

# Semi-Annual Market Review

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*HEALTH IT & HEALTH INFORMATION SERVICES*

*JULY 2019*

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## TABLE OF CONTENTS

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1	Health IT Executive Summary	3
2	Health IT Market Trends	6
3	HIT M&A (Including Buyout)	9
4	Health IT Capital Raises (Non-Buyout)	14
5	Healthcare Capital Markets	15
6	Macroeconomics	19
7	Health IT Headlines	21
8	About Healthcare Growth Partners	24
9	HGP Transaction Experience	25
10	Appendix A – M&A Highlights	28
11	Appendix B – Buyout Highlights	31
12	Appendix C – Investment Highlights	34

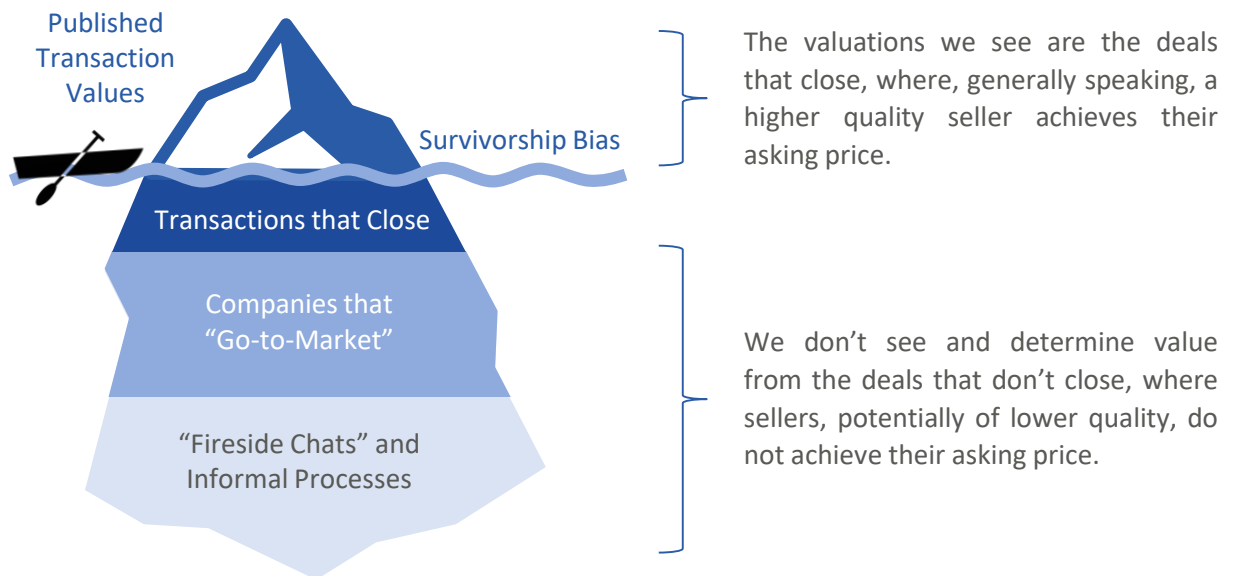
# HEALTH IT EXECUTIVE SUMMARY

## *An Accumulating Backlog of Disciplined Sellers*

Let's chat about fireside chats. The term first used to describe a series of evening radio addresses given by U.S. President Franklin D. Roosevelt during the Great Depression and World War II is now investment banker speak for "soft launches" of sell-side and capital raise transactions. Every company has a price, and given a market of healthy valuations, more companies are testing the waters to find out whether they can achieve that price. That process now looks a little more informal, or how you might envision a fireside chat.

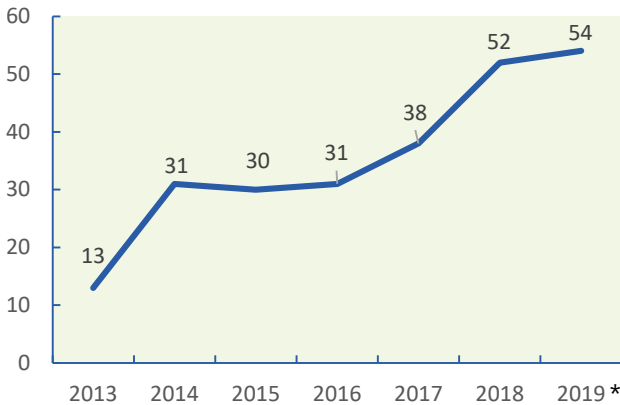
Price (or valuation) discovery for a company can range from a single conversation with an individual buyer to a full-blown auction with hundreds of buyers and everything in between, including a fireside chat. Given the increasing share of informal conversations, the reality is that more companies are for sale than meets the eye.

While the healthy valuations publicized and press-released are encouraging more and more companies to price shop, there is a simultaneous statistical phenomenon in perceived valuations that often goes unmentioned: survivorship bias. Survivorship bias is the logical error of concentrating on the information that made it past some selection process and overlooking the information that did not, typically because of a lack of visibility. What this bias does in the M&A market is lead to false conclusions around comparable valuations through a systemic selection bias towards high-profile, high-value deals. Why does survivorship bias matter in how we value companies? Simply put, companies are often valued based on perceptions of comparable transactions that closed and not on those that didn't.

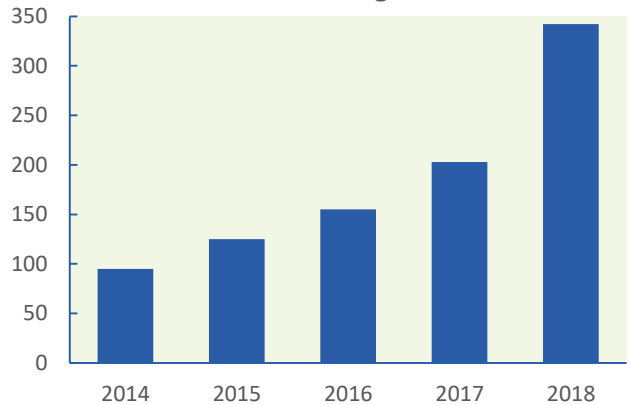


As a result, survivorship bias of M&A valuation can inflate expectations for all sellers by basing value on higher quality companies with closable transactions, not just those who meet such a standard.

PE-Backed Exits

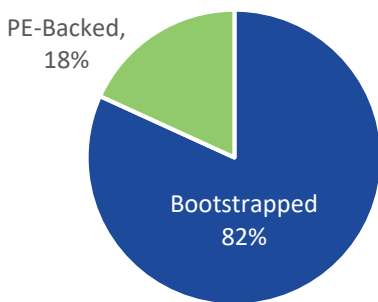


Active HIT PE-Backed Investments by Most Recent Funding Year



Over the last five years, the number of US-based Health IT M&A (including buyout) transactions has remained relatively steady at 300 deals per year. Of total Health IT M&A, less than 20% involve the sale of a PE-backed company, and based on our 2019 data, this accounts for approximately 60 PE-backed exit transactions per year. Going back to 2010, the accrued number of HIT PE-backed venture and growth investments exceeds 1,200 companies that have yet to reach a liquidity event, implying a significant backlog of companies that have yet to transact. Using a simple extrapolation and assuming all companies exit, an accrual of 1,200 companies with 60 PE-backed companies trading annually implies a 20-year backlog.

2019 Bootstrapped vs. PE-Backed Exits



Based on 2019 data, 18% of US-based Health IT M&A and buyout transactions involved a seller that had previously raised institutional venture capital or growth equity in excess of \$2mm, implying that 82% of Health IT transactions involve bootstrapped sellers. PE-backed companies generally have a higher valuation bar to clear because the return requirements are based on the valuations of the prior funding rounds which are generally higher since investment valuations tend to be higher than M&A valuations.

With our unique lens into the market, HGP is witnessing an increasing volume of companies undergoing some degree of exploration of a potential sale. Regardless of whether these companies pursue informal conversations or hire an investment bank to run an auction, the higher volume of M&A discussions is effectively reducing the close-rate of M&A transactions, thereby increasing the statistical error of survivorship bias.

Fireside chats and informal sale processes are making an impact. In a report about the potential disruption of investment banking, CB Insights wrote: “The last few years have seen a significant uptick in the number of private M&As undertaken without the assistance of an investment bank. In 2015, according to Dealogic, 26% of M&A deals worth \$1B+ took place without outside financial advisors, a 13% increase from the year before.”

\* Data annualized for 2019

The informal nature of many M&A discussions creates opportunities and challenges for both buyers and sellers. In terms of opportunity, fireside chats can turn into preemptive transactions which allow buyers and investors to transact outside of an auction, enabling both parties to get the deal done quickly and efficiently. The challenge for buyers is that informal processes require proactive efforts to get in front of transactions, and for sellers, the sheer volume of informal discussions means that there are more companies competing for the attention and capital of buyers than meets the eye.

Why do companies pursue fireside chats or informal processes rather than hire an investment banker to run an auction? Our response is that, in many cases, these companies intuitively know that the valuation they're seeking is a stretch and do not want to invest the resources into a full sale process and the negative perception that may come with one that fails.

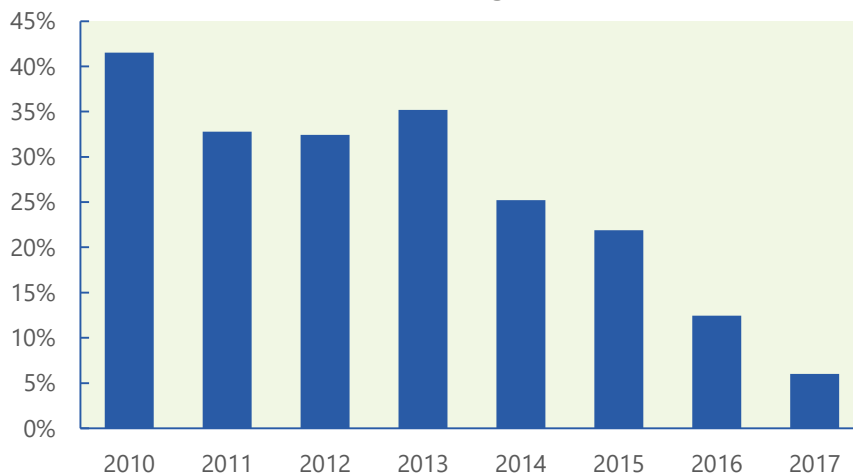
A fascinating takeaway is that valuations remain high in the face of a rising supply of transactable companies, bucking basic economic theory. Sellers would rather not transact than accept a lower price, and as such, the market remains in equilibrium from a valuation perspective. This balance holds even though seller valuation expectations are often distorted based on the set of highly visible transactions that close and not on those that aren't publicized or don't close at all.

To absorb the rising supply of Health IT companies, one or a combination of the following must occur:

1. Health IT sellers must perform at a level to meet the valuation expectations that are set based on high performing transactions that close.
2. More buyers must enter the market to meet the rising supply of sellers.
3. Prices must come down.

Based on strong Health IT market fundamentals, we're optimistic that the outcomes will be #1 and #2, but we're closely monitoring the data for early indicators of #3. Only time will tell.

**Percent of PE Investments that Have Exited by Most Recent Funding Date**



## HEALTH IT MARKET TRENDS

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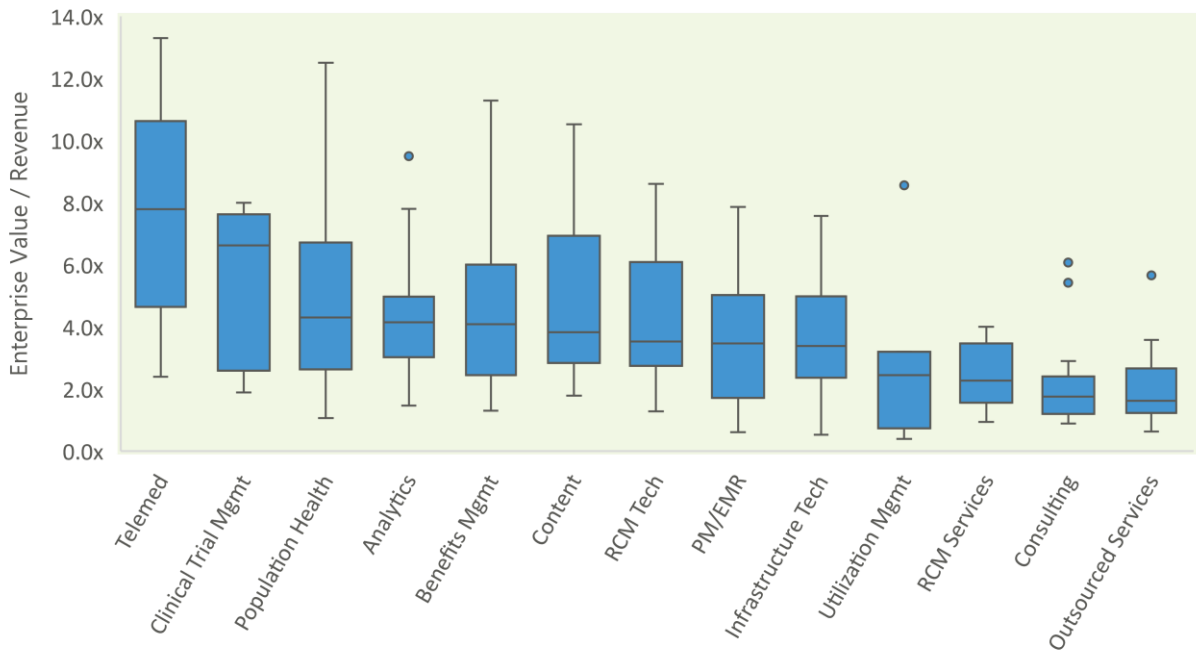
HGP keeps close tabs on M&A valuations to see how the market evolves over time. While we can only draw data from deals we observe with disclosed multiples and therefore must be careful to consider bias in any conclusions we draw from this data, we can still get a good sense for how the market values companies within the different subsectors of Health IT. The following table and accompanying box-and-whisker plot show the distributions of revenue multiples in 13 subsectors of Health IT. The sectors were sorted according to median revenue multiple from largest to smallest.

