



# Healthcare and Life Science Industry

**QUARTERLY UPDATE**

**Q4 2021**

**Record Healthcare M&A Activity in 2021**

**Deal Activity Remains Strong Into 2022**





# Market Summary & Outlook | Q4 2021

Stout’s index of healthcare companies was flat in 4Q’21 and up 13.9% on the year versus an S&P 500 increase of 11.0% and 26.9%, respectively. Healthcare M&A activity hit record levels in both the fourth quarter and full year of 2021.

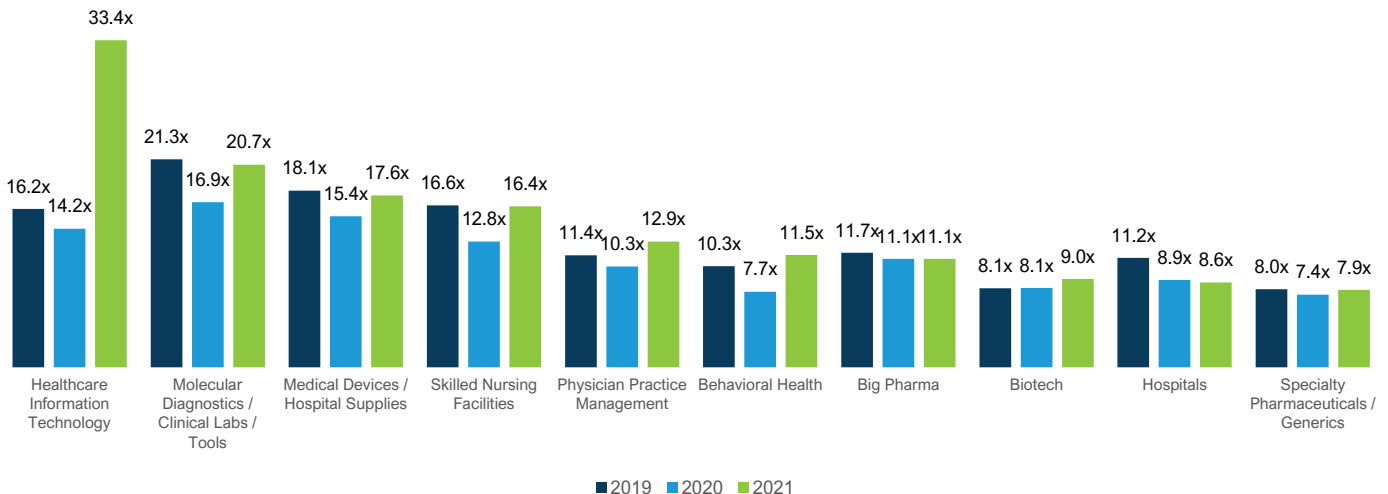
## INTRODUCTION

The S&P 500 index increased 26.9% in 2021, while healthcare underperformed, jumping an average of 13.9% across all subsectors. The broader market “shook off” an ongoing pandemic and news around new variants, supply chain disruptions, inflationary concerns, and reports that the Federal Reserve would move on multiple interest rate hikes in 2022. Both the economy and market have benefited from the Paycheck Protection Program and other stimulus packages, but now, the advent of inflation and a mounting national debt will likely curtail the implementation of further stimulus packages, with the Fed finding itself in the difficult spot of having to potentially contend with the impact of rising interest rates on interest payments versus the need to mitigate inflation. The market has since declined 12.3% year to date in 2022 (as of March 11) on news of the ongoing conflict in Ukraine as well as enduring supply chain challenges that Stout is hearing about from its clients.

## SUBSECTOR ANALYSIS

### Subsector Average EBITDA Multiple

(Public Company Multiples Based on Enterprise Value/LTM EBITDA)



Source: S&P Capital IQ, FRED Economic Data

# Market Summary & Outlook (cont.)

## Healthcare Services

Hospitals, however, outperformed the broader market. The hospital equities tracked by Stout were up an average of 45% for the year as the industry saw a post-COVID rebound in high-margin elective procedures and lower costs associated with managing COVID-19 patients. Hospitals have also generally streamlined their cost structures and have been expanding outpatient operations to boost revenue and profitability.

The behavioral health and physician practice management sectors each observed an increase of 36% on average in 2021, outperforming the market, as these subsectors also benefited from patients returning to the office for live visits. Conversely, telemedicine stock leader Teladoc stumbled 54% during the year. Healthcare information technology stock performance was bifurcated between the companies in electronic medical records, data analytics, and medical practice operations support and software performing well, while telemedicine suffered from a decline in the volume and expectation for virtual visits. Skilled nursing lagged in the healthcare service sector, increasing only 6.2%, as the industry continues to face secular challenges associated with care being moved to the lower-cost home setting and census challenges that emerged during COVID-19.

Stout has seen strength in private pay practices throughout the United States' \$10 billion med spa segment, where data from the American Med Spa Association (2019) exhibits market growth of over 20% and notes that single-location facilities represent 83% of total med spas, indicating a very fragmented industry.

Further, Stout is also seeing an emergence of private equity roll-ups in new physician practice management sub-segments, including ENT, urology, med spas, and rheumatology.

Stout is actively working on assignments within healthcare distribution and home durable medical equipment, where the market is growing and moving toward capitation from traditional fee-for-service models. The capitation model is compelling, as the provider receives cash up front without the concern of having to collect from insurance, while avoiding the regulatory scrutiny of government-backed plans. There has also been political support emerging for reimbursement increases for the sector.

