

Healthcare Services *Quarterly Update Third Quarter 2020*



RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES



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Q3 2020 Highlights

October, 2020

Deal volume in Q3 2020 remained flat compared with the prior quarter with 342 transactions announced, but down 25% from the same quarter a year earlier, according to preliminary figures from Irving Levin Associates Inc. Hospital transaction volume fell by more than 50% in Q3 2020 to 10 deals and \$207 million, respectively, as compared to the same quarter a year prior. Two bright spots were the Home Health & Hospice and Telemedicine sectors, which have seen an increase in demand in the post COVID environment.

Home Health & Hospice M&A transaction volume more than doubled from Q2 2020 levels with 22 total announced deals in the Q3 2020. Hospice care has proven a strong and consistent performer through the pandemic and is also considered a costefficient alternative of care outside of the acute care setting, which is one of healthcare's most expensive points of care. As a result, hospice has been one of the fastest healthcare sectors to return to pre-COVID valuations. Capitalizing on these trends, during Q3 2020 private equity firm HIG Capital acquired Vistria's St. Croix Hospice for \$580 million. The hospice industry is comprised primarily of local and fragmented markets, as such platforms like St. Croix have significant opportunities for M&A and growth. The professionalizing of the industry and a value proposition that appeals to both fee-for-service and managed care models of reimbursement will help drive further industry consolidation. Centerbridge Partners and Vistria Group are partnering on a \$1.4 billion deal to acquire Wellspring Capital Management's home health provider, Help at Home. The transaction underscores seniors' growing preference to receive integrated care at home, a trend poised for further acceleration with the prevalence of COVID-19 deaths in SNFs.

COVID-19 has also accelerated the adoption of telemedicine and its role as an integral service in the future of healthcare. Over \$2 billion of capital was invested in telemedicine during Q3 2020 with valuations exceeding 20.0x revenues. Investors are aggressively seeking telemedicine opportunities, from early-stage VC funding to IPOs to mega-mergers. Notable transactions include: Amwell's \$742 million IPO at 23.0x 2021E earnings, Teladoc's acquisition of Livongo at a multiple of 57.0x run-rate revenue, Teladoc's acquisition of InTouch Health for \$600 million, Hims' pending merger into an Oaktree Capital backed SPAC at a valuation of approximately \$1.6 billion (11.0x 2020E revenues), and SOC Telemed's pending merger into a SPAC at a valuation of \$721 million (12.6x 2020 revenues). Telemedicine transaction volume is expected to accelerate as leading strategic players look to expand service offerings and penetrate new markets.

Overall the outlook for healthcare M&A in the near term is likely to be driven by distressed transactions. Hospital patient utilization volumes, despite showing a significant rebound from their April low point during the pandemic-related lockdowns, appear to be stabilizing at approximately 90% of 2019 volumes according to a recent report by the Kaiser Family Foundation. Similarly, volume at dental practices appears to be stabilizing at 80% of 2019 levels and most physician specialties are experiencing similar year-over-year declines in stabilized volumes. This "New Normal" will likely have significant implications for liquidity as these sectors head into 2021.

This is an unprecedented moment in our history. As COVID-19 continues to impact our families and friends around the world, our thoughts and prayers are that you and your family are healthy, safe, and making the best of a reality that is changing daily.

We welcome your comments and hope you find our SOLIConnect report informative.

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\$60,100,000

+T ThomasHealth

has consummated a Private Placement of Series 2020 Refunding Revenue Bonds

Investment Banking and Financial Restructuring Advisor

Thomas Health ("TH" or the "System") operates as a 383-bed non-profit health system consisting of two hospitals, Thomas Memorial Hospital and Saint Francis Hospital, with over 1,650 employees and 310 physicians serving approximately 275,000 patients in the greater Charleston and Kanawha Valley regions of West Virginia, such regions comprising the largest healthcare market in the state.

SOLIC was retained by TH to assist in the pursuit and evaluation of strategic alternatives in support of its long-term commitment to providing high quality, cost-effective healthcare to the communities it serves.

SOLIC served as investment banking and financial restructuring advisor to the System in exploring a full range of strategic and financial partnership options. The SOLIC team initiated and led a comprehensive transaction process – which entailed dialogue with a wide range of prospective strategic and financial partners, developing and implementing a competitive solicitation effort, providing valuation parameters and due diligence support, and structuring and negotiating the terms of the definitive agreement for refunding of TH's existing Series 2008 Hospital Revenue Bonds.

As a result of negotiations led by SOLIC, Rosemawr Management, an alternative municipal market investment management firm, executed definitive agreements with TH to purchase \$60.1million in tax-exempt Series 2020 Refunding Revenue Bonds to refinance the System's existing bond debt. This transaction solution reduced TH's debt burden, eliminated a \$70+ million pension liability, and addressed unsecured creditor obligations providing the System with financial flexibility to maintain all facilities, reinvest in its infrastructure, and support an expeditious plan of reorganization to exit from bankruptcy.

