



HERITAGE
CAPITAL GROUP

M&A Transactions

Sector Trends

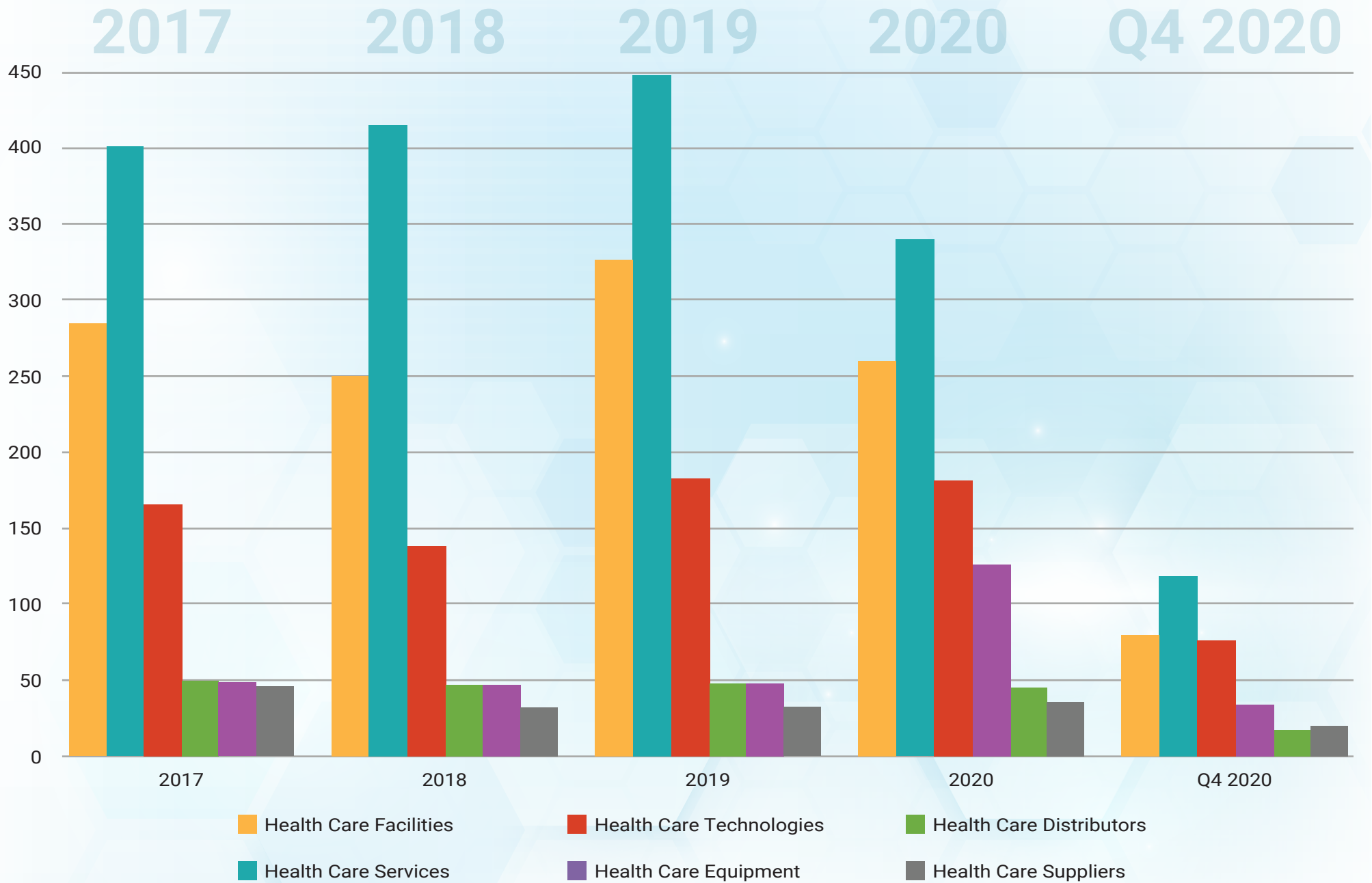
Selected M&A Transactions

Health Care
INDUSTRY TRENDS
4TH QUARTER 2020

M&A ACTIVITY



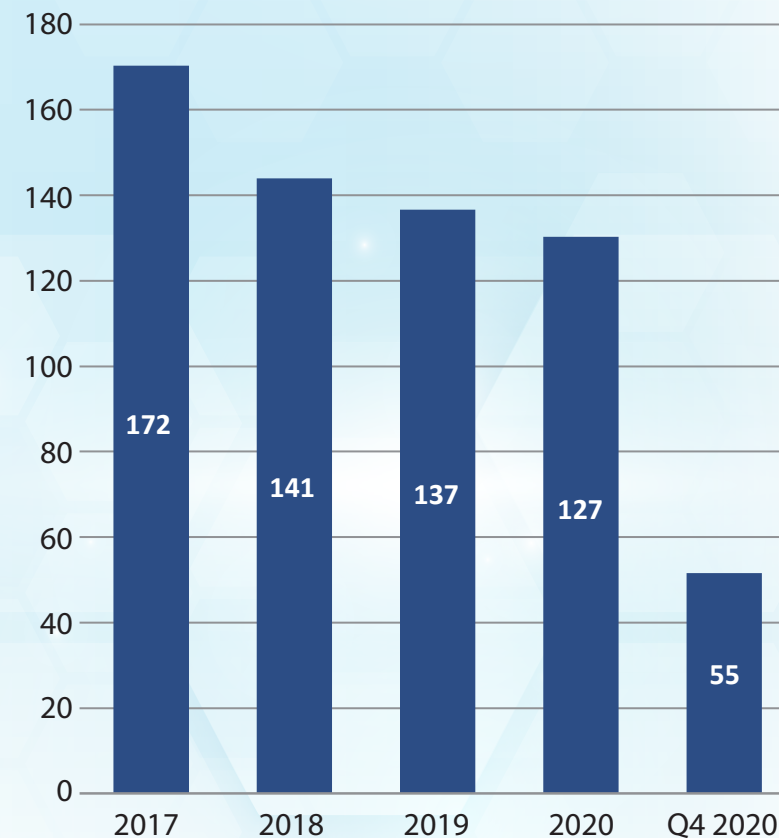
NUMBER OF HEALTH CARE M&A DEALS, BOTH PUBLIC & PRIVATE ACQUISITION TARGETS



PHYSICIANS, REHABILITATION/ HOME CARE LABORATORIES

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Home Care / Rehabilitation			
Addus HomeCare Corp.	\$1,767.0	2.3x	27.2x
Amedisys, Inc.	\$9,917.2	4.9x	43.0x
Encompass Health Corp.	\$12,033.4	2.6x	14.0x
LHC Group, Inc.	\$6,701.3	3.2x	36.9x
Laboratories & Outpatient Testing			
American Renal Associates	\$1,257.5	1.5x	11.1x
DaVita Inc.	\$25,007.5	2.2x	10.3x
Laboratory Corporation of America Holdings	\$25,862.3	2.1x	10.1x
Quest Diagnostics	\$19,730.1	2.4x	10.2x
Physician Specialty Services			
MEDNAX, Inc.	\$3,486.1	1.0x	7.7x
Surgery Partners, Inc.	\$5,652.9	3.1x	20.2x

Number of M&A Deals,
(both public & private acquisition targets)
2017 through 2020



Source: Capital IQ, as of 1/15/2021

Note: These companies are also included in the Healthcare Services Industry.

HEALTH CARE DISTRIBUTORS

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
AmerisourceBergen Corporation	\$20,146.6	0.1x	8.2x
Cardinal Health, Inc.	\$19,712.6	0.1x	7.3x
Covetrus, Inc.	\$4,546.8	1.1x	43.3x
Henry Schein, Inc.	\$11,340.5	1.2x	14.8x
McKesson Corporation	\$36,008.4	0.2x	9.4x
Patterson Companies, Inc.	\$3,483.4	0.6x	11.5x
PetIQ, Inc.	\$1,337.7	1.7x	43.9x

