



## 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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|--|---|
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## Representative Transactions

|   |   |   |  |   |   |  |
|---|---|---|--|---|---|--|
| \$165,000,000<br>Senior Secured Credit<br>Facilities<br><br><br>Lead Arranger<br><br> | \$600,000,000<br>Senior Secured Credit<br>Facilities<br><br><br>Joint Lead Arranger<br><br> | Undisclosed<br>Senior Secured Credit<br>Facilities<br><br><br>Lead Arranger<br><br> | \$125,000,000<br>Senior Secured Credit<br>Facilities<br><br><br>Co-Doc Agent<br><br> | \$220,000,000<br>Senior Secured Credit<br>Facilities<br><br><br>Documentation Agent<br><br> | \$125,000,000<br>Senior Secured Credit<br>Facilities<br><br><br>Lead Arranger<br><br> | \$71,000,000<br>Senior Secured Credit<br>Facilities<br><br><br>Joint Lead Arranger<br><br> |
|---|---|---|--|---|---|--|



### 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

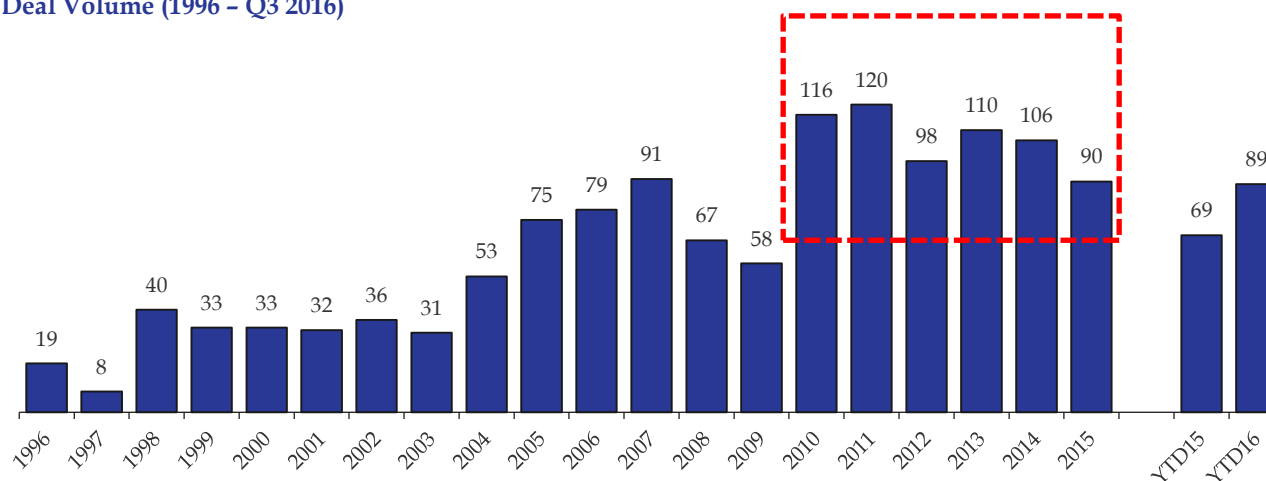
- Investors offer capital, expertise, human resources and stability during times of uncertainty.
- In total, there are in excess of 150 private equity-backed physician practices that are seeking opportunities to grow through add-on acquisitions.

#### 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 <sup>[1]</sup> |
|--|------------------------|
|  MEDNAX<br>NATIONAL MEDICAL GROUP | 23                     |
|  TEAMHealth.                    | 14                     |
|  AMSURG                         | 4                      |
|  Envision<br>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        |
| <b>Biotechnology / Pharmaceuticals</b> | <b>28</b>           | <b>\$56,173</b>         | <b>(12.3%)</b>                 | <b>(21.8%)</b> | <b>6.4x</b>                | <b>12.3x</b> | <b>6.1x</b>                  | <b>10.7x</b> |
| 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        |
| <b>MedTech</b>                         | <b>71</b>           | <b>\$3,340</b>          | <b>18.7%</b>                   | <b>15.8%</b>   | <b>4.1x</b>                | <b>16.5x</b> | <b>3.9x</b>                  | <b>15.1x</b> |
| 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        |
| <b>Healthcare Services</b>             | <b>63</b>           | <b>\$1,936</b>          | <b>0.1%</b>                    | <b>(2.2%)</b>  | <b>1.1x</b>                | <b>10.2x</b> | <b>1.0x</b>                  | <b>9.4x</b>  |
| 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         |
| <b>Healthcare Providers</b>            | <b>41</b>           | <b>\$7,953</b>          | <b>(1.3%)</b>                  | <b>(5.2%)</b>  | <b>1.7x</b>                | <b>9.8x</b>  | <b>1.7x</b>                  | <b>9.3x</b>  |
| <b>S&amp;P 500</b>                     | <b>500</b>          | <b>\$23,283</b>         | <b>9.1%</b>                    | <b>6.1%</b>    | <b>2.2x</b>                | <b>11.4x</b> | <b>2.1x</b>                  | <b>10.7x</b> |

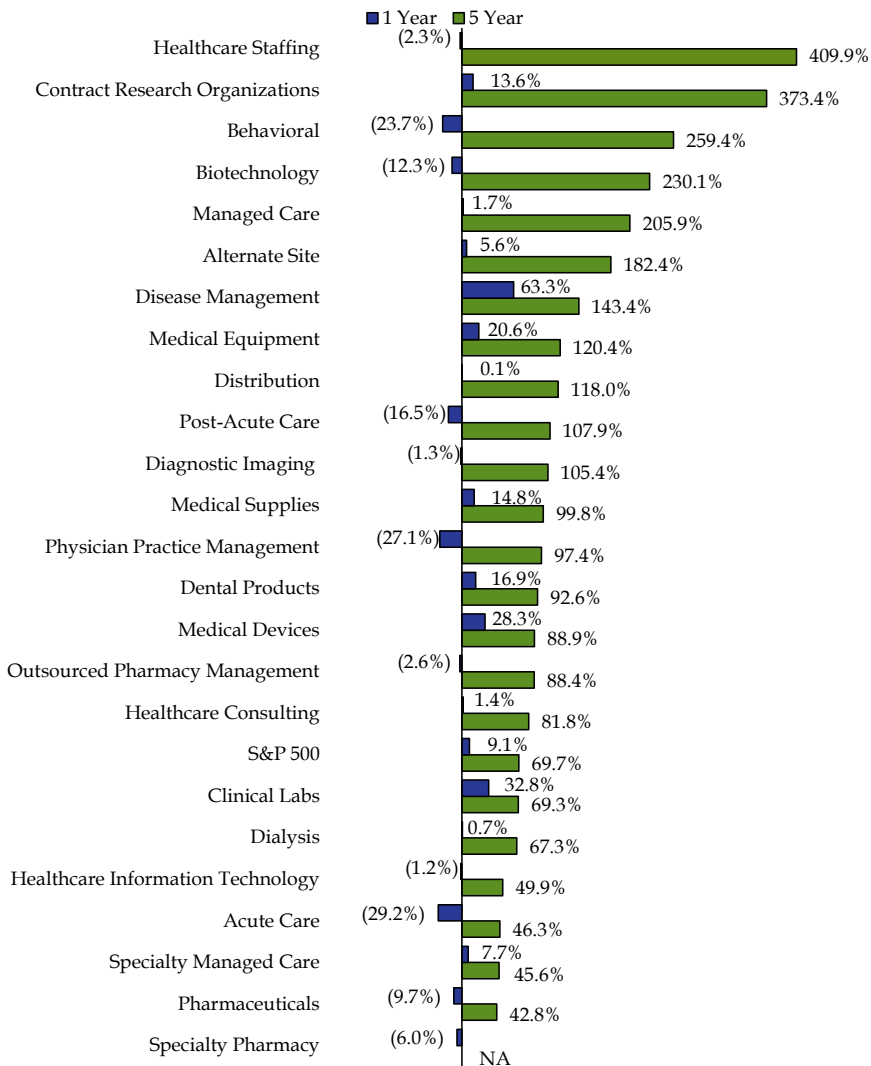
Source: S&P Capital IQ LCD  
As of 9/30/16



