



Technology, Media & Telecom

HEALTHCARE IT SECTOR REVIEW | Q1 2020

HW Harris Williams

Healthcare IT Introduction

HARRIS WILLIAMS (“HW”)

- 25+ years and more than 1,000 closed transactions
- 350+ professionals across eight offices globally
- 170+ closed transactions in the last 24 months

FOCUSED ADVISORY SERVICES

- Mergers and acquisitions (M&A)
- Capital raises
- Corporate divestitures
- Private equity fund advisory | Sixpoint Partners
- IPO advisory | Solebury Capital

CONSISTENT RECOGNITION FOR QUALITY



HW TECHNOLOGY, MEDIA & TELECOM (“TMT”) GROUP

- 35+ professionals across Boston, San Francisco, and London

KEY THEMES

- ✓ SaaS / Cloud
- ✓ Data & Analytics
- ✓ Digital Transformation
- ✓ A.I. / Machine Learning

HORIZONTAL FOCUS SECTORS

- Application Software
- Cloud Managed Services and Hosting Solutions
- Compliance Solutions
- CRM and Marketing Automation
- Human Capital Management
- Infrastructure and Security Software
- IT and Tech-Enabled Services
- Marketing, Research, and Insights Services

VERTICAL FOCUS SECTORS

- Architecture, Engineering, and Construction
- Education Technology and Services
- Energy Technology
- Facilities and Real Estate
- Financial Technology and Payments
- Government Technology
- **Healthcare IT**
- Industrial and Supply Chain Technology
- eCommerce
- Retail Technology

HW HEALTHCARE IT TEAM

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SELECT HW
HCIT
EXPERIENCE



has been
acquired by



medicalknowledgegroup.

has been
recapitalized by



CREDIBLE

has received an
investment from



Practice Insight

has been
acquired by



iContracts

has been
acquired by



symplr

has acquired



has been
acquired by



HW Current Market Observations and Insights

CURRENT MARKET OBSERVATIONS

Economic Outlook

- Volatility in the public markets will likely remain as investors, businesses, and policy-makers evaluate rapidly evolving COVID-19 developments
- Economists and industry analysts expect a meaningful decline in GDP in Q2 and Q3, though they debate the shape and timing of the recovery

Financial Sponsor Sentiment

- Private equity firms have been focused on helping portfolio companies meet near-term operational needs and assess medium- to long-term impact on their businesses
- Despite economic uncertainty, financial sponsors have record levels of capital to deploy and many are communicating that they are “open for business,” while acknowledging high-quality deal flow will be slow

Strategic Buyer Sentiment

- Strategic acquirers have prioritized internal operations to ensure business continuity amid remote work arrangements and to minimize the long-term effects of COVID-19
- As capital markets stabilize, companies with strong liquidity positions will be well-positioned to pursue acquisitions that accelerate growth

Debt Markets

- In contrast to the first half of Q1, debt markets have shifted to a risk-off mentality
- Concerns over liquidity and funding availability contribute to uncertainty regarding the duration of COVID-19 effects on the debt markets

M&A Valuations

- M&A activity has slowed, with several sale processes entering a hold pattern until market conditions improve
- Companies that prove their ability to weather the current circumstances will receive significant interest and garner premium valuations

LATEST HW MARKET INSIGHTS



For access to HW's latest insight and perspective, email us at insights@harriswilliams.com or visit www.harriswilliams.com/news-insights



Recent Publications:

M&A Learnings from Past Economic Disruptions

COVID-19 and M&A: Insights from Asia

Deep Sector Expertise Across Key TMT Focus Areas



- Architecture, Engineering, and Construction
- Education and Training
- Financial Technology and Payments
- Healthcare IT
- Industrial and Supply Chain Technology
- ...and more

For access to HW's TMT content, email us at TMT_HCIT@harriswilliams.com

Healthcare IT Taxonomy

PATIENT-FACING SOLUTIONS

- Member Onboarding / Portals
- Patient Outreach & Campaigns
- Patient Engagement / Education
- Digital Wellness Tools
- Benefits & Consumer-Directed Healthcare Tools
- Information Tools & Online Media

Select Market Participants



CARE DELIVERY

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

Select Market Participants



PHARMA & DEVICES

- Development
- Trials
- Commercialization
- Adherence
- Regulatory

Select Market Participants



REVENUE CYCLE MANAGEMENT

- Charge Capture & Coding
- Claims Management
- Adjudication / Appeal / Review
- Payment Processing
- Patient Collection
- Other RCM Tools
- Regulatory & Analytics

Select Market Participants



POPULATION HEALTH & RISK MANAGEMENT

- PHM Informatics
- Data Aggregation & Normalization
- Privacy / Security
- Information Sharing / Interoperability
- Population Analytics
- Care Coordination

Select Market Participants



HEALTHCARE IT MARKET COMMENTARY

- The current COVID-19 pandemic has highlighted the importance of patient access and telehealth tools, as doctors work to continue treating patients while maintaining social distancing standards
- Recent operational and clinical challenges in the response to COVID-19 have highlighted fundamental inadequacies that require next-generation technology solutions throughout the healthcare ecosystem
- Increasingly complex reimbursement arrangements in the face of rising healthcare costs are supporting strong payer interest in specialized cost containment and payment integrity solutions
- The ongoing transition to, and adoption of, value-based reimbursement models has highlighted an urgent need for cost control for provider organizations, underpinning demand for operational optimization tools across a number of categories
- The consumerization of healthcare and heightened consumer expectations of the “shopping” experience continue to put pressure on healthcare organizations to adopt patient engagement and retention solutions

