



HYDE PARK CAPITAL

Investment Banking | Mergers & Acquisitions | Capital Raising

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Healthcare **M&A Report** *Q1 2017*



Member FINRA/SIPC

Capital Markets Overview – Healthcare

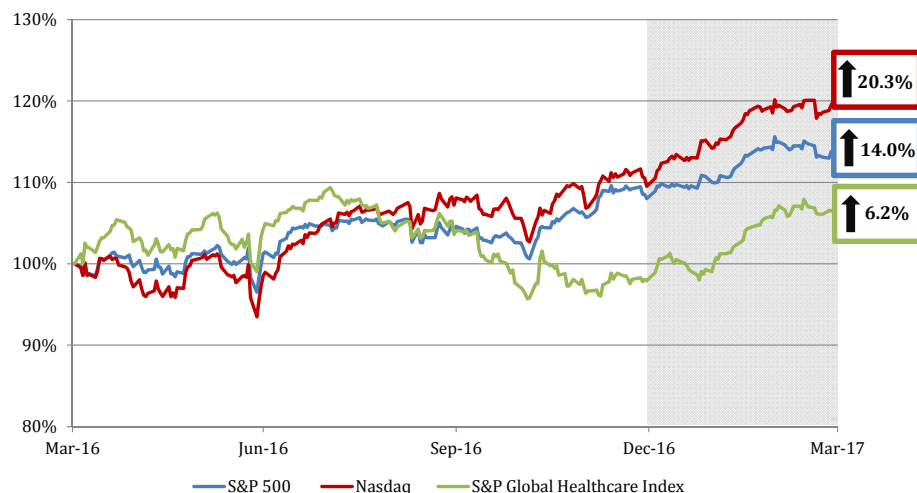
Commentary

- Major market indices including the Nasdaq, S&P 500 and S&P Global Healthcare Index posted positive results over the 12 – month period ended March 31, 2017, increasing 20.3%, 14.0%, and 6.2%, respectively.
- The table to the right highlights select public offerings completed in the Healthcare industry during Q1 2017. Jounce Therapeutics, Inc. (NasdaqGS: JNCE) a clinical stage immunotherapy company, completed the largest IPO during the quarter, raising \$102 million from investors.
- From a valuation perspective, the *Healthcare Equipment & Supplies* and *Healthcare Technology* sectors continued to trade at strong multiples of revenue at 4.6x and 3.0x, respectively.

Select Public Offerings – Healthcare (Q1 2017)

Offer Date	Issuer	Industry Sector	IPO / Secondary	Offering Size (\$mm)
01/10/17	Amgen, Inc.	Pharmaceuticals	Fixed-Income	\$4,957
02/28/17	Pfizer, Inc.	Pharmaceuticals	Fixed-Income	\$4,517
02/28/17	Johnson & Johnson	Pharmaceuticals	Fixed-Income	\$4,490
03/02/17	Kite Pharma, Inc.	Biotechnology	Secondary	\$356
03/07/17	Cotiviti Holdings, Inc.	Health Care Technology	Secondary	\$303
01/03/17	Clovis Oncology, Inc.	Biotechnology	Secondary	\$205
03/29/17	Blueprint Medicines Corp.	Biotechnology	Secondary	\$200
03/01/17	Dermira, Inc.	Pharmaceuticals	Secondary	\$169
01/19/17	Heron Therapeutics, Inc.	Biotechnology	Secondary	\$150
01/26/17	Jounce Therapeutics, Inc.	Pharmaceuticals	IPO	\$102

Public Market Performance (LTM)



Public Company Market Performance by Sector

Industry Sector	Change in Stock Price		Median Enterprise Value / LTM	
	3 Months	12 months	Revenue	EBITDA
Healthcare Facilities	16.8%	4.1%	1.1x	8.4x
Healthcare Services	6.7%	12.5%	1.9x	10.2x
Managed Healthcare	4.9%	18.3%	0.5x	8.4x
Healthcare Technology	14.4%	2.6%	3.0x	15.5x
Healthcare Equipment & Supplies	11.5%	18.7%	4.6x	17.2x
Healthcare Distribution	5.2%	(2.4%)	0.3x	9.8x



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Annual Middle Market M&A Activity – Healthcare

Commentary

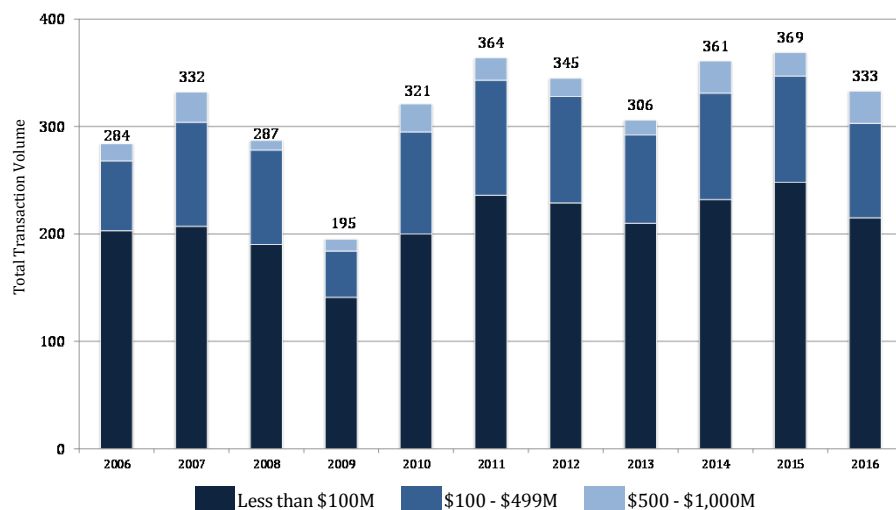
- As detailed in the charts below, Healthcare Middle Market M&A transaction volume decreased during 2016 compared to 2015, while the value of completed transactions rose modestly.
- Middle Market Healthcare deal volume fell 10% throughout 2016 to 333 completed transactions, down from 369 during the prior year period. Despite the drop in deal volume, the total value of completed transactions increased 1% to \$48.5 billion.
- Although Middle Market Healthcare M&A activity declined throughout the year, completed deal volume and deal value increased for transactions valued between \$500 million and \$1 billion, rising 36% and 27%, respectively.

