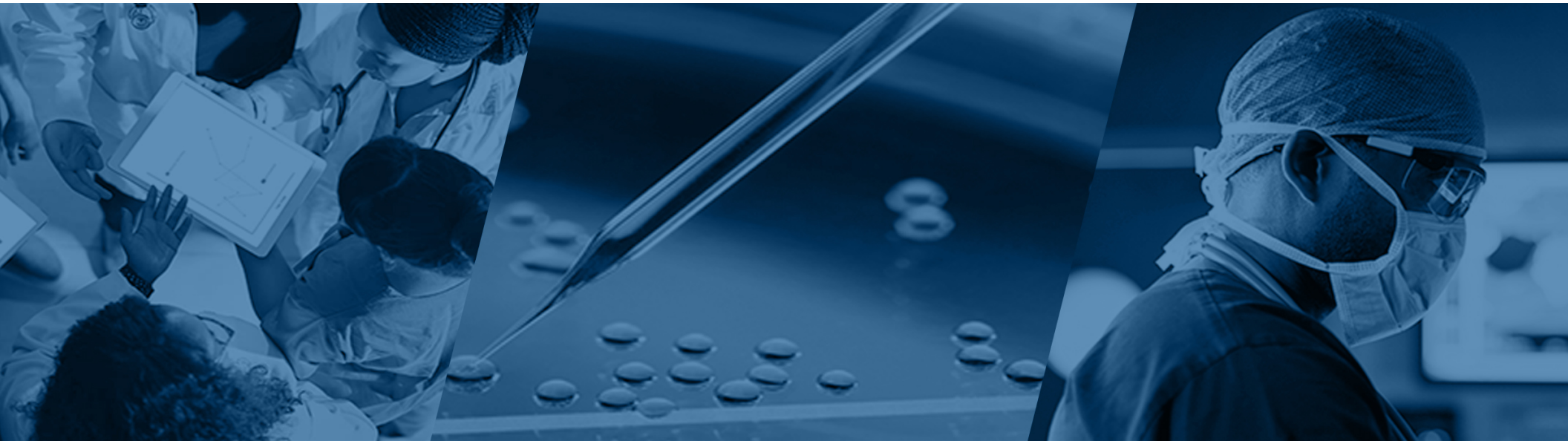




HEALTHCARE SERVICES & HEALTH TECH

Market Update



January 2022

Healthcare Services & Health Tech Market Update

Healthcare Services & Health Tech Industry Practice

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

Stifel's Healthcare Services & Health Tech team works to stay abreast of these changes. Via years of experience, relationships, and recent mandates, our team provides thought leadership across a broad range of healthcare sub-sectors, which is complemented 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

Sector Coverage



Alternate Site

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



Behavioral Health

- Autism
- General Psychology
- Mental Health
- Substance Abuse



Health Tech

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



Payor Services

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



Pharma Services

- Clinical Trials
- Manufacturing
- Marketing
- Supply Chain



Physician Groups

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

Stifel's Healthcare Services & Health Tech Team



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Healthcare Services & Health Tech Market Update

