

Coker Capital's Healthcare Services Newsletter – 1st Quarter 2018 Update

In this issue of the Coker Capital Healthcare Services Newsletter, we provide an overview of Healthcare Services activity for the 1st Quarter of 2018.

Market Performance

- The S&P Healthcare Services Select Index⁽¹⁾ performed generally in line with the broader market in the 1st quarter of 2018 and was basically flat for the quarter, climbing +0.1% versus a (2.0)% decrease and +0.8% increase for the S&P 500 and NASDAQ, respectively
 - Physician Services / Alternate Site, +12.5%, Hospice / Home Care, +11.7%, and Acute-Care Hospitals, +11.0%, were the best performing sub-sectors during the quarter while Distribution and Supplies, (14.6)%, Specialty Pharmacy Services, (12.0)%, and Assisted Living and Long-Term Care, (10.8)%, were the worst
- This performance compares to an +8.3% increase in the Healthcare Services Index and a +12.0% and +19.8% increase, for the S&P 500 and NASDAQ, respectively, over last 12 months
- The Healthcare Services sector also outperformed relative to most other S&P sector indices in Q1 2018, ranking third out of 12 sectors
 - Consumer Discretionary was the best performing S&P sector index during the first quarter of 2018, +1.1%, while Energy was the worst performing index, (8.2)%, (versus a +0.1% increase for the Healthcare Services sector)

Refer to Pages 3 – 6 for additional detail

Valuation Update

- The average Firm Value (FV) / 2018P EBITDA multiple for the 94 companies in Coker Capital's Healthcare Services Comp Set was 10.6x as of 3/31/18
 - This compares to a 10.3x valuation as of 12/31/2017 (+2.9%) and a 9.1x valuation as of 12/31/16 (+16.5%)
 - Valuation for individual sub-sectors ranged from 14.6x for HCIT to 8.2x for Acute-Care Hospitals as of 3/31/18
- Over the past five years, the companies in the Healthcare Services Comp Set have traded at a peak FV / LTM EBITDA of 12.2x on 07/14/15 and a trough of 7.9x on 01/03/13

Refer to Page 7 for additional detail

M&A Activity

- 1st quarter 2018 U.S. Healthcare M&A deal volume experienced a material uptick in overall deal volume as compared to levels experienced in 2015 – 2017
 - Middle Market M&A deal value experienced a slight decline in Q1 18 as measured by transaction value and announced deals
- In this edition of the newsletter, we profile the 20 largest Healthcare Services transactions announced during Q1 18

Refer to Pages 8 – 9 for additional detail

Trading Comps

- Refer to Pages 10 – 13 for detailed trading comps for the 94 companies in Coker Capital's Healthcare Services Comp Set broken out by sub-sector

⁽¹⁾ The S&P Healthcare Services Select Index trades under the tracker SPSIHP

Coker Capital Advisors provides mergers and acquisitions advisory services to middle market healthcare companies throughout the United States. Coker Capital Advisors operates from offices in Atlanta, Charlotte, and New York. Coker Capital operates as a subsidiary of Fifth Securities, Inc. ("Fifth Third")

For more information, please visit www.cokercapital.com

If you are considering an M&A transaction, or would like to discuss other strategic alternatives, please contact one of the professionals below.

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If you have additional colleagues that would like to be added to this distribution or if you would like to be removed from this distribution, please contact one of the professionals listed above.

Healthcare Group Overview

Fifth Third Securities, Inc. (“Fifth Third”), Coker Capital Advisors’ parent company, is a leading provider of Corporate and Investment Banking Advisory Services to the Healthcare Industry, with over \$9 billion in bank capital deployed to the U.S. Healthcare Market and M&A professionals having completed over 75 sell-side and capital raising transactions for middle market companies, representing \$5 billion in value. Our diversified client base spans all healthcare sectors, markets and geographies and is comprised of 500+ healthcare businesses.

Capital Markets Advisory Expertise

Fifth Third’s experienced healthcare M&A and capital markets team understands that healthcare companies face an increasingly complex set of challenges and opportunities. Leading our team are bankers who have years of market experience and long-established industry relationships across the healthcare industry

Investment Banking

- M&A Advisory
- Capital Raising
- Strategic Alternatives

Debt Capital Markets

- Loan Capital Markets:
 - *Pro Rata*
 - *Institutional*
- Bond Capital Markets:
 - *Investment Grade*
 - *High Yield*
 - *Acquisition & Bridge Finance*

Equity Capital Markets

- Initial Public Offerings
- Follow-On Offerings
- Convertible Debt

Select 2018 Healthcare M&A Transactions

Behavioral Health



Has Been Acquired by:



American
Addiction Centers

M&A Advisory

Physical Therapy



A Portfolio Company of:



Has Acquired:



M&A Advisory

Dermatology*



A Portfolio Company of



Has Completed a Minority
Recapitalization from:



PANTHEON

M&A Advisory

Behavioral Health



Has Been Acquired by:



M&A Advisory

*Coker Capital Securities, L.L.C., doing business as Coker Capital Advisors, was acquired by Fifth Third Securities, Inc. in February of 2018. This transaction was completed prior to Fifth Third Securities, Inc.’s acquisition of Coker Capital Advisors. Securities services provided by a registered broker-dealer

Q1 2018 Healthcare Services Index Stock Performance

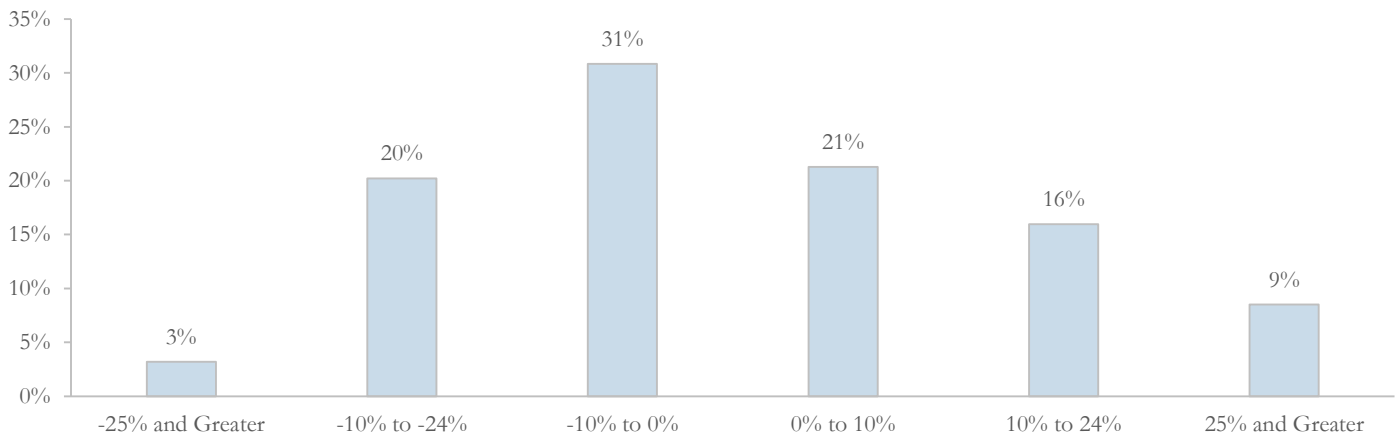
- The Healthcare Services Index performed in line with broader market indices over the first quarter of 2018. The Index improved +0.1% during the quarter compared to a (2.0)% decline and +0.8% increase for the S&P 500 and NASDAQ, respectively
- Over the last 12 months, the Index has improved +8.3% versus a +12.0% and 19.8% increase for the S&P 500 and NASDAQ, respectively