Average 0.7x 19.8x
Median 0.6x 11.5x

Number of M&A Deals, (both public & private acquisition targets) 2017 through 2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies



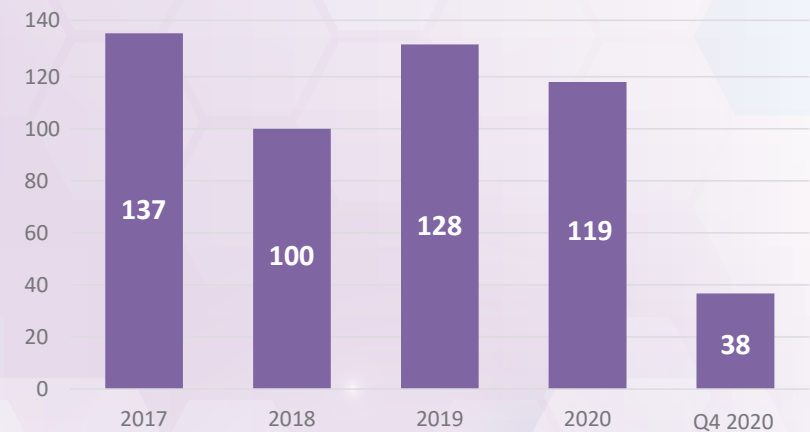
Source: Capital IQ, as of 1/15/2021

HEALTH CARE EQUIPMENT

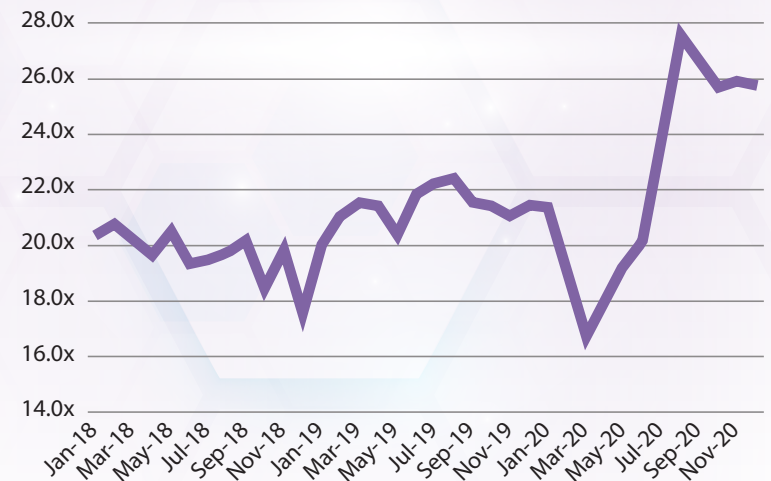
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Abbott Laboratories	\$201,641.2	6.3x	25.8x
Baxter International Inc.	\$43,820.1	3.8x	15.9x
Becton, Dickinson and Company	\$88,306.9	5.2x	18.9x
Boston Scientific Corporation	\$59,047.6	5.8x	27.8x
Intuitive Surgical, Inc.	\$91,416.9	21.2x	70.7x
Stryker Corporation	\$98,459.7	6.9x	25.5x
Varian Medical Systems, Inc.	\$15,692.3	5.0x	30.2x

Average 7.7x 30.7x
Median 5.8x 25.8x

Number of M&A Deals, (both public & private acquisition targets) 2017 through 2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies



