



Healthcare Services

Quarterly Update
Second Quarter 2018



CAPITAL PLACEMENTS • MERGERS, ACQUISITIONS & DIVESTITURES • RESTRUCTURINGS

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Q2 2018 Highlights

August, 2018

With over 430 transactions announced, M&A transaction volume in Q2 2018 was up 13% as compared to the same time a year prior, according to preliminary figures from Irving Levin Associates Inc. The services sector accounted for 59% of the deal volume in Q2 2018 with long-term care totaling 24% of the service sector deals. Deal value in Q2 2018 totaled approximately \$144.5 billion, 46% higher than the same quarter in 2017.

Healthcare industry megadeals continued in Q2 2018 with sixteen deals over \$1 billion – the largest of which was Takeda Pharmaceutical's (TSE: 4502) \$81.5 billion deal for Shire plc (NASDAQ: SHPG). Since the corporate tax relief bill was finalized in December 2017, deal volume has increased in the pharmaceutical sector, reaching a total of 40 transactions in Q2 2018, up 150% over the same quarter a year ago. KKR's proposed \$9.9 billion acquisition of Nashville-based Envision Healthcare, which offers ED, anesthesiology, radiology and teleradiology and hospitalist services, is one of the largest private equity buyouts since the financial crisis.

The dual trends of migration of care to outpatient settings and consumer choice are causing both rapid growth and disruption across the delivery spectrum. As technology enables medical care to move from the hospital to the physician office to retail and home settings, new delivery models are rapidly emerging. In particular, outpatient facilities and physician medical groups are experiencing significant increased M&A activity, as payors seek to accelerate the redirection of care to lower cost facilities. Medical specialty providers that remain fragmented, including dermatology, ophthalmology and dental care are also attractive targets. Not only do insurers generally pay higher reimbursement rates for those services with care provided on a recurring basis, the specialties also offer opportunities for higher margin, fast growing cosmetic and consumer-oriented services. Consolidating those markets in a certain region allows private equity firms to take out administrative costs by scaling sales and marketing operations, IT or legal work across the combined medical practice.

Private equity investment in healthcare continues to rise, growing from \$23 billion in 2015 to over \$43 billion last year. Dry powder — money raised but not yet invested — is at record levels in the private equity industry. At the end of 2017, buyout funds were holding an all-time high of \$633 billion. With a flat number of deals and an increasing value per deal, private equity healthcare investing is becoming much more competitive with each deal leading to all-time high prices.

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

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Recent Representative Transaction

\$46,500,000


MERIDIAN
SURGICAL PARTNERS

A majority interest in
7 ambulatory surgery centers
has been acquired by


mfc **MEDICAL**
FACILITIES
CORPORATION

Sell Side Advisor

Medical Facilities Corporation ("Medical Facilities" or the "Corporation") (TSX: DR) acquired seven ambulatory surgery centers from Meridian Surgical Partners ("Meridian") through a joint venture formed with NueHealth LLC ("NueHealth"). The total purchase price was \$46.5 million.

Through this transaction, the joint venture has acquired ownership interests in the following centers:

- Brookside Surgery Center (Battle Creek, Mich.)
- Central Arkansas Surgical Center (Russellville, Ark.)
- City Place Surgery Center (Creve Coeur, Mo.)
- Eastwind Surgical (Westerville, Ohio)
- Miracle Hills Surgery Center (Omaha, Neb.)
- Riverview Ambulatory Surgical Center (Kingston, Penn.)
- Two Rivers Surgery Center (Eugene, Ore.)

The centers provide medical procedures including orthopedic surgery, neurosurgery and pain management and combined have 26 operating/procedure rooms. In aggregate, the joint venture will own approximately 53 percent equity interest in the centers.

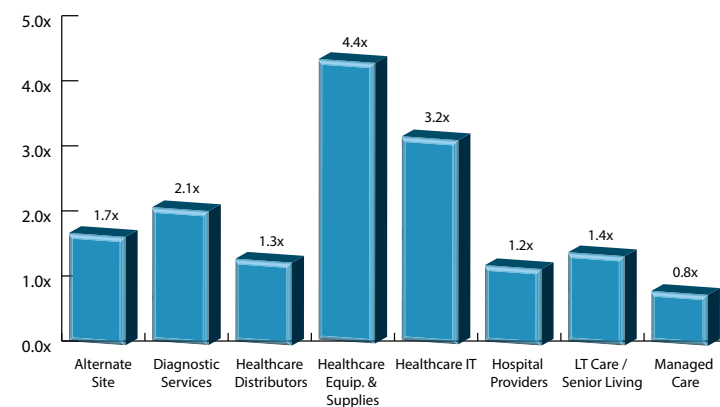
SOLIC Capital Advisors, LLC served as financial advisor to Meridian in connection with the transaction, orchestrating a competitive solicitation process and assisting with all aspects of financial and operating due diligence through the successful consummation of the transaction.



