



# Healthcare Services

*Quarterly Update*  
*Fourth Quarter 2020*



RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES

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# Q4 2020 Highlights

## January 2021

Despite unprecedented challenges in 2020, healthcare M&A activity did not decline as sharply as predicted during the pandemic, even rebounding in the second half of the year and in December, setting an all-time high number of transactions of 222 for the month, according to preliminary figures from Irving Levin Associates Inc. Transaction value in Q4 2020 was approximately \$118.2 billion, more than double the transaction value of \$52.1 billion in Q4 2019. The surge in healthcare M&A in Q4 2020 was likely driven by a number of factors, but one of the most notable is the availability of a COVID-19 vaccine, notwithstanding the challenging rollout. There was also significant pressure to complete transactions before the Biden administration takes control given the uncertainty of possible new tax legislation and potentially more antitrust scrutiny.

Throughout the year, healthcare companies pursued strategic partnerships to meet increasing demand for telehealth and alternative means of providing patient care. In addition, providers sought stability and efficiency by partnering with acquirers, many of which were private equity-backed platform companies. 2020 also saw the rise of the special purpose acquisition company (SPAC) as a popular financing alternative to an initial public offering for healthcare companies. SOC Telemed, a provider of acute care telehealth services, went public on November 2 through a merger with Healthcare Merger Corp., Primary care provider Cano Health announced in November that it would go public via a merger with a SPAC, Jaws Acquisition, with a transaction value of \$4.4 billion. In October, Clover Health, a provider of Medicare Advantage health plans, announced that it would go public via a merger with SPAC Social Capital Hedosophia Holdings Corp. III via a transaction valued at \$3.7 billion. Hims, a telehealth and mail-order wellness company, plans to go public after merging with SPAC Oaktree Acquisition Corp., at an estimated \$1.6 billion valuation. The almost \$80 billion in SPAC-related gross proceeds in 2020 are more than four times that of 2019. In light of this market receptivity, the utilization of SPACs for healthcare entities to go public is likely to further accelerate in 2021.

The physician practice management sector, after a challenging Q2 2020 and a quiet Q3 2020, came roaring back in the fourth quarter with several high profile transactions and numerous add-on practice acquisitions. Among the more noteworthy were Sun Capital's purchase of Miami Beach Medical Group from Gauge Equity, BC Partners' purchase of Women's Healthcare Enterprises from Lindsay Goldberg, and Atlas Partners' purchase of Unified Women's Healthcare from Ares. There were also several high profile acquisitions of Dental Service Organizations including Smile Brands' acquisition of Midwest Dental, Heartland's acquisition of TruFamily Dental and Aspen Dental's acquisition of Clearchoice.

The post-acute care sector is poised for a robust year of M&A transactions as home health providers' federal assistance linked to COVID-19 appears to be coming to an end and smaller operators continue to grapple with the complexities of PDGM and its reduced reimbursement rates. This highly fragmented market is ideal for buyers looking to consolidate and scale. Coupled with an aging population and the continued emphasis on home health and hospice as less costly alternatives to acute care settings, the sector is likely to see continued investment by larger, more established strategic and financial buyers.

Despite renewed lockdowns, seniors housing M&A activity hit a new record high in Q4 2020 of 120 transactions, more than doubling the prior quarter's transaction volume. Senior housing occupancy plummeted during the pandemic to its lowest level on record averaging 80.7% in Q4 2020 (down from 82.0% in Q3 2020), but federal relief stabilized many facilities' cash flow. Also, both residents and staff have been among the first to receive the vaccine, triggering a surge in investor activity of value-add facilities.

M&A activity in hospital and health systems was steady in 2020. COVID-19 was likely the impetus for hospital deal activity, as hospitals and health systems seek innovative ways to reduce costs and remain profitable given the transition to value-based reimbursement, the lingering effects of COVID-19, and political uncertainty. There were no bond payment defaults from non-profit healthcare systems since the pandemic started and Fitch Ratings changed its outlook on the healthcare sector to stable from negative in December with news of imminent vaccine rollouts. However, the \$100 billion allocated to hospitals from the CARES Act and the \$75 billion received through the Paycheck Protection Program and Healthcare Enhancement Act likely attributed to the lack of defaults. In many ways, COVID-19 confirmed the strategic rationale underlying many transactions and highlighted the advantages of regionalization and scale in meeting public health needs, particularly at rural and independent hospitals that faced the most severe impact from COVID-19.

The challenging and unpredictable circumstances of 2020 highlighted the adaptability of healthcare M&A strategy. 2021 will likely be a year of growth as the COVID-19 vaccine is distributed and businesses seek a return to some level of normalcy. As COVID-19 continues to impact our families and friends around the world, our thoughts and prayers are that you and your family are healthy, safe, and making the best of a reality that is changing daily.

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

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 *Representative Transaction*

**\$75,000,000**



*has secured financing from*



Financial Advisor  
to Bondholders

Astria Health (“Astria”) system, the largest non-profit healthcare system based in Eastern Washington, is comprised of Astria Sunnyside Hospital and Astria Toppenish Hospital. Astria’s continuum of care services includes hospitals, outpatient centers, ambulatory surgical centers, hearing and speech, home health and hospice, and medical services.

