



Investment Banking | **Industry Spotlight**



Healthcare | Q3 2016

Fifth Third is a leading provider of Corporate and Investment Banking Advisory Services to the Healthcare Industry, with over \$9 billion in bank capital deployed to the U.S. Healthcare Market and M&A professionals having completed over 75 sell-side and capital raising transactions for middle market companies, representing \$5 billion in value. Our diversified client base spans all healthcare sectors, markets and geographies and is comprised of 500+ healthcare businesses.

Capital Markets Advisory Expertise

Fifth Third's experienced healthcare capital markets team understands that healthcare companies face an increasingly complex set of challenges and opportunities. Leading our team are senior bankers who have deep market experience and long-established industry relationships across the healthcare industry.

Investment Banking

- M&A Advisory
- Capital Raising
- Strategic Alternatives

Debt Capital Markets

- Loan Capital Markets:
 - Pro Rata
 - Institutional
- Bond Capital Markets:
 - Investment Grade
 - High Yield
 - Acquisition & Bridge Finance
- Securitization & Private Placements

Equity Capital Markets

- Initial Public Offerings
- Follow-On Offerings
- Convertible Debt

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Representative Transactions

\$165,000,000
Senior Secured Credit
Facilities



Lead Arranger



\$600,000,000
Senior Secured Credit
Facilities



Joint Lead Arranger




Undisclosed
Senior Secured Credit
Facilities




Lead Arranger




\$125,000,000
Senior Secured Credit
Facilities




Co-Doc Agent




\$220,000,000
Senior Secured Credit
Facilities




Documentation Agent




\$125,000,000
Senior Secured Credit
Facilities




Lead Arranger



\$71,000,000
Senior Secured Credit
Facilities



Joint Lead Arranger




Factors Driving Physician Consolidation

The rise of alternative payment models has widespread implications for physician practices

- To succeed as a participant in alternative payment models, physicians must make substantial investments in personnel and infrastructure to effectively manage the patient and monitor performance measures that underlie many alternative payment programs.
- Oftentimes, independent physicians do not have the capital, resources, or desire to support these requirements, which make them acquisition targets for larger physician groups or hospitals.

Providers seek access to critical patient data and the opportunity to influence and control patient behavior

- Hospitals and healthcare providers are increasingly incentivized to keep patients healthy and out of the hospital setting.
- Greater access to and control of the patient can help drive a desired outcome. Hospitals view primary care and specialty physician groups as a referral source, a conduit to influence behavior and an opportunity to gain access to increasingly valuable patient data.

Corporations and private equity firms are pursuing physician practices

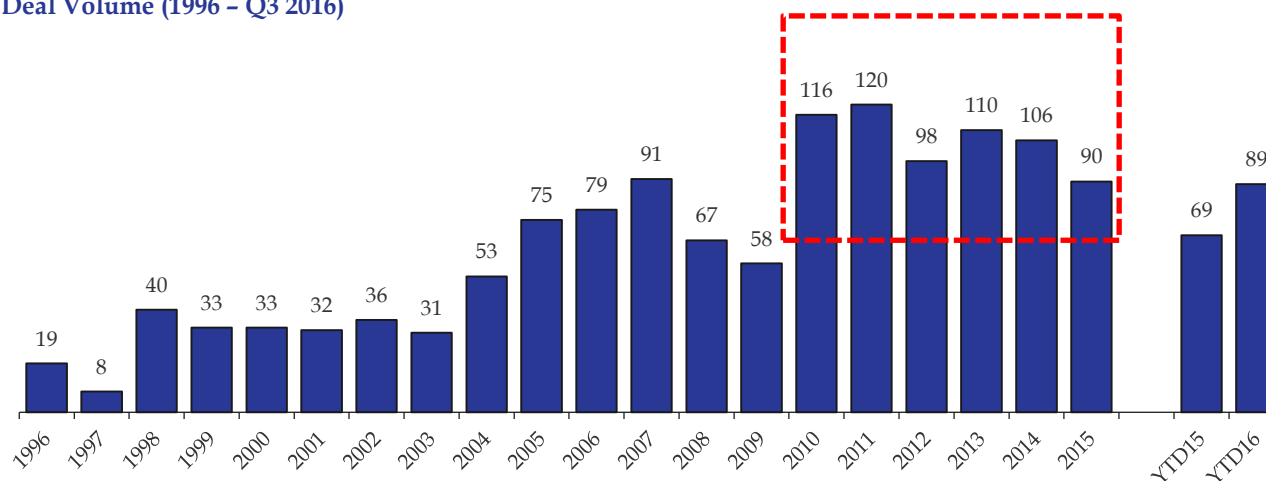
- Investors offer capital, expertise, human resources and stability during times of uncertainty.
- In total, there are in excess of 150 private equity-backed physician practices that are seeking opportunities to grow through add-on acquisitions.

An aging physician population increasingly considers strategic alternatives

- Many physicians are nearing retirement age and seek to monetize a portion or all of the equity that they have built up in their practices.

The Physician Practice M&A Market Has Reached New Heights

Deal Volume (1996 - Q3 2016)



Active Corporate Buyers

Buyer	# Deals ^[1]
 MEDNAX NATIONAL MEDICAL GROUP	23
 TEAMHealth.	14
 AMSURG	4
 Envision HEALTHCARE	6

Public Market Valuation Trends

Healthcare | Industry Spotlight
Q3 2016

46% of Sub Sectors' LTM EBITDA Multiples Trade Higher than the S&P 500

Sub-Sector Indices' Performance

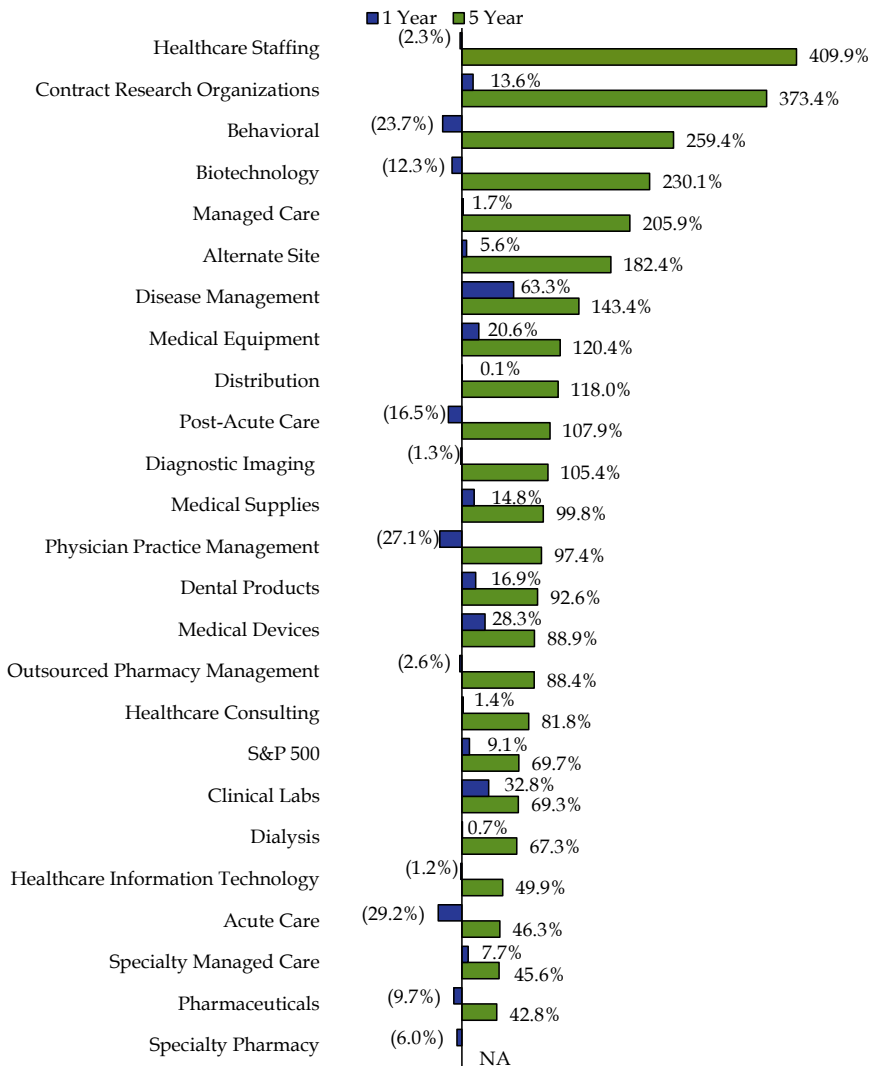
Sub-Sector	Number of Companies	Median Enterprise Value	Median % Change in Stock Price		Median TEV / LTM Multiples		Median TEV / 2016E Multiples	
		\$ in millions	12 Months	YTD	Revenue	EBITDA	Revenue	EBITDA
Biotechnology	12	\$19,546	(12.3%)	(22.1%)	9.0x	11.0x	8.2x	10.5x
Pharmaceuticals	16	92,800	(9.7%)	(10.9%)	3.8x	13.6x	3.9x	10.9x
Biotechnology / Pharmaceuticals	28	\$56,173	(12.3%)	(21.8%)	6.4x	12.3x	6.1x	10.7x
Medical Devices	24	\$3,316	28.3%	23.2%	4.2x	16.1x	3.9x	14.2x
Medical Equipment	23	3,823	20.6%	18.0%	3.5x	15.8x	4.2x	15.7x
Medical Supplies	21	1,192	14.8%	12.4%	3.9x	16.9x	3.6x	15.0x
Dental Products	3	14,720	16.9%	(2.3%)	4.7x	22.3x	3.8x	15.3x
MedTech	71	\$3,340	18.7%	15.8%	4.1x	16.5x	3.9x	15.1x
Contract Research Organizations	5	\$4,388	13.6%	3.7%	2.7x	14.8x	2.6x	12.5x
Disease Management	2	3,706	63.3%	58.1%	2.2x	25.3x	2.2x	13.5x
Distribution	7	14,223	0.1%	(13.0%)	0.3x	9.5x	0.3x	9.4x
Healthcare Information Technology	21	1,569	(1.2%)	1.9%	3.1x	16.0x	3.0x	12.9x
Healthcare Consulting	7	1,145	1.4%	0.6%	2.0x	9.0x	1.5x	8.7x
Healthcare Staffing	3	1,936	(2.3%)	(19.3%)	1.1x	10.1x	1.0x	9.1x
Managed Care	8	24,535	1.7%	1.5%	0.6x	10.2x	0.6x	8.3x
Outsourced Pharmacy Management	3	1,248	(2.6%)	(19.3%)	0.6x	9.1x	0.6x	9.3x
Physician Practice Management	4	5,904	(27.1%)	(14.2%)	1.2x	11.9x	1.1x	9.5x
Specialty Managed Care	2	1,139	7.7%	(12.7%)	0.9x	9.1x	0.3x	5.9x
Specialty Pharmacy	1	1,966	(6.0%)	(18.1%)	0.5x	22.4x	0.4x	18.2x
Healthcare Services	63	\$1,936	0.1%	(2.2%)	1.1x	10.2x	1.0x	9.4x
Acute Care	4	\$16,211	(29.2%)	(22.3%)	0.9x	8.1x	1.0x	6.8x
Alternate Site	8	1,560	5.6%	14.9%	2.1x	11.6x	2.1x	8.9x
Behavioral	3	7,953	(23.7%)	(8.8%)	2.5x	15.6x	2.0x	10.3x
Clinical Labs	5	8,719	32.8%	19.0%	2.3x	11.3x	2.2x	10.3x
Diagnostic Imaging	2	786	(1.3%)	(2.8%)	1.3x	7.6x	1.1x	7.6x
Dialysis	3	21,094	0.7%	(5.2%)	1.7x	8.7x	1.7x	9.5x
Post-Acute	16	1,071	(16.5%)	(8.4%)	0.9x	9.8x	0.9x	9.3x
Healthcare Providers	41	\$7,953	(1.3%)	(5.2%)	1.7x	9.8x	1.7x	9.3x
S&P 500	500	\$23,283	9.1%	6.1%	2.2x	11.4x	2.1x	10.7x

