



Healthcare Services

Earnings Call Synopsis / Q3 2018 Results

Content



Summary

Earnings Call Overview / Players In The Industry
Financial Trends and Transactions

ABOUT 7 MILE ADVISORS

7 Mile Advisors is a partner-led middle-market investment banking firm providing strategic M&A, private capital transactions, and market insight for business owners, corporations, and private equity firms.

The 7MA team has completed over 120 transactions in the IT Services sector. We provide pragmatic advice, sector expertise and innovative processes to help clients adeptly navigate the decision tree. Our high-touch processes with senior-led deal teams are the cornerstone of the 7MA process.

Select Recent Transactions



* Deal executed by 7 Mile Advisors Principal while in another firm

SUMMARY

We are pleased to present our Fourth Quarter 2018 review of the Healthcare Consulting and IT Services sector, which consists mainly of a mix of buyers providing management consulting, technology-enabled services and technology platforms for the healthcare provider sector.

Key trends in this sector include:

- 1. Continued Strong Demand for Consulting:** The U.S. healthcare consulting market is booming. Last year it was valued at around \$45 billion, with that figure projected to break the \$60 billion barrier by the end of 2019, per a study by Consulting.org. Healthcare IT demand drove the growth, followed by the adoption of cloud technology in healthcare and increased industry digitalization. (1)
- 2. Healthcare Costs Continue to Rise:** Despite all efforts, healthcare costs continue to grow at, or above, historical levels: PwC estimated 6% growth in 2019, approximately the average during the last 5 years, despite significant investment and initiatives to deliver services more efficiency and control utilization. (2)
- 3. Healthcare Executives Reinventing Patient Experience:** As healthcare executives manage the path to accountable care and re-invent the patient experience, the biggest areas of investment by healthcare provider organizations continues to be value-based care delivery initiatives, patient engagement and care management, and enterprise digital. At the same time, healthcare executives are searching for ways to demonstrate a return on investment for IT technology, including the estimated \$30B-plus related to EMR in 2018.

Trends and Technology to watch for in 2019:

- 1. Continued push by CMS and payers to shift from volume to value-based care reimbursement, while at the same time achieving improved health outcomes (Forbes predicts 15% of 2019 payments will be value-based).
- 2. Patient data will become better integrated into the clinical workflow, creating new opportunities for health organizations as well as their partners and suppliers.
- 3. Provider group M&A may slow in 2019, but healthcare services, HCIT investments, and M&A will continue to be strong.
- 4. Digital healthcare and the deployment of AI and predictive analytics will continue to expand, most notably through mobile health, home healthcare, and the internet of things.
- 5. Telemedicine will begin to provide meaningful, and more efficient, patient access.
- 6. Non-traditional players will continue to attempt to disrupt the healthcare sector, primarily for big opportunities.

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HEALTHCARE IT AND CONSULTING INDUSTRY OVERVIEW

At the end of Q3 all but one of the public peers showed YoY revenue growth. Of the two companies that had negative EBITDA growth, both continued to produce strong margins and earnings.

7MA has identified over 350 healthcare transactions in Q3/18 totaling over \$25B, consistent with both 2017 and Q1/Q2 levels growth.

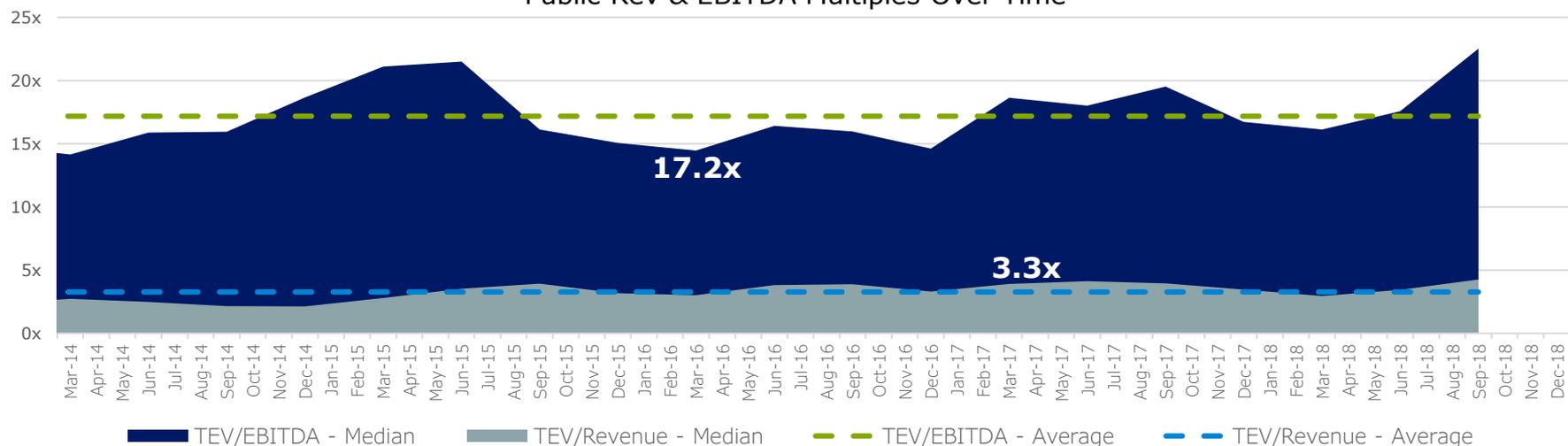
The largest announced deal was in August when Global Payments Inc. (NYSE:GPN), a leading worldwide provider of payment technology and software solutions, announced that it would acquire AdvancedMD from Marlin Equity Partners. AdvancedMD provides cloud-based software as a service (SaaS) solutions to small- to medium-sized ambulatory physician practices in the United States. The transaction is expected to close in Q4.



