



## Life sciences and health care (LSHC) quarterly update

Q4 2019

## Shaping the physician of the future<sup>(1)</sup>

Numerous trends are disrupting the traditional health care system including increasing costs, declining health outcomes, value-based payment models, personalized care, and a fundamental shift from treating illness to enabling wellness. Factors reshaping the role of physicians include:

### Physician burnout:

Translates to decreased productivity, a major factor driving need for change in the medical profession.

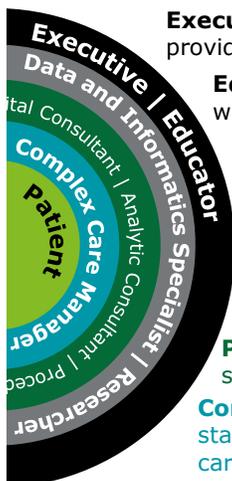
### Evolving care model:

Well-funded, nontraditional players are prompting hospitals and health systems to re-evaluate.

### Technology advances:

Future-focused technologies may automate up to 80 percent of physicians' administrative work.

## Physician archetypes of the future



**Executive:** Acts as the CEO of the future health ecosystem, providing guidance for caregivers and stakeholders.

**Educator:** Liaison between instructional and caregiving functions who builds academic credibility for technology-forward treatments.

**Data and informatics specialist:** Experts who interpret, integrate, and apply large data sets.

**Researcher:** Develops innovative, cutting-edge treatments for care deliverers to deploy.

**Digital consultant:** Optimizes routine procedures using technology.

**Analytic consultant:** Provides specialized insights to caregivers.

**Proceduralist:** Acts as the precision expert, providing highest level of skill.

**Complex care manager/care integrator:** Shepherd of the future-state caregiver team; primary-care physicians leading integrated care teams for patients and populations.

Health systems can help their physicians make the transition by **i)** creating a physician organization that enables caregivers to participate at the top of their license, **ii)** execute a deliberate change management process that is led by physicians and equips them to drive change rather than resist it, and **iii)** make smart investments in workforce and technology based on the future, not the past.

## Evolving care model<sup>(2)</sup>

The evolving care model is blurring traditional health care boundaries and driving the shift in physician roles.

- Transformational investments and initiatives are coming from within and outside of healthcare, powered by greater connectivity and increasing consumer engagement.
- Nontraditional players from the consumer, retail, and technology sectors are helping to accelerate the pace of change and prompting hospitals and health systems to reevaluate existing functions, roles, and services.

## Industry activities promoting evolving care model<sup>(3)</sup>

**Apple** announced it is entering the personal health record (PHR) space with Apple Health, a new platform that **will interface with EHRs at 12 US hospitals**. Healthcare could bring in **over \$15 billion** for Apple by 2021<sup>(4)</sup>.

**J.P Morgan Chase, Berkshire Hathaway, and Amazon** have partnered to establish an independent, not-for-profit health care company, **Haven Healthcare**, for their one million US employees. The trio's goal is **to improve health care services and cost efficiency** for their employees.

In 2018, **Best Buy acquired GreatCall**, a company that develops and sells technology products designed to support older adults through aging, for \$800 million<sup>(5)</sup>. **GreatCall contributed greatly to sales gains in 2019** for Best Buy as they faced store closures. Best Buy intends to continue to grow its health business.

## In this update

- An evolving care model, enabled by technology, is changing the nature of work for physicians.

Also:

- Selected recent life sciences and health care (LSHC) M&A transactions
- LSHC sector breakdown and analysis
- Select 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 and health care space.

