

Market Update August 2019

UK Acute Care Sector

The acute care sector has shown some resilience compared to other multi-site clinical subsectors over the past 12 months. Lincoln's acute care sector index is down 10.0% on an LTM basis, but valuations remain above the average over the last ten years

The Lincoln International Healthcare Group has experience in the acute care sector, having acted recently on a UK mandate, and the broader healthcare services and multi-site clinical space

We expect investor interest in the acute care sector to recover given strong macro drivers

Select multi-site clinics deals

silverleaf capital
we buy to build

has acquired

CARE fertility

from

BOWMARK CAPITAL

Buy-Side

IVF clinics

B&H Healthcare

OpCo valuation

Valuation

Acute care

SOVEREIGN CAPITAL PARTNERS

has sold

LINNAEUS

to

MARS

Sell-Side

Veterinary clinics

BC Partners

has sold

HIRSLANDEN

to

MEDICLINIC INTERNATIONAL

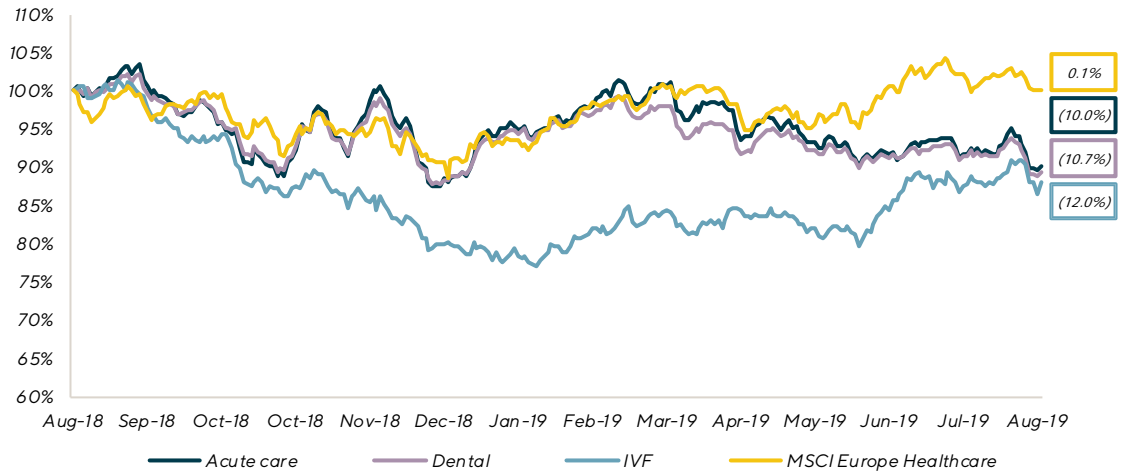
Sell-Side

Acute care

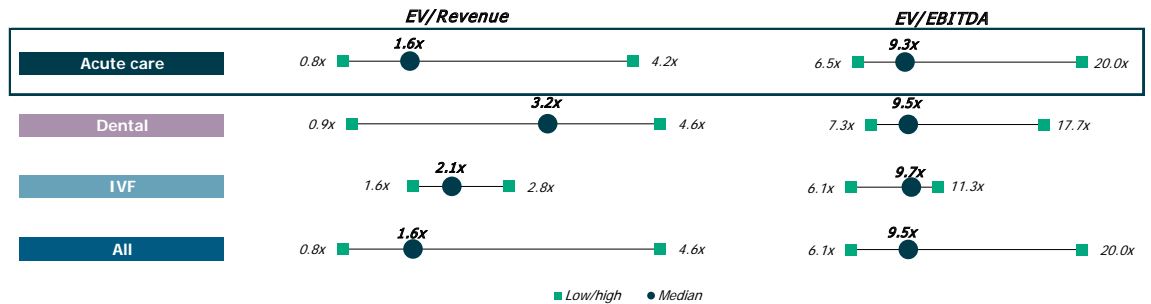
* Managing Director when at previous advisory firm

Valuation update on the acute sector - relative sector performance

LTM relative stock indices price performance

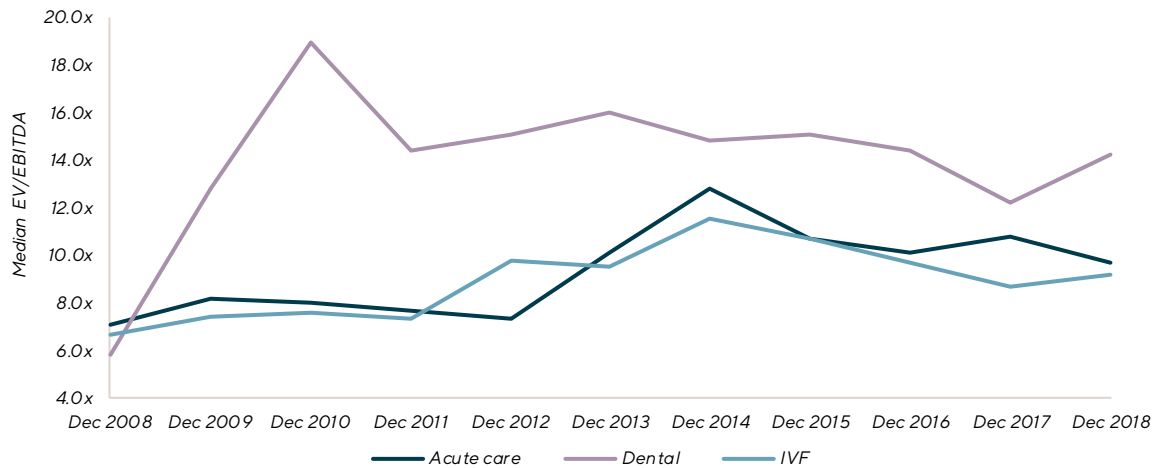


Current market valuations



Based on calendarised December CY19 data

10 year EV/EBITDA



Analysis of EV/EBITDA points (10 year period)

