

Healthcare Products Industry Report

Q4 2022



Table of Contents

I. *Manufacturing*.....pg. 3

II. *Wholesaling*.....pg. 20



Healthcare Products Industry Report

I. Manufacturing

HEALTHCARE PRODUCTS MANUFACTURING: INDUSTRY OUTLOOK

FORECAST: CONTINUED GROWTH

- ❑ Factors that influenced the Medical Device Manufacturing industry over the five years to 2022 such as healthcare reform, technological advancements, outsourcing, regulation and an aging population, will likely continue to drive industry development over the coming years to 2027.
- ❑ The combined effect of these factors is forecasted to boost revenue growth at an annualized rate of 1.5% to \$49.1 billion in 2027.

CHANGING DEMOGRAPHICS

- ❑ The changing demographics of the United States favor the industry. Although the majority of baby boomers are still under the age of 65, a significant portion of the group will cross this age threshold over the five years to 2027, resulting in an expected annualized 2.8% rise in the 65-and-over demographic. Medical innovations will continue to expand the average lifespan, with high-tech fields such as biotechnology and 3D printing likely enabling the development of new therapeutic and diagnostic product lines.

EFFECTS OF LEGISLATION

- ❑ It is expected that the average industry profit margin (measured as earnings before interest and taxes) will hold at 12.2% of revenue in 2027. The Physician Payment Sunshine Act is expected to increase industry costs and possibly reduce revenue, since it requires covered manufacturers to annually report any transfers of value to physicians.
- ❑ However, other recent legislation will likely continue to benefit the industry, as US healthcare reform has aimed at expanding coverage to a broader range of patients. The Patient Protection and Affordable Care Act accomplishes this by significantly loosening the eligibility criteria for enrollment in Medicaid in addition to making private insurance more accessible to consumers. As a result, more people have access to healthcare, which will likely boost the average number of physician visits. This, in turn, will raise demand for some medical services and devices.

DOWNSTREAM PRESSURES

- ❑ Despite expected increases in medical procedure volumes, the prices that medical device manufacturers are able to charge will likely remain a concern for industry operators over the next five years.
- ❑ Although access to insurance will increase, standards for device reimbursements will become more stringent due to governmental cost-containment efforts for healthcare and continued pressure from local hospitals and health systems. The net effects of these pressures will likely drive customers to demand lower pricing.
- ❑ Moreover, stricter reimbursement requirements could directly hurt the total revenue of key customer groups, such as hospitals and clinics. Hospitals that receive small reimbursements per procedure will need to perform more procedures to justify new equipment purchases. In turn, manufacturers may be pressured to reduce per-unit costs to keep up sales.

EXTERNAL INDUSTRY DRIVERS

NUMBER OF PHYSICIAN VISITS

- ❑ Hospitals are one of the major purchasers and users of medical devices. The need to purchase or replace equipment directly correlates with the total number of physician visits in a year; therefore, an increase in physician visits bolsters demand for medical devices. The number of physician visits is expected to increase.

NUMBER OF ADULTS AGED 65 AND OLDER

- ❑ Recent medical advancements and longer life expectancy have boosted the number of adults aged 65 and older. Incidences of disease and disorder rise with age, increasing demand for medical treatment. Therefore, growth in the number of adults aged 65 and older leads to greater industry demand. The number of adults aged 65 and older is expected to increase, presenting a potential opportunity for the industry.

FEDERAL FUNDING FOR MEDICARE AND MEDICAID

- ❑ Health coverage is an important factor for patients and doctors choosing treatment options. Medicare coverage is particularly significant, as it directly affects the number of patients who have to pay for industry products and the amount that manufacturers receive in Medicare payments. Federal funding for Medicare and Medicaid is expected to increase.

TRADE-WEIGHTED INDEX

- ❑ The trade-weighted index (TWI) measures the relative strength of the US dollar. A higher TWI discourages Americans from purchasing domestically manufactured devices and makes it more expensive for foreign customers to purchase US products. The TWI is expected to increase through 2022. However, the pandemic has continued to make trade difficult, posing a threat to the industry.

TOTAL HEALTH EXPENDITURE

- ❑ Total health expenditure includes private and public spending on activities that promote health and prevent diseases. Increased healthcare funding programs (such as the Patient Protection and Affordable Care Act) result in more available funding for the replacement of medical equipment and supplies, increasing industry demand. Total health expenditure is expected to increase.

INDUSTRY AT A GLANCE

Key Statistics



\$49.1bn Revenue

- Annual Growth 2017 – 2022 1.5%
- Annual Growth 2022 – 2027 3.3%



\$6.0bn Profit

- Annual Growth 2017 – 2022 2.0%



12.2% Profit Margin

- Annual Growth 2017 – 2022 0.3%



908 Businesses

- Annual Growth 2017 – 2022 0.6%
- Annual Growth 2022 – 2027 2.8%



101,000 Employees

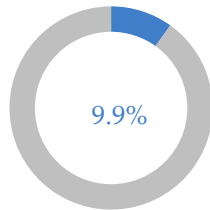
- Annual Growth 2017 – 2022 2.1%
- Annual Growth 2022 – 2027 3.2%



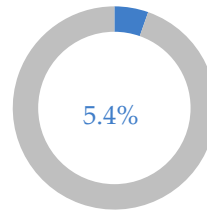
\$10.9bn Wages

- Annual Growth 2017 – 2022 2.8%
- Annual Growth 2022 – 2027 3.2%

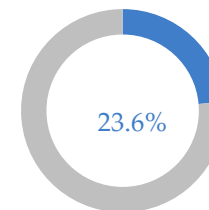
Industry Segments



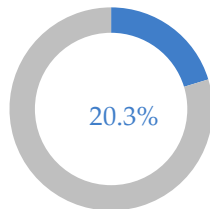
Neuromodulation and spinal devices



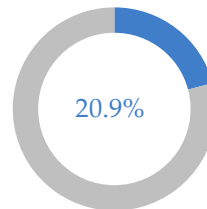
Diabetes devices



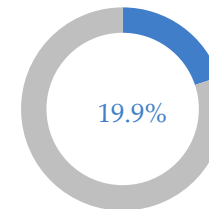
Cardiovascular devices



Other devices



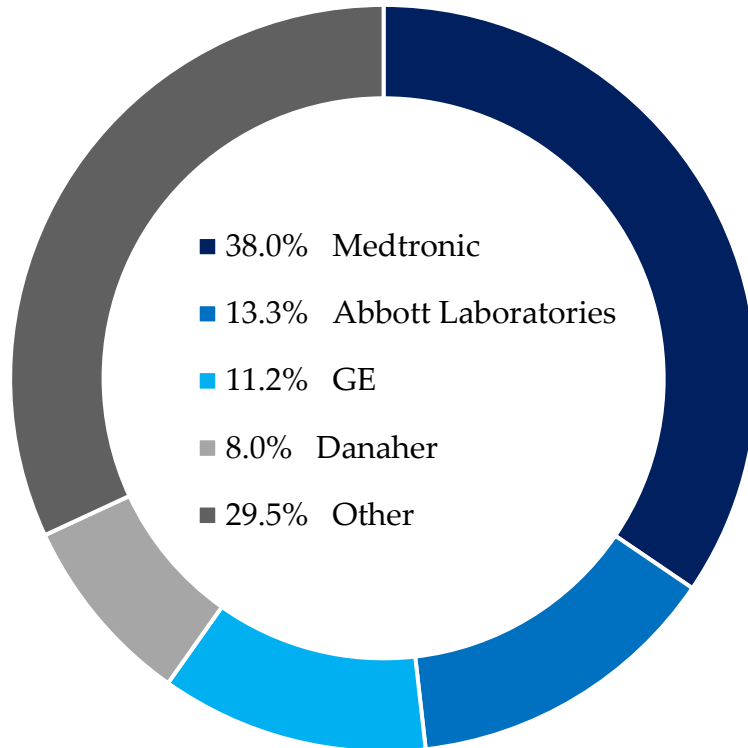
Irradiation devices



Patient recovery and noninvasive devices

INDUSTRY AT A GLANCE

Major Players



SWOT Analysis

S

STRENGTHS

- Growth Life Cycle Stage
- Low Customer Class Concentration
- High Profit vs. Sector Average
- Low Capital Requirements

W

WEAKNESSES

- High Competition
- High Imports
- Low Revenue per Employee

O

OPPORTUNITIES

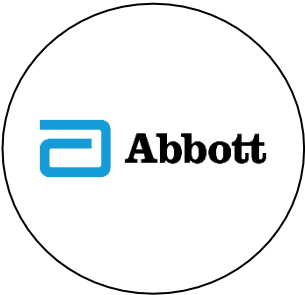
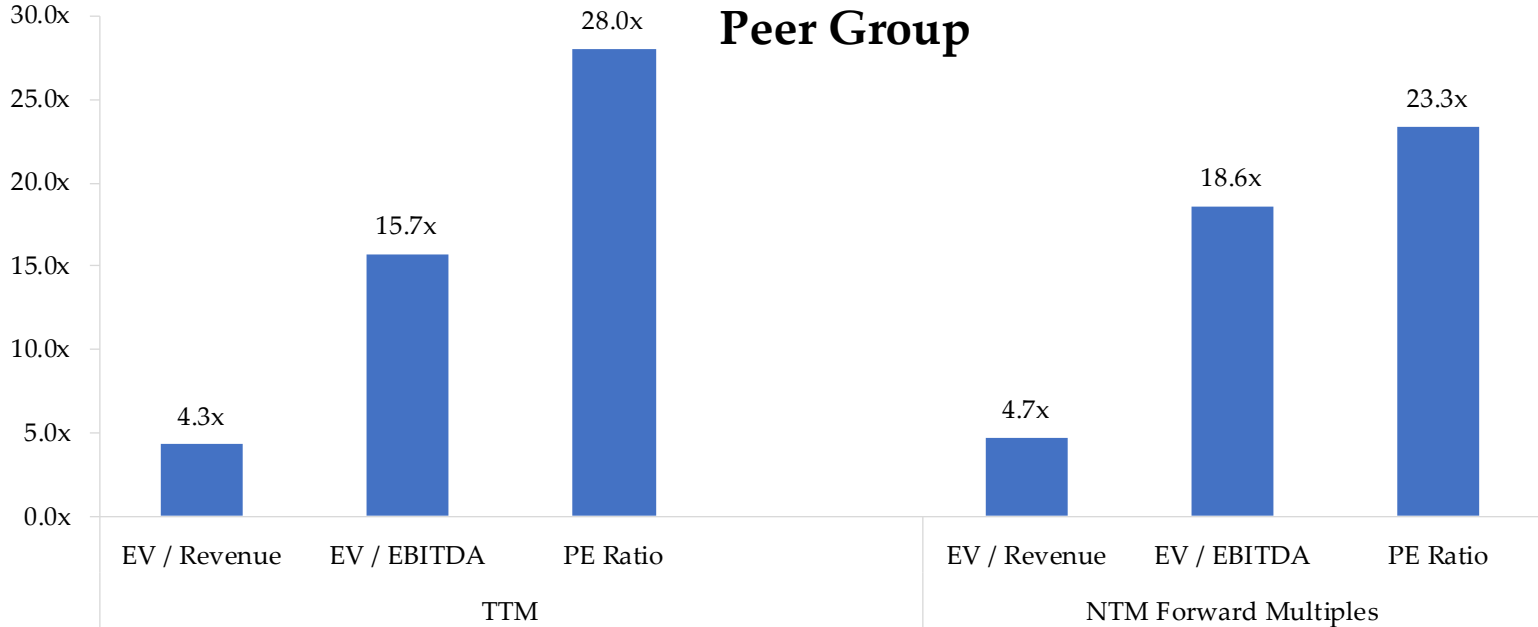
- High Revenue Growth (2022-2027)
- Number of Adults Aged 65 and Older

T

THREATS

- Low Revenue Growth (2005-2022)
- Low Outlier Growth
- Low Performance Drivers
- Trade-Weighted Index

