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HEALTHCARE TECHNOLOGY  
SECTOR UPDATE  
4Q22

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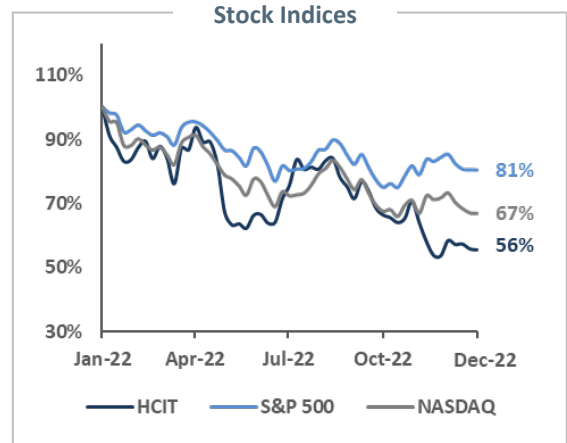
February 2023

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# 4Q22 Healthcare Technology Sector Overview

## BCA Market Commentary & Stock Indices Relative Performance

- Macro headwinds, tightening credit markets, declining public equities and high levels of selectivity for end-market buyers all contributed to softer capital markets activity for HC technology in 4Q22.
- Consistent with previous quarters, the buyer/investor bias has shifted dramatically away from growth-at-all costs towards profitable businesses. Valuations have contracted to align more with historical, pre-pandemic levels.
- Despite headwinds for the sector, attendees at HLTH in November seemed cautiously optimistic about opportunities likely to come to market in 1H 2023; we anticipate a growing deal backlog that could support robust activity this calendar year.
- The best positioned companies provide “mission critical” (vs. nice to have) solutions with measurable ROI in areas like compliance, reimbursement, or workforce automation.



## Select M&A and Financing Transactions

Date	Target	Acquiror(s)	Target Business Description
12/22/22	InterMed Group	Cressey & Company, Health Enterprise Partners	Provider of integrated health technology management services
12/15/22	Spear Dental Education	Avista Capital Partners	Provider of dental education and training services
12/13/22	Versalus Health	CorroHealth	Provider of healthcare revenue cycle management services
12/07/22	Medicus Laboratory Information Systems	CompuGroup Medical	Developer of information software catering to physician office laboratories
12/01/22	Stericycle Communication Solutions	Carenet Healthcare Services	Provider of patient engagement services
11/30/22	Imagenet	BV Investment Partners	Developer of automated accounts payable platform
11/28/22	Sensato Cybersecurity Solutions	CloudWave	Developer of managed cybersecurity platform
11/15/22	AccuReg	Optum	Developer of cloud-based revenue cycle management software
11/09/22	PaySpan	Zelis Healthcare	Provider of healthcare reimbursement and payment automation services
10/25/22	ClaimLogiq	New Mountain Capital	Developer of claims management software

## Select Public Trading Multiples

(\$M except share prices)

Company	Ticker	Stock Price 12/31/22	% of 52-Week		TEV	TEV / Revenue		TEV / EBITDA	
			High	Low		LTM	NTM	LTM	NTM
CPSI	CPSI	\$27.22	77%	107%	\$520	1.7x	1.5x	9.2x	8.8x
Definitive Healthcare	DH	\$10.99	36%	115%	\$1,128	5.4x	4.6x	14.3x	16.2x
Health Catalyst	HCT	\$10.63	26%	166%	\$586	2.2x	2.0x	N/M	N/M
HealthEquity	HQY	\$61.64	78%	141%	\$5,934	7.1x	6.6x	25.1x	20.0x
Healthstream	HSTM	\$24.84	93%	134%	\$711	2.7x	2.5x	13.0x	13.1x
NextGen Healthcare	NXGN	\$18.78	85%	116%	\$1,345	2.1x	2.0x	14.0x	11.0x
Phreesia	PHR	\$32.36	74%	245%	\$1,703	6.5x	5.4x	N/M	N/M
Teladoc	TDOC	\$23.65	25%	106%	\$4,723	2.0x	1.8x	20.5x	16.5x
R1 RCM	RCM	\$10.95	39%	163%	\$6,375	3.2x	2.9x	11.2x	11.5x
<b>Average</b>						<b>3.7x</b>	<b>3.3x</b>	<b>15.3x</b>	<b>13.9x</b>
<b>Median</b>						<b>2.7x</b>	<b>2.5x</b>	<b>14.0x</b>	<b>13.1x</b>

Note: EBITDA includes add-backs for stock-based compensation and non-recurring expenses. Data per SEC filings and PitchBook.

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### Representative Transactions