SOLIC served as Financial Advisor to the bondholders of Astria. Specific activities included:

- Strategic and operational assessment
- Evaluation of strategic alternatives
- Development of alternative recovery analysis
- Support in restructuring Debtor-in-Possession Loan facilities
- Analyses and support of bondholder claims during the bankruptcy case

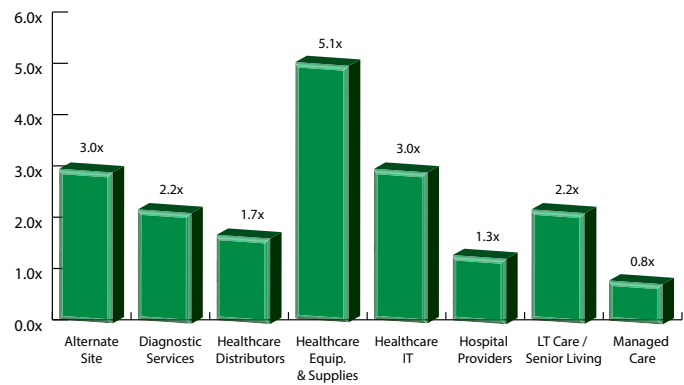
In connection with its reorganization plan and exit from bankruptcy, Astria received a \$75 million financing from MultiCare Health System which was used to repay the prepetition bondholders.

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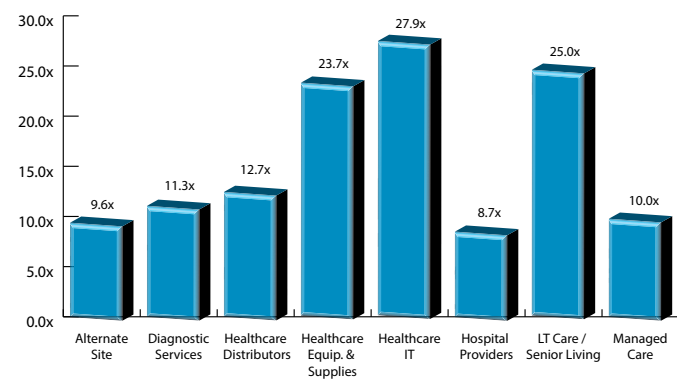
# Market Overview



## Enterprise Value To Revenue

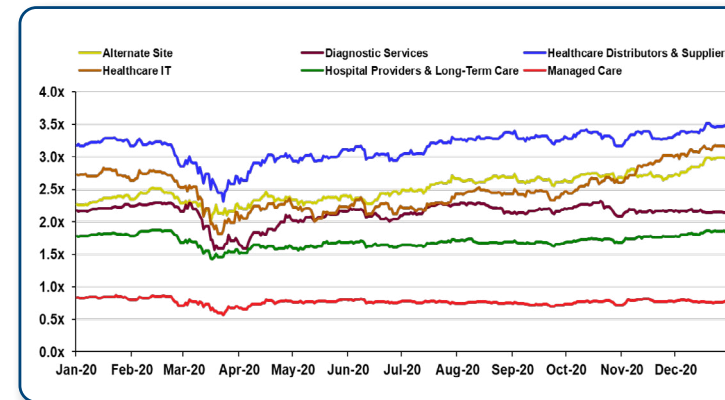


## Enterprise Value To EBITDA

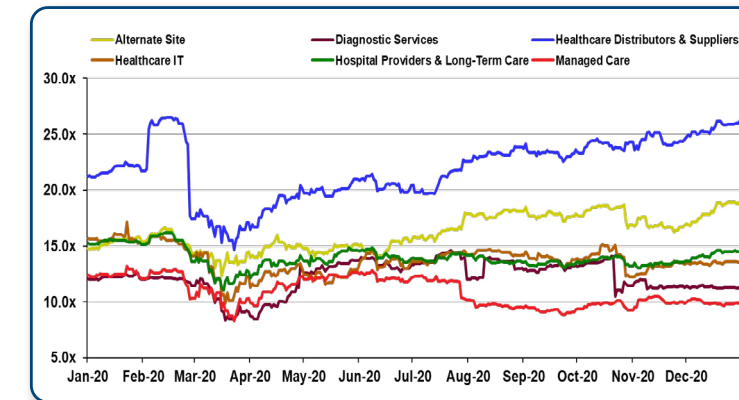


Revenue and EBITDA valuation multiples continued to rise in Q4 2020 further signaling a recovery from a pandemic-induced recession, while reported deal volume climbed back to record levels.

