

Market Insights | Q1'20



Market Insights is a quarterly perspective on mergers and acquisitions, 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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Q1'20

QUARTER IN REVIEW

KEY TRENDS DRIVING MARKET ACTIVITY

Healthcare M&A and investing activity in the United States was mostly ‘normal’ in the first quarter of 2020, although we began witnessing the impacts of COVID-19 on the industry in March. Despite first quarter results largely falling in line with historical trends, the impact of COVID-19 will undoubtedly be felt in the second quarter. In this installment of Market Insights, we review key transactions from the first quarter and the impact COVID-19 has had on related sectors within healthcare.



Strong Growth in Telehealth Driven by Current Environment and Regulatory Changes

The United States government is moving quickly to empower providers to deliver care virtually in response to the COVID-19 pandemic. The Centers for Medicare and Medicaid Services (CMS), the Office for Civil Rights (OCR) and the Department of Health and Human Services (HHS), in addition to many state governments, have mobilized to temporarily lift or ease restrictions on telehealth providers.

Historically, adoption of virtual health solutions has been low, with only 10% of healthcare consumers using telehealth according to a 2019 study by J.D. Power. Since the outbreak, however, virtual health companies across the ecosystem (and telehealth companies in particular) have seen an unprecedented surge in demand that we believe will translate to a much higher utilization of telehealth services.

Teladoc has seen its stock surge as it has coordinated hundreds of thousands of patient visits, many for first-time patients. In addition, it has continued to consolidate the industry with its acquisition of **InTouch Health**, attempting to position as the telehealth provider of choice across the acuity spectrum for hospitals.

There is a significant opportunity for continued market activity as virtual health innovation increases in response to the crisis. Read more about growth in telehealth [here](#).



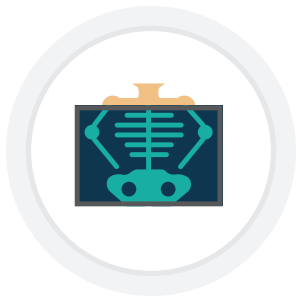
Increased Importance of Behavioral Health Services

Access to mental health care services has become a significant focal point within the healthcare community. Less than 50% of those in need of treatment receive services, and this is especially acute when looking at vulnerable youth populations and also people with autism. In addition, nearly 50% of adults in America are also reporting that worry and stress related to the coronavirus have had a negative impact on their mental health, existing behavioral health patients and new “entrants” across the severity spectrum are driving demand for behavioral health services, often via virtual technologies.

Strategic buyers have been active in the space, as they look to build solutions and cost containment strategies in this rapidly growing segment of healthcare. While most initial M&A activity in behavioral health was focused on inpatient solutions, buyers have realized that the needs of the patient extend into the home and community, focusing attention on other care settings, including residential, outpatient, and home and community-based services. The COVID-19 crisis will test how traditional behavioral health services can transition into a virtual environment.

Market consolidation will continue as a reduced stigma for behavioral health treatment and favorable reimbursement tailwinds have led to expanded care options available to serve the large and growing unmet demand for behavioral health services.

Read more about the impact of COVID-19 on behavioral health services [here](#).



Increased Focus Across the Radiology Spectrum

The healthcare imaging industry is going through an evolution, which is driving investor interest within radiology technology and services. Scan volumes are increasing, but there are limited reading resources and technology, with a plateau in the number of radiologists. As a result, there has been a growing workload for overburdened physicians and significant bottlenecks in radiology.

This has driven growth in both radiology technology and services. Technology developers have innovated quickly, building cloud-based, enterprise solutions with workflow orchestration capabilities. In addition, artificial intelligence has begun disrupting the sector and is a trend we expect to continue.

On the services side, teleradiology has grown significantly in importance driven by many of the factors outlined above. However, the top 100 radiology services providers account for less than 20% of market share, presenting a situation that is ripe for consolidation, with considerable private equity interest in the space.

COVID-19 has led to a temporary decline in radiology volumes, but we expect scan volumes to rebound quickly as the economy reopens – presenting a significant opportunity for growth across the radiology spectrum. As technology providers continue to innovate and evolve, and service providers seek to gain additional market share, we expect to see continued investor interest and activity in this space.

NOTABLE M&A ACTIVITY IN Q1'20



Teladoc Health acquired **InTouch Health**, a provider of enterprise telehealth solutions for hospitals and health systems. The acquisition positions Teladoc as the partner of choice for health

systems seeking to cover the full range of acuity across all care sites, including critical, chronic and everyday care. The combined company will look to capitalize on favorable reimbursement tailwinds while improving consumer engagement.

Teladoc has made significant investments in acquisitions in recent years, reflecting continued consolidation in the telehealth sector. The \$600 million acquisition of InTouch will serve to open up a strong market opportunity for Teladoc, as hospitals continue to increase their budgets for telehealth.



MedZed, a provider of in-home primary and palliative care services to complex Medicaid and Medicare Advantage patients through telehealth solutions, has acquired TT Capital Partners portfolio

company **Integra ServiceConnect**. Integra's differentiated ability to locate and engage members will complement MedZed's home-based offering by enabling an integrated clinical and social model for complex populations.

MedZed provides a scalable primary care model in which in-home nurses are augmented by virtual complex care providers including physicians, physician assistants and nurse practitioners. MedZed focuses on providing efficient, high-quality care to high-risk populations in a way that can reduce costs and improve patient health. In addition, the company is able to reach vulnerable patients who have risks or other barriers associated with in-home care.

MedZed is now a TT Capital Partners portfolio company.



Hg Capital, a specialist private equity investor focused on software and services businesses, has finalized an agreement for a majority investment in **Intelrad Medical Systems**, a leading global medical

imaging software provider that specializes in diagnostic viewing, reporting, and collaboration solutions for radiologists.

Intelrad will bolster Hg Capital's focus on healthcare technology, where it has already invested over \$1 billion globally. The company is currently serving 300+ organizations around the world, including radiology groups, imaging centers, clinics and reading groups, with a growing presence in hospital imaging departments. The investment will be focused on driving growth for the company, both in its main market of North America and to fuel international organic expansion. The funding is also expected to support future acquisition targets to drive inorganic growth.

TripleTree served as buy-side advisor to Hg Capital as part of this transaction.

NOTABLE M&A ACTIVITY IN Q1'20 CONTINUED



Blackstone Group announced it will buy a majority stake in **HealthEdge**, continuing its trend in investing in high growth technology companies. HealthEdge delivers next generation,

mission-critical Core Administrative Processing Systems (CAPS) solutions to healthcare payers, enabling them to efficiently administer benefits, configure plans, manage providers, and enroll participants. HealthEdge's flexible, cloud-compliant solution, allows payers to navigate an increasingly complex and data-rich healthcare environment while providing a modern, simple user interface.

The transaction was led by Blackstone's growth equity unit, which launched last year. HealthEdge has seen impressive growth in recent years, with revenue growing by 30%+ and its customer base growing by 25%+ in 2019.

TripleTree served as buy-side advisor to Blackstone Group as part of this transaction.



