



# CEO Monthly Healthcare Information Technology and Services Market Analysis

October 2016



*The Only Investment Bank  
Focused Exclusively on Financial Technology*



**FT Partners Awarded**

**“Boutique Investment Bank of the Year”  
“Deal of the Decade”**

**Financial Technology Partners**  
555 Mission St., 23<sup>rd</sup> Floor  
San Francisco, CA 94105  
Tel: 415.512.8700

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

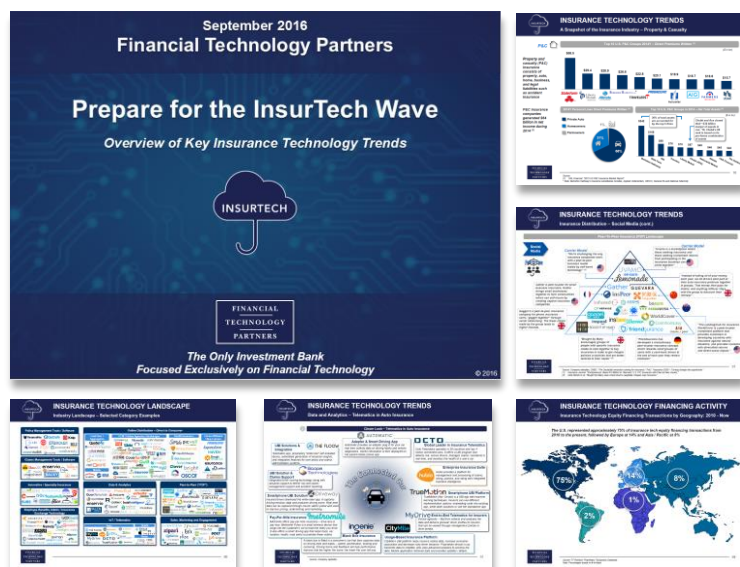
**Steve McLaughlin**  
Managing Partner  
Tel: 415.992.8880  
[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

**Highly Confidential and proprietary information. Unauthorized distribution without prior consent from Financial Technology Partners LP or FTP Securities LLC (together “FT Partners”) is strictly prohibited.**  
This communication should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product or service, nor is it an official confirmation of any transaction, or representative of an official position or statement of Financial Technology Partners LP, FTP Securities LLC or any other related entity. FTP Securities LLC is a FINRA registered broker-dealer. © 2016

# Healthcare Information Technology and Services Market Analysis

## FT Partners' Research – InsurTech Industry Report

### *Prepare for the InsurTech Wave: Overview of Key Insurance Technology Trends*



**FT Partners' 248-page report** provides an in-depth look at the major waves of innovation and disruption that are beginning to radically alter the insurance industry.

*Additional highlights of the report include:*

- An analysis of specific trends across: Insurance Distribution, Sales, Marketing and Engagement, Data and Analytics and Insurance Administration
- The responses of incumbents to date including the innovations, investments, partnerships and acquisitions being made to stay ahead of the game
- Proprietary InsurTech financing and M&A statistics and a comprehensive list of transactions in the space
- A detailed industry landscape of InsurTech providers as well as other innovative, tangential companies and profiles of 54 companies operating in the InsurTech ecosystem

**Please visit our [website](#) for more proprietary FinTech Research & Follow FT Partners on [Twitter](#) and [LinkedIn](#) for real time updates on our Research Publications**

*FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology.*

# Healthcare Information Technology and Services Market Analysis

## Selected FT Partners HCIT Transactions

<p><b>Financial Technology Partners LP</b> FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p>  <p><i>in its sale to</i></p>  <p><i>for a total consideration of</i></p> <p><b>\$ 80,000,000</b></p>  <p><small>The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p><b>Financial Technology Partners LP</b> FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as Capital Markets &amp; IPO Advisor to</i></p>  <p><i>in its</i></p> <p><b>\$138,000,000</b></p> <p><b>Initial Public Offering</b></p> <p><i>valuing the equity at approximately</i></p> <p><b>\$ 1,200,000,000</b></p>  <p><small>The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p><b>Financial Technology Partners LP</b> FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as Capital Markets &amp; IPO Advisor to</i></p>  <p><i>in its</i></p> <p><b>\$93,000,000</b></p> <p><b>Initial Public Offering</b></p> <p><i>valuing the equity at approximately</i></p> <p><b>\$ 453,000,000</b></p>  <p><small>The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p><b>Financial Technology Partners LP</b> FTP Securities LLC</p> <p><i>is pleased to announce its role as lead strategic and financial advisor to</i></p>  <p><i>in its growth recapitalization by</i></p>  <p><b>NEW MOUNTAIN CAPITAL LLC</b></p> <p><i>valued at approximately</i></p> <p><b>\$ 1,300,000,000</b></p>  <p><small>The Only Investment Bank Focused Exclusively on Financial Technology</small></p>	<p><b>Financial Technology Partners LP</b> FTP Securities LLC</p> <p><i>is pleased to announce its role as exclusive Strategic and Financial advisor to</i></p>  <p><i>in its sale of</i></p> <p><b>Zywave Insurance Solutions</b></p> <p><i>to</i></p>   <p><small>The Only Investment Bank Focused Exclusively on Financial Technology</small></p>
--	--	--	---	---

- Leading provider of integrated SaaS technologies and services for healthcare premium billing, payment and workflow management
- Benaissance will be integrated with WEX's Evolution1 platform creating an opportunity for potential synergies as the businesses share a number of partners and clients

- Offers end-to-end Revenue Cycle Management, Quality and Care Coordination and Physician Advisory Services
- Differentiated solutions span the entire healthcare revenue cycle
- Infused management model integrates people, processes and technology

- Performs outsourced healthcare Payment Integrity and Recovery Services
- Medicare Recovery Audit Contractor ("RAC") for Region A (Northeast)
- Recovered ~\$482 mm in improper Medicare payments in 2012

- Largest wholesale broker in the U.S. by premiums placed <sup>(1)</sup>
- Group Benefits division develops, distributes and administers benefits products through 7 individual operating companies
- Division services approximately 843,000 member lives among 10,000 employer groups

- Provides technology-enabled content and communication, agency automation and business intelligence tools
- Serves the employee benefits and P&C insurance distribution industry
- Software and products are used by more than 2,600 agencies

# Healthcare Information Technology and Services Market Analysis

## FT Partners Advises Benaissance on its \$80 mm Sale to WEX

### Transaction Overview and Rationale

#### Overview of Transaction

- On October 15, 2015, Benaissance, LLC (“Benaissance” or the “Company”) announced it has entered into a definitive agreement to be acquired by WEX for \$80mm
- Headquartered in Omaha, NE, Benaissance is a leading provider of integrated Software-as-a-Service (SaaS) technologies and services for healthcare premium billing, payment and workflow management
  - Existing investors include Omaha-based, McCarthy Capital
- WEX is a leading, multi-channel provider of corporate payment solutions representing more than 9 million vehicles and serving a wide variety of business sectors
- The transaction is expected to close in the fourth quarter of 2015 and is subject to applicable regulatory approvals and other customary closing conditions

#### Significance of Transaction

- Represents a highly-attractive outcome for both Benaissance and WEX
- Combined resources and expertise of Benaissance and WEX position the Company extraordinarily well to further its leadership in the marketplace
- Enables WEX to provide an expanded and differentiated payments solution in order to grow its addressable market opportunity and wallet share in the healthcare market
- Benaissance will be integrated with WEX’s existing Evolution1 platform creating an opportunity for potential synergies as the businesses already share a number of mutual partners and customers

#### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Benaissance and its Board of Directors
- Transaction highlights FT Partners’ continued success advising leading companies and generating highly successful outcomes in the Healthcare / Benefits IT and Services space

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
sole strategic and financial advisor to*



*in its sale to*



*for a total consideration of*

**\$ 80,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# Healthcare Information Technology and Services Market Analysis

## Benaissance Overview – The Financial Management Solution for Health Benefits Administration



### Benaissance Business Overview

- Benaissance is the nation's leading cloud-based financial management partner for health benefits administration
- Provides complex, critical and often overlooked healthcare benefits administration financial management functionality
- Serves tens of thousands of US employers and millions of American families through private exchanges, state-based marketplaces and over 100 health plan and TPA customers



#### For Exchange Participants:

- Cloud-based billing and payments system designed to address compliance, data and billing needs unique to carriers and governments
- Provides exchanges critical financial management functionality
- Provides carriers with powerful integration capabilities on any form of exchange

#### ***Complex and Critical SaaS-enabled Financial Management Solutions***

- ✓ Billing
- ✓ Payment
- ✓ Benefit Eligibility Change Management
- ✓ Print, Mail and Other Processing Services
- ✓ Business Intelligence, Data and Analytics
- ✓ Security
- ✓ Scalability



#### For Administrators:

- Cloud-based platform designed to simplify financial and compliance requirements of COBRA & Direct Bill programs for benefit administrators
- Allows stakeholders in the provision of individual subscriber insurance (COBRA, Retiree, and other) to access, edit and report information

# Healthcare Information Technology and Services Market Analysis

## FT Partners Serves as Exclusive Capital Markets / IPO Advisor on Accretive Health's \$138 mm IPO

### Transaction Overview and Rationale

#### Overview of Transaction

- Accretive Health ("Accretive") started trading on the NYSE on May 20, 2010 under the ticker symbol AH
  - \$138 million offering (including over-allotment) consisting of 67% primary shares and 33% secondary shares
  - The transaction valued the Company with a market cap of ~\$1.2 billion
- Accretive provides revenue cycle management, quality and care coordination and physician advisory services to healthcare providers
- Primary proceeds will be used for general corporate purposes including financing growth, developing new services, funding capital expenditures, acquisitions and other investments

#### Significance of Transaction

- Accretive Health's IPO was highly successful, having successfully priced in the midst of one of the most volatile markets of the last decade; second day of roadshow coincided with the "flash crash" which sent the DJIA down as much as 1,000 points in one session
- Accretive Health achieved a relative valuation significantly in excess of all well-known success stories in the broad Healthcare IT sector
- Accretive Health's IPO attracted four of the world's top underwriters, creating a highly resilient salesforce presence in the market; bookrunners for the transaction were Credit Suisse, Goldman Sachs, JP Morgan and Morgan Stanley

#### FT Partners' Role

- FT Partners served as strategic, financial and IPO advisor to Accretive and its Board of Directors
- FT Partners managed the entire IPO process, enabling management to focus on growing the business
- FT Partners developed a comprehensive set of management and financial materials to showcase Accretive's offering to potential underwriters, creating significant demand among major Wall Street institutions

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
Capital Markets & IPO Advisor to*



*in its*

**\$138,000,000**

***Initial Public Offering***

*valuing the equity at approximately*

**\$ 1,200,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# Healthcare Information Technology and Services Market Analysis

## Accretive Health Business Overview – A Leading Revenue Cycle Management Provider



### Accretive Health Business Overview

- Provides revenue cycle management, quality and total cost of care and physician advisory services which help healthcare providers generate improvements in operating margins and healthcare quality
- Typically serves multi-hospital systems and affiliated physician practice groups

#### Revenue Cycle Management

- Offers end-to-end RCM solutions including patient registration, insurance / benefit verification, documentation and coding, bill preparation and collections
- Assumes full responsibility for the management of customers' revenue cycle operations
- Improves operating margins through improved collections, charge capture and revenue cycle cost reductions
- Receives a portion of the financial gains delivered to customers

#### Quality and Total Cost of Care

- Enables providers to manage the health of a defined patient population
- Algorithms identify individuals most likely to experience adverse health events and incur high healthcare costs
- Enables providers to focus greater efforts on managing high-risk patients
- Negotiates contracts with third-party payers under which savings in total medical costs are shared among providers and payers

#### Physician Advisory Services

- Provides concurrent level of care classification reviews and retrospective chart audits to support the classification of emergency room patient admissions for billing purposes
- Increases compliance with CMS and commercial payer policies and reduces the risk of having to return previously recorded revenue
- Also provides retrospective appeals management services which identify medical necessity and documentation required to support an appeal

***Offers comprehensive Revenue Cycle Management, Quality and Total Cost of Care and Physician Advisory Services to healthcare providers***



# Healthcare Information Technology and Services Market Analysis

## FT Partners Serves as Capital Markets Advisor on Performant's \$93 mm IPO

### Transaction Overview and Rationale

#### Overview of Transaction

- On August 9, 2012, Performant Financial ("Performant") priced its Initial Public Offering on the NASDAQ under the ticker symbol PFMT
  - \$93 mm offering (including over-allotment)
- Performant provides technology enabled services to help identify and recover delinquent or defaulted assets and improper payments for clients in the healthcare, government and financial services markets
- Parthenon Capital Partners ("Parthenon") is a private equity firm focused on middle-market companies in sectors including healthcare, financial services, distribution / logistics and technology-enabled services
- The syndicate was led by Morgan Stanley and Goldman Sachs and also included Credit Suisse, Wells Fargo Securities, William Blair and SunTrust Robinson Humphrey

#### Significance of Transaction

- FT Partners' participation as Performant's capital markets advisor simplified and expedited the "time-to-market" period due to the significant amount of up-front work completed prior to the engagement of underwriters
- The Company intends to use the proceeds for general corporate purposes, including potential strategic alliances or acquisitions, and to provide liquidity to its shareholders

#### FT Partners' Role

- FT Partners served as strategic, financial and IPO advisor to Performant and its Board of Directors
- FT Partners managed the entire IPO process, enabling management to focus on growing the business
- FT Partners developed an extraordinarily detailed and comprehensive set of management and financial materials to showcase Performant's offering to potential underwriters, creating significant demand among major Wall Street institutions and yielding a top-tier underwriting syndicate for the Company