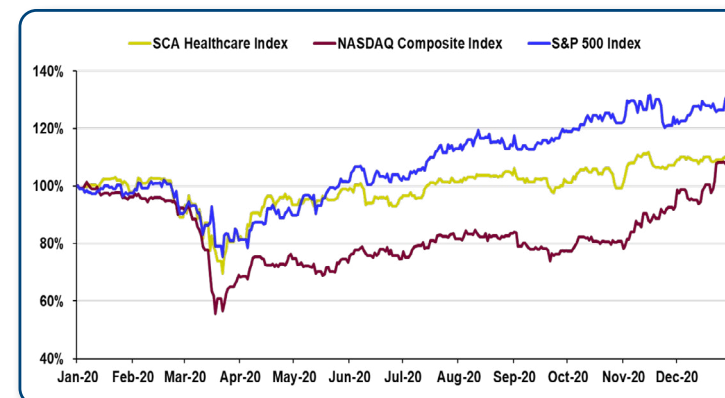
## SCA Healthcare Services Sectors Total Enterprise Value / Revenue



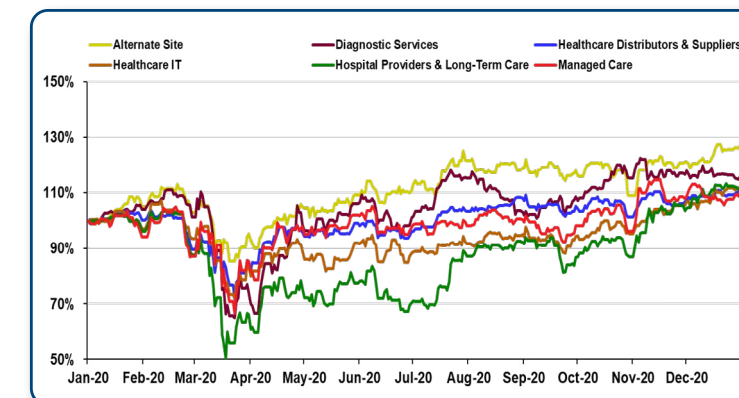
## SCA Healthcare Services Sectors Total Enterprise Value / EBITDA



## SCA Healthcare Index Stock Performance

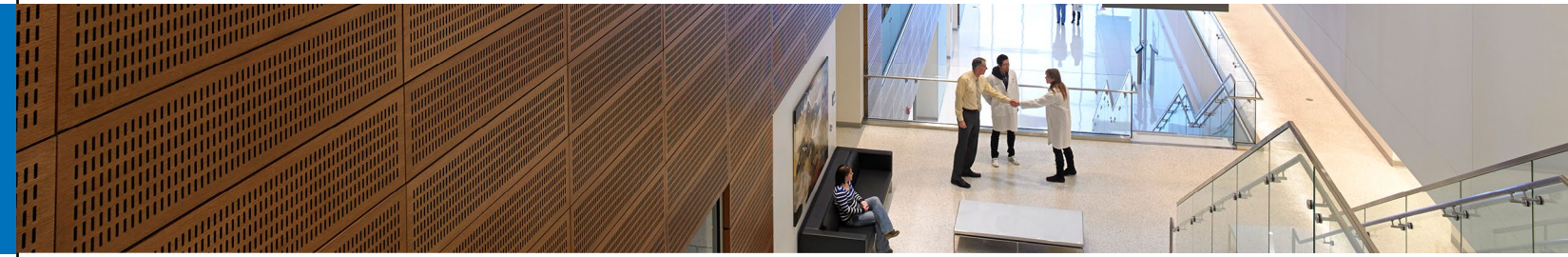


## SCA Healthcare Services Sectors Stock Performance





# Notable Industry Developments



**Hospitals Stave Off Payment Defaults Amid COVID-19 Surge**

There have been no bond payment defaults from non-profit healthcare systems since the pandemic took hold in the U.S. in March, though 12 have had impairments, three of which are in California. These findings are according to a report from Municipal Market Analytics, which has a negative outlook on the non-profit hospital sector.

**\$8 Million in Broadband Funding for Rural Telehealth Access**

\$8 million in federal funding was awarded to the Telehealth Broadband Pilot program which will assess the broadband capacity available to rural health care providers and patient communities to improve their access to telehealth services.

**Hospital Buy-Ups of Physician Practices Under Fresh FTC Scrutiny**

The Federal Trade Commission sent orders to six major health insurance companies to obtain patient-level claims data for inpatient, outpatient, and physician services from 2015 to 2020 to determine how hospitals' acquisitions of physician practices has affected competition.

Fourth Quarter 2020

**Strategic Implications of the Pandemic on Health Care Providers**

According to a recent report from S&P, disruption in the acute care sector and ongoing delay in implementation of strategic initiatives could put providers in catch-up mode to compete with both traditional and non-traditional competitors. However, COVID-19 spurred rapid innovation which may serve providers well in the post-pandemic world. In terms of how this shapes 2021, the report comments that:

- Telehealth and care at home are here to stay: COVID-19 rapidly accelerated utilization of telehealth, a trend that is expected to continue even after widespread vaccination but will also depend on reimbursement,
- Non-traditional competitors will remain active: While hospitals were at the forefront dealing with the pandemic during 2020, non-traditional competitors have been and will remain active in the sector - with telemedicine growth, coupled with consumer-friendly organizations entering the health care space, patients may become more comfortable seeking care outside of traditional settings.
- M&A will continue: Despite possible increased federal scrutiny, M&A is expected to remain a strategic tool to enhance business positions as well as support challenged hospitals.

