devices and Products (16)</b>							
	Johnson & Johnson (NYSE:JNJ)	\$409,480.3	4.7 %	\$82,729.0	\$28,587.3	34.6 %	4.9 x	14.3 x
	Medtronic plc (NYSE:MDT)	153,446.4	1.9	31,062.0	9,524.0	30.7	4.9	16.1
	Danaher Corporation (NYSE:DHR)	111,698.7	2.0	17,911.1	4,470.9	25.0	6.2	25.0
	Stryker Corporation (NYSE:SYK)	78,085.7	9.5	14,884.0	4,166.0	28.0	5.2	18.7
	Boston Scientific Corporation (NYSE:BSX)	63,709.4	8.6	10,735.0	2,817.0	26.2	5.9	22.6
	Baxter International Inc. (NYSE:BAX)	49,822.8	3.8	11,362.0	2,774.0	24.4	4.4	18.0
	Edwards Lifesciences Corporation (NYSE:EW)	46,517.2	13.6	4,348.0	1,329.8	30.6	10.7	35.0
	Zimmer Biomet Holdings, Inc. (NYSE:ZBH)	32,391.5	1.3	7,982.2	2,361.3	29.6	4.1	13.7
	ResMed Inc. (NYSE:RMD)	25,079.8	12.3	2,784.4	858.4	30.8	9.0	29.2
	Teleflex Incorporated (NYSE:TFX)	17,784.3	11.6	2,595.4	711.4	27.4	6.9	25.0
	STERIS plc (NYSE:STE)	14,204.5	4.4	2,976.1	749.0	25.2	4.8	19.0
	Hologic, Inc. (NasdaqGS:HOLX)	14,345.9	5.7	3,387.1	1,032.1	30.5	4.2	13.9
	DENTSPLY SIRONA Inc. (NasdaqGS:XRAY)	10,212.1	2.5	4,029.2	849.1	21.1	2.5	12.0
	Varian Medical Systems, Inc. (NYSE:VAR)	10,446.7	8.3	3,313.0	594.9	18.0	3.2	17.6
	Hill-Rom Holdings, Inc. (NYSE:HRC)	9,449.0	3.4	2,908.8	557.1	19.2	3.2	17.0
Integer Holdings Corporation (NYSE:ITGR)	3,095.5	5.4	1,258.1	243.9	19.4	2.5	12.7	
	<b>Median</b>		<b>5.0 %</b>			<b>26.8 %</b>	<b>4.9 x</b>	<b>17.8 x</b>
Medical Supplies Distribution	<b>Medical Supplies Distribution (6)</b>							
	McKesson Corporation (NYSE:MCK)	\$35,059.4	4.6 %	\$224,945.0	\$3,771.0	1.7 %	0.2 x	9.3 x
	Cardinal Health, Inc. (NYSE:CAH)	21,649.1	5.6	149,657.0	2,728.0	1.8	0.1	7.9
	AmerisourceBergen Corporation (NYSE:ABC)	19,837.5	7.1	182,061.4	2,332.0	1.3	0.1	8.5
	Henry Schein, Inc. (NasdaqGS:HSIC)	8,583.7	(4.8)	9,985.8	917.9	9.2	0.9	9.4
	Patterson Companies, Inc. (NasdaqGS:PDCO)	2,137.5	0.2	5,640.3	207.1	3.7	0.4	10.3
	Owens & Minor, Inc. (NYSE:OMI)	2,106.4	(1.8)	9,210.9	187.7	2.0	0.2	11.2
	<b>Median</b>		<b>2.4 %</b>			<b>1.9 %</b>	<b>0.2 x</b>	<b>9.3 x</b>

