



HEALTHCARE/PHARMA INFORMATION AND TECHNOLOGY INDUSTRY

Q3 2018 :: Mergers and Acquisitions Trend Report

Q3 2018 KEY HIGHLIGHTS

- The largest transaction in Q3 2018 was Global Payments' acquisition of AdvancedMD, a healthcare technology company that offers cloud medical office software to ambulatory medical practices, for \$700 million.
- The most active acquirer through the 1st 3 Quarters of 2018, either directly or through an affiliated business, was Arsenal Capital Partners with eight transactions: Pirana Software, Analytica Laser, Newport Credentialing Solutions, Equipment Management & Technology Solutions (EMTS), BaseCase, KMR Group, Metrics Champion Consortium (MCC), and ACI Clinical.

Q3 2018 KEY TRENDS

- Total transaction volume in the 1st 3 Quarters of 2018 increased by six percent over the 1st 3 Quarters of 2017, from 337 to 356.
- Total transaction value in the 1st 3 Quarters of 2018 stayed about the same over the 1st 3 Quarters of 2017, at \$25.4 billion.

MULTIPLES & VALUE TRENDS

- Median revenue and EBITDA multiples both remained nearly constant. Through the 1st 3 Quarters of 2018, the median revenue multiple was 2.2x while the median EBITDA multiple was 11.7x.

Top Ten Notable Transactions - 1st 3 Quarters 2018

Deal Date	Target Name	Buyer	Value MM US\$
01/11/18	DST Systems, Inc.	SS&C Technologies, Inc.	\$5,637
06/19/18	Cotiviti Corporation	Verscend Technologies	\$4,817
02/15/18	Flatiron Health	Roche Ltd	\$1,900
03/07/18	Ability Network, Inc.	Inovalon, Inc.	\$1,200
04/02/18	Value-Based Care Division from GE Healthcare	Veritas Capital Partners	\$1,050
06/28/18	PillPack	Amazon.com, Inc.	\$1,000
08/02/18	AdvancedMD	Global Payments, Inc.	\$700
02/26/18	Intermedix Corporation	R1 RCM	\$460
04/25/18	University of St. Augustine for Health Sciences	Altas Partners LP	\$400
08/16/18	Cambian Group	CareTech Community Services Limited	\$378
2018 Aggregate Transaction Value			\$24,566
Top 10 Aggregate Transaction Value			\$17,542
Top 10 Aggregate Value as a Percentage of All Transactions			71 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2018 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

M&A Market Dynamics

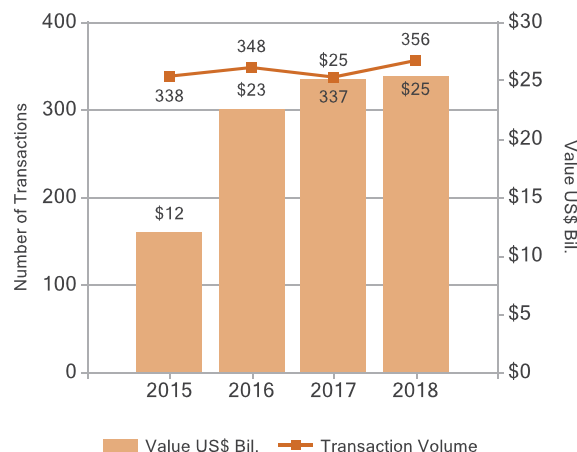


Figure 1. 1st 3 Quarters value and volume comparison from 2015 to 2018.

Median Enterprise Value Multiples

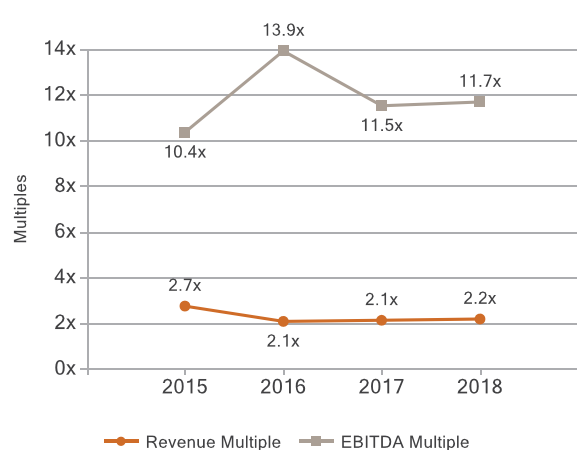


Figure 2. 1st 3 Quarters median revenue and EBITDA comparison from 2015 to 2018.

TOP TEN DEALS THROUGH Q3 2018

The top ten deals by value have seen two new additions since our half year report. In addition to the previously mentioned AdvancedMD deal, CareTech Community announced its acquisition of Cambian Group, a provider of specialist behavioral health services, for \$378 million.

These two transactions, with an aggregate value of \$1.1 billion, represented four percent of transaction value in the 1st 3 Quarters of 2018 and 41 percent of Q3 2018 transaction value.

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RECENT HEALTHCARE TRANSACTIONS

HAS BEEN ACQUIRED BY

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

HAS BEEN ACQUIRED BY

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HAS BEEN RECAPITALIZED BY

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