

7 Mile Advisors



Sectorwatch:

Healthcare IT & Consulting

Q1 2022



Healthcare IT & Consulting

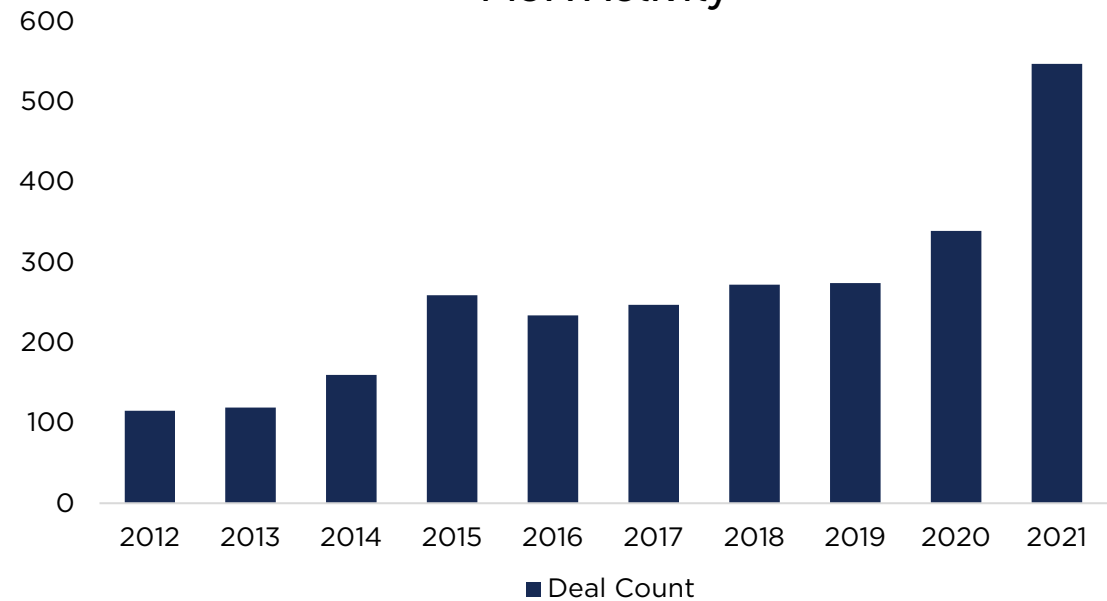
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Dashboard

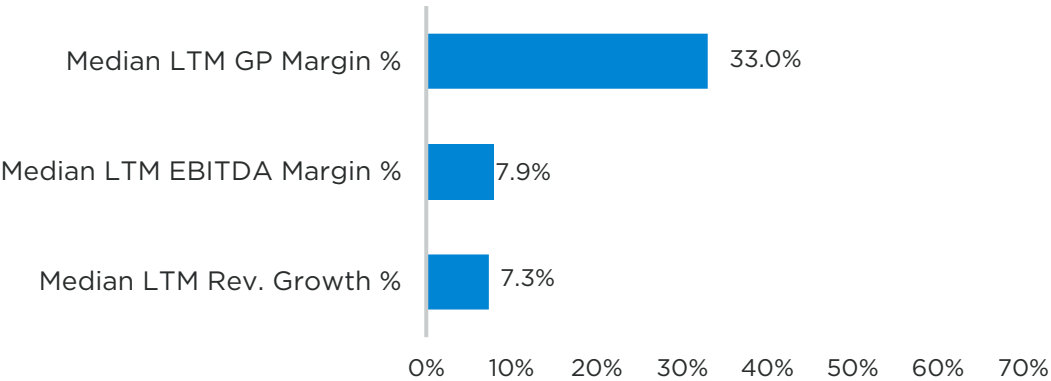
REVENUE GROWTH MOMENTUM ↑ 3.7%

1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

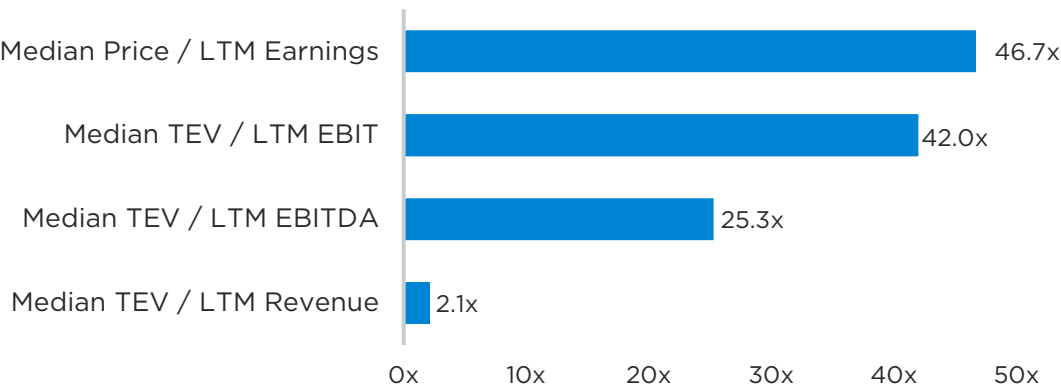
M&A Activity



Operating Metrics



Valuation



Overview

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.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