2021 Stifel Healthcare Services & Health Tech Transactions

Stifel HCS&HT 2021 Highlights By The Numbers

28
Transactions
(Closed or Announced)

12
M&A Transactions

9
Equity Transactions
(IPOs, Follow-ons, SPACs,
PIPEs & Private Placements)

7
Debt Transactions

Select 2021 Transactions

<p>Health Tech</p> <p>Project Green</p> <p>Advisor to Seller <i>Closed, Not Yet Announced</i></p>	<p>PlayMakerHEALTH <i>The Post-Acute Growth Platform</i> a portfolio company of Mainsail Partners Has Been Acquired by</p> <p>Trella HEALTH Advisor to Seller December 2021</p>	<p>INTEGRA Managed Care</p> <p>Has Agreed to be Acquired by</p> <p>Anthem</p> <p>Advisor to Seller Announced</p>	<p>\$400,000,000</p> <p>ENDO PARTNERS</p> <p>Senior Notes</p> <p>Co-Manager December 2021</p>	<p>Mississippi Retina ASSOCIATES</p> <p>Has Been Acquired by</p> <p>RETINA CONSULTANTS OF AMERICA</p> <p>Advisor to Seller December 2021</p>	<p>\$396,000,000</p> <p>DEFINITIVE HEALTHCARE</p> <p>Follow-on Offering</p> <p>Co-Manager November 2021</p>	<p>\$158,000,000</p> <p>motion</p> <p>Has Merged with</p> <p>DOCGO</p> <p>Capital Markets Advisor November 2021</p>
<p>BioCare</p> <p>Has Been Acquired by</p> <p>VISTRIA</p> <p>Advisor to Seller November 2021</p>	<p>\$230,000,000</p> <p>SPINDLETOP HEALTH ACQUISITION CORP.</p> <p>Initial Public Offering Joint Bookrunning Manager November 2021</p>	<p>\$70,900,000</p> <p>ZOMEDICA</p> <p>Has Acquired</p> <p>PulseVet a portfolio company of THOMPSON STREET</p> <p>Advisor to Buyer October 2021</p>	<p>\$260,000,000</p> <p>DEFINITIVE HEALTHCARE</p> <p>Senior Debt Financing</p> <p>Lender September 2021</p>	<p>\$420,000,000</p> <p>DEFINITIVE HEALTHCARE</p> <p>Initial Public Offering</p> <p>Co-Manager September 2021</p>	<p>\$81,000,000</p> <p>TRAJECTOR</p> <p>Senior Debt Financing</p> <p>Lender September 2021</p>	<p>\$225,000,000</p> <p>HealthCatalyst</p> <p>Follow-on Offering</p> <p>Co-Manager August 2021</p>
<p>\$1,800,000,000</p> <p>CENTENE Corporation</p> <p>Senior Notes</p> <p>Co-Manager July 2021</p>	<p>\$85,000,000</p> <p>PINNACLECARE</p> <p>Has Agreed to be Acquired by</p> <p>Sun Life Financial Advisor to Seller July 2021</p>	<p>£40,000,000</p> <p>Animalcare GROUP</p> <p>Block Trade Joint Bookrunning Manager July 2021</p>	<p>\$181,500,000</p> <p>Vetio ANIMAL HEALTH a portfolio company of THOMPSON STREET</p> <p>Has Been Acquired by</p> <p>SWEDENCARE</p> <p>Advisor to Seller July 2021</p>	<p>xanitos</p> <p>Has Agreed to be Acquired by</p> <p>ANGELES EQUITY PARTNERS</p> <p>Advisor to Seller July 2021</p>	<p>\$1,800,000,000</p> <p>CENTENE Corporation</p> <p>Senior Notes</p> <p>Co-Manager June 2021</p>	<p>RC SA</p> <p>Has Been Acquired by</p> <p>RETINA CONSULTANTS OF AMERICA</p> <p>Advisor to Seller June 2021</p>
<p>VERISYS a portfolio company of SPECTRUM EQUITY Cressey & Company</p> <p>Has Been Acquired by</p> <p>STONE POINT CAPITAL</p> <p>Advisor to Seller May 2021</p>	<p>SEK 400,000,000</p> <p>doktor24</p> <p>Private Placement</p> <p>Sole Financial Advisor May 2021</p>	<p>Transaction Data Systems a portfolio company of GTCR</p> <p>Has Been Acquired by</p> <p>BlackRock Long Term Private Capital</p> <p>Advisor to Seller May 2021</p>	<p>\$2,200,000,000</p> <p>CENTENE Corporation</p> <p>Senior Notes</p> <p>Co-Manager February 2021</p>	<p>\$70,000,000</p> <p>DARIO HEALTH</p> <p>PIPE</p> <p>Joint Placement Agent January 2021</p>	<p>\$2,400,000,000</p> <p>CENTENE Corporation</p> <p>Senior Notes</p> <p>Co-Manager January 2021</p>	<p>\$264,000,000</p> <p>adapthealth</p> <p>Follow-on Offering Joint Bookrunning Manager January 2021</p>

