

Coker Capital's Healthcare Services Newsletter – July 2020

In this issue of the Coker Capital Healthcare Services Newsletter, we provide an update on Healthcare Services activity through the 1st Half of 2020. In addition, we spotlight Telehealth and review trends and activity across that sector.

Market Performance

- The S&P Healthcare Services Select Index⁽¹⁾ underperformed the broader market in Q2 2020, increasing +18.0% versus +20.0% and +30.6% increases for the S&P 500 and NASDAQ, respectively
 - Sub-sectors that have experienced the largest increase in 2020 YTD include HCIT (+25.3%), Physician Services and Alternate Site (+13.2%), and Hospice and Home Health (+12.5%)
 - Hospitals (35.4%), Behavioral Health (33.2%), and Long-term Care (28.7%) have declined the most 2020 YTD

Refer to Pages 3 – 4 for additional detail

Valuation Update

- The Firm Value (FV) / 2020P EBITDA multiple for the 93 companies in Coker Capital's healthcare services comp set was 12.6x as of 6/30/2020
 - 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 healthcare services valuation trends during past recessionary periods and spotlight recovery patterns and timelines

Refer to Pages 5 – 6 for additional detail

M&A Activity

- Middle Market M&A volume and transaction counts have declined in the 1st Half of 2020 due to COVID-19 related uncertainties
 - Activity levels in the 1st Half of 2020 were materially lower than all levels recorded during the 2010 – 2019 bull market

Refer to Page 7 for additional detail

Telehealth Sector Update

- In this edition of the Newsletter, we spotlight recent trends and activity across the Telehealth sector

Refer to Pages 9 – 22 for additional detail

Trading Comps

- *Refer to Pages 24 – 27 for detailed trading comps by sub-sector for the 93 companies in Coker Capital's healthcare services comp set*

July, 2020

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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(1) S&P Capital IQ based on market capitalization weighted index value, as of market close 6/30/2020

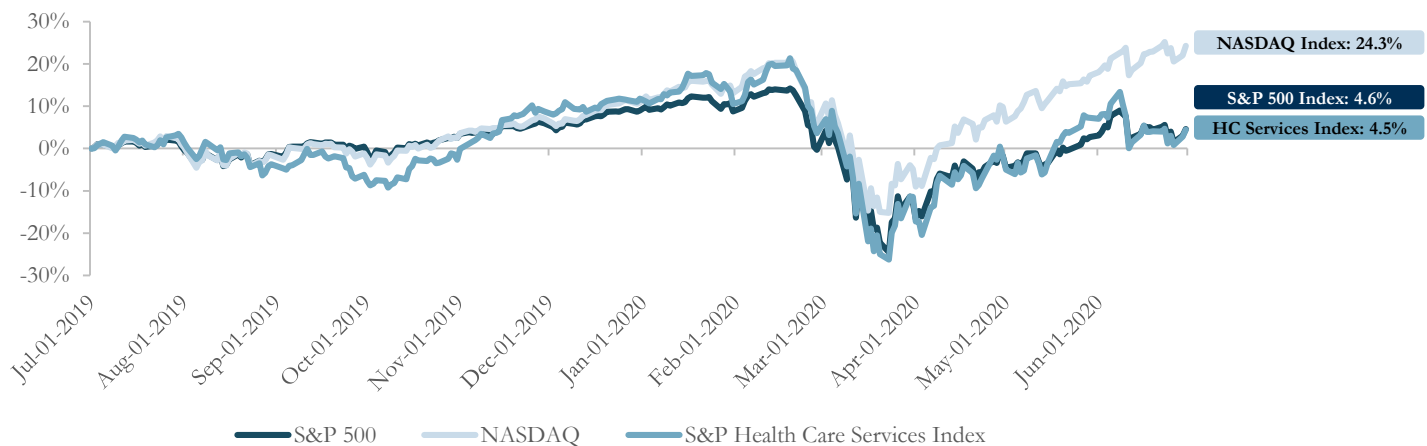
Healthcare Services Market Update

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Healthcare Services Market Update

Healthcare Services Index Stock Performance

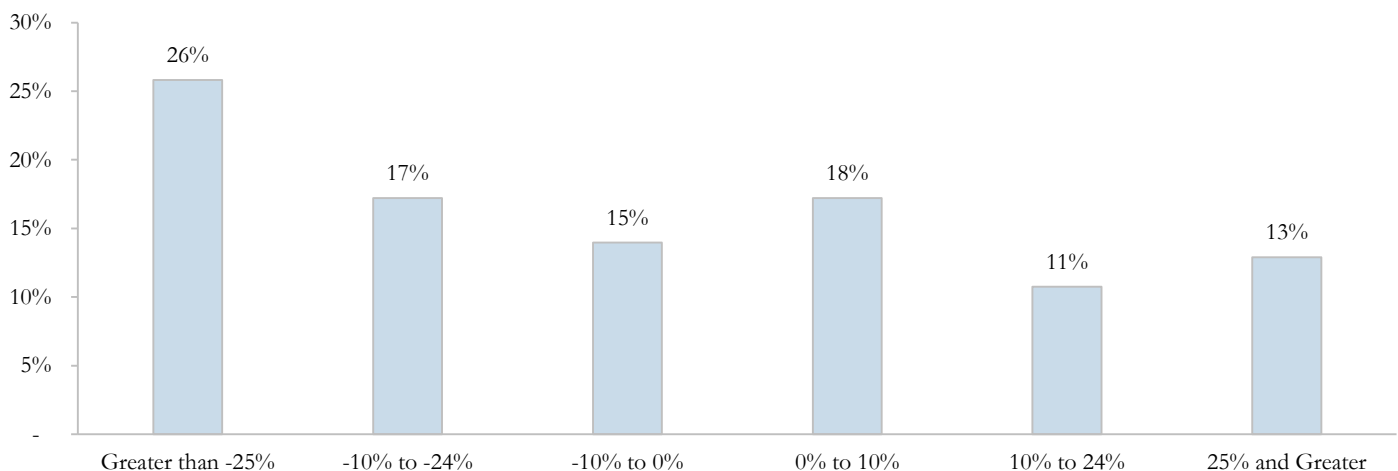
- The S&P Healthcare Services Index has underperformed the broader market indices over the last twelve months ending June 30, 2020. The Index increased +4.5% compared to a +4.6% increase and a +24.3% increase for the S&P 500 and NASDAQ, respectively
- In the 1st Half of 2020, the Index also underperformed the broader market declining 6.5% versus a 4.0% decline and +12.1% increase for the S&P 500 and NASDAQ, respectively



	Q3 2019	Q4 2019	Q1 2020	Q2 2020
S&P 500 Index	0.4%	8.5%	(20.0%)	20.0%
NASDAQ Index	(1.1%)	12.2%	(14.2%)	30.6%
HC Services Index	(6.2%)	19.2%	(20.8%)	18.0%

Healthcare Services 1st Half 2020 Company Stock Performance

- Coker Capital's healthcare services comp set includes 93 companies across 14 sub-sectors. 38 of the 93 companies (41%) have produced positive returns in 2020 YTD while 55 companies (59%) realized a decline. 12 companies (13%) experienced gains in excess of 25% while 25 companies (26%) experienced declines in excess of 25% in 2020 YTD

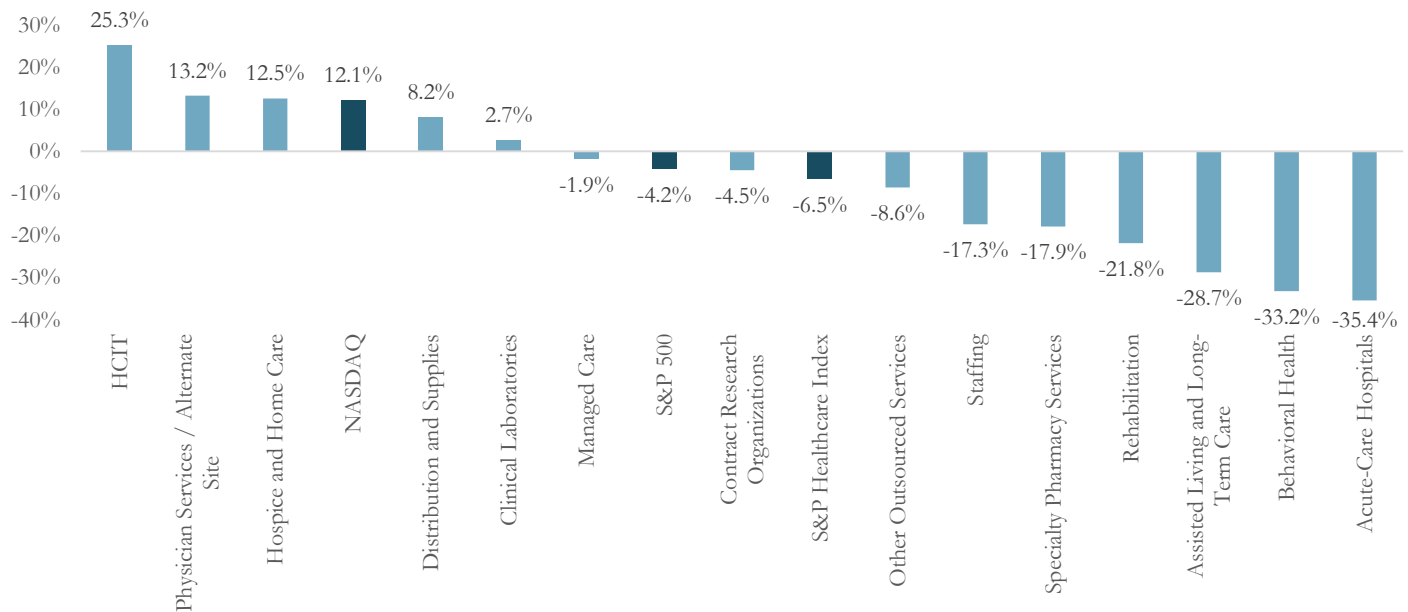


Note: Refer to pages 24 – 27 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

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Healthcare Services Sub-sector Performance – 1st Half 2020

- Individual sub-sector performance has been highly variable in the 1st half of 2020 due in large part to the impact of COVID-19 on the US and global economies. HCIT (+25.3%), Physician Services / Alternate Site (+13.2%), Hospice and Home Health (+12.5%), and Distribution and Supplies (+8.2%) performed the best



Top-Twenty 1st Half 2020 Performers

Company	Sub-Sector	Ticker	% Change
Livongo	Consumer Focused HCIT	LVGO	200.0%
Teladoc Health	Consumer Focused HCIT	TDOC	128.0%
MTBC	Provider Focus HCIT	MTBC	104.2%
iRhythm Technologies	Provider Focus HCIT	IRTC	70.2%
Veeva Systems	Other HCIT	VEEV	66.7%
One Medical	Physician Services / Alternate Site	ONEM	64.6%
Owens and Minor	Distribution and Supplies	OMI	47.4%
Adapthealth	Distribution and Supplies	AHCO	46.6%
Providence Service Corp	Other Outsourced Services	PRSC	33.3%
Molina	Government Payors	MOH	31.2%
LHC Group	Hospice and Home Care	LHCG	26.5%
Amedisys	Hospice and Home Care	AMED	18.9%
AmerisourceBergen	Distribution and Supplies	ABC	18.5%
Fresenius Medical Care	Physician Services / Alternate Site	FME	15.7%
Charles River Labs	Contract Research Organizations	CRL	14.1%
McKesson	Distribution and Supplies	MCK	10.9%
MedPace	Contract Research Organizations	MEDP	10.7%
Rite Aid	Specialty Pharmacy Services	RAD	10.3%
HMS Holdings	Payor Focus HCIT	HMSY	9.4%
Patterson Companies	Distribution and Supplies	PDCO	7.4%

