

# Quarterly Industry Update

As of August 31, 2013

Industry: Hospital/Urgent Care



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Hospital/Urgent Care industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since August 31, 2012, the median 52-week share price return of the Hospital/Urgent Care industry has increased by 32.7%. In the last quarter, the median price-to-earnings multiple decreased from 16.1x to 15.0x. Growth has deteriorated over the last quarter, which has reduced EBITDA margins.

## Comparable Public Company Key Statistics

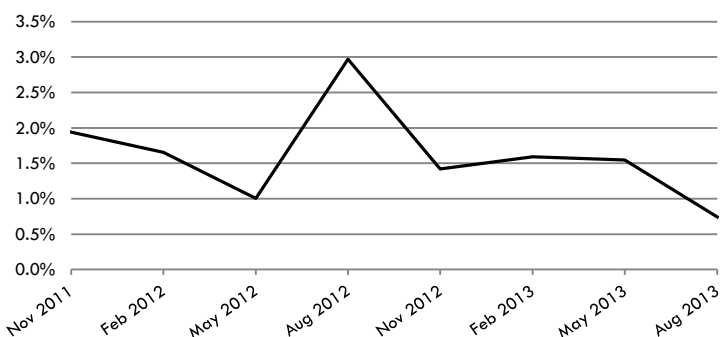
Median 52-Week Return	32.7%	Median EV/Revenue Multiple	1.0x	Median Price/Earnings Multiple	15.0x
Median 3-Year CAGR Return	14.4%	Median EV/EBITDA Multiple	7.7x	Median EV/Gross CF Multiple	14.4x

## Comparable Public Company Market Price Returns (As of August 31, 2013)

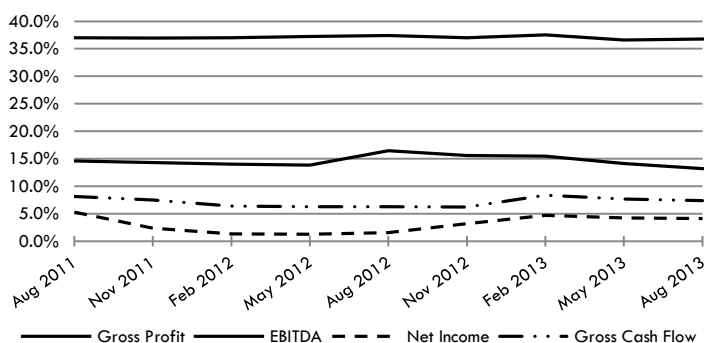
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Acadia Healthcare Company, Inc.	64.2%	14.8%	99.8%	N/A	N/A	N/A	134.2%	N/A	N/A	N/A	N/A
Amedisys Inc.	44.1%	32.2%	15.7%	-2.0%	-11.1%	-21.1%	3.6%	-67.4%	-31.1%	17.6%	-14.8%
Community Health Systems, Inc.	27.7%	-18.5%	45.2%	38.9%	14.6%	2.6%	76.2%	-53.3%	5.0%	144.2%	-60.4%
DaVita HealthCare Partners Inc.	-2.7%	-13.3%	10.5%	20.9%	18.5%	13.4%	45.8%	9.1%	18.3%	18.5%	-12.0%
HCA Holdings, Inc.	26.6%	-2.2%	33.8%	38.1%	N/A	N/A	36.9%	N/A	N/A	N/A	N/A
HEALTHSOUTH Corp.	49.0%	7.4%	37.4%	21.3%	24.6%	11.8%	19.5%	-14.7%	10.3%	71.3%	-47.8%
Kindred Healthcare Inc.	35.9%	8.9%	31.7%	6.6%	7.8%	-13.8%	-8.1%	-35.9%	-0.5%	41.8%	-47.9%
LHC Group, Inc.	6.2%	2.9%	30.1%	6.4%	4.2%	-4.9%	66.0%	-57.2%	-10.7%	-6.6%	44.1%
Lifepoint Hospitals Inc.	19.8%	-9.0%	11.9%	11.0%	14.2%	6.0%	1.6%	1.1%	13.0%	42.4%	-23.2%
SunLink Health Systems Inc.	-32.8%	6.7%	-33.3%	-38.7%	-23.8%	-23.2%	-27.4%	1.2%	-12.0%	113.2%	-85.7%
Tenet Healthcare Corp.	20.3%	-17.6%	88.1%	36.0%	35.5%	10.1%	58.2%	-23.3%	24.1%	368.7%	-77.4%
Universal Health Services Inc.	40.1%	-2.0%	69.6%	27.6%	29.2%	17.0%	24.4%	-10.5%	42.4%	62.4%	-26.6%
<b>Median of Industry Public Companies</b>	<b>27.1%</b>	<b>0.5%</b>	<b>32.7%</b>	<b>20.9%</b>	<b>14.4%</b>	<b>4.3%</b>	<b>30.7%</b>	<b>-19.0%</b>	<b>7.7%</b>	<b>52.4%</b>	<b>-37.2%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Hospital/Urgent Care Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Hospital/Urgent Care Industry

