



INDUSTRY UPDATE

HEALTHCARE
Q1 2024

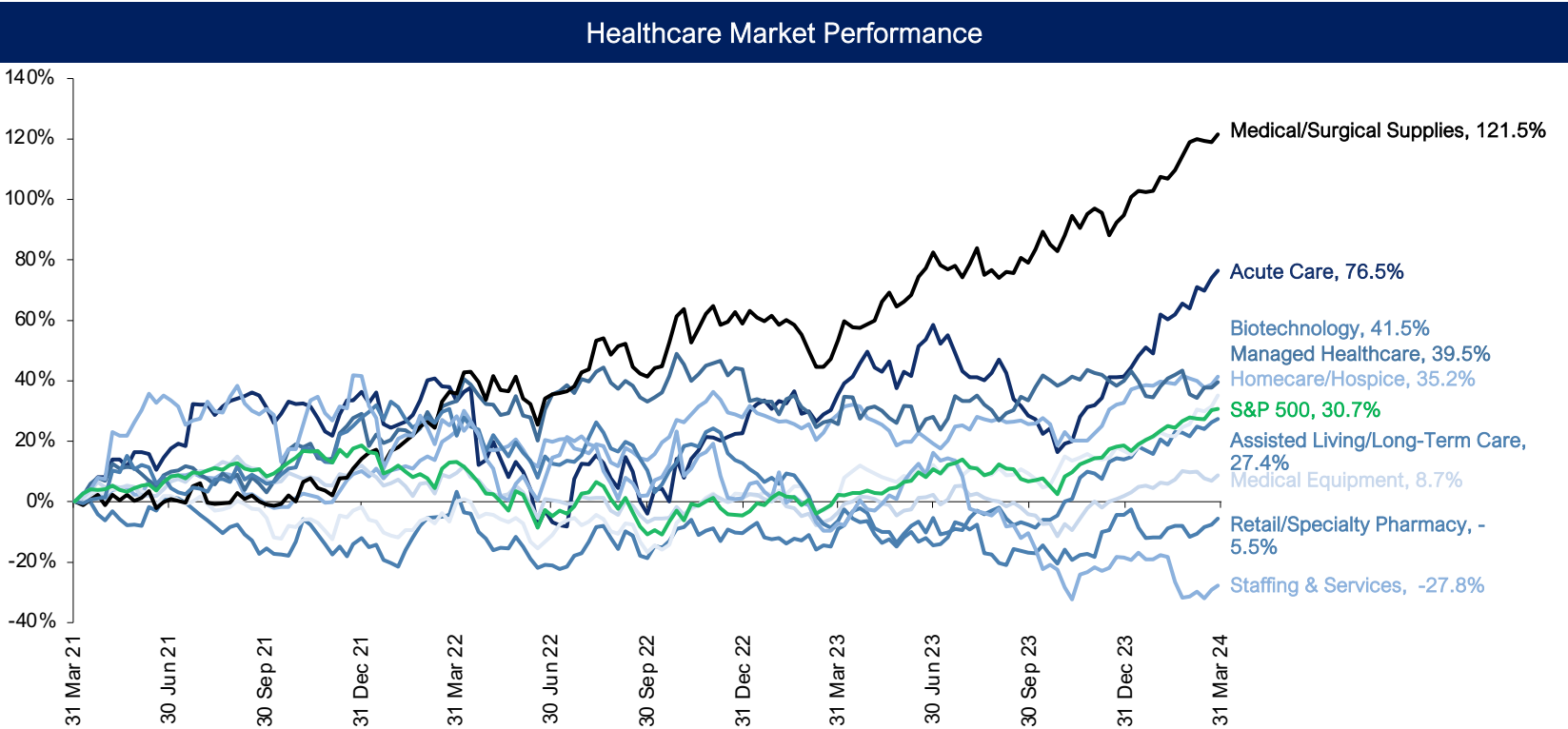


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Public Market Performance

Public equities across the Healthcare sector experienced a strong performance in Q1 2024. Many market segments that had started to rebound in the latter part of 2023, coinciding with the Federal Reserve's decision to pause interest rate hikes, maintained their positive momentum into Q1 2024. Medical/Surgical Supplies, Acute Care, and Biotechnology have all realized outsized gains compared to the S&P 500 at 30.7%, posting three-year increases of 121.5%, 76.5%, and 41.5%, respectively. Concurrently, Staffing & Services and Retail/Specialty Pharmacy experienced declines of 27.8% and 5.5%, respectively. These declines illustrate the overarching difficulties resulting from shift in demand from peak COVID levels, as well as persistent inflationary pressures, and labor shortages.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2024



