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Industry Observations – March 31, 2019

Healthcare Industry

Select Healthcare Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data				Debt / Total Capital	LTM Operating Data			Forward Estimates	
		Price at 03/31/19	% of 52 Week High	Equity Value	Enterprise Value		Total Assets	LTM Revenue	LTM EBITDA	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
Healthcare Equipment and Supplies											
Align Technology, Inc.	ALGN	\$284.33	71.3%	\$22,743.37	\$21,782.19	0.0%	\$2,052.46	\$1,966.49	\$527.29	\$2,426.23	\$637.04
Boston Scientific Corporation	BSX	\$38.38	93.6%	\$53,367.38	\$55,774.45	44.9%	\$20,999.00	\$9,823.00	\$2,618.00	\$10,664.13	\$3,099.00
Haemonetics Corporation	HAE	\$87.48	74.4%	\$4,462.12	\$4,380.51	35.0%	\$1,227.64	\$951.84	\$218.00	\$1,019.66	\$276.58
ICU Medical, Inc.	ICUI	\$239.33	74.4%	\$4,906.01	\$4,184.92	0.0%	\$1,585.39	\$1,400.04	\$263.75	\$1,308.48	\$326.08
Integra LifeSciences Holdings Corporation	IART	\$55.72	82.5%	\$4,748.96	\$5,583.64	49.8%	\$3,107.89	\$1,472.44	\$346.64	\$1,522.23	\$375.89
Medtronic plc	MDT	\$91.08	90.9%	\$122,152.03	\$128,954.73	33.4%	\$88,730.00	\$30,555.00	\$9,676.00	\$31,267.12	\$9,979.04
NuVasive, Inc.	NUVA	\$56.79	78.4%	\$2,944.93	\$3,268.86	41.9%	\$1,707.86	\$1,101.71	\$221.52	\$1,151.58	\$292.16
ResMed Inc.	RMD	\$103.97	87.7%	\$14,898.90	\$15,266.24	38.0%	\$3,859.82	\$2,454.64	\$736.49	\$2,729.67	\$807.54
Stryker Corporation	SYK	\$197.52	99.4%	\$73,695.75	\$73,415.95	45.7%	\$27,229.00	\$13,601.00	\$3,817.00	\$14,795.57	\$4,234.86
Teleflex Incorporated	TFX	\$302.16	98.8%	\$13,905.54	\$14,558.79	46.0%	\$6,277.99	\$2,448.38	\$666.60	\$2,583.32	\$758.47
The Cooper Companies, Inc.	COO	\$296.17	99.1%	\$14,623.14	\$15,870.99	38.4%	\$6,298.60	\$2,570.90	\$781.60	\$2,700.52	\$941.82
Healthcare Providers and Services											
Centene Corporation	CNC	\$53.10	71.3%	\$21,940.42	\$21,460.79	38.1%	\$30,901.00	\$56,688.00	\$2,627.00	\$70,755.09	\$3,097.95
Cigna Corporation	CI	\$160.82	71.0%	\$61,121.08	\$95,295.79	50.8%	\$153,226.00	\$48,569.00	\$5,208.00	\$132,816.42	\$11,204.47
Community Health Systems, Inc.	CYH	\$3.73	69.7%	\$421.19	\$14,352.13	107.6%	\$15,859.00	\$14,155.00	\$1,452.00	\$12,945.17	\$1,646.58
DaVita Inc.	DVA	\$54.29	68.6%	\$9,033.17	\$19,796.25	66.7%	\$19,110.25	\$11,412.15	\$2,080.89	\$11,523.65	\$2,196.50
HCA Healthcare, Inc.	HCA	\$130.38	88.4%	\$44,787.04	\$73,890.27	109.8%	\$39,207.00	\$46,677.00	\$8,920.00	\$50,771.11	\$9,589.17
Humana Inc.	HUM	\$266.00	74.7%	\$36,079.64	\$36,543.65	38.0%	\$25,413.00	\$56,912.00	\$3,336.00	\$63,178.75	\$3,679.51
Select Medical Holdings Corporation	SEM	\$14.09	65.1%	\$1,906.04	\$5,874.02	66.2%	\$5,964.27	\$5,081.26	\$621.83	\$5,293.98	\$677.77
Tenet Healthcare Corporation	THC	\$28.84	72.6%	\$2,968.57	\$19,050.64	87.6%	\$22,409.00	\$18,313.00	\$2,791.00	\$18,178.41	\$2,690.64
WellCare Health Plans, Inc.	WCG	\$269.75	83.0%	\$13,569.02	\$11,163.25	33.4%	\$11,764.70	\$20,414.10	\$920.70	\$26,382.02	\$1,156.55

