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HEALTHCARE SERVICES SECTOR UPDATE 2Q21

August 2021

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2Q21 Behavioral Health Sector Overview

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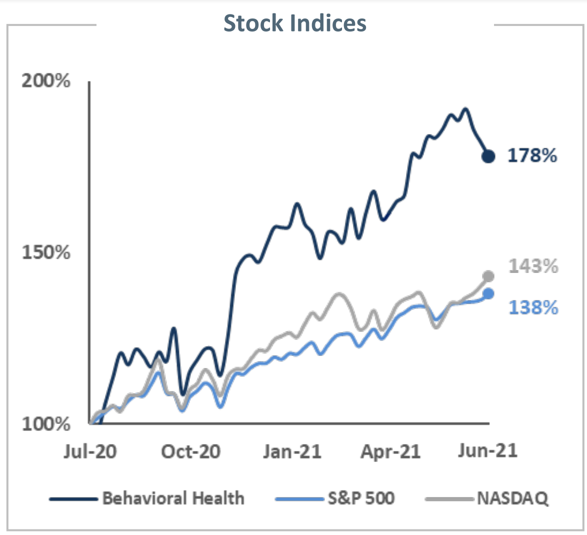
BCA Market Commentary & Stock Indices Relative Performance

- Behavioral health continues to be one of the fastest growing segments of healthcare services. An ever-present supply-demand imbalance in the sector has been exacerbated by COVID. Experts estimate that one in four people have a significant behavioral health issue at some point in a lifetime; these issues can lead to substance abuse, suicides and overdoses.
- One recent study done in the U.S. estimated that the number of people reporting negative behavioral health impacts from COVID rose from 32% to 53% between March and July 2020. Behavioral health impacts employers, families and society at large.
- BCA views outpatient and telehealth behavioral providers as attractive sectors with cost effective and scalable business models.



Select M&A Transactions

Date	Target	Acquiror	Target Business Description	TEV ($M)
6/26/21	Hope for Tomorrow	BayMark Health Services	Residential and office-based opioid treatment company.	N/A
6/15/21	Springstone	Medical Properties Trust	Provider of behavioral health services.	$950
5/11/21	MindPath Care Centers	Community Psychiatry Management	Provider of outpatient mental health treatment services.	N/A
4/21/21	Carolina Behavioral Care	Refresh Mental Health	Multi-site psychiatric practice in North Carolina.	N/A

Select Public Trading Multiples

($M, except share prices)		Stock Price	% of 52-Week			TEV / Revenue		TEV / EBITDA	
Company	Ticker	6/30/21	High	Low	TEV	LTM	NTM	LTM	NTM
Acadia Healthcare	ACHC	$62.75	92%	261%	$8,438	4.0x	3.6x	16.7x	14.6x
Universal Health Services	UHS	$146.43	90%	169%	15,502	1.3x	1.2x	7.7x	7.3x
					Average	**2.6x**	**2.4x**	**12.2x**	**10.9x**
					Median	**2.6x**	**2.4x**	**12.2x**	**10.9x**

Note: EBITDA includes add-backs for stock-based compensation and non-recurring expenses. Data per SEC filings and PitchBook.

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Industry Banker

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Representative Transactions

Sell-Side
Mount Sinai
Sale to
BayMark HEALTH SERVICES

Sell-Side
Family Support Center
Sale to
SPG

Sell-Side
PMC
Recapitalized by
CONSONANCE CAPITAL

2Q21 Home Health & Hospice Sector Overview

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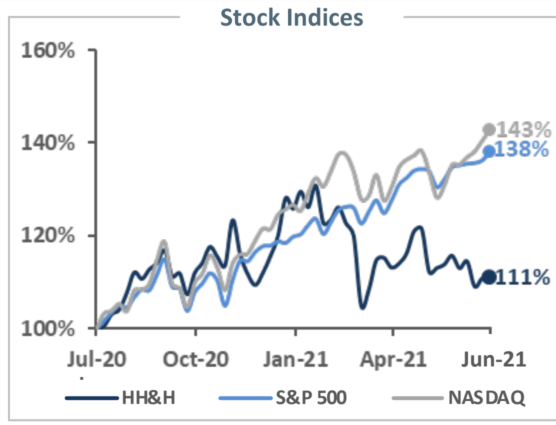
BCA Market Commentary & Stock Indices Relative Performance

