



Healthcare & Life Science Industry

QUARTERLY UPDATE

Q1 2023

M&A Activity Falls Below COVID-19 Lows in Q1 2023 (Down 38.5%) on Recession, Credit Market and Valuation Concerns, but We Are Seeing Valuation and Leverage Ratios in This Defensive Sector Continue to Show Resiliency

Healthcare Stocks (+3.5%) Underperformed the S&P 500 (+7.0%) in Q1 2023 After Outperforming in 2022





Market Summary & Outlook | Q1 2023

The index of Healthcare and Life Science equities tracked by Stout increased 3.5% in Q1 2023, underperforming the 7.0% increase of the S&P 500 during the first quarter. The collective number of Healthcare and Life Science M&A transactions dropped 38.5% to just 269 transactions versus 438 transactions in Q1 2022, descending below even the multi-year trough observed during the thick of the COVID-19 crisis in Q2 2020.

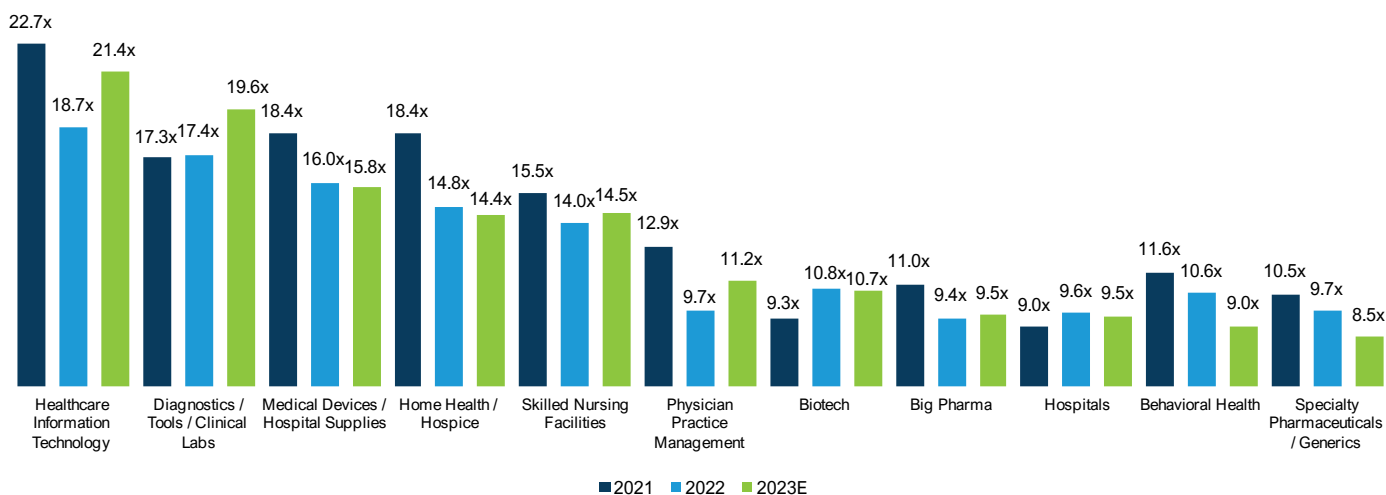
INTRODUCTION

The lull in Stout’s index of Healthcare and Life Science equities follows a strong outperformance for the sector in 2022. The technology-heavy NASDAQ also had momentum in Q1 2023, rallying 17% during the quarter, likely on the speculation that the banking crisis would lead to less aggressive rate hikes from the Federal Reserve, which positively impacts tech valuations given the high PE multiples in the sector. Those money flows likely impacted the relative performance of healthcare equities.

SUBSECTOR ANALYSIS

Subsector Average EBITDA Multiple

(Public Company Multiples Based on Enterprise Value / EBITDA)



Source: S&P Capital IQ, FRED Economic Data

Market Summary & Outlook (cont.)

Healthcare Services

Healthcare Services stocks held up relatively well in Q1 2023, with Physician Practice Management (PPM) being the best performing healthcare sector tracked by Stout, registering a gain of 27.8%.

Physician Practice Management

There are not many publicly traded PPM companies, but performance of the public companies monitored by Stout did seem to mirror the strong private equity interest in rolling up PPM companies to build large regional or national platforms in growing sectors. Each PPM subsector has a unique set of growth drivers and detractors, making trends in the subsector difficult to generalize. For example, aesthetic medicine is an area that we think will continue to grow, as social media influencers and the “Zoom Boom” have caused patients young and old to become increasingly self-conscious about their physical appearance and the preservation of youth. Younger and younger patients are opting into plastic surgery, and men are turning to plastic surgery in growing numbers. Younger patients are being introduced to aesthetic medicine through Botox, dermal filler injections, or body contouring, and ultimately graduate to surgical procedures that have a more sustainable benefit. The availability of financing and overall lower cost of these procedures is also expanding the market, and we feel that this segment is a lot more defensive than generally perceived. As a result, we are particularly interested in the Med Spa sector, as well as dermatology and plastic surgery roll-ups. Ophthalmology has elements of this as well, where eye surgeries are increasingly being performed for cosmetic reasons.

Fertility is another private pay sector with room for significant growth, as women are having children later in life, opting to first advance their careers and find the right partner, which could lead to greater difficulty getting pregnant and, in turn, spur the need for fertility services. A shortage of reproductive endocrinologists is likely to create challenges keeping up with patient demand, and there is talk in the industry about tapping OB/GYNs to enter fellowship programs in fertility to help meet demand. New, safer technologies allow for use of less medications (low stimulation), resulting in safer and better outcomes that could also expand the market.

In general, lifestyle changes, aging demographics, a shortage of physicians in some specialties, and the need to incentivize treatment of the lesser privileged could keep reimbursement in many Physician Practice Management categories relatively safe while these markets continue to grow.

Skilled Nursing and Home Health

Skilled Nursing / Assisted Living, Hospitals, and Home Health / Hospice stocks were up 9.2%, 7.9%, and 7.6%, respectively, in Q1 2023, slightly outperforming the broader market. Stout recently completed the sale of Care and Help Home Care, LLC to HouseWorks, a portfolio company of InTandem Capital Partners. This is a sector that we anticipate being very attractive for the foreseeable future as the family caregiver model is adopted for Medicaid patients under waiver programs in a growing number of states and as the patient population grows. The same can be said for home health agencies that focus on the private pay market. Overall, delivering healthcare services into the home opens countless possibilities for providing other adjacent services.

