

VALUE FOCUS

HEALTHCARE FACILITIES

Q4 2024



BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

SECTOR FOCUS: AMBULATORY SURGERY CENTERS

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OVERVIEW

Ambulatory Surgery Centers (ASCs) have seen a significant increase in popularity during the past few years. **Currently** in the United States, there are 11,555 active centers, representing a 3% year over year increase. Of these centers, 67% remain independently owned, creating a highly fragmented market with the opportunity for Private Equity firms or other consolidators to **capitalize** on this market. ASCs provide patients with surgical experiences that can be less intimidating than traditional inpatient settings and encompass a variety of medical benefits. Thanks to an improvement in technology and techniques, patients are typically able to leave the facility after surgery and recover in the comfort of their own home. ASCs vary in size and specialty, but 55% have 1-2 operating rooms on site. Over half of all the ASCs in the U.S. are specialized for one type of surgery, but a rising demand for more outpatient procedures has increased the number of multi-specialty ASCs in recent years. In 2024 the Center of Medicare Services (CMS) agreed to cover 3,600 different types of procedures to be performed in ASCs and is expected to continue approving more with advances in technologies.

In This Issue

Overview	1
SECTOR FOCUS	
Ambulatory Surgery Centers	2
Private Equity Involvement	4
HOPD Vs. ASCs	5
HEALTHCARE SNAPSHOT	
Stocks	6
IPOs	13
Healthcare Facilities M&A	14
About Mercer Capital	15

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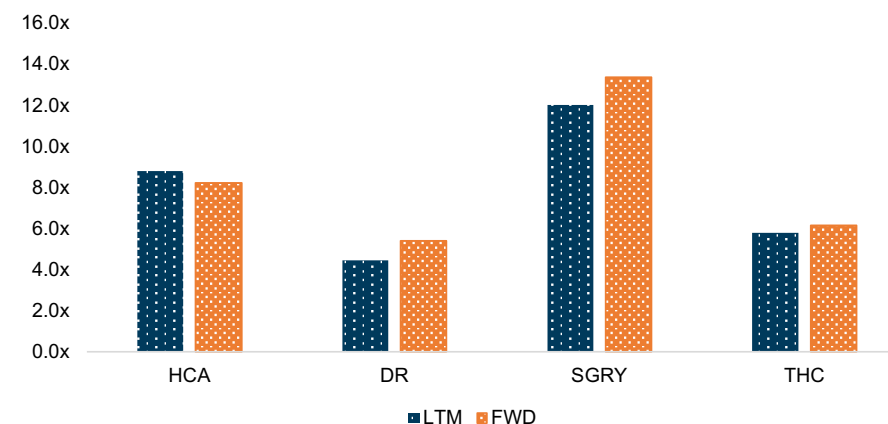
SECTOR FOCUS

Ambulatory Surgery Centers

In the first quarter of 2024, 53 ASCs achieved Medicare certification, and this number grew throughout the year. Continuous advancements in minimally invasive technology, anesthesia, and perioperative protocols have broadened the outpatient mix along with the number of surgeries able to be performed. The most popular surgeries performed at ASCs are cataract, gallbladder, tonsillectomy, endoscopic, and orthopedic procedures. The most notable increases in case volume include a 50% increase in joint surgeries and an 11% increase in orthopedic surgeries, signaling a shift in ASCs to higher acuity and margin-specialized surgeries. This migration is enhancing profitability across all ownership models. Large public operators, like Surgery Partners, United Surgical Partners International, HCA Healthcare, and Medical Facilities Corporation, have achieved EBITDA margins ranging around 18-19%. These operators have benefitted significantly from continued ASC expansion. **HCA Healthcare** reported a 5% revenue increase in 2024 despite a 2% volume decrease in patients, highlighting the benefits of ASC diversification.