Healthcare Services & Health Tech Market Update

Notable Events and Trends

- 1 Significant Deployable Capital and Sustained Interest in Healthcare Services.** Returns on investments in healthcare services assets have been impressive compared to other industry sectors. Private Equity's continued success investing in healthcare and established playbooks for growing healthcare services companies will continue to drive deals in the sector
- 2 Demographic Shifts Continued Impact on Healthcare Services Consumption.** A large, aging cohort of Americans, significant global increases in demand for mental health services and a less than healthy population in the U.S. will drive sustained increases in the consumption of healthcare services
- 3 Pivot to Value-Based Care Reimbursement Models.** In order to reduce the total cost of delivering care to covered populations, and driven by a profound need to improve health outcomes relative to expenditures, there will be a sustained push for healthcare services companies to migrate from "Fee for Service" to "Value-based Care" reimbursement models. Those companies which have invested in analytics and operational capabilities necessary to start servicing contracts, where some portion of revenue is contingent on performance, will have the opportunity to take market share away from competitors and realize a market premium in a sale, as evidenced in several notable deals in 2021
- 4 Critical Provider Shortages.** COVID related burn-out has exacerbated several long-term shortages of providers. Skilled nurse providers and front line care delivery personnel have been acutely impacted, while demographic shifts continue to see aging providers retire early. Other specialties, which are in high-demand e.g. mental health providers (therapists, ABS) and medical / surgical specialists (dermatologists, orthopedic surgeons) will see strong competition for resources
- 5 Incorporation of Technology into Provider Models.** COVID catalyzed the adoption of technology and rapidly accelerated the proliferation of enabling solutions for providers. Companies and care providers have moved quickly to develop and implement technological capabilities that enable the remote delivery of care. While these models are not yet perfect, they enable current providers to reach into underserved markets and wring out cost efficiencies in a manner that will shape the way healthcare is delivered in the future
- 6 Rapid adoption of digital health services spurred by COVID-19 pandemic.** Funding for digital health companies soared to \$21.3 billion, shattering 2020's full-year record of \$14.6 billion. The sector saw 541 deals with an average deal size of \$39.4 million in the first three quarters, despite the overall deal volume decreasing quarter over quarter
- 7 Recent weakened market performance.** Multiple factors including re-rating post pandemic, market rotation, fundamental performance and technical dynamics have softened the healthcare technology markets as we approached end of 2021

Healthcare Services & Health Tech Market Update

Notable Recent Deal Activity

4th Quarter 2021 Stifel Transaction Highlights

Date	Target	Acquiror	Target Description	Sector	Deal Metrics
12/23/21	 PlayMakerHEALTH <small>The Post-Acute Growth Platform</small>	 Trella HEALTH	Provides market intelligence and sales insights that post-acute organizations need to optimize referral sources and grow faster	HCIT	NA
12/10/21	 Mississippi Retina ASSOCIATES	 RETINA CONSULTANTS OF AMERICA	Retina practice that provides comprehensive services, including diagnostic tests and surgical procedures	HCS	NA
11/22/21	 athenahealth	 BainCapital Hellman & Friedman	Provides network-based medical record, revenue cycle, patient engagement, care coordination, and population health services	HCIT	EV: ~\$17bn
11/08/21	 INTEGRA Managed Care	 Anthem	Provides a managed long term care plan designed for adults living with long-term disabilities	HCS	NA
11/08/21	 BioCare <small>People who care.</small>	 VISTRIA	Specialty pharmaceutical distribution partner that provides logistics services	HCS	NA
10/01/21	 PulseVet [®]	 ZOMEDICA [®]	Provider of electro-hydraulic shock wave technology for the treatment of a wide variety of conditions in veterinary patients	HCS	EV: \$71mm