Reported 2014 – 1H 2019	Deals with Disclosed Revenue Multiples	Deals with Disclosed EBITDA Multiples	Revenue Multiple					EBITDA Multiple
			25 <sup>th</sup> %-tile	Median	75 <sup>th</sup> %-tile	Mean	Std. Deviation	Median
Telemed	8	2	4.6x	7.8x	10.6x	7.7x	4.2x	18.1x
Clinical Trial Mgmt	6	4	2.6x	6.6x	7.6x	5.6x	2.9x	14.1x
Population Health	41	10	2.6x	4.3x	6.7x	6.1x	5.9x	14.2x
Analytics	18	8	3.0x	4.2x	5.0x	4.5x	2.4x	16.2x
Benefits Mgmt	16	2	2.4x	4.1x	6.0x	5.7x	5.7x	17.5x
Content	14	2	2.8x	3.8x	6.9x	5.0x	3.0x	11.2x
RCM Tech	20	15	2.8x	3.5x	6.1x	4.2x	2.1x	16.0x
PM/EMR	34	18	1.7x	3.5x	5.0x	3.6x	2.0x	14.0x
Infrastructure Tech	26	18	2.4x	3.4x	5.0x	3.7x	1.9x	10.8x
Utilization Mgmt	7	4	0.7x	2.5x	3.2x	2.7x	2.6x	10.4x
RCM Services	11	9	1.6x	2.3x	3.5x	2.4x	1.0x	9.6x
Consulting	18	9	1.2x	1.8x	2.4x	2.2x	1.4x	9.8x
Outsourced Services	17	10	1.2x	1.6x	2.7x	2.0x	1.2x	9.7x

We believe it's important to keep dispersion in mind when assessing valuation data, which is why we include the 25<sup>th</sup> percentile, 75<sup>th</sup> percentile, and standard deviation in our summary statistics. While measures of central tendency like the median and mean are certainly indicative of how buyers are valuing assets, the dispersion shows that with higher multiples, we also see higher risk. This becomes especially apparent when we chart the data using a box-and-whisker plot. While telemedicine, population health, and analytics see the highest median revenue multiples, these sectors also see a large amount of variability and positive skew. For instance, while 25% of the observed population health companies received 6.7x revenue or more in sale transactions during the period, another 25% received less than 2.6x revenue at exit. Companies in these hot spaces cannot forget that they still need to show strong operating metrics in order to recognize premium valuation multiples.

Of particular note this year, the median revenue multiples in the Telemedicine and Clinical Trial Management sectors have jumped significantly from 5.6x and 4.5x to 7.8x and 6.6x respectively. We attribute these increases partially to continued thesis-driven interest in these sectors, but also note the relatively sparse data available on transactions in these spaces. With fewer than 10 revenue multiples available in these two subsectors, the medians we are able to report are highly susceptible to potential reporting bias and outlier data.

The box-and-whisker plot graphically displays the Median, 25th Percentile, 75th Percentile, Minimum, and Maximum; where points beyond 1.75 times the Inter-Quartile Range are shown as outliers. The Inter-Quartile Range (blue columns) is the 75th Percentile minus the 25th Percentile and serves to describe the variation in the range of outcomes. Note that point estimates such as the mean or median can often be misleading on their own, as they do not convey the level of variability which can be very high such as in the Telemedicine, Population Health, or Benefits Management sectors.



The sectors were sorted according to decreasing median revenue multiple, and show a trend of decreasing IQR as median revenue multiple decreases. Thus, while companies that fall within sectors further to the right on the graph can expect a lower revenue multiple in a transaction, the transaction is also much more predictable. A company that falls within a sector on the left, however, cannot have as strong a confidence in their expected outcome. These observations follow a common theme in investment theory: that with greater potential upside, there is also greater risk and volatility.

While the metrics presented here may be used as a guidepost for expected outcomes, the end result often depends on buyer circumstances as much as on seller or market fundamentals, and buyer circumstances tend to be extremely unpredictable. It is not uncommon for the clearing price of a transaction to be significantly higher than the cover bids. This usually occurs when a buyer has unique circumstances that justify a higher price than the rest of the buyer universe. Identifying those buyers and appropriately positioning in relation to them is part of the art of running a successful transaction process.

The following table provides additional context on the valuation trends within each sector as well as a sample of recent transactions within each.

Sector	Description	Representative Deals
<b>Telemed</b> (8 deals) Median: 7.8x Std. Dev.: 4.2x	Contains a mix of pure telemedicine services and connected device transactions.	PillPack (Amazon), Best Doctors (Teladoc), Advance Medical (Teladoc), Healthiest You (Teladoc)
<b>Clinical Trial Mgmt</b> (6 deals) Median: 6.6x Std. Dev.: 2.9x	Includes traditional CTMS vendors as well as other vendors that deliver value in the clinical trial process.	Medidata (Dassault Systemes), Bracket Global (Genstar Capital), Phlexglobal (Vitruvian Partners)
<b>Analytics</b> (18 deals) Median: 4.2x Std. Dev.: 2.4x	Primarily represents a mix of life sciences and provider analytics, and to a lesser extent, payer analytics.	Explorys (IBM), Truven (IBM), Strata (Roper), IMS (Quintiles), MedeAnalytics (Thoma Bravo)
<b>Population Health Mgmt</b> (41 deals) Median: 4.3x Std. Dev.: 6.1x	Comprised of patient engagement, provider connectivity, and care management technologies.	Propeller Health (ResMed), Emmi (Wolters Kluwer), Press Ganey (EQT), Wellcentive (Philips), Phytel (IBM)
<b>Benefits Management</b> (16 deals) Median: 4.1x Std. Dev.: 5.7x	Includes benefits management and admin software companies serving payers and employers.	Connecture (Francisco Partners), HealthX (JMI), Benaisance (WEX), bswift (Aetna), Matrix (Express Scripts)
<b>Content</b> (14 deals) Median: 3.8x Std. Dev.: 3.0x	Transactions are a mix of online consumer content and provider-oriented clinical content.	WebMD (Internet Brands), Quantum Health (Great Hill Partners), Everyday Health (j2 Global)
<b>RCM Tech</b> (20 deals) Median: 3.5x Std. Dev.: 2.1x	Includes tech-oriented RCM vendors serving hospitals and physicians, and to a lesser extent, payers.	InstaMed (JPMorgan), Cotiviti (Verscend), ABILITY (Inovalon), Zirmed (Navicare), Brightree (ResMed)
<b>PM/EMR</b> (34 deals) Median: 3.5x Std. Dev.: 2.0x	Includes ambulatory, acute, post-acute, alternate site, and departmental EMR/PM systems.	athenahealth (Veritas), Kinnser (Mediware), Mediware (TPG), Netsmart (Allscripts/GI), Merge (IBM)
<b>Infrastructure Tech</b> (26 deals) Median: 3.4x Std. Dev.: 1.9x	Compliance and resource management software generally serving provider organizations.	Symplr (Clearlake), Datix (Rothschild), Morrisey (HealthStream), CenTrak (Halma), VendorMate (GHX)
<b>Utilization Mgmt</b> (7 deals) Median: 2.5x Std. Dev.: 2.6x	Payer-oriented software and services vendors focused on traditional utilization management.	New Century (Evolent), HealthHelp (WNS), Alere (Abbott), HSM & CDMI (Magellan)
<b>RCM Services</b> (11 deals) Median: 2.3x Std. Dev.: 1.0x	Outsourced revenue cycle management services generally serving hospitals and physicians.	MedPartners (AMN), Intermedix (R1), Anthelio (Atos), Cardon (MedData), Equian (New Mountain)
<b>Consulting</b> (18 deals) Median: 1.8x Std. Dev.: 1.4x	Project-based IT consulting and staff augmentation companies generally serving provider organizations.	Kinapse (Syneos), Advisory Board (UnitedHealth), HCI Group (Tech Mahindra), CynergisTek (Auxilio)
<b>Outsourced Services</b> (17 deals) Median: 1.6x Std. Dev.: 1.2x	Includes non-RCM outsourced services primarily serving payers as well as providers.	Sedgwick & MedRisk (Carlyle Group), InVentiv (INC Research) Patriot National (Ebix), HealthPlan Holdings (Wipro)

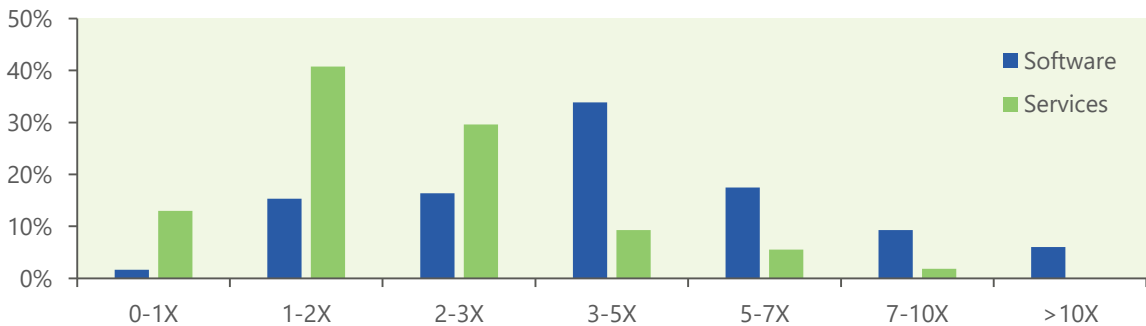


# HEALTH IT M&A (INCLUDING BUYOUT)

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HGP has observed a number of tangible and intangible company and transaction characteristics that typically define where a deal falls on the valuation distribution. Growth, profitability, and recurring revenue are the most commonly identified factors used to justify valuation multiples. Not all health IT companies capture premium valuations just because they operate in health IT. However, those companies that offer a combination of growth, address an unmet need, and fit into the vision of healthcare reform are seeing valuations significantly higher than historical patterns of activity. Premium value is also created when a seller fulfills the specific needs of a buyer at a specific point in time. Timing and serendipity are external factors that play a large and sometimes unpredictable role in the creation of value.

## HEALTH IT REVENUE MULTIPLES DISTRIBUTION



Among the many business and market characteristics that drive superior valuations, the following are core components to healthcare IT businesses that have established themselves as outliers:

### 1 SaaS Architecture and Delivery

- Single database enabling robust analytics
- Delivery model that creates scale on the cost side, and recurring revenue on the top line

### 2 Pricing Alignment with ROI

- Pricing methodology that aligns with customer ROI – the vendor wins when the customer wins

### 3 Scalable Distribution Model

- Efficient distribution model (eg, customer acquisition cost is less than total customer value)

### 4 Data Rights

- Contract structures that contain explicit rights to data

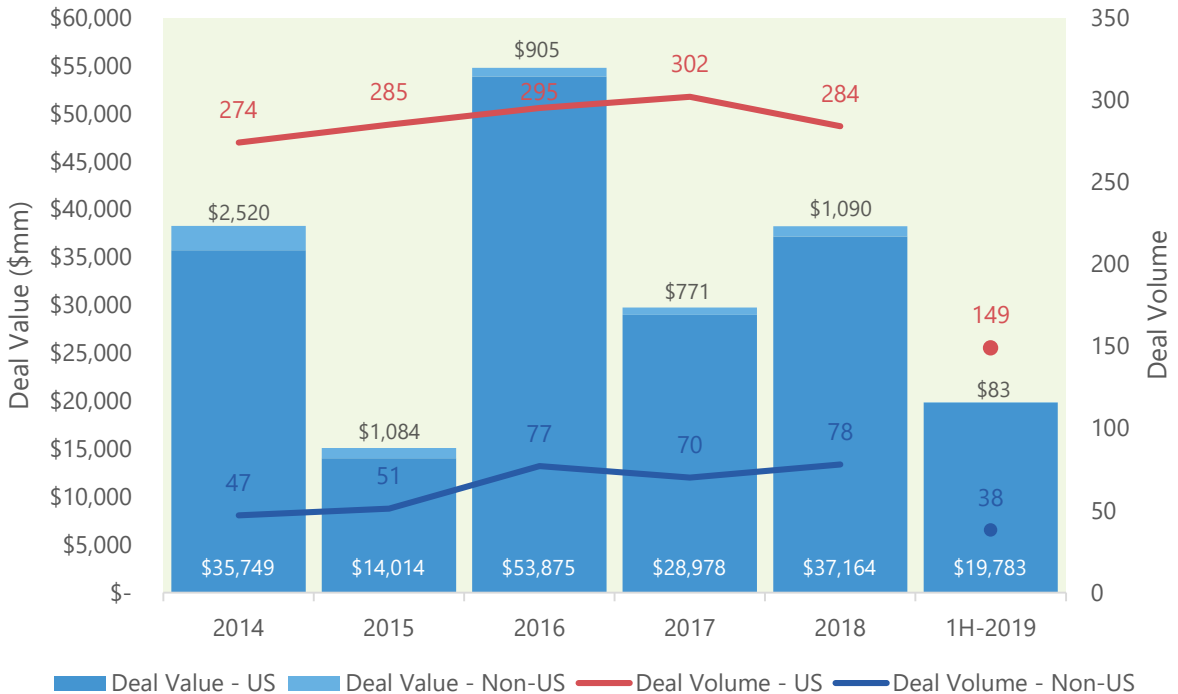
### 5 Reform-Centric Value Proposition

- Addresses healthcare structural flaws rather than take advantage of them in an effort to deliver sustainable change in a policy-based environment