**Medicare Advantage, Part D Plans to See 4% Pay Bump in 2022**

According to a CMS fact sheet, the agency is expecting payments to rise by 4.08% in 2022, up from 2.82% as proposed in its advance notice. CMS said in an announcement that it is releasing the rates three months earlier than normal to give plans more time to formulate bids amid the COVID-19 pandemic. Bids are due June 7.

# Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
<b>Alternate Site</b>					
12/18/2020	<b>Tenet Healthcare Corporation (NYS:THC) - urgent care platform</b>	<b>FastMed Urgent Care</b>	<b>\$80.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	FastMed Urgent Care has acquired Tenet Healthcare Corporation's (NYS:THC) urgent care platform consisting of 87 centers. The centers are located in AZ and TX.				
12/18/2020	<b>CareMax Medical and IMC Medical</b>	<b>Deerfield Healthcare (NAS:DFHT)</b>	<b>\$692.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Deerfield Healthcare (NAS:DFHT) has acquired CareMax Medical and IMC Medical, a provider of senior care and medical equipment. CareMax Medical and IMC Medical was founded in 2003 and is based in Miami, FL.				
12/10/2020	<b>45 ambulatory surgery centers</b>	<b>Tenet Healthcare Corporation (NYS:THC)</b>	<b>\$1,118.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Tenet Healthcare Corporation (NYS:THC) has acquired 45 ambulatory surgery centers. The surgery centers are located in AZ, FL, IN, LA, MD, NH, OH, TX, and WI.				
12/3/2020	<b>Healthcare Resources Management LLC</b>	<b>Skylight Health Group Inc.</b>	<b>\$0.8</b>	<b>n/a</b>	<b>2.6x</b>
Description:	Skylight Health Group Inc. has acquired Healthcare Resources Management LLC, a provider of medical care services. Resources Management LLC was founded in 2004 and is based in Cookeville, TN.				
11/18/2020	<b>Miami Beach Medical Group</b>	<b>Sun Capital Partners, Inc.</b>	<b>\$500.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Sun Capital Partners, Inc. has acquired Miami Beach Medical Group, the second largest independent provider of capitated primary care services to Medicare Advantage plan members. Miami Beach Medical Group was founded in 1997 and is based in Miami, FL.				
11/16/2020	<b>ClearChoice Mgmt Services</b>	<b>Aspen Dental Management</b>	<b>\$1,100.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Aspen Dental Management has acquired ClearChoice Mgmt Services, an operator of dental treatment centers. ClearChoice Mgmt Services was founded in 2004 and is based in Greenwood Village, CO.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/12/2020	<b>Cano Health, LLC</b>	<b>Jaws Acquisition Corp. (NYS:JWS)</b>	<b>\$4,400.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Jaws Acquisition Corp. (NYS:JWS) has acquired Cano Health, LLC, an operator of primary care centers. Cano Health, LLC was founded in 2008 and is based in Miami, FL.				
10/29/2020	<b>Harkaway Center for Dermatology</b>	<b>Schweiger Dermatology Group</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	Schweiger Dermatology Group has acquired Harkaway Center for Dermatology, a provider of medical, surgical and cosmetic dermatology. Harkaway Center for Dermatology was founded in 2000 and is based in Northfield, NJ.				
10/20/2020	<b>Anne Arundel Dermatology Management</b>	<b>Ridgemont Equity Partners</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	Ridgemont Equity Partners has acquired Anne Arundel Dermatology Management, a provider of dermatological services. Anne Arundel Dermatology Management was founded in 1980 and is based in Linthicum Heights, MD.				
10/20/2020	<b>ENT &amp; Allergy Associates of South Georgia</b>	<b>SENTA Partners</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	SENTA Partners has acquired ENT & Allergy Associates of South Georgia, a provider of ENT services. ENT & Allergy Associates of South Georgia was founded in 1963 and is based in Valdosta, GA.				
10/1/2020	<b>Hims &amp; Hers</b>	<b>Oaktree Acquisition Corp (NYS:OAC)</b>	<b>\$1,334.9</b>	<b>6.7x</b>	<b>n/a</b>
Description:	Oaktree Acquisition Corp (NYS:OAC) has acquired Hims & Hers, a provider of telemedicine services. Hims & Hers was founded in 2017 and is based in San Francisco, CA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
<b>Diagnostic Services</b>					
12/18/2020	<b>BioTelemetry, Inc. (NAS:BEAT)</b>	<b>Royal Philips (NYS:PHG)</b>	<b>\$2,800.0</b>	<b>6.4x</b>	<b>33.6x</b>