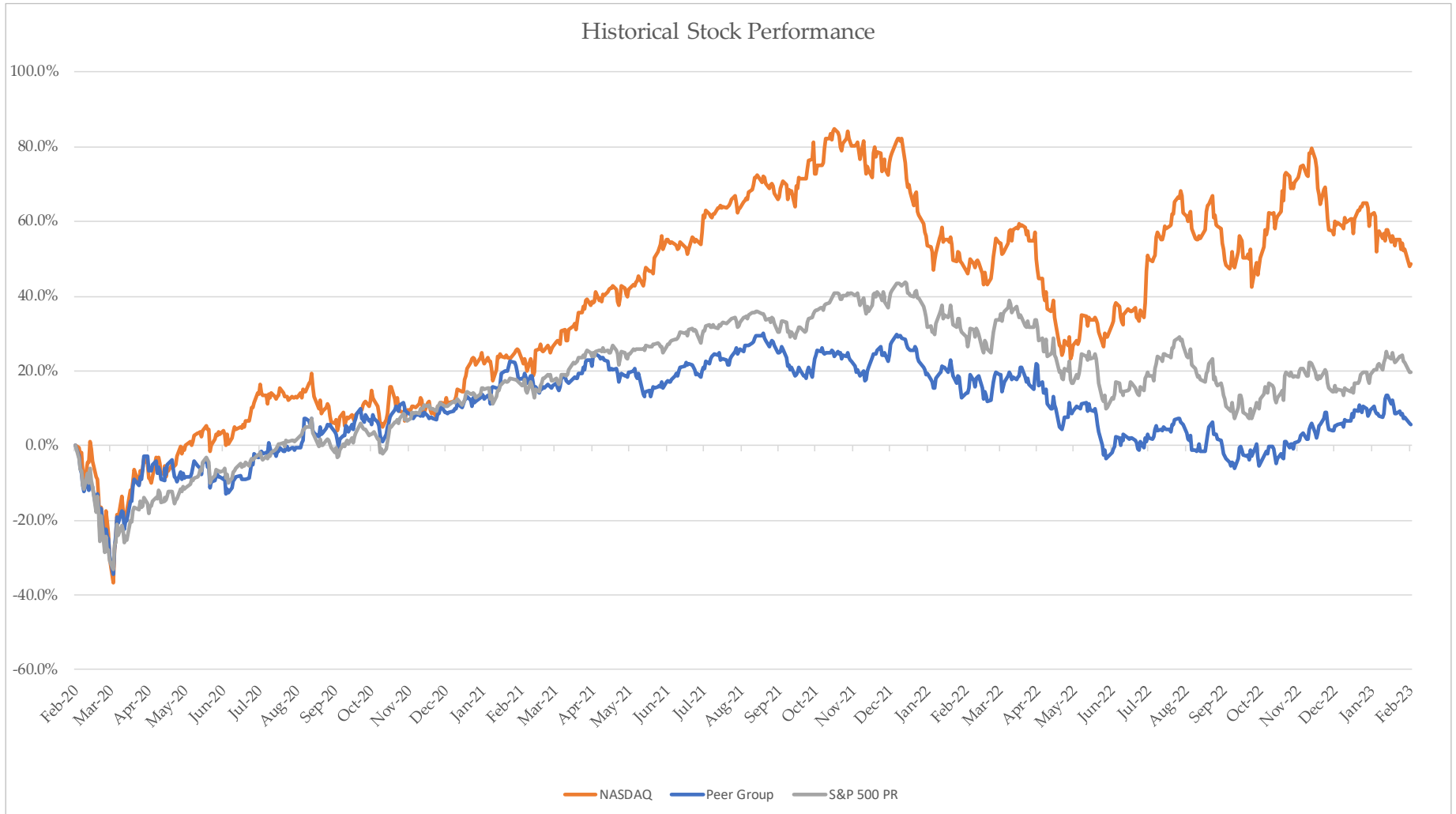
PUBLIC COMPARABLES



PUBLIC COMPARABLES

\$ in Millions	Medtronic	Abbott	Avanos Medical	Stryker	Boston Scientific	
Ticker	MDT	ABT	AVNS	SYK	BSX	
Total Revenue	30,807	43,653	820	18,449	12,567	
Gross Profit	20,706	24,511	450	11,578	8,605	
EBIT	6,191	8,681	74	2,683	1,350	
Net Income	4,321	6,933	51	2,358	653	
EBITDA (Normalized)	9,411	12,633	136	4,104	3,587	
Total Debt	26,617	17,716	280	13,048	8,934	
EV	130,902	187,903	1,501	110,078	74,812	
Employees	95,000	113,000	4,555	46,000	41,000	
Ratio Analysis						Median
Revenue/Employee	\$324,284	\$379,591	\$202,770	\$401,065	\$306,512	\$324,284
EV/Revenue	4.25x	4.30x	1.83x	5.97x	5.90x	4.30x
Debt/EBITDA	2.81x	1.46x	2.46x	3.57x	3.78x	2.81x
EV/EBITDA (Normalized)	14.19x	14.87x	11.05x	26.82x	26.72x	14.87x
Market Cap/EBITDA	13.05x	15.08x	11.08x	26.88x	27.43x	15.08x
Market Cap (mm)	113,734	180,138	1,349	98,958	66,216	
Close Price	85.49	103.65	29.01	261.22	46.23	
52 Week Low	75.77	93.25	19.32	188.84	34.98	
52 Week High	114.31	124.36	35.91	284.00	48.87	
Gross Margin	67.2%	56.1%	54.9%	62.8%	68.5%	62.8%
EBIT	20.1%	19.9%	9.0%	14.5%	10.7%	14.5%
EBITDA	28.9%	27.4%	14.8%	20.0%	19.8%	20.0%
Acct. Receivable Days	65	56	65	63	53	63
Inventory Days	169	109	175	196	156	169
Acct. Payable Days	96	112	73	91	92	92
Revenue Growth	-3.1%	1.3%	10.1%	7.8%	9.6%	7.8%

HEALTHCARE PRODUCTS - MANUFACTURING INDEX Vs. S&P 500



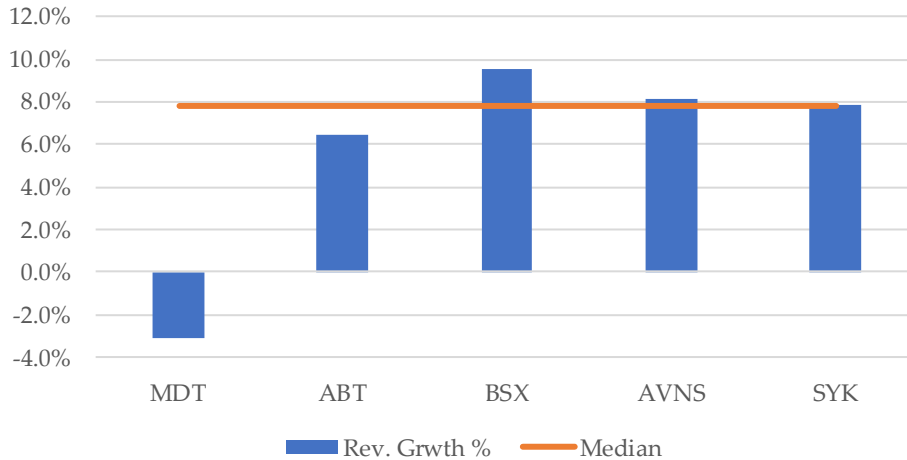
DCA Healthcare Products - Manufacturing Index: MDT, ABT, BSX, AVNX, SYK, BDX

RECENT TRANSACTIONS

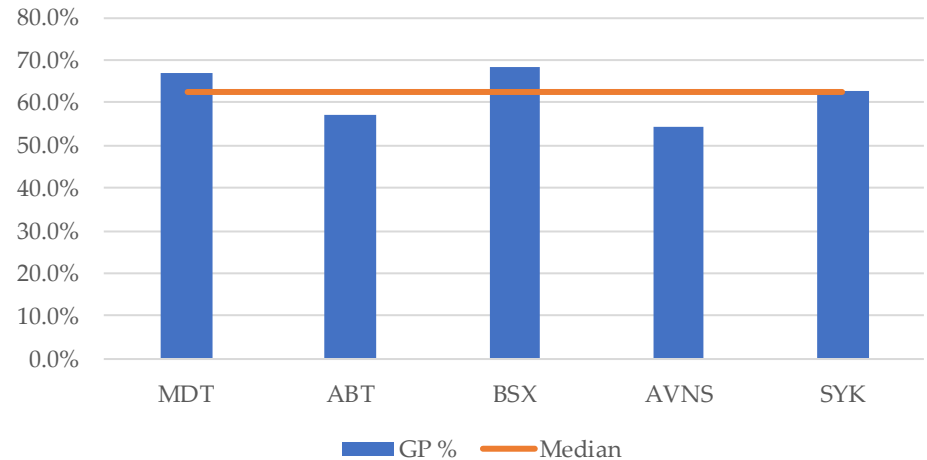
Deal Date	Companies	Investors	Deal Size (\$MM)	HQ Location
29-Dec-2022	Unisorb	Argosy Private Equity	NM	Jackson, MI
19-Dec-2022	DF Elettronica	Gradiente SGR	NM	Calenzano, Italy
14-Dec-2022	Norgine	Goldman Sachs Asset Management	2,085.47	Amsterdam, Netherlands
06-Dec-2022	Premier Biotech	Align Capital Partners	NM	Minneapolis, MN
30-Nov-2022	LifeStyles Healthcare	Linden Capital Partners	NM	Singapore
10-Nov-2022	SCILEX Holding Company	Vickers Vantage Corp. I	NM	Palo Alto, CA
03-Nov-2022	LSL Healthcare	5th Century Partners	80.73	Niles, IL
02-Nov-2022	Pinnacle X-Ray Solutions	Altus Capital Partners	NM	Suwanee, GA
01-Nov-2022	Biocoat	GTCR	NM	Horsham, PA
11-Oct-2022	Havea Group	BC Partners	1,141.44	Bouffere, France
11-Oct-2022	Oury-guye & Fils	SPE Capital, Tiopo Capital	NM	Nogent, France

