



# INDUSTRY UPDATE

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HEALTHCARE  
Q4 2021



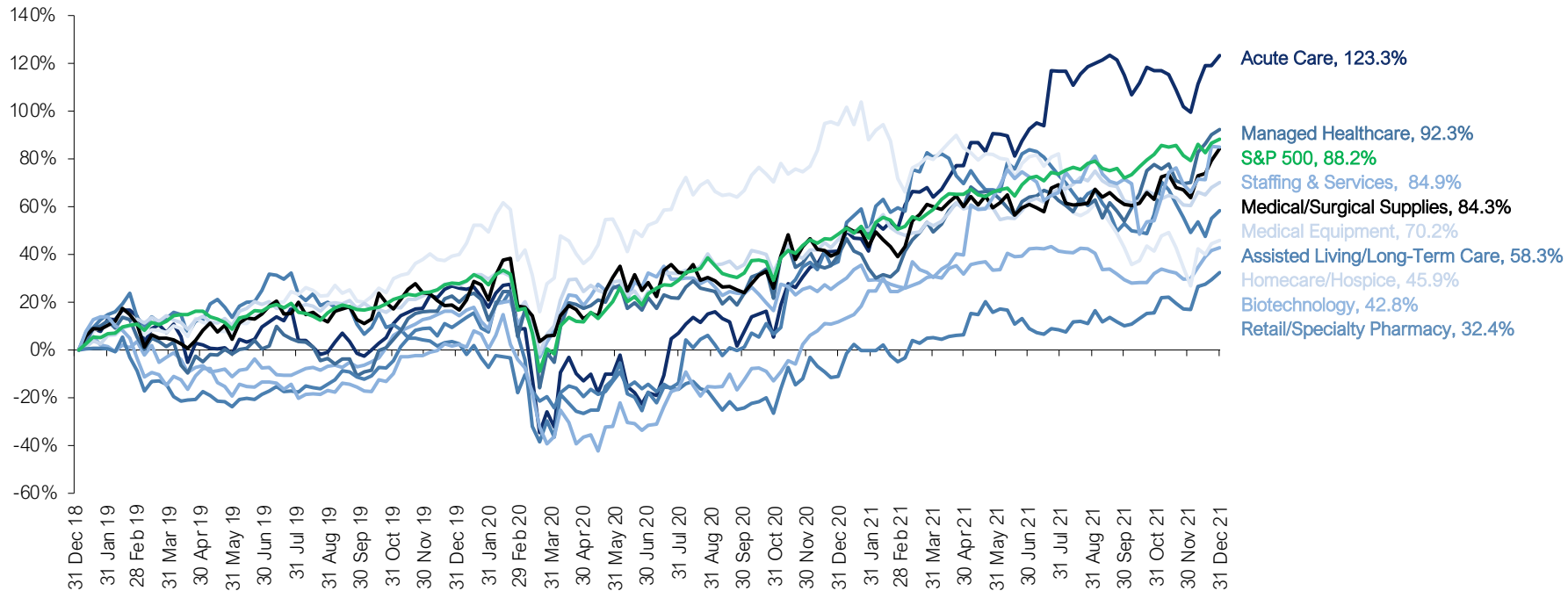
GREENWICH  
CAPITAL GROUP

# GCG Healthcare Update | Q4 2021

## Public Market Performance

Q4 2021 saw considerable gains in most sectors of the Healthcare industry, while a few sectors saw slight losses during the quarter. The broader U.S. equity market recorded moderate gains as the major indices tested record highs, although inflation concerns, and the introduction of the Omicron variant led to some volatility in prices. On a 3-year period ending December 31, the S&P 500 has returned 88.2%. The industry has been led by the Acute Care sector, which has recorded gains of 123.3% over the last 3 years. The Managed Healthcare sector also showed strong performance in Q4, recording an average increase of 19.6% in share price. The Staffing and Services sector also did well during the last quarter, recording an average gain of 14.8% in share price. As a whole, the index of selected representative Healthcare stocks rose an average of 6.9% in Q4 2021.

