

Market Insights | Q2'19



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





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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Q2'19

QUARTER IN REVIEW

KEY TRENDS DRIVING MARKET ACTIVITY



Innovation Across the Healthcare Payment Continuum

The healthcare payment landscape is ripe for innovation, and investors have taken notice. With the advent of technologies like PayPal, Venmo, and other consumer-facing payment services, the standard has been set for convenience and efficiency in the broader payments market. Users can pay bills and set up flexible payment plans personalized to their financial capabilities while staying informed on deadlines and opportunities for cost savings. Modern healthcare payment services look remarkably different. Progress has been made within the last decade, but payment flows still face bottlenecks due to physical process constraints, as most healthcare providers still use mail for high-volume documents like payment collection requests. In addition to being inefficient, physical healthcare payment records are often difficult for patients to understand, which has led to abysmal collection rates relative to other industries. Several large industry and non-industry players have demonstrated interest in the space, with **Anthem** announcing the development of an app that lets users schedule and pay for medical visits and **JPMorgan Chase's** acquisition of **InstaMed**. InstaMed offers digital payment services to healthcare companies, with the potential for integration into JPMorgan's bill-paying mobile apps. Consumer desires for a more retail-like payment navigation process combined with provider and payer desire for improved performance will likely continue to fuel growth in this space for the foreseeable future.

In addition to healthcare payments innovation, we are observing continued interest in capabilities aligned with improving payment efficiencies for payers, providers, or both. The traditional billing process is inefficient, often leading to inaccurate payments and significant reimbursement friction, which drives additional costs into the healthcare system. Improving documentation infrastructure and technology will be crucial in creating systems that result in accurate communications and reimbursement between payers and providers. Solutions that help payers make the right payments to the right providers, such as **Equian**, recently acquired by **UnitedHealthGroup**, and decrease the friction of payer-provider reimbursement, like **eSolutions**, will continue to be in high demand. Amidst increasing pressure to lower healthcare costs across the industry, we anticipate continued M&A activity in the second half of 2019 and beyond.



Increasing Emphasis on Healthcare Data & Analytics

Despite being an industry overflowing with data across a variety of sources, healthcare organizations have largely been left out of the “Big Data” revolution that has fundamentally changed the way in which retail, entertainment, transportation, and many other industries run their operations. However, amidst a backdrop of razor-thin profit margins, government initiatives to increase interoperability and the use of technology, and the gradual industry-wide shift to value-based care reimbursement, healthcare organizations are increasingly seeing the need to adopt solutions which assist them in unlocking meaningful insight from data in order to drive operational improvements and maximize the quality of care for patients.

As the healthcare data industry continues to mature, we expect to see inorganic growth strategies continue to be deployed amongst the large, established platforms, as they seek to realize the significant strategic synergies that can be unlocked by acquiring data providers. These acquisitions create significant cross-sell opportunities by leveraging the additional product functionalities and existing customer base of the add-on platforms. **Encompass Health** is one example of a company that recognizes the importance of this industry-wide shift, as they made an investment in predictive analytics firm **Medalogix** in June. **Definitive Healthcare** is another company innovating in this space, which made it an attractive target for **Advent International** to make a significant growth equity investment earlier this quarter. Using data to optimize the operations and support the strategic decision making of its clients is the way of the future, and healthcare organizations across the care and payment spectrum are eager to adapt.



Diversification of Healthcare Delivery Options

The primary care-to-specialty care hierarchy can be one that is often difficult to navigate for both providers and patients. Patients jumping from organization to organization for the care they need often go through siloed processes that can create significant tension and hamper the effective delivery of care. On the provider side, it is difficult to deliver holistic, comprehensive medical care while worrying about transferring electronic health records, appropriate referrals, and coordination of services. One solution to these problems that larger providers have explored so far in Q2 is consolidation across the delivery and care management spectrum.

CityMD's merger with **Summit Health** is a unique development amongst the broader trend of provider consolidation, as it represents a largely unprecedented combination of an urgent care system and an independent medical group, creating a vast ambulatory footprint across urgent, primary, and specialty care. **Integrated Oncology Network's** acquisition of **e+CancerCare** represents a more traditional approach to provider consolidation but is still a highly relevant development. The unification of these two oncological care providers will allow for efficient coordination of cancer care delivery across many markets under one organizational umbrella. While integration of independent services is sometimes difficult, these transactions and more in this space have the potential to streamline the patient-management process throughout various stages of care, leading to better outcomes and more efficient provision of healthcare services.

NOTABLE M&A ACTIVITY IN Q2'19



In June, The Wall Street Journal (WSJ) reported that **UnitedHealth Group** plans to acquire **Equian**, a healthcare payment integrity firm and portfolio company of **New Mountain Capital**, for **\$3.2B**. UnitedHealth Group is the parent company of UnitedHealthcare, the largest health insurer in the United States, and Optum, a healthcare services and technology delivery firm. Equian, founded in 1994, manages more than \$500B in healthcare claims per year and serves nine of the top-10 largest payers.

Equian's platform analyzes claims data and identifies errors within payment processing systems to deliver actionable insights and cost savings of over \$2.5B to its clients. The WSJ report hypothesizes Equian will likely merge with Optum360, providing the combined entities with the ability to streamline payment processing from both ends of the spectrum and innovate in a space where cost-savings are potentially realizable through automation. Equian's other services include workers' compensation management, clinical validation, and other-party liability management.

eSolutions, a healthcare revenue cycle analytics and workflow automation software provider and portfolio company of **Francisco Partners**, acquired **Practice Insight**, a Texas-based revenue cycle management (RCM) and electronic data interchange (EDI) software vendor. The financial terms of the transaction were not disclosed. Practice Insight's technology, currently used by over 68,000 providers, connects providers and payers and allows users to track and edit claims, verify patient eligibility, and inform patients of procedure costs in advance, leading to a more efficient healthcare billing process. The transaction strongly aligns with eSolutions' portfolio of leading RCM software and analytics solutions. Practice Insight will also extend eSolutions' commercial payer connectivity, all-payer data/analytics capabilities, and existing, strong presence within the large ambulatory physician market.

NOTABLE M&A ACTIVITY IN Q2'19 CONTINUED



Definitive Healthcare Partners (Definitive), a portfolio company of **Spectrum Equity**, received a **\$1.7B** growth-equity investment from **Advent International**. Definitive's product suite is designed to aggregate and assist in the analysis of detailed data on healthcare providers, creating actionable insights through an increased understanding of the marketplace for all relevant parties.