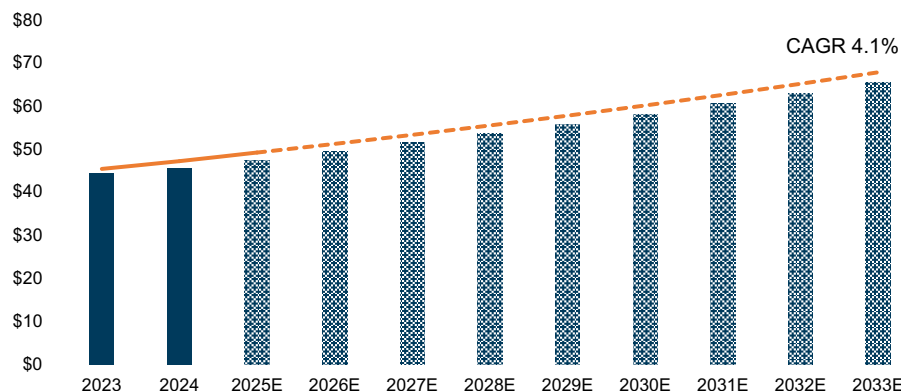
According to a study by RAND, procedures that take place at Hospital Outpatient Departments (HOPDs) charge private insurers **200%–250%** of their Medicare prices, but only 170% at ASCs. While corporations receive significant benefits from ASCs, consumers also benefit. The average cost of surgery at an ASC is \$3,157, while HOPD procedures average \$7,716. Having a procedure at an ASC saves a typical insured patient \$684. CMS has also benefited from procedures taking place at ASCs, saving over **\$2.3 billion in 2024**. This has caused a significant increase in surgeries that CMS agrees to cover for the aging U.S. population.

EV/EBITDA



Source: S&P Capital IQ Pro

U.S. ASC Market Size (\$B)



Source: Fortune Business Insights

SECTOR FOCUS (cont.)

Ambulatory Surgery Centers

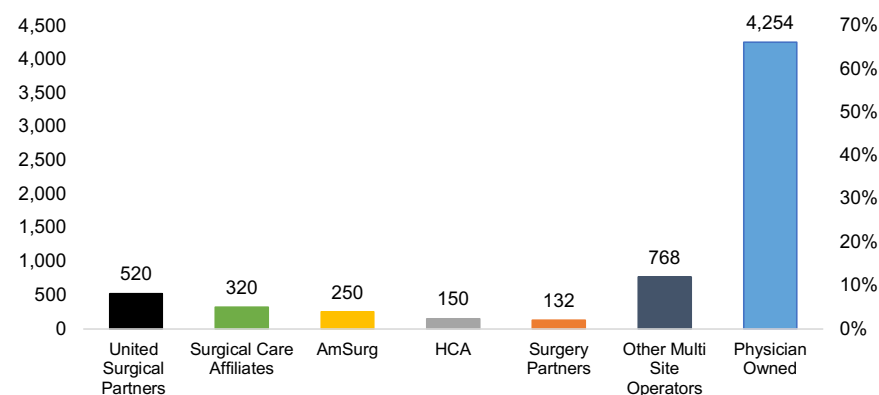
The popularity of ASCs among patients and insurers has propelled the value of the ASC market in the United States. Currently, the market is valued at **\$46 billion** and is expected to reach \$66 billion by 2033 (a compound annual growth rate of 4.1%). The international market has also grown significantly, but the United States remains the primary target of Private Equity M&A activity.

HCA Healthcare (NYSE: HCA) owns and operates hospitals and related health-care entities in the United States. It operates general and acute care hospitals that offer medical and surgical services. Recently, HCA has expanded its ASC construction to keep pace with competitors.

Medical Facilities Corporation (TSX: DR) owns and operates specialty surgical hospitals and ambulatory surgery centers in the United States. Its specialty surgical hospitals offer non-emergency surgical, imaging, diagnostic, and pain management procedures.

Surgery Partners Inc (NasdaqGS: SGRY) owns and operates a network of surgical facilities and ancillary services in the United States. Surgery Partners provides ambulatory surgery centers and surgical hospitals that offer non-emergency surgical procedures in various specialties.

Tenet Healthcare (NYSE: THC) operates as a diversified healthcare services company in the United States. The company operates its ambulatory surgery centers through a subsidiary called United Surgery Partners International (USPI). USPI was acquired by Tenet in 2015.

ASC Ownership

Source: Beckers ASC Review

PRIVATE EQUITY INVOLVEMENT

Out of the 1,049 Private Equity healthcare deals that occurred in 2024, 139 were to acquire outpatient practices. The average acquisition price for the ASCs was approximately 8x EBITDA. Typically, PE firms buy Physician Practice Management (PPM) companies to roll up their ASCs into one system. The firms control the surgery clinics and suites, meaning the physician who refers patients for surgery will send them to the ASC that is owned by their PPM. This effectively

limits competition from other ASCs. Insurance companies also offer specialized deals, allowing the PE shops to bundle their doctors' consultation services and surgeries. Although outpatient acquisitions **declined 28.7%** YOY, there is an expectation that the new administration will be more relaxed with healthcare M&A regulations, leading to a positive outlook for ASC acquisitions in 2025.