PUBLIC BASKET AND VALUATION TRENDS

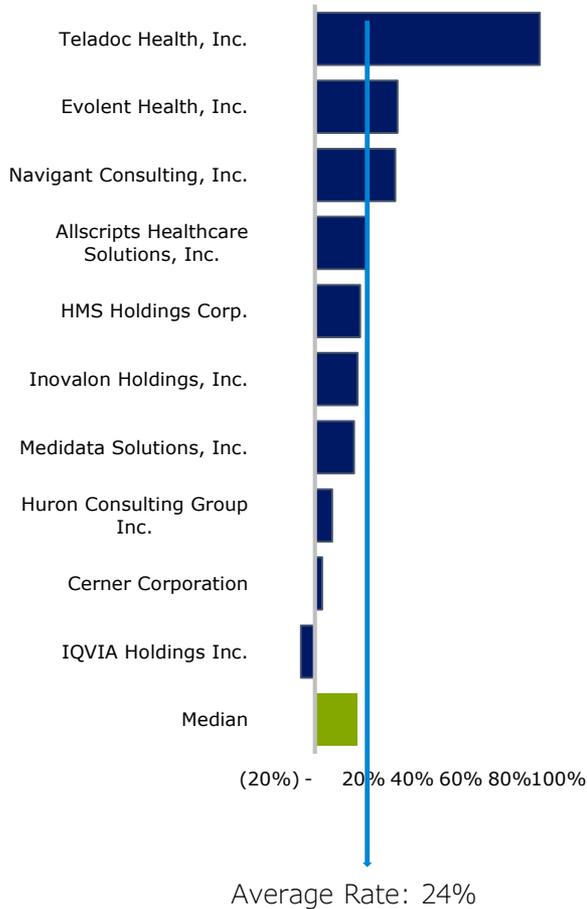
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Navigant Consulting, Inc.	817	957	33%	30%	13%	0.9	6.6	6,008	159
Huron Consulting Group Inc.	1,511	776	7%	35%	12%	1.9	16.3	3,083	252
Evolent Health, Inc.	1,924	548	34%	40%	-2%	3.5	0.0	2,600	211
Inovalon Holdings, Inc.	2,881	506	17%	71%	20%	5.7	28.3	1,758	288
HMS Holdings Corp.	3,115	591	19%	39%	21%	5.3	25.4	2,500	236
Allscripts Healthcare Solutions, Inc.	3,997	2,079	21%	48%	4%	1.9	43.9	8,900	234
Teladoc Health, Inc.	4,314	372	92%	70%	-10%	11.6	0.0	1,231	302
Medidata Solutions, Inc.	4,621	611	16%	76%	15%	7.6	51.7	1,680	364
Cerner Corporation	18,708	5,213	3%	84%	24%	3.6	14.9	26,000	200
IQVIA Holdings Inc.	35,011	8,603	-6%	43%	21%	4.1	19.1	55,000	156
Average	7,690	2,026	24%	54%	12%	4.6	20.6	10,876	240
Median	3,556	694	18%	45%	14%	3.8	17.7	2,842	235

