Healthcare M&A Valuation Databases

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:

Reliable healthcare services precedent transaction data is sparse 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.
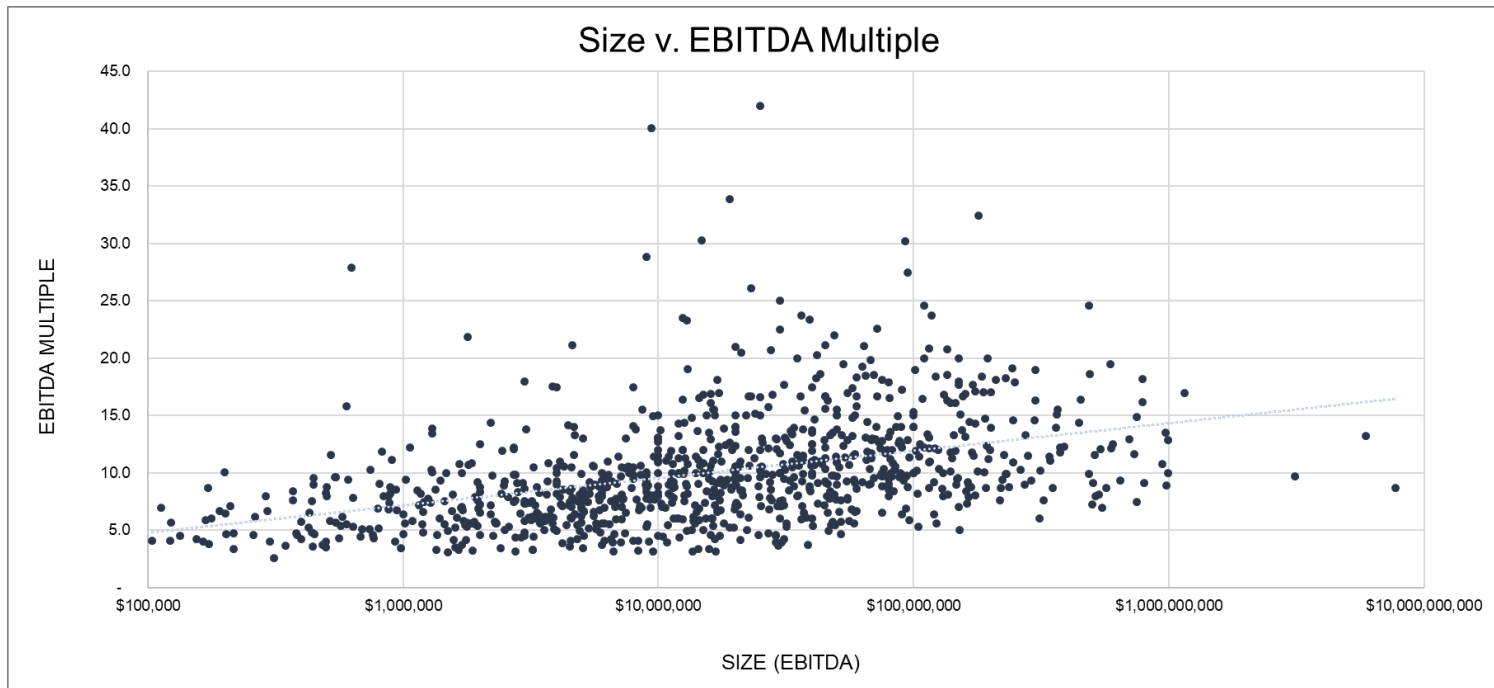
- ✓ Give your entire team access to the best market intelligence

- ✓ 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

Size v. EBITDA Multiple

Database Details

2,300+

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

	EBITDA Multiple Available	Revenue Multiple Only	Deals w/ Financial Details
ASC	76	20	96
Behavioral Health	79	31	110
Dentistry	29	0	29
Dialysis	29	12	41
Diagnostics / Life Sciences	54	73	127
Distribution	18	6	24
HealthTech	133	112	245
Home Medical Equipment / DME	37	18	55
Home Health / Hospice	112	55	167
Hospital: General Acute Care	176	131	307
Hospital: Specialty	52	10	62
Imaging	27	14	41
Infusion Therapy	26	0	26
Laboratories	20	27	47
Managed Care	72	50	122
Medical Devices / Supplies	126	118	244
Medical Transportation	7	5	12
Oncology	22	3	25
Outsourced Services	84	26	110
Pharma Services	106	23	129
Pharmacy	33	12	45
Physical Therapy	21	37	58
Physician Groups - Hospital-Based	43	36	79
Physician Groups - Primary Care	47	34	81
Physician Groups - Specialists	26	5	31
Specialty Clinics / Urgent Care	29	13	42
Veterinary Services	17	0	17
Other	5	5	10
Total	**1,506**	**876**	**2,382**

*** Data as of 7/10/2023

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

Data Sources

We rely on 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
- ✓ Built-in analysis tools
- ✓ Links to source materials
- ✓ Access to additional database resources
- ✓ Responsive support for questions

DATABASE RESOURCES INCLUDED

M&A Valuation Database

Tracks healthcare services deals where reliable price to revenue and/or EBITDA multiples are disclosed publicly.

• Each acquisition target is categorized by broad segment and detailed "type" to support filtering.

• Information collected includes names of the parties, date, state, ownership percentage, and a description of our sources.

• Use the "search source documentation by ID" tool below to review underlying source documentation.

M&A Volume Database

Tracks all publicly announced healthcare services transactions, including deals where financial details are not disclosed.

• Each acquisition target is categorized by broad segment and detailed "type" to support filtering.

• Announcement dates and names of the parties are tracked as well.

• Links to source documents are included in the database.

Fairness Opinion Database

Intangible Asset Database

Hospital Affiliation Database

Real Estate Transaction Database

Case Study: U.S. Renal Care

- 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

Enterprise Value:	$611m
Revenue multiple:	2.0x
EBITDA Multiple:	9.0x

Source Documents

Bond Rating Release

CON Filing

Case Study: Marlton Rehabilitation Hospital

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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

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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

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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

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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