



Healthcare Services Industry Report Q4 2022





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Healthcare Services Industry Report

I. Medical Group Practice Management

MEDICAL GROUP PRACTICE MANAGEMENT KEY TAKEAWAYS

- ❑ **Medical Group Practice Management revenues** are expected to increase at an annualized rate of 3.4% from 2022 to 2027. Demand for healthcare services is projected to remain strong, driven by the aging baby boomer population and the rising prevalence of chronic conditions. In addition, healthcare reform is anticipated increase the number of insured patients, thereby boosting demand.
- ❑ **External Drivers**
 - **Federal funding for Medicare and Medicaid:** Medicare and Medicaid reimbursement accounts for a significant share of industry revenue. Therefore, as funding for and access to Medicare and Medicaid increases, demand for industry services also increases. In 2022, federal funding for Medicare and Medicaid is expected to increase, representing a potential opportunity for the industry.
 - **Number of adults aged 65 and older:** Adults aged 65 and older account for the second-largest market for industry services. As people age, they are more likely to develop age-related health conditions and accumulate higher healthcare costs. Over the five years to 2027, the number of adults aged 65 and older is anticipated to increase at an annualized rate of 2.8% to reach 67.6 m individuals.
 - **Number of people with private health insurance:** Primary care and specialist doctor visits represent the main expense covered by private health insurance. As more people gain coverage, healthcare services become more affordable and demand for industry services rises. In addition, healthcare reform has brought in an influx of newly insured individuals. The number of privately insured individuals is expected to increase in 2022, but the total is expected to fall below pre-pandemic totals, posing a threat to industry operators.
 - **Per capita disposable income:** The economic indicators that drive disposable income levels are expected to steadily strengthen from 2022 – 2027, following the expected correction in 2022. Continued increases in employment and overall economic growth will support a proportionate rise in per capita income as a result. However, mounting inflation stands to pressure consumer spending. Overall, per capita disposable income is anticipated to increase at an annualized rate of 1.7% to 2027.
- ❑ **Industry Outlook**
 - **Continued Growth:** Over the coming years, healthcare reform, aging demographics and medical personnel shortages will likely continue to shape the Medical Group Practice Management industry.
 - **Emerging Trends:** Structural changes borne from the COVID-19 (coronavirus) pandemic, such as telehealth consultation, are expected to continue driving innovation in terms of patient-doctor interaction

INDUSTRY AT A GLANCE

Key Statistics



\$367.9bn Revenue

- Annual Growth 2016 – 2021 1.8%
- Annual Growth 2022 – 2027 3.4%



\$48.2bn Profit

- Annual Growth 2016 – 2021 0.5%



13.1% Profit Margin

- Annual Growth 2016 – 2021 -0.9pp



119k Businesses

- Annual Growth 2016 – 2021 0.2%
- Annual Growth 2022 – 2027 2.2%



2m Employees

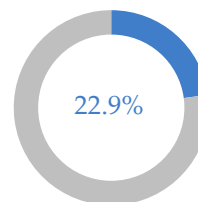
- Annual Growth 2016 – 2021 1.7%
- Annual Growth 2022 – 2027 3.0%



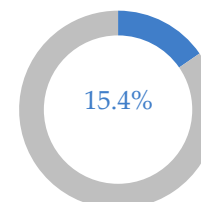
\$180.8bn Wages

- Annual Growth 2016 – 2021 2.2%
- Annual Growth 2022 – 2027 3.1%

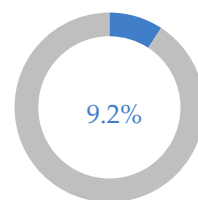
Industry Segments



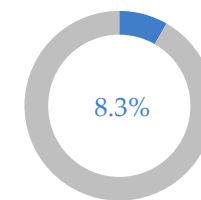
Family Practice Services



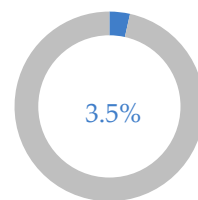
Pediatric Services



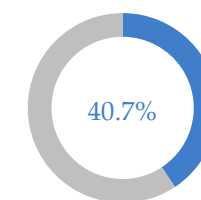
Internal Medicine Services



Obstetrics and Gynecology services

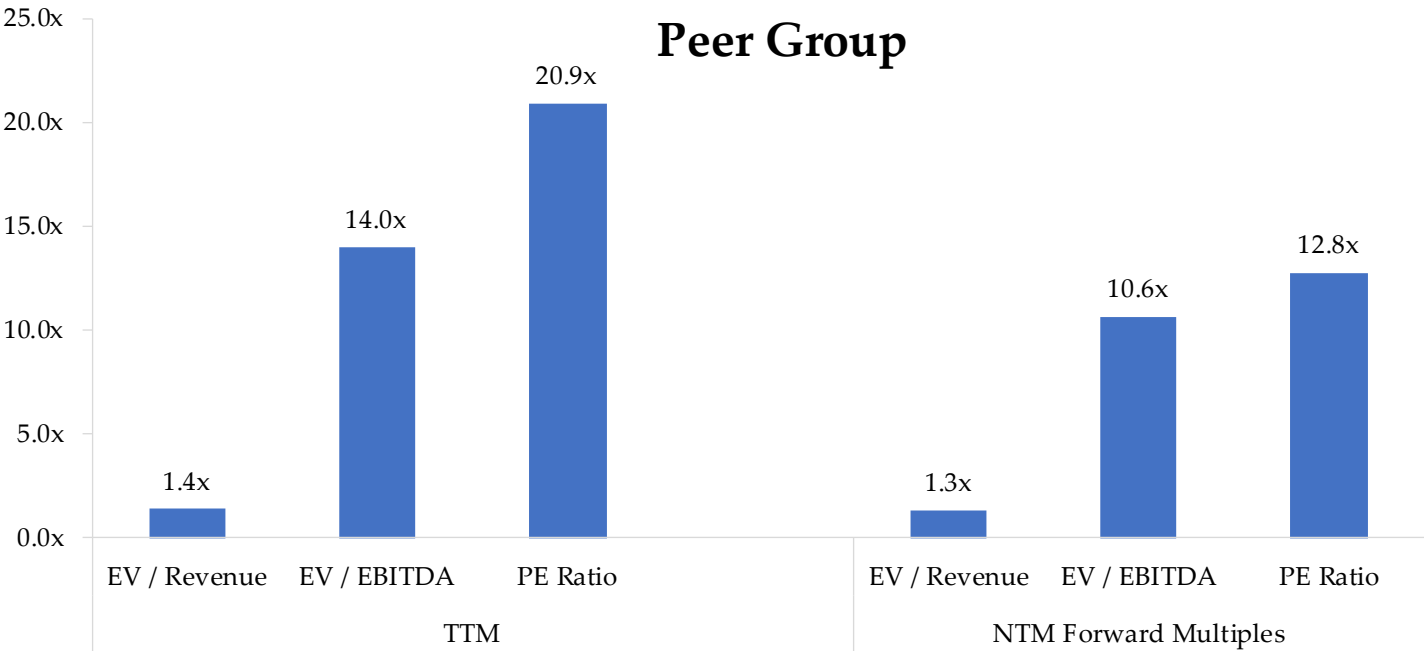


Surgery Services



Other Services

PUBLIC COMPARABLES

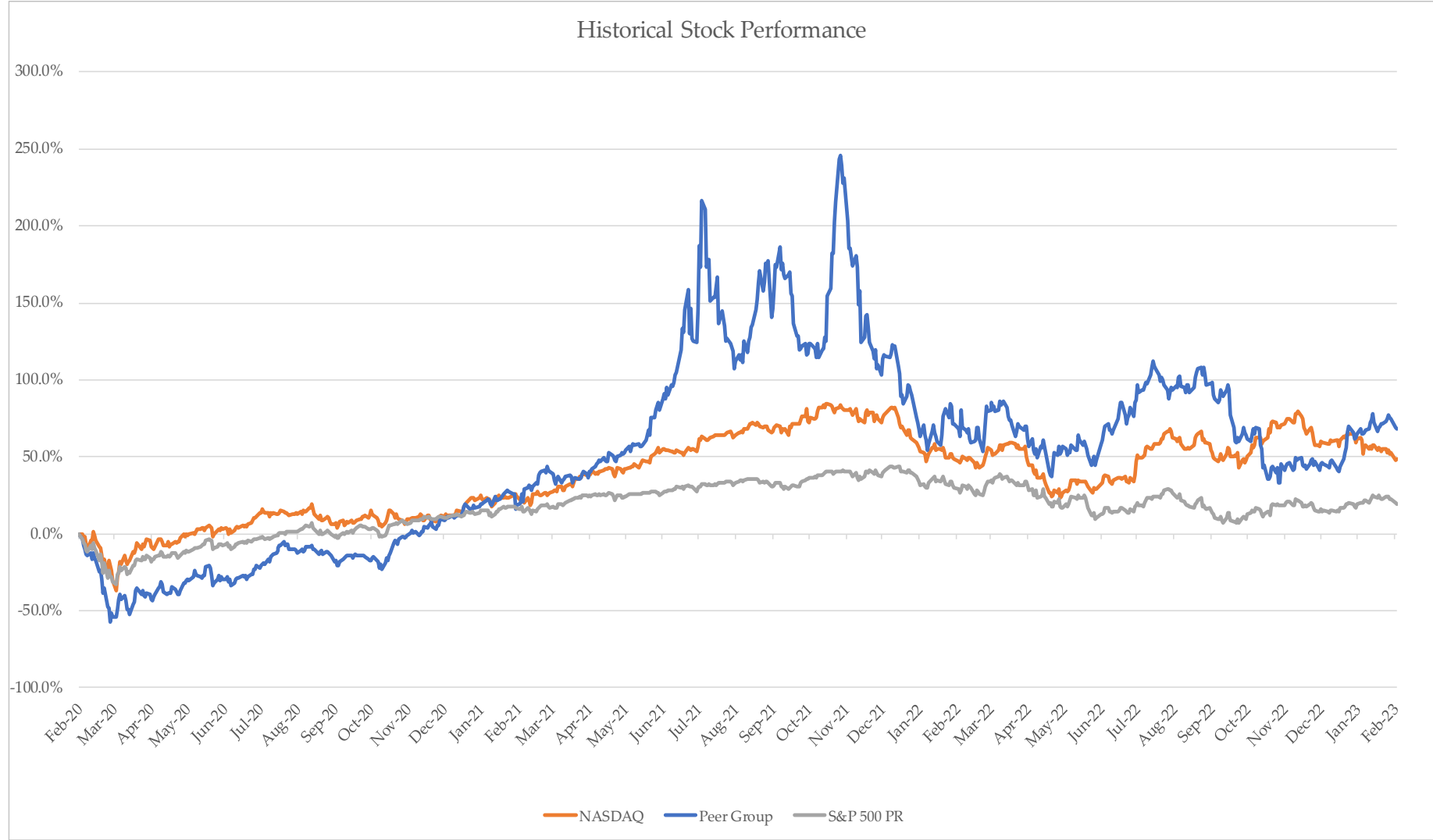


PUBLIC COMPARABLES

\$ in Millions	Mednax	Apollo Medical Holdings	Select Medical Holdings	Evolut Health	
Ticker	MD	AMEH	SEM	EVH	
Total Revenue	1,972	1,039	6,312	1,218	
Gross Profit	467	175	718	317	
EBIT	121	59	427	(35)	
Net Income	66	65	181	(13)	
EBITDA (Normalized)	241	172	636	98	
Total Debt	717	223	5,029	477	
EV	1,923	1,562	8,935	3,572	
Employees	2,725	1,133	50,500	3,500	
Ratio Analysis					Median
Revenue/Employee	\$704,293	\$916,784	\$124,988	\$347,983	\$526,138
EV/Revenue	0.98x	1.50x	1.42x	2.93x	1.46x
Debt/EBITDA	5.54x	2.72x	7.69x	12.61x	6.61x
EV/EBITDA (Normalized)	7.98x	10.00x	14.04x	36.32x	12.02x
Market Cap/EBITDA	8.36x	19.63x	5.93x	116.93x	13.99x
Market Cap (mm)	1,309	1,513	3,751	3,252	
Close Price	15.77	33.22	29.54	32.00	
52 Week Low	14.40	26.89	18.86	21.83	
52 Week High	24.67	59.24	30.63	39.78	
Gross Margin	23.7%	16.9%	11.4%	26.1%	20.3%
EBIT	6.1%	5.7%	6.8%	-2.8%	5.9%
EBITDA	7.9%	7.4%	10.0%	2.3%	7.7%
Acct. Receivable Days	56	42	53	47	50
Inventory Days	NM	NM	NM	NM	NM
Acct. Payable Days	21	15	16	29	19
Revenue Growth	3.2%	38.5%	3.4%	34.4%	18.9%

MEDICAL GROUP PRACTICE MANAGEMENT INDEX Vs. S&P 500

Historical Stock Performance



DCA Medical Group Practice Index: MTBC, MD, EVH, AMEH, SEM

RECENT TRANSACTIONS

Deal Date	Target Companies	Investors	Deal Size (\$MM)	HQ Location
23-Dec-2022	Calyx	CapVest Partners	NM	Nottingham, United Kingdom
22-Dec-2022	InterMed Group	Cressey & Company, Health Enterprise Partners	NM	Alachua, FL
09-Nov-2022	UHB Consulting	Main Capital Partners	NM	Sankt Wolfgang, Germany
04-Nov-2022	Rees Scientific	AEA Investors	NM	Trenton, NJ
27-Oct-2022	Enquire Solutions	Rubicon Technology Partners	NM	Greenwood Village, CO
21-Oct-2022	Almerys	EMZ Partners	100.00	Clermont Ferrand, France
06-Oct-2022	American Oncology Network	Digital Transformation Opportunities	NM	Fort Myers, FL
03-Oct-2022	Change Healthcare	Optum	13,000.00	Nashville, TN

