



Healthcare IT Update

Harris Williams | January 2022

Harris Williams: At a Glance



HW Harris Williams



- **30 years** and thousands of deals closed
- **100%** of revenue is from M&A advisory
- **10** industry groups with deep sector expertise
- **200+** closed transactions in the last 24 months
- **70%** of revenue from repeat clients
- **8** offices across the U.S. and Europe

The Harris Williams Technology Group

- **35+** dedicated professionals in Boston, London, and San Francisco
- **45** closed technology transactions since January 2020

Technology Coverage Areas

- Application Software
- Infrastructure & Security Software
- IT & Managed Services

Sector Coverage Areas

- Architecture, Engineering, & Construction
- Education
- Human Capital Management
- Pharma
- Compliance
- Government & Public Sector
- Industrial
- Legal
- Real Estate & Property Tech
- eCommerce & Retail
- Healthcare
- Office-of-the-CFO
- Supply Chain & Logistics

Thematic Focus Areas

- SaaS / Cloud
- Integrated Payments
- Digital Transformation
- AI / Machine Learning

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Harris Williams' Healthcare IT Experience

Selected Healthcare IT Transaction Experience

 pending acquisition by 	 has been acquired by 	 has made an investment in 	 has been acquired by 	 has acquired 
 has been acquired by 	 has acquired 	 has been acquired by 	 has acquired 	 has been acquired by 
 has been acquired by 	 has been acquired by 	 has acquired 	 has been recapitalized by 	 has received an investment from 
 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 

Harris Williams' Transaction Spotlight

medicalknowledgegroup.

pending acquisition by

novo holdings

January 2022

Company Background

Medical Knowledge Group (MKG) is an integrated, analytics-driven commercialization platform delivering healthcare provider targeted solutions on behalf of biopharmaceutical customers to maximize the commercial potential of their brands.

Successful Outcome

The transaction delivered a successful outcome for MKG and Court Square Capital Partners. Novo, a life science investor wholly owned by Novo Nordisk, will bolster MKG's growth through its deep expertise and network across life sciences.

Harris Williams previously served as exclusive financial advisor to Windrose Health Investors and MKG in their 2019 acquisition by Court Square Capital Partners.

Harris Williams' Transaction Spotlight

basys

has been acquired by

Five Arrows
BPOC

December 2021

Company Background

basys is a leading provider of benefits administration software to multiemployer plan fund offices and third-party administrators across the United States and Canada.

Successful Outcome

The transaction delivered a successful outcome for basys and its financial sponsor, WindRose Health Investors. The acquisition and basys' subsequent merger with ISSI will provide unmatched customer service and expanded capabilities for product development and innovation.

Harris Williams served as exclusive financial advisor to basys, a portfolio company of WindRose Health Investors, in this transaction.

Perspectives on Healthcare IT

Patient-Facing Solutions



Solutions aimed at supporting healthcare consumers directly and through payer/provider systems

Payer & Provider Solutions Consumer Solutions

Select Market Participants



Key Trends

- Adoption of patient experience platforms to drive engagement across the care continuum
- Patient engagement vendors are aiming to amplify clinical impact by delivering content that enables patients to play active roles in their own healthcare

Care Delivery



Solutions designed to optimize patient treatment and provider organizations

Operational Efficiency Inpatient – Clinical
Outpatient – Clinical Post-Acute – Clinical

Select Market Participants



Key Trends

- Ongoing transition to value-based care has increased pressure on hospitals' and health systems' margins
- Permanent changes to reimbursement rates and CMS regulations, coupled with patient demand for convenience, have positioned telehealth as a sustainable care delivery method for the future

Pharma & Devices



Solutions to aid in the distribution and delivery of medicine

Research, Development, and Safety Go-To-Market Tools

Select Market Participants



Key Trends

- Challenges arising in market access, go-to-market, and clinical trial enrollment due to convergence of clinical and commercial objectives and the paradigm shift toward specialty drugs
- New modalities of patient-physician interaction has reduced unnecessary treatment and improved medication adherence

Revenue Cycle Management



Solutions to drive improvement in payment measurement and collection within payer and provider organizations

Payer and Risk-Bearing Entity Solutions Provider Solutions

Select Market Participants



Key Trends

- Provider adoption of patient-pay modules increasing as integration deepens within episode of care and the RCM ecosystem
- Tools for management of complex claims (e.g., workers' compensation and car accidents) and AI-enabled charge-capture and billing solutions continue to attract attention

