

## HEALTHCARE/PHARMA INFORMATION AND TECHNOLOGY INDUSTRY

### FULL YEAR 2022 :: Mergers and Acquisitions Trend Report

#### 2022 KEY HIGHLIGHTS

- CVS Health's acquisition of Signify Health, a subsidiary of New Mountain Capital, LLC., was one of the largest Healthcare transactions in 2022, with an acquisition price of \$7.27 billion.
- The Healthcare IT segment accounted for 47 percent of total volume during the year.
- There were 135 financially sponsored transactions in 2022, with an aggregate value of \$10.05 billion, representing 32 percent of the total volume and 37 percent of the total value, respectively.

#### 2022 KEY TRENDS

- Total transaction volume in 2022 declined by 16 percent over 2021, from 539 to 451.
- Total transaction value in 2022 decreased by 71 percent over 2021, from \$94.71 billion to \$27.78 billion.
- The median revenue multiple decreased from 4.2x in 2021 to 2.3x in 2022. The median EBITDA multiple decreased from 12.7x in 2021 to 11.7x in 2022.
- Nearly one-third of companies sold in 2022 received transaction values between \$3 million to \$20 million.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 1,545 Healthcare/Pharma Information and Technology transactions between 2020 and 2022, of which 316 disclosed financial terms, and calculated the aggregate value to be \$151.30 billion. Based on known transaction values, we project values of 1,229 undisclosed transactions to be \$15.46 billion, totaling \$166.76 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 3.2x revenue and 14.1x EBITDA.

#### M&A Market Dynamics

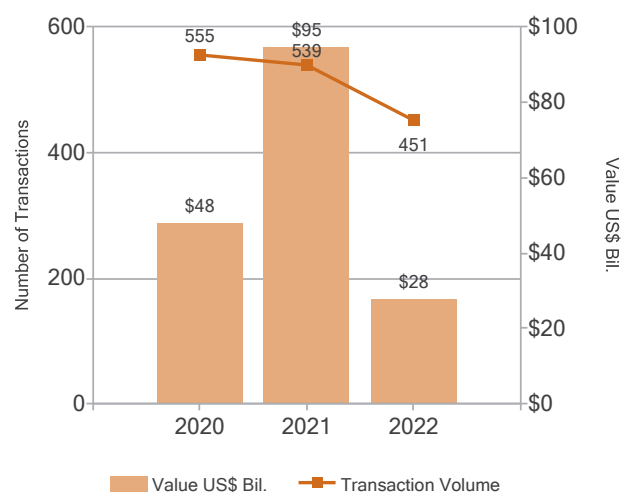


Figure 1. 2020-2022 value and volume comparison.

#### Median Enterprise Value Multiples

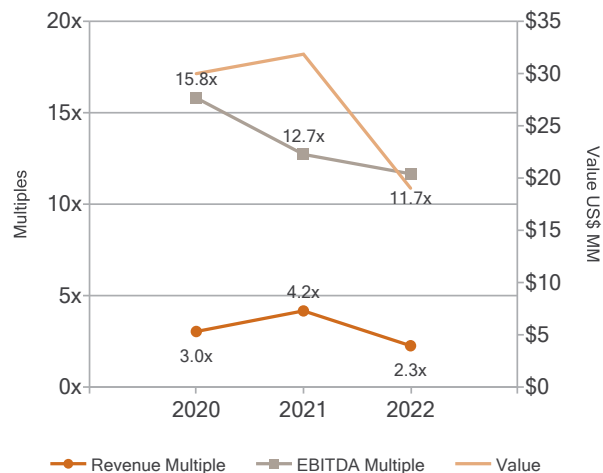
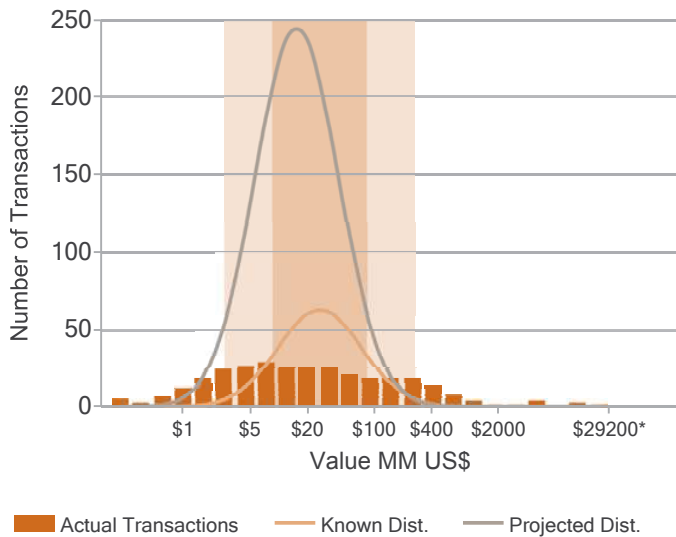


Figure 2. 2020-2022 median value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2022 – December 31, 2022

## Bell Curve - Histogram



**Figure 3.** Shows distribution of Healthcare/Pharma Information and Technology Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 2022 at \$166.8 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2022 to Dec. 31, 2022.