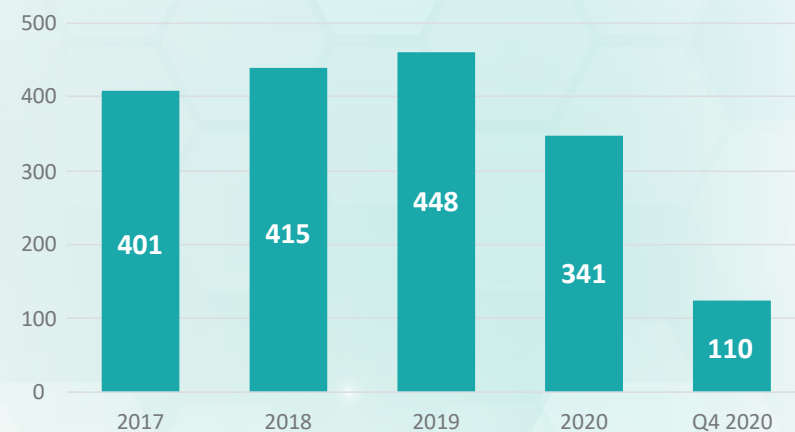
Source: Capital IQ, as of 1/15/2021

HEALTH CARE SERVICES

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Amedisys, Inc.	\$9,917.2	4.9x	43.0x
Chemed Corporation	\$8,515.9	4.1x	24.2x
Cigna Corporation	\$106,537.6	0.7x	9.4x
CVS Health Corporation	\$164,889.8	0.6x	8.9x
DaVita Inc.	\$25,007.5	2.2x	10.3x
Fresenius Medical Care AG & Co. KGaA	\$39,865.9	1.9x	10.4x
Laboratory Corporation of America Holdings	\$25,862.3	2.1x	10.1x
R1 RCM Inc.	\$3,586.9	2.9x	18.5x

Average 2.4x 16.9x
Median 2.1x 10.4x

Number of M&A Deals, (both public & private acquisition targets) 2017 through 2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies

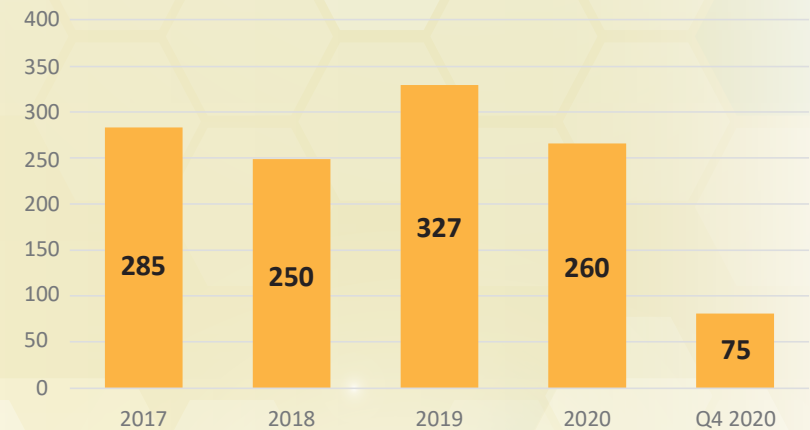


Source: Capital IQ, as of 1/15/2021

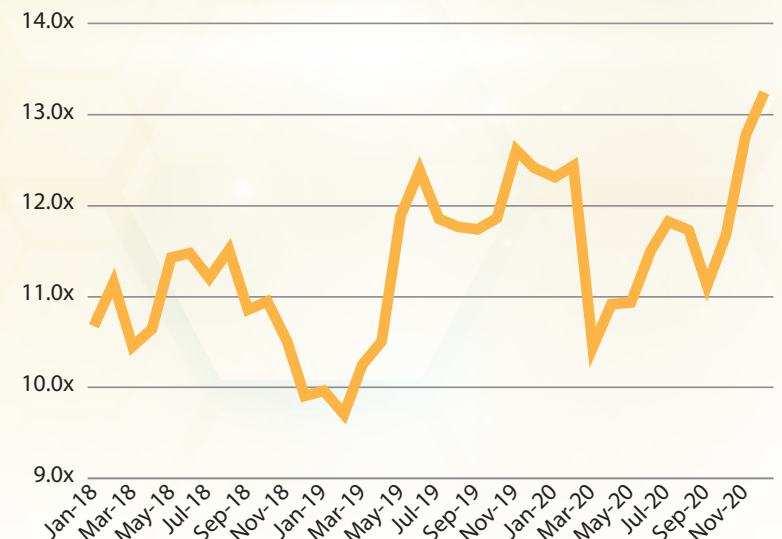
HEALTH CARE FACILITIES

Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Acadia Healthcare Company, Inc.	\$7,864.5	2.5x	14.0x
Brookdale Senior Living Inc.	\$5,841.7	1.9x	13.2x
HCA Healthcare, Inc.	\$83,892.1	1.7x	8.7x
Select Medical Holdings Corporation	\$8,279.4	1.5x	12.4x
Surgery Partners, Inc.	\$5,652.9	3.1x	20.2x
Tenet Healthcare Corporation	\$19,004.3	1.1x	8.1x
The Ensign Group, Inc.	\$4,836.4	2.1x	18.6x
Average		2.0x	13.6x
Median		1.9x	13.2x

