Coker Capital's Healthcare Services Newsletter – 2nd Quarter 2022 Update

In this issue of the Coker Capital Healthcare Services Newsletter, we provide an update on Healthcare Services activity through the 2nd Quarter of 2022

Sector Deep Dive: Dental

- Dentistry has remained one of the most active and robust sectors of investment across healthcare services for private equity (PE) firms since the late 1990s. The sector represents an attractive entry point into healthcare services for middle market PE investors given the established playbook that has experienced little disruption throughout economic cycles across nearly three decades
- In this issue of the Newsletter, we review dental sector demand drivers and headwinds, analyze performance through the pandemic, provide an update on M&A and valuation trends, spotlight recently recognized emerging growth companies, and examine the landscape of PE backed platforms

Refer to Pages 3 – 20 for additional detail

Market Performance

- The S&P Healthcare Services Select Index(1) performed generally in-line with the broader market in the second quarter of 2022, decreasing (18.8%) versus a (16.4%) and a (22.4%) decline for the S&P 500 and NASDAQ, respectively
  - The only sub-sector that experienced an increase in Q2 was Managed Care +0.2%
  - Acute-Care Hospitals (33.5%), Assisted Living and Long-Term Care (18.4%), and Physician Services / Alternate Site (15.8%) declined the most in Q2

Refer to Pages 22 – 23 for additional detail

Valuation Update

- The median Enterprise Value (EV) / 2022P EBITDA multiple for the 102 companies in Coker Capital's healthcare services comp set was 11.6x as of 6/30/2022
  - This has decreased in 2022 YTD and compares to a 12.5x valuation for the same comp set as of 12/31/2021

Refer to Page 24 for additional detail

M&A Activity

- In 2022 YTD, total transaction values are down ~8% and total transaction counts are down ~2% from 1st half 2021 levels
  - U.S. Middle Market M&A volume and transaction values reached record levels in 2021

Refer to Pages 24 – 25 for additional detail

Trading Comps

- *Refer to Pages 27 – 31 for detailed trading comps by sub-sector for the 102 companies in Coker Capital's healthcare services comp set*

July 2022

Coker Capital provides mergers and acquisitions advisory services to middle market healthcare companies throughout the United States. Coker Capital operates from offices in Atlanta, Austin, Charlotte, and New York. Coker Capital operates as a division 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) S&P Capital IQ based on market capitalization weighted index value, as of market close 6/30/2022

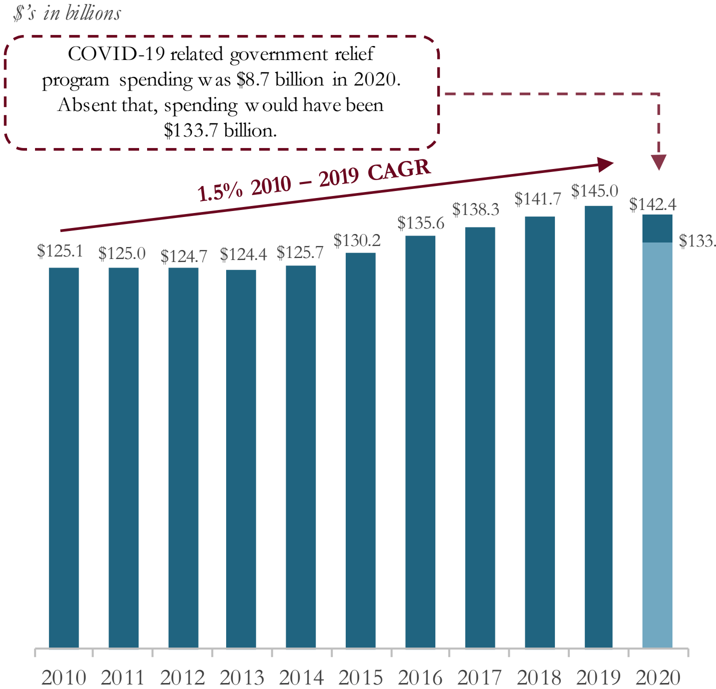
Sector Deep Dive: Dental

Dental Market Overview

- Dentistry is a fragmented $140+ billion market that continues to benefit from increasing utilization due to expanded payor coverage, favorable reimbursement dynamics, and strong demographic tailwinds, as well as opportunities for expansion across a range of specialties that offer higher margins and more out-of-pocket payments (e.g. orthodontics and oral surgery). At the same time, the sector has faced declining reimbursement rates for over a decade and, during the recent pandemic, confronted more severe volume challenges than most other clinic-based providers. These dynamics have driven an acceleration in the consolidation of solo practices and have led many independent dentists to sell their practices and affiliate with either dentist-owned or corporate-owned dental support organizations (DSOs) to secure better bargaining power with payors and suppliers, realize cost efficiencies, and achieve greater overall security. DSOs have simplified dentistry for dentists by providing a model that allow them to focus on delivering patient care without the need to worry about a practice's management and operations.
- Private equity (PE) investment in dentistry and the creation of corporate DSOs began in the late 1990s with buyouts of companies like Aspen Dental in 1997 and Smile Brands in 1998. A second wave of dental platform buyouts emerged around the time of the credit crisis with PE investments in companies, including Sage Dental, Western Dental, Great Expressions, and DentalOne. In the mid-2010s, activity continued to accelerate with the creation of dozens of new platforms, a wave of secondary sales from existing to new PE investors, and the emergence of new sub-specialty focused models, including orthodontics, oral surgery, endodontics, and implants. In the coming years, we expect dentistry to continue its rapid consolidation driven in part by significant macroeconomic growth drivers, a large white-space opportunity for new and existing general, specialty focused and multi-specialty DSOs, and the existence of nearly 100 PE backed platforms looking to drive growth through M&A.
- Dentistry has remained one of the most active and robust sectors of investment across healthcare for PE firms since the late 1990s. The sector represents an attractive entry point into healthcare services for middle market PE investors given the established playbook that has experienced little disruption throughout economic cycles across nearly three decades. In this issue of the Newsletter, we review sector demand drivers and headwinds, analyze performance through the pandemic, provide an update on M&A and valuation trends across the dental landscape, spotlight entrepreneurial growth companies in the sector, and examine the landscape of PE backed platforms.

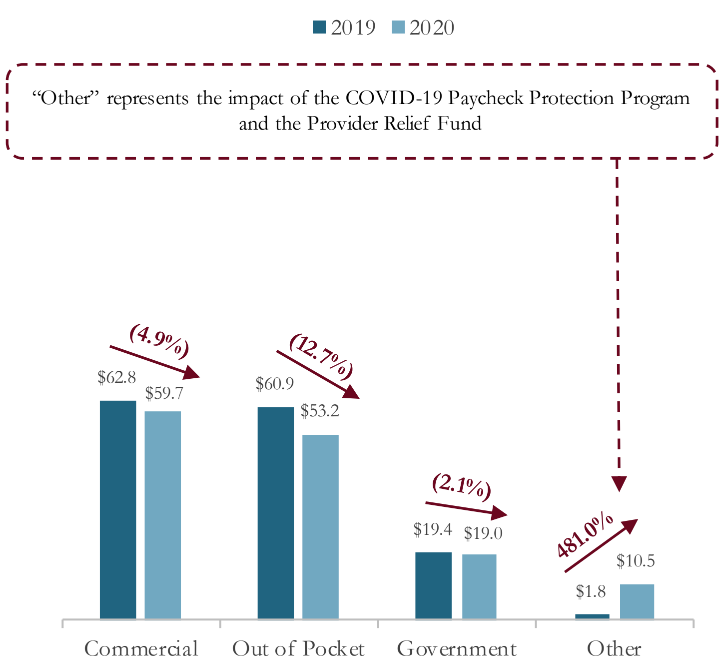
Market Size

$'s in billions



Market Size by Payor Type

$'s in billions



Some analysts estimate that the U.S. dental services market will grow at ~6% CAGR through 2027 (and that DSOs will grow nearly 9%)

Source: S&P Capital IQ, Pitchbook, Public Filings, American Dental Association (ADA), Health Policy Institute (HPI), Analyst Research, Coker Capital Research

Key Themes / Tailwinds	Commentary
Patient Engagement ▪ As patients expect more convenience and faster service through the "consumerization" of dentistry, dental practices are responding by providing an improved experience	▪ *In a recent NexHealth survey, 56% of dental practice employees and 59% of owners said spending on social media was their top priority* – *The second highest investment priority was online scheduling* ▪ *Strategies to enhance the patient experience that are gaining momentum include online portals to book appointments and fill out forms, expanded office hours, online payments, and enhanced website clinical content*
Large, Fragmented, High Growth Market ▪ Health Policy Institute (HPI) estimated a $142.4 billion U.S. Dental market in 2020, down nearly 2% from 2019 due to COVID disruption ▪ There are approximately 190,000 dental offices in the U.S.	▪ *COVID related government relief spending was ~$8.7 billion in 2020. Absent these programs, 2020 dental spending would have been $133.7 billion, an approximately 6% decrease from 2019* ▪ *Some analysts estimate overall sector growth of ~6% and DSO growth at nearly 9% from 2021 – 2027E*
Increase Penetration of DSOs ▪ Per the HPI, 10.4% of total U.S. dentists were affiliated with a DSO in 2019, an increase from 7.4% in 2014 ▪ Some analysts estimate current DSO penetration from 16% – 30% of total U.S. dentists	▪ *Consolidation by DSOs is expected to continue to accelerate driven by a desire for greater work-life balance and flexibility among dentists, as well as the ongoing financial burden impacting younger dentists* ▪ *Dentists in private practice have declined from 84.7% in 2005 to 73.0% in 2021 with the youngest demographic (under 30) least likely to own a private practice (9.5%) and most likely to affiliate with a DSO*
Tele-dentistry ▪ Tele-dentistry expands the patient experience. An analysis of Google trends published by the Journal of Clinical Medicine found a five-time increase in query rates for "tele-dentistry" during the pandemic ▪ Additional growth may be somewhat restricted by tele-dentistry's limitation to triage and advise	▪ *According to a report by the CareQuest Institute for Oral Health, 86% of the patients were satisfied with their overall tele-dentistry experience* ▪ *According to Guardian Life Insurance, 30% of U.S. adults reported using tele-dentistry in 2021, up from ~20% in 2020. While 41% of consumers see situational value in tele-dentistry (e.g. pandemic or emergencies), one-third report that tele-dentistry is not something they would consider*
Increase in Female Dentists ▪ Over the past several decades, there has been a dramatic expansion in female participation in the dental industry ▪ Between 2010 and 2020, the percentage of female dentists in the workforce increased from ~24% to ~35%	▪ *In 2020, ~51% of dental graduates were female as compared to ~5% in 1980* ▪ *The rise in corporate dentistry / DSOs has contributed to this trend driven by an increase in flexible work opportunities* ▪ *~60% of female dentists are owners of a private practice versus ~80% for males*
Clinical Technology Advancements ▪ Tremendous advances have occurred in the technology supporting dental practices, including new bio-inspired dental materials, innovative chairside diagnostic strategies, 3D printing, laser dentistry, and improved digital imaging	▪ *2021 saw a meaningful increase in the use of 3D printing and laser dentistry* – *Adoption is expected to accelerate in the coming years as the global 3D market is projected to nearly quadruple to $12 billion and laser dentistry to grow to $345 million by 2028*
Emerging Growth Platforms ▪ As the dental sector continues to grow and evolve, a number of emerging, innovative business models have recently demonstrated outsized growth characteristics	▪ *The recently published (2021) Inc. 5000 list of the fastest-growing private companies in the U.S. included 33 businesses tied to the dental sector, including dental IT, dental providers, dental labs, dental distributors, and others (refer to page 10 for additional detail)*

Source: S&P Capital IQ, Pitchbook, Public Filings, American Dental Association (ADA), Health Policy Institute (HPI), Analyst Research, Coker Capital Research

Key Themes / Headwinds	Commentary

Lingering Pandemic Impact

- HPI tracked patient volume in private practices throughout the pandemic and the last survey (December 13, 2021), indicated volumes were at ~90% of pre-COVID levels

- *Survey data collected by HPI in June 2022 indicates that practice's appointment schedules were 86% full*
  - *The most frequently cited issues continuing to impact volumes include (1) patient cancellations, (2) not enough patients making appointments, and (3) trouble filling vacant staff positions*
- *A recent NexHealth survey suggests that 94% of dentists expect to have similar or greater patient volume in 2022 than pre-pandemic*

Staffing

- While patients have returned to the dentist for routine care and other procedures, almost half of dentists report that hiring new staff post-pandemic is the top factor limiting volume

- *A recent HPI poll found that 39% of owner dentists are currently recruiting dental assistants, 38% are seeking dental hygienists, 30% are in search of associate dentists, and 14% are looking to hire administrative staff*
  - *More than 85% of these dentists said that hiring for a position like dental hygienist was much more challenging than before the pandemic*

Increase in Dentist Retirements

- A large number of dental providers in the U.S. are nearing retirement and the number of dentists aged 55 and older who left the workforce increased significantly in 2021

- *A total of 6,641 dentists over the age of 55 left the profession in 2021, a 27% increase from 2020*
- *In 2020, the percentage of dentists older than 55 was approximately 37% (consistent with 2010 data)*
- *HPI's dentist workforce model projects that dentists per capita will be stable through 2025 and then increase through 2040*

Access to Care

- Expansion of dental coverage has resulted in greater overall utilization of dental services (dental benefits increased from ~55% in 2009 to ~80% in 2018)
- However, over the past 20 years, dental care costs per person in the U.S. have increased 30%

