



# INDUSTRY UPDATE

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HEALTHCARE  
Q1 2022



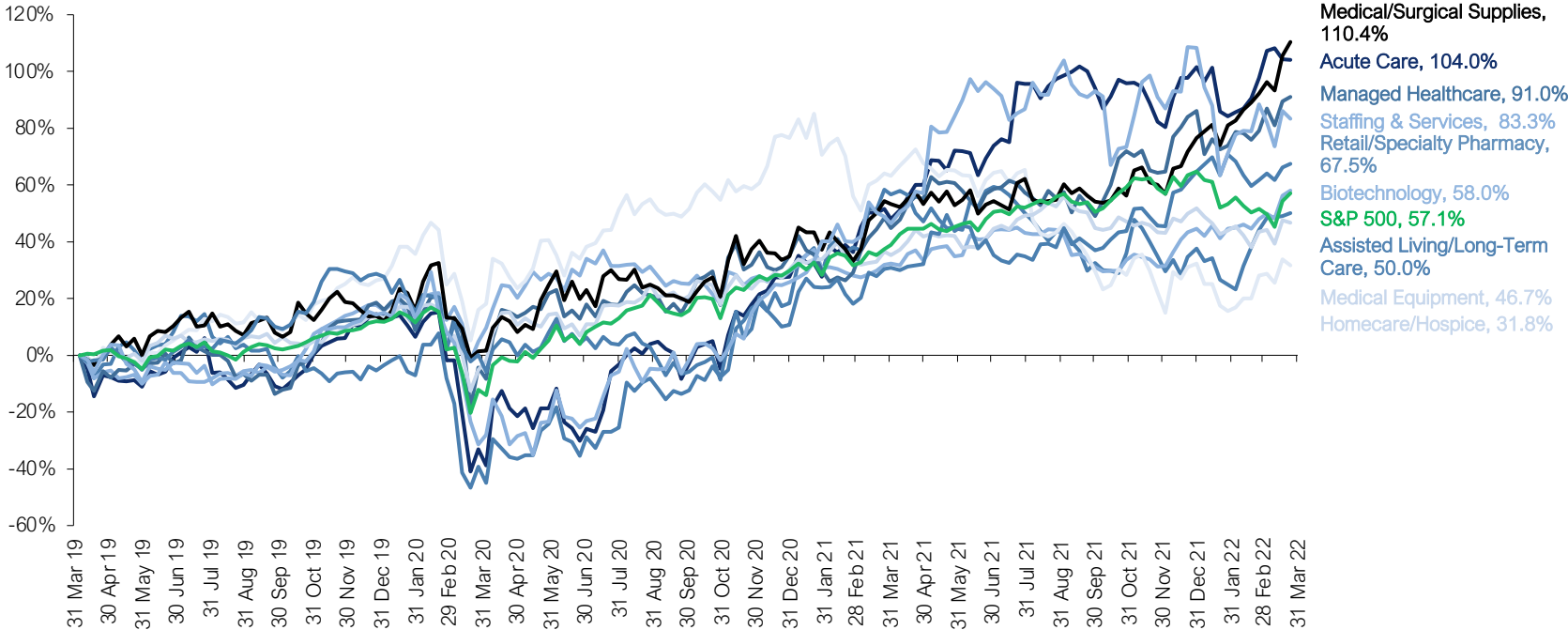
GREENWICH  
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# GCG Healthcare Update | Q1 2022

## Public Market Performance

Q1 2022 saw varying results across the Healthcare industry, with some sectors seeing moderate gains while others observed substantial losses. The broader U.S. equity market experienced a pullback in Q1 2022, as stock indexes fell due to record inflation, interest rate hikes and supply chain shortages. On a 3-year period ending March 31, 2022, the S&P 500 has returned 57.1%. The industry has been led by the Acute Care sector, which has recorded gains of 104.0% over the last 3 years. The Assisted Living/Long-Term Care sector showed strong performance in Q1, recording an average increase of 20.0% in share price. The Medical/Surgical Supplies sector also performed well during the last quarter, recording an average gain of 12.7% in share price. As a whole, the index of selected representative Healthcare stocks rose an average of 0.8% in Q1 2022.