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

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Select Healthcare Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data				LTM Operating Data			Forward Estimates		
		Price at 03/31/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
Pharmaceuticals											
AbbVie Inc.	ABBV	\$80.59	75.1%	\$119,125.29	\$146,910.24	126.5%	\$59,352.00	\$32,753.00	\$13,676.00	\$32,855.78	\$15,971.72
Akorn, Inc.	AKRX	\$3.52	17.8%	\$442.03	\$943.39	64.9%	\$1,495.26	\$694.02	-\$45.47	\$634.99	\$20.87
Bristol-Myers Squibb Company	BMJ	\$47.71	74.9%	\$77,893.73	\$72,938.75	34.2%	\$34,986.00	\$22,561.00	\$6,984.00	\$23,995.35	\$7,719.95
Eli Lilly and Company	LLY	\$129.76	98.2%	\$125,973.37	\$117,610.25	54.1%	\$43,908.40	\$24,555.70	\$7,872.20	\$22,908.85	\$7,277.26
Amneal Pharmaceuticals, Inc.	AMRX	\$14.17	57.9%	\$1,811.73	\$4,491.25	75.0%	\$4,352.74	\$1,662.99	\$449.59	\$1,929.57	\$620.93
Merck & Co., Inc.	MIRK	\$83.17	99.6%	\$214,680.09	\$205,567.27	48.4%	\$82,637.00	\$42,294.00	\$13,095.00	\$44,495.36	\$17,525.82
Mylan N.V.	MYL	\$28.34	66.7%	\$14,622.02	\$27,222.36	53.2%	\$32,734.90	\$11,433.90	\$3,596.40	\$11,977.29	\$3,726.95
Perrigo Company plc	PRGO	\$48.16	56.7%	\$6,543.65	\$9,315.32	36.4%	\$10,983.40	\$4,731.70	\$892.50	\$4,711.23	\$940.83
Pfizer Inc.	PFE	\$42.47	91.4%	\$235,785.15	\$242,193.07	39.8%	\$159,422.00	\$53,647.00	\$22,058.00	\$53,383.43	\$21,694.60
The Medicines Company	MDCO	\$27.95	67.2%	\$2,057.55	\$2,614.52	102.9%	\$841.69	\$6.14	-\$170.45	\$7.43	-\$135.14

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

Select Healthcare Public Company Valuation Metrics As of March 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
Healthcare Equipment and Supplies											
Align Technology, Inc.	ALGN	15.2%	33.3%	24.2%	33.5%	32.6%	26.8%	11.1x	9.0x	41.3x	34.2x
Boston Scientific Corporation	BSX	5.4%	21.2%	7.6%	8.6%	7.2%	26.7%	5.7x	5.2x	21.3x	18.0x
Haemonetics Corporation	HAE	6.5%	6.3%	7.9%	5.9%	61.2%	22.9%	4.6x	4.3x	20.1x	15.8x
ICU Medical, Inc.	ICUI	7.7%	2.3%	9.6%	8.3%	29.4%	18.8%	3.0x	3.2x	15.9x	12.8x
Integra LifeSciences Holdings Corporation	IART	4.7%	5.2%	5.3%	23.9%	30.3%	23.5%	3.8x	3.7x	16.1x	14.9x
Medtronic plc	MDT	4.8%	9.7%	5.7%	2.8%	6.6%	31.7%	4.2x	4.1x	13.3x	12.9x
NuVasive, Inc.	NUVA	3.8%	1.5%	4.5%	7.3%	-4.2%	20.1%	3.0x	2.8x	14.8x	11.2x
ResMed Inc.	RMD	10.3%	22.7%	12.3%	11.8%	19.4%	30.0%	6.2x	5.6x	20.7x	18.9x
Stryker Corporation	SYK	7.8%	32.7%	10.0%	9.3%	12.1%	28.1%	5.4x	5.0x	19.2x	17.3x
Teleflex Incorporated	TFX	4.9%	7.9%	6.5%	14.1%	19.8%	27.2%	5.9x	5.6x	21.8x	19.2x
The Cooper Companies, Inc.	COO	5.0%	11.1%	5.7%	15.3%	15.3%	30.4%	6.2x	5.9x	20.3x	16.9x
	Mean	6.9%	14.0%	9.0%	12.8%	20.9%	26.0%	5.4x	4.9x	20.4x	17.5x
	Median	5.4%	9.7%	7.6%	9.3%	19.4%	26.8%	5.4x	5.0x	20.1x	16.9x
Healthcare Providers and Services											
Centene Corporation	CNC	5.1%	10.0%	9.0%	23.7%	43.9%	4.6%	0.4x	0.3x	8.2x	6.9x
Cigna Corporation	CI	2.8%	9.7%	5.9%	15.5%	14.3%	10.7%	2.0x	0.7x	18.3x	8.5x
Community Health Systems, Inc.	CYH	3.3%	N/A	4.2%	-7.8%	61.2%	10.3%	1.0x	1.1x	9.9x	8.7x
DaVita Inc.	DVA	4.9%	14.5%	6.1%	4.9%	-13.6%	18.2%	1.7x	1.7x	9.5x	9.0x
HCA Healthcare, Inc.	HCA	11.0%	N/A	14.3%	7.0%	9.0%	19.1%	1.6x	1.5x	8.3x	7.7x
Humana Inc.	HUM	7.4%	16.8%	12.4%	5.8%	-9.2%	5.9%	0.6x	0.6x	11.0x	9.9x
Select Medical Holdings Corporation	SEM	4.7%	10.8%	5.6%	16.4%	19.9%	12.2%	1.2x	1.1x	9.4x	8.7x
Tenet Healthcare Corporation	THC	5.4%	20.5%	7.3%	-4.5%	10.3%	15.2%	1.0x	1.0x	6.8x	7.1x
WellCare Health Plans, Inc.	WCG	5.1%	13.2%	10.3%	20.0%	44.6%	4.5%	0.5x	0.4x	12.1x	9.7x
	Mean	5.5%	13.6%	8.4%	9.0%	20.0%	11.2%	1.1x	0.9x	10.4x	8.5x
	Median	5.1%	13.2%	7.3%	7.0%	14.3%	10.7%	1.0x	1.0x	9.5x	8.7x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

