

Coker Capital's Healthcare Services Newsletter – 2020 Year in Review

In this issue of the Coker Capital Healthcare Services Newsletter, we provide an update on Healthcare Services activity in 2020.

Healthcare Services Sub-sector Review

- We review the performance of healthcare services sub-sectors throughout 2020 including an analysis of peak and trough valuations throughout the year.

Refer to Pages 2 – 17 for additional detail

Market Performance

- The S&P Healthcare Services Select Index⁽¹⁾ performed in-line with the broader market in 2020, increasing +33.0% versus +16.3% and +43.6% increases for the S&P 500 and NASDAQ, respectively
 - Sub-sectors that experienced the largest increase in 2020 include Physician Services / Alternate Site (+64.1%), Hospice and Home Health (+40.1%), and HCIT (+38.5%)
 - Specialty Pharmacy Services (16.5%) was the only sub-sector to decline in 2020

Refer to Pages 19 – 20 for additional detail

Valuation Update

- The median Firm Value (FV) / 2021P EBITDA multiple for the 99 companies in Coker Capital's healthcare services comp set was 12.1x as of 12/31/2020
 - This compares to a 12.4x, 10.1x, and 11.1x valuation for the same Comp Set as of 12/31/2019, 12/31/2018, and 12/31/17 respectively
- We also review recent healthcare services valuation trends and spotlight recovery patterns and timelines
 - Over the past ten years, the Healthcare Services Index peaked at 12.9x on 12/23/20 and troughed at 6.2x on 10/03/11

Refer to Page 21 for additional detail

M&A Activity

- Middle Market M&A volume and transaction counts have declined in 2020 YTD due to COVID-19 related uncertainties
 - Activity levels in 2020 were materially lower than levels recorded during the 2010 – 2019 bull market

Refer to Pages 22 – 23 for additional detail

IPO Activity

- 2020 experienced a spike in Healthcare Service IPO activity as seven companies' public offerings raised \$7.1 billion

Refer to Page 24 for additional detail

Trading Comps

- *Refer to Pages 26 – 29 for detailed trading comps by sub-sector for the 99 companies in Coker Capital's healthcare services comp set*

January 2021

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

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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 12/31/2020

Healthcare Services Sub-sector Review

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Introduction

The pandemic has dominated headlines throughout 2020 and has impacted all aspects of the healthcare system including filling up hospitals with COVID-19 patients, closing outpatient facilities and physician offices and driving patients to skip or delay care due to fear of infection and / or economic hardship. The impact hit its low point in April as spending on health services fell 32% on an annualized basis. While patients resumed getting procedures and seeing their doctors in late Spring and Summer and overall demand for pharmaceuticals, surgeries, medical devices, hospital stays, doctor visits and other health care services has returned to near normal levels, overall spending in 2020 on health services remains down an estimated about 2% from the prior year – the first projected annual decline in spending ever.

In this context, we thought that it would be interesting to review the impact of the pandemic on the valuations of public stocks across the healthcare services continuum. We track 99 companies across 13 sub-sectors of healthcare services as part of our coverage. These sub-sectors and the companies within them are quite disparate, inclusive of hospitals, payors, HCIT, post-acute, alternate site, pharmacy services and other models. While the pandemic has influenced all aspects of healthcare services, the impact across sub-sectors and companies has varied dramatically.

In this edition of the Newsletter, we analyze valuation trends across healthcare services in 2020 by reviewing the changes in Firm Value / LTM EBITDA multiples throughout the year. While we generally prefer to utilize forward EBITDA multiples in valuing equity given the lag effect for LTM EBITDA multiples, we believe valuations utilizing actual reported performance is best for comparative purposes in part due to the large number of companies that withdrew 2020 (and beyond) financial guidance during the year and the many research analysts who struggled to project forward performance for public companies.

Acute-Care Hospitals

Hospitals and health systems have been on the frontlines of the pandemic throughout most of 2020. When the outbreak began in March, near-term headwinds were driven by reduced patient volumes from a pause in elective procedures and shelter-in-place restrictions. Additionally, hospitals in many markets were in crisis mode managing severe spikes in COVID patients exacerbated by staffing challenges and limited supplies of PPE. While patient volumes gradually improved in May and June as states reopened and non-emergent procedures resumed, hospital volumes and revenues again trended down in the 4th quarter across most metrics and some experts believe that total admissions for this year will end up ~10% lower than had been forecast.

Intermediate and longer-term headwinds remain as high unemployment drives reduced commercial insurance coverage and disposable income for co-pays and deductibles, resulting in fewer patient visits and procedures. Hospitals are not expecting a return to normal anytime soon -- although it depends on the trajectory on ongoing efforts to deliver vaccines and treatments – and many executives see 2022 as the timeline for seeing some return to normal.

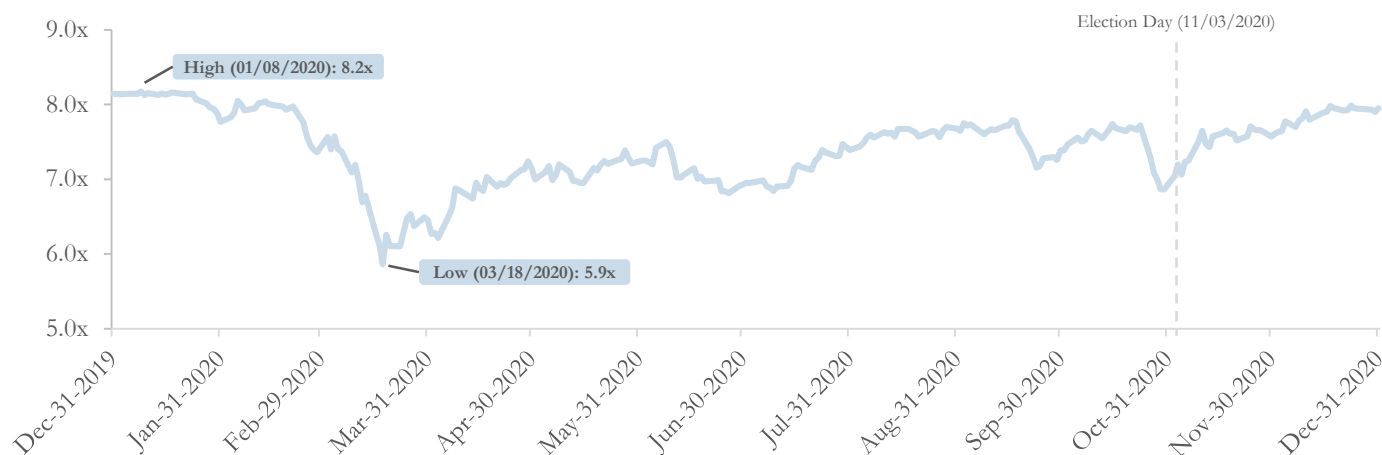
The Hospital Index realized a peak valuation of 8.2x on 01/08/2020, a trough valuation of 5.9x on 03/18/2020 and currently trades at 7.8x FV / LTM EBITDA as of 12/31/20 as compared to 8.6x as of 12/31/19, a 10.2% decline in valuation multiple over the past year.

		FV / LTM EBITDA							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Community Health Systems	CYH	8.9x	9.4x	5.8%	8.2x	10.0x	115.3%	93.9%	156.2%
HCA	HCA	8.4x	8.0x	(4.7%)	5.6x	8.4x	142.1%	94.8%	11.3%
Tenet Healthcare	THC	6.6x	7.5x	14.5%	5.6x	7.7x	134.8%	98.4%	5.0%
Universal Health Services	UHS	9.0x	7.3x	(18.9%)	5.3x	9.2x	136.8%	79.3%	(4.2%)
Mean		8.2x	8.1x	(1.9%)					
Median		8.6x	7.8x	(10.2%)					

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Acute-Care Hospitals (Cont'd)

Acute-Care Hospitals Index FV / LTM EBITDA



Assisted Living and Long-Term Care

Facility-based post-acute providers were significantly disrupted by the extraordinary implications of the pandemic. At the outset, providers saw significant pockets of occupancy loss brought on by COVID-related deaths directly and a disruption to the flow of patients indirectly. The pandemic has presented a number of unique headwinds in 2020, including a substantial decline in referrals from hospital partners, a drop-off in new move-ins, and incremental costs associated with PPE. While many operators have seen a recent uptick in occupancy and have made progress on expense management, PPE procurement, and testing, occupancy declines generally remain depressed as volumes moved away from institutional settings to more home-based services, driving a slow recovery across many markets. Skilled nursing occupancy remains greater than 10% below pre-COVID levels.

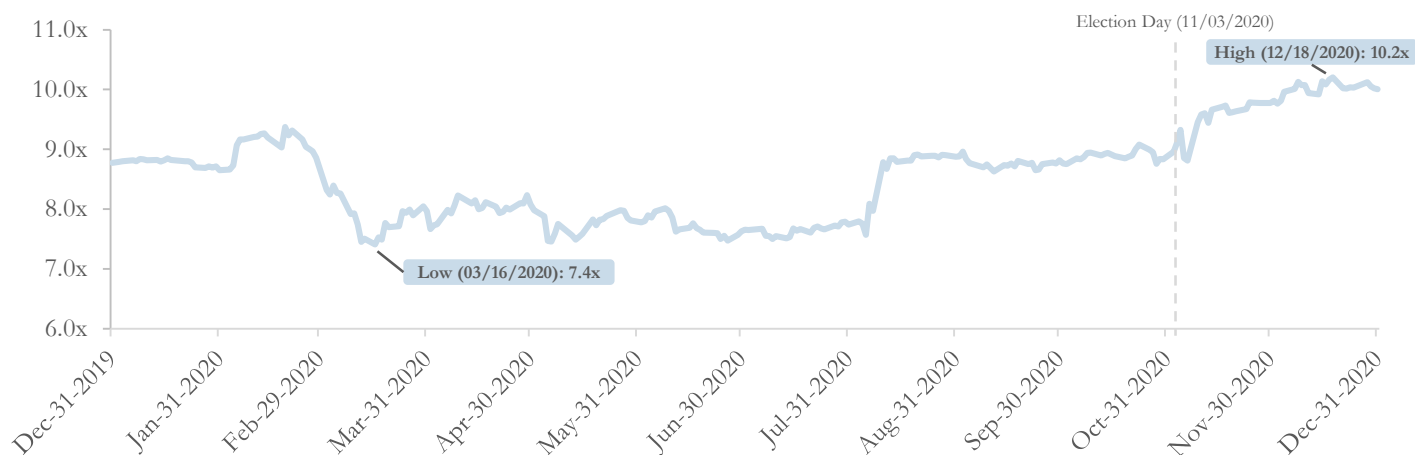
The Assisted Living and Long-Term Care Index realized a peak valuation of 10.2x on 12/18/2020, a trough valuation of 7.4x on 03/16/2020 and currently trades at 8.9x FV / LTM EBITDA as of 12/31/20 as compared to 9.7x as of 12/31/19, an 8.3% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Brookdale Senior Living	BKD	10.1x	8.3x	(17.5%)	7.7x	10.4x	108.4%	79.7%	(39.1%)
Ensign Group	ENSG	10.1x	12.4x	23.4%	8.6x	13.6x	144.4%	91.4%	60.7%
Five Star Quality Care	FVE	6.6x	2.5x	(61.6%)	0.4x	7.9x	569.3%	32.1%	86.0%
Genesis Healthcare	GEN	6.2x	9.6x	55.6%	6.0x	9.6x	158.6%	99.7%	(70.4%)
National Healthcare Group	NHC	9.4x	6.9x	(27.0%)	6.2x	10.1x	110.4%	68.1%	(23.2%)
The Pennant Group	PNTG	18.9x	28.4x	50.9%	9.8x	30.4x	290.3%	93.6%	75.6%
Mean		10.2x	11.4x	11.5%					
Median		9.7x	8.9x	(8.3%)					

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Assisted Living and Long-Term Care (Cont'd)

Assisted Living and Long-Term Care Index FV / LTM EBITDA



Clinical Laboratories

At the outset of the pandemic, clinical labs near-term net volumes declined driven by a reduction in physician office visits, procedure cancellations, and stay-in-place restrictions. Fast forward to the 4th quarter, per data from XIFIN, a Health IT company that processes more than \$40 billion of diagnostics claims annually, overall routine testing volumes across the market trended above the pre-COVID baseline compared to a trough of (55%) in early April and (14%) in 3Q20. Longer-term, the pandemic is expected to have a positive impact on the lab industry driven by a need for a robust global testing ecosystem – specifically as it relates to accelerating molecular testing and the growing need for serology testing around the vaccine.

