



M&A MARKET MONITOR

HEALTHCARE SERVICES

January 2021

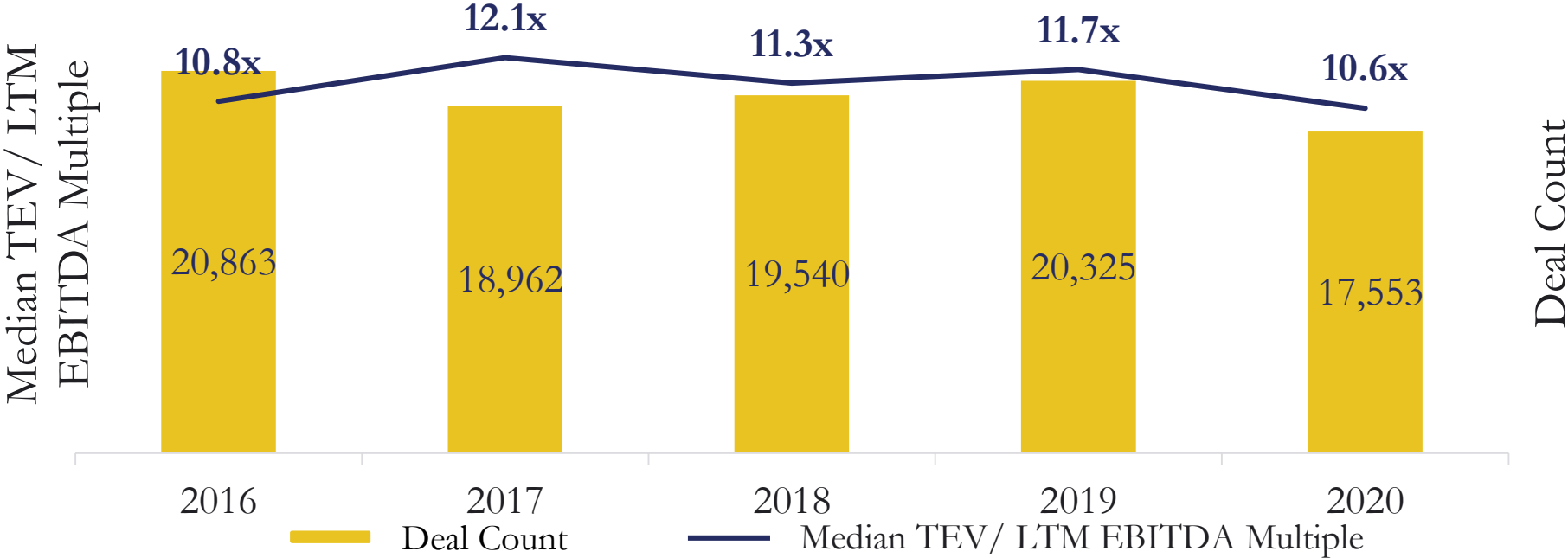
U.S. & Canada M&A Market Overview



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.

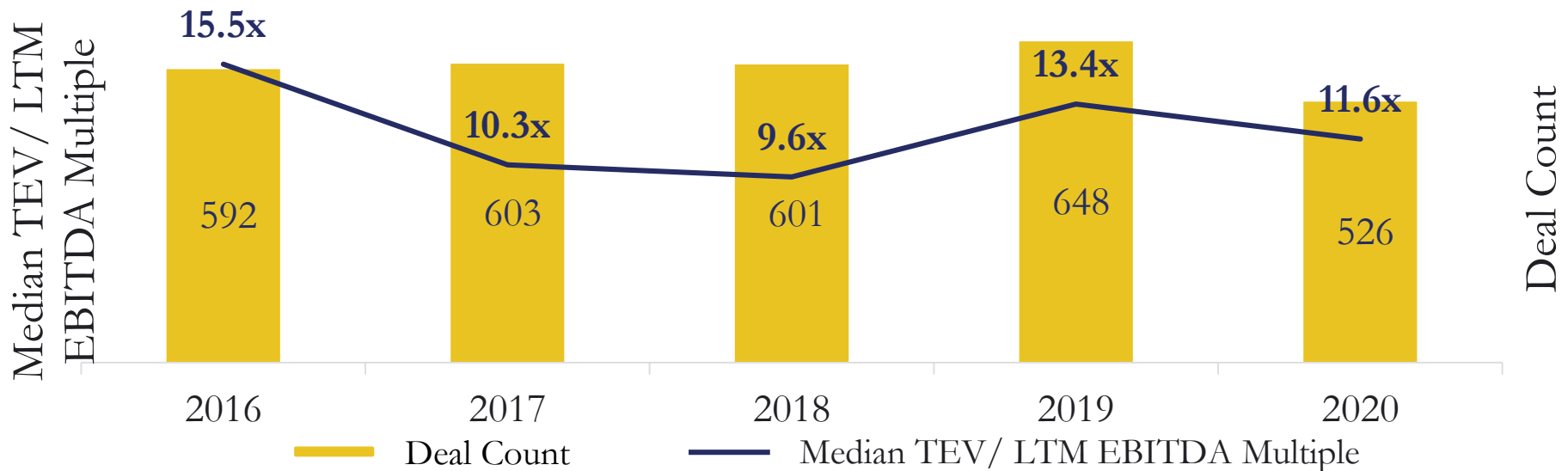
U.S. & Canada M&A Market Overview

Healthcare Services Transactions



Quick Highlights

- The Healthcare Services industry 2020 deal count lagged historical averages while multiples remained relatively unchanged
 - 2020 deal count was 86% of the previous 4-year (2016-2019) average
 - 2020 median TEV/LTM EBITDA multiple was 95% 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 Services

