

Market Update

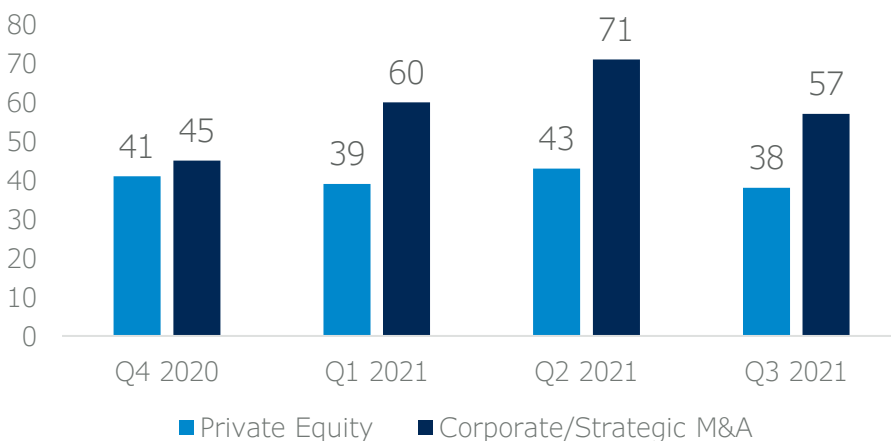
Healthcare IT & Consulting

Earlier this month, UnitedHealthcare launched a virtual-first health plan followed by similar announcements from Cigna, Aetna, and Centene.

The world's leading brands are increasingly steering their marketing, advertising, & development budgets toward digital experiences. As every company becomes a digital-first company, a rapidly growing market opportunity has emerged to help companies deliver the most engaging customer experiences by providing integrated, comprehensive solutions and complimentary services. In no industry is the shift in how companies interact with their customers more transformative or urgent than in healthcare.

Demand for next-gen Customer Experience (CX) is explosive in Pharma, Payer, and Provider. See our "Sector Snapshot" for a deep-dive into each of these verticals and how market leaders are embracing the "digital first" mindset and creating patient-centric, disruptive experiences and solutions.

of Deals in Healthcare IT & Consulting

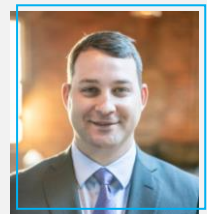


7MA has completed and is currently marketing numerous M&A opportunities for companies operating in the Healthcare IT & Consulting ecosystem and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most the active strategic and financial buyers. Please contact Ben Garber, Steve Buffington, Conor Smith, or Adam Alderfer if you would like to learn more about 7MA's Healthcare IT & Consulting practice.

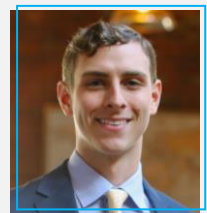
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Healthcare Goes Digital First

Pharma and Life Sciences:

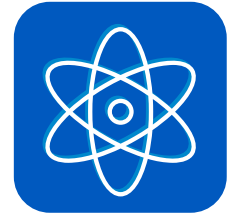
Digital transformation in pharma and life sciences is rapidly accelerating. As the Covid-19 Pandemic shut down all forms of face-to-face interaction across the globe, physician practices closed their doors to nearly all pharma sales reps. 58% of physicians surveyed reported interest in increased utilization of digital tools to interact with sales reps, suggesting the change in the role of the rep and the way they interact is here to stay. The old sales channel of pharma rep to physician and physician to patient has been disrupted and displaced by more direct to patient interactions driving acquisition, adherence, and retention.

Payer:

Health plans could save \$16.3B per year by automating administration, a savings opportunity greater than any other healthcare segment. Simultaneously, consumerism in healthcare is putting pressure on payers to provide retail-quality customer experiences. Payer opportunities are numerous and diverse, including Product Development & Administration, Member Engagement, Network and Care Management, and Risk & Compliance.

Provider:

The COVID-19 Pandemic has further applied pressures to all areas of the healthcare system, with acute impacts felt by hospitals. Hospitals and health systems must leverage AI to free clinicians from complex administrative tasks so that they can spend more time on direct patient care. 43% of healthcare executives ranked automating business processes, such as customer service, as their first choice for investment in AI technology. The rise of healthcare consumerism and increased competition from commercial providers has added greater urgency to hospitals' desire to improve patient access and patient engagement.



