



Healthcare Services

Quarterly Update
Second Quarter 2019



RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES

Table Of Contents

Recent Representative Transaction

page **4**

Market Overview

page **6**

Notable Industry Developments

page **8**

Selected M&A Transactions By Sector

page **10**

Valuation Metrics By Sector

page **18**

Notes

page **22**



Q2 2019 Highlights

August, 2019

With almost 425 healthcare transactions announced, M&A transaction volume in Q2 2019 was up 8% over Q1 2019. Compared to the record-breaking 2018 healthcare M&A transaction volume, Q2 2019 was down 12% versus the same time a year prior, according to preliminary figures from Irving Levin Associates Inc. Deal value in Q2 2019 totaled \$138 billion, down 4% from the year-ago period. Consistent with Q1 2019, the long-term care sector accounted for the largest share of transaction activity, representing 27% of the total transaction volume with over 100 deals in both Q1 and Q2 of 2019, which is indicative of growing demographic trends across the country. In early June, Ventas, Inc. (NYSE: VTR) announced the first long-term care transaction in 2019 exceeding \$1 billion, acquiring an 85% ownership interest in a seniors housing portfolio located throughout the Canadian province of Quebec for \$1.8 billion.

Hospitals and health systems continue to transact as vulnerable provider organizations seek alignment with more sustainable platforms and stronger organizations are attracted to new revenue streams and expansion into new regions. One of the most noteworthy transactions in Q2 2019 was the April announcement of the acquisition of Wake Forest Baptist Health in North Carolina by Atrium Health. The deal adds an academic medical center to Atrium Health's growing regional health system, creating an organization with combined annual revenue exceeding \$9 billion. In May 2019, two geographically contiguous health systems in Wisconsin, Gunderson Health System and Marshfield Clinic Health System, announced they were in discussions to merge. These two integrated delivery systems will stretch across Wisconsin, northeast Iowa and southeastern Minnesota. In June, Sanford Health and UnityPoint Health announced execution of a letter of intent to explore a merger. If consummated, the combined system would consist of more than \$11 billion in revenue and would rank among the 15 largest nonprofit health systems in the country.

As consolidation escalates, hospitals are increasingly focused on specialization and reconfiguring as networks of specialty hospitals with narrower offerings in efforts to control cost structure. Three-hospital Loyola Medicine is consolidating open-heart surgery at its flagship facility in Maywood, Illinois. Also, NorthShore University HealthSystem is centralizing orthopedics, urology and open-heart surgery at various locations within its network. By centralizing services like cardiology, obstetrics, and radiology at high-traffic facilities, hospital chains aim to improve care and cut costs by reducing equipment and clinicians and repurpose space.

As we head into Q3 2019, we anticipate a potential slowdown in M&A transactions for post-acute providers, particularly for home health agencies and skilled nursing facilities, as investors wait to evaluate the impact of CMS' Patient Driven Grouping Model (PDGM), which takes effect in October 2019. PDGM is the first major adjustment in post-acute reimbursement since rebasing in 2015 and requires providers to transition from 60-day care episodes to 30-day care episodes.

We welcome your comments and hope you find our *SOLICONNECT* report informative.



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 *Recent Representative Transaction*



Locum Connections LLC (the “Company”) is a leading provider of locum tenens staffing of hospitalist physicians.

SOLIC professionals served as financial advisor to the Company and developed and implemented a competitive solicitation process that resulted in a successful transaction for the Company. As the Company’s financial advisor, our professionals engaged with prospective acquirers, provided valuation support and structured and negotiated the terms of the sale transaction, as well as all related physician agreements.

After discussions with several leading healthcare staffing operators, the Company agreed to be acquired by Aequor Healthcare Services (“Aequor”), a portfolio company of private equity sponsor DW Healthcare Partners. Aequor operates as a leading U.S.-based, contingent staffing and managed services solution provider specializing in workforce solutions to the healthcare, education and life sciences industries with nursing, allied health, clinical, scientific, regulatory, physician, IT, and therapeutic workforce needs.

The transaction will accelerate the full growth potential of the Company by providing the Company’s management access to capital for growth and working capital investments and through the realization of the significant potential revenue synergies between Aequor and the Company.

