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**HEALTHCARE SERVICES
SECTOR UPDATE
2Q23**

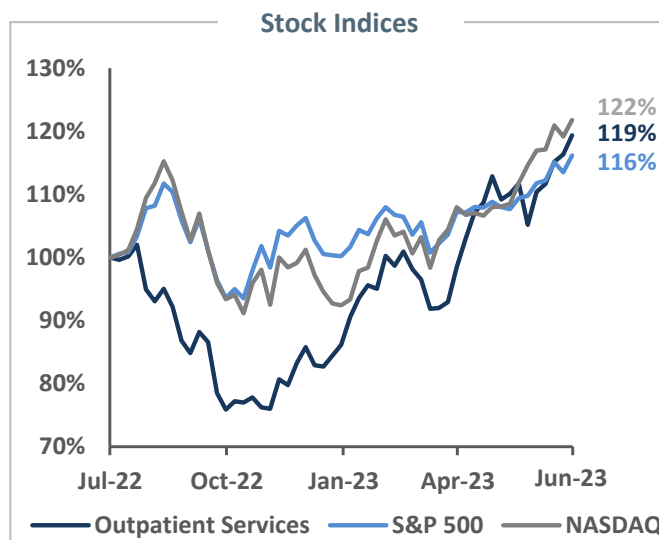
July 2023

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2Q23 Alternate Site Healthcare Services Sector Overview

BCA Market Commentary & Stock Indices Relative Performance

- Ambulatory infusion centers are expanding and attracting capital, driven by the increasing number of costly biotech therapies that necessitate provider-administered infusions.
- Affordable infusion centers are in short supply, and investors are funding aggressive de novo growth strategies alongside targeted M&A.
- Alternate-site providers typically benefit from cost advantages, and operators are developing additional strategies to drive (and share) savings for value-based care platforms.
- To mitigate risks associated with fee-for-service, investors are actively pursuing retail and patient payment models, such as medspa centers, weight loss clinics, and urgent care facilities.



Select M&A and Financing Transactions

Date	Target	Acquiror	Target Business Description
6/20/23	Specialty Infusion	Vivo Infusion	Operator of outpatient infusion centers across the Northeast
6/13/23	Genesis MedSpa	MedSpa810	Operator of a med spa facility in CO
6/1/23	4 Clinics	U.S. Physical Therapy	Operator of 4 clinics of a physical therapy practice
5/15/23	Alliance MRI	Capitol Imaging Services	Operator of diagnostic imaging centers in TX
4/19/23	Nura Pain Clinics	Capitol Pain Institute	Provider of pain management services in MN
4/5/23	6 Clinics	APT Healthcare	6 physical therapy clinics across the Southeast and Mid-Atlantic
4/3/23	CardiaStream	CHRISTUS Health	Operator of heart health centers in TX

Select Public Trading Multiples

(\$M, except share prices)

Company	Ticker	Stock Price 6/30/23	% of 52-Week		TEV	TEV / Revenue		TEV / EBITDA	
			High	Low		LTM	NTM	LTM	NTM
DaVita	DVA	\$100.47	98%	154%	\$20,569	1.8x	1.7x	9.7x	8.2x
Encompass Health	EHC	\$67.71	100%	153%	\$9,699	2.2x	2.0x	10.2x	9.3x
Fresenius	FME	\$47.57	95%	187%	\$26,307	1.2x	1.2x	6.1x	6.8x
Select Medical	SEM	\$31.86	98%	169%	\$8,909	1.4x	1.3x	13.4x	9.9x
Surgery Partners	SGRY	\$44.99	98%	220%	\$7,211	2.8x	2.6x	13.6x	12.1x
U.S. Physical Therapy	USPH	\$121.39	92%	166%	\$1,846	3.2x	3.1x	21.4x	24.0x
Average						2.1x	2.0x	12.4x	11.7x
Median						2.0x	1.9x	11.8x	9.6x