Public Rev & EBITDA Multiples Over Time



OPERATIONAL METRICS

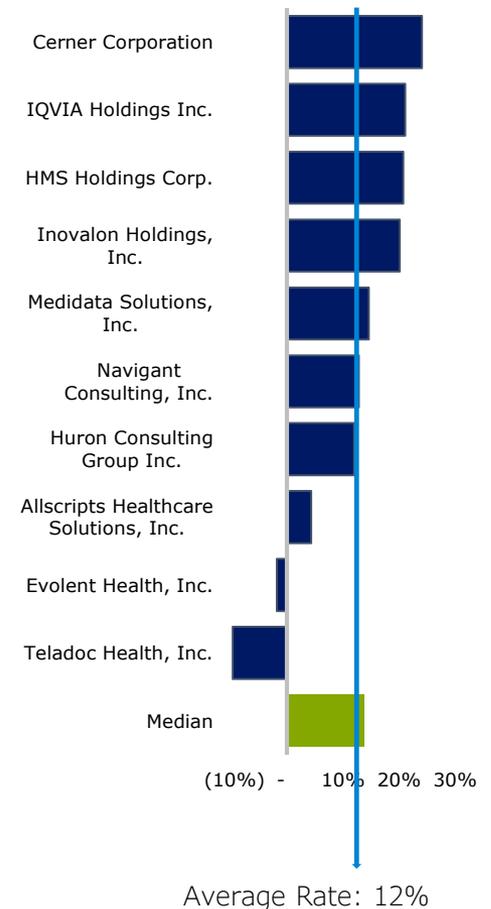
LTM Revenue Growth %



LTM Gross Profit Margin %



LTM EBITDA %

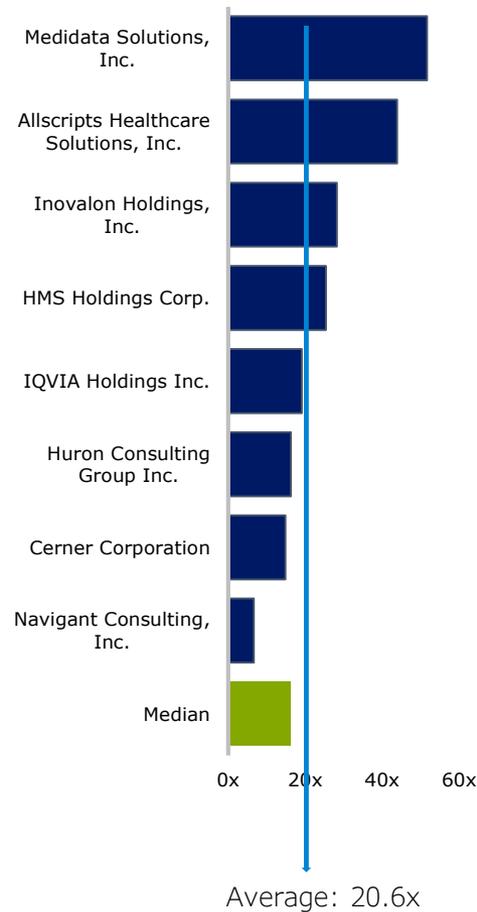


VALUATION

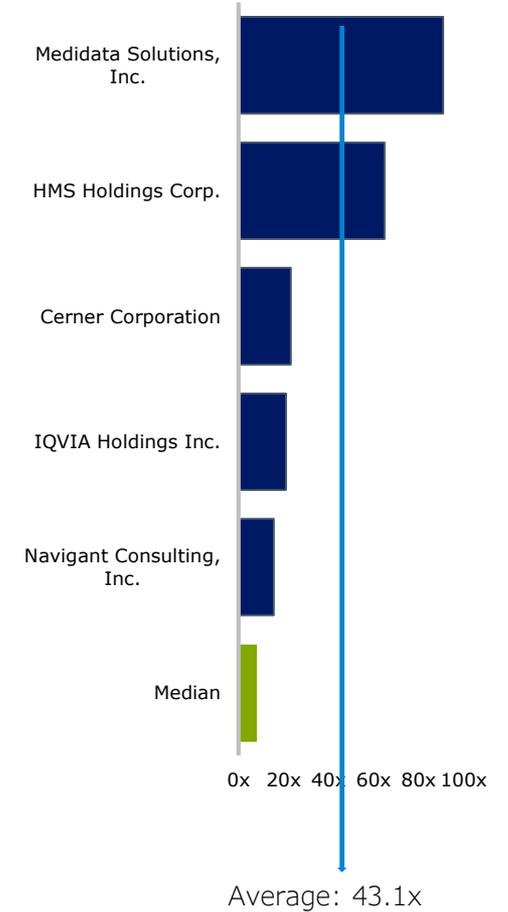
TEV / LTM Revenue



TEV / LTM EBITDA



Price / LTM Earnings



Commentary

"We did see improvements in demand in healthcare consulting as the quarter progressed, and we feel very good about the long-term demand and environment across the portfolio." — Julie Howard, Chairman and CEO

Highlights

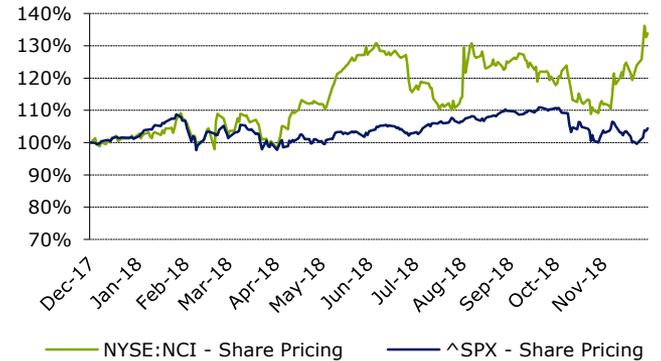
For the quarter ending September 30, 2018:

- Navigant launched a new managed services engagement with a prominent consumer finance company to supplement and support its anti-money-laundering and transaction monitoring capabilities. This is a multiyear engagement and a blueprint for how Navigant can leverage technology and its industry expertise to bring solution-based services to clients, while delivering value for all stakeholders.
- Navigant developed several partnerships with analytics and machine learning companies, including expanding its recently formed relationship with Ayasdi to help build a suite of offerings around predictive analytics for clients. These solutions include the first regulatory approved AI machine learning tool for use in transaction monitoring for some of the company's financial services clients, as well as a clinical variation analysis for its healthcare clients.
- The company remains focused on continuing to improve its Technology Data and Process margins, primarily in healthcare managed services business through greater scale and improved operational execution.

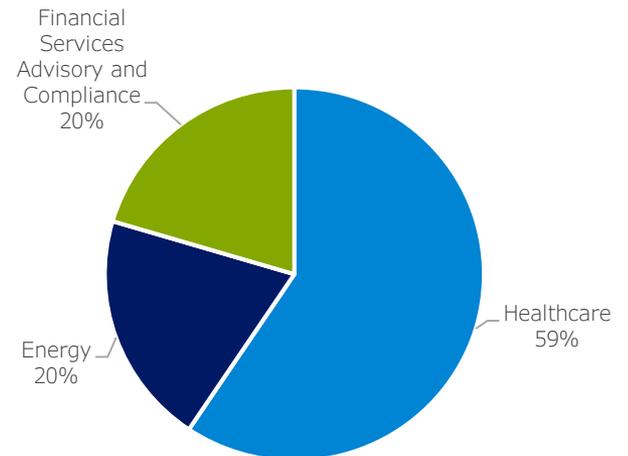
News

- [Ankura Consulting Group, LLC entered into a definitive agreement to acquire Thoreau Holdco, LLC and Navigant Consulting \(Europe\) Ltd. from Navigant Consulting, Inc. for \\$470 million on June 23, 2018.](#)
- [Navigant, Lumere Collaborate to Help Healthcare Providers Target Clinical and Financial Variation](#)

Market Performance (LTM)



Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR

Commentary

"Our health care business continues to focus on providing our clients with leading offerings in performance improvement, leadership excellence and technology services that enhance the ability of providers to compete in the rapidly evolving health care market." — Jim Roth, CEO and President

Highlights

For the quarter ending September 30, 2018:

- Huron continues to grow its client base, reflecting a strong track record of winning assignments, particularly in large hospital systems and economic medical centers, where the size and degree of complexity of these engagements are an excellent fit for the company's competencies. Huron recently hosted a summit for approximately 25 CEOs of the nation's top health systems and hospitals that reaffirmed their belief that the health care market will continue to seek the company's transformational services as it evolves at a rapid pace.
- The Enterprise Solutions and Analytics business grew revenues organically in the mid-single-digit range over the prior year quarter, primarily driven by Huron's Enterprise Performance Management and ERP solutions. The company continues to broaden its competencies in this practice, including expanding analytics capabilities to help clients use data to make better, more informed decisions to further the company's competitive advantage.
- The Innosight business won some notable engagements with large health systems and academic medical centers. Innosight has also seen success in working with Huron's health care and education experts to grow its presence, expand relationships and deliver additional value in those markets.

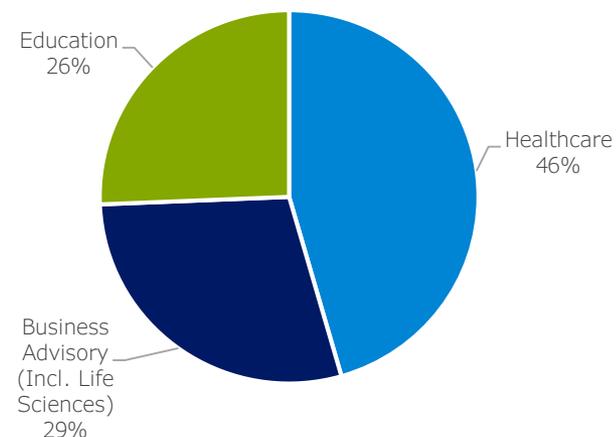
News

- [SiriusDecisions Recognizes Huron Consulting Group as Winner of the 2018 Return on Integration \(ROI\) Awards](#)

Market Performance (LTM)



Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR

Commentary

“Inovalon’s increasing mix of high-value SaaS-based solutions, as well as our ongoing investments in automation and efficiencies, allowed the Company to continue its strong margin expansion and solid cash flow in the third quarter.” — Jonathan Boldt, VP, Finance and Interim CFO