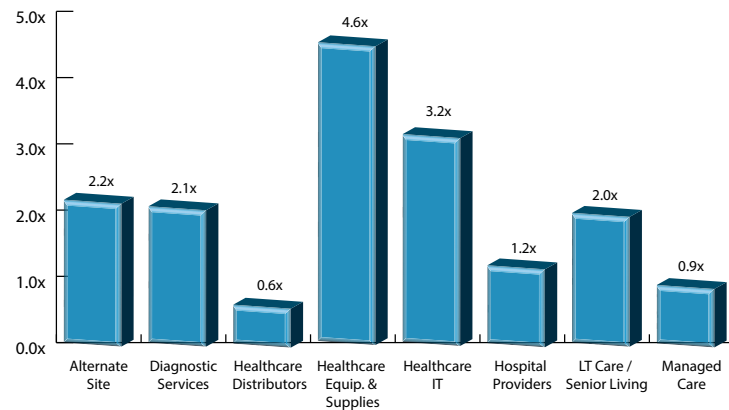


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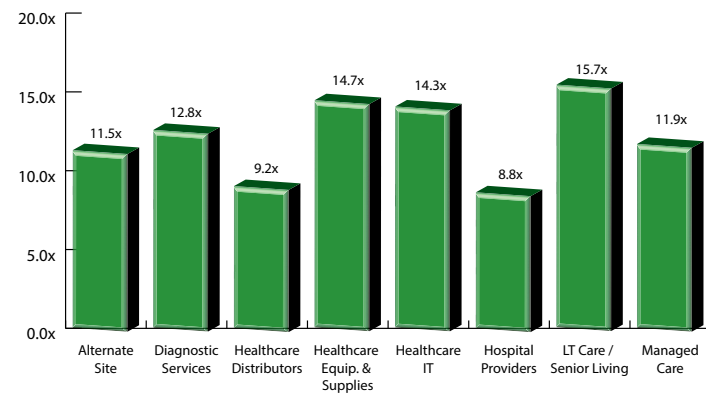
Market Overview



Enterprise Value To Revenue

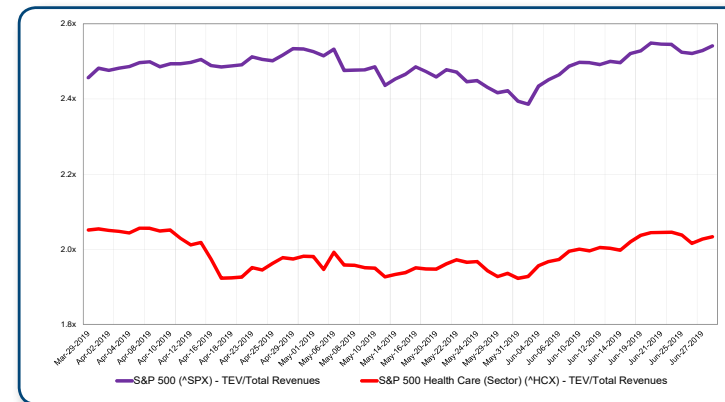


Enterprise Value To EBITDA

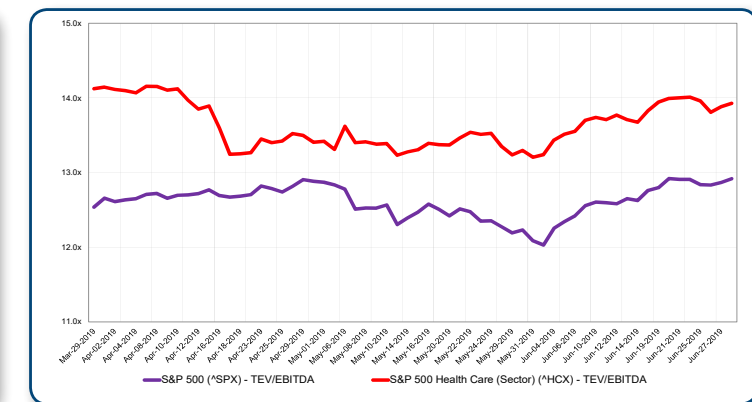


Revenue and EBITDA multiples for the S&P 500 increased by approximately 3% in Q2 2019, while the healthcare sector saw a drop of 1% in revenue and EBITDA multiples despite the second highest reported (year-over-year) revenue growth of all eleven sectors at 12.4%.

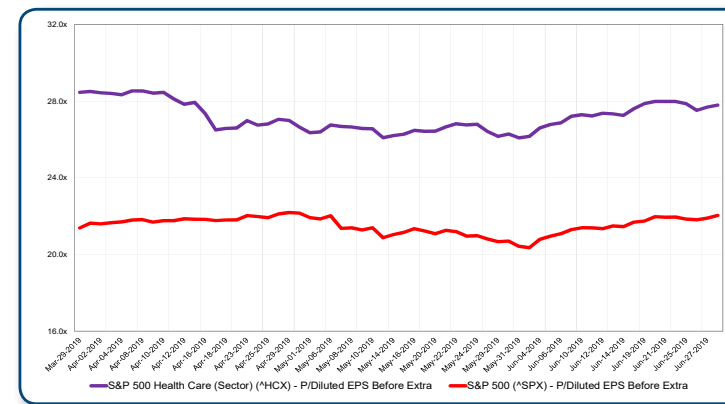
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / Revenue



