

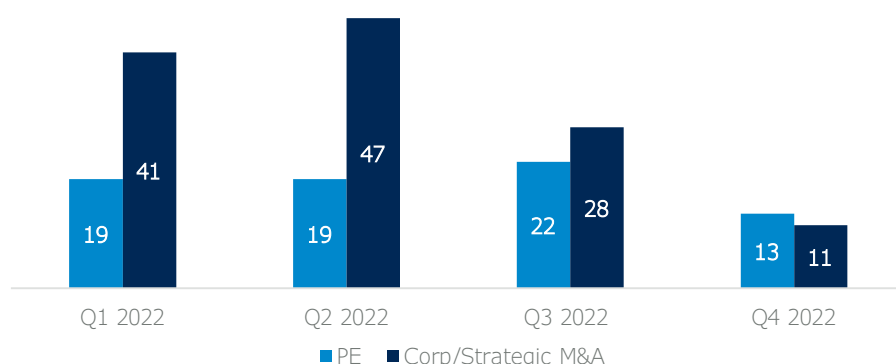
Market Update Healthcare IT & Consulting

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M&A activity within the broader Healthcare IT & Consulting ecosystem has slowed slightly to close out 2022, but the year was another record year when compared to history, with the exception of 2021. Over the last two years, the industry has seen tremendous growth, and M&A activity as the rapid adoption of technology within all facets of healthcare and life sciences continues to reign strong given the benefits and cost saving that IT has shown within both large and midsize enterprises.

Looking to 2023, major players in the Payer, Provider, and Life Science verticals are continuing to look for solutions and services to help meet their customer's ever-growing demands for personalized, customized, automated, and on-demand care that have driven rapid change in the larger Healthcare industry. Given these demands, coupled with industry workforce shortages, looming concerns of regulation, and fears of economic downturns, healthcare and life sciences organizations are expected to continually invest, both organically and through accretive M&A, for new solutions, services, and offerings that can satisfy their customers while also providing a level of IT or automation that allow for stable and profitable growth.

Deal Count and Capital Raised by Transaction Type



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

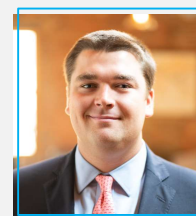
Sector Coverage Team



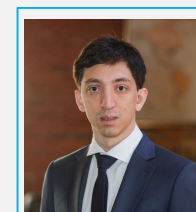
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Sector Snapshot