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								
Acute-Care Hospitals								
Community Health Systems, Inc.	\$7.43	\$855	\$13,106	8.7%	1.1	1.1	9.4	8.4
HCA Healthcare, Inc.	\$164.46	\$55,649	\$83,892	18.9%	1.7	1.6	8.0	8.0
LHC Group, Inc.	\$213.32	\$6,739	\$6,701	8.8%	3.2	3.1	29.8	24.8
Tenet Healthcare Corporation	\$39.93	\$4,213	\$19,004	13.4%	1.1	1.0	7.5	6.7
Median	\$102.20	\$5,476	\$16,055	11.1%	1.4	1.3	8.7	8.2
Assisted Living								
Brookdale Senior Living Inc.	\$4.43	\$812	\$5,842	14.0%	1.9	1.8	8.3	17.2
Capital Senior Living Corporation	\$12.34	\$26	\$937	9.8%	2.4	NM	11.2	NM
Median	\$8.39	\$419	\$3,389	11.9%	2.1	1.8	9.7	17.2
Behavioral Health								
Acadia Healthcare Company, Inc.	\$50.26	\$4,473	\$7,864	17.9%	2.5	2.3	12.2	12.0
Magellan Health, Inc.	\$82.84	\$2,121	\$2,678	2.6%	0.4	0.6	13.4	14.2
Universal Health Services, Inc.	\$137.50	\$11,684	\$14,600	16.6%	1.3	1.2	7.3	8.0
Median	\$82.84	\$4,473	\$7,864	16.6%	1.3	1.2	12.2	12.0
Diagnostic Imaging								
RadNet, Inc.	\$19.57	\$1,011	\$2,176	11.6%	2.0	1.8	9.0	12.3
Varian Medical Systems, Inc.	\$175.01	\$15,988	\$15,692	16.4%	5.0	4.4	27.6	21.7
Median	\$97.29	\$8,499	\$8,934	14.0%	3.5	3.1	18.3	17.0

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								
Dialysis Services								
Centene Corporation	\$60.03	\$34,805	\$40,824	5.6%	0.4	0.4	7.3	8.5
DaVita Inc.	\$117.40	\$13,149	\$25,008	21.0%	2.2	2.1	8.1	10.5
Fresenius Medical Care AG & Co. KGaA	\$83.43	\$24,433	\$39,866	18.1%	1.8	1.8	8.1	8.1
Molina Healthcare, Inc.	\$212.68	\$12,612	\$11,455	7.3%	0.6	0.5	8.9	9.9
Median	\$100.41	\$18,791	\$32,437	12.7%	1.2	1.1	8.1	9.2
Home Care								
Addus HomeCare Corporation	\$117.09	\$1,834	\$1,767	8.5%	2.3	2.1	23.8	20.5
Amedisys, Inc.	\$293.33	\$9,624	\$9,917	11.4%	4.9	4.4	36.4	31.9
Chemed Corporation	\$532.61	\$8,496	\$8,516	17.0%	4.1	3.9	20.8	19.0
LHC Group, Inc.	\$213.32	\$6,739	\$6,701	8.8%	3.2	3.1	29.8	24.8
Median	\$253.33	\$7,618	\$7,609	10.1%	3.7	3.5	26.8	22.6
Long-Term Care								
National HealthCare Corporation	\$66.41	\$1,020	\$929	8.5%	0.9	NM	6.9	NM
The Ensign Group, Inc.	\$72.92	\$3,912	\$4,836	11.1%	2.1	1.9	12.4	15.3
Median	\$69.67	\$2,466	\$2,883	9.8%	1.5	1.9	9.7	15.3
Rehabilitation								
Encompass Health Corporation	\$82.69	\$8,222	\$12,033	18.6%	2.6	2.4	12.8	12.4
Select Medical Holdings Corporation	\$27.66	\$3,728	\$8,279	12.3%	1.5	1.4	8.2	11.1
U.S. Physical Therapy, Inc.	\$120.25	\$1,545	\$1,768	15.2%	4.2	3.8	15.9	24.5
Median	\$82.69	\$3,728	\$8,279	15.2%	2.6	2.4	12.8	12.4

Source: S&P Capital IQ; ArkMalibu

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USD in millions except per share price								
Specialty Practice Management								
MEDNAX, Inc.	\$24.54	\$2,058	\$3,486	12.9%	1.0	1.9	7.0	14.0
Median	\$24.54	\$2,058	\$3,486	12.9%	1.0	1.9	7.0	14.0
Surgery Centers								
Surgery Partners, Inc.	\$29.01	\$1,442	\$5,653	15.3%	3.1	2.7	14.9	18.6
Median	\$29.01	\$1,442	\$5,653	15.3%	3.1	2.7	14.9	18.6

Source: S&P Capital IQ; 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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