



Healthcare Services

Quarterly Update
Fourth Quarter 2017



CAPITAL PLACEMENTS • MERGERS, ACQUISITIONS & DIVESTITURES • RESTRUCTURINGS

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**



Q4 2017 Highlights

February, 2018

Healthcare M&A transaction value in 2017 totaled approximately \$315.2 billion, 23% higher than the previous year. The proposed merger of CVS Health Corp. (NYSE: CVS) and Aetna (NYSE: AET) accounts for \$77 billion, or 24% of the year's total. Excluding this merger, M&A spending in 2017 would have been 7% less than 2016, according to preliminary figures from Irving Levin Associates, Inc. Transaction volume for healthcare M&A in 2017 totaled 1,543 transactions, relatively flat as compared with 2016's record-breaking volume of 1,593 transactions.

A shifting payor mix and consolidation among major healthcare industry players will increase pressure on hospitals over the next year. Recent mergers seek to reduce healthcare costs by enabling insurers to shift patients away from hospitals, which are generally the highest-cost patient care option and instead, encourage patients to seek lower-cost care settings, including retail locations, urgent care clinics and ambulatory surgery centers. In December 2017, CVS Health Corp. (NYSE: CVS) and Aetna (NYSE: AET) executed a definitive merger agreement with a planned closing in mid-2018 whereby CVS would acquire Aetna in the largest healthcare deal since 2015. The combination aims to provide consumers with a better experience, reduced costs and improved access to healthcare experts. In addition, CVS and Aetna plan to shift lab services to preferred sites, and infusion services away from outpatient hospital settings, which will negatively impact hospitals over time. Also in December, Humana (NYSE: HUM) acquired Kindred Healthcare (NYSE: KND) for \$4.1 billion, the second largest home health and hospice acquisition ever, which will enable Humana to better manage patients with chronic conditions in their homes, thereby reducing visits to hospital emergency rooms and hospital admissions. These trends will continue to pressure hospital volumes as more lower acuity procedures are performed outside of the hospital. As managed care companies are increasingly able to direct patients to lower-cost settings, hospitals will treat lower volumes of patients covered by private insurance, which often pays at considerably higher rates than do government insurance programs.

Consolidation among non-profit hospitals is accelerating as competition between hospitals and industry players, such as insurers and physician practices, is increasing with all industry participants looking to provide high-quality, low-cost services. Demands on hospitals regarding physician recruitment, nursing shortages and technology investments will continue to increase expenses, while a constrained reimbursement environment will pressure revenue growth. Representative of these trends, in December 2017, Dignity Health merged with Catholic Health Initiatives. Their combined revenue will exceed \$28 billion, creating the largest nonprofit health system in the U.S. Also in December 2017, Chicago's Advocate Health Care and Milwaukee-based Aurora Health Care, announced a plan to merge which would create the 10th largest not-for-profit system in the country.

Value-based care and reimbursement models continue to evolve as CMS voided the regulations for mandatory bundled payments for certain care in November 2017, but enacted new forms of bundled payments in January 2018. CMS' new voluntary bundled-payment model is attractive to providers because of the potential to earn financial bonuses and because it offers greater flexibility, and will be considered an advanced alternative payment model under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), an important step in the move away from fee-for-service toward value-based reimbursement. This new bundled payment for care improvement advanced model is the first time the Bundled Payment Care Initiative (BPCI) qualifies as an advanced alternative payment model, and its 5% bonus, under (MACRA).

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



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 *Recent Representative Transaction*



Medicomp was a leading provider of outpatient and inpatient physical rehabilitation services with over 20 locations across the Southeast.

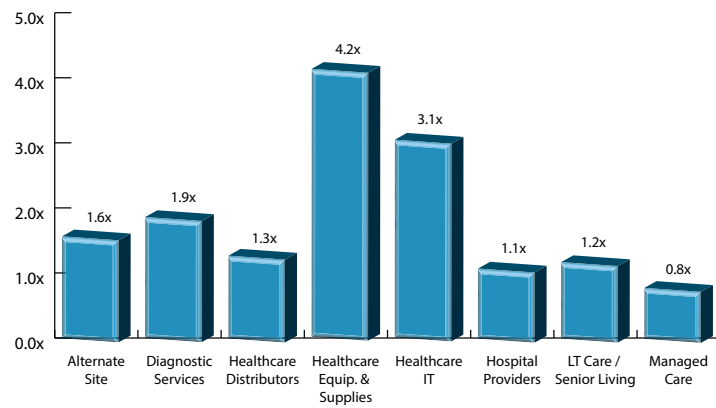
SOLIC Capital Advisors advised Medicomp in its sale to Enduracare.

