

Coker Capital's Healthcare Services Review – First Half of 2019

In this issue of the Coker Capital Healthcare Services Newsletter, we provide an overview of Healthcare Services activity for the 1st Half of 2019.

Market Performance

- The S&P Healthcare Services Select Index⁽¹⁾ underperformed the broader market in the first six months of 2019, increasing 6.1% versus a 17.3% and 20.7% increase for the S&P 500 and NASDAQ, respectively
 - HCIT, 36.3%, Contract Research Organizations, 30.7%, and Clinical Laboratories, 29.5%, were the best performing sub-sectors in the first six months of 2019 while Specialty Pharmacy Services, (18.6%), Other Outsourced Services, (2.9%), and Payors, (0.2%), were the worst
 - eHealth (EHTH), 124.1%, Veeva Systems (VEEV), 81.5%, and NeoGenomics (NEO), 74.0%, were the top performing stocks, while Nobilis (HLTH), (65.6%), Evolent Health (EVH), (60.2%), and Diplomat Pharmacy (DPLO), (54.8%), were the worst performing stocks
- The S&P Healthcare Services Select Index⁽¹⁾ experienced a decline of (3.8%) as compared to an 8.2% and 6.6% increase for the S&P 500 and NASDAQ, respectively, over the last twelve months ending June 2019
 - This Index underperformed most other S&P sector indices during this period, with a decrease of (3.8%), ranking 11th out of twelve S&P sector indices

Refer to Pages 2 – 5 for additional detail

Valuation Update

- The average Firm Value (FV) / 2019P EBITDA multiple for the 88 companies in Coker Capital's Healthcare Services Comp Set was 11.5x as of 6/30/2019
 - This compares to a 10.3x and 11.1x valuation for the same Comp Set as of 12/31/2018 and 12/29/2017, respectively
 - Valuation for individual sub-sectors ranged from 18.8x (Hospice and Home Care) to 8.6x (Acute-Care Hospitals)

Refer to Page 6 for additional detail

M&A Activity

- Middle Market M&A volume and transaction counts have declined slightly in 2019 relative to 2017 and 2018 across all industries, including Healthcare Services, though remain strong relative to historical levels

Refer to Pages 7 – 8 for additional detail

Trading Comps

- *Refer to Pages 9 – 12 for detailed trading comps for the 88 companies in Coker Capital's Healthcare Services Comp Set broken out by sub-sector*

July 8, 2019

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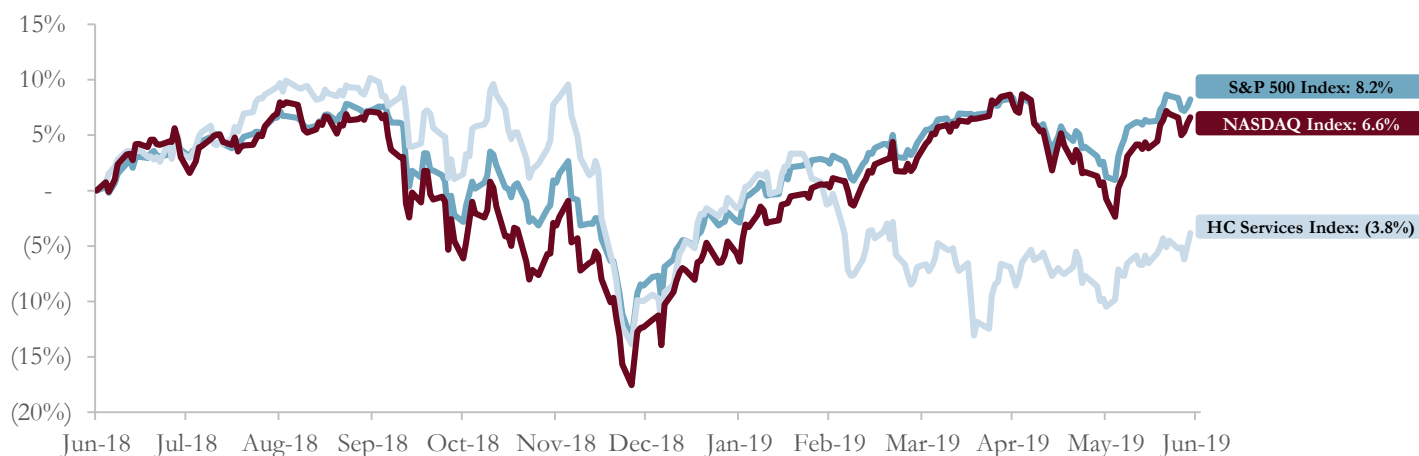
If you have additional colleagues that would like to be added to this distribution or if you would like to be removed from this distribution, please contact one of the professionals listed above.

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

Coker Capital Advisors First Half of 2019 in Review: Market Performance

Healthcare Services Index Stock Performance

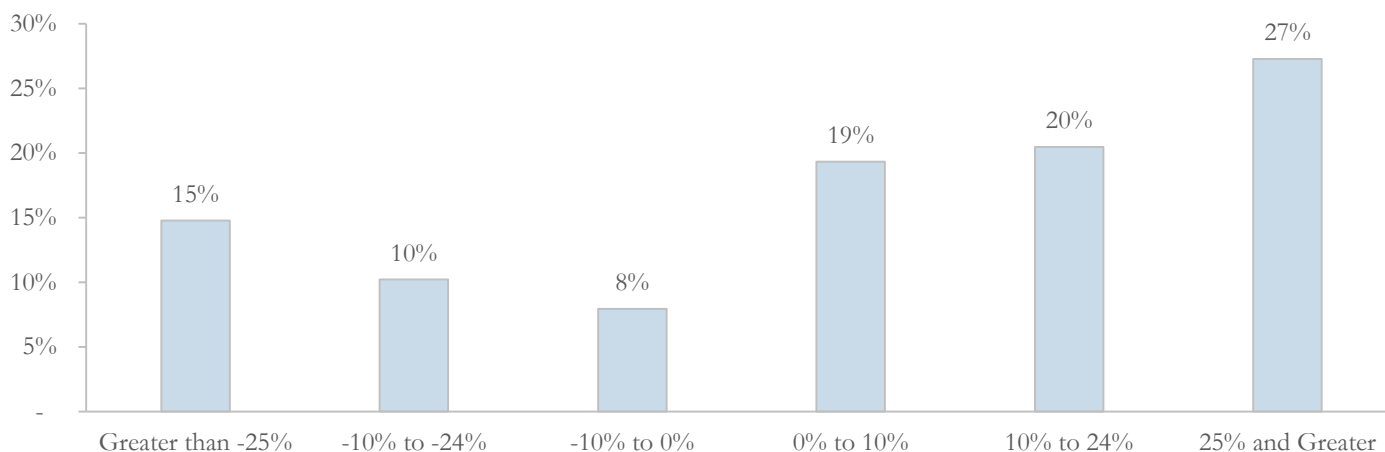
- The S&P Healthcare Services Index underperformed the broader market indices in the last twelve months ending June 2019 due in part to the counter-cyclicality of the industry. The Index decreased (3.8%) compared to an 8.2% and 6.6% increase for the S&P 500 and NASDAQ, respectively
- Since the Presidential election on 11/08/16, the S&P Healthcare Services Index has increased 33.3% versus a 37.5% and 54.2% increase for the S&P 500 and NASDAQ, respectively
 - Since the mid-term elections on 11/06/18, this Index has decreased (9.7%) versus a 6.8% and 8.5% increase for the S&P 500 and NASDAQ, respectively