Number of M&A Deals, (both public & private acquisition targets) 2017 through 2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies



Source: Capital IQ, as of 1/15/2021

HEALTH CARE SUPPLIES

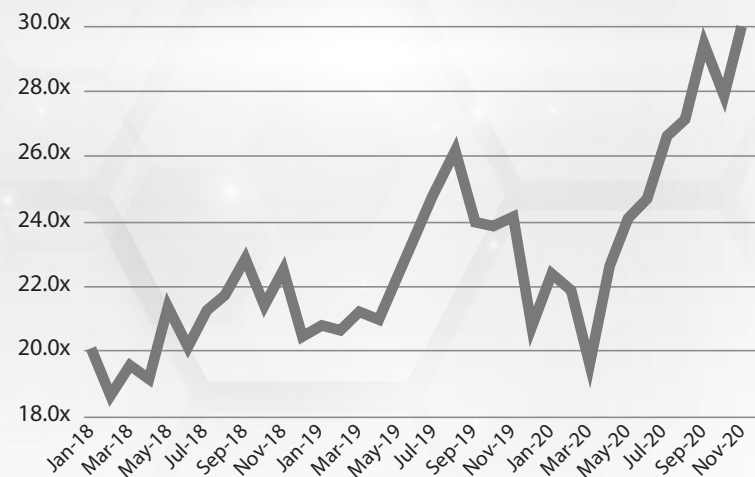
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Alcon, Inc.	\$36,162.3	5.3x	35.2x
Avanos Medical, Inc.	\$2,321.8	3.2x	41.4x
DENTSPLY SIRONA, Inc.	\$12,504.9	3.7x	19.9x
Haemonetics Corporation	\$6,228.3	6.9x	27.7x
ICU Medical, Inc.	\$4,189.1	3.3x	18.1x
Neogen Corporation, Inc.	\$3,833.0	8.8x	42.6x
The Cooper Companies, Inc.	\$19,812.3	8.2x	28.8x
West Pharmaceutical Services, Inc.	\$20,754.4	10.2x	43.6x

Average 6.2x 32.1x
Median 6.1x 32.0x

Number of M&A Deals, (both public & private acquisition targets) 2017 through 2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies



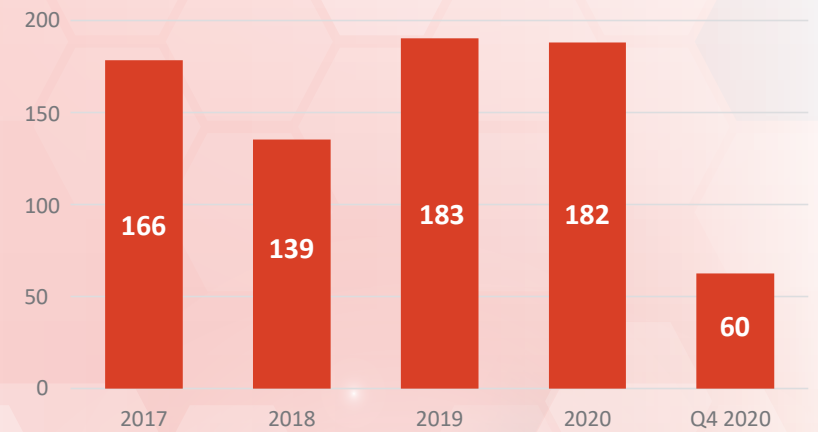
Source: Capital IQ, as of 1/15/2021

HEALTH CARE TECHNOLOGIES

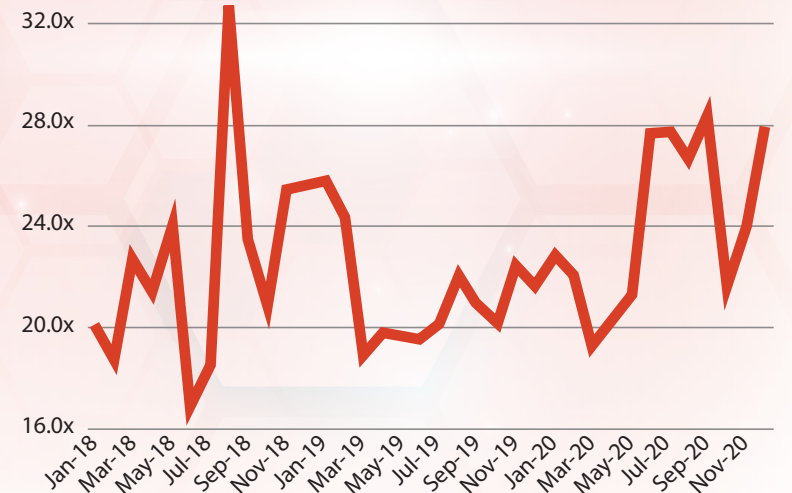
Company	Enterprise value (US \$ mil)	EV / Revenue	EV / EBITDA
Cerner Corporation	\$24,670.9	4.4x	19.8x
Allscripts Healthcare Solutions, Inc.	\$3,258.1	1.9x	46.7x
Omnicell, Inc.	\$4,965.6	5.6x	56.5x
Inovalon Holdings, Inc.	\$3,743.9	5.7x	21.0x
HMS Holdings Corp.	\$3,301.7	5.1x	27.9x

Average 4.6x 34.4x
Median 5.1x 27.9x

Number of M&A Deals, (both public & private acquisition targets) 2017 through 2020



Median Enterprise Value to EBITDA Multiples for Selected Public Companies



Source: Capital IQ, as of 1/15/2021

PUBLIC & PRIVATE ACQUISITION TRANSACTIONS

Date	Target	Acquirer / Investor	Category	EV (US\$m)
Dec-20	Driven Deliveries, Inc. (OTCPK:DRVD)	Stem Holdings, Inc.	Health Care Distributors	\$32.82
Oct-20	SleepWell, LLC	Protech Home Medical Corp.	Health Care Distributors	\$14.40
Dec-20	Strive Medical, LLC	New MainStream Capital	Health Care Distributors	-
Dec-20	Innovative Medical Systems, Inc.	Convergint Technologies LLC	Health Care Distributors	-
Oct-20	Atlanta Medical Gases LLC	NexAir LLC	Health Care Distributors	-
Oct-20	Travis Medical Sales Corporation	National Seating & Mobility, Inc.	Health Care Distributors	-
Dec-20	Luna Lights, Inc.	Sentrics	Health Care Equipment	-
Dec-20	Veran Medical Technologies, Inc.	Olympus Corporation of the Americas	Health Care Equipment	\$340.00
Dec-20	Straight Smile, LLC	DENTSPLY SIRONA Inc.	Health Care Equipment	\$1,040.00
Oct-20	Fiagon AG Medical Technologies	Intersect ENT, Inc.	Health Care Equipment	\$71.08
Dec-20	IR-MED LTD.	International Display Advertising, Inc.	Health Care Equipment	\$248.35
Dec-20	Chalgren Enterprises, Inc.	RhythmLink International, LLC	Health Care Equipment	-
Oct-20	Micro-Select Instruments, Inc.	Katena Products, Inc.	Health Care Equipment	-
Oct-20	GI Supply, Inc.	Laborie Medical Technologies, Inc.	Health Care Equipment	-
Nov-20	Southwestern Imaging Systems & Service, LLC	TTG Imaging Solutions, LLC	Health Care Equipment	-
Dec-20	Queen City Hospice, LLC	Addus HomeCare Corporation	Health Care Facilities	\$192.00
Dec-20	Fast Pace Medical Clinic, PLLC	Revelstoke Capital Partners LLC	Health Care Facilities	-