### 6 Pricing Alignment with ROI

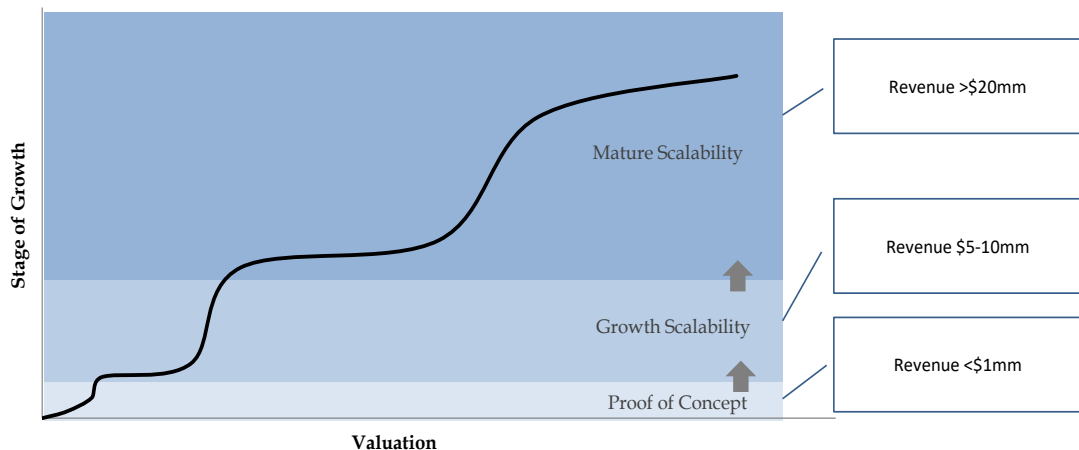
- Market leadership (or opportunity to lead) creates favorable supply/demand characteristics at exit
- Large and growing market opportunity with strong financial characteristics which include recurring revenue and growth, inherent scalability if not profitability, strong management, and size

The following chart summarizes annual M&A activity since 2014, according to the Healthcare Growth Partners database.



While deal valuation has remained healthy, the volume of Health IT M&A activity seems to have leveled off since 2016, and 2019 is on-pace to continue that trend. After 372 transactions in 2017 and 362 transactions in 2018, we have seen a total of 187 transactions so far in 2019 which equates to 374 when annualized. Total transaction value tends to be much more volatile than deal volume since it only takes one or two very large deals to skew the data and the majority of transactions do not disclose value, thus HGP looks toward transaction volume as a better indicator of deal activity.

Generally, sub \$100 million companies have three valuation inflection points: proof-of-concept, growth scalability, and mature scalability.



Proof-of-concept is value created when a company shows that its product can be successfully sold and deployed in a commercial setting. The proof-of-concept inflection point is generally of more importance to venture investors than it is to acquirers, as companies at this stage tend to be too immature to realize significant value through a sale. Growth scalability occurs when an earlier stage company begins to show profitability or at least scale at high levels of growth, although the organization is still small and lean. Mature scalability takes place after a company has matured to a level where it takes on real infrastructure, and the company begins to show strong profitability after building out a mature corporate organization.

Although the size of a company at each inflection point can vary significantly based on a company's product or services and sector, the general rule of thumb in health IT is that proof of concept occurs at revenue of less than \$1 million, growth scalability occurs in the \$5 to \$10 million revenue range, and mature scalability occurs starting in the \$20 million revenue range.

		HIT Software Companies			HIT Services Companies		
		Revenue Multiple	EBITDA Multiple	Transaction Value	Revenue Multiple	EBITDA Multiple	Transaction Value
<b>All Transactions</b>	# of Transactions	183	79	188	54	33	55
	Median	3.9x	14.0x	\$ 137.60	1.9x	9.8x	\$ 170.00
	Mean	4.9x	15.3x	\$ 559.50	2.2x	10.8x	\$ 669.53
<b>&lt;\$30mm Transactions</b>	# of Transactions	47	10	45	13	8	13
	Median	2.4x	9.3x	\$ 10.00	1.4x	9.0x	\$ 15.90
	Mean	4.3x	10.7x	\$ 11.27	1.5x	9.2x	\$ 14.25
<b>\$30-100mm Transactions</b>	# of Transactions	36	14	36	11	7	11
	Median	3.8x	10.5x	\$ 52.65	1.4x	8.0x	\$ 47.00
	Mean	5.3x	12.5x	\$ 55.13	1.6x	8.0x	\$ 55.35
<b>\$100-500mm Transactions</b>	# of Transactions	63	27	68	19	11	19
	Median	4.3x	14.0x	\$ 207.50	2.1x	10.9x	\$ 247.30
	Mean	4.9x	16.4x	\$ 229.43	2.8x	11.0x	\$ 294.68
<b>\$500mm-\$1B Transactions</b>	# of Transactions	16	10	18	5	2	5
	Median	5.4x	16.1x	\$ 712.50	2.7x	11.5x	\$ 690.00
	Mean	5.3x	16.9x	\$ 685.80	2.8x	11.5x	\$ 665.64
<b>&gt;\$1B Transactions</b>	# of Transactions	21	18	21	6	5	7
	Median	4.4x	15.8x	\$ 2,366.42	2.6x	15.5x	\$ 4,094.87
	Mean	5.1x	17.6x	\$ 3,559.46	2.7x	16.4x	\$ 3,871.85

HIT Software Revenue Multiple Distribution by Target Enterprise Value					
Percentile	<\$30mm	\$30-100mm	\$100-500mm	\$500mm-\$1B	>\$1B
90 <sup>th</sup> Percentile	7.3x	10.3x	8.5x	7.7x	8.5x
75 <sup>th</sup> Percentile	4.5x	7.2x	6.1x	6.8x	7.0x
50 <sup>th</sup> Percentile	2.4x	3.8x	4.3x	5.4x	4.4x
25 <sup>th</sup> Percentile	1.6x	2.8x	2.9x	3.9x	3.4x

HIT Services Revenue Multiple Distribution by Target Enterprise Value					
Percentile	<\$30mm	\$30-100mm	\$100-500mm	\$500mm-\$1B	>\$1B
90 <sup>th</sup> Percentile	2.4x	2.6x	5.7x	nm	nm
75 <sup>th</sup> Percentile	2.0x	2.1x	3.6x	4.8x	3.3x
50 <sup>th</sup> Percentile	1.4x	1.4x	2.1x	2.7x	2.6x
25 <sup>th</sup> Percentile	1.1x	1.1x	1.6x	0.8x	2.3x

Continuing the analysis on the prior page, HGP evaluated the distribution of transaction size by target enterprise value. HIT Software valuations experience a nice inflection above \$30mm in value, which steadily climbs until approximately the \$1B valuation mark. HIT Services multiples experience a similar inflection at \$100mm, especially with higher percentile transactions. The inflection points are in part due to a private equity universe that has expanded leverage capacity for larger transactions, which in turn drives up valuation multiples.

In the first half of 2019, Healthcare Growth Partners monitored 187 health IT and related services M&A transactions, compared to 362 transactions in 2018. In terms of aggregate deal dollar value, HGP observed \$19.9 billion of total transaction value so far in 2019, a value that puts the market on track to exceed the \$38.2 billion of total transaction value reported in 2018. The median revenue multiple in 2019 so far is 4.9x for HIT Software, just below the 5.3x we saw in 2018. HIT Services revenue multiples appear to be relatively flat compared to prior years as well, hovering just above 2.0x revenue.

Detailed annual trends can be found in the following bar chart. It should be noted that valuation multiple trends can be very volatile given the limited availability of data. Refer to Appendices A and B for a list of notable M&A and Buyout transactions in 1H 2019.

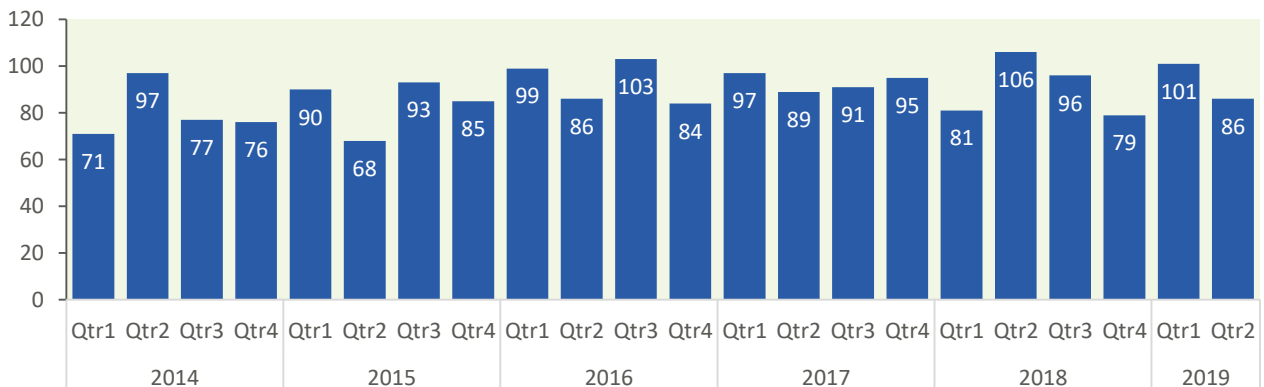
## MEDIAN M&A MULTIPLES 2010-2018



\*insufficient data to display 2019 EBITDA multiples.

It is important to note that transaction multiples are based on trailing-twelve-month financial information, assume the achievement of all contingent consideration, such as earnouts, and most EBITDA multiples do not include any adjustments for unusual items. It is also important to note that less than one-third of transactions contain a disclosed multiple, therefore the multiple data represents only a portion of the overall transaction activity.

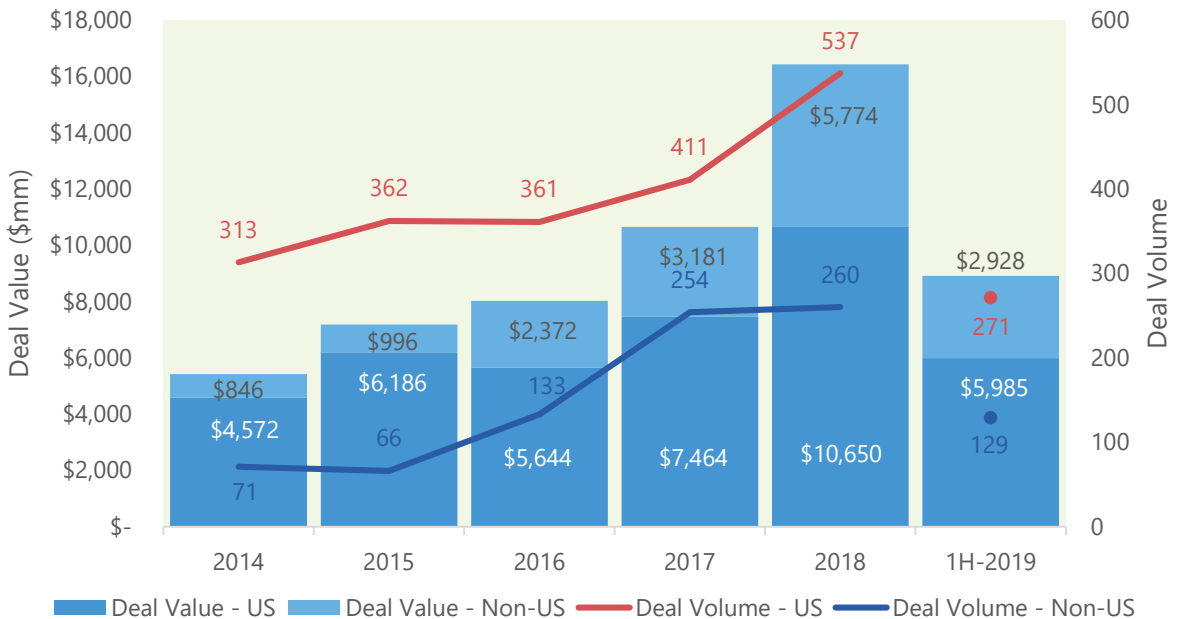
## HIT M&A DEALS BY QUARTER



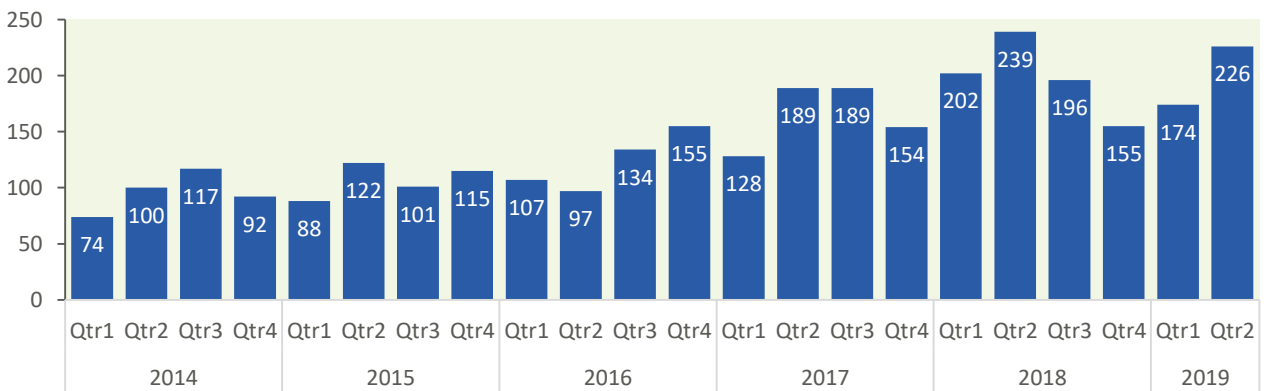
# HEALTH IT CAPITAL RAISES (NON-BUYOUT)

The chart below summarizes quarterly private-equity and venture capital activity in Health IT and related services since 2014 according to the Healthcare Growth Partners database. The data below and in this section do not include buyout private equity activity. In the first half of 2019, Healthcare Growth Partners monitored 400 capital raise transactions amounting to nearly \$9 billion in value which is on-track to meet or exceed 2018's \$16.4 billion and 797 transactions.