Highlights

For the quarter ending September 30, 2018:

- Inovalon is seeing a strong inflection in its business, with the unique data, connectivity, analytics, and compute speeds of the Inovalon ONE Platform — seeing increased demand in the marketplace, providing differentiation and value for clients, growth, and profitability.
- Inovalon saw strength in all areas of the business; with virtually every segment showing strong ACVs, up significantly year over year. The strongest three are payer, provider, and pharmacy. The company signed more than 82 new logos this year, up significantly.
- Inovalon achieved a meaningful transformation of the company to a cloud-based platform provider, with 83% of revenue now attributed to a subscription-based contract. The revenue implications of transitioning from legacy contracts to subscription-based contracts are well known in the software industry.
- The market demand for Inovalon’s data-driven platform is strong and growing, demonstrated in annual revenue retention rates that are now up at 103%, an 8% increase year over year.

News

- [Leading health plan, Virginia Premier, expands use of Inovalon Platform](#) to add automated clinical data extraction and natural language processing toolsets
- [Inovalon Achieves Significant Advancement In Cloud Computing Capabilities](#)

Market Performance (LTM)



Revenue by Subscription (\$Million)



Source: CIQ, Q3 Earnings Release, PR



Commentary

"In our Payer & Life Science business, we experienced strong results for pharma and CRO activity, and we see this trend continuing for the foreseeable future." — Richard J. Poulton, President

Highlights

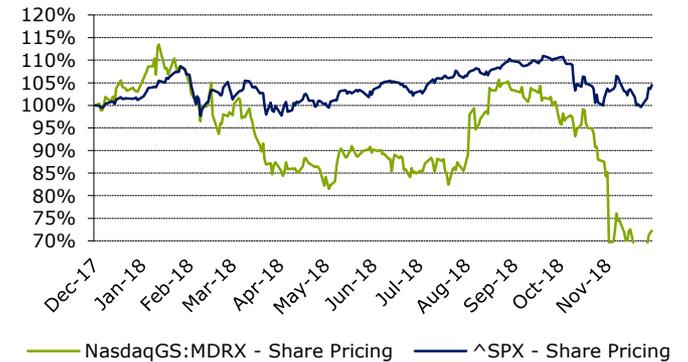
For the quarter ending September 30, 2018:

- In the hospital and health system market, Allscripts signed a multiyear deal for full IT outsourcing for a multi-facility hospital in Maine. This client looked to Allscripts to optimize its IT performance and centralize service, and is the first managed services deal with an [EIS](#) client since Allscripts completed the acquisition.
- On the international front, Maidstone and Turnbridge Wells NHS Trust selected the Allscripts Sunrise solution for its electronic health records. This is a move that significantly strengthens the company's position in the southeast of England. This trust, which runs two major hospitals and a specialist cancer service, already uses the Allscripts Patient Administration System.
- On the consumer front, Allscripts closed the acquisition of HealthGrid in the second quarter. HealthGrid is an award-winning consumer engagement platform providing an innovative way to reach a large patient population. Allscripts already has a widely deployed consumer engagement solution through FollowMyHealth; combining these capabilities is exactly what the market needs right now.
- On the payer front, Allscripts signed a significant deal with Blue Cross Blue Shield Association for two plans, which collectively represent 7.5M members, to more efficiently connect them to their network of physicians at the point of care.

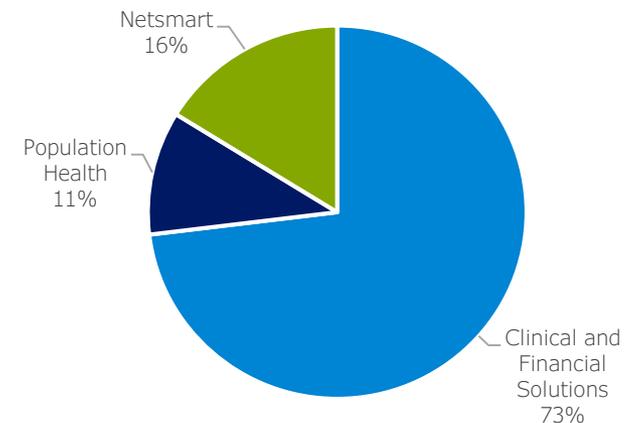
News

- [Allscripts strengthens payer and life sciences' focus and talent, expands capabilities.](#) Company brings together life science industry experts to accelerate growth and focus on Late-Phase Clinical Research, Real-World Evidence data and analytics solutions.

Market Performance (LTM)



Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR

medidata

Commentary

"Positive trends in the life sciences market around innovation and operational efficiency are driving demand for Medidata's cloud-based solutions." — Tarek Sherif, Chairman and Chief Executive Officer

Highlights

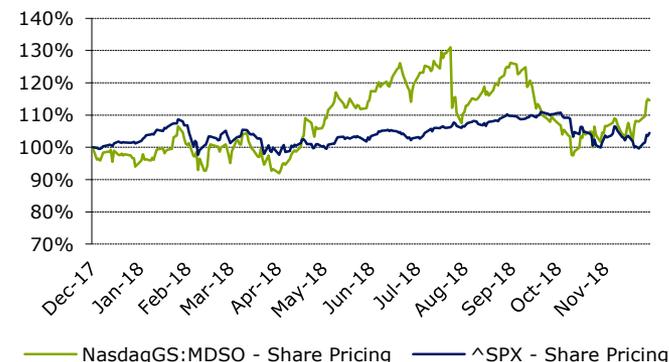
For the quarter ending September 30, 2018:

- Medidata had 24 patient cloud deals close this quarter. The company recently extended its long-term relationship with the National Cancer Institute, which has around 300 studies running with Medidata — the relationship is expected to grow to be more than double that volume.
- Medidata is gaining market share in its [Rave](#) business. The company has seen an acceleration in revenue growth driven by higher win rates and better adoption of its integrated solution. With over 1,100 customers currently running nearly 5,000 studies in 130 countries, Medidata is the largest cloud company in clinical development.
- At a higher level, Medidata is well positioned to meet the complex needs of the industry in accelerating its digital transformation. One proof point comes from platform deals the company signed this quarter and over the past several years. Typical customers start with Rave and expand toward the platform. However, companies with more aggressive plans to transform the way they innovate are more likely to adopt the full platform at their entry point.