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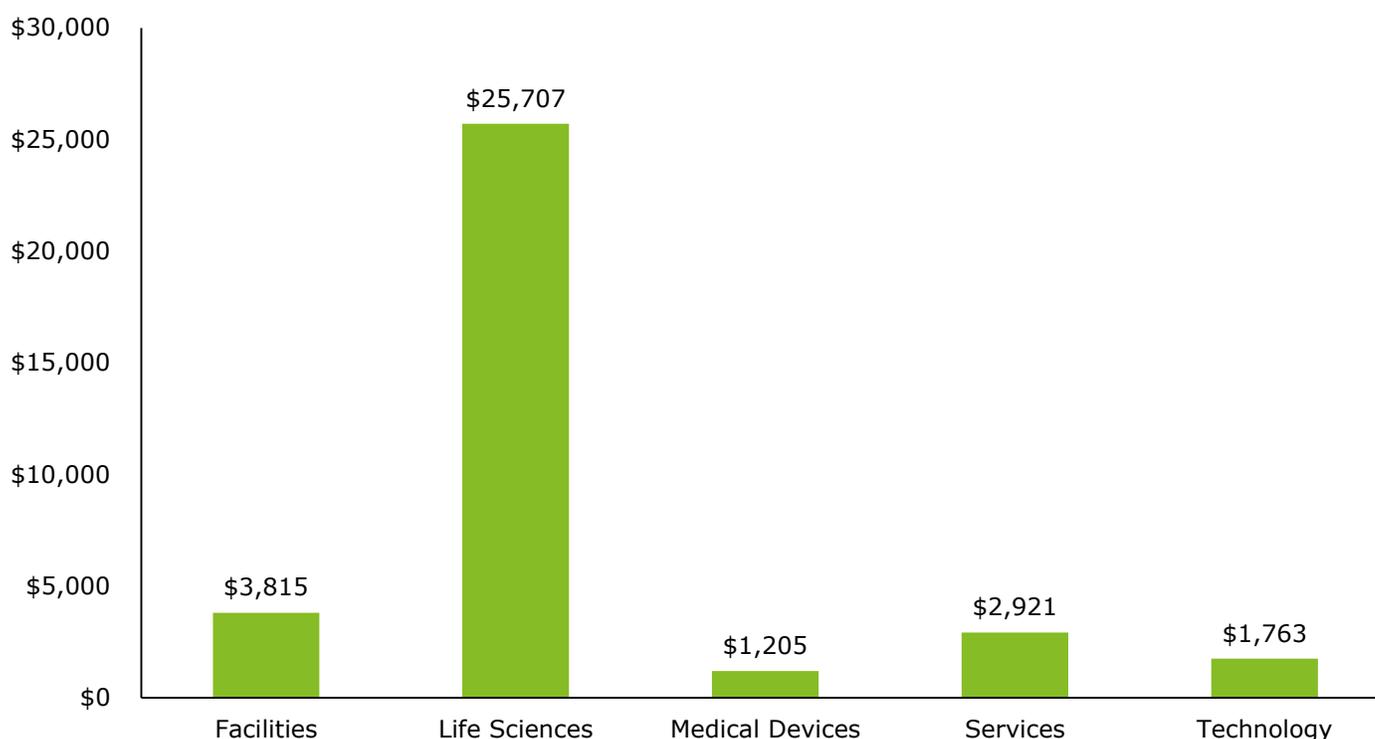
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## Q4 2019 US LSHC M&A aggregate transaction value <sup>(1)(i)</sup>

Aggregate transaction value (\$ in millions)



## Q4 2019 US LSHC M&A activity deal list <sup>(2)(i)</sup>

Date Announced	Status	Sub-sector	Target	Buyer	Size Transaction
26-Dec-19	Closed	Life Sciences	Xyphos Biosciences, Inc.	Astellas Pharma Inc. (TSE:4503)	\$665.0
20-Dec-19	Announced	Medical Devices	Clinical Innovations, LLC	Laborie Medical Technologies, Inc.	525.0
16-Dec-19	Closed	Services	HemaCare Corporation	Charles River Laboratories International, Inc. (NYSE:CRL)	379.7
13-Dec-19	Announced	Facilities	Saint Francis Hospital-Bartlett, Inc./Saint Francis Hospital-Memphis, Inc.	Methodist Le Bonheur Healthcare, Inc.	350.0
12-Dec-19	Announced	Services	Substantially All of Drug Delivery Business of 3M	Altaris Capital Partners, LLC	650.0
12-Dec-19	Announced	Life Sciences	NewLink Genetics Corporation (NasdaqGM:NLNK)	Evercel, Inc. (OTCPK:EVRC)	67.3
12-Dec-19	Announced	Services	21st Century Oncology, Inc.	Genesis Care Pty Ltd	1,050.0
9-Dec-19	Announced	Life Sciences	Synthorx, Inc. (NasdaqGS:THOR)	Sanofi (ENXTPA:SAN)	2,459.7
9-Dec-19	Announced	Life Sciences	Diplomat Pharmacy, Inc. (NYSE:DPLO)	OptumRx, Inc.	905.7
9-Dec-19	Announced	Life Sciences	ArQule, Inc. (NasdaqGM:ARQL)	Merck Sharp & Dohme Corp.	2,643.0
2-Dec-19	Announced	Medical Devices	Septrafilm Adhesion Barrier Unit of Sanofi	Baxter International Inc. (NYSE:BAX)	350.0
2-Dec-19	Announced	Life Sciences	Audentes Therapeutics, Inc. (NasdaqGM:BOLD)	Astellas US Holding, Inc.	3,003.2
24-Nov-19	Closed	Life Sciences	The Medicines Company	Novartis AG (SWX:NOVN)	9,567.9
20-Nov-19	Closed	Medical Devices	Cynosure, Inc.	Clayton, Dubilier & Rice, LLC	205.0

Notes:

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

## Q4 2019 US LSHC M&A activity deal list <sup>(1)(i)</sup>

Date Announced	Status	Sub-sector	Target	Buyer	Size Transaction
19-Nov-19	Announced	Technology	Lumenis Ltd.	Baring Private Equity Asia	1,000.0
18-Nov-19	Closed	Life Sciences	Rodin Therapeutics Inc.	Alkermes Inc.	950.0
15-Nov-19	Announced	Life Sciences	Promedior, Inc.	Roche Holding AG (SWX:ROG)	1,390.0
13-Nov-19	Closed	Life Sciences	Calportra Therapeutics, Inc.	Merck & Co., Inc. (NYSE:MRK)	576.0
13-Nov-19	Closed	Technology	Medfusion, Inc.	NextGen Healthcare, Inc. (NasdaqGS:NXGN)	43.0
12-Nov-19	Closed	Life Sciences	Ion Laboratories, Inc.	DCC Health & Beauty Solutions Limited	60.0
11-Nov-19	Closed	Services	Clear Genetics, Inc	Invitae Corporation (NYSE:NVTA)	49.6
11-Nov-19	Announced	Life Sciences	Cellular Biomedicine Group, Inc. (NasdaqGS:CBMG)	TF Capital; Mission Right Limited; Dangdai International Group Co., Ltd.	342.7
11-Nov-19	Closed	Technology	Microchips Biotech, Inc.	Daré Bioscience, Inc. (NasdaqCM:DARE)	105.3
7-Nov-19	Closed	Services	Physicians World, LLC	Veeva Systems Inc. (NYSE:VEEV)	41.4
5-Nov-19	Closed	Services	Soliant Health, Inc.	Olympus Partners	612.0
5-Nov-19	Announced	Facilities	Portfolio of 10 Acute Care Hospitals	Medical Properties Trust, Inc. (NYSE:MPW)	700.0
4-Nov-19	Closed	Medical Devices	Pursuit Vascular, Inc.	ICU Medical, Inc. (NasdaqGS:ICUI)	125.0
1-Nov-19	Announced	Facilities	Assisted Living/Memory Care Portfolio of New Senior Investment Group	ReNew REIT LLC	385.0
31-Oct-19	Closed	Facilities	Seven Long Term Acute Care Facilities	Medical Properties Trust, Inc. (NYSE:MPW)	58.0
31-Oct-19	Closed	Services	Noble International Inc. / Genia Medical, Inc. / JBCB Holdings, LLC	AptarGroup, Inc. (NYSE:ATR)	93.3
28-Oct-19	Closed	Facilities	Seniors Housing Community in Connecticut	Welltower Inc. (NYSE:WELL)	31.0
23-Oct-19	Closed	Life Sciences	Symphony Clinical Research	ICON Clinical Research LLC	37.5
22-Oct-19	Closed	Technology	Encycle Therapeutics, Inc.	Zealand Pharma A/S (CPSE:ZEAL)	80.0
16-Oct-19	Announced	Facilities	Achillion Pharmaceuticals, Inc. (NasdaqGS:ACHN)	Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	1,233.2
15-Oct-19	Announced	Facilities	Hospice Compassus, Inc.	TowerBrook Capital Partners L.P.; Ascension Health, Inc.	1,000.0
10-Oct-19	Announced	Life Sciences	Ra Pharmaceuticals, Inc. (NasdaqGM:RARX)	UCB SA (ENXTBR:UCB)	2,463.0
10-Oct-19	Closed	Technology	MedData, Inc.	Frazier Healthcare Partners	300.0
9-Oct-19	Closed	Facilities	Portfolio of Three Senior Living Assets and One Building from MOB Segment	Legacy Investing, LLC	58.0
8-Oct-19	Closed	Technology	ClearCare, Inc.	WellSky Corporation	235.0
2-Oct-19	Announced	Life Sciences	Progenics Pharmaceuticals, Inc. (NasdaqGS:PGNX)	Lantheus Holdings, Inc. (NasdaqGM:LNTH)	576.3
1-Oct-19	Closed	Services	M Booth Health	M Booth & Associates, Inc.	45.0

