

Coker Capital's Healthcare Services Newsletter – 4th Quarter 2022 Update

In this issue of the Coker Capital Healthcare Services Newsletter, we provide an update on Healthcare Services activity through the 4th Quarter of 2022.

Spotlight: Healthcare Services Micro and Small-Cap Stocks

- In this issue of the Newsletter, we spotlight micro-cap and small-cap healthcare services stocks. Healthcare services represents a large, complex and diverse sector of the U.S. healthcare ecosystem. Given the middle market profile of U.S. healthcare services, we thought that it would be interesting to review the recent performance and profile of micro and small-cap public companies.
- We track 103 companies as part of our Coker Capital Healthcare Services Index and as of 12/31/2022, over 40% of these companies fall into the micro and small-cap classification. As the public equity markets have broadly declined over the past year, performance for healthcare services companies in this size classification have been disproportionately impacted.

Refer to Pages 2 – 13 for additional detail

Market Performance

- The S&P Healthcare Services Select Index⁽¹⁾ slightly underperformed the broader market in the fourth quarter of 2022, decreasing (3.3%) versus a +7.1% increase and a (1.0%) decline for the S&P 500 and NASDAQ, respectively
 - The only sub-sectors that experienced an increase in Q4 2022 were Distribution and Supplies +35.5%, Managed Care +8.3%, and Hospice and Home Care +0.4%
 - Other Outsourced Services (36.4%), Contract Research Organizations (31.0%), and Clinical Laboratories (23.8%) declined the most in Q4 2022

Refer to Pages 15 – 16 for additional detail

Valuation Update

- The median Enterprise Value (EV) / 2022 EBITDA multiple for the 103 companies in Coker Capital's healthcare services comp set was 12.5x as of 12/31/2022
 - This compares to a 12.5x valuation for the same comp set as of 12/31/2021

Refer to Page 17 for additional detail

M&A Activity

- Middle Market M&A transaction activity in 2022 weakened in comparison to the prior year's surge in activity, with reported total transaction volume declining by 28% versus the prior year

Refer to Pages 17 – 18 for additional detail

Trading Comps

- *Refer to Pages 19 – 24 for detailed trading comps by sub-sector for the 103 companies in Coker Capital's healthcare services comp set*

January 2023

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 12/31/2022

Spotlight: Healthcare Services Micro and Small-Cap Stocks

Executive Summary

The U.S. stock market is dominated by large-cap (\$10+ billion) and mega-cap (\$200+ billion) companies who are usually mature, well-established businesses with consistent track records of success. These companies generally have global, diversified operations, a size and profile that dominate headlines and are widely followed by large institutional and smaller retail investors. Additionally, the collective market capitalization of large and mega-cap companies far outweighs those of smaller public companies, comprising upwards of 90% of total market capitalization, despite representing less than 15% of U.S. public companies.

At the other end of the size continuum are micro-cap (\$50 - 300 million) and small-cap (\$300 million - \$2.0 billion) companies. While these businesses account for less than 10% of total U.S. market capitalization, they represent ~65% of all U.S. public companies. Leading businesses including Apple (Nasdaq: AAPL), Gilead Sciences (Nasdaq: GILD) and Tesla (Nasdaq: TSLA) all started with a small-cap profile while many of the best performing public companies of all-time, including Berkshire Hathaway (NYSE: BRK), Wal-Mart (NYSE: WMT), Amgen (NASDAQ: AMGN) and Netflix (NASDAQ: NFLX), among others, started as micro-cap companies.

U.S. stocks are typically categorized into one of five categories based on their market capitalization:

	% U.S. Listed Companies	% Healthcare Services Index¹
▪ Micro-cap – under \$300 million	30%	9%
▪ Small-cap – \$300 million to \$2 billion	36%	34%
▪ Mid-cap – \$2 to \$10 billion	20%	35%
▪ Large-cap – \$10 to \$200 billion	13%	21%
▪ Mega-cap – \$200+ billion	>1%	1%

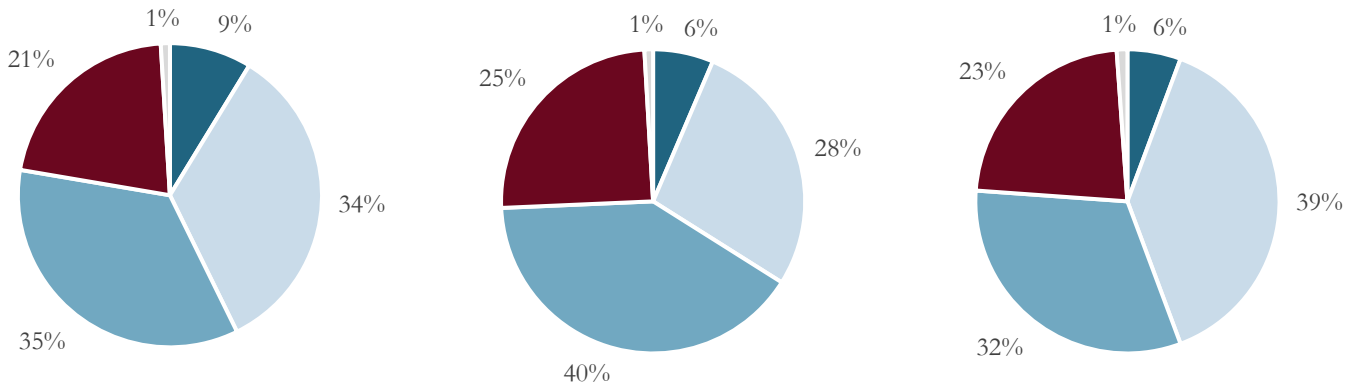
¹ Represents percent of companies per the Coker Capital Healthcare Services Index as of 12/31/22

In this issue of the Newsletter, we spotlight micro-cap and small-cap healthcare services stocks. Healthcare services has traditionally been a middle market segment within the broader U.S. healthcare sector and includes a large number of market leading companies in this size range. We actively track over 100 healthcare services stocks (see page 20) as part of the broader Coker Capital Healthcare Services Index in order to analyze valuation, trading dynamics and trends across sub-sectors. While a company's size classification may fluctuate based on market performance, currently 40+% of businesses in this Index are characterized as micro and small-cap. Given the economic disruption since the pandemic broadly and the market declines in 2022 specifically, we thought that it would be informative to review the recent trading performance, valuations, go-private activity, and overall profile of micro and small-cap healthcare services companies.

Market Cap Landscape Over Time

- Coker Capital maintains an index of Healthcare Services Companies in order to track valuation and trading trends across sub-sectors. While the specific composition of this Index fluctuates, driven primarily by M&A activity, LBOs and initial public offerings (IPOs), in recent years, the Index has generally been comprised of 100 +/- leading companies across sub-sectors and size ranges.
- Currently, our Index tracks 103 healthcare services companies of which 35 (34%) and 9 (9%) are characterized as micro and small-cap, respectively. The composition in this size range has increased over the past year (12/31/21) driven in large part by the overall declining stock market performance in 2022.

■ Micro-Cap ■ Small-Cap ■ Mid-Cap ■ Large-Cap ■ Mega-Cap



	12/31/2022		12/31/2021		12/31/2019	
	%	#	%	#	%	#
Micro-cap	9%	9	6%	7	6%	5
Small-cap	34%	35	28%	30	39%	34
Mid-cap	35%	36	40%	44	32%	28
Large-cap ⁽¹⁾	21%	22	25%	27	23%	20
Mega-cap	1%	1	1%	1	1%	1
Total	100%	103	100%	109	100%	88

⁽¹⁾ CVS Health (NYSE: CVS) is included in both the Managed Care and Specialty Pharmacy Services sub-sectors (see page 20)

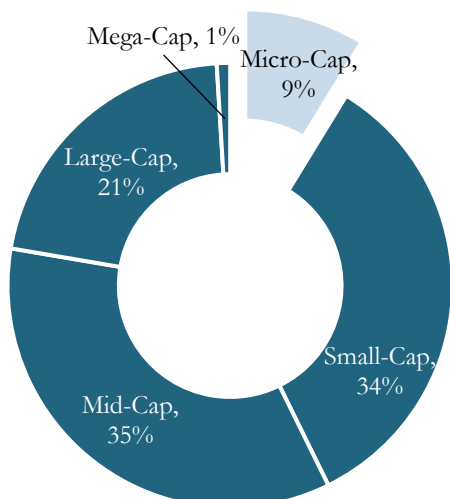
Micro and Small-Cap Overview

Micro-Cap				Small-Cap			
Company	Ticker	Sub-Sector	Market Cap	Company	Ticker	Sub-Sector	Market Cap
OptimizeRX	OPRX	Other HCIT	\$288.2	Allscripts Healthcare	MDRX	Provider Focused HCIT	\$1,927.3
Quipt Home Medical	QIPT	DME	225.0	GoodRX	GDRX	Consumer Focused HCIT	1,846.2
The Joint	JYNT	Rehabilitation	203.1	Phreesia	PHR	Provider Focused HCIT	1,706.9
Rite Aid	RAD	Specialty Pharmacy Services	188.8	Addus Home Care	ADUS	Hospice and Home Care	1,586.9
Aveanna Healthcare	AVAH	Hospice and Home Care	145.0	Owens and Minor	OMI	Other Distribution	1,488.9
eHealth	EHFH	Payor Focused HCIT	132.7	Hims & Hers	HIMS	Consumer Focused HCIT	1,331.6
GoHealth	GOCO	Payor Focused HCIT	92.9	NextGen Healthcare	NXGN	Provider Focused HCIT	1,269.6
Akumin	AKU	Other Physician Services / Alternate Site	86.1	ModivCare	MODV	Other Outsourced Services	1,268.6
ATI Physical Therapy	ATIP	Rehabilitation	63.2	Pediatrix Medical Group	MD	Other Physician Services / Alternate Site	1,217.4
				NeoGenomics	NEO	Clinical Laboratories	1,167.0
				RadNet	RDNT	Other Physician Services / Alternate Site	1,080.1
				US Physical Therapy	USPH	Rehabilitation	1,053.5
				Cross Country Healthcare	CCRN	Staffing	990.9
				Innovage	INNV	Hospice and Home Care	973.4
				National Research Corporation	NRC	Provider Focused HCIT	920.5
				National Healthcare Group	NHC	Assisted Living and Long-Term Care	913.0
				Healthcare Services Group	HCSG	Other Outsourced Services	889.1
				American Well	AMWL	Consumer Focused HCIT	779.4
				Healthstream	HSTM	Provider Focused HCIT	759.4
				Multiplan	MPLN	Other Outsourced Services	735.0
				Well Health	WELL	Tech-enabled Primary Care	653.6
				Enhabit	EHAB	Hospice and Home Care	653.0
				Health Catalyst	HCAT	Provider Focused HCIT	582.0
				Accolade	ACCD	Consumer Focused HCIT	560.4
				Community Health Systems	CYH	Provider Services	558.0
				Oscar Health	OSCR	Payor Focused HCIT	528.3
				Brookdale Senior Living	BKD	Assisted Living and Long-Term Care	510.0
				Clover Health	CLOV	Payor Focused HCIT	444.2
				Bright Health Group	BHG	Payor Focused HCIT	407.8
				Caremax	CMAX	Tech-enabled Primary Care	404.8
				Viemed Healthcare	VMD	DME	390.5
				CPSI	CPSI	Provider Focused HCIT	387.3
				Benefit Focus	BNFT	Consumer Focused HCIT	360.6
				Cano Health	CANO	Tech-enabled Primary Care	335.1
				The Pennant Group	PNTG	Assisted Living and Long-Term Care	325.8

