



HERITAGE
CAPITAL GROUP



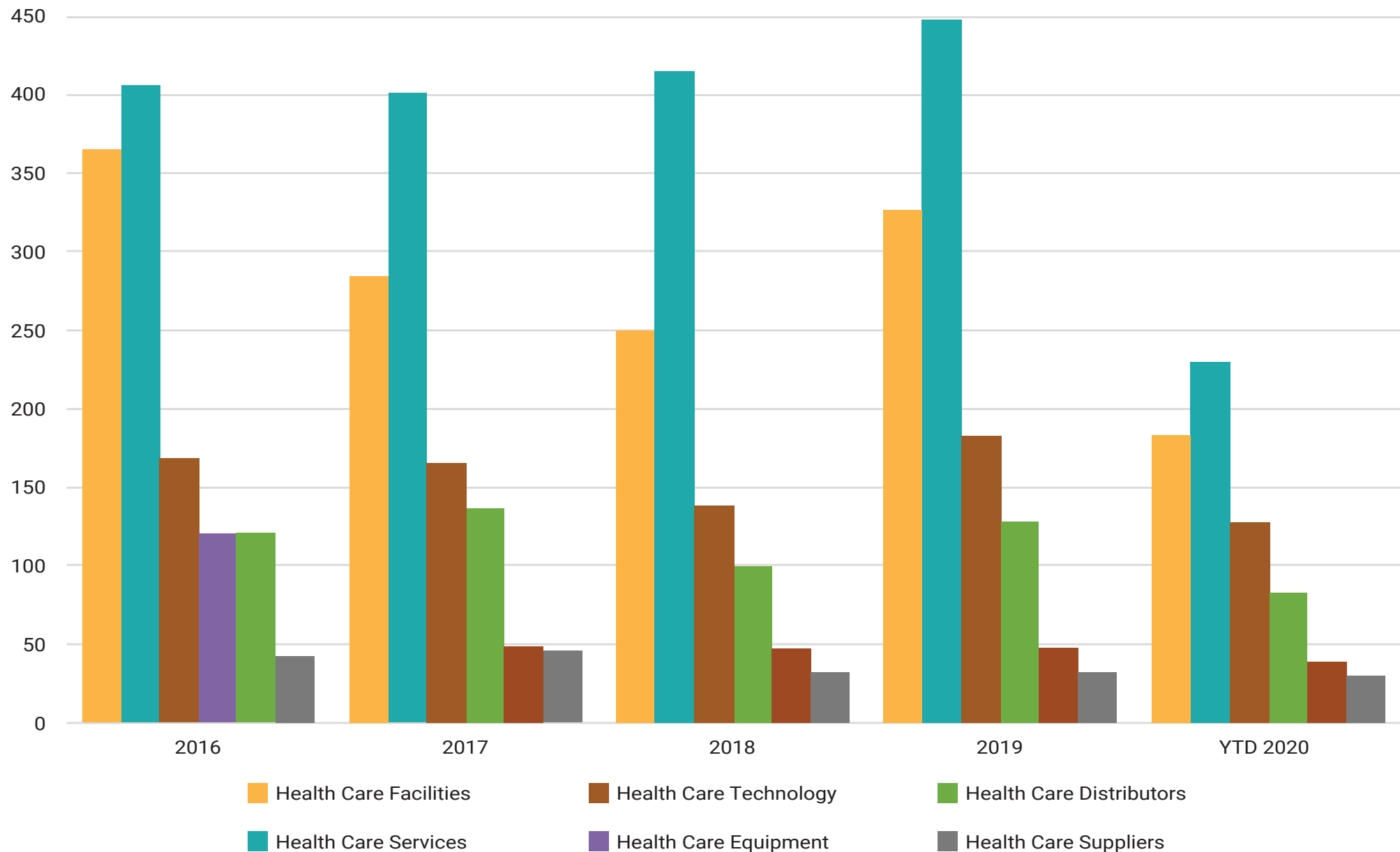
HEALTH CARE *Industry Trends*

M&A Activity

Health Care Sector Trends

Selected M&A Transactions

3rd Quarter 2020

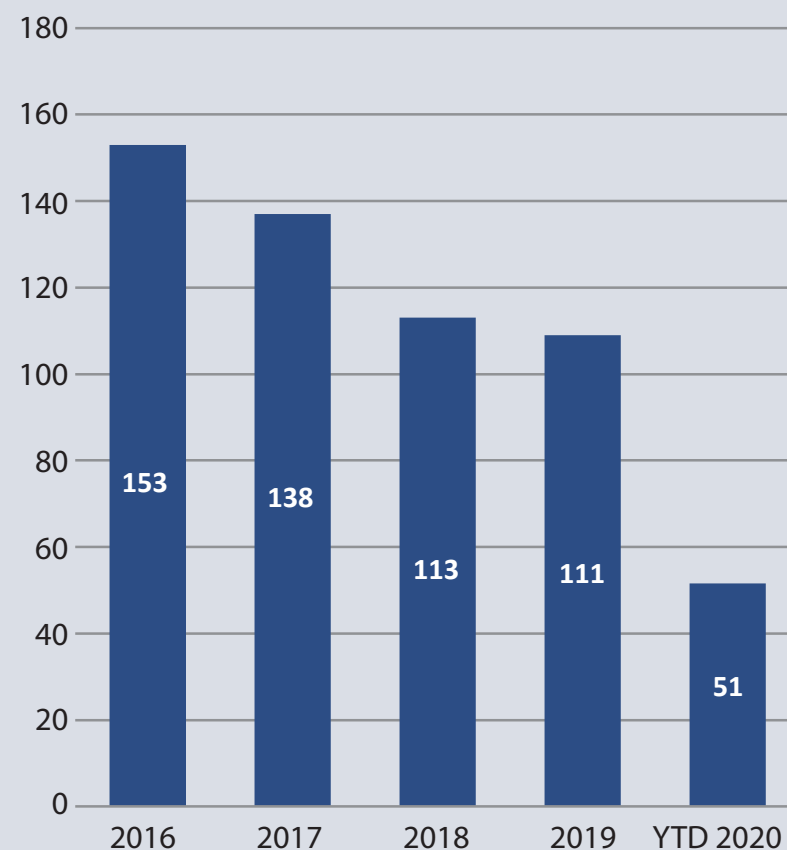


Source: Capital IQ, as of 10/15/2020

PHYSICIANS, REHABILITATION/HOME CARE
LABORATORIES

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Home Care / Rehabilitation			
Addus HomeCare Corp	\$1,400.6	1.9x	23.5x
Amedisys, Inc.	\$8,065.2	4.1x	39.9x
Encompass Health Corp	\$10,305.7	2.2x	12.1x
LHC Group, Inc.	\$6,778.6	3.3x	41.4x
Laboratories & Outpatient Testing			
American Renal Associates	\$1,108.6	1.4x	9.6x
DaVita Inc.	\$20,289.5	1.8x	8.3x
Laboratory Corporation of American Holdings	\$24,911.6	2.2x	13.7x
Quest Diagnostics	\$19,652.3	2.6x	13.6x
Physician Specialty Services			
MEDNAX, INC.	\$2,958.8	0.9x	6.8x
Surgery Partners	\$5,275.5	3.0x	19.6x

Source: Capital IQ, as of 10/15/2020

Note: These companies are also included in
the Healthcare Services Industry.Number of M&A Deals,
(both public & private acquisition targets)
2016 through YTD-2020

