



Industry Insights

Healthcare Services Sector Update

Summer 2022

Highlights

The **S&P Healthcare Services** Index decreased by 5.9% over the last month, compared to the S&P 500 Index, which decreased by 8.4% over the same period.





Over the past month:

The sectors that experienced the largest increase were Healthcare Staffing (up 15.7%), Care Platform (Affiliate-Based) (up 11.6%) and HCIT (up 1.0%).

The sectors that experienced the largest decrease were Providers – Other (down 29.6%) Acute Care Hospitals (down 21.7%) and Assisted/Independent Living (down 20.8%).

The current average Last Twelve Months (LTM) revenue and LTM EBITDA multiples for the healthcare services industry overall are 2.44x and 14.3x, respectively.

The Sectors with the Highest Valuation Multiples

-  Consumer Directed Health/Wellness (3.10x LTM revenue, 32.8x LTM EBITDA)
-  Assisted/Independent Living (2.11x LTM revenue, 30.9x LTM EBITDA)
-  HCIT (3.29x LTM revenue, 25.0x LTM EBITDA)
-  Healthcare REITs (11.49x LTM revenue, 19.0x LTM EBITDA)

Healthcare Services Sector Update .o

Market Sector	No. of Companies	Equity Mkt. Value (\$mn)	Average % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2022E
			1 mo	12 mo	Rev	EBITDA	LTM	2022E	
Providers									
Acute Care Hospitals	4	\$63,296	(21.7%)	(20.9%)	1.17x	7.1x	6.1x	7.5x	0.8x
Assisted/Independent Living	3	1,025	(20.8%)	(45.9%)	2.11x	30.9x	0.2x	NM	NM
Behavioral Health	2	8,204	(12.0%)	(14.5%)	NM	14.9x	25.5x	22.5x	2.2x
Dialysis Services	2	22,154	(18.1%)	(37.7%)	1.61x	9.4x	9.4x	10.2x	1.2x
Healthcare Staffing	2	5,702	15.7%	14.9%	0.85x	6.4x	8.8x	7.5x	0.3x
Home Health/Hospice	9	24,144	(8.6%)	(14.4%)	1.71x	18.0x	33.3x	20.4x	2.7x
Rehabilitation	5	10,611	(10.3%)	(32.5%)	2.22x	16.3x	20.6x	19.0x	1.0x
Skilled Nursing	2	5,117	(8.6%)	(12.0%)	1.45x	15.6x	14.7x	18.0x	1.2x
Care Platform (Affiliate-Based)	4	13,938	17.0%	(65.9%)	3.17x	14.0x	23.6x	32.2x	3.0x
Care Platform (Facility-Based)	4	6,700	(15.6%)	(71.8%)	1.47x	NM	NM	NM	NM
Providers – Other	5	7,798	(29.6%)	(34.0%)	2.62x	12.1x	11.5x	10.9x	0.4x
Payors/Managed Care									
Commercial Managed Care	5	\$743,702	(0.6%)	24.0%	1.75x	14.6x	20.8x	17.8x	1.3x
Government Managed Care	3	68,030	(1.7%)	12.6%	0.82x	11.5x	28.6x	15.7x	1.1x
Specialty Managed Care	1	9,349	(4.7%)	10.7%	1.01x	9.6x	16.6x	13.6x	0.8x
Consumer Directed Health/Wellness									
	4	\$6,192	(8.4%)	(31.8%)	3.10x	32.8x	NM	48.2x	3.1x
Telemedicine									
	7	\$8,202	(3.5%)	(72.6%)	1.65x	NM	27.5x	23.4x	NM
HCIT									
	28	\$55,644	1.0%	(20.0%)	3.29x	25.0x	25.2x	40.1x	3.2x
Other Outsourced Services									
Care Management/Third-Party Administrator	5	\$7,051	(4.7%)	(16.2%)	1.27x	11.0x	22.9x	14.9x	NM
Clinical Laboratories	10	57,160	(10.1%)	(15.2%)	2.49x	9.1x	15.0x	13.9x	(0.6x)
Contract Research Organizations	4	76,911	(4.1%)	(12.3%)	3.22x	18.0x	32.1x	18.1x	1.2x
Hospital Vendors	3	5,384	(9.2%)	(40.5%)	1.22x	17.5x	27.0x	34.2x	3.2x
Products									
Distribution	6	\$106,631	(6.6%)	36.2%	0.42x	11.5x	21.2x	12.6x	2.1x
Home Medical Equipment	4	\$2,849	(0.2%)	(32.4%)	1.53x	9.7x	22.7x	15.3x	NM
Healthcare REITS									
	14	\$99,514	(8.2%)	(8.4%)	11.49x	19.0x	25.5x	36.1x	NM

Source: S&P Global Market Intelligence as of June 30, 2022, and includes the most actively traded healthcare companies for respective covered sectors, excluding most microcap companies.

