

Q3-2021 Healthcare IT Update

Market Update

The Healthcare Information Technology (HCIT) sector continued to experience elevated levels of M&A activity during the third quarter of 2021. As providers, health plans and hospitals continue their search for innovative technology to assist in their operations, analytics and business intelligence was one of the most active sub-spaces in the past quarter. Notably, the acquisition of CIOX Health by Datavant marks the fourth time CIOX has changed hands, reflecting the heightened interest by financial sponsors and strategic investors in the sector.

During the last stretch of 2021, the HCIT sector is expected to continue its theme of robust M&A volume, driven by an industry need for better and more reliable data to enhance clinical decision making and ultimately improve patient outcomes.

HCIT Public Comparable Multiples

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
Allscripts	\$13.40	\$1.42B	\$293.45mm	1.39x	7.15x
Evolut Health	\$32.19	\$973.64mm	\$51.65mm	2.96	55.80x
Teladoc Health	\$124.32	\$1.63B	\$(40.65)mm	12.67x	N/A
Inovalon Holdings	\$40.43	\$718.74mm	\$249.04mm	9.62x	27.77x

As of 10/5/2021

Select Transactions:

Month	Acquirer	Target	Target :		
			Business Segment	Headquarters	Deal Size
September	Azalea Health	DashboardMD	Analytics and Business Intelligence	Miami Lakes, FL	N/A
September	Omnicell	FDS	Analytics and Business Intelligence	Fort Worth, TX	\$177mm
September	MMIT	Panalgo	Analytics and Business Intelligence	Boston, MA	N/A
August	Commure	PatientKeeper	EHR Solutions	Waltham, MA	N/A
July	Clinical Education Alliance	MDoutlook	Analytics and Business Intelligence	Norcross, GA	N/A
July	Datavant	CIOX Health	Information Management	Alpharetta, GA	N/A
July	R1 RCM	VisitPay	Revenue Cycle Management	Boise, ID	\$300mm
July	Waystar Health	Patientco Holdings	Revenue Cycle Management	Atlanta, GA	\$450mm

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