	Q2 17 (6/30/17)	Q3 17 (9/30/17)	Q4 17 (12/31/17)	Q1 18 (3/31/18)
S&P 500 Index	2.7%	3.7%	5.7%	(2.0%)
NASDAQ Index	4.2%	6.3%	5.9%	0.8%
HC Services Index	11.5%	(5.0%)	(0.4%)	0.1%

Healthcare Services Q1 18 2018 Company Stock Performance

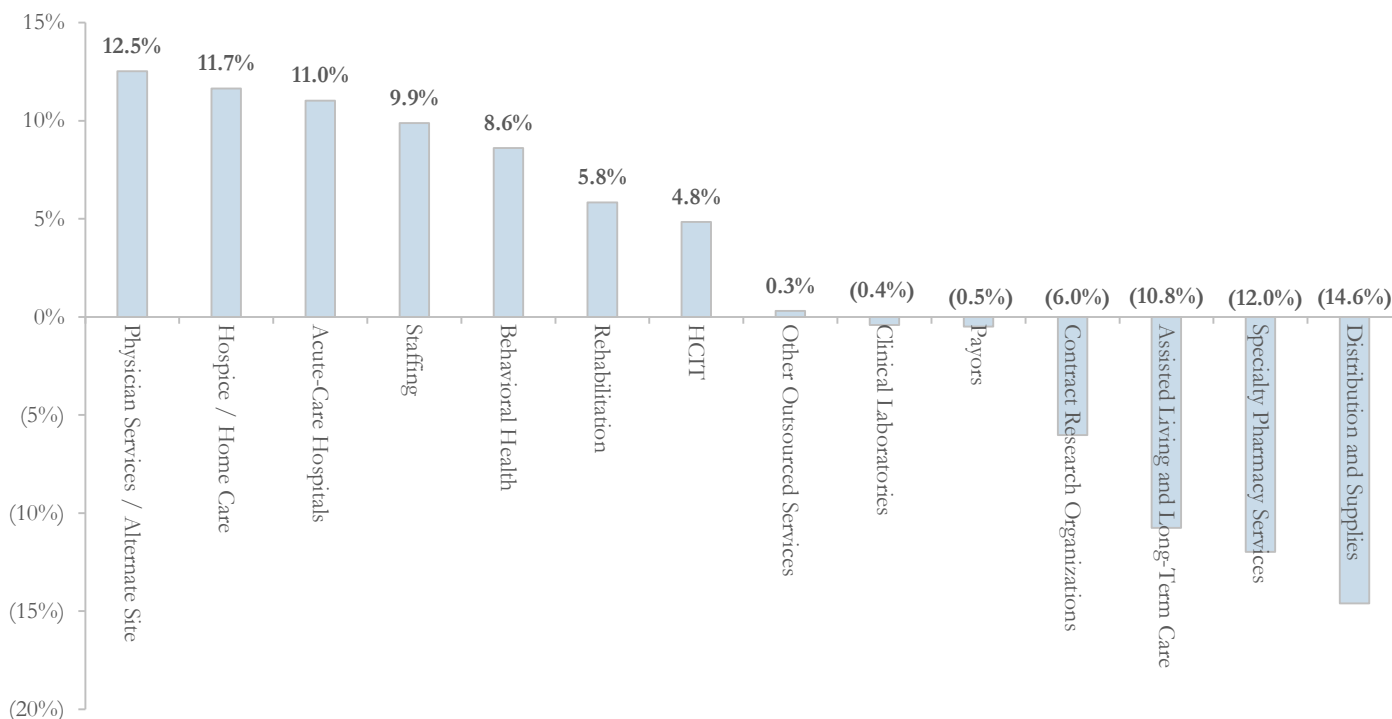
- Coker Capital’s healthcare services comp set includes 94 companies across 14 sub-sectors. 43 of the 94 companies (46%) produced positive returns in the first quarter of 2018, while 51 companies (54%) realized a decline. 8 companies (9%) realized gains in excess of 25%, while 3 companies (3%) realized declines in excess of 25% during the year



Note: Refer to pages 10 – 13 for details on the specific companies included in the Healthcare Services comp set
Source: CapitalIQ

Healthcare Services Sub-Sector Performance – Q1 2018

- Individual sub-sector performance diverged materially in the first quarter of 2018 as Physician Services / Alternate Site, +12.5%, Hospice / Home Care, +11.7%, and Acute-Care Hospitals, +11.0%, were among sub-sectors that significantly outperformed, while Distribution and Supplies, (14.6%), Specialty Pharmacy Services, (12.0%), and Assisted Living and Long-Term Care, (10.8%), significantly underperformed