Healthcare Services Sector Update

Market Indices	Value at	% Change			
	6/30/2022	1 mo	YTD	12 mo	36 mo
S&P 500	3,785.4	(8.4%)	(20.6%)	(11.9%)	28.7%
NASDAQ Composite Index	11,028.7	(10.6%)	(29.5%)	(24.0%)	37.8%
Russell 2000 Index	1,708.0	(8.4%)	(23.9%)	(26.1%)	9.0%
S&P Composite 1500 Health Care Facilities (Sub Ind)	398.9	(18.8%)	(28.8%)	(22.6%)	20.2%
S&P Composite 1500 Health Care Providers & Services (Industry)	1,527.1	(1.5%)	(2.3%)	13.6%	74.6%
S&P Composite 1500 Managed Health Care (Sub Ind)	2,998.6	0.4%	2.1%	23.3%	93.1%
S&P Health Care Services Select Industry Index	12,525.1	(5.9%)	(22.5%)	(28.2%)	25.9%

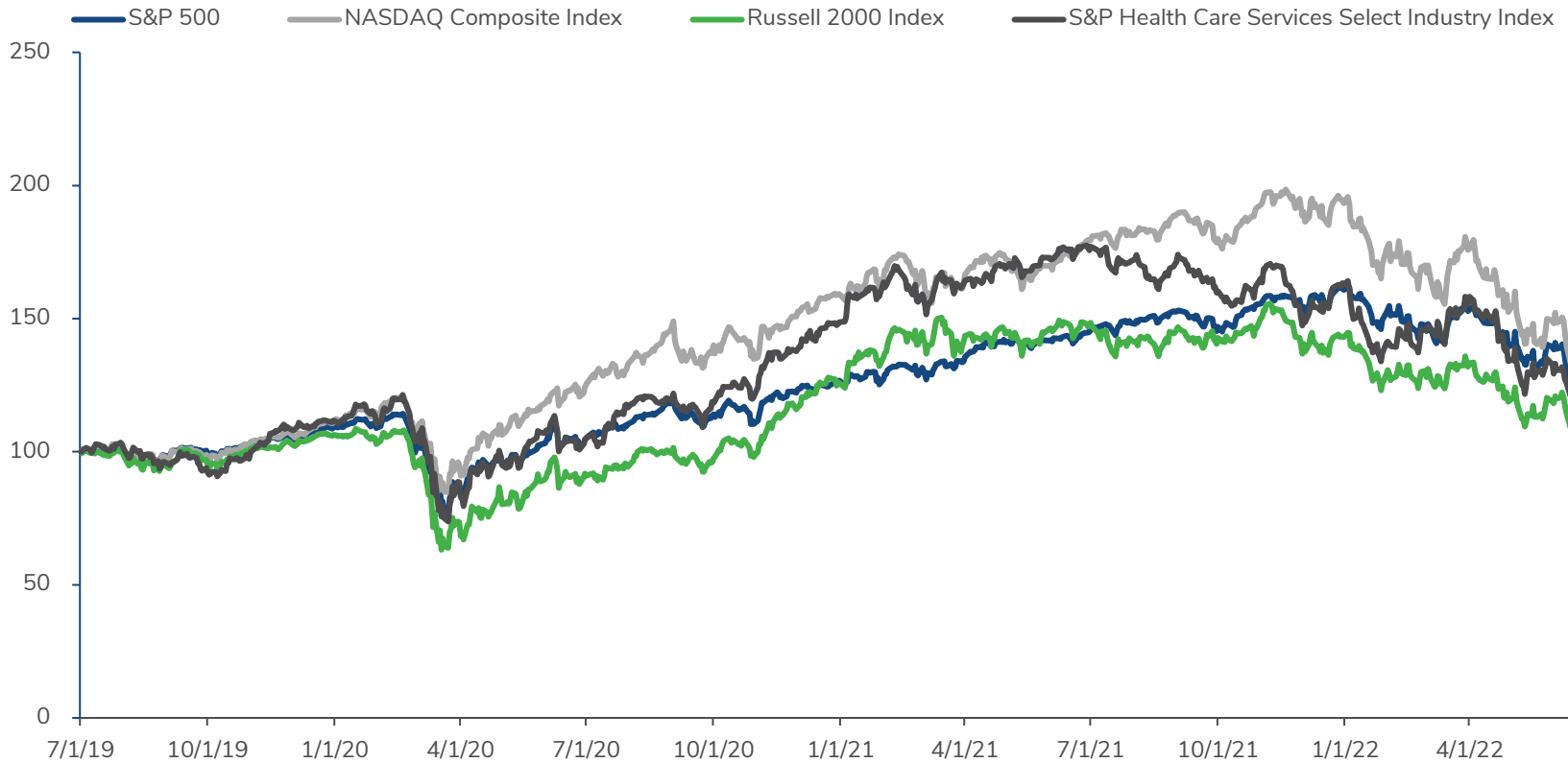
Interest Rates	Value at 6/30/2022	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 6 months	2.94%	1.91%	0.76%	0.17%
U.S. Treasury - 2 years	2.92%	2.70%	1.31%	0.16%
U.S. Treasury - 5 years	3.00%	2.92%	1.55%	0.81%
U.S. Treasury - 10 years	2.97%	2.89%	1.71%	1.61%
U.S. Treasury - 30 years	3.12%	2.95%	2.11%	2.30%
U.S. Prime Rate	4.75%	3.50%	3.25%	3.25%