### Healthcare Market Performance



Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021

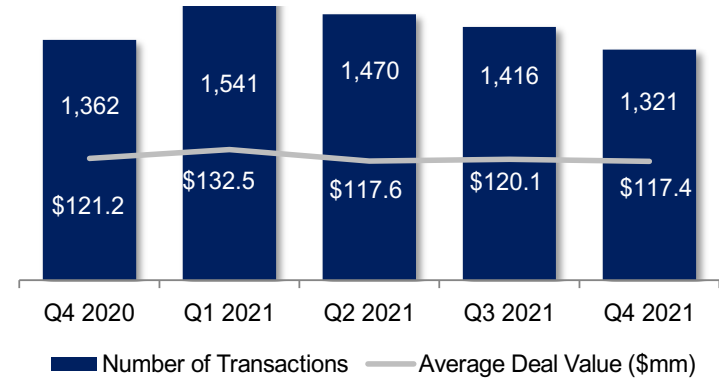


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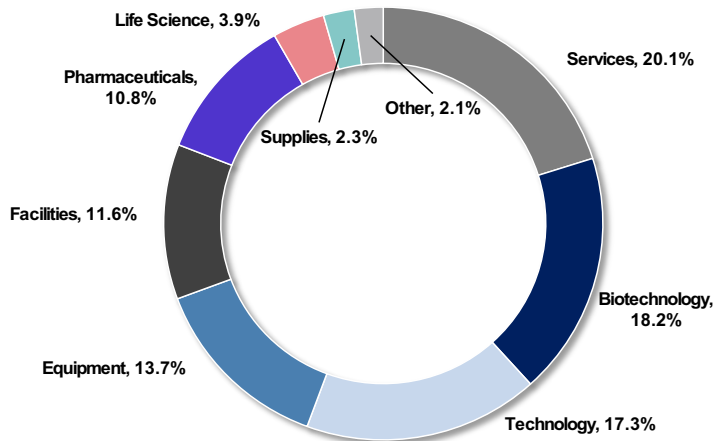
## Middle-Market M&A Activity

Q4 2021 M&A activity displayed a modest decrease in transaction volume compared to the previous quarter, however, average deal value stayed in line with previous quarters. M&A activity in the sector remains strong with 2021 ending as a historic year for M&A activity. Strategic buyers continue to comprise a majority of the overall deal activity and have sought acquisitions to improve access to healthcare and scale existing platforms, while also acquiring new technology and expertise that their current platforms do not offer. The Healthcare Services category led transaction activity, accounting for 20.1% of total Healthcare volume. The Biotechnology and Healthcare Technology sectors were also strong in Q4 with 18.2% and 17.3% of transaction volume, respectively.