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



Sale to



TESTOSTERONE & WEIGHT LOSS

Sell-Side

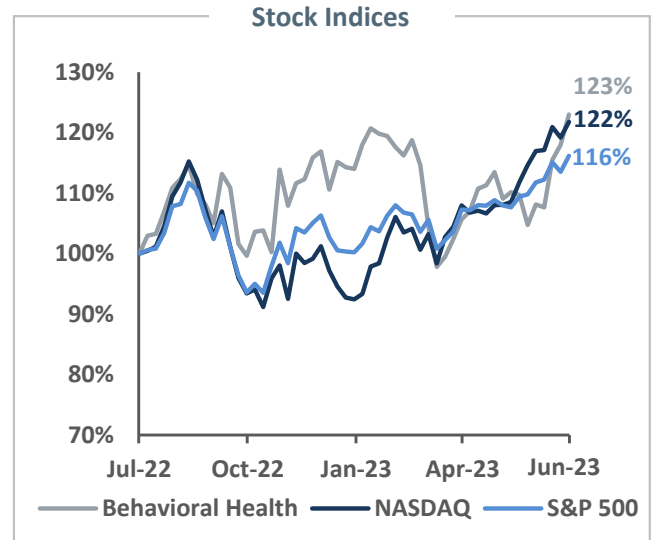


Sale to



BCA Market Commentary & Stock Indices Relative Performance

- The behavioral healthcare market is currently experiencing a supply and demand imbalance in a fast-growing marketplace.
- With more than 30 million Americans estimated to be experiencing untreated mental illness, there is strong anticipated growth over the next five to ten years fueled by a decline in the stigma surrounding mental health and bipartisan support for behavioral health initiatives.
- For M&A, the focus has been on buy and build strategies with an emphasis on in network and outcomes.
- There have been challenges with large ABA networks leaving markets and closing centers, attributed to factors such as stagnant reimbursement, wage inflation and staffing difficulties.
- Despite ongoing staffing challenges and inflationary pressures, there are signs of stabilization.



Select M&A and Financing Transactions

Date	Target	Acquiror	Target Business Description
6/29/23	Autism Behavioral Institute ⁽¹⁾	Decathlon Capital Partners	Provider of ABA therapy services and diagnostic evaluation for children
6/27/23	Your Behavioral Health	Comvest Partners	Provider of mental health and SUD treatment services
6/11/23	Center for Autism & Related Disorders	Pantogran, LLC	Operator of a chain of ASD treatment centers
5/31/23	Banyan Treatment Centers	TPG Capital	Provider of comprehensive addiction and mental health treatment
5/15/23	Silver Lake Psychology	ARC Psychiatry	Provider of psychotherapy services
5/15/23	Denver Wellness Associates	ARC Psychiatry	Provider of mental health treatment services
5/9/23	Invo Healthcare	Various Providers	ACES, BlueSprig & competitors assumed in-home & clinic-based operations
4/18/23	Melmed Center	Cortica	Treatment of behavioral and developmental challenges in children and adults
4/18/23	Springtide Child Development	Cortica	Play-based, interactive ABA, occupational speech therapies for children

(1) Autism Behavioral Institute deal was a non-equity transaction.

Select Public Trading Multiples

(\$M, except share prices)		Stock Price	% of 52-Week		TEV / Revenue		TEV / EBITDA		
Company	Ticker	6/30/23	High	Low	TEV	LTM	NTM	LTM	NTM
Acadia Healthcare	ACHC	\$79.64	89%	119%	\$8,791	3.4x	3.0x	13.9x	12.5x
American Well	AMWL	\$2.10	39%	108%	\$89	0.3x	0.3x	N/M	N/M
Lifestance	LFST	\$9.13	87%	216%	\$3,673	4.0x	3.5x	N/M	N/M
Universal Health Services	UHS	\$157.77	99%	191%	\$16,812	1.2x	1.2x	9.8x	8.7x
					Average	2.2x	2.0x	11.9x	10.6x
					Median	2.3x	2.1x	11.9x	10.6x

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

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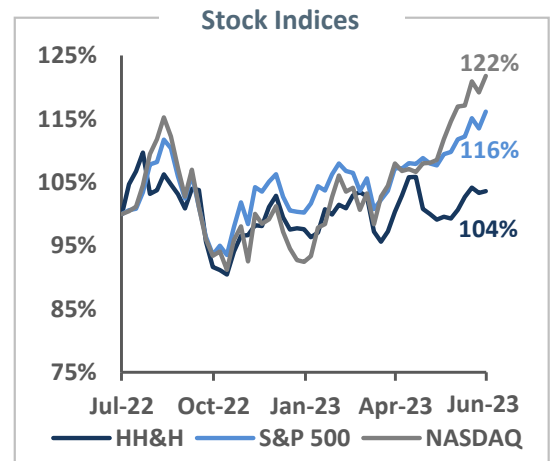
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Representative Transactions



