

# Market Insights | Q1'19



***Market Insights*** is a quarterly perspective on merger and acquisition, private placement activity, and public market performance in the healthcare industry.





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TripleTree is a healthcare merchant bank focused on mergers and acquisitions, growth capital, strategic advisory and principal investing services. Since 1997, the firm has advised and invested in some of the most innovative, high-growth businesses in healthcare.

We are continuously engaged with decision makers including best-in-class companies balancing competitive realities with shareholder objectives, global companies seeking growth platforms, and financial sponsors assessing innovative investments and first-mover opportunities.

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# QUARTER IN REVIEW

# KEY TRENDS DRIVING MARKET ACTIVITY



## Broad Market Tailwinds Are Driving Growth Across the Spectrum of Fertility Services

Market activity surrounding fertility pharmacy and services has emerged in recent years and continued in the first quarter of 2019. As utilization of fertility health services increases and fertility rates continue to decline, we expect to see continued interest in this market segment.

The fertility market does not encapsulate one product or service, rather, it can be thought of as a continuum of care that includes a wide variety of options, ranging from fertility medications and basic fertility treatments to reproductive related surgeries and advanced fertility treatments. The fertility market is poised for significant growth, predominantly driven by women having children later in life, and more men experiencing difficulty with fertility. In fact, nearly 20% of women in the U.S. now have their first child after age 35, and there is a direct linkage between advanced maternal age and declining fertility, and nearly 40% of infertility cases result from the male partner as the sole or contributing cause. Approximately 15% of couples have difficulty conceiving. By 2050, it is projected that there will be 5,500 fertility clinics throughout the United States, up from the 500 in 2016. From 2016 to 2017 alone, there was a 46% increase in the number of specialty pharmacy accredited locations, with specialty drug spend expected to represent 40% of total prescription drug spend by 2021. Collectively, these factors have turned a \$3.7B market in 2017 into a projected \$4.5B in 2022.

The market tailwinds noted above are driving significant investor interest in the fertility space. Investors are attracted to a fragmented market, with few providers of scale, with enormous opportunities for growth and adjacent expansion into co-occurring service lines. In addition to the economic factors, social change / acceptance is driving increased public adoption of fertility services, including greater awareness and social acceptance, family-building for LGBTQ couples, expanding health insurance coverage, and more employers offering fertility health benefits. Moving forward, as technology continues to advance, the cost of treatment falls, and consumer sentiment continues to evolve, we expect the interest we observed in Q1 for companies seeking to provide infertility services to extend into 2019 and beyond.

## KEY TRENDS DRIVING MARKET ACTIVITY CONTINUED



### **Bold Platform Expansions in Provider Technology**

Q1 2019 saw increased market activity in the provider technology space, driven by technology platforms making broad, expansive acquisitions of adjacent platforms and point solutions.

This trend was evidenced by the acquisition of **athenahealth** by **Veritas Capital** and concurrent roll-up of the **Virence Health** brand under the athenahealth name. Prior to the

acquisition, athenahealth had a nationwide presence with over 117 million patients and 120,000 providers. The Virence Health capabilities will broaden the services offered by athenahealth and enable it to achieve a scale it could not obtain alone. **Clearlake Capital**-backed **symplr** also expanded its platform during the quarter by acquiring healthcare workforce solutions vendor, **API Healthcare**. API Healthcare provides human capital management platform that complements Symplr's GRC SaaS solution. Additionally, several emerging vendors also acquired technology providers that spanned healthcare industry verticals. Examples of these transactions included **Vatica Health's** acquisition of **CareSync's** technology, **Nextech System's** acquisition of **SRS Health**, and **WellSky's** acquisition of **HCS**.

Healthcare providers continue to navigate an environment where margins are declining, and quality and value-based care requirements are tightening. As such, providers are seeking third party solutions that optimize financial and clinical performance as well as provide alternative solutions for navigating value-based care. Additionally, health system mergers have proliferated, creating massive regional and national health systems that promise better care for wider populations while achieving operational leverage to drive financial performance. Concurrently, large provider technology platforms are continuing to emerge with consolidated, end-to-end solutions that are well-positioned to serve these new, scaled health systems. Vendors with proven point solutions are ripe for acquisition as end-to-end platforms seek to add the latest patient, operational, and clinical technologies to their toolbelt. For 2019 and beyond, we expect provider technology platforms to continue to evolve, making bold M&A and add-on transactions a priority for growth.



## Employee Benefits Administration is Being Outsourced to Service Providers

As the ever-evolving health insurance market place becomes increasingly complex, companies are seeking outsourced service providers to manage and administer their employee benefits and human resource services. Services offered by benefits administrators vary greatly, but can encompass benefits advisory services, analytics, compliance support, human resource management (HRM) tools, as well as comprehensive insurance offerings. By utilizing employee benefits agencies, employers are able to focus on what they excel at, and shift the administration processes to an outsourced party, saving time, energy, and costs.

Investor interest remains high in this area, as there is significant room for industry consolidation, most notably driven by the opportunity for larger market players to expand geographically, as evidenced by **OneDigital Health** and **Benefits'** January acquisitions of **Cherry Creek Benefits** (Englewood, CO) and **The Alpha Group Agency** (Independence, OH). As technology continues to proliferate and employees demand more freedom and optionality within their benefits selection, we expect the interest observed in Q1 to extend into the rest of 2019.

# NOTABLE M&A ACTIVITY IN Q1'19



In February, **Village Fertility**, a portfolio company of **BelHealth Investment Partners**, through one of its affiliates, completed the acquisition of **Integrity Rx Specialty Pharmacy**. Village Fertility is a specialty pharmacy, headquartered in Waltham, MA, with locations in Scottsdale, AZ and Warrenville, IL, dedicated to offering the best service and education to infertility patients and clinics. Integrity, founded in 2014, has rapidly grown to become one of the largest pharmacies in the Western U.S. dedicated to addressing the needs of fertility patients.

Village Fertility has established itself as one of the leading specialty pharmacies in the country dedicated to serving patients, providers, and payers in the fertility market, and now with the addition of Integrity, is the only fertility-focused pharmacy with strategically-located facilities to address the entire U.S. market. BelHealth set out to build Village into a differentiated specialty pharmacy platform focused on fertility, and the acquisition of Integrity is a step towards accomplishing that goal, enabling Village to achieve the scale and market access that competing fertility pharmacies cannot provide. Financial terms of this transaction were not disclosed.



Announced in January and completed in March, **WEX**, a leading financial technology service provider, acquired **Discovery Benefits**, a high-growth employee benefits administrator, for **\$425M**. Discovery plays a key role in the consumer-directed healthcare ecosystem by offering account administration technology and services to more than one million consumers across all 50 states. WEX Health's financial technology platform helps approximately 300,000 employers and more than 25 million consumers better manage healthcare expenses. The acquisition represents a significant milestone for WEX, as it looks to strengthen its position as a leading provider of healthcare technology solutions.