Middle Market M&A Transactions by Deal Size – Healthcare

(\$ in billions)

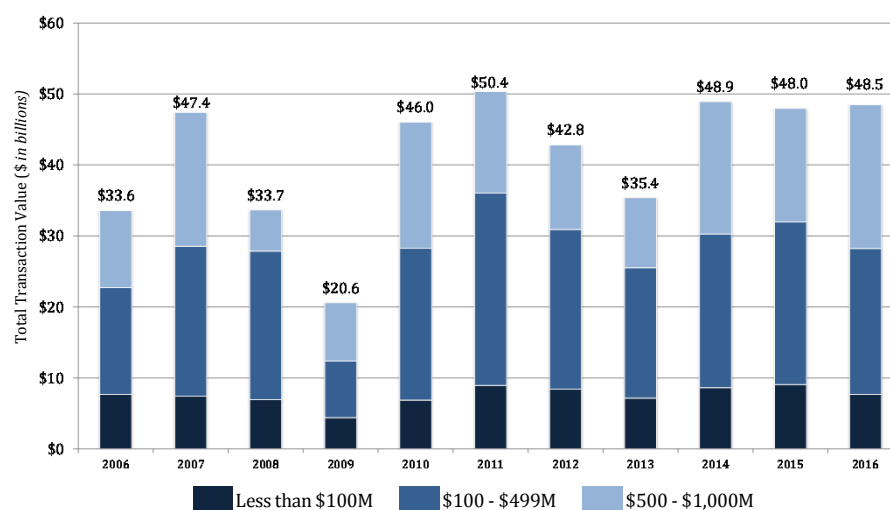
Deal Size	2015		2016		% Change	
	Volume	Value	Volume	Value	Volume	Value
Less than \$100M	248	\$9.1	215	\$7.7	(13%)	(15%)
\$100 - \$499M	99	\$22.9	88	\$20.6	(11%)	(10%)
\$500 - \$999M	22	\$16.0	30	\$20.3	36%	27%
Total Middle Market	369	\$48.0	333	\$48.5	(10%)	1%
% of Middle Market						
Less than \$100M	67%	19%	65%	16%		
\$100 - \$499M	27%	48%	26%	42%		
\$500 - \$999M	6%	33%	9%	42%		
Total Middle Market	100%	100%	100%	100%		

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

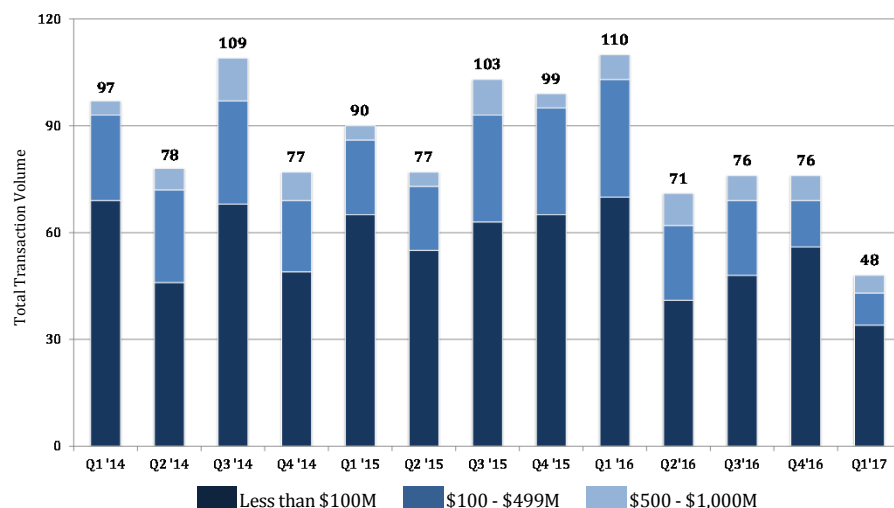
- As detailed in the table on the right, Middle Market M&A activity in the Healthcare industry fell during Q1 2017 to 48 closed transactions, a 56% decrease from the 110 transactions closed in Q1 2016.
- The total value of completed Middle Market Healthcare deals fell 50% to \$7.6 billion in Q1 2017, down from \$15.2 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 \$1 billion had the smallest declines during Q1 2017 as deal volume in this size range fell 29% and completed deal value dropped 13%.

Middle Market M&A Transactions by Deal Size – Healthcare

(\$ in billions)

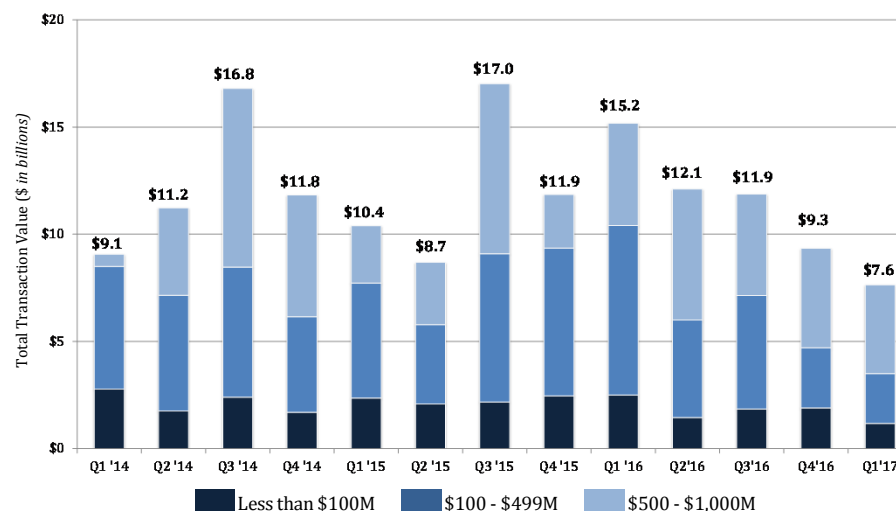
Deal Size	Q1 2016		Q1 2017		% Change	
	Volume	Value	Volume	Value	Volume	Value
Less than \$100M	70	\$2.5	34	\$1.2	(51%)	(53%)
\$100 - \$499M	33	\$7.9	9	\$2.3	(73%)	(71%)
\$500 - \$999M	7	\$4.8	5	\$4.1	(29%)	(13%)
Total Middle Market	110	\$15.2	48	\$7.6	(56%)	(50%)
% of Middle Market						
Less than \$100M	64%	17%	71%	16%		
\$100 - \$499M	30%	52%	19%	30%		
\$500 - \$999M	6%	31%	10%	54%		
Total Middle Market	100%	100%	100%	100%		