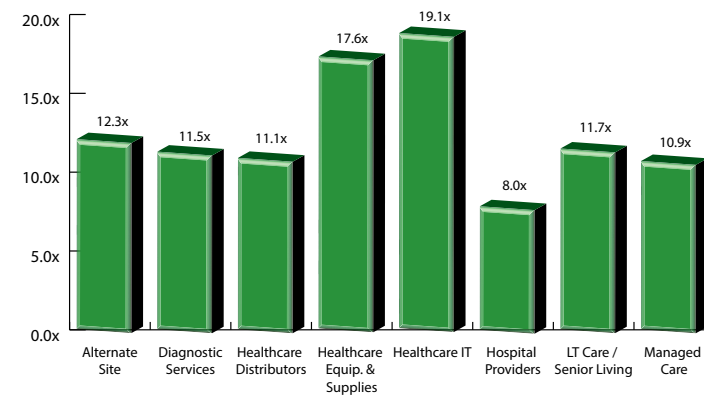
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Market Overview

Enterprise Value To Revenue

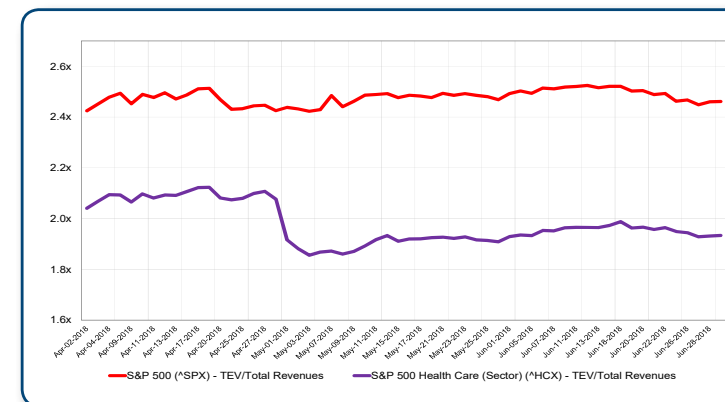


Enterprise Value To EBITDA

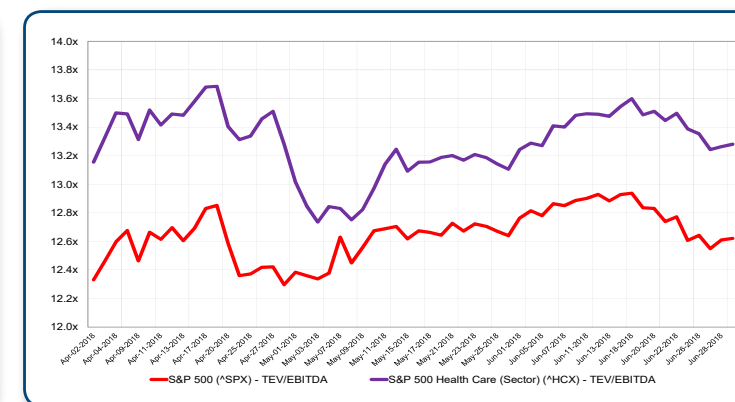


Revenue and EBITDA multiples for the S&P 500 increased by approximately 2% in Q2 2018, while the healthcare sector saw a 5% drop in revenue multiples and a 1% increase in EBITDA multiples.

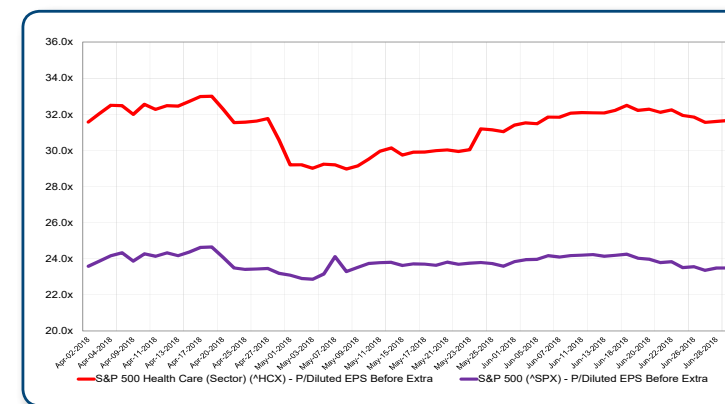
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / Revenue



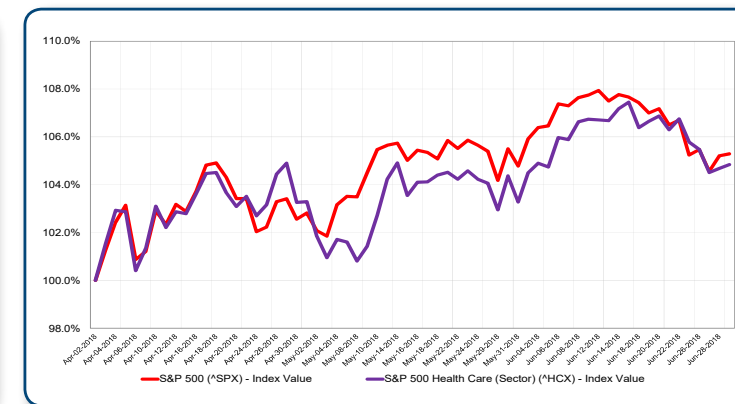
S&P Healthcare Index vs. the S&P 500 Total Enterprise Value / EBITDA



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

KKR to Acquire Envision Healthcare for \$5.5 Billion

Private equity firm KKR & Co. has reached a deal to buy Envision Healthcare, a provider of services to hospitals, for about \$5.5 billion in cash. The all-in price makes it one of the largest recent leveraged buyouts, which is valued at \$9.9 billion including the assumption of debt. Shares of Envision, which also provides post-acute care and ambulatory-surgery services, have fallen 23% over the past year amid questions about its billing for emergency services and disappointing performance.

