



INDUSTRY UPDATE

HEALTHCARE
Q2 2024



GREENWICH
CAPITAL GROUP

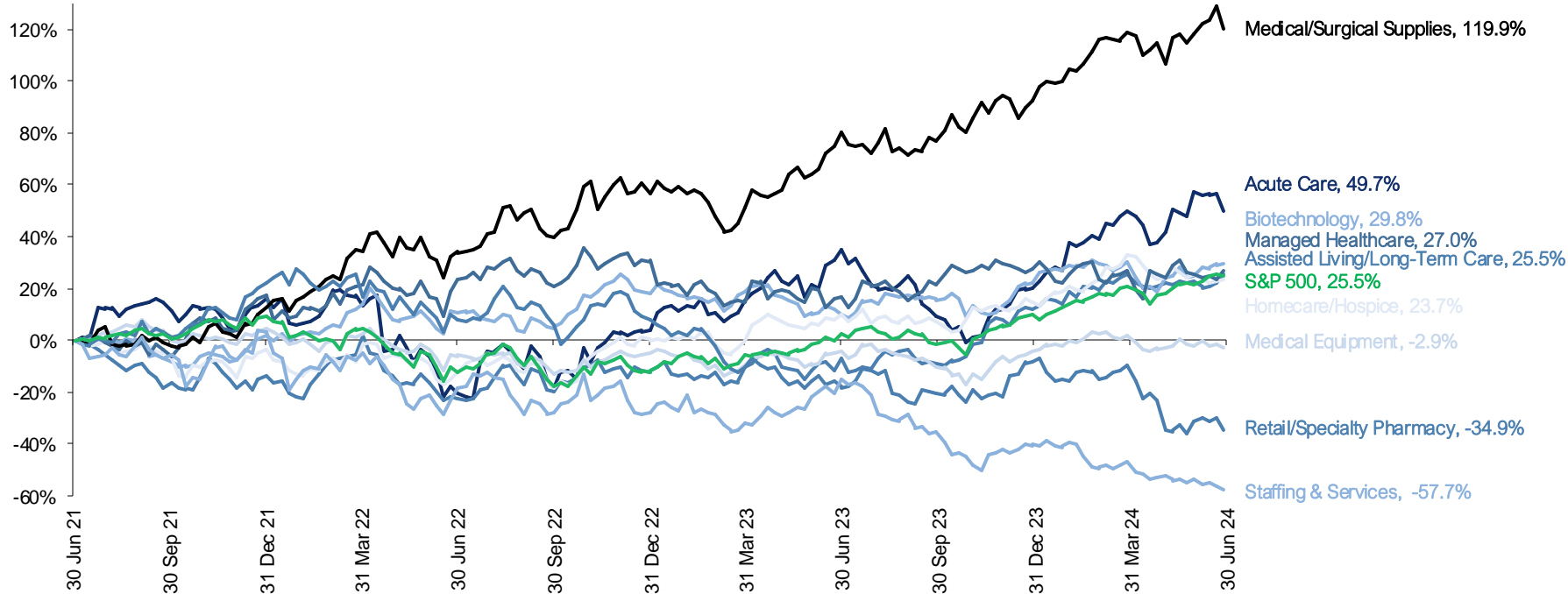
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Public Market Performance

Public equities across the Healthcare industry experienced modest returns in Q2 2024. The industry was led by the Medical / Surgical Supplies and Acute Care sectors, posting three-year gains of 119.9% and 49.7%, respectively. Biotechnology, Managed Healthcare and Assisted Living / Long-Term Care consistently achieved three-year gains slightly above or on par with the S&P 500. Retail / Specialty Pharmacy and Staffing & Services have faced strong headwinds amid shrinking reimbursement rates and demand decreases. Pharmacy giant CVS hit 15-year lows, while Staffing leader Surgical Partners stock dropped over 50% in the past year.

As inflation continues to decelerate, interest rate cuts are anticipated to take place in the second half of 2024. These cuts are expected to create a more favorable economic environment for public equity markets and bolster economic growth for smaller companies.