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
Capital Markets & IPO Advisor to*

**Performant**



*in its*

**\$93,000,000**

***Initial Public Offering***

*valuing the equity at approximately*

**\$ 453,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

***The Only Investment Bank  
Focused Exclusively on Financial Technology***



# Healthcare Information Technology and Services Market Analysis

## Performant Healthcare Business Overview – Significant Healthcare Audit and Recovery Services



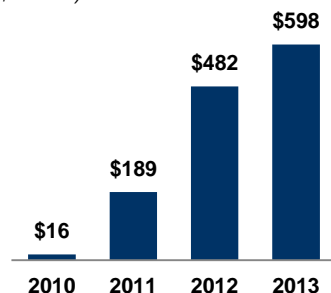
### Performant Healthcare Business Overview

- Provides government agencies and commercial payers outsourced recovery services to help identify improper healthcare payments
- One of four CMS Recovery Audit Contractors; prime contractor for Region A (Northeast; ~23% of Medicare spending in 2009)
- Identifies improper payments typically resulting from incorrect coding, procedures that were not medically necessary, incomplete documentation or outdated fee schedules

### Net Claim Recovery Volume and Revenue

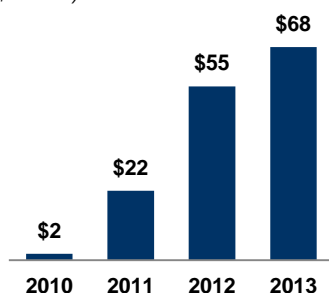
#### Recovery Volume

(\$ in mm)



#### Healthcare Revenue

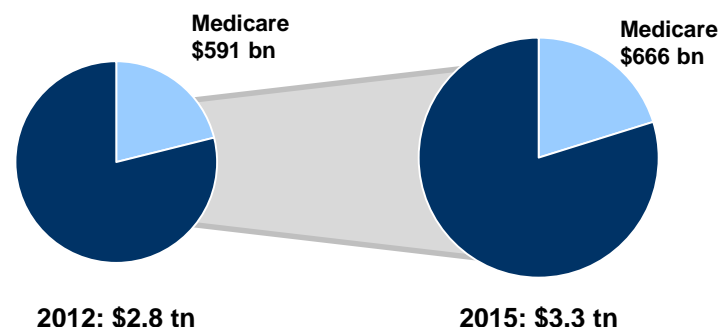
(\$ in mm)



### Healthcare Market Opportunity

2012

2015



*Leading provider of audit and recovery solutions for healthcare payers*

# Healthcare Information Technology and Services Market Analysis

## FT Partners Advises AmWINS on its Growth Recapitalization by New Mountain Capital

### Transaction Overview and Rationale

#### Overview of Transaction

- On April 17, 2012, AmWINS Group, Inc. ("AmWINS") announced a partnership with New Mountain Capital in a growth-oriented recapitalization valued at approximately \$1.3 billion
- AmWINS, a portfolio company of Parthenon Capital Partners ("Parthenon"), is a leading global specialty insurance distributor placing over \$10 billion in premiums annually
- Parthenon is a control investor in financial and insurance services, business services and healthcare businesses
- New Mountain Capital is a leading private equity firm with over \$9 billion in assets under management

#### Significance of Transaction

- Represents one of the largest private equity transactions of 2012
  - High-profile transaction with significant interest from leading private equity firms and strategic partners
- Achieves highly attractive outcome for both buyer and sellers
  - Buyer able to gain shared control while retaining and motivating management
  - Sellers able to monetize portion of ownership at a strong valuation while retaining significant upside from future growth
- Positions AmWINS well to pursue additional growth opportunities and expand its industry-leading platform by leveraging New Mountain Capital's strategic relationships and operational capabilities

#### FT Partners' Role

- FT Partners served as lead strategic and financial advisor to AmWINS and its Board of Directors
- FT Partners developed a detailed and comprehensive set of marketing materials and financial analyses to highlight the unique value of AmWINS and enable efficient and thorough investor diligence
- Transaction demonstrates FT Partners' continued success in achieving highly attractive outcomes for leading insurance and financial technology firms

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as lead  
strategic and financial advisor to*



*in its growth recapitalization by*



NEW MOUNTAIN CAPITAL LLC

*valued at approximately*

**\$ 1,300,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# Healthcare Information Technology and Services Market Analysis

## AmWINS Group Benefits Division Overview



### AmWINS Group Benefits Division Overview

- Designs, markets and distributes group health and other benefits programs; also provides administrative services for carriers, self-insured groups and other payers and acts as an MGU for niche specialty life and health insurance programs
- Serves approximately 843,000 member lives among 10,000 employer groups

### Overview of AmWINS Group Benefits Division Operating Companies



Group benefits wholesaler and TPA specializing in retiree benefits and niche group benefits programs



TPA focused on insured and self-funded medical benefit plans



Pharmacy benefit management company providing custom tailored benefit plans



Ancillary benefit product wholesaler and administrator



Largest wholesale broker of medical stop loss in the U.S.



MGU specializing in medical stop loss insurance



Exclusive general agent for Blue Cross and Blue Shield of Rhode Island

# Healthcare Information Technology and Services Market Analysis

## FT Partners Advises Zywave / Vista on the Sale of Zywave Insurance Solutions

### Transaction Overview and Rationale

#### Overview of Transaction

- On November 4, 2013, Zywave, Inc., the leading provider of insurance and financial planning software solutions, announced the sale of its Insurance Solutions business to Aurora Capital Group ("Aurora")
- Zywave Insurance Solutions provides technology-enabled content and communication, agency automation, business intelligence and analytics tools to the employee benefits and P&C insurance distribution industry
  - The business retained the "Zywave" name post-close
- Aurora is a Los Angeles-based private equity firm managing over \$2 billion of capital across multiple funds
- Vista Equity Partners ("Vista"), a U.S.-based private equity firm with offices in San Francisco, Chicago and Austin, retained ownership of the Zywave Financial Solutions business, which was renamed Advicent Solutions ("Advicent")

#### Significance of Transaction

- Transaction represents a highly attractive outcome for Vista and other shareholders of Zywave, Inc.
- Positions the Insurance Solutions business well to pursue additional growth opportunities and continue to enhance its market leading platform
- Provides Aurora the opportunity to leverage its extensive industry experience and partner with a leading insurance technology provider

#### FT Partners' Role

- FT Partners served as exclusive Strategic and Financial advisor to Zywave and Vista, the Company's controlling shareholder
- FT Partners leveraged its deep knowledge, extensive experience and broad insurance industry relationships to help achieve a highly favorable outcome for all stakeholders
- Transaction demonstrates FT Partners' continued success in achieving highly attractive outcomes for leading group benefits, insurance and healthcare IT and services firms in the financial technology landscape

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive Strategic and Financial advisor to*



*in its sale of  
**Zywave Insurance Solutions**  
to*



*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# Healthcare Information Technology and Services Market Analysis

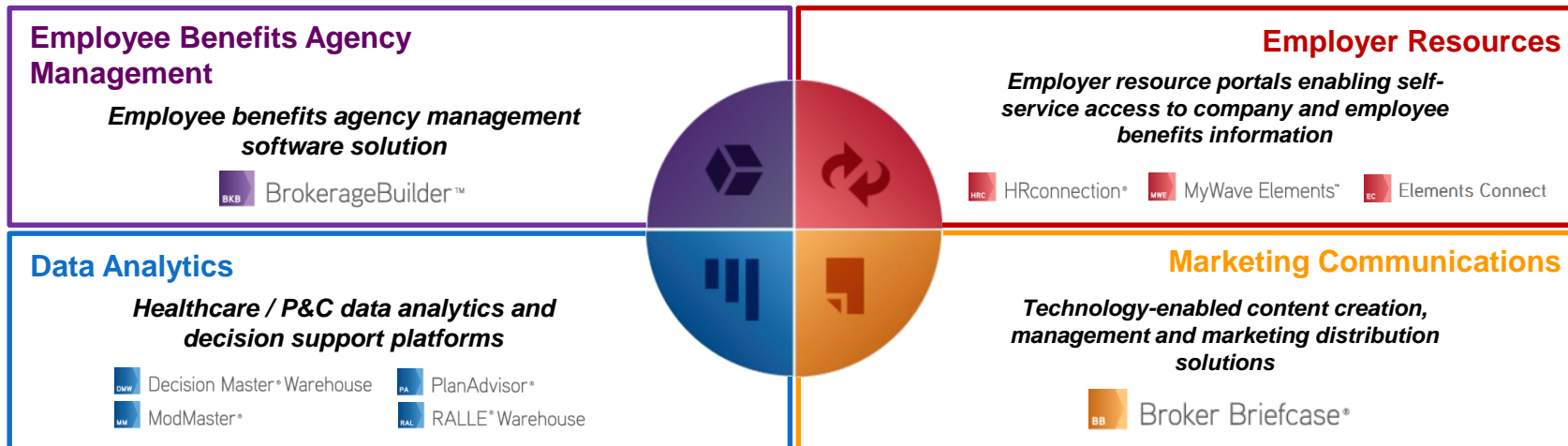
## Zywave Insurance Solutions Division Overview



### Zywave Insurance Solutions Division Overview

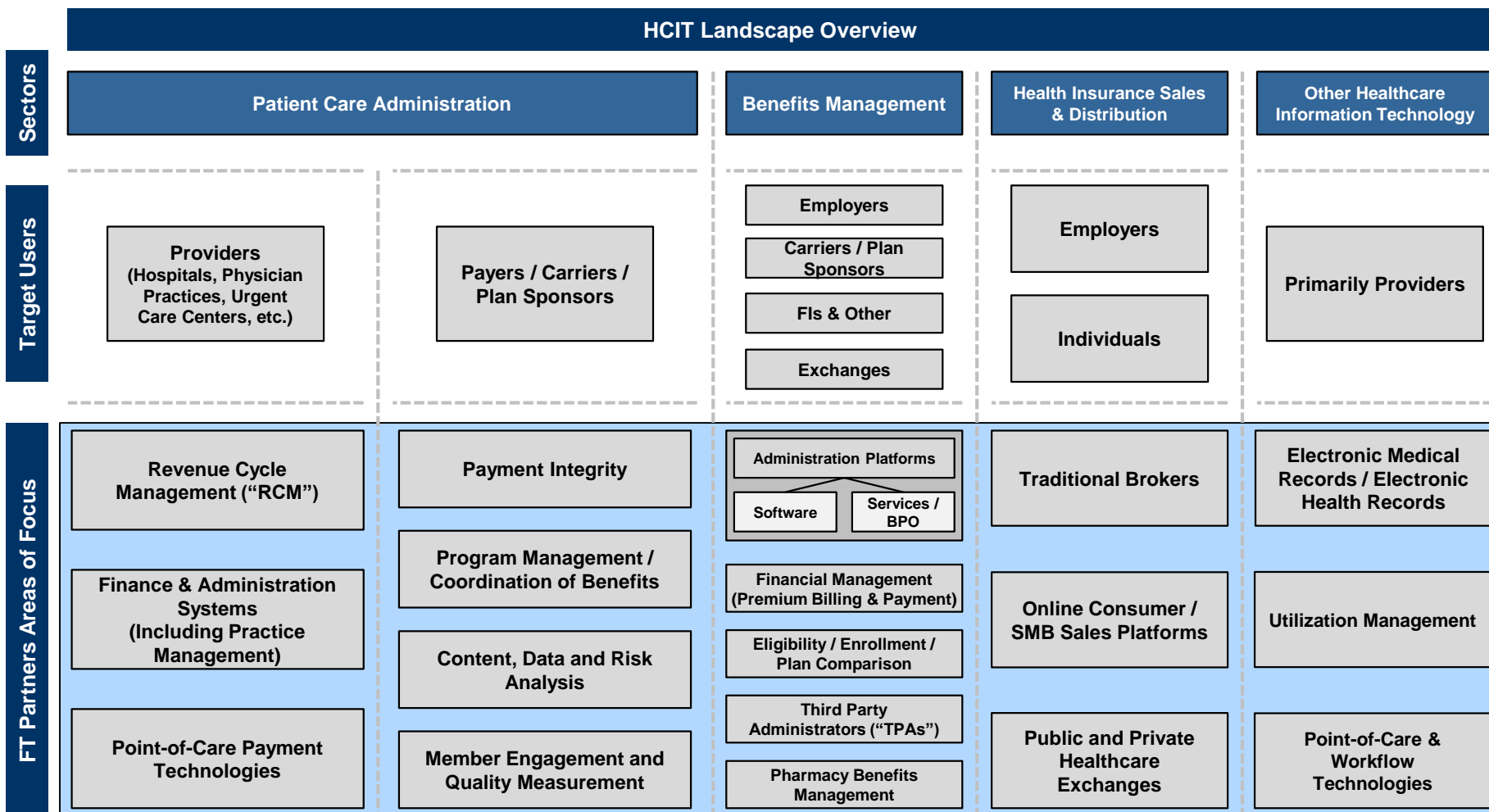
- Zywave Insurance Solutions is the leading provider of SaaS software and technology-enabled content solutions focused on employee benefits agency management, employer resource tools, data analytics and marketing communications
- Suite of software solutions serves employee benefits and P&C brokers, enabling them to better compete, grow market share, improve customer retention and achieve trusted advisor status in an increasingly competitive market

