



**CAPITAL
ALLIANCE**

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Mergers &
Acquisitions

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Strategic
Advisory

Market Monitor

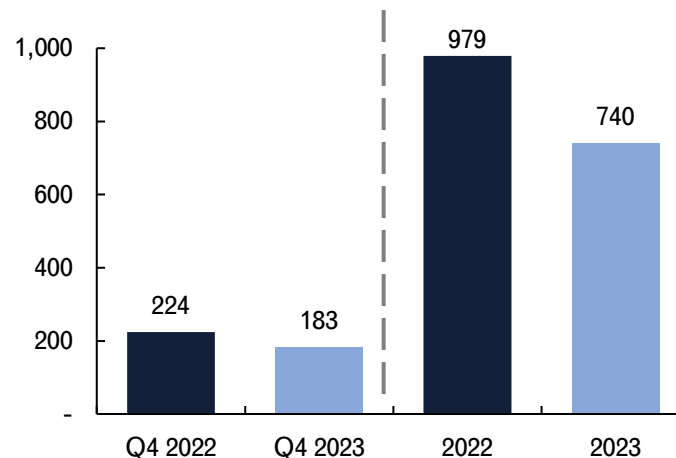
Winter 2023-2024

Healthcare

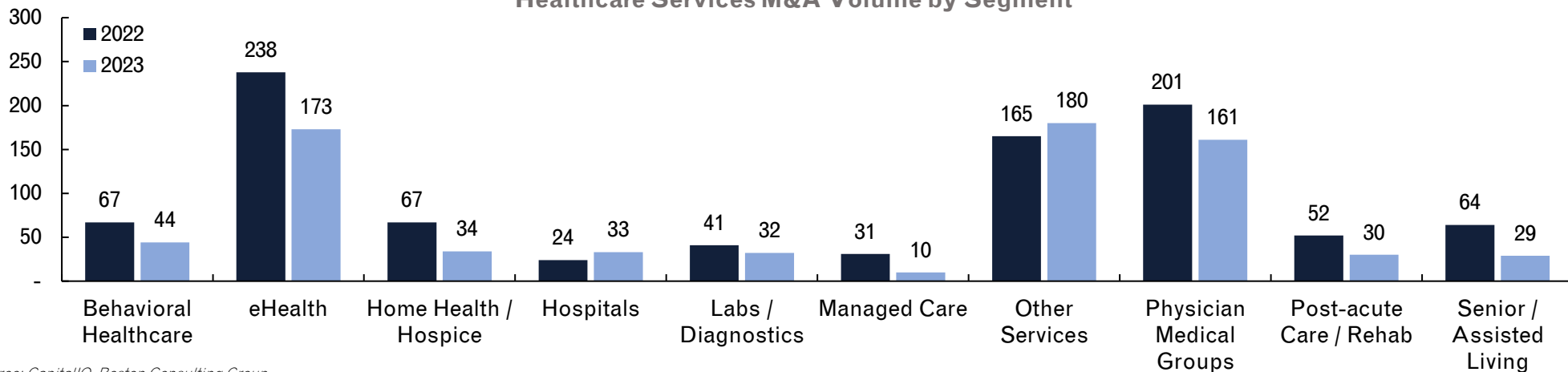
2023 Healthcare Services M&A Activity

- In Q4 2023, U.S. healthcare services M&A volume reached 183 transactions, with a total of 740 closed deals in 2023, representing a 24.4% decrease from 2022. In 2024, there is anticipation for increased M&A activity driven by private equity investors needing to offload assets and deploy capital. The average holding period among U.S. and Canadian private equity funds spiked to 7.1 years in 2023, the longest in 20+ years, paired with a record-high dry powder of nearly \$1 trillion.
- Further, with the Fed signaling the possibility of three rate decreases in 2024, that will hopefully loosen up the debt markets and drive additional activity.
- As healthcare organizations have navigated the various challenge in today's environment, those that have been able to differentiate and traverse the landscape are positioning themselves as prime acquisition candidates for both strategic and financial buyers.
- In 2024, we see payer and patient pressure continue to drive the shift of care to outpatient settings as organizations continue to bend the cost curve and provide care in the lowest cost setting, and more organizations adopt technologies that create greater efficiencies.