News

- [Hengrui Pharma Partners with Medidata to Accelerate Global Drug Research](#)
- [Medidata Solutions, Inc. completed the acquisition of remaining 94% stake in SHYFT Analytics, Inc.](#) on June 20, 2018.

Market Performance (LTM)



Revenue by Operation (\$Million)



Source: CIQ, Q3 Earnings Release, PR

Commentary

"We have a tremendous growth opportunity in front of us as the entry point into the health care system where individuals can go for guided access to a fully integrated, high-quality care experience."

— Jason Gorevic, Chief Executive Officer

Highlights

For the quarter ending September 30, 2018:

- Teladoc continues to make great progress on the integration of Advance Medical, which has now been a part of Teladoc Health for five months. The combination of the two highly complimentary companies gives Teladoc a global scale that is unmatched in the industry, with a local presence to meet the needs of its diverse client base. Interest is very high and Teladoc sees opportunities to sell into current clients as well as land new ones.
- Teladoc launched Global Care in late September, targeting large multinational employers and insurers. This new service makes it easy for members to talk to a doctor who has the knowledge and experience to help guide them through the local healthcare system. There is no other solution like it in the market and the pipeline is building nicely.
- On a direct to consumer front, Teladoc continues to roll out its integrated product offering with CVS Health, adding another eight states last month to bring the total to 18 states plus Washington, D.C.
- Teladoc looks forward to expanding the scope of its relationship with the MinuteClinics and moving ahead with insurance reimbursement.

News

- [Teladoc Acquires Global Virtual Care Provider, Advance Medical.](#) Combination extends Teladoc's global market leadership, strengthening and expanding company's international footprint, breadth of medical services and physician network.
- [Teladoc Health Launches Teladoc Global Care Services](#)

Market Performance (LTM)



Revenue by Geography (\$Million)



Source: CIQ, Q3 Earnings Release, PR

Commentary

"... Coupled with the recent positive movement in the health care policy environment, our success in driving clinical and financial improvement for our partners has served as a catalyst in growing our pipeline and adding nine new partners to the Evolent network this year." — Frank Williams, CEO

Highlights

For the quarter ending September 30, 2018:

- Evolent continues to deliver strong clinical and financial results across its network and see a number of partners gaining confidence in the company's value-based care strategies. For example, recent data shows that Evolent's Next Generation ACO cohort is performing well, and the company is trying to build on that momentum in planning for 2019. Outside of Evolent's cohort, the company is also working with a number of provider partners looking to expand into new risk arrangements for 2019.
- Evolent anticipates some continued softness in the provider-sponsored Medicare Advantage Plan segment. This segment represents a small portion of its current revenue, and as a result, anticipates a modest impact heading into next year.
- In terms of expansion opportunities heading into 2019, Evolent will support the [SOMOS](#) IPA network in operating as a value-based payment innovator in the NY State Department of Health's innovator program. SOMOS' recent acceptance to the innovator program opens the door for SOMOS to pursue delegated risk arrangements with managed care organizations that currently manage well over 1 million members.

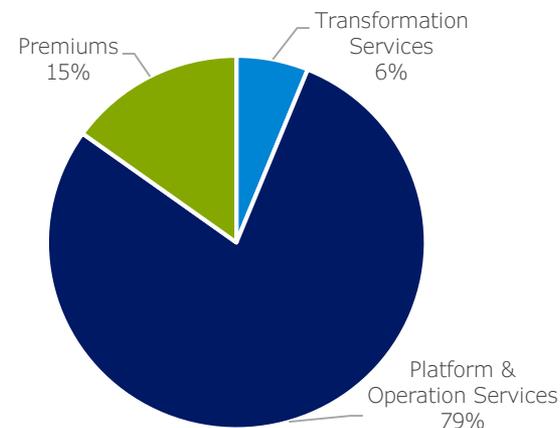
News

- [Evolent Health Completes Acquisition of New Century Health](#)
- [Evolent Health and SOMOS IPA Aim to Provide Physician-Driven Medicaid Managed Care through New York Innovator Program](#)

Market Performance (LTM)



Revenue by Segment (\$Million)



Source: CIQ, Q3 Earnings Release, PR



Commentary

"The record third quarter revenue reflects progress we have made throughout the year on a number of growth initiatives related to our coordination of benefits and payment integrity offerings ..."

— Bill Lucia, Chairman and CEO

Highlights

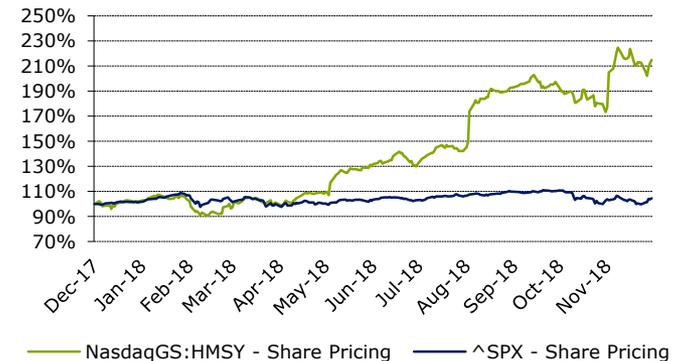
For the quarter ending September 30, 2018:

- HMS expects total population management will be the fastest-growing portion of their business over the next several years, as the company is only in the early stages of cross-selling into its expansive customer base.
- Another important strategic decision made about three years ago, which has contributed significantly to HMS' recent performance, was the ramp up of its capital spending on technology in order to create a sophisticated big data environment which leverages artificial intelligence machine learning, natural language processing, and robotic process automation. As a result, HMS can now more rapidly adjust and analyze huge data sets, develop new and more sophisticated analytics, organize records more effectively, streamline processes, and reduce manual interventions.
- HMS has seen some of the greatest lift in Payment Integrity, but the positive impact is evident throughout each of its service areas. In addition to productivity gains, HMS is increasingly using technology to fine-tune and better align its services with the needs of customers and members.