Micro-Cap Healthcare Services

- Nine companies in our Coker Capital Healthcare Services Index currently profile as micro-cap ranging from ATI Physical Therapy (\$63.2 million market capitalization) to OptimizeRX (\$288.2 million), representing ~9% of the Index
- These stocks have declined ~(67%) and ~(84%) respectively, over the past year (since 12/31/21) and 3 years (since 12/31/19)

Micro-Cap Overview (9 Companies)



Commentary

- \$50 – 300 million market cap
- Nine companies highlighted in the newsletter
 - 9% of Coker Capital Healthcare Services Index
- Median EV/LTM Revenue multiple of 1.34x
 - Compared to 1.70x and 1.80x as of 12/31/21 and 12/31/19, respectively
- Median FV/LTM EBITDA of 15.8x
 - Compared to 15.4x and 14.1x as of 12/31/21 and 12/31/19, respectively
 - 7 out of 9 companies are expected to be EBITDA positive in 2022⁽¹⁾
- 1-year and 3-year performance of (67.3%) and (83.6%), respectively

⁽¹⁾ Based on consensus estimates as of 12/31/2022

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Micro-Cap Landscape Summary

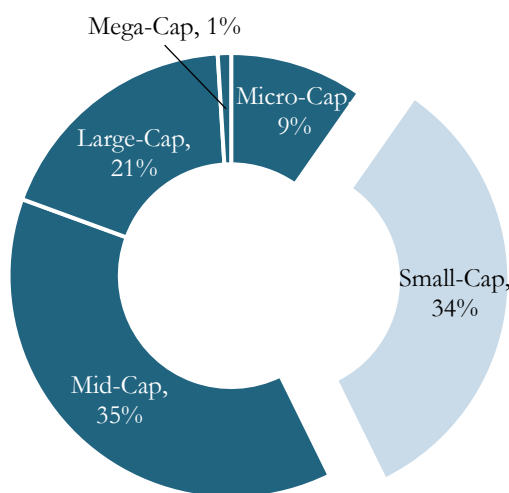
Company	Ticker	Sub-Sector	HQ	Market Cap (\$mm)	Return%		Firm Value 2022E/ Revenue EBITDA	
					1-year	3-year		
OptimizeRX	OPRX	Other HCIT	Rochester, MI	\$288.2	(73.0%)	63.6%	3.24x	32.5x
Description: Digital communications solutions platform helping life sciences companies to optimize the growing proportion of marketing spend being directed through digital channels.								
Quipt Home Medical	QIPT	DME	Wilder, KY	\$225.0	(10.7%)	62.9%	1.23x	5.8x
Description: Delivers equipment and supplies to assist customers with mobility, respiratory and sleep-aid solutions for patients across 92 locations.								
The Joint	JYNT	Rehabilitation	Scottsdale, AZ	\$203.1	(78.7%)	(13.4%)	2.14x	19.0x
Description: Nation's largest operator, manager and franchisor of chiropractic clinics in 800+ locations (690 franchised clinics and 115 corporate clinics) across 39 states.								
Rite Aid	RAD	Specialty Pharmacy Services	Camp Hill, PA	\$188.8	(77.3%)	(78.4%)	0.27x	14.3x
Description: Operates through two segments, Retail Pharmacy and Pharmacy Services, in 2,300+ stores across 17 states.								
Aveanna Healthcare	AVAH	Hospice and Home Care	Atlanta, GA	\$145.0	(89.5%)	N/A	0.88x	12.2x
Description: Provides private duty nursing, home health, hospice, medical solutions, and other healthcare services serving 40,000+ patients in 300+ locations across 33 states.								
eHealth	EHTH	Payor Focused HCIT	Santa Clara, CA	\$132.7	(81.0%)	(95.0%)	0.85x	N/M
Description: Online marketplace offering consumers a choice of insurance products that includes thousands of Medicare Advantage, Medicare Supplement, Medicare Part D plans, individual and family health insurance, small business insurance, and ancillary health insurance products.								
GoHealth	GOCO	Payor Focused HCIT	Chicago, IL	\$92.9	(81.6%)	N/A	1.08x	15.8x
Description: Operates marketplace for Medicare plans including Medicare Advantage, MediGap and Medicare Part D. Also operates an online health insurance marketplace offering individual health insurance and short-term health insurance.								
Akumin	AKU	Other Physician Services / Alternate Site	Jacksonville, FL	\$86.1	(56.8%)	(80.2%)	3.08x	16.0x
Description: Provides (1) fixed-site outpatient diagnostic imaging services through a network of 200+ owned and/or operated imaging locations; and (2) outpatient radiology and oncology services and solutions to approximately 1,000 hospitals and health systems across 48 states.								
ATI Physical Therapy	ATIP	Rehabilitation	Bolingbrook, IL	\$63.2	(91.0%)	N/A	1.45x	N/M
Description: Provides outpatient physical therapy services with over 900 outpatient physical therapy facilities across 25 states.								

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Small-Cap Healthcare Services

- 35 companies in our Coker Capital Healthcare Services Index currently profile as small-cap ranging from The Pennant Group (\$325.8 million market capitalization) to Allscripts Healthcare (\$1,927.3 million), representing ~34% of the Index
- These stocks have declined ~(31%) and ~(69%) respectively, over the past 1 year (since 12/31/21) and 3 years (12/31/19)

Small-Cap Overview (# of Companies)



Commentary

- \$300 million – \$2 billion market cap
- 35 companies highlighted in the newsletter
 - 34% of Coker Capital Healthcare Services Index
- Median EV/LTM Revenue multiple of 1.71x
 - Compared to 1.79x and 1.73x as of 12/31/21 and 12/31/19, respectively
- Median FV/LTM EBITDA of 10.3x
 - Compared to 14.7x and 11.5x as of 12/31/21 and 12/31/19, respectively
- 23 out of 35 companies expected to be EBITDA positive in 2022⁽¹⁾
- 1-year and 3-year performance of (31.0%) and (69.4%), respectively

⁽¹⁾ Based on consensus estimates as of 12/31/2022

Small-Cap Landscape Summary

Company	Ticker	Sub-Sector	HQ	Market Cap (\$mm)	Return%		Firm Value 2022E/	
					1-year	3-year	Revenue	EBITDA
Allscripts Healthcare	MDRX	Provider Focused HCIT	Chicago, IL	\$1,927.3	(4.4%)	79.7%	2.69x	9.6x
Description: Provides HCIT solutions to advance clinical, financial, and operational results. The Company offers electronic health records, information connectivity, private cloud hosting, outsourcing, analytics, patient access, and population health management solutions.								
GoodRX	GDRX	Consumer Focused HCIT	Santa Monica, CA	\$1,846.2	(85.7%)	N/A	2.39x	8.9x
Description: Offers information and tools that enable consumers to compare prices and save on their prescription drug purchases in the United States. Also offers other healthcare products and services, including subscriptions, pharma manufacturer solutions, and telehealth services.								
Phreesia	PHR	Provider Focused HCIT	New York, NY	\$1,706.9	(23.8%)	21.5%	5.41x	N/M
Description: Provides an integrated SaaS-based software and payment platform for the healthcare industry in the U.S. and Canada.								
Addus Home Care	ADUS	Hospice and Home Care	Frisco, TX	\$1,586.9	6.4%	2.3%	1.78x	16.9x
Description: Provider of home care services that primarily include personal care services that assist with activities of daily living, as well as hospice and home health services through 207 locations across 22 states.								
Owens and Minor	OMI	Other Distribution	Richmond, VA	\$1,488.9	(55.1%)	277.8%	0.43x	8.1x
Description: Integrated platform providing product manufacturing and delivery, home health supply and perioperative services.								
Hims & Hers	HIMS	Consumer Focused HCIT	San Francisco, CA	\$1,331.6	(2.1%)	N/A	2.19x	N/M
Description: Digital platform which provides access to treatments for sexual health, hair loss, dermatology, mental health, and primary care. Connects patients with healthcare professionals who can prescribe appropriate medications across the US and UK.								
NextGen Healthcare	NXGN	Provider Focused HCIT	Atlanta, GA	\$1,269.6	5.6%	16.9%	1.95x	11.7x
Description: Provides healthcare technology solutions including clinical care, financial, patient engagement, and data and analytics solutions.								

