



## HYDE PARK CAPITAL

Investment Banking | Mergers & Acquisitions | Capital Raising

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# *Healthcare* **M&A Report** *Q3 2017*



# Capital Markets Overview – Healthcare

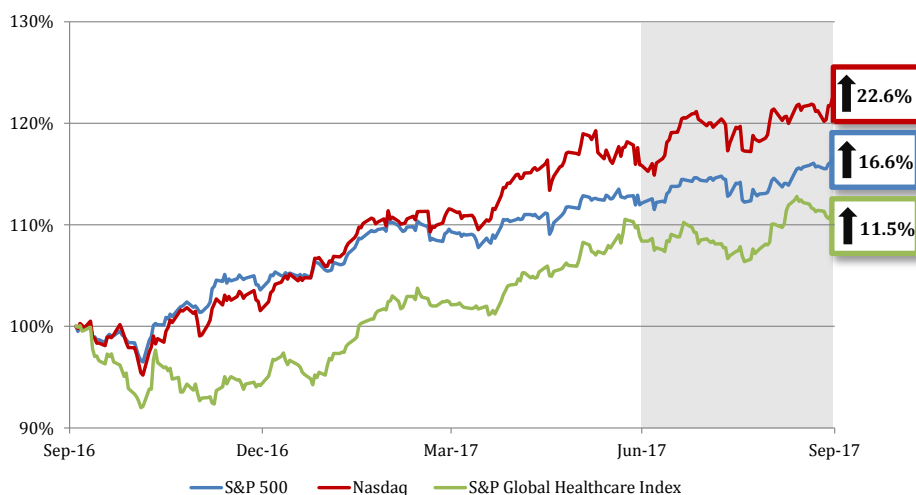
## Commentary

- Major market indices including the Nasdaq, S&P 500 and S&P Global Healthcare Index posted positive results over the 12-month period ended September 30, 2017, increasing 22.6%, 16.6%, and 11.5%, respectively.
- The table to the right highlights select public offerings completed in the Healthcare industry during Q3 2017. Deciphera Pharmaceuticals, Inc. (NASDAQ:DCPH), a clinical stage biopharmaceutical company, completed the largest IPO during the quarter, raising \$128 million from investors.
- The *Healthcare Equipment & Supplies* and *Healthcare Technology* sectors were the industry's leaders with respect to valuation during Q3 2017, trading at revenue multiples of 4.6x and 2.6x, respectively.

## Select Public Offerings – Healthcare (Q3 2017)

Offer Date	Issuer	Industry Sector	Offering Type	Offering Size (\$mm)
07/18/17	Thermo Fisher Scientific, Inc.	Life Sciences	Fixed Income	\$2,419
08/08/17	Thermo Fisher Scientific, Inc.	Life Sciences	Secondary	\$1,500
09/14/17	Gilead Sciences, Inc.	Biotechnology	Fixed Income	\$1,000
09/05/17	Cigna Corp.	Managed Healthcare	Fixed Income	\$998
09/15/17	Quintiles IMS Holdings, Inc.	Life Sciences	Secondary	\$857
08/09/17	PRA Health Sciences, Inc.	Life Sciences	Secondary	\$749
09/27/17	Deciphera Pharmaceuticals, Inc.	Biotechnology	IPO	\$128
07/13/17	Akcea Therapeutics, Inc.	Pharmaceuticals	IPO	\$125
07/20/17	PetIQ, Inc.	Healthcare Distribution	IPO	\$100
07/19/17	Kala Pharmaceuticals, Inc.	Pharmaceuticals	IPO	\$90

## Public Market Performance (LTM)



Source: S&P Capital IQ

## Public Company Market Performance by Sector

Industry Sector	Change in Stock Price		Median Enterprise Value / LTM	
	3 Months	12 months	Revenue	EBITDA
Healthcare Facilities	(7.9%)	2.6%	1.2x	8.9x
Healthcare Services	(9.8%)	(0.1%)	1.7x	9.8x
Managed Healthcare	5.1%	43.4%	0.5x	9.5x
Healthcare Technology	3.9%	15.1%	2.6x	18.8x
Healthcare Equipment & Supplies	1.6%	23.3%	4.6x	17.9x
Healthcare Distribution	(10.7%)	(5.5%)	0.2x	10.4x



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# Annual Middle Market M&A Activity – Healthcare

## Commentary

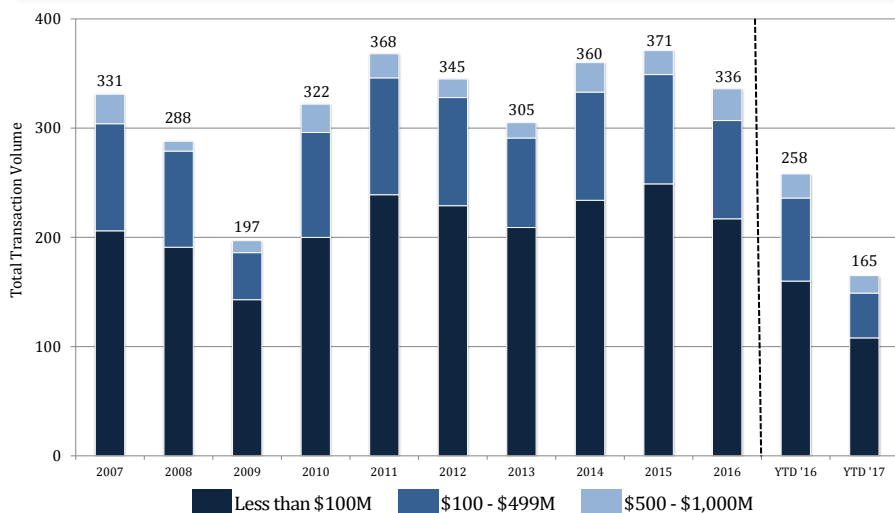
- As detailed in the charts below, Healthcare Middle Market M&A transaction volume and value decreased during the year-to-date period ended September 30, 2017 compared with the prior year period.
- Middle Market Healthcare deal volume fell 36% during YTD 2017 to 165 completed transactions, down from 258 during the prior year period. The total value of completed transactions decreased 30% to \$27.0 billion.
- The healthcare industry expects a modest increase in deal flow through the end of 2017 as companies continue to achieve economies of scale through acquisitions while being cautious of the anticipated regulatory changes within the healthcare industry.