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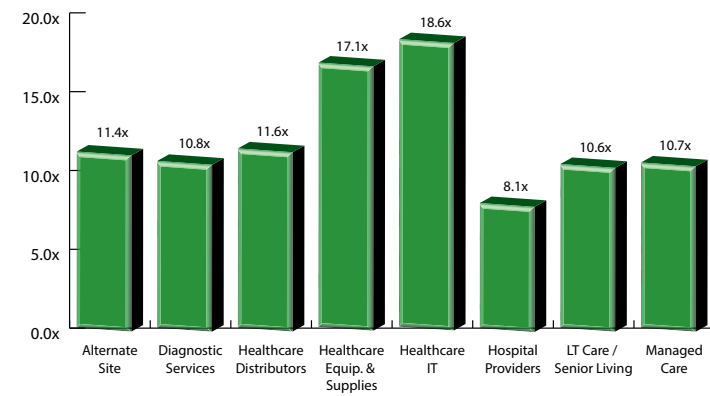
Market Overview



Enterprise Value To Revenue

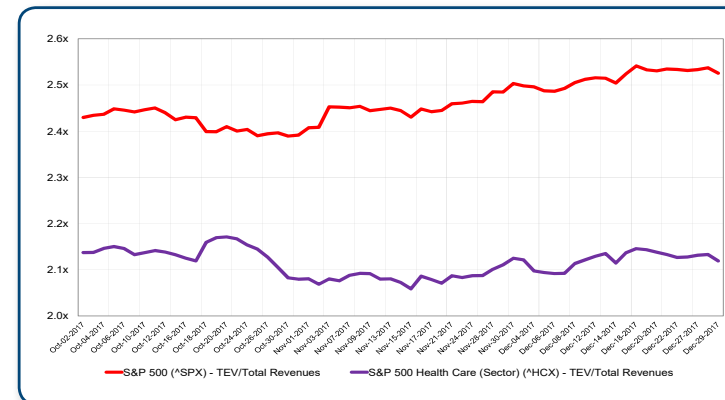


Enterprise Value To EBITDA

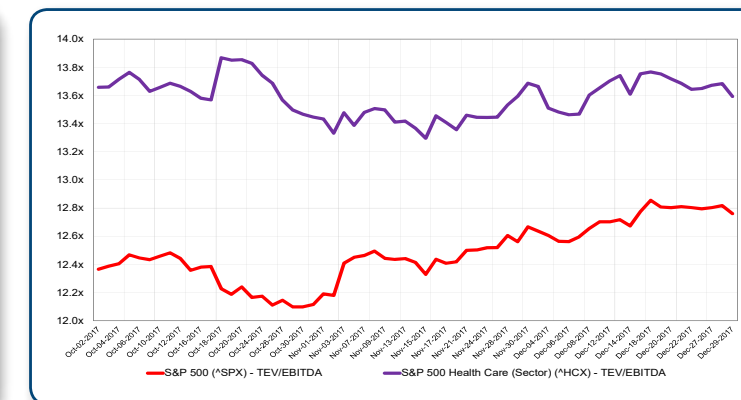


Revenue and EBITDA multiples for the S&P 500 increased while the healthcare sector remained flat in Q4 2017.

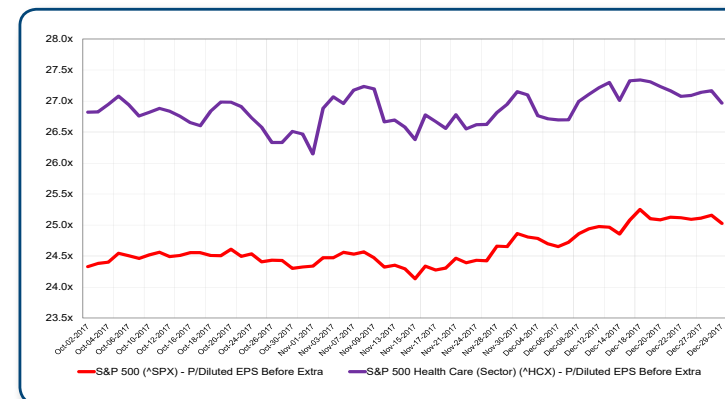
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / Revenue



