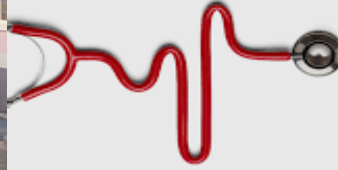


The Waiting Room



A Specialty
Healthcare Services
Provider Newsletter

Market Overview

Indices Performance (% change)

	<u>September 2023</u>	<u>LTM</u>		<u>September 2023</u>	<u>LTM</u>
S&P 500	(5.0%)	25.1%	DJIA	(3.5%)	10.4%
Nasdaq	(5.8%)	31.7%	Russell 2000	(10.9%)	18.7%

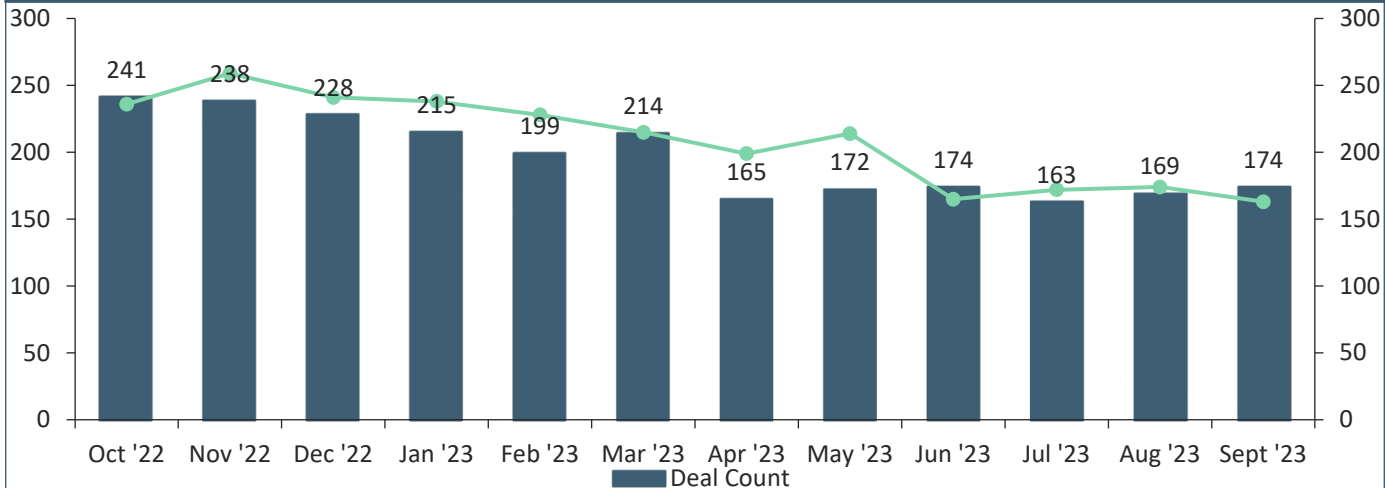
Source: Federal Reserve; Bank of St. Louis

Healthcare Provider Market Overview

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

	<u>September 2023</u>	<u>LTM</u>		<u>September 2023</u>	<u>LTM</u>
Surgery Partners	(19.3%)	25.0%			
Select Medical Holdings	(13.5%)	14.3%			
Envista Holdings	(12.9%)	(15.0%)			
U.S. Physical Therapy	(9.0%)	20.7%			
Acadia Healthcare	(8.8%)	(10.1%)			

Healthcare Services Deal Count (LTM)



Healthcare Industry Contacts

Tom Denison

(312) 369-9181

thomas.denison@thechicagocorp.com

Phil Clarke

(312) 283-0803

philip.clarke@thechicagocorp.com

Andrew Witik

(312) 283-0829

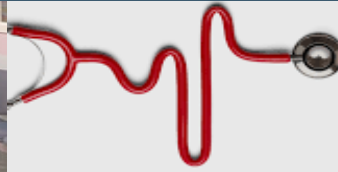
andrew.witik@thechicagocorp.com

Nolan Bertog

(312) 283-0809

nolan.bertog@thechicagocorp.com

The Waiting Room



A Specialty
Healthcare Services
Provider Newsletter

Publicly Traded Company Performance: Healthcare Services

(\$ in millions, except per share data)