Population Health & Risk Management



Solutions to more effectively treat patient member populations and manage overall provider systems

Population Analytics Care Coordination
Data Control PHM Informatics

Select Market Participants



Key Trends

- Despite recent CMS rules, lack of interoperability across EMRs remains a barrier to uniformly aggregating patient data
- The rapid rise of Medicare Advantage plans and commercial, value-based arrangements underpins demand for sophisticated care management solutions that can close gaps in care

What We're Reading

The Next Investment Priorities for Telehealth, RPM, and Connected Health

Care Delivery News

The third installment of Healthcare IT News' latest feature series, "Health IT Investment: The Next Five Years" focuses on telehealth, connected health and remote patient monitoring. In the article, Healthcare IT News profiles seven health system IT executives, who explain how they're strategizing to build on the post-pandemic potential of virtual care technologies and services.

Read the full article [here](#).

The Power of AI in Surgery

Care Delivery News

Dr. Liz Kwo of Anthem and Harvard Medical School discusses how artificial intelligence has the potential to transform the way surgery is taught and practiced.

Read the full article [here](#).

The Retail-Inspired, Digital-First Shift Will Only Accelerate for Healthcare Practices

Revenue Cycle Management News

Michelle Dowling of Rectangle Health discusses how payment options popularized by retail settings have led to improved patient experiences across the industry, adding accessibility to the payment journey that consumers have come to expect in other facets of life.

Read the full article [here](#).

What Will Be the Impact of COVID-19 on the Next Wave of Health IT Innovation?

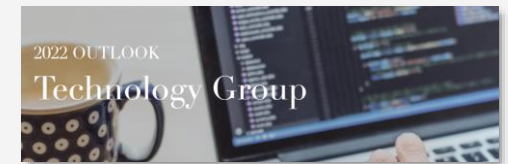
HCIT News

Sebastian Seiguer, CEO of emocha Health, participates in a Q&A with Healthcare IT News to discuss innovation trends within HCIT, including the persistence of telehealth and RPM as preferred treatment methods for patients.

Read the full article [here](#).

Recent HW Technology / HCIT Content

- 2022 Outlook: Technology Group



[Link to Read](#)

- Return to Innovation, Part 5: Real-World Evidence



[Link to Read](#)

Select Q4 2021 Healthcare IT Transactions

Oracle's pending acquisition of Cerner Corporation



Target



Buyer

Announced: 12/20/2021
 EV: \$28.3B
 EV / LTM Revenue: 5.1x
 EV / LTM EBITDA: 20.1x

- Cerner is a provider of digital information systems for hospitals and health systems
- The acquisition will bolster Oracle's presence in medical information systems to allow the combined companies to transform healthcare delivery by providing medical professionals with better information

Fortive's acquisition of ProVation Medical



Target



Buyer

12/27/2021
 EV: \$1.4B
 EV / LTM Revenue: 13.0x
 EV / LTM EBITDA: NPI

- ProVation Medical is a developer of a healthcare workflow software intended for health systems, hospitals, and ambulatory surgical centers
- The acquisition will bring extensive software development expertise and innovation capabilities to Fortive's Advanced Healthcare Solutions segment to provide critical workflow solutions to hospitals and ASCs

nThrive's acquisition of TransUnion Healthcare



Target



Buyer

12/17/2021
 EV: \$1.7B
 EV / LTM Revenue: 9.2x
 EV / LTM EBITDA: NPI

- TransUnion Healthcare is a developer of healthcare revenue cycle management and data analytics insights software catering to hospitals, outpatient clinics, healthcare payers, government and healthcare resellers
- The acquisition will strengthen nThrive's capabilities within healthcare data and analytics, allowing them to offer healthcare organizations one of the most complete end-to-end RCM technology solutions available

Advent International's acquisition of Iodine Software



Target



Buyer

12/1/2021
 EV: NPI
 EV / LTM Revenue: NPI
 EV / LTM EBITDA: NPI

- Iodine is a provider of AI-based clinical documentation solutions for hospitals
- The acquisition diversifies Advent's exposure to HCIT. Post-transaction, Advent will support the company to broaden its growth strategies and power additional products in other strategic areas of care delivery for health systems