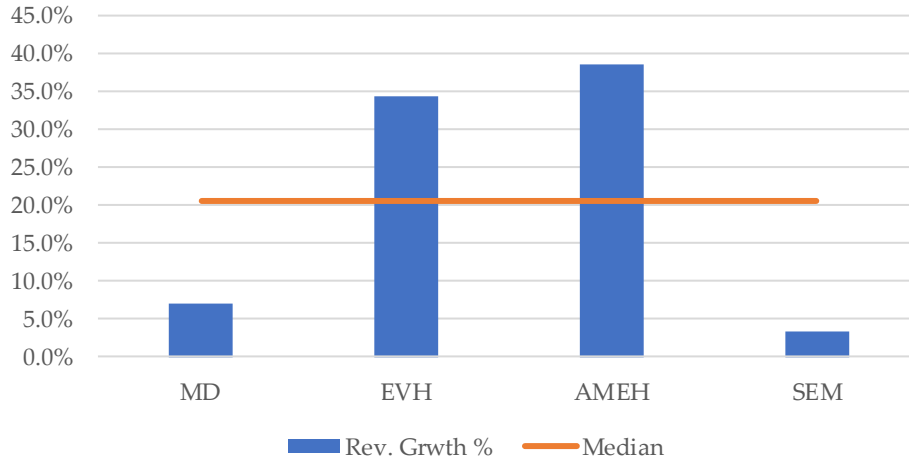
VALUATION TRENDS

(\$MM)		Fundamentals									
Ticker	Company	TIM							NTM Estimates		
		Close Price	Market Cap	Enterprise Value	Total Revenue	EBITDA	EBITDA (Normalized)	Basic EPS	Total Revenue	EBITDA	Normalized EPS
MD	Mednax	15.37	1,277	1,991	1,957	188	255.59	1.00	2,041	239	1.55
EVH	Evolent Health	31.43	3,194	3,514	1,218	28	98.35	(0.15)	1,670	155	0.63
AMEH	Apollo Medical Holdings	35.76	1,629	1,677	1,039	77	172.39	1.46	1,230	142	1.07
SEM	Select Medical Holdings	28.85	3,663	8,847	6,312	633	636.37	1.38	6,658	831	2.26

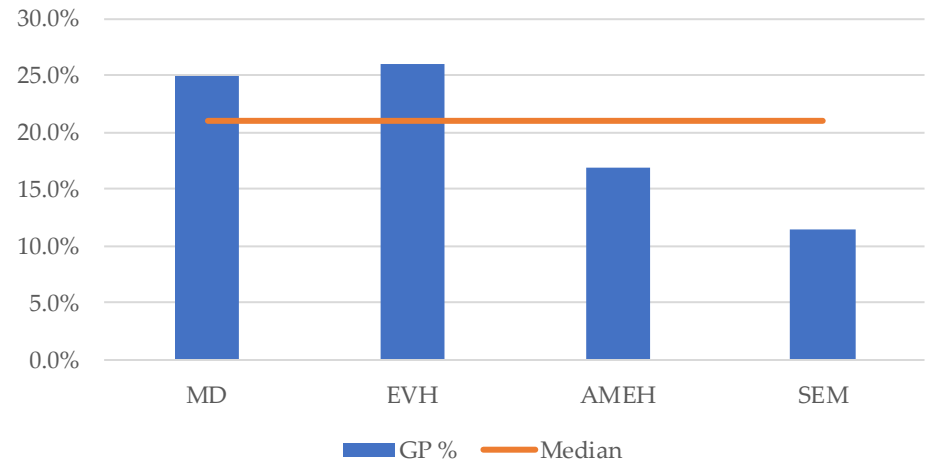
		Multiples					
Ticker	Company	TIM			NTM Forward Multiples		
		EV / Revenue	EV / EBITDA	PE Ratio	EV / Revenue	EV / EBITDA	PE Ratio
MD	Mednax	1.02x	10.60x	16.71	0.98x	8.34x	9.92
EVH	Evolent Health	2.89x	126.37x		2.10x	22.71x	49.89
AMEH	Apollo Medical Holdings	1.61x	21.76x	25.18	1.36x	11.83x	33.58
SEM	Select Medical Holdings	1.40x	13.99x	20.91	1.33x	10.64x	12.79

OPERATING METRICS

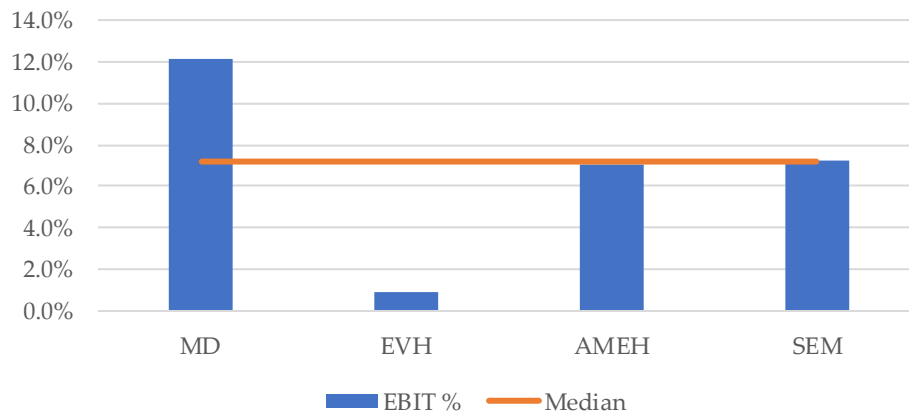
Revenue Growth



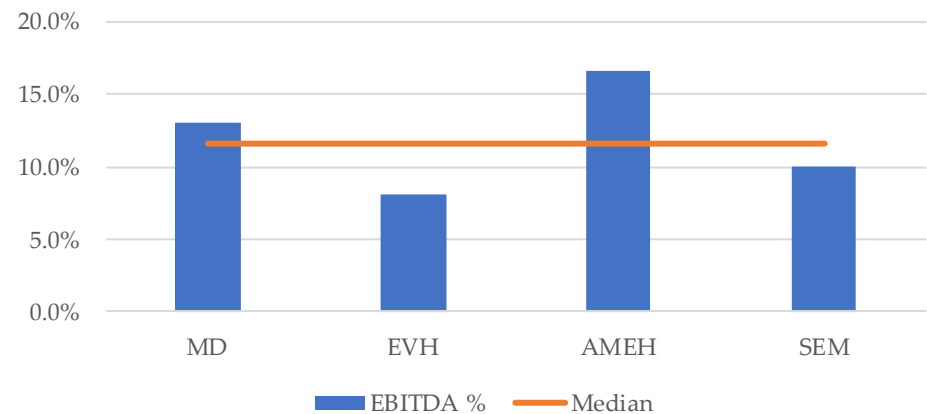
Gross Profit Margin



EBIT Margin Normalized

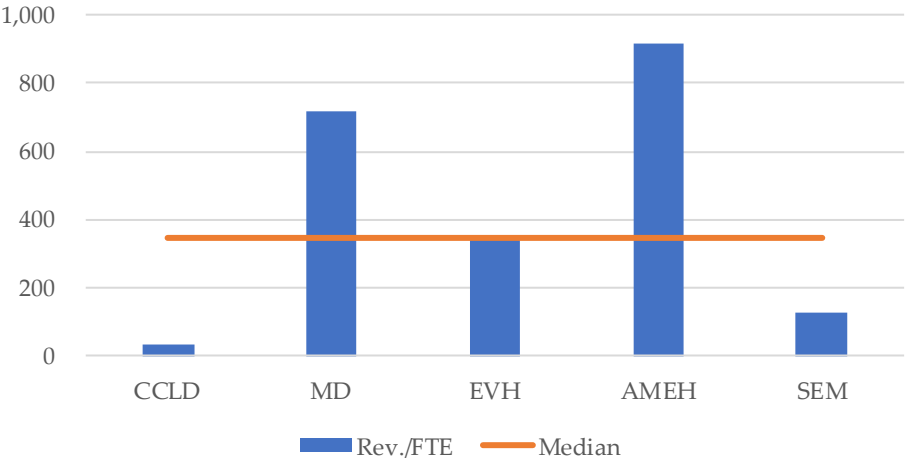


EBITDA Margin Normalized

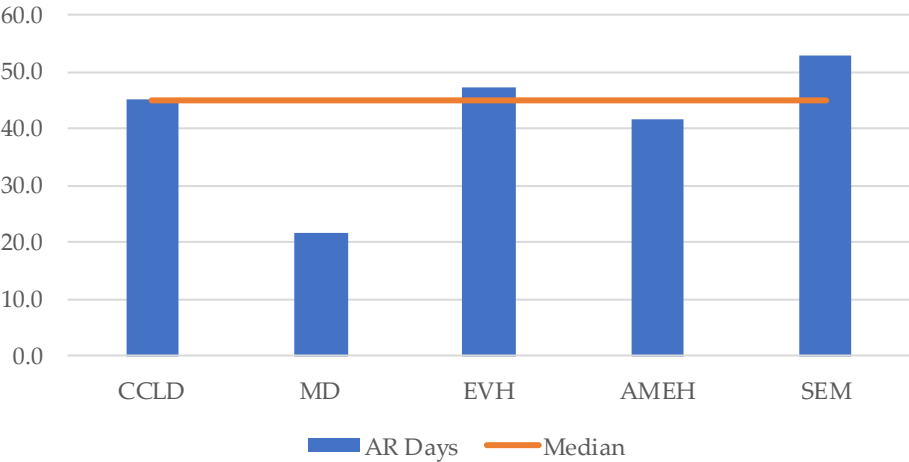


RATIO ANALYSIS

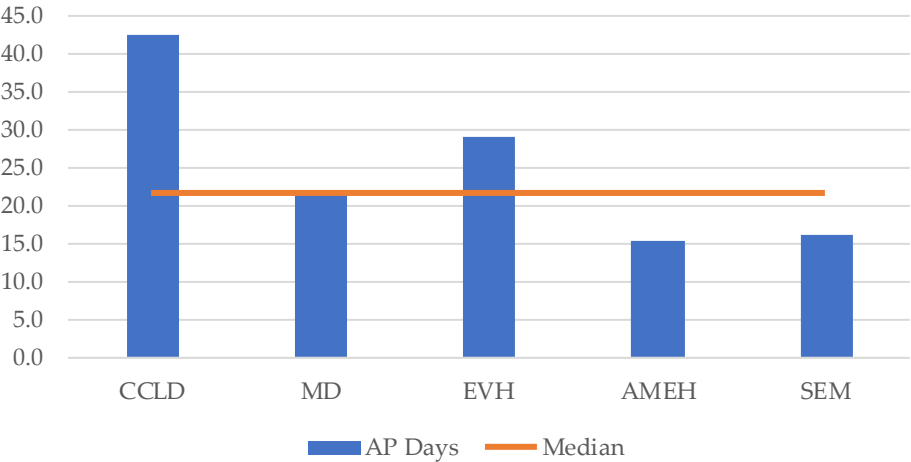
Revenue per Employee



AR Days



AP Days



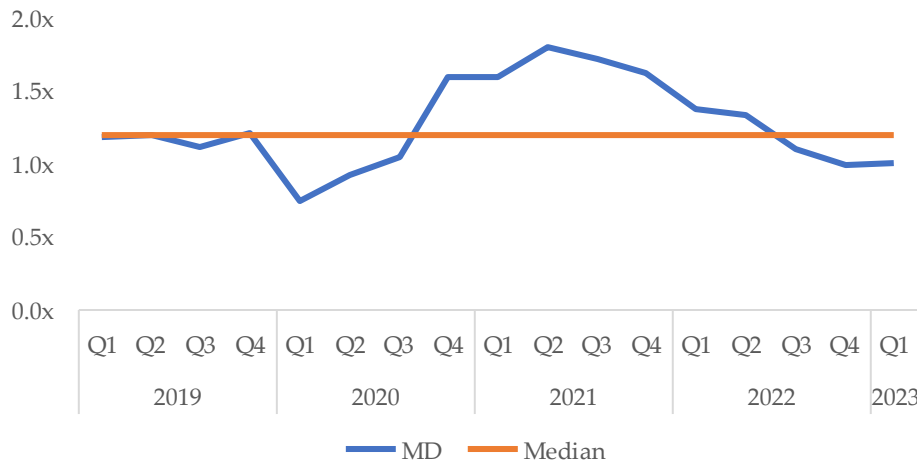
PUBLIC COMP

Mednax Inc (NYS: MD)

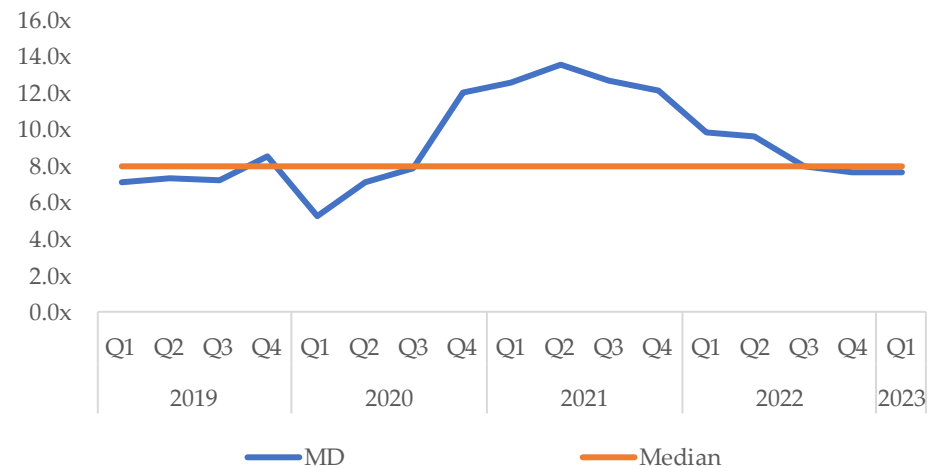
Mednax Inc provides physician services to hospitals, intensive care units, and other medical units. The services provided by the company include maternal care for expectant mothers, intensive care for premature babies, cardiology care for infants suffering from heart defects, and anesthesia care during surgeries, among others. The company operates only under one segment, which is physician services.