BCA Market Commentary & Stock Indices Relative Performance

- Amedisys (NASDAQ: AMED) occupied home health and hospice industry headlines in 2Q23. On May 3, 2023, Amedisys announced an all-stock combination with Option Care Health (NASDAQ: OPCH) that valued Amedisys at approximately \$3.6 billion or \$97.38 per share. Then, on June 5, 2023, Amedisys announced that it had received an unsolicited proposal from UnitedHealth Group Inc (NYSE: UNH) subsidiary Optum to acquire all outstanding shares of Amedisys' common stock in an all-cash transaction for \$100 per share. On June 26, 2023, Amedisys announced that it had agreed to be acquired by Optum for \$3.7 billion (\$101 per share) while Option Care Health confirmed termination of its merger agreement with Amedisys. The Amedisys / Optum transaction is expected to close in 2024; however, industry analysts expect the Federal Trade Commission to scrutinize the transaction. Optum's recent acquisition of LHC Group may offer a clue into the anticipated closing timeline: Optum and LHC Group announced the transaction in March 2022 and deal did not close until February 2023. The potential combination of LHC Group and Amedisys under Optum underscores the trends of consolidation and the growing prevalence of "payviders" in the home health and hospice sector.
- On June 30, 2023, CMS released its proposed rule for CY 2024 Home Health reimbursement which is a decrease of 2.2%, or an estimated \$375 million less compared to 2023 levels. Also, CMS estimates that the increase in spending as a result of the transition to PDGM has ballooned from last year's estimate of \$2B to \$3.5B but decided not to address the temporary adjustment that would be needed to recoup those funds until future rulemaking. So, while the 2024 proposed reimbursement cut was not as draconian as some industry participants feared, the possible future PDGM adjustment still looms large for the home health sector.



Select M&A and Financing Transaction

Date	Target	Acquiror	Target Business Description
6/26/23	Amedisys ⁽¹⁾	Optum	Home health and hospice services nationwide
6/21/23	Bluebird	The Pennant Group	Home health and hospice services in ID
6/2/23	Baptist Health Deaconess Health	Hosparus Health	Hospice services in KY
5/25/23	Dignity Hospice Care	Advanced Home Care	Hospice services in MA
5/8/23	Team Select Home Care	Court Square Capital	Home health services in 11 states
5/4/23	Benefit Health Care	The Pennant Group	Home health services in CO
5/3/23	Care & Help Home Care	HouseWorks	Home health services in PA
5/1/23	Trilogy Home Healthcare	Centerwell Home Health	Home health services in FL
4/19/23	Summit Home Care	LHC Group	Home health services in DE
4/3/23	Assisted Daily Living	Elara Caring	Home health and hospice services in the Northeast

(1) Amedisys transaction was announced and is expected to close in 2024.

Select Public Trading Multiples

Company	Ticker	Stock Price 6/30/23	% of 52-Week		TEV	TEV / Revenue		TEV / EBITDA	
			High	Low		LTM	NTM	LTM	NTM
Addus HomeCare	ADUS	\$92.70	81%	120%	\$1,598	1.6x	1.5x	15.1x	13.8x
Amedisys	AMED	\$91.44	70%	132%	\$3,483	1.6x	1.5x	11.2x	11.7x
Aveanna Healthcare	AVAH	\$1.69	63%	254%	\$1,585	0.9x	0.8x	15.8x	11.6x
Chemed	CHE	\$541.67	95%	126%	\$8,352	3.9x	3.6x	19.3x	17.5x
Enhabit Home Health	EHAB	\$11.50	49%	109%	\$1,096	1.0x	1.0x	58.0x	8.5x
Pennant Group	PNTG	\$12.28	69%	141%	\$695	1.4x	1.3x	21.3x	16.9x
Average						1.7x	1.6x	23.4x	13.3x
Median						1.5x	1.4x	17.5x	12.7x

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

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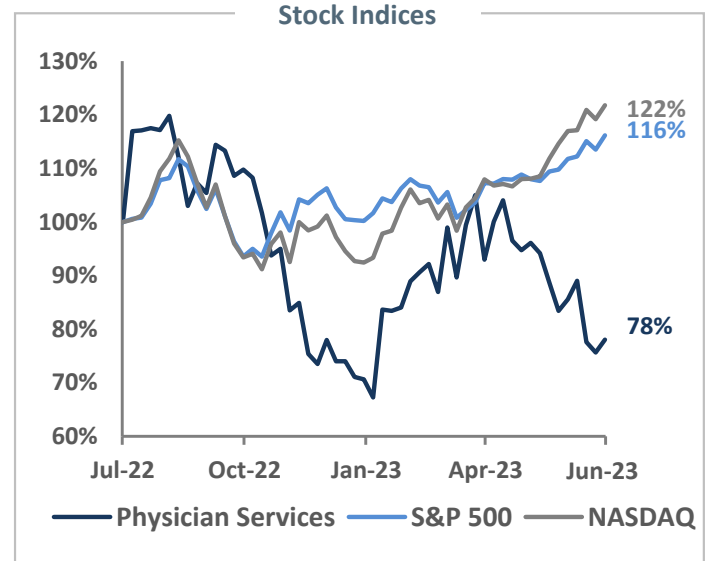
Representative Transactions