## Middle Market M&A Transactions by Deal Size – Healthcare

(\$ in billions)

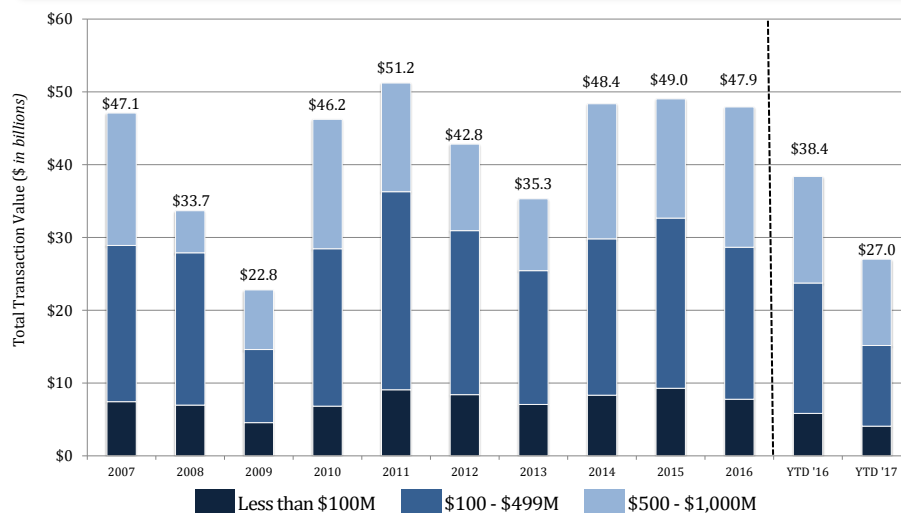
Deal Size	YTD '16		YTD '17		% Change	
	Volume	Value	Volume	Value	Volume	Value
Less than \$100M	160	\$5.8	108	\$4.1	(33%)	(30%)
\$100 - \$499M	76	\$17.9	41	\$11.1	(46%)	(38%)
\$500 - \$999M	22	\$14.7	16	\$11.8	(27%)	(19%)
<b>Total Middle Market</b>	<b>258</b>	<b>\$38.4</b>	<b>165</b>	<b>\$27.0</b>	<b>(36%)</b>	<b>(30%)</b>
<b>% of Middle Market</b>						
Less than \$100M	62%	15%	65%	15%		
\$100 - \$499M	29%	47%	25%	41%		
\$500 - \$999M	9%	38%	10%	44%		
<b>Total Middle Market</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

## U.S. Middle Market M&A Activity – Annual Trends: VOLUME



Source: S&P Capital IQ (middle market includes all closed deals with disclosed deal value between \$10 million and \$1 billion).

## U.S. Middle Market M&A Activity – Annual Trends: VALUE



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# Quarterly Middle Market M&A Activity – Healthcare

## Commentary

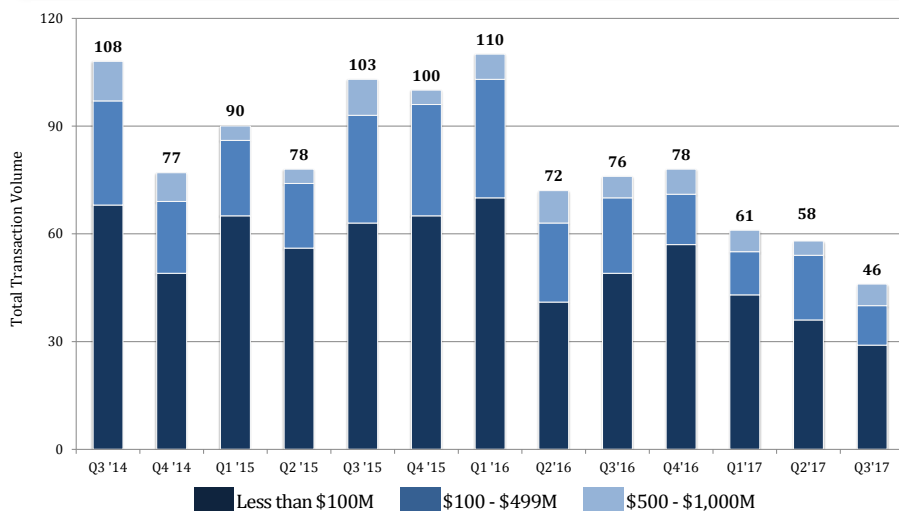
- As detailed in the table on the right, Middle Market M&A activity in the Healthcare industry fell during Q3 2017 to 46 closed transactions, a 39% decrease from the 76 transactions closed in Q3 2016.
- The total value of completed Middle Market Healthcare deals fell 22% to \$8.6 billion in Q3 2017, down from \$10.9 billion in the prior year period, with the largest decline in transactions valued between \$100 million and \$499 million.
- Transactions valued between \$500 million and \$999 million saw a rise in value during Q3 2017, increasing 9%, while deal volume in this range remained unchanged.

## Middle Market M&A Transactions by Deal Size – Healthcare

(\$ in billions)

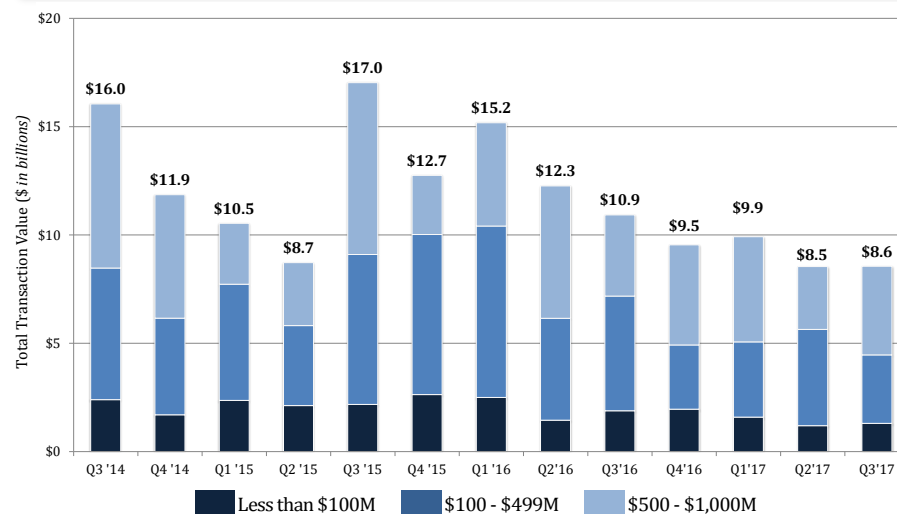
Deal Size	Q3 2016		Q3 2017		% Change	
	Volume	Value	Volume	Value	Volume	Value
Less than \$100M	49	\$1.9	29	\$1.3	(41%)	(31%)
\$100 - \$499M	21	\$5.3	11	\$3.2	(48%)	(40%)
\$500 - \$999M	6	\$3.7	6	\$4.1	0%	9%
<b>Total Middle Market</b>	<b>76</b>	<b>\$10.9</b>	<b>46</b>	<b>\$8.6</b>	<b>(39%)</b>	<b>(22%)</b>
<b>% of Middle Market</b>						
Less than \$100M	64%	17%	63%	15%		
\$100 - \$499M	28%	49%	24%	37%		
\$500 - \$999M	8%	34%	13%	48%		
<b>Total Middle Market</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

