

Oak Street Health, Inc. – \$377 Million Initial Public Offering



Case Study

Transaction Overview

- Oak Street Health, Inc. (NYSE: OSH) is a fast-growing network of value-based, primary care centers for adults on Medicare
- On August 5, 2020, Oak Street priced its initial public offering following a six-day virtual roadshow
 - The IPO priced at \$21.00 per share; \$4 above the \$15.00-\$17.00 filing range
 - Management had 1x1 meetings with 43 accounts and achieved a 93% hit rate in terms of order book conversion
 - The roadshow generated over \$7.5bn of gross demand based on indications of interest from over 400 accounts
 - The book was ~25.9x oversubscribed and ~9.2x oversubscribed from 1x1 and TTW conversions
 - These indications came from both blue-chip mutual funds and healthcare-dedicated investors
- On August 6, 2020, OSH shares closed at \$40.00, up 90.4%, enabling a full over-allotment exercise

Westwicke's Strategic Advice

- Advised management on underwriter selection and participated in the economics negotiation process
- Managed timetables and communication with banking teams
- Managed the analyst diligence process, including the analyst day, formulation of guidance policies, stress-testing of financial model, assistance with analysts' financial modeling process, and valuation methodology discussions
- Gathered feedback from key investors
- Provided ongoing advice on public company preparation, including best practices for employee communications and compliance with Regulation FD
- Conducted a detailed teach-in with management on the IPO execution process
- Provided recommendations on investor presentation modifications
- Communicated daily with management during the roadshow and provided guidance on re-filed range
- Participated in the IPO allocation process to amplify management's shareholder preferences
- Throughout our engagement, Westwicke maintained constant dialogue with management and provided tactical advice on potential timing scenarios as the IPO market opened up

First Mover in an Emerging Category

- Oak Street represents the first pure-play, value-based primary care IPO
- Priced at a 31% premium to the original filing range mid-point, Oak Street marks the highest file / offer performance for a Healthcare IPO since 2015
- As of August 6, 2020, Oak Street's FY2021 revenue multiple had expanded to 7.7x

\$377 Million
August 5, 2020

Initial Public Offering
17,968,750 Shares
\$21.00 per Share

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Offering Summary

Exchange:	OSH / NYSE
Market Capitalization:	\$5,058 million
Enterprise Value:	\$4,587 million
Valuation at IPO – 2021 EV/Revenue:	3.8x
Offering Mix:	100% Primary
Use of Proceeds:	General corporate purposes and debt repayment
Bookrunners:	J.P. Morgan, Goldman Sachs, Morgan Stanley, William Blair, Piper Sandler
Co-Managers:	Baird, Truist Securities
Pre-IPO Investors:	General Atlantic, Newlight Partners, Humana

