

Market Insights | Q4'18



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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Q4'18

QUARTER IN REVIEW

KEY TRENDS DRIVING MARKET ACTIVITY



Artificial Intelligence

The use of Artificial Intelligence (AI) and other transformative technologies in healthcare has been a theme observed in the fourth quarter of 2018 that is generating improvements in payer and provider document accuracy and operational efficiencies across the overall healthcare continuum.

Companies that utilize AI as an innovative solution to reduce costs, provide personalized communications, and increase productivity and efficiency have garnered significant interest and investment across the entire technology landscape. As seen through technologies developed by the world's most transformative companies, such as deep learning used by Alphabet's 'DeepMind' and cognitive computing used by IBM Watson Health, artificial intelligence is at the forefront of contemporary innovation. As further evidenced by the significant activity observed in the fourth quarter, companies that can effectively implement these transformative technology solutions in the healthcare market will be best positioned to succeed, have been of significant recent interest, and will continue to garner attention from a vast array of investors.

Both deep learning and cognitive computing are being utilized to streamline processes and improve outcomes over the healthcare continuum. Moving forward, the use of AI will be prevalent in the automation process of clinical administrative tasks, allowing for professionals to spend more time with patients, and be of assistance in the transition to value-based care and optimizing performance and quality outcomes. As previously highlighted in our December Noteworthy M&A Transactions blog, we expect the interest we observed in Q4 for companies that revolutionize healthcare interactions, through the use of AI and other transformative technologies, to extend into 2019.



Post-Acute Services and Technology

An aging U.S. population is causing an increase in high-risk, high-cost members. Additionally, the prevalence of costly chronic conditions across the population is accelerating, leading to an environment of steeply rising healthcare costs. In an effort to combat this rise, regulatory and

strategic shifts have occurred to move consumers to lower cost settings of care while incentivizing providers to deliver quality care that results in improved outcomes. One of the most prominent headlines was the announcement of future additional supplemental benefits offered through Medicare Advantage plans. Starting 2019, Medicare Advantage plans will begin covering non-skilled, in-home care services as a supplemental benefit. This regulatory change, in conjunction with the shift to value-based care, has accelerated the shift of care across the continuum to the lowest-cost, most appropriate setting of care – often resulting in a transition of care into the home.

As improving technology and care models enable improved care quality outside of the acute care setting, market leading post-acute care providers and the post-acute technologies that enable and facilitate the transition and provision of care will continue to benefit dramatically. The rapidly growing demand for high-quality care that leads to improved outcomes fueled marked investor and strategic interest in the fourth quarter and will be a driving force for future M&A activity.

KEY TRENDS DRIVING MARKET ACTIVITY



Behavioral Health

Behavioral health solutions—both service providers for consumers of all ages across a multitude of conditions and technologies enabling high-quality care to be provided and measured—have been at the forefront of investors’ agendas for much of 2018, with significant activity taking place in the fourth quarter. Key interest stems from the behavioral health market’s current fragmentation and notably underserved, and relatively unsophisticated, care delivery relative to other, more mature healthcare segments. Within behavioral health, we are seeing specific investor and strategic interest in autism, expansion into alternative care settings, and market consolidation. As stigmas against behavioral health treatment continue to dissipate and increased access to care is provided through strong regulatory reimbursement trends, private investors have been actively pursuing scalable opportunities to invest in and create market leading platforms while strategic investments have been made to broaden service offerings and enhance market position.

The behavioral health industry is among the fastest-growing industries in healthcare and will undergo significant expansion and transformation as behavioral health services are integrated into the broader care continuum. With expanded medical coverage for behavioral health and cultural shifts leading to more consumers pursuing various therapies, we expect behavioral health services and technologies will continue to see significant and meaningful interest from both the investment and strategic community going forward.

NOTABLE M&A ACTIVITY IN Q4'18



In December, **3M** announced its acquisition of the technology business of **M*Modal** for a total enterprise value of \$1.0B. 3M's Health Information Systems ("HIS") business provides software and consulting services to ~8,000 healthcare organizations worldwide to help improve documentation, quality, and financial performance in the healthcare continuum. The acquisition will further build on 3M's commitment to enhance and improve provider operational efficiency and higher quality of care through the injection of ambient computing and artificial intelligence in the revenue cycle.

The strategic acquisition will bring M*Modal's AI technological capabilities into 3M's 360 Encompass software platform. The AI capabilities intertwined into 360 Encompass bring 3M a unique solution to more accurately and efficiently capture, analyze and improve patient information. The improved processes will ultimately expand 3M's revenue cycle management capabilities as well as help build its population health priority growth platform. The use of AI, and other transformative technologies, in healthcare has been a recent theme in the fourth quarter of 2018 that is expected to continue, generating improvements in payer and provider document accuracy and operational efficiencies across the overall healthcare continuum.



In October, **Amedisys**, through its subsidiary, Associated Home Care, closed on its acquisition of **Bring Care Home**, a provider of personal care, companionship, and skilled nursing services. Bring Care Home provides services in the North Shore, Merrimack Valley and Greater Boston markets of Massachusetts. Currently operating in ~420 locations across 34 states, Amedisys is one of the nations' leading home healthcare, personal care, and hospice care companies.

Through Associated Home Care, Amedisys currently offers home health, hospice and personal care in Massachusetts. The strategic acquisition of Bring Care Home will allow for Amedisys to expand its footprint into different areas of the state, helping to maintain Amedisys's competitive advantage in the North East as the largest provider of in-home personal care, as Amedisys continues its strategy to expand its presence of in-home personal care nationally. Amedisys's focus on in-home personal care is consistent with the market shift towards home care's increasing role in a value-based care landscape.

NOTABLE M&A ACTIVITY IN Q4'18 CONTINUED



In November, **ResMed**, a provider of medical devices and cloud-based software designed to diagnose, treat and manage respiratory disorders, expanded its software portfolio with the acquisition of **MatrixCare**, a leading provider of long-term post-acute care software. MatrixCare's current business extends to ~2,500 home care, home health and hospice organizations helping each to efficiently connect and collaborate. The acquisition of MatrixCare will expand ResMed's reach of out-of-hospital software solutions into skilled nursing and senior living facilities.

The acquisition of MatrixCare will compliment ResMed's current Software-as-a-Service offerings in home health, hospice, and home medical equipment currently delivered through ResMed subsidiaries Brightree, Propeller Health, and HEALTHCAREfirst. The acquisition positions ResMed as a leading provider of 'out-of-hospital' software. Utilizing its portfolio of software capabilities, ResMed hopes to streamline the transition of care and create improved outcomes for patients, caregivers, and post-acute healthcare providers. As the healthcare landscape continues to shift towards greater utilization of cost-effective home health and post-acute care cost effective care, investors and strategic buyers are incentives to expand their involvement with post-acute caregivers, which will ultimately spur future market activity for post-acute technologies.



