



Healthcare Services

Quarterly Update
Fourth Quarter 2016



CAPITAL PLACEMENTS • MERGERS, ACQUISITIONS & DIVESTITURES • RESTRUCTURINGS

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Q4 2016 Highlights

January, 2017

Deal volume in healthcare M&A in 2016 totaled 1,536 transactions, 1% higher than 2015, the first year to break 1,500 transactions, according to preliminary figures from Irving Levin Associates, Inc. Spending on deals in 2016 was robust. Deal value in 2016 totaled \$255.7 billion, representing a 36% decrease from 2015's total of \$400.3 billion (including \$91.2 billion in managed care deals that may dissolve by the end of January, depending on the outcome of federal court challenges).

In the hospital sector, 2016 saw a rise in the number of transactions involving small, rural and critical access hospitals with almost half of the 90 transactions involving standalone hospitals with fewer than 100 beds. The number of hospital M&A transactions involved in bankruptcy proceedings totaled 11 hospitals in 2016 and included hospitals such as Pioneer Health Services in Mississippi, the Forest Park Medical Centers in and around Dallas/Fort Worth, Progressive Acute Care in central Louisiana, and Coshocton County Memorial Hospital outside of Columbus, Ohio.

Uncertainty is the theme for 2017. A full repeal of the ACA may cut hospital revenue by almost \$400 billion over the next 10 years, according to a report released at the end of 2016 by the Federation of American Hospitals and the American Hospital Association. The repeal would put pressure on state and local budgets, as well as healthcare bond ratings in a sector that has issued almost \$154 billion of bonds from 2010 to 2015. A higher level of uninsured patients and growth in bad debt and charity care is expected as a result of changes to the ACA. In terms of M&A, 2017 is likely to see increasing consolidation in the non-profit hospital sector as providers are looking to improve economies of scale, enhance physician alignment strategies, and grow market presence.

The delivery model for healthcare is changing and there are going to be some winners and a lot of losers. Small community and rural hospitals will face acute challenges as a result of shifting patient demographics and difficulty attracting talented physicians. There will be significant focus by hospital operators on outpatient services. Surgery centers are attracting attention from non-traditional players as they play an increasingly critical role in revenue growth and care delivery. There are profound shifts in the market with Community Health Systems (NYSE: CYH) and now Tenet Healthcare (NYSE: THC) looking to sell "non-core" hospitals. Community Health is trying to pay down debt and Tenet is focusing on United Surgical Partners International's ambulatory surgery centers that it acquired from Welsh, Carson, Anderson & Stowe in 2015 for \$425 million. Already in 2017, UnitedHealth Group's Optum (NYSE: UNH) announced its acquisition of Surgical Care Associates, Inc. (NASDAQ: SCAI) for \$2.3 billion.

M&A in Home Health & Hospice in 2016 was up 8% from 2015, totaling \$1.2 billion and Rehabilitation M&A in 2016 was up 21% from 2015, totaling \$711.9 million. Last year, Kindred Healthcare (NYSE: KND) announced its intention to exit the skilled nursing business to focus on its better performing long-term acute care and rehabilitation hospitals. The Physical Therapy industry is benefiting from an active, aging population. Publicly traded players are receiving robust valuations including U.S. Physical Therapy (16.1x EBITDA) and Select Medical (10.4x EBITDA). Attractive industry dynamics coupled with a highly fragmented sector is also attracting strong private equity investment.

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

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Recent Representative Transaction

SOLIC Capital Advisors (“SOLIC”) Serves as Financial Advisor to Verity Health System

Overview

With more than 8,000 employees and physicians, Verity Health System (“Verity”), formerly known as Daughters of Charity Health System, is a non-profit, non-religious health care system with 1,650 inpatient beds, six active emergency rooms and a host of medical specialties.

Facing increased competition, heightened patient outmigration and declining reimbursement, Verity was incurring significant operating losses and undergoing large declines in its liquidity, which led the system to be in violation of certain of its existing bond covenants.


SOLIC Role

SOLIC professionals served as financial advisor and negotiated, on behalf of the Series 2005 bondholders, with Verity, its advisors and BlueMountain Capital Management (“BlueMountain”) favorable terms and an enhanced interest rate on assumed bonds.

Outcome


The Verity Board oversaw a process to find a capital partner or effect a change of control transaction in order to support the system into the future. As a result of this process, Verity elected to enter into a membership substitution transaction with affiliates of BlueMountain. The transaction included an investment of \$100 million into the system by BlueMountain along with the assumption of Verity’s existing Series 2005 Bonds.

If you would like more information about SOLIC, or if you have any questions regarding our role in this transaction, please contact one of the deal team members listed.



Verity Health System
Daughters of Charity Health System
f/k/a

in its Change of Control Transaction with



Blue Mountain
CAPITAL MANAGEMENT LLC

Financial Advisor to Senior Secured Creditors

DEAL TEAM CONTACTS

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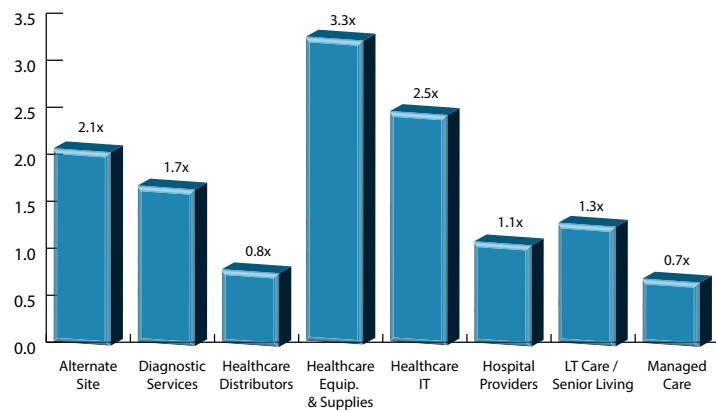
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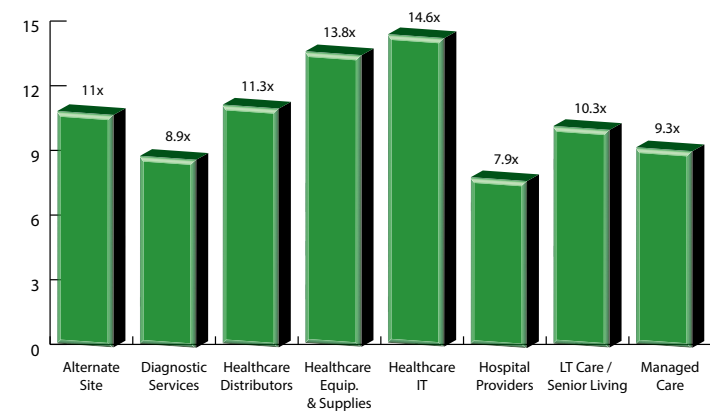
Market Overview