Capitalization Profile	No. of Co's	Ag. Equity Mkt. Value	% Total No. of Co's	% Ag. Mkt. Value	Average Stock Performance			
					1 mo	YTD	12 mo	36 mo
> \$5 billion	40	\$1,284,135	29.2%	90.6%	(7.6%)	(12.7%)	(8.4%)	37.3%
\$1 billion - \$5 billion	45	113,883	32.8%	8.0%	(4.7%)	(20.8%)	(30.6%)	83.7%
\$250 million - \$1 billion	30	17,223	21.9%	1.2%	(7.8%)	(38.1%)	(51.5%)	(13.7%)
\$100 million - \$250 million	10	1,866	7.3%	0.1%	(25.4%)	(44.4%)	(60.5%)	0.1%
< \$100 million	12	622	8.8%	0.0%	(11.3%)	(49.5%)	(60.7%)	(42.8%)
Total/Average (\$mn)	137	\$1,417,729	100.0%	100.0%	(11.4%)	(33.1%)	(42.4%)	12.9%

Source: S&P Global Market Intelligence as of June 30, 2022, and includes the most actively traded healthcare companies for respective covered sectors, excluding most microcap companies.

Healthcare Services Market Performance

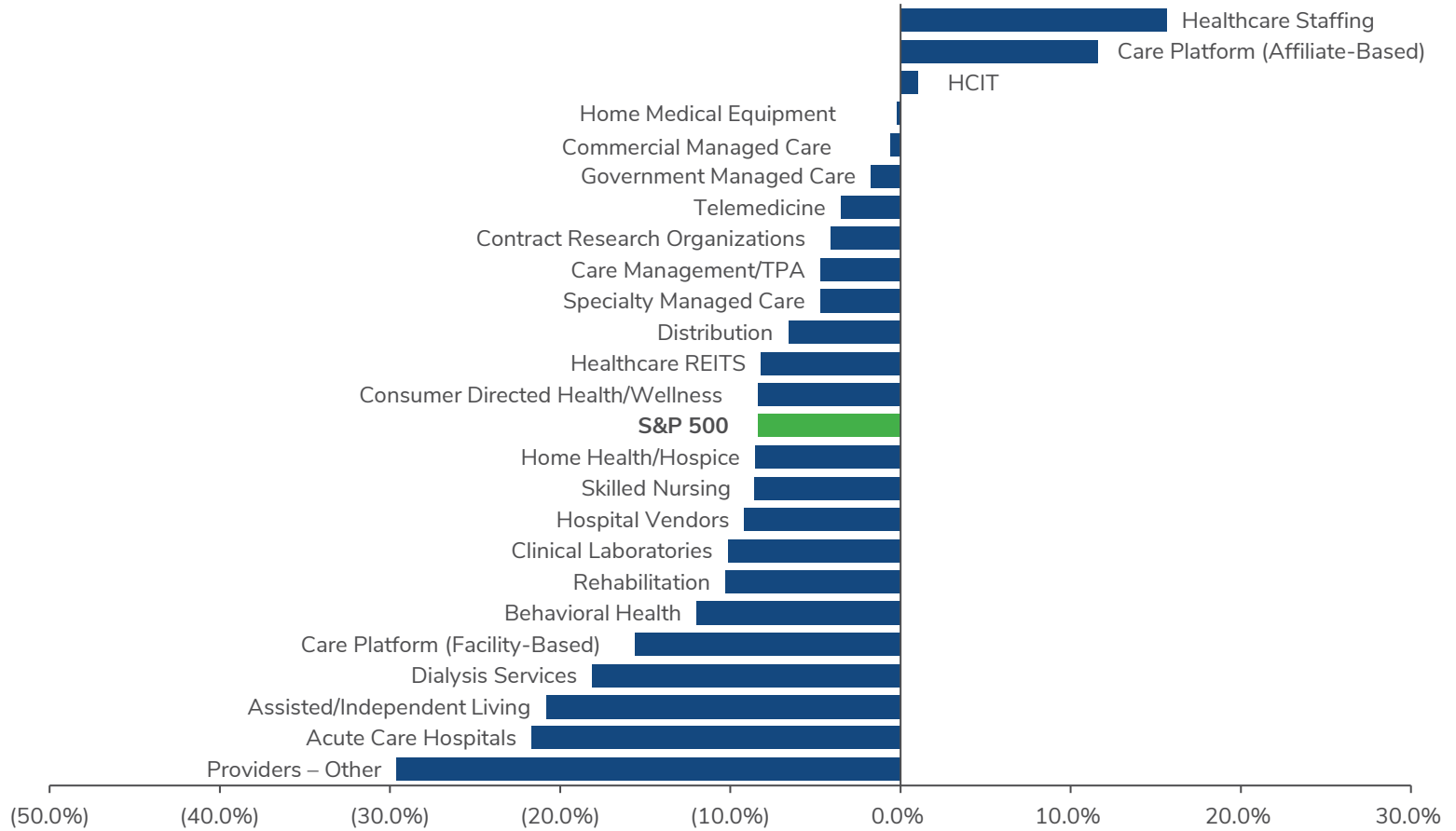
Performance of Market Indices for Latest 36 Months



Source: S&P Global Market Intelligence.