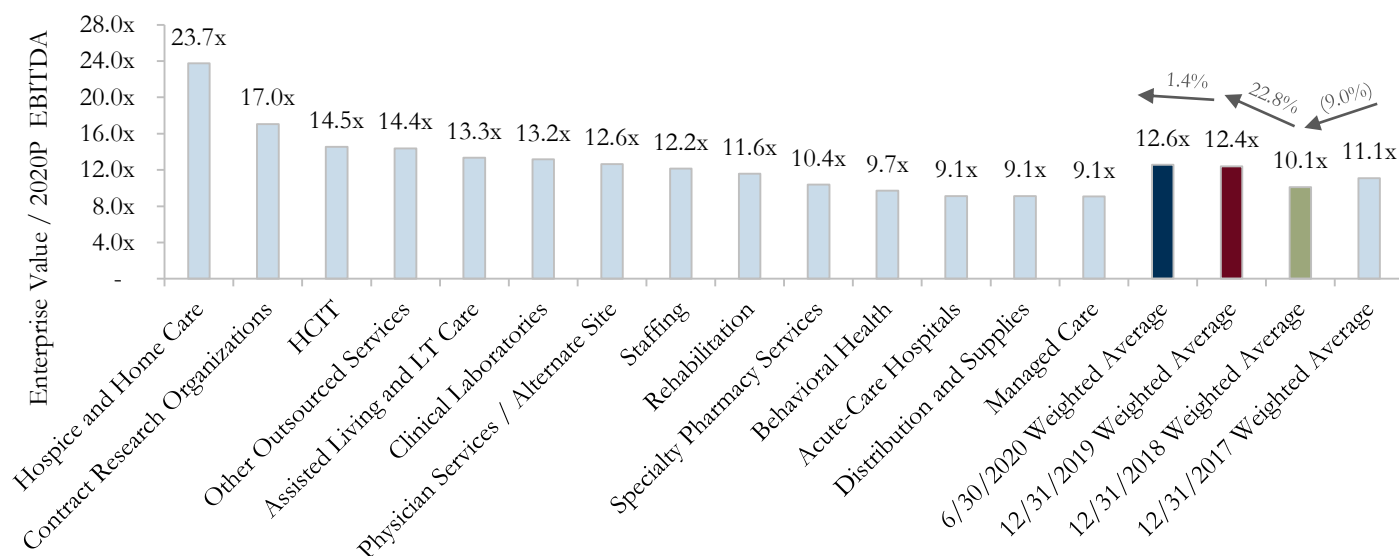
Bottom-Twenty 1st Half 2020 Performers

Company	Sub-Sector	Ticker	% Change
Quorum Health	Acute-Care Hospitals	QHCC.Q	(87.9%)
Capital Senior Living	Assisted Living and Long-Term Care	CSU	(77.0%)
Brookdale Senior Living	Assisted Living and Long-Term Care	BKD	(59.4%)
Genesis Healthcare	Assisted Living and Long-Term Care	GEN	(57.9%)
Tenet Healthcare	Acute-Care Hospitals	THC	(52.4%)
Benefit Focus	Consumer Focused HCIT	BNFT	(51.0%)
Cross Country Healthcare	Staffing	CCRN	(47.0%)
Tivity Health	Other Outsourced Services	TVTY	(44.3%)
Hanger	Rehabilitation	HNGR	(40.0%)
Psychemedics	Clinical Laboratories	PMD	(39.3%)
Mednax	Physician Services / Alternate Site	MD	(38.5%)
Castlight Health	Consumer Focused HCIT	CSLT	(37.6%)
American Renal Associates	Physician Services / Alternate Site	ARA	(37.1%)
Select Medical	Rehabilitation	SEM	(36.9%)
Universal Health Services	Acute-Care Hospitals	UHS	(35.3%)
HCA	Acute-Care Hospitals	HCA	(34.3%)
NextGen Healthcare	Provider Focus HCIT	NXGN	(31.7%)
Change Healthcare	Provider Focus HCIT	CHNG	(31.7%)
The Pennant Group	Assisted Living and Long-Term Care	PNTG	(31.7%)
Allscripts Healthcare	Provider Focus HCIT	MDRX	(31.0%)

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Healthcare Services Sub-sector Valuation Update

- Below is a chart that compares current Firm Value / 2020P EBITDA for each of the 14 Healthcare Services sub-sectors. The sectors are ranked from left to right by highest valuation
- The overall sector FV / 2020P EBITDA across all sub-sectors is 12.6x ranging from Hospice and Home Care at the high end (23.7x) to Managed Care at the low end (9.1x)
 - Public company valuations remain in flux as analysts and companies continue to struggle to project the impact of the current economic crisis on 2020 expected results



	Hospice and Home Care	Contract Research Organizations	HCIT	Other Outsourced Services	Assisted Living and LT Care	Clinical Laboratories	Physician Services / Alternate Site	Staffing	Rehabilitation	Specialty Pharmacy Services	Behavioral Health	Acute-Care Hospitals	Distribution and Supplies	Managed Care
12/31/2019	22.8x	15.8x	14.2x	11.7x	16.8x	12.0x	11.4x	13.3x	12.6x	10.4x	10.3x	9.1x	8.8x	10.4x
6/30/2020	23.7x	17.0x	14.5x	14.4x	13.3x	13.2x	12.6x	12.2x	11.6x	10.4x	9.7x	9.1x	9.1x	9.1x
Change	4%	8%	2%	23%	(20%)	9%	11%	(8%)	(8%)	0%	(6%)	(0%)	3%	(13%)

Healthcare Services Firm Value / LTM EBITDA January 2013 – June 2020

- The chart below tracks the Firm Value / LTM EBITDA for all 93 companies in our Healthcare Services comp set from 1/1/2013 through 6/30/2020
 - The Healthcare Services sector traded at 10.9x FV / LTM EBITDA as of 6/30/2020. The sector reached its peak at 12.7x on 2/20/2019 and reached its trough 7.6x on 1/3/2013



Note: Refer to pages 24 – 27 for details on the specific companies included in each Healthcare Services sub-sector noted above; index values weighted by market capitalization
Source: Capital IQ

Valuation Trends During Recessionary Periods

Overview

- While past recessionary environments can provide insight into expected valuation declines during a recessionary period, the drivers of the current economic downturn are unique

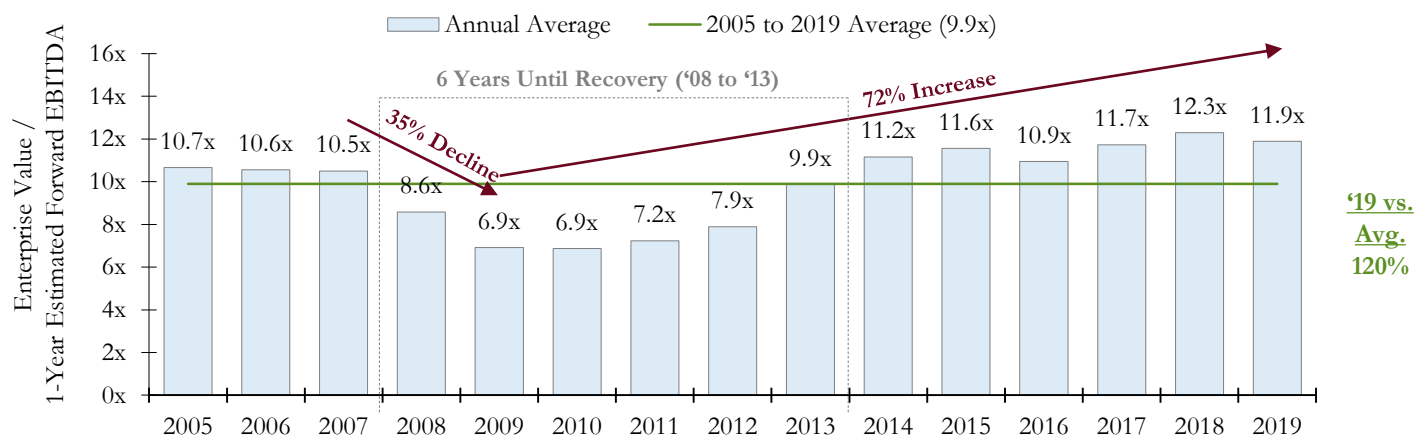
Magnitude of Valuation Changes

- During the 2008 Recession, the valuation of the S&P Healthcare Services Index experienced a dramatic decline
 - In 2008, the initial year of the 2008 Recession, valuations declined ~18% (10.5x to 8.6x)
 - Peak to trough, valuations declined ~35% (10.5x to 6.9x)
 - After bottoming in 2009, valuation multiples increased ~72% through 2019
- Similarly, M&A valuations experienced a substantial decline due to the 2008 Recession
 - Between 2007 and 2009, valuation multiples declined ~25% (8.9x to 6.6x)
 - After bottoming in 2009, valuation multiples increased ~58% through 2018

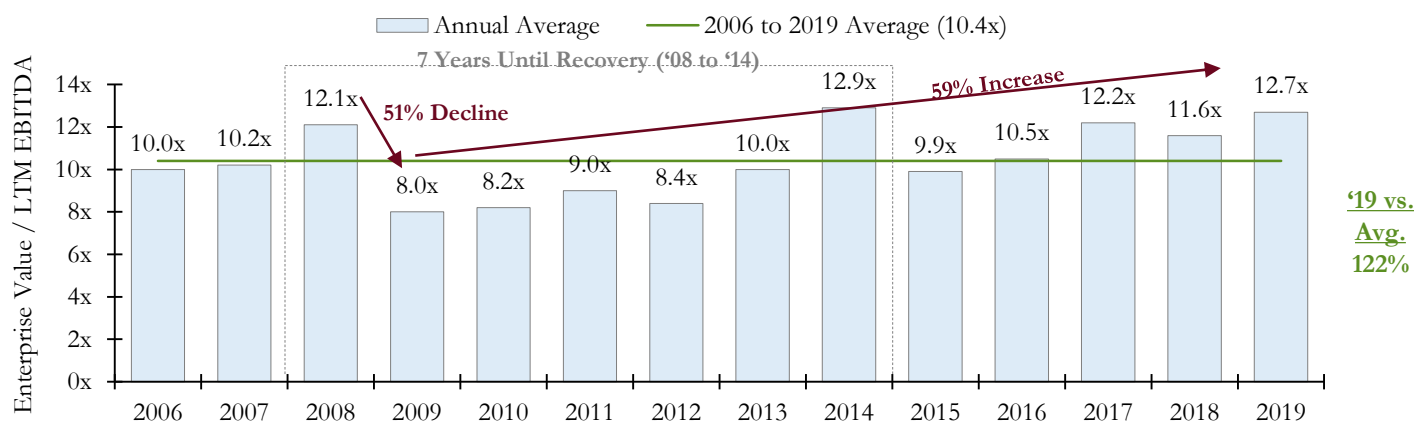
Valuation Recovery Time

- The 2008 Recession ended in 2nd Half 2009, however valuation multiples did not return to pre-Recession levels until 2013, six years after the 2008 Recession began
 - While the Healthcare Service Index hit a trough valuation multiple of 8.6x FV / LTM EBITDA as of 3/23/2020, the Index's valuation has rebounded ~27% to 10.9x as of 6/30/20

S&P Healthcare Services Index Valuation Multiples⁽¹⁾



M&A Valuation Multiples⁽²⁾



Note: S&P Healthcare Services represents the S&P Health Care Services Select Industry Index (SPSIHP), which is a weighted average

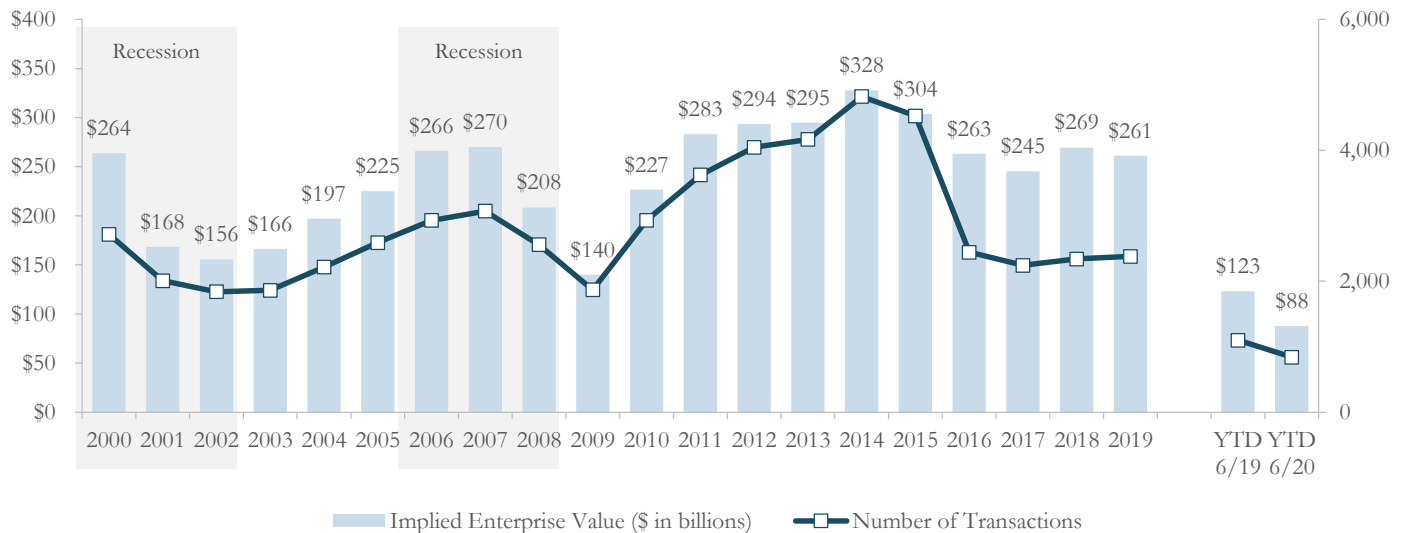
(1) Source: S&P Capital IQ; represents EV / 1-Year Estimated EBITDA and the January to December average during each year