Stryker's pending acquisition of Vocera Communications



Target



Buyer

Announced: 1/6/2022
 EV: \$3.0B
 EV / LTM Revenue: 13.2x
 EV / LTM EBITDA: 69.1x

- Vocera Communications provides secure, integrated, and intelligent communication and workflow solutions to mobile workers in healthcare, hospitality, energy, and other mission-critical mobile work environments
- The acquisition will bring a highly complementary and innovative portfolio to Stryker's Medical division that will address the increasing need for hospitals to connect caregivers and disparate data-generating medical devices

Nordic Capital and Insight Partners' acquisition of Inovalon Holdings



Target



Buyers

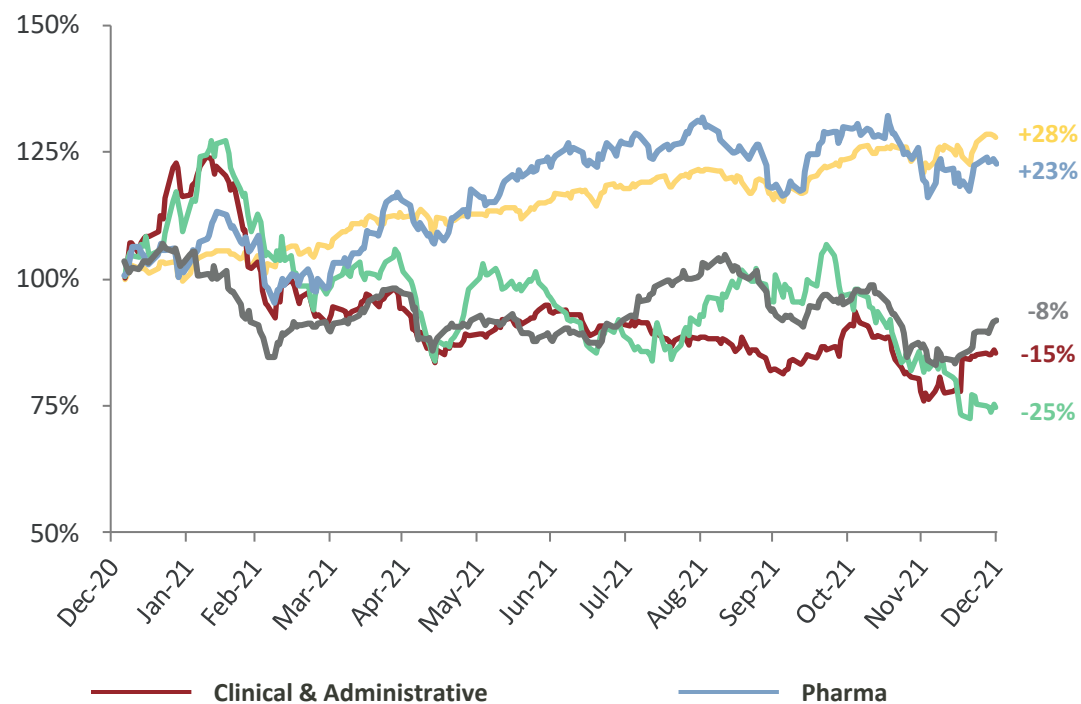
11/24/2021
 EV: \$7.3B
 EV / LTM Revenue: 10.2x
 EV / LTM EBITDA: 32.9x

- Inovalon is a provider of cloud-based analytics and platforms for healthcare providers and pharmaceutical firms
- Post-transaction, Nordic and Insight will support Inovalon's growth through a commitment to accelerated innovation that delivers meaningful value and measurable results for all stakeholders across the healthcare landscape

