



Evolve
Capital Partners

QUARTERLY DEALS & MARKET UPDATE

Healthcare Tech

August 2018



Core Solutions



Health Insurance Solutions



Healthcare IT / Analytics



Medical Bill Servicing

Specialized investment bankers at the intersection of finance and technology

Overview of Evolve Capital Partners

ABOUT EVOLVE CAPITAL PARTNERS

- Evolve Capital Partners (Evolve) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- Evolve is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured financial advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- Founded in 2012 and based in New York, NY.

HIGH-TOUCH INVESTMENT BANKING

Few investment banks have transaction experience across both corporate and asset finance.



Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring



Industry Focus

Finance and Technology Firms

Securities

Financial Services

Financial Management

Specialty Finance

Enterprise Software

Analytics

Payments

Lending

Insurance

BPO

IoT

B2B

We Focus Exclusively on Finance and Technology-Related Firms

Securities



Payments



Insurance



BPO



Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Specialty Finance / Alternative Lending



Enterprise Software / Data & Analytics



Financing

Private Placements

Debt Capital

Restructuring

Bank Technology / Solutions



Healthcare Tech



Financial Management Solutions



Market Summary and Key Multiples

Industry Stock Market Performance of Evolve Sector Coverage

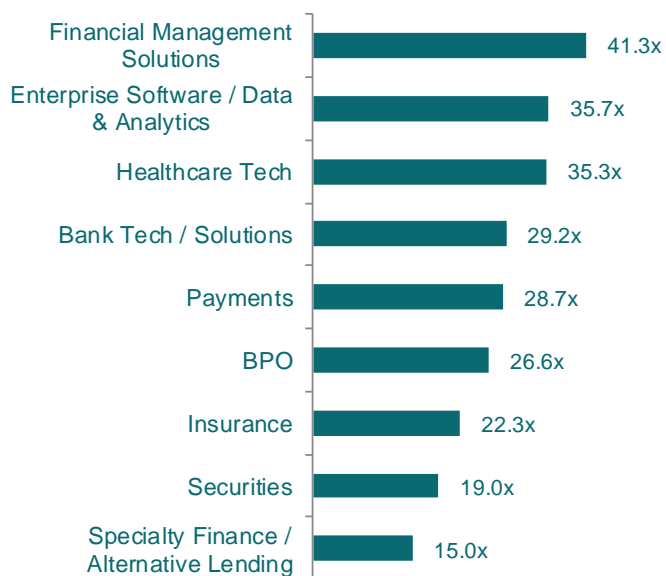
Indexed Price Performance *

Sector	3 Months	1 Year	3 Years
Bank Tech / Solutions	(6.6%)	9.5%	55.7%
BPO	(4.2%)	18.7%	66.9%
Enterprise Software / Data & Analytics	(1.9%)	10.8%	46.7%
Financial Management Solutions	(3.4%)	19.2%	70.8%
Healthcare Tech	(3.5%)	21.7%	99.4%
Insurance	(3.5%)	2.9%	40.6%
Payments	1.1%	16.3%	52.5%
Securities	(8.8%)	(2.0%)	25.3%
Specialty Finance / Alternative Lending	(8.1%)	(0.1%)	30.6%

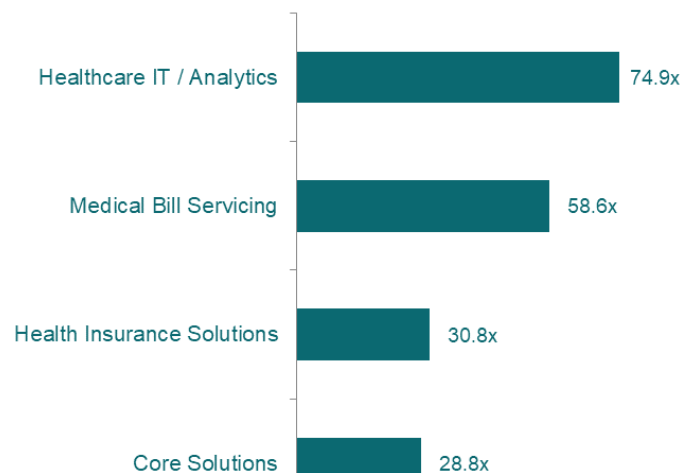
* Equal weighting method.

