




Q1-2023 Healthcare IT Update

Market Update

M&A activity in the Healthcare Information Technology (HCIT) sector was off to a strong start in 2023, with dealmaking activity largely consistent with previous quarters. Despite the turbulence and uncertainty seen in the macroeconomic environment, tailwinds in the HCIT space remain strong. The continuing shift towards more cost-effective value-based care models has reinforced the need for companies to invest in robust IT infrastructure. Because of this, investor appetite remains strong among both payors and providers seeking platform investments in an array of assets across the HCIT space, including EHR providers, RCM software providers, and more.

CVS Health's acquisition of Signify Health for \$8.0 billion in March was the landmark transaction of Q1 2023, and Provident Healthcare Partners anticipates further consolidation throughout the rest of the year as larger players seek to bolster their IT capabilities.

HCIT Public Comparable Multiples

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
 evolent HEALTH	\$32.37	\$1.35B	\$127.18M	2.81x	29.87x
 Teladoc HEALTH	\$26.21	\$2.4B	\$42.42M	2.01x	114.33x
 veradigm	\$12.77	\$1.53B	\$365.27M	0.74x	3.12x

As of 04/11/2023

Select Transactions:

Month	Acquirer	Target	Target:	
			Business Segment	Headquarters
March	 EIR PARTNERS	 gifthealth	Affordable Medication Platform	Columbus, OH
March	 CVS Health	 signifyhealth	Healthcare Enterprise Systems	Austin, TX
March	 LexisNexis RISK SOLUTIONS	 HUMAN API	Digital Health Platform	San Mateo, CA
February	 agilon health	 mphr	Medical Records Systems	New York, NY
February	 MCKESSON	 GLIDEHEALTH Healthcare Revenue Intelligence	Revenue Intelligence Software	Palo Alto, CA
February	 Walgreens Boots Alliance	 MEDLY	Digital Pharmacy Platform	Brooklyn, NY
January	 Home Care Pulse	 Activated Insights	Assisted Living Customer Analytics Platform	Dallas, TX
January	 RSI	 INVICTA HEALTH SOLUTIONS	Healthcare Enterprise Systems	Houston, TX
January	 ALPINE	 Medusind	Healthcare Revenue Cycle Management Platform	Miami, FL

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