



Healthcare Services

Quarterly Update
Third Quarter 2019



RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES

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Q3 2019 Highlights

November, 2019

The pace of healthcare M&A transaction activity in 2019 remained steady in Q3 with 396 announced transactions, although volume was down 15% from the previous quarter and 17% from the same period a year prior, according to preliminary figures from Irving Levin Associates Inc. Healthcare services transactions represented 66% of Q3 total deal volume, similar to the previous four quarters. Combined spending in Q3 2019 totaled \$51.5 billion, down 63% compared with the previous quarter's extraordinary \$139.1 billion, but 65% greater than the \$31.1 billion reported in the same quarter in 2018.

There were 100 transactions announced in the long-term care sector, representing 25% of all Q3 transactions. The rapid rate of consolidation within the long-term care sector is expected to continue in the foreseeable future driven in large part by a number of factors including: (i) the ongoing health industry's transformation to providing care in the most cost-effective setting (with long term care facilities being less costly than hospitals); (ii) the aging of the population (as baby boomers age into their 70s and beyond); (iii) pressure to reduce healthcare costs by limiting readmissions to hospitals and improving the quality of care provided; and (iv) significant financing provided by REITs, private equity firms and well-funded healthcare systems seeking to capitalize on this growing sector.

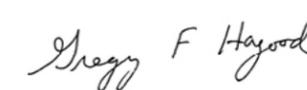
In contrast to recent trends, private equity buyers appear to be slowing their appetite for home health purchases. There were approximately 20 home health and hospice transactions in Q3 2019, with the industry's large, publicly traded companies accounting for 45% of the transactions. In a non-traditional pairing, a joint venture formed by TowerBrook Capital Partners, an investment management firm, and Ascension, the largest not-for-profit Catholic health system in the country, teamed up to acquire Hospice Compassus, a portfolio company of Formation Capital and Audax Private Equity, with operations in 25 states, for approximately \$1 billion. With only a few months until the Patient-Driven Groupings Model (PDGM) goes into effect in January 2020, many private equity buyers are likely to wait to evaluate its impact before making additional investments in the home health sector. 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, which is likely to substantially impact reimbursement for providers in this sub-sector.

As we head into 2020, hospitals and health systems are expected to move beyond traditional transactions to an emerging trend in partnerships between health plans and provider organizations. Payor-provider partnerships are becoming more collaborative than ever. Historically, these combinations were defined by reimbursement and coverage-based decisions, but have shifted dramatically as providers find themselves increasingly accountable for cost and quality. Hospitals and health systems are devising new integrated and holistic models of care and technology-driven capabilities to enhance existing networks and capture new patient volumes. In many cases, providers are partnering with payers in the design of these health management capabilities to benefit all consumer types and acquire additional covered lives, as evidenced by the recent partnership between Optum, the health technology and service arm of UnitedHealth Group, and California-based John Muir Health. Providing a new model for health system collaboration, Optum will assume non-clinical functions for the provider ranging from IT services, revenue cycle management, analytics and claims processing and add 500+ John Muir Health employees. While these payor-provider transactions have unique attributes, structures, and drivers, they share a consistent theme of payers and providers looking to collaborate within their markets.

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



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 *Recent Representative Transaction*

\$170,000,000



**MEMORIAL HOSPITAL
OF RHODE ISLAND**

Restructuring Advisor /
Chief Administrative Officer

Memorial Hospital of Rhode Island (“MHRI”), a Care New England hospital, operated as a 294-bed hospital providing health services for Rhode Island and southeastern Massachusetts. Due to competitive dynamics in its market coupled with declining reimbursement trends, MHRI was experiencing significant operating losses creating substantial cash drains on the organization. Care New England retained SOLIC to identify and implement various strategic alternatives, including operational restructuring activities.

In support of Care New England’s evaluation of these strategic alternatives, SOLIC professionals implemented a comprehensive operational restructuring and wind-down of the facility. Serving as Chief Administrative Officer/Chief Restructuring Officer, SOLIC professionals managed day-to-day operations during the evaluation and wind-down periods, facilitated an orderly shutdown and closure of MHRI, initiated and led discussions with various constituents, including employees, physicians, unions, politicians, and local residents, communicated the wind-down plan with regulatory authorities, supported an organized transition of the related physicians, and oversaw the run-off of the assets and liabilities of the hospital.