Cimarron Healthcare Capital announced that it has completed the acquisition of **Ascent Behavioral Health** together in partnership with the company's management team, Monroe Capital and Veronis

Suhler Stevenson. Ascent operates six unique residential programs in Utah that deliver behavioral health treatment to adolescents across a continuum of care, including wilderness therapy, residential treatment centers and a therapeutic boarding school.

Ascent takes pride in its expert staff and caregivers, top-quality facilities and continued focus on clinical research. The investment will be used to support expansion of Ascent's programs and potential future acquisitions.

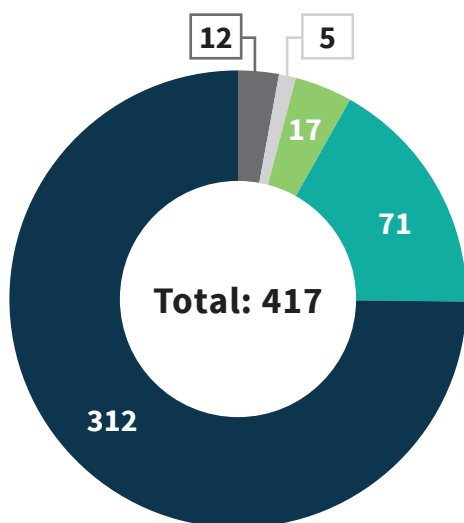


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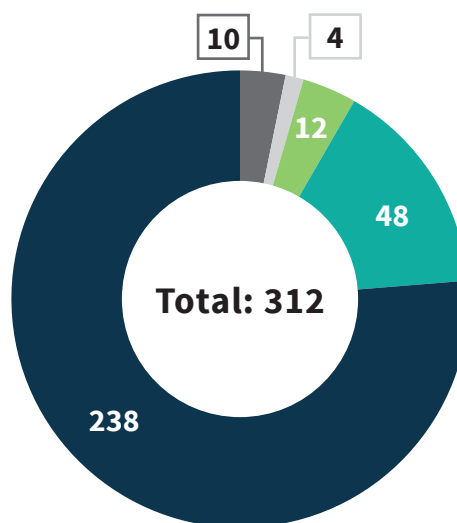
M&A Deal Stratification

Q1'20 HEALTHCARE M&A DEAL STRATIFICATION

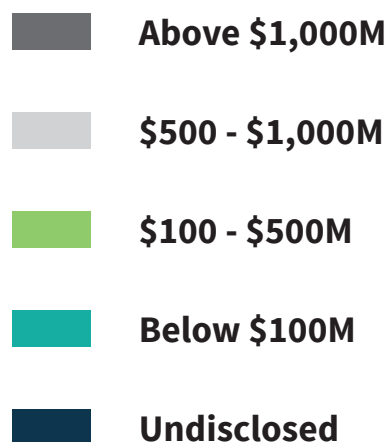
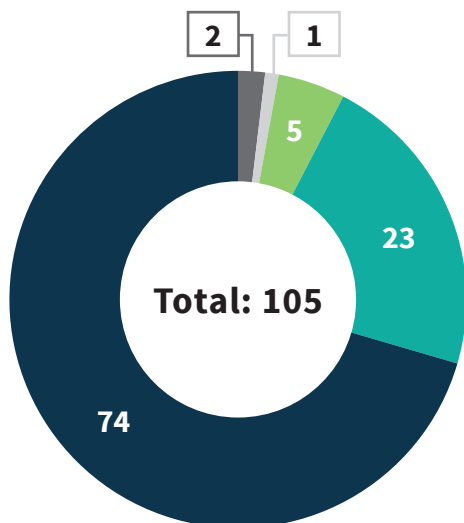
Total Deals by Transaction Ranges



Closed Deals by Transaction Ranges



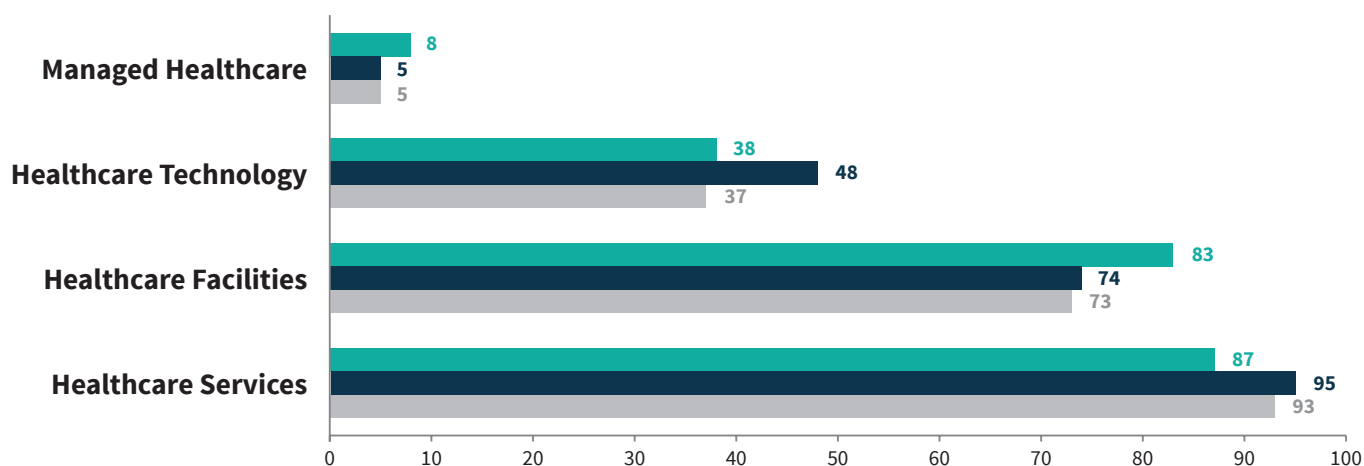
Announced & Pending Deals by Transaction Ranges