Onex Partners agreed to sell **BrightSpring Health Services** to **PharMerica**, a portfolio company of KKR in December. PharMerica is a pharmacy management service company for skilled nursing facilities, long term care facilities, hospitals and other institutional care settings. BrightSpring provides a range of services including skilled and non-skilled in-home care, community living, and behavioral health services, among other service lines. Upon closing, the combined companies, PharMerica and BrightSpring, will be owned by KKR alongside an affiliate of Walgreens Boots Alliance as a minority investor.

The acquisition brings together PharMerica's expertise in medication management with BrightSpring's wide range of out-of-hospital services, including post-acute and behavioral health offerings to create a leading provider of home and community-based health and pharmacy services for high-need and medically complex populations. BrightSpring's post-acute and pharmacy service offerings were a natural extension of PharMerica's pharmacy services and cost management offerings and expanded its existing customer growth. The anticipated continued growth of the behavioral health market had attracted PharMerica to BrightSpring's behavioral health services—Applied Behavioral Analysis, Behavior Analysts, Therapists, Social Workers Counselors, Psychologists-- and opens up a new vertical for its pharmacy and cost saving solutions.

Uniting BrightSpring's widespread presence in post-acute and behavioral healthcare setting with PharMerica's pharmacy services and cost management solutions to create a uniquely positioned diversified healthcare services company with comprehensive care capabilities across the healthcare continuum—serving 300k clients daily in 44 states.

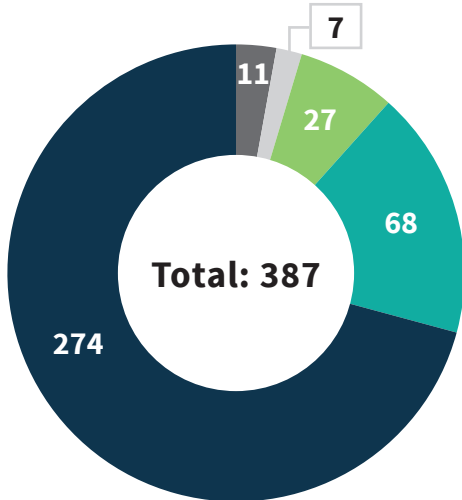


Q4'18

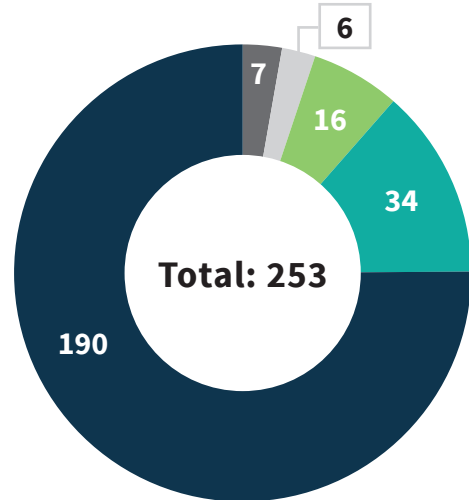
M&A Deal Stratification

Q4'18 HEALTHCARE M&A DEAL STRATIFICATION

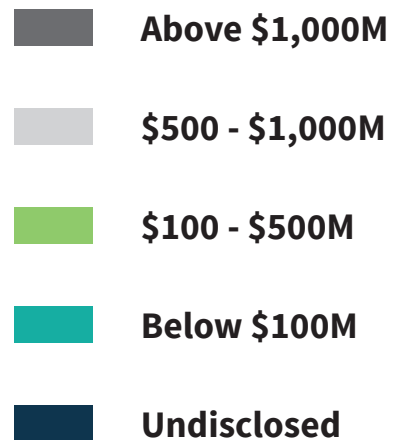
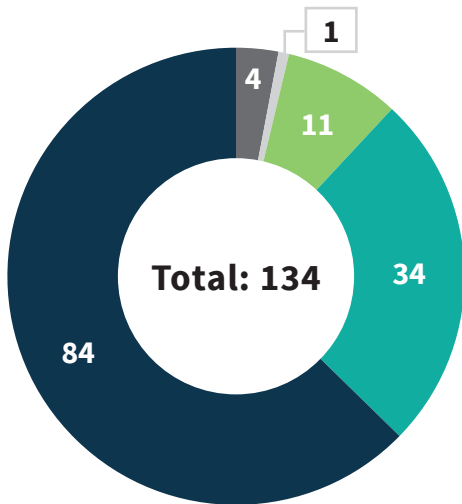
Total Deals by Transaction Ranges