Select Healthcare Public Company Valuation Metrics As of March 31, 2019

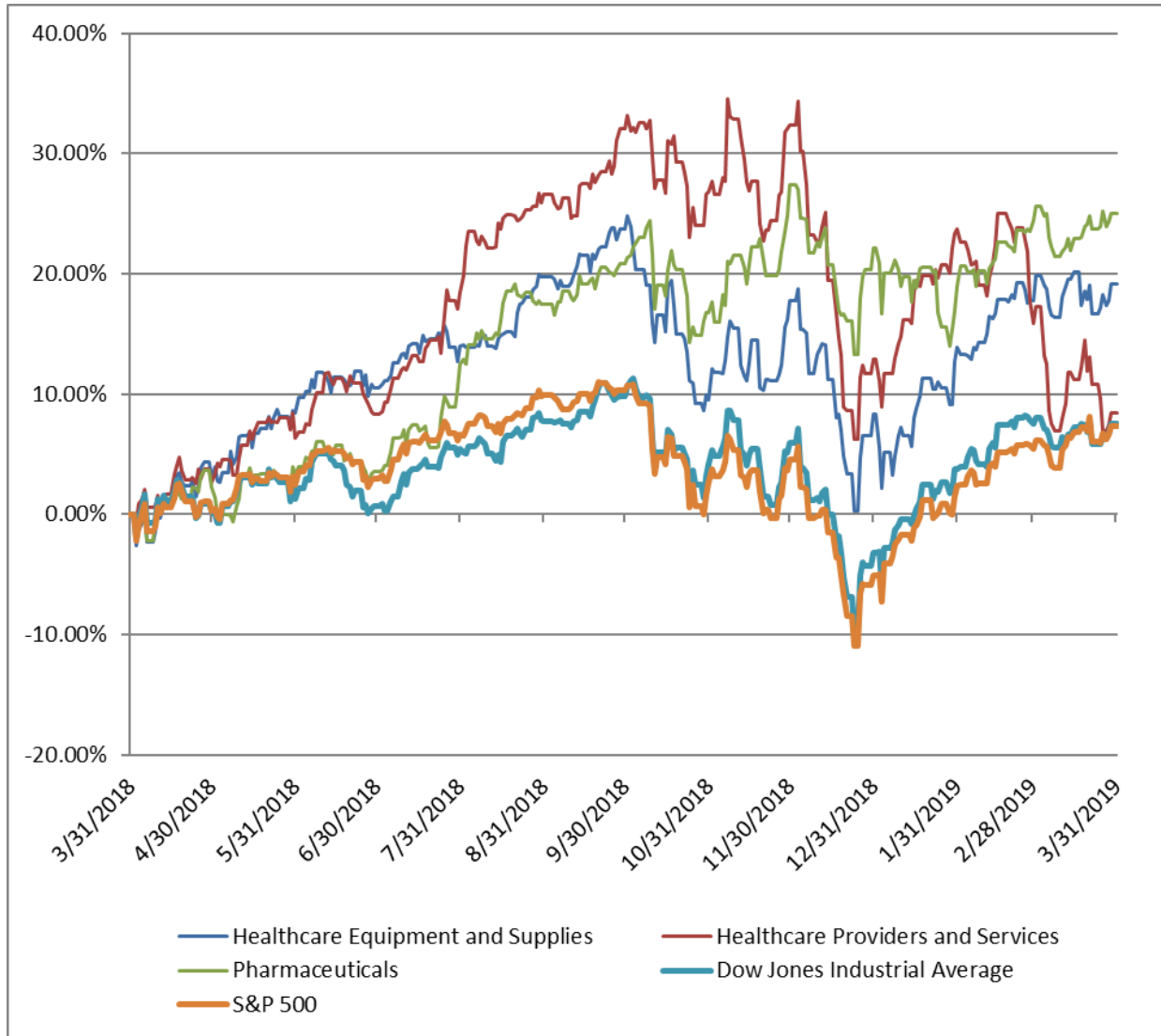
(USD in millions, except per share data)