### Healthcare Market Performance



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 3/31/2022

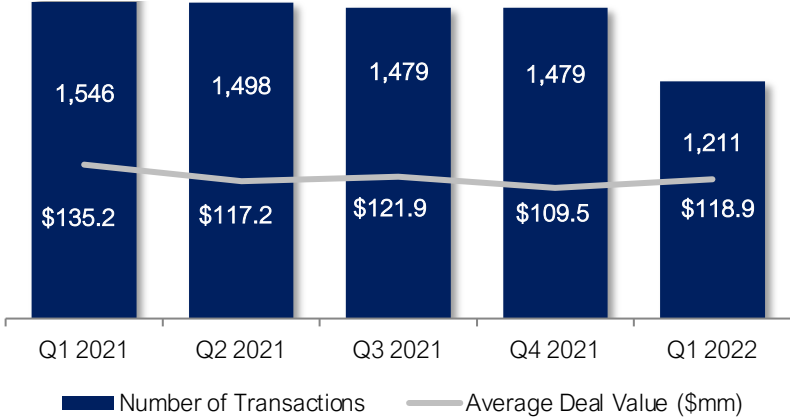


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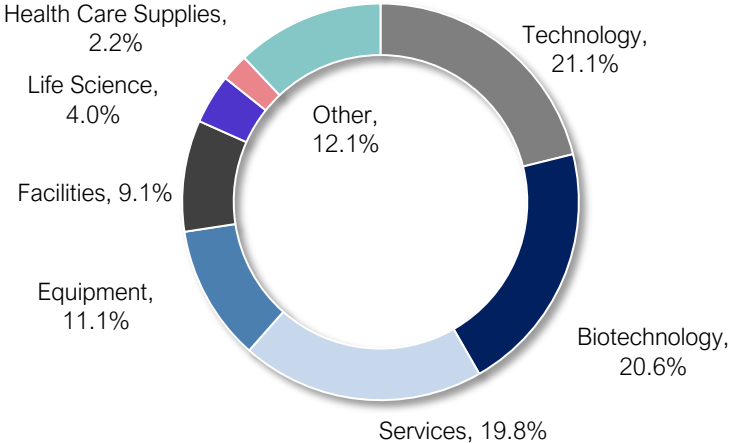
## Middle-Market M&A Activity

Q1 2022 M&A activity saw a substantial decrease in transaction volume compared to the previous quarter, however, average deal value increased compared to the prior period. Strategic buyers continue to comprise a majority of the overall deal activity and have sought acquisitions to improve patient outcomes and scale existing platforms, while also acquiring new technology and services that their current platforms do not offer. The Healthcare Technology category led transaction activity, accounting for 21.1% of total Healthcare volume. The Biotechnology and Healthcare Services sectors were also strong in Q1 with 20.6% and 19.8% of transaction volume, respectively.

