



INDUSTRY UPDATE

HEALTHCARE
Q2 2023

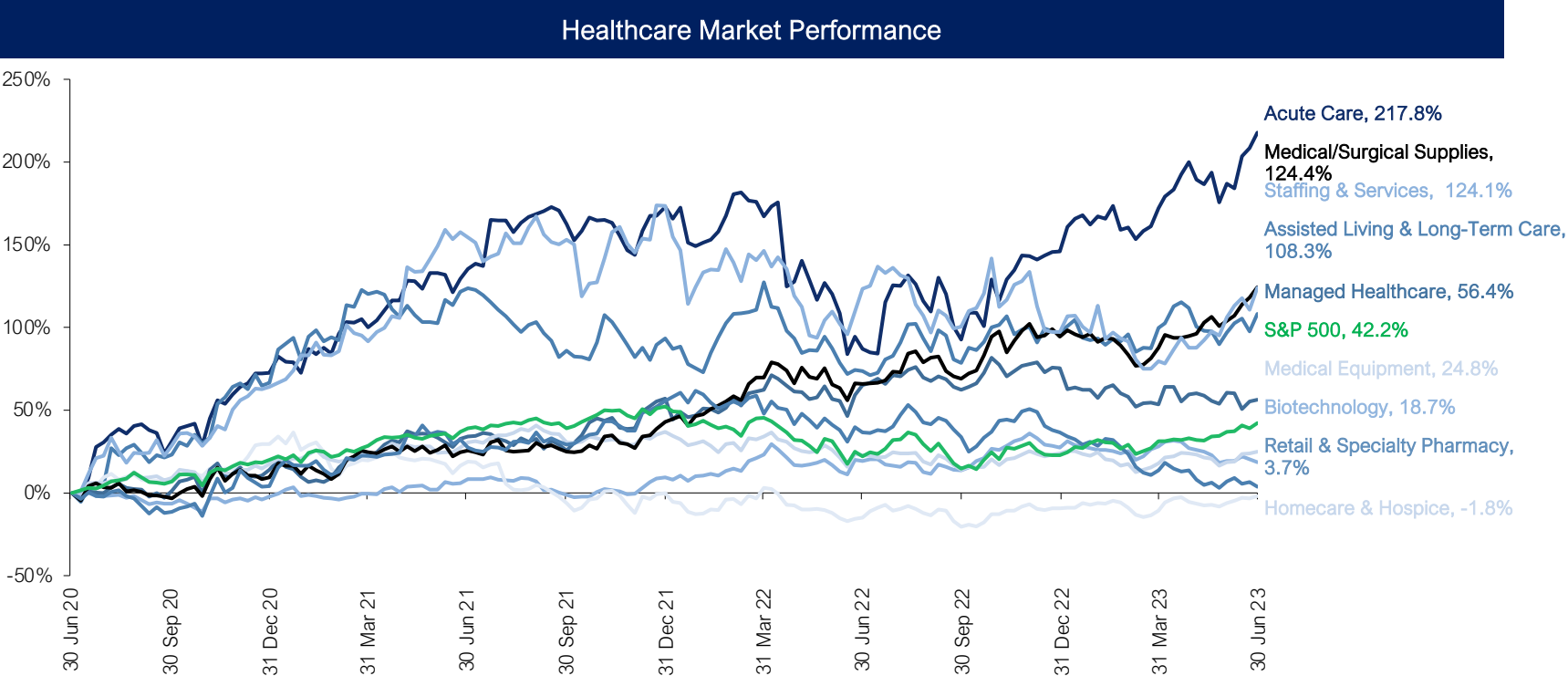


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Public Market Performance

Q2 2023 saw mixed performance in public equities across the Healthcare landscape compared to the broader equity market. Healthcare investors are experiencing intensified competition for investment opportunities, increased interest rates from the Fed, a surge in labor costs, stricter lending conditions, and more recently, uncertainties resulting from disruptions in the banking sector. Over a 3-year period ending June 30th, 2023, the S&P 500 has returned 42.2%. Acute Care has been the strongest performing sector over the last 3 years, recording a gain of 217.8%. Medical Supply and Staffing & Services companies have also realized strong gains, posting a 3-year increase of 124.4% and 124.1%, respectively, significantly outpacing the broader equity market.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2023



