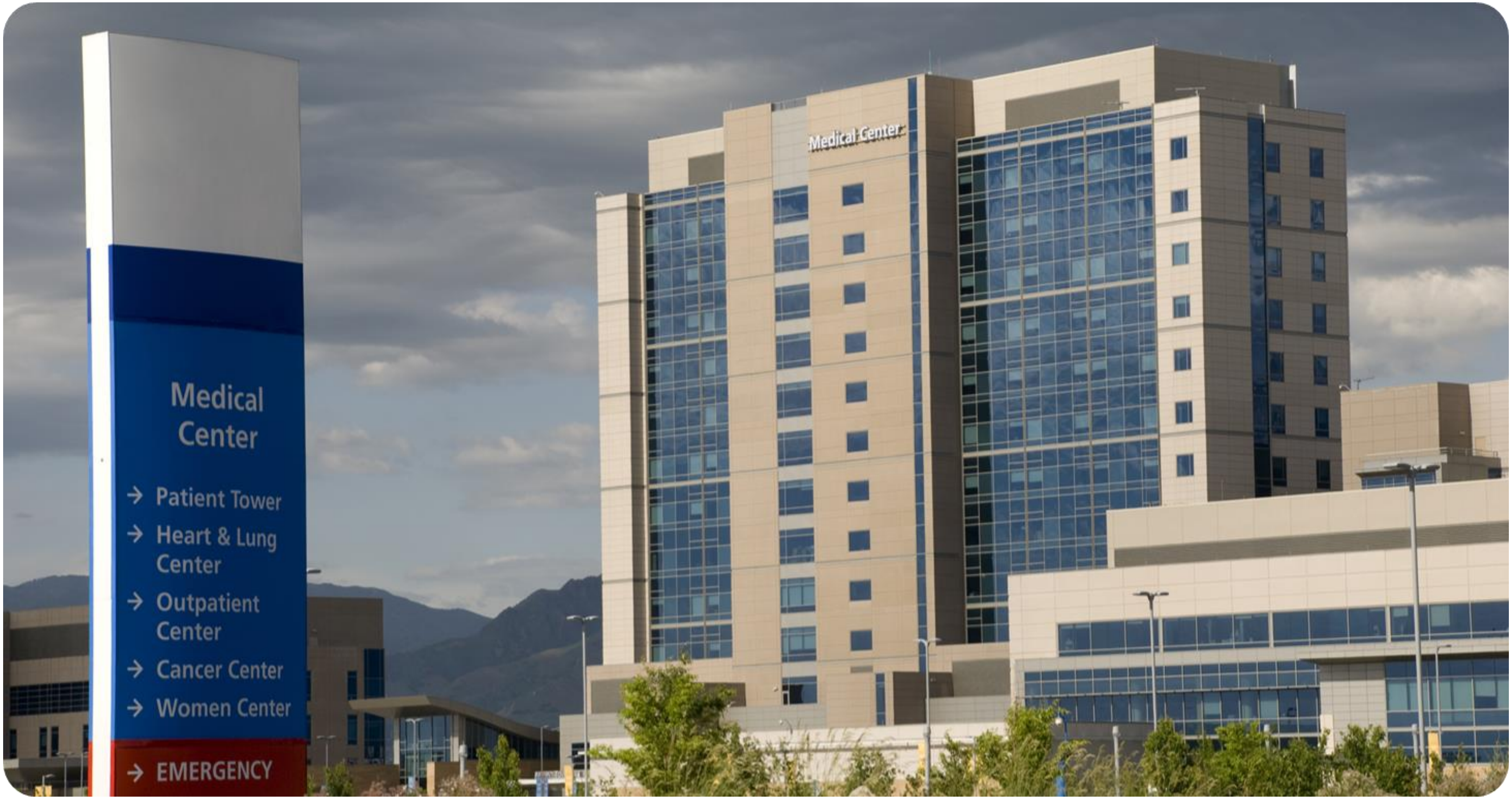


Healthcare Providers & Facilities

Market Monitor

Spring 2016

MOSS ADAMS CAPITAL LLC

Selected Healthcare Transactions

The Everett Clinic
acquired by
DaVita Health Care Partners

Moss Adams Capital
provided investment banking services for
Yakima Valley Memorial Hospital

Kadlec Health Services
formed an affiliation with
Providence Health & Services

Moss Adams Capital
provided investment banking services for
Overlake Medical Center

Redwood Regional Medical Center
acquired by
St. Joseph Heritage Healthcare

Moss Adams Captial
provided real estate strategic planning services for the Hospital, Regional Clinic, Institute and Foundation
Seattle Children's

Moss Adams Captial
provided investment services for
Seattle Reproductive Medicine

$12,300,000
Molded Devices, Inc.
Senior and subordinated debt acquisition financing

Moss Adams Capital LLC
provided investment banking services for
Dade Moeller & Associates, Inc.

Moss Adams Capital LLC
provided financial advisory services for
Veterinary Practice Associates, Inc.

KMH Health, Inc.
has acquired
Crystal Clear Imaging, Ltd.

Moss Adams Capital LLC
provided investment banking services for
Glendale Adventist Medical Center

Moss Adams Capital LLC
provided corporate financial services for
Medstreaming, LLC

Code Correct
acquired by
United Communications Group

Molded Devices, Inc
has acquired
Dempsey Industries

Case Study: Sell-Side M&A

The Everett Clinic
For the whole you.

The Everett Clinic

acquired by

DaVita Health Care Partners

DaVita.

Situation:

The Everett Clinic, PLLC ("TEC" or the "Company") is the leading primary and acute care provider in Snohomish County, Washington. Nationally recognized for both its excellent level of patient care and the quality of its management team, TEC has more than 2,000 employees and generates over $360 million in annual net revenues.

TEC's shareholders and senior administrators were evaluating strategic alternatives to take the Company through its next phase of growth, which included aggressive expansion plans into nearby King and Skagit counties. The Company's shareholders believed that in order to succeed in these new markets TEC needed to be acquired by a strategic partner that could provide: i) A strong brand and value system synonymous with patient-centric quality and care; ii) Access to capital; and the iii) Ability to grow TEC into the premier network of outpatient clinic services in western Washington.

The shareholders also wanted to realize a full liquidity event at a maximum market value.

Solution:

Moss Adams Capital ("MAC") was engaged to identify a partner that recognized TEC's patient care objectives and intermediate to long-expansion goals. TEC ultimately entered into exclusive negotiations with DaVita Health Care Partners (DHCP), a multi-billion dollar, publicly traded healthcare organization.

TEC saw strong potential with DaVita Healthcare partners via DHCP's vision and support of splitting TEC into two entities – one, a professional operation that executed superior patient care; the other, an administrative operation that could be scaled and expanded throughout western Washington.

MAC advised TEC throughout the due diligence process and helped negotiate a very attractive market valuation and transaction structure, that fully addressed the objectives of multiple shareholder groups within the Company.

Contents

Industry Update: 2016 Healthcare Outlook

Election Uncertainty Clouds the Healthcare Business Climate in 2016

Given the standard quadrennial election year rhetoric that's now well underway (and with the major political parties promoting strongly opposing views regarding the role of government in healthcare), predicting the long-term regulatory environment and overall direction of the healthcare industry is currently a bit of a conundrum. For example, public opinion polls taken in recent months now indicate that the affordability of prescription drugs is the leading healthcare concern among the public, upstaging even debate over the Affordable Care Act.

Large insurers, who have become popular scapegoats for both political parties, will continue to face intense scrutiny. Proposed mergers, such as **Aetna-Humana** and **Anthem-Cigna,** will attract broad public comment as they are being reviewed by antitrust regulators.