OPERATING METRICS

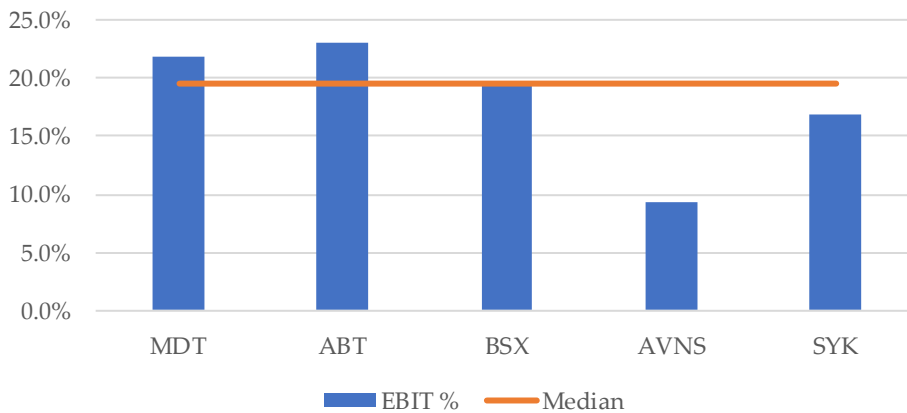
Revenue Growth



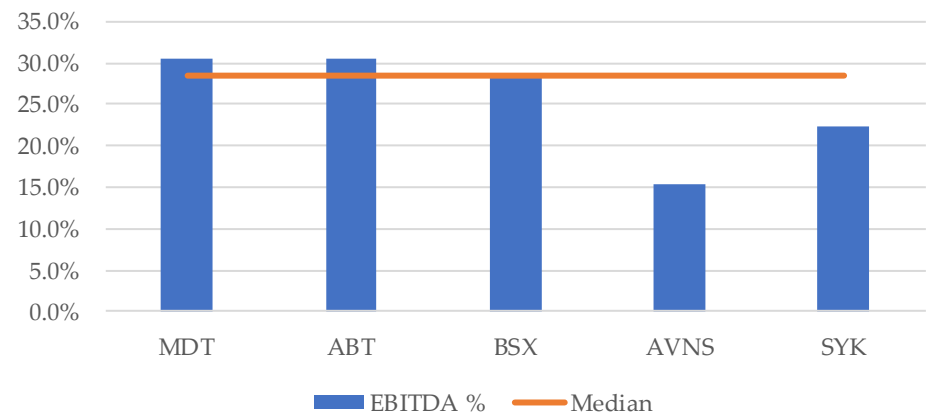
Gross Profit Margin



EBIT Margin Normalized

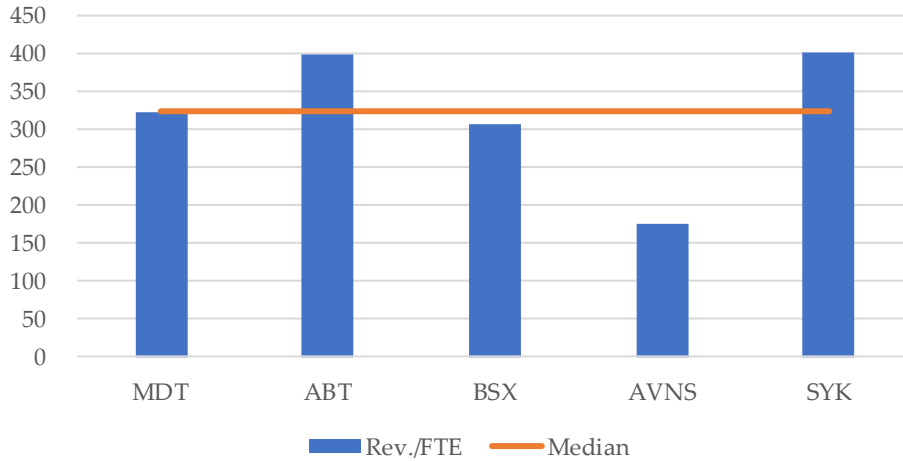


EBITDA Margin Normalized

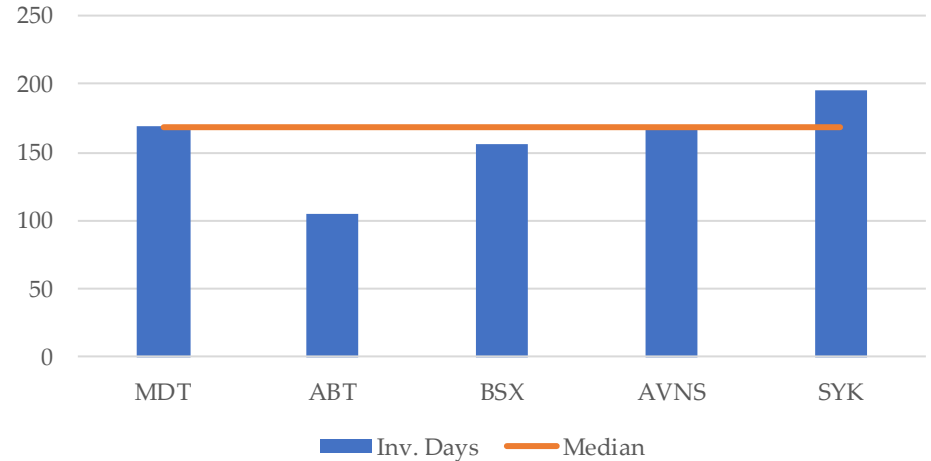


RATIO ANALYSIS

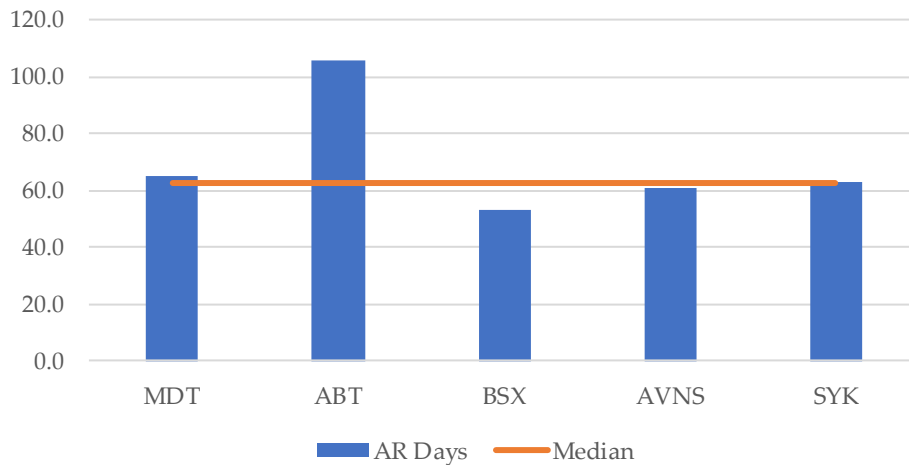
Revenue per Employee



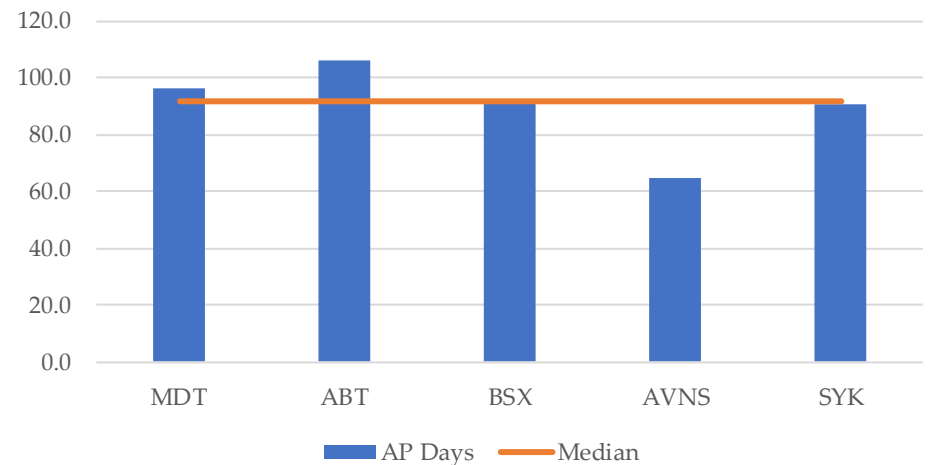
Inventory Days



AR Days



AP Days



VALUATION TRENDS

(\$MM)		Fundamentals								
Ticker	Company	TIM						NTM Estimates		
		Close Price	Market Cap	Enterprise Value	Total Revenue	EBITDA	Basic EPS	Total Revenue	EBITDA	Normalized EPS
MDT	Medtronic	85.10	113,734	130,902	30,807	8,890	3.23	31,995	9,501	5.37
ABT	Abbott	102.69	180,138	187,903	43,653	11,948	3.94	39,888	10,119	4.40
BSX	Boston Scientific	46.61	66,216	74,812	12,567	2,482	0.42	13,521	3,915	1.91
SYK	Stryker	261.65	98,958	110,078	18,449	3,681	6.23	19,834	5,165	10.02
AVNS	Avanos Medical	29.13	1,349	1,501	820	122	1.08	804	141	1.71

		Multiples					
Ticker	Company	TIM			NTM Forward Multiples		
		EV / Revenue	EV / EBITDA	PE Ratio	EV / Revenue	EV / EBITDA	PE Ratio
MDT	Medtronic	4.25x	15.02x	27.99	4.09x	13.78x	15.85
ABT	Abbott	4.30x	15.73x	26.26	4.71x	18.57x	23.34
BSX	Boston Scientific	5.90x	30.99x	103.58	5.53x	19.11x	24.40
SYK	Stryker	5.97x	29.90x	42.41	5.55x	21.31x	26.11
AVNS	Avanos Medical	1.83x	12.34x	27.22	1.87x	10.61x	17.09

PUBLIC COMP

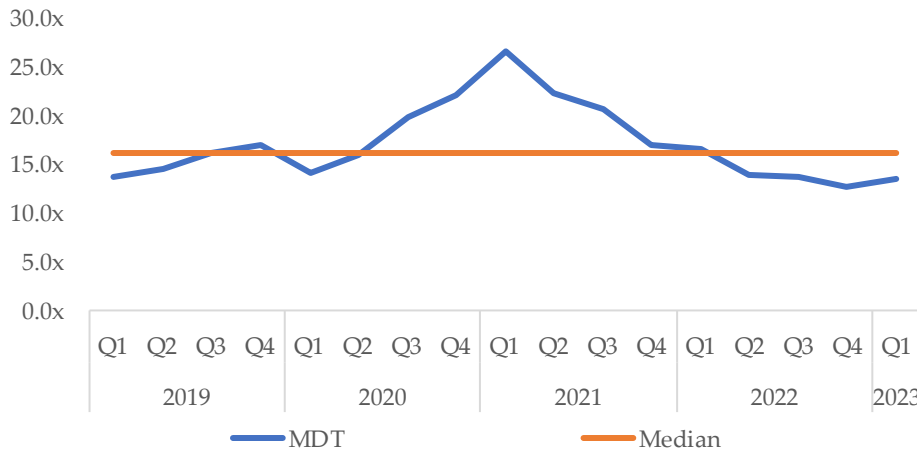
Medtronic PLC (NYS: MDT)

Medtronic PLC is one of the largest medical device companies that develops and manufactures therapeutic medical devices for chronic diseases. Its portfolio includes pacemakers, defibrillators, heart valves, stents, insulin pumps, spinal fixation devices, neurovascular products, advanced energy, and surgical tools.

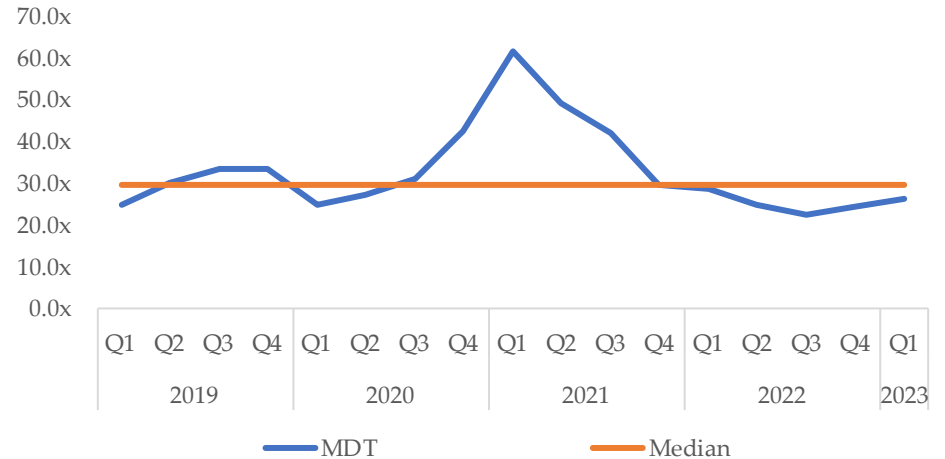


Medtronic
When Life Depends on Medical Technology

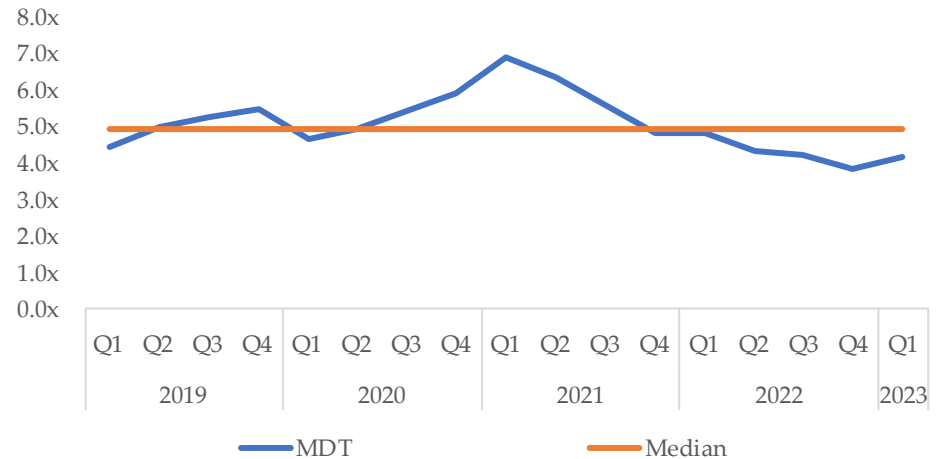
EV/EBITDA Medtronic



P/E Medtronic



EV/Revenue Medtronic



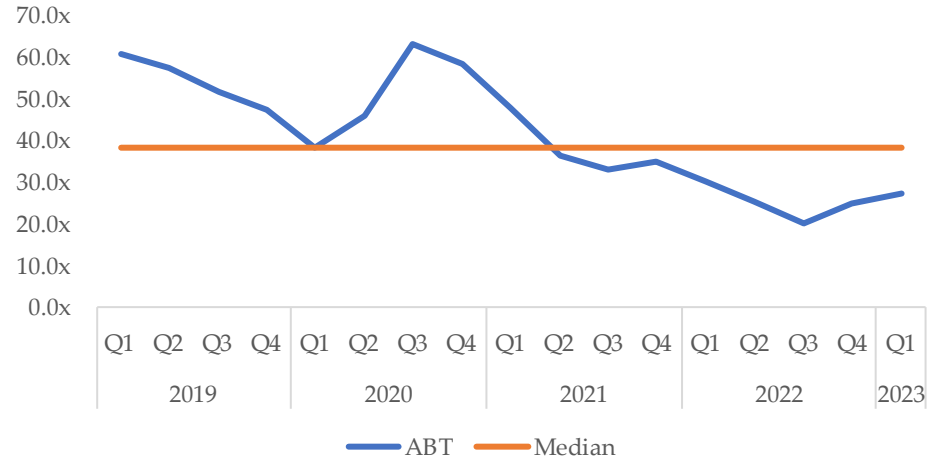
PUBLIC COMP

Abbott Laboratories (NYS: ABT)

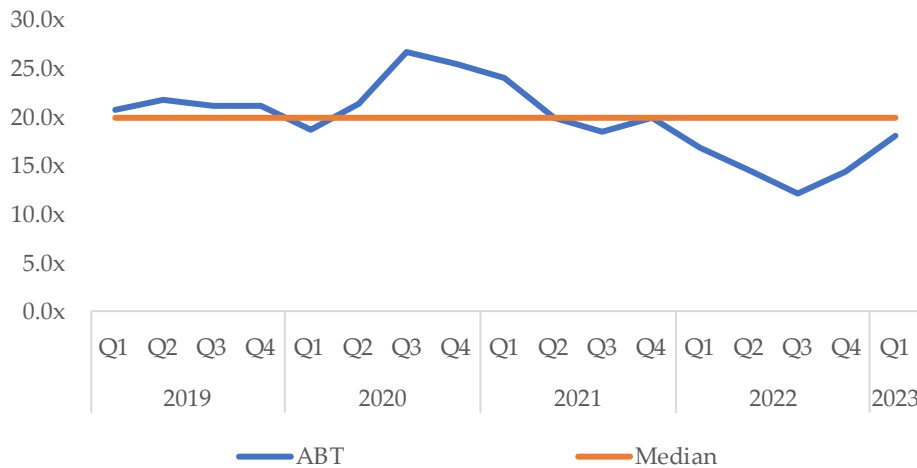
Abbott Laboratories manufactures and markets medical devices, adult and pediatric nutritional products, diagnostic equipment and testing kits, and branded generic drugs. Products include pacemakers, implantable cardioverter defibrillators, neuromodulation devices, coronary stents, catheters, infant formula, nutritional liquids for adults, and immunoassays and point-of-care diagnostic equipment.