EV/Revenue Mednax



EV/EBITDA Mednax



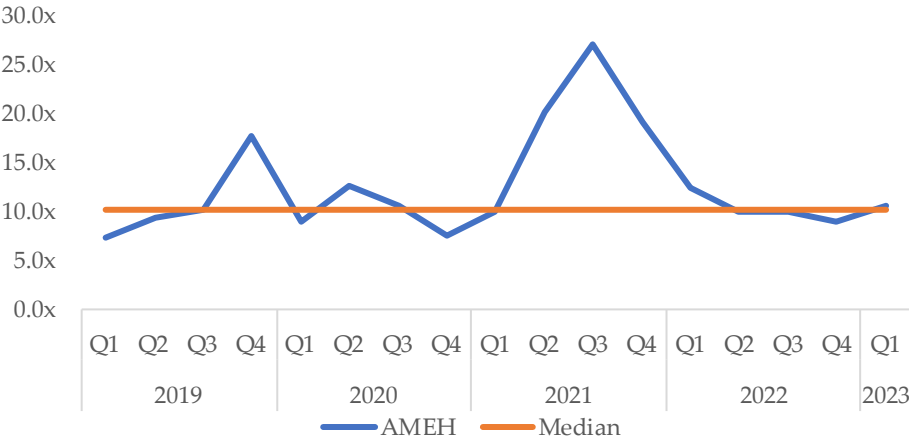
PUBLIC COMP

Apollo Medical Holdings Inc (NAS: AMEH)

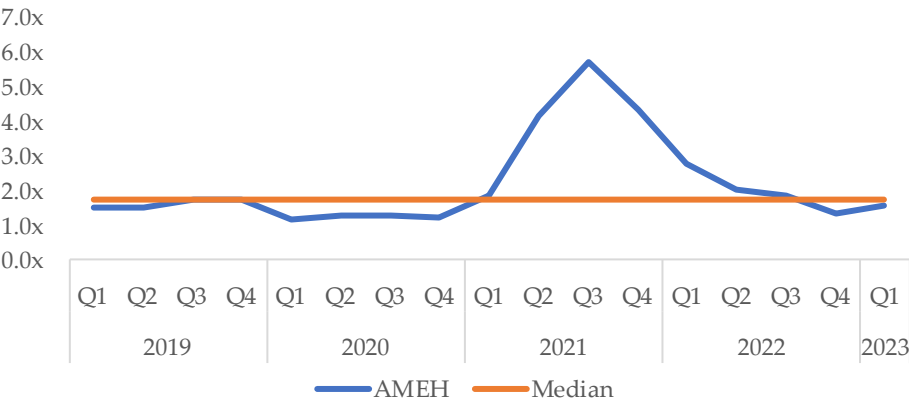
Apollo Medical Holdings Inc. is a patient-centered, physician-centric integrated population health management company. The company is working to provide coordinated, outcomes-based medical care in a cost-effective manner. It is focused on physicians providing high-quality medical care, population health management and care coordinated for patients.



EV/EBITDA Apollo Medical Holdings



EV/Revenue Apollo Medical Holdings



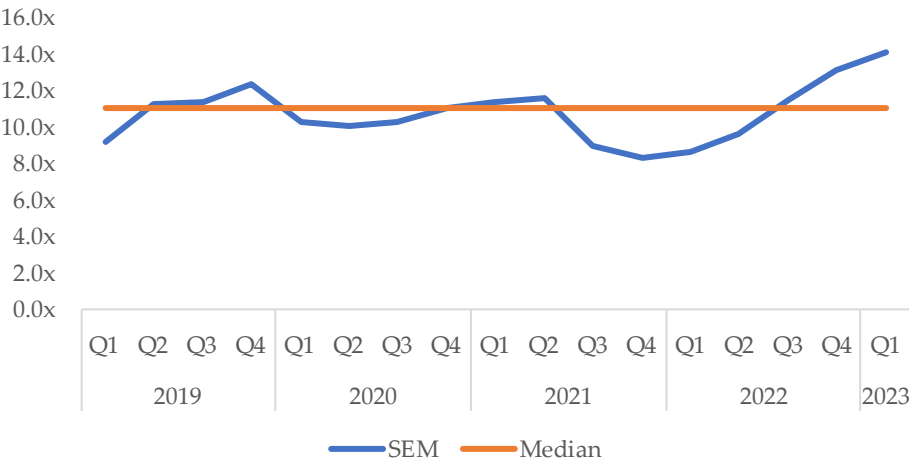
PUBLIC COMP

Select Medical Holdings (NYS: SEM)

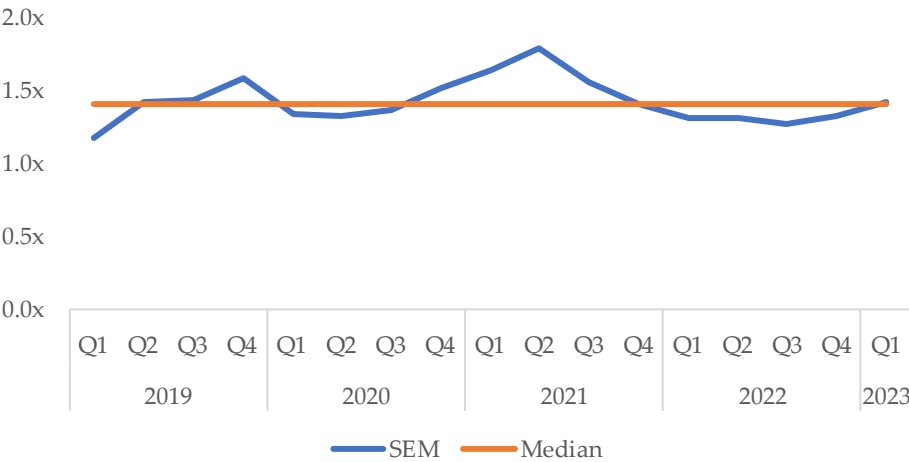
Select Medical Holdings is a healthcare company that operates through four main segments: critical illness recovery hospitals, rehabilitation hospitals, outpatient rehabilitation clinics, and Concentra institutions. The company is headquartered in Pennsylvania, and it operates across the United States.



EV/EBITDA Select Medical Holdings



EV/Revenue Select Medical Holdings



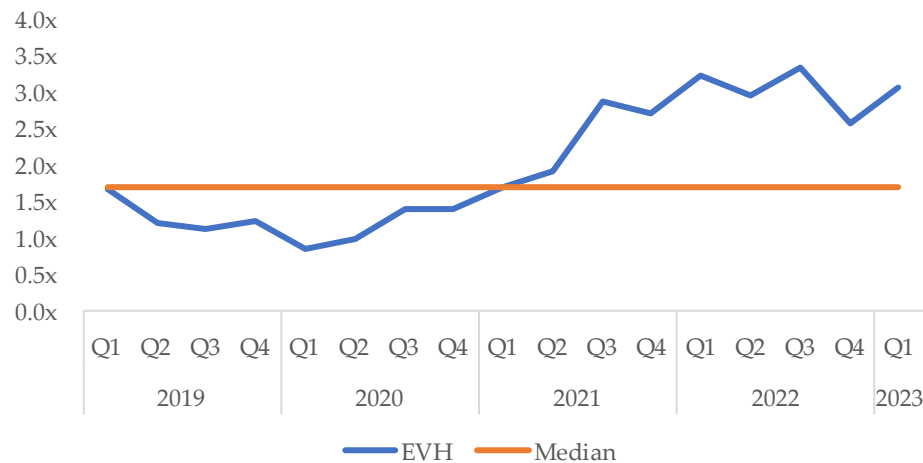
PUBLIC COMP

Evolut Health Inc (NYS: EVH)

Evolut Health Inc is engaged in healthcare delivery and payment. The company supports health systems and physician organizations in their migration toward value-based care and population health management. The company's reportable segments are a Service Segment - specialty care management services, value-based care services, comprehensive health plan administration services – and a True Health Segment, which consists of a commercial health plan focusing on small and large businesses.



EV/Revenue Evolut Health





Healthcare Services Industry Report

II. Home Health & Hospice

HOME HEALTH & HOSPICE INDUSTRY KEY TAKEAWAYS

- ❑ **Home Health & Hospice industry revenue** is expected to increase at an annualized rate of 5.1% to \$140.8 billion from 2022 to 2027. The industry is expected to evolve, including more chronic disease-management services, and thus, consolidation will likely benefit the industry to influence policy change and benefit from larger-scale operations.
- ❑ **External Drivers**
 - **Federal funding for Medicare and Medicaid:** Medicare and Medicaid reimbursement accounts for a significant share of industry revenue. Therefore, as funding for and access to Medicare and Medicaid increases, demand for industry services also increases. In 2022, federal funding for Medicare and Medicaid is expected to increase, representing a potential opportunity for the industry.
 - **Number of adults aged 65 and older:** The need for caregiving increases with age. It is estimated that nearly three out of four Americans turning 65 will require some form of long-term service and support in their lives. The number of adults aged 65 and older is expected to increase in 2022, representing a potential opportunity for the industry.
 - **Cost Savings:** Studies have shown significant cost savings generated by using personal care. Home health is almost 1/3 the cost of a stay at a skilled nursing facility (SNF), while hospice can reduce Medicare spending by 20 – 30% when used in the last year of life. This has led more people to use home health & hospice services.
 - **Demand shift from institutional settings to home:** There has been a shift of preference among senior patients to remain home as opposed to institutional settings. The ongoing shift towards home health was accelerated by the COVID-19 pandemic given the high mortality in nursing homes.
 - **Per capita disposable income:** The economic indicators that drive disposable income levels are expected to steadily strengthen from 2022 – 2027, following the expected correction in 2022. Continued increases in employment and overall economic growth will support a proportionate rise in per capita income as a result. However, mounting inflation stands to pressure consumer spending. Overall, per capita disposable income is anticipated to increase at an annualized rate of 1.7% to 2027.
- ❑ **Industry Outlook**
 - **Continued Growth:** Strong and steady revenue growth is expected for the Home Care Providers industry from 2022 to 2027 as the COVID-19 (coronavirus) pandemic subsides and an aging population feels more comfortable utilizing industry services.
 - **Emerging Trends:** The industry is expected to benefit from increasing interest in home healthcare and expanded access to Medicare and Medicaid under the Patient Protection and Affordable Care Act (PPACA) under federal government. The aging population will likely continue to foster revenue growth because this demographic not only requires more healthcare services compared with other age groups, but it also increasingly prefers home care. Payers are expected to progressively shift to home care because it is more affordable than inpatient hospital and nursing home care.

INDUSTRY AT A GLANCE

Key Statistics



\$120.0bn Revenue

- Annual Growth 2017 – 2022 3.1%
- Annual Growth 2022 – 2027 6.0%



\$9.0bn Profit

- Annual Growth 2017 – 2022 7.0%



7.5% Profit Margin

- Annual Growth 2017 – 2022 -1.4pp
- Annual Growth 2022 – 2027 3.5%



451k Businesses

- Annual Growth 2017 – 2022 4.8%
- Annual Growth 2022 – 2027 5.6%



2m Employees

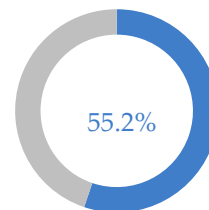
- Annual Growth 2017 – 2022 3.0%
- Annual Growth 2022 – 2027 5.5%



