### DUFF&PHELPS



## **Q** Highlights

The **S&P Healthcare Services** Index decreased 2.1% over the last month, underperforming the S&P 500, which increased 3.4% over the same period.

### Over the past month:

The best performing sectors were Pharmacy Management (up 16.0%), Managed Care - Commercial (up 15.7%) and Healthcare Staffing (up 15.5%).

The poorest performing sectors were Assisted / Independent Living (down 17.3%), Healthcare REITs (down 8.9%) and Diagnostic Imaging (down 8.3%).

The current average LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 2.20x and 12.8x, respectively.

## THE SECTORS WITH THE HIGHEST VALUATION MULTIPLES



## Healthcare Services Sector Update ..

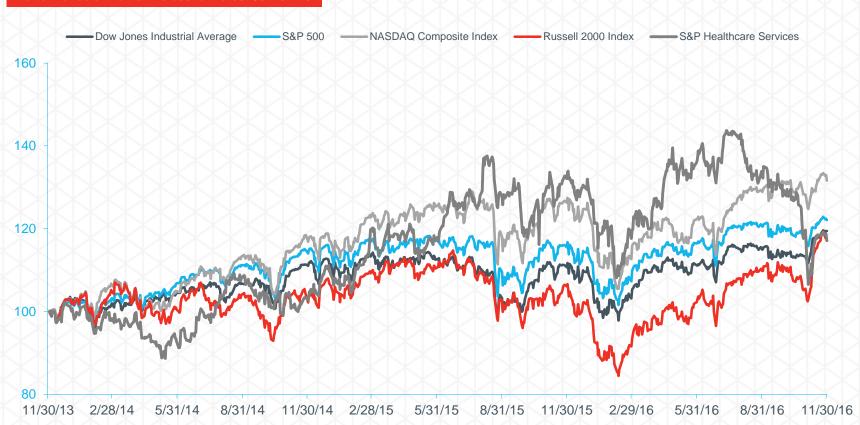
Market Sector	# of	Ag. Equity	Average % Change		LTM Multiples		Earnings Ratio		PEG Ratio
market desice		Mkt. Value	1 mo	12 mo	Rev	EBITDA	LTM	2016E	2016E
Acute Care Hospitals	5	\$42,831	(5.8%)	(1.4%)	1.14x	8.1x	15.7x	16.0x	1.8x
Assisted / Independent Living	3	2,745	(17.3%)	(45.0%)	1.71x	10.6x	NM	NM	NM
Care Management / TPA	5	5,102	5.2%	12.3%	1.05x	19.4x	21.7x	31.7x	2.3x
Clinical Laboratories	6	32,369	4.8%	14.2%	5.50x	12.8x	22.2x	20.4x	2.0x
Consumer Directed Health and Wellness	8	9,135	1.8%	7.2%	3.80x	22.7x	25.1x	33.2x	1.6x
Contract Research Orgs	7	36,205	4.6%	7.0%	2.81x	16.8x	25.2x	18.0x	1.3x
Diagnostic Imaging	3	388	(8.3%)	0.6%	1.73x	6.5x	30.5x	25.0x	2.9x
Dialysis Services	3	37,337	3.1%	(8.0%)	1.75x	8.9x	20.1x	20.4x	1.7x
Distribution / Supply	8	94,309	8.4%	(18.3%)	0.84x	11.4x	18.2x	16.4x	1.9x
Emergency Services	2	1,327	13.6%	(31.5%)	1.39x	8.7x	6.9x	9.5x	0.4x
HCIT	22	41,047	(7.1%)	(12.0%)	5.23x	22.0x	31.7x	27.7x	1.6x
Healthcare REITs	18	92,893	(8.9%)	2.4%	11.26x	16.9x	24.3x	36.8x	7.6x
Healthcare Staffing	4	9,498	15.5%	(14.3%)	1.05x	12.0x	26.0x	16.7x	1.2x
Home Care / Hospice	7	6,460	6.6%	(4.0%)	0.98x	11.8x	25.5x	22.1x	1.7x
Skilled Nursing	6	3,130	6.7%	(15.0%)	1.67x	10.7x	22.7x	12.4x	1.1x
Managed Care - Commercial	6	301,017	15.7%	28.4%	0.68x	12.1x	21.2x	17.7x	1.6x
Managed Care - Government	3	18,921	1.4%	19.2%	0.23x	5.4x	24.4x	19.2x	1.1x
Other Services	4	9,107	(4.1%)	(25.7%)	1.76x	19.1x	34.9x	26.2x	1.9x
Pharmacy Management	4	48,973	16.0%	(10.8%)	1.02x	16.4x	19.9x	16.0x	1.2x
Physician Practice Mgmt.	2	6,088	7.4%	(8.2%)	1.53x	12.5x	18.0x	16.2x	1.2x
Psychiatric Hospitals	3	5,217	13.3%	(18.7%)	0.95x	12.3x	25.4x	16.9x	0.9x
Specialty Managed Care	2	5,458	8.1%	(0.7%)	0.37x	6.7x	18.8x	20.6x	2.3x
Surgicenters / Rehabilitation	7	12,257	6.4%	1.8%	2.07x	11.0x	21.1x	21.5x	1.5x
Total / Average (\$MM)	138	\$821,813	3.8%	(5.2%)	2.20x	12.8x	22.7x	20.9x	1.9x