Healthcare IT Public Company Trended Stock Performance¹

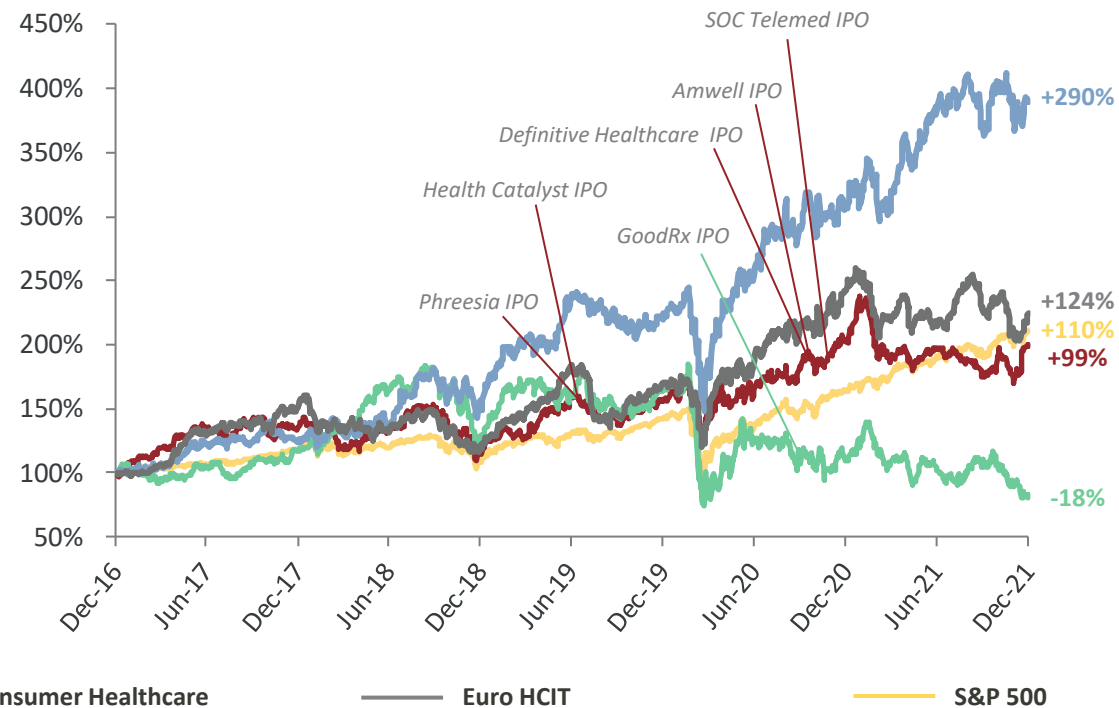
Public Company Stock Performance – Last 12 Months