Source: S&P Capital IQ LCD
As of 9/30/16

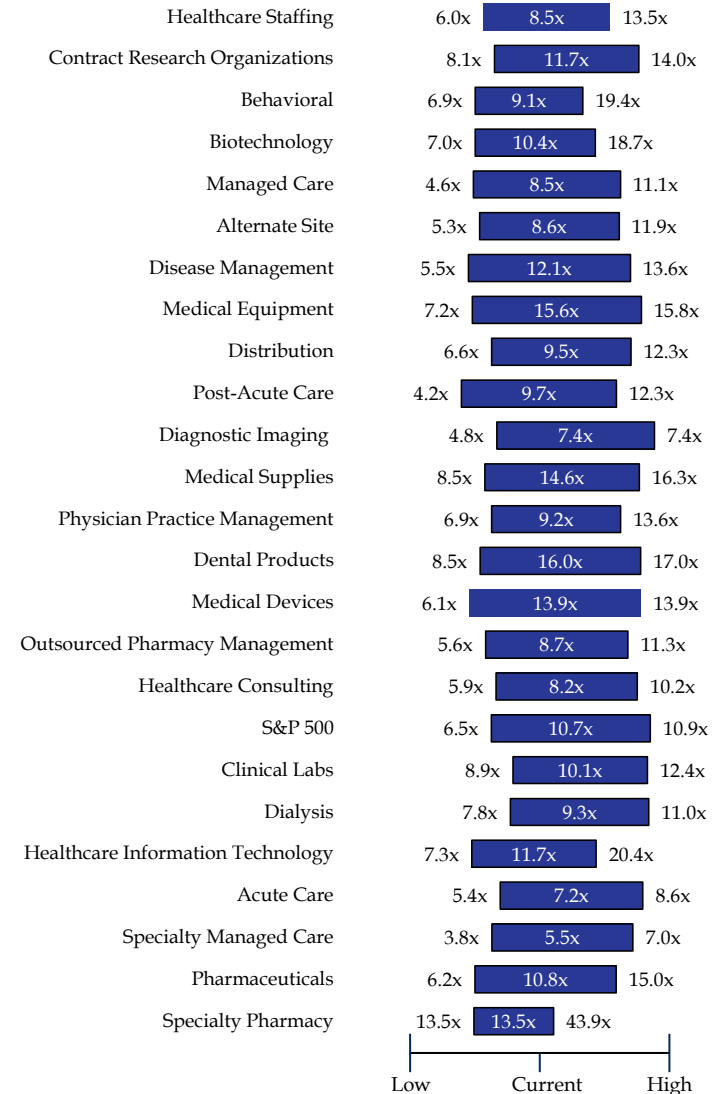
Public Market Valuation Trends (Cont'd)

75% of the Sector Outperformed the S&P 500 During the Last Five Years

% Change in Stock Price



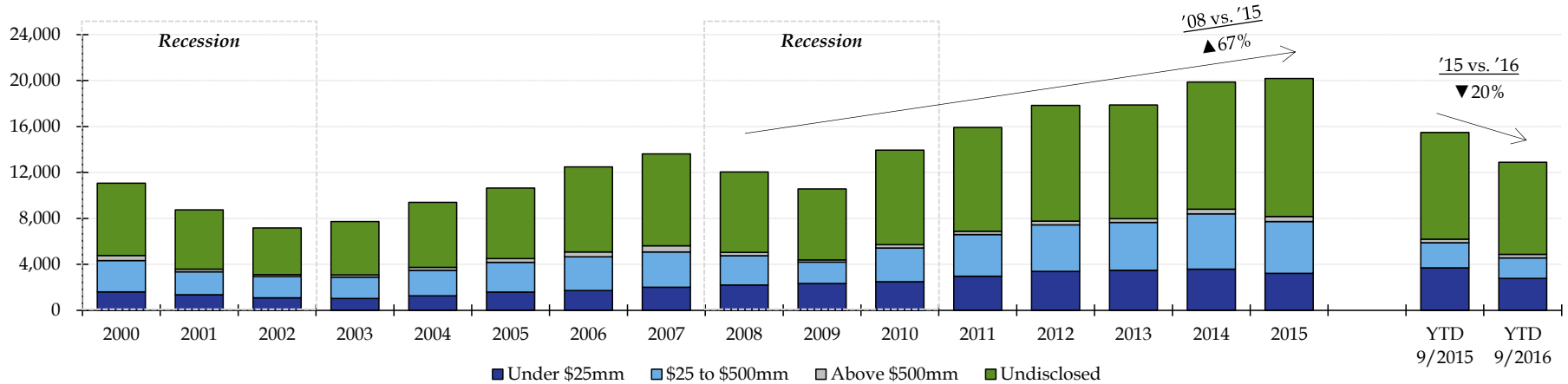
5-Year EV / NTM EBITDA Multiples^[1]



[1] EV = Enterprise Value (defined as Market Value of Equity + Book Value of Debt - Cash & Cash Equivalents)
Note: Current as of 9/30/16
Source: S&P Capital IQ

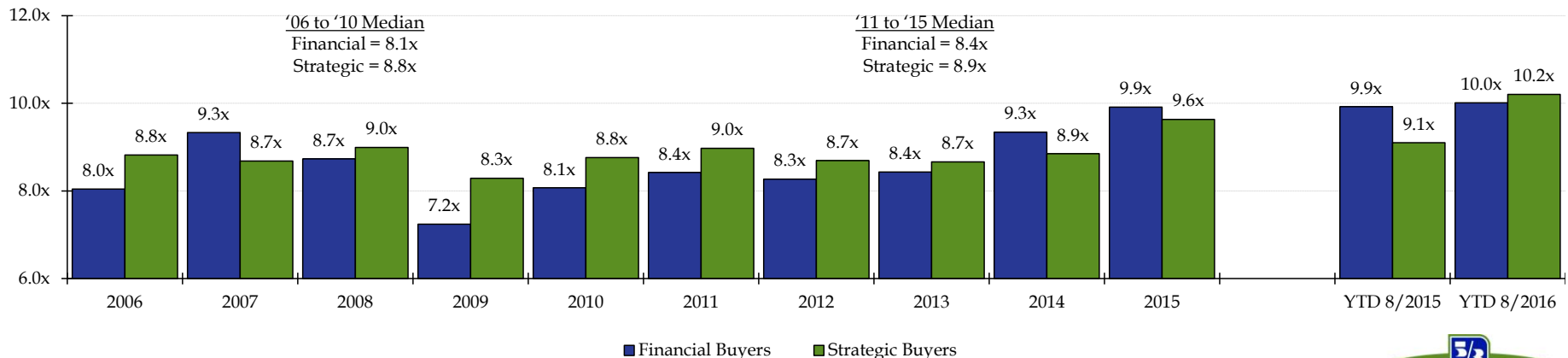
Transaction Volume

- Historically, M&A cycles have not extended past seven years; 2016 is year six of the cycle
 - Relative to past cycles, interest rates are lower, corporate balance sheets are stronger, and private equity firms have more untapped capital
- 2016 has demonstrated signs that the buyout cycle is slowing, however, plenty of positive drivers remain



Median Transaction Multiples (Enterprise Value / LTM EBITDA)

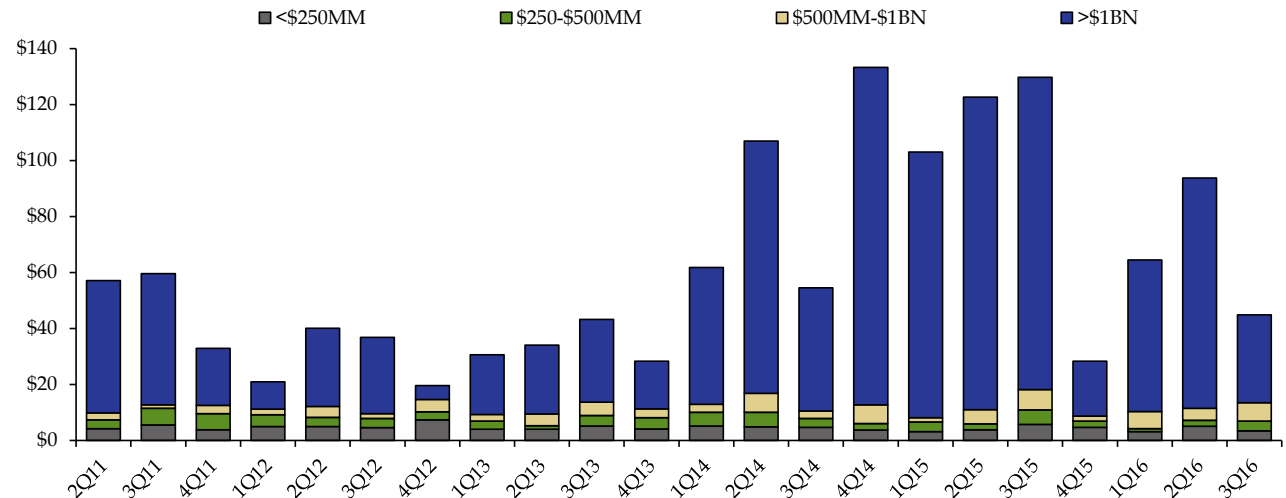
- Purchase multiples by both financial and strategic buyers remain above their five-year median
- Deal multiples may remain elevated due to strong competition for high quality assets as strategic corporate and private equity firms continue to seek acquisitions to fuel growth and deploy capital



Note: This data represents the entire U.S. market (all industries)
Source: Pitchbook, S&P Capital IQ, and S&P Capital IQ LCD

U.S. Healthcare M&A Announced Deal Value (\$ in billions)

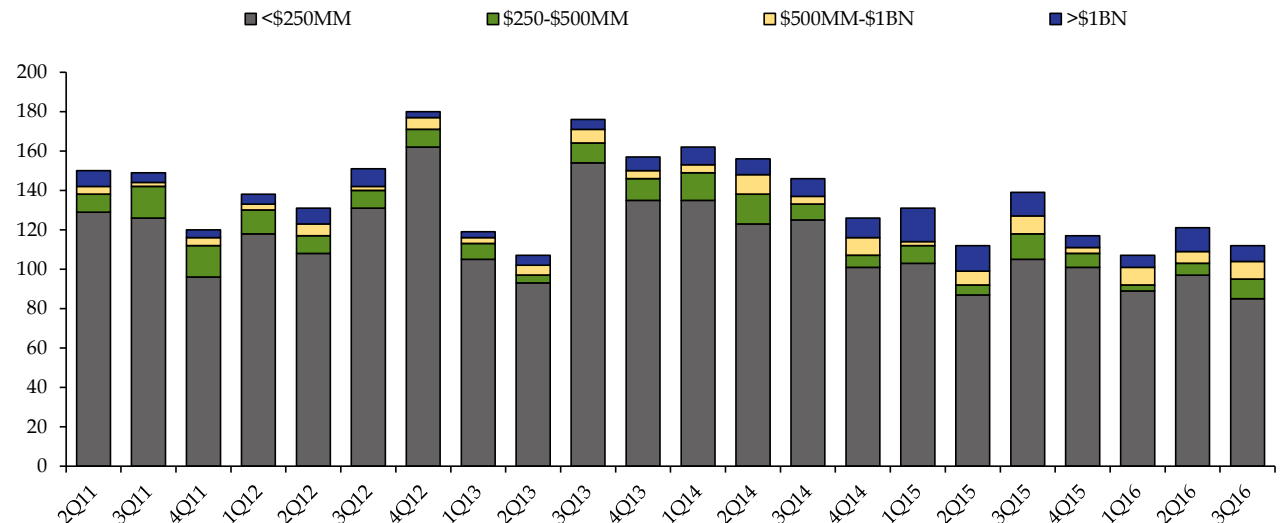
- 3Q16 healthcare deal value declined to \$45 billion, down from \$94 billion the prior quarter, and down from \$130 billion during 3Q15.
- 3Q16 deal values are down from 2Q16 values that were largely driven by blockbuster MedTech mergers which accounted for close to 40% of total value.
- The headline transaction during the quarter was Danaher Corporation's \$4.4 billion acquisition of Cepheid Inc.