Market Summary & Outlook (cont.)

Stout has a thesis that several states will increase reimbursement rates and funding for Medicaid recipients, who have often faced difficulty accessing quality care due to providers declining to participate in government-funded programs. In California, for example, Medicaid has become an attractive and lucrative business for providers who know how to effectively operate in the segment.

Stout anticipates that payors will increasingly refer patients into the lower-cost home setting earlier in the patient's continuum of care, and we are actively working on mandates within the home healthcare supply and medical equipment distribution subsectors, where the market is expanding quickly and moving toward capitation from traditional fee-for-service models. The capitation model is growing, as the provider receives cash up front without the concern of having to collect from insurance and avoiding the regulatory scrutiny of government-backed plans, while the payer can better predict their cost of care. Stout is also actively engaged in unskilled home care, where Medicaid beneficiaries receive paid care from family members that serve as a built-in workforce for the agency.

Behavioral Health

The Behavioral Health subsector was down 7.9% in Q1 2023, while Healthcare Information Technology equities were up 3.7%. The Behavioral Health sector is likely being impacted by growing concerns around the potential for higher operating and labor costs, company-specific issues (for example, Universal Health Services, Inc. (NYSE:UHS) had an acute care hospital closure), as well as reimbursement challenges for inpatient services and the migration to outpatient services, but we believe there is pent-up demand for mental health and/or substance use disorder services that will be realized and capitalized upon as business models evolve.

Medical Devices & Life Sciences

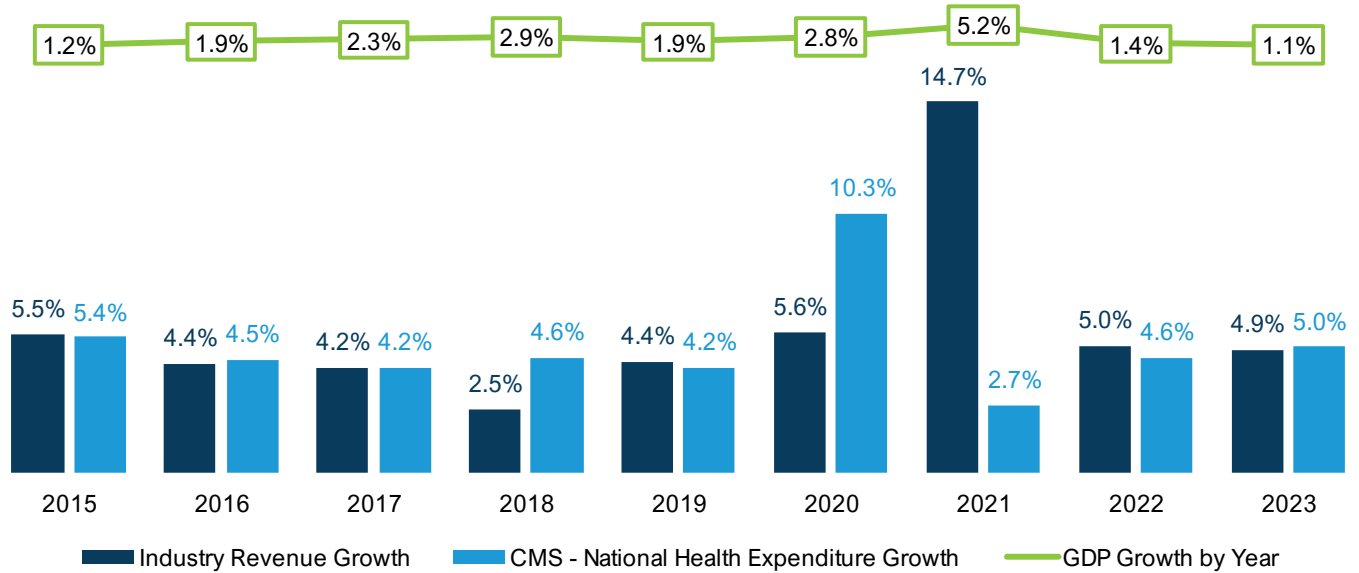
Medical Devices & Life Sciences broadly underperformed the market during Q1 2023, which is not typical in the recent past and likely a function of the market rotation into tech in Q1 2023 or perhaps relative valuation and dividend yield.

Big Pharma, Biotech, and Diagnostics / Tools / Clinical Labs were down 3.6%, 2.5%, and 1.4%, respectively, during Q1 2023. Medical Devices / Hospital Supplies and Specialty Pharmaceuticals were up 1.7% and 2.3%, respectively. We continue to see strong interest in medical products through the recent sale of Europa Eyewear to Blue Point Capital and other mandated projects in medical devices. Medical Devices and Diagnostics / Tools / Clinical Labs are two of our favorite sectors given the proprietary nature of the products that create barriers to entry and promote high margins. Also contributing to this are the large global markets that allow businesses to efficiently scale and leverage manufacturing costs. Finally, the creation of new, less invasive surgical procedures and an expanding menu of diagnostic tests have increased the addressable market opportunity considerably.

Market Summary & Outlook (cont.)

Revenue Growth: Stout Healthcare Universe vs. CMS Health Expenditures vs. GDP

(Industry Revenue Figures Based on Subsectors Tracked by Stout)



The Healthcare & Life Science industry revenue growth is tracking at 4.9% year-to-date, which is in-line with the Center for Medicare and Medicaid Services (CMS) data on National Healthcare Expenditure Growth and well above the muted GDP growth of 1.1%.