Healthcare Services Sector Change .o

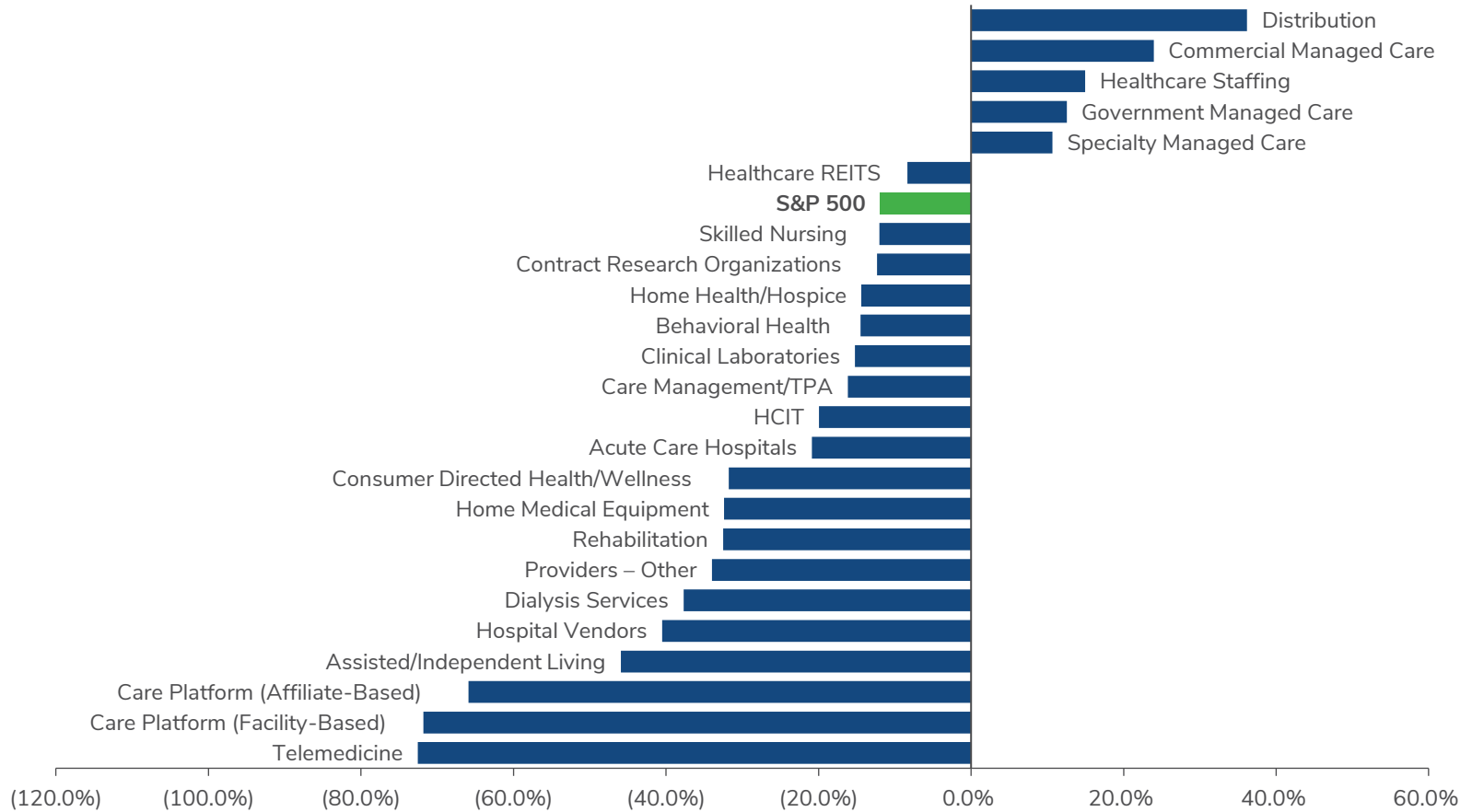
Average % - 1 Month Change



Source: S&P Global Market Intelligence as of June 30, 2022, and includes the most actively traded healthcare companies for respective covered sectors, excluding most microcap companies.

