

VALUE FOCUS

Healthcare Facilities



Mid-Year 2014

Overview

The healthcare facilities sector has rebounded well following the most recent recession. An improving economy and rising consumer spending, coupled with favorable healthcare dynamics have greatly benefited the healthcare facilities sector. Healthcare facilities do face some headwinds, however, with healthcare reform implementing new payment models, presenting facilities with the challenge of

adapting to a new reimbursement regime. Other structural factors leave the sector somewhat vulnerable going forward, but overall trends remain positive for healthcare facilities. Current valuation trends and expectations are positive for the sector, with growth in both healthcare facility revenue and profitability expected through 2014 and into 2015.

Inside

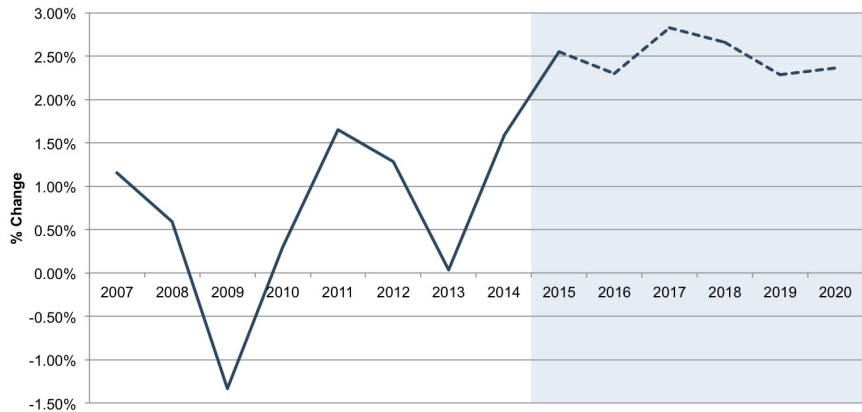
Macroeconomic Trends	1
Industry Trends	3
Valuation Trends	5
M&A Trends	8
M&A Transactions	9
Public Company Pricing	16
About Mercer Capital	22

Macroeconomic Trends

Disposable Income

Per capita disposable income contracted in the most recent recession, but it has rebounded and is expected to grow through 2020 by approximately 2.5% to 3.0% annually. As disposable income rises, individuals are better able to afford out-of-pocket expenses and healthcare demand can be expected to increase.

Per Capita Disposable Income

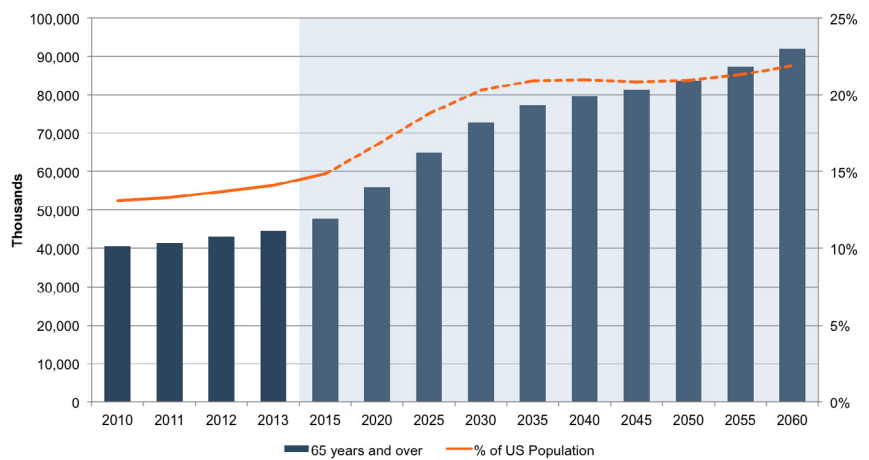


Source: IBISWorld Report

Demographic Trends

Aging populations are a major driving force behind spending on healthcare, with the elderly (aged 65 and older) accounting for approximately one-third of healthcare expenditure in the U.S. Elderly residents are expected to account for 14.8% of the population in 2015 and grow to 20.3% by 2030, continuing to increase overall healthcare demand.¹

U.S. Resident Population 65 Years and Older



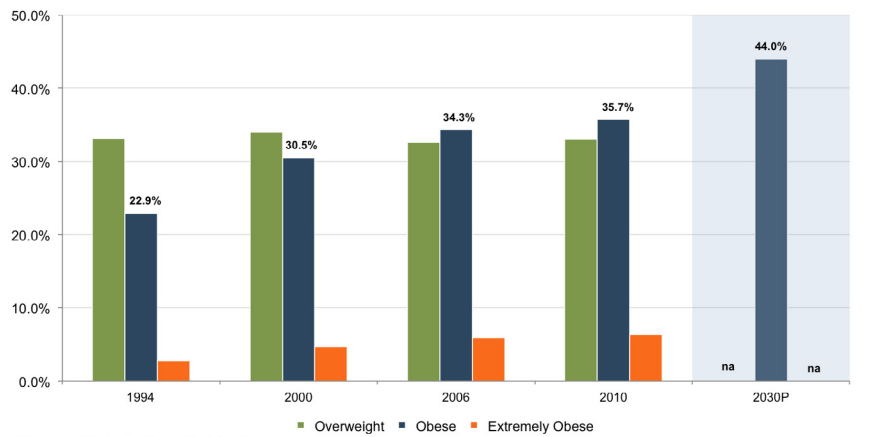
Source: U.S. Census Bureau

Macroeconomic Trends (cont.)

Obesity Rates

In addition to the greying population, the prevalence of unmet medical needs and increasing incidence of lifestyle diseases are likely to drive continued growth in the demand for healthcare services. According to OECD estimates, currently 70% of U.S. adults are overweight or obese, the second highest rate in the OECD. Some data does show obesity rate increases are slowing, however, and some forecasts are even predicting a downturn in the percentage of overweight individuals in the U.S. over the next several years.^{2, 3}

US Adult Obesity Rates

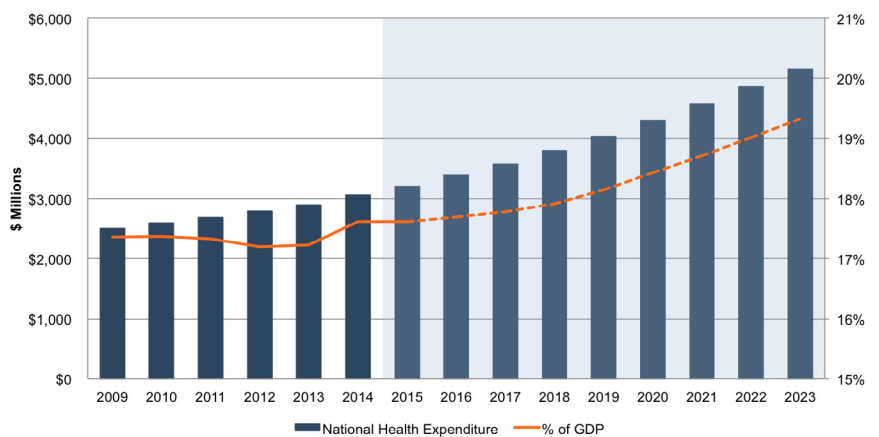


Data source: Centers for Disease Control and Prevention; Trust for America's Health, Robert Wood Johnson Foundation

US Healthcare Spending

Due to income levels and demographic shifts, total expenditure is expected to grow from approximately \$3 trillion in 2014 to over \$5 trillion by 2023. As a percentage of GDP, total healthcare expenditure is expected to grow from 17.6% in 2014 to almost 19.5% by 2023.⁴

US Healthcare Spending, Total and % of GDP



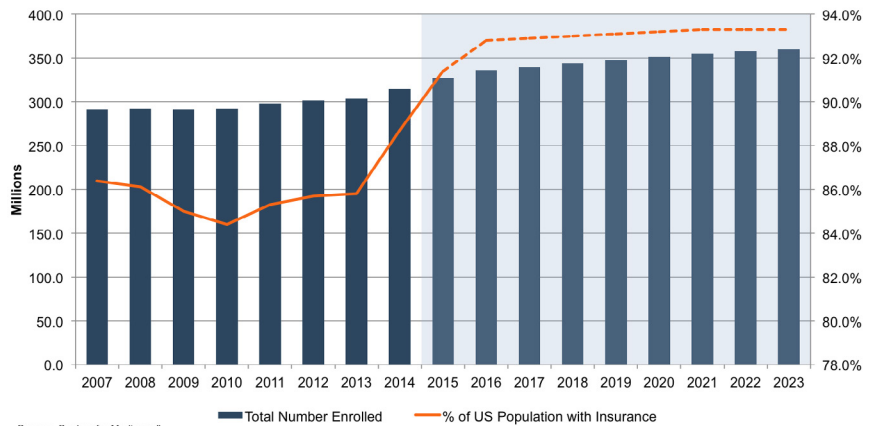
Source: Centers for Medicare & Medicaid Services, Office of the Actuary.