Closed Deals by Transaction Ranges



Announced & Pending Deals by Transaction Ranges

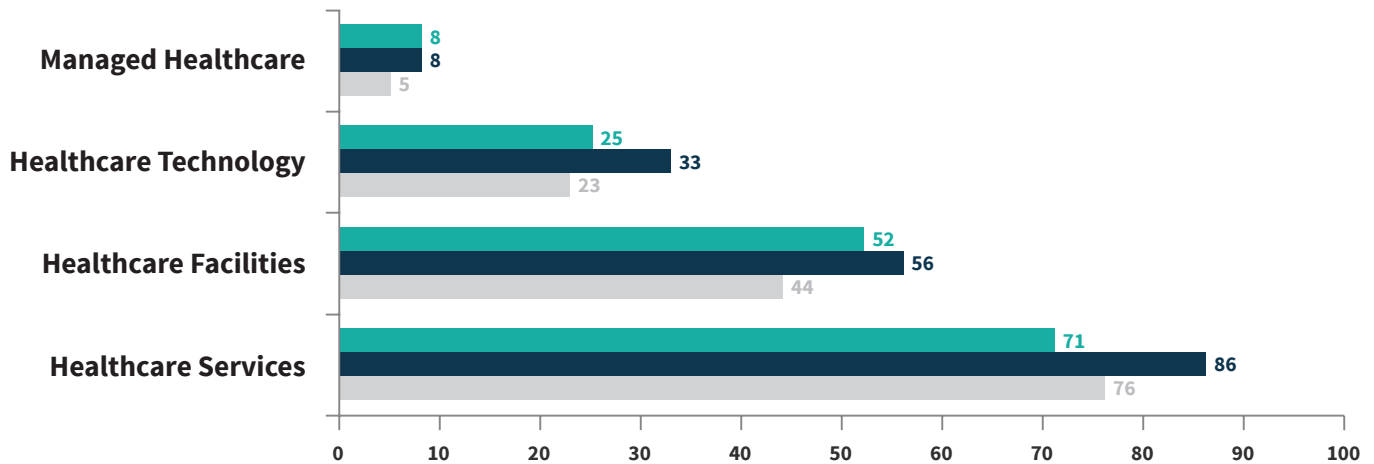


Source: S&P Capital IQ

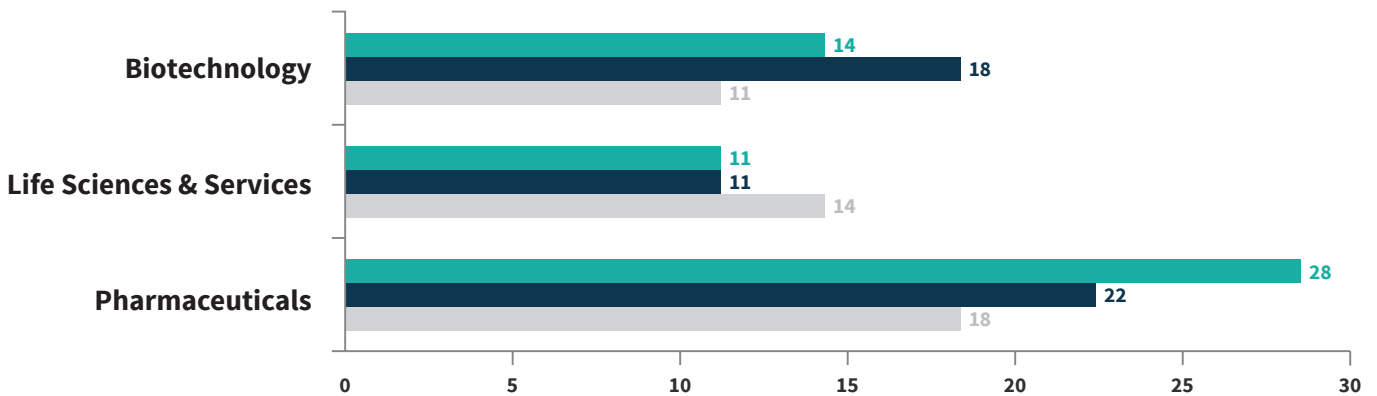
Q4'18 M&A DEAL STRATIFICATION CONTINUED

■ Q4 2018
 ■ Q3 2018
 ■ Q2 2018

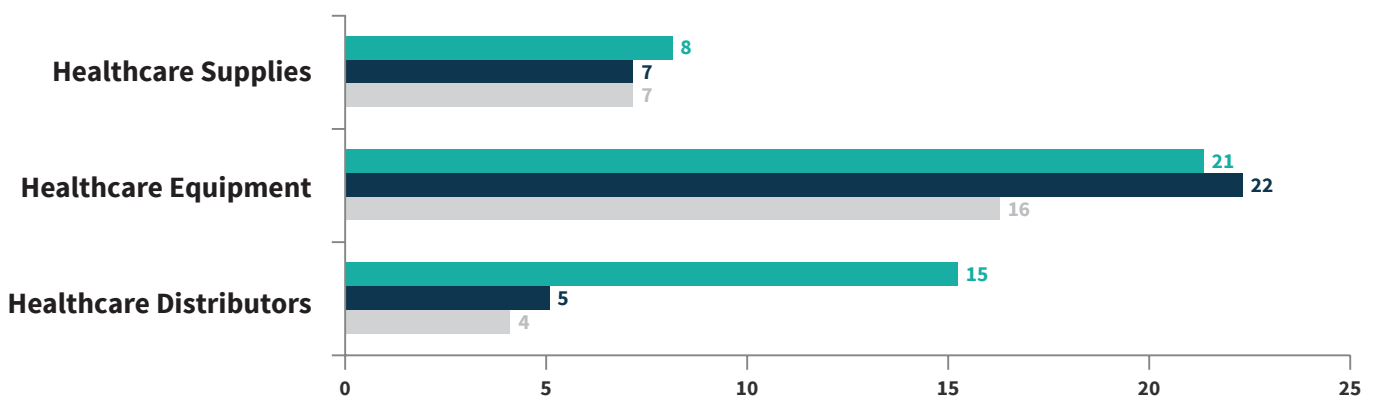
Healthcare Services, Facilities & Technology – 156 Closed Transactions



Life Sciences Technology & Services – 53 Closed Transactions



Healthcare Equipment and Distribution – 44 Closed Transactions



Source: S&P Capital IQ

Q4'18 M&A DEAL STRATIFICATION CONTINUED

(\$ in Millions)

Total Q4 Deal Activity

Total Deals Reported in Q4	387
# of Deals Disclosing Metrics	113
# Reported TEV	74
# Reported TEV & Rev	25
# Reported TEV, Rev & EBITDA	14
Average TEV	\$1,001
Average TEV/Rev	3.9x
Average TEV/EBITDA	11.6x
Median TEV	\$40
Median TEV/Rev	1.8x
Median TEV/EBITDA	11.0x
Total Deal Value	\$190,241
Prior Quarter Total Deal Value	\$49,415
% Change	285.0%

Q4 Deal Activity — Announced & Pending²

Total Deals Reported in Q4	134
# of Deals Disclosing Metrics	50
# Reported TEV	34
# Reported TEV & Rev	8
# Reported TEV, Rev & EBITDA	8
Average TEV	\$327
Average TEV/Rev	4.4x
Average TEV/EBITDA	13.9x
Median TEV	\$34
Median TEV/Rev	2.2x
Median TEV/EBITDA	12.4x
Total Deal Value	\$19,835
Prior Quarter Total Deal Value	\$15,526
% Change	27.7%

Q4 Deal Activity — Closed¹

Total Deals Reported in Q4	253
# of Deals Disclosing Metrics	63
# Reported TEV	40
# Reported TEV & Rev	17
# Reported TEV, Rev & EBITDA	6
Average TEV	\$674
Average TEV/Rev	3.6x
Average TEV/EBITDA	10.1x
Median TEV	\$67
Median TEV/Rev	1.5x
Median TEV/EBITDA	10.2x
Total Deal Value	\$170,406
Prior Quarter Total Deal Value	\$33,889
% Change	402.8%

