



**INDUSTRY
UPDATE**

HEALTHCARE
Q2 2021



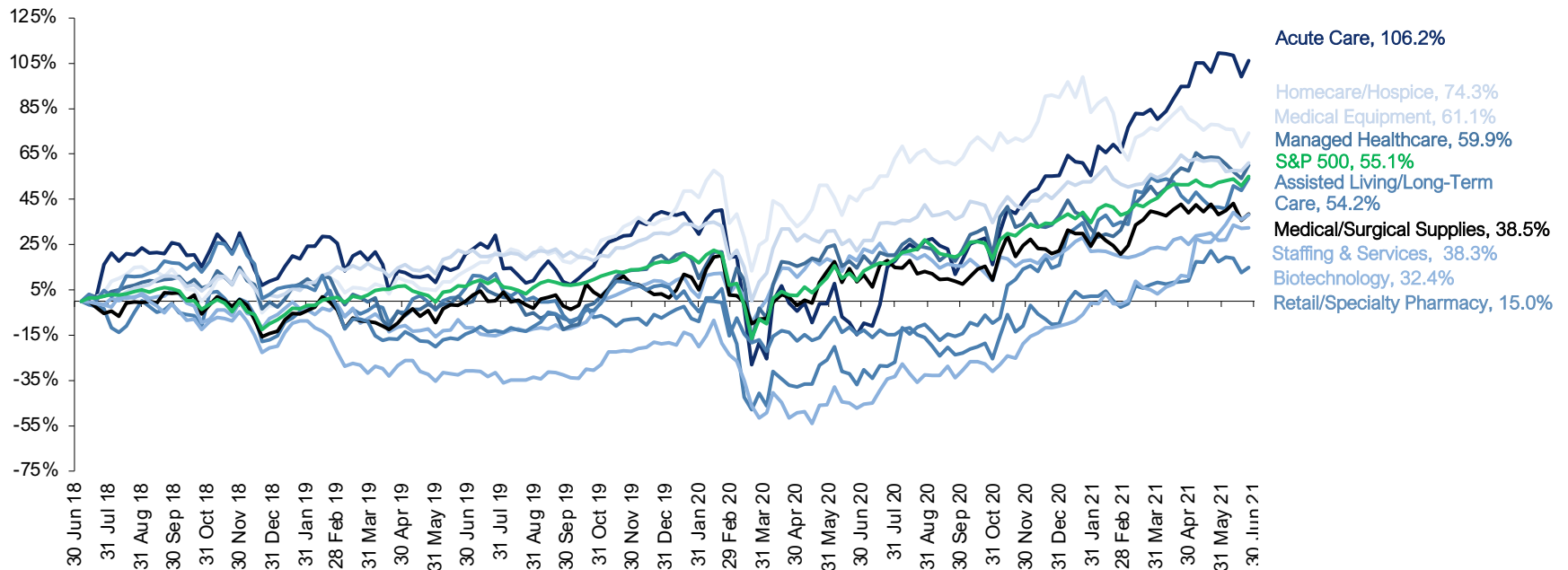
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Public Market Performance

Q2 2021 saw continued gains in multiple sectors of the Healthcare industry, while other sectors saw slight losses during the quarter. The broader U.S. equity market recorded modest gains as the major indices hovered around record highs. On a 3-year period ending June 30, the S&P 500 returned 55.1%. Some sectors, over others, in the Healthcare industry exhibited strong performance on a 12-month basis. The industry has been led by the Acute Care sector, which has recorded gains of 106.2% over the last 3 years, almost doubling the S&P 500. The Homecare/Hospice and Medical Equipment segments have also done well recording gains of 74.3% and 61.1%, respectively, over the last 3 years. The growth of these sectors is largely driven by the rising geriatric U.S. population and the increase in disease prevalence and incidences.

