



# M&A MARKET MONITOR

HEALTHCARE

January 2021

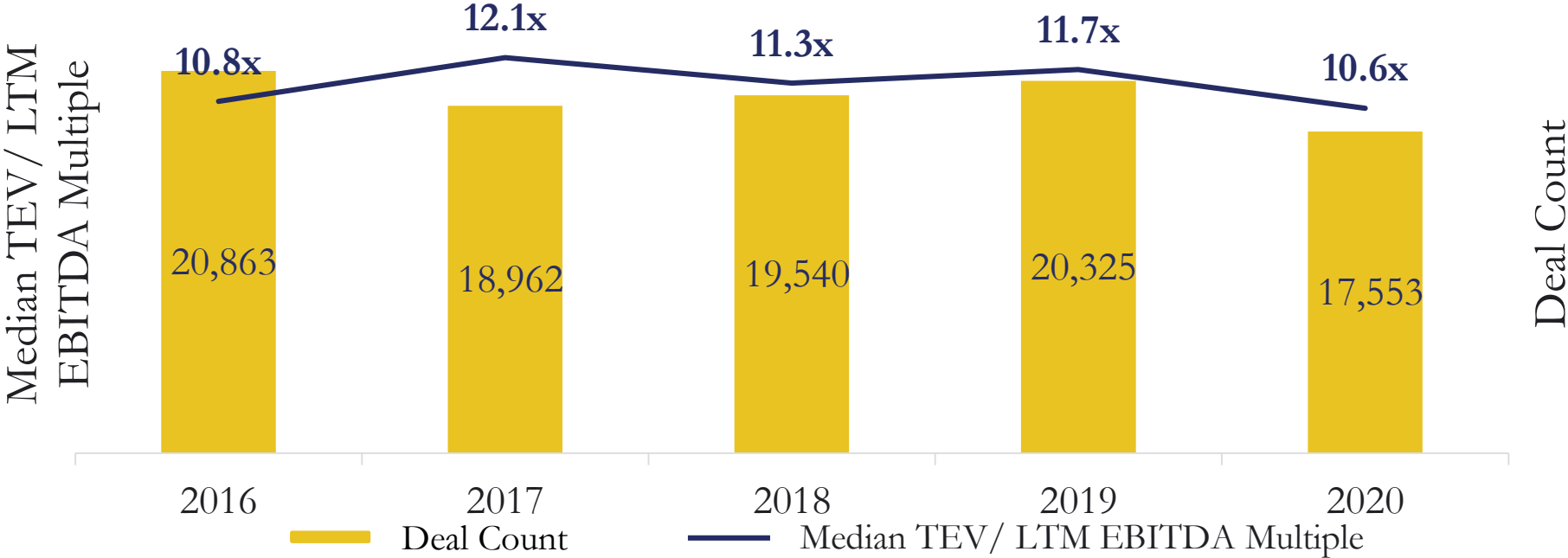
# U.S. & Canada M&A Market Overview



## Overall Market Transactions

### Quick Highlights

- Although the pandemic affected the U.S. & Canada M&A market, volume and multiples ended the year at approximately 90% of recent historical averages
  - 2020 deal count was 88% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources, As of 12/31/2020