	Q3 2018	Q4 2018	Q1 2019	Q2 2019
S&P 500 Index	7.2%	(14.0%)	13.1%	3.8%
NASDAQ Index	7.1%	(17.5%)	16.5%	3.6%
HC Services Index	10.1%	(17.7%)	2.7%	3.3%

Healthcare Services 2019 YTD Company Stock Performance

- Coker Capital's healthcare services comp set includes 88 companies across 14 sub-sectors. 59 of the 88 companies (67.0%) have produced positive returns in 2019 YTD while 29 companies (33.0%) realized a decline. 24 companies (27.3%) experienced gains in excess of 25% while 13 companies (14.8%) experienced declines in excess of 25% in 2019 YTD

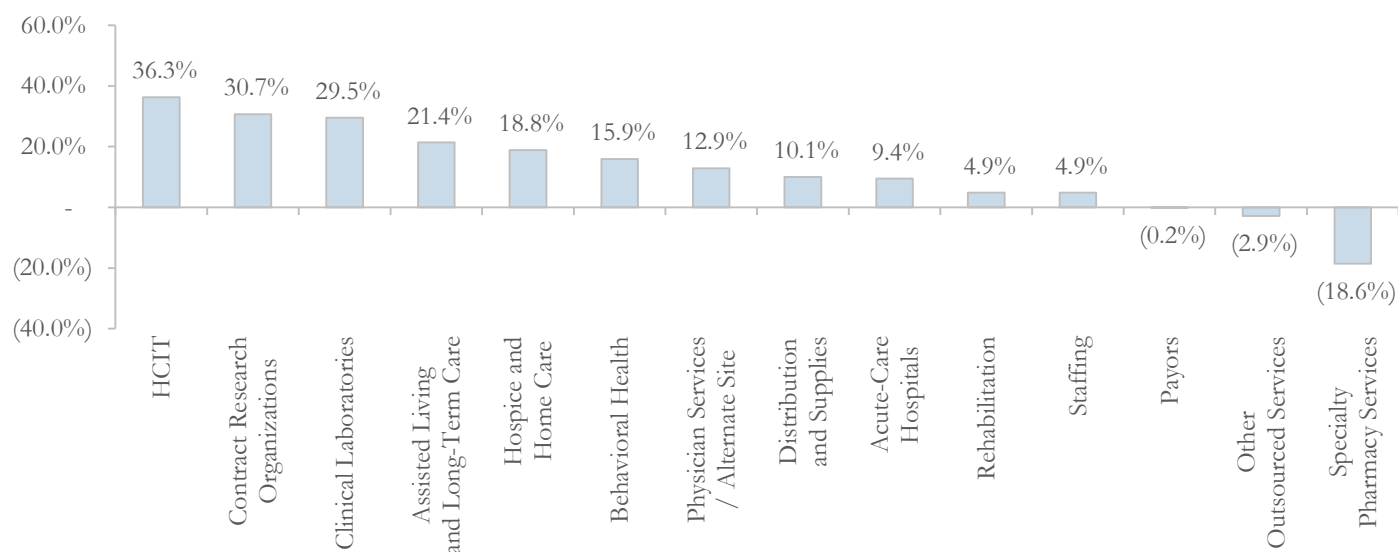


Note: Refer to pages 9 – 12 for details on the specific companies included in each Healthcare Services sub-sector noted above
Source: Capital IQ

Coker Capital Advisors First Half of 2019 in Review: Market Performance

Healthcare Services Sub-sector Performance – First Half 2019

- Individual sub-sector performance has also diverged materially in 2019 as HCIT, 36.3%, Contract Research Organizations, 30.7%, and Clinical Laboratories, 29.5%, were among sub-sectors that significantly outperformed, while Specialty Pharmacy Services, (18.6%), Other Outsourced Services, (2.9%), and Payors, (0.2%), significantly underperformed



Top-Ten 1H 2019 Performers

Company	Sub-Sector	Ticker	% Change
eHealth	Payor Focus HCIT	EHTH	124.1%
Veeva Systems	Other HCIT	VEEV	81.5%
NeoGenomics	Clinical Laboratories	NEO	74.0%
R1 RCM	Provider Focus HCIT	RCM	58.2%
National Research Corporation	Provider Focus HCIT	NRC	51.0%
Castlight Health	Consumer Focused HCIT	CSLT	48.8%
Ensign Group	Assisted Living and Long-Term Care	ENSG	46.7%
Corvel	Other Outsourced Services	CRVL	41.0%
Omniceil	Provider Focus HCIT	OMCL	40.5%
Cerner	Provider Focus HCIT	CERN	39.8%