**Note:**

i) Only US 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	
<b>Facilities</b>	<b>Assisted Living / Long-Term Care (4)</b>							
	Brookdale Senior Living Inc. (NYSE:BKD)	\$6,991.2	(8.4) %	\$3,281.8	\$410.8	12.5 %	2.1 x	17.0 x
	The Ensign Group, Inc. (NasdaqGS:ENSG)	3,754.4	12.4	2,263.1	218.4	9.6	1.7	17.2
	Capital Senior Living Corporation (NYSE:CSU)	1,318.9	0.9	450.5	47.8	10.6	2.9	27.6
	National HealthCare Corporation (AMEX:NHC)	1,377.0	2.4	989.8	94.0	9.5	1.4	14.7
	<b>Median</b>		<b>1.7 %</b>			<b>10.1 %</b>	<b>1.9 x</b>	<b>17.1 x</b>
	<b>Hospitals (4)</b>							
	HCA Healthcare, Inc. (NYSE:HCA)	\$85,485.0	6.8 %	\$50,087.0	\$9,600.0	19.2 %	1.7 x	8.9 x
	Tenet Healthcare Corporation (NYSE:THC)	19,539.1	(2.6)	18,292.0	2,830.0	15.5	1.1	6.9
	Universal Health Services, Inc. (NYSE:UHS)	16,897.2	5.4	11,236.5	1,766.5	15.7	1.5	9.6
	Community Health Systems, Inc. (NYSE:CYH)	14,386.3	(10.7)	13,378.0	1,345.0	10.1	1.1	10.7
	<b>Median</b>		<b>1.4 %</b>			<b>15.6 %</b>	<b>1.3 x</b>	<b>9.2 x</b>
	<b>Psychiatric and Behavioral Health (1)</b>							
	Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	\$6,600.7	5.7 %	\$3,070.8	\$558.4	18.2 %	2.1 x	11.8 x
	<b>Median</b>		<b>5.7 %</b>			<b>18.2 %</b>	<b>2.1 x</b>	<b>11.8 x</b>
	<b>Rehabilitation Facilities (3)</b>							
Encompass Health Corporation (NYSE:EHC)	\$10,866.9	8.1 %	\$4,516.6	\$905.8	20.1 %	2.4 x	12.0 x	
Select Medical Holdings Corporation (NYSE:SEM)	7,439.5	8.3	5,344.0	660.5	12.4	1.4	11.3	
U.S. Physical Therapy, Inc. (NYSE:USPH)	1,619.2	10.7	472.3	76.7	16.2	3.4	21.1	
<b>Median</b>		<b>8.3 %</b>			<b>16.2 %</b>	<b>2.4 x</b>	<b>12.0 x</b>	
<b>Surgery Centers (1)</b>								
Surgery Partners, Inc. (NasdaqGS:SGRY)	\$3,497.7	18.7 %	\$1,805.4	\$339.3	18.8 %	1.9 x	10.3 x	
<b>Median</b>		<b>18.7 %</b>			<b>18.8 %</b>	<b>1.9 x</b>	<b>10.3 x</b>	
<b>Services</b>	<b>Clinical Laboratories (3)</b>							
	Laboratory Corporation of America Holdings (NYSE:LH)	\$24,444.0	7.0 %	\$11,388.9	\$1,896.6	16.7 %	2.1 x	12.9 x
	Quest Diagnostics Incorporated (NYSE:DGX)	18,425.4	0.6	7,639.0	1,525.0	20.0	2.4	12.1
	Chemed Corporation (NYSE:CHE)	7,629.8	6.0	1,873.7	296.7	15.8	4.1	25.7
	<b>Median</b>		<b>6.0 %</b>			<b>16.7 %</b>	<b>2.4 x</b>	<b>12.9 x</b>
	<b>Diagnostic Imaging (1)</b>							
	RadNet, Inc. (NasdaqGM:RDNT)	\$2,173.1	8.3 %	\$1,110.5	\$131.9	11.9 %	2.0 x	16.5 x
	<b>Median</b>		<b>8.3 %</b>			<b>11.9 %</b>	<b>2.0 x</b>	<b>16.5 x</b>
	<b>Dialysis Services (3)</b>							
	Fresenius SE & Co. KGaA (XTRA:FRE)	\$52,196.1	6.5 %	\$34,933.0	\$5,900.0	16.9 %	1.5 x	8.8 x
	DaVita Inc. (NYSE:DVA)	19,810.0	(8.1)	11,311.0	2,276.4	20.1	1.8	8.7
	American Renal Associates Holdings, Inc. (NYSE:ARA)	1,004.6	4.4	824.2	126.6	15.4	1.2	7.9
	<b>Median</b>		<b>4.4 %</b>			<b>16.9 %</b>	<b>1.5 x</b>	<b>8.7 x</b>
	<b>Home Care / Hospice (4)</b>							
	Amedisys, Inc. (NasdaqGS:AMED)	\$6,028.2	10.7 %	\$1,889.3	\$188.2	10.0 %	3.2 x	32.0 x
	LHC Group, Inc. (NasdaqGS:LHCG)	4,815.2	32.6	2,058.8	214.7	10.4	2.3	22.4
Addus HomeCare Corporation (NasdaqGS:ADUS)	1,395.7	16.7	598.1	42.1	7.0	2.3	33.2	
BioScrip, Inc.	2,862.7	(8.6)	735.0	46.1	6.3	3.9	62.1	
<b>Median</b>		<b>13.7 %</b>			<b>8.5 %</b>	<b>2.8 x</b>	<b>32.6 x</b>	
<b>Data/Analytics (3)</b>								
Inovalon Holdings, Inc. (NasdaqGS:INOV)	\$3,973.1	10.2 %	\$605.2	\$164.9	27.2 %	6.6 x	24.1 x	
National Research Corporation (NasdaqGS:NRC)	1,689.7	5.5	126.0	46.3	36.7	13.4	36.5	
<b>Median</b>		<b>7.8 %</b>			<b>32.0 %</b>	<b>10.0 x</b>	<b>30.3 x</b>	
<b>Technology</b>	<b>Tech-Enabled Services (8)</b>							
	Cerner Corporation (NasdaqGS:CERN)	\$23,848.3	6.6 %	\$5,616.0	\$1,109.7	19.8 %	4.2 x	21.5 x
	Veeva Systems Inc. (NYSE:VEEV)	20,490.5	26.3	1,024.9	309.1	30.2	20.0	NM
	HealthEquity, Inc. (NasdaqGS:HQY)	6,252.6	34.4	406.6	133.0	32.7	15.4	47.0
	Omniceil, Inc. (NasdaqGS:OMCL)	3,516.5	9.7	860.5	116.0	13.5	4.1	30.3
	HMS Holdings Corp. (NasdaqGS:HMSY)	2,591.9	7.9	618.8	144.0	23.3	4.2	18.0
	Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX)	2,446.6	6.2	1,763.0	129.6	7.4	1.4	18.9
	NextGen Healthcare, Inc. (NasdaqGS:NXGN)	1,036.6	2.5	531.8	39.4	7.4	1.9	26.3
	Computer Programs and Systems, Inc. (NasdaqGS:CPSI)	495.5	3.8	276.3	35.0	12.7	1.8	14.2
<b>Median</b>		<b>7.3 %</b>			<b>16.6 %</b>	<b>4.1 x</b>	<b>21.5 x</b>	