Healthcare Services & Health Tech Market Update

Notable Recent Deal Activity

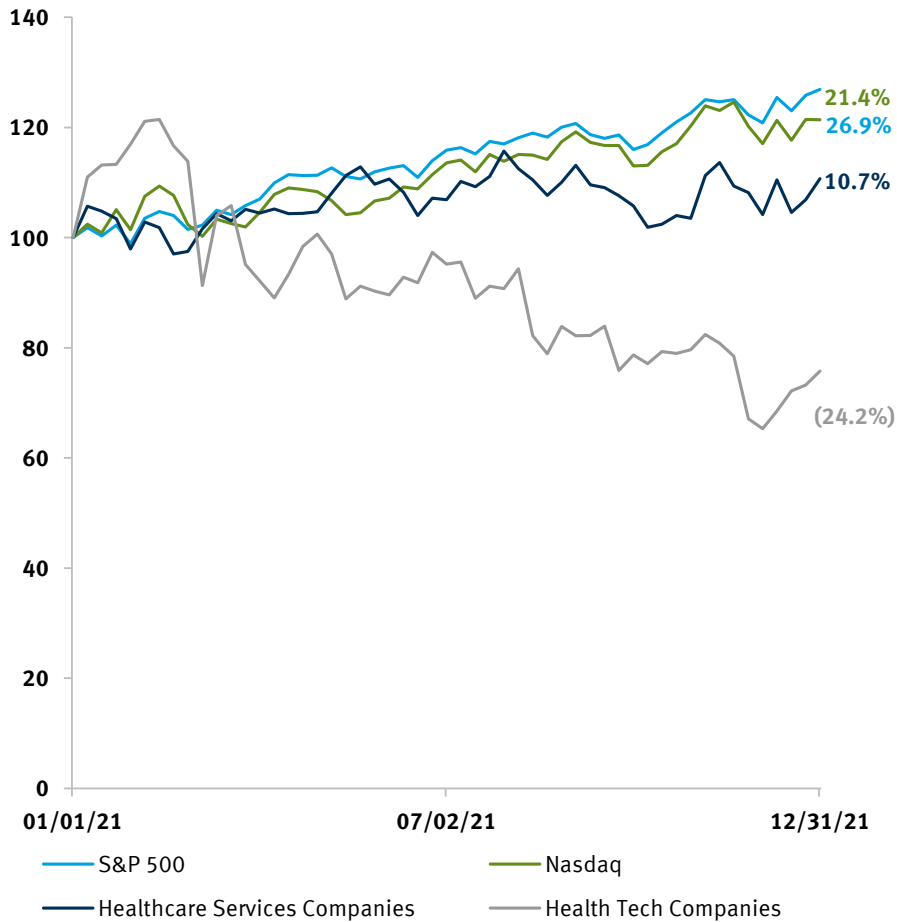
4th Quarter 2021 Other Notable Transactions

Date	Target	Acquiror	Target Description	Sector	Deal Metrics
12/14/21	 CARDIOVASCULAR ASSOCIATES OF AMERICA	 Partnership	Comprehensive physician management services organization	HCS	NA
12/09/21	 RESURGENSSM ORTHOPAEDICS REACH MORE	WCAS	Largest orthopedic group in Georgia, providing comprehensive specialty care and ancillary services addressing all musculoskeletal needs	HCS	EV: \$325mm
11/15/21	 CSUA Colorado Springs Urological Associates	 SOLARISHEALTH A NEW WAY IN HEALTHCARE	Provides treatment for urological conditions including kidney stones, infertility, urinary tract infections and other conditions	HCS	NA
10/29/21	 PINNACLE DERMATOLOGY	 BAYPINE	Provides comprehensive management services to 87 clinical locations across 11 states	HCS	NA
10/28/21	 Hinge Health	 TIGER Tiger Global Management, LLC	Develops digital healthcare solutions for employees to recover from musculoskeletal diseases	HCIT	NA
10/26/21	 TransUnion ^{tu}	 nThrive	Provides revenue protection solutions for the healthcare industry	HCIT	EV: \$1.74bn