Industry Trends

Health Insurance Coverage

The Affordable Care Act (ACA) was passed, in part, to address the number of Americans without health insurance. People covered by private health insurance are more likely to use healthcare services because private health insurance decreases out-of-pocket costs. With passage of the ACA, the percentage of Americans enrolled in a health insurance plan is expected to grow from 84.4% in 2010 to 93.0% by 2016.⁵

Health Insurance Enrollment Totals

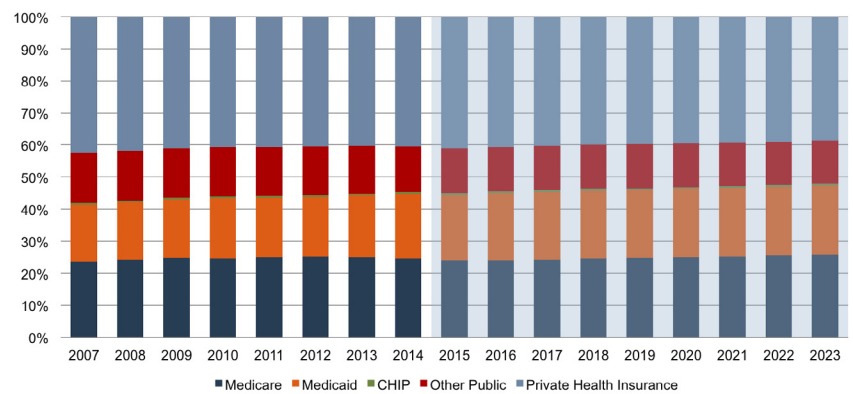


Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group

Payor Mix

Funding for Medicare and Medicaid and the terms of access to these reimbursement programs affect demand for hospitals and other healthcare services. Federal and state funding also affect the prices for those services. According to projections, Medicare funding outlays are set to be relatively stable through 2020 and beyond. The Congressional Budget Office (CBO) estimates Medicare will hover around 13.0% to 15.0% of federal spending and 3.0% of GDP through 2023.⁶

Health Expenditure by Source



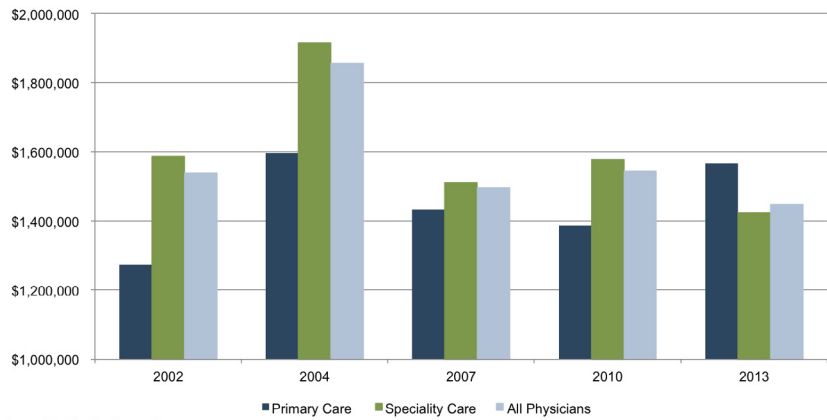
Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Industry Trends (cont.)

Physician Revenue Generation

Since 2004, the average revenue by physicians generated for their respective hospitals has dropped by almost 22.0%. Medicare reimbursement cuts and an evolving payment model (from fee-for-service to value-based) are driving the decline in revenues. This loss of revenue per physician has led to consolidation among hospitals and medical groups in the last decade.⁷

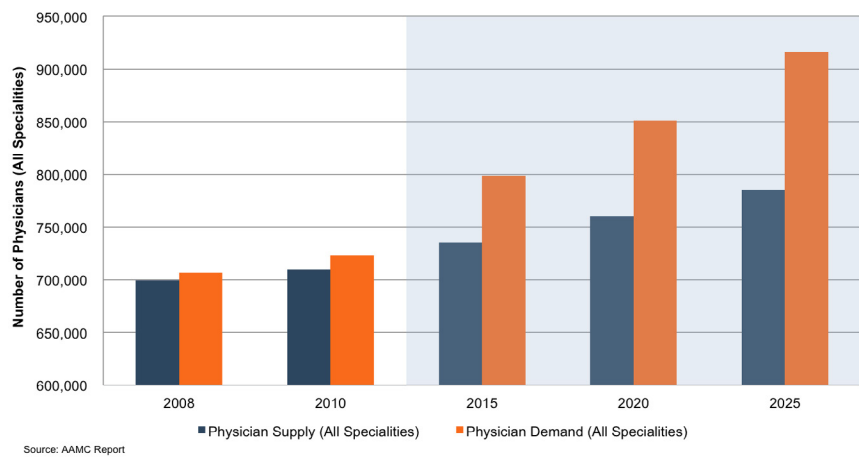
Average Net Revenue Generated by Physicians for Hospitals



Physician Shortages

According to the Association of American Medical Colleges (AAMC), the U.S. will have a shortage of approximately 90,000 doctors by 2020. An aging population and an increase in insured individuals are driving demand upward for health professionals, but supply has been slow to follow. Medicare supported residency training has been flat since 1997 and one possible solution may be to increase funding towards these programs to draw in more eligible doctoral candidates. Increasing wages could also reverse the trend, but would negatively affect health-care facility margins.⁸

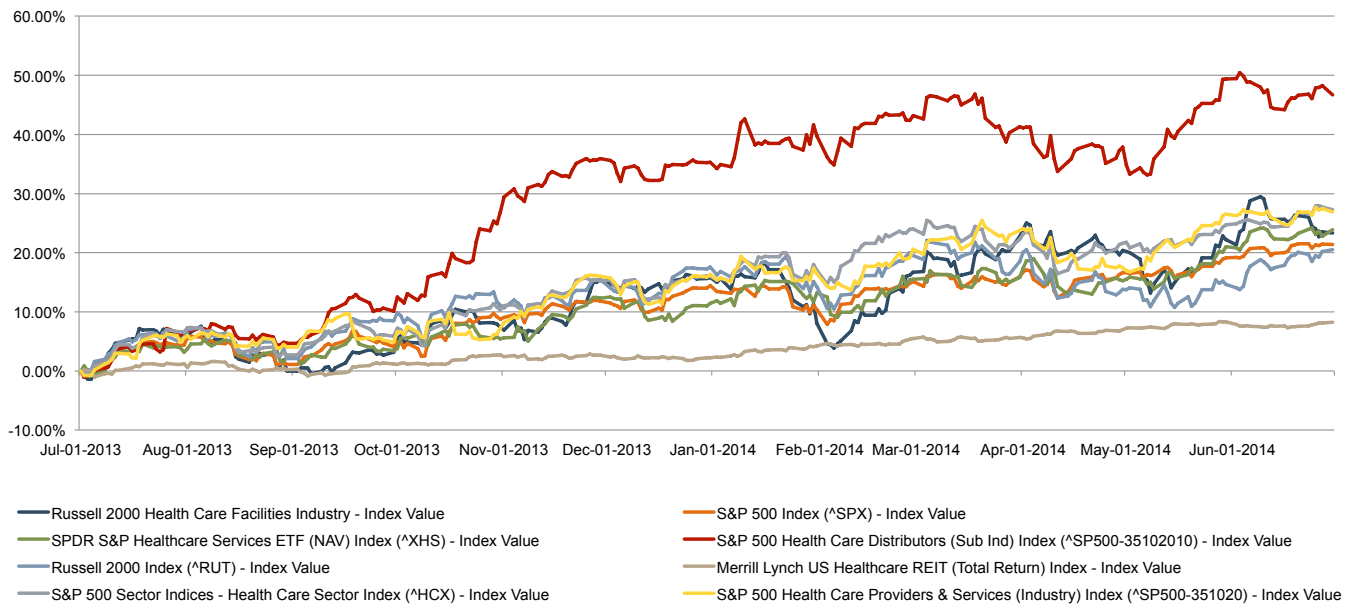
Physician Supply and Demand in the US



Valuation Trends

Broader healthcare indices have outpaced general market performance. Over the last year, the S&P Healthcare index and various healthcare sub-indices have outperformed the S&P 500 index.