## HIT INVESTMENT ACTIVITY



## HIT INVESTMENT DEALS BY QUARTER



Refer to Appendix C for a list of notable non-buyout capital raises in 1H 2019.

HGP tracks a basket of stock indices within health IT and closely related sectors. It is important to consider sectors outside of pure “HIT” because the universe of health IT and related services encompasses many companies that share similar characteristics to other healthcare sectors. What classifies a company in the universe of health IT and related services, and ideally creates a valuation premium, is a strong information technology and data component that creates scalability and competitive strength. This is particularly relevant to services organizations that use technology and data analytics to streamline their operations. With this in mind, HGP considered six sectors when evaluating the performance of publicly traded companies – details of the components of these sectors can be found on page 18.

Despite the increased anxiety over slowing economic growth, geopolitical tensions, and escalating trade wars, the US market unexpectedly experienced its best first half since 1997. While the HIT, CRO, and HIT & Payer Services Indices tracked closely to the S&P 500, both the Payers and Healthcare Services Indices experienced low returns of 2.3% and 7.5%, respectively. Strikingly, the Payers Index which was the leader in 2019 was outperformed by all but the PBM Index. Consistent with historical trends, the PBM Index which has been in the crosshairs of both increased regulatory and competitive moves, was the largest decliner, falling a record 26.9% over the period. The chart and the table on the following page summarize the performance of the HGP Health IT and Services indices in 1H 2019.

## HIT & RELATED INDEX PERFORMANCE 1H 2019

Jan 31. – Trump administration pitches an end to certain drug rebates

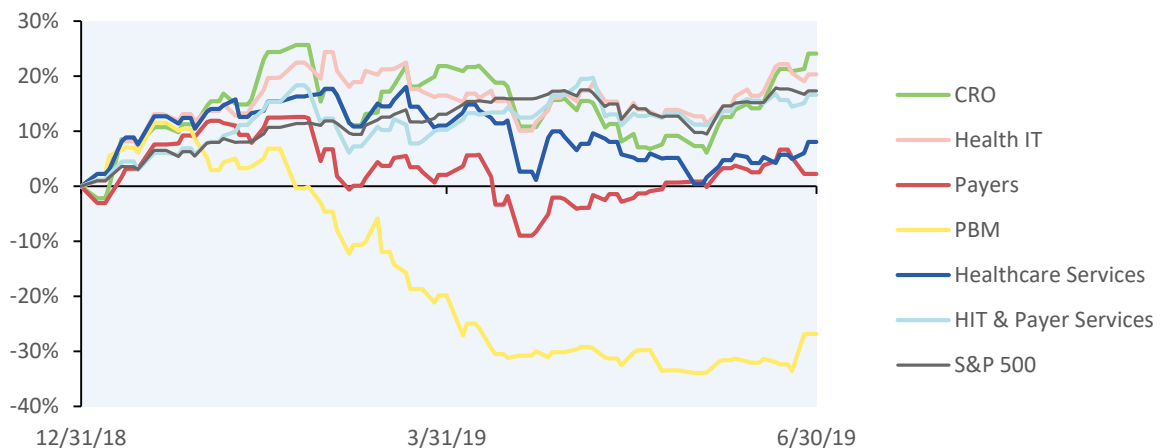
April 7 – CMS expands Medicare Advantage coverage to telehealth

May 9 – Trump announces plans to allow US states to buy medicine abroad

March 26 – White House says it will ask a court to throw out Obamacare

April 22 – CMS announces plans to launch direct-contracting pay models

May 15 – White House announces plans to increase healthcare price transparency



### 1H 2019 Index Performance

S&P 500	17.3%	HIT	19.7%	Healthcare Services	7.5%
NASDAQ	20.7%	Payers	2.3%	HIT & Payer Services	16.6%
CRO	24.1%	PBM	-26.9%		

**HIT INDEX PERFORMANCE DETAIL – 1H 2019**

Company	Share Price % Change	EV/ Rev	EV/ EBITDA	Company	Share Price % Change	EV/ Rev	EV/ EBITDA
Allscripts Healthcare Solutions	20.6%	1.4X	7.8X	IQVIA	38.5%	3.8X	16.1X
Benefitfocus	-40.6%	3.2X	29.9X	iRhythm Technologies	13.8%	9.0X	NMF
Care.com	-43.1%	1.3X	9.1X	Medidata Solutions	34.2%	7.6X	26.3X
Castlight Health	48.8%	2.6X	NMF	MINDBODY	0.2%	NA	NA
Cerner	39.8%	4.1X	12.5X	Model N	47.4%	4.6X	NMF
Change Healthcare*	-2.7%	1.8X	5.9X	NantHealth	-3.4%	2.6X	NMF
Computer Programs & Systems	10.7%	1.9X	9.6X	NextGen Healthcare	31.4%	1.9X	13.5X
ehealth	124.1%	5.7X	23.4X	NRC Health	51.0%	11.0X	NA
Evolution Health	-60.2%	1.0X	14.3X	Omnicelell	40.5%	4.1X	19.9X
Fitbit	-11.5%	0.3X	28.6X	Premier	4.7%	2.8X	8.2X
Health Insurance Innovations	-3.0%	1.0X	4.9X	Roper Technologies	37.4%	7.9X	21.5X
HealthEquity	9.6%	15.2X	26.8X	Simulations Plus	43.5%	14.7X	NA
HealthStream	7.1%	2.7X	18.0X	Streamline Health Solutions	86.4%	1.0X	9.2X
Hms Holdings	15.1%	4.6X	15.0X	Tabula Rasa Healthcare	-21.7%	4.5X	22.5X
Inovalon Holdings	2.3%	4.8X	13.3X	Teladoc	34.0%	8.8X	NMF
Invitae	112.5%	9.0X	NMF				

Multiples based off 2019E Revenue and EBITDA

\*Multiples for Change Healthcare based off 9 months ended 12/31/2018

**INDEX VALUATION MULTIPLES**

Sector	Revenue Multiples		EBITDA Multiples	
	2019E	2020E	2019E	2020E
Health IT	4.1X	3.7X	15.4X	15.0X
CRO	2.9X	2.7X	14.1X	12.5X
Payers	0.6X	0.5X	9.9X	8.6X
PBM	0.5X	0.5X	10.3X	9.9X
Healthcare Services	1.4X	1.4X	9.2X	8.6X
HIT & Payer Services	1.4X	1.2X	9.8X	8.8X

Valuation multiples across the healthcare sector remain strong. The HIT and CRO sectors receive the most significant valuation premiums over the rest of the market.



## HEALTH IT IPOs

Change Healthcare's shares hit the market on June 27, 2019, marking the end of the Health IT IPO drought. Following nine IPOs in 2014 (Care.com, IMS, Castlight, Everyday Health, Medical Transcription Billing, Imprivata, HealthEquity, Connecture, Orion), eight IPOs in 2015 (Inovalon, Press Ganey, Teladoc, Evolent, Invitae, Fitbit, Mindbody, Adherium) and five IPOs in 2016 (Tabula Rosa, Oneview, Cotiviti, NantHealth, iRhythm), not a single health IT IPO issued in 2017 or 2018. After two years of inactivity, all eyes are on the four Health IT companies gearing up to hit the markets along with Change – Health Catalyst, Peloton, Phreesia, and Livongo.

- The wave of IPOs began with **Change Healthcare's** filing at the end of March. The healthcare data analytics company debuted on the Nasdaq on June 27<sup>th</sup> and aimed to raise \$1.2 billion, though fell slightly below target with shares trading at \$13.94 in the afternoon of its first day. The Company earned \$367 million on revenue of \$2.45 billion for the 9-months ended December 31, 2018 and plans on using the proceeds from the IPO to pay down a portion of its \$5.8 billion in debt.
- **Health Catalyst**, a healthcare data warehousing and analytics company, filed for an IPO in late April. The Company has raised approximately \$391 million and is reportedly planning to raise \$150 million to \$200mm under the ticker symbol "HCAT" in the Nasdaq.
- Connected fitness bike maker **Peloton** confidentially filed for their IPO in June. Peloton has raised almost \$1 billion in funding and was most recently valued at \$4.15 billion after its latest funding round. The Company has not yet released the price and number of shares to be offered. Peloton is reportedly facing a lawsuit over their use of music which is expected to slow their IPO.
- **Phreesia**, a patient check-in software company, filed its S-1 form with the SEC in late Jun. Per the filing, the Company is planning on a \$125 million public offering under the ticker "PHR" on the New York Stock Exchange. Phreesia has raised over \$100 million and has facilitated more than 54 million patient visits for approximately 50,000 individual providers.
- In late June, chronic condition management company **Livongo Health** officially filed for its IPO. Livongo's S-1 lists an impressive Q1 revenue of \$32.1 million (a 157% increase from \$12.5 million from the same period last year) and early reports suggest the Company is eyeing a \$1 billion+ valuation. The Company has raised over \$200 million and was most recently valued at \$805 million.



As discussed previously, HGP tracks six indices across the health IT and services sectors. The components of each index are listed below. Each index is based on an equal-weighted portfolio.

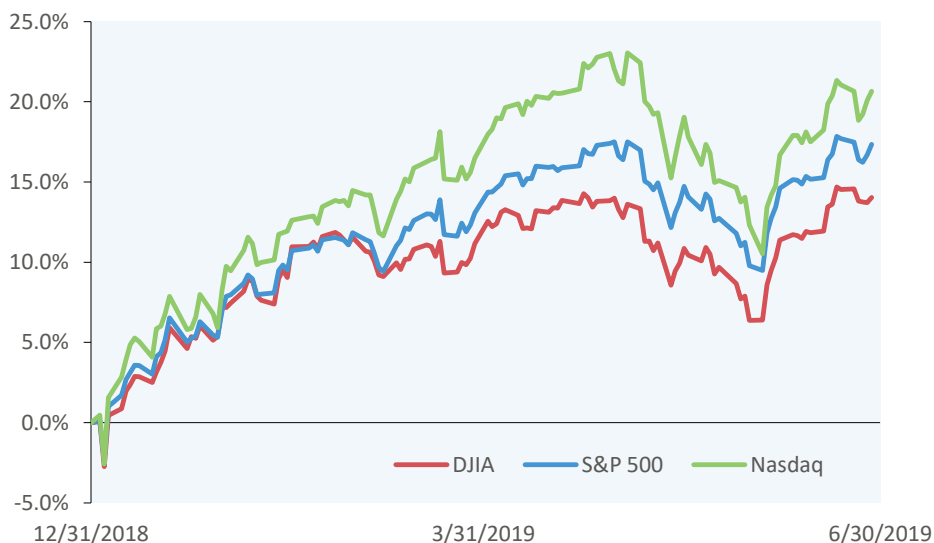
Sector Components	
<u>Health IT (HIT) – Constituents</u> Allscripts – NAS:MDRX Benefitfocus – NAS:BNFT Care.com – NYS:CRCM Castlight Health – NYS:CSLT Cerner – NAS:CERN Change Healthcare – NAS:CHNG Computer Programs & Systems – NAS:CPSI ehealth – NAS:EHTH Evolut Health – NYS:EVH Fitbit – NYS:FIT Health Insurance Innovations – NAS:HIIQ HealthEquity – NAS:HQY HealthStream – NAS:HSTM Hms Holdings – NAS:HMSY Inovalon Holdings – NAS:INOV Invitae – NYS:NVTA IQVIA – NYS:IQV iRhythm Technologies – NAS:IRTC Medidata Solutions – NAS:MDSO MINDBODY – NAS:MB [Acquired 2/15/2019] Model N – NYS:MODN NantHealth – NAS:NH NextGen – NAS:NXGN NRC Health – NAS:NRC OmniceLL – NAS:OMCL Premier – NAS:PINC Roper Technologies – NYS:ROP Simulations Plus – NAS:SLP Streamline Health Solutions – NAS:STRM Tabula Rasa Healthcare – NAS:TRHC Teladoc – NYS:TDOC Veeva Systems – NYS:VEEV Vocera Communications – NYS:VCRA  <u>Payers – Constituents</u> Anthem – NYS:ANTM Centene – NYS:CNC Cigna – NYS:CI Humana – NYS:HUM Molina Healthcare – NYS:MOH UnitedHealth Group – NYS:UNH WellCare – NYS:WCG	<u>HIT &amp; Payer Services – Constituents</u> DXC Technology – NYS:DXC Conduent – NYS:CNDT Huron Consulting Group – NAS:HURN CBIZ – NYS:CBZ Kforce – NAS:KFRC Navigant Consulting – NYS:NCI Accenture – NYS:ACN CACI International – NYS:CACI Corvel – NAS:CRVL Tivity Health – NAS:TVTY Magellan Health – NAS:MGLN WageWorks – NYS:WAGE  <u>PBMs – Constituents</u> BioScrip – NAS:BIOS CVS Health – NYS:CVS Rite Aid – NYS:RAD Walgreens Boots Alliance – NAS:WBA  <u>Healthcare Services – Constituents</u> Amedisys – NAS:AMED Brookdale Senior Living – NYS:BKD Civitas Solutions – NYS:CIVI [Acquired 3/8/19] Community Health Systems – NYS:CYH Encompass Health Corp – NYS:EHC HCA Management Services – NYS:HCA Laboratory Corporation of America Holdings – NYS:LH Mednax – NYS:MD Quest Diagnostics – NYS:DGX Select Medical Holdings – NYS:SEM Tenet Healthcare – NYS:THC Universal Health Services – NYS:UHS  <u>CROs – Constituents</u> Charles River Laboratories International – NYS:CRL Icon – NAS:ICLR IQVIA – NYS:IQV PRA Health Sciences – NAS:PRAH Syneos Health – NAS:SYNH