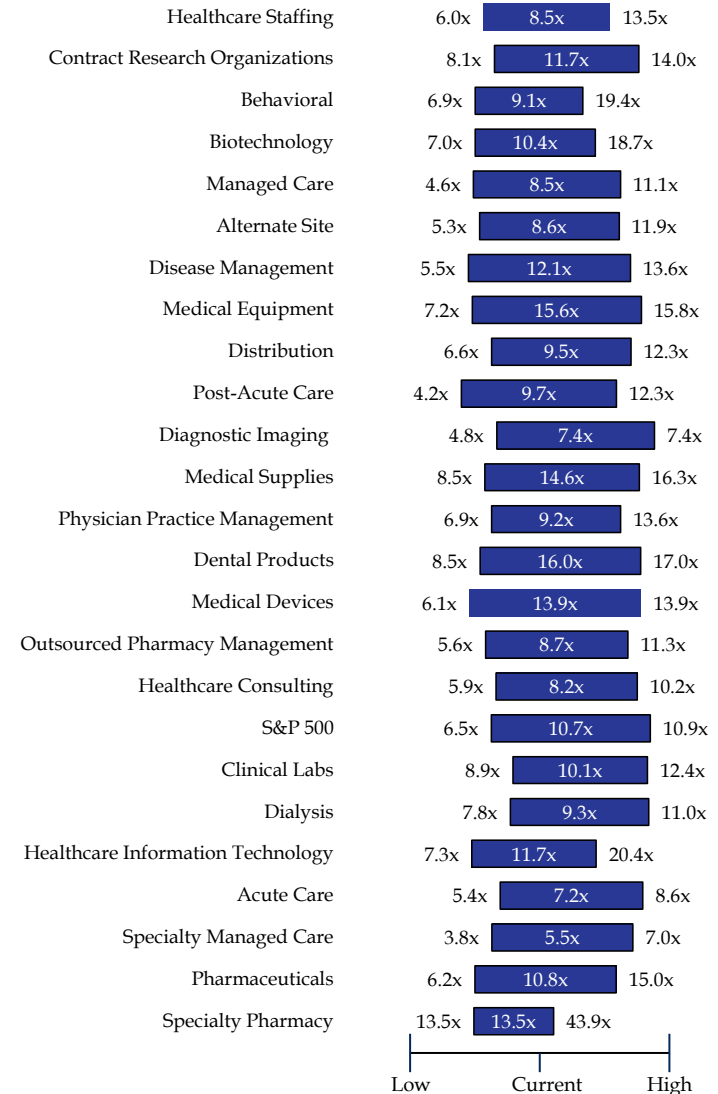
# Public Market Valuation Trends (Cont'd)

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

## % Change in Stock Price



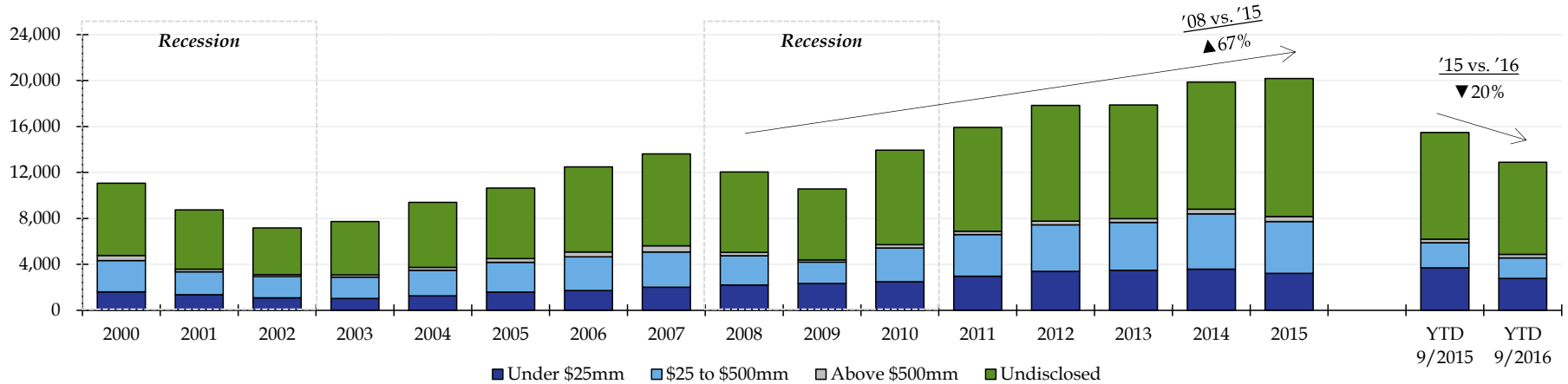
## 5-Year EV / NTM EBITDA Multiples<sup>[1]</sup>



[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

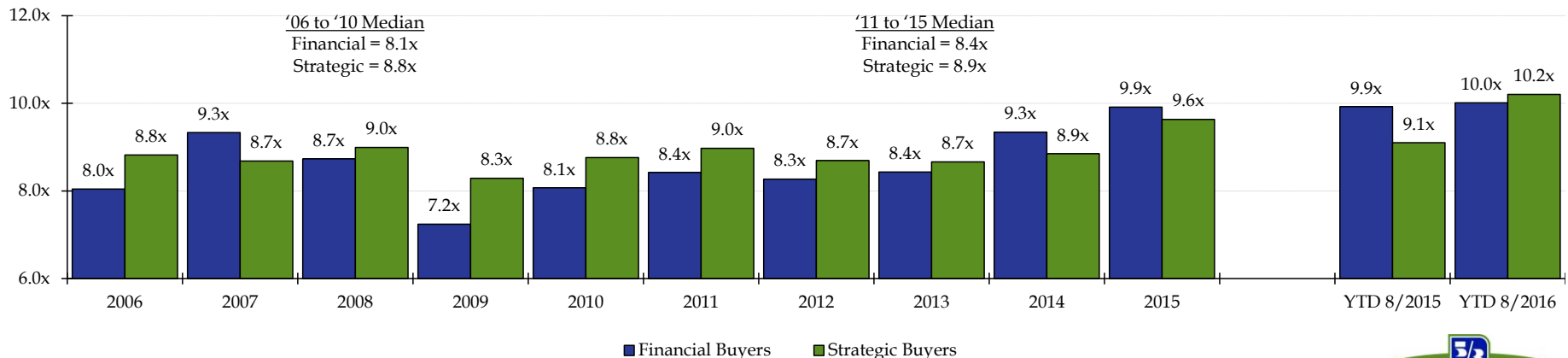
## Transaction Volume

- 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)