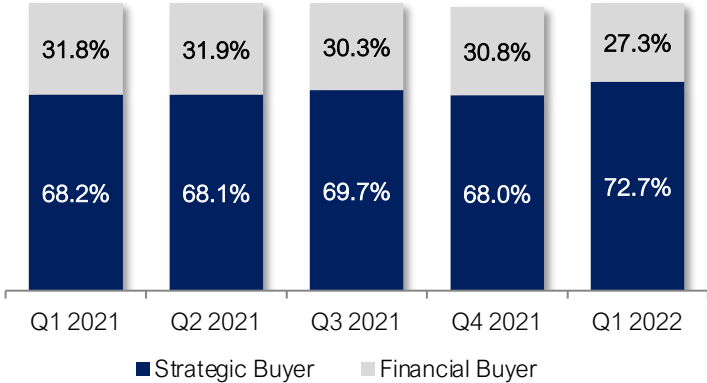
Q1 2022 Healthcare M&A Activity



Q1 2022 M&A Activity by Healthcare Sector



Q1 2022 M&A Activity by Buyer Type



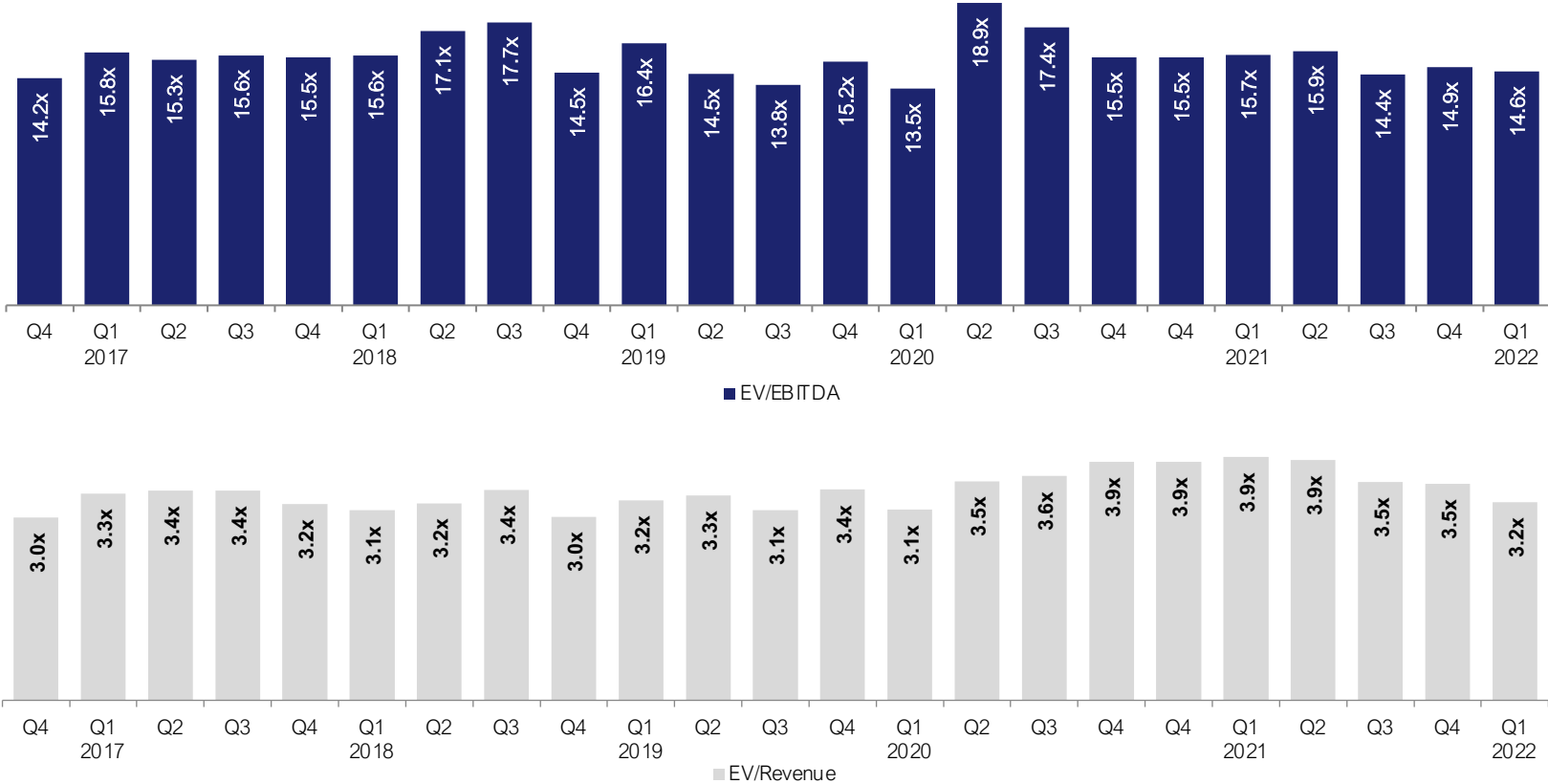
Source: S&P Capital IQ, Kearney  
 Note: All values based on publicly available data as of 3/31/2022. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



# GCG Healthcare Update | Q1 2022

## 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 14.6x EBITDA and 3.2x revenue. Additionally, one of the strongest sectors in the Healthcare industry was Medical Equipment with a median multiple of 19.5x EBITDA.



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 3/31/2022



# GCG Healthcare Update | Q1 2022

## Public Comparable Companies

<u>Company Name</u>	<u>Enterprise Value (\$mils)</u>	<u>Share Stock Price</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>		
			<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>	
<b>Acute-Care</b>									
HCA Healthcare, Inc.	\$ 113,294	\$ 250.62	(2.5%)	33.1%	38.1%	22.7%	1.9x	8.3x	
Tenet Healthcare Corporation	27,015	85.96	5.2%	65.3%	37.4%	21.5%	1.4x	6.7x	
Community Health Systems, Inc.	14,416	11.87	(10.8%)	(12.2%)	41.3%	15.9%	1.2x	7.1x	
Select Medical Holdings Corporation	8,152	23.99	(18.4%)	(29.6%)	19.2%	16.8%	1.3x	7.1x	
Mean	\$ 40,719	\$ 93.11	(6.6%)	14.1%	34.0%	19.2%	1.4x	7.3x	
Median	\$ 20,715	\$ 54.98	(6.6%)	10.4%	37.7%	19.1%	1.3x	7.1x	