U.S. Healthcare M&A Announced Deal Volume (# of Deals)

New Regulations Shape Healthcare M&A Landscape

- In April 2016, CMS rolled out its first mandatory bundled payment program, underscoring how care management will be required to adapt to changes in how payments are reimbursed by federal programs.
- Reshaping care delivery to focus on population health will continue to result in larger companies acquiring smaller, regional businesses in order to expand their existing suite of services and improve their cost structure.



Source: Fifth Third Securities, S&P Capital IQ LCD

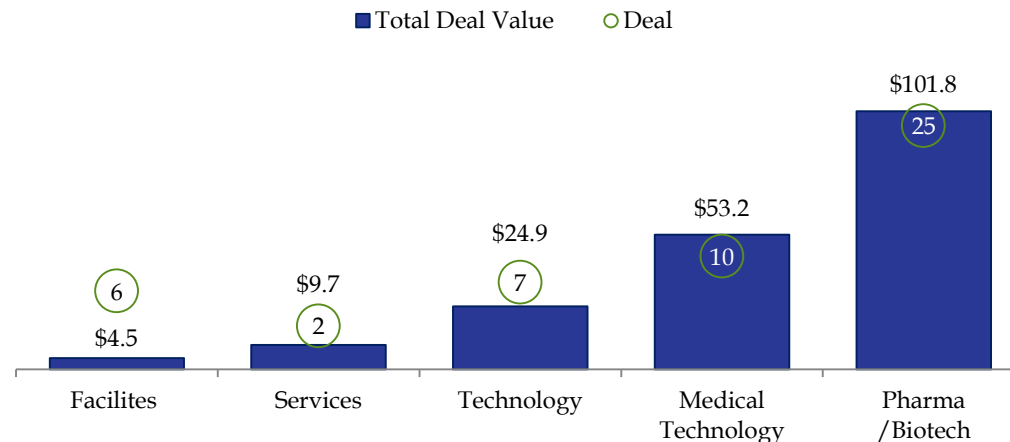
Note: Middle Market defined as transactions with disclosed deal values less than \$1BN

EV - Enterprise Value NA - Not Available

[1] Middle Market transactions defined by transactions with an enterprise value below \$1 billion

- 2016 activity has been driven by deals in the Medical Technology, Pharmaceutical and Biotechnology sectors.
- As healthcare end markets consolidate, service providers and product manufacturers fiercely compete or strategically combine to gain market share. The Abbott and St. Jude deal is an example of how the medical device segment is adapting to pressure from hospital customers who are rationalizing supplier relationships.

Top 50 Deals by Sector Summary (\$ in billions)



Technology (\$ in millions)

May 16	Quintiles Transnational		\$13,549
Feb 16	IBM Watson Health		\$3,581
Nov 15	Pamplona Capital		\$2,775
Aug 16	EQT Partners AB		\$2,429
Mar 16	GI Partners; Allscripts		\$950
Apr 16	Veritas Capital		\$820
Feb 16	Resmed		\$800

Medical Technology (\$ in millions)

Apr 16	Abbott Laboratories		\$30,175
Feb 16	Abbott Laboratories		\$9,095
Sep 16	Chace LLC		\$4,325
Feb 16	Stryker Corporation		\$2,775
Feb 16	Stryker Corporation		\$1,344
Jun 16	Medtronic		\$1,255
Jan 16	Thermo Fisher Scientific		\$1,251
Apr 16	Gilead Sciences		\$1,200
Jun 16	Zimmer Biomet Holdings		\$1,147
Jan 16	Charles River Laboratories		\$585

Facilities (\$ in millions)

Aug 16	Welltower Inc.		19 Properties	\$1,150
Mar 16	Winterfell Healthcare		Winterfell GP	\$923
Dec 15	Wellstar Health System			\$661
Apr 16	Physicians Realty		47 MOBs	\$611
Sep 16	MPT Operating Partnership		5 Acute Care Hospitals	\$600
Mar 16	RegionalCare Hospital Partners			\$600

Services (\$ in millions)

Jun 16	Envision Healthcare		\$7,695
Apr 16	Leonard Green & Partners		\$2,021

Source: S&P Capital IQ LCD

* Top 50 announced healthcare transactions from the Pharmaceuticals and Biotechnology sectors are excluded from the transactions detailed on the bottom of the page

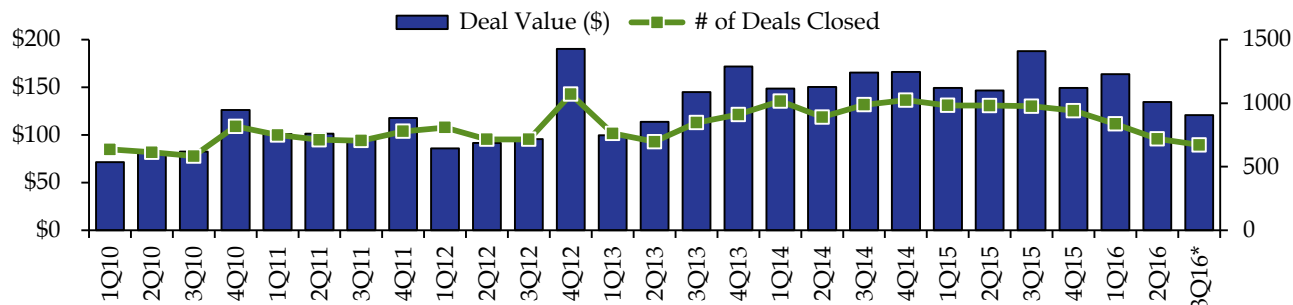
U.S. Private Equity Activity Lower Q-o-Q

- U.S. Private Equity deal flow continues to be down during the third quarter of 2016 both on a volume and transaction value.
- Strategics are creating a frothy environment and can justify higher bids due to synergistic opportunities.
- Private Equity activity is likely to remain soft during the remainder of 2016, and most of the Private Equity activity is expected to be in the form of add-on acquisitions.

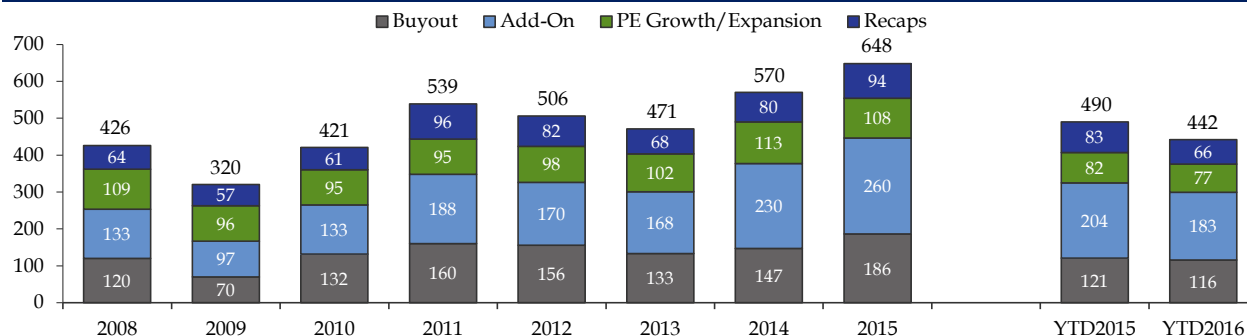
Sponsor-Backed Healthcare M&A Led by Portfolio Company Add-On Acquisitions

- The 442 healthcare private equity deals reported YTD2016 is down nearly 10% from the 490 deals closed in the same period of 2015. The majority of deals were add-on acquisitions, driven by the need to fuel growth and increase returns for investors.
- Exit activity, while down Y-o-Y, remains stable as a result of secondary buyout activity.

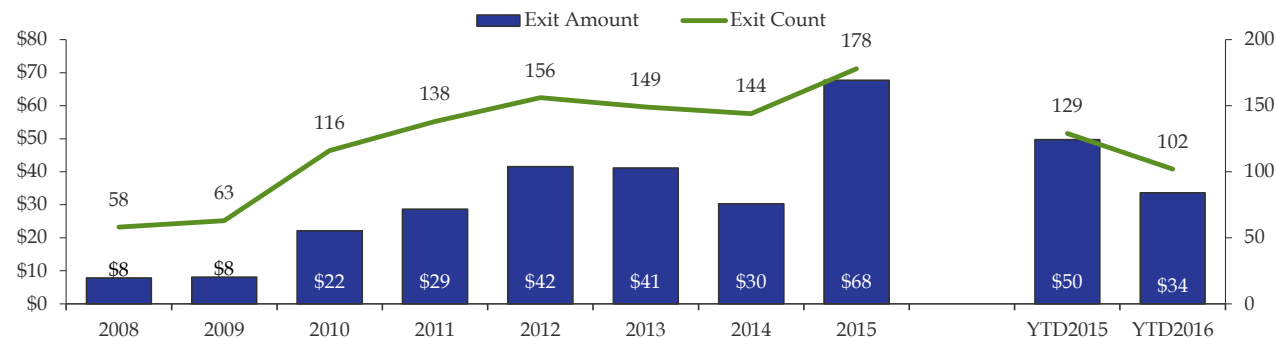
Overall U.S. Private Equity Deal Flow (\$ in billions)



U.S. Healthcare Deal Count by Type

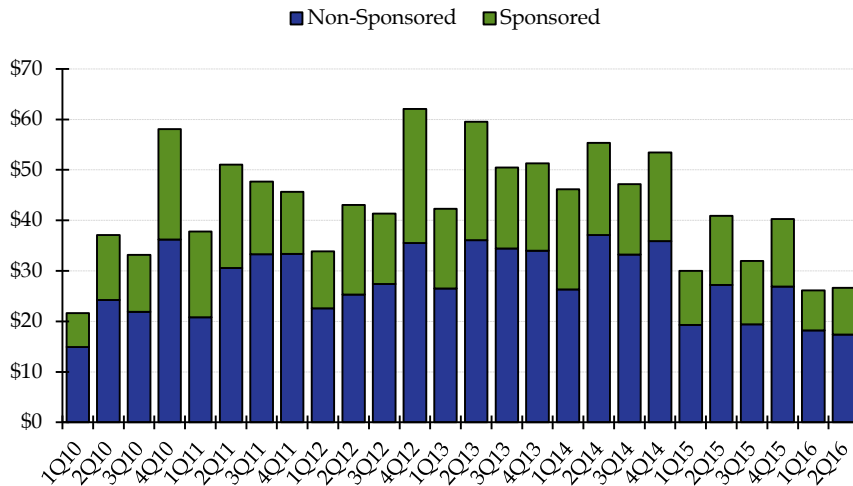


U.S. Healthcare Private Equity Exits (\$ in billions)

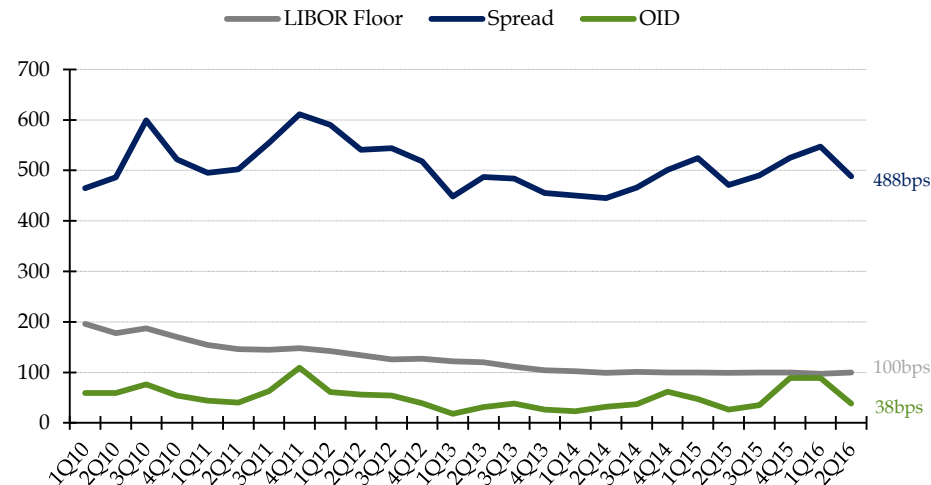


Source: Fifth Third Securities, PitchBook Data, Inc.
Note: YTD as of September 2016