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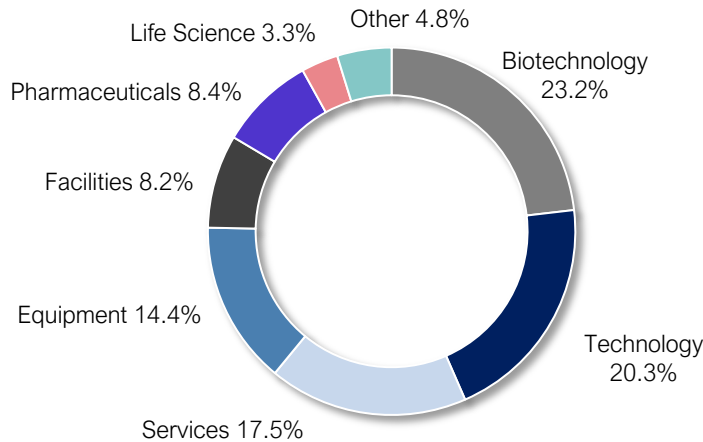
Middle Market M&A Activity

Q2 2023 middle-market M&A deal volume and average deal value increased from Q1 2023. Labor market conditions are shifting favorably for employers in Q2 as IT and administrative layoffs ramp up. However, the shortage of patient-facing personnel persists. Amidst economic uncertainty, investors have become hesitant in buying large platforms and are instead acquiring smaller add-ons for existing platforms.

Strategic buyers continue to comprise a majority of the overall deal activity, representing 78.2% of total transaction volume in the quarter.

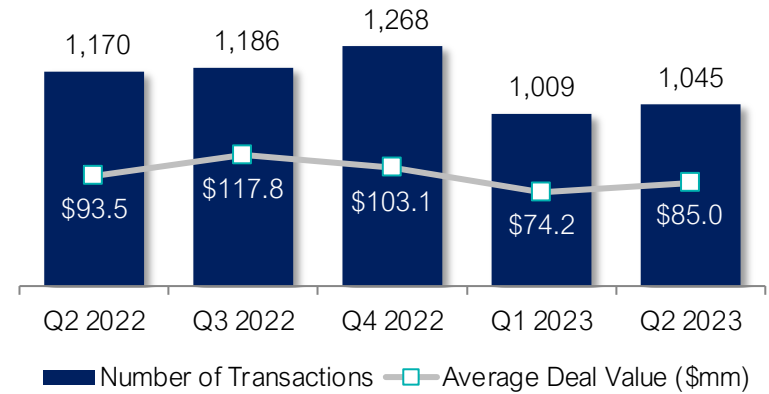
The Biotechnology category led transaction activity, accounting for 23.2% of total Healthcare volume. Healthcare Technology and Healthcare Services sectors were also strong in Q2 with 20.3% and 17.5% of transaction volume.

Q2 2023 M&A Activity by Healthcare Sector



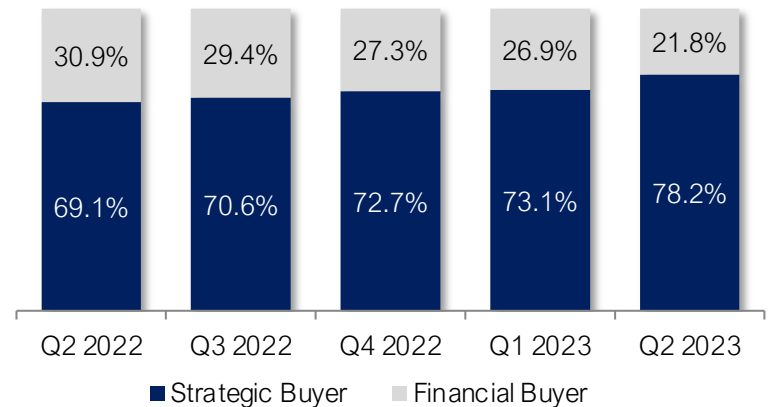
Source: Aprio, Fierce Healthcare, S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2023