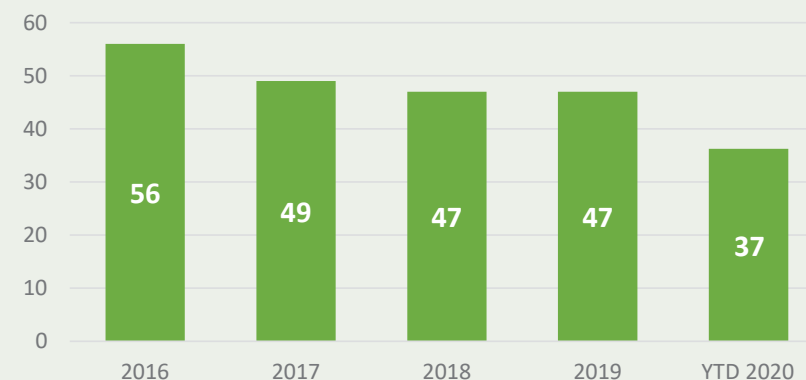
HEALTH CARE DISTRIBUTORS

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Amerisource Bergen Corporation	\$21,137.7	0.1x	9.4x
Cardinal Health, Inc.	\$18,242.8	0.1x	6.8x
Covetrus, Inc.	\$4,077.3	1.0x	39.6x
Henry Schein, Inc.	\$10,359.0	1.1x	13.6x
McKesson Corporation	\$32,621.9	0.1x	8.8x
Patterson Companies, Inc.	\$2,998.2	0.6x	9.8x
PetIQ, Inc	\$1,128.5	1.4x	30.3x

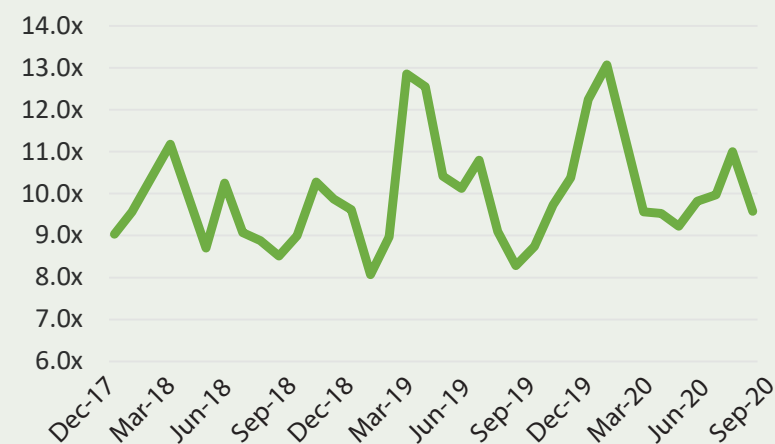
Average **0.6x** **16.9x**

Median **0.6x** **9.8x**

Number of M&A Deals,
(both public & private acquisition targets)
2016 through YTD-2020



