

# Healthcare IT




Q2 2023

## Market Update

Deal flow in Healthcare IT was strong in Q2 2023, continuing a trend from previous quarters. Total transaction value, however, decreased from Q1 2023 given the bolt-on nature of most transactions during this quarter. While interest rates remain high amid an uncertain macroeconomic landscape, Healthcare IT has once again proven to be a resilient sector that still commands strong investor interest.

















One prevalent theme from prior quarters continued into the second quarter; the transition to value-based care models across the healthcare industry is still leading companies to invest heavily in bolstering their IT capabilities to remain competitive. Provident expects this theme to continue to bolster M&A activity throughout the remainder of 2023 and into 2024.

## HCIT Public Comparable Multiples

Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
 <b>evolent</b> HEALTH	\$29.35	\$1.48B	\$99.6M	2.73x	40.55x
 <b>Teladoc</b> HEALTH	\$24.73	\$2.47B	\$59.1M	1.78x	74.34x
 <b>veradigm</b>	\$12.96	\$856.1M	\$294.3M	1.32x	3.84x

As of 07/11/2023

## Select Transactions

Month	Acquirer	Target	Deal Description
June	 <b>Quest Diagnostics</b>	 <b>HAYSTACK</b> ONCOLOGY	Quest Diagnostics, a leading provider of diagnostic information services, acquired Haystack Oncology
June	 <b>APIXIO</b>	 <b>CLAIMLOGIQ</b>	Apixio and ClaimLogiq merged to create a leading connected care platform
June	 <b>HARRIS</b>	 <b>Benchmark</b> Systems	Harris, a global vertical market software providers, added to its RCM solutions with its acquisition of Benchmark Solutions
May	 <b>dose</b> spot	 <b>pVerify</b>	PSG-backed DoseSpot acquired pVerify to expand API-driven capabilities and help improve patient access to healthcare
May	 <b>reveleer</b>	 <b>MDPORTALS</b>	Reveleer acquired MDPortals to enhance its comprehensive risk adjustment technology with real-time access to clinical data
May	 <b>MultiPlan</b>	 <b>Benefits Science</b> Technologies	MultiPlan acquired leading healthcare data and analytics firm Benefits Science
May	 <b>TTG</b> Imaging Solutions	 <b>Digirad</b>	TTG Imaging Solutions acquired Digirad Health from Star Equity Holdings
May	 <b>Recursion</b>	 <b>Valence</b>	Recursion Pharmaceuticals acquired Valence Discovery to boost AI capabilities

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