Healthcare Market Performance



Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024



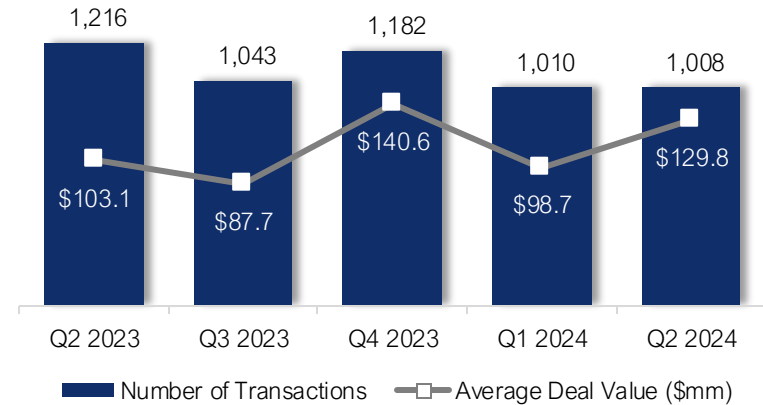
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Middle Market M&A Activity

Deal volume remained relatively stable in the Healthcare sector during Q2 2024 compared to Q1 2024. While deal volume remained stable, the average deal value saw a significant rebound, likely due to several large transactions in the Pharmaceutical and Facilities sectors. Among the completed M&A deals, strategic buyers, including those backed by private equity, accounted for an additional 5.4% of acquisitions in Q2 over Q1, indicating that a growing number of strategic buyers are pursuing roll-up strategies amid industry consolidation.

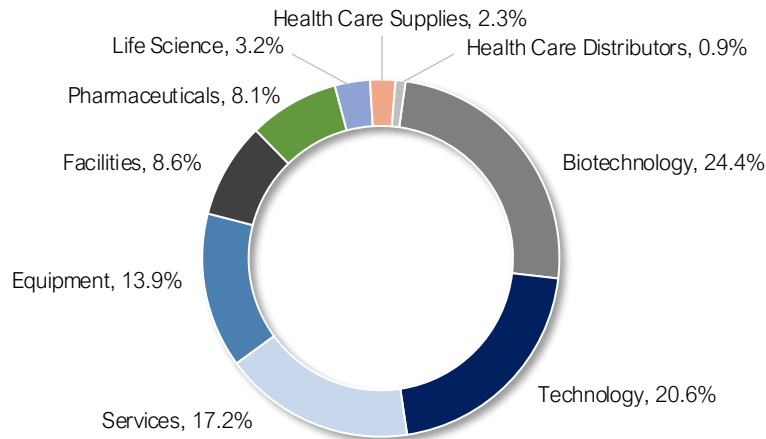
By sector, Biotechnology and Healthcare Technology remained at the forefront of M&A activities, accounting for a combined nearly half of all Healthcare deal flow.

Q2 2024 Healthcare M&A Activity*



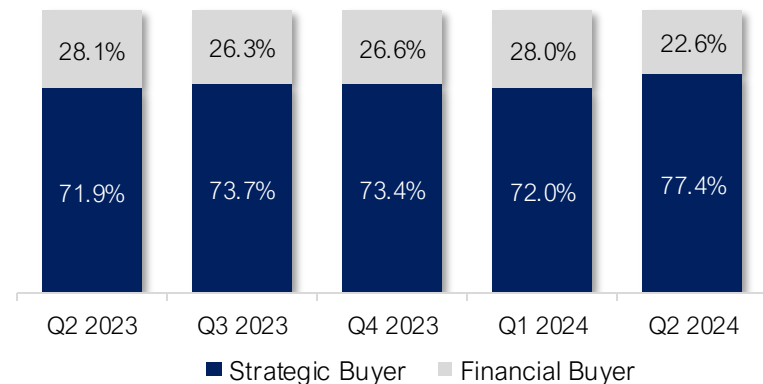
*Average Deal Value is based on reported deal values only

Q2 2024 M&A Activity by Healthcare Sector



Source: Bass Berry & Sims, Kaufman Hall, Medical Economics, S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2024