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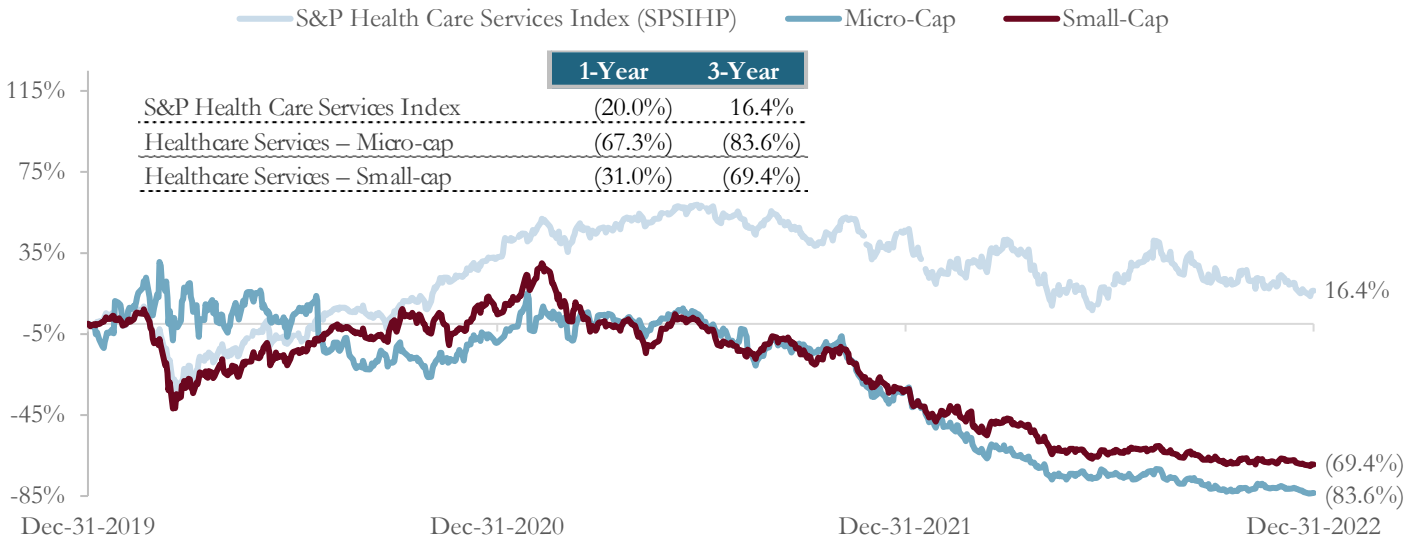
Company	Ticker	Sub-Sector	HQ	Market Cap	Return%		Firm Value 2022E/	
				(\$mm)	1-year	3-year	Revenue	EBITDA
ModivCare	MODV	Other Outsourced Services	Denver, CO	\$1,268.6	(39.5%)	51.6%	0.90x	10.3x
Description: Provides a suite of integrated supportive care solutions for public and private payors and their patients addressing the social determinants of health (SDoH) and enabling greater access to care, reduced costs, and improves outcomes. Provides non-emergency medical transportation (NEMT), personal and home care, and nutritional meal delivery.								
Pediatric Medical Group	MD	Other Physician Services / Alternate Site	Sunrise, FL	\$1,217.4	(45.4%)	(46.5%)	0.99x	8.0x
Description: Provides physician services to women, babies, and children across a continuum of care, both in hospital and office-based settings.								
NeoGenomics	NEO	Clinical Laboratories	For Myers, FL	\$1,167.0	(72.9%)	(68.4%)	2.66x	N/M
Description: Provides comprehensive oncology-focused testing menus to aid in diagnosing and treating cancer. Operates CAP accredited and CLIA certified laboratories in six states and CAP accredited laboratories in Switzerland, Singapore, and China.								
RadNet	RDNT	Other Physician Services / Alternate Site	Los Angeles, CA	\$1,080.1	(37.5%)	(7.2%)	1.84x	13.1x
Description: Provides freestanding, fixed-site diagnostic imaging services across 350+ centers in seven states.								
US Physical Therapy	USPH	Rehabilitation	Houston, TX	\$1,053.5	(15.2%)	(29.1%)	2.58x	19.4x
Description: Provides preventative and post-operative care for orthopedic-related disorders and sports-related injuries, treatment for neurological disorders, and rehabilitation of injured workers. Operates 642 outpatient physical therapy clinics across 40 states.								
Cross Country Healthcare	CCRN	Staffing	Boca Raton, FL	\$990.9	(4.3%)	128.7%	0.40x	3.7x
Description: Provides healthcare staffing services, offering travel-nurse staffing, physician staffing, and human capital management services.								
Innovage	INNV	Hospice and Home Care	Denver, CO	\$973.4	43.6%	N/A	1.34x	N/M
Description: Provides in-home medical and ancillary services to seniors to support independent living. Serves over 6,500 participants across 18 centers and five states.								
National Research Corporation	NRC	Provider Focused HCIT	Lincoln, NE	\$920.5	(10.2%)	(43.4%)	N/A	N/A
Description: Provides analytics and insights based on a subscription model that facilitate measurement and advancement of patient and employee experience in the US and Canada. Offers market insights, assessment of competitive differentiators, patient and resident experience solutions, and health risk assessment solutions.								
National Healthcare Group	NHC	Assisted Living and Long-Term Care	Murfreesboro, TN	\$913.0	(12.4%)	(31.2%)	N/A	N/A
Description: Provides services to skilled nursing facilities, assisted living facilities, independent living facilities, homecare and hospice agencies, and a behavioral health hospital.								
Healthcare Services Group	HCSG	Other Outsourced Services	Bensalem, PA	\$889.1	(32.5%)	(50.7%)	0.48x	14.9x
Description: Largest national provider of professional housekeeping, laundry and dietary services to long-term care and related health care facilities.								
American Well	AMWL	Consumer Focused HCIT	Boston, MA	\$779.4	(53.1%)	N/A	0.85x	N/M
Description: Telehealth platform supporting needs from urgent to acute and post-acute care, chronic care management and healthy living.								
Healthstream	HSTM	Provider Focused HCIT	Nashville, TN	\$759.4	(5.8%)	(8.7%)	2.75x	13.9x
Description: Provides workforce and provider solutions in the US through two segments, Workforce Solutions and Provider Solutions, under a SaaS model.								
Multiplan	MPLN	Other Outsourced Services	New York, NY	\$735.0	(74.0%)	N/A	4.81x	6.8x
Description: Provides data analytics and tech-enabled cost management, payment, and revenue integrity to over 700 healthcare payors in the commercial health, government, property, and casualty, and dental markets.								
Well Health	WELL	Tech-enabled Primary Care	Vancouver, CA	\$653.6	(42.2%)	82.1%	1.86x	10.1x
Description: Provides digital, end-to-end practice management tools to bolster digital patient engagement capabilities, electronic medical records, revenue cycle management, and data protection protocols. Offers services to practitioners both inside and outside of its own omni-channel patient service offerings.								
Enhabit	EHAB	Hospice and Home Care	Dallas, TX	\$653.0	N/A	N/A	1.16x	8.3x
Description: Fourth largest provider of home health and 12th largest provider of hospice services nationally with 351 locations (251 Home Health, 100 Hospice) across 34 states.								

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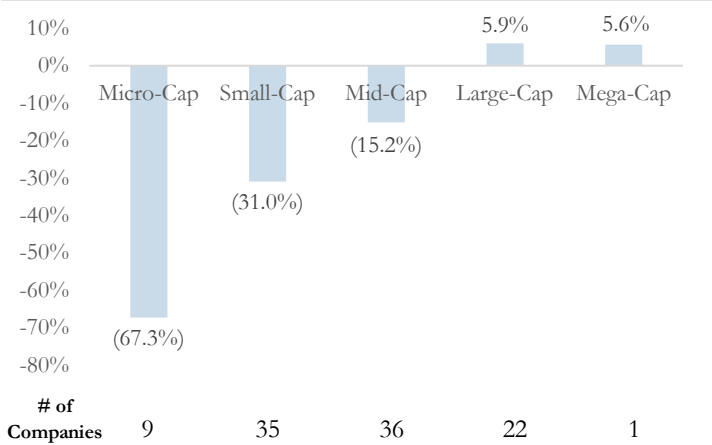
Company	Ticker	Sub-Sector	HQ	Market Cap		Return%		Firm Value 2022E/	
				(\$mm)		1-year	3-year	Revenue	EBITDA
Health Catalyst	HCAT	Provider Focused HCIT	South Jordan, UT	\$582.0		(73.2%)	(69.4%)	1.63x	N/M
Description: Provider of data and analytics technology and services to healthcare organizations through a cloud-based data platform as well as through analytics software and professional services expertise to make data-informed decisions and realize measurable clinical, financial, and operational improvements.									
Accolade	ACCD	Consumer Focused HCIT	Plymouth Meeting, PA	\$560.4		(70.4%)	N/A	1.60x	N/M
Description: Provides healthcare solutions that combine virtual primary care, mental health support, and expert medical opinion services to assist patients in navigating the healthcare space.									
Community Health Systems	CYH	Acute-Care Hospitals	Franklin, TN	\$558.0		(67.5%)	49.0%	1.11x	9.5x
Description: Operator of 81 affiliated hospitals and more than 1,000 sites of care, including physician practices, urgent care centers, freestanding emergency departments, occupational medicine clinics, imaging centers, cancer centers and ASCs in 47 distinct markets across 16 states.									
Oscar Health	OSCR	Payor Focused HCIT	New York, NY	\$528.3		(68.7%)	N/A	N/M	N/M
Description: Offers tech enabled individual & family, small group, and Medicare Advantage insurance plans. Also offers its Oscar+ full-stack platform to providers and payors.									
Brookdale Senior Living	BKD	Assisted Living and Long-Term Care	Brentwood, TN	\$510.0		(47.1%)	(62.4%)	1.86x	20.9x
Description: Owns, manages, and operates 672 senior living communities across 41 states in three segments: (1) Independent Living, (2) Assisted Living and Memory Care, and (3) Continuing Care Retirement Communities (CCRCs).									
Clover Health	CLOV	Payor Focused HCIT	Franklin, TN	\$444.2		(75.0%)	N/A	0.03x	N/M
Description: Physician enablement company focused on seniors who have historically lacked access to affordable, high-quality healthcare. Operates two lines of business: Insurance (provides PPO and HMO plans to MA members) and Non-Insurance (aims to reduce expenditures and enhance the quality of care for fee-for-service Medicare patients).									
Bright Health Group	BHG	Payor Focused HCIT	Minneapolis, MN	\$407.8		(81.1%)	N/A	0.01x	N/M
Description: Vertically integrated company involved in healthcare insurance through its Bright Health Care segment (offers Medicare Advantage (MA) plans to seniors), as well as the delivery of healthcare through its NeueHealth segment (services to patients through its owned and affiliated primary care clinics).									
Caremax	CMAX	Tech-enabled Primary Care	Miami, FL	\$404.8		(52.5%)	N/A	0.87x	14.4x
Description: Operates 54 medical centers across four states that offer a comprehensive suite of healthcare and social services, and a proprietary software and services platform providing data, analytics, and rules-based decision tools/workflows for physicians.									
Viemed Healthcare	VMD	DME	Lafayette, LA	\$390.5		44.8%	21.9%	2.64x	12.9x
Description: Provides in-home durable medical equipment and post-acute respiratory healthcare services in the US. Offers respiratory disease management solutions, leases ventilators, and other similar equipment.									
CPSI	CPSI	Provider Focused HCIT	Mobile, AL	\$387.3		(7.1%)	3.1%	1.60x	9.2x
Description: Provider of EHR and other healthcare IT to community and specialty hospitals, their clinics and post-acute care facilities.									
Benefit Focus	BNFT	Consumer Focused HCIT	Charleston, SC	\$360.6		(1.9%)	(52.3%)	2.30x	13.0x
Description: Provides cloud-based benefits management technology solutions for employers and health plans in the United States. Announced acquisition by Voya on November 1, 2022.									
Cano Health	CANO	Tech-enabled Primary Care	Miami, FL	\$335.1		(84.6%)	N/A	0.66x	12.0x
Description: Technology-powered healthcare company delivering personalized, value-based primary care to more than 290,000 members across nine states and Puerto Rico.									
The Pennant Group	PNTG	Assisted Living and Long-Term Care	Eagle, ID	\$325.8		(52.4%)	(66.8%)	1.40x	9.6x
Description: The Pennant Group is a holding company of independent operating subsidiaries that provide healthcare services through 95 home health and hospice agencies and 49 seniors living communities across 14 states.									

