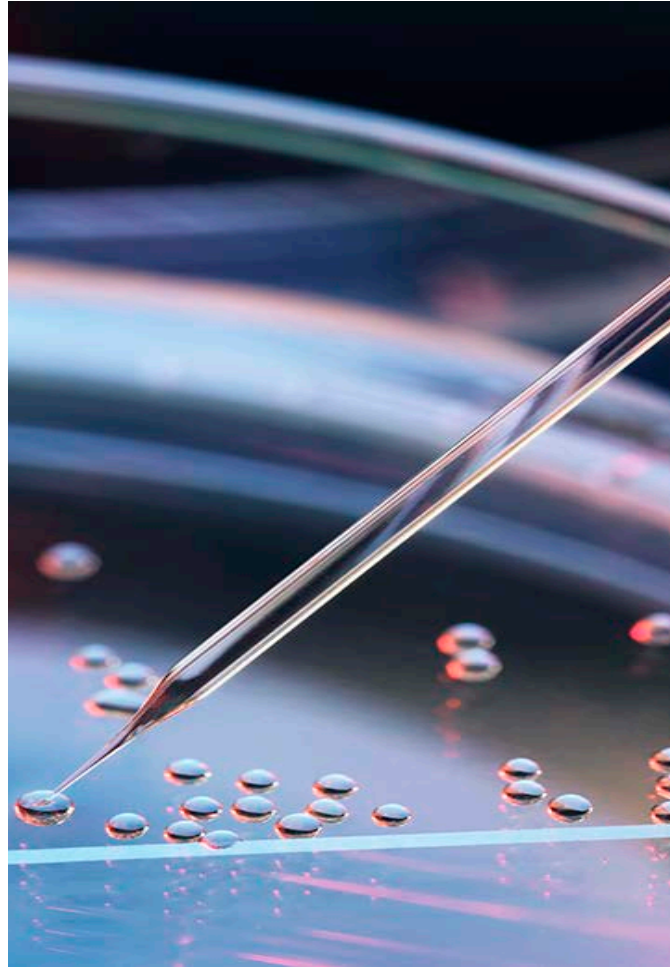


HEALTHCARE SERVICES & TECHNOLOGY

Market Update



December 2020

Healthcare Services & Technology Market Update

Healthcare Services & Technology Industry Practice

The healthcare services and technology landscape is constantly shifting, driven by changes in regulations, reimbursement, and advancements in technology.

Stifel's Healthcare Services & Technology team works to stay abreast of these changes. Via years of experience, relationships, and recent mandates, our team provides thought leadership across a board range of healthcare sub-sectors, which is complimented by the firm's comprehensive set of strategic and financial products.

Product Offering

M&A Advisory	Equity Capital Raising	Debt Capital Raising	Restructuring Advisory	Fairness Opinions
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Stifel's Healthcare Services & Technology Team



Kojo Appenteng
Managing Director
Technology
 (212) 271-3691
 appentengk@stifel.com



Chip Bierbaum
Managing Director
Pharma Services
 (212) 271-3797
 bierbaumc@stifel.com



Todd Heglund
Managing Director
Technology & Services
 (212) 271-3678
 heglundt@stifel.com



Jim Hesburgh
Managing Director
Services
 (212) 847-6463
 hesburghj@stifel.com



Patrick Krause
Managing Director
Services
 (415) 364-7174
 krausepa@stifel.com

Select Recent Transactions

 Has Been Acquired by  Advisor to Seller October 2020	 Private Placement Lead Placement Agent October 2020	 Follow-on Offering Joint Bookrunning Manager October 2020	 Has Been Acquired by F&L Advisor to Seller September 2020	 Senior Notes Co-Manager September 2020	 Has Sold its Argentine Operations to A Consortium of Local Investors Advisor to Seller August 2020	 Follow-on Offering Senior Co-Manager July 2020	 Partnership with   Advisor to PAR July 2020	 Follow-On Offering Co-Manager June 2020	 Convertible Senior Notes Co-Manager June 2020
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As of November 30, 2020.