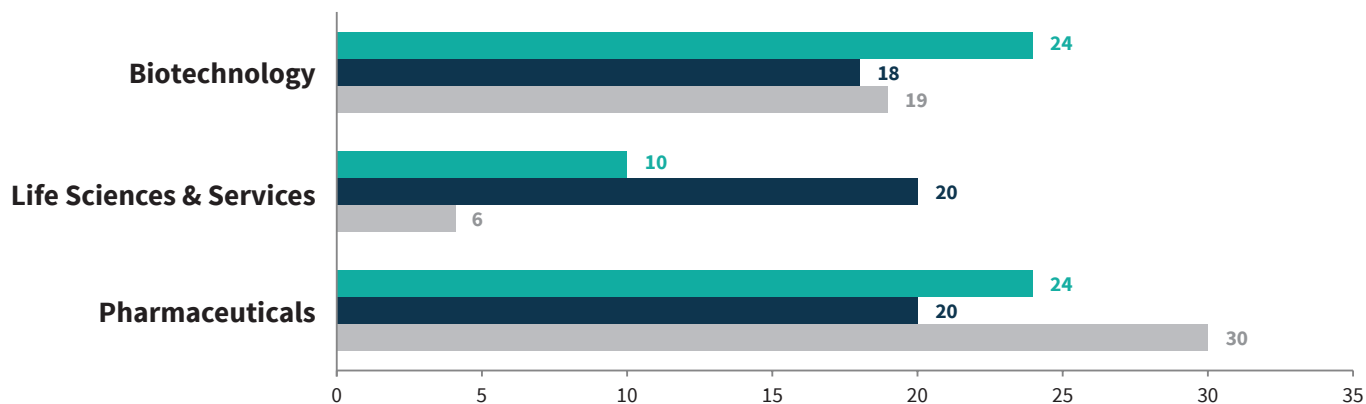
Q1'20 M&A DEAL STRATIFICATION CONTINUED

Q1 2020 Q4 2019 Q3 2019

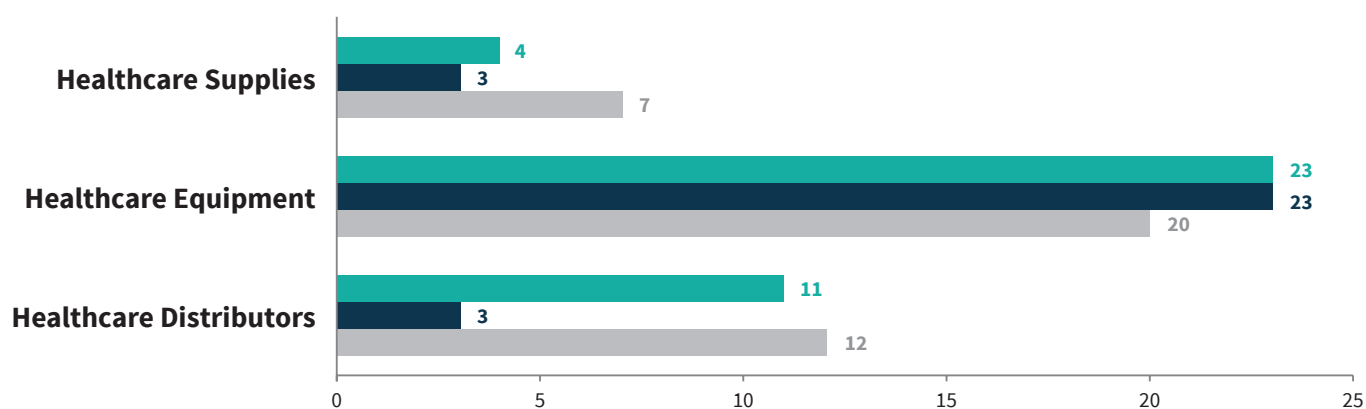
Healthcare Services, Facilities & Technology – 216 Closed Transactions



Life Sciences Technology & Services – 58 Closed Transactions



Healthcare Equipment and Distribution – 38 Closed Transactions



Source: S&P Capital IQ

Q1'20 M&A DEAL STRATIFICATION CONTINUED

(\$ in Millions)

Total Q1 Deal Activity

Total Deals Reported in Q1	440
# of Deals Disclosing Metrics	102
# Reported TEV	77
# Reported TEV & Rev	20
# Reported TEV, Rev & EBITDA	5
Average TEV	\$561
Average TEV/Rev	3.6x
Average TEV/EBITDA	19.4x
Median TEV	\$28
Median TEV/Rev	2.2x
Median TEV/EBITDA	14.3x
Total Deal Value	\$64,510
Prior Quarter Total Deal Value	\$145,387
% Change	(55.6%)

Q1 Deal Activity — Closed¹

Total Deals Reported in Q1	309
# of Deals Disclosing Metrics	72
# Reported TEV	51
# Reported TEV & Rev	16
# Reported TEV, Rev & EBITDA	5
Average TEV	\$884
Average TEV/Rev	3.7x
Average TEV/EBITDA	20.5x
Median TEV	\$34
Median TEV/Rev	1.9x
Median TEV/EBITDA	14.7x
Total Deal Value	\$51,107
Prior Quarter Total Deal Value	\$130,038
% Change	(60.7%)