RECENT DEALS

- The most recently announced deals in the sector

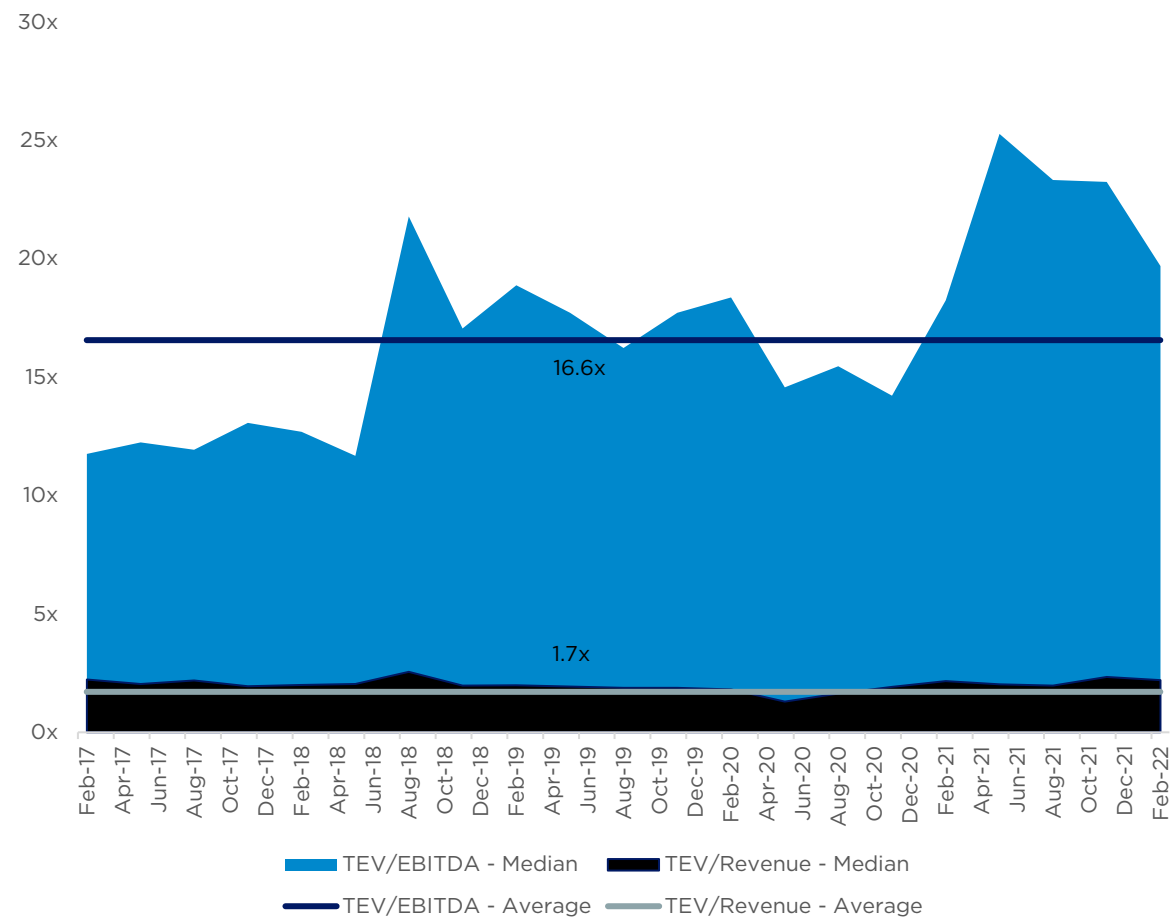
Public Basket

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
NextGen Healthcare	1,247	46	589	7.3%	50.9%	7.9%	2.1x	26.9x	3,038	194
Huron Consulting Group	1,342	63	866	-6.5%	28.9%	7.2%	1.5x	21.4x	3,807	228
Evolent Health	2,134	22	1,004	9.8%	33.0%	2.2%	2.3x	84.6x	2,900	346
Allscripts Healthcare Solutions	2,745	198	1,498	4.9%	40.8%	13.2%	2.0x	23.7x	8,400	178
R1 RCM	8,058	223	1,475	16.0%	21.1%	15.1%	5.5x	36.1x	15,000	98
Cerner	27,845	1,416	5,708	2.8%	82.9%	24.8%	4.9x	19.7x	26,400	216
McKesson	46,313	3,304	257,006	8.2%	5.1%	1.3%	0.2x	-	76,000	3,382
IQVIA	54,443	2,761	13,874	22.1%	33.5%	19.9%	3.9x	19.7x	79,000	176
Average	18,016	1,004	35,252	8.1%	37.0%	11.5%	2.8x	33.1x	26,818	602
Median	5,401	211	1,486	7.7%	33.2%	10.5%	2.2x	23.7x	11,700	205