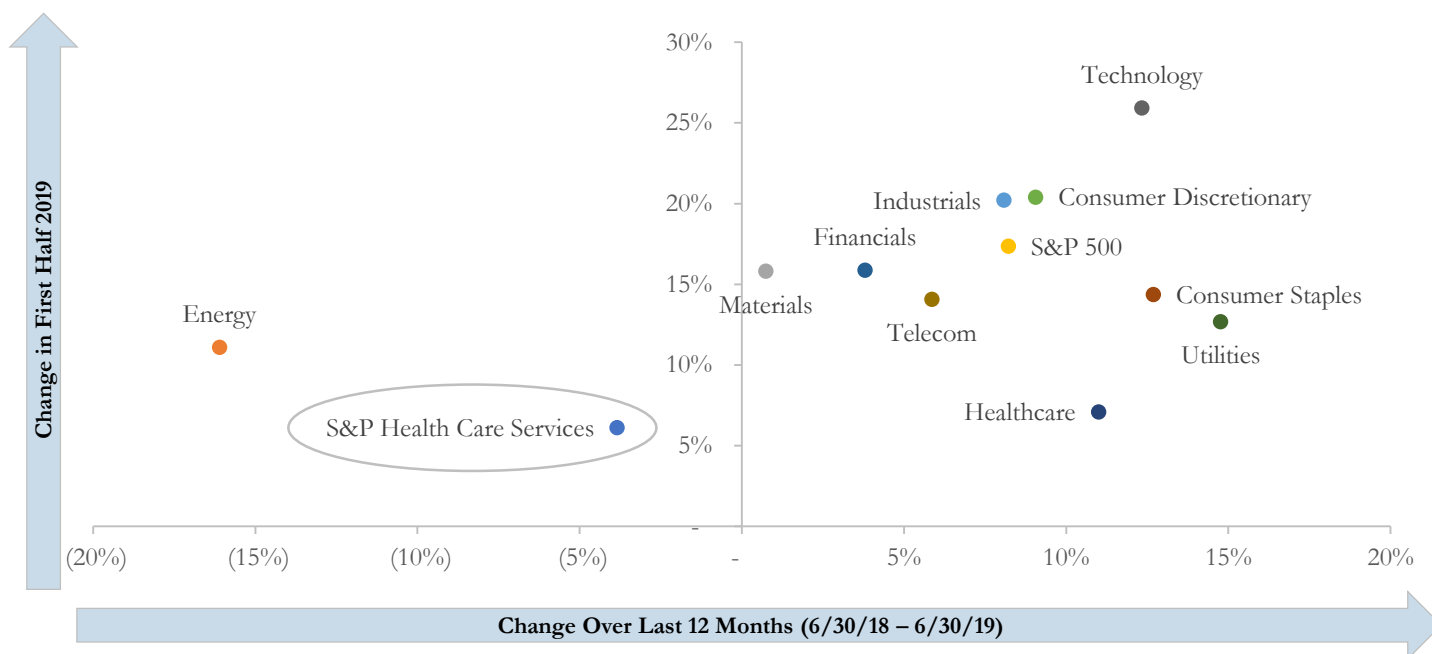
Bottom-Ten 1H 2019 Performers

Company	Sub-Sector	Ticker	% Change
Nobilis	Physician Services / Alternate Site	HLTH	(65.6%)
Evolut Health	Provider Focus HCIT	EVH	(60.2%)
Diplomat Pharmacy	Specialty Pharmacy Services	DPLO	(54.8%)
Quorum Health	Acute-Care Hospitals	QHC	(51.9%)
Owens and Minor	Distribution and Supplies	OMI	(49.4%)
Rite Aid	Specialty Pharmacy Services	RAD	(43.5%)
Benefit Focus	Consumer Focused HCIT	BNFT	(40.6%)
American Addiction Centers	Behavioral Health	AAC	(38.6%)
Psychemedics	Clinical Laboratories	PMD	(36.4%)
American Renal Associates	Physician Services / Alternate Site	ARA	(35.4%)

Coker Capital Advisors First Half of 2019 in Review: Market Performance

Sector Performance Comparison: LTM 6/30/19 and 1st Half 2019

- The S&P Healthcare Services Index underperformed all other sub-sectors except for the Energy sector in the last 12 months and underperformed all other sub-sectors during the first six months of 2019



Note: Sector indices reflect S&P Sector ETFs

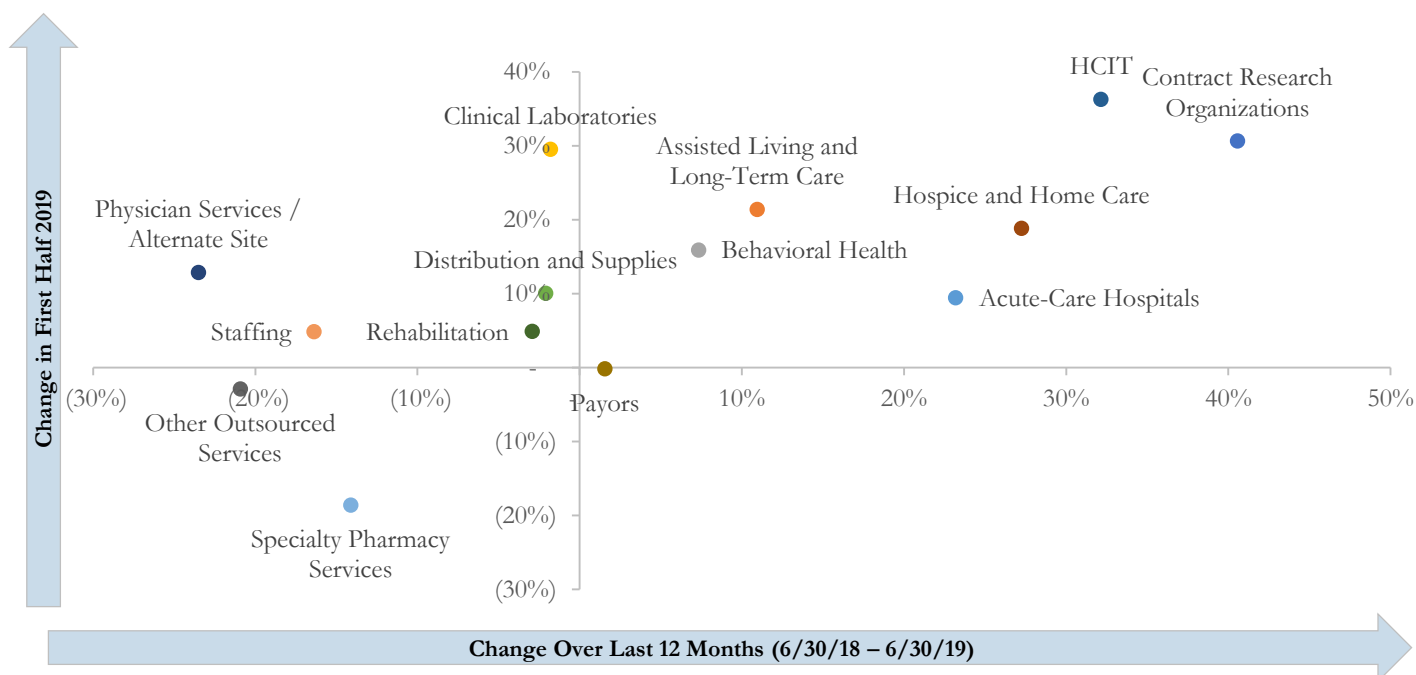
Performance By Sector

LTM Performance (6/30/18 - 6/30/19)	Ticker	% Change	1 st Half 2019 Performance	Ticker	% Change
Utilities	XLU	14.8%	Technology	XLK	25.9%
Consumer Staples	XLP	12.7%	Consumer Discretionary	XLY	20.4%
Technology	XLK	12.3%	Industrials	XLI	20.2%
Healthcare	XLV	11.0%	S&P 500	SPX	17.3%
Consumer Discretionary	XLY	9.1%	Financials	XLF	15.9%
S&P 500	SPX	8.2%	Materials	XLB	15.8%
Industrials	XLI	8.1%	Consumer Staples	XLP	14.4%
Telecom	IXP	5.9%	Telecom	IXP	14.1%
Financials	XLF	3.8%	Utilities	XLU	12.7%
Materials	XLB	0.7%	Energy	XLE	11.1%
S&P Health Care Services	SPSIHP	(3.8%)	Healthcare	XLV	7.1%
Energy	XLE	(16.1%)	S&P Health Care Services	SPSIHP	6.1%

Coker Capital Advisors First Half of 2019 in Review: Market Performance

Healthcare Services Sub-sector Performance Comparison: LTM 6/30/19 and 1st Half 2019

- The Contract Research Organizations, 40.6%, HCIT, 32.2%, and Hospice and Home Care, 27.3%, sub-sectors were the best performers over the last 12 months while the HCIT, 36.3%, Contract Research Organizations, 30.7%, and Clinical Laboratories, 29.5%, sub-sectors showed the strongest first half of 2019.



