



Industry Update
Healthcare
Q1 2023

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Financial Performance

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Healthcare Equipment and Supplies									
Medtronic plc	MDT	\$80.62	70.5%	\$136,297	\$94,134	\$30,771	\$8,633	\$31,926	\$9,298
Stryker Corporation	SYK	\$285.47	99.9%	\$119,479	\$36,830	\$18,952	\$4,648	\$20,003	\$5,188
Boston Scientific Corporation	BSX	\$50.03	99.7%	\$85,381	\$32,892	\$13,045	\$3,281	\$13,932	\$3,993
ResMed Inc.	RMD	\$218.99	86.3%	\$35,444	\$6,714	\$4,016	\$1,254	\$4,523	\$1,449
The Cooper Companies, Inc.	COO	\$373.36	86.9%	\$21,632	\$11,561	\$3,380	\$911	\$3,589	\$1,061
Align Technology, Inc.	ALGN	\$334.14	74.1%	\$22,370	\$5,901	\$3,705	\$724	\$3,941	\$926
Teleflex Incorporated	TFX	\$253.31	71.0%	\$13,273	\$6,928	\$2,791	\$765	\$2,939	\$863
Integra LifeSciences Holdings Corporation	IART	\$57.41	86.2%	\$5,387	\$3,742	\$1,562	\$390	\$1,611	\$432
ICU Medical, Inc.	ICUI	\$164.96	70.5%	\$6,456	\$4,471	\$2,306	\$262	\$2,316	\$408
Haemonetics Corporation	HAE	\$82.75	90.5%	\$4,649	\$1,878	\$1,129	\$256	\$1,198	\$311
NuVasive, Inc.	NUVA	\$41.31	68.3%	\$2,927	\$2,225	\$1,202	\$218	\$1,280	\$298
Healthcare Providers and Services									
The Cigna Group	CI	\$255.53	75.1%	\$102,453	\$147,976	\$182,798	\$9,917	\$189,049	\$11,674
HCA Healthcare, Inc.	HCA	\$263.68	94.5%	\$117,749	\$52,711	\$60,879	\$12,279	\$63,428	\$12,461
Humana Inc.	HUM	\$485.46	85.0%	\$64,584	\$54,776	\$95,642	\$5,036	\$103,306	\$5,789
Centene Corporation	CNC	\$63.21	64.2%	\$43,040	\$82,982	\$137,020	\$6,102	\$146,489	\$5,310
Tenet Healthcare Corporation	THC	\$59.42	64.7%	\$25,045	\$27,067	\$19,666	\$3,564	\$20,123	\$3,318
DaVita Inc.	DVA	\$81.11	65.0%	\$21,866	\$16,728	\$11,665	\$2,024	\$11,765	\$2,258
Community Health Systems, Inc.	CYH	\$4.90	40.1%	\$13,424	\$14,623	\$12,208	\$1,131	\$12,400	\$1,493
Select Medical Holdings Corporation	SEM	\$25.85	84.0%	\$9,004	\$7,700	\$6,399	\$630	\$6,585	\$801

Source: Capital IQ

Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Pharmaceuticals									
Eli Lilly and Company	LLY	\$343.42	89.3%	\$421,390	\$53,163	\$27,691	\$9,154	\$31,423	\$10,487
AbbVie Inc.	ABBV	\$159.37	90.6%	\$314,819	\$134,544	\$56,741	\$29,523	\$52,626	\$25,800
Merck & Co., Inc.	MRK	\$106.39	92.1%	\$318,402	\$107,796	\$57,869	\$22,367	\$58,643	\$22,458
Pfizer Inc.	PFE	\$40.80	72.4%	\$234,098	\$197,205	\$100,330	\$44,024	\$68,327	\$23,861
Bristol-Myers Squibb Company	BMY	\$69.31	85.1%	\$173,036	\$94,281	\$45,848	\$19,618	\$46,699	\$20,728
Perrigo Company plc	PRGO	\$35.87	81.7%	\$8,261	\$11,017	\$4,452	\$507	\$4,812	\$729
Amneal Pharmaceuticals, Inc.	AMRX	\$1.39	30.2%	\$3,021	\$3,627	\$2,272	\$453	\$2,322	\$517