Enterprise Value To Revenue

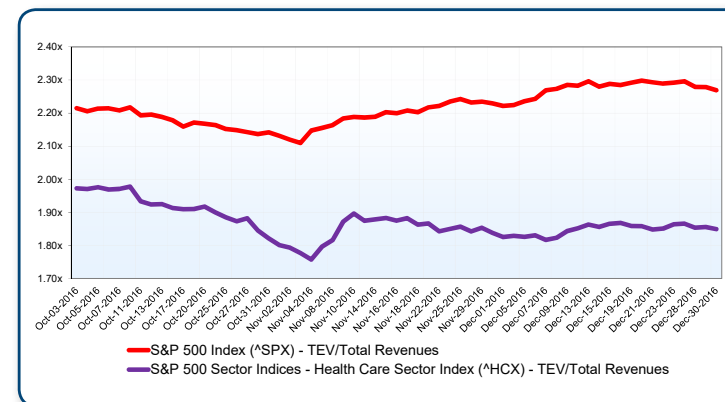


Enterprise Value To EBITDA

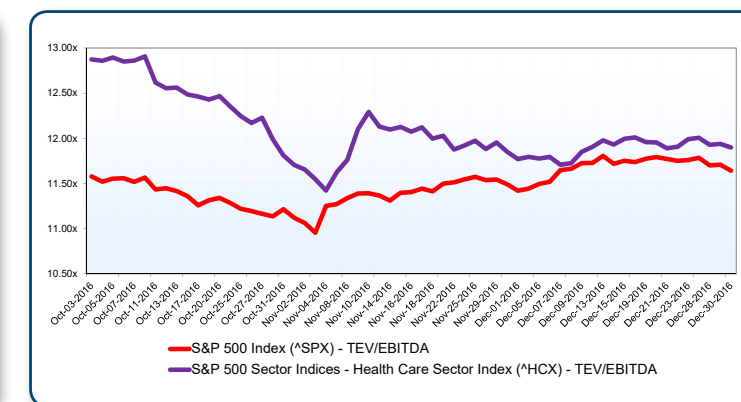


Revenue and EBITDA multiples for the S&P 500 increased slightly in Q4 2016, while revenue and EBITDA multiples in the healthcare sector decreased slightly over the same period.

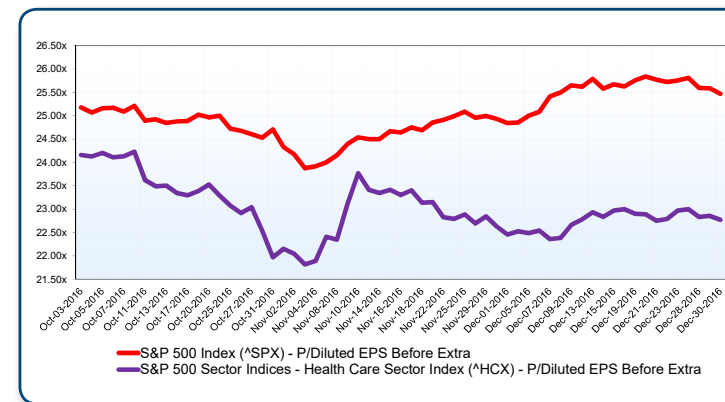
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / Revenue



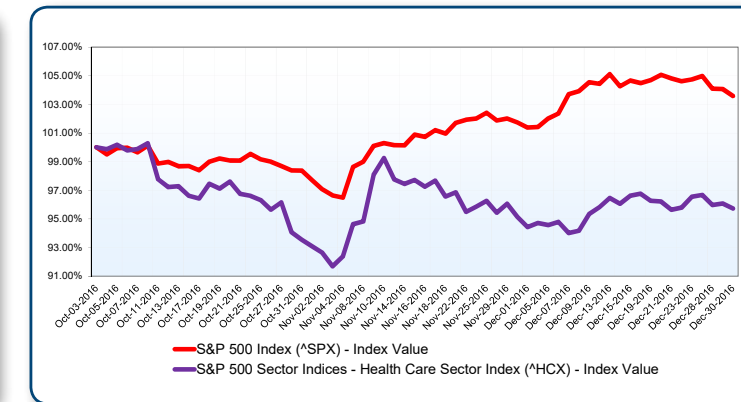
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / EBITDA



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

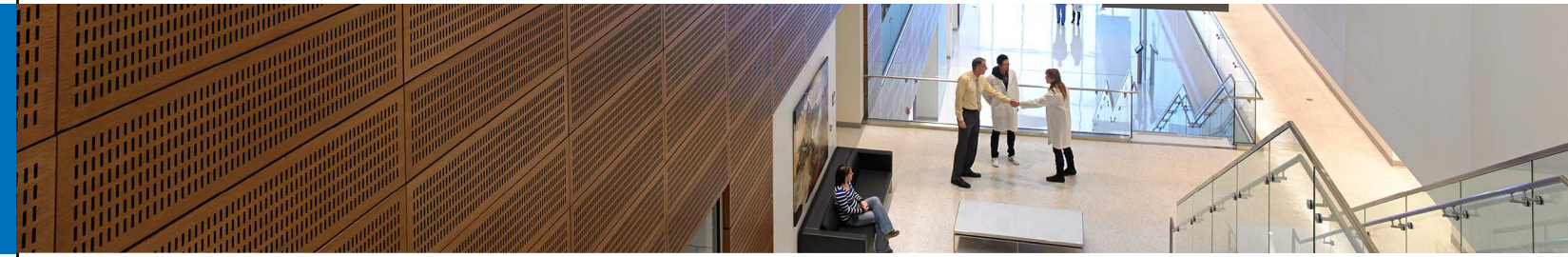


S&P Healthcare Index vs. the S&P 500 Relative Performance (%)





Notable Industry Developments



Large Hospital Operator Retreats from Health Insurance Foray

Catholic Health Initiatives, one of the nation's largest hospital operators, announced the sale of certain assets within its health-insurance business. This marks a reversal from its plan to run its own insurance company, underscoring the risks faced by healthcare providers seeking to compete with health insurers. Three years ago, the operator of 103 hospitals in 18 states made an aggressive push into the insurance business when it acquired an Arkansas managed-care plan, acquired stakes in a Washington state insurer and rapidly entered seven states, aiming to market directly to employers coverage by its network of hospitals and doctors. It remains unclear whether Catholic Health will retain any of the insurance business. Tenet Healthcare Corp. recently announced its plans to exit the health-insurance business in 2017.

The Potential Repeal of ACA Creates Uncertainty, and According to Moody's, Would Vary by Sector

The repeal of the ACA is projected to be a positive for pharmaceuticals if fees are reduced, but offset by modestly lower drug volumes. The ACA repeal is forecasted to be negative for medical devices due to increased pricing pressure (but offset by elimination of excise tax) and a negative for hospitals because of an increase in the number of uninsured individuals.

S&P Believes the U.S. Not-For-Profit Health Care Sector Has Peaked

The U.S. not-for-profit health care sector is rated stable by a recent S&P report, however, S&P notes that it believes the sector has peaked as seen by the slowing pace of upgrades to downgrades and softness in results by a growing number of providers. Increasing labor shortages, weaker inpatient volumes, unfavorable payor mix shifts, expectation of longer-term revenue pressures -- particularly as the recent improvement in volume and in the level on insurance coverage from Medicaid expansion wanes -- and the potential impact of legislative changes on state and federal healthcare policy under a new federal administration are all pressuring providers.

December 2016

January 2017

Fitch Downgrades Trinity Health's Long-Term Rating One Notch to AA-Minus From AA and Revised the Outlook to Stable from Negative at the Lower Rating Ahead of a January 2017 \$340M Bond Pricing

According to Fitch, the downgrade is driven by Trinity's thinner adjusted operating margins in fiscal 2016 with similar results in Q1 fiscal 2017. Moody's shifted its outlook to negative from stable on its Aa3 long-term rating and top short-term rating on the expectation that cash flows will remain suppressed over the next several years as the group works to restore its operating performance. S&P Global Ratings affirmed Trinity's AA-minus rating and stable outlook.

CMS Issued Final Rules for Home Health Agencies

The CMS finalized rules that set minimum standards for home health agencies. The rules are aimed at improving the quality of care for Medicare and Medicaid beneficiaries and boosting patients' rights. Approximately, 12,600 home health agencies provide services to roughly five million Medicare and Medicaid beneficiaries in the U.S., according to the CMS.