Discovery Benefits has been a partner of WEX's Health division for over a decade, trusting WEX's healthcare technology platform to manage a portion of its consumer-directed account administration. This combination brings together one of the industry's fastest-growing benefits administrators with WEX's dynamic, cloud-based technology platform. The acquisition is expected to accelerate WEX's growth rate and strengthen its overall value proposition by providing partners and customers with a more comprehensive suite of products and services, and expanding the Company's diverse go-to-market channels to include consulting firms and brokers.



## NOTABLE M&A ACTIVITY IN Q1'19 CONTINUED



In February, **athenahealth**, a leading provider of network-enabled services for hospital and ambulatory customers nationwide, announced that it has completed its previously announced sale to **Veritas Capital** and **Evergreen Coast Capital**, the private equity subsidiary of **Elliott Management**, for approximately **\$5.7B** in cash, representing **\$135-per-share**. Under the terms of the deal, Veritas-backed **Virence Health** will combine under the athenahealth name and brand. Separately, Virence's Workforce Management business became a separate Veritas portfolio company under the **API Healthcare** brand.

Athenahealth partners with hospital and ambulatory customers to drive clinical and financial results through medical record, revenue cycle, patient engagement, care coordination, and population health services to its network of 120,000 providers and 117 million patients. Virence is a software provider that leverages technology and analytics to help healthcare providers across the continuum of care effectively manage their financial, clinical, and human capital workflows with a comprehensive suite of solutions. Collectively, the two groups have a network of more than 160,000 providers, achieving a scale that will enable the unified company to continue its mission to transform healthcare.



In February, **symplr**, a leading healthcare governance, risk, and compliance (GRC) SaaS platform, backed by **Clearlake Capital**, announced that it had signed a definitive agreement to acquire **API Healthcare**, a provider of healthcare human capital management (HCM) software solutions, from **Veritas Capital**. The deal closed in early April, and financial terms were not disclosed.

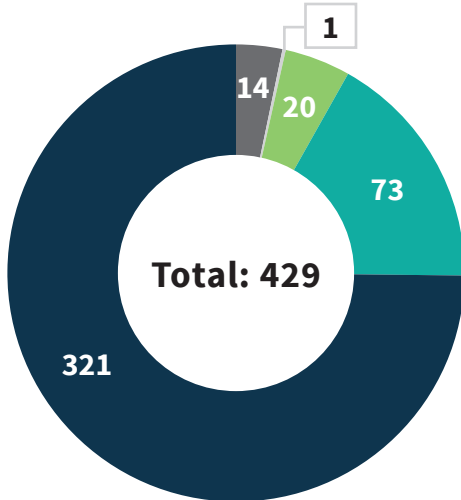
Symplr provides GRC SaaS solutions that help healthcare organizations mitigate risk and ensure compliance. Its single mission is to make healthcare compliance and credentialing simpler for all constituents of the healthcare community. API Healthcare provides a comprehensive suite of workforce management that gives healthcare providers the data and analytics to help them effectively manage their financial, clinical, and human capital workflows. API provides services to over 375 hospitals and health systems. The combination of these two companies will deliver the healthcare industry's only fully-integrated GRC and HCM SaaS platform of scale, offering an end-to-end solution encompassing provider data management, credentialing, and workforce management, addressing the full spectrum of labor regulatory requirements while also improving patient outcomes and quality of service.

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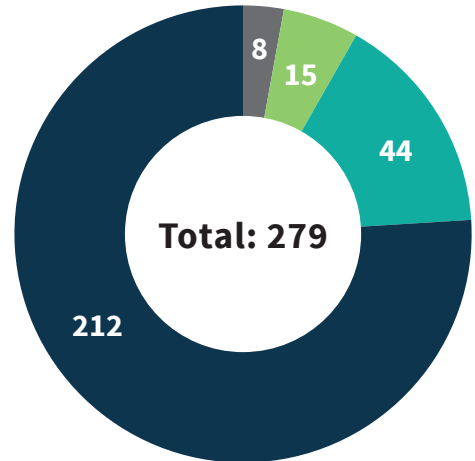
# M&A Deal Stratification