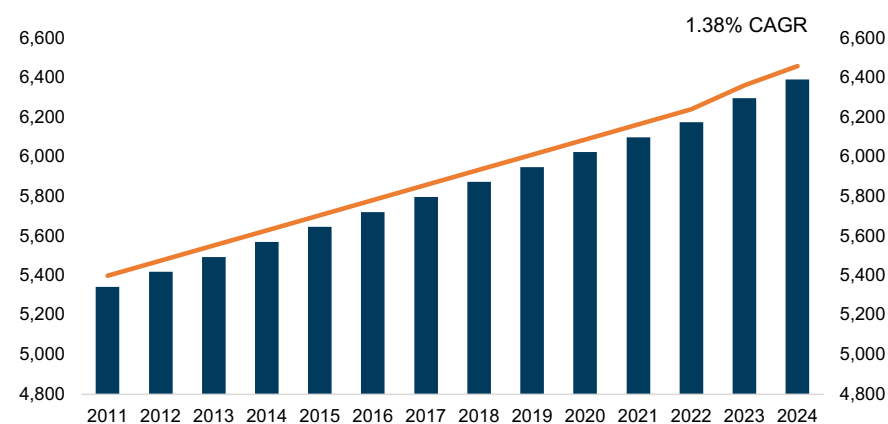
ASC Company	PE Backer	Number of Centers	Acquisition Price
EyeCare Partners	Partners Group	535	Undisclosed
AmSurg	KKR	256	9.9B
Gastro Health	OMERS	250	Undisclosed
GI Alliance	Apollo	150	Undisclosed
HOPCo	Audax, Linden & Fraiser	139	3.2B
PE GI Solutions	Kelso	80	Undisclosed
Surgery Partners	Bain Capital	60	Undisclosed
Summit Surgery Center	Wellspring Capital	47	2.2B
Orthopedic ASC of Chesterfield	Lync Healthcare Partners	23	Undisclosed
Endoscopy Center of SE Texas	IRA Capital	21	Undisclosed
Vision Innovation Parters	Gryphon Capital	20	Undisclosed
PartnerCare	Shore Capital Partners	20	1B
TruVista Surgery Center	Sunvera Group	8	Undisclosed
EyeSouth Partners	Olympus Partners	5	2.8B
Pinacle Dermatology and Skin Surgery Center	QualDerm	1	Undisclosed
Cardiovascular Institute of the South	Lee Equity Partners	1	8.65M
Compass Surgical Partners	Health Velocity Capital	N/A	400M
Covenant Physician Partners	KKR (Sold to USPI)	N/A	Undisclosed

HOPD VS. ASCs

Procedures at ASCs cost significantly less to perform and can have a variety of positive mental impacts on patients. Since a majority of ASCs are physician or platform owned, revenues that large healthcare providers have historically relied on are dwindling. In response, healthcare facilities are making a push to upgrade their HOPDs and transfer their classifications to be the same as ASCs. At the end of 2024, the base dollar-per-unit for HOPDs was 64% higher than ASCs. This means that if Medicare pays \$1.00 to an ASC, they will pay \$1.64 to a HOPD. This increased cost can be attributed to 24/7 “stand by requirements,” regulatory overhead, and drug/supply inflation. Even though HOPDs cost more than ASCs to maintain, legislation is being pushed to have these two facilities reimbursed at the same site-neutral payment schedule. To combat this, the big systems are experimenting with several solutions. In 2024, Tenet (THC) was aggressive in its acquisition of ASCs, bringing its total to 545 centers. On the other hand, HCA Healthcare created its own ASCs, totaling 124 freestanding centers. Acquisition of ASCs can save construction costs and integrate ASCs into the system to prevent competing ASCs from receiving referrals. Another strategy providers have implemented has been the creation of hybrid operating rooms on-site. These rooms can toggle between inpatient and outpatient facilities depending on the surgery, allowing hospitals to decide which procedures to perform on-site based on cost reimbursements.

While it is possible to mitigate the cost burden of HOPDs compared to ASCs, hospitals face possible regulatory risks. The large providers are lobbying to increase the reimbursement for HOPDs, but Congress has yet to act. ASCs are sequestering some patients from hospitals but other ongoing issues like rate changes, labor shortages, and wage inflation are harming healthcare providers, too. Hospitals will likely continue to acquire ASCs with the expectation that HOPD margins will remain constrained, making ASCs a crucial component of the healthcare system.