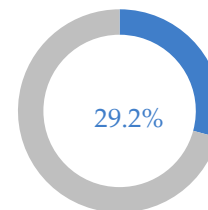
\$61.9bn Wages

- Annual Growth 2017 – 2022 4.5%
- Annual Growth 2022 – 2027 6.2%

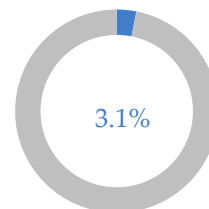
Industry Segments



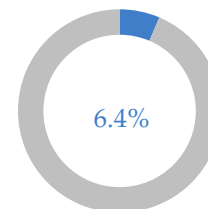
Traditional home healthcare



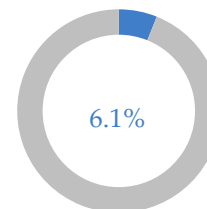
Home Hospice



Home therapy services

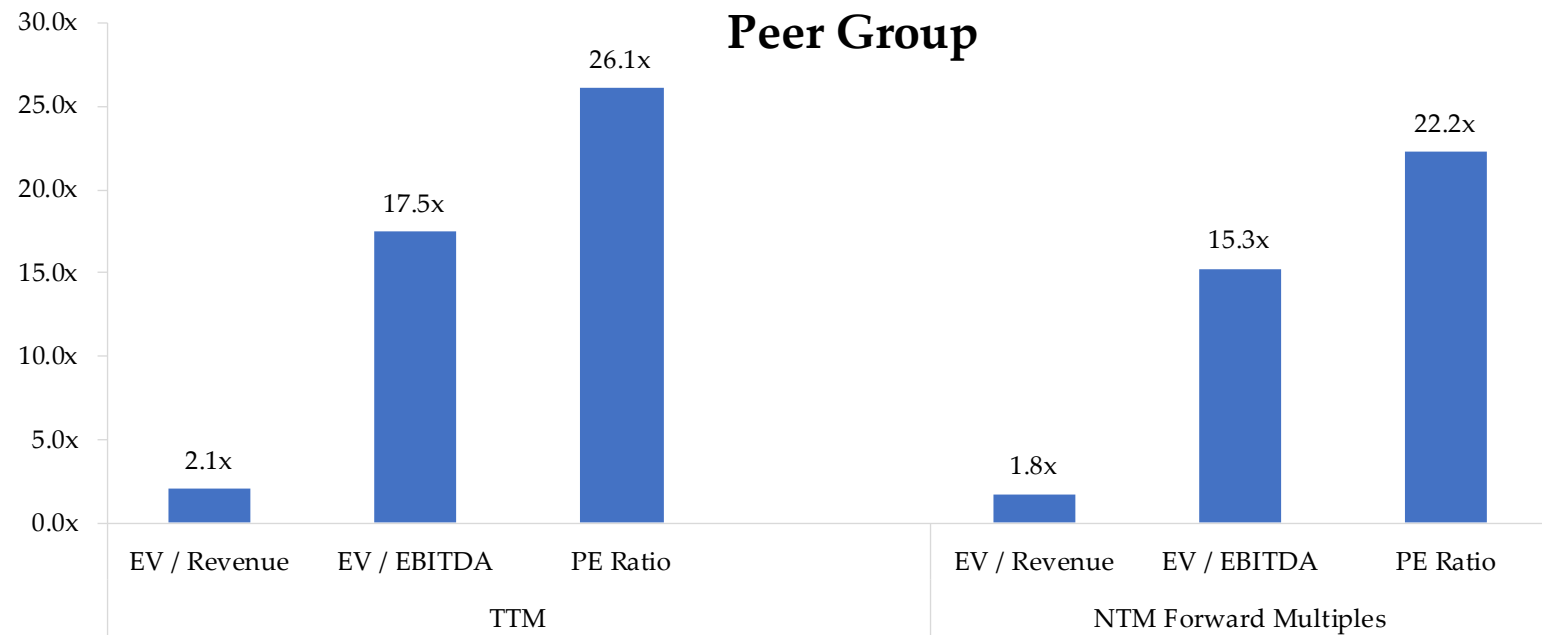


Homemaker and personal services



Other

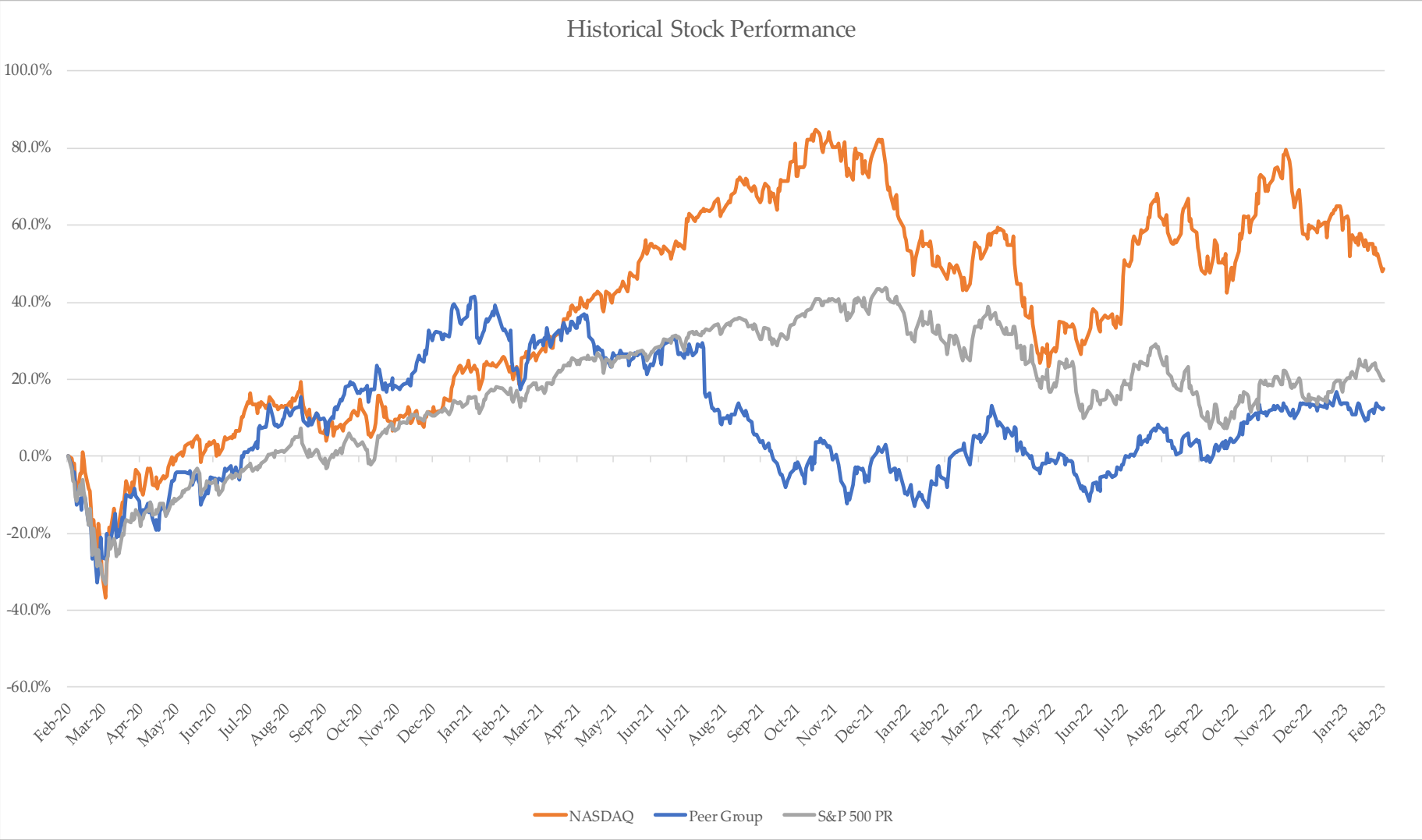
PUBLIC COMPARABLES



PUBLIC COMPARABLES

\$ in Millions	Amedisys	LHC Group	The Ensign Group	Addus HomeCare	Encompass Health	
Ticker	AMED	LHCG	ENSG	ADUS	EHC	
Total Revenue	2,223	2,308	3,025	929	5,361	
Gross Profit	963	891	518	294	5,139	
EBIT	182	128	298	67	745	
Net Income	119	63	225	44	273	
EBITDA (Normalized)	262	229	384	100	787	
Total Debt	538	850	1,574	212	2,951	
EV	3,588	6,211	6,296	1,803	9,635	
Employees	21,000	30,000	25,900	31,915	43,400	
Ratio Analysis						Median
Revenue/Employee	\$111,160	\$76,934	\$101,186	\$29,100	\$123,514	\$101,186
EV/Revenue	1.61x	2.69x	2.08x	1.94x	2.22x	2.08x
Debt/EBITDA	2.63x	4.02x	3.98x	3.16x	3.33x	3.33x
EV/EBITDA (Normalized)	13.69x	27.08x	16.41x	18.04x	11.76x	16.41x
Market Cap/EBITDA	14.52x	27.45x	14.02x	20.76x	7.03x	14.52x
Market Cap (mm)	3,035	5,270	5,052	1,697	6,113	
Close Price	93.25	169.81	90.65	105.36	61.26	
52 Week Low	79.30	115.32	70.29	68.57	42.16	
52 Week High	179.91	169.84	99.52	112.89	64.90	
Gross Margin	43.3%	38.6%	17.1%	31.6%	95.9%	38.6%
EBIT	8.2%	5.5%	9.9%	7.2%	13.9%	8.2%
EBITDA	9.4%	8.3%	11.9%	8.8%	19.0%	9.4%
Acct. Receivable Days	48	55	43	52	43	48
Inventory Days	NM	NM	NM	NM	NM	NM
Acct. Payable Days	13	51	17	13	248	17
Revenue Growth	0.4%	6.4%	15.1%	11.1%	28.0%	11.1%

HOME HEALTH & HOSPICE INDEX VS. S&P 500



DCA Home Health & Hospice Index: ENSG, EHC, AMED, ADUS, LHC

RECENT TRANSACTIONS

Deal Date	Target Companies	Investors	Deal Size (\$MM)	HQ Location
22-Dec-2022	Mapad	Sagesse Retraite Santé	NM	Courbevoie, France
15-Dec-2022	Apothecare	Waterfall Capital Investments	NM	Brockton, MA
24-Nov-2022	Next Steps	Tristone Capital	NM	Manchester, United Kingdom
14-Nov-2022	Mref Iv Care Holdings Limited	Moorfield Group	NM	London, United Kingdom
14-Oct-2022	On Angel's Wings	Webster Equity Partners	NM	Phoenix, AZ
07-Oct-2022	Social Inclu	Polaris Capital Group	NM	Tokyo, Japan

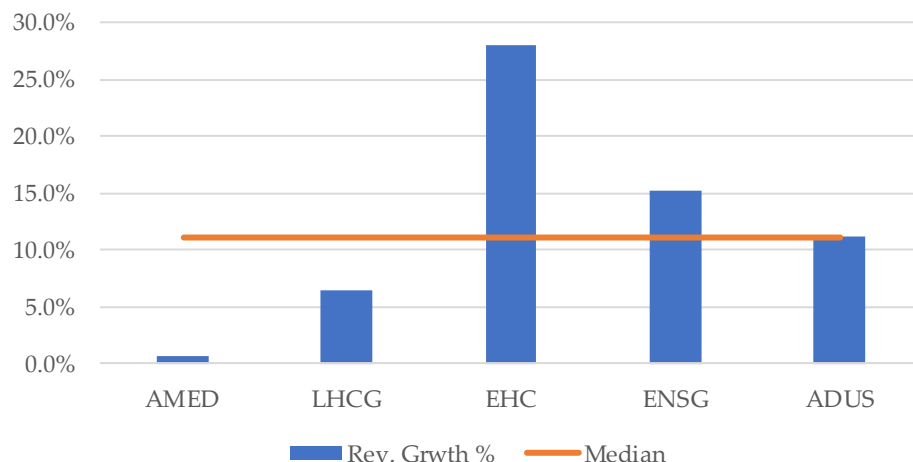
VALUATION TRENDS

(\$MM)		Fundamentals								
Ticker	Company	TIM						NTM Estimates		
		Close Price	Market Cap	Enterprise Value	Total Revenue	EBITDA	Basic EPS	Total Revenue	EBITDA	Normalized EPS
AMED	Amedisys	94.68	3,035	3,588	2,223	209	3.65	2,259	235	4.26
LHCG	LHC Group	169.81	5,270	6,211	2,308	192	2.05	2,440	260	4.92
ENSG	The Ensign Group	90.48	5,052	6,296	3,025	360	4.09	3,577	432	4.68
EHC	Encompass Health	61.48	6,113	9,635	5,361	1,019	2.74	4,720	885	3.07
ADUS	Addus HomeCare	107.82	1,697	1,803	929	82	2.80	1,022	111	4.02

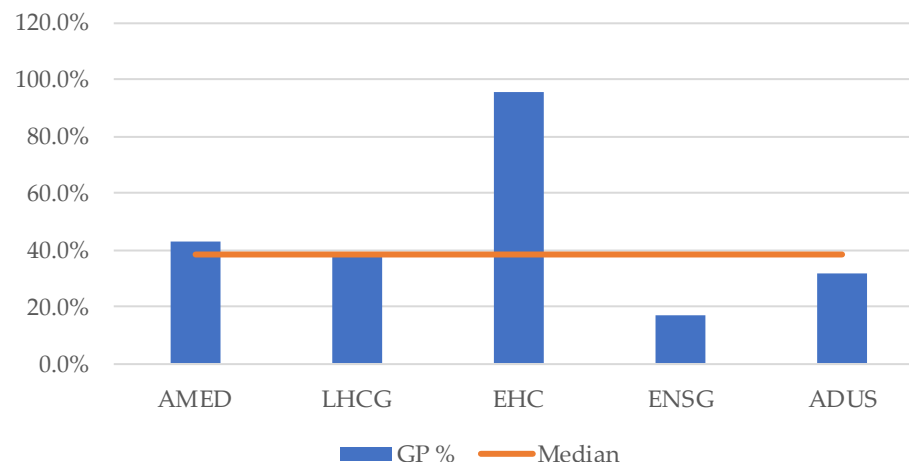
		Multiples					
Ticker	Company	TIM			NTM Forward Multiples		
		EV / Revenue	EV / EBITDA	PE Ratio	EV / Revenue	EV / EBITDA	PE Ratio
AMED	Amedisys	1.61x	17.16x	26.08	1.59x	15.28x	22.24
LHCG	LHC Group	2.69x	32.35x	82.83	2.55x	23.86x	34.49
ENSG	The Ensign Group	2.08x	17.47x	22.91	1.76x	14.58x	19.33
EHC	Encompass Health	2.22x	11.07x	24.02	2.04x	10.89x	20.03
ADUS	Addus HomeCare	1.94x	22.06x	39.21	1.76x	16.22x	26.82