Healthcare Services Sector Change

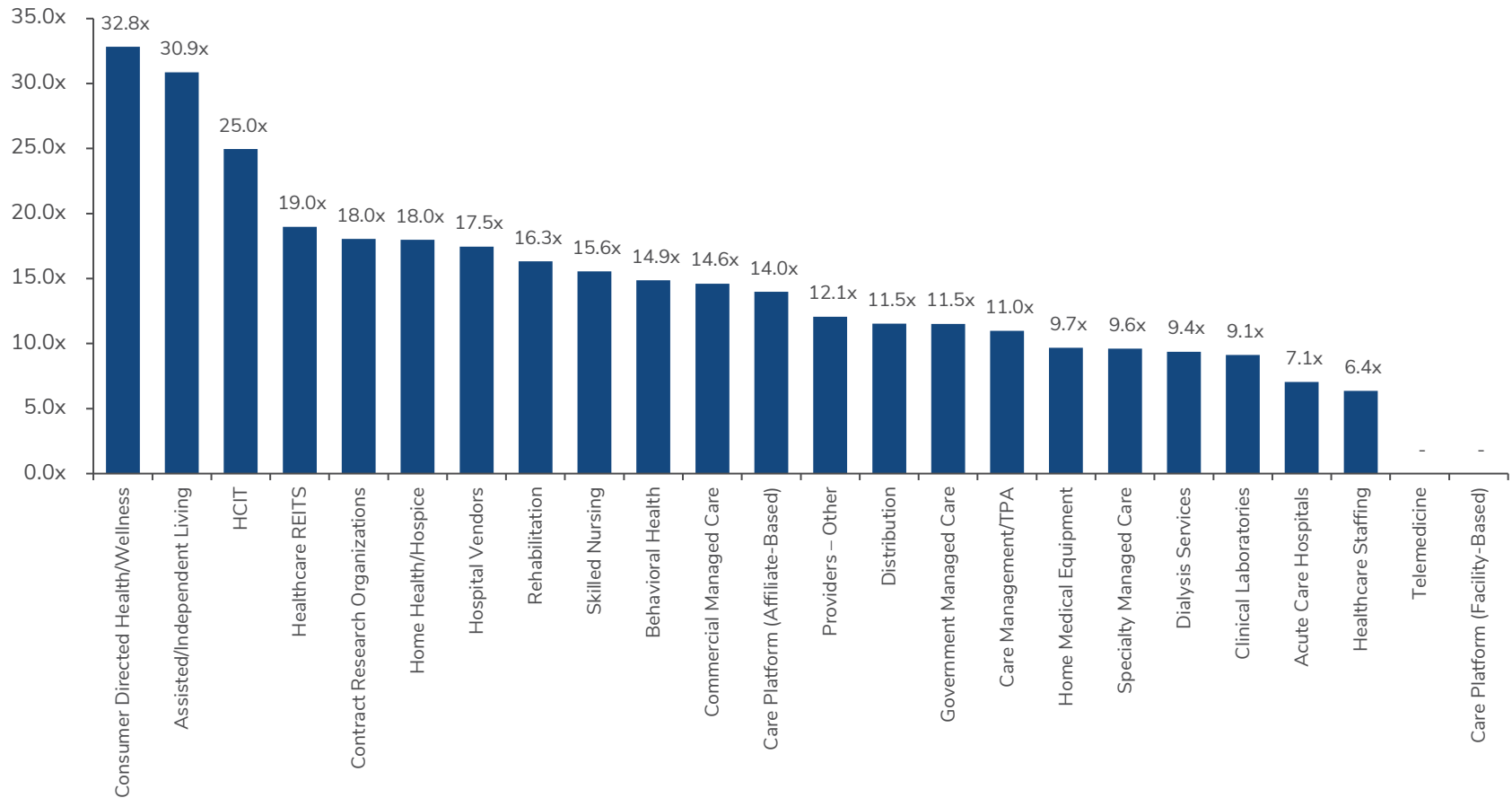
Average % - 12 Month Change



Source: S&P Global Market Intelligence as of June 30 2022, and includes the most actively traded healthcare companies for respective covered sectors, excluding most microcap companies.

Healthcare Services Multiples

Overview of Subsector EV/LTM EBITDA



Source: S&P Global Market Intelligence as of June 30 2022, and includes the most actively traded healthcare companies for respective covered sectors, excluding most microcap companies.

We Help Clients Manage Risk, Build Good Governance and Grow

VALUATION

Valuation of businesses, assets and alternative investments for financial reporting, tax and other purposes.

COMPLIANCE AND REGULATION

End-to-end governance, advisory and monitorship solutions to detect, mitigate and remediate operational security, legal, compliance and regulatory risk.

CORPORATE FINANCE AND RESTRUCTURING

Comprehensive corporate finance, investment banking and restructuring support to clients, investors and stakeholders.

CYBER RISK

Incident response, digital forensics, breach notification, managed detection services, penetration testing, cyber assessments and advisory.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Solutions include policies and procedures, screening and due diligence, disclosures and reporting and investigations, value creation, and monitoring.

INVESTIGATIONS AND DISPUTES

World-wide expert services and tech-enabled advisory through all stages of diligence, forensic investigation, litigation and testimony.

BUSINESS SERVICES

Technology-enabled legal and business solutions for corporate restructurings, notice and claims agent services, settlement administrations, issuer services, agent and trustee services, and other complex support needs.

