

Quarterly Industry Update

As of March 31, 2017

Industry: Healthcare Facilities



Industry Summary

Cogent Valuation identified Healthcare Facilities publicly traded companies, IPOs, and recent M&A transactions within the Healthcare Facilities 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. Over the last year since March 31, 2016, the median 52-week share price return of the Healthcare Facilities industry was -0.7%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple decreased from 18.9 to 14.3. Furthermore, the median price-to-earnings multiple decreased from 45.1 to 25.9 over the same period.

Comparable Public Company Key Statistics

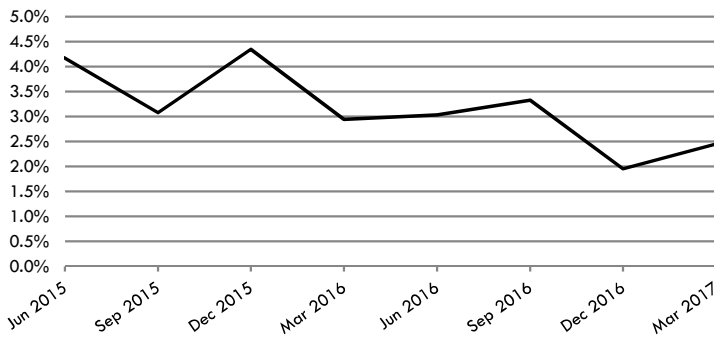
Median 52-Week Return	-0.7%	Median EV/Revenue Multiple	9.8x	Median Price/Earnings Multiple	25.9x
Median 3-Year CAGR Return	0.3%	Median EV/EBITDA Multiple	14.3x	Median EV/Gross CF Multiple	22.5x

Comparable Public Company Market Price Returns As of March 31, 2017

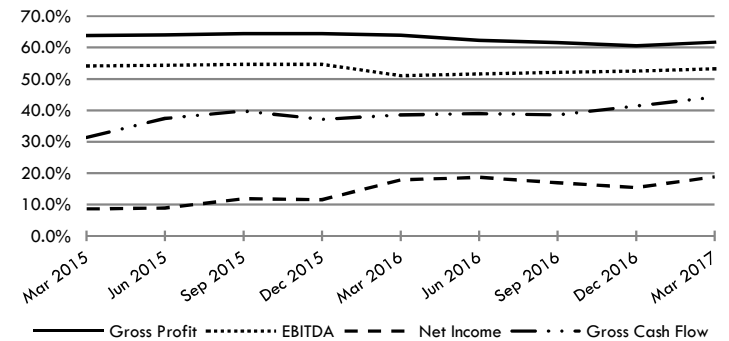
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
Acadia Healthcare Company, Inc.	31.7%	31.7%	-20.9%	-22.0%	-1.1%	21.7%	-47.0%	2.0%	29.3%	102.7%	134.2%
Healthcare Realty Trust Incorporated	7.2%	7.2%	5.2%	8.2%	10.4%	8.1%	7.1%	3.7%	28.2%	-11.2%	29.2%
Medical Properties Trust, Inc.	4.8%	4.8%	-0.7%	-6.5%	0.3%	6.8%	6.9%	-16.5%	12.8%	2.2%	21.2%
Nobilis Health Corp.	0.8%	0.8%	-31.6%	-34.7%	30.7%	59.1%	-24.4%	-6.8%	191.9%	693.9%	-24.2%
Omega Healthcare Investors, Inc.	5.5%	5.5%	-6.5%	-9.8%	-0.5%	9.2%	-10.6%	-10.5%	31.1%	24.9%	23.3%
SunLink Health Systems, Inc.	28.6%	28.6%	216.3%	-4.5%	-0.2%	5.6%	31.2%	-32.9%	55.7%	-26.1%	-27.4%
Tenet Healthcare Corp.	19.3%	19.3%	-38.8%	-40.2%	-25.5%	-3.6%	-51.0%	-40.2%	20.3%	29.7%	58.2%
Universal Health Realty Income Trust	-1.7%	-1.7%	14.7%	7.1%	15.2%	10.2%	31.2%	3.9%	20.1%	-20.8%	29.8%
Ventas, Inc.	4.0%	4.0%	3.3%	-5.6%	2.4%	2.6%	10.8%	-21.3%	25.2%	-11.5%	17.4%
Median of Industry Public Companies	5.5%	5.5%	-0.7%	-6.5%	0.3%	8.1%	6.9%	-10.5%	28.2%	2.2%	23.3%

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

Median Quarterly Revenue Growth of All Healthcare Facilities Companies



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



Median Public Company Multiples of the Healthcare Facilities Industry

Date:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	7.9x	10.0x	6.8x	8.6x	9.8x	10.7x	6.9x	9.8x	9.8x
EV/EBITDA Multiple	18.9x	17.0x	17.0x	17.3x	17.2x	18.6x	15.1x	12.2x	14.3x
Price/Earnings Multiple	45.1x	43.2x	48.7x	41.3x	31.6x	31.2x	29.3x	29.6x	25.9x
EV/Gross Cash Flows Multiple	26.2x	25.3x	25.1x	23.6x	25.4x	27.5x	27.1x	24.0x	22.5x