So far in 2019, stock markets have experienced an incredible rally and completely reversed 2018's end of year sell-off to yield the best performance in the first six months of the year in more than two decades. Much of the return in the first half was generated in Q1 which yielded 13.6% before renewed trade tensions began to escalate between the United States and China in May. Further, as concerns over yield curve inversion and tariffs on Chinese goods caused some to hesitate in May, the Dow Jones Index posted its best return in June since 1955 to end the half up over 17% since the start of the year. The technology sector led the market rally as it typically does with returns of 26% in the first-half despite the significant impact of trade tensions with China. Many attribute credit for the rally to the Fed, who ceased to increase rates in January and indicated that it may choose to cut rates in the second half of the year.

What is interesting about this rally on Wall Street is the simultaneous negative forces working against it: we've seen noteworthy slowing of global economic growth, rising geopolitical tensions not only between the United States and China but also in Iran and the Middle East, and Britain repeatedly stumble in its efforts to exit the European Union. Additionally, rising wages are expected to put pressure on profits in the coming quarters and corporate debt levels are continuing to creep ever higher as the bull market stretches into one of the longest in history at over 10 years since the market bottomed out on March 6, 2009.

Q2 2019 saw additional expected earnings decline compared to Q4 2018, with 87 companies issuing negative earnings guidance out of the 113 S&P 500 companies that issued EPS guidance over the quarter. The estimated earnings decline for the quarter was -2.6%, coming off of an actual earnings decline in Q1 of -0.4%. Q1 marked the first year-over-year decline in earnings for the S&P 500 index since Q2 2016 when earnings declined -3.2%.

## 1H-2019 US STOCK MARKET PERFORMANCE



The US IPO market on the whole was relatively flat year-over-year, however was notable for having some big-name tech IPOs including Uber, Lyft, and Pinterest. According to Ernst and Young, the US NASDAQ and NYSE saw a total of 88 IPOs raising \$32.2 billion in proceeds. This is down approximately 20% in total number of IPOs compared to first-half 2018, and approximately even in terms of total capital raised compared to that of 2018. Out of the \$32.2 billion raised in the US market, a substantial \$19 billion went to tech companies according to the data provider Dealogic.

Worst IPO performers include Uber and Lyft who have both spent significant time trading below their IPO prices. Best performers include Beyond Meat whose shares are up more than 500 percent as well as PagerDuty, Zoom Video, and CrowdStrike whose prices have more than doubled from their IPO prices. Slack notably chose to follow Spotify's lead from last year and pursue a direct-listing rather than a more traditional IPO. So far, Slack's shares have been well-received by the market.

M&A deal activity has been strong thus far in 2019, with a total announced deal value of \$1.1 trillion. This represents a 20% increase from a year ago and the first time U.S. deal value crossed the \$1 trillion mark during the first six months of the year. Notably, the proposed \$86 billion merger of United Technology and Raytheon was the largest deal of the year, followed by Bristol-Myers Squibb's acquisition of Celgene and AbbVie's planned purchase of Allergan.

So far in 2019, the venture industry has enjoyed some well-deserved exits with 34 venture-backed IPOs. This has relieved liquidity pressure on the industry that had been building up over the past few years with so many VC-backed companies electing to stay private longer. Venture funds and LPs can now recognize their gains in these high-profile companies and reinvest the resulting liquidity in new venture efforts.

NVCA's Venture Monitor noted two major trends: insatiable market appetite for life sciences businesses, and positive momentum in investment in female-founded companies. A recent survey conducted by NVCA and Deloitte found that women comprised 14% of investment partners in the venture industry in 2018, compared with 11% in 2016. While this is still low, it is good to see a positive trend in female participation in venture capital.

2019 venture capital investment is on pace to match 2018's record year, with \$66 billion deployed across 4,868 US venture deals in the first half. Of note, the number of rounds with invested capital in excess of \$100 million ("mega-deals") has exploded, with 208 such deals in 2018 compared to only 36 in 2013. 2019 is on pace to exceed 2018's record with 123 recorded deals in excess of \$100 million. Overall, 2019 has gotten off to a great start and seems to be keeping pace from a record-setting year in 2018.

Notable headlines from 1H 2019 are outlined in the following pages on a quarterly basis. The headlines in 1H 2019 illustrate the significant influence that policy and regulatory intervention has on the incentives that dictate health IT investment and innovation trends, the increasing vertical integration across healthcare, and the expanding presence of non-traditional companies in the health IT market.

### Q1 HEADLINES

#### **Walgreens Boots Alliance and Microsoft form digital health link**

Walgreens Boots Alliance and Microsoft have entered a seven-year agreement to form a strategic partnership to build digital healthcare solutions. The companies say they are joining forces to develop new healthcare delivery models, technology and retail innovations. The intent is to combine Microsoft's Azure cloud and AI platform—as well as its ability to make healthcare investments and retail solutions—with Walgreens' customer reach, retail pharmacy locations, outpatient services and industry expertise.

#### **Aetna, other health insurers team up with IBM on blockchain project**

A group of health insurers is collaborating with IBM to develop a blockchain network to process claims and payments, maintain directories, and improve administrative efficiency and cost management in the industry. Anthem, Health Care Service Corp., CVS Health's Aetna and PNC Bank are all involved in the network.

#### **In bold new proposal, Trump administration pitches an end to certain drug rebates**

The Trump administration on Thursday put forth a long-awaited proposal to eliminate certain rebates drug makers pay insurance companies in Medicare, a move it says will ultimately lower prescription drug prices — and one that stands to upend the complicated structure for how drugs are priced in the U.S.

#### **Greenway to Pay \$57.25M for False EHR Certification Allegations**

Greenway Health LLC has agreed to pay \$57.25 million to resolve complaints that its “Prime Suite” EHR product caused users to submit false information to the EHR Incentive Programs. The federal government has also accused the company of falsely obtaining 2014 Edition Certified EHR Technology (CEHRT) status. The allegations claimed that Greenway misrepresented the capabilities of its product to customers and provided unlawful remuneration to users for positive recommendations to peers, violating the Anti-Kickback Statute.

#### **CVS unveils HealthHub store design**

CVS Health has unveiled three redesigned health-focused concept stores in the Houston market. The pilot stores, called HealthHubs, have space for services to help customers manage such chronic conditions as diabetes, hypertension and asthma. Each store also has an expanded health clinic with a lab for blood testing and health screenings. The stores will have respiratory specialists and dietitians on staff. Beyond those services, there are also wellness rooms equipped to handle yoga classes and seminars. The stores, part of the company's vision in acquiring health insurer Aetna, are designed to help the pharmacy chain become more of a convenient healthcare provider.

### **HHS unwraps long-awaited new information blocking rule**

The rule issued by the Office of the National Coordinator for Health Information Technology involves the patient, not as a person being “acted upon,” said Elise Sweeney Anthony, director of Office of Policy for the ONC, but as someone in control of his or her electronic health records. If a patient requests their record, and it’s not given to them electronically and for free, that’s information blocking, Sweeney said during HIMSS19. The Centers for Medicare and Medicaid Services would also require that healthcare providers and plans implement open data sharing technologies to support transitions of care as patients move between these plan types. For instance, the records must be able to be transferred between providers when a patient requests that service when changing physicians.

### **HHS unveils new payment model for ambulance service providers**

HHS unveiled a payment model that will reimburse ambulance services for transporting patients to facilities such as urgent care centers or physician’s offices instead of emergency departments, as well as enabling them to work with a health care provider to use telemedicine for onsite care. The model, called Emergency Triage, Treat and Transport, or ET3, is designed to reduce unnecessary hospitalizations and is expected to run for five years starting next year.

### **The end for Obamacare? Trump administration says it will ask a court to throw out entire law**

The Justice Department won’t dispute a federal court’s decision that the Affordable Care Act is unconstitutional and should therefore be eliminated in its entirety. This two-sentence announcement represents a position shift from earlier arguments in which the Trump administration advocated striking down only certain of ACA’s consumer protections, such as the requirement that insurers cover pre-existing conditions. A group of Republican governors sued the federal government after Congress eliminated the penalty for not buying health insurance, arguing that the decision renders the entire ACA unconstitutional, a position with which the federal government now agrees.

### **Centene to purchase WellCare in \$17.3B deal**

Centene Corporation will purchase rival insurer WellCare Health Plans in a deal valued at \$17.3 billion, the companies announced early Wednesday. The acquisition has been unanimously approved by both boards, according to the announcement. Should the deal be finalized, the joint company would include 22 million members across all 50 states and combined estimated revenue of \$97 billion in 2019. The deal will create one of the largest sponsors of government plans across the three main markets: Medicare, Medicaid and the Affordable Care Act exchanges, the insurers said on a call with investors Wednesday morning. Post-merger, the joint company would be the nation’s biggest sponsor of Medicaid managed care and exchange plans, and the fourth-largest payer in the private Medicare space, including Medicare Advantage, supplemental coverage and Part D plans.

## Q2 HEADLINES

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### **CMS expands Medicare Advantage coverage of telehealth services**

As part of efforts by CMS to increase technological innovation and boost competition among Medicare Advantage plans, the agency is moving to expand the range of beneficiaries eligible for telemedicine benefits. The new rule, which will go into effect in the 2020 plan year, will allow Medicare Advantage to offer telehealth services as part of their basic benefits package, providing patients more options to receive healthcare services from locations like their home.

### **Amazon adds HIPAA compliance to Alexa Skills, opening door for secure health apps**

Amazon's Alexa voice assistant has a new trick: transmitting secure patient information between patients and caregivers. Developers can now use the Alexa Skills Kit to build HIPAA-compliant apps, opening the door for hospitals, insurers, digital health startups and others to manage patient data through voice.

### **CMS to launch new direct-contracting pay models in 2020**

HHS Secretary Alex Azar announced a new initiative to transition primary care practices from fee-for-service payments to a voluntary, value-based model. The CMS Primary Cares Initiative, which will be piloted next year, will offer providers five payment models under two paths that focus on chronically and seriously ill beneficiaries.

### **HHS to cap HIPAA fines based on 'culpability'**

HHS updated the maximum it will penalize providers, health plans and their business associates in the wake of HIPAA violations, in some cases dropping the upper limit by more than \$1 million. The new system sets annual limits for these fines based on the organization's "level of culpability" associated with the HIPAA violation, according to the department's notice of enforcement discretion. That means organizations that have taken measures to meet HIPAA's requirements will face a much smaller maximum penalty than those who are found neglectful.

### **Trump slams drug makers, vows to let U.S. states buy cheaper medicines abroad**

The Trump administration announced they are working to allow U.S. states to buy prescription drugs from other countries if the medications cost less. "We will allow them, with certain permissions, to go to other countries if they can buy them for 40, 50, 60 percent less," Trump said at a White House event on hospital billing.

### **HHS White House Wants Patients to Know Health-Care Prices Up Front**

The Trump administration has been working behind the scenes for months on a strategy to force greater price disclosure across much of the \$3.5 trillion health-care industry. The Administration wants to require up-front disclosure of prices patients will pay for treatment as well as rates insurers negotiate with providers.

### **House Hearing Outlines Competing Solutions to Surprise Medical Bills**

Legislation to address surprise medical bills must center on the patient, protecting patients from having to take part in mitigating extraordinarily high medical bills. Such was the conclusion of a House Ways and Means Committee hearing on the matter, although little other consensus was reached.

