

Market Update

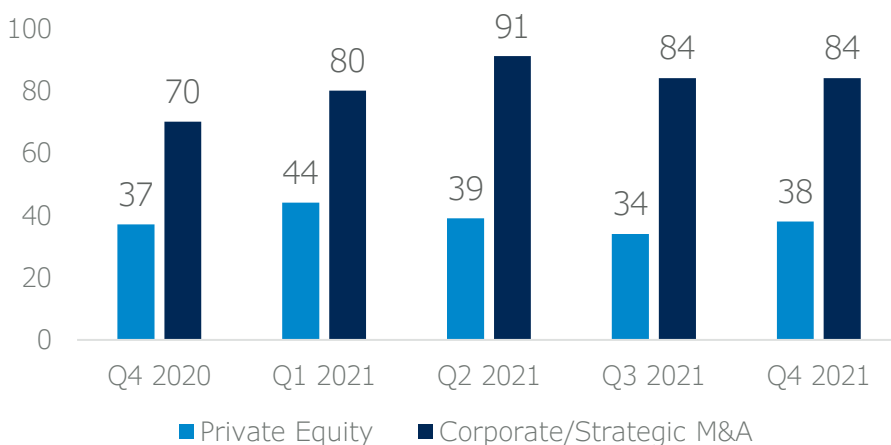
Healthcare IT & Consulting

As 2021 came to a close, M&A activity in the broader Healthcare IT & Consulting industry remained strong on the back of growing market tailwinds that are expected to continue into 2022 and beyond. Due to the COVID 19 pandemic, all companies within the Healthcare ecosystem were challenged to embrace digital and offer flexibility to their customers.

One trend within this ecosystem that saw rapid acceleration during 2021 was the adoption of technology-enabled services serving Pharmaceutical and Life Science Companies. As these historically highly-regulated verticals began accepting technologies such as AI, M&L, and Data Science, there has become a market opportunity for companies to assist large and small Pharma companies alike harnessing the power of digital transformation.

As Pharma & Life Science firms continue evolving through this digital revolution, the need for Digital Service Providers will likely continue to grow. See our "Sector Snapshot" for a deep dive into this topic, its development during 2021, and expectations for future growth into 2022.

of Deals in Healthcare IT & Consulting

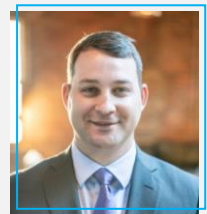


7MA has completed and is currently marketing numerous M&A opportunities for companies operating in the Healthcare IT & Consulting ecosystem, and 7MA has developed unparalleled deal expertise and knowledge of industry trends, valuation multiples, and the most active strategic and financial buyers. Please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

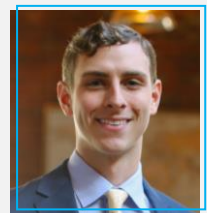
Sector Coverage Team



Ben Garber, *Vice President*
ben.garber@7mileadvisors.com
1.412.604.0771



Steve Buffington, *Vice President*
steve@7mileadvisors.com
1.704.960.1828



Conor Smith, *Associate*
conor@7mileadvisors.com
1.704.885.2134



Adam Alderfer, *Analyst*
adam@7mileadvisors.com
1.704.644.1917

Digital Services in the Pharmaceutical Industry

Data Science & Analytics

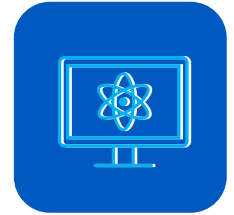
Leveraging the power of data to form analytic-driven insights presents a major opportunity for Pharma & Life Sciences firms to streamline operations throughout the drug development lifecycle as well as core operations. From early adopter analysis, to payer segmentation & pricing models, the proper use of data provides an opportunity for researchers, patients, and payers alike to benefit from reduced costs and faster go-to-market times for groundbreaking therapies and treatments.