Modest Reimbursement Increases for Most Outpatient Services, but Significant Changes Loom

CMS is establishing a "site-neutral" payment provision that eliminates the benefit that hospital operators receive over other outpatient service providers when billing for services at their off-campus facilities. The change could also likely slow hospitals' investment in outpatient facilities and physician groups and lower acquisition costs for those services.

Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternate Site					
12/08/16	Vascular Closure & Other Assets (NYSE:ABT & STJ)	Terumo Corporation (OTCQB:TRUMF)	\$1,120.0	n/a	n/a
Description:	Terumo Corporation (TSE:4543) agreed to acquire Angio-Seal and Femoseal vascular closure products from St. Jude Medical, Inc. (NYSE:STJ).				
11/30/16	Pride In North Carolina, Inc.	Seaside Healthcare, LLC	n/a	n/a	n/a
Description:	Seaside Healthcare, LLC acquired Pride in North Carolina, Inc., a critical access behavioral health agency to address emotional and developmental disabilities. Pride in North Carolina, Inc. was founded in 1988 and is based in Greenville, North Carolina.				
11/03/16	Aldridge Physical Therapy, LLC	Phoenix Rehabilitation and Health Services, Inc.	n/a	n/a	n/a
Description:	Phoenix Rehabilitation and Health Services, Inc. acquired Aldridge Physical Therapy, LLC, a provider of physical and massage therapy services through fitness/wellness centers and physical therapy clinics. Aldridge Physical Therapy, LLC was incorporated in 2005 and is based in Auburn, Alabama.				
10/25/16	MedTech Healthcare Group, LLC	BayMark Health Services Inc.	n/a	n/a	n/a
Description:	BayMark Health Services, Inc. acquired MedTech Healthcare Group, LLC, an operator of treatment facilities that offers methadone maintenance, outpatient counseling, suboxone/subutex, and vivitrol treatment services. MedTech Healthcare Group, LLC was founded in 2006 and is based in Greensburg, Pennsylvania.				
10/17/16	CHS Home Health Division (NYSE:CYH)	Almost Family, Inc. (Nasdaq:AFAM)	\$160.0	n/a	n/a
Description:	Almost Family, Inc. (Nasdaq:AFAM) acquired an 80% stake in Community Health United Home Care, LLC. The acquisition includes 74 home health and 15 hospice branch locations in 22 states.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Diagnostic Services					
12/12/16	Alliance Healthcare Services, Inc. (NasdaqGM:AIQ)	Fujian Thaihot Investment Co., Ltd.	\$710.7	1.4x	6.0x
Description:	Fujian Thaihot Investment Co., Ltd. made a non-binding proposal to acquire the remaining 48.4% stake in Alliance Healthcare Services, Inc. (NasdaqGM:AIQ), a provider of outsourced healthcare services to hospitals and healthcare providers. Alliance Healthcare Services, Inc. (NasdaqGM:AIQ) was founded in 1983 and is headquartered in Newport Beach, California.				
12/02/16	Identigene, LLC	DNA Diagnostics Center, Inc.	n/a	n/a	n/a
Description:	DNA Diagnostics Center, Inc. acquired Identigene, LLC, a DNA laboratory providing high-throughput DNA genotyping and sequencing services used for verifying human identity and relatedness. DNA Diagnostics Center, Inc. was founded in 2000 and is based in Lake City, Utah.				
12/01/16	Radiographic Equipment Services, Incorporated	Universal Hospital Services, Inc.	n/a	n/a	n/a
Description:	Universal Hospital Services, Inc. acquired Radiographic Equipment Services Incorporated, a medical imaging, diagnostic imaging, and asset management solutions provider. Radiographic Equipment Services Incorporated was founded in 1939 and is based in Minneapolis, Minnesota.				
10/03/16	ClearPath Diagnostics	Laboratory Corporation of America Holdings (NYSE:LH)	n/a	n/a	n/a
Description:	Laboratory Corporation of America Holdings (NYSE:LH) acquired ClearPath Diagnostics, a pathologist-owned and operated tissue pathology and cytology practice. ClearPath Diagnostics was founded in 1975 and is based in Syracuse, New York.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Healthcare Distributors					
12/21/16	Arcoma North America, Inc.	Stille Surgical, Inc.	\$8.5	n/a	n/a
Description:	Stille Surgical, Inc. agreed to acquire Arcoma North America, Inc., a distributor of digital radiographic systems. Arcoma North America, Inc. is based in Laguna Hills, California.				
12/09/16	First Choice Medical Supply, LLC	Medical Specialties Distributors, LLC	n/a	n/a	n/a
Description:	Medical Specialties Distributors, LLC acquired First Choice Medical Supply, LLC, a distributor of medical and housekeeping supplies, equipment and furniture. Medical Specialties Distributors, LLC was founded in 2002 and is based in Richland, Mississippi.				
11/30/16	Comfort Medical, LLC	Coloplast A/S (CPSE:COLO B)	\$160.0	n/a	n/a
Description:	Coloplast A/S (CPSE:COLO B) entered into a definitive agreement to acquire Comfort Medical, LLC, a distributor of catheter and ostomy supplies. Comfort Medical, LLC was founded in 2010 and is based in Coral Springs, Florida.				
11/15/16	Integrity Medical, Inc.	National Seating & Mobility, Inc.	n/a	n/a	n/a
Description:	National Seating & Mobility, Inc. acquired Integrity Medical, Inc., a distributor of medical equipment and supplies. Integrity Medical, Inc. was founded in 2001 and is based in Augusta, Georgia.				
11/08/16	Specialty Surgical Products, Inc., Tissue Expander Portfolio	Sientra, Inc. (NasdaqGS:SIEN)	\$7.0	n/a	n/a
Description:	Sientra, Inc. (NasdaqGS:SIEN) acquired the tissue expander portfolio of Specialty Surgical Products, Inc., a distributor of breast tissue expanders.				
11/04/16	HealthTech Solutions, Inc.	HealthTronics, Inc.	n/a	n/a	n/a
Description:	HealthTronics, Inc. acquired HealthTech Solutions, Inc., a supplier and renter of laser and surgical equipment for hospitals, clinics, and medical offices. HealthTech Solutions, Inc. was founded in 2002 and is based in Plymouth, Minnesota.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/31/16	Healthcare Professional Equipment Services, LP	U.S. Med-Equip, Inc.	n/a	n/a	n/a
Description:	U.S. Med-Equip, Inc. acquired Healthcare Professional Equipment Services, LP, a provider of rental, lease, and lease-to-own options for healthcare equipment. Healthcare Professional Equipment Services, LP was founded in 2003 and is based in Kansas City, Missouri.				
Healthcare Equipment & Supplies					
12/22/16	PerkinElmer Technologies, PerkinElmer Health Sciences, PerkinElmer Medical Holdings, and Dexela	Varian Medical Systems, Inc. (NYSE:VAR)	\$276.0	n/a	n/a
Description:	Varian Medical Systems, Inc. (NYSE:VAR) entered into a purchase and sale agreement to acquire PerkinElmer Technologies, PerkinElmer Health Sciences, PerkinElmer Medical Holdings, and Dexela, manufacturers of x-ray detectors. The companies are based in the U.S., the Netherlands, and the United Kingdom.				
12/20/16	LifeCell Corporation	Allergan plc (NYSE:AGN)	\$2,900.0	n/a	n/a
Description:	Allergan plc (NYSE:AGN) entered into a definitive agreement to acquire LifeCell Corporation, a developer of tissue repair products for use in reconstructive, urogynecologic, and orthopedic surgical procedures. LifeCell Corporation was founded in 1986 and is based in Branchburg, New Jersey.				
12/14/16	Nucleic Acid Testing Donor Screening Unit	Grifols Diagnostic Solutions, Inc.	\$3,700.0	n/a	n/a
Description:	Grifols Diagnostic Solutions, Inc. signed a definitive agreement to acquire the remaining interest in the Nucleic Acid Testing Donor Screening Unit. Nucleic Acid Testing screens blood donations to reduce the risk of transfusion transmitted infections.				
12/12/16	Streamline, Inc.	Skytron Corporation	\$1.5	n/a	n/a
Description:	Skytron Corporation acquired substantially all of the assets of Streamline, Inc., a provider of intra-hospital patient transportation systems and services to a network of healthcare providers, hospitals, clinics, and medical suppliers. Streamline, Inc. was founded in 2007 and is based in Eden Prairie, Minnesota.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/02/16	Vascular Solutions, Inc. (NasdaqGS:VASC)	Teleflex, Incorporated (NYSE:TFX)	\$992.0	6.2x	45.8x
Description:	Teleflex Incorporated (NYSE:TFX) entered into a definitive agreement to acquire Vascular Solutions, Inc. (NasdaqGS:VASC), a provider of clinical solutions for treating coronary and peripheral vascular disease. Vascular Solutions, Inc. (NasdaqGS:VASC) was founded in 1996 and is headquartered in Minneapolis, Minnesota.				
10/13/16	BeneChill, Inc.	BrainCool AB (publ) (XSAT:BRAIN)	\$19.0	n/a	n/a
Description:	BrainCool AB (publ) (XSAT:BRAIN) agreed to acquire all the assets of BeneChill, Inc., a developer of rapid cooling technologies that increase the rate of neurologically intact survival after an ischemic event. Benechill, Inc. was founded in 2003 and is headquartered in San Diego, California.				
10/12/16	Performance Optics, LLC	HOYA Corporation (TSE:7741)	\$476.0	n/a	16.0x
Description:	HOYA Corporation (TSE:7741) signed a definitive agreement to acquire Performance Optics, LLC, a manufacturer of optical lenses. Performance Optics, LLC was founded in 2014 and is headquartered in Ramsey, Minnesota.				
10/06/16	Hospira Inc., Infusion Systems Business	ICU Medical, Inc. (NasdaqGS:ICUI)	\$1,050.0	0.9x	6.6x
Description:	ICU Medical, Inc. (NasdaqGS:ICUI) entered into a definitive agreement to acquire infusion systems business from Hospira, Inc. The infusion systems business includes infusion pumps, solutions, and devices.				