Q2 2023 Healthcare M&A Activity*



*Average Deal Value is based on reported deal values only

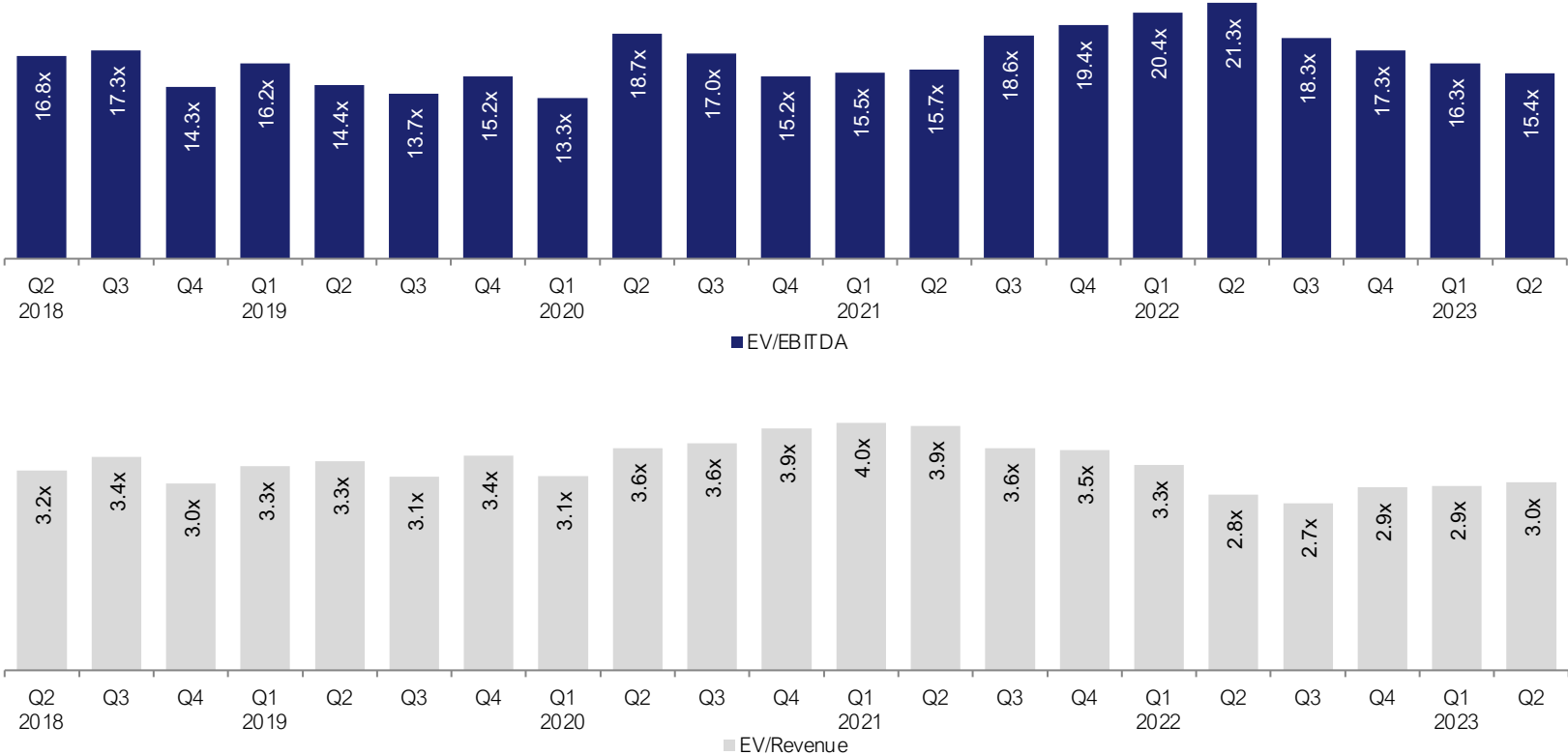
Q2 2023 M&A Activity by Buyer Type



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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 16.7x EBITDA and 3.3x revenue in Q2 2023. Additionally, two of the strongest sectors in the Healthcare industry were Biotechnology and Medical Equipment sectors with an average multiple of 17.1x and 16.7x EBITDA, respectively.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2023



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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.	\$	125,845	\$	303.48	17.0%	80.6%	38.7%	21.8%	2.1x	9.5x
Tenet Healthcare Corporation		26,184		81.38	41.3%	54.8%	37.4%	20.2%	1.3x	6.6x
Community Health Systems, Inc.		13,548		4.40	(8.7%)	17.3%	39.8%	12.0%	1.1x	9.3x
Select Medical Holdings Corporation		9,353		31.86	25.6%	34.9%	18.1%	16.0%	1.5x	9.2x
Mean	\$	43,733	\$	105.28	18.8%	46.9%	33.5%	17.5%	1.5x	8.6x
Median	\$	19,866	\$	56.62	21.3%	44.9%	38.1%	18.1%	1.4x	9.2x
Assisted Living/Long-Term Care										
Brookdale Senior Living Inc.	\$	5,221	\$	4.22	40.7%	(7.0%)	26.3%	15.3%	1.9x	12.1x
The Ensign Group, Inc.		6,858		95.46	2.6%	29.9%	17.4%	17.1%	2.1x	12.5x
Sonida Senior Living, Inc.		727		8.72	25.1%	(58.5%)	20.1%	6.7%	3.4x	NM
Mean	\$	4,269	\$	36.13	22.8%	(11.9%)	21.3%	13.0%	2.4x	12.3x
Median	\$	5,221	\$	8.72	25.1%	(7.0%)	20.1%	15.3%	2.1x	12.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2023