Community Health Centers Continue to See Huge Demand for Services

Patient visits to community health centers surged from 2010 to 2016, highlighting the continued need for the healthcare safety net despite greater access to insurance, according to an analysis published by researchers at George Washington University's Milken Institute School of Public Health. Although the Affordable Care Act and Medicaid expansion helped more people gain insurance coverage, community health centers have seen a 33% upswing nationwide in patient visits between 2010 and 2016, according to the research report released in mid-June. The trend varied from state to state. Some, like Indiana and Louisiana, saw as much as an 83% and 86% increase in their number of community health center patients, while Mississippi and Wyoming experienced declines of 6% and 15%, respectively. Expansion states had the biggest increase in community health center patients, adding more than 4.8 million visits, or a 37% uptick.

Congress Considers 340B Changes

The House reviewed 15 bills in mid-July that would alter the oversight, transparency and organization of the 340B Drug Discount Program. Among the proposals considered was one that would create a Senate-confirmed assistant secretary position to oversee the program, one that would put a two-year moratorium on new organizations joining 340B, and another that would require HHS to publish ceiling prices for 340B drugs. Another proposed bill would increase the minimum Medicare disproportionate share adjustment percentage from 11.75% to 18.0% - which reflects how much care hospitals are providing to low-income patients. Increasing the minimum could boot Disproportionate Share Hospitals that fall below the threshold out of the 340B program. The House may consider the bills in the fall. The 340B program has been the subject of a lawsuit brought by three major provider associations to stop \$1.6 billion in cuts to the program. The challenge was rejected July 17 by three judges from the U.S. Court of Appeals for the District of Columbia Circuit.

Second Quarter 2018

New Trump Rule Rolls Back Protections of the Affordable Care Act

A sweeping new rule issued by the Trump administration will make it easier for small businesses to join forces and set up health insurance plans that circumvent many requirements of the Affordable Care Act, cutting costs but also reducing benefits. President Trump, speaking at a 75th-anniversary celebration of the National Federation of Independent Business, said the new rule would allow small businesses to "escape some of Obamacare's most burdensome mandates" by creating new entities known as association health plans. However, these plans may also reduce benefits.

Buffett, Bezos, Dimon Appoint Dr. Atul Gawande as CEO of Their Newly Formed Health-Care Company

Dr. Atul Gawande will lead the joint healthcare venture between Amazon, J.P. Morgan, and Berkshire Hathaway beginning July 9. He currently practices general and endocrine surgery at Brigham and Women's Hospital and is a professor at the Harvard T.H. Chan School of Public Health and Harvard Medical School. Berkshire Hathaway CEO Warren Buffett, J.P. Morgan CEO Jamie Dimon, and Amazon CEO Jeff Bezos announced a partnership in January to tackle rising healthcare costs. They will form a new company for the venture, which will be headquartered in Boston, a hub for biotechnology and medical research.

Post-Acute Care Providers Get More Than \$900 Million in Medicare Raises

The CMS is moving forward with plans to give a \$975 million collective increase next year to post-acute care providers including skilled-nursing facilities, inpatient psychiatric facilities and inpatient rehab facilities. Skilled-nursing facilities would receive 2.4% or \$820 million more, compared to the funding received this year. Last year, they garnered an increase of 1%, or \$370 million. For inpatient psychiatric facilities, the agency has suggested an increase of 1.1%, or \$50 million, which is similar to the modest increase of 1.0%, or \$45 million, received last year. Inpatient rehab providers will receive an additional \$105 million, or 1.3%, next year. That is up from the \$75 million increase, or 0.9%, received last year.

Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternate Site					
06/15/18	Cord Blood Registry (NASDAQ:AMAG)	GI Partners	\$530.0	n/a	n/a
Description:	GI Partners LP has entered into an agreement to acquire Cord Blood Registry, the world's largest stem cell collection and storage company. Cord Blood Registry is a subsidiary of AMAG Pharmaceuticals, Inc. (NASDAQ:AMAG) and is based in San Francisco, CA.				
06/11/18	Envision Healthcare Corporation (NYSE:EVHC)	KKR & Co. (NYSE:KKR)	\$10,418.6	1.3x	9.7x
Description:	KKR & Co. (NYSE:KKR) entered into an agreement to acquire Envision Healthcare Corporation (NYSE:EVHC), a leading provider of physician-led post-acute care and ambulatory surgery services. Envision Healthcare Corporation was founded in 1992 and is based in Nashville, TN.				
06/06/18	Paladina Health, LLC	New Enterprise Associates, Inc.	\$100.0	n/a	n/a
Description:	New Enterprise Associates, Inc. has acquired Paladina Health, LLC, an operator of primary care clinics across 10 states. Paladina Health is based in Denver, CO.				
04/21/18	Sound Inpatient Physicians, Inc.	Summit Partners LLP	\$2,150.0	1.4x	n/a
Description:	An investment consortium led by Summit Partners LLP acquired controlling interest in Sound Inpatient Physicians, Inc., a provider of services across the continuum of care and outsourced hospitalist services and management services. Sound Inpatient Physicians, Inc. was founded in 2001 and is based in Tacoma, WA.				
04/06/18	Reliant Medical Group	Optum Health, Inc. (NYSE:UNH)	\$28.0	n/a	n/a
Description:	Optum Health, Inc. has acquired Reliant Medical Group, a 230-physician not-for-profit practice. Reliant Medical Group was founded in 1929 and is based in Worcester, MA.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Diagnostic Services					
06/25/18	Exosome Diagnostics, Inc.	Bio-Techne Corporation (NASDAQ:TECH)	\$250.0	n/a	n/a
Description:	Bio-Techne Corporation (NASDAQ:TECH) has acquired Exosome Diagnostics, Inc., a developer of biofluid-based diagnostics. Exosome Diagnostics, Inc. was founded in 2008 and is based in Cambridge, MA.				
05/28/18	Counsyl, Inc.	Myriad Genetics, Inc. (NASDAQ:MYGN)	\$375.0	n/a	n/a
Description:	Myriad Genetics, Inc. has acquired Counsyl, Inc., an operator of a high-complexity clinical laboratory that offers carrier and non-invasive prenatal screening. Counsyl, Inc. was founded in 2007 and is based in San Francisco, CA.				
Healthcare Distributors					
06/28/18	PillPack, Inc.	Amazon.com, Inc. (NASDAQ:AMZN)	\$1,000.0	n/a	n/a
Description:	Amazon.com, Inc. (NASDAQ:AMZN) entered into a merger agreement to acquire PillPack, Inc., an online pharmacy that delivers medications in pre-sorted dose packaging and coordinates refills and renewals. PillPack, Inc. was founded in 2013 and is based in Manchester, NH.				
06/25/18	Keryx Biopharmaceuticals, Inc. (NASDAQ:KERX)	Akebia Therapeutics, Inc. (NasdaqGM:AKBA)	\$462.0	7.8x	n/a
Description:	Akebia Therapeutics, Inc. (NasdaqGM:AKBA) has acquired Keryx Biopharmaceuticals, Inc. (NASDAQ:KERX), a provider of medicines for patients with kidney disease. Keryx Biopharmaceuticals, Inc. was founded in 1997 and is based in Boston, MA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Healthcare Equipment & Supplies					
06/12/18	LifeScan, Inc.	Platinum Equity, LLC	\$2,100.0	1.4x	n/a
Description:	Platinum Equity, LLC has made a binding offer to acquire LifeScan, Inc., a manufacturer and supplier of blood glucose monitoring equipment for hospital and home use. LifeScan, Inc. was founded in 1981 and is based in Milpitas, CA.				
06/06/18	Advance Sterilization Products Services, Inc.	Fortive Corporation (NYSE:FTV)	\$2,700.0	n/a	3.5x
Description:	Fortive Corporation (NYSE:FTV) has made a binding offer to acquire Advance Sterilization Products Services, Inc., a leading global provider of innovative sterilization and disinfection solutions. Advance Sterilization Products Services, Inc. was founded in 1986 and is based in Irvine, CA.				
06/05/18	CoolSystems, Inc.	Halyard Health, Inc. (NYSE:HYH)	\$65.0	n/a	n/a
Description:	Halyard Health, Inc. (NYSE:HYH) has acquired CoolSystems, Inc., a provider of the Game Ready product line used in pain management and rehabilitation of patients recovering from orthopedic surgery or sport-related injuries. CoolSystems, Inc. was founded in 1997 and is based in Concord, CA.				
05/04/18	Integer Holdings Corp. (NYSE:ITGR) - surgical and orthopedics lines	MedPlast, Inc.	\$600.0	n/a	n/a
Description:	MedPlast, Inc. has acquired the advanced surgical and orthopedics lines, as well as 10 manufacturing facilities from Integer Holdings Corp. (NYSE:ITGR). The business comprises products and services for laparoscopy, general surgery, biopsy and drug delivery.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Healthcare IT					
06/19/18	Cotiviti Holdings, Inc. (NYSE:COTV)	Verscend Technologies, Inc.	\$4,924.0	n/a	n/a
Description:	Verscend Technologies, Inc. has acquired Cotiviti Holdings, Inc. (NYSE:COTV), a leading provider of payment accuracy and analytics-driven solutions primarily for the healthcare sector. Cotiviti Holdings, Inc. was founded in 1979 and is based in Atlanta, GA.				
06/12/18	SHYFT Analytics, Inc.	Medidata Solutions, Inc. (NASDAQ:NDSO)	\$195.0	n/a	n/a
Description:	Medidata Solutions, Inc. (NASDAQ:NDSO) has acquired SHYFT Analytics, Inc., a leading cloud-based data analytics platform for life sciences with solutions designed for the pharmaceutical and biotech industry. SHYFT Analytics was founded in 2002 and is based in Waltham, MA.				
06/04/18	Advance Medical	Teladoc, Inc. (NYSE:TDOC)	\$352.0	n/a	n/a
Description:	Teladoc, Inc. (NYSE:TDOC) has acquired Advance Medical, a leading provider of telehealth services to more than 25 million patients in numerous countries. Advance Medical was founded in 1999 and is based in Westwood, MA.				
05/04/18	HealthGrid	Allscripts Healthcare Solutions, Inc. (NASDAQ:MDRX)	\$110.0	n/a	n/a