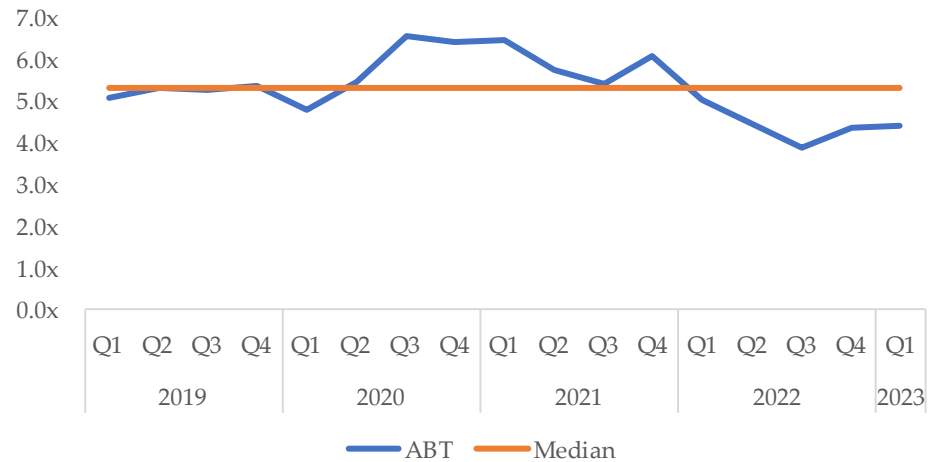
P/E Abbott



EV/EBITDA Abbott



EV/Revenue Abbott



PUBLIC COMP

Boston Scientific Corporation (NYS: BSX)

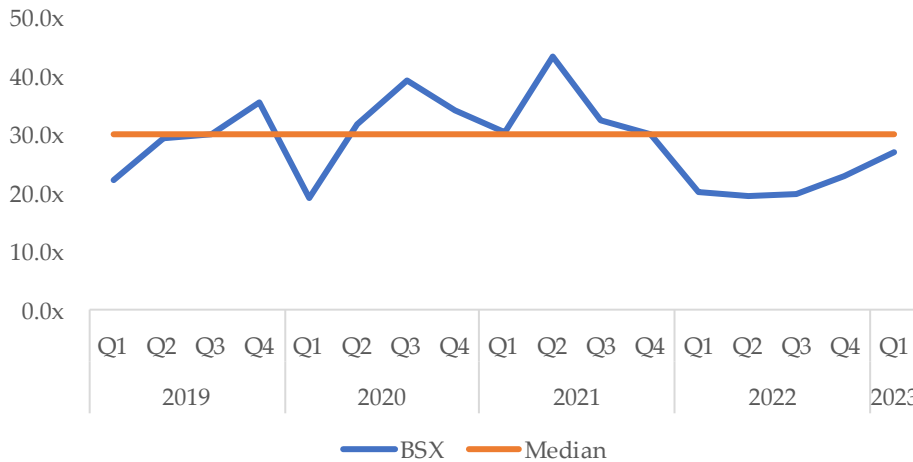
Boston Scientific Corporation produces less invasive medical devices that are inserted into the human body through small openings or cuts. It manufactures products for use in angioplasty, blood clot filtration, cardiac rhythm management, catheter-directed ultrasound imaging, structural heart disease, upper gastrointestinal tract diagnostics, interventional oncology, and treatment of incontinence.

Boston Scientific

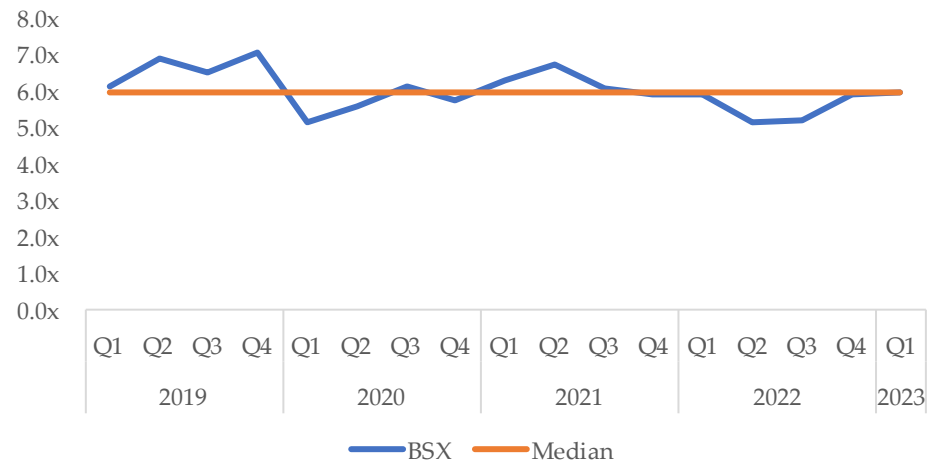
P/E Boston Scientific



EV/EBITDA Boston Scientific



EV/Revenue Boston Scientific



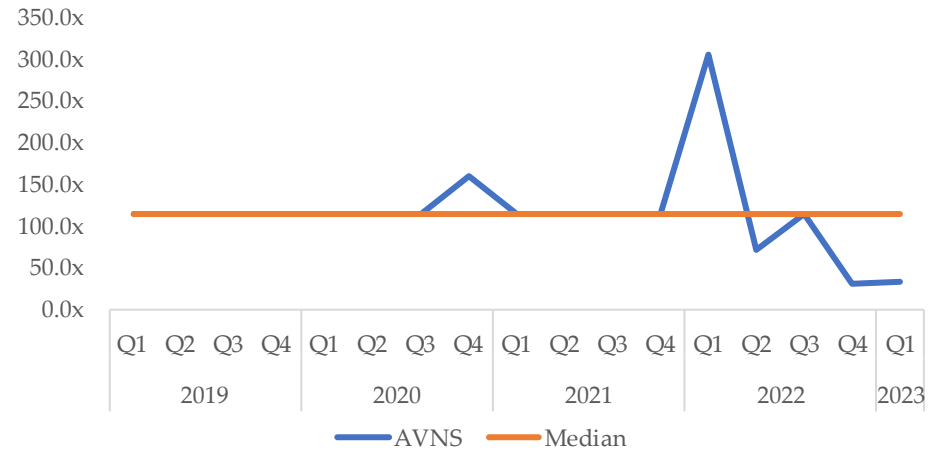
PUBLIC COMP

Avanos Medical, Inc. (NYSE: AVNS)

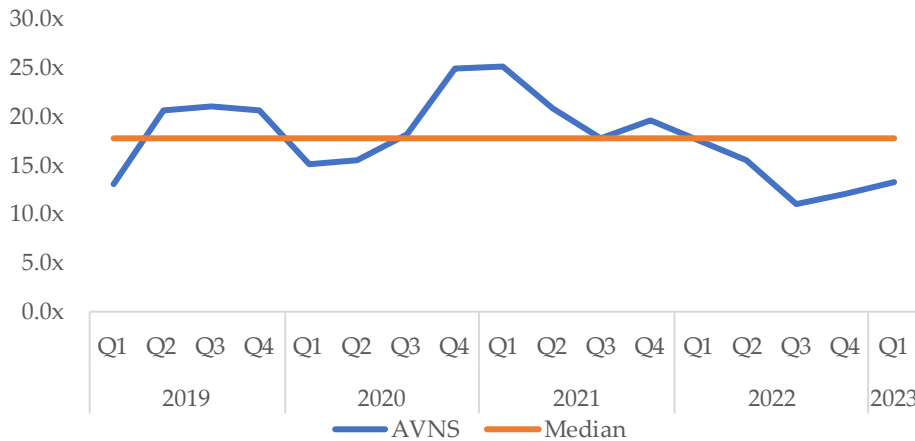
Avanos Medical, Inc. operates as a medical technology company that focuses on delivering medical device solutions to improve patients' quality of life in North America, Europe, the Middle East, Africa, the Asia Pacific, and Latin America. It offers a portfolio of chronic care products and respiratory health products.

AVANOS

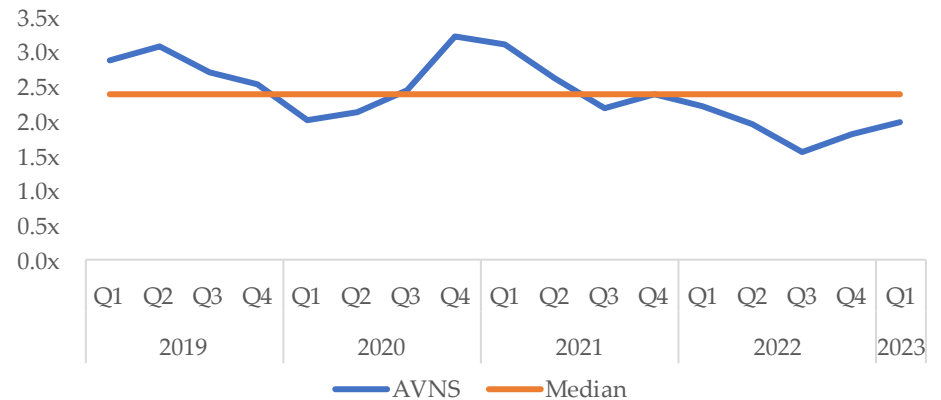
P/E Avanos Medical



EV/EBITDA Avanos Medical



EV/Revenue Avanos Medical



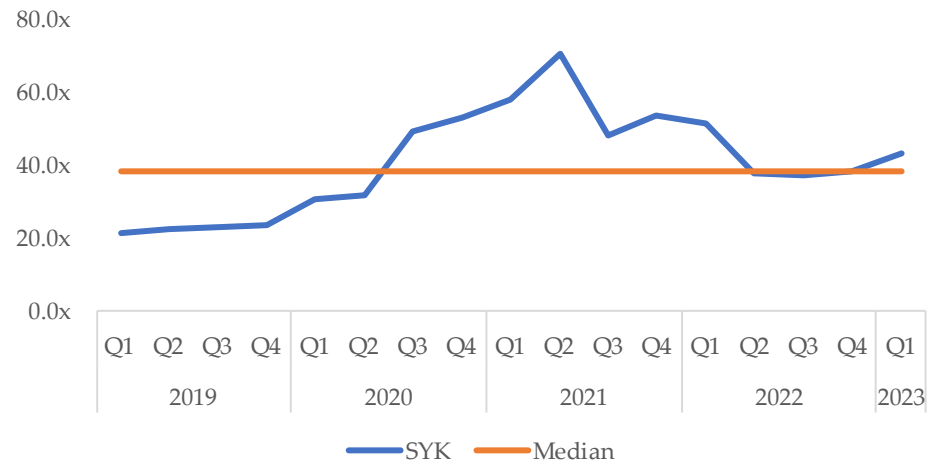
PUBLIC COMP

Stryker Corporation (NYS: SYK)

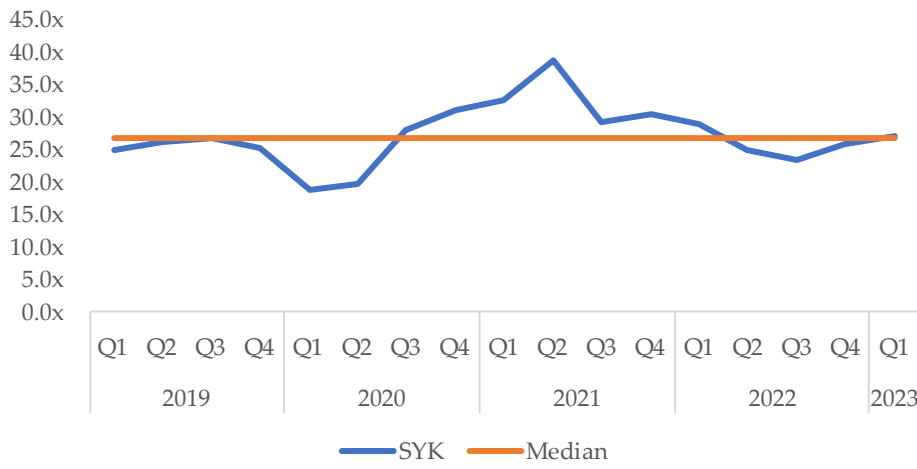
Stryker Corporation develops, manufactures, and markets specialty surgical and medical products. The Company's products include implants, biologics, surgical, neurologic, ear, nose and throat and interventional pain equipment, endoscopic, surgical navigation, communications and digital imaging systems, as well as patient handling and emergency medical equipment.



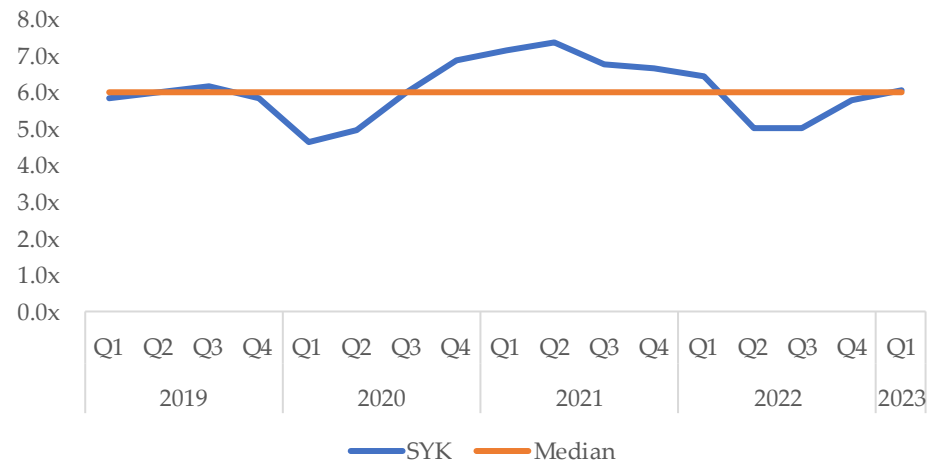
P/E Stryker



EV/EBITDA Stryker



EV/Revenue Stryker



Healthcare Products Industry Report

II. Wholesaling

HEALTHCARE PRODUCTS WHOLESALING: INDUSTRY OUTLOOK

FORECAST: CONTINUED GROWTH

- ❑ Industry revenue is expected to grow at an annualized rate of 3.3% to \$307.3 billion by 2027.
- ❑ Revenue is expected to rise as healthcare providers continue to invest in new equipment to keep up with growing demand for healthcare services. New product development by medical device manufacturers is also expected to contribute to industry growth by offering new solutions to health issues. Mergers and acquisitions among medical device manufacturers will likely cause wholesalers to consolidate to maintain negotiating power and meet demands of newly expanded customers. Consolidation will likely help industry operators reduce costs, leading to a rise in profit margins in the outlook.