### **Change Healthcare's shares debut on the NASDAQ**

A new ticker symbol is now trading on the Nasdaq: CHNG. The Nashville, Tennessee health tech company sold its shares to the public at the IPO price of \$13 a share raising nearly \$800 million and celebrated its market debut by ringing the closing bell at the Nasdaq Market Site.

### **U.S. federal court delays adoption of healthcare rule on abortion**

The U.S. Department of Health and Human Services (HHS) and its opponents in a California lawsuit agreed on Friday to delay implementing a rule that would allow medical workers to decline performing abortions or other treatments on moral or religious grounds, according to a federal court filing.

## ABOUT HEALTHCARE GROWTH PARTNERS

8

Healthcare Growth Partners (HGP) is an exceptionally experienced Investment Banking & Strategic Advisory firm exclusively focused on the transformational Health IT market. We unlock value for our clients through our Sell-Side Advisory, Buy-Side Advisory, Capital Advisory, and Pre-Transaction Growth Strategy services, functioning as the exclusive investment banking advisor to over 100 health IT transactions representing over \$2 billion in value since 2007.

Our passion for healthcare inspires us to not only create value for our clients, but to also generate broad, overarching improvements to the functionality and sustainability of health. With our focus, we deliver knowledgeable, honest and customized guidance to select clients looking to execute high value health IT, health information services, and digital health transactions.

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#### *Sources of Information:*

*CMS, CNBC, company press releases, company SEC filings, Dealogic, Ernst and Young, FactSet, FierceHealthcare, Health Data Management, Healthcare Growth Partners database, HealthLeaders Media, HlStalk, Mercom Capital Group, Modern Healthcare, The New York Times, Mergermarket, NVCA, Pitchbook, Rock Health, StartUp Health, and The Wall Street Journal.*





























































*These statistics are presented for informational purposes only. While the information presented has been obtained from sources deemed to be reliable, no representation or warranty, express or implied, is made as to the accuracy or completeness of such information.*



# HGP TRANSACTION EXPERIENCE

 has acquired  <b>BUY-SIDE</b>	 received funding from  <b>CAPITAL RAISE</b>	 received funding from  <b>GROWTH STRATEGY</b>	 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has acquired Record Retrieval Service <b>BUY-SIDE</b>
 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has acquired  <b>BUY-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has acquired  <b>BUY-SIDE</b>
 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 received funding from  <b>CAPITAL RAISE</b>	 received funding from  <b>CAPITAL RAISE</b>	 has acquired  <b>BUY-SIDE</b>
 has acquired  <b>BUY-SIDE</b>	 has acquired  <b>BUY-SIDE</b>	 received funding from  <b>CAPITAL RAISE</b>	 has been acquired by  <b>SELL-SIDE</b>	 received funding from  <b>CAPITAL RAISE</b>	 received funding from  <b>CAPITAL RAISE</b>
 has acquired  <b>BUY-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 received funding from  <b>CAPITAL RAISE</b>
 has been acquired by  <b>SELL-SIDE</b>	 received funding from  <b>CAPITAL RAISE</b>	 has acquired  <b>BUY-SIDE</b>	 has been acquired by  <b>SELL-SIDE</b>	 received funding from Strategic Investor <b>CAPITAL RAISE</b>	 has invested in  <b>CAPITAL RAISE</b>

<p><b>HealthUnity</b><sup>®</sup></p> <p>has been acquired by</p> <p><b>ZeOmega</b> Population Health Management Software</p> <p>SELL-SIDE</p>	<p><b>MERGE</b> Healthcare</p> <p>has acquired</p> <p><b>DR Systems</b></p> <p>BUY-SIDE</p>	<p><b>Keais</b> RECORDS RETRIEVAL</p> <p>has been recapitalized by</p> <p><b>C</b> CAPSTREET</p> <p>CAPITAL RAISE</p>	<p>HSM Inc.</p> <p>has been acquired by</p> <p><b>Magellan</b> HEALTH</p> <p>SELL-SIDE</p>	<p><b>Patient Prompt</b></p> <p>has been acquired by</p> <p><b>Stericycle</b><sup>®</sup></p> <p>SELL-SIDE</p>	<p><b>Array Health</b><sup>®</sup></p> <p>received funding from</p> <p><b>NMP</b> NORD-MOSELEY PARTNERS</p> <p>CAPITAL RAISE</p>
<p><b>livongo</b> health</p> <p>received funding from</p> <p><b>General Catalyst</b> Partners</p> <p>CAPITAL RAISE</p>	<p><b>VCS</b> Comprehensive Surgical Symptom</p> <p>has acquired</p> <p><b>MEDIKINETICS</b></p> <p>BUY-SIDE</p>	<p><b>net health.</b></p> <p>has acquired</p> <p><b>ReDoc</b></p> <p>BUY-SIDE</p>	<p><b>healthpost</b></p> <p>has been acquired by</p> <p><b>The Advisory</b> Board Company</p> <p>SELL-SIDE</p>	<p><b>IMMEDIATE</b> MD</p> <p>received funding from</p> <p><b>First Trust</b></p> <p>CAPITAL RAISE</p>	<p><b>care team</b> connect</p> <p>has been acquired by</p> <p><b>The Advisory</b> Board Company</p> <p>SELL-SIDE</p>
<p><b>Conversio.</b> HEALTH</p> <p>received funding from</p> <p><b>HERITAGE GROUP</b> HEALTHCARE SERVICES</p> <p>CAPITAL RAISE</p>	<p><b>Medibis</b></p> <p>has been acquired by</p> <p><b>The Group, Inc.</b></p> <p>SELL-SIDE</p>	<p><b>Integritas inc.</b></p> <p>has been acquired by</p> <p><b>net health.</b></p> <p>SELL-SIDE</p>	<p><b>vivify</b> health.</p> <p>received funding from</p> <p><b>HERITAGE GROUP</b> HEALTHCARE SERVICES</p> <p>CAPITAL RAISE</p>	<p><b>G+N</b></p> <p>has been acquired by</p> <p><b>Greenway</b> Health</p> <p>SELL-SIDE</p>	<p><b>HEARST corporation</b></p> <p>has acquired</p> <p><b>mCG</b></p> <p>BUY-SIDE</p>
<p><b>HEALTHTECH</b> HEALTHCARE PARTNERS</p> <p>has acquired</p> <p><b>acuitec</b></p> <p>BUY-SIDE</p>	<p><b>L&amp;S Associates</b> A Health Care Company</p> <p>has been acquired by</p> <p><b>Human Arc</b></p> <p>SELL-SIDE</p>	<p><b>net health.</b></p> <p>has been acquired by</p> <p><b>SPECTRUM</b> EQUITY</p> <p>SELL-SIDE</p>	<p><b>studymanager.</b> Clinical Trial Success</p> <p>has been acquired by</p> <p><b>MERGE</b> Healthcare</p> <p>SELL-SIDE</p>	<p><b>CGate</b></p> <p>has been acquired by</p> <p><b>SCI SOLUTIONS</b></p> <p>SELL-SIDE</p>	<p><b>DocuTAP</b></p> <p>received funding from</p> <p><b>BLUFFPOINT</b> ASSOCIATES</p> <p>CAPITAL RAISE</p>
<p><b>Clinical Coding</b> Solutions</p> <p>has been acquired by</p> <p><b>the SYSTEM</b></p> <p>SELL-SIDE</p>	<p>OptiLink Division of <b>The Advisory</b> Board Company</p> <p>has been acquired by</p> <p><b>KRONOS</b></p> <p>SELL-SIDE</p>	<p><b>MEDIRECT</b></p> <p>has been acquired by</p> <p><b>MedData</b></p> <p>SELL-SIDE</p>	<p><b>Emergisoft</b></p> <p>has been acquired by</p> <p><b>FRERUN</b></p> <p>SELL-SIDE</p>	<p><b>QSI</b></p> <p>has acquired</p> <p><b>ViaTrack</b> SYSTEMS</p> <p>BUY-SIDE</p>	<p><b>INNOVATION</b></p> <p>has acquired</p> <p><b>CREATIVE</b> HEALTHCARE SERVICES, INC.</p> <p>BUY-SIDE</p>
<p><b>INTUITIVE</b> MEDICAL SOFTWARE</p> <p>has been acquired by</p> <p><b>endo</b> Pharmaceuticals</p> <p>SELL-SIDE</p>	<p><b>OIS</b></p> <p>has been acquired by</p> <p><b>MERGE</b> Healthcare</p> <p>SELL-SIDE</p>	<p><b>QSI</b></p> <p>has acquired</p> <p><b>qsi solutions</b></p> <p>BUY-SIDE</p>	<p><b>TAYLOR</b> COMMUNICATIONS</p> <p>has acquired</p> <p><b>DialogMEDICAL</b></p> <p>BUY-SIDE</p>	<p><b>IntraNexus</b></p> <p>has been acquired by</p> <p><b>QSI</b></p> <p>SELL-SIDE</p>	<p><b>myhealth pdirect</b></p> <p>received funding from</p> <p><b>ARBORETUM</b> VENTURES</p> <p>CAPITAL RAISE</p>

 received funding from  CAPITAL RAISE	 has acquired AssuranceRX, LLC BUY-SIDE	 has acquired  BUY-SIDE	 received funding from  CAPITAL RAISE	 has been acquired by  SELL-SIDE	 has been acquired by  SELL-SIDE
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 has acquired  BUY-SIDE	 has been acquired by  SELL-SIDE	 has acquired  BUY-SIDE	 has been acquired by  SELL-SIDE	 has been acquired by Undisclosed SELL-SIDE	 has been acquired by  SELL-SIDE
 has been acquired by  SELL-SIDE	 has been acquired by  SELL-SIDE	 has acquired  BUY-SIDE	 has been acquired by  SELL-SIDE	AcerMed has been acquired by  SELL-SIDE	NetRegulus has been acquired by  SELL-SIDE
 has been acquired by  SELL-SIDE	 has been acquired by  SELL-SIDE	 has been acquired by  SELL-SIDE			

## APPENDIX A

10

### Strategic M&A Highlights

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	AMN Healthcare Services	Silversheet	Provider of a healthcare credentialing platform intended to help healthcare facilities and medical professionals connect and work together more efficiently.	na
Q1	Medsphere Systems	HealthLine Solutions	Provider of Healthcare inventory and supply chain management services.	na
Q1	Healthgrades	Influence Health	A comprehensive consumer-centric patient engagement and healthcare collaboration portal.	na
Q1	Cisive	PreCheck	Provider of background investigation services including healthcare background screening, credentialing and program integrity.	na
Q1	Everyday Health	Castle Connolly Top Doctors	Provider of a medical platform designed to help patients find information regarding physicians, hospitals, and medical care centers.	na
Q1	WEX	Discovery Benefits	Provider of employee benefits administration services. The company's products include health savings accounts, flexible spending accounts, health reimbursement arrangements, commuter benefits, and other tax advantage accounts.	\$425
Q1	NexTech Systems	SRS Health	Provider of electronic health record technology and services to the healthcare industry.	na
Q1	BioTelemetry	Geneva Health Solutions	Developer of remote monitoring platform designed to facilitate remote cardiac patient care and monitoring.	\$65
Q1	Connect America	Tunstall Americas	Provider of remote health monitoring and response solutions. The company's integrated care platform offers a suite of remote patient monitoring software.	na
Q1	eMDs	Aprima Medical Software	Provider of electronic health record, practice management, and revenue cycle management solutions for medical practices.	na
Q1	Livongo Health	myStrength	Provider of mobile and web-based behavioral health solutions for prevalent health conditions that include depression, anxiety, stress, substance use disorder, chronic pain, and sleep disorders.	\$10
Q1	PerfectServe	Lightning Bolt Solutions	Developer of an artificial intelligence optimized physician shift scheduling technology.	na
Q1	N. Harris Computer Corporation	Collain Healthcare	Provider of electronic health record, virtual care, and interoperability solutions for the long-term and post-acute care industry.	na
Q1	symplr	API Healthcare Corporation	Developer of a labor resource management software intended for healthcare organizations.	\$300
Q1	WellSky	Health Care Software	Provider of clinical and financial software for long-term care settings.	na
Q1	Medsphere Systems Corporation	Wellsoft	Developer and provider of information management software for the Emergency Department.	na
Q1	Tabula Rasa Healthcare	PrescribeWellness	Developer of a cloud-based patient relationship management software designed to collect data for pharmacies.	\$150
Q1	AbleTo	Joyable	Developer of a digital mental therapy platform intended to treat anxiety and depression.	na
Q1	Hill-Rom	Voalte	Developer of hospital point-of-care communications software technology designed to answer any type of healthcare communication challenges.	\$195

