



Healthcare Services

Quarterly Update
Fourth Quarter 2018



CAPITAL PLACEMENTS • MERGERS, ACQUISITIONS & DIVESTITURES • RESTRUCTURINGS

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Q4 2018 Highlights

January, 2019

With more than 1,850 healthcare transactions announced in 2018, M&A transaction volume in 2018 was up 14% as compared to 2017, according to preliminary figures from Irving Levin Associates Inc. Transaction value in 2018 was \$330.3 billion, up 21% from 2017. While demand for facility-based services declined in 2018 with hospital mergers falling 22% as compared to the same period a year prior, there was a jump in transactions in the home healthcare and physician medical group markets as the trend from inpatient to outpatient activity proliferates. Home healthcare is being recognized as playing a key part of the overall continuum of care and is garnering increasing investment by both financial and strategic buyers. There were approximately 75 home healthcare and hospice M&A transactions in 2018, up 39% over the same period a year prior. In December, Apax Partners acquired Homewatch International, franchisor of Homewatch CareGivers, a year after PNC Riverarch Capital acquired Homewatch at a reported industry-record EBITDA multiple. Also, Bain Capital Double Impact acquired and combined Arosa and LiveHome to create a national in-home care provider. One of the largest home healthcare transactions of 2018 was the Blue Wolf Capital Partners and Kelso & Company merger of Great Lakes Caring, Jordan Health Services and National Home Health Care to form Elara Caring, becoming one of the largest providers of home-based care in the U.S.

Physician medical groups are also garnering significant investment, particularly specialty practices such as dermatology, ophthalmology, and orthopedics, as well as physician staffing companies. For physicians, private equity investment often offers a chance to retain autonomy and an ownership stake in the practice, as well as better access to capital, translating into enhanced technology options and better pay. In 2018, there were over 160 physical medical group M&A transactions, in line with 2017's 166 transactions, the highest on record in 40 years. New platforms are developing such as U.S. Oral Surgery Management, a specialty management services company focused on oral and maxillofacial surgeons, and Blue Sky Vision, a management service organization for ophthalmology practices.

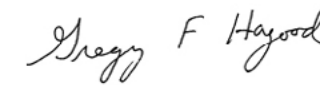
Acute care providers are seeking to navigate increasingly competitive environments by achieving greater scale. Mergers across state lines and multiple geographies to form or expand a regional system is a characteristic of many of the largest deals in 2018 such as Bon Secours / Mercy Health, LifePoint / RCCH HealthCare Partners, Atrium Health / Navicent Health, and Western Connecticut Health Network / Health Quest Systems. Multiple factors including new competition, maturing markets, political and regulatory pressures, and the desire to improve operational or clinical capabilities are expected to encourage hospitals and health systems to look beyond their original markets for acquisition partners. One-in-four U.S. rural hospitals are at risk of closing, a trend that would worsen as an economic downturn looms.

As hospitals and health systems increase in scale, there is increasing competition to control healthcare's "front door." Hospitals are now competing against a variety of consumer-friendly access points, including retail health clinics, telehealth, and mobile apps and new market entrants including Alphabet, Amazon, and Apple. Many provider organizations are moving aggressively to create digital front doors themselves. Kaiser Permanente delivered 77 million virtual visits last year. Intermountain introduced a virtual hospital that provides over 40 services and has delivered over 500,000 interactions. As business models evolve, hospitals and health systems are looking at combinations across healthcare verticals to seek partners with strong capabilities in digital technology and consumer experience.

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



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 *Recent Representative Transaction*



SOLIC Capital Advisors provided financial advisory services to American Medical Depot, a leading medical supplies distributor to the government and alternate site healthcare providers, related to the implementation of strategic growth initiatives and structuring of a successful recapitalization of the business.

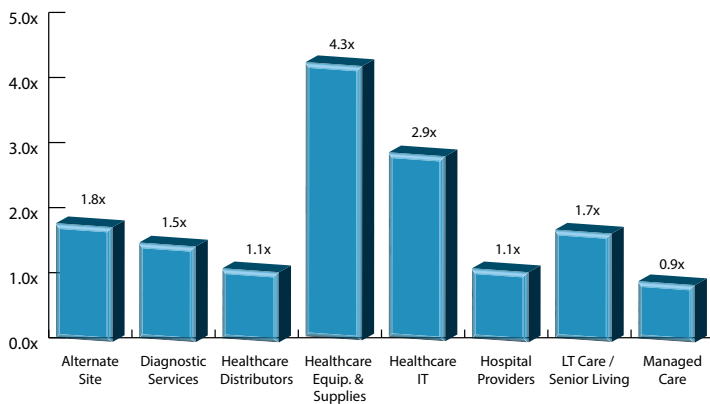


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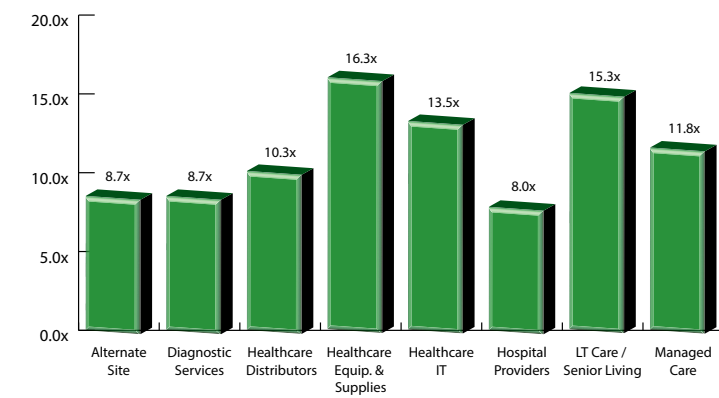
Market Overview