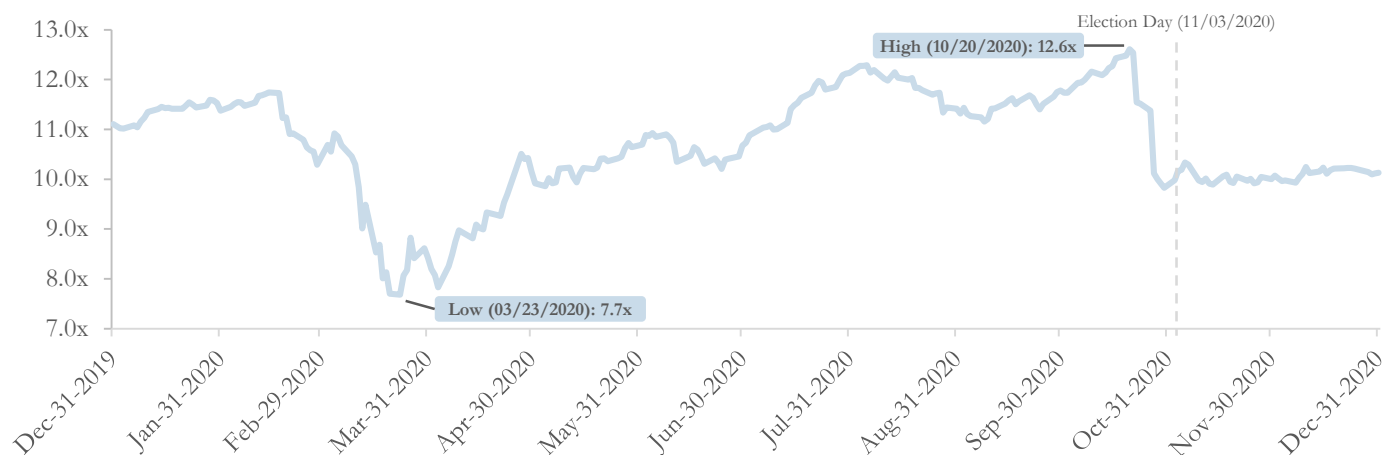
The Clinical Lab Index realized a peak valuation of 12.6x on 10/20/2020, a trough valuation of 7.7x on 03/23/2020 and currently trades at 8.4x FV / LTM EBITDA as of 12/31/20 as compared to 10.7x as of 12/31/19, a 21.2% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
LabCorp	LH	9.1x	8.1x	(11.1%)	6.5x	10.7x	124.0%	75.1%	20.3%
NeoGenomics	NEO	NM	NM	NM	NM	NM	NM	NM	84.1%
Quest Diagnostics	DGX	10.7x	8.4x	(21.2%)	7.5x	11.8x	112.5%	71.2%	11.6%
Sonic Healthcare	SHL	16.4x	13.9x	(15.2%)	10.4x	17.9x	134.1%	77.5%	11.8%
Mean		12.0x	10.1x	(15.9%)					
Median		10.7x	8.4x	(21.2%)					

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Clinical Laboratories (Cont'd)

Clinical Laboratories Index FV / LTM EBITDA



Contract Research Organizations (CRO)

At the beginning of the pandemic, CROs saw few signs of pandemic related cancellations, though sponsors increasingly delayed patient enrollment and new study starts and proactively moved to convert site activity to remote monitoring / virtual trials. Since that time, CRO fundamentals began to gradually improve driven by increased biotech funding, patient recruitment, improved site accessibility and COVID awards / contributions from the April trough as many viewed the COVID disruption as largely a timing issue. While near term COVID-related headwinds remain, the fundamental backdrop for research and development outsourcing remains healthy and supportive of long-term growth opportunities. Many sector participants believe that the pandemic will likely be a longer-term positive for the CRO industry with an increase in the level of outsourcing in the next five years coupled with an acceleration of structural changes to virtual trials – particularly an increased use of virtual tools and more remote monitoring.

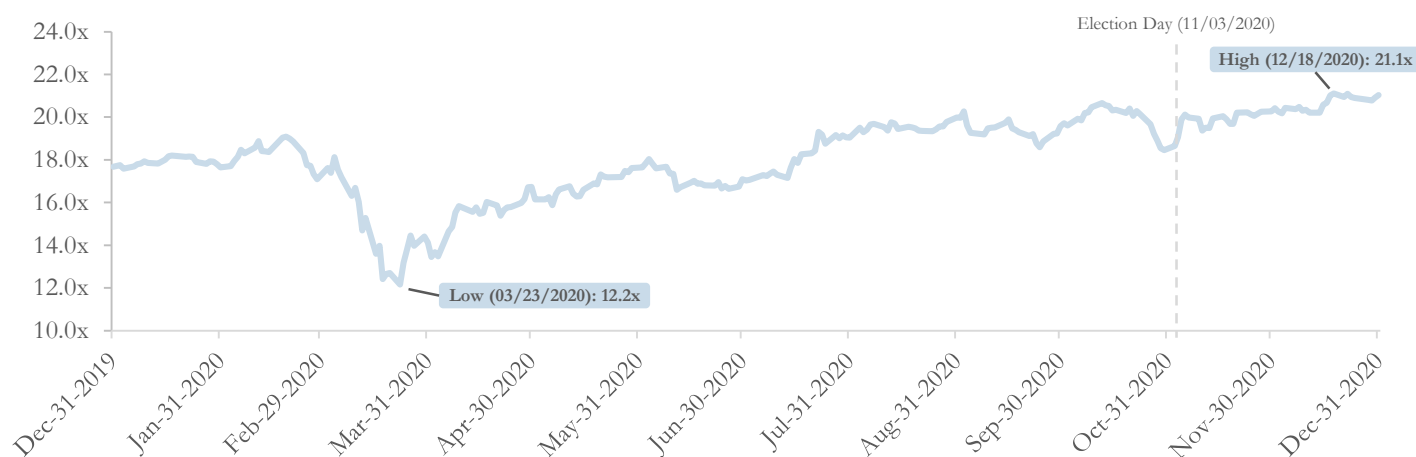
The Contract Research Organization Index realized a peak valuation of 21.1x on 12/18/2020, a trough valuation of 12.2x on 03/23/2020 and currently trades at 19.8x FV / LTM EBITDA as of 12/31/20 as compared to 16.1x as of 12/31/19, a 23.5% increase in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Charles River Labs	CRL	16.0x	19.4x	21.7%	10.7x	21.2x	180.9%	91.8%	63.6%
IQVIA Holdings	IQV	19.9x	23.4x	17.5%	13.5x	23.5x	173.8%	99.5%	16.0%
MedPace	MEDP	18.1x	25.6x	41.4%	12.9x	27.5x	198.3%	93.2%	65.6%
PPD	PPD	N/A	19.8x	N/A	13.7x	21.9x	144.4%	90.5%	26.7%
PRA Health	PRAH	16.1x	19.5x	21.2%	10.0x	19.5x	195.5%	100.0%	12.9%
Sotera Health	SHC	N/A	24.9x	N/A	23.5x	25.8x	105.7%	96.5%	19.3%
Syneos Health	SYNH	13.5x	14.6x	8.5%	9.0x	15.3x	161.7%	95.5%	14.6%
Mean		16.7x	21.0x	25.9%					
Median		16.1x	19.8x	23.5%					

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Contract Research Organizations (Cont'd)

Contract Research Organizations Index FV / LTM EBITDA



Distribution and Supplies

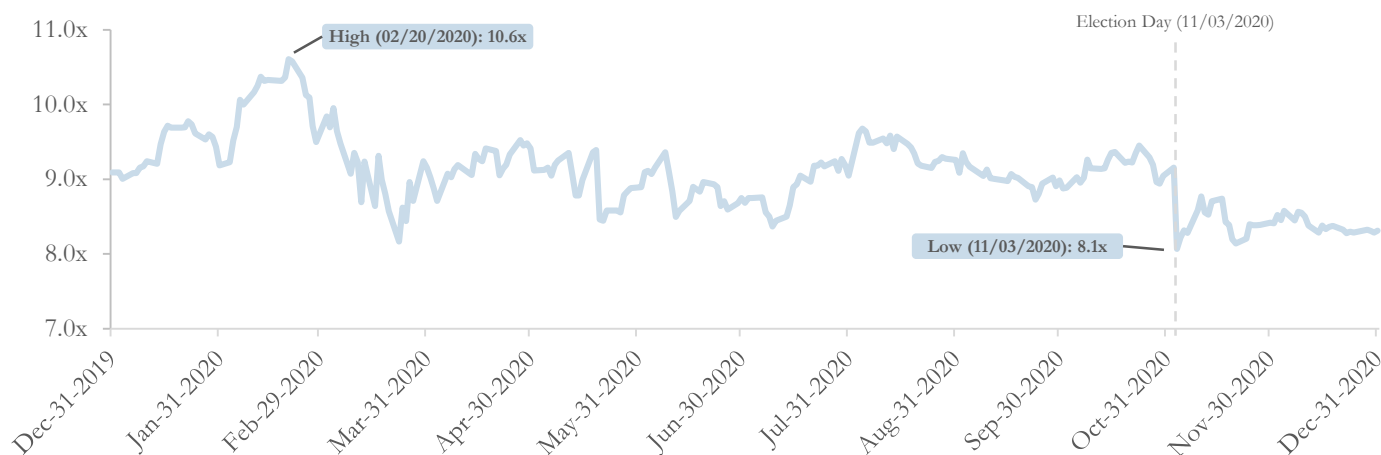
The spread of COVID-19 caused unprecedented dislocation across healthcare distributors as a majority of healthcare delivery was temporary halted for all but the most urgent needs. Many businesses experienced challenges including declining volumes, inability of sales reps to access customer sites, product shortages due to supply chain disruption, and a shift to digital ordering. While the medical-surgical supply chain experienced increased demand for PPE, uncertainty existed over how much of this would offset the impact from decreased patient volumes, including elective surgeries. For pharmaceutical distributors, the pandemic saw a temporary channel shift from retail to mail order pharmacy while overall volumes are back to pre-COVID baselines after witnessing drops in from April through August. For DME distributors, the pandemic impacted many aspects of business as referral patterns were interrupted and demand for products changed including an increased demand from hospital partners, particularly for respiratory products, and a decrease in demand for orthotic and HME products driven by the stay-at-home orders enacted in many markets as well as limitations on elective procedures at hospitals.

The Distribution and Supplies Index realized a peak valuation of 10.6x on 02/20/2020, a trough valuation of 8.1x on 11/03/2020 and currently trades at 9.9x FV / LTM EBITDA as of 12/31/20 as compared to 8.5x as of 12/31/19, a 17.0% increase in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
AdaptHealth	AHCO	8.5x	22.4x	164.3%	7.1x	22.9x	316.0%	97.9%	242.1%
AmerisourceBergen	ABC	8.0x	7.7x	(2.9%)	6.8x	9.5x	113.8%	81.1%	15.0%
Cardinal Health	CAH	7.3x	7.3x	0.5%	6.2x	8.5x	117.7%	86.9%	5.9%
HenrySchein	HSIC	9.3x	13.1x	40.6%	7.8x	13.9x	168.2%	94.7%	0.2%
McKesson	MCK	11.9x	7.5x	(36.5%)	7.1x	14.5x	106.6%	52.0%	25.7%
Owens and Minor	OMI	7.6x	11.5x	52.1%	7.4x	13.1x	155.4%	88.5%	423.2%
Patterson Companies	PDCO	8.8x	10.3x	17.4%	7.8x	12.4x	131.1%	82.6%	44.7%
Protech Home Medical	PTQ	6.4x	9.4x	46.8%	4.7x	10.0x	201.8%	93.7%	66.0%
Viemed Healthcare	VMD	15.0x	9.9x	(33.8%)	7.5x	24.9x	131.6%	39.9%	25.2%
Mean		9.2x	11.0x	20.1%					
Median		8.5x	9.9x	17.0%					

Distribution and Supplies (Cont'd)

Distribution and Supplies Index FV / LTM EBITDA



Healthcare Information Technology (HCIT)

It is challenging to generalize the overall impact of the pandemic on HCIT given the broad range of business models that fall under this sub-sector. While headwinds persist for business models focused on patient visit volumes, employment levels and the overall financial health of the economy and healthcare market, the overall HCIT sub-sector has generally performed well throughout 2020 driven in part by an overriding theme that the pandemic has dramatically accelerated the acceptance of digital solutions across patients, payors, and healthcare providers (both health systems and healthcare practitioners). Additionally, models focused on utilizing digital health solutions to impact prevention and diagnosis continue to gain acceptance as technology proliferates across the healthcare ecosystem.

The HCIT Index includes a large and diverse group of companies organized into categories relating to their general end market focus: (1) Provider, (2) Payor and (3) Consumer. While we recognize that many HCIT business models are complex and do not neatly fit into one category, we believe that this categorization is helpful in analyzing performance and valuations across the sub-sector. Additionally, we are focusing on **FV / LTM Revenue** multiples given the large number of business with limited / no profitability.

- **Provider Focused HCIT** realized a peak valuation of 4.5x on 12/24/2020, a trough valuation of 2.4x on 03/23/2020 and currently trades at 4.0x FV / LTM Revenue as of 12/31/20 as compared to 3.0x as of 12/31/19, a 36.0% increase in valuation multiple over the past year.
- **Payor Focused HCIT** realized a peak valuation of 7.1x on 07/22/2020, a trough valuation of 4.2x on 03/16/2020 and currently trades at 5.4x FV / LTM Revenue as of 12/31/20 as compared to 6.4x as of 12/31/19, a 14.3% decline in valuation multiple over the past year.
- **Consumer Focused HCIT** realized a peak valuation of 21.4x on 11/05/2020, a trough valuation of 8.4x on 03/16/2020 and currently trades at 12.7x FV / LTM Revenue as of 12/31/20 as compared to 11.6x as of 12/31/19, an 9.3% increase in valuation multiple over the past year.