Sector Coverage



Physician Groups

- Hospital-Based
- Multi-Site
- Dental Services
- Veterinary Services



Behavioral Health

- Mental Health
- Autism
- Substance Abuse
- General Psychology



Alternate Site

- Infusion Sites
- Post-Acute Care
- Physical Therapy
- Labs



Payor Services

- PBMs
- Managed Care
- Worker's Compensation
- TPAs



Pharma Services

- Supply Chain
- Clinical Trials
- Manufacturing
- Marketing



HCIT

- Software/SaaS
- Data Analytics
- Tech-enabled Services
- Digital Health

Healthcare Services & Technology Market Update



Notable Data Driving Market Dynamics

Market Observations – Providers & Related Services

Outpatient visits have returned to pre-pandemic levels though there is variation between specialties

- Updated data show that overall outpatient visit counts per week now slightly exceed pre-pandemic levels, though variation by specialty remains, after visits to ambulatory providers dropped 58% the first week of April and experienced a rebound in May which plateaued by late June at around 10% below the baseline
- It is clear that the system is still working through some pent-up demand, especially as Medicare utilization outpaces commercial and Medicaid, but a return to pre-pandemic levels suggests a more stable environment going forward, potential future COVID-19 surges notwithstanding
- The question into 2021 is, once any pent-up demand dissipates, how significant an impact the decline in insured lives has on volumes. It is possible that a new baseline of just below pre-pandemic levels could be established while the economy recovers and individuals return to employer-sponsored coverage

Percent change in visits from baseline, by specialty

Provider Specialty	June 14-20	July 26 - August 1	October 4-10
Dermatology	1%	8%	17%
Adult Primary Care	(5%)	(2%)	13%
Ophthalmology	(5%)	(2%)	4%
Urology	(8%)	(8%)	4%
Surgery	(8%)	(9%)	3%
Obstetrics/Gynecology	(3%)	(5%)	0%
Oncology	(4%)	(3%)	0%
Pediatrics	(33%)	(26%)	(2%)
Rheumatology	1%	(8%)	(2%)
Orthopedics	(13%)	(18%)	(3%)
Endocrinology	(4%)	(6%)	(4%)
Gastroenterology	(13%)	(16%)	(5%)
Neurology	N/A	(17%)	(8%)
Allergy/Immunology	(11%)	(12%)	(10%)
Cardiology	(12%)	(15%)	(10%)
Behavioral Health	(17%)	(15%)	(14%)
Otolaryngology	(17%)	(17%)	(17%)
Pulmonology	(29%)	(29%)	(20%)



















Source: Commonwealth Fund, October 2020, Baseline Week March 1-7.

Healthcare Services & Technology Market Update



Notable Recent Deal Activity

October / November Transaction Highlights

Date	Acquirer	Target	Target Description	Sector	Deal Metrics
11/20/20	 RETINA CONSULTANTS OF AMERICA	 RETINA ASSOCIATES OF SARASOTA	Provides retinal care and treatment for retinal diseases	HCS	Not disclosed
11/19/20	 CLEARLAKE CAPITAL	 nThrive Technology Division	Provides patient-to-payment healthcare solutions	HCIT	Not disclosed
11/18/20	 SUN CAPITAL PARTNERS INC.	 Miami Beach Medical Group	Operates a medical and wellness center in South Florida	HCS	Not disclosed
11/18/20	 SHORE Capital Partners	 The Women's Health Group	Operates obstetrics and gynecology clinics in Colorado	HCS	Not disclosed
11/12/20	 JAWS ACQUISITION CORPORATION	 CanoHealth	Owens and operates health care centers and pharmacies	HCS	Not disclosed
11/11/20	 ADDUS HOMECARE	 QUEENCITY HOSPICE	Owens and operates hospice and palliative care centers	HCS	EV: \$192M EV / LTM Revenue : 3.4x
11/10/20	 BainCapital TECH OPPORTUNITIES	 HST Pathways casetabs	Develops and markets ambulatory surgical center information management solutions	HCIT	Not disclosed
11/10/20	 VARSITY HEALTHCARE PARTNERS	 Partners First CARDIOLOGY	Operates as a cardiology-specific physician practice management company	HCS	Not disclosed
11/09/20	 CENTENE Corporation	 APIXIO	Provides AI technology solutions to mine unstructured patient data	HCIT	Not disclosed



















Note: Enterprise Value ("EV") defined as equity value plus debt less cash.

Source: Company press releases, Bloomberg, FactSet, CapitalIQ, Mergermarket.

Healthcare Services & Technology Market Update

Notable Recent Deal Activity (cont.)

