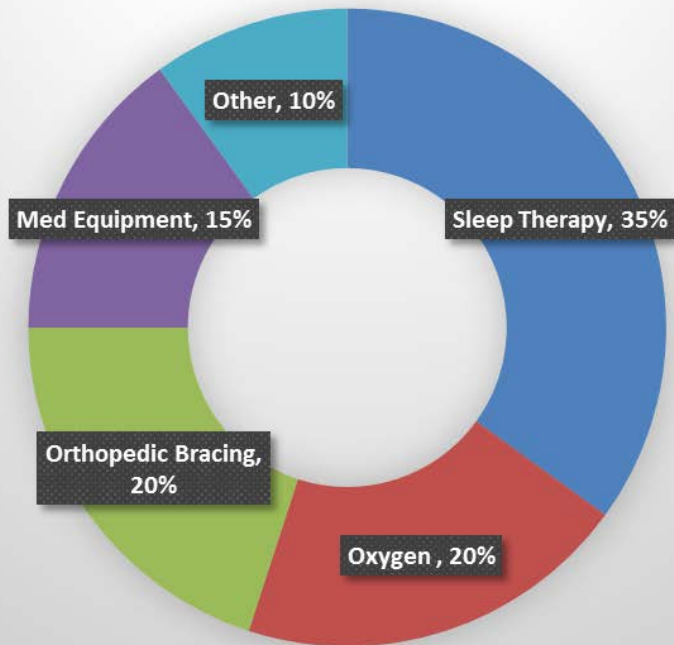
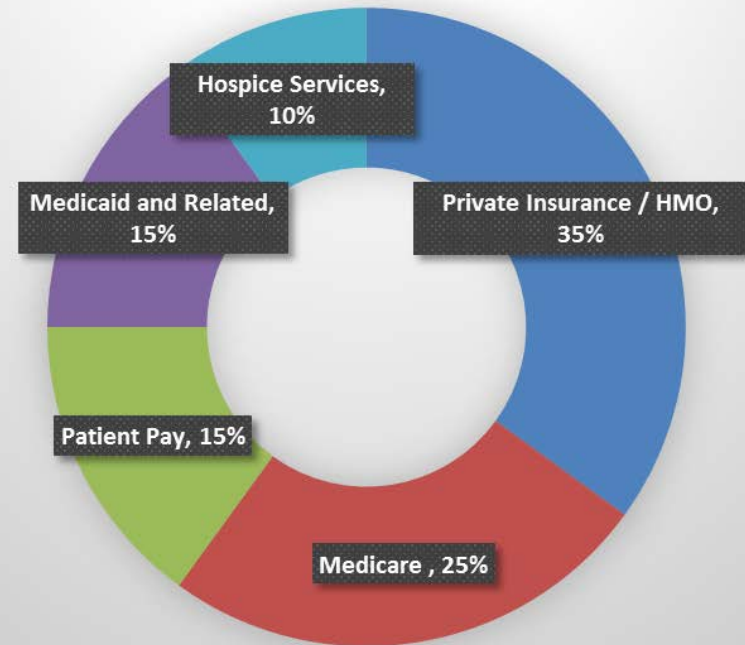