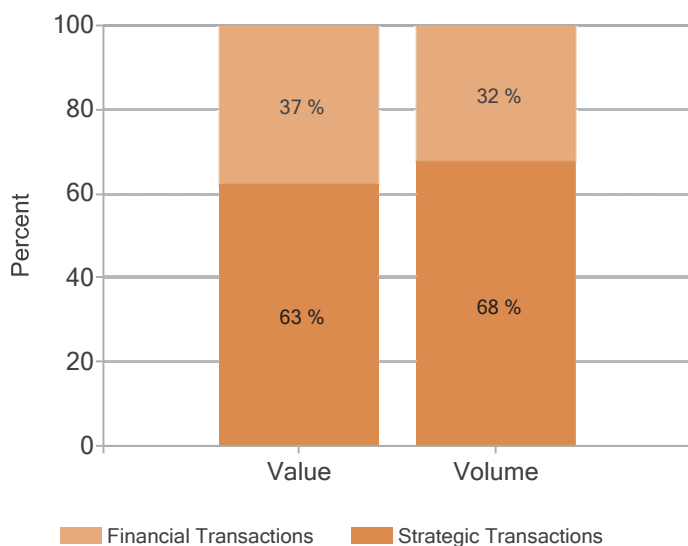
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	5	0	5	2 %	2 %
\$0.4	3	0	3	1 %	3 %
\$0.6	6	2	8	2 %	4 %
\$1.0	12	10	21	4 %	8 %
\$1.6	18	31	49	6 %	14 %
\$2.7	24	76	99	8 %	22 %
\$4.5	27	144	170	9 %	30 %
\$7.4	29	213	241	9 %	39 %
\$12.2	26	245	271	8 %	47 %
\$20.1	25	220	244	8 %	55 %
\$33.1	25	153	178	8 %	63 %
\$54.6	21	83	104	7 %	70 %
\$90.0	18	35	53	6 %	76 %
\$148.4	18	12	29	6 %	81 %
\$244.7	18	3	20	6 %	87 %
\$403.4	14	1	14	4 %	91 %
\$665.1	8	0	8	3 %	94 %
\$1,096.6	4	0	4	1 %	95 %
\$1,808.0	2	0	2	1 %	96 %
\$2,981.0	2	0	2	1 %	97 %
\$4,914.8	4	0	4	1 %	98 %
\$8,103.1	0	0	0	0 %	98 %
\$13,359.7	3	0	3	1 %	99 %
\$22,026.5	1	0	1	0 %	99 %
Total #	316	1229	1545		
Total \$ Value	\$151,296	\$15,463	\$166,758		
Middle 3rd of Industry Middle 2/3rds of Industry					