Description:	Royal Philips (NYS:PHG) has acquired BioTelemetry, Inc. (NAS:BEAT), a provider of monitoring services and digital population health management solutions. BioTelemetry, Inc. was founded in 1994 and is based in Malvern, PA.				
12/1/2020	<b>Windsong Radiology Group</b>	<b>US Radiology Specialists</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	US Radiology Specialists has acquired Windsong Radiology Group, the largest outpatient diagnostic imaging provider in Western New York. Windsong Radiology Group was founded in 1987 and is based in Williamsville, NY.				
11/3/2020	<b>DMS Health Technologies, Inc. (NAS:DRAD)</b>	<b>Knob Creek Acquisition Corp.</b>	<b>\$18.8</b>	<b>n/a</b>	<b>n/a</b>
Description:	Knob Creek Acquisition Corp. has acquired DMS Health Technologies, Inc. (NAS:DRAD), a provider of contract diagnostic imaging. DMS Health Technologies, Inc. was founded in 1972 and is based in Fargo, ND.				
10/27/2020	<b>Thrive Earlier Detection Corp.</b>	<b>Exact Sciences Corp.</b>	<b>\$1,700.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Exact Sciences Corp. has acquired Thrive Earlier Detection Corp., a developer of a liquid biopsy test designed to integrate earlier cancer detection. Thrive Earlier Detection Corp. was founded in 2019 and is based in Cambridge, MA.				
10/2/2020	<b>American Renal Associates (NAS:ARA)</b>	<b>Innovative Renal Care</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	Innovative Renal Care has acquired American Renal Associates (NAS:ARA), a leading provider of outpatient dialysis services. American Renal Associates was founded in 1999 and is based in Beverly, MA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
<b>Healthcare Distribution</b>					
12/1/2020	<b>AeroCare Holdings, Inc.</b>	<b>AdaptHealth Corp. (NAS:AHCO)</b>	<b>\$2,000.0</b>	<b>5.9x</b>	<b>n/a</b>
Description:	AdaptHealth Corp. (NAS:AHCO) has acquired AeroCare Holdings, Inc., a provider of home health distribution services across 260 locations. AeroCare Holdings, Inc. was founded in 2005 and is based in Orlando, FL.				
10/20/2020	<b>Micro-Select Instruments Inc.</b>	<b>Katena Products, Inc.</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	Katena Products, Inc. has acquired Micro-Select Instruments Inc., a producer of surgical instruments. Micro-Select Instruments Inc. was founded in 2005 and is based in Saint Clair, MO.				
<b>Healthcare Equipment &amp; Supplies</b>					
12/4/2020	<b>Veran Medical Technologies, Inc.</b>	<b>Olympus Corporation</b>	<b>\$300.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Olympus Corporation has acquired Veran Medical Technologies, Inc., a producer of medical devices specializing in interventional pulmonology. Veran Medical Technologies, Inc. was founded in 2005 and is based in St. Louis, MO.				
12/1/2020	<b>A&amp;E Medical Corporation</b>	<b>Zimmer Biomet Holdings, Inc. (NYS:ZBH)</b>	<b>\$250.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Zimmer Biomet Holdings, Inc. (NYS:ZBH) has acquired A&E Medical Corporation, a producer of sternal closure devices. A&E Medical Corporation was founded in 1968 and is based in Farmingdale, NJ.				
11/20/2020	<b>Butterfly Network, Inc.</b>	<b>Longview Acquisition Corp. (NYS:LGVW)</b>	<b>\$1,500.0</b>	<b>34.1x</b>	<b>n/a</b>
Description:	Longview Acquisition Corp. (NYS:LGVW) has acquired Butterfly Network, Inc., a developer of a medical imaging devices. Butterfly Network, Inc. was founded in 2011 and is based in Guilford, CT.				
10/29/2020	<b>Z-Medica, LLC</b>	<b>Teleflex Incorporated</b>	<b>\$500.0</b>	<b>0.8x</b>	<b>n/a</b>
Description:	Teleflex Inc. has acquired Z-Medica, LLC, a medical device manufacturer focused on innovative hemorrhage control products. Z-Medica, LLC was founded in 2002 and is based in Wallingford, CT.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
<b>Healthcare IT</b>					
12/21/2020	HMS (NAS:HMSY)	Gainwell Technologies	\$3,400.0	n/a	n/a
Description:	Gainwell Technologies has acquired HMS (NAS:HMSY), a provider of payment accuracy and population management solutions. HMS was founded in 1974 and is based in Irving, TX.				
12/8/2020	Collective Medical	PointClickCare Technologies	\$650.0	n/a	n/a
Description:	PointClickCare Technologies has acquired Collective Medical, a collaborative care management platform. Collective Medical was founded in 2005 and is based in Cottonwood Heights, UT.				
12/3/2020	Verata Health	Olive, Inc.	\$120.0	n/a	n/a
Description:	Olive, Inc. has acquired Verata Health, an artificial intelligence platform designed to improve prior authorization process. Verata Health was founded in 2017 and is based in Minneapolis, MN.				
