



# M&A MARKET MONITOR

HEALTHCARE SERVICES

April 2021

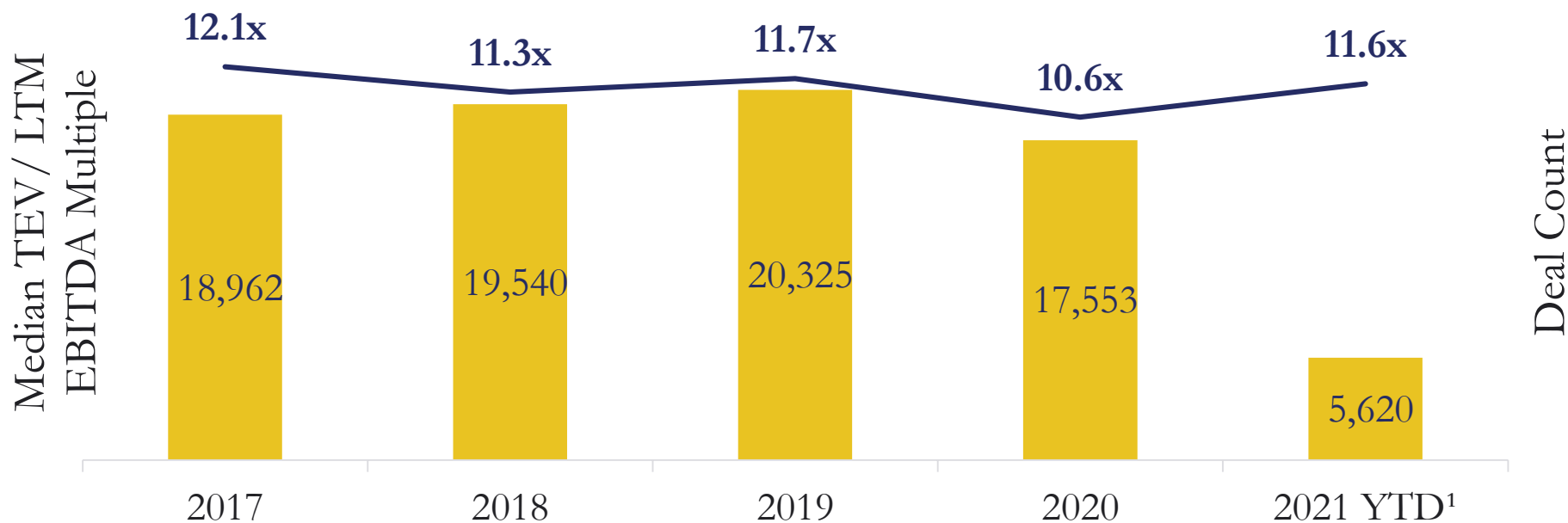
# U.S. & Canada M&A Market Overview



## Overall Market Transactions

### Quick Highlights

- The M&A market surged during the first quarter demonstrated by strong deal count and recovering valuation multiples
  - Annualized 2021 deal count was 118% of the previous 4-year (2017-2020) average
  - Q1 2021 median TEV/LTM EBITDA multiple was in line with the previous 4-year (2017-2020) average