# Q1'19 HEALTHCARE M&A DEAL STRATIFICATION

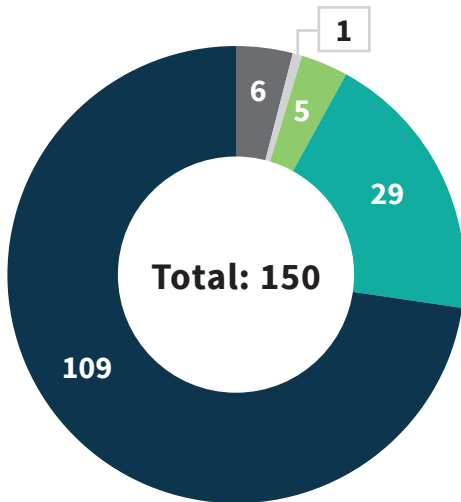
**Total Deals by Transaction Ranges**



**Closed Deals by Transaction Ranges**



**Announced & Pending Deals by Transaction Ranges**

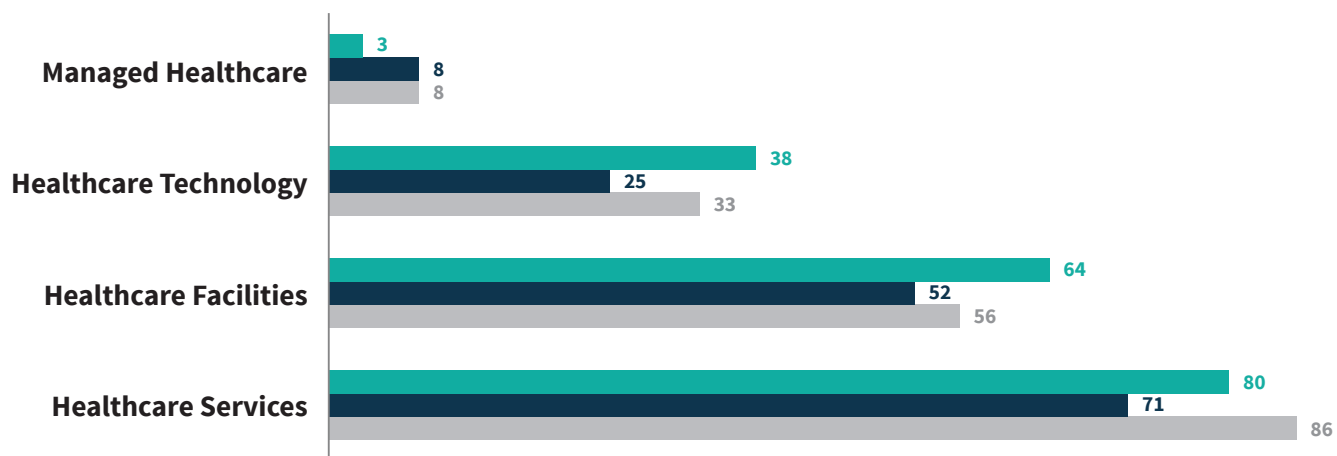


Source: S&P Capital IQ

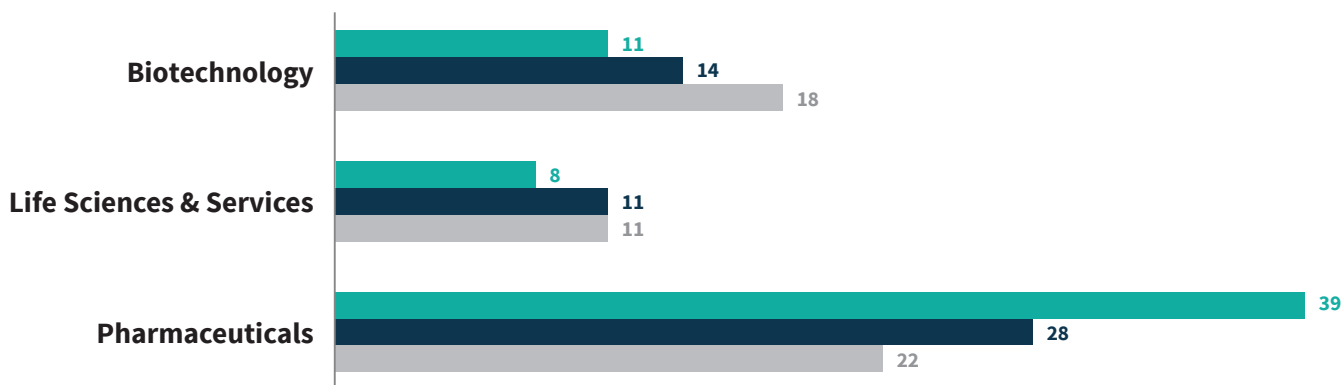
## Q1'19 M&A DEAL STRATIFICATION CONTINUED

■ Q1 2019   
 ■ Q4 2018   
 ■ Q3 2018

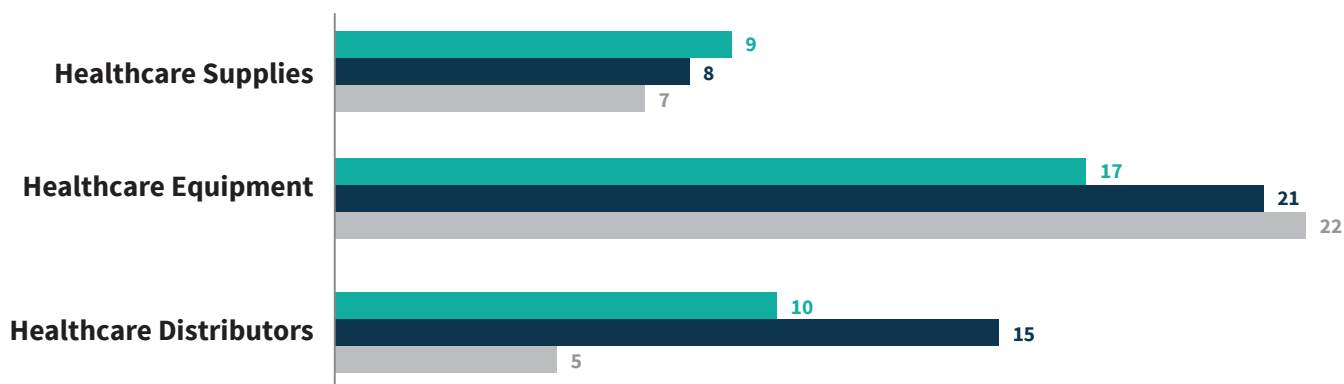
### Healthcare Services, Facilities & Technology – 185 Closed Transactions



### Life Sciences Technology & Services – 58 Closed Transactions



### Healthcare Equipment and Distribution – 36 Closed Transactions



Source: S&P Capital IQ

## Q1'19 M&A DEAL STRATIFICATION CONTINUED

(\$ in Millions)

### Total Q1 Deal Activity

<b>Total Deals Reported in Q1</b>	429
# of Deals Disclosing Metrics	108
# Reported TEV	78
# Reported TEV & Rev	23
# Reported TEV, Rev & EBITDA	7
Average TEV	\$1,285
Average TEV/Rev	4.2x
Average TEV/EBITDA	13.9x
Median TEV	\$21
Median TEV/Rev	4.5x
Median TEV/EBITDA	12.6x
<b>Total Deal Value</b>	<b>\$177,497</b>
<b>Prior Quarter Total Deal Value</b>	<b>\$186,746</b>
<b>% Change</b>	<b>(5.0%)</b>

### Q1 Deal Activity — Closed<sup>1</sup>

<b>Total Deals Reported in Q1</b>	279
# of Deals Disclosing Metrics	67
# Reported TEV	48
# Reported TEV & Rev	15
# Reported TEV, Rev & EBITDA	4
Average TEV	\$446
Average TEV/Rev	3.8x
Average TEV/EBITDA	13.3x
Median TEV	\$39
Median TEV/Rev	2.8x
Median TEV/EBITDA	11.2x
<b>Total Deal Value</b>	<b>\$29,896</b>
<b>Prior Quarter Total Deal Value</b>	<b>\$170,406</b>
<b>% Change</b>	<b>(82.5%)</b>