Industry-wide Multiples and Subsector Multiples

Sector 2020E Price / Earnings Multiples



Healthcare Tech 2020E Price / Earnings Multiples



Data as of February 1, 2019
Source: Pitchbook

Stock Comparables – Healthcare Tech Sub-Sectors

(All figures in millions of USD, except per share data. Data as of August 1, 2018)

Core Solutions

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:		LTM Margins:		EV / Revenue		EV / EBITDA	
					Revenue	EBITDA	Revenue	Earnings	Gross	EBITDA	LTM	CY 2018	LTM	CY 2018
Cerner	\$57.44	78.2%	\$18,926	\$18,553	\$5,314	\$1,469	12%	19%	83%	28%	3.5x	3.4x	12.6x	11.8x
CompuGroup Medical	\$56.13	75.6%	\$2,791	\$3,124	\$785	\$175	29%	9%	82%	22%	4.0x	3.9x	17.9x	15.4x
Allscripts Healthcare Solutions	\$12.04	74.7%	\$2,102	\$4,316	\$1,533	\$201	55%	NA	41%	13%	2.8x	2.0x	21.4x	10.7x
Evolent Health	\$22.97	79.1%	\$1,878	\$1,812	\$506	(\$19)	147%	NA	46%	(4%)	3.6x	2.9x	NMF	78.0x
NextGen Healthcare	\$15.07	63.5%	\$975	\$985	\$531	\$46	5%	(44%)	54%	9%	1.9x	1.9x	21.3x	12.7x
HealthStream	\$26.59	83.5%	\$860	\$685	\$227	\$39	20%	9%	59%	17%	3.0x	3.0x	17.6x	16.5x
EMIS Group	\$11.77	83.2%	\$745	\$711	\$209	\$47	1%	(29%)	90%	23%	3.4x	3.3x	15.1x	12.5x
Computer Programs & Systems	\$25.39	73.3%	\$358	\$490	\$284	\$9	6%	NA	54%	3%	1.7x	1.7x	53.1x	10.2x
NantHealth	\$1.58	39.0%	\$173	\$356	\$88	(\$54)	12%	NA	52%	(61%)	4.0x	4.0x	NMF	NMF
MEAN							32%	(7%)	62%	6%	3.1x	2.9x	22.7x	21.0x
MEDIAN							12%	9%	54%	13%	3.4x	3.0x	17.9x	12.6x

Health Insurance Solutions

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:		LTM Margins:		EV / Revenue		EV / EBITDA	
					Revenue	EBITDA	Revenue	Earnings	Gross	EBITDA	LTM	CY 2018	LTM	CY 2018
UnitedHealth Group	\$260.93	95.6%	\$251,138	\$272,611	\$212,459	\$18,658	23%	24%	23%	9%	1.3x	1.2x	14.6x	13.8x
Anthem	\$265.93	93.9%	\$68,781	\$83,940	\$91,413	\$6,449	8%	18%	NA	7%	0.9x	0.9x	13.0x	11.4x
Humana	\$320.87	94.0%	\$44,204	\$41,397	\$55,009	\$2,773	4%	5%	NA	5%	0.8x	0.7x	14.9x	12.1x
Centene	\$65.57	88.5%	\$26,928	\$25,978	\$56,363	\$1,941	48%	18%	13%	3%	0.5x	0.4x	13.4x	9.0x
WellCare Health Plans	\$267.87	82.4%	\$13,391	\$10,176	\$18,688	\$840	42%	56%	13%	4%	0.5x	0.5x	12.1x	9.9x
Molina Healthcare	\$124.79	81.0%	\$7,786	\$4,673	\$19,060	\$694	6%	2%	12%	4%	0.2x	0.2x	6.7x	3.9x
Nuance	\$17.44	93.0%	\$5,002	\$6,840	\$1,829	\$73	5%	NA	54%	4%	3.7x	3.3x	93.4x	9.1x
Maximus	\$64.56	88.8%	\$4,147	\$3,902	\$2,455	\$379	0%	13%	25%	15%	1.6x	1.6x	10.3x	11.1x
Magellan Health	\$66.33	59.1%	\$1,629	\$1,795	\$6,730	\$275	53%	26%	4%	4%	0.3x	0.2x	6.5x	6.0x
Health Insurance Innovations	\$50.74	80.4%	\$815	\$798	\$283	\$41	60%	147%	NA	15%	2.8x	2.7x	19.4x	13.4x
Triple-S Management	\$18.15	43.4%	\$443	\$392	\$2,968	\$34	1%	(43%)	NA	1%	0.1x	0.1x	11.5x	NA
MEAN							23%	27%	21%	7%	1.2x	1.1x	19.6x	10.0x
MEDIAN							8%	18%	13%	4%	0.8x	0.7x	13.0x	10.5x