Definitive's databases include physician groups, surgery and imaging centers, long-term care facilities, ACOs, and more. The company's future involves more than the provision of information – Definitive is actively working towards analytics solutions that will help its users operate their businesses within the healthcare space more effectively. Definitive is uniquely positioned within the industry due to its diverse client base. In addition to players within healthcare verticals such as pharmaceutical and medical device companies, Definitive provides its data services to technology vendors, consultants, financial services firms, and other organizations that work with care providers.



CityMD, the largest urgent care provider in New York City and a partner of Warburg Pincus, and **Summit Medical Group** (SMG), a New Jersey-based multi-specialty physician network of more than 900 providers that handles 1.9M patient visits annually, announced their intent to merge. The financial terms of the deal were not disclosed.

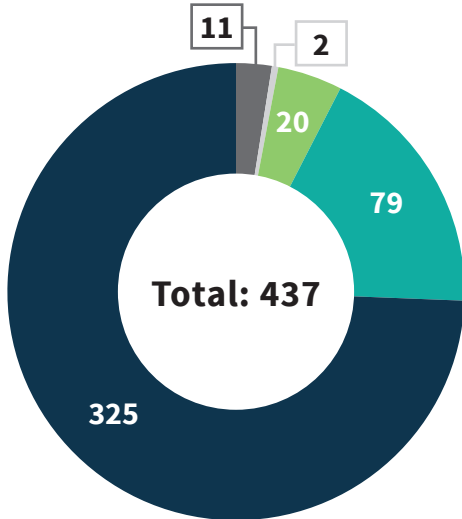
Throughout its 100-year history, SMG has been a pioneer in the field of coordinated, multispecialty medical practices and has grown to one of the largest physician groups in the country. CityMD, founded in 2010 as one practice in Manhattan, has quickly grown into one of the nation's largest urgent care companies, serving over 3 million patients throughout its nine-year history. The combined company intends to integrate primary, specialty, and ancillary care facilities into one seamless network, delivering high-quality care at convenient locations throughout the largest metro area in the United States. Time-savings realized from the combined entity's administrative support teams and advanced technology allows the group's providers to focus on delivering superior patient care and customer service.

Q2'19

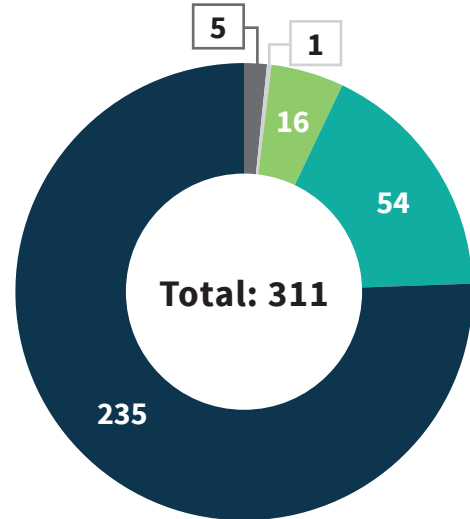
M&A Deal Stratification

Q2'19 HEALTHCARE M&A DEAL STRATIFICATION

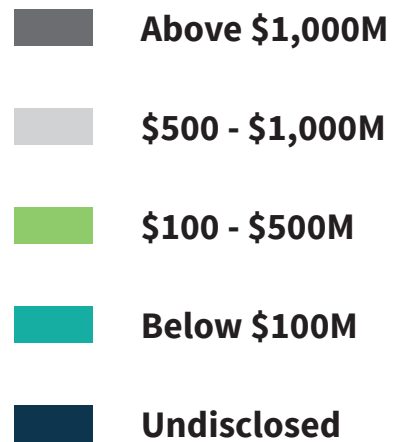
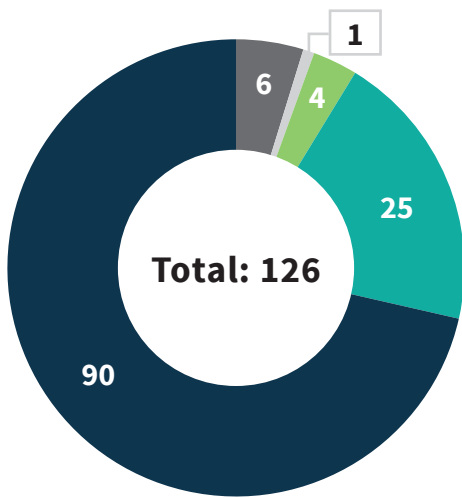
Total Deals by Transaction Ranges



Closed Deals by Transaction Ranges



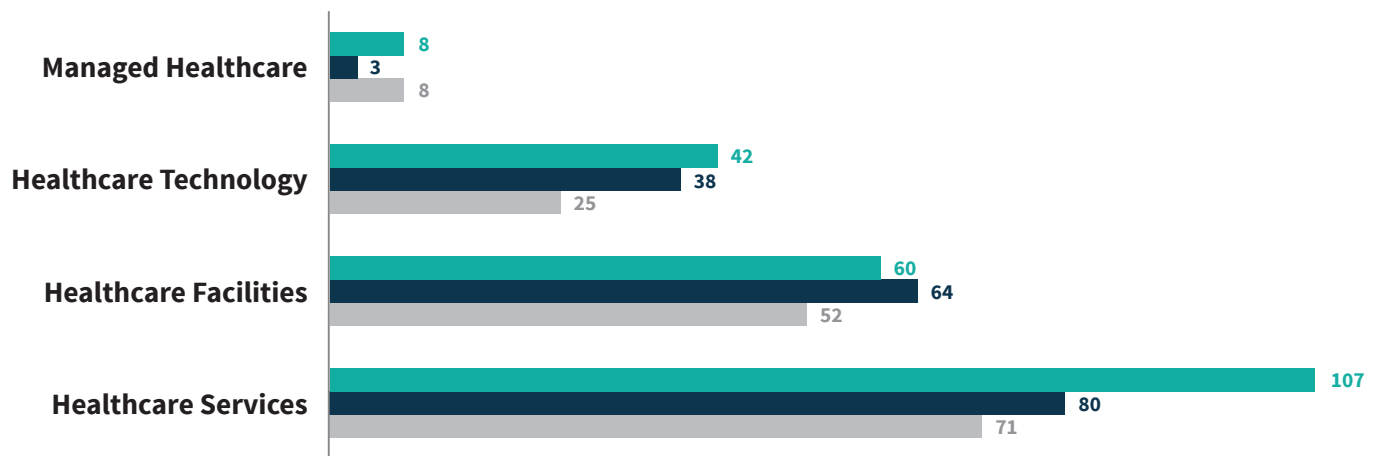
Announced & Pending Deals by Transaction Ranges