Healthcare Market Performance



Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2021

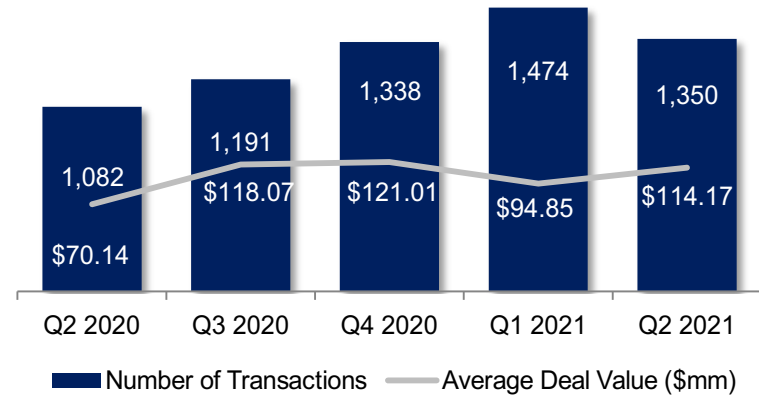


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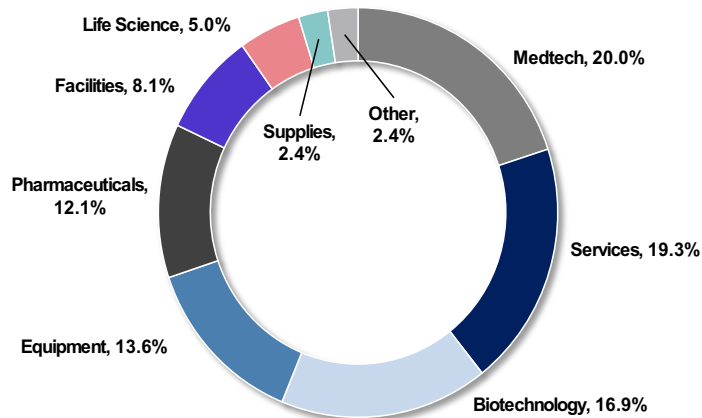
Middle-Market M&A Activity

Q2 2021 M&A activity displayed a slight decrease in transaction volume compared to the previous quarter, however, average deal value increased during the same time span. M&A activity in the sector remains strong as Q2 recorded the second highest amount of transaction volume over the past year. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to improve access to healthcare and scale existing platforms, while reducing costs and creating long-term strategic and operational improvements. The Medtech category led transaction activity, accounting for 20.0% of total Healthcare volume. Healthcare Services and Biotechnology sectors were strong in Q2 with 19.3% and 16.9% of transaction volume, respectively.