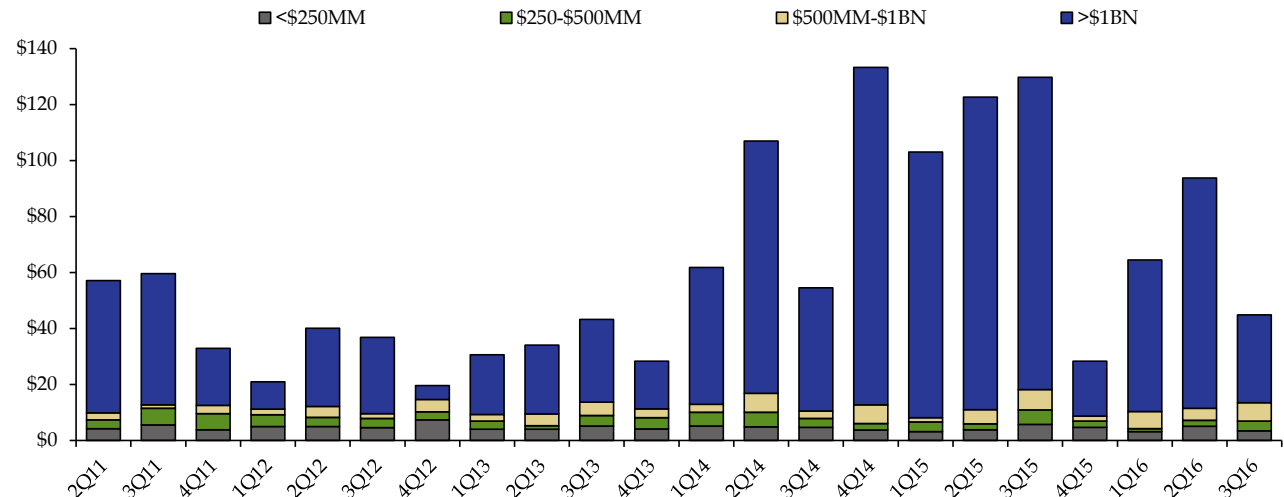
- Purchase multiples by both financial and strategic buyers remain above their five-year median
- Deal multiples may remain elevated due to strong competition for high quality assets as strategic corporate and private equity firms continue to seek acquisitions to fuel growth and deploy capital



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)

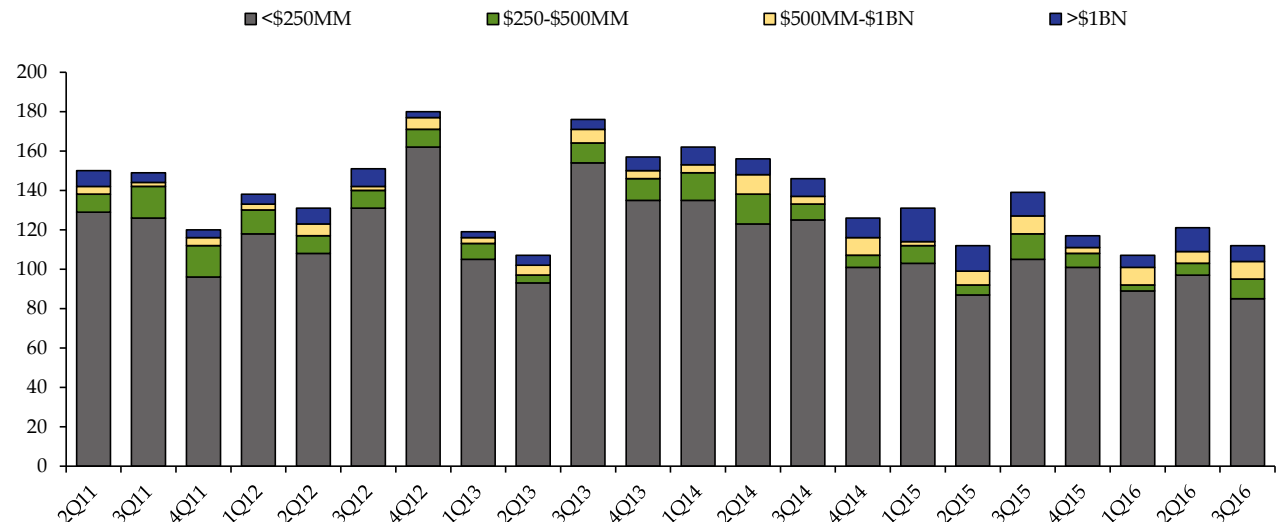
- 3Q16 healthcare deal value declined to \$45 billion, down from \$94 billion the prior quarter, and down from \$130 billion during 3Q15.
- 3Q16 deal values are down from 2Q16 values that were largely driven by blockbuster MedTech mergers which accounted for close to 40% of total value.
- The headline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

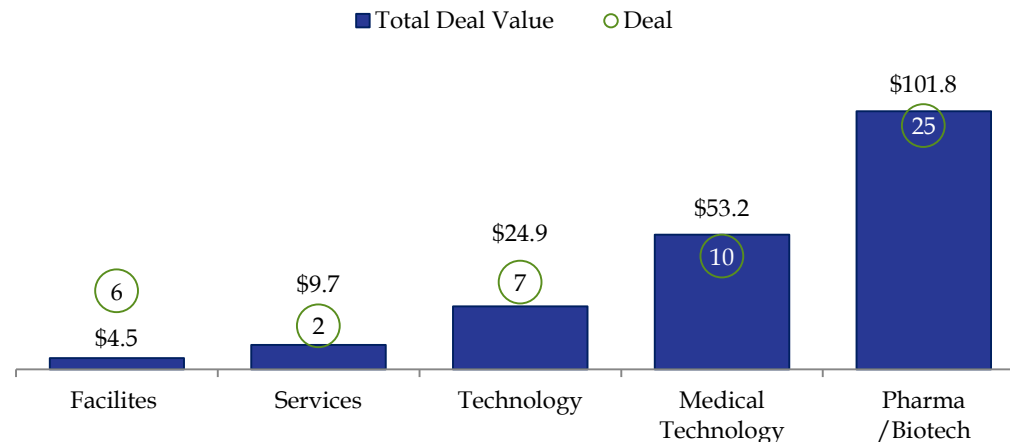
EV - Enterprise Value NA - Not Available

[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.                 | <b>19 Properties</b>          | \$1,150 |
| Mar 16 | Winterfell Healthcare          | <b>Winterfell GP</b>          | \$923   |
| Dec 15 | Wellstar Health System         |                               | \$661   |
| Apr 16 | Physicians Realty              | <b>47 MOBs</b>                | \$611   |
| Sep 16 | MPT Operating Partnership      | <b>5 Acute Care Hospitals</b> | \$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



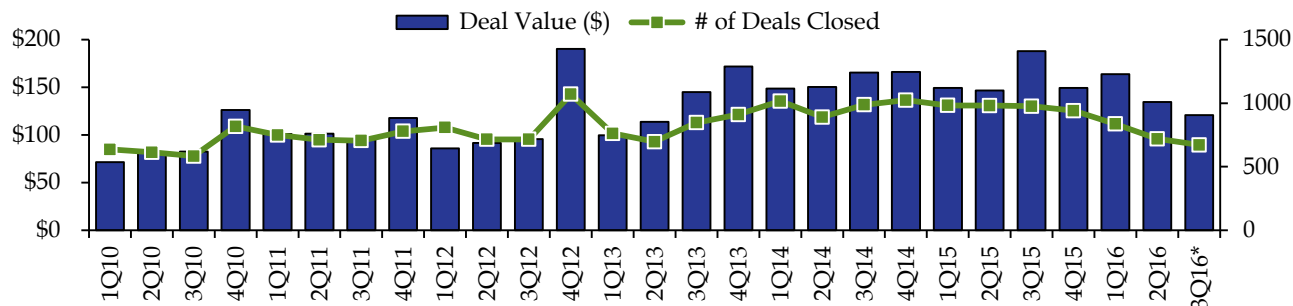
## U.S. Private Equity Activity Lower Q-o-Q

- 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.