	Acute care	Dental	IVF	All sectors (exc. Acute)	All sectors
Median	9.7x	14.4x	9.4x	11.5x	9.7x
Mean	9.3x	13.7x	10.4x	10.7x	10.2x
Low	7.1x	5.8x	6.3x	6.3x	n/a
High	12.8x	19.0x	14.7x	15.3x	n/a

Acute and other clinic-based share indices data

Company Name	Share price	% change LTM	Market Cap (m)	Enterprise Value (m)	LTM		EBITDA margin	2yr CAGR LTM	Enterprise Value / CY19	
					Period	Revenue (m)			Revenue	EBITDA
Acute care										
Athens Medical Center S.A. (GR)	£1.90	57.3%	£165	£283	31-Dec-18	£164	13.0%	4.5%	n/a	n/a
Community Health Systems, Inc. (US)	1.82	(27.5%)	207	12,201	30-Jun-19	10,689	9.8%	(11.8%)	1.1x	9.1x
HCA Healthcare, Inc. (US)	103.71	(2.6%)	35,363	66,271	30-Jun-19	38,437	19.3%	7.5%	1.6x	8.3x
IASO S.A. (GR)	1.30	71.4%	159	233	31-Dec-18	89	26.0%	(7.7%)	n/a	n/a
IHH Healthcare Berhad (MY)	1.13	(3.5%)	9,871	11,832	31-Mar-19	2,316	22.8%	9.7%	4.2x	20.0x
Life Healthcare Group Holdings Ltd (ZA)	1.23	(7.7%)	1,788	2,712	31-Mar-19	1,321	22.5%	16.3%	2.0x	8.5x
Mediclinic International plc (ZA)	3.17	(37.1%)	2,336	4,169	31-Mar-19	2,932	16.1%	3.3%	1.4x	8.4x
Medicover AB (publ) (SE)	7.05	2.6%	940	1,241	30-Jun-19	673	8.7%	17.9%	1.6x	11.3x
Netcare Limited (ZA)	0.89	(41.8%)	1,193	1,567	31-Mar-19	1,133	20.6%	(13.0%)	1.3x	6.5x
NMC Health Plc (GB)	20.00	(48.9%)	4,175	5,435	31-Dec-18	1,614	23.3%	29.8%	2.6x	9.8x
Quorum Health Corporation (US)	1.45	(56.0%)	48	1,127	30-Jun-19	1,420	7.1%	(7.7%)	0.8x	8.5x
Raffles Medical Group Ltd (SG)	0.59	(9.9%)	1,087	1,122	30-Jun-19	293	19.8%	3.2%	3.5x	19.2x
Ramsay Générale de Santé SA (FR)	16.81	(9.9%)	1,855	4,033	31-Dec-18	2,260	10.7%	4.8%	n/a	n/a
Ramsay Health Care Limited (AU)	38.19	24.6%	7,674	10,891	31-Dec-18	5,474	12.9%	5.9%	1.5x	11.9x
RHÖN-KLINIKUM (DE)	22.17	n/a	1,484	1,364	30-Jun-19	1,311	9.0%	4.9%	1.2x	12.9x
Spire Healthcare Group plc (GB)	0.96	(49.3%)	386	837	31-Dec-18	931	12.5%	0.3%	0.9x	6.7x
Surgery Partners, Inc. (US)	5.40	(56.6%)	267	3,323	30-Jun-19	1,405	19.0%	25.4%	2.2x	15.5x
Tenet Healthcare Corporation (US)	17.41	(34.7%)	1,801	16,590	30-Jun-19	14,332	15.1%	(2.9%)	1.1x	7.5x
Universal Health Services, Inc. (US)	120.19	17.2%	10,834	14,531	30-Jun-19	8,706	15.6%	4.6%	1.6x	9.5x
Mean (Acute)		(11.8%)					16.0%	5.0%	1.8x	10.8x
Median (Acute)		(9.9%)					15.6%	4.6%	1.6x	9.3x
Dental										
1300SMILES Limited (AU)	£3.48	(9.6%)	£82	£84	31-Dec-18	£22	31.6%	5.8%	3.2x	9.5x
Abano Healthcare Group Limited (NZ)	1.99	(56.7%)	52	128	31-May-19	144	11.4%	13.4%	0.9x	7.3x
LDC Dental Public Co Limited (TH)	0.03	(12.4%)	16	14	31-Mar-19	12	(0.1%)	18.5%	n/a	n/a
Odontoprev S.A. (BR)	3.36	20.9%	1,784	1,724	30-Jun-19	384	24.4%	7.8%	4.6x	17.7x
Pacific Smiles Group Limited (AU)	0.69	(20.3%)	106	111	31-Dec-18	63	16.6%	14.2%	1.6x	8.4x
Q & M Dental Group (SG) Limited (SG)	0.28	(9.6%)	222	270	31-Mar-19	69	12.4%	(10.9%)	3.5x	14.7x
Mean (Dental)		(14.6%)					16.0%	8.1%	2.7x	11.5x
Median (Dental)		(11.0%)					14.5%	10.6%	3.2x	9.5x
IVF										
MD Medical Group Investments Plc (CY)	£4.24	(33.5%)	£317	£356	31-Dec-18	£169	28.7%	10.7%	1.7x	6.1x
Medicover AB (publ) (SE)	7.05	2.6%	940	1,241	30-Jun-19	673	8.7%	17.9%	1.6x	11.3x
Monash IVF Group Limited (AU)	0.81	20.5%	190	239	31-Dec-18	83	24.4%	(1.6%)	2.8x	10.8x
NMC Health Plc (GB)	20.00	(48.9%)	4,175	5,435	31-Dec-18	1,614	23.3%	29.8%	2.6x	9.8x
Singapore Medical Group Limited (SG)	0.22	(12.9%)	106	117	31-Mar-19	50	21.7%	38.0%	2.0x	9.6x
Virtus Health Limited (AU)	2.92	(6.9%)	234	332	31-Dec-18	149	21.4%	1.6%	2.1x	8.9x
Mean (IVF)		(13.2%)					21.4%	16.1%	2.1x	9.4x
Median (IVF)		(9.9%)					22.5%	14.3%	2.1x	9.7x
Total Mean		(12.6%)					17.0%	7.8%	2.0x	10.6x
Total Median		(9.9%)					16.6%	5.8%	1.6x	9.5x

