



Healthcare IT (HCIT) market update

H1 2024



HCIT highlights

Highlights

I The rise of Artificial Intelligence (AI) and Machine Learning (ML)

- **Evolving HCIT functionality:** AI is being used to analyze medical images, identify potential health risks, and even assist with complex surgeries by improving diagnosis, and optimizing surgical plans
- **Automation fulfilling a strong need in the health industry:** Healthcare providers and professionals have emerged as a strong beneficiary of these automation services to streamline operations, improve efficiencies, and fill in the labor shortage gap. Technologies such as intelligent document processing (IDP) and other automation capabilities are in high demand

II Remote patient monitoring (RPM) aligns with the increase in consumer tech integrations

- **Increase in availability of consumer health data:** Patients are increasingly using wearables (e.g., Apple watch, Oura ring), and using health apps (e.g., Calm), leading to an increased amount of patient data
- **Integration of personal health and healthcare:** Combining consumer health data with healthcare technology platforms empowers patients to take proactive involvement in their health, resulting in better patient outcomes

III Cloud-Based HCIT is table stakes; consolidation is underway to build scale

- **Increasing cloud-based HCIT solutions:** Cloud computing offers scalability, accessibility, and cost-efficiency for healthcare organizations. More cloud HCIT solutions are being designed to improve data storage and access
- **Consolidation trends are materializing:** Carlsquare advised Kleer, a cloud-based dental practice membership software their sale to Charlesbank and concurrent merger with Membersly. Carlsquare also advised PracticeSuite, a cloud-based platform spanning the entire breadth of ambulatory practice software and patient communication needs, on their acquisition of MicroMD, a practice management subsidiary of Henry Schein

Recent relevant transactions

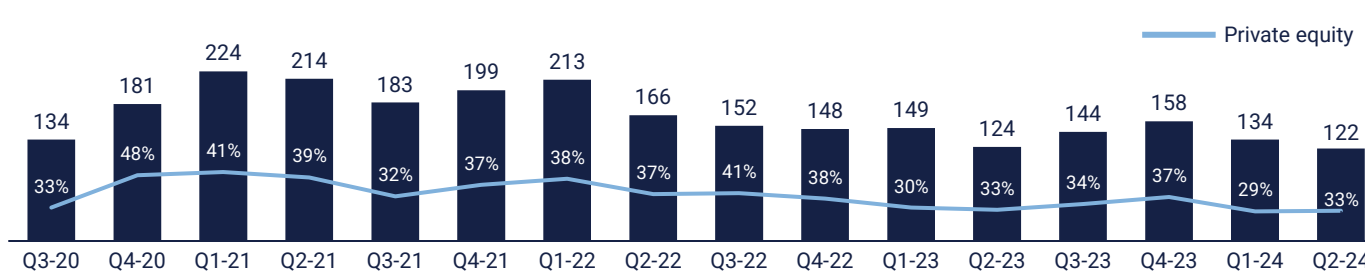


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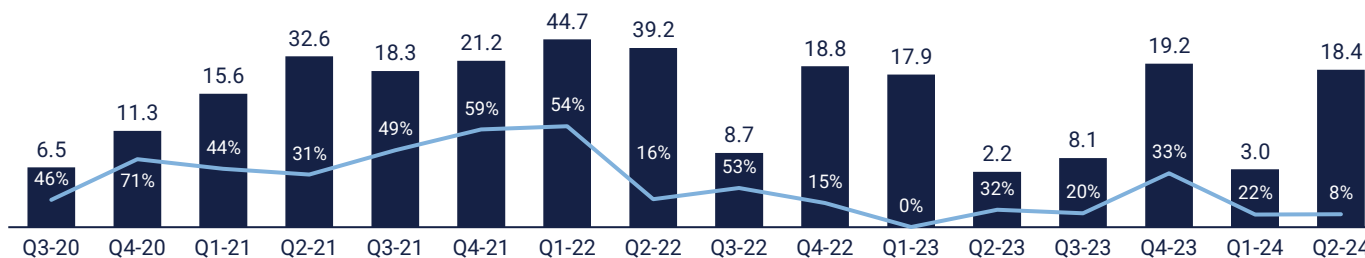


HCIT deal volume has been stable, and PE have maintained consistent deal levels across the sector

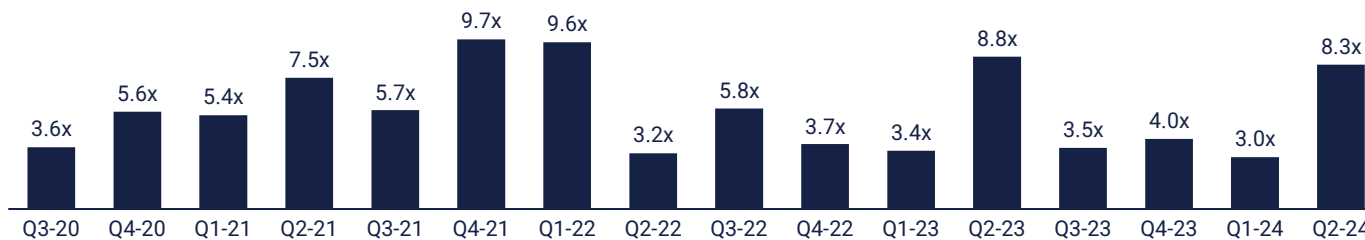
HCIT M&A activity (number of transactions)



Disclosed HCIT deal value (USDbn)



Disclosed HCIT EV / Revenue multiples



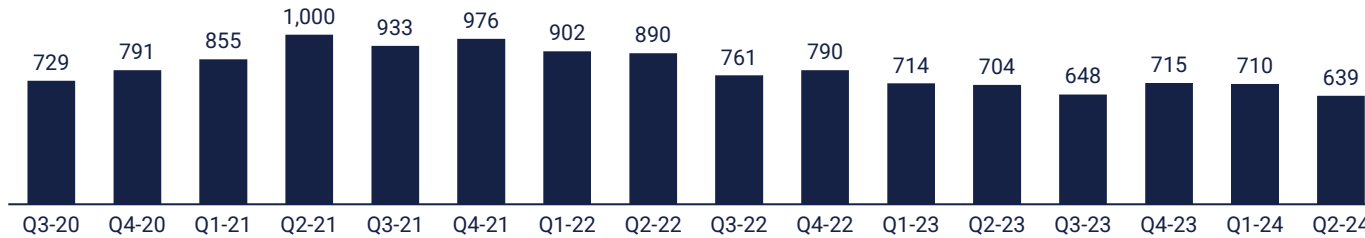
Comments

- Overall deal volume remains stable, hovering around early pandemic levels after residing from highest volumes observed between Q1 2021 and Q2 2022
- Strategic M&A has led the HCIT transaction landscape as private equity represented a 4-year median of 37% of total deal volume and 33% of total disclosed deal value
- The closing of Legrand’s acquisition of Enovation for USD \$537m at 8.3x EV / Revenue drove the spike in Q2-24 valuation multiples to their fourth highest quarterly level since late 2020

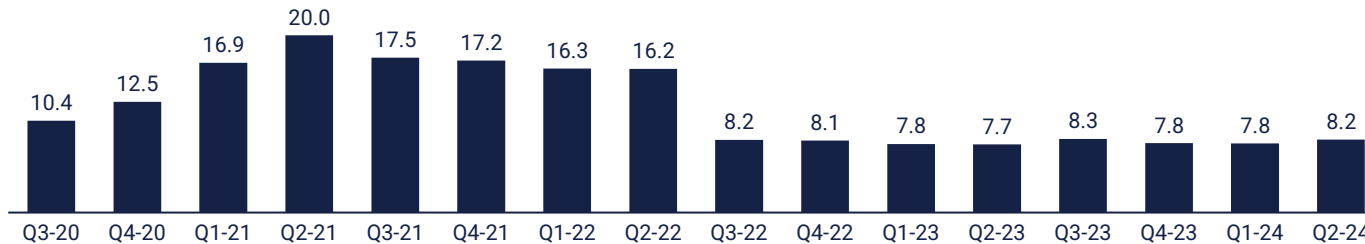
Source(s): Pitchbook
 Note(s): EV / revenue figures are the median multiple