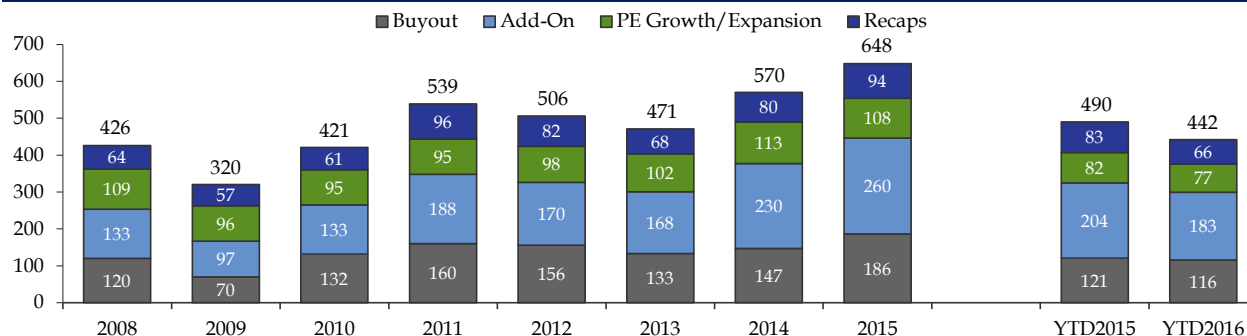
## Sponsor-Backed Healthcare M&A Led by Portfolio Company Add-On Acquisitions

- 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.

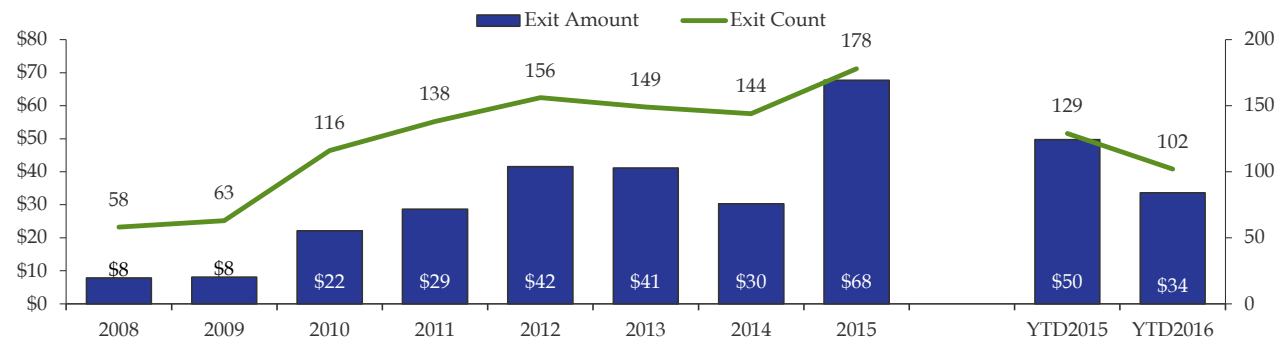
## Overall U.S. Private Equity Deal Flow (\$ in billions)



## U.S. Healthcare Deal Count by Type

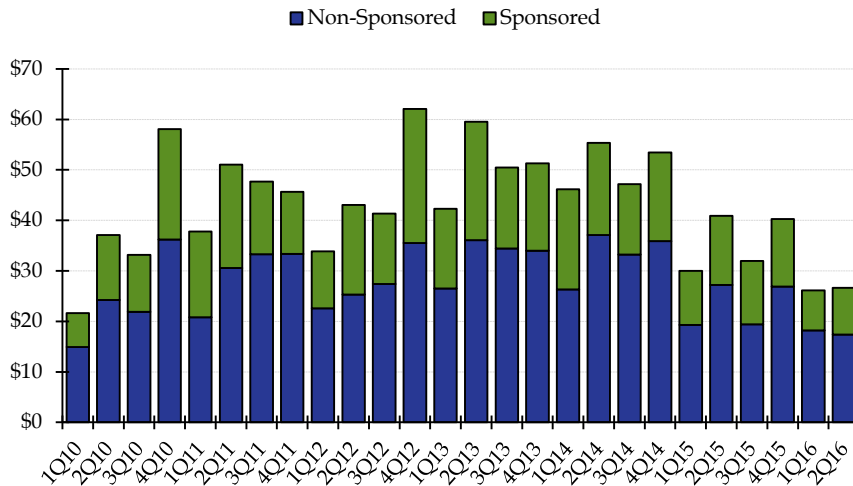


## U.S. Healthcare Private Equity Exits (\$ in billions)

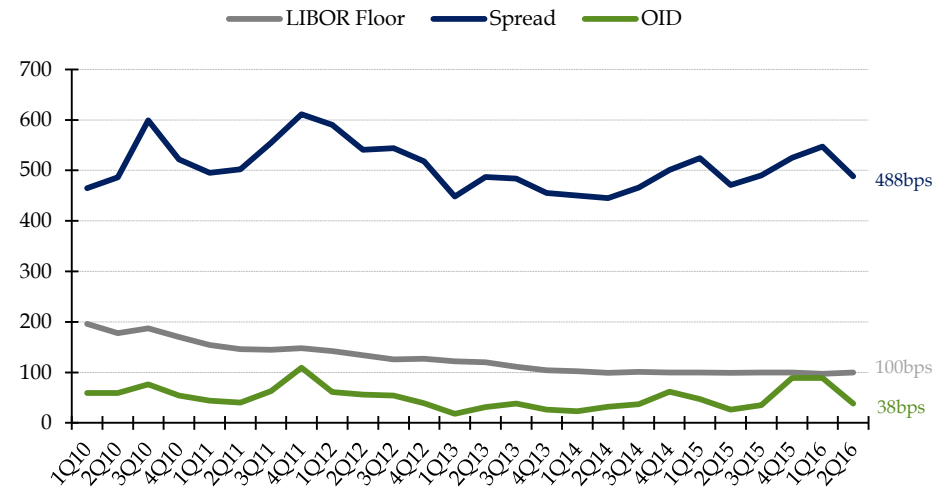


Source: Fifth Third Securities, PitchBook Data, Inc.  
Note: YTD as of September 2016