Performance By Sub-sector

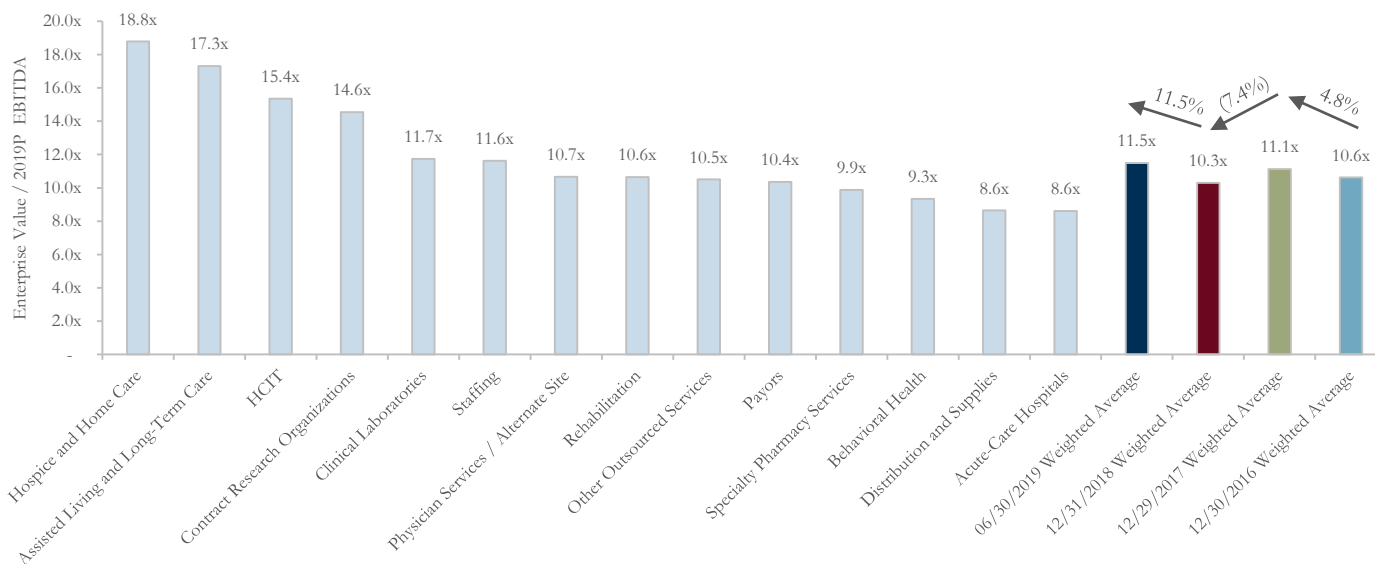
LTM Performance (6/30/18 – 6/30/19)	% Change	1st Half 2019 Performance	% Change
Contract Research Organizations	40.6%	HCIT	36.3%
HCIT	32.2%	Contract Research Organizations	30.7%
Hospice and Home Care	27.3%	Clinical Laboratories	29.5%
Acute-Care Hospitals	23.2%	Assisted Living and Long-Term Care	21.4%
Assisted Living and Long-Term Care	11.0%	Hospice and Home Care	18.8%
Behavioral Health	7.3%	Behavioral Health	15.9%
Payors	1.6%	Physician Services / Alternate Site	12.9%
Clinical Laboratories	(1.8%)	Distribution and Supplies	10.1%
Distribution and Supplies	(2.1%)	Acute-Care Hospitals	9.4%
Rehabilitation	(2.9%)	Rehabilitation	4.9%
Specialty Pharmacy Services	(14.1%)	Staffing	4.9%
Staffing	(16.4%)	Payors	(0.2%)
Other Outsourced Services	(20.9%)	Other Outsourced Services	(2.9%)
Physician Services / Alternate Site	(23.5%)	Specialty Pharmacy Services	(18.6%)

Note: Refer to pages 9 – 12 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

Coker Capital Advisors First Half of 2019 in Review: Valuation Update

Healthcare Services Sub-sector Valuation Update

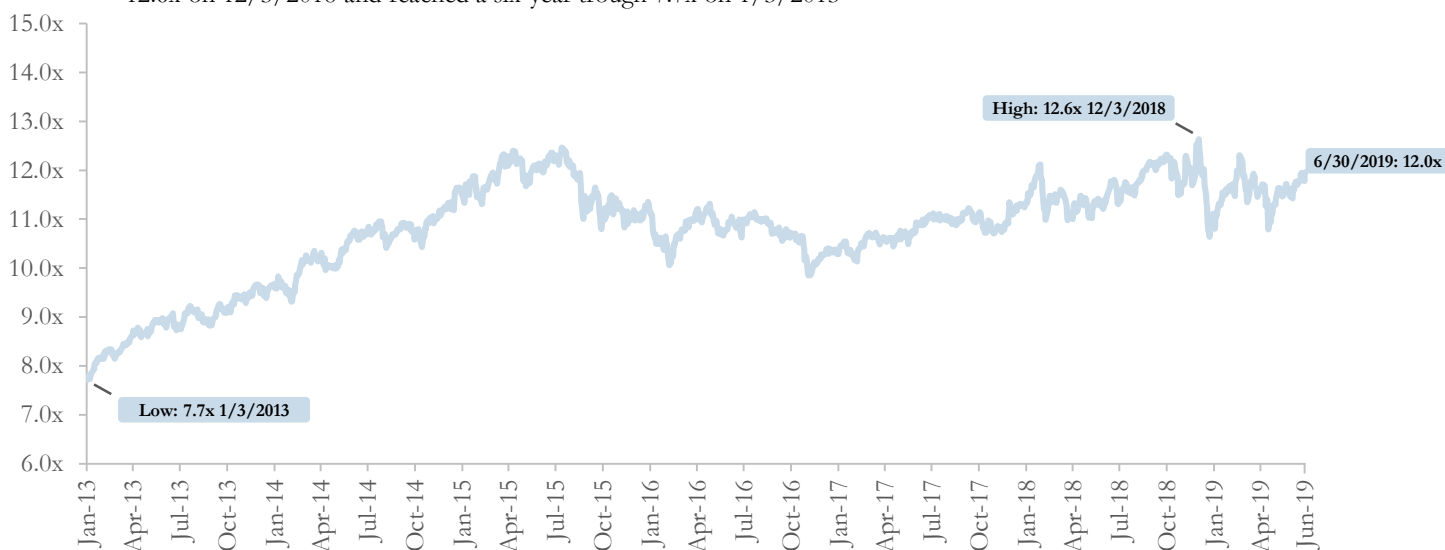
- Below is a chart that compares current Firm Value / 2019P EBITDA for each of the 14 Healthcare Services sub-sectors. The sectors are ranked from left to right by highest valuation
- The overall sector FV / 2019P EBITDA across all sub-sectors is 11.5x ranging from Hospice and Home Care at the high end (18.8x) to Acute-Care Hospitals at the low end (8.6x)
 - The overall Healthcare Services sector forward valuation multiple has remained relatively constant over the past several years between 10.3x (12/31/18) and 11.5x (6/30/18)



Sub-Sector	% Change from 12/31/18
Hospice and Home Care	(2.0%)
Assisted Living and Long-Term Care	56.1%
HCHT	(1.4%)
Contract Research Organizations	0.1%
Clinical Laboratories	1.0%
Staffing	18.1%
Physician Services / Alternate Site	18.6%
Rehabilitation	8.0%
Other Outsourced Services	5.2%
Payors	(11.2%)
Specialty Pharmacy Services	11.7%
Behavioral Health	10.7%
Distribution and Supplies	12.0%
Acute-Care Hospitals	2.0%

Healthcare Services Firm Value / LTM EBITDA January 2013 – June 2019

- The chart below tracks the Firm Value / LTM EBITDA for all 88 companies in our Healthcare Services comp set from 2013 through 6/30/2019
 - The Healthcare Services sector traded at 12.0x FV / LTM EBITDA as of 6/30/2019. The sector reached a six-year peak at 12.6x on 12/3/2018 and reached a six-year trough 7.7x on 1/3/2013



Note: Refer to pages 9 – 12 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