Market Indices



Source: Capital IQ

Healthcare distributors (46.7%) and healthcare providers and services (26.9%) have had the best broad performance among the sub-sector indices in the past year. Merrill Lynch's Healthcare REIT index was a relative outlier compared to other indices, but still recorded gains over the period.

Market Indices

Market Indices	% Change		
	3 month	YTD	1 year
S&P 500 Index	5.5%	6.1%	21.4%
Russell 2000 Index	3.6%	2.5%	20.5%
Merrill Lynch US Healthcare REIT (Total Return) Index - Index Value	2.4%	5.9%	8.2%
S&P 500 Sector Indices - Healthcare Sector Index	5.4%	9.7%	27.3%
S&P 500 Healthcare Providers & Services (Industry) Index	3.2%	9.1%	26.9%
SPDR S&P Healthcare Services ETF (NAV) Index	7.7%	11.1%	23.9%
Russell 2000 Healthcare Facilities Industry - Index Value	0.5%	6.5%	23.3%
S&P 500 Healthcare Distributors (Sub Ind) Index	4.6%	8.4%	46.7%

Source: Capital IQ

Valuation Trends (cont.)

Market Sector

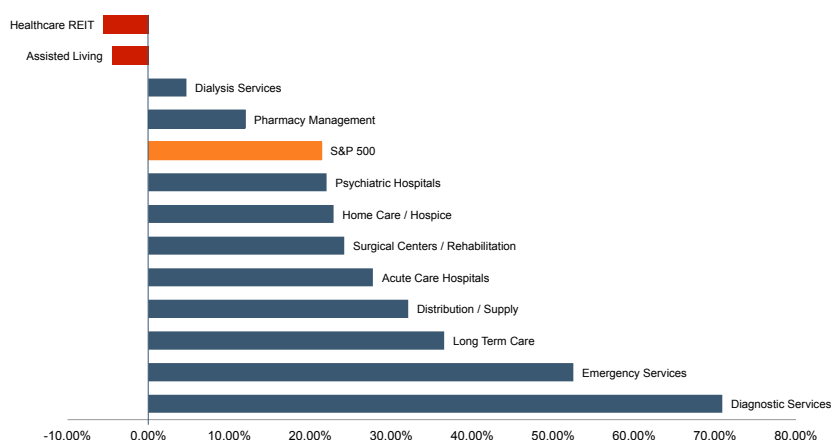
Sector	Number of Companies	Median % Change		LTM Multiples		Forward Multiples	
		3 month	1 year	EV / Revenue	EV / EBITDA	EV / Revenue	EV / EBITDA
Acute Care Hospitals	5	15.2%	27.7%	1.56x	9.6x	1.12x	7.8x
Assisted Living	5	2.9%	-4.6%	0.98x	15.7x	0.95x	13.1x
Diagnostic Services	3	-19.9%	70.9%	1.83x	6.3x	1.25x	7.4x
Dialysis Services	2	0.9%	4.7%	1.96x	10.0x	1.87x	9.9x
Distribution / Supply	6	0.8%	32.1%	0.26x	13.7x	0.27x	9.9x
Emergency Services	3	-3.0%	52.5%	2.93x	11.8x	1.23x	4.9x
Healthcare REIT	5	6.0%	-5.6%	10.36x	18.1x	9.35x	15.9x
Home Care / Hospice	6	3.1%	22.9%	0.77x	12.9x	0.68x	8.9x
Long Term Care	4	2.2%	36.5%	0.79x	8.6x	0.87x	7.0x
Pharmacy Management	5	3.2%	12.0%	0.64x	11.9x	0.67x	11.7x
Psychiatric Hospitals	3	6.6%	22.0%	0.49x	10.1x	0.39x	8.0x
Surgical Centers / Rehabilitation	4	0.1%	24.2%	2.29x	9.3x	2.15x	9.1x
All / Median	51	2.5%	23.5%	1.27x	11.0x	1.04x	9.0x

Source: Capital IQ

Median Stock Price

Companies in various healthcare facility subsectors have generally outperformed the broader market. The S&P 500 index has grown 21.4% year over year, trailing gains made by numerous healthcare facility sub-sectors. Excluding healthcare REITs, the best performing sub-sectors over the last year were diagnostic services (70.9%), emergency services (52.5%), and long-term care (36.5%). The worst performing sub-sectors were assisted living (-4.6%) and dialysis services (4.7%).

Median Stock Price % Change, 1 Year

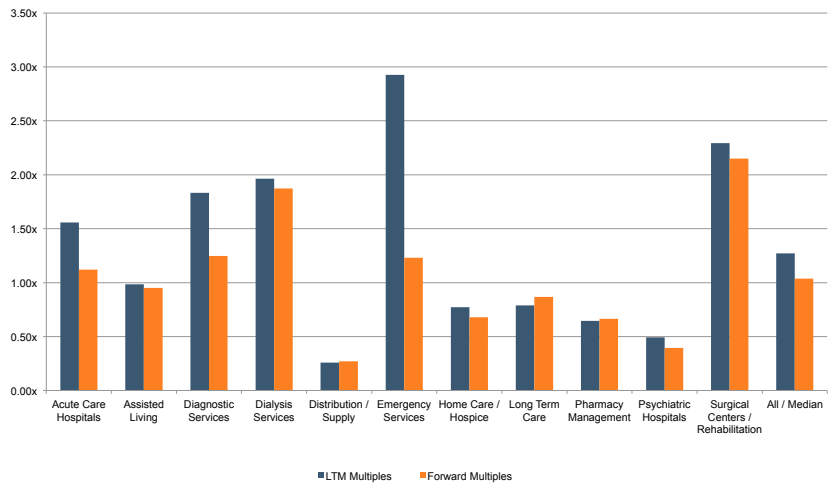


Source: Capital IQ

Valuation Trends (cont.)

EV / Revenue Multiples

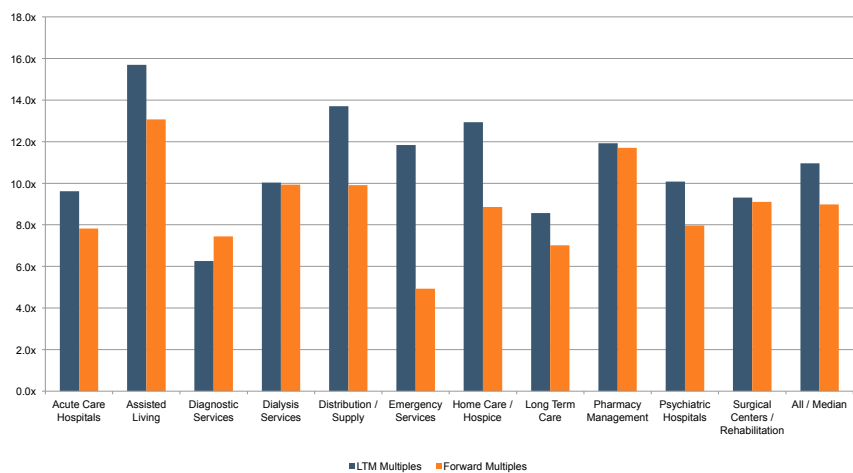
Excluding healthcare REITs, sub-sectors with the highest current revenue multiples are emergency services (2.93x) and surgical centers/rehabilitation (2.29x). Forward revenues in most sub-sectors are pegged to increase over the next year.



Source: Capital IQ

EV / EBITDA Multiples

The sub-sectors with the highest current EBITDA multiples are assisted living (15.7x) and distribution/supply (13.7x). Similar to forward revenue expectations, forward EBITDA estimates are expected to increase across the majority of health-care facility sub-sectors.