Bottom-Ten Q1 2018 Performers

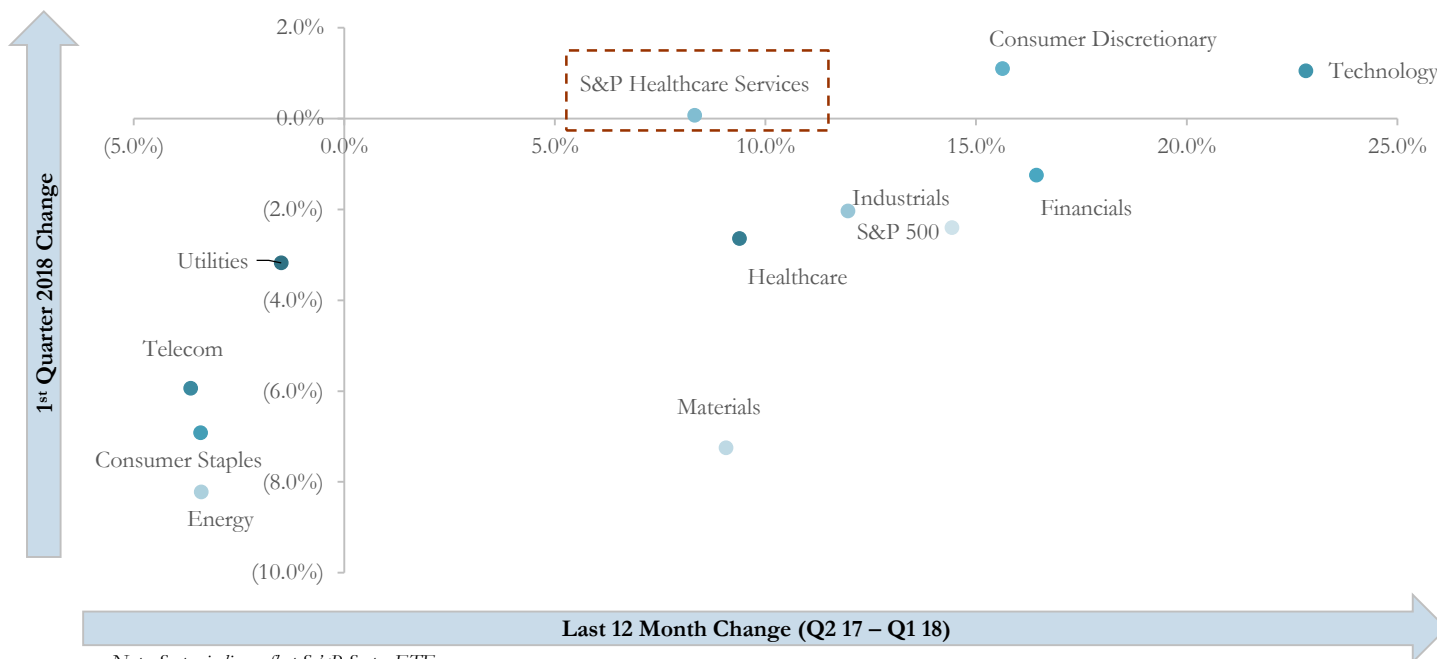
Top-Ten Q1 2018 Performers

Company	Sub-Sector	Ticker	% Change	Company	Sub-Sector	Ticker	% Change
Patterson Companies	Distribution and Supplies	PDCO	-41.3%	R1 RCM	Provider Focus HCIT	RCM	61.2%
Brookdale Senior Living	Assisted Living	BKD	-34.1%	Tenet Healthcare	Acute-Care Hospitals	THC	51.7%
Inovalon Holdings	Payor Focus HCIT	INOV	-26.6%	RadNet	Imaging	RDNT	43.3%
Capital Senior Living	Assisted Living	CSU	-23.6%	Addus Home Care	Hospice and Home Care	ADUS	35.7%
Vocera	Provider Focus HCIT	VCRA	-21.8%	Veeva Systems	Other HCIT	VEEV	32.6%
Owens and Minor	Distribution and Supplies	OMI	-19.7%	Healthequity	Payor Focus HCIT	HQY	30.3%
BioScrip	Specialty Pharmacy Services	BIOS	-19.6%	On Assignment	Staffing	ASGN	29.2%
Syneos	CRO	SYNH	-19.5%	Surgery Partners	Physician Services	SGRY	28.5%
Allscripts Healthcare	Provider Focus HCIT	MDRX	-17.6%	American Addiction Centers	Behavioral Health	AAC	23.8%
Cigna	Commercial Payors	CI	-17.2%	Quorum Health	Acute-Care Hospitals	QHC	23.0%

Note: Refer to pages 10 – 13 for details on the specific companies included in each Healthcare Services sub-sector noted above
Source: CapitalIQ

Sector Performance Comparison: LTM and Q1 2018

- While the Healthcare Services Index outperformed only four sectors over the last 12 month period, it outperformed all but two sectors (Consumer Discretionary and Technology) over the first quarter of 2018



Note: Sector indices reflect S&P Sector ETFs

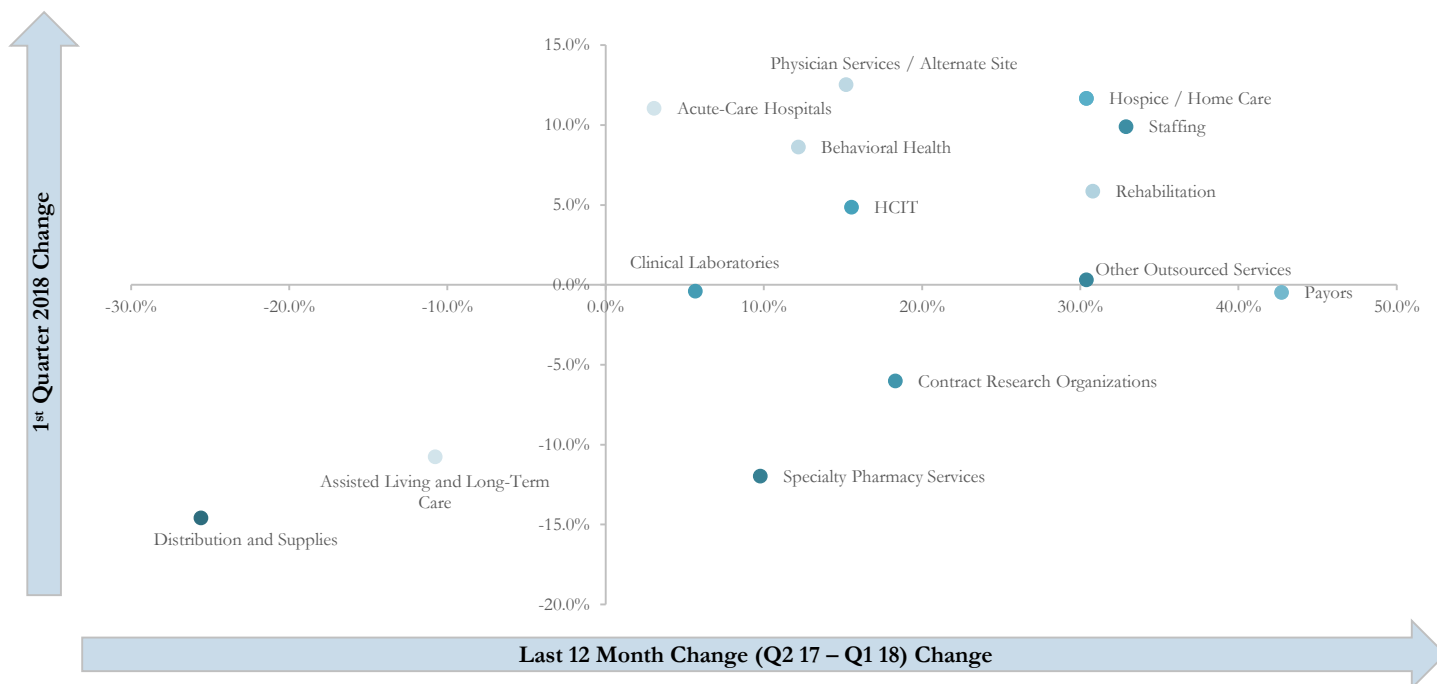
Performance by Sector

1st Quarter 2018 Performance	Ticker	% Change	LTM Performance	Ticker	% Change
Consumer Discretionary	XLY	1.1%	Technology	XLK	22.8%
Technology	XLK	1.1%	Financials	XLF	16.4%
S&P Healthcare Services	SPSIHP	0.1%	Consumer Discretionary	XLY	15.6%
Financials	XLF	(1.3%)	Industrials	XLI	14.4%
S&P 500	SPX	(2.0%)	S&P 500	SPX	12.0%
Industrials	XLI	(2.4%)	Healthcare	XLV	9.4%
Healthcare	XLV	(2.6%)	Materials	XLB	9.1%
Utilities	XLU	(3.2%)	S&P Healthcare Services	SPSIHP	8.3%
Telecom	IXP	(5.9%)	Utilities	XLU	(1.5%)
Consumer Staples	XLP	(6.9%)	Energy	XLE	(3.4%)
Materials	XLB	(7.3%)	Consumer Staples	XLP	(3.4%)
Energy	XLE	(8.2%)	Telecom	IXP	(3.7%)

Source: CapitalIQ

Healthcare Services Sub-Sector Performance Comparison: LTM and Q1 2018

- The Physician Services / Alternate Site and Hospice / Home Care sub-sectors outperformed in the first quarter of 2018 while Payors and Staffing were the best performing sub-sectors of other healthcare services for the LTM Period