The uncertainty that looms over the political landscape will continue to weigh on all sectors of the healthcare industry until midyear, when nominees more clearly detail their positions *(**Modern Healthcare** - 1/1/16).*

2016 Policy Changes & Trends Will Continue to Affect Hospitals

While health policy discussion on the campaign trail heats up in an effort to determine the future policy landscape, the immediate focus will continue to be on policies and programs that will emerge in the Obama administration's final year, and more particularly on **the continued migration away from fee-for-service.**

Other major trends that hospitals should closely monitor are i) the emergence of Accountable Care Organizations, ii) mandatory bundled payments, and iii) physician payment reforms that require physicians to adopt advanced payment models or face increasingly strict pay-for-performance criteria. (***The Advisory Board** - 1/11/16*).

Continued Consolidation Among Healthcare Providers: Trends/Issues Impacting Healthcare M&A in 2016

The continued consolidation trend by, among and within hospitals, physician groups, senior/assisted living businesses and most other specialty HC services niches will drive M&A activity in 2016. Specifically, the following factors will be present in the 2016 healthcare M&A environment:

1.) **NFP and For-Profit Hospitals –** Continued expansion and consolidation. 2.) **Physician Group Alignment –** Physician groups continue to consolidate, exemplified by the **DaVita Healthcare Partners** acquisition of **The Everett Clinic**[1]. 3.) **Examination of Physician Group Mergers –** In many more venues, physician groups that are considering merging with hospitals will draw the attention of State Regulators, the Federal Trade Commission and, of course lawyers, who believe such combinations are anti-competitive and/or not in the best interests of individual patients. 4.) **Private Equity Investment –** Despite recent slowdowns in the stock market, private equity firms continue to actively seek investment opportunities in the healthcare industry.

(1) See page 3

CEO's Top Four Consolidation and Integration Challenges / Goals for 2016

As purchasers challenge hospitals and respective health systems to show their value in a competitive marketplace, integration has risen on the priority lists of executives. In a survey of more than 150 Advisory Board members, participants were asked to rank a list of 18 integration initiatives by level of difficulty and performance. Four distinct initiatives were more prevalent than others:

1) **Driving Clinical Standardization –** In a marketplace where payments are increasingly tied to value rather than volume, providers are looking to improve quality and reduce clinical variation; 2) **System Wide Physician Alignment –** Hospitals and health systems view engagement with and leadership from physicians as a key to their success; 3) **Increasing IT Interoperability –** Not only crucial for the sharing of information, but also for enabling internal benchmarking; and, 4) **Integrating Assets –** Top performers recognize the need to continually evolve and modify processes and structures in order to integrate new assets post –M&A. *(***The Advisory Board** - *2/16/2016)*

Healthcare Industry Employee Hiring Trend Continues into 2016

Early figures from the Bureau of Labor Statistics ("BLS") reported that the healthcare industry added a total of 474,000 net jobs in 2015. Further, early figures from the BLS indicate another 36,800 net jobs were added in January 2016. The total net new job positions added in 2015 is a large increase as compared to 2014, when 259,000 new jobs added.

Some healthcare sectors have reported a reduction in jobs in their niches, including dental practices, labs, and nursing homes. (Bob Herman, **Modern Healthcare** - *2/5/16*).

Top Medical Innovations to Watch in 2016 (as noted by the Cleveland Clinic)

In an effort to determine the medical innovations that are expected to have the greatest impact on healthcare during 2016– **Cleveland Clinic** solicited nominations from more than 100 of its researchers. The following were the four leading medical innovations expected in 2016:

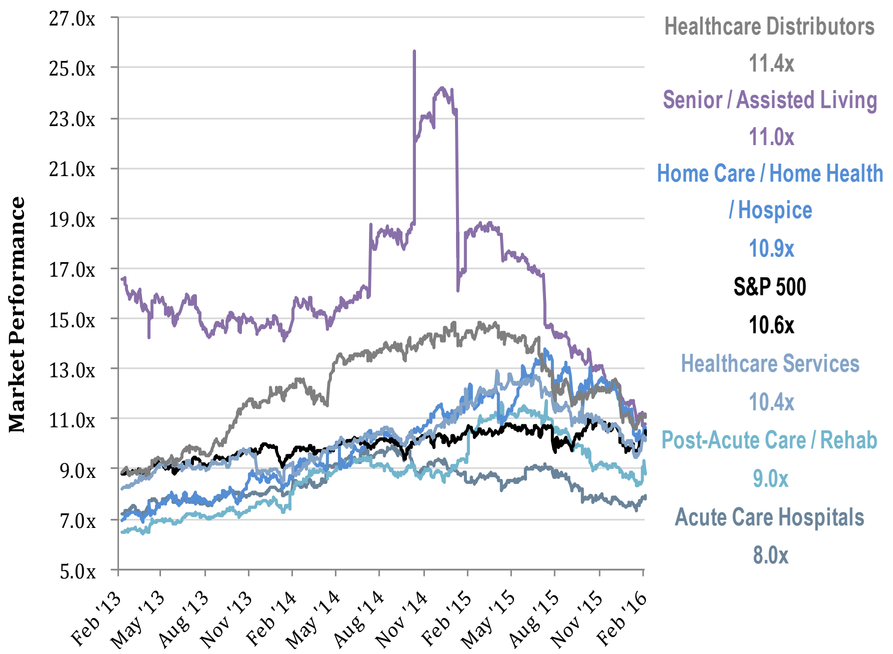
1) The advancement of vaccine development was the number one innovation to watch in the coming year - exemplified by the development of a new Ebola vaccine less than a year after the outbreak in West Africa began; **2) Genomics-based clinical trials** in which researchers are beginning to enroll patients in clinical trials based on specific genetic markers was number two on the list; **3) CRISPR gene editing –** a new and relatively inexpensive technique for editing genetic code, that can pave the way for breakthrough treatments; and, **4) Clean water from sewage -** a new process for converting human waste into clean drinking water. *(***The Advisory Board** - *11/2/2015)*

HC Providers & Facilities – Valuations Vary Across Industry Niche

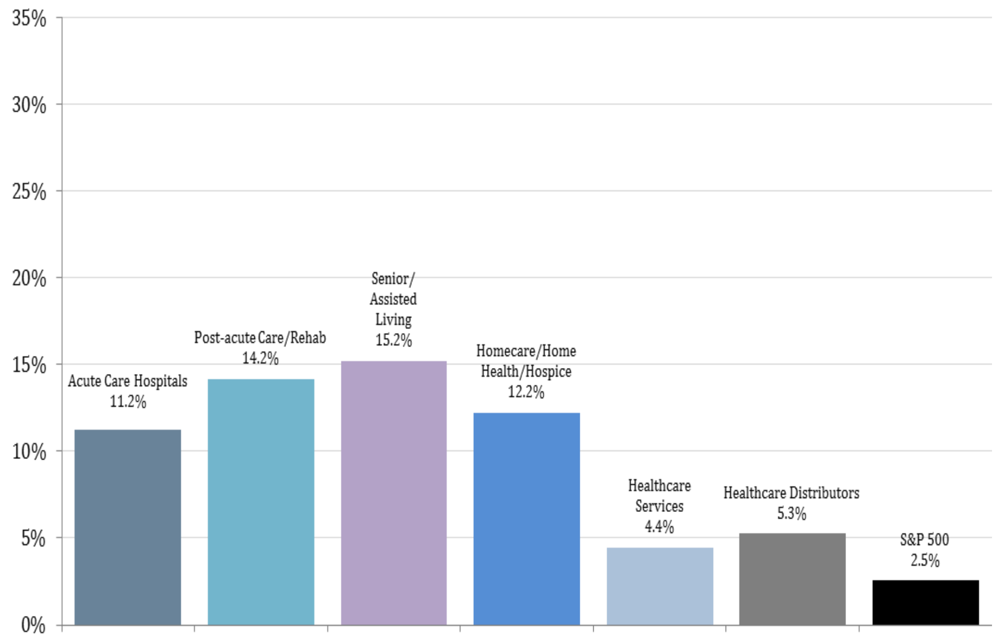
- EV/EBITDA multiples for those niches tracked in the **MAC Healthcare Industry Survey** have generally been flat to moderately lower over the past six months, with the notable exception of the Senior/Assisted Living niche, which has declined significantly.
- We believe the decline in Senior/Assisted Living HC niche is based largely on the current and expected impact of value-based programs cutting into the sector's operating margins.