Source: Capital IQ

M&A Trends

Over 200 transactions have been announced in the first half of 2014 in the healthcare facility sector. Hospitals and healthcare facilities are adapting to changes sweeping through the industry, as new policies and market forces are driving consolidation. Transaction activity remains high as providers combine and consolidate to remain competitive and achieve greater economies of scale, along with addressing shifting payment models. Major factors currently driving transactions include:^{9, 10}

- **Reduced reimbursement rates.** Reimbursement issues are causing heavy financial stress on healthcare facilities, as payment models move from fee-for-service towards value based and bundle payments. Stagnant reimbursement from Medicare, Medicaid, and other commercial payors are also hurting industry revenue, driving an uptick in consolidating M&A activity.
- **Volume challenges.** Patients have been gravitating towards lower cost outpatient facilities, lowering the number of patients in inpatient facilities. Higher deductibles and growing copays have resulted in larger out-of-pocket expenses for consumers, leading patients to delay certain medical treatments. This has led to greater uncertainty in patient volume in a number of healthcare facility sub-sectors.
- **Integrated healthcare services.** In order to maintain margins and profitability, healthcare facilities are looking to expand their footprint into a number of sub-sectors. Larger healthcare facilities are absorbing smaller groups in divergent sectors in order to provide a continuum of care to patients, diversify their services, and control costs.
- **Scale advantages.** Larger and more integrated healthcare facilities have greater leverage and bargaining power when dealing with third-party payors, leading smaller facilities to consolidate with larger healthcare groups. Large capital expenditures will be needed to upgrade older facilities due to increasing healthcare demand as well, and large medical facility groups are better equipped to take on improvement projects due to their advantageous capital positions.

Major Transactions

- **Brookdale Senior Living (BKD)** announced in the first quarter of 2014 plans to merge with the Seattle-based **Emeritus Corporation**, effectively creating the first national senior-living company. The transaction value totaled \$2.8 billion, including \$1.4 billion in debt, and the deal subsequently closed in the third quarter of 2014.¹¹
- **AMSURG Corp. (AMSG)** and **Sheridan Healthcare** announced in the second quarter 2014 that their respective boards of directors unanimously approved a definitive agreement under which AMSURG acquired Sheridan Healthcare in a cash and stock transaction valued at approximately \$2.4 billion. The transaction combined an ambulatory surgical center with a physician management company and closed in the third quarter of 2014.¹²
- **Kindred Healthcare, Inc. (KND)** announced in the second quarter of 2014 a proposal to acquire all of the outstanding shares of common stock of **Gentiva Health Services, Inc. (GTIV)**. The proposed price for Gentiva implied a total equity value of approximately \$533 million. With the assumption of Gentiva's debt, the transaction was valued at approximately \$1.6 billion. The deal closed early in the fourth quarter of 2014.¹³
- **The Cahill Group** acquired **Rosewood** nursing homes and skilled-care centers for \$250 million. The deal included skilled nursing facilities, senior living, home health and related companies in St. Louis and Illinois. The new company is named Cahill Rosewood, and the deal closed in the first quarter of 2014.¹⁴

Healthcare Facility M&A Transactions

Announced Date	Buyers / Investors	Target/Issuer	Primary Industry
01/02/2014	180 Medical, Inc.	PRN Medical Services, LLC	Healthcare Distributors
01/02/2014	Hope Medical Supply Inc.	Medina County Medical Equipment Company, Inc.	Healthcare Distributors
01/02/2014	Alecto Healthcare Services LLC	Olympia Health Care, LLC	Healthcare Facilities
01/03/2014	Alan D. Shoopak, D.M.D. Orthodontic Group, P.A.; Sebring Management FL, LLC	Implant, General & Cosmetic Dentistry of Tampa Bay, P.A.	Healthcare Services
01/03/2014	Crozer-Keystone Health System Inc.	Pioneer Urgent Care	Healthcare Facilities
01/06/2014	Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	Riverside Center for Behavioral Medicine	Healthcare Facilities
01/06/2014	Global Healthcare REIT, Inc. (OTCPK:GBCS)	ATL/WARR, LLC	Healthcare Facilities
01/06/2014	Numotion	Specialty Wheelchairs L.L.C	Healthcare Distributors
01/06/2014	UCSF Benioff Children's Hospital	UCSF Benioff Children's Hospital Oakland	Healthcare Facilities
01/07/2014	RestorixHealth, Inc.	Candescent Healing, LLC	Healthcare Facilities
01/07/2014	South Jersey Radiology Associates, P.A.	Booth Radiology Inc.	Healthcare Services
01/07/2014	California Physicians' Service, Inc.	GEMCare Health Plan, Inc.	Managed Healthcare
01/07/2014	Surgical Care Affiliates, Inc. (NasdaqGS:SCAI)	East Brunswick Surgery Center, LLC	Healthcare Facilities
01/07/2014	BluePearl Veterinary Partners LLC	Animal Critical Care and Emergency Services, PLLC	Healthcare Facilities
01/07/2014	Northwestern Management Services LLC	Dean, Israel & Associates, D.D.S., P.A.	Healthcare Services
01/08/2014	Patient Home Monitoring Corp. (TSXV:PHM)	Resource Medical Group, LLC	Healthcare Distributors
01/08/2014	Patient Home Monitoring Corp. (TSXV:PHM)	Palmetto Medical Holdings, LLC	Healthcare Facilities
01/08/2014	Patient Home Monitoring Corp. (TSXV:PHM)	RMGC, LLC	Healthcare Services
01/08/2014	Alan D. Shoopak, D.M.D. Orthodontic Group, P.A.; Sebring Management FL, LLC	Simon Orthodontic Centers, P.A.	Healthcare Facilities
01/08/2014	Sebring Dental of Arizona, LLC	North Scottsdale Family & Cosmetic Dentistry, PLLC	Healthcare Services
01/09/2014	American Financial Group Inc. (NYSE:AFG)	Summit Holding Southeast Inc.	Managed Healthcare
01/09/2014	Catholic Health Initiatives	Memorial Health System of East Texas	Healthcare Facilities
01/09/2014	Physical Rehabilitation Network, Inc.	RehabAuthority	Healthcare Services
01/09/2014	Wesley Willows Corporation	Peterson Meadows, Inc.	Healthcare Facilities
01/10/2014	Pharos Capital Group, LLC	Seaside Healthcare LLC	Healthcare Facilities
01/13/2014	The Cahill Group	Rosewood Care Center Holding Company Inc.	Healthcare Facilities
01/14/2014	HCA Holdings, Inc. (NYSE:HCA)	SP Acquisition Corp.	Healthcare Facilities
01/14/2014	HRC Investors Corp.	Jordan Oaks Retirement Community	Healthcare Facilities
01/14/2014	HealthPRO Management Services, LLC	Rehab Solutions, Inc.	Healthcare Services
01/15/2014	Cornerstone Health Care, P.A.	Ashe Medical Associates P.A.	Healthcare Facilities
01/15/2014	University Hospitals Of Cleveland, Inc.	Robinson Memorial Hospital	Healthcare Facilities
01/15/2014	ThedaCare, Inc.	Community Health Network, Inc.	Healthcare Facilities
01/17/2014	Stratose, Inc.	PPOplus, LLC	Managed Healthcare
01/17/2014	Norco, Inc.	The Walla Walla Home Medical, Inc.	Healthcare Distributors