Comparative Performance

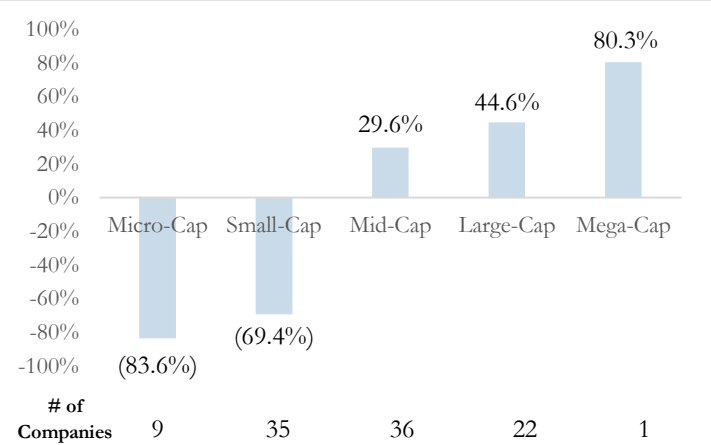
- Below we compare the performance of the micro-cap (9 companies) and small-cap (35 companies) companies contained in the Coker Capital Healthcare Services Index against relevant benchmarks
 - Over the past 1 and 3-years, micro-cap stocks in our Index have declined (67.3%) and (83.6%), respectively while small-cap stocks in our Index have declined (31.0%) over the last year and (69.4%) over the past 3 years, respectively
 - The performance of these stocks compare unfavorably to the S&P Healthcare Services Index, down (20.0%) in 2022 and up +16.36% since 12/31/19
- In addition, the performance of micro and small-cap stocks in our Index also lags their mid-cap (36 companies), large-cap (22 companies) and mega-cap (1 company) peers
 - The 1 and 3-year data below illustrates a clear correlation between size and stock market performance during these periods
 - While broader market data suggests that stocks with smaller capitalizations tend to outperform larger cap stocks over the longer term, the trade off is that these smaller stocks are generally more volatile, particularly during times of enhanced market turbulence, as has been experienced since the pandemic broadly and in 2022 specifically



1-Year Index Performance



3-Year Index Performance



Valuation Overview

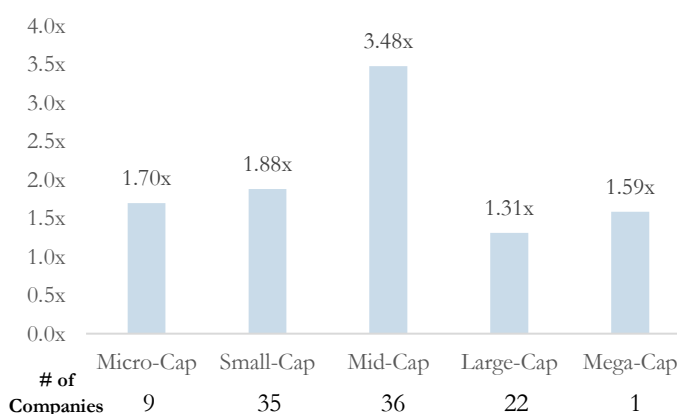
- We also compare valuation metrics for companies across each segment of the healthcare services sector to analyze the correlation of size to value. This exercise is challenging for some micro and small-cap stocks in that we are not as easily able to compare segments by the valuation metric most commonly utilized for healthcare services companies (e.g. Firm Value (FV) / EBITDA) as a number of the stocks in our index are not yet EBITDA positive (14 of the 44, or ~32% of companies in these size categories are not expected to be EBITDA positive in 2022).
- As seen in the graphic below, the evidence that company size correlates to value is less clear for public healthcare services companies. For the small and particularly micro-cap segments, valuations should be considered through the lens of the often volatile trading dynamics of the stocks that swing valuations more dramatically than for larger companies as well as the more limited number of profitable companies included in the data set. On the other hand, companies classified as mid-cap are generally profitable and often are at stages in their life cycles where they can achieve outsized growth, dynamics that drive higher overall multiples. Finally, while large and mega-cap companies are often market leaders, they are usually more mature companies with lower growth profiles, thereby often limiting their trading premium relative to smaller, higher growth peers.
- Finally, while the correlation of market capitalization to valuation is unclear for public healthcare services companies for some of the reasons cited above, data suggests that size is directly correlated to valuation for private transactions, both across the economy broadly and in healthcare services specifically. Refer to page 18 of this newsletter for GF Data’s valuation trends by size over time for additional detail.

Healthcare Services Valuation by Size Comparison

FV/LTM EBITDA⁽¹⁾



FV/LTM Revenue⁽¹⁾



⁽¹⁾ Represents weighted average multiples for all size classifications

Go Private Activity

- At the beginning of 2020, the M&A market was in the latter stages of a decade long bull market with record levels of transaction activity, and importantly, valuations at or near record levels for public and private companies. While interest rates remained at near historic lows, elevated valuation levels were a constraint on the number of healthcare services go-private transactions.
- Over the past decade (since 2013), ten public micro and small-cap healthcare services companies have entered into go-private transactions with private equity firms, including three in 2022. As valuations have declined throughout 2022, public valuations are now at a more attractive level for private equity firms evaluating go-private transactions.

Coker Capital Healthcare Services Newsletter – 4th Quarter 2022

Date Announced	Target	Ticker	Buyer	Transaction Value (\$mm)	TV/Revenue	TV/EBITDA
7/21/2022	Hanger	HNGR	Patient Square Capital	\$1,397.7	1.2x	13.6x
Description: Provides prosthetic, orthotic, and pediatric services at over 875 locations across the US.						
7/12/2022	Sharps Compliance Corp	SMED	Aurora Capital Partners	\$191.9	2.8x	N/M
Description: Provides medical, pharmaceutical, and hazardous waste management services to the healthcare industry across 13 states.						
2/3/2022	SOC Telemed	TLMD	Patient Square Capital	\$398.7	4.2x	N/A
Description: Provides acute-care services and technology to hospitals, physician groups, government organizations, and 19 of the 25 largest health systems in the US.						
12/18/2018	Civitas Solutions	CIVI	Centerbridge Partners	\$1,384.3	0.9x	8.0x
Description: Provides home and community-based health and human services to serve individuals with I/DD across 36+ states.						
1/4/2018	Connecture	CNXR	Francisco Partners	\$113.3	1.5x	N/A
Description: Provides a web-based consumer shopping, enrollment and retention platform for health insurance distribution.						
11/25/2016	Constellation Healthcare	ADVFN	CC Capital Management	\$322.7	3.2x	9.1x
Description: Offers outsourced revenue cycle management, practice management, and group purchasing services to physicians.						
7/13/2016	Imprivata	IMPR	Thoma Bravo	\$521.0	4.0x	N/A
Description: Provides IT security and identity solutions to the healthcare industry in the US and UK.						
12/17/2014	Chindex International	CHDX	TPG Capital; Fosun Industrial Co.	\$383.6	2.0x	24.9x
Description: Provides healthcare services in china through a network of private primary care hospitals and affiliated ambulatory clinics in China.						
9/23/2013	Greenway Medical Technologies	GWAY	Vista Equity Partners	\$643.6	4.7x	N/A
Description: Provides integrated IT solutions and business management services to more than 55,000 healthcare providers in the US.						
1/30/2013	eResearchTechnology	ERT	Genstar Capital	\$423.5	2.2x	10.1x
Description: Develops and provides patient safety and efficacy endpoint data collection solutions for clinical drug development and clinical research needs.						

Micro and Small-Cap Spotlight Summary

The healthcare services sector contains dozens of leading companies profiling as micro and small-cap. Given their somewhat more limited profile due to size, research following, and investor base (among other reasons), many of these companies do not receive the same level of attention as their larger peers.

Over longer periods of measurement, smaller cap stocks across all sectors of the economy have generally outperformed their larger cap peers. For example, the Russell 2000 Index increased ~231% over the twenty years ending 12/31/19 versus a ~120% increase for the S&P 500 Index over this same time period. Since the pandemic, however, smaller cap stocks have underperformed with the Russell 2000 up ~6% (since 12/31/19) versus a ~19% increase for the S&P 500. Micro and small-cap healthcare services stocks have followed this same pattern.

The purpose of this Newsletter has been to provide a spotlight on this segment of the market, review a number of leading companies that compete with this profile and analyze their activity including stock price performance and valuation versus other segments of the market. Based on this review, public micro and small-cap healthcare services companies have generally underperformed their larger peers in recent years, though the correlation of market cap to valuation for smaller healthcare services companies compared to their larger-cap peers is less clear.