## Medical Devices & Life Sciences

A number of the life science sectors tracked by Stout dragged down performance of the broader healthcare sector, with biotechnology (+2.8%), specialty pharmaceuticals (-12%), pharmaceuticals (+12.6%), and medical devices and hospital supplies (+6.3%) all underperforming. Specialty pharmaceuticals continue to be plagued by the opioid crisis and new regulatory mandates that have led to the creation of a centralized database that physicians must utilize for monitoring and prescribing opioids to preclude abuse and doctor shopping. Lawsuits, generic competition, and drug pricing pressure also continue to put stress on revenue and margins as well as general investor perception of the group.

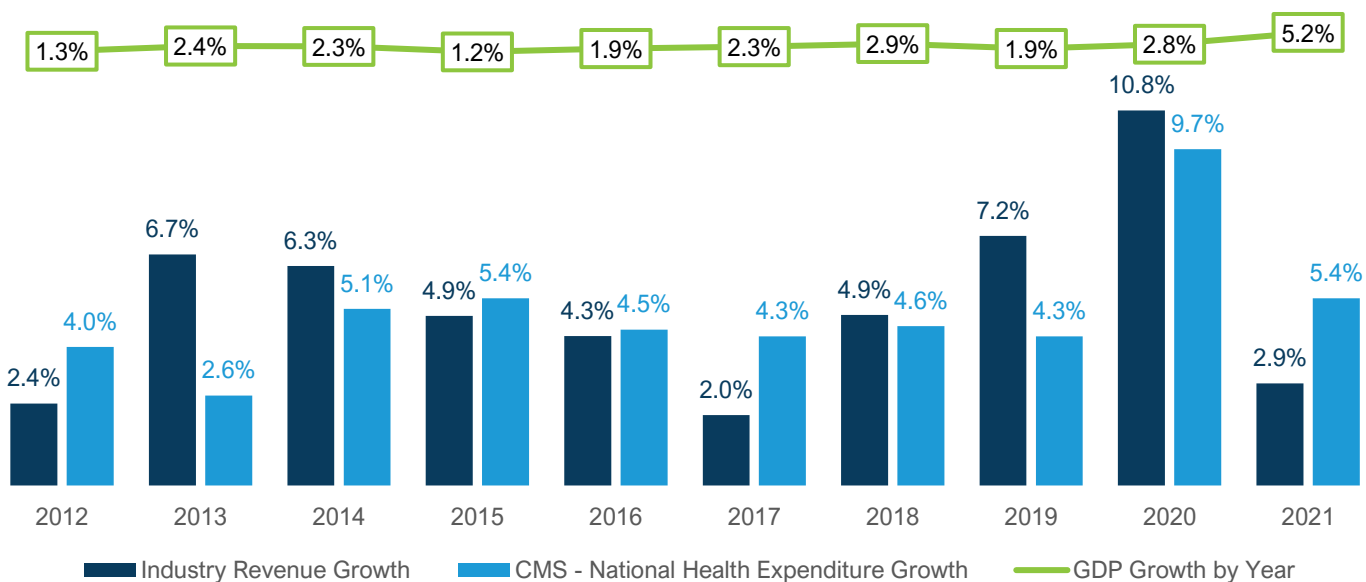
# Market Summary & Outlook (cont.)

Molecular diagnostics, tools, and clinical labs performed in line with the market, increasing 26.9% on continued growth in diagnostic testing and enthusiasm for the outlook of personalized diagnostics and genetic testing. Mandated COVID-19 testing across certain industries also continued to benefit the performance of a number of these indices through the end of 2021.

Stout is also actively working with medical device and pharmaceutical contract manufacturers, where a substantial opportunity for growth exists. Similar to certain sub-segments in physician practice management, pharmacy and pharmaceutical services is also an area receiving growing attention from private equity, including areas such as medical communications.

## Revenue Growth: Stout Healthcare Universe vs. CMS Health Expenditures vs. GDP

(Industry Revenue Figures Based on Subsectors Tracked by Stout)



In the table above, one can observe that the healthcare universe of companies tracked by Stout saw revenue grow 2.9% in 2021 versus U.S. economic growth of 5.2%. A noteworthy observation is that the industry continued to grow despite the spike in growth in 2020 attributed to the COVID-19 pandemic, which was supported by government stimulus. The fact that GDP growth exceeded healthcare growth in 2021 helps, in part, explain the underperformance of healthcare versus the S&P 500.