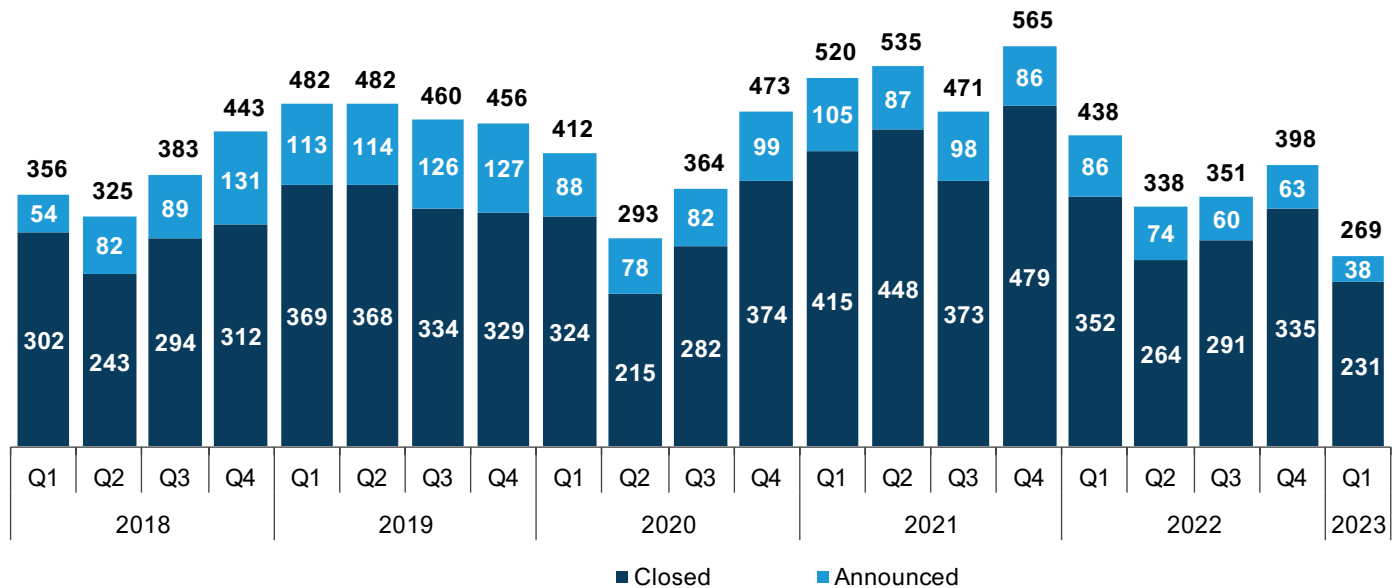
Sources: S&P Capital IQ, FRED Economic Data, Center for Medicare & Medicaid Services



Stout – Healthcare M&A Activity Highlights

Quarterly Healthcare & Life Science M&A Transaction Volume

(Number of Announced & Closed M&A Transactions Per Quarter)



M&A MARKET KEY TAKEAWAYS

- ✓ M&A activity is down on concerns around higher interest rates, credit market conditions (lenders being increasingly more selective in deals they are choosing to finance), recession fears, and sellers holding off on coming to market due to concerns about valuation falling short of expectations. We would note that Healthcare and Life Sciences tend to be “recession resistant,” and leverage ratios have not changed materially in the healthcare middle market based on our recent insight (deals still trading at 4.0x levered).
- ✓ Healthcare and Life Science valuation levels are holding up relatively well and are at compelling levels vis-a-vis history (from a seller perspective). We continue to see high interest in our deals, and PE funds still have a large pool of dry powder that needs to be put to work.
- ✓ M&A transaction volume across the Healthcare & Life Science sector declined 38.5% in Q1 2023, with 269 deals announced and/or closed versus 438 in the year-earlier quarter. This was the lowest level in many years and below the lows of the COVID-19 pandemic in Q2 2020.
- ✓ There were only 38 deals announced and 231 deals closed in Q1 2023 versus 86 and 352 in Q1 2022, respectively. This drop in announced deals also does not bode well for future deal closing volumes.

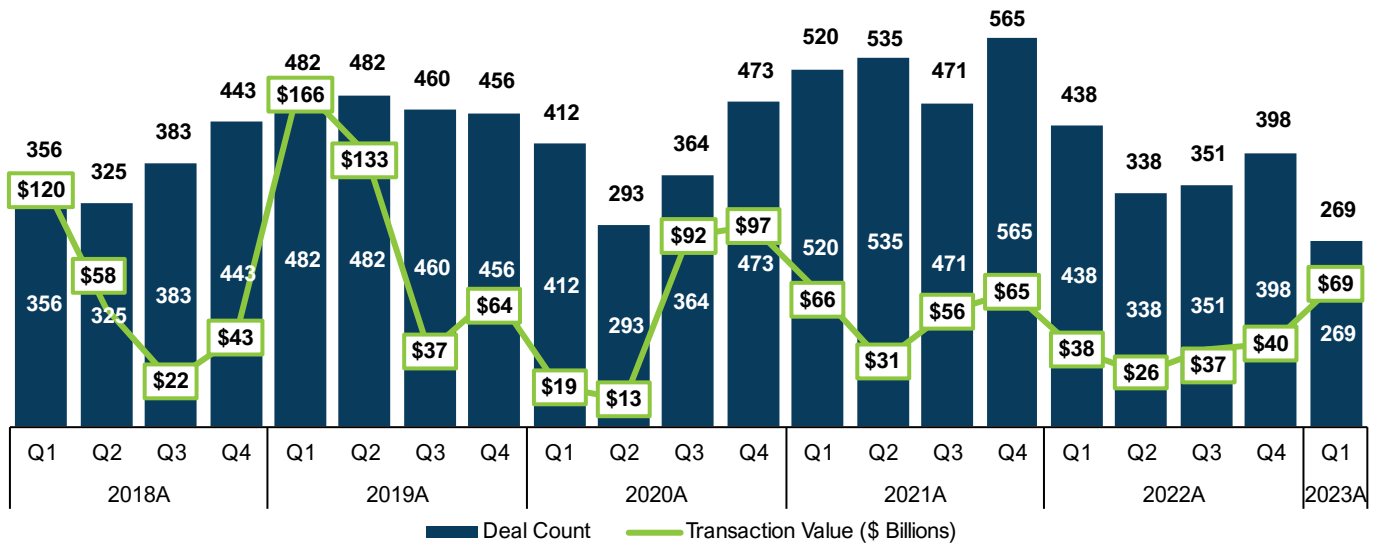
Sources: Stout Proprietary Database, S&P Capital IQ