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Market Overview





Enterprise Value To EBITDA



Revenue and EBITDA valuation *multiples contnued to rise in* Q3 2020 from prior quarters, while reported deal volume dropped partially due to the *COVID-19 global pandemic.*

SCA Healthcare Index Stock Performance

SCA Healthcare Services Sectors

Total Enterprise Value / Revenue

3.5x 3.0x

2.5x 2.0x

> 0.5 0.0x



SCA Healthcare Services Sectors Total Enterprise Value / EBITDA



SCA Healthcare Services Sectors Stock Performance



Notable Industry Developments

Managing Distressed Physician, Dental Groups in the Post-COVID Environment Post-COVID, the widespread closure of offices and general drop in demand for many services have caused even the most successful physician practice management companies (PPMs) and Dental Service Organizations (DSOs) to prioritize and address significant liquidity challenges. Many PPMs and DSOs will require an incremental investment of two to three months of net working capital to become fully stabilized and profitable, assuming patient demand returns to normalized levels in the second half of 2020. As a result, both private equity firms and lenders are at a critical juncture with respect to their PPM and DSO investments. Private equity firms must decide whether to commit the additional investment to "restart" these practices or to abandon their investments. If private equity firms decide to cease funding their PPM/DSO portfolio companies, lenders will need to quickly evaluate whether they are prepared to fund these practices to seek an enhanced recovery in the future or should attempt to monetize the practices today at distressed valuations.

Shift to Remote Care Pushes Healthtech Investment to New Heights in 2020

U.S. healthtech startups completed more deals than their biopharma counterparts this year through August, which will be an industry first if the trend continues. In total, healthtech garnered approximately \$10 billion of U.S. and European VC investment in the first three guarters of 2020, compared to \$8.8 billion in the same period last year, according to data from Silicon Valley Bank. Much of the momentum was driven by investments in providers of alternative care, including services like telemedicine and mental health platforms. The sector accounted for 42% of U.S. and European healthtech funding.

Third Quarter 2020

Senior Housing Occupancy Reaches Record Low in Third Quarter According to new data from the National Investment Center for Seniors Housing & Care, senior housing occupancy fell 2.6 percentage points in the third quarter of 2020, from 84.7% to 82.1%, indicating a steady decline since the outbreak of the coronavirus. This is the second consecutive guarter where occupancy fell more than 2.5 percentage points, meaning the senior housing sector is now experiencing its largest drop in occupancy on record. Independent living facilities saw a considerable increase in inventory, posting the largest increase since early 2009.



Hospitals Could See a 10% Drop in Admissions in 2020

According to a recent study by the Kaiser Family Foundation, if admissions remain at approximately 90% of projected levels for the rest of the year, total admissions will be approximately 10.5% below the predicted volume for 2020.

ACA Plan Premiums to Fall in 2021

Following years of market volatility, premiums for benchmark Affordable Care Act plans are set to drop for the third consecutive year, with CMS predicting a 2% drop for plan year 2021.



C Selected M&A Transactions

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Alternat	e Site				
9/10/2020	MEDNAX Radiology Solutions	Radiology Partners	\$885.0	n/a	n/a
Description:		d MEDNAX Radiology Solutions, wl IAX Radiology Solutions was found			•
9/9/2020	Circle Medical	WELL Health Technologies	\$14.0	n/a	n/a
Description:	0	acquired Circle Medical, a provider 011 and is based in San Francisco,		ervices across	35 states.
9/8/2020	CallingDR	Progressive Care Inc.	\$10.2	n/a	n/a
Description:		red CallingDR, a telemedicine and ote patient monitoring. CallingDR w			•
7/29/2020	Paramount Surgery Center	IRA Capital	\$7.0	n/a	n/a
Description:	· · ·	ount Surgery Center, a 9,000 sq.ft. founded in 2008 and is based in Fo	• •	with three ope	rating rooms.
7/29/2020	Specialists On Call, Inc.	Healthcare Merger Corp.	\$721.0	12.6x	n/a
Description:	•	quired Specialists On Call, Inc., the and health systems. Specialists O	-	•	
7/23/2020	Divergent Partners Management Group	Fruition Partners	n/a	n/a	n/a
Description:	•	Divergent Partners Management Gro gement Group was founded in 2016			nanagement
7/23/2020	OrthoSouth ASC	Capital Square 1031	\$6.0	n/a	n/a
Description:		ed OrthoSouth ASC, a 13,000 sq.ft. hern U.S. OrthoSouth ASC is base	• •		of largest