Description:	Allscripts Healthcare Solutions, Inc. (NASDAQ:MDRX) has acquired HealthGrid, a patient communication app maker. HealthGrid was founded in 2014 and is based in Orlando, FL.				
05/01/18	SCIO Health Analytics, Inc.	ExlService Holdings, Inc. (NYSE:EXLS)	\$110.0	n/a	n/a
Description:	ExlService Holdings, Inc. (NYSE:EXLS) has acquired SCIO Health Analytics, Inc., a leading provider of advanced healthcare analytics and performance optimization solutions. SCIO Health Analytics was founded in 2007 and is based in Hartford, CT.				
04/09/18	MedPartners, HIM	AMN Healthcare Services, Inc. (NYSE:AMN)	\$195.0	1.6x	n/a
Description:	AMN Healthcare Services, Inc. (NYSE:AMN) has acquired MedPartners, HIM, a provider of mid-revenue cycle staffing and services for healthcare facilities. MedPartners, HIM was founded in 2006 and is based in Tampa, FL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Hospital Providers					
06/29/18	Summit Health, Inc.	WellSpan Health	n/a	n/a	n/a
Description:	WellSpan Health signed an agreement to acquire Summit Health, Inc., an operator of hospitals in south-central Pennsylvania. Summit Health, Inc. was founded in 1985 and is based in Chambersburg, PA.				
06/28/18	Women's & Children's Hospital (HCA)	Franciscan Missionaries of Our Lady Health System	n/a	n/a	n/a
Description:	Franciscan Missionaries of Our Lady Health System has entered into an agreement to acquire Women's & Children's Hospital from HCA Healthcare. Women's and Children's Hospital was founded in 1983 and is located in Lafayette, LA.				
06/26/18	AllianceHealth Deaconess Health System, LLC (CHS)	Integrus Health	n/a	n/a	n/a
Description:	Integrus Health has agreed to acquire AllianceHealth Deaconess Health System from Community Health Systems, Inc. (NYSE:CYH). AllianceHealth Deaconess Health System was founded in 2005 and is based in Oklahoma City, OK.				
06/25/18	Miami Medical Center	Nicklaus Children's Hospital	\$88.0	n/a	n/a
Description:	Nicklaus Children's Hospital has acquired Miami Medical Center, a 67-bed hospital with 12 operating rooms. Miami Medical Center was founded in 1963 and is located in Miami, FL.				
06/20/18	Trios Health	RCCH HealthCare Partners / UW Medicine JV	\$78.0	n/a	n/a
Description:	RCCH HealthCare Partners and a UW Medicine JV have acquired Trios Health, one of the largest multi-specialty medical groups in eastern Washington. Trios Health was founded in 1948 and is based in Kennewick, WA.				
06/15/18	Wrangell Medical Center	Southeast Alaska Regional Health	n/a	n/a	n/a
Description:	Southeast Alaska Regional Health has acquired Wrangell Medical Center, a critical access hospital and long term care facility. Wrangell Medical Center was founded in 1968 and is located in Wrangell, AK.				
06/06/18	Memorial Hospital	UnityPoint Health	n/a	n/a	n/a
Description:	UnityPoint Health has acquired Memorial Hospital, an 18-bed critical access hospital. Memorial Hospital was founded in 2016 and is located in Carthage, IL.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
06/05/18	Lourdes Health System (Trinity Health)	Virtua Health	n/a	n/a	n/a
Description:	Virtua Health has acquired Lourdes Health System, an owner and operator of hospitals. Lourdes Health System was founded in 1950 and is based in Camden, NJ.				
05/08/18	DeKalb Medical, Inc.	Emory Healthcare, Inc.	n/a	n/a	n/a
Description:	Emory Healthcare, Inc. has acquired DeKalb Medical, Inc., an owner and operator of hospitals in Georgia. DeKalb Medical was founded in 1961 and is based in Decatur, GA.				
05/07/18	Centegra Health System	Northwestern Memorial HealthCare	n/a	n/a	n/a
Description:	Northwestern Memorial HealthCare has acquired Centegra Health System, a hospital and facility operator. Centegra Health System was founded in 1914 and is based in Crystal Lake, IL.				
05/01/18	Hardin Memorial Hospital	Baptist Healthcare System, Inc.	\$361.0	n/a	n/a
Description:	Baptist Healthcare System, Inc. has entered into an asset purchase agreement to acquire Hardin Memorial Health, an integrated system of providers and facilities serving ten central Kentucky counties. Hardin Memorial Health was founded in 1954 and is based in Louisville, KY.				
05/01/18	Des Peres Hospital (Tenet Health)	St. Luke's Hospital	n/a	n/a	n/a
Description:	St. Luke's Hospital has acquired the 143-bed Des Peres Hospital from Tenet Healthcare. Des Peres Hospital was founded in 1866 and is based in Chesterfield, MO.				
04/25/18	Great Bend Regional Hospital	University of Kansas Health System	n/a	n/a	n/a
Description:	University of Kansas Health System has entered into an agreement to acquire Great Bend Regional Hospital. Great Bend Regional Hospital was founded in 1998 and is based in Great Bend, KS.				
04/18/18	Munroe Regional Health System, Inc.	Adventist Health	n/a	n/a	n/a
Description:	Adventist Health has acquired Munroe Regional Medical Center, Inc., a 425-bed hospital in Florida. Munroe Regional Medical Center, Inc. was founded in 1898 and is based in Ocala, FL.				
04/17/18	St. Joseph Martin Hospital	Appalachian Regional Healthcare	n/a	n/a	n/a
Description:	Appalachian Regional Healthcare has acquired St. Joseph Martin Hospital, a 25-bed critical access hospital. St. Joseph Martin Hospital is located in Martin, KY.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
04/11/18	Mountain View Regional Hospital	Wyoming Medical Center	n/a	n/a	n/a
Description:	Wyoming Medical Center has acquired Mountain View Regional Hospital, a neurosurgical and spine hospital. Mountain View Regional Hospital was founded in 2007 and is based in Casper, WY.				
04/02/18	Union Hospital	Cleveland Clinic Health System	n/a	n/a	n/a
Description:	Cleveland Clinic Health System has acquired the 100-bed Union Hospital in eastern Ohio. Union Hospital was founded in 1906 and is located in Dover, OH.				
04/01/18	Massachusetts Eye and Ear	Partners HealthCare System	n/a	n/a	n/a
Description:	Partners HealthCare System has acquired Massachusetts Eye and Ear, a specialty teaching hospital with patient care sites throughout the Boston region. Massachusetts Eye and Ear was founded in 1824 and is based in Boston, MA.				