Healthcare IT / Analytics

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:		LTM Margins:		EV / Revenue		EV / EBITDA	
					Revenue	EBITDA	Revenue	Earnings	Gross	EBITDA	LTM	CY 2018	LTM	CY 2018
Omnicell	\$69.68	95.5%	\$2,736	\$2,877	\$754	\$87	14%	13%	46%	12%	3.8x	3.6x	33.2x	22.8x
Tabula Rasa Healthcare	\$77.75	85.3%	\$1,585	\$1,587	\$169	(\$28)	114%	NA	31%	(17%)	9.4x	7.8x	NMF	54.1x
Inovalon Holdings	\$9.49	56.2%	\$1,449	\$2,332	\$476	\$65	25%	NA	69%	14%	4.9x	4.4x	35.9x	15.4x
Vocera Communications	\$34.35	93.0%	\$1,036	\$930	\$173	\$0	37%	NA	62%	0%	5.4x	5.2x	2862.1x	43.9x
Streamline Health Solutions	\$0.90	41.1%	\$18	\$28	\$24	\$2	(16%)	NA	62%	7%	1.2x	1.2x	17.4x	9.6x
MEAN							35%	13%	54%	3%	4.9x	4.4x	737.1x	29.2x
MEDIAN							25%	13%	62%	7%	4.9x	4.4x	34.5x	22.8x

Medical Bill Servicing

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:		LTM Margins:		EV / Revenue		EV / EBITDA	
					Revenue	EBITDA	Revenue	Earnings	Gross	EBITDA	LTM	CY 2018	LTM	CY 2018
Hms Holdings	\$29.48	87.1%	\$2,461	\$2,612	\$562	\$100	22%	40%	31%	18%	4.6x	4.4x	26.1x	16.1x
Craneware	\$39.58	82.5%	\$1,057	\$1,004	\$67	\$21	29%	18%	95%	31%	15.0x	14.5x	47.9x	44.9x
R1 RCM	\$8.50	77.3%	\$935	\$1,454	\$619	(\$15)	46%	NA	8%	(2%)	2.4x	1.7x	NMF	25.5x
ServiceSource	\$1.32	29.5%	\$121	\$86	\$244	\$7	(6%)	NA	32%	3%	0.4x	0.4x	11.5x	6.1x
Streamline Health Solutions	\$0.90	41.1%	\$18	\$28	\$24	\$2	(16%)	NA	62%	7%	1.2x	1.2x	17.4x	9.6x
MEAN							15%	29%	46%	11%	4.7x	4.4x	25.7x	20.4x
MEDIAN							22%	29%	32%	7%	2.4x	1.7x	21.7x	16.1x

Source: Pitchbook

IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
 iRhythm	10/19/2016	\$107	\$17.00	\$82.83	387%
 TABULARASA HEALTHTECH	09/28/2016	\$52	\$12.00	\$77.75	548%
 NANTHEALTH	06/01/2016	\$91	\$14.00	\$1.58	(89%)
 evolent HEALTH	06/04/2015	\$196	\$17.00	\$22.97	35%
 inovalon	02/11/2015	\$600	\$27.00	\$9.49	(65%)
 HealthEquity	06/30/2014	\$127	\$14.00	\$94.74	577%
 Castlight	03/13/2014	\$178	\$16.00	\$2.57	(84%)
 vocera	03/27/2012	\$94	\$16.00	\$34.35	115%
 R1	05/19/2010	\$120	\$12.00	\$8.50	(29%)