(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

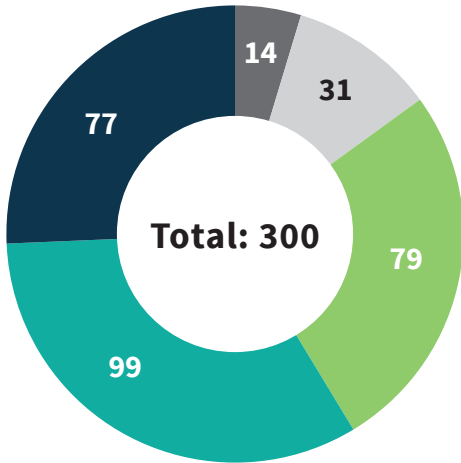


Q4'18

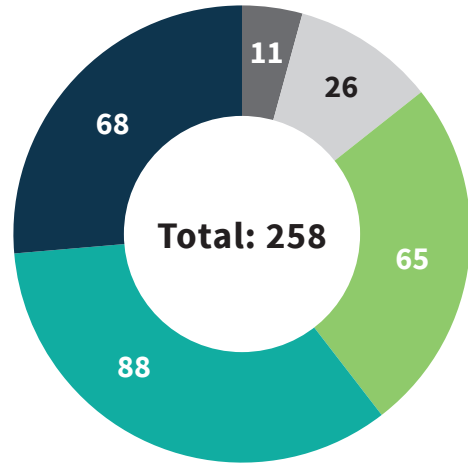
Private Placement Stratification

Q4'18 HEALTHCARE PRIVATE PLACEMENT STRATIFICATION

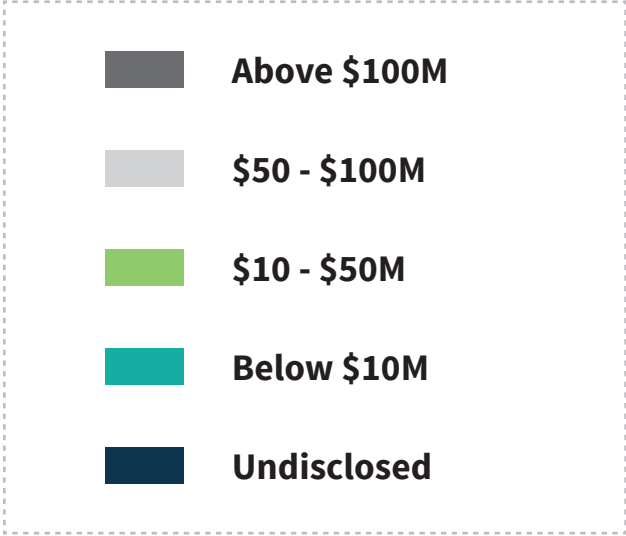
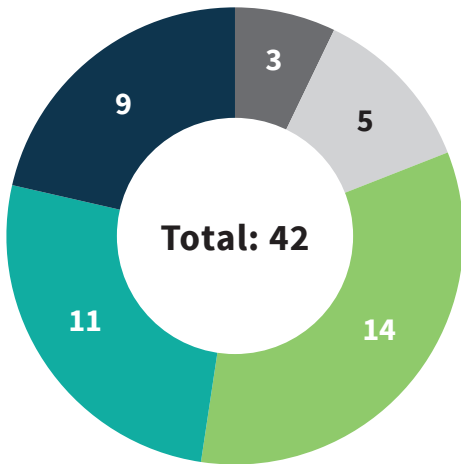
Total Private Placements by Investment Value