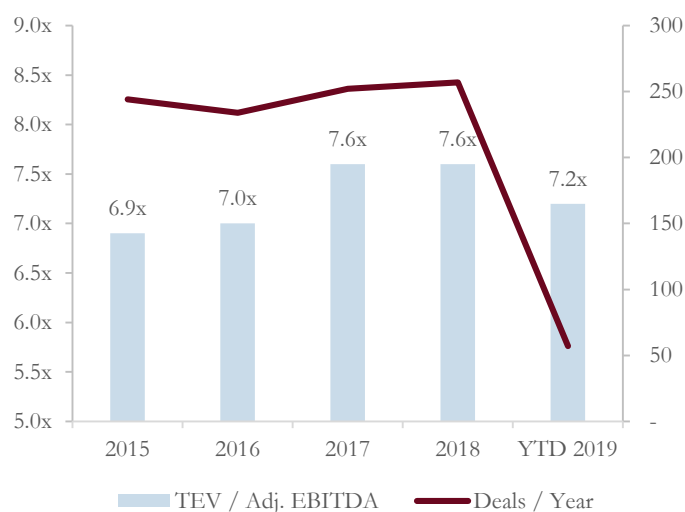
Coker Capital Advisors First Half of 2019 in Review: M&A Market Update

Lower Middle Market Activity: GF Data

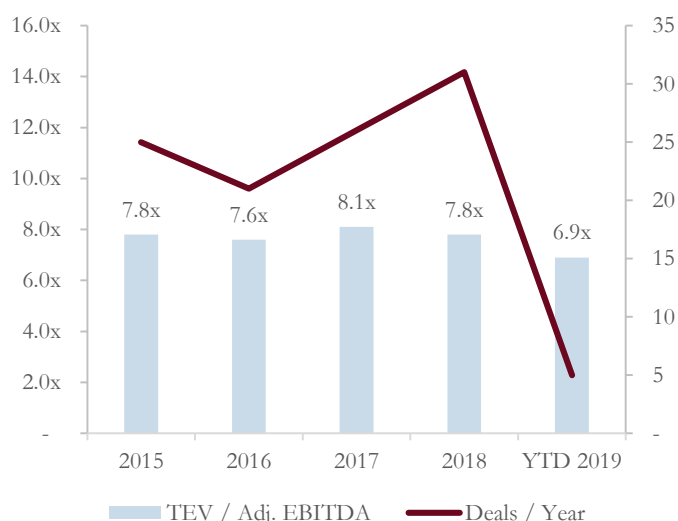
Below represents data from GF Data's May report covering deals completed through March 31, 2019 (the most recent data available from this source). GF Data provides valuation metrics on private equity-sponsored M&A transactions with enterprise values of \$10 to \$250 million by collecting transaction information from private equity groups on a blind and confidential basis. 275 private equity firms have provided data on transactions since 2003 with 200 of these private equity firms representing active contributors to the 2019 data. A few takeaways:

- Average valuations across all industries dropped to 7.2x trailing twelve months (TTM) adjusted EBITDA in the 1st quarter 2019 compared to average multiples of 7.6x in 2017 and 2018. Average Healthcare Services valuations dropped to 6.9x in the 1st quarter 2019 from 7.8x in 2018 and 8.1x in 2017
 - The drop in multiples in Q1 2019 was very similar to the reported drop off in the first quarter of 2018 that came off the strong fourth quarter of 2017
- Transactions in this data set across all industries yielded Total and Senior Leverage multiples of 4.1x and 3.3x, respectively, in the 1st quarter 2019. Those are the highest multiples since the first quarter of 2018.
 - There was also a small rebound in deals utilizing maximum leverage available compared with the fourth quarter of 2018, with 35.5% of deals showing that attribute
 - The increase in debt utilization was most pronounced in the smaller size tiers, below \$50mm in enterprise value, and particularly with add-on acquisitions

GF Data Multiples and Volume – All Industries



GF Data Multiples and Volume – HC Services



Total Enterprise Value (TEV) / EBITDA

TEV	2015	2016	2017	2018	YTD 2019	Total
10-25	6.2x	6.1x	6.6x	6.2x	6.1x	5.9x
25-50	6.8x	6.7x	6.9x	7.2x	7.1x	6.6x
50-100	8.0x	7.5x	8.5x	9.3x	7.4x	7.4x
100-250	9.1x	9.1x	9.3x	9.0x	9.3x	8.2x
Total	6.9x	7.0x	7.6x	7.6x	7.2x	6.7x
N=	244	234	252	257	57	

(TEV) / EBITDA – Healthcare Services

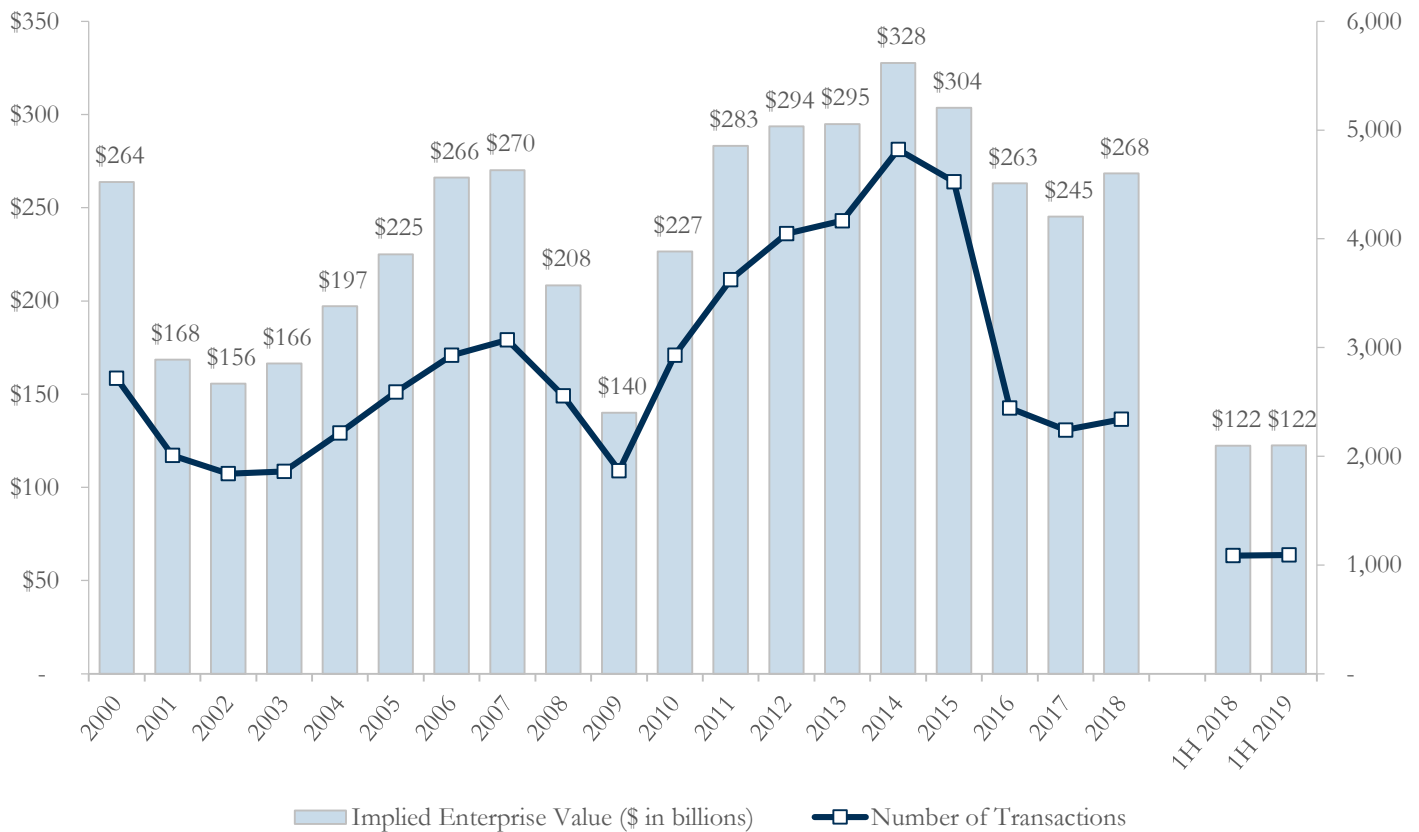
TEV	2015	2016	2017	2018	YTD 2019	Total
10-25	6.3x	5.9x	7.2x	6.2x	4.1x	6.1x
25-50	7.1x	6.3x	8.8x	7.4x	7.4x	7.1x
50-100	9.9x	8.7	6.6x	9.8x	NA	7.9x
100-250	9.7x	9.8x	10.1x	8.5x	7.7x	8.7x
Total	7.8x	7.6x	8.1x	7.8x	6.9x	7.2x
N=	25	21	26	31	5	