Median Enterprise Value to EBITDA Multiples
for Selected Public Companies



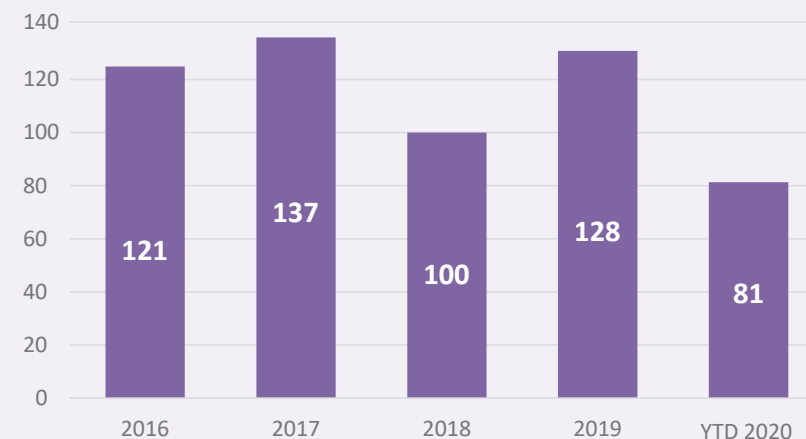
Source: Capital IQ, as of 10/15/2020

HEALTH CARE EQUIPMENT

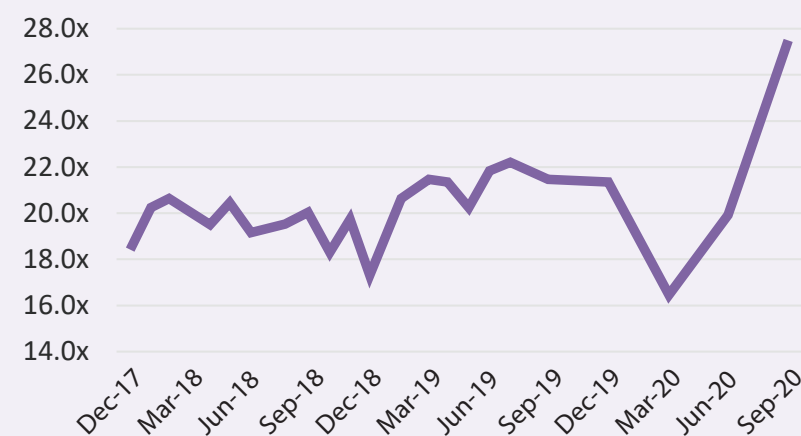
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Abbott Laboratories	\$207,548.8	6.6x	27.4x
Baxter International Inc.	\$43,737.2	3.8x	15.9x
Becton, Dickinson and Company	\$83,707.6	4.9x	18.3x
Boston Scientific Corporation	\$62,737.1	6.2x	28.1x
Intuitive Surgical, Inc.	\$78,572.1	18.2x	61.2x
Stryker Corporation	\$84,979.0	6.0x	23.0x
Varian Medical Systems, Inc.	\$15,641.1	4.9x	29.1x
	Average	7.2x	28.5x
	Median	6.0x	27.4x

Source: Capital IQ, as of 10/15/2020

Number of M&A Deals,
(both public & private acquisition targets)
2016 through YTD-2020