AGING POPULATION

- ❑ Changing demographics in the US population will have a favorable effect on the Medical Supplies Wholesaling industry.
- ❑ Over the five years to 2027, it is expected the number of individuals aged 65 and older in the United States will increase at an annualized rate of 3.0%. During the same period, the average age of the population is projected to rise as well. Longer life expectancies and a growing elderly population both translate into increased demand at facilities that use industry products and, in turn, revenue growth for the industry.
- ❑ As Americans live longer and have fewer children, the incidence of age-related diseases will likely rise because an increasing share of the population will be in the upper age range. If people acquire diseases at the same age as in previous years, but survive longer due to more advanced devices, then aging will boost healthcare spending on extended, costly treatments for chronic conditions or the successful treatment of more diseases per person over the course of a lifetime. Consequently, the aging baby-boomer generation will fuel demand for hospital products, such as beds, stretchers, blood analyzers and sterilization equipment.

NEW PRODUCTS KEEP DEMAND STRONG

- ❑ Medical supplies wholesalers will likely continue to benefit from the market introduction of new technologies and improvements in existing products.
- ❑ Product improvements will likely enable new treatments for previously untreatable or ineffectively treated diseases or conditions, and the introduction of a remedy for a previously untreatable condition will cause overall industry demand to rise. Medical device trends are anticipated to facilitate innovation including nanotechnology, the combination of drugs and biologics, less-invasive surgeries and devices and wireless technology for hospitals. Neurological, cardiovascular and orthopedic products will likely represent growth opportunities for medical supplies companies because these products are particularly important to the aging population.

EXTERNAL INDUSTRY DRIVERS

NUMBER OF PHYSICIAN VISITS

- ❑ The number of physician visits, which is affected by the general health of the population and patients' ability to pay for health services (out of pocket or through public or private health insurance), influences the frequency of the use of medical supplies.
- ❑ Medical supplies need to be replaced after a certain amount of time or number of uses, so when people visit hospitals, dentists and physicians more frequently, demand for medical supplies to treat patients will increase. The total number of physician visits is expected to increase, representing a potential opportunity for the industry.

RESEARCH AND DEVELOPMENT EXPENDITURE

- ❑ The release of new medical supply products developed by medical supplies manufacturers increases demand for wholesalers.
- ❑ Increased investment in research and development by manufacturers positively correlates to product development. By adding new products to its existing portfolio, wholesalers will gain a competitive advantage. US research and development expenditure is expected to increase.

NUMBER OF ADULTS AGED 65 AND OLDER

- ❑ As people get older, they generally need more medical care; in fact, the elderly use medical devices more than any other age group.
- ❑ Longer life expectancy also influences demand because people will use more industry products over the course of a longer life. The number of people in the United States aged 65 and older is expected to grow.

FEDERAL FUNDING FOR MEDICARE AND MEDICAID

- ❑ Funding for Medicare and Medicaid determines the degree to which doctors and hospitals will be reimbursed for medical supplies and devices, which influences demand for industry services.
- ❑ Adverse changes in funding or prices will likely cause healthcare participants to reduce their demand for medical supplies. Federal funding for Medicare and Medicaid is expected to increase; however, the volatile nature of federal funding poses a threat to the industry.

INDUSTRY AT A GLANCE

Key Statistics



\$307.3bn Revenue

- Annual Growth 2017 – 2022 3.3%
- Annual Growth 2022 – 2027 3.1%



12,202 Businesses

- Annual Growth 2017 – 2022 2.2%
- Annual Growth 2022 – 2027 2.5%



\$15.4bn Profit

- Annual Growth 2017 – 2022 1.7%



273k Employees

- Annual Growth 2017 – 2022 3.8%
- Annual Growth 2022 – 2027 3.1%



5.0% Profit Margin

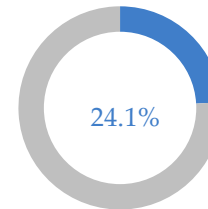
- Annual Growth 2017 – 2022 -0.4pp



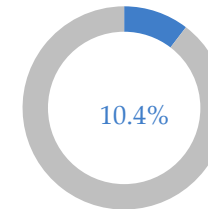
\$34.5bn Wages

- Annual Growth 2017 – 2022 4.8%
- Annual Growth 2022 – 2027 3.1%

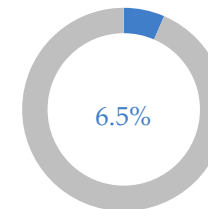
Industry Segments



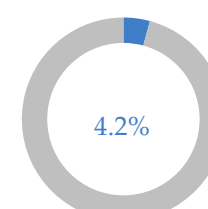
Surgical, Medical, and Hospital Supplies



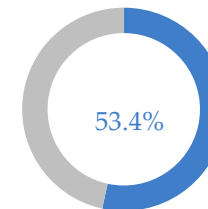
Orthopedic and Prosthetic appliances



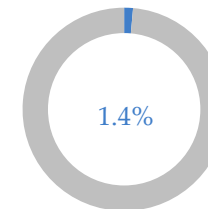
Dental equipment, instrument and supplies



Other

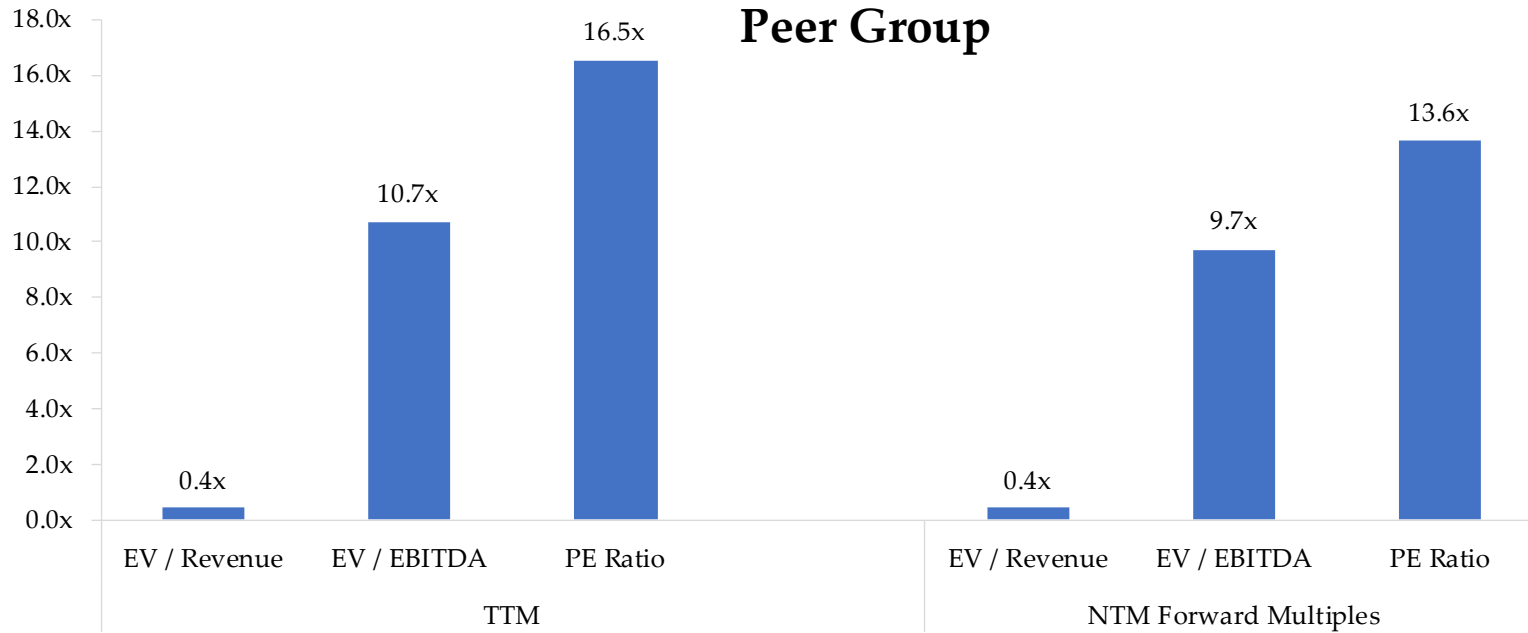


Surgical, Medical, and Hospital equipment



Pharmaceuticals, Cosmetics and toiletries

PUBLIC COMPARABLES



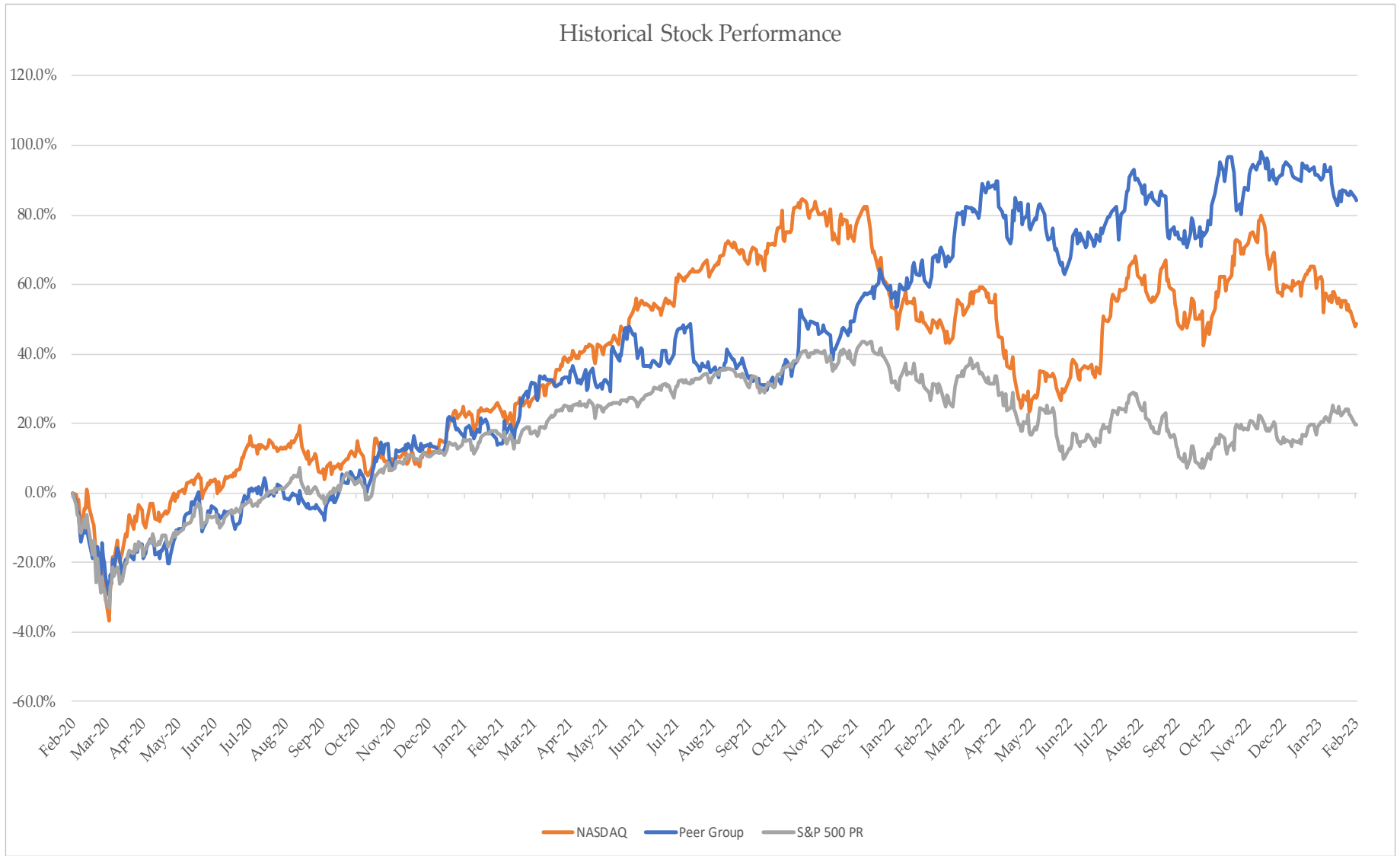
RECENT TRANSACTIONS

Deal Date	Companies	Investors	Deal Size (\$MM)	HQ Location
22-Dec-2022	Abiomed	Johnson & Johnson	18,000.00	Danvers, MA
22-Dec-2022	The Orthotic Group	Summit Partners	NM	Markham, Canada
19-Dec-2022	Aidacare	Quadrant Private Equity	NM	Moorebank, Australia
15-Dec-2022	Etain Health	RIV Capital	247.00	New York, NY
05-Dec-2022	Universal Marine Medical Supply International	Z Capital Group	NM	New York, NY
25-Nov-2022	Eargo	Patient Square Capital	NM	San Jose, CA
03-Nov-2022	Doc Generici	TPG	NM	Milan, Italy
03-Oct-2022	Hanger	Patient Square Capital	1,250.00	Austin, TX
01-Oct-2022	Minlay	Adagia Partners	NM	Paris, France

PUBLIC COMPARABLES

\$ in Millions	AmerisourceBergen	Henry Schein	Patterson Companies	McKesson	Owens & Minor	
Ticker	ABC	HSIC	PDCO	MCK	OMI	
Total Revenue	241,805	12,647	6,385	273,903	9,872	
Gross Profit	8,382	3,831	1,325	12,610	1,761	
EBIT	2,384	748	282	4,547	255	
Net Income	1,729	538	200	3,141	122	
EBITDA (Normalized)	3,562	1,179	350	5,154	224	
Total Debt	5,644	1,497	739	8,175	2,762	
EV	36,735	13,370	3,340	55,272	4,186	
Employees	44,000	22,000	7,700	75,000	17,300	
Ratio Analysis						Median
Revenue/Employee	\$5,495,569	\$574,864	\$829,200	\$3,652,040	\$570,608	\$829,200
EV/Revenue	0.15x	1.06x	0.52x	0.20x	0.42x	0.42x
Debt/EBITDA	1.98x	1.38x	1.89x	1.49x	4.91x	1.89x
EV/EBITDA (Normalized)	10.31x	11.34x	9.54x	10.72x	18.65x	10.72x
Market Cap/EBITDA	10.53x	11.21x	7.52x	9.60x	3.46x	9.60x
Market Cap (mm)	32,531	10,765	2,740	49,505	1,500	
Close Price	160.84	82.00	28.23	361.51	19.68	
52 Week Low	134.70	64.75	23.87	260.73	14.10	
52 Week High	174.63	92.68	35.29	401.78	47.24	
Gross Margin	3.5%	30.3%	20.8%	4.6%	17.8%	17.8%
EBIT	1.0%	5.9%	4.4%	1.7%	2.6%	2.6%
EBITDA	1.3%	7.6%	5.7%	1.9%	4.4%	4.4%
Acct. Receivable Days	27	42	25	25	27	27
Inventory Days	25	77	61	27	67	61
Acct. Payable Days	62	45	51	55	50	51
Revenue Growth	9.4%	2.0%	0.1%	6.6%	2.0%	2.0%