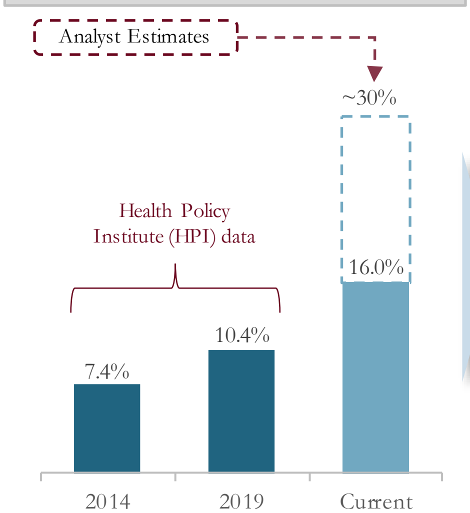
- *Increased penetration driven by a large increase in publicly funded benefits (2014 through 2016) from Medicaid expansion as authorized by the Affordable Care Act (ACA)*
- *According to the American Dental Association (ADA), cost barriers to dental care have fallen significantly for children while increasing for adults and seniors*
  - *Nearly 40 million people have dental insurance through Medicaid and the CHIPS, but oral healthcare services remain unattainable for many (only about one-third of U.S. dentists accept public insurance)*
  - *Nearly two-thirds of Medicare beneficiaries do not have any dental coverage*

Source: S&P Capital IQ, Pitchbook, Public Filings, American Dental Association (ADA), Health Policy Institute (HPI), Analyst Research, Coker Capital Research

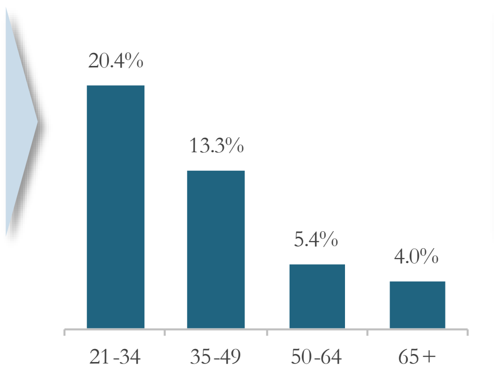
Update on DSOs Trends

- The emergence of DSOs in the 1990s was transformative for a dental sector that is now one of the largest and most active areas for healthcare investors
  - Provided corporate support to a sector that was largely comprised of single practitioners and small group practices
- According to the HPI, DSOs comprised 10.4% of the market in 2019, an increase from 7.4% in 2014, and the rate of penetration is expected to accelerate in the coming years
  - Estimates vary as to the current level of DSO penetration with some analysts and sector experts citing penetration levels ranging from 16% to ~30%
  - Orthodontics (12.5%), pediatrics (12.4%), and general dentistry (10.3%) have experienced the most DSO penetration
- Younger dentists are significantly more likely to be aligned with a DSO than older dentists, while female dentists (13.3%) are more likely than males (8.7%) to be aligned with a DSO

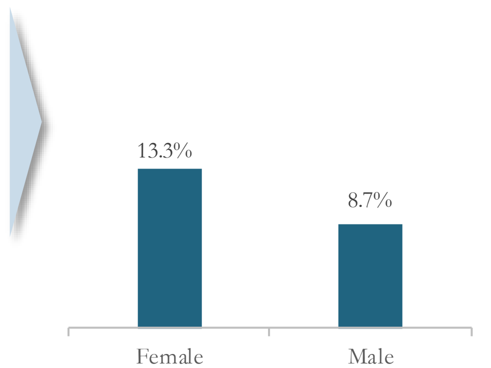
DSO Penetration Over Time



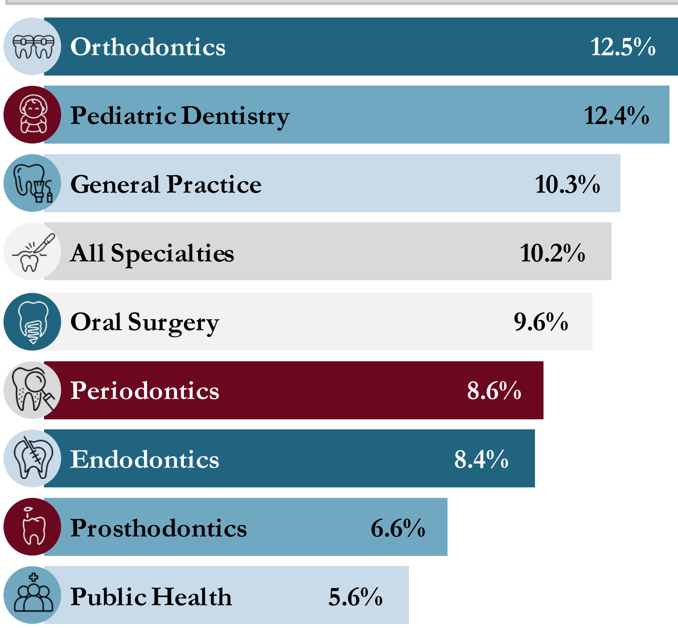
DSO Penetration by Age



DSO Penetration by Gender



DSO Penetration by Specialty



Early DSO Pioneers

Dental Care Alliance — Est. 1994	Pacific Dental Services — Est. 1994
Aspen Dental — Est. 1997	Heartland Dental — Est. 1997
American Dental Partners — Est. 1995	Smile Brands — Est. 1998

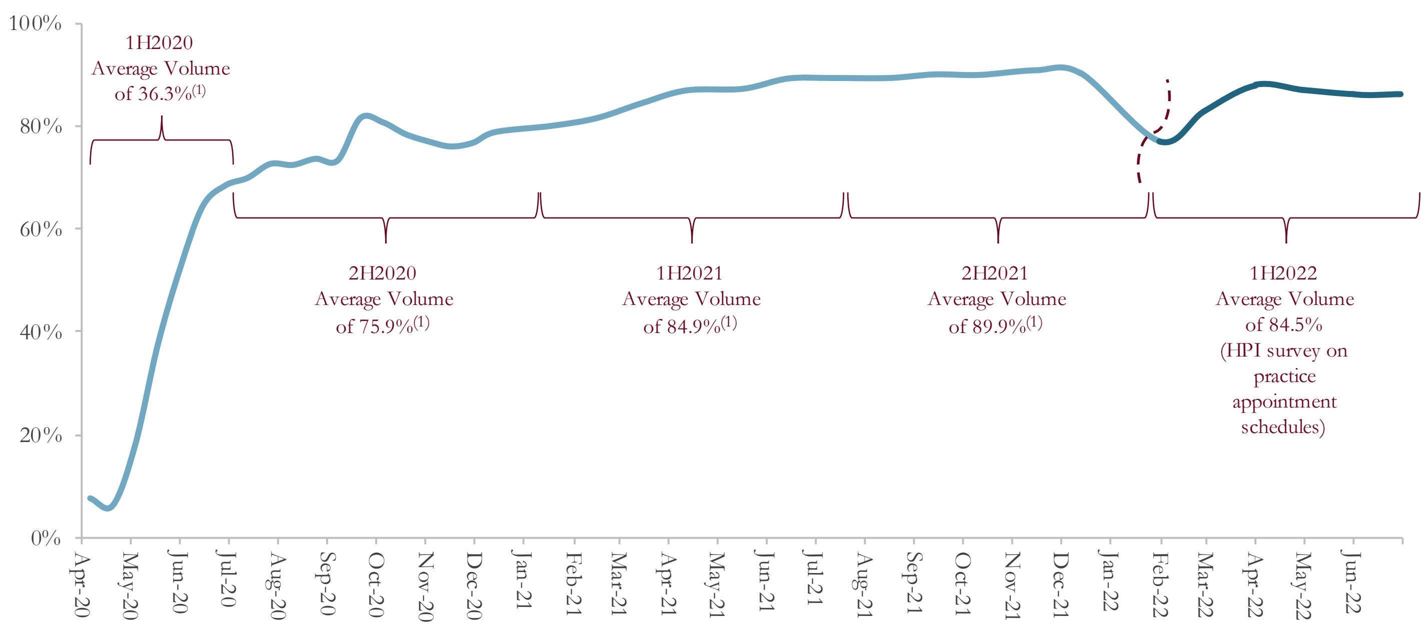
Today, there are approximately 100 DSOs with private equity investors

Source: S&P Capital IQ, Pitchbook, Public Filings, American Dental Association (ADA), Health Policy Institute (HPI), Analyst Research, Coker Capital Research

Update on COVID Impact on Dentistry

- While the pandemic had a major impact on sectors across the healthcare continuum, the dental sector was particularly impacted. Most practices were closed for at least two months beginning in March 2020 with appointments transitioning to tele-dentistry or for emergency cases only. By late May 2020, practices across most regions had resumed elective care with volumes steadily increasing throughout 2020, and despite a temporary slowdown toward the end of the 2020, practices continued to bounce back throughout 2021.
- HPI began conducting bi-weekly surveys of practices beginning in April 2020, and the graphic below illustrates the impact of the pandemic on overall volume through December 2021 (the last time period of the survey). While HPI's survey delineates data by age, geography, gender, and practice size, the metric below represents the *Average Total Patient Volume* across the sector as of the dates noted. As you can see below, volume levels troughed in April 2020 in the mid-single digits and rebounded steadily through the end of 2021 to ~90%.
- Additionally, HPI has published an *Economic Outlook and Emerging Issues in Dentistry* report monthly in 2022 aggregating data from over 3,000 dentists relating to economic outlook, fullness of practice schedule, scheduling barriers, and recruitment needs and challenges. This survey's data is slightly different from the pandemic bi-weekly report, but asks the question, 'How full was your dental practice's appointment schedule last week?' The 2022 monthly data below indicates that, after a slower month in January, practice schedules have generally been 85-90% full through June.
- While volumes have generally bounced back, a common theme limiting a full recovery remains staffing headwinds. By the end of October 2021, dentistry experienced employment levels that *exceeded* pre-pandemic levels. While dentistry may have "fully recovered" in terms of employment levels defined as the absolute numbers of employees in dental offices, those employment numbers are no longer sufficient to meet the demands of the sector. The June 2022 HPI survey of practices cites patient cancellations (82%), trouble filling vacant staff positions (37%), and not enough patients making appointments (37%) as the biggest headwinds to a full schedule with the same survey highlighting the percentage of practices actively recruiting for Dental Assistants (39%), Dental Hygienists (38%), Dentists (30%), and Administrative Staff (14%) to meet current demand with most practices characterizing recruiting as 'extremely' or 'very' challenging.

Dental Sector Volumes Versus Pre-COVID



Source: S&P Capital IQ, Pitchbook, Public Filings, American Dental Association (ADA), Health Policy Institute (HPI), Analyst Research, Coker Capital Research
(1) Represents Average Total Patient Volume per HPI

Update on Dental M&A Trends

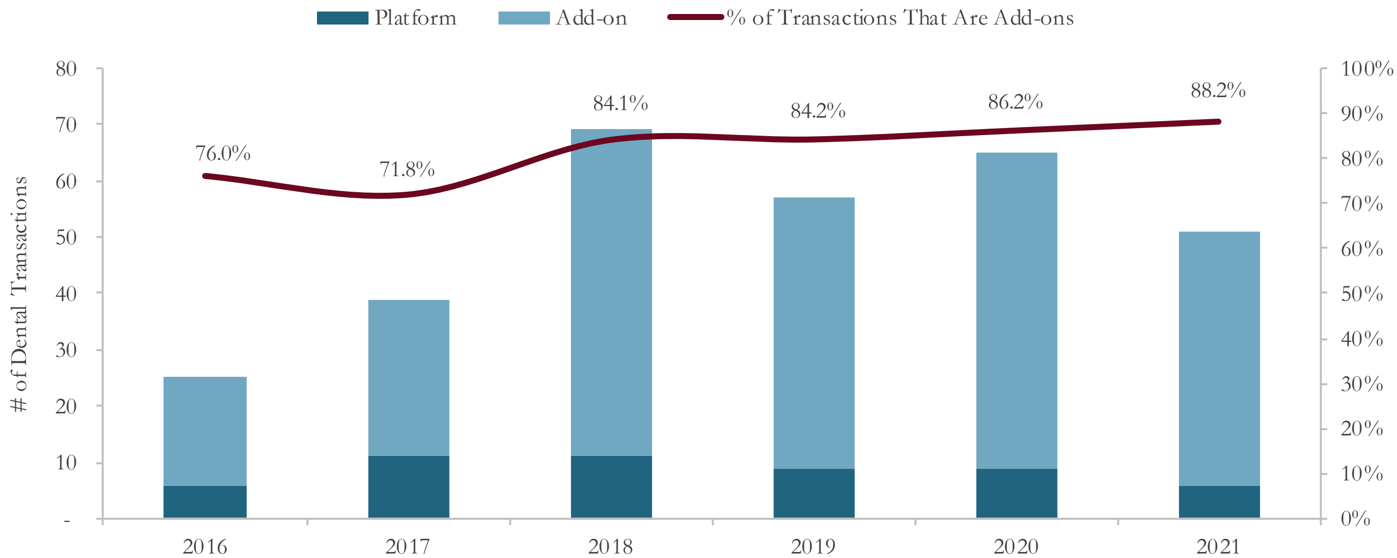
- Dental is one of the most established sectors for private equity investment across healthcare. Sector consolidation began in the 1990s with the establishment of the DSO model, experienced a second wave around the time of the credit crisis, and accelerated again in the mid-2010s with a focus on specialty DSOs, including oral surgery, endodontic, orthodontic, and prosthodontic practices.
- While the pandemic poised unique challenges to dentistry and led to a brief slowdown in PE investment, the themes that drove consolidation pre-pandemic not only remain, but likely have intensified over the past several years. Though estimates of practice affiliation with DSOs vary, most industry constituents believe that the rate of affiliation is accelerating due in part to the scars of the pandemic and given the ongoing pressures on independent dentists to invest in practice infrastructure and compete with more well capitalized DSOs in their markets.
- Below is a representative list of some of the M&A activity across the dental sector since the start of the pandemic in 2020. As you can see, despite a slight slowdown in 2020, activity has remained robust in 2021 and 2022 driven by both strategic acquisitions (e.g. Western Dental's acquisition of Mid-Atlantic Dental Partners) and a continued push by private equity into the formation of new platforms (e.g. BPOC's formation of Bond Orthodontic Partners) and investment in existing DSOs (e.g. Blackstone's investment in DECA Dental).

