



**CAPITAL
ALLIANCE**

EST. 1999

Mergers &
Acquisitions

Capital
Raise

Strategic
Advisory

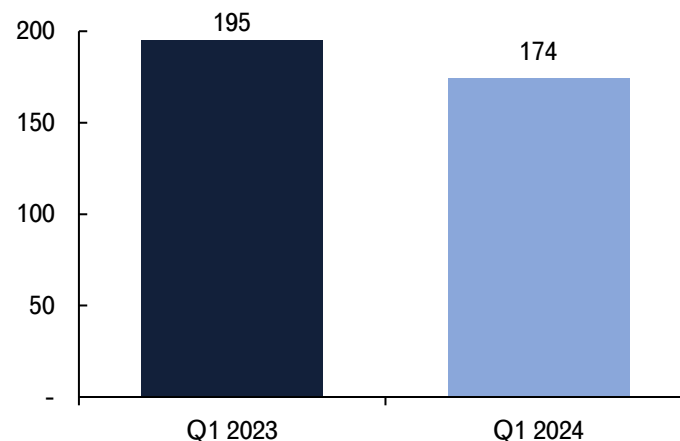
**Healthcare
Market Monitor
*Spring 2024***



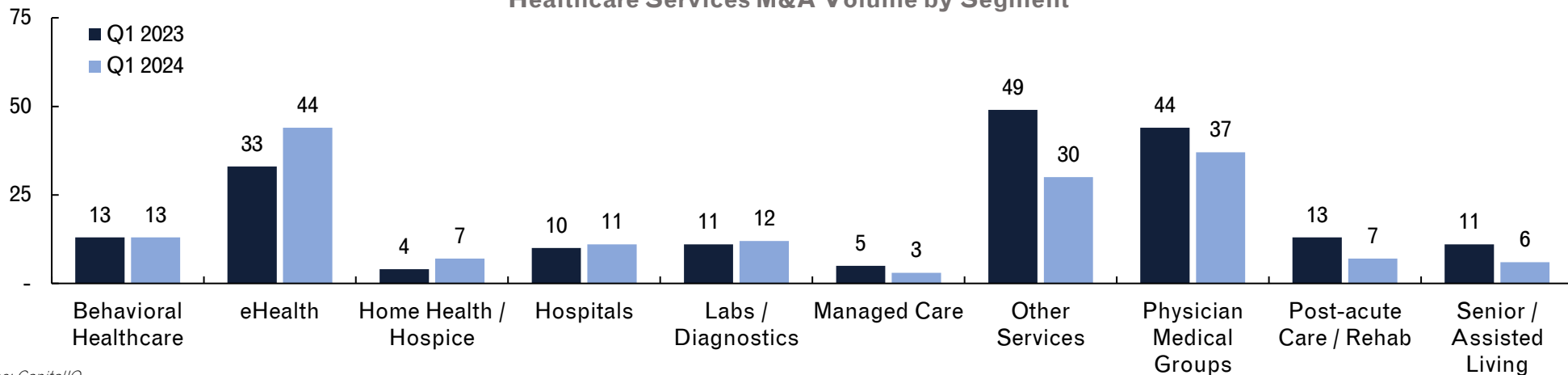
Q1 2024 Healthcare Services M&A Activity

- In Q1 2024, U.S. healthcare services M&A volume reached 174 transactions, representing a 10.8% decrease from the same quarter in 2023.
- Although the number of physician medical group transactions declined compared to Q1 of last year, from a volume perspective, it was the 2nd largest segment in Q1 2024. The physician services sector has seen continued consolidation with smaller add-on deals instead of larger platform transactions.
- The healthcare services industry continues to have an increased emphasis on outpatient care, driven by increased cost effectiveness for providers and patients, greater specialization, and a focus on prevention and early intervention.
- Despite challenging operating conditions such as staffing shortages and increased regulatory scrutiny, we see the pace of M&A activity picking up due to anticipated interest rate decreases and increasing public company valuations.