ASC Facility Count



HEALTHCARE SNAPSHOT: STOCKS

Healthcare Equipment & Supplies

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
BAX	Baxter International Inc.	29.16	\$14,889	\$26,733	\$10,360	\$1,961	-21.0%	-24.9%	2.58x	2.39x	13.6x	11.9x	NM	12.7x	41.2%	18.9%	2.5%
BDX	Becton, Dickinson and Company	226.87	65,794	84,551	20,178	5,164	-6.1%	-7.6%	4.19x	3.82x	16.4x	12.8x	38.2x	15.8x	45.2%	25.6%	6.6%
CAH	Cardinal Health, Inc.	118.27	28,623	30,921	226,827	2,856	7.2%	15.3%	0.14x	0.14x	10.8x	10.2x	22.0x	14.9x	3.3%	1.3%	-27.7%
COR	Cencora, Inc.	224.68	43,426	46,057	293,959	4,152	0.2%	7.7%	0.16x	0.15x	11.1x	11.2x	32.0x	15.0x	3.3%	1.4%	209.1%
HOLX	Hologic, Inc.	72.09	16,360	16,682	4,030	1,272	-10.5%	-0.5%	4.14x	4.06x	13.1x	12.2x	22.8x	16.9x	61.0%	31.6%	15.6%
ISRG	Intuitive Surgical, Inc.	521.96	185,911	181,774	7,124	2,169	7.7%	57.7%	25.52x	19.92x	83.8x	47.4x	81.3x	69.4x	68.1%	30.4%	14.8%
MCK	McKesson Corporation	569.91	72,344	77,465	308,951	5,107	14.3%	20.4%	0.25x	0.21x	15.2x	12.6x	26.1x	16.5x	4.0%	1.7%	-204.6%
RMD	ResMed Inc.	228.69	33,582	34,006	4,685	1,534	-4.2%	33.1%	7.26x	6.48x	22.2x	17.6x	27.0x	23.9x	57.7%	32.7%	22.7%
TMO	Thermo Fisher Scientific Inc.	520.23	198,988	227,963	42,857	10,882	-15.1%	-4.4%	5.32x	5.08x	20.9x	20.0x	31.5x	22.9x	41.2%	25.4%	13.1%
WST	West Pharmaceutical Services, Inc.	327.56	23,723	23,540	2,950	844	9.3%	-6.1%	7.98x	7.79x	27.9x	29.5x	49.0x	45.9x	38.3%	28.6%	21.3%
Median			\$38,504	\$40,032	\$15,269	\$2,513	-2.0%	3.6%	4.16x	3.94x	15.8x	12.7x	31.5x	16.7x	41.2%	25.5%	14.0%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Pharmaceuticals

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
ABT	Abbott Laboratories	\$113.11	\$196,184	\$203,674	\$40,109	\$10,463	-0.4%	3.0%	5.08x	4.58x	19.5x	17.3x	14.8x	22.4x	55.5%	26.1%	15.1%
ABBV	AbbVie Inc.	177.70	314,021	378,098	54,318	26,358	-9.8%	11.2%	6.96x	6.43x	14.3x	13.5x	74.4x	14.8x	84.1%	48.5%	35.2%
AMGN	Amgen Inc.	260.64	140,103	191,490	26,910	13,590	-18.6%	-12.4%	7.12x	5.48x	14.1x	9.7x	34.5x	12.6x	83.0%	50.5%	135.8%
AZN	AstraZeneca PLC	131.05	203,171	228,175	45,811	14,224	-16.3%	-3.8%	4.98x	4.07x	16.0x	11.8x	29.1x	14.4x	81.7%	31.0%	15.6%
BMJ	Bristol-Myers Squibb Company	56.56	114,714	157,791	45,006	18,420	6.9%	7.2%	3.51x	3.27x	8.6x	10.2x	NM	8.0x	76.6%	40.9%	26.5%
LLY	Eli Lilly and Company	772.00	695,134	722,374	34,124	12,315	-12.7%	30.4%	21.17x	12.93x	58.7x	30.4x	65.9x	35.1x	80.7%	36.1%	48.4%
GILD	Gilead Sciences, Inc.	92.37	115,118	131,586	27,116	11,970	10.0%	11.0%	4.85x	4.65x	11.0x	9.7x	243.1x	12.6x	86.3%	44.1%	25.5%
JNJ	Johnson & Johnson	144.62	348,190	363,644	85,159	30,967	-10.7%	-9.6%	4.27x	3.98x	11.7x	11.5x	25.0x	14.4x	74.9%	36.4%	18.3%
MRK	Merck & Co., Inc.	99.48	251,648	275,244	60,115	19,706	-13.3%	-12.2%	4.58x	4.11x	14.0x	9.0x	14.8x	11.0x	76.9%	32.8%	0.9%
PFE	Pfizer Inc.	26.53	150,345	208,609	59,554	18,775	-7.5%	-10.8%	3.50x	3.13x	11.1x	8.7x	18.8x	9.9x	57.3%	31.5%	2.3%
Median			\$199,678	\$218,392	\$45,409	\$16,322	-10.3%	-0.4%	4.92x	4.35x	14.0x	10.9x	29.1x	13.5x	78.8%	36.2%	21.9%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

