

The Waiting Room



A Specialty
Healthcare Services
Provider Newsletter

Market Overview

Indices Performance (% change)

	February 2022	LTM		February 2022	LTM
S&P 500	(2.4%)	12.5%	NASDAQ	(4.5%)	(0.7%)
Dow Jones Industrial Average	(3.0%)	8.8%	Russell 3000	(4.0%)	(1.2%)

Source: Federal Reserve; Bank of St. Louis

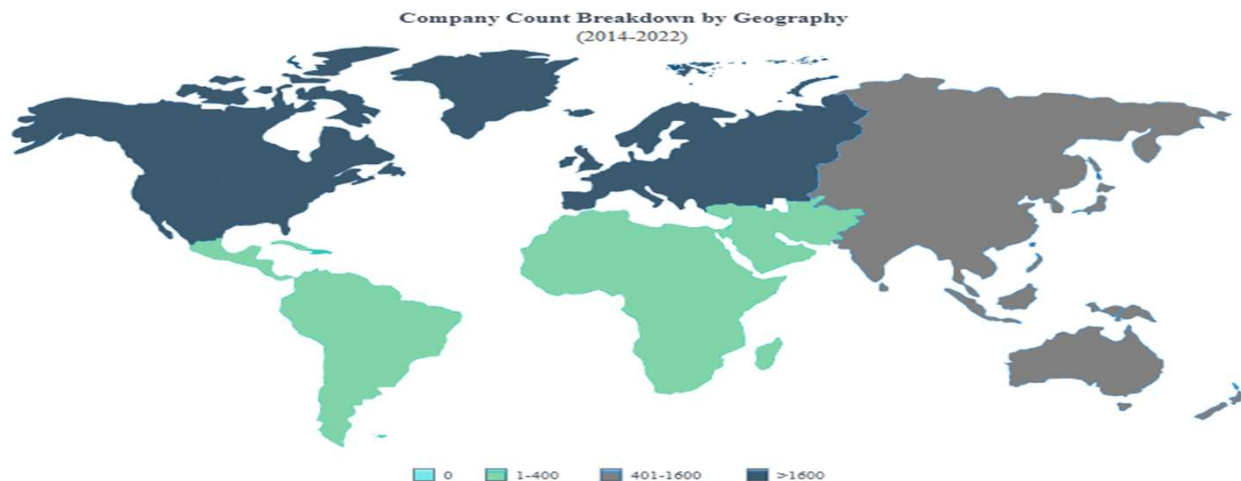
Healthcare Provider Market Overview

Largest Healthcare Services Providers Movers and Losers (largest % change)

	February 2022	LTM		February 2022	LTM
Brookdale Senior Living	30.1%	20.7%	U.S. Physical Therapy	(5.0%)	(21.0%)
Surgery Partners	22.5%	26.1%	National Healthcare	(0.6%)	(8.1%)
Henry Schein	14.7%	33.8%	Select Medical Holdings	(0.3%)	(29.8%)
The Ensign Group	11.4%	1.0%			
Envista Holdings	11.0%	21.6%			

Source: PitchBook

Deal Count by Geography (2014-2022): Healthcare Services Providers



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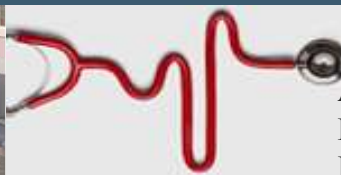
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Publicly Traded Company Performance: Healthcare Services

(\$ in millions, except per share data)