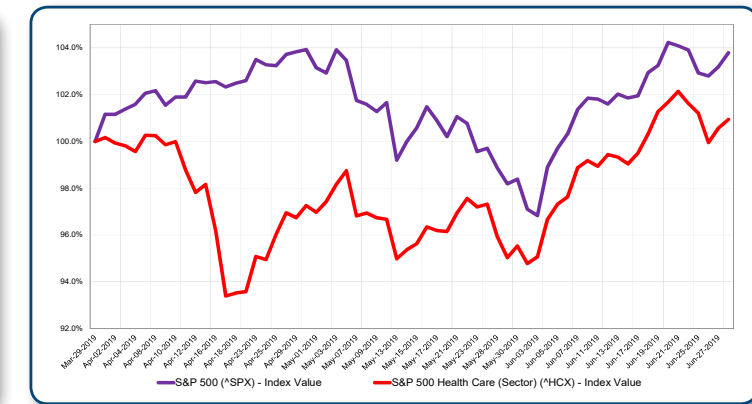
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / EBITDA



S&P Healthcare Index vs. the S&P 500 Price / Diluted EPS



S&P Healthcare Index vs. the S&P 500 Relative Performance (%)





Notable Industry Developments



Healthcare Staffing Agencies' Outlook Softens as Providers Control Costs

Healthcare providers' financial pressure has dampened the outlook of staffing firms, according to a new report from Standard & Poor's. Staffing companies that serve hospitals — such as Envision, Team Health and Schumacher — are particularly vulnerable as emergency department volumes decline and health systems develop predictive tools to better measure demand. Healthcare provider clients have an intense focus on cost cutting and have put significant pressure on staffing companies to lower prices and increase the value they add by either specializing or expanding their menu of services, or both. S&P maintained a stable outlook on the staffing industry, however there is a negative bias given the companies' tight link to healthcare providers which have a negative outlook according to S&P.

Hospitals Could Multiply in Florida as State Cancels Certificate-of-Need Requirement

Florida lawmakers eliminated a regulatory process that limited how many hospitals and specialty services could be built in the state, according to the Orlando Sentinel. Beginning July 1, general hospitals won't need to secure a certificate of need to build a facility or start a new service, such as pediatric and adult open-heart surgeries, organ transplants, neonatal intensive care units and rehab programs. In two years, the second part of the bill will go into effect, which cancels the certificate of need requirement for some specialty hospitals, such as children's and women's hospitals, rehab hospitals, psychiatric and substance misuse hospitals, and others.

U.S. Not-For-Profit Health Care Rating Actions

S&P Global Ratings' U.S. not-for-profit health care rating and outlook actions in May 2019 were positively skewed with three upgrades and no downgrades. Outlook changes were overall positive in May with four positive outlook revisions and three negative outlook revisions. S&P reports that its view of the sector remains stable and it believes continued balance-sheet strength combined with improving enterprise profiles as a result of M&A in addition to diversifying joint ventures drives its view of the sector, despite continual regulatory and financial risks.

Second Quarter 2019

Home Health Industry Likely Headed for M&A Rollercoaster

CMS released the 2019 Proposed Rule on July 2, 2018 that would update the home health prospective payment system ("HH PPS") payment rates, including the national, standardized 60-day episode payment rates. This announcement is shaping up to be the biggest change to Medicare Home Health in 20 years. One of the most notable changes is the proposed transition from HH PPS towards value-based care payment called Patient-Driven Groupings Model ("PDGM"). According to a recent Home Health Care News article, despite attempting to predict expected reimbursement changes and adapting operations accordingly, agencies won't know exactly how PDGM will affect them until well after its January 1, 2020 implementation. As a result, PDGM will likely lead to a drop in M&A activity in the home health space over the next year, followed by a spike soon thereafter, experts predict. The deceleration comes after a record-breaking 2018, when the home health and hospice sectors combined closed at least 82 deals according to Irving Levin & Associates.

Municipal Market Expected to Absorb Extremely Large Healthcare Bond Offering

CommonSpirit Health, the new entity created by the merger of Dignity Health and Catholic Health Initiatives, plans to bring \$5.8 billion in healthcare bonds to market on August 8, 2019, according to a recent Bond Buyer article. These bonds are expected to be easily absorbed given the municipal bond market's supply-demand imbalance and demand for high-yield paper.

Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternate Site					
06/04/19	Alpha Care Medical Group	Apollo Medical Holdings	\$45.0	n/a	n/a
Description:	Apollo Medical Holdings has acquired Alpha Care Medical Group, an independent physicians association comprised of primary care and specialty care physicians. Alpha Care Medical Group was founded in 1993 and is based in Pasadena, CA.				
06/03/19	Capital Vision Services	West Street Capital Partners (NYSE:GS)	\$2,700.0	n/a	n/a
Description:	West Street Capital Partners (NYSE:GS) has acquired Capital Vision Services, a manager of optometric practices employing approximately 560 specialist physicians. Capital Vision Services was founded in 2001 and is based in Vienna, VA.				
05/30/19	3 gastroenterology practices	Amulet Capital Partners, LP	\$130.0	n/a	n/a
Description:	Amulet Capital Partners, LP has acquired three gastroenterology practices providing gastrointestinal and endoscopic services located in Lancaster, PA.				
04/30/19	Advanced Medical Personnel	AMN Healthcare Services (NYSE: AHS)	\$220.0	1.7x	11.6x
Description:	AMN Healthcare Services (NYSE: AHS) acquired Advanced Medical Personnel, a provider of occupational, physical, and speech therapy staffing solutions. Advanced Medical Personnel was founded in 1989 and is located in Port Orange, FL.				
04/18/19	Access Dental and Lacosta Dental	Surge Private Equity	\$30.0	n/a	n/a
Description:	Surge Private Equity has acquired Access Dental and Lacosta Dental, a network of multi-specialty family dental practices throughout Texas. Access Dental and Lacosta Dental were founded in 2008 and are based in Austin, TX.				
04/15/19	Paragon Bioservices, Inc.	Catalent, Inc. (NYSE: CTLT)	\$1,200.0	n/a	n/a
Description:	Catalent, Inc. (NYSE: CTLT) has acquired Paragon Bioservices, Inc., a contract research organization specializing in adeno-associated virus vectors. Paragon Bioservices was founded in 1990 and is located in Baltimore, MD.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Diagnostic Services					
06/27/19	Blue Earth Diagnostics	Bracco Imaging	\$450.0	n/a	n/a
Description:	Bracco Imaging has acquired Blue Earth Diagnostics, a molecular imaging diagnostics company focused on PET imaging agents. Blue Earth Diagnostics was founded in 2013 and is based in Burlington, MA.				
06/17/19	Singular Bio, Inc.	Invitae Corporation	\$48.8	n/a	n/a
Description:	Invitae Corporation has acquired Singular Bio, Inc., a developer of platforms for diagnostics testing in personalized medicine. Singular Bio, Inc. was founded in 2012 and is based in San Francisco, CA.				
05/29/19	RPS Diagnostics	Lumos Diagnostics	n/a	n/a	n/a
Description:	Lumos Diagnostics has acquired RPS diagnostics, a provider of POC diagnostic tests. RPS Diagnostics was founded in 2014 and is based in Sarasota, FL.				
05/01/19	Pathologists Bio-Medical Laboratories	PathGroup	n/a	n/a	n/a
Description:	PathGroup has acquired Pathologists Bio-Medical Laboratories, a physician owned, independent pathology laboratory. Bio-Medical Laboratories was founded in 1965 and is based in Dallas, TX.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
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Healthcare Distributors

06/21/19 **Canfield Medical Supply, Inc.** **WesBev LLC** **\$0.4** **0.4x** **7.6x**

Description: WesBev LLC has acquired Canfield Medical Supply, Inc. , a provider of home medical equipment, supplies, and services for patients with mobility related limitations. Canfield Medical Supply, Inc. was founded in 1992 and is based in Canfield, OH.

06/10/19 **Endocare, Inc./Scion Medical Limited** **Varian Medical Systems, Inc. (NYSE:VAR)** **\$185.0** **6.2x** **n/a**

Description: Varian Medical Systems, Inc. (NYSE:VAR) has acquired Endocare, Inc./Scion Medical Limited, a provider of medical devices and related equipment for cryoablation. Endocare, Inc./Scion Medical Limited was founded in 1990 and is based in Austin, TX.

Healthcare Equipment & Supplies

06/17/19 **Brightwater Medical** **Merit Medical Systems (NASDAQ:MMSI)** **\$35.0** **n/a** **n/a**

Description: Merit Medical Systems (NASDAQ:MMSI) has acquired Brightwater Medical, a provider of medical devices for interventional radiologists. Brightwater Medical was founded in 2014 and is based in Mountain View, CA.

06/05/19 **Vilex in Tennessee** **OrthoPediatrics Corp.** **\$60.0** **n/a** **n/a**

Description: OrthoPediatrics Corp. has acquired Vilex in Tennessee, a provider of orthopedic and podiatric bone surgery instruments and implants for pediatric patients and adults. Vilex in Tennessee was founded in 1996 and is based in McMinnville, TN.

