

Q2-2018 Healthcare IT Update



Market Update

With the growing transition towards value-based care and need for IT infrastructure across the industry, consolidators and investors are continuing to target Healthcare Information Technology (HCIT) companies, through mergers and acquisitions, as they seek more effective approaches to patient engagement solutions. Following a record-high year in venture funding for HCIT companies, merger and acquisition activity has remained high for both strategic and financial buyers. As larger tech companies continue to enter the market, evident by Amazon's acquisition of PillPack, Provident Healthcare Partners expects to see continued consolidation in HCIT.

HCIT Public Comparable Companies

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
Allscripts	\$12.04	\$1.91 B	\$144.9 M	1.97x	25.9x
Athenahealth	\$158.02	\$1.26B	\$211.9 M	5.16x	30.82x
Cerner	\$61.43	\$5.07 B	\$1.33 B	3.82x	14.59x

As of 7/03/2018

Select Transactions:

Month	Acquirer	Target	Target :		
			Business Segment	Headquarters	Deal Size
May	Allscripts	HealthGrid	Enterprise Patient Engagement	Orlando, FL	\$110 million
May	EXL Service	SCIOInspire	Healthcare Analytics	West Hartford, Connecticut	\$236.5 million
May	Humanacare	Tranqool	Virtual Health Platform	Toronto, Ontario	N/A
May	Cumberland Consulting Group	LinkEHR	EHR	Madison, WI	N/A
May	TransUnion	Healthcare Payment Specialists	Payment Processing	Provident, RI	N/A
June	Teladoc	Advance Medical	Telemedicine	Westwood, MA	\$352 million
June	Amazon	PillPack	Online Pharmacy	Manchester, NH	\$1 billion
June	New Capital Partners	Collect Rx	Revenue Cycle Management	Bethesda, Maryland	N/A
June	Sun Life	Maxwell Health	Electronic Health Management	Boston, MA	N/A

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Industry Conferences

The Provident Healthcare Partners investment banking team regularly attends conferences and other events related to the home health & hospice sector. We invite industry executives and shareholders to reach out for a confidential meeting to gain a more detailed perspective on valuations and transaction activity within the sector.