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
7/13/2020	TriHealth Surgery Center Anderson	TriHealth	\$21.0	n/a	n/a
Description:	TriHealth has acquired TriHealth Surgery Center Anderson is base	Surgery Center Anderson, a 21,00 ed in Cincinnati, OH.	0 sq.ft. outpati	ent surgery cen	ter. TriHealth

9/21/2020	GRAIL	Illumina, Inc. (NAS:ILMN)	\$8,000.0	n/a	n/a	
Description:	Illumina, Inc. (NAS:ILMN) has acquired GRAIL, a developer and provider of early-stage cancer detection services. GRAIL was founded in 2015 and is based in Menlo Park, CA.					
8/13/2020	NeuMoDx Molecular, Inc.	QIAGEN N.V. (NAS:QGEN)	\$248.0	n/a	n/a	
Description:	solutions for hospital and clir	has acquired NeuMoDx Molecular, Ind nical reference laboratories. NeuMoD	· •	•		
	based in Ann Arbor, MI.					
7/26/2020	Dased in Ann Arbor, Mr.	Curi Bio	n/a	n/a	n/a	
7/26/2020 Description:	Dana Solutions Curi Bio has acquired Dana	Curi Bio Solutions, a provider of drug screenin 16 and is based in Palo Alto, CA.				

Πεαιτητατε Distribution

9/29/2020	DivvyDose	UnitedHealth Group, Inc. (NYS:UNH)	\$300.0	n/a	n/a
Description:	• •	c. (NYS:UNH) has acquired DivvyDose, a d and OTC medications for patients. DivvyDo	•		



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA	
9/23/2020	1-800-CONTACTS, Inc.	KKR & Co. L.P.	\$3,100.0	n/a	n/a	
Description:	KKR & Co. L.P. has acquired 1-800-CONTACTS, Inc., the largest seller of contact lenses in the U.S., serving more than 20 million customers for the last 25 years. 1-800-CONTACTS, Inc. was founded in 2001 and is based in Draper, UT.					
8/3/2020	Xermelo (NAS:LXRX)	TerSera Therapeutics LLC	\$159.0	n/a	n/a	
Description:	•	cquired Xermelo (NAS:LXRX), a pr 5D). Xermelo was founded in 2019		• • •	••	
7/30/2020	Noden (NAS:PDLI)	Stanley Capital	\$45.0	n/a	n/a	
Description:		den from PDL BioPharma (NAS:PE s founded in 1986 and is based on	7· 0	ecialty pharmace	eutical	

Healthcare Equipment & Supplies

9/29/2020	Integra LifeSciences Holdings (NAS:IART) - extremity orthopedics business	Smith & Nephew plc (NYS:SNN)	\$240.0	0.2x	1.4x	
Description:	Smith & Nephew plc (NYS:SNN) has acquired the Extremity Orthopedics business from Integra LifeSciences Holdings (NAS:IART), which includes a portfolio of devices, implants, and instruments for shoulder replacement as well as reconstruction of bone in the hand, wrist and elbow, and foot and ankle. Integra LifeSciences Holdings was founded in 1989 and is based in Plainsboro Township, NJ.					
9/15/2020	Fiagon AG Medical Technologies	Intersect ENT (NAS:XENT)	\$71.1	n/a	n/a	
Description:	Intersect ENT (NAS:XENT) has acquired Fiagon AG Medical Technologies, a provider of surgical navigation equipment for ear, nose and throat procedures with its proprietary tip-tracked technology. Fiagon AG Medical Technologies was founded in 2007 and is based in Austin, TX.					
8/27/2020	Intact Vascular, Inc.	Royal Philips (NYS:PHG)	\$360.0	n/a	n/a	
Description:		quired Intact Vascular, Inc., a provi edures. Intact Vascular, Inc. was fo			-	

Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Acessa Health Inc.	Hologic, Inc. (NAS:HOLX)	\$80.0	n/a	n/a
Cellero	Charles River Laboratories (NYS:CRL)	\$38.0	n/a	n/a
· ·	,		r products for ce	ell therapy
Varian Medical Systems, Inc. (NYS:VAR)	Siemens Healthineers	\$16,400.0	5.1x	37.4x
care technologies and solutions	to clinical partners worldwide. Vari			
are IT				
are IT Scriptcycle LLC	GoodRx Inc.	\$57.2	n/a	n/a
Scriptcycle LLC GoodRx Inc. has acquired Scrip	GoodRx Inc. otcycle LLC, a provider of prescriptio oyers. Scriptcycle LLC was founded	on processing a	and adjudicatior	n services to
Scriptcycle LLC GoodRx Inc. has acquired Scrip	otcycle LLC, a provider of prescription	on processing a	and adjudicatior	n services to
Scriptcycle LLC GoodRx Inc. has acquired Scrip patients, pharmacies, and emplo EASE Applications, LLC Vocera Communications, Inc. (N	otcycle LLC, a provider of prescription oyers. Scriptcycle LLC was founded Vocera Communications, Inc. (NYS:VCRA) NYS:VCRA) has acquired EASE Appoble application for hospital patients	on processing a d in 2006 and is \$25.0 plications, LLC	and adjudication s based in Ashe n/a , a cloud-based	n services to e, NC. n/a
	 Hologic, Inc. (NAS:HOLX) has a sparing solutions for women within Austin, TX. Cellero Charles River Laboratories (NY developers. Cellero was founder Varian Medical Systems, Inc. (NYS:VAR) Siemens Healthineers has acquicare technologies and solutions 	Hologic, Inc. (NAS:HOLX) has acquired Acessa Health Inc., a provision sparing solutions for women with symptomatic fibroids. Acessa Health Inc., a provision Austin, TX. Cellero Charles River Laboratories (NYS:CRL) Charles River Laboratories (NYS:CRL) has acquired Cellero, a prodevelopers. Cellero was founded in 1988 and is based in Lowell, M Varian Medical Systems, Inc. (NYS:VAR) Siemens Healthineers has acquired Varian Medical Systems, Inc. (NYS:VAR)	Acessa Health Inc.Hologic, Inc. (NAS:HOLX)\$80.0Hologic, Inc. (NAS:HOLX) has acquired Acessa Health Inc., a provider of advance sparing solutions for women with symptomatic fibroids. Acessa Health Inc. was for in Austin, TX.Charles River Laboratories (NYS:CRL)\$38.0CelleroCharles River Laboratories (NYS:CRL)\$38.0Charles River Laboratories (NYS:CRL) has acquired Cellero, a provider of cellular developers. Cellero was founded in 1988 and is based in Lowell, MA.\$16,400.0Varian Medical Systems, Inc. (NYS:VAR)Siemens Healthineers has acquired Varian Medical Systems, Inc. (NYS:VAR), a p care technologies and solutions to clinical partners worldwide. Varian Medical System	Acessa Health Inc.Hologic, Inc. (NAS:HOLX)\$80.0n/aHologic, Inc. (NAS:HOLX) has acquired Acessa Health Inc., a provider of advance minimally inva sparing solutions for women with symptomatic fibroids. Acessa Health Inc. was founded in 2004 a in Austin, TX.Charles River Laboratories (NYS:CRL)\$38.0n/aCelleroCharles River Laboratories (NYS:CRL)\$38.0n/aCharles River Laboratories (NYS:CRL) has acquired Cellero, a provider of cellular products for ca developers. Cellero was founded in 1988 and is based in Lowell, MA.\$16,400.05.1xVarian Medical Systems, Inc. (NYS:VAR)Siemens Healthineers has acquired Varian Medical Systems, Inc. (NYS:VAR), a provider of innov care technologies and solutions to clinical partners worldwide. Varian Medical Systems, Inc. was\$16,400.05.1x

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
8/25/2020	Acessa Health Inc.	Hologic, Inc. (NAS:HOLX)	\$80.0	n/a	n/a
Description:	,	nas acquired Acessa Health Inc., a pro- n with symptomatic fibroids. Acessa He			
8/5/2020	Cellero	Charles River Laboratories (NYS:CRL)	\$38.0	n/a	n/a
Description:		(NYS:CRL) has acquired Cellero, a prounded in 1988 and is based in Lowell, I		r products for ce	ell therapy
8/2/2020	Varian Medical Systems, I (NYS:VAR)	nc. Siemens Healthineers	\$16,400.0	5.1x	37.4x
	· · · ·		<i></i>		
Description:		acquired Varian Medical Systems, Inc. ions to clinical partners worldwide. Var Alto, CA.	· · ·		
·	care technologies and solut 1948 and is based in Palo A	ions to clinical partners worldwide. Var	· · ·		
Healthc	care technologies and solut 1948 and is based in Palo A are IT	tions to clinical partners worldwide. Var Alto, CA.	ian Medical Sys	tems, Inc. was	founded in
·	care technologies and solut 1948 and is based in Palo A Care IT Scriptcycle LLC	tions to clinical partners worldwide. Van Alto, CA. GoodRx Inc.	ian Medical Sys \$57.2	tems, Inc. was n/a	founded in n/a
Healthc	care technologies and solut 1948 and is based in Palo A Care IT Scriptcycle LLC GoodRx Inc. has acquired S	tions to clinical partners worldwide. Var Alto, CA.	ian Medical Sys \$57.2 ion processing a	tems, Inc. was n/a and adjudicatior	founded in n/a n services to
<i>Healthc</i> 9/15/2020	care technologies and solut 1948 and is based in Palo A Care IT Scriptcycle LLC GoodRx Inc. has acquired S	tions to clinical partners worldwide. Var Alto, CA. GoodRx Inc. Scriptcycle LLC, a provider of prescript	ian Medical Sys \$57.2 ion processing a ed in 2006 and is	tems, Inc. was n/a and adjudicatior	founded in n/a n services to
Healthc 9/15/2020 Description:	care technologies and solut 1948 and is based in Palo A CORENT Scriptcycle LLC GoodRx Inc. has acquired S patients, pharmacies, and e EASE Applications, LLC Vocera Communications, In	GoodRx Inc. GoodRx Inc. Scriptcycle LLC, a provider of prescript employers. Scriptcycle LLC was founde Vocera Communications, Inc. (NYS:VCRA) ac. (NYS:VCRA) has acquired EASE A d mobile application for hospital patien	ian Medical Sys \$57.2 ion processing a ed in 2006 and is \$25.0 pplications, LLC	n/a n/a and adjudicatior s based in Ashe n/a , a cloud-basec	founded in n/a n services to a, NC. n/a
Healthc 9/15/2020 Description: 8/19/2020	care technologies and solut 1948 and is based in Palo A CORE IT Scriptcycle LLC GoodRx Inc. has acquired S patients, pharmacies, and e EASE Applications, LLC Vocera Communications, In communication platform and	GoodRx Inc. GoodRx Inc. Scriptcycle LLC, a provider of prescript employers. Scriptcycle LLC was founde Vocera Communications, Inc. (NYS:VCRA) ac. (NYS:VCRA) has acquired EASE A d mobile application for hospital patien do, FL.	ian Medical Sys \$57.2 ion processing a ed in 2006 and is \$25.0 pplications, LLC	n/a n/a and adjudicatior s based in Ashe n/a , a cloud-basec	founded in n/a n services to a, NC. n/a