## U.S. Middle Market M&A Activity – Quarterly Trends: VOLUME



Source: S&P Capital IQ (middle market includes all closed deals with disclosed deal value between \$10 million and \$1 billion)

## U.S. Middle Market M&A Activity – Quarterly Trends: VALUE



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# Recent M&A Activity – Healthcare

## Select Announced M&A Transactions (Q3 2017)

Announced Date	Target	Buyer	Industry	Enterprise Value (\$mm)	EV / Revenue	EV / EBITDA
09/29/17	Women's Care Florida, LLC *	Lindsay Goldberg	Healthcare Services	NA	NA	NA
09/11/17	Teva Women's Health, Inc., (PARAGARD Intrauterine Device Business)	CooperSurgical, Inc.	Healthcare Equipment	\$1,100.0	6.5x	NA
09/07/17	Florida Anesthesia Associates / Jacksonville Anesthesia Corp., Inc.	U.S. Anesthesia Partners, Inc.	Healthcare Services	NA	NA	NA
09/06/17	Landauer, Inc.	Fortive Corp.	Healthcare Services	\$740.7	4.8x	17.0x
09/05/17	T-System, Inc.	Fidelity National Financial Ventures	Health Care Technology	\$200.0	NA	NA
09/05/17	SpecialtyCare, Inc.	Kohlberg & Co.	Healthcare Services	NA	NA	NA
09/05/17	NeoTract, Inc.	Teleflex Urology Ltd.	Healthcare Equipment	\$1,100.0	21.6x	NA
09/01/17	Argon Medical Devices, Inc.	Weigao Intl. Medical Hong Kong Ltd.	Healthcare Equipment	\$850.0	3.8x	12.5x
08/28/17	Kite Pharma, Inc.	Gilead Sciences, Inc.	Biotechnology	\$10,444.5	NA	NA
08/28/17	Allied Vision Group, Inc.	Hammond, Kennedy, Whitney & Co., Inc.	Healthcare Distributors	NA	NA	NA
08/23/17	Radiology Associates of South Florida	MEDNAX, Inc.	Healthcare Services	NA	NA	NA
08/14/17	Senosis Health, Inc.	Alphabet, Inc.(Google)	Health Care Technology	NA	NA	NA
08/09/17	Women's Health USA, Inc.	Sverica Capital	Healthcare Services	NA	NA	NA
08/08/17	Covenant Surgical Partners, Inc.	KKR & Co.	Healthcare Facilities	NA	NA	NA
08/08/17	American Medical Response, Inc.	Air Medical Group Holdings, Inc.	Healthcare Services	\$2,400.0	NA	NA
08/07/17	Nxstage Medical, Inc.	Fresenius Medical Care Holdings, Inc.	Healthcare Equipment	\$2,013.3	5.3x	141.2x
08/03/17	Patient Education Network	PatientPoint, LLC	Health Care Technology	NA	NA	NA

Source: S&P Capital IQ. \*Hyde Park Capital served as exclusive advisor to the seller.



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# Recent M&A Activity – Healthcare

## Select Announced M&A Transactions (Q3 2017)

Announced Date	Target	Buyer	Industry	Enterprise Value (\$mm)	EV / Revenue	EV / EBITDA
08/03/17	Parkside Senior Living	The Ensign Group, Inc.	Healthcare Facilities	NA	NA	NA
08/03/17	IFM Therapeutics, Inc.	Bristol-Myers Squibb Co.	Biotechnology	\$1,310.0	NA	NA
08/02/17	PharMerica Corp.	KKR & Co.	Healthcare Distributors	\$1,363.5	0.6x	10.3x
08/02/17	Wright & Filippis, Inc. (Mobility Division)	National Seating & Mobility, Inc.	Healthcare Equipment	NA	NA	NA
08/01/17	CytoBioScience, Inc.	Skyline Medical, Inc.	Healthcare Equipment	NA	NA	NA
07/24/17	Chesapeake Eye Care Co., LLC	Centre Partners	Healthcare Services	NA	NA	NA
07/19/17	DeVero, Inc.	Netsmart Technologies, Inc.	Health Care Technology	NA	NA	NA
07/17/17	Encore Health Resources, LLC	eMids Technologies, Inc.	Health Care Technology	NA	NA	NA
07/13/17	Senior Whole Health, LLC	Magellan Healthcare, Inc.	Managed Healthcare	\$400.0	NA	NA
07/13/17	Coastal Life Technologies, Inc.	MedPlast, Inc.	Healthcare Supplies	NA	NA	NA
07/12/17	DentalPlans.com, Inc.	Internet Brands, Inc.	Managed Healthcare	NA	NA	NA
07/11/17	Protein Sciences Corporation	Sanofi Pasteur Inc.	Pharmaceuticals	\$750.0	NA	NA
07/10/17	Integrated Practice Solutions, Inc.	Waud Capital	Health Care Technology	NA	NA	NA
07/07/17	Essex Specialized Surgical Institute, LLC	New MainStream Capital	Healthcare Services	NA	NA	NA
07/05/17	Northside Emergency Associates	Envision Physician Services	Healthcare Facilities	NA	NA	NA
07/05/17	Infinity HealthCare, Inc.	Envision Healthcare Corp.	Healthcare Services	NA	NA	NA
07/05/17	A Place for Mom, Inc.	General Atlantic / Silver Lake	Healthcare Services	NA	NA	NA

Source: S&P Capital IQ.