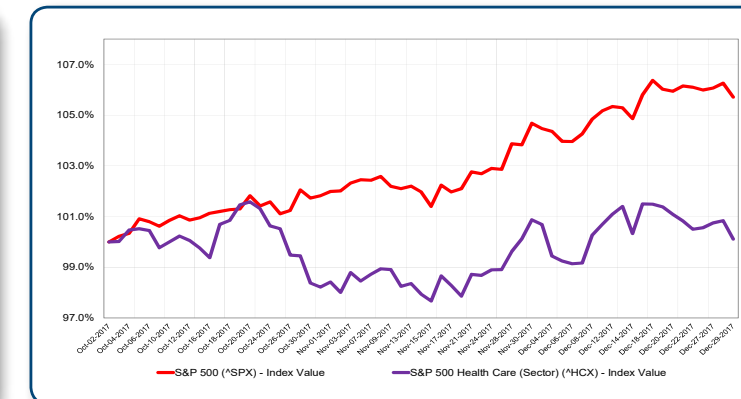
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / EBITDA



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



CMS Cancels Mandatory Hip Fracture, Cardiac Bundled Payment Models

CMS finalized a rule that cancels mandatory hip fracture and cardiac bundled payment models. CMS officials said it is finalizing the cancellation of the Episode Payment Models and the Cardiac Rehabilitation Incentive Payment Model that were to begin on January 1, 2018 and will also implement changes to the Comprehensive Care for Joint Replacement Model (CJR). As per the final rule, CMS is specifically reducing the number of mandatory geographic areas participating in CJR from 67 areas to 34 areas. Moving forward, CMS said it expects to increase opportunities for providers to participate in voluntary initiatives rather than large mandatory bundled payment models.

Proposed Combination of CVS Health and Aetna Inc. Would Have Negative Long-Term Implications for Other Healthcare Companies

The merger, if completed, would create an enormous, vertically-integrated healthcare organization, competing in multiple aspects of healthcare delivery and affecting retail, prescription drug, health insurance and pharmacy benefit management (PBM) companies, according to Moody's. With approximately 22 million members, Aetna offers products in all 50 states and contracts with a network of physicians, hospitals and other healthcare organizations. As such, a combined CVS/Aetna would enjoy certain advantages and synergies that would disadvantage its competitors, including other PBMs. The proposed transaction also highlights the dynamic pace of M&A in healthcare that will inevitably continue and involve other non-traditional pairings of various entities.

Medicare Reimbursement Rate Changes Primarily Positive in 2018 for Most Healthcare Companies

According to a recent Moody's report, CMS final rules for 2018 are largely benign for most healthcare providers. Most for-profit hospitals, outpatient and post-acute providers will see modest increases in rates, although likely not enough to keep up with wage inflation. Medicare typically accounts for roughly one-quarter of for-profit hospitals' revenue and more than one-half of most providers' post-acute revenue.

Fourth Quarter 2017

Moody's Issues Negative Outlook on Nonprofit Healthcare and Hospital Sector

The outlook reflects Moody's expectation that operating cash flow in this sector will decline by 2% - 4% over the next 12 to 18 months. The outlook revision comes amid uncertainty regarding federal healthcare policy for nonprofit hospitals and after the sector experienced a larger-than-expected drop in cash flow in 2017. The negative outlook also incorporates Moody's expectation that hospital bad debt will continue to rise. Bad debt declined from 2014 - 2016 as a result of the ACA, but rebounded in 2017 and is projected to grow at a rate of 6% - 7% in 2018. Rising copays and use of high deductible plans will also increase bad debt for both expansion and non-expansion states. The December negative outlook marks the first time in several years Moody's has issued a negative outlook on the nonprofit healthcare and hospital sector. Moody's has maintained a stable outlook on the sector since August 2015.

U.S. For-Profit Hospitals Same-Facility EBITDA Projected to Grow 2.5% - 3.0%

Movement of patients to lower cost settings will constrain inpatient volumes, price increases by private insurers are expected to help mitigate flat reimbursement from government payers, and rising labor and other expenses will pressure margins, according to a recent Moody's report.

Amazon, Berkshire Hathaway and JPMorgan Chase Announce the Formation of an Independent Healthcare Company to Serve Their U.S. Employees

The three companies provided few details about the new entity, other than saying it would initially focus on technology to provide simplified, high-quality healthcare for their employees and their families, and at a reasonable cost. The companies report that the initiative, which is in the early planning stages, would be a long-term effort without profit-making incentives and constraints.



Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternate Site					
12/06/17	DaVita Medical Group (NYSE: DVA)	Optum (NYSE: UNH)	\$4,900.0	n/a	n/a
Description:	Optum (NYSE: UNH) has acquired DaVita Medical Group (NYSE: DVA), an operator and manager of medical groups and affiliated physician networks. DaVita Medical Group was founded in 1992 and is based in El Segundo, CA.				
11/01/17	9-clinic physical therapy practice	U.S. Physical Therapy, Inc. (NYSE: USPH)	\$6.4	1.0x	n/a
Description:	U.S. Physical Therapy, Inc. (NYSE: USPH) has acquired a nine-clinic physical therapy practice.				
10/23/17	U.S. Healthworks, Inc.	Concentra Group Holdings, LLC (NYSE: SEM)	\$753.0	n/a	n/a
Description:	Concentra Group Holdings, LLC (NYSE: SEM) has acquired U.S. Healthworks, Inc., an owner/operator of occupational healthcare and urgent care centers. U.S. Healthworks, Inc. was founded in 1995 and is based in Valencia, CA.				
10/06/17	Women's Care Florida, LLC	Lindsey Goldberg, LLC	n/a	n/a	n/a
Description:	Lindsey Goldberg, LLC has acquired Women's Care Florida, LLC, a provider of women healthcare services. Women's Care Florida, LLC was founded in 1998 and is based in Tampa, FL.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Diagnostic Services					
12/27/17	MGC Diagnostics Corporation (NASDAQ: MGCD)	Altus Capital Partners	\$43.8	1.1x	25.0x
Description:	Altus Capital Partners has acquired MGC Diagnostics Corporation (NASDAQ: MGCD), a global medical technology company dedicated to cardio-respiratory health solutions. MGC Diagnostics Corporation was founded in 1986 and is headquartered in Saint Paul, MN.				
12/15/17	Rosetta Genomics Ltd. (NASDAQ: ROSG)	Genoptix, Inc.	\$10.0	3.5x	n/a
Description:	Genoptix, Inc. entered into a merger agreement to acquire Rosetta Genomics Ltd., a genomic diagnostics company. Rosetta Genomics Ltd. was founded in 2000 and is headquartered in Rehovot, Israel.				
12/01/17	Cleveland Heartlab, Inc.	Quest Diagnostics, Inc. (NYSE: DGX)	\$94.0	n/a	n/a
Description:	Quest Diagnostics, Inc. (NYSE: DGX) has acquired Cleveland Heartlab, Inc., a clinical laboratory and cardiovascular disease management company. Cleveland Heartlab, Inc. was founded in 2009 and is based in Cleveland, OH.				
10/30/17	California Laboratory Associates	Quest Diagnostics, Inc. (NYSE: DGX)	n/a	n/a	n/a
Description:	Quest Diagnostics, Inc. (NYSE: DGX) has acquired certain assets of California Laboratory Associates, a clinical lab network serving patients and providers. California Laboratory Associates was founded in 2010 and is based in Burbank, CA.				

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

12/20/17	Leehar Distributors, Inc.	Diplomat Pharmacy, Inc. (NYSE: DPLO)	\$596.0	n/a	n/a
Description:	Diplomat Pharmacy, Inc. (NYSE: DPLO) has acquired Leehar Distributors, Inc., a provider of pharmacy benefits services. Leehar Distributors, Inc. was founded in 1967 and is based in Creve Coeur, MO.				
11/06/17	RxCrossroads	McKesson Specialty Health	\$735.0	n/a	n/a
Description:	McKesson Specialty Health has acquired RxCrossroads, a provider of healthcare outsourcing services. RxCrossroads was founded in 1985 and is based in Louisville, KY.				
10/10/17	SCA Pharmaceuticals, Inc.	Enhanced Healthcare Partners	n/a	n/a	n/a
Description:	Enhanced Healthcare Partners has acquired SCA Pharmaceuticals, Inc., a producer of sterile pharmaceutical products. SCA Pharmaceuticals, Inc. was founded in 2009 and is based in Little Rock, AK.				