Total U.S. Healthcare Services M&A Volume



Healthcare Services M&A Volume by Segment



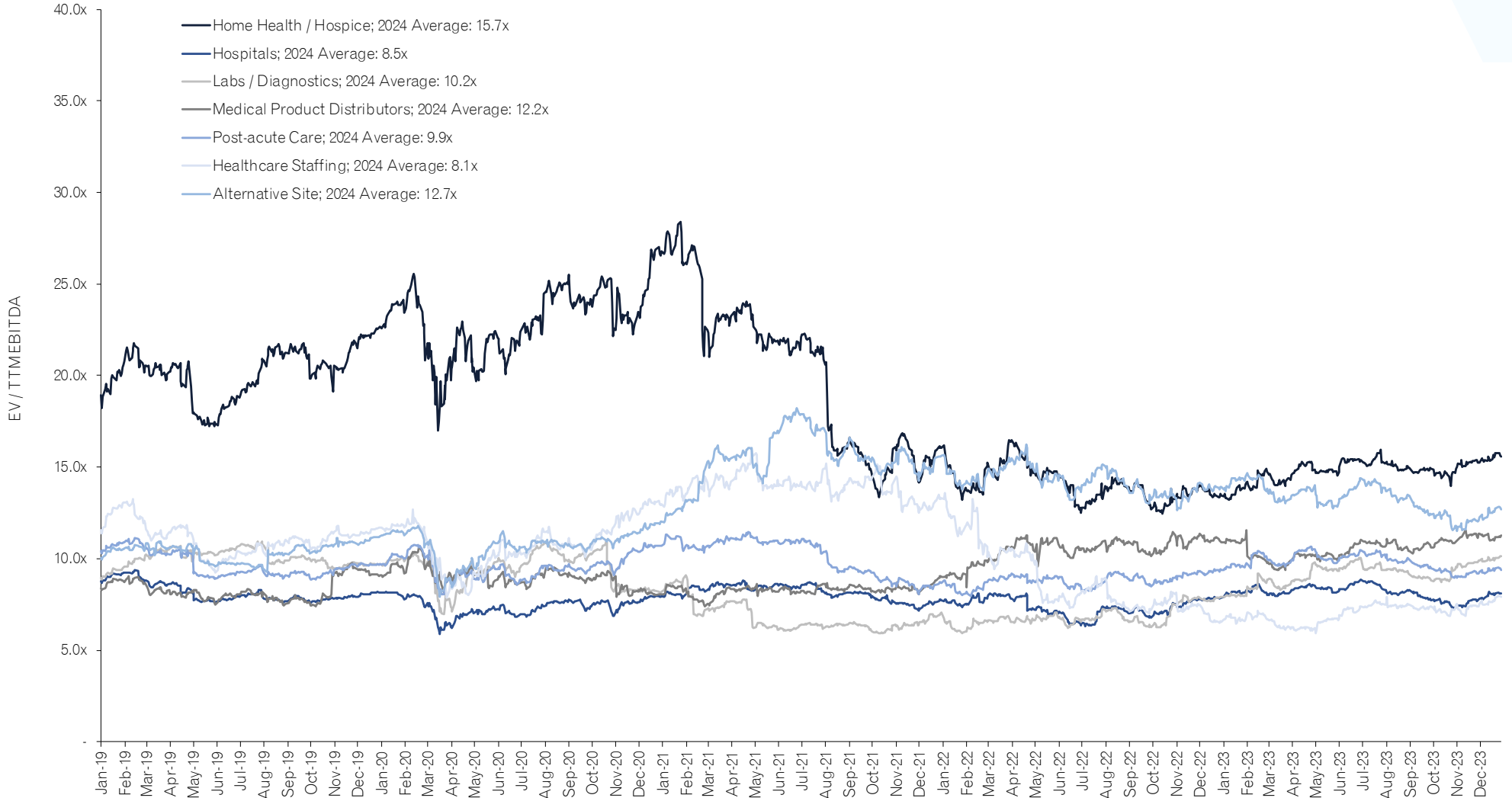
TRANSACTION DATA

Select, Recent M&A Activity

(\$ in millions)

Announced Date	Target	Acquirer/Investor	Short Description	Transaction Value
Feb-24	Sierra Vista Hospital, Inc/Twin Cities Community Hospital, Inc.	Adventist Health System/West	Two hospitals located in California	\$550.0
Feb-24	Assets of Lenco Diagnostic Laboratories	Quest Diagnostics Incorporated	Operates as an independent clinical diagnostic laboratory	\$111.0
Feb-24	Cascade Bio, Inc.	Veradigm Inc.	Develops a healthcare AI platform for healthcare organizations	\$183.6
Jan-24	Autism Spectrum Interventions	Fletch Equity	Provides school and home-based applied behavioral analysis therapy throughout Southern California	Confidential
Dec-23	Ametros Financial Corporation	Webster Bank, N.A.	Provides professional administration of Medicare Set-Asides	\$350.0
Dec-23	Acclara Solutions, LLC	R1 RCM Inc.	Provides revenue recovery services for hospitals, health systems and physician practices	\$680.7
Nov-23	Coastal Carolina Hospital/East Cooper Medical Center/Hilton Head Hospital	Novant Health, Inc.	Operates three coastal hospitals and associated physician clinics	\$2,400.0
Nov-23	Cloudbreak Health, LLC	GTCR LLC	Provides telemedicine and video medical interpretation solutions	\$180.0
Nov-23	Advanced Health Management Systems, L.P. / All Assets of Community Family Care Medical Group IPA	Network Medical Management, Inc. (nka:Astrana Health Management, Inc.)	Provides medical care to patients in California	\$204.3
Oct-23	CAE Healthcare, Inc.	Madison Industries Holdings LLC	Develops learning tools and simulation solutions for healthcare education	\$226.0
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