Median Enterprise Value to EBITDA Multiples
for Selected Public Companies

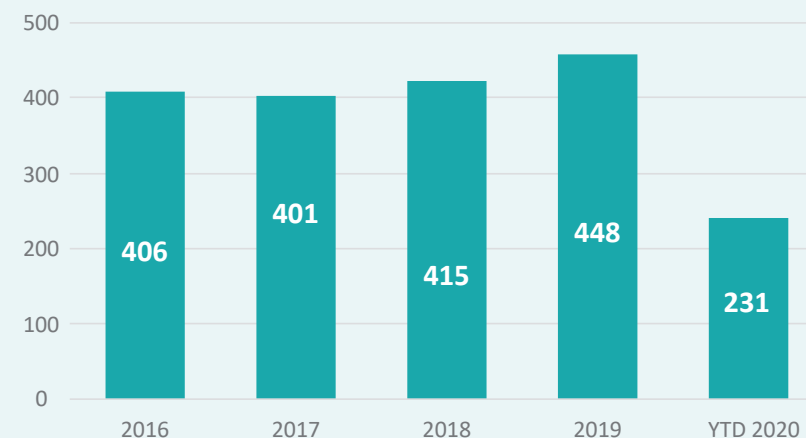


HEALTH CARE SERVICES

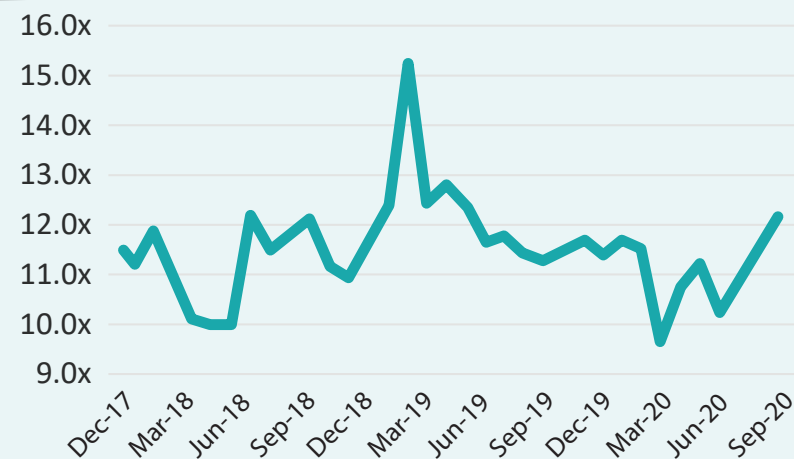
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Amedisys, Inc.	\$8,065.2	4.1x	39.9x
Chemed Corporation	\$7,767.0	3.8x	23.8x
Cigna Corporation	\$92,225.5	0.6x	8.0x
CVS Health Corporation	\$151,347.3	0.6x	8.3x
DaVita Inc.	\$20,289.5	1.8x	8.3x
Fresenius Medical Care AG & Co.	\$39,777.6	2.0x	10.9x
Laboratory Corporation America Holdings	\$24,911.6	2.2x	13.7x
R1 RCM Inc.	\$2,754.2	2.2x	14.1x
	Average	2.1x	15.9x
	Median	2.1x	12.3x

Source: Capital IQ, as of 10/15/2020

Number of M&A Deals,
(both public & private acquisition targets)
2016 through YTD-2020



Median Enterprise Value to EBITDA Multiples
for Selected Public Companies

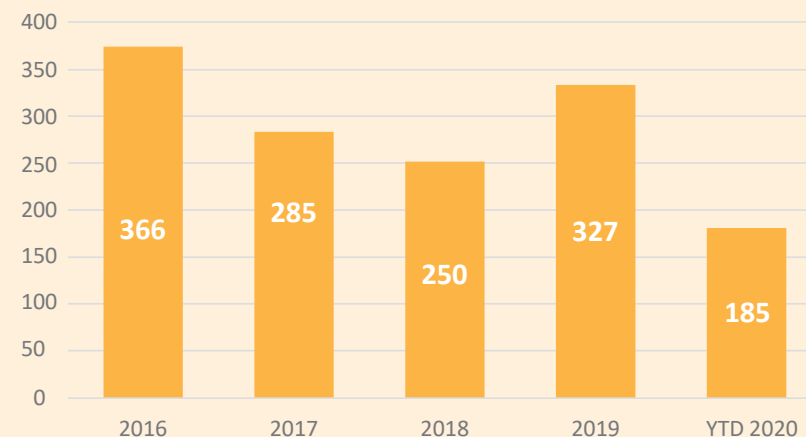


HEALTH CARE FACILITIES

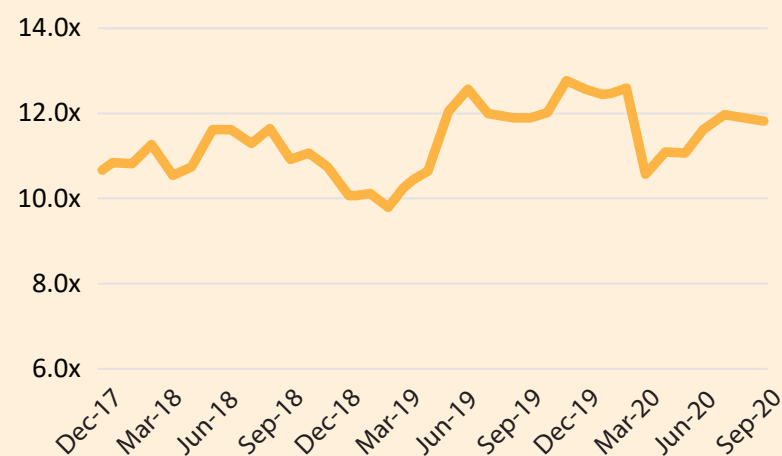
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Acadia Healthcare Company, Inc.	\$6,125.2	2.0x	11.5x
Brookdale Senior Living Inc.	\$5,776.7	1.8x	14.0x
HCA Healthcare Inc.	\$72,294.0	1.4x	8.0x
Select Medical Holdings Corporation	\$7,4418.8	1.4x	11.7x
Surgery Partners, Inc.	\$5,275.5	3.0x	19.6x
Tenet Healthcare Corporation	\$17,408.1	1.0x	7.3x
The Ensign Group, Inc	\$3,969.8	1.8x	16.9x
	Average	1.8x	12.7x
	Median	1.8x	11.7x