**LSHC sector breakdown: financial detail (cont.) (1)**

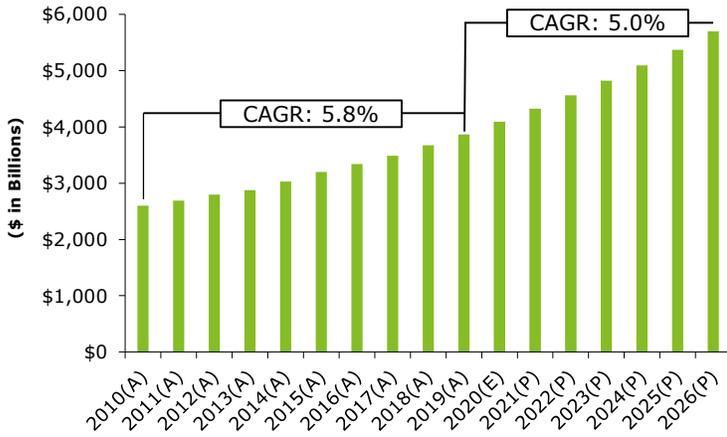
	Enterprise value (\$MM)	3-year revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA	
Life Sciences	<b>Biotechnology (6)</b>							
	AbbVie Inc. (NYSE:ABBV)	\$158,684.5	9.2 %	\$32,867.0	\$15,461.0	47.0 %	4.8 x	10.3 x
	Amgen Inc. (NasdaqGS:AMGN)	151,392.3	1.2	23,395.0	11,960.0	51.1	6.5	12.7
	Gilead Sciences, Inc. (NasdaqGS:GILD)	83,576.6	(10.9)	22,365.0	6,570.0	29.4	3.7	12.7
	Biogen Inc. (NasdaqGS:BIIB)	55,225.8	7.6	14,232.9	7,767.4	54.6	3.9	7.1
	Regeneron Pharmaceuticals, Inc. (NasdaqGS:REGN)	39,455.4	17.2	7,621.7	2,451.0	32.2	5.2	16.1
	Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	25,339.1	17.0	4,735.6	2,382.7	50.3	5.4	10.6
	<b>Median</b>		<b>8.4 %</b>			<b>48.7 %</b>	<b>5.0 x</b>	<b>11.6 x</b>
	<b>Contract Research and Manufacturing (7)</b>							
	IQVIA Holdings Inc. (NYSE:IQV)	\$41,947.3	33.8 %	\$10,881.0	\$1,892.0	17.4 %	3.9 x	22.2 x
	Charles River Laboratories International, Inc. (NYSE:CRL)	9,705.6	17.3	2,531.6	554.7	21.9	3.8	17.5
	West Pharmaceutical Services, Inc. (NYSE:WST)	11,445.3	6.4	1,791.8	386.2	21.6	6.4	29.6
	Syneos Health, Inc. (NasdaqGS:SYNH)	9,141.7	65.9	4,608.3	572.8	12.4	2.0	16.0
	PRA Health Sciences, Inc. (NasdaqGS:PRAH)	8,053.7	25.1	2,995.7	477.5	15.9	2.7	16.9
	ICON Public Limited Company (NasdaqGS:ICLR)	9,158.9	19.1	2,759.5	480.6	17.4	3.3	19.1
	Medpace Holdings, Inc. (NasdaqGS:MEDP)	3,056.8	31.6	823.2	149.4	18.2	3.7	20.5
	<b>Median</b>		<b>25.1 %</b>			<b>17.4 %</b>	<b>3.7 x</b>	<b>19.1 x</b>
	<b>Pharmaceuticals (4)</b>							
	Pfizer Inc. (NYSE:PFE)	\$265,804.4	(0.1) %	\$53,039.0	\$22,326.0	42.1 %	5.0 x	11.9 x
Merck & Co., Inc. (NYSE:MRK)	246,882.2	4.8	45,970.0	18,080.0	39.3	5.4	13.7	
Eli Lilly and Company (NYSE:LLY)	147,706.1	6.1	24,905.5	7,359.8	29.6	5.9	20.1	
Bristol-Myers Squibb Company (NYSE:BMY)	147,921.8	9.4	24,173.0	7,770.0	32.1	6.1	19.0	
<b>Median</b>		<b>5.5 %</b>			<b>35.7 %</b>	<b>5.7 x</b>	<b>16.3 x</b>	
<b>Tools and Services (8)</b>								
Abbott Laboratories (NYSE:ABT)	\$165,631.0	14.8 %	\$31,355.0	\$7,748.0	24.7 %	5.3 x	21.4 x	
Thermo Fisher Scientific Inc. (NYSE:TMO)	149,691.2	12.0	25,220.0	6,455.0	25.6	5.9	23.2	
Becton, Dickinson and Company (NYSE:BDX)	93,457.9	11.5	17,290.0	5,174.0	29.9	5.4	18.1	
Illumina, Inc. (NasdaqGS:ILMN)	45,961.1	13.4	3,458.0	1,107.0	32.0	13.3	41.5	
Agilent Technologies, Inc. (NYSE:A)	28,209.5	7.1	5,163.0	1,281.0	24.8	5.5	22.0	