Healthcare IT Market Trends

PATIENT-FACING SOLUTIONS

- Providers are adopting patient experience platforms that drive engagement across the continuum, provide care givers with a holistic view of the patient, and improve RCM operations through proactive confirmation of insurance and billing information
- Patient engagement vendors, whether they sell to providers or payers, are thinking strategically about how to leverage the "channel" to the patient to amplify clinical impact by delivering content that enables patients to play an active role in their own healthcare

CARE DELIVERY / OPERATIONAL EFFICIENCY

- With nearly 50% of physicians employed by provider organizations, efficient credentialing, onboarding, and continuous monitoring are becoming an acute revenue and compliance challenge, leading to a surging demand for comprehensive healthcare specific workforce management and human capital management solutions
- The ongoing transition to value-based care has increased pressure on hospital and health systems' margins, driving organizations to invest in cost-control solutions, primarily focused on procured goods and services, consumables, and third party services

CARE DELIVERY / CLINICAL

- Social distancing requirements and changes to reimbursement rates as a result of the spread of COVID-19 have rapidly accelerated the adoption of telehealth solutions by providers and payors across specialties
- The pharmacy is playing an increasing role in actively managing patient care: the average patient sees their pharmacist 9x as often as they visit their physician

REVENUE CYCLE MANAGEMENT

- While patient-pay modules had historically driven limited value for providers as standalone solutions, their deeper integration into both the episode of care and the broader RCM ecosystem is driving both provider adoption and accelerated investment interest
- The market is continuing the trend of investment in, and provider adoption of, tools for management of complex claims (e.g., workers' comp, car accidents) and AI-enabled charge-capture and billing solutions

PHARMA AND DEVICES

- The convergence of clinical and commercial objectives and the paradigm shift towards specialty drugs with narrow patient populations has given rise to critical challenges around market access, go-to-market strategy, and clinical trial enrollment
- The prevention of unnecessary treatment and medication adherence has been helped by increased patient / physician interaction and shared institutional knowledge

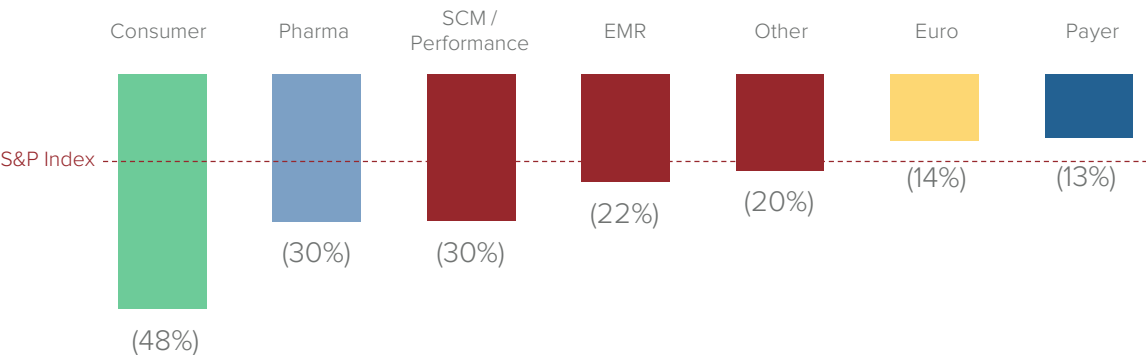
POPULATION HEALTH

- Lack of interoperability across EMRs and other clinical systems remains a fundamental barrier to aggregating patient data into a single, uniform source of truth, though recent CMS rules will likely set the process in motion over several years
- The rapid rise of Medicare Advantage plans and commercial, value-based arrangements underpins demand for sophisticated care management solutions that can deliver a holistic view of the patient or member and rapidly close gaps in care

Impact of COVID-19 on Healthcare Technology

- The global COVID-19 pandemic represents a pivotal moment for healthcare technology as hospital, provider, patient, and government behavior changes dramatically, with significant short- and long-term ramifications

YEAR-TO-DATE PUBLIC EQUITY PERFORMANCE



STRONGEST PERFORMERS (YTD)

	Pharma	11.2%	Veeva has offered its CRM tool to new customers for free, resulting in nearly 10x usage over the previous period
	Clinical & Admin.	7.4%	Tabula Rasa is providing testing kits and remote monitoring systems to elderly COVID-19 patients, one of the most vulnerable populations

WEAKEST PERFORMERS (YTD)

	Consumer	(59.4%)	Disruptions to the Q1 and Q2 selling season for the Employer segment has cast doubt on BNFT's ability to meet 2020 projections, while talks of a failed sale process has added downward pressure
	Consumer	(50.1%)	Business travel restrictions coupled with historically low oil prices are having a profound impact on future earnings

Telehealth

The outbreak of COVID-19 has led to unprecedented levels of telehealth adoption by providers and patients as shelter in place restrictions become ubiquitous across the country. Reimbursement changes have brought telehealth payments more closely in line with in-person visits. Going forward, it will be important for private insurers to maintain these payments to incentivize doctors to offer these virtual services.

Specialty EMRs and Practice Management

Specialty EMRs and practice management vendors, particularly those with a revenue cycle services and/or payment processing offering, will see a steep, near-term decline in revenues and profitability as many outpatient clinics for non-emergent cases are closed.