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		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
Pharmaceuticals											
AbbVie Inc.	ABBV	11.4%	N/A	20.0%	16.1%	12.6%	41.8%	4.5x	4.5x	10.7x	9.2x
Akorn, Inc.	AKRX	-4.7%	-63.0%	-5.5%	-17.5%	N/A	-6.6%	1.4x	1.5x	N/A	45.2x
Bristol-Myers Squibb Company	BMJ	11.7%	38.1%	19.4%	8.6%	26.4%	31.0%	3.2x	3.0x	10.4x	9.4x
Eli Lilly and Company	LLY	9.0%	28.6%	16.4%	7.4%	23.6%	32.1%	4.8x	5.1x	14.9x	16.2x
Amneal Pharmaceuticals, Inc.	AMRX	6.9%	-77.3%	8.3%	60.9%	52.3%	27.0%	2.7x	2.3x	10.0x	7.2x
Merck & Co., Inc.	MRK	6.3%	20.2%	9.6%	5.4%	11.5%	31.0%	4.9x	4.6x	15.7x	11.7x
Mylan N.V.	MYL	3.1%	2.8%	4.0%	-4.0%	-0.5%	31.5%	2.4x	2.3x	7.6x	7.3x
Perrigo Company plc	PRGO	2.6%	2.2%	3.2%	-4.3%	-22.5%	18.9%	2.0x	2.0x	10.4x	9.9x
Pfizer Inc.	PFE	5.9%	16.5%	8.9%	2.1%	4.4%	41.1%	4.5x	4.5x	11.0x	11.2x
The Medicines Company	MDCO	-12.7%	-17752.2%	-15.0%	-86.3%	N/A	N/A	426.0x	351.9x	N/A	N/A
	Mean	4.0%	-1976.0%	6.9%	-1.2%	13.5%	27.5%	45.6x	38.2x	11.4x	14.1x
	Median	6.1%	2.8%	8.6%	3.8%	12.1%	31.0%	3.9x	3.8x	10.6x	9.9x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

Healthcare Public Company LTM Equity Performance
As of March 31, 2019



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

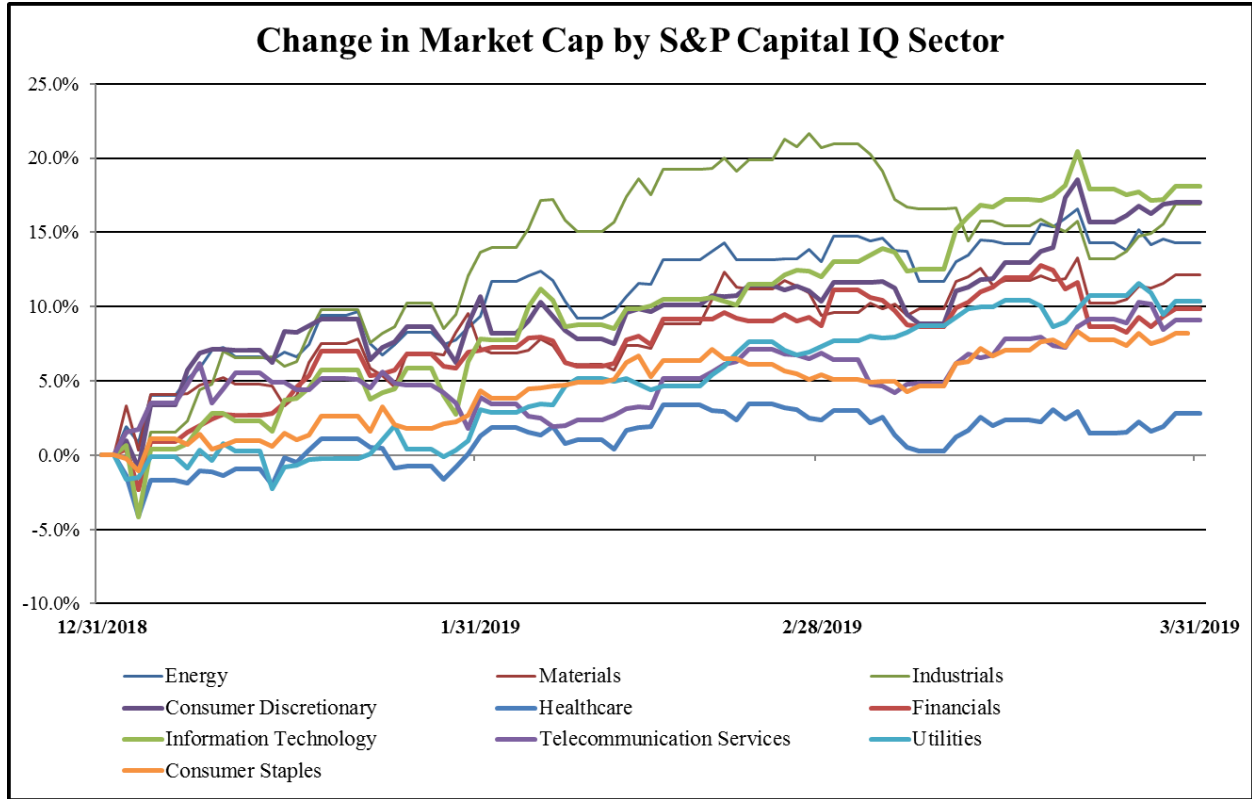
Recent M&A Activity in Healthcare Industry December 31, 2017 to March 31, 2019