M&A Spotlight



TTEC Holdings, Inc. (NASDAQ: TTEC), one of the largest global CX (customer experience) technology and services innovators for end-to-end digital CX solutions acquired **Avtex**, an award-winning full-service CX technology and solutions leader. Avtex's services are complementary to TTEC's well-established CX-as-a-Service (CXaaS) customer experience technology and services platform. With this acquisition, TTEC has expanded its position as one of the leading global CX technology innovators and largest providers of end-to-end digital customer experience solutions worldwide.

The acquisition of Avtex added over 1,000 clients across North America and over 500 experienced CX engineers, data scientists, and solution architects who design, deploy and support complex, integrated digital solutions. The transaction meaningfully expanded TTEC's footprint within banking, financial services, insurance, credit unions, public sector, healthcare, and e-commerce clients, combining TTEC's enterprise focus with the mid-market strengths of Avtex.

Deal Details

Date: April 20, 2021

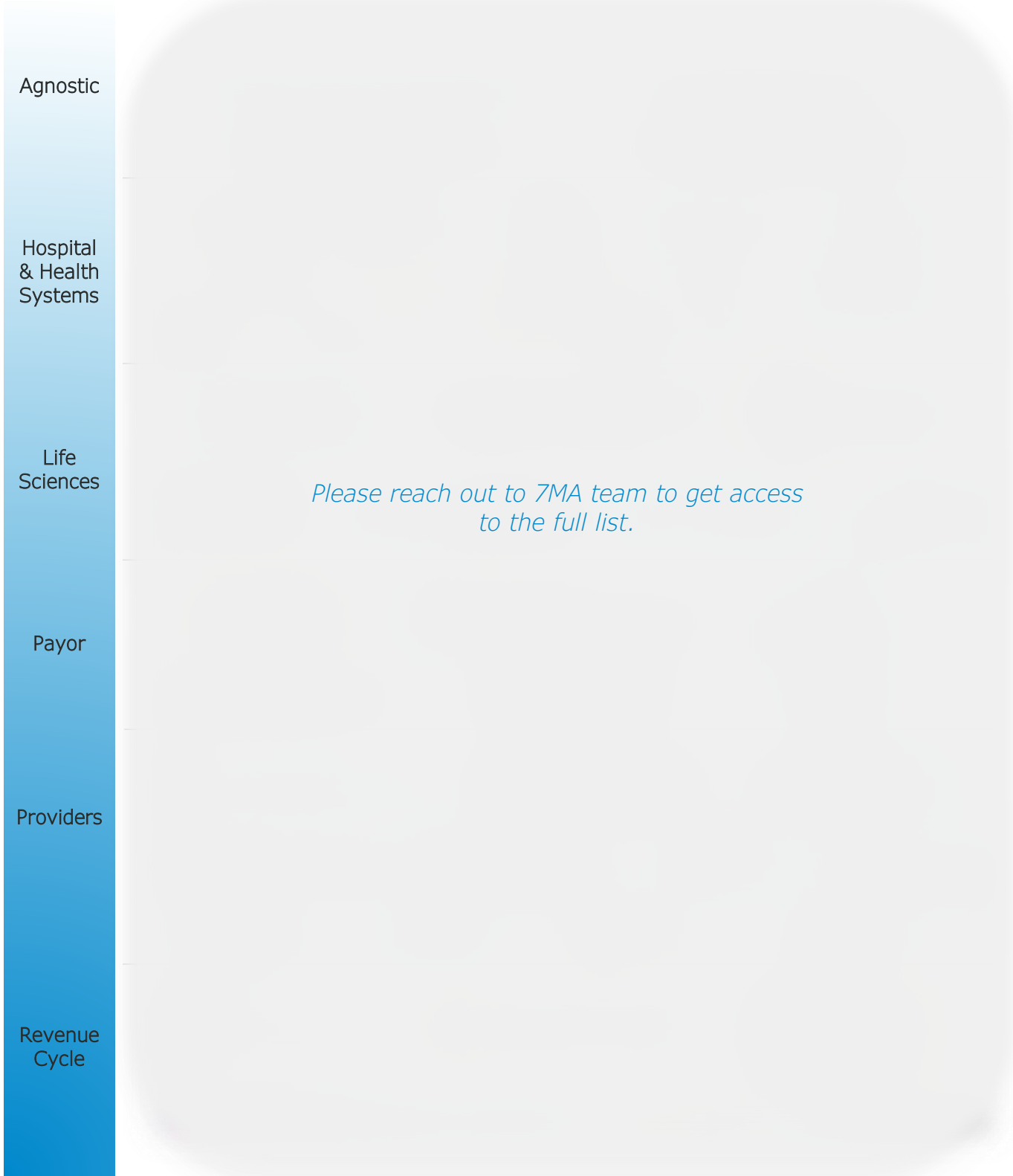
Deal Type: M&A

Target HQ: USA

Enterprise Value:
~\$500m

Implied Revenue/EV Multiple: 3.12x

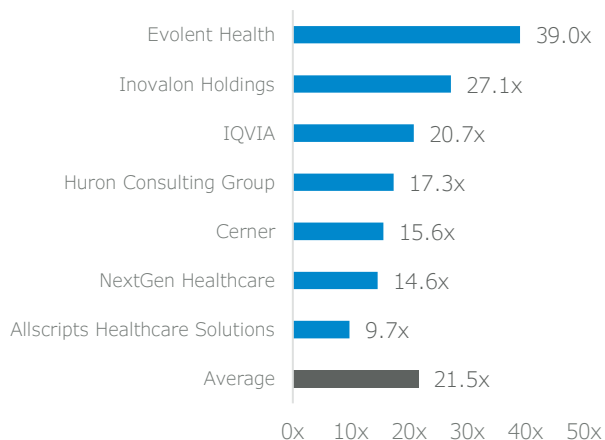
Industry Vertical



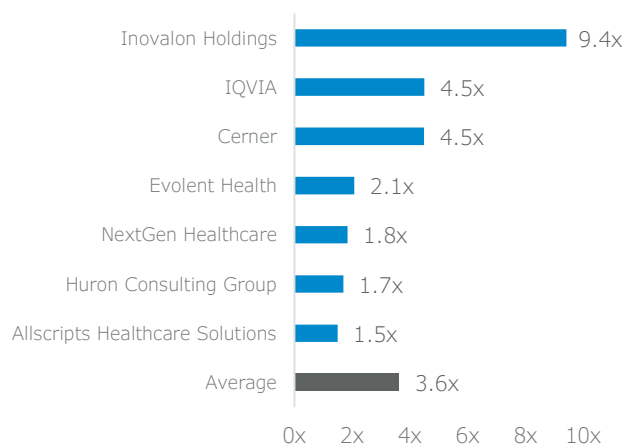
Publicly-traded Healthcare IT & Consulting Companies – Q3 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
NextGen Healthcare	915	61	572	3%	51%	11%	1.6x	15.0x	3,038	30
Huron Consulting Group	1,489	83	847	-10%	28%	10%	1.8x	18.0x	3,807	39
Allscripts Healthcare Solutions	1,955	242	1,422	-8%	38%	17%	1.4x	8.1x	8,400	23
Evolution Health	2,797	58	1,021	21%	32%	6%	2.7x	48.1x	2,900	96
Inovalon Holdings	6,919	249	719	4%	74%	35%	9.6x	27.7x	2,343	295
Cerner	21,796	1,618	5,608	-3%	83%	29%	3.9x	13.5x	26,400	83
IQVIA	56,620	2,805	12,931	2%	34%	22%	4.4x	20.2x	74,000	77
Average	13,213	731	3,303	1%	49%	18%	3.6x	21.5x	17,270	92
Median	2,797	242	1,021	2%	38%	17%	2.7x	18.0x	3,807	77