<b>Assisted Living/Long-Term Care</b>									
Brookdale Senior Living Inc.	\$ 6,007	\$ 7.05	36.6%	16.5%	21.5%	14.6%	2.4x	15.8x	
The Ensign Group, Inc.	5,899	90.01	7.2%	(4.1%)	18.2%	17.7%	2.2x	12.6x	
Sonida Senior Living, Inc.	961	33.13	16.3%	(13.9%)	19.9%	3.3%	5.0x	37.7x	
Mean	\$ 4,289	\$ 43.40	20.0%	(0.5%)	19.9%	11.9%	3.2x	22.0x	
Median	\$ 5,899	\$ 33.13	16.3%	(4.1%)	19.9%	14.6%	2.4x	15.8x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022



# GCG Healthcare Update | Q1 2022

## 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.	\$	354,127	\$	162.11	19.7%	49.8%	69.6%	50.8%	6.2x	12.5x
Bristol-Myers Squibb Company		183,639		73.03	17.1%	15.7%	80.1%	45.6%	3.9x	8.7x
Amgen Inc.		160,643		241.82	7.5%	(2.8%)	75.2%	48.3%	6.1x	12.6x
Regeneron Pharmaceuticals, Inc.		64,506		698.42	10.6%	47.6%	66.4%	57.0%	3.9x	7.0x
IDEXX Laboratories, Inc.		46,976		547.06	(16.9%)	11.8%	58.6%	32.5%	14.3x	44.2x
Biogen Inc.		34,012		210.60	(12.2%)	(24.7%)	78.0%	34.8%	3.1x	8.4x
Vertex Pharmaceuticals Incorporated		59,879		260.97	18.8%	21.4%	47.7%	38.5%	7.5x	20.4x
BioMarin Pharmaceutical Inc.		14,298		77.10	(12.7%)	2.1%	75.1%	2.7%	7.6x	8.4x
Incyte Corporation		15,290		79.42	8.2%	(2.3%)	45.4%	22.4%	4.9x	7.0x
Merit Medical Systems, Inc.		4,012		66.52	6.8%	11.1%	44.9%	18.8%	3.6x	44.2x
Veracyte, Inc.		1,810		27.57	(33.1%)	(48.7%)	64.3%	(13.8%)	7.2x	NM
Mean	\$	85,381	\$	222.24	1.3%	7.4%	64.1%	30.7%	6.2x	17.3x
Median	\$	46,976	\$	162.11	7.5%	11.1%	66.4%	34.8%	6.1x	12.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022



# GCG Healthcare Update | Q1 2022

## Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:		
	Value (\$mls)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA	
<b>Home Care/Hospice</b>									
Encompass Health Corporation	\$ 11,042	\$ 71.11	9.0%	(13.2%)	39.0%	21.7%	2.1x	9.7x	
Chemed Corporation	7,883	506.55	(4.3%)	10.2%	36.3%	21.8%	3.7x	17.2x	
Amedisys, Inc.	6,149	172.29	6.4%	(34.9%)	44.5%	15.5%	2.8x	17.0x	
LHC Group, Inc.	6,101	168.60	22.9%	(11.8%)	39.3%	11.5%	2.7x	22.2x	
Addus HomeCare Corporation	1,568	93.29	(0.2%)	(10.8%)	31.6%	11.3%	1.8x	16.4x	
Mean	\$ 6,549	\$ 202.37	6.8%	(12.1%)	38.1%	16.4%	2.6x	16.5x	
Median	\$ 6,149	\$ 168.60	6.4%	(11.8%)	39.0%	15.5%	2.7x	17.0x	

<b>Managed Healthcare</b>									
UnitedHealth Group Incorporated	\$ 513,450	\$ 509.97	1.6%	37.1%	23.9%	9.3%	1.7x	18.8x	
Anthem, Inc.	137,750	491.22	6.0%	36.8%	25.8%	7.1%	1.0x	13.7x	
Cigna Corporation	105,542	239.61	4.3%	(0.9%)	13.2%	6.0%	0.6x	10.2x	
Humana Inc.	65,287	435.17	(6.2%)	3.8%	18.2%	5.6%	0.7x	13.5x	
Centene Corporation	58,842	84.19	2.2%	31.7%	17.1%	4.6%	0.5x	10.6x	
Molina Healthcare, Inc.	17,676	333.59	4.9%	42.7%	12.1%	4.4%	0.6x	14.7x	
Mean	\$ 149,758	\$ 348.96	2.1%	25.2%	18.4%	6.2%	0.9x	13.6x	
Median	\$ 85,415	\$ 384.38	3.3%	34.3%	17.7%	5.8%	0.7x	13.6x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022



