



Investment Banking | **Industry Spotlight**



Healthcare | Q1 2017

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 bankers who have years of 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

\$1,425,000,000
Senior Unsecured
Notes

 QuintilesIMS™

Co-Manager

 FIFTH THIRD
SECURITIES

Undisclosed
Senior Secured
Facility

 Travel Nurse
across America™

Joint Lead Arranger

 FIFTH THIRD
BANK

\$1,750,000,000
Senior Secured Credit
Facilities

 Teleflex®

Senior Managing
Agent

 FIFTH THIRD
BANK


\$156,000,000
Senior Secured Credit
Facilities

 Select
Rehabilitation


Co-Doc Agent

 FIFTH THIRD
BANK


\$1,200,000,000
Senior Unsecured
Notes

 CENTENE
Corporation
Better Health Outcomes at Lower Costs


Co-Manager

 FIFTH THIRD
SECURITIES


\$1,750,000,000
Senior Unsecured
Notes

 QuintilesIMS™


Co-Manager

 FIFTH THIRD
SECURITIES

\$325,000,000
Senior Unsecured
Notes

 AMN®
Healthcare

Co-Manager

 FIFTH THIRD
SECURITIES

Public Market Valuation Trends

40% of Sub Sectors' LTM EBITDA Multiples Trade Higher than the S&P 500

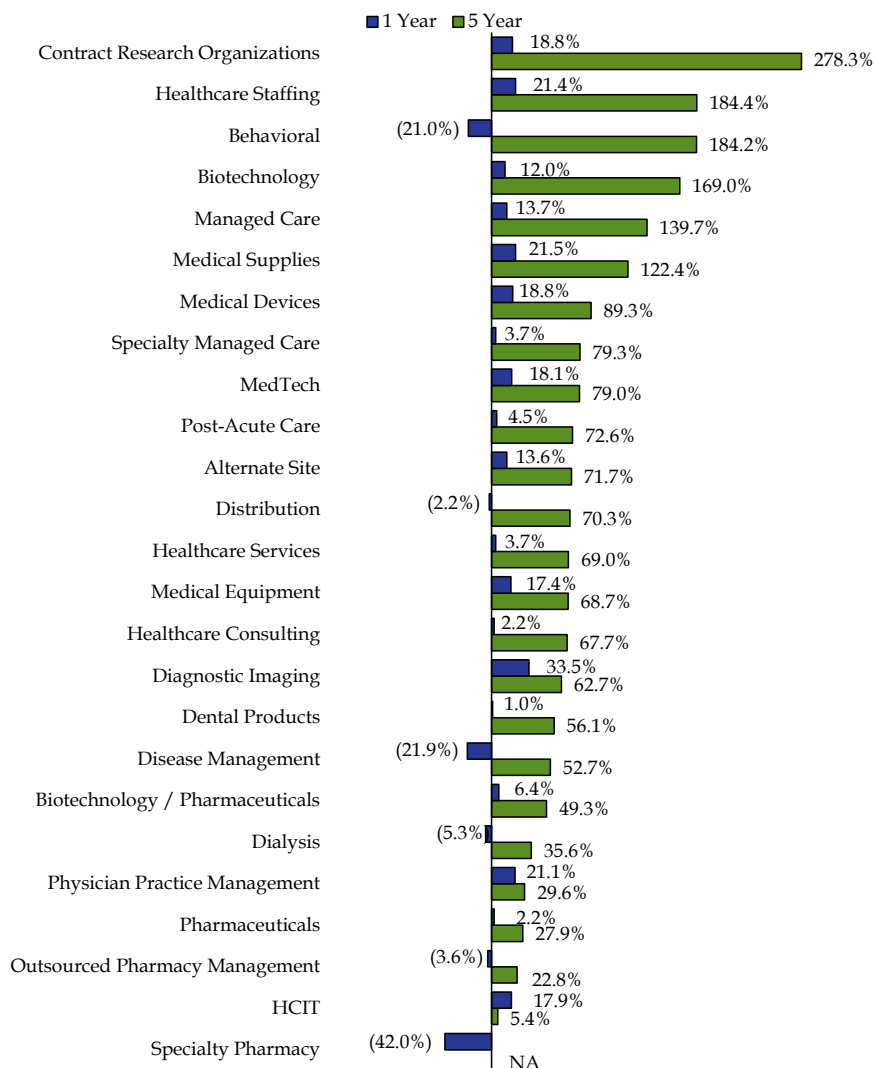
Sub-Sector Indices' Performance

Sub-Sector	Number of Companies	Median Enterprise Value	Median % Change in Stock Price		Median TEV / LTM Multiples		Median TEV / 2017E Multiples	
		\$ in millions	1 Year	3 Year	Revenue	EBITDA	Revenue	EBITDA
Biotechnology	12	\$27,083	12.0%	32.0%	8.9x	9.5x	8.1x	8.9x
Pharmaceuticals	16	85,634	2.2%	(16.8%)	3.8x	11.5x	3.8x	10.5x
Biotechnology / Pharmaceuticals	28	\$56,358	6.4%	(8.4%)	6.4x	10.5x	6.0x	9.7x
Medical Devices	22	\$3,216	18.8%	13.1%	3.6x	15.6x	3.4x	12.9x
Medical Equipment	23	5,489	17.4%	44.2%	3.7x	15.2x	4.0x	14.5x
Medical Supplies	20	1,451	21.5%	44.2%	3.9x	16.9x	3.3x	14.0x
Dental Products	3	15,511	1.0%	36.1%	4.2x	19.8x	3.9x	16.6x
MedTech	68	\$4,352	18.1%	40.1%	3.8x	16.3x	3.7x	14.3x
Contract Research Organizations	5	\$4,704	18.8%	53.0%	3.0x	20.0x	2.6x	12.1x
Disease Management	1	6,460	(21.9%)	15.7%	2.7x	20.3x	2.7x	12.6x
Distribution	7	15,301	(2.2%)	8.4%	0.3x	10.2x	0.3x	9.5x
Healthcare Information Technology	16	1,565	17.9%	(9.0%)	3.2x	17.7x	3.1x	12.4x
Healthcare Consulting	6	1,178	2.2%	32.5%	1.4x	9.8x	1.4x	9.4x
Healthcare Staffing	3	2,271	21.4%	76.6%	1.2x	12.5x	1.1x	9.6x
Managed Care	8	35,034	13.7%	72.8%	0.6x	9.8x	0.6x	9.8x
Outsourced Pharmacy Management	3	1,185	(3.6%)	(16.7%)	0.6x	8.3x	0.5x	7.8x
Physician Practice Management	3	8,023	21.1%	(7.9%)	2.5x	14.3x	1.8x	10.5x
Specialty Managed Care	2	1,376	3.7%	1.8%	1.0x	10.1x	0.3x	5.9x
Specialty Pharmacy	1	1,202	(42.0%)	NA	0.3x	15.5x	0.3x	12.3x
Healthcare Services	55	\$2,271	3.7%	12.0%	1.2x	12.5x	1.1x	9.8x
Acute Care	4	\$18,066	(21.0%)	(18.1%)	0.9x	8.2x	1.0x	7.6x
Alternative Site	6	746	13.6%	6.0%	1.7x	10.7x	1.6x	8.9x
Behavioral	3	7,082	(21.0%)	25.1%	1.7x	12.2x	1.5x	9.0x
Clinical Labs	5	8,948	29.8%	20.9%	2.4x	11.6x	2.2x	11.0x
Diagnostic Imaging	2	836	33.5%	20.9%	1.3x	7.3x	1.0x	6.4x
Dialysis	3	22,394	(5.3%)	10.2%	1.7x	8.9x	1.5x	9.3x
Post-Acute	16	1,128	4.5%	34.2%	1.0x	10.1x	0.9x	10.8x
Healthcare Providers	39	\$7,082	4.5%	20.9%	1.7x	10.1x	1.5x	9.0x
S&P 500	500	\$2,363	15.0%	26.5%	2.4x	12.2x	2.2x	11.0x

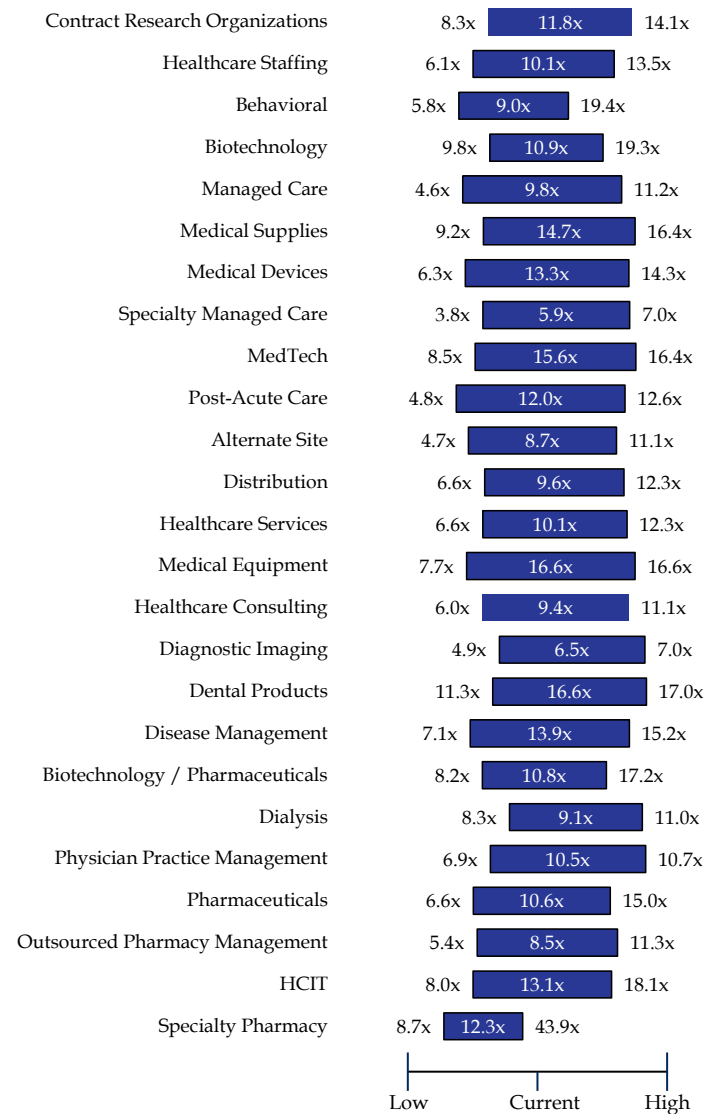
Public Market Valuation Trends (Cont'd)