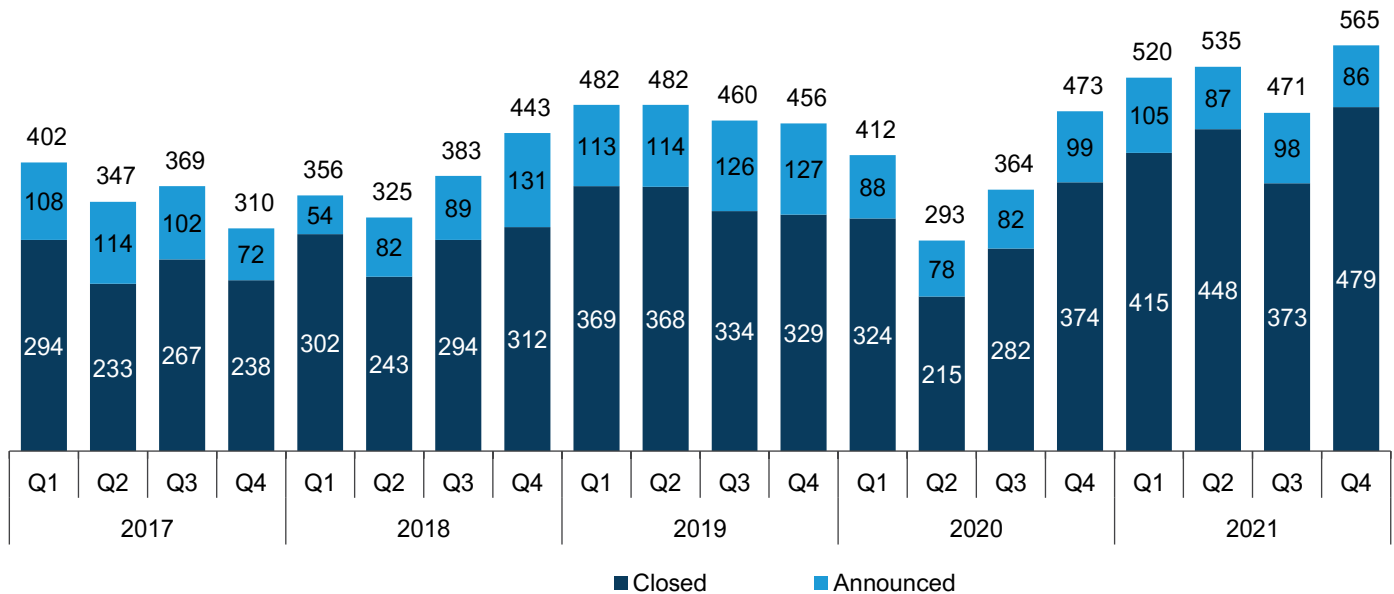
Sources: S&P Capital IQ, FRED Economic Data, Center for Medicare & Medicaid Services



# Stout – Healthcare M&A Activity Highlights

## Quarterly Healthcare & Life Science M&A Transaction Volume

(Number of Announced & Closed M&A Transactions Per Quarter)



### M&A MARKET KEY TAKEAWAYS

- M&A volume reached historic levels in 4Q'21, with 565 deals announced and/or closed, a 19% increase from last year's fourth quarter of 473 transactions. Interestingly, the number of deals closed was 479 versus 374, an increase of 28%, while the number of announced deals declined to 86 from 99. This would seem to foretell a slowdown in 1Q'22 and potentially beyond. The robust fourth quarter activity was likely driven, in part, by the race to close by year-end ahead of what investors thought was going to be a hike in the capital gains tax and deals that were stalled during the pandemic that then closed after the businesses were restored to pre-COVID performance levels.
- Prevailing economic strength, low interest rates, an excess of a trillion dollars in dry powder available to private equity, and cash available to strategic acquirors continue to fuel the robust M&A market.
- Overall transaction value of deals announced and/or closed in 4Q'21 finished at more than \$65 billion, down from \$97 billion in 4Q'20. AstraZeneca's acquisition of Alexion Pharmaceuticals for more than \$40 billion in 4Q'20 accounted for part of the decline. 4Q'21 also witnessed Oracle's \$30 billion acquisition of Cerner, so deal value would still have been down in 2021 excluding these two transactions.

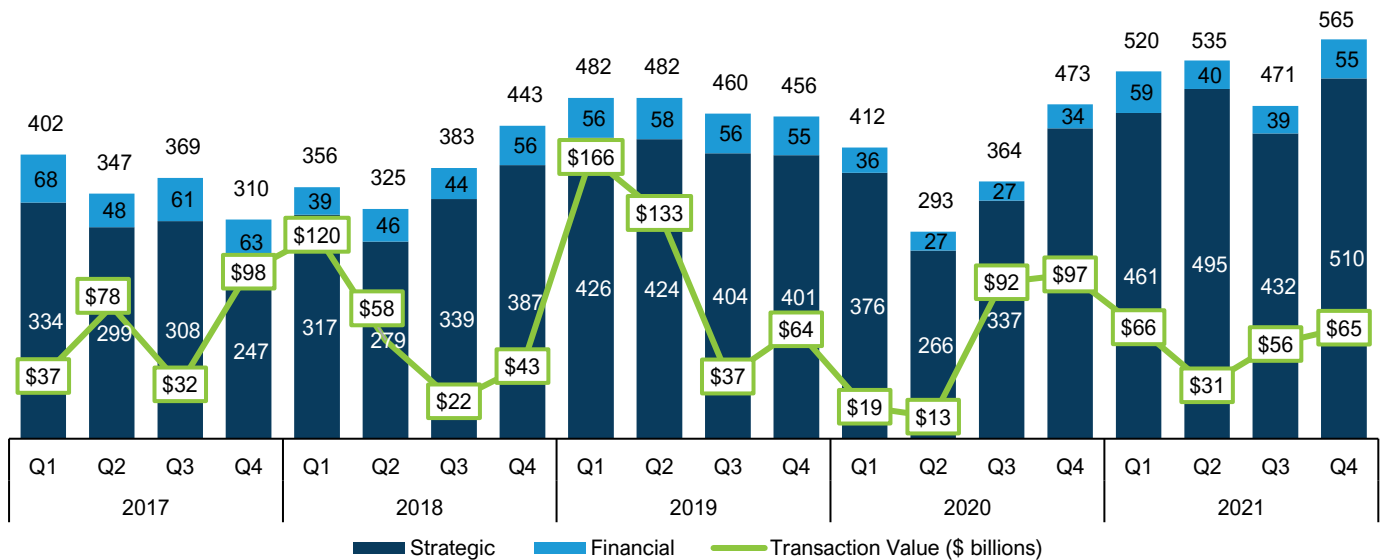
Sources: Stout Proprietary Database, S&P Capital IQ

# Stout – Healthcare M&A Activity Highlights

- As discussed in past reports, the overall transaction value in a given quarter can be skewed by a large multi-billion-dollar transaction in the pharmaceutical, medical device, or life science tools markets — players in those markets typically access liquidity through an IPO, which contrasts with healthcare service providers, who often stay private longer and do not report deal values. For this reason, deal volume (number of transactions in a given quarter) may be a more reliable barometer of healthcare transaction activity
- Similar to prior quarters, the pharmaceutical, medical device, and molecular diagnostic, clinical lab, and tools subsectors were the subject of several of the largest transactions in the quarter, including Quidel Corporation’s acquisition of Ortho Clinical Diagnostics (\$8.4 billion), The Cooper Companies’ acquisition of Generate Life Sciences (\$1.6 billion), and Alcon’s acquisition of Ivantis (\$475 million).