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Healthcare Information Technology (HCIT) (Cont'd)

Provider Focus HCIT		FV / LTM Revenue							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Allscripts Healthcare	MDRX	1.4x	1.9x	37.0%	1.0x	2.0x	200.1%	99.2%	47.1%
Cerner	CERN	4.2x	4.4x	5.7%	3.1x	4.5x	142.8%	98.5%	6.9%
Change Healthcare	CHNG	NM	6.5x	NM	5.8x	43.0x	111.2%	15.1%	13.8%
CPSI	CPSI	1.8x	1.7x	(2.7%)	1.3x	2.0x	136.0%	86.7%	1.7%
Evolent Health	EVH	1.2x	1.4x	12.9%	0.7x	1.6x	200.5%	86.4%	77.1%
Health Catalyst	HCAT	7.3x	9.9x	34.8%	3.1x	10.2x	313.7%	96.8%	25.4%
Healthstream	HSTM	3.0x	2.3x	(21.3%)	1.9x	3.0x	124.7%	76.9%	(19.7%)
iRhythm Technologies	IRTC	9.1x	27.1x	198.4%	7.2x	32.6x	378.0%	83.0%	248.4%
MTBC	MTBC	0.6x	1.2x	96.6%	0.5x	2.3x	245.8%	52.5%	123.4%
National Research Corporation	NRC	13.2x	8.3x	(37.0%)	7.0x	14.1x	118.9%	59.1%	(35.2%)
NextGen Healthcare	NXGN	2.0x	2.2x	12.8%	0.8x	2.3x	278.0%	96.3%	13.5%
Omnicell	OMCL	4.0x	5.6x	39.8%	2.6x	5.6x	213.9%	100.0%	46.9%
Phreesia	PHR	7.5x	15.6x	107.6%	4.5x	16.7x	349.5%	93.1%	103.7%
Premier	PINC	2.0x	3.6x	78.7%	1.6x	3.8x	227.3%	95.5%	(7.3%)
R1 RCM	RCM	1.8x	2.9x	54.6%	1.2x	2.9x	231.5%	99.8%	85.1%
Vocera	VCRA	3.1x	6.6x	114.2%	2.5x	6.7x	268.1%	99.3%	100.0%
Mean		4.1x	6.3x	52.5%					
Median		3.0x	4.0x	36.0%					

Payor Focus HCIT		FV / LTM Revenue							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
eHealth	EHTH	6.4x	2.8x	(55.6%)	2.5x	8.9x	112.5%	32.1%	(26.5%)
GoHealth	GOCO	N/A	7.5x	N/A	5.9x	12.6x	127.2%	59.8%	(35.0%)
HMS Holdings	HMSY	4.2x	5.1x	22.7%	2.9x	5.1x	176.8%	100.0%	24.2%
Inovalon Holdings	INOV	6.4x	5.7x	(9.5%)	4.8x	7.9x	120.4%	72.3%	(3.5%)
Mean		5.6x	5.3x	(5.9%)					
Median		6.4x	5.4x	(14.3%)					

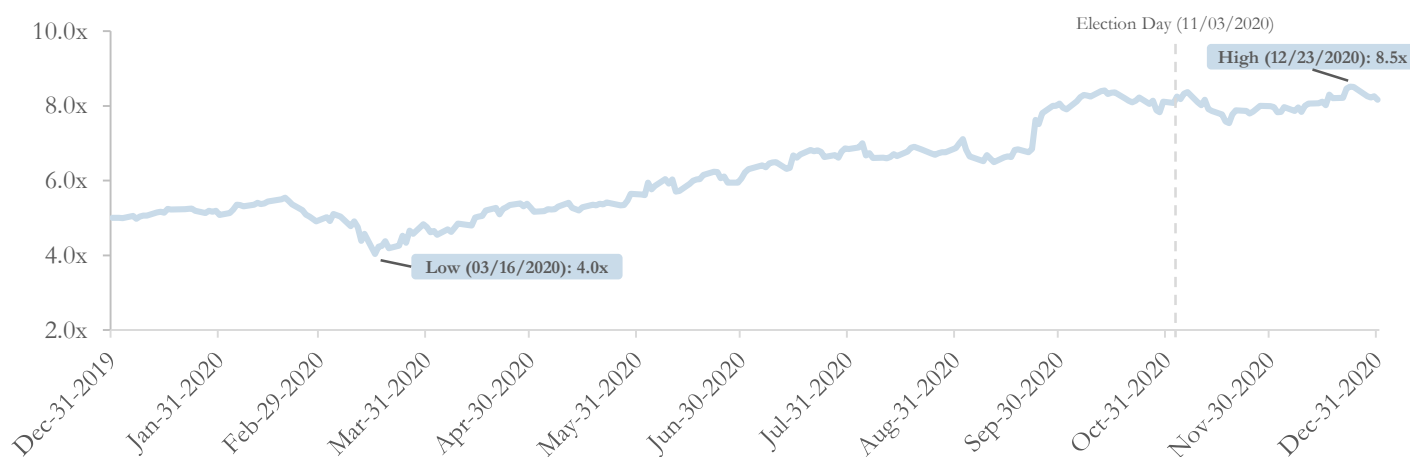
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Healthcare Information Technology (HCIT) (Cont'd)

Consumer Focused HCIT		FV / LTM Revenue							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Accolade	ACCD	N/A	14.8x	N/A	11.0x	20.9x	135.0%	70.9%	97.7%
American Well	AMWL	N/A	21.3x	N/A	17.6x	45.0x	121.4%	47.3%	40.7%
Benefit Focus	BNFT	3.1x	2.3x	(25.4%)	1.2x	3.1x	190.1%	74.6%	(34.0%)
Castlight Health	CSLT	1.1x	1.2x	9.1%	0.4x	1.4x	315.3%	85.3%	(2.3%)
GoodRX	GDRX	N/A	30.2x	N/A	25.1x	50.0x	120.0%	60.3%	22.2%
Health Equity	HQY	15.7x	8.2x	(47.5%)	6.0x	18.1x	136.5%	45.6%	(5.9%)
Progyny	PGNY	12.4x	11.5x	(7.2%)	5.7x	16.0x	200.9%	72.2%	54.4%
SOC Telemed	TLMD	N/A	12.7x	N/A	12.0x	14.1x	106.2%	90.2%	(16.4%)
Teladoc Health	TDOC	11.6x	33.2x	186.1%	11.5x	34.8x	288.7%	95.5%	138.8%
Mean		8.8x	15.0x	71.5%					
Median		11.6x	12.7x	9.3%					

Other HCIT		FV / LTM Revenue							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Veeva Systems	VEEV	19.0x	28.8x	51.8%	15.3x	35.1x	187.6%	81.9%	93.6%

Healthcare Information Technology (HCIT) Index FV / LTM Revenue



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Hospice and Home Care

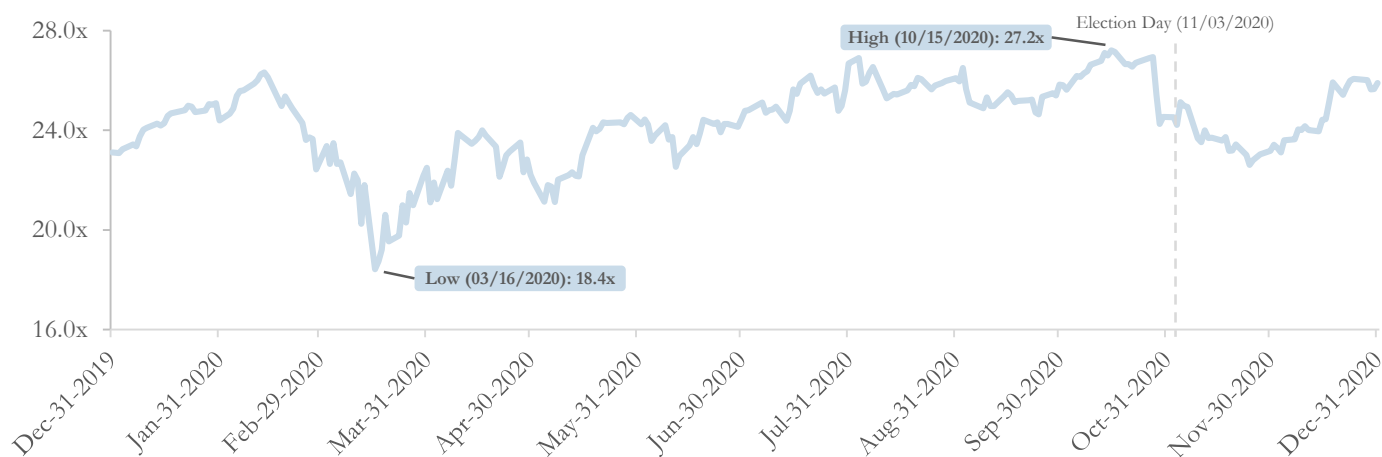
At the outset of the pandemic, headwinds for this sub-sector included visit cancellations driven by both clinicians in self quarantine, volume declines from patients not wanting caretakers in their home, slowing of referrals from hospital referral sources and rising PPE costs.

Throughout 2020, larger home health providers have successfully recovered volumes through market share gains from smaller agencies and from SNFs. Additional tailwinds include larger companies gaining share due to a willingness to take COVID-19 patients early on and hospitals moving toward more narrow home health networks to ensure quality and limit the number of representatives in facilities. Further, share gains from SNFs occurred as both clinicians and families have avoided SNFs due to health concerns driving a higher mix of acute discharges to home health. Finally, home health providers have gained referrals from the community as primary care physicians leverage home health alternatives rather than referring patients to institutions.

The Hospice and Home Care Index realized a peak valuation of 27.2x on 10/15/2020, a trough valuation of 18.4x on 03/16/2020 and currently trades at 23.8x FV / LTM EBITDA as of 12/31/20 as compared to 24.6x as of 12/31/19, a 3.5% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Addus Home Care	ADUS	27.1x	23.8x	(12.2%)	11.8x	29.1x	200.8%	81.6%	20.4%
Amedisys	AMED	24.6x	36.4x	48.0%	19.7x	36.4x	185.3%	100.0%	75.7%
Chemed	CHE	21.4x	20.8x	(2.9%)	16.2x	23.8x	127.9%	87.1%	21.3%
LHC Group	LHCG	17.9x	29.8x	66.1%	16.8x	35.2x	177.0%	84.8%	54.8%
Option Care	OPCH	36.0x	19.0x	(47.4%)	17.9x	41.1x	105.9%	46.1%	4.8%
Mean		25.4x	25.9x	2.1%					
Median		24.6x	23.8x	(3.5%)					

Hospice and Home Care Index FV / LTM EBITDA



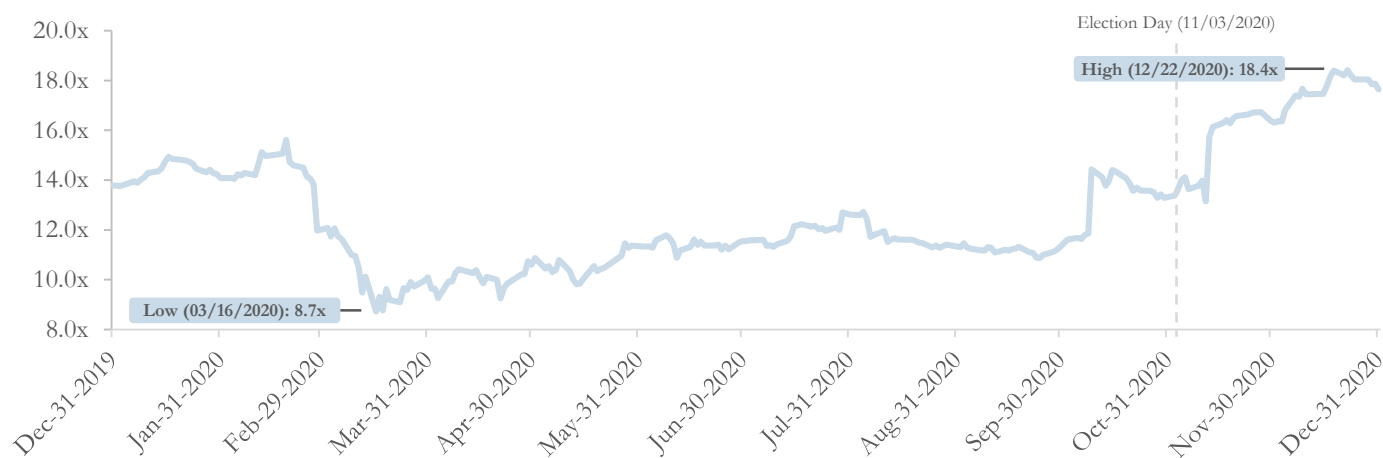
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Other Outsourced Services

The Other Outsourced Service Index realized a peak valuation of 18.4x on 12/22/2020, a trough valuation of 8.7x on 03/16/2020 and currently trades at 14.1x FV / LTM EBITDA as of 12/31/20 as compared to 15.3x as of 12/31/19, a 7.9% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Corvel	CRVL	14.5x	20.7x	42.6%	8.7x	20.7x	239.8%	100.0%	21.3%
Healthcare Services Group	HCSG	15.5x	14.5x	(6.7%)	11.1x	23.2x	130.6%	62.3%	15.5%
Magellan Health	MGLN	16.9x	13.4x	(20.8%)	6.7x	16.9x	199.3%	79.2%	5.9%
Multiplan	MPLN	N/A	26.7x	N/A	14.5x	29.6x	183.6%	90.3%	(18.6%)
Providence Service Corp	PRSC	15.3x	13.8x	(10.0%)	12.1x	38.5x	114.0%	35.8%	134.3%
Smile Direct Club	SDC	NM	NM	NM	NM	NM	NM	NM	36.6%
Tivity Health	TVTY	9.9x	8.5x	(14.5%)	5.5x	11.4x	155.5%	74.7%	(3.7%)
Mean		14.4x	16.3x	12.6%					
Median		15.3x	14.1x	(7.9%)					

Other Outsourced Services Index FV / LTM EBITDA



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Payor

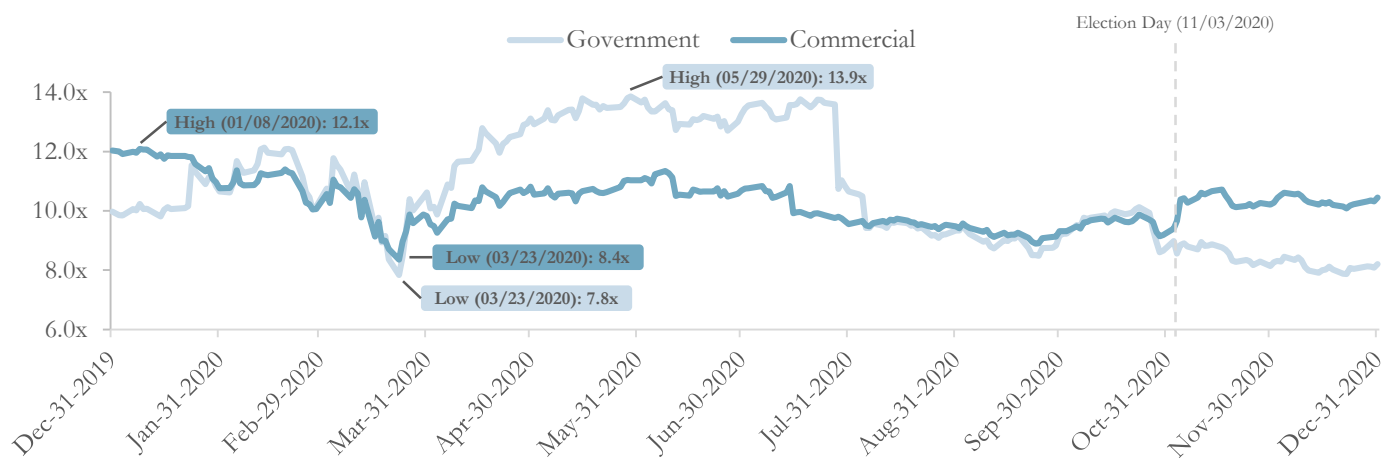
Healthcare payors experienced a generally favorable disruption in the first part of the year driven in part by the reduction in non-emergent utilization from stay-at-home mandates. In response, some plans have issued refunds to customers in the form of waived cost-sharing, waived prior authorization protocols, and outright rebates. This benefit is balanced by elevated costs associated with deferred care (including higher acuity caseloads associated with foregone preventive care), the sharp ramp in utilization beginning in the summer as well as higher current and expected longer term unemployment trends.