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
12/20/2018	Express Scripts Holding Company	Cigna Corporation	Health Care Services	\$68,671.41
10/11/2018	Envision Healthcare Corporation	KKR & Co. L.P. (nka:KKR & Co. Inc.); KKR	Health Care Services	\$10,418.63
5/14/2018	AveXis, Inc.	Novartis AG	Biotechnology	\$8,109.52
2/15/2019	Loxo Oncology, Inc.	Eli Lilly and Company	Biotechnology	\$7,391.13
7/26/2018	HCR ManorCare, Inc.	ProMedica Health System, Inc.	Health Care Facilities	\$6,142.17
2/11/2019	athenahealth, Inc.	Veritas Capital Fund Management, LLC; Evergreen	Health Care Technology	\$5,638.50
11/16/2018	LifePoint Health, Inc.	RCCH HealthCare Partners	Health Care Facilities	\$5,598.11
1/22/2019	Tesaro, Inc.	GlaxoSmithKline plc	Biotechnology	\$4,990.71
8/27/2018	Cotiviti Holdings, Inc.	Verscend Technologies, Inc.	Health Care Technology	\$4,929.27
7/2/2018	Kindred Healthcare, Inc. (nka:Kindred Healthcare, LLC)	TPG Capital, L.P.; Welsh, Carson, Anderson &	Health Care Facilities	\$4,171.80
2/22/2019	DJO Global Inc.	Colfax Corporation	Health Care Equipment	\$3,150.00
4/6/2018	Flatiron Health, Inc.	Roche Holding AG	Health Care Technology	\$2,173.91
10/1/2018	LifeScan, Inc.	Platinum Equity, LLC	Health Care Equipment	\$2,100.00
2/21/2019	NxStage Medical, Inc.	Fresenius Medical Care Holdings, Inc.	Health Care Equipment	\$2,013.26
4/13/2018	Integrated DNA Technologies, Inc.	Danaher Corporation	Life Sciences Tools and Services	\$2,000.00
7/31/2018	Abaxis, Inc.	Zoetis Inc.	Health Care Equipment	\$1,827.84
12/21/2018	Endocyte, Inc.	Novartis AG	Pharmaceuticals	\$1,757.96
6/21/2018	ARMO BioSciences, Inc.	Eli Lilly and Company	Biotechnology	\$1,462.62
1/4/2019	UHS Holdco, Inc.	Federal Street Acquisition Corp.	Health Care Distributors	\$1,440.00
7/11/2018	Curo Health Services, LLC	TPG Capital, L.P.; Welsh, Carson, Anderson &	Health Care Facilities	\$1,400.00
3/8/2019	Civitas Solutions, Inc.	Centerbridge Partners, L.P.	Health Care Services	\$1,372.72
11/9/2018	K2M Group Holdings, Inc.	Stryker Corporation	Health Care Equipment	\$1,339.96
8/1/2018	naviHealth, Inc.	Clayton, Dubilier & Rice, Inc.	Health Care Services	\$1,338.18
3/5/2019	BrightSpring Health Services	PharMerica Corporation	Health Care Services	\$1,320.00
5/23/2018	Dendreon Pharmaceuticals, Inc.	Nanjing Xinjiekou Department Store Co., Ltd.	Pharmaceuticals	\$1,051.70
7/11/2018	VVC Holding Corp.	Veritas Capital Fund Management, LLC	Health Care Technology	\$1,050.00
6/11/2018	Benevir Biopharm, Inc.	Janssen Biotech, Inc.	Biotechnology	\$1,040.00