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

<sup>1</sup>YTD as of 03/31/2021

### 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.

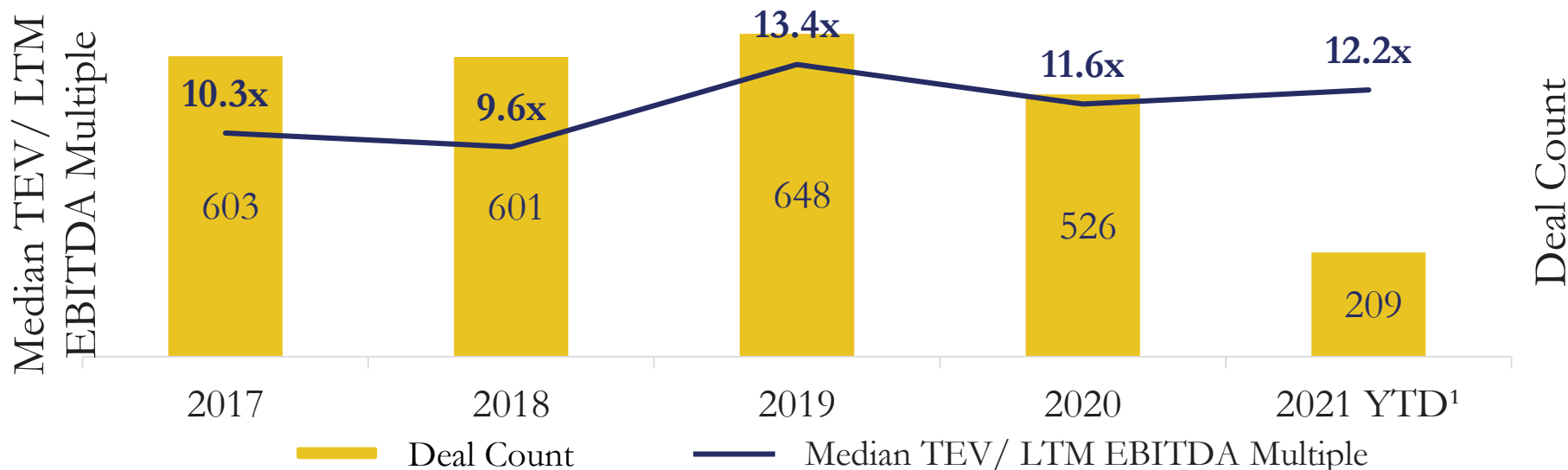
# U.S. & Canada M&A Market Overview

## Healthcare Services Transactions



### Quick Highlights

- The Healthcare Services industry Q1 2021 deal count and multiples exceeded historical averages
  - Annualized 2021 deal count was 141% of the previous 4-year (2017-2020) average
  - Q1 2021 median TEV/LTM EBITDA multiple was 109% of the previous 4-year (2017-2020) average



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

<sup>1</sup>YTD as of 03/31/2021

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# Public Companies' Trading Metrics | Healthcare Services

As of: 3/31/2021

Category / Company	Valuation Statistics				Multiples Data					
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)		
					2020A	LTM	NTM	2020A	LTM	NTM
USD in millions except per share price										
<b>Acute-Care Hospitals</b>										
Community Health Systems, Inc.	\$13.52	\$1,691	\$13,468	8.6%	1.1	1.1	1.1	9.4	10.0	8.1
HCA Healthcare, Inc.	\$188.34	\$63,459	\$96,972	19.3%	1.7	1.9	1.8	8.0	8.9	9.1
LHC Group, Inc.	\$191.21	\$6,041	\$5,981	9.7%	3.2	2.9	2.7	29.8	23.3	21.6
Tenet Healthcare Corporation	\$52.00	\$5,537	\$22,855	13.8%	1.1	1.3	1.2	7.5	7.6	7.6
<b>Median</b>	<b>\$120.17</b>	<b>\$5,789</b>	<b>\$18,161</b>	<b>11.8%</b>	<b>1.4</b>	<b>1.6</b>	<b>1.5</b>	<b>8.7</b>	<b>9.4</b>	<b>8.6</b>
<b>Assisted Living</b>										
Brookdale Senior Living Inc.	\$6.05	\$1,110	\$6,004	12.9%	1.9	2.0	1.9	8.3	9.5	30.5
Capital Senior Living Corporation	\$38.50	\$79	\$971	13.2%	2.4	2.7	NM	11.2	11.7	NM
<b>Median</b>	<b>\$22.28</b>	<b>\$594</b>	<b>\$3,487</b>	<b>13.1%</b>	<b>2.1</b>	<b>2.3</b>	<b>1.9</b>	<b>9.7</b>	<b>10.6</b>	<b>30.5</b>
<b>Behavioral Health</b>										
Acadia Healthcare Company, Inc.	\$57.14	\$5,109	\$8,054	20.5%	2.5	3.9	3.6	12.2	17.3	15.3
Magellan Health, Inc.	\$93.24	\$2,421	\$1,985	1.8%	0.4	0.4	0.4	13.4	20.5	9.3
Universal Health Services, Inc.	\$133.39	\$11,350	\$14,409	16.2%	1.3	1.2	1.2	7.3	7.3	8.0
<b>Median</b>	<b>\$93.24</b>	<b>\$5,109</b>	<b>\$8,054</b>	<b>16.2%</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>12.2</b>	<b>17.3</b>	<b>9.3</b>
<b>Diagnostic Imaging</b>										
RadNet, Inc.	\$21.75	\$1,137	\$2,312	12.0%	2.0	2.1	1.9	9.0	9.3	12.3
Varian Medical Systems, Inc.	\$176.53	\$16,212	\$15,799	16.8%	5.0	5.1	4.4	27.6	27.6	20.9
<b>Median</b>	<b>\$99.14</b>	<b>\$8,675</b>	<b>\$9,056</b>	<b>14.4%</b>	<b>3.5</b>	<b>3.6</b>	<b>3.1</b>	<b>18.3</b>	<b>18.4</b>	<b>16.6</b>