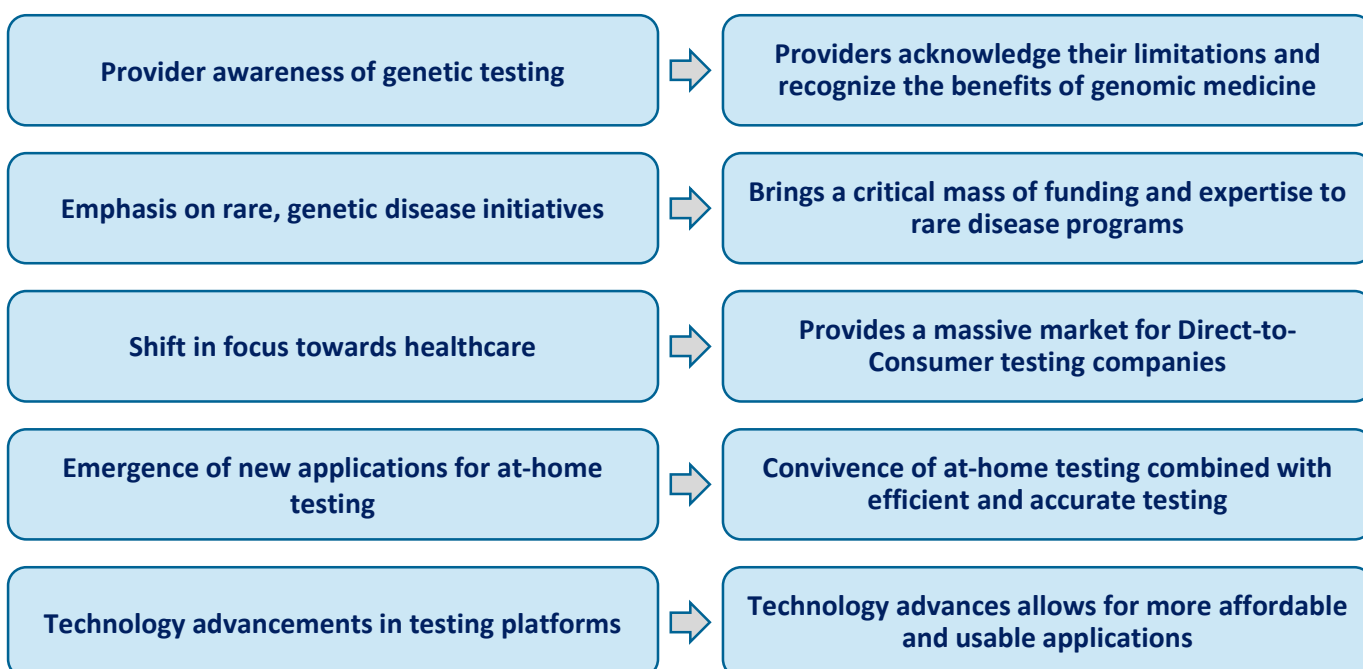
Genetic Testing Services & Technologies

Market Overview

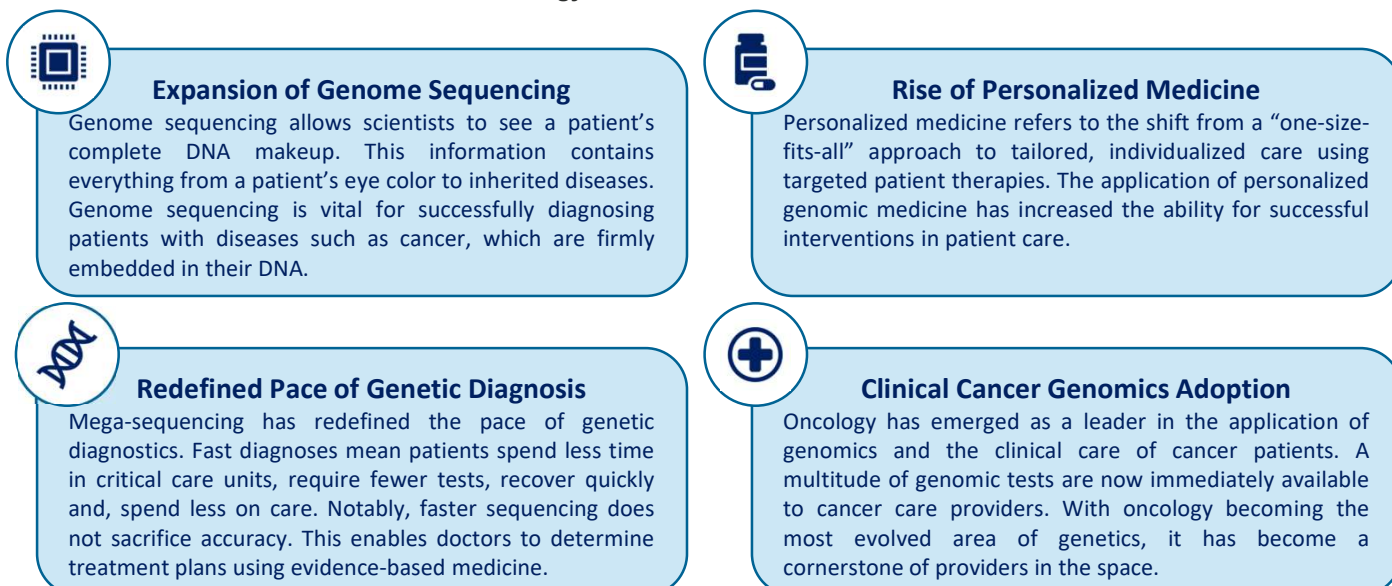
Genetic testing is the examination of a person's DNA that can help reveal key information for diagnosing, treating, and preventing illnesses and diseases. Over the past decade, this market has evolved from applications outside healthcare, such as exploring ancestry, to common use for clinical care applications.