(2) Source: PitchBook Annual PE report; represents EV / LTM EBITDA for U.S. private equity transactions

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

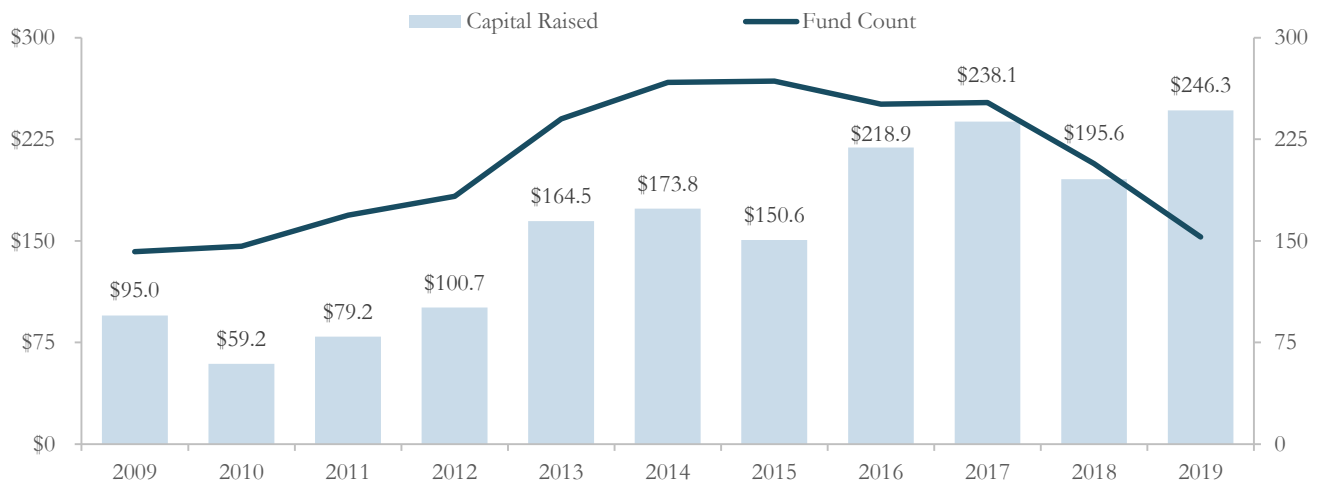
U.S. Middle Market M&A Activity

- Entering 2020 in the 11th year of a bull market, U.S. dealmaking activity declined significantly in the 1st half of 2020 with total deal values of \$88 billion through 6/30, a ~28% decline from the same period in 2019
 - Total transactions through 6/30/20 totaled 841, down ~23% from the 1,099 during the same period of 2019
- Total annualized M&A transaction in 2020YTD totaled \$176 billion, a ~36% decline from the average level of ~\$277 billion recorded during the 10 year bull market from 2010 – 2019



Private Equity Capital Raised & Fund Count ⁽¹⁾

- Private equity firms are raising fewer, larger funds, and struggling to deploy capital at the same pace at which it is raised



(1) As of November 2019

Source: Pitchbook, Preqin, and S&P Capital IQ

Telehealth Industry Update

Introduction

No sector of the healthcare industry has garnered as much attention in the past few months as telehealth. The novel coronavirus and its associated disease, COVID-19, sent most of the world homebound in the short term and has changed both personal and business interactions for the foreseeable future. Short-term restrictions on non-essential medical services led providers to either close or sustain volumes as low as 20% of normal capacity. Restrictions on visitations to acute and post-acute care facilities, particularly those treating seniors, limited access by visitors and many outside care providers, changing how care providers managed patient and administrative workflow within their facilities. Beyond imposed restrictions, many individuals are merely afraid to visit medical facilities out of concern for contracting the virus.

As a result, patients and providers shifted to telehealth to help bridge the care gap. In just the past few months, telehealth volumes increased significantly. According to McKinsey & Company's COVID-19 consumer survey conducted in April, consumer adoption of telehealth went from 11% of U.S. consumers using telehealth in 2019 to 46% of consumers now using telehealth to replace canceled healthcare visits. This has likely increased substantially since the publication of the McKinsey report. While some attribute this to the pandemic promoting greater awareness of the benefit of online consultations, others believe the spike is short-term given the use of telehealth as a stop-gap for care as patients are either unable or unwilling to go to doctors' offices. Reality likely falls somewhere in-between the two. Notably, both commercial and public payors have adjusted reimbursement models to accommodate telehealth and many individuals are more willing to pay out-of-pocket for access and convenience of getting care from home. As businesses have started opening in stages with social distancing plans in place (to the extent possible), we expect telehealth will continue to gain momentum and acceptance.

Telehealth Overview

Telehealth is by no means new or a result of the COVID-19 pandemic. It has evolved over, at least, the last decade as technology advancements have made virtual / connected care more viable and changes in culture have made it more socially acceptable. Even pre-COVID-19, public and private equity sources invested billions of dollars into companies like Teladoc Health and American Well ("AmWell") in the hopes that telehealth will make care more accessible, more affordable, and result in better patient outcomes. Over the past ten years, this investment includes nearly \$1.3 billion raised by Teladoc between its Initial Public Offering and convertible notes issuance. In addition, at least \$4.0 billion has been raised by private telehealth companies from early-stage investors such as venture capital and angel investors. The hope has been that telehealth will help the more chronic patients to better manage their conditions to improve treatment plans and that the general public will more actively engage in healthcare to avoid more serious illnesses, each helping to improve outcomes and avoid more invasive and expensive care (e.g., hospitalizations and readmissions).

Providers, payors, and patients have been looking to telehealth to minimize disruption along the healthcare continuum and increase access to care. This is taking many forms across the healthcare continuum. Whether through necessity resulting from COVID-19 or choice resulting from a connected culture, patients have become more receptive and even seek ways to replace in-office visits with video consultations augmented by phone or text/email follow-up. Providers use telehealth to address a few complementary dynamics:

- Putting technology platforms in place to meet the demand for patient engagement
- Using telehealth to enhance the level of care they can provide through expanded coverage in rural areas or to augment coverage during peak and non-peak hours
- Better managing workflow

Telehealth Overview (Cont'd)

Select Telehealth Companies (by Setting)

Primary / Urgent Care



Behavioral Health



Other Medical Specialties



Acute and Post Acute



Other



Technology Platform / Care Provider

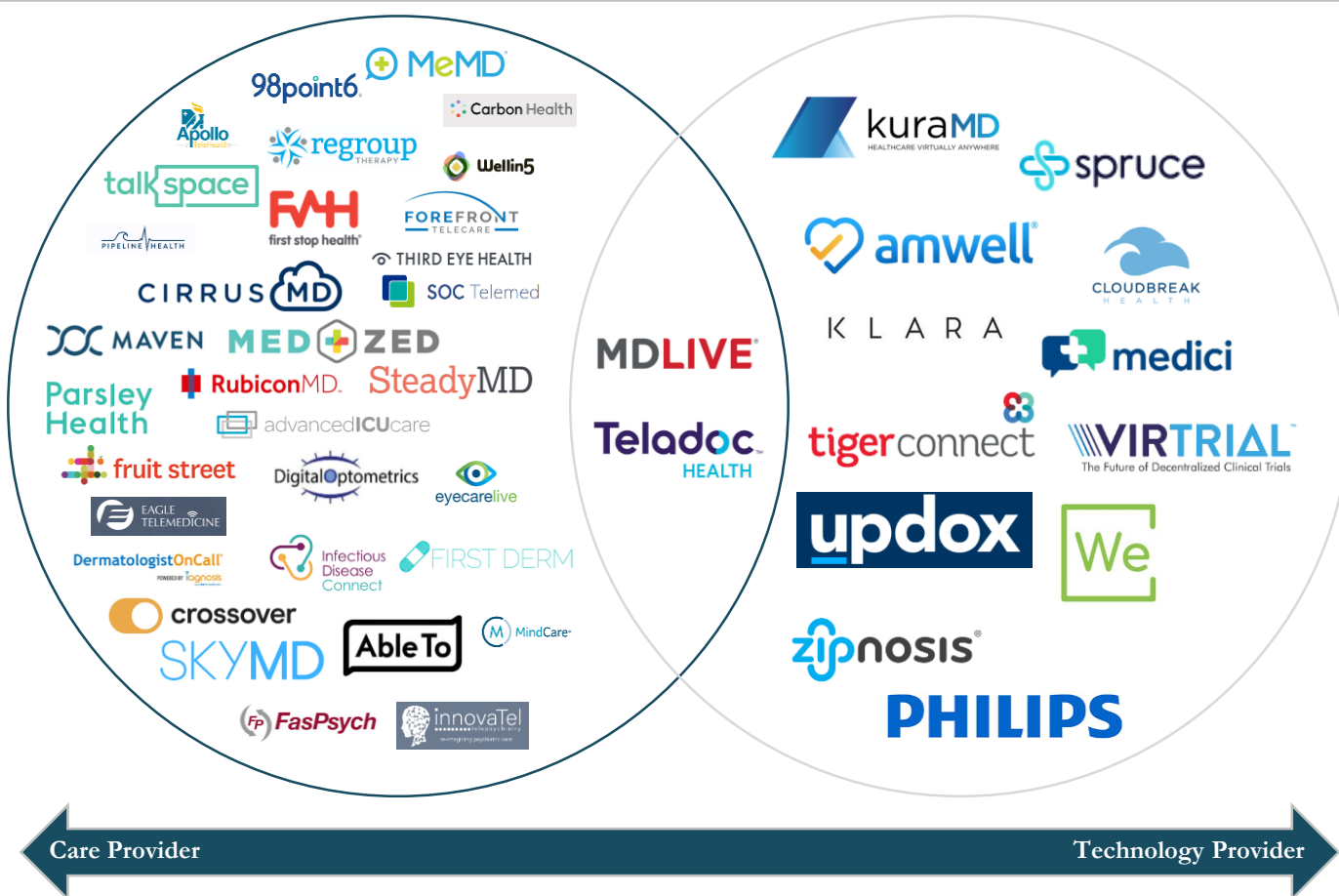


Telehealth Overview (Cont'd)

One can look at telehealth from a few different lenses, broadly including:

- 1) Whether a company offers a technology platform / software (e.g., AmWell, TigerText, Medici Technologies, doxy.me) that enables providers to build their telehealth capabilities or offers direct care to patients for primary care or specialty services (e.g., Teladoc)
- 2) Whether a company offers its care services directly to the consumer (e.g., Teladoc, Maven, MDLive, Ableto, TalkSpace) for primary or specialty care or offers its care services to the provider (e.g., ForeFront TeleCare, Advanced ICU) to allow the provider to offer broader services or cover other gaps in care coverage
- 3) Whether a client pays for care directly on a fee-for-service or subscription basis (e.g., TalkSpace, Maven Clinic, Parsley Health) or the company contracts directly with health plans to offer to their members or employer groups to offer to their employees (e.g., Teladoc) as part of the medical benefit

Select Telehealth Companies (Care Providers vs. Technology Platform Providers)



Telehealth Overview (*Cont'd*)