Source: Capital IQ and company filings, as of market close on 7 August 2019

Note: All data in GBP (£); converted from local currency at current spot rate and annualised to 31 December for CY multiples

Macro drivers include:

Ageing population: the global population aged 60 years or over is expected to more than double between 2015 and 2050. This will drive demand, particularly in relevant medical disciplines such as orthopaedics

Prevalence of chronic illnesses: the number of unhealthy years over the age of 65 has grown in tandem with increased life expectancy in the UK, growing at a CAGR of 1.5% from 7.5 years in 2001 to 9.0 years in 2013, accelerating demand as the population ages

Shift to self-pay: factors such as long waiting lists for publicly-funded surgery, rising prosperity among older generations and health tourism have led to greater numbers of patients to seek treatment on a self-pay basis

Outsourced volumes: UK legislation has led to greater private sector involvement in the form of elective procedures outsourced from the NHS to the private sector; the number of NHS funded surgeries in the UK grew at a CAGR of 7.6% between 2013-17. Despite recent setbacks, the NHS Long Term Plan provides supportive measures to drive volumes to the private sector

Medical advancements: modern surgical methods and technology continue to expand the universe of treatments available to patients, which in turn has the potential to generate supply-driven demand

UK market analysis

Valuations in the global acute care sector have remained relatively robust in recent years, in line with the sector's historically defensive nature and growing patient demand. M&A has been stable across the acute care space with both Trade and PE competing for assets in 2018, while EBITDA multiples in traded groups have retreated slightly from their 2014 highs, settling at 9.3x CY19.

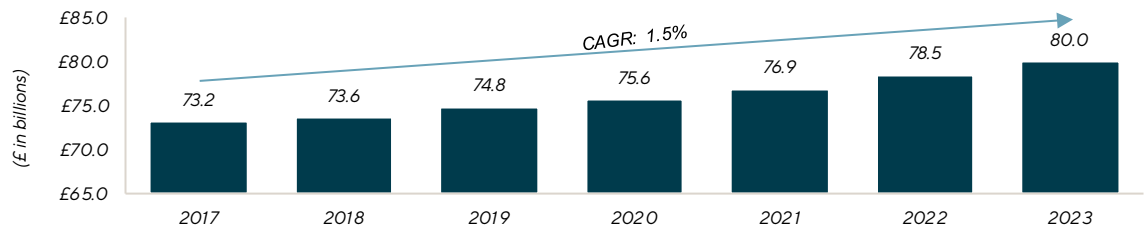
Market size and growth: the UK acute care services market is valued at £74.8 billion (including both independent and NHS providers) as of 2019 and underpinned by a broad range of positive macro drivers. The growth, however, is modest at a CAGR of 1.5% due to NHS pressures constraining wider market growth

- The UK private-pay acute care services market is valued at £5.2 billion and is growing at a faster rate than the broader market, at a CAGR of 4.3% between 2010A and 2017E
- As of 2017, there were 197 independent

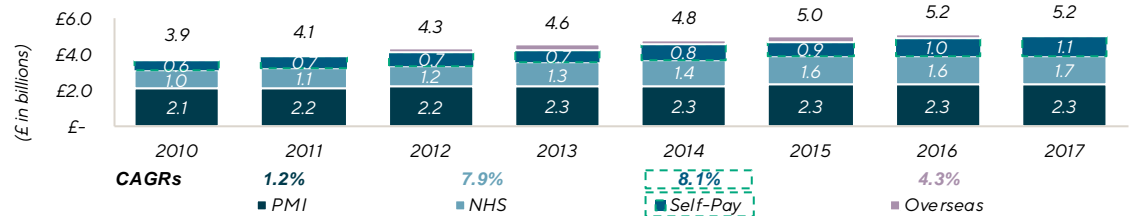
sector hospitals and 80 NHS private patient units totalling 9,872 beds

- This growth figure obscures uneven payor segment growth, with self-pay growing at a CAGR of 8.1% between 2010A and 2017E, while PMI funded care has slowed significantly, growing at a CAGR of 1.2%. While NHS outsourcing has increased strongly (at a CAGR of 7.9%), recent market evidence suggests that growth has been curtailed driven largely by funding and policy intervention (see NHS funding), though anecdotally some newer operators are succeeding at the expense of the incumbents at a local level

UK hospital market



Independent acute care market

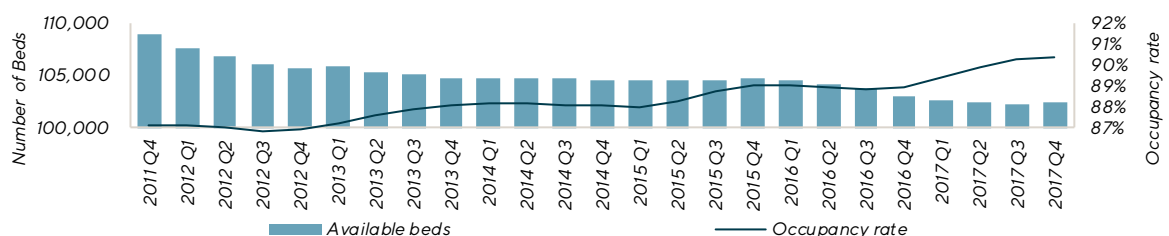


NHS capacity: the NHS is at the limit of its capacity by almost any measure, pushing Trusts towards outsourcing elective surgeries and focusing limited capacity on the areas of greatest need