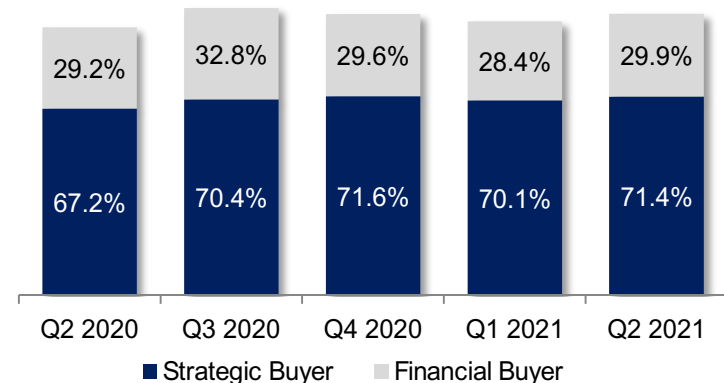
Healthcare M&A Activity



Q2 2021 M&A Activity by Sector



M&A Activity by Buyer Type



Source: S&P Capital IQ, Kearney

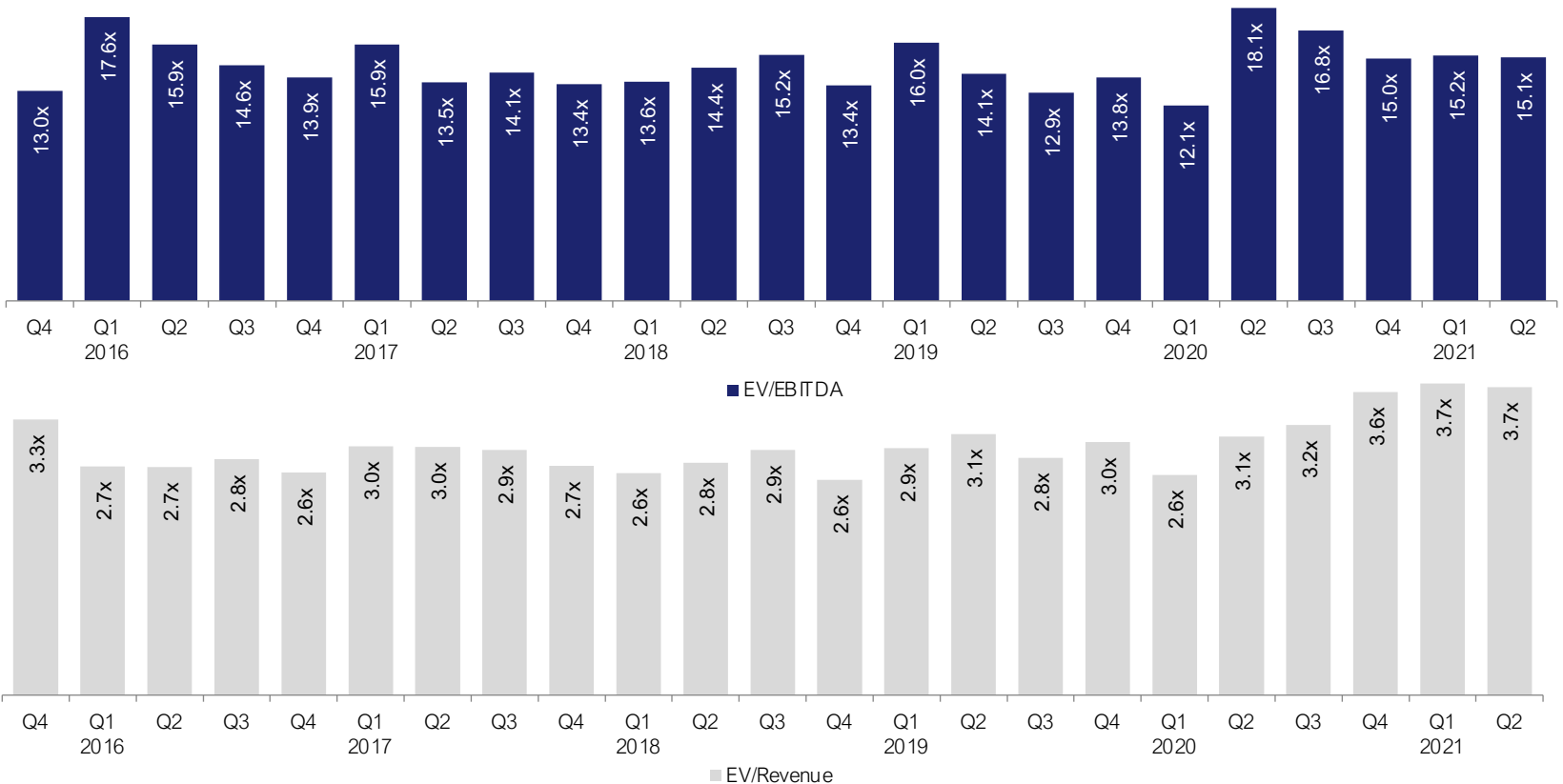
Note: All values based on publicly available data as of 6/30/2021. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



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Public Company Trading Multiples

Based on a representative set of publicly traded companies in the Healthcare industry, public companies traded at an average multiple of 15.1x EBITDA and 3.7x revenue. Additionally, one of the strongest sectors in the Healthcare industry was Medical Equipment with an average multiple of 22.0x EBITDA. The Homecare/Hospice sector also performed well as of LTM Q2 2021, recording an average multiple of 19.4x EBITDA.



Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2021



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Acute-Care								
HCA Healthcare, Inc.	\$102,294.72	\$206.74	9.7%	113.0%	38.1%	22.4%	1.9x	8.7x
Tenet Healthcare Corporation	23,132.89	66.99	26.0%	269.9%	36.0%	17.8%	1.3x	7.3x
Community Health Systems, Inc.	13,853.76	15.44	19.2%	413.0%	38.3%	12.3%	1.2x	9.6x
Select Medical Holdings Corporation	10,121.23	42.26	23.9%	186.9%	21.1%	19.2%	1.8x	9.3x
Mean	\$37,350.65	\$82.86	19.7%	245.7%	33.4%	17.9%	1.5x	8.7x
Median	\$18,493.32	\$54.63	21.6%	228.4%	37.0%	18.5%	1.5x	9.0x

Assisted Living/Long-Term Care								
Brookdale Senior Living Inc.	\$6,412.80	\$7.90	27.6%	167.8%	23.4%	16.6%	2.3x	13.7x
The Ensign Group, Inc.	5,681.39	86.67	(6.5%)	107.1%	17.6%	17.5%	2.3x	13.3x
Capital Senior Living Corporation	949.24	49.50	42.2%	364.8%	30.1%	20.2%	3.2x	15.7x
Five Star Senior Living Inc.	104.72	5.76	(7.7%)	47.7%	49.6%	10.1%	0.5x	4.8x
Mean	\$3,287.04	\$37.46	13.9%	171.8%	30.2%	16.1%	2.1x	11.9x
Median	\$3,315.31	\$28.70	10.6%	137.4%	26.8%	17.1%	2.3x	13.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2021