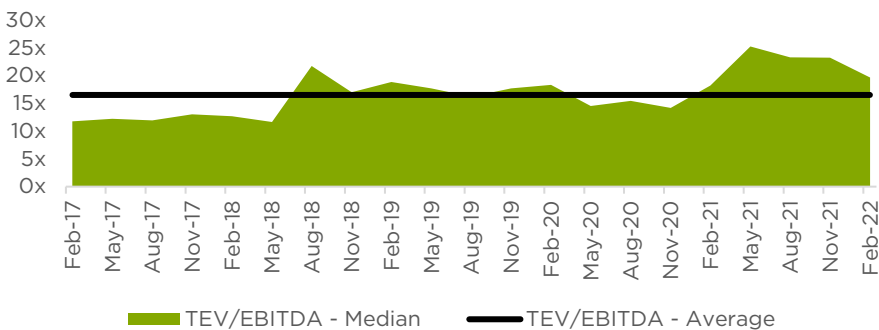
share price as of 21Feb22

Public Basket

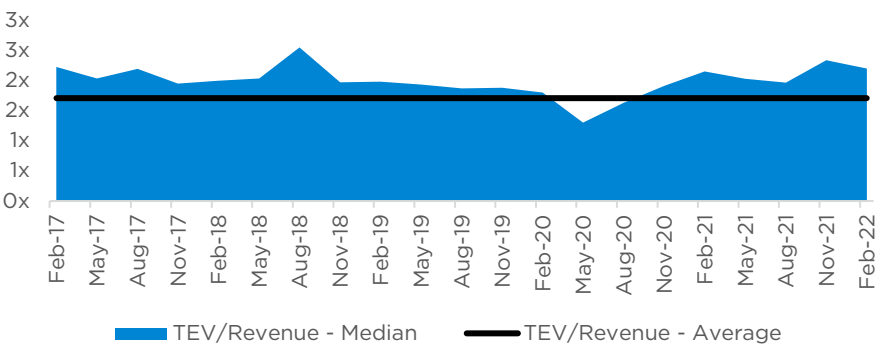
EBITDA vs. Revenue Multiples



Public EBITDA Multiples over Time

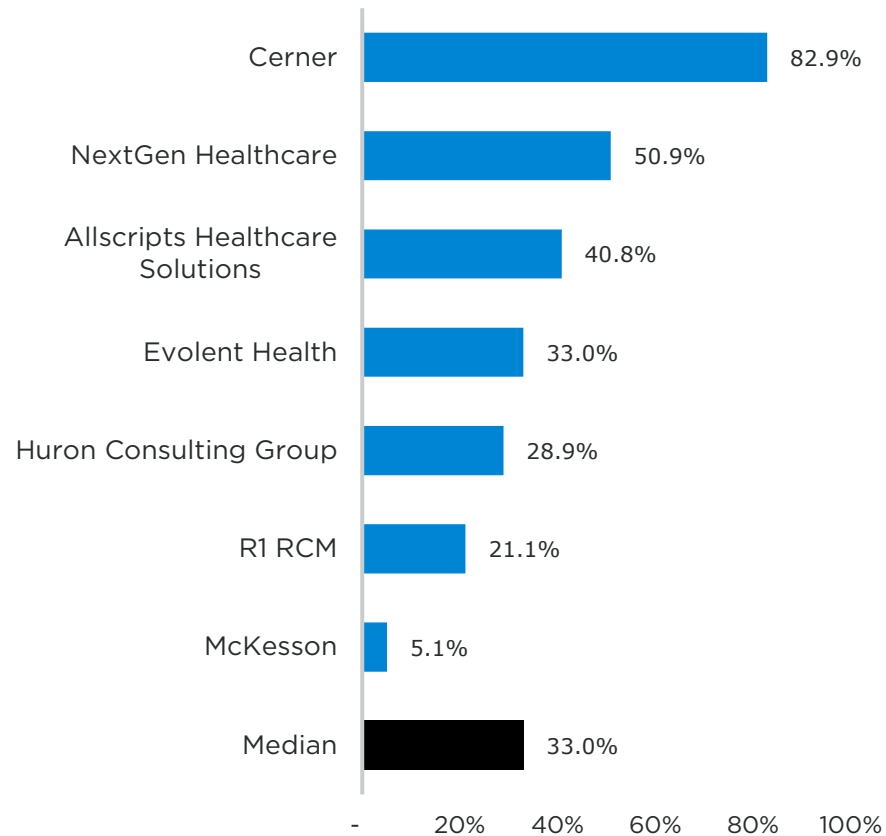


Public Revenue Multiples over Time

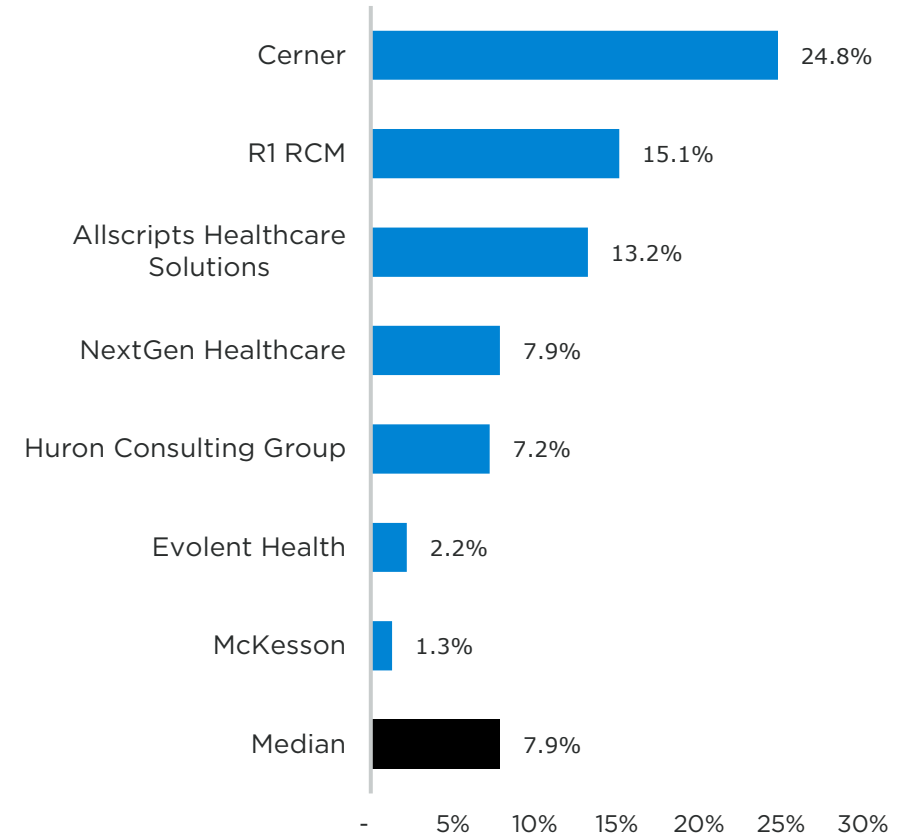


Operational Metrics

LTM Gross Profit Margin %

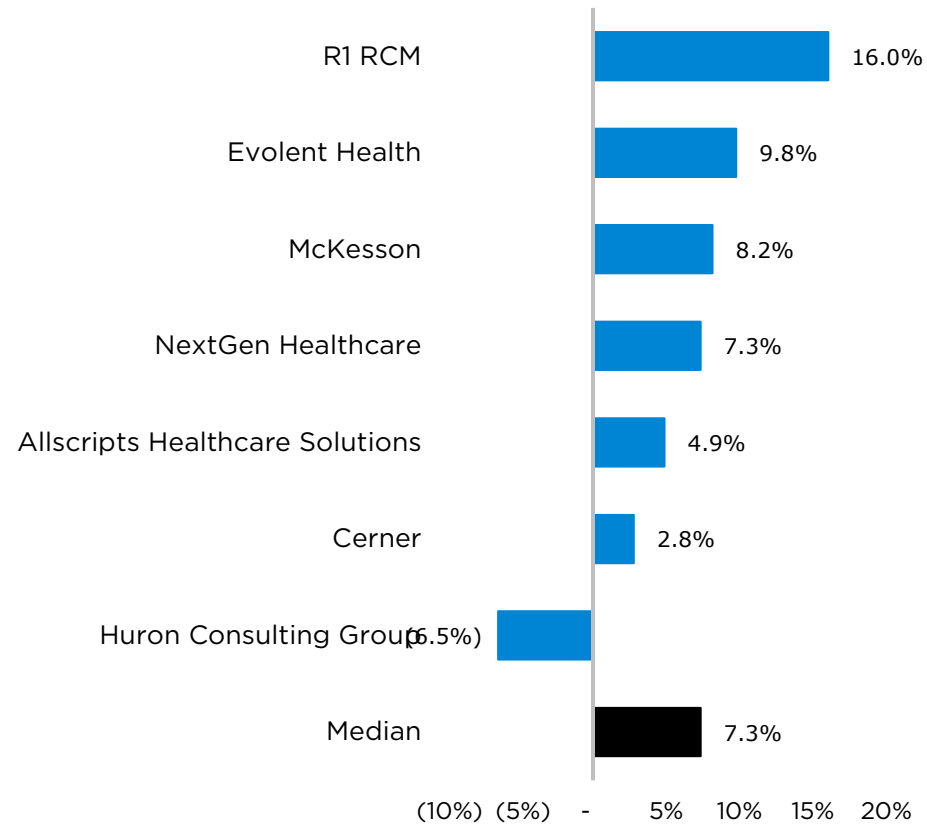


LTM EBITDA %

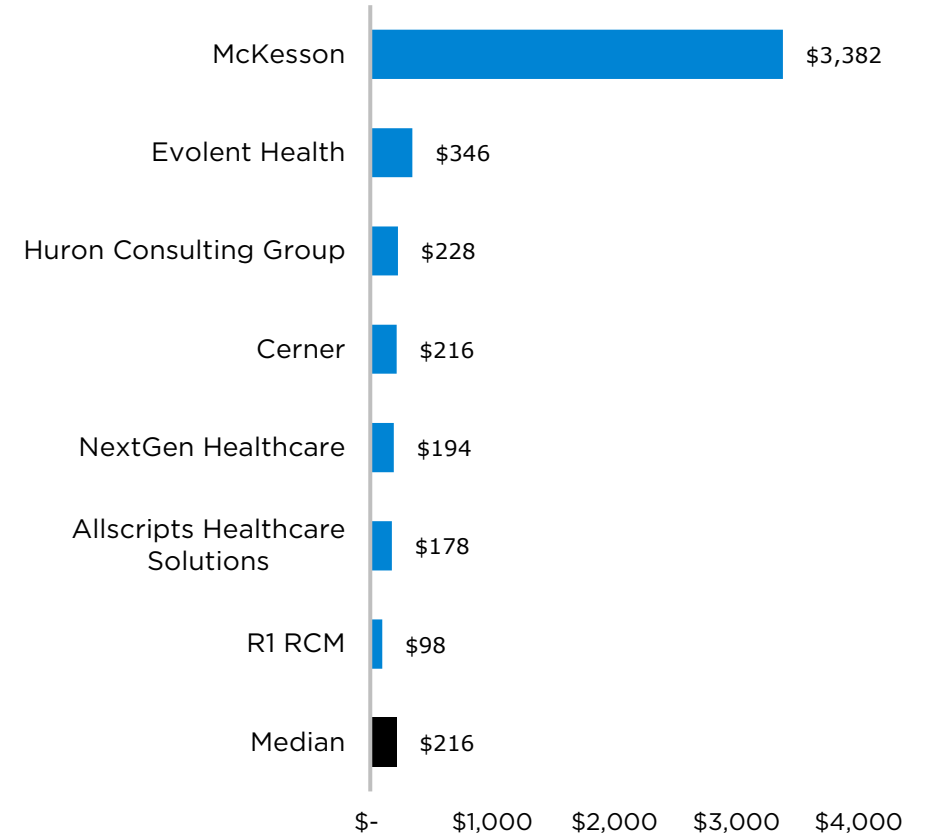


Operational Metrics