Supply Chain

The COVID-19 outbreak has exposed the integrity of medical supply chains as a weakness within the healthcare system. Impacts on supply chains have stressed hospitals' ability to replace vital supplies as a reliance on single vendors has led to a shortage of critical medications, PPE, and equipment.

Pharma and Clinical Trials

Near-term new trial activity will see a reduction as CRO access to patients is limited and sites are closed. CROs are now running decentralized, virtual trial sites aided by the use of telehealth and remote monitoring tools to keep trials progressing. With hospitals and clinics closed to sales reps, limited access to HCPs is expected to slow pharma sales and commercial investment in the near-term.

Patient Safety

Patient safety and clinical surveillance tools are providing providers and administrators with the tools to manage patient and staff activity in their hospitals in real time. Providing stakeholders with the ability to monitor and assess both patient and provider interactions will enable hospitals to more effectively manage outbreaks.

HCIT Public Market Observations¹

As of March 31, 2020

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CLINICAL & ADMINISTRATIVE</p>	<p>Key Public Comps</p>	<p>Stock Price Performance</p>	<p>Trading Metrics (Median)</p> <table border="1"> <thead> <tr> <th></th> <th colspan="3">Enterprise Value /</th> </tr> <tr> <th></th> <th>LTM Rev.</th> <th>LTM EBITDA</th> <th>2020P EBITDA</th> </tr> </thead> <tbody> <tr> <td>As of 3/31</td> <td>3.0x</td> <td>18.8x</td> <td>11.2x</td> </tr> <tr> <td>As of 2/14</td> <td>3.8x</td> <td>21.8x</td> <td>13.3x</td> </tr> </tbody> </table>		Enterprise Value /				LTM Rev.	LTM EBITDA	2020P EBITDA	As of 3/31	3.0x	18.8x	11.2x	As of 2/14	3.8x	21.8x	13.3x
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Public Comparables

VALUATION AND OPERATING METRICS¹

As of March 31, 2020 (\$ in millions, excl. stock price)

	Mkt Cap	TEV	Stock Performance		LTM				TEV / EBITDA	
			Current Price	% of LTM High	Revenue	% Growth	EBITDA	Margin	LTM	2020P
			Consolidated							
CLINICAL / ADMINISTRATIVE										
EMR										
Cerner Corporation	\$20,039	\$20,687	\$64.24	79.4%	\$5,693	6.1%	\$1,147	20.2%	18.0x	11.2x
Allscripts Healthcare Solutions, Inc.	1,176	2,081	7.23	60.1%	1,772	1.2%	97	5.5%	21.5x	6.7x
NextGen Healthcare, Inc.	685	745	10.43	49.4%	539	1.6%	38	7.1%	19.6x	8.1x
Computer Programs and Systems, Inc.	311	419	22.50	62.9%	275	(2.1%)	34	12.5%	12.2x	8.8x
Median	\$931	\$1,413	\$16.47	61.5%	\$1,155	1.4%	\$67	9.8%	18.8x	8.4x
RCM / Performance										
Nuance Communications, Inc.	\$4,673	\$5,957	\$16.52	70.1%	\$1,822	0.4%	\$370	20.3%	16.1x	16.3x
Change Healthcare Inc.	3,352	3,372	11.12	63.3%	NA	NA	NA	NA	NA	3.2x
Premier, Inc.	2,251	2,260	31.67	78.9%	1,239	26.1%	544	43.9%	4.2x	3.9x
R1 RCM Inc.	1,051	1,647	9.18	65.6%	NA	NA	NA	11.8%	11.8x	6.1x
Evolent Health, Inc.	478	751	5.64	38.1%	846	35.0%	(61)	NM	NM	26.6x
Median	\$2,251	\$2,260	\$11.12	65.6%	\$1,239	26.1%	\$370	20.3%	11.8x	6.1x
Other Administrative										
Omniceil, Inc.	\$2,715	\$2,699	\$63.94	67.4%	\$897	13.9%	\$114	12.8%	23.6x	14.0x
National Research Corporation	1,118	1,141	44.83	62.8%	128	6.9%	49	38.0%	23.5x	NA
Tabula Rasa HealthCare, Inc.	1,143	1,352	54.00	77.5%	285	39.4%	5	1.6%	NM	27.6x
Health Catalyst, Inc.	949	774	25.48	51.1%	155	NM	(46)	NM	NM	NM
HealthStream, Inc.	785	645	24.23	81.4%	254	9.7%	32	12.5%	20.4x	14.9x
Vocera Communications, Inc.	696	591	21.91	61.3%	181	0.5%	(7)	NM	NM	32.7x
Phreesia, Inc.	730	662	20.34	58.4%	118	48.4%	(5)	NM	NM	NM
Median	\$949	\$774	\$25.48	62.8%	\$181	11.8%	\$5	12.6%	23.5x	21.3x
Clinical / Administrative Median	\$1,084	\$1,247	\$22.21	63.1%	\$412	6.9%	\$36	12.5%	18.8x	11.2x
PAYER-FOCUSED										
Inovalon Holdings, Inc.	\$2,523	\$3,435	\$16.27	70.8%	\$642	21.7%	\$178	27.7%	19.3x	14.7x
HMS Holdings Corp.	2,201	2,324	24.98	61.4%	626	4.7%	141	22.5%	16.5x	12.5x
Payer-Focused Median	\$2,362	\$2,880	\$20.63	66.1%	\$634	13.2%	\$159	25.1%	17.9x	13.6x
PHARMA										
Veeva Systems Inc.	\$23,574	\$22,542	\$157.94	89.3%	\$1,104	28.1%	\$314	28.4%	71.8x	44.0x
IQVIA Holdings Inc.	21,784	33,369	112.98	66.8%	11,088	6.5%	1,881	17.0%	17.7x	13.7x
Syneos Health, Inc.	4,222	6,984	40.50	54.5%	4,676	6.5%	584	12.5%	12.0x	10.8x
Pharma Median	\$21,784	\$22,542	\$112.98	66.8%	\$4,676	6.5%	\$584	17.0%	17.7x	13.7x
CONSUMER HEALTHCARE										
WEX Inc.	\$4,717	\$7,106	\$108.84	46.0%	\$1,724	15.5%	\$583	33.8%	12.2x	9.2x
HealthEquity, Inc.	3,751	4,860	52.79	59.5%	532	85.2%	164	30.9%	29.6x	19.4x
Benefitfocus, Inc.	276	429	8.42	17.7%	296	14.3%	(15)	NM	NM	17.8x
Castlight Health, Inc.	113	75	0.76	19.0%	143	(8.4%)	(35)	NM	NM	NM
Consumer Healthcare Median	\$2,014	\$2,644	\$30.61	32.5%	\$414	14.9%	\$75	32.4%	20.9x	17.8x
EURO-HCIT										
ConocoPhillips	\$31,666	\$37,335	\$29.29	42.9%	\$33,346	(11.1%)	\$13,746	41.2%	2.7x	5.1x
EMIS Group plc	816	781	12.95	82.7%	211	(2.5%)	54	25.7%	14.4x	13.4x
Nexus AG	485	461	30.78	71.7%	170	5.6%	21	12.3%	22.0x	11.6x
Euro Median	\$816	\$781	\$29.29	71.7%	\$211	(2.5%)	\$54	25.7%	14.4x	11.6x
Consolidated Median	\$1,160	\$1,864	\$24.61	62.9%	\$626	6.7%	\$97	20.2%	17.9x	13.0x