Stout – Healthcare M&A Activity Highlights

- ✓ Transaction value in Q1 2023 was \$69 billion versus \$38 billion in the year-earlier quarter, owing to Pfizer’s (NYSE:PFE) landmark \$44 billion acquisition of Seagen (NasdaqGS:SGEN).
- ✓ The Medical Device sector observed further consolidation in orthopedics with Globus Medical’s (NYSE:GMED) acquisition of NuVasive (NasdaqGS:NUVA) and Zimmer Biomet (NYSE:ZBH) picking up Embody.
- ✓ As publicly announced transactions, the above-mentioned deals contributed most of the deal value in Q1 2023. However, transaction values are typically not disclosed for private transactions, which impacts comparability of deal values from quarter to quarter.
- ✓ In PPM, CVS Health (NYSE:CVS) made a \$10 billion purchase of Oak Street Health (NYSE: OSH), which is intriguing in that it adds primary care physician services to an insurance and pharmacy chain giant in a consolidation move akin to what competitor Optum (UnitedHealth Group) has been doing.
- ✓ Private equity deals accounted for 119 (44%) out of the 269 deals in Q1 2023, with only nine new PE platforms established in the quarter.

Quarterly Healthcare & Life Science M&A Activity & Transaction Value

(Number of Announced & Closed M&A Transactions Per Quarter)



Source: S&P Capital IQ

Stout – Healthcare M&A Activity Highlights

RECENT NOTABLE HEALTHCARE & LIFE SCIENCE INDUSTRY TRANSACTIONS

Date	Target (Ownership)	Subsector	Acquiror (Ownership)
Mar-23	Pfizer Inc. (NYSE:PFE)	Pharmaceuticals / Biotechnology	Seagen Inc. (NasdaqGS:SGEN)
Mar-23	Provention Bio, Inc. (NasdaqGS:PRVB)	Pharmaceuticals / Biotechnology	Sanofi (ENXTPA:SAN)
Mar-23	GreenLight Biosciences Holdings (NasdaqGM:GRNA)	Pharmaceuticals / Biotechnology	Fall Line Endurance Fund
Feb-23	Oak Street Health Inc. (NYSE: OSH)	Physician Practice Management	CVS Health Corporation (NYSE:CVS)
Feb-23	NuVasive, Inc. (NasdaqGS:NUVA)	Medical Devices	Globus Medical, Inc. (NYSE:GMED)
Feb-23	Cardiovascular Systems, Inc.	Medical Devices	Abbott Laboratories (NYSE:ABT)
Jan-23	CinCor Pharma, Inc.	Pharmaceuticals / Biotechnology	AstraZeneca PLC (NasdaqGS:AZN)
Jan-23	Albireo Pharma, Inc.	Pharmaceuticals / Biotechnology	Ipsen Biopharmaceuticals, Inc.
Jan-23	Concert Pharmaceuticals, Inc.	Pharmaceuticals / Biotechnology	Sun Pharmaceutical Industries Limited (NSEI:SUNPHARMA)
Jan-23	Embody, Inc.	Medical Devices	Zimmer Biomet Holdings, Inc. (NYSE:ZBH)

NOTABLE HEALTHCARE & LIFE SCIENCE INDUSTRY TRANSACTION HIGHLIGHTS



Pfizer Inc. (NYSE: PFE) has entered into a definitive merger agreement under which Pfizer will acquire Seagen Inc. (Nasdaq: SGEN), a biotechnology company that discovers, develops, and commercializes transformative cancer medicines, for approximately \$43.0 billion. The proposed combination enhances Pfizer's position as a leading company in oncology by adding Seagen's medicines, late-stage development programs, and pioneering expertise in antibody-drug conjugates.



CVS Health Corporation (NYSE: CVS) has completed its acquisition of Oak Street Health Inc. (NYSE: OSH), a leading multi-payor, value-based primary care company, for approximately \$10.6 billion. Oak Street Health employs approximately 600 primary care providers and has 169 medical centers across 21 states. The acquisition can benefit patients' long-term health by reducing care costs and improving outcomes, creating a premier value-based primary care solution with unmatched reach.