LTM Revenue Growth %

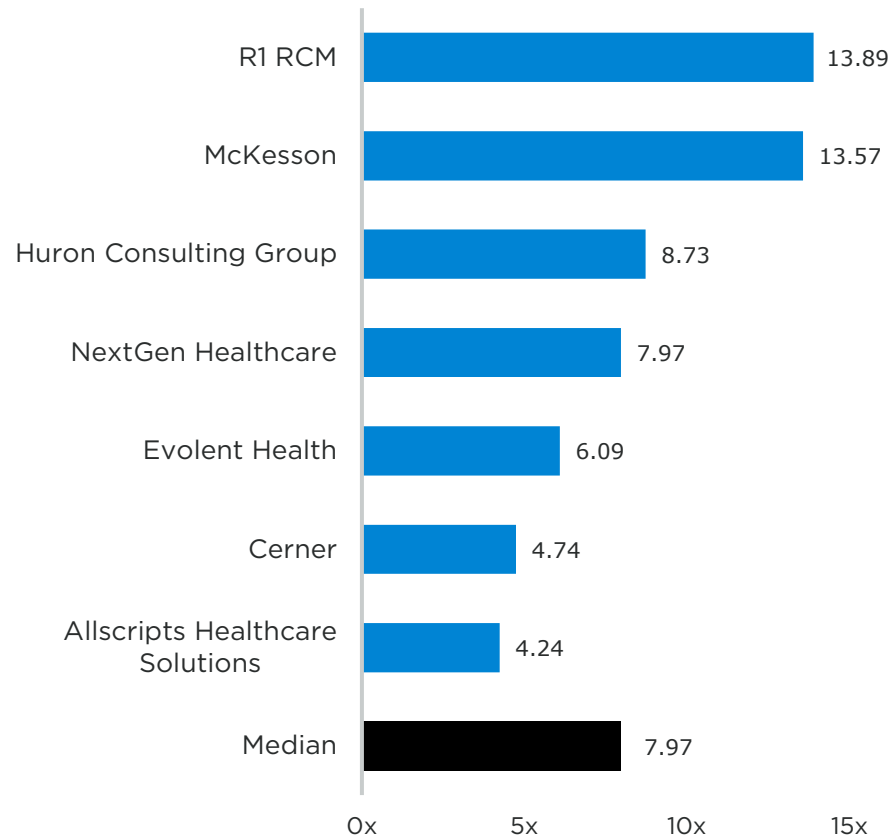


LTM Revenue per Full Time Employee x 000's

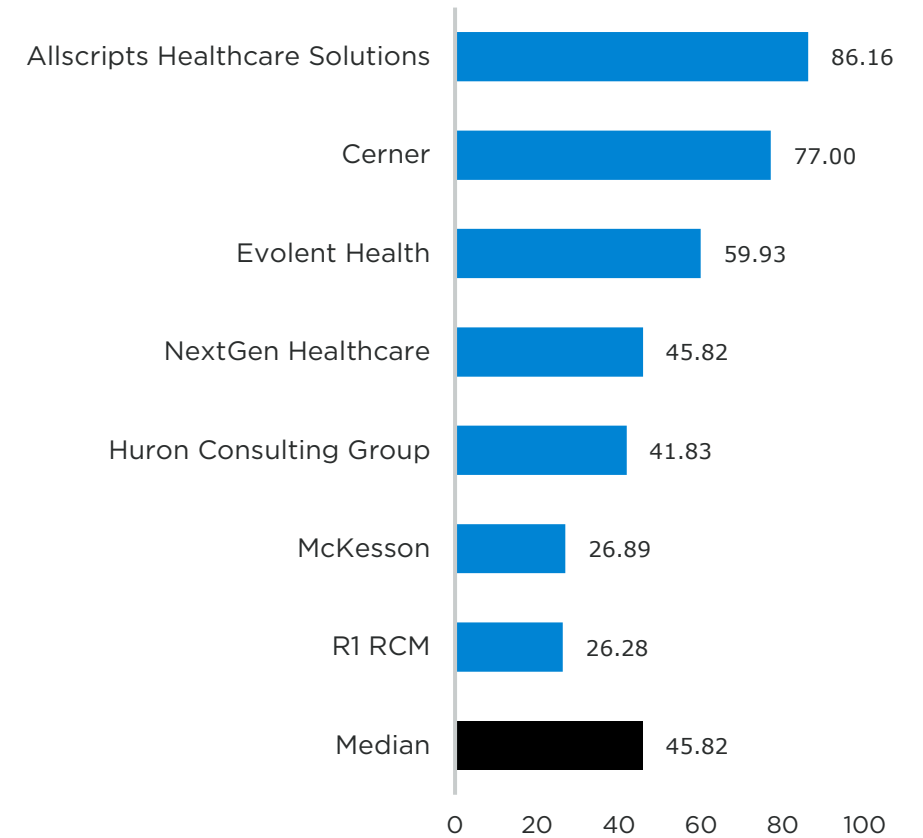


Operational Metrics

Accounts Receivable Turnover

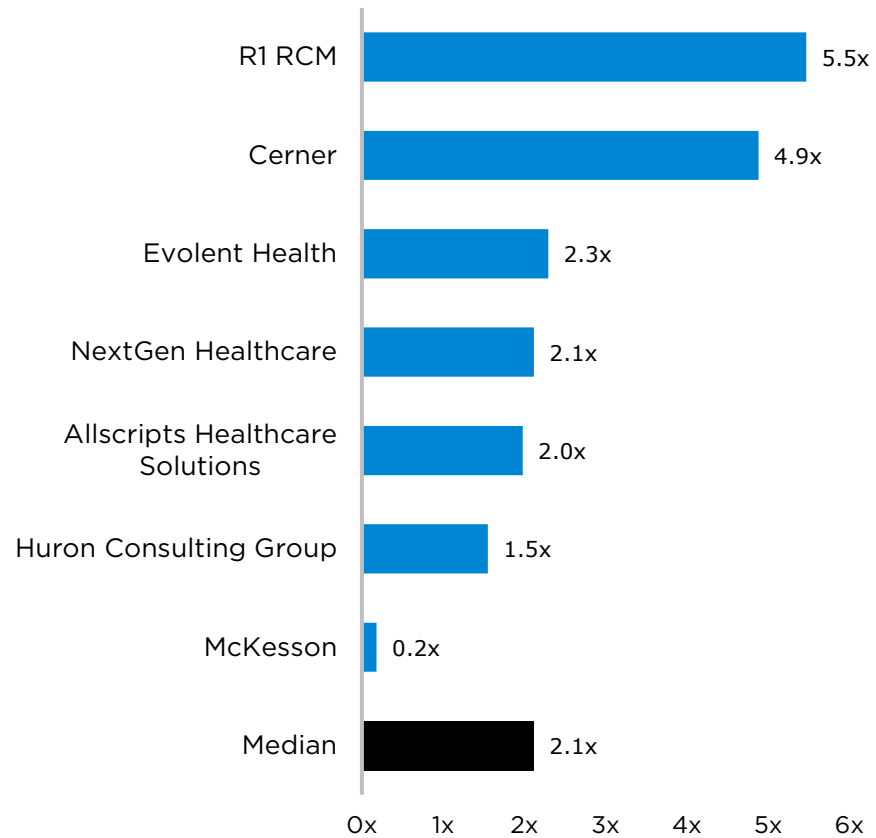


Average Days Sales Outstanding

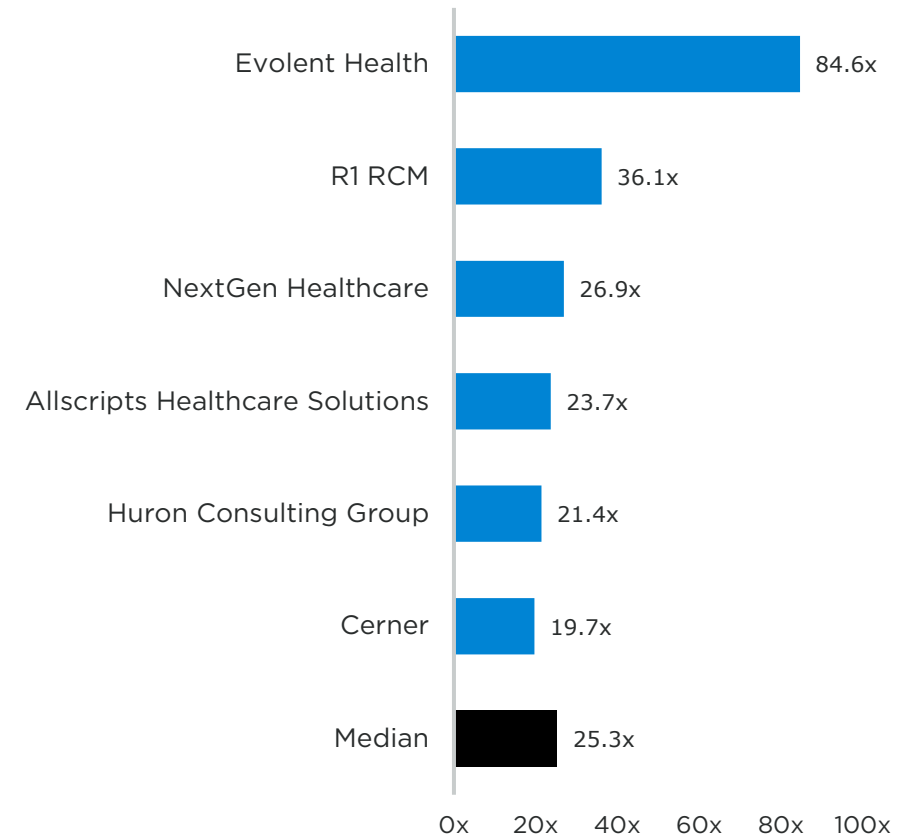


Valuation

TEV / LTM Revenue

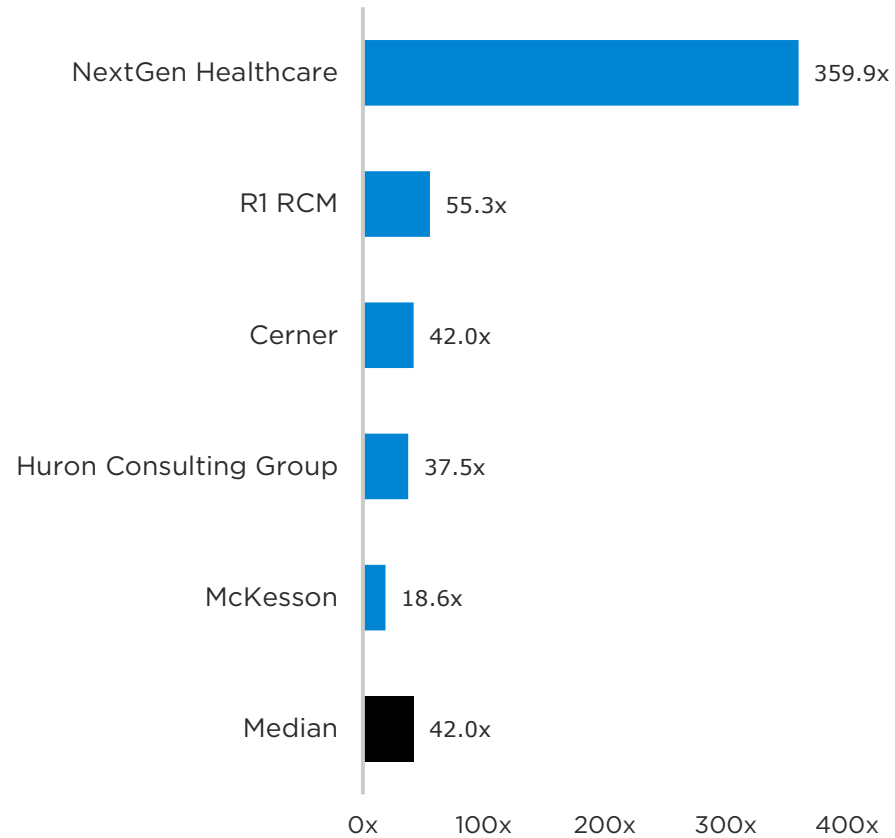


TEV / LTM EBITDA

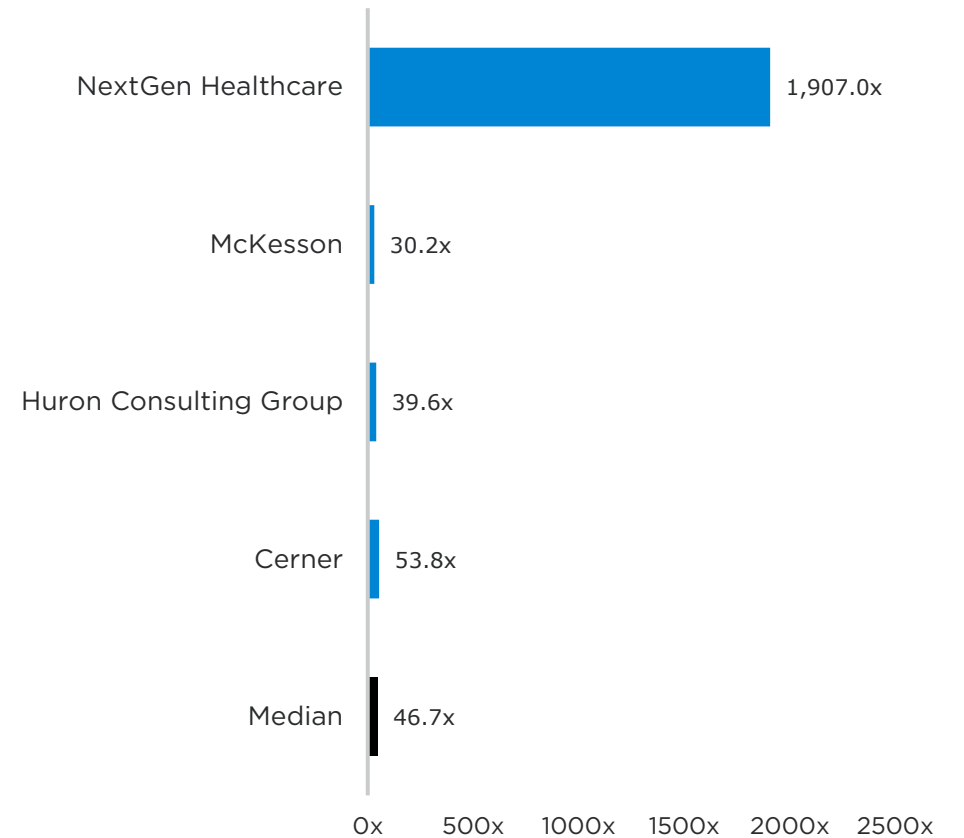


Valuation

TEV / LTM EBIT