Coker Capital Advisors First Half of 2019 in Review: M&A Market Update

U.S. Middle Market M&A Activity Remains Healthy

Below represents data from Capital IQ covering middle market transactions across industries from 2000 through the 2nd quarter 2019. The middle market is defined as transactions with Enterprise Values between \$25 and \$500 million, as reported by CapitalIQ. A few takeaways:

- Historically, M&A cycles have not extended past seven years; 2019 is year nine of the current cycle
 - 2018 demonstrated signs that the buyout cycle is slowing, however, record levels of private equity dry powder and corporate balance sheet cash are expected to continue to drive a competitive M&A environment and support strong underlying valuations across sectors and deal sizes



Coker Capital Advisors First Half 2019 in Review: Healthcare Services Sub-sector Overview

Overview of Healthcare Services Sub-sectors and Companies

Acute-Care Hospitals (5)		HCIT (22)		Payers (8)	
Company	Ticker	Company	Ticker	Company	Ticker
Community Health Systems	CYH	<u>Provider Focused HCIT (12)</u>		<u>Government Payers (5)</u>	
HCA	HCA	Allscripts Healthcare	MDRX	Centene	CNC
Quorum Health	QHC	Cerner	CERN	Humana	HUM
Tenet Healthcare	THC	CPSI	CPSI	Molina	MOH
Universal Health Services	UHS	Evolut Health	EVH	Triple S Management	GTS
		Healthstream	HSTM	Wellcare	WCG
		iRhythm Technologies	IRTC		
<u>Assisted Living and Long-Term Care (6)</u>		National Research Corporation	NRC	<u>Commercial Payers (3)</u>	
Brookdale Senior Living	BKD	NextGen Healthcare	NXGN	Anthem	ANTM
Capital Senior Living	CSU	Omnicell	OMCL	Cigna	CI
Ensign Group	ENSG	Premier	PINC	United Healthcare	UNH
Five Star Quality Care	FVE	R1 RCM	RCM		
Genesis Healthcare	GEN	Voera	VCRA		
National Healthcare Group	NHC			<u>Physician Services / Alternative Site (7)</u>	
		<u>Payer Focused HCIT (3)</u>		Company	Ticker
<u>Behavioral Health (3)</u>		eHealth	EHTH	American Renal Associates	ARA
Company	Ticker	HMS Holdings	HMSY	DaVita Healthcare	DVA
Acadia	ACHC	Inovalon Holdings	INOV	Fresenius Medical Care	FME
American Addiction Centers	AAC			Mednax	MD
Universal Health Services	UHS	<u>Consumer Focused HCIT (5)</u>		Nobilis	HLTH
		Benefit Focus	BNFT	RadNet	RDNT
<u>Clinical Laboratories (5)</u>		Castlight Health	CSLT	Surgery Partners	SGRY
Company	Ticker	Health Equity	HQY		
LabCorp	LH	Health Insurance Innovations	HIIQ	<u>Rehabilitation (4)</u>	
NeoGenomics	NEO	Teladoc Health	TDOC	Company	Ticker
Psychemedics	PMD			Encompass Health	EHC
Quest Diagnostics	DGX	<u>Other HCIT (2)</u>		Hanger	HNGR
Sonic Healthcare	SHL	Medidata	MDSO	Select Medical	SEM
		Veeva Systems	VEEV	US Physical Therapy	USPH
<u>Contract Research Organizations (5)</u>		<u>Hospice and Home Care (4)</u>		<u>Specialty Pharmacy Services (5)</u>	
Company	Ticker	Company	Ticker	Company	Ticker
Charles River Labs	CRL	Addus Home Care	ADUS	BioScrip	BIOS
IQVIA Holdings	IQV	Amedisys	AMED	CVS Health	CVS
MedPac	MEDP	Chemed	CHE	Diplomat Pharmacy	DPLO
PRA Health	PRAH	LHC Group	LHCG	Rite Aid	RAD
Syneos Health	SYNH			Walgreens Boots Alliance	WBA
<u>Distribution and Supplies (6)</u>		<u>Other Outsourced Services (5)</u>		<u>Staffing (3)</u>	
Company	Ticker	Company	Ticker	Company	Ticker
AmerisourceBergen	ABC	Corvel	CRVL	AMN Health Services	AMN
Cardinal Health	CAH	Healthcare Services Group	HCSG	Cross Country Healthcare	CCRN
Henry Schein	HSIC	Magellan Health	MGLN	On Assignment	ASGN
McKesson	MCK	Providence Service Corp	PRSC		
Owens and Minor	OMI	Tivity Health	TVTY		
Patterson Companies	PDCO				