Source: Capital IQ, as of 10/15/2020

Number of M&A Deals, (both public & private acquisition targets) 2016 through YTD-2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies

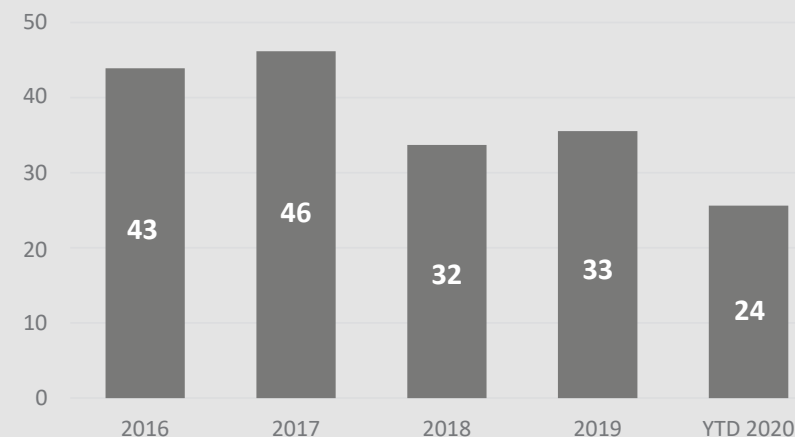


HEALTH CARE SUPPLIES

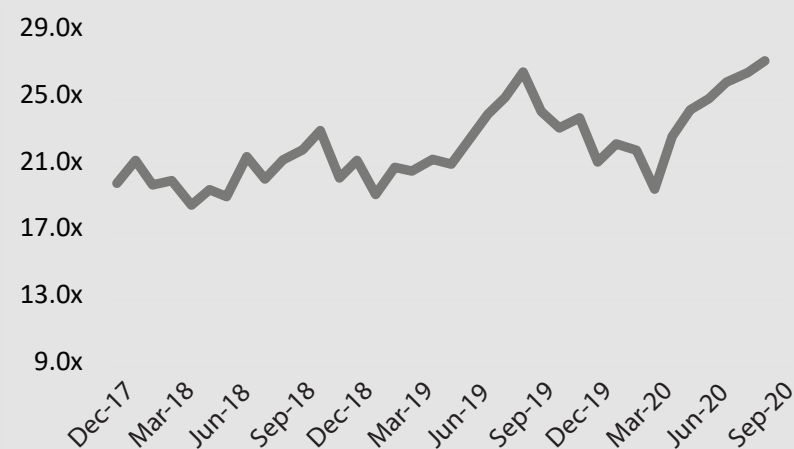
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Alcon	\$30,918.9	4.5x	27.0x
Avanos Medical, Inc.	\$1,717.3	2.4x	50.2x
Dentsply Sirona, Inc.	\$10,732.0	3.1x	16.9x
Haemonetics Corporation	\$4,691.2	5.0x	19.5x
ICU Medical, Inc.	\$3,569.7	2.8x	15.1x
Neogen Corporation, Inc.	\$3,784.7	8.9x	42.6x
The Cooper Companies, Inc.	\$18,578.4	7.6x	26.6x
West Pharmaceutical Services, Inc.	\$20,182.0	10.4x	45.8x
	Average	5.6x	30.5x
	Median	4.7x	26.8x

Source: Capital IQ, as of 10/15/2020

Number of M&A Deals,
(both public & private acquisition targets)
2016 through YTD-2020