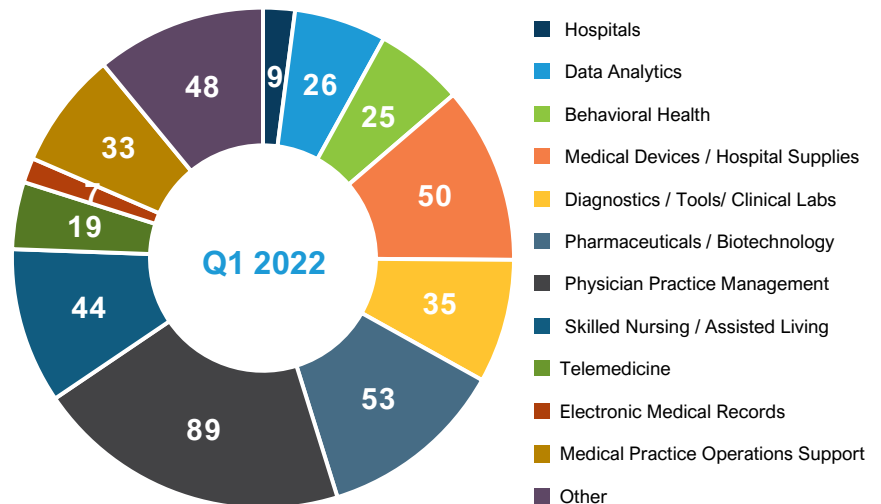
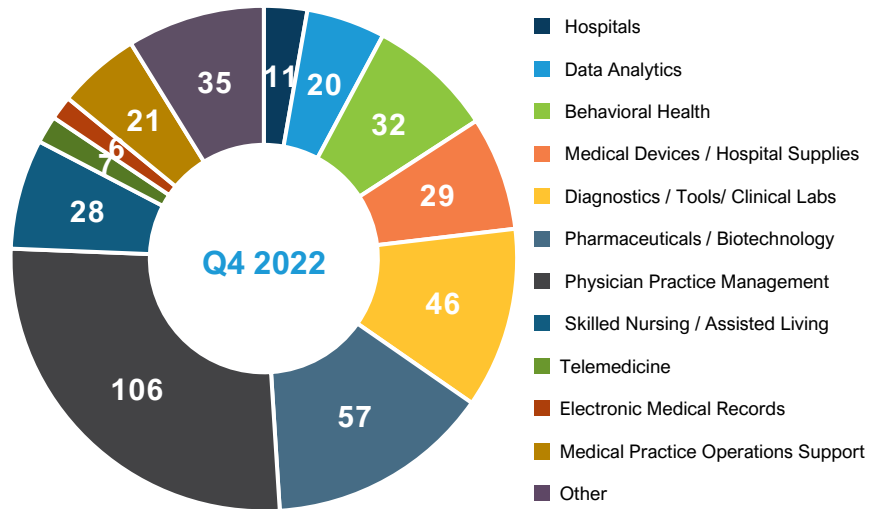
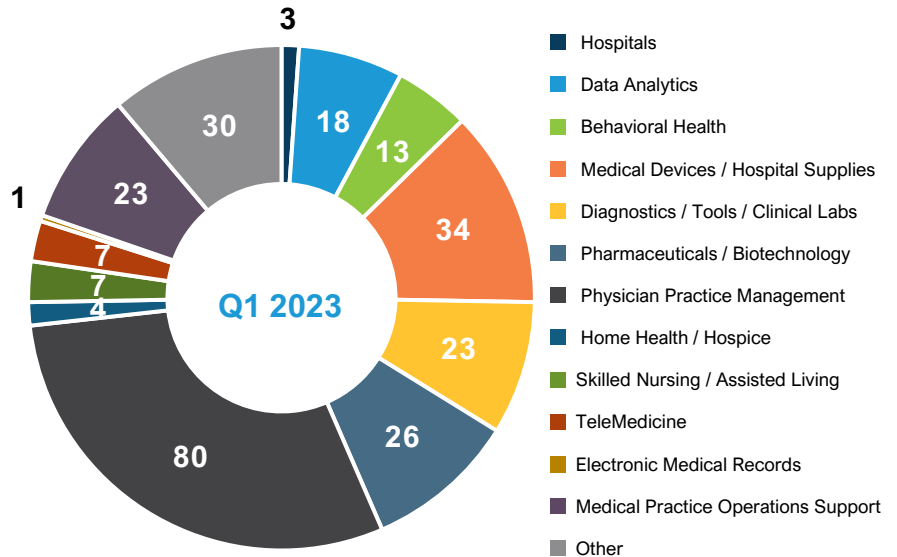
Sanofi (ENXTPA:SAN) has entered into an agreement to acquire Provention Bio, Inc. (NasdaqGS:PRVB), a biopharmaceutical company focused on intercepting and preventing immune-mediated diseases, for approximately \$2.9 billion. Provention Bio's fully-owned, first-in-class therapy in Type 1 diabetes drives Sanofi's core asset portfolio in General Medicines toward products with a differentiated profile and represents an intersection of Sanofi's growth in immune-mediated diseases.



Healthcare Subsector M&A Activity

- PPM was once again the most active subsector, logging 80 transactions in Q1 2023, which held up well versus 89 transactions in Q1 2022.
- PPM roll-ups fueled deal volume in this most active sector with add-ons in Dental, Cardiovascular, Med Spa, Physical Therapy, Primary Care, G.I., Ophthalmology, and Fertility.
- Behavioral Health transaction volume dropped to 13 deals versus 25 a year ago.
- Medical Devices / Hospital Supplies observed 34 deals in Q1 2023 versus 50 in Q1 2022; the quarter saw further consolidation in orthopedics with Globus Medical’s acquisition of NuVasive.
- Pharmaceuticals / Biotechnology logged 26 transactions in Q1 2023 versus 53 in Q1 2022.
- Diagnostics / Tools / Clinical Labs observed 23 transactions in Q1 2023 versus 35 in Q1 2022.
- Skilled Nursing / Assisted Living was hit hard with just seven deals in Q1 2023.
- Healthcare Information Technology also fell steeply, logging 49 transactions in Q1 2023 versus 85 in Q1 2022.