Indexed Stock Price Performance for the period December 2020 – December 2021



Public Company Stock Performance – 5 Years

Indexed Stock Price Performance for the period December 2016 – December 2021



Clinical & Administrative

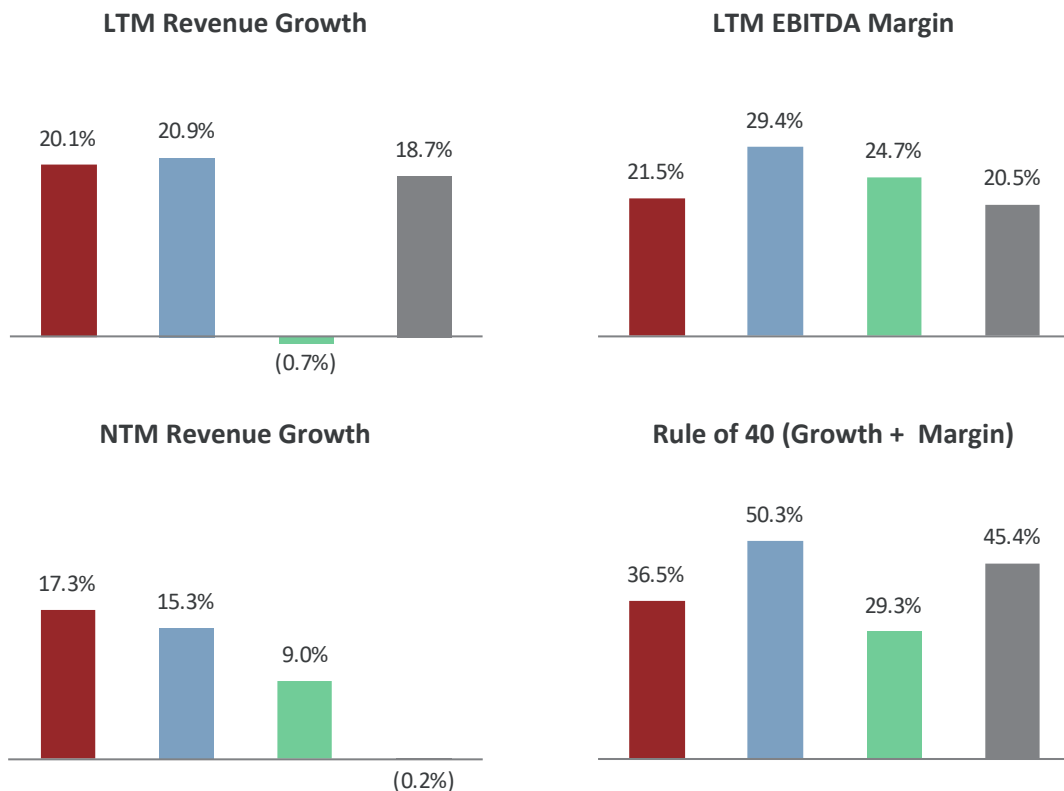
Pharma IT

Consumer Healthcare

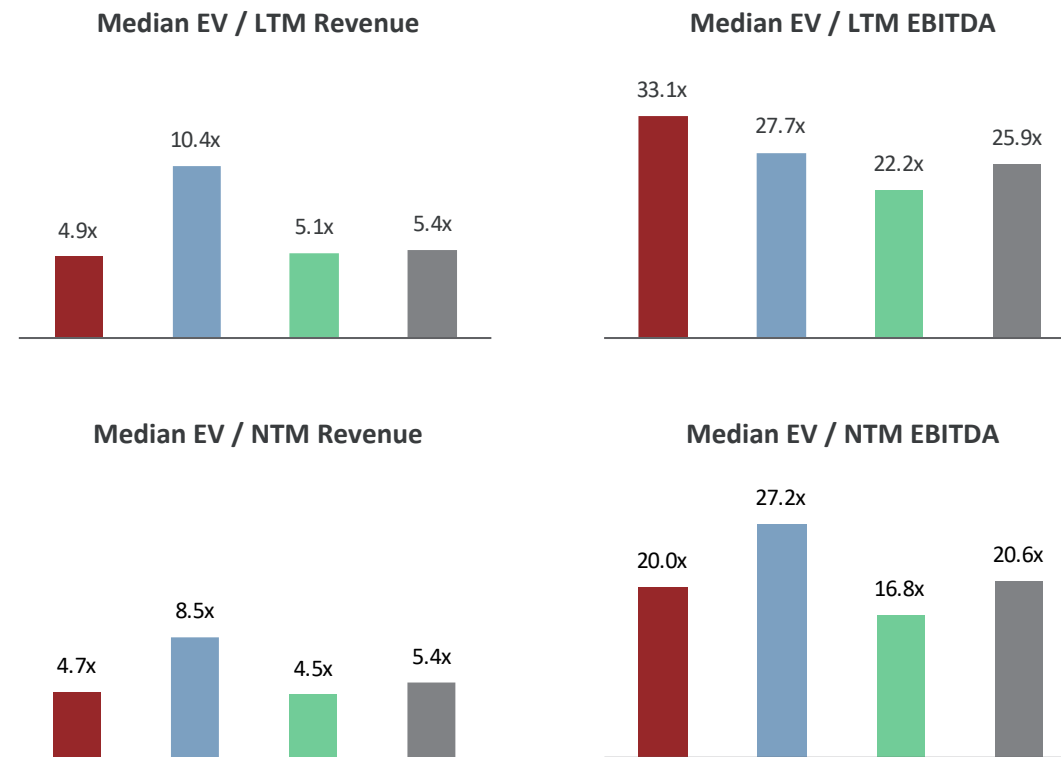
Euro HCIT

Healthcare IT Public Company Operating and Valuation Metrics¹

Public Company – Operating Metrics



Public Company – Valuation Metrics