- **Government Payor** Index realized a peak valuation of 13.9x on 05/29/2020, a trough valuation of 7.8x on 03/23/2020 and currently trades at 8.1x FV / LTM EBITDA as of 12/31/20 as compared to 7.2x as of 12/31/19, a 13.0% increase in valuation multiple over the past year.
- **Commercial Payor** Index realized a peak valuation of 12.1x on 01/08/2020, a trough valuation of 8.4x on 03/23/2020 and currently trades at 9.7x FV / LTM EBITDA as of 12/31/20 as compared to 11.9x as of 12/31/19, a 18.9% decline in valuation multiple over the past year.

Government Payors		FV / LTM EBITDA							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Centene	CNC	8.1x	7.3x	(10.3%)	7.1x	14.5x	102.9%	50.6%	(4.5%)
Humana	HUM	13.0x	9.0x	(30.8%)	8.3x	15.1x	108.2%	59.6%	11.9%
Molina	MOH	6.2x	8.9x	43.7%	5.0x	9.7x	179.0%	92.0%	56.7%
Triple S Management	GTS	2.9x	3.5x	19.8%	1.4x	6.5x	256.7%	54.1%	15.5%
Mean		7.6x	7.2x	(5.1%)					
Median		7.2x	8.1x	13.0%					

Commercial Payors		FV / LTM EBITDA							2020 Stock Performance
Company	Ticker	12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Anthem	ANTM	13.5x	10.1x	(25.0%)	8.0x	13.7x	126.3%	73.9%	6.3%
Cigna	CI	10.4x	9.2x	(11.0%)	6.8x	10.7x	135.8%	86.5%	1.8%
CVS Health	CVS	9.2x	7.6x	(18.2%)	6.9x	9.4x	110.0%	80.8%	(8.1%)
United Healthcare	UNH	15.0x	13.4x	(10.4%)	9.8x	15.0x	136.3%	89.1%	19.3%
Mean		12.0x	10.1x	(16.1%)					
Median		11.9x	9.7x	(18.9%)					

Payor Index FV / LTM EBITDA



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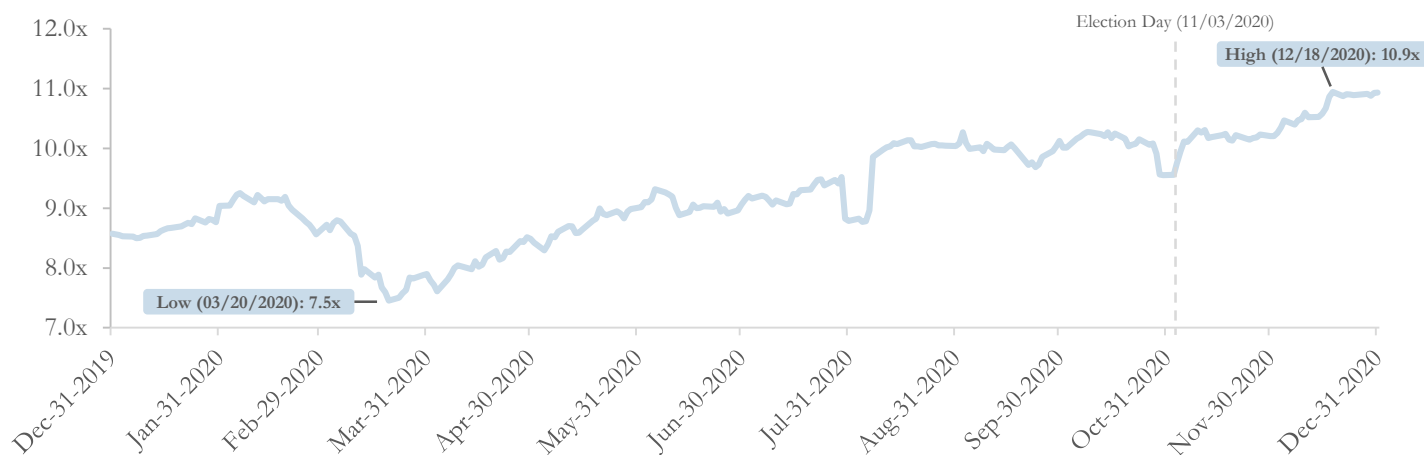
Physician Services / Alternate Site

At the onset of the pandemic, physician practices and alternate site providers across specialties and business models faced financial shocks as shelter-in-place orders resulted in canceling / delaying appointments, reducing primary care visits, lab tests, radiology screenings, PT sessions, dermatology treatments, etc. In recent quarters, volumes have rebounded significantly, though inconsistently, based on geography and specialty. The pandemic has accelerated the shift of some high acuity cases into ASCs away from hospitals while the release of a vaccine is expected to act as a catalyst to accelerate the rebound in demand for lower acuity surgeries such as GI (colonoscopies) and ophthalmology (cataracts), which should boost growth in 2021. In the dental sector, analysts estimate that ~99% of practices have reopened since shutting down in the early phases of the pandemic and that volumes ended the year at ~75-80% of pre-COVID levels.

The Physician Services / Alternate Site Index realized a peak valuation of 10.9x on 12/18/2020, a trough valuation of 7.5x on 03/20/2020 and currently trades at 8.1x FV / LTM EBITDA as of 12/31/20 as compared to 9.0x as of 12/31/19, a 9.9% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Acadia	ACHC	10.3x	12.2x	17.7%	7.2x	12.2x	169.2%	100.0%	51.3%
Akumin	AKU	11.6x	8.2x	(29.4%)	7.3x	11.7x	112.3%	70.0%	(21.6%)
American Renal Associates	ARA	7.8x	8.1x	3.1%	6.9x	8.1x	117.3%	99.5%	10.4%
DaVita Healthcare	DVA	7.2x	8.1x	12.3%	6.5x	8.1x	124.6%	100.0%	56.5%
Fresenius Medical Care	FME	8.9x	8.1x	(8.9%)	7.9x	9.8x	102.7%	82.9%	3.4%
Mednax	MD	7.3x	7.0x	(5.1%)	4.3x	7.3x	163.4%	94.9%	(11.7%)
Oak Street Health	OSH	NM	NM	NM	NM	NM	NM	NM	191.2%
One Medical	ONEM	NM	NM	NM	NM	NM	NM	NM	211.8%
Radnet	RDNT	9.1x	9.0x	(1.6%)	5.7x	9.7x	158.1%	92.6%	(3.6%)
Surgery Partners	SGRY	11.2x	14.9x	33.0%	10.3x	14.9x	144.2%	100.0%	85.3%
Mean		9.2x	9.4x	2.7%					
Median		9.0x	8.1x	(9.9%)					

Physician Services / Alternate Site Index FV / LTM EBITDA



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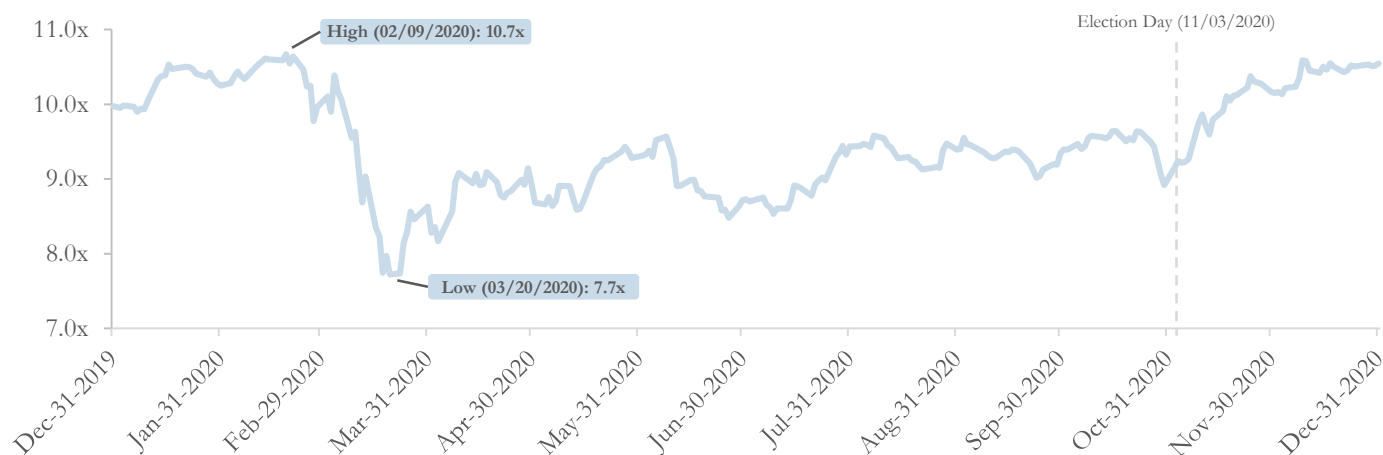
Rehabilitation

Outpatient rehabilitation providers experienced sharp declines in volumes due to the pandemic with the severity driven in large part by geography. U.S. Physical Therapy (NYSE: USPH) volumes declined ~55% during the early days of the lockdown due in part to closures, heightened patient cancellations at open clinics, and reduction in new referrals. Volumes rebounded through the 2nd and 3rd quarters and are now tracking ~95% of pre-COVID levels. As another data point, Select Medical (NYSE: SEM) has experienced a similar rebound in volumes in their outpatient rehab segment with volumes improving from a ~39% decline in the 2nd quarter to down ~2% in at the end of the 3rd quarter.

The Rehabilitation Index realized a peak valuation of 10.7x on 02/19/2020, a trough valuation of 7.7x on 03/20/2020 and currently trades at 10.7x FV / LTM EBITDA as of 12/31/20 as compared to 10.7x as of 12/31/19, a 0.3% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
Encompass Health	EHC	10.8x	12.8x	19.3%	8.8x	13.2x	145.9%	97.4%	19.4%
Hanger	HNGR	10.7x	8.6x	(20.0%)	6.4x	10.8x	133.2%	79.3%	(20.4%)
Select Medical	SEM	8.5x	8.2x	(4.3%)	6.7x	8.9x	122.2%	91.5%	18.5%
US Physical Therapy	USPH	15.0x	15.9x	6.0%	7.5x	17.2x	211.6%	92.6%	5.2%
Mean		11.3x	11.4x	1.0%					
Median		10.7x	10.7x	(0.3%)					

Rehabilitation Index FV / LTM EBITDA



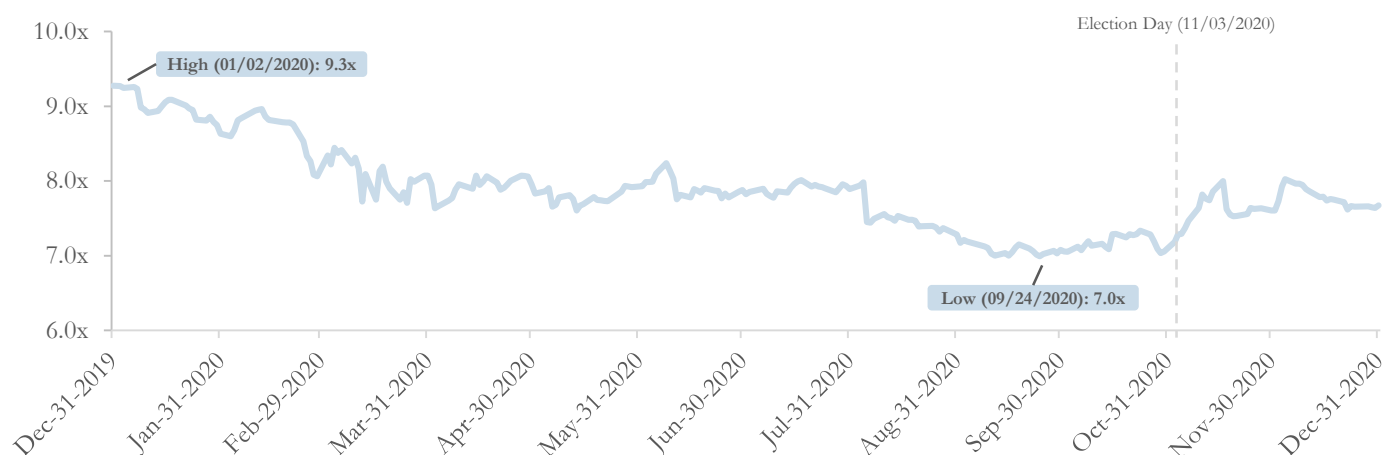
Specialty Pharmacy Services

Disruptions related to the COVID outbreak significantly impacted store traffic in retail pharmacy settings driven by broad-based cancellations in physician office visits and social distancing guidelines. While utilization increased in the 2nd half of the year as members re-engaged with deferred needs, and companies benefited from increased diagnostic testing and vaccine distribution, ongoing consumer concerns remain an overhang and could continue to skew utilization in the near and intermediate term. The major pharmacy chains mail order penetration has been ~10-15% for the last several years and while mail order pharmacy upticked in the spring, levels have since generally returned to pre-COVID levels. Moreover, annual vaccinations (similar to the seasonal flu) are actively being delivered in these settings and should represent a recurring benefit.