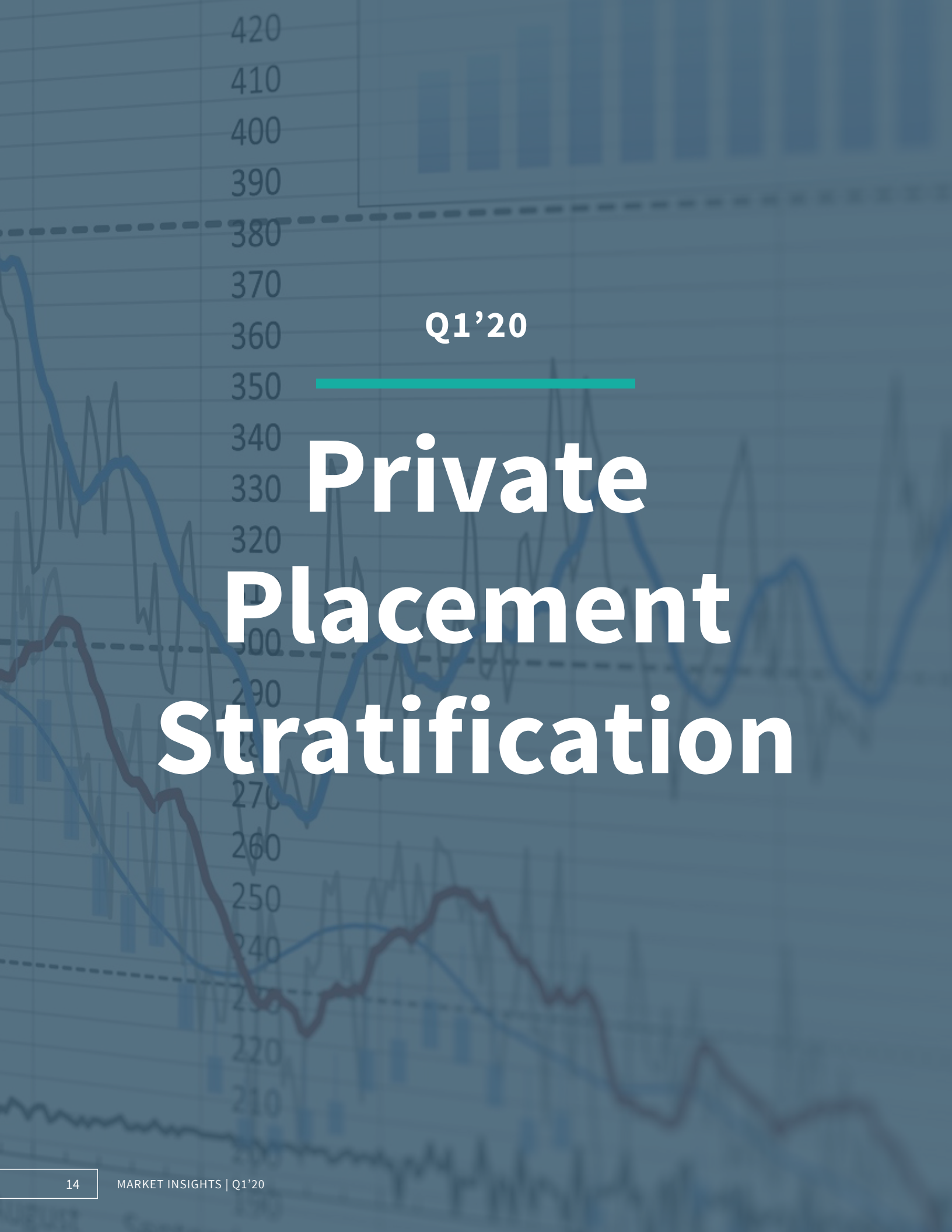
Q1 Deal Activity — Announced & Pending²

Total Deals Reported in Q1	131
# of Deals Disclosing Metrics	30
# Reported TEV	26
# Reported TEV & Rev	4
# Reported TEV, Rev & EBITDA	0
Average TEV	\$224
Average TEV/Rev	3.4x
Average TEV/EBITDA	14.0x
Median TEV	\$26
Median TEV/Rev	2.7x
Median TEV/EBITDA	14.0x
Total Deal Value	\$15,210
Prior Quarter Total Deal Value	\$25,383
% Change	(40.1%)

(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

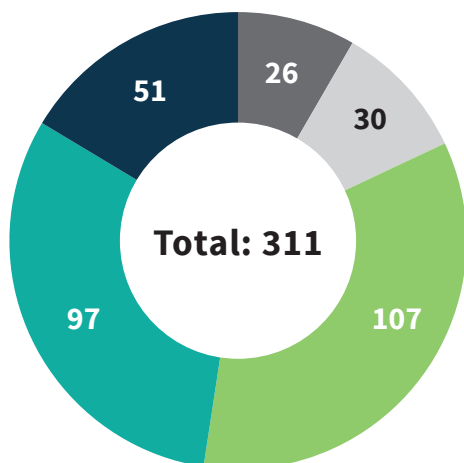


Q1'20

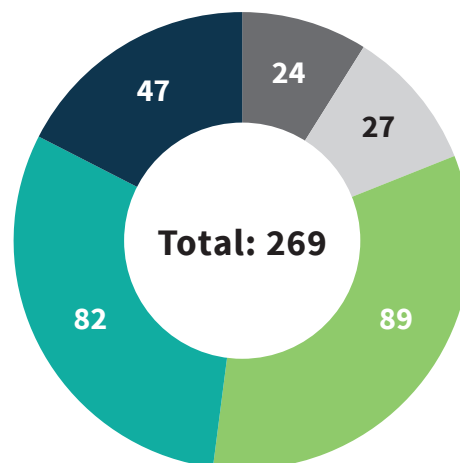
Private Placement Stratification

Q1'20 HEALTHCARE PRIVATE PLACEMENT STRATIFICATION

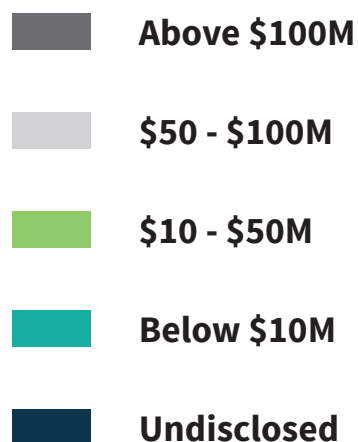
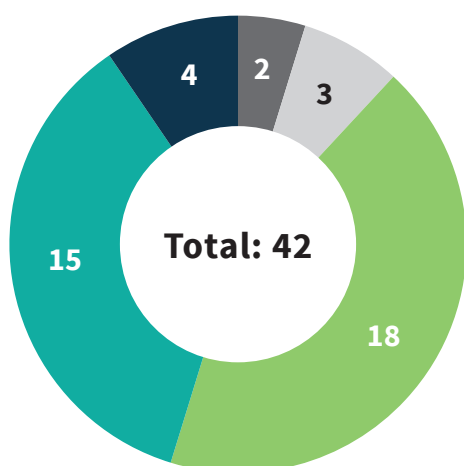
**Total Private Placements
by Investment Value**



**Closed Private Placements
by Investment Value**



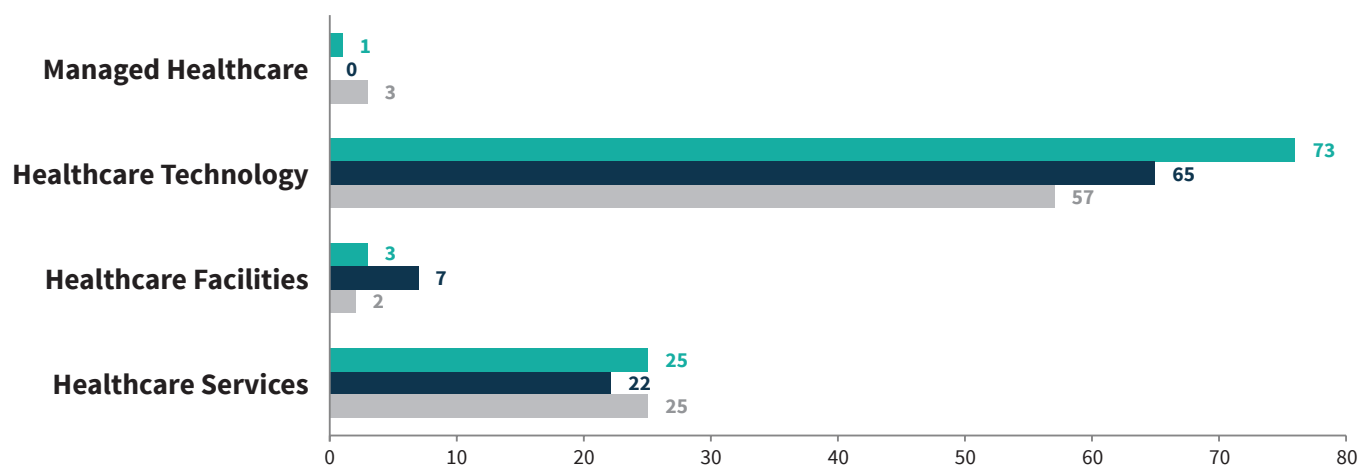
**Announced & Pending Private
Placements by Investment Value**