Digital Marketing and Advertising

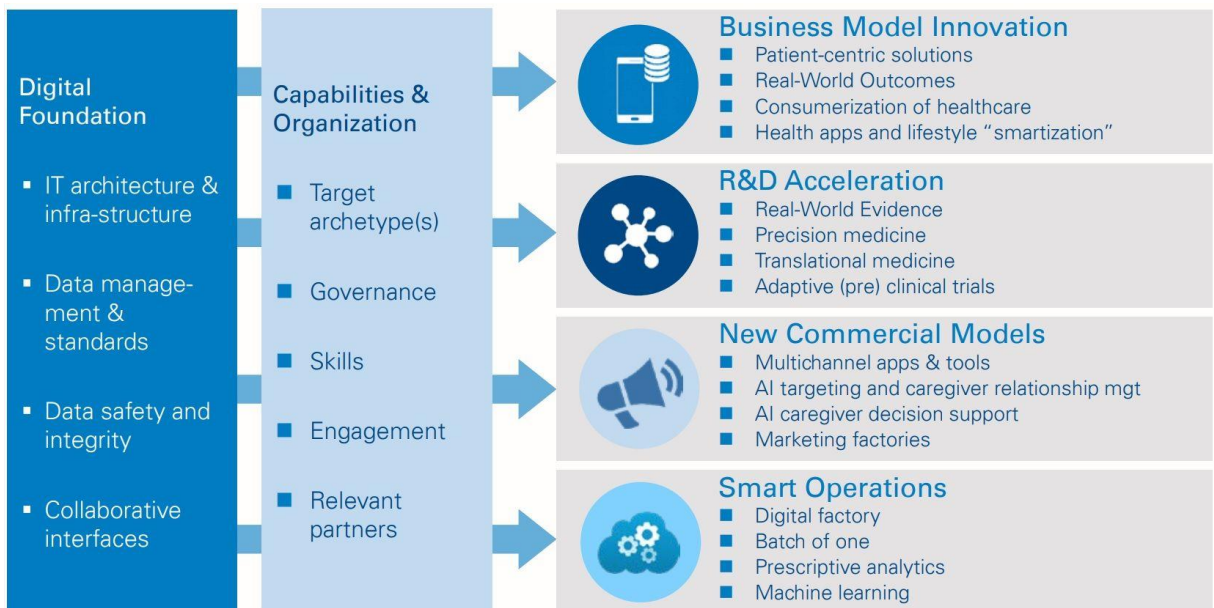
Equally as important as getting treatments through the approval process and manufactured is getting treatments in front of healthcare professionals and patients in an efficient manner. Pharma & Life Sciences companies have rapidly increased spend on strategy, UX design, and web development to help increase consumer awareness and to make their products more accessible. Since the beginning of the COVID-19 pandemic, pharmaceutical websites have experienced more than a 30% uptick in site traffic, providing a first move advantage to companies who have invested in their online presence and putting the end patient in the center of their decisions.

Looking Ahead to 2022

Pharma and Life Sciences firms will continue to look for technologies and service providers who can help accelerate digital transformation and unlock revenue, cost, and operational benefits. The outlook for 2022 is another strong year for Digital Service providers who can help their clients navigate the continuously evolving and complex relationship between technology and the Healthcare and Life Sciences ecosystem.



Digital Opportunities in Pharma



Industry Vertical

Agnostic

Hospital
& Health
Systems

Life
Sciences

Payor

Providers

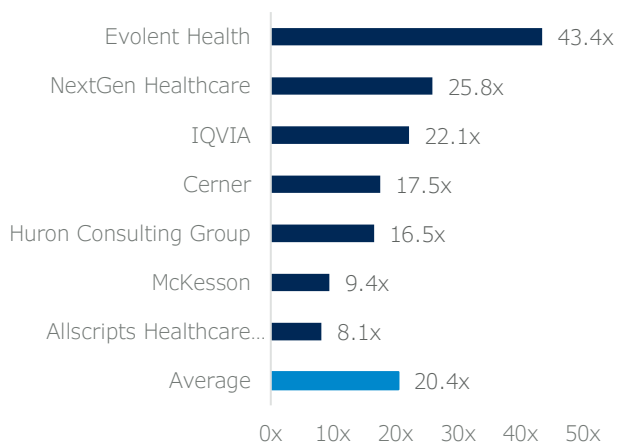
Revenue
Cycle

Please reach out to 7MA team to get access to the full list.

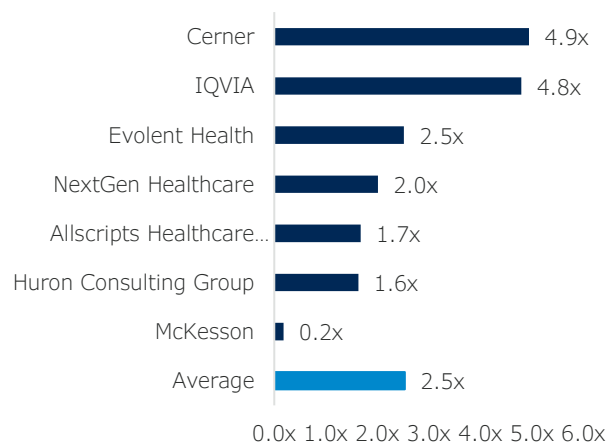
Publicly-traded Healthcare IT & Consulting Companies – Q4 2021