The Specialty Pharmacy Services Index realized a peak valuation of 9.3x on 01/02/2020, a trough valuation of 7.0x on 09/24/2020 and currently trades at 7.6x FV / LTM EBITDA as of 12/31/20 as compared to 9.2x as of 12/31/19, a 18.2% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
CVS Health	CVS	9.2x	7.6x	(18.2%)	6.9x	9.4x	110.0%	80.8%	(8.1%)
Rite Aid	RAD	5.8x	5.0x	(12.5%)	4.8x	5.8x	104.9%	87.5%	2.3%
Walgreens Boots Alliance	WBA	10.0x	8.3x	(16.5%)	7.3x	10.1x	114.7%	82.9%	(32.4%)
Mean		8.3x	7.0x	(16.2%)					
Median		9.2x	7.6x	(18.2%)					

Specialty Pharmacy Services Index FV / LTM EBITDA



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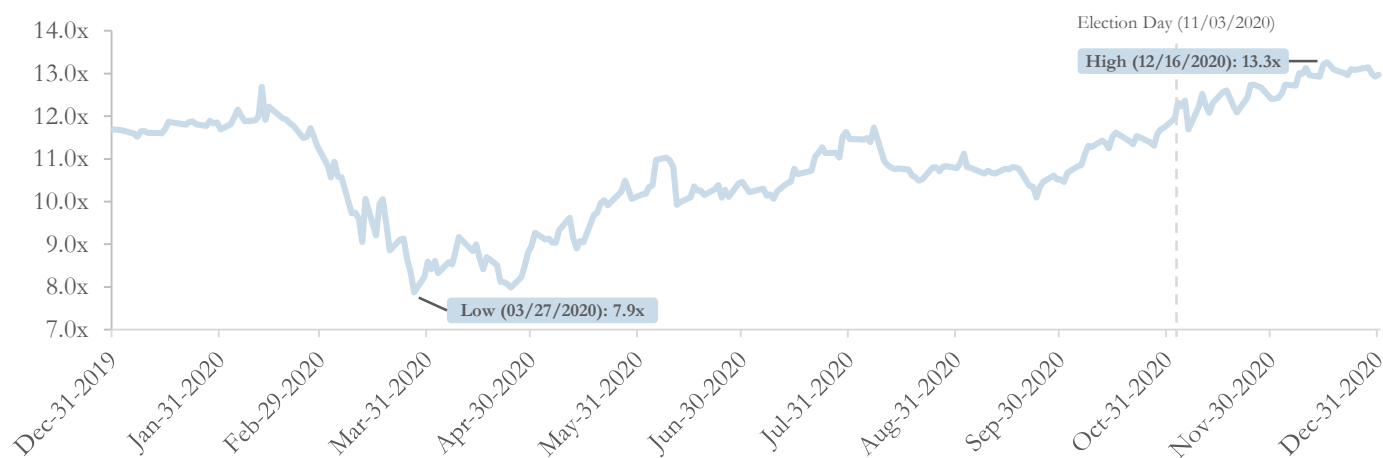
Staffing

The utilization of temporary staff typically increases in times of uncertainty as employers may be more reluctant to commit to full-time staff. Early in the pandemic, demand for nurses and other specialists increased, as clients confronted the need for help in managing spiking caseloads. This drove a strong increase in wages to entice professionals to take these positions. Toward the end of 2020, increasing COVID cases have kept the demand for staffing and wages at artificially inflated levels. Looking forward to 2021 and the post-pandemic period, healthcare staffing models should continue to experience increased demand as deferred elective procedures and postponed routine healthcare visits return. Additionally, many believe that the pandemic has accelerated the clinician shortage by several years, and that this dynamic will continue to weigh on the broader healthcare ecosystem for many years. Headwinds for the sector include high nurse burnout levels driven by challenging working conditions and nurses at or near retirement age nervous about being in a work environment that might lead them to bring COVID home to their families.

The Staffing Index realized a peak valuation of 13.3x on 12/16/2020, a trough valuation of 7.9x on 03/27/2020 and currently trades at 12.8x FV / LTM EBITDA as of 12/31/20 as compared to 13.0x as of 12/31/19, a 1.2% decline in valuation multiple over the past year.

Company	Ticker	FV / LTM EBITDA							2020 Stock Performance
		12/31/19	12/31/2020	Increase / (Decrease)	2020 Low	2020 High	Current / Low %	Current / High %	
AMN Health Services	AMN	13.0x	13.4x	3.4%	9.2x	15.8x	145.4%	85.1%	9.5%
Cross Country Healthcare	CCRN	14.7x	10.9x	(25.8%)	7.0x	14.7x	155.9%	74.2%	(23.7%)
On Assignment	ASGN	10.7x	12.8x	20.3%	6.0x	13.2x	212.3%	97.0%	17.7%
Mean		12.8x	12.4x	(3.1%)					
Median		13.0x	12.8x	(1.2%)					

Staffing Index FV / LTM EBITDA



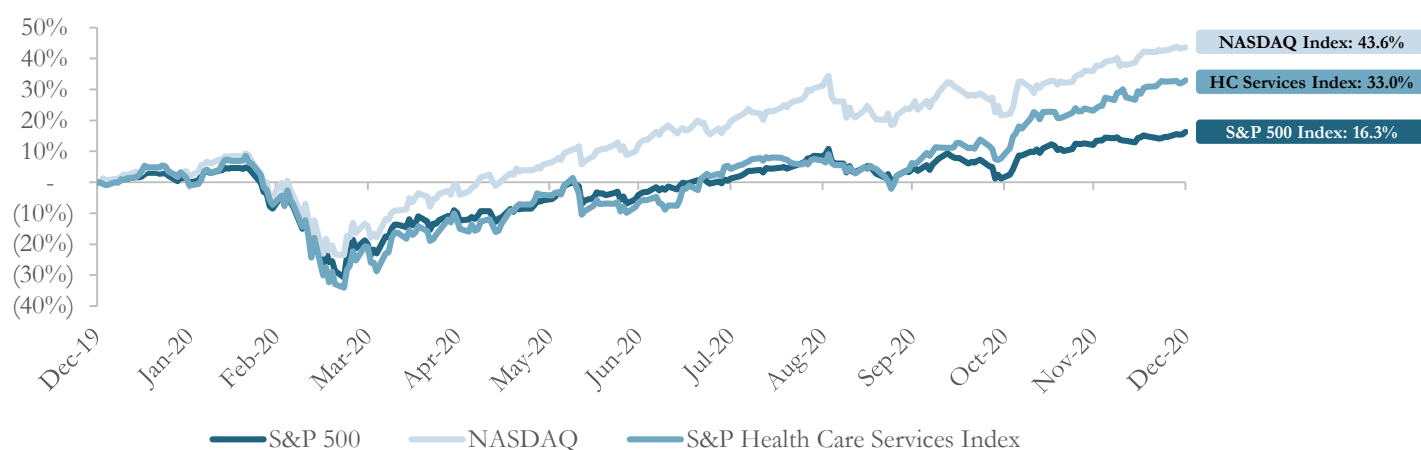
Healthcare Services Market Update

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Healthcare Services Market Update

Healthcare Services Index Stock Performance

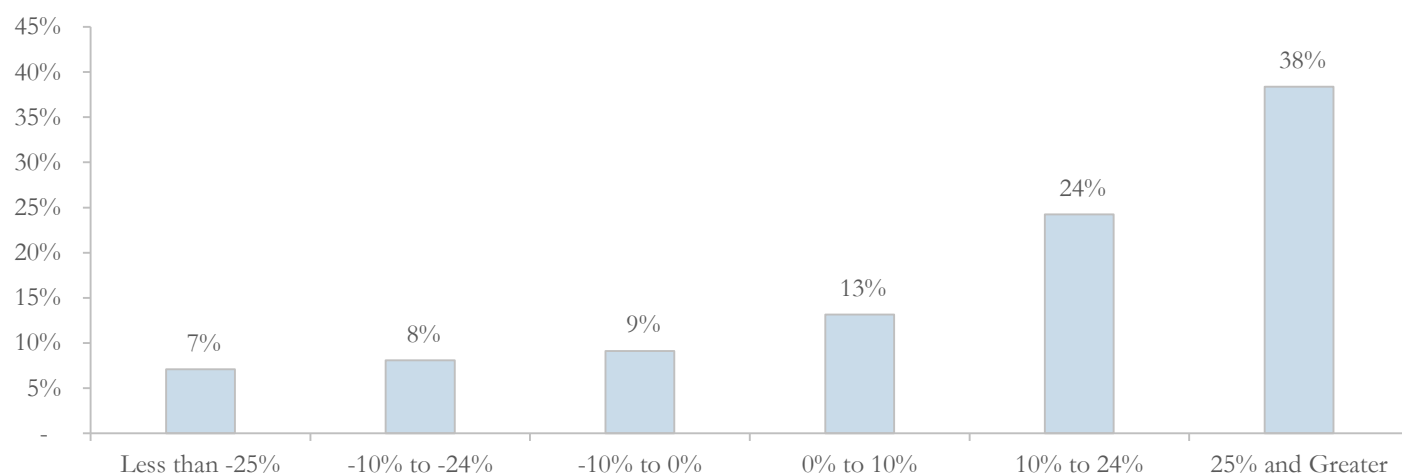
- The S&P Healthcare Services Index has performed in-line with the broader market in 2020. The Index increased +33.0% compared to a +16.3% increase and a +43.6% increase for the S&P 500 and NASDAQ, respectively
- In the 4th quarter of 2020, the Index outperformed the broader market increasing +25.2% verses a +11.7% increase and +15.4% increase for the S&P 500 and NASDAQ, respectively



	Q1 2020	Q2 2020	Q3 2020	Q4 2020
S&P 500 Index	(20.0%)	20.0%	8.5%	11.7%
NASDAQ Index	(14.2%)	30.6%	11.0%	15.4%
HC Services Index	(20.8%)	18.0%	13.7%	25.2%

Healthcare Services 2020 Company Stock Performance

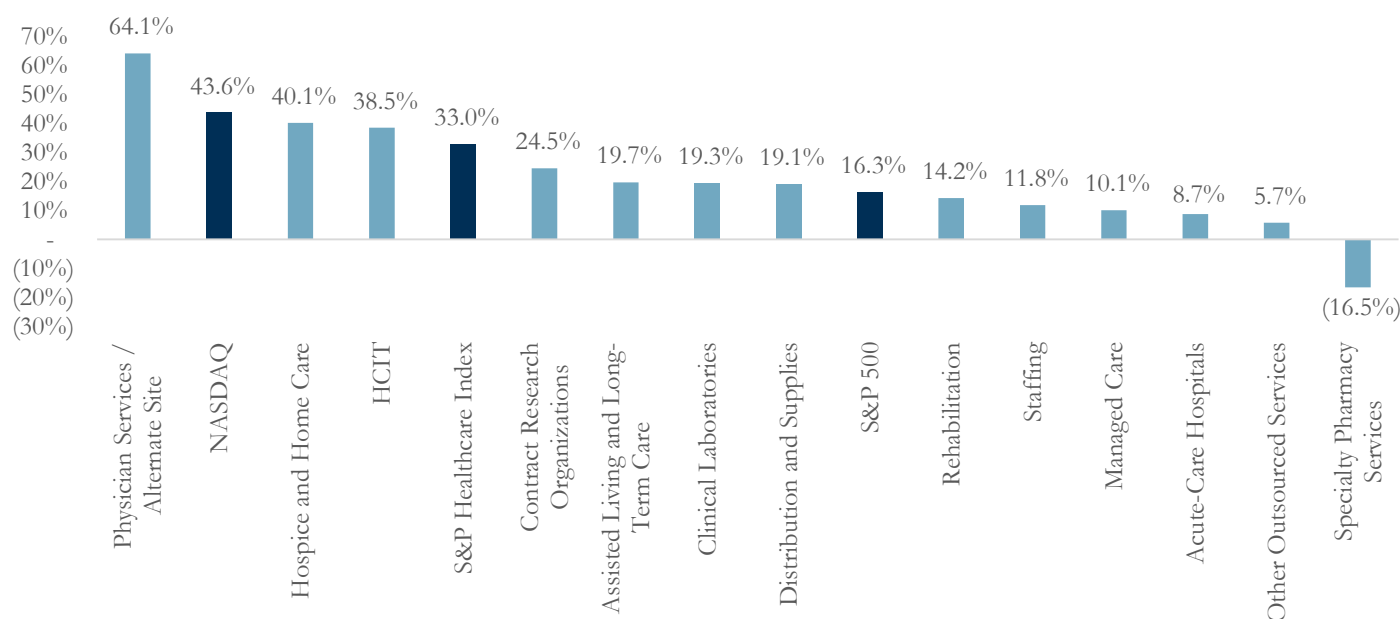
- Coker Capital's healthcare services comp set includes 99 companies across 13 sub-sectors. 75 of the 99 companies (~76%) have produced positive returns in 2020 while 24 companies (~24%) realized a decline. 38 companies (~38%) experienced gains in excess of 25% while 7 companies (~7%) experienced declines in excess of 25% in 2020



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Healthcare Services Sub-sector Performance – 2020

- Individual sub-sector performance has been highly variable in 2020 due in large part to the impact of COVID-19 on the US and global economies. Physician Services / Alternate Site (+64.1%), Hospice and Home Health (+40.1%), HCIT (+38.5%), and Contract Research Organizations (+24.5%) performed the best