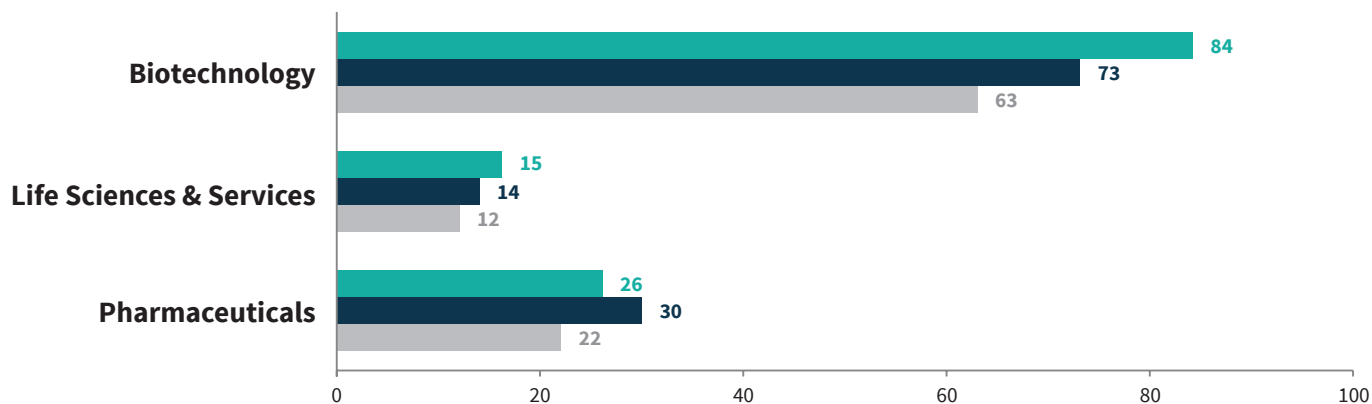
Q1'20 PRIVATE PLACEMENT STRATIFICATION CONTINUED

Q1 2020 Q4 2019 Q3 2019

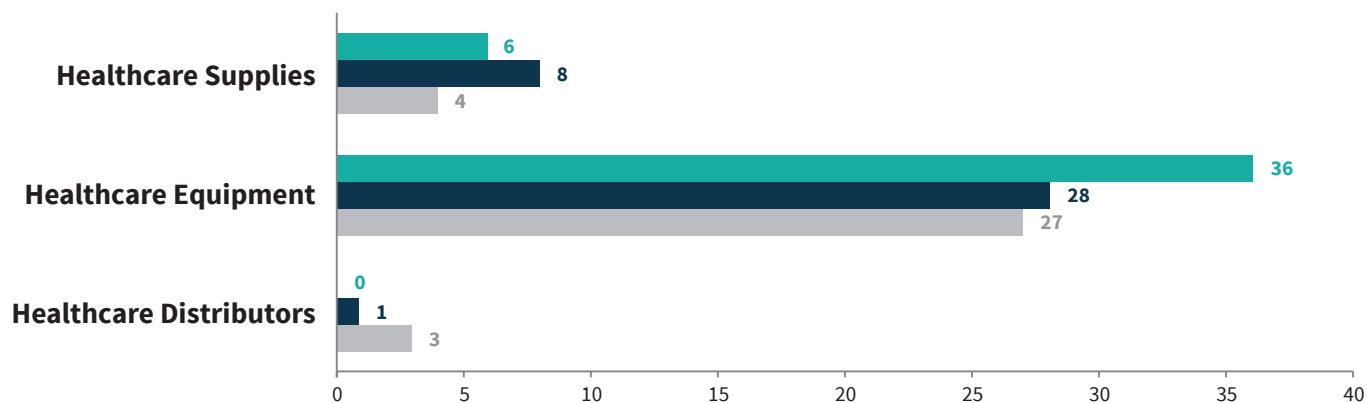
Healthcare Services, Facilities & Technology – 102 Closed Transactions



Life Sciences Technology & Services – 125 Closed Transactions



Healthcare Equipment and Distribution – 42 Closed Transactions



Source: S&P Capital IQ

Q1'20 PRIVATE PLACEMENT STRATIFICATION CONTINUED

(\$ in Millions)

Total Q1 Private Placement Activity	
Total Private Placements Reported in Q1	311
# of Private Placements Disclosing Investment Value	260
Average Value	\$34
Median Value	\$20
Total Value	\$8,569
Prior Quarter Total Private Placement Investment Value	\$9,576
% Change	(10.5%)

Q1 Private Placement Activity — Closed ¹	
Total Private Placements Reported in Q1	269
# of Private Placements Disclosing Investment Value	222
Average Value	\$34
Median Value	\$20
Total Value	\$7,612
Prior Quarter Total Private Placement Investment Value	\$5,104
% Change	49.1%

Q1 Private Placement Activity — Announced & Pending ²	
Total Private Placements Reported in Q1	42
# of Private Placements Disclosing Investment Value	38
Average Value	\$34
Median Value	\$20
Total Value	\$957
Prior Quarter Total Private Placement Investment Value	\$4,472
% Change	(78.6%)

(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

Q1'20

Noteworthy M&A Transactions

JANUARY 2020

Key Themes

Empowering and Informing the Consumer.

Employees and health plan members are continuing to seek out solutions to simplify engagement and navigation with their benefits and support their overall well-being and health management. The market is quickly adopting approaches that increase access and utilization of primary care, support condition management for high cost populations, and provide a deeper level of clinical and benefits advocacy navigation through high-touch and digital solutions.

Increased Focus Across the Radiology Spectrum.

The healthcare imaging industry is going through an evolution, which is driving investor interest within radiology technology and services. Scan volumes are increasing, but there are limited reading resources and technology, which is driving technological innovation and shifts towards enterprise solutions. Similarly, the top 100 radiology services providers account for less than 20% of market share, presenting a situation that is ripe for consolidation. As technology providers continue to innovate and evolve, and service providers seek to gain additional market share, we expect to see continued investor interest and activity in this space.

Analytics as a Tool to Drive Down Costs.

In the perpetual effort to drive down healthcare costs and improve outcomes, data analytics remain an under-utilized tool. A recent Black Book survey found that 84% of C-suite officers at provider organizations reported that they only use data analytics to a “limited or minimal” extent, even though they have access to the data. While providers are not utilizing analytics to the extent they can, global HCIT organizations are using and continue to invest heavily in their analytics capabilities, as evidenced by January analytics deal announcements by Definitive Healthcare, Infor, and Press Ganey. As integrated data becomes more accessible to all types of organizations, we expect to see interest in data analytics organizations increase as analytics become a valuable input into strategic decision-making processes.

Noteworthy M&A and Private Placement Transactions

- **Virgin Pulse** acquired **Yaro**, a mobile-first digital navigation and health literacy platform, and **Blue Mesa Health**, best known for its diabetes prevention program. These acquisitions highlight Virgin Pulse's strategy of helping consumers cost-effectively navigate the healthcare ecosystem and expand the company's capabilities in supporting high cost/high risk populations through specialized solutions.
- **Teladoc Health** acquired **InTouch Health**, a provider of enterprise telehealth solutions for hospitals and health systems. The acquisition positions Teladoc as the partner of choice for health systems seeking to cover the full range of acuity across all care sites. The combined company will look to capitalize on favorable reimbursement tailwinds while improving consumer engagement.
- **Marathon Health**, a **General Atlantic** portfolio company, and **OurHealth** announced a strategic combination. The combined company will continue to execute on its onsite and near-site primary care strategy for employers. Accelerated investment in technology-enabled clinical and population health capabilities will drive cost out of the system for consumers and employers.
- **Radiology Partners**, the largest radiology practice in the U.S. and portfolio company of **Starr Investment Holdings**, has announced a new practice partnership with **Radiology Associates of Appleton**, a Wisconsin-based radiology provider.

The partnership further expands Radiology Partners' presence in Wisconsin after partnering with Wisconsin-based **Advanced Diagnostic Imaging** in December. The financial terms of the deal were not disclosed.