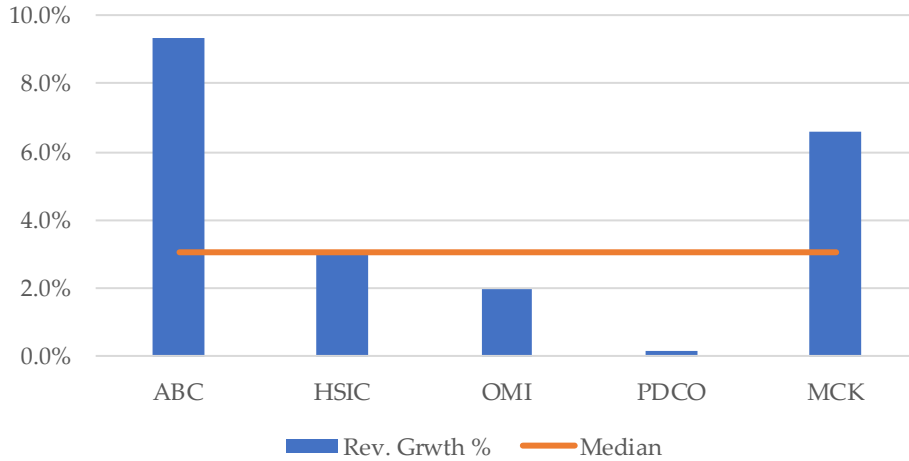
WHOLESALE HEALTHCARE PRODUCTS INDEX VS. S&P 500



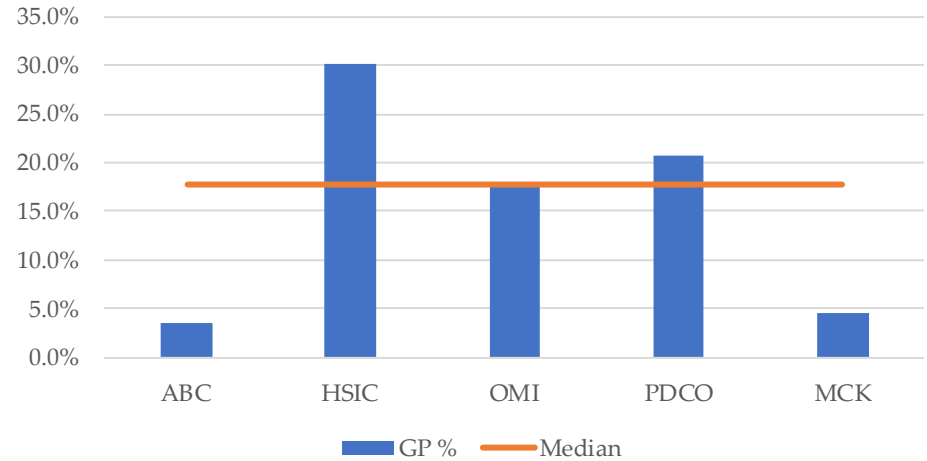
DCA Healthcare Products - Wholesale Index: PINC, HSIC, OMI, PDCO, MCK

OPERATING METRICS

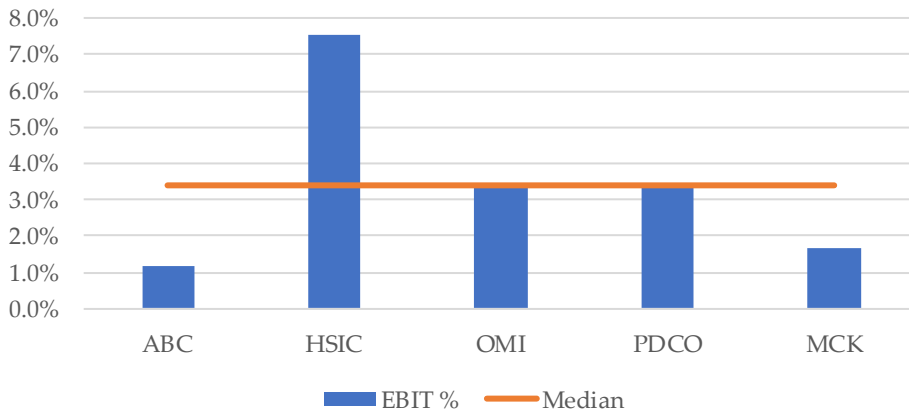
Revenue Growth



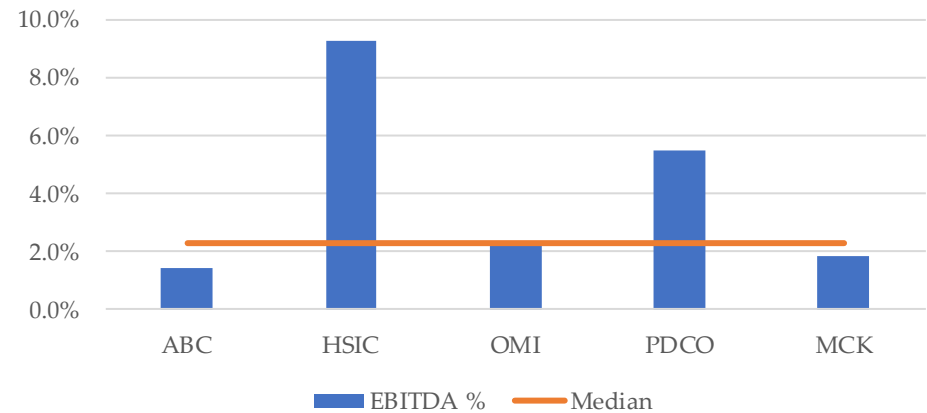
Gross Profit Margin



EBIT Margin Normalized

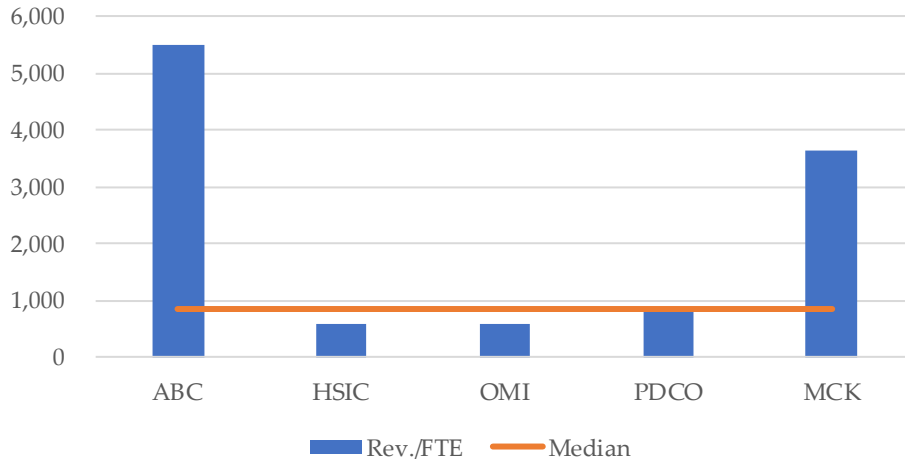


EBITDA Margin Normalized

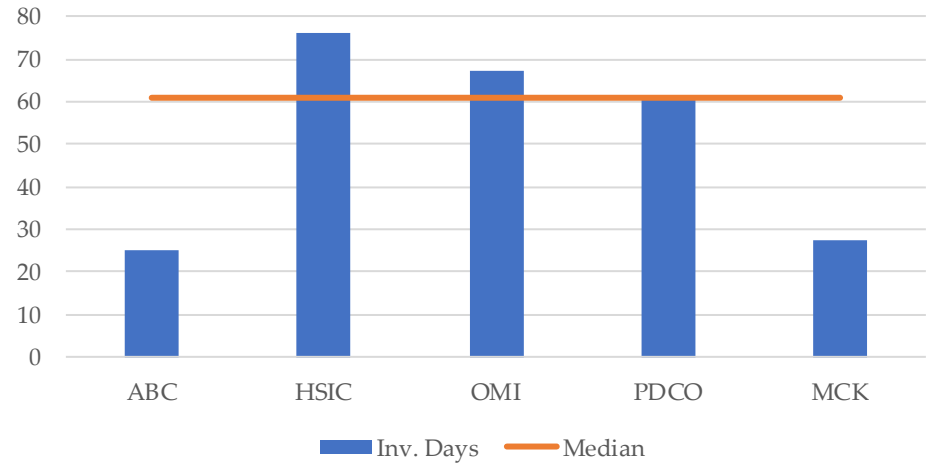


RATIO ANALYSIS

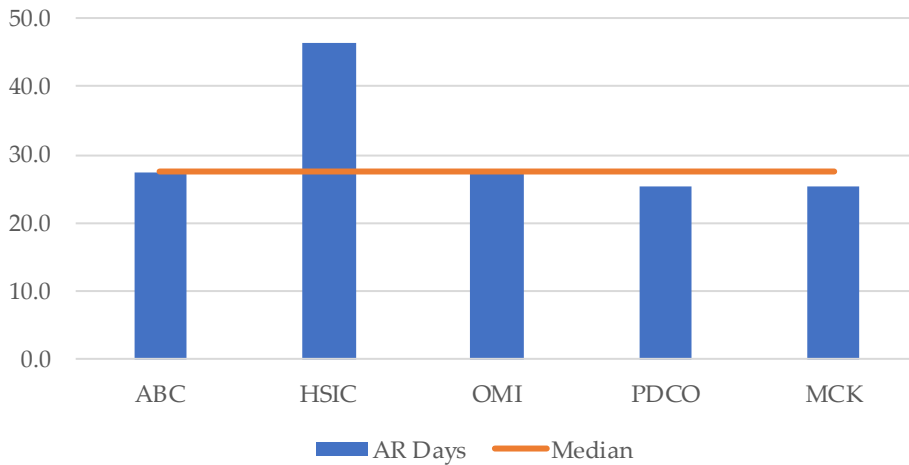
Revenue per Employee



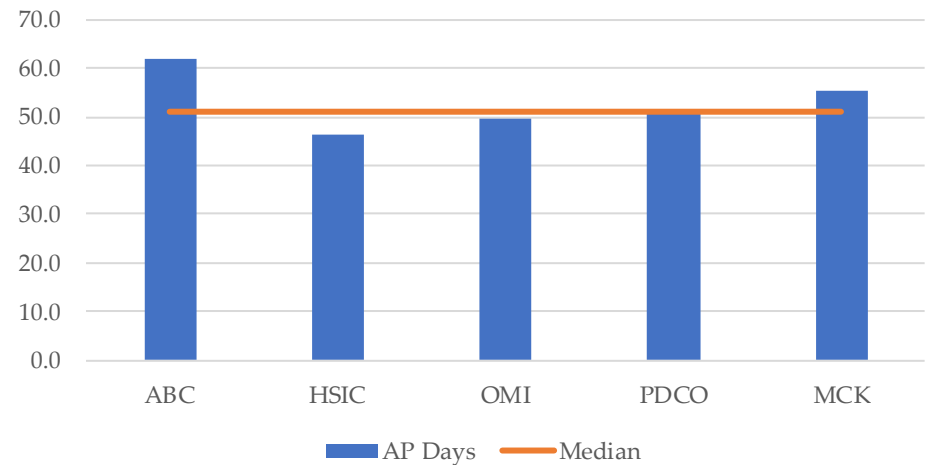
Inventory Days



AR Days



AP Days



VALUATION TRENDS

		Fundamentals								
		TIM					NTM Estimates			
Ticker	Company	Close Price	Market Cap	Enterprise Value	Total Revenue	EBITDA	Basic EPS	Total Revenue	EBITDA	Normalized EPS
ABC	AmerisourceBergen	160.13	32,531	36,735	241,805	3,088	8.34	254,918	3,776	11.75
HSIC	Henry Schein	81.79	10,765	13,370	12,647	960	3.95	12,825	1,143	5.35
OMI	Owens & Minor	19.83	1,500	4,186	9,872	433	1.65	10,010	586	2.34
PDCO	Patterson Companies	27.87	2,740	3,340	6,385	364	2.05	6,608	348	2.36
MCK	McKesson	360.70	49,505	55,272	273,903	5,156	21.96	283,422	5,206	26.19

		Multiples					
		TIM			NTM Forward Multiples		
Ticker	Company	EV / Revenue	EV / EBITDA	PE Ratio	EV / Revenue	EV / EBITDA	PE Ratio
ABC	AmerisourceBergen	0.15x	11.89x	19.41	0.14x	9.73x	13.62
HSIC	Henry Schein	1.06x	13.93x	20.92	1.04x	11.69x	15.29
OMI	Owens & Minor	0.42x	9.66x	12.39	0.42x	7.15x	8.47
PDCO	Patterson Companies	0.52x	9.17x	13.73	0.51x	9.60x	11.80
MCK	McKesson	0.20x	10.72x	16.55	0.20x	10.62x	13.78