Public Company Valuation Timeline



MARKET DATA

Public Company Valuations

		3/31/24			TTM Data					EV Multiple			
<i>\$ in millions, except per share data</i>		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.	\$231.69	\$37,375	\$33,403	\$2,364	\$1,686	71.3%	\$462	19.5%	NM	NM	NM	30.4x
	Evolut Health, Inc.	32.79	3,735	4,365	1,964	460	23.4%	127	6.5%	2.22x	34.2x	1.78x	17.2x
	Teladoc Health, Inc.	15.10	2,522	2,995	2,602	1,842	70.8%	46	1.8%	1.15x	NM	1.12x	8.2x
	Omnicell, Inc.	29.23	1,342	1,488	1,147	500	43.6%	37	3.2%	1.30x	40.1x	1.40x	15.0x
	Veradigm Inc.	7.70	835	561	1,529	774	50.6%	115	7.5%	0.37x	4.9x	0.89x	3.4x
	Health Catalyst, Inc.	7.53	441	372	296	135	45.6%	(53)	NA	1.26x	NA	1.21x	15.0x
	Median Average		\$1,932	\$7,708	\$2,241	\$1,746	\$637	48.1%	\$81	6.5%	1.26x	34.2x	1.21x
					\$1,650	\$900	50.9%	\$122	7.7%	1.26x	26.4x	1.28x	14.9x
Home Health / Hospice	Chemed Corporation	\$641.93	\$9,704	\$9,580	\$2,264	\$799	35.3%	\$399	17.6%	4.23x	24.0x	3.95x	18.6x
	Amedisys, Inc.	92.16	3,011	3,425	2,236	991	44.3%	217	9.7%	1.53x	15.8x	1.48x	13.6x
	Addus HomeCare Corporation	103.34	1,656	1,767	1,059	343	32.4%	111	10.5%	1.67x	15.9x	1.55x	13.4x
	The Pennant Group, Inc.	19.63	589	918	545	114	21.0%	30	5.6%	1.68x	30.2x	1.50x	10.0x
	Enhabit, Inc.	11.65	584	1,200	1,046	511	48.8%	69	6.6%	1.15x	17.4x	1.10x	11.6x
	Aveanna Healthcare Holdings Inc.	2.49	479	1,934	1,895	595	31.4%	122	6.4%	1.02x	15.8x	0.98x	13.1x
	Median Average		\$1,123	\$2,671	\$1,850	\$1,477	\$553	33.8%	\$117	8.2%	1.60x	16.6x	1.49x
					\$1,508	\$559	35.5%	\$168	9.4%	1.88x	19.9x	1.76x	13.4x
Hospitals	HCA Healthcare, Inc.	\$333.53	\$88,218	\$131,889	\$64,968	\$25,579	39.4%	\$12,704	19.6%	2.03x	10.4x	1.91x	10.0x
	Universal Health Services, Inc.	182.46	12,265	17,565	14,282	5,642	39.5%	1,743	12.2%	1.23x	10.1x	1.13x	8.9x
	Tenet Healthcare Corporation	105.11	10,510	29,347	20,548	7,805	38.0%	3,659	17.8%	1.43x	8.0x	1.46x	8.7x
	Community Health Systems, Inc.	3.50	457	13,161	12,490	5,082	40.7%	1,295	10.4%	1.05x	10.2x	1.05x	8.5x
	Median Average		\$11,388	\$27,863	\$23,456	\$17,415	\$6,723	39.4%	\$2,701	15.0%	1.33x	10.1x	1.29x
					\$28,072	\$11,027	39.4%	\$4,850	15.0%	1.44x	9.7x	1.39x	9.0x
Labs / Diagnostics	Laboratory Corporation of America Holdings	\$218.46	\$18,372	\$23,805	\$12,162	\$3,365	27.7%	\$1,619	13.3%	1.96x	14.7x	1.87x	10.8x
	Quest Diagnostics Incorporated	133.11	14,736	19,659	9,252	3,069	33.2%	1,773	19.2%	2.12x	11.1x	2.09x	10.6x
	Median Average		\$16,554	\$21,732	\$10,707	\$3,217	30.4%	\$1,696	16.2%	2.04x	12.9x	1.98x	10.7x
					\$10,707	\$3,217	30.4%	\$1,696	16.2%	2.04x	12.9x	1.98x	10.7x