Total U.S. Healthcare Services M&A Volume



Healthcare Services M&A Volume by Segment



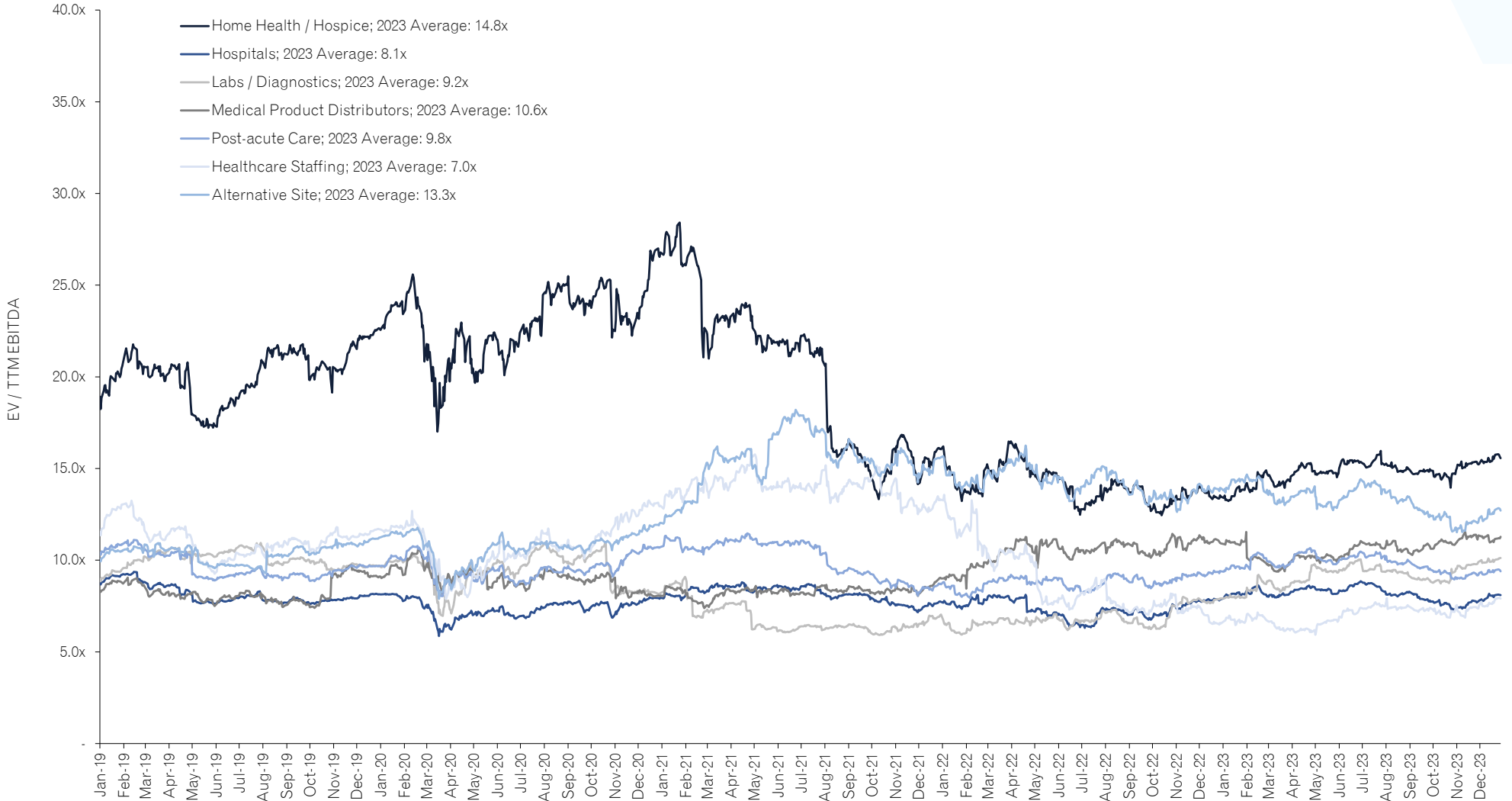
TRANSACTION DATA

Select, Recent M&A Activity

(\$ in millions)