Performance by Sub-Sector

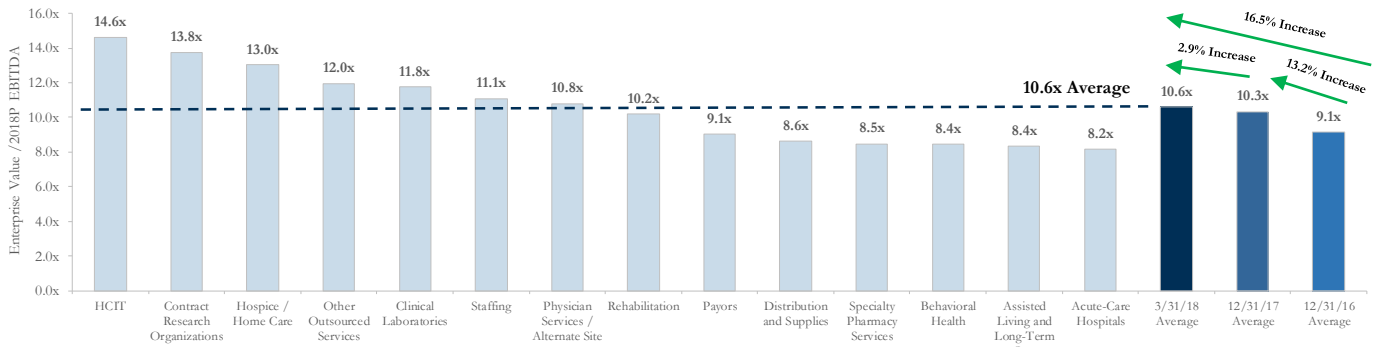
1st Quarter 2018 Performance	% Change	LTM Performance	% Change
Physician Services / Alternate Site	12.5%	Payors	42.7%
Hospice / Home Care	11.7%	Staffing	32.9%
Acute-Care Hospitals	11.0%	Rehabilitation	30.8%
Staffing	9.9%	Hospice / Home Care	30.4%
Behavioral Health	8.6%	Other Outsourced Services	30.4%
Rehabilitation	5.8%	Contract Research Organizations	18.3%
HCIT	4.8%	HCIT	15.5%
Other Outsourced Services	0.3%	Physician Services / Alternate Site	15.2%
Clinical Laboratories	(0.4%)	Behavioral Health	12.2%
Payors	(0.5%)	Specialty Pharmacy Services	9.8%
Contract Research Organizations	(6.0%)	Clinical Laboratories	5.7%
Assisted Living and Long-Term Care	(10.8%)	Acute-Care Hospitals	3.1%
Specialty Pharmacy Services	(12.0%)	Assisted Living and Long-Term Care	(10.8%)
Distribution and Supplies	(14.6%)	Distribution and Supplies	(25.6%)

Note: Refer to pages 10 – 13 for details on the specific companies included in each Healthcare Services sub-sector noted above;

Source: CapitalIQ

Healthcare Services Sub-Sector Valuation Update

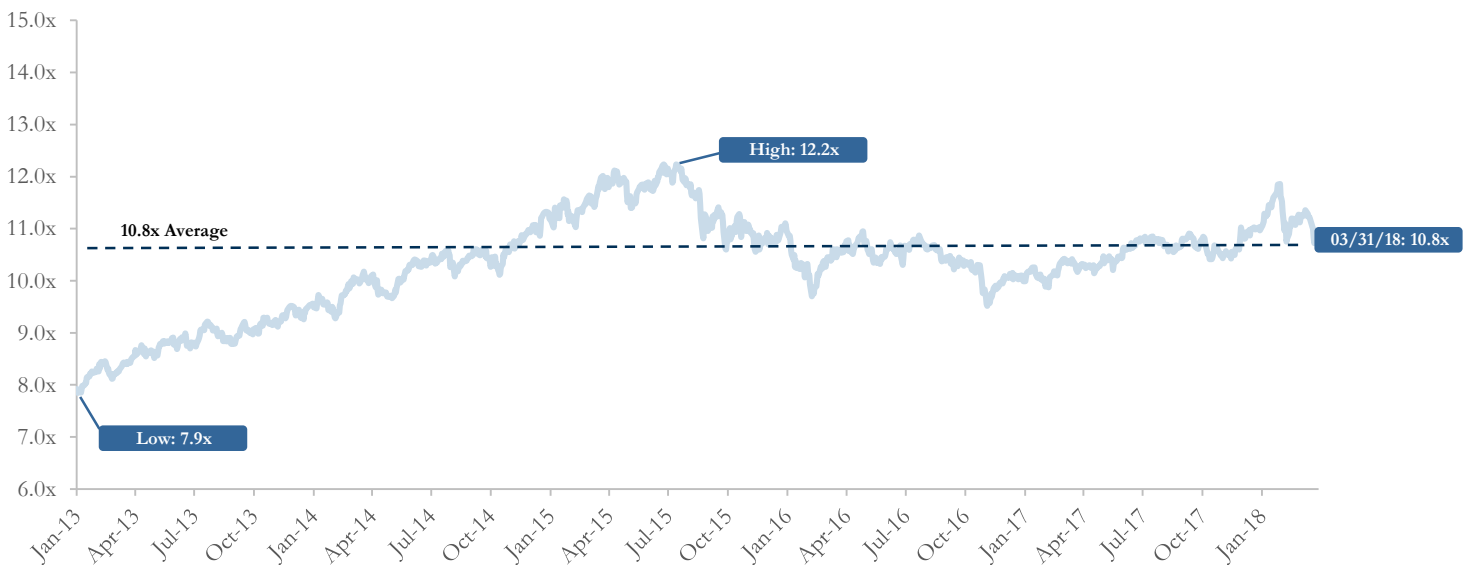
- Below is a chart that compares current Firm Value / 2018P EBITDA for each of the 14 Healthcare Services sub-sectors. The sectors are ranked from left to right by highest valuation
- The overall sector FV / 2018P EBITDA across all sub-sectors is 10.6x ranging from HCIT at the high end at 14.6x to Acute-Care Hospitals at the low end at 8.2x



Sub-Sector	% Change from 12/31/17	% Change from 12/31/16
HCIT	(27.3%)	12.3%
Contract Research Organizations	5.8%	23.2%
Hospice / Home Care	11.7%	20.2%
Other Outsourced Services	4.5%	22.7%
Clinical Laboratories	2.9%	6.9%
Staffing	13.3%	16.5%
Physician Services / Alternate Site	22.3%	37.0%
Rehabilitation	2.2%	17.9%
Payors	14.9%	33.7%
Distribution and Supplies	(1.4%)	0.9%
Specialty Pharmacy Services	(1.0%)	(3.0%)
Behavioral Health	1.9%	6.3%
Assisted Living and Long-Term Care	17.1%	24.0%
Acute-Care Hospitals	2.8%	13.4%

Healthcare Services Firm Value / LTM EBITDA January 2013 – March 2018

- The chart below tracks the Firm Value/LTM EBITDA for all 94 companies in our Healthcare Services comp set from January 2013 through March 2018
 - The Healthcare Services sector trades at 10.8x FV / LTM EBITDA as of 3/31/18. The sector reached a six-year peak at 12.2x on 07/14/15 and reached a six-year trough at 7.9x on 01/03/13