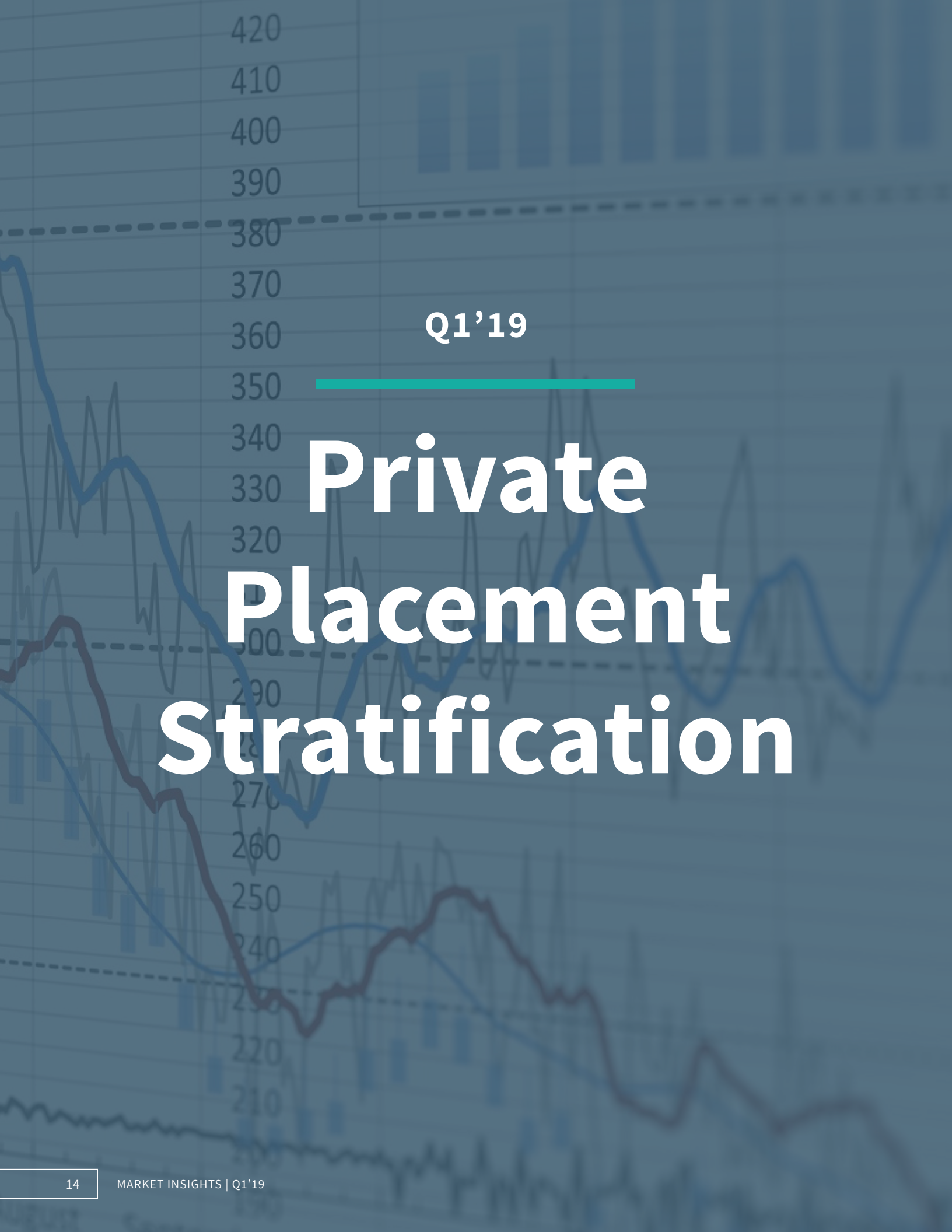
### Q1 Deal Activity — Announced & Pending<sup>2</sup>

<b>Total Deals Reported in Q1</b>	150
# of Deals Disclosing Metrics	41
# Reported TEV	30
# Reported TEV & Rev	8
# Reported TEV, Rev & EBITDA	3
Average TEV	\$1,996
Average TEV/Rev	5.0x
Average TEV/EBITDA	14.6x
Median TEV	\$19
Median TEV/Rev	4.9x
Median TEV/EBITDA	16.3x
<b>Total Deal Value</b>	<b>\$147,600</b>
<b>Prior Quarter Total Deal Value</b>	<b>\$16,340</b>
<b>% Change</b>	<b>803.3%</b>

(1) Transactions that closed during the quarter, regardless of when the transaction was announced

(2) Deal was announced during the quarter but did not close during the quarter

Source: S&P Capital IQ

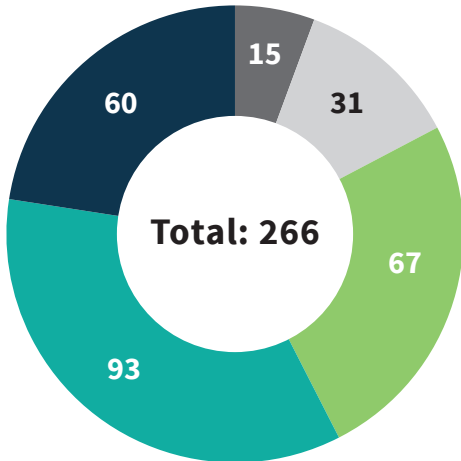


Q1'19

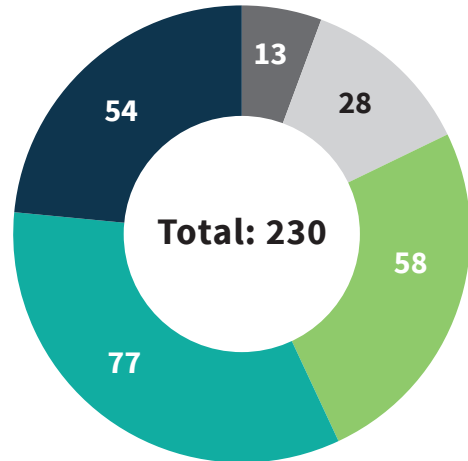
# Private Placement Stratification

# Q1'19 HEALTHCARE PRIVATE PLACEMENT STRATIFICATION

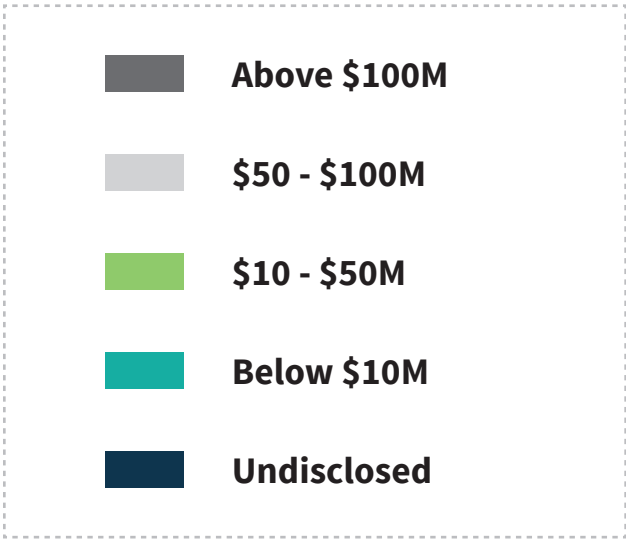
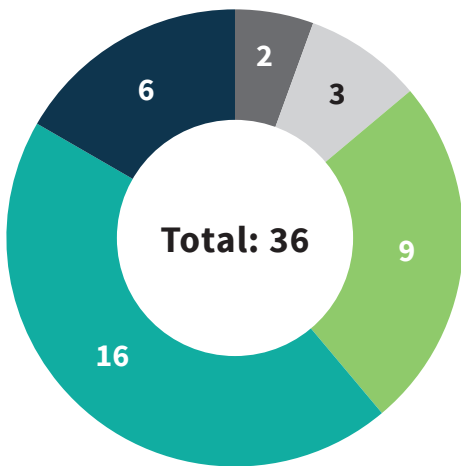
**Total Private Placements by Investment Value**