- The outlook for the overall HC Providers industry group remains positive, with the revenue growth rate for all six of the industry niches expected to outpace the S&P 500 over the next 12 months.
- Expectations for the Post-acute Care/Rehab niche continues to be promising, with 14.2% revenue growth expected over the next 12 months.

Healthcare Providers & Facilities vs. S&P



Next 12 Months: Estimated Sales Growth

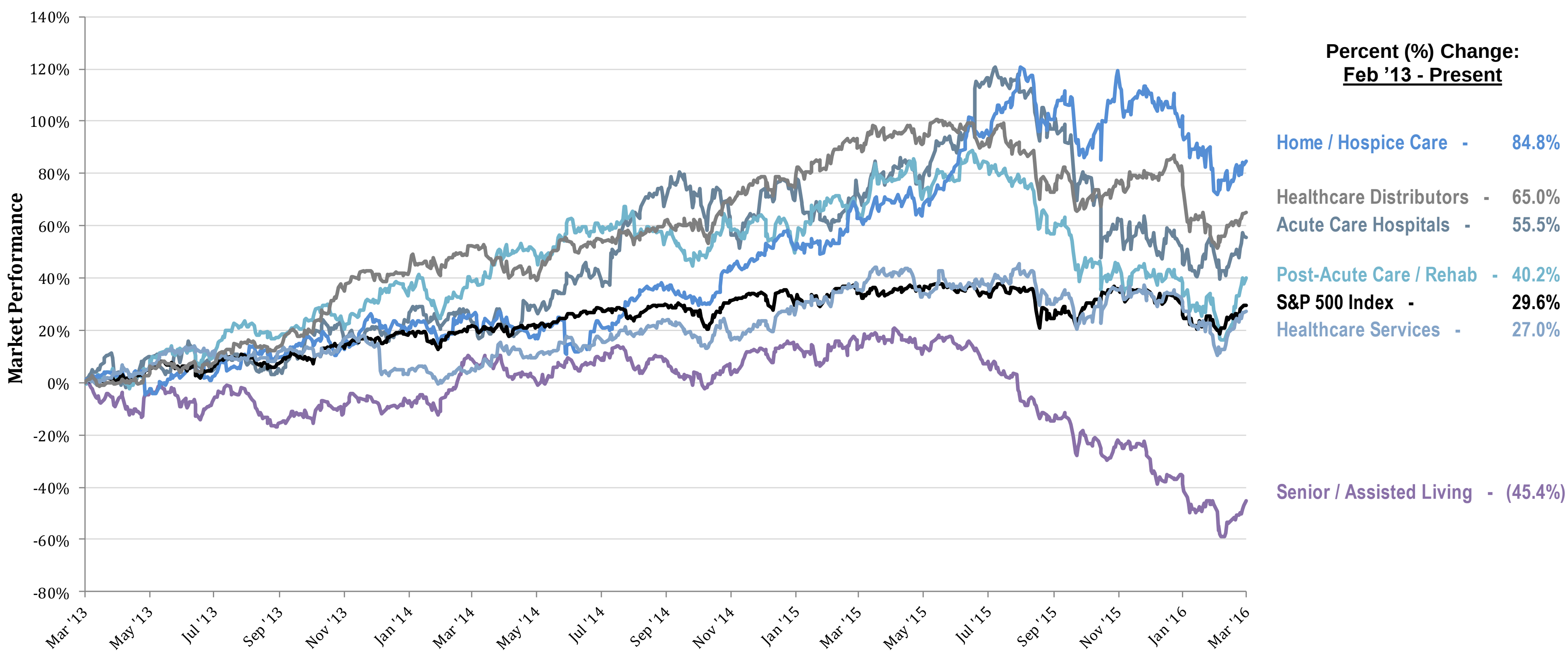


Note: As of 3/7/2016.
Note: The Healthcare Providers & Facilities indices are composed of the public companies included on pages 12-14.
Estimated growth is based on the median estimates of Wall Street analysts.
Source: S&P Capital IQ, WSJ.

HC Providers & Facilities – Recent Stock Performance

- As noted in the table below, over the past three years shares of the publicly traded companies in four of the six niches tracked in the **MAC Healthcare Industry Survey** have significantly outperformed the overall **S&P 500 index**.
- Those HC industry niches outperforming the **S&P 500 index's** performance (of +29.6%) include **Home/Hospice Care** (+84.8%), **Healthcare Distributors** (+65.0%), **Acute Care Hospitals** (+55.5%), and **Post-Acute Care/Rehab** (+40.2%).

3-Year Indexed Stock Price Performance



Note: The Healthcare Providers & Facilities indices are composed of the public companies included on pages 12-14.
Source: Moss Adams Capital, S&P Capital IQ.

Valuation Metrics: Acute & Post-Acute Care

($US in millions, except per share amounts)

Company Name	3/8/16 Share Price	52 Week High - Low	Market Cap	Enterprise Value	TTM Data Sales	TTM Data EBITDA	TTM Data EBITDA Margin	NTM Est. Growth Sales	NTM Est. Growth EBITDA	EV Multiple TTM Sales	EV Multiple TTM EBITDA	EV Multiple NTM Sales	EV Multiple NTM EBITDA
Acute Care Hospitals													
HCA Holdings, Inc.	$71.49	$95.49 - $43.91	$28,379	$60,314	$39,678	$7,869	19.8%	5.7%	5.7%	1.5x	7.7x	1.4x	7.3x
Universal Health Services Inc.	111.82	148.57 - 100.82	10,921	14,862	9,043	1,658	18.3%	16.8%	6.5%	1.6x	9.0x	1.4x	8.4x
Community Health Systems, Inc.	16.15	65.00 - 12.86	1,821	19,493	19,437	2,387	12.3%	3.7%	21.4%	1.0x	8.2x	1.0x	6.7x
Tenet Healthcare Corp.	25.83	60.93 - 21.39	2,545	19,321	18,634	2,177	11.7%	2.6%	12.6%	1.0x	8.9x	1.0x	7.9x
Acadia Healthcare Company, Inc.	55.78	85.62 - 51.02	4,865	7,260	1,794	384	21.4%	60.5%	67.8%	4.0x	18.9x	2.5x	11.3x
LifePoint Health, Inc.	63.72	88.18 - 58.20	2,748	5,330	5,214	646	12.4%	24.6%	20.7%	1.0x	8.3x	0.8x	6.8x
			Median	$17,092	$13,839	$1,918	15.4%	11.2%	16.7%	1.3x	8.6x	1.2x	7.6x
			Average	$21,097	$15,634	$2,520	16.0%	19.0%	22.5%	1.7x	10.1x	1.4x	8.1x
Post-acute Care/Rehab													
HEALTHSOUTH Corp.	$35.48	$48.37 - $30.26	$3,185	$6,623	$3,116	$706	22.7%	16.7%	10.1%	2.1x	9.4x	1.8x	8.5x
Select Medical Holdings Corporation	10.53	17.20 - 7.33	1,383	4,193	3,683	384	10.4%	14.2%	30.3%	1.1x	10.9x	1.0x	8.4x
Kindred Healthcare Inc.	11.44	24.66 - 7.96	959	4,168	7,055	563	8.0%	3.1%	5.8%	0.6x	7.4x	0.6x	7.0x
The Ensign Group, Inc.	21.22	27.04 - 17.60	1,076	1,159	1,342	121	9.0%	17.0%	32.6%	0.9x	9.6x	0.7x	7.2x
AAC Holdings, Inc.	16.63	46.60 - 14.36	373	520	194	28	14.3%	38.5%	92.3%	2.7x	18.7x	1.9x	9.7x
Civitas Solutions, Inc.	18.17	30.23 - 15.19	674	1,299	1,378	131	9.5%	4.7%	24.8%	0.9x	9.9x	0.9x	8.0x
US Physical Therapy Inc.	51.34	56.37 - 42.59	642	714	327	55	17.0%	8.3%	(1.2%)	2.2x	12.9x	2.0x	13.0x
			Median	$1,299	$1,378	$131	10.4%	14.2%	24.8%	1.1x	9.9x	1.0x	8.4x
			Average	$2,668	$2,442	$284	13.0%	14.6%	27.8%	1.5x	11.2x	1.3x	8.8x

Note: *Not meaningful (NM) if EV/Revenue is greater than 5x, or EV/EBITDA is greater than 20x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. . NTM figures are based on the median estimate of Wall St. analysts.*
Sources: S&P, Capital IQ, Wall Street Journal.