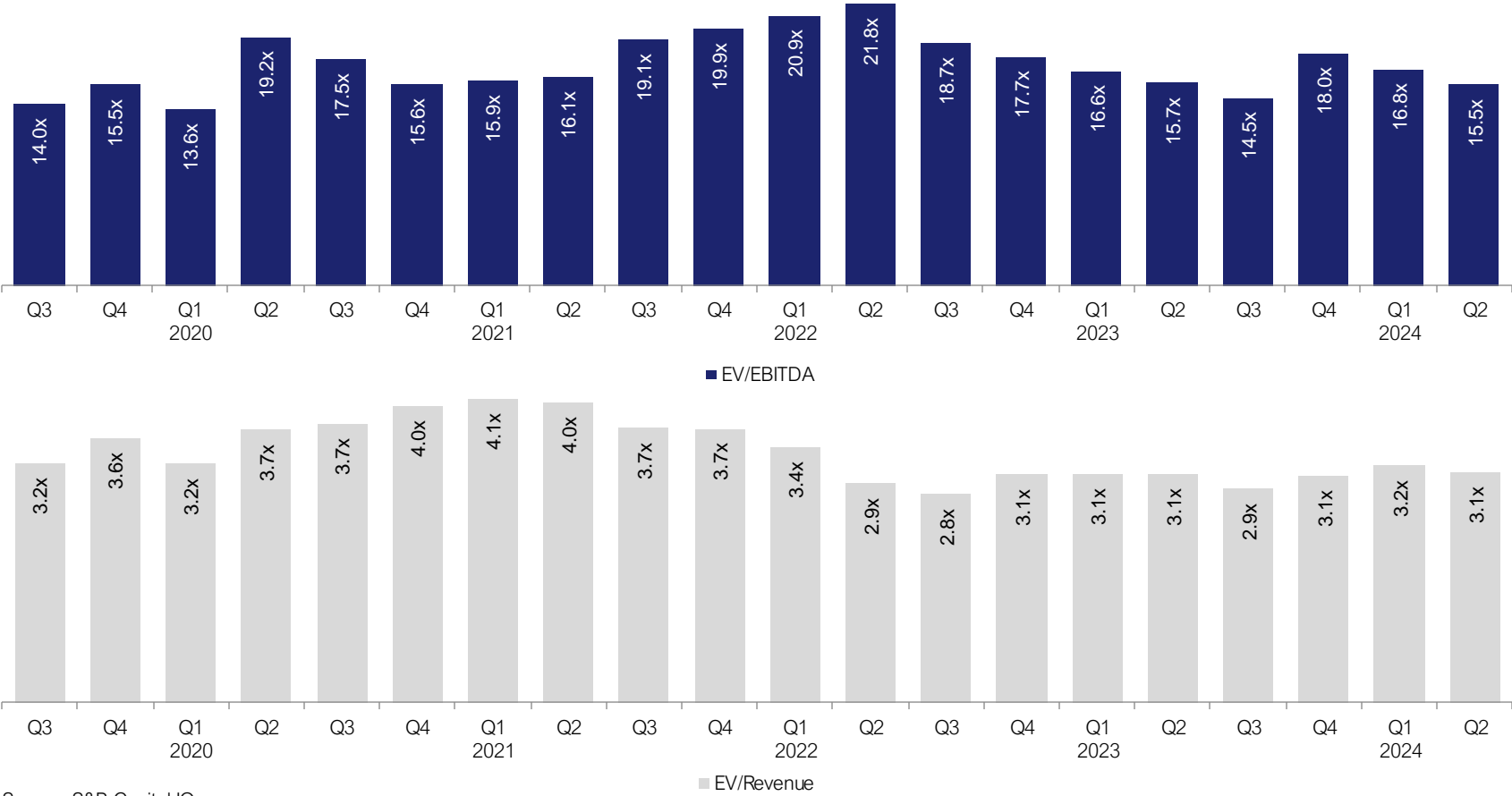
Q1 2024 M&A Activity by Buyer Type



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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 15.5x EBITDA and 3.1x revenue in Q2 2024. Two of the strongest performing sectors in the Healthcare industry were Biotechnology and Medical Equipment with median multiples of 18.7x and 17.6x EBITDA, respectively.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2024



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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
Acute-Care										
HCA Healthcare, Inc.	\$	127,757	\$	321.28	(3.7%)	5.9%	40.3%	21.1%	1.9x	9.2x
Tenet Healthcare Corporation		27,611		133.03	26.6%	63.5%	39.1%	20.0%	1.3x	6.2x
Community Health Systems, Inc.		13,175		3.36	(4.0%)	(23.6%)	41.3%	13.3%	1.1x	7.9x
Select Medical Holdings Corporation		9,830		35.06	16.3%	10.0%	20.1%	18.1%	1.4x	8.0x
Mean	\$	44,593	\$	123.18	8.8%	13.9%	35.2%	18.6%	1.4x	7.8x
Median	\$	20,393	\$	84.05	6.3%	8.0%	39.7%	19.6%	1.4x	8.0x

