

# H.I.T. Greatest Hits

March 2018



# M&A

MARLIN & ASSOCIATES

INVESTMENT BANKING AND STRATEGIC ADVISORY TO THE TECHNOLOGY,  
INFORMATION AND HEALTHCARE INDUSTRIES

# HIT MARKET UPDATE

New York

Washington, D.C.

Toronto



XEN Partners

## DEAR CLIENTS AND FRIENDS

### Welcome to our **March 2018 HIT Market Update**

Earlier this month, we joined the 45,000 healthcare enthusiasts at HIMSS in Las Vegas. Rather than covering the obvious themes of interoperability, blockchains or the cloud, here are some of our not-so-obvious key takeaways.

**The tech giants had many representatives who flew undercover** - Apple had no booth. Amazon's booth was not labeled Amazon, but "AWS", their cloud platform. Google's messaging was somewhat opaque. Despite the secrecy, these companies appear intent to bring the Silicon Valley innovation culture to healthcare. We may even see one or two mega acquisitions of HIT companies in the mix.

**Voice is having a renaissance** - We have come a long way since the early days of dictation software for documenting clinical encounters. We are excited about "Ambient voice documentation", the next generation of speech recognition technology. Imagine the potential productivity uplift, when the machine can automatically populate the EMR by listening to the doctor<>patient interaction.

**Consumers want their medical records now** - We saw some interesting companies that through a healthcare proxy, aggregate, store and normalize medical records in the cloud for the consumers. This is patient empowerment on steroids.

**The emergence of AI-driven bots** - The hope for this technology, which uses AI and NLP, is a closer patient engagement. Use cases vary from medication adherence to virtual therapists or symptom checkers. Industry needs to work through the abilities of the more complex apps, but we believe the technology has great upside.

According to McKinsey, the headroom for improvement in healthcare is over \$500B within the \$3.5T of spent. We don't know when we see the benefits of new technologies, but we do know that many of the 45,000 enthusiasts who showed up at HIMSS see that as their daily quest.

For further information contact:

**Afsaneh Naimollah**  
[Afsaneh@XENPartners.com](mailto:Afsaneh@XENPartners.com)  
+1 (917) 887-4278

**Jason Panzer**  
[Jason@Marlinllc.com](mailto:Jason@Marlinllc.com)  
+1 (212) 257-6300



"... and could I just see your insurance card?"

- Grail, the liquid biopsy company, plans to raise \$500M by listing on Hong Kong Stock Exchange
- Employee benefit company, Collective Health raises \$110M
- Summit sells Integrated DNA Technologies to Danaher for \$2.0B
- R1 (formerly Accretive) buys Intermedix the largest ER RCM company for \$460M
- Dragoneer invests an additional \$180M in PointClickCare, the leading EMR vendor for the post acute sector

Afsaneh Naimollah  
[www.XENPartners.com](http://www.XENPartners.com)

# MARLIN & ASSOCIATES HIT MARKET UPDATE

04

Important Industry News

04

Capital Raising Activity

06

Mergers & Acquisitions Transactions

07

International Transactions

09

Marlin & Associates' Index Performance

09

■ Healthcare Information Software Systems

10

■ Technology-Enabled Healthcare Services

11

Merger & Acquisition Activity Trends and Multiples

0

## IMPORTANT INDUSTRY NEWS

### Amazon hires former FDA Chief Health Informatics Officer, Taha Kass-Hout

Amazon needs diverse healthcare talent to realize its vision of a new industry paradigm. Taha checks many boxes. He is a former regulator (always helps to have them on your side if you want to disrupt anything). He is credited for a number of initiatives which essentially helped the public and researchers access adverse event database at the agency. He also started a similar program for genomic information. Many believe that Amazon's first foray into healthcare will be an aggregation and data access play for consumers. If that is the case, then Taha is the perfect match.

### Apple enters the employee health market

We are witnessing a bit of a herd instinct here. After the joint venture announcement between Amazon, JPM and Berkshire Hathaway, Apple is following in their footsteps. For the past five months, Apple has been quietly working with some of the local Stanford Health Care staff to build AC Wellness Network for their employees. No doubt this will be a testing ground for Apple to evaluate its opportunities for the broader market.

### Pear Therapeutics and Novartis join hands to develop digital therapies for multiple sclerosis and schizophrenia

Galvani was founded a few years ago as a \$750M joint venture between Google Verily and the pharmaceutical company GSK. The venture is focused on developing bioelectronic medicine. Pear and Novartis are now the second venture amongst serious players; albeit with a much narrower focus. We are quite enthusiastic about drug free treatments and applaud this new venture.

### Verily mulling over entry into the healthcare insurance market

According to CNBC, Verily has been meeting with insurers to discuss partnerships where they can jointly bid on contracts.