Date	Buyer	Target	Comments
Jul-22	ONCAP	Ideal Dental Management Partners	Operates 28 specialty dental locations in the Western U.S.
May-22	BPOC	Bond Orthodontic Partners	Operates six orthodontic brands across 10 locations in the Western U.S.
May-22	Western Dental	Mid-Atlantic Dental Partners	Multi-specialty and orthodontics DSO with 215 offices across 17 states
Apr-22	Blue Sea Capital	Specialty Smile Partners LLC	Operates 35 orthodontic and pediatric clinics across WI, MN, and CO
Apr-22	Investor Group	Straine Dental Management	Affiliation of 33 independent dental practices across 11 states
Mar-22	Thurston Group	SGA Dental Partners	Combines three independent practices; 60 clinics in AL, GA, LA, and MS
Feb-22	Shore Capital Partners	OMS360	Strategic partnerships with seven oral and maxillofacial surgery practices across KY, AL, and GA
Feb-22	CareQuest / FCA Ventures	Enable Dental	Operates in 10 markets in six states, offering at-home dental care to senior living facilities, health plans, and payors
Jan-22	Thomas H. Lee	Smile Doctors	Orthodontics focused platform with 295+ locations across 25 states
Dec-21	Main Post Partners	Guided Practice Solutions (GPS)	Operates 23 practices across MO, OK, TN, AK, TX, KS, and IN
Nov-21	Oak Hill Capital	U.S. Oral Surgery Management	Oral surgery platform with 140+ oral surgeons across 18 states
Aug-21	Thurston Group	Gen4 Dental Partners	Combines five group practices in Arizona and Utah consisting of 15 locations across the Southwest
Aug-21	Blackstone	DECA Dental	Operates nearly 100 affiliated dental practices across TX, FL, and WA
Jul-21	The Jordan Company	Dental365	Nearly 70 locations throughout NYC, CT, and NJ
Jun-21	Harvest Partners	Affordable Dentures & Implants	Provides tooth replacement services to 350+ dental practices across 41 states
May-21	LEAD Capital Partners	LADD Dental Group	Operates six general dentistry locations across Indiana
May-21	Heartland Dental	American Dental Partners	DSO supporting 23 dental group practices in 278 locations across 21 states
Apr-21	Halle Capital	Planet Smile Partners	Newly formed pediatric and orthodontic-focused DSO
Apr-21	Rock Mountain Capital	Spark Orthodontics	Minority investment in specialty orthodontics platform with 10 locations in Pennsylvania
Apr-21	Hunter Street / Healy Capital	Kirkpatrick Dental Group	Operates locations across Tennessee and Georgia
Apr-21	Pamlico Capital	Canadian Orthodontic Partners	Largest orthodontics-focused specialty DSO in Canada operating 60+ clinics across eight provinces
Mar-21	ICV Partners	Cherry Tree Dental	General dentistry provider in Wisconsin operating 28 locations across 10 markets
Mar-21	Orenstein & Schueller	Children and Teen Dental	Pedodontic and orthodontic-focused DSO supporting 23 offices across AL, GA, FL, and PA
Feb-21	Charlesbank Capital Partners	MB2 Dental	JV partnership model with ~200 doctor owners operating 275+ dental practices across 24 states
Jan-21	Varsity Healthcare	Peak Dental Services	Operates 35 dental practices in the Colorado market
Jan-21	The Firmament Group	Independence Dental	New platform with eight initial practices
Dec-20	Heartland Dental	TruFamily Dental	Operates ten offices in Illinois and 13 in Michigan
Dec-20	ProSmile	Allied Dental	Combined organizations will support 79 multi-specialty practices across NJ, PA, and MD
Dec-20	Smile Brands	Midwest Dental	Operates 230 offices located primarily in the upper Midwest and New England regions
Dec-20	Blue Sea Capital	Beacon Oral Specialists	Combined Atlanta and Bay Area practices; 37 locations across Georgia and California
Nov-20	Aspen Dental	ClearChoice	Provides dental restorations with 65 locations across 27 states
Oct-20	New Mountain Capital	Benevis	Provides nonclinical support services to 150+ dental offices; acquired out of bankruptcy
Mar-20	Clairvest	Childsmiles Group	Multi-specialty practice with five practices across New Jersey

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

M&A Activity Trends (2016 – 2021)

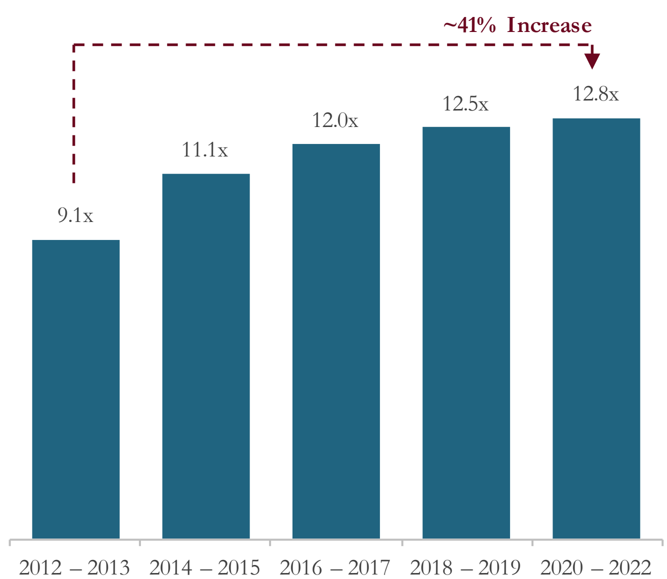
- Private equity investment in dental platforms has remained steady over the past several decades, including the last five years (through 2021). The chart below highlights the consistency of this trend since 2016 and illustrates the impact of add-on acquisitions on the DSO growth model for PE backed platforms.



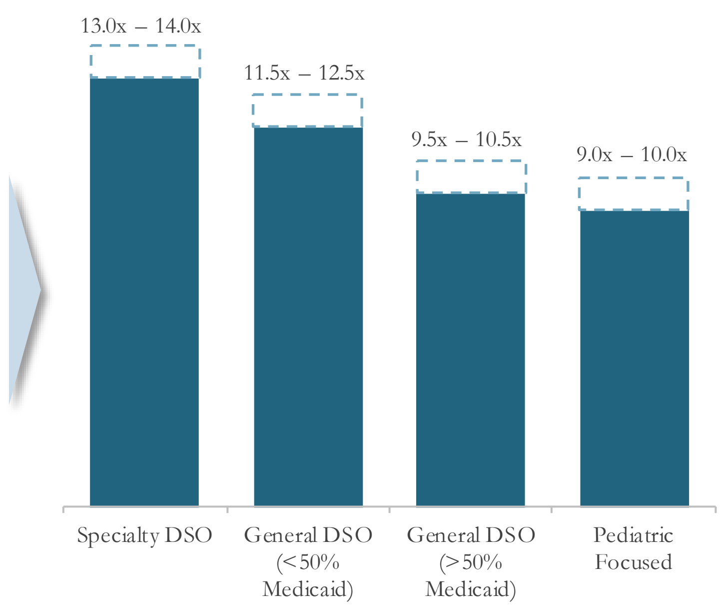
M&A Multiple Trends (2012 – 2022 YTD)

- Valuations across dentistry have increased steadily over the past decade or so. The charts below are informed by nearly 75 transactions across general and specialty dentistry since 2012 and illustrate the increasing premiums that platforms have achieved over time. Moreover, the data indicates that investors generally ascribe higher multiples to specialty platforms and lower multiples to platforms with higher Medicaid exposure.

M&A Multiples (2012 – 2022 YTD)(1)



General Versus Specialty DSO Multiples(1)



Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research
(1) Transaction Value / LTM EBITDA

Update on Dental Entrepreneurial Growth Companies

- The dental sector is changing as themes impacting the rapidly evolving healthcare market also impact dental practices, including technology innovation, evolving payor dynamics, and the consumerization of the industry. Against this backdrop, a large number of innovative businesses with impressive growth characteristics across the dental landscape, inclusive of not only dental providers but also other related companies that dentists partner with for services and / or products, have been recently recognized for their market leadership and dynamicgrowth profile.
- The Inc. 5000 annual list of America's fastest-growing privately held companies for 2021 was released in August 2021 and includes 33 dental related companies on the list this year. Out of those 33, 14 are dental care providers with a mix of DSOs, single location dental practices, and dental group practices, while the other 19 are dental related companies, including technology businesses, distributers, and other dental related outsourced service providers.

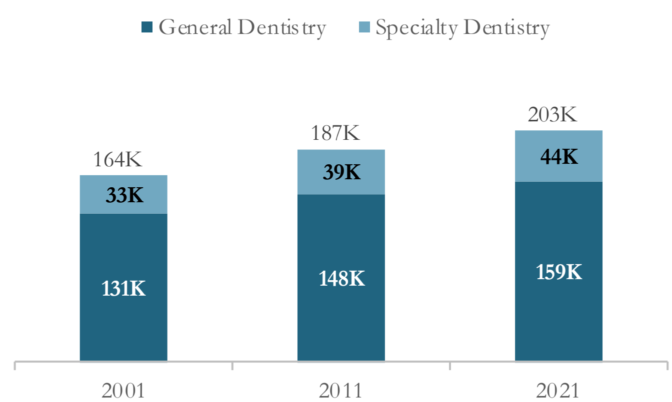
Rank	Company	Growth (2017 – 2020)	City	State	Description
84	Amazing Dental	4,616%	Garden City	New York	Provider
141	Endo1 Partners	2,936%	Houston	Texas	Provider
395	CallForce	1,228%	Lehi	Utah	Outsourced Services
422	Stynt	1,143%	Boston	Massachusetts	Technology
522	Professional Transition Strategies	938%	Colorado Springs	Colorado	Services
942	Weave	512%	Lehi	Utah	Technology
1,062	Dental Intelligence	456%	Pleasant Grove	Utah	Technology
1,110	Zolli Candy – The Clean Teeth Candy	437%	Commerce Twp	Michigan	Products
1,511	MB2 Dental	313%	Carrollton	Texas	Provider
1,776	Lollipop Dental Pediatric Dentistry & Orthodontics	257%	Placentia	California	Provider
2,095	Affinity Dental Management	210%	Holyoke	Massachusetts	Provider
2,166	Mercy Dental Group	200%	Middleton	Wisconsin	Provider
2,219	K2 Dental Arts	193%	Charlottesville	Virginia	Technology
2,251	OrthoFi	189%	Denver	Colorado	Technology
2,252	SmilesWest	189%	Victorville	California	Provider
2,298	Bankers Healthcare Network	186%	Davie	Florida	Financial
2,350	Dental ClaimSupport	180%	Savannah	Georgia	Outsourced Services
2,377	MouthWatch	178%	Metuchen	New Jersey	Technology
2,410	North American Dental Group	175%	Pittsburgh	Pennsylvania	Provider
2,422	eAssist	174%	American Fork	Utah	Technology
2,513	Apex Dental Partners	167%	Dallas	Texas	Provider
2,539	Pearl Street Dental Partners	165%	Dallas	Texas	Provider
2,833	Scott's Dental Supply	140%	Fife	Washington	Distribution
2,839	Birdeye	139%	Palo Alto	California	Technology
3,533	Cal Dental USA	97%	Los Angeles	California	Provider
3,703	Areo Dental Group	90%	Chicago	Illinois	Provider
4,085	Comprehensive Finance	74%	Grapevine	Texas	Financial
4,087	Avtec Dental	74%	Mount Pleasant	South Carolina	Outsourced Services
4,329	Children's Dental Management	65%	West Chester	Pennsylvania	Provider
4,492	Light Dental Studios	59%	Lakewood	Washington	Proivder
4,568	Oxyfresh Worldwide	57%	Coeur d Alene	Idaho	Products
4,664	SMC National	53%	Roseville	California	Outsourced Services
4,963	Rectangle Health	40%	Valhalla	New York	Technology

Note: The 2021 Inc. 5000 is ranked according to percentage revenue growth when comparing 2017 and 2020. To qualify, companies must have been founded and generating revenue by March 31, 2017, and be U.S.-based, privately held, for profit, and independent – not subsidiaries or divisions of other companies

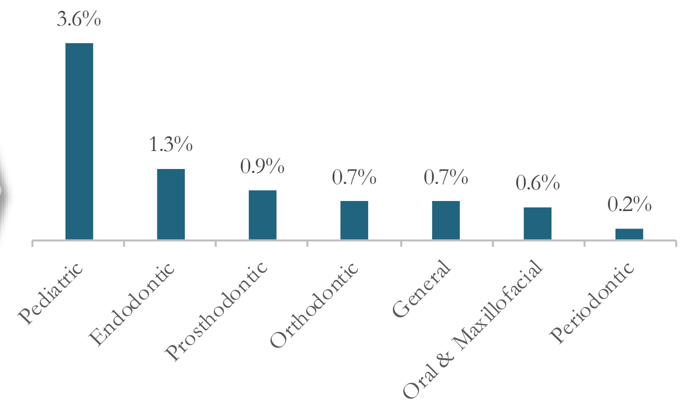
Update on Specialty Dentistry

- Specialists are dentists practicing under a specialty with an additional two to four years of advanced dental education to achieve recognition as a specialist
- Over the past decade, there has been a significant acceleration in investment in specialty focused platforms
  - Orthodontics (12.5%) and pediatrics (12.4%) represent the specialties with the highest DSO penetration
- The overall percentage of dentists profiling as specialists has slowly increased from 20% in 2001 to 21% in 2011 to 22% in 2022
  - From 2011 – 2021, the number of practicing specialists has grown at a 1.2% CAGR versus a 0.7% CAGR for general dentists over this period. Additionally, the number of pediatric (+3.6%), endodontic (+1.3%), prosthodontic (+0.9%), and orthodontic (0.7%) specialists have grown the most during this period