## Healthcare Services Sector Update.

Market Indices					% Change			
			11/30/2016	1 mo	YTD	12 mo	36 mo	
			19,123.6	5.4%	9.7%	7.9%	18.9%	
			2,198.8	3.4%	7.6%	5.7%	21.8%	
			5,323.7	2.6%	6.3%	4.2%	31.1%	
			1,322.3	11.0%	16.4%	10.4%	15.7%	
			73.9	(0.4%)	(22.9%)	(21.9%)	(36.4%)	
			276.0	0.0%	(20.8%)	(24.0%)	(7.5%)	
×			572.5	4.9%	(6.7%)	(5.8%)	27.2%	
			529.3	13.3%	22.6%	30.6%	111.1%	
			438.1	(2.1%)	(9.2%)	(11.3%)	16.3%	
			Value at	1 n	no	3 mo	12 mo	
			11/30/2016			ago	ago	
			1.29%	1.20	6%	1.24%	0.66%	
			1.11%	0.86	6%	0.80%	0.94%	
			1.84%	1.34	4%	1.20%	1.66%	
			2.37%	1.8	5%	1.57%	2.22%	
U.S. Treasury - 30 years U.S. Prime Rate			3.02%	2.62	2%	2.23%	2.23%	
			3.50%	3.50	0%	3.50%	3.50%	
No. of	Ag. Equity	% Total	%Ag. Eqty	Average Stock Performan				
Co's	Mkt. Value	No. of Co's	Mkt. Value	1 mo	YTD	12 mo	36 mo	
27	\$666,204	19.6%	81.1%	4.5%	(0.5%)	1.7%	32.2%	
51	131,696	37.0%	16.0%	0.3%	(2.8%)	(4.6%)	17.0%	
38	21,876	27.5%	2.7%	4.9%	1.9%	(1.6%)	15.0%	
9	1,611	6.5%	0.2%	(16.9%)	(4.2%)	(13.6%)	(18.3%)	
13	426	9.4%	0.1%	(5.4%)	(19.5%)	(29.3%)	(31.5%)	
138	\$821,813	100.0%	100.0%	(2.5%)	(5.0%)	(9.5%)	2.9%	
	Co's 27 51 38 9 13	No. of Ag. Equity Co's Mkt. Value  27 \$666,204 51 131,696 38 21,876 9 1,611 13 426	No. of Co's         Ag. Equity Mkt. Value         % Total No. of Co's           27         \$666,204         19.6%           51         131,696         37.0%           38         21,876         27.5%           9         1,611         6.5%           13         426         9.4%	19,123.6 2,198.8 5,323.7 1,322.3 73.9 276.0 572.5 529.3 438.1   Value at 11/30/2016 1.29% 1.11% 1.84% 2.37% 3.02% 3.50%  No. of Ag. Equity No. of Co's Mkt. Value  27 \$666,204 19.6% 81.1% 51 131,696 37.0% 16.0% 38 21,876 27.5% 2.7% 9 1,611 6.5% 0.2% 13 426 9.4% 0.1%	11/30/2016	11/30/2016	11/30/2016	

### Healthcare Services Sector Update ...

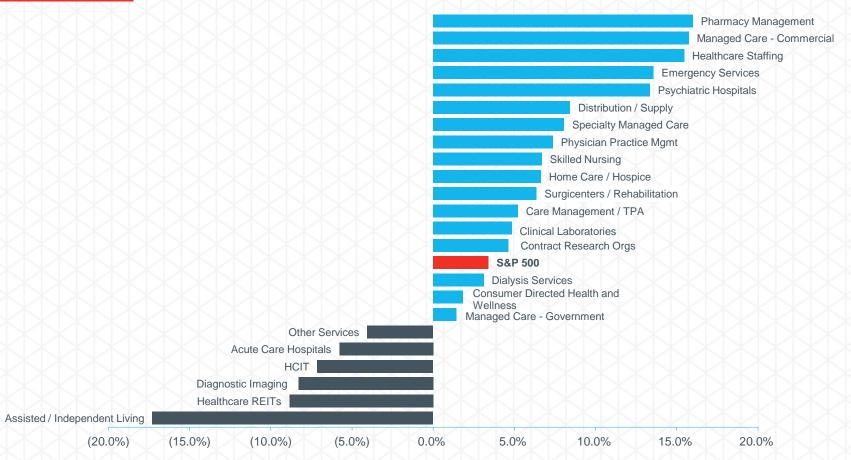
#### Performance of Market Indices for Latest 36 Months



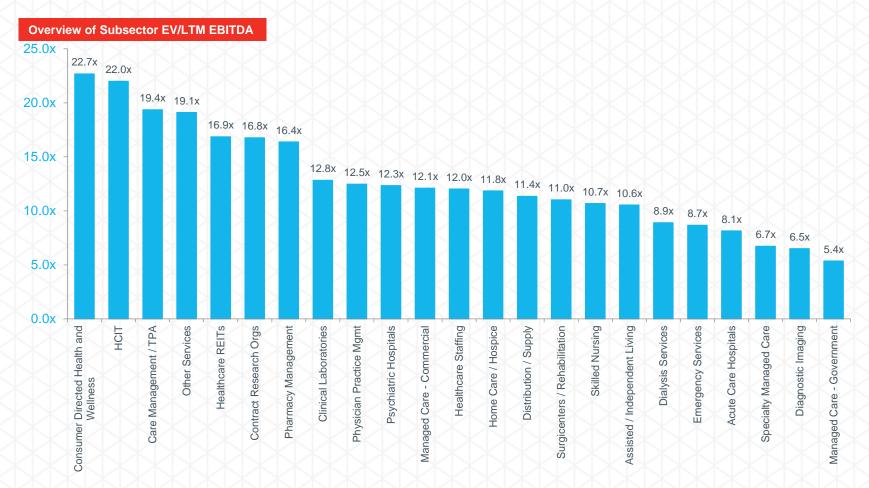


### Healthcare Services Sector Update ...

Average % - 1 Month



## Healthcare Services Sector Update ...



# For the detailed November trading multiples for individual healthcare services companies, please contact one of our professionals below.

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