



## Healthcare Services M&A Valuation Database

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Scope Research maintains the most comprehensive database of healthcare services merger and acquisition transactions with valuation multiples reliably sourced from public documentation

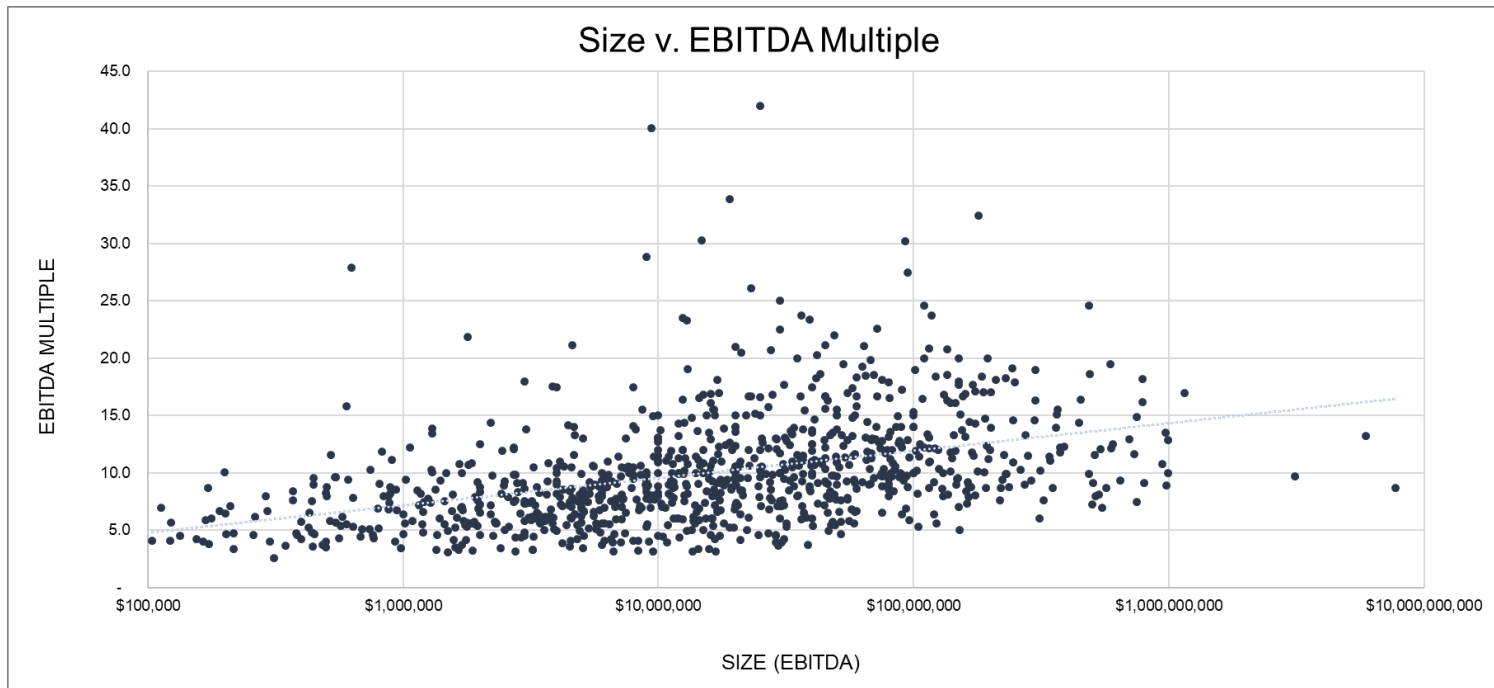
# Healthcare Transaction Data That Excels

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Scope Research was created by healthcare valuation professionals to solve a simple but difficult problem:  
*Current sources of market data related to healthcare transactions are incomplete and the data is often inaccurate*

## BENEFITS FOR YOUR TEAM

There's no reason to dig through SEC filings, press releases, bond market research, public audits, CON filings, cost reports, and AG reports to find price to EBITDA multiples for relevant deals. Scope Research is here to do that work for you with a trained healthcare valuation professionals.



- ✓ Give your entire team access to the best market intelligence
- ✓ Ensure you know about every deal with publicly-available revenue and EBITDA multiples
- ✓ Rely only on data collected and documented meticulously by experienced valuation professionals
- ✓ Get up-to-speed on new segments quickly and make comparisons with the flick of a filter
- ✓ Re-focus analyst time on getting the right deal done
- ✓ Quickly visualize market trends at a high-level
- ✓ Dig deeper into specific transactions with linked documentation to understand details