Waters Corporation (NYSE:WAT)	16,009.9	4.2	2,405.3	834.0	34.7	6.7	19.2	
PerkinElmer, Inc. (NYSE:PKI)	13,349.8	12.3	2,834.5	592.7	20.9	4.7	22.5	
Bio-Rad Laboratories, Inc. (NYSE:BIO)	11,254.3	3.7	2,304.1	376.0	16.3	4.9	29.9	
<b>Median</b>		<b>11.7 %</b>			<b>25.2 %</b>	<b>5.4 x</b>	<b>22.3 x</b>	
Managed Care	<b>Commercial Plans (5)</b>							
	UnitedHealth Group Incorporated (NYSE:UNH)	\$304,952.1	9.8 %	\$239,671.0	\$21,120.0	8.8 %	1.3 x	14.4 x
	Cigna Corporation (NYSE:CI)	111,362.8	48.9	129,660.0	10,497.0	8.1	0.9	10.6
	Anthem, Inc. (NYSE:ANTM)	92,278.2	6.3	100,165.0	6,742.0	6.7	0.9	13.7
	Humana Inc. (NYSE:HUM)	48,697.6	4.6	62,761.0	3,618.0	5.8	0.8	13.5
	Magellan Health, Inc. (NasdaqGS:MGLN)	2,354.7	14.1	7,201.4	123.9	1.7	0.3	19.0
	<b>Median</b>		<b>9.8 %</b>			<b>6.7 %</b>	<b>0.9 x</b>	<b>13.7 x</b>
	<b>Government Plans (3)</b>							
	Centene Corporation (NYSE:CNC)	\$27,766.9	27.7 %	\$68,369.0	\$3,208.0	4.7 %	0.4 x	8.7 x
	WellCare Health Plans, Inc. (NYSE:WCG)	16,451.8	23.8	26,983.3	1,173.3	4.3	0.6	14.0
Molina Healthcare, Inc. (NYSE:MOH)	7,108.0	0.0	16,674.0	1,160.0	7.0	0.4	6.1	
<b>Median</b>		<b>23.8 %</b>			<b>4.7 %</b>	<b>0.4 x</b>	<b>8.7 x</b>	
<b>Payor Services (1)</b>								
CorVel Corporation (NasdaqGS:CRVL)	\$1,708.0	5.3 %	\$594.3	\$92.8	15.6 %	2.9 x	18.4 x	
<b>Median</b>		<b>5.3 %</b>			<b>15.6 %</b>	<b>2.9 x</b>	<b>18.4 x</b>	
Pharmacy	<b>Retail Pharmacy (3)</b>							
	CVS Health Corporation (NYSE:CVS)	\$177,602.7	12.1 %	\$243,331.0	\$15,751.0	6.5 %	0.7 x	11.3 x
	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	89,744.0	5.6	137,412.0	6,736.0	4.9	0.7	13.3
	Rite Aid Corporation (NYSE:RAD)	7,192.2	(5.2)	21,580.8	515.8	2.4	0.3	13.9
<b>Median</b>		<b>5.6 %</b>			<b>4.9 %</b>	<b>0.7 x</b>	<b>13.3 x</b>	
<b>Specialty Pharmacy (1)</b>								
Diplomat Pharmacy, Inc. (NYSE:DPLO)	880.5	7.0	5,206.3	54.3	1.0	0.2	16.2	
<b>Median</b>		<b>7.0 %</b>			<b>1.0 %</b>	<b>0.2 x</b>	<b>16.2 x</b>	
Physicians & Staffing	<b>Healthcare Staffing (3)</b>							
	ASGN Incorporated (NYSE:ASGN)	\$4,699.0	16.9 %	\$3,828.4	\$406.9	10.6 %	1.2 x	11.5 x
	AMN Healthcare Services, Inc. (NYSE:AMN)	3,630.8	6.0	2,163.9	234.3	10.8	1.7	15.5
	Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	438.0	0.2	808.0	17.4	2.2	0.5	25.2
<b>Median</b>		<b>6.0 %</b>			<b>10.6 %</b>	<b>1.2 x</b>	<b>15.5 x</b>	
<b>Physician Practice Management (1)</b>								
MEDNAX, Inc. (NYSE:MD)	4,192.9	6.0	3,688.9	527.4	14.3	1.1	8.0	
<b>Median</b>		<b>6.0 %</b>			<b>14.3 %</b>	<b>1.1 x</b>	<b>8.0 x</b>	