- Occupancy rates have surpassed 90% for the first time in the last five years and the number of available beds is at a historic low
- Waiting lists for elective surgery have lengthened substantially as the NHS falls

further behind its targets. 4.4 million people were awaiting surgery as at the end of June 2019, a 4.6% rise from June last year and a fifth more than 2016, while industry figures have called on the government to use excess capacity in the private sector to curtail the increases. In the medium-term, political pressure is likely to necessitate a shift of some of this volume to the private sector to avoid public outcry

NHS occupancy rates

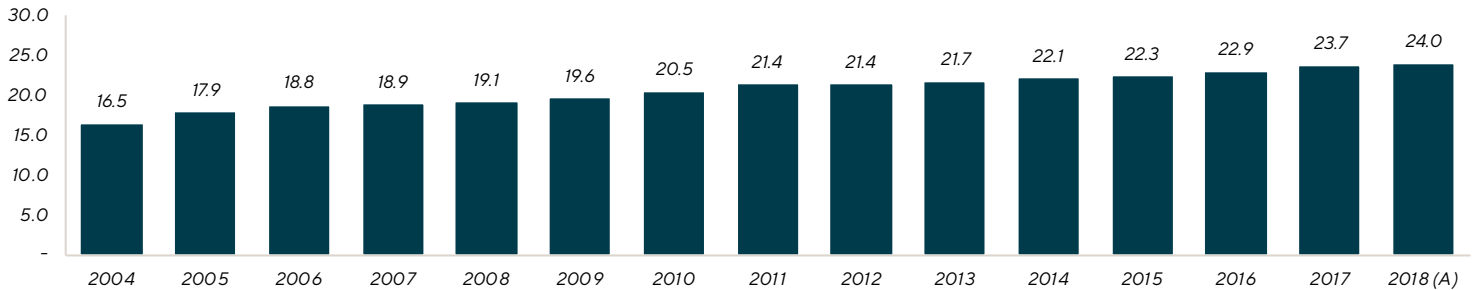


A&E seasonal effects: A&E attendances have gone up every year since at least 2004, placing pressure on capacity, thereby causing even greater delays to elective procedures which must make way for urgent cases, unless outsourced to the private sector

- NHS A&E services have seen well-documented annual recurrences of 'crisis' during the winter months in recent years. A relatively mild winter in 2018/19 likely diverted attention, but this issue is likely to intensify until the apparent funding gap has been closed

- Official figures released in August 2019 also show the number of patients who waited more than four hours to be seen in A&E in July was up 32%, from 208,083 to 275,526, highlighting that capacity constraints continue to be unsustainable which may lead to political pressure to act, including diverting capacity and/or diverting some elective procedures to the private sector to focus NHS Trusts' efforts on urgent and emergency cases

A&E attendances (millions)



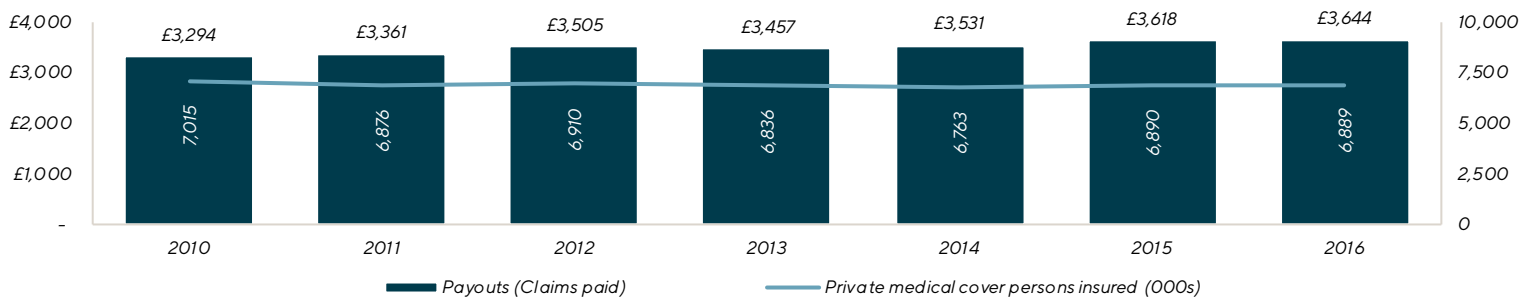
NHS funding: NHS outsourcing has contributed significantly to private acute care hospital growth of late. Central government funding constraints are currently impacting outsourcing volumes but the effect is expected to be temporary

- NHS-sourced revenue in independent acute hospitals has grown at an impressive CAGR of 7.9% (2010-2017) to reach £1.7bn in 2017A
- The government's current aim is to shift some of the burden of demand on to private payors given restricted NHS budgets, with NHS Acute Trusts running large deficits over the last few years reaching a 68% budget deficit in 2016 (budget set out in 2017-18 44% of NHS Trusts were in deficit on current spending.)