Funding trends have stabilized following pandemic highs

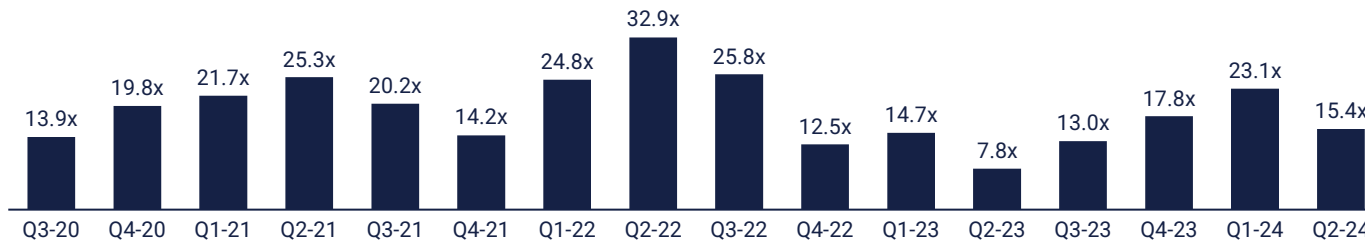
HCIT funding activity (number of transactions)



Disclosed HCIT funding value (USDbn)



Disclosed HCIT EV / Revenue multiples

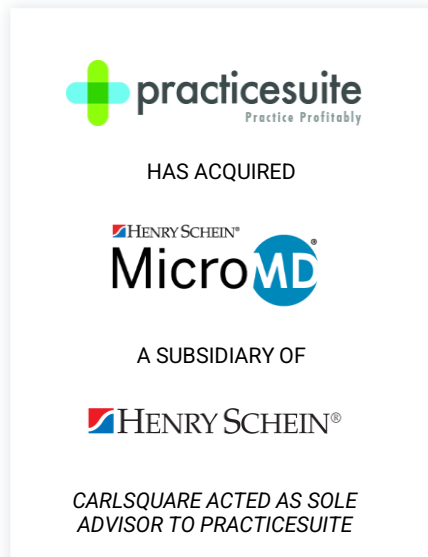


Comments

- HCIT funding activity has remained stable since the pandemic period, reflecting continued investor appetite for growing HCIT businesses
- Disclosed funding has remained stable since the pandemic reduction. Stability in deal volume and disclosed value reflects a trend of thoughtful investment within an inflationary environment
- Q2 2024 funding valuations, typically higher for smaller growth stage companies than for scaled M&A targets, dropped below its three-year median of 19.8x across all disclosed fundraises

Source(s): Pitchbook
 Note(s): EV / revenue figures are the median multiple

Case study: Carlsquare advised PracticeSuite on its acquisition of MicroMD, a subsidiary of Henry Schein



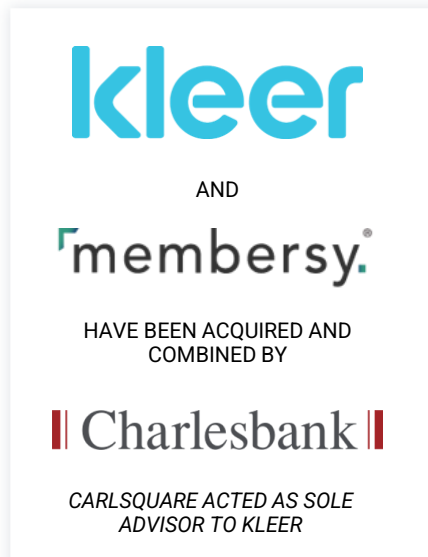
July 2024

	Practice Profitably™	
HQ	Tampa, FL	Canfield, OH
Employees	200	45

Transaction highlights

- **Carlsquare acted as exclusive financial advisor to PracticeSuite** in its acquisition of MicroMD, a subsidiary of Henry Schein Medical Systems (NASDAQ: HSIC), a global distributor of healthcare products and services. PracticeSuite and MicroMD will combine to form one of the largest privately-owned healthcare practice management and electronic medical records (EMR) platforms in the U.S
- **PracticeSuite**, founded in 2004, provides fully integrated software solutions to ambulatory care practices nationwide, combining practice management, certified electronic medical record management, revenue cycle management, telehealth, and patient engagement into one feature-rich and infinitely scalable platform. PracticeSuite’s cloud-based platform spans the entire breadth of ambulatory practice software and patient communication needs, reducing practice costs and increasing efficiency
- **MicroMD**, headquartered in Canfield, OH, provides a robust electronic medical record software designed to help medical practices deliver quality care, and provides billing, patient scheduling and claims management, enabling healthcare professionals to streamline workflows and daily practice operations and eliminate paper-based operations. The company’s cloud-based software can be customized for different practices, including cardiology, internal medicine, pediatrics, and dermatology

Case study: Carlsquare advised Kleer on its acquisition by Charlesbank Capital Partners and subsequent combination with Membersy



May 2024

HQ	Wayne, PA	Austin, TX
Employees	50	64
Partnerships ¹	7K+	13K+

Transaction highlights

- **Carlsquare acted as exclusive financial advisor to Kleer** in the formation of Kleer-Membersy and simultaneous acquisition by Boston-based Charlesbank Capital Partners. The new company was formed through the acquisition and merger of Kleer and Membersy, the nation’s two of the most comprehensive providers of technology-driven dental membership plans
- **Founded in 2015 and 2017**, respectively, Membersy and Kleer have provided dental practices and dental service organizations (DSOs) with vital tools to build and grow successful membership programs, including consultative plan design, an advanced technology platform, plan branding and marketing collateral, regulatory compliance, and robust support for patients and dental office staff. The combined company will support an aggregate footprint of 20,000 dentists and millions of patients across all 50 states, covering the entire spectrum of care, from solo practices to the largest DSOs in the country
- **Charlesbank Capital Partners** (“Charlesbank”), headquartered in Boston, is a middle-market private investment firm with ~\$18B in assets under management. The firm prefers to invest in companies based in North America, Europe, and Asia operating in the business services, consumer, healthcare, industrial, technology, and technology infrastructure sectors





“I couldn’t be happier to partner with the Membersy team and Charlesbank as we aim to accelerate investment and create value for dental practices at an unprecedented scale. Carlsquare’s experience executing complex transactions proved instrumental to Kleer. I greatly appreciated their advice and expertise throughout the process.”

Dave Monahan, CEO, Kleer

¹) Partnerships with dentist practices and DSOs
 This testimonial may not be representative of the experience of other customers. There is no guarantee of future performance or success. Each individual customer experience may differ and vary, and may not always been representative of the services paid for

Notable recent acquisitions showcased strong strategic and sponsor interest in HCIT (I/II)

Care Delivery	
  <p>enovation care to connect</p> <p>Target</p>	  <p>legrand[®]</p> <p>Buyer</p>
<ul style="list-style-type: none"> ▪ Business description: Enovation provides a comprehensive suite of digital care solutions, enabling the effective sharing of health information and coordination of care between providers, professionals and patients ▪ Strategic rationale: This acquisition allows Legrand to enhance their existing offerings in assisted living and connected care under Legrand Care and strengthens Legrand’s leadership position in health and social care technology solutions 	<p>Target details</p> <p>Founded: 1983</p> <p>Employees: ~350</p> <p>Revenue: USD 81m</p> <p>EBITDA: NA</p> <p>Deal summary</p> <p>Announced: April 23, 2024</p> <p>Type: M&A</p> <p>EV: USD 538m</p> <p>EV / LTM Revenue: 6.6x</p> <p>EV / LTM EBITDA: NA</p>

RCM	
  <p>acclara[®]</p> <p>Target</p>	  <p>R1[®]</p> <p>Buyer</p>
<ul style="list-style-type: none"> ▪ Business description: Acclara is a leading healthcare revenue cycle management company ▪ Strategic rationale: This acquisition positions R1 as the dominant RCM platform of choice and expands R1’s breadth and scale of their physician and modular businesses. Furthermore, Acclara’s 10-year agreement with Providence is expected to contribute ~\$625M of revenue and ~\$185M of EBITDA by year 5, not including the projected \$50M+ of cost synergies in the same time frame 	<p>Target details</p> <p>Founded: 1997</p> <p>Employees: ~2,600</p> <p>Revenue: USD ~300M</p> <p>EBITDA: USD ~25M</p> <p>Deal summary</p> <p>Announced: Dec 6, 2023</p> <p>Type: Buyout / LBO</p> <p>EV: USD 675m</p> <p>EV / LTM Revenue: 2.3x</p> <p>EV / LTM EBITDA: 27.0x</p>

Notable recent acquisitions showcased strong strategic and sponsor interest in HCIT (II/II)

