

Q1-2019 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 Q1. With the introduction of the 2019 transparency law requiring hospitals to list standard prices online, companies have turned towards M&A to achieve simplified, personalized, and interconnected solutions for tracking and transparency. 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. 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	\$9.59	\$1.75B	\$256mm	1.87x	11.31x
Castlight Health	\$3.78	\$156.4mm	(\$32.8)mm	1.58x	N/A
Cerner	\$62.66	\$5.37B	\$1.42B	3.18x	11.51x

As of 4/9/2019

Select Transactions:

Month	Acquirer	Target	Target :		
			Business Segment	Headquarters	Deal Size
January	BioTelemetry	Geneva Healthcare	Cloud Solutions	New York, NY	\$65 million
February	Guidewell Connect	Onlife Health	Telehealth	Brentwood, TN	N/A
February	Veritas Capital, Inc.	Athenahealth, Inc.	Population Health/RCM	Watertown, MA	\$5.7 billion
February	Knack Global, LLC	STAT Medicare Solutions, LLC	RCM	Altamonte Springs, FL	N/A
February	Medsphere Systems Corporation	WellSoft Corporation	EHR / RCM	Somerset, NJ	N/A
February	WellSky	Health Care Software Inc	EHR / RCM	Wall Township, NJ	N/A
March	AbleTo	Joyable	Telehealth	San Francisco, CA	N/A
March	Hill-Rom	Voalte	Communication Solutions	Fruitville, FL	\$180 million
March	Integrichain	daVIZta	Revenue Analytics	Somerset, NJ	N/A

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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.