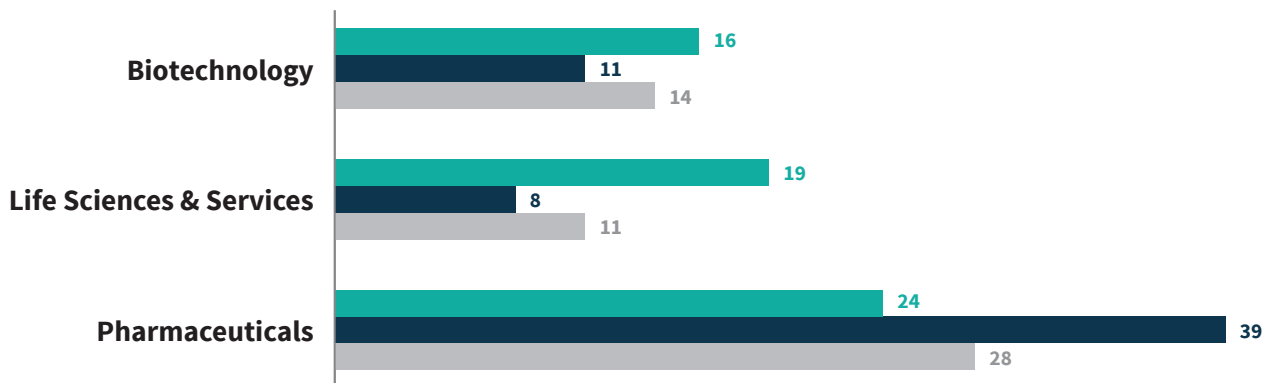
Q2'19 M&A DEAL STRATIFICATION CONTINUED

■ Q2 2019
 ■ Q1 2019
 ■ Q4 2018

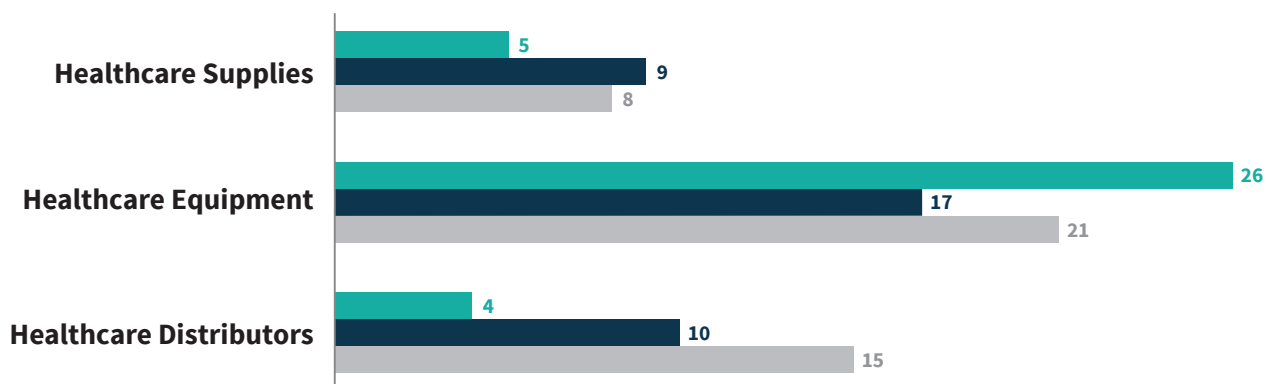
Healthcare Services, Facilities & Technology – 217 Closed Transactions



Life Sciences Technology & Services – 59 Closed Transactions



Healthcare Equipment and Distribution – 35 Closed Transactions



Source: S&P Capital IQ

Q2'19 M&A DEAL STRATIFICATION CONTINUED

(\$ in Millions)

Total Q2 Deal Activity

Total Deals Reported in Q2	437
# of Deals Disclosing Metrics	112
# Reported TEV	80
# Reported TEV & Rev	26
# Reported TEV, Rev & EBITDA	6
Average TEV	\$458
Average TEV/Rev	3.8x
Average TEV/EBITDA	11.4x
Median TEV	\$24
Median TEV/Rev	2.8x
Median TEV/EBITDA	11.0x
Total Deal Value	\$51,346
Prior Quarter Total Deal Value	\$177,497
% Change	(71.1%)

Q2 Deal Activity — Announced & Pending²

Total Deals Reported in Q2	126
# of Deals Disclosing Metrics	36
# Reported TEV	25
# Reported TEV & Rev	9
# Reported TEV, Rev & EBITDA	2
Average TEV	\$844
Average TEV/Rev	4.6x
Average TEV/EBITDA	17.6x
Median TEV	\$13
Median TEV/Rev	4.5x
Median TEV/EBITDA	17.6x
Total Deal Value	\$30,368
Prior Quarter Total Deal Value	\$147,600
% Change	(79.4%)

