

# Q4-2018 Healthcare IT Update



## Market Update

Healthcare Information Technology companies have seen a high level of demand and aggressive valuations from both private equity and strategic consolidators in Q4. Investors continue to seek inorganic growth opportunities to comply with regulatory requirements, adapt to changing reimbursement policies, and deliver cost-effective and efficient patient care. As we transition into 2019, healthcare providers will continue to require a sophisticated blend of tools and capabilities across analytics, care delivery, and patient engagement to adapt to the value-based care model. Provident expects healthcare IT deal-flow to remain steady as companies utilize M&A in order to facilitate the transition towards value-based care.

## HCIT Public Comparable Companies

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
Allscripts	\$11.29	\$2.08 B	\$344.66MM	2.01x	12.08x
Castlight Health	\$2.33	\$150.9 M	(\$39.18) M	2.08x	N/A
Cerner	\$53.43	\$5.31B	\$1.47B	3.95x	13.92x

As of 1/9/2019

## Select Transactions:

Month	Acquirer	Target	Target :		
			Business Segment	Headquarters	Deal Size
October	Stanson Health	Premier Healthcare	Electronic Health Record Software	Sherman Oaks, CA	\$66.5 million
October	Conduent	Health Solutions	Payer Administration Solutions	Melville, NY	\$98 million
October	Evolent Health	New Century Health	Tech Enabled Core Management	Brea, CA	\$217 million
November	PWP Growth Equity	Quick Med Claims	Revenue Cycle Management	Pittsburgh, PA	N/A
November	TPG Growth	Q-Centrix	Data Management	Portsmouth, NH	N/A
November	Veritas Capital; Evergreen Coast	Athenahealth	EHR/Practice Management	Watertown, MA	\$5.6 billion
November	ResMed	MatrixCare	Electronic Health Record Software	Arlington, VA	\$750 million
December	ResMed	Propeller Health	Digital Therapeutics	Madison, WI	\$225
December	Tabula Rasa Healthcare	DoseMe	Medical Safety	Houston, TX	N/A

## Provident Industry Coverage Team

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## Industry Conferences

The Provident Healthcare Partners investment banking team regularly attends conferences and other events related to the healthcare IT 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.