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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.	\$ 293,471	\$ 134.73	(14.7%)	(12.0%)	71.0%	52.6%	5.2x	9.8x	
Bristol-Myers Squibb Company	164,527	63.95	(6.2%)	(16.9%)	78.5%	43.3%	3.6x	8.3x	
Amgen Inc.	148,665	222.02	(8.1%)	(8.7%)	74.9%	51.5%	5.7x	11.0x	
Vertex Pharmaceuticals Incorporated	79,929	351.91	12.7%	24.9%	59.1%	50.5%	8.7x	17.2x	
Regeneron Pharmaceuticals, Inc.	64,639	718.54	(11.5%)	21.6%	55.8%	41.0%	5.2x	12.7x	
Biogen Inc.	41,810	284.85	3.5%	39.7%	78.4%	34.4%	4.1x	12.0x	
IDEXX Laboratories, Inc.	42,896	502.23	1.8%	43.2%	59.7%	31.3%	12.5x	39.9x	
BioMarin Pharmaceutical Inc.	16,211	86.68	(9.0%)	4.6%	46.9%	8.8%	7.5x	NM	
Incyte Corporation	10,815	62.25	(12.4%)	(18.1%)	47.9%	16.9%	3.1x	18.4x	
Merit Medical Systems, Inc.	5,017	83.64	14.6%	54.1%	45.7%	17.4%	4.3x	24.5x	
Veracyte, Inc.	1,681	25.47	23.6%	28.0%	65.4%	(0.1%)	5.4x	NM	
Mean	\$ 79,060	\$ 230.57	(0.5%)	14.6%	62.1%	31.6%	5.9x	17.1x	
Median	\$ 42,896	\$ 134.73	(6.2%)	21.6%	59.7%	34.4%	5.2x	12.7x	

Source: S&P Capital IQ

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Public Comparable Companies

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	Value (\$mils)	Share	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA	
Home Care/Hospice										
Encompass Health Corporation	\$ 10,256	\$ 67.71	27.4%	20.8%	40.6%	21.5%	2.3x	10.7x		
Chemed Corporation	8,209	541.67	2.7%	15.4%	35.1%	20.5%	3.8x	18.5x		
Amedisys, Inc.	3,472	91.44	27.2%	(13.0%)	43.1%	11.2%	1.6x	13.9x		
Addus HomeCare Corporation	1,572	92.70	(9.9%)	11.3%	31.4%	10.7%	1.6x	15.1x		
Mean	\$ 5,877	\$ 198.38	11.9%	8.6%	37.6%	16.0%	2.3x	14.5x		
Median	\$ 5,841	\$ 92.07	15.0%	13.4%	37.9%	15.9%	2.0x	14.5x		

Managed Healthcare										
UnitedHealth Group Incorporated	\$ 485,476	\$ 480.64	2.3%	(6.4%)	24.8%	9.9%	1.4x	14.5x		
Elevance Health, Inc.	121,655	444.29	(3.2%)	(7.9%)	26.5%	6.5%	0.7x	11.7x		
The Cigna Group	107,723	280.60	10.4%	6.5%	12.8%	5.4%	0.6x	10.9x		
Humana Inc.	54,205	447.13	(8.4%)	(4.5%)	18.5%	5.5%	0.6x	10.3x		
Centene Corporation	42,946	67.45	5.2%	(20.3%)	17.4%	4.8%	0.3x	6.6x		
Molina Healthcare, Inc.	15,389	301.24	13.2%	7.7%	12.8%	5.2%	0.5x	9.5x		
Mean	\$ 137,899	\$ 336.89	3.2%	(4.1%)	18.8%	6.2%	0.7x	10.6x		
Median	\$ 80,964	\$ 372.77	3.7%	(5.4%)	18.0%	5.5%	0.6x	10.6x		