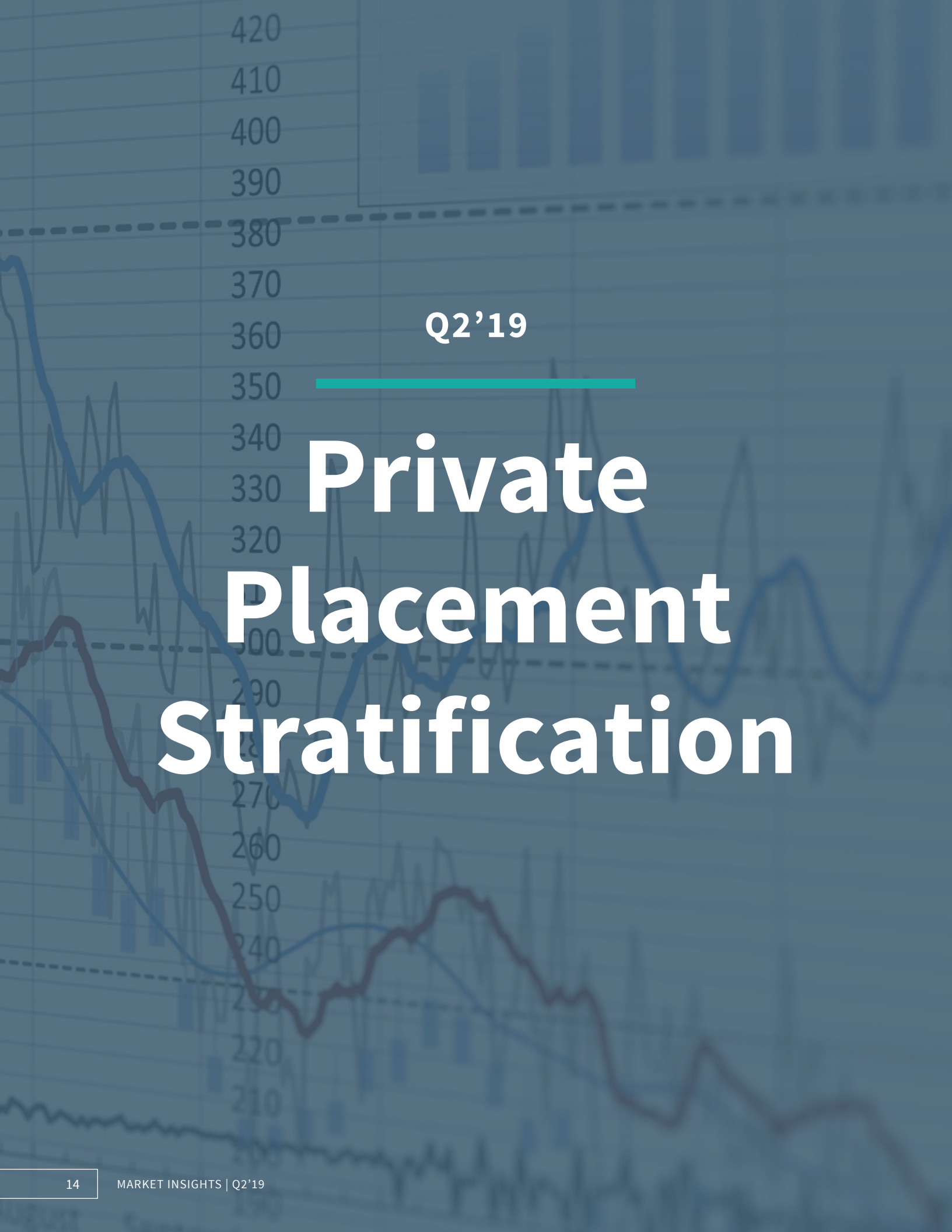
Q2 Deal Activity — Closed¹

Total Deals Reported in Q2	311
# of Deals Disclosing Metrics	76
# Reported TEV	55
# Reported TEV & Rev	17
# Reported TEV, Rev & EBITDA	4
Average TEV	\$276
Average TEV/Rev	3.4x
Average TEV/EBITDA	8.4x
Median TEV	\$30
Median TEV/Rev	1.8x
Median TEV/EBITDA	8.2x
Total Deal Value	\$20,979
Prior Quarter Total Deal Value	\$29,896
% Change	(29.8%)

(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

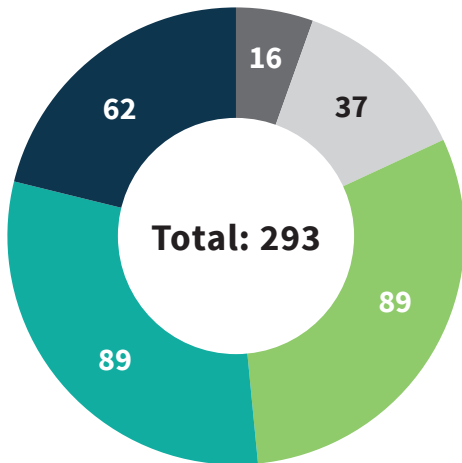


Q2'19

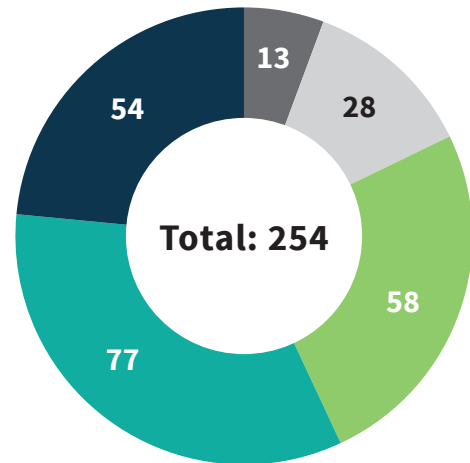
Private Placement Stratification

Q2'19 HEALTHCARE PRIVATE PLACEMENT STRATIFICATION

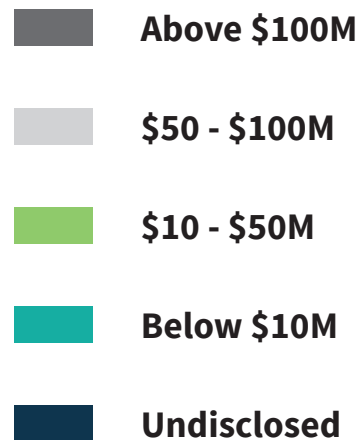
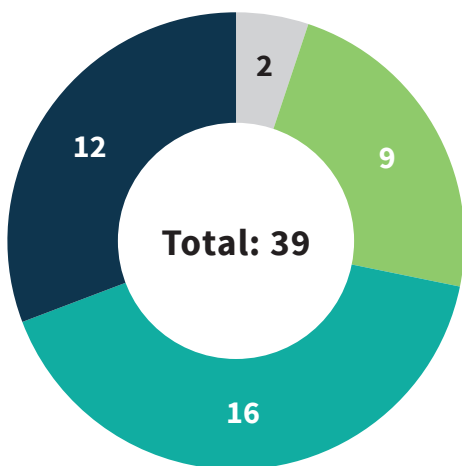
Total Private Placements by Investment Value



Closed Private Placements by Investment Value



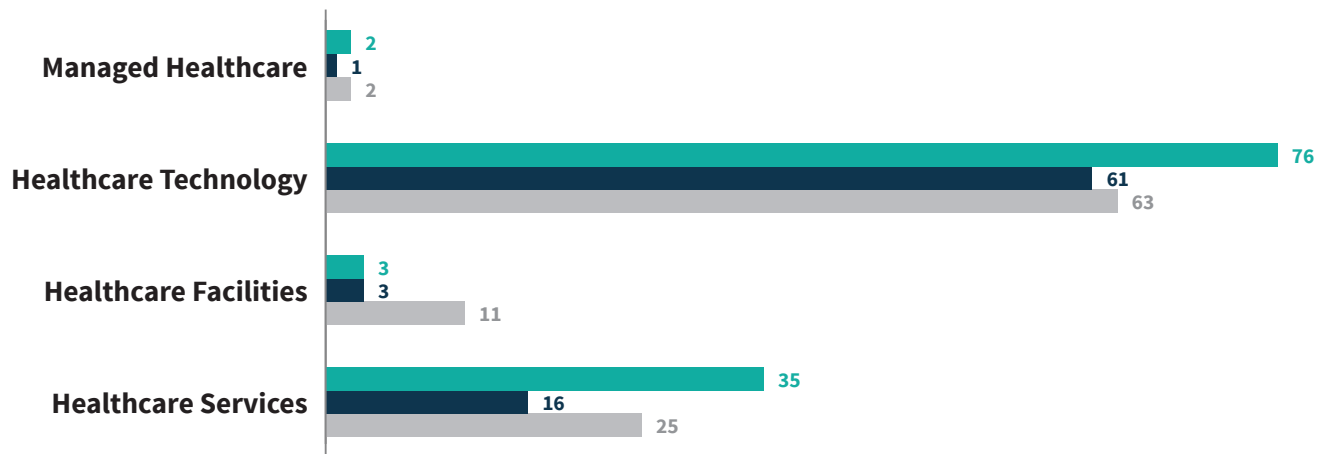
Announced & Pending Private Placements by Investment Value