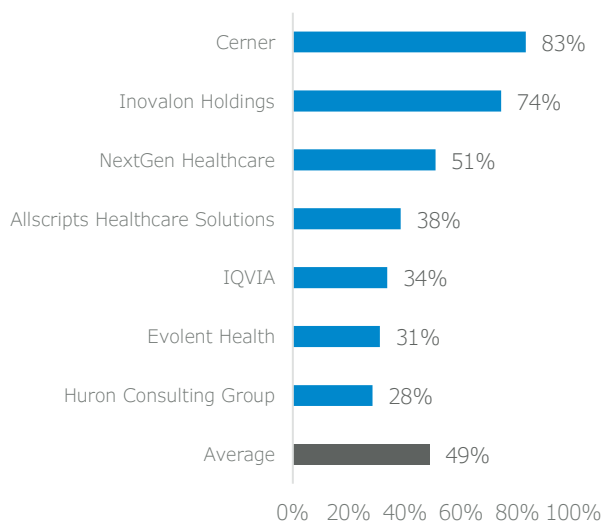
TEV / EBITDA X



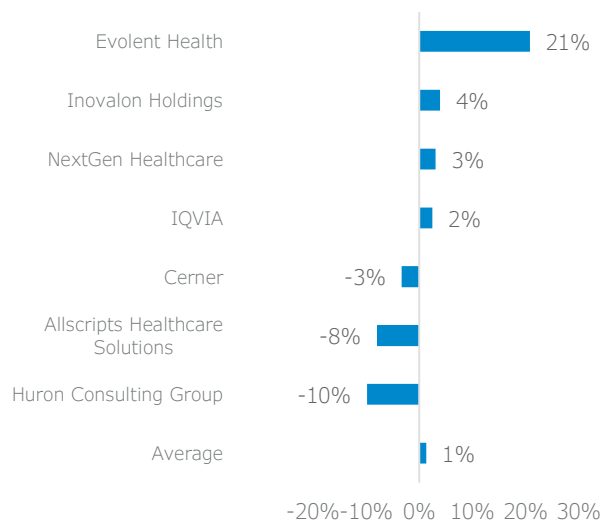
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q3 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
October 2021			<ul style="list-style-type: none"> MediStreams, a leading provider of remittance, reconciliation, and payment automation revenue cycle management solutions for healthcare providers, received a growth equity investment from TT Capital Partners (“TTCP”), a leading healthcare private equity investor, to fuel ongoing business momentum. Founded in 2009, MediStreams has grown quickly with investments by the founders and angel investors and is well-positioned for continued success.
September 2021			<ul style="list-style-type: none"> Baxter International Inc. (NYSE:BAX), a leading global medical products company, and Hillrom (NYSE:HRC), a global medical technology leader, announced that that Baxter has entered into a definitive agreement to acquire Hillrom. Hillrom brings a highly complementary product portfolio and innovation pipeline that will enable Baxter to provide a broader array of medical products and services to patients and clinicians across the care continuum
August 2021			<ul style="list-style-type: none"> Inovalon (Nasdaq: INOV), a leading provider of cloud-based platforms empowering data-driven healthcare, was acquired by an equity consortium led by Nordic Capital, and joined by Insight Partners, as lead co-investor, 22C Capital
August 2021			<ul style="list-style-type: none"> Streamline Health Solutions, Inc. (NASDAQ: STRM) (“Streamline”) provider of the eValuator™ Revenue Integrity Program which helps healthcare providers proactively address revenue leakage and compliance exposure, acquired Avelead Consulting, LLC (“Avelead”), a recognized leader in providing solutions and services to improve Revenue Integrity for healthcare providers nationwide.
August 2021			<ul style="list-style-type: none"> Relatient, Inc., the leading SaaS-based, patient engagement platform, merged with Radix Health while also raising \$100+ million of additional growth equity capital from its existing investor, Brighton Park Capital and its affiliates. Through the merger, Relatient adds Radix Health's suite of cutting-edge, enterprise-grade patient access solutions to its existing platform to continue to optimize provider schedules, increase patient satisfaction, and improve outcomes for healthcare organizations.
August 2021			<ul style="list-style-type: none"> Bounteous, a leading insights-driven digital experience consultancy, received an investment from New Mountain Capital. Bounteous quickly scaled its platform via the acquisitions of LunaMetrics, Infield Digital, Archer Group, FortyFour, Lister Digital, and most recently Hathway. These acquisitions helped expand Bounteous’ capabilities into strategy, experience design, marketing analytics, and more spanning the digital landscape.

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



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Notable 7 Mile Transactions