Select Healthcare IT M&A Transactions¹

Completed April 1, 2020



Enterprise Value:
\$200M

EV / Rev:
Non-Public

Revenue:
Non-Public

EV / EBITDA:
Non-Public

R1 RCM's acquisition of SCI Solutions

- SCI Solutions is a provider of patient access, intake, and scheduling software for providers across outpatient clinical settings
- The Company's cloud-based, EHR agnostic "digital front door" care coordination solutions for intake, scheduling, and referral management are currently in use across 1,200+ care sites by 40 million patients annually
- The acquisition comes after a multi-year partnership between R1 and SCI, with SCI's products increasing scheduling efficiency and convenience in the revenue cycle workflow for healthcare providers and patients

Completed March 25, 2020



Enterprise Value:
Non-Public

EV / Rev:
Non-Public

Revenue:
Non-Public

EV / EBITDA:
Non-Public

Marlin Equity's acquisition of SmartLinx Solutions

- SmartLinx is a provider of workforce management and human capital management software for skilled nursing, senior living and post-acute care providers
- The Company's software suite helps hundreds of senior living and post-acute providers promote high quality care efficiently and effectively through proactive workforce management
- The partnership with Marlin Equity will enable SmartLinx to further expand and differentiate its solution suite across the post-acute care continuum, and best address clients' needs around scheduling, staffing, and human capital

Completed March 12, 2020



Enterprise Value:
Non-Public

EV / Rev:
Non-Public

Revenue:
Non-Public

EV / EBITDA:
Non-Public

WebMD's acquisition of StayWell

- The StayWell Company is a provider of employee and patient engagement and empowerment solutions, designed to improve health outcomes through behavior change programs
- The Company's platform provides engagement solutions for more than four million employees, 1,500+ health systems, and eight of the 10 largest healthcare payers in the U.S.
- The combined scale and experience of WebMD and StayWell brings evidence-based health behavior change to a larger pool of employees and patients

Completed February 28, 2020



Enterprise Value:
\$950M

EV / Rev:
4.6x

Revenue:
\$207M

EV / EBITDA:
20.0x

Clarivate Analytics' acquisition of Decision Resources Group

- Decision Resources Group ("DRG") is a provider of a portfolio of data-driven software solutions designed for life sciences, medical device, payer, and provider organizations to make commercialization decisions
- The Company's commercialization workflow solutions are used by over 1,200 global customers, including all of the top 50 life sciences companies, to understand the patient and market landscape through solutions for forecasting, treatment analysis, and new product and strategy development
- The acquisition of DRG expands Clarivate's life sciences portfolio, by offering customers solutions across the life sciences value chain and enabling customers to accelerate innovation and improve patient outcomes through improved commercialization decision making

Announced January 10, 2020



Enterprise Value:
\$600M

EV / Rev:
Non-Public

Revenue:
Non-Public

EV / EBITDA:
Non-Public

Teladoc Health's pending acquisition of InTouch Health

- InTouch Health is a provider of enterprise telehealth solutions for hospitals and health systems
- The Company offers virtual care solutions for over 40 clinical use cases that are used by 450 partner hospitals, representing 3,600 sites of care globally
- The combination of InTouch and Teladoc will create a global leader in telehealth solutions with a single, unified platform designed for the full range of acuity and across care settings

What We're Reading

TELEMEDICINE SURGES, FUELED BY CORONAVIRUS FEARS AND SHIFT IN PAYMENT RULES

Kaiser Health News

March 27, 2020

Receiving healthcare services by phone or video conference has been around for several decades, but the outbreak of coronavirus has led to unprecedented levels of telemedicine usage. Many individuals are using virtual care services for the first time, allowing them to practice social distancing while reducing further spread of the disease. Governments and private insurers have also increased the payment for telemedicine visits to bring them on par with in-person visits, as historically insurers paid less than half the prevailing fee, dissuading doctors from offering and utilizing the virtual service.