Getting into the insurance market directly is tough. Every state has its own regulation and licensing requirements. The easiest way is to join hands with existing insurance companies. And that is exactly what Verily is up to. The company's strong suit is in data management, AI and machine learning; all strong attributes to complement the actuarial scientists at the insurance companies. Ari Gottlieb, a director at PwC believes that Verily's initial entry into this market can be worth \$20-25B.

## CAPITAL RAISING ACTIVITY

### Menlo-Park, CA based Grail, the liquid biopsy company and Illumina spin off, to go public on the Hong Kong Exchange and seeking \$500M in additional capital

Grail, a liquid biopsy company, was founded by Illumina, the largest genetic sequencing instrumentation company in the world. Subsequently, Grail was spun off and raised \$1.0B of capital from a variety of investors including Bill Gates and Jeff Bezos. In May of 2017 Grail merged with the much smaller Chinese company, Cirina, which is in similar business.

Grail focuses on early detection of cancer. The company has already started two clinical trials. One is focused on breast cancer. The biggest challenge for liquid biopsies is the degree of false positives. Patients who would be put through unnecessary biopsies and other procedures may not be happy. That said, the field holds enormous promise for prevention which is the holy grail for bending the cost curve in healthcare.

### Helix of San Carlos, CA raises \$200M

This is another Illumina affiliated entity. Helix is a platform on which a variety of genetically centered apps can be built. Currently the company has 35 products from 20 partners. Mayo Clinic is expected to launch a new app on Helix's platform in the coming months. DFG Growth, Illumina, KP, Mayo Clinic, Warburg Pincus and others participated in the raise.

### Collective Health of San Mateo, CA announces \$110M funding with participation from Founders Fund and GV

The company has raised over \$220M to date. Collective matches employees with the benefit programs where they can pick and choose what they want covered for their employees. The Company covers 120,000 members up from 30,000 in 2015.

Canadian insurer, Sun Life Financial and Mubadala of Abu Dhabi are new investors.

### Health benefit company, Bind, based in Minneapolis, MN, raises \$60M

The best way to describe the company is an on-demand health insurance. One can add or subtract from their coverage on the go. The company works with employers as well as brokers and consultants. The concept is novel, fresh and personalized. We will have to wait and see it in action.

### **Unity Biotechnology, life extension company based in San Francisco, CA raises \$55M in Series C bringing total funds to \$200M**

The company designs therapeutics that prevent, halt, or reverse numerous diseases of aging. This is achieved through clearing senescent cells, and design specific medications. These medicines target the production of the cellular protein that lead to deterioration associated with age. No human trials yet. First drug will address musculoskeletal. We know many others including Google who are working hard at extending lifespan. The amount of money that is backing these projects are getting medical ethicists pretty worried.

### **Atomwise of San Francisco raises \$45M**

Monsanto Growth Ventures led the round which included Data Collective and others. Atomwise aims to be the leading AI partner to pharma, biotech and agrochemical companies. The company's earliest work involved commercializing deep neural networks for drug discovery. Atomwise now looks after 50 molecular discovery programs. These programs range from cancer to neurodegenerative diseases and endemic parasites. Very exciting work to join AI with chemistry.

### **Millennial health product market place, Hims, based in San Francisco, CA raises \$40M**

Hims uses a combination of pill, gummies and shampoo to address hair loss, ED and bad skin. The packaging of the products coupled with classy messaging looks like it can make this company to be a great success.

### **CareDx of Brisbane, CA raises \$35M**

CareDx, Inc. focuses on the discovery, development, and commercialization of diagnostic surveillance solutions for transplant patients. The company's solutions essentially allow doctors to match donors with patients; based on DNA profiling. The science materially decreases complications for transplant recipients.

### **Whoop of Boston, MA raises \$25M**

Whoop is often called the Tesla of health tracking. MIT labs, NBA commissioner and a few other prominent investors underwrote the round. Thus far the company has raised \$47M.

Whoop wearables are used by players in Major League Baseball and NFL. The biggest differentiator for Whoop is its massive data bank. The wearable has five sensors that collect data 100 times per second and it shows the athlete the level of strain that they are able to endure.

### **Sleep company Eight based in New York, NY raises \$14M**

The company, formerly called Luna had raised \$33M prior to this round. Khosla led this round.

Eight has built a smart mattress which manages the temperature of the bed and optimizes it on the basis of sleep and communication with other smart home devices. Sleep tracking and smart alarm are some of the embedded features.

### **Centene invests in tech-focused PBM, RxAdvance, based in Southborough, MA**

This deal was announced a few days after another insurer, Cigna announced its acquisition of Express Scripts. Insurers owning PBMs aims to serve the patients better through data sharing, etc.. Many insurers have either bought or built their own. Concerns have been expressed about CVS, which has its own PBM, overcharging Medicaid patients.

Centene is the largest Medicaid-focused insurer.