OPERATING METRICS

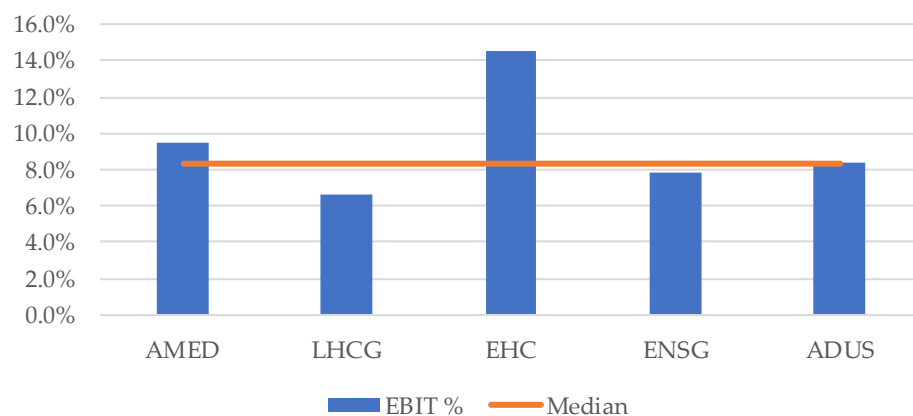
Revenue Growth



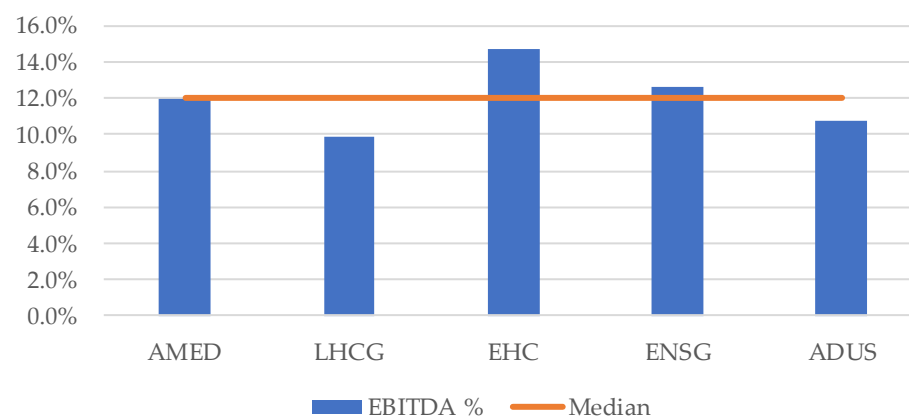
Gross Profit Margin



EBIT Margin Normalized

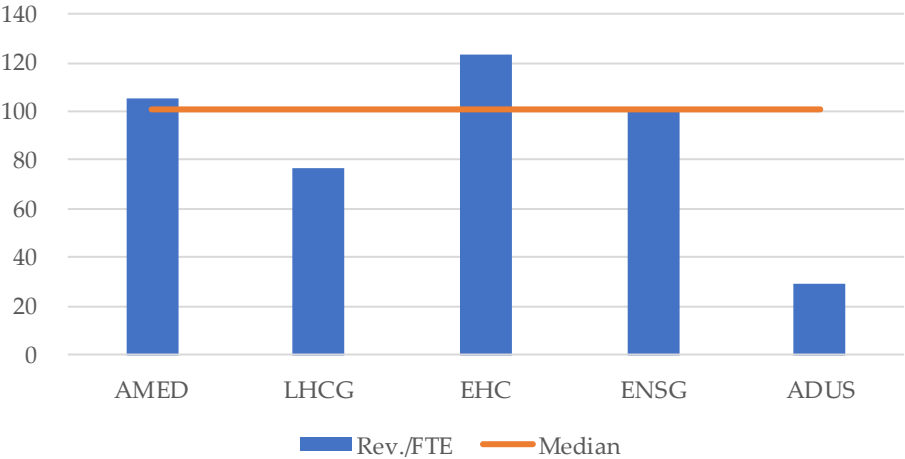


EBITDA Margin Normalized

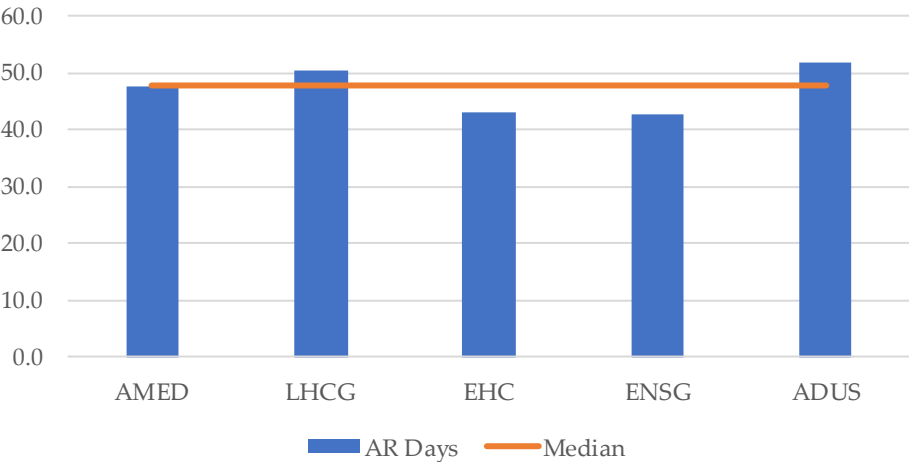


RATIO ANALYSIS

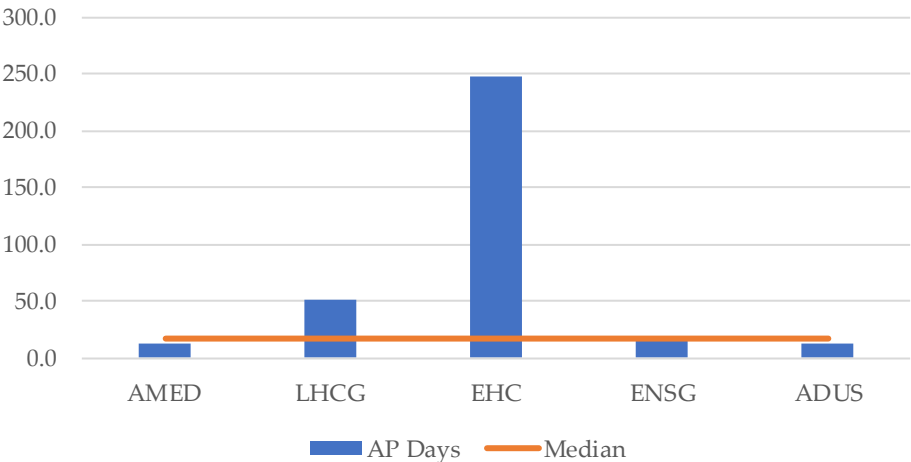
Revenue per Employee



AR Days



AP Days



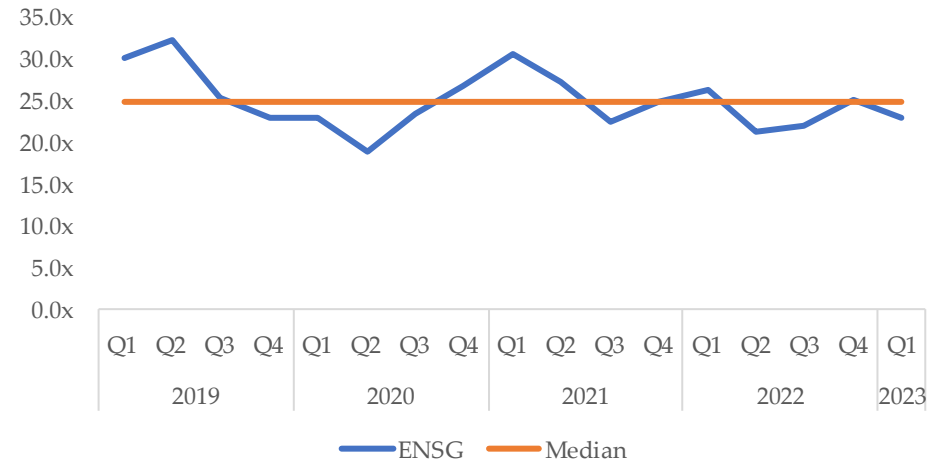
PUBLIC COMP

The Ensign Group Inc. (NAS: ENSG)

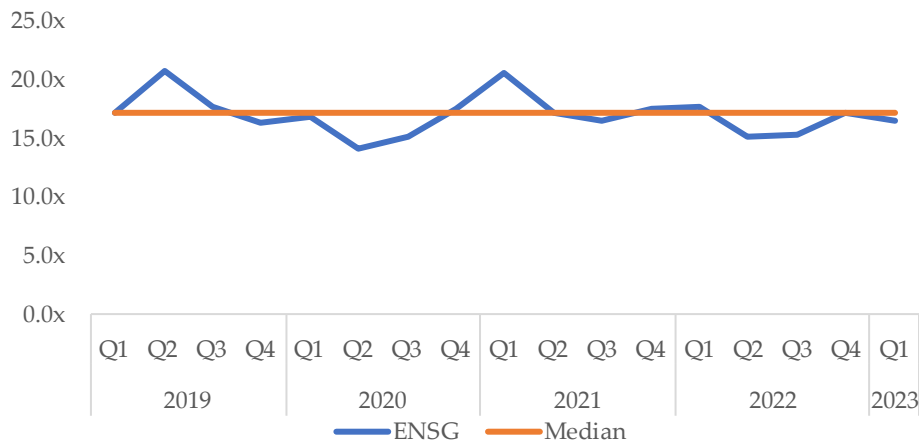
The Ensign Group Inc. provides post-acute healthcare services in the United States. The firm operates through two segments, services and real estate. The services segment includes skilled nursing operations and assisted and independent living operations, and the real estate segment is composed of properties owned by Ensign and leased to nursing and senior living operations.



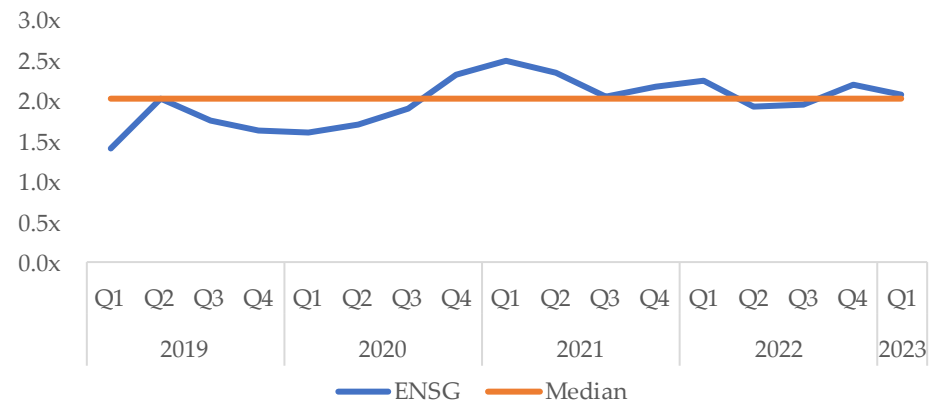
P/E The Ensign Group



EV/EBITDA The Ensign Group



EV/Revenue The Ensign Group



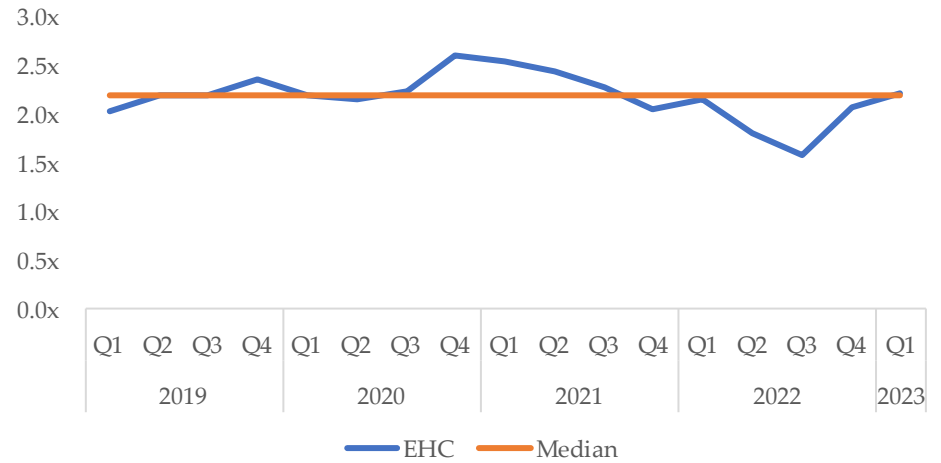
PUBLIC COMP

Encompass Health Corporation (NYS: EHC)

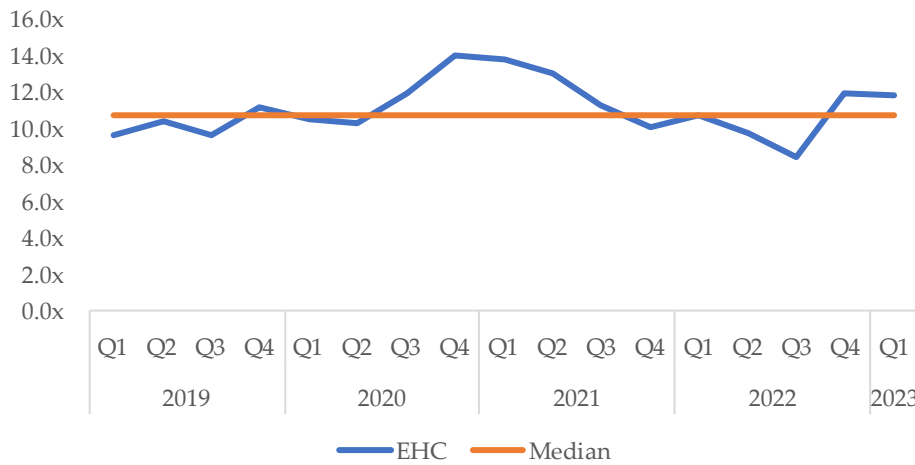
Encompass Health Corporation provides post-acute healthcare services in the United States through a network of inpatient rehabilitation hospitals, home health agencies and hospice agencies. It operates in two segments: inpatient rehabilitation and home health and hospice.



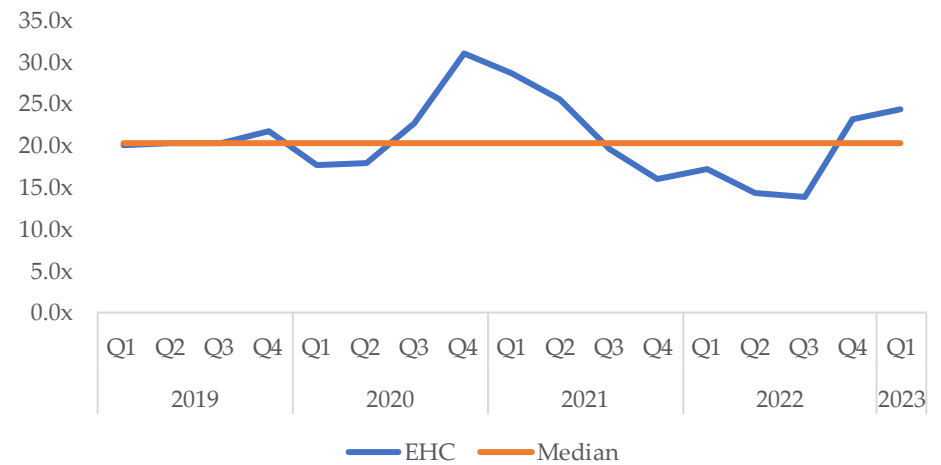
EV/Revenue Encompass Health



EV/EBITDA Encompass Health



P/E Encompass Health



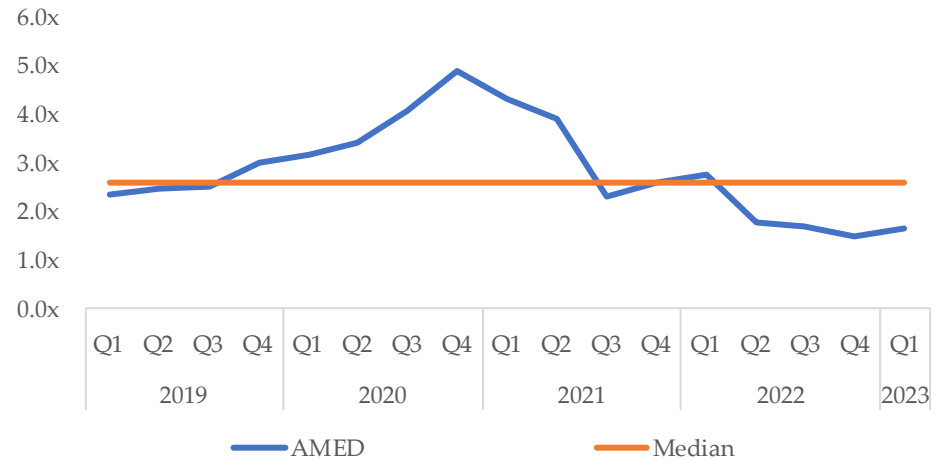
PUBLIC COMP

Amedisys Inc (NAS: AMED)

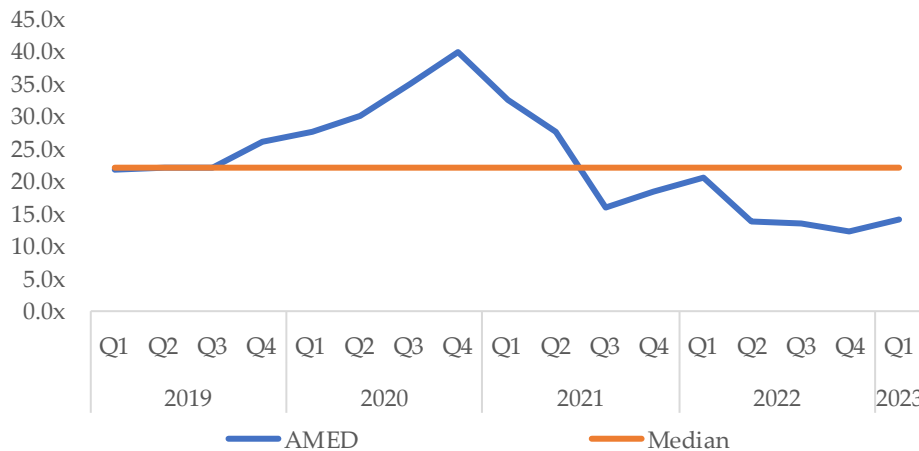
Amedisys Inc. is a healthcare services company in the United States. The company brings healthcare to the home through the provision of home healthcare services, hospice services, high acuity care segment, and personal care services.