October / November Transaction Highlights

Date	Acquirer	Target	Target Description	Sector	Deal Metrics
10/30/20			Provides mental health services to children	HCS	Not disclosed
10/28/20			Health concierge and benefits solutions company	HCIT	EV: \$690M EV / LTM Revenue: 4.9x EV / LTM EBITDA: 13.8x
10/27/20			Owns and operates a network of dental laboratories in North America	HCS	Not disclosed
10/23/20			Provides outpatient wound care and hyperbaric oxygen therapy services	HCS	Not disclosed
10/20/20			Provides practice management services	HCS	Not disclosed
10/19/20			Provides hospice programs for patients, families, and primary caregivers in Minnesota and Western Wisconsin	HCS	Not disclosed
10/19/20			Owns and operates infusion therapy pharmacies	HCS	Not disclosed
10/14/20			Develops care coordination software solutions to manage patients transitions	HCIT	EV: \$1,350M EV / LTM Revenue: 13.0x EV / LTM EBITDA: 21.1x
10/05/20			Acquires and operates podiatry clinics	HCS	Not disclosed

Note: Enterprise Value ("EV") defined as equity value plus debt less cash.

Source: Company press releases, Bloomberg, FactSet, CapitalIQ, Mergermarket.

Healthcare Services & Technology Market Update



Notable Events and Trends

Healthcare Services News

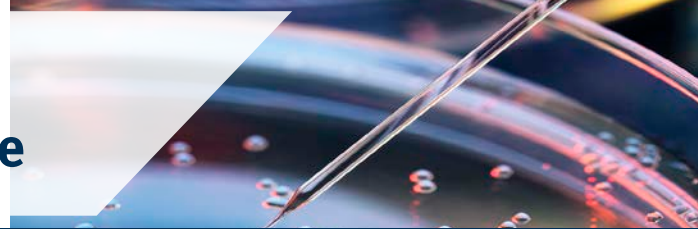
- **As Supreme Court Weighs Obamacare, Health Insurers See Law's Survival.** The health insurance industry doesn't see the U.S. Supreme Court overturning the entire Affordable Care Act and leaving tens of millions of Americans without medical coverage
- **COVID-19 and the ACA Will Dominate Biden's Early Regulatory Agenda.** Now that President-Elect Joe Biden has been declared the winner of the election, he is making the transition from campaigning on healthcare issues to governing
- **U.S. Physicians Split on Future of Payer Landscape.** A new survey of U.S. physicians shows that they have differing views on how the payer market needs to evolve, but a vast majority agree that affordable insurance is necessary to provide access to high-quality care while reducing costs
- **Healthcare M&A value surges in Q3 as large transactions resurrect dealmaking.** The aggregate value for healthcare M&A increased sharply in the third quarter, both compared to the first half of the year and the year-ago period, as three deals crossed the \$15 billion mark. Aggregate transaction value was \$92.71 billion in the third quarter, compared to \$12.26 billion in the second quarter and \$26.19 billion in the year-ago quarter

Healthcare IT News

- **Digital Disruption of Healthcare Continues.** All players across healthcare, providers, payors and pharma, are now including digital as a cornerstone of their strategy. Recent notable deals include Centene's acquisition of Apixio, and Providence St. Joseph combining 9 investments into Tegria
- **SPACs Actively Looking in HCIT.** Healthcare Services and Healthcare IT businesses have seen interest in Special Purpose Acquisition Companies ("SPACs") with several recent announced deals including HIMS, Clover Health, Uphealth/Cloudbreak, Multiplan and SOC Telemed
- **Convergence in telehealth, remote monitoring and online coaching.** The Teladoc - Livongo transaction was the most prominent example of the ongoing convergence of technology services and diagnostic solutions to provide total virtual care with depth in specific conditions