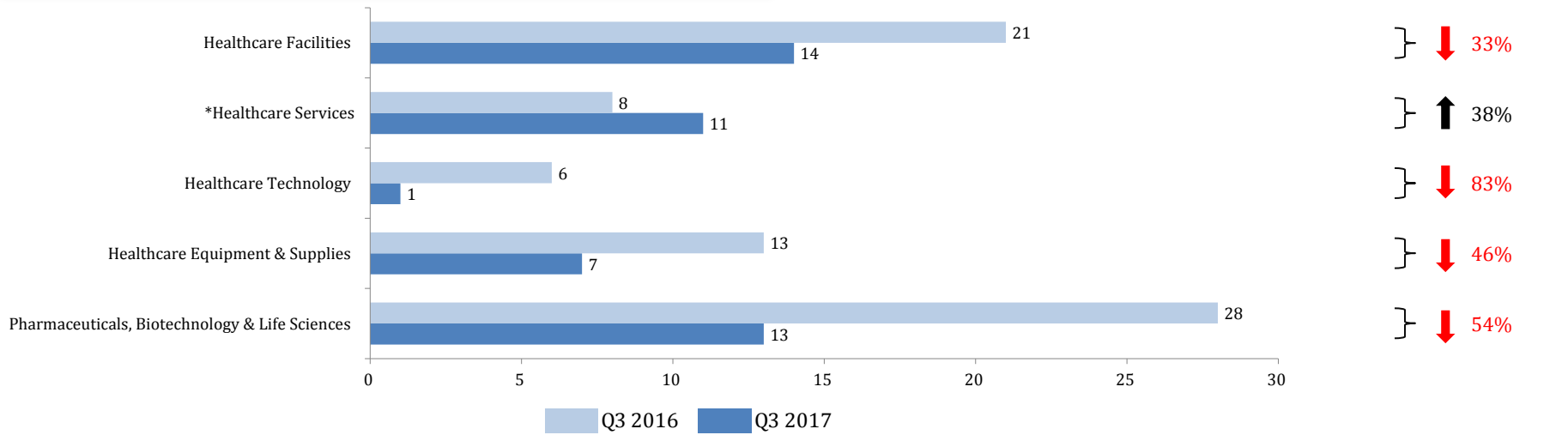


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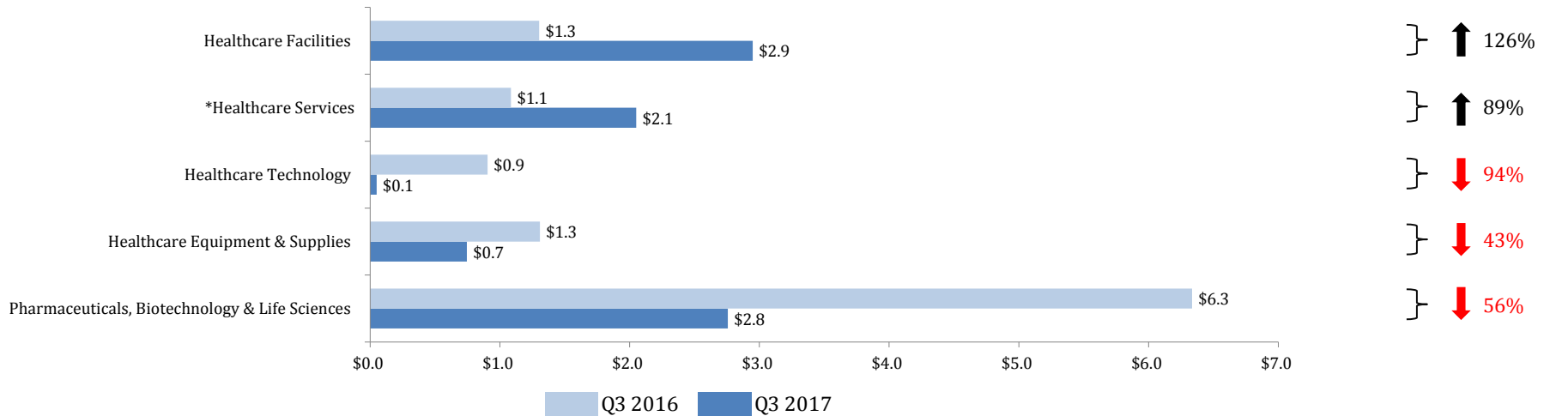
# M&A Activity by Healthcare Sector

## U.S. Middle Market M&A Activity by Healthcare Sector: VOLUME



## U.S. Middle Market M&A Activity by Healthcare Sector: VALUE

(\$ in billions)



Source: S&P Capital IQ (includes all closed deals with disclosed deal value between \$10 million and \$1 billion). \*Managed Healthcare and Healthcare Distribution transactions are included in the Healthcare Services sector.



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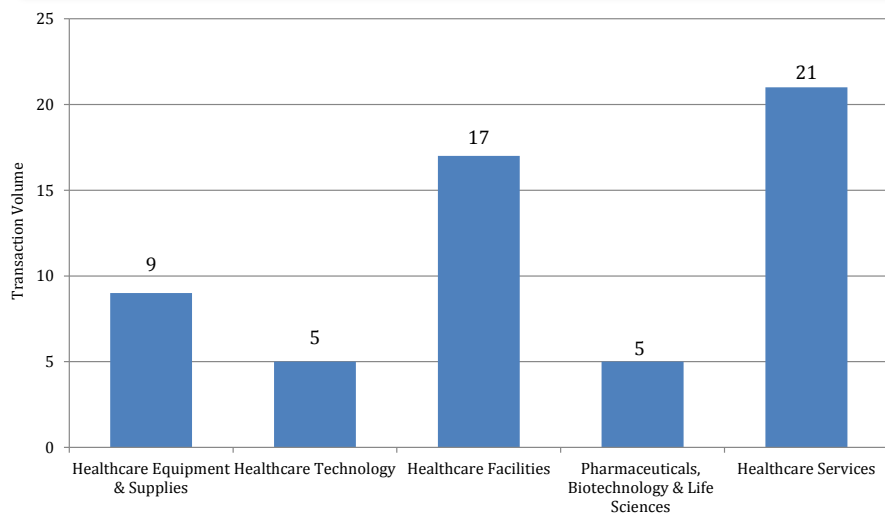
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# Private Equity Activity – Healthcare

## Commentary

- As detailed in the chart to the right, financial sponsors were active across many sectors of the Healthcare industry during Q3 2017, most notably in *Healthcare Services* with 21 announced deals.
- Several notable private equity deals were announced during Q3 2017, including: KKR & Co.'s proposed purchase of PharMerica Corp. for almost \$1.4 billion, Lindsay Goldberg's acquisition of Women's Care Florida, LLC, and Kohlberg & Co.'s purchase of SpecialtyCare, Inc.
- During Q3 2017, financial sponsors were most active in the *Healthcare Services* and *Healthcare Facilities* sectors, announcing 21 and 17 transactions respectively.

