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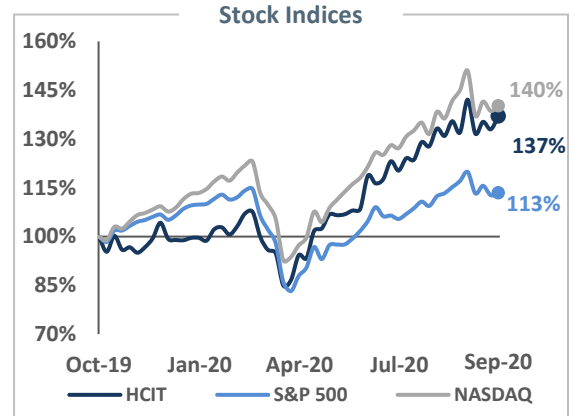
HEALTHCARE TECHNOLOGY SECTOR UPDATE 3Q20

October 2020

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BCA Market Commentary & Stock Indices Relative Performance

- Capital markets activity for healthcare technology saw a dramatic acceleration as strategic and financial players sought to partner with innovative, industry-leading companies.
- 3Q20 saw a sharp increase in deal activity across the RCM spectrum, including the acquisitions of eSolutions, VitalWare, RevWorks and RSource (sold to Sunstone Partners; BCA served as the exclusive financial advisor).
- The largest 3Q20 deal was the \$18.5B merger between telehealth players Livongo and Teladoc, further underscoring the growing importance of virtual health as a viable, cost-effective and efficacious alternative.
- Another active sub-vertical was software tailored to the workflow and care-specific needs of outpatient settings, where regulation, billing protocols and governance require specific capabilities.



Select M&A and Financing Transactions

M&A DEALS				TEV Multiple		
Date	Target	Acquiror	Target Business Description	TEV (\$M)	Revenue	EBITDA
Pending	Livongo	Teladoc Health (Merger)	Digital health management platform for chronic conditions.	\$18,500	N/M	N/M
9/9/20	RSource Healthcare	Sunstone Partners	Revenue cycle management to hospitals and health systems.	Confidential - BCA Transaction		
8/25/20	Credible Behavioral	Qualifacts (Merger)	SaaS-based behavioral health platform.	N/A	N/A	N/A
7/31/20	EPSi (Allscripts)	Strata Decision Technology	Financial planning tools for hospitals and health systems.	\$365	7.5x	18.5x
7/28/20	Edifecs	TA Associates, Francisco	Value-based care payment, data analytics and workflow tools.	\$1,400	8.5x	18.2x
7/20/20	WellSky	Leonard Green, TPG	Health and community care software company.	\$2,000	N/A	N/A

FINANCING DEALS				Amount	Round of
Date	Target	Investor(s)	Target Business Description	(\$M)	Financing
9/14/20	MDLIVE	Sixth Street Growth	Cloud-based, on-demand healthcare services platform.	\$50	Series F
9/9/20	Grand Rounds	The Carlyle Group	Employer-based technology tool matching patients & physicians.	\$175	Series E
8/6/20	Ginger	Advance, Bessemer	Behavioral health analytics platform.	\$50	Series D
7/28/20	Mindoula	Equality Asset Management	Population health management platform for behavioral health.	\$27	N/A

Select Public Trading Multiples

(\$M except share prices)									
Company	Ticker	Stock Price		TEV / Revenue			TEV / EBITDA		
		9/30/20	% of 52-Week High	Low	TEV	LTM	NTM	LTM	NTM
Allscripts	MDRX	\$8.14	69%	179%	\$2,315	1.3x	1.4x	8.3x	7.4x
Cerner	CERN	\$72.29	89%	136%	23,895	4.3x	4.2x	14.1x	13.3x
Change Healthcare	CHNG	\$14.51	83%	235%	6,566	N/M	2.0x	N/M	6.9x
Health Catalyst	HCAT	\$36.60	89%	209%	1,301	7.6x	6.6x	N/M	N/M
HealthEquity	HQY	\$51.37	58%	149%	4,762	9.6x	6.4x	18.7x	20.0x
HMS Holdings	HMSY	\$23.95	69%	132%	2,257	3.6x	3.2x	15.4x	11.5x
Inovalon	INOV	\$26.45	98%	198%	4,820	7.3x	6.7x	22.1x	19.4x
Livongo Health ⁽¹⁾	LVGO	\$140.05	93%	926%	13,698	N/M	29.8x	N/M	N/M
Phreesia	PHR	\$32.13	92%	201%	662	6.0x	4.6x	N/M	N/M
Teladoc ⁽¹⁾	TDOC	\$219.24	87%	365%	15,852	32.2x	13.1x	N/M	N/M

(1) Teladoc and Livongo Health have signed a definitive agreement to merge.

Note: EBITDA includes add-backs for stock-based compensation and non-recurring expenses.

Data per SEC filings and PitchBook.

Average 9.0x 7.8x 15.7x 13.1x
Median 6.7x 5.5x 15.4x 12.4x

Brentwood Capital Advisors

Industry Bankers

Jack Jeong | Managing Director
(630) 388-8490
jjeong@brentwoodcapital.com

John Kibler | Managing Director
(312) 656-9296
jkibler@brentwoodcapital.com

Porter Meadors | Director
(615) 224-3821
pmeadors@brentwoodcapital.com

Select Recent Healthcare Technology Transactions