Long-Term Care / Senior Living

06/29/18	Superior Residences Portfolio	Not-for-Profit	\$71.0	n/a	n/a
Description:	A not-for-profit has acquired the Superior Residences Portfolio which includes five Assisted Living / Memory Care communities with 79% occupancy. The communities were built from 1999 to 2013 and are located in central Florida.				
06/29/18	The Watermark at Trinity	Private equity group	\$29.1	n/a	n/a
Description:	A private equity group has acquired The Watermark at Trinity, a senior living community comprised of 67 Assisted Living and 30 Memory Care units. The Watermark at Trinity was founded in 2016 and is located in Trinity, FL.				
06/15/18	Sabra Health Care REIT (NASDAQ:SBRA) - 12 skilled nursing facilities	Next Healthcare Capital	\$134.0	n/a	n/a
Description:	Next Healthcare Capital has acquired a portfolio of 12 SNFs owned by Sabra Health Care REIT (NASDAQ:SBRA). The portfolio includes five facilities located in Florida and seven located in New Hampshire totaling 1,324 total licensed beds.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
06/13/18	Eight skilled nursing facilities	Griffin-American Healthcare	\$88.2	n/a	n/a
Description:	Griffin-American Healthcare has acquired eight SNFs with 1,112 total licensed beds. The facilities are located in various parts of Missouri.				
06/10/18	Four skilled nursing facilities	Boulevard Health	\$35.4	n/a	n/a
Description:	Boulevard Health has acquired four SNFs totaling 432 beds and located in Sheridan, North Vernon, Connersville and Fort Wayne, IN. The SNFs were previously owned by Cascade Capital Group.				
06/01/18	Two senior living communities	Private equity group	\$38.0	n/a	n/a
Description:	A private equity group has acquired two senior living communities, the Rogers community and the Bentonville community which comprise 56 Independent Living, 116 Assisted Living and 38 Memory Care units. The communities are located 10 miles apart in northwest Arkansas.				
05/23/18	9 senior living communities	MBK Senior Living	\$382.0	n/a	n/a
Description:	MBK Senior Living has acquired 9 senior living communities previously operated by West Living, LLC. The 9 communities are located in California, Washington and Arizona.				
05/21/18	14 skilled nursing facilities	Undisclosed Buyer	\$59.8	n/a	n/a
Description:	An undisclosed buyer has acquired a portfolio of 14 SNFs totaling 1,581 licensed beds. The facilities are located in southern and central Illinois and two in Missouri.				
05/11/18	Brookdale Meridian of Englewood	Brookdale Senior Living, Inc. (NYSE:BKD)	\$84.1	n/a	n/a
Description:	Brookdale Senior Living, Inc. (NYSE:BKD) has acquired Brookdale Meridian of Englewood, an eight-story community with 193 Independent Living units and 72 skilled nursing beds. Brookdale Meridian of Englewood was built in 1986 and is located in Englewood, CO.				
05/07/18	Pleasant Acres Nursing & Rehab	Premier Health Care	\$30.8	n/a	n/a
Description:	Premier Health Care has acquired Pleasant Acres Nursing & Rehab, a 375-bed skilled nursing facility. Pleasant Acres Nursing & Rehab was founded in 2001 and is located in York, PA.				
05/02/18	Five skilled nursing facilities	Regional operator	\$45.0	n/a	n/a
Description:	A regional operator has acquired five SNFs owned by a publicly traded REIT and managed by a national operator. The facilities were considered non-core and are located in northeast Ohio.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
05/01/18	LTC Properties (NYSE:LTC) - Sunrise Portfolio	National Health Investors, Inc. (NYSE:NHI)	\$67.5	n/a	n/a
Description:	National Health Investors, Inc. (NYSE:NHI) has acquired a portfolio of four assisted living communities and one assisted living / memory care community totaling 320 units. The Sunrise Portfolio of LTC Properties (NYSE:LTC) comprise five locations across five states.				
04/25/18	Two skilled nursing facilities	Regional owner / operator	\$30.0	n/a	n/a
Description:	A regional owner / operator has acquired two SNFs with 134 and 135 beds. The facilities were built in 2009 and 2010 and are located 25 minutes apart in the Greensboro, NC area.				
04/25/18	Welltower Inc. (NYSE:WELL) - Four senior care facilities	Life Care Centers of America	\$75.0	n/a	n/a
Description:	Life Care Centers of America has acquired four senior care facilities from Welltower (NYSE:WELL). The portfolio consists of three SNFs and one seniors housing triple-net community.				
04/25/18	Quality Care Properties (NYSE:QCP)	Welltower Inc. (NYSE:WELL)	\$4,000.0	12.7x	\$14.3
Description:	Welltower Inc. (NYSE:WELL) has acquired Quality Care Properties (NYSE:QCP), one of the nation's largest actively managed real estate companies focused on post-acute/skilled nursing and memory care/assisted living properties. Quality Care Properties, Inc. was spun-off from HCP, Inc. in 2016.				
04/25/18	Welltower Inc. (NYSE:WELL) - 22 senior housing properties	Private Investor	\$378.0	n/a	n/a
Description:	A private investor has acquired 22 senior housing properties from Welltower Inc. (NYSE:WELL). The 22 senior housing properties are located throughout the Western U.S. and operated by Cascade Living Group.				
04/23/18	Curo Health Services LLC	Consortium Group	\$1,400.0	n/a	n/a
Description:	Humana Inc., TPG Capital & Welsh, Carson, Anderson & Stowe have acquired Curo Health Services LLC, an operator of hospice centers located across 22 states. Curo Health Services was incorporated in 2010 and is based in Mooresville, NC.				
04/02/18	Garden Court Retirement	Artemis Real Estate Partners	\$50.5	n/a	n/a
Description:	Artemis Real Estate Partners has acquired Garden Court Retirement, an independent living and assisted living community with 95% occupancy and 100% private pay census. Garden Court Retirement was founded in 2002 and is located Conneautville, PA.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
04/02/18	Acadia Home Care & Staffing	Addus HomeCare Corporation (NASDAQ:ADUS)	\$18.5	0.4x	6.5x
Description:	Addus HomeCare Corporation (NASDAQ:ADUS) has acquired Acadia Home Care & Staffing, a provider of in-home services for seniors and individuals of any age. Acadia Home Care & Staffing was founded in 1993 and is based in New Jersey.				