### **Memory health platform NeuroTrack based in Richmond, VA lands \$13.7M in funding in Series B**

The round was led by Sozo Ventures. The platform has two parts. One which helps users prevent memory loss and an assessment that gives users a baseline memory reading. Users can track exercise, diet, sleep, stress alongside their cognitive training efforts. The system is designed to follow the studies done by Finnish Geriatric Intervention which has shown encouraging results for prevention of cognitive decline.

The way memory is measured in the app is fascinating to us. The memory assessment which takes about five minutes and can be done at home, lets user look at their smart phone screen and the program will track eye movements and identify potential abnormalities. We look forward to seeing how quickly this company can get traction.

### **twoXAR, based in Palo Alto, CA and an AI driven drug discovery company raises \$10M**

The company leverages internally built knowledge base to identify new drug candidates coupled with public library of specific diseases. Type 2 diabetes and rheumatoid arthritis are the current areas of focus.

## Nomad of New York, NY raises \$12M

The company has a platform for job seekers and employers in the healthcare space. Polaris led the round. Nomad currently focuses on helping doctors and nurses to find short term jobs. The plan is to become a market place for a variety of healthcare jobs where both seekers and employers can find their match.

There are a number of websites that specialize in healthcare. The difference here is sharp focus on the life cycle of the job seekers.

## MERGERS AND ACQUISITIONS

### Cigna agrees to buy Express Scripts based in St. Louis, MO in a \$67B deal including \$15B in debt

The last of independent PBMs is history. Most of the large payers already own their own PBM. So the deal is not a surprise. Express Scripts lost its biggest client, Anthem last year which went ahead and set up its own PBM. Express Scripts has over \$100B in revenue and EBITDA of \$7.2B. The transaction represents a 31% premium.

### Summit sells its portfolio company, Integrated DNA Technologies based in Skokie, IL, to Danaher Corporation for \$2B

IDT is a genomic-focused life science company. It provides high value consumables for genomics application in molecular biology and next generation sequencing synthetic biology, gene editing and molecular diagnostics. Customers include pharma, biotech and academic institutions. It has been a good few weeks for Summit with two large billion dollar exits which includes ABILITY Network.

### Private equity group Platinum Equity is buying Johnson & Johnson's glucose monitoring business, LifeScan, based in Milpitas, CA for \$2.1 billion

J&J put up their entire glucose monitoring business for sale last year. Rumors were that Chinese companies were the top bidders. But Los Angeles-based Platinum Equity has now emerged as the front-runner.

Platinum has had a history of buying troubled businesses and turning them around. To our knowledge LifeScan is not a troubled asset. Glucose monitoring is a hugely competitive market and this is a pricey deal.

### ABILITY Network, based in Minneapolis, MA is picked up by Inovalon for \$1.2B in cash and restricted stock

Inovalon is a leader in value based analytics with \$450M in revenue. ABILITY is one of the largest RCM players which primarily covers long term care facilities, hospice and nursing home markets. The company has more than 44,000 provider facilities as clients. ABILITY has grown impressively through several acquisitions both under Bain Ventures' and Summit Partners' ownership. The company had \$72M in EBITDA, equating to a multiple of 16.6x purchase price.

The companies tout this as a vertical integration where the information residing in ABILITY's transactional "traffic" can be combined with Inovalon's strong analytical skills. Time will tell. The deal is expected to be accretive out of the gate which is a good thing.

### New Mountain Capital-backed Revint Solutions Acquires Tamroc Partners-backed Naveos based in Sterling, VA

Naveos is a market leader in specialized government reimbursement technology and services for healthcare providers. This includes SSI Ratio Management, 340B program eligibility and Medicaid member management. Revint aims to deepen its technology used in revenue integrity solutions particularly focused on complex reimbursements..

### R1 acquires Intermedix's, healthcare RCM division, based in Fort Lauderdale, FL for \$460M

R1 (the former troubled publicly-held Accretive Health) is one of the largest providers of RCM for hospitals. Ascension, country's largest catholic health system, is an investor and its biggest client. Intermedix which has been in private hands (owned by Parthenon since 2006), is the largest ER RCM player. The combination will be a significant player in the RCM industry. Intermedix will receive access to all the ER operations of R1 and R1, in turn, will be able to tap into the 15,000 healthcare providers that are currently being served by Intermedix.

The market certainly likes this deal. R1's stock has jumped from \$3.51 six months ago to \$7.40 at the time of this writing.

### **New Mountain Capital-backed Equian Acquires Woburn, MA-based OmniClaim**

Equian, is a leader in end-to-end payment integrity solutions. OmniClaim, in turn is a top notch player in post-payment provider audit. This is a good bulk up acquisition for Equian who has aspiration of becoming a larger end-to-end provider with advanced analytics to boot.

Equian manages over \$300B in claims data annually assisting clients by avoiding, identifying, pricing, analyzing clinical codes, and ultimately recovering inaccurate transactions. Workers comp, P&C insurance markets are the main activities of the company.