Read the full article [here](#).

EVEN WITH BILLIONS FROM CONGRESS, HOSPITALS SET TO LOSE OVER \$1K PER COVID-19 CASE

Healthcare Dive

March 25, 2020

Even with billions in new funding through the Senate emergency package, hospitals are still projected to lose more than \$1,000 per COVID-19 patient. The typical process of relying on elective procedures to offset unprofitable treatment has been forced aside, leaving health systems to take a major financial hit. With the vast majority of hospitals losing thousands per case, and reported cases continuing to increase with further access to testing, hospitals have begun lobbying Congress for additional financial relief.

Read the full article [here](#).

HOW EHR VENDORS ARE ARMING PROVIDERS TO HANDLE COVID-19

Healthcare IT News

March 20, 2020

Amidst the global COVID-19 pandemic, while healthcare organizations are ramping up their efforts to treat COVID-19 patients, healthcare IT vendors are looking to provide tools to manage cases, analyze data, and assess patients remotely. Large vendors, such as Allscripts, athenahealth, Cerner, and Epic, have been actively augmenting their systems to give users more tools to cope with the crisis. One tool that Allscripts is putting at the forefront is Virtual Triage, which serves as a “digital front door” that enables healthcare organizations to virtually identify, manage, and triage high-risk patients without requiring them to come to a physical facility.

Read the full article [here](#).

THE INEVITABLE COLLISION OF AI HEALTHCARE TECHNOLOGIES AND PRODUCT LIABILITY

Life Science Leader

February 28, 2020

Increased adoption of AI and machine learning across the healthcare continuum has led to better outcomes and increased efficiencies. Recent developments in emerging AI technologies have shown improved diagnostic accuracy and efficiency, enhanced accuracy to predict illnesses, increased automation of routine healthcare tasks, and more refined processes. While AI offers an enormous benefit to all stakeholders within the healthcare system, it also carries an inescapable burden of risk and errors, such as misread radiological scans, incorrect drug event predictions, or inappropriate treatment recommendations.

Read the full article [here](#).

DIGITAL HEALTH TOOLS GAIN MOMENTUM AMONG PHYSICIANS

AMA Association

February 6, 2020

Adoption of digital health tools amongst physicians has consistently increased since 2016, when they began emerging as a resource for clinical practice. This increased use of digital tools will have a positive impact on patient outcomes, and will increase performance expectations across physicians and practices. Key areas of adoption include telehealth and virtual visits, remote monitoring, clinical decision support, patient engagement, workflow enhancement, and consumer access to clinical data.

Read the full article [here](#).

M&A Transaction Activity

SELECT RECENT M&A TRANSACTIONS¹

Closed Date	Target	Acquirer	Business Description	Enterprise Value (\$M)	Implied EV / Revenue	Implied EV / EBITDA
Pending	HealthEdge Software, Inc.	The Blackstone Group Inc.	Provider of integrated financial, administrative, and clinical software platform for payers.	\$700.0	5.4x	*
Pending	Parts of IT Healthcare portfolio in Germany and Spain of Cerner Corp.	CompuGroup Medical Societas Europaea	Provider of hospital information systems and document archiving solutions.	\$247.6	*	*
Pending	Acurity and Nexera	Premier	Acurity is a provider of a regional GPO; Nexera is a provider of hospital financial improvement consulting.	\$291.5	*	*
Pending	Intelligent InSites, Inc.	Infor, Inc.	Provider of automation software solutions for the healthcare industry.	*	*	*
Pending	InTouch Technologies, Inc.	Teladoc Health, Inc.	Provider of virtual clinical care solutions.	\$599.7	*	*
Pending	HealthCare IT Business of Agfa Gevaert Group	Dedalus Holding S.p.A.	Provider of an enterprise imaging platform.	\$1,081.2	3.8x	*
04/01/20	Smith Technologies	Francisco Partners	Provider of community pharmacy technology, long-term care technology, and public sector software.	*	*	*
04/01/20	SCI Solutions, Inc.	R1 RCM Inc.	Provider of patient referral solutions for healthcare providers.	\$200.0	*	*
03/25/20	SmartLinx Solutions LLC	Marlin Equity Partners, LLC	Provider of human capital management and workforce management solutions.	*	*	*
03/15/20	TeleHealth Solution, Inc.	New Capital Partners	Provider of telemedicine and telehealth services in the acute and post-care settings.	*	*	*
03/12/20	The StayWell Company, LLC	WebMD Health Corp.	Provider of employee well-being and clinical patient education platform.	*	*	*
03/09/20	NurseGrid	HealthStream, Inc.	Provider of communication and scheduling solutions for nurses.	\$25.0	*	*
03/04/20	Psych Now, LLC	MindCare Solutions Group, Inc.	Provider of telepsychiatry services to behavioral health hospitals.	*	*	*
02/28/20	Decision Resources, Inc.	Clarivate Analytics Plc	Provider of information, analysis, and insight on critical issues to the healthcare industry worldwide.	\$950.0	4.6x	20.0x
02/21/20	Able Health, Inc.	Health Catalyst, Inc.	Provider of pay-for-performance and risk adjustment solutions for care managers and physicians.	\$22.1	*	*
02/20/20	Renaissance Electronic Services, LLC	Vyne	Provider of technology support services for dentists.	*	*	*
02/14/20	The Patient Safety Company	Symplr (Clearlake Capital)	Provider of healthcare reporting and incident management solutions.	*	*	*
02/13/20	Simplificare, Inc.	Flywire Payments Corporation	Provider of an online financial engagement platform for healthcare providers.	*	*	*
02/11/20	SilverSearch	Strata Health	Provider of a searchable tablet application for hospital case managers and social workers.	*	*	*
02/10/20	Avesta Systems, Inc.	OnShift (Clearlake Capital)	Provider of recruitment software and background screening.	*	*	*
02/03/20	Centauri Health Solutions, Inc.	ABRY Partners, LLC	Provider of data management solutions for risk adjustment and quality-based revenue programs.	*	*	*
01/30/20	MedData LLC	Edgewater RCM Holdings	Provider of technology-enabled revenue cycle managed solutions for hospitals, health systems, and healthcare providers.	*	*	*