BioTech

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
ABT	Abbott Laboratories	\$113.11	\$196,184	\$203,674	\$40,109	\$10,463	-0.4%	-0.5%	5.08x	4.58x	19.5x	17.3x	14.8x	22.4x	55.5%	26.1%	15.1%
ALNY	Alnylam Pharmaceuticals, Inc.	235.31	30,351	30,296	1,828	-228	-14.8%	57.5%	16.57x	12.82x	NM	NM	NM	NM	83.0%	-12.5%	232.4%
BIIB	Biogen Inc.	152.92	22,283	27,235	9,836	2,377	-19.9%	-29.1%	2.77x	2.76x	11.5x	7.5x	13.7x	9.7x	74.2%	24.2%	8.2%
BSX	Boston Scientific Corporation	89.32	131,642	140,646	14,240	3,613	6.2%	30.4%	9.88x	7.84x	38.9x	26.8x	71.5x	33.1x	70.7%	25.4%	8.6%
INCY	Incyte Corporation	69.07	13,306	11,568	3,696	739	1.5%	21.2%	3.13x	2.49x	15.7x	10.0x	460.5x	12.1x	93.1%	20.0%	12.5%
KRYS	Krystal Biotech, Inc.	156.66	4,506	3,819	51	-93	-13.7%	-12.0%	75.32x	9.98x	-40.9x	23.4x	52.2x	33.3x	93.9%	-184.1%	1.7%
MRNA	Moderna, Inc.	41.58	16,001	8,154	6,671	-3,618	-35.0%	-61.0%	1.22x	3.38x	NM	NM	NM	NM	31.5%	-54.2%	-28.6%
REGN	Regeneron Pharmaceuticals, Inc.	712.33	76,639	61,056	12,581	4,654	-32.0%	-26.0%	4.85x	4.71x	13.1x	11.0x	18.6x	15.2x	94.1%	37.0%	16.3%
SRPT	Sarepta Therapeutics, Inc.	121.59	11,614	11,831	1,243	-223	-0.6%	-6.1%	9.52x	4.01x	-53.0x	12.1x	52.0x	15.5x	87.9%	-18.0%	-86.2%
VRTX	Vertex Pharmaceuticals Inc.	402.70	103,707	94,253	9,869	4,477	-14.3%	-3.7%	9.55x	8.59x	21.1x	21.1x	NM	22.7x	87.2%	45.4%	23.0%
Median			\$26,317	\$28,766	\$8,253	\$1,558	-14.0%	-4.9%	7.30x	4.64x	14.4x	14.7x	52.0x	18.9x	85.1%	22.1%	10.5%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Healthcare Providers