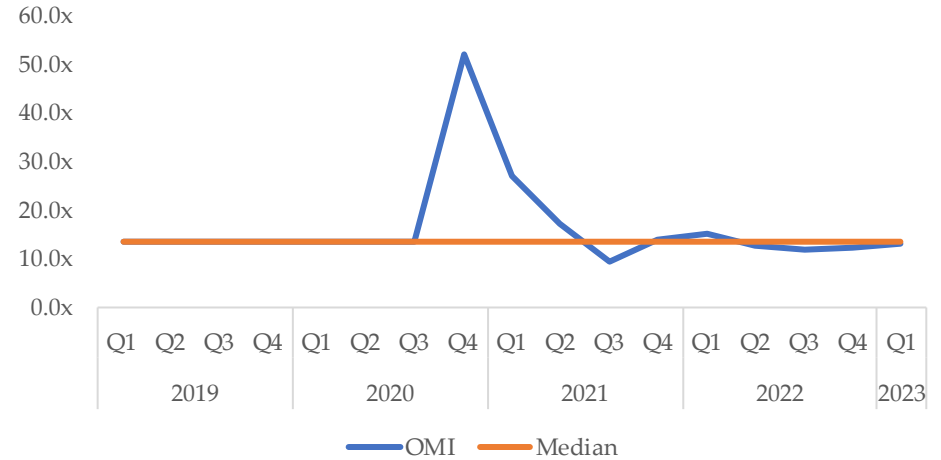
PUBLIC COMP

Owens & Minor, Inc. (NYS: OMI)

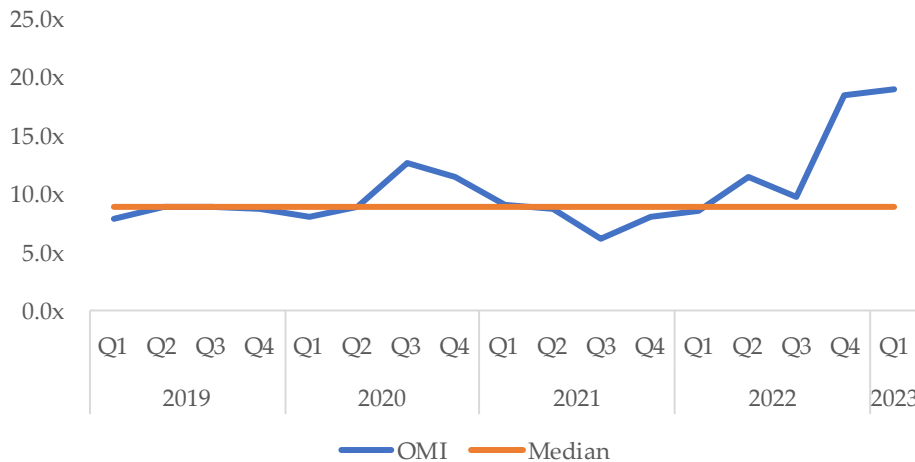
Owens & Minor, Inc. distributes consumable medical supplies to a variety of providers. The company operates in two segments, Global products and Global Solutions. The company offers a portfolio of products and services to healthcare providers and manufacturers in the Global solutions segment. In the Global product segment, the company manufactures and sources medical-surgical products through our production and kitting operations.



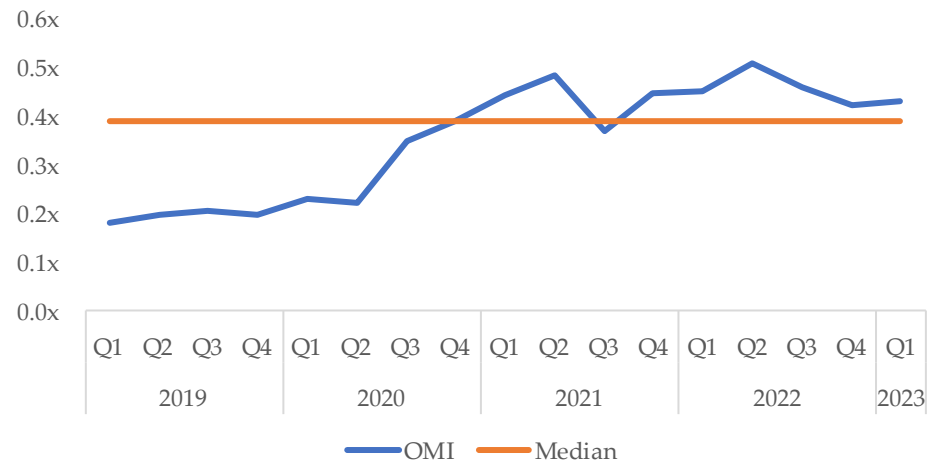
P/E Owens & Minor



EV/EBITDA Owens & Minor



EV/Revenue Owens & Minor



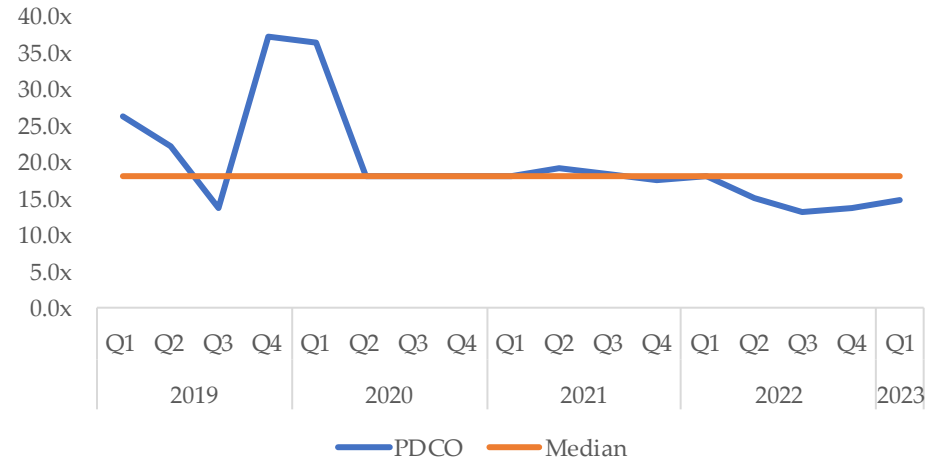
PUBLIC COMP

Patterson Companies, Inc. (NAS: PDCO)

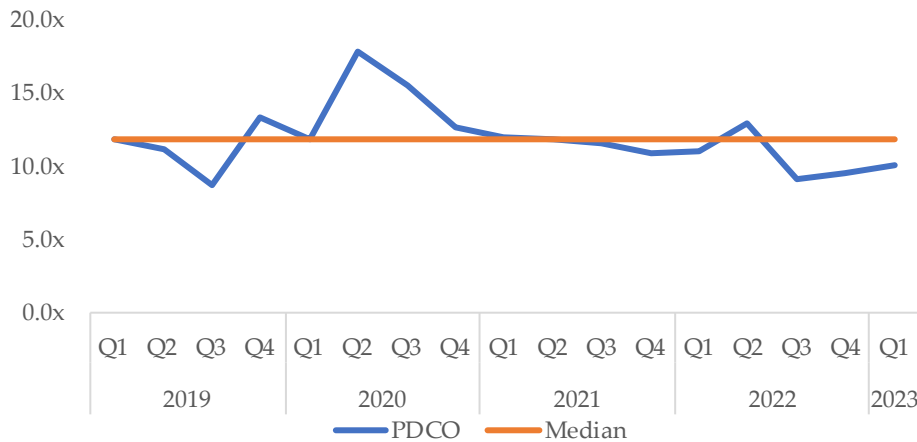
Patterson Companies, Inc. is a leading dental distributor and wholesaler of consumable products and equipment operating through two business segments, Patterson Dental and Patterson Animal Health. The firm offers dental and veterinary practice management products, including office software products, technical, financial, and educational services, primarily to two highly fragmented market segments throughout the U.S. and Canada.



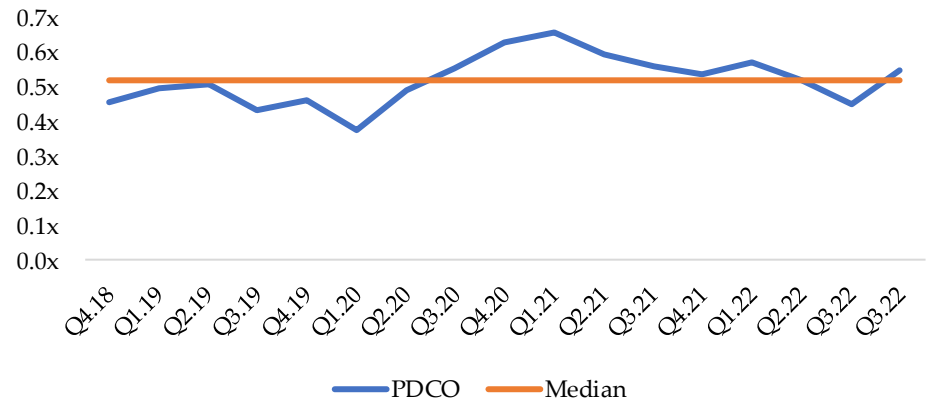
P/E Patterson Companies



EV/EBITDA Patterson Companies



EV/Revenue Patterson Companies



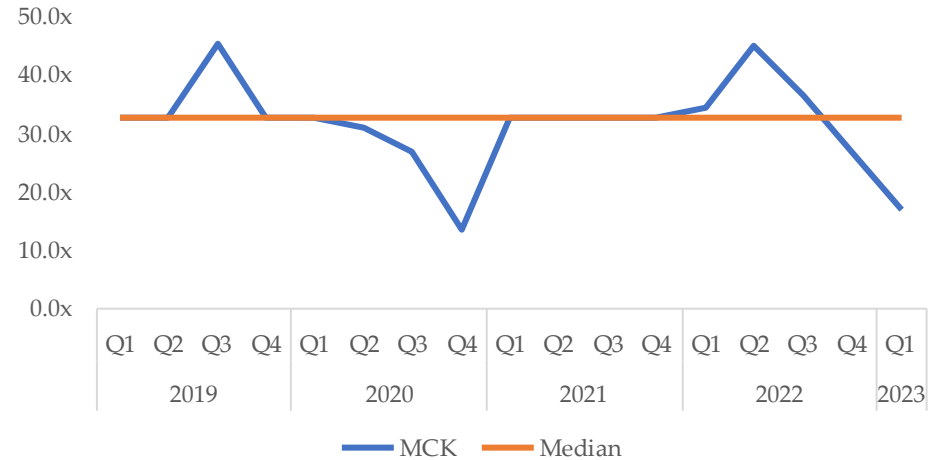
PUBLIC COMP

McKesson Corporation (NYS: MCK)

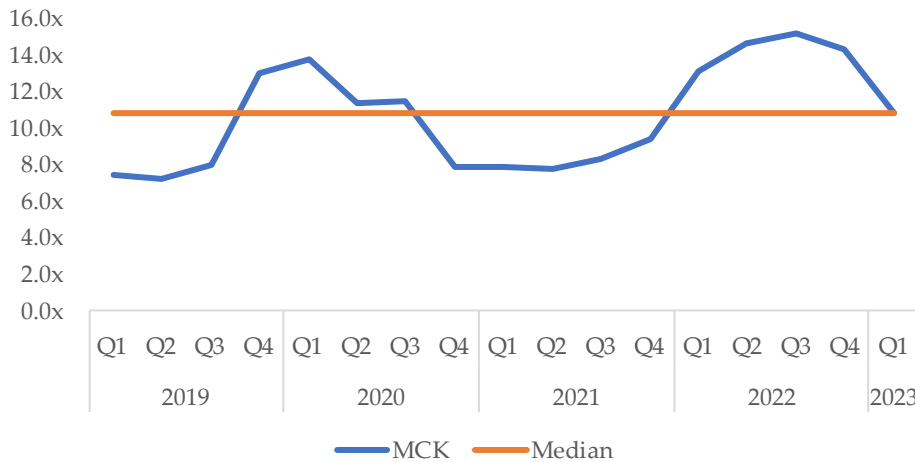
McKesson Corporation is a leading wholesaler of branded, generic, and specialty pharmaceutical products to pharmacies (retail chains, independent, and mail order), hospitals networks, and healthcare providers. Outside the U.S. market, McKesson engages in pharmaceutical wholesale and distribution in Europe and Canada. Additionally, the company supplies medical-surgical products and equipment to healthcare facilities and provides a variety of technology solutions for pharmacies.



