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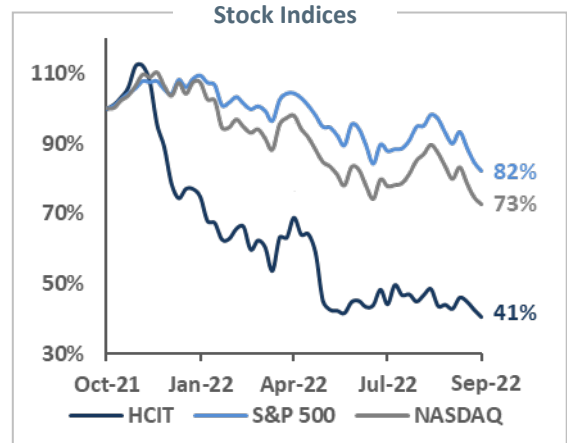
HEALTHCARE TECHNOLOGY
SECTOR UPDATE
3Q22

November 2022

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BCA Market Commentary & Stock Indices Relative Performance

- Healthcare tech markets continued to face headwinds related to end-market inflationary pressures. Buying decisions have been deferred in many cases, which has highlighted the “have to have” vs “nice to have” dichotomy in tech offerings.
- Payment accuracy and revenue integrity continue to be ‘mission critical’ themes and an ongoing reminder that healthcare dollars are a zero-sum game. Deals such as Veritas’ acquisition of Miramed and Coronis and Zelis’ acquisition of Payercompass are examples of this ongoing tension.
- Regulatory compliance, especially around the management of patient data, continues to be a top priority for both payers and providers. RLDatix’s acquisition of Galen Healthcare solutions is one example.
- The ongoing transition to value continues to drive HC tech market activity. The most obvious example is Francisco Partners’ carve out of IBM’s health analytics business, which was rebranded as Merative.



Select M&A and Financing Transactions

M&A Deals		Acquiror(s)	Target Business Description	TEV (\$M)	TEV Multiple	
Date	Target				Revenue	EBITDA
10/05/22	Epion Health	Kyruus	Digital patient engagement services		Confidential - BCA Deal	
09/21/22	Payer Compass	Zelis Healthcare	Developer of healthcare reimbursement platform	\$180	6.0x	NA
09/19/22	RX Savings Solutions	McKesson	Prescription medicine savings platform	\$875	14.8x	NA
08/04/22	MiraMed Global Services, Coronis Health	Veritas Capital	Revenue cycle management services	\$350	NA	NA
08/03/22	Kemberton, Cura	Revecore	Specialized revenue cycle management platform	NA	NA	NA
08/02/22	Aspirion	Linden Capital	Developer of healthcare revenue cycle management platform	\$670	NA	NA
07/26/22	Galen Healthcare Solutions	RLDatix	Provider of data migration and archival services		Confidential - BCA Deal	
07/26/22	Benefit Recovery Group	Thompson Street Capital Partners	Provider of healthcare subrogation services	NA	NA	NA
07/12/22	LeanTaaS	Bain Capital	Developer of patient access software	\$700	10.0x	NA
07/11/22	Stratatan	Syntellis Performance Solutions	Developer of healthcare data analytics software	\$100	7.1x	NA

Financing Deals		Investor(s)	Target Business Description	Amount (\$M)	Round of Financing
Date	Target				
07/27/22	PurpleLab	Primus Capital	Operator of healthcare data and analytics platform	\$40	PE Growth

Select Public Trading Multiples

Company	Ticker	Stock Price 9/30/22	% of 52-Week		TEV	TEV / Revenue		TEV / EBITDA	
			High	Low		LTM	NTM	LTM	NTM
American Well	AMWL	\$3.59	37%	142%	\$501	1.9x	1.7x	NM	NM
CPSI	CPSI	\$27.88	74%	107%	\$534	1.8x	1.6x	9.6x	8.7x
Definitive Healthcare	DH	\$15.54	34%	105%	\$1,416	7.3x	5.6x	18.3x	18.2x
Health Catalyst	HCT	\$9.70	18%	107%	\$499	1.9x	1.8x	NM	NM
HealthEquity	HQY	\$67.17	91%	183%	\$6,467	8.1x	7.5x	29.1x	23.8x
HealthStream	HSTM	\$21.26	72%	115%	\$649	2.5x	2.3x	12.3x	12.3x
NextGen Healthcare	NXGN	\$17.70	81%	130%	\$1,160	1.9x	1.8x	15.2x	10.2x
Phreesia	PHR	\$25.48	33%	193%	\$1,058	4.3x	3.6x	NM	NM
R1 RCM	RCM	\$18.53	67%	101%	\$8,715	4.4x	3.9x	14.5x	13.9x
Teladoc	TDOC	\$25.35	16%	100%	\$4,778	2.1x	1.8x	19.5x	18.0x
Note: EBITDA includes add-backs for stock-based compensation and non-recurring expenses. Data per SEC filings and PitchBook.					Average	3.6x	3.2x	16.9x	15.0x
					Median	2.3x	2.1x	15.2x	13.9x

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Representative Transactions