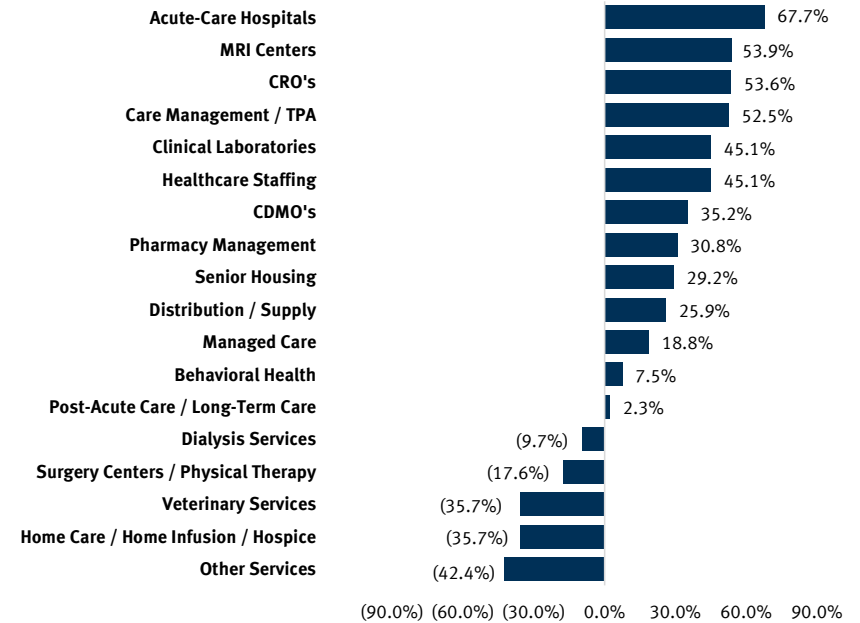
Healthcare Services & Health Tech Market Update

Equity Performance for Select Sector Participants

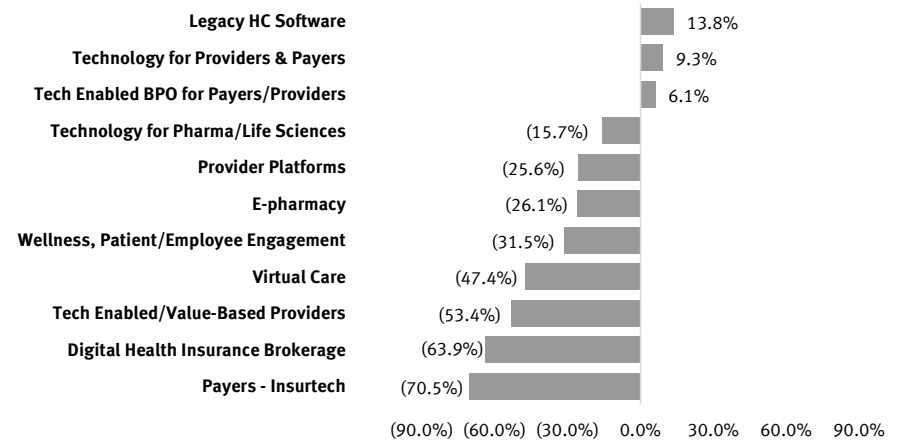
Healthcare Services & Health Tech Market Performance – 2021



Healthcare Services % Median Change – 2021



Health Tech % Median Change – 2021

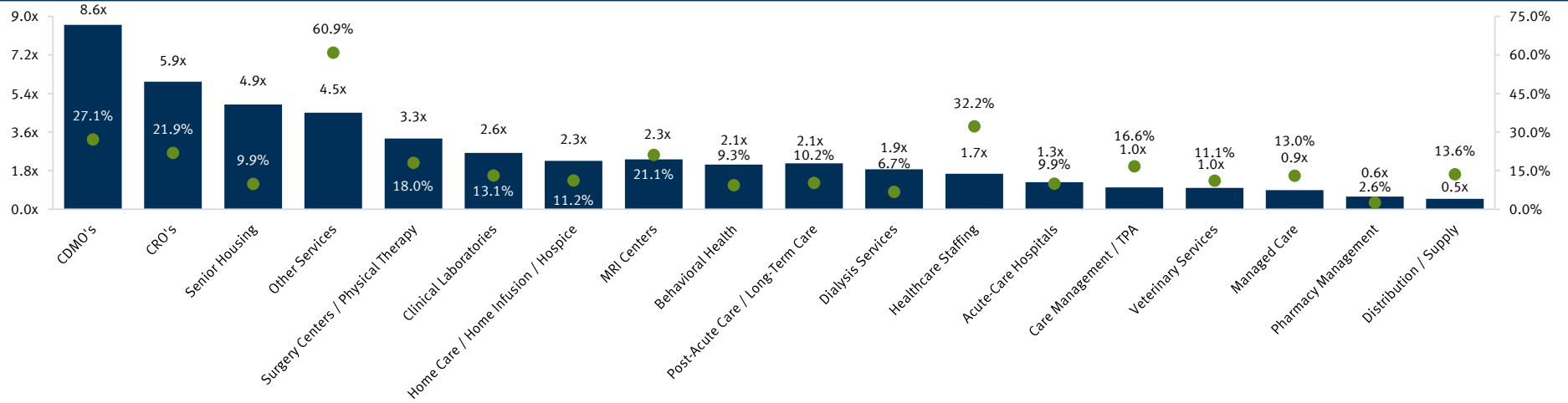


Source: CapIQ, FactSet and company filings as of December 31, 2021.

