



HEALTHCARE/PHARMA INFORMATION AND TECHNOLOGY INDUSTRY

1ST HALF 2015 :: Mergers and Acquisitions Trend Report

1ST HALF 2015 KEY HIGHLIGHTS

- The largest transaction in 1st Half 2015 was MEDNAX, Inc.'s acquisition of vRad, an outsourced radiology physician services and telemedicine company, for \$500 million.
- The most active acquirer year-to-date was CompuGroup Medical AG with four deals: Stock Informatik GmbH & Co KG, Zorgverband, Compufit Bvba and Medical EDI Services.
- Strategic acquirers accounted for 80 transactions and 79 percent of total volume in the Healthcare IT segment.

1ST HALF 2015 KEY TRENDS

- Total transaction volume in 1st Half 2015 increased by 16 percent over 2nd Half 2014, from 190 to 220.
- Total transaction value in 1st Half 2015 fell by 43 percent over 2nd Half 2014, from \$10.70 billion to \$6.06 billion. However, total value gained 24 percent on a year-over-year basis. Also of note, seven of the industry's top ten largest deals last year occurred in 2nd Half 2014.
- The median revenue multiple decreased from 3.0x in 2nd Half 2014 to 2.7x in 1st Half 2015. This remained slightly above its median throughout the last 30 months. Moreover, median value continued its upward trajectory.
- The segment with the largest rise in volume in 1st Half 2015 over 2nd Half 2014 was Medical Education, which more than doubled, from 9 to 20 transactions. Healthcare Business Services increased 53 percent, from 34 to 52 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 936 Healthcare/Pharma Information and Technology transactions between 2013 and 1st Half 2015, of which 178 disclosed financial terms, and calculated the aggregate transaction value to be \$24.76 billion. Based on known transaction values, we project values of 758 undisclosed transactions to be \$8.53 billion, totaling \$33.29 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.6x revenue and 12.1x EBITDA.

M&A Market Dynamics By Half Year

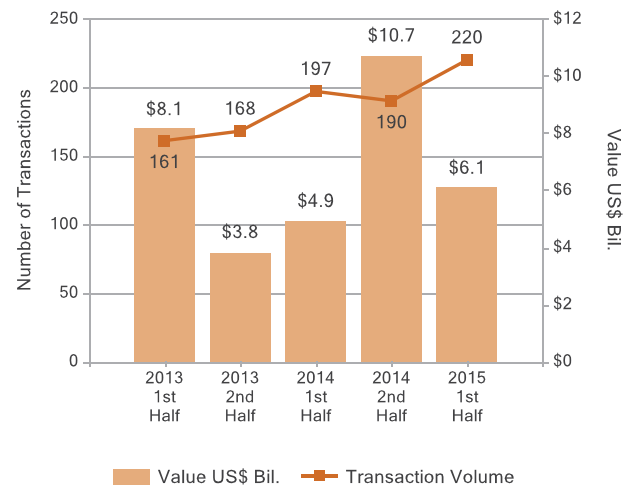


Figure 1. 2013-2015 value and volume comparison.

Median Enterprise Value Multiples By Half Year

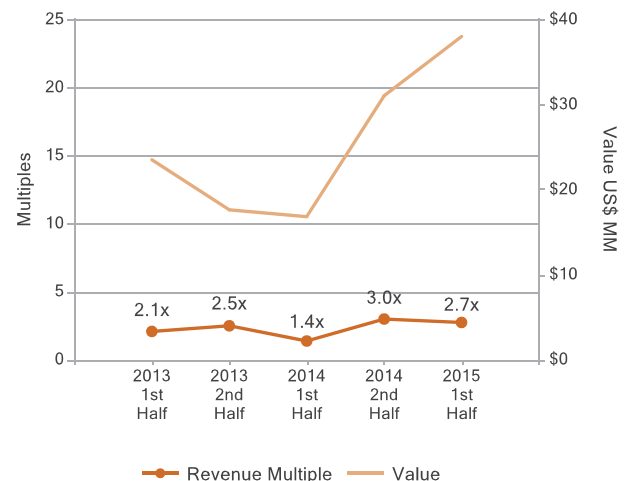


Figure 2. 2013-2015 median: value and revenue comparison.