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Public Comparable Companies

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	Value (\$mils)		Stock Price		3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Medical Equipment										
Johnson & Johnson	\$	458,436	\$	165.52	7.9%	(6.8%)	67.2%	34.9%	4.8x	13.6x
Danaher Corporation		192,325		240.00	(3.9%)	(5.3%)	60.1%	35.2%	6.2x	17.7x
Abbott Laboratories		197,296		109.02	10.0%	0.3%	55.6%	26.7%	4.8x	17.8x
Medtronic plc		134,730		88.10	11.3%	(1.8%)	66.0%	27.7%	4.3x	15.6x
Stryker Corporation		127,618		305.09	8.7%	53.4%	62.9%	25.3%	6.7x	26.6x
Boston Scientific Corporation		86,819		54.09	9.1%	45.1%	68.7%	25.9%	6.7x	25.7x
Baxter International Inc.		38,325		45.56	13.0%	(29.1%)	39.0%	21.8%	2.5x	11.7x
Teleflex Incorporated		12,805		242.03	(2.8%)	(1.6%)	55.8%	28.4%	4.5x	15.8x
Mean	\$	156,044	\$	156.18	6.7%	6.8%	59.4%	28.2%	5.1x	18.1x
Median	\$	131,174	\$	137.27	8.9%	(1.7%)	61.5%	27.2%	4.8x	16.7x
Medical/Surgical Supplies										
McKesson Corporation	\$	60,907	\$	427.31	19.4%	31.0%	4.4%	2.0%	0.2x	11.1x
AmerisourceBergen Corporation		43,822		192.43	20.8%	36.0%	3.4%	1.5%	0.2x	12.1x
Cardinal Health, Inc.		24,824		94.57	25.5%	80.9%	3.4%	1.2%	0.1x	10.1x
Henry Schein, Inc.		13,382		81.10	1.2%	5.7%	30.5%	9.8%	1.1x	10.9x
Owens & Minor, Inc.		3,976		19.04	35.0%	(39.5%)	19.4%	5.2%	0.4x	7.6x
Mean	\$	29,382	\$	162.89	20.4%	22.8%	12.2%	3.9%	0.4x	10.4x
Median	\$	24,824	\$	94.57	20.8%	31.0%	4.4%	2.0%	0.2x	10.9x

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	Value (\$mils)		Stock Price		3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Retail/Specialty Pharmacy										
CVS Health Corporation	\$	147,582	\$	69.13	(7.5%)	(25.4%)	16.1%	6.8%	0.4x	6.6x
Walgreens Boots Alliance, Inc.		69,501		28.49	(17.7%)	(24.8%)	19.8%	5.3%	0.5x	9.6x
Rite Aid Corporation		6,128		1.51	(30.1%)	(77.6%)	20.2%	4.6%	0.3x	5.6x
Mean	\$	74,404	\$	33.04	(18.4%)	(42.6%)	18.7%	5.6%	0.4x	7.3x
Median	\$	69,501	\$	28.49	(17.7%)	(25.4%)	19.8%	5.3%	0.4x	6.6x
Staffing and Services										
Surgery Partners, Inc.	\$	9,661	\$	44.99	33.4%	(0.5%)	22.4%	12.1%	1.1x	16.6x
AMN Healthcare Services, Inc.		5,297		109.12	35.8%	55.6%	33.0%	28.0%	3.7x	7.3x
Pediatrix Medical Group, Inc.		1,893		14.21	(2.9%)	(32.4%)	22.9%	13.2%	1.0x	7.3x
Cross Country Healthcare, Inc.		1,155		28.08	26.7%	34.8%	22.4%	9.7%	0.4x	4.5x
Mean	\$	4,501	\$	49.10	23.3%	14.4%	25.2%	15.8%	1.5x	8.9x
Median	\$	3,595	\$	36.54	30.1%	17.1%	22.7%	12.6%	1.0x	7.3x
Healthcare Mean	\$	73,850	\$	171.67	8.3%	8.7%	38.3%	18.4%	3.0x	13.1x
Healthcare Median	\$	32,255	\$	92.07	8.3%	5.1%	36.3%	15.3%	2.1x	11.7x

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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 LLC ("GCG") is a leading investment bank that advises clients including closely-held and family-owned businesses, private equity firms, and public companies. GCG's senior bankers have collectively advised on hundreds of transactions over many years of experience in mergers and acquisitions, with most having backgrounds with large U.S. and global firms. GCG is focused on advising clients in key industry verticals throughout the U.S.

GCG was founded by entrepreneurially minded investment banking professionals focused on building an organization centered around advising clients. We strive to build relationships by representing our clients' long-term interests and earning their trust. In contrast to the practice of pushing transaction responsibilities to junior resources, our philosophy is to deliver personalized, senior-level attention and experience to every GCG engagement. We are proud to offer references that will speak to a differentiated level of service and results. 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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