## LSHC sector data

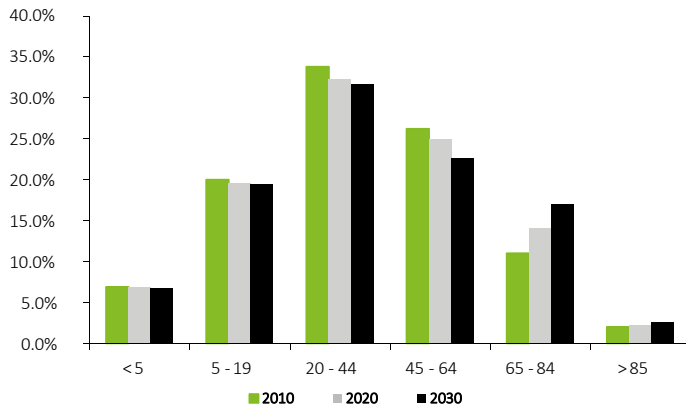
### US health care spend<sup>1</sup>



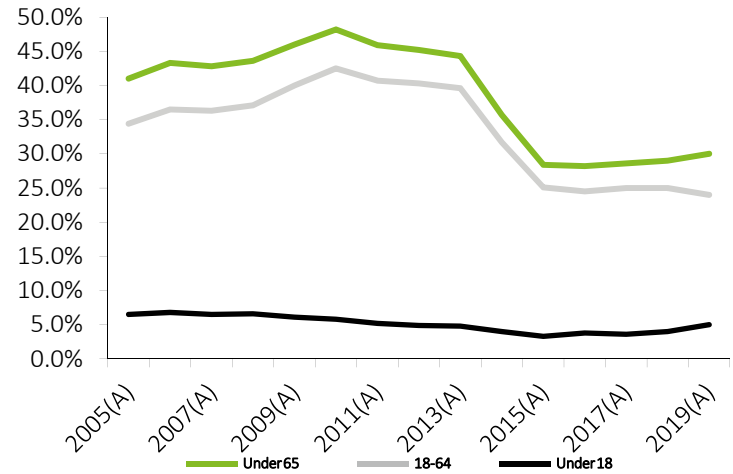
### US health care spend by payor per capita<sup>2, i</sup>



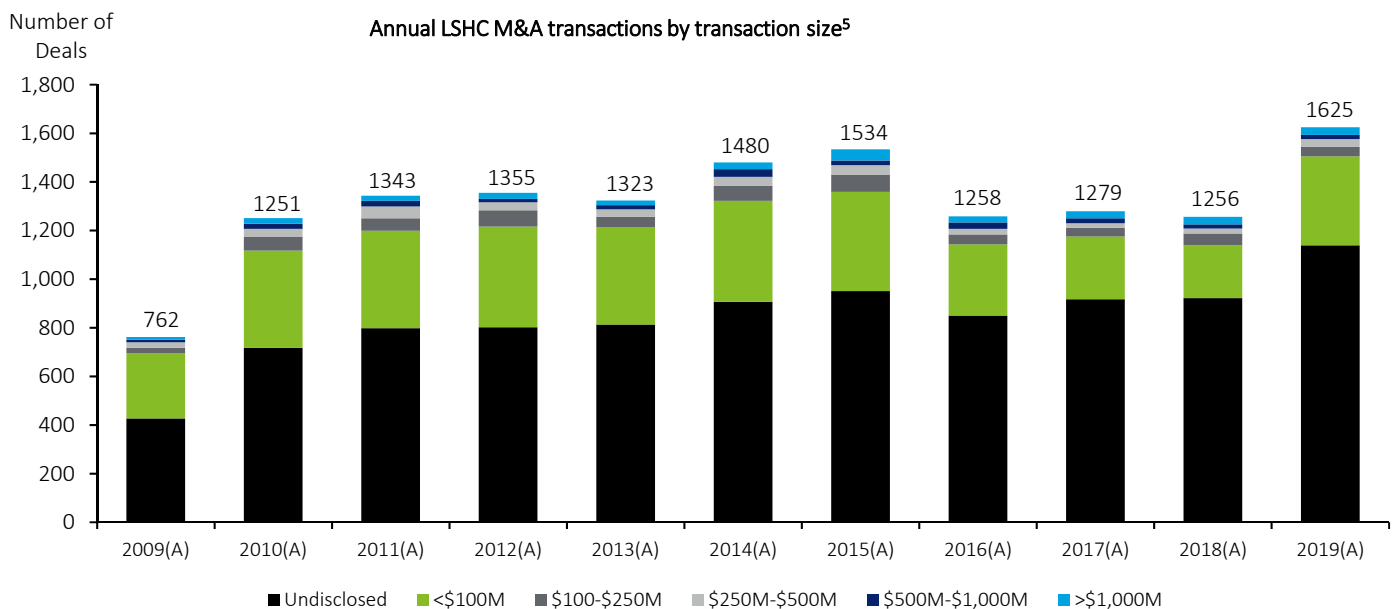
### US population by age group<sup>3</sup>



### Number of US uninsured by age group<sup>4</sup>



### Annual LSHC M&A transactions by transaction size<sup>5</sup>



Note:

i. CAGR listed represents total Medicare, Medicaid, and private health insurance.



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