### Product Suite



# Healthcare Information Technology and Services Market Analysis

## Healthcare Information Technology (“HCIT”) Landscape – Representative FT Partners Areas of Focus

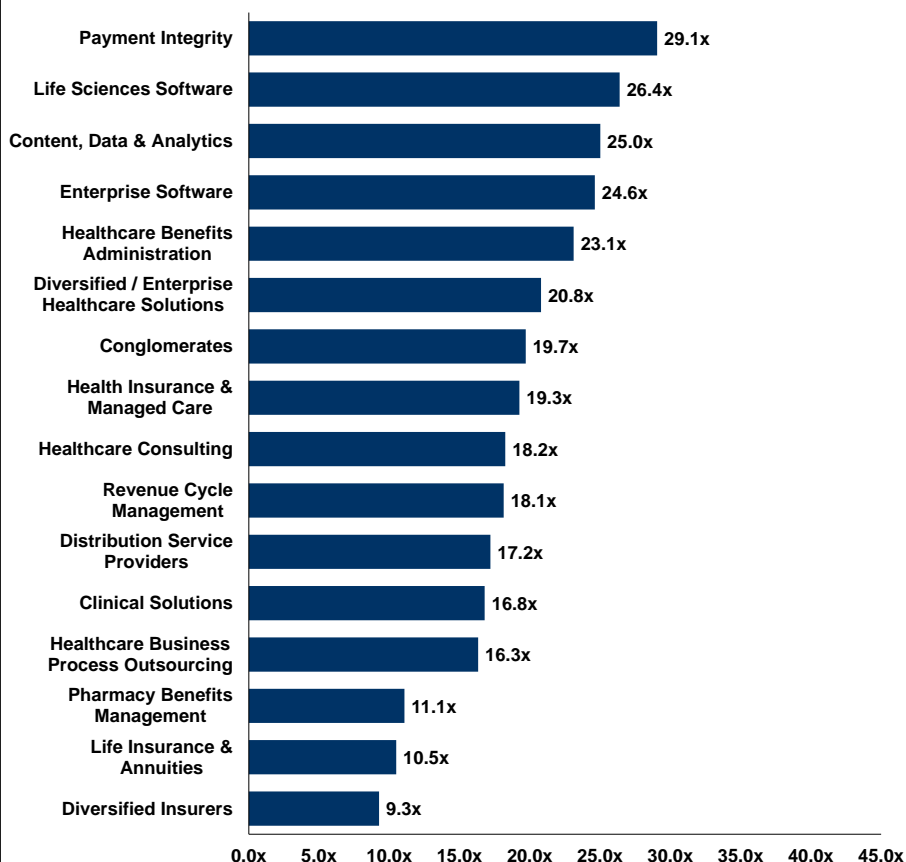




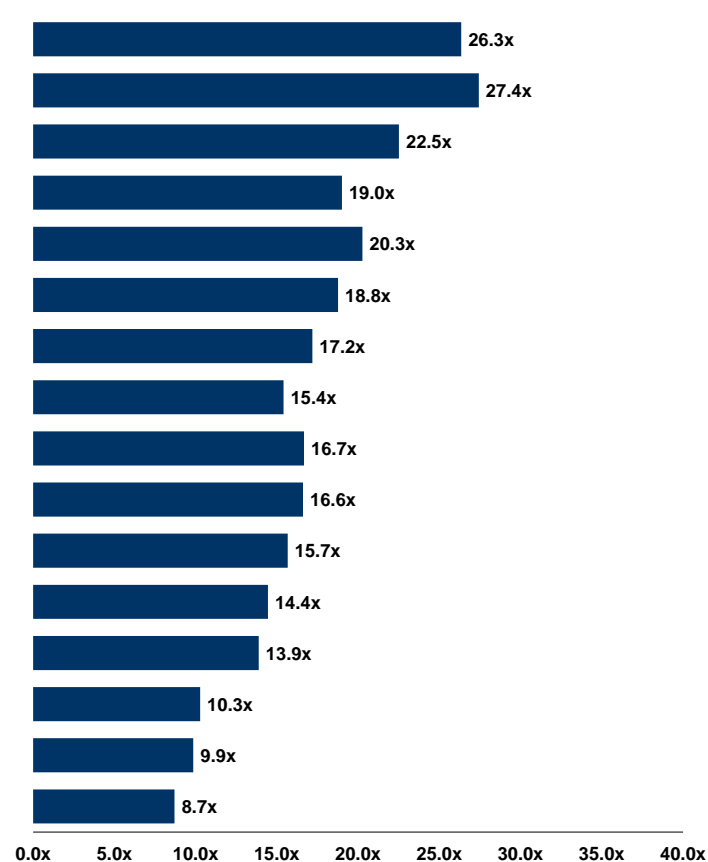
# Healthcare Information Technology and Services Market Analysis

## Median Price / Earnings Multiples by Sector

### 2016E Price / Earnings Multiples



### 2017E Price / Earnings Multiples



# Healthcare Information Technology and Services Market Analysis

## Trading Multiples and Operating Metrics by Sector

### Common Stock Comparison – Summary Analysis

Comparable FT Industry Segment	% LTM High	Aggregate		Multiples						Growth Rates			Margins		P / E / G CY16E
		Mkt Cap (\$ mm)	EV (\$ mm)	Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
				CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Revenue Cycle Management	79 %	\$ 5,960	\$ 6,001	18.1 x	16.6 x	14.7 x	13.1 x	1.6 x	1.5 x	14 %	16 %	24 %	26 %	26 %	na
Payment Integrity	95	5,079	5,851	29.1	26.3	15.9	14.3	5.1	4.7	10	9	15	32	33	2.0
Diversified / Enterprise Healthcare Solutions	83	28,170	30,204	20.8	18.8	13.3	11.7	3.7	3.4	11	10	15	21	23	1.0
Content, Data & Analytics	97	105,990	125,193	25.0	22.5	15.1	14.1	5.1	4.8	7	6	12	35	35	2.0
Healthcare Benefits Administration	90	72,453	70,408	23.1	20.3	15.2	13.0	3.3	2.8	13	13	17	26	22	1.8
Healthcare Business Process Outsourcing	84	336,500	341,183	16.3	13.9	9.8	8.6	1.7	1.5	8	7	13	17	17	1.3
Pharmacy Benefits Management	79	44,692	59,359	11.1	10.3	8.1	7.9	0.6	0.6	(0)	3	11	7	7	1.0
Healthcare Consulting	94	24,592	28,835	18.2	16.7	10.8	9.7	1.7	1.6	7	5	13	17	17	1.4
Clinical Solutions	81	7,955	9,864	16.8	14.4	14.9	14.4	3.1	2.9	29	12	18	15	17	1.0
Life Sciences Software	88	10,198	9,833	26.4	27.4	29.3	23.4	4.5	3.8	17	15	21	23	24	na
Distribution Service Providers	84	292,414	351,248	17.2	15.7	9.5	9.6	0.5	0.4	15	6	12	4	4	1.5
Conglomerates	96	519,858	708,989	19.7	17.2	13.5	13.0	3.3	3.4	2	3	12	17	18	2.1
Enterprise Software	96	1,128,548	1,081,260	24.6	19.0	12.6	11.9	4.5	4.2	6	10	15	34	35	2.0
Health Insurance & Managed Care	88	296,042	na	19.3	15.4	na	na	na	na	5	7	13	na	na	1.3
Life Insurance & Annuities	86	265,668	na	10.5	9.9	na	na	na	na	(0)	3	8	na	na	1.4
Diversified Insurers	88	248,654	na	9.3	8.7	na	na	na	na	5	4	4	na	na	2.3
Median	88 %			18.8 x	16.6 x	13.5 x	13.0 x	3.3 x	2.9 x	8 %	7 %	13 %	21 %	22 %	1.5 x
Mean	88			19.1	17.1	14.1	12.7	3.0	2.7	9	8	14	21	21	1.6

Source: Wall Street Research, Reuters and Capital IQ.

Note: Prices updated as of September 30, 2016.

# Healthcare Information Technology and Services Market Analysis

## 2016E and 2017E Price / Earnings Multiples and YTD Stock Price Performance






YTD Change	Company Name	YTD Change	PE Multiples		YTD Change	Company Name	YTD Change	PE Multiples	
			CY16E	CY17E				CY16E	CY17E
3.9 % <span style="color: green;">▲</span>	<b>Revenue Cycle Management</b>				(4.0)% <span style="color: red;">▼</span>	<b>Healthcare Business Process Outsourcing</b>			
	Craneware	60 %	29.0 x	26.7 x		CSC	60 %	30.2 x	28.1 x
	Constellation Healthcare Technologies	4	7.3	6.5		WNS Holdings	(4)	27.7	21.7
	Accretive Health	(24)	nm	nm		Accenture	17	22.0	20.1
	athenahealth	(22)	nm	nm		ExlService	11	21.5	19.0
	Streamline Health	30	nm	nm		DST Systems	3	20.5	16.9
72.2 % <span style="color: green;">▲</span>	<b>Payment Integrity</b>					TCS	(0)	18.5	17.1
	HMS Holdings	80 %	32.3 x	28.2 x		Infosys	(6)	17.6	16.1
	Cotiviti	na	25.8	24.5		CGI Group	13	17.5	16.4
	Performant	65	nm	nm		Genpact	(4)	16.9	15.2
(5.9)% <span style="color: red;">▼</span>	<b>Diversified / Enterprise Healthcare Solutions</b>					Syntel	(7)	16.6	16.1
	Cerner	3 %	26.2 x	23.0 x		Mphasis	5	16.4	13.4
	CompuGroup Medical	21	25.2	21.0		Cap Gemini	2	16.3	15.0
	Allscripts	(14)	22.2	18.8		HCL Technologies	(7)	14.3	13.3
	EMIS Group	(17)	19.3	18.1		Cognizant	(21)	14.2	13.0
	Quality Systems	(30)	15.1	14.9		Hexaware	(22)	14.1	12.2
	CPSI	(48)	12.3	10.5		AMN Healthcare	3	13.8	12.4
	QHR Corporation	137	nm	45.6		Wipro	(15)	13.7	12.7
21.5 % <span style="color: green;">▲</span>	<b>Content, Data &amp; Analytics</b>					Atos	24	13.6	12.6
	Fair Isaac	32 %	39.8 x	33.4 x		Team Health Holdings	(26)	12.1	10.6
	Inovalon	(29)	35.4	28.4		Firstsource	(6)	10.7	8.7
	Verisk Analytics	6	27.1	24.4		Capita Group	(45)	9.8	9.3
	Equifax	21	25.0	22.5		Xerox	(5)	9.0	8.8
	Reed Elsevier	22	21.0	19.2		Hinduja Global Solutions	0	7.2	6.6
	IMS Health Holdings	8	19.1	17.8		Ciber	(67)	nm	14.4
	Wolters Kluwer	23	18.4	17.1	(19.3)% <span style="color: red;">▼</span>	<b>Pharmacy Benefits Management</b>			
	Experian	29	17.1	15.5		Express Scripts	(19)%	11.1 x	10.3 x
9.7 % <span style="color: green;">▲</span>	<b>Healthcare Benefits Administration</b>				1.9 % <span style="color: green;">▲</span>	<b>Healthcare Consulting</b>			
	WageWorks	34 %	43.6 x	36.6 x		CTG	(29)%	24.3 x	18.8 x
	Paychex	9	27.2	25.1		Advisory Board	(10)	24.0	21.6
	ADP	4	25.6	23.1		FTI	29	18.9	17.4
	Insperity	51	20.6	17.4		Navigant	26	17.6	15.9
	TriNet	29	18.6	15.6		Huron Consulting	1	17.5	15.9
	Qualicorp	36	13.6	12.7		Willis Towers Watson	3	17.2	15.6
	Benefitfocus	10	nm	nm					
	Castlight Health	(1)	nm	nm					
	Connecture	(59)	nm	nm					
	HealthEquity	28	nm	nm					

Source: Wall Street Research, Reuters and Capital IQ.

Note: Prices updated as of September 30, 2016. YTD change for the group represents the median YTD change of all companies within each group; nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## 2016E and 2017E Price / Earnings Multiples and YTD Stock Price Performance (cont.)

YTD Change	Company Name	YTD Change	PE Multiples		YTD Change	Company Name	YTD Change	PE Multiples	
			CY16E	CY17E				CY16E	CY17E
24.3 % 	<b>Clinical Solutions</b>				12.0 % 	<b>Conglomerates</b>			
	Omnice	23 %	24.2 x	20.2 x		Roper Industries	(4)%	27.6 x	25.0 x
	Nuance	(27)	9.3	8.7		3M	17	21.5	19.9
	Healthstream	25	nm	nm		GE	(5)	19.7	17.2
	Vocera	39	nm	nm		Phillips	12	17.2	14.9
	NantHealth	na	nm	nm		Siemens	16	16.1	13.8
6.3 % 	<b>Life Sciences Software</b>				14.7 % 	<b>Enterprise Software</b>			
	Cegedim SA	(23)%	26.4 x	10.0 x		Red Hat	(2)%	42.3 x	36.6 x
	Medidata	13	nm	44.9		Adobe	16	36.5	28.1
	Model N	(0)	nm	nm		Pegasystems	7	32.2	26.9
	Veeva Systems	43	nm	nm		Intuit	14	28.4	24.4
(5.3)% 	<b>Distribution Service Providers</b>					Microsoft	4	27.4	23.7
	Rite Aid	(2)%	48.1 x	25.7 x		Sage	22	26.6	23.0
	Henry Schein	3	24.8	22.5		Symantec	20	24.6	15.8
	Patterson Companies	2	24.1	18.4		SAP	10	21.1	19.0
	Walgreens	(5)	17.3	15.7		VMware	30	17.1	16.0
	McKesson	(15)	17.2	14.4		Citrix Systems	13	16.8	15.6
	Owens & Minor	(3)	17.0	17.3		Oracle	8	15.0	14.3
	CVS Caremark	(9)	15.2	13.6		CA Technologies	16	13.2	12.8
	Cardinal Health	(13)	14.8	13.8		IBM	15	11.8	11.3
	AmerisourceBergen	(22)	14.5	13.4		Evolent Health	103	nm	nm
						Autodesk	19	nm	nm
						Salesforce.com	(9)	nm	nm

Source: Wall Street Research, Reuters and Capital IQ.