Note: sub-sector performance is market cap weighted

Top-Twenty 2020 Performers

Company	Sub-Sector	Ticker	% Change
Owens and Minor	Distribution and Supplies	OMI	423.2%
iRhythm Technologies	Provider Focus HCIT	IRTC	248.4%
Adapthealth	Distribution and Supplies	AHCO	242.1%
One Medical	Physician Services / Alternate Site	ONEM	211.8%
Oak Street Health	Physician Services / Alternate Site	OSH	191.2%
Community Health Systems	Acute-Care Hospitals	CYH	156.2%
Teladoc Health	Consumer Focused HCIT	TDOC	138.8%
Providence Service Corp	Other Outsourced Services	PRSC	134.3%
MTBC	Provider Focus HCIT	MTBC	123.4%
Phreesia	Provider Focus HCIT	PHR	103.7%
Vocera	Provider Focus HCIT	VCRA	100.0%
Accolade	Consumer Focused HCIT	ACCD	97.7%
Veeva Systems	Other HCIT	VEEV	93.6%
Five Star Quality Care	Assisted Living and Long-Term Care	FVE	86.0%
Surgery Partners	Physician Services / Alternate Site	SGRY	85.3%
R1 RCM	Provider Focus HCIT	RCM	85.1%
NeoGenomics	Clinical Laboratories	NEO	84.1%
Evolent Health	Provider Focus HCIT	EVH	77.1%
Amedisys	Hospice and Home Care	AMED	75.7%
The Pennant Group	Assisted Living and Long-Term Care	PNTG	75.6%

Bottom-Twenty 2020 Performers

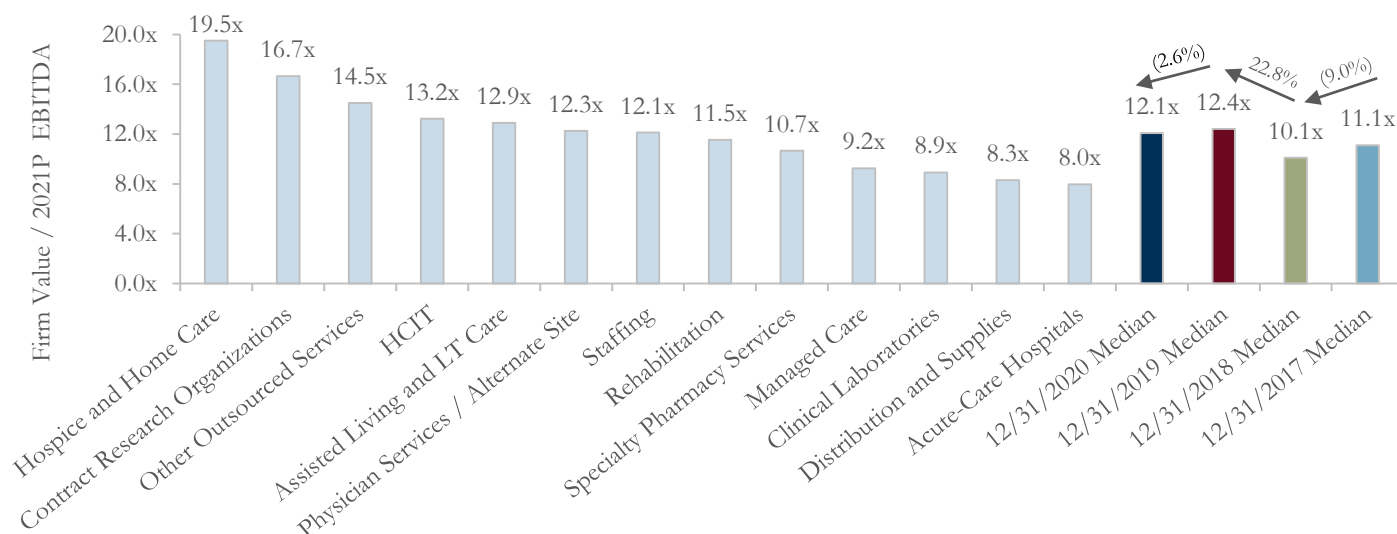
Company	Sub-Sector	Ticker	% Change
Genesis Healthcare	Assisted Living and Long-Term Care	GEN	(70.4%)
Brookdale Senior Living	Assisted Living and Long-Term Care	BKD	(39.1%)
National Research Corporation	Provider Focus HCIT	NRC	(35.2%)
GoHealth	Payor Focus HCIT	GOCO	(35.0%)
Benefit Focus	Consumer Focused HCIT	BNFT	(34.0%)
Walgreens Boots Alliance	Specialty Pharmacy Services	WBA	(32.4%)
eHealth	Payor Focus HCIT	EHTH	(26.5%)
Cross Country Healthcare	Staffing	CCRN	(23.7%)
National Healthcare Group	Assisted Living and Long-Term Care	NHC	(23.2%)
Akumin	Physician Services / Alternate Site	AKU	(21.6%)
Hanger	Rehabilitation	HNGR	(20.4%)
Healthstream	Provider Focus HCIT	HSTM	(19.7%)
Multiplan	Other Outsourced Services	MPLN	(18.6%)
SOC Telemed	Consumer Focused HCIT	TLMD	(16.4%)
Mednax	Physician Services / Alternate Site	MD	(11.7%)
CVS Health	Commercial Payors	CVS	(8.1%)
Premier	Provider Focus HCIT	PINC	(7.3%)
Health Equity	Consumer Focused HCIT	HQY	(5.9%)
Centene	Government Payors	CNC	(4.5%)
Universal Health Services	Acute-Care Hospitals	UHS	(4.2%)

Note: Refer to pages 26–29 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

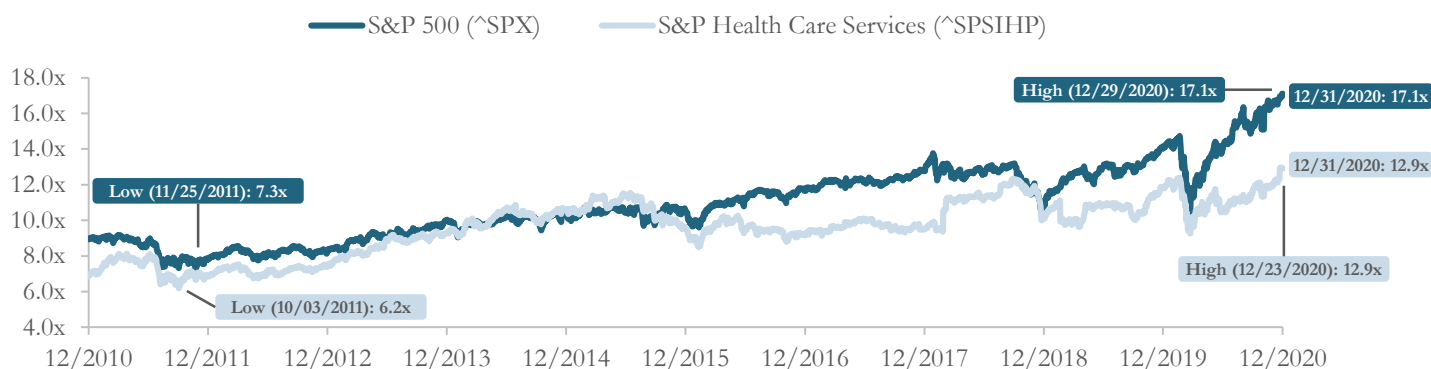
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Healthcare Services Sub-sector Valuation Update

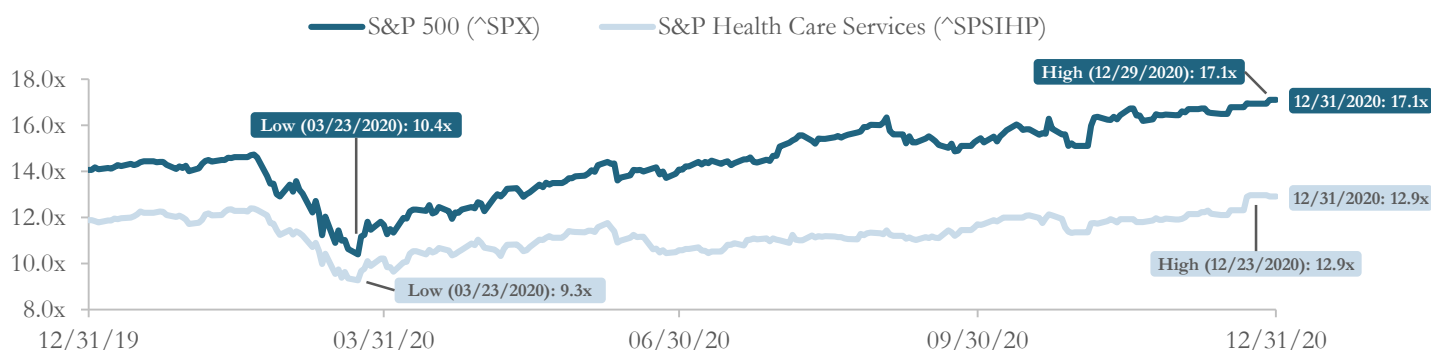
- Below is a chart that compares current Firm Value / 2021P EBITDA for each of the 13 Healthcare Services sub-sectors. The sectors are ranked from left to right by highest valuation
- The overall sector FV / 2021P EBITDA across all sub-sectors is 12.1x ranging from Hospice and Home Care at the high end (19.5x) to Acute Care Hospitals at the low end (8.0x)
 - Public company valuations remain in flux as analysts and companies continue to struggle to project the impact of the current economic crisis on 2021 expected results



FV / LTM EBITDA – 10 Years



FV / LTM EBITDA – 2020

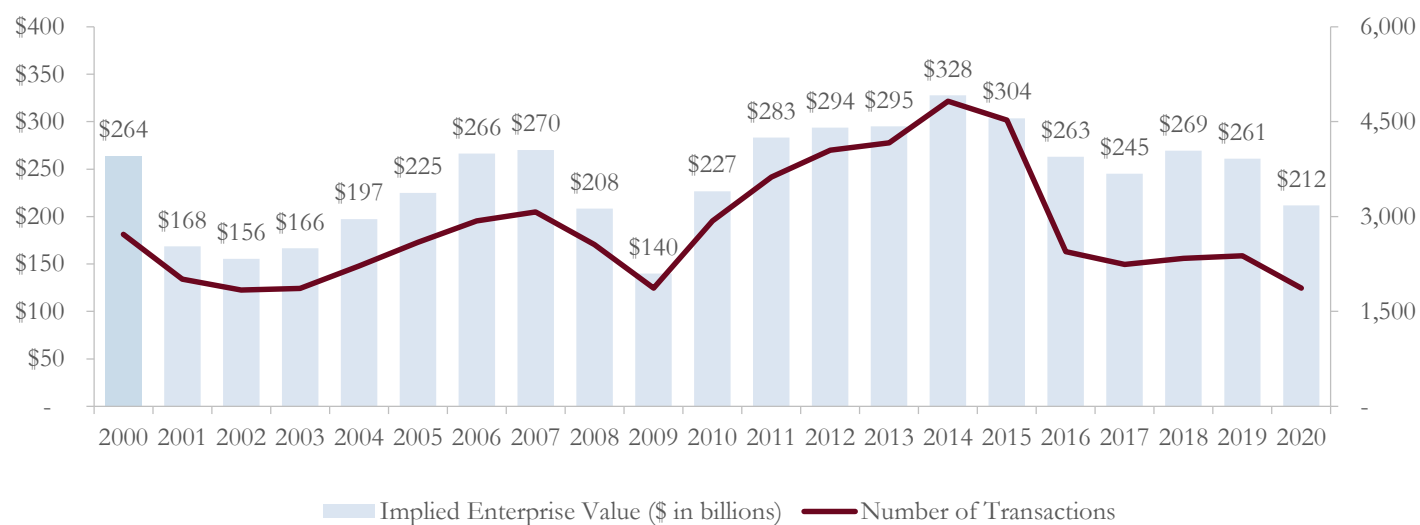


Note: Refer to pages 26–29 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

Uncertain Impact of COVID-19 on the M&A Market

U.S. Middle Market M&A Activity

- COVID-19 led to a decline in transaction activity in 2020
 - Business owners have focused on operations and used government stimulus to plug financing gaps or working capital/liquidity shortfalls
 - Many new deals did not launch, and existing deals stalled and/or have taken longer to close
 - Lenders have managed existing credits and taken a ‘risk-off’ approach to financing new deals

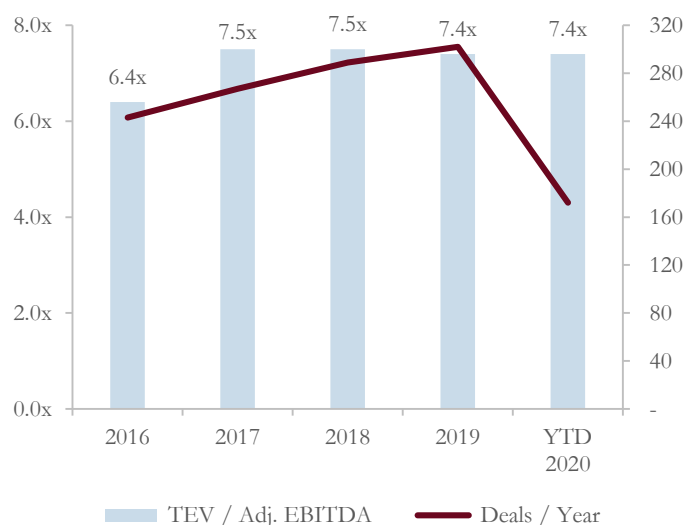


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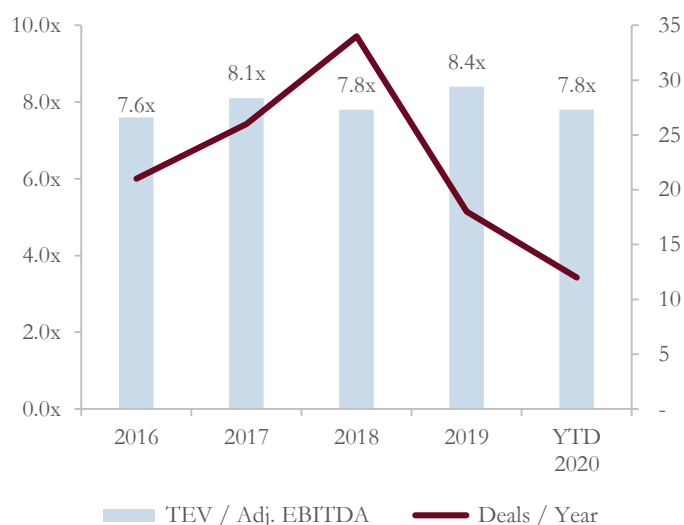
Lower Middle Market Activity: GF Data