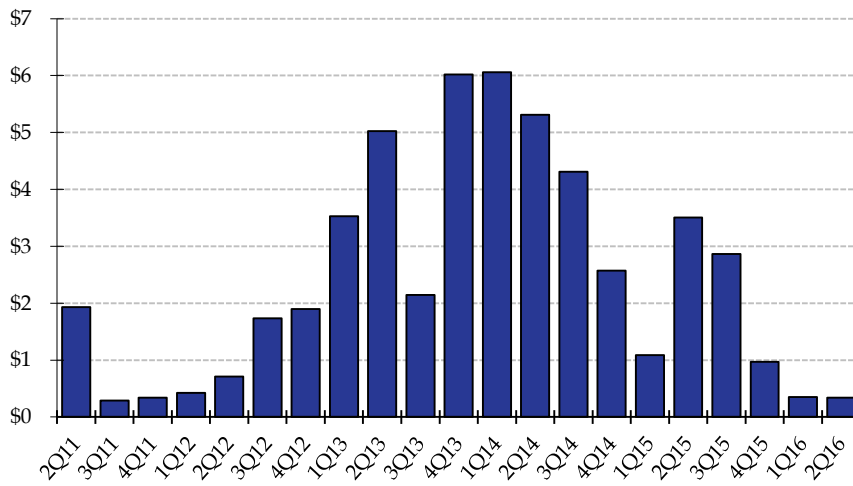
## Loan Volume: Low Level of Supply Continues (\$ in billions)



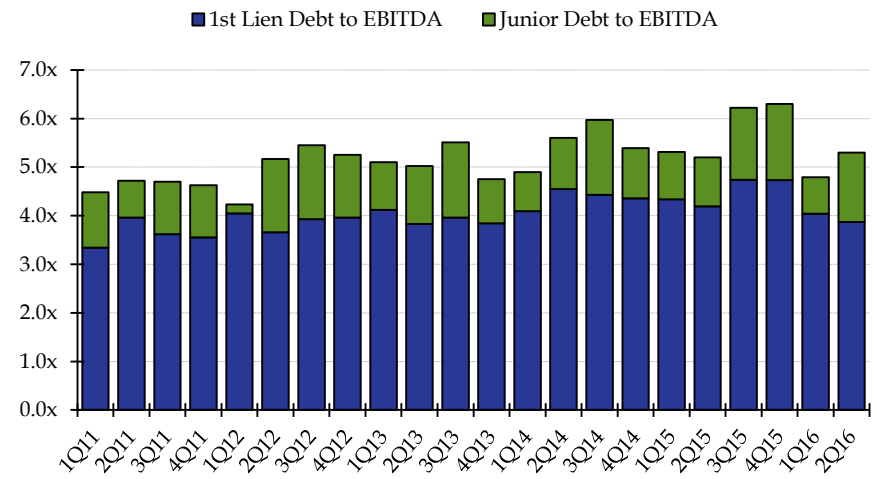
## Term Loan Spreads Tightening [1]



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

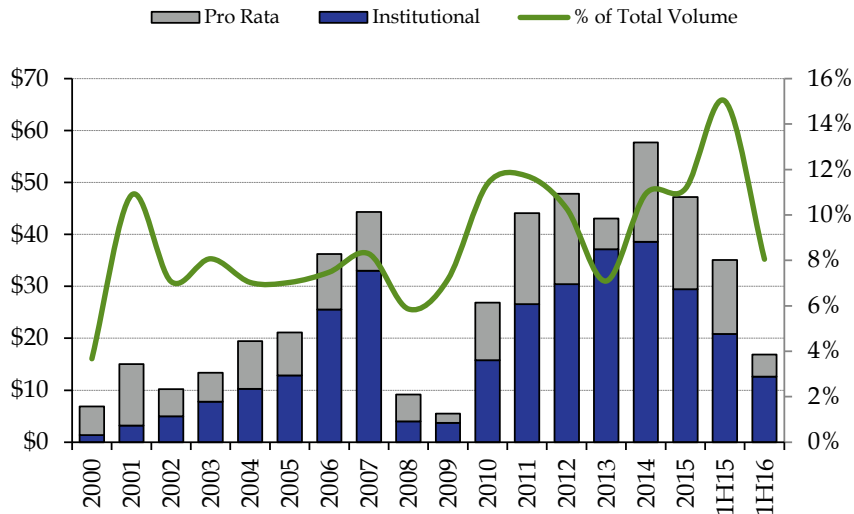


## LBO Leverage Climbs Higher, However Lack of Supply Continues

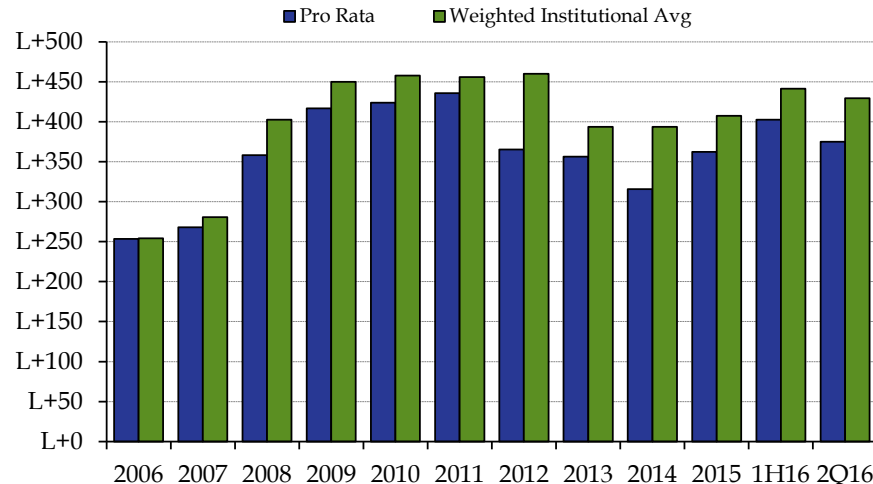


Note: This data represents the entire U.S. middle market (all industries)  
 Note: The middle market is defined as deal size ≤ \$100 million and borrower sales ≤ \$500 million  
 [1] Includes both non-sponsored and sponsored transactions  
 Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

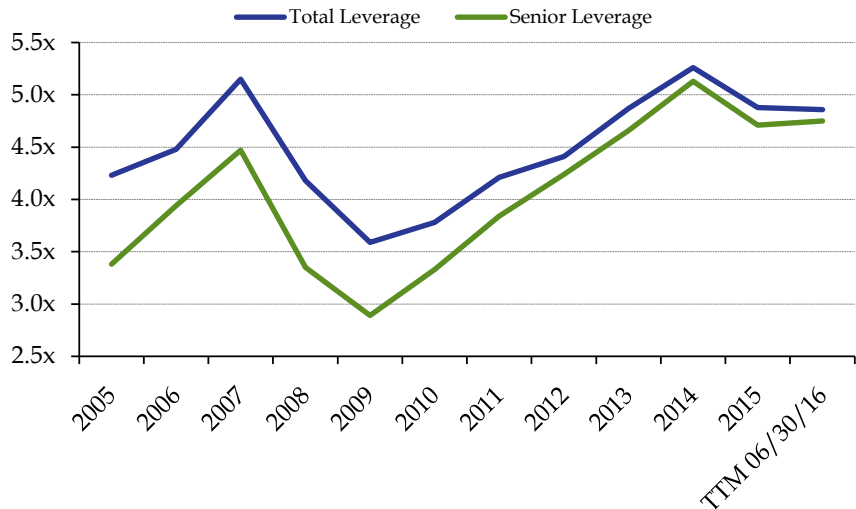
## Healthcare Loan Volume Institutional vs. Pro Rata (\$ in billions)