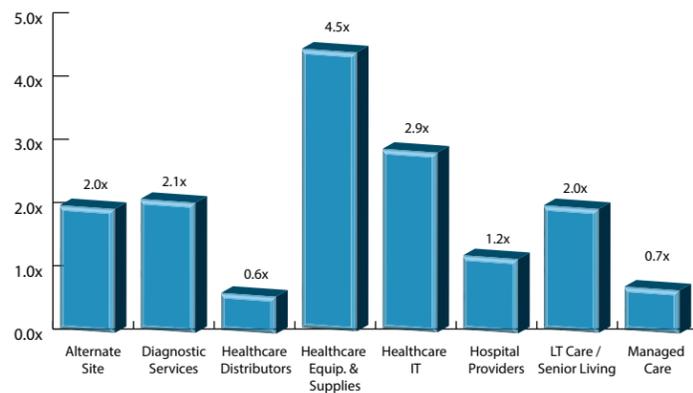


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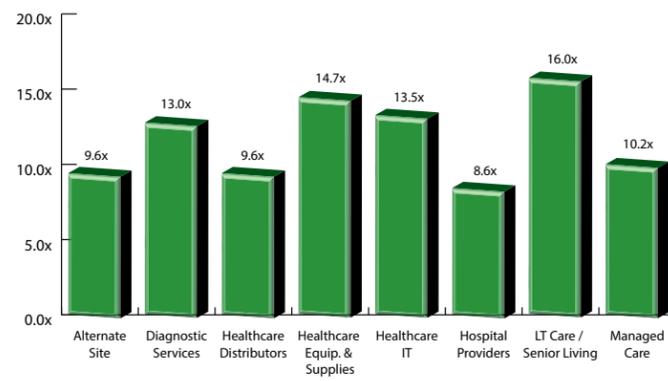
Market Overview



Enterprise Value To Revenue

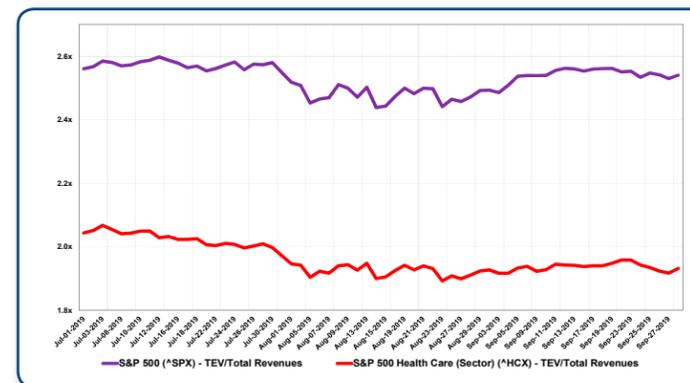


Enterprise Value To EBITDA

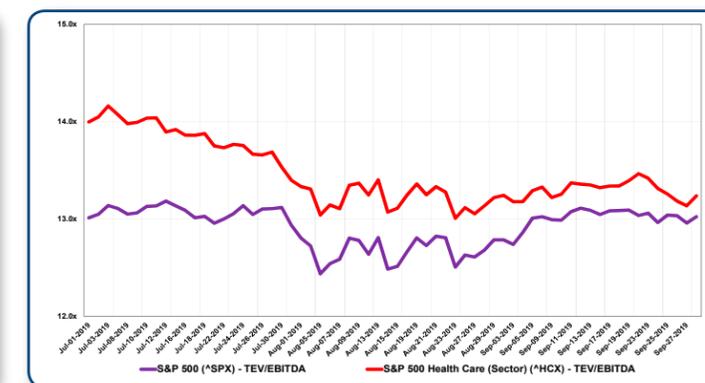


Revenue and EBITDA multiples for the S&P 500 were down by approximately 1% in Q3 2019, while the healthcare sector observed a 5% decline in revenue and EBITDA despite reporting strong (year-over-year) revenue growth in all eleven sectors.

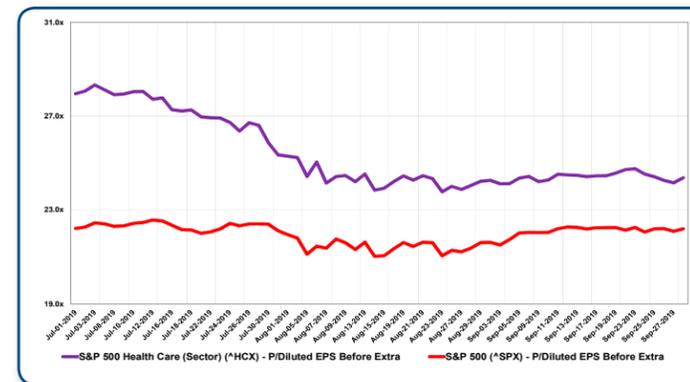
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / Revenue