**Closed Private Placements by Investment Value**



**Announced & Pending Private Placements by Investment Value**

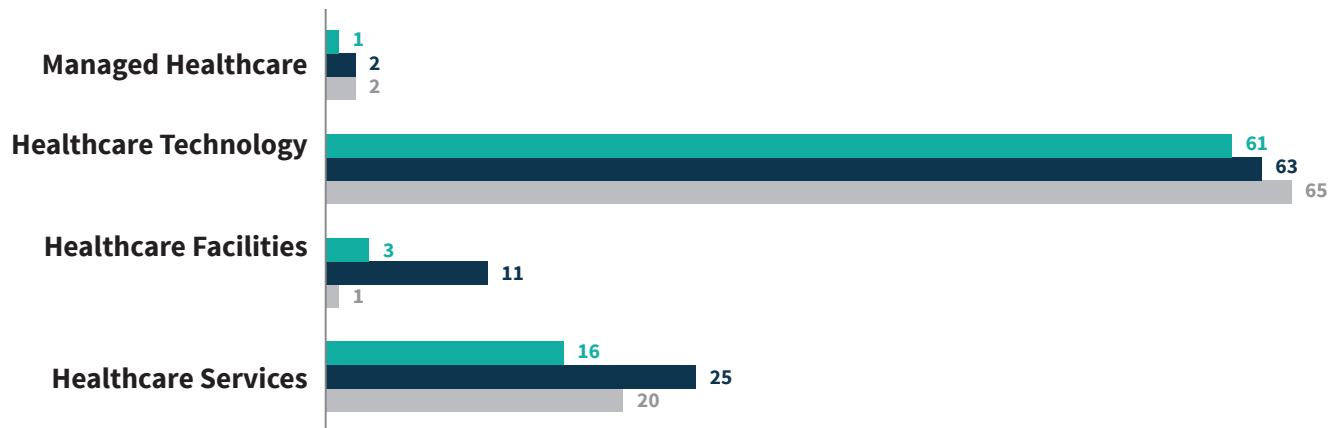


Source: S&P Capital IQ

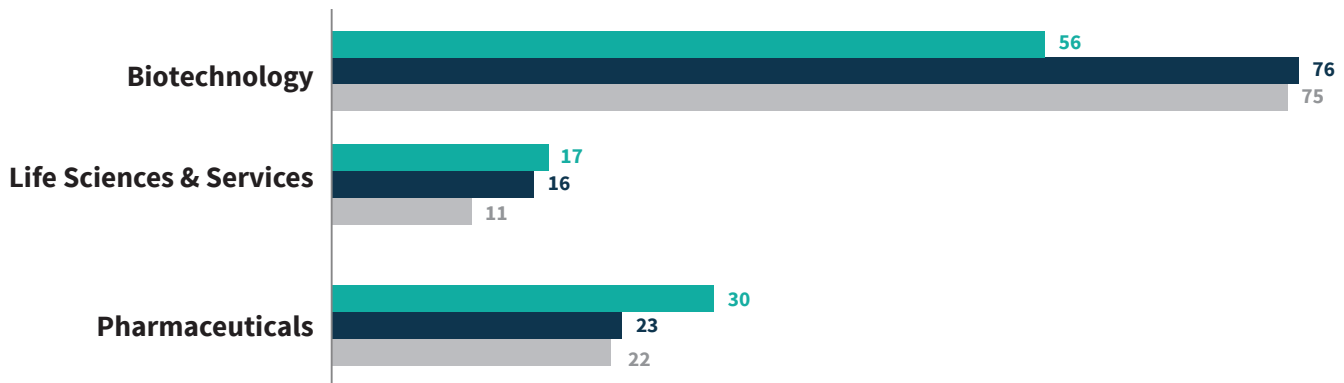
## Q1'19 PRIVATE PLACEMENT STRATIFICATION CONTINUED



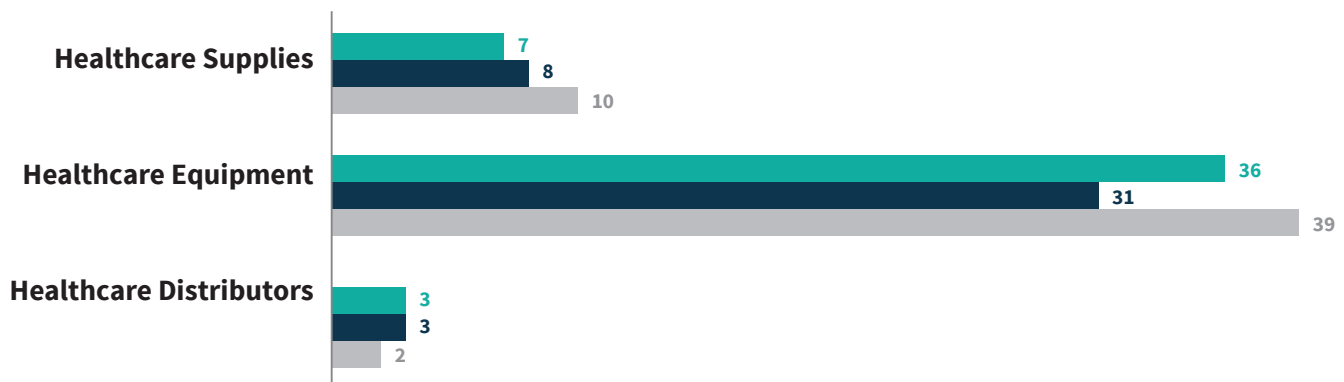
### Healthcare Services, Facilities & Technology – 81 Closed Transactions



### Life Sciences Technology & Services – 103 Closed Transactions



### Healthcare Equipment and Distribution – 46 Closed Transactions



Source: S&P Capital IQ



## Q1'19 PRIVATE PLACEMENT STRATIFICATION CONTINUED

(\$ in Millions)

### Total Q1 Private Placement Activity

Total Private Placements Reported in Q1	266
# of Private Placements Disclosing Investment Value	206
Average Value	\$34
Median Value	\$11
<b>Total Value</b>	<b>\$7,029</b>
<b>Prior Quarter Total Private Placement Investment Value</b>	<b>\$7,454</b>
<b>% Change</b>	<b>(5.7%)</b>

### Q1 Private Placement Activity — Closed<sup>1</sup>

Total Private Placements Reported in Q1	230
# of Private Placements Disclosing Investment Value	176
Average Value	\$36
Median Value	\$13
<b>Total Value</b>	<b>\$6,376</b>
<b>Prior Quarter Total Private Placement Investment Value</b>	<b>\$6,293</b>
<b>% Change</b>	<b>1.3%</b>

### Q1 Private Placement Activity — Announced & Pending<sup>2</sup>

Total Private Placements Reported in Q1	36
# of Private Placements Disclosing Investment Value	30
Average Value	\$22
Median Value	\$10
<b>Total Value</b>	<b>\$653</b>
<b>Prior Quarter Total Private Placement Investment Value</b>	<b>\$1,161</b>
<b>% Change</b>	<b>(43.7%)</b>

(1) Transactions that closed during the quarter, regardless of when the transaction was announced

(2) Deal was announced during the quarter but did not close during the quarter

Source: S&P Capital IQ

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# Noteworthy M&A Transactions



# JANUARY 2019

## Key Themes

### **Health Plan Member Communication & Engagement.**

A vast majority of health plans are focused on improving engagement and member satisfaction. Plans see engagement as a key driver of retention and enrollment growth while also leading to improved member outcomes. As the value of engagement becomes even more apparent, we continue to see innovation in models of engagement that move the needle for health plans along with increasing M&A interest and activity in this sector.

