

Q2-2019 Healthcare IT Update



Market Update

Healthcare Information Technology companies have seen a high level of demand and aggressive valuations from both private equity firms and strategic consolidators in Q2. Digital health continues to be an area of focus for investors with over \$4.2B raised in the first half of 2019 and several highly anticipated public offerings expected throughout the remainder of 2019 including: Livongo, Health Catalyst, Change Healthcare, Phreesia, and Peloton. 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 and valuations to remain steady throughout 2019.

HCIT Public Comparable Companies

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
Allscripts	\$11.6	\$1.7B	\$273M	1.23x	8.42x
Castlight Health	\$3.1	\$155.4M	(\$29.5)M	2.97x	N/A
Cerner	\$76.2	\$5.5B	\$1.4B	3.40x	12.86x

As of 7/11/2019

Select Transactions:

Month	Acquirer	Target	Target :		
			Business Segment	Headquarters	Deal Size
April	CPSI	Get Real Health	Population Health	Rockville, MD	\$11 million
April	Johnson & Johnson	Auris Health, Inc	Digital Surgery	Redwood City, CA	\$3.4 billion
May	MiraMed	Medac	RCM	Augusta, SC	N/A
May	Harris Computer Systems	Uniphy Health Systems LLC	Clinical Communications	Newark, NJ	N/A
June	Dassault Systèmes	Medidata Solutions	Clinical SaaS	New York, NY	\$5.8 billion
June	UnitedHealth Group	Equian LLC	Payment Solutions	Indianapolis, IN	\$3.2 billion
June	Best Buy	Critical Signal Technologies	Digital Monitoring	Novi, MI	\$125 million
June	St. Joseph Health	Bluetree	EHR	Madison, WI	N/A
June	Allscripts	ZappRx	Digital Pharmacy	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 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.