### About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

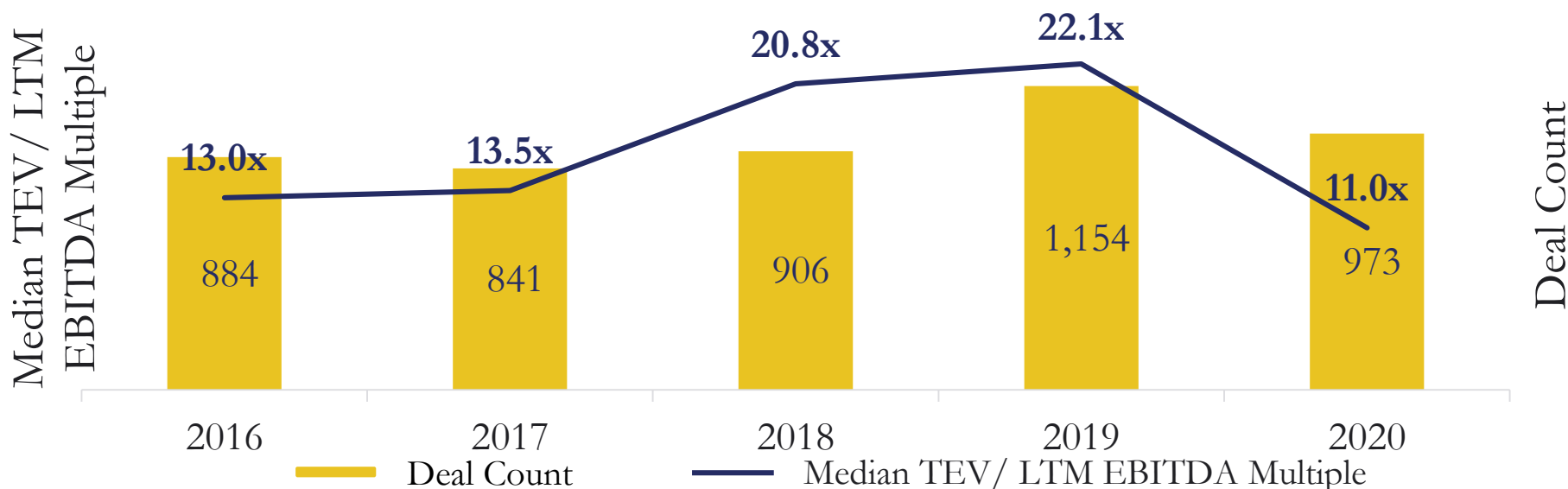
# U.S. & Canada M&A Market Overview

## Healthcare Transactions



### Quick Highlights

- The Healthcare industry 2020 deal count remained relatively unchanged while while multiples lagged historical averages
  - 2020 deal count was 103% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 63% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources

As of 12/31/2020

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# Public Companies' Trading Metrics | Healthcare

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Clinical Laboratories</b>								
Laboratory Corporation of America Holdings	\$203.55	\$19,826	\$25,862	20.5%	2.1	1.8	8.1	7.5
Quest Diagnostics Incorporated	\$119.17	\$16,060	\$19,730	23.0%	2.4	2.0	8.4	8.1
<b>Median</b>	<b>\$161.36</b>	<b>\$17,943</b>	<b>\$22,796</b>	<b>21.8%</b>	<b>2.2</b>	<b>1.9</b>	<b>8.2</b>	<b>7.8</b>
<b>Commercial HMO</b>								
ASGN Incorporated	\$83.53	\$4,419	\$5,323	10.2%	1.3	1.3	12.8	12.2
Anthem, Inc.	\$321.09	\$79,856	\$98,724	7.9%	0.8	0.8	10.1	11.0
Cigna Corporation	\$208.18	\$75,209	\$106,538	7.2%	0.7	0.6	9.2	9.8
Humana Inc.	\$410.27	\$54,296	\$54,308	8.0%	0.7	0.7	9.0	15.9
UnitedHealth Group Incorporated	\$350.68	\$332,732	\$363,696	10.3%	1.4	1.3	13.4	15.4
<b>Median</b>	<b>\$321.09</b>	<b>\$75,209</b>	<b>\$98,724</b>	<b>8.0%</b>	<b>0.8</b>	<b>0.8</b>	<b>10.1</b>	<b>12.2</b>
<b>Contract Pharma Manufacturing</b>								
West Pharmaceutical Services, Inc.	\$283.31	\$20,944	\$20,754	23.4%	10.2	9.0	40.7	35.6
<b>Median</b>	<b>\$283.31</b>	<b>\$20,944</b>	<b>\$20,754</b>	<b>23.4%</b>	<b>10.2</b>	<b>9.0</b>	<b>40.7</b>	<b>35.6</b>
<b>Contract Research Organizations</b>								
Catalent, Inc.	\$104.07	\$17,140	\$19,802	22.0%	6.0	5.2	27.4	20.6
Charles River Laboratories International, Inc.	\$249.86	\$12,429	\$14,401	23.3%	5.1	4.6	19.4	18.9
ICON Public Limited Company	\$194.98	\$10,290	\$10,017	17.0%	3.6	3.2	20.0	18.6
IQVIA Holdings Inc.	\$179.17	\$34,352	\$46,130	16.2%	4.2	3.8	23.4	17.1
PRA Health Sciences, Inc.	\$125.44	\$8,047	\$9,193	13.4%	3.0	2.7	19.5	16.0
Syneos Health, Inc.	\$68.13	\$7,080	\$9,677	12.6%	2.2	1.9	14.6	13.0
<b>Median</b>	<b>\$152.31</b>	<b>\$11,359</b>	<b>\$12,209</b>	<b>16.6%</b>	<b>3.9</b>	<b>3.5</b>	<b>19.7</b>	<b>17.8</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