- 2Q21 saw a continuation of robust M&A activity in the post-acute sector. Notable 2Q21 transactions include:
  - Amedisys, Inc. (NASDAQ: AMED) agreed to purchase Contessa Health, a Nashville-based provider of hospital-at-home and skilled nursing-at-home services. The $250m acquisition makes Amedisys the first home-based care provider to offer hospital or skilled nursing at home on a national scale. The deal is a significant strategic bet by Amedisys which has the potential to change the post-acute industry landscape in the coming years.
  - Humana Inc. (NYSE: HUM), 40% owner of Kindred at Home, announced that it will acquire the remaining 60% from TPG Capital and Welsh, Carson, Anderson & Stowe (WCAS) in a deal valuing the enterprise at $8.1b. Kindred at Home is the largest home health organization in the nation with locations in 40 states and 43,000 caregivers who deliver HH&H and community-based services to more than 550,000 patients annually. With full control of Kindred at Home, Humana aims to accelerate its in-home care strategy and more quickly implement and scale its value-based models focused on total cost of care and clinical outcomes. The deepening reach of payors into the post-acute sector is sure to alter industry dynamics going forward.



Select M&A and Financing Transactions

Date	Target	Acquiror	Target Business Description	TEV ($M)	TEV Multiple Revenue	TEV Multiple EBITDA
6/30/21	Contessa Health	Amedisys	Hospital-at-home and SNF at-home services	$250	N/A	N/A
6/29/21	Choice Health at Home	Coltala Holdings	Home health, hospice and rehab in TX, OK and LA	N/A	N/A	N/A
6/17/21	First Call Hospice	Pennant Group	Hospice sevices in CA	N/A	N/A	N/A
6/2/21	Heart of Hospice	LHC Group	Hospice services in AR, LA, MS, OK and SC	N/A	N/A	N/A
5/25/21	Heart 'n Home Hospice	LHC Group	Hospice services in ID and OR	N/A	N/A	N/A
5/11/21	Visiting Nurse Association	Amedisys	Home health and hospice services in NE and IA	N/A	N/A	N/A
5/3/21	CardioVascular Home Care	The Pennant Group	Home health services in TX	N/A	N/A	N/A
4/28/21	Kindred at Home	Humana	HH&H and community services in 40 states	$8,100	N/A	N/A
4/27/21	Frontier Home Health and Hospice	Encompass Health	HH&H services in AK, CO, MT, WA and WY	N/A	N/A	N/A
4/13/21	Providence Home Health & Hospice	Charter Health Care Group	Home health and hospice services in TX	N/A	N/A	N/A
4/1/21	Pasco Southwest Home Health	The Pennant Group	Home health and home care services in CO	N/A	N/A	N/A

Select Public Trading Multiples

($M, except share prices)		Stock Price	% of 52-Week			TEV / Revenue		TEV / EBITDA	
Company	Ticker	6/30/21	High	Low	TEV	LTM	NTM	LTM	NTM
Addus HomeCare	ADUS	$87.24	68%	109%	$1,487	1.9x	1.7x	19.0x	15.5x
Amedisys	AMED	$244.93	75%	124%	8,374	3.9x	3.6x	26.3x	26.6x
LHC Group	LHCG	$200.26	85%	118%	6,118	2.9x	2.7x	20.1x	20.2x
Chemed	CHE	$474.50	85%	114%	7,754	3.7x	3.6x	17.1x	N/A
Pennant Group	PNTG	$40.90	59%	205%	1,555	3.8x	3.5x	45.4x	34.9x
Aveanna Healthcare	AVAH	$12.37	95%	126%	2,213	1.4x	1.2x	13.3x	11.3x
					Average	**3.0x**	**2.7x**	**23.6x**	**21.7x**
					Median	**3.3x**	**3.1x**	**19.6x**	**20.2x**

Note: EBITDA includes add-backs for stock-based compensation and non-recurring expenses. Data per SEC filings and PitchBook.