Closed Private Placements by Investment Value



Announced & Pending Private Placements by Investment Value

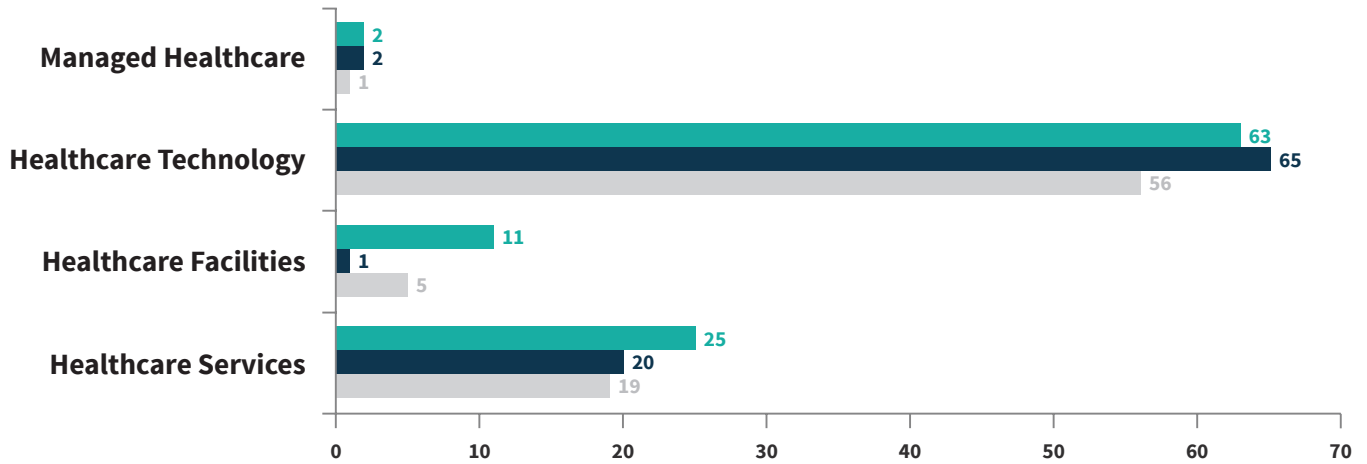


Source: S&P Capital IQ

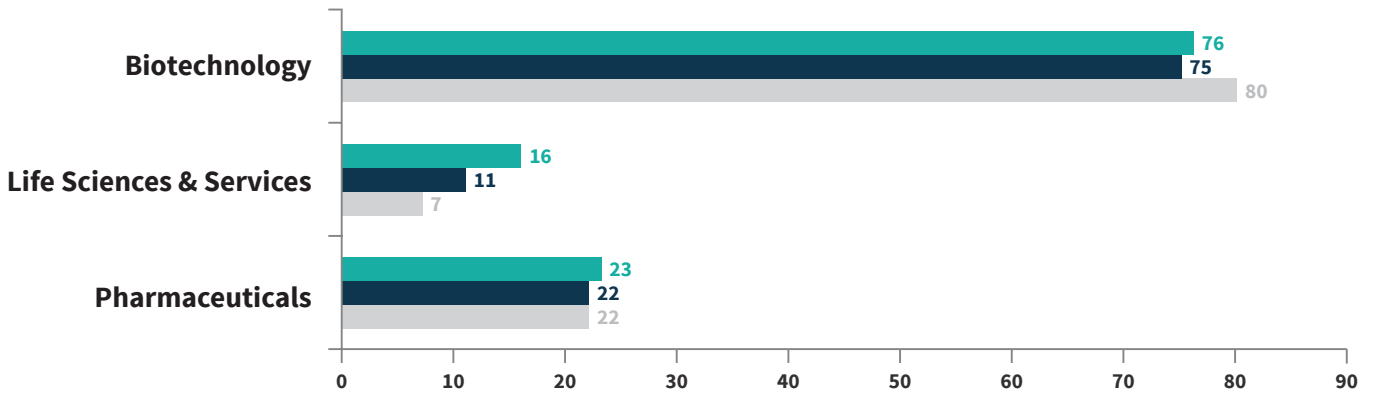
Q4'18 PRIVATE PLACEMENT STRATIFICATION CONTINUED

■ Q4 2018
 ■ Q3 2018
 ■ Q2 2018

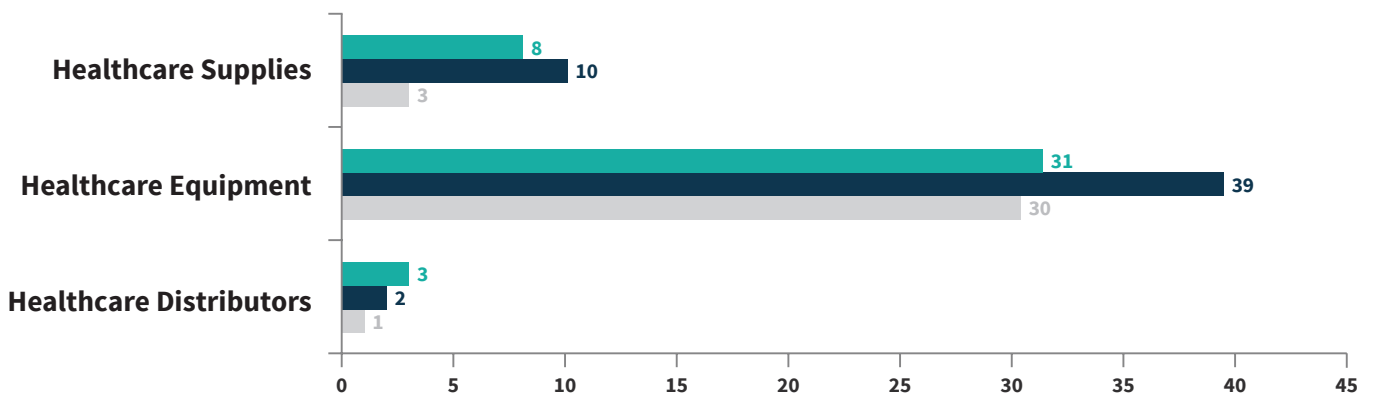
Healthcare Services, Facilities & Technology – 101 Closed Transactions



Life Sciences Technology & Services – 115 Closed Transactions



Healthcare Equipment and Distribution – 42 Closed Transactions



Source: S&P Capital IQ

Q4'18 PRIVATE PLACEMENT STRATIFICATION CONTINUED

(\$ in Millions)

Total Q4 Private Placement Activity	
Total Private Placements Reported in Q4	300
# of Private Placements Disclosing Investment Value	223
Average Value	\$33
Median Value	\$13
Total Value	\$7,454
Prior Quarter Total Private Placement Investment Value	\$7,365
% Change	1.2%

Q4 Private Placement Activity – Closed ¹	
Total Private Placements Reported in Q4	258
# of Private Placements Disclosing Investment Value	190
Average Value	\$33
Median Value	\$11
Total Value	\$6,293
Prior Quarter Total Private Placement Investment Value	\$6,543
% Change	(3.8%)

Q4 Private Placement Activity – Announced & Pending ²	
Total Private Placements Reported in Q4	42
# of Private Placements Disclosing Investment Value	33
Average Value	\$35
Median Value	\$16
Total Value	\$1,161
Prior Quarter Total Private Placement Investment Value	\$822
% Change	41.3%

(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

Q4'18

Noteworthy M&A Transactions

OCTOBER 2018

Key Themes

Continued investor interest in autism therapy service providers.

Autism Spectrum Disorder (ASD) affects an estimated one in 59 children, up approximately 119% from 2000. Forty-six states have laws mandating the coverage of autism services for commercial payers and hundreds of small service providers specializing in ASD are emerging to satisfy the increased market demand for care. With favorable reimbursement tailwinds underpinning a highly fragmented and emerging market, investors are actively pursuing scalable opportunities to drive cost-reduction through consolidation of these platforms.

Revenue cycle and practice management platforms remain a strong focus area for providers seeking improved patient engagement, care delivery, and reimbursement.

As the healthcare industry continues to shift towards value-based care and providers assume increased risk profiles related to quality of care, solutions offering a more cohesive patient experience and more efficient billing/claims processing continue to receive significant interest from both strategic and financial parties.

Demographic shifts and regulatory dynamics drive continued interest in home health and hospice care providers.

As home health and hospice continue to gain traction and stability in the marketplace, platforms are looking to capitalize by expanding their geographic reach and deepening their presence in existing markets. We anticipate continued activity in this sector as the marketplace continues to focus on care settings, like hospice/home health, that deliver quality and compliant care while reducing costs.