Market data as of August 1, 2018
Source: Pitchbook

Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows:

- 1 Payments:**

PINX:EDNMY, NYS:ADS, NYS:FLT, NYS:WEX, NYS:SHOP, NAS:PYPL, NYS:SQ, PINX:ADYYF, LON:BOKU, NYS:PAGS, NAS:STNE, NYS:EB, NAS:PYPL, NYS:AXP, NYS:MA, NYS:V, NAS:PMTS, NAS:CATM, NYS:DBD, NYS:EVRI, BSP:CIEL3, PAR:WLN, NAS:NEWT, NAS:QIWI, NAS:UEPS, ETR:WDI, NYS:DLX, NYS:EVTC, NYS:GPN, TKS:3769, LON:PAY, NYS:TSS, NAS:IIIV, NAS:EVOP, NAS:ACIW, NAS:EPAY, NAS:FISV, NAS:JKHY, NYS:FIS, GREY:INGIF, HKG:327, SHE:2152, NYS:NCR, NYS:PAR, TSE:LSPD, IDX:MCAS, NAS:EEFT, NAS:MGI, NYS:GDOT, ASX:OFX, NYS:WU
- 2 Bank Technology Solutions:**

NAS:INTC, NAS:PYPL, NYS:AXP, NYS:IBM, BOM:532466, BOM:538835, NAS:EPAY, NAS:FISV, NAS:JKHY, PINX:CSVI, SWX:CLXN, NYS:FIS, TKS:6457, NYS:QTWO, SES:5CP, SWX:TEMN, STO:INTRUM, NYS:EFX, LON:EXPN, NYS:FICO, NYS:TRU, NAS:ASPS, NAS:CSGP, NAS:RDFN, NAS:RP, NAS:ZG, NYS:BKI, NYS:CLGX, NYS:FNF, TSE:REAL, NYS:STC, AMS:WKL, PAR:SOP, NAS:MITK, NAS:NTWK, NAS:PEGA, PINX:ASOZY
- 3 Specialty Finance / Alternative Lending:**

NAS:ASFI, NAS:PCPG, NAS:NAVI, NAS:PFMT, NAS:PRAA, NAS:PRGX, NYS:NNI, NAS:CPSS, NAS:CACC, LON:FCH, NAS:MRLN, TSE:CHW, NYS:CIT, ASX:Z1P, NAS:ATLC, NAS:EZPW, NYS:AAN, NAS:FCFS, NAS:SLM, NAS:TBBK, NAS:WRLD, TSE:ECN, NYS:CURO, NAS:GSKY, NYS:AAN, NYS:COF, NYS:DFS, LON:IPF, NYS:OMF, LON:PFG, NYS:RM, NYS:SC, NYS:SYF, LON:TCS, NAS:RCII, NYS:AL, NYS:CAI, TSE:EFN, ASX:FXL, NYS:FLY, NYS:TGH, NYS:URI, NAS:CASH, PINX:DHCPQ, NYS:OCN, NYS:PFSI, NAS:TREE, ETR:FRU, STU:MBC, NYS:XRF, NYS:ELVT, NYS:ENVA, NYS:LC, NYS:ONDK, NYS:YRD
- 4 Securities:**