M&A Transaction Activity (cont'd)

SELECT RECENT M&A TRANSACTIONS¹

Closed Date	Target	Acquirer	Business Description	Enterprise Value (\$M)	Implied EV / Revenue	Implied EV / EBITDA
01/23/20	Intelrad Medical Systems Incorporated	HgCapital	Provider of medical imaging business solutions and services.	*	*	*
01/08/20	CareCloud Corporation	MTBC, Inc.	Provider of cloud-based practice management, EHR, and medical billing software solutions.	\$40.4	*	*
12/30/19	Evariant, inc.	Healthgrades	Provider of a marketing campaign platform for healthcare organizations.	*	*	*
12/27/19	Epsilog SAS	CompuGroup Medical Societas Europaea	Provider of ambulatory information systems for nurses and physiotherapists.	\$80.5	5.1x	14.4x
12/23/19	MD-REPORTS	ProVation Medical (Clearlake Capital)	Provider of image capture and medical reporting solutions.	*	*	*
12/23/19	Crisis Prevention Institute, Inc.	Wendel	Provider of training and consulting services in behavior management and dementia care.	HW Confidential		
12/23/19	West Claims Recovery Services	HMS Holdings Corp.	Provider of healthcare cost management recovery services.	\$155.0	3.1x	*
12/19/19	Corrona, LLC	Audax Group	Provider of real-world data and analytics solutions for biopharmaceutical companies.	*	*	*
12/18/19	Medical Knowledge Group LLC	Court Square Capital Partners	Provider of medical communications, healthcare consulting, and data analytics services for the pharmaceutical industry.	HW Confidential		
12/13/19	DentalMate	Professional Economics Bureau of America, Inc.	Provider of dental practice management software.	*	*	*
12/06/19	Medfusion, Inc.	NextGen Healthcare, Inc.	Provider of a patient engagement portal.	\$43.0	*	*
12/04/19	Recondo Technology, Inc.	Waystar, Inc	Provider of cloud-based workflow streamlining software.	*	*	*
11/26/19	Policy Reporter	TrialCard Incorporated	Provider of data-driven solutions that enhance market access for pharmaceutical and medical industries.	*	*	*
11/15/19	MEDarchon, Inc.	XSOLIS, LLC	Provider of healthcare communications software for doctors, nurses, and medical staff.	*	*	*
11/15/19	ValueCentric, LLC	IQVIA, Inc.	Provider of a business intelligence platform for the healthcare industry.	*	*	*
11/14/19	WIRB-Copernicus Group	Leonard Green & Partners, L.P.	Provider of regulatory and ethical review solutions and services for clinical research.	\$3,100.0	HW Confidential	
11/14/19	Relatient, LLC	Brighton Park Capital Management, L.P.	Provider of a SaaS-based patient relationship and engagement engine.	*	*	*
11/12/19	Element, LLC	MJH Life SCIENCES LLC	Provider of data-driven marketing agency for manufacturers.	*	*	*
11/07/19	Physicians World, LLC	Veeva Systems Inc.	Provider of speaker bureau management services.	\$41.4	*	*
11/07/19	Censis Technologies, Inc.	Fortive Corporation	Provider of SaaS-based surgical asset management software.	*	*	*
11/05/19	Iso Health Limited	W2O Group	Provider of medical education activities.	*	*	*
11/04/19	EDCO Health Information Solutions Inc.	BV Investment Partners, L.P.	Provider of software and services for the management of health information in acute and ambulatory settings.	*	*	*

