



HEALTHCARE IT MARKET UPDATE

Q3 2024



Opening remarks

- CIBC US Middle Market Investment Banking is pleased to share its healthcare IT market update for Q3 2024
- The healthcare IT market continues to evolve rapidly, driven by provider and payor needs, government regulation, AI adoption, and consumer preferences
- CIBC has substantial experience in healthcare IT and maintains a continuous pulse on the market through completed transactions, relationships with key stakeholders, and attendance at major industry conferences
- M&A activity within the healthcare IT market has been strong in 2024, with more than 160 closed M&A transactions YTD through September 30th
- We look forward to maintaining a dialogue on the market and potential transaction opportunities



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Focus areas

- AI / ML solutions
- Clinical decision support
- Data exchange / management
- Data analysis
- EHR enablement solutions
- Genetic data analysis
- Interoperability
- Patient intake
- Pharmacy software
- Prior authorization
- Revenue cycle management

Select CIBC US Middle Market healthcare IT transactions

<p>A pharmacy management software company</p> <p>has been acquired by</p> <p>an undisclosed strategic buyer</p>	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
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About CIBC

CIBC is a diversified financial institution committed to creating enduring value for all our stakeholders – our clients, team, communities and shareholders.

We are guided by our purpose: **to help make your ambition a reality.**

Leading North American bank...



14 million
clients



45,000
employees



\$56 billion
market cap

...serving our clients across multiple business units...

- Commercial and Retail Banking
- Capital Markets
- Private Wealth

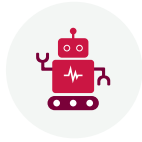
...throughout the globe

- United States
- Canada
- UK / Europe
- Asia
- Australia
- South America



Healthcare IT market themes

Multitude of factors driving rapid adoption of healthcare IT solutions



AI is here to stay in healthcare after years of lukewarm adoption.



Provider financial pressures and recruiting challenges are driving a need for streamlined operations.



Hospital data breaches are increasing in prevalence and business disruption.



Rapidly changing regulatory environment requires increased outsourcing.



Interoperability remains an opportunity rather than a current reality.



Provider burnout is a growing concern.



Population dynamics and chronic conditions are increasing the market for long-term care solutions.



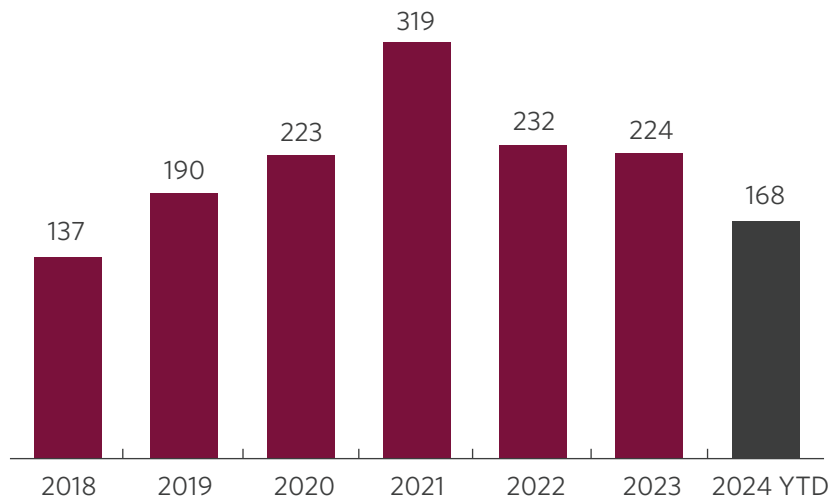
Commitment to value-based care is growing.



2024 YTD healthcare IT M&A activity

Healthcare IT M&A remains active but below peak levels

2018 - Q3 2024 YTD healthcare IT M&A transactions



- On an annualized basis through September 2024, healthcare IT M&A transaction volume is set to be inline with 2022 and 2023 levels, but well below 2021's high-water mark
- While healthcare IT M&A volume has normalized since 2021, it remains well above pre-pandemic levels
- 2025 is widely expected to be a positive year for healthcare IT M&A activity given a potentially lower interest rate environment

Key areas currently attracting buyer interest



Clinical data and documentation



Pharmacy management solutions



Regulatory compliance



Hospital cybersecurity and managed IT services

Healthcare IT M&A transaction spotlight

Clinical data and documentation solutions have attracted significant buyer interest in 2024, as evidenced by the two recent transactions below

Target



Acquiror



Transaction Summary:

- Extract Systems specializes in automating the extraction of critical information from unstructured documents with a focus on enhancing efficiency and accuracy in healthcare data
- Extract was acquired by Vyne Medical, a provider of solutions for improving disparate communication process management
- The transaction is expected to solidify Vyne's position as a leading healthcare automation provider
- No transaction terms were disclosed