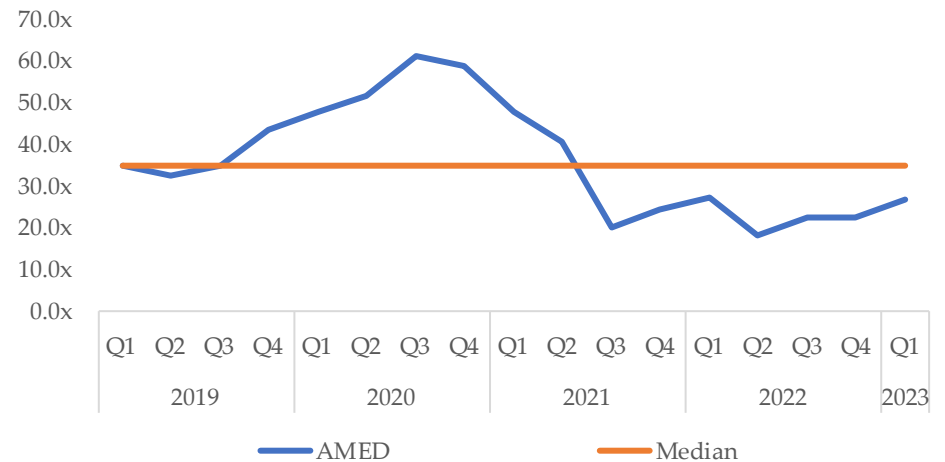
EV/Revenue Amedisys



EV/EBITDA Amedisys



P/E Amedisys



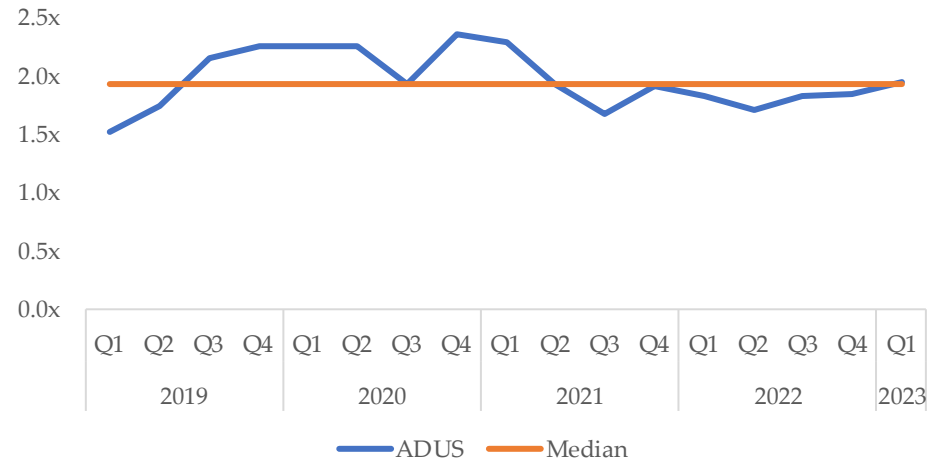
PUBLIC COMP

Addus HomeCare Corporation (NAS: ADUS)

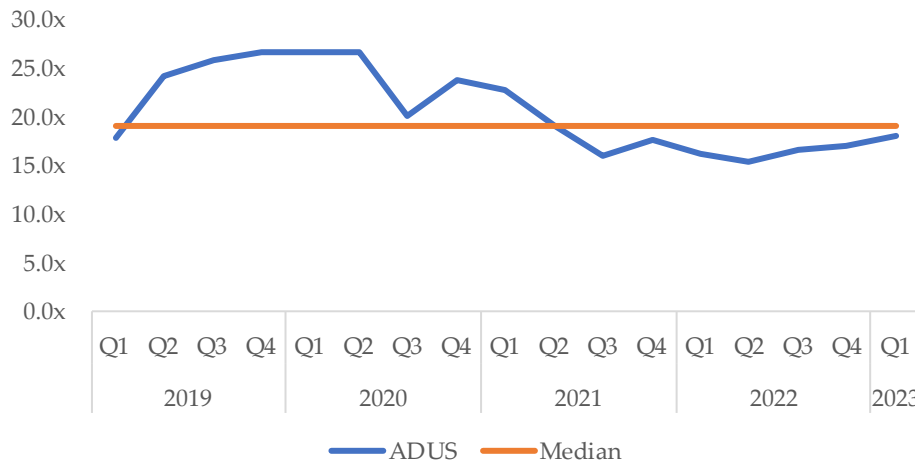
Addus HomeCare Corporation provides home care services to people that are at risk of hospitalization or institutionalization, such as elderly, the chronically ill, and the disabled. It operates through the following segments: personal care, hospice, and home health.



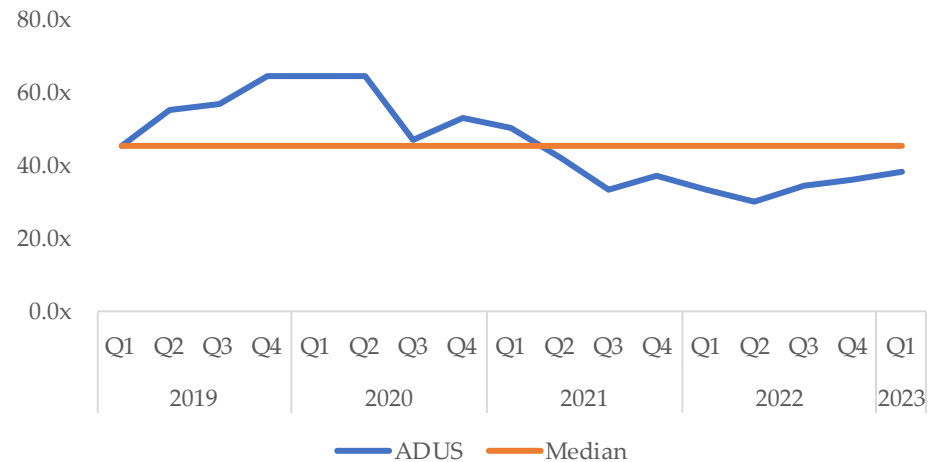
EV/Revenue Addus HomeCare



EV/EBITDA Addus HomeCare



P/E Addus HomeCare



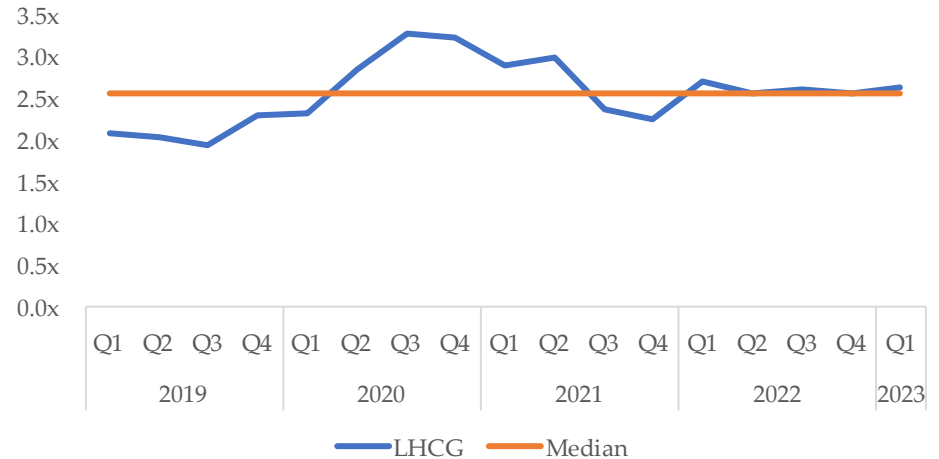
PUBLIC COMP

LHC Group Inc (NAS: LHCG)

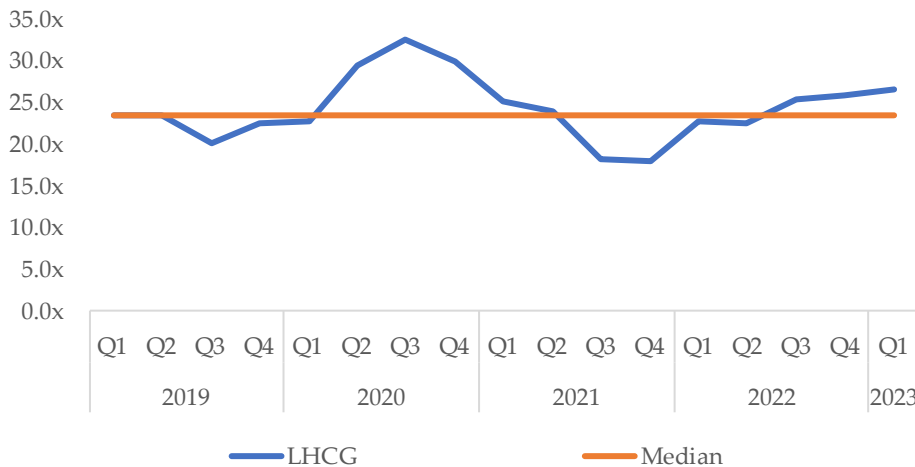
LHC Group Inc. provides post-acute health care services to patients through its home nursing agencies, community-based services agencies, hospice agencies, and long-term acute care hospitals. The company's home health service locations offer a wide range of services, including skilled nursing, medically-oriented social services and physical, occupational, and speech therapy.



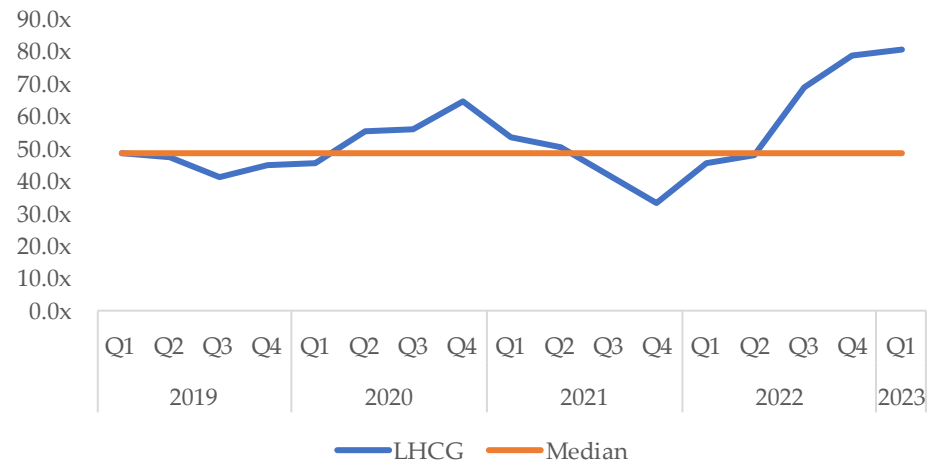
EV/Revenue LHC Group



EV/EBITDA LHC Group



P/E LHC Group



Healthcare Services Industry Report

III. Telehealth

TELEHEALTH SERVICES INDUSTRY KEY TAKEAWAYS

- ❑ **The Telehealth Services Industry** has experienced a period of rapid expansion. This has been fueled by a surge in technological advances in the field of communications and a torrent of new wireless self-monitoring healthcare devices. As a result, industry revenue has risen at an impressive annualized rate of 20.9% to \$16.6 bn over the five years to 2022, including an increase of 6.7% in 2022 alone.
- ❑ **External Drivers**
 - **Federal funding for Medicare and Medicaid:** An aging population will likely lead to an increase in the number of individuals with chronic diseases. As federal funding for Medicare and Medicaid increases and doctors increasingly use telehealth services for patients, industry revenue and profitability will likely rise. Federal funding for Medicare and Medicaid is expected to increase in 2022, representing a potential opportunity for the industry.
 - **Private Investment in computers and software:** The level of private investment in computers and software reflects the general implementation of information technology within the private sector. Industry revenue growth is largely determined by technological expansion. An increase in private investment in computers and software corresponds with a rise in industry revenue. Private investment in computers and software is expected to decrease in 2022, posing a potential threat to the industry.
 - **Demand from medical device manufacturing:** Advancements in medical technology, such as wearable monitoring devices and digitized medical scans, have created new opportunities for telemedicine, supporting industry revenue growth. As a result, when new devices are brought to the market and revenue expands, demand for services provided by the Telehealth Services industry also increases. Demand from medical device manufacturing is expected to increase in 2022.
 - **Number of adults aged 65 and older:** As baby boomers age and the average life expectancy in the United States increases, the number of people aged 65 and older will likely rise. Individuals in this group are more likely to require medical assistance, which promotes demand for telehealth services. The number of adults 65 and older is expected to increase in 2022.
 - **Number of people with private health insurance:** As studies continue to validate the efficacy of telehealth and telemedicine services, private health insurers are more likely to cover industry-related services. Therefore, increased insurance acceptance of telehealth services and a rise in the number of privately insured individuals will likely lead to an increase in industry revenue. The number of privately insured individuals is expected to increase in 2022, but the total is expected to fall below pre-pandemic totals, posing a threat to industry operators.
- ❑ **Industry Outlook**
 - **Continued Growth:** Over the five years to 2027, the Telehealth Services industry will likely continue to benefit from shifting demographics and structural factors affecting the healthcare system, including an aging population that is expected to increasingly demand medical care, a shortage of doctors and rapidly rising healthcare costs.
 - **Emerging Trends:** Various studies have supported the idea that the industry can provide quality care to a large number of patients with greater cost efficiency. In addition, the implementation of existing national legislation and increased federal and state support for telehealth services will likely benefit patients, healthcare providers and industry participants.