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 (Q1 2017)

Announced Date	Target	Buyer	Industry	Enterprise Value (\$mm)	EV / Revenue	EV / EBITDA
03/29/17	AllDocuments, Inc.	iHealth Innovations, LLC	Healthcare Services	NA	NA	NA
03/28/17	Bracket Global, LLC	Genstar Capital	Health Care Technology	NA	NA	NA
03/22/17	Hometown Hospice & Homecare, Inc.	JPB Capital Partners	Healthcare Services	NA	NA	NA
03/14/17	Air Methods Corporation	American Securities	Healthcare Services	\$2,486.5	2.1x	8.7x
03/13/17	HCRIX Royal, LLC	The Blackstone Group	Healthcare Facilities	\$17.1	NA	NA
02/20/17	Southern Anesthesia & Surgical, Inc.	ACE Surgical Supply Co., Inc.	Healthcare Distributors	NA	NA	NA
02/14/17	NuvoLase, Inc.	Innoveas International Ltd.	Healthcare Equipment	NA	NA	NA
02/14/17	Cynosure, Inc.	Hologic, Inc.	Healthcare Equipment	\$1,479.4	3.4x	25.9x
02/13/17	ZELTIQ Aesthetics, Inc.	Allergan plc	Healthcare Equipment	\$2,414.9	6.8x	143.3x
02/09/17	Pharm-Olam International, Ltd.	Quad-C Management, Inc.	Pharmaceuticals	NA	NA	NA
02/09/17	Medin Technologies, Inc.	Seven Point Equity Partners	Healthcare Supplies	NA	NA	NA
02/08/17	Integrity Tracking, LLC	ABRY Partners	Healthcare Equipment	\$130.0	NA	NA
02/06/17	Catheter Connections, Inc.	Merit Medical Systems, Inc.	Healthcare Supplies	\$38.0	NA	NA
02/01/17	American HealthCare Staffing Association, LLC	BelHealth Investment Partners	Healthcare Services	NA	NA	NA
02/01/17	Trident Health Resources, Inc.*	SpecialtyCare, Inc.	Healthcare Services	NA	NA	NA
01/26/17	Delinia, Inc.	Celgene Corp.	Pharmaceuticals	\$775.0	NA	NA
01/25/17	CoverMyMeds, LLC	McKesson Corp.	Health Care Technology	\$1,400.0	NA	NA

Source: S&P Capital IQ. *Denotes Hyde Park Capital Transaction.



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Recent M&A Activity – Healthcare

Select Announced M&A Transactions (Q1 2017)

<u>Announced Date</u>	<u>Target</u>	<u>Buyer</u>	<u>Industry</u>	<u>Enterprise Value (\$mm)</u>	<u>EV / Revenue</u>	<u>EV / EBITDA</u>
01/19/17	Physician Resource Management, Inc.	AssistRx, Inc.	Health Care Technology	NA	NA	NA
01/18/17	CoLucid Pharmaceuticals, Inc.	Eli Lilly and Co.	Pharmaceuticals	\$860.6	NA	NA
01/18/17	Healthcare Data Solutions, LLC	Aprima Medical Software, Inc.	Health Care Technology	NA	NA	NA
01/17/17	Pediatric Services of America, Inc.	J.H. Whitney & Co. / Bain Capital Private Equity	Healthcare Services	NA	NA	NA
01/12/17	Excel Companion Care, Inc.	Help at Home, Inc.	Healthcare Services	NA	NA	NA
01/11/17	Sequel Youth and Family Services, LLC	Global Partner Acquisition Corp.	Healthcare Services	\$317.1	NA	10.1x
01/10/17	Derma Sciences, Inc.	Integra LifeSciences Holdings Corp.	Healthcare Supplies	\$160.4	1.8x	NA
01/10/17	Home Health Investments, LLC	Jet Health, Inc.	Healthcare Services	NA	NA	NA
01/09/17	VCA, Inc.	Mars, Inc.	Healthcare Facilities	\$9,084.6	3.6x	18.4x
01/09/17	ARIAD Pharmaceuticals, Inc.	Takeda Pharmaceuticals U.S.A., Inc.	Pharmaceuticals	\$5,139.0	27.6x	NA
01/09/17	Surgical Care Affiliates, Inc.	Optum, Inc.	Healthcare Facilities	\$4,162.9	3.3x	12.3x
01/09/17	Dendreon Pharmaceuticals, Inc.	Sanpower Group Co., Ltd.	Pharmaceuticals	\$819.9	NA	NA
01/06/17	PatientCrossroads, Inc.	Invitae Corp.	Health Care Technology	\$15.0	NA	NA
01/05/17	Sinol USA, Inc.	Leone Asset Management, Inc.	Healthcare Supplies	NA	NA	NA
01/04/17	Care Advantage, Inc.	BelHealth Investment Partners	Healthcare Services	NA	NA	NA
01/04/17	New York Eye Specialists	Vision Group Holdings	Healthcare Services	NA	NA	NA
01/03/17	Oro Valley Anesthesia, PLLC	Envision Healthcare Corp.	Healthcare Services	NA	NA	NA

Source: S&P Capital IQ.