11/23/2020	UpHealth and Cloudbreak Health	GigCapital2 Inc. (NYS:GIX)	\$1,350.0	11.7x	n/a
Description:	GigCapital2 Inc. (NYS:GIX) has acquired UpHealth and Cloudbreak Health, one of the largest national and international digital health provider. UpHealth and Cloudbreak Health was founded in 1973 and is based in North Salt Lake, UT.				
11/3/2020	eMDs, Inc.	CompuGroup Holding USA	\$240.0	n/a	n/a
Description:	CompuGroup Holding USA has acquired eMDs, Inc., a provider of ambulatory information systems. eMDs, Inc. was founded in 1996 and is based in Austin, TX.				
11/2/2020	ANSOS Staff Scheduling	HealthStream, Inc.	\$67.5	n/a	n/a
Description:	HealthStream, Inc. has acquired ANSOS Staff Scheduling, a provider of healthcare staff scheduling applications. ANSOS Staff Scheduling was founded in 2003 and is based in Nashville, TN.				
10/27/2020	Health Advocate	Teleperformance	\$690.0	n/a	n/a
Description:	Teleperformance has acquired Health Advocate, a consumer-focused health platform for the employer market. Health Advocate was founded in 2001 and is based in Plymouth, PA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
10/13/2020	CarePort Health (NAS:MDRX)	WellSky	\$1,350.0	13.0x	n/a
Description:	WellSky has acquired CarePort Health (NAS:MDRX), an end-to-end post-acute platform that bridges acute and post-acute EHR data. CarePort Health was founded in 2012 and is based in Boston, MA.				
<b>Hospital Providers</b>					
12/16/2020	Palos Health	Northwestern Medicine	n/a	n/a	n/a
Description:	Northwestern Medicine has acquired Palos Health, a community-based healthcare system. Palos Health was founded in 1972 and is based in Palos Heights, IL.				
12/8/2020	Mercy Medical Center	Cleveland Clinic	n/a	n/a	n/a
Description:	Cleveland Clinic has acquired Mercy Medical Center, a 476-bed Catholic hospital. Mercy Medical Center was founded in 1908 and is based in Canton, OH.				
12/3/2020	Mercy Health Children's Hospital	Nationwide Children's Hospital	n/a	n/a	n/a
Description:	Nationwide Children's Hospital has acquired Mercy Health Children's Hospital, one of America's largest not-for-profit freestanding pediatric healthcare systems. Mercy Health Children's Hospital was founded in 1855 and is based in Toledo, OH.				
12/1/2020	Walnut Hill Medical Center	Advanced Diagnostics Hospitals	n/a	n/a	n/a
Description:	Advanced Diagnostics Hospitals has acquired Walnut Hill Medical Center, an operator of a 100-bed, multi-specialty acute care hospital. Walnut Hill Medical Center was founded in 1983 and is based in Dallas, TX.				
11/10/2020	Punxsutawney Area Hospital	Indiana Regional Medical Center	n/a	n/a	n/a
Description:	Indiana Regional Medical Center has acquired Punxsutawney Area Hospital, a 44-bed acute care hospital. Punxsutawney Area Hospital was founded in 2004 and is based in Punxsutawney, PA.				
11/5/2020	Healdsburg District Hospital	NorCal HealthConnect, LLC	\$15.0	n/a	n/a
Description:	NorCal HealthConnect, LLC has acquired Healdsburg District Hospital, a 25-bed critical access hospital. Healdsburg District Hospital was founded in 2000 and is based in Healdsburg, CA.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/4/2020	<b>Petaluma Valley Hospital</b>	<b>NorCal HealthConnect, LLC</b>	<b>\$52.6</b>	<b>n/a</b>	<b>n/a</b>
Description:	NorCal HealthConnect, LLC has acquired Petaluma Valley Hospital, an 80-bed acute and critical care hospital. Petaluma Valley Hospital was founded in 1998 and is based in Petaluma, CA.				
10/21/2020	<b>Astria Regional Medical Center</b>	<b>Yakima MOBIC LLC</b>	<b>\$20.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Yakima MOBIC LLC has acquired Astria Regional Medical Center, 150-bed hospital and level III adult trauma center. Astria Regional Medical Center was founded in 1891 and is based in Yakima, WA.				
10/16/2020	<b>Randolph Health</b>	<b>American Healthcare Systems</b>	<b>\$18.5</b>	<b>n/a</b>	<b>n/a</b>
Description:	American Healthcare Systems has acquired Randolph Health, a 145-bed acute care hospital. Randolph Health was founded in 1928 and is based in Asheboro, NC.				
10/1/2020	<b>New Hanover Regional Medical Center</b>	<b>Novant Health</b>	<b>\$1,500.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Novant Health has acquired New Hanover Regional Medical Center, a 677-bed acute care hospital with three campuses. New Hanover Regional Medical Center was founded in 1967 and is based in Wilmington, NC.				