Assisted Living/Long-Term Care										
Brookdale Senior Living Inc.	\$	5,743	\$	6.83	3.3%	61.8%	26.4%	20.5%	2.0x	9.7x
The Ensign Group, Inc.		8,399		123.69	(0.6%)	29.6%	16.3%	14.6%	2.1x	15.0x
Sonida Senior Living, Inc.		963		27.50	(3.7%)	215.4%	25.0%	11.0%	4.0x	36.5x
Mean	\$	5,035	\$	52.67	(0.3%)	102.3%	22.5%	15.3%	2.7x	20.4x
Median	\$	5,743	\$	27.50	(0.6%)	61.8%	25.0%	14.5%	2.1x	15.0x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024



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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	
Biotechnology									
AbbVie Inc.	\$ 359,212	\$ 171.52	(5.8%)	27.3%	69.5%	48.4%	6.5x	13.6x	
Bristol-Myers Squibb Company	131,663	41.53	(23.4%)	(35.1%)	76.0%	40.9%	2.9x	7.1x	
Amgen Inc.	221,921	312.45	9.9%	40.7%	66.5%	40.1%	7.5x	18.7x	
Vertex Pharmaceuticals Incorporated	107,123	468.72	12.1%	33.2%	55.4%	45.5%	10.5x	23.1x	
Regeneron Pharmaceuticals, Inc.	98,596	1,051.03	9.2%	46.3%	51.3%	33.9%	7.5x	22.2x	
Biogen Inc.	39,624	231.82	7.5%	(18.6%)	75.5%	27.6%	4.1x	14.8x	
IDEXX Laboratories, Inc.	40,908	487.20	(9.8%)	(3.0%)	60.1%	34.0%	11.0x	32.3x	
BioMarin Pharmaceutical Inc.	15,683	82.33	(5.7%)	(5.0%)	48.0%	12.5%	6.3x	51.0x	
Incyte Corporation	9,817	60.62	6.4%	(2.6%)	49.3%	21.5%	2.6x	12.1x	
Merit Medical Systems, Inc.	5,284	85.95	13.5%	2.8%	46.5%	19.0%	4.1x	21.7x	
Veracyte, Inc.	1,462	21.67	(2.2%)	(14.9%)	67.7%	7.7%	3.9x	50.5x	
Mean	\$ 93,754	\$ 274.08	1.1%	6.5%	60.7%	28.5%	6.1x	24.3x	
Median	\$ 40,908	\$ 171.52	6.4%	(2.6%)	60.1%	33.9%	6.3x	18.7x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024



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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		
Home Care/Hospice										
Encompass Health Corporation	\$ 12,085	\$ 85.79	3.9%	26.7%	41.4%	22.1%	2.4x	11.0x		
Amedisys, Inc.	3,428	91.80	(0.4%)	0.4%	44.0%	11.8%	1.5x	12.5x		
Chemed Corporation	8,017	542.58	(15.5%)	0.2%	36.0%	20.5%	3.4x	17.4x		
Addus HomeCare Corporation	2,151	116.11	12.4%	25.3%	32.4%	11.7%	2.0x	16.8x		
Mean	\$ 6,420	\$ 209.07	0.1%	13.1%	38.4%	16.6%	2.3x	14.5x		
Median	\$ 5,723	\$ 103.96	1.7%	12.8%	38.7%	16.3%	2.2x	14.7x		