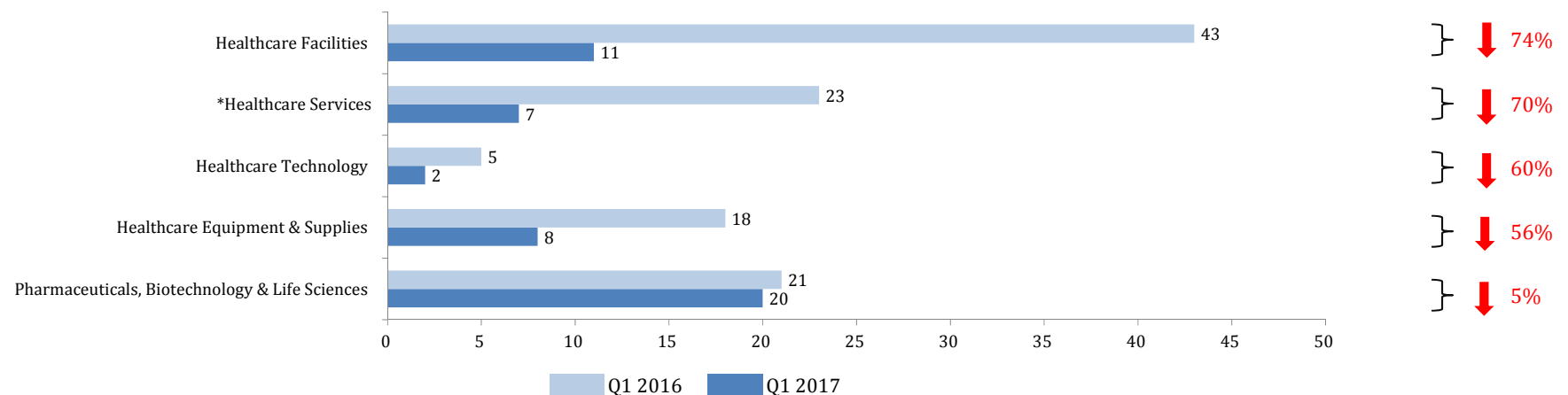


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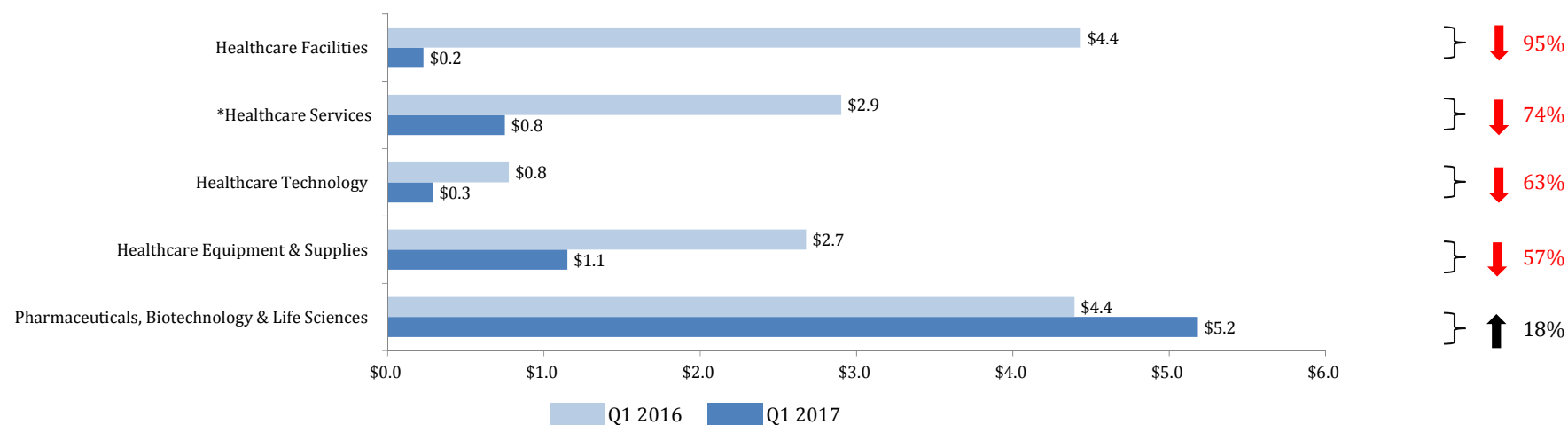
M&A Activity by Healthcare Sector

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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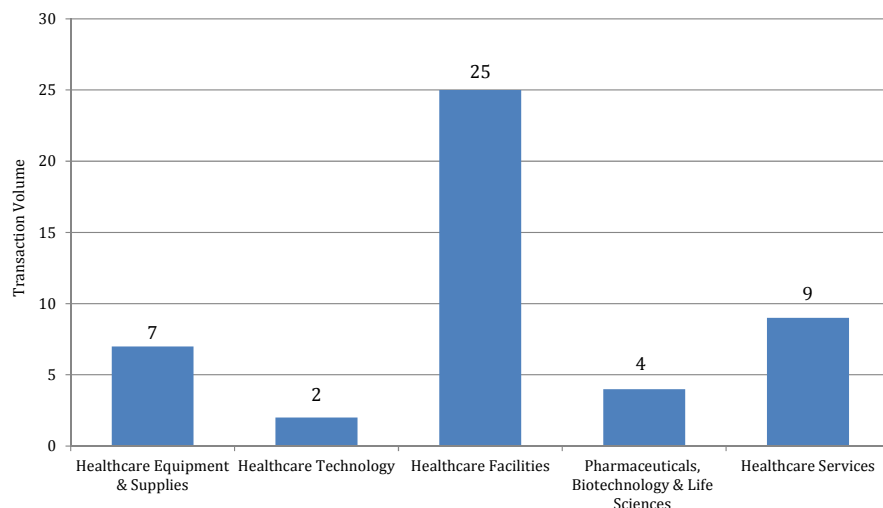
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Private Equity Activity – Healthcare

Commentary

- As detailed in the chart to the right, financial sponsors were active across many sectors of the Healthcare industry during Q1 2017, most notably in *Healthcare Facilities* with 25 announced deals.
- Several notable private equity deals were announced during Q1 2017, including: American Securities' proposed purchase of Air Methods Corp., Blackstone Group's purchase of HCRIX Royal, LLC.; and ABRY Partners' announced acquisition of Integrity Tracking, LLC.
- During Q1 2017, financial sponsors were most active in the *Healthcare Facilities* and *Healthcare Services* sectors, announcing 25 and 9 transactions, respectively.