- **Covera Health**, a provider of radiology clinical analytics solutions intended to reduce medical misdiagnoses, has raised **\$23.5M** in **Series B** funding. **Insight Partners** led the round with participation from existing investor **Prism Ventures**. The funds will be used to accelerate Covera's data science R&D efforts and further expand its national Radiology Centers of Excellence program, which serves health plans, self-insured employers, and strategic partners.
- **Hg Capital**, a specialist private equity investor focused on software and services businesses, has finalized an agreement for a majority investment in **Intelerad Medical Systems**, a leading global medical imaging software provider that specializes in diagnostic viewing, reporting, and collaboration solutions for radiologists. TripleTree served as buy-side advisor to Hg Capital as part of this transaction.
- **Press Ganey**, a provider of strategic advisory services for healthcare organizations, has acquired **Strategic Management Decisions**, a provider of healthcare HR consulting and predictive analytics

solutions. The acquisition complements and extends Press Ganey's Workforce and Engagement Solutions with analytic insights that pinpoint and prioritize opportunities to achieve cultural alignment, drive engagement, and build caregiver resilience. The financial terms of the deal were not disclosed.

- **Definitive Healthcare**, the leading provider of data, insights, and analytics on the healthcare provider market, announced the acquisition of **PatientFinder**, a software analytics firm that helps life science companies and healthcare providers find patient clusters who would most benefit from their products and services. Definitive Healthcare also acquired HIMSS Analytics' data services division in January 2019.



FEBRUARY 2020

Key Themes

Patient Engagement. Unlike legacy models, value-based care is highly complex and requires sophisticated capabilities to aggregate individual or member-centric data, including comprehensive quality and risk drivers along with socio-economic data. As value-based payments replace legacy payments, payers and providers will be looking for partners that can drive positive outcomes and deliver meaningful ROI. Patient engagement is one such strategy within VBC that has garnered recent attention, as private equity groups build platforms and strategic buyers broaden capabilities and service offerings. Consumerism in healthcare is on the rise, as demographics shift, and younger generations begin to participate more meaningfully in healthcare spend. Growing consumerism has led to an increasing demand for solutions that improve access to care and simplify the healthcare decision making process. Combining this with the rise in high deductible health plans and patient cost burden, means companies will need to build out the proper payments and engagement infrastructure to optimize revenue. As the transition to value-based care gains traction, and consumerism in healthcare continues to increase, companies that can help patients streamline decision making and access the appropriate care setting will receive attention from a wide range of potential acquirers.

Behavioral Health Services. Access to mental health care services has become a significant focal point within the healthcare community. Less than 50% of those in need of treatment receive services, and this is especially acute when looking at vulnerable youth populations and also people with autism. Strategic buyers have been active in the space, as they look to build solutions and cost containment strategies in this rapidly growing segment of healthcare. While most initial M&A activity in behavioral health was focused on inpatient solutions, buyers have realized that the needs of the patient extend into the home and community, focusing attention on other care settings, including residential, outpatient, and home and community-based services. Market consolidation will continue as a reduced stigma for behavioral health treatment and favorable reimbursement tailwinds have led to expanded care options available to serve the large and growing unmet demand for behavioral health services.

RCM Solution Consolidation. RCM remains a pain point for payers and providers alike, as disparate, manual remittance processes and poor payment management remains widespread. Hospitals especially are in need of new and improved solutions. Increasing Medicare and Medicaid populations, rising supply and drug costs, a growing percentage of patient-pay and decreasing inpatient admissions are all combining to compress margins. Hospitals need capabilities that can improve patient pay dynamics and are looking to RCM vendors to help facilitate these payments. Improved revenue cycle, especially on the front-end, can help increase ROI and drive margin improvement. Patient payment software that helps hospitals (and other providers) improve payment capture can also improve patient engagement and drive better outcomes. As healthcare constituents seek to navigate the myriad of complex challenges within the RCM, both strategic and private equity buyers have been adding or merging solutions within broader RCM platforms.

Noteworthy M&A and Private Placement Transactions

- **Brightree** announced it has agreed to acquire privately held **SnapWorx**, a market-leading software company providing patient contact management and workflow optimization for the continuous positive airway pressure (CPAP) resupply market. Based in Brentwood, Tennessee, SnapWorx is a SaaS company with intelligent workflow technology empowering HME providers servicing CPAP resupply patients. SnapWorx solutions focus on patient engagement and automation of workflow for collecting the supporting documentation required for dispensing and billing of CPAP supplies.
- **Humana** and **Welsh, Carson, Anderson & Stowe** have entered into a joint venture to expand value-based primary care for Medicare patients. The joint venture will develop and operate senior-focused, payor-agnostic primary care centers which will operate under Humana's Partners in Primary Care brand. WCAS made an initial commitment of \$600M and will own the majority stake in the company, while Humana will enjoy a minority share. Together, they plan to double Partners in Primary Care's footprint over the next three years and scale core operations to facilitate the expansion of its care model.
- **Sharecare**, a digital health company that helps people manage their health and connect with providers has acquired **Visualize Health**, a company that supports value-based healthcare and enables providers and payers to close gaps in care.

By integrating streamlined, insight-based actions in clinicians' workflow to eliminate care gaps in patient journeys, Visualize will help Sharecare position payers and providers to succeed in VBC environments.

- **Cimarron Healthcare Capital** announced that it has completed the acquisition of **Ascent Behavioral Health** together in partnership with the company's management team, **Monroe Capital** and **Veronis Suhler Stevenson**. Ascent operates six unique residential programs in Utah that deliver behavioral health treatment to adolescents across a continuum of care, including wilderness therapy, residential treatment centers and a therapeutic boarding school.
- **The IMA Group**, a provider of clinical evaluation services for government agencies and health plans, announced the acquisition of **PsyBar**, a provider of behavioral health services, independent medical exams, and other employment related services. The acquisition expands IMA's geographic footprint as well as behavioral health and payer services capabilities with a national network of board-certified providers.
- **CentralReach**, a provider of EMR practice management and clinical solutions for ABA clinicians and educators has acquired **Thread Learning**, an offline-capable mobile data collection solution designed for center-based clinics and

schools. Thread will be rolled into CentralReach's current platform to provide an offline-capable suite of clinical solutions to deliver care in homes, clinics and schools.

- **Meduit**, a leader in healthcare revenue cycle solutions announced that it has merged with **CMRE Financial Services**, a leading revenue cycle solutions company, effective February 7th, 2020. Together, the two companies will be able to leverage their combined broad and complementary RCM capabilities and footprint to fuel strategic growth. The combined firm will be one of the largest RCM companies in the nation.
- **Flywire**, a high-growth vertical payments company, announced that it has acquired **Simplee**, a leading healthcare technology platform, to optimize the digital payments and patient engagement experience in healthcare and scale its global payments services. The acquisition builds on Flywire's growing healthcare payments business and accelerates the company's market share. Flywire is also announcing a **\$120M** Series E investment round led by **Goldman Sachs**, which will support Flywire's ongoing investment in its multi-vertical strategy. This latest round brings the company's total capital investment to **\$260M**.