## Quarterly Healthcare & Life Science M&A Activity By Buyer Type & Transaction Value

(Number of Announced & Closed M&A Transactions Per Quarter by Type of Acquiror)



Source: S&P Capital IQ

# Stout – Healthcare M&A Activity Highlights

## RECENT HEALTHCARE & LIFE SCIENCE INDUSTRY TRANSACTIONS

Date	Target (Ownership)	Subsector	Acquiror (Ownership)
Dec-21	Cerner Corporation (NasdaqGS:CERN)	Healthcare Information Technology	Oracle Corporation (NYSE:ORCL)
Dec-21	Ortho Clinical Diagnostics (NasdaqGS:OCDX)	Molecular Diagnostics / Clinical Labs / Tools	Quidel Corporation (NasdaqGS:QDEL)
Dec-21	Arena Pharmaceuticals, Inc. (NasdaqGS:ARNA)	Biotech	Pfizer Inc. (NYSE:PFE)
Dec-21	Provation Software, Inc. (Clearlake Capital Group)	Healthcare Information Technology	Fortive Corporation (NYSE:FTV)
Dec-21	Amunix Pharmaceuticals, Inc.	Specialty Pharmaceuticals / Generics	Sanofi (ENXTPA:SAN)
Nov-21	Generate Life Sciences Inc. (GI Partners)	Molecular Diagnostics / Clinical Labs / Tools	The Cooper Companies (NYSE:COO)
Oct-21	TransUnion Healthcare, Inc.	Healthcare Information Technology	nThrive Revenue Systems (Pamplona Capital Management)
Oct-21	Flexion Therapeutics, Inc.	Specialty Pharmaceuticals / Generics	Pacira BioSciences, Inc. (NasdaqGS:PCRX)
Oct-21	Adamas Pharmaceuticals, Inc.	Specialty Pharmaceuticals / Generics	Supernus Pharmaceuticals, Inc. (NasdaqGM:SUPN)
Oct-21	Personal Genome Diagnostics Inc.	Molecular Diagnostics / Clinical Labs / Tools	Laboratory Corporation of America (NYSE:LH)

## NOTABLE HEALTHCARE & LIFE SCIENCE INDUSTRY TRANSACTION HIGHLIGHTS



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Oracle Corporation (NYSE:ORCL) has announced a definitive agreement to acquire Cerner Corporation (NasdaqGS:CERN), a provider of health care information technology solutions and tech-enabled services, for approximately \$28.3 billion, pending regulatory approval. With Oracle's resources, infrastructure and cloud capabilities, Cerner will accelerate the pace of product and technology development to enable more connected, high-quality, and efficient care.



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Pfizer Inc. (NYSE:PFE) has announced its intent to acquire Arena Pharmaceuticals, Inc. (NasdaqGS:ARNA), a clinical-stage company developing innovative potential therapies for the treatment immuno-inflammatory diseases, for approximately \$6.7 billion. Arena's portfolio of promising therapeutic candidates will immediately bolster Pfizer's growth initiative to address unmet needs for patients with immuno-inflammatory diseases.