M&A Volume by End Market



Source: S&P Capital IQ

Public Company Performance

(\$ millions, except share data)		Ticker	3/31/23	Share Price			Ent. Value	LTM Margins		EV /		Debt /
				% 52 High	Q1 Δ	YTD Δ		Gross	EBITDA	LTM Revenue	LTM EBITDA	EBITDA
Hospitals												
	Community Health Systems, Inc.	CYH	\$ 4.90	40.1%	13.4%	13.4%	\$ 13,614	39.8%	9.3%	1.1x	12.0x	11.0x
	Encompass Health Corporation	EHC	54.10	72.5%	(9.5%)	(9.5%)	8,864	40.6%	20.4%	2.0	9.8	3.3
	HCA Healthcare, Inc.	HCA	263.68	94.5%	9.9%	9.9%	115,467	38.7%	20.2%	1.9	9.4	3.3
	Select Medical Holdings Corporation	SEM	25.85	84.0%	4.1%	4.1%	8,590	18.1%	9.8%	1.3	13.6	8.2
	Tenet Healthcare Corporation	THC	59.42	64.7%	21.8%	21.8%	23,966	37.4%	18.1%	1.2	6.7	4.2
	Group Median			72.5%	9.9%	9.9%	\$ 13,614	38.7%	18.1%	1.3x	9.8x	4.2x
	Group Mean			71.2%	7.9%	7.9%	\$ 34,100	34.9%	15.6%	1.5	10.3	6.0
Healthcare Information Technology												
	Definitive Healthcare Corp.	DH	\$ 10.33	34.3%	(6.0%)	(6.0%)	\$ 1,519	87.7%	9.3%	6.6x	NM	12.6x
	Doximity, Inc.	DOCS	32.38	59.2%	(3.5%)	(3.5%)	5,483	87.2%	31.1%	13.6	43.9	0.1
	Evolent Health, Inc.	EVH	32.45	81.6%	15.6%	15.6%	4,087	24.0%	4.5%	2.8	NM	10.4
	McKesson Corporation	MCK	356.05	88.6%	(5.1%)	(5.1%)	51,741	4.5%	1.9%	0.2	10.0	1.4
	NextGen Healthcare, Inc.	NXGN	17.41	79.2%	(7.3%)	(7.3%)	1,184	52.8%	5.9%	1.9	32.2	7.5
	Omnicell, Inc.	OMCL	58.67	44.5%	16.4%	16.4%	2,914	45.1%	3.5%	2.3	NM	13.7
	OptimizeRx Corporation	OPRX	14.63	34.6%	(12.9%)	(12.9%)	176	62.4%	(16.4%)	2.8	NM	NA
	R1 RCM Inc.	RCM	15.00	53.8%	37.0%	37.0%	8,014	19.5%	20.5%	4.1	19.9	4.7
	Tabula Rasa HealthCare, Inc.	TRHC	5.59	83.6%	12.9%	12.9%	406	22.9%	(12.6%)	1.3	NM	NA
	Teladoc Health, Inc.	TDCC	25.90	33.4%	9.5%	9.5%	4,928	69.8%	(0.1%)	2.0	NM	NA
	Veeva Systems Inc.	VEEV	183.79	79.1%	13.9%	13.9%	26,329	71.7%	22.7%	12.2	NM	0.1
	Veradigm Inc.	MDRX	13.05	56.1%	(26.0%)	(26.0%)	1,152	50.6%	7.5%	0.8	10.0	1.9
	Group Median			57.7%	3.0%	3.0%	\$ 3,501	51.7%	5.2%	2.5x	19.9x	4.7x
	Group Mean			60.7%	3.7%	3.7%	\$ 8,995	49.8%	6.5%	4.2	23.2	5.8
Behavioral Health												
	Acadia Healthcare Company, Inc.	ACHC	\$ 72.25	80.4%	(12.2%)	(12.2%)	\$ 8,213	42.5%	21.5%	3.0x	14.2x	2.7x
	DLH Holdings Corp.	DLHC	11.47	58.8%	(3.3%)	(3.3%)	374	22.6%	10.6%	1.2	11.5	6.7
	ModivCare Inc.	MODV	84.08	69.2%	(6.3%)	(6.3%)	2,215	18.1%	6.3%	0.9	13.6	6.4
	Universal Health Services, Inc.	UHS	127.10	80.3%	(9.8%)	(9.8%)	14,190	38.8%	12.4%	1.0	8.4	3.1
	Group Median			74.7%	(8.0%)	(8.0%)	\$ 5,214	30.7%	11.5%	1.1x	12.6x	4.8x
	Group Mean			72.2%	(7.9%)	(7.9%)	\$ 6,248	30.5%	12.7%	1.5	11.9	4.7
Medical Devices / Hospital Supplies												
	Abbott Laboratories	ABT	\$ 101.26	81.4%	(7.8%)	(7.8%)	\$ 183,700	55.6%	25.8%	4.4x	17.2x	1.6x
	Baxter International Inc.	BAX	40.56	50.3%	(20.4%)	(20.4%)	35,782	39.0%	20.6%	2.4	11.6	5.5
	Becton, Dickinson and Company	BDX	247.54	89.3%	(2.7%)	(2.7%)	86,516	45.7%	25.5%	4.6	18.0	3.8
	Boston Scientific Corporation	BSX	50.03	99.7%	8.1%	8.1%	80,964	68.7%	25.2%	6.2	24.7	2.9
	Edwards Lifesciences Corporation	EW	82.73	63.1%	10.9%	10.9%	49,660	79.8%	34.9%	9.0	25.8	0.4
	ICU Medical, Inc.	ICUI	164.96	70.5%	4.7%	4.7%	5,382	31.3%	11.4%	2.3	20.5	6.3
	Integra LifeSciences Holdings Corporation	IART	57.41	86.2%	2.4%	2.4%	5,977	62.9%	25.0%	3.8	15.3	4.1
	Medtronic plc	MDT	80.62	70.5%	3.7%	3.7%	124,427	66.7%	28.1%	4.0	14.4	3.3
	Stryker Corporation	SYK	285.47	99.9%	16.8%	16.8%	119,948	62.9%	24.5%	6.3	25.8	2.9
	Teleflex Incorporated	TFX	253.31	71.0%	1.5%	1.5%	13,408	55.5%	27.4%	4.8	17.5	2.4
	Zimmer Biomet Holdings, Inc.	ZBH	129.20	95.7%	1.3%	1.3%	32,763	71.6%	32.9%	4.6	14.0	2.6
	Group Median			81.4%	2.4%	2.4%	\$ 49,660	62.9%	25.5%	4.6x	17.5x	2.9x
	Group Mean			79.8%	1.7%	1.7%	\$ 67,139	58.2%	25.6%	4.8	18.6	3.2
Diagnostics / Tools / Clinical Labs												
	Agilent Technologies, Inc.	A	\$ 138.34	86.3%	(7.6%)	(7.6%)	\$ 42,787	54.5%	29.1%	6.2x	21.2x	1.6x
	Bio-Techne Corporation	TECH	74.19	65.2%	(10.5%)	(10.5%)	11,985	68.2%	31.3%	10.7	34.0	1.3
	Danaher Corporation	DHR	252.04	83.0%	(5.0%)	(5.0%)	198,993	60.1%	34.2%	6.4	18.8	2.0
	Hologic, Inc.	HOLX	80.70	93.1%	7.9%	7.9%	20,268	65.4%	37.7%	4.5	12.0	1.7
	Illumina, Inc.	ILMN	232.55	62.7%	15.0%	15.0%	38,261	68.6%	12.5%	8.3	NM	6.2
	Laboratory Corporation of America Holdings	LH	229.42	81.7%	(2.6%)	(2.6%)	26,288	28.0%	15.7%	1.8	11.3	2.7
	Revvity, Inc.	PKI	133.26	75.8%	(5.0%)	(5.0%)	20,987	61.6%	38.8%	6.3	16.3	3.6
	Quest Diagnostics Incorporated	DGX	141.48	89.4%	(9.6%)	(9.6%)	20,312	34.2%	18.6%	2.1	11.4	2.6
	Thermo Fisher Scientific Inc.	TMO	576.37	93.2%	4.7%	4.7%	249,954	42.3%	26.6%	5.6	20.9	3.0
	Group Median			83.0%	(5.0%)	(5.0%)	\$ 26,288	60.1%	29.1%	6.2x	17.6x	2.6x
	Group Mean			81.2%	(1.4%)	(1.4%)	\$ 69,982	53.7%	27.2%	5.8	18.2	2.7
Specialty Pharmaceuticals / Generics												
	AbbVie Inc.	ABBV	\$ 159.37	90.6%	(1.4%)	(1.4%)	\$ 336,919	71.0%	52.0%	5.9x	11.4x	2.1x
	Bausch Health Companies Inc.	BHC	8.10	33.8%	29.0%	29.0%	23,369	70.6%	33.9%	2.9	8.4	7.6
	Eli Lilly and Company	LLY	343.42	89.3%	(6.1%)	(6.1%)	325,094	77.7%	33.1%	11.7	35.5	2.1
	Pacira BioSciences, Inc.	PCRX	40.81	49.7%	5.7%	5.7%	2,326	57.8%	22.3%	3.5	15.6	4.2
	Perrigo Company plc	PRGO	35.87	81.7%	5.2%	5.2%	8,567	32.7%	11.4%	1.9	16.9	8.5
	Teva Pharmaceutical Industries Limited	TEVA	8.85	77.3%	(3.0%)	(3.0%)	29,478	46.7%	26.6%	2.0	7.4	5.5
	Viartis Inc.	VTRS	9.62	77.6%	(13.6%)	(13.6%)	29,585	43.1%	34.0%	1.9	5.5	3.5
	Group Median			77.6%	(1.4%)	(1.4%)	\$ 29,478	57.8%	33.1%	2.9x	11.4x	4.2x
	Group Mean			71.4%	2.3%	2.3%	\$ 107,906	57.1%	30.5%	4.3	14.4	4.8