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
8/11/2020	Vitalware, LLC	Health Catalyst, Inc. (NAS:HCAT)	\$120.0	6.3x	n/a
Description:	•) has acquired Vitalware, LLC, a productions to healthcare organization			
8/5/2020	Livongo Health, Inc. (NAS:LVGO)	Teladoc Health, Inc. (NYS:TDOC)	\$13,993.0	43.3x	n/a
Description:	· · · ·) has acquired Livongo Health, Inc diabetes. Livongo Health, Inc. was	· · ·	•	•.
7/30/2020	EPSi (NAS:MDRX)	Strata Decision Technology	\$365.0	n/a	n/a
Description:	•	acquired EPSi from Allscripts (NAS ols for hospitals and health system		• •	
7/20/2020	DXC Technology (NYS:DXC) - Software provider	Dedalus Group	\$525.0	n/a	n/a
Description:		C's software provider from DXC Te osystems. DXC Technology was fo	•••		•
7/20/2020	R1 RCM, Inc. (NAS:RCM) - EMS business	Sarnova, Inc.	\$140.0	n/a	n/a
Description:	•	MS business from R1 RCM, Inc. (N c patient care reporting. R1 RCM,			
7/12/2020	MultiPlan, Inc.	Churchill Capital (NYSE:CCX)	\$11,000.0	11.2x	n/a
Description:	· · · · /	as acquired MultiPlan, Inc., a provion nded in 1980 and is based in New `		re cost manage	ement
7/9/2020	Healthfinch, Inc.	Health Catalyst, Inc. (NAS:HCAT)	\$40.0	n/a	n/a
Description:	3) has acquired Healthfinch, Inc., a ions. Healthfinch, Inc. was founded			•

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA	
Hospital	Providers					
9/30/2020	Tennova Healthcare- Shelbyville and Harton	Vanderbilt University Medical Center	n/a	n/a	n/a	
Description:	Vanderbilt University Medical Ce	nter has acquired Tennova Healtho ealth System. The two hospitals an			vo hospitals	
9/11/2020	Wheeling Hospital	WVU Health System	n/a	n/a	n/a	
Description:	WVU Health System has acquired Wheeling Hospital, a 223-bed hospital facility. Wheeling Hospital was founded in 1850 and is based in Wheeling, WV.					
8/24/2020	Sistersville General Hospital	Memorial Health System	n/a	n/a	n/a	
Description:	•	quired Sistersville General Hospital s founded in 1908 and is based in S		cal access hosp	oital.	
8/12/2020	Cone Health	Sentara Healthcare	n/a	n/a	n/a	
Description:	Sentara Healthcare has acquired in 1911 and is based in Greensb	l Cone Health, an operator of a hea oro, NC.	althcare netwo	rk. Cone Health	was founded	
7/16/2020	Huntington Hospital	Cedars-Sinai Health System	n/a	n/a	n/a	
Description:	Cedars-Sinai Health System has Hospital was founded in 1892 ar	acquired Huntington Hospital, a 6 d is based in Pasadena, CA.	19-bed nonpro	fit hospital. Hun	tington	
7/14/2020	Wyoming Medical Center	Banner Health	\$207.0	n/a	n/a	
Description:		oming Medical Center, a 212-bed a 1911 and is based in Casper, Wyon	-	eral hospital. Wy	/oming	
7/8/2020	Northwest Community Healthcare	NorthShore University Health	n/a	n/a	n/a	
Description:	NorthShore University Health ha	s acquired Northwest Community F vas founded in 1953 and is based i		•	pital system.	