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
CYH	Community Health Systems, Inc.	\$2.99	\$396	\$13,044	\$12,490	\$1,295	-49.5%	-5.4%	1.04x	1.00x	10.1x	8.0x	NM	NM	NM	10.4%	-2.1%
ELV	Elevance Health, Inc.	368.90	85,556	104,942	144,679	10,949	-27.8%	-23.0%	0.73x	0.45x	9.6x	6.9x	14.4x	11.3x	17.3%	7.6%	15.8%
EHC	Encompass Health Corporation	92.35	9,304	12,722	4,801	1,006	-3.5%	37.5%	2.65x	2.19x	12.6x	10.9x	20.6x	20.1x	NM	20.9%	22.8%
HCA	HCA Healthcare, Inc.	300.15	76,027	120,901	64,968	12,703	-26.0%	9.0%	1.86x	1.63x	9.5x	8.3x	13.6x	12.6x	39.4%	19.6%	1234.3%
LH	Labcorp Holdings Inc.	229.32	19,180	25,454	12,162	1,621	4.6%	-1.4%	2.09x	1.77x	15.7x	10.4x	25.9x	15.0x	27.7%	13.3%	4.2%
SEM	Select Medical Holdings Corp.	18.85	2,432	7,195	4,826	403	-44.7%	-21.2%	1.49x	0.69x	17.9x	6.4x	52.2x	13.2x	14.0%	8.3%	7.5%
THC	Tenet Healthcare Corporation	126.23	12,004	25,022	20,548	3,665	-22.5%	66.0%	1.22x	1.26x	6.8x	6.6x	3.9x	11.8x	82.5%	17.8%	25.9%
CI	The Cigna Group	276.14	76,809	103,062	194,099	10,846	-20.7%	-11.0%	0.53x	0.40x	9.5x	7.5x	22.8x	9.0x	12.9%	5.6%	11.8%
ENSG	The Ensign Group, Inc.	132.86	7,560	9,011	3,729	327	-8.5%	15.9%	2.42x	1.54x	27.6x	13.5x	25.9x	22.0x	21.1%	8.8%	15.3%
UHS	Universal Health Services, Inc.	179.42	11,836	16,917	14,282	1,743	-20.1%	14.7%	1.18x	0.99x	9.7x	7.0x	10.7x	10.3x	NM	12.2%	11.8%
Median			\$11,920	\$20,970	\$13,386	\$1,682	-21.6%	3.8%	1.35x	1.13x	9.9x	7.8x	20.6x	12.6x	21.1%	11.3%	13.6%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Healthcare Services

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
ALHC	Alignment Healthcare, Inc.	\$11.25	\$2,157	\$2,038	\$1,801	-\$106	12.5%	32.5%	1.13x	0.61x	-19.2x	60.1x	NM	NM	11.5%	-5.9%	-74.6%
AMN	AMN Healthcare Services, Inc.	23.92	911	2,055	3,789	502	-42.0%	-69.1%	0.54x	0.73x	4.1x	8.2x	NM	15.0x	33.0%	13.2%	22.5%
CNC	Centene Corporation	60.58	30,585	33,715	136,934	6,206	-18.1%	-21.2%	0.25x	0.20x	5.4x	8.0x	9.6x	8.9x	20.5%	4.5%	10.8%
CLOV	Clover Health Investments, Corp.	3.15	1,578	1,294	1,243	-182	13.3%	228.1%	1.04x	0.88x	-7.1x	37.2x	NM	NM	NM	-14.6%	-65.3%
CVS	CVS Health Corporation	44.89	56,490	129,676	356,623	18,439	-27.1%	-44.5%	0.36x	0.29x	7.0x	7.3x	12.3x	7.8x	15.2%	5.2%	11.3%
HQY	HealthEquity, Inc.	95.95	8,315	9,128	1,000	281	19.5%	45.0%	9.13x	7.19x	32.5x	17.6x	88.2x	27.7x	62.3%	28.1%	2.8%
HUM	Humana Inc.	253.71	30,550	38,871	102,395	4,938	-9.2%	-46.0%	0.38x	0.19x	7.9x	5.7x	25.4x	15.8x	16.9%	4.8%	15.7%
MOH	Molina Healthcare, Inc.	291.05	16,648	14,445	32,933	1,727	-14.9%	-21.7%	0.44x	0.25x	8.4x	4.8x	14.3x	11.3x	15.9%	5.2%	30.4%
PINC	Premier, Inc.	21.20	2,038	2,047	1,346	412	9.7%	-6.7%	1.52x	2.12x	5.0x	8.4x	56.5x	17.0x	66.0%	30.6%	5.0%
UNH	UnitedHealth Group Incorporated	505.86	465,535	521,065	337,223	35,130	-13.3%	-6.2%	1.55x	1.22x	14.8x	12.6x	32.6x	17.4x	24.5%	10.4%	25.0%
Median			\$12,482	\$11,787	\$18,361	\$1,114	-11.2%	-13.9%	0.79x	0.67x	6.2x	8.3x	25.4x	15.4x	20.5%	5.2%	11.0%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Medical Devices and Technology