Healthcare Equipment & Supplies

12/12/17	Dextera Surgical Inc. (NASDAQ: DXTR)	Aesculap, Inc.	\$17.3	n/a	n/a
Description:	Aesculap, Inc. entered into an asset purchase agreement to acquire the assets of Dextera Surgical Inc. (NASDAQ: DXTR), a designer and manufacturer of stapling devices for surgical procedures. Dextera Surgical Inc. was founded in 1997 and is based in Redwood City, CA.				
12/07/17	Entellus Medical, Inc. (NASDAQ: ENTL)	Stryker Corporation (NYSE: SYK)	\$709.6	8.2x	n/a
Description:	Stryker Corporation (NYSE: SYK) entered into a merger agreement to acquire Entellus Medical, Inc. (NASDAQ: ENTL), a medical technology company. Entellus Medical Inc. was founded in 2006 and is headquartered in Plymouth, MN.				
12/01/17	Paragon Vision Sciences	The Cooper Companies, Inc. (NYSE COO)	\$80.0	5.3x	n/a
Description:	The Cooper Companies, Inc. (NYSE COO) has acquired Paragon Vision Sciences, Inc., a manufacturer of specialty contact lenses. Paragon Vision Sciences, Inc. was founded in 1976 and is headquartered in Mesa, AZ.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
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11/01/17	2 Halyard Health, Inc. businesses (NYSE: HYH)	Owens & Minor, Inc. (NYSE: OMI)	\$710.0	n/a	n/a
Description:	Owens & Minor, Inc. (NYSE: OMI) has acquired the surgical and infection prevention businesses from Halyard Health, Inc. (NYSE: HYH). Halyard Health, Inc. was founded in 2014 and is headquartered in Alpharetta, GA.				
10/23/17	Exactech, Inc. (NASDAQ: EXAC)	TPG Capital, L.P.	\$710.0	2.7x	17.0x
Description:	TPG Capital, L.P. entered into a merger agreement to acquire Exactech, Inc. (NASDAQ: EXAC), a manufacturer, distributor and seller of orthopedic implant devices, related surgical instruments and biological services. Exactech, Inc. was founded in 1985 and is headquartered in Gainesville, FL.				