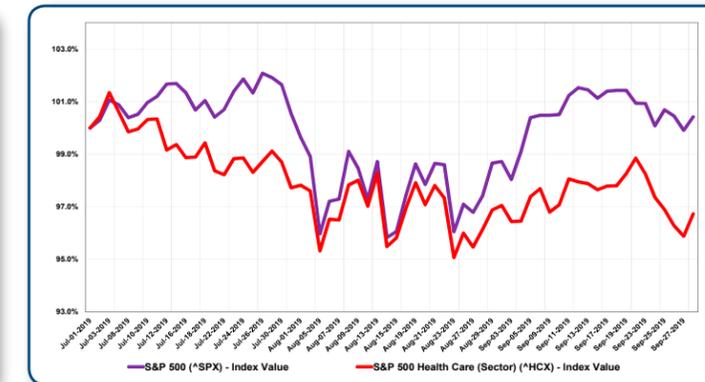
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / EBITDA



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



Taxables Dominate Ascension Health Refunding Deal
St. Louis-based Ascension Health Alliance will use a mix of taxable and tax-exempt paper when it prices up to \$856 million of refunding debt in October. Ahead of the sale, Fitch Ratings and S&P Global Ratings affirmed the system's AA-plus ratings and Moody's Investors Service affirmed its Aa2 rating. All assign a stable outlook. The system has more than \$7 billion of senior debt and about \$350 million of subordinated debt. Ascension provides self-liquidity for approximately \$2 billion of floating-rate or serial mode bonds. Swaps are tied to \$1 billion of debt.

Judge Denies CMS Bid to Preserve Site-Neutral Payment Cuts While Awaiting Appeal
A federal judge denied the Trump administration's bid to delay repaying hospitals affected by \$380 million in site-neutral payment cuts. U.S. District Court Judge Rosemary Collyer said in an opinion delivered on October 21 that CMS hasn't given sufficient reason for a 60-day stay of her September ruling against the agency's regulation on site-neutral payments. Collyer's original ruling vacated the \$380 million in cuts to off-campus providers that went into effect January 1, 2019, as part of the Outpatient Prospective Payment System (OPPS). She called for CMS to determine how to repay hospitals to make up for the cuts.

Commercial ACA Plans Would Likely Lower Premiums to Compete with Public Option
Many commercial insurers are likely to lower premiums on the Affordable Care Act's exchanges if they face competition from a public option, according to a new analysis from the Urban Institute. The survey comes as the public option, where the government sells insurance plans on the exchanges, is gaining popularity among Democrats and in some states. The analysis reported that the lower rates paid by a public option could give insurers more bargaining power against hospitals and physician groups. The public option would also provide an opening for commercial insurers to gain more market share. Providers could therefore accept lower payment rates, given the threat that a public option would dominate, and insurers could then offer lower premiums, according to the analysis.

Microsoft, Humana Sign Seven-Year Strategic Partnership to Leverage Cloud, AI and Voice Technologies
Humana and Microsoft announced a seven-year strategic partnership to use cloud and artificial intelligence technologies to build predictive solutions and intelligent automation to support Humana members and their care teams. Humana plans to use Microsoft's Azure cloud, Azure AI and Microsoft 365 collaboration technologies, as well as interoperability standards like Fast Healthcare Interoperability Resources to provide care teams with real-time access to information through a cloud platform. This partnership will enable providers to use technology tools to have a more holistic view of their patients to enable better preventive care, maintain patients' medication schedules and refills, and identify social barriers to health.

Health System Size May Impede Profitability
Smaller health systems had healthier net operating income than larger organizations, according to Navigant's analysis of 94 not-for-profit systems from 2015 to 2018. There was a significant negative correlation between size and profitability as health systems grew over that span, Navigant found, building on its report from last year finding no significant correlation. The studies challenge the assertion that scale and its purported efficiencies lower costs and streamline care. Although, Navigant noted, the four-year span may reflect the initial costs and lag time in expense management. Claimed synergies often take much longer than executives expect and require a disciplined approach in controlling corporate overhead and clinical integration, researchers said.