Source: Capital IQ

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Valuation Metrics

Return Profile, Trading Multiples

Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Healthcare Equipment and Supplies									
Medtronic plc	MDT	4.0%	7.8%	-3.2%	28.1%	-10.9%	0.7x	4.5x	16.1x
Stryker Corporation	SYK	6.2%	15.0%	7.8%	24.6%	-2.3%	0.9x	6.8x	27.5x
Boston Scientific Corporation	BSX	0.0%	0.0%	7.3%	25.0%	1.2%	0.8x	6.4x	25.5x
ResMed Inc.	ALGN	12.1%	23.9%	13.5%	30.9%	12.9%	0.5x	8.6x	27.9x
The Cooper Companies, Inc.	RMD	3.0%	5.3%	11.6%	27.0%	3.1%	0.9x	6.3x	23.4x
Align Technology, Inc.	COO	6.3%	8.8%	-8.1%	19.4%	-32.2%	1.6x	6.4x	32.7x
Teleflex Incorporated	TFX	4.8%	9.3%	-0.7%	27.4%	-5.2%	1.0x	5.1x	18.5x
Integra LifeSciences Holdings Corporation	IART	4.6%	10.4%	0.2%	25.0%	-3.7%	1.2x	3.7x	14.9x
ICU Medical, Inc.	ICUI	-0.1%	-4.0%	73.2%	10.2%	0.2%	0.6x	2.6x	26.0x
Haemonetics Corporation	HAE	5.6%	12.7%	18.5%	22.7%	28.9%	0.4x	4.2x	18.4x
NuVasive, Inc.	NUVA	2.4%	4.9%	5.5%	18.2%	12.5%	1.1x	2.5x	13.7x
	Mean	4.4%	8.6%	11.4%	23.5%	0.4%	88.5%	4.9x	21.9x
	Median	4.6%	8.8%	7.3%	25.0%	0.2%	91.1%	4.4x	21.1x
Healthcare Providers and Services									
The Cigna Group	HCA	3.3%	14.6%	3.3%	5.5%	-3.1%	0.6x	0.6x	10.2x
HCA Healthcare, Inc.	CI	11.1%	2139.9%	1.9%	20.2%	-1.2%	1.6x	2.0x	9.8x
Humana Inc.	HUM	5.8%	19.5%	9.3%	5.3%	8.3%	0.7x	0.7x	12.7x
Centene Corporation	CNC	3.5%	5.6%	10.3%	4.5%	15.8%	0.6x	0.3x	7.1x
Tenet Healthcare Corporation	DVA	6.1%	22.1%	1.1%	17.7%	0.4%	2.2x	1.3x	7.3x
DaVita Inc.	THC	4.8%	33.4%	-0.1%	17.6%	-16.6%	0.9x	1.8x	10.3x
Community Health Systems, Inc.	CYH	3.0%	N/A	-1.3%	9.6%	-31.7%	1.6x	1.1x	11.7x
Select Medical Holdings Corporation	SEM	3.1%	14.4%	2.1%	9.2%	-24.8%	1.4x	1.4x	15.7x
	Mean	5.1%	321.4%	3.3%	11.2%	-6.6%	121.1%	1.1x	10.6x
	Median	4.1%	19.5%	2.0%	9.4%	-2.2%	115.9%	1.2x	10.2x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