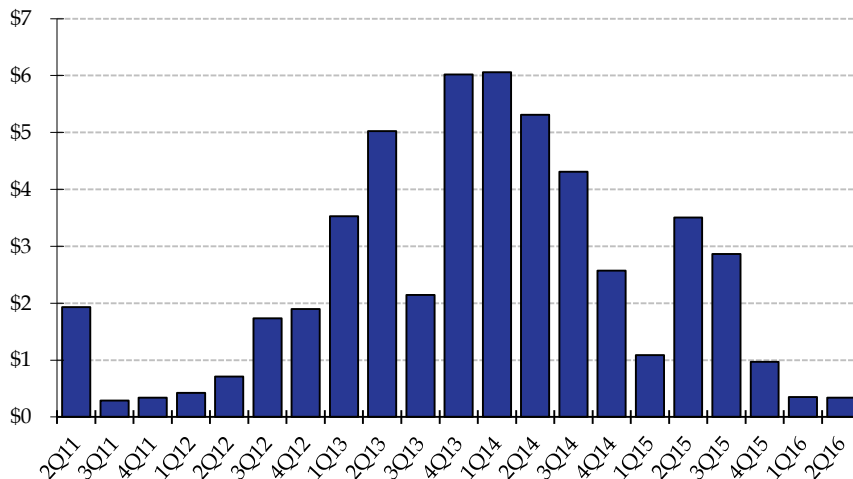
Loan Volume: Low Level of Supply Continues (\$ in billions)



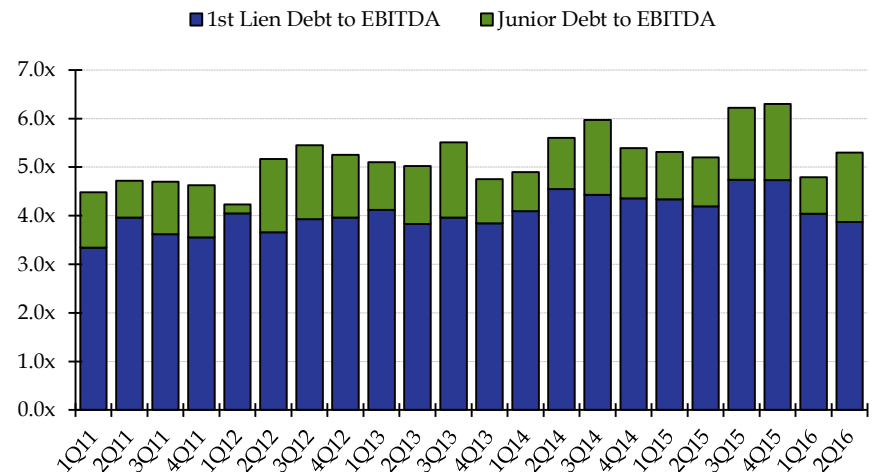
Term Loan Spreads Tightening [1]



Covenant Lite Volume Remains Relatively Low (\$ in billions)

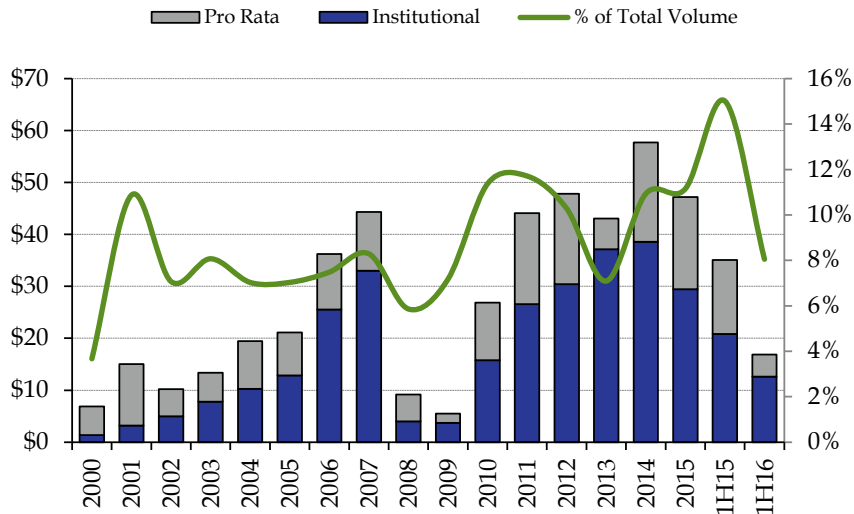


LBO Leverage Climbs Higher, However Lack of Supply Continues

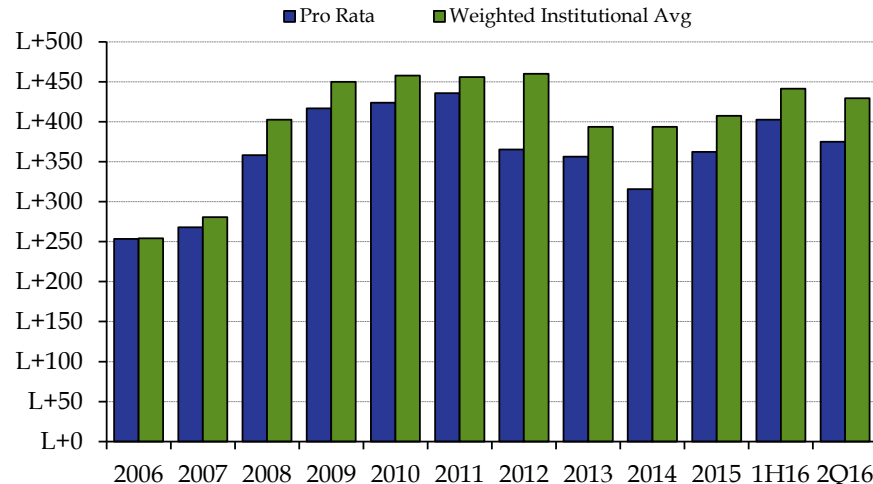


Note: This data represents the entire U.S. middle market (all industries)
 Note: The middle market is defined as deal size ≤ \$100 million and borrower sales ≤ \$500 million
 [1] Includes both non-sponsored and sponsored transactions
 Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

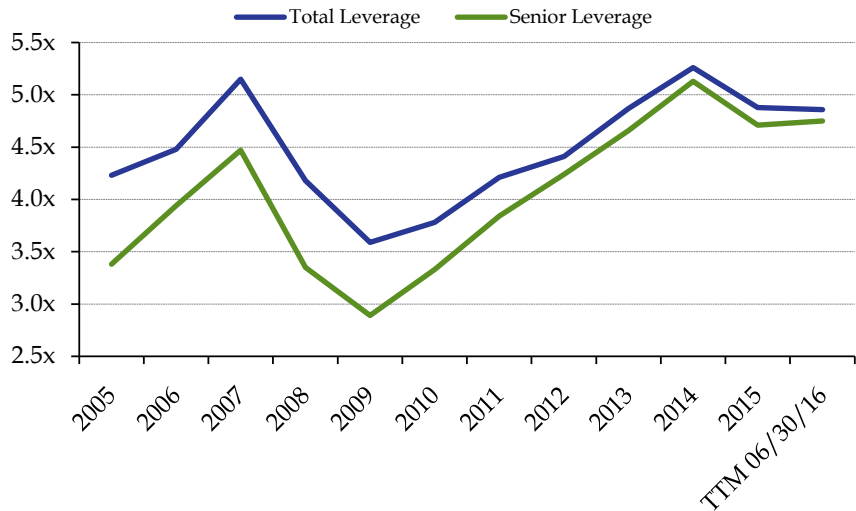
Healthcare Loan Volume Institutional vs. Pro Rata (\$ in billions)



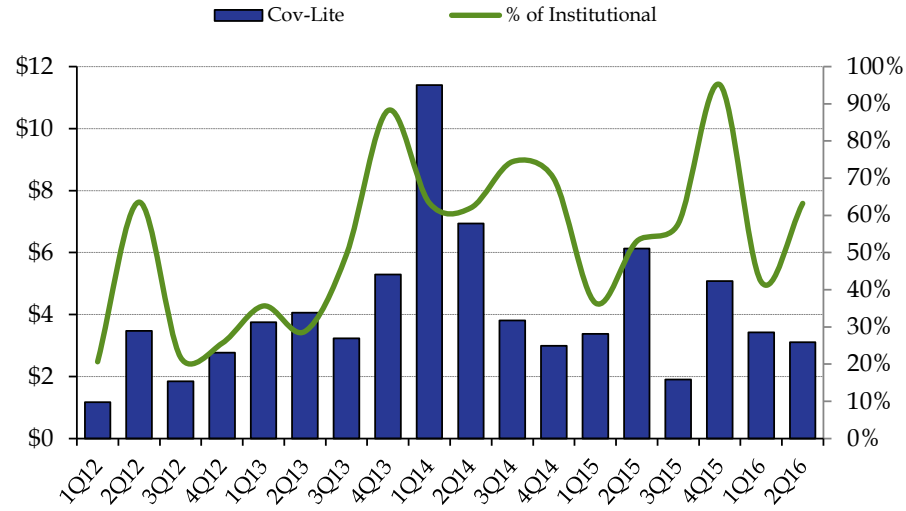
Healthcare New-Issue Spreads



Healthcare New Issue Leverage Ratios



Healthcare Covenant Lite Volume (\$ in billions)



Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

Appendix

Public Company Comparables

Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/30/16	% of 52-Week High	Market Cap	Enterprise Value	LTM Financials		Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value/			
					Revenue	EBITDA	'14A-'15A	'15A-'16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
Biotechnology																
Amgen Inc.	\$166.78	94.3%	\$123,816	\$122,004	\$21,558	\$11,344	8.0%	5.1%	81.7%	52.6%	2.9x	17.1x	5.7x	5.4x	10.8x	9.4x
Gilead Sciences Inc.	79.36	71.4%	102,749	116,703	32,371	21,432	31.1%	(6.5%)	86.5%	66.2%	1.0x	7.0x	3.6x	3.8x	5.4x	5.7x
Celgene Corporation	104.80	81.6%	79,659	87,541	10,091	3,752	20.7%	19.7%	82.4%	37.2%	3.8x	44.3x	8.7x	7.9x	23.3x	13.8x
Biogen Inc.	311.75	93.4%	67,003	69,749	9,593	6,153	10.9%	6.5%	88.3%	64.1%	1.1x	18.2x	7.3x	6.1x	11.3x	11.6x
Regeneron Pharmaceuticals, Inc.	400.83	67.6%	43,610	42,930	4,573	1,336	45.5%	23.3%	50.1%	29.2%	NM	62.5x	9.4x	8.5x	NM	30.5x *
Vertex Pharmaceuticals Incorporated	87.33	64.8%	21,061	20,998	1,557	4	77.9%	67.0%	23.0%	0.2%	NM	NM	13.5x	12.2x	NM	NM
Incyte Corporation	93.71	71.4%	17,351	17,357	941	162	47.4%	39.0%	40.3%	17.2%	3.9x	NM	18.4x	16.6x	NM	NM
BioMarin Pharmaceutical Inc.	92.70	78.2%	15,845	16,012	974	(228)	18.8%	26.6%	13.9%	NM	NM	NM	16.4x	14.2x	NM	NM
Juno Therapeutics Inc.	30.29	52.4%	3,172	2,224	43	(234)	NA	NM	NM	NM	NM	NM	NM	NM	NM	NM
FibroGen, Inc.	20.80	65.2%	1,282	1,184	162	(87)	31.4%	(7.4%)	NM	NM	NM	NM	NM	NM	NM	NM
Axovant Sciences Ltd.	14.18	50.6%	1,418	1,165	NA	(146)	NA	NA	NM	NM	0.0x	NM	NA	NA	NM	NA
NantKwest, Inc.	7.71	39.7%	609	398	0	(141)	(63.2%)	(79.9%)	NM	NM	NM	NM	NM	NM	NM	NM
Mean							22.8%	9.3%	58.3%	38.1%	2.1x	29.8x	10.4x	9.3x	12.7x	10.1x
Median							25.9%	13.1%	65.9%	37.2%	2.0x	18.2x	9.0x	8.2x	11.0x	10.5x
Pharmaceuticals																
Roche Holding AG	\$248.56	85.6%	\$211,765	\$233,191	\$52,890	\$20,184	0.3%	4.4%	71.8%	38.2%	1.3x	23.0x	4.4x	4.4x	11.6x	10.9x
Pfizer Inc.	33.96	90.8%	202,108	225,615	52,286	19,858	(1.5%)	8.1%	78.2%	38.0%	2.2x	30.1x	4.3x	4.3x	11.4x	10.1x
Novartis AG	78.80	82.8%	187,633	208,429	48,855	15,101	(5.6%)	(3.4%)	65.3%	30.9%	1.7x	28.5x	4.3x	4.3x	13.8x	14.5x
Merck & Co., Inc.	62.51	97.7%	171,194	183,735	39,444	14,462	(6.5%)	0.5%	64.3%	36.7%	1.7x	34.3x	4.7x	4.6x	12.7x	11.1x
GlaxoSmithKline plc	21.39	95.7%	103,671	127,569	33,467	9,379	(1.6%)	(0.7%)	66.3%	28.0%	2.8x	NM	3.8x	3.6x	13.6x	10.8x
Sanofi	76.03	72.1%	96,693	109,162	37,580	11,099	(2.2%)	6.8%	68.9%	29.5%	1.7x	21.6x	2.9x	2.7x	9.8x	8.9x
Novo Nordisk A/S	41.57	67.7%	104,820	102,609	16,470	7,583	8.8%	9.1%	84.8%	46.0%	0.0x	19.7x	6.2x	6.0x	13.5x	12.9x
AstraZeneca PLC	65.16	90.9%	82,425	97,378	23,091	5,495	(6.9%)	(4.3%)	82.2%	23.8%	3.2x	37.2x	4.2x	4.1x	17.7x	14.2x
Eli Lilly and Company	80.27	90.7%	84,147	89,552	20,605	5,058	1.7%	5.9%	73.8%	24.5%	1.8x	34.6x	4.3x	4.2x	17.7x	15.4x
Abbott Laboratories	42.24	91.1%	60,917	65,511	20,556	4,493	0.8%	2.5%	57.0%	21.9%	2.0x	32.7x	3.2x	3.1x	14.6x	NM
Teva Pharmaceutical Industries Limited	46.02	69.2%	42,309	51,843	19,552	6,320	(3.1%)	13.6%	58.2%	32.3%	1.7x	30.7x	2.7x	2.3x	8.2x	6.6x
Valeant Pharmaceuticals International, Inc.	25.10	13.7%	8,706	39,027	10,191	4,629	27.3%	(4.8%)	75.5%	45.4%	6.7x	NM	3.8x	3.9x	8.4x	8.3x
Alexion Pharmaceuticals, Inc.	121.98	63.1%	26,923	29,196	2,819	1,034	16.6%	18.1%	91.8%	36.7%	3.3x	NM	10.4x *	9.5x *	28.2x	19.1x
Mylan N.V.	38.43	69.2%	20,578	27,471	9,867	3,112	22.1%	19.1%	46.6%	31.5%	4.3x	24.3x	2.8x	2.4x	8.8x	7.5x
Perrigo Company plc	92.35	55.0%	13,360	19,088	5,822	1,337	20.3%	(2.5%)	39.2%	23.0%	4.8x	NM	3.3x	3.5x	14.3x	12.7x
Endo International plc	20.70	28.4%	4,663	12,312	3,704	393	37.3%	20.4%	37.7%	10.6%	21.2x *	NM	3.3x	3.1x	31.4x	7.7x
Mean							6.7%	5.8%	66.4%	31.1%	2.6x	28.8x	3.9x	3.8x	14.7x	11.4x
Median							0.5%	5.1%	67.6%	31.2%	2.0x	30.1x	3.8x	3.9x	13.6x	10.9x

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					Revenue	EBITDA	'14A - '15A	'15A - '16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
Medical Devices																
Johnson & Johnson	\$118.32	93.9%	\$320,836	\$304,523	\$70,877	\$23,042	(5.7%)	2.8%	69.7%	32.5%	1.2x	22.0x	4.3x	4.2x	13.2x	12.0x
Medtronic plc	86.01	96.3%	118,017	137,427	28,725	8,756	43.3%	2.4%	69.1%	30.5%	3.7x	34.7x	4.8x	4.7x	15.7x	14.6x
Thermo Fisher Scientific, Inc.	158.43	98.6%	61,529	75,013	17,606	4,302	0.4%	5.8%	45.6%	24.4%	3.3x	31.8x	4.3x	4.2x	17.4x	16.5x
Stryker Corporation	116.42	94.2%	43,307	47,295	10,470	2,853	2.8%	12.6%	67.1%	27.2%	2.7x	27.2x	4.5x	4.2x	16.6x	15.5x
Boston Scientific Corporation	23.65	95.4%	31,705	36,694	7,878	2,013	1.2%	10.3%	71.9%	25.6%	2.7x	NM	4.7x	4.5x	18.2x	16.0x
St. Jude Medical Inc.	79.80	95.0%	22,550	28,232	5,796	1,634	(1.4%)	9.3%	68.5%	28.2%	3.7x	34.7x	4.9x	4.7x	17.3x	15.1x
Baxter International Inc.	47.52	96.0%	25,519	26,058	10,050	1,740	(7.0%)	1.2%	41.3%	17.3%	1.8x	7.2x	2.6x	2.6x	15.0x	14.2x
Edwards Lifesciences Corp.	120.47	99.0%	25,388	24,930	2,743	817	7.4%	15.9%	74.6%	29.8%	0.7x	NM	9.1x	8.6x *	30.5x	29.1x
Smith & Nephew plc	16.20	94.0%	14,315	16,009	4,690	1,103	0.4%	3.1%	75.3%	23.5%	1.6x	35.5x	3.4x	3.4x	14.5x	11.4x
Varian Medical Systems, Inc.	99.61	99.9%	9,202	9,081	3,123	599	1.6%	3.9%	40.4%	19.2%	1.2x	24.6x	2.9x	2.8x	15.1x	13.8x
Teleflex Incorporated	166.88	88.4%	7,244	7,852	1,816	452	(1.5%)	4.3%	53.3%	24.9%	2.4x	32.6x	4.3x	4.2x	17.4x	15.4x
NuVasive, Inc.	66.42	96.3%	3,302	3,666	867	197	6.4%	15.2%	75.7%	22.7%	NM	NM	4.2x	3.9x	NM	NM
Wright Medical Group N.V.	24.51	96.1%	2,452	2,887	597	5	39.4%	71.1%	75.0%	0.9%	NM	NM	4.8x	4.1x	NM	NM
Penumbra, Inc.	75.45	94.9%	2,328	2,188	228	7	48.3%	36.2%	66.4%	3.2%	0.0x	NM	9.6x	8.6x *	NM	NM
The Spectranetics Corporation	24.67	95.6%	1,035	1,275	256	(15)	20.0%	8.3%	74.2%	NM	NM	NM	5.0x	4.9x	NM	NM
AngioDynamics Inc.	17.44	99.4%	626	713	351	42	(0.3%)	1.6%	48.8%	11.9%	2.9x	NM	2.0x	2.0x	17.1x	13.3x
NovoCure Limited	8.58	27.8%	732	554	52	(113)	NM	NM	43.2%	NM	NM	NM	10.6x *	4.0x	NM	NM
Accuray Incorporated	6.30	83.6%	508	552	399	5	5.0%	2.7%	39.9%	1.4%	NM	NM	1.4x	1.3x	NM	14.2x
AtriCure, Inc.	15.67	67.4%	510	507	143	(23)	20.8%	24.3%	71.7%	NM	NM	NM	3.6x	3.2x	NM	NM
Exactech Inc.	26.83	93.6%	370	380	250	41	(2.6%)	5.3%	69.3%	16.5%	0.5x	25.3x	1.5x	1.5x	9.2x	8.5x
ConforMIS, Inc.	9.73	41.2%	387	305	72	(57)	39.2%	20.0%	33.9%	NM	NM	NM	4.2x	3.8x	NM	NM
RTI Surgical Inc.	3.12	54.4%	179	301	278	35	7.4%	0.6%	52.8%	12.7%	2.2x	17.7x	1.1x	1.1x	8.5x	7.9x
Zemach Hammerman Ltd.	3.76	100.0%	68	106	98	4	45.0%	NA	9.2% *	4.0%	NM	34.5x	1.1x	NA	NM	NA
Cogentix Medical, Inc.	1.80	90.5%	48	69	56	(0)	NM	4.8%	64.1%	NM	NM	NM	1.2x	1.3x	NM	NA
Mean							12.3%	11.9%	60.5%	18.8%	2.0x	27.3x	3.9x	3.4x	16.1x	14.5x
Median							3.9%	5.6%	67.1%	22.7%	2.2x	29.5x	4.2x	3.9x	16.1x	14.2x

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					Revenue	EBITDA	'14A-'15A	'15A-'16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
Medical Equipment																
Illumina Inc.	\$180.40	91.8%	\$25,884	\$25,608	\$2,314	\$708	19.3%	11.5%	71.7%	30.6%	NM	NM	11.1x *	10.3x *	36.2x	34.4x
Intuitive Surgical, Inc.	722.11	99.7%	27,715	25,531	2,522	956	11.9%	11.8%	68.8%	37.9%	0.0x	41.0x	10.1x *	9.6x	26.7x	22.1x
Hologic Inc.	38.65	92.8%	10,581	13,561	2,785	1,015	6.9%	6.1%	65.8%	36.4%	3.4x	NM	4.9x	4.8x	13.4x	12.9x
Waters Corporation	158.56	97.6%	12,597	11,754	2,099	685	2.7%	5.3%	58.5%	32.6%	2.6x	28.0x	5.6x	5.5x	17.2x	16.4x
IDEXX Laboratories, Inc.	112.69	97.9%	10,017	10,803	1,690	399	7.8%	8.5%	55.1%	23.6%	2.9x	NM	6.4x	6.2x	27.1x	27.5x
ResMed Inc.	64.93	91.6%	9,046	9,490	1,839	532	9.5%	7.0%	57.8%	28.9%	2.2x	26.6x	5.2x	4.8x	17.8x	16.7x
Steris Plc	73.27	93.0%	6,246	7,567	2,431	501	21.2%	22.2%	40.1%	20.6%	3.1x	47.0x	3.1x	2.8x	15.1x	11.9x
Getinge AB	19.41	73.4%	4,626	7,059	3,498	658	5.1%	(2.5%)	46.8%	18.8%	4.0x	26.8x	2.0x	2.0x	10.7x	10.7x
PerkinElmer Inc.	56.03	97.8%	6,032	6,842	2,283	432	1.1%	2.5%	45.8%	18.9%	2.5x	28.7x	3.0x	3.0x	15.9x	14.7x
Hill-Rom Holdings, Inc.	62.07	100.5%	3,991	5,932	2,523	464	17.9%	34.2%	46.6%	18.4%	4.6x	NM	2.4x	2.2x	12.8x	10.5x
Bio-Rad Laboratories, Inc.	162.40	99.7%	4,761	4,404	2,028	292	(7.2%)	(0.1%)	55.3%	14.4%	1.5x	44.4x	2.2x	2.2x	15.1x	15.7x
Cepheid	52.75	97.8%	3,863	3,826	564	1	14.6%	15.4%	48.9%	0.1%	NM	NM	6.8x *	6.2x *	NM	NM
Integra LifeSciences Holdings Corporation	82.73	93.1%	3,092	3,711	958	211	10.8%	12.7%	65.2%	22.0%	3.3x	NM	3.9x	3.7x	17.6x	15.7x
Bruker Corporation	22.57	75.6%	3,615	3,544	1,612	240	(10.2%)	4.7%	44.9%	14.9%	1.4x	32.2x	2.2x	2.1x	14.7x	12.5x
Cantel Medical Corp.	78.20	95.8%	3,220	3,308	665	125	18.6%	6.7%	46.4%	18.8%	0.9x	NM	5.0x	4.7x	26.4x	24.7x
Masimo Corporation	59.12	97.7%	2,891	2,950	657	135	7.4%	8.8%	65.8%	20.6%	NM	34.8x	4.5x	4.4x	NM	NM
CONMED Corporation	40.07	77.2%	1,099	1,595	735	124	(2.8%)	7.3%	54.5%	16.8%	4.2x	NM	2.2x	2.1x	12.9x	11.8x
Nxstage Medical, Inc.	24.95	95.7%	1,585	1,543	358	12	11.5%	7.1%	39.9%	3.4%	1.2x	NM	4.3x	4.3x	NM	64.6x *
Abaxis, Inc.	51.16	88.0%	1,138	1,002	224	53	8.0%	8.4%	56.3%	23.9%	0.0x	37.6x	4.5x	4.2x	18.8x	17.5x
Invacare Corporation	11.05	54.1%	356	389	1,100	13	(10.1%)	(5.3%)	27.3%	1.1%	NM	NM	0.4x	0.4x	30.9x	18.1x
Surmodics, Inc.	29.77	98.4%	382	338	71	28	7.8%	4.0%	59.8%	39.4%	0.0x	45.8x	4.8x	5.2x	12.2x	NA
Alphatec Holdings, Inc.	9.47	100.5%	79	169	179	11	(10.5%)	NA	66.9%	6.0%	7.0x	NM	0.9x	NA	15.7x	NA
InfuSystem Holdings, Inc.	2.73	72.8%	62	100	71	19	10.2%	NA	79.2%	26.4%	2.1x	13.8x	1.4x	NA	5.4x	NA
Mean							6.6%	8.4%	55.1%	20.6%	2.5x	33.9x	3.4x	3.9x	18.1x	17.3x
Median							7.8%	7.1%	55.3%	20.6%	2.5x	33.5x	3.5x	4.2x	15.8x	15.7x