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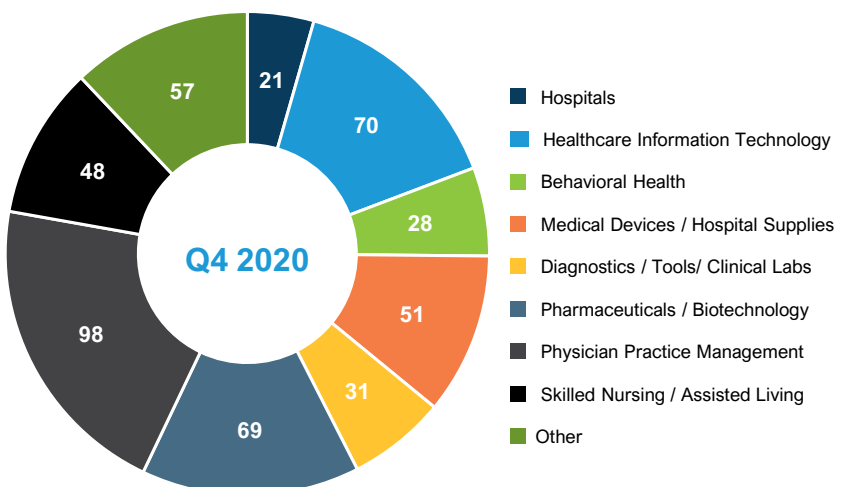
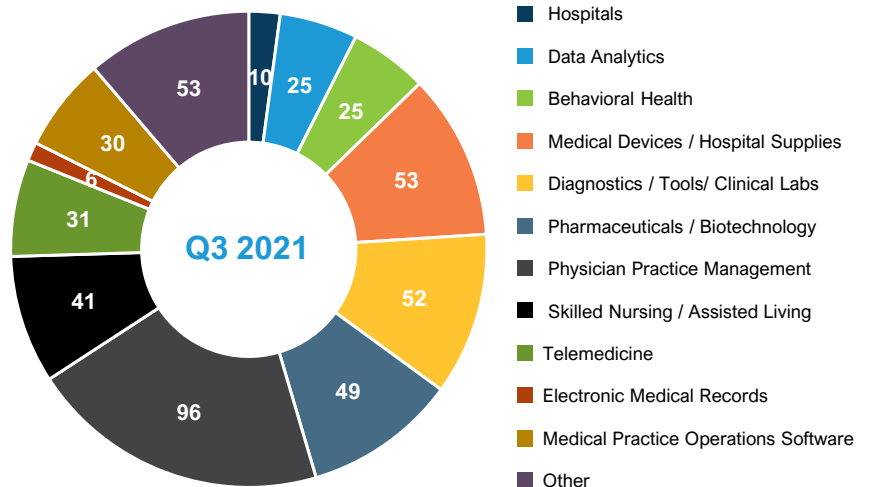
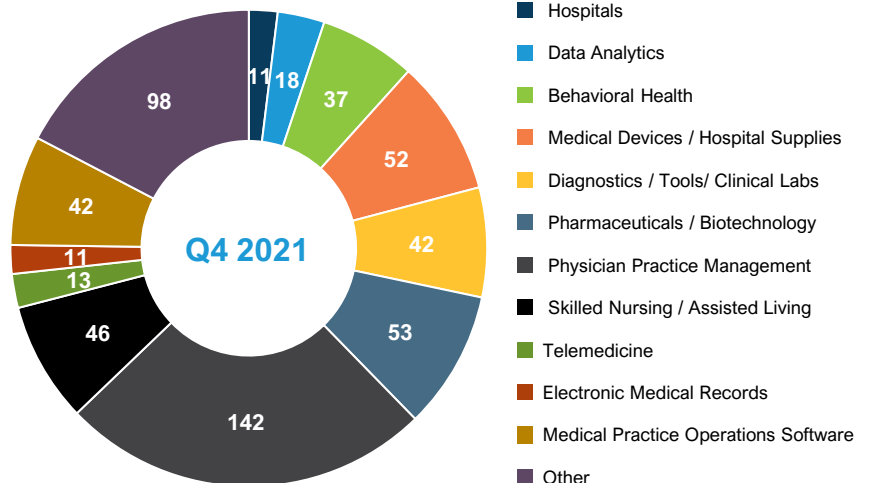


Quidel Corporation (NasdaqGS:QDEL) has signed a definitive agreement to acquire Ortho Clinical Diagnostics (NasdaqGS:OCDX), a global in vitro diagnostics company, for approximately \$6.0 billion. Quidel's expansive point-of-care diagnostics portfolio coupled with access to Ortho's broad global reach spanning across 130+ countries will help accelerate growth for Quidel's existing product portfolio and provide exposure to new, emerging markets.

# Healthcare Subsector M&A Activity

- Physician practice management was once again the most active sector in the fourth quarter, with 142 transactions versus 98 a year ago, a 45% jump.
- Physician practice management was particularly active in physical therapy (10 deals) and veterinary clinics and hospitals (20 deals). Transactions continue across specialties that include ophthalmology, dermatology, dental, radiology, primary care, urgent care, gastroenterology, urology, fertility, ambulatory surgical centers, and imaging centers, among others.
- HCIT (healthcare information technology), which includes data analytics, telemedicine, electronic medical records, and medical practice operations support and software, saw a sequential decline in deal volume to 84 versus 92 transactions, resulting from a drop in telemedicine (13 vs. 31) that was likely impacted by waning concerns around COVID-19 and the return of patients to office visits. HCIT volume did increase from 70 deals a year ago on strength in medical practice operations support and software.
- Behavioral health saw deals increase to 37 from 28. The medical device and hospital supply subsector witnessed 52 transactions in the quarter versus 51 a year ago.