05/02/19 **Solsys Medical** **Misonix, Inc.** **\$116.7** **6.8x** **n/a**

Description: Misonix, Inc. has acquired Solsys Medical, a provider of wound care products under the brand name of TheraSkin. Solsys Medical was founded in 2017 and is based in Newport News, VA.

04/17/19 **NAMIC Fluid Management** **Medline Industries, Inc.** **\$167.5** **n/a** **n/a**

Description: Medline Industries, Inc. has acquired NAMIC Fluid Management, a business unit of AngioDynamics, Inc. (NasdaqGS: ANGO) that manufactures closed fluid systems. The manufacturing facility is located in Glens Falls, NY.

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
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Healthcare IT

06/25/19 **Equian** **UnitedHealth Group (NYSE:UNH)** **\$3,200.0** **n/a** **n/a**

Description: UnitedHealth Group (NYSE:UNH) has acquired Equian, a provider of payment-processing services for healthcare companies and insurers. Equian was founded in 1987 and is based in Indianapolis, IN.

06/16/19 **ArisGlobal** **Nordic Capital** **\$800.0** **n/a** **n/a**

Description: Nordic Capital has acquired ArisGlobal, a SaaS software provider for the life sciences industry. ArisGlobal was founded in 1987 and is based in Stamford, CT.

06/12/19 **Medidata Solutions (NASDAQ:MDSO)** **Dassault Systemes** **\$5,800.0** **8.8x** **n/a**

Description: Dassault Systemes has acquired Medidata Solutions (NASDAQ:MDSO), a cloud-based platform assisting life science companies with data solutions. Medidata Solutions was founded in 1999 and is based in New York.

05/29/19 **Healthmap Solutions** **WindRose Health Investors** **\$85.0** **n/a** **n/a**

Description: WindRose Health Investors has acquired Healthmap Solutions, a specialty health management company focused on progressive diseases. Healthmap Solutions was founded in 2013 and is located in Tampa, FL.

04/25/19 **OTTR Complete Transplant Management** **CareDx, Inc. (NASDAQ: CDNA)** **\$16.0** **n/a** **n/a**

Description: CareDx, Inc. (NASDAQ: CDNA) has acquired OTTR Complete Transplant Management, an organ transplant patient tracking software provider with more than 60 transplant centers. OTTR was founded in 1993 and is located in Omaha, NE.

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Hospital Providers					
06/27/19	Swedish Covenant Health	NorthShore University Health System	n/a	n/a	n/a
Description:	NorthShore University Health System has acquired Swedish Covenant Health, a 312-bed hospital and physician group. Swedish Covenant Health was founded in 1896 and is based in Chicago, IL.				
06/18/19	Mid Coast-Parkview Health	MaineHealth	n/a	n/a	n/a
Description:	MaineHealth has agreed to acquire Mid Coast-Parkview Health, a single-hospital system comprised of 91-beds. Mid Coast-Parkview Health was founded in 1907 and is based in Brunswick, ME.				
06/07/19	Watsonville Hospital Corporation	Halsen Healthcare, LLC	\$40.0	n/a	n/a
Description:	Halsen Healthcare, LLC has acquired Watsonville Hospital Corporation, a 106-bed acute care hospital previously owned by Quorum Health. Watsonville Hospital Corporation was founded in 1999 and is based in Watsonville, CA.				
05/23/19	Decatur Memorial Hospital	Memorial Health System	n/a	n/a	n/a
Description:	Memorial Health System has agreed to acquire Decatur Memorial Hospital, a 202-bed not-for-profit acute care hospital. Decatur Memorial was incorporated in 1902 and is based in Decatur, IL.				
05/23/19	College Station Medical Center	CHI St. Joseph Health	n/a	n/a	n/a
Description:	CHI St. Joseph Health has agreed to acquire College Station Medical Center, a 167-bed community hospital. College Station Medical Center is located in College Station, TX.				
05/23/19	Exeter Health Resources	Massachusetts General Hospital	n/a	n/a	n/a
Description:	Massachusetts General Hospital has agreed to acquire Exeter Health Resources, a provider of hospital management services. Exeter Health was founded in 1891 and located in Exeter, NH.				
05/22/19	2 hospitals in Florida	AdventHealth	n/a	n/a	n/a
Description:	AdventHealth has acquired two hospitals in Florida, one with 160 beds and the other with 193 beds. The hospitals are located in Davenport and Lake Wales, FL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
04/09/19	Bakersfield Heart Hospital	The Sanders Trust	\$49.0	n/a	n/a
Description:	The Sanders Trust has acquired Bakersfield Heart Hospital which specializes in the diagnosis and treatment of heart and vascular disease with 47 inpatient beds, 3 operating rooms, 4 cardiac catheterization labs, and 11 outpatient surgery beds. Bakersfield Heart Hospital was founded in 1996 and is located in Bakersfield, CA.				
04/09/19	Jackson General Hospital	West Virginia University Health	n/a	n/a	n/a
Description:	West Virginia University Health has agreed to acquire Jackson General Hospital, a 25-bed not-for-profit hospital. Jackson General Hospital was founded in 1964 and is located in Jackson, TN.				