60% of the Sector Outperformed the S&P 500 During the Last Five Years

% Change in Stock Price



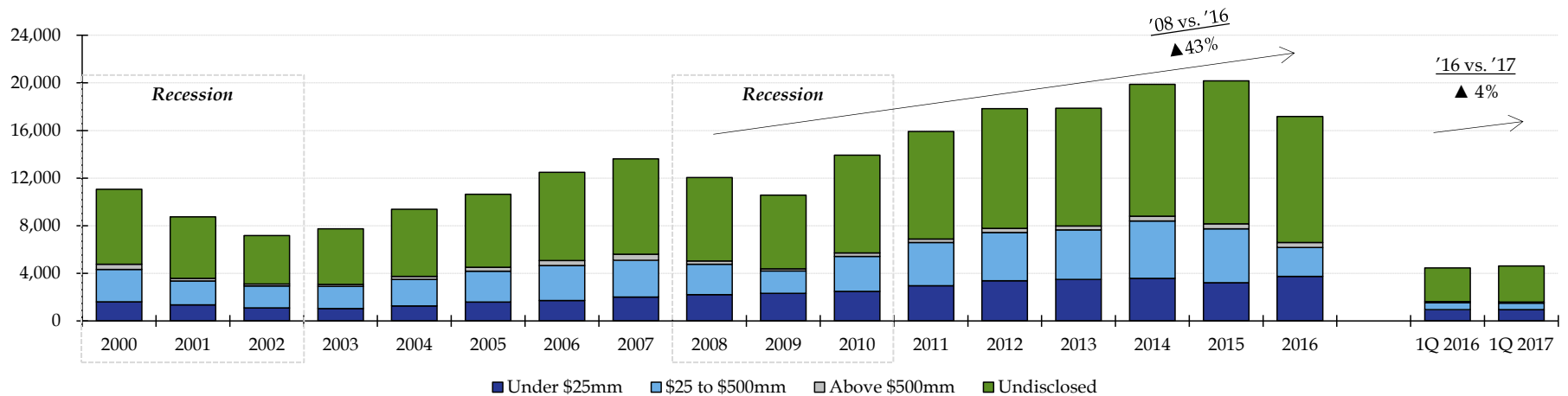
5-Year EV / NTM EBITDA Multiples ^[1]



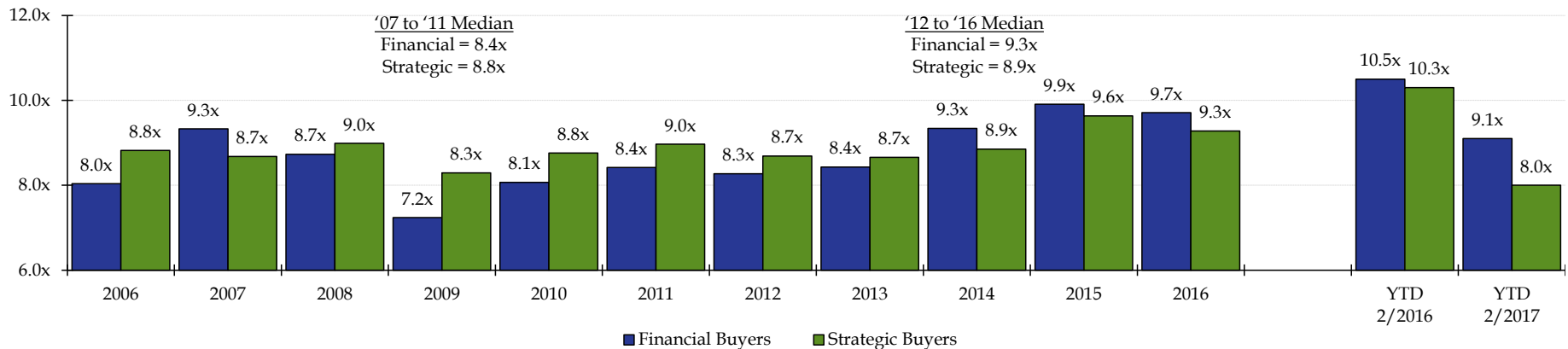
[1] EV = Enterprise Value (defined as Market Value of Equity + Book Value of Debt - Cash & Cash Equivalents)
Note: Current as of 3/31/17
Source: S&P Capital IQ

U.S. M&A Volume and Valuation Trends

Transaction Volume

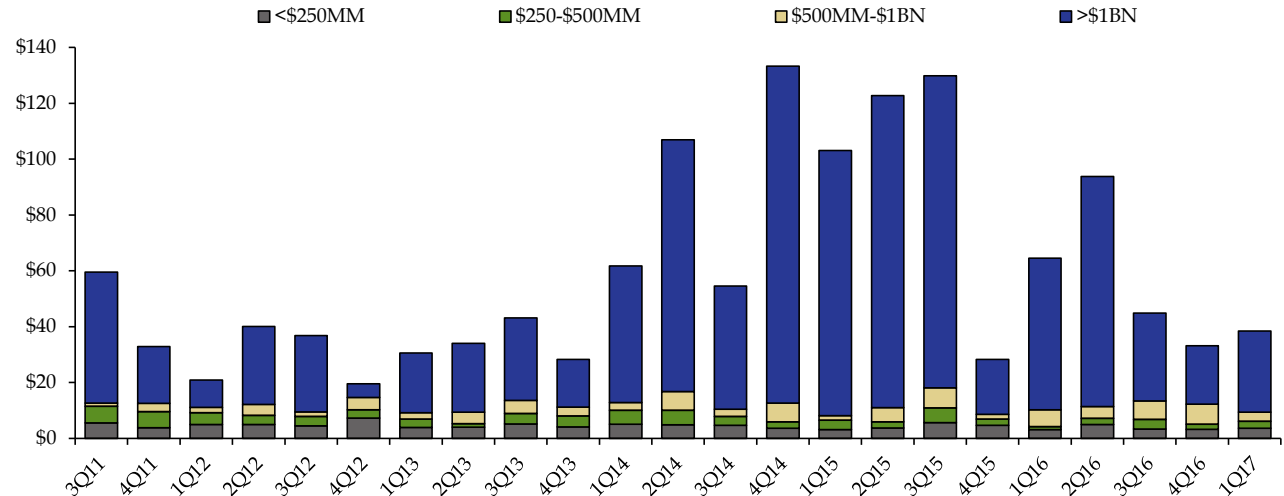


Median Transaction Multiples (Enterprise Value / LTM EBITDA)



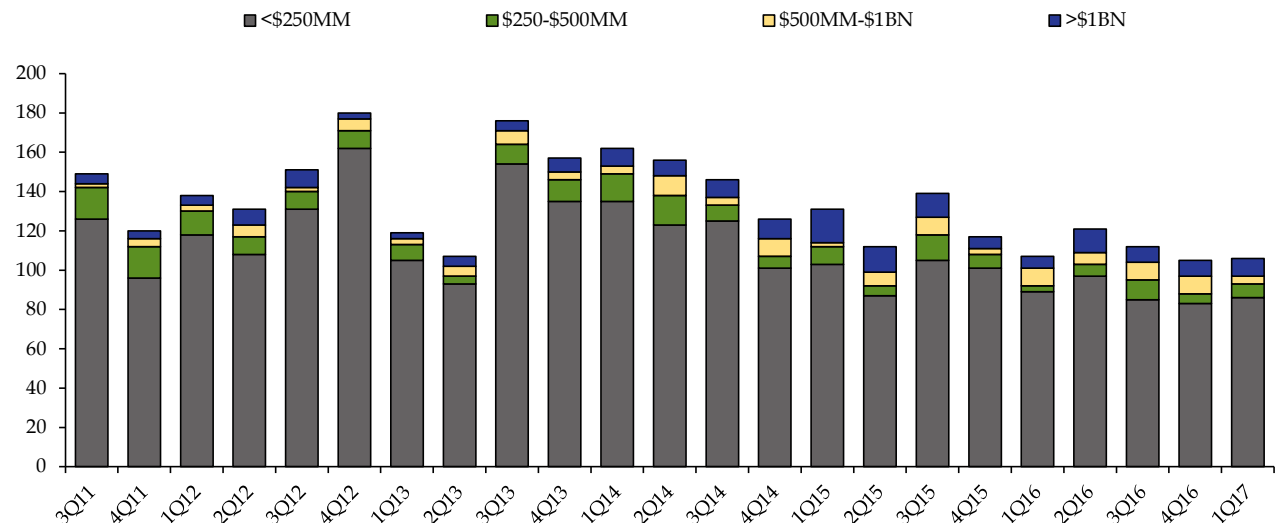
U.S. Healthcare M&A Announced Deal Value (\$ in billions)

- 1Q2017 healthcare deal value increased to ~\$38 billion, up from ~\$33 billion the prior quarter, but down from ~\$65 billion during 1Q2016.
- One of the headline transactions during 1Q2017 was Surgical Care Affiliates, Inc.'s announced agreement to be acquired by UnitedHealth Group's OptumCare, a deal valued at ~\$4.2 billion.



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

- 1Q2017 healthcare deal volume marginally increased to a total of 106 announced deals, up from 105 deals in the prior quarter, and down from 107 during 1Q2016.
- Healthcare Facilities accounted for over a third of all deals in 1Q2017, followed by Pharmaceuticals, which accounted for approximately 20%; Healthcare Services rounded out the top three at around 11% of the deal volume for the quarter.