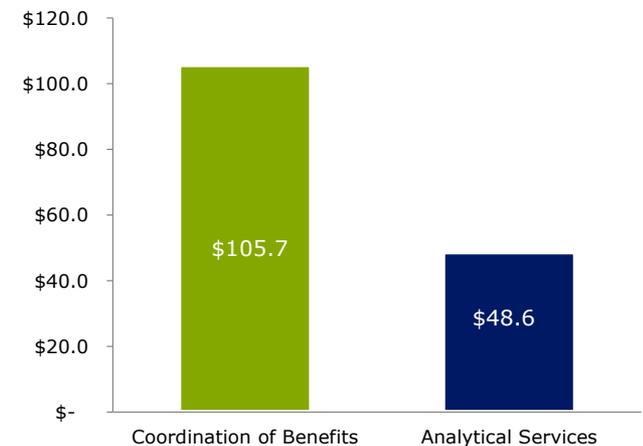
News

- [HMS settles litigation related to 2010 asset purchase - agreement substantially reduces 2017 jury award](#)

Market Performance (LTM)



Revenue by Product (\$Million)



Source: CIQ, Q3 Earnings Release, PR



Commentary

"We remain optimistic about our ability to continue delivering solid results and good growth over the long term as health care is still in the early stages of driving value from digitization." — John Peterzalek, Chief Client Officer

Highlights

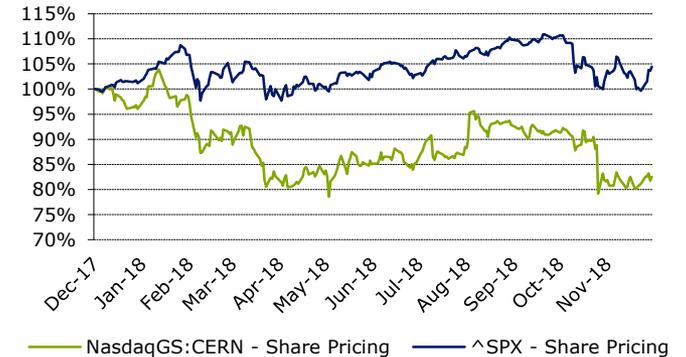
For the quarter ending September 29, 2018:

- Cerner had a good quarter from a new business standpoint, with 30% of bookings coming from outside its core Millennium installed base. Bookings included broad contributions from large hospitals, community hospitals, and ambulatory venues. In addition, Cerner continues to have good contributions from its key growth areas with Population Health, Revenue Cycle, and ITWorks, all having solid quarters.
- Cerner launched an EHR-agnostic offering with Lumeris called Maestro Advantage that is designed to help health systems set up and manage Medicare Advantage plans and provide sponsored health plans. Additionally, Lumeris is adopting HealtheIntent as the platform for its clinical methodology and advanced analytics.
- Cerner's commitment is to imagine, design, and implement intelligent health networks. Cerner sees a big strategic opportunity in helping clients build networks that can be activated to improve care across the full continuum, and believes its HealtheIntent platform and Lumeris collaboration will be key enablers of the strategy and commitment.
- The company's non-U.S. business continues to grow and it represents an earlier-stage EHR market opportunity than the U.S., as well as an opportunity for nearly all the other solutions and services.

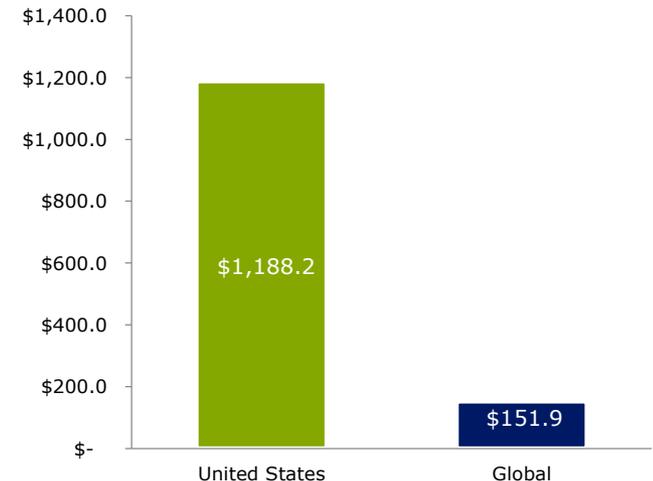
News

- [Technology Innovators, Experienced Systems Integrators Join Cerner in Mission to Modernize Veterans' Electronic Health Records](#)
- [Cerner and Lumeris Will Launch Offering to Reduce Complexities for Health Systems Delivering Value-Based Care.](#) Collaboration will create an EHR-agnostic offering.

Market Performance (LTM)



Revenue by Geography (\$Million)



Source: CIQ, Q3 Earnings Release, PR

Commentary

“Our technology business continues its strong momentum, driven by deals such as the recent milestone agreement with Roche to deploy and use IQVIA commercial technologies globally, and by the launch of our clinical technologies suite, which we are developing on Salesforce.”

— Ari Bousbib, CEO

Highlights

For the quarter ending September 30, 2018:

- IQVIA launched its new Orchestrated Customer Engagement, or OCE platform, which is powered by Force.com, Marketing Cloud, and Mulesoft. The IQVIA team is working in close collaboration with Salesforce to develop Orchestrated Clinical Trials or OCT, the first-of-its-kind suite of integrated clinical applications designed to make clinical trials more efficient.
- IQVIA continues to have success in the market with OCE and the recent number of smaller wins continues to drive momentum. Since IQVIA launched OCE in December, it has now won 15 out of 20 competitions in this space.
- IQVIA has been making investments in its technology suite, technology acquisitions, next generation of clinical development offering, and the expansion of its real-world platform. All of these initiatives have a diluted impact on margins.
- IQVIA signed an important collaboration with Genomics England where they will work together to launch the first real-world research platform with integrated clinical and genomic data. This alliance will enable faster and more efficient drug research, more robust evidence to support treatment value, and greater access to personalized medicines.

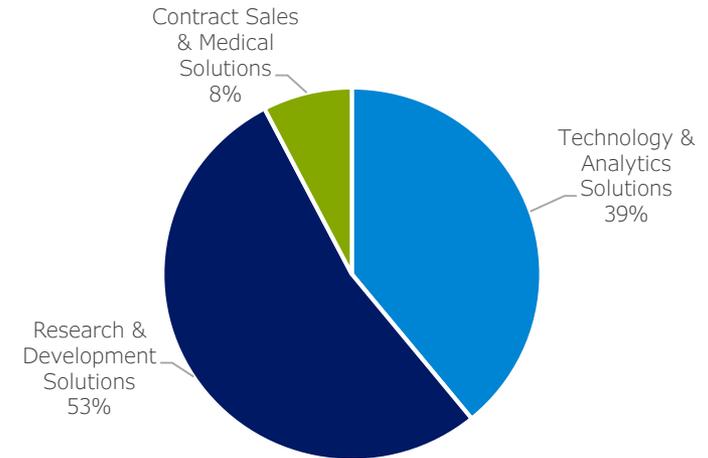
News

- [IQVIA to Build Clinically-Focused Tech Solutions Suite for Life Sciences](#) on Salesforce Health Cloud.
- [IQVIA Launches Digital ICF Author](#), a SaaS eConsent Tool to Transform the Informed Consent Process.