Clinical & Administrative

Pharma IT

Consumer Healthcare

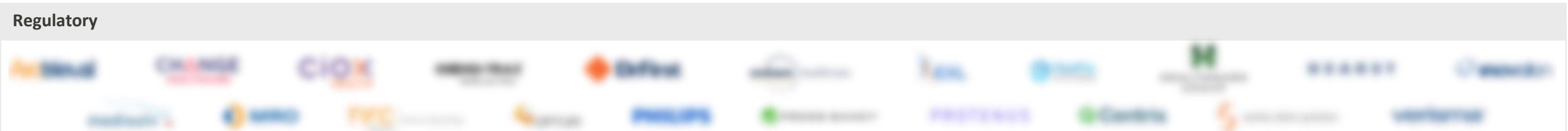
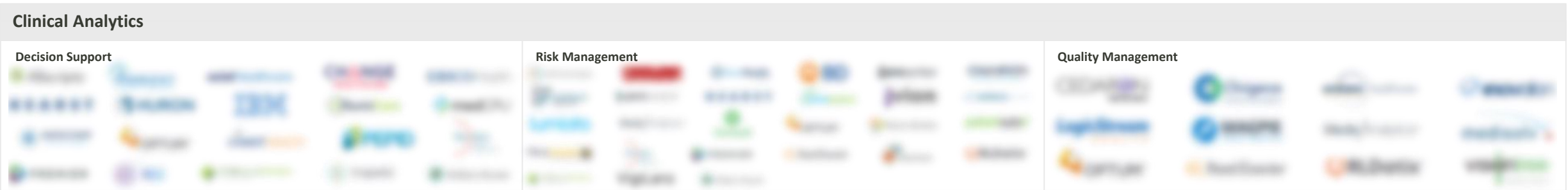
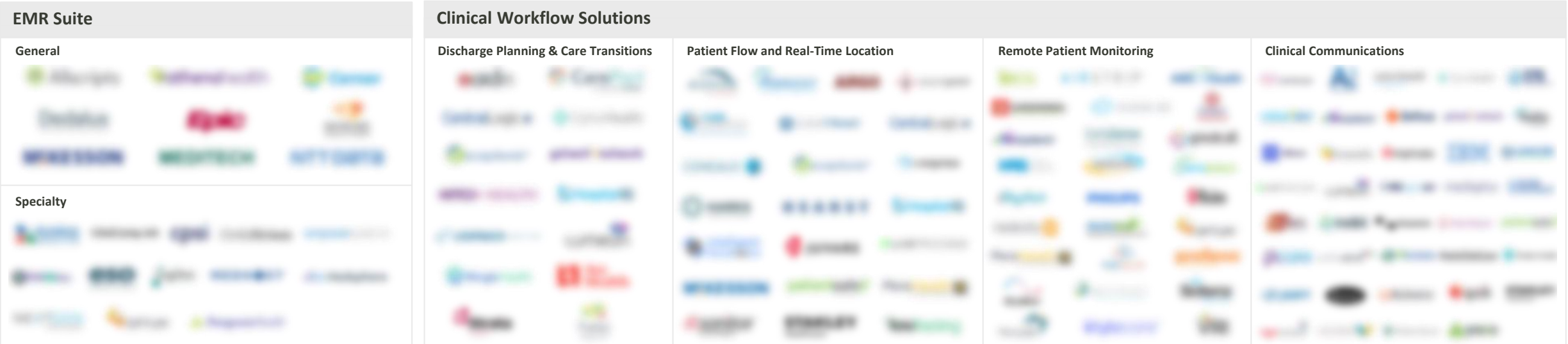
Euro HCIT

Care Delivery Market Landscape

To view full market map please contact:

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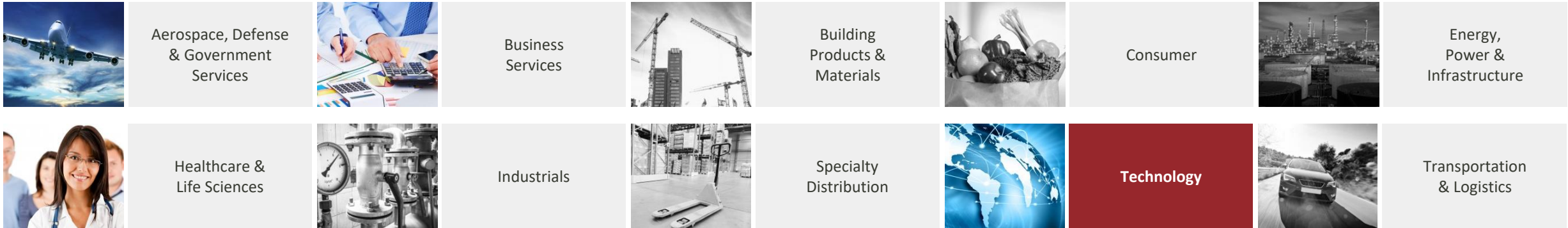
Inpatient & Clinical



Harris Williams Capabilities and Locations



Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com.