Valuation Metrics: Senior / Assisted Living & Homecare / Hospice

($US in millions, except per share amounts)

	3/8/16				TTM Data			NTM Est. Growth		EV Multiple			
Company Name	**Share Price**	**52 Week High - Low**	**Market Cap**	**Enterprise Value**	**Sales**	**EBITDA**	**EBITDA Margin**	**Sales**	**EBITDA**	**TTM Sales**	**TTM EBITDA**	**NTM Sales**	**NTM EBITDA**
Senior/Assisted Living													
Brookdale Senior Living Inc.	$14.87	$39.89 - $11.28	$2,749	$9,299	$4,237	$812	19.2%	19.5%	11.4%	2.2x	11.5x	1.8x	10.3x
Genesis Healthcare, Inc.	2.15	8.06 - 1.42	330	5,265	5,519	544	9.9%	4.6%	(48.4%)	1.0x	9.7x	0.9x	18.8x
Capital Senior Living Corp.	17.38	27.75 - 14.58	513	1,299	411	73	17.8%	10.9%	29.5%	3.2x	17.8x	2.8x	13.7x
Five Star Quality Care Inc.	2.58	5.07 - 2.00	128	219	1,125	27	2.4%	22.9%	20.6%	0.2x	8.1x	0.2x	6.7x
			Median	$3,282	$2,681	$308	13.8%	15.2%	16.0%	1.6x	10.6x	1.4x	12.0x
			Average	$4,020	$2,823	$364	12.3%	14.5%	3.3%	1.6x	11.8x	1.4x	12.4x

	3/8/16				TTM Data			NTM Est. Growth		EV Multiple			
Company Name	**Share Price**	**52 Week High - Low**	**Market Cap**	**Enterprise Value**	**Sales**	**EBITDA**	**EBITDA Margin**	**Sales**	**EBITDA**	**TTM Sales**	**TTM EBITDA**	**NTM Sales**	**NTM EBITDA**
Homecare/Home Health/Hospice													
Chemed Corp.	$130.49	$160.12 - $113.26	$2,216	$2,316	$1,543	$219	14.2%	3.2%	8.5%	1.5x	10.6x	1.5x	9.7x
Amedisys Inc.	37.25	48.34 - 24.81	1,255	1,324	1,281	88	6.9%	5.5%	43.6%	1.0x	15.0x	1.0x	10.5x
The Ensign Group, Inc.	21.22	27.04 - 17.60	1,076	1,159	1,342	121	9.0%	17.0%	32.6%	0.9x	9.6x	0.7x	7.2x
LHC Group, Inc.	35.33	51.83 - 29.69	635	764	797	80	10.0%	10.4%	(3.5%)	1.0x	9.6x	0.9x	9.9x
Almost Family Inc.	36.86	50.48 - 33.69	380	498	532	38	7.1%	14.0%	29.2%	0.9x	13.2x	0.8x	10.2x
Addus HomeCare Corporation	19.50	38.08 - 18.16	214	260	337	21	6.2%	18.7%	38.1%	0.8x	12.5x	0.6x	9.1x
			Median	$962	$1,039	$84	8.1%	12.2%	30.9%	0.9x	11.5x	0.8x	9.8x
			Average	$1,054	$972	$94	8.9%	11.5%	24.7%	1.0x	11.7x	0.9x	9.4x

Note: *Not meaningful (NM) if EV/Revenue is greater than 5x, or EV/EBITDA is greater than 20x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. NTM figures are based on the median estimate of Wall St. analysts.*
Sources: S&P, Capital IQ. Wall street Journal.

Valuation Metrics: Healthcare Services & Distributors

($US in millions, except per share amounts)

	3/8/16				TTM Data			NTM Est. Growth		EV Multiple			
Company Name	Share Price	52 Week High - Low	Market Cap	Enterprise Value	Sales	EBITDA	EBITDA Margin	Sales	EBITDA	TTM Sales	TTM EBITDA	NTM Sales	NTM EBITDA
Healthcare Services													
Laboratory Corp. of America Holdings	110.32	$131.19 - $97.79	11,220	17,089	8,506	1,659	19.5%	8.2%	14.1%	2.0x	10.3x	1.9x	9.0x
Quest Diagnostics Inc.	$68.43	89.00 - 59.66	$9,769	$13,562	$7,493	$1,485	19.8%	0.7%	4.5%	1.8x	9.1x	1.8x	8.7x
Team Health Holdings, Inc.	44.19	70.21 - 33.15	3,250	5,745	3,597	362	10.1%	31.9%	40.8%	1.6x	15.9x	1.2x	11.3x
Healthways Inc.	10.78	22.46 - 9.18	389	636	771	33	4.3%	(1.6%)	161.6%	0.8x	19.3x	0.8x	7.4x
			Median	$9,653	$5,545	$924	14.8%	4.4%	27.5%	1.7x	13.1x	1.5x	8.9x
			Average	$9,258	$5,092	$885	13.4%	9.8%	55.2%	1.6x	13.6x	1.4x	9.1x
Healthcare Distributors													
McKesson Corporation	$158.80	$243.61 - $148.29	$36,300	$44,043	$189,131	$4,294	2.3%	4.7%	20.7%	0.2x	10.3x	0.2x	8.5x
Cardinal Health, Inc.	82.71	91.91 - 74.73	27,239	31,051	112,423	2,893	2.6%	12.9%	17.1%	0.3x	10.7x	0.2x	9.2x
AmerisourceBergen Corporation	87.82	120.68 - 80.50	18,044	21,625	139,082	1,638	1.2%	8.4%	45.5%	0.2x	13.2x	0.1x	9.1x
Henry Schein, Inc.	167.51	170.24 - 126.17	13,726	14,977	10,630	928	8.7%	6.5%	9.2%	1.4x	16.1x	1.3x	14.8x
Patterson Companies, Inc.	44.09	53.07 - 38.51	4,272	5,477	5,432	483	8.9%	5.3%	(4.4%)	1.0x	11.3x	1.0x	11.9x
Owens & Minor Inc.	39.80	40.23 - 31.89	2,495	2,918	9,773	273	2.8%	2.1%	3.8%	0.3x	10.7x	0.3x	10.3x
PharMerica Corporation	22.35	36.96 - 21.81	682	1,111	2,029	136	6.7%	4.9%	(1.4%)	0.5x	8.2x	0.5x	8.3x
			Median	$14,977	$10,630	$928	2.8%	5.3%	9.2%	0.3x	10.7x	0.3x	9.2x
			Average	$17,314	$66,929	$1,521	4.7%	6.4%	12.9%	0.6x	11.5x	0.5x	10.3x

Note: *Not meaningful (NM) if EV/Revenue is greater than 5x, or EV/EBITDA is greater than 20x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. NTM figures are based on the median estimate of Wall St. analysts.*
Sources: S&P, Capital IQ, Wall Street Journal.