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
7/2/2020	Wetzel Community Hospital	West Virginia University Hospital	n/a	n/a	n/a
Description:	.	has acquired Wetzel Community F d in 1920 and is based in New Mar		ped hospital fac	ility. Wetzel

Long-Term Care / Senior Living

9/30/2020	The Boulevard Senior Living	Kayne Anderson Advisors	\$97.0	n/a	n/a
Description:	•	cquired The Boulevard Senior Living levard Senior Living was founded in		•	
9/29/2020	Simplura Health Group	The Providence Service Corp. (NAS:PRSC)	\$575.0	n/a	n/a
Description:		NAS:PRSC) has acquired Simplura limplura health Group was founded	•		
9/28/2020	Welltower (NYSE:WELL) - Seniors housing portfolio	AEW Capital Management	\$702.0	n/a	n/a
Description:		acquired a seniors housing portfolio sists of 11 seniors housing commur	•	•	
9/21/2020	Cascades Village Senior Apt.	Avanath Capital Management	\$27.2	n/a	n/a
Description:		as acquired Cascades Village Senio s Village Senior Apt. was founded in			
8/5/2020	University Village	Tampa Life Plan Village, Inc.	\$51.0	n/a	n/a
Description:		acquired University Village, a long-to illage was founded in 1985 and is ba	-		72 AL units
7/24/2020	Copper Ridge	Undisclosed buyer	\$20.0	n/a	n/a
Description:		red Copper Ridge, a senior care fac le was founded in 1994 and is based	• •		ls and 60 AL/

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterpris Value / EBITDA
7/9/2020	Ventas (NYS:VTR) - 7 senior living communities	MedCore Partners	\$52.0	n/a	n/a
Description:	•	7 senior living communities formall AL and memory care. The 7 senior ?).		•	
7/1/2020	Lancaster Village	The Springs Living, LLC	\$31.5	n/a	n/a
Description:		quired Lancaster Village, a senior liv ge was founded in 1983 and is base	• •		101 IL units

Manage	ed Care				
9/17/2020	Versant Health	MetLife, Inc. (NYSE:MET)	\$1,675.0	n/a	n/a
Description:		acquired Versant Health, a provider ant Health was founded in 1993 and	•	•	tions with
9/11/2020	Franco Signor	Verisk Analytics, Inc. (NAS:VRSK)	\$160.0	n/a	n/a
Description:	•	SK) has acquired Franco Signor, a f I services. Franco Signor was founc	•		•
7/17/2020	Passport Health Plan - Medicaid and DSNP assets	Molina Healthcare, Inc. (NYS:MOH)	\$20.0	n/a	n/a
Description:	Molina Healthcare, Inc. (NYS:M Medicaid and DSNP assets are	IOH) has acquired Medicaid and DS based in Louisville, KY.	SNP assets from	Passport Hea	lth Plan. The
7/13/2020	Benefytt Technologies, Inc. (NAS:BFYT)	Madison Dearborn Partners	\$420.7	1.2x	n/a
Description:		s acquired Benefytt Technologies, li narketplace. Benefytt Technologies		•	•
7/7/2020	HealthEZ	Abry Partners	n/a	n/a	n/a
Description:	Abry Partners has acquired Heat founded in 1982 and is based in	althEZ, an independent third-party h n Bloomington, MN.	nealth plan admir	histrator. Healt	hEZ was



Waluation Metrics by Sector



Diagnostic Services								
LH	Laboratory Corporation of America	\$188.27	91.1%	\$18,337.5	\$24,913.9	2.2x	22.0x	51.2x
DGX	Quest Diagnostics	114.49	86.9%	15,376.3	19,652.3	2.6x	13.3x	20.8x
RDNT	RadNet	15.35	65.5%	791.7	1,963.5	1.8x	24.7x	na
					Mean	2.2x	20.0x	36.0x

[1] AMED has been excluded from mean EBITDA & P/E multiple calculations.