Target



a portfolio company of BV Investment Partners

Acquiror






















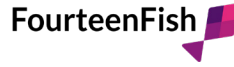







Transaction Summary:

- Solarity is a leading provider of automated clinical data processing solutions for acute and ambulatory healthcare providers
- Solarity's proprietary technology enables providers to efficiently and accurately process complex data and solve key pain points in the provision of patient care
- Solarity's management team and BV Investment Partners will roll substantial ownership stakes and welcome TA as the new lead investor
- No transaction terms were disclosed
























Select healthcare IT M&A transactions

Date effective	Target	Acquiror	Target's business description	EV (MM)	EV/Revenue	EV/EBITDA
08/01/2024	 R1	TOWERBROOK	Revenue cycle management for healthcare providers	\$8,643	3.6x	15.2x
02/29/2024	 Procare SOLUTIONS	 Roper TECHNOLOGIES	Childcare industry software and hardware solutions	\$1,860	N/A	17.5x
01/16/2024	 acclara	 R1	Technology-driven revenue cycle management solutions	\$675	2.3x	27.0x
11/09/2023	 nextgen healthcare	 THOMABRAVO	Integrated cloud-based healthcare technology solutions	\$1,764	2.6x	30.3x
11/03/2023	 TabulaRasa HealthCare®	 exactcare anewhealth pharmacy	Cloud-based healthcare management software	\$595	1.8x	N/A
09/27/2023	 HealthComp	 Virgin pulse	Healthcare administration and patient engagement services	\$3,000	N/A	N/A
05/01/2023	 Oak St. Health	 CVS Health®	Technology-enabled network of primary care centers	\$10,467	4.8x	N/A
03/29/2023	 signifyhealth.	 CVS Health®	In-home, technology-enabled healthcare services	\$7,714	9.6x	54.7x
02/22/2023	 one medical	 amazon	Membership-based primary care telehealth services	\$3,717	4.5x	N/A
10/03/2022	 CHANGE HEALTHCARE	 Optum	Healthcare enterprise software solutions	\$13,548	5.6x	N/A
06/08/2022	 Cerner	 ORACLE	EHR software and other healthcare software	\$29,419	5.2x	19.6x
03/01/2022	 FourteenFish	 EMIS Group	Medical appraisal software	\$20	6.6x	N/A
02/22/2022	 vocera	 stryker®	Communication and clinical workflow solutions	\$2,988	12.8x	N/A
02/16/2022	 Castlight	 vera WHOLE HEALTH	Patient-centric health benefit software solution	\$314	2.2x	N/A

Source: S&P Capital IQ, publicly available information, and CIBC knowledge

Select healthcare IT M&A transactions (continued)

Date effective	Target	Acquiror	Target's business description	EV (MM)	EV/Revenue	EV/EBITDA
11/24/2021	 inovalon®	NORDIC CAPITAL	Cloud-based integrated healthcare software	\$7,315	10.2x	32.9x
11/18/2021	 InfiniteLeap	 CENTRAK®	IoT healthcare enterprise solutions	\$47	6.9x	N/A
10/01/2021	 wisp	 WELL Health TECHNOLOGIES CORP	Women's telehealth software and services platform	\$70	2.3x	N/A
04/27/2021	 PeriGen	 Halma	Perinatal and fetal monitoring software	\$58	2.9x	N/A
03/31/2021	 rfxcel	 ANTARES VISION	Pharmaceutical supply chain management SaaS	\$150	8.8x	N/A
02/26/2021	 Preventice SOLUTIONS	 Boston Scientific	Patient-centric cloud portal	\$1,139	7.2x	N/A
12/21/2020	 eMDs CHARTING THE FUTURE OF HEALTHCARE	 CGM CompuGroup Medical	EHR and practice management software solutions	\$240	2.7x	18.2x
10/30/2020	 R1 EMS Business	 sarnova	EMS solutions for healthcare providers	\$140	2.1x	10.8x
10/30/2020	 Livongo™	 Teladoc HEALTH	Technology-enabled platform for chronic health conditions	\$19,152	74.2x	N/A
08/12/2020	 eSolutions	 WAYSTAR	Revenue cycle management and workflow tools	\$1,400	10.0x	20.0x
03/11/2019	 voalte	 Hillrom™	Digital care communications platform	\$180	4.5x	N/A
02/11/2019	 athenahealth	 VERITAS CAPITAL	Online-based EHR and healthcare enterprise software	\$5,639	4.3x	21.3x
			Average:	\$4,625	5.4x ¹	21.3x ²
			Median:	\$1,582	4.5x ¹	19.8x ²

Source: S&P Capital IQ, publicly available information, and CIBC knowledge.