Healthcare IT

12/18/17	Net Health Systems, Inc.	The Carlye Group L.P. & Level Equity Management, LLC	n/a	n/a	n/a
Description:	The Carlye Group L.P. & Level Equity Management, LLC entered into an agreement to acquire Net Health Systems, Inc., a provider of software solutions for healthcare professionals. Net Health Systems, Inc. was founded in 1993 and is based in Pittsburgh, PA.				
11/01/17	Cytel, Inc.	New Mountain Capital, LLC	n/a	n/a	n/a
Description:	New Mountain Capital, LLC has entered into a partnership with Cytel, Inc., a provider of software and services for the design, analysis, and implementation of clinical trials. Cytel, Inc. was founded in 1987 and is headquartered in Cambridge, MA.				
10/24/17	mProve Health, Inc.	Bracket Global, LLC	n/a	n/a	n/a
Description:	Bracket Global, LLC has acquired mProve Health, Inc., a provider of mobile technologies for life science and pharmaceutical companies. mProve Health, Inc. was founded in 2010 and is based in Arlington, VA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Hospital Providers					
12/20/17	Pioneer Hospital of Patrick County	Virginia Community Capital	\$5.7	n/a	n/a
Description:	Virginia Community Capital purchased the property of Pioneer Hospital of Patrick County. Patrick Hospital was a 25-bed hospital located in Stuart, VA.				
12/19/17	Lee Regional Medical Center	Americore Health LLC	\$2.0	n/a	n/a
Description:	Americore Health, LLC has acquired Lee Regional Medical Center, a 43-bed facility that closed down in 2013. Lee Regional Medical Center was founded in 2007 and is located in Pennington, VA.				
12/02/17	Banmedica SA (SSE: SGO)	UnitedHealth Group (NYSE: UNH)	\$2,800	1.3x	n/a
Description:	UnitedHealth Group (NYSE: UNH) has acquired Banmedica SA, a hospital operator and provider of insurance and other services. Banmedica SA was founded in 1988 and is headquartered in Los Condes, Chile.				
11/16/17	Charlotte Hungerford Hospital, Inc.	Hartford HealthCare	n/a	n/a	n/a
Description:	Hartford HealthCare entered into an affiliation with Charlotte Hungerford Hospital, Inc., an acute care facility providing healthcare services. Hungerford Hospital, Inc. was founded in 1916 and is based in Torrington, CT.				
11/13/17	Morehead Memorial Hospital	UNC Health Care System	\$11.5	n/a	n/a
Description:	UNC Health Care System has acquired Morehead Memorial Hospital, a 108-bed hospital consisting of a 121-bed skilled nursing facility and several medical offices. Morehead Memorial Hospital was founded in 1960 and is headquartered in Eden, NC.				
11/01/17	Merit Health – 3 hospitals	Curae Health	n/a	n/a	n/a
Description:	Curae Health has acquired three Merit Health hospitals located in Mississippi totaling 388 beds.				
10/26/17	Columbus Regional Healthcare System	Piedmont Healthcare	\$280.0	n/a	n/a
Description:	Piedmont Healthcare, Inc. entered into an agreement to acquire Columbus Healthcare System, a provider of healthcare services. The company was founded in 1935 and is based in Whiteville, NC.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/11/17	MacNeal Health Network, Inc.	Loyola University Health System	n/a	n/a	n/a
Description:	Loyola University Health System entered into an agreement to acquire MacNeal Health Network, Inc., an operator of healthcare facilities. MacNeal Health Network Inc., was founded in 1926 and is based in Berwyn, IL.				
10/02/17	Rockdale Medical Center, Inc.	Piedmont Healthcare	n/a	n/a	n/a
Description:	Piedmont Healthcare, Inc. acquired Rockdale Medical Center, Inc., an acute-care hospital. Rockdale Medical Center, Inc. was founded in 1954 and is based in Conyers, GA.				
Long-Term Care / Senior Living					
12/28/17	Woodland Towers	Not-for-profit organization	\$19.0	n/a	n/a
Description:	A not-for-profit organization has acquired Woodland Towers, a 190-unit assisted living community. Woodland Towers was founded in 1986 and is headquartered in Deland, FL.				
12/19/17	Kindred Healthcare (NYSE: KND)	Consortium of 3 companies	\$4,100.0	n/a	n/a
Description:	Humana, Inc., TPG Capital, and Welsh, Carson, Anderson & Stowe have acquired Kindred Healthcare, Inc., a provider of healthcare services in 2,475 locations in 45 states.				
12/19/17	Spring Arbor of Durham	National Health Investors, Inc. (NYSE: NHI)	\$7.6	n/a	n/a
Description:	National Health Investors, Inc. (NYSE: NHI) has acquired Spring Arbor of Durham, an assisted living and memory care community located in Durham, NC.				
12/12/17	Barnwell Nursing and Rehab	The Grand Healthcare System	\$30.0	n/a	n/a
Description:	The Grand Healthcare System has acquired Barnwell Nursing and Rehab, a 236-bed skilled nursing facility and 44-bed adult day care center. Barnwell Nursing and Rehab was founded in 1940 and is headquartered in Valatie, NY.				
12/04/17	The Country Club of Woodland Hills LP	National Health Investors, Inc. (NYSE: NHI)	\$34.6	n/a	n/a
Description:	National Health Investors, Inc. (NYSE: NHI) has acquired The Country Club of Woodland Hills, a 200-unit independent living and assisted living community. The Country Club of Woodlands Hills was founded in 1987 and is headquartered in Tulsa, OK.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/04/17	Superior Residences at Bluewater	American House Senior Living	\$24.5	n/a	n/a
Description:	American House Senior Living has acquired Superior Residences at Bluewater, a mixed-use residential/resort independent living community. Superior Residences at Bluewater was founded in 2015 and headquartered in Niceville, FL.				
11/30/17	Quail Run Assisted Living	Birchwood Health Care	\$6.0	n/a	n/a
Description:	Birchwood Health Care has acquired Quail Run Assisted Living, a 64-unit assisted living and memory care community. Quail Run Assisted Living was founded in 2000 and is based in Perry Hall, MD.				
11/16/17	Almost Family, Inc. (NASDAQ: AFAM)	LHC Group, Inc. (NASDAQ: LHCG)	\$1,016.8	1.4x	24.0x
Description:	LHC Group, Inc. (NASDAQ: LHCG) entered into a merger agreement to acquire Almost Family, Inc. (NASDAQ: AFAM), a provider of home healthcare services across 26 states. Almost Family, Inc. was founded in 1976 and is based in Louisville, KY.				
11/09/17	The Oxford Grand	LTC Properties, Inc. (NYSE: LTC)	\$16.6	n/a	n/a
Description:	LTC Properties, Inc. (NYSE: LTC) has acquired The Oxford Grand, a 77-unit assisted living and memory care community. The Oxford Grand was founded in 2017 and is based in Kansas City, MO.				
11/02/17	Bartlett Reserve	Focus Healthcare Partners, LLC	\$15.8	n/a	n/a
Description:	Focus Healthcare Partners, LLC has acquired Bartlett Reserve, a 99-unit independent senior living facility. Bartlett Reserve was founded in 1985 and is based in Durham, NC.				
11/01/17	New Senior Investment Group Inc. (NYSE: SNR) - 9 senior housing facilities	Griffin-American Healthcare REIT IV, Inc.	\$109.5	n/a	n/a
Description:	Griffin-American Healthcare REIT IV, Inc. entered into a purchase and sale agreement to acquire nine senior housing facilities located in Florida from New Senior Investment Group Inc. (NYSE:SNR).				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/31/17	3 skilled nursing facilities	CareTrust REIT, Inc. (NASDAQ: CTRE)	\$69.0	n/a	n/a
Description:	CareTrust REIT, Inc. (NASDAQ: CTRE) has acquired three skilled nursing facilities in California totaling 528 beds.				
10/27/17	Glenmoor	Westminster Communities of Florida, Inc.	\$27.5	n/a	n/a
Description:	Westminster Communities of Florida has acquired Glenmoor, a 223-unit senior living community. Glenmoor was founded in 2001 and is located in St. Augustine, FL.				