# GCG Healthcare Update | Q1 2022

## Public Comparable Companies

Company Name	Enterprise Value (\$mlns)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:		
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA	
<b>Medical Equipment</b>									
Johnson & Johnson	\$ 469,189	\$ 177.23	3.6%	7.8%	68.1%	34.5%	4.9x	14.2x	
Danaher Corporation	233,957	293.33	(10.8%)	30.3%	61.3%	36.1%	7.9x	22.0x	
Abbott Laboratories	217,950	118.36	(15.9%)	(1.2%)	58.1%	31.1%	4.9x	16.6x	
Medtronic plc	162,885	110.95	7.2%	(6.1%)	68.3%	31.0%	5.1x	16.5x	
Stryker Corporation	110,860	267.35	(0.0%)	9.8%	65.5%	27.2%	6.4x	23.2x	
Boston Scientific Corporation	70,910	44.29	4.3%	14.6%	69.5%	27.2%	5.8x	22.2x	
Baxter International Inc.	54,421	77.54	(9.7%)	(8.1%)	41.5%	24.6%	4.0x	17.3x	
Teleflex Incorporated	18,164	354.83	8.0%	(14.6%)	55.2%	29.4%	6.4x	21.6x	
Mean	\$ 167,292	\$ 180.49	(1.7%)	4.1%	60.9%	30.1%	5.7x	19.2x	
Median	\$ 136,872	\$ 147.80	1.8%	3.3%	63.4%	30.2%	5.5x	19.5x	

<b>Medical/Surgical Supplies</b>									
McKesson Corporation	\$ 51,690	\$ 306.13	23.2%	57.0%	5.0%	1.6%	0.2x	12.4x	
AmerisourceBergen Corporation	37,535	154.71	16.4%	31.0%	3.5%	1.6%	0.2x	10.6x	
Cardinal Health, Inc.	18,195	56.70	10.1%	(6.7%)	3.7%	1.5%	0.1x	6.7x	
Henry Schein, Inc.	14,310	87.19	12.5%	25.9%	29.7%	9.5%	1.1x	12.1x	
Owens & Minor, Inc.	4,474	44.02	1.2%	17.1%	14.6%	5.1%	0.5x	8.0x	
Mean	\$ 25,241	\$ 129.75	12.7%	24.9%	11.3%	3.9%	0.4x	10.0x	
Median	\$ 18,195	\$ 87.19	12.5%	25.9%	5.0%	1.6%	0.2x	10.6x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022





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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	\$ 196,619	\$ 101.21	(1.9%)	34.5%	17.4%	7.3%	0.7x	9.1x	
Walgreens Boots Alliance, Inc.	80,326	44.77	(14.2%)	(18.5%)	22.0%	8.0%	0.6x	7.4x	
Rite Aid Corporation	6,722	8.75	(40.4%)	(57.2%)	20.8%	5.2%	0.3x	5.3x	
Mean	\$ 94,556	\$ 51.58	(18.8%)	(13.7%)	20.1%	6.9%	0.5x	7.3x	
Median	\$ 80,326	\$ 44.77	(14.2%)	(18.5%)	20.8%	7.3%	0.6x	7.4x	
<b>Staffing and Services</b>									
Surgery Partners, Inc.	\$ 9,002	\$ 55.05	(14.7%)	41.6%	22.2%	11.3%	1.2x	17.7x	
AMN Healthcare Services, Inc.	5,482	104.33	3.1%	24.4%	32.6%	31.4%	3.9x	8.9x	
MEDNAX, Inc.	2,599	23.48	(13.7%)	(7.8%)	26.6%	14.9%	1.3x	9.2x	
Cross Country Healthcare, Inc.	1,019	21.67	(21.9%)	73.5%	22.4%	11.0%	0.5x	6.2x	
Mean	\$ 4,526	\$ 51.13	(11.8%)	32.9%	26.0%	17.2%	1.7x	10.5x	
Median	\$ 4,041	\$ 39.27	(14.2%)	33.0%	24.5%	13.1%	1.3x	9.1x	
<b>Healthcare Mean</b>	<b>\$ 77,807</b>	<b>\$ 173.57</b>	<b>0.8%</b>	<b>9.7%</b>	<b>39.0%</b>	<b>18.7%</b>	<b>3.2x</b>	<b>14.6x</b>	
<b>Healthcare Median</b>	<b>\$ 27,015</b>	<b>\$ 101.21</b>	<b>3.6%</b>	<b>9.8%</b>	<b>37.4%</b>	<b>15.7%</b>	<b>2.4x</b>	<b>12.6x</b>	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022



# GCG Healthcare Update | Q1 2022

## 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).



**Joe Schmitt**

Managing Director

Healthcare Leader

[jschmitt@greenwichgp.com](mailto:jschmitt@greenwichgp.com)

O: (248) 480-2032

M: (313) 247-3467

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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