<p>Sell-side</p> <p>SimiTree</p> <p>Sale to</p> <p>SHERIDAN CAPITAL PARTNERS</p>	<p>Sell-side</p> <p>KARE-IN-HOME</p> <p>Sale to</p> <p>NAUTIC & VISTRIA</p>	<p>Sell-side</p> <p>VITAL HEALTH CARE GROUP</p> <p>Sale to</p> <p>NAUTIC & VISTRIA</p>
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2Q23 Physician Services Sector Overview

BCA Market Commentary & Stock Indices Relative Performance

- CVS Health Corp (NYSE: CVS) closed on its acquisition of Oak Street Health (NYSE: OHS) for \$10.6 billion as of May 2, 2023.
- Envision Healthcare, the medical staffing company owned by KKR, filed for Chapter 11 bankruptcy on May 15, 2023. The Amsurg unit will buy surgery centers held by the company for \$300 million.
- Cardiovascular Associates of America (“CVAUSA”), a cardiology platform backed by Webster Equity Partners, has been on buying spree in Q2. CVAUSA acquired two groups in Florida, one group in New Jersey, and the value-based care platform Novocardia.
- Elevate ENT partners has also been active in Q2 with acquisitions of 6-clinic Louisiana Ear Nose Throat & Sinus and South Florida’s Otolaryngology Consultants, PA, a 3-center specialty ENT group.
- Several large orthopedic platforms are anticipated to transact in the second half of the year.



Select M&A and Financing Transactions

Date	Target	Acquiror	Target Business Description
6/14/23	James River Cardiology	RC Capital	Provider of cardiovascular care with six locations in VA
6/1/23	Colorado Springs Cardiology	Heart & Vascular Partners	Operator of six cardiovascular clinics in CO
6/1/23	Southwest Nephrology Associates	Panoramic Health	Provider of nephrology care comprised of 6 physicians
5/17/23	Nova IVF	Ivy Fertility	Operator of a fertility clinic in CA
5/1/23	Gastro MD	Vesey Street Capital Partners	Provider of gastroenterology patient care
4/20/23	OneOncology	TPG, AmerisourceBergen	Operator of 15 oncology practices across 14 states
4/18/23	New Hope Center for Reproductive Medicine	CCRM Fertility	Provider of fertility laboratory services in VA
4/17/23	Virginia Fertility & IVF	Ivy Fertility	Provider of fertility laboratory services in VA
4/10/23	Crystal Run Healthcare	UnitedHealth Group	Operator of a multi-specialty group medical practice
4/3/23	Ovation Fertility	US Fertility	Provider of fertility laboratory services nationwide
4/1/23	Regional Cancer Care Associates	US Oncology	Operator of a cancer care physician network

Select Public Trading Multiples

(\$M except share prices)		Stock Price	% of 52-Week		TEV	TEV / Revenue		TEV / EBITDA	
Company	Ticker	3/31/23	High	Low		LTM	NTM	LTM	NTM
Agilon Health	AGL	\$17.34	59%	116%	\$6,222	1.9x	1.3x	N/M	N/M
Apollo Medical Holdings	AMEH	\$31.60	54%	118%	\$1,377	1.1x	1.0x	9.9x	9.8x
CANO	CANO	\$1.39	14%	182%	\$2,205	0.8x	0.7x	16.5x	27.5x
Pediatrix Medical	MD	\$14.21	59%	111%	\$1,809	0.9x	0.9x	7.5x	7.3x
The Oncology Institute	TOI	\$0.55	7%	167%	\$79	0.3x	0.2x	N/M	N/M
Privia	PRVA	\$26.11	58%	127%	\$2,554	1.8x	1.5x	40.2x	33.0x
Average						1.1x	0.9x	18.5x	19.4x
Median						1.0x	0.9x	13.2x	18.6x

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