Coker Capital Advisors First Half 2019 in Review: Trading Comparables

(\$ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES									
Company	Ticker	Market Data			Financial Information					Trading Multiples	
		Price as of 06/28/19	% 52wk High	Market Cap	Enterprise Value	Cash and Cash Equivalents	Total Debt	2019P Revenue	2019P EBITDA	EV (P) / 2019 Revenue	EBITDA
Provider Services											
Acute-Care Hospitals											
HCA	HCA	\$135.17	92%	\$46,269.7	\$84,366.7	\$531.0	\$36,619.0	\$51,000.0	\$9,804.5	1.7x	8.6x
Tenet Healthcare	THC	20.66	52%	2,130.7	19,957.7	252.0	15,832.0	18,190.5	2,696.5	1.1x	7.4x
Universal Health Services	UHS	130.39	92%	11,753.1	15,999.3	62.7	4,236.2	11,269.0	1,836.1	1.4x	8.7x
Community Health Systems	CYH	2.67	50%	303.9	14,834.9	277.0	14,230.0	12,974.6	1,641.6	1.1x	9.0x
Quorum Health	QHC	1.39	22%	43.4	1,345.2	1.7	1,286.4	1,823.3	160.5	0.7x	8.4x
<i>Weighted Average</i>										1.6x	8.6x
<i>Median</i>										1.1x	8.6x
Assisted Living and Long-Term Care											
Brookdale Senior Living	BKD	7.21	71%	1,342.4	7,090.4	256.5	6,088.5	4,047.6	414.5	1.8x	17.1x
Ensign Group	ENSG	56.92	98%	3,046.3	4,288.9	37.8	1,272.2	2,343.1	237.0	1.8x	18.1x
Genesis Healthcare	GEN	1.24	50%	130.5	4,259.5	14.5	4,482.9	4,561.4	590.4	0.9x	7.2x
Five Star Quality Care	FVE	0.46	31%	23.4	1,481.1	49.7	1,516.5	N/M	N/M	N/M	N/M
Capital Senior Living	CSU	5.03	44%	152.1	1,392.2	22.2	1,262.2	455.7	79.6	3.1x	17.5x
National Healthcare Group	NHC	81.15	94%	1,242.1	1,358.0	38.2	300.0	N/M	N/M	N/M	N/M
<i>Weighted Average</i>										1.4x	13.8x
<i>Median</i>										1.8x	17.3x
Behavioral Health											
Universal Health Services	UHS	130.39	92%	11,753.1	15,999.3	62.7	4,236.2	11,269.0	1,836.1	1.4x	8.7x
Acadia	AGHC	34.95	77%	3,100.1	6,931.0	43.7	3,842.6	3,166.1	617.5	2.2x	11.2x
American Addiction Centers	AAC	0.86	8%	21.8	381.5	17.9	401.8	279.7	40.9	1.4x	9.3x
<i>Weighted Average</i>										1.6x	9.2x
<i>Median</i>										1.4x	9.3x
Hospice and Home Care											
Chemed	CHE	360.84	99%	5,751.9	5,941.8	8.8	198.7	1,901.3	323.4	3.1x	18.4x
Amedisys	AMED	121.41	86%	3,890.6	4,272.1	10.6	391.1	1,967.0	208.9	2.2x	20.5x
LHC Group	LHCG	119.58	98%	3,765.9	4,153.2	38.5	325.4	2,113.3	216.3	2.0x	19.2x
Addus Home Care	ADUS	74.95	96%	976.6	944.6	66.2	34.2	598.9	51.8	1.6x	18.2x
<i>Weighted Average</i>										2.5x	19.1x
<i>Median</i>										2.1x	18.8x
Physician Services / Alternate Site											
Fresenius Medical Care	FME	69.04	75%	21,013.5	34,463.1	958.8	13,232.4	19,563.2	3,623.4	1.8x	9.5x
DaVita Healthcare	DVA	56.26	71%	9,361.5	23,709.5	459.2	13,456.9	11,432.4	2,191.2	2.1x	10.8x
Surgery Partners	SGRY	8.14	44%	402.3	4,369.1	142.5	2,734.0	1,833.0	262.9	2.4x	16.6x
Mednax	MD	25.23	52%	2,150.3	4,253.2	26.5	2,215.6	3,498.0	513.5	1.2x	8.3x
RadNet	RDNT	13.79	83%	690.6	1,871.4	10.4	1,115.3	1,093.4	164.3	1.7x	11.4x
American Renal Associates	ARA	7.44	31%	241.9	1,049.1	61.9	554.0	873.3	100.0	1.2x	10.5x
Nobilis	HLTH	0.14	12%	11.3	190.4	16.5	139.6	N/M	N/M	N/M	N/M
<i>Weighted Average</i>										1.8x	9.9x
<i>Median</i>										1.7x	10.7x
Rehabilitation											
Encompass Health	EHC	63.36	77%	6,263.3	9,634.8	56.1	2,852.4	4,562.4	944.7	2.1x	10.2x
Select Medical	SEM	15.87	73%	2,149.1	7,171.1	147.8	4,336.6	5,313.8	679.6	1.3x	10.6x
US Physical Therapy	USPH	122.57	95%	1,564.1	1,795.6	20.2	113.1	491.5	68.9	3.7x	26.0x
Hanger	HNGR	19.15	78%	713.1	1,309.3	20.5	616.7	1,087.9	122.0	1.2x	10.7x
<i>Weighted Average</i>										2.1x	12.6x
<i>Median</i>										1.7x	10.6x

Coker Capital Advisors First Half 2019 in Review: Trading Comparables

(\$ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES									
Company	Ticker	Market Data				Financial Information				Trading Multiples	
		Price as of 06/28/19	% 52wk High	Market Cap	Enterprise Value	Cash and Cash Equivalents	Total Debt	2019P Revenue	2019P EBITDA	EV (P) / 2019 Revenue	2019 EBITDA
Information Technology and Solutions											
Provider Focus HCIT											
Cerner	CERN	\$73.30	100%	\$23,853.3	\$23,530.8	\$503.2	\$581.2	\$5,728.0	\$1,679.5	4.1x	14.0x
Omnicell	OMCL	86.03	93%	3,546.0	3,633.6	77.2	164.8	892.1	162.8	4.1x	22.3x
Allscripts Healthcare	MDRX	11.63	78%	1,935.7	2,704.8	137.2	906.3	1,798.8	304.1	1.5x	8.9x
Premier	PINC	39.11	83%	2,418.0	2,438.8	137.5	158.2	1,487.7	556.6	1.6x	4.4x
iRhythm Technologies	IRTC	79.08	80%	1,952.2	1,937.5	28.2	44.0	210.6	N/M	9.2x	N/M
R1 RCM	RCM	12.58	100%	1,389.9	1,933.0	116.9	446.6	1,217.9	154.7	1.6x	12.5x
National Research Corporation	NRC	57.59	98%	1,427.1	1,466.2	2.6	41.7	129.3	44.2	11.3x	33.2x
NextGen Healthcare	NXGN	19.90	84%	1,289.8	1,269.5	33.1	12.8	544.1	96.3	2.3x	13.2x
Vocera	VCRA	31.92	75%	993.8	891.3	32.9	119.8	192.4	22.7	N/A	N/A
Evolent Health	EVH	7.95	27%	651.6	812.8	170.8	284.0	840.2	3.6	N/A	N/A
Healthstream	HSTM	25.86	81%	837.6	724.3	110.6	33.7	256.1	40.3	2.8x	18.0x
CPSI	CPSI	27.79	80%	382.2	507.7	4.4	129.9	281.8	51.6	1.8x	9.8x
<i>Weighted Average</i>										4.0x	13.3x
<i>Median</i>										2.6x	13.2x
Payor Focus HCIT											
Inovalon Holdings	INOV	14.51	93%	2,223.7	3,125.5	119.9	1,023.5	640.7	203.6	4.9x	15.4x
HMS Holdings	HMSY	32.39	85%	2,821.0	2,866.4	219.9	265.3	646.8	174.7	4.4x	16.4x
eHealth	EHTH	86.10	100%	1,950.1	1,842.2	135.5	27.6	327.2	58.1	5.6x	31.7x
<i>Weighted Average</i>										4.9x	20.3x
<i>Median</i>										4.9x	16.4x
Consumer Focused HCIT											
Teladoc Health	TDOC	66.41	75%	4,754.6	4,724.1	434.0	449.2	541.0	30.0	N/A	N/A
Health Equity	HQY	65.40	64%	4,102.2	3,812.9	329.3	40.0	343.4	138.6	11.1x	27.5x
Benefit Focus	BNFT	27.15	45%	883.2	1,014.4	144.2	275.3	304.0	17.0	N/A	N/A
Castlight Health	CSLT	3.23	54%	465.0	422.7	66.3	24.0	156.0	7.8	N/A	N/A
Health Insurance Innovations	HHIQ	25.92	41%	315.3	406.8	6.5	65.5	452.8	83.5	0.9x	4.9x
<i>Weighted Average</i>										4.4x	10.9x
<i>Median</i>										6.0x	16.2x
Other HCIT											
Veeva Systems	VEEV	162.11	93%	23,873.2	22,562.8	748.2	19.3	1,048.6	404.3	N/A	N/A
Medidata	MDSO	90.51	92%	5,432.6	5,429.5	109.1	203.0	740.0	177.3	7.3x	30.6x
<i>Weighted Average</i>										1.4x	5.7x
<i>Median</i>										7.3x	30.6x

