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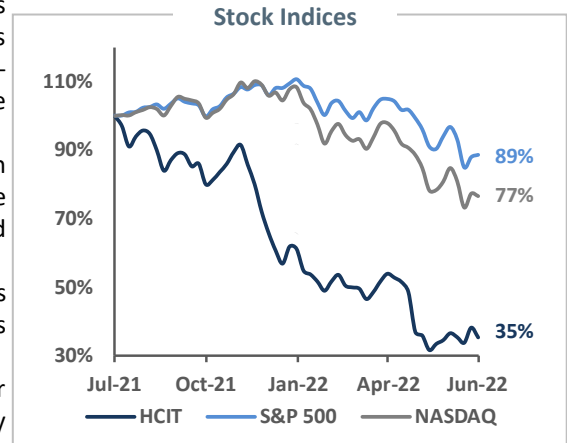
# HEALTHCARE TECHNOLOGY SECTOR UPDATE 2Q22

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August 2022  
[www.brentwoodcapital.com](http://www.brentwoodcapital.com)

## BCA Market Commentary & Stock Indices Relative Performance

- HC Tech capital markets were active in 2Q22 though investor priorities have shifted away from growth-at-all-costs towards businesses exhibiting profitability and sustainable capital structures. Many high-growth platforms have initiated layoffs as a means of adapting to the changing economic and capital environment.
- Following a strong 1Q22, the revenue cycle sector continued to be an area of great activity and consolidation in 2Q22. Examples include Linden's recapitalization of complex claims platform Aspirion and Omega Health's acquisitions of ApexonHealth and VastaGlobal.
- Providers continue to rely upon sophisticated data and analytics resources to support the transition to value based care. THL's acquisition of Intelligent Medical Objects is one example.
- Solutions supporting specialty pharmacies are receiving greater attention in a value-based paradigm. The acquisition of Trellis Rx by CPS Solutions is an example of this trend.



## Select M&A and Financing Transactions

M&A Deals				TEV (\$M)	TEV Multiple	
Date	Target	Acquiror(s)	Target Business Description		Revenue	EBITDA
6/21/22	Aspirion	Linden Capital	Developer of revenue cycle management software	\$670	N/A	29.0x
6/08/22	Cerner	Oracle	Provider of healthcare information technology services	\$28,200	N/A	N/A
6/01/22	Nordic Consulting Partners	Accrete Health Partners	Provider of healthcare consulting services	\$400	N/A	13.8x
6/01/22	Trellis Rx	CPS Solutions	Provider of technology-enabled specialty pharmacy services	N/A	N/A	N/A
5/25/22	Aergo Solutions	CorroHealth	Developer of revenue cycle and staff productivity software	\$50	N/A	N/A
5/24/22	CynergisTek	Clearwater Compliance	Provider of cybersecurity, privacy and compliance services	\$18	1.1x	N/M
5/18/22	ParaRev	CorroHealth	Provider of revenue cycle management services	\$120	N/A	N/A
4/29/22	Simplify ASC	HST Pathways	Developer of EHR and practice management software	N/A	N/A	N/A
4/13/22	ApexonHealth	Omega Healthcare	Provider of digital technology and engineering services	N/A	N/A	N/A
4/06/22	Vasta Global	Omega Healthcare	Provider of information technology and data management services	\$80	N/A	N/A
4/05/22	ARMCO Partners	Med-Metrix	Provider of coding and forensic medical billing services	N/A	N/A	N/A
4/01/22	Intelligent Medical Objects	Thomas H. Lee Partners	Provider of healthcare data enablement services	\$1,600	N/A	36.0x

Financing Deals				Amount (\$M)	Round of Financing
Date	Target	Investor(s)	Target Business Description		
6/06/22	Aledade	OMERS Growth Equity	Value-based analytics platform for physicians	\$123	PE Growth
4/21/22	NexHealth	Buckley Ventures	Developer of healthcare data exchange platform	\$125	Venture

## Select Public Trading Multiples

(\$M except share prices)		Stock Price	% of 52-Week		TEV	TEV / Revenue		TEV / EBITDA	
Company	Ticker	6/30/22	High	Low		LTM	NTM	LTM	NTM
Allscripts	MDRX	\$14.83	64%	114%	\$2,353	4.0x	3.8x	12.7x	13.6x
American Well	AMWL	\$4.32	34%	171%	\$545	2.1x	1.9x	N/M	N/M
Health Catalyst	HCAT	\$14.49	24%	129%	\$655	2.6x	2.1x	N/M	N/M
HealthEquity	HQY	\$61.39	74%	167%	\$6,223	8.0x	7.5x	27.5x	24.4x
Phreesia	PHR	\$25.01	33%	190%	\$1,099	4.8x	4.0x	N/M	N/M
Teladoc	TDOC	\$33.21	20%	121%	\$6,295	2.9x	2.5x	N/M	N/M
<b>Note: EBITDA includes add-backs for stock-based compensation and non-recurring expenses. Data per SEC filings and PitchBook.</b>					<b>Average</b>	<b>4.1x</b>	<b>3.6x</b>	<b>20.1x</b>	<b>19.0x</b>
					<b>Median</b>	<b>3.5x</b>	<b>3.1x</b>	<b>20.1x</b>	<b>19.0x</b>

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### Representative Transactions