Enterprise Value To Revenue

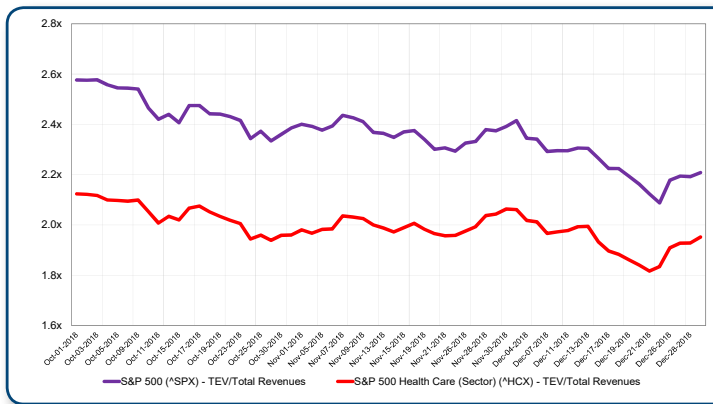


Enterprise Value To EBITDA

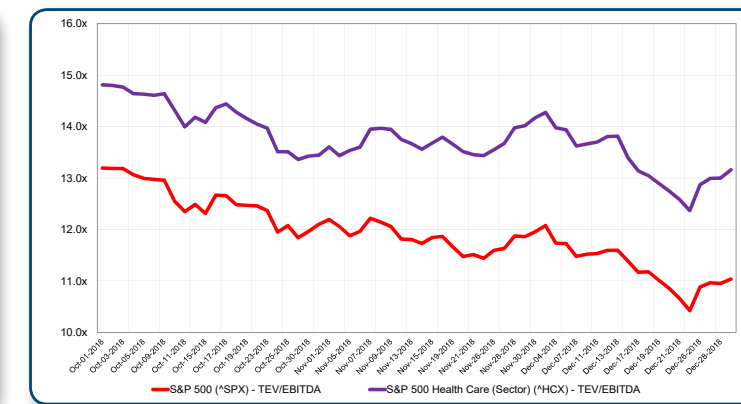


Revenue and EBITDA multiples for the S&P 500 decreased by approximately 15% in Q4 2018, while the healthcare sector saw a drop of 8% in revenue multiples and 11% in EBITDA multiples primarily due to overall market performance.

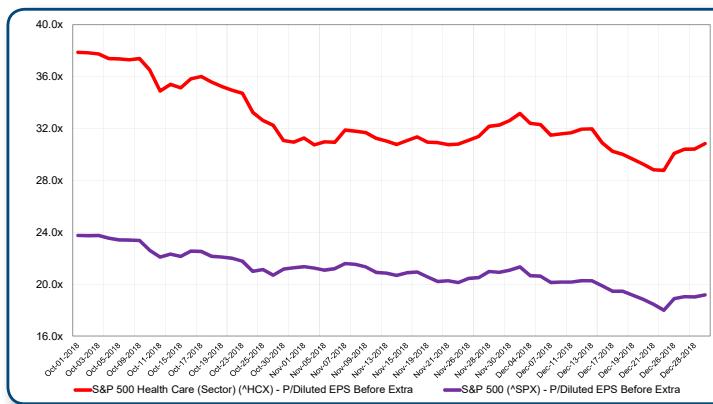
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / Revenue



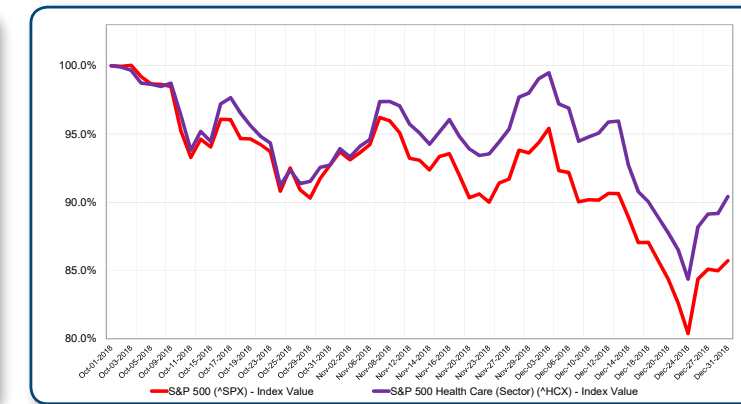
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / EBITDA



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



Rural Providers Need New Strategies to Succeed

Skilled nursing facilities (SNFs) are facing operational, clinical, and financial challenges like never before. Rural SNFs are facing these same challenges and others that are unique or exacerbated due to their size and location. Record lows in occupancy and profitability, combined with labor shortages across the country, are creating challenges for all long term and post-acute care providers. Rural SNFs face unique challenges, including competition with critical access hospitals (CAH). 42% of CAHs provide skilled care, and 25.4% of CAHs provide long term care services, according to Rural Health Information Hub. Access to physician and other ancillary services, especially specialty services is also extremely challenging for rural SNFs. The patient to primary care physician ratio per 100,000 people is 39.8 physicians in rural areas, compared with 53.3 physicians in urban areas, according to the National Rural Health Association.