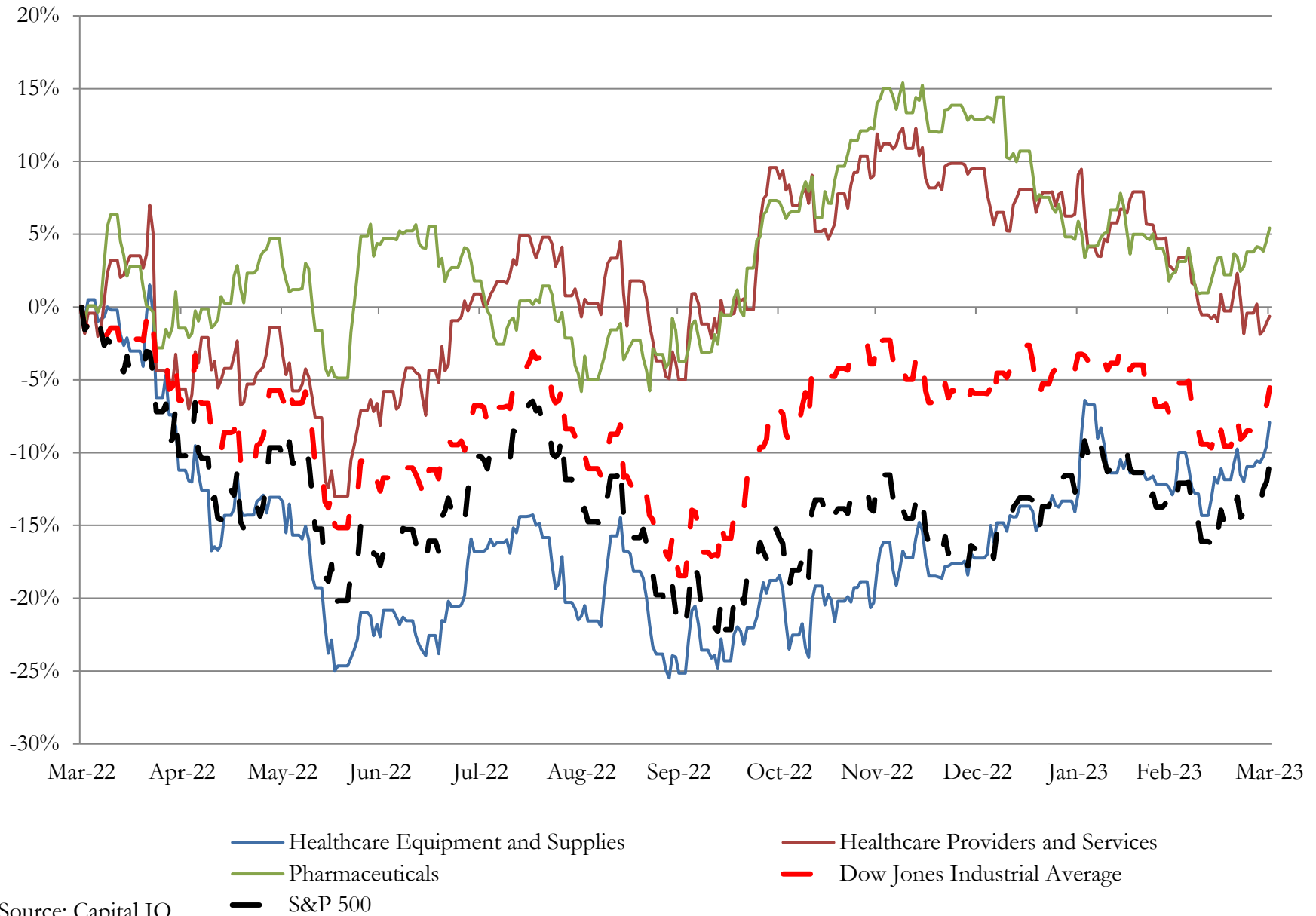
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Pharmaceuticals									
Eli Lilly and Company	ABBV	0.0%	0.0%	-5.6%	33.0%	-14.7%	0.4x	13.2x	40.0x
AbbVie Inc.	PFE	0.0%	0.0%	0.0%	51.9%	2.9%	0.6x	5.6x	10.8x
Merck & Co., Inc.	LLY	0.0%	0.0%	7.2%	38.5%	1.9%	0.4x	5.4x	14.0x
Pfizer Inc.	MRK	12.9%	36.2%	23.4%	43.9%	37.2%	0.6x	2.3x	5.4x
Bristol-Myers Squibb Company	BMY	0.0%	0.0%	-2.4%	43.3%	-6.0%	0.4x	3.8x	8.8x
Perrigo Company plc	PRGO	1.0%	-2.6%	7.6%	11.4%	1.8%	0.8x	1.9x	17.1x
Amneal Pharmaceuticals, Inc.	AMRX	3.2%	-86.0%	5.7%	19.9%	-2.2%	1.3x	1.4x	6.8x
	Mean	2.4%	-7.5%	5.1%	34.6%	3.0%	63.0%	4.8x	14.7x
	Median	0.0%	0.0%	5.7%	38.5%	1.8%	55.3%	3.8x	10.8x