Managed Care

12/29/17	MDwise, Inc.	McLaren Health Care Corporation	n/a	n/a	n/a
Description:	McLaren Health Care Corporation has acquired MDwise, Inc., a not-for-profit managed care organization. MDwise, Inc. was founded in 1994 and is headquartered in Indianapolis, IN.				
12/07/17	Advance Health	New Mountain Capital, LLC	n/a	n/a	n/a
Description:	New Mountain Capital, LLC has acquired Advance Health, a provider of managed care solutions. Advance Health was founded in 2010 and is based in Chantilly, VA.				
12/03/17	Aetna, Inc. (NYSE: AET)	CVS Health Corporation (NYSE: CVS)	\$77,000.0	n/a	n/a
Description:	CVS Health Corporation (NYSE: CVS) entered into an agreement to acquire Aetna, Inc. (NYSE: AET), a health care benefits company. Aetna, Inc. was founded in 1853 and is based in Hartford, CT.				
10/24/17	America's 1st Choice	Anthem, Inc. (NYSE: ANTM)	n/a	n/a	n/a
Description:	Anthem, Inc. (NYSE: ANTM) entered into an agreement to acquire America's 1st Choice, a Medicare advantage organization based in Columbia, SC.				
10/10/17	eviCore Healthcare, LLC	Express Scripts (NASDAQ: ESRX)	\$3,600.0	n/a	n/a
Description:	Express Scripts (NASDAQ: ESRX) has acquired eviCore Healthcare, LLC, a medical benefits management company. eviCore Healthcare, LLC was founded in 1994 and is based in Bluffton, SC.				

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.	\$52.71	80.0%	\$1,788.8	\$1,813.6	1.2x	15.0x	41.8x
DVA	DaVita Inc.	72.25	99.1%	13,246.5	22,573.0	1.5x	9.2x	27.2x
EVHC	Envision Healthcare Corporation	34.56	47.3%	4,127.0	11,023.3	1.5x	10.3x	NM
DB:FME	Fresenius Medical Care AG & Co. KGAA	87.78	82.0%	32,331.5	41,862.6	2.1x	11.3x	0.0x
Mean						1.6x	11.4x	13.6x

Diagnostic Services ^[2]								
Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	LTM Revenue	LTM EBITDA	P/E
LH	Laboratory Corporation of America Holdings	159.51	96.6%	16,238.1	23,074.1	2.3x	12.1x	22.2x
DGX	Quest Diagnostics Incorporated	98.49	87.2%	13,424.1	17,026.1	2.2x	11.6x	20.6x
RDNT	RadNet, Inc.	10.10	84.9%	481.0	1,098.6	1.2x	8.7x	44.0x
Mean						1.9x	10.8x	21.4x

[1] AMED has been excluded from mean PE multiple calculation.

[2] RDNT has 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 ^[3]								
ABC	AmerisourceBergen Corporation	\$91.82	93.8%	\$20,024.3	\$21,382.9	0.1x	8.7x	56.0x
CAH	Cardinal Health, Inc.	61.27	72.2%	19,275.8	28,126.8	0.2x	9.2x	17.9x
HSIC	Henry Schein, Inc.	69.88	74.7%	10,968.0	13,191.1	1.1x	12.6x	20.1x
MCK	McKesson Corporation	155.95	92.1%	32,511.6	40,043.6	0.2x	10.7x	7.4x
OMI	Owens & Minor, Inc.	18.88	51.0%	1,156.5	1,975.4	0.2x	9.2x	15.0x
SRCL	Stericycle, Inc.	67.99	77.3%	5,804.5	8,542.2	2.4x	11.4x	NM
TMO	Thermo Fisher Scientific Inc.	189.88	94.4%	76,141.0	97,490.2	4.9x	19.6x	32.2x
Mean						1.3x	11.6x	15.1x