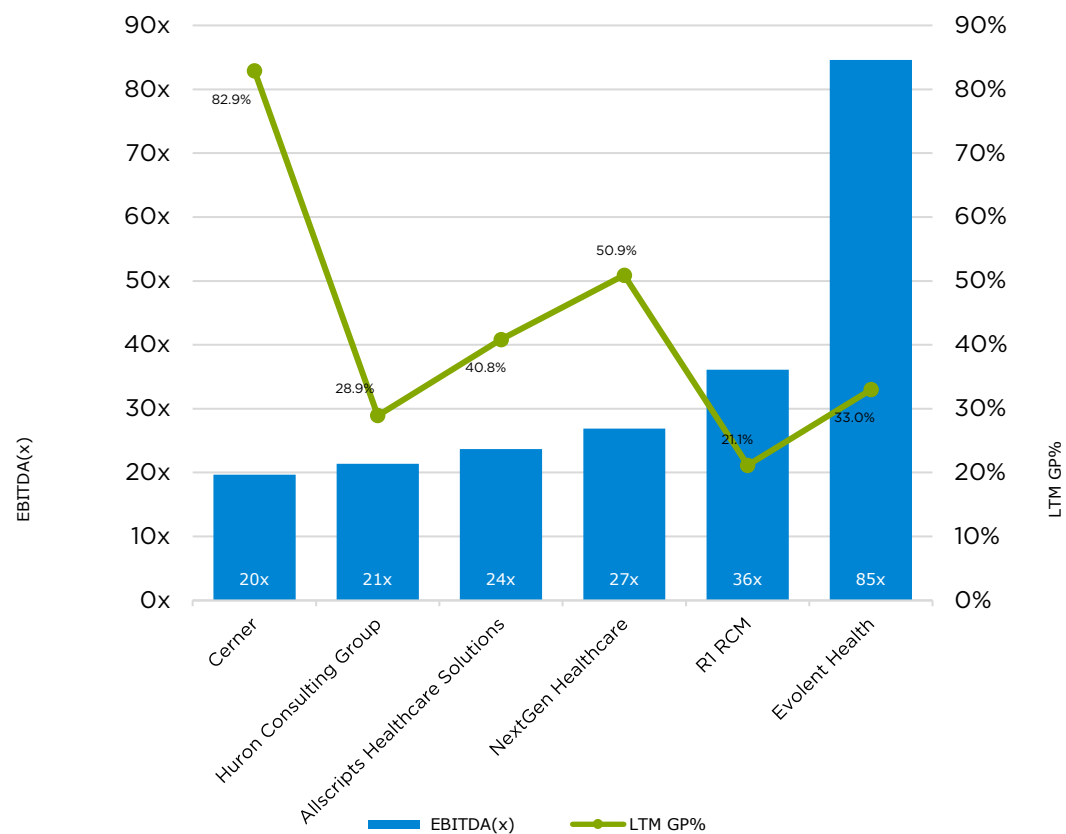


Price / LTM Earnings

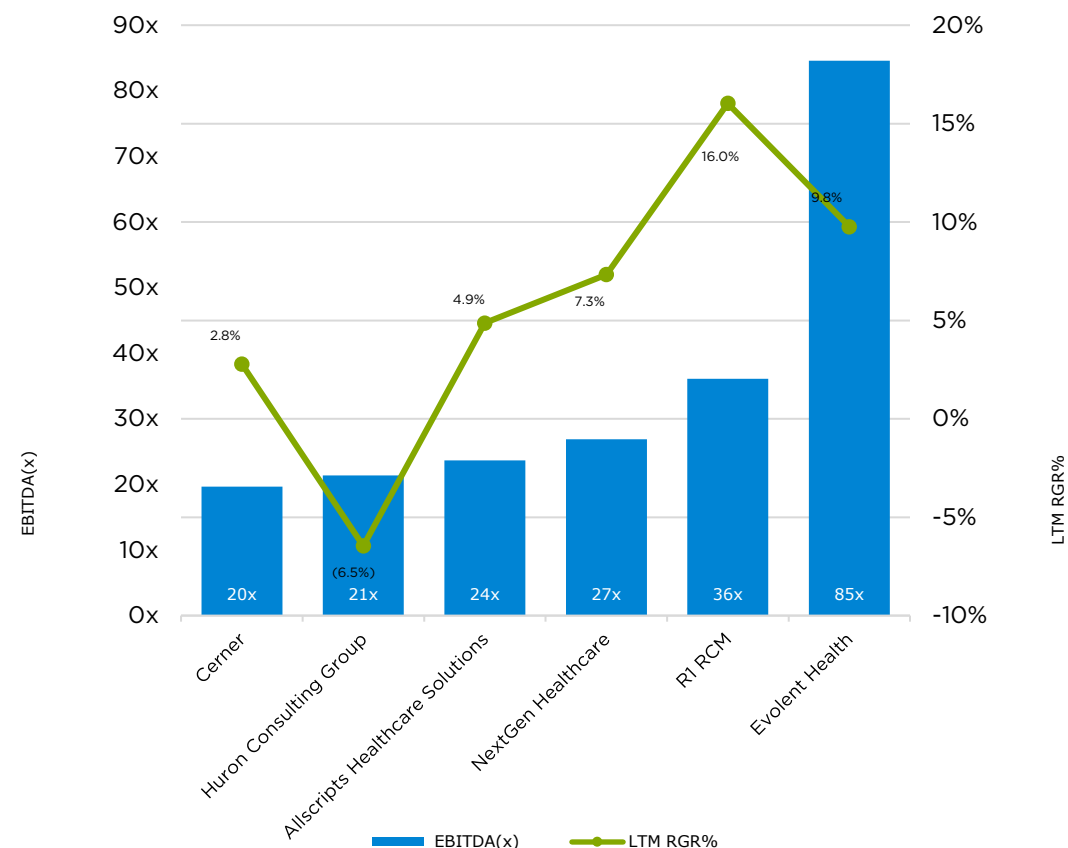


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value (\$m)	Target Revenue (\$m)	TEV / Revenue	TEV / EBITDA
17-Feb-22	AP Easy Software Solutions	CompuGroup Medical	-	-	-	-
16-Feb-22	EMME (Outcome Management)	SimpleHealth	-	-	-	-
15-Feb-22	Skyscape	Undisclosed	0.87	-	-	-
08-Feb-22	Tryl	Ballast Point Ventures	-	-	-	-
04-Feb-22	KurveXR	Ilustrato Pictures International	-	-	-	-