### Long-Term Care / Senior Living

12/31/2020	<b>Senior living community</b>	<b>The Millennia Companies</b>	<b>\$30.5</b>	<b>n/a</b>	<b>n/a</b>
Description:	The Millennia Companies has acquired a senior living community with 137 IL/AL units. The facility is located in California.				
12/8/2020	<b>9 skilled nursing facilities</b>	<b>Next Healthcare Capital</b>	<b>\$152.1</b>	<b>n/a</b>	<b>n/a</b>
Description:	Next Healthcare Capital has acquired 9 skilled nursing facilities comprised of 1,014 beds. The facilities are located in various parts of Virginia.				
12/1/2020	<b>3 skilled nursing facilities</b>	<b>The Portopiccino Group LLC</b>	<b>\$31.6</b>	<b>n/a</b>	<b>n/a</b>
Description:	The Portopiccino Group LLC has acquired 3 skilled nursing facilities comprised of 316 beds. The facilities are located in Oldsmar and Clearwater, FL.				
11/17/2020	<b>4 skilled nursing facilities</b>	<b>CareTrust REIT, Inc. (NAS:CTRE)</b>	<b>\$47.6</b>	<b>n/a</b>	<b>n/a</b>
Description:	CareTrust REIT, Inc. (NAS:CTRE) has acquired 4 skilled nursing facilities comprised of 554 skilled nursing beds and 24 assisted living beds. The facilities are located in various parts of Texas.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/11/2020	<b>Queen City Hospice, LLC</b>	<b>Addus HomeCare Corporation (NAS:ADUS)</b>	<b>\$192.0</b>	<b>3.4x</b>	<b>n/a</b>
Description:	Addus HomeCare Corporation (NAS:ADUS) has acquired Queen City Hospice, LLC, a provider of hospice and palliative care. Queen City Hospice, LLC was founded in 2012 and is based in Mason, OH.				
11/2/2020	<b>20 skilled nursing facilities</b>	<b>Eagle Arc Partners</b>	<b>\$317.5</b>	<b>n/a</b>	<b>n/a</b>
Description:	Eagle Arc Partners has acquired 20 skilled nursing facilities comprised of 2,216 total beds. The facilities are located in MS, GA and FL.				
10/19/2020	<b>St. Croix Hospice</b>	<b>H.I.G. Capital</b>	<b>\$580.0</b>	<b>n/a</b>	<b>15.5x</b>
Description:	H.I.G. Capital has acquired St. Croix Hospice, a provider of hospice programs and related services. St. Croix Hospice was founded in 2008 and is based in Oakdale, MN.				

### Managed Care

12/15/2020	<b>The Benecon Group</b>	<b>TA Associates</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	TA Associates has acquired The Benecon Group, a provider of self-funded health insurance purchasing programs. The Benecon Group was founded in 1991 and is based in Lititz, PA.				
11/17/2020	<b>DentalWorks USA</b>	<b>Bindley Capital Partners</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	Bindley Capital Partners has acquired DentalWorks USA, a dental claim management and consulting agency. DentalWorks USA was founded in 2012 and is based in Tampa, FL.				
11/2/2020	<b>New Directions Behavioral Health</b>	<b>GuideWell Mutual Holding Corp.</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Description:	GuideWell Mutual Holding Corp. has acquired New Directions Behavioral Health, a provider of managed behavioral healthcare services. New Directions Behavioral Health was founded in 1995 and is based in Leawood, KS.				
10/6/2020	<b>Clover Health Investments Corp.</b>	<b>Social Capital Hedosophia</b>	<b>\$3,700.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Social Capital Hedosophia has acquired Clover Health Investments Corp., a provider of affordable Medicare Advantage plans to more than 57,000 members in seven states. Clover Health Investments Corp. was founded in 2009 and is based in Jersey City, NJ.				

# 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	
<b>Alternate Site <sup>[1]</sup></b>								
AMED	Amedisys	\$293.33	98.3%	\$9,624.3	\$9,917.2	4.9x	37.6x	58.8x
DVA	DaVita	117.40	99.8%	13,148.8	25,007.5	2.2x	10.7x	18.2x
FME	Fresenius Medical Care	83.56	90.3%	24,564.0	39,376.7	2.0x	8.6x	16.6x
Mean						3.0x	9.6x	17.4x
<b>Diagnostic Services</b>								
LH	Laboratory Corporation of America	\$203.55	93.0%	\$19,825.8	\$25,862.3	2.1x	12.4x	23.6x
DGX	Quest Diagnostics	119.17	90.4%	16,060.1	19,730.1	2.4x	10.5x	14.7x
RDNT	RadNet	19.57	83.5%	1,010.5	2,176.2	2.0x	11.2x	n.a
Mean						2.2x	11.3x	19.2x

[1] AMED has been excluded from mean EBITDA and P/E 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	
<b>Healthcare Distributors <sup>[2]</sup></b>								
ABC	AmerisourceBergen	\$97.76	87.9%	\$19,967.5	\$19,668.5	0.1x	n.a	n.a
CAH	Cardinal Health	53.56	88.3%	15,715.6	19,712.6	0.1x	9.8x	16.2x
HSIC	Henry Schein	66.86	90.4%	9,546.0	11,340.5	1.2x	15.4x	16.4x
MCK	McKesson	173.92	92.7%	27,925.4	35,943.4	0.2x	9.3x	13.2x
OMI	Owens & Minor	27.05	85.4%	1,988.5	3,130.9	0.4x	16.3x	n.a
SRCL	Stericycle	69.33	87.2%	6,347.3	8,690.6	3.1x	n.a	n.a
TMO	Thermo Fisher Scientific	465.78	87.5%	184,605.0	198,158.0	7.0x	24.4x	38.2x
Mean						1.7x	12.7x	15.3x