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					Revenue	EBITDA	'14A-'15A	'15A-'16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
Medical Supplies																
Becton, Dickinson and Company	\$178.25	98.1%	\$37,569	\$47,772	\$12,312	\$3,209	21.9%	22.4%	47.3%	26.1%	3.7x	47.6x	3.9x	3.8x	14.9x	12.8x
CR Bard Inc.	223.69	93.4%	16,435	17,277	3,528	1,070	2.0%	7.8%	62.6%	30.3%	1.5x	NM	4.9x	4.7x	16.2x	14.7x
Agilent Technologies, Inc.	47.06	96.8%	15,055	14,760	4,126	844	(0.2%)	4.9%	51.6%	20.5%	2.3x	33.3x	3.6x	3.5x	17.5x	15.3x
The Cooper Companies Inc.	179.16	93.8%	8,581	9,969	1,904	587	4.6%	11.2%	62.2%	30.8%	2.5x	42.4x	5.2x	5.0x	17.0x	15.9x
VWR Corporation	28.13	88.6%	3,683	5,595	4,456	466	(1.3%)	5.9%	27.7%	10.5%	4.3x	30.6x	1.3x	1.2x	12.0x	11.6x
Bruker Corporation	22.57	75.6%	3,615	3,544	1,612	240	(10.2%)	4.7%	44.9%	14.9%	1.4x	32.2x	2.2x	2.1x	14.7x	12.5x
Haemonetics Corporation	36.20	95.1%	1,832	2,114	905	126	(0.2%)	(2.7%)	45.6%	13.9%	3.2x	NM	2.3x	2.4x	16.8x	11.0x
Neogen Corp.	55.11	90.0%	2,027	1,898	330	69	13.5%	6.6%	47.6%	21.0%	0.0x	NM	5.8x	5.5x	27.4x	26.5x
ICU Medical, Inc.	125.06	97.0%	2,016	1,616	361	110	10.5%	6.6%	53.9%	30.6%	0.0x	40.5x	4.5x	4.5x	14.6x	13.1x
Merit Medical Systems, Inc.	24.18	94.8%	1,055	1,277	559	76	5.5%	11.4%	44.0%	13.5%	3.1x	47.4x	2.3x	2.1x	16.8x	13.5x
Natus Medical Inc.	39.21	76.8%	1,270	1,184	378	70	5.6%	3.5%	61.1%	18.5%	0.1x	33.8x	3.1x	3.0x	16.9x	14.8x
Endologix Inc.	12.60	86.9%	1,021	1,120	171	(63)	4.1%	29.0%	64.5%	NM	NM	NM	6.6x	5.7x	NM	NM
Abaxis, Inc.	51.16	88.0%	1,138	1,002	224	53	8.0%	8.4%	56.3%	23.9%	0.0x	37.6x	4.5x	4.2x	18.8x	17.5x
Meridian Bioscience, Inc.	19.20	89.3%	811	825	195	63	3.1%	8.1%	65.2%	32.4%	1.0x	22.9x	4.2x	4.0x	13.0x	12.9x
Vascular Solutions Inc.	47.87	94.4%	832	797	155	26	16.8%	NA	66.0%	16.8%	0.0x	NM	5.1x	4.8x	30.7x	21.7x
ATRION Corp.	415.41	84.7%	753	722	142	49	3.5%	NA	48.8%	34.6%	0.0x	27.3x	5.1x	NA	14.7x	NA
Cardiovascular Systems Inc.	23.37	92.7%	762	701	177	(42)	(1.1%)	4.0%	80.8%	NM	0.0x	NM	4.0x	3.8x	NM	NM
Quidel Corp.	21.83	91.2%	677	667	187	14	6.5%	4.7%	62.9%	7.6%	10.3x	NM	3.6x	3.3x	47.0x *	20.6x
CryoLife Inc.	17.40	93.3%	594	619	167	29	0.9%	23.3%	64.0%	17.2%	2.5x	NM	3.7x	3.4x	21.6x	25.2x
OraSure Technologies, Inc.	7.90	87.2%	439	325	107	18	12.5%	10.0%	68.7%	17.1%	0.0x	44.3x	3.0x	2.5x	17.8x	15.4x
Trinity Biotech plc	13.06	95.5%	305	319	101	16	(4.5%)	2.3%	44.5%	15.4%	6.4x	37.1x	3.2x	3.1x	20.5x	16.8x
Mean							4.8%	9.1%	55.7%	20.8%	2.1x	36.7x	3.9x	3.6x	17.9x	16.2x
Median							4.1%	6.6%	56.3%	18.5%	1.5x	37.1x	3.9x	3.6x	16.9x	15.0x
Dental Products																
Danaher Corp.	\$78.11	76.0%	\$53,261	\$63,891	\$22,080	\$5,095	7.4%	(3.5%)	52.8%	23.1%	2.9x	19.6x	2.9x	3.2x	12.5x	14.0x
DENTSPLY SIRONA Inc.	59.21	89.9%	13,771	14,647	3,115	658	(8.5%)	43.7%	56.3%	21.1%	1.8x	28.8x	4.7x	3.8x	22.3x	15.3x
Align Technology Inc.	94.13	97.1%	7,397	6,825	946	235	11.0%	22.7%	75.6%	24.9%	NM	NM	7.2x	6.6x	29.0x	27.1x
Mean							3.3%	21.0%	61.5%	23.0%	2.3x	24.2x	4.9x	4.5x	21.3x	18.8x
Median							7.4%	22.7%	56.3%	23.1%	2.3x	24.2x	4.7x	3.8x	22.3x	15.3x

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													LTM	2016E	LTM	2016E							
Contract Research Organizations																							
Quintiles Transnational Holdings Inc.	\$80.60	100.1%	\$9,411	\$11,112	\$4,497	\$827	3.9%	7.1%	37.2%	18.4%	3.0x	24.6x	2.5x	2.4x	13.4x	12.5x							
Charles River Laboratories International, Inc.	83.27	93.4%	3,904	5,120	1,492	347	5.1%	21.5%	39.6%	23.2%	3.9x	25.5x	3.4x	3.1x	14.8x	12.6x							
ICON Public Limited Company	76.96	96.7%	4,222	4,319	1,609	360	4.8%	5.9%	42.7%	22.4%	1.0x	18.4x	2.7x	2.6x	12.0x	11.4x							
PRA Health Sciences, Inc.	56.52	100.0%	3,368	4,155	1,474	264	8.6%	12.6%	35.7%	17.9%	3.3x	NM	2.8x	2.7x	15.8x	14.4x							
Albany Molecular Research Inc.	16.43	79.6%	678	1,031	457	46	45.5% *	19.3%	25.6%	10.0%	8.4x *	NM	2.3x	2.1x	22.6x	NM							
Mean							5.6%	13.3%	36.2%	18.4%	2.8x	22.8x	2.7x	2.6x	15.7x	12.7x							
Median							4.9%	12.6%	37.2%	18.4%	3.2x	24.6x	2.7x	2.6x	14.8x	12.5x							
Disease Management																							
Alere Inc.	\$43.16	79.7%	\$3,712	\$6,791	\$2,406	\$374	(4.4%)	(0.7%)	47.1%	15.5%	8.0x	NM	2.8x	2.8x	18.2x	12.5x							
Healthways, Inc.	26.44	96.8%	971	1,194	797	37	3.8%	(1.2%)	17.1%	4.6%	6.2x	NM	1.5x	1.6x	32.5x	14.4x							
Mean							(0.3%)	(1.0%)	32.1%	10.1%	7.1x	NA	2.2x	2.2x	25.3x	13.5x							
Median							(0.3%)	(1.0%)	32.1%	10.1%	7.1x	NA	2.2x	2.2x	25.3x	13.5x							
Distribution																							
McKesson Corporation	\$166.37	82.3%	\$37,110	\$42,143	\$193,071	\$4,598	6.6%	5.2%	6.0%	2.4%	1.8x	16.9x	0.2x	0.2x	9.2x	8.0x							
Cardinal Health, Inc.	77.51	85.0%	24,604	27,930	121,546	3,139	18.5%	3.8%	5.4%	2.6%	1.8x	18.6x	0.2x	0.2x	8.9x	8.4x							
AmerisourceBergen Corporation	80.84	76.4%	19,329	21,871	144,759	1,858	13.7%	10.2%	2.7%	1.3%	2.4x	11.8x	0.2x	0.1x	11.8x	9.6x							
Henry Schein, Inc.	162.29	88.7%	13,181	14,650	11,122	958	2.5%	8.6%	28.3%	8.6%	1.0x	27.8x	1.3x	1.3x	15.3x	14.3x							
Patterson Companies, Inc.	45.88	91.0%	4,409	5,462	5,576	443	37.7%	5.5%	24.6%	7.9%	2.6x	24.1x	1.0x	1.0x	12.3x	11.5x							
Owens & Minor Inc.	34.75	83.8%	2,144	2,659	9,899	280	3.5%	2.1%	12.3%	2.8%	2.3x	20.0x	0.3x	0.3x	9.5x	9.4x							
Aceto Corp.	19.01	59.0%	566	617	559	71	2.1%	5.7%	26.3%	12.7%	1.7x	13.5x	1.1x	1.0x	8.7x	6.7x							
Mean							12.1%	5.9%	15.1%	5.5%	1.9x	19.0x	0.6x	0.6x	10.8x	9.7x							
Median							6.6%	5.5%	12.3%	2.8%	1.8x	18.6x	0.3x	0.3x	9.5x	9.4x							