MARCH 2020

Key Themes

Next-Generation Technology. Healthcare technology companies are adopting next-generation digital technologies to manage increasingly complex data with the goal of achieving high quality and affordable healthcare. Leveraging data for clinical and operational benefits is a priority for healthcare organizations in order to gain insights and support decision-making. From key areas like medical costs, clinical data, patient behavior, and pharmaceuticals, new technologies can be used to streamline operations, improve patient care, and lower overall costs for parties across the healthcare ecosystem. These capabilities can vary significantly and impact many aspects of the healthcare system, from automating traditionally burdensome administrative processes, to helping improve clinical care guidelines, to streamlining the review of payments and detecting fraud or improper payments, among many additional applications. Despite the many advantages associated with incorporating next-generation digital technologies, the integration and analysis of data from disparate platforms is costly and challenging to develop. Given these challenges, there is value in partnering with or acquiring capabilities that can use analytical approaches to deliver valuable insights from complex data in a flexible, configurable, and user-friendly manner.

Home Infusion Therapy. Approximately 60% of Americans and 80% of older adults suffer from at least one chronic disease (e.g. congestive heart failure, diabetes, rheumatoid arthritis, and various immune deficiencies), which have varying treatment paths. One of the most effective, yet most expensive, treatment pathways is infusion, the intravenous or subcutaneous administration of drugs, biologics, nutrients, or fluids. A growing trend in the infusion therapy industry is the adoption of home treatment. According to a 2016 study by the CVS Health Research Institute, the costs associated with receiving infusion therapy at home, rather than at a traditional hospital setting, are consistently lower than services provided in a healthcare facility, with savings ranging between \$1,900 and \$2,900 per course of treatment. Along with the financial benefit, home infusion has also been shown to reduce the risk of readmission and more catastrophic health issues, such as hospital-acquired infections. Shifting infusion to lower cost care settings like the home provides access to the superior outcomes while doing so in a cost-effective way, driving increased demand for providers of in-home infusion. An increasing geriatric population with a decreased mobility profile, a rising preference for home care for patients of all ages, and a rapidly evolving regulatory environment are further reshaping the home infusion industry, driving M&A activity.

Workforce Management Solutions.

A growing physician shortage and the increasingly competitive healthcare industry are making it difficult to attract and retain qualified employees. By 2032, the projected total physician shortfall is estimated to be between ~47,000 and ~122,000 physicians. In this environment, healthcare organizations cannot allow their labor expenses, which can account for up to 60% of their operating budget, to increase indefinitely. Organizations are already under pressure to reduce their costs and improve efficiency as hospital operating margins decrease and reimbursement rates fall. As a result, we are seeing a growing uptake of workforce management solutions among the healthcare providers across the globe. These solutions help with reducing labor costs and improving quality of care by optimizing the workforce scheduling process, reducing employee turnover rates, automating back-office administrative processes, and ensuring effective recruitment of healthcare staff. Moreover, a growing demand by healthcare professionals for transparency and flexible scheduling for the workforce are increasing the adoption of Workforce Management Solutions and driving M&A activity in the sector.

Noteworthy M&A and Private Placement Transactions

- **The Blackstone Group** announced it will acquire a majority stake in **HealthEdge**, continuing its trend in investing in high growth technology companies. HealthEdge delivers next generation, mission-critical Core Administrative Processing Systems (CAPS) solutions to healthcare payers, enabling them to efficiently administer benefits, configure plans, manage providers, and enroll participants. HealthEdge's flexible, cloud-compliant solution, allows payers to navigate an increasingly complex and data-rich healthcare environment while providing a modern, simple user interface. TripleTree served as exclusive financial advisor to The Blackstone Group.
- **emids**, a Nashville, Tennessee-based provider of digital engineering and transformation solutions to the healthcare industry, has received a strategic equity investment from **BlueCross BlueShield Venture Partners**. emids works with payers, providers, health technology companies, and life sciences firms to accelerate the adoption of next-generation digital technologies and manage an increasingly complex data ecosystem.
- **Thomson Reuters** announced that it acquired **Pondera Solutions**, a leading provider of technology and advanced analytics to combat fraud, waste, and abuse in healthcare and large government programs. This acquisition will allow Thomson Reuters to expand on its strategic approach to deliver insight through advanced analytics, artificial intelligence, and human expertise.

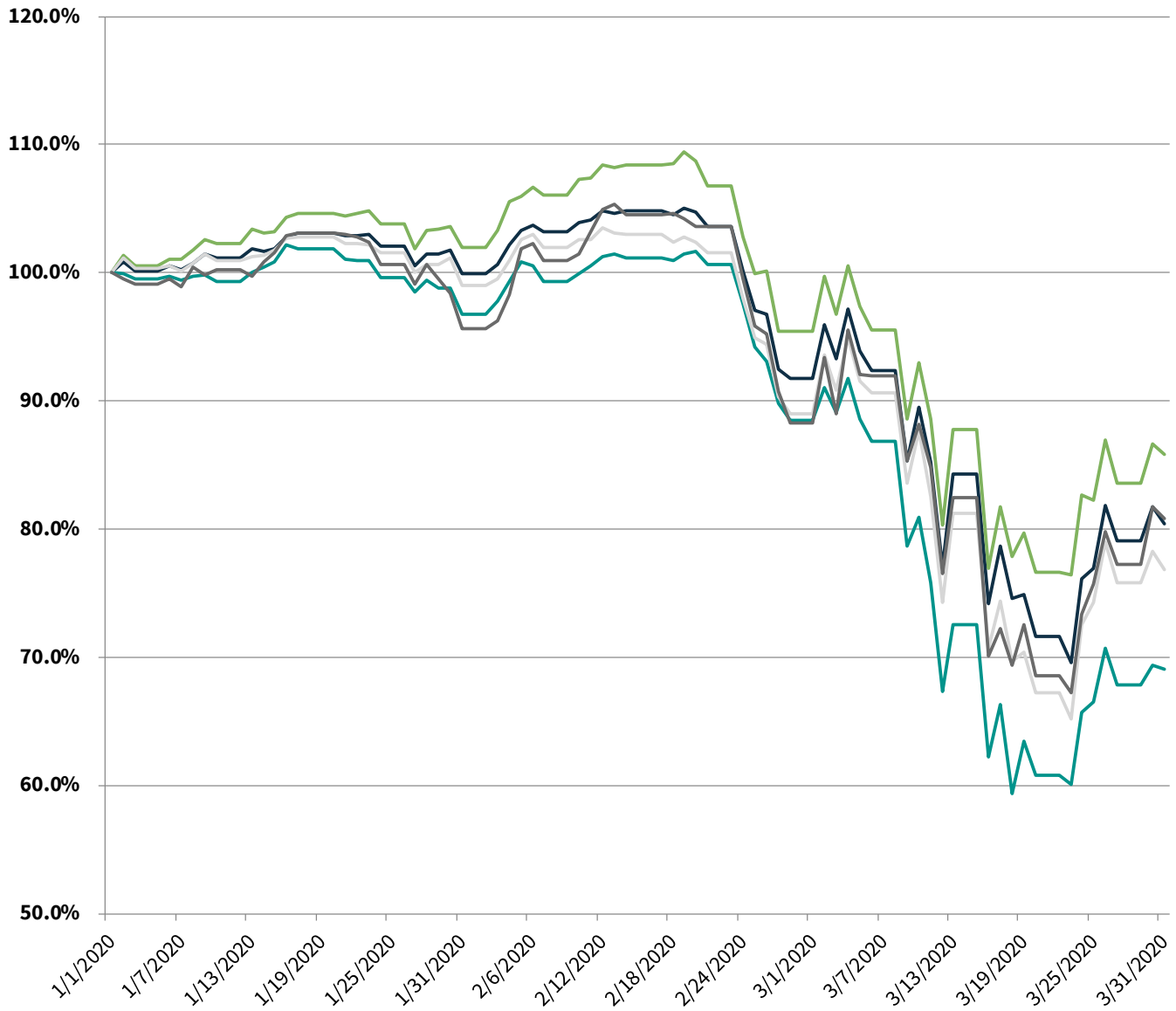
- **BrightSpring Health Services**, a leading provider of complementary pharmacy and home and community-based services, has announced the acquisition of **Advanced Home Care's** home health and specialty infusion businesses. The acquisition continues the expansion of BrightSpring's home health and infusion lines of business in the Southeast.
- **KabaFusion**, a provider of specialty acute and chronic home infusion therapies, announced it has acquired the home infusion assets of **Lincare**, a subsidiary of **Linde plc**. The strategic combination is intended to strengthen KabaFusion's position within the home infusion industry by enhancing the company's ability to deliver superior patient care nationwide.
- **HealthStream** (Nasdaq: HSTM), a provider of workforce and provider solutions for the healthcare industry, announced that it has acquired **NurseGrid**, a Portland, Oregon-based healthcare technology company with the #1 rated and top downloaded app for nurses, called NurseGrid Mobile. Nurses use NurseGrid Mobile to manage and share their schedules, swap shifts, communicate with one another, and to coordinate work and non-work activities. NurseGrid Mobile has an audience of over 260,000 nurses as monthly active users. NurseGrid also provides a corollary application for nurse managers, called NurseGrid Enterprise which helps healthcare managers more efficiently publish work schedules to their nursing staff, view and approve shift swaps, and communicate with their teams.
- **Marlin Equity Partners** has made an investment in Iselin, New Jersey-based **SmartLinx**, a provider of workforce management solutions for skilled nursing, senior living and post-acute care providers. SmartLinx's software suite helps organizations to proactively manage their workforce, increase productivity and reduce costs by enhancing employee engagement, simplifying compliance, and streamlining scheduling and attendance.