Hospitals Overspend \$39 Billion a Year on Purchased Services

According to a recent study by Medpricer, hospitals overspend \$39 billion a year on purchased services. The American Hospital Association estimates that purchased services account for approximately 20% of a hospital's total operating costs which amounted to \$991 billion in 2017. Purchased services and the broader umbrella of supply chain spending is often an initial focus of extracting costs from merged hospitals. Executives anticipate that scale will translate to better prices with their suppliers and that a more standardized and centralized structure will lower costs.

Medicare Advantage Industry Sees Slower Growth for 2019

Medicare Advantage insurers added 1.4 million members to their rosters for 2019, as they looked to grow membership in a market known for being politically safe and predictably lucrative. But membership is growing at slower pace than in previous years. According to the latest federal data showing enrollment as of January 2019, 22.4 million people are enrolled in Medicare Advantage for 2019 coverage — an alternative to the traditional Medicare program in which private insurers contract with the federal government to administer program benefits, an increase of 6.8% since January 2018. Health insurers, however, grew their Advantage membership base by more than 1.5 million in both 2016 and 2017.

Fourth Quarter 2018

CMS Releases 2020 Medicare Advantage Risk Adjustment Payment Model

CMS is proposing to phase-in changes to the way it calculates risk adjustment payment to Medicare Advantage plans. Starting in 2020, CMS will calculate payments using a blend of 50% of the risk adjustment model first used for payment in 2017 and 50% of the new risk adjustment model proposed, but not finalized, in the 2019 rate announcement. The new model adds variables that count the number of conditions a beneficiary may have. It includes additional condition categories for mental health, substance use disorder, and chronic kidney disease.

Medicare, Medicaid Underpaid U.S. Hospitals by \$76.8 Billion in 2017

According to the American Hospital Association (AHA), Medicare underpayments totaled \$53.9 billion and Medicaid underpayments were \$22.9 billion during 2017. In 2017, hospitals provided \$38.4 billion in uncompensated care. This implies that hospitals received only 87 cents for every dollar spent by hospitals caring for Medicare patients in 2017 and the same figure applied to payment for care given to Medicaid patients.

Size of Organizations in Mergers Continues to Grow

As healthcare merger and acquisition activity continued to increase in 2018, the average size of organizations participating in mergers also grew, according to a recent study by Kaufman Hall. The study found that the average annual revenue of sellers, the smaller of two organizations in a merger, was \$409 million in 2018. This represents an average annual growth of 13.8% since 2008, when the average annual revenue of sellers was just over \$100 million.

The Uninsured Rate is Now the Highest Since First Quarter 2014

The uninsured rate among adults in the U.S. was 13.7% in the fourth quarter of 2018, according to the Gallup National Health and Well-Being Index. The rate is the highest uninsured rate since the first quarter of 2014. While the rate is lower than the 18% high documented before the ACA's individual mandate went into effect, it's still above the low point of 10.9% recorded in 2016. The 2.8-point increase since the 2016 low represents about 7 million more adults that are uninsured today than were in 2016, according to the index.

Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternate Site					
12/28/18	Wake Forest Baptist Surgery	Healthcare Realty Solutions	\$5.7	n/a	n/a
Description:	Healthcare Realty Solutions has acquired Wake Forest Baptist Surgery, a 12,500-square-foot outpatient ambulatory surgery center affiliated with Wake Forest Baptist Health. Wake Forest Baptist Surgery is based in Clemmons, NC.				
12/19/18	Civitas Solutions, Inc. (NYSE:CIVI)	Centerbridge Partners, L.P.	\$1,364.0	0.9x	8.3x
Description:	Centerbridge Partners, L.P. has agreed to acquire Civitas Solutions, Inc. (NYSE:CIVI), a provider of home- and community-based health and human services. Civitas Solutions, Inc. (NYSE:CIVI) was founded in 1980 and is based in Boston, MA.				
12/05/18	Phoenix Rehabilitation and Health Services	Audax Group	n/a	n/a	n/a
Description:	Audax Group has acquired Phoenix Rehabilitation and Health Services, a provider of physical therapy and occupational therapy services through its outpatient centers in Pennsylvania and Virginia. Phoenix Rehabilitation and Health Services was founded in 1997 and is based in Blairsville, PA.				
11/27/18	InSight Telepsychiatry, LLC	Harbour Point Capital	n/a	n/a	n/a
Description:	Harbour Point Capital has acquired InSight Telepsychiatry, LLC, the largest telepsychiatry service provider organization in the country. InSight Telepsychiatry, LLC was founded in 1999 and is based in Marlton, NJ.				
11/02/18	Martin Healthcare Group	HNI Healthcare, Inc.	\$25.0	n/a	n/a
Description:	HNI Healthcare, Inc. has acquired Martin Healthcare Group, a privately-held physician staffing and practice management company. Martin Healthcare Group was founded in 1987 and is based in Cleveland, OH.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/27/18	Poly Clinic, Inc.	Optum, Inc.	n/a	n/a	n/a
Description:	Optum, Inc. has agreed to acquire Poly Clinic, Inc., a 210-physician primary and specialty care clinic in Seattle. Poly Clinic, Inc. was founded in 1917 and is based in Seattle, WA.				
10/03/18	Birner Dental Management	Mid-Atlantic Dental Partners	\$38.6	0.6x	n/a
Description:	Mid-Atlantic Dental Partners has acquired Birner Dental Management, a dental practice operator with more than 100 dentists. Birner Dental Management was founded in 1995 and is based in Denver, CO.				
10/01/18	Locum Medical Group, LLC	Health Carousel, LLC	n/a	n/a	n/a
Description:	Health Carousel, LLC has acquired Locum Medical Group, LLC, a physician staffing company providing physician placement services. Locum Medical Group, LLC was founded in 1987 and is based in Cleveland, OH.				