General versus Specialty Dentistry



Specialty Provider Growth (2011 – 2021 CAGR)



Overview of Specialty Dentistry

Specialty	Estimated Market Size (billions)	Providers	Average Annual Salary ($'000s)	DSO Affiliation	Illustrative Platforms
Orthodontics	$10 – 12	~10,800	$340.4	12.5%	Smile Doctors; Orthodontic Partners; Southern Orthodontic Partners
Pediatrics	$8 – 9	~8,300	$227.1	12.4%	D4C Dental Brands; Children's Choice; Rodeo Dental & Orthodontics
Prosthodontics	$10 – 12	~3,700	N/A	6.6%	Affordable Dentures & Implants; ClearChoice Dental Implant Centers
Oral and Maxillofacial Surgery	$12 – 14	~7,500	$407.6	9.6%	Beacon Oral Specialists; U.S. Oral Surgery Management; Oral Surgery Partners
Endodontics(1)	$5 – 6	~5,700	$343.7	8.4%	Endo 1 Partners; Affinity Dental Management; US Endo Partners
Periodontics	–	~5,800	$301.1	8.6%	N/A

Source: S&P Capital IQ, Pitchbook, Public Filings, American Dental Association (ADA), Health Policy Institute (HPI), Analyst Research, Coker Capital Research
(1) Estimates of market size vary. ~25-30% of endodontic procedures are performed by a specialist versus 70-75% performed by a general practitioner

Dental Landscape Commentary

- General dentistry platform characteristics include a recurring patient base with regularly scheduled preventative check-ins and, increasingly, investment in differentiated capabilities, including technology enabled patient capture, on-line scheduling, and marketing solutions to enhance patient stickiness. Many general dentistry platforms also take a holistic approach to dentistry with a focus on pediatrics to enable the practice to provide comprehensive care across entire families.
- While the proliferation of private equity investment in specialty focused dentistry platforms has accelerated since the mid-2010s, we are now seeing the rapid formation and evolution of multi-specialty models that drive enhanced profitability and growth by leveraging existing market density and successfully keeping referrals in-house. Increasingly, general and family dentistry practices are leveraging their existing stable patient bases to expand their business models and deliver a more comprehensive range of specialty services across patients. The symbiotic relationship that exists between general and specialty dental care enables physicians to deliver a powerful oral care ecosystem to patients that can enhance clinical care while driving growth and profitability across their practices.
- In this section of the Newsletter, we spotlight private equity backed dental platforms across both general and specialty models. As noted above, many of these platforms are rapidly evolving into multi-specialty focused practices, thereby not neatly fitting into a single category of care. For this segmentation, we highlight platforms that are focused on a particular specialty based on publicly available information and recognize that many of the other platforms not designated as such, in fact, deliver multi-specialty oral care solutions to patients.

Private Equity Platforms with Investments in Dental

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

COKER CAPITAL
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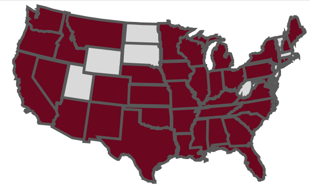
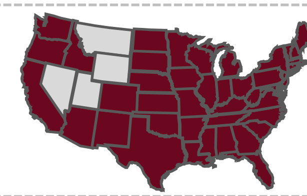
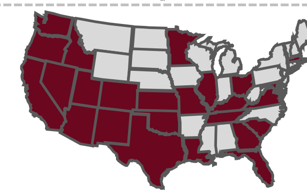
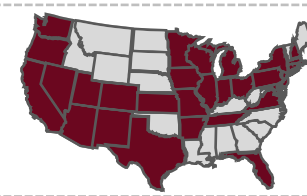
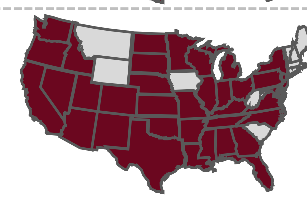
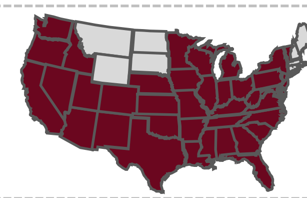
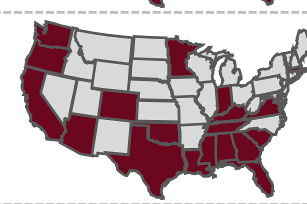
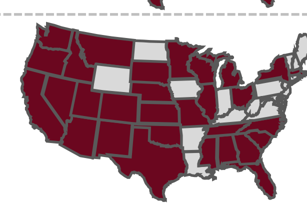
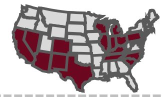
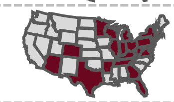
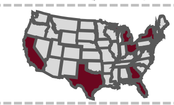
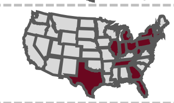
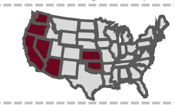
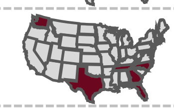
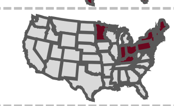
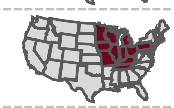
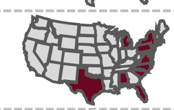
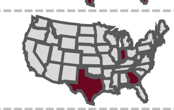
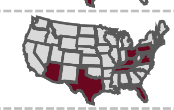
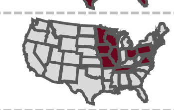
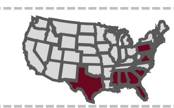
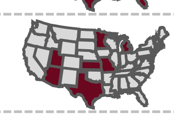
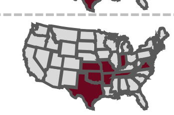
National Platforms

	Company	Ownership (Investment Date)	State Count	Clinic Count	Geography
	Heartland Dental	KKR, Ontario Teachers' Pension Plan March 2018	41	1,600+	
	AspenDental[1]	Ares, LGP May 2017	43	989	
	Pacific Dental Services	Privately Owned	25	850+	
	Smile Brands	Gryphon Investors August 2016	30	~700	
	MB2 Dental	Charlesbank February 2021	39	400+	
Specialty Focused	Affordable Care	Harvest Partners June 2021	42	~400	
Specialty Focused	U.S. Oral Surgery Management	Oak Hill Capital Partners November 2021	19	136	
Specialty Focused	US Endo Partners	Quad-C November 2021	30	100+	

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

(1) Ares and Leonard Green increased their ownership in Aspen Dental in 2017. Ares originally invested in Aspen in 2006 while Leonard Green originally invested in 2010

Multi-Regional Platforms (1 of 2)

Company	Ownership (Investment Date)	State Count	Clinic Count	Geography
Sonrava Health	NMC New Mountain Capital LLC November 2012	20	572	
DCA Dental Care Alliance	HP Harvest Partners June 2015	22	370+	
Great Expressions Dental Centers	Roark Capital Group September 2016	10	349	
North American Dental Group	Jacobs Holding August 2019	15	245+	
InterDent(1)	Prospect Capital August 2012	8	172	
DECA Dental Group	Blackstone August 2021	6	119	
42North Dental	Audax Group January 2014	9	114	
Elite Dental Partners(2)	Golub Capital Cressey & Company June 2018	12	100+	
Guardian Dentistry Partners	NKP Capital 2019	10	86	
Community Dental Partners	Boathouse Capital August 2015	3	70+	
Pure Dental Brands	Huron Capital August 2013	8	45	
Cordental Group	NMS Capital March 2017	9	41	
Independence Dental Services	Firmament January 2021	N/A(3)	40	N/A(3)
Oak Dental Partners	Family Office March 2021	8	36	
Gen4 Dental Partners	TG Thurston Group August 2021	7	36	
GPS Dental	Main Post Partners December 2021	8	26	

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

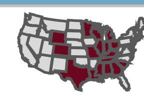
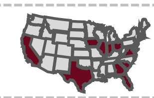
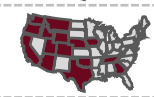
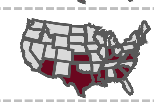
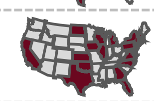
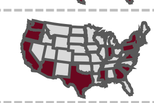
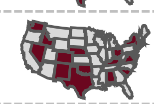
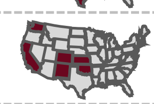
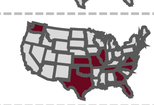
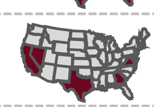
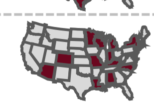
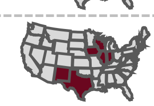
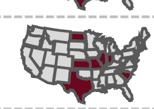
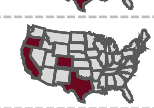
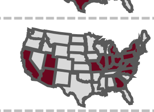
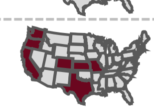
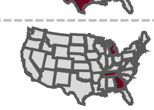
(1) Originally acquired by HIG Capital in 2012; received financing from Prospect Capital

(2) Received financing from Golub Capital

(3) State breakdown not publicly available

Multi-Regional Platforms (2 of 2)

Specialty Focused

Company	Ownership (Investment Date)	Specialty	State Count	Clinic Count	Geography
Smile Doctors	Linden / THL Thomas H. Lee Partners October 2017	Orthodontic	25	320+	
D4C Dental Brands	Cressey & Company December 2016	Pediatric	11	198	
specialty Dental Brands	Leon Capital Group January 2017	Pediatric / Orthodontic / Oral Surgery	14	170	
benevis	NMC New Mountain Capital LLC October 2020	Pediatric	13	150+	
Specialty1 Partners[1]	VSS Veronis Suhler Stevenson December 2019	Endodontics / Periodontics / Oral Surgery	23	150+	
onsitedental	Norwest Venture Partners February 2018	Mobile	13	150+	
Lone Peak Dental Group	Tailwind January 2017	Pediatric	15	65	
Hero Practice Services	Silver Oak Services Partners February 2015	Pediatric	8	60[2]	
Southern Orthodontic Partners	Shore Capital Partners June 2019	Orthodontics	10	57	
Beacon Oral Specialists	Blue Sea Capital December 2020	Oral Surgery	7	56	
Orthodontic Partners	FFL Partners November 2019	Orthodontics	13	44	
familia Dental	The Halifax Group April 2016	Pediatric	6	42	
Oral Surgery Partners	Sheridan Capital Partners May 2019	Oral Surgery	8	29	
Allied OMS	Duneglass Capital July 2020	Oral Surgery	4	20	
Smile America Partners	Morgan Stanley Global Private Equity December 2010	Pediatric	17	18	
Enable Dental	CareQuest Innovation Partners, FCA Venture Partners February 2022	Mobile	7	14	
Endodontic Practice Partners	River Cities Capital January 2020	Endodontics	4	N/A[3]	

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

(1) Specialty1 Partners is the parent company of Endo1 Partners, Perio1 Partners and OS1 Partners. Company website indicates partnerships with over 152 practices in 23 states. Full state level practice detail not available

(2) Clinic count includes pediatric dental and vision

(3) Clinic count not publicly available

Coker Capital a division of Fifth Third Securities Inc.

Single Region Private Equity Platforms with Investments in Dental

Life of Investment	General	Specialty
0 – 2 Years	SGA Dental Partners | TG Thurston Group; Today's Dental Network | HealthEdge Investment Partners; Absolute Dental | Ares; Kirkpatrick Dental Care | Hunter Street, Healy Capital Partners; Premier Care Dental Management | The Jordan Company; Apex Dental Partners | Endeavour; Peak Dental | Varsity Healthcare Partners; Ladd Dental Group, Inc. | Lead Capital; Swish Dental | Mereo Capital Partners; Divergent Dental Group | Fruition Partners; P1 Dental Partners | Prairie Capital; Cherry Tree Dental Care | ICV Partners	Planet Smile Partners (Pediatric Dentistry & Orthodontics) | Halle Capital Management; Spark Orthodontics | Rock Mountain Capital; Specialty Smile Partners | Blue Sea Capital; Ideal Dental | ONCAP; Bond Orthodontic Partners | BPOC; OMS360 | Shore Capital Partners
2 – 5 Years	Riccobene / Changing Lives One Smile At A Time | Beekman Group; Simply Beautiful Smiles | Sun Capital Partners, Inc.; Foundation | Keystone Capital; Smile Design Dentistry | Tenex Capital Management; Dr. Dental | Abry Partners; ProSmile | Trispan; Smile Partners USA | Silver Oak Services Partners; Oakpoint | Longshore Capital Partners; Access Dental & Orthodontics | Surge Private Equity; LumioDental | Sorenson; RockDental Brands | Vistria; Empire Dental Arts | Evolution Capital Partners; Star Dental Partners | Tyree & D'Angelo Partners TDP; Espire Dental | Rallyday Partners	Fivepoint Dental Specialists | CP Casla Partners, L.P.; Rodeo Dental & Orthodontics | BainCapital Double Impact; Childsmiles | Clairvest; Kids Care Dental & Orthodontics | Riverglade Capital; Affinity Dental Management | MidOcean Partners; Children's Choice Dental Care | Amulet Capital Partners LP; Salt Dental Collective | Latticework Capital Management; Southern Dental Alliance | Pouschine Cook Capital Management, LLC; destinyDENTAL | DixonMidland; Paradigm Oral Health | InTandem Capital Partners
5+ Years	Sage Dental | Linden; The Smilist | Zenyth Partners; Marquee Dental Partners | Chicago Pacific Founders; Signature Dental Partners | Tyree & D'Angelo Partners TDP; Jefferson Dental Care | Brentwood Associates; Great Lakes Dental Partners | Shore Capital Partners; Lightwave | Alpine; United Dental Partners | Calera Capital; Smile Dental Services | TG Thurston Group, Granite Bridge Partners; New England Dental Partners | Beekman Group	Pediatric Dental Brands | Gauge Capital; Pediatric Dental Solutions | Garmark Partners