Median Enterprise Value to EBITDA Multiples
for Selected Public Companies



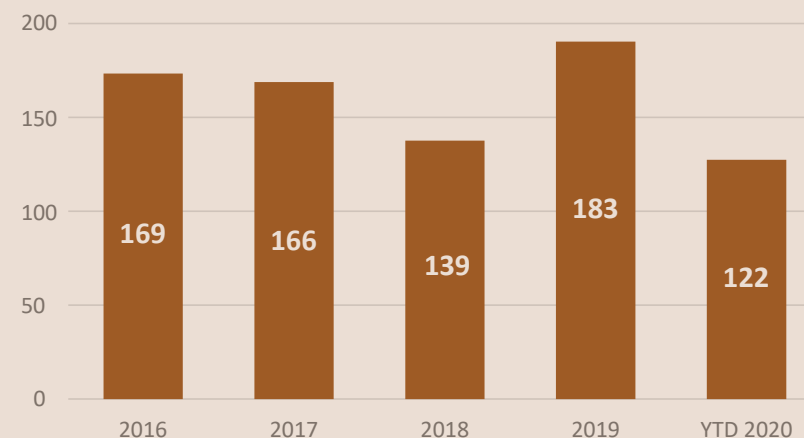
HEALTH CARE TECHNOLOGY

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Cerner Corporation	\$23,151.6	4.1x	19.8x
Allscripts Healthcare Solutions, Inc.	\$2,290.7	1.3x	32.7x
Omnicell, Inc.	\$3,116.3	3.4x	30.9x
Inovalon Holdings, Inc.	\$5,055.3	7.7x	28.1x
HMS Holdings Corp.	\$2,185.9	3.5x	20.3x

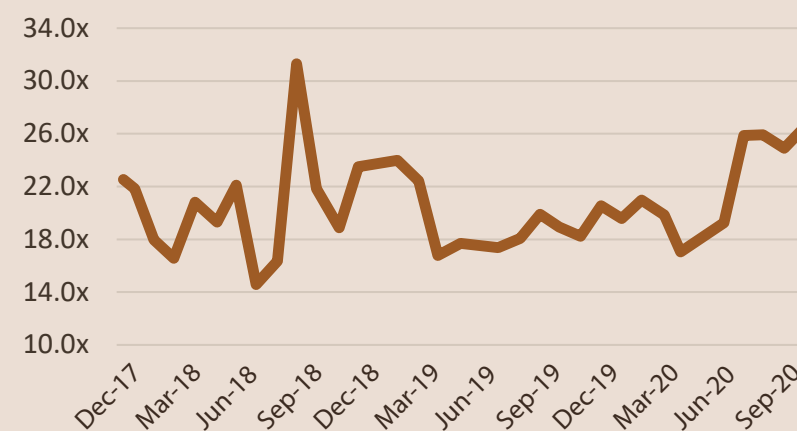
Average **4.0x** **26.4x**
Median **3.5x** **28.1x**

Source: Capital IQ, as of 10/15/2020

Number of M&A Deals,
(both public & private acquisition targets)
2016 through YTD-2020



Median Enterprise Value to EBITDA Multiples
for Selected Public Companies



Public & Private Acquisitions Targets

Date	Target	Acquirer / Investor	Category	EV (US\$m)
Jul-20	Solara Medical Supplies, LLC	AdaptHealth, LLC	Health Care Distributors	\$427.55
Sep-20	Med, Inc.	Rotech Healthcare Inc.	Health Care Distributors	-
Sep-20	Alliance Medical Supply, Inc.	Pediatric Home Respiratory Services, LLC	Health Care Distributors	-
Aug-20	Decker X Ray Company	National Imaging Solutions, Inc.	Health Care Distributors	-
Aug-20	Wise El Santo Co., Inc.	Mallory Safety and Supply, Inc.	Health Care Distributors	-
Sep-20	Ascyrus Medical LLC	CryoLife, Inc. (NYSE:CRY)	Health Care Equipment	\$199.71
Aug-20	Impact BioMedical Inc.	DSS BioHealth Security, Inc	Health Care Equipment	\$50.00
Aug-20	Apteryx Imaging Inc. (TSXV:XRAY)	Planet DDS, Inc.	Health Care Equipment	\$28.83
Sep-20	Luna Lights, Inc.	Sentrics	Health Care Equipment	-
Sep-20	Thomas Medical, Inc.	MedGyn Products Inc.	Health Care Equipment	-
Jul-20	A Plus Health Care, Inc.	Addus HomeCare Corporation (NasdaqGS:ADUS)	Health Care Services	\$12.20
Aug-20	Health Technology Resources, LLC	Protech Home Medical Corp. (TSXV:PTQ)	Health Care Services	\$5.40
Sep-20	Physician's Choice Hospice/Palladium Hospice and Palliative Care, LLC	Traditions Health, LLC	Health Care Services	-
Sep-20	Maetrics, LLC	Regulatory and Quality Solutions LLC.	Health Care Services	-