Selected Recent M&A Transactions - 2/16- Present (a)

$ in millions

Announced	Acquirer/Investor	Target	Target Description	Transaction Value
03/03/16	Summit Behavioral Healthcare, LLC	St. Joseph Institute, Inc.	Operates an addiction treatment and detoxification center.	-
03/02/16	**LHC Group, Inc.**	Heartlite Hospice, Inc.	Operates a hospice center.	-
03/02/16	**Civitas Solutions, Inc.**	Tender Loving Care, Inc.	Owns and operates facilities that provide services for individuals with brain injuries.	-
03/01/16	LifeCare Holdings, Inc.	Haven Home Health, LLC	Provides home healthcare services.	-
03/01/16	Winterfell Healthcare Holdings - NT-HCI, LLC; Winterfell Healthcare NT-HCI CAM2, LLC	Winterfell Healthcare Owner General Partnership	Owns and operates retirement facilities.	$923.3
02/29/16	VCA Inc.	CAPNA, Inc.	Owns and operates veterinary hospitals.	$344.0
02/26/16	Beaufort Memorial Hospital	Sea Island Cancer Center LLC (nka:Beaufort Memorial Medical Oncology)	Owns and operates a facility that offers treatment for cancers and benign conditions.	-
02/25/16	**McKesson Specialty Health**	Vantage Oncology, LLC	Owns and operates cancer treatment facilities.	-
02/18/16	**Welltower Inc.;** Canada Pension Plan Investment Board; Discovery Senior Living	Aston Care Systems, Inc.	Operates senior living communities in Florida.	$569.0
02/17/16	**Surgical Care Affiliates, Inc.; Midwest Physician Administrative Services LLC**	Naperville Surgical Centre	Operates an outpatient surgery center.	$1.9
02/17/16	Post Acute Partners, LLC	Lakeside Beikirch Care Center Inc	Operates a nursing facility.	-
02/16/16	**Surgical Care Affiliates, Inc.**	Center for Minimally Invasive Surgery	Offers surgery services in the areas of adult and pediatric spine.	-
02/16/16	Springpoint Senior Living, Inc.	Franciscan Oaks	Owns and operates a senior living community.	-
02/10/16	One Equity Partners LLC	All Metro Aids Inc.	Provides home health care services.	-
02/10/16	**Columbia Medical Center of Plano Subsidiary, L.P.**	Forest Park Medical Center at Frisco, LLC	Operates as a hospital in Texas.	$96.3
02/09/16	Premise Health Holding Corp.	Parker at McCarrick Inc.	Owns and operates onsite multi-site clinics that provide acute care.	-
02/08/16	Premier Health Partners, Inc.	Women First Wellness Center, Inc.	Operates an obstetrician and gynecologist facility.	-
02/11/16	Amedisys Inc.	Associated Home Care Inc.	Provides in-home senior care services in Massachusetts.	$38.1
02/04/16	Linsalata Capital Partners; Linsalata Capital Partners Fund VI, L.P.	H.H. Franchising Systems, Inc.	Provides in-home care and home healthcare services for seniors.	-
02/02/16	Avalon Health Care Group	Hale Nani Investors LLC	Operates a rehabilitation and nursing center.	$44.6
02/09/16	Ciena Healthcare Management, Inc.	Laurel Health Care Company	Provides skilled nursing, rehabilitation, and assisted living services.	-
02/02/16	LifePoint Health, Inc.	Providence Hospitals	Provides healthcare services including cardiovascular and heart care services.	$132.2
02/01/16	Larkin Community Hospital, Inc.	Palm Springs General Hospital, Inc.	Operates as a hospital and provides healthcare services.	$40.0
02/01/16	The Francis E. Parker Memorial Home Inc.	Margaret McLaughlin McCarrick Care Center Inc. (nka:Parker at McCarrick Inc.)	Operates a 120 bed acute rehabilitation and nursing home.	$12.0

Sources: S&P, Capital IQ.
*(a) Public Companies in **bold**.*

Recent Notable and Disclosed M&A Transactions (a)

$ in millions

Announced	Acquirer/Investor	Target	Target Description	Transaction Value	Metric
02/11/16	**Amedisys Inc. (NasdaqGS:AMED)**	Associated Home Care Inc.	Provides in home care services in Massachsetts.	$38.1	1.0x Rev
02/02/16	**LifePoint Health, Inc. (NasdaqGS:LPNT)**	Providence Hospitals	Provides healthcare services including cardiovascular and heart care services.	$132.2	
12/11/15	**Constellation Helathcare Technologies, Inc. (AIM:CHT)**	MDRX Medical Billing, LLC	Owns and operates a hospital.	$30.0	0.9x Rev; 6.2x EEBITDA
12/04/15	Kaiser Permanente Inc.	Group Health Cooperative	Provides healthcare services to residents in Washington and Northern Idaho.		
10/16/15	**RadNet (Nasdaq:RDNT)**	Diagnostic Imaging Group	Owns and operates 17 imaging centers.	$65.4	0.9x Rev
09/18/15	**Universal Health Services (NYSE:UHS)**	Foundations Recovery Network	Provides treatment for persons with a dual diagnosis of substance addiction and mental health disorders.	$350.0	
09/16/15	Fujian Thai Hot Investment	**Alliance HealthCare Services (Nasdaq:AIQ)**	Provides outpatient diagnostic and radiation therapy services in the U.S.	$699.0	1.6x Rev; 5.8x EBITDA
09/15/15	Griffin-American Healthcare REIT	Trilogy Investors	Owner-operator of integrated senior healthcare campuses throughout the Midwest.	$1,125.0	
09/03/15	**LHC Group (Nasdaq:LHCG)**	Halcyon Hospice	Independent providers of hospice services with 16 locations across three states.	$58.5	1.4x Rev
09/03/15	**Molina Healthcare (NYSE:MOH)**	Providence Human Services	National provider of behavioral and mental health services.	$200.0	0.6x Rev
09/02/15	BayBridge Seniors Housing	**Amica Mature Lifestyles (TSX:ACC)**	Luxury seniors residences, with 26 properties throughout Canada.	$835.0	7.7x Rev; 27.5 EBITDA
08/31/15	Encompass Home Health	CareSouth Health System	Portfolio of 45 home health locations.	$170.0	1.6x Rev
08/24/15	**DaVita HealthCare Partners (NYSE:DVA)**	Renal Ventures Management	Operates 36 dialysis clinics in 6 states.	$415.0	
08/04/15	**Team Health (NYSE:TMH)**	**IPC Healthcare (Nasdaq:IPCM)**	Acute hospitalist and post-acute provider organization.	$1,600.0	2.2x Rev; 10.7x EBITDA
07/30/15	**Envision Healthcare (Nasdaq:EVHC)**	Rural/Metro	Provider of emergency and non-emergency ambulance transportation.	$620.0	1.0x Rev; 10.3x EBITDA
07/27/15	**Medical Properties Trust (NYSE:MPW)**	Capella Healthcare	Owns and operates acute care and specialty hospital facilities in six states.	$1,500.0	1.9x Rev; 14.3x EBITDA
07/01/15	Madison Dearborn Partners	Pattersori Companies' Medical Business	Provides rehabilitation, assistive, and splitting products.	$715.0	1.5x Rev; 10.6x EBITDA
06/12/15	**Quantum International Income Corp. (TSXV:QIC)**	Columbus Hospital LTACH LLC	Operates an acute care specialty hospital for higher acute patients.	$29.0	1.1x Rev
06/11/15	**HEALTHSOUTH Corp. (NYSE:HLS)**	Reliant Hospital Partners, LLC	Owns and operates rehabilitation hospitals in the United States.	$730.0	2.9x Rev; 8.9x EBITDA
06/09/15	Patient Home Monitoring	Sleep Management	Provides home based medical services focused on patients with chronic sleep conditions,	$88.1	2.1x Rev; 4.9x EBITDA

	Deal Size	Revenue Multiple	EBITDA Multiple
Transactions Represented	20	15	9.0x
High	$1,600.0	7.7x	27.5x
Median	$350.0	1.5x	10.3x
Low	$29.0	0.6x	4.9x
Mean	$494.8	1.9x	11.0x

M&A Transactions in the table above include those with EV above $5 million and with reported deal metrics.
Sources: S&P, Capital IQ.
*(a) Public companies in **bold**.*