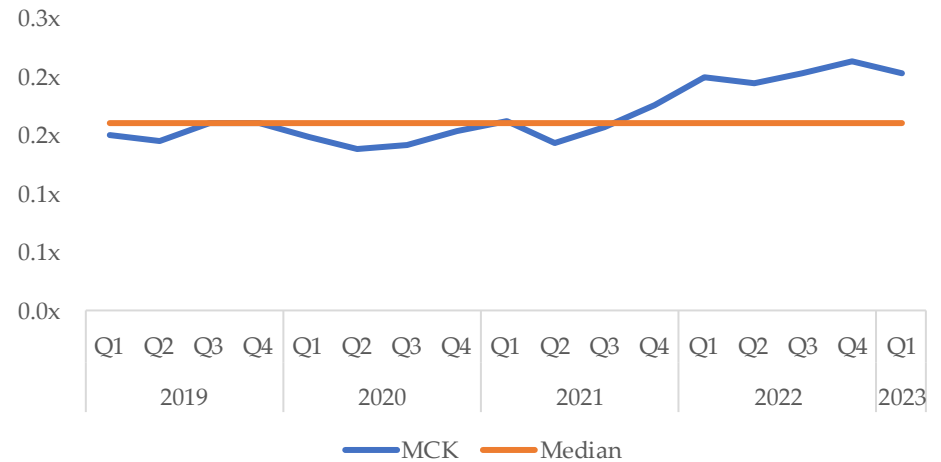
P/E McKesson



EV/EBITDA McKesson



EV/Revenue McKesson



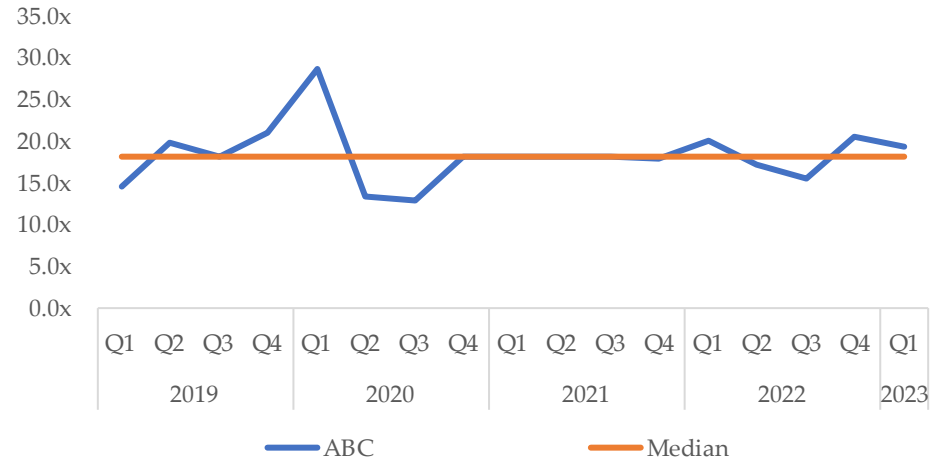
PUBLIC COMP

AmerisourceBergen (NYS: ABC)

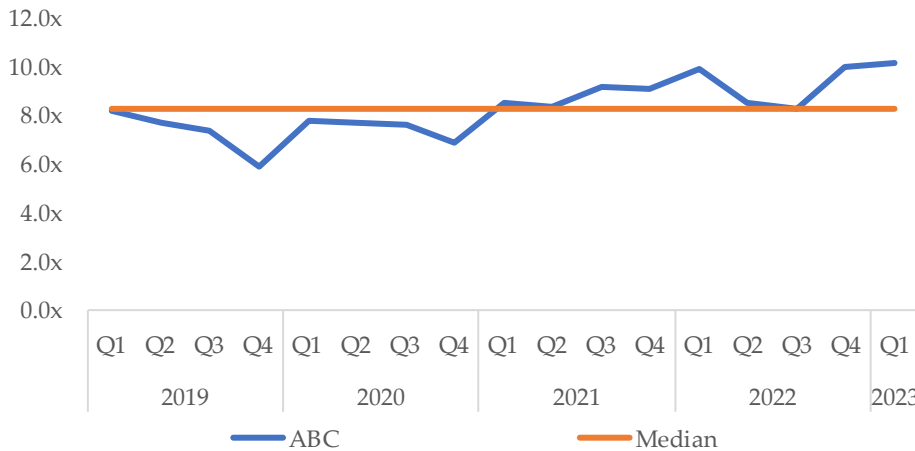
AmerisourceBergen is a leading pharmaceutical wholesaler engaged in the sourcing and distribution of branded, generic, and specialty pharmaceutical products to pharmacies (retail chains, independent, and mail-order), hospital networks, and healthcare providers.



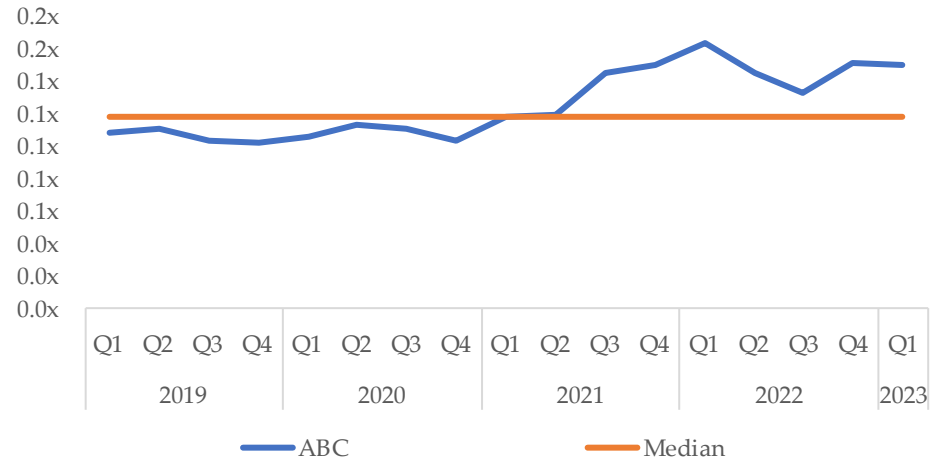
P/E AmerisourceBergen



EV/EBITDA AmerisourceBergen



EV/Revenue AmerisourceBergen



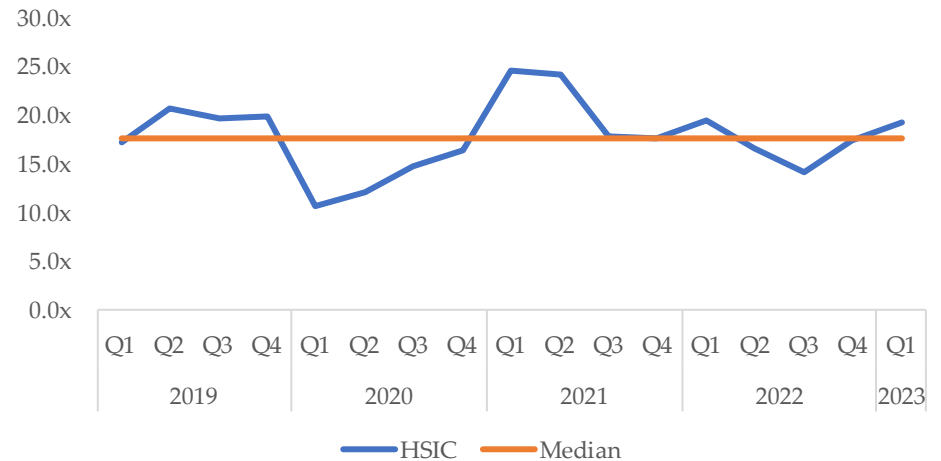
PUBLIC COMP

Henry Schein, Inc. (NAS: HSIC)

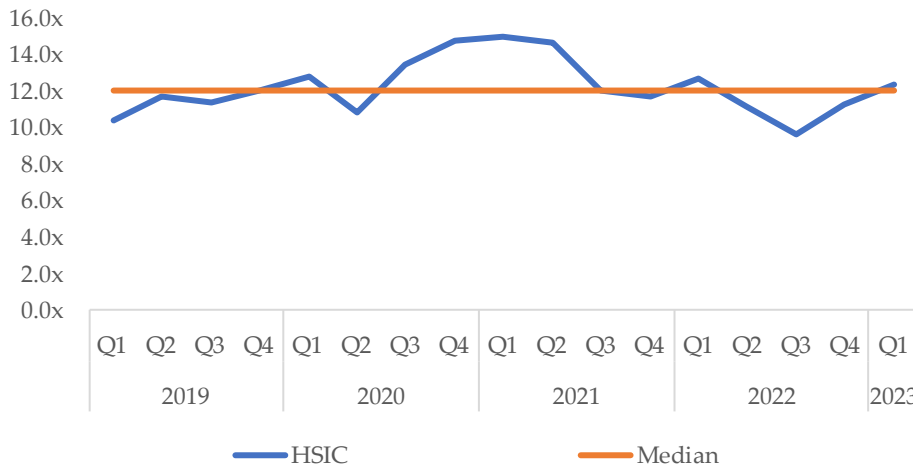
Henry Schein, Inc. is the largest wholesaler of dental and medical products to office-based practitioners. The company has been established for approximately 90 years and operates across nearly 30 distribution centers to offer hundreds of thousands of products to customers globally. Henry Schein also offers practice management products that include software products, technical, financial, and educational services.



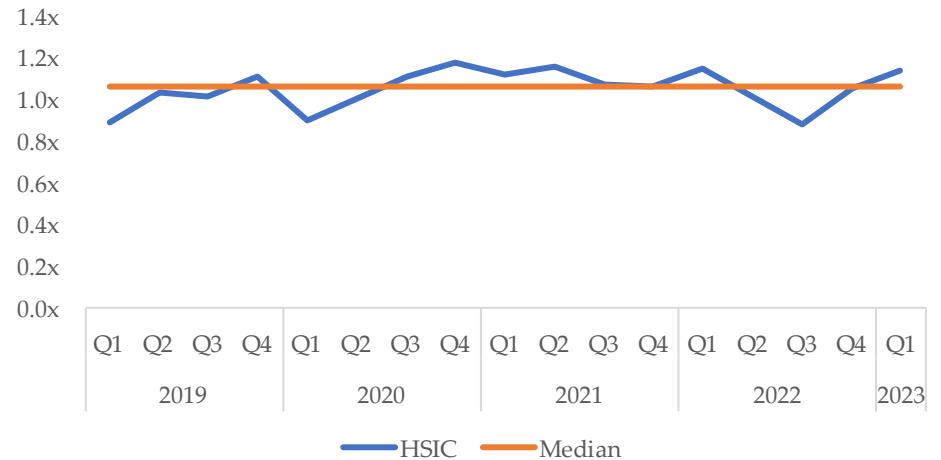
P/E Henry Schein



EV/EBITDA Henry Schein



EV/Revenue Henry Schein



DAVIDSON CAPITAL ADVISORS RECENT HEALTHCARE TRANSACTIONS



Healthcare Technology, Payment Services
www.acryness.com

Client Acryness

Acryness is an information technology company which provides a full range of billing support and payment processing solutions for large and small B2C billers with a core emphasis serving the healthcare community.



Health Care, Health Care Facilities
www.encompashealth.com

Client: Radiotherapy Clinics of Georgia

Radiotherapy Clinics of Georgia LLC operates as a provider of medical services specializing in radiation oncology. The Company provides treatments including surgery, chemotherapy, biologic therapy, and radiation therapy. Radiotherapy Clinics diagnoses and treats conditions such as brain, breast, cervical, endometrial, lung, prostate, and skin cancer. Acquired January 2007 by Physician Oncology Services, L.P.



Retail, Pharmacy and Retail
www.fruthpharmacy.com

Client: Fruth Pharmacy

Fruth Pharmacy operates as pharmacy and retail store. The Company provides medication, health and beauty products, groceries, household items, gifts, balloons, and flowers. Fruth Pharmacy serves customers throughout West Virginia and Ohio.



Health Care, Health Care Facilities
www.ecompasshealth.com

Client: Health South

Health South changed its name to Encompass Health, based in Birmingham, Alabama, is one of the United States' largest providers of post-acute healthcare services, offering both facility-based and home-based post-acute services in 36 states and Puerto Rico through its network of inpatient rehabilitation hospitals, home health agencies, and hospice agencies.



Hospital & Healthcare
www.accessonemedcard.com

Client: Access One

Based in Fort Mill, South Carolina, Access One provides hospitals, health systems and employers with patient financing solutions. They strive to provide an easy user experience and a patient-friendly interface



DAVIDSON CAPITAL ADVISORS PROFESSIONALS

Robert S. Cashion **Managing Director, Investment Banking and Advisory Services**

Prior to joining Davidson Capital Advisors, Mr. Cashion spent over 20 years in the financial services industry. He manages the firm's overall corporate finance and consulting practice where he oversees and executes the firm's investment banking, advisory and capital raising engagements.

Mr. Cashion worked with several financial institutions and consulting firms delivering investment banking, leveraged finance, consulting and restructuring services. He worked with Bank of America Merrill Lynch and its predecessor firms in the High Grade Capital Markets, Corporate Finance and the Special Situations group.

Mr. Cashion has been involved in industry sectors including general industrial, distribution, business services, retail, technology and healthcare. Mr. Cashion holds B.A. Education, B.S. Accounting, and an MBA from the University of North Carolina. He is a Certified Public Accountant and holds FINRA 7, 63 and 79 securities licenses.



980-237-9474 | Direct
robert.cashion@davcapadvisors.com



DAVIDSON CAPITAL ADVISORS PROFESSIONALS

Elizabeth Folger **Managing Director, Institutional Client Coverage**

Prior to joining Davidson Capital Advisors, Ms. Folger spent 16 years in the financial services industry in a variety of functions, most recently with Bank of America Merrill Lynch and its predecessor firms. She manages the sales and auction processes for the firm's sell side M&A and capital raising engagements. Her deep experience in the sales and trading has resulted in excellent execution for our client's projects.

She worked in the Loan Syndication Sales Group, headquartered in Charlotte, with her primary responsibilities for sales and distribution of syndicated loans for middle market and large corporate credits. Also, Ms. Folger worked on the Corporate Bond Trading desk where she managed and traded risk positions of \$50-\$100 million of intermediate term bank and finance paper.

Ms. Folger has been involved in a variety of sectors including general industrial, distribution, business services, retail, technology and healthcare. She holds a Bachelor of Arts from Hollins University.



980-237-9474 | Direct
beth.folger@davcapadvisors.com

DAVIDSON CAPITAL ADVISORS ANALYST TEAM

Maxwell Purdy **Corporate Finance Coverage**

Prior to joining Davidson Capital Advisors in 2021, Mr. Purdy interned with Graycliff Partners, a private equity located in New York, NY. He graduated from University of North Carolina Chapel Hill in 2021 with a BS in Political Science and a minor in Economics and Entrepreneurship.

Maxwell assists in leading the firm's corporate finance client coverage as well as private equity coverage.