Transaction Analysis :: January 1, 2015 – June 30, 2015

Bell Curve - Histogram - 1st Half

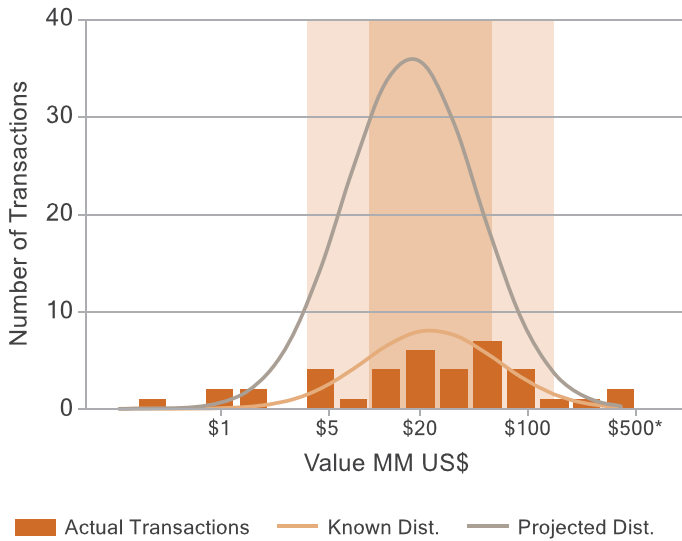


Figure 3. Shows the distribution of Healthcare/Pharma Information and Technology transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2015 at \$6.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2015 to June 30, 2015.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	1	0	1	3 %	3 %
\$0.6	0	0	0	0 %	3 %
\$1.0	2	1	2	5 %	8 %
\$1.6	2	2	4	5 %	13 %
\$2.7	0	6	6	0 %	13 %
\$4.5	4	14	18	10 %	23 %
\$7.4	1	25	25	3 %	25 %
\$12.2	4	34	37	10 %	35 %
\$20.1	6	36	41	15 %	50 %
\$33.1	4	29	33	10 %	60 %
\$54.6	7	19	25	18 %	78 %
\$90.0	4	9	13	10 %	88 %
\$148.4	1	4	4	3 %	90 %
\$244.7	1	1	2	3 %	93 %
\$403.4	2	0	2	5 %	98 %
Total #	40	180	220		
Total \$ Value	\$2,931	\$3,129	\$6,061		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram.

Note: The projected number column is rounded and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

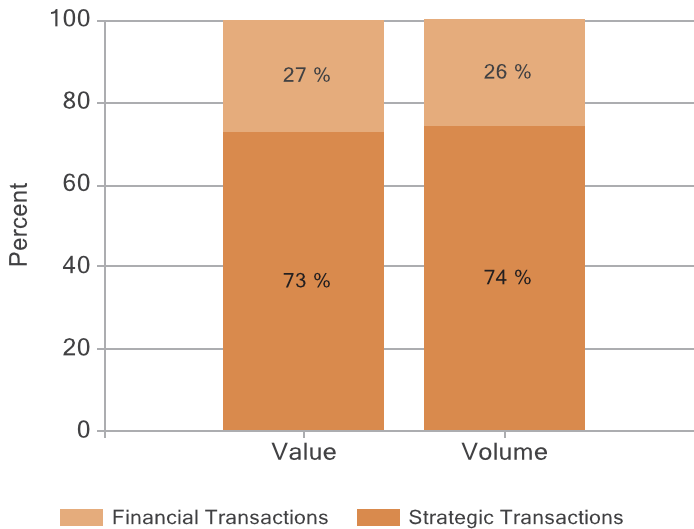


Figure 5. 2015 value and volume comparison by transaction type.