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Sources and Disclosures

Sources

1. S&P Capital IQ
2. Pitchbook

Disclosures and Disclaimers

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Appendix

Public Market Operational and Valuation Metrics¹

As of December 31, 2021

\$ in Thousands

Company	Market Capitalization	Enterprise Value	% of 52-Week High	LTM Gross Margin	LTM EBITDA Margin	LTM Revenue	NTM Revenue	Enterprise Value/	
								LTM EBITDA	NTM EBITDA
Clinical / Administrative									
EMR									
Cerner Corporation	\$27,137,620	\$28,216,651	99.4%	82.9%	25.6%	4.9x	4.7x	19.3x	13.9x
Allscripts Healthcare Solutions, Inc.	2,261,462	2,506,791	97.1%	48.8%	6.5%	1.7x	1.7x	25.6x	8.7x
NextGen Healthcare, Inc.	1,216,612	1,167,245	74.7%	56.5%	2.5%	2.0x	2.0x	80.0x	10.3x
Median	\$2,261,462	2,506,791	97.1%	56.5%	6.5%	2.0x	2.0x	25.6x	10.3x
RCM / Performance									
R1 RCM Inc.	7,091,987	7,805,687	81.5%	20.1%	16.8%	5.6x	4.7x	33.1x	20.0x
Premier, Inc.	5,016,990	5,435,545	97.7%	49.1%	23.7%	3.1x	3.9x	13.2x	10.9x
Evolent Health, Inc.	2,431,444	2,480,728	80.0%	24.2%	0.4%	2.5x	2.5x	NM	35.5x
Median	\$5,016,990	5,435,545	81.5%	24.2%	16.8%	3.1x	3.9x	23.1x	20.0x
Other Administrative									
Teladoc Health, Inc.	14,699,157	15,162,046	29.8%	67.9%	NM	8.1x	6.2x	NM	45.7x
Omniceil, Inc.	7,929,015	7,983,733	96.3%	49.5%	14.4%	7.5x	6.4x	51.9x	29.6x
Definitive Healthcare Corp.	2,712,867	3,385,555	54.3%	88.9%	30.3%	22.1x	17.3x	72.7x	59.3x
Phreesia, Inc.	2,134,653	1,746,222	51.1%	62.5%	NM	8.9x	7.0x	NM	NM
Health Catalyst, Inc.	2,062,431	1,809,329	66.6%	49.3%	NM	7.8x	6.5x	NM	NM
American Well Corporation	1,570,153	819,593	13.8%	40.7%	NM	3.4x	2.7x	NM	NM
SOC Telemed, Inc.	129,143	165,313	13.5%	32.6%	NM	2.0x	1.5x	NM	NM
Median	\$2,134,653	1,809,329	51.1%	49.5%	22.4%	7.8x	6.4x	62.3x	45.7x
Clinical / Administrative Median	\$2,431,444	\$2,506,791	74.7%	49.3%	15.6%	4.9x	4.7x	33.1x	20.0x
Pharma									
IQVIA Holdings Inc.	\$53,899,885	\$64,858,885	98.8%	33.2%	17.3%	4.8x	4.4x	27.7x	19.9x
Veeva Systems Inc.	39,283,675	36,988,228	74.3%	72.7%	29.0%	21.0x	17.8x	72.3x	45.0x
Syneos Health, Inc.	10,647,101	13,735,956	98.6%	23.3%	13.0%	2.8x	2.5x	21.1x	16.3x
Certara, Inc.	4,537,523	4,418,077	62.5%	57.4%	0.9%	16.0x	12.6x	NM	34.5x
Pharma Median	\$24,965,388	\$25,362,092	86.4%	45.3%	15.2%	10.4x	8.5x	27.7x	27.2x
Consumer Healthcare									
GoodRx Holdings, Inc.	\$13,035,422	\$12,825,255	54.8%	93.9%	NM	18.7x	13.5x	NM	42.5x
WEX Inc.	6,292,076	8,967,694	59.8%	70.7%	26.0%	5.1x	4.5x	19.7x	11.3x
HealthEquity, Inc.	3,698,525	4,059,989	47.4%	56.6%	24.7%	5.5x	5.0x	22.2x	16.8x
Benefitfocus, Inc.	356,368	531,201	60.6%	53.7%	8.7%	2.0x	2.1x	23.1x	12.2x
Castlight Health, Inc.	252,027	195,213	56.8%	65.0%	NM	1.4x	1.4x	NM	71.6x
Consumer Healthcare Median	\$3,698,525	\$4,059,989	56.8%	65.0%	24.7%	5.1x	4.5x	22.2x	16.8x
Euro HCIT									
CompuGroup Medical SE & Co. KGaA	\$4,260,005	\$4,981,752	83.4%	36.4%	16.8%	4.2x	4.1x	25.1x	17.9x
Pharmagest Interactive SA	1,605,738	1,616,821	75.7%	33.6%	27.1%	7.3x	7.4x	26.8x	23.4x
Nexus AG	1,281,919	1,277,714	88.7%	25.9%	13.5%	5.9x	5.9x	43.6x	26.3x
EMIS Group plc	1,159,638	1,101,937	91.8%	46.9%	24.2%	4.8x	4.8x	20.0x	15.9x
Euro HCIT Median	\$1,443,828	\$1,447,268	86.0%	35.0%	20.5%	5.4x	5.4x	25.9x	20.6x
Total Comp Set Median	\$3,205,696	\$3,722,772	74.5%	49.4%	16.8%	5.0x	4.7x	25.6x	20.0x