### **Cognizant buys RCM player Bolder Healthcare Solutions based in Louisville, KY**

As one of the largest healthcare IT and services companies, Cognizant has traditionally focused on the payer market. Bolder is an RCM player catering to hospitals, physician practices and other specialist healthcare organizations. The acquisition should not only help Cognizant to strengthen its consulting practice, but become a meaningful platform for the company in the provider sector.

### **Genstar- backed Accruent acquires Connectiv based in La Jolla, CA for biomedical and device asset management**

This is Accruent's seventh acquisition in two years. Connectiv has a cloud based solution which helps clinical engineering departments to automate tasks such as biomedical asset management, compliance management, purchasing support automation and parts and inventory management. Many believe that medical devices are the next frontier for cyber attacks and ransomware. This is a smart move by Accruent.

### **RCM vendor, The SSI Group buys Informatics Corporation of America based in Nashville, TN**

CA is an interoperability player which can help SSI to bring administrative and clinical functions closer together. Value based reimbursements would not be possible without the comingling of clinical and financial data.

In our opinion, vendors that are solely focusing on administrative/financial functions will slowly become irrelevant in 2-4 years.

### **HIMSS acquires Healthbox, based in Chicago, IL to get into the innovation consulting game**

The acquisition will enable HIMSS to offer hospitals guidance about bringing innovation into their systems and learning how to invest in and work with start ups. This is the second acquisition by HIMSS. Last year the organization bought Health 2.0, the leading conference for next generation healthcare

## **INTERNATIONAL TRANSACTIONS**

### **Dragoneer Investment Group buys an additional \$180M of PointClickCare shares based in Mississauga, Ontario**

After this purchase, Dragoneer is now a 20% owner of the company. PointClickCare is an EMR software platform focused on long term and post care acute market. The company has grown quickly and serves 15,000 communities and agencies on its platform. Over 1.2 million active resident records are now managed by PointClickCare. FY 2017 revenue was \$200M.

### **Nasdaq-listed and Bedford, OH-based ViewRay secures \$60M in funding from the Chinese investment firm, Fosun**

Fosun is taking a 10% equity in return for the funds. ViewRay which is listed on NASDAQ, markets radiation therapy solutions. The MRI-guided therapy is combined with radiation therapy, enabling real time imaging that clearly defines the targeted tumor from the surrounding soft tissue. It is not hard to see that this technology can lead to better outcomes for patients and improve their safety and the efficacy of their treatment.

### **UBCare of Korea receives \$44M investment from Kakao Investment**

UBCare is a public company with over \$72M in revenue. The company is one of the leading IT shops in the healthcare sector. Kakao's parent company is a broad-based wireless telecom company. It is not the first time that a telco is getting into the healthcare business. Telus, one of the largest telecommunication companies in Canada, is an active investor/acquirer in healthcare as well.

Shortly after the raise, UBCare spent \$18M to buy Brain Healthcare, a healthcare SI in Korea.

## SMOKY NEWS

### MedGenome of India raises \$40M in Series C

MedGenome is a leading genetic diagnostics company. Sanofi and Sequoia India are amongst the investors.

Funds will be used to help move the company to smaller cities. Some of the tests that the company is focusing on include pre-natal screening and newborn genetic testing. The company has performed over 100,000 tests and claims to have helped clinicians solve 40% of their unresolved cases.

### Medial EarlySign of Israel raises \$30M Series A

Medial EarlySign Ltd develops a healthcare technology for providers to identify risks for critical threats. It offers AlgoMarkers and AlgoAnalyzer, predictive engines that allow healthcare organizations to diagnose large number of patients and deliver clinical rigor and algorithmic insights. The company was founded in 2009.

### UK-based Owlstone Medical raises \$15M; diagnosing cancer via breath

Owlstone uses a breath inhaler to detect cancer. The start up sees the test enabling detection of cancers and stratification of patients through the analysis of exhaled volatile organic compounds (VOCs). In the past the company raised monies to run clinical trials in lung and colorectal cancers through a tie up with GlaxoSmithKline. The new technology is backed by Horizon Ventures of Hong Kong and is focused on lung cancer.

### Health Italia S.p.A raises \$12.3M via a PIPE issue

Health Italia is a broad base health IT software and consulting company. HI provides a variety of services from claims handling to managing welfare plans on behalf of the government. HI has approximately \$26M in annual revenue and has a market cap of \$78M.

### StarTek, a NYSE-listed company, raises \$10M from Capital Square Partners of Singapore

StarTek is a broad base IT support and customer engagement company in a variety of sectors including healthcare. The company has demonstrated impressive results for quickly enrolling members in PBM plans and other functions requiring an accelerated member enrollment.