A few notable industry observations include:

Primary Care and Behavioral Health Have Led Direct to Consumer Strategies

- Historically, behavioral health is an area that garners a lot of attention among telehealth providers
 - With 20% of adults struggling with mental health conditions and the consultative nature of therapy, behavioral health was a logical starting point for telehealth as it is easily adoptable and often well received by patients who prefer the comfort of their homes to hold private sessions
 - One challenge in behavioral telehealth is the ability to administer certain neurological and cognitive tests
- Primary care and urgent care telehealth programs represent examples of other areas continuing to gain traction
 - Consumer-driven telehealth programs essentially function like concierge medical practices that offer more direct access to providers on a subscription basis
 - The main benefit of these practices is the inclusion of online tools to actively engage patients and promote general wellness, which has a positive effect on longer-term compliance with care plans and patient outcomes. This also helps reduce emergency room and urgent care visits for patients seeking care for more routine matters
- Other medical specialties gaining traction include dermatology, dentistry, eye care, and women's and men's health

Notable Shifts in Reimbursement in Response to COVID-19

- The reimbursement and regulatory environments continue to evolve favorably for telehealth
 - Both public and private payors have responded quickly to address care in the current COVID-19 environment
 - In March 2020, the Centers for Medicare & Medicaid Services ("CMS") released a temporary waiver to allow payment for more than 80 additional services
 - Additionally, the Office for Civil Rights and the Department of Health and Human Services (HHS) loosened restrictions on the use of non-HIPAA compliant communications such as Skype, Updox, WebEx, and other online communications tools
 - In June 2020, Senators Marsha Blackburn (R-TN) and Ted Cruz (R-TX) introduced the Equal Access to Care Act to Congress to allow the use of telehealth by licensed providers in any state to treat patients in any location for up to 180 days after the end of the national emergency
- Even before COVID-19, federal and state legislators were supporting the expansion of telehealth
 - The Bipartisan Budget Act of 2018 included provisions to expand telehealth coverage for additional disease categories and plan types
 - Almost every state offers Medicaid reimbursement for some level of live video care suggests telehealth has expanded dramatically at both the state and federal level
- Beyond public support, commercial payors have extended access to telehealth through temporary coverage expansion and waiver of copayments
 - Payors continue to look at telehealth, in coordination with artificial intelligence and advanced analytics, to assess the risk of its population to help members with chronic conditions and greatest risk of disease progression to better manage their condition and address issues before they become more critical to the patient and more costly to the payor

Telehealth Overview (*Cont'd*)

Evolution of Online vs. Brick-and-Mortar Remains to be Seen

- While telehealth providers like Teladoc are posting record volumes, local medical practices have quickly built or expanded their telehealth capabilities using tools provided by telehealth platform technology providers such as AmWell, Skype, Zoom and doxy.me
 - The spike in telehealth visits comes from both the pure-play telehealth providers as well as the traditional brick-and-mortar physician groups
 - An important trend to watch is how these groups converge in the long-term
- As technology and technology-enabled services in healthcare generally lag the broader markets, the evolution of companies like Amazon and Barnes & Nobel in the consumer sector may offer an interesting basis for comparison
 - Amazon started as an online bookseller to compete with brick-and-mortar stores like Barnes & Nobel. Over time, Barnes & Nobel developed its online strategy to remain competitive. At the same time, Amazon grew its product depth to become an online superstore, while making strategic investments in brick-and-mortar businesses (e.g., Whole Foods) to build brand, enhance fulfillment, and diversify its online revenue exposure
 - We will likely see similar models emerging in healthcare as providers try to address the needs of two patient populations – those who enjoy the convenience of telehealth and those who prefer the local provider interaction; not to mention those patients with needs that just cannot be met with an online visit
 - Advent of connected and affordable diagnostic devices will help bridge that gap
- While we have yet to see companies like Teladoc acquire large physician groups, we have seen a handful of hybrid online / in-office care models emerge that are attracting meaningful investor interest
 - One Medical has a robust telehealth offering while maintaining nine medical service areas with a total of 77 offices. Prior to its \$245 million IPO in February, which valued the company at \$1.8 billion, the company raised over \$156 million across four rounds of venture and early stage funding
 - Parsley Health, a company that has attracted more than \$35 million in venture funding, is an example of a medical practice with over 30 physicians and nearly 20 health coaches offering subscription-based care plans that include the option of both online and in-person visits to one of their three locations in New York and California

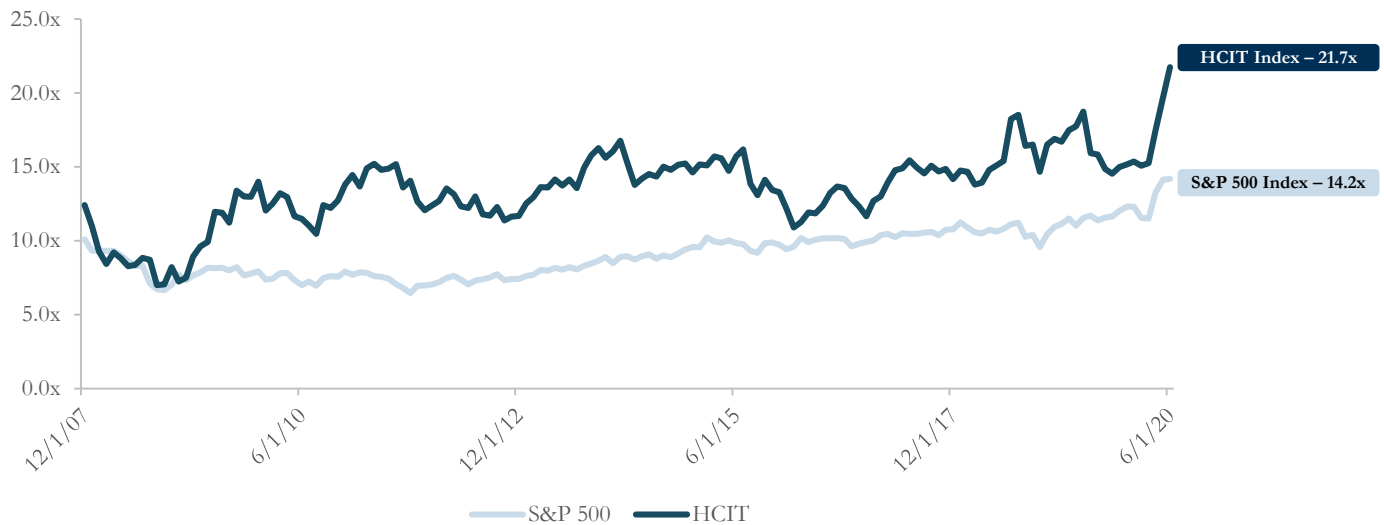
Use of Telehealth in the Acute Care and Post-Acute Care Markets Focus on both Access and Workflow

- Another area to highlight is the use of telehealth programs to support medical care within the walls of acute-care and post-acute care providers
- Looking back to the roots of telehealth, tele-radiology and tele-ICU were at the forefront
 - Companies like NightHawk Radiology (merged with Virtual Radiologic in 2010) provide remote radiology coverage to hospitals requiring staff augmentation or to rural hospitals that lack access to radiologists, particularly in urgent care and emergency medicine
 - Other companies like VISICU Inc. (acquired by Kloninklijke Philips N.V. in 2007 and now a part of its Enterprise Telehealth Portfolio) developed computer dashboards to allow VISICU-employed intensivist staff to remotely monitor patients in a hospital's intensive care unit
- These are still important areas of telehealth for acute and post-acute care providers
 - For example, the impact of COVID-19 on critical care has accentuated the need to re-think workflow in the ICUs as these units have to treat patients with higher acuity and need to keep both the patient and the care provider safe from COVID-19 exposure
 - COVID-19 has had a dramatic impact on how acute and post-acute providers manage patient workflow, not only due to lockdowns that restrict visitor access but also the workflow and structural changes needed to ensure the safety of the medical staff treating COVID-19 patients and other patients within the facilities
- Telehealth services have dramatically expanded to support behavioral health, second-opinion / specialist consultations, cardiology, neurology, stroke, patient-to-family communications, and other initiatives

Public Market Trends and Valuation

Telehealth is generally considered to be part of the broader healthcare information technology (HCIT) universe from a public markets perspective. As a result, looking at trading and transaction valuation trends among publicly traded HCIT companies offers what we believe to be the best proxy for investor interest in telehealth. With exception of the low point of the 2008 financial crisis where HCIT and broader market valuations converged, the HCIT sector has consistently outperformed the broader markets. While broader market valuations expanded from high single-digit to more recent low double-digit forward EBITDA multiples, HCIT companies have appreciated to 20x+ forward EBITDA, on a market-weighted average.

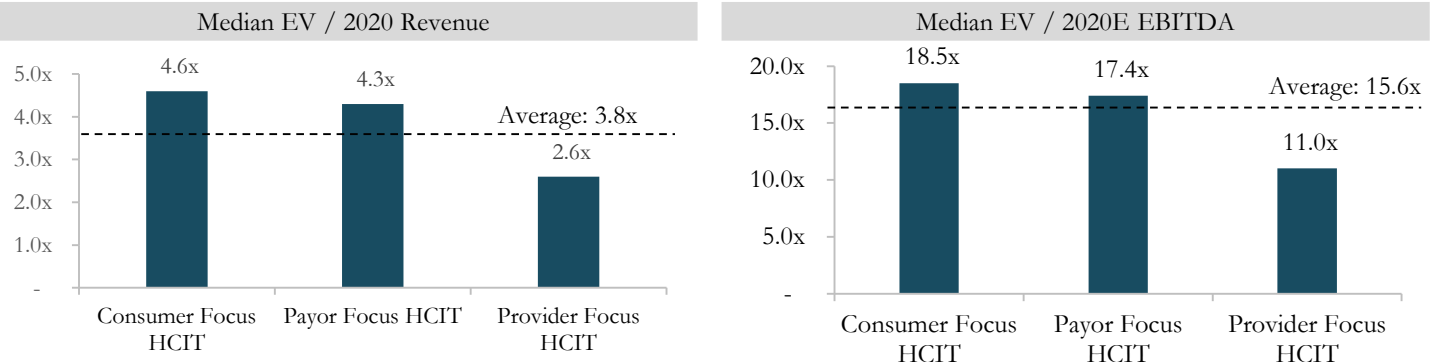
Public Market Equity EV/1-Year Forward EBITDA



A few factors have driven this outperformance, including:

- First, healthcare information technology continues to be a critical driver of reduced costs and improved quality of patient care. This includes technology that automates patient and provider workflow (Clinical and Administrative) and helps payors and providers navigate outcome-focused reimbursement models
- Second, the mix of publicly traded HCIT companies has become more diverse. Historically, provider-focused HCIT companies like Allscripts and Cerner dominated the HCIT Index. Over the past decade, however, the universe of HCIT companies has grown to include more payor-focused (e.g., Inovalon and HMS Holding) and consumer-focused companies (e.g., Teladoc Health, Health Equity, and Livongo) whose business models and growth profiles garner higher valuations