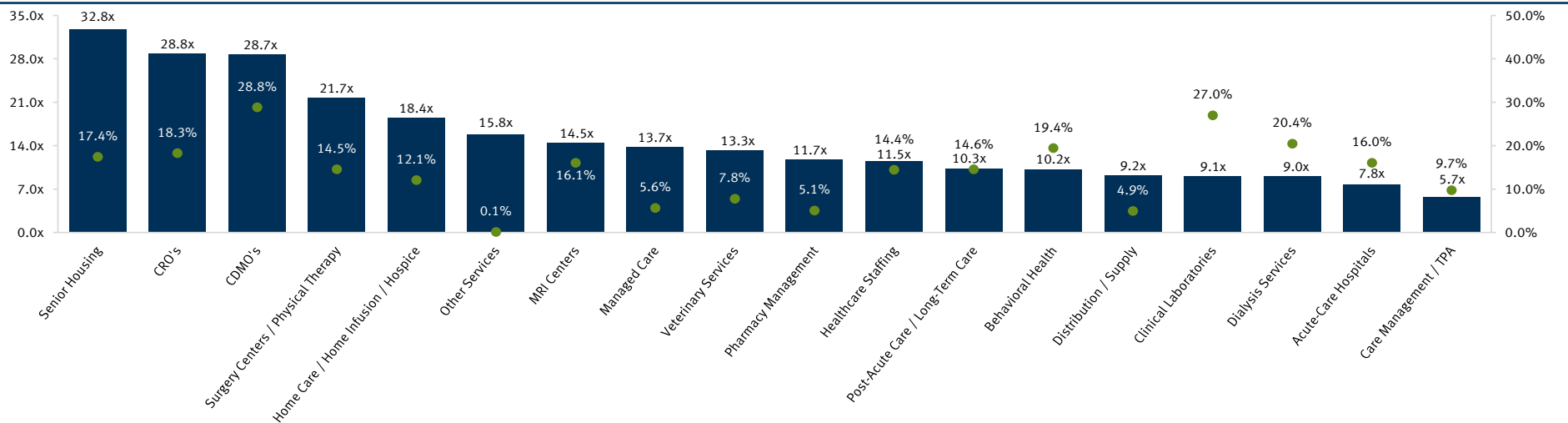
Healthcare Services & Health Tech Market Update