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
DXCM	DexCom, Inc.	\$77.77	\$30,377	\$30,476	\$3,622	\$784	17.8%	-36.8%	8.41x	6.85x	38.9x	22.1x	54.6x	40.2x	64.0%	21.6%	25.8%
EW	Edwards Lifesciences Corporation	74.03	43,663	39,982	5,010	1,632	13.7%	-2.0%	7.98x	7.09x	24.5x	23.8x	31.6x	31.2x	77.1%	32.6%	19.5%
IDXX	IDEXX Laboratories, Inc.	413.44	33,854	34,544	3,661	1,212	-16.5%	-24.5%	9.44x	8.44x	28.5x	24.6x	38.7x	35.4x	59.8%	33.1%	80.7%
PODD	Insulet Corporation	261.07	18,313	18,851	1,697	281	11.3%	24.8%	11.11x	8.05x	67.0x	36.0x	45.1x	70.7x	67.7%	16.6%	34.1%
ITGR	Integer Holdings Corporation	132.52	4,445	5,581	1,556	276	4.2%	34.9%	3.59x	2.99x	20.2x	13.8x	39.0x	22.7x	26.2%	17.7%	6.1%
MDT	Medtronic plc	79.88	102,429	122,954	32,364	9,194	-11.2%	-3.6%	3.80x	3.59x	13.4x	12.4x	24.5x	14.0x	65.3%	28.4%	7.3%
STE	STERIS plc	205.56	20,290	22,535	5,139	1,356	-12.8%	-5.3%	4.39x	3.94x	16.6x	14.3x	33.0x	21.4x	43.2%	26.4%	8.9%
SYK	Stryker Corporation	360.05	137,257	148,580	20,498	5,142	0.8%	21.5%	7.25x	6.12x	28.9x	21.9x	46.4x	27.4x	63.9%	25.1%	18.0%
TNDM	Tandem Diabetes Care, Inc.	36.02	2,366	2,368	748	-125	-12.3%	27.1%	3.17x	2.33x	-19.0x	78.4x	NM	NM	51.0%	-16.7%	-59.1%
ZBH	Zimmer Biomet Holdings, Inc.	105.63	21,025	27,103	7,394	2,457	-1.6%	-13.0%	3.67x	3.40x	11.0x	9.9x	23.8x	12.5x	72.1%	33.2%	8.4%
Median			\$25,701	\$28,789	\$4,335	\$1,284	-0.4%	-2.8%	5.82x	5.03x	22.4x	22.0x	38.7x	27.4x	63.9%	25.7%	13.5%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: STOCKS

Life Sciences Tools

Ticker	Name	12/31/24 Stock Price	Mkt Cap (\$M)	EV (\$M)	Revenue (\$M)	EBITDA (\$M)	Share Performance		EV/Revenue		EV/EBITDA		Price/EPS		Gross LTM	EBITDA LTM	ROE LTM
							%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM			
A	Agilent Technologies, Inc.	\$134.34	\$38,367	\$40,612	\$6,510	\$1,801	-8.3%	-3.2%	6.24x	5.92x	22.5x	19.9x	30.3x	24.1x	54.3%	27.7%	22.0%
AVTR	Avantor, Inc.	21.07	14,341	18,976	6,967	1,300	-17.1%	-7.4%	2.72x	2.65x	14.6x	14.8x	20.3x	19.6x	65.3%	18.7%	6.4%
BRKR	Bruker Corporation	58.62	8,887	11,210	2,965	604	-12.2%	-18.9%	3.78x	3.05x	18.6x	17.0x	77.2x	22.9x	35.0%	20.4%	33.7%
CRL	Charles River Laboratories International, Inc.	184.60	9,440	12,038	4,129	966	-4.9%	-21.2%	2.92x	2.88x	12.5x	11.8x	923.0x	18.4x	59.6%	23.4%	14.4%
DHR	Danaher Corporation	229.55	165,798	182,001	23,890	7,547	-16.4%	-2.2%	7.62x	7.33x	24.1x	22.9x	43.4x	28.7x	36.4%	31.6%	8.2%
ILMN	Illumina, Inc.	133.63	21,194	22,929	4,504	355	3.6%	-2.9%	5.09x	5.01x	64.6x	19.2x	NM	32.3x	58.7%	7.9%	-18.8%
IQV	IQVIA Holdings Inc.	196.51	35,667	47,907	14,984	2,721	-15.1%	-14.7%	3.20x	3.04x	17.6x	12.7x	26.2x	16.9x	52.2%	18.2%	22.9%
MTD	Mettler-Toledo International Inc.	1,223.68	25,823	27,829	3,788	1,164	-17.2%	0.8%	7.35x	7.15x	23.9x	22.2x	30.2x	29.8x	59.2%	30.7%	
RVTY	Revvity, Inc.	111.61	13,583	15,669	2,751	813	-10.3%	1.1%	5.70x	5.47x	19.3x	17.3x	48.5x	22.3x	56.0%	29.6%	2.4%
WAT	Waters Corporation	370.98	22,027	23,627	2,956	1,041	3.5%	12.9%	7.99x	7.61x	22.7x	21.2x	34.6x	29.4x	33.9%	35.2%	77.6%
Median			\$21,611	\$23,278	\$4,317	\$1,103	-11.3%	-3.0%	5.39x	5.24x	20.9x	18.2x	34.6x	23.5x	55.1%	25.5%	11.3%