Source: Capital IQ

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LTM Equity Performance

Major Indexes



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Recent M&A Activity

Last Twelve (12) Months as of March 31, 2023

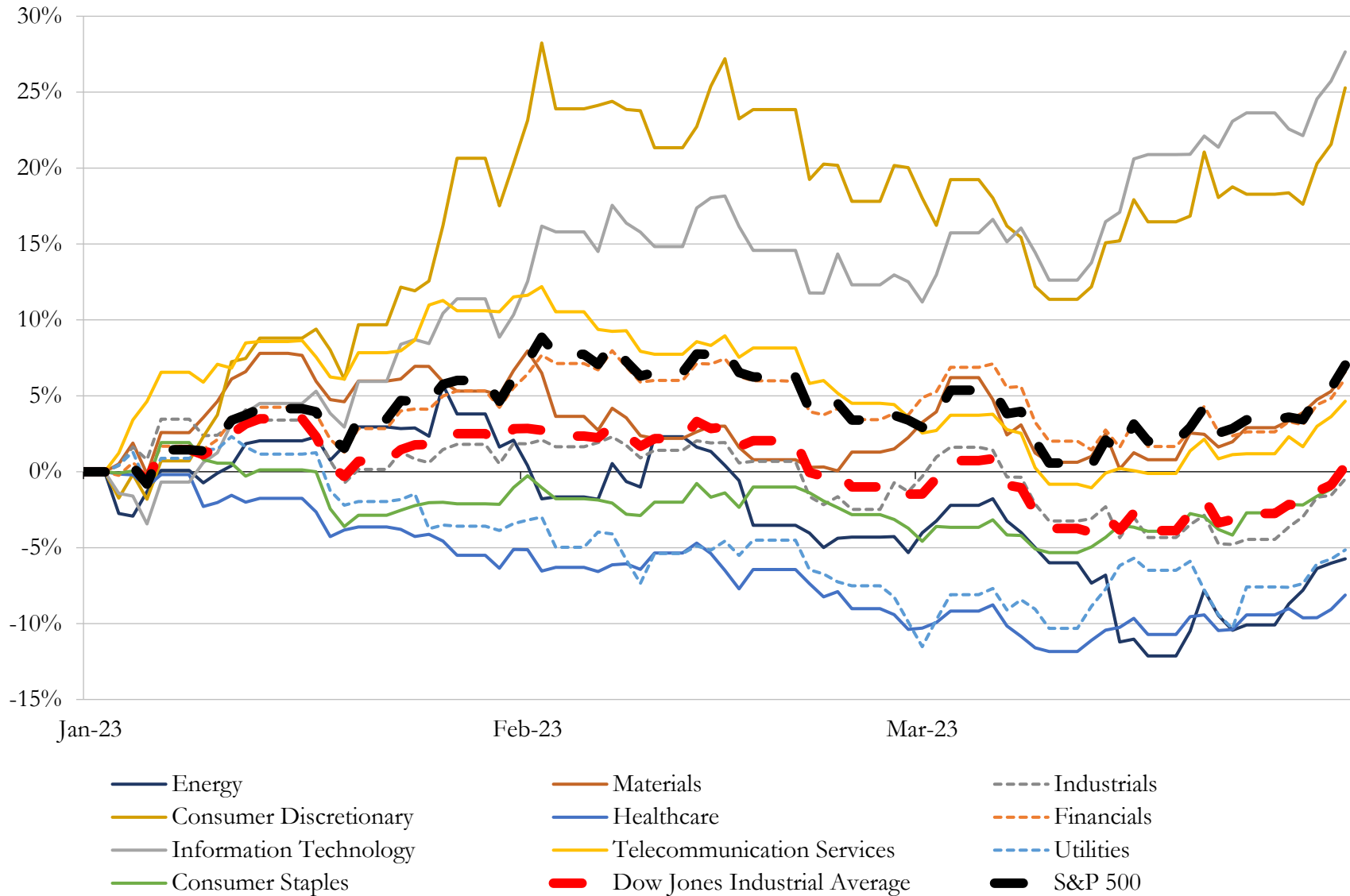
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Jun-22	Cerner Corporation	Oracle Corporation	\$29,419
Dec-22	Abiomed, Inc.	Johnson & Johnson	\$18,157
Oct-22	Change Healthcare Inc.	Optum, Inc.	\$13,548
Jan-23	City Practice Group of New York, LLC	Village Practice Management Company, LLC	\$8,900
May-22	Ortho Clinical Diagnostics Holdings plc	Quidel Corporation (nka:QuidelOrtho Corporation)	\$8,168
Mar-23	Signify Health, Inc.	CVS Pharmacy, Inc.	\$7,817
Feb-23	LHC Group, Inc.	OptumHealth, Inc.	\$6,154
Oct-22	Global Blood Therapeutics, Inc.	Pfizer Inc.	\$5,364
Aug-22	Hospice and Personal Care Divisions of Kindred at Home	Clayton, Dubilier & Rice, LLC	\$4,667
Oct-22	Covetrus, Inc.	Clayton, Dubilier & Rice, LLC; TPG Capital, L.P.; TPG Global, LLC; TPG	\$4,183
Feb-23	1Life Healthcare, Inc.	Amazon.com, Inc.	\$4,008
Oct-22	ChemoCentryx, Inc.	Amgen Inc.	\$3,644
Aug-22	Affinivax, Inc.	GSK plc	\$3,300