Note: Prices updated as of September 30, 2016. YTD change for the group represents the median YTD change of all companies within each group; nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## 2016E and 2017E Price / Earnings Multiples and YTD Stock Price Performance (cont.)

YTD Change	Company Name	YTD Change	PE Multiples		YTD Change	Company Name	YTD Change	PE Multiples	
			CY16E	CY17E				CY16E	CY17E
(0.2)%	Health Insurance & Managed Care				(6.0)%	Life Insurance & Annuities			
	Universal American	9 %	45.0 x	23.2 x		St. James's Place	(6)%	23.9 x	18.7 x
	WellCare	50	23.3	19.6		Hansard Global	(0)	18.0	17.1
	Triple-S Management	(8)	21.4	15.4		Torchmark	12	14.3	13.5
	Molina	(3)	21.3	15.4		Standard Life	(12)	12.9	12.0
	Magellan	(13)	20.1	15.5		Primerica	12	12.0	10.7
	MAXIMUS	1	19.4	18.0		Principal Financial	15	11.8	10.9
	Humana <sup>(1)</sup>	(1)	19.1	16.4		Sun Life Financial	(1)	11.5	10.8
	UnitedHealth	19	17.7	15.4		Ameriprise	(6)	10.8	9.9
	CIGNA	(11)	16.3	13.7		AFLAC	20	10.5	10.4
	Centene	2	15.3	13.8		Manulife Financial	(11)	10.4	9.1
	Aetna <sup>(1)</sup>	7	14.3	13.0		MetLife	(8)	9.6	7.8
	Anthem	(10)	11.5	10.6		Swiss Life	(7)	9.3	8.9
						Prudential Financial	0	9.3	7.9
						Legal & General Group	(18)	8.2	7.9
						Lincoln National	(7)	7.7	6.9
						Genworth Financial	33	5.6	5.4
						Aegon	(35)	5.6	5.1
					(9.4)%	Diversified Insurers			
						AIG	(4)%	14.7 x	10.7 x
						Zurich Financial Services	(3)	11.9	10.8
						Allianz	(19)	9.3	8.7
						Aviva	(15)	9.0	8.5
						AXA	(25)	8.1	7.9
						American National	19	na	na

Source: Wall Street Research, Reuters and Capital IQ.

Note: Prices updated as of September 30, 2016. YTD change for the group represents the median YTD change of all companies within each group; nm signifies negative value or value of >50.

(1) On July 2, 2015, Aetna entered into a definitive agreement to acquire Humana for \$34.5 bn; the transaction remains pending.

# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Financial Healthcare IT & Services

Company Name	Price 09/30/16	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Multiples						Growth Rates			Margins		P / E / G CY16E
						Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
						CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Revenue Cycle Management																	
athenahealth	\$ 126.12	2 %	74 %	\$ 5,036	\$ 5,196	nm	nm	22.1 x	18.2 x	4.7 x	3.9 x	19 %	19 %	24 %	21 %	22 %	na
Craneware	16.57	25	95	451	393	29.0	26.7	17.9	16.1	5.6	4.9	14	13	na	31	31	na
Accretive Health	2.44	25	71	246	187	nm	nm	nm	nm	0.9	0.5	(7)	65	30	nm	nm	na
Constellation Healthcare Technologies	2.28	23	92	191	180	7.3	6.5	3.3	2.6	1.1	0.9	86	16	na	33	35	na
Streamline Health	1.84	23	79	36	45	nm	nm	11.6	10.0	1.6	1.5	(2)	7	15	14	15	na
Median		23 %	79 %			18.1 x	16.6 x	14.7 x	13.1 x	1.6 x	1.5 x	14 %	16 %	24 %	26 %	26 %	na
Mean		20	82			18.1	16.6	13.7	11.7	2.8	2.4	22	24	23	25	26	na
Payment Integrity																	
Cotiviti	\$ 33.53	3 %	98 %	\$ 3,180	\$ 3,942	25.8 x	24.5 x	16.3 x	14.8 x	6.4 x	5.8 x	13 %	10 %	13 %	39 %	40 %	2.0 x
HMS Holdings	22.17	1	92	1,899	1,909	32.3	28.2	15.5	13.9	3.8	3.6	6	8	16	25	26	2.0
Performant	2.95	41	85	148	161	nm	nm	8.2	10.4	1.2	1.2	(12)	(5)	20	14	12	na
Median		2 %	95 %			29.1 x	26.3 x	15.9 x	14.3 x	5.1 x	4.7 x	10 %	9 %	15 %	32 %	33 %	2.0 x
Mean		2	95			29.1	26.3	15.9	14.3	5.1	4.7	10	9	15	32	33	2.0
Diversified / Enterprise Healthcare Solutions																	
Cerner	\$ 61.75	(5)%	90 %	\$ 21,482	\$ 21,436	26.2 x	23.0 x	13.3 x	11.7 x	4.4 x	4.0 x	11 %	10 %	13 %	33 %	34 %	2.0 x
Allscripts	13.17	2	83	2,457	3,942	22.2	18.8	13.6	12.1	2.5	2.3	12	10	17	18	19	1.3
CompuGroup Medical	45.93	6	100	2,284	2,670	25.2	21.0	18.7	15.8	4.2	3.8	3	12	28	23	24	0.9
EMIS Group	12.23	(8)	77	776	780	19.3	18.1	10.9	10.3	3.7	3.4	3	7	na	34	33	na
Quality Systems	11.32	(4)	65	696	758	15.1	14.9	8.6	8.0	1.5	1.5	2	3	15	18	18	1.0
CPSI	26.06	2	44	347	499	12.3	10.5	8.6	7.4	1.8	1.7	49	4	14	21	23	0.9
QHR Corporation	2.36	0	98	128	118	nm	45.6	28.8	20.5	4.7	4.0	16	19	na	16	19	na
Median		0 %	83 %			20.8 x	18.8 x	13.3 x	11.7 x	3.7 x	3.4 x	11 %	10 %	15 %	21 %	23 %	1.0 x
Mean		(1)	80			20.1	21.7	14.7	12.3	3.3	3.0	14	9	17	23	24	1.2

Source: Wall Street Research, Reuters and Capital IQ.

Note: nm signifies negative value or value of >50.



# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Financial Healthcare IT & Services (cont.)

Company Name	Price	% MTD	% LTM	Market	Enterprise	Multiples						Growth Rates			Margins		P / E / G CY16E
	09/30/16	Change	High	Value	Value	Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
				(\$ mm)	(\$ mm)	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Content, Data & Analytics																	
Reed Elsevier	\$ 19.05	2 %	99 %	\$ 39,484	\$ 45,531	21.0 x	19.2 x	15.1 x	13.2 x	5.2 x	5.0 x	10 %	5 %	8 %	35 %	38 %	2.5 x
Experian	20.10	3	97	19,016	23,049	17.1	15.5	11.1	10.5	3.9	3.7	(6)	5	11	35	35	1.6
Equifax	134.58	1	98	16,203	19,094	25.0	22.5	17.3	15.4	6.1	5.5	18	9	13	35	36	2.0
Verisk Analytics	81.28	(2)	95	14,512	16,587	27.1	24.4	16.5	15.4	8.3	7.8	(3)	6	12	50	51	2.2
IMS Health Holdings	31.34	5	99	10,484	14,627	19.1	17.8	15.1	14.1	4.5	4.3	12	5	11	30	30	1.7
Fair Isaac	124.59	(4)	94	4,001	4,484	39.8	33.4	19.4	17.0	5.1	4.8	5	6	16	26	28	2.5
Inovalon	14.71	(7)	62	2,290	1,820	35.4	28.4	13.6	11.5	3.9	3.4	7	12	19	28	30	1.9
Median		1 %	97 %			25.0 x	22.5 x	15.1 x	14.1 x	5.1 x	4.8 x	7 %	6 %	12 %	35 %	35 %	2.0 x
Mean		(0)	92			26.4	23.0	15.5	13.9	5.3	4.9	6	7	13	34	35	2.1
Healthcare Benefits Administration																	
ADP	\$ 88.20	(3)%	92 %	\$ 40,348	\$ 39,141	25.6 x	23.1 x	15.2 x	14.0 x	3.2 x	3.0 x	11 %	7 %	11 %	21 %	22 %	2.4 x
Paychex	57.87	(5)	94	20,956	20,604	27.2	25.1	15.7	14.5	6.7	6.3	12	7	9	43	43	3.0
HealthEquity	37.85	28	100	2,349	2,199	nm	nm	35.4	27.6	12.4	9.9	41	25	33	35	36	na
TriNet	21.63	2	94	1,565	1,871	18.6	15.6	10.5	9.2	0.6	0.5	14	14	20	6	6	0.9
WageWorks	60.91	(3)	93	2,318	1,828	43.6	36.6	16.8	14.3	5.1	4.6	8	11	15	30	32	2.9
Qualicorp	5.92	(14)	81	1,606	1,675	13.6	12.7	7.4	6.7	2.8	2.5	13	11	16	38	38	0.9
Insperty	72.64	10	88	1,555	1,386	20.6	17.4	9.8	8.2	0.5	0.4	13	11	17	5	5	1.2
Benefitfocus	39.92	(1)	89	1,254	1,261	nm	nm	nm	nm	5.4	4.3	29	25	29	nm	3	na
Castlight Health	4.16	1	77	461	335	nm	nm	nm	nm	3.3	2.6	34	28	30	nm	nm	na
Connecture	1.88	13	30	42	108	nm	nm	nm	12.0	1.3	1.1	(11)	16	17	1	9	na
Median		0 %	90 %			23.1 x	20.3 x	15.2 x	13.0 x	3.3 x	2.8 x	13 %	13 %	17 %	26 %	22 %	1.8 x
Mean		3	84			24.9	21.8	15.8	13.3	4.1	3.5	16	16	20	22	22	1.9

Source: Wall Street Research, Reuters and Capital IQ.  
Note: nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Financial Healthcare IT & Services (cont.)

Company Name	Price	% MTD	% LTM	Market	Enterprise	Multiples						Growth Rates			Margins		P / E / G
	09/30/16	Change	High	Value	Value	Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
				(\$ mm)	(\$ mm)	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Healthcare Business Process Outsourcing																	
Accenture	\$ 122.17	6 %	98 %	\$ 76,063	\$ 73,170	22.0 x	20.1 x	13.0 x	12.2 x	2.2 x	2.0 x	8 %	7 %	10 %	17 %	17 %	2.1 x
TCS	36.44	(3)	88	71,795	67,788	18.5	17.1	13.8	12.8	3.8	3.5	25	9	15	28	27	1.2
Infosys	15.58	0	81	35,618	35,548	17.6	16.1	12.7	11.6	3.5	3.1	27	10	13	27	27	1.3
Cognizant	47.71	(17)	68	29,158	25,585	14.2	13.0	9.1	8.2	1.9	1.7	9	11	15	21	21	0.9
Cap Gemini	97.99	(1)	97	16,683	19,395	16.3	15.0	10.3	9.6	1.4	1.3	7	4	13	13	14	1.3
HCL Technologies	12.01	2	90	16,932	16,911	14.3	13.3	11.1	10.4	2.5	2.2	23	12	9	22	21	1.5
Xerox	10.13	3	89	10,275	16,843	9.0	8.8	6.1	6.4	1.0	1.0	(4)	(1)	na	16	15	na
CGI Group	47.61	(4)	95	15,080	16,355	17.5	16.4	10.8	10.3	2.0	2.0	5	2	17	19	19	1.1
Wipro	7.17	(1)	78	17,691	14,822	13.7	12.7	8.8	7.9	1.8	1.7	16	6	11	21	22	1.2
Atos	107.82	8	98	11,192	11,227	13.6	12.6	7.0	6.6	0.9	0.8	9	3	13	12	12	1.0
CSC	52.21	10	73	7,426	9,930	30.2	28.1	8.3	7.4	1.3	1.3	(8)	4	8	16	17	3.8
Capita Group	8.72	(35)	51	5,802	8,583	9.8	9.3	8.9	8.5	1.3	1.3	1	2	8	15	15	1.3
Genpact	23.95	0	84	4,998	5,413	16.9	15.2	12.4	11.3	2.1	1.9	6	9	13	17	17	1.3
Team Health Holdings	32.56	(3)	51	2,423	4,785	12.1	10.6	9.8	8.7	1.0	0.9	30	10	15	10	11	0.8
DST Systems	117.92	(3)	92	3,875	4,535	20.5	16.9	11.8	10.7	2.7	2.7	(23)	(2)	10	23	25	2.0
Syntel	41.91	(10)	82	3,521	2,520	16.6	16.1	8.8	8.2	2.5	2.4	3	6	11	29	29	1.5
AMN Healthcare	31.87	(11)	71	1,539	1,944	13.8	12.4	8.4	7.5	1.0	0.9	30	9	16	12	13	0.9
ExlService	49.84	(3)	91	1,701	1,546	21.5	19.0	12.9	10.8	2.2	2.0	12	12	14	17	18	1.5
WNS Holdings	29.95	2	87	1,527	1,380	27.7	21.7	12.6	11.6	2.5	2.3	10	8	14	20	20	1.9
Mphasis	7.83	(7)	84	1,644	1,172	16.4	13.4	8.7	7.9	1.3	1.2	5	3	13	15	16	1.3
Hexaware	2.83	(6)	69	874	829	14.1	12.2	9.8	8.4	1.6	1.4	13	12	11	16	17	1.3
Firstsource	0.61	(5)	75	425	545	10.7	8.7	9.0	7.5	1.1	1.0	6	16	17	13	13	0.6
Hinduja Global Solutions	7.83	(9)	85	165	235	7.2	6.6	4.1	3.4	0.4	0.4	19	11	na	10	11	na
Ciber	1.15	(9)	29	93	123	nm	14.4	nm	42.4	0.2	0.2	(19)	(4)	na	nm	0	na
Median		(3)%	84 %			16.3 x	13.9 x	9.8 x	8.6 x	1.7 x	1.5 x	8 %	7 %	13 %	17 %	17 %	1.3 x
Mean		(4)	80			16.3	14.6	9.9	10.4	1.8	1.6	9	7	13	18	17	1.4

Source: Wall Street Research, Reuters and Capital IQ.