2/1/2019	Technology Business of MModal IP LLC	3M Company	Health Care Technology	\$1,000.00
8/23/2018	Agilis Biotherapeutics, LLC	PTC Therapeutics, Inc.	Biotechnology	\$945.00
6/22/2018	Analogic Corporation	Altaris Capital Partners, LLC	Health Care Equipment	\$920.88
10/1/2018	GreatCall, Inc.	Best Buy Co., Inc.	Health Care Services	\$800.00
6/1/2018	Medical Specialties Distributors, LLC	McKesson Corporation	Health Care Distributors	\$800.00
11/13/2018	MatrixCare, Inc.	ResMed Operations Inc.	Health Care Technology	\$750.00
4/30/2018	Halyard Health, Inc., Substantially all of Surgical and Infection	Owens & Minor, Inc.	Health Care Supplies	\$710.00
9/5/2018	AdvancedMD, Inc.	Global Payments Inc.	Health Care Technology	\$700.00
9/20/2018	US Medical Dermatology Portfolio of Allergan plc	Almirall, LLC	Pharmaceuticals	\$650.00
10/16/2018	Augmenix, Inc.	Boston Scientific Corporation	Health Care Equipment	\$600.00
7/2/2018	American Technical Molding Inc./UTI Holdings LLC/Greatbatch	Viant Medical, LLC	Health Care Equipment	\$600.00
8/1/2018	Exosome Diagnostics, Inc.	Bio-Techne Corporation	Biotechnology	\$575.00
12/12/2018	Keryx Biopharmaceuticals, Inc.	Akebia Therapeutics, Inc.	Biotechnology	\$570.46
12/31/2018	Netsmart LLC.	AlpInvest Partners B.V.; TA Associates	Health Care Technology	\$567.97
1/31/2019	Aurora Diagnostics, LLC	Sonic Healthcare Limited	Health Care Services	\$540.00
8/6/2018	CBR Acquisition Holdings Corp.	GI Partners, LLC; GI Partners Fund V LP	Health Care Services	\$530.00
11/27/2018	Corium International, Inc.	Gumet Point Capital Limited	Pharmaceuticals	\$492.51
10/25/2018	Advanced Bioprocessing Business Of Becton, Dickinson and	Thermo Fisher Scientific Inc.	Biotechnology	\$477.00
4/19/2018	Bolder Healthcare Solutions LLC	Cognizant Technology Solutions Corporation	Health Care Technology	\$477.00
5/8/2018	Intermedix Corporation	R1 RCM Inc.	Health Care Technology	\$460.00
9/19/2018	CeleneX, Inc.	Amicus Therapeutics, Inc.	Biotechnology	\$452.00
11/15/2018	GENEWIZ, Inc.	Brooks Automation, Inc.	Life Sciences Tools and Services	\$450.00
10/10/2018	Cartiva, Inc.	Wright Medical Group, Inc.	Health Care Equipment	\$435.00
8/31/2018	Visterra, Inc.	Otsuka America, Inc.	Biotechnology	\$430.00
9/12/2018	Halo Pharma, Inc./8121117 Canada Inc./Halo Pharmaceutical	Cambrex Corporation	Pharmaceuticals	\$425.00
1/17/2019	Perosphere Inc.	AMAG Pharmaceuticals, Inc.	Pharmaceuticals	\$423.20
11/23/2018	All Assets of ebbu, Inc.	11065220 Canada Inc.	Pharmaceuticals	\$407.80