Care Delivery

ScienceIO

veradigm™

Target
Buyer

<ul style="list-style-type: none"> ▪ Business description: ScienceIO uses AI to assist healthcare providers and payers to organize large amounts of data and improve workflows to ultimately deliver better patient outcomes ▪ Strategic rationale: ScienceIO's AI platform can be utilized to launch new features across Veradigm's business and provide an engine for growth via enhanced healthcare data intelligence capabilities. This ultimately enables better patient outcomes across the healthcare ecosystem 	<p>Target details</p> <p>Founded: 2018</p> <p>Employees: ~20</p> <p>Revenue: NA</p> <p>EBITDA: NA</p> <hr style="border: 0; border-top: 1px solid white;"/> <p>Deal summary</p> <p>Announced: Feb 27, 2024</p> <p>Type: M&A</p> <p>EV: USD 140m</p> <p>EV / LTM Revenue: NA</p> <p>EV / LTM EBITDA: NA</p>
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Patient Facing

CLOUDBREAK

GTCR

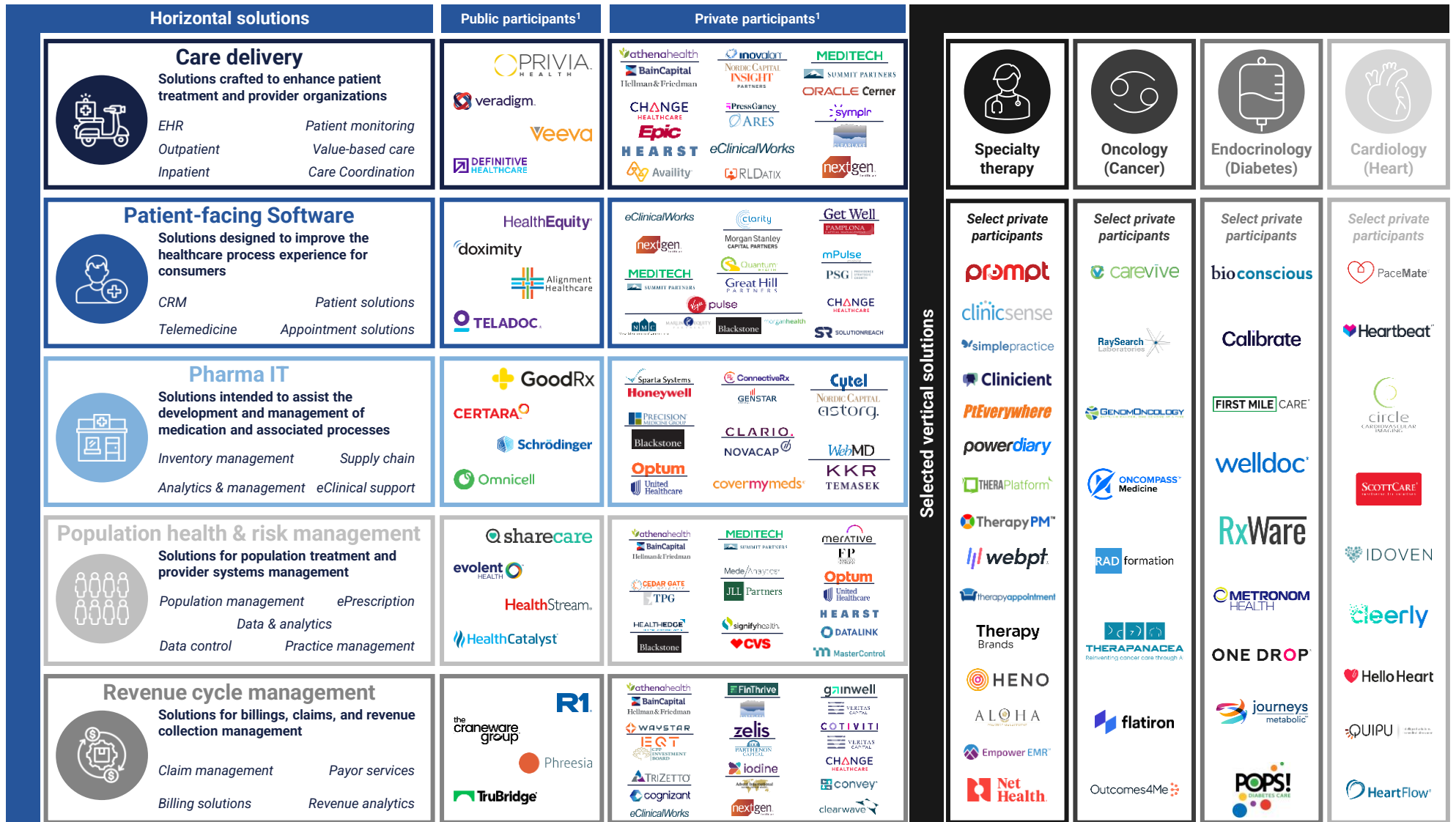
Target
Buyer

<ul style="list-style-type: none"> ▪ Business description: CloudBreak is a leading video-focused telehealth language interpretation service for patients and healthcare providers to improve care delivery at the point of care ▪ Strategic rationale: GTCR has substantial experience in telehealth, HCIT, and the general healthcare market. With this experience, GTCR is well positioned to enhance product offerings, accelerate growth, and drive operational efficiencies for CloudBreak 	<p>Target details</p> <p>Founded: 2003</p> <p>Employees: ~170</p> <p>Revenue: USD ~72m</p> <p>EBITDA: NA</p> <hr style="border: 0; border-top: 1px solid white;"/> <p>Deal summary</p> <p>Announced: Nov 16, 2023</p> <p>Type: Buyout / LBO</p> <p>EV: USD 180m</p> <p>EV / LTM Revenue: 2.5x</p> <p>EV / LTM EBITDA: NA</p>
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The HCIT market spans five primary horizontal segments and several specialty verticals



Source(s): Pitchbook, CapitalIQ
 1) Selected participants

AI, cloud-computing, worker shortages, and M&A are transforming the HCIT landscape

1 Strategic acquisitions drive M&A activity in HCIT

- Existing platforms seeking to enhance product offerings and capabilities are a catalyst for consistent M&A activity
- R1, a leading RCM acquired Acclara, another large RCM player for \$675M in Jan 2024¹. Similar M&A opportunity is present across the middle-market



Management outlook:

"The acquisition opportunities that we'll focus on will be...tuck-in acquisitions, they're more tech-focused acquisitions that just allow us to accelerate our product road map and accelerate our offering to our clients."

Daniel Burton, CEO & Director (May 2024)



Management outlook:

"We also continue to evaluate opportunities for investment to support organic growth, as well as potential acquisitions to strengthen, enhance or complement our existing capabilities"

Craig McKasson, CFO & SVP (May 2024)

2 HCIT will counter worker shortages and disease prevalence

- By 2030, the WHO foresees a gap of over 10 million health workers²
- There is an increasing need for technology that can improve staff productivity and counter, or decrease, the labor shortage gap²
- As chronic disease prevalence continues to increase, HCIT will be key for providing effective care while managing costs over the long-term



Management outlook:

"... workforce shortages, the needs to cross-develop competencies and skills. These are all emerging [and] ... hospitals are realizing they need to invest in these areas... Now more than ever ... healthcare CEOs are embracing the fact that their workforce is their most valuable asset."

Robert Frist, Co-Founder & CEO (April 2024)

3 AI is a driver of strong growth for the HCIT sector

- AI advancements are leading to more efficient operations and product development, driving increased growth and profitability for HCIT companies
- This trend is showcased in Veradigm's acquisition of SciencelO for \$140M (Feb 2024) and Evolent's acquisition of assets from Machinfy (June 2024)³



Management outlook:

"Our next phase of growth, we believe, will be AI fueled...Our HIPAA-compliant GPT product has organically grown to thousands of uses each day, and...it's already helping doctors cut the scut and reduce their administrative load."

Jeff Tangey, Chairman & CEO (Feb 2024)



Management outlook:

"As [an] additional benefit of our AI investments...we'd be able to redeploy our human capital pool to higher-value work streams that improve our product and our value proposition."