M&A Volume by End Market



Source: S&P Capital IQ



# Healthcare: Public Company Performance

(\$ millions, except share data)	Ticker	12/31/21	Share Price % 52 High	Q4 Δ	YTD Δ	Ent. Value	LTM Margins Gross	EBITDA	LTM Revenue	EV / LTM EBITDA	Debt / EBITDA
<b>Hospitals</b>											
Community Health Systems, Inc.	CYH	\$ 13.31	78.1%	13.8%	79.1%	\$ 14,569	41.1%	14.7%	1.2x	8.0x	7.1x
Encompass Health Corporation	EHC	65.26	72.8%	(13.0%)	(21.1%)	10,464	39.6%	20.8%	2.0	9.8	3.3
HCA Healthcare, Inc.	HCA	256.92	97.3%	5.9%	56.2%	117,510	38.3%	21.3%	2.0	9.4	2.9
Select Medical Holdings Corporation	SEM	29.40	67.4%	(18.7%)	6.3%	8,887	20.4%	12.5%	1.4	11.5	6.2
Tenet Healthcare Corporation	THC	81.69	97.6%	23.0%	104.6%	26,387	37.3%	17.5%	1.4	7.7	4.9
<b>Group Median</b>			78.1%	5.9%	56.2%	\$ 14,569	38.3%	17.5%	1.4x	9.4x	4.9x
<b>Group Mean</b>			82.7%	2.2%	45.0%	35,564	35.3%	17.4%	1.6	9.3	4.9
<b>Healthcare Information Technology</b>											
Allscripts Healthcare Solutions, Inc.	MDRX	\$ 18.45	97.1%	38.0%	27.8%	\$ 2,508	49.1%	9.2%	1.7x	18.0x	3.1x
Cerner Corporation	CERN	92.87	99.4%	31.7%	18.3%	28,131	82.6%	24.8%	4.9	19.7	1.3
Doximity, Inc.	DOCS	50.13	46.5%	(37.9%)	(5.4%)	8,636	88.6%	34.8%	27.3	78.5	0.0
Evolent Health, Inc.	EVH	27.67	80.0%	(10.7%)	72.6%	2,446	27.6%	1.8%	2.7	NA	NA
McKesson Corporation	MCK	248.57	99.0%	24.7%	42.9%	43,784	5.0%	1.4%	0.2	12.4	2.3
NantHealth, Inc.	NH	1.06	19.4%	(34.5%)	(67.3%)	351	63.6%	(55.9%)	5.6	NM	NA
NextGen Healthcare, Inc.	NXGN	17.79	74.7%	26.2%	(2.5%)	1,188	56.3%	3.2%	2.0	63.6	1.1
Omniceil, Inc.	OMCL	180.44	96.3%	21.6%	50.3%	8,121	49.0%	13.1%	7.2	54.6	3.6
OptimizeRx Corporation	OPRX	62.11	62.6%	(27.4%)	99.3%	1,019	58.1%	6.1%	16.6	NA	0.1
Tabula Rasa HealthCare, Inc.	TRHC	15.00	21.6%	(42.8%)	(65.0%)	724	29.6%	(10.8%)	2.2	NM	NA
Teladoc Health, Inc.	TDOC	91.82	29.8%	(27.6%)	(54.1%)	15,106	68.0%	(1.5%)	7.4	NM	NA
Veeva Systems Inc.	VEEV	255.48	74.3%	(11.3%)	(6.2%)	36,988	72.7%	29.0%	21.0	72.3	0.1
<b>Group Median</b>			74.5%	(11.0%)	7.9%	\$ 5,314	57.2%	4.6%	5.2x	54.6x	1.2x
<b>Group Mean</b>			66.7%	(4.2%)	9.2%	12,417	54.2%	4.6%	8.2	45.6	1.5
<b>Behavioral Health</b>											
Acadia Healthcare Company, Inc.	ACHC	\$ 60.70	88.4%	(4.8%)	20.8%	\$ 7,040	42.3%	21.7%	3.0x	14.0x	3.3x
DLH Holdings Corp.	DLHC	20.72	96.4%	68.5%	122.3%	320	17.5%	9.9%	0.9	9.4	1.8
ModivCare Inc.	MODV	148.29	70.0%	(18.4%)	7.0%	2,963	20.7%	8.1%	1.5	18.2	6.3
Universal Health Services, Inc.	UHS	129.66	78.6%	(6.3%)	(5.7%)	14,974	40.0%	15.2%	1.2	7.8	2.4
<b>Group Median</b>			83.5%	(5.6%)	13.9%	\$ 5,001	30.3%	12.6%	1.3x	11.7x	2.8x
<b>Group Mean</b>			83.3%	9.7%	36.1%	6,324	30.1%	13.8%	1.7	12.4	3.4
<b>Medical Devices / Hospital Supplies</b>											
Abbott Laboratories	ABT	\$ 140.74	98.7%	19.1%	28.5%	\$ 250,589	58.1%	29.6%	5.8x	19.6x	1.5x