In the last twelve months some providers have seen the effects of this, experiencing double-digit reductions in NHS referrals, due to a combination of cutbacks, physiotherapist triaging and a government-led relaxation of rules on waiting time penalties

- Despite short-term funding pressures, there is sustained political support for increased NHS spending. The NHS Long Term Plan released in January 2019 details the planned use of £20bn in additional annual funding. Specifically, there are plans to review patients on elective surgery waiting lists for over six months and give the option of faster treatment at an 'alternative provider'. We expect this to support a revival in the growth of outsourcing to private operators

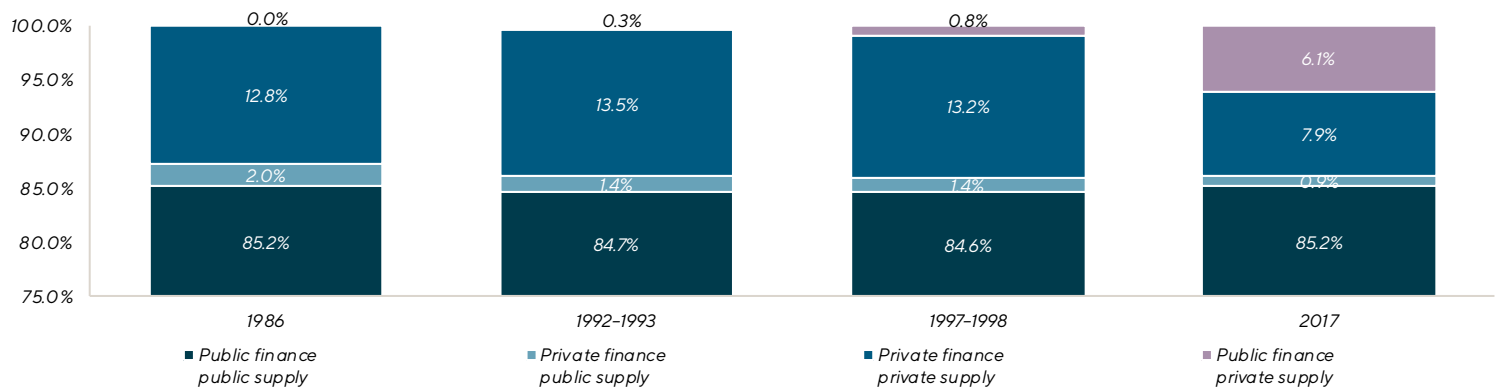
PMI coverage and payouts



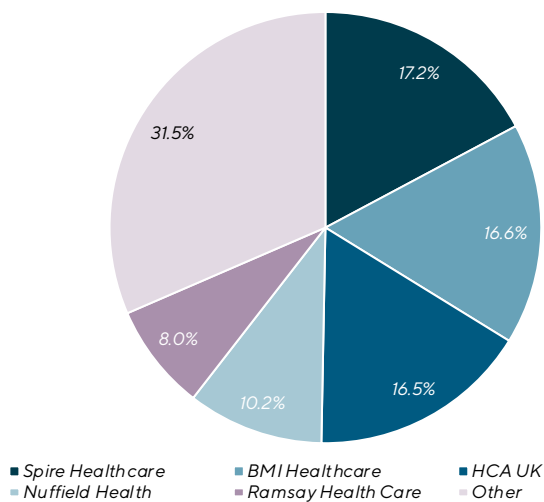
Payor mix: growth in PMI has stalled as employers cut benefits and insurers place tighter restrictions on claims; this has created a tough environment for hospital operators, as growth is currently reliant on the self-pay segment which, while growing strongly, still represents a relatively small proportion of the market

- Until recently, the independent sector remained flat at c.14% of all inpatient and day case patient admissions in the UK, but independent groups' revenue mix has shifted, with the emphasis moving towards public payors, where in the past the public and private sectors were more clearly delineated

Funding source / hospital type



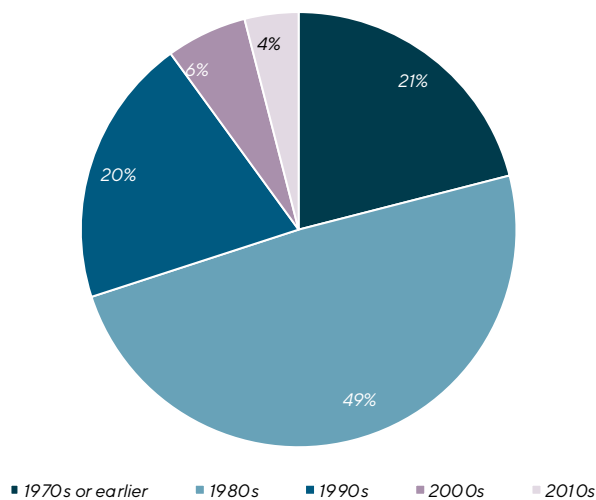
Market concentration (revenue)



Market concentration: the top five independent acute medical care hospital groups control c.70% of revenue and c.82% of capacity (as measured by number of beds) in the market

- We expect selective M&A going forward as a number of assets come to market while there are also some attractive greenfield-led platforms and single-site developments to acquire or support the rollout of
- International entry has been seen by the likes of NMC/Aspen in 2018 and, on the new site front, Schoen Klinik opened its hospital in London. We expect further such activity in and around the prosperous London market

Period of hospital construction



Ageing infrastructure: many of the larger groups have dated infrastructure, which will require renovation or the construction of replacement assets, over the coming decade

- The recent CBRE UK Health Investor survey revealed that 70% of the UK's hospital infrastructure was originally constructed before 1990, illustrating the ageing assets
- Acute care has a highly advanced externalised real estate market, based on its long-term defensive characteristics. There have been a number of recent examples of acute care groups using ground rent lease structures and the use of the PropCo/OpCo structure is still largely favoured due to value arbitrage despite recent examples of overleveraged assets
- BMI has closed at least five of its hospitals in recent months, including Somerfield in Maidstone and Fawkham Manor in Dartford, due to performance issues and the age of the facilities, which required substantial capex. BMI is planning to implement a £250m capital investment programme over the next four years to upgrade the remainder of its portfolio

UK acute care market dynamics

The strong long-term fundamentals driving acute care, such as an ageing population and continuing innovation, will encourage investors to view the sector as an opportunity for robust long term returns from UK & European assets.