Private Placement Transaction Activity

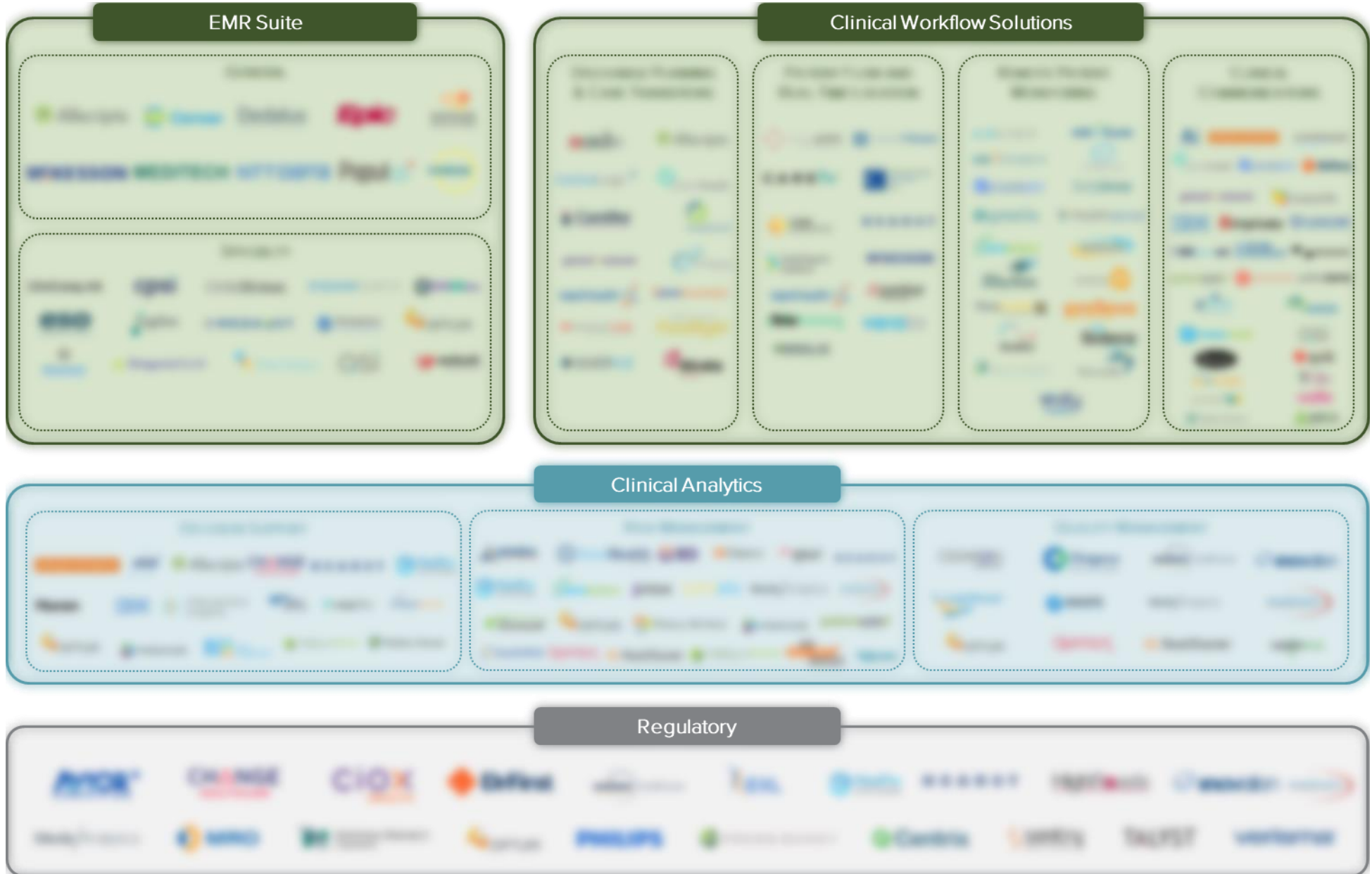
SELECT RECENT PRIVATE PLACEMENT TRANSACTIONS²

Closed Date	Company	Sector	Round / Stage	Round Size (\$M)	Total Raised (\$M)	Lead Investor(s)	Business Description
03/13/20	 TEMPUS	Pharma & Devices	Series G	\$100.0	\$560.0	New Enterprise Associates, Inc.; Franklin Resources, Inc.; Novo Holdings A/S; Baillie Gifford & Co.; T. Rowe Price Associates, Inc.	Provider of a real-time clinical data platform to support clinicians in delivering precision medicine.
03/11/20	 Lyra	Provider-Facing Solution	Series C	\$75.0	\$174.1	Glynn Capital; Institutional Venture Partners; MeriTech Capital; Tenaya Capital Inc.; Casdin Capital; Greylock Partners; Providence Ventures	Provider of a platform to connect employees with mental health providers.
03/10/20	 RubiconMD	Provider-Facing Solution	Series C	\$18.0	\$39.0	Deerfield Management Company, L.P.; Waterline Ventures, LLC; Heritage Medical Systems, Inc.; Optum Ventures	Provider of an online platform to connect primary care physicians with specialists for consults.
03/04/20	 Suki	Provider-Facing Solution	Series B	\$20.0	\$35.0	VR Adviser, LLC; Flare Capital Management Company, LLC; First Round Capital; Breyer Capital; Epsilon Health Investors, LLC	Provider of an AI-enabled voice assistant for doctors.
02/27/20	 axialHealthcare	Patient-Facing Solution	Series C	\$15.0	\$41.8	.406 Ventures, LLC; Sandbox Industries Inc.; BlueCross BlueShield Venture Partners, L.P.; Oak HC/FT Partners LLC	Provider of a comprehensive online platform to manage patient care for substance abuse treatment.
02/23/20	 HealthJoy	Provider-Facing Solution	Series C	\$30.0	\$48.5	U.S. Venture Partners; EPIC Ventures; Chicago Ventures; Health Velocity Capital	Provider of a web-based employee health benefits platform.
02/05/20	 Verana Health	Pharma & Devices	Series D	\$100.0	\$137.8	Bain Capital Venture Partners, LLC; GV; Casdin Capital, LLC; Define Ventures	Provider of de-identified clinical data sets for use in neurology and ophthalmology research.
02/05/20	 Vineti	Pharma & Devices	Series C	\$35.0	\$96.4	Canaan Partners; Threshold Ventures; Cardinal Health, Inc.; Novartis Pharma AG; Kite Pharma, Inc.; Casdin Capital, LLC; Section 32; Hive Ventures; LifeForce Capital	Provider of a patient management platform for CROs for use in personalized gene and cell-therapy drug trials.
02/04/20	 Hinge Health	Care Delivery	Series C	\$90.0	\$140.8	Bessemer Venture Partners; Insight Venture Management, LLC; Atomico Investment Holdings Limited; Lead Edge Capital Management, LLC; Quadrille Capital	Provider of digital back and joint pain therapy and management programs for employers.
01/02/20	 PIECES	Care Delivery	Series B	\$25.7	\$85.1	Children's Medical Center of Dallas; OSF Healthcare System; Concord Health Partners, LLC	Provider of a cloud-based platform that leverages real-time patient EMR data to deliver appropriate care recommendations.