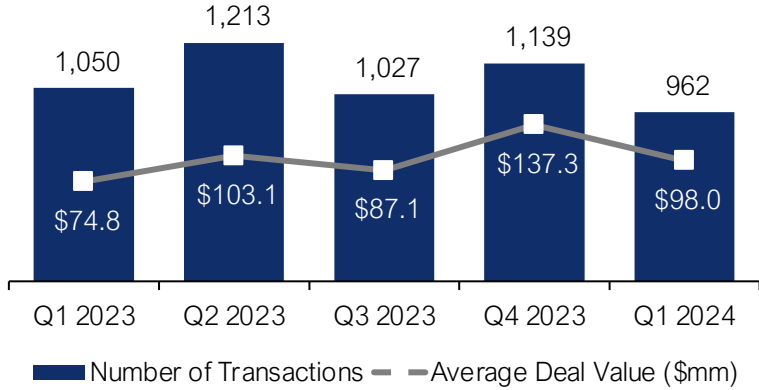
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Middle Market M&A Activity

Deal volume and deal value in the Healthcare sector both experienced a decline in Q1 2024 from the prior quarter, aligning with broader middle market M&A trends. Of the completed M&A deals, strategic buyers (including PE-backed) continued to comprise the majority of deal activity steadily, representing 75% of acquisitions.

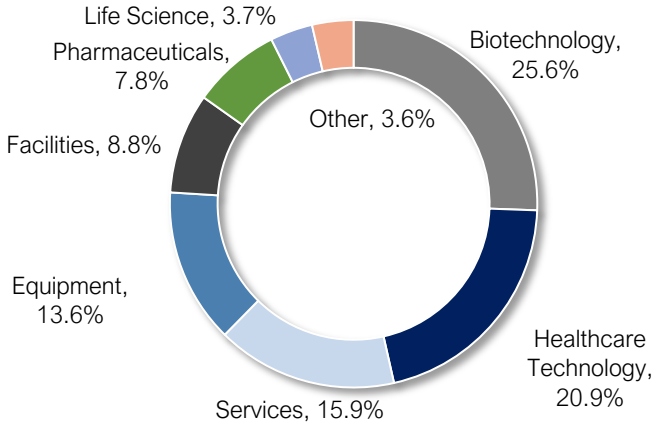
By sector, Biotechnology and Healthcare Technology remained at the forefront of Healthcare M&A activities across the board, accounting for a combined nearly half of all Healthcare deal flow. The Biotechnology sector is currently experiencing heightened activity, notably in the areas of weight loss and cancer treatment, both generating significant investor interest.