Company	Ticker	Share Price 02/28/2022	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples		LTM Operating Margins			Net Debt/EBITDA
						TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY20 P/E	Gross	EBIT	EBITDA	
Dentsply Sirona	XRAY	\$54.14	77.9%	\$11,835	\$13,739	3.2x	14.2x	22.1x	28.3x	NA	55.1%	14.2%	22.4%	2.0x
DaVita (Kidney Dialysis)	DVA	\$112.77	82.6%	\$10,809	\$23,916	2.1x	9.6x	13.3x	12.7x	18.2x	31.4%	15.5%	21.4%	4.6x
Henry Schein	HSIC	\$86.38	98.7%	\$11,849	\$14,199	1.1x	13.6x	16.7x	19.4x	16.4x	29.6%	6.9%	8.4%	1.1x
Envista Holdings	NVST	\$48.00	96.2%	\$7,768	\$8,154	3.3x	17.7x	26.4x	32.4x	NA	56.9%	12.3%	18.4%	0.8x
Acadia Healthcare	ACHC	\$56.71	82.6%	\$5,100	\$6,669	2.9x	14.5x	18.9x	25.3x	44.5x	41.9%	15.8%	20.3%	2.9x
The Ensign Group	ENSG	\$84.04	85.2%	\$4,629	\$5,620	2.1x	17.8x	21.6x	24.6x	26.8x	17.8%	9.9%	12.0%	3.1x
Surgery Partners	SGRY	\$52.27	75.1%	\$4,670	\$8,756	3.9x	21.8x	29.0x	NA	NA	22.2%	13.1%	17.8%	7.5x
Select Medical Holdings	SEM	\$23.15	53.1%	\$3,099	\$8,042	1.3x	8.4x	10.6x	7.8x	17.4x	14.8%	12.3%	15.5%	4.9x
U.S. Physical Therapy	USPH	\$91.97	74.5%	\$1,187	\$1,539	3.1x	18.0x	20.8x	38.2x	51.2x	24.7%	16.3%	18.6%	1.3x
National Healthcare	ASE:NHC	\$65.02	81.6%	\$1,005	\$921	0.9x	4.8x	6.1x	7.2x	36.5x	NA	14.5%	18.5%	(0.5x)
Brookdale Senior Living	BKD	\$6.88	76.9%	\$1,277	\$5,976	2.2x	14.1x	69.3x	NA	22.2x	17.8%	3.1%	15.4%	11.1x
Mean				\$2,995	\$5,360	2.3x	14.2x	25.2x	20.6x	33.1x	23.2%	12.1%	16.9%	4.3x
Median				\$3,099	\$5,976	2.2x	14.5x	20.8x	24.6x	31.6x	20.0%	13.1%	17.8%	3.1x
High				\$5,100	\$8,756	3.9x	21.8x	69.3x	38.2x	51.2x	41.9%	16.3%	20.3%	11.1x
Low				\$1,005	\$921	0.9x	4.8x	6.1x	7.2x	17.4x	14.8%	3.1%	12.0%	(0.5x)

Source: PitchBook

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

M&A, Capital Raising, and Industry News: Behavioral Health

❖ Oceans Healthcare Gets New Investment From Webster Equity Partners as it Plans to Ramp Up Expansion

February 2, 2022 – Behavioral health services provider Oceans Healthcare has launched a new capital partnership with Webster Equity Partners to accelerate its growth even further. Headquartered in Plano, Texas, the Company operates 33 locations in Texas, Louisiana and Mississippi, which includes 23 inpatient hospital campuses and 20 intensive outpatient programs. Founded in 2004, Oceans initially targeted services to the geriatric population and has since expanded its reach to serve adult and adolescent patients in underserved markets. Oceans has been backed for more than a decade by General Catalyst Partners, which is exiting the investment as part of the deal.

❖ Calm Acquires Ripple Health Group as it Plans to Launch New Mental Health Offering

February 6, 2022 – Mental wellness app Calm is deepening its footprint in the virtual care market as it has purchased health technology company Ripple Health Group. As part of the acquisition, Ripple CEO and Co-Founder David Ko will join Calm as Co-CEO, sharing leadership responsibilities with Calm Co-Founder Michael Acton Smith. Calm was founded in 2012. The Company – which became a unicorn in 2019 when its valuation hit the \$1 billion mark – has raised \$218 million to date, according to fundraising tracking site Crunchbase.

❖ BayMark Health Services Expands Indiana Footprint with Purchase of Lucina Treatment Centers

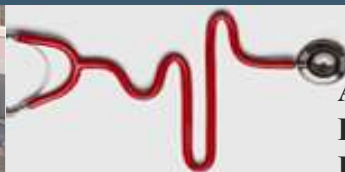
February 13, 2022 – Addiction treatment provider BayMark Health Services is expanding again via acquisition, as its affiliate AppleGate Recovery has purchased Indianapolis-based Lucina Treatment Centers. Established in 2016, Lucina operates five clinics for opioid use disorder treatment throughout central and northeastern Indiana, which includes two locations in its Indianapolis homebase as well as three facilities in Kokomo, Fort Wayne and Muncie. BayMark operates over 350 addiction treatment clinics across 36 states and three Canadian provinces.