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USD in millions except per share price								
<b>Dental Products</b>								
3M Company	\$174.79	\$100,823	\$116,775	27.1%	3.7	3.5	13.0	12.7
DENTSPLY SIRONA Inc.	\$52.36	\$11,444	\$12,505	18.7%	3.7	3.4	17.9	14.8
<b>Median</b>	<b>\$113.58</b>	<b>\$56,133</b>	<b>\$64,640</b>	<b>22.9%</b>	<b>3.7</b>	<b>3.4</b>	<b>15.5</b>	<b>13.7</b>
<b>Disease Management</b>								
Tivity Health, Inc.	\$19.59	\$952	\$1,946	19.4%	1.7	2.6	8.5	12.0
<b>Median</b>	<b>\$19.59</b>	<b>\$952</b>	<b>\$1,946</b>	<b>19.4%</b>	<b>1.7</b>	<b>2.6</b>	<b>8.5</b>	<b>12.0</b>
<b>Government HMO</b>								
Centene Corporation	\$60.03	\$34,805	\$40,824	5.6%	0.4	0.4	7.3	8.5
Molina Healthcare, Inc.	\$212.68	\$12,612	\$11,455	7.3%	0.6	0.5	8.9	9.9
<b>Median</b>	<b>\$136.36</b>	<b>\$23,709</b>	<b>\$26,140</b>	<b>6.4%</b>	<b>0.5</b>	<b>0.4</b>	<b>8.1</b>	<b>9.2</b>
<b>Healthcare Staffing</b>								
AMN Healthcare Services, Inc.	\$68.25	\$3,210	\$4,152	11.4%	1.8	1.8	13.4	13.4
Cross Country Healthcare, Inc.	\$8.87	\$333	\$412	2.9%	0.5	0.5	10.9	13.6
ASGN Incorporated	\$83.53	\$4,419	\$5,323	10.2%	1.3	1.3	12.8	12.2
<b>Median</b>	<b>\$68.25</b>	<b>\$3,210</b>	<b>\$4,152</b>	<b>10.2%</b>	<b>1.3</b>	<b>1.3</b>	<b>12.8</b>	<b>13.4</b>
<b>Information Services - Data/Analytics</b>								
Castlight Health, Inc.	\$1.30	\$200	\$170	-10.7%	1.2	1.3	NM	NM
Inovalon Holdings, Inc.	\$18.17	\$2,824	\$3,744	27.4%	5.7	5.2	19.7	14.5
National Research Corporation	\$42.75	\$1,080	\$1,092	36.2%	8.3	NM	22.6	NM
<b>Median</b>	<b>\$18.17</b>	<b>\$1,080</b>	<b>\$1,092</b>	<b>27.4%</b>	<b>5.7</b>	<b>3.2</b>	<b>21.2</b>	<b>14.5</b>