Q1 2024 Healthcare M&A Activity*

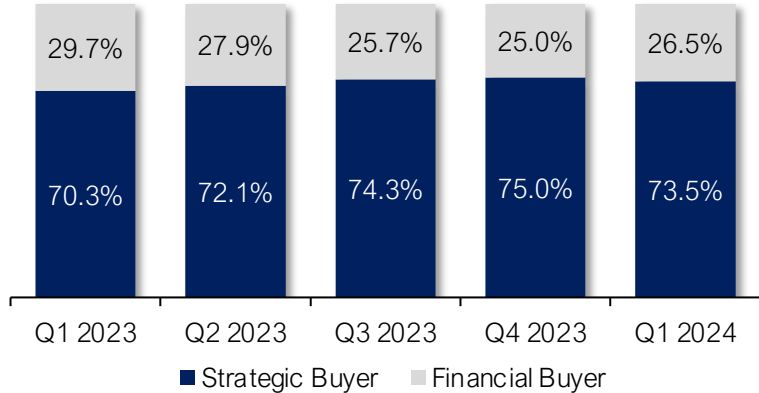


*Average Deal Value is based on reported deal values only

Q1 2024 M&A Activity by Healthcare Sector



Q1 2024 M&A Activity by Buyer Type



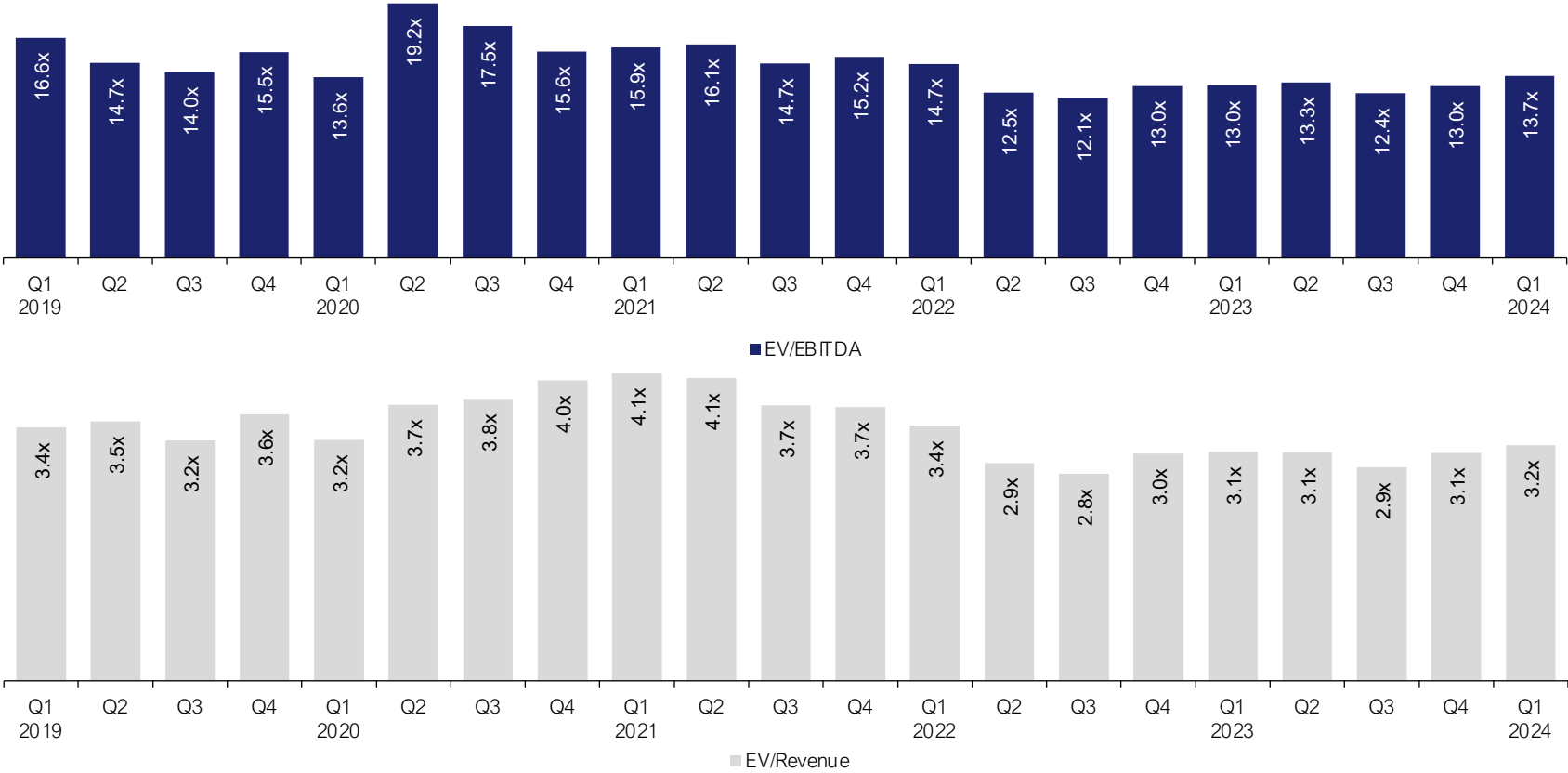
Source: Bass Berry & Sims, Kaufman Hall, Medical Economics, S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2024



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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 13.7x EBITDA and 3.2x revenue in Q1 2024. Additionally, two of the strongest sectors in the Healthcare industry were the Biotechnology and Medical Equipment sectors with average multiples of 18.0x and 19.4x EBITDA, respectively.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2024