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enter- prise Value (\$mm)	Enterpris to):	P/E
						LTM Revenue	LTM EBITDA	
Health	care Distributors ^[2]			•				
ABC	AmerisourceBergen	\$96.92	91.0%	\$19,785.4	\$20,616.2	0.1x	13.2x	12.8x
CAH	Cardinal Health	46.95	77.4%	13,774.8	17,781.8	0.1x	na	na
HSIC	Henry Schein	58.78	79.4%	8,391.9	10,359.1	1.1x	14.0x	14.7x
MCK	McKesson	148.93	86.5%	24,154.9	32,595.9	0.1x	14.3x	na
OMI	Owens & Minor	25.11	99.6%	1,601.1	2,887.5	0.4x	na	na
SRCL	Stericycle	63.06	92.8%	5,768.9	8,239.2	2.7x	na	na
TMO	Thermo Fisher Scientific	441.52	99.3%	174,660.6	190,155.6	7.2x	28.5x	47.8x
					Mean	1.7x	13.8x	13.7x
Health	care Equipment & Supplies [3]							
ABT	Abbott	\$108.83	95.3%	\$192,686.8	\$207,548.8	6.6x	28.9x	63.3x
BAX	Baxter International	80.42	84.5%	40,711.2	43,520.2	3.8x	24.0x	44.9x
BDX	Becton, Dickinson and Company	232.68	81.2%	67,446.6	83,264.6	4.9x	23.6x	82.2x
BEAT	BioTelemetry	45.58	81.6%	1,558.2	1,637.8	3.8x	19.3x	86.0x
BSX	Boston Scientific	38.21	82.0%	54,666.1	62,737.1	6.2x	54.7x	13.5x
JNJ	Johnson & Johnson	148.88	94.8%	391,974.8	403,233.8	5.0x	17.3x	26.2x
MDT	Medtronic	103.92	85.1%	139,690.8	155,515.8	5.6x	22.2x	31.9x
SIE	Siemens	126.66	88.6%	102,942.7	134,472.8	1.8x	13.6x	21.7x
					Mean	4.7x	21.3x	23.3x

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enter- prise Value (\$mm)	Enterpris tc	:	P/E
						LTM Revenue	LTM EBITDA	
Health	care Distributors ^[2]			•				
ABC	AmerisourceBergen	\$96.92	91.0%	\$19,785.4	\$20,616.2	0.1x	13.2x	12.8x
CAH	Cardinal Health	46.95	77.4%	13,774.8	17,781.8	0.1x	na	na
HSIC	Henry Schein	58.78	79.4%	8,391.9	10,359.1	1.1x	14.0x	14.7x
MCK	McKesson	148.93	86.5%	24,154.9	32,595.9	0.1x	14.3x	na
OMI	Owens & Minor	25.11	99.6%	1,601.1	2,887.5	0.4x	na	na
SRCL	Stericycle	63.06	92.8%	5,768.9	8,239.2	2.7x	na	na
TMO	Thermo Fisher Scientific	441.52	99.3%	174,660.6	190,155.6	7.2x	28.5x	47.8x
					Mean	1.7x	13.8x	13.7x
Health	care Equipment & Supplies [3]							
ABT	Abbott	\$108.83	95.3%	\$192,686.8	\$207,548.8	6.6x	28.9x	63.3x
BAX	Baxter International	80.42	84.5%	40,711.2	43,520.2	3.8x	24.0x	44.9x
BDX	Becton, Dickinson and Company	232.68	81.2%	67,446.6	83,264.6	4.9x	23.6x	82.2x
BEAT	BioTelemetry	45.58	81.6%	1,558.2	1,637.8	3.8x	19.3x	86.0x
BSX	Boston Scientific	38.21	82.0%	54,666.1	62,737.1	6.2x	54.7x	13.5x
JNJ	Johnson & Johnson	148.88	94.8%	391,974.8	403,233.8	5.0x	17.3x	26.2x
MDT	Medtronic	103.92	85.1%	139,690.8	155,515.8	5.6x	22.2x	31.9x
SIE	Siemens	126.66	88.6%	102,942.7	134,472.8	1.8x	13.6x	21.7x
					Mean	4.7x	21.3x	23.3x

[2] TMO has been excluded from mean EBITDA & P/E multiple calculations. [3] BSX has been excluded from mean EBITDA multiple calculation, and ABT, BAX, BDX & BEAT have been excluded from mean P/E multiple calculation.





Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enter- prise Value (\$mm)	Enterpris tc LTM Revenue		P/E
Healthc	are IT ^[4]							
MDRX	Allscripts Healthcare Solutions	\$8.14	68.9%	\$1,326.6	\$2,290.7	1.3x	11.0x	na
CERN	Cerner	72.29	89.4%	22,076.0	22,973.5	4.1x	17.1x	43.5x
CPSI	Computer Programs & Systems	27.61	77.2%	400.7	491.3	1.8x	11.6x	18.7x
HMSY	Hms Holdings	23.95	68.5%	2,120.0	2,185.9	3.5x	17.6x	36.3x
NXGN	NextGen Healthcare	12.74	68.9%	849.4	882.8	1.6x	15.8x	159.3x
OMCL	Omnicell	74.66	78.7%	3,192.7	3,116.3	3.4x	26.2x	66.1x
					Mean	2.6x	14.6x	27.5x

Hospit	al Providers							
CYH	Community Health Systems	\$4.22	56.5%	\$504.8	\$13,295.8	1.1x	10.0x	na
HCA	HCA Management Services	124.68	82.0%	42,146.0	72,335.0	1.4x	7.7x	12.9x
THC	Tenet Healthcare	24.51	62.3%	2,583.1	17,408.1	1.0x	7.9x	na
UHS	Universal Health Services	107.02	71.8%	9,092.1	12,498.1	1.1x	7.7x	12.7x
					Mean	1.2x	8.3x	12.8x

[4] OMCL has been excluded from mean EBITDA multiple calculation, and CERN, NXGN & OMCL have been excluded from mean P/E multiple calculation.