Seth Blackley, CEO & Director (May 2024)

4 Cloud-computing poised to change the HCIT landscape

- Scalability, accessibility, efficiency and risk management needs are leading HCIT companies to turn to cloud computing
- Further, cloud-focus is giving rise to next-gen HCIT solutions, showcased by IQVIA's partnership with Salesforce to launch Life Sciences Cloud⁴



Management outlook:

"The partnership will integrate innovation from IQVIA OCE with Salesforce's Life Sciences Cloud to provide customers with a new single end-to-end engagement platform...this is very exciting news for the industry as we expect to transform the engagement with HCPs and with patients with the next-generation CRM platform...that [is] powered by IQVIA data, domain expertise and advanced analytics."

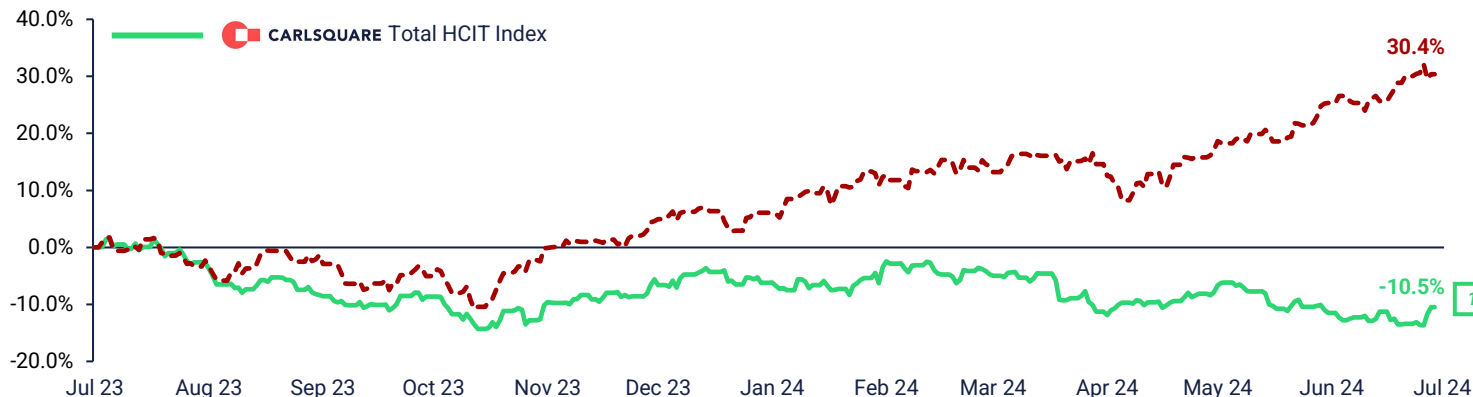
Ari Bousbib, Chairman & CEO (May 2024)

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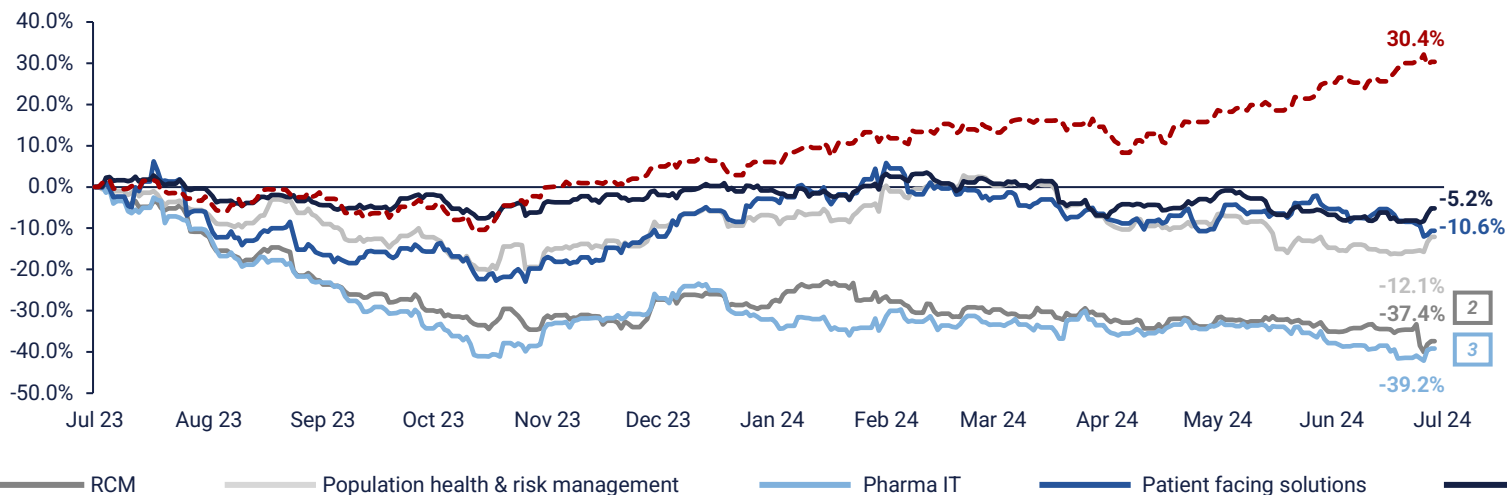


After lacklustre LTM HCIT performance, with pharma IT and RCM lagging significantly, investors are citing positive NTM expectations for earnings and valuation growth

LTM HCIT share price performance¹



LTM HCIT subsector share price performance¹



Comments

1. HCIT lagged the Nasdaq during the LTM, consistent with the broader healthcare market which historically underperforms in election years as investors anticipate healthcare reform policies
2. Increasing medical costs due to an aging population and increased disease prevalence have strained the RCM sector
3. New weight loss drugs reduced investor perspectives on other pharma utilization, prompting Pharma IT underperformance

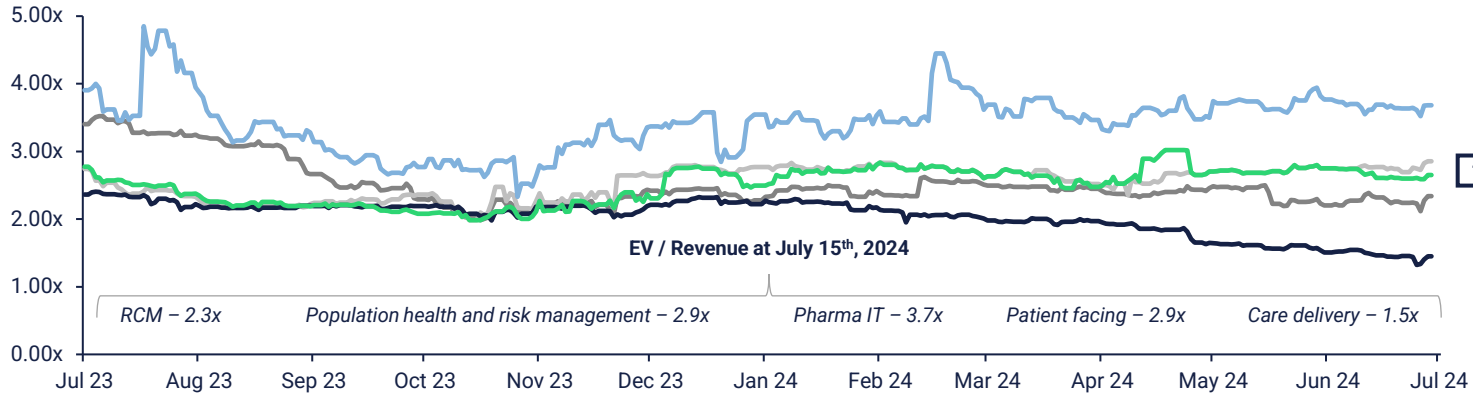
Positive outlook

- Revenue projections are normalizing after the pandemic
- NTM profitability is set to return
- Current valuations are an attractive prospect for investors. As investors return, valuation perspectives will realign
- Weight loss drug impact clarity
- Interest rate cut expectations

Source(s): CapitalIQ as of July 15th, 2024, Blackrock, Carlsquare research
 1) HCIT sectors include respective comparable companies – See appendix

Cost inflation may turn to cost optimization in the NTM. Margin recovery can potentially double the median HCIT EBITDA margin and cause EBITDA multiples to reside accordingly