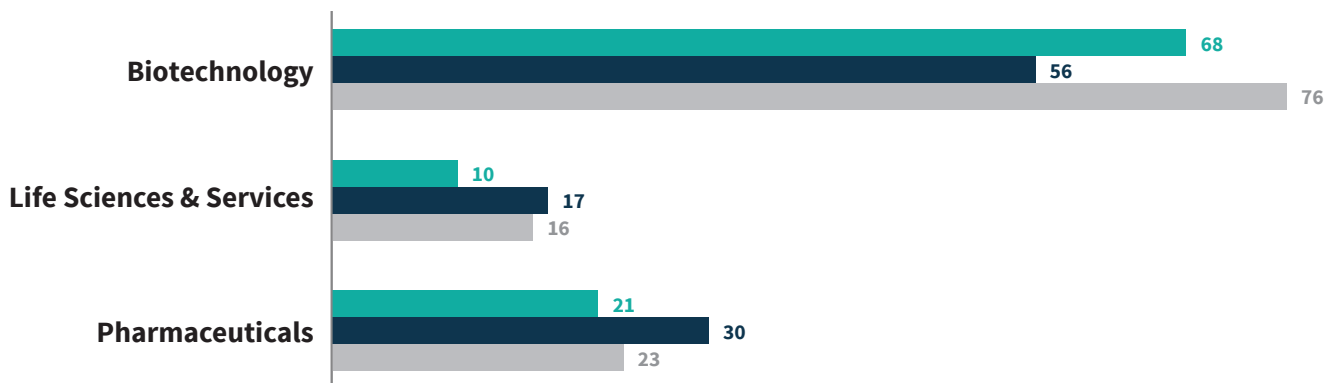
Q2'19 PRIVATE PLACEMENT STRATIFICATION CONTINUED

■ Q2 2019
 ■ Q1 2019
 ■ Q4 2018

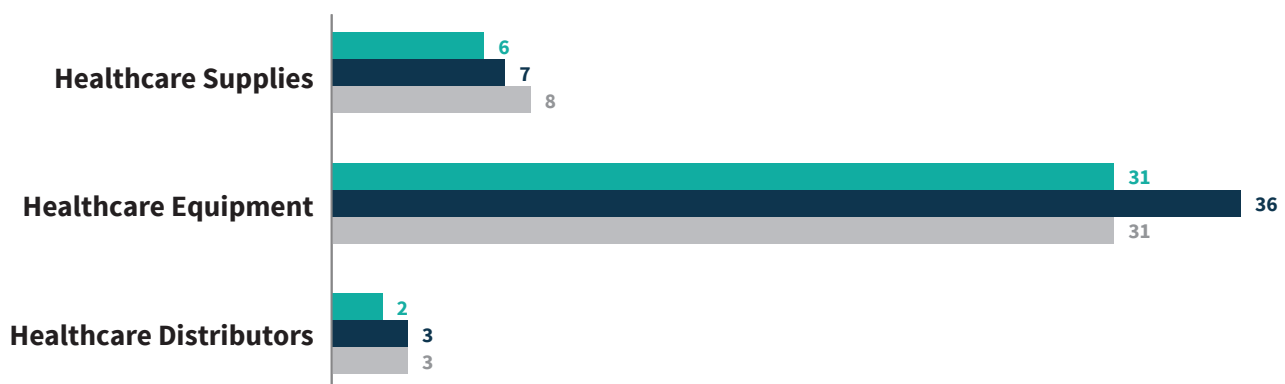
Healthcare Services, Facilities & Technology – 116 Closed Transactions



Life Sciences Technology & Services – 99 Closed Transactions



Healthcare Equipment and Distribution – 39 Closed Transactions



Source: S&P Capital IQ

Q2'19 PRIVATE PLACEMENT STRATIFICATION CONTINUED

(\$ in Millions)

Total Q2 Private Placement Activity	
Total Private Placements Reported in Q1	293
# of Private Placements Disclosing Investment Value	231
Average Value	\$34
Median Value	\$15
Total Value	\$7,485
Prior Quarter Total Private Placement Investment Value	\$7,029
% Change	6.5%

Q2 Private Placement Activity — Closed¹	
Total Private Placements Reported in Q1	254
# of Private Placements Disclosing Investment Value	204
Average Value	\$35
Median Value	\$15
Total Value	\$7,126
Prior Quarter Total Private Placement Investment Value	\$6,376
% Change	11.8%

Q2 Private Placement Activity — Announced & Pending²	
Total Private Placements Reported in Q1	39
# of Private Placements Disclosing Investment Value	27
Average Value	\$13
Median Value	\$2
Total Value	\$7,126
Prior Quarter Total Private Placement Investment Value	\$6,376
% Change	(45.0%)

(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

Q2'19

Noteworthy M&A Transactions





APRIL 2019

Key Themes

Home Health and Hospice

Healthcare has been continually shifting more and more into the home as the number of individuals with high-cost medically complex ailments continues to grow. An aging population and increasing prevalence of chronic conditions creates a need for low-cost, home care alternatives, and investors and national providers alike have taken a proactive view on this shift. Throughout the month of April, the industry saw multiple strategic acquisitions in the home health and hospice space. As the 65+ population increases substantially, we expect this shifting of care and M&A volume to continue.

Healthcare Staffing Solutions

Throughout U.S. health systems, providers and patients alike are facing patient access issues where patients are waiting weeks to obtain appointments driven by a lack of provider availability. Health systems are in dire need of innovative applications that help source and staff qualified providers to meet the growing service demand. April saw multiple strategic transactions as existing workforce solutions providers look to expand their reach and staffing capabilities.

New Funds

Through 2018 and 2019 thus far, financial sponsors have been considerably active, making significant investments across the healthcare industry. Financial sponsors will look to continue these investments through the many new funds that were raised throughout the month of April. Pitchbook estimates that 2019 will reach \$220B in total capital raised, topping 2018's fundraising total. Per Bain & Co.'s 2019 private equity and corporate M&A report, global PE-backed healthcare deals rose almost 50% to \$63.1B in 2018, and with an influx of additional dry powder, we expect these investments in healthcare to continue throughout the rest of 2019.