Public healthcare IT company valuations

(\$'s in millions, except per share amounts)

Diversified healthcare IT

Company	Ticker	12/29/2023 Stock Price	% of 52 Week High	Enterprise Value ³	Enterprise value as a multiple of			Equity value as a multiple of		
					LTM Sales	LTM EBITDA	LTM EBIT	LTM P/E	2024 P/E	2025 P/E
IQVIA Holdings Inc.	IQV	\$231.71	88.5%	\$53,963.7	3.56x	19.4x	25.6x	30.3x	20.7x	18.6x
R1 RCM Inc.	RCM	\$14.15	91.7%	\$8,086.5	3.40x	14.6x	32.1x	NM	47.2x	32.3x
MultiPlan Corporation	MPLN	\$7.22	10.1%	\$4,597.5	4.81x	8.0x	32.2x	NEG	NEG	NEG
Evolent Health, Inc.	EVH	\$27.70	79.1%	\$3,866.5	1.64x	28.4x	NM	NEG	20.5x	16.1x
Omniceil, Inc.	OMCL	\$42.55	91.6%	\$1,981.9	1.83x	NM	NEG	NEG	29.9x	27.0x
Premier, Inc.	PINC	\$19.13	83.1%	\$1,906.2	1.42x	4.6x	6.7x	10.9x	10.7x	15.2x
Veradigm Inc.	MDRX	\$9.76	69.3%	\$1,368.5	0.90x	11.9x	19.0x	13.8x	13.4x	13.6x
GeneDx Holdings Corp.	WGS	\$36.84	85.0%	\$1,005.4	4.13x	NEG	NEG	NEG	NEG	NM
HealthStream, Inc.	HSTM	\$28.31	90.9%	\$777.9	2.73x	20.0x	40.5x	49.0x	48.2x	43.8x
National Research Corporation	NRC	\$21.93	46.8%	\$565.9	3.87x	12.5x	14.4x	17.9x	NM	NM
Sharecare, Inc.	SHCR	\$1.42	100.0%	\$501.0	1.24x	NEG	NEG	NEG	NEG	NEG
Health Catalyst, Inc.	HCAT	\$8.23	72.1%	\$421.5	1.41x	NEG	NEG	NEG	22.8x	17.8x
TruBridge, Inc.	TBRG	\$12.01	69.5%	\$345.8	1.03x	44.4x	NEG	NEG	14.8x	11.4x
U.S. Physical Therapy, Inc.	UPH	\$82.57	71.2%	\$250.2	0.40x	3.0x	3.8x	27.4x	NM	NM
				Mean:	2.31x	18.2x	24.4x	24.4x	25.4x	21.8x
				Median:	1.74x	14.6x	17.9x	17.9x	20.7x	17.8x

Source: S&P Capital IQ

* "LTM" or "Latest Twelve Months" represents last four quarters reported.

** Financial data have been adjusted to exclude one-time, non-recurring items.

Public healthcare IT company valuation (continued)

(\$'s in millions, except per share amounts)

Telehealth / consumer-focused solutions

Company	Ticker	12/29/2023 Stock Price	% of 52 Week High	Enterprise Value ³	Enterprise value as a multiple of			Equity value as a multiple of		
					LTM Sales	LTM EBITDA	LTM EBIT	LTM P/E	2024 P/E	2025 P/E
Teladoc Health, Inc.	TDOC	\$8.47	37.6%	\$1,839.0	0.70x	4.7x	18.9x	NEG	NEG	NEG
Doximity, Inc.	DOCS	\$41.87	99.6%	\$7,025.3	14.23x	26.1x	26.6x	38.2x	39.3x	39.0x
Hims & Hers Health, Inc.	HIMS	\$17.26	67.1%	\$3,510.2	3.29x	NM	NM	NM	NM	41.3x
LifeMD, Inc.	LFMD	\$5.16	40.1%	\$207.2	1.16x	NEG	NEG	NEG	NM	NM
Ontrak, Inc.	OTRK	\$2.54	11.9%	\$7.9	0.64x	2.3x	7.9x	NEG	NM	NM
American Well Corporation	AMWL	\$9.80	31.0%	(\$102.4)	NEG	1.0x	0.8x	NEG	NEG	NEG
				Mean:	4.00x	8.5x	13.6x	38.2x	39.3x	40.1x
				Median:	1.16x	3.5x	13.4x	38.2x	39.3x	40.1x

Source: S&P Capital IQ

* "LTM" or "Latest Twelve Months" represents last four quarters reported.

** Financial data have been adjusted to exclude one-time, non-recurring items.

¹ Excludes outlier EV/Revenue multiples greater than 15.0x.

² Excludes outlier EV/EBITDA multiples greater than 35.0x

³ Enterprise Value equals net debt plus market value of equity plus book value of preferred stock and minority interests.

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