Valuations in the global acute care sector have remained relatively robust in recent years, in line with the sector's historically defensive nature and steadily patient growing demand, although the UK has seen some local market challenges. M&A has been the UK has seen so many local markets challenged, M&A has been stable across the acute care space with both trade and PE competing for assets in 2018, while EBITDA multiples in traded groups have retreated slightly from their 2014 highs, but remain around their long-term average at 9.3x CY19 EBITDA.

M&A

In the UK, operators have seen challenges from outsourcing cutbacks in the NHS and a stagnating PMI claims environment. These factors have combined with over-renting in several cases to put some providers under financial pressure. M&A activity in the UK acute care sector has been largely focused around disposals as a result of these developments. In August 2018, Tenet Healthcare exited the UK market by selling its UK hospital chain, Aspen, to NMC Health for just £10m. Over-renting of property assets remains a legacy issue for some assets in the UK acute care sector.

The largest hospital operator in the UK, BMI Healthcare, recently underwent a £2bn property restructuring deal led by the owners of its PropCo, who now control the OpCo. This around a reported c.£60m cut in its rent bill to delever the OpCo, as well as a £50m capital injection from funds including Centerbridge and Och-Ziff. BMI's former owner, Netcare, no longer holds any interests in the UK market having expressed its desire to refocus on its core South African business.

Spire Healthcare Group received a £1.3bn offer from Mediclinic in November 2017, which led to talks which ultimately failed due to a concern that the offer materially undervalued the target. Mediclinic continues to hold a 29.9% stake in Spire's shares and has indicated that it is not keen to hold a minority stake indefinitely, which suggests that either a block sale of its stake, or a renewed bid will be forthcoming in the medium-term. Due to the subsequent c.60% drop in Spire's share price since, Mediclinic re-evaluated the carrying value of its investment in Spire's shares, announcing an impairment charge of £164m in its FY19 interim results.

Away from the UK, in October 2018, Sweden-based, pan-European healthcare services provider, Capiro, accepted a €790m bid from Ramsay Générale de Santé (RGdS) for the

whole company. French company RGdS is 50.9% owned by the large international hospital operator Ramsay Health Care, which is listed in Australia. This followed a protracted takeover defence on the back of an earlier, unsolicited bid of €661m, which prompted Capiro to review its operations, as part of which it had planned to sell off its French operations to Vivalto Santé.

In Greece, the acquisition of Hygeia, a group of 4 Greek hospitals, by CVC-backed Hellenic Healthcare for €204.4m in July 2018 demonstrated investor appetite for European acute care opportunities. The merger of Germany's Fresenius Helios and Spain's Quirónsalud in January 2017 reinforced the trend towards the formation of pan-European groups to access economies of scale and sharing of clinical and managerial expertise.

We expect investor interest in the acute sector to return in the UK, as pressure continues to grow for additional funding for outsourced NHS procedures, while the underlying fundamentals of the sector remain strong. More broadly, we expect valuations to be sustained due to the growing investor appetite for healthcare assets against a softening economic backdrop, the defensive nature of the acute care market supported by macro tailwinds, such as an ageing and increasingly mobile population, a preferential shift towards self-pay acute care and public to private outsourcing.

Capital markets

Lincoln's acute care sector index has decreased by 10.0% on an LTM basis. However, this has masked a split in performance with some of the largest share price declines among those operators exposed to the UK market. For example, Spire Healthcare's share price has fallen by 49.3% over the past year. Meanwhile, high growth index constituents such as Raffles Medical Group and IHH, with more global businesses, have seen relatively smaller declines of 9.9% and 3.5% respectively.

Select market news

Cleveland Clinic: in August 2018, US based not-for-profit healthcare system, Cleveland Clinic, announced that it would celebrate its centenary year in 2021 by opening a new 200-bed facility in central London, which is currently under construction

Schoen Klinik: in August 2018, leading German hospital operator and advanced orthopaedic specialist, Schoen Klinik, announced the opening of its new London hospital in Wigmore Street. The clinic, its first outside of Germany, features 10 consultation rooms, a fully equipped digital imaging suite. Schoen's London site pitches itself as an orthopaedic-only specialist, providing a unique offering in the central London self-pay market, which is estimated to be growing at 25% per annum

Hygeia: Marfin Investment Group announced in July 2018 that it had agreed a sale of its stake in Greek Hospital business,

Hygeia, to CVC-backed Hellenic Healthcare for €204.4m. This beat a bid from competitor Apostolopoulos Holdings, demonstrating the level of investor interest in the European acute care space

Quirónsalud: in January 2017, Fresenius Helios, Germany's largest private acute hospital operator, acquired Quirónsalud, the largest chain of private hospitals in Spain, from CVC for a purchase price of €5.76bn. This transaction provided further evidence of the trend towards pan-European groups

3fivetwo: Foresight and 57Stars announced a £5m growth capital investment into 3fivetwo group, Northern Ireland's largest private acute healthcare provider. This was the first investment from Foresight's new Northern Ireland fund and will be used to increase theatre and ward capacity at two private hospitals

Opportunities in the UK acute care sector

- Operators free up cash by implementing a PropCo/OpCo structure or a pursuing a ground rent transaction, allowing them to invest in new sites, additional service offerings and enhancements to existing sites
- Property investors can acquire the freehold from operators who can then free up cash for M&A or capex/expansion. Acute care real estate still carries relatively attractive yields of 4-5% for prime assets despite the fact that the sector is resilient provided over-renting is not risked
- Operators refining their portfolio, improving through M&A and new build site opportunities and viewing the current tougher trading environment as an opportunity to rationalise their existing assets
- Long-term equity investors can back consolidation of the emerging operators, mostly with newer portfolios, coupled with a strong management team
- Take advantage of upcoming disposals expected by some larger groups and grow further with a hub-and-spoke model of outpatient clinics feeding inpatient hospitals which reflects the current trend towards day case surgery and fewer overnight stays as part of treatment

Summary

UK acute care businesses are currently attracting lower valuations than comparable European assets, given over-renting, NHS and wider political uncertainty.