- Below represents data from GF Data's November report covering deals completed through September 30, 2020 (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. 324 private equity firms have provided data on transactions since 2003 with 228 of these private equity firms representing active contributors to the 2020 data. A few takeaways:
 - Average valuations across all industries remained stable at 7.4x
 - Average valuations across Healthcare services declined slightly in 2020 with an average TEV/EBITDA of 7.8x as compared to an average of 8.1x in 2017 – 2019

GF Data Multiples and Volume – All Industries



GF Data Multiples and Volume – HC Services



Total Enterprise Value (TEV) / EBITDA

TEV	2016	2017	2018	2019	YTD 2020	Total
10-25	6.0x	6.6x	6.2x	6.5x	6.4x	6.0x
25-50	6.6x	6.9x	7.2x	7.2x	7.1x	6.7x
50-100	7.5x	8.4x	9.1x	7.8x	8.4x	7.5x
100-250	9.0x	9.2x	8.9x	9.6x	9.3x	8.4x
Total	6.4x	7.5x	7.5x	7.4x	7.4x	6.8x
N=	243	267	289	302	172	

(TEV) / EBITDA – Healthcare Services

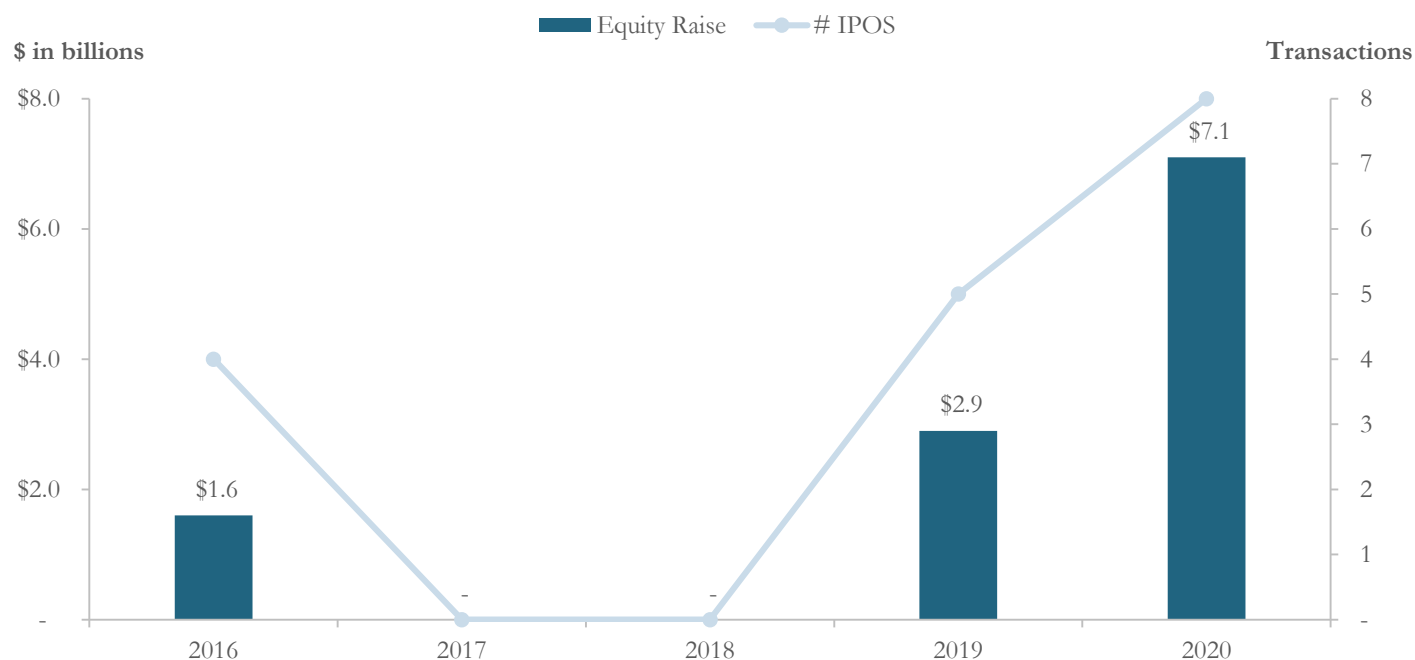
TEV	2016	2017	2018	2019	YTD 2020	Total
10-25	5.9x	7.2x	6.3x	5.6x	7.1x	6.2x
25-50	6.3x	8.8x	7.4x	8.8x	9.0x	7.3x
50-100	8.7x	6.6x	9.3x	10.9x	NA	7.9x
100-250	9.8x	10.1x	8.5x	8.9x	9.3x	8.8x
Total	7.6x	8.1x	7.8x	8.4x	7.8x	7.3x
N=	21	26	34	18	12	

Coker Capital Healthcare Services Newsletter – 2020 Year in Review

Overview of Healthcare Services IPO Activity

- 2020 experienced a spike in healthcare services IPOs, particularly business focused on delivery services driven by technology, as the pandemic accelerated telehealth utilization. In total, eight companies priced offerings raising \$7.1 billion ranging from One Medical raising \$282 million to PPD who raised \$1.9 billion. The performance of these offerings has been quite strong as the group is up 71.9% since pricing as of 12/31/20 with One Medical (+211.8%), Oak Street Health (+191.2%) and Accolade (+97.7%) leading the way.

Price Date	Issuer	Ticker	Amount Raised (\$MM)	IPO Price	Current Price (12/31/20)	% Change	Sub-sector
11/19/2020	Sotera Health	SHC	\$1,233	\$23.00	\$27.44	19.3%	Sterilization and laboratory services
09/23/2020	GoodRx	GDRX	\$1,314	\$33.00	\$40.34	22.2%	HCIT Pharmacy services
09/16/2020	American Well	AMWL	\$853	\$18.00	\$25.33	40.7%	Tele-health services
08/05/2020	Oak Street Health	OSH	\$377	\$21.00	\$61.16	191.2%	Primary care physician services
07/14/2020	GoHealth	GOCO	\$913	\$21.00	\$13.66	(35.0%)	HCIT health insurance market
07/01/2020	Accolade	ACCD	\$254	\$22.00	\$43.50	97.7%	HCIT consumer engagement
02/05/2020	PPD	PPD	\$1,863	\$27.00	\$34.22	26.7%	Contract Research Organization
01/30/2020	One Medical	ONEM	\$282	\$14.00	\$43.65	211.8%	Primary care physician services



Note: IPO data excludes closed-ends funds, ADRs, BCCs, SPACs, and offerings <\$25mm

Source: Dealogic

**Healthcare Services Trading Comparables –
As of December 31, 2020**

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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 (6)

Company	Ticker
Brookdale Senior Living	BKD
Ensign Group	ENSG
Five Star Quality Care	FVE
Genesis Healthcare	GEN
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 (7)

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

Distribution and Supplies (9)

Company	Ticker
AdaptHealth	AHCO
AmerisourceBergen	ABC
Cardinal Health	CAH
HenrySchein	HSIC
McKesson	MCK
Owens and Minor	OMI
Patterson Companies	PDCO
Protech Home Medical	PTQ
Viemed Healthcare	VMD

Hospice and Home Care (5)

Company	Ticker
Addus Home Care	ADUS
Amedisys	AMED
Chemed	CHE
LHC Group	LHCG
Option Care	OPCH

Total Count	99
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HCIT (30)

Company	Ticker
<u>Provider Focused HCIT (16)</u>	
Allscripts Healthcare	MDRX
Cerner	CERN
Change Healthcare	CHNG
CPSI	CPSI
Evolut Health	EVH
Health Catalyst	HCAT
Healthstream	HSTM
iRhythm Technologies	IRTC
MTBC	MTBC
National Research Corporation	NRC
NextGen Healthcare	NXGN
Omniceil	OMCL
Phreesia	PHR
Premier	PINC
R1 RCM	RCM
Vocera	VCRA

Payor Focused HCIT (4)

eHealth	EHTH
GoHealth	GOCO
HMS Holdings	HMSY
Inovalon Holdings	INOV

Consumer Focused HCIT (9)

Accolade	ACCD
American Well	AMWL
Benefit Focus	BNFT
Castlight Health	CSLT
GoodRX	GDRX
Health Equity	HQY
Progyny	PGNY
SOC Telemed	TLMD
Teladoc Health	TDOC

Other HCIT (1)

Veeva Systems	VEEV
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Managed Care (8)

Company	Ticker
<u>Government Payors (4)</u>	
Centene	CNC
Humana	HUM
Molina	MOH
Triple S Management	GTS

Commercial Payors (4)

Anthem	ANTM
Cigna	CI
CVS Health	CVS
United Healthcare	UNH

Other Outsourced Services (7)

Company	Ticker
Corvel	CRVL
Healthcare Services Group	HCSG
Magellan Health	MGLN
Multiplan	MPLN
Providence Service Corp	PRSC
Smile Direct Club	SDC
Tivity Health	TVTY

Physician Services / Alternate Site (10)

Company	Ticker
Acadia	ACHC
Akumin	AKU
American Renal Associates	ARA
DaVita Healthcare	DVA
Fresenius Medical Care	FME
Mednax	MD
Oak Street Health	OSH
One Medical	ONEM
Radnet	RDNT
Surgery Partners	SGRY

Rehabilitation (4)

Company	Ticker
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

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PUBLICLY-TRADED HEALTHCARE COMPANIES											
(\$ in millions)											
Company	Market Data				Financial Information						
	Price as of: 12/31/20	% 52wk High	Market Cap	Firm Value	Cash and Cash Equivalents	Total Debt	2021P Revenue	2021P EBITDA	FY (P) / 2021		
									Revenue	EBITDA	
Provider Services											
Acute-Care Hospitals											
HCA	\$164.46	99%	\$55,649.1	\$83,892.1	\$6,588.0	\$32,654.0	\$54,262.0	\$10,417.6	1.55x	8.1x	
Tenet Healthcare	39.93	93%	4,213.3	19,004.3	3,300.0	15,716.0	19,183.8	2,834.3	0.99x	6.7x	
Universal Health Services	137.50	93%	11,684.3	14,600.2	1,101.2	3,940.6	11,979.1	1,851.2	1.22x	7.9x	
Community Health Systems	7.43	67%	854.7	13,105.7	1,823.0	13,533.0	12,289.5	1,586.4	1.07x	8.3x	
<i>Weighted Average</i>									1.46x	8.0x	
<i>Median</i>									1.14x	8.0x	
Assisted Living and Long-Term Care											
Brookdale Senior Living	\$4.43	52%	\$812.4	\$5,841.7	\$354.6	\$5,517.8	\$3,243.3	\$285.7	1.80x	20.4x	
Ensign Group	72.92	94%	3,912.0	4,836.4	175.4	1,116.6	2,665.5	329.4	1.81x	14.7x	
Genesis Healthcare	0.48	26%	54.0	3,444.0	201.0	3,919.7	3,769.6	428.5	0.91x	8.0x	
The Pennant Group	58.06	87%	1,636.7	1,940.9	8.3	312.5	433.2	88.8	4.48x	21.9x	
National Healthcare Group	66.41	75%	1,020.0	928.6	183.8	201.0	985.5	83.4	0.94x	11.1x	
Five Star Quality Care	6.90	82%	217.8	144.8	95.8	32.2	1,200.3	20.7	0.12x	7.0x	
<i>Weighted Average</i>									2.21x	16.1x	
<i>Median</i>									1.37x	12.9x	
Hospice and Home Care											
Amedisys	\$293.33	98%	\$9,624.3	\$9,917.2	\$112.9	\$404.3	\$2,304.0	\$316.8	4.30x	31.3x	
Chemed	532.61	98%	8,496.1	8,515.9	112.8	132.6	2,145.2	436.8	3.97x	19.5x	
LHC Group	213.32	90%	6,739.3	6,701.3	253.8	122.0	2,229.4	279.4	3.01x	24.0x	
Option Care	15.64	86%	2,920.9	4,057.0	140.0	1,276.2	3,216.2	243.9	1.26x	16.6x	
Addus Home Care	117.09	99%	1,833.6	1,767.0	170.3	103.7	866.1	92.0	2.04x	19.2x	
<i>Weighted Average</i>									3.47x	24.1x	
<i>Median</i>									3.01x	19.5x	
Physician Services / Alternate Site											
Fresenius Medical Care	\$68.20	84%	\$19,973.7	\$32,590.4	\$1,598.7	\$13,052.7	\$22,134.6	\$4,844.1	1.47x	6.7x	
DaVita Healthcare	117.40	100%	13,148.8	25,007.5	710.5	11,106.1	11,774.3	2,404.8	2.12x	10.4x	
Oak Street Health	61.16	95%	14,729.1	14,265.1	474.6	N/M	1,253.4	N/M	11.38x	N/M	
Acadia	50.26	99%	4,472.7	7,864.5	338.7	3,675.9	3,410.7	651.4	2.31x	12.1x	
Surgery Partners	29.01	98%	1,442.3	5,652.9	450.0	3,232.1	2,116.7	319.5	2.67x	17.7x	
One Medical	43.65	97%	5,806.0	5,524.3	161.5	400.6	469.4	N/M	11.77x	N/M	
Mednax	24.54	88%	2,058.3	3,486.1	294.5	1,803.6	1,837.5	253.0	1.90x	13.8x	
RadNet	19.57	83%	1,010.5	2,176.2	89.7	1,166.5	1,211.3	174.7	1.80x	12.5x	
American Renal Associates	11.45	96%	395.5	1,257.5	126.7	724.5	836.5	90.9	1.50x	13.8x	
Akumin	3.81	74%	267.4	908.6	27.4	504.9	297.0	83.2	3.06x	10.9x	
<i>Weighted Average</i>									4.97x	9.4x	
<i>Median</i>									2.21x	12.3x	
Rehabilitation											
Encompass Health	\$82.69	95%	\$8,222.1	\$12,033.4	\$450.0	\$3,852.4	\$5,061.8	\$997.1	2.38x	12.1x	
Select Medical	27.66	97%	3,727.5	8,279.4	639.8	4,469.8	5,846.8	752.0	1.42x	11.0x	
US Physical Therapy	120.25	90%	1,545.3	1,768.4	30.1	112.5	469.2	71.6	3.77x	24.7x	
Hanger	21.99	78%	838.0	1,351.2	147.5	660.7	1,158.3	132.1	1.17x	10.2x	
<i>Weighted Average</i>									2.21x	13.0x	
<i>Median</i>									1.90x	11.5x	