### **Software to Support Physician Practices.**

Physician practice management platforms continue to proliferate, creating greater efficiencies and easing the challenges of managing physician groups. Specialized software platforms focused on streamlining processes, improving organizational management, and enhancing automation for specialty providers allow these groups to stay focused on providing high-quality, cost-efficient care. We continue to see significant growth and interest in specialty EMRs and other business software for specialty providers and expect this level of activity to continue as quality and efficiency expectations remain imperative.

### **Technology-Enabled Hospital Outsourced Services.**

An uneven reimbursement environment amidst a backdrop of rising operational costs has created difficult financial challenges for providers, who are typically already facing margin pressure. These pressures have continued to drive providers to outsource selected services to specialized operators who can deliver quality service at scale and lower cost. Tech-enabled outsourced services, designed to provide solutions for various issues such as clinical engineering, surgical services and medical equipment rental, help to maximize providers' operational efficiency and continue to garner investor interest, a theme we expect to continue throughout 2019 and beyond.

## Noteworthy M&A and Private Placement Transactions

- **Clarity Software Solutions**, a provider of member communication solutions for health insurance payers, third party administrators, and dental insurance companies, has received an investment from **Morgan Stanley Capital Partners**. Clarity's software collects, consolidates, and cleanses its customers' data from multiple sources to generate compliant and personalized digital member communications across the enrollment, claims and payments, and compliance functions of its customers. TripleTree acted as the financial advisor to Clarity.
- **WEX**, a leading financial technology service provider, acquired **Discovery Benefits, Inc.**, a provider of employee benefits administration services to more than 1 million customers across all 50 states. Discovery Benefits plays a key role in the consumer-directed healthcare ecosystem by offering account administration technology and services. Additionally, Discovery Benefits' user-friendly platforms and an extensive library of resources drive employee engagement. This acquisition will combine one of the industry's fastest-growing benefits administrators with WEX's cloud-based technology platform.
- **SRS Health Software**, a provider of specialty EMR solutions, has been acquired by **Nextech Systems**, a provider of electronic medical record and practice management software. The strategic acquisition will expand Nextech's specialty physician focus into orthopedics and beyond its core ophthalmology, dermatology, and plastic surgery focus. The acquisition will result in Nextech servicing more than 10,000 providers across specialty ambulatory physician markets.
- **Investcorp**, a leading global provider and manager of alternative investment products, acquired **Health Plus Management**, a provider of business management and operations services for independent physician practices in the physical medicine and rehabilitation market. Health Plus provides physician-owned practices with an effective administrative solution for outsourcing non-medical, front and back office operations. Services include site selection and buildout, front and back office management, marketing, human resources support, technology, and reporting.
- **Arsenal Capital Partners**, a middle-market healthcare focused private equity firm, has acquired **Accumen**, a technology-enabled provider of health system performance optimization solutions, from **Accretive, LLC**. Accumen provides end-to-end strategy and services for providers' clinical laboratories, outreach services, patient blood management systems, and imaging services.

- **Federal Street Acquisition Corp.**, a special purpose acquisition company (SPAC) backed by **Thomas H. Lee Partners**, has acquired **Agiliti Health**, formerly known as **Universal Health Services**. Agiliti delivers medical equipment management and service solutions that help clients reduce costs, increase operating efficiencies, and improve caregiver satisfaction. The Company provides a variety of healthcare technology management and service solutions to approximately 7,000 national, regional, and local acute care hospitals and alternate site providers across the country. Implied enterprise value for the company is approximately \$1.74 billion, or 11.6x Agiliti Health's forecasted 2018 Adjusted EBITDA of approximately \$150 million.



# FEBRUARY 2019

## Key Themes

### **Private Equity Firms Partnering with Seasoned Industry Executives to Pursue Assets.**

Given the complexity inherent to the healthcare space as well as the high degree of competition for platform assets, private equity firms are increasingly looking to partner with industry veterans who can utilize their prior experience to source, diligence, and subsequently lead companies in select healthcare niches.

### **Post-Acute Consolidators Looking both Nationally and Locally.**

While strategic acquirers in the post-acute space continue to pursue large transformative mergers, as evidenced by Aveanna's announced acquisition of Maxim's home healthcare division, they are also taking advantage of opportunities to acquire providers who can supplement their existing service offerings in key strategic markets.

### **PE-Backed Dental Practice Rollups Continue to Gain Steam.**

Seeking to capitalize on beneficial economies of scale, PE-backed practice management groups are expanding their footprint through acquisitions of smaller practices to create larger, more efficient dental care organizations.

## Noteworthy M&A and Private Placement Transactions

- New York-based private equity firm **Post Capital Partners** is partnering with former **Addus HomeCare Corporation** CEO Mark Heaney to acquire platform assets in the home and community-based care space. Platform targets may include adult day centers, home care companies, and community-based services companies. The partnership exemplifies Post's "executive-first strategy," where the firm seeks to partner with proven executives in a target industry before pursuing acquisitions in that space. In the press release announcing the partnership, Mitch Davidson, co-founder and managing director of Post Capital Partners said, "We see a growing need for home and group care in the community, as the number of older persons grows and life expectancy increases."
- **TPG Capital** announced that it has entered into a partnership with behavioral health executive **Lani Fritts** to form **Kadiant**, which will provide Applied Behavior Analysis (ABA) therapy and related services to individuals diagnosed with autism spectrum disorder. Fritts is a well-respected behavioral health industry veteran, having co-founded ABA therapy provider **Trumpet Behavioral Health** in 2009. Kadiant will initially look to partner with existing providers to grow the platform but will subsequently look to expand via de novos. TPG has committed **\$300 million** of equity to support the Company's launch and growth strategy. **Vida Ventures** also invested in the platform alongside TPG.
- **Aveanna Healthcare**, a leading provider of adult home health and pediatric skilled nursing and therapy services, announced the acquisition of the home healthcare division of **Maxim Healthcare Services**. The home healthcare business's service offerings include home health, personal care services, and behavioral health. Maxim's staffing services and population health and wellness divisions are not part of the agreement. The transaction is complementary to Aveanna's current services and further expands the Company's national footprint.
- **Amedisys**, a leading provider of home health, hospice, and personal care services, signed a definitive agreement to acquire **RoseRock Healthcare**, a northeastern Oklahoma hospice provider with an average daily census (ADC) of approximately 200. Amedisys currently operates six home health care centers in Oklahoma and the RoseRock acquisition positions the Company to better serve patients in the state who transition from home health to hospice care. The RoseRock acquisition follows the early February closing of Amedisys's \$340 million acquisition of **Compassionate Care Hospice**, a deal which was originally announced in October of 2018.

- **Talisker Partners**, a Washington D.C.-based private equity firm, announced the acquisition of Texas-based **Dental Management Strategies** (DMS), a multi-faceted practice management group that serves the needs of dental practices across Texas, with the singular purpose of helping dentists achieve their personal and professional goals.
- **New England Management Services** (NEMS), a New England-focused dental services organization, announced its expansion into the Boston area with its acquisition of five dental practices owned by local practicing dentists. NEMS was founded in 2015 after partnering with **The Beekman Group**, a NY-based private equity firm dedicated to investing in lower middle-market companies. With the completion of this acquisition, NEMS now manages a network of ten dental offices.