However, we believe there remain opportunities, particularly as the healthcare marketplace continues to become more consumerised and self-pay grows, as an ageing population, with more disposable income, requires elective surgery and opt to bypass the publicly funded system.

Selected notable recent M&A transactions















(select valuation information available upon request)

Date	Target	# of Sites	Target Description	Acquirer
Pending	Clinica Medellin	2	Two hospitals in Colombia	Quirónsalud (Fresenius Helios)
Jul 19	8 Ramsay Hospitals	8	Portion of Secure Income REIT's Ramsay hospital assets	Medical Properties Trust
May 19	Neomedic	3	Network of hospitals and clinics, headquartered in Krakow	Medcover
Apr 19	3fivetwo Group	2	Northern Ireland's largest private healthcare business	Foresight / 57 Stars
Oct 18	Capio AB	c.150	Pan-European hospital group across 5 European countries	Ramsay Générale de Santé
Sep 18	Fife Hospital	1	50% stake previously held by Balfour Beatty	Semperian PPP Inv. Part.
Aug 18	Aspen Healthcare	9	Operator of private acute hospitals primarily in and around London	NMC Health
Jul 18	Hygeia Group	4	Chain of acute hospitals in Greece	Hellenic Healthcare (CVC)
Jul 18	Fortis	34	Full-service acute hospital chain in India	IHH Healthcare
Jul 18	Median Kliniken portfolio	71	50% stake previously held by US REIT Medical Properties Trust	Primonial REIM
Jun 17	Linde Holding Biel / Bienne AG	1	115-bed private hospital in Biel-Bienne, Switzerland	Hirlanden (Mediclinic)
May 17	5 Pennsylvania Hospitals	5	Hospitals previously owned by Community Health Systems	Reading Health System
May 17	4 Houston Hospitals	4	c.1,000 beds acquired from Tenet Healthcare	HCA Healthcare
Mar 17	KIMS	8	40% stake acquired in international hospital operator for \$200m	True North Capital
Mar 17	Circle Holdings plc	4	Small, private hospital chain in England	Tosca Fund & Penta Capital
Jan 17	Quirónsalud	43	Largest private hospital operator in Spain	Fresenius Helios
Jun 16	Envision Healthcare Holdings	c.260	Leading provider of physician-led services and ambulatory surgery	AmSurg Corporation
Q2 16	Ramsay Blakelands Hospital	1	Small single site hospital in Milton Keynes, Bedfordshire	Assura REIT
Mar 16	Floyd Memorial Hospital	1	236-bed hospital in Indiana	Baptist Health
Dec 15	Al Noor Hospitals Group	3	Operator of medical-surgical facilities in Abu Dhabi City	Mediclinic International
Dec 15	Daughters of Charity Health System	6	Distressed sale of a chain of hospitals in California	BlueMountain Capital
Jun 15	Spire Healthcare	29	Leading private acute hospital operator in the UK (failed bid)	Mediclinic International
May 15	Aspen Healthcare	9	Operator of private acute hospitals primarily in and around London	Tenet Healthcare
Apr 15	Ardent Medical Services	14	One of the largest for-profit hospital companies in the US	Ventas
Q1 15	Aspen Healthcare portfolio	4	Portfolio of Aspen Healthcare sites in Greater London	Welltower REIT
May 14	Générale de Santé	75	Largest private hospital operator in France	Ramsay
Apr 14	Spire Healthcare hospitals	3	Portfolio of three Spire Healthcare hospitals	Ventas REIT