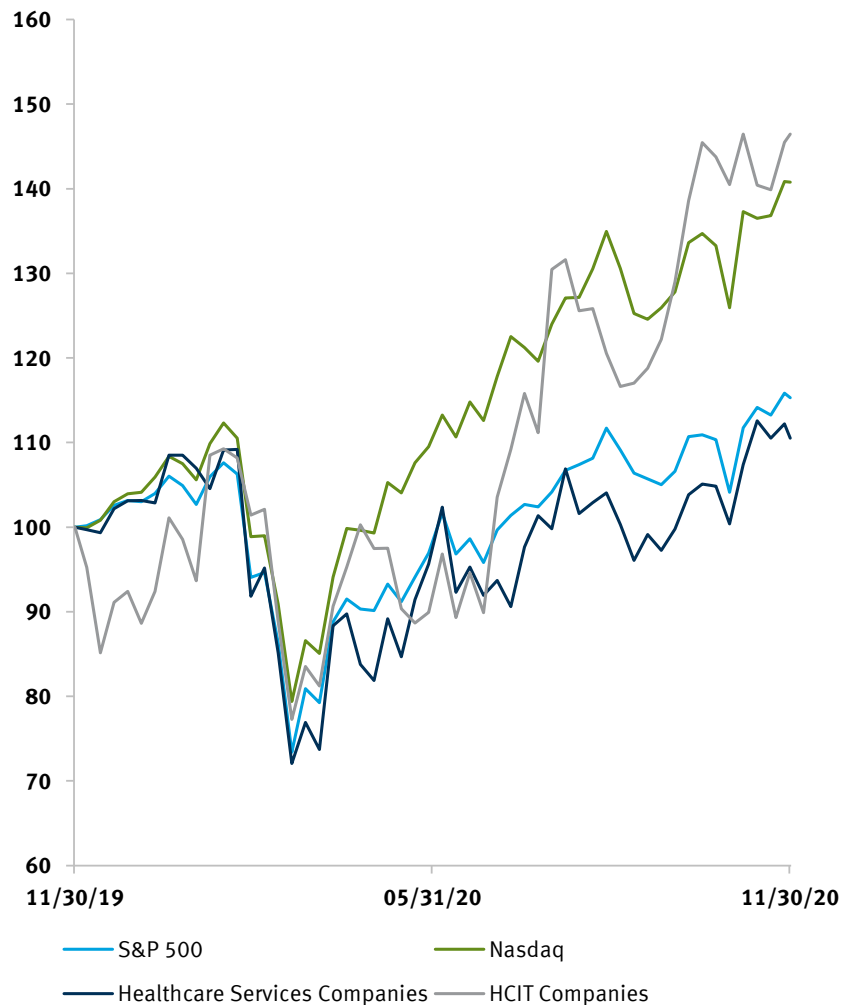
Source: Company press releases, Bloomberg, FactSet, CapitalIQ, Mergermarket.

Healthcare Services & Technology Market Update



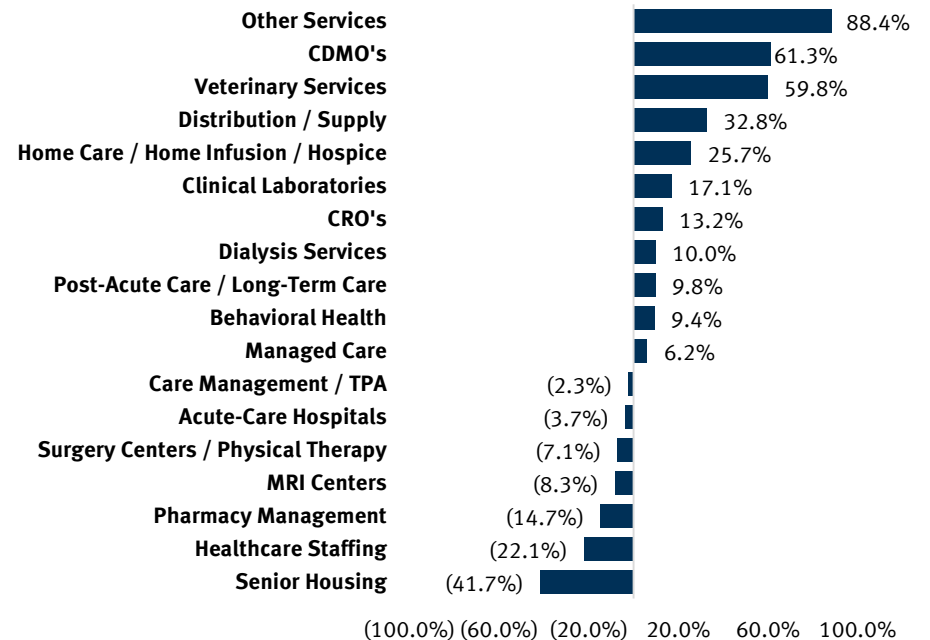
Equity Performance for Select Sector Participants