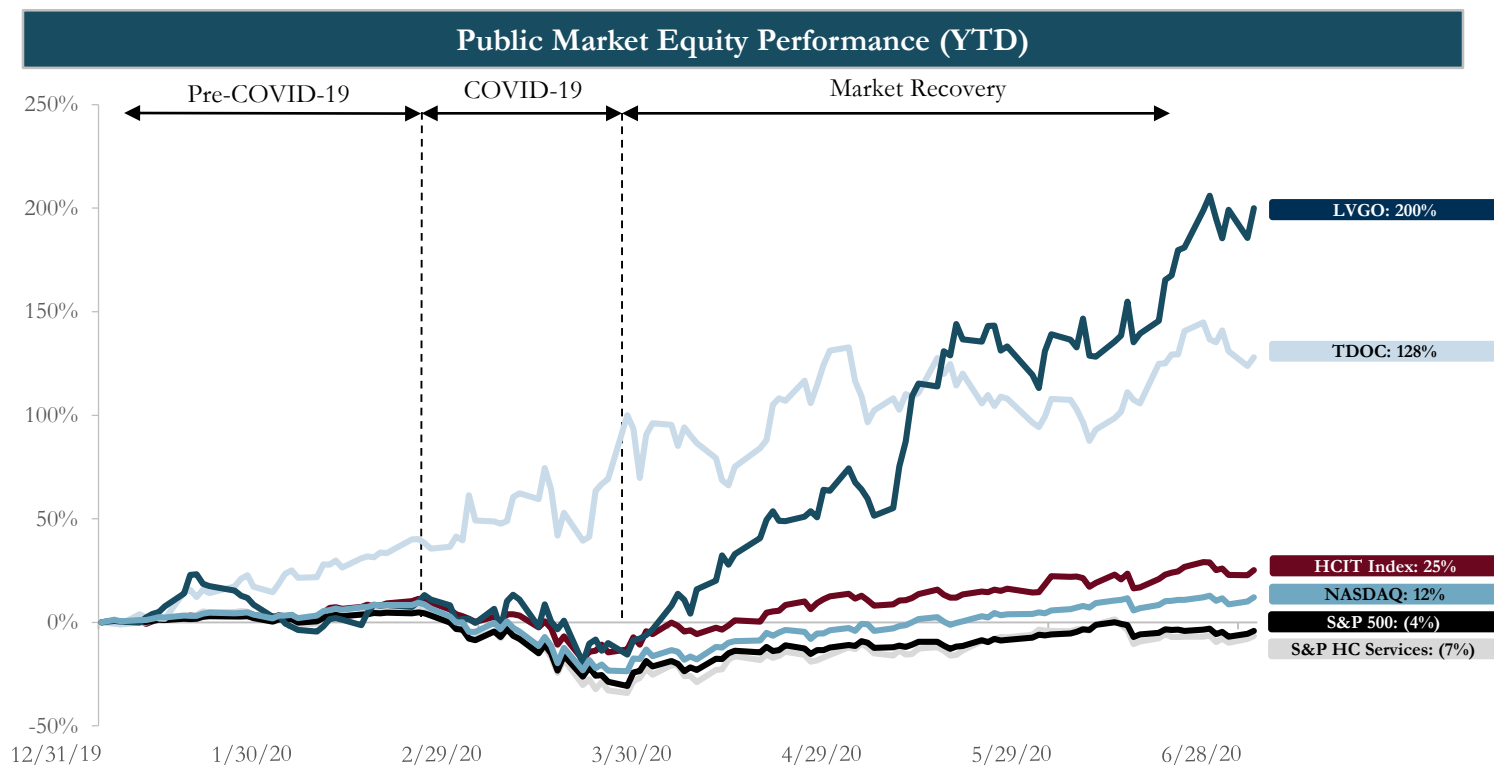
Select HCIT Public Company Valuation Metrics



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Public Market Trends and Valuation (*Cont'd*)

We have seen tremendous volatility in the public equity capital markets since the start of the pandemic. The S&P fell from a record high of \$3,386.15 on February 19, 2020 to a low of \$2,237.40 on March 23, 2020, as the country and world absorbed the impact of the spread in COVID-19 and associated “shelter” or “stay” in place orders. Since then, the public markets have rebounded in response to declining interest rates, businesses reopening, more positive long-term outlook. Companies offering telehealth technology and services, as well as the broader HCIT market have fared particularly well. From the market peak to the market low, the S&P declined 33.9%. During that same period, shares of Teladoc rose 42.7% while the broader HCIT index fell 21.9%. Overall, the S&P is down 8.4% since the market peak while TDOC and the HCIT index have gained 62.6% and 12.5%, respectively. Within the broader healthcare services sector, HCIT represents six of the top market performers year to date (refer to chart on page 4). The equity capital markets clearly recognizes (or anticipates), that the pandemic has raised awareness for telehealth and more robust information technology capabilities in healthcare.



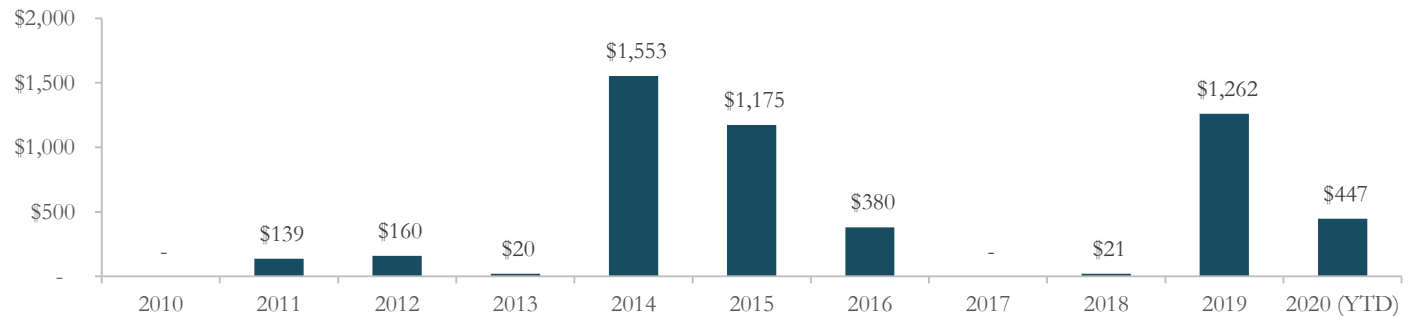
Public Market Transactions

Over the past ten years, the HCIT companies included in this report have raised more than \$16.8 billion in public equity, mostly driven by \$11.7 billion in follow-on offerings. At this time, Teladoc is the only publicly traded telehealth company, though, a recent CNBC article suggests that American Well, the largest telehealth technology platform provider, has confidentially filed an IPO registration statement. One Medical Group, Inc. also offers a good proxy for investor interest in telehealth. It is the only publicly-traded concierge-care model primary care company, competing with companies such as MDVIP, Village MD, and Privia Health. At the same time, the company has built robust telehealth capabilities allowing it to offer both on-site and virtual care. Expanding virtual care is an integral part of the company's growth strategy. Livongo, a connected wellness company that helps individuals manage life with chronic medical conditions such as diabetes, likely offers the next best comparison to a more pure-play telehealth company.

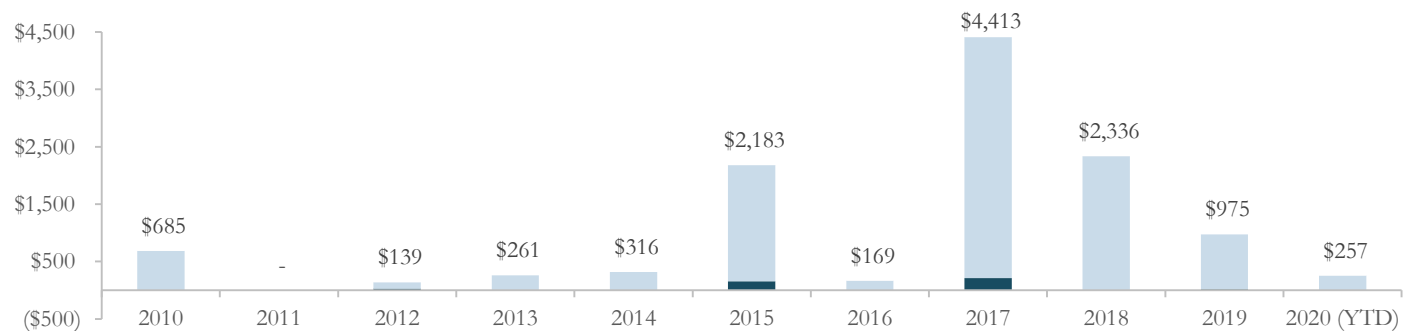
Public Market Equity Financing Activity (2010-2020 YTD)

Initial Public Offerings

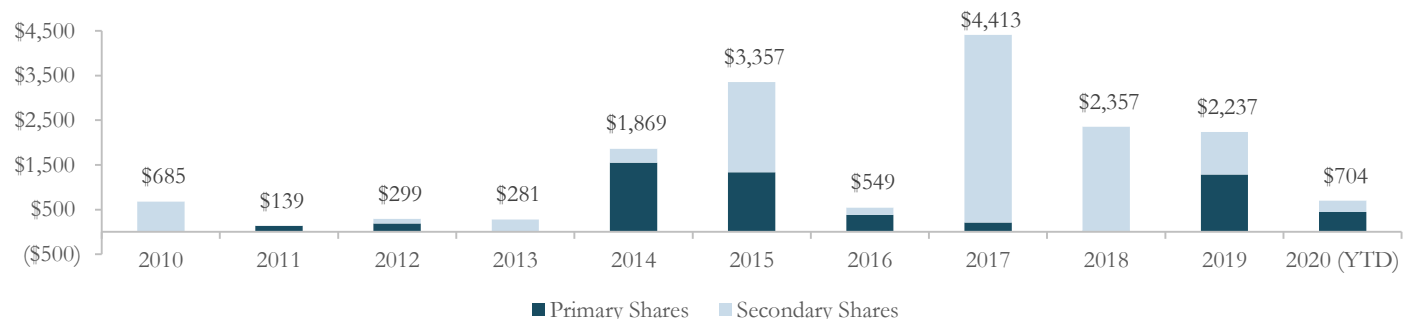
(\$ in millions)



Follow-on Equity Offerings (including Primary and Secondary Share Sales)



Total Public Market Equity Offerings



Public Market Transactions (*Cont'd*)

The profiles of companies to have gone public over the past 10 years further supports the notion that investors are favoring payor- and consumer-focused technology platforms over provider-focused companies, particularly those that offer advanced analytics, help to manage complex chronic patient populations, or assist payors, providers, and patients to navigate pay-for-performance initiatives.

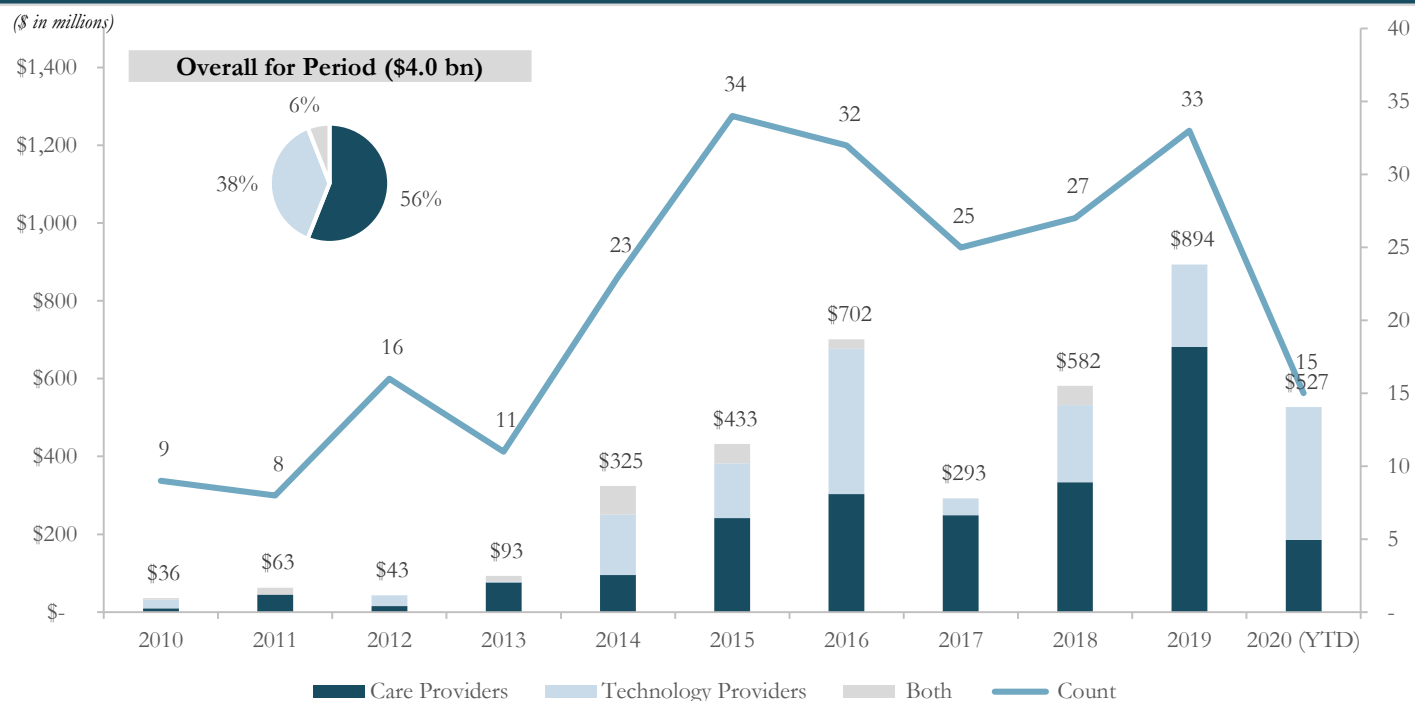
- On July 2, 2015, Teladoc priced its 8.3 million share IPO at \$19.00 per share. The 8.3 million shares offered to the public represented approximately 21% of total ownership, valuing Teladoc's equity at over \$750.0 million
- On July 25, 2019, Livongo priced its 12.7 million share IPO at \$28.00 per share. These shares represented approximately 14% of total ownership, valuing Livongo's equity at over \$2.5 billion
- On February 4, 2020, One Medical priced its 17.5 million share IPO at \$14.00 per share. These shares represented approximately 14% of total ownership, valuing One Medical's equity at \$1.8 billion

Notably, HCIT providers have had less of an appetite to tap the public markets in follow-on offerings for primary share issuance. Of the \$11.7 billion in follow-on offerings over the past ten years, only \$419.4 million represent primary proceeds raised by the companies. The remainder are sale of secondary shares held by existing shareholders. Evolent is the most recent HCIT name to raise equity capital in the follow-on market with its \$175 million offering on August 10, 2017. That said, HCIT companies typically favor issuing convertible debt as shown by the nearly \$3.2 billion in convertible notes issued over the same period. In just the last year, publicly-traded HCIT companies have raised \$1.8 billion in convertible debt including Livongo (\$550 million in June 2020), Teladoc (\$850 million in May 2020), Health Catalyst (\$200 million in April 2020), and Allscripts (\$200 million in December 2019).