Noteworthy M&A and Private Placement Transactions

- **Blue Sprig Pediatrics**, a leading provider of ABA therapy services, acquired **The Shape of Behavior**, a Houston-based autism therapy provider with 22 clinics in four states. This transaction will make Blue Sprig Pediatrics the largest provider of ABA therapy services in Texas. The acquisition will also further Blue Sprig's goal to invest in de novo and acquisition opportunities that will fuel growth in underserved regions.
- **MBF Healthcare Partners** formed ABA platform **Acorn Health** via multiple acquisitions across Michigan, Florida, and Virginia. Acorn will provide home and facility-based ABA services to children and adolescents with Autism Spectrum Disorder.
- **Lighthouse Autism Center**, a provider of center-based Applied Behavioral Analysis therapy, received a strategic investment from **Abry Partners**. Indiana-based Lighthouse was founded in 2012 and operates five centers across Indiana and Michigan, serving children ages 2 to 18.
- **LEARN Behavioral**, a portfolio company of LLR Partners, acquired Elmhurst, Illinois-based **Total Spectrum**, a provider of applied behavior analysis services for families and children with Autism Spectrum Disorder. Total Spectrum has experienced an average of more than 80% average annual revenue growth over the last three years and is currently providing nearly 150,000 hours of service to more than 400 individual clients a year. The partnership with LEARN Behavioral will enable Total Spectrum to accelerate its growth plan to further penetrate existing markets and expand into new ones, bringing individualized treatment plans and outcome-driven services to more clients and families.
- **Silversmith Capital Partners** acquired **MediQuant**, a provider of enterprise active archiving and interoperability solutions for hospitals and health systems. This investment will allow MediQuant to continue delivering its solutions, while focusing on long-term customer success and satisfaction. Silversmith will also serve as a partner to assist MediQuant in scaling the organization and driving new product innovation.
- **Optima Healthcare Solutions**, a provider of cloud-based solutions for post-acute care providers, acquired **Vantage Clinical Solutions**, a provider of revenue cycle management and digital marketing services for physical therapy practices. This transaction will enable Optima to meet demand for outsourced business services used to operate outpatient therapy clinics.
- **Waystar**, a provider of revenue cycle technologies (formed by Navicure and ZirMed), will acquire the technology business owned by **Ovation Revenue Cycle Services**, part of healthcare provider and insurer **UPMC**. Waystar plans to integrate the Company's technology, which uses algorithms to monitor claims, into its existing platform to increase claims visibility across its nearly 500,000 healthcare provider customers.



OCTOBER 2018 CONTINUED

- **Amedysis**, a national provider of home health, hospice, and personal care, through its subsidiary Associated Home Care, acquired **Bring Care Home**, a provider of personal care, companionship, and skilled nursing services in northeastern Massachusetts. This acquisition will allow Amedisys to expand its footprint in the state of Massachusetts, while sharing best practices and clinical expertise.
- **MBF Healthcare Partners** acquired a majority interest in **Affinity Hospice**, an Alabama-based provider of hospice care services. Affinity, which operates in Georgia and Alabama, also provides palliative care services.
- **Bain Capital** acquired and merged two regional home health providers: **Arosa** and **LivHOME**. Arosa provides skilled and non-skilled in-home care in North Carolina, while LivHOME offers care management, in-home care, and in-home monitoring solutions to residents of California, Illinois, and Texas. Bain funded the transaction via its social impact fund, Bain Capital Double Impact.

NOVEMBER 2018

Key Themes

Rising homecare and post-acute interest.

Starting in 2019, Medicare Advantage plans will begin covering non-skilled in-home care services as a supplemental benefit. This regulatory tailwind combined with the increased movement of care into the home has created favorable market conditions. In preparation, investors and large homecare providers have seen the opportunity and have begun to invest. Post-acute care providers are looking to expand and fill holes in their service offerings while larger healthcare technology organizations are trying to find a position in the market through the acquisition of specialized post-acute technology.

Continued investment in behavioral health.

The past few months have seen increasing consolidation within the Behavioral Health market, and this trend is continuing. Nearly one in five U.S. adults live with mental illness, and the increased diagnosis and appreciation of behavioral health issues has led to an expanding patient base in these behavioral health centers. Supported by a strong regulatory and reimbursement push, providers are targeting M&A as a means of quickly capitalizing on the current market conditions, and investors continue to pour money into the market.

Healthcare diversification of large retail players.

In a [previous blog](#), TripleTree commented on the impact of vertical integrations across healthcare, including the Amazon/Berkshire Hathaway/JPMorgan collaboration. As Amazon's strategy in healthcare begins to unfold, including the recent [acquisition of PillPack](#), traditional retail players are looking to continue expanding into healthcare as a means of diversification and lowering costs for consumers. Throughout the past month, large retail chains have acquired or have started negotiating acquisitions in the healthcare space, creating unique opportunities in brick and mortar locations and online distribution platforms. The belief is that through these acquisitions, healthcare can become more local, accessible and affordable and ultimately protect retail players from a continuously shrinking market share.

Flurry of specialty EHR transactions continues.

The specialty EHR environment continued to thrive in November 2018 with two high-profile transactions announced with ResMed's acquisition of MatrixCare, and Veritas Capital and Elliot Management's acquisition of Athenahealth. These are the latest transactions in a flurry of activity we've seen in this space over the past 18 months as investors and strategic acquirers look to partner with market-leading platforms in the "less mature" EHR segments (e.g., ambulatory/physician specialty, post-acute, and behavioral health).

Noteworthy M&A and Private Placement Transactions

- **ResMed**, a provider of medical devices and cloud-based software designed to diagnose, treat and manage respiratory disorders, announced that it has signed a definitive agreement to acquire **MatrixCare** for \$750 million. MatrixCare is a leading provider of long-term post-acute care software, serving 15,000 providers across skilled nursing, life plan communities, senior living and private duty. The purchase price of \$750 million represents 25x EBITDA of \$30 million in 2018.
- **Family Resource Home Care** and **Family Home Care**, two of Washington state's largest and most-established home care agencies announced the completion of a merger that will make the combined entity one of the largest home care providers in the nation. The new entity will retain the Family Resource Home Care name and will serve more than 1,000 clients and their families.
- **Pharos Capital Group**, through its **Family Treatment Network**, acquired **ABA of North Texas** (ABANT), an outpatient autism services provider based in Plano, TX. ABA of North Texas provides behavioral services for children and adolescents with autism and other developmental disabilities. The Family Treatment Network is a complementary platform of child and adolescent behavioral health services businesses, including residential therapy centers, therapeutic day schools, home and community-based outpatient programs, and other child and adolescent psychiatric treatment services.
- **Capital Education Group**, a provider of behavioral health services and private school programs for children with autism and other specialized learning needs, has been acquired by **Catapult Learning**, a provider of special education and instructional intervention solutions. Catapult's team of over 5,000 educators works to achieve sustained academic gains and build teacher and leadership capacity through evidence-based programs.
- **CVS Health** finally closed on its acquisition of **Aetna**, creating a new healthcare powerhouse. The merger combines CVS' pharmacies with Aetna's insurance business, blurring traditionally distinct lines in hopes of lowering costs. The final deal valued Aetna at \$212 per share, CVS said in a press release, or about \$70B. CVS will now need to integrate Aetna and start trying to accomplish its three main priorities: making healthcare local and accessible, simplifying how consumers access care, and lowering costs.
- **athenahealth**, a provider of network-enabled services for hospitals and ambulatory customers, has been acquired by **Veritas Capital** and **Evergreen Coast Capital**. Under the definitive agreement, an affiliate of Veritas and Evergreen will acquire athenahealth for \$5.7B in cash. Following the closing, Veritas and Evergreen expect to combine athenahealth with Virence Health, the GE Healthcare value-based care assets that Veritas acquired earlier this year.