Source: Capital IQ

Healthcare Facility M&A Transactions

Announced Date	Buyers / Investors	Target/Issuer	Primary Industry
01/20/2014	Pamplona Capital Management LLP, Private Equity; Broad Street Principal Investments, L.L.C.	MagnaCare Inc.	Managed Healthcare
01/22/2014	Vancrest Health Care Centers Inc.	Dayview Care Center Inc.	Healthcare Facilities
01/23/2014	Univita Health, Inc.; Sisters of Charity of Leavenworth Health System, Inc.	Allcare Home Health LLC	Healthcare Services
01/24/2014	Miami International Medical Center, LLC	Metropolitan Hospital of Miami	Healthcare Facilities
01/26/2014	Life Care Services LLC	Encore Senior Living LLC	Healthcare Facilities
01/27/2014	Focus Ventures LLC	Otsego Manor	Healthcare Facilities
01/28/2014	PDHC, Ltd.	Park Dental St. Croix Valley	Healthcare Services
01/29/2014	SentosaCare LLC	North Sea Associates, LLC	Healthcare Facilities
01/29/2014	National Dentex Corporation	Tri-County Dental Lab Inc.	Healthcare Services
01/29/2014	Centra Health, Inc.	Bedford Memorial Hospital	Healthcare Facilities
01/29/2014	Dynamic Dental Partners Inc.	Personal Dental Care, Inc.	Healthcare Services
01/29/2014	Atlantic Health System, Inc.	Hackettstown Regional Medical Center	Healthcare Facilities
01/29/2014	VestraCare	Chautauqua County Home	Healthcare Facilities
01/29/2014	Visiting Nurse Association of Cape Cod Inc.	Vineyard Nursing Association Inc	Healthcare Services
01/30/2014	Methodist McKinney Hospital	Methodist McKinney Surgery Center	Healthcare Facilities
01/30/2014	Global Healthcare REIT, Inc. (OTCPK:GBCS)	Wood Moss, LLC	Healthcare Facilities
01/31/2014	CHRISTUS Hospital-St. Elizabeth	Beaumont Bone & Joint Institute, PA	Healthcare Facilities
02/02/2014	Kinderhook Industries	GlobalHealth, Inc.	Managed Healthcare
02/04/2014	Stratose, Inc.	Arkansas Managed Care Organization, Inc.	Managed Healthcare
02/04/2014	AxelaCare Health Solutions, LLC	ARC Infusion Corp. Inc.	Healthcare Services
02/05/2014	Extended Care Physicians, PA	Network Geriatric Services, PA	Healthcare Services
02/05/2014	Dialysis Clinic, Inc.	The Hortense And Louis Rubin Dialysis Center, Inc.	Healthcare Facilities
02/06/2014	Prime Healthcare Services, Inc.	Garden City Hospital Inc.	Healthcare Facilities
02/06/2014	Belleville Surgical Center Ltd	Physicians' Surgical Center, Ltd.	Healthcare Facilities
02/06/2014	Comprehensive Healthcare Management Services LLC	The Villages of Orleans Health & Rehabilitation Center	Healthcare Facilities
02/06/2014	Montefiore Health System, Inc.	White Plains Hospital	Healthcare Facilities
02/07/2014	Merry X-Ray Corporation	SouthWest Imaging Inc.	Healthcare Distributors
02/09/2014	Princeton Radiology Associates P.A., Inc.	Quakerbridge Radiology Associates, P.A.	Healthcare Services
02/10/2014	Neurorestorative Associates, Inc.	Ann Arbor Rehabilitation Centers, Inc.	Healthcare Facilities
02/11/2014	Health Care REIT, Inc. (NYSE:HCN); Revera Inc.	Sunrise Senior Living, LLC	Healthcare Facilities
02/11/2014	21st Century Oncology, Inc.	South Florida Radiation Oncology, LLC	Healthcare Facilities
02/12/2014	ALK-Abelló, Inc.	Bio-Medical Services, Inc.	Healthcare Facilities
02/12/2014	Elements Behavioral Health, Inc.	Clarity Way Drug and Alcohol Rehabilitation Center	Healthcare Facilities
02/13/2014	West Paces Ferry Healthcare REIT, Inc.	Southern Tulsa, LLC	Healthcare Facilities

Source: Capital IQ

Healthcare Facility M&A Transactions

Announced Date	Buyers / Investors	Target/Issuer	Primary Industry
02/13/2014	PhotoMedex, Inc. (NasdaqGS:PHMD)	LCA-Vision Inc.	Healthcare Facilities
02/13/2014	Holy Cross Hospital, Inc.	Maryland Care, Inc.	Managed Healthcare
02/13/2014	St. Alexius Medical Center, Inc.	Catholic Health Initiatives	Healthcare Facilities
02/14/2014	Alta Healthcare System LLC	Newport Specialty Hospital	Healthcare Facilities
02/15/2014	CareRite Centers, LLC	Squirrel Hill Operating, LLC	Healthcare Facilities
02/17/2014	TPG Capital, L.P.; Fosun Industrial Co., Ltd.	Chindex International Inc.	Healthcare Facilities
02/17/2014	Partners Group Holding AG (SWX:PGHN); Starr Investment Holdings, LLC, Investment Arm	MultiPlan, Inc.	Managed Healthcare
02/17/2014	Siskin Hospital For Physical Rehabilitation, Inc.	St. Barnabas Healthcare Center	Healthcare Facilities
02/18/2014	Highmark Inc.	Hospital Service Association Of Northeastern Pennsylvania	Managed Healthcare
02/18/2014	Erickson & Gill, P.A.	Gentility Touch Dentistry	Healthcare Services
02/18/2014	Westchester County Health Care Corporation	MidHudson Regional Hospital of Westchester Medical Center	Healthcare Facilities
02/19/2014	Furlong Fund, LLC	Dynacq Healthcare Inc. (OTCPK:DYII)	Healthcare Facilities
02/19/2014	Dynamic Healthcare Services, Inc.	Reliable Medical Inc.	Healthcare Distributors
02/19/2014	South Nassau Communities Hospital Inc	Long Beach Medical Center	Healthcare Facilities
02/20/2014	Brookdale Senior Living Inc. (NYSE:BKD)	Emeritus Corp.	Healthcare Facilities
02/20/2014	Yakima Valley Farm Workers Clinic Inc	Community Dental Care	Healthcare Services
02/20/2014	Saint Alphonsus Regional Medical Center, Inc.	Oasis Medical Center	Healthcare Facilities
02/20/2014	HEALTHSOUTH Corp. (NYSE:HLS)	New England Rehabilitation Services Of Central Massachusetts, Inc.	Healthcare Facilities
02/21/2014	Humility of Mary Health Partners, Inc.	River Valley Health Partners	Healthcare Facilities
02/25/2014	Aeroflow Inc.	Air-Care Home Health, Inc.	Healthcare Distributors
02/25/2014	Healthcare Finance Group, LLC; AcuityHealthcare, LP; HealthCap Partners, LLC; American Realty Capital LLC; Tutura & Co.	Restora Healthcare Company, LLC	Healthcare Facilities
02/26/2014	InPatient Hospitalist Healthcare Services of New York, P.C.	CAP Medical Group, PLLC	Healthcare Facilities
02/27/2014	Greater Rochester Health System, Inc.	United Memorial Medical Center	Healthcare Facilities
02/28/2014	Via Christi Health Inc.	Mercy Regional Health Center, Inc.	Healthcare Facilities
02/28/2014	Universal Health Services Inc. (NYSE:UHS)	Palo Verde Behavioral Health	Healthcare Facilities
03/04/2014	MEDNAX, Inc. (NYSE:MD)	Piedmont Neonatology, PC	Managed Healthcare
03/04/2014	Discovery Minerals Ltd. (OTCPK:DSCR)	VPR Group, Inc.	Healthcare Distributors
03/04/2014	Senior Care Centers of America, Inc.	Senior Care of Brick	Healthcare Facilities
03/05/2014	West Coast Commonwealth Partners, LLC	Blue Ridge Health Care Center	Healthcare Facilities
03/12/2014	West End Family Dental Clinic LLC	Cane Run Smile Center, Inc.	Healthcare Services
03/12/2014	West End Family Dental Clinic LLC	West Louisville Dental Center	Healthcare Services

Source: Capital IQ

Healthcare Facility M&A Transactions

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03/13/2014	Northwestern Memorial Healthcare Corporation	CDH-Delnor Health System, Inc.	Healthcare Facilities
03/14/2014	DLP Healthcare, LLC	Conemaugh Health System, Inc.	Managed Healthcare
03/17/2014	Therapy Support, Inc.	Town and Country Medical, Inc.	Healthcare Distributors
03/17/2014	OSF Healthcare System	St. Anthony's Health System	Healthcare Facilities
03/17/2014	ATI Physical Therapy Holdings, LLC	Ocoee Physical Therapy, Inc.	Healthcare Services
03/18/2014	Post Acute Medical, LLC	Nanticoke Hospital Company, LLC	Healthcare Facilities
03/18/2014	Black Stone Of Cincinnati, LLC	Nursing Resources by Black Stone	Healthcare Services
03/19/2014	Investment 360 L.L.C	Sunnyview Nursing and Rehabilitation Center	Healthcare Facilities
03/20/2014	Hospice Of the Sacred Heart	Celtic Healthcare of NE PA, Inc.	Healthcare Services
03/21/2014	Beaumont Health	William Beaumont Hospital, Inc.	Healthcare Facilities
03/21/2014	Beaumont Health	Botsford Health Care Continuum	Healthcare Facilities
03/25/2014	People's Choice Hospital LLC	Community Healthcare Of Douglas, Inc.	Healthcare Facilities
03/27/2014	Rising Pharmaceuticals, Inc.	PACK Pharmaceuticals, LLC	Healthcare Distributors
03/28/2014	ROC Seniors Housing Fund Manager, LLC	Maristone Living	Healthcare Facilities
03/28/2014	Billings Clinic; RegionalCare Hospital Partners, Inc.	Community Medical Center, Inc.	Healthcare Facilities
03/31/2014	NextGen Cannabis Consulting LLC	Greens R US, Inc.	Healthcare Facilities
04/01/2014	Magellan Rx Management, LLC	CDMI, LLC	Managed Healthcare
04/01/2014	FastMed Urgent Care	Advanced Urgent Care, L.L.C.	Healthcare Facilities
04/01/2014	Celtic Healthcare, Inc.	VNA-TIP Healthcare	Healthcare Services
04/01/2014	Baptist Health South Florida, Inc.	Baptist Eye Surgery Center	Healthcare Facilities
04/02/2014	Walton Street Capital, L.L.C.; Life Care Services LLC	Danberry at Inverness, Inc.	Healthcare Facilities
04/03/2014	LHC Group, Inc. (NasdaqGS:LHCG)	St. Joseph's Hospital of Buckhannon, Inc.	Healthcare Facilities
04/03/2014	Water Street Healthcare Partners	Take Care Employer Solutions, LLC	Healthcare Facilities
04/03/2014	Centers for Specialty Care Group LLC	Westmount Health Facility	Healthcare Facilities
04/04/2014	Community Health Systems, Inc. (NYSE:CYH)	Natchez Regional Medical Center	Healthcare Facilities
04/07/2014	Compass Health	Whatcom Counseling & Psychiatric Clinic	Healthcare Facilities
04/08/2014	OrthoNY, LLP	Schenectady Regional Orthopedic Associates, PC	Managed Healthcare
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Source: Capital IQ