Noteworthy M&A and Private Placement Transactions

- Memphis, TN-based **Comprehensive Pharmacy Services (CPS)** has announced its sale to **Frazier Healthcare Partners**. CPS helps hospitals and health systems address challenges such as hyper-inflated drug costs, specialty pharmacy, ambulatory/retail strategy, operational effectiveness, and staffing efficiency.
- **THMED**, a **New Capital Partners** portfolio company, **announced** that it has acquired **CV Staff Solutions**, a niche healthcare staffing solutions company. THMED is a leading healthcare staffing firm focused on locum tenens and permanent placement. CV Staff Solutions focuses on providing cardiovascular surgeons, cardiologists, and non-physician providers to inpatient care facilities. This acquisition accelerates THMED's vision of providing more access to qualified medical professionals for current and new clients and expands CV Staff Solutions services on a national scale.
- **Aya Healthcare**, the largest privately held travel nurse and workforce solutions provider, delivering solutions for all aspects of healthcare staffing, including locums, allied health, and just-in-time local staff, recently **acquired Symmetry Healthcare Solutions**, the Managed Services Division of Symmetry Healthcare Strategies.
- **Encompass Health**, a nationwide provider of post-acute services, has entered a definitive agreement to **acquire Alacare Home Health & Hospice**, a Birmingham-based operator of home health and hospice locations in Alabama, for **\$218M**. Alacare operates 23 home health and hospice locations in Alabama, through which it generated **\$117M** in revenue in 2018. Post-close, the acquisition will make Encompass a top-10 provider of hospice services in the US, based on Medicare reimbursement.
- **HCAP Partners**, a California-based private equity firm and recognized impact investor, **announced** its investment in **Mission Healthcare**, a leading home health and hospice services provider headquartered in San Diego, CA. Mission Healthcare has cultivated a strong operating team and infrastructure to guide the company's continuing growth. Mission is committed to providing exceptional home-based care for patients across Southern California.

Key Themes

Revenue Cycle Management (RCM) and Payment Solutions

Regulatory and industry changes are driving demand for services to help providers overcome financial and operational challenges, which healthcare technology companies are looking to address. Shifting payment models, such as the Patient-Driven Groupings Model (PDGM) and other regulatory standards are causing providers to enhance operational efficiencies in order to maintain a competitive advantage. These factors are increasing the demand for RCM service providers that can better manage financial and administrative complexities across care settings.

Remote Patient Monitoring

The need for remote patient monitoring is being propelled by the market's search for solutions to improve outcomes, reduce healthcare spend, and improve patient quality of life in the home. With the growing number of seniors and chronically ill patients, along with an increasing emphasis on aging at home, comes the need for scalable and cost-effective solutions to manage these populations. The shift toward continuous care for patients with chronic conditions and the elderly will continue to be driven by the combination of increased availability of consumer healthcare devices and an increased willingness to capture and share personal data. This is a trend TripleTree has been watching closely, with further research on the trend accessible in our August 2018 blog titled "Better Healthcare Through Patient Data".

Home Health / Hospice

As we have previously noted, the home health and hospice market continues to flourish, leading to ample M&A activity from both strategic partners and financial sponsors. Favorable tailwinds have been a key factor in the momentum of hospice, including an aging baby boomer generation and, according to Hospice News, utilization of hospice centers by over 50% of Medicare beneficiaries. With the combination of a fragmented hospice market and regulatory developments, we expect high M&A activity to persist as industry consolidation continues.

Noteworthy M&A and Private Placement Transactions

- Healthcare IT provider **Netsmart** announced it has acquired **McBee**. McBee's industry leading healthcare technology-enabled revenue cycle management and professional services solutions, serving the acute and post-acute care settings, will help build upon and expand Netsmart's suite of consulting and managed service offerings. The acquisition will add industry expertise and resources specifically geared toward strategic consulting, change management, revenue cycle management, advisory and educational services to Netsmart's current capabilities. *TripleTree acted as the exclusive strategic and financial advisor to McBee.*
- **Ensemble Health Partners** announced that their current owner, **Bon Secours Mercy Health**, will sell a 51% stake to **Golden Gate Capital**, a leading private equity investment firm. Ensemble provides revenue cycle outsourcing to hospitals throughout the United States, with the intention of improving healthcare operations. Over the past few years, Ensemble was able to experience exponential growth. The company will continue their current strategy, using the Golden Gate investment to enhance their technology and services provided to customers.
- **JP Morgan** announced its plan to acquire **InstaMed**, a leading healthcare technology company specializing in healthcare payments, for \$500 million. The acquisition will expand the bank's suite of payment services, utilizing InstaMed's centralized platform to alleviate challenges in healthcare payments by eliminating paper, improving the consumer financial experience, and reducing the cost of collecting payments. This acquisition represents JP Morgan's largest since the 2008-09 recession.
- **Best Buy** has acquired **Critical Signal Technologies** (CST), a leading provider of remote patient monitoring and care services, offering a comprehensive suite of solutions based on personal emergency response systems (PERS) and real-time healthcare monitoring. Through a 24x7, HIPAA-compliant monitoring center, the company monitors individuals living independently at home on behalf of the payers, providers, and living facilities that serve them. CST's differentiated approach, supported by a social work-based model that addresses the social determinants of health, has resulted in a cost effective and scalable solution to deliver high quality of care. TripleTree acted as the exclusive financial advisor to Critical Signal Technologies.

- **Apple** has acquired **Tueo Health**, a patient monitoring solution for children with asthma. Tueo is developing a mobile app that leverages breathing sensors to manage asthma symptoms in children. The app is being designed to monitor a child's breathing during sleep and alert parents and caregivers should the child's breathing change. This acquisition aligns with Apple's recent revamp of its health features on popular products, including the Apple Watch and iPhone, as they continually seek to be a leader in the consumer healthcare market.
- **AccentCare** has agreed to be acquired by the private equity firm, **Advent International**. AccentCare is a Dallas-based provider of post-acute services with a presence in 16 states. The company helps their customers with a wide range of home health services, including rehabilitative therapy and hospice. After being acquired the company will continue to execute on their core strategy of strengthening their current position in the market. Advent also sees potential in engaging in more partnerships with physicians and health systems, allowing AccentCare to serve more patients.
- **Arosa+LivHome** announced the acquisition of **Forever Young Home Care**. Backed by **Bain Capital Double Impact**, Arosa+LiveHome was created from the combination between two regional health care companies: Arosa and LiveHome. Forever Young Home Care is a Greensboro, NC based company that provides personalized home care service throughout NC and GA. The acquisition was done in effort to help scale Arosa+LivHome's home care business nationwide.