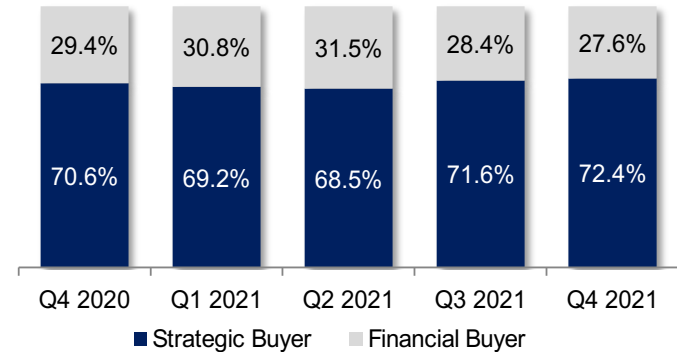
### Healthcare M&A Activity



### Q4 2021 M&A Activity by Healthcare Sector



### M&A Activity by Buyer Type



Source: S&P Capital IQ, Kearney

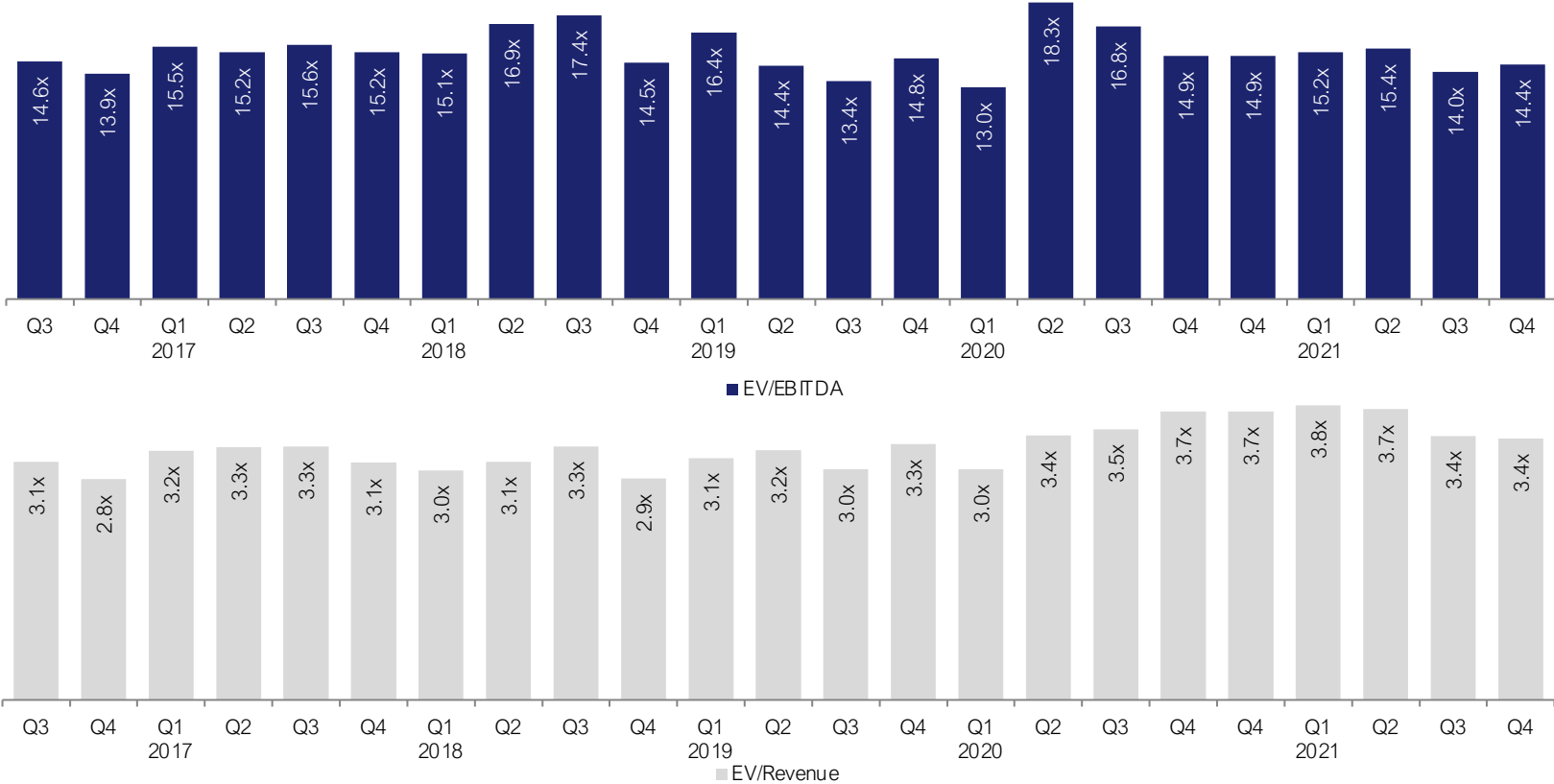
Note: All values based on publicly available data as of 12/31/2021. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



# GCG Healthcare Update | Q4 2021

## 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 14.4x EBITDA and 3.4x revenue. Additionally, one of the strongest sectors in the Healthcare industry was Medical Equipment with a median multiple of 20.2x EBITDA. The Home Care/Hospice sector also performed well as of Q4 2021, recording an average multiple of 16.6x EBITDA.



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 12/31/2021



# GCG Healthcare Update | Q4 2021

## 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	
<b>Acute-Care</b>									
HCA Healthcare, Inc.	\$ 115,349	\$ 256.92	5.9%	56.2%	38.6%	23.3%	2.0x	8.5x	
Tenet Healthcare Corporation	23,554	81.69	23.0%	104.6%	37.4%	20.6%	1.2x	5.8x	
Community Health Systems, Inc.	13,665	13.31	13.8%	79.1%	40.4%	15.7%	1.1x	7.1x	
Select Medical Holdings Corporation	8,582	29.40	(18.7%)	6.3%	21.6%	19.8%	1.4x	7.1x	
Mean	\$ 40,288	\$ 95.33	6.0%	61.6%	34.5%	19.9%	1.4x	7.1x	
Median	\$ 18,610	\$ 55.55	9.8%	67.7%	38.0%	20.2%	1.3x	7.1x	
<b>Assisted Living/Long-Term Care</b>									
Brookdale Senior Living Inc.	\$ 5,609	\$ 5.16	(18.1%)	16.5%	21.5%	14.9%	2.1x	14.2x	
The Ensign Group, Inc.	5,565	83.96	12.1%	15.1%	18.0%	17.7%	2.2x	12.2x	
Sonida Senior Living, Inc.	931	28.49	(19.1%)	130.9%	26.8%	12.1%	4.4x	36.5x	
Five Star Senior Living Inc.	24	2.95	(32.6%)	(57.2%)	47.6%	9.2%	0.1x	1.3x	
Mean	\$ 3,032	\$ 30.14	(14.4%)	26.3%	28.5%	13.5%	2.2x	16.1x	
Median	\$ 3,248	\$ 16.83	(18.6%)	15.8%	24.2%	13.5%	2.1x	13.2x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



