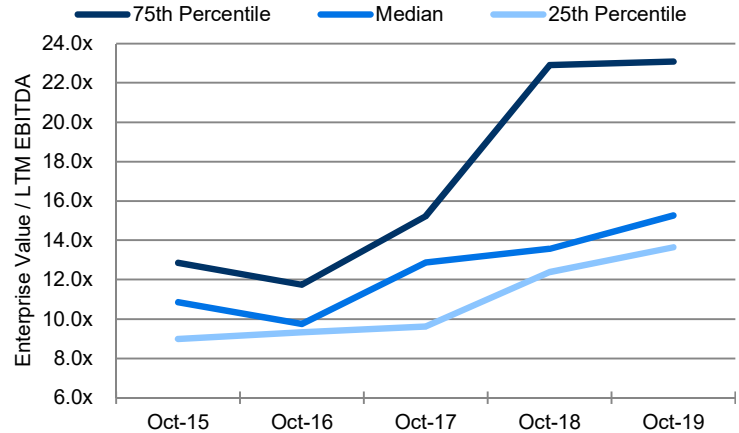


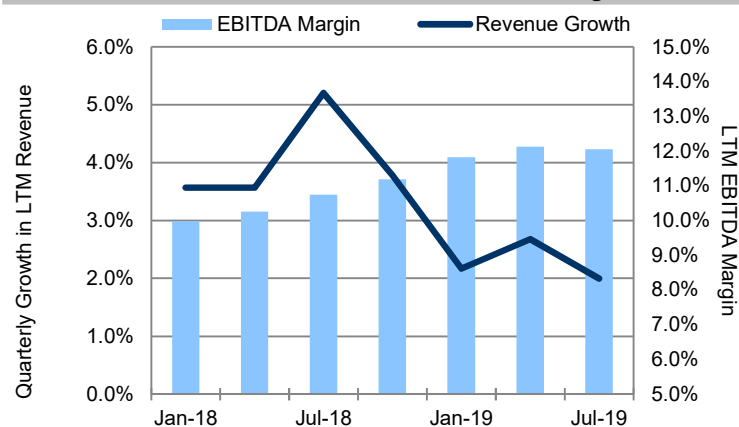
### Industry Highlights

- On October 1, 2019, U.S. Physical Therapy, Inc. acquired a 67% stake in an eleven-clinic physical therapy practice for approximately \$12.3 million.
- On March 18, 2019, The Joint Corp. (JYNT) acquired franchised clinic located in West Covina, for \$26.15 million. This is the largest transaction of the 2019 for JYNT and continues the trend of heavy buying throughout 2019 after a quiet 2018.
- 2019 has been a very active year for The Ensign Group with 15 transactions closing through September. This aligns with their strategy to purchase or lease operations complementary to their current affiliated operations, accretive to the business or otherwise advance the company's strategy. Through June 30, 2019, Ensign through long-term leases and real estate purchases added seven stand-alone skilled nursing operations, one stand-alone senior living operation, three campus operations, two home health agencies, four hospice agencies and two home care agencies.
- LHC Group, Inc. was also active through the first six months of 2019. The company added ten home health agencies and five hospice agencies during the six months ended June 30, 2019. The total aggregate purchase price was \$23.5 million.

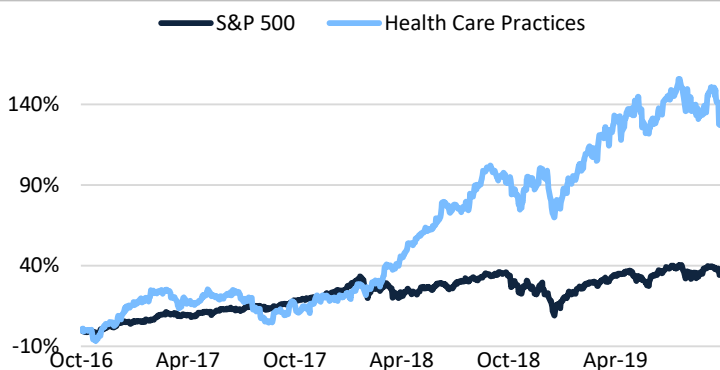
### Trend in Industry EBITDA Multiples<sup>1</sup>



### Trends in Revenue Growth and EBITDA Margins<sup>1</sup>

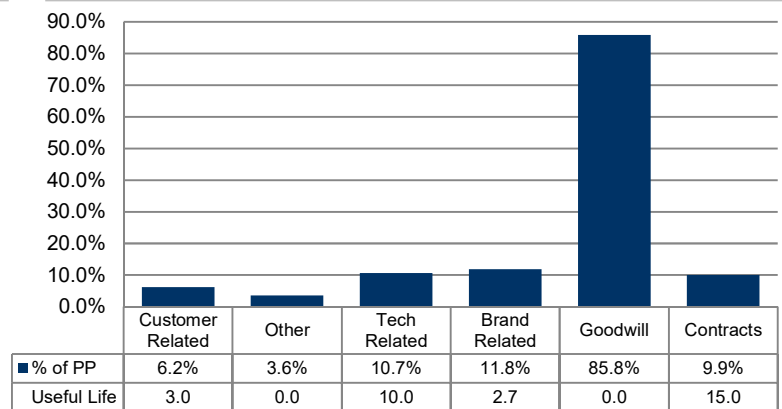


### Relative Stock Price Returns<sup>2</sup>



<sup>1</sup> Calculated using aggregated data for NHC, EHC, GEN, SGRY, USPH, JYNT, LHCG, AMED, HNGR, ENSG.  
<sup>2</sup> Health Care Practices Industry is a custom, equal-weighted index constructed with the aforementioned companies.

### Purchase Price Allocation (PPA) % from Recent Transactions



### Notable M&A Deals



On September 4, 2019, LHC Group announced the formation of a joint venture partnership (Norton Home Health) to enhance in-home health care services for patients in Louisville and across the region. This partnership will provide guidance and support for home health nurses, educational tools, and resources.



On September 4, 2019, The Ensign Group completed its acquisition of the Operations of Temple View Transitional Care Center. The 119-bed skilled nursing facility continues Ensign's growth in offering post-acute care and marks the 202 skilled nursing operation.



In April of 2019, Encompass Health Corp. announced it has entered into a definitive agreement to acquire Alacare Home Health & Hospice. Alabama-based Alacare operates 23 home health locations and 23 hospice locations, and in 2018 had revenues of \$117 million.