Financial Sponsors Activity by Sector



Source: S&P Capital IQ. *Includes transactions with undisclosed transaction values.

Select Announced Private Equity M&A Transactions (Q1 2017)

Announced Date	Target	Buyer	Industry	Enterprise Value (\$mm)
03/28/17	Bracket Global, LLC	Genstar Capital	Health Care Technology	NA
03/27/17	Lyophilization Services Of New England, Inc.	Permira Advisers	Healthcare Equipment	\$80
03/22/17	Hometown Hospice & Homecare, Inc.	JPB Capital Partners	Healthcare Services	NA
03/14/17	Air Methods Corp.	American Securities	Healthcare Services	\$2,492
03/13/17	HCRIX Royal, LLC	The Blackstone Group	Healthcare Facilities	\$17
02/09/17	Pharm-Olam International, Ltd.	Quad-C Management, Inc.	Healthcare Equipment	NA
02/09/17	Medin Technologies, Inc.	Seven Point Equity Partners	Healthcare Supplies	NA
02/08/17	Integrity Tracking, LLC	ABRY Partners	Healthcare Equipment	\$130
02/07/17	Minnesota Eye Consultants, PA	Waud Capital Partners	Healthcare Services	NA
02/02/17	Interamerican Medical Center Group, LLC	Comvest Partners / Athyrium Capital Management	Healthcare Facilities	NA
02/01/17	American HealthCare Staffing Association, LLC	BelHealth Investment Partners	Healthcare Services	NA
01/30/17	Genoptix, Inc.	Ampersand Capital Partners / 1315 Capital	Healthcare Services	NA
01/17/17	Aveanna Healthcare	J.H. Whitney & Co. / Bain Capital	Healthcare Facilities	NA
01/09/17	Bloomfield Industries, Inc.	Wicklow Capital	Pharmaceuticals	NA
01/09/17	AmeriWater, LLC	Empire Investment Holdings	Healthcare Equipment	NA
01/09/17	HealthChannels, Inc.	Heritage Group	Healthcare Services	NA
01/06/17	TomegaVax, Inc.	Arch Venture Partners	Pharmaceuticals	NA
01/05/17	KREG Information Systems	Kaufman, Hall & Associates, Inc.	Health Care Technology	NA
01/03/17	Castlewood Treatment Center, LLC	The Riverside Co.	Healthcare Facilities	NA



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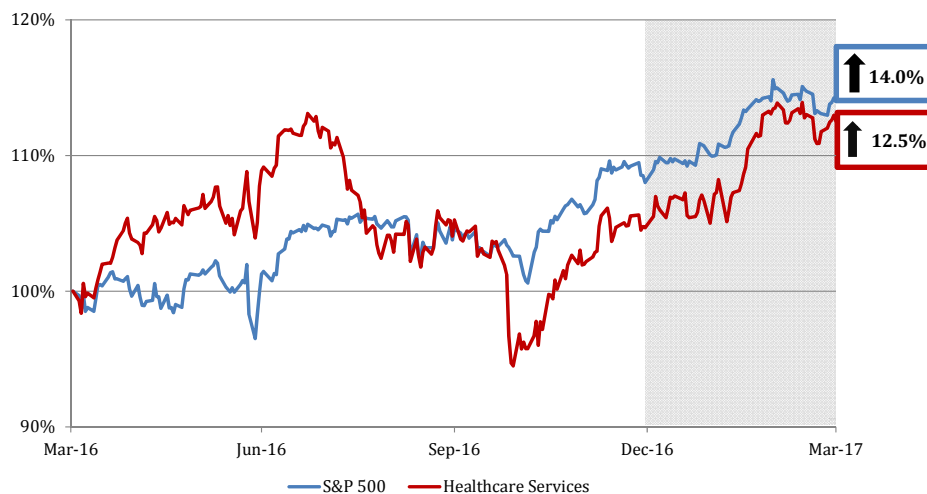
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Industry Sector Overview – Recent Stock Price Performance

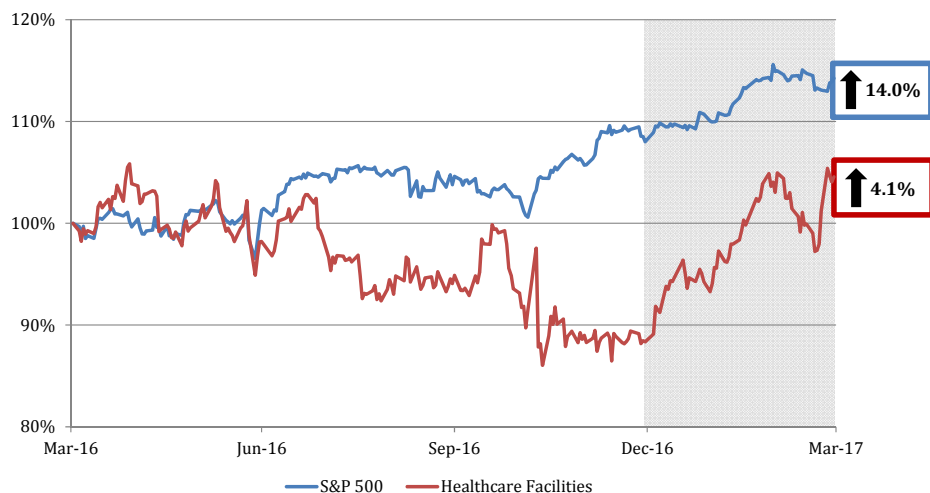
Commentary

- 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 March 31, 2017. The shaded section is the most recent 3-month period (Q1) for each sector relative to the S&P 500.
- For the 12-month period ending March 31, 2017, most of the Healthcare industry had positive performances, led by the *Healthcare Equipment & Supplies* sector (up 18.7%), while the *Healthcare Distribution* sector had the worst performance (down 2.4 %).
- During the 3-month period ended March 31, 2017, all sector indices in the Healthcare industry increased, with the *Healthcare Facilities* sector increasing the most (up 16.8%).