Private Capital Markets (Cont'd)

Venture and other early-stage investors have infused a significant amount of capital into telehealth over the past ten years. Among the 80 companies evaluated for this report, 71 secured venture and early-stage investments representing \$4.0 billion in committed capital since the beginning of 2010.

Private Market Financing Activity (2010-2020 YTD)



Observations on early-stage investing:

- Significant increase in both volume and size of venture stage investing in telehealth
- 2019 was a peak year with \$894 million in committed capital across 33 transactions (\$27 million average deal size)
- 2020 has started strong with \$527 million in committed capital across 15 transactions (\$35 million average deal size) or \$24 million excluding AmWell's \$194 million Series C round.
- With 60% of committed capital over the time period going to telehealth care providers, investors appear to have favored telehealth providers offering medical services with a strong emphasis on primary care vs. technology platform companies
- Having raised \$641 million across six rounds of financing (from 2009 – 2020), AmWell has raised by far the most venture capital among these companies
- Payors, such as UnitedHealthGroup, Centene, and CIGNA have opted to incubate telehealth through venture investments vs. acquiring these capabilities, though strategic acquisitions are likely the most logical next steps for these organizations

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Private Capital Markets (*Cont'd*)

(\$ in millions)

Venture Capital and Early Stage Investments in Telehealth (2010 to 2020 YTD)

Companies Ranked by Total Equity Raised			Companies Ranked by 2020 and 2019 Investment Dates				
Rank	Company	Total	Company	Total	2020 (YTD)	2019	2010-2018
1	Americian Well Corporation (AmWell)	\$631	Americian Well Corporation (AmWell)	\$631	\$194	\$60	\$378
2	Virta Health Corporation	204	TytoCare Ltd	99	50	-	49
3	SOC Telemed	172	Maven Clinic Co	86	45	-	41
4	Hims, Inc.	172	98point6 Inc.	127	43	-	84
5	Doctor On Demand, Inc.	164	Carbon Health Medical Group, Inc.	63	26	30	7
6	Quartet Health, Inc.	159	Kaia Health Software GmbH	48	26	18	4
7	98point6 Inc.	127	MEDABLE, Inc.	46	26	-	20
8	EarlySense Ltd.	124	Vida Health, Inc.	78	25	30	23
9	MDLive Inc.	124	Medici Technologies, LLC	71	24	-	47
10	Teladoc Health, Inc.	113	RubiconMD, Inc.	39	18	-	21
11	Crossover Health, Inc.	107	Fruit Street Health, Inc.	27	17	-	10
12	Talkspace Network LLC	105	Conversa Health, Inc.	23	12	-	11
13	TytoCare Ltd	99	Infectious Disease Connect, Inc	10	10	-	-
14	Noom, Inc.	91	Cloudbreak Health, LLC	10	10	-	-
15	Maven Clinic Co	86	MedZed, LLC	5	2	-	3
16	TigerConnect, Inc. (TigerText, Inc.)	81	Hims, Inc.	172	-	113	59
17	PT Halodoc	78	Virta Health Corporation	204	-	93	111
18	Vida Health, Inc.	78	Quartet Health, Inc.	159	-	68	91
19	InfoBionic, Inc.	76	PT Halodoc	78	-	65	13
20	InforMed Data Systems Inc. and One Drop	73	Noom, Inc.	91	-	58	33
21	Medici Technologies, LLC	71	Talkspace Network LLC	105	-	50	55
22	Ginger.io, Inc.	71	Ginger.io, Inc.	71	-	43	28
23	AbleTo, Inc.	70	InforMed Data Systems Inc. and One Drop	73	-	40	33
24	Carbon Health Medical Group, Inc.	63	EarlySense Ltd.	124	-	39	85
25	Kaia Health Software GmbH	48	Parsley Health, Inc.	38	-	26	12
26	MEDABLE, Inc.	46	Luma Health Inc.	22	-	16	6
27	Push Dr Limited	40	CirrusMD Inc.	26	-	15	11
28	RubiconMD, Inc.	39	Forefront TeleCare, Inc.	16	-	15	1
29	HealthTap, Inc.	38	Firefly Health, Inc.	15	-	15	0
30	Parsley Health, Inc.	38	Galileo, Inc.	15	-	15	-
	Others	605	Others	1,420	-	86	1,334
	Total	\$3,991	Total	\$3,991	\$527	\$894	\$2,570

2020 venture and early stage capital raises include:

- In June 2020, AmWell raised \$194 million Series C round that included the participation of 17 existing investors and partners including Takeda Ventures, Inc., and Allianz X GmbH. The company intends to use the proceeds to expand its technology and services offerings
- In April 2020, TytoCare Ltd. raised \$50 million in a Series C round co-led by Insight Venture Management, Olive Tree Ventures, and QUALCOMM Ventures. The company develops devices and applications to connect patients and physicians to support virtual examinations. The company intends to use proceeds to accelerate commercialization of its telehealth app and modular device, as well as expand its diagnostic platform capabilities
- In February 2020, Maven Clinic Company raised \$45 million in a Series C round led by Icon Management Associates. The company offers telehealth capabilities relating to Women's Health and intends to use the proceeds to expand its digital programs across fertility, maternity, return-to-work, and pediatrics
- In April 2020, 98point6 Inc. raised \$43 million in a Series D round led by West Street Capital Partners. The company combines AI and machine learning with a team of primary care physicians to provide text-based diagnosis and treatment through its mobile application. The company intends to use proceeds to grow its physician team and expand its AI capabilities

Private Capital Markets (*Cont'd*)

- In May 2020, Carbon Health Medical Group raised \$26 million in a Series B round including participation of Data Collective Venture Capital to fund efforts around COVID-19 testing
- In June 2020, Kaia Health Software raised \$26 million in a Series B round led by returning investor Optum ventures and new investors, Indinvest Partners SA and Capital300 GmbH. The capital will help manage chronic pain with artificial intelligence, as well as expand core business growth
- In April 2020, MEDABLE, Inc. raised \$25.6 million in a Growth Equity round led by GSR Ventures and PPD Inc. MEDABLE intends to use the proceeds to extend product development, partnerships and market adoption for its decentralized trial platform
- In April 2020, Vida Health raised \$25 million in a Growth Equity round led by Ally Bridge Group. Vida Health intends to use the proceeds to meet the increased demand for mental and physical virtual care
- In April 2020, Medici Technologies raised \$24 million in Series B financing led by existing investors, to expand its approach to patient care including investment in its protocols for best healthcare practices. Medici is a technology company that provides telehealth platform solutions to providers
- In March 2020, RubiconMD Inc. raised \$18 million in a Series C round led by Deerfield Management Company. The company's eConsult platform provides clinicians and healthcare organizations better access to specialists and intends to use proceeds from the round to leverage its data to provide better services to primary care clinicians
- In March 2020, Fruit Street Health raised \$17 million in a Venture Capital round led by over 300 physicians across the country. Fruit Health intends to use the proceeds to continue its mission of preventing type 2 diabetes via telehealth
- In June 2020, Conversa Health raised \$12 million in a Series B round led by Builder VC and returning investor Northwell Ventures. Conversa intends to use the proceeds for its digital health platform and to support its growth
- In May 2020, Infectious Disease Connect raised \$10 million in a Growth Equity round led by Merck Global Health Innovation Fund, and UPMC Enterprises. Infectious Disease Connect will use the proceeds to join the Merck Company and to support development of customer offerings and business growth
- In February 2020, Cloudbreak Health raised \$10 million in a Venture Capital round led by Columbia Partners. Cloudbreak Health intends to use the proceeds to fuel growth, product innovation and to expand its telehealth footprint

M&A Transaction Activity

M&A transactions in telehealth have accelerated over the past few years including the following recent activity:

- Teladoc has aggressively grown through acquisition with 10 acquisitions with at least \$1.3 billion in aggregate acquisition value since 2013
 - In 2020, Teladoc acquired InTouch Technologies to expand its reach into hospitals and health systems. A transaction value of \$600 million values the company at approximately 7.5x revenue
 - Earlier transactions for Teladoc are generally smaller and focus on expanding the company's clinical depth, client settings, and geographic reach
- AmWell completed its acquisition of Aligned Telehealth in 2019 to expand its behavioral health capabilities and Avizia in 2018 to deepen capabilities in acute care capabilities.
- Overall, M&A in telehealth has spanned a wide range of small and large companies seeking to expand their product, service, and geographic capabilities
 - Notably, the larger payor groups have opted towards making minority investments in telehealth through their venture capital arms, though Optum Health is rumored to be in discussions with Optum Health, per an April 2020 CNBC article
- We expect M&A activity in telehealth will accelerate, particularly given recent momentum from the COVID-19 driven economic dislocation

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M&A Transaction Activity (*Cont'd*)

(\$ in millions)