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USD in millions except per share price									
<b>Information Services - Hospital/Physician</b>									
Allscripts Healthcare Solutions, Inc.	\$14.44	\$2,281	\$3,258	4.2%	1.9	2.1	29.0	12.1	
Cerner Corporation	\$78.48	\$24,061	\$24,671	22.5%	4.4	4.4	19.2	13.5	
Computer Programs and Systems, Inc.	\$26.84	\$378	\$463	12.9%	1.7	1.7	12.7	9.1	
HMS Holdings Corp.	\$36.75	\$3,254	\$3,302	18.4%	5.1	4.5	26.9	16.3	
NextGen Healthcare, Inc.	\$18.24	\$1,217	\$1,225	6.3%	2.2	2.2	27.8	12.5	
<b>Median</b>	<b>\$26.84</b>	<b>\$2,281</b>	<b>\$3,258</b>	<b>12.9%</b>	<b>2.2</b>	<b>2.2</b>	<b>26.9</b>	<b>12.5</b>	
<b>Life Sciences Tools</b>									
Agilent Technologies, Inc.	\$118.49	\$36,359	\$37,455	25.3%	7.0	6.5	26.5	24.7	
Becton, Dickinson and Company	\$250.22	\$72,777	\$88,307	27.3%	5.2	4.6	18.4	15.6	
Thermo Fisher Scientific Inc.	\$465.78	\$184,605	\$198,172	29.3%	7.0	5.9	23.7	18.0	
<b>Median</b>	<b>\$250.22</b>	<b>\$72,777</b>	<b>\$88,307</b>	<b>27.3%</b>	<b>7.0</b>	<b>5.9</b>	<b>23.7</b>	<b>18.0</b>	
<b>Medical / Surgical / Dental Supplies &amp; Distribution</b>									
AmerisourceBergen Corporation	\$97.76	\$19,967	\$20,147	1.3%	0.1	0.1	7.7	7.6	
Cardinal Health, Inc.	\$53.56	\$15,716	\$19,713	1.7%	0.1	0.1	7.3	6.8	
Henry Schein, Inc.	\$66.86	\$9,546	\$11,340	8.0%	1.2	1.0	13.1	12.2	
McKesson Corporation	\$173.92	\$27,925	\$36,008	1.6%	0.2	0.1	7.5	7.9	
Owens & Minor, Inc.	\$27.05	\$1,989	\$3,380	2.9%	0.4	0.4	11.5	8.1	
Patterson Companies, Inc.	\$29.63	\$2,820	\$3,483	5.5%	0.6	0.6	10.3	10.8	
<b>Median</b>	<b>\$60.21</b>	<b>\$12,631</b>	<b>\$15,527</b>	<b>2.3%</b>	<b>0.3</b>	<b>0.3</b>	<b>9.0</b>	<b>8.0</b>	
<b>Retail Pharmacy</b>									
CVS Health Corporation	\$68.30	\$89,399	\$164,890	7.0%	0.6	0.6	7.6	9.7	
Walgreens Boots Alliance, Inc.	\$39.88	\$34,533	\$75,735	3.2%	0.5	0.5	8.3	11.1	
Rite Aid Corporation	\$15.83	\$846	\$7,186	2.6%	0.3	0.3	5.0	14.2	
<b>Median</b>	<b>\$39.88</b>	<b>\$34,533</b>	<b>\$75,735</b>	<b>3.2%</b>	<b>0.5</b>	<b>0.5</b>	<b>7.6</b>	<b>11.1</b>	

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USD in millions except per share price								
<b>Specialty Managed Care</b>								
Assurant, Inc.	\$136.22	\$8,004	\$7,816	9.4%	0.8	0.9	8.3	NM
CorVel Corporation	\$106.00	\$1,897	\$1,887	13.5%	3.4	NM	20.7	NM
HealthEquity, Inc.	\$69.71	\$5,367	\$6,159	29.3%	8.2	8.2	26.4	27.2
<b>Median</b>	<b>\$106.00</b>	<b>\$5,367</b>	<b>\$6,159</b>	<b>13.5%</b>	<b>3.4</b>	<b>4.5</b>	<b>20.7</b>	<b>27.2</b>
<b>Specialty Pharma</b>								
Amneal Pharmaceuticals, Inc.	\$4.57	\$675	\$3,471	20.2%	1.8	1.7	8.6	7.3
Bausch Health Companies Inc.	\$20.80	\$7,385	\$30,819	38.8%	3.8	3.7	9.9	9.3
Eagle Pharmaceuticals, Inc.	\$46.57	\$607	\$556	15.9%	3.0	2.5	18.1	18.3
Endo International plc	\$7.18	\$1,653	\$8,379	11.7%	2.9	3.2	23.0	6.5
Horizon Therapeutics Public Limited Company	\$73.15	\$16,145	\$15,471	20.5%	8.5	6.3	40.8	15.9
Jazz Pharmaceuticals plc	\$165.05	\$9,196	\$9,525	43.9%	4.2	3.8	9.3	8.0
Perrigo Company plc	\$44.72	\$6,104	\$8,950	18.0%	1.8	1.7	9.3	9.5
Teva Pharmaceutical Industries Limited	\$9.65	\$10,576	\$35,841	27.7%	2.1	2.1	7.3	7.2
<b>Median</b>	<b>\$32.76</b>	<b>\$6,744</b>	<b>\$9,238</b>	<b>20.3%</b>	<b>2.9</b>	<b>2.8</b>	<b>9.6</b>	<b>8.6</b>

Source: S&P Capital IQ; ArkMalibu

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ARKMALIBU

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- We pursue the highest possible value because we're unconflicted.



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- All of ArkMalibu's clients receive care and attention from our senior-level advisors and principals.
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