AMS:FLOW, PAR:VIL, IEXG:IBKR, NAS:BGCP, NAS:TW, NAS:VIRT, LON:IGG, NYS:LM, NYS:IVZ, NAS:WETF, NYS:BLK, NYS:BEN, NYS:AB, MEX:FINAMEXO, NAS:INTL, SWX:CFT, MIL:MB, PAR:BNP, NSE:ICIBANK, NSE:IIFL, PINX:HSNGY, ETR:COM, NYS:AXP, NYS:BAC, LON:BARC, TSE:BMO, TSE:CM, NYS:C, LON:CBG, ASX:CBA, SES:D05, NYS:FI, LON:HSBA, NYS:JPM, NYS:BAC, NYS:HSBC, LON:LLOY, NYS:MTB, ASX:NAB, NYS:PNC, TSE:RY, LON:RBS, TSE:TD, NYS:USB, NYS:WFC, LON:BME, BSP:B3SA3, PAR:ENX, NAS:CME, NAS:NDAQ, PINX:HKXCY, ETR:DB1, ASX:ASX, BATS:CBOE, NYS:ICE, LON:LSE, SES:S68, TSE:X, NAS:VALU, NAS:MORN, NSE:CRISIL, NYS:FDS, NYS:INFO, NYS:MCO, NYS:MSCI, NYS:IT, NAS:FORR, NYS:RELX, NYS:SPGI, TSE:TRI, LON:NUM, NYS:COWN, ETR:DBK, SWX:CSGN, NYS:GHL, NYS:JPM, NYS:JMP, ASE:LTS, NYS:LAZ, ASX:MQG, NYS:MS, TKS:8604, NYS:PJC, NYS:RFJ, NYS:SF, NYS:GS, SWX:UBSG, NYS:AB, NYS:AMP, NYS:APAM, NYS:BLK, NYS:BK, NYS:CNS, NYS:BEN, LON:HL, NYS:IVZ, NYS:JHG, NAS:NTRS, NAS:SEIC, NAS:UMBF, NYS:MTB, NAS:TROW, NAS:VRTS, NYS:WDR, NAS:WETF, NYS:SCHW, LON:CMCX, NAS:ETFC, NYS:GCAP, NAS:MKTX, TKS:8628, NAS:VIRT, IEXG:IBKR, NAS:TIGR, NAS:FHL, TKS:8698, LON:PLUS, SWX:SQN, NAS:AMTD, NAS:YIN, AMS:KA, NAS:LPLA, NYS:AMK, NAS:SEIC, ASX:BVS, NYS:BR, ASX:CPU, NYS:ENV, LON:SNN, NYS:STT, LON:TCAP, PINX:FDRVF, LON:SOG, CSE:SIM, PAR:LIN, NAS:SSNC, LON:ALFA, ASX:IRE, SWX:TEMN
- 5 Insurance:**

NAS:BNFT, NAS:HQY, NAS:PAYX, NAS:WDAY, NYS:NSP, NYS:TNET, NAS:VRSK, NYS:RAMP, LON:REL, NYS:CLGX, NYS:FICO, NAS:WLTW, NYS:AON, NYS:AJG, NYS:BRO, NYS:MMC, NAS:GSHD, PINX:AZSEY, PINX:AXAHY, NYS:ALL, NYS:AFG, NYS:AIG, SWX:ZURN, NAS:EVER, NAS:EHTH, NAS:QNST, LON:GOCO, ASX:ISU, LON:MONY, NAS:CINF, NAS:SIGI, NAS:STFC, NYS:CB, NYS:EIG, NYS:MCY, NYS:PGR, LON:RSA, NYS:THG, NYS:HIG, NYS:TRV, HKG:6060, NAS:AMSF, NAS:GBLI, NYS:ARGO, NYS:AIZ, NYS:MKL, NYS:PRA, NYS:RLI, NYS:WRB, NAS:SPNS, NAS:MJCO, NAS:EBIX, NYS:CRD.B, NYS:GWRE, NYS:FNF, NYS:FAF, NYS:ORI, NYS:STC, PINX:AEQOF, NAS:ANAT, NAS:PFG, NYS:AFL, LON:AV, NYS:CI, TSE:GWO, LON:HSD, LON:LGEN, NYS:LNC, TSE:MFC, NYS:MET, NYS:PRI, NYS:PRU, LON:SLA, TSE:SLF, SWX:SLHN, NYS:GL
- 6 BPO:**