03-Feb-22	Orchestrate Healthcare	Baker Tilly	-	-	-	-
02-Feb-22	Omhu	Medable	-	-	-	-
02-Feb-22	SpotOnMedics	VVAA Group	-	-	-	-
01-Feb-22	Finvi	Blue Star Innovation Partners	-	-	-	-
01-Feb-22	Wellable	Archetype Solutions Group	-	-	-	-
31-Jan-22	Kaleida Systems	Aquiline Capital Partners	-	-	-	-
26-Jan-22	66Nao Brain Training	#N/A	-	-	-	-
26-Jan-22	DoseSpot	Providence Strategic Growth	-	-	-	-
20-Jan-22	Edenbridge Healthcare	EMIS Group	13.53	-	-	-
20-Jan-22	iplato	Huma (Other Healthcare Technology Systems)	-	-	-	-
19-Jan-22	SecureVideo	Dura Software	-	-	-	-
18-Jan-22	Com Tec Co IT	Tech Mahindra	351.70	-	-	-
18-Jan-22	oralsharp	China Science & Merchants Investment Management Group	-	-	-	-
18-Jan-22	Total Therapy	K1 Investment Management	-	-	-	-
13-Jan-22	CaredFor	ContinuumCloud	-	-	-	-
12-Jan-22	Sayana	Headspace (Educational and Training Services (B2C))	-	-	-	-
10-Jan-22	Medigate	Claroty	-	-	-	-
10-Jan-22	RLDatix	Nordic Capital	-	-	-	-