Third Quarter 2019

Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternate Site					
09/19/19	American Health Imaging	US Radiology Specialists	\$250.0	n/a	n/a
Description:	US Radiology Specialists has acquired American Health Imaging, a provider of imaging services across 29 locations. American Health Imaging was founded in 1998 and is based in Atlanta, GA.				
09/11/19	Achieve TMS	Greenbrook TMS Inc.	\$10.5	n/a	n/a
Description:	Greenbrook TMS Inc. has acquired Achieve TMS, an operator of 21 TMS centers in California, Oregon, and Alaska. Achieve TMS was founded in 2016 and is based in San Diego, CA.				
07/23/19	Beacon Orthopaedics Facilities, LLC	Revelstoke Capital Partners	n/a	n/a	n/a
Description:	Revelstoke Capital Partners has acquired Beacon Orthopaedics Facilities, LLC, a medical group providing advanced orthopaedic care. Beacon Orthopaedics Facilities, LLC was founded in 2001 and is based in Cincinnati, OH.				
07/17/19	CPD Integrated Health Care	PeCheck Health Services	\$3.7	n/a	n/a
Description:	PeCheck Health Services has acquired CPD Integrated Health Care, a provider of behavioral health and primary care services across seven medical clinics. CPD Integrated Health Care was founded in 2005 and is based in Durant, OK.				
07/08/19	Orthopaedic & Neurosurgery Specialists	Kohlberg & Company, LLC	n/a	n/a	n/a
Description:	Kohlberg & Company, LLC has acquired Orthopaedic & Neurosurgery Specialists, a multi-specialty orthopedic and neurosurgery physician group. Orthopaedic & Neurosurgery Specialists was founded in 1981 and is based in Greenwich, CT.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Diagnostic Services					
09/18/19	Genetics business	Praesidian Capital	n/a	n/a	n/a
Description:	Praesidian Capital has acquired a genetics business focused on clinical and lab services in the prenatal and preconception field.				
09/10/19	Southeastern Pathology Associates	PathGroup	n/a	n/a	n/a
Description:	PathGroup has acquired Southeastern Pathology Associates, a provider of pathology, clinical and molecular lab services. Southeastern Pathology Associates was founded in 1992 and is based in Brunswick, GA.				
07/29/19	Genomic Health, Inc. (NASDAQ:GHDX)	Exact Sciences Corp. (NYSE:EXAS)	\$2,710.0	6.3x	47.7x
Description:	Exact Sciences Corp. (NYSE:LEXAS) has acquired Genomic Health, Inc. (NASDAQ:GHDX), a leading provider of genomic-based diagnostic tests that help optimize cancer care. Genomic Health, Inc. was founded in 2000 and is based in Redwood City, CA.				

Healthcare Distributors

08/06/19	Keystone Biologicals, Inc.	BioIVT	n/a	n/a	n/a
Description:	BioIVT has acquired Keystone Biologicals, Inc., a supplier of disease-state plasma, serum, and controls to the diagnostic and biotechnology industries. Keystone Biologicals, Inc. was founded in 2006 and is based in Hatboro, PA.				
07/30/19	Hu-Friedy Mfg. Co., LLC	Cantel Medical Corp. (NYSE:CMD)	\$725.0	n/a	n/a
Description:	Cantel Medical Corp. (NYSE:CMD) has acquired Hu-Friedy Mfg. Co., LLC, a global dental instrument manufacturer and distributor. Hu-Friedy Mfg. Co., LLC was founded in 1908 and is based in Chicago, IL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Healthcare Equipment & Supplies					
08/12/19	SentreHeart, Inc.	AtriCure, Inc. (NASDAQ:ATRC)	\$40.0	n/a	n/a
Description:	AtriCure, Inc. (NASDAQ:ATRC) has acquired SentreHeart, Inc., a provider of devices for remote delivery of sutures for closure of anatomic structures. SentreHeart, Inc. was founded in 2005 and is based in Redwood City, CA.				
08/08/19	Corindus Vascular Robotics, Inc. (NYSE:CVRS)	Siemens Healthineers	\$1,100.0	n/a	n/a
Description:	Siemens Healthineers has acquired Corindus Vascular Robotics, Inc. (NYSE:CVRS), a provider of robotic-assisted systems for use in interventional vascular procedures. Corindus Vascular Robotics, Inc. is based in Waltham, MA.				
08/07/19	Cambrex Corporation (NYSE:CBM)	Permira	\$2,545.2	4.4x	17.4x
Description:	Permira has acquired Cambrex Corporation (NYSE:CBM), a provider of drug substance, drug product and analytical services across the entire drug lifecycle. Cambrex Corporation (NYSE:CBM) was founded in 1981 and is based in East Rutherford, NJ.				
07/10/19	Hill-Rom - Surgical product line (NYSE:HRC)	Audax Private Equity	\$170.0	n/a	n/a
Description:	Audax Private Equity has acquired a surgical product line from Hill-Rom (NYSE:HRC) consisting of certain surgical consumable products and related assets. Hill-Rom was founded in 1969 and is based in Chicago, IL.				