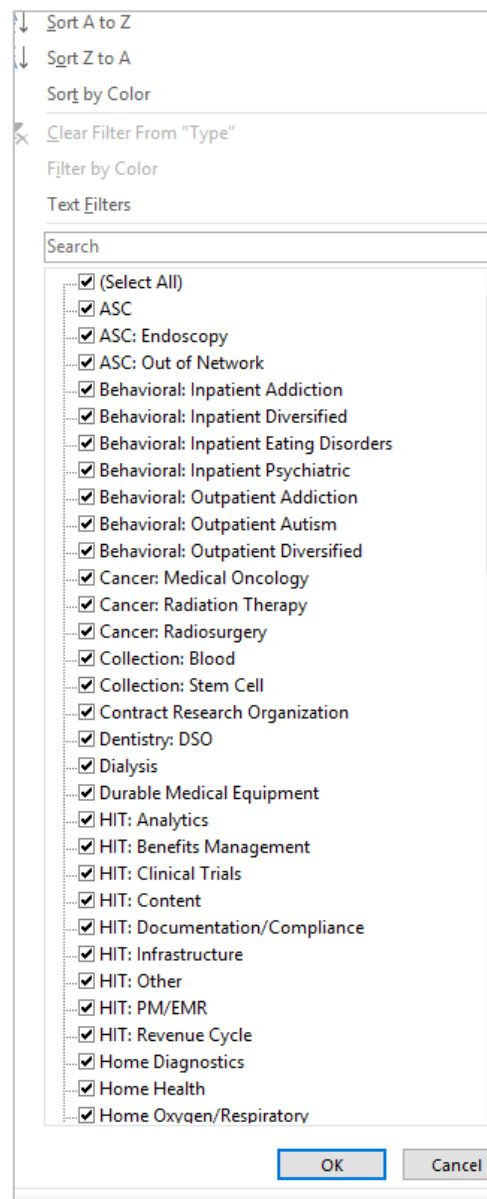
# Database Details

# 1,400+

Healthcare services transactions since 2010 with reliable prices and revenue and/or EBITDA multiples, downloadable in excel, conveniently categorized by segment and type

CURRENT PRECEDENT TRANSACTION COUNTS*			
Segment	Revenue		Total Transaction Count
	EBITDA Multiples	Multiples Only	
Ambulatory Surgery Centers	62	11	73
Behavioral Health	55	25	80
Cancer Centers	20	2	22
Dentistry (DSO)	14	0	14
Dialysis	28	10	38
Durable Medical Equipment	24	13	37
Healthcare IT	99	71	170
Home Health	55	14	69
Hospice	34	13	47
Hospital: General	150	113	263
Hospital: LTAC	10	3	13
Hospital: Rehabilitation	13	4	17
Hospital: Specialty/Surgical	18	2	20
Laboratories	16	23	39
Managed Care	50	33	83
Outsourced Services	79	20	99
Outsourced CRO/CDMO	45	8	53
Pharmacy	27	10	37
Physical Therapy	12	25	37
Physician Groups	74	42	116
Specialty Clinics	25	9	34
Other	66	22	88
<b>Total</b>	<b>976</b>	<b>473</b>	<b>1,449</b>

\* As of March 15, 2021 (data since 2010).



## EACH TRANSACTION INCLUDES

- Deal price (enterprise value basis)
- Revenue and/or EBITDA multiples
- Categorization by broad segment and detailed type
- Names of all parties
- Transaction date
- State, if applicable
- Ownership percentage
- Time period of financial statements
- Revenue and/or EBITDA
- EBITDA margin, if available
- Source category
- Source detail for each number and any important deal terms
- Links to underlying source documentation

## We rely public source materials

There's more publicly-available private market data in healthcare than any other industry, it just takes a heavy lift to find it. Database subscribers also receive access to links to our underlying source documents, which include:

- Fairness opinions
- SEC filings
- Press releases
- Bond market research
- Medicare cost reports
- CON filings (FOIA)
- Form 990s
- Public financial statements
- AG reports
- Insurance department filings



Independently verifiable



Not confidential



Ability to research further



Updated when new information is released

A detailed description of the source is provided for each transaction, including links to the underlying source documentation for most deals.

# Subscription Details

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- ✓ 24/7 access to continuously updated data
- ✓ Enterprise license for entire team
- ✓ All segments included
- ✓ Download in ready-to-use excel format
- ✓ Powerful analysis tools built-in
- ✓ Links to source materials
- ✓ Access to additional database resources
- ✓ Responsive support for questions

## DATABASE RESOURCES INCLUDED

### Transaction Database

This database tracks healthcare services transactions where reliable price to revenue and/or EBITDA multiples are announced publicly. We categorize each one by broad segment (e.g. professional practices) as well as the more narrow "type" (e.g. physician practices: dermatology). We also provide names of the parties, date, ownership percentage, and a description of our sources.

### Hospital Affiliation Database

This database tracks every publicly-announced hospital acquisition, merger, or affiliation deal from announcement date to close (or cancellation). Information collected includes the name of the parties, NFP/FP status, type of deal, number of beds, announcement and close dates, any disclosed financial details, and links to source materials.