Announced Date	Target	Acquirer/Investor	Short Description	Transaction Value
Oct-23	Concentric Partners LLC	Accenture Song	Provides marketing services for companies in the healthcare industry	\$245.0
Oct-23	Alvarado Hospital Medical Center, Inc.	The University of California San Diego Health System	Operates an acute care hospital located in San Diego, California	\$200.0
Oct-23	Aquity Solutions, LLC	Inventurus Knowledge Solutions, Inc.	Offers documentation solutions for healthcare systems and practices	\$200.0
Oct-23	Medical Search International/DRW Healthcare Staffing	AMN Healthcare Services, Inc.	Provide healthcare staffing solutions	\$300.0
Sep-23	Worldwide Home Care Division of Sodexo	The Halifax Group	Operates as one of the largest personal home care providers in the U.S. with more than 700 locations across eight countries	Confidential
Sep-23	NextGen Healthcare, Inc.	Thoma Bravo, L.P.; Thoma Bravo Discover Fund IV	Provides innovative, cloud-based healthcare technology solutions	\$1,981.9
Aug-23	Tabula Rasa HealthCare, Inc.	Exact Care Pharmacy, LLC	Provides comprehensive pharmacy services and a suite of clinical and business management tools	\$657.9
Aug-23	Family First Adolescent Services	NaviMed / Health Enterprise Partners	Provides best-in-class mental health and substance abuse treatment programs for adolescents	Confidential
Jul-23	Bravera Health Brookville, Spring Hill and Crystal River Florida	Florida Health Sciences Center, Inc.; FHSC Real Property I, LLC; TGH Ambulatory Services Company	Operates hospitals including urgent care centers, freestanding emergency departments and more	\$290.0
Jul-23	Nextech Systems, LLC	TPG Capital, L.P.	Develops healthcare technology solutions for specialty providers	\$1,400.0
Jul-23	CorEvitas, LLC	Thermo Fisher Scientific Inc.	Develops data and analytics solutions for biopharmaceutical companies	\$914.0
Jun-23	Single Vision Solution, Inc.	Fielmann Aktiengesellschaft (nka:Fielmann Group AG)	Operates as a managed care company	\$112.4
Jun-23	American Home Care, LLC	Addus HealthCare, Inc.	Provides home health, hospice and private nursing services	\$111.2
Apr-23	OneOncology, LLC	AmerisourceBergen Corporation (nka:Cencora, Inc.); TPG Inc.	Operates as a community oncology care provider	\$2,100.0
Mar-23	Weekend Health, Inc.	WW International, Inc.	Offers platform for virtual care services	\$130.2
Feb-23	Oak Street Health, Inc.	CVS Health Corporation	Operates primary care centers	\$10,892.5
Jan-23	San Ramon Regional Medical Center, LLC	John Muir Health	Provides inpatient and outpatient services as a medical center	\$142.5