Healthcare IT

09/20/19	Qualifacts	Warburg Pincus, LLC	\$325.0	n/a	n/a
Description:	Warburg Pincus, LLC has acquired Qualifacts, a provider of electronic healthcare records and billing management software. Qualifacts was founded in 2000 and is based in Nashville, TN.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
09/16/19	VitreosHealth	HMS Holdings Corp.	\$36.5	n/a	n/a
Description:	HMS Holdings Corp. has acquired VitreosHealth, a provider of predictive analytics and risk stratification platforms for population health management. VitreosHealth was founded in 2009 and is based in Plano, TX.				
09/10/29	Cheetah Medical	Baxter International, Inc.	\$190.0	n/a	n/a
Description:	Baxter International, Inc. has acquired Cheetah Medical, a provider of non-invasive fluid management monitoring technologies. Cheetah Medical was founded in 2000 and is based in Newton Center, MA.				
09/02/19	Mobius Imaging	Stryker Corporation (NYSE:SYL)	\$370.0	n/a	n/a
Description:	Stryker Corporation (NYSE:SYL) has acquired Mobius Imaging, a provider of advanced imaging technologies. Mobius Imaging was founded in 2008 and is located in Shirley, MA.				
08/01/19	RedCard Systems	Zelis Healthcare	\$5,700.0	n/a	n/a
Description:	Zelis Healthcare has acquired RedCard Systems, a provider of secure communication platforms for healthcare payors, providers, and consumers. RedCard Systems was founded in 2006 and is based in St. Louis, MO.				
07/29/19	Waystar	EQT & CPPIB	\$2,700.0	n/a	n/a
Description:	EQT & CPPIB have acquired Waystar, a provider of revenue cycle management for over 450,000 providers, 750 health systems and 5,000 payors and health plans. Waystar was founded in 2017 and is based in Louisville, KY.				
07/16/19	OmniComm Systems, Inc.	Anju Software, Inc.	\$64.9	n/a	n/a
Description:	Anju Software, Inc. has acquired OmniComm Systems, Inc., a provider of software for workflow management, data collection and communications across healthcare verticals. OmniComm Systems, Inc. was founded in 1996 and is based in Fort Lauderdale, FL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Hospital Providers					
09/20/19	St. Christopher's Hospital	Tower Health and Drexel University	\$50.0	n/a	n/a
Description:	Tower Health and Drexel University have acquired St. Christopher's Hospital, a 189-bed children's hospital offering pediatric care. St. Christopher's Hospital was founded in 1875 and is based in Philadelphia, PA.				
08/01/19	Clarion Healthcare System	Butler Health System	n/a	n/a	n/a
Description:	Butler Health System has merged with Clarion Healthcare System, a 70-bed community hospital and an eight bed inpatient rehab center. Clarion Healthcare System was founded in 1954 and is based in Clarion, PA.				
07/24/19	Fort Washington Medical Center	Adventist HealthCare	n/a	n/a	n/a
Description:	Adventist HealthCare has acquired Fort Washington Medical Center, a 37-bed acute care hospital. Fort Washington Medical Center was founded in 1983 and is based in Fort Washington, MD.				
07/15/19	Saint Luke's Health - 7 hospitals	Medical Properties Trust (NYSE:MPW)	\$145.0	n/a	n/a
Description:	Medical Properties Trust (NYSE:MPW) has acquired 7 Saint Luke's hospitals located in Kansas City, MO.				
07/15/19	Prospect Medical - 16 hospitals	Medical Properties Trust (NYSE:MPW)	\$1,555.0	n/a	n/a
Description:	Medical Properties Trust (NYSE:MPW) has acquired 16 Prospect Medical hospitals, 14 acute care hospitals and two behavioral health hospitals. The hospitals are located in California, Connecticut, and Pennsylvania.				