Select M&A Transactions				
Date	Target	Acquiror	Transaction Value	Description
06/02/20	Bright Systems, Inc.	Maven Clinic Co.	ND	Behavioral Health application provider
05/01/20	NavitHealth	Optum	\$2,500	Post-acute, clinical support services
05/01/20	Change's Connected Analytics Unit	Kaufman Hall	\$55	Performance manager
05/01/20	Co-Pilot Analytics	PointClickCare	ND	Pay-for-performance analytical solution
04/10/20	Integra Service Connect, LLC	MedZed, LLC	ND	Community-based non-clinical support
03/04/20	Psych Now, LLC	MindCare Solutions Group, Inc.	ND	Telepsychiatry providers to behavioral health hospitals
03/01/20	Acclara Solutions	Providence St. Joseph Health	ND	Tech-enabled patient responsibility solutions
02/10/20	Addapp Corporation	Wellin5 USA, Inc.	ND	Mental health provider
02/01/20	Cernermedico, Soarian Assets	CompuGroup Medical SE	\$247	Hospital information systems solutions
01/12/20	InTouch Technologies	Teladoc Health, Inc.	\$600	Telehealth services provider
01/01/20	Decision Resources Group	Clarivate Analytics	\$950	Biotech and pharma data analytics
01/01/20	SCI Solutions	R1 RCM	\$190	SaaS-based scheduling
01/01/20	TrustHCS	The Carlyle Group	ND	Staffing and advisory services
01/01/20	Intelrad Medical Systems	HG Capital	\$650	Medical imaging software
12/05/19	TelaDietitian, Inc.	Teladoc Health, Inc.	ND	Medical nutrition therapy services provider
12/02/19	SnapMD, Inc.	VirTrial, LLC	ND	Telemedicine services provider
12/01/19	Medical Knowledge Group	Court Square Capital Partners	ND	Data-driven healthcare marketing
11/07/19	Aligned Telehealth, Inc.	American Well Corp	ND	Behavioral health staffing provider
10/23/19	Health Navigators	Amazon	ND	Medical language processing platform
10/03/19	Trusted i10	Abeo Management	ND	Cloud-based AI medical record processor
10/01/19	MedData, Inc.	Frazier Healthcare Partners	\$250	Tech-enabled management services
10/01/19	MRO	Parthenon Capital	ND	Protected health information exchange
09/16/19	VitreosHealth	HMS Holdings	\$37	Predictive population health management
08/01/19	WebPT	Warburg Pincus	\$675	Web-based EMR solutions
08/01/19	RedCard Systems	Zelis Healthcare	\$5,700	Healthcare payment solutions provider
07/16/19	OmniComm	Anju Software	\$76	Web-based electronic data capture
07/01/19	Waystar	EQT, CPPID	\$2,700	RCM software for health systems
07/01/19	CitiusTech	Baring Private Equity Asia	\$1,000	Healthcare technology and solutions
07/01/19	Optima Healthcare Solutions	Net Health Systems	ND	SaaS solutions for SNF therapy
06/01/19	Press Ganey Associates	Ares Management, LG&P	\$4,000	Performance improvement solutions
06/01/19	Advarra	Genstar Capital	ND	Regulatory compliance consulting
06/01/19	Practice Insight (Eli Global)	eSolutions	\$155	RCM solutions provider
06/01/19	Equian	UnitedHealth Group	\$3,200	Payment integrity and processing solutions
06/01/19	Medidata Solutions	Dassault Systems Americas Corp.	\$5,822	Cloud-based data solutions
05/01/19	W2O	New Mountain Capital	ND	Analytics-driven marketing communications
05/01/19	InstaMed Communications	JP Morgan Chase	\$600	Cloud-based healthcare payments network
05/01/19	iContracts	RLDatix	\$210	Contract and compliance management solutions
04/01/19	API Healthcare	Symplr	\$300	SaaS solutions for compliance and credentialing
04/01/19	Comprehensive Pharmacy Services	Frazier Healthcare Partners	ND	Enterprise pharmacy solutions provider
04/01/19	WageWorks	HealthEquity	\$2,010	Tax-advantaged spend solutions
03/19/19	Medecin Direct S.A.S	Teladoc Health, Inc.	\$11	Telehealth application software
03/06/19	Joyable, Inc.	AbleTo, Inc.	ND	Digital therapy services provider
03/01/19	AGS Health	Baring Private Equity Asia	ND	Tech-enabled financial healthcare solutions
02/11/19	athenahealth, Inc.	Evergreen Capital, Veritas Capital	\$5,646	Network-based medical record solutions provider
01/30/19	Aprima Medical Software, Inc.	e-MDs, Inc.	ND	Health record, practice management, and RCM provider
01/04/19	Chiron Health	Medici Technologies, LLC	ND	Web-based platform
01/01/19	Propeller	ResMed	\$225	Medical device and cloud-based solutions provider
01/01/19	myStrength	Livongo Health	\$10	Full-service healthcare solutions provider
11/06/18	Dockbook MD	Medici Technologies, LLC	ND	HIPAA-secure messaging application
10/29/18	Direct Urgent Care, Inc.	Carbon Health Medical Group	ND	Urgent care operator
08/20/18	JSA Health Telepsychiatry	SOC Telemed	ND	Behavioral health telemedicine
07/01/18	Avizja	American Well Corp	ND	Telemedicine technology solutions provider
06/04/18	Advance Medical	Teladoc Health, Inc.	\$352	Virtual care solutions provider
02/26/18	Intermedix Corporation	R1 RCM, Inc.	\$460	Leading provider of technology-enabled RCM services
11/16/17	T-Systems, Inc.	Cannae Holdings, Inc.	\$200	HCIT company that advances care delivery
07/14/17	Best Doctors, Inc.	Teladoc Health, Inc.	\$440	Medical consultation services
02/02/17	NeuroCall, Inc.	SOC Telemed	ND	Provides remote specialty services
12/16/16	Adreima, Inc.	nThrive, Inc.	ND	Patient advocacy service provider
08/17/16	AcuteCare Telemedicine, LLC	InTouch Technologies, Inc.	ND	Tele-neurology services provider
08/10/16	FasPsych, LLC	Pharos Capital Group	ND	Behavioral health staffing provider
07/01/16	HealthiestYou, Inc.	Teladoc Health, Inc.	\$156	Mobile telehealth application developer
07/17/15	Stat Health Services, Inc.	Teladoc Health, Inc.	\$48	eHealth services provider
05/05/15	The Telemedicine Group, LLC	Kura MD, Inc.	ND	Telemedicine physician specialists provider
01/23/15	Compile, Inc.	Teladoc Health, Inc.	\$5	Data information platform provider
12/31/14	Critical Care Services, Inc.	Advanced ICU Care, Inc.	ND	Emergency air medical transportation services
11/11/14	Breakthrough Behavioral, Inc.	MDLive, Inc.	ND	Online therapy solutions provider
05/09/14	AmeriDoc, LLC	Teladoc Health, Inc.	\$17	Cloud-based telemedicine technology platform
08/30/13	Consult A Doctor, Inc.	Teladoc Health, Inc.	\$17	Physician-provided responses via telemedicine

Source: Capital IQ, Company Press Releases, Equity Research, Coker Research

**Healthcare Services Trading Comparables –
As of June 30, 2020**

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Overview of Healthcare Services Sub-sectors and Companies

Acute-Care Hospitals (5)

Company	Ticker
Community Health Systems	CYH
HCA	HCA
Quorum Health	QHCC.Q
Tenet Healthcare	THC
Universal Health Services	UHS

Assisted Living and Long-Term Care (7)

Company	Ticker
Brookdale Senior Living	BKD
Capital Senior Living	CSU
Ensign Group	ENSG
Five Star Quality Care	FVE
Genesis Healthcare	GEN
The Pennant Group	PNTG
National Healthcare Group	NHC

Behavioral Health (2)

Company	Ticker
Acadia	ACHC
Universal Health Services	UHS

Clinical Laboratories (5)

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

Contract Research Organizations (6)

Company	Ticker
Charles River Labs	CRL
IQVIA Holdings	IQV
MedPace	MEDP
PPD, Inc.	PPD
PRA Health	PRAH
Syneos Health	SYNH

Distribution and Supplies (7)

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

HCIT (26)

Company	Ticker
<u>Provider Focused HCIT (16)</u>	
Allscripts Healthcare	MDRX
Cerner	CERN
Change Healthcare	CHNG
CPSI	CPSI
Evolent Health	EVH
Health Catalyst	HCAT
Healthstream	HSTM
iRhythm Technologies	IRTC
MTBC	MTBC
National Research Corporation	NRC
NextGen Healthcare	NXGN
Omniceil	OMCL
Phreesia	PHR
Premier	PINC
R1 RCM	RCM
Vocera	VCRA
<u>Payor Focused HCIT (3)</u>	
eHealth	EHTH
HMS Holdings	HMSY
Inovalon Holdings	INOV
<u>Consumer Focused HCIT (6)</u>	
Benefit Focus	BNFT
Benefytt Technologies, Inc.	BFYT
Castlight Health	CSLT
Health Equity	HQY
Livongo	LVGO
Teladoc Health	TDOC
<u>Other HCIT (1)</u>	
Veeva Systems	VEEV

Payor Focused HCIT (3)

eHealth	EHTH
HMS Holdings	HMSY
Inovalon Holdings	INOV

Consumer Focused HCIT (6)

Benefit Focus	BNFT
Benefytt Technologies, Inc.	BFYT
Castlight Health	CSLT
Health Equity	HQY
Livongo	LVGO
Teladoc Health	TDOC

Other HCIT (1)

Veeva Systems	VEEV
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Hospice and Home Care (4)

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

Other Outsourced Services (6)

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

Payors (8)

Company	Ticker
<u>Government Payors (4)</u>	
Centene	CNC
Humana	HUM
Molina	MOH
Triple S Management	GTS
<u>Commercial Payors (4)</u>	
Anthem	ANTM
Cigna	CI
CVS Health	CVS
United Healthcare	UNH

Physician Services / Alternate Site (7)

Company	Ticker
American Renal Associates	ARA
DaVita Healthcare	DVA
Fresenius Medical Care	FME
Mednax	MD
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

Total Count **93**

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PUBLICLY-TRADED HEALTHCARE COMPANIES										
(\$ in millions)										
Company	Market Data				Financial Information					
	Price as of: 06/30/20	% 52wk High	Market Cap	Firm Value	Cash and Cash Equivalents	Total Debt	2020P Revenue	2020P EBITDA	FY (P) / 2020 Revenue	EBITDA
Provider Services										
Acute-Care Hospitals										
HCA	\$97.06	64%	\$32,769.3	\$70,607.3	\$731.0	\$36,423.0	\$48,136.0	\$7,738.0	1.5x	9.1x
Tenet Healthcare	18.11	46%	1,896.4	18,917.4	613.0	15,247.0	17,536.0	2,315.9	1.1x	8.2x
Community Health Systems	3.01	40%	345.9	14,873.9	246.0	14,203.0	11,537.1	1,400.3	1.3x	10.6x
Universal Health Services	92.89	59%	7,889.3	12,057.5	54.6	4,147.1	10,703.4	1,370.9	1.1x	8.8x
Quorum Health	0.12	6%	3.8	1,345.2	31.4	1,355.0	1,590.6	52.8	0.8x	25.5x
<i>Weighted Average</i>									1.4x	9.0x
<i>Median</i>									1.1x	9.1x
Assisted Living and Long-Term Care										
Brookdale Senior Living	\$2.95	34%	\$540.3	\$5,974.1	\$392.7	\$5,932.1	\$3,548.0	\$361.8	1.7x	16.5x
Genesis Healthcare	0.69	37%	76.5	4,016.4	23.5	4,278.0	4,346.9	519.8	0.9x	7.7x
Ensign Group	41.85	66%	2,220.6	3,507.6	63.2	1,363.7	2,409.0	263.0	1.5x	13.3x
National Healthcare Group	63.44	71%	974.3	1,078.6	69.5	265.1	1,004.2	95.0	1.1x	11.4x
The Pennant Group	22.60	63%	630.7	969.8	4.8	343.9	376.4	67.1	2.6x	14.5x
Capital Senior Living	0.71	13%	21.1	959.0	17.7	955.6	434.8	41.5	2.2x	23.1x
Five Star Quality Care	3.90	52%	123.0	107.3	36.6	29.3	879.9	32.9	0.1x	3.3x
<i>Weighted Average</i>									1.5x	13.1x
<i>Median</i>									1.5x	13.3x
Behavioral Health										
Universal Health Services	\$92.89	59%	\$7,889.3	\$12,057.5	\$54.6	\$4,147.1	\$10,703.4	\$1,370.9	1.1x	8.8x
Acadia	25.12	71%	2,234.2	5,882.0	81.0	3,695.2	3,163.3	553.4	1.9x	10.6x
<i>Weighted Average</i>									1.3x	9.2x
<i>Median</i>									1.5x	9.7x
Hospice and Home Care										
Chemed	\$451.07	88%	\$7,160.1	\$7,415.7	\$29.0	\$284.5	\$2,108.7	\$403.0	3.5x	18.4x
Amedisys	198.54	91%	6,428.6	6,728.2	174.8	473.5	2,016.0	232.0	3.3x	29.0x
LHC Group	174.32	100%	5,506.5	5,990.3	8.3	396.9	2,099.0	209.5	2.9x	28.6x
Addus Home Care	92.56	89%	1,426.6	1,265.7	239.6	78.7	746.1	67.0	1.7x	18.9x
<i>Weighted Average</i>									3.2x	24.5x
<i>Median</i>									3.1x	23.7x
Physician Services / Alternate Site										
Fresenius Medical Care	\$65.96	81%	\$22,338.3	\$36,784.0	\$1,405.1	\$14,577.2	\$20,251.0	\$4,435.8	1.8x	8.3x
DaVita Healthcare	79.14	88%	9,639.7	21,341.0	1,381.8	11,678.9	11,683.8	2,261.0	1.8x	9.4x
Surgery Partners	11.57	59%	575.5	4,866.6	194.6	3,078.7	1,653.9	218.8	2.9x	22.2x
One Medical	36.32	86%	4,580.9	4,367.7	309.6	159.9	301.9	N/M	14.5x	N/M
Mednax	17.10	60%	1,431.0	3,221.1	312.2	2,187.2	2,538.1	277.3	1.3x	11.6x
RadNet	15.87	68%	799.8	2,029.6	94.3	1,240.2	1,016.2	98.0	2.0x	20.7x
American Renal Associates	6.52	47%	220.0	1,217.3	62.4	771.7	854.0	89.2	1.4x	13.7x
<i>Weighted Average</i>									3.3x	8.2x
<i>Median</i>									1.8x	12.6x
Rehabilitation										
Encompass Health	\$61.93	74%	\$6,156.2	\$10,076.6	\$104.9	\$3,638.0	\$4,705.5	\$881.4	2.1x	11.4x
Select Medical	14.73	51%	1,973.5	7,330.8	73.2	4,643.9	5,359.0	633.0	1.4x	11.6x
US Physical Therapy	81.02	55%	1,040.6	1,301.5	89.6	208.7	411.6	30.3	3.2x	N/A
Hanger	16.56	59%	625.9	1,214.4	115.9	704.5	933.8	70.0	1.3x	17.3x
<i>Weighted Average</i>									2.0x	10.6x
<i>Median</i>									1.8x	11.6x