Long-Term Care / Senior Living

06/27/19	Wildwood Downs	Senior Living Communities	\$35.0	n/a	n/a
Description:	Senior Living Communities has acquired Wildwood Downs, an entrance-fee CCRC comprised of 76 IL homes, 60 IL units, 40 AL units, eight MC units and a 64-bed SNF. Wildwood Downs was founded in 2000 and is based in Wildewood, SC.				
06/04/19	6 senior living communities	National Health Investors (NYSE: NHI)	\$126.9	n/a	n/a
Description:	National Health Investors (NYSE: NHI) has acquired 6 senior living communities comprised of 145 IL, 365 AL and 95 memory care units. The communities are based in Pennsylvania, Maryland and Indiana.				
06/03/19	Casa Sandoval	Kayne Anderson Real Estate	\$39.0	n/a	n/a
Description:	Kayne Anderson Real Estate has acquired Casa Sandoval, a 187,926 sq. ft. senior living community with 235 beds of IL, AL and memory care. Casa Sandoval was founded in 1990 and is based in Hayward, CA.				
05/24/19	Balfour at Riverfront Park	Welltower Inc. (NYSE: WELL)	\$118.0	n/a	n/a
Description:	Welltower Inc. has acquired Balfour at Riverfront Park, a senior living community comprised of 112 IL, 65 AL, and 26 MC units. Balfour at Riverfront Park was built in 2014 and is located in Denver, CO.				
05/22/19	Commonwealth Senior Living Portfolio	Invesque Inc. (TSX: HLP.U)	\$340.4	n/a	n/a
Description:	Invesque Inc. (TSX: HLP.U) has acquired the Commonwealth Senior Living portfolio, comprised of 20 private pay senior living communities with a total of 1,716 beds. The Commonwealth Senior Living communities have an effective age of 10 years and are located in Virginia and Pennsylvania.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
05/14/19	3 skilled nursing facilities	Invesque Inc. (TSX: HLP.U)	\$52.0	n/a	n/a
Description:	Invesque Inc. (TSX: HLP.U) has acquired 3 skilled nursing facilities, which are operated by Symcare. The facilities are located throughout the U.S. and owned by various sellers.				
05/03/19	9 senior living communities	HCP, Inc. (NYSE: HCP)	\$445.0	n/a	n/a
Description:	HCP, Inc. (NYSE: HCP) has acquired 9 senior living communities, consisting of 649 IL, 420 AL, and 173 MC units. The 9 senior living communities are about 3 years old on average and are located in Florida, Georgia, and Texas.				
05/01/19	3 senior housing communities	HCP, Inc. (NYSE: HCP)	\$113.0	n/a	n/a
Description:	HCP, Inc. (NYSE: HCP) has acquired 3 senior housing communities, a portfolio consisting of 3 newly built AL/MC communities with 132 AL and 68 MC units. The senior housing communities are located in California.				
04/30/19	8 senior living properties	Undisclosed buyer	\$290.0	n/a	n/a
Description:	An undisclosed buyer has acquired 8 senior living properties previously owned by Welltower, Inc. (NYSE:WELL) and leased to StoryPoint Senior Living. The eight senior living communities were founded in 1990 and are based in New Jersey.				
04/19/19	Aurora Village Apartments	Afton Properties	\$8.7	n/a	n/a
Description:	Afton Properties has acquired Aurora Village Apartments, an affordable senior apartment community comprised of 132 units. Aurora Village Apartments was founded in 2004 and is based in Lancaster, CA.				
04/12/19	Skilled nursing facility	Undisclosed buyer	\$6.7	n/a	n/a
Description:	An undisclosed buyer has acquired a 99-bed skilled nursing facility. The skilled nursing facility was built in 1972 and is located in Newark, OH.				
04/02/19	Vista Gardens	Denver-based private equity group	\$22.8	n/a	n/a
Description:	A Denver-based private equity group has acquired Vista Gardens, a memory care community comprised of 99 beds across 71 units. Vista Gardens was founded in 2011 and is based in Vista, CA.				
04/02/19	Skilled nursing portfolio	CareTrust REIT (NASDAQ:CTRE)	\$211.0	n/a	n/a
Description:	CareTrust REIT (NASDAQ:CTRE) has acquired a skilled nursing portfolio comprised of 1,734 total beds and units. The skilled nursing portfolio includes seven SNFs and one SN/AL campus in Louisiana and three SNFs plus one CCRC in Texas.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
04/01/19	Alacare Home Health & Hospice	Encompass Health (NYSE:EHC)	\$217.0	1.9x	n/a
Description:	Encompass Health (NYSE:EHC) has acquired Alacare Home Health & Hospice, an owner/operator of 23 home health and hospice agencies across Alabama. Alacare Home Health & Hospice was founded in 1968 and is based in Birmingham, AL.				