Trading Metrics for Healthcare Services Companies

Healthcare Services 2021 Revenue Multiples and Growth Rates



Healthcare Services 2021 EBITDA Multiples and Margins

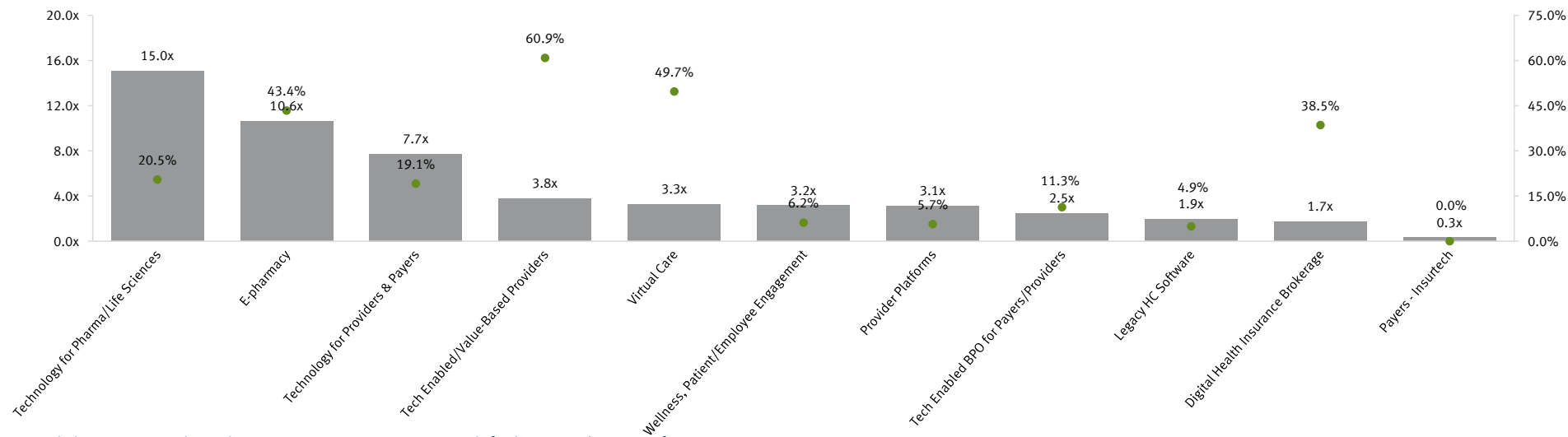


Note: Excludes EBITDA multiples over 100.0x, revenue growth over 100.0% and EBITDA margin over 50.0%.
 Source: CapIQ, FactSet and company filings as of December 31, 2021.

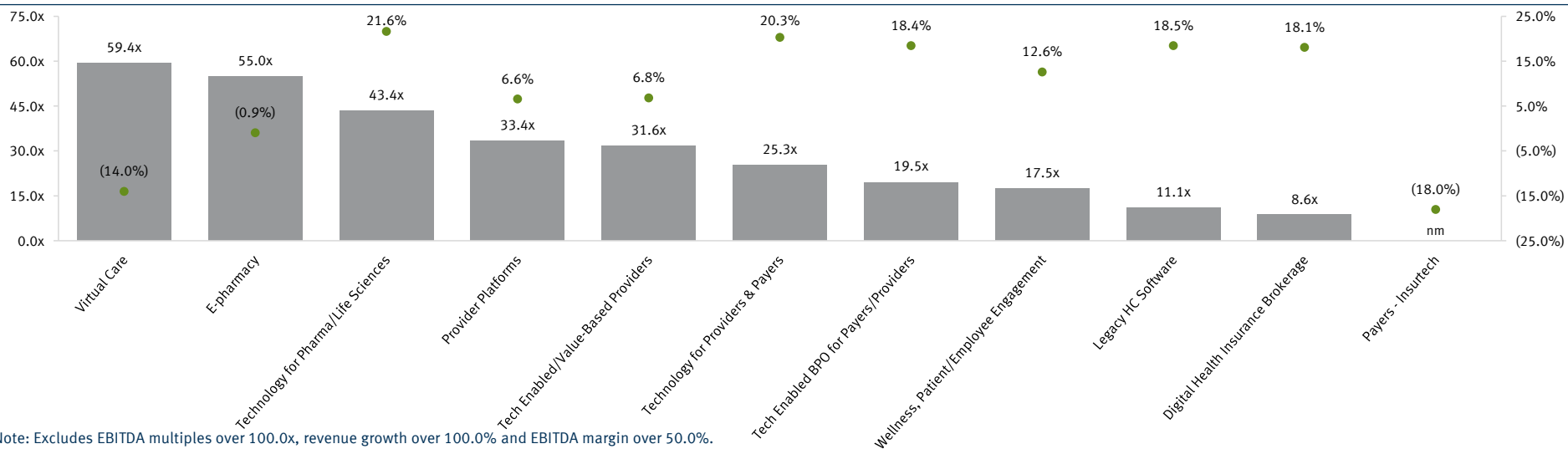
Healthcare Services & Health Tech Market Update

Trading Metrics for Healthcare Technology Companies

Healthcare Technology 2021 Revenue Multiples and Growth Rates



Healthcare Technology 2021 EBITDA Multiples and Margins



Note: Excludes EBITDA multiples over 100.0x, revenue growth over 100.0% and EBITDA margin over 50.0%.
 Source: CapIQ, FactSet and company filings as of December 31, 2021.

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