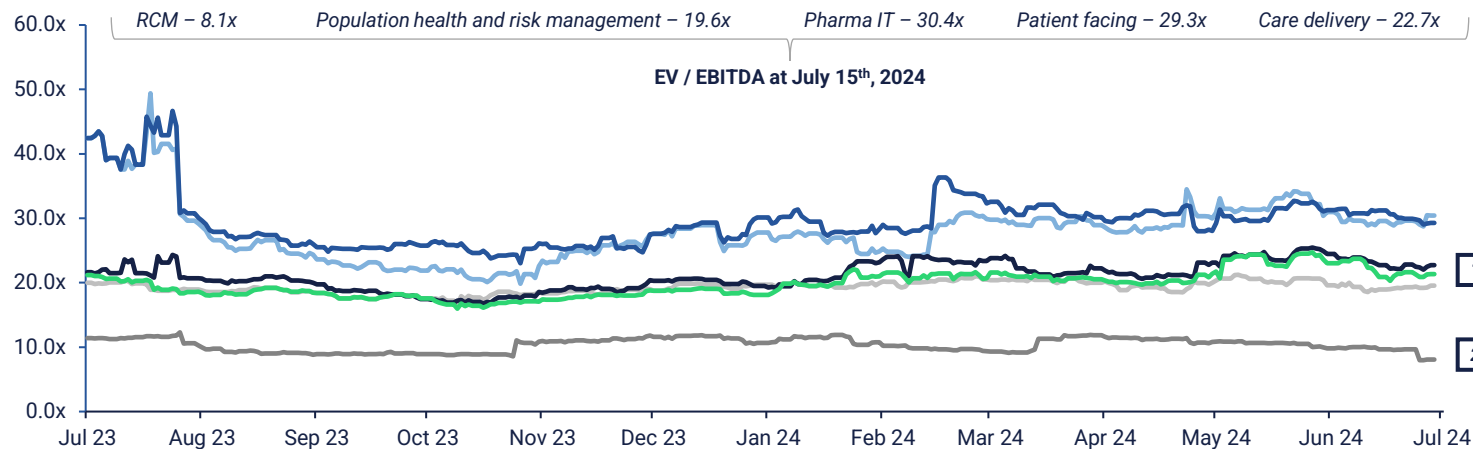
LTM EV / Revenue performance^{1,2}



Comments

1. Sector revenue and EBITDA multiples changed -4% and 1% relative to respective multiples 12-months prior
2. RCM EBITDA multiples lagged the group median and other HCIT sectors by ~60% across the duration of the LTM, reflecting wider cost pressures for providers and payers within the healthcare sector

LTM EV / EBITDA performance^{1,2}



Positive outlook

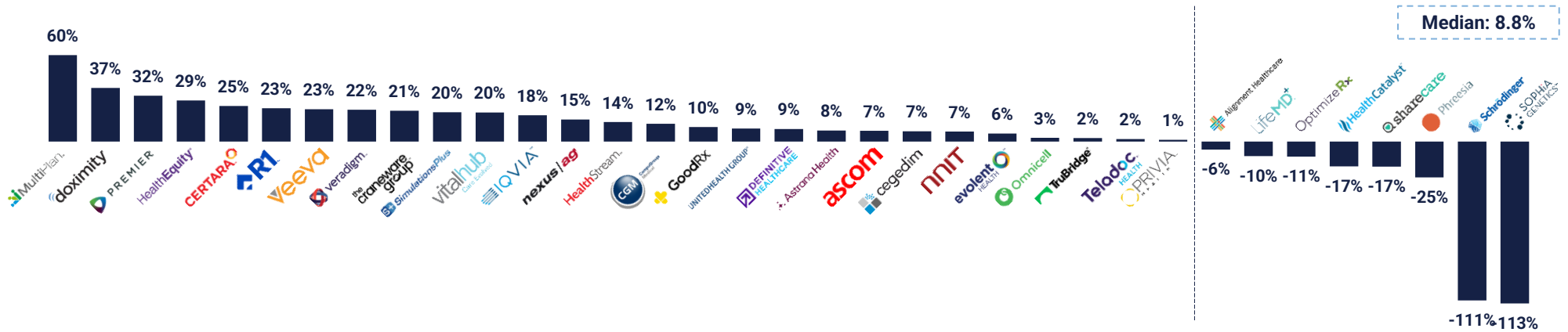
- Cost inflation may turn to cost optimization in the NTM, more than doubling the median HCIT EBITDA margin and causing EBITDA multiples to reside accordingly
- Emergence from inflationary and interest rate pressures may bring investors, with significant available capital, back to the table in the middle market

RCM Population health & risk management Pharma IT Patient facing solutions Care delivery CARLSQUARE Total HCIT Index

Source(s): CapitalIQ as of July 15th, 2024
 1) HCIT sectors include respective comparable companies – See appendix
 2) Multiples reflect median values

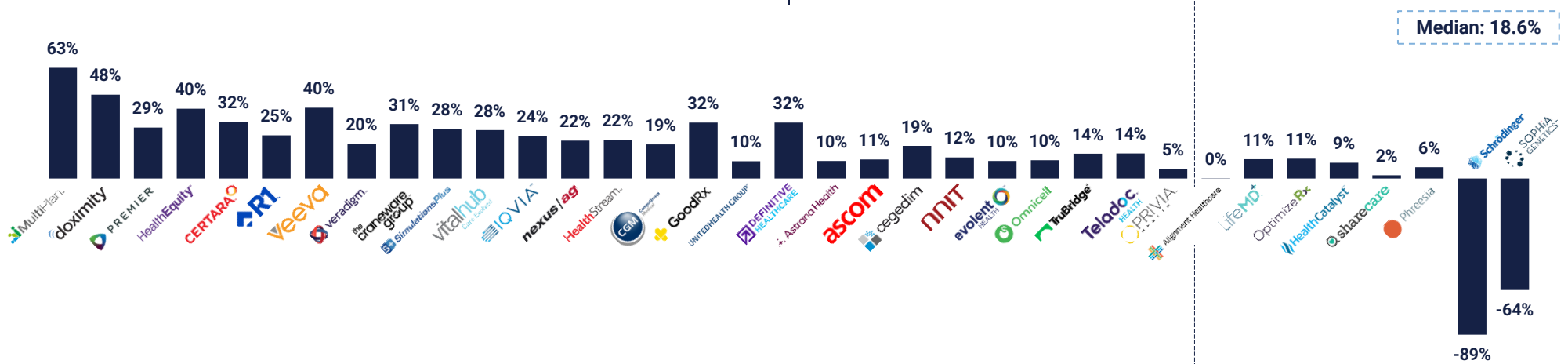
Cost optimization along with residing inflationary and interest rate pressures are expected to expand HCIT NTM EBITDA margins significantly

LTM EBITDA margins



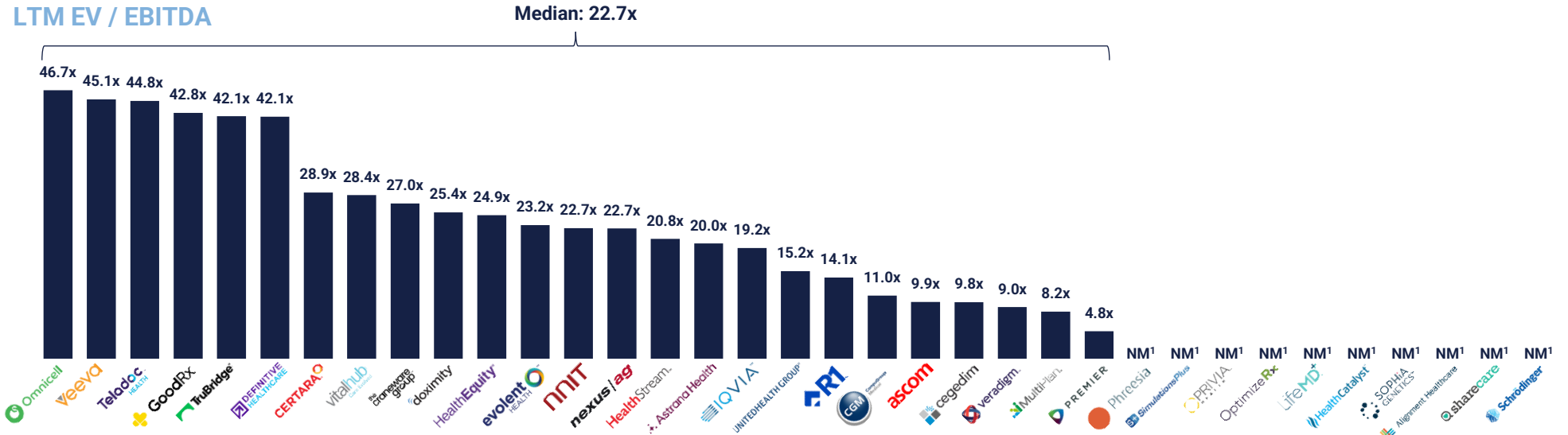
HCIT experienced an 8.8% median LTM EBITDA margin. However, favorable NTM cost projections see a 9.8 percentage point expansion to a 18.6% median NTM EBITDA margin