# MARCH 2019

## Key Themes

### **Social Determinants of Health and Community Engagement:**

Healthcare payers and providers are seeking ways to address negative healthcare outcomes driven by conditions present in the places where people live, learn, work, and interact. Collectively, these conditions are known as social determinants of health (SDoH). By developing and refining solutions, healthcare technology and services vendors are creating environments that promote good health for all populations. We have observed this shift become present especially in community engagement programs, where positive change in healthcare can often be delivered most effectively to at-risk populations.

### **Virtual Health:**

Coinciding with the rise of consumer empowerment, patients are seeking flexibility and optionality in the way they receive healthcare. Simply put, the healthcare consumer is demanding affordable, mobile alternatives to in-person care experiences. As such, healthcare providers are increasingly expanding their virtual presence. We are seeing virtual health services expand beyond routine primary care visits and into adjacent care segments, including behavioral health.

### **Technologies Targeting Quality in Healthcare:**

Improving the quality of care is one of the core tenets of value-based care. Quality initiatives have become a key focus of payers and providers alike, as they have embarked on initiatives to improve and monitor processes as well as quantify improvements in the quality of care delivered to members and patients. We are seeing this trend manifest as third party vendors target quality improvement capabilities through expansive platforms and targeted point solutions, both of which can effect positive change for payers and providers.

- **Signify Health**, a provider of technology-enabled, in-home care and complex care management services announced that it acquired **TAVHealth**, a platform for collaborating with risk-bearing and community-based organizations to address social determinants of health. Signify Health manages a nationwide network of 4,000 doctors and nurse practitioners delivering healthcare services in the home to over a million unique Medicare Advantage members each year. While in the home, Signify clinicians frequently identify SDOH needs, ranging from food insecurity, transportation issues, and other factors, capture them in Signify's technology platform, and therefore enable case management referrals. The acquisition of TAVHealth adds a curated network of community-based organizations and the technology capabilities for Signify to directly manage these SDOH needs on behalf of its clients, creating a closed loop between identification of SDOH needs, enrollment into SDOH programs, and coordination of services to better manage and improve health outcomes for members. Financial terms of the deal were not disclosed.
- **Unite Us**, a care coordination and outcome tracking platform connecting healthcare and social service providers, announced **\$35M** in Series B funding led by **Oak HC/FT**, with participation from **Town Hall Ventures** and **Define Ventures**. In addition, existing investors **Scout Ventures**, **Luminate** and **New York Ventures** also participated in the round. This latest round brings the company's total funding to **~\$45M**.

Unite Us will use the funding to fuel growth as it continues to curate coordinated networks bringing together health systems, payers, government agencies and community-based organizations to provide citizens the quality services they need to improve their health and live their best possible lives.

- **Tabula Rasa HealthCare**, a healthcare technology company advancing the field of medication safety announced that it acquired **PrescribeWellness** in a transaction valued at **\$150M**. PrescribeWellness is a leading cloud-based patient relationship management solutions company that facilitates collaboration between more than 10,000 pharmacies with patients, payers, providers and pharmaceutical companies. This acquisition supports TRHC's goals of expanding medication risk mitigation programs in community pharmacies and providing community pharmacists with clinical revenue opportunities beyond dispensing. It also enables TRHC to further participate in Medicare Part D Medication Therapy Management programs, and other similar programs, which require or can benefit from the involvement of community pharmacies.
- **AbleTo**, a provider of virtual behavioral healthcare proven to improve clinical outcomes and lower costs, announced that it acquired **Joyable**, an app-based digital therapy innovator. The acquisition strengthens AbleTo's behavioral health offerings with a digital platform that delivers clinically-based

therapies supported by coaches to help individuals overcome depression, generalized anxiety, and social anxiety. Financial terms of the deal were not disclosed.

- **Teladoc Health**, a leader in virtual care, entered into an agreement to acquire **MédecinDirect**. MédecinDirect is a mobile platform, providing professional services and answers to consumer medical questions via telephone and internet. The acquisition will expand Teladoc Health's global outreach into France, emphasizing the markets demand for virtual care. Financial terms of the deal were not disclosed.
- **Veradigm**, an **Allscripts** business unit, announced that it strengthened its strategic relationship with **Pulse8**, a leader in healthcare analytics and technology company. Pulse8 delivers a complete enterprise platform to provide visibility into the efficacy of Risk Adjustment, Quality Improvement, and Pharmacy Management programs. Pulse8 enables both health plans and at-risk providers to achieve precise risk and quality scores in the Medicare Advantage, Managed Medicaid, and ACA Commercial markets as well as with Value-Based Payment models for Medicare. Financial terms of the deal were not disclosed. TripleTree acted as the financial advisor to Pulse8.
- **AllyAlign Health**, a market-leading value-based care enablement platform that allows post-acute providers to thrive in the shift-to-value by successfully establishing and operating provider-sponsored managed care plans, received a growth capital investment from **McKesson Ventures**. AllyAlign enables skilled nursing and assisted living facility operators to offset decreasing reimbursement and cost pressures by effectively accepting and managing full risk on the fragile patient populations within their facilities. AllyAlign provides the organizational infrastructure, expertise, clinical protocols, technology, and access to risk-based capital (RBC) funding arrangements essential to the successful formation and ongoing profitable management of a provider-sponsored managed care plan. Financial terms of the deal were not disclosed. TripleTree acted as the financial advisor to AllyAlign Health.