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					Revenue	EBITDA	'14A-'15A	'15A-'16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
HCIT																
Cerner Corporation	\$61.44	89.9%	\$20,779	\$20,734	\$4,579	\$1,271	31.4%	13.4%	84.9%	27.7%	0.5x	33.7x	4.5x	4.2x	16.3x	12.8x
IMS Health Holdings, Inc.	30.95	98.0%	10,003	14,146	3,123	763	10.6%	10.5%	50.2%	24.4%	5.9x	NM	4.5x	4.4x	18.5x	14.8x
Nuance Communications, Inc.	14.53	66.6%	4,022	5,868	1,947	317	0.4%	NA	60.6%	16.3%	7.7x	NM	3.0x	NA	18.5x	NA
athenahealth, Inc.	125.97	73.9%	4,881	5,042	1,012	85	22.9%	20.8%	60.3%	8.4%	3.4x	NM	5.0x	4.5x	59.0x *	21.3x
Allscripts Healthcare Solutions, Inc.	13.12	83.1%	2,408	3,894	1,432	134	0.6%	13.4%	49.3%	9.3%	9.0x	NM	2.7x	2.5x	29.1x	13.5x
The Advisory Board Company	44.41	81.0%	1,762	2,317	805	121	33.9%	6.6%	50.7%	15.1%	4.7x	NM	2.9x	2.8x	19.1x	12.2x
HealthEquity, Inc.	37.60	98.9%	2,190	2,040	155	48	44.3%	40.2%	59.7%	30.9%	0.0x	NM	13.2x *	11.5x	42.8x *	32.8x
WebMD Health Corp.	50.01	74.0%	1,858	1,882	671	163	9.6%	10.5%	62.6%	24.3%	6.4x	30.8x	2.8x	2.7x	11.5x	8.2x
HMS Holdings Corp.	22.03	91.8%	1,853	1,863	490	94	7.0%	2.8%	34.9%	19.1%	NM	NM	3.8x	3.8x	19.9x	15.6x
Inovalon Holdings, Inc.	14.77	61.9%	2,200	1,730	453	111	NA	8.0% *	63.4%	24.5%	NM	49.8x	3.8x	3.7x	15.6x	12.9x
Omnnicell, Inc.	37.87	93.5%	1,354	1,538	599	70	9.9%	45.8%	47.8%	11.7%	3.2x	NM	2.6x	2.2x	21.9x	14.3x
Evolent Health, Inc.	24.13	89.9%	1,415	1,513	192	(46)	NA	137.1%	42.3%	NM	0.0x	NM	7.9x	6.6x	NM	NM
Quality Systems Inc.	11.25	64.3%	692	754	493	56	0.5%	3.9%	54.0%	11.5%	1.6x	NM	1.5x	1.5x	13.3x	8.0x
Teladoc, Inc.	18.45	83.0%	823	742	96	(48)	77.8%	57.6%	73.1%	NM	NM	7.7x	6.1x	NM	NM	
HealthStream, Inc.	27.28	96.9%	835	696	219	25	22.4%	10.1%	57.8%	11.2%	0.0x	NM	3.2x	3.0x	28.4x	18.4x
BioTelemetry, Inc.	18.77	87.6%	517	530	183	36	8.4%	18.6%	59.8%	19.7%	1.0x	40.0x	2.9x	2.6x	14.7x	12.1x
Computer Programs & Systems Inc.	26.03	44.0%	354	505	227	35	(11.0%)	51.0%	42.5%	15.2%	4.5x	44.1x	2.2x	1.8x	14.6x	8.7x
National Research Corp.	34.85	78.1%	452	429	106	33	3.5%	7.4%	57.7%	31.6%	0.1x	42.8x	4.1x	3.9x	12.8x	NA
Everyday Health, Inc.	7.76	73.3%	259	346	249	22	25.9%	10.8%	70.0%	9.0%	5.2x	NM	1.4x	1.3x	15.5x	7.6x
Castlight Health, Inc.	4.16	77.2%	423	297	87	(72)	65.1%	33.3%	58.1%	NM	NM	NM	3.4x	3.0x	NM	NM
Accretive Health, Inc.	2.45	71.4%	263	204	445	199	(44.2%)	79.5%	60.8%	44.7%	NM	14.2x	0.5x	1.0x	1.0x	NM
Mean							16.8%	30.2%	57.2%	19.7%	3.3x	36.5x	3.5x	3.7x	16.9x	14.2x
Median							9.9%	13.4%	58.1%	17.7%	3.3x	40.0x	3.1x	3.0x	16.0x	12.9x
Healthcare Consulting																
Cognizant Technology Solutions Corporation	\$48.52	69.5%	\$33,382	\$29,809	\$12,991	\$2,592	21.0%	10.9%	39.8%	20.0%	0.4x	19.6x	2.3x	2.2x	11.5x	10.4x
Huron Consulting Group Inc.	59.06	90.8%	1,221	1,549	725	160	11.4%	8.2%	42.9%	22.0%	2.1x	18.6x	2.1x	2.0x	9.7x	10.8x
Exlservice Holdings, Inc.	49.81	90.9%	1,669	1,514	667	104	25.9%	11.5%	35.6%	15.7%	0.4x	28.3x	2.3x	2.2x	14.5x	12.2x
Navigant Consulting Inc.	20.18	98.0%	942	1,128	884	130	8.8%	11.9%	32.5%	14.7%	1.5x	18.0x	1.3x	1.2x	8.7x	8.4x
CBIZ, Inc.	11.22	94.9%	581	809	773	90	4.3%	6.8%	13.2%	11.7%	2.6x	15.5x	1.0x	1.0x	9.0x	8.7x
Constellation Healthcare Technologies, Inc.	2.28	92.1%	208	200	101	35	40.3%	69.4%	65.6%	35.1%	0.4x	12.4x	2.0x	1.5x	5.6x	5.0x
NCL, Inc.	11.32	65.9%	151	158	332	29	5.1%	2.8%	16.5%	8.8%	0.2x	11.8x	0.5x	0.5x	5.4x	5.2x
Mean							16.7%	17.4%	35.2%	18.3%	1.1x	17.7x	1.6x	1.5x	9.2x	8.7x
Median							11.4%	10.9%	35.6%	15.7%	0.4x	18.0x	2.0x	1.5x	9.0x	8.7x

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					Revenue	EBITDA	'14A-'15A	'15A-'16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
Healthcare Staffing																
On Assignment Inc.	\$36.14	70.9%	\$1,923	\$2,580	\$2,340	\$256	19.7%	17.7%	33.0%	10.9%	2.7x	25.5x	1.1x	1.1x	10.1x	NM
AMN Healthcare Services Inc.	31.51	70.0%	1,515	1,920	1,727	199	41.2%	27.4%	32.4%	11.5%	2.1x	16.1x	1.1x	1.0x	9.7x	8.6x
Cross Country Healthcare, Inc.	11.64	62.0%	384	454	785	40	24.2%	7.8%	25.9%	5.1%	2.0x	NM	0.6x	0.5x	11.4x	9.7x
Mean							28.4%	17.7%	30.4%	9.2%	2.3x	20.8x	0.9x	0.9x	10.4x	9.1x
Median							24.2%	17.7%	32.4%	10.9%	2.1x	20.8x	1.1x	1.0x	10.1x	9.1x
Managed Care																
UnitedHealth Group Incorporated	\$139.43	96.5%	\$131,735	\$158,361	\$163,199	\$13,168	20.4%	16.9%	22.7%	8.1%	2.5x	21.8x	1.0x	0.9x	12.0x	10.5x
Anthem, Inc.	125.13	83.5%	32,878	48,378	76,885	5,258	7.2%	3.7%	22.2%	6.8%	3.2x	14.1x	0.6x	0.6x	9.2x	8.6x
Aetna Inc.	115.25	93.3%	40,353	43,963	55,919	5,729	3.8%	4.8%	26.9%	10.2%	3.6x	17.4x	0.8x	0.7x	7.7x	7.5x
Cigna Corp.	130.00	87.3%	33,559	36,273	34,132	3,771	8.5%	5.2%	32.7%	11.0%	1.3x	16.3x	1.1x	0.9x	9.6x	8.1x
Humana Inc.	176.45	92.1%	26,209	28,065	53,352	2,505	11.9%	(0.1%)	17.7%	4.7%	1.7x	24.6x	0.5x	0.5x	11.2x	9.1x
Centene Corp.	67.50	89.3%	11,550	13,492	26,127	1,256	35.7%	86.7%	18.5%	4.8%	3.6x	30.3x	0.5x	0.3x	10.7x	7.9x
Molina Healthcare, Inc.	58.28	82.3%	3,255	2,537	15,017	487	47.0%	26.7%	14.7%	3.2%	3.3x	23.9x	0.2x	0.1x	5.2x	4.3x
Universal American Corp	7.64	89.4%	488	578	1,515	42	(6.7%)	5.5%	15.7%	2.8%	3.1x	NM	0.4x	0.4x	13.8x	12.1x
Mean							16.0%	18.7%	21.4%	6.5%	2.8x	21.2x	0.6x	0.6x	9.9x	8.5x
Median							10.2%	5.4%	20.4%	5.8%	3.2x	21.8x	0.6x	0.6x	10.2x	8.3x
Outsourced Pharmacy Management																
Express Scripts Holding Company	\$70.22	78.7%	\$44,014	\$58,681	\$101,412	\$6,748	0.9%	0.3%	8.4%	6.7%	2.4x	18.5x	0.6x	0.6x	8.7x	8.0x
PharMerica Corporation	27.86	77.8%	853	1,238	2,064	131	7.1%	4.6%	16.1%	6.3%	3.1x	29.0x	0.6x	0.6x	9.5x	9.3x
BioScrip, Inc.	2.93	94.8%	340	755	962	27	6.5%	(8.2%)	26.7%	2.8%	14.9x *	NM	0.8x	0.8x	28.1x *	15.9x
Mean							4.8%	(1.1%)	17.1%	5.3%	2.8x	23.8x	0.7x	0.7x	9.1x	11.1x
Median							6.5%	0.3%	16.1%	6.3%	2.8x	23.8x	0.6x	0.6x	9.1x	9.3x
Physician Practice Management																
MEDNAX, Inc.	\$65.95	79.3%	\$6,067	\$7,444	\$2,988	\$649	14.0%	13.7%	34.5%	21.7%	2.2x	18.3x	2.5x	2.4x	11.5x	10.8x
Envision Healthcare Holdings, Inc.	22.20	57.5%	4,099	7,032	6,088	628	23.9%	22.8%	15.5%	10.3%	4.9x	30.4x	1.2x	1.1x	11.2x	9.5x
Team Health Holdings, Inc.	32.33	50.9%	2,404	4,766	4,137	389	27.6%	31.9%	17.7%	9.4%	6.1x	43.1x	1.2x	1.0x	12.3x	9.3x
Birmer Dental Management Services Inc.	17.00	94.4%	32	41	63	3	(2.0%)	NA	12.1%	4.8%	3.2x	NM	0.7x	NA	13.5x	NA
Mean							15.9%	22.8%	19.9%	11.6%	4.1x	30.6x	1.4x	1.5x	12.1x	9.9x
Median							18.9%	22.8%	16.6%	9.9%	4.1x	30.4x	1.2x	1.1x	11.9x	9.5x
Specialty Managed Care																
Magellan Health, Inc.	\$53.93	74.6%	\$1,325	\$1,570	\$4,740	\$209	22.3%	2.5%	5.3%	4.4%	2.3x	36.9x	0.3x	0.3x	7.5x	5.9x
CorVel Corporation	38.74	72.8%	748	712	505	67	2.2%	NA	20.8%	13.3%	0.0x	27.1x	1.4x	NA	10.6x	NA
Mean							12.2%	2.5%	13.0%	8.8%	1.1x	32.0x	0.9x	0.3x	9.1x	5.9x
Median							12.2%	2.5%	13.0%	8.8%	1.1x	32.0x	0.9x	0.3x	9.1x	5.9x
Specialty Pharmacy																
Diplomat Pharmacy, Inc.	\$28.08	72.1%	\$1,780	\$1,902	\$4,018	\$104	52.0%	41.7%	8.1%	2.6%	1.2x	48.1x	0.5x	0.4x	18.2x	15.1x