Payers and providers lack the expertise to effectively administer genetic tests and manage claims and benefits. Genetic tests generate information that can be difficult for patients to interpret in the context for their medical and family history. This accelerates the demand for genetic counselors.

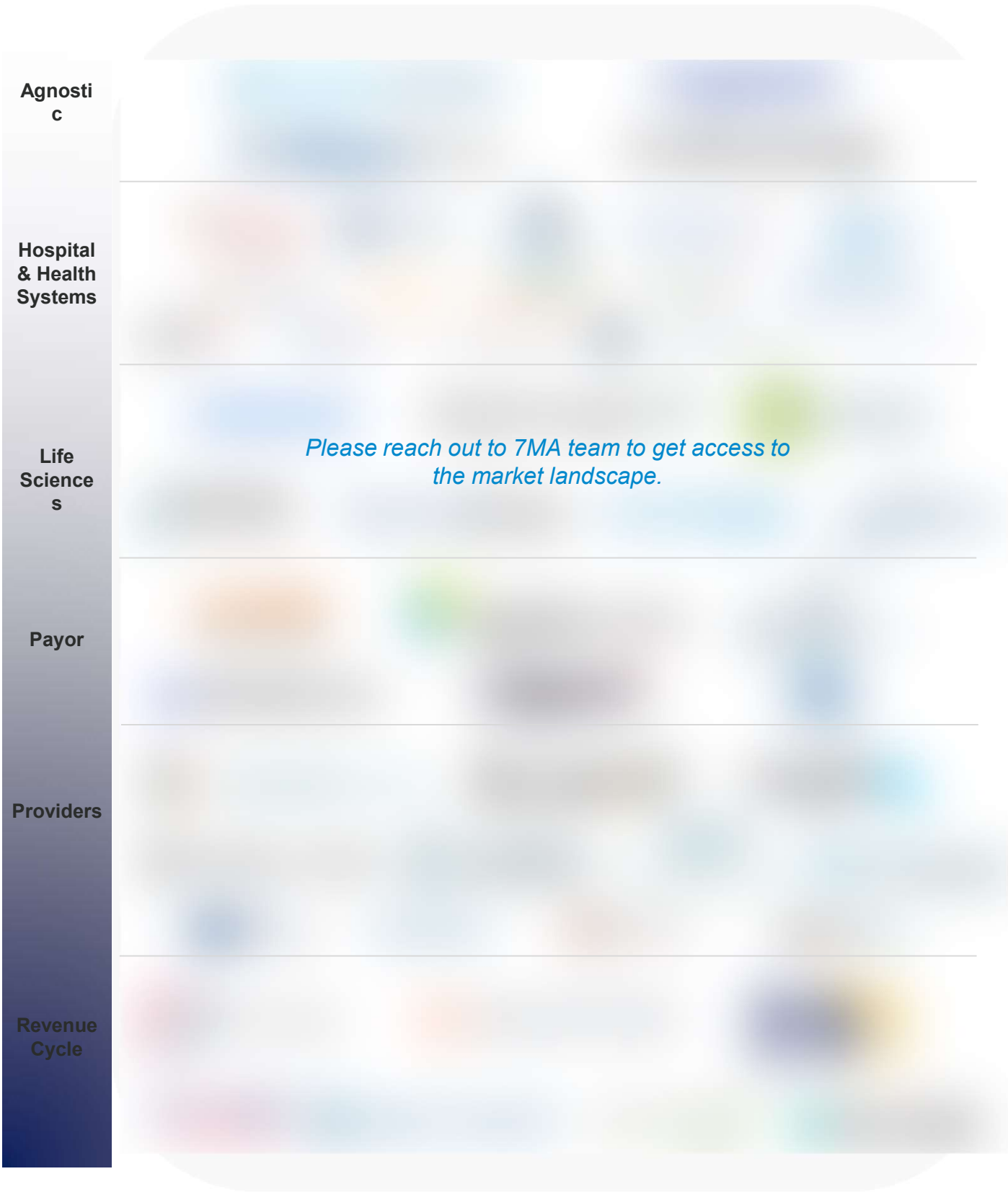
Key Market Drivers & Market Impact



Recent Advancements in Genetic Technology



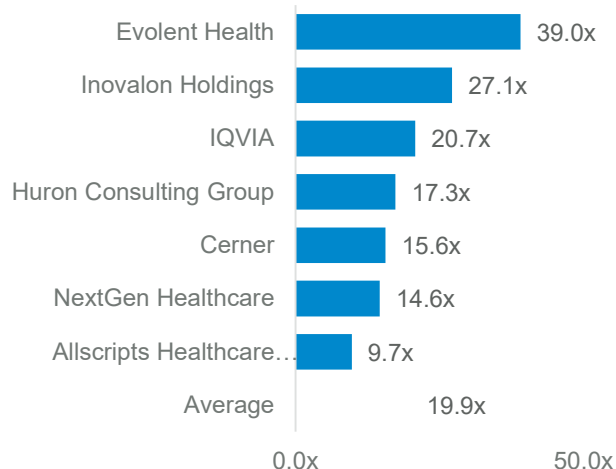
Industry Vertical



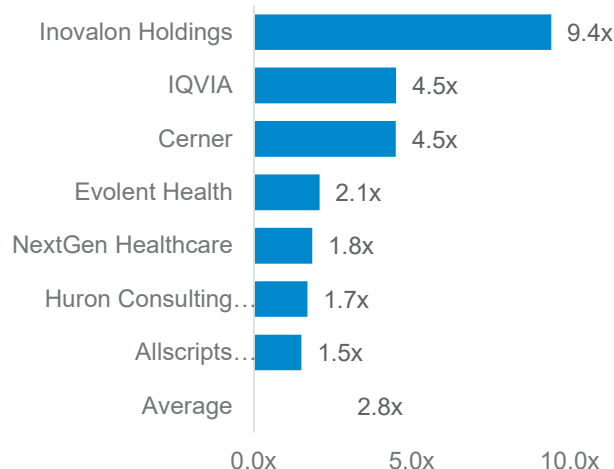
Publicly-traded Healthcare IT & Consulting Companies – Q4 2022

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	1,113	80	581	3%	51%	14%	1.9x	14.0x	3,174	35
Allscripts Healthcare Solutions	2,254	184	806	-8%	45%	23%	2.8x	12.3x	6,708	34
Huron Consulting Group	1,468	86	866	-10%	29%	10%	1.7x	17.1x	4,609	32
Evolent Health	2,592	62	906	35%	26%	7%	2.9x	41.5x	3,500	74
R1 RCM	7,726	311	1,404	7%	20%	22%	5.5x	24.8x	22,000	35
IQVIA	59,575	2,929	13,536	2%	33%	22%	4.4x	20.3x	73,505	81
McKesson	40,599	4,461	250,991	3%	5%	2%	0.2x	9.1x	75,000	54
Average	16,475	1,159	38,442	5%	30%	14%	2.8x	19.9x	26,928	49
Median	2,592	184	906	3%	29%	14%	2.8x	17.1x	6,708	35