Recent Sector Transactions Detail^{1,2}

Closed Date	Target	Acquirer	Business Description	Enterprise Value (\$M)	Implied EV / Revenue	Implied EV / EBITDA
Pending	Hybrent	Procurement Partners	Provider of a purchasing software for the healthcare market.	*	*	*
01/04/22	Magellan Health	Centene Corporation	Provider of managed behavioral health care services.	\$2,122	0.5x	21.9x
12/27/21	Provation Software	Fortive Corporation	Provider of clinical decision support and procedure documentation software solutions.	\$1,425	*	*
12/21/21	CueSquared	AccessOne MedCard	Provider of a payments processing application for the patients and healthcare providers.	*	*	*
12/20/21	Office Ally	Francisco Partners Management	Provider of a suite of interactive ASP (Internet-based) solutions.	*	*	*
12/17/21	TransUnion Healthcare	nThrive	Provider of revenue protection solutions for the healthcare industry.	\$1,735	*	*
12/07/21	Wellframe	HealthEdge Software	Provider of digital health management solutions.	*	*	*
12/06/21	Raintree Systems	Serent Capital Management Company	Provider of practice management and electronic health record solutions.	*	*	*
12/06/21	PracticeTek	Lightyear Capital; Greater Sum Ventures	Provider of retail healthcare software and payments solutions.	*	*	*
12/01/21	Iodine Software	Advent International Corporation	Provider of AI-based clinical documentation solutions.	\$1,100	*	*
11/24/21	Inovalon Holdings	Insight Venture Management; Nordic Capital; 22C Capital	Provider of cloud-based analytics and platforms for healthcare providers and pharmaceutical firms.	\$7,315	*	*
11/18/21	DrChrono	EverCommerce	Provider of an electronic health record platform for physicians and patients worldwide.	\$183	*	*
11/16/21	Trella Health	Cressey & Company; Panoramic Ventures	Provider of post-acute performance analytics and outcomes data for post-acute care providers.	*	*	*
11/16/21	Genesis Research	GHO Capital Partners	Provider of end-to-end product value demonstration and functional services intended to serve the life sciences industry.	*	*	*
11/15/21	Parexel	EQT Partners; Goldman Sachs Asset Management	Provider of clinical research and logistics, medical communications, consulting, and technology products and services.	\$8,500	*	*
11/10/21	Current Health Limited	Best Buy Co.	Provider of wearable healthcare devices to measure patients' vitals and to alert in case of emergency.	*	*	*
11/08/21	Digital Artefacts	Clinical Ink	Provider of study design services and an end-to-end health platform to run decentralized clinical studies.	*	*	*
10/26/21	Clearwave Corporation	Great Hill Partners; Frontier Growth	Provider of patient engagement solutions.	*	*	*
10/21/21	Babylon Healthcare Services	Alkuri Global Acquisition Corp	Provider of a digital healthcare application focused on accessible, proactive health management.	*	*	*
10/14/21	Ambra Health	Intelerad Medical Systems Incorporated	Provider of medical data and image management cloud software.	*	*	*
10/01/21	Pinnacle 21	Certara	Provider of data integration, business intelligence, and data management solutions.	\$310	10.7x	31.0x
09/30/21	Remi Group	PartsSource (Bain)	Provider of equipment maintenance management and asset management programs in the U.S.	*	*	*
09/28/21	Panalgo	Managed Markets Insight & Technology	Provider of software that streamlines healthcare data analytics.	*	*	*