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	Signify Health	TAVHealth	Developer of a collaboration platform that provides a unique privacy architecture, enabling community and healthcare partners to collaborate, coordinate services, keep track of patients and create longitudinal social records together.	na
Q1	Philips	Direct Radiology	Teleradiology practice comprising more than 70 radiologists and 60 support staff working in close partnership with 300+ facilities across the country.	na
Q2	Practice Velocity	DocuTAP	Developer of healthcare software which fully integrates practice management and EMR functionality and offers valuable interface and health information exchange capabilities in order to connect patient data with other software systems.	na
Q2	EverCommerce	CollaborateMD	Provider of a practice management and medical billing software intended to digitize medical practices, process medical claims, manage health data, speed up and secure the payment cycle.	na
Q2	HealthEquity	WageWorks	Operates as an on-demand provider of tax-advantaged programs for consumer-directed health, commuter, and other employee spending account benefits.	\$2,010
Q2	CPSI	Get Real Health	Provider of patient engagement and care management solutions to healthcare organizations worldwide.	\$11
Q2	Cardinal Health	mscripts	Provider of a mobile pharmacy and digital patient engagement platform designed to offer innovative, easy-to-use mobile and web health management services.	na
Q2	Netsmart Technologies	McBee Associates	Operator of a health care-focused consulting firm. The company is focused on providing outsourced nurse chart review, billing, cash collection, revenue cycle turnaround, data mining and analysis, and other ancillary outsourced services to acute and post-acute providers.	na
Q2	N. Harris Computer Corporation	Uniphy Health	Offers clinical communications and collaboration, physician engagement, patient engagement, high risk patient management, and health assessment solutions.	na
Q2	Datix	iContracts	Provides contract management solutions for pharmaceutical and life sciences industries.	\$210
Q2	Remedy Health Media	Vertical Health	Publisher serving patients and healthcare professionals in the diabetes, mental health, back pain, and pain management areas.	na
Q2	JPMorgan Chase	InstaMed	Provider of a payments network designed to connect providers, payers and consumers on one platform.	\$600
Q2	Apple	Tueo Health	Developer of a system to helps parents monitor asthma symptoms in sleeping children.	na
Q2	Best Buy	Critical Signal Technologies	Provider of personal emergency response systems to healthcare industry.	na
Q2	Beckman Coulter	Cytobank	Provider of a storage and analysis platform designed to accelerate research productivity. The company's platform manages, analyzes, and enables the sharing of high dimensional single cell biological data.	na
Q2	Waystar	PARO	Provider of a financial assistance predictive analytics solution.	na
Q2	Health Insurance Innovations	TogetherHealth	Operator of a prescription assistance company for individuals who need help affording their medications. The company's direct-to-consumer platform connects individuals with U.S. insurance carriers using consumer acquisition and engagement to primarily serve the over 65 age group insurance market.	\$50
Q2	Dassault Systemes SA	Medidata Solutions	Provider of cloud-based solutions for the clinical development programs of life sciences companies.	\$5,800
Q2	Allscripts Healthcare Solutions	ZappRx	Developer of a prescription management system that allows healthcare providers, patients, and pharmacists to interact and communicate.	na

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q2	eSolutions	Practice Insight	Provider of SaaS claims management tools to healthcare providers.	na
Q2	McKesson	Metabolic Healthcare (dba Echo)	Provider of a medical platform intended to make medication management easier. The company's platform offers an application to add, order, take and reorder medications.	na
Q2	UnitedHealth Group	Equian (Aeneas Buyer Corp.)	Provider of healthcare reimbursement analysis and payment integrity solutions for healthcare, workers' compensation, and property and casualty industries in the United States and internationally.	\$3,200
Q2	UnitedHealth Group	PatientsLikeMe	Provider of a clinical research platform designed to provide real-time insight into thousands of diseases and conditions. The company's platform is a health information sharing website for patients to share both personal stories and health data about the conditions.	na
Q2	Net Health Systems	Optima Healthcare Solutions	Developer of therapy management software intended for post-acute care providers.	na

## APPENDIX B

11

### Financial Sponsor Buyout Highlights

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	Health Enterprise Partners, Health Velocity Capital, JMI Equity	Jvion	Developer of a software designed to predict and prevent patient-level disease and financial losses. The company's software application uses Eigen Sphere engine to deliver a comprehensive patient view amplified beyond the risk of an event to the clinical actions that will improve outcomes and drive engagement.	na
Q1	Spectrum Equity, Health Enterprise Partners	Payer Compass	Provider of healthcare reimbursement solutions. The company's core software platform helps to manage complex healthcare reimbursement and pricing strategies.	na
Q1	Kriya Capital	Receivable Solutions Specialist	Provider of technology, consulting, onsite staffing and outsourcing services to improve the financial success of your enterprise.	na
Q1	Arsenal Capital Partners	Accumen	Provider of clinical laboratory services for hospitals and health systems. The company offers consulting on strategic growth and execution, utilization enhancements and performance measurement.	na
Q1	Morgan Stanley	Clarity Software	Developer of document management solutions for the healthcare industry.	na
Q1	Investcorp	Health Plus Management	Provider of physician practice management services for outsourcing non-medical functions.	na
Q1	Investcorp	Cambio Healthcare Systems	Provider of healthcare information and management systems focused on providing electronic health services with the help of skilled and experienced consultants.	na
Q1	ABRY Partners	Sermo	Offers an online network for physicians to collaborate on cases and exchange observations to improve patient care, discuss drugs and devices, and share information on new therapies and innovations.	na
Q1	Francisco Partners Management	CapsuleTech	Provider of services for medical device integration. The company integrates with clinical information systems to capture more data, reduce manual efforts and cost, and improve patient care.	na
Q1	Beecken Petty OKeefe & Company	Health-E Commerce	Parent company of pre-tax health and wellness shopping sites.	na
Q1	Frazier Healthcare Ventures	Comprehensive Pharmacy Services	Provider of pharmacy support services including inpatient pharmacy management, telepharmacy, consulting, and outpatient pharmacy management.	na
Q1	ABRY Partners	Anju Software	Developer of integrated life sciences software platform for pharma, biotech, medical device, and contract research organization (CRO) companies.	na
Q1	Aldrich Capital Partners	eHealth Technologies	Provider of medical record retrieval and organization services and image-enabled HIEs.	\$41
Q1	EMV Capital	Wanda	Developer of a cloud-based remote patient monitoring platform that features proactive care management to deliver insights on pending adverse events to the point of care in real-time.	na
Q1	Primus Capital	Harmony Healthcare IT	Developer of HealthData Archiver, a healthcare information technology that extracts demographic, financial, clinical and administrative data from healthcare systems.	na
Q1	LLR Partners	CareATC	Developer of a health management platform intended to offer more accurate, relevant, and actionable employee health data.	na

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	Vista Equity Partners	PlanSource Benefits Administration	Provider of a platform that automates various benefit transactions and connects with insurance carriers.	na
Q1	Frontier Capital	Clearwave Corporation	Developer of healthcare authentication network software. The company's software has features such as digital check-in, insurance eligibility and patient payments.	na
Q2	Blue Sea Capital, Five Points Capital	SignatureMD	Provider of practice management services based on a concierge medicine model.	na
Q2	H.I.G Growth Partners	Jenny Craig	Provider of weight management programs designed to help members lose weight.	na
Q2	Gemspring Capital	Valant Medical Solutions	Developer of a web-based EMR system with integrated practice management that enables psychiatrists and other behavioral health professionals to manage billing and maintain electronic medical records.	na
Q2	H.I.G Growth Partners	Medusind Solutions	Provider of revenue cycle management technology and services.	na
Q2	Activa Capital	Medisys (France)	Provider of software to maintain better information sharing and coordination between services that primarily focus in the medico-social sector, home-care field and intervention planning for daycare, institutions for the disabled or dependent elderly people, and health homes.	na
Q2	The Riverside Company	HemaTerra	Developer of software used for collection and integration of blood, plasma, platelets and other biologics.	na
Q2	M3	DailyRounds	Developer of a medical education platform designed to focus on a case-based and problem-solving approach to learning. The company's platform allows doctors to see, share, review and learn clinical cases.	na
Q2	Bow River Capital	AbsenceSoft	Provider of software solutions for employers to manage FMLA, disability, ADA, and other forms of absence leave.	na
Q2	Audax Group	The Chartis Group	Operator of a comprehensive advisory and analytics services company. Through expertise in strategic planning, performance excellence, informatics, and health analytics, the company enables academic medical centers, integrated delivery networks, children's hospitals, and healthcare service organizations to achieve transformative results.	\$247.5
Q2	Great Point Partners	Axiom Real-time Metrics	Developer of e-Clinical trial software. The company's e-Clinical suite delivers a powerful range of end-user focused, unified functionality and modules for clinical study data and operational needs.	na
Q2	Littlejohn & Co	Contextmedia Health (Outcome Health)	Provider of a platform that offers exam room technologies that engage patients and caregivers as they wait to see their provider.	na
Q2	AnaCap Financial Partners	Sundhedsgruppen	Provider of health insurance and claims management services to businesses.	na
Q2	The Riverside Company	Naturally Slim	Operator of a digital health platform intended to provide health and lifestyle improvement services.	na
Q2	WindRose Health Investors	Healthmap Solutions	Provider of clinical and data analytics services. The company's offerings include medical cost management, quality reporting, risk adjustment, and revenue optimization.	\$85
Q2	Verdane Capital	Komplett Apotek	Operator of a full-service online pharmacy, based in Norway.	na
Q2	Thoma Bravo	Cority	Developer of an environmental, health and safety (EHS) software designed to measure environmental impact and mitigate workplace injuries and illnesses.	na



Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q2	Golden Gate Capital	Ensemble Health Partners	Provider of revenue cycle management and consulting services.	na
Q2	New Mountain Capital	W2O Group	Provider of marketing communications services specializing in analytics and market research driven public relations communications, and digital and social media services to a blue-chip client roster.	na
Q2	HIG Capital, Goldman Sachs	MedPro Advantage	Provider of medical management services. The company provides medical billing & insurance, operations support, lab support and coding & training services to dermatology clinics, plastic surgery practices, spas, and surgical centers in Illinois and Iowa.	na
Q2	Ares Capital Management, Leonard Green & Partners	Press Ganey Associates	Provider of strategic advisory services for healthcare organizations. The company is a provider of patient-experience measurement, performance analytics and strategic advisory services for health care organizations across the continuum of care.	\$4,200
Q2	Nordic Capital	Aris Global	Provider of cloud-based software solutions for Pharmacovigilance & Drug Safety, Clinical Development, Regulatory, and Medical Affairs.	\$800
Q2	Thomas H. Lee Partners	NexTech Systems	Develops medical practice management, marketing, and electronic medical records (EMR) software for plastic surgeons, dermatologists, medical spas, refractive surgeons, gastroenterologists, urologists, and bariatric surgeons	\$500
Q2	Pamlico Capital	Digitech Computer	The company's services include billing software, compliance support, and integration services, enabling EMS providers to modernize their billing and maximize collections from their clients.	na
Q2	The Jordan Company	Vyne	Operator of a healthcare information exchange platform intended for secure transmission, presentation, and storage of medical documents and management of healthcare communication.	na

## APPENDIX C

12

### Private Equity Highlights (non-buyout)

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	Silver Lake	Verily Life Sciences	Developer of tools and platforms designed to better understand ways to predict and prevent disease onset and progression.	\$1,000
Q1	General Catalyst Partners	Mindstrong Health	Developer of innovative preemptive brain healthcare designed to improve clinical outcomes and reduce hospital visits.	\$45
Q1	Oak HC/FT Partners	WithMe	Developer of a pharmacy benefit platform intended to provide medication guidance solutions.	\$20
Q1	Alychlo NV, Balderton Capital, IDInvest Partners, Generation Investment Management	Sophia Genetics	Developer of a clinical genomics analysis platform designed to perform routine diagnostic testing. The company's clinical genomics analysis platform combines genomics, machine learning, and clinical diagnostics.	\$77
Q1	EDBI, Blue Water Life Science Fund, Bridge Builders Collaborative, Jazz Venture Partners, 5AM Venture Management, TrustBridge Partners, Novartis, Temasek Holdings, Arboretum Ventures	Pear Therapeutics	Developer of a software-based digital therapeutics platform designed to treat disease and enhance the efficacy of pharmaceuticals.	\$64
Q1	JK&B Capital, Pitango Venture Capital, Hotung Capital, Argos Capital, Israel Innovation Fund, BlueRed Capital, Wells Fargo & Company, Hill-Rom	EarlySense	Developer of patient monitoring systems that provide continuous patient monitoring for heart rate, respiratory rate, and motion, enabling clinicians to manage early detection of patient deterioration and to verify timely responses and protocol compliance.	\$39
Q1	Merck GHIF, TT Capital Partners	Clinithink	Provider of clinical data insights designed to transform existing unstructured clinical narrative into structured data.	na
Q1	CLP Fund, CDH Investments	Medbanks	Provider of a medical database intended to offer oncology related information.	\$59
Q1	Ascension Ventures, Echo Health Ventures, Town Hall Ventures, New Enterprise Associates	Strive Health	Developer of care delivery models designed to improve chronic kidney disease care. The company's offerings include leveraging comparative and predictive data and analytics to identify patients at risk.	na
Q1	Section 32, Verily Life Sciences, Andre	Ciitizen	Developer of a platform created to help patients securely collect and share their personal health data.	\$17
Q1	Launchpad Digital Health, Principal Life, AXA Venture Partners, MassMutual Ventures, Aflac Corporate Ventures, Transamerica Ventures, Wells Fargo & Company, Wanxiang Healthcare Investments	Limelight Health	Provider of cloud-based enterprise software designed to re-imagine the employee benefits quoting experience. The company's software offers a range of microservices that are highly configurable for business needs including quoting, rating, proposal generation, renewals, automated processing for pre-sales, underwriting, enrollment support, and data analysis.	\$33.5
Q1	ACME Investments, Shasta Ventures, VMG, GV, Base10	The Pill Club	Provider of a telemedicine service designed to simplify the process of getting birth control, from prescription to delivery.	\$51
Q1	Undisclosed	Hims	Provider of wellness products intended to offer hair loss prevention medicines for men.	\$100
Q1	SoftBank Capital, Tiger Global Management, Shenzhen Cowin Venture Capital	MobileMD	Provider of cloud-based mobile technology-based products that help in software design, production, implementation, and consultation.	\$80
Q1	Greenoaks Capital Partners	Clover Health	Operator of a Preferred Provider Organization (PPO) intended to improve the quality of life for members and physicians.	\$500



Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	RTI International	SPH Analytics	Provider of quality management services. The Company connects and integrates claims and clinical data, analytics, and consulting to deliver a comprehensive perspective on the dynamics that drive business in the payer and provider markets.	na
Q1	MPM Capital, Merck GHIF, ITOCHU Technology Ventures, ITOCHU Corporation, Mitsui & Co., Deerfield Management Company, F2 Ventures	TriNetx	Operator of a global health research network intended to optimize clinical trial design and recruitment processes.	\$40
Q1	Flare Capital Partners, Amgen Ventures, Horizon Healthcare Services, McKesson, Sanofi Ventures, New Enterprise Associates, UCB, Lakestar Advisors	Aetion	Provider of analytics and essential evidence to support value-based healthcare. Serves payers, biopharma, and medical device customers.	\$27
Q1	Flexpoint Ford, Ballast Point Ventures	Yprime	Developer of digital analytics applications to advance critical data functions for clinical research. The company offers patient data collection, clinical supplies, patient management, real-time reporting, and document management applications, as well as related consulting services.	na
Q1	Insight Venture Partners, CAA Ventures, TPG Growth, Sound Ventures	Calm.com	Provider of a relaxation therapy application designed to reduce anxiety, sleep better and feel happier.	\$88
Q1	Varsity Healthcare Partners, BlueCross BlueShield Venture Partners	Ideal Option	Provider of addiction treatment programs including addiction medicine and counseling, behavioral therapies, and other related educational services, enabling customers to get out of opioids overdoses.	na
Q1	TPG Biotech, Innovatus Capital Partners, Claremont Creek Ventures, Foresite Capital Management, GV, WuXi NextCODE	DNAnexus	Developer of a biomedical informatics and data management platform designed to analyze DNA-sequencing data.	\$68
Q1	Amazon	Hatch Baby	Developer of smart wireless parenting devices designed to coordinate with your child's bedroom, enabling parents to get insight into their babies' growth and health overtime.	na
Q1	Sequoia Capital, Norwest Venture Partners, Sands Capital Management, UPMC Enterprises, Kaiser Permanente Ventures, OrbiMed	Health Catalyst	Developer of a healthcare data warehousing and analytics platform intended for massive and sustained healthcare improvements. The company's platform improves geriatric care, diabetes self-management, and risk-stratified care management.	\$100
Q1	DST Global, Index Ventures	Alan (Life and Health Insurance)	Provider of an online digital insurance platform designed to provide health insurances. The company's platform offers simple, seamless coverage with reimbursements.	\$47.2
Q1	Undisclosed	Roman Health Medical	Provider of a cloud pharmacy for erectile dysfunction, handling everything from online diagnosis to prescription delivery.	\$85
Q1	Korea Investment Partners, Singtel Innov8, UOB Venture Management, WuXi AppTec	HaloDoc	Developer of an online medical consultation platform designed to help people to keep a check on health.	\$65
Q1	Aetna	MAP Health Management	Provider of a cloud based behavioral health population management platform intended to improve outcomes for patients treated for addictions and other behavioral health illnesses.	\$25

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q1	K1 Capital	Digital Pharmacist	Operates as a digital health company that powers the digital communication, connectivity, and adherence solutions for pharmacies, national pharmacy wholesalers, hospitals systems, and pharmaceutical brands.	\$125
Q1	Bessemer Venture Partners, Rose Park Advisors, Hearst Health Ventures, F-Prime Capital Partners, Maverick Ventures	Artemis Health Inc.	Developer of a healthcare analytics platform designed to optimize benefit programs and minimize spending.	\$25
Q1	Omidyar Network, Define Ventures, Oak HC/FT Partners, Scout Ventures, New York Ventures, Town Hall Ventures	Unite Us	Developer of a SaaS platform designed to build coordinated care networks for connecting health and social service providers together.	\$35
Q1	Individual Investors, New Enterprise Associates	Instacare Group (dba Cleo, fka LUCY)	Provider of an online family support platform designed to build trust and connection with families, guiding them on their journeys through life as parents.	\$27.5
Q1	Perceptive Advisors	Saama Technologies	Provider of a unified AI-enabled clinical data analytics platform designed to help pharmaceutical and biotechnology companies to access previously unattainable, enterprise-level views of the raw data across their disparate business silos.	\$40
Q1	Tencent Holdings, IDG Capital Partners, Gaorong Capital	Shuidichou	Operator of a crowdfunding platform intended to serve the healthcare sector in China. The company's platform offers to raise fund for the treatment and other healthcare services.	\$74
Q2	Undisclosed	Cardinal Analytix	Provider of healthcare analytical services intended to predict healthcare spending by leveraging machine learning.	\$22
Q2	BVC, Town Hall Ventures, StartUp Health, Sidewalk Labs, Redpoint Ventures, Thrive Capital, Maverick Ventures, EmblemHealth, Echo Health Ventures	Cityblock Health	Developer of healthcare technology solutions that enable low-income urban residents to get personalized care, including preventative visits, mental health coverage, and access to appropriate social service programs.	\$65
Q2	General Catalyst Partners, General Atlantic	PathAI	Developer of artificial intelligence technology for pathology. The platform provides end-to-end data-driven pathology analysis and standardized pathologic diagnoses.	\$60
Q2	Square Peg Capital, TLV Partners, Magma Venture Partners, Emerge	Aidoc (formerly TailorMed)	Provider of an artificial intelligence (AI) medical imaging platform intended to analyze medical scans easily.	\$27
Q2	Intermountain Ventures, .406 Ventures, Battery Ventures, RRE Ventures	Redox	Provider of an information technology platform designed to eradicate technical barriers in healthcare systems.	\$33
Q2	Khosla Ventures, Physician Partners, Hembrecht Healthcare Growth Venture Fund, Bold Capital Partners	Viome	Provider of wellness as a service intended to help people track their microbiome health.	\$25
Q2	NEC Corporation	BostonGene	Developer of biomedical software designed for advanced patient analysis and personalized therapy.	\$50
Q2	Country Garden Holdings, Tencent Holdings, Sequoia Capital	Tencent Trusted Doctors	Provider of health management services for individuals and families. The company combines traditional medical service and advanced Internet technology, linking health data on online platforms and making a multidimensional analysis of patient's physical status.	\$250

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q2	Highland Capital Partners, Goodwater Capital, NextG, Next Coast Ventures, SoGal Ventures	EverlyWell	Provider of a next-generation laboratory testing platform designed to empower people to have access to their own personalized health and wellness information.	\$50
Q2	Colorado Impact Fund, Drive Capital	CirrusMD	Provider of a platform which facilitates patients to send secure messages and images, schedule a video chat, access health information, and gain 24/7 access to local doctors.	\$15
Q2	Red Badge Management and Undisclosed Investors	CareCloud	Provider of cloud-based software and services for medical offices management.	\$33.2
Q2	Accel-KKR	OrthoFi	Developer of a software and technology platform designed to aid orthodontists in acquiring, financing and managing new patients, flexible financing options, insurance eligibility checks and claims submissions.	na
Q2	Aglae Ventures, Sequoia Capital, Samsung Ventures	Noom	Developer of mobile health coaching software designed to provide intelligent nutrition and exercise coaching.	\$58
Q2	Piper Jaffray, Noro-Moseley Partners, Hatteras Venture Partners, Shumway Capital	Elligo Health Research	Provider of a clinical research platform intended to revolutionize the clinical research industry with a novel approach to common trial challenges including patient participation, enrollment, and physician participation.	\$20
Q2	IDG Ventures India, IDG Ventures, Pratithi Investment Trust, Accel Management, Anand PIRAMAL Trust, Kalaari Capital	CureFit	Developer of a fitness based online platform created to address preventative healthcare techniques.	\$120
Q2	Hanwha Asset Management, Greenspring Associates, Andreesen Horowitz, Aquiline Capital Partners	Health IQ	Provider of a health insurance platform designed to offer lower rates for health-conscious people such as cyclists, runners, and vegans.	\$55
Q2	Questa Capital Management, Alta Partners, Echo Health Ventures	DispatchHealth	Provider of on-demand mobile and virtual healthcare services intended to offer definitive and quality care.	\$33
Q2	Centene, GV, Polaris Partners, Oak HC/FT, F-Prime Capital	Quartet Health	Provider of a cloud based behavioral healthcare platform designed to enable every person to thrive by building a collaborative mental and physical health ecosystem.	\$60
Q2	Undisclosed	Jawbone Health	Provider of proprietary wearable technology with clinically relevant signals that will connect patients and physicians based on data-driven dialogue, enabling individuals to catch lifestyle diseases early and manage these new conditions as well as pre-existing ones.	\$65.4
Q2	One Peak Partners, Goldman Sachs, Piton Capital, Enern	DocPlanner	Developer of a medical appointment scheduling platform designed to improve patient flow and help digitize healthcare practices.	\$93.2
Q2	HCSC Ventures, SJF Ventures, Adams Street Partners, Blue Cross and Blue Shield Association	Solera (Healthcare Ecosystem)	Provider of integrated chronic disease prevention services intended to connect patients, payers, and physicians with community organizations and digital therapeutics providers simply and securely.	\$42
Q2	Silversmith Capital Partners, Leerink Transformation Partners	BHE Health Analytics	Provider of software and custom research solutions for life science companies looking to answer the toughest healthcare questions.	\$78
Q2	GreatPoint Ventures, CrossLink Capital, Uncork Ventures, Tarsadia Investments	Phil	Provider of a prescription refill service aimed at recurring prescriptions.	\$25

Quarter	Acquiror	Seller	Seller Description	Deal Size (\$mm)
Q2	Westview Capital Partners	Health Monitor Network	Developer of a marketing platform designed to facilitate dialogue between patients and their healthcare professionals.	na
Q2	Goldman Sachs, Design to Improve Life Fund, GV, Toyota Tsusho, Oakhouse Partners, Katalyst Ventures, The Rise Fund, Temasek Holdings, Bright Success Capital	Zipline International Inc.	Builds drones and runs delivery services, dropping crucial medical supplies to clinics or hospitals in areas that aren't accessible by land.	\$190
Q2	Hanaco Ventures, Qumra Capital, Norwest Venture Partners, Compound, Spark Capital Partners, Nomura Capital Partners, Revolution Health Group	Talkspace	Operator of an online platform that connects users and therapists for one-on-one discussions, chats, and video interfaces.	\$50
Q2	Georgian Partners, Drive Capital	Beam Dental	Provider of group dental insurance and smartphone-connected toothbrushes that are designed to collect data about a user's daily hygiene and use it to determine the rate of insurance plans.	\$50
Q2	Novo Holdings, New Enterprise Associates, T. Rowe Price, Franklin Templeton Investments, Revolution Growth	Tempus	Developer of a software platform that uses data to provide doctors with information about treatment options for individual patients and showing how other patients with similar genetic profiles have responded to particular therapies.	\$200
Q2	Joyance Partners, New Capital Partners, King River Capital	Lark Technologies	Developer of a health management application designed to monitor and manage chronic diseases.	\$45.7
Q2	Two Sigma Ventures, Javelin Venture Partners, Bullpen Capital, Builders VC, DCVC, Brookfield Asset Management	Carbon Health Medical Group	Operator of a healthcare network through which doctors are accessible online through a mobile application and in-person at its clinic in downtown San Francisco.	\$30
Q2	Advent International Corporation	Definitive Healthcare Solutions	Provider of a database to hospitals, physician groups, ambulatory surgery centers, skilled nursing facilities and physicians with accompanying analytics and insight needed to effectively segment and research the provider market.	na
Q2	NEA, DFJ Growth, PSP Investments, The Founders Fund, GV, Maverick Ventures, Sun Life Financial, SoftBank Capital	Collective Health	Developer of a cloud-based self-insurance platform that offers integrated administration of all health plans through a single portal, giving access to clear guidance, live concierge support, and other digital tools.	\$205
Q2	Andreessen Horowitz, US Venture Partners, Cigna Corp., Civilization Ventures, Kaiser Permanente Ventures, Norwest Venture Partners, Providence Ventures, Sanofi Genzyme BioVentures, Wellington Management Company	Omada Health	Provider of a digital therapeutics program based on a diabetes prevention program clinical trial designed to pioneer digital behavior change.	\$73
Q2	Peloton Capital Management, Royal Bank of Canada, Bank of Montreal	123Dentist	Operator of a dental care information platform. The company's platform helps customers search for new dentists or to solve any emergency dental problem.	\$425
Q2	Mitsui & Co.	GOQii	Developer of a fitness platform designed to offer virtual fitness coaching services.	\$60