# GCG Healthcare Update | Q4 2021

## Public Comparable Companies

<u>Company Name</u>	<u>Enterprise</u>		<u>Share</u>		<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>	
	<u>Value (\$mls)</u>		<u>Stock Price</u>		<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>
<b>Biotechnology</b>										
AbbVie Inc.	\$	307,886	\$	135.40	25.5%	26.4%	70.2%	52.9%	5.6x	10.6x
Bristol-Myers Squibb Company		168,441		62.35	5.4%	0.5%	79.7%	44.3%	3.7x	8.4x
Amgen Inc.		151,376		224.97	5.8%	(2.2%)	75.4%	48.4%	5.9x	12.1x
Regeneron Pharmaceuticals, Inc.		57,309		631.52	4.4%	30.7%	65.0%	55.9%	4.3x	7.7x
IDEXX Laboratories, Inc.		56,652		658.46	5.9%	31.7%	58.8%	33.4%	18.1x	54.1x
Biogen Inc.		39,390		239.92	(15.2%)	(2.0%)	82.5%	28.4%	3.5x	12.5x
Vertex Pharmaceuticals Incorporated		49,750		219.60	21.1%	(7.1%)	48.3%	39.1%	7.0x	17.8x
BioMarin Pharmaceutical Inc.		16,229		88.35	14.3%	0.8%	40.2%	3.8%	8.8x	NM
Incyte Corporation		13,988		73.40	6.7%	(15.6%)	45.9%	25.0%	4.8x	19.2x
Merit Medical Systems, Inc.		3,804		62.30	(13.2%)	12.2%	44.4%	17.5%	3.6x	20.6x
Veracyte, Inc.		2,778		41.20	(11.3%)	(15.8%)	58.7%	(6.3%)	14.9x	NM
Mean	\$	78,873	\$	221.59	4.5%	5.4%	60.8%	31.1%	7.3x	18.1x
Median	\$	49,750	\$	135.40	5.8%	0.5%	58.8%	33.4%	5.6x	12.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



# GCG Healthcare Update | Q4 2021

## Public Comparable Companies

Company Name	Enterprise Value (\$mils)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:		
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA	
<b>Home Care/Hospice</b>									
Encompass Health Corporation	\$ 10,306	\$ 65.26	(13.0%)	(21.1%)	39.8%	23.0%	2.1x	8.9x	
Chemed Corporation	8,220	529.04	13.7%	(0.7%)	35.8%	21.5%	3.9x	18.0x	
Amedisys, Inc.	5,744	161.88	8.6%	(44.8%)	45.3%	17.3%	2.6x	15.1x	
LHC Group, Inc.	4,890	137.23	(12.5%)	(35.7%)	40.5%	13.6%	2.3x	16.6x	
Addus HomeCare Corporation	1,587	93.51	17.3%	(20.1%)	31.2%	11.4%	1.9x	16.6x	
Mean	\$ 6,149	\$ 197.38	2.8%	(24.5%)	38.5%	17.3%	2.5x	15.0x	
Median	\$ 5,744	\$ 137.23	8.6%	(21.1%)	39.8%	17.3%	2.3x	16.6x	

<b>Managed Healthcare</b>									
UnitedHealth Group Incorporated	\$ 503,175	\$ 502.14	28.5%	43.2%	24.2%	9.4%	1.7x	19.9x	
Anthem, Inc.	130,821	463.54	24.3%	44.4%	25.9%	6.9%	1.0x	14.3x	
Cigna Corporation	107,608	229.63	14.7%	10.3%	13.7%	6.1%	0.6x	10.4x	
Humana Inc.	67,841	463.86	19.2%	13.1%	17.3%	5.4%	0.8x	15.2x	
Centene Corporation	57,565	82.40	32.2%	37.3%	16.0%	4.4%	0.5x	11.4x	
Molina Healthcare, Inc.	16,569	318.08	17.2%	49.6%	11.8%	3.7%	0.7x	17.9x	
Triple-S Management Corporation	766	35.68	0.9%	67.1%	17.6%	3.0%	0.2x	6.1x	
Mean	\$ 126,335	\$ 299.33	19.6%	37.8%	18.1%	5.6%	0.8x	13.6x	
Median	\$ 67,841	\$ 318.08	19.2%	43.2%	17.3%	5.4%	0.7x	14.3x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