Healthcare IT

12/15/16	CannaBuild , LLC	MassRoots, Inc. (OTCPK:MSRT)	\$2.5	n/a	n/a
Description:	MassRoots, Inc. (OTCPK:MSRT) entered into a definitive agreement to acquire CannaBuild, LLC, a cloud-based platform that enables dispensary operations to answer questions related to symptoms and strains from cannabis intake. CannaBuild, LLC is based in Denver, Colorado.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/01/16	Streamline Health Solutions, Inc., Looking Glass Patient Engagement Suite of Solutions	Document Storage Systems, Inc.	\$2.0	n/a	n/a
Description:	Document Storage Systems, Inc. acquired Looking Glass Patient Engagement Suite of Solutions, a patient scheduling and surgery management software solution.				
12/01/16	Telcare, Inc.	BioTelemetry, Inc. (Nasdaq:BEAT)	\$12.0	n/a	n/a
Description:	BioTelemetry, Inc. (NasdaqGS:BEAT) acquired Telcare, Inc., a developer of cellular-enabled glucose meters for diabetes patients. Telcare, Inc. was incorporated in 2008 and is based in Bethesda, Maryland.				
12/01/16	The Encima Group, Inc.	Indegene Lifesystems Pvt, Ltd.	\$16.0	n/a	n/a
Description:	Indegene Lifesystems Pvt, Ltd. acquired Encima Group, a provider of omnichannel marketing execution and analytics solutions to Fortune 1,000 clients in pharmaceuticals and life sciences industries. The Encima Group, Inc. was founded in 2006 and is based in Newark, Delaware.				
11/10/16	Virtual Care Provider, Inc.	Craig & Karen Christianson	\$8.5	n/a	n/a
Description:	Craig & Karen Christianson entered into a definitive agreement to acquire substantially all the assets of Virtual Care Provider, Inc., a provider of technology solutions for post acute-care service providers. Virtual Care Provider, Inc. was founded in 2000 and is based in Milwaukee, Wisconsin.				
11/09/16	Aldera Holdings, Inc.	Evolent Health, Inc. (NYSE:EVH)	\$34.0	n/a	n/a
Description:	Evolent Health, Inc. (NYSE:EVH) acquired Aldera Holdings, Inc., a healthcare software company providing administration and private portal solutions for healthcare payers and administrators. Aldera Holdings, Inc. was incorporated in 2013 and is headquartered in Lisle, Illinois.				
10/27/16	Extension, LLC	Vocera Communications, Inc. (NYSE:VCRA)	\$52.5	n/a	n/a
Description:	Vocera Communications, Inc. (NYSE:VCRA) acquired Extension, LLC, a developer of clinical alarm/alert management and event driven care team communication solutions. Extension, LLC was founded in 2009 and is based in Fort Wayne, Indiana.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/20/16	Sirrus Corp.	Linux Labs International, Inc.	\$0.1	n/a	n/a
Description:	Linux Labs International, Inc. entered into a stock purchase agreement to acquire a 69.9% stake in Sirrus Corp., a provider of cyber security services to help companies protect their assets and information. Sirrus Corp. was founded in 2014 and is headquartered in Johns Creek, Georgia.				
10/04/16	Emmi Solutions, LLC	Wolters Kluwer, NV (AEX:WKL)	\$170.0	n/a	n/a
Description:	Wolters Kluwer Health, Inc. signed an agreement to acquire Emmi Solutions, LLC, a designer of technology-based solutions to deliver patient management aspects for hospitals and health systems, healthcare payers, and ambulatory care settings. Emmi Solutions, LLC was founded in 2002 and is based in Chicago, Illinois.				