Diagnostic Services

12/21/18	Quest Diagnostics Inc. - Medical Diagnostics Business	Strand Life Sciences	n/a	n/a	n/a
Description:	Strand Life Sciences has acquired the medical diagnostics business of Quest Diagnostics Inc. Quest Diagnostics Inc. was founded in 1967 and is based in Secaucus, NJ.				
12/12/18	Aurora Diagnostics, LLC	Sonic Healthcare Ltd.	\$540.0	n/a	n/a
Description:	Sonic Healthcare Ltd. has acquired Aurora Diagnostics, LLC, a provider of anatomical pathology and cancer diagnostic services. Aurora Diagnostics, LLC was founded in 2006 and is based in Palm Beach Gardens, FL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/21/18	Grifols Diagnostic Solutions Inc.	Shanghai RAAS Blood Products	\$5,000.0	n/a	n/a
Description:	Shanghai RAAS Blood Products has agreed to acquire Grifols Diagnostic Solutions Inc., a provider of transfusional diagnostics and immunology services. Grifols Diagnostic Solutions Inc. was founded in 2013 and is based in Emeryville, CA.				
10/25/18	Marin General Hospital - Outreach Laboratory Services	Quest Diagnostics Incorporated (NYSE:DGX)	n/a	n/a	n/a
Description:	Quest Diagnostics Incorporated (NYSE:DGX) has agreed to acquire the outreach lab services business of Marin General Hospital (CA).				
10/23/18	Genoptix, Inc.	NeoGenomics, Inc. (NASDAQ:NEO)	\$138.3	n/a	n/a
Description:	NeoGenomics, Inc. (NASDAQ:NEO) has acquired Genoptix, Inc. a clinical oncology laboratory specializing in hematology and solid tumor testing. Genoptix, Inc. was founded in 1999 and is based in Carlsbad, CA.				
10/01/18	Medical Arts Radiology	RadNet, Inc.	\$61.6	1.5x	n/a
Description:	RadNet, Inc. has acquired Medical Arts Radiology, a provider of diagnostic imaging, pain management, and women's imaging services. Medical Arts Radiology is based in Bay Shore, NY.				

Healthcare Distributors

12/17/18	Central Oxygen, Inc.	Protech Home Medical Corp. (TSXV:PTQ)	\$0.5	n/a	n/a
Description:	Protech Home Medical Corp. (TSXV:PTQ) has acquired Central Oxygen, Inc., a provider of respiratory services and health care products. Central Oxygen, Inc. was founded in 1979 and is based in Muncie, IN.				
12/15/18	Path-Tec, LLC	Lab Logistics, LLC	n/a	n/a	n/a
Description:	Lab Logistics, LLC has acquired Path-Tec, LLC, a provider of specimen management solutions. Path-Tec, LLC was founded in 2005 and is based in Midland, GA.				
12/07/18	Pal-Med, Inc.	Solara Medical Supplies, Inc.	n/a	n/a	n/a
Description:	Solara Medical Supplies, Inc. has acquired Pal-Med, Inc., a direct-to-patient provider of insulin pumps and diabetic testing supplies. Pal-Med, Inc. was founded in 1994 and is based in West Columbia, SC.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/27/18	T-Plex Industries, Inc.	Democrasales, Inc.	n/a	n/a	n/a
Description:	Democrasales, Inc. has acquired T-Plex Industries, Inc., a wholesale distributor of medical supplies to physician offices and ambulatory surgery centers. T-Plex Industries, Inc. was founded in 1986 and is based in Fenton, MO.				
11/19/18	Reliable Medical Supply Inc.	Seven Hills Capital Partners LP	n/a	n/a	n/a
Description:	Seven Hills Capital Partners LP has acquired Reliable Medical Supply Inc., a distributor of home medical equipment and supplies, specifically complex rehab technology. Reliable Medical Supply Inc. was founded in 1989 and is based in Brooklyn Park, MN.				