### FDA to re-examine premium cigars as it evaluates an overhaul of tobacco regulations

The FDA is taking another look at premium cigars. Anti-tobacco groups are gravely concerned that the agency may weaken regulation.

The rumors are swirling around that the new FDA chief, Scott Gottlieb is taking a serious look at overhauling tobacco and nicotine laws. The agency is seeking feedback on how to define premium cigars and if they pose different risks or are used in different patterns compared with other tobacco products.

Since 2016, the agency has targeted gradual lowering of the amount of nicotine in cigarettes. In a reversal, the premium cigar industry is hoping that they will ultimately obtain relief.

In a related announcement, the FDA stated that they will be examining the role flavors, including menthol, play in attracting young people to tobacco products. The agency is encouraging them as well as adult smokers to switch to products that are potentially less harmful than cigarettes.

### Pfizer's quit-smoking Chantix treatment fails a safety and effectiveness study in teen smokers

Chantix was approved by FDA in 2006 as a prescription medication which, along with support, helps adults aged 18 and over quit smoking.

Pfizer had committed to post marketing study focused on adolescents aged between 12-16 in the U.S. and 12-17 years of age in Europe.

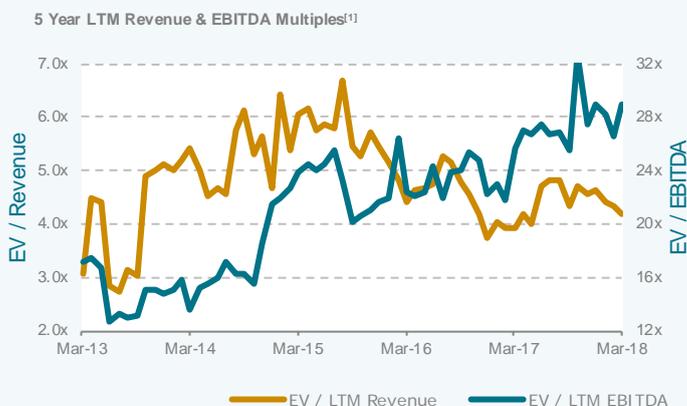
The study did not meet its goal of the four-week continuous abstinence rate at weeks 9 through 12 for Chantix compared to placebo.

The market for Chantix is estimated to be \$1.5B annually. As expected Pfizer stock took a hit.

# Marlin & Associates' Index Performance

## Healthcare Information Software Systems

### Public Market Data



Company (USD millions)	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		Revenue Growth		EBITDA Margin	
			CY2017E	CY2018E	CY2017E	CY2018E	CY2017E	CY2018E	CY2017E	CY2018E
Allscripts	2,506	4,399	2.4x	2.0x	12.1x	10.3x	17%	18%	20%	20%
athenahealth	5,687	5,795	4.8x	4.3x	22.0x	17.2x	12%	11%	22%	25%
Benefitfocus	757	817	3.2x	2.9x	43.2x	29.3x	10%	10%	7%	10%
Cerner	21,689	21,408	4.2x	3.8x	12.8x	11.7x	9%	8%	32%	33%
CompuGroup Medical	2,841	3,235	4.5x	3.2x	20.5x	12.4x	3%	39%	22%	26%
Computer Programs & Systems	401	543	2.0x	1.9x	11.2x	10.3x	0%	6%	18%	19%
Health Equity	3,587	3,346	14.7x	12.0x	40.6x	31.7x	28%	23%	36%	38%
Inovalon	1,691	1,464	3.2x	3.0x	13.4x	11.9x	6%	8%	24%	25%
Invitae	343	323	4.8x	2.6x	na	na	168%	88%	na	na
iRhythm Technologies	1,439	1,370	14.1x	10.3x	na	na	52%	37%	na	na
Medidata	3,956	3,847	7.1x	6.0x	28.6x	23.7x	18%	18%	25%	25%
NantHealth	326	303	3.2x	2.3x	na	na	(6%)	42%	na	na
Omicell	1,723	1,901	2.6x	2.3x	21.9x	13.5x	4%	12%	12%	17%
Orion Health	113	107	0.8x	0.7x	na	na	(10%)	6%	na	na
Quality Systems	800	815	1.5x	1.5x	10.0x	10.0x	4%	2%	16%	15%
Veeva Systems	10,766	10,004	14.7x	12.4x	44.0x	38.3x	25%	18%	33%	32%
<b>Trim Mean</b>	<b>3,246</b>	<b>2,726</b>	<b>5.2x</b>	<b>4.2x</b>	<b>22.7x</b>	<b>17.2x</b>	<b>13%</b>	<b>18%</b>	<b>22%</b>	<b>24%</b>
<b>Median</b>	<b>1,707</b>	<b>1,682</b>	<b>3.7x</b>	<b>2.9x</b>	<b>21.2x</b>	<b>12.9x</b>	<b>10%</b>	<b>15%</b>	<b>22%</b>	<b>25%</b>