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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 (\$mils)</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>
Acute-Care										
HCA Healthcare, Inc.	\$	131,889	\$	333.53	23.2%	26.5%	39.4%	21.1%	2.0x	9.6x
Tenet Healthcare Corporation		29,347		105.11	39.1%	76.9%	38.0%	21.0%	1.4x	6.8x
Community Health Systems, Inc.		13,161		3.50	11.8%	(28.6%)	40.7%	13.0%	1.1x	8.1x
Select Medical Holdings Corporation		8,972		30.15	28.3%	16.6%	19.7%	17.7%	1.3x	7.6x
Mean	\$	45,843	\$	118.07	25.6%	22.9%	34.4%	18.2%	1.5x	8.0x
Median	\$	21,254	\$	67.63	25.8%	21.6%	38.7%	19.3%	1.4x	7.9x

Assisted Living/Long-Term Care										
Brookdale Senior Living Inc.	\$	5,671	\$	6.61	13.6%	124.1%	26.0%	20.0%	2.0x	9.9x
The Ensign Group, Inc.		8,430		124.42	10.9%	30.2%	16.4%	14.6%	2.3x	15.5x
Sonida Senior Living, Inc.		1,030		28.57	195.8%	320.8%	24.3%	10.6%	4.4x	NM
Mean	\$	5,044	\$	53.20	73.4%	158.4%	22.2%	15.1%	2.9x	12.7x
Median	\$	5,671	\$	28.57	13.6%	124.1%	24.3%	14.6%	2.3x	12.7x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2024



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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.	\$ 370,235	\$ 182.10	17.5%	14.3%	69.2%	49.1%	6.8x	13.9x	
Bristol-Myers Squibb Company	138,843	54.23	5.7%	(21.8%)	76.6%	41.7%	3.1x	7.4x	
Amgen Inc.	206,851	284.32	(1.3%)	17.6%	70.1%	44.0%	7.3x	16.7x	
Vertex Pharmaceuticals Incorporated	95,068	418.01	2.7%	32.7%	55.2%	45.8%	9.6x	21.0x	
Regeneron Pharmaceuticals, Inc.	\$ 89,980	\$ 962.49	9.6%	17.1%	52.3%	35.6%	6.9x	19.3x	
Biogen Inc.	37,723	215.63	(16.7%)	(22.4%)	75.0%	26.7%	3.9x	15.0x	
IDEXX Laboratories, Inc.	45,476	539.93	(2.7%)	8.0%	59.8%	34.0%	12.4x	36.6x	
BioMarin Pharmaceutical Inc.	16,539	87.34	(9.4%)	(10.2%)	47.8%	12.0%	6.8x	NM	
Incyte Corporation	9,188	56.97	(9.3%)	(21.2%)	49.0%	20.2%	2.5x	12.3x	
Merit Medical Systems, Inc.	4,691	75.75	(0.3%)	2.4%	46.4%	18.4%	3.7x	20.2x	
Veracyte, Inc.	1,460	22.16	(19.4%)	(0.6%)	68.7%	4.8%	4.0x	NM	
Mean	\$ 92,368	\$ 263.54	(2.1%)	1.4%	60.9%	30.2%	6.1x	18.0x	
Median	\$ 45,476	\$ 182.10	(1.3%)	2.4%	59.8%	34.0%	6.8x	16.7x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2024



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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	
Home Care/Hospice									
Encompass Health Corporation	\$ 11,783	\$ 82.58	23.8%	52.6%	41.3%	22.1%	2.5x	11.1x	
Chemed Corporation	9,580	641.93	9.8%	19.4%	35.3%	20.3%	4.2x	20.9x	
Amedisys, Inc.	3,425	92.16	(3.1%)	25.3%	44.3%	11.9%	1.5x	12.9x	
Addus HomeCare Corporation	1,767	103.34	11.3%	(3.2%)	32.4%	11.6%	1.7x	14.4x	
Mean	\$ 6,638	\$ 230.00	10.4%	23.5%	38.3%	16.5%	2.5x	14.8x	
Median	\$ 6,502	\$ 97.75	10.5%	22.3%	38.3%	16.1%	2.1x	13.7x	

Managed Healthcare									
UnitedHealth Group Incorporated	\$ 508,252	\$ 494.70	(6.0%)	4.7%	24.1%	9.6%	1.3x	13.9x	
Elevance Health, Inc.	140,162	518.54	10.0%	12.8%	27.7%	6.5%	0.8x	12.6x	
The Cigna Group	127,214	363.19	21.3%	42.1%	12.9%	5.6%	0.7x	11.7x	
Humana Inc.	49,761	346.72	(24.3%)	(28.6%)	16.1%	4.2%	0.5x	9.9x	
Centene Corporation	\$ 43,776	\$ 78.48	5.8%	24.2%	15.8%	4.6%	0.3x	6.8x	
Molina Healthcare, Inc.	21,731	410.83	13.7%	53.6%	13.1%	5.3%	0.7x	12.4x	
Mean	\$ 148,483	\$ 368.74	3.4%	18.1%	18.3%	5.9%	0.7x	11.2x	
Median	\$ 88,487	\$ 387.01	7.9%	18.5%	16.0%	5.4%	0.7x	12.1x	