Healthcare Equipment & Supplies

12/18/18	Ceterix Orthopaedics, Inc.	Smith & Nephew plc (NYSE:SNN)	\$50.0	n/a	n/a
Description:	Smith & Nephew plc (NYSE:SNN) has acquired Ceterix Orthopaedics, Inc., a developer of tools for arthroscopic procedures. Ceterix Orthopaedics, Inc. was founded in 2010 and is based in Fremont, CA.				
12/17/18	Vascular Insights, LLC	Merit Medical Systems, Inc.	\$60.0	n/a	n/a
Description:	Merit Medical Systems, Inc. has acquired Vascular Insights, LLC, a producer of medical devices for the minimally invasive treatment of peripheral vascular disease. Vascular Insights, LLC was founded in 1987 and is based in South Jordan, UT.				
11/19/18	DJO Global, Inc.	Colfax Corporation (NYSE:CFX)	\$3,150.0	2.6x	11.7x
Description:	Colfax Corporation (NYSE:CFX) agreed to acquire DJO Global Inc., a developer, manufacturer, and distributor of orthopedic devices for orthopedic specialists and other healthcare professionals. DJO Global Inc. was founded in 1978 and is based in Vista, CA.				
11/13/18	Cianna Medical, Inc.	Merit Medical Systems, Inc.	\$200.0	n/a	n/a
Description:	Merit Medical Systems, Inc. has acquired Cianna Medical, Inc., a producer of medical products focused on breast conservation. Cianna Medical, Inc. was founded in 2007 and is based in Aliso Viejo, CA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/01/18	Paradigm Spine, LLC	RTI Surgical, Inc.	\$299.1	7.5x	n/a
Description:	RTI Surgical, Inc. has acquired Paradigm Spine, LLC, a medical device company for the treatment of spinal diseases. Paradigm Spine, LLC was founded in 2002 and is based in New York, NY.				
10/16/18	Essential Medical, Inc.	Teleflex, Inc.	n/a	n/a	n/a
Description:	Teleflex, Inc. has acquired Essential Medical, Inc., a medical device company that develops and markets femoral artery vascular closure devices. Essential Medical, Inc. was founded in 2010 and is based in Malvern, PA.				
10/11/18	Corium International, Inc.	Gurnet Point Capital	\$491.2	12.9x	n/a
Description:	Gurnet Point Capital has acquired Corium International, Inc., a producer of specialty pharmaceutical products in transdermal and transmucosal delivery systems. Corium International, Inc. was founded in 1995 and is based in Menlo Park, CA.				
10/09/18	Veneto Holdings, LLC	Generex Biotechnology Corp.	\$38.0	n/a	n/a
Description:	Generex Biotechnology Corp. has acquired Veneto Holdings, LLC, a provider of specialty health products and services. Veneto Holdings, LLC was founded in 2015 and is based in Dallas, TX.				
10/01/18	HyperBranch Medical Technology	Stryker Corporation (NYSE: SYK)	\$220.0	n/a	n/a
Description:	Stryker Corporation (NYSE: SYK) has acquired HyperBranch Medical Technology, Inc., a medical device company focused primarily on the traumatic or surgically induced wound market. HyperBranch Medical Technology, Inc. was founded in 2003 and is based in Durham, NC.				

Healthcare IT

12/31/18	Netsmart, LLC	AlInvest Partners	\$568.0	n/a	n/a
Description:	AlInvest Partners has acquired Netsmart, LLC, a developer of health care software and technology solutions. Netsmart, LLC was founded in 2016 and is based in Delaware.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/31/18	Health Solutions Plus, Inc.	Conduent Incorporated (NYSE:CNDT)	\$98.0	n/a	n/a
Description:	Conduent Incorporated (NYSE:CNDT) has acquired Health Solutions Plus, Inc., a provider of medical claim processing software and business process outsourcing services. The company was founded in 1996 and is based in Melville, NY.				
12/18/18	MModal IP LLC - Technology business	3M Company (NYSE:MMM)	\$1,000.0	n/a	n/a
Description:	3M Company (NYSE:MMM) has acquired the technology business of MModal IP LLC, a provider of cloud-based conversational Artificial Intelligence-powered systems that help physicians capture and improve patients' narrative. MModal IP LLC was founded in 1994 and is based in Franklin, TN.				
12/03/18	Propeller Health	ResMed Inc. (NYSE:RMD)	\$225.0	n/a	n/a
Description:	ResMed Inc. (NYSE:RMD) has acquired Propeller Health, an application software company offering a mobile platform and sensor technology for respiratory health management. Propeller Health was founded in 2007 and is based in Madison, WI.				
11/14/18	MatrixCare, Inc.	ResMed Operations, Inc.	\$750.0	n/a	n/a
Description:	ResMed Operations, Inc. has acquired MatrixCare, Inc., a provider of clinical, financial, and operations software solutions for the skilled nursing, senior living, and long-term care industries. MatrixCare, Inc. was founded in 1982 and is based in Bloomington, MN.				
11/12/18	Athenahealth, Inc.	Evergreen Coast Capital Corp. / Veritas Capital	\$5,644.0	4.3x	21.3x
Description:	Evergreen Coast Capital Corp. and Veritas Capital has acquired AthenaHealth, Inc., a provider of network-based medical record, revenue cycle, patient engagement, care coordination, and population health services. AthenaHealth, Inc. was founded in 1997 and is based in Watertown, MA.				
11/09/18	Stanson Health, Inc.	Premier Healthcare Solutions, Inc.	\$66.5	n/a	n/a
Description:	Premier Healthcare Solutions, Inc. has acquired Stanson Health, Inc., a provider of clinical decision support solutions for physicians and other healthcare providers. Stanson Health, Inc. was founded in 2013 and is based in Los Angeles, CA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/22/18	Symbility Solutions, Inc.	CoreLogic, Inc. (NYSE:CLG)	\$121.5	3.0x	33.7x
Description:	CoreLogic, Inc. (NYSE:CLG) has acquired Symbility Solutions, Inc., a software developer for employee benefits and property and casualty insurance markets. The company was founded in 1999 and is based in Toronto, Canada.				