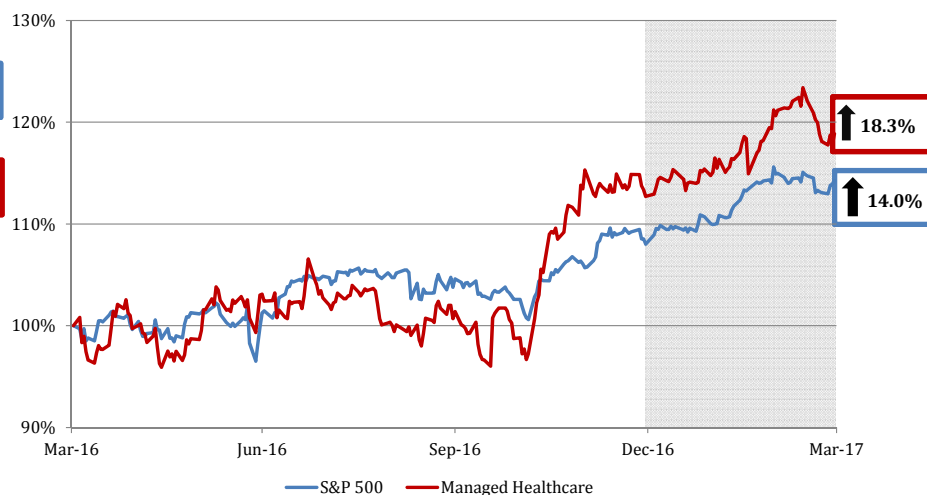
Healthcare Services



Healthcare Facilities



Managed Healthcare



Source: S&P Capital IQ

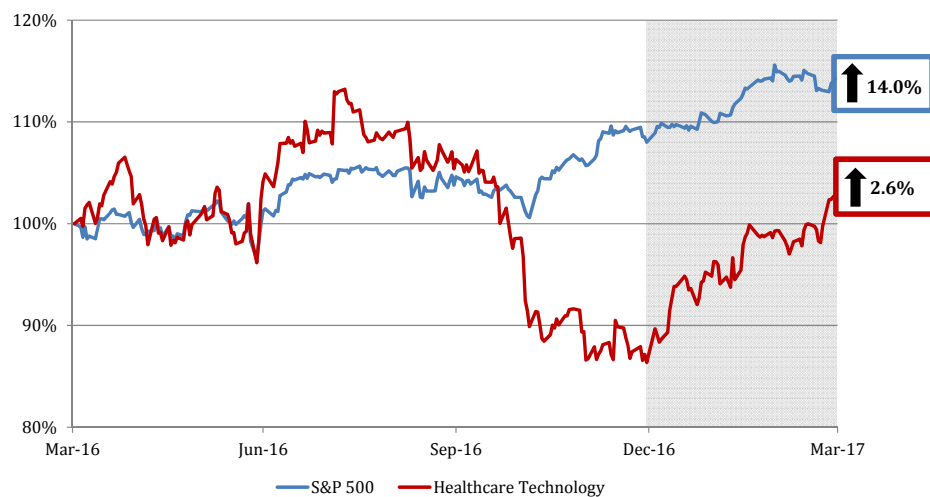


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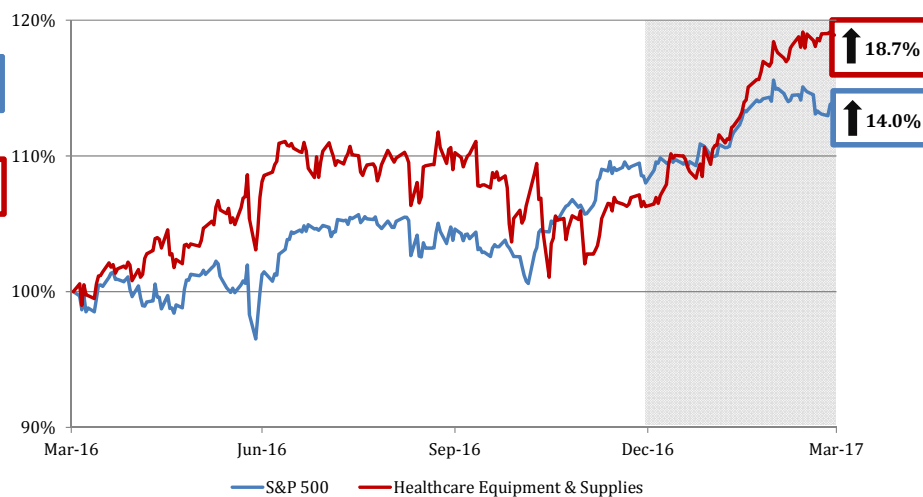
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Industry Sector Overview – Recent Stock Price Performance