Managed Care

06/06/19	TogetherHealth	Health Insurance Innovations (NASDAQ: HIIQ)	\$68.1	n/a	n/a
Description:	Health Insurance Innovations (NASDAQ: HIIQ) has acquired TogetherHealth, a consumer platform for connecting individuals with U.S. insurance carriers. TogetherHealth was founded in 2010 and is based in Coral Springs, FL.				
05/29/19	Passport Health Plan	Evolent Health, Inc. (NYSE: EVH)	\$70.0	n/a	n/a
Description:	Evolent Health, Inc. (NYSE: EVH) acquired Passport Health Plan, a Medicaid health insurance provider. Passport Health Plan was founded in 1996 and is located in Louisville, KY.				
05/07/19	The Health Plan of West Virginia	West Virginia University Health	n/a	n/a	n/a
Description:	West Virginia University Health has acquired The Health Plan of West Virginia, a Health Maintenance Organization providing health plans in West Virginia. The Health Plan of West Virginia was founded in 1978 and is based in Wheeling, WV.				
04/16/19	Century Healthcare, LLC	Fringe Benefit Group	n/a	n/a	n/a
Description:	Fringe Benefit Group has acquired Century Healthcare, LLC, a health insurance company that caters to employers and employees. Century Healthcare was founded in 2002 and is located in The Colony, TX.				

Valuation Metrics by Sector



Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Alternate Site ^[1]								
AMED	Amedisys, Inc.	\$121.41	86.2%	\$3,890.6	\$4,272.1	2.5x	23.3x	32.7x
DVA	DaVita Inc.	56.26	71.1%	9,361.5	23,709.5	2.1x	11.5x	17.2x
DB:FME	Fresenius Medical Care AG & Co. KGaA	69.10	66.4%	23,911.6	39,216.1	2.1x	11.5x	NM
Mean						2.2x	11.5x	17.2x
Diagnostic Services								
LH	Laboratory Corporation of America Holdings	\$172.90	91.7%	\$17,030.7	\$23,521.5	2.1x	12.2x	19.6x
DGX	Quest Diagnostics Incorporated	101.81	88.0%	13,680.7	18,198.7	2.4x	11.8x	19.5x
RDNT	RadNet, Inc.	13.79	83.4%	690.6	1,871.4	1.8x	14.5x	19.2x
Mean						2.1x	12.8x	19.4x

[1] AMED has been excluded from mean EBITDA and PE multiple calculations.

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Healthcare Distributors ^[2]								
ABC	AmerisourceBergen Corporation	\$85.26	89.9%	\$17,919.7	\$19,803.9	0.1x	8.7x	19.8x
CAH	Cardinal Health, Inc.	47.10	80.8%	14,038.6	19,682.6	0.1x	7.1x	NM
HSIC	Henry Schein, Inc.	69.90	76.5%	10,420.3	12,774.9	1.0x	11.2x	19.7x
MCK	McKesson Corporation	134.39	96.1%	25,047.2	31,298.2	0.1x	7.7x	NM
OMI	Owens & Minor, Inc.	3.20	16.7%	201.4	2,074.9	0.2x	9.5x	NM
SRCL	Stericycle, Inc.	47.75	66.8%	4,347.2	7,504.9	2.2x	11.1x	NM
TMO	Thermo Fisher Scientific Inc.	293.68	98.4%	117,466.5	135,251.5	5.5x	21.7x	37.5x
Mean						0.6x	9.2x	19.8x

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Healthcare Equipment & Supplies ^[3]								
ABT	Abbott Laboratories	\$84.10	98.4%	\$148,367.6	\$165,272.6	5.4x	22.7x	57.6x
BAX	Baxter International Inc.	81.90	98.9%	41,782.8	44,677.8	4.0x	17.1x	27.8x
BDX	Becton, Dickinson and Company	252.01	94.8%	67,975.1	87,894.1	5.2x	17.6x	75.6x
BEAT	BioTelemetry, Inc.	48.15	59.5%	1,627.6	1,803.9	4.7x	16.4x	35.7x
BSX	Boston Scientific Corporation	42.98	99.9%	59,770.2	69,125.2	7.0x	26.1x	33.6x
JNJ	Johnson & Johnson	139.28	93.5%	369,796.2	384,735.2	4.7x	13.7x	25.8x
MDT	Medtronic plc	97.39	97.2%	130,615.3	146,206.3	4.8x	15.8x	28.6x
SIE	Siemens Aktiengesellschaft	104.84	86.4%	83,211.7	113,438.7	1.3x	12.1x	19.5x
Mean						4.6x	14.7x	25.4x

[2] TMO has been excluded from all mean multiple calculations.