Healthcare Facility M&A Transactions

Announced Date	Buyers / Investors	Target/Issuer	Primary Industry
03/21/2014	Beaumont Health	William Beaumont Hospital, Inc.	Healthcare Facilities
03/21/2014	Beaumont Health	Botsford Health Care Continuum	Healthcare Facilities
03/25/2014	People's Choice Hospital LLC	Community Healthcare Of Douglas, Inc.	Healthcare Facilities
03/27/2014	Rising Pharmaceuticals, Inc.	PACK Pharmaceuticals, LLC	Healthcare Distributors
03/28/2014	ROC Seniors Housing Fund Manager, LLC	Maristone Living	Healthcare Facilities
03/28/2014	Billings Clinic; RegionalCare Hospital Partners, Inc.	Community Medical Center, Inc.	Healthcare Facilities
03/31/2014	NextGen Cannabis Consulting LLC	Greens R US, Inc.	Healthcare Facilities
04/01/2014	Magellan Rx Management, LLC	CDMI, LLC	Managed Healthcare
04/01/2014	FastMed Urgent Care	Advanced Urgent Care, L.L.C.	Healthcare Facilities
04/01/2014	Celtic Healthcare, Inc.	VNA-TIP Healthcare	Healthcare Services
04/01/2014	Baptist Health South Florida, Inc.	Baptist Eye Surgery Center	Healthcare Facilities
04/02/2014	Walton Street Capital, L.L.C.; Life Care Services LLC	Danberry at Inverness, Inc.	Healthcare Facilities
04/03/2014	LHC Group, Inc. (NasdaqGS:LHCG)	St. Joseph's Hospital of Buckhannon, Inc.	Healthcare Facilities
04/03/2014	Water Street Healthcare Partners	Take Care Employer Solutions, LLC	Healthcare Facilities
04/03/2014	Centers for Specialty Care Group LLC	Westmount Health Facility	Healthcare Facilities
04/04/2014	Community Health Systems, Inc. (NYSE:CYH)	Natchez Regional Medical Center	Healthcare Facilities
04/07/2014	Compass Health	Whatcom Counseling & Psychiatric Clinic	Healthcare Facilities
04/08/2014	OrthoNY, LLP	Schenectady Regional Orthopedic Associates, PC	Managed Healthcare
04/10/2014	Rite Aid Corporation (NYSE:RAD)	RediClinic LLC	Healthcare Facilities
04/10/2014	The Abell Foundation, Inc., Endowment Arm	University of Maryland Specialty Hospital	Healthcare Facilities
04/11/2014	Cornerstone Healthcare, Inc.	Life's Doors Hospice, Inc.	Healthcare Services
04/11/2014	CHP Friendswood SNF, LLC	Friendship Haven Healthcare and Rehabilitation Center	Healthcare Facilities
04/14/2014	Lowell General Hospital, LLC	Tufts Medical Center, Inc.	Healthcare Facilities
04/15/2014	Joerns Healthcare Inc.	RecoverCare, LLC	Healthcare Distributors
04/17/2014	TRU Community Care	Hospice of Northern Colorado, Inc.	Healthcare Facilities
04/18/2014	Wellspring Capital Management LLC	Great Lakes Home Health Services, Inc.	Healthcare Services
04/21/2014	Latteno Food Corp. (OTCPK:LATF)	DMND, Inc.	Healthcare Distributors
04/24/2014	Pacifica Senior Living, LLC	Quiet Oaks Distinctive Assisted Living	Healthcare Facilities
04/24/2014	Berkshire Medical Center, Inc.	North Adams Regional Hospital, Inc.	Healthcare Facilities
04/29/2014	University Wisconsin Health	SwedishAmerican Health System Corporation	Healthcare Facilities
04/29/2014	Catholic Health System, Inc., Endowment Arm	Mount St. Mary's Hospital and Health Center	Healthcare Facilities
05/01/2014	ACSH Urgent Care of Georgia, LLC	CorrectMed, LLC	Healthcare Facilities
05/01/2014	Enhanced Medical Services, LLC	Universal Ophthalmic Instruments, Inc.	Healthcare Distributors
05/01/2014	Pyramid Healthcare, Inc.	Onward Behavioral Health, Inc.	Healthcare Services
05/06/2014	Prospira PainCare Holdings, LLC	Advanced Interventional Pain Clinic, LLC	Healthcare Services

Source: Capital IQ

Healthcare Facility M&A Transactions

Announced Date	Buyers / Investors	Target/Issuer	Primary Industry
05/07/2014	The Ensign Group, Inc. (NasdaqGS:ENSG)	Washington Heights Healthcare, Inc.	Healthcare Facilities
05/07/2014	C & C Shop LLC	Better Buds LLC	Healthcare Distributors
05/08/2014	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)	Total InPatient Services, P.A.	Healthcare Facilities
05/08/2014	M3 USA Corporation	PracticeMatch Services, LLC	Managed Healthcare
05/09/2014	Maxim Management Group, LLC	Leesville Rehabilitation Hospital LLC	Healthcare Facilities
05/13/2014	Senior Care Centers of America, Inc.	Senior Care of Clifton Heights	Healthcare Facilities
05/13/2014	Signature Hospice, Home Health and Home Care	XL Hospice, Inc.	Healthcare Facilities
05/13/2014	Alecto Healthcare Services LLC	Fairmont Regional Medical Center	Healthcare Facilities
05/15/2014	Kindred Healthcare Inc. (NYSE:KND)	Gentiva Health Services Inc. (NasdaqGS:GTIV)	Healthcare Services
05/15/2014	Care New England Health System Inc.	Southern New England Regional Cancer Center, LLC	Healthcare Facilities
05/19/2014	CHP Partners LP	Mercy Rehabilitation Hospital, LLC	Healthcare Services
05/19/2014	CHP Partners LP	HealthSouth Rehabilitation Hospital of Desert Canyon, LLC	Healthcare Facilities
05/19/2014	CHP Partners LP	Saint Joseph Rehabilitation Institute	Healthcare Facilities
05/19/2014	CHP Partners LP	Victory Medical Center Beaumont, LP	Healthcare Facilities
05/19/2014	CHP Partners LP	Southwest Surgical Hospital	Healthcare Facilities
05/20/2014	Harvest Partners, LP	AthletiCo Ltd.	Healthcare Services
05/21/2014	Silver Point Capital L.P.	Specialty Hospitals of America, LLC	Healthcare Facilities
05/21/2014	Silver Point Capital L.P.	Specialty Hospital of Washington LLC	Healthcare Facilities
05/21/2014	OSF Healthcare System	Mendota Community Hospital	Healthcare Facilities
05/22/2014	The Peebles Corporation; The Witkoff Group LLC	Long Island College Hospital Inc.	Healthcare Facilities
05/23/2014	Summit Behavioral Healthcare, LLC	Valley Recovery Center of California	Healthcare Facilities
05/27/2014	ABC Home Medical Supply, Inc.	Southeast Medical, Inc.	Healthcare Distributors
05/28/2014	National Specialty Hospitals, Inc.	Fairfield Surgery Center, LLC	Healthcare Facilities
05/29/2014	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)	Eastside Medical Consultants, LLC	Healthcare Facilities
05/29/2014	Lifecare Hospitals, LLC	Kindred Hospital-Pittsburgh-North Shore, L.L.C.	Healthcare Facilities
05/30/2014	SFMP, Inc.	Memphis Surgery Associates, PC	Healthcare Facilities
05/30/2014	Apax Partners LLP	GENEX Services, Inc.	Managed Healthcare
05/30/2014	Baptist Health South Florida, Inc.	MaxCare Urgent Treatment Center	Healthcare Facilities
06/02/2014	Greystone Healthcare Management Corp.	Brevard HMA Nursing Home, LLC	Healthcare Facilities
06/02/2014	U.S. Healthworks, Inc.	Industricare, LLC	Healthcare Facilities
06/02/2014	Addus HomeCare Corporation (NasdaqGS:ADUS)	Aid & Assist At Home LLC	Healthcare Services
06/03/2014	Apollo Medical Holdings, Inc. (OTCPK:AMEH)	AKM Medical Group, Inc.	Managed Healthcare
06/03/2014	The Guardian Life Insurance Company of America	Access Dental Plan, Inc.	Healthcare Services
06/03/2014	Tenet Healthcare Corp. (NYSE:THC)	Texas Regional Medical Center Ltd.	Healthcare Facilities
06/04/2014	VWR International LLC	LABREPCO, Inc.	Healthcare Distributors