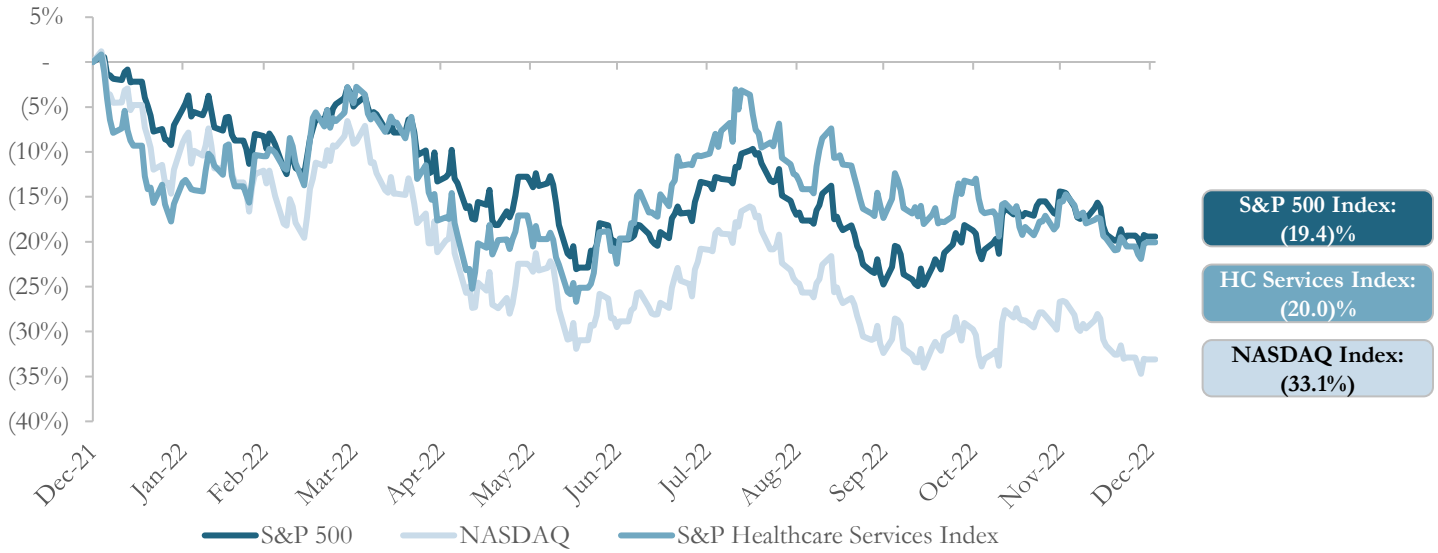
Given the constant pace of change and highly fragmented nature of the healthcare services market, we expect the public markets will continue to support the emergence of micro and small-cap companies and for these businesses to remain well positioned as innovative, and in many cases, leading companies in the markets in which they compete across the healthcare landscape.

Healthcare Services Market Update – December 31, 2022

Healthcare Services Market Update

Healthcare Services Index Stock Performance

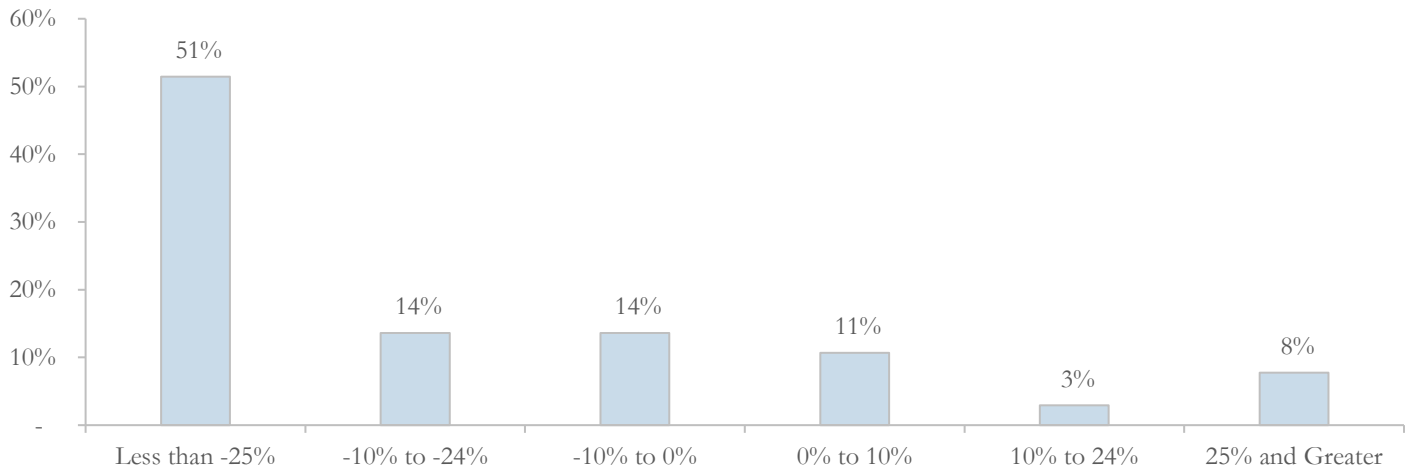
- The S&P Healthcare Services Select Index performed in-line with the broader market in 2022. The Index decreased (20.0%) compared to a (19.4%) decline and (33.1%) decline for the S&P 500 and NASDAQ, respectively.



	Q1 2022	Q2 2022	Q3 2022	Q4 2022
S&P 500 Index	(4.9%)	(16.4%)	(5.3%)	7.1%
NASDAQ Index	(9.1%)	(22.4%)	(4.1%)	(1.0%)
S&P HC Services Select Index	(4.6%)	(18.8%)	6.6%	(3.3%)

Healthcare Services 4th Quarter Stock Performance

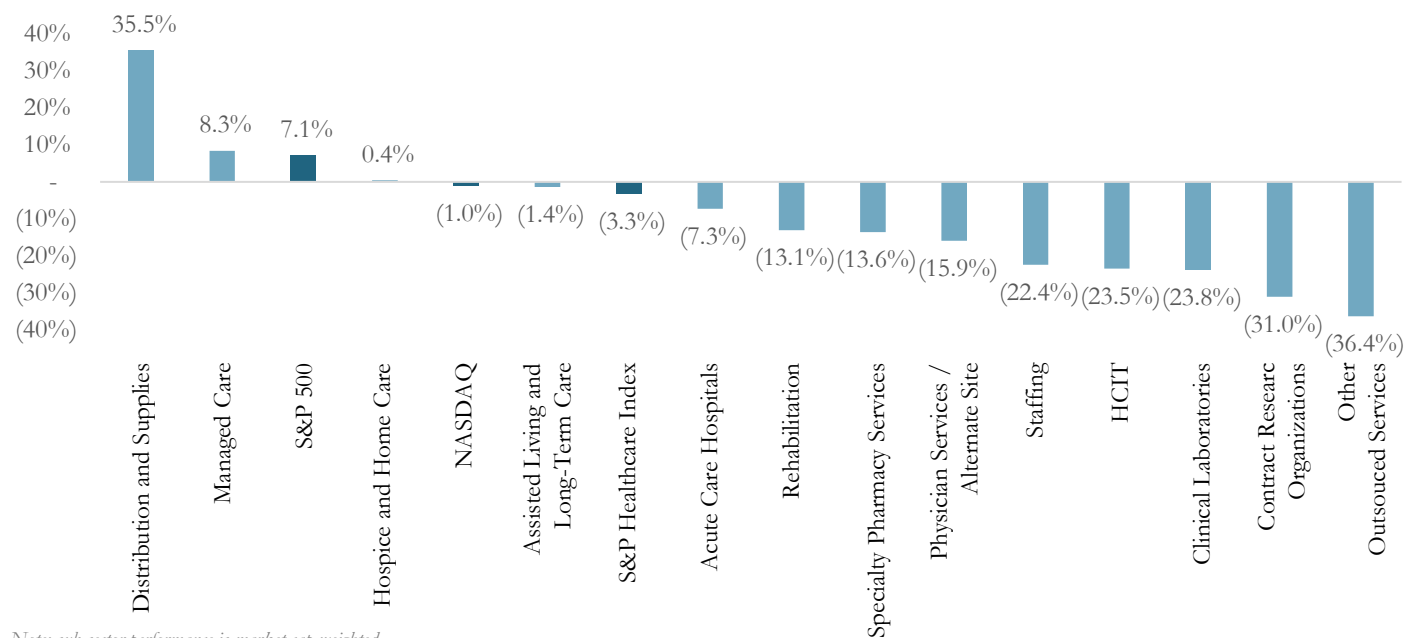
- Coker Capital’s healthcare services comp set includes 103 companies across 13 sub-sectors. 22 of the 103 companies (~21.4%) produced positive returns in Q4 2022 while 81 companies (~78.6%) realized a decline. 8 companies (~7.8%) experienced gains in excess of 25% while 53 companies (~51.5%) experienced declines in excess of 25% in Q4 2022.



Note: Refer to pages 20 – 24 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

Healthcare Services Sub-sector Performance – 4th Quarter 2022

- Individual sub-sector performance has experienced significant variability in Q4 2022 as macro-economic and geopolitical headwinds continue to impact public equities. Distribution and Supplies +35.5%, Managed Care +8.3% and Hospice and Home Care +0.4% were the only sub-sectors to experience positive returns in Q4 2022



Note: sub-sector performance is market cap weighted

Top-Twenty Full Year 2022 Performers

Bottom-Twenty Full Year 2022 Performers

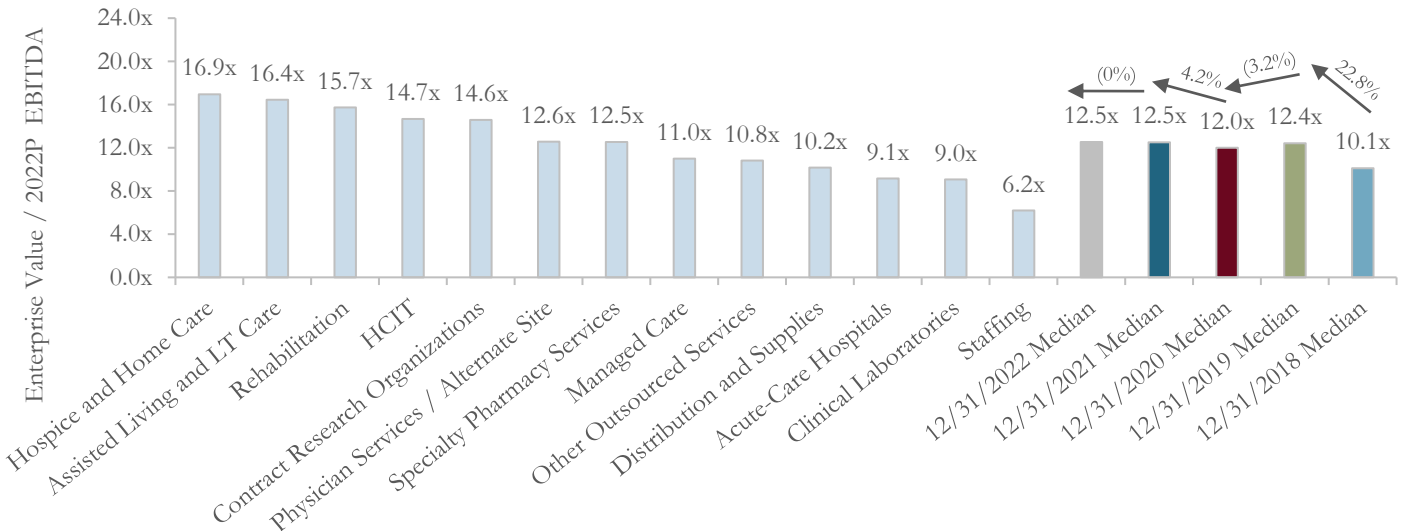
Company	Sub-Sector	Ticker	% Change
Signify Health	Payor Focused HCIT	SGFY	101.5%
McKesson	Distribution and Supplies	MCK	50.9%
Cardinal Health	Distribution and Supplies	CAH	49.3%
Viemed Healthcare	Distribution and Supplies	VMD	44.8%
Cigna	Commercial Payors	CI	44.3%
Innovage	Hospice and Home Care	INNV	43.6%
Health Equity	Consumer Focused HCIT	HQY	39.3%
Acadia	Physician Services / Alternate Site	ACHC	35.6%
AmerisourceBergen	Distribution and Supplies	ABC	24.7%
LHC Group	Hospice and Home Care	LHCG	17.8%
Ensign Group	Assisted Living and Long-Term Care	ENSG	12.7%
Elevance	Commercial Payors	ELV	10.7%
Humana	Government Payors	HUM	10.4%
Universal Health Services	Acute-Care Hospitals	UHS	8.7%
Addus Home Care	Hospice and Home Care	ADUS	6.4%
Option Care	Hospice and Home Care	OPCH	5.8%
United Healthcare	Commercial Payors	UNH	5.6%
NextGen Healthcare	Provider Focused HCIT	NXGN	5.6%
Molina	Government Payors	MOH	3.8%
HenrySchein	Distribution and Supplies	HSIC	3.0%