Note: Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type By Half Year

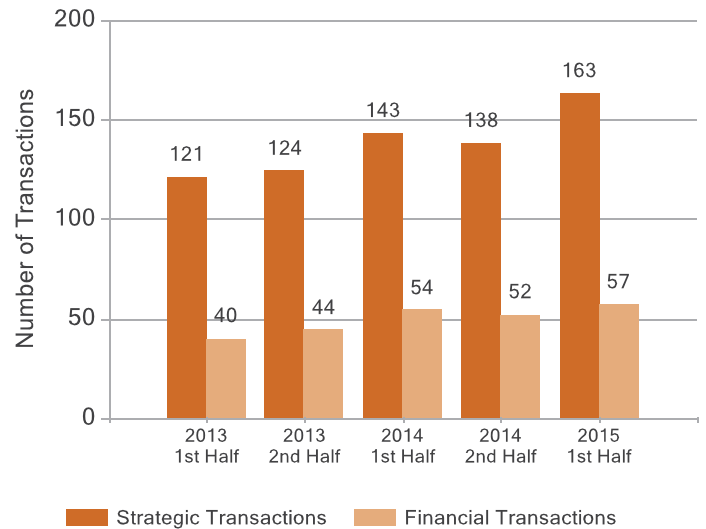


Figure 6. 2013-2015 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2015

Deal Date	Target Name	Buyer	Value MM US\$
05/12/15	vRad	MEDNAX, Inc.	\$500
02/04/15	MyFitnessPal	Under Armour	\$474
01/27/15	Studer Group	Huron Consulting Group Inc.	\$325
04/29/15	Ewell Technology Co., Ltd	Hangzhou Century Co., Ltd.	\$175
01/21/15	Strata Decision Technology	Roper Industries, Inc.	\$140
05/11/15	Acclaris, Inc	Towers Watson	\$140
01/19/15	VISTA Staffing Solutions, Inc.	Envision Healthcare Holdings, Inc.	\$123
02/02/15	MediMedia Pharma Solutions	ICON Plc	\$120
02/13/15	HealthLine Systems, Inc.	HealthStream, Inc.	\$88
02/04/15	Endomondo	Under Armour	\$85
2015 Aggregate Transaction Value			\$6,061
Top 10 Aggregate Transaction Value			\$2,170
Top 10 Aggregate Value as a Percentage of All Transactions			36 %

Figure 7. Lists the top ten transactions for 1st Half 2015 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Note: Transaction data based on announced date.

Median EV/Revenue Multiples By Size

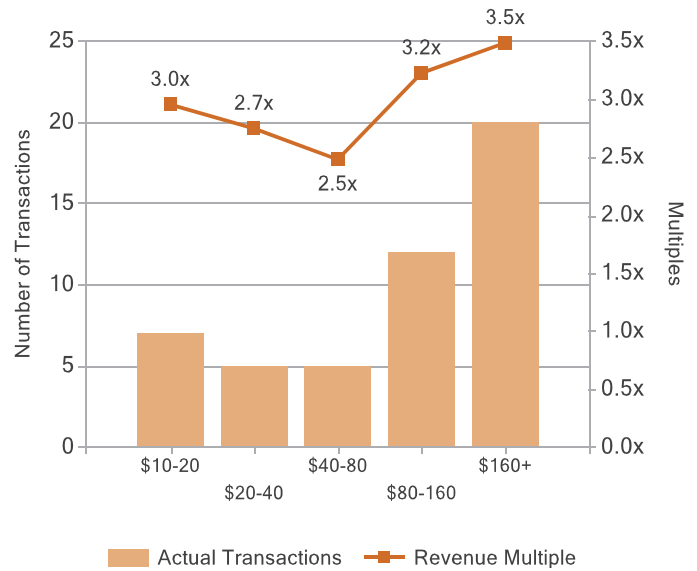


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Healthcare/Pharma Information and Technology Industry from January 1, 2013 to June 30, 2015 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2013 – June 30, 2015