[3] ABT, BDX, BEAT and BSX have been excluded from mean EBITDA and PE multiple calculations.

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Healthcare IT ^[4]								
MDRX	Allscripts Healthcare Solutions, Inc.	\$11.63	77.7%	\$1,935.7	\$2,704.8	1.5x	34.1x	59.3x
CERN	Cerner Corporation	73.30	99.9%	23,853.3	23,530.8	4.3x	19.3x	38.2x
CPSI	Computer Programs and Systems, Inc.	27.79	80.2%	382.2	507.7	1.8x	15.7x	23.0x
HMSY	HMS Holdings Corp.	32.39	84.9%	2,821.0	2,866.4	4.7x	20.9x	41.0x
NXGN	NextGen Healthcare, Inc.	19.90	83.9%	1,289.8	1,269.5	2.4x	30.8x	52.4x
OMCL	Omniceil, Inc.	86.03	92.9%	3,546.0	3,633.6	4.5x	38.0x	92.5x
Mean						3.2x	14.3x	30.6x

Hospital Providers ^[5]								
CYH	Community Health Systems, Inc.	\$2.67	49.9%	\$303.9	\$14,834.9	1.1x	10.3x	NM
HCA	HCA Healthcare, Inc.	135.17	91.7%	46,269.7	84,366.7	1.8x	9.0x	13.0x
QHC	Quorum Health Corporation	1.39	22.2%	43.4	1,345.2	0.7x	13.9x	NM
THC	Tenet Healthcare Corporation	20.66	52.0%	2,130.7	19,957.7	1.1x	6.9x	NM
UHS	Universal Health Services, Inc.	130.39	91.7%	11,753.1	15,999.3	1.5x	9.4x	15.3x
Mean						1.2x	8.8x	14.1x

[4] MDRX, NXGN and OMCL have been excluded from mean EBITDA multiple calculation, and MDRX, HSMY, NXGN and OMCL have been excluded from mean PE multiple calculation.

[5] QHC has been excluded from mean EBITDA multiple calculation.

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Long-Term Care / Senior Living ^[6]								
ADUS	Addus HomeCare Corporation	\$74.95	96.3%	\$976.6	\$944.6	1.7x	23.0x	14.7x
BKD	Brookdale Senior Living Inc.	7.21	71.4%	1,342.4	7,090.4	2.1x	14.3x	19.4x
CSU	Capital Senior Living Corporation	5.03	44.2%	152.1	1,392.2	3.0x	23.7x	19.4x
EHC	Encompass Health Corporation	63.36	76.8%	6,263.3	9,634.8	2.2x	10.5x	20.4x
ENSG	The Ensign Group, Inc.	56.92	97.5%	3,046.3	4,288.9	2.0x	22.1x	32.3x
GEN	Genesis Healthcare, Inc.	1.24	49.6%	130.5	4,259.5	0.9x	11.3x	NM
LHCG	LHC Group, Inc.	119.58	97.9%	3,765.9	4,153.2	2.1x	21.7x	48.1x
Mean						2.0x	15.7x	21.2x

Managed Care								
ANTM	Anthem, Inc.	\$282.21	88.7%	\$72,583.2	\$88,727.2	0.9x	13.6x	18.7x
CNC	Centene Corporation	52.44	70.4%	21,677.0	23,051.0	0.4x	8.0x	20.1x
CI	Cigna Corporation	157.55	69.5%	59,783.6	96,020.6	1.3x	13.8x	14.5x
CVS	CVS Health Corporation	54.49	66.3%	70,787.5	158,335.5	0.8x	11.6x	NM
HUM	Humana Inc.	265.30	74.5%	35,824.8	38,645.8	0.7x	11.3x	20.8x
UNH	UnitedHealth Group Incorporated	244.01	84.7%	231,893.2	262,605.2	1.1x	13.1x	18.9x
Mean						0.9x	11.9x	18.6x

OVERALL HEALTHCARE SECTOR			
Mean	2.1x	12.4x	20.8x

[6] LHCG has been excluded from mean P/E multiple calculation.



NOTES

Notes

- Sources: Capital IQ, Bond Buyer, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.
- Any public companies chosen for the “SCA Healthcare Services Universe” are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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