Hospital Providers

12/30/16	Great Bend Regional Hospital	Global Medical REIT, LP	\$24.5	n/a	n/a
Description:	Global Medical REIT, LP entered into a purchase contract to acquire Great Bend Regional Hospital, a 33-bed, physician-owned, general medical and surgical hospital. Great Bend Regional Hospital was founded in 2001 and is located in Great Bend, Kansas.				
12/27/16	Scott County Hospital	Rennova Health, Inc. (Nasdaq:RNVA)	\$1.0	n/a	n/a
Description:	Rennova Health, Inc. (NasdaqCM:RNVA) acquired Scott County Hospital, a 22-bed, general medical and surgery hospital. Scott County Hospital was established in 1929 and is located in Scott City, Kansas.				
12/22/16	Hallmark Health System	Wellforce	n/a	n/a	n/a
Description:	Wellforce has approved an affiliation agreement with Hallmark Health System, a 368-bed, community-based, nonprofit health system serving North Boston. Hallmark Health System was founded in 1997 and is based in Medford, Massachusetts.				
12/20/16	Central Iowa Healthcare	Allen Health Systems, Inc.	\$12.5	n/a	n/a
Description:	Allen Health Systems, Inc. signed an asset purchase agreement as a stalking-horse bidder to acquire Central Iowa Healthcare, a 125-bed, acute-care hospital and operator of primary care and medical clinics. Central Iowa Healthcare was founded in 1913 and is based in Marshalltown, Iowa.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/15/16	The MetroHealth System, Inc.	University of Michigan Health System	n/a	n/a	n/a
Description:	University of Michigan Health System signed a letter of intent to acquire The MetroHealth System, Inc., a provider of health centers for patients in Cuyahoga County. The MetroHealth System, Inc. was founded in 1837 and is based in Cleveland, Ohio.				
12/13/16	Two Hospitals in Washington State	Sunnyside Community Hospital & Clinics	\$45.0	n/a	n/a
Description:	Sunnyside Community Hospital & Clinics signed a definitive agreement to acquire two hospitals in Washington State. Providence Toppenish Hospital is a 63-bed, acute-care hospital founded in 1944 and located in Toppenish, Washington. Yakima HMA, LLC is a 214-bed, full-service hospital founded in 1891 and located in Yakima, Washington.				
12/13/16	Physicians of Atlantic Gastro SurgiCenter, LLC	Physicians Endoscopy, LLC	n/a	n/a	n/a
Description:	Physicians Endoscopy, LLC acquired a majority stake in Physicians of Atlantic Gastro SurgiCenter, LLC, a surgical facility that provides personalized treatments. Physicians of Atlantic Gastro SurgiCenter, LLC is located in Egg Harbor Township, New Jersey.				
12/12/16	Princeton HealthCare System	Perelman School of Medicine at the University of Pennsylvania	n/a	n/a	n/a
Description:	Perelman School of Medicine at the University of Pennsylvania signed a definitive agreement to acquire Princeton Healthcare System, a 231-bed, acute-care hospital system. Princeton Healthcare System was founded in 1919 and is located in Princeton, New Jersey.				
12/08/16	Metropolitan Orthopedics, Ltd.	Orthopedic Associates, LLC	n/a	n/a	n/a
Description:	Orthopedic Associates, LLC agreed to acquire Metropolitan Orthopedics, Ltd., a network of orthopedic hospitals that offer diagnosing services and treatment options to patients in Missouri and Illinois. Metropolitan Orthopedics, Ltd. was founded in 1969 and is based in St. Louis, Missouri.				
12/07/16	New York Methodist Hospital	New York Presbyterian	n/a	n/a	n/a
Description:	New York Presbyterian and New York Methodist Hospital have affiliated to improve access and enhance care for patients in Brooklyn. New York Methodist Hospital is a voluntary, acute-care teaching hospital that was founded in 1881 and is located in Brooklyn, New York.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/30/16	HealthSouth East Valley Rehabilitation Hospital, LLC	Global Medical REIT, LP	\$22.4	13.1x	n/a
Description:	Global Medical REIT, LP entered into an agreement to acquire HealthSouth East Valley Rehabilitation Hospital, LLC, a 60-bed rehabilitation hospital that provides inpatient and outpatient rehabilitation services. HealthSouth East Valley Rehabilitation Hospital, LLC was incorporated in 2008 and is based in Mesa, Arizona.				
11/30/16	Healthsouth Of Mechanicsburg, Inc.	Global Medical REIT, LP	\$24.2	13.2x	n/a
Description:	Global Medical REIT, LP entered into an agreement to acquire HealthSouth of Mechanicsburg, Inc., a 75-bed rehabilitation hospital that provides inpatient and outpatient rehabilitation services to patients in central Pennsylvania. Healthsouth of Mechanicsburg, Inc. is located in Mechanicsburg, Pennsylvania.				
11/30/16	HealthSouth Rehabilitation Hospital of Altoona, LLC	Global Medical REIT, LP	\$21.6	13.17	
Description:	Global Medical REIT, LP entered into an agreement to acquire HealthSouth Rehabilitation Hospital of Altoona, LLC, an 80-bed rehabilitation hospital that provides inpatient and outpatient rehabilitation services. Healthsouth Rehabilitation Hospital of Altoona, LLC was incorporated in 2008 and is headquartered in Altoona, Pennsylvania.				
11/17/16	Spokane Washington Hospital Company, LLC	MultiCare Health System, Inc.	\$425.0	n/a	n/a
Description:	MultiCare Health System, Inc. signed a definitive agreement to acquire the assets of Spokane Washington Hospital Company, LLC. Deaconess Hospital is a 387-bed, acute-care hospital located in Spokane, Washington. Valley Hospital is a 123-bed, acute-care hospital located in Spokane Valley, Washington. Rockwood Clinic is a multi-specialty clinic headquartered in Spokane, Washington.				
11/15/16	Minnesota Valley Health Center, Inc.	Ridgeview Medical Center, Inc.	n/a	n/a	n/a
Description:	Ridgeview Medical Center, Inc. agreed to acquire Minnesota Valley Health Center, Inc., a 64-bed, general and medical hospital offering outpatient and urgent care services. Minnesota Valley Health Center, Inc. was founded in 1959 and is headquartered in Le Sueur, Minnesota.				
11/10/16	Bay Area Hospitalist Associates, Inc.	Apollo Medical Holdings, Inc. (OTCPK:AMEH)	\$0.0	n/a	n/a
Description:	Apollo Medical Holdings, Inc. (OTCPK:AMEH) acquired Bay Area Hospitalist Associates, Inc., an inpatient, hospital-care-focused, physician provider to local hospitals. Bay Area Hospitalist Associates, Inc. was founded in 2010 and is based in San Francisco, California.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/08/16	South Haven Health System	Bronson Healthcare Group	\$425.0	n/a	n/a
Description:	Bronson Healthcare Group has signed an affiliation agreement with South Haven Health System, an 82-bed, general medical and surgical, not-for-profit hospital. South Haven Health System was founded in 1907 and is located in South Haven, Michigan.				
11/07/16	Pomegranate Health Systems, LLC	Sequel Youth and Family Services, LLC	n/a	n/a	n/a
Description:	Sequel Youth and Family Services, LLC acquired Pomegranate Health Systems, LLC, a 90-bed, acute-care psychiatry hospital. Pomegranate Health Systems, LLC was incorporated in 2005 and is headquartered in Columbus, Ohio.				
11/01/16	Coshocton County Memorial Hospital	Prime Healthcare Services, Inc.	\$38.0	n/a	n/a
Description:	Prime Healthcare Services, Inc. completed the acquisition of Coshocton County Memorial Hospital, a 56-bed, acute-care hospital with a network of hospital-based clinics. Coshocton County Memorial Hospital was founded in 1909 and is based in Coshocton, Ohio. SOLIC Capital Advisors served as the financial advisor to Coshocton County Memorial Hospital.				
10/28/16	Walker County Hospital Corporation	Quorum Health Corporation (NYSE:QHC)	n/a	n/a	n/a
Description:	Quorum Health Corporation (NYSE:QHC) signed a letter of intent to acquire Huntsville Memorial Hospital from the Walker County Hospital District. Huntsville Memorial Hospital is a 96-bed, not-for-profit, acute-care community hospital that was founded in 1927 and is based in Huntsville, Texas.				
10/26/16	Two Oklahoma Hospitals	SSM Health Care of Oklahoma, Inc.	\$750.0	n/a	n/a
Description:	SSM Health Care of Oklahoma, Inc. and the University Hospitals Authority and Trust signed an agreement to acquire two Oklahoma hospitals. OU Medical Center is a 350-bed, comprehensive hospital providing services not offered elsewhere in Oklahoma. OUMC Edmond is a 76-bed, community hospital. OU Medical Center was founded in 1910 and is located in Oklahoma City, Oklahoma.				
10/24/16	Catholic Health Initiatives	Dignity Health	n/a	n/a	n/a
Description:	Dignity Health signed a non-binding letter of intent to acquire Catholic Health Initiatives, a health network with 103 hospitals in 17 states. Catholic Health Initiatives was founded in 1996 and is based in Englewood, Colorado.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/19/16	Sandhills Regional Medical Center	FirstHealth of the Carolinas, Inc.	n/a	n/a	n/a
Description:	FirstHealth of the Carolinas, Inc. acquired Sandhills Regional Medical Center, a 64-bed, acute-care hospital. Sandhills Regional Medical Center was founded in 1915 and is located in Hamlet, North Carolina.				
10/18/16	Houston County Medical Center	Timberlands Healthcare	n/a	n/a	n/a
Description:	Timberlands Healthcare acquired Houston County Medical Center, a 25-bed, acute care, community hospital. Houston County Medical Center is located in Crockett, Texas.				
10/18/16	Susquehanna Health	University of Pittsburgh Medical Center	n/a	n/a	n/a
Description:	University of Pittsburgh Medical Center acquired Susquehanna Health System, an integrated health system of four hospitals with a total of 332 acute-care and 259 long-term care beds. Susquehanna Health was incorporated in 1993 and is based in Williamsport, Pennsylvania.				
10/12/16	Alaska Island Community Services	Southeast Alaska Regional Health Consortium	n/a	n/a	n/a
Description:	Southeast Alaska Regional Health Consortium agreed to acquire Alaska Island Community Services, a not-for-profit, community-based hospital founded in 1989 and located in Wrangell, Alaska.				
10/06/16	Craig General Hospital	Saint Francis Health System	n/a	n/a	n/a
Description:	Saint Francis Health System signed a purchase agreement to acquire Craig General Hospital, a 55-bed, community hospital. Craig General Hospital was founded in 1963 and is located in Vinita, Oklahoma.				
10/06/16	Saratoga Hospital	Albany Medical Center	n/a	n/a	n/a
Description:	Albany Medical Center has affiliated with Saratoga Hospital, a 171-bed, community-based, acute-care hospital. Saratoga Hospital was incorporated in 1891 and is located in Saratoga Springs, New York.				