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Representative Transactions

Sell-Side
SPRINGHILL HOME HEALTH & HOSPICE
Sale to
ABODE HEALTHCARE

Sell-Side
Camellia HEALTHCARE
Sale to
Encompass Health

2Q21 Outsourced Healthcare Services Sector Overview

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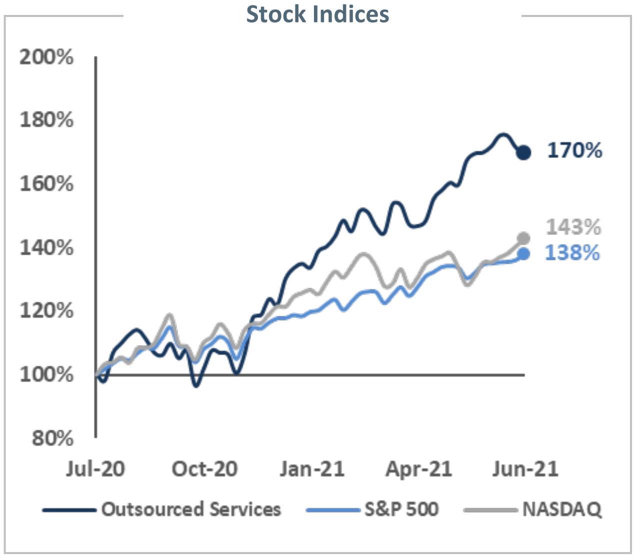
BCA Market Commentary & Stock Indices Relative Performance

- The rollout of vaccines played a critical role in the healthcare facilities marketplace. The stated goal of 70% of the U.S. being vaccinated was not met by July 4th. However, vaccines were readily available to those who were eligible.
- The second quarter in outsourced clinical services benefited from normalized levels of volumes in hospitals and other facilities. Pent up demand of procedures and elective surgeries were a strength of the quarter.
- M&A volume in anesthesia, ER management and hospitalists is expected to rebound for the balance of 2021.
- The Delta variant is an unexpected development, but the healthcare system is much better equipped to deal with a potential surge than it was in 2020.



Select M&A Transactions

Date	Target	Acquiror	Target Business Description	TEV ($M)
6/22/21	ExamWorks	CVC Capital Partners	Medical claim management services.	N/A
6/8/21	Monogram Health	TPG	Kidney disease focused benefit management and care coordination.	N/A
6/5/21	Medline	Blackstone, Carlyle	Manufacturer and distributor of healthcare supplies.	$34,000
6/1/21	VEP Healthcare	US Acute Care	Clinical management and staffing services.	N/A
6/1/21	QHR Health	Grant Ave	Shared service solutions provider.	N/A
5/17/21	CHG Health Services	Ares, Leonard Green	Provider of comprehensive healthcare staffing services.	N/A
5/12/21	Independence Anesthesia Services	ICON Medical Network Holdings	An anesthesia provider agency.	N/A
4/26/21	Ambulatory Management Solutions	VSS Capital Partners	Provider of anesthesia and support services.	N/A
4/22/21	Canadian Hospital Specialties	Flexpoint Ford	Distributor of medical and surgical products.	N/A
4/13/21	Home Care Delivered	BPOC	Provider of insurance covered medial supplies.	N/A

Select Public Trading Multiples

($M, except share prices)		Stock Price	% of 52-Week			TEV / Revenue		TEV / EBITDA	
Company	Ticker	6/30/21	High	Low	TEV	LTM	NTM	LTM	NTM
MedNax	MD	$30.15	88%	242%	$3,090	1.8x	1.6x	12.6x	10.3x
Healthcare Services Group	HCSG	$31.57	88%	157%	2,108	1.2x	1.2x	17.2x	14.7x
AMN Healthcare	AMN	$96.98	100%	232%	5,551	2.1x	2.0x	14.3x	13.4x
Cross Country Healthcare	CCRN	$16.51	87%	294%	670	0.7x	0.7x	11.8x	12.2x
ASGN	ASGN	$96.93	88%	157%	6,018	1.5x	1.4x	13.5x	11.1x
					Average	**1.5x**	**1.4x**	**13.9x**	**12.3x**
					Median	**1.5x**	**1.4x**	**13.5x**	**12.2x**

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Representative Transactions

Sell-Side	Buy-Side	Sell-Side
CareHere!	Grant Avenue	SimiTree Healthcare Consulting
Sale to	Acquisition of	Sale to
Premise Health.	QHR Health	Sheridan Capital Partners