Source: Capital IQ

Healthcare Facility M&A Transactions

Announced Date	Buyers / Investors	Target/Issuer	Primary Industry
06/04/2014	Avamere Family of Companies Inc.	Sunnyside Operations LLC	Healthcare Facilities
06/04/2014	Center Management Group, LLC	RUNNELLS Specialized Hospital of Union County	Healthcare Facilities
06/09/2014	Cleveland Clinic	Akron General Health System	Healthcare Facilities
06/10/2014	Pediatric Associates, Inc.	Jacksonville Pediatric Associates, M.D., P.A.	Healthcare Facilities
06/11/2014	Terner Capital Group, LLC	Florence Hospital at Anthem, LLC	Healthcare Facilities
06/12/2014	Matt Smith Physical Therapy	Rancho Injury Care Center	Healthcare Services
06/16/2014	ANIMART Inc.	Michigan Veterinary Supply Co., Inc.	Healthcare Distributors
06/17/2014	ACSH Urgent Care of Florida, LLC	Bay Walk-In Clinic, Inc.	Healthcare Facilities
06/17/2014	RepuCare Onsite LLC	Spectrum Health Systems, Inc.	Healthcare Facilities
06/17/2014	Synergy Health Centers LLC	Park Avenue Nursing & Rehabilitation Center Inc.	Healthcare Facilities
06/19/2014	Complete HealthCare Resources-Eastern, Inc.	Cedar Haven Nursing Home	Healthcare Facilities
06/24/2014	Fresenius Medical Care AG & Co. KGAA (DB:FME)	Sound Inpatient Physicians, Inc.	Managed Healthcare
06/25/2014	Partners HealthCare System, Inc.	South Shore Hospital, Inc.	Healthcare Facilities
06/26/2014	Banner Health	The University of Arizona Health Network, Inc.	Healthcare Facilities
06/27/2014	Alignment Healthcare LLC	Honored Citizens Choice Health Plan, Inc.	Managed Healthcare
06/27/2014	Fresenius Medical Care AG & Co. KGAA (DB:FME)	CRG Operating Company, LLC	Healthcare Facilities
06/27/2014	Regenerative Medicine Solutions, LLC	Advanced Health Care Partners, LLC	Managed Healthcare
06/27/2014	Quantum International Income Corp. (TSXV:QIC.U)	Roseland Ambulatory Surgery Center, LLC	Healthcare Facilities
06/30/2014	Muneris Capital Group LLC	Presence Our Lady of the Resurrection Medical Center	Healthcare Facilities
06/30/2014	Center Management Group, LLC	Catholic Health Care Services of Archdiocese of Philadelphia	Healthcare Facilities
06/30/2014	Integrated Anesthesia Associates, Inc.	Medical Anesthesiology Associates, P.C.	Healthcare Services

Source: Capital IQ

Public Company Pricing

Acute Care Hospitals

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Community Health Systems, Inc.	CYH	\$45.4	17.4%	-3.5%	\$5,229.4	\$22,460.4	\$15,508.7	\$1,987.9	1.61x	12.9x	1.12x	7.4x
HCA Holdings, Inc.	HCA	\$56.4	10.2%	52.6%	\$24,223.5	\$53,859.5	\$35,354.0	\$6,921.0	1.56x	8.1x	1.40x	7.8x
Lifepoint Hospitals Inc.	LPNT	\$62.1	15.2%	27.7%	\$2,762.1	\$4,708.0	\$3,906.5	\$520.9	1.25x	9.6x	1.04x	7.8x
Tenet Healthcare Corp.	THC	\$46.9	12.1%	1.5%	\$4,583.8	\$16,069.8	\$14,261.0	\$1,579.0	1.27x	11.0x	0.92x	8.2x
Universal Health Services Inc.	UHS	\$95.8	20.2%	40.6%	\$9,459.6	\$12,956.3	\$7,557.2	\$1,391.6	1.76x	9.3x	1.44x	9.1x
Median			15.2%	27.7%					1.56x	9.6x	1.12x	7.8x

\$ in millions, except per share pricing
Source: Capital IQ

Assisted Living

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
AdCare Health Systems Inc.	ADK	\$4.3	2.9%	-5.7%	\$75.0	\$219.7	\$223.8	\$12.3	0.98x	16.4x	0.95x	13.7x
Brookdale Senior Living Inc.	BKD	\$33.3	0.8%	24.2%	\$4,287.2	\$6,875.9	\$2,604.2	\$448.4	2.67x	15.7x	2.25x	13.1x
Capital Senior Living Corp.	CSU	\$23.8	-6.4%	-2.7%	\$691.9	\$1,208.0	\$355.5	\$53.8	3.46x	22.5x	3.05x	15.9x
Five Star Quality Care Inc.	FVE	\$5.0	6.1%	-11.8%	\$243.6	\$257.9	\$1,086.3	\$38.6	0.24x	6.1x	0.20x	5.3x
Skilled Healthcare Group, Inc.	SKH	\$6.3	25.3%	-4.6%	\$249.2	\$664.2	\$831.3	\$64.7	0.80x	10.0x	0.79x	9.0x
Median			2.9%	-4.6%					0.98x	15.7x	0.95x	13.1x

\$ in millions, except per share pricing
Source: Capital IQ

Quick References

Enterprise Value	Market Capitalization + Total Debt + Preferred Equity + Minority Interest - Cash and Short Term Investments
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
LTM	Last Twelve Months
Forward	Next Twelve Month Estimates

Public Company Pricing (cont.)

Diagnostic Imaging

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Alliance Healthcare Services, Inc.	AIQ	\$27.0	-19.9%	70.9%	\$284.0	\$812.8	\$440.6	\$132.2	1.83x	5.8x	NM	NM
American Shared Hospital Services	AMS	\$2.6	-21.2%	20.5%	\$13.7	\$56.3	\$15.8	\$8.2	3.32x	6.3x	NM	NM
RadNet, Inc.	RDNT	\$6.6	142.0%	152.1%	\$277.2	\$903.9	\$701.5	\$108.3	1.29x	8.2x	1.25x	7.4x
Median			-19.9%	70.9%					1.83x	6.3x	1.25x	7.4x

\$ in millions, except per share pricing

Source: Capital IQ

Dialysis Services

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
DaVita HealthCare Partners Inc.	DVA	\$72.3	5.7%	19.4%	\$15,490.9	\$23,609.5	\$12,269.6	\$2,413.0	1.97x	9.8x	1.86x	9.7x
Fresenius Medical Care AG & Co. KGAA	FME	\$49.0	-3.8%	-10.0%	\$14,799.2	\$21,278.5	\$15,212.7	\$2,852.8	1.96x	10.3x	1.89x	10.2x
Median			0.9%	4.7%					1.96x	10.0x	1.87x	9.9x

\$ in millions, except per share pricing

Source: Capital IQ

Distribution / Supply

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
AmerisourceBergen Corporation	ABC	\$72.7	12.1%	32.1%	\$16,409.5	\$17,109.7	\$112,449.5	\$1,168.3	0.16x	15.7x	0.14x	9.9x
Cardinal Health, Inc.	CAH	\$68.6	-1.6%	44.1%	\$23,324.2	\$24,203.2	\$91,084.0	\$2,369.0	0.26x	9.5x	0.27x	9.3x
Henry Schein, Inc.	HSIC	\$118.7	0.8%	22.2%	\$10,128.9	\$11,276.9	\$9,920.9	\$822.8	1.16x	13.7x	1.09x	12.9x
McKesson Corporation	MCK	\$186.2	6.2%	60.3%	\$43,124.9	\$51,447.9	\$149,428.0	\$3,352.0	0.37x	16.2x	0.31x	10.9x
Patterson Companies, Inc.	PDCO	\$39.5	-1.6%	-0.7%	\$2,143.8	\$2,177.4	\$9,151.3	\$238.1	0.24x	9.0x	0.24x	7.9x
Median			0.8%	32.1%					0.26x	13.7x	0.27x	9.9x

\$ in millions, except per share pricing

Source: Capital IQ

Public Company Pricing (cont.)