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Biotechnology								
AbbVie Inc.	\$274,740.28	\$112.64	5.5%	14.7%	67.5%	49.5%	5.5x	11.1x
Bristol-Myers Squibb Company	183,110.62	66.82	5.5%	13.6%	79.7%	43.7%	4.3x	9.8x
Amgen Inc.	162,166.53	243.75	(2.4%)	3.3%	75.6%	50.4%	6.4x	12.8x
Vertex Pharmaceuticals Incorporated	46,169.91	201.63	(5.3%)	(30.5%)	59.4%	49.3%	7.2x	14.6x
Biogen Inc.	56,401.39	346.27	25.5%	29.4%	85.5%	33.6%	4.5x	13.3x
Regeneron Pharmaceuticals, Inc.	53,489.55	558.54	18.7%	(10.4%)	54.4%	43.9%	5.9x	13.5x
IDEXX Laboratories, Inc.	54,508.41	631.55	32.7%	91.3%	58.9%	32.2%	19.1x	59.2x
Alexion Pharmaceuticals, Inc.	40,029.54	183.71	19.7%	63.7%	90.9%	52.1%	6.4x	12.3x
Incyte Corporation	16,599.09	84.13	4.9%	(19.1%)	40.0%	21.8%	6.1x	NM
BioMarin Pharmaceutical Inc.	15,247.90	83.44	11.3%	(32.3%)	36.7%	0.5%	8.3x	NM
Merit Medical Systems, Inc.	3,966.07	64.66	8.6%	41.6%	42.2%	16.6%	4.1x	24.7x
Veracyte, Inc.	2,382.30	39.98	(19.2%)	54.4%	66.2%	(16.3%)	19.4x	NM
Mean	\$75,734.30	\$218.09	8.8%	18.3%	63.1%	31.4%	8.1x	19.0x
Median	\$49,829.73	\$148.18	7.1%	14.2%	62.8%	38.7%	6.3x	13.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2021



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Home Care/Hospice								
Encompass Health Corporation	\$11,519.29	\$78.03	(5.8%)	26.0%	38.3%	21.3%	2.5x	11.5x
Amedisys, Inc.	8,237.01	244.93	(5.9%)	23.4%	45.1%	15.0%	3.9x	25.9x
Chemed Corporation	7,495.04	474.50	3.3%	5.2%	34.6%	20.5%	3.6x	17.5x
LHC Group, Inc.	6,257.86	200.26	6.2%	14.9%	40.3%	13.3%	3.0x	22.7x
Addus HomeCare Corporation	1,488.37	87.24	(17.4%)	(5.7%)	29.9%	9.8%	1.9x	19.4x
Mean	\$6,999.51	\$216.99	(3.9%)	12.7%	37.6%	16.0%	3.0x	19.4x
Median	\$7,495.04	\$200.26	(5.8%)	14.9%	38.3%	15.0%	3.0x	19.4x
Managed Healthcare								
UnitedHealth Group Incorporated	\$408,377.08	\$400.44	7.2%	35.8%	24.3%	8.9%	1.5x	14.9x
Cigna Corporation	107,513.52	237.07	(3.6%)	26.3%	14.8%	6.6%	0.7x	10.0x
Anthem, Inc.	108,370.16	381.80	4.9%	45.2%	27.6%	7.7%	0.9x	11.3x
Humana Inc.	60,849.27	442.72	4.0%	14.2%	19.8%	7.2%	0.8x	10.7x
Centene Corporation	51,393.85	72.93	11.5%	14.8%	17.5%	5.9%	0.5x	8.0x
Molina Healthcare, Inc.	12,698.70	253.06	7.6%	42.2%	13.7%	5.5%	0.6x	11.3x
Magellan Health, Inc.	2,139.73	94.20	0.8%	29.1%	3.1%	2.6%	0.5x	18.1x
Triple-S Management Corporation	488.48	22.27	(13.7%)	17.1%	20.9%	5.7%	0.1x	2.2x
Mean	\$93,978.85	\$238.06	2.3%	28.1%	17.7%	6.3%	0.7x	10.8x
Median	\$56,121.56	\$245.07	4.4%	27.7%	18.6%	6.3%	0.6x	11.0x

Source: S&P Capital IQ, Note: All values based on publicly available data as of 6/30/2021