INDUSTRY AT A GLANCE

Key Statistics



\$16.6bn Revenue

- Annual Growth 2017 – 2022 20.9%
- Annual Growth 2022 – 2027 13.4%



\$198.8m Profit

- Annual Growth 2017 – 2022 17.3%



1.2% Profit Margin

- Annual Growth 2017 – 2022 -0.2pp



1,370 Businesses

- Annual Growth 2017 – 2022 37.9%
- Annual Growth 2022 – 2027 22.4%



52,322 Employees

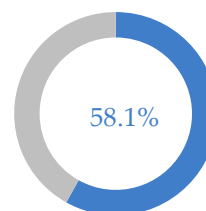
- Annual Growth 2017 – 2022 30.0%
- Annual Growth 2022 – 2027 18.3%



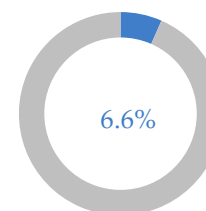
\$7.3bn Wages

- Annual Growth 2017 – 2022 26.9%
- Annual Growth 2022 – 2027 17.3%

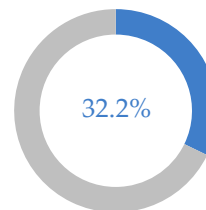
Industry Segments



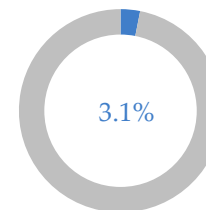
Mental Health
Conditions



Joint, Respiratory and
Endocrine Disorders



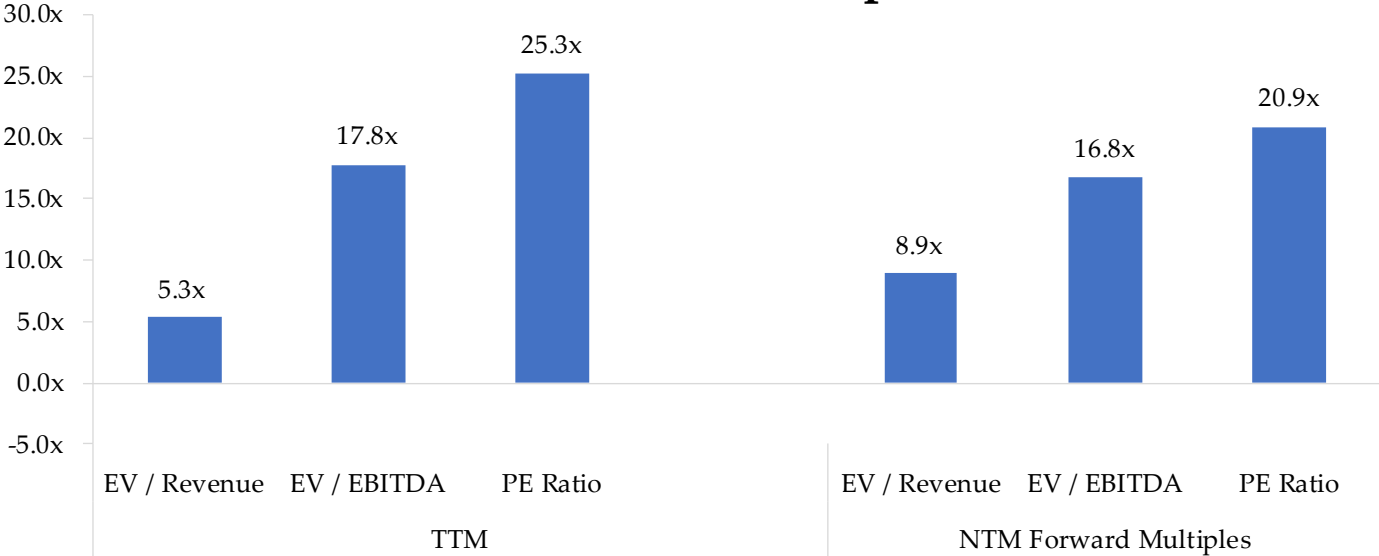
Other



Development Disorders

PUBLIC COMPARABLES

Peer Group

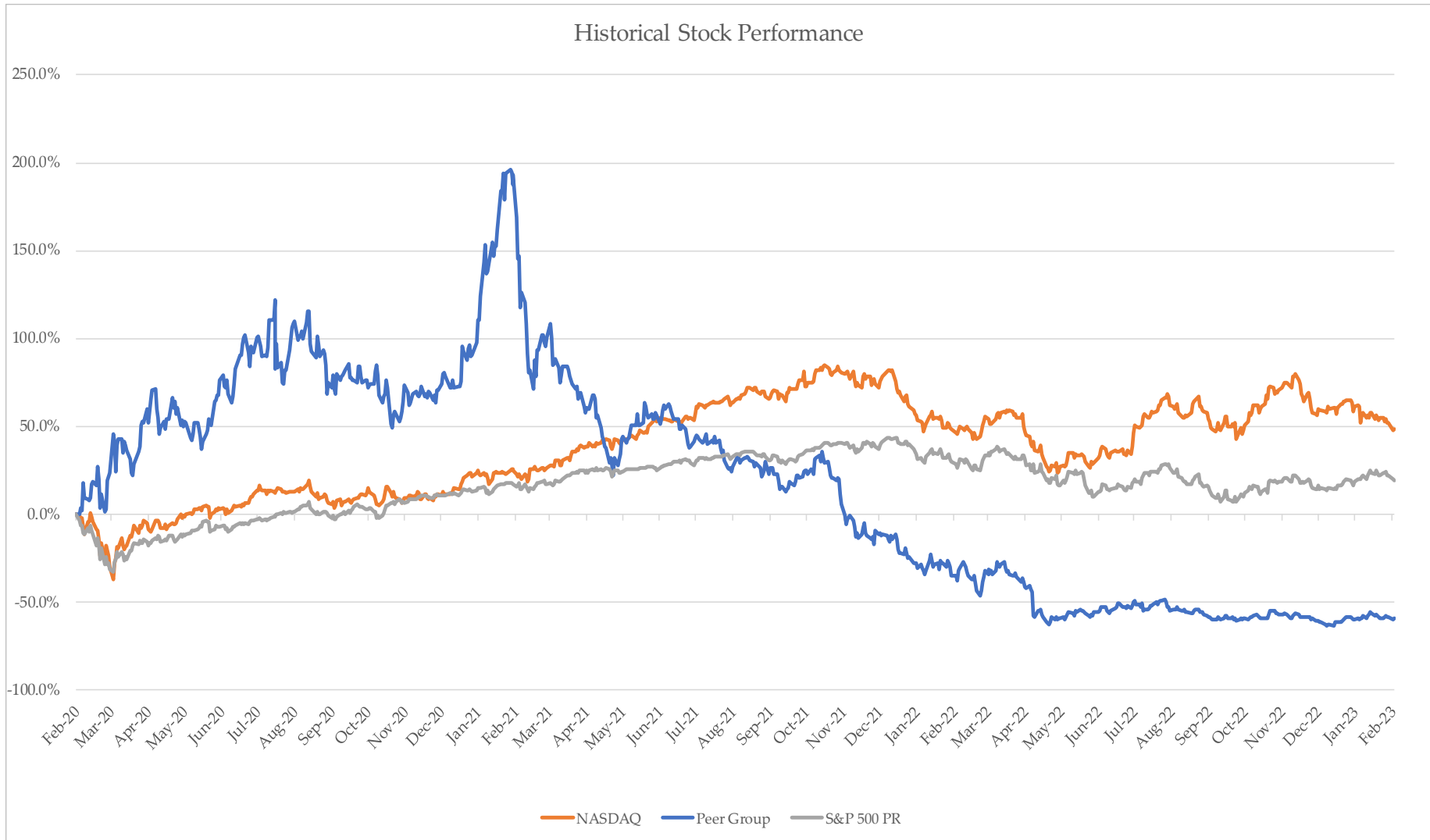


PUBLIC COMPARABLES

\$ in Millions	Teladoc Health	LifeMD	TRxADE Group	Amwell	Ontrak	
Ticker	TDOC	LFMD	MEDS	AMWL	OTRK	
Total Revenue	2,323	118	11	271	22	
Gross Profit	1,593	98	5	112	12	
EBIT	(9,882)	(51)	(3)	(258)	(57)	
Net Income	(9,860)	(52)	(3)	(257)	(63)	
EBITDA (Normalized)	229	(28)	(3)	(173)	(32)	
Total Debt	1,588	1	2	16	11	
EV	5,310	58	5	443	25	
Employees	5,100	232	47	1,035	252	
Ratio Analysis						Median
Revenue/Employee	\$455,562	\$510,046	\$240,579	\$261,553	\$88,635	\$261,553
EV/Revenue	2.29x	0.49x	0.41x	1.64x	1.10x	1.10x
Debt/EBITDA	NM	NM	NM	NM	NM	NM
EV/EBITDA (Normalized)	23.14x	NM	NM	NM	NM	23.14x
Market Cap/EBITDA	NM	NM	NM	NM	NM	NM
Market Cap (mm)	4,621	59	3	989	21	
Close Price	28.54	1.87	0.36	3.59	0.78	
52 Week Low	21.60	1.72	0.27	2.52	0.34	
52 Week High	79.90	3.89	3.47	5.43	2.98	
Gross Margin	68.6%	83.0%	45.5%	41.5%	52.6%	52.6%
EBIT	-425.3%	-43.0%	-28.8%	-95.5%	-256.6%	-95.5%
EBITDA	-414.6%	-40.5%	-26.9%	-85.7%	-232.7%	-85.7%
Acct. Receivable Days	30	6	32	62	82	32
Inventory Days	32	40	7	19	NM	25
Acct. Payable Days	38	242	43	17	52	43
Revenue Growth	24.8%	51.0%	19.1%	12.6%	-78.3%	19.1%

TELEHEALTH INDEX VS. S&P 500

Historical Stock Performance

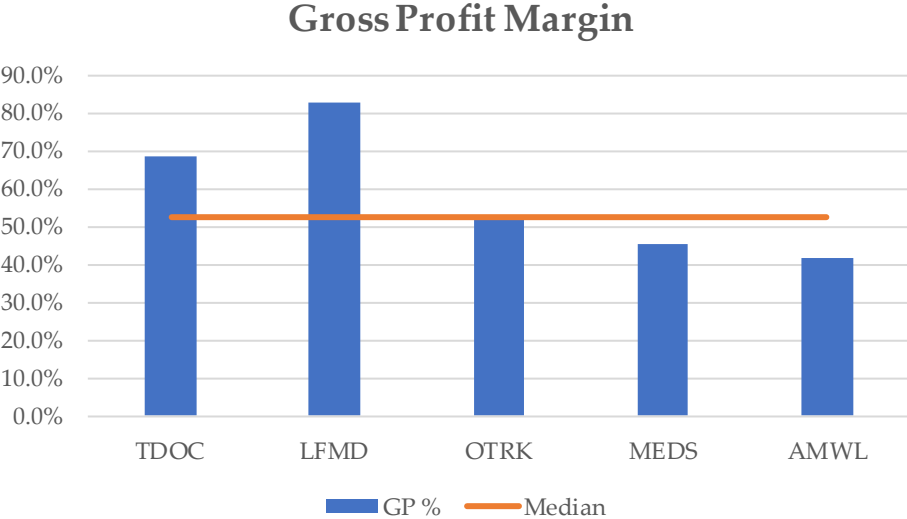
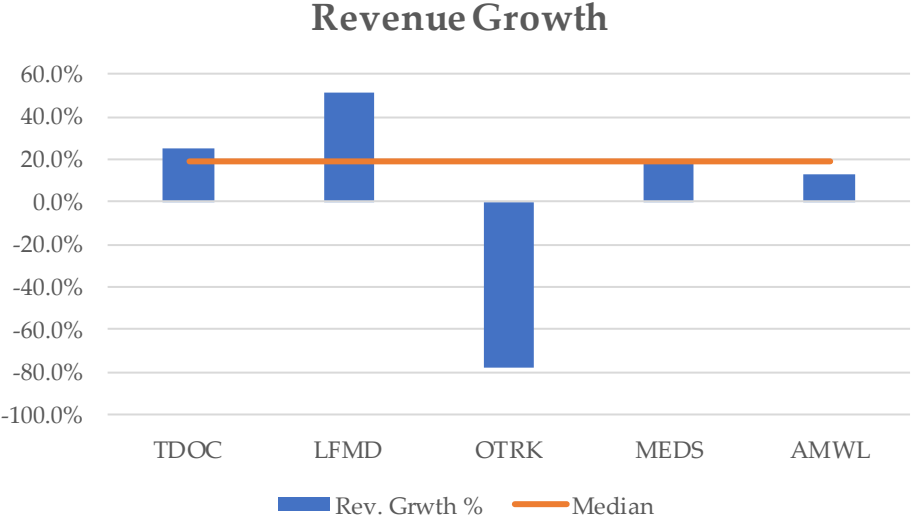


DCA Telehealth Index: TDOC, LFMD, OTRK, MEDS, AMWL

RECENT TRANSACTIONS

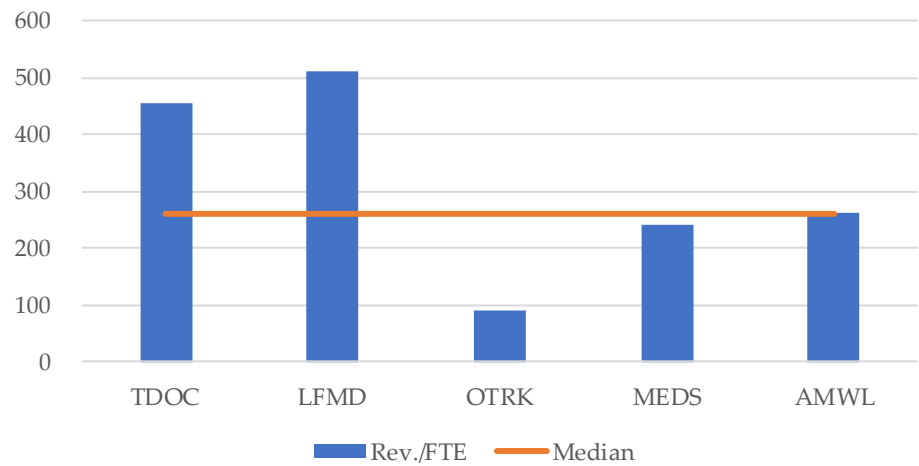
Deal Date	Target Companies	Investors	Deal Size (\$MM)	HQ Location
05-Dec-2022	Universal Marine Medical Supply International	Z Capital Group	NM	New York, NY
02-Dec-2022	BeTomorrow	AQUITI Gestion, Sopromec Participations	NM	Bordeaux, France
17-Nov-2022	EUDA Health	8i Acquisition 2	61.48	Singapore, Singapore
04-Oct-2022	AutoCruitment	QHP Capital	NM	New York, NY