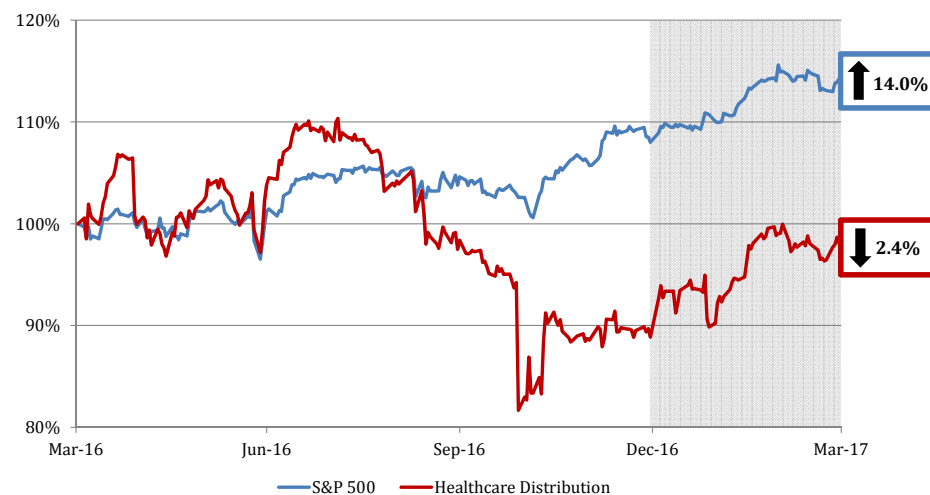
Healthcare Technology



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 3/31/17	% 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	\$88.99	97.8%	\$35,227	\$67,589	\$41,490	\$15,660	\$8,164	37.7%	19.7%	1.6x	8.3x
Tenet Healthcare Corp.	THC	\$17.71	52.0%	\$1,759	\$19,356	\$19,621	\$7,141	\$2,282	36.4%	11.6%	1.0x	8.5x
Community Health Systems, Inc.	CYH	\$8.87	41.5%	\$982	\$16,704	\$18,438	\$6,803	\$1,985	36.9%	10.8%	0.9x	8.4x
Universal Health Services, Inc.	UHS	\$124.45	89.0%	\$12,243	\$16,419	\$9,766	\$4,149	\$1,698	42.5%	17.4%	1.7x	9.7x
HEALTHSOUTH Corp.	HLS	\$42.81	98.7%	\$4,260	\$7,567	\$3,646	\$1,520	\$820	41.7%	22.5%	2.1x	9.2x
Lifepoint Hospitals, Inc.	LPNT	\$65.50	86.5%	\$2,830	\$5,810	\$6,364	\$2,064	\$702	32.4%	11.0%	0.9x	8.3x
Select Medical Holdings Corp.	SEM	\$13.35	88.1%	\$1,708	\$4,860	\$4,217	\$778	\$448	18.4%	10.6%	1.2x	10.8x
Hanger Orthopedic Group, Inc.	HNGR	\$13.34	88.1%	\$474	\$1,009	\$1,061	\$354	\$159	33.4%	15.0%	1.0x	6.4x
Average			80.2%	\$7,435	\$17,414	\$13,075	\$4,809	\$2,032	34.9%	14.8%	1.3x	8.7x
Median			88.1%	\$2,294	\$11,993	\$8,065	\$3,106	\$1,259	36.6%	13.3%	1.1x	8.4x

Healthcare Services

Company	Ticker	Closing Price 3/31/17	% of 52 Week High	Equity Value	Enterprise Value	LTM			LTM Margins		Enterprise Value / LTM	
						Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA
DaVita, Inc.	DVA	\$67.97	86.3%	\$13,927	\$22,991	\$14,733	\$4,087	\$2,493	27.7%	16.9%	1.6x	9.2x
Laboratory Corp. of America Holdings	LH	\$143.47	98.9%	\$14,964	\$20,395	\$9,437	\$3,181	\$1,831	33.7%	19.4%	2.2x	11.1x
Quest Diagnostics, Inc.	DGX	\$98.19	98.2%	\$13,943	\$17,515	\$7,515	\$2,905	\$1,406	38.7%	18.7%	2.3x	12.5x
MEDNAX, Inc.	MD	\$69.38	90.2%	\$6,460	\$8,099	\$3,183	\$1,072	\$661	33.7%	20.8%	2.5x	12.3x
RadNet, Inc.	RDNT	\$5.90	73.9%	\$275	\$896	\$885	\$183	\$107	20.7%	12.1%	1.0x	8.3x
Alliance Healthcare Services, Inc.	AIQ	\$10.25	97.6%	\$112	\$769	\$506	\$221	\$124	43.6%	24.6%	1.5x	6.2x
Average			90.9%	\$8,280	\$11,777	\$6,043	\$1,941	\$1,104	33.0%	18.8%	1.9x	9.9x
Median			93.9%	\$10,194	\$12,807	\$5,349	\$1,988	\$1,033	33.7%	19.1%	1.9x	10.2x

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 3/31/17	% 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	\$164.01	95.3%	\$158,762	\$180,372	\$184,840	\$43,386	\$14,510	23.5%	7.9%	1.0x	12.4x
Aetna, Inc.	AET	\$127.55	93.4%	\$45,191	\$45,042	\$63,155	\$16,799	\$6,197	26.6%	9.8%	0.7x	7.3x
Cigna Corp.	CI	\$146.49	94.6%	\$38,036	\$39,254	\$39,668	\$12,714	\$3,847	32.1%	9.7%	1.0x	10.2x
Anthem, Inc.	ANTM	\$165.38	96.8%	\$44,338	\$38,421	\$84,863	\$18,028	\$5,778	21.2%	6.8%	0.5x	6.6x
Humana, Inc.	HUM	\$206.14	93.5%	\$31,110	\$23,942	\$54,379	\$9,372	\$2,055	17.2%	3.8%	0.4x	11.7x
Centene Corp.	CNC	\$71.26	94.3%	\$11,685	\$12,126	\$37,688	\$7,052	\$1,965	18.7%	5.2%	0.3x	6.2x
WellCare Health Plans, Inc.	WCG	\$140.21	92.3%	\$6,256	\$3,168	\$14,237	\$2,148	\$643	15.1%	4.5%	0.2x	4.9x
Magellan Health Services, Inc.	MGLN	\$69.05	81.5%	\$1,668	\$1,999	\$4,837	\$285	\$237	5.9%	4.9%	0.4x	8.4x
Universal American Corp.	UAM	\$9.97	98.5%	\$705	\$733	\$1,380	\$206	\$9	14.9%	0.7%	0.5x	78.2x*
Health Net, Inc.	HNT	\$0.55	91.7%	\$179	\$218	\$222	\$22	\$26	10.0%	11.5%	1.0x	8.5x
Average			93.2%	\$33,793	\$34,527	\$48,527	\$11,001	\$3,527	18.5%	6.5%	0.6x	8.5x
Median			93.9%	\$21,397	\$18,034	\$38,678	\$8,212	\$2,010	18.0%	6.0%	0.5x	8.4x