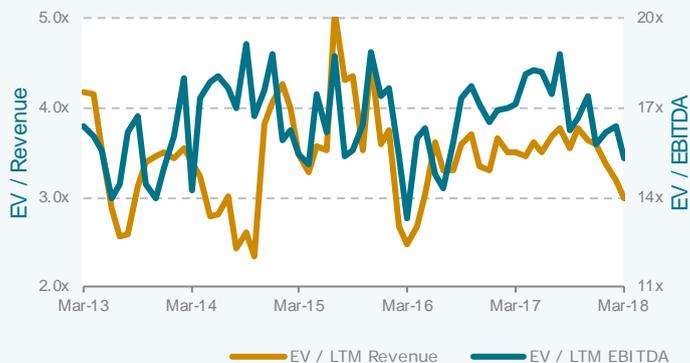
<sup>(1)</sup> Invitae added as of 2/2/15. NantHealth added as of 6/2/16. iRhythm Technologies added as of 10/20/16.

# Marlin & Associates' Index Performance

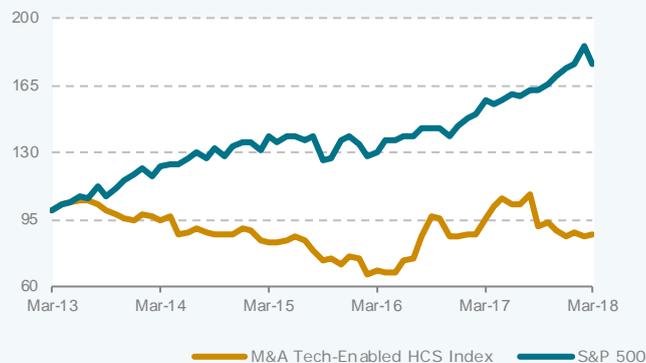
## Technology-Enabled Healthcare Services