Public Company Valuation Timeline



MARKET DATA

Public Company Valuations

		12/31/24			TTM Data					EV Multiple			
\$ in millions, except per share data		Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	EBITDA	EBITDA Margin	TTM Sales	TTM EBITDA	NTM Sales	NTM EBITDA
Category	Company Name												
eHealth	Veeva Systems Inc.	\$207.89	\$33,354	\$29,470	\$2,296	\$1,629	70.9%	\$435	18.9%	NM	NM	NM	29.4x
	Evolut Health, Inc.	30.40	3,473	4,118	1,790	442	24.7%	108	6.0%	2.30x	38.2x	1.82x	17.7x
	Teladoc Health, Inc.	20.48	3,351	3,903	2,580	1,824	70.7%	23	0.9%	1.51x	NM	1.43x	11.0x
	Omniceil, Inc.	33.58	1,489	1,654	1,186	520	43.9%	18	1.5%	1.39x	NM	1.55x	14.8x
	Veradigm Inc.	9.39	986	712	1,529	774	50.6%	115	7.5%	0.47x	6.2x	1.13x	4.5x
	Health Catalyst, Inc.	9.49	531	433	290	135	46.4%	(61)	NA	1.49x	NA	1.36x	26.1x
	Median Average		\$2,420	\$7,197	\$2,779	\$1,660	\$647	48.5%	\$65	6.0%	1.49x	22.2x	1.43x
Home Health / Hospice	Chemed Corporation	\$605.90	\$8,921	\$8,884	\$2,225	\$768	34.5%	\$369	16.6%	3.99x	24.1x	3.76x	17.5x
	Amedisys, Inc.	95.08	3,093	3,558	2,228	986	44.3%	217	9.7%	1.60x	16.4x	1.55x	14.8x
	Addus HomeCare Corporation	91.19	1,459	1,597	1,029	324	31.5%	102	9.9%	1.55x	15.6x	1.42x	12.5x
	Enhabit, Inc.	10.75	512	1,129	1,049	513	49.0%	82	7.8%	1.08x	13.8x	1.06x	11.8x
	The Pennant Group, Inc.	16.15	470	791	524	111	21.2%	31	5.8%	1.51x	25.9x	1.41x	8.9x
	Aveanna Healthcare Holdings Inc.	2.50	443	1,893	1,868	576	30.8%	113	6.0%	1.01x	16.8x	0.97x	12.9x
	Median Average		\$986	\$2,483	\$1,745	\$1,458	\$545	33.0%	\$107	8.8%	1.53x	16.6x	1.41x
Hospitals	HCA Healthcare, Inc.	\$289.15	\$77,025	\$119,987	\$63,162	\$24,443	38.7%	\$12,277	19.4%	1.90x	9.8x	1.80x	9.4x
	Universal Health Services, Inc.	156.48	10,772	16,121	14,025	5,495	39.2%	1,734	12.4%	1.15x	9.3x	1.09x	8.9x
	Tenet Healthcare Corporation	82.13	8,345	26,050	20,159	7,496	37.2%	3,589	17.8%	1.29x	7.3x	1.24x	7.6x
	Community Health Systems, Inc.	3.70	482	13,484	12,450	5,055	40.6%	1,300	10.4%	1.08x	10.4x	1.07x	8.7x
	Median Average		\$9,558	\$24,156	\$21,085	\$17,092	\$6,495	38.9%	\$2,662	15.1%	1.22x	9.5x	1.16x
Labs / Diagnostics	Laboratory Corporation of America Holdings	\$225.71	\$19,200	\$24,916	\$15,071	\$4,018	26.7%	\$2,128	14.1%	1.65x	11.7x	2.00x	11.5x
	Quest Diagnostics Incorporated	130.75	14,906	19,789	9,297	3,106	33.4%	1,705	18.3%	2.13x	11.6x	2.12x	10.4x
	Median Average		\$17,053	\$22,352	\$12,184	\$3,562	30.0%	\$1,916	16.2%	1.89x	11.7x	2.06x	10.9x

Note: Not meaningful (NM) if EV/Sales is greater than 10x, or EV/EBITDA is greater than 40x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. NTM figures are based on the median estimate of Wall St. analysts.

Source: CapitalIQ, company filings.