Baxter International Inc.	BAX	85.84	97.2%	6.7%	7.0%	58,383	41.1%	23.3%	4.6	19.6	6.1
Becton, Dickinson and Company	BDX	251.48	94.1%	2.3%	0.5%	87,198	46.7%	26.4%	4.4	16.6	3.3
Boston Scientific Corporation	BSX	42.48	91.8%	(2.1%)	18.2%	68,134	69.3%	26.1%	5.7	22.0	3.1
Edwards Lifesciences Corporation	EW	129.55	98.3%	14.4%	42.0%	80,106	76.1%	15.3%	15.3	46.5	0.4
ICU Medical, Inc.	ICUI	237.34	84.2%	1.7%	10.7%	4,519	37.3%	17.6%	3.4	19.6	0.2
Integra LifeSciences Holdings Corporation	IART	66.99	86.6%	(2.2%)	3.2%	6,860	63.3%	26.0%	4.4	17.1	4.2
Medtronic plc	MDT	103.45	76.1%	(17.5%)	(11.7%)	154,217	67.8%	30.3%	4.8	16.0	2.7
Stryker Corporation	SYK	267.42	95.1%	1.4%	9.1%	110,764	65.8%	27.2%	6.5	23.8	2.8
Teleflex Incorporated	TFX	328.48	73.1%	(12.8%)	(20.2%)	16,909	55.3%	28.8%	6.0	20.9	2.5
Zimmer Biomet Holdings, Inc.	ZBH	127.04	70.4%	(13.2%)	(17.6%)	33,423	70.7%	30.5%	4.3	14.0	3.1
<b>Group Median</b>			91.8%	1.4%	7.0%	\$ 68,134	63.3%	27.2%	4.8x	19.6x	2.8x
<b>Group Mean</b>			87.8%	(0.2%)	6.3%	79,191	59.2%	27.1%	5.9	21.4	2.7
<b>Molecular Diagnostics / Clinical Labs / Tools</b>											
Danaher Corporation	DHR	\$ 329.01	98.5%	8.1%	48.1%	\$ 259,067	61.3%	35.1%	8.8x	25.1x	2.3x
Hologic, Inc.	HOLX	76.56	90.1%	3.7%	5.1%	20,929	70.9%	48.3%	3.8	7.9	1.2
Illumina, Inc.	ILMN	380.44	68.5%	(6.2%)	2.8%	60,735	70.2%	21.4%	14.2	66.2	2.8
Laboratory Corporation of America Holdings	LH	314.21	99.1%	11.6%	54.4%	34,949	34.9%	25.1%	2.2	8.6	1.6
Myriad Genetics, Inc.	MYGN	27.60	74.7%	(14.5%)	39.6%	1,956	71.4%	(9.3%)	2.8	NM	NA
NeoGenomics, Inc.	NEO	34.12	55.4%	(29.3%)	(36.6%)	4,298	39.7%	(10.3%)	8.9	NM	NA
PerkinElmer, Inc.	PKI	201.06	99.0%	16.0%	40.1%	30,175	58.4%	38.5%	6.0	15.5	2.7
Quest Diagnostics Incorporated	DGX	173.01	99.3%	19.1%	45.2%	25,243	39.3%	26.5%	2.3	8.8	1.7
Thermo Fisher Scientific Inc.	TMO	667.24	99.2%	16.8%	43.3%	294,971	50.1%	32.7%	7.5	23.0	2.8
<b>Group Median</b>			98.5%	8.1%	40.1%	\$ 30,175	58.4%	26.5%	6.0x	15.5x	2.3x
<b>Group Mean</b>			87.1%	2.8%	26.9%	81,369	55.1%	23.1%	6.3	22.2	2.1
<b>Specialty Pharmaceuticals / Generics</b>											
AbbVie Inc.	ABBV	\$ 135.40	99.0%	25.5%	26.4%	\$ 307,166	69.2%	49.9%	5.5x	11.0x	2.8x
Bausch Health Companies Inc.	BHC	27.61	79.3%	(0.9%)	32.7%	32,329	71.6%	38.7%	3.8	9.9	7.0
Endo International plc	ENDP	3.76	34.5%	16.0%	(47.6%)	7,691	59.5%	29.5%	2.6	8.7	9.4
Mallinckrodt plc	MNKKQ	0.13	15.6%	(37.1%)	(37.8%)	76	42.0%	35.1%	0.0	0.1	1.7
Perrigo Company plc	PRGO	38.90	76.4%	(17.8%)	(13.0%)	7,032	34.2%	12.0%	1.7	14.2	7.4
Teva Pharmaceutical Industries Limited	TEVA	8.01	60.2%	(17.8%)	(17.0%)	31,229	47.8%	27.8%	2.0	7.1	5.4
Viartis Inc.	VTRS	13.53	72.1%	(0.1%)	(27.8%)	38,931	43.3%	34.6%	2.2	6.3	3.8
<b>Group Median</b>			72.1%	(0.9%)	(17.0%)	\$ 31,229	47.8%	34.6%	2.2x	8.7x	5.4x
<b>Group Mean</b>			62.5%	(4.6%)	(12.0%)	60,636	52.5%	32.5%	2.5	8.2	5.4