**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison

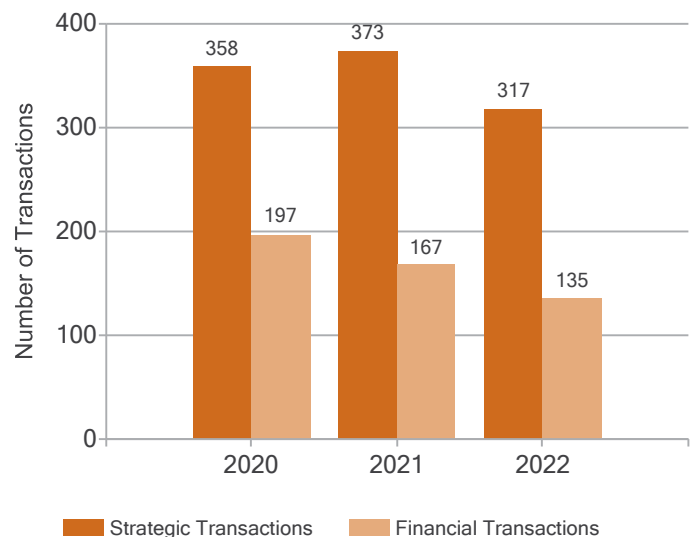
### M&A Dynamics By Transaction Type



**Figure 5.** 2022 value and volume comparison by acquirer type.

**Note:** Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

### Transaction Type



**Figure 6.** 2020-2022 acquirer type comparison by year.

## Purchaser Analysis

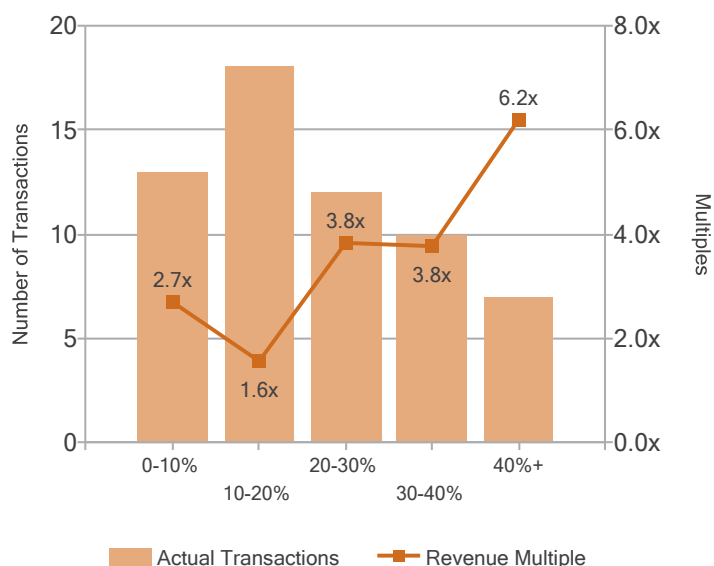
### Top Ten Notable Transactions 2022

Deal Date	Target Name	Buyer	Value MM US\$
09/06/22	Signify Health	CVS Health	\$7,274
01/11/22	Cloudmed, Inc.	R1 RCM	\$4,089
01/06/22	Vocera Communications, Inc.	Stryker Corporation	\$2,912
04/25/22	ClaimsXten from Change Healthcare Corporation	TPG Capital	\$2,200
06/14/22	MEDIFOX DAN	ResMed	\$1,000
03/15/22	Matrox Imaging from Matrox Electronics Systems Ltd.	Zebra Technologies Corporation	\$875
03/03/22	Hospitals and Large Physician Practices Business from Allscripts	Harris Healthcare	\$670
09/19/22	Rx Savings Solutions	McKesson Corporation	\$600
07/25/22	OpenEye Scientific	Cadence Design Systems	\$500
02/09/22	Midas Health Analytics Solutions from Conduent, Inc.	symplr	\$340
2022 Aggregate Transaction Value			\$27,173
Top 10 Aggregate Transaction Value			\$20,460
Top 10 Aggregate Value as a Percentage of All Transactions			75 %

**Figure 7.** Lists the top ten transactions for 2022 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

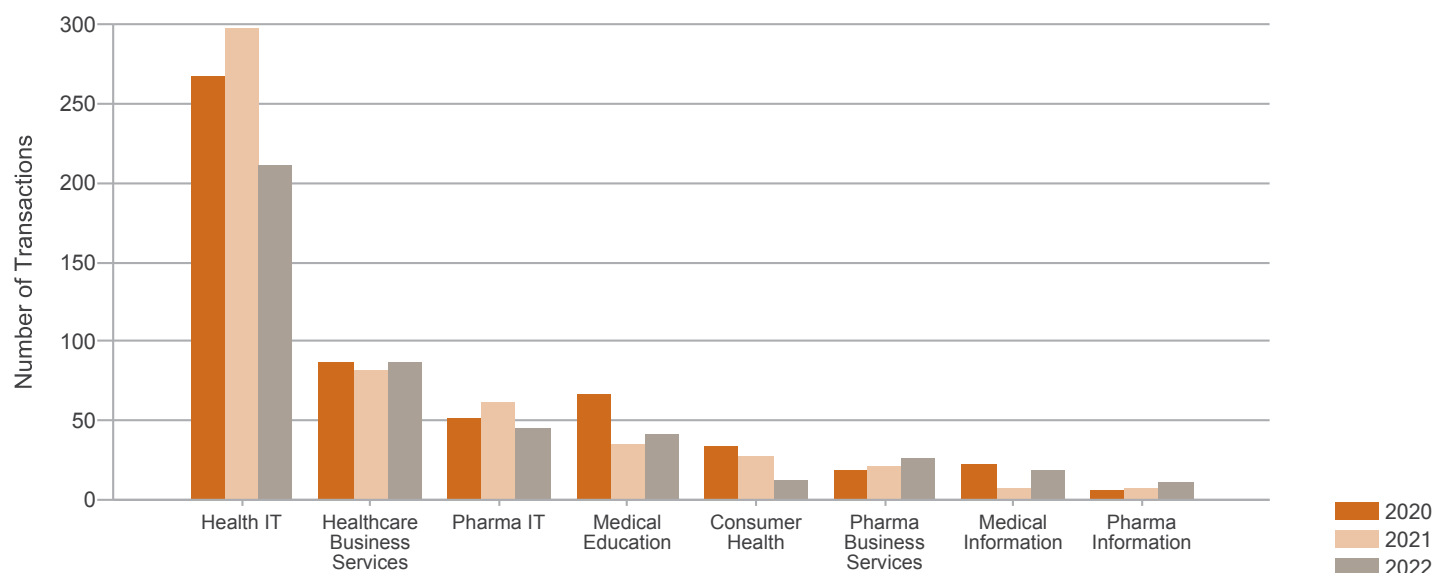
### Median EV/Revenue Multiples by Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Healthcare/Pharma Information and Technology Industry from Jan. 1, 2020 to Dec. 31, 2022 based on publicly available sales price and revenue data.

## Transaction Volume by Segment :: January 1, 2020 – December 31, 2022

### Transactions By Market Segment



**Figure 9.** Presents the transaction volume by market segment within the Healthcare/Pharma Information and Technology Industry from Jan. 1, 2020 through Dec. 31, 2022

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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HAS ACQUIRED



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



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