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

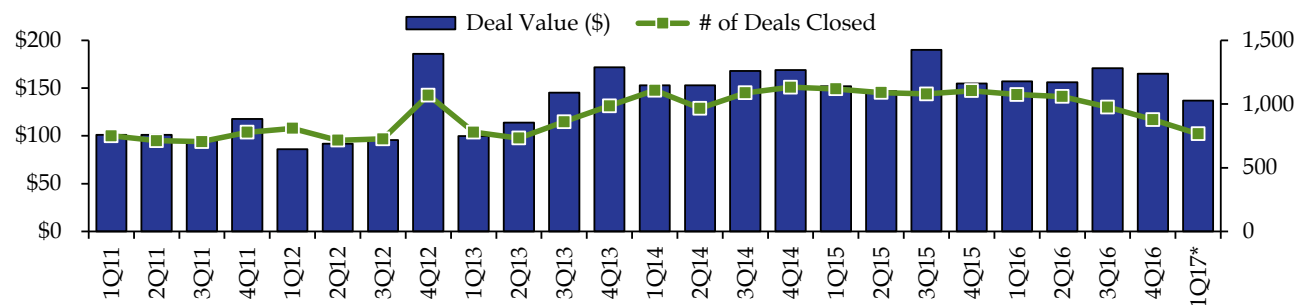
U.S. Private Equity Activity Lower Q-o-Q

- U.S. Private Equity deal flow was down during the first quarter of 2017 both on a volume and transaction value basis.
- Purchase price multiples are lofty driven by competition from strategic acquirers who are ripe with cash and searching for external growth.
- Analysts expect deal flow through the rest of 2017 to be more or less flat with 2016 levels; high transaction multiples and a lack of quality assets in the market will challenge sourcing, while high levels of dry powder and moderate expectations for economic growth will keep participants fairly active.

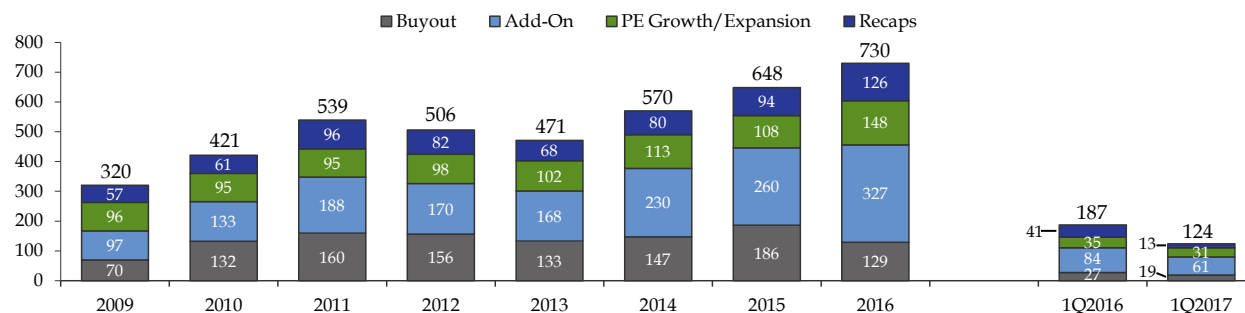
Sponsor-Backed Healthcare M&A Continues to Be Led by Portfolio Company Add-On Acquisitions

- The 124 healthcare private equity deals reported in 1Q2017 represents a figure that is down nearly 34% from the 187 deals closed in 1Q2016. Add-on acquisitions continued to comprise the majority of the deals during 1Q2017, demonstrating the need to fuel growth and increase returns for investors.
- Exit activity was down Q-o-Q, while exit amount spiked due to multiple large transactions.

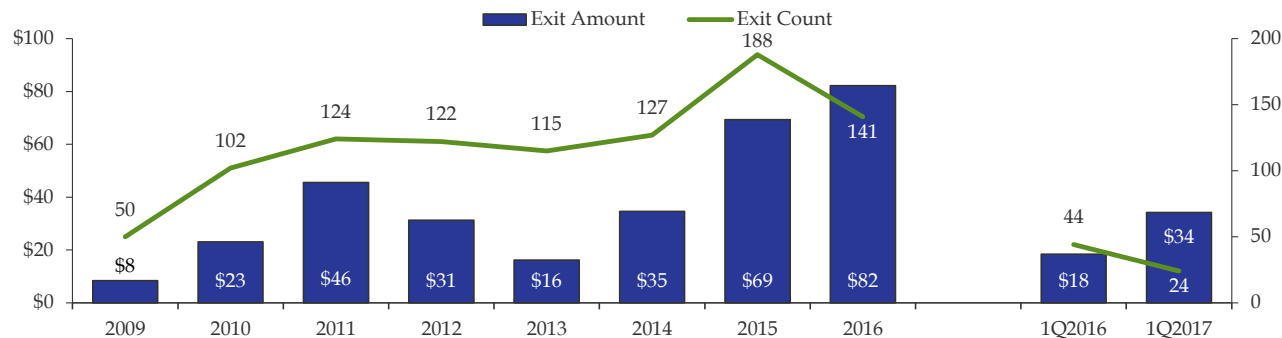
Overall U.S. Private Equity Deal Flow (\$ in billions)



U.S. Healthcare Deal Count by Type

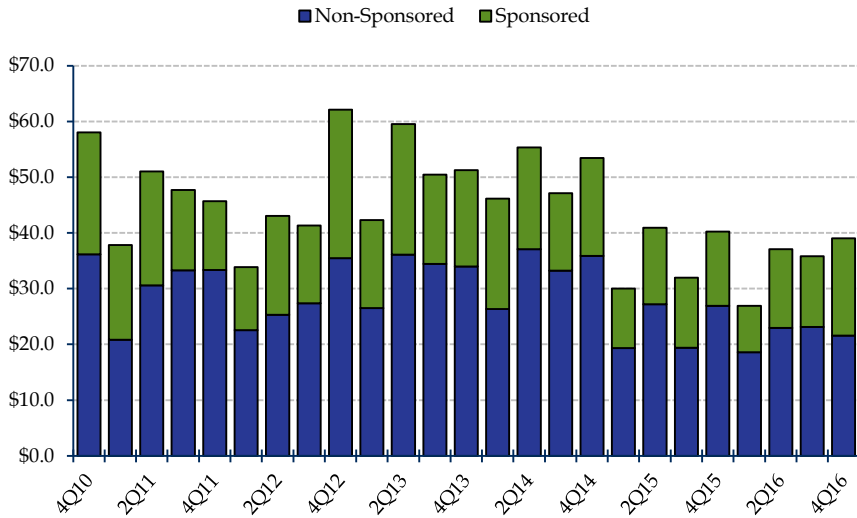


U.S. Healthcare Private Equity Exits (\$ in billions)

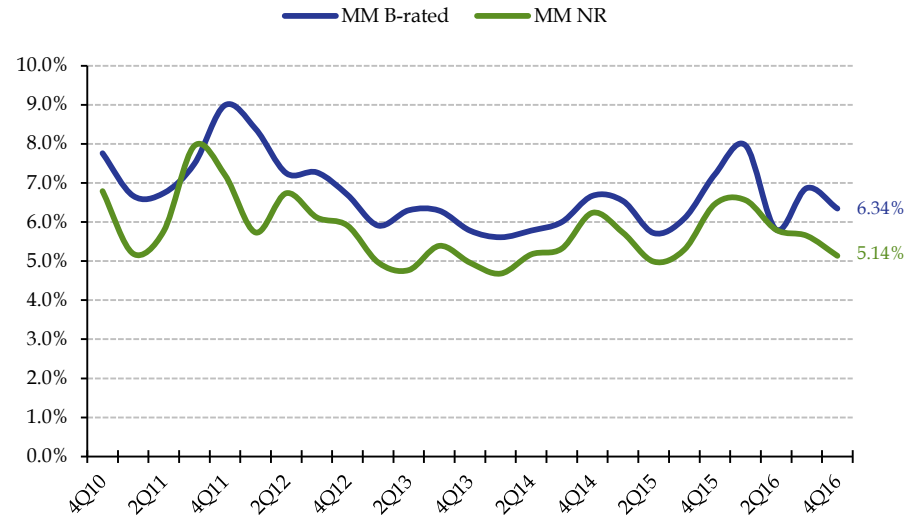


Source: Fifth Third Securities, PitchBook Data, Inc.
*1Q2017 preliminary Pitchbook data as of 3/31/17

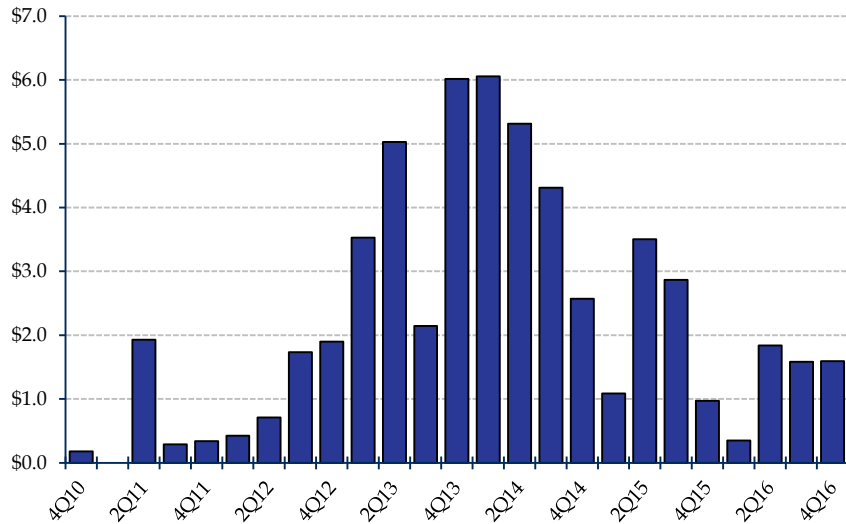
Loan Volume: Low Level of Supply Continues (\$ in billions)