Notes: Market value based on fully-diluted shares including conversion of all exercisable in-the-money options, less shares repurchased using option proceeds. Enterprise Value equals Market Value plus total straight and convertible debt, preferred stock and minority interest, less cash. LTM EBITDA multiples exclude multiples greater than 45x.

Public Company Performance

(\$ millions, except share data)		Ticker	3/31/23	Share Price			Ent. Value	LTM Margins		EV /		Debt /
				% 52 High	Q1 Δ	YTD Δ		Gross	EBITDA	LTM Revenue	LTM EBITDA	EBITDA
Biotech												
	Amgen Inc.	AMGN	\$ 241.75	81.5%	(8.0%)	(8.0%)	\$ 159,123	74.9%	50.1%	6.1x	12.1x	4.7x
	Biogen Inc.	BIIB	278.03	89.1%	0.4%	0.4%	41,730	78.4%	33.4%	4.1	12.4	2.0
	Gilead Sciences, Inc.	GILD	82.97	92.5%	(3.4%)	(3.4%)	122,277	79.2%	46.1%	4.5	9.8	2.0
	Incyte Corporation	INCY	72.27	83.8%	(10.0%)	(10.0%)	13,041	47.9%	16.6%	3.8	22.7	0.1
	Jazz Pharmaceuticals plc	JAZZ	146.33	86.1%	(8.1%)	(8.1%)	14,203	92.7%	45.2%	3.9	8.6	3.5
	Regeneron Pharmaceuticals, Inc.	REGN	821.67	98.4%	13.9%	13.9%	81,435	55.8%	41.0%	6.6	16.0	0.5
	Group Median			87.6%	(5.7%)	(5.7%)	\$ 61,583	76.6%	43.1%	4.3x	12.2x	2.0x
	Group Mean			88.6%	(2.5%)	(2.5%)	71,968	71.5%	38.7%	4.8	13.6	2.1
Home Health / Hospice												
	Addus HomeCare Corporation	ADUS	\$ 106.76	92.8%	7.3%	7.3%	\$ 1,788	31.4%	9.4%	1.8x	19.5x	1.8x
	Amedisys, Inc.	AMED	73.55	41.7%	(12.0%)	(12.0%)	2,884	43.1%	9.0%	1.3	14.4	2.4
	Aveanna Healthcare Holdings Inc.	AVAH	1.04	29.8%	33.3%	33.3%	1,673	30.9%	4.0%	0.9	23.2	20.8
	Chemed Corporation	CHE	537.75	99.7%	5.4%	5.4%	8,146	35.1%	17.8%	3.8	21.2	0.4
	Enhabit, Inc.	EHAB	13.91	55.1%	5.7%	5.7%	1,326	50.9%	12.2%	1.2	10.2	4.8
	Optum Care Health, Inc.	OPCH	31.77	88.6%	5.6%	5.6%	6,547	22.1%	7.9%	1.6	20.5	3.6
	Group Median			71.8%	5.6%	5.6%	\$ 2,336	33.3%	9.2%	1.5x	20.0x	3.0x
	Group Mean			68.0%	7.6%	7.6%	3,728	35.6%	10.0%	1.8	18.2	5.6
Skilled Nursing Facilities												
	Brookdale Senior Living Inc.	BKD	\$ 2.95	38.8%	8.1%	8.1%	4,978	26.3%	9.2%	1.8	19.1	18.6
	National HealthCare Corporation	NHC	58.07	77.1%	(2.4%)	(2.4%)	847	36.5%	6.0%	0.8	13.2	1.8
	The Ensign Group, Inc.	ENSG	95.54	96.0%	1.0%	1.0%	6,899	17.4%	11.4%	2.2	18.8	5.2
	The Pennant Group, Inc.	PNTG	14.28	70.4%	30.1%	30.1%	750	21.3%	5.8%	1.5	26.5	11.5
	Group Median			73.7%	4.5%	4.5%	\$ 2,913	23.8%	7.6%	1.7x	19.0x	8.3x
	Group Mean			70.6%	9.2%	9.2%	3,368	25.4%	8.1%	1.6	19.4	9.3
Physician Practice Management												
	DaVita Inc.	DVA	\$ 81.11	65.0%	8.6%	8.6%	\$ 20,069	29.3%	17.3%	1.7x	9.9x	5.7x
	Fresenius Medical Care AG & Co. KGaA	FMS	21.26	61.4%	30.1%	30.1%	26,594	27.4%	12.8%	1.3	10.0	5.3
	Pediatrix Medical Group, Inc.	MD	14.91	60.4%	0.3%	0.3%	1,949	22.9%	11.4%	1.0	8.6	3.7
	RadNet, Inc.	RDNT	25.03	97.1%	32.9%	32.9%	2,992	20.2%	11.6%	2.1	18.1	9.1
	Surgery Partners, Inc.	SGRY	34.47	54.0%	23.7%	23.7%	8,326	22.4%	18.6%	3.2	17.2	6.0
	WELL Health Technologies Corp.	WELL.TO	3.59	90.8%	71.2%	71.2%	1,131	53.3%	14.1%	2.7	19.1	4.5
	Group Median			63.2%	26.9%	26.9%	\$ 5,659	25.2%	13.5%	1.9x	13.6x	5.5x
	Group Mean			71.4%	27.8%	27.8%	10,177	29.2%	14.3%	2.0	13.8	5.7
Big Pharma												
	AstraZeneca PLC	AZN	\$ 69.41	96.2%	2.4%	2.4%	\$1,316,977	84.3%	34.0%	30.0x	NM	2.2x
	Bristol-Myers Squibb Company	BMJ	69.31	85.1%	(3.7%)	(3.7%)	175,958	78.5%	42.8%	3.8	9.0	2.0
	GSK plc	GSK	35.58	60.6%	1.3%	1.3%	88,388	70.3%	34.0%	2.5	7.2	2.1
	Johnson & Johnson	JNJ	155.00	83.0%	(12.3%)	(12.3%)	422,547	67.4%	34.5%	4.5	12.9	1.3
	Merck & Co., Inc.	MRK	106.39	92.1%	(4.1%)	(4.1%)	290,512	72.8%	38.7%	5.0	13.0	1.4
	Novartis AG	NVS	92.00	97.6%	1.4%	1.4%	2,112,380	71.2%	35.6%	40.4	NM	1.6
	Pfizer Inc.	PFE	40.80	72.4%	(20.4%)	(20.4%)	247,193	66.0%	43.9%	2.5	5.6	0.9
	Roche Holding AG	SWX:ROG	285.94	64.6%	(9.0%)	(9.0%)	251,176	72.0%	37.2%	3.5	9.4	1.1
	Sanofi	SNY	54.42	93.7%	12.4%	12.4%	145,119	69.9%	31.2%	2.9	9.3	1.5
	Group Median			85.1%	(3.7%)	(3.7%)	\$ 251,176	71.2%	35.6%	3.8x	9.3x	1.5x
	Group Mean			82.8%	(3.6%)	(3.6%)	561,139	72.5%	36.8%	10.6	9.5	1.6
	Overall Median			80.3%	1.3%	1.3%	\$ 20,069	50.9%	20.5%	2.9x	14.0x	3.2x
	Overall Mean			74.4%	3.5%	3.5%	101,343	50.5%	21.4%	4.4	15.7	4.3
	S&P 500				7.0%	7.0%						