## Financial Sponsors Activity by Sector



Source: S&P Capital IQ. Graphic includes transactions with undisclosed transaction values. \*Hyde Park Capital served as exclusive financial advisor to the seller.

## Select Announced Private Equity M&A Transactions (Q3 2017)

Announced Date	Target	Buyer	Industry	Enterprise Value (\$mm)	EV / Revenue	EV / EBITDA
09/29/17	Women's Care Florida, LLC *	Lindsay Goldberg	Healthcare Services	NA	NA	NA
09/29/17	Clinical Innovations, LLC	EQT Partners	Healthcare Equipment	NA	NA	NA
09/18/17	Accupac, Inc.	J.H. Whitney Capital	Life Sciences Tools and Services	NA	NA	NA
09/14/17	G&H Wire Co., Inc.	Altaris Capital Partners	Healthcare Equipment	NA	NA	NA
09/11/17	St. Croix Hospice, LLC	The Vistria Group, LLC	Healthcare Facilities	NA	NA	NA
09/06/17	Alternative Behavior Strategies, Inc.	Petra Capital Partners	Healthcare Services	NA	NA	NA
09/05/17	SpecialtyCare, Inc.	Kohlberg & Co.	Healthcare Services	NA	NA	NA
08/28/17	Allied Vision Group, Inc.	Hammond, Kennedy, Whitney & Co.	Healthcare Distributors	NA	NA	NA
08/16/17	DMG Practice Management Solutions, LLC	Ares Management	Healthcare Services	NA	NA	NA
08/09/17	Women's Health USA, Inc.	Sverica Capital	Healthcare Services	NA	NA	NA
08/08/17	Covenant Surgical Partners, Inc.	KKR & Co.	Healthcare Facilities	NA	NA	NA
08/02/17	PharMerica Corp.	KKR & Co.	Healthcare Distributors	\$1,377	0.6x	10.3x
07/24/17	Chesapeake Eye Care Co., LLC	Centre Partners	Healthcare Services	NA	NA	NA
07/12/17	Zimmer Biomet Holdings, Inc.	JANA Partners	Healthcare Equipment	NA	NA	NA
07/11/17	Certara, L.P.	EQT Partners	Life Sciences Tools and Services	NA	NA	NA
07/10/17	Integrated Practice Solutions, Inc.	Waud Capital	Health Care Technology	NA	NA	NA
07/07/17	Essex Specialized Surgical Institute, LLC	New MainStream Capital	Healthcare Services	NA	NA	NA
07/05/17	A Place for Mom, Inc.	General Atlantic / Silver Lake	Healthcare Services	NA	NA	NA



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# Hyde Park Capital Featured Q3 Transaction

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## Women's Care Florida has been recapitalized by Lindsay Goldberg



### Overview of the Transaction

- ❑ Recapitalization of Women's Care Florida ("WCF") by Lindsay Goldberg.
- ❑ WCF is a multi-specialty women's health physician group offering patient care services in obstetrics and gynecology, gynecologic oncology, gynecologic pathology, breast surgery, maternal fetal medicine, and numerous other lines of care. The Company has over 230 healthcare providers that care for more than 350,000 patients annually, performing more than 14,000 deliveries and conducting more than 450,000 obstetrical, preventive, and gynecological visits.
- ❑ Lindsay Goldberg is a \$13 billion dollar Private Equity Fund with global operations, headquartered in New York.

### Hyde Park Capital's Role

- ❑ Hyde Park Capital was engaged as the exclusive investment banker and financial advisor to WCF in connection with the recapitalization of the Company.
- ❑ Hyde Park Capital marketed the opportunity to a targeted list of investors and identified, negotiated and closed the transaction with Lindsay Goldberg.