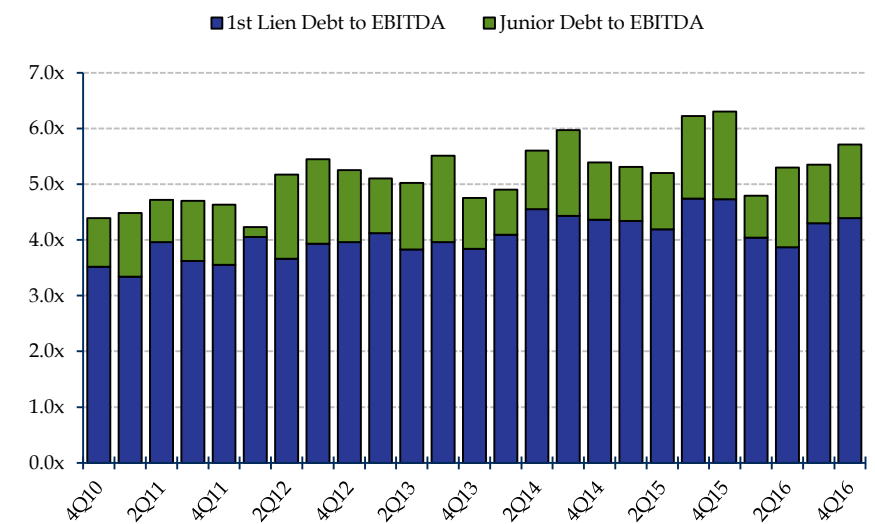
Term Loan Spreads Tighten [1]



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



LBO Leverage Again Climbs Higher; 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

Public Company Comparables

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

	Stock Price at 3/31/17	% of 52-Week High	Market Cap	Enterprise Value	LTM Financials		Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value /			
					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Biotechnology																
Amgen Inc.	\$164.07	89.1%	\$120,830	\$117,341	\$21,892	\$11,995	6.1%	(1.0%)	81.9%	54.8%	2.9x	16.0x	5.4x	5.1x	9.8x	8.6x
Gilead Sciences, Inc.	67.92	65.9%	88,788	103,715	30,390	19,223	(6.9%)	(0.5%)	86.0%	63.3%	1.4x	6.8x	3.4x	4.2x	5.4x	6.7x
Celgene Corporation	124.43	97.5%	96,802	103,121	11,185	4,009	21.3%	0.3%	87.8%	35.8%	3.6x	50.0x	9.2x	7.8x	25.7x *	12.7x
Biogen Inc.	273.42	81.9%	59,046	60,656	9,818	6,365	6.4%	0.6%	87.5%	64.8%	1.0x	16.2x	6.2x	5.3x	9.5x	9.3x
Regeneron Pharmaceuticals, Inc.	387.51	85.6%	40,896	40,336	4,741	1,435	18.4%	1.3%	51.6%	30.3%	0.3x	50.3x	8.5x	7.4x	NM	23.2x *
Incyte Corporation	133.67	87.3%	27,245	27,088	1,106	191	46.7%	(0.0%)	42.1%	17.3%	3.4x	NM	24.5x	17.1x	NM	NM
Vertex Pharmaceuticals Incorporated	109.35	97.7%	27,167	26,755	1,702	63	64.9%	(0.4%)	26.1%	3.7%	NM	NM	15.7x	12.9x	NM	NM
BioMarin Pharmaceutical Inc.	87.78	85.6%	15,174	15,068	1,117	(159)	25.5%	(0.3%)	22.4%	NM	NM	NM	13.5x	11.8x	NM	NM
Juno Therapeutics, Inc.	22.19	44.6%	2,353	1,620	79	(249)	335.7%	NM	NM	NM	0.0x	NM	20.4x	26.0x	NM	NM
FibroGen, Inc.	24.65	90.3%	1,575	1,453	180	(48)	(0.7%)	(6.1%)	NM	NM	NM	NM	8.1x	8.4x	NM	NM
Axovant Sciences Ltd.	14.94	53.4%	1,481	1,281	NA	(158)	NA	NA	NM	NM	0.0x	NM	NA	NA	NM	NA
NantKwest, Inc.	3.55	34.6%	292	101	0	(121)	(81.4%)	(4.5%)	NM	NM	NM	NM	NM	NM	NM	NA
Mean							39.6%	(1.1%)	60.7%	38.6%	1.6x	27.9x	11.5x	10.6x	8.2x	9.3x
Median							18.4%	(0.3%)	66.8%	35.8%	1.2x	16.2x	8.9x	8.1x	9.5x	8.9x
Pharmaceuticals																
Roche Holding AG	\$255.75	96.5%	\$217,723	\$233,203	\$51,818	\$20,308	2.9%	(3.7%)	71.3%	39.2%	1.1x	23.3x	4.5x	4.4x	11.5x	10.7x
Pfizer Inc.	34.21	91.5%	203,725	228,403	52,824	19,807	8.1%	0.1%	77.4%	37.5%	2.1x	29.2x	4.3x	4.3x	11.5x	10.3x
Novartis AG	74.34	89.8%	175,714	192,029	48,518	14,419	(1.9%)	(1.7%)	64.9%	29.7%	1.7x	26.5x	4.0x	4.0x	13.3x	13.7x
Merck & Co., Inc.	63.54	95.1%	174,454	185,204	39,807	12,004	0.8%	0.5%	66.4%	30.2%	2.1x	45.1x	4.7x	4.6x	15.4x	11.2x
Sanofi	90.48	99.6%	113,728	122,642	35,703	10,942	(3.2%)	3.7%	69.2%	30.6%	1.8x	25.3x	3.4x	3.1x	11.2x	10.4x
GlaxoSmithKline plc	20.78	95.1%	100,871	122,490	34,434	8,750	(2.4%)	(0.7%)	67.8%	25.4%	2.7x	NM	3.6x	3.3x	14.0x	9.5x
Eli Lilly and Company	84.11	97.6%	88,537	92,875	21,222	5,368	6.3%	(1.1%)	73.4%	25.3%	1.9x	32.6x	4.4x	4.2x	17.3x	14.6x
AstraZeneca PLC	61.52	89.2%	77,855	90,692	21,319	5,991	(6.9%)	0.5%	82.6%	28.1%	2.8x	22.3x	4.3x	4.2x	15.1x	12.8x
Abbott Laboratories	44.41	96.9%	76,740	80,150	20,853	4,587	2.2%	0.2%	56.8%	22.0%	4.8x	62.5x	3.8x	3.0x	17.5x	11.9x
Novo Nordisk A/S	34.44	62.2%	79,970	77,063	15,871	7,312	1.0%	(0.1%)	84.6%	46.1%	0.0x	16.2x	4.9x	4.6x	10.5x	10.0x
Teva Pharmaceutical Industries Limited	32.09	55.2%	32,707	72,116	21,903	7,195	11.5%	(0.9%)	55.9%	32.8%	5.0x	NM	3.3x	3.0x	10.0x	9.4x
Mylan N.V.	38.99	77.4%	20,879	35,215	10,967	3,528	17.5%	(0.8%)	45.3%	32.2%	4.4x	42.4x	3.2x	2.7x	10.0x	8.1x
Valeant Pharmaceuticals International, Inc.	11.03	28.6%	3,837	33,252	9,536	4,045	(7.4%)	(0.7%)	73.4%	42.4%	7.4x	NM	3.5x	3.8x	8.2x	9.4x
Alexion Pharmaceuticals, Inc.	121.24	74.8%	27,232	3,082	1,167	18.4%	0.2%	91.6%	37.9%	2.8x	NM	9.5x *	8.4x *	25.0x *	16.6x	
Perrigo Company plc	66.39	49.7%	9,519	15,005	5,833	1,338	20.3%	(1.0%)	38.4%	22.9%	4.4x	NM	2.6x	3.1x	11.2x	12.3x
Endo International plc	11.16	31.6%	2,488	10,292	4,010	596	22.7%	(2.2%)	34.3%	14.9%	14.0x *	NM	2.6x	2.9x	17.3x	6.8x
Mean							5.6%	(0.5%)	65.8%	31.1%	3.0x	32.6x	3.8x	3.7x	12.9x	11.1x
Median							2.6%	(0.7%)	68.5%	30.4%	2.7x	27.9x	3.8x	3.8x	11.5x	10.5x