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Medical Equipment								
Johnson & Johnson	\$441,367.66	\$164.74	(0.2%)	17.1%	66.4%	34.0%	5.2x	15.4x
Abbott Laboratories	216,284.76	115.93	(3.2%)	26.8%	56.8%	28.6%	5.8x	20.2x
Danaher Corporation	209,619.52	268.36	20.3%	51.8%	59.6%	33.4%	8.5x	25.3x
Medtronic plc	183,505.83	124.13	4.5%	35.4%	65.6%	27.9%	6.1x	21.8x
Stryker Corporation	109,045.72	259.73	6.8%	44.1%	63.9%	27.0%	7.4x	27.5x
Boston Scientific Corporation	68,190.15	42.76	9.8%	21.8%	68.3%	24.3%	6.7x	27.7x
Baxter International Inc.	43,895.59	80.50	(5.9%)	(6.5%)	40.0%	24.0%	3.7x	15.5x
Teleflex Incorporated	20,897.16	401.79	(3.1%)	10.4%	52.6%	27.5%	8.2x	30.0x
Hill-Rom Holdings, Inc.	9,043.63	113.59	3.0%	3.5%	52.2%	21.2%	3.0x	14.3x
Mean	\$144,650.00	\$174.61	3.6%	22.7%	58.4%	27.5%	6.1x	22.0x
Median	\$109,045.72	\$124.13	3.0%	21.8%	59.6%	27.5%	6.1x	21.8x
Medical/Surgical Supplies								
McKesson Corporation	\$34,318.46	\$191.24	(2.7%)	24.7%	5.0%	1.9%	0.1x	7.4x
AmerisourceBergen Corporation	24,362.17	114.49	(3.8%)	13.6%	2.8%	1.5%	0.1x	8.4x
Cardinal Health, Inc.	19,800.55	57.09	(8.3%)	9.4%	4.4%	1.7%	0.1x	7.3x
Henry Schein, Inc.	12,387.42	74.19	7.6%	27.1%	27.9%	8.4%	1.2x	13.9x
Owens & Minor, Inc.	4,239.53	42.33	12.3%	455.5%	16.8%	6.1%	0.5x	8.0x
Mean	\$19,021.63	\$95.87	1.0%	106.0%	11.4%	3.9%	0.4x	9.0x
Median	\$19,800.55	\$74.19	(2.7%)	24.7%	5.0%	1.9%	0.1x	8.0x

Source: S&P Capital IQ

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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
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Retail/Specialty Pharmacy								
CVS Health Corporation	\$183,697.42	\$83.44	9.7%	28.4%	18.0%	7.9%	0.7x	8.6x
Walgreens Boots Alliance, Inc.	87,010.79	52.61	(0.7%)	24.1%	19.7%	5.9%	0.6x	12.1x
Rite Aid Corporation	7,085.97	16.30	(17.6%)	(4.5%)	19.8%	5.4%	0.3x	5.5x
Mean	\$92,598.06	\$50.78	(2.9%)	16.0%	19.2%	6.4%	0.5x	8.7x
Median	\$87,010.79	\$52.61	(0.7%)	24.1%	19.7%	5.9%	0.6x	8.6x
Staffing and Services								
Surgery Partners, Inc.	\$9,614.82	\$66.62	31.9%	114.4%	21.1%	15.4%	2.1x	23.4x
AMN Healthcare Services, Inc.	5,490.52	96.98	52.7%	475.8%	32.8%	18.3%	5.0x	15.6x
MEDNAX, Inc.	3,249.83	30.15	18.6%	76.3%	26.1%	13.6%	1.9x	13.7x
Cross Country Healthcare, Inc.	726.26	16.51	30.8%	168.0%	23.5%	6.0%	0.8x	12.6x
Mean	\$4,770.36	\$52.57	33.5%	208.6%	25.9%	13.3%	2.4x	16.3x
Median	\$4,370.17	\$48.39	31.4%	141.2%	24.8%	14.5%	2.0x	14.6x
Healthcare Mean	\$65,778.23	\$157.43	7.4%	70.3%	38.6%	18.2%	3.7x	15.1x
Healthcare Median	\$20,348.85	\$90.72	5.5%	26.9%	36.3%	16.6%	2.4x	13.3x

Source: S&P Capital IQ

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Healthcare Expertise

GCG offers a unique breadth and depth of expertise in Healthcare from both an operational and transactional standpoint. Our professionals bring direct experience in senior operating roles within the industry to augment our investment banking and consulting services.

Healthcare is an evolving industry facing many opportunities and challenges. GCG's healthcare investment banking team leverages its deep industry knowledge and experience to provide strategic financial solutions for our clients in this rapidly changing environment. Our professionals are dedicated to understanding complex industry dynamics while providing merger and acquisition advisory services to companies and investors across several sectors in Healthcare.

More about Greenwich Capital Group

Greenwich Capital Group ("GCG") is a middle market focused advisory firm offering a range of investment banking and consulting services to private companies, public companies and private equity investors. For additional perspective or to discuss M&A related opportunities in the healthcare sector, please reach out to GCG's Healthcare practice leader, Joe Schmitt. For more information, please visit www.greenwichgp.com.



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Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

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