Hospital Providers

12/28/18	Gilmore Memorial Hospital	North Mississippi Health Services	\$14.2	n/a	n/a
Description:	North Mississippi Health Services has acquired Gilmore Memorial Hospital, a 98-bed acute care and not-for-profit hospital. Gilmore Memorial Hospital was founded in 1916 and is based in Amory, MS.				
12/13/18	Arise Austin Medical Center	Atila Management	n/a	n/a	n/a
Description:	Atila Management has acquired Arise Austin Medical Center, a 19-bed acute care hospital offering general, surgical and specialized care. The hospital was founded in 2002 and is based in Austin, TX.				
12/11/18	Verity Health System of California Inc. - Two hospitals	Santa Clara County	\$235.0	n/a	n/a
Description:	The County of Santa Clara as acquired O'Connor Hospital and Saint Louise Regional Hospital from Verity Health System of California, Inc. The hospitals were founded in 1989 and are based in San Jose and Gilroy, CA, respectively.				
12/10/18	Navicent Health	Atrium Health	n/a	n/a	n/a
Description:	Atrium Health has acquired Navicent Health, a 970-bed not-for-profit hospital. Navicent Health was founded in 1964 and is based in Macon, GA.				
12/07/18	SSM Health St. Francis Hospital	Mosaic Life Care	n/a	n/a	n/a
Description:	Mosaic Life Care has acquired SSM Health St. Francis Hospital, a 52-bed not-for-profit hospital. SSM Health St. Francis Hospital was founded in 1894 and is based in Maryville, MO.				
12/05/18	South Lake Hospital	Orlando Health, Inc.	n/a	n/a	n/a
Description:	Orlando Health, Inc. has acquired South Lake Hospital, a not-for-profit community hospital. South Lake Hospital was founded in 1947 and is based in Clermont, FL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/29/18	Jellico Community Hospital, Inc.	Rennova Health, Inc.	n/a	n/a	n/a
Description:	Rennova Health, Inc. has acquired Jellico Community Hospital, Inc., a 54-bed acute care facility and its associated assets. Jellico Community Hospital, Inc. was founded in 1974 and is based in Jellico, TN.				
11/26/18	Behavioral health hospital	Pontus Net Lease Advisors, LLC	\$4.2	n/a	n/a
Description:	Pontus Net Lease Advisors, LLC has acquired a 64 bed-inpatient behavioral health hospital leased by Oceans Behavioral Health. The hospital was founded in 1992 and is based in Midland, TX.				
11/26/18	Sumner Regional Medical Center	Rural Hospital Group	\$3.9	n/a	n/a
Description:	Rural Hospital Group has acquired Sumner Regional Medical Center, a 42-bed rural community hospital. Sumner Regional Medical Center was founded in 1910 and is based in Wellington, KS.				
11/19/18	Community Health Systems (NYSE:CYH) - Four Hospitals	Medical University Hospital Authority	n/a	n/a	n/a
Description:	Medical University Hospital Authority has acquired four hospitals at Chester, Lancaster, Florence and Mullins, South Carolina from Community Health Systems, Inc. (NYSE:CYH).				
11/07/18	Memorial Hospital of Salem County	Community Healthcare	\$3.0	n/a	n/a
Description:	Community Healthcare has acquired the 126-bed-Memorial Hospital of Salem County from Community Health Systems (NYSE:CYH). Memorial Hospital of Salem County was founded in 1992 and is based in Salem, NJ.				
11/06/18	Success Healthcare 1, LLC (dba Silver Lake Medical Center)	L.A. Downtown Medical Center, LLC	\$77.5	n/a	n/a
Description:	L.A. Downtown Medical Center, LLC has acquired Silver Lake Medical Center, an owner/operator of a medical and surgical hospital, and an acute psychiatric hospital in California. Silver Lake Medical Center was founded in 2008 and is based in Boca Raton, FL.				
10/01/18	Lakeland Healthcare, Inc.	Spectrum Health, Inc.	n/a	n/a	n/a
Description:	Spectrum Health, Inc. has acquired Lakeland Healthcare, Inc., a hospital operator in southwest Michigan. Lakeland Healthcare, Inc. was founded in 1907 and is based in Grand Rapids, MI.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/01/18	Mary Black Health System	Spartanburg Regional Healthcare	n/a	n/a	n/a
Description:	Spartanburg Regional Healthcare has acquired Mary Black Health System, an integrated health delivery system comprised of two hospitals and associated physician clinics and outpatient services. Mary Black Health System was founded in 1996 and is based in Spartanburg, SC.				