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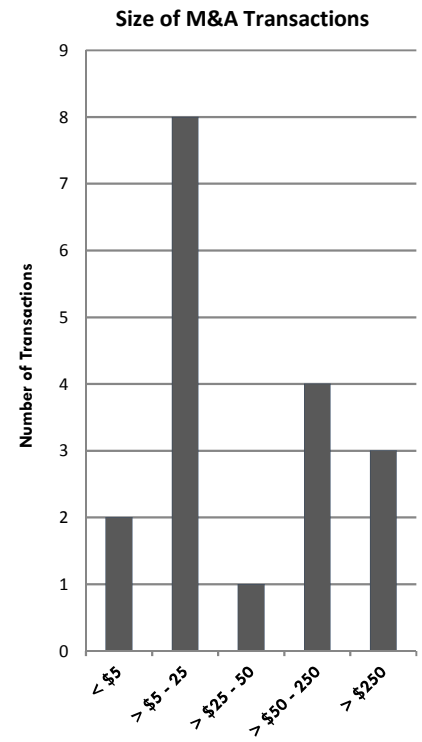
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/30/2016	Innovative Industrial Properties, Inc.	\$20.00	3.4	\$67.0	N/A	N/A	N/A	N/A	N/A	N/A
2/7/2014	Luz Saúde, S.A.	\$4.36	40.7	\$177.4	\$657.5	\$343.2	\$499.3	\$71.3	\$17.7	\$109.4
7/4/2013	International Healthway Corporation Limited	\$0.38	104.4	\$39.4	\$49.5	\$39.9	\$0.0	\$0.0	\$5.1	\$0.0
4/26/2013	American Realty Capital Healthcare Trust, Inc.	\$10.00	173.8	\$1,749.4	\$690.7	\$232.1	\$35.7	\$18.2	(\$10.6)	\$33.2
10/16/2012	MD Medical Group Investments Plc	\$12.00	22.5	\$270.5	\$201.5	\$61.7	\$109.5	\$49.5	\$35.2	\$52.8
3/24/2010	NorthWest Healthcare Properties Real Estate	\$9.74	17.5	\$170.5	N/A	N/A	N/A	N/A	N/A	N/A
8/22/2007	Parkway Life Real Estate Investment Trust	\$0.84	288.9	\$242.4	N/A	N/A	N/A	N/A	N/A	N/A
Median of All IPOs		nm	nm	\$177.4	\$429.5	\$146.9	\$72.6	\$33.8	\$11.4	\$43.0

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
4/21/2017	(Multiple Facilities)	Global Medical REIT, Inc.	\$10.0	100%	N/A	N/A
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2/24/2017	Abbotsford Private Hospital	Vital Healthcare Property	\$15.4	100%	N/A	N/A
1/10/2017	Cape Coral Facility	Global Medical REIT, Inc.	\$7.3	100%	N/A	N/A
12/20/2016	(Multiple Facilities)	AXA Real Estate	\$67.8	100%	N/A	N/A
12/8/2016	Jardins de la Memoire	Aedifica SA	\$12.5	100%	N/A	N/A
12/7/2016	Grand Rapids Healthcare	Carter Validus	\$43.5	100%	N/A	N/A
12/1/2016	JL Medical	ISEC Healthcare Ltd.	\$2.9	100%	N/A	N/A
11/30/2016	(Multiple Facilities)	BC Partners	\$389.4	100%	\$162.0	2.4x
11/23/2016	(Multiple Facilities)	Northern Horizon Capital	\$16.2	100%	N/A	N/A
11/1/2016	(Multiple Facilities)	Second Spring Healthcare	\$1,100.0	100%	N/A	N/A
11/1/2016	(Multiple Facilities)	Second Spring Healthcare	\$1,100.0	100%	N/A	N/A
10/6/2016	(Multiple Facilities)	Skyline Healthcare, LLC	\$55.0	100%	N/A	N/A
10/6/2016	(Multiple Facilities)	Skyline Healthcare, LLC	\$55.0	100%	N/A	N/A
9/23/2016	Physician's ASC Management	Medical Facilities Corp.	\$20.6	72%	N/A	N/A
8/2/2016	(Multiple Facilities)	CareTrust REIT, Inc.	\$6.9	100%	N/A	N/A
7/22/2016	Hospice Of Southern Illinois	Cedarhurst Living, LLC	\$2.1	100%	N/A	N/A
7/20/2016	HealthSouth Rehabilitation	Harrison Street Real Estate	\$111.5	100%	N/A	N/A
Median of the 18 M&A Transaction Targets			\$16.2	100%	\$162.0	2.4x



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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