PUBLIC & PRIVATE ACQUISITION TRANSACTIONS

Date	Target	Acquirer / Investor	Category	EV (US\$m)
Dec-20	Bayless Integrated Healthcare	Magellan Health, Inc.	Health Care Facilities	-
Nov-20	Mission Healthcare	The Vistria Group, LLC	Health Care Facilities	-
Nov-20	Comfort Care Hospice LLC.	Silverstone Hospice, LLC	Health Care Facilities	-
Nov-20	Arbor Gardens Senior Living Facility	EYALC, LLC	Health Care Facilities	\$2.10
Nov-20	Simplura Health Group	Socrates, LLC	Health Care Facilities	\$575.00
Oct-20	Emergency Medical Services Business of R1 RCM Inc.	Sarnova, Inc.	Health Care Facilities	\$140.00
Oct-20	IC Axon Inc.	ClinicalMind, LLC	Health Care Facilities	\$30.00
Nov-20	County HomeMakers, Inc.	Addus HomeCare Corporation	Health Care Facilities	\$14.60
Dec-20	MedAssist International Ltd.	MedScan, Inc.	Health Care Facilities	\$13.36
Dec-20	Redwood Radiology, LLC	Radiology Partners, Inc.	Health Care Facilities	\$885.00
Nov-20	Adheris, LLC	MedAdvisor Welam USA Inc.	Health Care Facilities	\$34.50
Oct-20	Confucius Plaza Medical Laboratory Corp.	ProPhase Diagnostics, Inc.	Health Care Facilities	\$2.50
Nov-20	Key Surgical, Inc.	STERIS Corporation	Health Care Supplies	\$850.00
Dec-20	OptiExpress, Inc.	Quigley Eye Specialists, LLC	Health Care Supplies	-
Dec-20	PeelMaster Medical Packaging Corporation	Spectrum Plastics Group, Inc.	Health Care Supplies	-
Oct-20	Custom Healthcare Systems, Inc	Northfield Medical Manufacturing, LLC	Health Care Supplies	-
Oct-20	Lorne Laboratories Limited.	Calibre Scientific, Inc.	Health Care Supplies	-

PUBLIC & PRIVATE ACQUISITION TRANSACTIONS

Date	Target	Acquirer / Investor	Category	EV (US\$m)
Nov-20	Medicevo Corporation	Corporate Universe, Inc.	Health Care Supplies	-
Dec-20	CarePort Health, LLC	WellSky Corporation	Health Care Technologies	\$1,350.00
Oct-20	Assets of EPSi Business of Allscripts Healthcare & Software	Strata Decision Technology, L.L.C.	Health Care Technologies	\$365.00
Dec-20	e-MDs, Inc.	CompuGROUP Holding USA, Inc.	Health Care Technologies	\$240.00
Oct-20	Benchmark Systems, Inc.	CloudMD Holdings Corporation	Health Care Technologies	\$5.00
Oct-20	Livongo Health, Inc.	Teladoc Health, Inc.	Health Care Technologies	\$18,257.12
Dec-20	Gainwell	Veritas Capital Fund Management, L.L.C	Health Care Technologies	\$5,000.00
Nov-20	All of the Assets of Razor Jacket, LLC	Rapid Therapeutic Science Laboratories, Inc.	Pharmaceuticals	\$14.00
Nov-20	MyoKardia, Inc.	Bristol-Myers Squibb Company	Pharmaceuticals	\$12,238.98
Nov-20	PurePenn, LLC/ Pioneer Leasing & Consulting LLC	Trulieve Cannabis Corp.	Pharmaceuticals	\$106.00
Dec-20	Between Dandelions Inc.	Between Dandelions Inc.	Pharmaceuticals	-
Dec-20	Matrixx Initiatives, Inc.	Church & Dwight Co., Inc.	Pharmaceuticals	\$530.00
Oct-20	Sera Labs, Inc.	CURE Pharmaceutical Holding Corp.	Pharmaceuticals	\$22.28
Dec-20	Confirm Biosciences, Inc.	Clinical Reference Laboratory, Inc.	Pharmaceuticals	-