## Product Portfolio



## Payer Portfolio





CAPE MEDICAL  
SUPPLY

# Our Organization – Service Area



INNOVATING PATIENT CARE

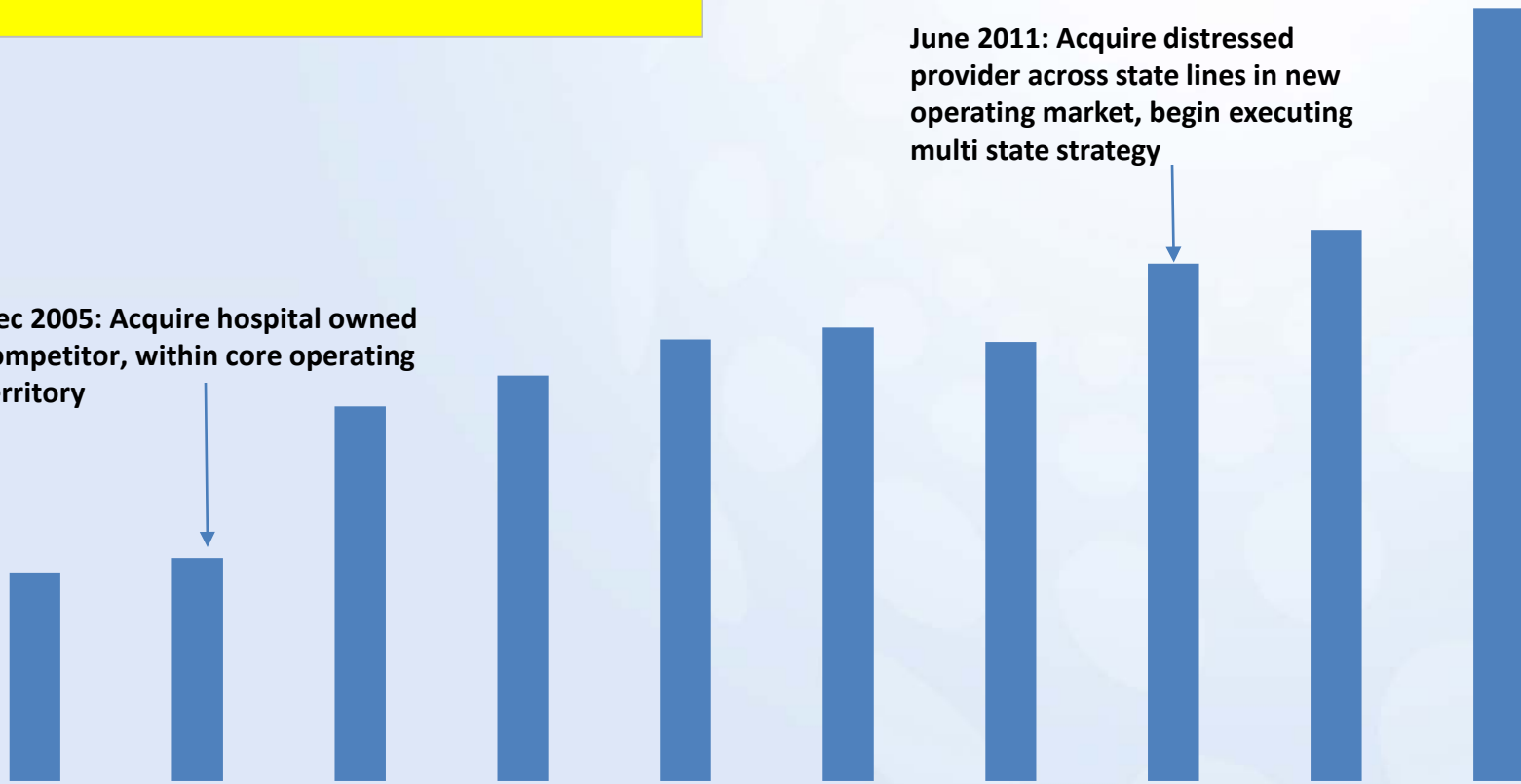


# Our Organization – Revenue Growth

**10 Year CAGR = 14%**

Dec 2005: Acquire hospital owned competitor, within core operating territory

June 2011: Acquire distressed provider across state lines in new operating market, begin executing multi state strategy





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SUPPLY

# Competitive Landscape



Nationals

Regionals

Locals

Typical regional would have between \$5mm-\$30m Revenues and serve multi state region / area

Service entire states or multi state regions

Estimated 70+% of DMEPOS Providers have less than \$5mm in total annual revenue

Service small territory within a state or overlapping state lines



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## Factors Impacting M&A





# DME Buyer Summary

## Strategic

- Consolidating share within a market or region
- Traditional roll-up strategy on regional/national basis
- Slowed down from 1990's – 2008 time period

## Private Equity

- Traditional growth strategy (platform investments and add-ons)
- Can exploit expertise and related portfolio investments
- Growing PE interest, tempered by reimbursement uncertainty and regulatory confusion

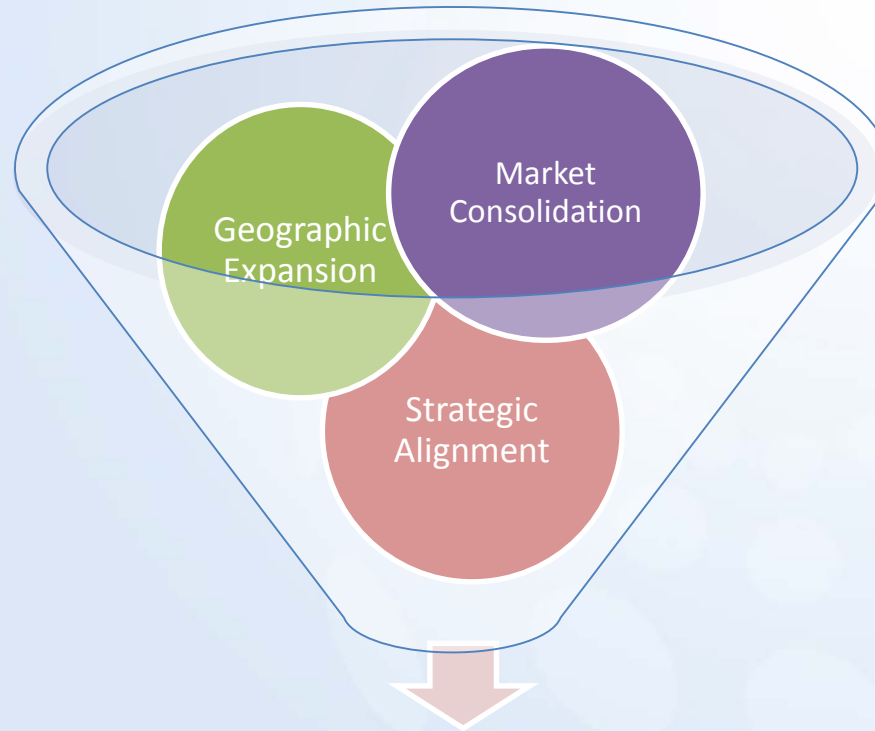
## Regional Hospitals and Health Systems

- There was a divestiture period due to Stark laws in late 1990's - 2008
- Now seeking new margin opportunities and strategies to deal w ACO
- How do I design my network to deal w the realities and traps of ACO and Readmission environment



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# Current M&A Priorities



Acquisition / Merger / Joint Venture / Strategic Partnership



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