07/15/19	Watsonville Community Hospital	Medical Properties Trust (NYSE:MPW)	\$40.0	n/a	n/a
Description:	Medical Properties Trust (NYSE:MPW) has acquired Watsonville Community Hospital, a 106-bed acute care hospital. Watsonville Community Hospital is located in Watsonville, CA.				
07/01/19	Eastern Long Island Hospital	Stony Brook Medicine	n/a	n/a	n/a
Description:	Stony Brook Medicine has acquired Eastern Long Island Hospital, a 90-bed short term acute care facility. Eastern Long Island Hospital was founded in 1905 and is based in Greenport, NY.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Long-Term Care / Senior Living					
09/30/19	Hospice Compassus	Joint venture	\$1,000.0	n/a	n/a
Description:	Hospice Compassus was acquired by a joint venture group comprised of Ascension Health and Towerbrook Capital Partners. Hospice Compassus, a provider of hospice, palliative and home health care and service, was founded in 1979 and is based in Brentwood, TN.				
09/26/19	The Landing at Elk Grove	Well Quest Living	\$29.6	n/a	n/a
Description:	Well Quest Living has acquired The Landing at Elk Grove, a senior living community comprised of 155 AL and memory care units. The Landing at Elk Grove was founded in 2019 and is based in Elk Grove, CA.				
09/19/19	Inverness Village	Covenant Living Communities	\$41.0	n/a	n/a
Description:	Covenant Living Communities has acquired Inverness Village, a not-for-profit CCRC with 236 IL, 31 AL, 12 memory care and 44 SNF units on 194 acres. Inverness Village was founded in 2003 and is based in Tulsa, OK.				
09/12/19	10 SNFs	Undisclosed buyer	\$85.0	n/a	n/a
Description:	An undisclosed buyer has acquired 10 SNFs consisting of 885 total beds, previously owned by Omega Healthcare Investors. The 10 SNFs are located in rural eastern Kentucky.				
09/11/19	The Lodge at North Ogden	MedCore Partners	\$30.0	n/a	n/a
Description:	MedCore Partners has acquired The Lodge at North Ogden, a senior living community comprised of 22 IL, 70 AL and 30 memory care units. The Lodge at North Ogden was founded in 2019 and is based in North Ogden, UT.				
09/08/19	Senior care portfolio	Peace Capital, LLC	\$169.0	n/a	n/a
Description:	Peace Capital, LLC has acquired a senior care portfolio comprised of 930 total beds. The senior care portfolio is located in Ocean County, NJ.				
08/26/19	Hospice Partners of America, LLC	Addus HomeCare Corp. (NASDAQ:ADUS)	\$130.0	n/a	n/a
Description:	Addus HomeCare Corp. (NASDAQ:ADUS) has acquired Hospice Partners of America, LLC, a multi-state hospice services provider. Hospice Partners of America, LLC was founded in 2010 and is based in Birmingham, AL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
08/20/19	HW Senior Living Apartments	Owner / Operator	\$71.0	n/a	n/a
Description:	An owner/operator has acquired HW Senior Living Apartments, an IL community consisting of 310 units. HW Senior Living Apartments is located in Westminster, CA.				
08/06/19	60 senior care facilities	Omega Healthcare Investors (NYSE:OHI)	\$735.0	n/a	n/a
Description:	Omega Healthcare Investors (NYSE:OHI) has acquired 60 senior care facilities consisting of 58 SNFs and two AL communities. The 60 facilities are located across eight states and are leased to two operators.				
08/06/19	4 SNFs	Cascade Capital Group, LLC	\$49.0	n/a	n/a