Care Delivery - Landscape

INPATIENT & CLINICAL

TO VIEW FULL MARKET MAP PLEASE CONTACT:
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Select HW TMT Transactions

 strategic investment in MRI	 acquired by Bregal Investments	 investment from INSIGHT PARTNERS Kennet Augmentum	 acquired by WENDEL	 recapitalized by COULTER SQUARE	 acquired ventiv	 acquired by Waud Capital	 significant growth investment from MARTIS CAPITAL	 acquired by Deltak	 acquired by Advent International	 significant growth investment from THOMABRAVO	 acquired by eSolutions	 acquired by RL Datix	 has received a controlling investment from COVE HILL PARTNERS	 acquired CALIBER SOFTWARE
 acquired by pec	 acquired mailgun	 strategic investment from INSIGHT PARTNERS DiscoverOrg	 acquired by DiscoverOrg	 acquired cambell.group	 acquired by DASSAULT SYSTEMES	 acquired Wrike	 acquired by CUBIC	 acquired by WCAS	 acquired symplr	 acquired by BERTELSMANN	 acquired by LIGHTYEAR CAPITAL & OAK HC/FT MAYFAIR EQUITY PARTNERS acquired PIXOMONDO	 acquired by illuminate education	 better, faster decisions acquired by GENSTAR	
 acquired by THE JORDAN COMPANY	 acquired iRelation	 a wholly-owned affiliate of CSP Healthcare acquired by imprivata & inspira	 invested in RL Datix	 majority investment from Hg	 acquired by GI PARTNERS	 acquired by BDT CAPITAL PARTNERS	 acquired by PAMPLONA CAPITAL MANAGEMENT	 acquired by EQUIAN	 acquired by PROVIDENCE EQUITY & GSV	 investment from INSIGHT PARTNERS	 acquired PERFORCE	 acquired by H.I.G. CAPITAL	 merged with research now	 investment from BV INVESTMENT PARTNERS
 acquired by accruent	 acquired by MSOUTH	 acquired Healthlogistics	 acquired by Riverside PARTNERS	 investment from INSIGHT PARTNERS	 acquired by amazon	 acquired by intelligent	 acquired by V VISTA EQUITY PARTNERS	 acquired by Itron	 acquired abila	 majority investment from GENSTAR	 growth investment from PAMLICO CAPITAL	 acquired by Ministry Brands	 majority investment from INSIGHT PARTNERS	 acquired by exponent
 majority investment from THE CARLYLE GROUP	 recapitalized by GI PARTNERS	 acquired by PHILIPS	 acquired MedHOK	 acquired by WorkForce SOFTWARE	 acquired by WASSERMAN & CO.	 acquired by SYKES	 acquired by RPX RATIONAL PATENT	 acquired by WIRED EQUITY MANAGEMENT	 recapitalized by GENSTAR	 acquired by H.I.G. CAPITAL	 acquired by BIOCLINICA	 acquired by technicolor	 acquired by CIP CAPITAL	 acquired by ParkerGale
 acquired by kpn	 acquired by Sotera	 acquired by roper	 acquired a majority stake in access	 acquired by GI PARTNERS	 majority investment from HGGC	 minority investment from SUNPOWER	 acquired by blackbaud	 acquired by YASKAWA	 acquired by emdeon	 acquired by THE CARLYLE GROUP	 strategic investment from TCV	 merged with Accellos	 acquired by Automic	 acquired by THE CARLYLE GROUP
 acquired by HEARST	 acquired by inVentiv Health	 acquired by RELIAS LEARNING	 acquired by GENPACT	 acquired by TDX	 acquired by PAREXEL	 acquired by LGP	 acquired by HEARST	 acquired by V VISTA EQUITY PARTNERS	 acquired by SCHMITT PARTNERS	 acquired by Imtech	 acquired by Araxx Capital Partners PAMLICO CAPITAL	 majority recapitalization by PAMLICO CAPITAL	 recapitalized by Goldman Sachs	 acquired by THOMSON REUTERS

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Sources

1. CAPITAL IQ.
2. PITCHBOOK.

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