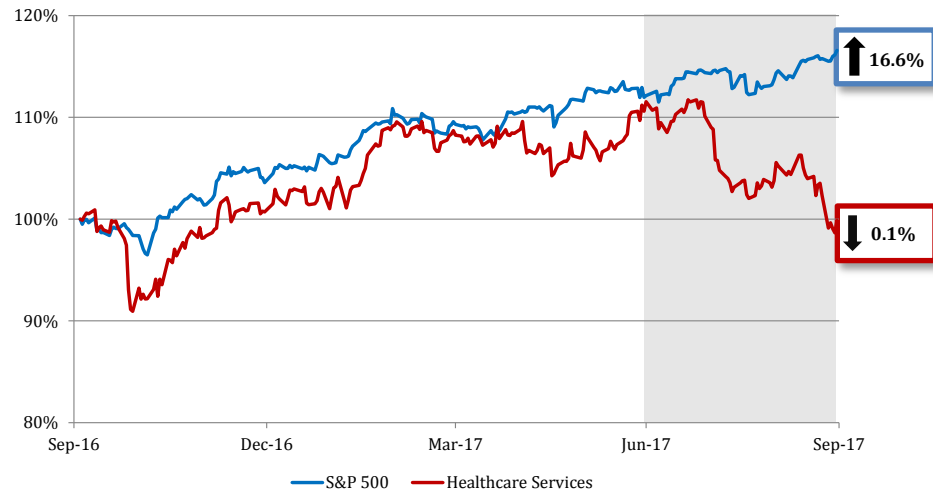


# Industry Sector Overview – Recent Stock Price Performance

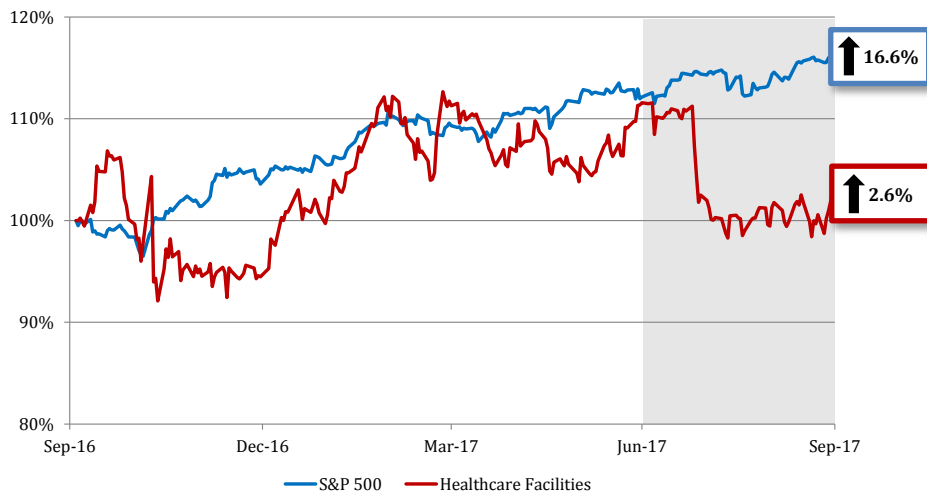
## Commentary

- The charts included on the following pages detail the recent stock price performance by sector for the leading public companies within the Healthcare industry for the 12-month period ended September 30, 2017. The shaded section is the most recent 3-month period (Q3) for each sector relative to the S&P 500.
- For the 12-month period ending September 30, 2017, the majority of the Healthcare industry had positive performances, led by the *Managed Healthcare* sector (up 43.4%), while the *Healthcare Distribution* sector had the worst performance (down 5.5%).
- During the 3-month period ended September 30, 2017, Healthcare industry sectors reported mixed performance, led by the *Managed Healthcare* sector (up 5.1%).

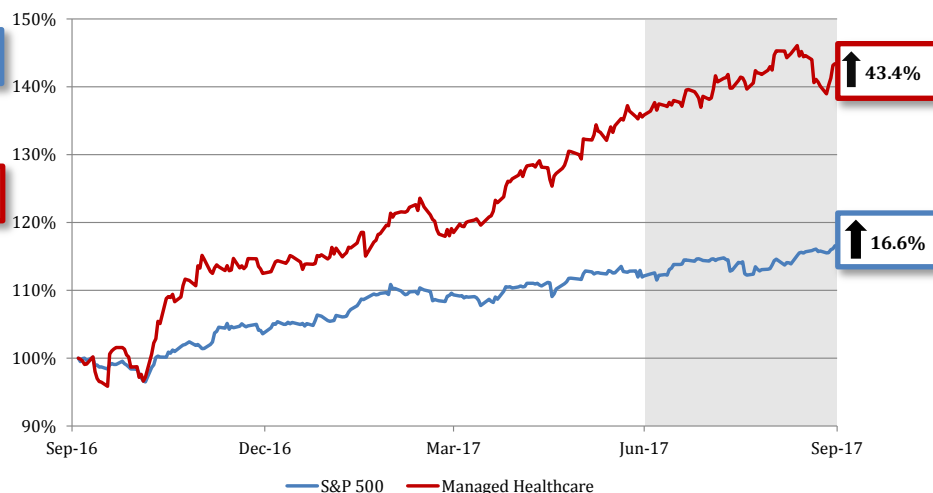
## Healthcare Services



## Healthcare Facilities



## Managed Healthcare



Source: S&P Capital IQ

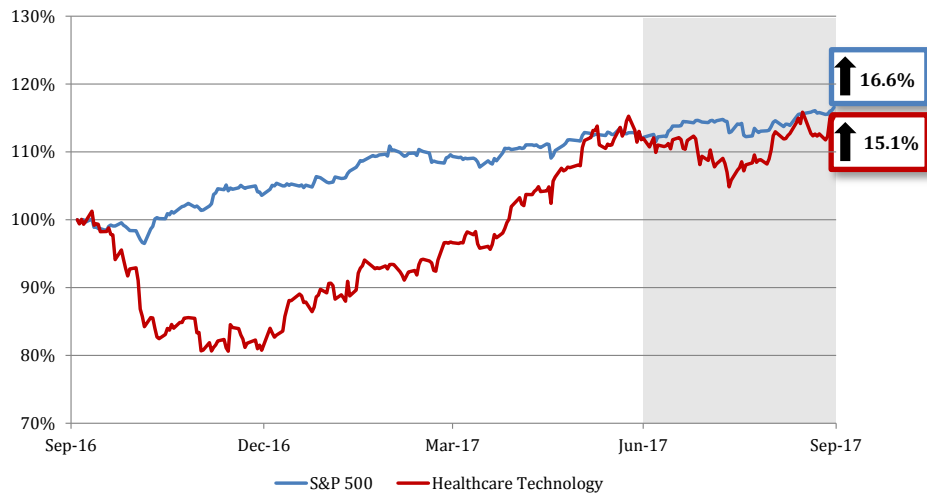


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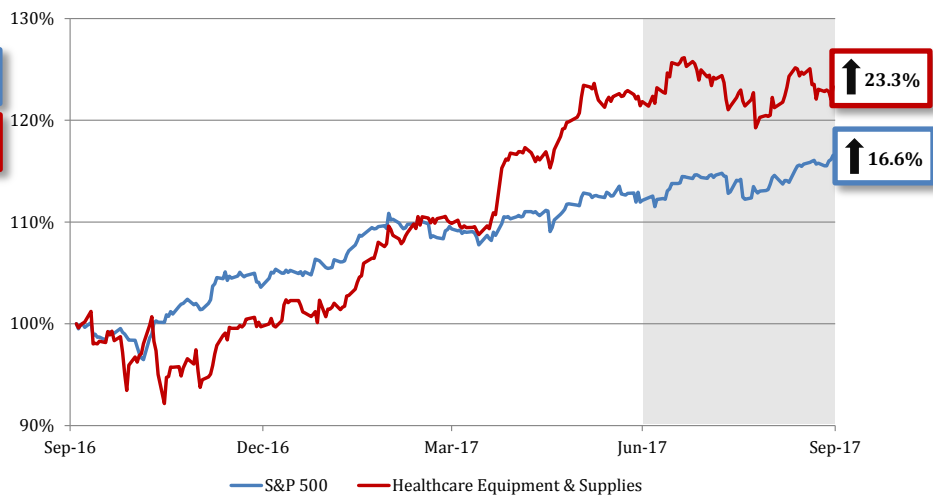
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# Industry Sector Overview – Recent Stock Price Performance