Managed Care

06/27/18	Molina Medicaid Solutions (NYSE:MOH)	DXC Technology (NYSE:DXC)	\$266.0	n/a	n/a
Description:	DXC Technology (NYSE:DXC) entered into an agreement to acquire Molina Medicaid Solutions, a wholly-owned subsidiary of Molina Healthcare, Inc. (NYSE:MOH). Molina Medicaid Solutions provides Medicaid management information systems and has contracts with Medicaid agencies in six states. Molina Medicaid Solutions was founded in 2010 and is based in Long Beach, CA.				
05/29/18	Meridian	WellCare Health Plans, Inc. (NYSE:WCG)	\$2,500.0	n/a	n/a
Description:	WellCare Health Plans, Inc. (NYSE:WCG) has entered into an agreement to acquire Meridian, one of the largest privately held, for-profit managed care organizations in the U.S. Meridian was incorporated in 1997 and is based in Detroit, MI.				
04/25/18	Benefit Planning Consultants, Inc.	Ascensus, LLC	n/a	n/a	n/a
Description:	Ascensus, LLC has entered into an agreement to acquire Benefit Planning Consultants, Inc., a provider of employee benefits and retirement administration services. Benefit Planning Consultants, Inc. was founded in 1979 and is based in Champaign, IL.				

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.	\$85.46	96.5%	\$2,704.4	\$2,671.8	1.7x	18.6x	69.2x
DVA	DaVita Inc.	69.44	86.0%	12,117.3	22,453.7	2.0x	9.4x	20.0x
EVHC	Envision Healthcare Corporation	44.01	69.5%	5,320.3	9,998.4	1.2x	9.3x	20.2x
DB:FME	Fresenius Medical Care AG & Co. KGaA	86.40	79.2%	30,842.1	40,005.0	2.0x	11.7x	NM
Mean						1.7x	12.3x	20.1x

Diagnostic Services								
LH	Laboratory Corporation of America Holdings	\$179.53	94.3%	\$18,365.9	\$24,801.3	2.3x	12.1x	14.8x
DGX	Quest Diagnostics Incorporated	109.94	94.4%	14,931.7	18,893.7	2.4x	11.7x	19.6x
RDNT	RadNet, Inc.	15.00	97.4%	723.6	1,329.3	1.4x	10.6x	NM
Mean						2.1x	11.5x	17.2x

[1] AMED 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 ^[2]								
ABC	AmerisourceBergen Corporation	\$85.27	80.2%	\$18,742.7	\$21,720.3	0.1x	9.1x	22.1x
CAH	Cardinal Health, Inc.	48.83	61.9%	15,170.8	22,586.8	0.2x	7.0x	9.1x
HSIC	Henry Schein, Inc.	72.64	78.0%	11,188.4	13,737.9	1.1x	12.5x	28.0x
MCK	McKesson Corporation	133.40	74.6%	26,916.9	34,065.9	0.2x	9.3x	NM
OMI	Owens & Minor, Inc.	16.71	51.4%	1,032.5	1,842.0	0.2x	9.3x	16.4x
SRCL	Stericycle, Inc.	65.29	78.4%	5,587.3	8,270.7	2.3x	11.6x	NM
TMO	Thermo Fisher Scientific Inc.	207.14	91.5%	83,337.3	103,485.3	4.7x	18.8x	36.8x
Mean						1.3x	11.1x	18.9x