Healthcare Technology

Company	Ticker	Closing Price 3/31/17	% 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	\$58.85	87.2%	\$20,224	\$20,431	\$4,708	\$4,017	\$1,315	85.3%	27.9%	4.3x	15.5x
Athenahealth, Inc.	ATHN	\$112.69	78.3%	\$4,519	\$4,663	\$1,083	\$549	\$107	50.7%	9.9%	4.3x	43.5x*
Allscripts Healthcare Solutions, Inc.	MDRX	\$12.68	83.6%	\$2,361	\$4,024	\$1,550	\$760	\$152	49.0%	9.8%	2.6x	26.4x
Medidata Solutions, Inc.	MDSO	\$57.69	98.2%	\$3,303	\$3,191	\$463	\$351	\$66	75.7%	14.1%	6.9x*	48.7x*
WebMD Health Corp.	WBMD	\$52.68	78.0%	\$2,854	\$2,908	\$705	\$452	\$188	64.0%	26.7%	4.1x	15.4x
Quality Systems, Inc.	QSII	\$15.24	95.8%	\$937	\$938	\$505	\$279	\$61	55.2%	12.1%	1.9x	15.3x
Healthstream, Inc.	HSTM	\$24.23	84.0%	\$777	\$674	\$226	\$129	\$21	57.2%	9.3%	3.0x	32.0x*
Computer Programs & Systems, Inc.	CPSI	\$28.00	51.8%	\$371	\$522	\$267	\$138	\$33	51.6%	12.3%	2.0x	15.9x
Average			82.1%	\$4,418	\$4,669	\$1,188	\$834	\$243	61.1%	15.3%	3.2x	17.7x
Median			83.8%	\$2,608	\$3,050	\$605	\$401	\$86	56.2%	12.2%	3.0x	15.5x

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 3/31/17	% 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	\$80.56	90.2%	\$112,786	\$133,619	\$29,361	\$20,191	\$9,088	68.8%	31.0%	4.6x	14.7x
Stryker Corp.	SYK	\$131.65	98.5%	\$49,830	\$53,360	\$11,325	\$7,546	\$3,107	66.6%	27.4%	4.7x	17.2x
CR Bard, Inc.	BCR	\$248.54	98.5%	\$18,690	\$19,427	\$3,714	\$2,344	\$1,149	63.1%	30.9%	5.2x	16.9x
DENTSPLY International, Inc.	XRAY	\$62.44	94.9%	\$13,837	\$14,958	\$3,745	\$2,001	\$780	53.4%	20.8%	4.0x	19.2x
The Cooper Companies, Inc.	COO	\$199.89	98.6%	\$9,830	\$11,163	\$2,016	\$1,276	\$618	63.3%	30.7%	5.5x	18.1x
Teleflex, Inc.	TFX	\$193.73	97.4%	\$9,230	\$9,720	\$1,868	\$1,028	\$487	55.0%	26.1%	5.2x	20.0x
Varian Medical Systems, Inc.	VAR	\$91.13	85.4%	\$8,666	\$8,473	\$3,224	\$1,386	\$633	43.0%	19.6%	2.6x	13.4x
Steris Corp.	STE	\$69.46	93.1%	\$5,986	\$7,240	\$2,616	\$1,010	\$598	38.6%	22.9%	2.8x	12.1x
Alere, Inc.	ALR	\$39.73	78.1%	\$3,440	\$6,443	\$2,385	\$1,072	\$318	44.9%	13.3%	2.7x	20.3x
Average			92.7%	\$25,811	\$29,378	\$6,695	\$4,206	\$1,864	55.2%	24.7%	4.1x	16.9x
Median			94.9%	\$9,830	\$11,163	\$3,224	\$1,386	\$633	55.0%	26.1%	4.6x	17.2x

Healthcare Distribution

Company	Ticker	Closing Price 3/31/17	% 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	\$148.26	74.3%	\$33,655	\$41,815	\$196,498	\$11,332	\$4,624	5.8%	2.4%	0.2x	9.0x
Cardinal Health, Inc.	CAH	\$81.55	92.8%	\$26,463	\$30,177	\$127,236	\$6,526	\$3,072	5.1%	2.4%	0.2x	9.8x
AmerisourceBergen Corp.	ABC	\$88.50	93.7%	\$19,893	\$22,581	\$148,310	\$4,223	\$2,158	2.8%	1.5%	0.2x	10.5x
Henry Schein, Inc.	HSIC	\$169.97	92.9%	\$13,914	\$15,686	\$11,572	\$3,234	\$987	27.9%	8.5%	1.4x	15.9x
Patterson Companies, Inc.	PDCO	\$45.23	89.7%	\$4,341	\$5,436	\$5,602	\$1,330	\$425	23.7%	7.6%	1.0x	12.8x
Owens & Minor, Inc.	OMI	\$34.60	83.4%	\$2,114	\$2,603	\$9,723	\$1,187	\$267	12.2%	2.7%	0.3x	9.7x
PharMerica Corp.	PMC	\$23.40	81.5%	\$729	\$1,197	\$2,091	\$326	\$129	15.6%	6.2%	0.6x	9.3x
Average			86.9%	\$14,444	\$17,071	\$71,576	\$4,023	\$1,666	13.3%	4.5%	0.5x	11.0x
Median			89.7%	\$13,914	\$15,686	\$11,572	\$3,234	\$987	12.2%	2.7%	0.3x	9.8x

Source: S&P Capital IQ.



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Recent Transactions

 <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 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>has been acquired by</i> 	 <i>has been acquired by</i>

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