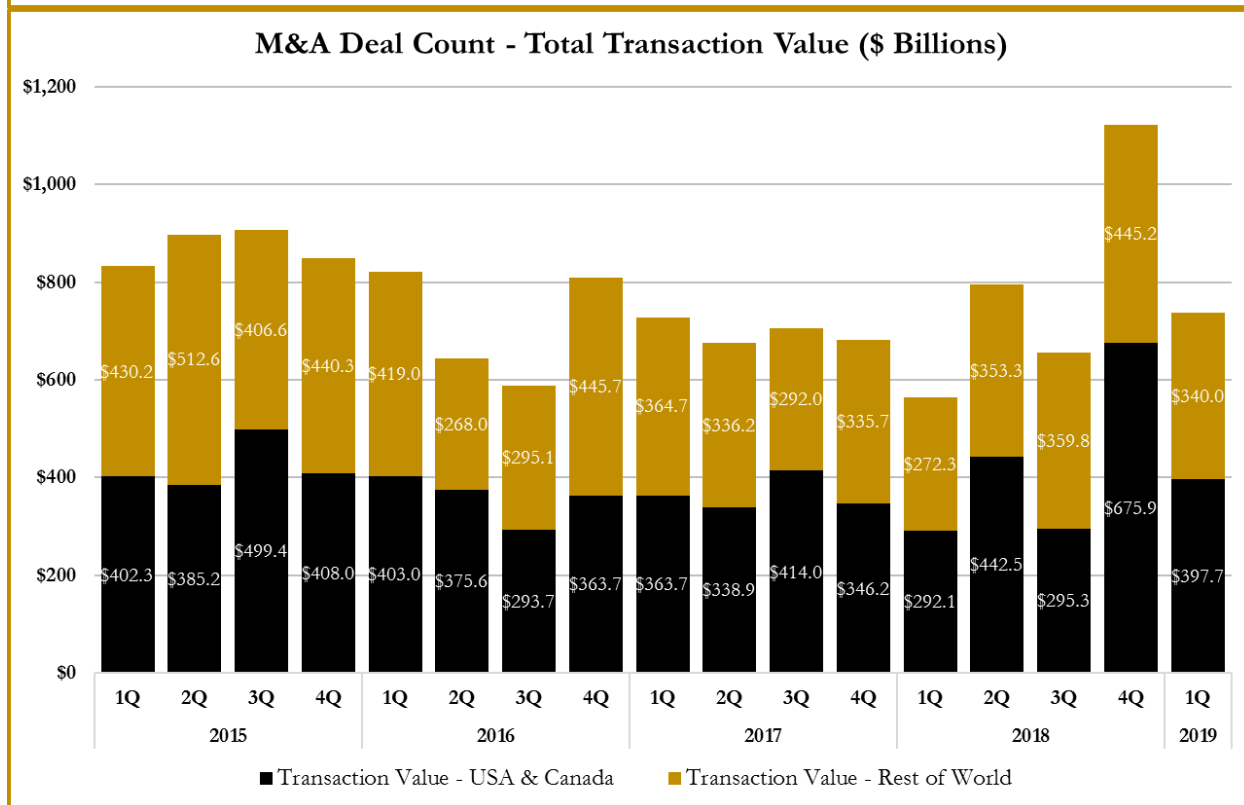
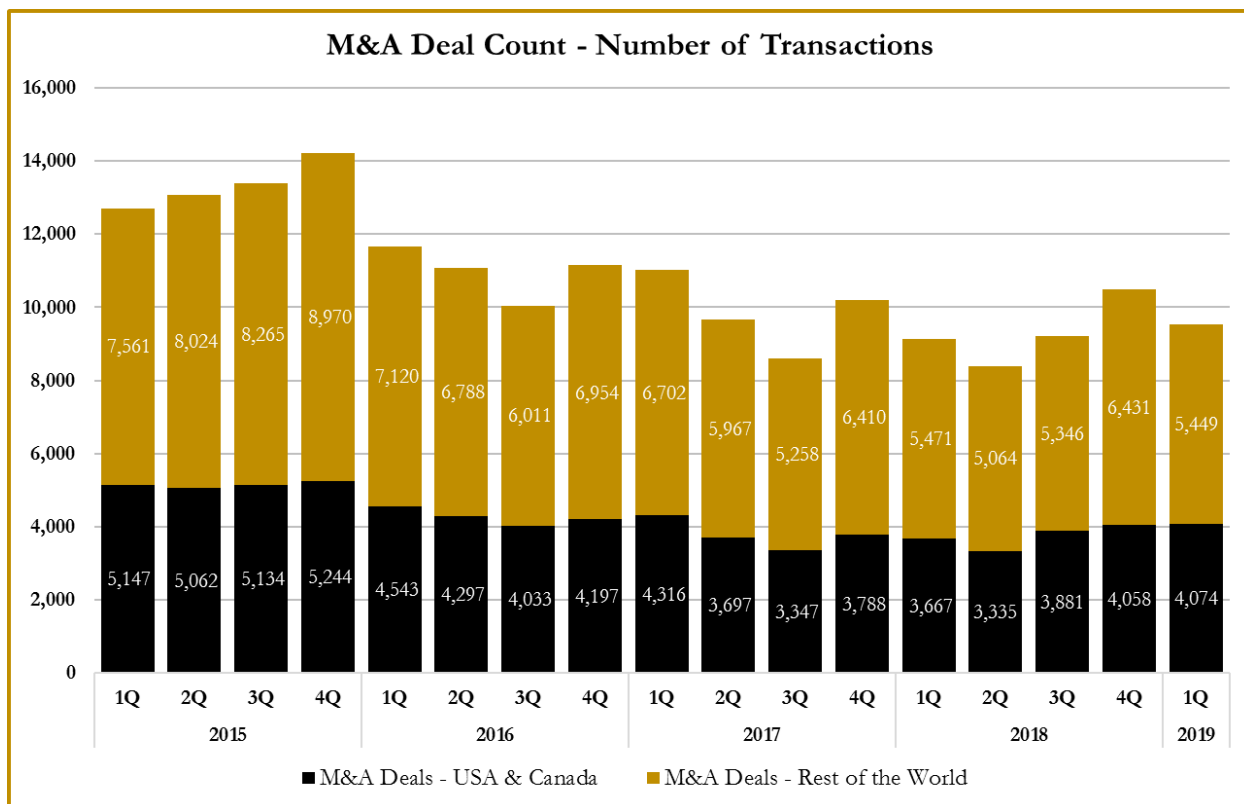
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of March 31, 2019