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
<b>Healthcare Equipment &amp; Supplies <sup>[3]</sup></b>								
ABT	Abbott	\$109.49	95.1%	\$194,055.9	\$208,096.9	6.5x	27.6x	58.2x
BAX	Baxter International	80.24	84.3%	40,988.1	43,641.1	3.8x	24.3x	45.3x
BDX	Becton, Dickinson and Company	250.22	87.3%	72,776.9	87,863.9	5.1x	24.0x	92.3x
BEAT	BioTelemetry	72.08	98.6%	2,473.1	2,547.4	5.8x	30.5x	150.2x
BSX	Boston Scientific	35.95	77.9%	50,913.2	58,222.2	5.8x	66.1x	13.8x
JNJ	Johnson & Johnson	157.38	99.8%	414,309.6	421,286.6	5.2x	16.1x	24.7x
MDT	Medtronic	117.14	95.9%	157,672.8	173,555.8	6.2x	26.6x	44.9x
SIE	Siemens	143.99	98.4%	115,536.8	152,260.0	2.4x	16.8x	26.5x
Mean						5.1x	23.7x	35.6x

[2] TMO has been excluded from mean EBITDA & P/E multiple calculations.

[3] BSX has been excluded from mean EBITDA multiple calculation, and BDX & BEAT have been excluded from mean P/E 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	
<b>Healthcare IT <sup>[4]</sup></b>								
MDRX	Allscripts Healthcare Solutions	\$14.44	96.9%	\$2,281.3	\$3,258.1	1.9x	15.5x	n.a
BNFT	Benefitfocus	14.48	64.9%	466.3	638.1	2.3x	41.4x	n.a
CERN	Cerner	78.48	97.0%	24,061.2	24,504.7	4.4x	14.4x	30.7x
CPSI	Computer Programs & Systems	26.84	75.0%	389.5	474.3	1.8x	10.9x	17.3x
NXGN	NextGen Healthcare	18.24	94.0%	1,217.2	1,225.2	2.2x	38.3x	130.3x
OMCL	Omniceil	120.02	96.0%	5,077.7	4,965.6	5.6x	46.9x	138.0x
Mean						3.0x	27.9x	24.0x
<b>Hospital Providers</b>								
CYH	Community Health Systems	\$7.43	67.3%	\$888.8	\$13,139.8	1.1x	8.6x	n.a
HCA	HCA Management Services	164.46	98.6%	55,649.1	83,933.1	1.7x	9.0x	16.6x
THC	Tenet Healthcare	39.93	93.3%	4,213.3	19,004.3	1.1x	9.2x	n.a
UHS	Universal Health Services	137.50	92.7%	11,684.3	14,600.2	1.3x	8.1x	13.5x
Mean						1.3x	8.7x	15.1x

[4] NXGN & OMCL have been excluded from mean P/E 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	
<b>Long-Term Care / Senior Living <sup>[5]</sup></b>								
ADUS	Addus HomeCare	\$117.09	99.2%	\$1,851.0	\$1,784.4	2.4x	32.3x	53.2x
BKD	Brookdale Senior Living	4.43	51.7%	812.4	5,841.7	1.6x	9.3x	n.a
CSU	Capital Senior Living	12.34	24.1%	25.7	936.9	2.3x	n.a	n.a
EHC	Encompass Health	82.69	94.9%	8,222.1	12,033.4	2.6x	14.0x	31.0x
ENSG	The Ensign Group	72.92	94.4%	3,955.3	4,879.7	2.3x	20.9x	26.8x
GEN	Genesis HealthCare	0.48	26.1%	80.8	3,470.9	0.8x	59.8x	n.a
LHCG	LHC Group	213.32	90.1%	6,739.3	6,701.3	3.2x	30.9x	64.8x
Mean						2.2x	25.0x	28.9x

<b>Managed Care <sup>[6]</sup></b>								
ANTM	Anthem	\$321.09	94.9%	\$79,856.5	\$96,715.5	0.8x	11.2x	16.6x
CNC	Centene	60.03	80.4%	34,805.3	39,327.3	0.4x	8.1x	16.4x
CI	Cigna	208.18	92.5%	75,208.6	113,578.6	0.7x	10.1x	14.6x
CVS	CVS Health	68.30	89.4%	89,398.8	164,889.8	0.6x	9.0x	n.a
HUM	Humana	410.27	86.4%	54,295.7	54,307.7	0.7x	8.3x	13.1x
UNH	UnitedHealth Group	350.68	95.3%	332,732.4	360,437.4	1.4x	13.4x	20.1x
Mean						0.8x	10.0x	15.2x

<b>OVERALL HEALTHCARE SECTOR</b>						
Mean				2.4x	16.1x	21.3x

[5] GEN has been excluded from mean EBITDA multiple calculation, and ADUS & LHCG have been excluded from mean P/E multiple calculation.

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



# NOTES

## Notes

- Sources: PitchBook, 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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