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

Single Region Platforms (1 of 3)

Company	Ownership	Investment Date	Clinic Count	State(s)
Premier Care Dental Management	The Jordan Company	July 2021	100+	CT, MA, NJ, NY, RI
RockDental Brands	Vistria	September 2018	94	AR, MO, TN
ProSmile	Trispan	May 2019	88	MD, NJ, PA
Sage Dental	Linden	October 2012	85	FL, GA
Lightwave	Alpine	December 2016	75	SC, NC, VA
Jefferson Dental Care	Brentwood Associates	April 2017	74	OK, TX
SGA Dental Partners	TG Thurston Group	March 2022	64	AL, GA, LA, MS
LumioDental	Sorenson	December 2019	60+	AR, KS, MO, NE, OK
Smile Partners USA	Silver Oak Services Partners	July 2017	59	AL, GA, IL, MI,
Peak Dental Services	Varsity Healthcare Partners	January 2021	51	CO, TX
Smile Design Dentistry	Tenex Capital Management	October 2018	51	FL
the Smilist	Zenyth Partners	January 2014	~50	NY, NJ, PA
Absolute Dental	Ares	2020	41	NV
Marquee Dental Partners	Chicago Pacific Founders	October 2015	40+	AL, AR, FL, KY, TN
P1 Dental Partners	Prairie Capital	December 2020	40+	IN, IL
Dr. Dental	abry partners	March 2019	40	CT, MA, NH, NJ
Simply Beautiful Smiles	Sun Capital Partners, Inc.	February 2019	40	MD, NJ, NY, PA, VA
Cherry Tree Dental Care	ICV Partners	March 2021	39	IL, MI, MN, WI

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

Single Region Platforms (2 of 3)

Company	Ownership	Investment Date	Clinic Count	State(s)
Riccobene Associates – Changing Lives One Smile At A Time	Beekman Group	March 2018	39	NC
Apex Dental Partners	Endeavour	2020	30+	CO, OK, TX
Oakpoint	Longshore Capital Partners	September 2019	30	SC, NC
Great Lakes Dental Partners	Shore Capital Partners	April 2015	29	IL, IN
United Dental Partners	Calera Capital	March 2017	26	IL, IN
Access Dental & Orthodontics "Your Key To A Beautiful Smile"	Surge Private Equity	April 2019	26	IL, IN, TX
Smile Dental Services	TG Thurston Group; Granite Bridge Partners	October 2013	23	OR, WA
Today's Dental Network	HealthEdge Investment Partners	July 2021	~20	FL
Kirkpatrick Dental Care	Hunter Street; Healy Capital Partners	April 2021	20	AL, GA, SC, TN
Espire dental	rallyday Partners	February 2020	19	CA, CO, OK, WY
Foundation Dental Partners	Keystone Capital	January 2020	15	GA, SC, TN
Swish Dental	Mereo Capital Partners	October 2021	12	TX
New England Dental Partners	Beekman Group	January 2015	10+	MA, NH
Empire Dental Arts	Evolution Capital Partners	January 2020	8	OH
Ladd Dental Group, Inc.	Lead Capital	April 2021	6	IN
Divergent Dental Group	Fruition Partners	December 2020	4	FL
Star Dental Partners	Tyree & D'Angelo Partners TDP	September 2019	N/A	AL, AR, FL, GA, LA, MS, NC, OK, SC, TX, TN(1)
Signature Dental Partners	Tyree & D'Angelo Partners TDP	April 2017	N/A	AZ, CO, ID, MT, OR, NC, NM, UT, WA, WY(2)

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

(1) Represents stated growth focus in the Southeastern U.S.

(2) Represents stated growth focus in the Western U.S., excluding California

Single Region Platforms (3 of 3)

Specialty Focused

Company	Ownership	Specialty	Investment Date	Clinic Count	State(s)
Southern Dental Alliance	Pouschine Cook Capital Management, LLC	Pediatric	August 2017	49	GA, SC, TN
Affinity Dental Management	MidOcean Partners	Endodontics	September 2017	41	CT, MA, NY, VT
Rodeo Dental & Orthodontics	BainCapital Double Impact	Pediatric	May 2019	39	CO, TX
Salt Dental Collective	Latticework Capital Management	Pediatric	2019	39	ID, OR, WA
Specialty Smile Partners	Blue Sea Capital	Pediatric / Orthodontics	April 2022	38	CO, MN, WI
Ideal Dental	ONCAP	Orthodontic / Pedodontic / Oral Surgery	July 2022	28	CA
Children's Choice Dental Care	Amulet Capital Partners LP	Pediatric	May 2018	24	CA
kids care Dental & Orthodontics	RiverGlade Capital	Pediatric	December 2018	24	CA
destinyDENTAL	DixonMidland	Pediatric	October 2017	20	IL, IN, MI, WI
Pediatric Dental Brands	Gauge Capital	Pediatric	April 2017	19	AZ, NM
Pediatric Dental Solutions [1]	GarMark Partners	Pediatric	January 2015	14	NJ, NY, VT
Spark Orthodontics [2]	Rock Mountain Capital	Orthodontics	April 2021	12	IN, PA
Bond Orthodontic Partners	BPOC	Orthodontics	May 2022	10	AZ, CA
OMS360	Shore Capital Partners	Oral Surgery	February 2022	7	AL, GA, KY
childsmiles	CLAIRVEST	Pediatric	March 2020	6	NJ
Planet Smile Partners	Halle capital management	Pediatric	April 2021	5	NY
Paradigm Oral Health	InTandem Capital Partners	Oral Surgery	June 2019	N/A[3]	NE
FivePoint Dental Specialists	CP Casla Partners, L.P.	Pediatric / Orthodontic / Oral Surgery	2018	N/A[3]	CA, OK, TX

Source: S&P Capital IQ, Pitchbook, Public Filings, Analyst Research, Coker Capital Research

(1) Received financing from GarMark Partners

(2) Includes pro forma location count and footprint from announced acquisition of Children's Dental Management

(3) Clinic count not publicly available

Summary Thoughts

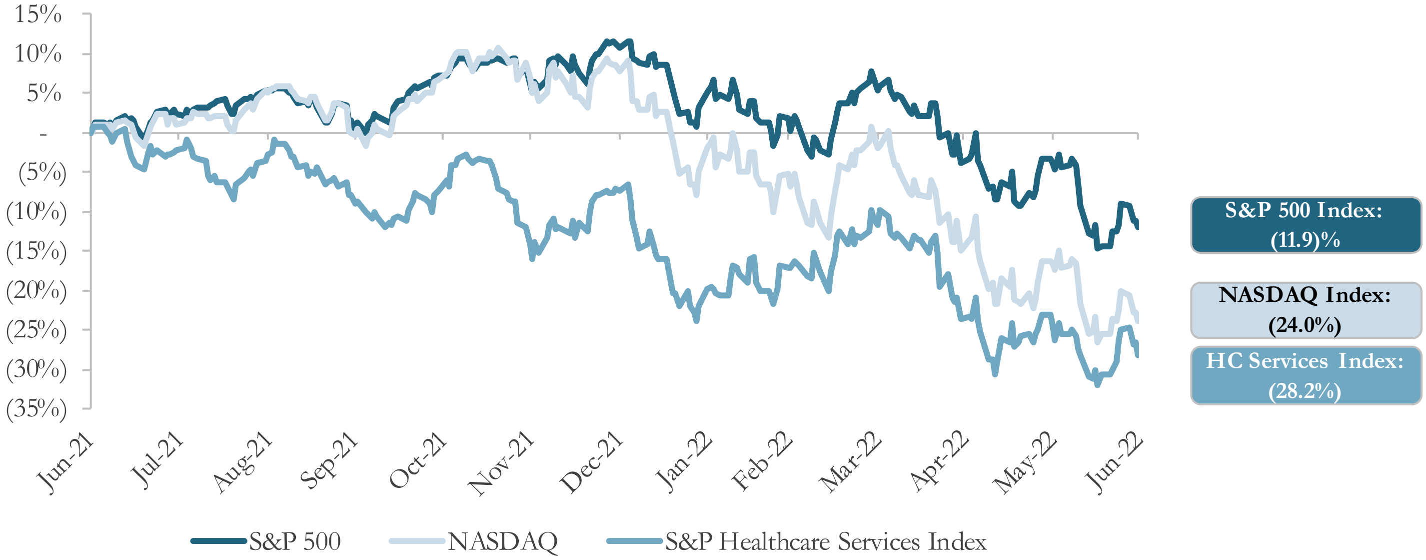
- Dentistry is one of the oldest sectors for PE investment across healthcare services. It is also one of the most resilient as PE firms have had consistent success investing, growing, and exiting platforms through economic cycles with little disruption for nearly 30 years. Original DSO platforms formed in the 1990s are now in the third and fourth generation of PE investment with expectations that several of the larger platforms could pursue IPOs for the next stage of their investment lifecycle. The reasons for this consistency are varied, but are also relatively straightforward – dentistry has a vast addressable market, is fragmented with a consistent growth profile, has experienced an increase in utilization due in part to expanded payor coverage, and includes a number of specialties that offer higher margins and more out-of-pocket payments.
- In recent years, a number of specialties have emerged as popular private equity investment areas, including orthodontics, oral surgery, and endodontics. For these models, geographic density has been viewed as less critical, as the initial focus has been on acquiring other specialist practices with existing referral relationships with local general dentistry providers. However, general dentistry is also evolving rapidly, and many platforms are increasingly looking to create comprehensive care models whereby practices leverage a stable base of general dentistry patients and create an ecosystem to deliver a range of specialized services. For such multi-specialty platforms that rely on referrals from its generalist practices, geographic density is often prioritized to facilitate brand awareness, retain patients across the dental care continuum, and achieve operating and marketing synergies.
- Dentistry was one of the most impacted sectors of healthcare services during the pandemic, as volumes dropped to the single digits in April 2020 before steadily rebounding throughout 2020 and 2021. Despite the challenges of the past several years, investment in the sector has remained robust with strategic consolidation, new PE platform creation, and secondary sales of existing DSOs to new PE investors continuing to drive an active M&A market. Moreover, valuations across platforms have consistently strengthened during the current economic cycle (coming out of the credit crisis) as Transaction Value / EBITDA multiples averaged around 9x in 2012 – 2013 versus nearly 13x in 2020 – 2022, an approximately 40% increase. These averages include a mix of general, specialty and multi-specialty transactions, and the variation in valuations across models can be significant. For example, leading specialty focused platforms in areas like oral surgery and orthodontics have recently achieved multiples in the mid-teens, as have larger, diversified general and multi-specialty platforms.
- The practice of dentistry continues to rapidly evolve. Independent providers are increasingly aligning with DSOs, practices are rapidly implementing technology solutions to capture and retain patients and drive efficiencies, and investors are accelerating the move toward multi-specialty models to better service patients while enhancing profitability and driving growth. While these dynamics and others can be disruptive, dentistry remains a uniquely attractive sector that we believe will remain a priority for investment and consolidation for many years to come.

Healthcare Services Market Update – June 30, 2022

Healthcare Services Market Update

Healthcare Services Index Stock Performance

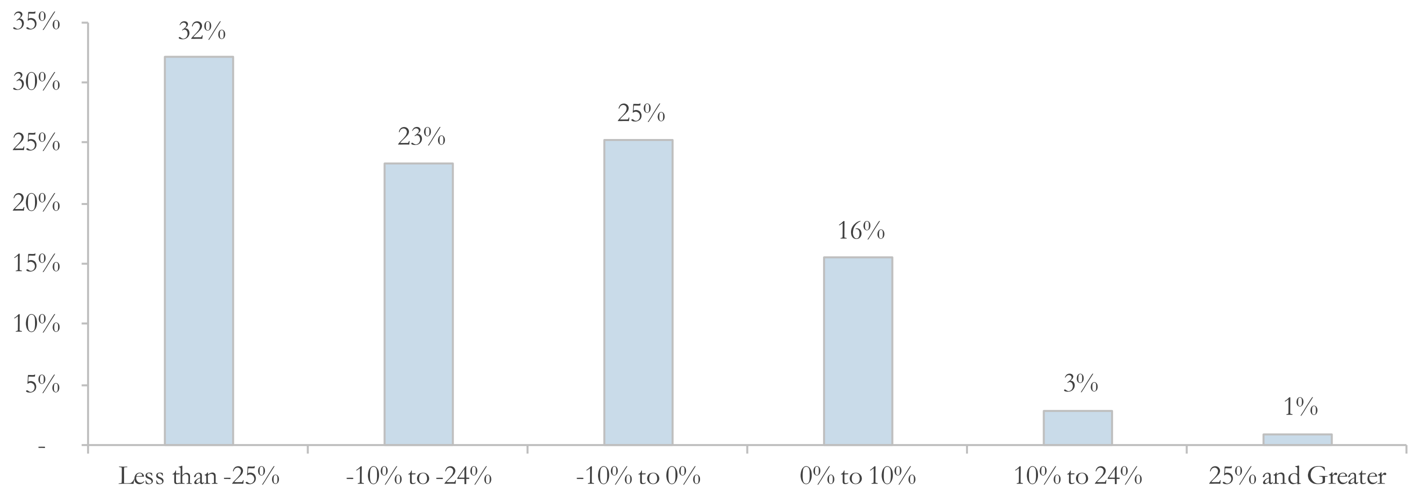
- The S&P Healthcare Services Index performed generally in-line with the broader market in the quarter ending June 30, 2022. The Index decreased (18.8%) compared to a (16.4%) decline and (22.4%) decline for the S&P 500 and NASDAQ, respectively