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USD in millions except per share price										
<b>Dialysis Services</b>										
Centene Corporation	\$63.91	\$37,170	\$44,876	5.2%	0.4	0.4	0.4	7.3	7.9	8.6
DaVita Inc.	\$107.77	\$11,790	\$24,152	20.3%	2.2	2.1	2.1	8.1	7.9	10.0
Fresenius Medical Care AG & Co. KGaA	\$73.62	\$21,560	\$35,921	17.8%	1.8	1.7	1.7	8.1	7.7	8.0
Molina Healthcare, Inc.	\$233.76	\$13,647	\$11,933	5.6%	0.6	0.6	0.5	8.9	11.4	10.3
<b>Median</b>	<b>\$90.69</b>	<b>\$17,604</b>	<b>\$30,037</b>	<b>11.7%</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>8.1</b>	<b>7.9</b>	<b>9.3</b>
<b>Home Care</b>										
Addus HomeCare Corporation	\$104.59	\$1,639	\$1,734	8.3%	2.3	2.3	2.0	23.8	23.8	19.0
Amedisys, Inc.	\$264.79	\$8,698	\$8,925	11.7%	4.9	4.3	3.9	36.4	30.9	27.8
Chemed Corporation	\$459.82	\$7,372	\$7,345	17.6%	4.1	3.5	3.6	20.8	17.3	17.4
LHC Group, Inc.	\$191.21	\$6,041	\$5,981	9.7%	3.2	2.9	2.7	29.8	23.3	21.6
<b>Median</b>	<b>\$228.00</b>	<b>\$6,707</b>	<b>\$6,663</b>	<b>10.7%</b>	<b>3.7</b>	<b>3.2</b>	<b>3.1</b>	<b>26.8</b>	<b>23.6</b>	<b>20.3</b>
<b>Long-Term Care</b>										
National HealthCare Corporation	\$77.91	\$1,197	\$1,071	7.5%	0.9	1.1	NM	6.9	8.5	NM
The Ensign Group, Inc.	\$93.84	\$5,077	\$5,941	11.5%	2.1	2.5	2.2	12.4	14.2	18.1
<b>Median</b>	<b>\$85.88</b>	<b>\$3,137</b>	<b>\$3,506</b>	<b>9.5%</b>	<b>1.5</b>	<b>1.8</b>	<b>2.2</b>	<b>9.7</b>	<b>11.3</b>	<b>18.1</b>
<b>Rehabilitation</b>										
Encompass Health Corporation	\$81.90	\$8,130	\$11,863	19.2%	2.6	2.6	2.3	12.8	12.2	12.5
Select Medical Holdings Corporation	\$34.10	\$4,598	\$9,112	12.4%	1.5	1.6	1.6	8.1	8.8	10.7
U.S. Physical Therapy, Inc.	\$104.10	\$1,343	\$1,569	16.0%	4.2	3.7	3.3	15.9	15.0	24.6
<b>Median</b>	<b>\$81.90</b>	<b>\$4,598</b>	<b>\$9,112</b>	<b>16.0%</b>	<b>2.6</b>	<b>2.6</b>	<b>2.3</b>	<b>12.8</b>	<b>12.2</b>	<b>12.5</b>

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USD in millions except per share price										
<b>Specialty Practice Management</b>										
MEDNAX, Inc.	\$25.47	\$2,165	\$2,741	11.6%	1.0	1.6	1.5	7.0	11.8	12.0
<b>Median</b>	<b>\$25.47</b>	<b>\$2,165</b>	<b>\$2,741</b>	<b>11.6%</b>	<b>1.0</b>	<b>1.6</b>	<b>1.5</b>	<b>7.0</b>	<b>11.8</b>	<b>12.0</b>
<b>Surgery Centers</b>										
Surgery Partners, Inc.	\$44.26	\$2,585	\$7,033	15.3%	3.1	3.8	3.2	14.9	18.2	22.2
<b>Median</b>	<b>\$44.26</b>	<b>\$2,585</b>	<b>\$7,033</b>	<b>15.3%</b>	<b>3.1</b>	<b>3.8</b>	<b>3.2</b>	<b>14.9</b>	<b>18.2</b>	<b>22.2</b>



ARKMALIBU

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