Note: nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Financial Healthcare IT & Services (cont.)

Company Name	Price 09/30/16	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Multiples						Growth Rates			Margins		P / E / G CY16E
						Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
						CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Pharmacy Benefits Management																	
Express Scripts	\$ 70.53	(2)%	79 %	\$ 44,692	\$ 59,359	11.1 x	10.3 x	8.1 x	7.9 x	0.6 x	0.6 x	(0)%	3 %	11 %	7 %	7 %	1.0 x
Median		(2)%	79 %			11.1 x	10.3 x	8.1 x	7.9 x	0.6 x	0.6 x	(0)%	3 %	11 %	7 %	7 %	1.0 x
Mean		(2)	79			11.1	10.3	8.1	7.9	0.6	0.6	(0)	3	11	7	7	1.0
Healthcare Consulting																	
Willis Towers Watson	\$ 132.77	6 %	101 %	\$ 18,403	\$ 21,453	17.2 x	15.6 x	11.8 x	11.2 x	2.7 x	2.6 x	108 %	4 %	9 %	23 %	23 %	1.8 x
Advisory Board	44.74	6	82	1,817	2,372	24.0	21.6	12.3	11.2	2.9	2.7	6	8	17	23	24	1.4
FTI	44.56	0	97	1,839	2,152	18.9	17.4	9.7	9.1	1.2	1.1	4	4	13	12	12	1.5
Huron Consulting	59.76	(6)	92	1,494	1,639	17.5	15.9	11.5	10.2	2.2	2.0	8	8	14	19	20	1.3
Navigant	20.22	3	98	963	1,149	17.6	15.9	8.5	7.9	1.2	1.2	14	5	14	14	15	1.3
CTG	4.70	0	61	77	71	24.3	18.8	10.2	8.2	0.2	0.2	(12)	3	10	2	3	2.4
Median		1 %	94 %			18.2 x	16.7 x	10.8 x	9.7 x	1.7 x	1.6 x	7 %	5 %	13 %	17 %	17 %	1.4 x
Mean		2	88			19.9	17.5	10.7	9.6	1.7	1.6	21	5	13	16	16	1.6

Source: Wall Street Research, Reuters and Capital IQ.  
Note: nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Healthcare IT & Services

Company Name	Price	% MTD	% LTM	Market	Enterprise	Multiples						Growth Rates			Margins		P / E / G
	09/30/16	Change	High	Value (\$ mm)	Value (\$ mm)	Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
						CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Clinical Solutions																	
Nuance	\$ 14.50	(1)%	66 %	\$ 4,056	\$ 5,902	9.3 x	8.7 x	9.5 x	9.2 x	3.0 x	2.9 x	(0)%	4 %	16 %	31 %	31 %	0.6 x
Omnicell	38.30	0	95	1,426	1,610	24.2	20.2	14.9	12.6	2.3	2.1	48	9	18	15	16	1.4
NantHealth	13.15	5	67	1,587	1,605	nm	nm	nm	36.5	12.5	4.3	121	189	nm	nm	12	na
Healthstream	27.60	4	98	887	748	nm	nm	21.5	16.2	3.3	2.9	10	14	19	15	18	na
Vocera	16.90	6	97	479	361	nm	nm	nm	nm	3.0	2.7	17	10	19	3	5	na
Median		2 %	81 %			16.8 x	14.4 x	14.9 x	14.4 x	3.1 x	2.9 x	29 %	12 %	18 %	15 %	17 %	1.0 x
Mean		2	82			16.8	14.4	15.3	18.6	5.3	3.0	45	54	17	21	19	1.0
Life Sciences Software																	
Veeva Systems	\$ 41.28	3 %	97 %	\$ 6,340	\$ 5,861	nm	nm	38.0 x	30.0 x	11.1 x	9.2 x	30 %	21 %	24 %	29 %	31 %	na
Medidata	55.76	4	98	3,162	3,100	nm	44.9	29.3	23.4	6.7	5.6	16	19	21	23	24	na
Cegedim SA	27.54	(4)	68	384	631	26.4	10.0	8.4	7.4	1.3	1.2	(14)	3	nm	15	17	na
Model N	11.11	3	79	311	241	nm	nm	nm	nm	2.2	2.0	17	10	10	nm	nm	na
Median		3 %	88 %			26.4 x	27.4 x	29.3 x	23.4 x	4.5 x	3.8 x	17 %	15 %	21 %	23 %	24 %	na
Mean		1	86			26.4	27.4	25.2	20.2	5.3	4.5	12	13	18	22	24	na
Distribution Service Providers																	
CVS Caremark	\$ 88.99	(5)%	83 %	\$ 95,417	\$ 122,852	15.2 x	13.6 x	9.3 x	8.7 x	0.7 x	0.6 x	17 %	8 %	12 %	7 %	7 %	1.2 x
Walgreens	80.62	(1)	84	88,083	98,715	17.3	15.7	11.1	9.9	0.8	0.8	15	6	12	7	8	1.4
McKesson	166.75	(9)	82	37,827	42,860	17.2	14.4	8.4	7.9	0.2	0.2	7	7	12	3	3	1.5
Cardinal Health	77.70	(3)	85	25,298	28,624	14.8	13.8	8.9	8.0	0.2	0.2	24	6	12	3	3	1.3
AmerisourceBergen	80.78	(7)	76	17,676	20,218	14.5	13.4	8.9	8.4	0.1	0.1	10	8	12	2	1	1.2
Rite Aid	7.69	2	88	8,205	15,035	48.1	25.7	11.3	10.0	0.5	0.4	23	6	14	4	4	3.5
Henry Schein	162.98	0	89	13,354	14,822	24.8	22.5	15.0	13.8	1.3	1.2	9	5	11	9	9	2.2
Patterson Companies	45.94	(0)	91	4,385	5,439	24.1	18.4	11.4	11.4	1.0	0.9	23	7	9	9	8	2.6
Owens & Minor	34.73	0	84	2,167	2,683	17.0	17.3	9.5	9.6	0.3	0.3	1	(2)	5	3	3	3.1
Median		(1)%	84 %			17.2 x	15.7 x	9.5 x	9.6 x	0.5 x	0.4 x	15 %	6 %	12 %	4 %	4 %	1.5 x
Mean		(2)	85			21.4	17.2	10.4	9.7	0.6	0.5	14	6	11	5	5	2.0

Source: Wall Street Research, Reuters and Capital IQ.

Note: nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Healthcare IT & Services (cont.)

Company Name	Price	% MTD	% LTM	Market	Enterprise	Multiples						Growth Rates			Margins		P / E / G
	09/30/16	Change	High	Value (\$ mm)	Value (\$ mm)	Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		
						CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	CY16E	CY17E	LT	CY16E	CY17E	
Conglomerates																	
GE	\$ 29.62	(5)%	90 %	\$ 269,128	\$ 420,402	19.7 x	17.2 x	20.0 x	19.2 x	3.3 x	3.4 x	2 %	(1)%	12 %	17 %	18 %	1.6 x
3M	176.23	(2)	97	108,974	118,906	21.5	19.9	13.5	13.0	3.9	3.8	(0)	3	10	29	29	2.2
Siemens	117.35	(2)	96	94,892	115,024	16.1	13.8	9.6	9.0	1.3	1.2	5	4	8	13	14	2.1
Philips	29.65	1	99	28,129	33,451	17.2	14.9	9.2	8.4	1.2	1.2	2	3	42	13	14	0.4
Roper Industries	182.47	1	93	18,735	21,204	27.6	25.0	16.2	15.1	5.6	5.3	6	5	13	34	35	2.2
Median		(2)%	96 %			19.7 x	17.2 x	13.5 x	13.0 x	3.3 x	3.4 x	2 %	3 %	12 %	17 %	18 %	2.1 x
Mean		(1)	95			20.4	18.2	13.7	12.9	3.1	3.0	3	3	17	21	22	1.7
Enterprise Software																	
Microsoft	\$ 57.60	0 %	98 %	\$ 448,849	\$ 389,794	27.4 x	23.7 x	11.2 x	10.3 x	4.2 x	4.0 x	(2)%	5 %	10 %	38 %	39 %	2.7 x
IBM	158.85	(0)	96	151,867	185,931	11.8	11.3	9.8	9.1	2.3	2.3	(3)	(1)	3	24	26	4.1
Oracle	39.28	(5)	94	164,874	150,931	15.0	14.3	9.1	8.6	4.0	3.9	(2)	2	8	45	46	1.8
SAP	91.41	3	98	112,194	116,828	21.1	19.0	13.9	13.0	4.7	4.5	6	6	10	34	34	2.0
Adobe	108.54	5	99	54,033	51,503	36.5	28.1	23.1	18.5	8.8	7.3	22	22	23	38	39	1.6
Salesforce.com	71.33	(6)	84	49,177	50,518	nm	nm	32.3	26.2	6.1	5.0	25	21	30	19	19	na
Intuit	110.01	(2)	94	28,555	28,475	28.4	24.4	16.3	14.0	5.9	5.5	15	9	16	36	39	1.8
VMware	73.35	(1)	89	31,321	24,156	17.1	16.0	9.5	9.1	3.5	3.3	6	5	18	36	36	1.0
Autodesk	72.33	7	99	16,106	15,530	nm	nm	nm	nm	7.7	6.9	(18)	11	18	nm	4	na
Red Hat	80.83	11	96	14,657	13,990	42.3	36.6	26.2	22.4	6.0	5.2	30	15	17	23	23	2.5
Citrix Systems	85.22	(2)	95	13,284	13,262	16.8	15.6	11.2	10.8	3.9	3.8	4	3	14	35	35	1.2
CA Technologies	33.08	(2)	95	13,879	13,191	13.2	12.8	7.1	8.3	3.3	3.2	(5)	1	5	46	39	2.6
Symantec	25.10	4	99	15,451	12,537	24.6	15.8	10.2	7.5	3.3	2.8	(3)	17	11	32	37	2.3
Sage	9.61	1	99	10,340	10,693	26.6	23.0	17.8	16.0	5.3	4.7	9	13	13	30	29	2.0
Pegasystems	29.49	14	98	2,338	2,201	32.2	26.9	17.8	15.1	2.8	2.5	18	13	35	16	16	0.9
Evolent Health	24.62	(2)	92	1,622	1,720	nm	nm	nm	nm	7.5	5.4	43	38	30	nm	nm	na
Median		(0)%	96 %			24.6 x	19.0 x	12.6 x	11.9 x	4.5 x	4.2 x	6 %	10 %	15 %	34 %	35 %	2.0 x
Mean		2	95			24.1	20.6	15.4	13.5	5.0	4.4	9	11	16	32	31	2.0

# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Health and Life Insurers

Company Name	Price 09/30/16	% MTD Change	% LTM High	Market Value (\$ mm)	Multiples		Growth Rates			Book Value		P / E / G CY16E
					Price / Earnings		Revenue		EPS			
					CY16E	CY17E	CY16E	CY17E	LT	P / B	B / S	
Health Insurance & Managed Care												
UnitedHealth	\$ 140.00	3 %	97 %	\$ 135,783	17.7 x	15.4 x	17 %	7 %	13 %	3.7 x	\$38.26	1.4 x
Aetna(1)	115.45	(1)	93	40,880	14.3	13.0	4	4	10	2.3	50.49	1.4
CIGNA	130.32	2	87	33,832	16.3	13.7	5	4	10	2.5	52.09	1.6
Anthem	125.31	2	84	33,127	11.5	10.6	6	7	10	1.4	92.09	1.1
Humana(1)	176.89	0	92	26,414	19.1	16.4	0	2	13	2.4	72.95	1.4
Centene	66.96	(1)	89	11,470	15.3	13.8	75	14	16	2.1	32.40	1.0
WellCare	117.09	4	100	5,183	23.3	19.6	2	7	18	2.8	42.16	1.3
MAXIMUS	56.56	(3)	81	3,678	19.4	18.0	17	8	15	5.2	10.82	1.3
Molina	58.32	9	82	3,313	21.3	15.4	23	6	20	2.0	28.79	1.1
Magellan	53.73	(3)	74	1,321	20.1	15.5	5	7	20	1.2	44.13	1.0
Triple-S Management	21.93	(1)	79	540	21.4	15.4	2	0	7	0.6	35.71	3.3
Universal American	7.65	5	89	502	45.0	23.2	(3)	6	nm	1.7	4.42	na
Median		1 %	88 %		19.3 x	15.4 x	5 %	7 %	13 %	2.2 x	\$40.21	1.3 x
Mean		1	87		20.4	15.8	13	6	14	2.32	42.03	1.4

Source: Wall Street Research, Reuters and Capital IQ.

Note: nm signifies negative value or value of >50.

(1) On July 2, 2015, Aetna entered into a definitive agreement to acquire Humana for \$34.5 bn; the transaction remains pending.