Description:	Cascade Capital Group, LLC has acquired 4 SNFs previously owned by families and leased to a third party. The 4 SNFs were built between 1983 and 1985 and are located in Fernandina Beach, North Port, Haines City and Winter Garden, FL.				
08/05/19	Alliance Home & Foremost Home	Addus HomeCare Corp. (NASDAQ:ADUS)	\$24.0	n/a	n/a
Description:	Addus HomeCare Corp. (NASDAQ:ADUS) has acquired Alliance Home & Foremost Home, two senior care communities. Alliance Home & Foremost Home are located in New Mexico and New York, respectively.				
07/25/19	The Barrington of Carmel	Baptist Homes of Indiana	\$61.0	n/a	n/a
Description:	Baptist Homes of Indiana has acquired The Barrington of Carmel, a CCRC with 143 IL, 39 SNF and 82 AL units. The Barrington of Carmel was founded in 2013 and is based in Carmel, IN.				
07/23/19	6 senior living communities	GFH Capital	\$180.0	n/a	n/a
Description:	GFH Capital has acquired 6 senior living communities, a portfolio providing IL, AL and memory care services. The 6 senior living communities are located in Washington, Michigan and California.				
07/08/19	The Manor Village at Scottsdale	Chicago Pacific Partners	\$27.0	n/a	n/a
Description:	Chicago Pacific Partners has acquired The Manor Village at Scottsdale, an IL / AL community with 101 units. The Manor Village at Scottsdale was founded in 1998 and is based in Scottsdale, AZ.				
07/05/19	Sheridan at Cooper City	Artemis Real Estate Partners	\$37.5	n/a	n/a
Description:	Artemis Real Estate Partners has acquired Sheridan at Cooper City, an IL / AL community consisting of 120 total units. Sheridan at Cooper City was founded in 2016 and is based in Cooper City, FL.				
07/03/19	3 SNFs	Hackensack Meridian Health	\$65.0	n/a	n/a
Description:	Hackensack Meridian Health has acquired 3 SNFs with 556 total beds. The 3 SNFs are located in Hackensaw, NJ.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Managed Care					
08/23/19	Total Health Care	Priority Health	n/a	n/a	n/a
Description:	Priority Health has acquired Total Health Care, a provider of Medicare and Medicaid healthcare plans. Total Health Care was founded in 1973 and is based in Detroit, MI.				
08/19/19	GoHealth, LLC	Centerbridge Partners	\$1,400.0	n/a	n/a
Description:	Centerbridge Partners has acquired GoHealth, Inc., a provider of Medical Advantage products directly to consumers. GoHealth, Inc. was founded in 2001 and is based in Chicago, IL.				
08/14/19	Harvard Pilgrim Health Care	Tufts Health Plan	n/a	n/a	n/a
Description:	Tufts Health Plan has acquired Harvard Pilgrim Health Care, a provider of HMO, POS, and PPO plans in Massachusetts, New Hampshire and Maine. Harvard Pilgrim Health Care was founded in 1969 and is based in Wellesley, MA.				
07/10/19	BluePeak Advisors	Arthur J. Gallagher & Co.	n/a	n/a	n/a
Description:	Arthur J. Gallagher & Co. has acquired BluePeak Advisors, a provider of consulting services related to health plans and pharmacy benefits. BluePeak Advisors was founded in 2010 and is based in Bartonville, 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.	\$131.01	92.3%	\$4,215.2	\$4,560.2	2.5x	24.3x	34.7x
DVA	DaVita Inc.	57.07	72.1%	7,901.7	17,731.4	1.6x	8.4x	17.4x
DB:FME	Fresenius Medical Care AG & Co. KGaA	61.98	62.2%	20,206.0	35,180.1	1.9x	10.9x	NM
Mean						2.0x	9.6x	17.4x
Diagnostic Services								
LH	Laboratory Corporation of America Holdings	\$168.00	94.1%	\$16,413.6	23,645.4	2.1x	12.4x	19.8x
DGX	Quest Diagnostics Incorporated	107.03	98.4%	14,413.7	18,838.7	2.5x	12.3x	20.8x
RDNT	RadNet, Inc.	14.36	86.8%	719.8	1,958.8	1.8x	14.4x	20.4x
Mean						2.1x	13.0x	20.3x