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PUBLICLY-TRADED HEALTHCARE COMPANIES											
(\$ in millions)											
Company	Market Data				Financial Information						
	Price as of: 12/31/20	% 52wk High	Market Cap	Firm Value	Cash and Cash Equivalents	Total Debt	2020P Revenue	2020P EBITDA	FY (P) / 2020		
									Revenue	EBITDA	
Information Technology and Solutions											
Provider Focus HCIT											
Cerner	\$78.48	97%	\$24,061.2	\$24,670.9	\$419.2	\$1,502.2	\$5,743.9	\$1,873.6	4.30x	13.2x	
Change Healthcare	18.65	98%	5,678.0	10,684.4	167.5	5,173.9	3,400.2	1,051.4	3.14x	10.2x	
iRhythm Technologies	237.21	87%	6,848.6	6,647.0	95.3	125.7	348.8	N/M	19.06x	N/M	
Omnicell	120.02	96%	5,077.7	4,965.6	629.2	517.1	1,030.7	202.6	4.82x	24.5x	
Premier	35.10	92%	4,285.7	4,823.6	120.4	658.3	1,324.9	474.4	3.64x	10.2x	
R1 RCM	24.02	99%	2,802.2	3,586.9	106.3	645.3	1,475.4	316.9	2.43x	11.3x	
Allscripts Healthcare	14.44	97%	2,281.3	3,258.1	218.7	1,195.5	1,540.8	246.3	2.11x	13.2x	
Phreesia	54.26	91%	2,396.3	2,174.8	254.1	32.6	180.5	8.0	12.05x	N/A	
Health Catalyst	43.53	96%	1,850.0	1,767.7	111.2	192.9	226.0	N/M	7.82x	N/M	
Evolent Health	16.03	96%	1,351.5	1,358.6	370.5	357.4	939.6	38.3	1.45x	N/A	
Vocera	41.53	98%	1,349.5	1,267.0	31.2	128.8	218.8	31.8	5.79x	N/A	
NextGen Healthcare	18.24	94%	1,217.2	1,225.2	103.4	111.4	562.0	100.4	2.18x	12.2x	
National Research Corporation	42.75	60%	1,079.9	1,092.4	21.9	34.4	131.1	47.4	8.33x	23.0x	
Healthstream	21.84	78%	691.8	570.8	107.0	28.7	233.5	36.5	2.45x	15.6x	
CPSI	26.84	75%	378.3	463.1	11.8	96.6	281.7	52.1	1.64x	8.9x	
MTBC	9.07	68%	119.6	108.7	22.8	12.0	135.2	27.0	0.80x	4.0x	
Weighted Average									6.03x	11.8x	
Median									3.39x	12.2x	
Payor Focus HCIT											
GoHealth	\$13.66	52%	\$4,387.3	\$5,419.2	\$294.6	\$401.0	\$1,179.4	\$401.7	4.59x	13.5x	
Inovalon Holdings	18.17	65%	2,823.6	3,743.9	120.1	1,040.3	748.1	266.5	5.00x	14.1x	
HMS Holdings	36.75	99%	3,254.3	3,301.7	211.0	258.4	737.4	203.5	4.48x	16.2x	
eHealth	70.61	46%	1,828.6	1,678.4	87.8	47.5	853.0	201.2	1.97x	8.3x	
Weighted Average									4.27x	13.6x	
Median									4.54x	13.8x	
Consumer Focused HCIT											
Teladoc Health	\$199.96	79%	\$28,986.4	\$28,810.6	\$1,187.3	\$1,014.6	1,945.6	\$247.9	14.81x	N/A	
GoodRX	40.34	63%	15,744.0	15,402.3	1,075.0	733.4	740.7	234.3	20.80x	N/A	
Health Equity	69.71	79%	5,367.0	6,159.3	299.4	1,091.6	770.2	257.3	8.00x	23.9x	
American Well	25.33	61%	5,951.4	4,896.8	956.4	9.4	265.5	N/M	18.45x	N/M	
Progyny	42.39	96%	3,672.4	3,567.4	54.0	N/M	531.9	57.0	6.71x	N/A	
Accolade	43.50	67%	2,394.2	2,172.1	222.1	N/M	146.8	N/M	14.80x	N/M	
SOC Telemed	7.84	80%	601.9	762.5	2.4	84.5	78.2	N/M	9.75x	N/M	
Benefit Focus	14.48	65%	466.3	638.7	108.2	269.3	282.7	42.8	2.26x	14.9x	
Castlight Health	1.30	80%	199.9	169.6	46.8	16.5	131.0	0.9	1.29x	N/A	
Weighted Average									15.41x	23.2x	
Median									9.75x	19.4x	
Other HCIT											
Veeva Systems	\$272.25	87%	\$41,236.5	\$39,705.1	\$634.3	\$59.0	\$1,715.0	\$662.2	23.15x	N/A	
Weighted Average									23.15x	N/A	
Median									23.15x	N/A	
Total Weighted Average									13.20x	12.9x	
Total Median									4.71x	13.2x	
Clinical and Patient Support Services											
Clinical Laboratories											
LabCorp	\$203.55	93%	\$19,825.8	\$25,862.3	\$667.2	\$6,683.8	\$13,691.6	\$2,898.3	1.89x	8.9x	
Quest Diagnostics	119.17	90%	16,060.1	19,730.1	1,605.0	5,149.0	9,221.0	2,211.6	2.14x	8.9x	
Sonic Healthcare	32.15	85%	15,361.4	18,838.9	1,230.1	4,617.0	8,209.3	1,845.4	2.29x	10.2x	
NeoGenomics	53.84	94%	5,977.8	5,913.6	233.2	219.4	525.0	75.1	11.26x	N/A	
Weighted Average									3.05x	9.3x	
Median									2.22x	8.9x	

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(\$ in millions)										
Company	Market Data				Financial Information					
	Price as of: 12/31/20	% 52wk High	Market Cap	Firm Value	Cash and Cash Equivalents	Total Debt	2020P Revenue	2020P EBITDA	FY (P) / 2020 Revenue	EBITDA
Contract Research Organizations										
IQVIA Holdings	\$179.17	99%	\$34,351.5	\$46,129.5	\$1,464.0	\$13,060.0	\$12,506.1	\$2,769.2	3.69x	16.7x
PPD	34.22	91%	11,965.2	15,782.3	803.1	4,586.3	5,075.0	965.3	3.11x	16.3x
Charles River Labs	249.86	97%	12,428.7	14,401.0	242.9	2,187.6	3,190.7	785.8	4.51x	18.3x
Sotera Health	27.44	95%	7,801.8	10,699.4	108.3	2,991.1	794.8	384.9	13.46x	27.8x
Syneos Health	68.13	92%	7,080.1	9,677.2	248.6	2,845.7	5,210.4	761.2	1.86x	12.7x
PRA Health	125.44	99%	8,046.9	9,193.0	336.2	1,482.3	3,496.4	592.2	2.63x	15.5x
MedPace	139.20	92%	4,951.6	4,858.1	219.2	125.8	1,097.7	214.1	4.43x	22.7x
<i>Weighted Average</i>									4.40x	17.8x
<i>Median</i>									3.69x	16.7x
Staffing										
On Assignment	\$83.53	95%	\$4,418.7	\$5,323.4	\$229.7	\$1,134.4	\$4,110.0	\$452.7	1.30x	11.8x
AMN Health Services	68.25	76%	3,209.9	4,152.4	58.4	1,000.9	2,364.6	316.2	1.76x	13.1x
Cross Country Healthcare	8.87	66%	333.2	411.7	3.4	81.4	797.2	34.0	0.52x	12.1x
<i>Weighted Average</i>									1.45x	12.3x
<i>Median</i>									1.30x	12.1x
Managed Care										
Government Payors										
Humana	\$410.27	86%	\$54,295.7	\$54,307.7	\$7,985.0	\$7,997.0	\$82,153.2	\$4,408.3	0.66x	12.3x
Centene	60.03	80%	34,805.3	40,824.3	12,198.0	18,063.0	115,206.0	4,964.6	0.35x	8.2x
Molina	212.68	95%	12,611.9	11,454.9	3,196.0	2,039.0	23,143.1	1,247.7	0.49x	9.2x
Triple S Management	21.35	86%	493.7	513.8	129.6	150.5	3,544.5	139.6	0.14x	3.7x
<i>Weighted Average</i>									0.53x	10.5x
<i>Median</i>									0.42x	8.7x
Commercial Payors										
United Healthcare	\$350.68	95%	\$332,732.4	\$363,696.4	\$17,550.0	\$43,794.0	\$278,908.0	\$26,173.0	1.30x	13.9x
CVS Health	68.30	89%	89,398.8	164,889.8	9,256.0	87,273.0	277,462.8	18,308.1	0.59x	9.0x
Cigna	208.18	93%	75,208.6	106,537.6	5,344.0	36,607.0	165,807.4	11,445.2	0.64x	9.3x
Anthem	321.09	95%	79,856.5	98,724.5	3,984.0	22,852.0	128,818.1	9,839.0	0.77x	10.0x
<i>Weighted Average</i>									1.03x	12.0x
<i>Median</i>									0.70x	9.7x
Other Outsourced Services										
Multiplan	\$7.99	76%	\$5,333.0	\$10,573.6	\$203.8	\$5,444.4	\$928.8	\$396.3	11.38x	26.7x
Magellan Health	\$82.84	95%	\$2,121.3	\$2,677.6	\$103.2	\$675.2	\$4,660.2	\$227.3	0.57x	11.8x
Tivity Health	19.59	75%	952.5	1,946.3	56.4	1,050.3	488.5	149.0	3.98x	13.1x
Healthcare Services Group	28.10	90%	2,091.3	1,904.3	109.9	17.0	1,762.4	131.4	1.08x	14.5x
Corvel	106.00	99%	1,897.1	1,886.8	106.1	95.8	560.7	75.9	3.37x	24.9x
Providence Service Corp	138.63	94%	1,966.3	1,802.8	183.3	19.8	2,038.6	176.5	0.88x	10.2x
Smile Direct Club	11.94	77%	1,355.7	1,386.2	373.0	454.2	858.8	51.9	1.61x	26.7x
<i>Weighted Average</i>									4.98x	19.9x
<i>Median</i>									1.61x	14.5x
Specialty Pharmacy Services										
CVS Health	\$68.30	89%	\$89,398.8	\$164,889.8	\$9,256.0	\$87,273.0	\$277,462.8	\$18,308.1	0.59x	9.0x
Walgreens Boots Alliance	39.88	67%	34,532.7	75,734.7	516.0	41,220.0	144,313.3	7,097.9	0.52x	10.7x
Rite Aid	15.83	71%	846.1	7,186.1	50.8	6,390.8	24,248.3	505.4	0.30x	14.2x
<i>Weighted Average</i>									0.57x	9.5x
<i>Median</i>									0.52x	10.7x
Distribution and Supplies										
McKesson	\$173.92	93%	\$27,925.4	\$36,008.4	\$3,091.0	\$9,709.0	\$247,652.0	\$4,527.5	0.15x	8.0x
AmerisourceBergen	97.76	88%	19,967.5	20,146.6	4,597.7	4,597.6	203,608.4	2,669.5	0.10x	7.5x
Cardinal Health	53.56	88%	15,715.6	19,712.6	2,746.0	6,740.0	165,063.8	2,955.3	0.12x	6.7x
HenrySchein	66.86	90%	9,546.0	11,340.5	533.5	1,396.3	10,817.1	940.9	1.05x	12.1x
Patterson Companies	29.63	89%	2,820.4	3,483.4	139.5	800.6	5,934.0	327.1	0.59x	10.7x
Owens and Minor	27.05	85%	1,988.5	3,379.8	77.3	1,468.6	8,705.6	392.0	0.39x	8.6x
AdaptHealth	37.56	94%	2,681.4	3,170.1	272.3	769.8	2,129.3	497.5	1.49x	6.4x
Viemed Healthcare	7.76	65%	389.5	364.6	32.4	13.7	120.4	30.8	3.03x	11.9x
Protech Home Medical	1.61	90%	181.0	167.3	44.7	30.9	134.8	28.5	1.24x	5.9x
<i>Weighted Average</i>									0.32x	8.2x
<i>Median</i>									0.49x	8.3x

Source: Capital IQ

ABOUT COKER CAPITAL

Coker Capital, a division of Fifth Third Securities, is a healthcare-focused mergers and acquisitions advisory team. 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 230 transactions across a wide range of healthcare subsectors with an aggregate transaction value in excess of \$65 billion. Learn more at CokerCapital.com.

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CONTACT US

For more information on market activity throughout the healthcare industry, or to discuss how Coker Capital may be able to add value to your company, please contact any member of our team:
www.CokerCapital.com/index.php/leadership

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