* 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

Public Company Comparables

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

	Stock Price at 3/31/17	% of 52-Week High	Market Cap	Enterprise Value	LTM Financials		Revenue Growth		LTM Margins		Debt/ EBITDA	Price/ Earnings	Enterprise Value /			
					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Medical Devices																
Johnson & Johnson	\$124.55	96.6%	\$337,641	\$323,234	\$71,890	\$24,964	2.6%	4.3%	69.9%	34.7%	1.1x	21.0x	4.5x	4.3x	12.9x	12.2x
Medtronic plc	80.56	90.2%	110,277	131,110	29,361	9,088	43.3%	5.7%	68.8%	31.0%	3.5x	28.4x	4.5x	4.3x	14.4x	13.3x
Thermo Fisher Scientific, Inc.	153.60	95.0%	59,964	75,915	18,274	4,533	7.7%	6.8%	46.2%	24.8%	3.7x	30.1x	4.2x	3.9x	16.7x	15.2x
Stryker Corporation	131.65	98.5%	49,089	52,619	11,325	3,107	13.9%	7.5%	66.6%	27.4%	2.2x	30.3x	4.6x	4.3x	16.9x	15.4x
Boston Scientific Corporation	24.87	97.0%	34,046	39,334	8,386	2,201	13.3%	4.9%	70.8%	26.2%	2.5x	NM	4.7x	4.5x	17.9x	15.7x
Baxter International Inc.	51.86	99.1%	28,106	28,077	10,163	1,972	2.0%	0.2%	42.3%	19.4%	1.4x	5.8x	2.8x	2.8x	14.2x	12.5x
Edwards Lifesciences Corp.	94.07	77.3%	19,989	19,541	2,964	895	18.8%	10.2%	73.1%	30.2%	0.9x	36.0x	6.6x *	6.0x *	21.8x	18.6x
Smith & Nephew plc	15.23	91.8%	13,326	14,876	4,669	1,292	0.8%	2.1%	72.8%	27.7%	1.3x	17.3x	3.2x	3.1x	11.5x	10.7x
Teleflex Incorporated	193.73	97.4%	8,699	9,189	1,868	487	3.8%	10.8%	55.0%	26.1%	2.1x	38.9x	4.9x	4.4x	18.9x	14.7x
Varian Medical Systems, Inc.	91.13	85.4%	8,518	8,325	3,224	633	3.8%	(15.3%)	43.0%	19.6%	1.0x	26.0x	2.6x	3.1x	13.1x	14.6x
NuVasive, Inc.	74.68	97.9%	3,779	4,257	962	208	18.6%	11.0%	76.6%	21.7%	NM	NM	4.4x	4.0x	NM	NM
Wright Medical Group N.V.	31.12	99.4%	3,176	3,728	690	33	70.3%	10.5%	77.6%	4.7%	NM	NM	5.4x	4.9x	NM	NM
Penumbra, Inc.	83.45	98.4%	2,790	2,662	263	1	41.5%	20.5%	64.9%	0.4%	0.0x	NM	10.1x *	8.4x *	NM	NM
The Spectranetics Corporation	29.13	99.9%	1,265	1,517	271	(15)	11.7%	10.8%	74.8%	NM	NM	NM	5.6x	5.1x	NM	NM
AngioDynamics Inc.	17.35	95.4%	633	694	356	48	(0.3%)	2.6%	49.6%	13.4%	2.0x	NM	1.9x	1.9x	14.5x	11.9x
AtriCure, Inc.	19.15	92.0%	638	633	155	(21)	NM	NM	71.6%	NM	NM	NM	4.1x	3.6x	NM	NM
NovoCure Limited	8.10	47.6%	714	590	83	(104)	150.5%	123.9%	51.9%	NM	NM	NM	7.1x *	3.2x	NM	NM
Accuray Incorporated	4.75	74.3%	394	456	374	2	5.0%	9.1%	38.7%	0.4%	NM	NM	1.2x	1.0x	NM	10.6x
Exactech Inc.	25.20	86.9%	360	367	258	43	6.5%	4.0%	68.8%	16.5%	0.5x	NM	1.4x	1.4x	8.6x	7.8x
RTI Surgical Inc.	4.00	86.0%	234	363	273	14	(3.3%)	3.0%	48.5%	5.1%	6.0x	NM	1.3x	1.3x	26.0x	12.1x
ConforMIS, Inc.	5.22	37.7%	229	163	80	(53)	20.9%	3.0%	33.4%	NM	0.0x	NM	2.0x	2.0x	NM	NM
Zemach Hammerman Ltd.	3.69	88.6%	67	108	116	6	45.0%	NA	9.8% *	5.2%	NM	20.8x	0.9x	NA	NM	NA
Cogentix Medical, Inc.	1.80	60.2%	109	86	52	4	NM	8.2%	68.7%	6.9%	0.0x	NM	1.7x	1.5x	23.9x	NA
Mean							22.7%	11.6%	60.6%	18.0%	1.8x	25.5x	3.3x	3.2x	16.5x	13.2x
Median							11.7%	6.8%	67.6%	19.6%	1.3x	27.2x	3.6x	3.4x	15.6x	12.9x

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					Revenue	EBITDA	'15A-'16A	'16A-'17E	Gross	EBITDA			Revenue		EBITDA		
													LTM	2017E	LTM	2017E	
Medical Equipment																	
Danaher Corporation	\$85.53	83.2%	\$59,296	\$70,676	\$16,882	\$4,115	17.0%	5.8%	55.6%	24.4%	NM	27.8x	4.2x	4.0x	17.2x	16.6x	
Intuitive Surgical, Inc.	766.47	99.5%	28,149	25,594	2,704	1,046	14.2%	9.5%	69.9%	38.7%	0.0x	40.9x	9.5x *	8.6x *	24.5x	22.4x	
Illumina Inc.	170.64	91.3%	24,965	24,572	2,398	719	8.0%	10.5%	71.3%	30.0%	1.5x	NM	10.2x *	9.3x *	34.2x *	30.3x *	
Hologic Inc.	42.55	99.0%	11,884	14,558	2,872	1,045	4.7%	10.7%	65.5%	36.4%	3.2x	36.4x	5.1x	4.6x	13.9x	13.7x	
IDEXX Laboratories, Inc.	154.61	99.8%	13,594	14,406	1,775	431	10.8%	8.4%	54.9%	24.3%	2.8x	NM	8.1x	7.5x	33.4x *	30.5x *	
Waters Corporation	156.31	96.2%	12,517	11,531	2,167	727	6.1%	3.2%	58.9%	33.6%	2.5x	24.4x	5.3x	5.2x	15.9x	15.0x	
ResMed Inc.	71.97	98.0%	10,195	10,575	1,968	539	9.5%	17.2%	57.9%	27.4%	2.2x	31.2x	5.4x	4.9x	19.6x	17.2x	
Steris Plc	69.46	93.1%	5,899	7,153	2,616	598	21.2%	16.2%	38.6%	22.9%	2.5x	42.3x	2.7x	2.8x	12.0x	11.4x	
PerkinElmer Inc.	58.06	99.5%	6,374	7,061	2,116	406	0.5%	4.1%	47.9%	19.2%	2.6x	29.6x	3.3x	3.2x	17.4x	15.4x	
Hill-Rom Holdings, Inc.	70.60	99.1%	4,614	6,531	2,631	448	33.5%	4.4%	47.5%	17.0%	4.8x	32.9x	2.5x	2.4x	14.6x	11.1x	
Getinge AB	17.60	79.5%	4,195	6,445	3,278	611	(8.5%)	4.6%	46.5%	18.7%	3.9x	32.0x	2.0x	1.9x	10.5x	9.2x	
Bio-Rad Laboratories, Inc.	199.34	95.2%	5,894	5,489	2,068	270	2.4%	1.9%	55.1%	13.1%	NM	NM	2.7x	2.6x	NM	NM	
Masimo Corporation	93.26	96.5%	4,702	4,396	695	164	11.5%	8.4%	66.8%	23.7%	0.0x	16.5x	6.3x	5.8x	26.7x	22.5x	
Integra LifeSciences Holdings Corporation	42.13	91.8%	3,152	3,715	992	232	12.4%	13.6%	66.7%	23.4%	2.9x	44.8x	3.7x	3.3x	16.0x	14.1x	
Bruker Corporation	23.33	78.2%	3,729	3,648	1,600	262	(0.8%)	2.3%	46.8%	16.4%	1.6x	24.6x	2.3x	2.2x	13.9x	12.5x	
Cantel Medical Corp.	80.10	90.2%	3,342	3,467	723	136	18.2%	23.0%	47.6%	18.8%	NM	49.7x	4.8x	4.3x	NM	NM	
CONMED Corporation	44.41	88.5%	1,236	1,707	764	127	6.2%	1.4%	54.5%	16.6%	3.9x	NM	2.2x	2.2x	13.5x	12.8x	
Nxstage Medical, Inc.	26.83	89.5%	1,750	1,704	366	15	9.0%	9.6%	41.6%	4.0% *	0.9x	NM	4.7x	4.2x	NM	51.5x *	
Abaxis, Inc.	48.50	86.7%	1,093	956	226	52	8.0%	8.3%	55.7%	23.2%	0.0x	33.0x	4.2x	4.0x	18.2x	18.2x	
Invacare Corporation	11.90	84.6%	386	423	1,047	(6)	(8.3%)	(6.6%)	27.1%	NM	NM	NM	0.4x	0.4x	NM	NM	
Surmodics, Inc.	24.05	78.2%	319	274	73	24	15.3%	(5.3%)	55.9%	33.0%	0.0x	33.0x	3.8x	4.1x	11.4x	NA	
InfuSystem Holdings, Inc.	2.30	62.7%	52	86	65	10	(0.7%)	NA	75.0%	15.7%	3.7x	NM	1.3x	NA	8.5x	NA	
Alphatec Holdings, Inc.	2.33	24.1%	25	32	120	(3)	(35.1%)	NA	63.3%	NM	NM	NM	0.3x	NA	NM	NA	
Mean							6.8%	7.2%	55.2%	23.8%	2.2x	33.3x	3.6x	3.7x	15.9x	15.2x	
Median							8.0%	8.3%	55.6%	23.3%	2.5x	32.9x	3.7x	4.0x	15.2x	14.5x	