Company	Sub-Sector	Ticker	% Change
ATI Physical Therapy	Rehabilitation	ATIP	(91.0%)
Aveanna Healthcare	Hospice and Home Care	AVAH	(89.5%)
GoodRX	Consumer Focused HCIT	GDRX	(85.7%)
Smile Direct Club	Other Outsourced Services	SDC	(85.0%)
Cano Health	Tech-enabled Primary Care	CANO	(84.6%)
GoHealth	Payor Focused HCIT	GOCO	(81.6%)
Bright Health	Payor Focused HCIT	BHG	(81.1%)
eHealth	Payor Focused HCIT	EHTH	(81.0%)
The Joint	Rehabilitation	JYNT	(78.7%)
Rite Aid	Specialty Pharmacy Services	RAD	(77.3%)
Clover Health	Payor Focused HCIT	CLOV	(75.0%)
Teladoc Health	Consumer Focused HCIT	TDOC	(74.2%)
Multiplan	Other Outsourced Services	MPLN	(74.0%)
Health Catalyst	Provider Focused HCIT	HCAT	(73.2%)
OptimizeRX	Other HCIT	OPRX	(73.0%)
NeoGenomics	Clinical Laboratories	NEO	(72.9%)
Omnicell	Provider Focused HCIT	OMCL	(72.1%)
Accolade	Consumer Focused HCIT	ACCD	(70.4%)
Oscar Health	Payor Focused HCIT	OSCR	(68.7%)
Community Health Systems	Acute-Care Hospitals	CYH	(67.5%)

Note: Refer to pages 20 – 24 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

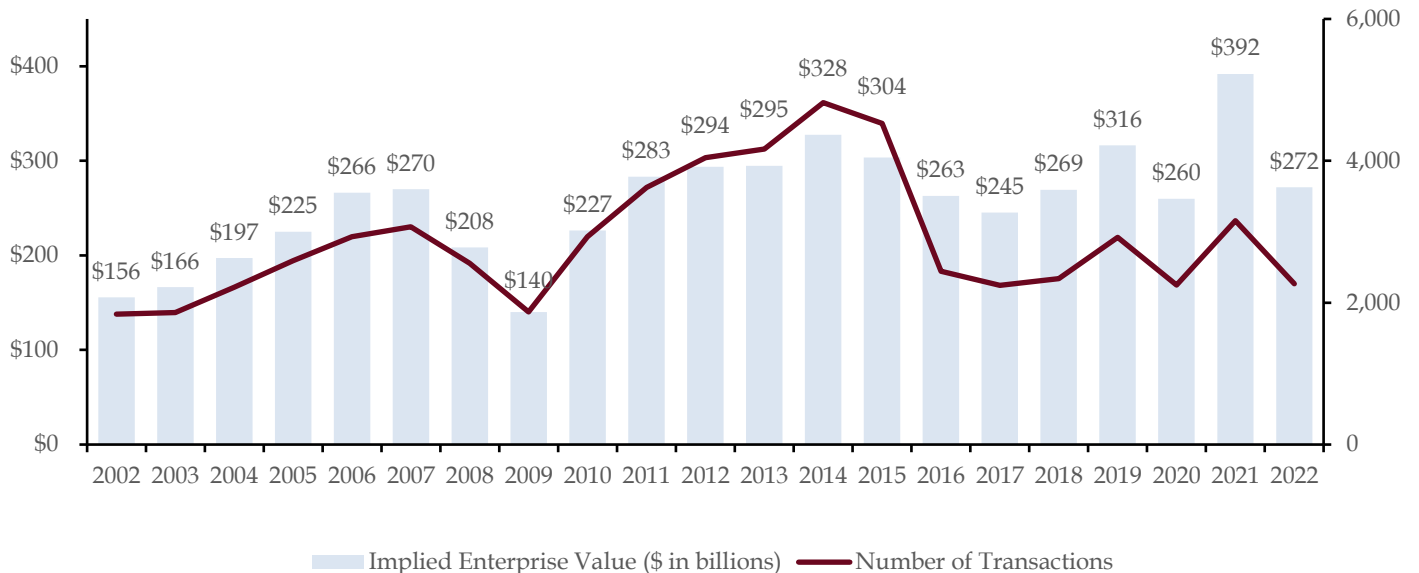
Healthcare Services Sub-sector Valuation Update

- Below is a chart that compares current Firm Value / 2022P EBITDA for each of the 13 Healthcare Services sub-sectors
- The overall median sector FV / 2022P EBITDA across all sub-sectors is 12.5x ranging from Hospice and Home Care and Assisted Living and Long Term Care at the high end (16.9x and 16.4x, respectively) to Clinical Laboratories and Staffing at the low end (9.0x and 6.2x, respectively)



U.S. Middle Market M&A Transaction Activity

- Broader economic headwinds affected U.S. Middle Market M&A activity in 2022, as evidenced by a 28% year-over-year decline in total transaction volume, compared to the record-setting activity in 2021
- Private equity transaction volume decreased in the fourth quarter as increased interest rates and a slowdown in deal financing pushed firms to consider larger equity contributions to complete investments

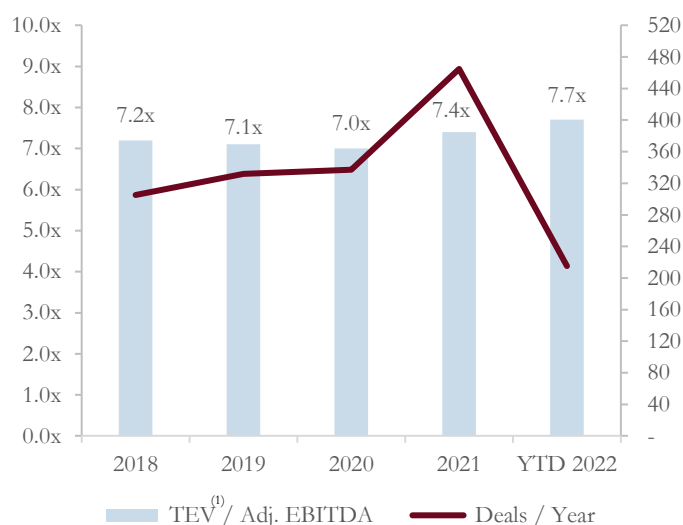


Note: Refer to pages 20 – 24 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
 Source: Pitchbook, Prequin, and S&P Capital IQ

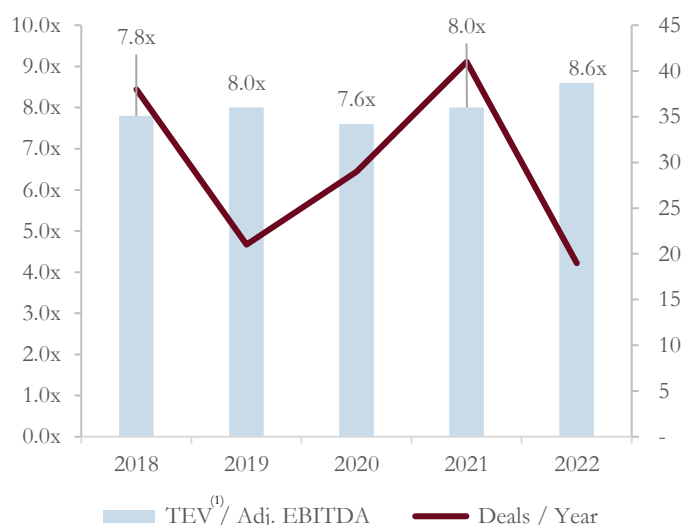
Lower Middle Market Activity: GF Data

- Below represents data from GF Data’s November 2022 report covering deals completed through September 30, 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 \$500 million by collecting transaction information from private equity groups on a blind and confidential basis. 368 private equity firms have provided data on transactions since 2003 with 266 of these firms representing active contributors to the 2022 data. A few takeaways:
 - Average valuations across all industries remained increased slightly in YTD 2022 with an average TEV/EBITDA of 7.7x, compared to the pre-pandemic range of 7.0x – 7.4x that characterized the market since 2018
 - Average valuations across healthcare services increased slightly in YTD 2022 with an average TEV/EBITDA of 8.6x, a premium from valuations reported from 2018-2021 (7.6x – 8.0x)

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	6.0x	6.1x	5.9x	6.1x	6.6x	5.9x
25-50	6.9x	7.0x	6.8x	7.2x	7.1x	6.6x
50-100	8.9x	7.5x	8.0x	8.4x	8.8x	7.7x
100-250	8.8x	9.2x	8.6x	9.3x	9.7x	8.5x
Total	7.2x	7.1x	7.0x	7.4x	7.7x	6.7x
N=	305	332	337	465	215	

TEV / EBITDA – Healthcare Services^(1,2)

TEV	2018	2019	2020	2021	2022	Total
10-25	6.8x	5.5x	6.5x	7.3x	7.5x	6.5x
25-50	7.4x	8.8x	8.1x	7.7x	9.3x	7.7x
50-100	9.3x	8.0x	9.3x	9.8x	9.2x	8.3x
100-250	8.5x	8.9x	9.3x	9.1x	14.7x	8.9x
Total	7.8x	8.0x	7.6x	8.0x	8.6x	7.6x
N=	38	21	29	41	19	