# Healthcare Information Technology and Services Market Analysis

## Common Stock Comparison – Health and Life Insurers (cont.)

Company Name	Price	% MTD	% LTM	Market	Multiples		Growth Rates			Book Value		P / E / G
	09/30/16	Change	High	Value	Price / Earnings		Revenue		EPS	P / B	B / S	CY16E
				(\$ mm)	CY16E	CY17E	CY16E	CY17E	LT			
Life Insurance & Annuities												
MetLife	\$ 44.43	3 %	85 %	\$ 48,823	9.6 x	7.8 x	(3)%	3 %	9 %	0.6 x	\$72.06	1.1 x
Prudential Financial	81.65	4	92	35,850	9.3	7.9	(2)	4	9	0.6	125.70	1.1
AFLAC	71.87	(3)	96	29,580	10.5	10.4	7	2	7	1.3	54.98	1.6
Manulife Financial	14.10	4	82	27,823	10.4	9.1	58	(7)	10	0.7	19.57	1.0
Sun Life Financial	32.52	3	93	19,961	11.5	10.8	33	8	5	1.1	30.71	2.5
Legal & General Group	2.85	4	79	16,893	8.2	7.9	9	(6)	6	2.6	1.11	1.3
Ameriprise	99.77	(0)	83	16,241	10.8	9.9	(0)	5	18	2.3	43.69	0.6
Principal Financial	51.51	5	99	14,874	11.8	10.9	0	7	8	1.4	36.46	1.4
Lincoln National	46.98	(1)	82	10,995	7.7	6.9	(2)	2	8	0.7	68.39	1.0
Standard Life	4.48	(6)	80	8,988	12.9	12.0	(44)	67	7	2.1	2.17	1.9
Swiss Life	259.39	2	92	8,260	9.3	8.9	(5)	2	4	0.6	449.56	2.3
Aegon	3.83	(6)	57	7,869	5.6	5.1	5	(1)	4	0.3	12.55	1.5
Torchmark	63.89	(1)	97	7,846	14.3	13.5	(3)	2	8	1.6	40.70	1.8
St. James's Place	12.34	(2)	92	6,453	23.9	18.7	2	39	11	6.1	2.03	2.1
Genworth Financial	4.96	5	86	2,543	5.6	5.4	(3)	3	5	0.2	30.39	1.1
Primerica	53.03	(7)	89	2,467	12.0	10.7	4	8	13	2.0	25.91	0.9
Hansard Global	1.46	(10)	79	202	18.0	17.1	(7)	1	3	5.6	0.26	nm
Median		(0)%	86 %		10.5 x	9.9 x	(0)%	3 %	8 %	1.3 x	\$30.71	1.4 x
Mean		(0)	86		11.3	10.2	3	8	8	1.74	59.78	1.5
Diversified Insurers												
Allianz	\$ 148.62	(2)%	78 %	\$ 67,550	9.3 x	8.7 x	0 %	2 %	4 %	1.0 x	\$149.05	2.6 x
AIG	59.34	(0)	92	63,533	14.7	10.7	(12)	(3)	11	0.7	83.08	1.4
AXA	21.29	(0)	73	52,452	8.1	7.9	5	4	3	0.7	30.66	2.4
Zurich Financial Services	257.84	0	92	38,587	11.9	10.8	9	6	2	1.2	211.84	nm
Aviva	5.74	3	84	23,259	9.0	8.5	5	4	4	1.3	4.40	2.1
American National	121.96	6	99	3,273	na	na	na	na	na	0.7	171.72	na
Median		0 %	88 %		9.3 x	8.7 x	5 %	4 %	4 %	0.9 x	\$116.06	2.3 x
Mean		1	86		10.6	9.3	2	2	5	0.94	108.46	2.1

Source: Wall Street Research, Reuters and Capital IQ.

Note: nm signifies negative value or value of >50.

# Healthcare Information Technology and Services Market Analysis

## U.S. Financial HCIT IPO Tracker

For more details  
on FinTech IPO  
activity,  
please view our  
in-depth  
[IPO Infographic](#)



	Filing Date	IPO Date	Company	Amount Raised	IPO Price	Current Price	Current Market Cap	Total Return
	1/4/2016	9/29/2016	TABULARASA HEALTHCARE	\$52	\$12.00	\$14.32	\$222	19%
★	5/9/2016	6/2/2016	NantHealth	91	14.00	13.15	1,594	-6%
★	4/6/2016	5/25/2016	Cotiviti	238	19.00	33.53	3,023	76%
★	5/5/2015	6/10/2015	evolent HEALTH	196	17.00	24.62	1,486	45%
★	12/30/2014	2/12/2015	inovalon	600	27.00	14.71	2,242	-46%
★	10/20/2014	12/12/2014	connecture	53	8.00	1.88	42	-77%
	6/10/2014	7/31/2014	HealthEquity	127	14.00	37.85	2,220	170%
	2/4/2014	3/14/2014	CASTLIGHT HEALTH	178	16.00	4.16	427	-74%
	8/14/2013	9/18/2013	BENEFITFOCUS	80	26.50	39.92	1,184	51%
	2/13/2013	3/20/2013	Model N	105	15.50	11.11	307	-28%
	4/26/2011	5/10/2012	WageWorksW everyone benefits	59	9.00	60.91	2,229	577%
	9/29/2010	3/17/2011	Cornerstone	137	13.00	45.95	2,570	253%
	1/26/2009	6/25/2009	medidata	88	7.00	55.76	3,201	697%
	6/22/2007	9/20/2007	athenahealth	113	18.00	126.12	4,962	601%
	4/25/2006	10/13/2006	eHealth	70	14.00	11.21	205	-20%
Pending IPOs								

★ 7/7/16

TBD

**PointClickCare**

Latest filing amendment dated June 6, 2016




Source: FT Partners' Proprietary Transaction Database.

Note: Prices updated as of September 30, 2016.

★ = Click star / logo for detailed FT Partners' IPO Profile






# Healthcare Information Technology and Services Market Analysis

## Highlighted M&A Transactions

Date	Acquirer / Target	Value (\$ mm)	Comments
09/12/16	 <p><b>Atos</b> <b>anthelio</b> A higher aim. A newer standard.</p> <p><a href="#">Click for in-depth profile</a></p>	\$275	<ul style="list-style-type: none"> <li>Anthelio Healthcare Solutions is a provider of information technology and business process outsourcing services to hospitals, healthcare providers and other businesses</li> <li>Atos is a provider of information technology services, offering digital services, consulting, systems integration and managed services to deliver business outcomes globally</li> <li>The acquisition uniquely positions Atos to reach a broader customer base in the US healthcare market by strengthening the scale and scope of its services</li> <li>Following the acquisition, Atos is expected to add 1,700 additional Anthelio employees and generate approximately \$2.5 bn in revenue in North America</li> <li>The newly formed US healthcare practice expects to reach double digit organic growth in 2018</li> </ul>
08/22/16	 <p><b>Loblaw</b> COMPANIES LIMITED</p> <p><b>QHR</b> TECHNOLOGIES</p> <p><a href="#">Click for in-depth profile</a></p>	170	<ul style="list-style-type: none"> <li>QHR is a Canadian healthcare technology company in the electronic medical records (EMR) market, providing software for healthcare providers and their patients</li> <li>Loblaw is Canada's largest retailer in grocery, pharmacy, health and beauty, apparel, general merchandise, banking and wireless mobile products and services</li> <li>The purchase price represents a 22% premium to the closing price of QHR's common shares on the TSXV, as of August 19, 2016</li> <li>QHR is expected to operate as a distinct business within the Shoppers Drug Mart division of Loblaw, and remain headquartered in Kelowna, British Columbia</li> <li>The transaction has the full support of QHR's management team, who have all agreed to continue with QHR in their current roles and be a part of Loblaw's broader pharmacy and healthcare group</li> </ul>
08/04/16	 <p><b>benefitexpress</b></p> <p><b>benefitsCONNECT</b></p>	na	<ul style="list-style-type: none"> <li>benefitsCONNECT is a web-based benefits enrollment and administration system with fully automated EDI data exchange connectivity among employer groups, insurance carriers, TPAs, payroll vendors and brokers</li> <li>benefitexpress is a leading middle market, cloud-based platform for employee benefits and health exchange services</li> <li>The acquisition extends both companies' product roadmaps to include solutions for multiple markets</li> <li>benefitsCONNECT's network of insurance brokers will have access to a solution for larger employers as well as services such as HSA/FSA, COBRA/Direct Bill and dependent audits</li> <li>Benefitexpress' employers will garner additional value through more enhanced ACA capabilities and the company's broker partners will be able to take advantage of a broader solution for clients</li> </ul>

# Healthcare Information Technology and Services Market Analysis

## Highlighted M&A Transactions (cont.)

Date	Acquirer / Target	Value (\$ mm)	Comments
07/13/16	  <a href="#">Click for in-depth profile</a>	\$145	<ul style="list-style-type: none"> <li>Valence Health is a provider of clinical integration and data management software</li> <li>Evolent Health is a provider of an end-to-end technology-enabled services platform helping healthcare providers transition to value based payment models</li> <li>Under the terms of the agreement, Evolent Health will acquire the majority of Valence Health's business, excluding its contracts serving state insurance cooperatives</li> <li>Together, the organizations will be able to serve more than 1.8 mm lives across 23 long-term operating partners at closing, comprised of provider-sponsored health plans, accountable care organizations and full-risk entities</li> <li>The companies expect the transaction to close within the next 120 days, subject to regulatory approvals and certain closing conditions set forth in the agreement</li> </ul>
07/12/16		na	<ul style="list-style-type: none"> <li>HealthQx is a data analytics and software company that provides a software-as-a-service solution for transparency into quality and cost efficiency of the healthcare system</li> <li>McKesson, together with its subsidiaries, provides supply, information and care management products and services for the healthcare industry</li> <li>McKesson Health Solutions, a subsidiary of McKesson, announced it has expanded its portfolio to include ClarityQx value-based payment technology through the acquisition of HealthQX</li> <li>McKesson Health plans use ClarityQx for analytics and for automation of retrospective bundled payment models and McKesson's Episode Management™ to support automation of prospective bundled payment</li> <li>From this acquisition, McKesson can offer health plans a more complete portfolio that can automate their medical policy, payment policy, value-based reimbursement models, provider management, and contract management</li> </ul>
06/30/16	 	125	<ul style="list-style-type: none"> <li>HealthiestYou offers a bundle of consumer-empowering tools including 24/7 access to a network of more than 2,300 doctors; procedure price comparison; finding a doctor; scheduling a doctor visit etc.</li> <li>Teladoc, Inc. (NYSE: TDOC) is the nation's first and largest telehealth platform, delivering on-demand health care anytime, from almost anywhere via mobile devices, the Internet, secure video and phone</li> <li>On June 30, 2016, Teladoc acquired HealthiestYou for \$125 mm in cash and stock</li> <li>This acquisition brings a strong, highly incremental distribution network and a sophisticated broker enrollment portal, strengthening Teladoc's position in the fragmented small- and medium-sized employer market -- the most underpenetrated segment in telemedicine</li> <li>Teladoc expects the acquisition of HealthiestYou to close on July 1, 2016</li> </ul>

# Healthcare Information Technology and Services Market Analysis

## Selected Recent M&A Transactions




Announced Date	Transaction Overview	Target Company	Selected Buyers / Investors	Amount (\$MM)	FinTech Database
09/23/16	Constellation Healthcare Technologies Acquires VEGA Medical Professionals for \$24 mm in Cash and Stock	VEGA Medical Professionals	Constellation Healthcare Technologies	\$24	<a href="#">Details</a>
<b>09/12/16</b>	<b>Atos Acquires Anthelio Healthcare Solutions for approximately \$275 mm</b>	<b>Anthelio Healthcare Solutions</b>	<b>Atos</b>	<b>275</b>	<a href="#">Details</a>
09/08/16	Streamline Health Acquires Opportune IT Healthcare Solutions for \$1.4 mm	Opportune IT Healthcare Solutions	Streamline Health	1	<a href="#">Details</a>
<b>08/22/16</b>	<b>Loblaw Companies Acquires QHR Technologies for \$170 mm</b>	<b>QHR Technologies</b>	<b>Loblaw Companies</b>	<b>170</b>	<a href="#">Details</a>
<b>08/04/16</b>	<b>benefitexpress Acquires benefitsCONNECT</b>	<b>benefitsCONNECT</b>	<b>benefitexpress</b>	<b>na</b>	<a href="#">Details</a>
07/21/16	GoHealth Acquires Connected Benefits	Connected Benefits	GoHealth	na	<a href="#">Details</a>
07/20/16	Koninklijke Philips has Agreed to Acquire Wellcentive	WellCentive	Koninklijke Philips	na	<a href="#">Details</a>
07/14/16	TELUS Health has Agreed to Acquire Nightingale Informatix's Canadian Assets	Nightingale Informatix's Canadian Assets	TELUS Health Solutions	na	<a href="#">Details</a>
<b>07/13/16</b>	<b>Evolent Health has Agreed to Acquire Valence Health for \$145 mm</b>	<b>Valence Health</b>	<b>Evolent Health</b>	<b>145</b>	<a href="#">Details</a>
<b>07/12/16</b>	<b>McKesson Acquires HealthQx</b>	<b>HealthQx</b>	<b>McKesson</b>	<b>na</b>	<a href="#">Details</a>
07/11/16	Healthcare Services and Solutions Acquires Majority Stake in StayWell	StayWell	Healthcare Services & Solutions	na	<a href="#">Details</a>
07/07/16	Procura Healthcare Software has Agreed to Acquire Suncoast Solutions	Suncoast Solutions	Procura	na	<a href="#">Details</a>
<b>06/30/16</b>	<b>Teladoc Acquires HealthiestYou for \$125 mm</b>	<b>HealthiestYou</b>	<b>Teladoc</b>	<b>125</b>	<a href="#">Details</a>
06/29/16	McKesson Acquires Change Healthcare for \$4.45 bn	Change Healthcare	McKesson	4,450	<a href="#">Details</a>
06/29/16	Global Healthcare Exchange Acquires Hap-X	Hap-X	Global Healthcare Exchange	na	<a href="#">Details</a>
06/28/16	Medsphere Systems has Agreed to Acquire ChartLogic	ChartLogic	Medsphere Systems	na	<a href="#">Details</a>
06/27/16	Bolder Healthcare Solutions Acquires Healthcare Receivable Professionals	Healthcare Receivable Professionals	Bolder Healthcare Solutions	na	<a href="#">Details</a>
06/13/16	MedData has Agreed to Acquire Cardon Outreach for \$400 mm	Cardon Outreach	MedData	400	<a href="#">Details</a>
06/09/16	WorkForce Software Acquires Workplace	WorkPlace Systems	WorkForce Software	na	<a href="#">Details</a>
06/07/16	Connecture Acquires ConnectedHealth	ConnectedHealth	Connecture	na	<a href="#">Details</a>

Source: FT Partners' Proprietary Transaction Database. All transactions converted to US dollars.