Notes: Market value based on fully-diluted shares including conversion of all exercisable in-the-money options, less shares repurchased using option proceeds. Enterprise Value equals Market Value plus total straight and convertible debt, preferred stock and minority interest, less cash and investments in unconsolidated subsidiaries.

# Healthcare: Public Company Performance

(\$ millions, except share data)		Ticker	12/31/21	Share Price			Ent. Value	LTM Margins		EV /		Debt /
				% 52 High	Q4 Δ	YTD Δ		Gross	EBITDA	LTM Revenue	LTM EBITDA	EBITDA
<b>Biotech</b>												
	Amgen Inc.	AMGN	\$ 224.97	81.3%	5.8%	(2.2%)	\$ 152,660	75.2%	48.4%	5.9x	12.1x	2.7x
	Biogen Inc.	BIIB	239.92	51.2%	(15.2%)	(2.0%)	39,196	80.8%	35.7%	3.6	10.0	2.0
	Gilead Sciences, Inc.	GILD	72.61	98.0%	4.0%	24.6%	110,366	79.8%	48.4%	4.0	8.3	2.0
	Jazz Pharmaceuticals plc	JAZZ	127.40	67.4%	(2.2%)	(22.8%)	13,414	93.0%	38.0%	4.3	11.4	5.3
	Regeneron Pharmaceuticals, Inc.	REGN	631.52	92.0%	4.4%	30.7%	63,034	66.7%	57.4%	3.9	6.8	0.3
	Seagen Inc.	SGEN	154.60	77.7%	(9.0%)	(11.7%)	26,180	2.2%	(39.1%)	16.6	NM	NA
	<b>Group Median</b>			79.5%	0.9%	(2.1%)	\$ 51,115	77.5%	43.2%	4.2x	10.0x	2.0x
	<b>Group Mean</b>			77.9%	(2.0%)	2.8%	67,475	66.3%	31.5%	6.4	9.7	2.4
<b>Skilled Nursing Facilities</b>												
	Addus HomeCare Corporation	ADUS	\$ 93.51	72.5%	17.3%	(20.1%)	\$ 1,570	31.3%	9.7%	1.8x	18.7x	3.1x
	Aveanna Healthcare Holdings Inc.	AVAH	7.40	56.9%	(7.7%)	(35.8%)	2,157	32.3%	8.4%	1.3	15.3	6.5
	Brookdale Senior Living Inc.	BKD	5.16	57.7%	(18.1%)	16.5%	5,655	21.4%	7.1%	2.2	31.0	28.6
	Genesis Healthcare, Inc.	GENN	0.17	14.3%	(16.3%)	(65.3%)	3,276	42.2%	(4.1%)	0.8	NM	NA
	National HealthCare Corporation	NHC	67.94	85.2%	(2.9%)	2.3%	964	38.8%	5.8%	1.0	16.4	2.8
	Sonida Senior Living, Inc.	SNDA	28.49	48.3%	(19.1%)	130.9%	931	26.8%	8.6%	4.4	51.6	42.2
	The Ensign Group, Inc.	ENSG	83.96	85.1%	12.1%	15.1%	5,583	18.4%	12.0%	2.1	17.7	4.0
	<b>Group Median</b>			57.7%	(7.7%)	2.3%	\$ 2,157	31.3%	8.4%	1.8x	18.2x	5.3x
	<b>Group Mean</b>			60.0%	(5.0%)	6.2%	2,877	30.2%	6.8%	1.9	25.1	14.6
<b>Physician Practice Management</b>												
	DaVita Inc.	DVA	\$ 113.76	83.4%	(2.2%)	(3.1%)	\$ 24,699	31.4%	21.1%	2.1x	10.1x	4.9x
	MEDNAX, Inc.	MD	27.21	76.3%	(4.3%)	10.9%	2,898	26.9%	13.1%	1.5	11.6	4.3
	RadNet, Inc.	RDNT	30.11	77.5%	2.7%	53.9%	2,989	24.4%	15.2%	2.3	14.9	7.0
	Surgery Partners, Inc.	SGRY	53.41	76.8%	26.1%	84.1%	8,810	22.1%	18.1%	4.0	21.9	8.2
	<b>Group Median</b>			77.1%	0.3%	32.4%	\$ 5,899	25.6%	16.6%	2.2x	13.2x	5.9x
	<b>Group Mean</b>			78.5%	5.6%	36.4%	9,849	26.2%	16.9%	2.5	14.6	6.1
<b>Big Pharma</b>												
	AstraZeneca PLC	AZN	\$ 58.25	90.7%	(3.0%)	16.5%	\$ 206,541	73.8%	22.4%	5.5x	24.7x	3.9x
	Bristol-Myers Squibb Company	BMJ	62.35	89.4%	5.4%	0.5%	166,830	79.9%	44.4%	3.6	8.1	2.2
	GlaxoSmithKline plc	GSK	44.10	99.0%	15.4%	19.8%	144,949	66.4%	29.0%	3.1	10.8	2.4
	Johnson & Johnson	JNJ	171.07	95.1%	5.9%	8.7%	452,578	67.6%	34.5%	4.9	14.4	1.1
	Merck & Co., Inc.	MRK	76.64	83.9%	2.0%	(6.3%)	220,182	72.8%	39.0%	4.5	11.6	1.8
	Novartis AG	NVS	87.47	88.8%	7.0%	(7.4%)	198,714	70.8%	32.4%	3.8	11.6	1.8
	Pfizer Inc.	PFE	59.05	95.7%	37.3%	60.4%	342,024	62.3%	39.3%	4.2	10.7	1.3
	Roche Holding AG	SWX: ROG	415.86	98.7%	13.2%	17.9%	358,723	70.6%	36.9%	5.0	13.5	1.3
	Sanofi	SNY	50.10	92.3%	3.9%	3.1%	140,174	68.7%	28.8%	3.1	10.9	2.0
	<b>Group Median</b>			92.3%	5.9%	8.7%	\$ 206,541	70.6%	34.5%	4.2x	11.6x	1.8x
	<b>Group Mean</b>			92.6%	9.7%	12.6%	247,857	70.3%	34.1%	4.2	12.9	2.0
	<b>Overall Median</b>			82.3%	1.5%	7.8%	\$ 24,971	52.7%	24.0%	3.8x	14.0x	2.8x
	<b>Overall Mean</b>			78.0%	0.7%	13.9%	68,582	51.5%	20.8%	4.8	19.0	4.1
	<b>S&amp;P 500</b>				10.6%	26.9%						

Notes: Market value based on fully-diluted shares including conversion of all exercisable in-the-money options, less shares repurchased using option proceeds. Enterprise Value equals Market Value plus total straight and convertible debt, preferred stock and minority interest, less cash and investments in unconsolidated subsidiaries.

# Stout Healthcare Investment Banking Team

## ABOUT


For more than 30 years, Stout has exclusively focused on serving the unique M&A transaction advisory needs of middle-market clients. Our firm is a trusted advisor to leading organizations due to our deep industry knowledge, senior-level attention, process expertise, and relentless focus on delivering unparalleled results.



The Stout Healthcare and Life Science team has deep experience and expertise across numerous industry subsectors, processes, and end markets.



## FOCUS AREAS



- **Medical Devices, Medical Technology & Equipment**
- **Hospital Supplies**
- **Life Sciences Tools & Diagnostics**
- **Healthcare Distribution**
- **Physician Practice Management**
- **Pharma Services**
- **Behavioral Health**
- **Specialty Pharmaceuticals**
- **Biotechnology**
- **Post-Acute Care Services**
- **Homecare Services**
- **Healthcare Information Technology**

## SELECT RECENT TRANSACTIONS



Select assets of  
  
a subsidiary company of  
  
have been acquired by  
  
SELL-SIDE ADVISOR

  
has been acquired by  
  
SELL-SIDE ADVISOR

  
has been acquired by  
  
SELL-SIDE ADVISOR

  
has been acquired by  
  
SELL-SIDE ADVISOR

  
has received a majority investment from  
  
SELL-SIDE ADVISOR

  
has been acquired by  
  
SELL-SIDE ADVISOR

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## ABOUT STOUT INVESTMENT BANKING

Stout's Investment Banking group provides mergers and acquisitions (M&A) advisory, capital market financing, and other financial advisory services to portfolio companies of private equity firms, closely held or family-owned businesses, and divisions of large corporate parents. Learn more about our [\*\*Investment Banking services\*\*](#).

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