Source: Capital IQ and HCG Research

Public & Private Acquisitions Targets

Date	Target	Acquirer / Investor	Category	EV (US\$m)
Aug-20	Neurolex Laboratories, Inc	Sonde Health Inc.	Health Care Services	-
Jul-20	Radiological Physics Consultants, Inc.	West Physics Consulting, LLC	Health Care Services	-
Aug-20	St. Francis Medical Center Inc.	Prime Healthcare Services, Inc.	Health Care Facilities	\$350.00
Jul-20	Caregiver, Inc.	WindRose Health Investors, LLC	Health Care Facilities	\$200.35
Aug-20	HealthQwest, Inc.	Pinnacle Treatment Centers, Inc.	Health Care Facilities	-
Jul-20	Two Skilled Nursing and Rehabilitation Centers in Texas	SLP Operations, LLC	Health Care Facilities	-
Aug-20	Bayonne Medical Center, Inc.	BMC Hospital LLC	Health Care Facilities	\$76.00
Jul-20	TearLab Corporation	Accelmed Fund	Health Care Supplies	\$32.02
Aug-20	C&E GP Specialists, Inc.	CooperVision, Inc.	Health Care Supplies	\$27.00
Jul-20	UrSure, Inc.	OraSure Technologies, Inc. (NasdaqGS:OSUR)	Health Care Supplies	\$31.10
Jul-20	Active Intelligence LLC	Pocono Coated Products LLC	Health Care Supplies	-
Jul-20	UltiMed, Inc.	Levine Leichtman Capital Partners, LLC	Health Care Supplies	-
Jul-20	InTouch Technologies, Inc.	Teladoc Health, Inc. (NYSE:TDOC)	Health Care Technology	\$549.24
Jul-20	Healthfinch, Inc.	Health Catalyst, Inc. (NasdaqGS:HCAT)	Health Care Technology	\$41.85

Source: Capital IQ and HCG Research

SELECT M&A TRANSACTIONS

Public & Private Acquisitions Targets

Date	Target	Acquiror / Investor	Category	EV (US\$m)
Aug-20	Scriptcycle, LLC	GoodRx Holdings, Inc. (NasdaqGS:GDRX)	Health Care Technology	\$63.10
Sep-20	Vitalware, LLC	Health Catalyst, Inc. (NasdaqGS:HCAT)	Health Care Technology	\$152.28
Sep-20	Sensyne Health plc (AIM:SENS)	Acacia Research Corporation (NasdaqGS:ACTG)	Health Care Technology	-
Sep-20	ePreop, Inc.	ProVation Medical, Inc.	Health Care Technology	-

Source: Capital IQ and HCG Research

Heritage Capital Group Offers a Comprehensive Range of Services

- » M&A – Sell Side
- » M&A – Buy Side
- » Capital Raises
- » Strategic Consulting

The Heritage health care team has assisted various medical practices and providers of medical products and services with strategic consulting, debt financing, valuations, acquisitions, exit planning and sales. With more than 40 years of varied experience among our team, we have been able to add value to each of the entities with which we work.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.

Health Care Team



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