JUNE 2019

Key Themes

Large-Scale M&A

M&A activity within the healthcare sector has been robust; according to a PwC report, healthcare M&A volume increased by 14.4 percent from 2017 to 2018. Vertical integration seems to be a common rationale for many large-scale healthcare M&A deals, as companies are merging with others both up and down the supply chain, including PBMs, providers, and pharmacies. We expect persistence in these patterns throughout 2019 as current industry participants try to remain differentiated and new entrants (e.g., tech giants) look to disrupt the industry.

Clinical / Patient Data Management

As reimbursement paradigms continue to shift from fee-for-service to value-based care, payers and providers will increasingly need to harness the power of data across multiple touchpoints to deliver the best care to consumers and drive improved efficiencies, all while adhering to regulatory compliance. Clinical and patient data management, interoperability, and security will be essential for a successful transition towards alternative payment and delivery models. Last month, we saw ample activity related to this theme, as both larger and smaller players in healthcare expanded their suite of offerings through M&A.

Prescription Drug Pricing and Medication Adherence

There has recently been an uptick in legislative activity revolving around drug pricing and coverage, as seen by the U.S. House passing H.R. 987 – which included provisions aimed at improving the accessibility of lower-cost generic medications – and implementing other draft bills to address areas such as reporting requirements for PBMs. Another important area of concern in the pharmaceutical space is medication adherence – an issue that costs the U.S. healthcare system \$300B annually. Transparency in drug pricing and medication management are of major importance to all stakeholders, and increased M&A activity in these areas is reflective of this.

Noteworthy M&A and Private Placement Transactions

- **Dassault Systems**, a French 3-D and product lifecycle management specialist, has announced it will acquire **Medidata Solutions** for **\$5.8B**. Medidata's cloud-based subscription software services, which help pharmaceutical and biotechnology firms analyze clinical trial data, bolster Dassault's offerings for life sciences manufacturers and allow it to tap into a fast growing segment of pharma services.
- **Anthem**, one of the largest health insurers in the U.S., is acquiring **Beacon Health Options**, the largest independently held behavioral health organization in the country, from **Bain Capital** and **Diamond Castle**. The acquisition aligns with Anthem's strategy to diversify into health services and deliver market-leading integrated solutions and care delivery models that personalize care for people with complex and chronic conditions.
- **UnitedHealth Group**, the largest health insurer in the United States, has agreed to acquire **Equian**, a payments processing services provider for healthcare companies and insurers, from **New Mountain Capital**, for **\$3.2B**. Equian's platform processes more than \$500B in healthcare claims per year and serves nine of the ten largest healthcare payers. Equian will likely merge into UnitedHealth Group's Optum.
- **Ares Management** and **Leonard Green & Partners** have announced that they will acquire **Press Ganey**, a portfolio company of **EQT**, for approximately **\$4.3B**. Press Ganey is a provider of safety, quality, patient experience, and workforce engagement solutions for healthcare organizations. The company serves over 41,000 healthcare facilities, which is more than 75% of U.S. acute care hospitals and over 2,500 outpatient facilities.
- **Vyne**, a market leader in secure health information exchange and electronic healthcare communication management, has been acquired by **The Jordan Company**, a middle-market-focused private equity firm with original capital commitments in excess of \$11B. This new investment supports Vyne's commitment of providing market-leading healthcare technology and support to thousands of dental practices, hospitals and major health systems across the United States. *TripleTree acted as a financial advisor to Vyne.*
- **Accumen**, a tech-enabled provider of health system performance optimization solutions and portfolio company of **Arsenal Capital Partners**, acquired **Halfpenny Technologies (Halfpenny)**, a Pennsylvania-based clinical data exchange company. Prior to the transaction, Accumen and Halfpenny were business partners for seven years.

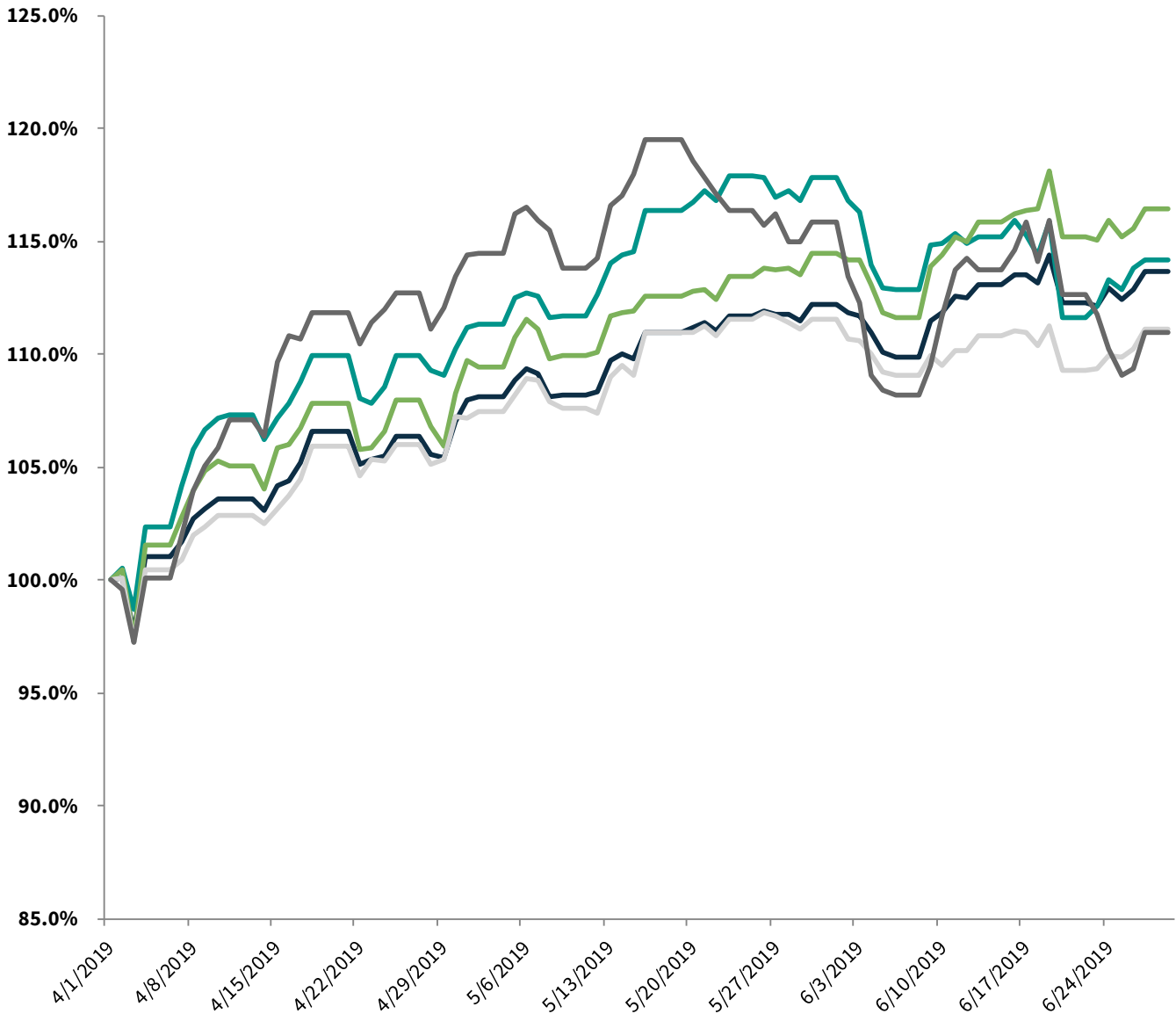
- **UnitedHealth Group** also acquired Boston-based **PatientsLikeMe**, the world's largest personalized health network that helps people discover new treatment options and connect with one another. The news comes just months after it became public that the Trump administration was forcing the tech startup into a fire sale over concerns that its largest investor was a Chinese-based company. PatientsLikeMe will be integrated into UnitedHealth Group's Research & Development arm, which focuses on providing robust solutions to address themes such as cost, quality, and access to healthcare.
- **OmniSYS**, a technology company that helps pharmacies and pharmaceutical manufacturers drive growth, acquired **RX-Net**, an automated pricing solution provider for pharmacies. RX-Net's flagship solution, ProfitMax, provides a fully automated, single interface, multi-location prescription price management solution for retail pharmacies. RX-Net manages an annual prescription volume of over \$4B.
- **McKesson**, a U.S.-based company which distributes pharmaceuticals and provides healthcare IT, medical supplies, and care management tools, has acquired **Echo**, a U.K.-based medication management company. Through Echo's app, users in the U.K. receive alerts when their medications are running low and can have repeat prescriptions delivered to their doorsteps. McKesson is the parent company of LloydsPharmacy, a British pharmacy company with more than 1,500 brick-and-mortar locations.