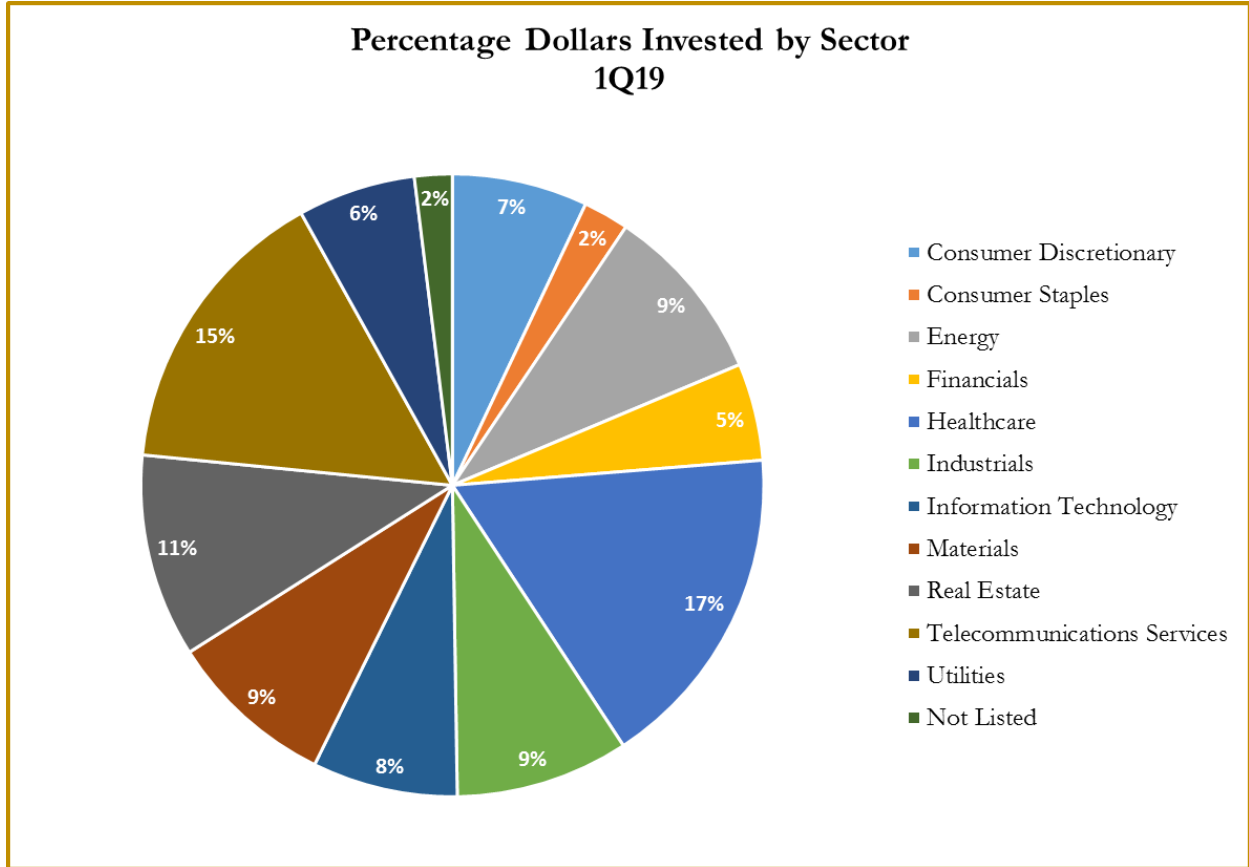


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector As of March 31, 2019



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of March 31, 2019





About Us

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