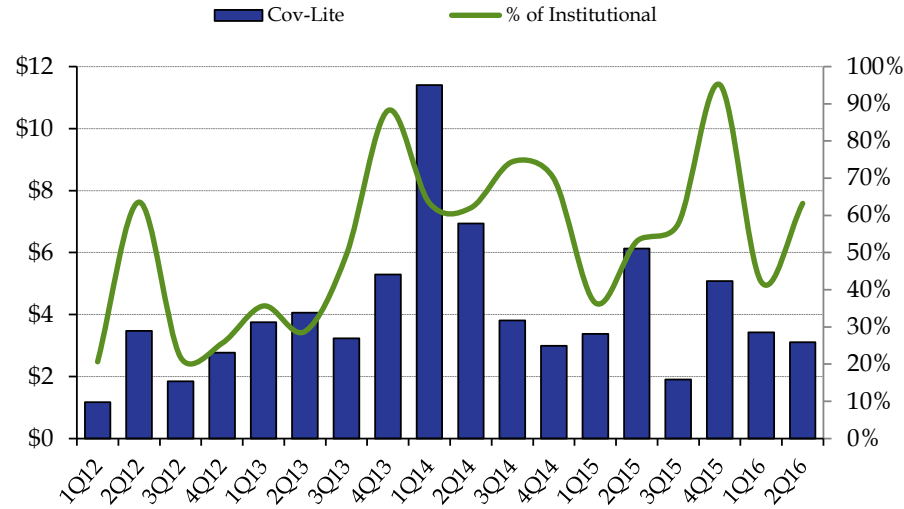
## Healthcare New-Issue Spreads



## Healthcare New Issue Leverage Ratios



## Healthcare Covenant Lite Volume (\$ in billions)



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

## Appendix

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# Public Company Comparables

Healthcare | Industry Spotlight  
Q3 2016

## 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        |
| <b>Biotechnology</b>                        |                        |                   |            |                  |                |          |                |              |              |              |             |                |                   |             |              |              |
| 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           |
| <b>Mean</b>                                 |                        |                   |            |                  |                |          | <b>22.8%</b>   | <b>9.3%</b>  | <b>58.3%</b> | <b>38.1%</b> | <b>2.1x</b> | <b>29.8x</b>   | <b>10.4x</b>      | <b>9.3x</b> | <b>12.7x</b> | <b>10.1x</b> |
| <b>Median</b>                               |                        |                   |            |                  |                |          | <b>25.9%</b>   | <b>13.1%</b> | <b>65.9%</b> | <b>37.2%</b> | <b>2.0x</b> | <b>18.2x</b>   | <b>9.0x</b>       | <b>8.2x</b> | <b>11.0x</b> | <b>10.5x</b> |
| <b>Pharmaceuticals</b>                      |                        |                   |            |                  |                |          |                |              |              |              |             |                |                   |             |              |              |
| 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         |
| <b>Mean</b>                                 |                        |                   |            |                  |                |          | <b>6.7%</b>    | <b>5.8%</b>  | <b>66.4%</b> | <b>31.1%</b> | <b>2.6x</b> | <b>28.8x</b>   | <b>3.9x</b>       | <b>3.8x</b> | <b>14.7x</b> | <b>11.4x</b> |
| <b>Median</b>                               |                        |                   |            |                  |                |          | <b>0.5%</b>    | <b>5.1%</b>  | <b>67.6%</b> | <b>31.2%</b> | <b>2.0x</b> | <b>30.1x</b>   | <b>3.8x</b>       | <b>3.9x</b> | <b>13.6x</b> | <b>10.9x</b> |

\* 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 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        |
| <b>Medical Devices</b>         |                        |                   |            |                  |                |          |                |              |              |              |              |                 |                   |             |              |              |
| 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           |
| <b>Mean</b>                    |                        |                   |            |                  |                |          | <b>12.3%</b>   | <b>11.9%</b> | <b>60.5%</b> | <b>18.8%</b> | <b>2.0x</b>  | <b>27.3x</b>    | <b>3.9x</b>       | <b>3.4x</b> | <b>16.1x</b> | <b>14.5x</b> |
| <b>Median</b>                  |                        |                   |            |                  |                |          | <b>3.9%</b>    | <b>5.6%</b>  | <b>67.1%</b> | <b>22.7%</b> | <b>2.2x</b>  | <b>29.5x</b>    | <b>4.2x</b>       | <b>3.9x</b> | <b>16.1x</b> | <b>14.2x</b> |

\* 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

Healthcare | Industry Spotlight  
Q3 2016

## 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        |
| <b>Medical Equipment</b>                  |                        |                   |            |                  |                |        |                |             |              |              |              |                 |                   |             |              |              |
| 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           |
| <b>Mean</b>                               |                        |                   |            |                  |                |        | <b>6.6%</b>    | <b>8.4%</b> | <b>55.1%</b> | <b>20.6%</b> | <b>2.5x</b>  | <b>33.9x</b>    | <b>3.4x</b>       | <b>3.9x</b> | <b>18.1x</b> | <b>17.3x</b> |
| <b>Median</b>                             |                        |                   |            |                  |                |        | <b>7.8%</b>    | <b>7.1%</b> | <b>55.3%</b> | <b>20.6%</b> | <b>2.5x</b>  | <b>33.5x</b>    | <b>3.5x</b>       | <b>4.2x</b> | <b>15.8x</b> | <b>15.7x</b> |

\* 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 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        |
| <b>Medical Supplies</b>       |                        |                   |            |                  |                |         |                |              |              |              |             |                |                   |             |              |              |
| 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        |
| <b>Mean</b>                   |                        |                   |            |                  |                |         | <b>4.8%</b>    | <b>9.1%</b>  | <b>55.7%</b> | <b>20.8%</b> | <b>2.1x</b> | <b>36.7x</b>   | <b>3.9x</b>       | <b>3.6x</b> | <b>17.9x</b> | <b>16.2x</b> |
| <b>Median</b>                 |                        |                   |            |                  |                |         | <b>4.1%</b>    | <b>6.6%</b>  | <b>56.3%</b> | <b>18.5%</b> | <b>1.5x</b> | <b>37.1x</b>   | <b>3.9x</b>       | <b>3.6x</b> | <b>16.9x</b> | <b>15.0x</b> |
| <b>Dental Products</b>        |                        |                   |            |                  |                |         |                |              |              |              |             |                |                   |             |              |              |
| 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        |
| <b>Mean</b>                   |                        |                   |            |                  |                |         | <b>3.3%</b>    | <b>21.0%</b> | <b>61.5%</b> | <b>23.0%</b> | <b>2.3x</b> | <b>24.2x</b>   | <b>4.9x</b>       | <b>4.5x</b> | <b>21.3x</b> | <b>18.8x</b> |
| <b>Median</b>                 |                        |                   |            |                  |                |         | <b>7.4%</b>    | <b>22.7%</b> | <b>56.3%</b> | <b>23.1%</b> | <b>2.3x</b> | <b>24.2x</b>   | <b>4.7x</b>       | <b>3.8x</b> | <b>22.3x</b> | <b>15.3x</b> |