Q2'19

Public Market Performance

Q2'19 MARKET INDICES

Broader Market and Healthcare Indices | April 2019 – June 2019

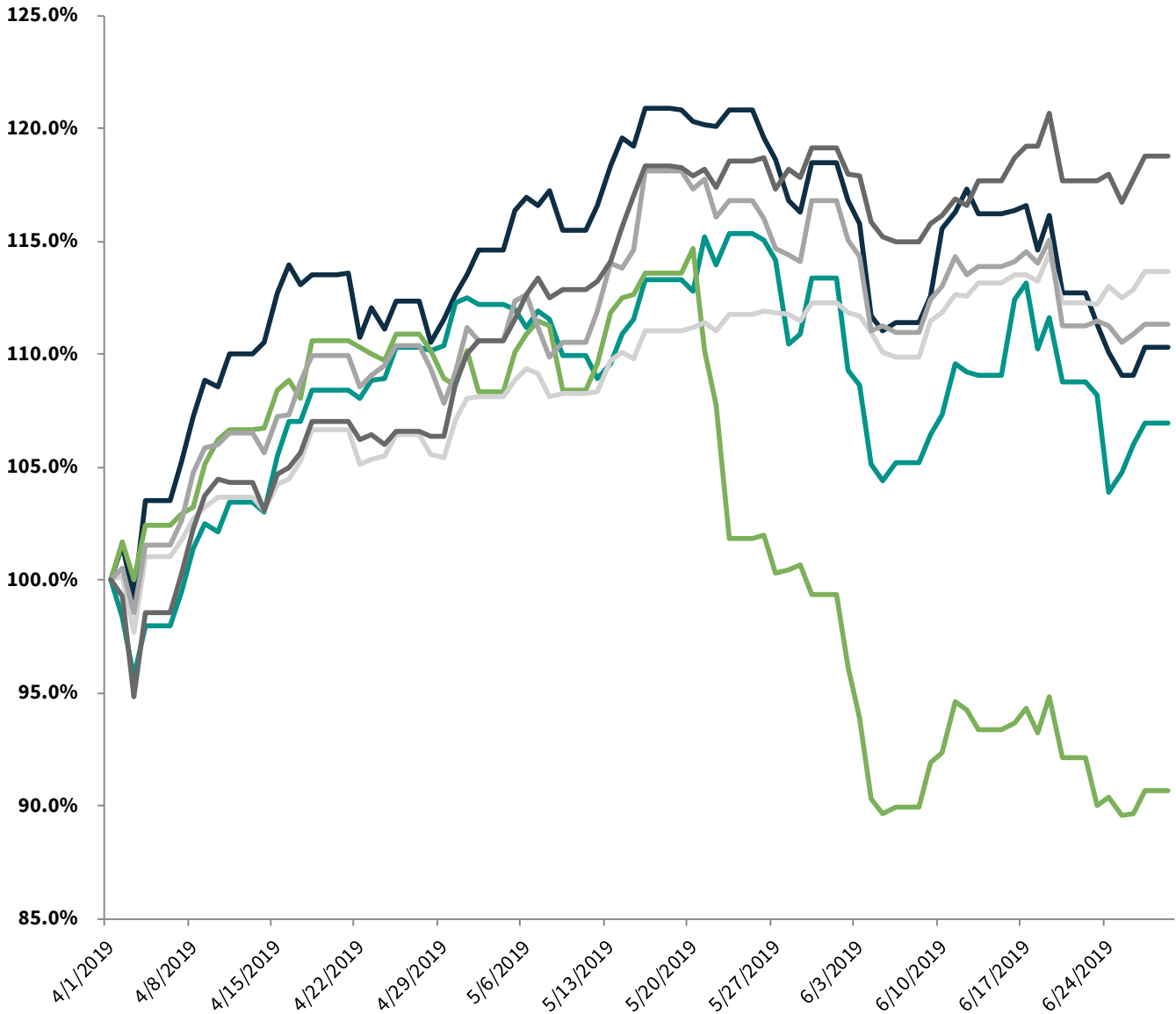


- S&P 500 Index
- Russell 2000 Index
- NASDAQ Composite Index
- Dow Jones Industrial Average
- TripleTree Healthcare Technology & Services Index

Source: S&P Capital IQ

Q2'19 HEALTHCARE INDICES

Healthcare Indices | April 2019 - June 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



HEALTHCARE MERCHANT BANKING

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