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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	
<b>Medical Equipment</b>									
Johnson & Johnson	\$ 450,711	\$ 171.07	5.9%	8.7%	67.6%	34.8%	4.9x	14.2x	
Danaher Corporation	260,455	329.01	8.1%	48.1%	60.7%	35.4%	9.3x	26.2x	
Abbott Laboratories	250,286	140.74	19.1%	28.5%	56.8%	30.0%	5.9x	19.7x	
Medtronic plc	154,132	103.45	(17.5%)	(11.7%)	67.6%	31.0%	4.8x	15.7x	
Stryker Corporation	111,300	267.42	1.4%	9.1%	65.7%	28.6%	6.7x	23.3x	
Boston Scientific Corporation	68,049	42.48	(2.1%)	18.2%	70.4%	27.7%	5.9x	21.5x	
Baxter International Inc.	46,207	85.84	6.7%	7.0%	40.5%	23.9%	3.7x	15.5x	
Teleflex Incorporated	17,055	328.48	(12.8%)	(20.2%)	54.9%	29.8%	6.2x	20.7x	
Mean	\$ 169,774	\$ 183.56	1.1%	11.0%	60.5%	30.1%	5.9x	19.6x	
Median	\$ 132,716	\$ 155.91	3.7%	8.9%	63.2%	29.9%	5.9x	20.2x	
<b>Medical/Surgical Supplies</b>									
McKesson Corporation	\$ 44,333	\$ 248.57	24.7%	42.9%	5.0%	1.9%	0.2x	9.4x	
AmerisourceBergen Corporation	33,278	132.89	11.3%	35.9%	3.2%	1.6%	0.2x	9.9x	
Cardinal Health, Inc.	17,703	51.49	4.1%	(3.9%)	4.1%	1.7%	0.1x	6.2x	
Henry Schein, Inc.	13,015	77.53	1.8%	16.0%	29.0%	9.3%	1.1x	11.5x	
Owens & Minor, Inc.	4,358	43.50	39.0%	60.8%	16.2%	6.2%	0.5x	7.3x	
Mean	\$ 22,537	\$ 110.80	16.2%	30.4%	11.5%	4.1%	0.4x	8.8x	
Median	\$ 17,703	\$ 77.53	11.3%	35.9%	5.0%	1.9%	0.2x	9.4x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021





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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	
<b>Retail/Specialty Pharmacy</b>									
CVS Health Corporation	\$ 202,401	\$ 103.16	21.6%	51.0%	17.4%	7.4%	0.7x	9.6x	
Walgreens Boots Alliance, Inc.	79,026	52.16	10.9%	30.8%	21.5%	7.7%	0.6x	9.1x	
Rite Aid Corporation	7,044	14.69	3.5%	(7.2%)	20.5%	5.2%	0.3x	5.7x	
Mean	\$ 96,157	\$ 56.67	12.0%	24.9%	19.8%	6.8%	0.5x	8.1x	
Median	\$ 79,026	\$ 52.16	10.9%	30.8%	20.5%	7.4%	0.6x	9.1x	
<b>Staffing and Services</b>									
Surgery Partners, Inc.	\$ 8,742	\$ 53.41	6.6%	79.2%	22.2%	15.0%	2.0x	17.9x	
AMN Healthcare Services, Inc.	6,518	122.33	26.1%	84.1%	33.3%	21.7%	4.0x	13.9x	
MEDNAX, Inc.	2,929	27.21	(4.3%)	10.9%	26.4%	14.0%	1.6x	11.4x	
Cross Country Healthcare, Inc.	1,173	27.76	30.7%	213.0%	22.6%	7.5%	0.9x	12.5x	
Mean	\$ 4,840	\$ 57.68	14.8%	96.8%	26.1%	14.6%	2.1x	13.9x	
Median	\$ 4,723	\$ 40.59	16.4%	81.7%	24.5%	14.5%	1.8x	13.2x	
<b>Healthcare Mean</b>	<b>\$ 73,229</b>	<b>\$ 165.58</b>	<b>6.9%</b>	<b>24.6%</b>	<b>38.2%</b>	<b>18.5%</b>	<b>3.4x</b>	<b>14.4x</b>	
<b>Healthcare Median</b>	<b>\$ 17,703</b>	<b>\$ 93.51</b>	<b>6.7%</b>	<b>15.1%</b>	<b>37.4%</b>	<b>15.4%</b>	<b>2.1x</b>	<b>12.5x</b>	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



# GCG Healthcare Update | Q4 2021

## 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](http://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](mailto:info@greenwichgp.com).

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