\* 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 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 |  |  |  |  |  |  |  |  |
| <b>Contract Research Organizations</b>         |                        |                   |            |                  |                |         |                |             |             |        |             |                |                   |       |        |       |  |  |  |  |  |  |  |  |
| 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    |  |  |  |  |  |  |  |  |
| <b>Mean</b>                                    |                        |                   |            |                  |                |         | 5.6%           | 13.3%       | 36.2%       | 18.4%  | 2.8x        | 22.8x          | 2.7x              | 2.6x  | 15.7x  | 12.7x |  |  |  |  |  |  |  |  |
| <b>Median</b>                                  |                        |                   |            |                  |                |         | 4.9%           | 12.6%       | 37.2%       | 18.4%  | 3.2x        | 24.6x          | 2.7x              | 2.6x  | 14.8x  | 12.5x |  |  |  |  |  |  |  |  |
| <b>Disease Management</b>                      |                        |                   |            |                  |                |         |                |             |             |        |             |                |                   |       |        |       |  |  |  |  |  |  |  |  |
| 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 |  |  |  |  |  |  |  |  |
| <b>Mean</b>                                    |                        |                   |            |                  |                |         | (0.3%)         | (1.0%)      | 32.1%       | 10.1%  | 7.1x        | NA             | 2.2x              | 2.2x  | 25.3x  | 13.5x |  |  |  |  |  |  |  |  |
| <b>Median</b>                                  |                        |                   |            |                  |                |         | (0.3%)         | (1.0%)      | 32.1%       | 10.1%  | 7.1x        | NA             | 2.2x              | 2.2x  | 25.3x  | 13.5x |  |  |  |  |  |  |  |  |
| <b>Distribution</b>                            |                        |                   |            |                  |                |         |                |             |             |        |             |                |                   |       |        |       |  |  |  |  |  |  |  |  |
| 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  |  |  |  |  |  |  |  |  |
| <b>Mean</b>                                    |                        |                   |            |                  |                |         | 12.1%          | 5.9%        | 15.1%       | 5.5%   | 1.9x        | 19.0x          | 0.6x              | 0.6x  | 10.8x  | 9.7x  |  |  |  |  |  |  |  |  |
| <b>Median</b>                                  |                        |                   |            |                  |                |         | 6.6%           | 5.5%        | 12.3%       | 2.8%   | 1.8x        | 18.6x          | 0.3x              | 0.3x  | 9.5x   | 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 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        |
| <b>HCIT</b>                                 |                        |                   |            |                  |                |         |                |              |              |              |             |                |                   |             |              |              |
| 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        |
| IHS 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          | 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           |
| <b>Mean</b>                                 |                        |                   |            |                  |                |         | <b>16.8%</b>   | <b>30.2%</b> | <b>57.2%</b> | <b>19.7%</b> | <b>3.3x</b> | <b>36.5x</b>   | <b>3.5x</b>       | <b>3.7x</b> | <b>16.9x</b> | <b>14.2x</b> |
| <b>Median</b>                               |                        |                   |            |                  |                |         | <b>9.9%</b>    | <b>13.4%</b> | <b>58.1%</b> | <b>17.7%</b> | <b>3.3x</b> | <b>40.0x</b>   | <b>3.1x</b>       | <b>3.0x</b> | <b>16.0x</b> | <b>12.9x</b> |
| <b>Healthcare Consulting</b>                |                        |                   |            |                  |                |         |                |              |              |              |             |                |                   |             |              |              |
| 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         |
| <b>Mean</b>                                 |                        |                   |            |                  |                |         | <b>16.7%</b>   | <b>17.4%</b> | <b>35.2%</b> | <b>18.3%</b> | <b>1.1x</b> | <b>17.7x</b>   | <b>1.6x</b>       | <b>1.5x</b> | <b>9.2x</b>  | <b>8.7x</b>  |
| <b>Median</b>                               |                        |                   |            |                  |                |         | <b>11.4%</b>   | <b>10.9%</b> | <b>35.6%</b> | <b>15.7%</b> | <b>0.4x</b> | <b>18.0x</b>   | <b>2.0x</b>       | <b>1.5x</b> | <b>9.0x</b>  | <b>8.7x</b>  |

\* 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

Healthcare | Industry Spotlight  
Q3 2016

## 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        |
| <b>Healthcare Staffing</b>             |                        |                   |            |                  |                |          |                |               |              |              |              |                 |                    |             |              |              |
| 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         |
| <b>Mean</b>                            |                        |                   |            |                  |                |          | <b>28.4%</b>   | <b>17.7%</b>  | <b>30.4%</b> | <b>9.2%</b>  | <b>2.3x</b>  | <b>20.8x</b>    | <b>0.9x</b>        | <b>0.9x</b> | <b>10.4x</b> | <b>9.1x</b>  |
| <b>Median</b>                          |                        |                   |            |                  |                |          | <b>24.2%</b>   | <b>17.7%</b>  | <b>32.4%</b> | <b>10.9%</b> | <b>2.1x</b>  | <b>20.8x</b>    | <b>1.1x</b>        | <b>1.0x</b> | <b>10.1x</b> | <b>9.1x</b>  |
| <b>Managed Care</b>                    |                        |                   |            |                  |                |          |                |               |              |              |              |                 |                    |             |              |              |
| 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        |
| <b>Mean</b>                            |                        |                   |            |                  |                |          | <b>16.0%</b>   | <b>18.7%</b>  | <b>21.4%</b> | <b>6.5%</b>  | <b>2.8x</b>  | <b>21.2x</b>    | <b>0.6x</b>        | <b>0.6x</b> | <b>9.9x</b>  | <b>8.5x</b>  |
| <b>Median</b>                          |                        |                   |            |                  |                |          | <b>10.2%</b>   | <b>5.4%</b>   | <b>20.4%</b> | <b>5.8%</b>  | <b>3.2x</b>  | <b>21.8x</b>    | <b>0.6x</b>        | <b>0.6x</b> | <b>10.2x</b> | <b>8.3x</b>  |
| <b>Outsourced Pharmacy Management</b>  |                        |                   |            |                  |                |          |                |               |              |              |              |                 |                    |             |              |              |
| 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        |
| <b>Mean</b>                            |                        |                   |            |                  |                |          | <b>4.8%</b>    | <b>(1.1%)</b> | <b>17.1%</b> | <b>5.3%</b>  | <b>2.8x</b>  | <b>23.8x</b>    | <b>0.7x</b>        | <b>0.7x</b> | <b>9.1x</b>  | <b>11.1x</b> |
| <b>Median</b>                          |                        |                   |            |                  |                |          | <b>6.5%</b>    | <b>0.3%</b>   | <b>16.1%</b> | <b>6.3%</b>  | <b>2.8x</b>  | <b>23.8x</b>    | <b>0.6x</b>        | <b>0.6x</b> | <b>9.1x</b>  | <b>9.3x</b>  |
| <b>Physician Practice Management</b>   |                        |                   |            |                  |                |          |                |               |              |              |              |                 |                    |             |              |              |
| 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           |
| <b>Mean</b>                            |                        |                   |            |                  |                |          | <b>15.9%</b>   | <b>22.8%</b>  | <b>19.9%</b> | <b>11.6%</b> | <b>4.1x</b>  | <b>30.6x</b>    | <b>1.4x</b>        | <b>1.5x</b> | <b>12.1x</b> | <b>9.9x</b>  |
| <b>Median</b>                          |                        |                   |            |                  |                |          | <b>18.9%</b>   | <b>22.8%</b>  | <b>16.6%</b> | <b>9.9%</b>  | <b>4.1x</b>  | <b>30.4x</b>    | <b>1.2x</b>        | <b>1.1x</b> | <b>11.9x</b> | <b>9.5x</b>  |
| <b>Specialty Managed Care</b>          |                        |                   |            |                  |                |          |                |               |              |              |              |                 |                    |             |              |              |
| 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           |
| <b>Mean</b>                            |                        |                   |            |                  |                |          | <b>12.2%</b>   | <b>2.5%</b>   | <b>13.0%</b> | <b>8.8%</b>  | <b>1.1x</b>  | <b>32.0x</b>    | <b>0.9x</b>        | <b>0.3x</b> | <b>9.1x</b>  | <b>5.9x</b>  |
| <b>Median</b>                          |                        |                   |            |                  |                |          | <b>12.2%</b>   | <b>2.5%</b>   | <b>13.0%</b> | <b>8.8%</b>  | <b>1.1x</b>  | <b>32.0x</b>    | <b>0.9x</b>        | <b>0.3x</b> | <b>9.1x</b>  | <b>5.9x</b>  |
| <b>Specialty Pharmacy</b>              |                        |                   |            |                  |                |          |                |               |              |              |              |                 |                    |             |              |              |
| 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        |