Overview of Selected M&A Transactions

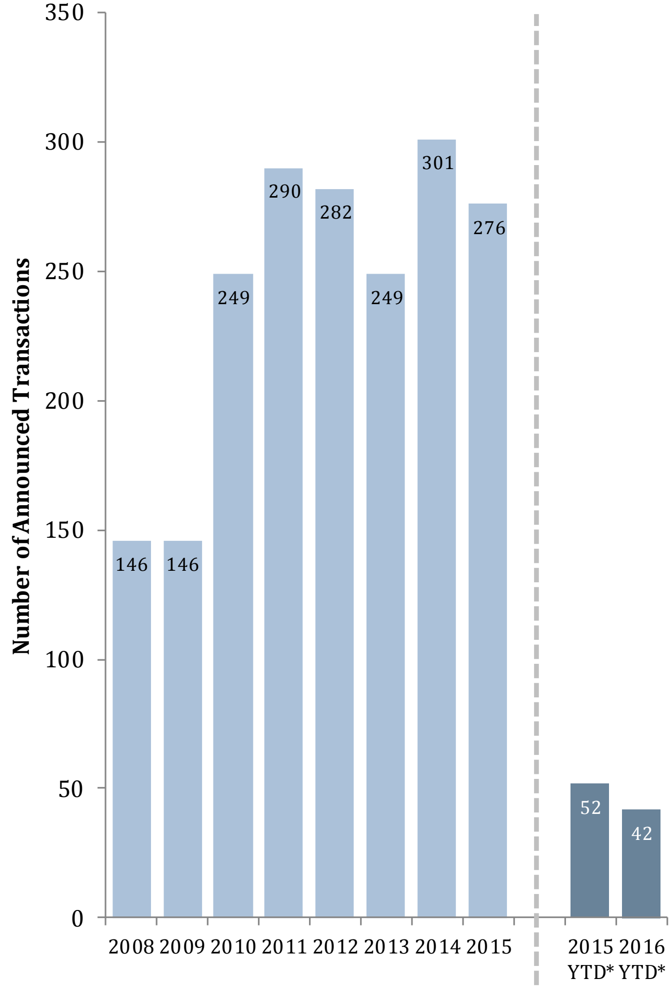
Universal Health Services (NYSE:UHS) acquires **Foundation Recovery Network, LLC**
September 18, 2015

- On September 18, 2015, **Universal Health Services**, an owner and operator of acute care hospitals in Pennsylvania, agreed to buy **Foundation Recovery Network,** an integrated treatment center for co-occurring mental health and substance use disorders for a reported $350 million.
- The transaction increased the number of residential beds under the Universal Health Services umbrella by 322 beds - in four different facilities and eight outpatient center -with an additional 140 expansion beds in the pipeline.
- Alan B. Miller, CEO and Chairman of the Board of Universal Health Services had the following to say about the transaction: "We were attracted to [Foundations] proven track record of providing high quality treatment and reputation for excellence in this very attractive market segment."
- UHS will use Foundation as a platform for growth in a new substance disorder service line.

Kaiser Permanente Inc. acquires Group Health Cooperative
December 4, 2015

- On December 4, 2015, **Kaiser Permanente Inc. ("Kaiser")**, a healthcare provider servicing eight states and more than 10 million members agreed to buy **Group Health Cooperative ("Group Health")**, a not-for-profit health plan with 590,000 members in Washington State and parts of Idaho for a rumored $1.8 billion(1).
- With the acquisition of Group Health, Kaiser said it intends to invest in advanced technology, facilities, and the Group Health workforce in order to advance the growth of their integrated model for healthcare delivery and coverage. Proponents of the deal say the move is necessary in an era of growing hospital and health-system acquisitions to ensure the future of Group Health.
- Subsequent to the transaction, Group Health Physicians, a practice of more than 1,000 providers, entered into an agreement with Kaiser to provide healthcare services exclusively to Group Health members.

Providers & Facilities Mid-Market M&A*



* *YTD figures represent total year-to-date M&A as of March 07, 2015 & 2016. Middle market M&A includes transactions with EV < $500mm, and transactions with undisclosed EV.*

(1) Per The Seattle Times

Sources: Company press releases, S&P Capital IQ, Modern Healthcare. Bizjournals

Public Company Equity Offerings

$ in millions

Date	Company	Funding Type	Target Description	Transaction Value
01/05/16	Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	Follow-On Equity Offering	Provider of inpatient behavioral health care services.	$683.5
11/30/15	AmSurg Corp. (NasdaqGS:AMSG)	Follow-On Equity Offering	Provides ambulatory and physician services.	$440.0
11/19/15	The Joint Corp. (NasdaqCM:JYNT)	Follow-On Equity Offering	Operates as a franchisor of chiropractic clinics.	$12.5
10/14/15	Apollo Medical Holdings, Inc. (OTCPK:AMEH)	PIPE	Operates as an integrated population health management company.	$10.0
10/01/15	Surgery Partners (NasdaqGS:SGRY)	IPO	Portfolio of 99 surgical facilities across 28 states.	$271.4
10/01/15	Civitas Solutions, Inc. (NYSE:CIVI)	Follow-On Equity Offering	Provides home based health services to individuals with developmental disabilities.	$43.0
08/31/15	PharMEDium Healthcare	IPO	National provider of compounded sterile preparations to acute care hospitals.	$100.0
08/31/15	American Renal Associates Holdings, Inc.	IPO	Operates 181 dialysis clinic locations in 23 states.	NA
07/31/15	Adeptus Health (NYSE:ADPT)	Follow-On Equity Offering	Owns and operates a network of independent freestanding emergency rooms.	$200.2
07/01/15	Teladoc (NYSE:TDOC)	Follow-on Equity Offering	Provider of 24/7 tele-health consultations.	$135.0
06/25/15	BioCorRx Inc. (OTCPK:BICX)	PIPE	Operates alcoholism rehabilitation and treatment centers in California.	$10.0
06/05/15	Evolent Health (NYSE:EVH)	IPO	Provider of population health managed services solutions.	$891.0
05/21/15	Community Healthcare Trust (NYSE:CHCT)	IPO	REIT focused on acquiring non-urban healthcare properties.	$119.7
05/04/15	Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	Follow-on Equity Offering	Provider of inpatient behavioral health care services.	$299.3
03/31/15	Convalo Health International Corp. (TSXV:CXV)	PIPE	Operates as an intensive outpatient treatment services company.	$14.1
03/31/15	AdCare Health Systems, Inc. (AMEX:ADK)	PIPE	Owns and manages skilled nursing facilities and assisted living facilities.	$8.5
03/13/15	Surgical Care Affiliates, Inc. (NasdaqGS:SCAI)	Follow-on Equity Offering	Owns and operates a network of multi-specialty ambulatory centers and surgical hospitals.	$232.8
03/09/15	BioScrip, Inc. (NasdaqGS:BIOS)	PIPE	Provides home infusion and other home care services.	$83.9
02/09/15	The Ensign Group, Inc. (NasdaqGS:ENSG)	Follow-on Equity Offering	Provides skilled nursing and rehabilitative care services.	$102.5
01/06/15	Providence Service Corp. (NasdaqGS:PRSC)	Follow-on Equity Offering	Provides and manages government sponsored non-emergency transportation services.	$65.5

U.S. Public equity offerings of at least $5 million the last three years.
Sources: S&P Capital IQ and PitchBook Data Inc.