Source: S&P Capital IQ

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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	\$ 388,709	\$ 158.19	0.9%	2.1%	69.3%	36.0%	4.5x	12.6x		
Danaher Corporation	198,605	249.72	7.9%	(0.9%)	58.9%	32.4%	8.4x	25.4x		
Abbott Laboratories	206,039	113.66	3.3%	12.2%	55.3%	26.5%	5.1x	19.0x		
Medtronic plc	132,739	87.15	5.8%	8.1%	65.7%	27.7%	4.1x	14.8x		
Stryker Corporation	146,526	357.87	19.5%	25.4%	63.9%	26.4%	7.1x	27.0x		
Boston Scientific Corporation	109,624	68.49	18.5%	36.9%	69.0%	26.1%	7.5x	29.6x		
Baxter International Inc.	33,005	42.74	10.6%	5.4%	38.2%	20.0%	2.2x	11.1x		
Teleflex Incorporated	12,381	226.17	(9.3%)	(10.7%)	55.4%	26.0%	4.2x	16.0x		
Mean	\$ 153,453	\$ 163.00	7.1%	9.8%	59.5%	27.7%	5.4x	19.4x		
Median	\$ 139,632	\$ 135.93	6.9%	6.7%	61.4%	26.5%	4.8x	17.5x		

Medical/Surgical Supplies										
McKesson Corporation	\$ 76,576	\$ 536.85	16.0%	50.8%	4.0%	1.6%	0.3x	16.2x		
Cardinal Health, Inc.	27,352	111.90	11.0%	48.2%	3.3%	1.3%	0.1x	9.6x		
Henry Schein, Inc.	13,773	75.52	(0.3%)	(7.4%)	31.3%	8.7%	1.1x	12.8x		
Owens & Minor, Inc.	4,285	27.71	43.8%	90.4%	21.5%	7.2%	0.4x	5.7x		
Mean	\$ 30,496	\$ 188.00	17.6%	45.5%	15.0%	4.7%	0.5x	11.1x		
Median	\$ 20,562	\$ 93.71	13.5%	49.5%	12.7%	4.4%	0.3x	11.2x		

Source: S&P Capital IQ

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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		
Retail/Specialty Pharmacy										
CVS Health Corporation	\$ 168,479	\$ 79.76	1.0%	7.3%	14.9%	6.0%	0.5x	7.8x		
Walgreens Boots Alliance, Inc.	54,543	21.69	(16.9%)	(37.3%)	18.6%	5.7%	0.4x	6.6x		
Mean	\$ 111,511	\$ 50.73	(8.0%)	(15.0%)	16.8%	5.9%	0.4x	7.2x		
Median	\$ 111,511	\$ 50.73	(8.0%)	(15.0%)	16.8%	5.9%	0.4x	7.2x		
Staffing and Services										
Surgery Partners, Inc.	\$ 8,013	\$ 29.83	(16.5%)	(24.7%)	23.6%	16.7%	1.0x	12.7x		
AMN Healthcare Services, Inc.	3,686	62.51	(6.8%)	(13.5%)	33.0%	18.9%	2.9x	7.1x		
Pediatrix Medical Group, Inc.	1,354	10.03	7.8%	(32.7%)	21.1%	11.5%	0.7x	5.9x		
Cross Country Healthcare, Inc.	638	18.72	(17.3%)	(16.1%)	22.3%	7.0%	0.3x	4.5x		
Mean	\$ 3,423	\$ 30.27	(8.2%)	(21.7%)	25.0%	13.5%	1.2x	7.6x		
Median	\$ 2,520	\$ 24.28	(11.6%)	(20.4%)	23.0%	14.1%	0.8x	6.5x		
Healthcare Mean	\$ 80,833	\$ 194.39	9.6%	20.2%	39.3%	18.6%	3.2x	13.7x		
Healthcare Median	\$ 31,176	\$ 97.75	6.8%	10.2%	38.1%	17.7%	2.2x	12.6x		

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2024



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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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