Long-Term Care / Senior Living

12/31/18	Central Tampa Assisted Living	Family Extended Care	\$8.5	n/a	n/a
Description:	Family Extended Care has acquired Central Tampa Assisted Living, a memory care community with 57 units and 100 beds. Central Tampa Assisted Living was founded in 1967 and is based in Tampa, FL.				
12/31/18	CrownPoint Sebring & Spring Hills	Family Extended Care	\$12.0	n/a	n/a
Description:	Family Extended Care has acquired CrownPoint Sebring and Spring Hills, two assisted living communities totaling 106 units and 143 beds. The two facilities were founded in 1999 and are located in Sebring and Spring Hills, FL, respectively.				
12/21/18	Gold Choice Ormand Beach & Deltona	Private investor group	\$20.0	n/a	n/a
Description:	A private investor group has acquired Gold Choice Ormand Beach and Gold Choice Deltona, two affordable assisted living communities comprised of 98 units. The two facilities are located in Ormand Beach and Deltona, FL, respectively.				
12/20/18	Bentley Commons Keene	American Housing Senior Living	\$28.0	n/a	n/a
Description:	American Housing Senior Living has acquired Bentley Commons Keene, a senior living community comprised of 73 AL and 36 IL units. Bentley Commons Keene was founded in 2008 and is based in Keene, NH.				
12/12/18	Seven skilled nursing facilities	Mozart Healthcare	\$32.0	n/a	n/a
Description:	Mozart Healthcare has acquired seven skilled nursing facilities totaling 1,004 beds. The facilities are located in Dallas, San Antonio and Houston, TX and were previously owned by a national operator.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/04/18	Northshore Senior Living	Hamister Real Estate Equity	\$16.8	n/a	n/a
Description:	Hamister Real Estate Equity has acquired Northshore Senior Living, a senior living community comprised of 51 AL and 18 memory care units. Northshore Senior Living was founded in 2017 and is based in Knoxville, TN.				
12/03/18	Three skilled nursing facilities	Regional owner / operator	\$18.7	n/a	n/a
Description:	A regional owner / operator has acquired three skilled nursing facilities totaling 252 beds. The facilities were formally owned by Diversicare Healthcare Services.				
11/05/18	Madison Park Healthcare	CareTrust REIT, Inc. (NASDAQ:CTRE)	\$7.2	n/a	n/a
Description:	CareTrust REIT, Inc. (NASDAQ:CTRE) has acquired Madison Park Healthcare, a 55-bed/unit skilled nursing and assisted living facility. The company was founded in 1921 and is based in Huntington, WV.				
11/01/18	Wellbrook at Torrance	Harrison Street Real Estate	\$62.7	n/a	n/a
Description:	Harrison Street Real Estate has acquired Wellbrook at Torrance, an assisted living / memory care community with 109 units and 125 beds. Wellbrook at Torrance was founded in 2015 and is based in Torrance, CA.				
10/31/18	Portfolio of 17 seniors housing properties	Apollo Medical Holdings, Inc. (OTCPK:AMEH)	\$263.0	n/a	n/a
Description:	Apollo Medical Holdings, Inc. has acquired a portfolio of 17 seniors housing properties formerly owned by HCP, Inc. and operated by Brookdale Senior Living.				
10/10/18	Compassionate Care Hospice, Inc.	Amedisys, Inc. (NASDAQ:AMED)	\$340.0	1.8x	12.6x
Description:	Amedisys, Inc. (NASDAQ:AMED) has acquired Compassionate Care Hospice, Inc., a national hospice care provider with 3,300 patients daily. Compassionate Care Hospice, Inc. was founded in 1993 and is based in Parsippany, NJ.				
10/10/18	Two assisted living communities (Ohio)	Regional operator	\$26.0	n/a	n/a
Description:	A regional operator has acquired two assisted living communities comprised of 263 beds and 250 units. The two AL facilities are located in Cuyahoga and Streetsboro, OH.				
10/05/18	San Marino Retirement	Private equity group	\$32.4	n/a	n/a
Description:	An undisclosed private equity group has acquired San Marino Retirement, a senior living community with 238 IL/AL and memory care units. San Marino Retirement was founded in 1987 and is based in Westminster, CO.				
10/04/18	Van Dyk Healthcare	Private equity group	\$31.5	n/a	n/a
Description:	An undisclosed private equity group has acquired the New Jersey-based Ridgewood and Montclair SNFs from Van Dyk Healthcare. The facilities were built in the 1960's and comprise of 166 licensed beds.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Managed Care					
12/04/18	Golden State Medicare Health Plan	MacArthur Court Acquisition	\$33.5	n/a	n/a
Description:	MacArthur Court Acquisition has acquired Golden State Medicare Health Plan, an HMO Medicare Advantage plan with approximately 9,850 members in six counties across California. Golden State Medicare Health Plan was founded in 2008 and is based in Newport Beach, CA.				
11/28/18	Aetna, Inc. (NYSE: AET)	CVS Health Corporation (NYSE: CVS)	\$69,511.2	1.1x	9.5x
Description:	CVS Health Corporation (NYSE: CVS) has acquired Aetna, Inc. (NYSE: AET), a health care benefits company. Aetna, Inc. (NYSE: AET) was founded in 1853 and is based in Hartford, CT.				
10/19/18	Frank Gates Managed Care Services	Louisiana Health Service & Indemnity Co.	n/a	n/a	n/a
Description:	Louisiana Health Service & Indemnity Co. has agreed to acquire Frank Gates Managed Care Services, a health maintenance organization. Frank Gates Managed Care Services was founded in 1994 and is based in Monroe, LA.				

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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 ^[1]								
AMED	Amedisys, Inc.	\$114.79	81.5%	\$3,660.5	\$3,703.9	2.3x	21.7x	44.5x
DVA	DaVita Inc.	50.37	62.4%	8,360.6	19,401.5	1.7x	8.9x	14.4x
DB:FME	Fresenius Medical Care AG & Co. KGaA	56.30	52.6%	19,894.4	27,615.7	1.4x	8.5x	NM
Mean						1.8x	8.7x	14.4x
Diagnostic Services								
LH	Laboratory Corporation of America Holdings	\$124.51	65.4%	\$12,563.1	18,153.8	1.6x	8.7x	8.8x
DGX	Quest Diagnostics Incorporated	82.01	70.4%	11,159.3	14,850.3	1.9x	9.2x	13.2x
RDNT	RadNet, Inc.	10.33	62.5%	504.8	1,084.9	1.1x	8.2x	NM
Mean						1.5x	8.7x	11.0x