MARKET DATA

Public Company Valuations

\$ in millions, except per share data		12/31/24	TTM Data							EV Multiple			
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	EBITDA	EBITDA Margin	TTM Sales	TTM EBITDA	NTM Sales	NTM EBITDA
Medical Product Distributors	McKesson Corporation	\$488.17	\$64,482	\$69,690	\$291,098	\$12,202	4.2%	\$4,897	1.7%	0.24x	14.2x	0.22x	12.7x
	Cencora, Inc.	218.47	43,440	46,887	262,173	8,807	3.4%	3,506	1.3%	0.18x	13.4x	0.17x	12.0x
	Cardinal Health, Inc.	105.45	25,997	26,822	210,172	7,043	3.4%	2,624	1.2%	0.13x	10.2x	0.12x	9.3x
	Henry Schein, Inc.	74.58	9,621	13,192	12,693	3,935	31.0%	1,072	8.4%	1.04x	12.3x	1.04x	13.2x
	Owens & Minor, Inc.	19.38	1,429	3,670	10,229	1,962	19.2%	359	3.5%	0.36x	10.2x	0.35x	6.0x
	Median Average		\$25,997	\$26,822	\$210,172	\$7,043	4.2%	\$2,624	1.7%	0.24x	12.3x	0.22x	12.0x
Post-acute Care	Encompass Health Corporation	\$70.82	\$7,063	\$10,517	\$4,692	\$1,940	41.3%	\$989	21.1%	2.24x	10.6x	2.06x	10.5x
	Select Medical Holdings Corporation	117.20	6,493	7,904	3,559	596	16.7%	377	10.6%	2.22x	21.0x	1.99x	17.2x
	The Ensign Group, Inc.	26.87	3,434	8,575	6,587	1,273	19.3%	729	11.1%	1.30x	11.8x	1.25x	9.9x
	Median Average	\$6,493	\$8,575	\$4,692	\$1,273	19.3%	\$729	11.1%	2.22x	11.8x	1.99x	10.5x	
Healthcare Staffing	ASGN Incorporated	\$94.22	\$4,407	\$5,362	\$4,527	\$1,315	29.1%	\$472	10.4%	1.18x	11.4x	1.25x	11.0x
	AMN Healthcare Services, Inc.	75.06	2,804	3,714	4,096	1,364	33.3%	580	14.2%	0.91x	6.4x	1.12x	9.2x
	Cross Country Healthcare, Inc.	22.68	774	766	2,234	499	22.3%	172	7.7%	0.34x	4.4x	0.48x	8.0x
	Median Average	\$2,804	\$3,714	\$4,096	\$1,315	29.1%	\$472	10.4%	0.91x	6.4x	1.12x	9.2x	
Alternate site	Acadia Healthcare Company, Inc.	\$85.35	\$7,923	\$9,455	\$2,861	\$1,218	42.6%	\$616	21.5%	3.30x	15.3x	3.03x	13.1x
	Option Care Health, Inc.	32.39	5,673	6,445	4,205	965	23.0%	360	8.6%	1.53x	17.9x	1.42x	15.0x
	Surgery Partners, Inc.	32.30	4,027	8,108	2,715	638	23.5%	513	18.9%	2.99x	15.8x	2.78x	16.9x
	RadNet, Inc.	37.96	2,565	3,938	1,580	335	21.2%	216	13.7%	2.49x	18.2x	2.33x	16.4x
	U.S. Physical Therapy, Inc.	95.48	1,400	1,686	585	119	20.3%	84	14.4%	2.88x	20.0x	2.70x	20.3x
	dentalcorp Holdings Ltd.	5.09	960	1,908	1,031	496	48.1%	112	10.8%	1.85x	17.1x	1.66x	9.1x
	Pediatric Medical Group, Inc.	9.47	772	1,354	2,012	436	21.7%	211	10.5%	0.67x	6.4x	0.66x	6.6x
	ModivCare Inc.	40.70	563	1,663	2,702	450	16.6%	149	5.5%	0.62x	11.2x	0.58x	7.9x
Median Average	\$1,983	\$2,923	\$2,357	\$473	22.3%	\$213	12.2%	2.17x	16.5x	2.00x	14.0x		
Overall Healthcare Services	Median Average	\$3,434	\$5,362	\$2,715	\$986	31.0%	\$369	10.4%	1.44x	12.3x	1.38x	11.5x	
		\$10,342	\$13,788	\$26,554	\$2,806	31.7%	\$1,144	10.5%	1.49x	14.1x	1.44x	12.5x	

Note: Not meaningful (NM) if EV/Sales is greater than 10x, or EV/EBITDA is greater than 40x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. NTM figures are based on the median estimate of Wall St. analysts.

Source: CapitalIQ, company filings.

What We're About

Results Driven

Meticulously craft a transaction blueprint with steadfast commitment to achieve our clients' goals

Experienced Investment Banking Professionals

A 20-year firm with professionals with 120 years combined experience in middle market mergers & acquisitions and corporate finance advisory services

Objective Advice

We provide frank advice, backed with analysis and perspective, to map out and execute a process to reach our clients' transaction objectives

Industry Expertise

Real-time pulse of sector activity, corporate, family office & private equity participants and enterprise valuation metrics

The Right Capital

Capital is a commodity ... the investor behind the capital is targeted based on our clients' objectives

Senior Banker Immersion

From engagement inception through post-closing transaction functions, our senior bankers are front and center