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					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Medical Supplies																
Becton, Dickinson and Company	\$183.44	98.6%	\$39,041	\$49,091	\$12,419	\$3,262	21.4%	(2.7%)	48.6%	26.3%	3.4x	30.5x	4.0x	4.0x	15.0x	11.8x
CR Bard Inc.	248.54	98.5%	17,973	18,709	3,714	1,149	9.6%	4.7%	63.1%	30.9%	1.4x	35.4x	5.0x	4.8x	16.3x	14.9x
Agilent Technologies, Inc.	52.87	96.4%	17,040	16,794	4,241	942	4.1%	4.7%	52.7%	22.2%	2.1x	33.9x	4.0x	3.8x	17.8x	16.2x
The Cooper Companies Inc.	199.89	98.6%	9,782	11,115	2,016	618	9.4%	8.9%	63.3%	30.7%	2.3x	32.9x	5.5x	5.2x	18.0x	15.9x
VWR Corporation	28.20	88.8%	3,712	5,560	4,514	468	4.5%	1.6%	28.0%	10.4%	4.3x	25.2x	1.2x	1.2x	11.9x	11.2x
Bruker Corporation	23.33	78.2%	3,729	3,648	1,600	262	(0.8%)	2.3%	46.8%	16.4%	1.6x	24.6x	2.3x	2.2x	13.9x	12.5x
Neogen Corp.	65.55	94.9%	2,499	2,374	353	76	13.5%	20.0%	47.3%	21.5%	0.0x	NM	6.7x	6.2x	31.3x *	28.2x *
Haemonetics Corporation	40.57	97.4%	2,110	2,316	900	135	(0.2%)	(2.1%)	43.9%	14.9%	2.5x	NM	2.6x	2.6x	17.2x	11.1x
ICU Medical, Inc.	152.70	95.5%	2,495	2,050	379	118	11.7%	224.3%	53.1%	31.1%	0.0x	41.7x	5.4x	1.7x	17.4x	12.2x
Merit Medical Systems, Inc.	28.90	91.2%	1,441	1,746	604	94	12.3%	18.3%	43.9%	15.6%	3.5x	NM	2.9x	2.4x	18.6x	15.7x
Natus Medical Inc.	39.25	85.1%	1,270	1,163	382	73	1.6%	32.1%	62.1%	19.1%	1.9x	30.4x	3.0x	2.3x	15.9x	13.5x
Abaxis, Inc.	48.50	86.7%	1,093	956	226	52	8.0%	8.3%	55.7%	23.2%	0.0x	33.0x	4.2x	4.0x	18.2x	18.2x
Cardiovascular Systems Inc.	28.28	95.2%	922	843	191	(13)	(1.1%)	22.4%	81.2%	NM	0.0x	NM	4.4x	3.9x	NM	58.7x *
ATRION Corp.	468.20	89.7%	859	815	143	48	(1.5%)	NA	47.1%	33.5%	0.0x	31.5x	5.7x	NA	16.9x	NA
Endologix Inc.	7.24	49.9%	600	730	193	(68)	25.6%	NA	64.2%	NM	NM	NM	3.8x	3.7x	NM	NM
Quidel Corp.	22.64	94.6%	746	725	192	17	(1.3%)	14.1%	61.4%	9.1%	8.5x	NM	3.8x	3.3x	41.5x *	14.5x
OraSure Technologies, Inc.	12.93	101.4%	745	626	107	21	2.6%	8.7%	67.3%	19.2%	0.0x	36.9x	5.9x	4.7x	30.5x *	22.7x
Meridian Bioscience, Inc.	13.80	64.2%	582	591	195	57	1.4%	0.2%	64.5%	29.5%	1.0x	19.7x	3.0x	3.0x	10.3x	11.5x
CryoLife Inc.	16.65	82.6%	553	568	180	25	23.6%	5.0%	67.6%	14.0%	2.8x	NM	3.2x	3.0x	22.5x	20.3x
Trinity Biotech plc	5.96	43.6%	139	158	100	12	(0.6%)	2.2%	43.3%	12.4%	7.8x	NM	1.6x	1.6x	12.9x	10.3x
Mean							7.2%	20.7%	55.3%	21.1%	2.3x	31.3x	3.9x	3.4x	16.2x	14.5x
Median							4.3%	6.6%	54.4%	20.4%	1.9x	32.2x	3.9x	3.3x	16.9x	14.0x
Dental Products																
Danaher Corp.	\$85.53	83.2%	\$59,296	\$70,676	\$16,882	\$4,115	17.0%	5.8%	55.6%	24.4%	3.0x	27.8x	4.2x	4.0x	17.2x	16.6x
DENTSPLY SIRONA Inc.	62.44	94.9%	14,341	15,462	3,745	780	40.0%	7.7%	53.4%	20.8%	2.0x	32.2x	4.1x	3.8x	19.8x	15.4x
Align Technology Inc.	114.71	99.8%	9,208	8,568	1,080	273	27.7%	21.0%	75.5%	25.3%	NM	49.2x	7.9x *	6.6x *	31.4x	25.6x
Mean							28.2%	11.5%	61.5%	23.5%	2.5x	36.4x	4.2x	3.9x	22.8x	19.2x
Median							27.7%	7.7%	55.6%	24.4%	2.5x	32.2x	4.2x	3.9x	19.8x	16.6x

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					Revenue	EBITDA	'15A-'16A	'16A-'17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Contract Research Organizations																
Quintiles Transnational Holdings Inc.	\$80.53	97.0%	\$18,999	\$25,188	\$5,364	\$1,073	24.0%	49.8%	39.7%	20.0%	6.7x	NM	4.7x	3.1x	23.5x	12.4x
Charles River Laboratories International, Inc.	89.95	98.2%	4,261	5,392	1,681	402	23.3%	8.8%	39.4%	23.9%	3.1x	27.9x	3.2x	2.9x	13.4x	11.9x
PRA Health Sciences, Inc.	65.23	100.0%	4,022	4,705	1,580	235	14.8%	16.6%	34.6%	14.9%	3.5x	NM	3.0x	2.6x	20.0x	13.7x
ICON Public Limited Company	79.72	89.7%	4,347	4,435	1,666	379	5.8%	3.5%	42.3%	22.8%	0.9x	17.1x	2.7x	2.6x	11.7x	11.1x
Albany Molecular Research Inc.	14.03	72.5%	585	1,174	570	44	41.8%	26.3%	23.3%	7.7%	14.5x *	NM	2.1x	1.6x	26.6x	NM
Mean							22.0%	21.0%	35.9%	17.9%	3.6x	22.5x	3.1x	2.6x	19.0x	12.3x
Median							23.3%	16.6%	39.4%	20.0%	3.3x	22.5x	3.0x	2.6x	20.0x	12.1x
Disease Management																
Alere Inc.	\$39.73	78.1%	\$3,457	\$6,460	\$2,385	\$318	(4.4%)	(0.9%)	44.9%	13.3%	9.3x	NM	2.7x	2.7x	20.3x	12.6x
Mean							(4.4%)	(0.9%)	44.9%	13.3%	9.3x	NA	2.7x	2.7x	20.3x	12.6x
Median							(4.4%)	(0.9%)	44.9%	13.3%	9.3x	NA	2.7x	2.7x	20.3x	12.6x
Distribution																
McKesson Corporation	\$148.26	74.3%	\$31,439	\$39,599	\$196,498	\$4,624	6.6%	5.0%	5.8%	2.4%	2.0x	16.4x	0.2x	0.2x	8.6x	9.5x
Cardinal Health, Inc.	81.55	92.8%	25,725	29,439	127,236	3,072	18.5%	11.0%	5.1%	2.4%	1.8x	19.6x	0.2x	0.2x	9.6x	9.1x
AmerisourceBergen Corporation	88.50	93.7%	19,229	21,918	148,310	2,158	8.0%	9.1%	2.8%	1.5%	2.1x	14.8x	0.1x	0.1x	10.2x	9.2x
Henry Schein, Inc.	169.97	92.9%	13,461	15,233	11,572	987	8.9%	4.3%	27.9%	8.5%	1.2x	27.5x	1.3x	1.3x	15.4x	14.5x
Patterson Companies, Inc.	45.23	89.7%	4,293	5,388	5,602	425	37.7%	6.5%	23.7%	7.6%	2.9x	24.4x	1.0x	0.9x	12.7x	12.4x
Owens & Minor Inc.	34.60	83.4%	2,114	2,603	9,723	267	(0.5%)	0.7%	12.2%	2.7%	2.5x	19.7x	0.3x	0.3x	9.7x	10.3x
Aceto Corp.	15.81	60.9%	476	789	547	61	2.1%	35.4%	24.5%	11.2%	6.2x	22.4x	1.4x	1.0x	12.9x	7.6x
Mean							11.6%	10.3%	14.6%	5.2%	2.7x	20.7x	0.7x	0.6x	11.3x	10.4x
Median							8.0%	6.5%	12.2%	2.7%	2.1x	19.7x	0.3x	0.3x	10.2x	9.5x