Healthcare Services & Healthcare IT Market Performance – LTM

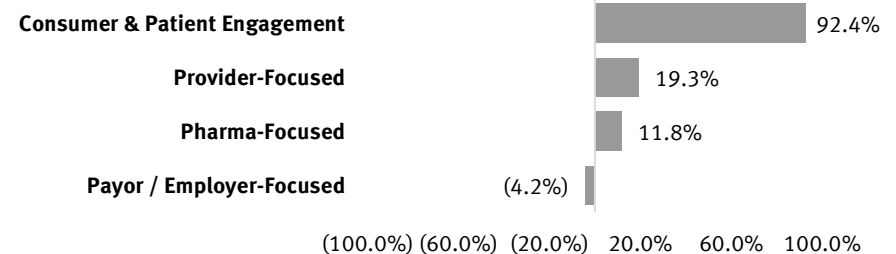


Source: CapIQ, FactSet and company filings as of November 30, 2020.

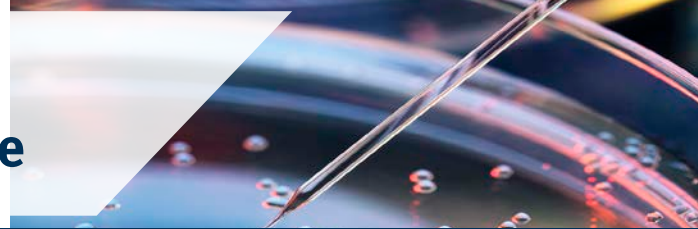
Healthcare Services % Median Change – 2020YTD



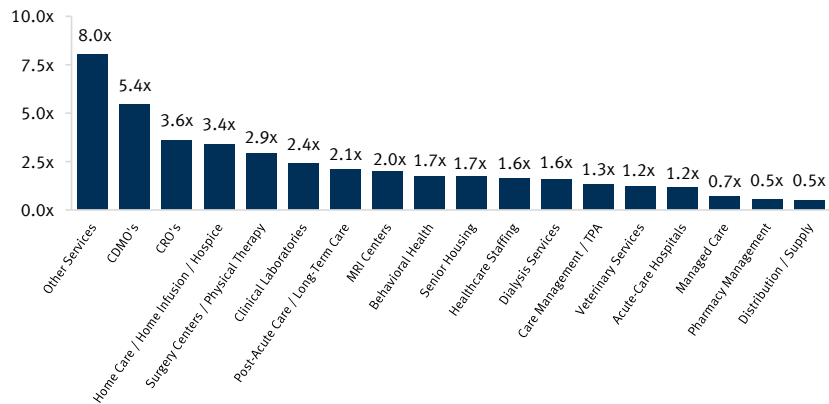
Healthcare IT % Median Change – 2020YTD



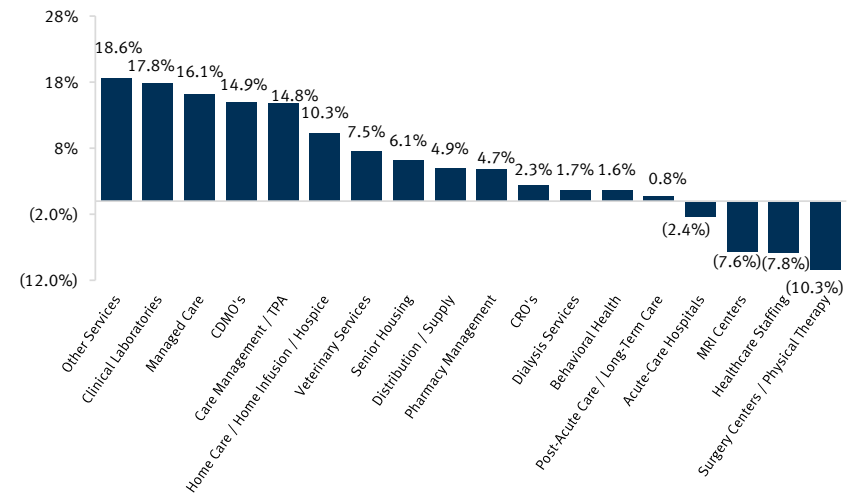
Healthcare Services & Technology Market Update