Q1'20

Public Market Performance

Q1'20 MARKET INDICES

Broader Market and Healthcare Indices | January 2020 – March 2020

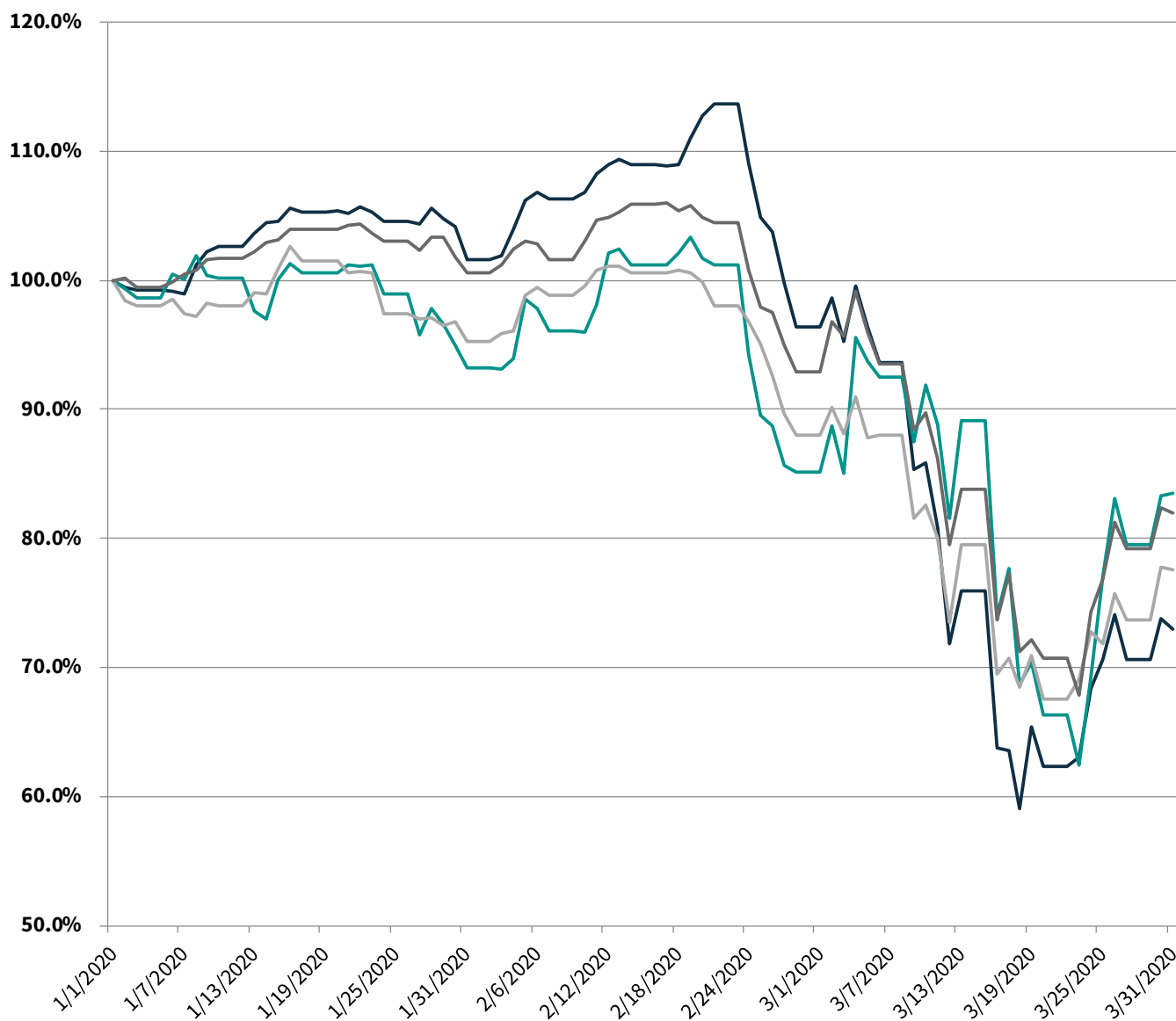


S&P 500 Index
 Russell 2000 Index
 NASDAQ Composite Index
 Dow Jones Industrial Average
 TripleTree Healthcare Technology & Services Index

Source: S&P Capital IQ

Q1'20 HEALTHCARE INDICES

Healthcare Indices | January 2020 – March 2020



— Healthcare Delivery
— Health Insurance & Managed Care

— Healthcare Information Technology & Services
— Healthcare Pharma-Life Sciences Services



HEALTHCARE MERCHANT BANKING

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