Market Performance (LTM)



Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR

Content



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FINANCIAL TRENDS

Company Name	Revenue (\$M)					Revenue YOY% change				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Teladoc Health, Inc.	111.0	94.6	89.6	77.1	68.7	61.6%	112.1%	109.0%	106.3%	112.0%
Evolent Health, Inc.	149.9	144.3	139.7	113.7	107.9	39.0%	34.8%	31.5%	29.2%	79.2%
HMS Holdings Corp.	154.2	146.8	141.4	148.5	125.7	22.7%	10.1%	24.3%	18.2%	2.3%
Inovalon Holdings, Inc.	145.8	152.8	92.8	114.6	115.9	25.9%	38.2%	-14.4%	19.3%	10.3%
Medidata Solutions, Inc.	163.4	155.9	149.2	141.2	138.9	17.6%	14.6%	16.9%	13.5%	15.7%
Navigant Consulting, Inc.	171.4	165.2	161.4	230.7	164.5	4.2%	3.2%	3.7%	-3.7%	-30.6%
Huron Consulting Group Inc.	198.4	197.5	193.7	185.9	176.4	12.5%	8.9%	2.6%	4.4%	-3.8%
Allscripts Healthcare Solutions, Inc.	522.3	525.6	513.9	517.3	449.4	16.2%	23.3%	24.3%	21.6%	14.5%
Cerner Corporation	1,340.1	1,367.7	1,292.9	1,285.6	1,276.0	5.0%	5.9%	2.6%	4.3%	9.8%
IQVIA Holdings Inc.	2,594.0	2,567.0	2,563.0	2,161.0	2,466.0	5.2%	9.0%	8.6%	10.7%	116.9%
Average	555.1	551.7	533.8	497.6	508.9	21%	26%	21%	22%	33%
Median	167.4	160.6	155.3	167.2	151.7	17%	12%	13%	16%	12%

FINANCIAL TRENDS

Company Name	GM%					EBITDA%				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Teladoc Health, Inc.	69.2%	70.7%	70.0%	70.6%	75.6%	-4.8%	-8.3%	-9.6%	-19.0%	-8.5%
Evolent Health, Inc.	39.3%	39.4%	36.9%	43.3%	36.7%	-2.1%	-2.3%	-4.6%	-2.7%	-6.4%
HMS Holdings Corp.	39.1%	37.7%	36.8%	40.5%	34.4%	23.4%	22.0%	16.5%	20.8%	19.7%
Inovalon Holdings, Inc.	75.0%	74.5%	63.9%	67.6%	66.8%	30.0%	23.0%	-1.4%	13.4%	23.7%
Medidata Solutions, Inc.	74.2%	75.9%	75.7%	76.8%	77.3%	14.2%	13.6%	14.1%	16.8%	17.5%
Navigant Consulting, Inc.	28.8%	31.7%	28.7%	31.1%	32.7%	12.3%	8.0%	6.3%	14.0%	15.7%
Huron Consulting Group Inc.	35.2%	35.4%	31.4%	40.0%	35.5%	11.6%	12.6%	7.2%	16.2%	11.7%
Allscripts Healthcare Solutions, Inc.	48.4%	46.7%	49.6%	47.7%	51.2%	7.0%	7.8%	5.5%	2.9%	11.4%
Cerner Corporation	82.8%	82.5%	82.1%	84.4%	84.1%	23.5%	23.1%	23.0%	25.5%	27.4%
IQVIA Holdings Inc.	35.3%	34.8%	35.5%	44.9%	34.7%	19.0%	18.5%	19.2%	17.2%	18.9%
Average	53%	53%	51%	55%	53%	13%	12%	8%	11%	13%
Median	44%	43%	43%	46%	44%	13%	13%	7%	15%	17%

FINANCIAL TRENDS

Company Name	EPS				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Teladoc Health, Inc.	(0.34)	(0.40)	(0.39)	(0.76)	(0.55)
Evolent Health, Inc.	(0.16)	(0.13)	(0.18)	(0.18)	(0.18)
HMS Holdings Corp.	0.22	(0.04)	0.07	0.30	0.07
Inovalon Holdings, Inc.	(0.01)	(0.07)	(0.12)	0.12	0.06
Medidata Solutions, Inc.	0.17	0.27	0.17	0.23	0.22
Navigant Consulting, Inc.	0.15	0.13	(0.04)	0.90	0.12
Huron Consulting Group Inc.	0.37	0.27	(0.15)	(1.36)	0.19
Allscripts Healthcare Solutions, Inc.	(0.21)	0.36	(0.25)	0.00	(0.16)
Cerner Corporation	0.51	0.51	0.48	1.00	0.52
IQVIA Holdings Inc.	0.29	0.29	0.32	5.02	0.40
Average	0.1	0.1	(0.0)	0.5	0.1
Median	0.2	0.2	(0.1)	0.2	0.1