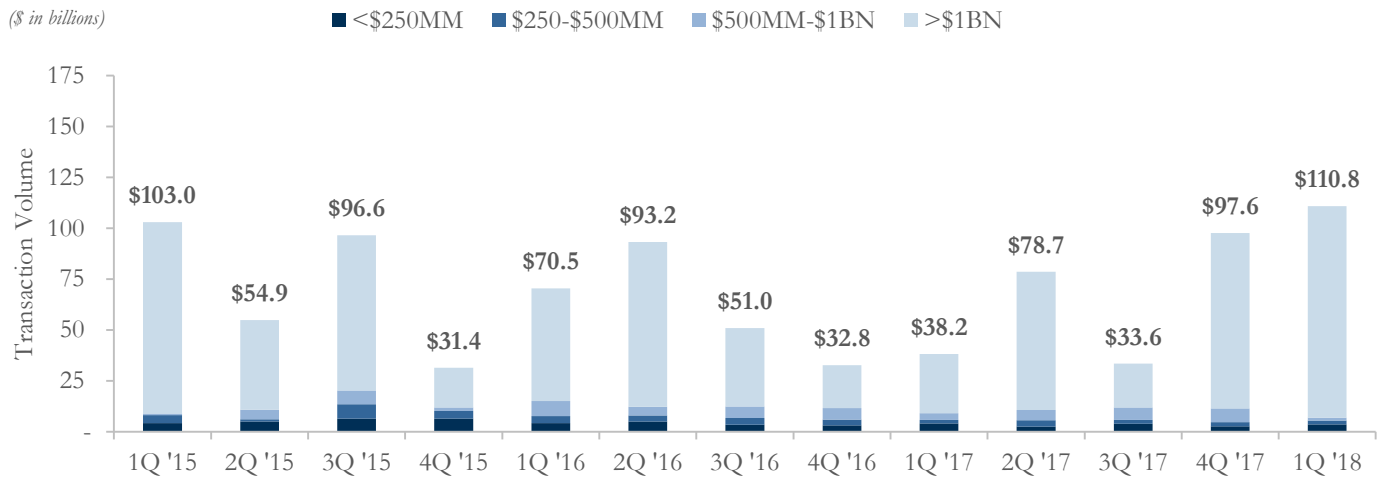


Note: Refer to pages 10 – 13 for details on the specific companies included in each Healthcare Services sub-sector noted above
Source CapitalIQ

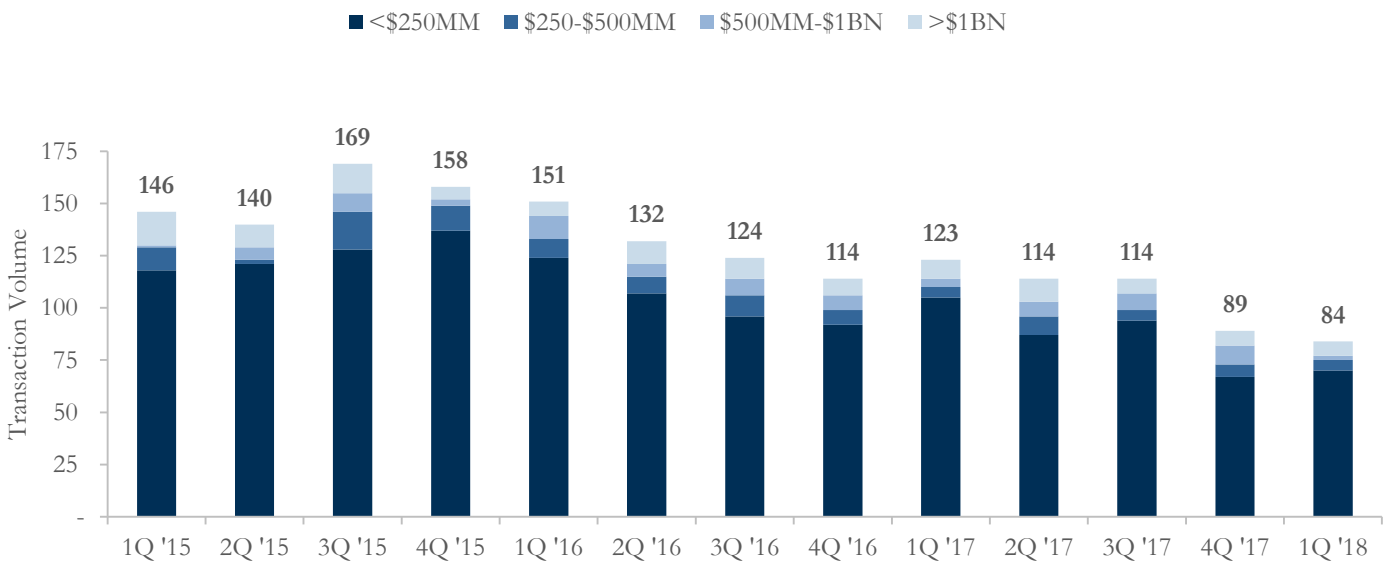
Middle Market Healthcare M&A Activity

- 1st Quarter 2018 U.S. Healthcare M&A deal volume experienced a material uptick in overall deal volume with \$100.8 billion announced in the quarter versus an average quarterly volume of \$65.1 from 2015 – 2017. This volume was driven by 84 announced transactions during Q1 2018, below the average quarterly announced transaction pace of 131 from 2015-2017.
- Middle market healthcare M&A volume (defined as announced transactions at \$500 million or less of value) experienced a decline in the 1st quarter of 2018. During the quarter, 75 transactions were announced at \$5.5 billion in transaction value. This compares to 95 transactions announced on average each quarter in 2017 at \$5.5 billion in value and 115 transactions announced on average each quarter from 2015-2017 at \$7.4 billion in value.

U.S. Healthcare M&A Announced Deal Value



U.S. Healthcare M&A Announced Deal Volume (# of Transactions)



Note: List is inclusive of U.S. domiciled targets;
 Excludes Healthcare Real Estate related transactions and hospital transactions of non-platform facilities;
 Excludes transactions with no announced purchase price

Source: CapitalIQ

Top 20 Largest Healthcare Services M&A Transactions of the First Quarter of 2018

- Below we list the top 20 announced healthcare services transactions during the 1st quarter of 2018. Cigna’s (NYSE: CI) proposed acquisition of Express Scripts (Nasdaq: ESRX) was by far the largest transaction and continues the theme seen in recent years of transformative deals that are bringing together companies that used to be in distinct and separate lines of businesses to better gain scale and to position for success in the new healthcare paradigm. Beyond that, the transactions below span a range of sub-sectors including seven Healthcare IT and five post-acute (long-term care, home health, hospice, rehabilitation) transactions

(\$ in millions)