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													LTM	2016E	LTM	2016E
Acute Care																
HCA Holdings, Inc.	\$75.74	90.5%	\$28,497	\$60,865	\$40,684	\$7,962	7.5%	6.5%	37.6%	19.6%	4.0x	13.1x	1.5x	1.4x	7.6x	NM
Tenet Healthcare Corp.	22.79	57.3%	2,189	18,938	19,630	2,276	12.2%	4.2%	36.0%	11.6%	6.4x	NM	1.0x	1.0x	8.3x	7.6x
Community Health Systems, Inc.	11.22	24.7%	1,266	16,929	19,233	2,097	4.3%	(7.2%)	37.2%	10.9%	7.4x	NM	0.9x	0.9x	8.1x	6.7x
LifePoint Health, Inc.	58.95	77.2%	2,408	5,202	5,853	642	16.3%	24.4%	33.0%	11.0%	4.5x	19.6x	0.9x	0.8x	8.1x	6.8x
Mean							10.1%	7.0%	35.9%	13.3%	5.6x	16.4x	1.1x	1.0x	8.0x	7.0x
Median							9.9%	5.4%	36.6%	11.3%	5.5x	16.4x	0.9x	1.0x	8.1x	6.8x
Alternative Site																
HEALTHSOUTH Corp.	\$40.61	93.6%	\$3,637	\$6,950	\$3,432	\$784	31.2%	18.0%	42.0%	22.8%	3.9x	17.9x	2.0x	1.9x	8.9x	8.8x
AmSurg Corp.	67.04	76.8%	3,549	6,904	2,838	571	58.3%	21.4%	40.2%	20.1%	4.6x	19.8x	2.4x	2.2x	12.1x	11.6x
Select Medical Holdings Corporation	13.51	94.5%	1,737	4,709	4,178	438	21.9%	18.3%	17.0%	10.5%	6.3x	12.1x	1.1x	1.1x	10.7x	9.1x
Surgery Partners, Inc.	19.98	89.5%	944	2,750	1,039	162	NM	20.8%	27.1%	15.6%	8.4x	NM	2.6x	2.4x	17.0x	14.6x
Adeptus Health Inc.	42.33	46.7%	676	896	407	46	73.1%	4.4%	39.2%	11.4%	2.9x	6.4x	2.2x	2.4x	19.4x	8.0x
US Physical Therapy Inc.	61.54	94.8%	757	834	336	51	8.7%	10.0%	24.5%	15.2%	0.9x	31.7x	2.5x	2.3x	16.4x	15.3x
Medical Facilities Corp.	16.71	96.8%	513	564	316	93	3.8%	5.5%	44.1%	29.6%	0.8x	NM	1.8x	1.7x	6.0x	6.0x
Nobilis Health Corp.	3.34	56.5%	259	296	245	27	NM	29.8%	61.5%	10.9%	1.7x	4.9x	1.2x	1.0x	11.1x	5.5x
Mean							32.8%	16.0%	36.9%	17.0%	3.7x	15.5x	2.0x	1.9x	12.7x	9.9x
Median							26.6%	18.1%	39.7%	15.4%	3.4x	15.0x	2.1x	2.1x	11.6x	8.9x
Behavioral																
Universal Health Services Inc.	\$122.83	87.9%	\$11,898	\$15,521	\$9,424	\$1,694	10.2%	8.5%	42.5%	18.0%	2.1x	17.5x	1.6x	1.6x	9.2x	8.8x
Acadia Healthcare Company, Inc.	49.52	66.2%	4,153	7,787	2,348	498	78.6%	62.3%	41.4%	21.2%	7.3x	26.5x	3.3x	2.7x	15.6x	11.9x
AAC Holdings, Inc.	17.36	60.4%	402	556	219	26	59.7%	40.5%	39.0%	11.7%	6.6x	NM	2.5x	2.0x	21.7x	10.3x
Mean							49.5%	37.1%	41.0%	17.0%	5.3x	22.0x	2.5x	2.1x	15.5x	10.4x
Median							59.7%	40.5%	41.4%	18.0%	6.6x	22.0x	2.5x	2.0x	15.6x	10.3x
Clinical Labs																
Laboratory Corp. of America Holdings	\$137.05	97.0%	\$13,858	\$19,289	\$9,192	\$1,702	41.5%	10.0%	33.8%	18.5%	3.6x	22.8x	2.1x	2.1x	11.3x	10.0x
Quest Diagnostics Inc.	84.50	97.3%	11,615	15,280	7,498	1,475	0.8%	0.5%	39.2%	19.7%	2.6x	14.7x	2.0x	2.0x	10.4x	10.3x
Sonic Healthcare Limited	16.87	91.1%	7,018	8,771	3,738	607	15.6%	1.8%	33.1%	16.2%	3.2x	20.7x	2.3x	2.3x	14.4x	13.1x
Genomic Health Inc.	28.80	80.5%	938	844	312	(15)	4.3%	14.8%	80.3% *	NM	NM	NM	2.7x	2.6x	NM	NM
Psychemedics Corp.	20.00	90.9%	108	112	30	5	(7.6%)	NA	47.5%	15.8%	1.2x	41.9x	3.8x	NA	24.0x *	NA
Mean							10.9%	6.8%	38.4%	17.6%	2.6x	25.0x	2.6x	2.2x	12.0x	11.1x
Median							4.3%	5.9%	36.5%	17.4%	2.9x	21.7x	2.3x	2.2x	11.3x	10.3x
Diagnostic Imaging																
RadNet, Inc.	\$7.25	96.7%	\$333	\$974	\$755	\$105	12.8%	9.2%	21.0%	13.8%	6.1x	31.5x	1.3x	1.1x	9.3x	7.6x
Alliance Healthcare Services, Inc.	6.83	62.5%	71	685	494	118	8.4%	NA	43.5%	23.9%	4.6x	9.0x	1.4x	NA	5.8x	NA
Mean							10.6%	9.2%	32.2%	18.9%	5.3x	20.2x	1.3x	1.1x	7.6x	7.6x
Median							10.6%	9.2%	32.2%	18.9%	5.3x	20.2x	1.3x	1.1x	7.6x	7.6x

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													LTM	2016E	LTM	2016E
Dialysis																
Fresenius Medical Care AG & Co. KGAA	\$86.69	90.2%	\$26,373	\$36,779	\$17,635	\$3,143	6.3%	5.3%	34.0%	17.8%	2.9x	24.0x	2.1x	2.0x	11.7x	10.5x
DaVita HealthCare Partners Inc.	65.41	82.9%	13,544	22,117	13,016	2,540	7.8%	7.1%	28.4%	19.5%	3.6x	38.0x	1.7x	1.5x	8.7x	8.5x
American Renal Associates Holdings, Inc.	17.99	60.7%	557	1,203	700	190	16.5%	11.2%	40.3%	27.1%	2.9x	NM	1.7x	1.7x	6.3x	NM
Mean							10.2%	7.8%	34.2%	21.5%	3.2x	31.0x	1.8x	1.7x	8.9x	9.5x
Median							7.8%	7.1%	34.0%	19.5%	2.9x	31.0x	1.7x	1.7x	8.7x	9.5x
Post-Acute																
Brookdale Senior Living Inc.	\$17.51	68.7%	\$3,205	\$9,554	\$4,262	\$798	26.7%	19.2%	34.2%	18.7%	8.0x	NM	2.2x	1.9x	12.0x	10.9x
Genesis Healthcare, Inc.	2.64	43.8%	236	5,221	5,656	535	17.7%	3.3%	40.3%	9.5%	9.8x	NM	0.9x	0.9x	9.8x	9.3x
Kindred Healthcare Inc.	10.04	64.1%	850	4,119	7,226	571	40.3%	2.9%	43.6%	7.9%	5.7x	14.4x	0.6x	0.6x	7.2x	4.2x
Chemed Corp.	139.91	87.4%	2,257	2,387	1,566	217	6.0%	3.2%	29.6%	13.9%	0.7x	22.2x	1.5x	1.5x	11.0x	10.0x
Amedisys Inc.	47.66	86.4%	1,587	1,673	1,358	83	6.6%	12.3%	42.0%	6.1%	1.1x	41.7x	1.2x	1.2x	20.1x	13.7x
Capital Senior Living Corp.	16.70	68.0%	499	1,324	431	79	8.1%	11.2%	42.5%	18.2%	11.1x *	NM	3.1x	2.9x	16.8x	13.5x
Civitas Solutions, Inc.	18.38	60.8%	673	1,306	1,397	135	8.8%	5.4%	22.3%	9.7%	4.8x	NM	0.9x	0.9x	9.7x	7.9x
The Ensign Group, Inc.	20.15	80.3%	1,016	1,164	1,518	123	30.6%	23.4%	12.8%	8.1%	1.5x	22.3x	0.8x	0.7x	9.4x	7.0x
Providence Service Corp.	48.40	85.0%	692	1,008	1,741	108	49.2%	3.5%	10.1%	6.2%	2.9x	NM	0.6x	0.6x	9.3x	8.2x
National HealthCare Corporation	65.71	94.7%	986	959	873	107	4.0%	NA	41.1%	12.3%	1.4x	19.3x	1.1x	NA	8.9x	NA
LHC Group, Inc.	36.96	74.9%	677	785	854	80	11.0%	12.2%	38.8%	9.4%	1.4x	19.4x	0.9x	0.9x	9.8x	9.0x
Almost Family Inc.	36.66	81.2%	373	518	586	42	7.3%	17.8%	46.6%	7.1%	3.5x	19.3x	0.9x	0.8x	12.4x	9.7x
Addus HomeCare Corporation	26.01	68.3%	296	331	363	24	7.6%	17.7%	26.4%	6.7%	1.8x	33.2x	0.9x	0.8x	13.6x	11.1x
AdCare Health Systems, Inc.	2.11	61.7%	40	180	26	7	NM	NA	NM	27.6%	11.5x *	NM	6.8x *	NA	24.8x	NA
Diversicare Healthcare Services Inc.	9.88	93.3%	62	123	390	23	12.6%		20.0%	6.0%	2.8x	NM	0.3x	NA	5.3x	NA
Five Star Quality Care Inc.	1.94	48.7%	97	88	1,131	33	1.4%	NA	52.2%	2.9%	2.2x	NM	0.1x	0.1x	2.7x	2.3x
Mean							15.9%	11.0%	33.5%	10.6%	3.4x	24.0x	1.1x	1.1x	11.4x	9.0x
Median							8.8%	11.7%	38.8%	8.8%	2.5x	20.8x	0.9x	0.9x	9.8x	9.3x

* Excluded from mean and median NA - Not Available NM - Not Meaningful E - Estimate
Enterprise Value = Market Value of Equity + Book Value of Debt - Cash & Cash Equivalents
Source: S&P Capital IQ

S&P 500 Index- A broad index that includes American Companies.

EBITDA- A company's earnings before interest, taxes, depreciation, and amortization, is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Dry Powder- Refers to cash reserves kept on hand to cover future obligations or to purchase assets.

GDP- Gross domestic product is the market value of the goods and services produced by labor and property located in the United States

Consumer Sentiment Index- The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in December 1964

National Unemployment Rate- the percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Non-Farm Payroll- Nonfarm payroll employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, non-profit organization employees, or government employees . It is an economic indicator released monthly by the United States Department of Labor as part of a comprehensive report on the state of the labor market.

Housing Starts- are the number of new residential construction projects that have begun during any particular month.

The Economist- offers authoritative insight and opinion on international news, politics, business, finance, science, technology and the connections between them

LBO -- leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.

Industrial Production Index (IPI)- is an economic indicator published by the Federal Reserve Board of the United States that measures the real production output of manufacturing, mining, and utilities Capital Goods Orders.

Covenant-lite loans- means that debt is being issued, both personally and commercially, to borrowers with less restrictions on collateral, payment terms, and level of income.

IRR-Internal Rate of Return.

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