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

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Healthcare Distributors ^[2]								
ABC	AmerisourceBergen Corporation	\$73.96	69.6%	\$15,674.6	\$17,961.7	0.1x	8.3x	9.8x
CAH	Cardinal Health, Inc.	44.58	58.9%	13,282.2	20,238.2	0.1x	6.9x	18.9x
HSIC	Henry Schein, Inc.	77.92	85.3%	11,877.9	14,642.0	1.1x	13.0x	30.5x
MCK	McKesson Corporation	110.04	61.5%	21,499.2	30,219.2	0.1x	7.7x	197.7x
OMI	Owens & Minor, Inc.	6.33	27.6%	394.2	1,909.7	0.2x	7.9x	NM
SRCL	Stericycle, Inc.	36.60	47.7%	3,315.8	6,112.9	1.7x	10.0x	21.3x
TMO	Thermo Fisher Scientific Inc.	222.45	87.6%	89,553.1	107,409.1	4.5x	18.1x	35.1x
Mean						1.1x	10.3x	23.1x

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	\$71.09	94.9%	\$124,857.7	\$141,330.7	4.6x	19.8x	155.5x
BAX	Baxter International Inc.	65.21	83.2%	34,700.9	35,311.9	3.2x	14.2x	29.6x
BDX	Becton, Dickinson and Company	221.99	83.5%	59,815.7	80,155.7	5.0x	16.9x	NM
BEAT	BioTelemetry, Inc.	57.43	76.8%	1,912.6	2,050.7	5.6x	20.9x	120.7x
BSX	Boston Scientific Corporation	34.67	87.9%	47,976.4	54,434.4	5.6x	20.9x	71.8x
JNJ	Johnson & Johnson	127.27	85.4%	341,335.3	353,230.3	4.3x	12.6x	223.6x
MDT	Medtronic plc	89.26	89.1%	119,880.2	134,887.2	4.4x	13.9x	56.0x
SIE	Siemens Aktiengesellschaft	97.73	77.8%	79,166.0	100,365.0	1.2x	11.0x	14.2x
Mean						4.3x	16.3x	33.3x

[2] MCK has been excluded from mean PE multiple calculation.

[3] ABT, BEAT, BSX & JNJ 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.	\$9.46	58.7%	\$1,652.8	\$3,866.3	1.9x	42.4x	NM
ATHN	athenahealth, Inc.	131.00	79.9%	5,394.3	5,349.0	4.1x	20.2x	42.9x
CERN	Cerner Corporation	52.01	70.8%	17,136.7	16,764.2	3.2x	13.3x	20.9x
CPSI	Computer Programs and Systems, Inc.	25.31	73.0%	344.3	476.7	1.7x	13.8x	NM
HMSY	HMS Holdings Corp.	28.23	74.0%	2,368.7	2,484.4	4.2x	20.3x	51.2x
NXGN	NextGen Healthcare, Inc.	15.40	64.9%	995.9	1,006.8	1.9x	26.9x	164.5x
OMCL	Omicell, Inc.	60.48	76.1%	2,396.6	2,537.3	3.3x	32.9x	56.0x
Mean						2.9x	13.5x	31.9x

Hospital Providers ^[5]								
CYH	Community Health Systems, Inc.	\$2.87	45.1%	\$324.0	\$14,129.0	1.0x	16.3x	NM
HCA	HCA Healthcare, Inc.	122.51	83.1%	42,163.1	76,521.1	1.7x	8.7x	13.7x
QHC	Quorum Health Corporation	3.09	30.9%	97.4	1,295.4	0.7x	15.7x	NM
THC	Tenet Healthcare Corporation	17.30	43.5%	1,773.2	18,333.2	1.0x	6.6x	NM
UHS	Universal Health Services, Inc.	116.20	83.2%	10,750.0	14,768.3	1.4x	8.7x	13.0x
Mean						1.1x	8.0x	13.4x

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

[5] CYH & QHC have been excluded from mean EBITDA multiple calculation.

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Long-Term Care / Senior Living								
ADUS	Addus HomeCare Corporation	\$67.27	86.4%	\$849.6	\$803.3	1.6x	21.5x	14.7x
BKD	Brookdale Senior Living Inc.	6.81	65.6%	1,278.5	5,777.3	1.6x	10.3x	19.4x
CSU	Capital Senior Living Corporation	6.76	47.5%	211.4	1,196.1	2.6x	16.2x	19.4x
EHC	Encompass Health Corporation	61.34	74.4%	6,068.3	9,054.1	2.2x	10.2x	18.8x
ENSG	The Ensign Group, Inc.	38.38	78.4%	2,005.3	2,216.1	1.1x	13.1x	26.8x
GEN	Genesis Healthcare, Inc.	1.22	42.7%	124.4	4,321.8	0.9x	11.3x	NM
LHCG	LHC Group, Inc.	93.75	87.2%	2,941.3	3,257.3	2.0x	24.4x	37.5x
Mean						1.7x	15.3x	22.8x

Managed Care								
ANTM	Anthem, Inc.	259.08	86.2%	67,009.0	82,909.0	0.9x	13.2x	15.0x
CNC	Centene Corporation	112.80	75.7%	23,257.6	23,048.6	0.4x	9.7x	24.2x
CI	Cigna Corporation	190.65	83.9%	72,595.3	73,643.3	1.7x	14.3x	17.1x
CVS	CVS Health Corporation	65.19	77.7%	84,303.6	105,501.6	0.6x	8.3x	21.4x
HUM	Humana Inc.	282.28	79.3%	38,725.1	39,954.1	0.7x	11.2x	26.1x
UNH	UnitedHealth Group Incorporated	246.24	85.5%	236,891.3	264,536.3	1.2x	14.2x	19.3x
Mean						0.9x	11.8x	20.5x

OVERALL HEALTHCARE SECTOR						Mean	1.9x	11.6x	21.3x
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NOTES

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- 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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