Nov-22	Biosimilars Portfolio and Related Commercial and Operational Capabilities of	Biocon Biologics Limited	\$3,285
Aug-22	Turning Point Therapeutics, Inc.	Bristol-Myers Squibb Company	\$3,058
Jun-22	DentaQuest Group, Inc.	Sun Life and Health Insurance Company (U.S.)	\$2,475
Mar-23	Applied, Food and Enterprise Services Businesses of PerkinElmer, Inc.	New Mountain Capital, L.L.C.	\$2,450
Mar-23	Immucor, Inc.	Werfen, S.A.	\$2,000
Jun-22	Tivity Health, Inc.	Stone Point Capital LLC	\$1,939
Jul-22	Sierra Oncology, Inc.	GlaxoSmithKline plc (nka:GSK plc)	\$1,657
Jul-22	Parata Systems, LLC	Becton, Dickinson and Company	\$1,548
Jan-23	Meridian Bioscience, Inc.	SD Biosensor, Inc; SJL Partners	\$1,481
Nov-22	Villarix Therapeutics, Inc.	Incyte Corporation	\$1,430
Oct-22	Hanger, Inc.	Patient Square Capital, LP	\$1,373
Jul-22	PANTHERx Rare, LLC	Nautic Partners, LLC; General Atlantic Service Company, L.P.; The Vistria	\$1,373
Dec-22	Magellan Rx Management, LLC	Prime Therapeutics, LLC	\$1,350
Jul-22	Nutraceutical Wellness LLC	Unilever PLC	\$1,305
Aug-22	TeneoTwo, Inc.	AstraZeneca PLC	\$1,265
Jan-23	Imago BioSciences, Inc.	Merck Sharp & Dohme Corp.	\$1,169
Feb-23	CinCor Pharma, Inc.	AstraZeneca Finance and Holdings Inc.	\$1,135