Note: Bolded transactions are profiled on the previous pages.

# Healthcare Information Technology and Services Market Analysis




## Highlighted Financing Transactions

Date	Target / Investor(s)	Value (\$ mm)	Comments
09/26/16	 <b>Investor(s):</b> Carrick Capital Partners <a href="#">Click for in-depth profile</a>	\$50	<ul style="list-style-type: none"> <li>• InstaMed is a provider of a payments network and solutions, connecting providers, payers and consumers on one platform</li> <li>• On September 26, 2016, InstaMed announced a \$50 mm investment from Carrick Capital Partners</li> <li>• The investment will be used to drive the growth of the InstaMed Network, accelerate go-to-market strategy and drive further innovation in healthcare payments technology</li> <li>• Jim Madden, Co-Founder and Managing Director of Carrick Capital Partners will join the InstaMed board of directors, and Chris Wenner, a Vice President at Carrick Capital Partners, will become an observer to the board of directors</li> </ul>
09/22/16	 <b>Investor(s):</b> Swiss Re <a href="#">Click for in-depth profile</a>	na	<ul style="list-style-type: none"> <li>• Sharecare is a health and wellness engagement platform that provides people with personalized resources to help them live their healthiest lives</li> <li>• On September 22, 2016, Sharecare announced it has secured financing from Swiss Re</li> <li>• Swiss Re's strategic investment in Sharecare marks the close of its latest round of funding, bringing its total funding to more than \$220 mm</li> <li>• Beginning in early 2017, users will have access to actionable tools and solutions to help strengthen their financial standing, reduce their money-related stress, and ultimately improve their health</li> <li>• Swiss Re will help interested Sharecare users identify additional resources to take control of their financial health, thereby improving their overall health and well-being</li> </ul>
08/24/16	 <b>Investor(s):</b> Battery Ventures <a href="#">Click for in-depth profile</a>	60	<ul style="list-style-type: none"> <li>• ClearCare is a provider of web and mobile platform for the administration of home-care agencies</li> <li>• On August 25, 2016, ClearCare announced a \$60 mm growth-equity investment led by Battery Ventures</li> <li>• The Company will use the investment to invest in its core platform and explore new strategic partnerships</li> <li>• The Company also announced that noted technologist Bala Krishna (Balki) Nakshatralla, former vice president of engineering at Mastercard, has joined ClearCare as VP of engineering</li> <li>• This latest funding brings their total funding to approximately \$75 mm</li> </ul>



# Healthcare Information Technology and Services Market Analysis

## Highlighted Financing Transactions (cont.)

Date	Target / Investor(s)	Value (\$ mm)	Comments
08/10/16	 <b>ACCOLADE</b> <i>Investor(s):</i> Andreessen Horowitz; Madrona Venture Group <a href="#">Click for in-depth profile</a>	\$70	<ul style="list-style-type: none"> <li>• Accolade is a provider of consumer healthcare information services, offering a healthcare engagement and influence platform for large self-insured employers and payment organizations</li> <li>• On August 10, 2016, Accolade announced it raised approximately \$70 mm in Series E financing led by Andreessen Horowitz and Madrona Venture Group</li> <li>• With this funding, Accolade plans to improve its technology platform, research and development capacity and sale and marketing initiatives</li> <li>• Jeff Jordan, General Partner at Andreessen Horowitz will join the Company's Board of Directors</li> <li>• Raj Singh took over the role of CEO from Accolade Co-founder Tom Spann last November, and Spann became COO and serves as Vice Chairman</li> </ul>
07/11/16	 <b>eso</b> Healthcare Connected <i>Investor(s):</i> Accel-KKR	na	<ul style="list-style-type: none"> <li>• ESO Solutions is dedicated to improving community health through the power of data</li> <li>• On July 11, 2016, ESO Solutions announced it has received a growth equity investment from Accel-KKR</li> <li>• As a result of the new partnership, ESO will accelerate its investments in sales, marketing, product innovation and acquisitions</li> <li>• With this financing, ESO will further pursue their vision for improving community health through the power of data, by strengthening the Company's leadership position in the market and even further providing an even greater value for professionals</li> <li>• Terms of the investment were not disclosed</li> </ul>
06/29/16	 <b>iHealth</b> <i>Investor(s):</i> Fulcrum Equity Partners	na	<ul style="list-style-type: none"> <li>• iHealth partners with healthcare providers to navigate the evolving value-based payment models and to thrive in the rapidly changing healthcare environment</li> <li>• On June 29, 2016, iHealth Solutions secured an investment from Fulcrum Equity Partners as a part of its recent acquisition of DNA Healthcare (DNAH)</li> <li>• Funds will be used to expand iHealth Solution's customer base, provide a richer suite of products and services and ensure that it has the expert resources in place to help providers thrive in the value-based payment models that will define the future of revenue cycle performance</li> <li>• The Company will also be working with Fulcrum to identify strategic acquisitions to strengthen our product offerings and expand its customer base</li> </ul>

# Healthcare Information Technology and Services Market Analysis

## Selected Recent Financing Transactions




Announced Date	Transaction Overview	Target Company	Selected Buyers / Investors	Amount (\$MM)	FinTech Database
09/28/16	Tabula Rasa Healthcare Raises Approximately \$52 mm in its IPO	Tabula Rasa Healthcare	Undisclosed Investors	\$52	<a href="#">Details</a>
09/28/16	HealthMyne Secures \$2.4 mm in Series A Financing	HealthMyne	Undisclosed Investors	2	<a href="#">Details</a>
<b>09/26/16</b>	<b>InstaMed Secures \$50 mm in Financing from Carrick Capital Partners</b>	<b>InstaMed</b>	<b>Carrick Capital Partners</b>	<b>50</b>	<a href="#">Details</a>
<b>09/22/16</b>	<b>Sharecare Secures Financing from Swiss Re</b>	<b>Sharecare</b>	<b>Swiss Re</b>	<b>na</b>	<a href="#">Details</a>
09/21/16	Catalyze Raises \$6.5 mm in Series B Financing Led by Lewis & Clark Ventures	Catalyze	Lewis & Clark Ventures; Arthur Ventures; Baird Venture Capital; Chicago Venture Partners	6	<a href="#">Details</a>
09/01/16	IATAI Enterprises Secures \$5 mm in Financing from CASEIF III L.P.	IATAI Enterprises	CASEIF III L.P.	5	<a href="#">Details</a>
08/30/16	RxAdvance Secures Series A Financing	RxAdvance	Undisclosed Investors	na	<a href="#">Details</a>
<b>08/24/16</b>	<b>ClearCare Secures \$60 mm in Financing Led by Battery Ventures</b>	<b>ClearCare</b>	<b>Battery Ventures</b>	<b>60</b>	<a href="#">Details</a>
08/18/16	Nexthealth Technologies Secures \$8.5 mm in Series A Financing from Norwest Venture Partners	Nexthealth Technologies	Norwest Venture Partners	8	<a href="#">Details</a>
<b>08/10/16</b>	<b>Accolade Secures \$70 mm in Series E Financing Led by Andreessen Horowitz and Madrona Venture Group</b>	<b>Accolade</b>	<b>Madrona Venture Group; Andreessen Horowitz</b>	<b>70</b>	<a href="#">Details</a>
08/09/16	CareSkore Secures \$4.3 mm in Financing	CareSkore	Cota Capital; Storm Ventures; Rising Tide Fund; Liquid 2 Ventures	4	<a href="#">Details</a>
08/04/16	Elation Health Secures \$15 mm in Series B Financing Led by Draper Fisher Jurvetson	Elation Health	Undisclosed Investors; null; Draper Fisher Jurvetson	15	<a href="#">Details</a>
08/02/16	Viewics Secures \$10.5 mm in Series B Financing Led by Canvas Ventures and Roche Venture Fund	Viewics	Canvas Venture Fund; Roche; City National Bank	10	<a href="#">Details</a>
07/15/16	Azalea Health Secures \$10.5 mm in Series B Financing Led by Kayne Partners	Azalea Health Innovations	Kayne Partners; Intersouth Partners	10	<a href="#">Details</a>
07/15/16	Hint Health Secures Seed Financing Led by Launchpad Digital Health	Hint Health	Launchpad Digital Health Accelerator; StartX; Stanford Management Company; HealthX Ventures; Draper Associates; Healthfundr; Aspect Ventures; Three Leaf Ventures	na	<a href="#">Details</a>
07/12/16	CirraGroup Secures \$0.5 mm in Series B Financing from Lafayette General Foundation's Health Innovation Fund	CirraGroup	Lafayette General Foundation's Health Innovation Fund	<1	<a href="#">Details</a>
<b>07/11/16</b>	<b>ESO Solutions Secures Financing from Accel-KKR</b>	<b>ESO Solutions</b>	<b>Accel-KKR</b>	<b>na</b>	<a href="#">Details</a>
07/11/16	iQuartic Secures \$0.8 mm in Financing	iQuartic	Undisclosed Investors	<1	<a href="#">Details</a>
<b>06/29/16</b>	<b>iHealth Solutions Secures Financing from Fulcrum Equity Partners</b>	<b>iHealth Solutions</b>	<b>Fulcrum Equity Partners</b>	<b>na</b>	<a href="#">Details</a>
06/24/16	HealthPrize Technologies Secures Series B Financing	HealthPrize Technologies	Mansa Capital; Undisclosed Investors	na	<a href="#">Details</a>

Source: FT Partners' Proprietary Transaction Database. All transactions converted to US dollars.

Note: Bolded transactions are profiled on the previous pages.





# Healthcare Information Technology and Services Market Analysis

## Key Industry Conferences

Date	Conference	Location	Website
<b>Oct. 18 - 19, 2016</b> 	<b>Next Edge Health Experience Summit</b> <p>The age of telemedicine, wearables, remote data capture, and sophisticated wellness programs has advanced patient-centered care to the next edge. Patients as individuals are, more than ever before, the primary stakeholders in their own care. This year's Next Edge Summit will hone in on the patient journey, the path healthcare professionals have to pave to fully empower the patient. It's time to iron out the edges and work together to make the patient journey a smooth, connected path from start to finish. The future of the patient-led experience will require constant collaboration from care providers, payers, pharma and most importantly, the patients themselves. Join leaders, experts and innovators from all corners of the healthcare ecosystem, as we chart a course for the future of connected care.</p>	Boston, MA, USA	<a href="#">Detail</a>
<b>Oct. 20 - 21, 2016</b> 	<b>Connected Health Symposium</b> <p>The Connected Health Symposium is a change-agent conference that promotes innovative thinking and the application of personal consumer health technologies to support new models of care delivery. Over its 12 year history, the Symposium has become an important venue for health care providers, hospitals, payers, government agencies, investors and technology developers to convene, share ideas and establish partnerships that are changing health care delivery for the future.</p>	Boston, MA, USA	<a href="#">Detail</a>
<b>Nov. 02, 2016</b> 	<b>Digital Healthcare Innovation Summit</b> <p>Digital Healthcare Innovation Summit 2016 emphasizes disruptive solutions to the health care conundrum. Leading stakeholders from hospitals, insurers, and critical regulatory bodies sit down with the technology industry's top innovators, investors, and entrepreneurs to discuss how technology can unwrap the inefficiencies of the massive healthcare sector.</p>	Boston, MA, USA	<a href="#">Detail</a>

# Healthcare Information Technology and Services Market Analysis

## Key Industry Conferences (cont.)

Date	Conference	Location	Website
<b>Nov. 30 – Dec. 02, 2016</b> 	<b>Forbes Healthcare Summit 2016</b> Healthcare is transforming itself, both slowly (see: the creeping adoption of electronic health records) and instantly (we can now cure hepatitis C!). We'll once again gather the top executives from insurance, pharma, and the hospital industry to take on medicine's toughest problems. And we'll throw in a mix of patients, technologies, and big ideas. Don't miss this opportunity to change the way you think about the future of health.	New York, NY, USA	<a href="#">Detail</a>
<b>Nov. 30 – Dec. 02, 2016</b> 	<b>TEDMED 2016</b> TEDMED bridges the gap between science and the public by finding and sharing stories that inform, inspire, engage and provoke action across a broad, passionate community both inside and outside of health and medicine. TEDMED values inclusiveness, multi-disciplinary collaboration and diversity in its mission to catalyze a healthier world. Our annual event brings the world together to focus on what's new and important in health and medicine. We forge partnerships with industry leaders, medical research institutions, think tanks, government agencies and foundations, to ensure that cutting-edge biomedical thinking is shared across disciplines and made accessible to the public at large. Year-round, TEDMED engages a community of dedicated change-makers in dynamic conversations through social media, TEDMED Talks and a variety of programmatic efforts involving speakers, start-ups and everyday breakthroughs.	Palm Springs, CA, USA	<a href="#">Detail</a>
<b>Dec. 07, 2016</b> 	<b>Health IT Leadership Summit 2016</b> Created in 2010 by the Georgia Department of Economic Development, the Metro Atlanta Chamber and the Technology Association of Georgia's Health Society, the Health IT Leadership Summit brings together leaders from across the healthcare continuum to discuss how the industry can drive innovation to enable better healthcare delivery at lower costs to more people.	Las Vegas, NV, USA	<a href="#">Detail</a>
			