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					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
HCIT																
Cerner Corporation	\$58.85	87.2%	\$19,404	\$19,611	\$4,708	\$1,315	8.2%	10.1%	85.3%	27.9%	0.4x	31.8x	4.2x	3.8x	14.9x	11.5x
Nuance Communications, Inc.	17.31	89.8%	5,047	6,890	1,950	397	0.9%	5.6%	60.3%	20.4%	7.4x	NM	3.5x	3.3x	17.3x	10.5x
athenahealth, Inc.	112.69	78.3%	4,453	4,597	1,083	107	17.1%	19.0%	50.7%	9.9%	2.7x	NM	4.2x	3.6x	42.9x *	14.9x
Allscripts Healthcare Solutions, Inc.	12.68	83.6%	2,289	3,952	1,550	152	11.8%	11.0%	49.0%	9.8%	8.7x	NM	2.5x	2.3x	26.0x	11.2x
The Advisory Board Company	46.80	91.4%	1,883	2,377	803	124	4.6%	0.0%	51.3%	15.4%	4.7x	21.0x	3.0x	3.0x	19.2x	12.0x
HealthEquity, Inc.	42.45	86.2%	2,531	2,351	178	54	40.7%	25.1%	59.6%	30.5%	NM	NM	13.2x *	10.5x *	43.2x *	29.2x *
WebMD Health Corp.	52.68	78.0%	1,941	1,995	705	188	NA	1.9%	64.0%	26.7%	NM	26.8x	2.8x	2.8x	10.6x	8.4x
HMS Holdings Corp.	20.33	84.7%	1,699	1,720	496	95	4.6%	9.5%	36.6%	19.1%	2.1x	47.3x	3.5x	3.2x	18.1x	12.8x
Omniceil, Inc.	40.65	99.9%	1,502	1,702	693	63	NA	8.1%	45.8%	9.1%	4.0x	NM	2.5x	2.3x	27.0x	17.5x
Evolent Health, Inc.	22.30	83.1%	1,516	1,667	254	(50)	162.4%	66.1%	40.5%	NM	NM	NM	6.6x	3.9x	NM	NM
Inovalon Holdings, Inc.	12.60	62.8%	1,865	1,559	428	74	(2.2%)	4.0%	62.8%	17.3%	NM	NM	3.6x	3.5x	21.0x	14.8x
Teladoc, Inc.	25.00	94.5%	1,358	1,336	123	(44)	59.2%	48.5%	74.0%	NM	NM	NM	10.8x *	7.3x *	NM	NM
Quality Systems Inc.	15.24	95.8%	952	953	505	61	0.5%	4.8%	55.2%	12.1%	0.4x	NM	1.9x	1.8x	15.6x	10.4x
BioTelemetry, Inc.	28.95	98.1%	813	816	198	41	16.4%	16.7%	60.2%	20.6%	0.6x	16.5x	4.1x	3.5x	19.9x	16.0x
HealthStream, Inc.	24.23	84.0%	770	667	226	21	8.1%	11.8%	57.2%	9.3%	0.0x	NM	3.0x	2.6x	31.7x *	18.6x
Computer Programs & Systems Inc.	28.00	51.8%	379	530	267	33	46.7%	2.0%	51.6%	12.3%	4.6x	NM	2.0x	1.9x	16.1x	10.7x
National Research Corp.	39.25	84.6%	550	521	109	35	6.9%	8.7%	58.3%	32.4%	NM	47.5x	4.8x	4.4x	14.7x	13.1x
Castlight Health, Inc.	3.65	66.4%	385	270	102	(54)	35.0%	19.8%	66.0%	NM	NM	NM	2.7x	2.2x	NM	NM
Mean							26.3%	15.1%	57.1%	18.2%	3.3x	31.8x	3.4x	3.0x	18.4x	13.0x
Median							10.0%	9.8%	57.8%	17.3%	2.7x	29.3x	3.2x	3.1x	17.7x	12.4x
Healthcare Consulting																
Cognizant Technology Solutions Corporation	\$59.52	94.1%	\$36,226	\$31,935	\$13,487	\$2,668	8.6%	9.1%	39.9%	19.8%	0.3x	23.3x	2.4x	2.2x	12.0x	10.7x
Exlservice Holdings, Inc.	47.36	86.5%	1,601	1,420	686	99	9.1%	9.1%	34.7%	14.4%	0.5x	26.5x	2.1x	1.9x	14.3x	10.6x
Navigant Consulting Inc.	22.86	82.1%	1,072	1,199	939	142	12.6%	6.1%	33.1%	15.1%	1.0x	19.2x	1.3x	1.2x	8.4x	8.0x
Huron Consulting Group Inc.	42.10	64.8%	894	1,169	726	128	3.9%	5.0%	39.8%	17.6%	2.3x	22.9x	1.6x	1.5x	9.2x	9.9x
CBIZ, Inc.	13.55	95.1%	730	919	800	88	6.6%	5.8%	12.6%	11.0%	2.2x	17.8x	1.1x	1.1x	10.5x	8.8x
NCL Inc.	15.05	98.3%	204	203	329	29	5.1%	0.1%	16.6%	8.9%	0.0x	15.5x	0.6x	0.6x	7.0x	6.9x
Mean							7.7%	5.9%	29.4%	14.5%	1.0x	20.9x	1.5x	1.4x	10.2x	9.2x
Median							7.6%	6.0%	33.9%	14.8%	0.7x	21.0x	1.4x	1.4x	9.8x	9.4x

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Source: S&P Capital IQ

Public Company Comparables

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

	Stock Price at 3/31/17	% of 52-Week High	Market Cap	Enterprise Value	LTM Financials		Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value /			
					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Healthcare Staffing																
On Assignment, Inc.	\$48.53	98.8%	\$2,555	\$3,169	\$2,440	\$253	18.2%	7.4%	32.6%	10.4%	2.5x	26.8x	1.3x	1.2x	12.5x	10.2x
AMN Healthcare Services, Inc.	40.60	90.2%	1,943	2,295	1,902	221	30.0%	6.0%	32.6%	11.6%	1.6x	18.9x	1.2x	1.1x	10.4x	9.0x
Cross Country Healthcare, Inc.	14.36	87.7%	474	541	834	41	8.6%	7.6%	26.6%	5.0%	2.1x	NM	0.6x	0.6x	13.1x	0.0x *
Mean							18.9%	7.0%	30.6%	9.0%	2.1x	22.8x	1.1x	1.0x	12.0x	9.6x
Median							18.2%	7.4%	32.6%	10.4%	2.1x	22.8x	1.2x	1.1x	12.5x	9.6x
Managed Care																
UnitedHealth Group Incorporated	\$164.01	95.3%	\$158,246	\$182,701	\$171,438	\$14,510	17.7%	7.5%	23.5%	8.5%	2.3x	22.6x	1.1x	0.9x	12.6x	11.0x
Anthem, Inc.	165.38	96.8%	43,723	56,453	79,640	5,778	7.2%	2.4%	21.2%	7.3%	2.9x	18.0x	0.7x	0.6x	9.8x	11.1x
Aetna Inc.	127.55	93.4%	44,859	47,586	57,208	6,197	4.9%	(4.0%)	26.6%	10.8%	3.3x	19.9x	0.8x	0.8x	7.7x	10.7x
Cigna Corporation	146.49	94.6%	37,600	39,509	34,739	3,847	4.7%	1.9%	32.1%	11.1%	1.3x	20.4x	1.1x	1.0x	10.3x	8.8x
Humana Inc.	206.14	93.5%	29,743	30,170	53,314	2,055	0.2%	(0.8%)	17.2%	3.9%	2.1x	NM	0.6x	0.6x	14.7x	8.6x
Centene Corporation	71.26	94.3%	12,271	13,217	35,508	1,965	77.0%	23.5%	18.7%	5.5%	2.4x	20.9x	0.4x	0.3x	6.7x	7.8x
Molina Healthcare, Inc.	45.60	67.2%	2,601	1,427	16,430	383	25.6%	11.7%	14.7%	2.3%	4.3x	49.6x	0.1x	0.1x	3.7x	3.4x
Universal American Corp.	9.97	98.5%	592	621	1,375	9	6.0%	10.0%	14.9%	0.7%	14.2x *	NM	0.5x	0.4x	66.2x *	15.2x
Mean							17.9%	6.5%	21.1%	6.3%	2.7x	25.2x	0.7x	0.6x	9.3x	9.6x
Median							6.6%	4.9%	20.0%	6.4%	2.4x	20.6x	0.6x	0.6x	9.8x	9.8x
Outsourced Pharmacy Management																
Express Scripts Holding Company	\$65.91	82.4%	\$39,567	\$52,066	\$100,288	\$7,102	(1.4%)	2.1%	8.6%	7.1%	2.2x	12.2x	0.5x	0.5x	7.3x	7.0x
PharMerica Corporation	23.40	81.5%	720	1,188	2,091	129	3.1%	12.3%	15.6%	6.2%	3.7x	33.9x	0.6x	0.5x	9.2x	8.5x
BioScrip, Inc.	1.70	49.6%	206	720	936	27	(4.7%)	(4.4%)	28.4%	2.9%	16.9x *	NM	0.8x	0.8x	27.0x *	14.9x *
Mean							(1.0%)	3.3%	17.5%	5.4%	2.9x	23.1x	0.6x	0.6x	8.3x	7.8x
Median							(1.4%)	2.1%	15.6%	6.2%	2.9x	23.1x	0.6x	0.5x	8.3x	7.8x
Physician Practice Management																
Envision Healthcare Corporation	\$61.32	82.0%	\$7,204	\$13,551	\$3,696	\$796	44.0%	185.3%	36.7%	21.5%	7.3x	NM	3.7x	1.3x	17.0x	9.8x
MEDNAX, Inc.	69.38	90.2%	6,379	8,017	3,183	661	14.5%	10.7%	33.7%	20.8%	2.6x	19.9x	2.5x	2.3x	12.1x	11.3x
Birner Dental Management Services, Inc.	13.00	69.9%	24	34	62	2	(3.3%)	NA	9.4%	3.8%	4.2x	NM	0.5x	NA	14.3x	NA
Mean							18.4%	98.0%	26.6%	15.4%	4.7x	19.9x	2.2x	1.8x	14.5x	10.5x
Median							14.5%	98.0%	33.7%	20.8%	4.2x	19.9x	2.5x	1.8x	14.3x	10.5x
Specialty Managed Care																
Magellan Health, Inc.	\$69.05	81.5%	\$1,630	\$1,960	\$4,837	\$237	5.2%	21.3%	5.9%	4.9%	2.6x	21.4x	0.4x	0.3x	8.3x	5.9x
CorVel Corporation	43.50	81.8%	832	793	513	66	2.2%	NA	20.2%	12.9%	0.0x	30.4x	1.5x	NA	12.0x	NA
Mean							3.7%	21.3%	13.0%	8.9%	1.3x	25.9x	1.0x	0.3x	10.1x	5.9x
Median							3.7%	21.3%	13.0%	8.9%	1.3x	25.9x	1.0x	0.3x	10.1x	5.9x
Specialty Pharmacy																
Diplomat Pharmacy, Inc.	\$15.95	41.0%	\$1,065	\$1,204	\$4,410	\$78	31.0%	2.7%	7.4%	1.8%	1.9x	38.0x	0.3x	0.3x	15.5x	12.3x