10-Jan-22	Sygnis	Mode (Poland)	-	0.96	-	-
06-Jan-22	Artemis Health	Nomi Health	-	-	-	-

Appendix

Contact Information



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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. Securities offered through 7M Securities LLC.

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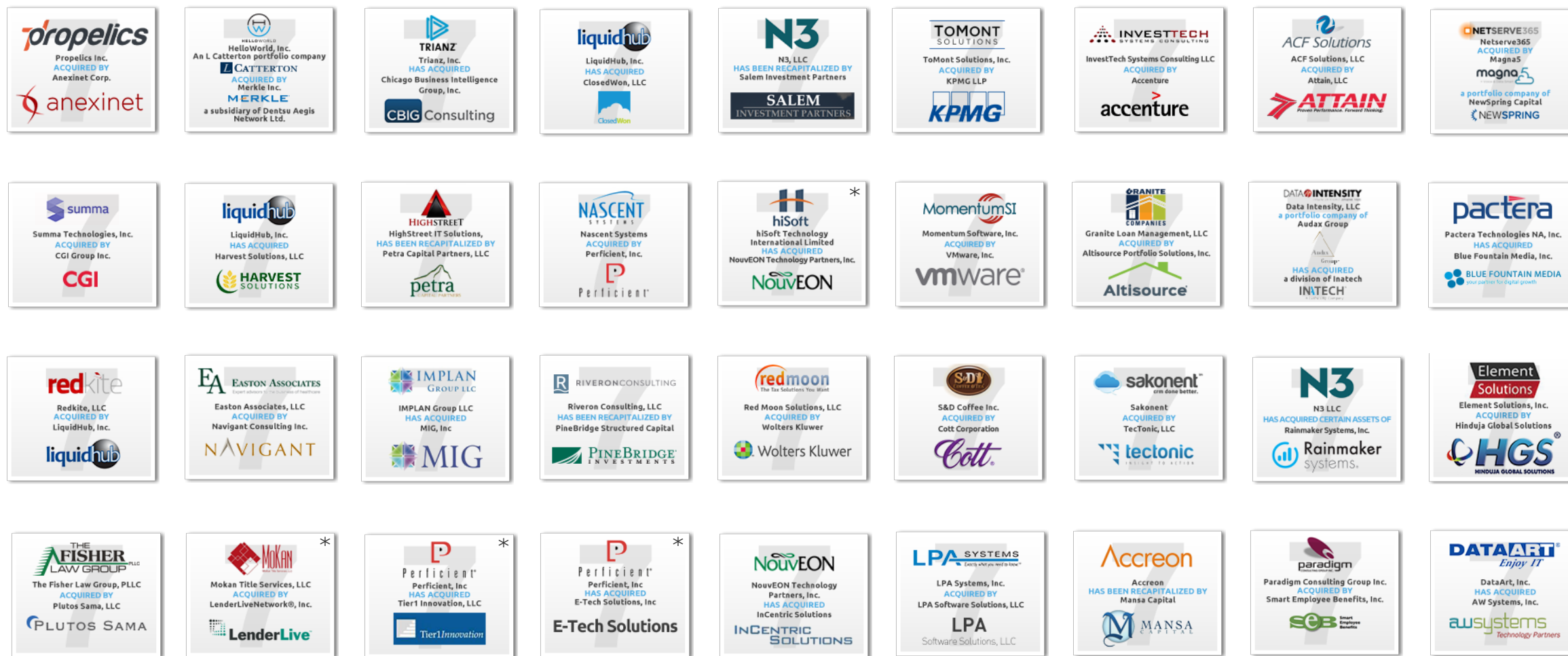
Select Deal Experience



Select Deal Experience



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Select Deal Experience