10/06/16	St. Cloud Medical Group, PA	CentraCare Health System, Inc.	n/a	n/a	n/a
Description:	CentraCare Health System, Inc. acquired St. Cloud Medical Group, PA, a multi-specialty clinic healthcare service provider. St. Cloud Medical Group, PA was founded in 1928 and is based in St. Cloud, Minnesota.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/05/16	LHP Hospital Group, Inc.	Ardent Health Services	n/a	n/a	n/a
Description:	Ardent Health Services entered into a definitive agreement to acquire LHP Hospital Group, Inc., a provider of capital and expertise to not-for-profit hospitals and hospital systems by forming joint ventures to own, operate, and manage acute care hospitals. LHP Hospital Group, Inc. was incorporated in 2007 and is based in Plano, Texas.				
10/04/16	Reynolds Memorial Hospital, Inc.	West Virginia United Health System, Inc.	\$15.0	n/a	n/a
Description:	West Virginia United Health System, Inc. signed a letter of intent to acquire Reynolds Memorial Hospital, a 90-bed, nonprofit, acute-care community hospital. Reynolds Memorial Hospital, Inc. was founded in 1899 and is based in Glen Dale, West Virginia.				
10/03/16	Barrow Regional Medical Center	Northeast Georgia Health System, Inc.	n/a	n/a	n/a
Description:	Northeast Georgia Health System, Inc. signed a definitive agreement to acquire Barrow Regional Medical Center, a 56-bed, acute-care hospital serving Barrow County. Barrow Regional Medical Center was founded in 1951 and is based in Winder, Georgia.				
10/03/16	Florida Emergency Physicians, Kang & Associates, M.D., PA	Team Health Holdings, Inc. (NYSE:TMH)	n/a	n/a	n/a
Description:	Team Health Holdings, Inc. (NYSE:TMH) acquired Florida Emergency Physicians, Kang & Associates, M.D., P.A., an operator of emergency care services to emergency departments. Florida Emergency Physicians, Kang & Associates, M.D., P.A. was founded in 1969 and is based in Maitland, Florida.				
10/03/16	Floyd Memorial Hospital and Health Services, Inc.	Baptist Healthcare System, Inc.	\$150.0	n/a	n/a
Description:	Baptist Healthcare System, Inc. completed the acquisition of Floyd Memorial Hospital and Health Services, Inc., a 236-bed, county-owned hospital. Floyd Memorial Hospital and Health Services, Inc. was founded in 1953 and is based in New Albany, Indiana.				
10/01/16	12 Long Term Acute Care Hospitals	Curahealth, LLC	\$27.5	n/a	n/a
Description:	Curahealth completed the acquisition of 12 long-term, acute-care hospitals from Kindred Healthcare. The 12 hospitals have a combined total of 783 beds and are located in Arizona, Louisiana, Massachusetts, Oklahoma, Pennsylvania and Tennessee.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Long-Term Care / Senior Living					
12/15/16	Ellery Arbor Memory Care	Sagora Senior Living, Inc.	n/a	n/a	n/a
Description:	Sagora Senior Living, Inc. acquired Ellery Arbor Memory Care, a 70-unit, private and semi-private community, Ellery Arbor Memory Care was founded in 2011 and is based in Dallas, Texas.				
12/13/16	Stonehaven Assisted Living, LLC	CHG Senior Living, LLC	n/a	n/a	n/a
Description:	CHG Senior Living, LLC acquired Stonehaven Assisted Living, LLC, a 60-unit, assisted living facility. Stonehaven Assisted Living, LLC was founded in 2005 and is based in Maumelle, Arkansas.				
12/12/16	The McGuire Group, Inc.	VestraCare	\$40.0	n/a	n/a
Description:	VestraCare acquired a 20% ownership interest in The McGuire Group, Inc., an operator of skilled nursing and rehabilitation facilities, and outpatient rehabilitation services. The McGuire Group, Inc. was founded in 1974 and is based in Buffalo, New York.				
12/08/16	The Esplanade	Joint Venture	\$150.0	n/a	n/a
Description:	A joint venture has acquired The Esplanade, a 239-unit independent living building in New York city's Upper West Side.				
12/06/16	Horizon Bay at Hyde Park	Allegro Senior Living	\$74.0	n/a	n/a
Description:	Allegro Senior Living and an undisclosed joint venture equity partner have acquired Horizon Bay at Hyde Park, a 136-unit assisted living facility. Horizon Bay at Hyde Park was built in 2011 and is located in Tampa, Florida.				
12/05/16	Envoy Group Corp. (OTCPK:ENVV)	Deep Green Waste & Recycling, LLC	n/a	n/a	n/a
Description:	Deep Green Waste & Recycling, LLC entered into a letter of intent to acquire Envoy Group Corp. (OTCPK:ENVV), a development stage company that focuses on the development and operation of adult day care centers. Envoy Group Corp. (OTCPK:ENVV) was founded in 2013 and is headquartered in Valencia, California.				
12/01/16	Four Skilled Nursing Facilities	CareTrust REIT, Inc. (Nasdaq:CTRE)	\$95.9	n/a	n/a
Description:	CareTrust REIT, Inc. (Nasdaq:CTRE) acquired four skilled nursing facilities. The portfolio has a combined 540 skilled nursing beds and 28 assisted living units and are located in Texas.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/30/16	Hilltop House, Incorporated	Inspirit Senior Living, LLC	n/a	n/a	n/a
Description:	Inspirit Senior Living, LLC acquired Hilltop House, Incorporated, a 75-unit, family owned and operated assisted living facility on 5 acres. Hilltop House, Incorporated was founded in 1985 and is located in Winchester, Virginia.				
11/28/16	Three Memory Care Communities	Mainstreet Health Investments, Inc. (TSX:HLP.U)	\$44.3	n/a	n/a
Description:	Mainstreet Health Investments, Inc. (TSX:HLP.U) acquired a portfolio of three memory care communities. The three memory care centers have a combined 171 units and are located in Little Rock, Arkansas, New Braunfels & San Antonio, Texas.				
11/21/16	Sunrise Ridge Assisted Living of Alabama, LLC	Atlas Senior Living, LLC	\$4.5	n/a	n/a
Description:	Atlas Senior Living acquired Sunrise Ridge Assisted Living of Alabama, LLC, a 45-unit, assisted living community. Sunrise Ridge Assisted Living of Alabama, LLC was built in 2009 and is located in Trussville, Alabama.				
11/17/16	Two Seniors Housing Properties	Griffin-American Healthcare REIT IV, Inc. & Seniors Investments II, LLC	\$10.6	n/a	n/a
Description:	Griffin-American Healthcare REIT IV, Inc. acquired two senior housing properties from Hannie Development, Inc. The two properties were built in 1997 and 2015 and have a combined 70 assisted living and 37 memory care units. The two properties are located in Lafayette, Louisiana.				
11/10/16	Glesener's, Inc.	MBW Company	n/a	n/a	n/a
Description:	MBW Company acquired Glesener's, Inc., an assisted living and day program facility for adults with brain injury. Glesener's was incorporated in 1992 and is based in Bird Island, Minnesota.				
11/10/16	Skilled Nursing Portfolio	Rosemont Healthcare Group	\$120.0	n/a	n/a
Description:	Rosemont Healthcare Group acquired 12 skilled nursing facilities and a personal care home. The properties have a combined 1,177 skilled nursing beds and 62 personal care beds. The portfolio was built on average 22 years ago, and are located in Kentucky.				
11/03/16	Evergreen Woods	National Health Investors (NYSE:NHI)	\$74.0	n/a	n/a
Description:	National Health Investors, Inc. (NYSE:NHI) acquired Evergreen Woods, a 227-unit independent living, 22-unit assisted living, and 50-bed skilled nursing facility. Evergreen Woods was founded in 1988 and is based in North Branford, Connecticut.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/01/16	64 Seniors Housing Properties	Blackstone Real Estate Advisors	\$1,125.0	n/a	n/a
Description:	Blackstone Real Estate Advisors entered into a definitive agreement to acquire 64 communities. These properties have a combined 5,967 units and are located in the U.S.				
11/01/16	31 Skilled Nursing Facilities	Omega Healthcare Investors (NYSE:OHI)	\$337.0	n/a	n/a
Description:	Omega Healthcare Investors (NYSE:OHI) acquired 31 skilled nursing facilities with a combined 4,407 units. Six of the facilities are located Florida, five are located in Kentucky, and 20 are located in Tennessee.				
10/31/16	LP Westmoreland, LLC	Unknown Buyer	\$8.5	n/a	n/a
Description:	An unknown buyer acquired LP Westmoreland, LLC, a nursing facility that provides respite/short-term, long-term, and outpatient therapies. LP Westmoreland, LLC was incorporated in 2006 and is headquartered in Westmoreland, Tennessee.				
10/26/16	Seven Assisted Living Communities	HCP, Inc. (NYSE:HCP)	\$186.4	n/a	n/a
Description:	HCP, Inc. (NYSE:HCP) acquired a portfolio of seven assisted living and memory care facilities. The facilities were built between 1993 and 2013 and are located in greater Baltimore, Maryland, and Washington D.C. areas.				
10/16/16	KindredHearts	SHA Capital Partners, LLC	n/a	n/a	n/a
Description:	SHA Capital Partners, LLC acquired KindredHearts, a 10-acre, 52-unit assisted living, and 62 cottage home community. KindredHearts was renamed to Tallgrass Senior Living of Sun Prairie and is located in Sun Prairie, Wisconsin.				
10/13/16	Pediatrics Healthcare, LLC	Epic Health Services, Inc.	n/a	n/a	n/a
Description:	Epic Health Services, Inc. acquired Pediatrics Healthcare, LLC, a provider of center-based, day healthcare and private duty in-home nursing services for children with complex medical problems. Pediatrics Healthcare, LLC was founded in 2006 and is based in Norcross, Georgia.				
10/13/16	Five Star Quality Care, Inc. (NasdaqCM:FVE)	Senior Star Management Company	\$150.9	0.1x	5.4x
Description:	Senior Star Management Company acquired a 36.38% stake in Five Star Quality Care, Inc. (NasdaqCM:FVE), an operator and manager of more than 260 independent living and assisted living communities in 32 states. Five Star Quality Care, Inc. (NasdaqCM:FVE) was founded in 2000 and is based in Newton, Massachusetts.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/04/16	Signature Healthcare of Brookwood Gardens	OHI Asset Homestead, LLC	\$11.1	n/a	n/a
Description:	OHI Asset Homestead, LLC acquired Signature Healthcare of Brookwood Gardens, a 180-bed, long-term nursing and rehabilitation facility. Signature Healthcare of Brookwood Gardens was founded in 1985 and is headquartered in Homestead, Florida.				
10/03/16	Five Star Quality Care, Inc. (NasdaqCM:FVE)	Reit Management & Research Trust	\$151.0	0.1x	5.4x
Description:	Reit Management & Research Trust made a tender offer to acquire a 20.2% stake in Five Star Quality Care, Inc. (NasdaqCM:FVE), an operator and manager of more than 260 independent living and assisted living communities in 32 states. Five Star Quality Care, Inc. was founded in 2000 and is based in Newton, Massachusetts.				