Managed Healthcare										
UnitedHealth Group Incorporated	\$ 524,168	\$ 509.26	2.9%	6.0%	23.5%	9.4%	1.4x	14.4x		
Elevance Health, Inc.	146,265	541.86	4.5%	22.0%	28.3%	6.6%	0.9x	13.1x		
The Cigna Group	119,126	330.57	(9.0%)	17.8%	11.6%	4.6%	0.6x	12.7x		
Humana Inc.	52,716	373.65	7.8%	(16.4%)	16.1%	4.2%	0.5x	11.5x		
Centene Corporation	35,902	66.30	(15.5%)	(1.7%)	15.7%	4.3%	0.3x	5.9x		
Molina Healthcare, Inc.	15,291	297.30	(27.6%)	(1.3%)	13.2%	4.7%	0.4x	8.9x		
Mean	\$ 148,911	\$ 353.16	(6.2%)	4.4%	17.8%	5.6%	0.7x	11.1x		
Median	\$ 85,921	\$ 352.11	(3.0%)	2.3%	15.5%	4.7%	0.5x	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	\$ 359,174	\$ 146.16	(7.6%)	(11.7%)	69.3%	36.2%	4.1x	11.7x		
Danaher Corporation	197,298	249.85	0.1%	4.1%	59.8%	32.7%	8.4x	25.6x		
Abbott Laboratories	189,052	103.91	(8.6%)	(4.7%)	55.5%	26.6%	4.6x	17.6x		
Medtronic plc	119,147	78.71	(9.7%)	(10.7%)	65.7%	28.8%	3.7x	12.8x		
Stryker Corporation	140,611	340.25	(4.9%)	11.5%	64.0%	26.8%	6.7x	25.0x		
Boston Scientific Corporation	122,133	77.01	12.4%	42.4%	68.8%	26.0%	8.0x	31.8x		
Baxter International Inc.	28,251	33.45	(21.7%)	(26.6%)	38.6%	20.6%	1.9x	9.2x		
Teleflex Incorporated	11,546	210.33	(7.0%)	(13.1%)	55.7%	22.0%	3.8x	17.5x		
Mean	\$ 145,902	\$ 154.96	(5.9%)	(1.1%)	59.7%	27.4%	5.1x	18.9x		
Median	\$ 131,372	\$ 125.04	(7.3%)	(7.7%)	61.8%	26.6%	4.4x	17.6x		
Medical/Surgical Supplies										
McKesson Corporation	\$ 78,971	\$ 584.04	8.8%	36.7%	4.1%	1.8%	0.3x	14.0x		
Cardinal Health, Inc.	26,087	98.32	(12.1%)	4.0%	3.3%	1.3%	0.1x	8.9x		
Henry Schein, Inc.	12,202	64.10	(15.1%)	(21.0%)	31.4%	8.5%	1.0x	11.5x		
Owens & Minor, Inc.	3,218	13.50	(51.3%)	(29.1%)	21.6%	7.4%	0.3x	4.2x		
Mean	\$ 30,119	\$ 189.99	(17.4%)	(2.4%)	15.1%	4.8%	0.4x	9.7x		
Median	\$ 19,144	\$ 81.21	(13.6%)	(8.5%)	12.9%	4.6%	0.3x	10.2x		

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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	
Retail/Specialty Pharmacy									
CVS Health Corporation	\$ 143,027	\$ 59.06	(26.0%)	(14.6%)	14.6%	5.6%	0.4x	7.1x	
Walgreens Boots Alliance, Inc.	45,182	12.10	(44.2%)	(57.5%)	18.4%	5.8%	0.3x	5.3x	
Mean	\$ 94,105	\$ 35.58	(35.1%)	(36.1%)	16.5%	5.7%	0.4x	6.2x	
Median	\$ 94,105	\$ 35.58	(35.1%)	(36.1%)	16.5%	5.7%	0.4x	6.2x	
Staffing and Services									
Surgery Partners, Inc.	\$ 7,389	\$ 23.79	(18.0%)	(53.1%)	23.9%	18.8%	0.9x	11.3x	
AMN Healthcare Services, Inc.	3,212	51.23	(20.2%)	(47.1%)	32.7%	15.6%	2.6x	7.4x	
Pediatrix Medical Group, Inc.	1,288	7.55	(24.7%)	(46.9%)	20.9%	11.2%	0.6x	5.7x	
Cross Country Healthcare, Inc.	481	13.84	(26.1%)	(50.7%)	21.9%	5.8%	0.3x	4.7x	
Mean	\$ 3,092	\$ 24.10	(22.3%)	(49.4%)	24.8%	12.8%	1.1x	7.3x	
Median	\$ 2,250	\$ 18.82	(22.5%)	(48.9%)	22.9%	13.4%	0.8x	6.6x	
Healthcare Mean	\$ 78,961	\$ 191.04	(5.8%)	4.9%	39.3%	18.2%	3.1x	15.5x	
Healthcare Median	\$ 27,931	\$ 95.06	(4.5%)	(0.6%)	38.9%	15.6%	2.0x	12.3x	

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 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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