DECEMBER 2018

Key Themes

Innovative approaches to healthcare interactions.

Companies that provide technologically advanced and innovative solutions to increase productivity, reduce costs, provide personalized healthcare communications, and interact with consumers in low cost settings have been of interest in December, highlighted by 3M's investment in M*Modal. We expect interest in companies that revolutionize healthcare interactions through the use of Artificial Intelligence (AI), telemedicine, and blockchain will persist through [2019](#) and beyond.

Electronic Health Record (EHR) investments that mirror emerging healthcare trends.

Capping off a strong year for EHR investments, December saw continued investment in specialty EHR with increased focus in areas that have paralleled the most prevalent healthcare themes recently observed (e.g. behavioral health, post-acute, and physician practice). As investors look to capitalize on emerging healthcare trends through consolidation, additional opportunities are developing for specialty EHR companies that enable those investments to deliver better care and meet the needs of the populations served.

Behavioral health treatment for adult and aging populations.

There has been no shortage of investment activity in behavioral health in 2018, with particular interest in [autism](#), expansion into [alternative settings](#), and [market consolidation](#). Behavioral health will continue to see significant interest in 2019, with increased vigor around services targeted towards adult and aging populations. Nearly 45 million adults experience behavioral health issues each year, and a vast majority of them now have behavioral health coverage due to mental health parity and the Affordable Care Act (ACA).

- **3M**, a worldwide diversified technology company with \$32B+ revenue, has entered into a definitive agreement to acquire the technology business of **M*Modal**, a leading healthcare technology provider of cloud-based, Artificial Intelligence-powered systems that allows physicians to effectively capture and improve the patient narrative to provide a higher quality of care.
- **Curavi Health**, a provider of telemedicine solutions for nursing homes, announced the acquisition of **TripleCare**, a provider of telemedicine solutions for the post-acute, long-term care industry, including skilled nursing facilities. TripleCare uses its platform to provide access to physicians at times they are typically not readily available and allows residents to be treated from the comfort of their bedside, often avoiding unnecessary visits to the emergency room or hospitalizations. Together, the combined entity will serve nearly 100 facilities across 14 states.
- **Change Healthcare**, a provider of software, analytics, network solutions, and technology-enabled services for the healthcare market, has acquired intellectual property and other key assets from **PokitDok**, a platform-as-a-service that facilitates healthcare organizations to bring new applications and services to market and allows payers to integrate real-time, member-specific health insurance data at scale. The integration will add new capabilities for digital health, telemedicine, and other new, disruptive care models that support value-based, patient-centric healthcare and will create a more connected, transparent, and efficient healthcare system where patients control their own information.
- **Consono Services Group**, a provider of EHR software to the post-acute market, has been acquired by **Wellsky**, a provider of EHR software and solutions and portfolio company of **TPG**. Consono sells its solutions to hospice, palliative care, adult day care, and memory care providers.
- **GI Partners** and **TA Associates** announced they have entered into an agreement to acquire **Allscripts'** stake in **Netsmart Technologies**, a provider of EHR software to the behavioral health market. As a result of the transaction, GI will be the majority owner of Netsmart.
- **PharMerica**, a national provider of pharmacy services and portfolio company of **KKR**, has announced that it acquired **BrightSpring Health Services**, one of the largest providers of diversified home and community-based health services to complex populations (primary businesses include: behavioral health, home health, neuro therapies, pharmacy, telecare, and job placement and vocational training). The combined entity will serve over 300,000 clients daily and operate in 44 states and the District of Columbia. In addition to KKR, **Walgreens Boots Alliance** will own a minority stake in the combined entity.

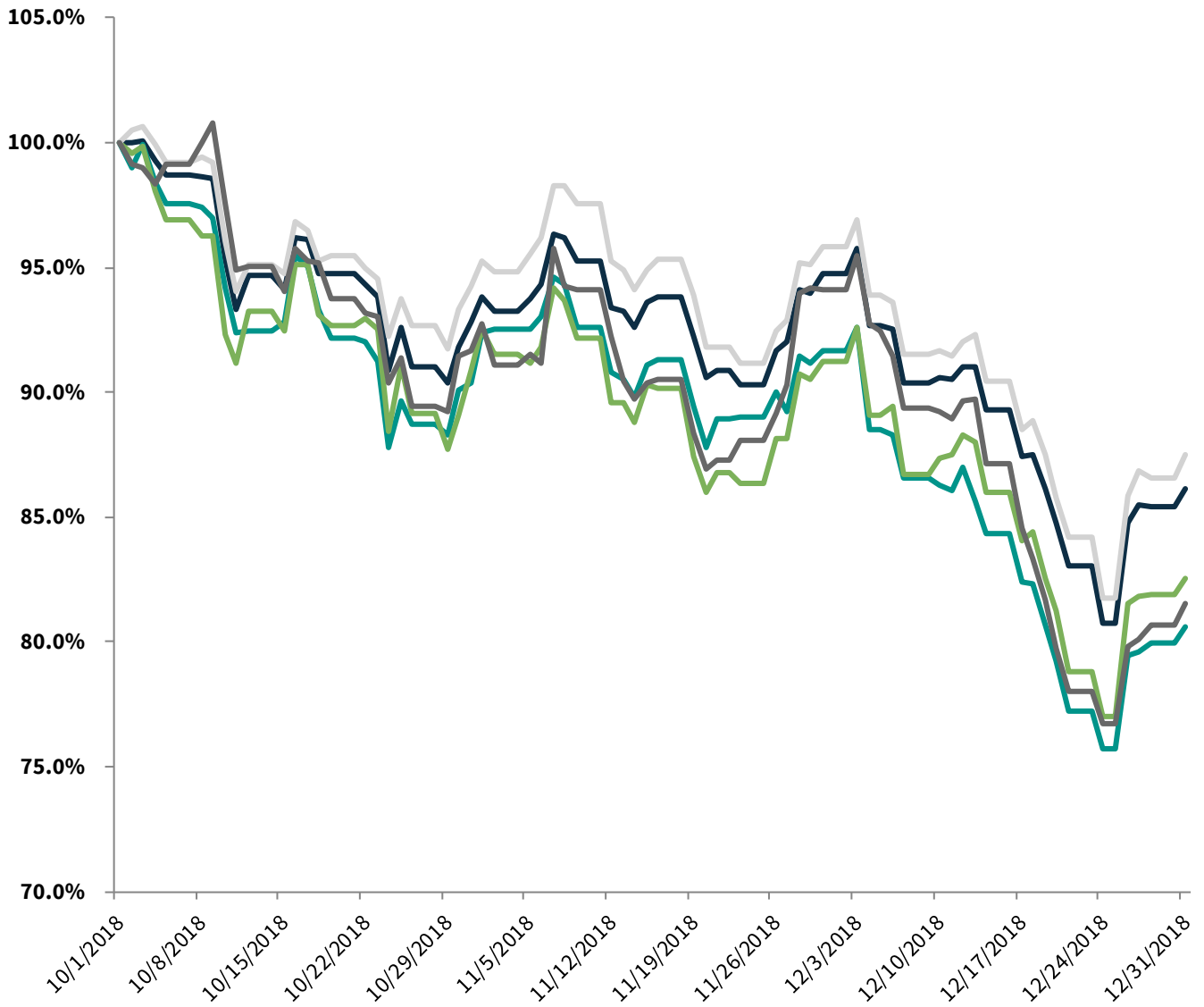
- **Consonance Capital** has recapitalized **Psychiatric Medical Care (PMC)**, a leading behavioral management company focused on the geriatric population. PMC provides inpatient and outpatient psychiatry services in over 20 states, primarily within rural communities.
- **EMHware**, a cloud-based healthcare solutions provider that serves over 140 agencies and 10,000+ users, has been acquired by Colorado-based **EverCommerce**, a service commerce platform that connects technologies and solutions for service organizations. EMHware provides a comprehensive agency management software solution focused on the specific needs of adult mental health, children’s mental health, addictions, and out-patient social services in Canada.
- **The Columbus Organization**, a nationally recognized provider of support coordination and other services for individuals with Intellectual and Developmental Disabilities (IDD) and portfolio company of **HealthEdge Investment Partners**, has acquired the support coordination assets of **Progressive Comprehensive Services**, a provider of support coordination services to adults with intellectual and development disabilities. This acquisition expands the Company’s services to six states and more than 10,000 individuals, families, and guardians.