Source: GF Data M&A Report

(1) TEV = Total Enterprise Value

(2) N = number of transactions in data set

**Healthcare Services Trading Comparables –
As of December 31, 2022**

Coker Capital Healthcare Services Newsletter – 4th Quarter 2022

(\$ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES										
Company	Ticker	Price as of 12/31/22	Market Data			Firm Value	Cash and Equivalents	Total Debt	Financial Information		EV (P) / 2022	
			% 52wk High	Market Cap					2022P Revenue	2022P EBITDA	Revenue	EBITDA
Provider Services												
Acute-Care Hospitals												
HCA	HCA	\$239.96	86%	\$67,840.7	\$108,782.7	\$999.0	\$39,472.0	\$60,300.1	\$12,079.5	1.80x	9.0x	
Universal Health Services	UHS	140.89	89%	10,060.4	15,206.5	74.6	5,167.4	13,346.0	1,638.1	1.14x	9.3x	
Tenet Healthcare	THC	48.79	53%	5,275.3	22,500.3	1,208.0	15,093.0	19,104.1	3,423.0	1.18x	6.6x	
Community Health Systems	CYH	4.32	29%	558.0	13,544.0	300.0	12,678.0	12,243.7	1,432.0	1.11x	9.5x	
<i>Weighted Average</i>										1.68x	8.9x	
<i>Median</i>										1.16x	9.1x	
Assisted Living and Long-Term Care												
Ensign Group	ENSG	\$94.61	97%	\$5,203.4	\$6,358.8	\$308.9	\$1,474.8	\$3,012.0	\$386.6	2.11x	16.4x	
National Healthcare Group	NHC	59.50	79%	913.0	873.8	44.5	133.5	N/A	N/A	N/A	N/A	
Brookdale Senior Living	BKD	2.73	36%	510.0	5,228.2	299.2	5,105.3	2,814.6	250.6	1.86x	20.9x	
The Pennant Group	PNTG	10.98	45%	325.8	648.5	3.0	321.1	462.3	67.9	1.40x	9.6x	
<i>Weighted Average</i>										1.78x	13.8x	
<i>Median</i>										1.86x	16.4x	
Hospice and Home Care												
Chemed	CHE	\$510.43	96%	\$7,590.2	\$7,828.7	\$7.8	\$246.3	\$2,133.9	\$451.6	3.67x	17.3x	
Option Care	OPCH	30.09	84%	5,473.4	6,365.1	255.5	1,155.7	3,942.1	338.6	1.61x	18.8x	
LHC Group	LHCG	161.69	95%	5,017.7	5,959.3	10.5	850.0	2,331.9	231.4	2.56x	25.8x	
Amedisys	AMED	83.54	46%	2,714.4	3,312.3	18.0	562.0	2,227.4	255.4	1.49x	13.0x	
Addus Home Care	ADUS	99.49	88%	1,586.9	1,692.8	105.6	211.6	949.4	99.9	1.78x	16.9x	
Innovage	INNV	7.18	91%	973.4	913.4	188.2	107.5	684.0	N/M	1.34x	N/M	
Enhabit	EHAB	13.16	52%	653.0	1,252.8	44.1	610.3	1,076.3	151.4	1.16x	8.3x	
Aveanna Healthcare	AVAH	0.78	10%	145.0	1,570.2	63.7	1,488.8	1,783.7	128.3	0.88x	12.2x	
<i>Weighted Average</i>										2.42x	17.9x	
<i>Median</i>										1.55x	16.9x	
Physician Services / Alternate Site												
Tech-enabled Primary Care												
Agilon Health	AGL	\$16.14	57%	\$6,647.3	\$5,742.5	\$551.3	\$55.0	\$2,679.6	\$4.8	2.14x	N/M	
Oak Street Health	OSH	21.51	61%	5,225.1	6,029.3	204.3	1,342.7	2,152.6	N/M	2.80x	N/M	
One Medical ⁽¹⁾	ONEM	16.71	91%	3,414.7	3,792.8	139.5	645.3	1,046.5	N/M	3.62x	N/M	
Privia Health	PRVA	22.71	51%	2,595.7	2,311.9	316.9	12.2	1,323.6	\$59.7	1.75x	N/M	
Well Health	WELL	2.84	50%	653.6	1,056.2	52.4	367.7	566.9	104.1	1.86x	10.1x	
Caremax	CMAX	3.65	40%	404.8	535.9	53.3	184.4	614.8	\$37.2	0.87x	14.4x	
Cano Health	CANO	1.37	14%	335.1	1,798.5	24.1	1,111.0	2,710.5	\$150.0	0.66x	12.0x	
Other Physician Services / Alternate Site												
Fresenius Medical Care	FME	\$30.57	48%	\$11,077.7	\$25,433.6	\$1,113.6	\$13,785.5	\$19,496.2	\$3,372.4	1.30x	7.5x	
Acadia	ACHC	82.32	92%	7,489.2	9,055.2	93.4	1,571.1	2,593.7	601.9	3.49x	15.0x	
DaVita Healthcare	DVA	74.67	60%	6,728.1	19,863.1	367.5	12,036.7	11,633.8	2,075.7	1.71x	9.6x	
Surgery Partners	SGRY	27.86	44%	3,369.6	8,055.7	154.8	3,569.6	2,523.3	377.9	3.19x	21.3x	
Pediatric Medical Group	MD	14.86	53%	1,217.4	1,931.5	8.7	814.1	1,960.0	241.0	0.99x	8.0x	
RadNet	RDNT	18.83	62%	1,080.1	2,568.9	95.0	1,438.4	1,394.9	195.9	1.84x	13.1x	
Akumin	AKU	0.96	31%	86.1	2,297.6	59.4	1,465.6	747.0	143.9	3.08x	16.0x	
<i>Weighted Average</i>										2.26x	11.5x	
<i>Median</i>										1.85x	12.6x	
Rehabilitation												
Encompass Health	EHC	\$59.81	80%	\$5,968.3	\$9,390.5	\$59.8	\$2,951.2	\$4,335.6	\$810.7	2.17x	11.6x	
Select Medical	SEM	24.83	81%	3,153.0	8,273.5	108.2	5,029.5	6,327.1	664.0	1.31x	12.5x	
US Physical Therapy	USPH	81.03	62%	1,053.5	1,426.9	37.9	263.6	552.9	73.7	2.58x	19.4x	
The Joint	JYNT	13.98	21%	203.1	217.4	10.3	24.5	101.5	11.5	2.14x	19.0x	
ATI Physical Therapy	ATIP	0.31	8%	63.2	921.6	48.6	761.7	637.7	5.0	1.45x	N/M	
<i>Weighted Average</i>										1.94x	12.8x	
<i>Median</i>										2.14x	15.7x	

(1) Announced acquisition by Amazon (NASDAQ: AMZN) on July 21, 2022

Note: N/A represents Not Available and N/M represents Not Meaningful

Source: S&P Capital IQ

Coker Capital Healthcare Services Newsletter – 4th Quarter 2022

PUBLICLY-TRADED HEALTHCARE COMPANIES												
(\$ in millions)												
Company	Ticker	Price as of 12/31/22	Market Data			Firm Value	Cash and Equivalents	Total Debt	Financial Information		EV (P) / 2022	
			% 52wk High	Market Cap					2022P Revenue	2022P EBITDA	Revenue	EBITDA
Information Technology and Solutions												
Provider Focused HCIT												
R1 RCM	RCM	\$10.95	39%	\$4,560.8	\$6,323.6	\$131.1	\$1,897.6	\$1,793.3	\$421.9	3.53x	15.0x	
Premier	PINC	34.98	84%	4,154.3	4,546.6	176.6	568.9	1,351.8	481.7	3.36x	9.4x	
iRhythm Technologies	IRTC	93.67	55%	2,820.5	2,746.3	71.2	129.3	408.7	N/M	6.72x	N/M	
Evolent Health	EVH	28.08	71%	2,798.3	3,118.8	156.8	477.3	1,342.8	101.5	2.32x	N/M	
Omnicell	OMCL	50.42	28%	2,251.2	2,603.2	266.4	618.3	1,286.6	181.4	2.02x	14.4x	
Allscripts Healthcare	MDRX	17.64	76%	1,927.3	1,653.6	492.6	218.8	614.3	171.6	2.69x	9.6x	
Phreesia	PHR	32.36	74%	1,706.9	1,508.2	209.6	10.9	278.6	N/M	5.41x	N/M	
NextGen Healthcare	NXGN	18.78	85%	1,269.6	1,211.1	70.7	12.2	620.9	103.6	1.95x	11.7x	
National Research Corporation	NRC	37.30	87%	920.5	916.4	28.4	24.3	N/A	N/A	N/A	N/A	
Healthstream	HSTM	24.84	93%	759.4	731.6	48.3	24.0	266.3	52.6	2.75x	13.9x	
Health Catalyst	HCAT	10.63	26%	582.0	450.1	124.2	248.2	275.3	N/M	1.63x	N/M	
CPSI	CPSI	27.22	77%	387.3	520.2	15.6	148.5	325.5	56.6	1.60x	9.2x	
CareCloud	MTBC	2.81	40%	42.8	44.9	3.9	6.0	140.0	22.0	0.32x	2.0x	
<i>Weighted Average</i>										3.47x	8.7x	
<i>Median</i>										2.51x	10.7x	
Payor Focused HCIT												
Signify Health ⁽¹⁾	SGFY	\$28.66	96%	\$5,114.9	\$5,226.0	\$461.6	\$372.1	\$849.6	\$219.4	6.15x	23.8x	
Alignment Healthcare	ALHC	11.76	61%	2,202.2	1,799.9	567.4	165.1	1,413.0	N/M	1.27x	N/M	
Oscar Health	OSCR	2.46	23%	528.3	N/M	2,112.9	371.6	5,451.7	N/M	N/M	N/M	
Clover Health	CLOV	0.93	23%	444.2	87.6	382.9	26.2	3,373.4	N/M	0.03x	N/M	
Bright Health Group	BHG	0.65	16%	407.8	97.9	1,605.5	337.1	6,789.2	N/M	0.01x	N/M	
eHealth	EHTH	4.84	17%	132.7	326.1	160.3	102.9	385.6	N/M	0.85x	N/M	
GoHealth	GOCO	10.45	16%	92.9	1,003.9	215.4	713.7	928.8	63.5	1.08x	15.8x	
<i>Weighted Average</i>										3.87x	22.5x	
<i>Median</i>										0.96x	19.8x	
Consumer Focused HCIT												
Health Equity	HQY	\$61.64	78%	\$5,217.2	\$6,005.3	\$210.2	\$998.3	\$856.0	\$268.1	7.02x	22.4x	
Teladoc Health	TDOC	23.65	25%	3,829.6	4,536.3	899.6	1,606.3	2,400.5	244.0	1.89x	18.6x	
Progeny	PGNY	31.15	59%	2,893.3	2,760.3	72.5	8.0	782.5	124.1	3.53x	22.2x	
GoodRX	GDRX	4.66	14%	1,846.2	1,815.9	728.8	698.5	761.1	204.0	2.39x	8.9x	
Hims & Hers	HIMS	6.41	86%	1,331.6	1,138.9	58.0	5.7	520.8	N/M	2.19x	N/M	
American Well	AMWL	2.83	45%	779.4	234.0	332.6	15.8	275.6	N/M	0.85x	N/M	
Accolade	ACCD	7.79	28%	560.4	549.2	330.6	319.4	343.6	N/M	1.60x	N/M	
Benefit Focus	BNFT	10.46	80%	360.6	581.3	55.1	196.6	253.2	44.6	2.30x	13.0x	
<i>Weighted Average</i>										3.79x	19.3x	
<i>Median</i>										2.24x	18.6x	
Other HCIT												
Veeva Systems	VEEV	\$161.38	62%	\$25,125.0	\$22,164.3	\$865.2	\$61.9	\$2,144.0	\$848.7	10.34x	26.1x	
Doximity	DOCS	33.56	52%	6,459.9	5,725.6	73.7	15.6	390.3	152.7	14.67x	N/A	
Certara	CERT	16.07	55%	2,565.9	2,658.9	210.5	306.9	331.0	116.8	8.03x	22.8x	
OptimizeRX	OPRX	16.80	26%	288.2	209.6	41.3	0.3	64.7	6.5	3.24x	32.5x	
<i>Weighted Average</i>										10.92x	21.0x	
<i>Median</i>										9.19x	26.1x	
<i>Total Weighted Average</i>										6.65x	18.9x	
<i>Total Median</i>										2.31x	14.7x	
Clinical and Patient Support Services												
Clinical Laboratories												
LabCorp	LH	\$235.48	74%	\$20,863.5	\$26,826.1	\$409.9	\$6,353.6	\$14,948.0	\$2,965.6	1.79x	9.0x	
Quest Diagnostics	DGX	156.44	90%	17,816.6	21,870.6	700.0	4,640.0	9,799.5	2,078.0	2.23x	10.5x	
Sonic Healthcare	SHL	29.97	64%	14,282.0	16,670.0	780.0	3,013.0	8,684.5	2,140.4	1.92x	7.8x	
NeoGenomics	NEO	9.24	26%	1,167.0	1,335.1	266.1	611.6	501.0	N/M	2.66x	N/M	
<i>Weighted Average</i>										1.99x	9.2x	
<i>Median</i>										2.08x	9.0x	