### Fairness Opinion Database

This database tracks every healthcare services transaction where a fairness opinion gets released publicly on the SEC website. Information collected includes key info from the fairness opinion, such as the cost of capital estimates, and a link to the opinion itself.

### Intangible Asset Database

This database tracks intangible asset valuations from purchase price allocations. The value allocated to each identified intangible asset is disclosed and stated as a percentage of the enterprise value of the acquired business. This is a great starting point for intangible asset valuations or PPA engagements.

# Case Study: U.S. Renal Care

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- In June 2012, Leonard Green and Partners acquired U.S. Renal Care for approximately \$611m
- According to Moody's, the deal was financed with \$186m of equity and \$425m of debt (excluding the \$60m line of credit since it was likely mostly undrawn at closing)
- U.S. Renal Care's FY 2012 predecessor/successor financial statements were disclosed in a New York certificate of need filing

U.S. ] **RENAL CARE**®

Enterprise Value: \$611m

Revenue multiple: 2.0x

EBITDA Multiple: 9.0x

## Source Documents

[Bond Rating Release](#)

[CON Filing](#)

# Case Study: Marlton Rehabilitation Hospital

Contact: Will Hamilton  
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- In November 2016, the Kessler Institute for Rehabilitation paid \$55.5 million in cash for Marlton Rehabilitation Hospital
- The purchase price was made public during the state of New Jersey CON process
- According to the cost reports filed by Marlton with CMS, it generated revenue and EBITDA of \$32.6m and \$7.2m, respectively, in the annualized ten months ended 10/31/2016



Enterprise Value: \$55.5m

Revenue multiple: 1.7x

EBITDA Multiple: 7.7x

## Source Documents

[CON filings](#)

[Cost reports](#)

# Case Study: Elements Behavioral Health

Contact: Will Hamilton  
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- According to the October 2018 press release, Elements was acquired out of bankruptcy for \$40m, and the sponsors expected to invest another \$30m to fund operational improvements
- FY 2017 revenue of \$103.7m and EBITDA of negative -\$25.9m disclosed in bankruptcy court filings
- The court filings also cite a decline in out-of-network admissions, lower reimbursement rates by insurance providers, and the decline in the average length of stay as reasons for financial distress
- According to prior press reporting, Elements generated \$30m in annual EBITDA as of early 2015, and could have commanded as much as 12x that in a sale



Enterprise Value: \$40.0m

Revenue multiple: 0.4x

EBITDA Multiple: NMF

## Source Documents

[Press Release](#)

[Court Filings](#)

[Press Reporting](#)



# Case Study: DuPage Medical Group

Contact: Will Hamilton  
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- In July 2017, Ares Management acquired DuPage for approximately \$1.5b
- According to Moody's, the deal was financed with \$889m of equity and \$620m of debt (excluding the \$60m line of credit since it was likely mostly undrawn at closing)
- DuPage's LTM revenue was disclosed in the bond rating research, as was pro forma leverage in the "mid five times" range
- Assuming pro forma leverage of 5.5x results in an EBITDA estimate of \$113m and total deal multiple of 13.4x

## DuPage Medical Group

Enterprise Value: \$1.5b

Revenue multiple: 2.0x

EBITDA Multiple: 13.4x

## Source Documents

[Press Reporting](#)

[Bond Rating Research](#)

# Case Study: West Virginia Caring

Contact: Will Hamilton  
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- In October 2018, the non-profit board of the predecessor entity (Hospice Care Corporation d/b/a West Virginia Caring) bought back the hospice business it sold to Capital Caring in 2016 based on the same financial terms
- When the deal originally occurred in 2016, the business was generating approximately \$10m revenue on a census of 210, which represents a very low implied daily rate of \$130, and resulted in a significant loss from operations
- The original deal occurred at multiples of 0.7x revenue and \$35,000 per census
- Since then, revenue has declined to \$9m, but the operation is expected to generate a modest margin of 9% next year



Enterprise Value: \$7.35m

Revenue multiple: 0.8x

EBITDA Multiple: 9.1x

## Source Documents

[CON filings](#)

# Case Study: Midwest Endoscopy Center

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- In November 2013, Edward-Elmhurst Healthcare paid \$12.7 million for a 55% equity interest in Midwest Endoscopy Center LLC, implying a total equity value of \$23.1 million
- The appraisal utilized in connection with this transaction was made public during the state of Illinois CON process
- According to the financial statements presented in the appraisal, Midwest Endoscopy Center paid negligible interest expense at the time of the transaction, indicating that any debt held by the entity was minimal
- We relied upon the income statements included in the appraisal for the annualized year-to-date 9/30/2013 as our indication of revenue and EBITDA



Enterprise Value: \$23.1m

Revenue multiple: 4.2x

EBITDA Multiple: 7.4x

## Source Documents

[Press release](#)

[Appraisal](#)