Healthcare Equipment & Supplies ^[4]								
Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	LTM Revenue	LTM EBITDA	P/E
ABT	Abbott Laboratories	\$57.07	98.8%	\$99,336.1	\$112,401.1	4.5x	20.2x	48.9x
BAX	Baxter International Inc.	64.64	97.7%	35,217.9	35,191.9	3.4x	15.6x	34.8x
BDX	Becton, Dickinson and Company	214.06	93.2%	57,028.9	61,693.9	5.1x	18.5x	46.5x
BEAT	BioTelemetry, Inc.	29.90	76.3%	969.0	1,154.8	4.9x	25.1x	22.4x
BSX	Boston Scientific Corporation	24.79	82.8%	34,041.5	39,513.5	4.5x	17.0x	40.6x
JNJ	Johnson & Johnson	139.72	96.8%	375,360.6	394,453.6	5.3x	15.4x	24.3x
MDT	Medtronic plc	80.75	90.0%	109,295.0	124,958.0	4.2x	13.6x	22.2x
SIE	Siemens Aktiengesellschaft	116.35	87.2%	96,993.7	119,889.7	1.4x	11.5x	16.1x
Mean						4.2x	17.1x	21.3x

[3] ABC & TMO have been excluded from mean PE multiple calculation.

[4] ABT, BAX, BDX & BSX 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^[5]								
MDRX	Allscripts Healthcare Solutions, Inc.	\$14.55	95.7%	\$2,628.9	\$4,402.8	2.6x	25.2x	NM
ATHN	athenahealth, Inc.	133.04	83.9%	5,324.0	5,477.7	4.6x	42.1x	173.1x
CERN	Cerner Corporation	67.39	91.2%	22,401.4	22,084.4	4.4x	15.9x	33.5x
CPSI	Computer Programs and Systems, Inc.	30.05	83.1%	404.1	547.7	2.1x	19.9x	68.4x
HMSY	HMS Holdings Corp.	16.95	81.1%	1,425.2	1,585.7	3.2x	16.7x	62.3x
OMCL	Omniceil, Inc.	48.50	87.5%	1,839.7	2,024.6	2.9x	49.4x	NM
QSII	Quality Systems, Inc.	13.58	76.6%	864.7	893.1	1.7x	15.1x	31.7x
Mean						3.1x	18.6x	32.6x

Hospital Providers								
CYH	Community Health Systems, Inc.	\$4.26	40.5%	\$477.2	\$14,487.2	0.9x	8.7x	NM
HCA	HCA Healthcare, Inc.	87.84	96.5%	31,100.0	64,999.0	1.5x	8.0x	12.5x
LPNT	LifePoint Health, Inc.	49.80	70.2%	1,962.9	4,866.7	0.8x	6.5x	11.8x
THC	Tenet Healthcare Corporation	15.16	66.7%	1,530.2	18,469.2	1.0x	8.6x	NM
UHS	Universal Health Services, Inc.	113.35	87.4%	10,757.9	14,804.7	1.4x	8.7x	15.6x
Mean						1.1x	8.1x	13.3x

[5] ATHN & OMCL have been excluded from mean EBITDA multiple calculation, and ATHN, CPSI & HMSY 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.	\$9.70	59.5%	\$1,808.0	\$6,785.0	1.7x	9.8x	14.7x
CSU	Capital Senior Living Corporation	13.49	76.4%	411.1	1,406.5	3.0x	17.7x	19.4x
DVCR	Diversicare Healthcare Services, Inc.	10.01	81.7%	64.6	148.7	0.3x	5.1x	13.6x
ENSG	The Ensign Group, Inc.	22.20	89.6%	1,136.0	1,389.7	0.8x	10.7x	24.4x
GEN	Genesis Healthcare, Inc.	0.76	16.1%	72.4	4,529.1	0.8x	10.8x	NM
KND	Kindred Healthcare, Inc.	9.70	81.5%	887.2	4,207.3	0.6x	9.3x	NM
Mean						1.2x	10.6x	18.0x

Managed Care								
AET	Aetna Inc.	\$180.39	93.8%	\$58,838.2	\$63,304.2	1.0x	10.6x	34.3x
ANTM	Anthem, Inc.	225.01	95.2%	57,773.7	68,813.6	0.8x	12.0x	20.3x
CNC	Centene Corporation	100.88	96.4%	17,408.5	17,934.5	0.4x	8.1x	20.8x
CI	Cigna Corporation	203.09	95.6%	50,071.8	51,815.8	1.3x	11.3x	22.2x
ESRX	Express Scripts Holding Company	74.64	98.7%	42,274.1	53,791.8	0.5x	7.5x	12.3x
HUM	Humana Inc.	248.07	93.8%	34,624.6	29,860.6	0.6x	11.2x	19.7x
UNH	UnitedHealth Group Incorporated	220.46	95.1%	213,640.6	230,815.6	1.2x	14.3x	25.0x
Mean						0.8x	10.7x	22.1x

OVERALL HEALTHCARE SECTOR				
Mean		1.9x	12.4x	19.7x



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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