### Public Market Data

5 Year LTM Revenue & EBITDA Multiples<sup>(1)</sup>



5 Year M&A Tech-Enabled HCS Sector Index<sup>(1)</sup> vs. S&P 500, base = 100

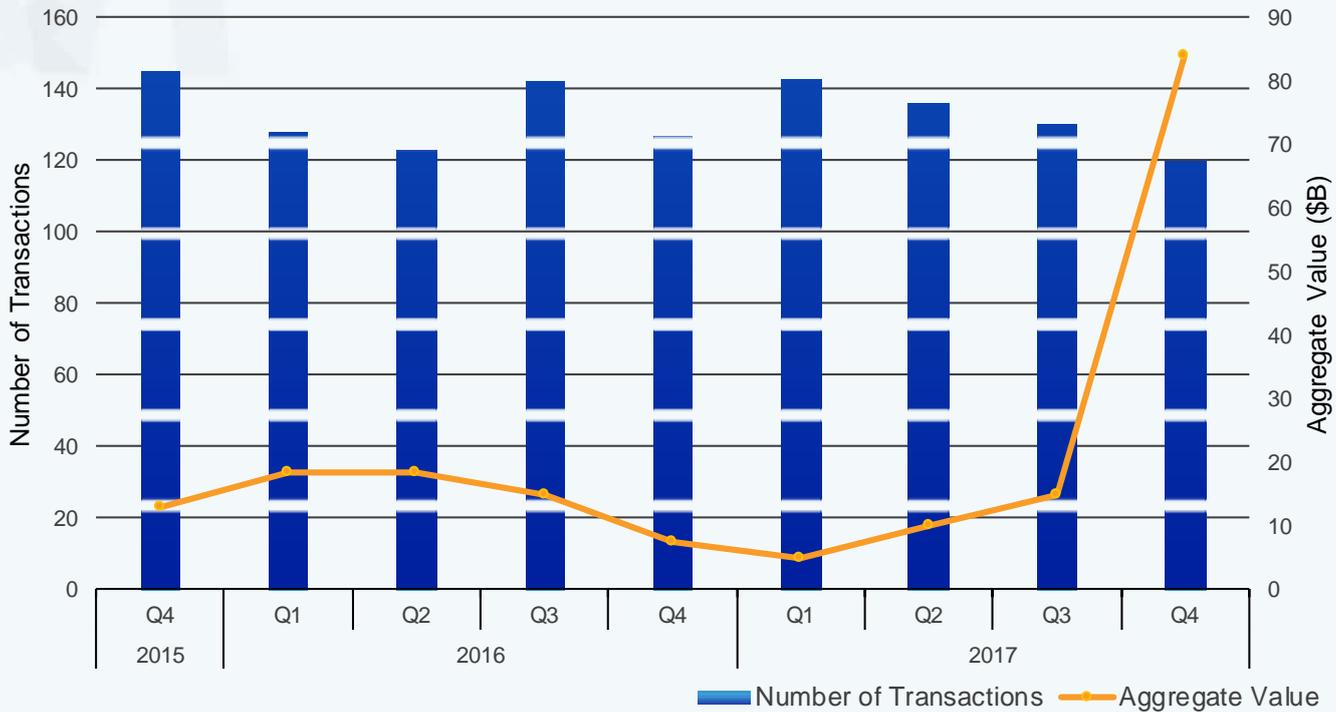


Company (USD millions)	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		Revenue Growth		EBITDA Margin	
			CY2016A	CY2017A	CY2016A	CY2017A	CY2016A	CY2017A	CY2016A	CY2017A
Accretive Health (R1 RCM)	670	695	1.2x	1.5x	2.2x	na	406%	(24%)	53%	na
Castlight Health	476	388	3.8x	3.0x	na	na	35%	29%	na	na
Cotiviti	3,023	3,627	5.8x	5.3x	17.0x	14.9x	15%	9%	34%	36%
Craneware	716	664	12.4x	10.7x	40.3x	35.4x	15%	16%	31%	30%
Emis	650	638	2.8x	2.8x	10.9x	17.8x	2%	1%	26%	16%
Evolent Health	987	904	3.6x	2.1x	na	na	162%	71%	na	na
Fitbit	1,135	456	0.2x	0.3x	na	na	17%	(26%)	na	na
HealthStream	779	648	2.9x	2.6x	30.8x	24.9x	8%	10%	9%	10%
HMS Holdings	1,362	1,519	3.1x	2.9x	16.0x	15.6x	3%	6%	19%	19%
McKesson	31,040	35,347	0.2x	0.2x	7.6x	9.4x	4%	5%	2%	2%
MINDBODY	1,668	1,451	10.4x	7.9x	na	na	37%	31%	na	na
Tabula Rasa Healthcare	523	515	5.5x	3.8x	62.6x	66.5x	34%	43%	9%	6%
Teladoc	2,341	2,426	19.7x	10.4x	na	na	59%	89%	na	na
Tivity Health	1,674	1,792	3.6x	3.2x	17.2x	14.1x	11%	11%	21%	23%
Vocera Communication	844	764	6.0x	4.7x	na	na	23%	27%	na	na
<b>Trim Mean</b>	<b>1,259</b>	<b>1,238</b>	<b>4.7x</b>	<b>3.9x</b>	<b>20.0x</b>	<b>20.5x</b>	<b>33%</b>	<b>18%</b>	<b>21%</b>	<b>17%</b>
<b>Median</b>	<b>987</b>	<b>764</b>	<b>3.6x</b>	<b>3.0x</b>	<b>17.0x</b>	<b>16.7x</b>	<b>17%</b>	<b>11%</b>	<b>21%</b>	<b>17%</b>

\*Teladoc added as of 7/1/15, Cotiviti added as of 5/26/16, Tabula Rasa added as of 9/30/16

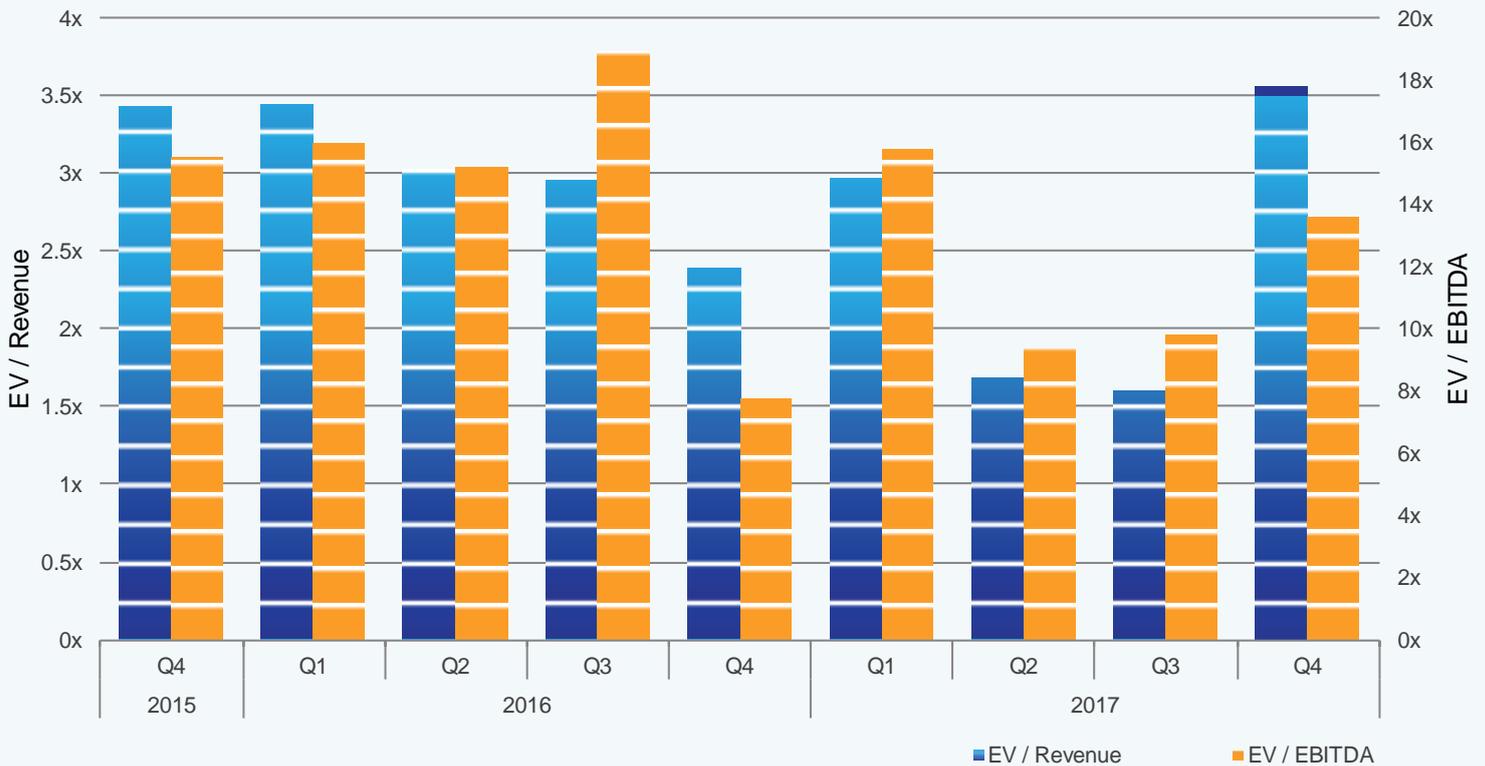
# MERGER & ACQUISITION TRENDS AND MULTIPLES