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enter- prise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Long-Te	erm Care / Senior Living ^[5]							
ADUS	Addus HomeCare	\$94.51	88.3%	\$1,493.2	\$1,414.7	1.9x	30.2x	47.0x
BKD	Brookdale Senior Living	2.54	28.9%	465.4	5,776.7	1.5x	12.1x	na
CSU	Capital Senior Living	0.63	13.3%	20.1	933.7	2.2x	22.4x	na
EHC	Encompass Health	64.98	78.0%	6,462.0	10,305.7	2.2x	11.8x	22.6x
ENSG	The Ensign Group	57.06	94.5%	3,068.2	4,004.3	1.9x	18.3x	23.5x
GEN	Genesis HealthCare	0.54	29.3%	90.7	3,554.0	0.8x	14.1x	na
LHCG	LHC Group	212.56	97.9%	6,714.8	6,778.6	3.3x	28.0x	56.1x
					Mean	2.0x	19.6x	23.1x
	ed Care ^[6]			•••• ••• ·	••••	• -	• •	
ANTM	Anthem	\$268.59	86.9%	\$67,552.1	\$83,000.1	0.7x	8.6x	11.7x
CNC	Centene	58.33	78.1%	33,800.5	36,407.5	0.4x	9.0x	20.0x
CI	Cigna	169.41	75.4%	62,207.5	99,274.5	0.6x	8.6x	12.0x
CVS	CVS Health	58.40	75.8%	76,428.3	151,347.3	0.6x	8.2x	na
HUM	Humana	413.89	96.0%	54,754.6	55,683.6	0.8x	9.9x	15.7x
UNH	UnitedHealth Group	311.77	96.1%	296,286.2	321,483.2	1.3x	11.8x	17.5x
					Mean	0.7x	9.3x	14.2x
	ALL HEALTHCARE SECTOR	<u></u>			Mean	2.2x	14.7x	20.8x

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enter- prise Value (\$mm)	Enterprise Value to:		P/E
						LTM Revenue	LTM EBITDA	
Long-Te	erm Care / Senior Living ^[5]							
ADUS	Addus HomeCare	\$94.51	88.3%	\$1,493.2	\$1,414.7	1.9x	30.2x	47.0x
BKD	Brookdale Senior Living	2.54	28.9%	465.4	5,776.7	1.5x	12.1x	na
CSU	Capital Senior Living	0.63	13.3%	20.1	933.7	2.2x	22.4x	na
EHC	Encompass Health	64.98	78.0%	6,462.0	10,305.7	2.2x	11.8x	22.6x
ENSG	The Ensign Group	57.06	94.5%	3,068.2	4,004.3	1.9x	18.3x	23.5x
GEN	Genesis HealthCare	0.54	29.3%	90.7	3,554.0	0.8x	14.1x	na
LHCG	LHC Group	212.56	97.9%	6,714.8	6,778.6	3.3x	28.0x	56.1x
					Mean	2.0x	19.6x	23.1x
	ed Care ^[6]	* 000 50	00.00/	A 07 550 4	# 00.000.4	0.7		44.7
ANTM	Anthem	\$268.59	86.9%	\$67,552.1	\$83,000.1	0.7x	8.6x	11.7x
CNC	Centene	58.33	78.1%	33,800.5	36,407.5	0.4x	9.0x	20.0x
CI	Cigna	169.41	75.4%	62,207.5	99,274.5	0.6x	8.6x	12.0x
CVS	CVS Health	58.40	75.8%	76,428.3	151,347.3	0.6x	8.2x	na
HUM	Humana	413.89	96.0%	54,754.6	55,683.6	0.8x	9.9x	15.7x
UNH	UnitedHealth Group	311.77	96.1%	296,286.2	321,483.2	1.3x	11.8x	17.5x
					Mean	0.7x	9.3x	14.2x
	ALL HEALTHCARE SECTOR				Mean	2.2x	14.7x	20.8x

[5] ADUS & LHCG have been excluded from mean P/E multiple calculation.[6] CNC has been excluded from mean P/E multiple calculation.





Notes

- Sources: PitchBook, Bond Buyer, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.
- Any public companies chosen for the "SCA Healthcare Services Universe" are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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