	Q3 2021	Q4 2021	Q1 2022	Q2 2022
S&P 500 Index	0.2%	10.6%	(4.9%)	(16.4%)
NASDAQ Index	(0.4%)	8.3%	(9.1%)	(22.4%)
HC Services Index	**(9.0%)**	**1.8%**	**(4.6%)**	**(18.8%)**

Healthcare Services Company Stock Performance – 2nd Quarter 2022

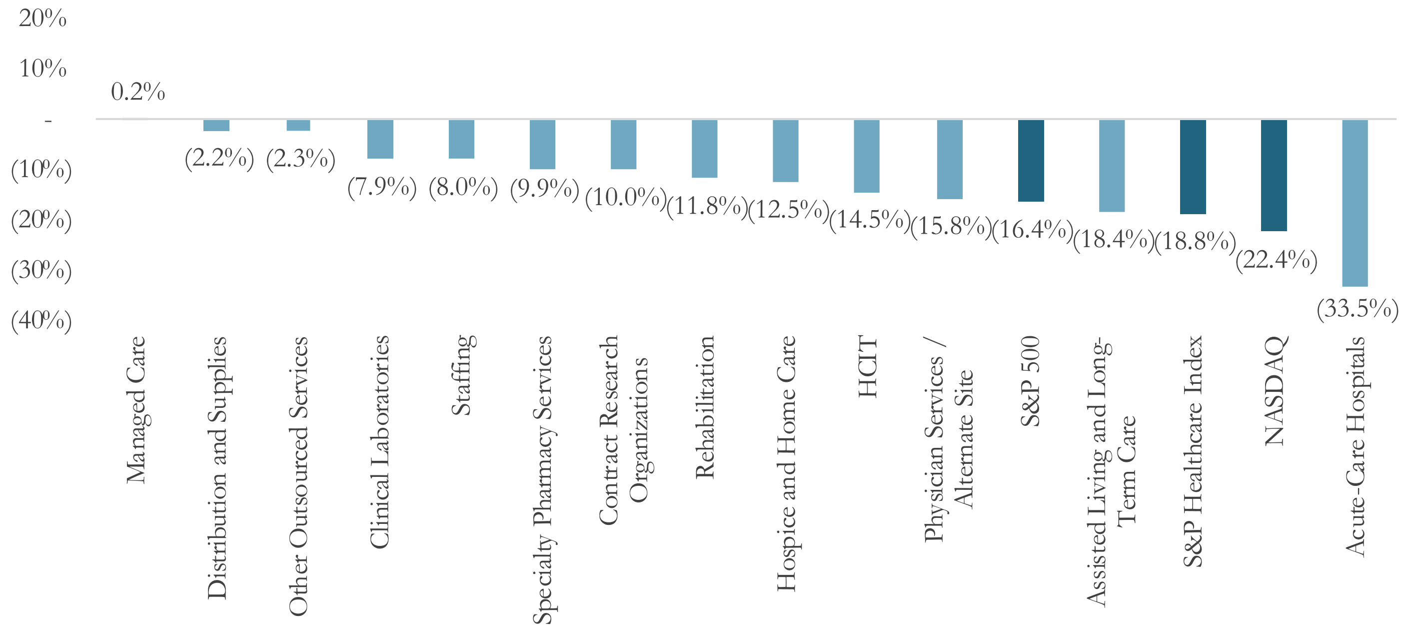
- Coker Capital's healthcare services comp set includes 102 companies across 13 sub-sectors. 20 of the 102 companies (~20%) produced positive returns in Q2 2022 while 82 companies (~80%) realized a decline. 1 company (~1%) experienced gains in excess of 25% while 33 companies (~32%) experienced declines in excess of 25% in the 2nd quarter of 2022



Note: Refer to pages 27 – 31 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

Healthcare Services Sub-sector Performance – 2nd Quarter 2022

- Individual sub-sector performance has been generally weak with significant variability across sub-sectors in Q2 2022 as the economy reacts to geopolitical headlines and other macroeconomic headwinds (e.g., inflationary pressure, supply chain disruptions). Managed Care +0.2% performed the best while Acute-Care Hospitals (33.5%), Assisted Living and Long-Term Care (18.4%), and Physician Services / Alternate Site (15.8%) performed the worst during the quarter



Note: sub-sector performance is market cap weighted

Top-Twenty Q2 2022 Performers

Company	Sub-Sector	Ticker	% Change
Convey Health	Payor Focus HCIT	CNVY	59.0%
Covetrus	Other Outsourced Services	CVET	23.6%
Multiplan	Other Outsourced Services	MPLN	17.3%
Adapthealth	Distribution and Supplies	AHCO	12.5%
Cigna	Commercial Payors	CI	10.0%
US Physical Therapy	Rehabilitation	USPH	9.8%
Healthstream	Provider Focus HCIT	HSTM	9.0%
Privia Health	Tech-enabled Primary Care	PRVA	8.9%
Viemed Healthcare	Distribution and Supplies	VMD	8.0%
Humana	Government Payors	HUM	7.6%
McKesson	Distribution and Supplies	MCK	6.6%
Quipt Home Medical	Distribution and Supplies	QIPT	6.5%
Change Healthcare	Provider Focus HCIT	CHNG	5.8%
AMN Health Services	Staffing	AMN	5.2%
Acadia	Physician Services / Alternate Site	ACHC	3.2%
American Well	Consumer Focused HCIT	AMWL	2.6%
Alignment Healthcare	Payor Focus HCIT	ALHC	1.6%
United Healthcare	Commercial Payors	UNH	0.7%
Centene	Government Payors	CNC	0.5%
Premier	Provider Focus HCIT	PINC	0.3%

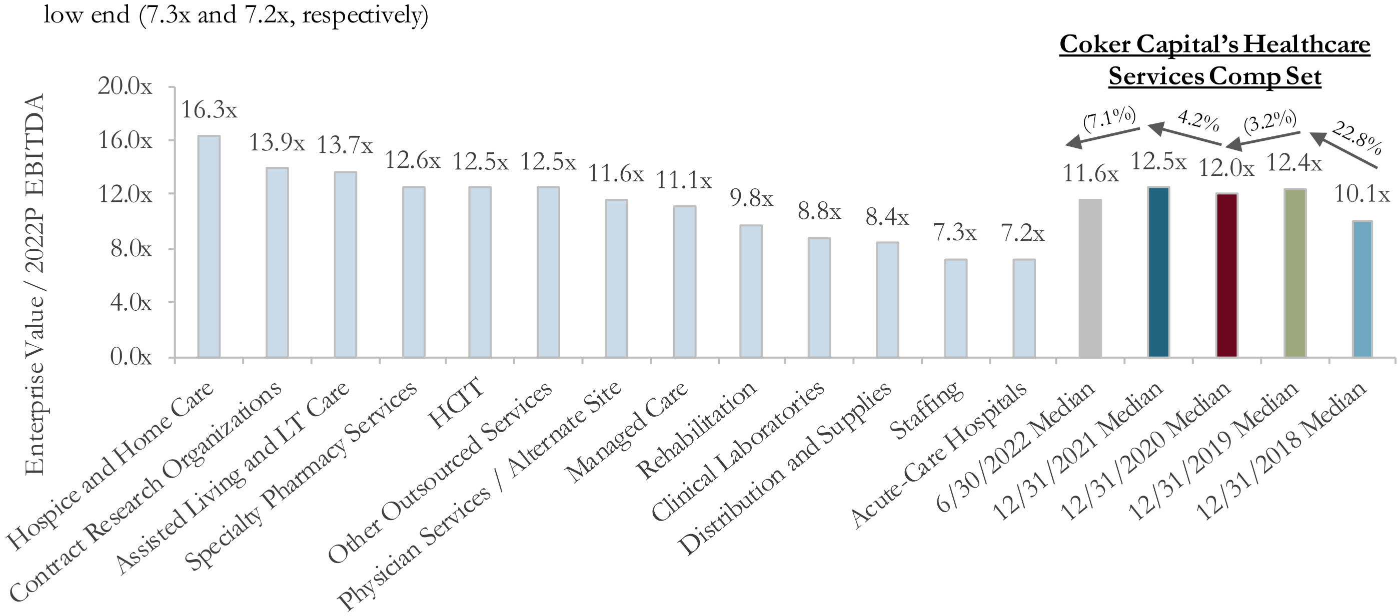
Bottom-Twenty Q2 2022 Performers

Company	Sub-Sector	Ticker	% Change
GoodRX	Consumer Focused HCIT	GDRX	(69.4%)
Community Health Systems	Acute-Care Hospitals	CYH	(68.4%)
Smile Direct Club	Other Outsourced Services	SDC	(59.8%)
Accolade	Consumer Focused HCIT	ACCD	(57.9%)
Oscar Health	Payor Focus HCIT	OSCR	(57.4%)
Teladoc Health	Consumer Focused HCIT	TDOC	(54.0%)
GoHealth	Payor Focus HCIT	GOCO	(49.3%)
Surgery Partners	Physician Services / Alternate Site	SGRY	(47.5%)
Akumin	Physician Services / Alternate Site	AKU	(47.1%)
Health Catalyst	Provider Focus HCIT	HCAT	(44.5%)
Progyny	Consumer Focused HCIT	PGNY	(43.5%)
Well Health	Tech-enabled Primary Care	WELL	(41.1%)
Clover Health	Payor Focus HCIT	CLOV	(39.7%)
Amedisys	Hospice and Home Care	AMED	(39.0%)
Tenet Healthcare	Acute-Care Hospitals	THC	(38.9%)
Oak Street Health	Tech-enabled Primary Care	OSH	(38.8%)
Benefit Focus	Consumer Focused HCIT	BNFT	(38.4%)
Brookdale Senior Living	Assisted Living and Long-Term Care	BKD	(35.6%)
Allscripts Healthcare	Provider Focus HCIT	MDRX	(34.1%)
Aveanna Healthcare	Hospice and Home Care	AVAH	(33.7%)

Note: Refer to pages 27 – 31 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

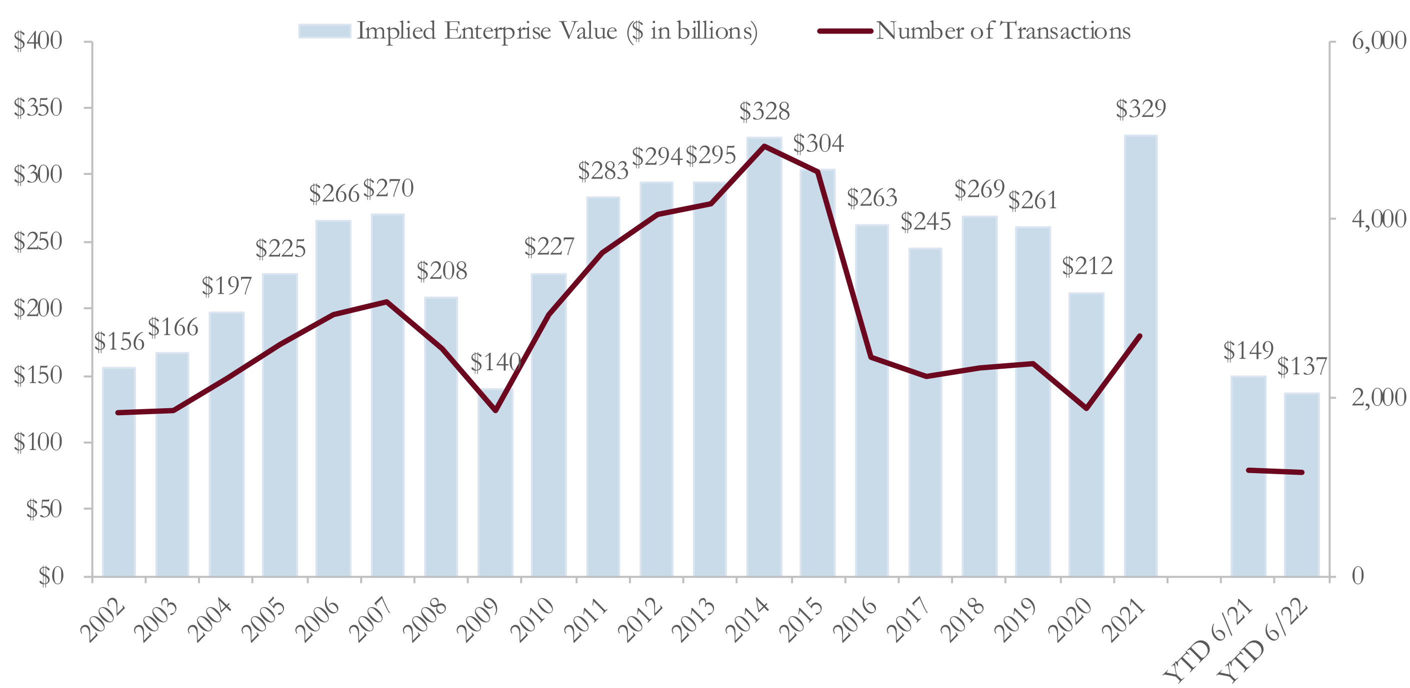
Healthcare Services Sub-sector Valuation Update

- Below is a chart that compares the median enterprise value / 2022P EBITDA as of 6/30/2022 for each of the 13 Healthcare Services sub-sectors
- The overall median sector EV / 2022P EBITDA across all sub-sectors is 11.6x ranging from Hospice & Home Care and Contract Research Organizations at the high end (16.3x and 13.9x, respectively) to Staffing and Acute-Care Hospitals at the low end (7.3x and 7.2x, respectively)



U.S. Middle Market M&A Transaction Activity

- Middle Market M&A activity accelerated in 2021, yielding a transaction volume eclipsing 2020 by over 43%
- Activity in 2022 remains slightly below compared with the prior year, with transaction volume declining by 2% YTD (1,190 transactions in 1H2021 versus 1,168 transactions in 1H2022) and total transaction values down 8% YTD