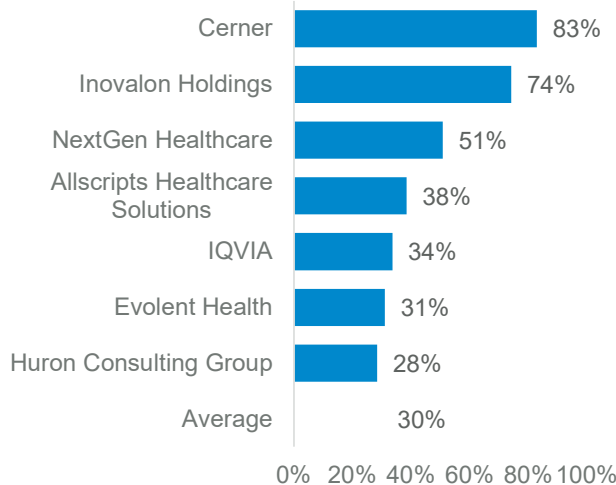
TEV / EBITDA X



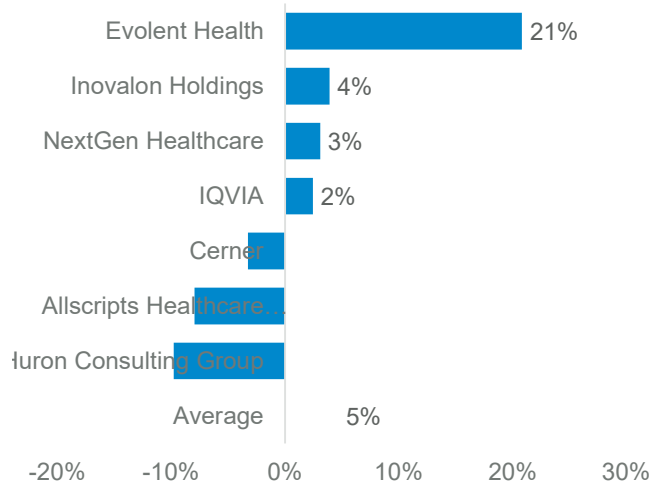
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q4 2022 M&A Transactions

Date	Target	Buyer / Investor	Target Description
December 2022			<ul style="list-style-type: none"> Operator of a healthcare travel staffing and education company primarily focused on cardiovascular medicine. The company specializes in sourcing and placement of qualified nurses and allied professionals in cardiac catheterization labs, electrophysiology labs and interventional radiology suites providing both short- and long-term critical care coverage, enabling clients with skilled clinicians that are trained on crucial cardiovascular care.
November 2022			<ul style="list-style-type: none"> Developer of EMR and practice management solutions designed for addiction and mental health treatment centers of all sizes. The company removes the pain points of using multiple platforms with a fully integrated suite of behavioral health software for electronic health record, customer relationship management, document management system and billing with features to help treatment centers navigate the ever-changing complexities of sending insurance claims and invoices, maximize admission efficiency, boost revenue streams and more, thereby enabling treatment facilities to focus on their work and recuse time spent on administrative work
November 2022		 	<ul style="list-style-type: none"> Provider of regulatory healthcare consulting and advisory services for healthcare organizations. The company specializes in the areas of strategy and clinical operations, regulatory and compliance, quality and accreditation, staff augmentation and more, enabling clients to realize their fullest potential and achieve sustainable success.
November 2022			<ul style="list-style-type: none"> Provider of IT consulting and implementation services catering specifically to the healthcare and life sciences industries. The company specializes in building customized software using cloud, web and client-server technologies and provides end-to-end software development using an agile methodology, including conceptualization, design, development, testing, deployment, user adoption and training, enabling clients to achieve sustainable growth while solving immediate business challenges.
October 2022			<ul style="list-style-type: none"> Provider of NetSuite-based ERP and MRP solutions catering to the pharmaceutical, biotechnology, CDMO, and GMP manufacturing sectors. The company delivers finance, procurement, in-house manufacturing, approvals and controls, supply chain, and commercial services to deliver reduced risk, and increased ROI to support its clients in reducing business system challenges such as global consolidations/eliminations, forecasting, and planning, inventory costing, transfer pricing, and contract management.

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