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2023

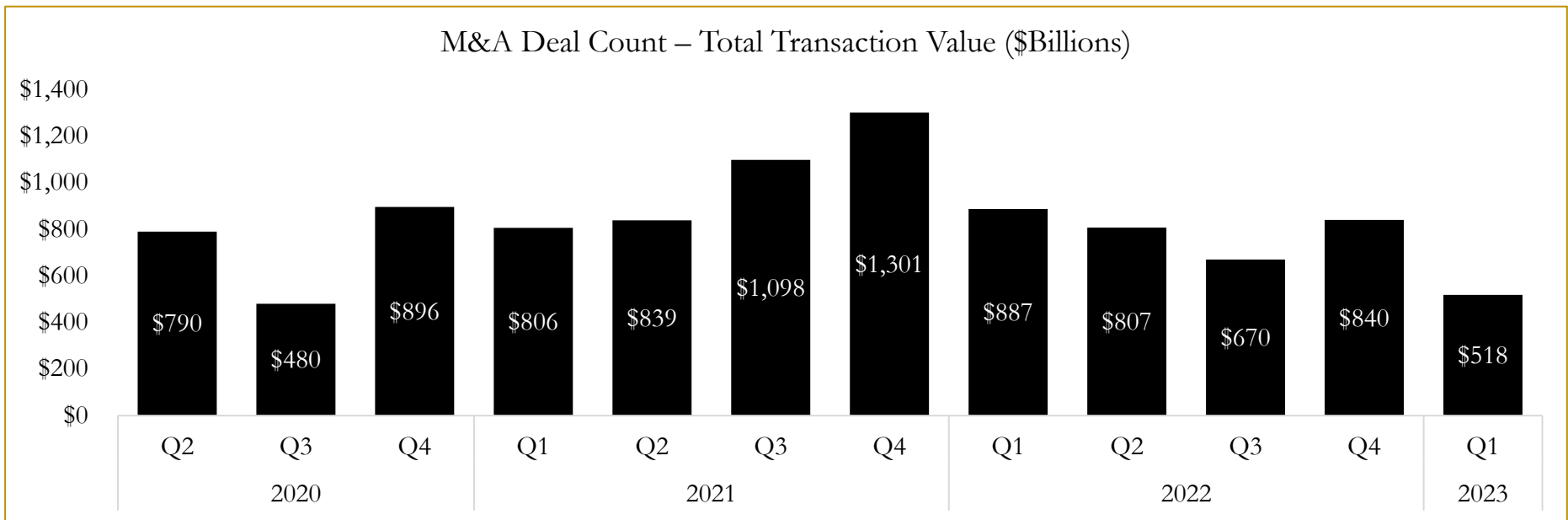
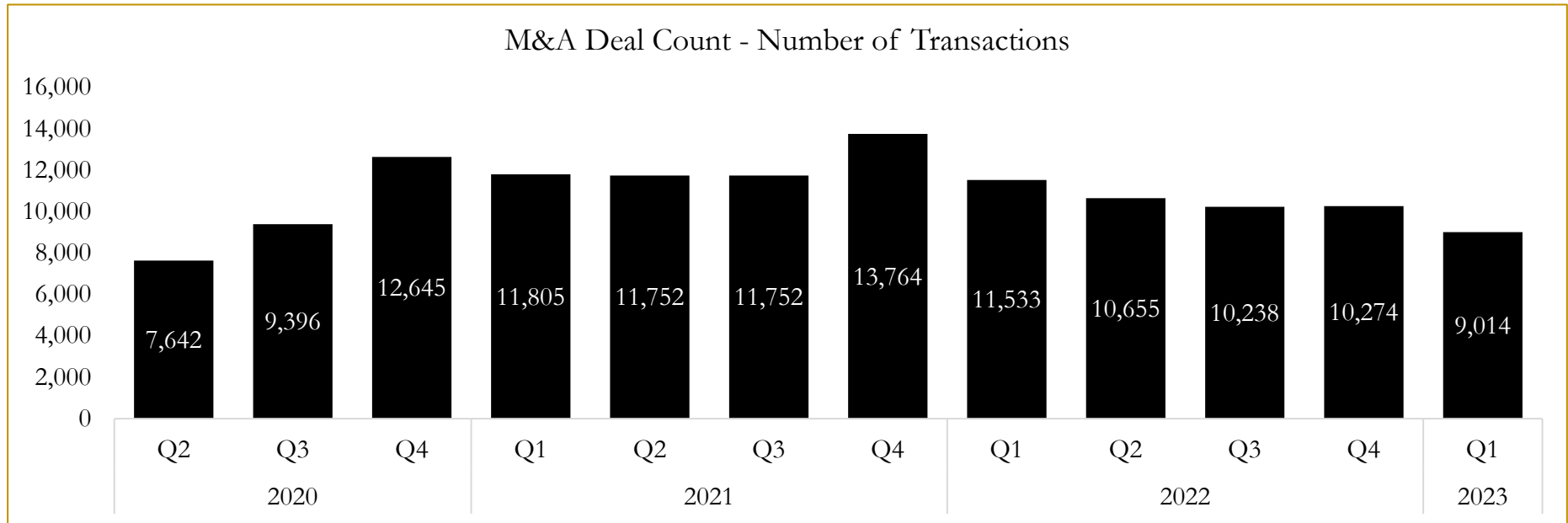


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2023



Source: Capital IQ

About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

Investment Banking

Through our Investment Banking Group, we offer sell-side/buy-side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

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