Q4'18

Public Market Performance

Q4'18 MARKET INDICES

Broader Market and Healthcare Indices | October 2018 – December 2018

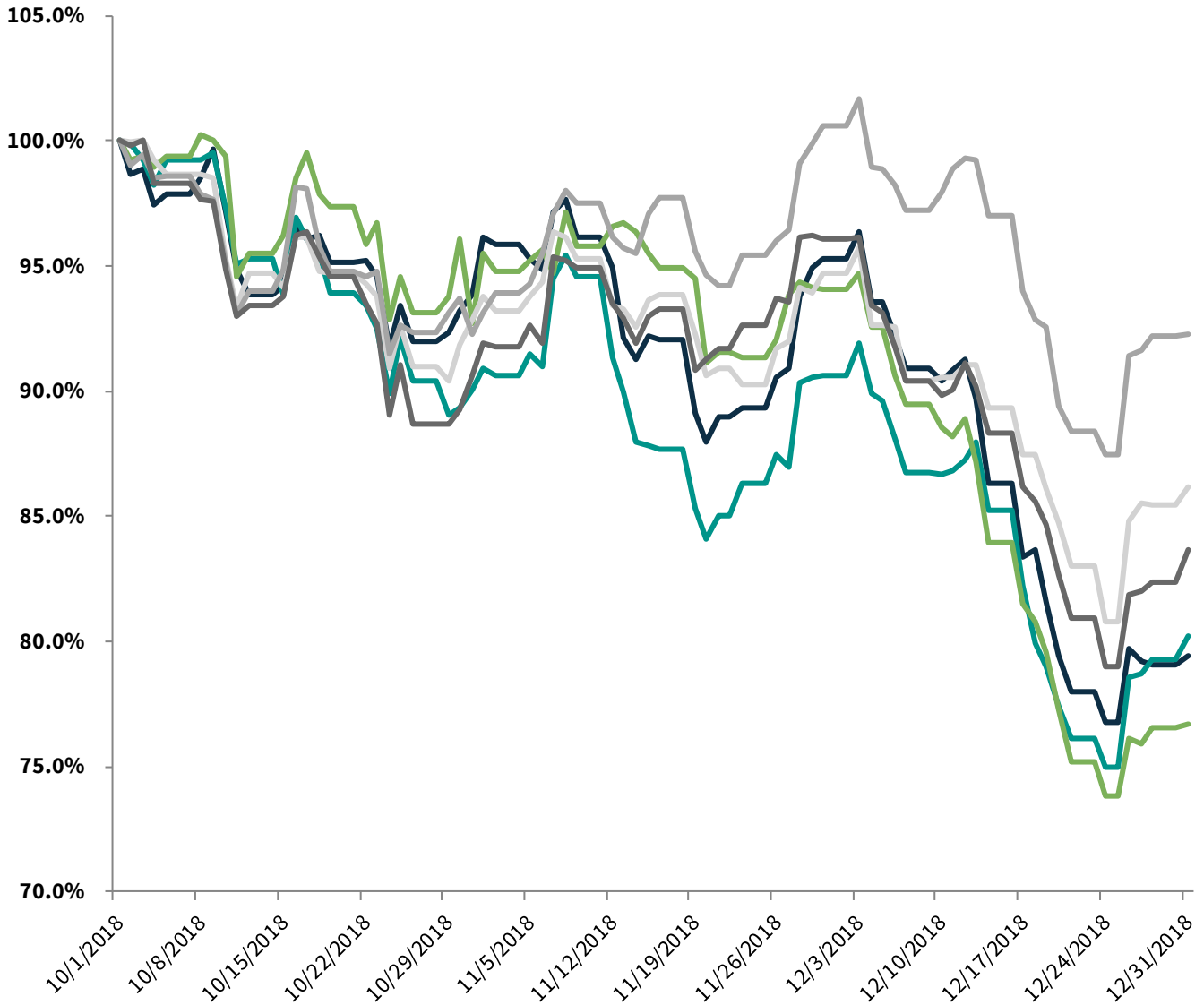


- S&P 500 Index
- Russell 2000 Index
- NASDAQ Composite Index
- Dow Jones Industrial Average
- TripleTree Healthcare Technology & Services Index

Source: S&P Capital IQ

Q4'18 HEALTHCARE INDICES

Healthcare Indices | October 2018 - December 2018



- 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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