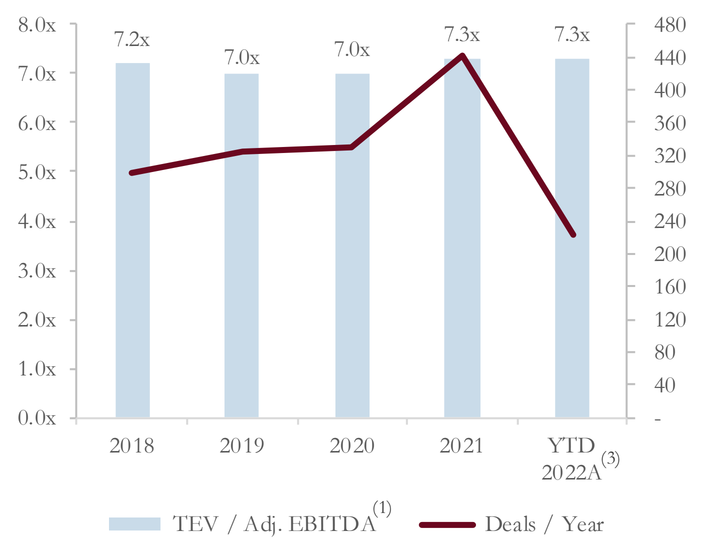


Note: Refer to pages 27 – 31 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: S&P Capital IQ

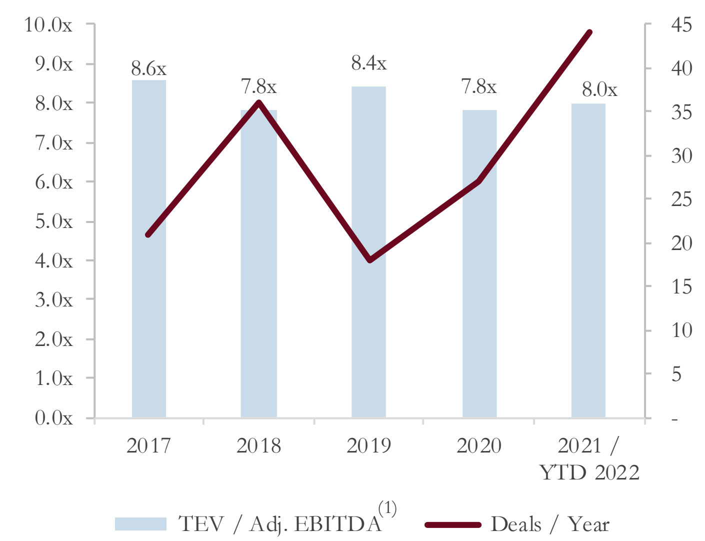
Lower Middle Market Activity: GF Data

- Below represents data from GF Data's May 2022 report covering deals completed through March 31, 2022 (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. 366 private equity firms have provided data on transactions since 2003 with 253 of these private equity firms representing active contributors to the 2022 data. A few takeaways:
  - Average valuations across all industries in YTD 2022 remained comparable to a slightly increased 2021 with an average TEV/EBITDA of 7.3x, as compared to the pre-pandemic range of 7.0 – 7.2x that characterized the market in 2018 – 2019
  - Average valuations across healthcare services declined slightly in 2021 / YTD 2022 with an average TEV/EBITDA of 8.0x as compared to valuations of 7.8x – 8.6x that characterized the market in 2017 – 2019

GF Data Multiples and Volume – All Industries



GF Data Multiples and Volume – HC Services



TEV / EBITDA – All Industries(1,2)

TEV	2018	2019	2020	2021	YTD 2022	Total
10-25	5.9x	6.1x	5.9x	6.1x	6.6x	5.8x
25-50	6.9x	6.9x	6.8x	7.0x	6.9x	6.5x
50-100	8.8x	7.5x	8.0x	8.3x	8.5x	7.5x
100-250	8.7x	9.3x	8.6x	9.0x	9.3x	8.3x
Total	7.2x	7.0x	7.0x	7.3x	7.3x	6.7x
N=	299	325	329	441	56	

TEV / EBITDA – Healthcare Services(1,2)

TEV	2017	2018	2019	2020	2021 / YTD 2022	Total
10-25	7.2x	6.7x	5.6x	6.6x	7.3x	6.5x
25-50	8.8x	7.4x	8.8x	8.8x	7.9x	7.5x
50-100	6.6x	9.3x	10.9x	9.3x	9.4x	8.2x
100-250	10.1x	8.5x	8.9x	9.3x	9.1x	8.8x
Total	8.6x	7.8x	8.4x	7.8x	8.0x	7.5x
N=	21	36	18	27	44	

Source: GF Data M&A Report
(1) TEV = Total Enterprise Value
(2) N = number of transactions in data set
(3) Represents YTD 2022 annualized

COKER CAPITAL
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Healthcare Services Trading Comparables – As of June 30, 2022

Overview of Healthcare Services Sub-sectors and Companies

Acute-Care Hospitals (4)

Company	Ticker
Community Health Systems	CYH
HCA	HCA
Tenet Healthcare	THC
Universal Health Services	UHS

Assisted Living and Long-Term Care (4)

Company	Ticker
Brookdale Senior Living	BKD
Ensign Group	ENSG
National Healthcare Group	NHC
The Pennant Group	PNTG

Clinical Laboratories (4)

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

Contract Research Organizations (5)

Company	Ticker
Charles River Labs	CRL
IQVIA Holdings	IQV
MedPace	MEDP
Sotera Health	SHC
Syneos Health	SYNH

Distribution and Supplies (9)

Company	Ticker
DME (3)	
AdaptHealth	AHCO
Quipt Home Medical	QIPT
Viemed Healthcare	VMD
Other Distribution (6)	
AmerisourceBergen	ABC
Cardinal Health	CAH
HenrySchein	HSIC
McKesson	MCK
Owens and Minor	OMI
Patterson Companies	PDCO

Hospice and Home Care (7)

Company	Ticker
Addus Home Care	ADUS
Amedisys	AMED
Aveanna Healthcare	AVAH
Chemed	CHE
InnovAge	INNV
LHC Group	LHCG
Option Care	OPCH

HCIT (33)

Company	Ticker
Provider Focused HCIT (14)	
Allscripts Healthcare	MDRX
Change Healthcare	CHNG
CPSI	CPSI
Evolent Health	EVH
Health Catalyst	HCAT
Healthstream	HSTM
iRhythm Technologies	IRTC
MTBC	MTBC
National Research Corporation	NRC
NextGen Healthcare	NXGN
Omnicell	OMCL
Phreesia	PHR
Premier	PINC
R1 RCM	RCM
Payor Focused HCIT (8)	
Alignment Healthcare	ALHC
Bright Health	BHG
Clover Health	CLOV
Convey Health	CNVY
eHealth	EHTH
GoHealth	GOCO
Oscar Health	OSCR
Signify Health	SGFY
Consumer Focused HCIT (8)	
Accolade	ACCD
American Well	AMWL
Benefit Focus	BNFT
GoodRX	GDRX
Health Equity	HQY
Hims and Hers	HIMS
Progyny	PGNY
Teladoc Health	TDOC
Other HCIT (3)	
Certara	CERT
OptimizeRX	OPRX
Veeva Systems	VEEV

Managed Care (7)

Company	Ticker
Government Payors (3)	
Centene	CNC
Humana	HUM
Molina	MOH
Commercial Payors (4)	
Cigna	CI
CVS Health	CVS
Elevance	ELV
United Healthcare	UNH

Other Outsourced Services (7)

Company	Ticker
Agiliti	AGTI
Corvel	CRVL
Covetrus	CVET
Healthcare Services Group	HCSG
ModivCare	MODV
Multiplan	MPLN
Smile Direct Club	SDC

Physician Services / Alternate Site (12)

Company	Ticker
Tech-enabled Primary Care (5)	
Agilon Health	AGL
Oak Street Health	OSH
One Medical	ONEM
Privia Health	PRVA
Well Health	WELL
Other Physician Services / Alternate Site (7)	
Acadia	ACHC
Akumin	AKU
DaVita Healthcare	DVA
Fresenius Medical Care	FME
Mednax	MD
RadNet	RDNT
Surgery Partners	SGRY

Rehabilitation (5)

Company	Ticker
ATI Physical Therapy	ATIP
Encompass Health	EHC
Hanger	HNGR
Select Medical	SEM
US Physical Therapy	USPH

Specialty Pharmacy Services (3)

Company	Ticker
CVS Health	CVS
Rite Aid	RAD
Walgreens Boots Alliance	WBA

Staffing (3)

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

Total Count	**102** [1]

(1) CVS Health included in both Managed Care and Specialty Pharmacy Services sub-sectors

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($ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES									
			Market Data					Financial Information			
		Price as of:	% 52wk	Market	Firm	Cash and	Total	2022P	2022P	FV (P) / 2022	
Company	Ticker	06/30/22	High	Cap	Value	Equivalents	Debt	Revenue	EBITDA	Revenue	EBITDA
Provider Services											
Acute-Care Hospitals											
HCA	HCA	$168.06	60%	$49,659.1	$89,118.1	$2,371.0	$39,488.0	$60,513.0	$12,063.0	1.47x	7.4x
Tenet Healthcare	THC	52.56	57%	5,661.9	22,465.9	1,405.0	14,851.0	19,788.0	3,521.0	1.14x	6.4x
Community Health Systems	CYH	3.75	23%	484.0	13,521.0	460.0	12,924.0	12,802.0	1,840.0	1.06x	7.3x
Universal Health Services	UHS	100.71	61%	7,490.9	12,154.4	106.0	4,670.4	13,438.0	1,721.9	0.90x	7.1x
		Weighted Average								1.37x	7.3x
		Median								1.10x	7.2x
Assisted Living and Long-Term Care											
Brookdale Senior Living	BKD	$4.54	52%	$850.3	$5,586.1	$289.2	$5,202.2	$2,781.1	$254.0	2.01x	22.0x
Ensign Group	ENSG	73.47	78%	4,036.0	5,196.5	248.5	1,420.7	2,955.0	379.4	1.76x	13.7x
The Pennant Group	NHC	69.90	89%	1,081.5	1,040.7	57.0	159.6	N/M	N/M	N/A	N/M
National Healthcare Group	PNTG	12.81	30%	365.5	698.1	3.6	332.0	459.1	72.9	1.52x	9.6x
		Weighted Average								1.78x	14.8x
		Median								1.76x	13.7x
Hospice and Home Care											
Chemed	CHE	$469.39	87%	$6,994.9	$7,244.8	$18.2	$268.0	$2,168.4	$443.9	3.34x	16.3x
Option Care	OPCH	27.79	89%	5,003.6	6,016.3	145.6	1,159.6	3,842.7	331.9	1.57x	18.1x
LHC Group	LHCG	155.74	72%	4,832.3	5,815.9	7.7	888.2	2,503.5	280.7	2.32x	20.7x
Amedisys	AMED	105.12	38%	3,424.1	3,954.1	67.8	544.0	2,346.0	281.2	1.69x	14.1x
Aveanna Healthcare	AVAH	2.26	18%	417.5	1,831.4	17.4	1,431.4	1,903.1	197.0	0.96x	9.3x
Addus Home Care	ADUS	83.28	77%	1,325.1	1,506.3	124.8	305.9	956.0	103.5	1.58x	14.5x
Innovage	INNV	4.38	20%	593.6	502.7	199.5	86.3	694.0	19.7	0.72x	25.6x
		Weighted Average								2.26x	17.3x
		Median								1.58x	16.3x
Physician Services / Alternate Site											
Tech-enabled Primary Care											
Agilon Health	AGL	$21.83	54%	$8,878.9	$7,912.2	$1,021.8	$55.4	$2,580.0	$7.0	3.07x	N/M
Oak Street Health	OSH	16.44	25%	3,963.3	4,407.5	108.4	1,099.2	2,130.3	N/A	2.07x	N/A
Privia Health	PRVA	29.12	61%	3,162.9	2,915.6	315.9	45.7	1,295.8	N/A	2.25x	N/M
One Medical	ONEM	7.84	23%	1,521.3	1,719.7	240.0	626.8	1,075.2	N/A	1.60x	N/A
Well Health	WELL	3.07	35%	682.4	1,112.1	36.1	372.8	527.8	98.4	2.11x	11.3x
Other Physician Services / Alternate Site											
Fresenius Medical Care	FME	$47.63	67%	$13,956.9	$27,431.7	$1,173.3	$13,343.4	$19,011.3	$3,572.7	1.44x	7.7x
DaVita Healthcare	DVA	79.96	59%	7,564.2	20,677.0	327.5	11,894.4	11,783.5	2,270.7	1.75x	9.1x
Acadia	ACHC	67.63	88%	6,122.3	7,710.9	140.4	1,658.7	2,581.1	595.1	2.99x	13.0x
Surgery Partners	SGRY	28.92	43%	2,552.2	6,814.0	378.9	3,447.5	2,557.7	380.6	2.66x	17.9x
Mednax	MD	21.01	59%	1,809.3	2,581.8	7.2	869.2	2,007.2	273.8	1.29x	9.4x
RadNet	RDNT	17.28	44%	971.5	2,430.8	70.7	1,407.4	1,394.5	204.1	1.74x	11.9x
Akumin	AKU	0.73	18%	65.3	2,087.0	40.2	1,445.8	767.5	158.1	2.72x	13.2x
		Weighted Average								1.90x	10.0x
		Median								2.09x	11.6x
Rehabilitation											
Encompass Health	EHC	$56.05	65%	$5,593.6	$9,528.3	$94.2	$3,510.8	$5,393.3	$1,025.8	1.77x	9.3x
Select Medical	SEM	23.62	55%	3,085.4	8,179.6	130.9	4,970.4	6,393.5	794.8	1.28x	10.3x
US Physical Therapy	USPH	109.20	89%	1,418.7	1,779.4	24.2	225.7	557.5	84.4	3.19x	21.1x
Hanger	HNGR	14.32	55%	558.9	1,190.5	37.4	669.0	1,211.3	128.6	0.98x	9.3x
ATI Physical Therapy	ATIP	1.41	15%	291.6	1,120.1	94.8	776.8	684.2	29.2	1.64x	N/A
		Weighted Average								1.77x	11.1x
		Median								1.64x	9.8x