❖ Lightfully Behavioral Health Embarks on 30-Facility Expansion Plan to Become ‘DaVita of Mental Health’

February 14, 2022 – Lightfully Behavioral Health is bucking the trend of entrepreneurs in health care going all-in on digital. The Company has launched a five-year plan to open 30 outpatient mental health facilities in California, Colorado and Washington. The Company revealed Monday that it had acquired two facilities by acquiring Resilience Treatment Center in West Los Angeles.



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M&A, Capital Raising, and Industry News: Senior Living

❖ Sabra, Sienna JV to Acquire Extencicare's Senior Living Portfolio for \$243 Million

February 3, 2022 – Sienna Senior Living is growing in Canada thanks to a new strategic joint-venture agreement with Sabra Health Care REIT. Leaders with the Markham, Ontario-based operator announced Thursday an agreement to acquire from Extencicare a 50% ownership stake in a portfolio of 11 Esprit senior living communities located in Ontario and Saskatchewan. The communities are set to trade hands for \$307.5 million Canadian dollars, or about \$243 million. Sienna, which will manage the communities, is acquiring the portfolio in partnership with Sabra, which is also getting a 50% ownership stake.

❖ Industry Veteran Launches Vita Senior Living, Targets Distress Opportunities

February 8, 2022 – A senior living veteran is launching a company aimed at acquiring and improving underperforming communities in The Sunshine State. The Company is Vita Senior Living, a real estate, development, and management firm based in Orlando, Florida. CEO Scott McCorvie announced the Company's launch. Vita's strategy will center on acquiring underperforming communities with strong potential upside and improving them with upgraded unit mixes, lighting, technology, operations and amenities. The Company is planning to acquire between five and seven properties in Florida by the end of 2022.

❖ Lument Sees Transaction Volume Record in 2021

February 23, 2022 – Lument announced that it closed 137 total seniors housing and care transactions in 2021 for a total of \$1.49 billion – a Company record. One big aspect of Lument's 2021 deals were FHA note modifications totaling \$828 million. These modifications allow borrowers to maintain their existing FHA loans while reducing interest rates and monthly payments, critical features helping the industry bounce back from the pandemic.

M&A, Capital Raising, and Industry News: Dental

❖ Five New York Dental Practices Merge to Form Oral Surgery Group

February 9, 2022 – Five oral surgery practices in the New York City metropolitan area have merged and rebranded as a 12-office oral surgery group, Leading Edge Oral Surgery. The five practices include Long Island Oral & Maxillofacial Surgery Associates, Premier Care Oral & Maxillofacial Surgery, PML Oral & Implant Surgery, Leading Edge Oral Surgery and Westchester Oral & Maxillofacial Associates.

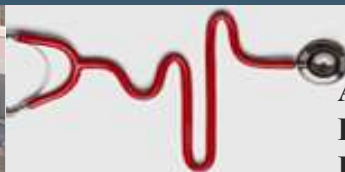
❖ Smile Brands Partners with 14-Practice Dental Group

February 9, 2022 – Smile Brands has added G's Dental Studio to its portfolio of nearly 700 affiliated practices. G's Dental Studio was founded by Aleksandar Gavrilov, DDS, and Hristina Kiprovska-Gavrilov, DDS, in 2011. It has 14 locations throughout Cedar Park and Leander, Texas. Smile Brands will provide G's Dental with administrative support such as payroll, purchasing and accounting.

❖ 39-Practice Dental Partnership Organization Expands Idaho footprint

February 28, 2022 – Salt Dental Collective has entered the Boise, Idaho, market with the addition of four practices to its network, its first deal of 2022. The practices include Idaho Kids Dentistry and Orthodontics, Dentistry for Children, Howell Orthodontics and Orthodontics at BridgeTower. This is the dental partnership organization's largest deal to date, bringing in eight doctors, 11 practice locations and more than 80 team members.

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M&A, Capital Raising, and Industry News: Veterinary

❖ Multi Radiance Medical Partners with Northeast Seminars, University of Tennessee College of Veterinary Medicine for 2022 Certification Programs

February 1, 2022 – Multi Radiance Medical, a global leader in developing and manufacturing laser therapy devices for pain management, inflammation control, and wound healing in animals, has announced its sponsorship of several upcoming certification programs through veterinary continuing education provider Northeast Seminars and the University of Tennessee College of Veterinary Medicine in 2022.