Transactions By Market Segment By Half Year

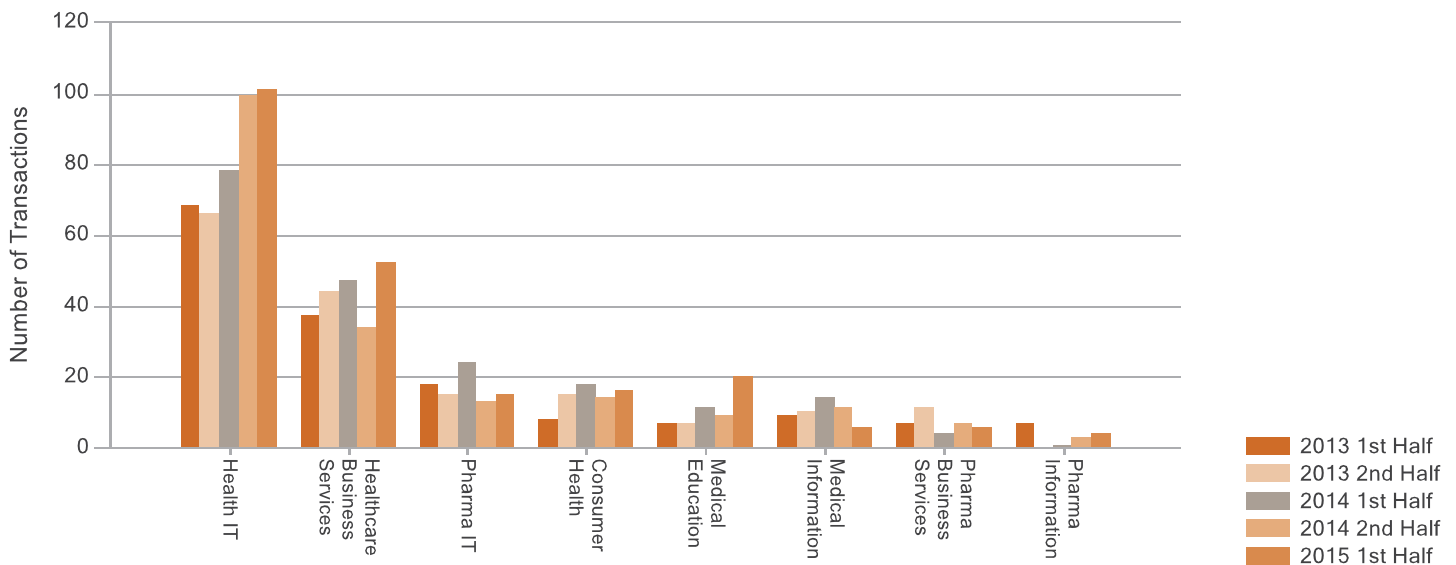


Figure 9. Presents transaction volume by market segment within the Healthcare/Pharma Information and Technology Industry from January 1, 2013 through June 30, 2015.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

CONTACT US TODAY FOR A CONFIDENTIAL DISCUSSION OF YOUR STRATEGIC OPTIONS

212-668-3022

MANAGING DIRECTORS

JONATHAN KRIEGER
Healthcare Group

THOMAS O'CONNOR
Healthcare Group

JEFFREY SMITH
Healthcare Group

VINEET ASTHANA
Media & Marketing Services Group

JOHN GUZZO
FinTech Group

DICK O'DONNELL
Finance Group

PETER OGNIBENE
FinTech Group

PETER YOON
Education Group

MARY JO ZANDY
Media, Education, Software & Online

PARTNERS

JOSEPH BERKERY
Chief Executive Officer

JAMES BERKERY
Chief Information Officer



All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

©2015 Berkery Noyes

RECENT HEALTHCARE TRANSACTIONS



One Liberty Plaza | New York, New York 10006

berkerynoyes.com | 212.668.3022