NTM EBITDA margins

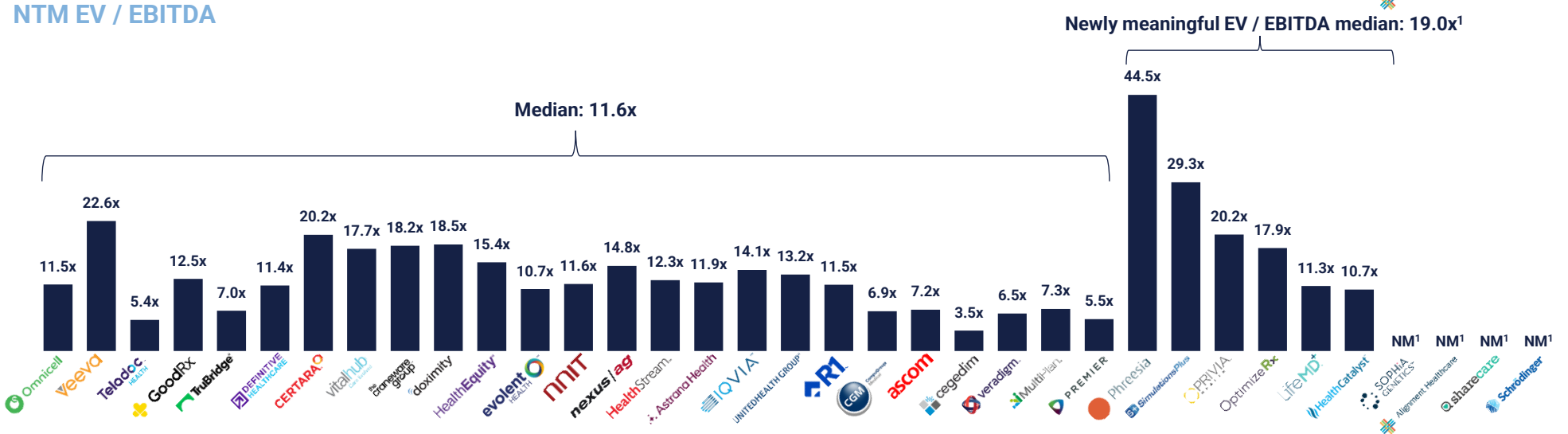


As healthy NTM EBITDA margins return, investors will pay close attention to profitability peer groups when determining relevant EV / EBITDA valuation multiples

LTM EV / EBITDA



NTM EV / EBITDA



Source(s): CapitalIQ as of July 15th, 2024
 Note(s): NM (Not meaningful) is caused by an EBITDA that is negative or multiple that is greater than 50.0x

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Public company operational and valuation metrics (I/II)

\$ in Millions												
	Market	Enterprise	% of 52-week	Revenue Growth		Gross Margin		EBITDA Margin		Enterprise Value /		
Company	Capitalization	Value	High	LTM	NTM	LTM	LTM	NTM	LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
Care Delivery												
UnitedHealth Group Incorporated	\$484,625	\$529,792	92.9%	10.6%	5.0%	23.5%	9.0%	9.9%	1.4x	1.3x	15.2x	13.2x
IQVIA Holdings Inc.	\$41,711	\$53,476	86.3%	3.2%	3.7%	35.1%	18.3%	24.2%	3.5x	3.4x	19.2x	14.1x
Veeva Systems Inc.	\$30,453	\$25,316	78.4%	14.3%	11.8%	72.5%	22.6%	40.4%	10.2x	9.1x	45.1x	22.6x
HealthEquity, Inc.	\$6,744	\$7,437	87.3%	15.8%	16.7%	63.4%	28.6%	39.8%	7.1x	6.1x	24.9x	15.4x
Doximity, Inc.	\$5,855	\$4,529	78.4%	13.5%	7.8%	89.3%	37.4%	47.8%	9.5x	8.8x	25.4x	18.5x
Evolent Health, Inc.	\$2,173	\$2,868	55.0%	46.8%	22.5%	20.6%	5.7%	10.0%	1.3x	1.1x	23.2x	10.7x
Astrana Health, Inc.	\$2,042	\$2,222	95.6%	19.3%	28.1%	16.6%	7.6%	10.0%	1.5x	1.2x	20.0x	11.9x
Teladoc Health, Inc.	\$1,535	\$2,063	30.5%	6.0%	2.6%	70.8%	1.8%	14.3%	0.8x	0.8x	44.8x	5.4x
Privia Health Group, Inc.	\$2,289	\$1,845	63.6%	18.0%	1.7%	9.7%	1.3%	5.3%	1.1x	1.1x	NM	20.2x
CompuGroup Medical SE & Co. KGaA	\$908	\$1,748	32.7%	-4.5%	2.0%	32.2%	12.5%	19.4%	1.4x	1.3x	11.0x	6.9x
Veradigm Inc.	\$1,308	\$1,034	69.9%	2.2%	2.6%	50.6%	18.1%	24.3%	1.6x	1.6x	9.0x	6.5x
Nexus AG	\$1,064	\$951	89.9%	16.6%	8.9%	27.8%	15.4%	21.6%	3.5x	3.2x	22.7x	14.8x
Definitive Healthcare Corp.	\$968	\$949	44.2%	10.3%	2.3%	86.0%	8.8%	31.9%	3.7x	3.6x	42.1x	11.4x
TruBridge, Inc.	\$151	\$338	39.9%	0.4%	1.9%	48.4%	2.4%	14.1%	1.0x	1.0x	42.1x	7.0x
Ascom Holding AG	\$290	\$260	57.2%	0.0%	-5.4%	47.6%	7.5%	10.8%	0.7x	0.8x	9.9x	7.2x
Vitalhub Corp.	\$238	\$235	87.3%	27.9%	17.7%	81.5%	20.3%	27.6%	5.8x	4.9x	28.4x	17.7x
25th Percentile	\$953	\$951	52.3%	3.0%	2.2%	26.8%	7.0%	10.6%	1.3x	1.1x	17.2x	7.1x
Median	\$1,788	\$1,954	74.2%	12.0%	4.3%	48.0%	10.8%	20.5%	1.6x	1.5x	23.2x	12.6x
75th Percentile	\$6,077	\$5,256	87.3%	16.9%	13.0%	71.2%	18.8%	28.7%	4.2x	3.9x	35.3x	16.0x
Population Health & Risk Management												
IQVIA Holdings Inc.	\$41,711	\$53,476	86.3%	3.2%	3.7%	35.1%	18.3%	24.2%	3.5x	3.4x	19.2x	14.1x
Veeva Systems Inc.	\$30,453	\$25,316	78.4%	14.3%	11.8%	72.5%	22.6%	40.4%	10.2x	9.1x	45.1x	22.6x
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Phreesia, Inc.	\$1,264	\$1,248	66.6%	24.0%	17.4%	66.0%	-25.1%	6.4%	3.3x	2.8x	NM	44.5x
Veradigm Inc.	\$1,308	\$1,034	69.9%	2.2%	2.6%	50.6%	18.1%	24.3%	1.6x	1.6x	9.0x	6.5x
Nexus AG	\$1,064	\$951	89.9%	16.6%	8.9%	27.8%	15.4%	21.6%	3.5x	3.2x	22.7x	14.8x
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HealthStream, Inc.	\$878	\$809	98.7%	4.1%	4.3%	66.4%	13.6%	22.2%	2.8x	2.7x	20.8x	12.3x
Cegedim SA	\$213	\$474	58.1%	10.9%	6.0%	41.5%	7.1%	18.6%	0.7x	0.7x	9.8x	3.5x
Sharecare, Inc.	\$482	\$466	76.1%	-8.3%	-3.0%	43.4%	-17.5%	1.8%	1.1x	1.1x	NM	NM
TruBridge, Inc.	\$151	\$338	39.9%	0.4%	1.9%	48.4%	2.4%	14.1%	1.0x	1.0x	42.1x	7.0x
Health Catalyst, Inc.	\$372	\$305	45.3%	5.2%	6.5%	45.6%	-17.2%	9.1%	1.0x	1.0x	NM	10.7x
Sophia Genetics	\$299	\$214	62.4%	26.7%	29.1%	68.0%	-113.0%	-63.5%	3.3x	2.6x	NM	NM
25th Percentile	\$372	\$466	55.0%	3.2%	2.6%	41.5%	-17.2%	9.1%	1.1x	1.1x	19.2x	8.8x
Median	\$968	\$949	66.6%	10.3%	6.0%	48.4%	7.1%	18.6%	2.8x	2.6x	22.7x	11.4x
75th Percentile	\$1,308	\$1,248	78.4%	16.6%	11.8%	66.4%	15.4%	24.2%	3.5x	3.2x	42.1x	14.4x
Carlsquare Total HCIT Index												
25th Percentile	\$385	\$470	53.5%	2.5%	2.5%	33.7%	1.5%	10.0%	1.3x	1.2x	14.1x	9.0x
Median	\$1,201	\$1,317	68.4%	10.8%	7.8%	59.7%	8.8%	18.6%	2.7x	2.0x	22.7x	11.9x
75th Percentile	\$2,239	\$2,731	87.3%	19.0%	17.0%	71.6%	20.4%	28.6%	4.6x	4.3x	28.9x	17.8x