Source: Capital IQ, MergerMarket and company filings













Note: Property-only transactions shown in light blue

UK private acute hospitals – key players

Company	Ownership	# of Overnight Beds	# of Hospitals	# of Theatres	Commentary
 BMI Healthcare	Multiple investors led by Centerbridge and Och-Ziff	2,583	54	148	Leading private hospital operator in the UK. Previously majority owned by Netcare from May 2006 until October 2018 when a rent restructuring took place in which it relinquished control
 Spire Healthcare	Public (LSE:SPI)	1,869	38	134	Second largest provider of private healthcare in the UK and the only London listed hospital group with its operations in the UK. Formed by the acquisition of Bupa's hospital operations by Cinven in 2007, which subsequently exited via an IPO in 2014
 Nuffield Health	Not for Profit	1,205	31	97	Originally set up by Bupa in the 1950s to acquire and build community hospital facilities. In 1962 it constructed its first purpose-built hospital in Woking and now consists of 31 sites across the UK
 RAMSAY HEALTH CARE	Ramsay Health Care (ASX:RHC)	885	24	80	Entered the UK market through the acquisition of Capio's UK operations in 2006. Operates mixed public/private payor hospitals located throughout England
 HCA Healthcare UK	HCA Inc. (NYSE:HCA)	627	6	44	Part of the international division of large US hospital group of the same name. Operates a group of private hospitals primarily in London and with solely PMI / self-pay payor revenues. Lister Hospital is its most prominent unit
 THE LONDON CLINIC	Not for Profit	234	1	10	Harley Street based private hospital founded in 1932, with highlights including an endoscopy unit, a radiology unit, dialysis and a 13-bed ICU
 Aspen Healthcare	NMC Health (LSE:NMC)	204	4	18	Founded in 1998 from the MBO of Paracelsus UK, consists of nine private hospitals across the UK. Acquired by UAE based NMC Health from Tenet Healthcare for £10m in August 2018
 care UK	Bridgepoint	178	6	32	Hospital arm of the largest independent provider of NHS services in the UK through a portfolio of NHS treatment centres, offering mainly routine surgeries
 Bupa	Limited by Guarantee	116	1	5	Operates Cromwell Hospital in South Kensington, London. First constructed in 1981 and acquired by Bupa in 2008, it caters largely for overseas and self-pay patients
 KIMS HOSPITAL	Magnetar Capital	99	1	5	Largest independent hospital in Kent, located in Maidstone. One of few newly built hospitals, it was opened in 2014 and is now backed by asset manager Magnetar Capital. Strong focus on orthopaedics and cancer care. Treating both NHS and PMI/self-funded patients
 Hospital of St John & St Elizabeth	Not for Profit	80	1	5	One of the UK's largest independent charitable hospitals, founded in 1856 and located in St. John's Wood, London. Recently opened St. Andrew's ward, a £2.1m 10-bed stroke and medical unit
 Circle	Tosca Fund & Penta Capital	76	3	17	Founded in 2004 by a group of private investors and consultant ophthalmologist Massoud Fouladi. Previously quoted on AIM until it was taken private by Tosca Fund and Penta Capital in March 2017
 one HEALTHCARE	Octopus	61	2	6	Group of two modern, purpose-built hospitals in Ashford, Kent and Hatfield, Hertfordshire. Recently completed a £10m ground rent deal with Aviva based on an RPI-linked rental income
 3 FIVE TWO GROUP	Foresight & 57 Stars	40	2	4	Northern Ireland based group of two private hospitals, one in Belfast and the other in Sligo. In April 2019, it received £5m growth capital investment from Foresight Group and 57 Stars to enable it to expand its sites

Sources: LaingBuisson; Company websites

Notable international acute care hospital groups

Company	Ownership / Ticker / HQ	# of Sites	# of Countries	Commentary
 CHS Community Health Systems	Public / (NYSE:CYH) / United States	111	1	One of the largest operators of general acute care hospitals in the US, with c. 18,000 licensed beds. In April 2016, CHS spun off a smaller group of 38 hospitals in a new entity, Quorum Health Corporation
 HCA [®] Hospital Corporation of America	Public / (NYSE:HCA) / United States	297	2	One of the first and now one of the largest hospital operators in the US, founded in 1968. Now employs 249,000 employees across 20 states plus six private-pay-only hospitals in London, UK
 Helios	Fresenius SE & Co. KGaA / (DB:FRE) / Germany	133	2	Europe's leading private hospital operator, with more than 100,000 employees, owning and operating Helios Kliniken hospitals in Germany and Quirónsalud hospitals in Spain, both the largest private hospital operators in their respective national markets
 IHH Healthcare Berhad	Public / (KLSE:IHH) / Malaysia	84	11	International provider of acute hospitals across Asia and the Middle East employing 60,000 staff worldwide and headquartered in Kuala Lumpur, Malaysia. The group operates under six premium healthcare brands including Mount Elizabeth, Pantai, Parkway and Fortis
 KIMS	True North Capital / India	8	6	Founded in 2002, the Kerala Institute of Medicine and Surgery (KIMS) is the largest private hospital operator in the Indian state of Kerala and has a significant presence in the Middle East. Minority stake acquired by True North Capital in March 2017 for \$200m
 Life HEALTH CARE	Public / (JSE:LHC) / South Africa	96	9	Leading international healthcare group, operating 50 acute hospitals in its home markets of South Africa and Botswana, 14 hospitals in India under the Max Healthcare brand and a European healthcare business under the Scanmed and Alliance Medical brands
 NETCARE	Public / (JSE:NTC) / South Africa	54	1	Operates the largest private hospital, primary healthcare, emergency medical services and renal care networks in South Africa with 21,763 employees. Formerly owned the largest private acute hospital group in the UK, BMI, until its exit from the UK market in 2018
 nmc health	Public / (LSE:NMC) / UAE	135	12	Provider of multi-specialty care, maternity and fertility services, long-term and home care from a network of more than 50 clinics and 15 pharmacies, primarily in the UAE and Saudi Arabia. Acquired Aspen Healthcare in the UK from Tenet in August 2018
 QUORUM HEALTH	Public / (NYSE:QHC) / United States	26	1	Created by the spin-off of a small group of hospitals from Community Health Systems in April 2016, Quorum operates 26 hospitals across 14 states in the US. Quorum also provides management services to a broader group of c.150 affiliated hospital locations throughout the US
 SCHÖN KLINIK	Schön family & Carlyle / Germany	18	2	Founded in Germany in 1985, Schön Klinik is focused on the advanced practice of psychosomatics, orthopaedics, neurology and internal medicine. Recently launched UK operations, including an orthopaedic hospital in Wigmore Street, London plus two mental health clinics
 tenet HEALTH	Public / (NYSE:THC) / United States	458	1	Provider of integrated care delivery networks with 68 acute care and specialty hospitals, as well as over 390 ambulatory surgery facilities operating through the United Surgical Partners International division. Recently exited the UK through the sale of Aspen Healthcare to NMC
 UHS	Public / (NYSE:UHS) / United States	350+	2	Founded in 1979 by Chairman & CEO Alan B. Miller, UHS is one of the largest hospital operators in the US with more than 83,000 employees. It also operates 106 behavioural health facilities in the UK through the Cygnet Health brand it acquired in September 2014

Sources: Capital IQ; Company websites



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