\* 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

Healthcare | Industry Spotlight  
Q3 2016

## 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        |
| <b>Acute Care</b>                    |                        |                   |            |                  |                |         |                |              |              |              |             |                |                    |             |              |              |
| 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         |
| <b>Mean</b>                          |                        |                   |            |                  |                |         | <b>10.1%</b>   | <b>7.0%</b>  | <b>35.9%</b> | <b>13.3%</b> | <b>5.6x</b> | <b>16.4x</b>   | <b>1.1x</b>        | <b>1.0x</b> | <b>8.0x</b>  | <b>7.0x</b>  |
| <b>Median</b>                        |                        |                   |            |                  |                |         | <b>9.9%</b>    | <b>5.4%</b>  | <b>36.6%</b> | <b>11.3%</b> | <b>5.5x</b> | <b>16.4x</b>   | <b>0.9x</b>        | <b>1.0x</b> | <b>8.1x</b>  | <b>6.8x</b>  |
| <b>Alternative Site</b>              |                        |                   |            |                  |                |         |                |              |              |              |             |                |                    |             |              |              |
| 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         |
| <b>Mean</b>                          |                        |                   |            |                  |                |         | <b>32.8%</b>   | <b>16.0%</b> | <b>36.9%</b> | <b>17.0%</b> | <b>3.7x</b> | <b>15.5x</b>   | <b>2.0x</b>        | <b>1.9x</b> | <b>12.7x</b> | <b>9.9x</b>  |
| <b>Median</b>                        |                        |                   |            |                  |                |         | <b>26.6%</b>   | <b>18.1%</b> | <b>39.7%</b> | <b>15.4%</b> | <b>3.4x</b> | <b>15.0x</b>   | <b>2.1x</b>        | <b>2.1x</b> | <b>11.6x</b> | <b>8.9x</b>  |
| <b>Behavioral</b>                    |                        |                   |            |                  |                |         |                |              |              |              |             |                |                    |             |              |              |
| 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        |
| <b>Mean</b>                          |                        |                   |            |                  |                |         | <b>49.5%</b>   | <b>37.1%</b> | <b>41.0%</b> | <b>17.0%</b> | <b>5.3x</b> | <b>22.0x</b>   | <b>2.5x</b>        | <b>2.1x</b> | <b>15.5x</b> | <b>10.4x</b> |
| <b>Median</b>                        |                        |                   |            |                  |                |         | <b>59.7%</b>   | <b>40.5%</b> | <b>41.4%</b> | <b>18.0%</b> | <b>6.6x</b> | <b>22.0x</b>   | <b>2.5x</b>        | <b>2.0x</b> | <b>15.6x</b> | <b>10.3x</b> |
| <b>Clinical Labs</b>                 |                        |                   |            |                  |                |         |                |              |              |              |             |                |                    |             |              |              |
| 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           |
| <b>Mean</b>                          |                        |                   |            |                  |                |         | <b>10.9%</b>   | <b>6.8%</b>  | <b>38.4%</b> | <b>17.6%</b> | <b>2.6x</b> | <b>25.0x</b>   | <b>2.6x</b>        | <b>2.2x</b> | <b>12.0x</b> | <b>11.1x</b> |
| <b>Median</b>                        |                        |                   |            |                  |                |         | <b>4.3%</b>    | <b>5.9%</b>  | <b>36.5%</b> | <b>17.4%</b> | <b>2.9x</b> | <b>21.7x</b>   | <b>2.3x</b>        | <b>2.2x</b> | <b>11.3x</b> | <b>10.3x</b> |
| <b>Diagnostic Imaging</b>            |                        |                   |            |                  |                |         |                |              |              |              |             |                |                    |             |              |              |
| 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           |
| <b>Mean</b>                          |                        |                   |            |                  |                |         | <b>10.6%</b>   | <b>9.2%</b>  | <b>32.2%</b> | <b>18.9%</b> | <b>5.3x</b> | <b>20.2x</b>   | <b>1.3x</b>        | <b>1.1x</b> | <b>7.6x</b>  | <b>7.6x</b>  |
| <b>Median</b>                        |                        |                   |            |                  |                |         | <b>10.6%</b>   | <b>9.2%</b>  | <b>32.2%</b> | <b>18.9%</b> | <b>5.3x</b> | <b>20.2x</b>   | <b>1.3x</b>        | <b>1.1x</b> | <b>7.6x</b>  | <b>7.6x</b>  |

\* 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 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 |
| <b>Dialysis</b>                          |                        |                   |            |                  |                |         |                |             |             |        |              |                 |                   |       |        |       |
| 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    |
| <b>Mean</b>                              |                        |                   |            |                  |                |         | 10.2%          | 7.8%        | 34.2%       | 21.5%  | 3.2x         | 31.0x           | 1.8x              | 1.7x  | 8.9x   | 9.5x  |
| <b>Median</b>                            |                        |                   |            |                  |                |         | 7.8%           | 7.1%        | 34.0%       | 19.5%  | 2.9x         | 31.0x           | 1.7x              | 1.7x  | 8.7x   | 9.5x  |
| <b>Post-Acute</b>                        |                        |                   |            |                  |                |         |                |             |             |        |              |                 |                   |       |        |       |
| 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  |
| <b>Mean</b>                              |                        |                   |            |                  |                |         | 15.9%          | 11.0%       | 33.5%       | 10.6%  | 3.4x         | 24.0x           | 1.1x              | 1.1x  | 11.4x  | 9.0x  |
| <b>Median</b>                            |                        |                   |            |                  |                |         | 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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