Company	Ticker	Share Price 09/30/2023	% 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	CY23 P/E	Gross	EBIT	EBITDA	
Henry Schein	HSIC	\$74.25	82.8%	\$9,696	\$12,887	1.0x	14.7x	19.5x	21.7x	17.4x	30.6%	5.2%	6.9%	2.0x
Dentsply Sirona	XRAY	\$34.16	79.0%	\$7,232	\$9,179	2.3x	NA	NA	NA	NA	53.2%	(29.0%)	(20.6%)	(2.4x)
DaVita	DVA	\$94.53	80.8%	\$8,631	\$21,381	1.8x	10.6x	16.8x	19.3x	10.9x	29.4%	10.8%	17.2%	5.5x
Acadia Healthcare	ACHC	\$70.31	78.3%	\$6,481	\$7,994	2.9x	14.1x	17.9x	23.8x	26.7x	96.3%	16.0%	20.5%	2.5x
Envista Holdings	NVST	\$27.88	64.4%	\$4,567	\$5,448	2.1x	11.1x	16.8x	22.5x	29.0x	57.0%	12.5%	19.0%	1.8x
The Ensign Group	ENSG	\$92.93	89.3%	\$5,223	\$6,676	2.0x	17.3x	21.0x	22.0x	25.2x	16.4%	9.4%	11.4%	3.8x
Surgery Partners	SGRY	\$29.25	63.9%	\$3,700	\$7,686	2.9x	17.9x	24.6x	NA	NA	22.7%	11.7%	16.1%	6.3x
Select Medical Holdings	SEM	\$25.27	75.4%	\$3,213	\$8,365	1.3x	11.5x	16.0x	15.8x	18.0x	13.0%	8.1%	11.2%	6.7x
U.S. Physical Therapy	USPH	\$91.73	73.9%	\$1,375	\$1,642	2.8x	21.1x	26.2x	47.8x	27.1x	20.3%	10.8%	13.4%	1.3x
National Healthcare	ASE:NHC	\$63.98	91.9%	\$980	\$899	0.8x	11.8x	25.4x	30.8x	28.9x	37.1%	3.3%	7.0%	(1.1x)
Brookdale Senior Living	BKD	\$4.14	79.9%	\$779	\$5,236	1.8x	11.3x	46.1x	NA	NA	21.6%	3.9%	16.1%	9.6x
Mean				\$2,834	\$5,136	2.0x	14.6x	25.2x	27.8x	25.6x	26.9%	8.5%	13.5%	4.0x
Median				\$3,213	\$5,448	2.0x	11.8x	24.6x	22.5x	27.1x	21.6%	9.4%	13.4%	3.8x
High				\$5,223	\$8,365	2.9x	21.1x	46.1x	47.8x	29.0x	57.0%	12.5%	19.0%	9.6x
Low				\$779	\$899	0.8x	11.1x	16.0x	15.8x	18.0x	13.0%	3.3%	7.0%	(1.1x)

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

❖ Gen Z Health Provider Caraway Acquires Digital Group Therapy Platform Sesh

September 13, 2023 – New York-based Caraway announced that it has acquired Sesh, a digital group therapy platform, allowing the Gen Z women’s health-focused company to integrate group support and therapy into its offerings. The deal closed earlier this month and will provide another modality of mental health care to Caraway’s portfolio, Caraway CEO and co-founder Lori Evans Bernstein told Behavioral Health Business. The Company focuses on a holistic health model and offers integrated mental and physical health services as well as sexual and reproductive health offerings.

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

❖ Ziegler Arranges \$118.3M Bond Financing for Emerald Heights in Redmond, Washington

September 1, 2023 – REDMOND, WA. — Ziegler has arranged \$118.3 million in bond financing for Emerald Heights, a continuing care retirement community in Redmond. Located approximately 17 miles northeast of Seattle, the 38-acre campus consists of 333 independent living units, including both apartments and cottages, 40 licensed assisted living beds, 16 memory care units and 61 skilled nursing beds. The bonds will be used to refinance 2013 bonds and fund an expansion project at the community.

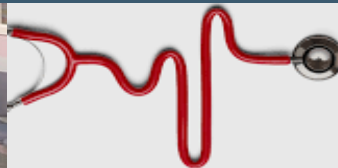
❖ Walker & Dunlop Arranges \$15.2M Refinancing for Waterhouse Ridge Memory Care in Beaverton, Oregon

September 11, 2023 – BEAVERTON, OR. — Walker & Dunlop has arranged a \$15.2 million loan for the refinancing of Waterhouse Ridge Memory Care in Beaverton, just west of Portland. Located at 1115 NW 158th Ave., Waterhouse Ridge features 68 memory care beds. Onelife Senior Living developed, owns and operates the facility, which is currently 88 percent occupied. Kevin Giusti and Daniel Barone of Walker & Dunlop led the origination team that placed the loan through one of its lending partners.

❖ Delaware LLC Bids \$83.1M for Largest Life Plan Community in Illinois

September 27, 2023 – A potential buyer has bid \$83.1 million to acquire the largest life plan community in Illinois after it declared Chapter 11 bankruptcy earlier this year. A company referred to as IL CCRC LLC has inked an agreement with Friendship Village of Schaumburg in Schaumburg, Illinois, to set a minimum price floor for the acquisition in a process also known as a “stalking horse” bid, according to recent court documents.