For the most recent reporting periods as of 12.1.18
Source: Capital IQ

FINANCIAL TRENDS

Company Name	Stock Price (USD value)					Stock Price % change				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Teladoc Health, Inc.	86.35	58.05	40.30	34.85	33.15	48.8%	44.0%	15.6%	5.1%	-4.5%
Evolent Health, Inc.	28.40	21.05	14.25	12.30	17.80	34.9%	47.7%	15.9%	-30.9%	-29.8%
HMS Holdings Corp.	32.81	21.62	16.84	16.95	19.86	51.8%	28.4%	-0.6%	-14.7%	7.4%
Inovalon Holdings, Inc.	10.05	9.93	10.60	15.00	17.05	1.3%	-6.4%	-29.3%	-12.0%	29.7%
Medidata Solutions, Inc.	73.31	80.56	62.81	63.37	78.06	-9.0%	28.3%	-0.9%	-18.8%	-0.2%
Navigant Consulting, Inc.	23.06	22.14	19.24	19.41	16.92	4.2%	15.1%	-0.9%	14.7%	-14.4%
Huron Consulting Group Inc.	49.40	40.90	38.10	40.45	34.30	20.8%	7.3%	-5.8%	17.9%	-20.6%
Allscripts Healthcare Solutions, Inc.	14.25	12.00	12.35	14.55	14.23	18.8%	-2.8%	-15.1%	2.2%	11.5%
Cerner Corporation	64.41	59.79	58.00	67.39	71.32	7.7%	3.1%	-13.9%	-5.5%	7.3%
IQVIA Holdings Inc.	129.74	99.82	98.11	97.90	95.07	30.0%	1.7%	0.2%	3.0%	6.2%
Average	51.2	42.6	37.1	38.2	39.8	21%	17%	-3%	-4%	-1%
Median	41.1	31.5	28.7	27.1	26.5	20%	11%	-1%	-2%	3%

FINANCIAL TRENDS

Company Name	EV/EBITDA					EV/REVENUE				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Teladoc Health, Inc.	NM	NM	NM	NM	NM	19.0x	13.5x	11.0x	12.0x	10.7x
Evolent Health, Inc.	NM	NM	NM	NM	NM	4.2x	3.3x	2.3x	1.9x	3.8x
HMS Holdings Corp.	24.9x	18.1x	16.0x	16.7x	20.0x	5.1x	3.6x	3.0x	3.2x	3.7x
Inovalon Holdings, Inc.	29.3x	21.7x	16.3x	23.7x	29.6x	5.1x	3.0x	2.9x	4.4x	5.3x
Medidata Solutions, Inc.	47.9x	52.8x	42.6x	43.6x	58.2x	7.4x	8.2x	6.5x	6.8x	8.8x
Navigant Consulting, Inc.	9.5x	9.5x	7.9x	8.3x	7.3x	1.2x	1.2x	1.1x	1.1x	1.0x
Huron Consulting Group Inc.	15.6x	13.9x	11.0x	12.7x	10.0x	1.9x	1.7x	1.6x	1.7x	1.5x
Allscripts Healthcare Solutions, Inc.	42.2x	29.0x	27.2x	25.2x	26.7x	2.2x	2.2x	2.3x	2.6x	2.6x
Cerner Corporation	16.1x	14.6x	13.9x	15.9x	17.2x	4.0x	3.8x	3.8x	4.4x	4.8x
IQVIA Holdings Inc.	20.1x	17.0x	17.5x	16.8x	19.0x	4.3x	3.6x	3.7x	3.7x	4.1x
Average	25.7x	22.1x	19.0x	20.4x	23.5x	5.5x	4.4x	3.8x	4.2x	4.6x
Median	22.5x	17.6x	16.1x	16.7x	19.5x	4.3x	3.4x	2.9x	3.5x	3.9x

KEY TRANSACTIONS IN 3Q 2018

Date	Target	Buyers/Investors	Target Business Description
09-17-2018	Connance, Inc.	Waystar, Inc	Connance, Inc. provides predictive analytic technology solutions that enable healthcare providers to optimize financial and clinical workflows.
09-13-2018	Nemaris, Inc.	Globus Medical, Inc. (NYSE:GMED)	Nemaris, Inc. develops and provides a software solution for various case needs for better patient care.
09-12-2018	Wellpass	Welltok, Inc.	Wellpass, doing business as Sense Health, operates an enterprise engagement platform that provides healthcare organizations with the tools they need to meet clinical, quality, and business goals.
09-11-2018	Physicians Management, Inc.	Fellow Health Partners, Inc.	Physicians Management, Inc. provides medical billing services. The company was incorporated in 1987 and is based in Rochelle Park, New Jersey.
09-11-2018	Apex Revenue Technologies, LLC	RevSpring, Inc.	Apex Revenue Technologies, LLC develops document and payment solutions for health care and financial institutions in the United States.
09-03-2018	Herald Technologies Inc.	Persistent Systems, Inc.	Herald Technologies Inc. develops software for the healthcare industry. The company was founded in 2015 and is based in the United States.
08-27-2018	ClariCare Inc.	True Nature Holding, Inc. (OTCPK:TNTY)	ClariCare Inc. develops and delivers a suite of dental analytics and practice management software (PMS) solutions.
08-16-2018	CareX Blockchain Platform Inc.	Paragon Blockchain Inc.	CareX Blockchain Platform Inc. operates an online blockchain platform that allows patients to control their health records and purchase healthcare services.

Source: Capital IQ

KEY TRANSACTIONS IN 3Q 2018

Date	Target	Buyers/Investors	Target Business Description
08-15-2018	Mevoked, Inc.	WellBrain Inc.	Mevoked, Inc., doing business as Mevoked, developed a behavior analytics platform to correlate online/mobile data to mental health wellness.
08-07-2018	Alegeus Technologies, LLC	Vista Equity Partners LLC	Alegeus Technologies, LLC offers healthcare and benefit payment solutions.
08-02-2018	AdvancedMD, Inc.	Global Payments Inc. (NYSE:GPN)	AdvancedMD, Inc. provides cloud-based practice management, electronic health record (EHR), and medical scheduling software for medical practices and billing companies in the United States.
07-30-2018	Avalon Health Services, LLC	Hcsc Ventures Inc	Avalon Health Services, LLC is a laboratory benefits management company that offers a technology and service platform for health plans.
07-11-2018	RadicaLogic Technologies, Inc.	Datix Limited	RadicaLogic Technologies, Inc., doing business as RL Solutions, develops healthcare software for healthcare networks, hospitals, long-term care facilities, and others globally.
07-09-2018	Nuesoft Technologies, Inc.	AdvancedMD, Inc.	Nuesoft Technologies, Inc. provides internet-based practice management solutions for physicians' offices, billing companies, and university health centers.
07-02-2018	ADS Data Systems, Inc.	Consolo Services Group, LLC	ADS Data Systems, Inc. provides software solutions for community-based health service providers.
07-02-2018	PCTI Solutions Limited	Advanced Computer Software Group Limited	PCTI Solutions Limited develops an electronic document management, workflow, and information sharing platform for healthcare organizations.

Footnotes

1. <https://www.consulting.us/news/956/us-healthcare-management-consulting-market-tops-50-billion>
2. <https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html>

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