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Company	Ticker	Market Data				Financial Information				Trading Multiples	
		Price as of 06/28/19	% 52wk High	Market Cap	Enterprise Value	Cash and Cash Equivalents	Total Debt	2019P Revenue	2019P EBITDA	EV (P) / 2019 Revenue	EBITDA
Clinical and Patient Support Services											
Clinical Laboratories											
LabCorp	LH	\$172.90	92%	\$17,030.7	\$23,521.5	\$348.8	\$6,820.1	\$11,468.5	\$2,059.0	2.1x	11.4x
Quest Diagnostics	DGXI	101.81	88%	13,680.7	18,198.7	464.0	4,854.0	7,686.5	1,549.1	2.4x	11.7x
Sonic Healthcare	SHL	27.10	97%	12,843.9	15,026.0	660.9	2,736.6	6,658.8	1,110.6	2.3x	13.5x
NeoGenomics	NEO	21.94	88%	2,244.5	2,363.5	13.2	132.2	393.5	54.2	N/A	N/A
Psychedics	PMD	10.09	45%	55.6	51.6	3.2	3.1	N/M	N/M	N/M	N/M
<i>Weighted Average</i>										2.1x	11.5x
<i>Median</i>										2.3x	11.7x
Contract Research Organizations											
IQVIA Holdings	IQV	160.90	100%	31,736.0	42,871.0	936.0	11,876.0	11,013.9	2,411.5	3.9x	17.8x
Charles River Labs	CRL	141.90	95%	6,918.3	8,513.9	126.3	1,699.5	2,646.5	600.2	3.2x	14.2x
Synco Health	SYNH	51.09	91%	5,300.9	8,297.3	105.9	3,103.5	4,676.0	639.0	1.8x	13.0x
PRA Health	PRAH	99.15	81%	6,510.4	7,623.7	177.1	1,283.9	3,101.4	523.9	2.5x	14.6x
MedPace	MEDP	65.42	91%	2,330.2	2,411.4	30.1	111.4	826.8	140.9	2.9x	17.1x
<i>Weighted Average</i>										3.4x	16.4x
<i>Median</i>										2.9x	14.6x
Staffing											
On Assignment	ASGN	60.60	64%	3,199.7	4,368.7	35.6	1,204.6	3,905.0	455.6	1.1x	9.6x
AMN Health Services	AMN	54.25	82%	2,529.1	3,093.1	19.1	583.1	2,205.2	266.0	1.4x	11.6x
Cross Country Healthcare	CCRN	9.38	74%	345.4	430.8	18.3	103.0	801.1	22.5	0.5x	19.1x
<i>Weighted Average</i>										1.2x	11.0x
<i>Median</i>										1.1x	11.6x
Managed Care											
Government Payors											
Humana	HUM	265.30	75%	35,824.8	38,645.8	3,877.0	6,698.0	63,778.5	3,728.7	0.6x	10.4x
Centene	CNC	52.44	70%	21,677.0	23,051.0	6,345.0	7,615.0	73,255.0	3,284.5	0.3x	7.0x
Wellcare	WCG	285.07	88%	14,342.4	13,502.9	3,235.3	2,395.8	26,692.2	1,168.6	0.5x	11.6x
Molina	MOH	143.14	90%	8,963.3	7,392.3	3,224.0	1,653.0	16,432.9	1,108.6	0.4x	6.7x
Triple S Management	GTS	23.85	59%	546.2	486.6	95.8	36.9	3,186.4	N/M	0.2x	N/M
<i>Weighted Average</i>										0.5x	9.2x
<i>Median</i>										0.4x	8.7x
Commercial Payors											
United Healthcare	UNH	244.01	85%	231,893.2	262,605.2	12,407.0	38,338.0	244,312.5	21,782.1	1.1x	12.1x
Cigna	CI	157.55	70%	59,783.6	96,020.6	4,976.0	41,170.0	133,871.5	11,182.3	0.7x	8.6x
Anthem	ANTM	282.21	89%	72,583.2	88,727.2	4,482.0	20,626.0	100,328.0	7,125.7	0.9x	12.5x
<i>Weighted Average</i>										1.0x	11.6x
<i>Median</i>										0.9x	12.1x
Other Outsourced Services											
Magellan Health	MGLN	74.23	74%	1,784.8	2,402.3	167.5	812.1	7,120.0	260.5	0.3x	9.2x
Healthcare Services Group	HCSG	30.32	62%	2,245.9	2,189.2	28.4	50.1	1,924.4	141.8	1.1x	15.4x
Tivity Health	TVTY	16.44	40%	784.2	1,927.3	18.8	1,161.8	1,163.5	244.9	1.7x	7.9x
Corvel	CRVL	87.01	99%	1,609.6	1,517.9	91.7	N/M	N/M	N/M	N/M	N/M
Providence Service Corp	PRSC	57.34	68%	739.4	797.7	42.4	23.3	1,479.0	67.7	0.5x	11.8x
<i>Weighted Average</i>										0.7x	9.2x
<i>Median</i>										0.8x	10.5x
Specialty Pharmacy Services											
CVS Health	CVS	54.49	66%	70,787.5	158,335.5	5,896.0	95,550.0	252,520.5	17,147.8	0.6x	9.2x
Walgreens Boots Alliance	WBA	54.67	63%	49,374.9	66,783.9	839.0	17,610.0	137,802.0	8,681.9	0.5x	7.7x
Rite Aid	RAD	8.01	20%	430.8	7,098.4	190.5	6,858.1	21,787.7	526.1	0.3x	13.5x
Diplomat Pharmacy	DPLO	6.09	22%	454.8	1,090.9	2.7	638.8	4,916.0	110.4	0.2x	9.9x
BioSerp	BIOS	2.60	63%	334.8	961.1	5.7	535.8	753.0	65.5	1.3x	14.7x
<i>Weighted Average</i>										0.6x	8.6x
<i>Median</i>										0.5x	9.9x
Distribution and Supplies											
McKesson	MCK	134.39	96%	25,047.2	31,298.2	2,981.0	7,646.0	220,035.1	4,336.2	0.1x	7.2x
AmerisourceBergen	ABC	85.26	90%	17,919.7	19,803.9	2,875.8	4,642.9	181,522.8	2,340.8	0.1x	8.5x
Cardinal Health	CAH	47.10	81%	14,038.6	19,682.6	3,438.0	9,080.0	147,333.8	2,758.0	0.1x	7.1x
Henry Schein	HSIC	69.90	77%	10,420.3	12,774.9	88.1	1,538.3	10,001.2	903.1	1.3x	14.1x
Patterson Companies	PDCCO	22.90	86%	2,140.6	2,800.7	95.6	752.5	5,662.0	250.6	0.5x	11.2x
Owens and Minor	OMI	3.20	17%	201.4	2,074.9	75.2	1,948.7	9,856.1	234.9	0.2x	8.8x
<i>Weighted Average</i>										0.3x	8.7x
<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 sub-sectors with an aggregate transaction value in excess of \$65 billion.

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