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: Initial Public Offerings

Completed Initial Public Offerings During 4Q 2024

Issuer	Ticker	IPO Date	IPP Price (\$)	Gross Proceeds(\$M)	3/31/25 Stock Price	Return since Since IPO	3/31/25 Market Cap (\$M)	Industry
Oncoinvent ASA	OB:ONCIN	12/4/24	3.50	11.8	3.39	-3.1%	17.90	Pharmaceuticals
Jupiter Neurosciences, Inc.	NasdaqCM:JUNS	12/2/24	4.00	11.0	10.70	167.5%	36.70	Drug Discovery
Onco-Innovations Limited	NEOE:ONCO	11/27/24	0.50	1.8	0.89	78.0%	64.40	Biotech
eXoZymes, Inc.	NasdaqCM:EXOZ	11/11/24	11.10	15.0	16.50	48.6%	76.60	Biochemicals
Septerna, Inc.	NasdaqGM:SEPN	10/24/24	18.00	288.0	22.90	27.2%	466.50	Biotech
Ozon Pharmaceuticals	MISX:OZPH	10/17/24	0.40	18.8	0.53	32.5%	49.08	Pharmaceuticals
Camp4 Therapeutics Corporation	NasdaqGM:CAMP	10/10/24	11.00	75.0	5.20	-52.7%	28.20	Gene Biotech
Upstream Bio, Inc.	NasdaqGS:UPB	10/10/24	21.50	255.0	16.44	-23.5%	585.30	Drug Discovery
CeriBell, Inc.	NasdaqGS:CBLL	10/10/24	17.00	180.3	25.86	52.1%	647.30	Neurological Biotech
Pentixapharm Holding AG	XTRA:PTP	10/1/24	5.10	5.92	2.88	-43.5%	60.90	Radiopharmaceutical

Source: CapIQ with Mercer Analysis

HEALTHCARE SNAPSHOT: Healthcare Facilities M&A

Healthcare Facilities M&A Deals Q4 2024

Date	Issuer	Buyer	Issuer Company Revenue LTM
12/30/24	OrthoAlliance	SCA Health	NA
12/27/24	SJ Medical Center, LLC	American Healthcare Systems	NA
12/27/24	The Medical Center of Southeast Texas, LP	Healthcare Systems of America Corp.	NA
12/27/24	Mountain Vista Medical Center, LP	HonorHealth Foundation	NA
12/12/24	Spital Zofingen AG	Genolier Swiss Medical Network SA	965.15
12/12/24	Suncrest Hospice LLC	Brighton Hospice Minnesota LLC	NA
11/21/24	HCA Florida Lehigh Hospital	Hope 97 LLC	NA
11/6/24	Helmut-G.-Walther-Klinikum Lichtenfels GmbH	Sana Kliniken AG	NA
11/5/24	Medinos Kliniken Des Landkreises Sonneberg GmbH	District of Sonneberg	71.84
11/5/24	REGIOMED-KLINIKEN GmbH	AWO Alten-, Jugend- und Sozialhilfe (AJS) gGmbH	17.47
11/1/24	Ushibuka Shinai Hospital	Carus Medical Corporation	NA
10/30/24	Newcare Homes Ltd	Lovett Care Limited	NA
10/21/24	Care UK Limited	Welltower Inc.	NA

Source: CapIQ with Mercer Analysis

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- Home Care and Hospice
- Long-Term Care
- Surgical Centers and Rehabilitation Facilities
- Other Healthcare Facilities

Services Provided:

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- Valuation for Purchase Accounting and Impairment Testing
- Fairness and Solvency Opinions
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