OPERATING METRICS

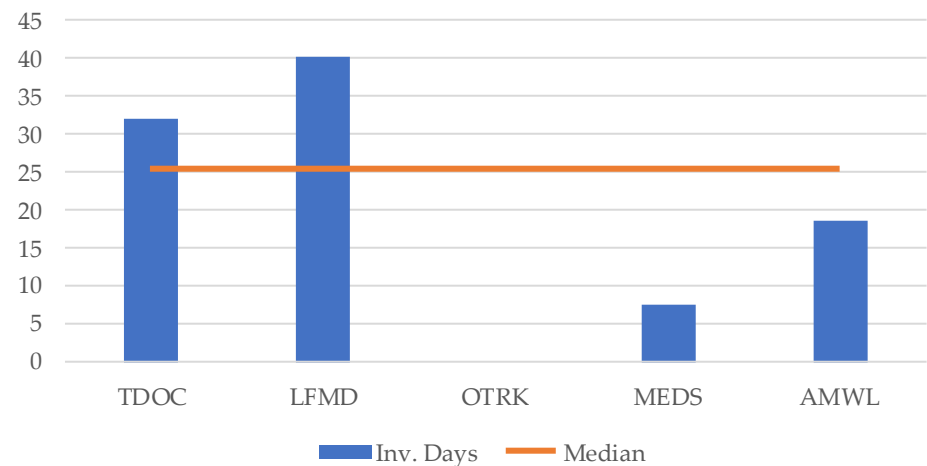


RATIO ANALYSIS

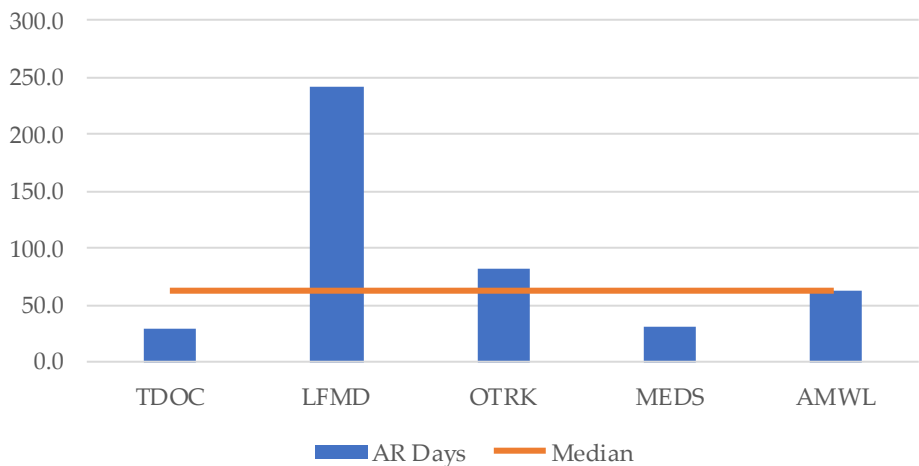
Revenue per Employee



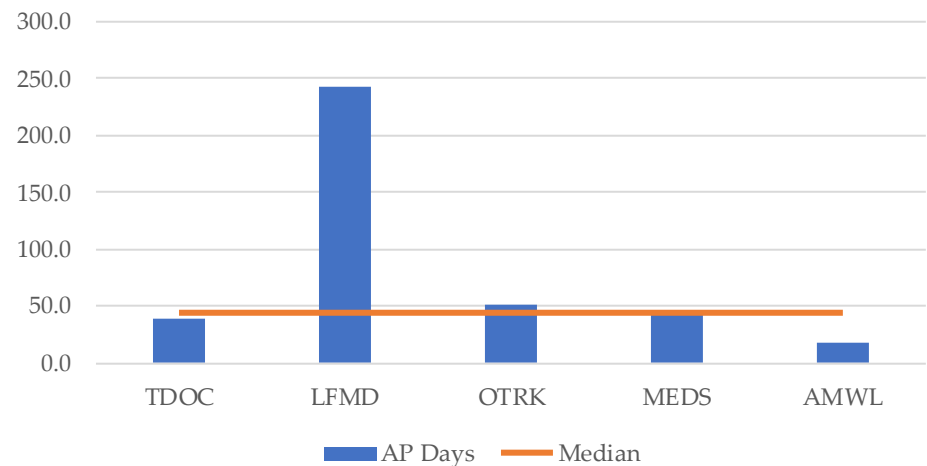
Inventory Days



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
TDOC	Teladoc Health	29.43	4,621	5,277	2,323	(9,633.33)	(61.16)	2,704	297	(1.42)
AMWL	Amwell	3.62	989	485	271	(232.13)	(0.95)	321	(120)	(0.76)
LFMD	LifeMD	1.85	59	58	118	(47.98)	(1.80)	157	9	(0.57)
OTRK	Ontrak	0.64	21	25	22	(51.98)	(3.36)	38	(13)	(1.28)
MEDS	TRxADE Group	0.38	3	5	11	(3.05)	(0.40)	12	(1)	(0.11)

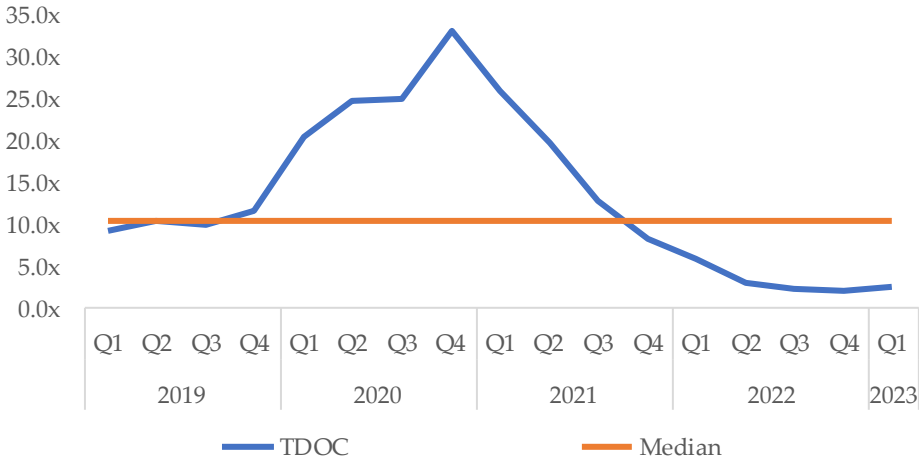
		Multiples					
Ticker	Company	TIM			NTM Forward Multiples		
		EV / Revenue	EV / EBITDA	PE Ratio	EV / Revenue	EV / EBITDA	PE Ratio
TDOC	Teladoc Health	2.19x	NM		1.95x	17.74x	NM
AMWL	Amwell	1.75x	NM		1.51x	NM	NM
LFMD	LifeMD	0.49x	NM		0.37x	6.53x	NM
OTRK	Ontrak	1.10x	NM		0.65x	NM	NM
MEDS	TRxADE Group	0.41x	NM		0.37x	NM	NM

Teladoc Health (NYS: TDOC)

Teladoc Health is a virtual health provider with a telehealth platform delivering 24-hour, on-demand healthcare via mobile devices, the Internet, video, and phone. It also offers remote patient monitoring programs for chronic care management. Its platform connects members with a network of physicians and behavioral health professionals.



EV/Revenue Teladoc Health

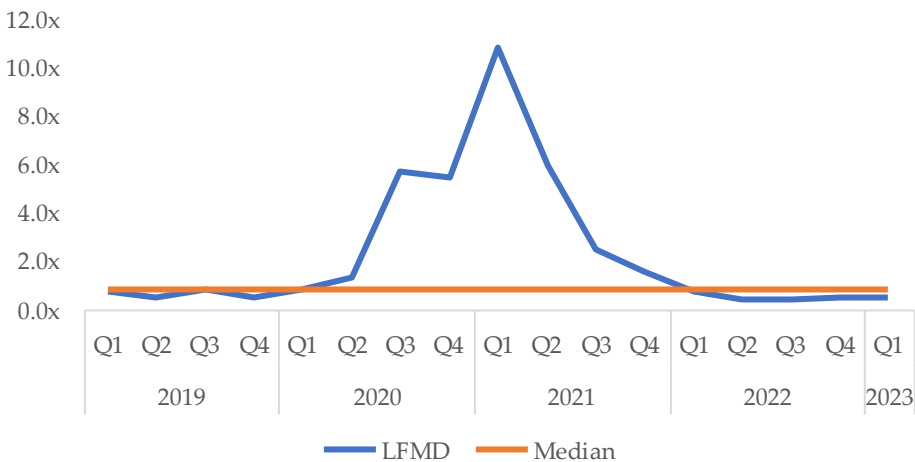


LifeMD Inc (NAS: LFMD)

LifeMD Inc. is a direct-to-patient telehealth company that provides a smarter, cost-effective and convenient way of accessing healthcare. Its telemedicine platform helps patients access licensed providers for diagnoses, virtual care, and prescription medications, often delivered on a recurring basis. In addition to telemedicine offerings, the company sells nutritional supplements and other over-the-counter products.



EV/Revenue LifeMD

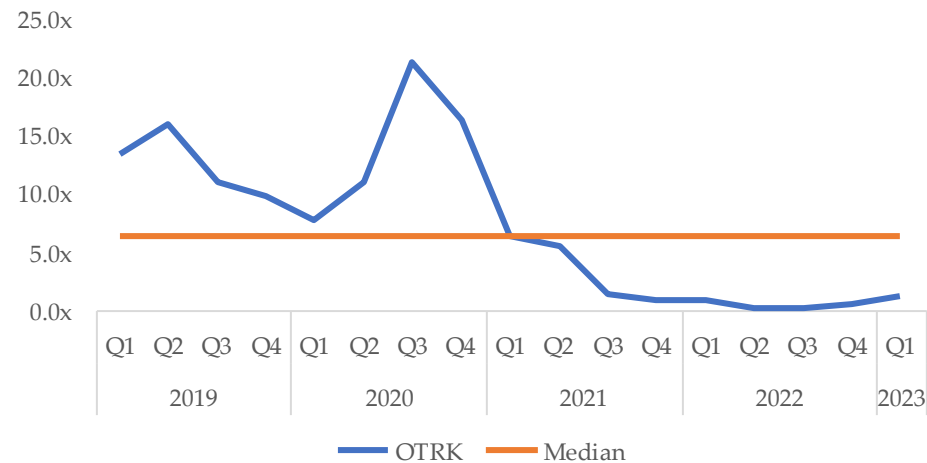


Ontrak Inc. (NAS: OTRK)

Ontrak Inc. is an AI and telehealth enabled, virtualized outpatient healthcare treatment company. The company's integrated, technology-enabled OntrakTM solutions, a component of the PRE platform, are designed to treat members with behavioral conditions that cause chronic medical conditions such as diabetes, hypertension, coronary artery disease, COPD, and congestive heart failure.



EV/Revenue Ontrak

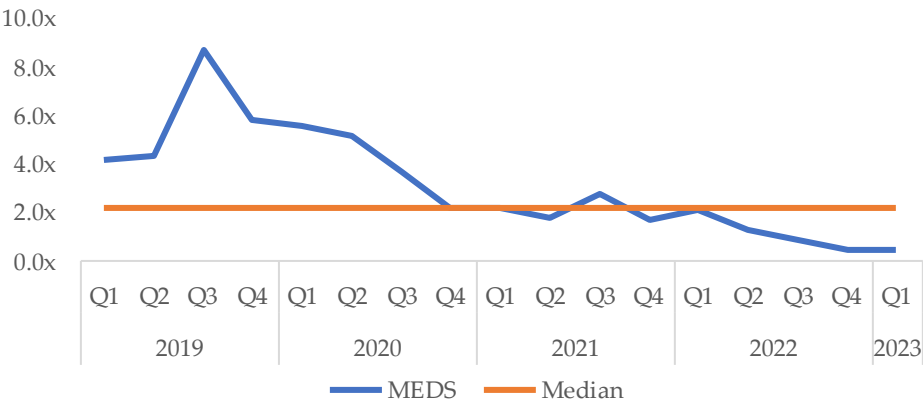


Trxade Health Inc (NAS: MEDS)

Trxade Health Inc. is a health services IT company focused on digitalizing the retail pharmacy experience by optimizing drug procurement, the prescription journey and patient engagement in the U.S. The company operates the TRxADE drug procurement marketplace serving a total of 11,800+ members nationwide, fostering price transparency and under the Bonum Health brand, offering patient centric telehealth services.



EV/Revenue TRxADE Group



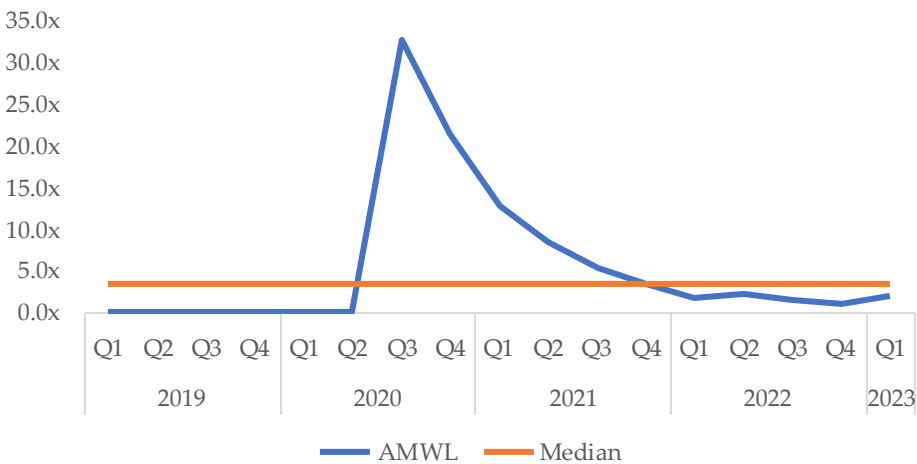
PUBLIC COMP

American Well Corporation (NYSE: AMWL)

American Well Corporation operates as a telehealth company that enables digital delivery of care for healthcare. Its application offers urgent care; pediatrics; therapy; menopause nutrition; menopause counseling; telestroke; population health management; telepsychiatry; pregnancy and postpartum care; pregnancy and postpartum therapy; breastfeed support; and menopause care. The company also provides telemedicine equipment



EV/Revenue Amwell



DAVIDSON CAPITAL ADVISORS RECENT HEALTHCARE TRANSACTIONS



Healthcare Technology, Payment Services
www.acryness.com



Health Care, Health Care Facilities
www.encompasshealth.com



Retail, Pharmacy and Retail
www.fruthpharmacy.com



Health Care, Health Care Facilities
www.ecompasshealth.com



Hospital & Healthcare
www.accessonemedcard.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.

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.

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.

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.

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.



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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.



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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.