## LSHC sector breakdown: financial detail (cont.) (1)

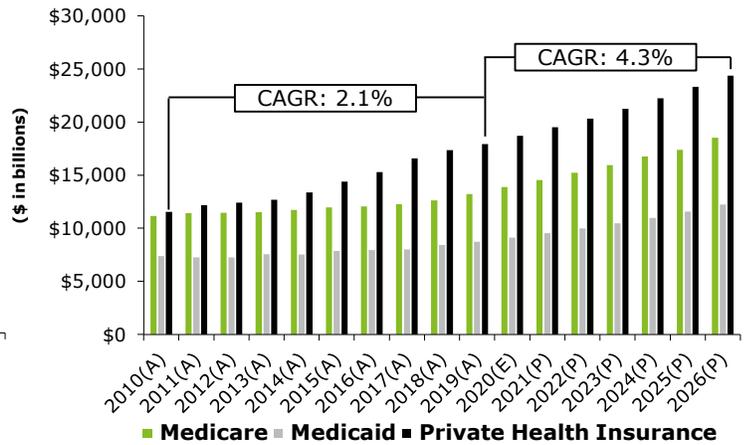
	Enterprise value (\$MM)	3-year revenue CAGR	LTM			EV / LTM		
			Revenue (\$MM)	EBITDA (\$MM)	EBITDA margin	Revenue	EBITDA	
Medical Devices and Products	<b>Medical Devices and Products (16)</b>							
	Johnson & Johnson (NYSE:JNJ)	\$394,360.2	4.5 %	\$81,706.0	\$28,260.0	34.6 %	4.8 x	14.0 x
	Medtronic plc (NYSE:MDT)	171,944.7	2.1	30,891.0	9,457.0	30.6	5.6	18.2
	Danaher Corporation (NYSE:DHR)	119,948.4	7.1	20,437.3	4,856.4	23.8	5.9	24.7
	Stryker Corporation (NYSE:SYK)	84,593.9	10.2	14,549.0	4,150.0	28.5	5.8	20.4
	Boston Scientific Corporation (NYSE:BSX)	69,428.7	8.7	10,392.0	2,744.0	26.4	6.7	25.3
	Baxter International Inc. (NYSE:BAX)	48,102.8	3.3	11,080.0	2,618.0	23.6	4.3	18.4
	Edwards Lifesciences Corporation (NYSE:EW)	48,346.5	13.1	4,151.6	1,271.5	30.6	11.6	38.0
	Zimmer Biomet Holdings, Inc. (NYSE:ZBH)	38,473.6	1.4	7,927.5	2,401.1	30.3	4.9	16.0
	Hologic, Inc. (NasdaqGS:HOLX)	16,726.3	5.9	3,367.3	1,044.6	31.0	5.0	16.0
	Teleflex Incorporated (NYSE:TFX)	19,331.8	11.8	2,556.0	703.3	27.5	7.6	27.5
	ResMed Inc. (NYSE:RMD)	23,781.9	12.6	2,699.3	821.3	30.4	8.8	29.0
	DENTSPLY SIRONA Inc. (NasdaqGS:XRAY)	14,260.7	5.2	3,977.4	705.3	17.7	3.6	20.2
	Varian Medical Systems, Inc. (NYSE:VAR)	13,365.0	7.5	3,225.1	579.2	18.0	4.1	23.1
	STERIS plc (NYSE:STE)	13,937.9	3.8	2,898.1	729.1	25.2	4.8	19.1
	Hill-Rom Holdings, Inc. (NYSE:HRC)	9,916.1	3.1	2,907.3	557.8	19.2	3.4	17.8
Integer Holdings Corporation (NYSE:ITGR)	3,688.2	(2.8)	1,235.5	267.1	21.6	3.0	13.8	
<b>Median</b>		<b>5.5 %</b>			<b>27.0 %</b>	<b>4.9 x</b>	<b>19.7 x</b>	
Medical Supplies Distribution	<b>Medical Supplies Distribution (6)</b>							
	McKesson Corporation (NYSE:MCK)	\$36,113.5	4.5 %	\$221,981.0	\$3,896.0	1.8 %	0.2 x	9.3 x
	Cardinal Health, Inc. (NYSE:CAH)	22,239.6	5.6	147,662.0	2,860.0	1.9	0.2	7.8
	AmerisourceBergen Corporation (NYSE:ABC)	19,297.0	6.9	179,589.1	2,356.9	1.3	0.1	8.2
	Henry Schein, Inc. (NasdaqGS:HSIC)	11,000.8	6.3	13,573.8	1,166.9	8.6	0.8	9.4
	Patterson Companies, Inc. (NasdaqGS:PDCO)	2,699.4	(0.1)	5,580.8	209.2	3.7	0.5	12.9
	Owens & Minor, Inc. (NYSE:OMI)	2,086.9	0.2	9,887.6	181.4	1.8	0.2	11.5
<b>Median</b>		<b>5.1 %</b>			<b>1.9 %</b>	<b>0.2 x</b>	<b>9.3 x</b>	