Source(s): CapitalIQ as of July 15th, 2024

Note(s): NM (Not meaningful) is caused by an EBITDA that is negative or multiple that is greater than 50.0x

Public company operational and valuation metrics (II/II)



















Company	\$ in Millions		% of 52-week High	Revenue Growth		Gross Margin		EBITDA Margin		Enterprise Value /			
	Market Capitalization	Enterprise Value		LTM	NTM	LTM	LTM	NTM	LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA	
Patient-Facing Solutions													
HealthEquity, Inc.	\$6,744	\$7,437	87.3%	15.8%	16.7%	63.4%	28.6%	39.8%	7.1x	6.1x	24.9x	15.4x	
Doximity, Inc.	\$5,855	\$4,529	78.4%	13.5%	7.8%	89.3%	37.4%	47.8%	9.5x	8.8x	25.4x	18.5x	
GoodRx Holdings, Inc.	\$3,363	\$3,295	88.7%	2.3%	8.0%	92.4%	10.1%	31.9%	4.3x	4.0x	42.8x	12.5x	
Teladoc Health, Inc.	\$1,535	\$2,063	30.5%	6.0%	2.6%	70.8%	1.8%	14.3%	0.8x	0.8x	44.8x	5.4x	
Alignment Healthcare, Inc.	\$1,687	\$1,650	97.4%	31.8%	10.6%	10.6%	-5.5%	0.2%	0.8x	0.6x	NM	NM	
Phreesia, Inc.	\$1,264	\$1,248	66.6%	24.0%	17.4%	66.0%	-25.1%	6.4%	3.3x	2.8x	NM	44.5x	
LifeMD, Inc.	\$242	\$270	51.9%	32.9%	33.3%	88.2%	-10.1%	11.0%	1.6x	1.2x	NM	11.3x	
OptimizeRx Corporation	\$179	\$209	61.8%	26.7%	32.3%	61.0%	-10.5%	11.3%	2.7x	2.0x	NM	17.9x	
25th Percentile	\$1,008	\$1,003	59.4%	11.6%	7.9%	62.8%	-10.2%	9.8%	1.4x	1.1x	25.3x	11.9x	
Median	\$1,611	\$1,856	72.5%	19.9%	17.0%	68.4%	-1.9%	12.8%	3.0x	2.4x	34.1x	15.4x	
75th Percentile	\$3,986	\$3,603	87.7%	28.0%	32.4%	88.5%	14.7%	33.9%	5.0x	4.5x	43.3x	18.2x	
Pharma IT													
GoodRx Holdings, Inc.	\$3,363	\$3,295	88.7%	2.3%	8.0%	92.4%	10.1%	31.9%	4.3x	4.0x	42.8x	12.5x	
Certara, Inc.	\$2,493	\$2,594	78.8%	4.7%	10.9%	59.7%	24.9%	32.1%	7.2x	6.5x	28.9x	20.2x	
Premier, Inc.	\$2,189	\$2,035	65.5%	0.0%	-4.9%	66.2%	32.0%	29.1%	1.5x	1.6x	4.8x	5.5x	
Schrödinger, Inc.	\$1,633	\$1,344	40.2%	-4.4%	15.6%	60.4%	-111.0%	-89.0%	7.1x	6.2x	NM	NM	
Omnicell, Inc.	\$1,201	\$1,317	36.4%	-13.0%	-0.7%	42.6%	2.6%	10.5%	1.2x	1.2x	46.7x	11.5x	
Definitive Healthcare Corp.	\$968	\$949	44.2%	10.3%	2.3%	86.0%	8.8%	31.9%	3.7x	3.6x	42.1x	11.4x	
Simulations Plus, Inc.	\$865	\$734	80.8%	20.3%	32.6%	72.5%	20.4%	28.2%	11.0x	8.3x	NM	29.3x	
Cegedim SA	\$213	\$474	58.1%	10.9%	6.0%	41.5%	7.1%	18.6%	0.7x	0.7x	9.8x	3.5x	
NNIT A/S	\$398	\$407	93.3%	15.2%	14.0%	25.8%	7.0%	12.0%	1.6x	1.4x	22.7x	11.6x	
25th Percentile	\$865	\$734	44.2%	0.0%	2.3%	42.6%	7.0%	12.0%	1.5x	1.4x	16.3x	9.9x	
Median	\$1,201	\$1,317	65.5%	4.7%	8.0%	60.4%	8.8%	28.2%	3.7x	3.6x	28.9x	11.6x	
75th Percentile	\$2,189	\$2,035	80.8%	10.9%	14.0%	72.5%	20.4%	31.9%	7.1x	6.2x	42.4x	14.4x	
Revenue Cycle Management													
R1 RCM Inc.	\$5,364	\$7,590	68.4%	17.6%	16.5%	20.8%	23.3%	24.5%	3.3x	2.8x	14.1x	11.5x	
MultiPlan Corporation	\$256	\$4,745	18.3%	-5.8%	7.3%	74.9%	60.3%	63.1%	4.9x	4.6x	8.2x	7.3x	
Premier, Inc.	\$2,189	\$2,035	65.5%	0.0%	-4.9%	66.2%	32.0%	29.1%	1.5x	1.6x	4.8x	5.5x	
CompuGroup Medical SE & Co. KGaA	\$908	\$1,748	32.7%	-4.5%	2.0%	32.2%	12.5%	19.4%	1.4x	1.3x	11.0x	6.9x	
Phreesia, Inc.	\$1,264	\$1,248	66.6%	24.0%	17.4%	66.0%	-25.1%	6.4%	3.3x	2.8x	NM	44.5x	
Craneware plc	\$1,058	\$1,047	92.1%	6.2%	2.3%	85.4%	21.5%	31.1%	5.8x	5.7x	27.0x	18.2x	
Veradigm Inc.	\$1,308	\$1,034	69.9%	2.2%	2.6%	50.6%	18.1%	24.3%	1.6x	1.6x	9.0x	6.5x	
TruBridge, Inc.	\$151	\$338	39.9%	0.4%	1.9%	48.4%	2.4%	14.1%	1.0x	1.0x	42.1x	7.0x	
25th Percentile	\$745	\$1,044	38.1%	-1.1%	2.0%	44.4%	10.0%	18.1%	1.5x	1.5x	8.6x	6.8x	
Median	\$1,161	\$1,498	66.1%	1.3%	2.5%	58.3%	19.8%	24.4%	2.5x	2.2x	11.0x	7.1x	
75th Percentile	\$1,528	\$2,712	68.8%	9.0%	9.6%	68.4%	25.5%	29.6%	3.7x	3.3x	20.5x	13.2x	
Carlsquare Total HCIT Index													
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Source(s): CapitalIQ as of July 15th, 2024

Note(s): NM (Not meaningful) is caused by an EBITDA that is negative or multiple that is greater than 50.0x

Selected HCIT transactions (I/II)