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PUBLICLY-TRADED HEALTHCARE COMPANIES										
(\$ in millions)										
Company	Market Data				Financial Information					
	Price as of: 06/30/20	% 52wk High	Market Cap	Firm Value	Cash and Cash Equivalents	Total Debt	2020P Revenue	2020P EBITDA	FV (P) / 2020 Revenue	FV (P) / 2020 EBITDA
Information Technology and Solutions										
Provider Focus HCIT										
Cerner	\$68.55	85%	\$20,863.1	\$21,982.7	\$285.4	\$1,518.3	\$5,615.3	\$1,728.0	3.9x	12.7x
Change Healthcare	11.20	64%	3,399.5	8,025.6	410.4	5,036.5	2,969.8	836.5	2.7x	9.6x
iRhythm Technologies	115.89	85%	3,133.6	3,139.9	56.5	128.1	239.8	N/M	13.1x	N/M
Omnicell	70.62	74%	3,009.8	2,964.6	104.1	58.8	907.1	147.8	3.3x	20.1x
Premier	34.28	85%	2,453.6	2,536.4	241.7	324.6	1,270.8	544.4	2.0x	4.7x
Allscripts Healthcare	6.77	57%	1,100.5	2,077.3	204.3	1,181.2	1,700.9	282.7	1.2x	7.3x
R1 RCM	11.15	80%	1,281.1	1,881.7	106.0	472.1	1,217.1	218.9	1.5x	8.6x
National Research Corporation	58.21	82%	1,463.1	1,488.5	10.0	35.4	130.4	49.0	11.4x	30.4x
Health Catalyst	29.17	59%	1,108.7	956.3	61.0	52.2	178.8	N/M	5.3x	N/M
Phreesia	28.28	81%	1,065.5	1,002.3	90.3	27.1	134.9	1.4	7.4x	N/A
Evolent Health	7.12	59%	608.6	902.7	67.9	363.4	970.2	28.7	0.9x	31.4x
NextGen Healthcare	10.98	53%	725.8	766.3	138.0	178.4	515.1	82.5	1.5x	9.3x
Healthstream	22.13	74%	708.1	596.2	107.4	30.1	234.4	36.5	2.5x	16.3x
Vocera	21.20	65%	678.9	571.4	31.1	126.3	180.0	13.1	3.2x	N/A
CPSI	22.79	64%	319.8	424.8	4.3	109.3	263.3	43.3	1.6x	9.8x
MTBC	8.29	91%	102.8	111.4	8.4	17.0	106.3	9.2	1.0x	12.1x
<i>Weighted Average</i>									4.4x	11.3x
<i>Median</i>									2.6x	11.0x
Payor Focus HCIT										
Inovalon Holdings	\$19.26	84%	\$2,992.7	\$3,946.4	\$182.9	\$1,136.7	\$681.0	\$226.4	5.8x	17.4x
HMS Holdings	32.39	80%	2,863.7	2,976.1	148.0	260.4	693.8	181.5	4.3x	16.4x
eHealth	98.24	65%	2,516.3	2,344.6	184.2	46.2	626.6	134.9	3.7x	17.4x
<i>Weighted Average</i>									4.7x	17.1x
<i>Median</i>									4.3x	17.4x
Consumer Focused HCIT										
Teladoc Health	\$190.84	91%	\$14,208.7	\$14,180.4	\$508.0	\$482.5	\$820.8	\$75.8	17.3x	N/A
Livongo	75.19	95%	7,354.9	7,004.5	218.2	18.4	300.4	N/M	23.3x	N/M
Health Equity	58.67	66%	4,189.0	5,327.2	171.1	1,309.3	733.9	221.5	7.3x	24.1x
Benefit Focus	10.76	38%	345.5	523.0	114.7	292.2	260.9	28.3	2.0x	18.5x
Benefytt Technologies, Inc.	20.46	65%	270.6	490.4	5.1	209.4	318.2	66.2	1.5x	7.4x
Castlight Health	0.83	25%	124.1	99.2	37.7	18.8	131.1	N/M	0.8x	N/M
<i>Weighted Average</i>									16.9x	4.1x
<i>Median</i>									4.6x	18.5x
Other HCIT										
Veeva Systems	\$234.42	96%	\$35,197.4	\$33,869.0	\$720.8	\$52.6	\$1,388.4	\$532.1	24.4x	N/A
<i>Weighted Average</i>									24.4x	N/A
<i>Median</i>									24.4x	N/A
<i>Total Weighted Average</i>									19.9x	9.5x
<i>Total Median</i>									3.2x	14.5x
Clinical and Patient Support Services										
Clinical Laboratories										
LabCorp	\$166.11	85%	\$16,145.9	\$22,946.0	\$323.6	\$7,117.6	\$11,235.8	\$1,725.5	2.0x	13.3x
Quest Diagnostics	113.96	91%	15,240.1	19,610.1	342.0	4,590.0	7,535.0	1,258.1	2.6x	15.6x
Sonic Healthcare	30.43	95%	14,459.5	18,096.2	436.2	3,981.8	7,024.2	1,391.1	2.6x	13.0x
NeoGenomics	30.98	89%	3,399.6	3,470.0	86.3	156.7	429.7	27.6	8.1x	N/A
Psychemedics	5.55	52%	30.7	30.9	5.3	5.6	35.4	4.9	0.9x	6.3x
<i>Weighted Average</i>									2.8x	13.0x
<i>Median</i>									2.6x	13.2x

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PUBLICLY-TRADED HEALTHCARE COMPANIES										
(\$ in millions)										
Company	Market Data				Financial Information					
	Price as of: 06/30/20	% 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	\$141.88	84%	\$27,093.9	\$39,046.9	\$927.0	\$12,683.0	\$10,709.5	\$2,246.5	3.6x	17.4x
PPD, Inc.	26.80	81%	9,342.1	13,307.5	738.4	4,671.6	4,103.5	771.5	3.2x	17.2x
Charles River Labs	174.35	92%	8,628.1	10,812.8	372.4	2,530.3	2,782.5	642.2	3.9x	16.8x
Syneos Health	58.25	78%	6,067.9	8,980.8	335.6	3,248.5	4,432.5	586.1	2.0x	15.3x
PRA Health	97.29	86%	6,199.7	7,556.9	150.8	1,508.0	3,084.4	462.0	2.4x	16.4x
MedPace	93.02	85%	3,290.5	3,220.5	134.0	64.0	833.6	124.2	3.9x	25.9x
Weighted Average									3.3x	17.4x
Median									3.4x	17.0x
Staffing										
On Assignment	\$66.68	92%	\$3,500.7	\$4,604.3	\$64.0	\$1,167.6	\$3,785.4	\$378.9	1.2x	12.2x
AMN Health Services	45.24	51%	2,125.2	3,220.6	97.5	1,192.9	2,205.3	270.0	1.5x	11.9x
Cross Country Healthcare	6.16	46%	230.8	316.7	12.6	97.9	819.1	23.3	0.4x	13.6x
Weighted Average									1.3x	12.1x
Median									1.2x	12.2x
Managed Care										
Government Payors										
Humana	\$387.75	94%	\$51,262.9	\$53,332.9	\$6,054.0	\$8,124.0	\$74,473.9	\$4,243.0	0.7x	12.6x
Centene	63.55	85%	36,803.7	45,909.7	9,308.0	18,271.0	110,797.0	5,346.2	0.4x	8.6x
Molina	177.98	91%	10,536.4	10,022.4	2,365.0	1,851.0	18,963.0	1,186.1	0.5x	8.4x
Triple S Management	19.02	69%	446.9	444.5	104.6	102.9	3,408.6	67.1	0.1x	6.6x
Weighted Average									0.6x	10.6x
Median									0.5x	8.5x
Commercial Payors										
United Healthcare	\$294.95	93%	\$279,724.5	\$314,389.5	\$21,569.0	\$51,607.0	\$258,501.0	\$24,784.8	1.2x	12.7x
CVS Health	64.97	84%	84,921.7	164,861.7	10,081.0	92,319.0	264,895.0	17,752.0	0.6x	9.3x
Cigna	187.65	84%	69,239.3	101,926.3	4,452.0	37,097.0	154,997.0	11,242.5	0.7x	9.1x
Anthem	262.98	84%	66,301.5	84,062.5	5,345.0	23,106.0	117,950.0	9,255.0	0.7x	9.1x
Weighted Average									1.0x	11.1x
Median									0.7x	9.2x
Other Outsourced Services										
Magellan Health	\$72.98	90%	\$1,822.2	\$2,328.0	\$260.1	\$786.8	\$4,995.6	\$202.3	0.5x	11.5x
Healthcare Services Group	24.46	77%	1,820.2	1,735.0	64.5	69.7	1,810.7	120.6	1.0x	14.4x
Tivity Health	11.33	43%	549.3	1,638.2	83.0	1,171.9	1,066.3	167.9	1.5x	9.8x
Corvel	70.89	73%	1,276.5	1,291.6	83.2	98.3	592.2	83.2	2.2x	15.5x
Providence Service Corp	78.91	96%	1,087.5	1,092.2	254.4	182.0	1,637.4	70.9	0.7x	15.4x
Smile Direct	7.90	37%	858.0	946.4	224.4	265.0	598.0	N/M	1.6x	N/M
Weighted Average									1.1x	12.0x
Median									1.2x	14.4x
Specialty Pharmacy Services										
CVS Health	\$64.97	84%	\$84,921.7	\$164,861.7	\$10,081.0	\$92,319.0	\$264,895.0	\$17,752.0	0.6x	9.3x
Walgreens Boots Alliance	42.39	66%	37,185.4	78,935.4	792.0	41,928.0	139,058.0	7,592.0	0.6x	10.4x
Rite Aid	17.06	71%	911.9	7,157.3	288.3	6,533.8	22,664.5	519.5	0.3x	13.8x
Weighted Average									0.6x	9.7x
Median									0.6x	10.4x
Distribution and Supplies										
McKesson	\$153.42	89%	\$24,871.8	\$31,895.8	\$4,015.0	\$9,420.0	\$231,193.0	\$3,842.3	0.1x	8.3x
AmerisourceBergen	100.77	97%	20,496.9	21,590.6	3,691.9	4,671.2	188,349.0	2,366.4	0.1x	9.1x
Cardinal Health	52.19	86%	15,238.8	20,664.8	2,329.0	7,752.0	153,897.7	2,641.0	0.1x	7.8x
HenrySchein	58.39	79%	8,335.5	10,204.9	617.4	1,583.4	8,481.5	641.6	1.2x	15.9x
Patterson Companies	22.00	86%	2,076.3	2,688.8	77.9	688.2	5,191.1	208.1	0.5x	12.9x
Owens and Minor	7.62	79%	480.1	2,065.8	92.3	1,678.0	8,214.6	193.7	0.3x	10.7x
AdaptHealth	16.10	71%	493.7	932.5	48.2	505.8	814.3	165.1	1.1x	5.6x
Weighted Average									0.3x	9.4x
Median									0.3x	9.1x

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