Announced #	Date	Target / Issuer	Buyers / Investors	Sub-Sector	Transaction Value	Enterprise Value/Revenue	EBITDA
1	Mar-18	Express Scripts (Nasdaq:ESRX)	Cigna Corporation (NYSE:CI)	Pharmacy Benefit Management	\$70,886	0.7x	9.6x
2	Feb-18	Flatiron Health	Roche Holding AG (SWX:ROG)	Healthcare IT	1,900	-	-
3	Mar-18	ABILITY Network	Inovalon Holdings (Nasdaq:INOV)	Healthcare IT	1,200	8.6x	16.6x
4	Feb-18	Intermedix Corporation	R1 RCM (Nasdaq:RCM)	Healthcare IT	460	2.4x	9.6x
5	Feb-18	Four Senior Living Communities (FL, MD And VA)	Welltower (NYSE:WELL)	Long-Term Care	368	-	-
6	Jan-18	ProVation Medical	Clearlake Capital Group	Healthcare IT	180	-	-
7	Jan-18	HealthFair USA	Community Care Health Network	Other Outsourced Services	160	3.6x	-
8	Jan-18	Maestro Health	AXA SA (ENXTPA:CS)	Healthcare IT	155	-	-
9	Mar-18	Camellia Healthcare	Encompass Health	Hospice and Home Care	135	1.7x	-
10	Jan-18	Connecture (OTCPK:CNXR)	Francisco Partners	Healthcare IT	111	1.3x	-
11	Jan-18	Practice Fusion	Allscripts Healthcare	Healthcare IT	100	-	-
12	Feb-18	AdCare	AAC Healthcare Network	Behavioral Health	85	-	-
13	Feb-18	Patient Experience Business of HealthStream (Nasdaq:HSTM)	Press Ganey Associates	Other Outsourced Services	72	-	-
14	Feb-18	Ambercare Corporation	Addus HealthCare	Hospice and Home Care	51	0.7x	-
15	Jan-18	Seven Ambulatory Surgical Centers of Meridian Surgical Partners	Nueterra	Physician Services / Alternate Site	47	-	-
16	Feb-18	Three Off-Campus, Affiliated Outpatient Medical Buildings	Welltower (NYSE:WELL)	Healthcare REIT	46	-	-
17	Feb-18	Agility Health	Alliance Physical Therapy Management	Rehabilitation	45	-	-
18	Feb-18	Two Skilled Nursing/Transitional Care Facilities	Sabra Health Care REIT (Nasdaq:SBRA)	Long-Term Care	43	-	-
19	Jan-18	Assets and Business of Green Valley Hospital	Lateral Investment Management	Acute-Care Hospitals	31	-	-
20	Jan-18	State Of Art Post Acute Transitional Care Facility In Lincoln of Mainstreet Property Group	Invesque Inc. (OTCPK:MHIV.F)	Behavioral Health	22	-	-

Source: CapitalIQ, Coker Capital Research

Overview of Healthcare Services Sub-Sectors and Companies

Acute-Care Hospitals (6)

Company	Ticker
Community Health	CYH
HCA	HCA
Lifepoint Health	LPNT
Quorum Health	QHC
Tenet Healthcare	THC
Universal Health Services	UHS

Assisted Living and Long-Term Care (6)

Company	Ticker
Brookdale Senior Living	BKD
Capital Senior Living	CSU
Ensign Group	ENSG
Five Star Quality Care	FVE
Kindred	KND
National Healthcare Group	NHC

Behavioral Health (5)

Company	Ticker
Acadia	ACHC
American Addiction Centers	AAC
Civitas Solutions	CIVI
Providence Service Corp	PRSC
Universal Health Services	UHS

Clinical Laboratories (5)

Company	Ticker
LabCorp	LH
NeoGenomics	NEO
Psychemedics	PMD
Quest Diagnostics	DGX
Sonic Healthcare	SHL

Contract Research Organizations (6)

Company	Ticker
Charles River Labs	CRL
Icon	ICLR
IQVIA Holdings	IQV
MedPace	MEDP
PRA Health	PRAH
Syneos	SYNH

Distribution and Supplies (6)

Company	Ticker
AmerisourceBergen	ABC
Cardinal Health	CAH
HenrySchein	HSIC
McKesson	MCK
Owens and Minor	OMI
Patterson Companies	PDCCO

HCIT (23)

Company	Ticker
<u>Provider Focused HCIT (14)</u>	
Allscripts Healthcare	MDRX
Athenahealth	ATHN
Cerner	CERN
CPSI	CPSI
Evolent Health	EVH
Healthstream	HSTM
iRhythm	IRTC
National Research	NRCLB
OmniceLL	OMCL
Premier	PINC
Quality Systems	QSII
Teladoc	TDOC
Vocera	VCRA
R1 RCM	RCM

Payor Focused HCIT (7)

Benefit Focus	BNFT
Castlight Health	CSLT
Cotiviti	COTV
eHealth	EHTH
Healthequity	HQY
HMS Holdings	HMSY
Inovalon Holdings	INOV

Other HCIT (2)

Medidata	MDSO
Veeva Systems	VEEV

Hospice and Home Care (5)

Company	Ticker
Addus Home Care	ADUS
Almost Family	AFAM
Amedisys	AMED
Chemed	CHE
LHC Group	LHCG

Other Outsourced Services (4)

Company	Ticker
Corvel	CRVL
Healthcare Services Group	HCSG
Magellan Health	MGLN
Tivity Health	TVTY

Payors (9)

Company	Ticker
<u>Government Payors (4)</u>	
Centena	CNC
Magellan Health	MGLN
Molina	MOH
Wellcare	WCG
<u>Commercial Payors (5)</u>	
Aetna	AET
Anthem	ANTM
Cigna	CI
Humana	HUM
United Healthcare	UNH

Physician Services / Alternative Site (8)

Company	Ticker
American Renal Associates	ARA
DaVita Healthcare	DVA
Envision Healthcare	EVHC
Fresenius	FMS
Mednax	MD
Nobilis	HLTH
RadNet	RDNT
Surgery Partners	SGRY

Rehabilitation (3)

Company	Ticker
HealthSouth	HLS
Select Medical	SEM
US Physical Therapy	USPH

Specialty Pharmacy Services (5)

Company	Ticker
BioScrip	BIOS
CVS Health	CVS
Diplomat Pharmacy	DPLO
Express Scripts	ESRX
Walgreens Boots Alliance	WBA

Staffing (3)

Company	Ticker
AMN Health Services	AMN
Cross Country Healthcare	CCRN
On Assignment	ASGN