(1) Announced acquisition by CVS Health (NYSE: CVS) on September 5, 2022

Note: N/A represents Not Available and N/M represents Not Meaningful

Source: S&P Capital IQ

Coker Capital Healthcare Services Newsletter – 4th Quarter 2022

(\$ in millions)		PUBLICLY-TRADED HEALTHCARE COMPANIES										
Company	Ticker	Price as of 12/31/22	Market Data			Firm Value	Cash and Equivalents	Total Debt	Financial Information 2022P		EV (P) / 2022	
			% 52wk High	Market Cap					2022P Revenue	2022P EBITDA	Revenue	EBITDA
Contract Research Organizations												
IQVIA Holdings	IQV	\$204.89	72%	\$38,056.3	\$49,348.3	\$1,274.0	\$12,653.0	\$14,379.0	\$3,338.5	3.43x	14.8x	
Charles River Labs	CRL	217.90	57%	11,086.5	14,289.5	193.7	3,352.6	3,910.0	980.1	3.65x	14.6x	
MedPace	MEDP	212.41	90%	6,588.6	6,855.2	31.0	297.6	1,452.8	306.0	4.72x	22.4x	
Syneos Health	SYNH	36.68	35%	3,774.5	6,636.0	170.0	3,049.3	5,318.1	804.8	1.25x	8.2x	
Sotera Health	SHC	8.33	33%	2,350.0	4,018.2	164.0	1,833.0	1,000.0	504.1	4.02x	8.0x	
<i>Weighted Average</i>										3.50x	14.9x	
<i>Median</i>										3.65x	14.6x	
Staffing												
AMN Health Services	AMN	\$102.82	80%	\$4,455.8	\$5,162.3	\$155.7	\$862.2	\$5,182.8	\$833.8	1.00x	6.2x	
On Assignment	ASGN	81.48	62%	4,065.9	4,996.2	211.2	1,141.5	4,566.6	559.1	1.09x	8.9x	
Cross Country Healthcare	CCRN	26.57	66%	990.9	1,100.4	30.3	139.7	2,773.2	299.2	0.40x	3.7x	
<i>Weighted Average</i>										0.98x	7.1x	
<i>Median</i>										1.00x	6.2x	
Managed Care												
Government Payors												
Humana	HUM	\$512.19	90%	\$64,843.4	\$62,182.4	\$13,558.0	\$10,834.0	\$92,939.0	\$4,958.3	0.67x	12.5x	
Centene	CNC	82.01	83%	46,439.0	53,238.0	14,987.0	21,564.0	144,394.4	5,517.5	0.37x	9.6x	
Molina	MOH	330.22	88%	19,284.8	17,434.8	4,242.0	2,392.0	31,652.0	1,587.7	0.55x	11.0x	
<i>Weighted Average</i>										0.54x	11.3x	
<i>Median</i>										0.55x	11.0x	
Commercial Payors												
United Healthcare	UNH	\$530.18	95%	\$495,373.2	\$513,470.2	\$38,845.0	\$48,667.0	\$324,028.0	\$31,536.2	1.58x	16.3x	
Elevance	ELV	512.97	93%	122,511.4	137,645.4	8,872.0	23,954.0	155,592.0	11,074.4	0.88x	12.4x	
CVS Health	CVS	93.19	84%	122,448.6	173,859.6	17,197.0	71,072.0	313,920.0	19,965.9	0.55x	8.7x	
Cigna	CI	331.34	97%	101,303.6	126,395.6	7,079.0	32,079.0	180,499.0	11,503.0	0.70x	11.0x	
<i>Weighted Average</i>										1.23x	14.0x	
<i>Median</i>										0.79x	11.7x	
<i>Total Median</i>										0.67x	11.0x	
Other Outsourced Services												
Corvel	CRVL	\$145.33	69%	\$2,509.2	\$2,470.5	\$75.6	\$36.9	N/A	N/A	N/A	N/A	
Agility	AGTI	16.31	69%	2,174.7	3,291.5	32.2	1,161.6	1,112.8	294.5	2.96x	11.2x	
ModivCare	MODV	89.73	60%	1,268.6	2,215.0	72.7	1,019.0	2,468.9	214.4	0.90x	10.3x	
Healthcare Services Group	HCSG	12.00	58%	889.1	814.9	19.6	39.2	1,689.0	54.7	0.48x	14.9x	
Multiplan	MPLN	1.15	19%	735.0	5,213.3	439.1	4,917.5	1,083.4	772.1	4.81x	6.8x	
Smile Direct Club	SDC	0.35	11%	42.9	290.4	120.2	816.1	483.0	N/M	0.60x	N/M	
<i>Weighted Average</i>										1.52x	7.3x	
<i>Median</i>										0.90x	10.8x	
Specialty Pharmacy Services												
CVS Health	CVS	\$93.19	84%	\$122,448.6	\$173,859.6	\$17,197.0	\$71,072.0	\$313,920.0	\$19,965.9	0.55x	8.7x	
Walgreens Boots Alliance	WBA	37.36	68%	32,216.8	71,278.8	1,358.0	36,413.0	130,792.1	5,703.6	0.54x	12.5x	
Rite Aid	RAD	3.34	21%	188.8	6,452.7	103.1	6,199.4	23,529.0	449.8	0.27x	14.3x	
<i>Weighted Average</i>										0.55x	9.5x	
<i>Median</i>										0.54x	12.5x	

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

Coker Capital Healthcare Services Newsletter – 4th Quarter 2022

(\$ in millions)												
PUBLICLY-TRADED HEALTHCARE COMPANIES												
Company	Ticker	Price as of 12/31/22	Market Data			Firm Value	Cash and Equivalents	Total Debt	Financial Information		EV (P) / 2022	
			% 52wk High	Market Cap	2022P Revenue				2022P EBITDA	Revenue	EBITDA	
Distribution and Supplies												
DME												
AdaptHealth	AHCO	\$19.22	70%	\$2,589.5	\$4,807.3	\$110.7	\$2,327.4	\$2,983.1	\$634.6	1.61x	7.6x	
Viemed Healthcare	VMD	7.56	94%	390.5	367.5	21.5	4.8	139.2	28.6	2.64x	12.9x	
Quipt Home Medical	QIPT	6.32	83%	225.0	249.8	8.5	26.6	202.5	42.8	1.23x	5.8x	
<i>Weighted Average</i>										1.71x	8.1x	
<i>Median</i>										1.61x	7.6x	
Other Distribution												
McKesson	MCK	\$375.12	93%	\$53,189.6	\$58,099.6	\$2,916.0	\$7,308.0	\$269,850.9	\$5,157.0	0.22x	11.3x	
AmerisourceBergen	ABC	165.71	95%	33,486.4	37,106.4	3,388.2	6,725.3	239,656.7	3,477.5	0.15x	10.7x	
Cardinal Health	CAH	76.87	94%	20,150.2	21,926.2	3,492.0	5,267.0	186,070.7	2,275.2	0.12x	9.6x	
HenrySchein	HSIC	79.87	86%	10,826.2	13,288.2	123.0	1,388.0	12,632.4	1,124.5	1.05x	11.8x	
Patterson Companies	PDCO	28.03	79%	2,720.8	3,330.3	140.3	756.4	6,444.4	328.0	0.52x	10.2x	
Owens and Minor	OMI	19.53	40%	1,488.9	4,261.9	76.8	2,849.8	9,872.8	528.9	0.43x	8.1x	
<i>Weighted Average</i>										0.27x	10.8x	
<i>Median</i>										0.32x	10.4x	
<i>Total Median</i>										0.52x	10.2x	

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