Appendix | Selected Companies

Acute Care Hospitals (4)

Community Health Systems, Inc. (NYSE:CYH), HCA Healthcare, Inc. (NYSE:HCA), Tenet Healthcare Corporation (NYSE:THC), Universal Health Services, Inc. (NYSE:UHS)

Assisted/Independent Living (3)

AlerisLife Inc. (NasdaqCM:ALR), Brookdale Senior Living Inc. (NYSE:BKD), Sonida Senior Living, Inc. (NYSE:SNDA)

Behavioral Health (2)

Acadia Healthcare Company, Inc. (NasdaqGS:ACHC), LifeStance Health Group, Inc. (NasdaqGS:LFST)

Dialysis Services (2)

DaVita Inc. (NYSE:DVA), Fresenius Medical Care AG & Co. KGaA (DB:FME)

Healthcare Staffing (2)

AMN Healthcare Services, Inc. (NYSE:AMN), Cross Country Healthcare, Inc. (NasdaqGS:CCRN)

Home Health/Hospice (9)

Addus HomeCare Corporation (NasdaqGS:ADUS), Amedisys, Inc. (NasdaqGS:AMED), Aveanna Healthcare Holdings Inc. (NasdaqGS:AVAH), Chemed Corporation (NYSE:CHE), InnovAge Holding Corp. (NasdaqGS:INNV), LHC Group, Inc. (NasdaqGS:LHCG), ModivCare Inc. (NasdaqGS:MODV), Option Care Health, Inc. (NasdaqGS:OPCH), Pennant Group, Inc. (NasdaqGS:PNTG)

Rehabilitation (5)

ATI Physical Therapy, Inc. (NYSE:ATIP), Encompass Health Corporation (NYSE:EHC), Select Medical Holdings Corporation (NYSE:SEM), The Joint Corp. (NasdaqCM:JYNT), U.S. Physical Therapy, Inc. (NYSE:USPH)

Skilled Nursing (2)

National HealthCare Corporation (NYSEAM:NHC), The Ensign Group, Inc. (NasdaqGS:ENSG)

Care Platform (Affiliate-Based) (4)

Privia Health Group, Inc. (NasdaqGS:PRVA), agilon health, inc. (NYSE:AGL), Apollo Medical Holdings, Inc. (Nasdaq:AMEH), P3 Health Partners Inc. (Nasdaq:PIII)

Care Platform (Facility-Based) (4)

1Life Healthcare, Inc. (NasdaqGS:ONEM), Cano Health, Inc. (NYSE:CANO), CareMax, Inc. (Nasdaq:CMAX), Oak Street Health, Inc. (NYSE:OSH)

Providers – Other (5)

Pediatrix Medical Group, Inc. (NYSE:MD), Nutex Health, Inc. (NasdaqCM:NUTX), The Oncology Institute, Inc. (Nasdaq:TOI), RadNet, Inc. (NasdaqGM:RDNT), Surgery Partners, Inc. (NasdaqGS:SGRY)

Commercial Managed Care (5)

Elevance Health Inc. (NYSE:ELV), Cigna Corporation (NYSE:CI), Humana Inc. (NYSE:HUM), Progyny, Inc. (NasdaqGS:PGNY), UnitedHealth Group Incorporated (NYSE:UNH)

Government Managed Care (3)

Alignment Healthcare, Inc. (NasdaqGS:ALHC), Centene Corporation (NYSE:CNC), Molina Healthcare, Inc. (NYSE:MOH)

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Appendix | Selected Companies

Specialty Managed Care (1)

Assurant, Inc. (NYSE:AIZ)

Consumer Directed Health and Wellness (4)

Benefitfocus, Inc. (NasdaqGM:BNFT), HealthEquity, Inc. (NasdaqGS:HQY), Owlet, Inc. (NYSE:OWLT), Sharecare, Inc. (Nasdaq:SHCR)

Telemedicine (7)

American Well Corporation (NYSE:AMWL), Babylon Holdings Limited (NYSE:BBLN), DocGo Inc. (Nasdaq:DCGO), Medica Group Plc (LSE:MGP), Talkspace, Inc. (Nasdaq:TALK), Teladoc Health, Inc. (NYSE:TDOC), UpHealth, Inc. (NYSE:UPH)

HCIT (28)