Managed Care

12/22/16	Maverick Medical Group, Inc.	Allied Physicians of California IPA	n/a	n/a	n/a
Description:	Allied Physicians of California IPA intends to acquire Maverick Medical Group, Inc., a provider of superior medical and business management services focused on monitoring patients throughout the care continuum. Maverick Medical Group, Inc. was founded in 2013 and is based in Glendale, California.				
12/22/16	MedSource Management Group, LLC	Cardiovascular Consultants of Nevada HealthCare Partners Cardiology	n/a	n/a	n/a
Description:	Cardiovascular Consultants of Nevada HealthCare Partners Cardiology agreed to acquire MedSource Management Group, LLC doing business as WellHealth Quality Care, an accountable care medical organization facilitating collaboration between healthcare providers, payors, and patients. MedSource Management Group, LLC was founded in 2011 and is based in Las Vegas, Nevada.				
12/22/16	Phoenix Health Plans, Inc. Medicaid Assets	WellCare Health Plans, Inc. (NYSE:WCG)	n/a	n/a	n/a
Description:	WellCare Health Plans, Inc. (NYSE:WCG) signed a definitive agreement to acquire Medicaid assets from Phoenix Health Plans, Inc. The Medicaid assets are comprised of managed health insurance membership and certain provider contracts.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/17/16	Universal American Corp. (NYSE:UAM)	WellCare Health Plans, Inc. (NYSE:WCG)	\$467.9	0.3x	18.2x
Description:	WellCare Health Plans, Inc. (NYSE:WCG) entered into a definitive agreement to acquire Universal American Corp. (NYSE:UAM), a provider of health insurance and managed care products and services to Medicare and Medicaid customers. Universal American Corp. (NYSE:UAM) was founded in 1981 and is headquartered in White Plains, New York.				
10/31/16	Harbor Health Plan, Inc.	Trusted Health Plan, Inc.	\$16.0	0.4x	n/a
Description:	Trusted Health Plan, Inc. acquired Harbor Health Plan, Inc., a health maintenance organization providing medical, hospital, and prescription drug coverage to Medicare beneficiaries in Wayne County. Harbor Health Plan, Inc. was incorporated in 1995 and is based in Detroit, Michigan.				
10/05/16	Care1st Health Plan Arizona, Inc.	WellCare Health Plans, Inc. (NYSE:WCG)	\$157.5	n/a	n/a
Description:	WellCare Health Plans, Inc. (NYSE:WCG) completed the acquisition of Care1st Health Plan Arizona, Inc. and ONECare by Care1st Health Plan of Arizona, Inc. Care1st Health Plan Arizona, Inc. and ONECare by Care1st Health Plan Arizona, Inc. offer managed healthcare plans and services.				