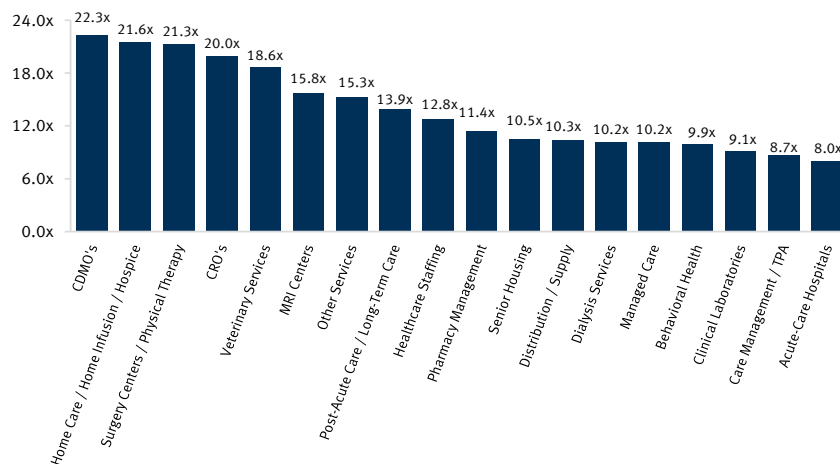
Healthcare Services 2020E Revenue Multiples



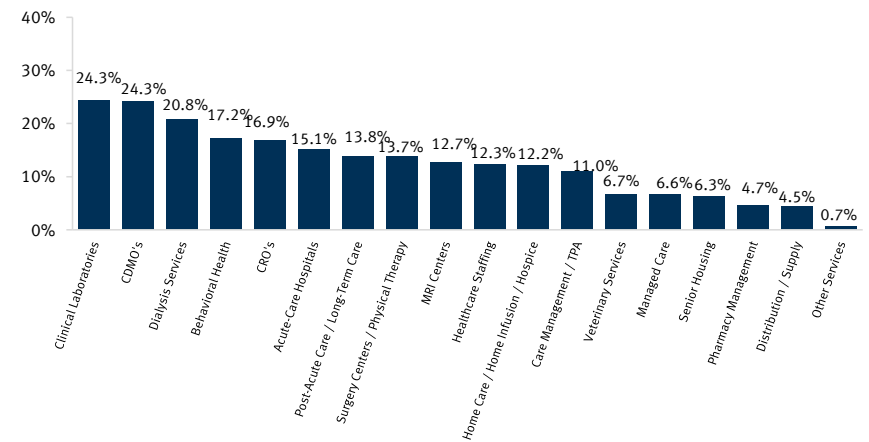
Healthcare Services 2020E Revenue Growth



Healthcare Services 2020E EBITDA Multiples



Healthcare Services 2020E EBITDA Margin

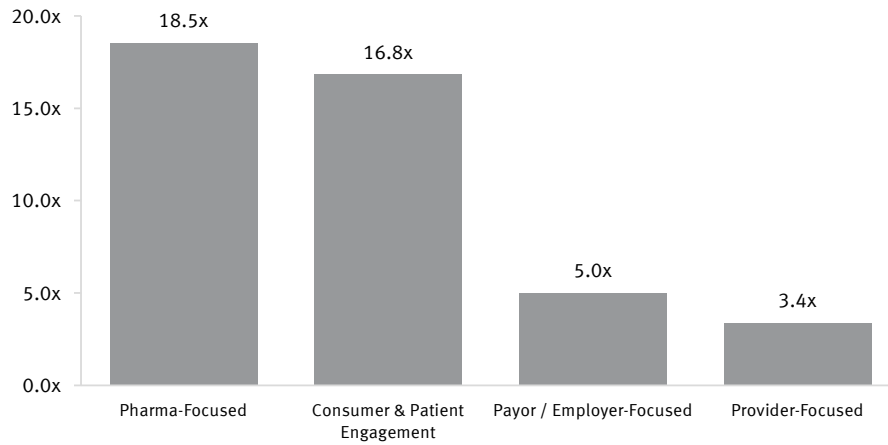


Note: Excludes EBITDA multiples over 40.0x, revenue growth over 100.0% and EBITDA margin over 50.0%.
 Source: CapIQ, FactSet and company filings as of November 30, 2020.