Accolade, Inc. (NasdaqGS:ACCD), Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX), CareCloud, Inc. (NasdaqGM:MTBC), Certara, Inc. (NasdaqGS:CERT), Change Healthcare Inc. (NasdaqGS:CHNG), Computer Programs and Systems, Inc. (NasdaqGS:CPSI), Convey Health Solutions Holdings, Inc. (NYSE:CNVY), Craneware plc (AIM:CRW), Definitive Healthcare Corp. (NasdaqGS:DH), Doximity, Inc. (NYSE:DOCS), Evolent Health, Inc. (NYSE:EVH), GoodRx Holdings, Inc. (NasdaqGS:GDRX), Health Catalyst, Inc. (NasdaqGS:HCAT), Healthcare Triangle, Inc. (NasdaqCM:HCTI), HealthStream, Inc. (NasdaqGS:HSTM), NantHealth, Inc. (NasdaqGS:NH), National Research Corporation (NasdaqGS:NRC), NextGen Healthcare, Inc. (NASDAQ:NXGN), Omnicell, Inc. (NasdaqGS:OMCL), OptimizeRx Corporation (NASDAQ:OPRX), Pear Therapeutics, Inc. (Nasdaq:PEAR), Phreesia, Inc. (NYSE:PHR), Premier, Inc. (NasdaqGS:PINC), R1 RCM Inc. (NasdaqGS:RCM), Science 37 Holdings, Inc. (NasdaqGM:SNCE), Signify Health, Inc. (NYSE:SGFY), Streamline Health Solutions, Inc. (NasdaqCM:STRM), Tabula Rasa HealthCare, Inc. (NasdaqGM:TRHC)

Care Management/TPA (5)

CorVel Corporation (NasdaqGS:CRVL), Crawford & Company (NYSE:CRD.B), eHealth, Inc. (NasdaqGS:EHTH), Marpai, Inc. (NasdaqCM:MRAI), Maximus, Inc. (NYSE:MMS)

Clinical Laboratories (10)

23andMe Holding Co. (Nasdaq:ME), Biodesix, Inc. (NasdaqGM:BDSX), Fulgent Genetics, Inc. (NasdaqGM:FLGT), Invitae Corporation (NYSE:NVTA), Laboratory Corporation of America Holdings (NYSE:LH), Biora Therapeutics, Inc. (NasdaqGM:BIOR), Psychemedics Corporation (NasdaqCM:PMD), Quest Diagnostics Incorporated (NYSE:DGX), Sonic Healthcare Limited (ASX:SHL), Sotera Health Company (NasdaqGS:SHC)

Contract Research Organizations (4)

Charles River Laboratories International, Inc. (NYSE:CRL), ICON Public Limited Company (NasdaqGS:ICLR), Syneos Health, Inc. (NasdaqGS:SYNH), IQVIA Holdings Inc. (NYSE:IQV)

Hospital Vendors (3)

Healthcare Services Group, Inc. (NasdaqGS:HCSG), Sharps Compliance Corp. (NasdaqCM:SMED), Stericycle, Inc. (NasdaqGS:SRCL)

Distribution (6)

AmerisourceBergen Corporation (NYSE:ABC), Cardinal Health, Inc. (NYSE:CAH), Henry Schein, Inc. (NasdaqGS:HSIC), McKesson Corporation (NYSE:MCK), Owens & Minor, Inc. (NYSE:OMI), Patterson Companies, Inc. (NasdaqGS:PDCO)

Home Medical Equipment (4)

AdaptHealth Corp. (NasdaqCM:AHCO), Great Elm Group, Inc. (NasdaqGS:GEG), Quipt Home Medical Corp. (TSXV:QIPT), Viamed Healthcare, Inc. (TSX:VMD)

Healthcare REITs (14)

CareTrust REIT, Inc. (NYSE:CTRE), Community Healthcare Trust Incorporated (NYSE:CHCT), Healthcare Realty Trust Incorporated (NYSE:HR), Healthcare Trust of America, Inc. (NYSE:HTA), LTC Properties, Inc. (NYSE:LTC), Medical Properties Trust, Inc. (NYSE:MPW), National Health Investors, Inc. (NYSE:NHI), Omega Healthcare Investors, Inc. (NYSE:OHI), Physicians Realty Trust (NYSE:DOC), Sabra Health Care REIT, Inc. (NasdaqGS:SBRA), Diversified Healthcare Trust (NasdaqGS:DHC), Universal Health Realty Income Trust (NYSE:UHT), Ventas, Inc. (NYSE:VTR), Welltower Inc. (NYSE:WELL)

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For the detailed June trading multiples for individual healthcare services companies, please contact one of our professionals below.

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