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

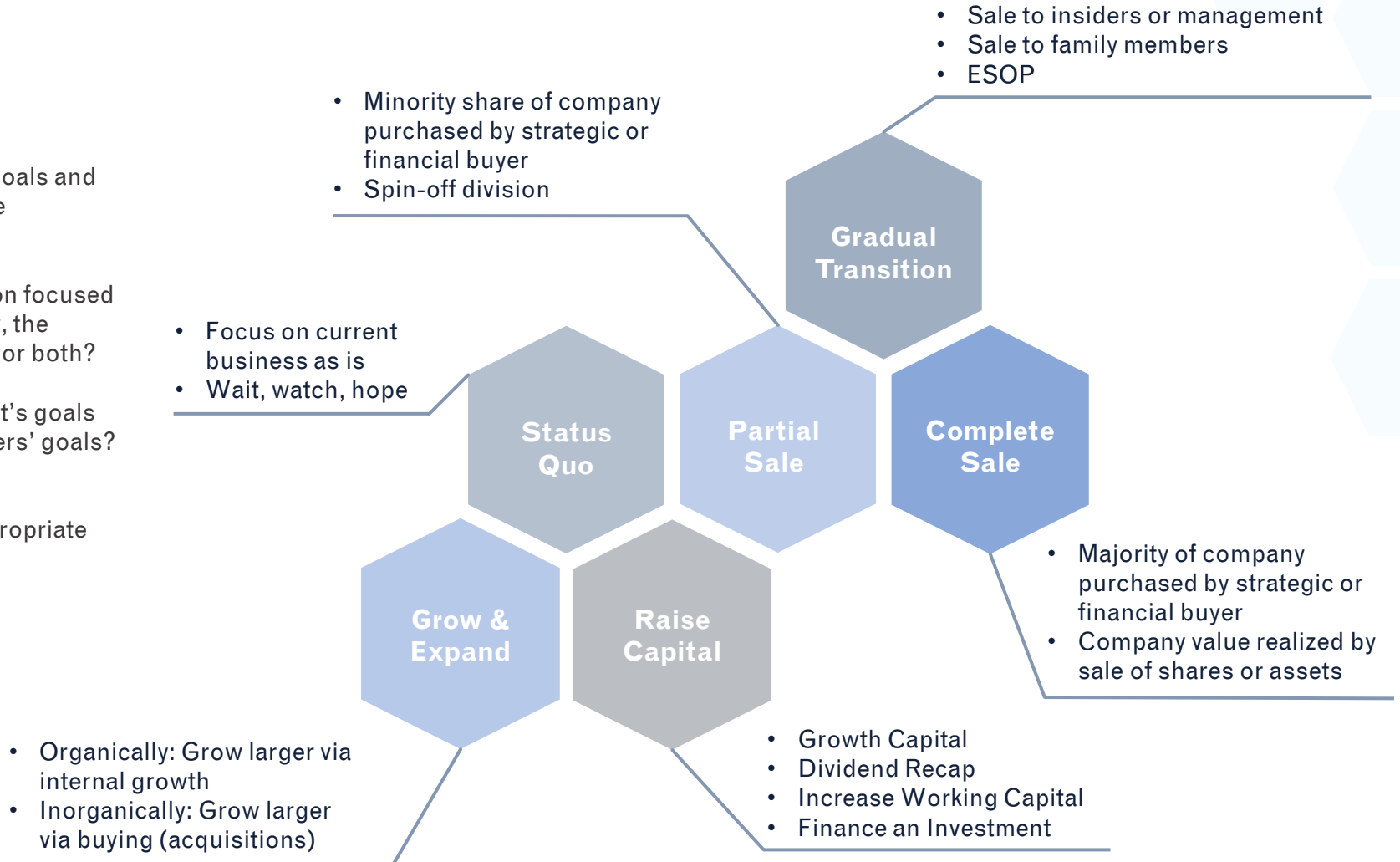
With more than 250 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

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


































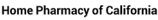



Our Clients

- 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 been acquired by</p> 	 <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>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>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>formed an affiliation with</p> 	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</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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The background of the slide features several overlapping, semi-transparent images of medical CT scans. These scans show cross-sections of the human body, likely the head and neck area, with various anatomical structures visible in grayscale. The scans are arranged in a way that they appear to be part of a larger set of diagnostic images, with some showing different slices or views of the same area. The overall aesthetic is professional and clinical.

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