# Healthcare Information Technology and Services Market Analysis

## Upcoming Industry Conferences / Events

Date	Conference	Location	Website
10/04 - 10/05/16	CIO Healthcare Summit 2016	Chicago, IL, USA	<a href="#">Detail</a>
10/05 - 10/07/16	Annual National Institute 2016	Las Vegas, NV, USA	<a href="#">Detail</a>
10/15 - 10/19/16	AHIMA Convention and Exhibit 2016	Baltimore, MD, USA	<a href="#">Detail</a>
10/17 - 10/18/16	Next Edge Health Experience Summit	Boston, MA, USA	<a href="#">Detail</a>
10/18 - 10/19/16	MedCity ENGAGE 2016	San Diego, CA, USA	<a href="#">Detail</a>
10/20 - 10/21/16	Connected Health Symposium	Boston, MA, USA	<a href="#">Detail</a>
10/24 - 10/26/16	Healthcare Investment MENA 2016	Dubai, UAE	<a href="#">Detail</a>
10/26 - 10/27/16	Healthcare Claims Innovation 2016	Nashville, TN, USA	<a href="#">Detail</a>
11/01 - 11/04/16	CHIME16 Fall Healthcare CIO Forum	Phoenix, AZ, USA	<a href="#">Detail</a>
11/02/16	Digital Healthcare Innovation Summit 2016	Boston, MA, USA	<a href="#">Detail</a>
11/08 - 11/11/16	mHealth Summit 2016	Washington D.C., USA	<a href="#">Detail</a>
11/12 - 11/15/16	Healthcare Design Expo & Conference 2016	Houston, TX, USA	<a href="#">Detail</a>
11/12 - 11/16/16	AMIA 2016 Annual Symposium	Chicago, IL, USA	<a href="#">Detail</a>
11/14 - 11/16/16	MobiHealth 2016	Milan, Italy	<a href="#">Detail</a>
11/30 - 12/01/16	Forbes Healthcare Summit 2016	New York, NY, USA	<a href="#">Detail</a>
11/30 - 12/02/16	TedMed 2016	Palm Springs, CA, USA	<a href="#">Detail</a>
11/30 - 12/02/16	National Workers' Compensation and Disability Conference & Expo 2016	New Orleans, LA, USA	<a href="#">Detail</a>
11/30 - 12/01/16	Data Analytics for Healthcare Summit 2016	Toronto, ON	<a href="#">Detail</a>
12/07/16	28th Annual IHI National Forum	Orlando, FL, USA	<a href="#">Detail</a>
12/07/16	Health IT Leadership Summit 2016	Atlanta, GA, USA	<a href="#">Detail</a>
01/05 - 01/08/17	Digital Health Summit 2017	Las Vegas, NV, USA	<a href="#">Detail</a>
01/09/17	Accenture StartUp Health Festival 2017	San Francisco, CA, USA	<a href="#">Detail</a>
01/30 - 01/31/17	9th Healthcare Payments Innovations 2017	Phoenix, AZ, USA	<a href="#">Detail</a>
01/30 - 02/03/17	Leadership Strategies for Information Technology in Health Care 2017 Part - 1	Boston, MA, USA	<a href="#">Detail</a>

# Overview of FT Partners

## The FT Partners Senior Banker Team

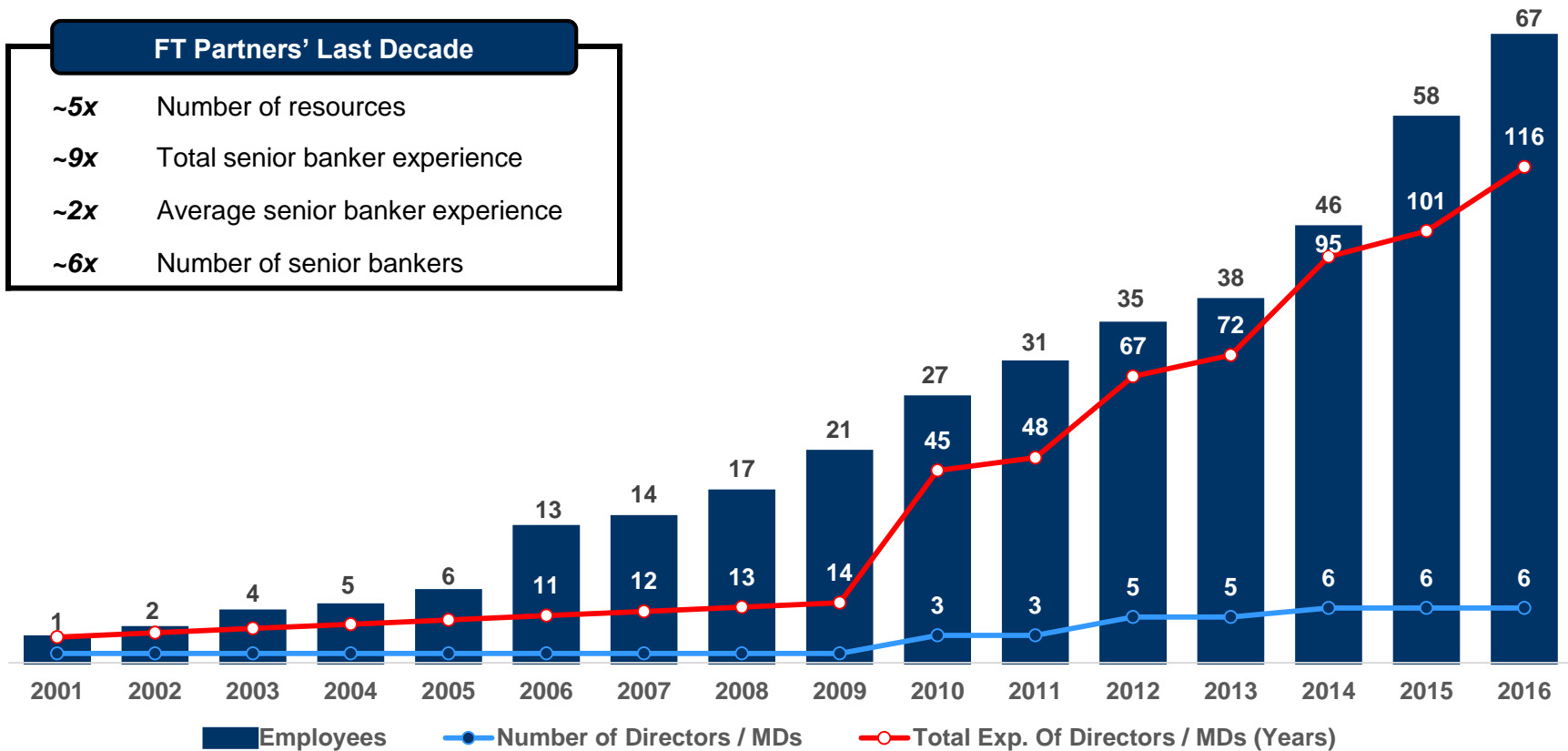
Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>21</b>
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	<b>21</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee</li> <li>Recent coverage included WU, EEFT, DST, ENV, FISV, FIS, V, MA, GPN &amp; HPY among others</li> </ul>	<b>20</b>
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with J.P. Morgan and UBS</li> <li>Formerly Global Head of Strategy at First Data</li> </ul>	<b>18</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>14</b>
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>10</b>

# Overview of FT Partners

## Platform of Choice for Clients and Bankers Alike

### FT Partners' Last Decade

- ~5x Number of resources
- ~9x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers



### Avg Years of Director / MD Experience

6	7	8	9	10	11	12	13	14	15	16	13	15	16	17	19
---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----

# Overview of FT Partners

## FT Partners' Recent Awards and Recognition



[Click to view](#)

### The Information's "Silicon Valley's Most Popular Dealmakers" (2016)

- Ranked as the #2 top Technology Investment Banker by The Information subscribers
- Only FinTech focused investment banking firm and banker on the list



[Click to view](#)

### M&A Advisor Awards

- Investment Banking Dealmaker of the Year (2015) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Technology Deal of the Year \$1.5 Billion (2015) – TransFirst's \$1.5 Billion Sale to Vista Equity Partners



### The 2015 FinTech Finance 35: #4 Steve McLaughlin, Financing Technology Partners

(excerpt from article published in Institutional Investor)

***"Steve personifies the combination of talent, vision, energy and experience that add up to the unprecedented level of leadership and influence in FinTech."***

– Jeff Kutler, Feature Editor



[Click to view](#)



# FT Partners Named “Dealmaker” and “Investment Bank” of the Year

## “M&A Advisor” Selects FT Partners for M&A Industry-Wide Awards

### Awards Overview

- FT Partners consistently receives top honors and recognition from national association:
  - **Cross Border Deal of the Year** (2016)
  - **Technology Deal of the Year** (2015)
  - **Dealmaker of the Year** (2007, 2008, 2009, 2012 and 2015)
  - **Professional Services Deal of the Year** (2012)
  - **Equity Financing Deal of the Year** (2014)
  - **Boutique Investment Bank of the Year** (2011)
  - **Deal of the Decade** (2011)
  - **Middle Market Deal of the Year, Cross-Border Deal of the Year and IT Services Deal of the Year** (2010)
  - **Investment Banking Firm of the Year** (2004, 2006 and 2016)
  - **Financing Professional of the Year** (2006)
  - **Product of the Year – IPO Advisory** (2006)
  - **Deals of the Year** (2005, 2006 and 2007)
- **2015 ranked 4<sup>th</sup>** on *Institutional Investor's* 2015 “FinTech Finance 35”
- **2008's top ranked** investment banker named on *Institutional Investors* annual “Online Finance 40” ranking
  - Consecutively ranked for 3 years (2008, 2007, 2006)
- Founder and Managing Partner, Steve McLaughlin, lauded **highest honors** as both “Dealmaker of the Year” and “Financing Professional of the Year”
- Top award winning Investment Bank collecting **more than 12 separate awards** for outstanding performance and client results
  - FT Partners has received over 75 award nominations across an unprecedented array of categories
- FT Partners’ “**IPO Advisory**” service – as demonstrated in one of the most successful Payments IPOs in history, Verifone – received its third industry award in 12 months for Product of the Year
  - Previously recognized in our 2006 Financing Professional of the Year award and 2005 Deal of the Year



**Dealmaker of the Year**  
**Investment Bank of the Year**  
**Deal of the Decade**

### Selected Transactions:

- **\$4.50 billion** Heartland's Sale to Global Payments
- **\$1.65 billion** Mercury Payments Systems' sale to Vantiv
- **\$1.50 billion** TransFirst's sale to Vista Equity Partners
- **\$900 million** Mercury Payments Systems' 60% strategic investment by Silver Lake
- **\$525 million** Sale of Lynk Systems to RBS
- **\$370 million** Sale of Custom House to Western Union
- **\$369 million** Sale of Fleet One to Wright Express
- **\$325 million** Sale of Verus to Sage Group
- **\$300 million** Sale of Currencies Direct to Palamon and Corsair Capital
- **\$300 million** Minority Capital Raise for GreenSky
- **\$300 million** Jack Henry's acquisition of iPay Technologies
- **\$238 million** Growth Equity Investment in SquareTrade by Bain Capital and Bain Capital Ventures
- **\$235 million** AvidXchange's Series E financing
- **\$177 million** Financial advisory role on Verifone's IPO
- **\$135 million** Minority Capital Raise for Kabbage
- **\$100 million** Growth Equity Investment in Chrome River

# Overview of FT Partners

## In HCIT's Most Important Strategic Transactions, CEOs Choose FT Partners

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to



in its sale to



for a total consideration of

**\$ 80,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as  
Capital Markets & IPO Advisor to



in its

**\$138,000,000**

**Initial Public Offering**

valuing the equity at approximately

**\$ 1,200,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as  
Capital Markets & IPO Advisor to



in its

**\$93,000,000**

**Initial Public Offering**

valuing the equity at approximately

**\$ 453,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as lead  
strategic and financial advisor to



in its growth recapitalization by



NEW MOUNTAIN CAPITAL LLC

valued at approximately

**\$ 1,300,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as  
exclusive Strategic and Financial advisor to



in its sale of

**Zywave Insurance Solutions**  
to



The Only Investment Bank  
Focused Exclusively on Financial Technology

**Leading provider of integrated  
SaaS technologies and  
services for healthcare  
premium billing, payment and  
workflow management**

**Market-leading provider of  
revenue cycle management  
solutions for hospitals and  
healthcare providers**

**Provider of outsourced  
healthcare payment recovery  
services to government and  
commercial clients**

**Leading global insurance  
distributor providing  
specialty P&C and group  
benefits products and  
services**

**Provider of analytics, agency  
automation and business  
intelligence tools to the  
employee benefits and P&C  
industries**

### Strategic Advisory Services

- Mergers
- Acquisitions
- Divestitures
- Fairness Opinions
- Anti-Raid Advice



**"Boutique Investment Bank of the Year"**  
**"Deal of the Decade"**



### Financial Advisory Services

- Capital Raising
- Private Equity
- Restructuring
- IPO Advisory
- Valuation