## LSHC sector data

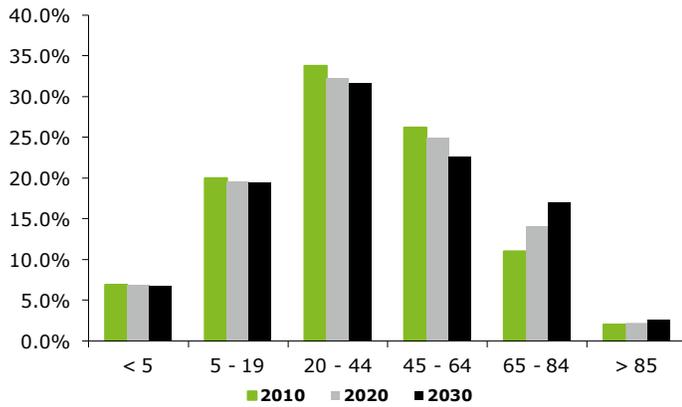
US health care spend<sup>(1)</sup>



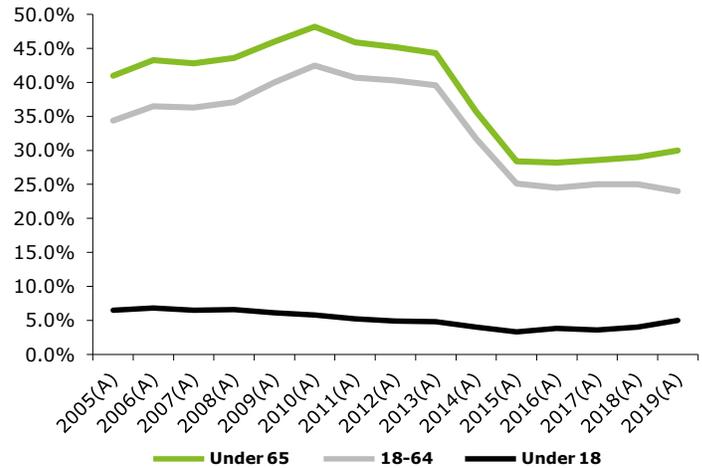
US health care spend by payor per capita<sup>(2) (i)</sup>



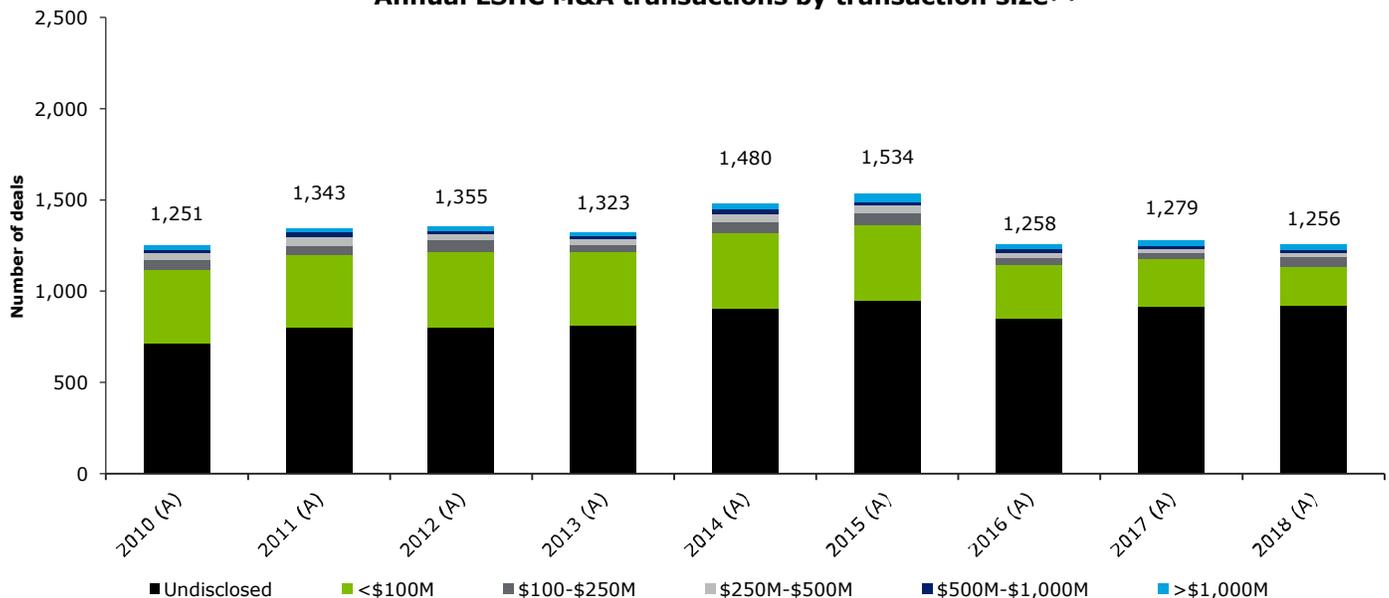
US population by age group<sup>(3)</sup>



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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