Private Company Capital Raises

$ in millions

Date	Company	Funding Type	Target Description	Transaction Value
01/11/16	Mid-Atlantic Health Care, LLC	Growth Capital / Private Equity	Provides post-hospital services for senior citizens.	$13.3
12/22/15	Tabco Towers Housing Associates, LLC	Venture Capital	Manages senior housing apartments.	$9.7
12/17/15	Hometeam Care, Inc.	Venture Capital	Provides home care solutions for older adults.	$32.8
12/16/15	Recovery Centers of America Holdings LLC	Growth Capital / Private Equity	Operates a network of recovery campuses that provide addiction care services.	$231.5
12/10/15	MedVet Associates, Inc.	Growth Capital / Private Equity	Provides specialty and emergency veterinary care services for dogs and cats.	$35.4
10/16/15	Healthcare Integrity LLC	Venture Capital	Manages a general acute care hospital.	$5.0
10/08/15	PM Pediatrics Management Group	Growth Capital / Private Equity	Provides pediatric urgent care in New York and New Jersey.	$8.4
10/07/15	Merrill Gardens, LLC	Growth Capital / Private Equity	Owns and operates senior living communities across 6 states.	$100.0
09/30/15	Access Integrated Healthcare	Venture Capital	Healthcare services organization serving the workers' compensation industry.	$50.0
09/22/15	Access Clinical Partners	Venture Capital	Owns and operates urgent care centers.	$25.4
09/17/15	VillageMD	Venture Capital	Management services company that partners with leading healthcare providers.	$36.0
09/16/15	DJ HealthUnion Systems	Undisclosed	Provider of digital hospital solutions.	$12.5
09/08/15	Aegis Senior Communities LLC	Growth Capital / Private Equity	Owns and operates senior living communities in WA and CA.	$12.5
09/03/15	Community Intervention Services	Growth Capital / Private Equity	Provider of behavioral health services that cares for more than 50,000 patients annually.	$55.0
08/20/15	ZocDoc	Venture Capital	Online doctor appointment service.	$130.0
08/20/15	Grand Rounds	Venture Capital	Online platform that connects patients with medical specialists.	$55.0
08/20/15	Maryland Proton Treatment Center, LLC	Growth Capital / Private Equity	Development stage company intending to operate a cancer treatment facility.	$20.0
07/31/15	Community Medical Group	Growth Capital / Private Equity	Operates medical centers providing Medicaid and Medicare services in Florida.	$15.3
07/28/15	South Bay Mental Health Center, Inc.	Growth Capital / Private Equity	Provides community-based services to patients in MA.	$11.2
07/22/15	Gynesonics	Growth Capital / Private Equity	Women's healthcare company.	$43.0

Equity capital raises of > $5 million for U.S. private companies in the last eight months.
Sources: S&P Capital IQ and PitchBook Data Inc.

Overview of Selected Capital Raises

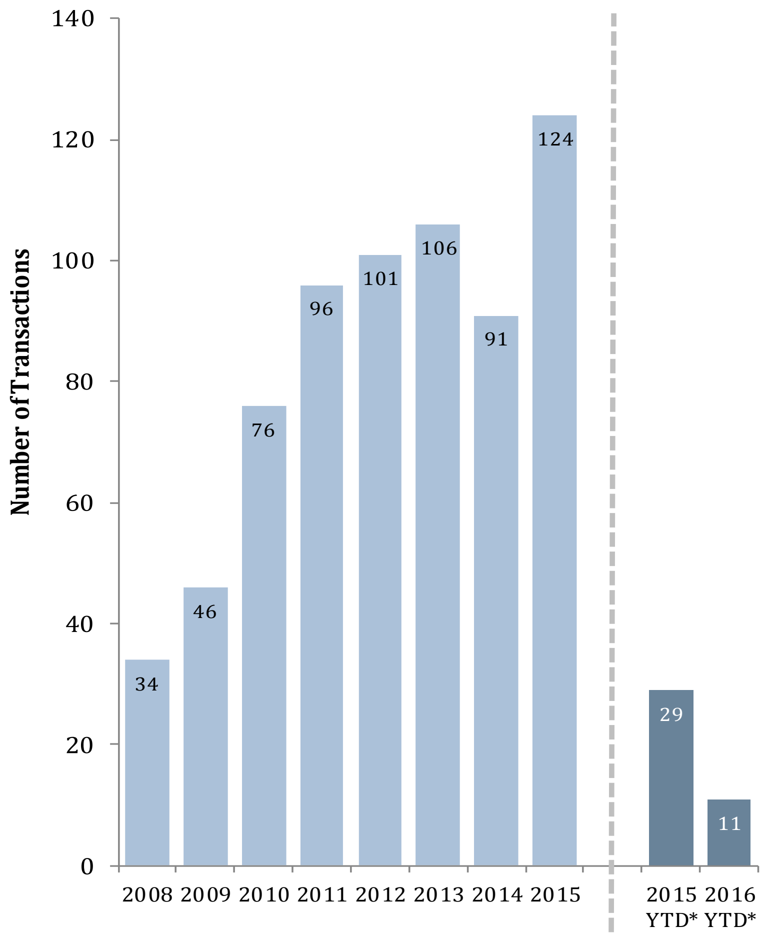
Acadia Healthcare Company, Inc. (Nasdaq:ACHC) (Franklin, TN)
January 5, 2016

- On January 5, 2016 **Acadia Healthcare Company, Inc. ("Acadia")** announced a proposed underwritten public offering of 10,000,000 shares of its common stock. Acadia announced its intent to use the proceeds from the offering to fund the Company's acquisition strategy, and, specifically to fund a piece of the purchase price for the Company's planned acquisition of the **Priory Group**, a leading U.K. provider of behavioral healthcare services.
- Acadia Healthcare is a provider of inpatient behavioral healthcare services with a network of 258 facilities and more than 9,900 beds in 39 states, the United Kingdom, and Puerto Rico.
- Acadia announced on January 12, that the Company completed the underwritten public offering for gross proceeds of approximately $610 million.

Recovery Centers of America Holdings LLC (Private Company) (King of Prussia, PA)
December 16, 2015

- On December 16, 2015, **Recovery Centers of America Holdings, LLC (the "Company"),** announced that it had raised $231.5 million in a new round of financing from Deerfield Management Company.
- Recovery Centers of America operates a network of neighborhood-based recovery campuses that provide addiction care services. The Company will use the proceeds to expand their presence in the northeast United States, with the acquisition of eight developmental sites. The Company's stated goals are to be operating over 1,200 beds by 2017 and to create one of the world's largest addiction treatment and behavioral healthcare companies.

Providers & Facilities Mid-Market Cap Raises*



* *YTD figures represent total year-to-date capital raises as of March 07, 2015 & 2016. Middle market Public Offerings & Capital Raises includes transactions with < $500mm, and transactions with undisclosed values.*

Sources: Company press releases, S&P Capital IQ, BusinessWire

Moss Adams at a Glance: Leadership through Experience and Results

Moss Adams Capital LLC

- Full-service investment banking and strategic advisor services
- Dedicated industry specialists
- Focus on privately owned and family-held companies
- Mergers and acquisitions
- Private debt & equity placements
- Mezzanine capital
- Due Diligence preparation & advisory

Moss Adams LLP

- 100+ years old – Founded in 1913
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- Fully integrated accounting, tax, and business advisory firm
- Middle-market specialists
- *The Moss Adams Advantage:* Discrete, highly leverageable transaction resources and services

International Presence

- Major market affiliates throughout the U.S. and more than 100 countries around world

Expert Teams

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- Creating Value for Owners
- Global Presence & Capabilities

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- Strategic alternatives assessment
- Exclusive sales and divestitures
- Strategic planning
- Management buy-outs
- Recapitalizations
- Fairness opinions
- Restructuring and special situations advisory

Highlights and Accomplishments

- Completed more than 250 transactions
- Access to key decision-makers among institutional investor universe
- Coverage of relevant strategic partners
- Average of 20 years of investment banking experience among senior leaders

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Aerospace, Defense & Government Services	Automotive & Dealer Services	Business & Marketing Services
Consumer, Retail & Apparel	Food, Beverage & Agriculture	Healthcare Services & Products
Industrials / Niche Manufacturing	Infrastructure & Construction	Paper, Plastics, & Packaging
Real Estate, Lodging & Leisure	Technology, Communications, & Media	Transportation & Logistics