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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								
AMED	Amedisys, Inc.	\$42.63	77.3%	\$1,431.1	\$1,517.2	1.1x	18.0x	34.8x
DVA	DaVita Inc.	64.20	81.5%	12,673.1	21,404.3	1.5x	8.5x	18.7x
EVHC	Envision Healthcare Corporation	63.29	84.7%	7,434.1	10,820.8	3.6x	14.3x	19.4x
DB:FME	Fresenius Medical Care AG & Co. KGAA	69.14	76.6%	26,086.7	35,743.1	2.1x	11.7x	23.7x
Mean						2.1x	11.0x	24.2x

Diagnostic Services ^[1]								
Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	LTM Revenue	LTM EBITDA	P/E
AIQ	Alliance Healthcare Services, Inc.	\$9.60	97.5%	\$103.1	\$710.7	1.4x	6.0x	45.4x
LH	Laboratory Corp. of America Holdings	128.38	90.8%	13,223.1	18,842.5	2.0x	10.5x	20.4x
DGX	Quest Diagnostics Incorporated	91.90	98.2%	12,741.0	16,269.0	2.2x	10.8x	19.5x
RDNT	RadNet, Inc.	6.45	80.8%	299.7	951.4	1.1x	8.3x	67.2x
Mean						1.7x	8.9x	19.9x

[1] AIQ and RDNT 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	
Healthcare Distributors ^[2]								
ABC	AmerisourceBergen Corporation	\$78.19	75.6%	\$17,013.4	\$18,726.9	0.1x	9.1x	12.4x
CAH	Cardinal Health, Inc.	71.97	80.0%	23,034.7	26,700.7	0.2x	8.7x	17.4x
HSIC	Henry Schein, Inc.	151.71	82.9%	12,211.3	13,782.9	1.2x	14.0x	25.2x
MCK	McKesson Corporation	140.45	70.4%	31,753.9	35,911.9	0.2x	8.3x	15.8x
OMI	Owens & Minor, Inc.	35.29	85.1%	2,170.7	2,622.4	0.3x	9.6x	19.3x
SRCL	Stericycle, Inc.	77.04	59.7%	6,554.8	9,538.6	2.7x	12.8x	28.0x
TMO	Thermo Fisher Scientific Inc.	141.10	87.8%	55,738.1	72,680.6	4.0x	16.6x	28.1x
Mean						0.8x	11.3x	20.9x

Healthcare Equipment & Supplies ^[3]								
Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	LTM Revenue	LTM EBITDA	P/E
ABT	Abbott Laboratories	\$38.41	83.9%	\$56,551.4	\$60,674.4	2.9x	13.1x	57.9x
BAX	Baxter International Inc.	44.34	88.4%	24,117.4	24,347.4	2.4x	13.3x	5.0x
BDX	Becton, Dickinson and Company	165.55	91.1%	35,300.6	45,278.6	3.6x	14.1x	36.9x
BEAT	BioTelemetry, Inc.	22.35	92.7%	631.0	636.1	3.3x	16.2x	43.0x
BSX	Boston Scientific Corporation	21.63	87.3%	29,453.1	34,641.1	4.3x	16.5x	NM
JNJ	Johnson & Johnson	115.21	91.4%	313,432.3	299,937.3	4.2x	12.6x	20.2x
MDT	Medtronic plc	71.23	79.8%	97,802.2	119,092.2	4.1x	13.3x	23.7x
SIE	Siemens Aktiengesellschaft	116.40	99.3%	94,083.6	112,626.6	1.4x	11.4x	18.1x
Mean						3.3x	13.8x	24.5x

[2] TMO has been excluded from mean Revenue multiple calculation.

[3] ABT and BEAT 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	
Healthcare IT^[4]								
MDRX	Allscripts Healthcare Solutions, Inc.	\$10.21	67.3%	\$1,889.8	\$3,463.9	2.4x	27.9x	NM
ATHN	athenahealth, Inc.	105.17	62.8%	4,150.0	4,311.0	4.1x	48.5x	224.5x
CERN	Cerner Corporation	47.37	70.2%	16,081.9	15,961.8	3.4x	12.3x	25.0x
CPSI	Computer Programs and Systems, Inc.	23.60	39.9%	319.4	471.4	1.9x	12.9x	56.9x
HMSY	HMS Holdings Corp.	18.16	75.7%	1,537.4	1,563.7	3.1x	16.9x	44.3x
OMCL	Omniceil, Inc.	33.90	83.7%	1,238.0	1,413.9	2.2x	20.1x	155.4x
QSII	Quality Systems, Inc.	13.15	75.1%	816.5	838.3	1.7x	14.8x	NM
WBMD	WebMD Health Corp.	49.57	73.4%	1,819.2	1,824.7	2.6x	10.3x	27.7x
Mean						2.5x	14.6x	26.4x

Hospital Providers								
CYH	Community Health Systems, Inc.	\$5.59	20.5%	\$635.5	\$16,576.5	0.9x	8.4x	NM
HCA	HCA Holdings, Inc.	74.02	88.4%	27,734.2	60,132.2	1.5x	7.4x	11.7x
LPNT	LifePoint Health, Inc.	56.80	75.0%	2,280.9	5,104.2	0.8x	7.7x	19.2x
THC	Tenet Healthcare Corp.	14.84	43.5%	1,478.6	18,280.6	0.9x	7.6x	NM
UHS	Universal Health Services, Inc.	106.38	76.1%	10,313.7	13,969.8	1.5x	8.2x	15.0x
Mean						1.1x	7.9x	15.3x

[4] ATHN has been excluded from mean Revenue multiple calculation, MDRX and ATHN have been excluded from mean EBITDA multiple calculation, and ATHN, CPSI, HMSY and 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								
BKD	Brookdale Senior Living Inc.	\$12.42	63.0%	\$2,310.9	\$8,467.3	2.0x	10.5x	14.7x
CSU	Capital Senior Living Corporation	16.05	77.0%	481.4	1,357.9	3.1x	17.3x	19.4x
DVCR	Diversicare Healthcare Services, Inc.	10.40	81.1%	66.1	132.3	0.3x	6.0x	13.6x
ENSG	The Ensign Group, Inc.	22.21	93.1%	1,124.8	1,248.5	0.8x	10.2x	25.8x
GEN	Genesis Healthcare, Inc.	4.25	95.7%	384.6	5,382.0	1.0x	10.3x	NM
KND	Kindred Healthcare, Inc.	7.85	50.1%	668.5	3,999.2	0.6x	7.3x	NM
Mean						1.3x	10.3x	18.4x

Managed Care								
AET	Aetna Inc.	\$124.01	90.8%	\$43,515.1	\$45,171.9	0.7x	7.6x	17.9x
ANTM	Anthem, Inc.	143.77	97.0%	37,874.1	52,297.6	0.6x	9.4x	16.9x
CNC	Centene Corporation	56.51	74.8%	9,657.0	11,426.0	0.3x	7.3x	20.6x
CI	Cigna Corporation	133.39	89.5%	34,246.4	36,149.4	0.9x	9.9x	18.1x
ESRX	Express Scripts Holding Company	68.79	78.3%	42,417.4	56,229.9	0.6x	8.2x	16.3x
HUM	Humana Inc.	204.03	93.7%	30,421.1	27,927.1	0.5x	10.1x	27.6x
UNH	UnitedHealth Group Incorporated	160.04	97.6%	152,328.7	174,595.7	1.0x	12.7x	23.6x
Mean						0.7x	9.3x	20.1x

OVERALL HEALTHCARE SECTOR			
Mean	1.7x	10.9x	21.2x



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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