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					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Acute Care																
HCA Holdings, Inc.	\$88.99	97.8%	\$32,966	\$65,328	\$41,490	\$8,164	4.6%	4.3%	37.7%	19.7%	3.8x	12.2x	1.6x	1.5x	8.0x	NM
Tenet Healthcare Corp.	17.71	52.0%	1,777	19,374	19,621	2,282	5.3%	1.0%	36.4%	11.6%	6.7x	NM	1.0x	1.0x	8.5x	7.6x
Community Health Systems, Inc.	8.87	41.5%	984	16,706	18,438	1,985	(5.1%)	(13.3%)	36.9%	10.8%	7.7x	NM	0.9x	1.0x	8.4x	8.2x
LifePoint Health, Inc.	65.50	86.5%	2,616	5,596	6,364	702	22.0%	3.2%	32.4%	11.0%	4.2x	23.2x	0.9x	0.9x	8.0x	7.0x
Mean							6.7%	(1.2%)	35.9%	13.3%	5.6x	17.7x	1.1x	1.1x	8.2x	7.6x
Median							4.9%	2.1%	36.6%	11.3%	5.4x	17.7x	0.9x	1.0x	8.2x	7.6x
Alternative Site																
HEALTHSOUTH Corp.	\$42.81	98.7%	\$3,812	\$7,119	\$3,646	\$820	17.0%	7.6%	41.7%	22.5%	3.7x	16.6x	2.0x	1.8x	8.7x	8.8x
Select Medical Holdings Corporation	13.35	88.1%	1,772	4,923	4,217	448	14.5%	5.9%	18.4%	10.6%	6.1x	15.3x	1.2x	1.1x	11.0x	9.0x
Surgery Partners, Inc.	19.50	85.3%	948	2,816	1,121	162	NM	12.5%	26.8%	14.4%	8.9x	NM	2.5x	2.2x	17.4x	13.9x
US Physical Therapy Inc.	65.30	83.7%	818	892	341	51	8.7%	19.4%	24.4%	15.0%	0.8x	33.8x	2.6x	2.3x	17.5x	15.2x
Medical Facilities Corp.	13.83	78.6%	429	592	339	91	9.9%	11.5%	42.4%	26.7%	1.7x	46.1x	1.7x	1.6x	6.5x	5.9x
Adeptus Health Inc.	1.80	2.5%	30	269	404	38	73.1%	4.1%	36.5%	9.3%	4.3x	0.3x	0.7x	0.7x	7.2x	3.4x *
Nobilis Health Corp.	2.15	47.7%	132	205	278	19	NM	11.7%	61.6%	6.9%	4.4x	26.8x	0.7x	0.6x	10.7x	5.4x
Mean							24.6%	10.4%	36.0%	15.1%	4.3x	23.2x	1.6x	1.5x	11.3x	9.7x
Median							14.5%	11.5%	36.5%	14.4%	4.3x	21.7x	1.7x	1.6x	10.7x	8.9x
Behavioral																
Universal Health Services Inc.	\$124.45	89.0%	\$12,022	\$16,198	\$9,766	\$1,698	8.0%	9.1%	42.5%	17.4%	2.4x	17.4x	1.7x	1.5x	9.5x	9.0x
Acadia Healthcare Company, Inc.	43.60	67.1%	3,817	7,066	2,811	580	56.6%	2.4%	41.0%	20.6%	5.7x	NM	2.5x	2.5x	12.2x	11.2x
AAC Holdings, Inc.	8.53	35.0%	202	377	249	28	33.0%	15.9%	35.9%	11.4%	6.7x	NM	1.5x	1.3x	13.3x	7.2x
Mean							32.6%	9.1%	39.8%	16.5%	4.9x	17.4x	1.9x	1.7x	11.7x	9.1x
Median							33.0%	9.1%	41.0%	17.4%	5.7x	17.4x	1.7x	1.5x	12.2x	9.0x
Clinical Labs																
Laboratory Corp. of America Holdings	\$143.47	98.9%	\$14,677	\$20,108	\$9,437	\$1,831	11.0%	5.3%	33.7%	19.4%	3.2x	20.4x	2.1x	2.0x	11.0x	9.8x
Quest Diagnostics Inc.	98.19	98.2%	13,501	17,073	7,515	1,406	0.3%	2.1%	38.7%	18.7%	2.7x	21.8x	2.3x	2.2x	12.1x	11.0x
Sonic Healthcare Limited	16.90	91.6%	7,052	8,847	3,645	595	15.6%	9.2%	33.3%	16.3%	3.3x	21.2x	2.4x	2.2x	14.9x	12.3x
Genomic Health Inc.	31.49	92.7%	1,073	976	328	(6)	14.1%	9.8%	81.5%	NM	NM	NM	3.0x	2.7x	NM	87.5x *
Psychemedics Corp.	20.05	73.0%	109	109	39	12	44.5%	NA	55.0%	30.6%	0.3x	16.4x	2.8x	NA	9.1x	NA
Mean							17.1%	6.6%	48.4%	21.3%	2.4x	20.0x	2.5x	2.3x	11.8x	11.0x
Median							14.1%	7.2%	38.7%	19.1%	3.0x	20.8x	2.4x	2.2x	11.6x	11.0x
Diagnostic Imaging																
RadNet, Inc.	\$5.90	73.9%	\$278	\$899	\$776	\$107	9.3%	3.0%	20.7%	13.8%	5.9x	39.3x	1.2x	1.0x	8.4x	6.4x
Alliance Healthcare Services, Inc.	10.25	97.6%	111	767	506	124	6.9%	NA	43.6%	24.6%	4.4x	NM	1.5x	NA	6.2x	NA
Mean							8.1%	3.0%	32.2%	19.2%	5.2x	39.3x	1.3x	1.0x	7.3x	6.4x
Median							8.1%	3.0%	32.2%	19.2%	5.2x	39.3x	1.3x	1.0x	7.3x	6.4x

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					Revenue	EBITDA	'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2017E	LTM	2017E
Dialysis																
Fresenius Medical Care AG & Co. KGAA	\$84.47	92.4%	\$25,874	\$35,309	\$18,341	\$3,349	7.0%	5.1%	33.9%	18.3%	2.6x	20.8x	1.9x	1.8x	10.5x	9.6x
DaVita HealthCare Partners Inc.	67.97	86.3%	13,227	22,291	13,410	2,493	7.0%	3.6%	27.7%	18.6%	3.7x	15.8x	1.7x	1.5x	8.9x	9.0x
American Renal Associates Holdings, Inc.	16.88	56.9%	522	1,171	750	171	14.8%	4.6%	39.7%	22.9%	3.3x	NM	1.6x	1.5x	6.8x	NM
Mean							9.6%	4.4%	33.8%	19.9%	3.2x	18.3x	1.7x	1.6x	8.8x	9.3x
Median							7.0%	4.6%	33.9%	18.6%	3.3x	18.3x	1.7x	1.5x	8.9x	9.3x
Post-Acute																
Brookdale Senior Living Inc.	\$13.43	69.2%	\$2,491	\$8,319	\$4,239	\$796	0.0%	9.5%	34.0%	18.8%	7.6x	NM	2.0x	1.8x	10.4x	12.1x
Genesis Healthcare, Inc.	2.64	55.6%	244	4,992	5,625	517	1.9%	(2.8%)	40.1%	9.2%	9.7x	NM	0.9x	0.9x	9.7x	8.9x
Kindred Healthcare Inc.	8.35	53.3%	711	3,937	7,220	546	2.3%	(0.8%)	42.6%	7.6%	5.9x	NM	0.5x	0.5x	7.2x	4.3x
Chemed Corp.	182.69	96.2%	2,980	3,074	1,577	219	2.2%	3.9%	29.3%	13.9%	0.5x	28.2x	1.9x	1.9x	14.0x	12.2x
Amedisys Inc.	51.09	92.6%	1,717	1,781	1,418	81	12.0%	7.3%	41.2%	5.7%	1.1x	46.4x	1.3x	1.2x	21.9x *	12.6x
Capital Senior Living Corp.	14.06	67.4%	422	1,327	446	76	8.5%	6.8%	41.9%	17.0%	12.4x *	NM	3.0x	2.8x	17.5x	13.0x
Civitas Solutions, Inc.	18.35	79.1%	684	1,267	1,421	155	3.0%	7.7%	22.2%	10.9%	4.1x	36.1x	0.9x	0.8x	8.2x	7.6x
The Ensign Group, Inc.	18.80	78.8%	957	1,175	1,655	119	23.3%	7.6%	11.4%	7.2%	2.4x	19.6x	0.7x	0.7x	9.9x	6.7x
LHC Group, Inc.	53.90	99.2%	978	1,082	900	84	12.9%	12.2%	38.0%	9.3%	1.0x	26.0x	1.2x	1.1x	12.9x	11.9x
National HealthCare Corporation	71.30	90.3%	1,082	1,068	881	104	2.2%	NA	40.9%	11.8%	1.5x	21.5x	1.2x	NA	10.3x	NA
Almost Family Inc.	48.60	95.3%	675	941	624	39	17.2%	34.1%	46.2%	6.3%	7.0x	28.4x	1.5x	1.1x	23.9x *	12.7x
Providence Service Corp.	44.44	83.3%	600	606	1,579	74	6.8%	(2.4%)	8.6%	4.7%	0.0x	NM	0.4x	0.4x	8.2x	9.8x
Addus HomeCare Corporation	32.00	85.7%	366	383	401	31	19.0%	6.3%	26.5%	7.8%	0.8x	30.5x	1.0x	0.9x	12.3x	10.8x
AdCare Health Systems, Inc.	1.26	48.5%	25	152	27	10	NM	NA	NM	38.4%	7.6x	NM	5.6x *	NA	14.5x	NA
Diversicare Healthcare Services Inc.	10.48	81.7%	67	142	426	19	9.9%	NA	19.5%	4.6%	4.1x	NM	0.3x	NA	7.3x	NA
Five Star Quality Care Inc.	2.15	69.4%	107	137	1,128	23	0.3%	NA	51.6%	2.0%	2.7x	NM	0.1x	0.1x	6.1x	7.6x
Mean							8.1%	7.5%	32.9%	10.9%	3.7x	29.6x	1.1x	1.1x	10.6x	10.0x
Median							6.8%	7.1%	38.0%	8.5%	2.7x	28.3x	1.0x	0.9x	10.1x	10.8x

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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.

About Fifth Third Capital Markets

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