Emergency Services

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Adeptus Health Inc.	ADPT	\$25.4	0.0%	0.0%	\$237.8	\$353.1	\$140.4	\$5.4	2.93x	34.1x	0.00x	0.0x
Air Methods Corp.	AIRM	\$51.7	-3.0%	52.5%	\$2,022.2	\$2,722.0	\$957.8	\$247.8	2.94x	11.8x	2.65x	9.9x
InfuSystem Holdings, Inc.	INFU	\$2.7	-3.6%	74.3%	\$59.3	\$86.0	\$59.4	\$16.4	1.49x	5.8x	1.23x	NM
Median			-3.0%	52.5%					2.93x	11.8x	1.23x	4.9x

\$ in millions, except per share pricing
Source: Capital IQ

Home Care / Hospice

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Addus HomeCare Corporation	ADUS	\$22.5	0.63%	14.64%	\$244.6	\$227.6	\$285.8	\$18.3	0.83x	12.9x	0.72x	10.0x
Almost Family Inc.	AFAM	\$22.1	-5.88%	17.60%	\$208.6	\$256.8	\$430.9	\$17.9	0.65x	17.2x	0.52x	8.9x
Amedisys Inc.	AMED	\$16.7	13.65%	49.87%	\$549.3	\$589.6	\$1,192.0	\$35.3	0.49x	17.9x	0.50x	12.5x
Chemed Corp.	CHE	\$93.7	5.53%	28.16%	\$1,643.8	\$1,790.1	\$1,408.0	\$183.8	1.27x	9.8x	1.22x	8.5x
Gentiva Health Services Inc.	GTIV	\$15.1	66.41%	59.70%	\$554.8	\$1,661.5	\$1,882.2	\$142.1	0.92x	12.9x	0.83x	8.8x
LHC Group, Inc.	LHCG	\$21.4	-2.60%	8.59%	\$380.1	\$461.4	\$668.0	\$54.1	0.71x	8.9x	0.63x	8.1x
Median			3.08%	22.88%					0.77x	12.9x	0.68x	8.9x

\$ in millions, except per share pricing
Source: Capital IQ

Long Term Care

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Diversicare Healthcare Services Inc.	DVCR	\$7.6	23.9%	56.0%	\$46.7	\$109.5	\$322.1	\$11.7	0.36x	18.4x	NM	NM
Kindred Healthcare Inc.	KND	\$23.1	0.7%	71.5%	\$1,473.5	\$3,040.0	\$5,012.8	\$284.5	0.62x	10.3x	0.59x	7.2x
National Healthcare Corp.	NHC	\$56.3	3.7%	17.1%	\$799.8	\$821.5	\$832.4	\$108.3	1.02x	6.7x	0.96x	NM
The Ensign Group, Inc.	ENSG	\$31.1	-28.3%	-13.1%	\$690.5	\$888.3	\$956.0	\$119.1	0.96x	6.9x	0.87x	6.8x
Median			2.2%	36.5%					0.79x	8.6x	0.87x	7.0x

\$ in millions, except per share pricing
Source: Capital IQ

Public Company Pricing (cont.)

Pharmacy Management

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
BioScrip Inc.	BIOS	\$8.3	23.6%	-49.1%	\$570.7	\$980.1	\$975.3	\$21.3	1.09x	40.1x	0.99x	16.7x
Catamaran Corporation	CCT	\$47.1	-4.0%	-8.0%	\$9,747.0	\$10,596.6	\$18,443.2	\$763.6	0.58x	13.2x	0.46x	12.0x
Express Scripts Holding Company	ESRX	\$69.3	-8.2%	12.0%	\$53,638.0	\$65,578.9	\$100,493.0	\$6,419.7	0.64x	10.2x	0.67x	9.4x
Omnicare Inc.	OCR	\$66.6	13.3%	38.2%	\$6,592.2	\$8,520.6	\$6,233.0	\$722.4	1.39x	11.9x	1.32x	11.7x
PharMerica Corporation	PMC	\$28.6	3.2%	107.8%	\$857.5	\$1,075.7	\$1,788.1	\$112.0	0.61x	9.3x	0.61x	8.6x
Median			3.2%	12.0%					0.64x	11.9x	0.67x	11.7x

\$ in millions, except per share pricing
Source: Capital IQ

Psychiatric Hospitals

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Acadia Healthcare Company, Inc.	ACHC	\$45.5	2.2%	34.1%	\$2,717.0	\$3,373.0	\$789.9	\$154.7	4.48x	22.8x	3.59x	17.1x
Magellan Health, Inc.	MGLN	\$62.2	6.6%	10.5%	\$1,703.7	\$1,446.7	\$3,736.3	\$206.9	0.39x	6.0x	0.38x	6.4x
Providence Service Corp.	PRSC	\$36.6	31.2%	22.0%	\$533.0	\$557.7	\$1,186.9	\$60.7	0.49x	10.1x	0.39x	8.0x
Median			6.6%	22.0%					0.49x	10.1x	0.39x	8.0x

\$ in millions, except per share pricing
Source: Capital IQ

Public Company Pricing (cont.)

Surgical Centers / Rehabilitation

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
AmSurg Corp.	AMSG	\$45.6	-2.0%	27.1%	\$1,871.6	\$2,950.7	\$1,101.3	\$371.0	2.72x	8.0x	2.53x	8.2x
Surgical Care Affiliates, Inc.	SCAI	\$29.1	-4.4%	0.0%	\$1,113.3	\$1,935.0	\$807.4	\$171.1	2.45x	10.1x	2.28x	12.0x
HEALTHSOUTH Corp.	HLS	\$35.9	2.3%	21.3%	\$3,160.1	\$4,842.9	\$2,303.3	\$577.5	2.14x	8.5x	2.02x	8.3x
Select Medical Holdings Corporation	SEM	\$15.6	30.8%	90.0%	\$2,041.1	\$3,711.0	\$2,963.0	\$357.4	1.26x	10.2x	1.19x	9.9x
Median			0.1%	24.2%					2.29x	9.3x	2.15x	9.1x

\$ in millions, except per share pricing

Source: Capital IQ

Healthcare REIT

Company Name	Ticker	Price at 10/28/14	% Change		Market Cap	Ent. Value (TEV)	LTM		LTM Multiples		Forward Multiple	
			3-month	1 year			Rev.	EBITDA	EV / Rev.	EV / EBITDA	EV / Rev.	EV / EBITDA
Health Care REIT, Inc.	HCN	\$62.7	6.0%	-5.6%	\$19,143.1	\$31,267.4	\$3,162.3	\$1,712.0	10.36x	19.5x	9.32x	17.3x
HCP, Inc.	HCP	\$41.4	8.4%	-7.9%	\$18,960.2	\$27,580.2	\$2,142.6	\$1,747.6	13.02x	15.4x	13.06x	15.9x
Healthcare Realty Trust Incorporated	HR	\$25.4	5.7%	0.1%	\$2,441.3	\$3,821.0	\$359.5	\$208.7	10.97x	19.0x	10.10x	17.2x
Owens & Minor Inc.	OMI	\$34.0	-1.6%	-0.7%	\$2,143.8	\$2,177.4	\$9,151.3	\$238.1	0.24x	9.0x	0.24x	7.9x
Ventas, Inc.	VTR	\$64.1	6.2%	-6.6%	\$18,868.1	\$28,527.7	\$2,934.8	\$1,623.3	9.95x	18.1x	9.35x	15.2x
Median			5.99%	-5.60%					10.36x	18.1x	9.35x	15.9x

\$ in millions, except per share pricing

Source: Capital IQ

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