Healthcare Equipment & Supplies ^[3]								
ABT	Abbott Laboratories	\$60.99	94.4%	\$106,926.9	\$125,176.9	4.4x	19.1x	290.2x
BAX	Baxter International Inc.	73.84	97.6%	39,540.3	40,140.3	3.7x	17.6x	48.9x
BDX	Becton, Dickinson and Company	239.56	96.4%	64,010.9	85,536.9	6.3x	22.2x	NM
BEAT	BioTelemetry, Inc.	45.00	95.0%	1,475.7	1,641.1	5.3x	23.2x	NM
BSX	Boston Scientific Corporation	32.70	87.7%	45,119.8	50,597.8	5.5x	19.9x	NM
JNJ	Johnson & Johnson	121.34	81.8%	325,452.1	342,795.1	4.4x	13.0x	268.7x
MDT	Medtronic plc	85.61	96.0%	115,719.8	130,371.8	4.4x	13.7x	37.7x
SIE	Siemens Aktiengesellschaft	113.20	90.0%	94,285.2	116,881.2	1.4x	12.2x	13.9x
Mean						4.4x	17.6x	25.8x

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

[3] ABT, BAX, and 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.	\$12.00	74.4%	\$2,135.4	\$4,211.9	2.2x	29.0x	NM
ATHN	athenahealth, Inc.	159.14	97.1%	6,430.8	6,558.0	5.2x	30.9x	76.3x
CERN	Cerner Corporation	59.79	81.0%	19,839.2	19,363.4	3.8x	14.6x	23.6x
CPSI	Computer Programs and Systems, Inc.	32.90	96.1%	444.4	584.7	2.1x	15.7x	NM
HMSY	HMS Holdings Corp.	21.62	91.5%	1,799.1	1,955.2	3.6x	18.1x	41.6x
OMCL	Omniceil, Inc.	52.45	94.7%	2,039.1	2,203.6	2.9x	34.5x	61.5x
QSII	Quality Systems, Inc.	19.50	94.7%	1,245.1	1,253.2	2.4x	28.2x	NM
Mean						3.2x	19.1x	32.6x

Hospital Providers ^[5]								
CYH	Community Health Systems, Inc.	\$3.32	32.7%	\$374.6	\$14,443.6	1.0x	17.1x	NM
HCA	HCA Healthcare, Inc.	102.60	94.3%	35,838.1	69,809.1	1.6x	8.4x	14.0x
LPNT	LifePoint Health, Inc.	48.80	71.8%	1,892.4	4,842.2	0.8x	7.3x	58.3x
THC	Tenet Healthcare Corporation	33.57	86.5%	3,425.8	19,963.8	1.0x	7.8x	NM
UHS	Universal Health Services, Inc.	111.44	87.0%	10,520.8	14,437.5	1.4x	8.4x	13.9x
Mean						1.2x	8.0x	13.9x

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

[5] CYH has been excluded from mean EBITDA multiple calculation, and LPNT has been excluded from the 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 ^[6]								
BKD	Brookdale Senior Living Inc.	\$9.09	60.9%	\$1,705.0	\$6,329.9	1.7x	10.8x	14.7x
CSU	Capital Senior Living Corporation	10.67	63.8%	332.2	1,326.0	2.9x	16.1x	19.4x
DVCR	Diversicare Healthcare Services, Inc.	6.80	55.5%	43.9	126.0	0.2x	4.3x	13.6x
ENSG	The Ensign Group, Inc.	35.82	89.3%	1,867.3	2,117.1	1.1x	14.2x	31.1x
GEN	Genesis Healthcare, Inc.	2.29	80.1%	228.4	4,544.6	0.9x	13.2x	NM
Mean						1.4x	11.7x	15.9x

Managed Care								
AET	Aetna Inc.	\$183.50	94.4%	\$60,022.9	\$61,573.9	1.0x	9.8x	17.4x
ANTM	Anthem, Inc.	238.03	88.8%	60,745.1	76,612.2	0.9x	13.4x	15.3x
CNC	Centene Corporation	123.21	97.6%	25,280.2	24,993.2	0.5x	11.8x	21.2x
CI	Cigna Corporation	169.95	74.8%	41,343.4	43,922.4	1.0x	8.8x	16.7x
ESRX	Express Scripts Holding Company	77.21	90.8%	43,370.5	56,044.6	0.6x	7.8x	9.6x
HUM	Humana Inc.	297.63	96.3%	40,978.3	37,417.3	0.7x	10.2x	23.4x
UNH	UnitedHealth Group Incorporated	245.34	95.6%	235,767.1	257,482.1	1.2x	14.6x	21.6x
Mean						0.8x	10.9x	17.9x

OVERALL HEALTHCARE SECTOR						Mean	2.0x	12.8x	20.3x
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[6] ENDG has been excluded from the mean PE multiple calculation.



NOTES

Notes

- Sources: Capital IQ, Bond Buyer, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.
- Any public companies chosen for the “SCA Healthcare Services Universe” are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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