The Waiting Room



A Specialty
Healthcare Services
Provider Newsletter

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

❖ Gen4 Dental Partners Adds Nevada Practice

September 1, 2023 – Tempe, AZ-based Gen4 Dental Partners has partnered with Northern Nevada Family Dental. The practice, located in Sparks, NV, is led by L. John VanHorn, DDS, according to a recent LinkedIn post by Gen4. The DSO supports more than 75 practices across 14 states.

❖ Shasta Dental Services Adds Two Orthodontics Offices

September 11, 2023 – Lehi, UT-based Shasta Dental Services recently added two orthodontic practices to its network. The DSO affiliated with Greenhaven Orthodontics and Empire Orthodontics in California, according to a Sept. 8 LinkedIn post. Shasta Dental Services supports more than 70 employees and treats more than 275 patients each day.

❖ Imagen Dental Partners Expands in California, Texas

September 14, 2023 – Scottsdale, AZ-based Imagen Dental Partners recently added two practices in California and Texas. The dental partnership organization added Dental Design of Brentwood in Los Angeles and ComerStone Dental in La Grange, Texas. Imagen Dental Partners supports practices in 15 states.

❖ US Oral Surgery Management Adds Three Practices in Texas, Ohio

September 18, 2023 – Irving, Texas-based U.S. Oral Surgery Management recently added three partner practices in Texas and Ohio. The new partners include Oral, Facial & Dental Implant Surgery in Allen, Texas; Drs. Fried & Popper in Mayfield Heights, Ohio; and Mill Creek Oral & Maxillofacial Surgery Associates, which has offices in Boardman and Austintown, Ohio. USOSM supports more than 180 practices in 26 states, according to a news release shared with Becker's.

❖ SGA Dental Partners Affiliates with Alabama Practice

September 26, 2023 – Richmond Hill, GA-based SGA Dental Partners acquired Lane Perio, which has two clinic locations in Alabama. The periodontal group is led by John Lane, DMD, and has locations in Florence and Madison, AL, according to a Sept. 26 news release from Tusk Partners, the merger and acquisition firm that advised Lane Perio. SGA Dental Partners is a portfolio company of Thurston Group, a private equity firm. The dental organization added its 100th practice earlier this year.

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

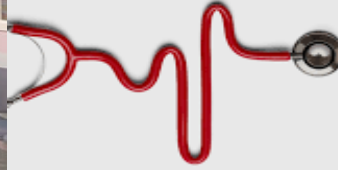
❖ Hill's Invests in Vet Software Company Otto

September 5, 2023 – Veterinary software company Otto closed a \$43 million Series B funding round with existing investors Mercury Fund and Boehringer Ingelheim. Hill's Pet Nutrition joined as a new investor in the Austin-based startup. The Company's platform is used by vet clinics to manage appointments, payment plans, and follow-up instructions. Otto will use the capital injection to automate its software.

❖ General Mills' Pet Segment Remains Flat in Last Quarter

September 22, 2023 – General Mills' pet segment revenue fell flat in Q1 FY2024, ending at the end of August, posting net sales of \$580 million (€542M). The amount is the same as in Q1 FY2023. According to the Company, this was driven by "favorable net price realization and mix offset by lower pound volume." "Net sales were up mid-single digits for dry pet food, roughly flat for wet pet food, and were down double digits for pet treats," says the Company.

The Waiting Room



A Specialty
Healthcare Services
Provider Newsletter



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



Managing Directors

Tom Denison

(312) 369-9181

thomas.denison@thechicagocorp.com

Phil Clarke

(312) 283-0803

philip.clarke@thechicagocorp.com

G. Stanley Cutter

(312) 283-0804

stan.cutter@thechicagocorp.com

Fred Floberg

(312) 283-0802

fred.floberg@thechicagocorp.com

Diane Selph

(312) 283-0828

diane.selph@thechicagocorp.com

The Waiting Room is a monthly newsletter published by The Chicago Corporation. To subscribe, please visit, www.thechicagocorp.com.

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security. Officers or employees of affiliates of The Chicago Corporation, or members of their families, may have a beneficial interest in the securities of a specific company mentioned in this publication and may purchase or sell such securities in the open market or otherwise.

Sources include Beckersdental.com, Bhbusiness.com, Globalpetindustry.com, PitchBook, Prweb.com, Seniorhousingnews.com and various publicly available news publications.

Additional information is available upon request.

Securities transactions conducted through TCC Securities LLC, an affiliated company, registered Broker / Dealer and Member of FINRA / SIPC.



THE CHICAGO CORPORATION®