Note: N/A represents Not Available and N/M represents Not Meaningful
Source: S&P Capital IQ

($ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES									
		Market Data				Financial Information					
Company	Ticker	Price as of: 06/30/22	% 52wk High	Market Cap	Firm Value	Cash and Equivalents	Total Debt	2022P Revenue	2022P EBITDA	FV (P) / 2022 Revenue	FV (P) / 2022 EBITDA
Information Technology and Solutions											
Provider Focus HCIT											
Change Healthcare	CHNG	$23.06	96%	$7,345.7	$11,757.5	$252.3	$4,664.1	$3,534.3	$1,082.7	3.33x	10.9x
R1 RCM	RCM	20.96	75%	8,711.7	9,426.8	123.9	839.0	1,865.9	474.0	5.05x	19.9x
Omnicell	OMCL	113.75	61%	5,027.5	5,375.9	265.0	613.4	1,395.0	245.4	3.85x	21.9x
Premier	PINC	35.68	85%	4,209.8	4,654.9	179.5	624.7	1,371.7	486.1	3.39x	9.6x
iRhythm Technologies	IRTC	108.03	64%	3,218.2	3,142.2	94.8	132.8	418.2	N/M	7.51x	N/M
Evolent Health	EVH	30.71	89%	2,812.9	2,948.1	210.2	345.4	1,205.1	90.1	2.45x	32.7x
Allscripts Healthcare	MDRX	14.83	64%	1,720.6	2,036.1	82.8	398.3	613.6	169.1	3.32x	12.0x
NextGen Healthcare	NXGN	17.44	80%	1,170.6	1,130.8	59.8	20.0	622.2	104.6	1.82x	10.8x
Phreesia	PHR	25.01	33%	1,306.6	1,051.8	269.2	14.4	274.0	N/M	3.84x	N/M
National Research Corporation	NRC	38.28	69%	964.0	943.2	47.3	26.5	N/A	N/A	N/A	N/A
Healthstream	HSTM	21.71	70%	664.3	644.4	43.4	25.5	270.3	52.4	2.38x	12.3x
Health Catalyst	HCAT	14.49	24%	785.1	608.2	198.4	248.5	290.9	N/M	2.09x	N/M
CPSI	CPSI	31.97	85%	462.9	596.5	16.0	149.6	326.0	60.4	1.83x	9.9x
MTBC	MTBC	3.43	36%	51.6	56.3	9.1	13.8	154.4	24.9	0.36x	2.3x
		Weighted Average								3.90x	16.8x
		Median								3.32x	11.4x
Payor Focus HCIT											
Signify Health	SGFY	$13.80	45%	$2,433.2	$2,728.3	$451.3	$371.3	$964.7	$218.7	2.83x	12.5x
Alignment Healthcare	ALHC	11.41	49%	2,136.6	1,846.1	448.8	158.4	1,345.8	N/M	1.37x	N/M
GoHealth	GOCO	0.60	5%	72.8	1,134.4	129.6	692.4	995.5	117.7	1.14x	9.6x
Convey Health	CNVY	10.40	91%	761.2	1,030.8	20.9	290.4	400.8	81.0	2.57x	12.7x
Clover Health	CLOV	2.14	16%	1,008.9	762.4	273.8	27.3	3,321.4	N/M	0.23x	N/M
Bright Health Group	BHG	1.82	10%	1,140.6	564.4	1,505.5	38.8	7,055.5	N/M	0.08x	N/M
eHealth	EHTH	9.33	15%	250.4	363.7	220.6	105.1	458.4	N/M	0.79x	N/M
Oscar Health	OSCR	4.25	20%	896.8	N/M	2,068.6	374.5	5,344.1	N/M	N/M	N/M
		Weighted Average								1.59x	12.5x
		Median								1.14x	12.5x
Consumer Focused HCIT											
Teladoc Health	TDOC	$33.21	20%	$5,352.9	$6,120.8	$836.4	$1,606.9	$2,430.4	$248.0	2.52x	24.7x
Health Equity	HQY	61.39	74%	5,179.3	6,023.7	161.2	1,005.6	831.3	254.2	7.25x	23.7x
Progyny	PGNY	29.05	43%	2,671.0	2,573.7	38.8	8.4	757.9	115.8	3.40x	22.2x
GoodRX	GDRX	5.92	12%	2,347.0	2,201.7	845.4	700.1	823.9	208.1	2.67x	10.6x
Hims & Hers	HIMS	4.53	41%	933.5	735.6	48.3	5.2	422.4	N/M	1.74x	N/M
American Well	AMWL	4.32	34%	1,150.4	513.3	176.9	16.4	278.3	N/M	1.84x	N/M
Accolade	ACCD	7.40	13%	526.9	512.0	335.6	320.6	346.2	N/M	1.48x	N/M
Benefit Focus	BNFT	7.78	54%	264.1	484.3	59.0	200.0	255.0	45.5	1.90x	10.6x
		Weighted Average								3.87x	21.6x
		Median								2.21x	22.2x
Other HCIT											
Veeva Systems	VEEV	$198.04	58%	$30,665.9	$27,881.4	$1,240.0	$54.1	$2,170.7	$866.5	12.84x	32.2x
Certara	CERT	21.46	47%	3,430.2	3,555.0	184.3	309.3	356.1	129.5	9.98x	27.5x
OptimizeRX	OPRX	27.39	28%	497.2	408.5	89.0	0.3	82.3	13.6	4.96x	30.0x
		Weighted Average								12.45x	31.7x
		Median								9.98x	30.0x
		Total Weighted Average								6.69x	23.3x
		Total Median								2.52x	12.5x
Clinical and Patient Support Services											
Clinical Laboratories											
LabCorp	LH	$234.36	74%	$21,725.2	$26,835.3	$1,233.5	$6,323.0	$15,284.7	$3,040.3	1.76x	8.8x
Quest Diagnostics	DGX	132.98	76%	15,607.2	19,674.2	712.0	4,663.0	9,345.0	1,983.0	2.11x	9.9x
Sonic Healthcare	SHL	33.01	70%	15,573.2	18,194.9	735.3	3,218.2	8,513.6	2,325.0	2.14x	7.8x
NeoGenomics	NEO	8.15	15%	1,016.8	1,148.6	305.9	613.2	500.4	N/M	2.30x	N/M
		Weighted Average								1.98x	8.9x
		Median								2.12x	8.8x

Note: N/A represents Not Available and N/M represents Not Meaningful
Source: S&P Capital IQ

($ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES									
			Market Data					Financial Information			
Company	Ticker	Price as of: 06/30/22	% 52wk High	Market Cap	Firm Value	Cash and Equivalents	Total Debt	2022P Revenue	2022P EBITDA	FV (P) / 2022 Revenue	FV (P) / 2022 EBITDA
Contract Research Organizations											
IQVIA Holdings	IQV	$216.99	76%	$41,071.7	$52,530.7	$1,387.0	$12,952.0	$14,624.0	$3,348.0	3.59x	15.7x
Charles River Labs	CRL	213.97	46%	10,870.7	13,669.2	241.9	2,980.9	4,028.3	1,030.2	3.39x	13.3x
Syneos Health	SYNH	71.68	69%	7,352.6	10,440.8	119.0	3,207.2	5,675.6	860.0	1.84x	12.1x
Sotera Health	SHC	19.59	72%	5,540.4	7,244.3	121.4	1,825.9	1,020.7	521.7	7.10x	13.9x
MedPace	MEDP	149.67	65%	4,799.3	4,876.5	82.8	160.1	1,417.3	266.7	3.44x	18.3x
		Weighted Average								3.64x	15.0x
		Median								3.44x	13.9x
Staffing											
AMN Health Services	AMN	$109.71	85%	$4,906.0	$5,656.1	$113.5	$863.6	$4,956.3	$779.5	1.14x	7.3x
On Assignment	ASGN	90.25	68%	4,611.8	5,203.3	502.4	1,093.9	4,479.5	549.4	1.16x	9.5x
Cross Country Healthcare	CCRN	20.83	69%	796.0	1,028.7	1.2	234.0	2,597.7	283.8	0.40x	3.6x
		Weighted Average								1.05x	8.0x
		Median								0.78x	7.3x
Managed Care											
Government Payors											
Humana	HUM	$468.07	98%	$59,207.8	$67,658.8	$4,864.0	$13,292.0	$93,072.0	$5,040.9	0.73x	13.4x
Centene	CNC	84.61	94%	49,487.3	61,180.3	11,237.0	22,669.0	142,926.0	5,511.3	0.43x	11.1x
Molina	MOH	279.61	80%	16,405.7	13,992.7	4,804.0	2,391.0	30,341.2	1,554.2	0.46x	9.0x
		Weighted Average								0.57x	11.9x
		Median								0.46x	11.1x
Commercial Payors											
United Healthcare	UNH	$513.63	93%	$481,873.1	$508,765.1	$25,482.0	$47,493.0	$320,731.0	$30,577.0	1.59x	16.6x
CVS Health	CVS	92.66	83%	121,505.9	186,388.9	8,442.0	75,915.0	308,830.4	19,515.2	0.60x	9.6x
Elevance	ELV	482.58	90%	116,342.7	134,427.7	6,161.0	24,190.0	153,236.0	11,111.0	0.88x	12.1x
Cigna	CI	263.52	96%	83,607.9	113,007.9	4,424.0	33,747.0	177,837.0	11,347.0	0.64x	10.0x
		Weighted Average								1.24x	14.2x
		Median								0.76x	11.0x
		Total Median								0.64x	11.1x
Other Outsourced Services											
Multiplan	MPLN	$5.49	57%	$3,508.2	$8,080.2	$350.8	$4,922.9	$1,200.1	$874.4	N/A`	9.2x
Covetrus	CVET	20.75	76%	2,895.0	3,998.0	117.0	1,198.0	4,819.2	273.5	N/A	14.6x
Agiliti	AGTI	20.51	78%	2,723.7	3,889.2	52.1	1,217.5	1,180.0	311.8	3.30x	12.5x
Corvel	CRVL	147.27	69%	2,575.5	2,521.2	97.5	43.1	N/A	N/A	N/A	N/A
ModivCare	MODV	84.50	40%	1,187.0	2,013.1	194.1	1,020.2	2,364.8	208.4	0.85x	9.7x
Healthcare Services Group	HCSG	17.41	54%	1,289.0	1,175.5	32.9	26.6	1,718.0	73.6	0.68x	16.0x
Smile Direct Club	SDC	1.04	12%	125.5	388.5	144.7	763.6	615.0	N/M	0.63x	N/M
		Weighted Average								0.77x	12.1x
		Median								0.77x	12.5x
Specialty Pharmacy Services											
CVS Health	CVS	$92.66	83%	$121,505.9	$186,388.9	$8,442.0	$75,915.0	$308,830.4	$19,515.2	0.60x	9.6x
Walgreens Boots Alliance	WBA	37.90	69%	32,755.3	71,434.3	2,285.0	38,233.0	130,720.1	5,674.1	0.55x	12.6x
Rite Aid	RAD	6.74	35%	375.0	6,465.8	56.1	6,146.9	23,613.5	475.1	0.27x	13.6x
		Weighted Average								0.59x	10.2x
		Median								0.55x	12.6x

Note: N/A represents Not Available and N/M represents Not Meaningful
Source: S&P Capital IQ

($ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES									
		Market Data						Financial Information			
		Price as of:	% 52wk	Market	Firm	Cash and	Total	2022P	2022P	FV (P) / 2022	
Company	Ticker	06/30/22	High	Cap	Value	Equivalents	Debt	Revenue	EBITDA	Revenue	EBITDA
Distribution and Supplies											
DME											
AdaptHealth	AHCO	$18.04	63%	$2,422.6	$4,664.7	$119.4	$2,356.3	$2,967.6	$635.3	1.57x	7.3x
Viemed Healthcare	VMD	5.38	71%	270.9	241.7	29.2	5.9	132.9	31.6	1.82x	7.6x
Quipt Home Medical	QIPT	5.89	66%	197.7	206.6	17.4	24.5	200.5	42.9	1.03x	4.8x
		Weighted Average								1.56x	7.2x
		Median								1.57x	7.3x
Other Distribution											
McKesson	MCK	$326.21	96%	$46,837.5	$51,402.5	$3,532.0	$7,617.0	$266,212.4	$5,068.0	0.19x	10.1x
AmerisourceBergen	ABC	141.48	85%	29,635.0	34,796.3	2,960.8	7,766.3	239,725.0	3,514.3	0.15x	9.9x
Cardinal Health	CAH	52.27	81%	14,239.8	17,499.8	2,356.0	5,612.0	180,698.0	2,449.1	0.10x	7.1x
HenrySchein	HSIC	76.74	83%	10,594.0	12,932.0	126.0	1,219.0	13,093.7	1,141.8	0.99x	11.3x
Owens and Minor	OMI	31.45	64%	2,393.6	5,114.9	211.3	2,932.5	10,143.8	609.6	0.50x	8.4x
Patterson Companies	PDCO	30.30	86%	2,931.2	3,386.8	142.0	600.5	6,508.5	332.6	0.52x	10.2x
		Weighted Average								0.26x	9.8x
		Median								0.35x	10.0x
		Total Median								0.52x	8.4x

Note: N/A represents Not Available and N/M represents Not Meaningful
Source: S&P Capital IQ

About Coker Capital

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