Date:	8/31/2011	11/30/2011	2/29/2012	5/31/2012	8/31/2012	11/30/2012	2/28/2013	5/31/2013	8/31/2013
EV/Revenues Multiple	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.1x	1.1x	1.0x
EV/EBITDA Multiple	6.3x	6.4x	6.7x	6.1x	6.1x	6.4x	6.9x	7.8x	7.7x
Price/Earnings Multiple	9.5x	11.7x	11.0x	10.4x	10.5x	11.4x	13.2x	16.1x	15.0x
EV/Gross Cash Flows Multiple	10.9x	11.4x	13.1x	13.6x	12.1x	11.1x	13.7x	15.5x	14.4x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

# Quarterly Industry Update

As of August 31, 2013

Industry: Hospital/Urgent Care



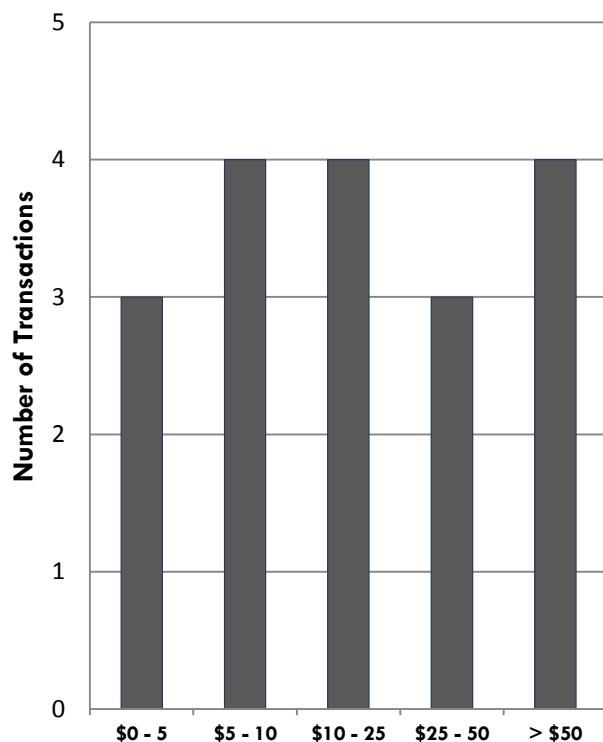
## Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/21/2011	Vanguard Health Systems Inc.	\$18.00	25.0	\$450.0	\$4,162.2	\$2,779.1	\$3,998.9	\$358.9	\$1.8	N/A
3/9/2011	HCA Holdings, Inc.	\$30.00	126.2	\$3,786.0	\$23,852.0	\$28,651.0	\$28,035.0	\$5,586.0	\$1,207.0	\$7,007.0
9/25/2009	Select Medical Holdings Corporation	\$10.00	30.0	\$300.0	\$2,541.1	\$1,476.0	\$2,140.3	\$298.8	\$35.4	\$362.1
1/25/2008	IPC Healthcare, Inc.	\$16.00	5.2	\$83.2	\$97.4	\$26.8	\$190.0	\$15.2	N/A	\$16.2
11/8/2007	The Ensign Group, Inc.	\$16.00	4.0	\$64.0	\$203.4	\$63.8	\$399.8	\$42.9	\$19.6	\$48.9
6/8/2005	LHC Group, Inc.	\$14.00	4.8	\$67.2	\$56.4	\$18.1	\$132.6	\$24.9	\$10.9	\$26.1
6/8/2000	Community Health Systems, Inc.	\$13.00	18.8	\$243.8	\$1,935.7	\$1,484.6	\$1,025.1	\$212.3	\$228.6	\$272.6
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$243.8</b>	<b>\$1,935.7</b>	<b>\$1,476.0</b>	<b>\$1,025.1</b>	<b>\$212.3</b>	<b>\$27.5</b>	<b>\$160.7</b>

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
8/1/2013	Laurel Surgical Center	Excelsa Health	\$10.8	100%
7/12/2013	Vista Hospital of Dallas	RCR Healthcare LLC	\$4.9	100%
6/11/2013	Prime Healthcare Services	Medical Properties Trust	\$75.0	100%
6/10/2013	L'Union Clinic	Icade Santé SAS	\$51.6	100%
12/31/2012	North Valley Orthopedic	American Realty	\$9.0	100%
12/31/2012	Boulcott Hospital Ltd.	Evolution Health Care	\$16.5	100%
11/30/2012	Surgical Center of	Hardin Memorial	\$6.8	100%
11/9/2012	Bellaire Hospital	Griffin-American	\$23.3	100%
10/15/2012	Spire Shawfair Park Hospital	Santander	\$31.6	100%
10/5/2012	Portfolio of Three Healthcare	Icade Santé	\$67.1	100%
10/3/2012	Southwest Surgical Hospital	Victory Healthcare	\$30.0	100%
9/14/2012	St. Louis Women's Surgery	Symbion, Inc.	\$7.6	60%
9/3/2012	Alliance Urgent Care, LLC	Capital Group	\$0.5	100%
9/1/2012	Hackensack Endoscopy Center	United Surgical	\$12.3	100%
8/29/2012	HC-2727 E. Lemmon Avenue	Carter/Validus	\$31.0	100%
8/8/2012	Danville HealthCare, LLC	Vermilion County	\$4.6	100%
7/14/2012	Twelve Healthcare	American Realty	\$211.7	100%
2/9/2012	St. Louis Surgical Center	Carter Validus	\$8.5	100%
<b>Median of All Transaction Targets</b>			<b>\$14.4</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



*Disclosures and Limitations: This research report is for informational and discussion purposes only. This report and any information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the composite used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2013 Cogent Valuation. All Rights Reserved.*