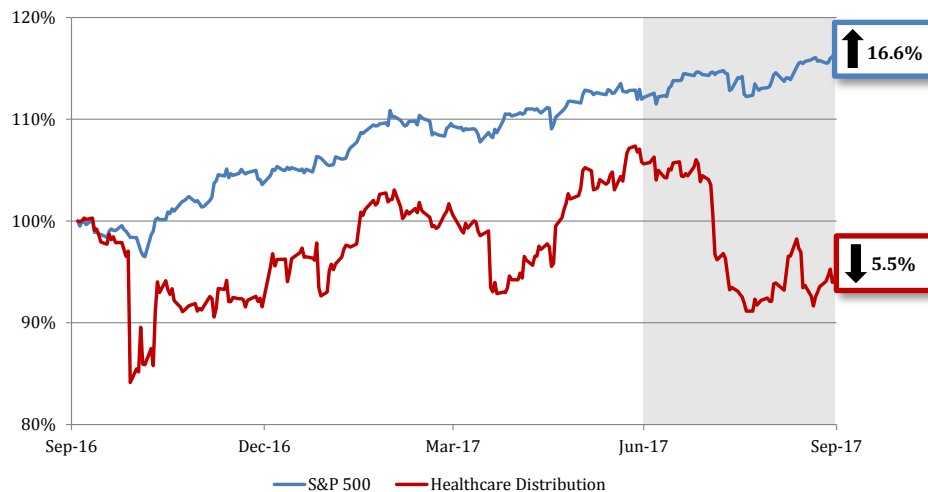
## Healthcare Technology



## Healthcare Equipment & Supplies



## Healthcare Distribution



Source: S&P Capital IQ



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# Industry Sector Overview – Public Company Analysis

(\$ in millions, except per share)

## Healthcare Facilities

Company	Ticker	Closing Price 9/29/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
HCA Holdings, Inc.	HCA	\$79.59	87.4%	\$30,433	\$63,058	\$42,267	\$15,873	\$8,203	37.6%	19.4%	1.5x	7.7x
Tenet Healthcare Corp.	THC	\$16.43	68.1%	\$1,642	\$18,785	\$19,324	\$6,861	\$2,074	35.5%	10.7%	1.0x	9.1x
Community Health Systems, Inc.	CYH	\$7.68	65.4%	\$854	\$15,517	\$17,478	\$6,445	\$1,780	36.9%	10.2%	0.9x	8.7x
Universal Health Services, Inc.	UHS	\$110.94	85.5%	\$10,835	\$14,955	\$10,111	\$4,256	\$1,711	42.1%	16.9%	1.5x	8.7x
HEALTHSOUTH Corp.	HLS	\$46.35	93.2%	\$4,603	\$7,630	\$3,773	\$1,557	\$817	41.3%	21.7%	2.0x	9.3x
Select Medical Holdings Corp.	SEM	\$19.20	98.0%	\$2,467	\$5,752	\$4,258	\$814	\$475	19.1%	11.2%	1.4x	12.1x
Lifepoint Hospitals, Inc.	LPNT	\$57.90	81.6%	\$2,409	\$5,348	\$6,416	\$2,079	\$760	32.4%	11.9%	0.8x	7.0x
Hanger Orthopedic Group, Inc.	HNGR	\$10.99	72.5%	\$388	\$905	\$1,012	\$334	\$70	33.0%	6.9%	0.9x	13.0x
Average			81.5%	\$6,704	\$16,494	\$13,080	\$4,778	\$1,986	34.7%	13.6%	1.2x	9.5x
Median			83.6%	\$2,438	\$11,293	\$8,263	\$3,168	\$1,264	36.2%	11.5%	1.2x	8.9x

## Healthcare Services

Company	Ticker	Closing Price 9/29/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
Laboratory Corp. of America Holdings	LH	\$150.97	91.9%	\$15,754	\$21,598	\$9,667	\$3,242	\$1,859	33.5%	19.2%	2.2x	11.6x
DaVita, Inc.	DVA	\$59.39	84.6%	\$11,773	\$21,140	\$15,014	\$4,038	\$2,448	26.9%	16.3%	1.4x	8.6x
Quest Diagnostics, Inc.	DGX	\$93.64	82.9%	\$13,156	\$16,772	\$7,588	\$2,944	\$1,444	38.8%	19.0%	2.2x	11.6x
MEDNAX, Inc.	MD	\$43.12	59.8%	\$4,014	\$5,736	\$3,337	\$1,064	\$628	31.9%	18.8%	1.7x	9.1x
RadNet, Inc.	RDNT	\$11.55	97.1%	\$539	\$1,162	\$909	\$194	\$118	21.4%	13.0%	1.3x	9.8x
Average			83.3%	\$9,047	\$13,282	\$7,303	\$2,296	\$1,300	30.5%	17.3%	1.8x	10.2x
Median			84.6%	\$11,773	\$16,772	\$7,588	\$2,944	\$1,444	31.9%	18.8%	1.7x	9.8x

Source: S&P Capital IQ.



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# Industry Sector Overview – Public Company Analysis

(\$ in millions, except per share)

## Managed Healthcare

Company	Ticker	Closing Price 9/29/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
Unitedhealth Group, Inc.	UNH	\$195.85	97.6%	\$191,786	\$203,424	\$196,633	\$46,167	\$16,138	23.5%	8.2%	1.0x	12.6x
Aetna, Inc.	AET	\$159.01	96.7%	\$55,248	\$58,260	\$62,197	\$16,398	\$6,056	26.4%	9.7%	0.9x	9.6x
Cigna Corp.	CI	\$186.94	99.2%	\$48,486	\$49,559	\$40,527	\$13,279	\$4,212	32.8%	10.4%	1.2x	11.8x
Anthem, Inc.	ANTM	\$189.88	95.4%	\$51,120	\$41,994	\$89,073	\$17,942	\$5,734	20.1%	6.4%	0.5x	7.3x
Humana, Inc.	HUM	\$243.63	93.8%	\$36,330	\$25,173	\$53,868	\$9,552	\$2,661	17.7%	4.9%	0.5x	9.5x
Centene Corp.	CNC	\$96.77	98.0%	\$17,055	\$16,986	\$44,870	\$8,028	\$2,221	17.9%	4.9%	0.4x	7.6x
WellCare Health Plans, Inc.	WCG	\$171.74	92.9%	\$7,694	\$4,331	\$15,361	\$2,125	\$623	13.8%	4.1%	0.3x	7.0x
Magellan Health Services, Inc.	MGLN	\$86.30	99.5%	\$2,061	\$2,422	\$5,280	\$290	\$243	5.5%	4.6%	0.5x	10.0x
Average			96.6%	\$51,223	\$50,269	\$63,476	\$14,223	\$4,736	19.7%	6.7%	0.7x	9.4x
Median			97.1%	\$42,408	\$33,583	\$49,369	\$11,416	\$3,437	19.0%	5.7%	0.5x	9.5x