[1] AMED has been excluded from mean EBITDA & 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	\$82.33	86.8%	\$17,151.4	\$18,775.7	0.1x	8.2x	18.3x
CAH	Cardinal Health, Inc.	47.19	80.9%	13,798.6	19,306.6	0.1x	6.9x	10.4x
HSIC	Henry Schein, Inc.	63.50	69.5%	9,414.5	11,707.8	0.9x	10.1x	17.6x
MCK	McKesson Corporation	136.66	90.6%	25,269.0	34,854.0	0.2x	8.4x	NM
OMI	Owens & Minor, Inc.	5.81	34.0%	365.8	2,182.9	0.2x	10.5x	NM
SRCL	Stericycle, Inc.	50.93	86.0%	4,640.8	7,833.9	2.3x	13.3x	NM
TMO	Thermo Fisher Scientific Inc.	291.27	95.4%	116,646.6	134,118.6	5.4x	21.2x	33.3x
Mean						0.6x	9.6x	15.4x

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	\$83.67	94.3%	\$147,878.2	\$164,777.2	5.3x	21.9x	51.6x
BAX	Baxter International Inc.	87.47	97.3%	44,658.3	47,543.3	4.3x	18.0x	29.2x
BDX	Becton, Dickinson and Company	252.96	95.1%	68,287.6	87,938.6	5.1x	17.5x	88.5x
BEAT	BioTelemetry, Inc.	40.73	50.3%	1,380.3	1,547.9	3.9x	13.9x	31.7x
BSX	Boston Scientific Corporation	40.69	92.8%	56,680.1	66,358.1	6.6x	24.7x	41.1x
JNJ	Johnson & Johnson	129.38	86.8%	341,455.2	356,607.2	4.4x	12.7x	21.5x
MDT	Medtronic plc	108.62	96.9%	145,732.1	162,418.1	5.3x	17.2x	33.3x
SIE	Siemens Aktiengesellschaft	98.25	88.5%	77,635.9	108,176.9	1.3x	11.7x	18.3x
Mean						4.5x	14.7x	26.8x

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

[3] ABT, BDX & BSX have been excluded from mean EBITDA & 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.	\$10.98	76.6%	\$1,829.9	\$2,653.6	1.5x	22.9x	NM
CERN	Cerner Corporation	68.17	89.1%	21,704.9	21,931.6	4.0x	18.2x	NM
CPSI	Computer Programs and Systems, Inc.	22.61	66.5%	312.7	442.6	1.6x	13.2x	17.4x
HMSY	HMS Holdings Corp.	34.47	84.7%	3,010.6	3,006.2	4.8x	19.6x	30.2x
NXGN	NextGen Healthcare, Inc.	15.67	74.2%	1,024.5	1,056.0	2.0x	27.6x	43.9x
OMCL	Omniceil, Inc.	72.27	78.1%	3,010.5	3,065.1	3.7x	28.4x	63.5x
Mean						2.9x	13.5x	17.4x

Hospital Providers								
CYH	Community Health Systems, Inc.	\$3.60	67.3%	\$410.0	\$14,994.0	1.1x	11.1x	NM
HCA	HCA Healthcare, Inc.	120.42	81.7%	41,061.1	78,642.1	1.6x	8.3x	11.6x
QHC	Quorum Health Corporation	1.21	19.6%	39.8	1,352.3	0.7x	10.6x	NM
THC	Tenet Healthcare Corporation	22.12	69.9%	2,288.3	20,270.3	1.1x	7.0x	NM
UHS	Universal Health Services, Inc.	148.75	94.3%	13,162.1	17,657.3	1.6x	10.2x	17.0x
Mean						1.2x	8.6x	14.3x

[4] MDRX, NXGN & OMCL have been excluded from mean EBITDA multiple calculation, and HSMY, NXGN & OMCL have been excluded from mean PE 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 ^[5]								
ADUS	Addus HomeCare Corporation	\$79.28	85.3%	\$1,209.3	\$1,210.5	2.1x	29.2x	14.7x
BKD	Brookdale Senior Living Inc.	7.58	76.0%	1,405.9	7,059.2	2.1x	15.6x	19.4x
CSU	Capital Senior Living Corporation	4.38	42.4%	132.7	1,364.0	3.0x	24.3x	19.4x
EHC	Encompass Health Corporation	63.28	79.9%	6,242.2	9,729.9	2.2x	10.7x	20.4x
ENSG	The Ensign Group, Inc.	47.43	75.3%	2,526.7	3,821.1	1.8x	18.9x	25.5x
GEN	Genesis Healthcare, Inc.	1.11	63.8%	120.1	4,224.8	0.9x	13.7x	NM
LHCG	LHC Group, Inc.	113.56	87.8%	3,578.1	3,975.1	2.0x	19.6x	41.2x
Mean						2.0x	16.0x	19.9x

Managed Care								
ANTM	Anthem, Inc.	\$240.10	75.5%	\$61,421.7	\$77,902.7	0.8x	12.0x	15.5x
CNC	Centene Corporation	43.26	58.1%	17,892.6	19,035.6	0.3x	6.1x	14.2x
CI	Cigna Corporation	151.79	67.0%	57,317.3	93,611.3	0.9x	10.5x	13.1x
CVS	CVS Health Corporation	63.07	76.8%	82,022.3	165,737.3	0.7x	11.2x	17.3x
HUM	Humana Inc.	255.67	71.8%	34,538.3	36,135.3	0.6x	9.7x	14.0x
UNH	UnitedHealth Group Incorporated	217.32	75.5%	205,949.9	239,430.9	1.0x	11.6x	16.3x
Mean						0.7x	10.2x	15.1x

OVERALL HEALTHCARE SECTOR			
Mean	2.0x	11.9x	18.3x

[5] 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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