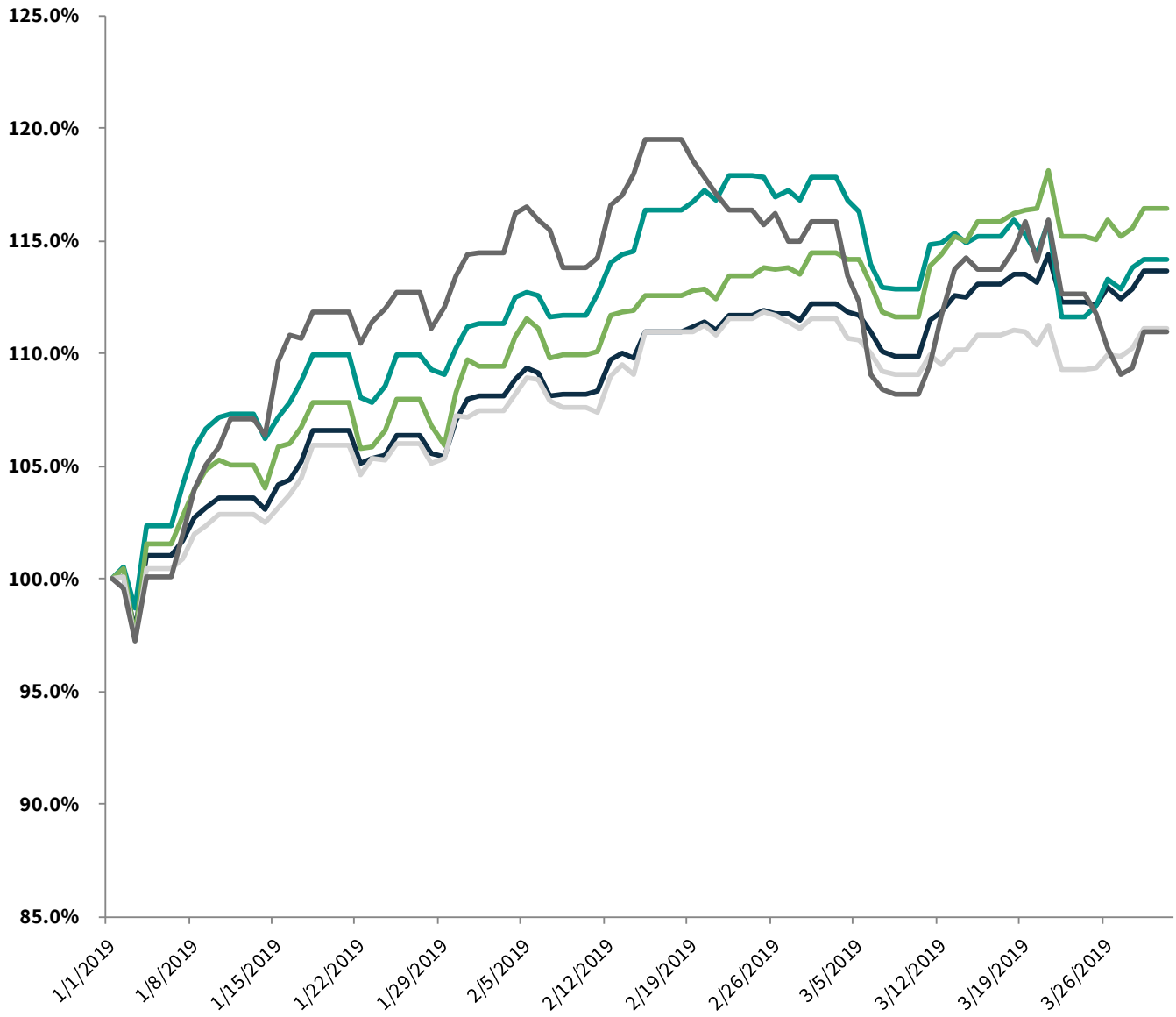
Q1'19

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# Public Market Performance

# Q1'19 MARKET INDICES

## Broader Market and Healthcare Indices | January 2019 – March 2019

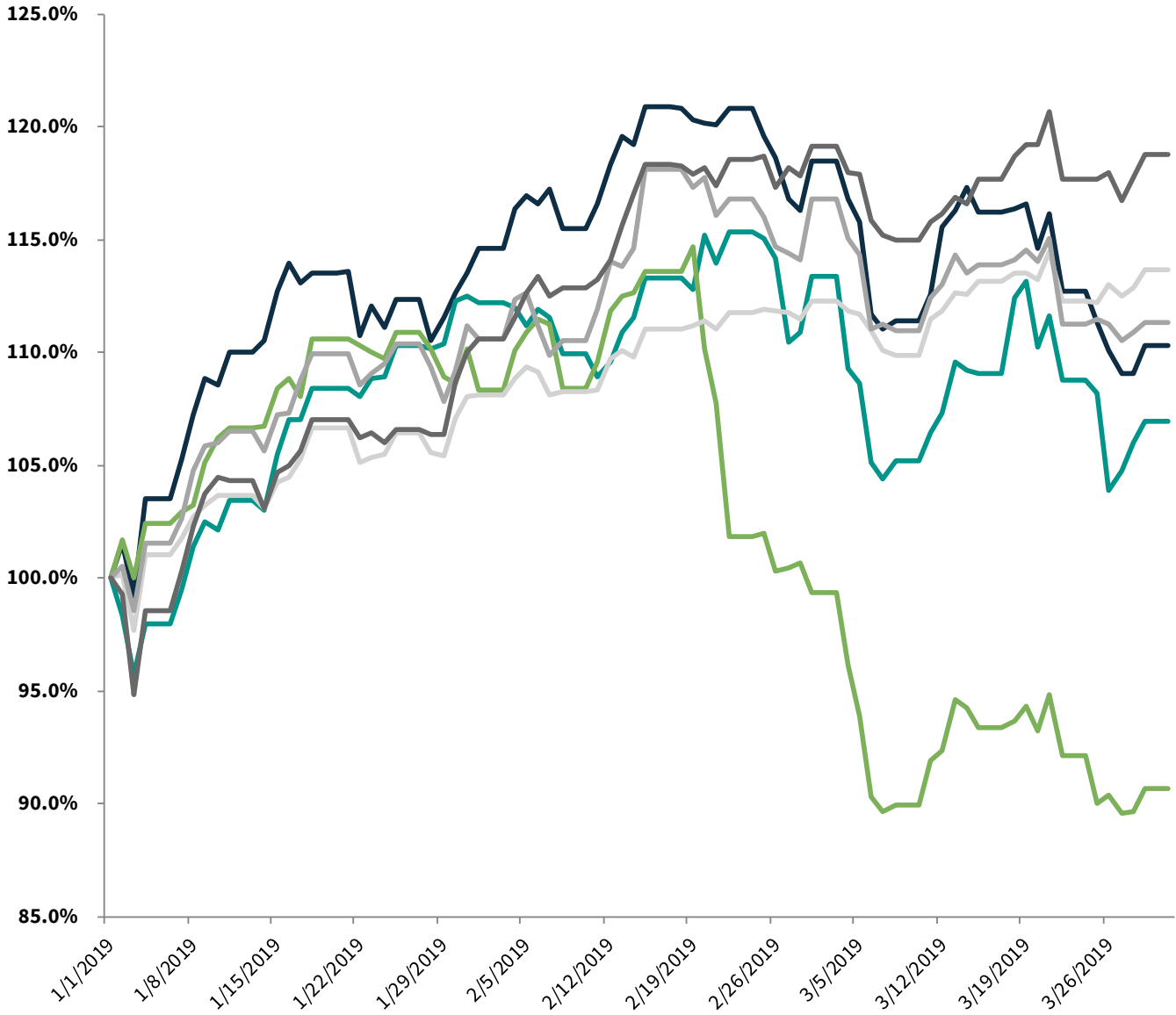


- S&P 500 Index
- Russell 2000 Index
- NASDAQ Composite Index
- Dow Jones Industrial Average
- TripleTree Healthcare Technology & Services Index

Source: S&P Capital IQ

# Q1'19 HEALTHCARE INDICES

Healthcare Indices | January 2019 - March 2019



- Healthcare Delivery
- Health Insurance & Managed Care
- Healthcare Distribution
- S&P 500 Index
- Healthcare Information Technology & Services
- Healthcare Pharma-Life Sciences Services

Source: S&P Capital IQ



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