Coker Capital Advisors Healthcare Services Market Update – 1st Quarter 2018

(\$ in millions)											
Company	Market Data				Financial Information					Trading Multiples	
	Price as of: 03/31/18	% 52wk High	Market Cap	Enterprise Value	Cash and Cash Equivalents	Total Debt	2018P Revenue	2018P EBITDA	EV (P) / 2018 Revenue EBITDA		
Provider Services											
Acute-Care Hospitals											
HCA	\$97.00	91%	\$34,165.1	\$68,248.1	\$732.0	\$33,058.0	\$45,608.4	\$8,595.0	1.5x	7.9x	
Tenet Healthcare	24.25	96%	2,451.9	19,329.9	611.0	14,937.0	18,097.0	2,547.4	1.1x	7.6x	
UHS	118.41	92%	11,162.6	15,196.8	74.4	4,040.0	10,980.4	1,801.5	1.4x	8.4x	
Community Health	3.96	38%	443.5	14,413.5	563.0	13,931.0	13,710.1	1,560.9	1.1x	9.2x	
Lifepoint Health	47.00	69%	1,832.0	4,788.0	112.0	2,899.7	6,385.0	740.5	0.7x	6.5x	
Quorum Health	8.18	87%	247.0	1,471.6	5.6	1,213.9	1,942.8	171.2	0.8x	8.6x	
<i>Weighted Average</i>									1.4x	8.0x	
<i>Median</i>									1.1x	8.2x	
Assisted Living and Long-Term Care											
Brookdale Senior Living	6.71	43%	1,251.9	5,879.3	222.6	5,142.3	4,565.0	578.6	1.3x	10.2x	
Kindred	9.15	77%	836.4	4,180.5	160.3	3,302.4	6,091.2	811.0	0.7x	5.2x	
Ensign Group	26.30	90%	1,354.1	1,619.2	42.3	312.9	2,002.9	193.7	0.8x	8.4x	
Capital Senior Living	10.75	64%	327.9	1,320.1	17.6	1,009.8	486.0	103.1	2.7x	12.8x	
National Healthcare Group	59.63	79%	907.8	837.1	59.1	126.7	N/A	N/A	N/A	N/A	
Five Star Quality Care	1.30	59%	65.7	32.4	26.3	8.2	1,387.8	\$16.0	0.0x	2.0x	
<i>Weighted Average</i>									0.9x	6.9x	
<i>Median</i>									0.8x	8.4x	
Behavioral Health											
Universal Health Services	118.41	92%	11,162.6	15,196.8	74.4	4,040.0	10,980.4	1,801.5	1.4x	8.4x	
Acadia	39.18	72%	3,458.5	6,653.6	67.3	3,239.9	3,050.9	640.2	2.2x	10.4x	
Civitas Solutions	15.40	77%	578.2	1,285.4	0.0	709.2	1,616.6	170.0	0.8x	7.6x	
Providence Service Corp	69.14	93%	889.6	872.6	95.3	3.0	1,640.4	79.1	0.5x	11.0x	
American Addiction Centers	11.48	88%	280.8	477.9	13.8	225.7	356.2	70.5	1.3x	6.8x	
<i>Weighted Average</i>									1.5x	8.9x	
<i>Median</i>									1.3x	8.4x	
Hospice and Home Care											
Chemed	272.86	95%	4,409.8	4,499.8	11.1	101.2	1,721.6	279.0	2.6x	16.1x	
Amedisys	60.34	92%	2,050.6	2,054.2	86.4	88.8	1,631.2	161.1	1.3x	12.8x	
LHC Group	61.56	81%	1,125.6	1,338.2	2.8	144.3	1,231.5	102.4	1.1x	13.1x	
Almost Family	56.00	85%	783.6	922.1	11.3	113.0	823.7	78.8	1.1x	11.7x	
Addus Home Care	48.65	101%	558.9	548.1	53.8	43.0	472.8	42.1	1.2x	13.0x	
<i>Weighted Average</i>									1.9x	14.4x	
<i>Median</i>									1.2x	13.0x	
Physician Services / Alternate Site											
Fresenius	51.08	88%	25,429.3	32,889.0	978.1	7,448.7	22,431.2	4,121.8	1.5x	8.0x	
Davita	65.94	82%	11,949.9	21,941.8	508.2	9,336.2	11,319.7	2,130.8	1.9x	10.3x	
Envision Healthcare	38.43	60%	4,596.6	11,429.2	312.2	6,315.4	8,419.1	968.4	1.4x	11.8x	
Mednax	55.63	80%	5,192.6	6,974.9	60.2	1,852.8	3,735.3	617.0	1.9x	11.3x	
Surgery Partners	17.15	71%	833.7	4,160.1	174.9	2,189.3	1,776.9	248.2	2.3x	16.8x	
American Renal Associates	18.85	78%	604.6	1,410.5	71.5	560.3	801.8	114.3	1.8x	12.3x	
RadNet	14.40	102%	694.5	1,260.7	51.3	609.1	962.3	150.8	1.3x	8.4x	
Nobilis	1.65	79%	129.0	307.5	22.5	136.8	351.1	60.0	0.9x	5.1x	
<i>Weighted Average</i>									1.6x	9.4x	
<i>Median</i>									1.6x	10.8x	
Rehabilitation											
HealthSouth	57.17	96%	5,610.6	8,597.7	54.4	2,577.7	4,198.2	843.1	2.0x	10.2x	
Select Medical	17.25	87%	2,313.0	5,669.9	122.5	2,729.4	5,146.9	645.9	1.1x	8.8x	
US Physical Therapy	81.30	93%	1,030.2	1,173.1	21.9	60.8	439.2	61.5	2.7x	19.1x	
<i>Weighted Average</i>									1.9x	10.9x	
<i>Median</i>									2.0x	10.2x	

Source CapitalIQ

Coker Capital Advisors Healthcare Services Market Update – 1st Quarter 2018

(\$ in millions)

Company	Market Data			Financial Information					Trading Multiples	
	Price as of 03/31/18	% 52wk High	Market Cap	Enterprise Value	Cash and Cash Equivalents	Total Debt	2018P Revenue	2018P EBITDA	EV (P) / 2018 Revenue EBITDA	
Information Technology and Solutions										
Provider Focus HCIT										
Cerner	58.00	79%	19,290.6	19,011.6	370.9	526.7	5,544.0	1,734.7	3.4x	11.0x
Athenahealth	143.03	90%	5,735.2	5,842.9	165.1	272.8	1,348.3	358.2	4.3x	16.3x
Teladoc	40.30	90%	2,487.6	2,572.6	42.8	207.4	356.5	8.6	7.2x	NM
Allscripts Healthcare	12.35	77%	2,233.5	4,125.7	155.8	1,577.3	2,204.3	437.3	1.9x	9.4x
Premier	31.31	86%	1,713.1	1,757.8	163.0	207.7	1,678.5	554.3	1.0x	3.2x
Omnicell	43.40	78%	1,683.2	1,860.9	32.4	210.1	790.9	126.0	2.4x	14.8x
iRhythm	62.95	92%	1,476.3	1,407.9	8.7	34.0	130.6	NM	10.8x	NM
Evolent Health	14.25	52%	1,065.7	984.1	238.4	121.4	577.8	21.5	1.7x	45.8x
Quality Systems	13.65	77%	869.7	885.3	23.4	39.0	536.3	80.6	1.7x	11.0x
Healthstream	24.83	79%	795.6	664.4	84.8	0.0	229.8	39.7	2.9x	16.7x
National Research	49.83	86%	789.8	756.2	34.7	1.1	127.8	42.8	5.9x	17.7x
R1 RCM	7.14	89%	745.9	770.3	164.9	0.0	871.0	53.3	0.9x	14.5x
Vocera	23.42	73%	691.5	611.1	28.7	0.8	180.0	17.0	3.4x	35.9x
CPSI	29.20	81%	402.4	544.3	0.5	142.4	286.5	47.7	1.9x	11.4x
<i>Weighted Average</i>									3.7x	12.1x
<i>Median</i>									2.6x	14.6x
Payor Focus HCIT										
Healthequity	60.54	88%	3,690.0	3,449.8	199.5	0.0	280.8	109.2	12.3x	31.6x
Cotiviti	34.44	75%	3,183.0	3,787.0	165.5	769.5	756.9	302.4	5.0x	12.5x
Inovalon Holdings	10.60	60%	1,530.7	1,303.1	208.9	248.7	577.5	168.2	2.3x	7.7x
HMS Holdings	16.84	81%	1,395.9	1,552.6	83.3	240.0	565.0	130.9	2.7x	11.9x
Benefit Focus	24.40	66%	764.5	824.4	55.3	115.3	254.0	8.9	3.2x	NM
Castlight Health	3.65	77%	493.8	406.0	61.3	5.6	153.3	-9.2	2.6x	NM
eHealth	14.31	50%	271.0	230.7	40.3	0.0	220.4	22.8	1.0x	10.1x
<i>Weighted Average</i>									6.4x	16.6x
<i>Median</i>									2.7x	11.9x
Other HCIT										
Veeva Systems	73.02	93%	10,320.9	9,558.9	320.2	0.0	818.6	266.2	11.7x	35.9x
Medidata	62.81	73%	3,681.1	3,572.7	237.3	375.9	636.4	162.5	5.6x	22.0x
<i>Weighted Average</i>									10.1x	32.3x
<i>Median</i>									8.6x	28.9x