2Q21 Outpatient Healthcare Services Sector Overview

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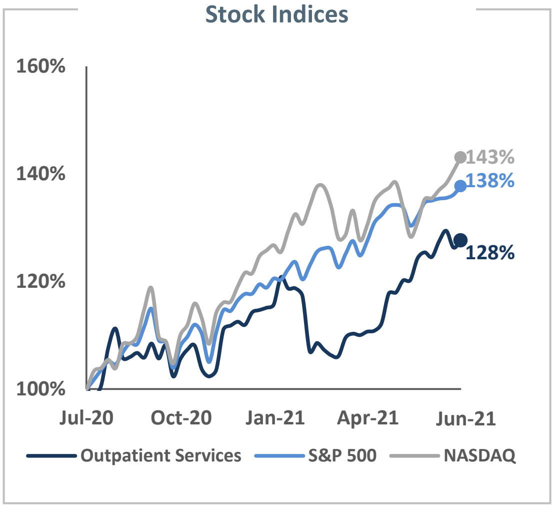
BCA Market Commentary & Stock Indices Relative Performance

- The outpatient and physician sectors of healthcare saw significant disruption to their offices and volumes due to COVID. Many patients simply delayed or cancelled procedures or visits.
- Dental saw a significant rebound in business and M&A in Q2. The dental marketplace is still large and unconsolidated, making it an attractive growth market.
- Physician practice consolidators took advantage of COVID-driven flight to safety among independent physicians. Numerous add on acquisitions in vision, dental, GI, and other office-based specialties were announced.
- Urgent care was one of the few sectors in outpatient that saw growth in 2020 with the need for COVID testing. Many providers believe that COVID accelerated their businesses and highlighted the need for convenient, high quality and local care.



Select M&A Transactions

Date	Target	Acquiror	Target Business Description	TEV ($M)
6/17/21	Affordable Care	Harvest Partners	Operator of dental practices in North Carolina	$2,700
6/15/21	Goodman Dermatology	WED/RCD[1]	A general and cosmetic dermatology practice.	N/A
6/4/21	Comprehensive EyeCare Partners partnered with Zion Eye Institute		Provider of multi-specialty eyecare services.	N/A
5/25/21	CORA Physical Therapy	H.I.G. Capital	Operator of outpatient physical and occupational therapy clinics.	N/A
5/19/21	Gastro Health	OMERS	Provider of a national platform providing gastroenterology medical services.	$950
5/14/21	American Dental Partners	Heartland Dental Care	A DSO that supports practices across 21 states.	N/A
5/12/21	ConvenientMD	Bain Double Impact	Urgent care and walk-in clinics in the Northeast.	N/A
5/5/21	Axia Women's Health	Partners Group	Provider of women's healthcare services.	$800
5/4/21	Spectrum Dermatology	Pinnacle Dermatology	Provider of dermatologic care in Arizona.	N/A
5/4/21	Genesis Healthcare Partners	Triton Pacific Capital Partners	An independent urology group on the West Coast.	N/A
4/2/21	Dental Services Group	National Dentex	Operator of a network of dental laboratories.	N/A
4/1/21	Carolina Retina Center	Retina Consultants of America	Operator of an eye-care clinic across South Carolina.	N/A

(1) Water's Edge Dermatology ("WED") and Riverchase Dermatology Partner ("RCD") merged in 2021 to form the joint entity.

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Company	Ticker	6/30/21	High	Low	TEV	LTM	NTM	LTM	NTM
DaVita	DVA	$120.43	93%	153%	$25,590	2.2x	2.1x	10.6x	9.6x
Encompass Health	EHC	$78.03	87%	132%	11,131	2.4x	2.0x	11.7x	10.2x
Fresenius	FRE	$52.36	92%	144%	55,683	1.3x	1.2x	6.4x	5.1x
U.S. Physical Therapy	USPH	$115.87	81%	159%	1,582	3.7x	3.1x	19.3x	17.0x
Select Medical	SEM	$42.26	97%	312%	9,249	1.6x	1.5x	11.0x	8.8x
Surgery Partners Inc.	SGRY	$66.62	96%	602%	5,998	3.1x	2.6x	15.5x	12.8x
					Average	**2.4x**	**2.1x**	**12.4x**	**10.6x**
					Median	**2.3x**	**2.0x**	**11.4x**	**9.9x**

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Representative Transactions

Sell-Side
OSM
Recapitalized by
Ridgemont Equity Partners

Sell-Side
Comprehensive EyeCare Partners
Recapitalized by
Gauge Capital