Recent selected HCIT deals

Date	Target	Subsector	Target description	Investor / Acquiror	Implied EV (\$M)	Revenue multiple
July 24	 MicroMD	Patient-facing	Digital enablement and patient-focused EHR solutions	 practicesuite	Conf.	Conf.
Jun 24	 MACHINIFY AI assets	Care delivery	AI software to increase quality, and speed of clinical reviews	 evolent HEALTH	NA	NA
May 24	 Algorics	Population health & risk	Cloud-based clinical data management platform	 PRECISION for medicine	NA	NA
May 24	 membersy klear	Dental care	Dental practice membership and management platform	 Charlesbank	Conf.	Conf.
Apr 24	 enovation [™] care to connect	Care delivery	Remote patient monitoring software	 legrand [®]	538	6.6x
Apr 24	 SunFire	Patient-facing	IT services and solutions for insurance distribution markets	 KKR	NA	NA
Mar 24	 CLOUDBREAK	Patient-facing	Video-focused language interpretation telemedicine service	 GTCR	180	2.5x
Mar 24	 RevSpring	RCM	Billing, customer communications and payment services	 FRAZIER HEALTHCARE PARTNERS	NA	NA
Feb 24	 healthwise [®]	Care delivery	Provider of care delivery technology solutions	 WebMD Ignite [™]	NA	NA
Feb 24	 figure1	Population health & risk	Medical collaboration and knowledge sharing platform	 PHYSICIAN'S WEEKLY	NA	NA
Feb 24	 twill	Patient-facing	Mental and physical health care and wellness software	 DARIO HEALTH	36	3.4x
Feb 24	 elevate HEALTHCARE	Care delivery	Simulation-based technology and education technology	 MADISON INDUSTRIES	231	1.5x
Feb 24	 HSH UK	Patient-facing	Outpatient consultations and appointment booking platform	 AVA	NA	NA
Jan 24	 EZ PDERM	Care delivery	Dermatology EHR, practice management, and patient solutions	 Serent CAPITAL	NA	NA
Jan 24	 simplepractice	Care delivery	Practice management platform for health and wellness industry	 VISTA	NA	NA

 Transaction led by CARLSQUARE

Selected HCIT transactions (II/II)

Recent selected HCIT deals

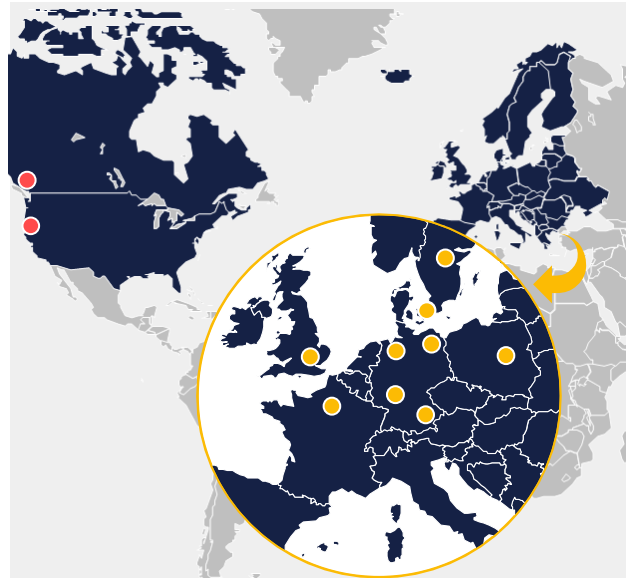
Date	Target	Subsector	Target description	Investor / Acquiror	Implied EV (\$M)	Revenue multiple
Dec 23	 PharmaForce™	Pharma IT	Pharmacy 340B administration and benefits management	 AQUILINE CAPITAL PARTNERS LLC	NA	NA
Dec 23	 MEDHOST®	Multiple	RCM, patient engagement, and clinical solutions platform	 HARRIS	NA	NA
Dec 23	 ADVENT HEALTH PARTNERS	RCM	Revenue cycle, billing reviews, and payment integrity solutions	 TREND HEALTH PARTNERS	NA	NA
Dec 23	 buchner	Care delivery	Practice management software for healthcare therapists	 MAIN CAPITAL PARTNERS	NA	NA
Nov 23	 HealthTrio®	Population health	Comprehensive health management and engagement	 mPulse mobile	NA	NA
Nov 23	 nextgen. healthcare	Care delivery	Electronic health and medical record software	 THOMABRAVO	1,600	2.3x
Nov 23	 Mayden	Care delivery	Patient management, care records and admin platform	 CSQUARE	NA	NA
Nov 23	 TabulaRasa HealthCare®	Pharma IT	Pharmacy management and administration platform	 NAUTIC	507	1.5x
Oct 23	 AQuity Solutions	RCM	Clinical documentation and revenue integrity solutions	 IKS® HEALTH Quality Practice Quality Care	200	1.1x
Oct 23	 CANTATA HEALTH SOLUTIONS	Care delivery	EHR, RCM, medication management, and patient portal provider	 TT CAPITAL PARTNERS	NA	NA
Oct 23	 EMIS Group	Care delivery	Horizontal clinical technology and patient management solutions	 UNITEDHEALTH GROUP®	1,451	6.8x
Oct 23	 pcare	Patient-facing	Interactive patient engagement and education solutions	 uniguest	NA	NA
Oct 23	 ACU-SERVE Collecting More, Faster	RCM	Billing, collections, compliance, revenue recovery software	 LMP LOWELL MINNICK PARTNERS Industry Experts. Collaborative Partners.	NA	NA
Aug 23	 Nextech	Care delivery	EHR, practice management, and patient engagement software	 TPG	1,405	NA

 Transaction led by  CARLSQUARE

Carlsquare is a leading global independent M&A advisory firm

Investment Banking for Global Minds

We advise on the whole company lifecycle, from growth equity and M&A to debt advisory and ECM



- Our locations
- Berlin
 - Copenhagen
 - Frankfurt
 - Hamburg
 - London
 - Munich
 - Paris
 - San Francisco**
 - Stockholm
 - Vancouver**
 - Warsaw

Track Record	Focus Areas	Global Reach	Clients	Organisation
<p>110+ transactions in the past 2 years</p> <p>>520 transactions over the past 20 years</p>	<p>M&A: Entrepreneur & sponsor sell-side and buy-side ECM Equity Research Debt Advisory</p>	<p>8 countries</p>	<p>Entrepreneurs</p> <p>Financial sponsors</p> <p>Public companies</p>	<p>160+ employees</p> <p>21 partners</p> <p>11 locations</p>

Carlsquare has deep-rooted experience advising leading HCIT companies

<p>membersy</p> <p>HAS MERGED WITH</p> <p>COMBINED ENTITY HAS BEEN ACQUIRED BY</p>	<p>Streamline Health*</p> <p>HAS ACQUIRED</p>	<p>practicesuite <small>Practice Profitably</small></p> <p>HAS ACQUIRED</p> <p>A SUBSIDIARY OF</p>	<p>HAS BEEN ACQUIRED BY</p>	<p>RemitDATA <small>TRANSFORMING HEALTHCARE</small></p> <p>HAS BEEN ACQUIRED BY</p> <p>A PORTFOLIO COMPANY OF</p>	<p>HAS COMPLETED A CONTROL TRANSACTION WITH</p>
<p>HAS BEEN ACQUIRED BY</p>	<p>WebPT®</p> <p>RECEIVED A MAJORITY INVESTMENT FROM</p>	<p>ClarusHealth <small>SOLUTIONS</small></p> <p>HAS BEEN ACQUIRED BY</p>	<p>VYNE</p> <p>A PORTFOLIO COMPANY OF</p> <p>HAS BEEN ACQUIRED BY</p>	<p>HAS BEEN ACQUIRED BY</p>	<p>Preglife</p> <p>HAS RECEIVED AN EQUITY INVESTMENT FROM</p>
<p>HAS RECEIVED AN INVESTMENT FROM</p>	<p>F2 HEALTHCARE</p> <p>HAS BEEN ACQUIRED BY</p> <p>A PORTFOLIO COMPANY OF</p>	<p>AdvancedMD</p> <p>HAS BEEN ACQUIRED BY</p>	<p>HAS BEEN ACQUIRED BY</p>	<p>Medfusion</p> <p>HAS BEEN ACQUIRED BY</p>	<p>HAS BEEN ACQUIRED BY</p>
<p>HAS BEEN ACQUIRED BY</p>	<p>HAS BEEN ACQUIRED BY</p>	<p>HAS BEEN ACQUIRED BY</p>	<p>hellohealth*</p> <p>SOLD TO</p>	<p>Payerpath</p> <p>HAS BEEN ACQUIRED BY</p>	<p>WebMD</p> <p>HAS RECEIVED AN EQUITY INVESTMENT FROM</p>

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