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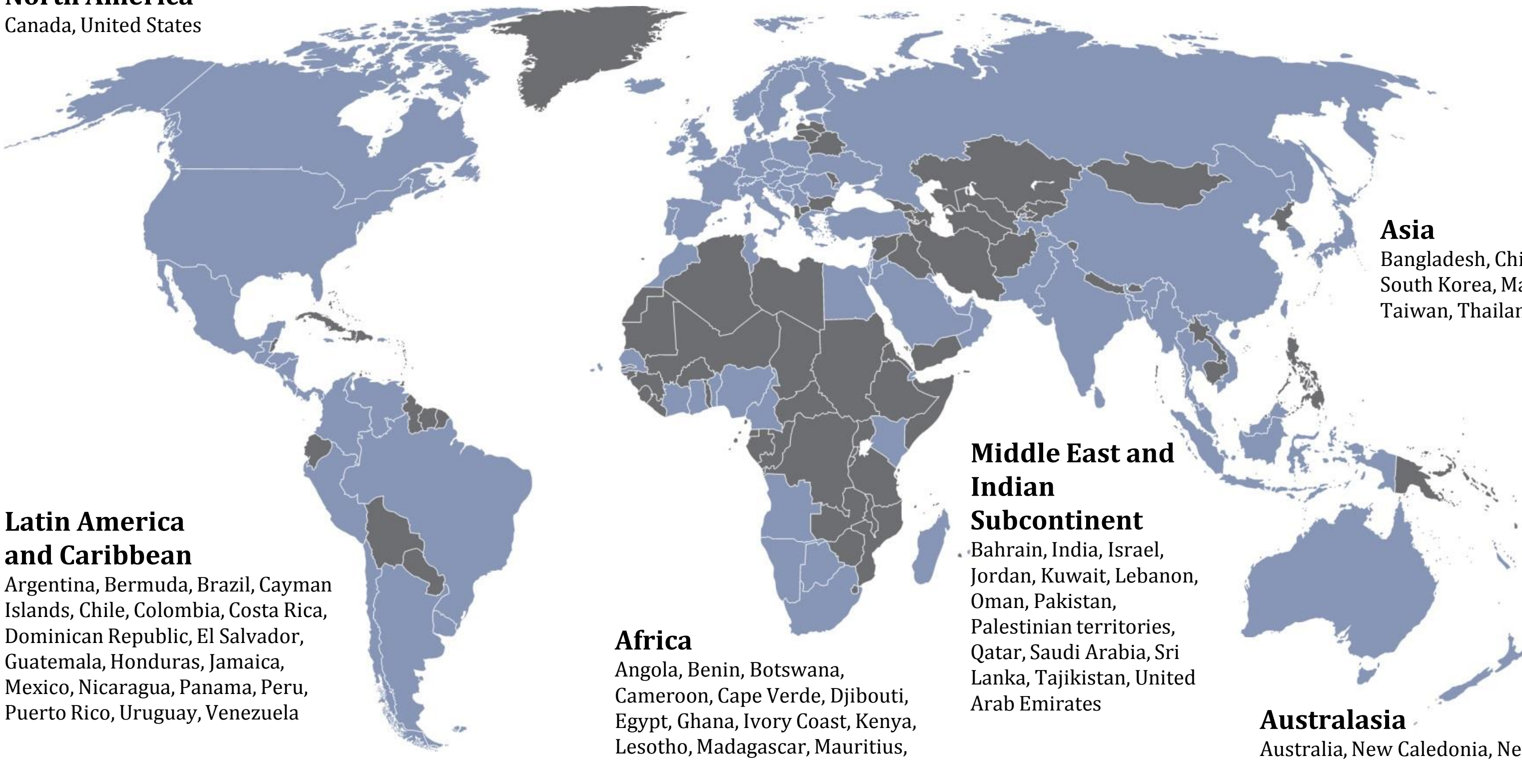
North America
Canada, United States



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Bangladesh, China, Indonesia, Japan, South Korea, Malaysia, Singapore, Taiwan, Thailand, Vietnam

Middle East and Indian Subcontinent
Bahrain, India, Israel, Jordan, Kuwait, Lebanon, Oman, Pakistan, Palestinian territories, Qatar, Saudi Arabia, Sri Lanka, Tajikistan, United Arab Emirates

Latin America and Caribbean
Argentina, Bermuda, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, Puerto Rico, Uruguay, Venezuela

Africa
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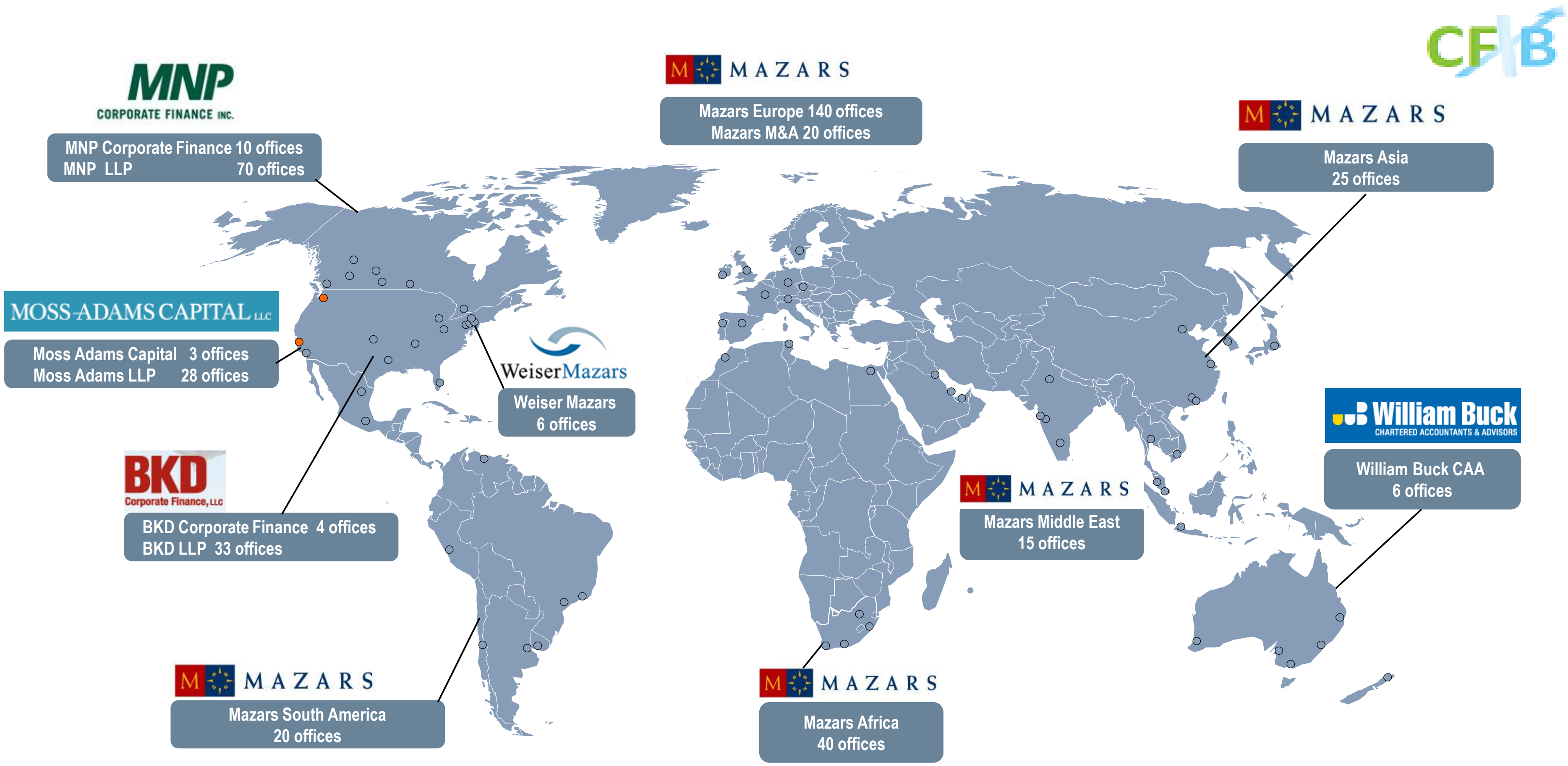

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