Source CapitalIQ

Coker Capital Advisors Healthcare Services Market Update – 1st Quarter 2018

(\$ in millions)										
PUBLICLY-TRADED HEALTHCARE COMPANIES										
Company	Market Data			Financial Information					Trading Multiples	
	Price as of: 03/31/18	% 52wk High	Market Cap	Enterprise Value	Cash and Cash Equivalents	Total Debt	2018P Revenue	2018P EBITDA	EV (P) / 2018 Revenue EBITDA	
Clinical and Patient Support Services										
Clinical Laboratories										
LabCorp	\$161.75	89%	\$16,482.3	\$22,948.5	\$316.7	\$6,762.1	\$11,482.4	\$2,200.1	2.0x	10.4x
Quest Diagnostics	100.30	89%	13,619.1	17,540.1	137.0	3,944.0	7,729.0	1,586.2	2.3x	11.1x
Sonic Healthcare	22.88	92%	9,673.8	12,288.5	328.7	2,843.3	5,654.9	986.1	2.2x	12.5x
NeoGenomics	8.16	70%	656.9	782.2	12.8	105.4	266.0	39.7	2.9x	19.7x
Psychemedics	21.36	76%	117.3	112.5	8.2	3.4	NM	NM	NM	NM
<i>Weighted Average</i>									2.1x	11.2x
<i>Median</i>									2.2x	11.8x
Contract Research Organizations										
Quintiles Transnational	98.11	89%	20,433.4	29,902.4	959.0	10,225.0	10,127.4	2,197.0	3.0x	13.6x
PRA Health	82.96	87%	5,292.1	6,451.3	192.2	1,345.7	2,900.5	443.8	2.2x	14.5x
Icon	118.14	95%	6,389.2	6,377.6	282.9	348.9	2,552.8	447.0	2.5x	14.3x
Syneos Health	35.50	58%	3,712.7	6,398.3	321.3	3,007.7	3,267.8	603.4	2.0x	10.6x
Charles River Labs	106.74	90%	5,062.6	6,034.3	163.8	1,145.1	2,174.0	503.6	2.8x	12.0x
MedPace	34.91	88%	1,238.8	1,460.5	26.5	248.2	420.4	105.1	3.5x	13.9x
<i>Weighted Average</i>									2.7x	13.4x
<i>Median</i>									2.6x	13.8x
Staffing										
On Assignment	81.88	95%	4,272.2	4,812.9	34.5	575.2	3,310.4	393.8	1.5x	12.2x
AMN Health Services	56.75	93%	2,713.7	3,018.4	15.1	319.8	2,091.1	272.4	1.4x	11.1x
Cross Country Healthcare	11.11	74%	404.8	479.0	25.5	99.1	877.4	46.9	0.5x	10.2x
<i>Weighted Average</i>									1.4x	11.7x
<i>Median</i>									1.4x	11.1x
Managed Care										
Government Payors										
Wellcare	193.63	87%	8,622.2	5,606.0	4,198.6	1,182.4	18,670.0	787.8	0.3x	7.1x
Centene	106.87	95%	18,703.3	19,428.3	4,072.0	4,771.0	60,948.0	2,447.1	0.3x	7.9x
Molina	81.18	86%	4,867.4	3,850.4	3,186.0	2,169.0	18,835.1	635.2	0.2x	6.1x
Magellan Health	107.10	98%	2,605.1	3,197.7	169.7	853.7	7,656.9	396.5	0.4x	8.1x
<i>Weighted Average</i>									0.3x	7.5x
<i>Median</i>									0.3x	7.5x
Commercial Payors										
United Healthcare	214.00	85%	207,079.9	231,036.9	11,981.0	31,692.0	224,300.0	19,596.9	1.0x	11.8x
Anthem	219.70	82%	56,182.1	72,959.4	3,608.9	20,386.2	91,158.5	6,892.4	0.8x	10.6x
Aetna	169.00	87%	55,253.3	60,593.3	4,076.0	9,159.0	61,634.5	6,258.1	1.0x	9.7x
Cigna	167.74	74%	40,800.6	43,316.6	2,972.0	5,439.0	44,208.5	4,970.9	1.0x	8.7x
Humana	268.83	92%	37,122.0	38,141.0	4,042.0	5,061.0	56,105.0	3,484.0	0.7x	10.9x
<i>Weighted Average</i>									1.0x	10.9x
<i>Median</i>									1.0x	10.6x
Other Outsourced Services										
Magellan Healthcare	107.10	98%	2,605.1	3,197.7	169.7	853.7	7,656.9	396.5	0.4x	8.1x
Healthcare Services Group	43.48	77%	3,203.6	3,156.2	9.6	35.4	2,084.5	162.3	1.5x	19.4x
Tivity Health	39.65	82%	1,577.5	1,695.0	28.4	146.0	617.7	141.7	2.7x	12.0x
Corvel	50.55	83%	954.4	900.8	53.6	0.0	0.0	0.0	N/A	N/A
<i>Weighted Average</i>									1.2x	12.3x
<i>Median</i>									1.5x	12.0x
Specialty Pharmacy Services										
CVS Health	62.21	74%	63,171.8	88,388.8	1,696.0	27,025.0	189,076.2	12,450.6	0.5x	7.1x
Walgreens Boots Alliance	65.47	75%	64,859.1	79,607.1	1,749.0	15,674.0	135,376.2	9,383.8	0.6x	8.5x
Express Scripts	69.08	81%	38,790.6	52,501.1	2,309.6	16,014.4	100,975.7	7,691.0	0.5x	6.8x
Diplomat Pharmacy	20.15	73%	1,487.8	2,124.4	84.3	720.8	5,424.2	167.4	0.4x	12.7x
BioScrip	2.46	73%	314.1	837.3	39.5	480.6	715.6	56.5	1.2x	14.8x
<i>Weighted Average</i>									0.5x	7.6x
<i>Median</i>									0.5x	8.5x
Distribution and Supplies										
McKesson	140.87	79%	29,067.0	37,078.0	2,619.0	8,957.0	213,019.0	4,609.4	0.2x	8.0x
Cardinal Health	62.68	76%	19,725.8	28,268.8	1,249.0	9,759.0	139,268.2	3,270.7	0.2x	8.6x
AmerisourceBergen	86.21	81%	18,937.7	20,537.2	3,037.7	4,637.3	171,858.0	2,376.9	0.1x	8.6x
HenrySchein	67.21	72%	10,329.8	12,666.2	174.7	1,666.1	13,257.0	1,127.2	1.0x	11.2x
Patterson	22.23	46%	2,055.0	3,123.2	118.0	1,186.2	5,573.3	292.3	0.6x	10.7x
Owens and Minor	15.55	44%	961.3	1,757.6	104.5	900.7	10,065.5	291.5	0.2x	6.0x
<i>Weighted Average</i>									0.3x	8.8x
<i>Median</i>									0.2x	8.6x

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Coker Capital Advisors is a healthcare-focused mergers and acquisitions advisory firm. With offices in Atlanta, Charlotte, and New York, we provide mergers and acquisitions advisory services to middle market healthcare companies. Our team combines investment banking, private equity, legal, and management consulting experience within the healthcare industry. Our senior professionals average more than a decade of healthcare transaction experience and have completed over 225 transactions across a wide range of healthcare subsectors with an aggregate transaction value in excess of \$65 billion.

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For more information on market activity throughout the healthcare industry, or to discuss how Coker Capital Advisors may be able to add value to your company, please contact any member of our team:
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