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	1,167	45	581	3%	51%	8%	2.0x	25.8x	3,038	38
Huron Consulting Group	1,412	86	866	-10%	29%	10%	1.6x	16.5x	3,807	37
Allscripts Healthcare Solutions	2,507	310	1,498	-8%	41%	21%	1.7x	8.1x	8,400	30
Evolent Health	2,523	58	1,004	21%	33%	6%	2.5x	43.4x	2,900	87
Cerner	28,192	1,612	5,708	-3%	83%	28%	4.9x	17.5x	26,400	107
McKesson	44,223	4,726	250,991	3%	5%	2%	0.2x	9.4x	76,000	58
IQVIA	64,821	2,929	13,536	2%	33%	22%	4.8x	22.1x	77,000	84
Average	20,692	1,395	39,169	1%	39%	14%	2.5x	20.4x	28,221	63
Median	2,523	310	1,498	2%	33%	10%	2.0x	17.5x	8,400	58

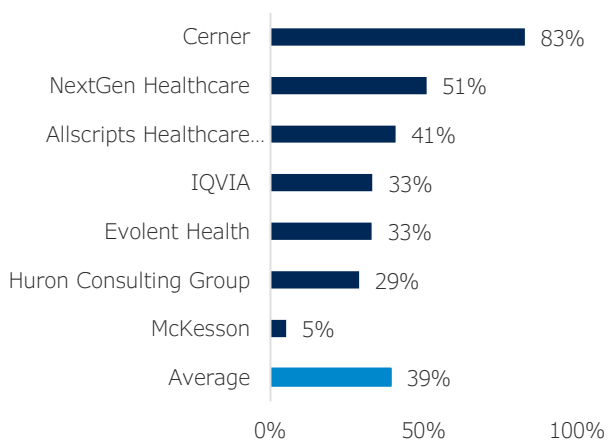
TEV / EBITDA X



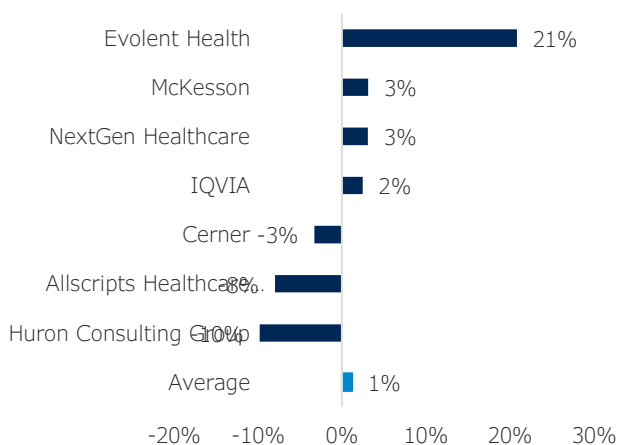
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q4 2021 M&A Transactions

Date	Target	Buyer / Investor	Transaction Description
December 2021	 League	 tdm. <small>GROWTH PARTNERS</small>	<ul style="list-style-type: none"> League, a technology-focused health company powering the digital transformation in healthcare through digital experiences, received \$70 million of development capital from TDM Growth Partners at a valuation of \$920 million.
December 2021	 Cerner		<ul style="list-style-type: none"> Cerner, a developer of healthcare information technology solutions and tech-enabled services connecting people and systems around the world, reached a definitive agreement to be acquired by Oracle (NYS: ORCL) for \$28.3 billion. The acquisition offers additional revenue growth for Oracle and accelerates the pace of its product and technology development.
December 2021		 	<ul style="list-style-type: none"> TransUnion, a developer of healthcare revenue cycle management and data analytics insights software catering to hospitals, outpatient clinics, healthcare payers, and more was acquired by nThrive, via its financial sponsor Clearlake Capital Group, through a \$1.74 billion LBO. The unified business will offer healthcare organizations complete end-to-end RCM technology solutions available, streamlining patient access for better patient and financial outcomes and empowering customers with increased predictability and confidence in their financial performance.
November 2021	 HURON		<ul style="list-style-type: none"> The Life Sciences Business of Huron Consulting Group (NASDAQ: HURN), a provider of consultancy services intended to serve the life science industry, was acquired by Oliver Wyman. The acquisition advances Oliver Wyman's leadership in life sciences strategy consulting, helping the firm deliver critical commercial strategy, marketing, pricing, market access and R&D advice to a broader set of clients.
October 2021			<ul style="list-style-type: none"> HealthReveal, a developer of a clinical analytics platform designed to preempt the avoidable consequences of chronic disease through clinically optimal care interventions, was acquired by Accolade (NAS: ACCD) for an undisclosed sum.
October 2021			<ul style="list-style-type: none"> Davaso, a developer of integrated management systems focused on the healthcare industry, was acquired by IQVIA (NYS: IQV). The transaction will enable joint advancement in the use of transformative technologies in order to reduce costs in the health system and improve the quality of patient care in Germany.

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.



508 W. 5th Street,
Suites 140 & 225
Charlotte, NC 28202



+1 (704) 899-5960



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Notable 7 Mile Transactions

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