PINX:TLFPY, NAS:SYKE, NAS:TTEC, BSP:QUAL3, NAS:CPSI, NAS:HMSY, NAS:HQY, NAS:MDRX, NAS:NXGN, NAS:RCM, NYS:CSLT, NAS:BNFT, NAS:ADP, NAS:CSOD, NAS:PAYX, NYS:NSP, NYS:TNET, MIL:BET, BOM:507685, NYS:ATO, PINX:CGEMY, NAS:OSPN, NAS:CTSH, NAS:DOX, NAS:EXLS, TSE:OTEX, NAS:VRTU, NSE:HCLTECH, NSE:HEXAWARE, NSE:INFY, NSE:MINDTREE, NSE:TCS, NSE:TECHM, NYS:ACN, LON:APTD, NYS:CACI, NYS:DXC, NYS:UIS, NYS:WNS, LON:IBPO, BOM:526299, BOM:532809, NAS:PRGX, LON:CPI, TSE:GIB.A, NYS:G
- 7 Financial Management Solutions:**

NAS:BL, NAS:COUP, NAS:INTU, ASX:RKN, NAS:DOCU, LON:SGE, NYS:AVLR, ASX:XRO, NAS:MSTR, NAS:SPLK, NYS:TDC, NAS:AMSWA, NAS:APPN, NAS:EPAY, NYS:PLAN, PINX:BPRMF, LON:APTD, NAS:PEGA, NAS:QADA, NSE:RAMCOSYS, ASX:TNE, BSP:TOTS3, NYS:TYL, NAS:ADP, NAS:CSOD, NYS:CDAY, NAS:PAYX, NAS:PCTY, NAS:WDAY, NYS:HRB, NYS:NSP, NYS:PAYC
- 8 Enterprise Software / Data & Analytics:**

ETR:SAP, NAS:VERI, NAS:MSTR, TSE:OTEX, NAS:SPLK, PINX:STWRY, NYS:AYX, NAS:WDAY, NYS:MDLA, NAS:CDLX, NYS:CLDR, LON:EXPN, NYS:FICO, NYS:NEWR, NYS:ORCL, NYS:CRM, NYS:VMW, HEL:NOKIA, GREY:SSNLF, NAS:AMBA, NAS:AMZN, NAS:CMCSA, NAS:GOOGL, NAS:GRMN, NAS:IDCC, NAS:LOGM, NAS:MSFT, NAS:QCOM, NAS:SLAB, NAS:TMUS, NYS:T, NYS:FIT, NYS:GLOB, NYS:S, NYS:VZ, ETR:SAP, NYS:ZUO, NYS:ORCL, NYS:IBM, NYS:CRM, NAS:ADBE, NAS:MSFT, NYS:VMW, NAS:SYMC, NAS:PEGA, NAS:FORR, NAS:VRNT, NAS:VRSK, TSE:AIM, NYS:CLGX, NYS:EFX, NYS:IT, NYS:IBM, NYS:RAMP, LON:REL, NYS:TDC, NYS:NLSN, NYS:TRU
- 9 Healthcare Tech:**

LON:EMIS, NAS:CERN, NAS:CPSI, NAS:HSTM, NAS:MDRX, NAS:NXGN, ETR:COP, NAS:NH, NYS:EVH, NAS:HIIQ, NAS:MGLN, NAS:NUAN, NYS:ANTM, NYS:CNC, NYS:HUM, NYS:MMS, NYS:MOH, NYS:GTS, NYS:UNH, NYS:WCG, NAS:STRM, NAS:TRHC, NAS:HCAT, NAS:INOV, NAS:OMCL, NYS:VCRA, LON:CRW, NAS:STRM, NYS:PHR, NAS:HMSY, NAS:CHNG, NAS:RCM, NAS:SREV



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KEY SENIOR PROFESSIONAL

Alexander Koles

Founder, CEO, Managing Director
akoles@evolve-capital.com

Mr. Koles has over 15 years of financial advisory experience including advising middle-market and multinational firms on merger and acquisition strategies and execution, restructurings and capital raises. Prior to founding Evolve Capital Partners, he worked at a number of leading investment banks in leadership roles focused on restructuring transactions. He started his career at Merrill Lynch as an investment banker in the corporate finance group.

CONTACT

Evolve Capital Partners
1350 Avenue of the Americas
2nd Floor
New York, NY 10019
T: (646) 688-2792
evolve-capital.com