## Healthcare Technology and Services Transaction Activity



Note: Excludes Medtronic acquisition of Covidien, Anthem acquisition of Cigna, Aetna acquisition of Humana, and Abbott acquisition of St. Jude

## Healthcare Technology and Services Transaction Multiples



## PEER AND INDUSTRY GROUP RECOGNITION

“We are always grateful to be recognized for our hard work, but we are more pleased that we are able to help our clients achieve the results that they seek.”

**Ken Marlin**

Founder and Managing Partner

**Boutique Investment Banking Firm of the Year  
(2014, 2015, 2016) - The M&A Advisor**

**M&A Award USA TMT Advisory Firm of the Year  
(2012, 2015) – Acquisition International**

**The M&A Advisor and The M&A Forum have recognized Marlin & Associates for excellence in multiple deal categories including:**

- Professional Services B-to-B Deal of the Year (2017)\*
- TMT Advisory Firm of the Year (2017)\*
- Cross-Border Deal of the Year (2016)\*
- Cross-Border Boutique Investment Banking Firm of the Year (2016)\*
- Boutique Investment Banking Firm of the Year (2014, 2015, 2016, 2017)\*
- Advisory Firm of the Year (2015)\*
- Middle Market International Professional Services (B-to-B) Deal of the Year (2013)
- Financial Services Deal of the Year (2013, 2012 and 2011)
- Information Technology Deal of the Year (2011)
- Middle Market Deal of the Year <\$25M (2011)
- Corporate and Strategic Acquisition of the Year (2011)
- Middle Market Financial Services Deal of the Year (2011 and 2010)
- Middle Market Information Technology Deal of the Year (2011 and 2010)
- Middle Market International Financial Services Deal of the Year (2013 and 2010)
- Middle Market International Information Technology Deal of the Year (2010)
- Middle Market Financial Services Turnaround Deal of the Year (2009)
- Middle Market Information Technology Turnaround Deal of the Year (2009)
- Middle Market International Deal of the Year (2008)
- Middle Market Financial Services Deal of the Year (2008)
- Middle Market Technology Deal of the Year (2008)
- Middle Market Investment Banking Firm of the Year (2008 and 2007)\*
- Middle Market International/Cross Border Deal of the Year (2007, Below \$100M)

**TMT Advisory Firm  
of the Year (2017)**

**Boutique Investment  
Banking Firm of the  
Year  
(2017)**

**– ACQ5  
(Acquisition Finance  
Magazine)**



**The Global M&A Network has recognized Marlin & Associates for excellence in multiple deal categories through its M&A Atlas Awards:**

- Financial Technology Deal of the Year (2012, 2011)
- North America Small Mid Markets Corporate Deal of the Year (2013)
- Corporate M&A Deal of the Year (2010)
- Technologies Deal of the Year (2010)

\* Firm-wide Awards



New York | Washington, D.C. | Toronto

[www.MarlinLLC.com](http://www.MarlinLLC.com)