Services & Industries

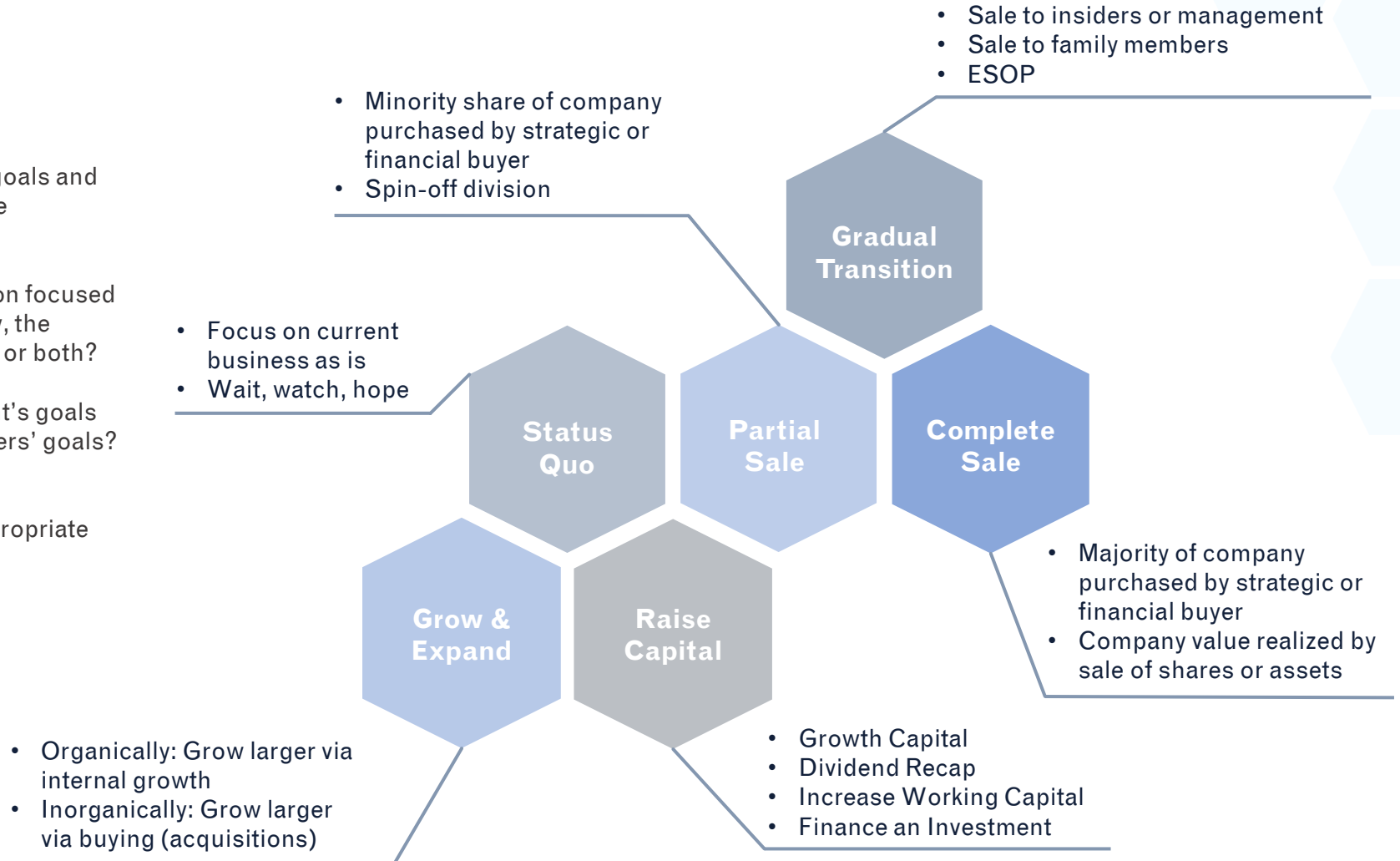
With more than 250 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

- Merger and Acquisition Advisory
- Equity and Debt Capital Placement
- Strategic Alternatives Assessment
- Exclusive Sales and Divestitures
- Strategic Planning
- Management Buy-outs
- Recapitalizations















































Our Clients

- What are your goals and objectives of the transaction?
- Is the transaction focused on the company, the shareholder(s), or both?
- Do management's goals differ from owners' goals? How so?
- What is the appropriate timing?



EXPERIENCE

Proven Track Record of Successful Healthcare Transactions

 <p>has acquired</p>  <p>The Worldwide Home Care division of</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p> 
 <p>formed an affiliation with</p> 	 <p>has been acquired by</p> 	<p>We provided investment banking services for</p> 	 <p>formed an affiliation with</p> 	 <p>has been acquired by</p> 	<p>We provided investment banking services for</p> 	<p>We provided investment banking services for</p> 	 <p>has been acquired by</p> 
<p>We provided investment banking services for</p> 	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 	<p>Anesthesia Services Inc.</p> <p>has been acquired by</p> 	<p>Community Psychiatry</p> <p>has been acquired by</p> 	<p>Home Pharmacy of California</p> <p>has been acquired by</p> 	 <p>has been acquired by</p> 	<p>KMH</p> <p>CARDIOLOGY CENTRES INC.</p> <p>has acquired</p> 

*Represents a transaction executed by principals of Hexagon Capital Alliance at a prior firm

EXPERIENCE

Proven Track Record of Successful Outcomes

- Deep expertise and strong relationships with relevant market participants
- Battle tested process that drives maximum valuation and enhanced terms
- Exclusive focus on private, middle market companies
- A life-cycle approach to client service



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