## Healthcare Technology

Company	Ticker	Closing Price 9/29/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
Cerner Corp.	CERN	\$71.32	98.7%	\$24,229	\$24,135	\$4,898	\$4,175	\$1,371	85.2%	28.0%	4.9x	17.6x
Athenahealth, Inc.	ATHN	\$124.36	78.4%	\$5,061	\$5,270	\$1,151	\$595	\$128	51.7%	11.1%	4.6x	41.3x*
Medidata Solutions, Inc.	MDSO	\$78.06	90.9%	\$4,556	\$4,460	\$509	\$387	\$77	76.1%	15.1%	8.8x*	58.0x*
Allscripts Healthcare Solutions, Inc.	MDRX	\$14.23	98.5%	\$2,602	\$4,316	\$1,657	\$821	\$160	49.6%	9.7%	2.6x	27.0x
Quality Systems, Inc.	QSII	\$15.73	88.7%	\$981	\$1,003	\$518	\$293	\$61	56.5%	11.8%	1.9x	16.4x
Healthstream, Inc.	HSTM	\$23.37	74.1%	\$751	\$635	\$238	\$135	\$24	56.5%	9.9%	2.7x	26.9x
Computer Programs & Systems, Inc.	CPSI	\$29.55	81.7%	\$395	\$537	\$261	\$137	\$29	52.7%	10.9%	2.1x	18.8x
Average			87.3%	\$5,511	\$5,765	\$1,319	\$935	\$264	61.2%	13.8%	3.1x	21.3x
Median			88.7%	\$2,602	\$4,316	\$518	\$387	\$77	56.5%	11.1%	2.6x	18.8x

Source: S&P Capital IQ. \*Excluded from average and median calculation.



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# Industry Sector Overview – Public Company Analysis

(\$ in millions, except per share)

## Healthcare Equipment & Supplies

Company	Ticker	Closing Price 9/29/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
Medtronic, Inc.	MDT	\$77.77	86.7%	\$107,597	\$128,645	\$29,934	\$20,617	\$9,193	68.9%	30.7%	4.3x	14.0x
Stryker Corp.	SYK	\$142.02	95.4%	\$53,868	\$57,446	\$11,957	\$7,933	\$3,285	66.3%	27.5%	4.8x	17.5x
CR Bard, Inc.	BCR	\$320.50	98.7%	\$24,021	\$24,702	\$3,828	\$2,412	\$1,185	63.0%	31.0%	6.5x	20.9x
DENTSPLY International, Inc.	XRAY	\$59.81	91.1%	\$13,801	\$15,154	\$3,844	\$2,091	\$824	54.4%	21.4%	3.9x	18.4x
The Cooper Companies, Inc.	COO	\$237.11	92.5%	\$11,731	\$12,899	\$2,096	\$1,351	\$642	64.5%	30.6%	6.2x	20.1x
Teleflex, Inc.	TFX	\$241.97	99.2%	\$11,372	\$12,695	\$1,986	\$1,102	\$521	55.5%	26.2%	6.4x	24.4x
Varian Medical Systems, Inc.	VAR	\$100.06	92.8%	\$9,381	\$9,091	\$3,273	\$1,411	\$643	43.1%	19.6%	2.8x	14.1x
Steris Corp.	STE	\$88.40	100.0%	\$7,593	\$8,806	\$2,582	\$1,042	\$521	40.3%	20.2%	3.4x	16.9x
Average			94.5%	\$29,921	\$33,680	\$7,438	\$4,745	\$2,102	57.0%	25.9%	4.8x	18.3x
Median			94.1%	\$12,766	\$14,026	\$3,550	\$1,751	\$733	59.3%	26.9%	4.6x	17.9x

## Healthcare Distribution

Company	Ticker	Closing Price 9/29/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
McKesson Corp.	MCK	\$153.61	90.7%	\$33,679	\$41,934	\$199,851	\$10,925	\$3,943	5.5%	2.0%	0.2x	10.6x
Cardinal Health, Inc.	CAH	\$66.92	78.8%	\$21,414	\$25,128	\$129,976	\$6,544	\$3,069	5.0%	2.4%	0.2x	8.2x
AmerisourceBergen Corp.	ABC	\$82.75	84.6%	\$18,453	\$21,142	\$151,584	\$4,497	\$2,426	3.0%	1.6%	0.1x	8.7x
Henry Schein, Inc.	HSIC	\$81.99	87.7%	\$13,183	\$14,955	\$11,968	\$3,317	\$1,020	27.7%	8.5%	1.2x	14.7x
Patterson Companies, Inc.	PDCO	\$38.65	78.5%	\$3,674	\$4,769	\$5,565	\$1,283	\$400	23.1%	7.2%	0.9x	11.9x
Owens & Minor, Inc.	OMI	\$29.20	78.9%	\$1,761	\$2,250	\$9,378	\$1,146	\$230	12.2%	2.5%	0.2x	9.8x
PharMerica Corp.	PMC	\$29.30	99.7%	\$920	\$1,388	\$2,206	\$340	\$133	15.4%	6.0%	0.6x	10.4x
Average			85.5%	\$13,298	\$15,938	\$72,933	\$4,007	\$1,603	13.1%	4.3%	0.5x	10.6x
Median			84.6%	\$13,183	\$14,955	\$11,968	\$3,317	\$1,020	12.2%	2.5%	0.2x	10.4x

Source: S&P Capital IQ.



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## Recent Transactions

 <i>has been recapitalized by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been recapitalized by</i> 
 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has received a growth equity investment from</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 
 <i>has been acquired by</i> 	 <i>has been recapitalized by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i>  <i>a portfolio company of</i> 	 <i>has been acquired by</i>  <i>a part of</i> 