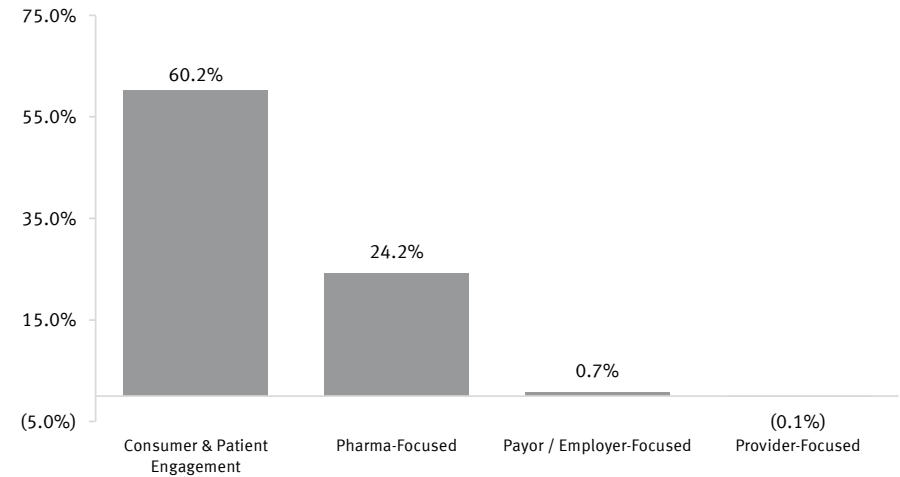
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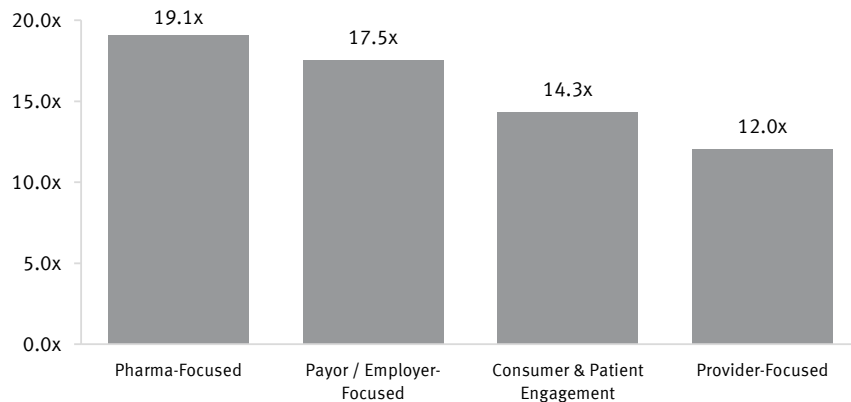
Healthcare IT 2020E Revenue Multiples



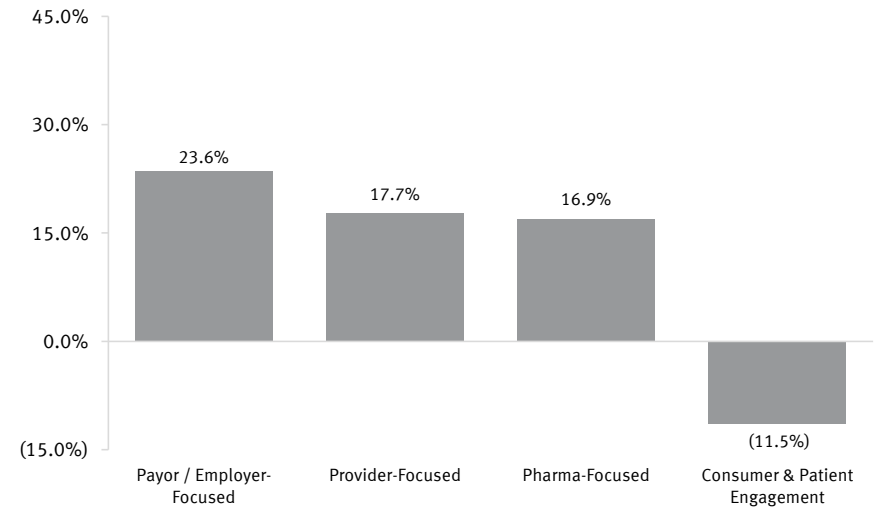
Healthcare IT 2020E Revenue Growth



Healthcare IT 2020E EBITDA Multiples



Healthcare IT 2020E EBITDA Margin



Note: Excludes EBITDA multiples over 40.0x, revenue growth over 100.0% and EBITDA margin over 50.0%.
Source: CapIQ, FactSet and company filings as of November 30, 2020.



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