❖ Vet Set Go, Merck Animal Health and VCA Animal Hospitals Team Up to Launch “Become a Veterinarian Camp Contest 2022”

February 21, 2022 – To help aspiring young veterinarians start now to pursue their dream, Vet Set Go — the first and only community dedicated to aspiring teen and tween veterinarians, together with Merck Animal Health and VCA Animal Hospitals — is inviting rising sixth, seventh and eighth grade students to enter the sixth annual Vet Set Go “Become a Veterinarian Camp Contest 2022.” The online essay contest will award three prizes for tween and teen students to attend the Auburn University’s Junior Vet Camp.

❖ ‘Plug and Play Topeka’ Selects 12 Startups for Third Round of Accelerator Program

February 22, 2022 – GO Topeka, the economic development group for Kansas’ capital city, recently announced that Plug and Play Topeka, a global innovation platform that creates industry-specific accelerator programs, has selected 12 startups to participate in the third cohort of its animal-health and ag-tech program. Entrepreneurs will participate in a three-month-long accelerator program aimed at connecting them with resources to help launch and grow their businesses.

M&A, Capital Raising, and Industry News: Physical Therapy

❖ Physical Therapy Specialists Opens New Clinic in Austin-Mueller

February 7, 2022 – Texas Physical Therapy Specialists announced their newest clinic has opened in Austin, Texas. Scott Cartwright, PT, DPT, OCS, will serve as the Austin-Mueller Clinic Director and primary treating physical therapist. He is among the top 8% of advanced educated physical therapists in the nation as a board certified Orthopedic Clinical Specialist.

❖ Kim Kollwelter Joins Golden Bear as New Chief Operating Officer

February 8, 2022 – Golden Bear Therapy Partners, a leading provider of outpatient physical therapy and rehabilitation services, announced the addition of industry veteran Kim Kollwelter as Chief Operating Officer. Ms. Kollwelter brings approximately two decades of clinical operations experience to Golden Bear. She is responsible for leading the implementation of clinical processes focused on delivering an exceptional patient and employee experience.

❖ Excel Physical Therapy Partners with Reclaim Physical Therapy of Marlton, New Jersey

February 9, 2022 – Excel Physical Therapy, New Jersey’s premier provider of orthopedic physical therapy since 1990, announced its partnership with Reclaim Physical Therapy, based in Marlton, New Jersey. Reclaim founder, Andrew Mallon, PT, DPT, ATC, will continue to direct patient care and operations of the office. Reclaim has been a choice provider in the area since 2017, distinguishing itself with state-of-the-art equipment and a commitment to individualized care. Mallon, a South Jersey native, graduated from Rutgers University with his Doctorate of Physical Therapy.

❖ Confluent Health Strengthens Florida Footprint with TLC Rehab

February 21, 2022 – Confluent Health has announced its newest partnership with TLC Physical Therapy outpatient therapy division that services patients in west-central area of Florida. TLC Physical Therapy, formerly of Therapy Management Corporation, will maintain its existing brand while gaining access to Confluent Health’s shared management services. These services include premier patient outreach programs as well as top-tier continuing education and staff development opportunities through Evidence In Motion, a nationally recognized physical therapy and higher education group.

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The Chicago Corporation Overview

- Highly regarded investment bank with a long, distinguished history.
- Focused on middle market private companies owned by families and entrepreneurs with revenue up to \$250 million.
- Over 35 experienced professionals with broad industry experience.
- Providing traditional investment banking services as well as broader financial advisory services to assist clients facing issues of growth, capital structure, ownership transition, shareholder value and liquidity.
- All we do is advise clients on corporate finance matters. We don't trade or underwrite securities, provide wealth management services, or engage in principal investing.

Why the Chicago Corporation?

Extensive Healthcare
Services Deal Experience

Trusted Advisors to Business
Owners

Two Managing Directors on
Every Engagement

Seasoned Bankers with
200+ Years of Combined
Experience

Best-in-Class Unbiased
Advice

Exceptional Transaction
Execution



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Additional information is available upon request.