Notes: Market value based on fully-diluted shares including conversion of all exercisable in-the-money options, less shares repurchased using option proceeds. Enterprise Value equals Market Value plus total straight and convertible debt, preferred stock and minority interest, less cash. LTM EBITDA multiples exclude multiples greater than 45x.

Healthcare & Life Science Practice Overview

ABOUT


For more than 30 years, Stout has exclusively focused on serving the unique M&A transaction advisory needs of middle-market clients. Our firm is a trusted advisor to leading organizations due to our deep industry knowledge, senior-level attention, process expertise, and relentless focus on delivering unparalleled results.

The Stout Healthcare and Life Science team has deep experience and expertise across numerous industry subsectors, processes, and end markets.

FOCUS AREAS

- **Medical Devices, Medical Technology, and Equipment**
- **Hospital Supplies**
- **Life Sciences Tools & Diagnostics**
- **Healthcare Distribution**
- **Physician Practice Management**
- **Pharma Services**
- **Behavioral Health**
- **Specialty Pharmaceuticals**
- **Biotechnology**
- **Post-Acute Care Services**
- **Homecare Services**
- **Healthcare Information Technology**

SELECT RECENT TRANSACTIONS



Care & Help
Home Care Agency

has been acquired by
HouseWorks
a portfolio company of
InTandem
CAPITAL PARTNERS

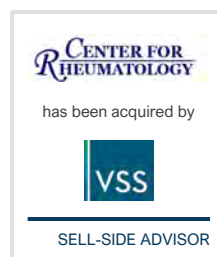
SELL-SIDE ADVISOR



europa
eyewear

has partnered with
BLUEPOINT
Capital Partners

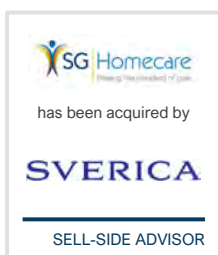
SELL-SIDE ADVISOR



CENTER FOR
RHEUMATOLOGY

has been acquired by
VSS

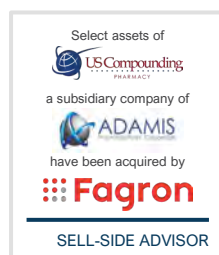
SELL-SIDE ADVISOR



SG Homecare
a subsidiary of Sverica

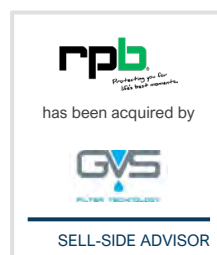
has been acquired by
SVERICA

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Select assets of
US Compounding
Pharmacies
a subsidiary company of
ADAMIS
have been acquired by
Fagron

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rpb
Engineering for the
life sciences

has been acquired by
GVS
FILTER TECHNOLOGY

SELL-SIDE ADVISOR

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ABOUT STOUT INVESTMENT BANKING

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