Clearsight Advisors

Healthcare and Life Sciences Services Market Insights

January 2024

Clearsight Advisors
Investment Banking

The Leading Advisor to the Knowledge Economy

Sellside Advisor
Insigniam
has been acquired by
ELIXIRR

Sellside Advisor
incapsulate
has been acquired by
accenture

Buyside Advisor
RGP
has acquired
CloudGo

Sellside Advisor
PeopleResults
has been acquired by
IRI CONSULTANTS
a portfolio company of
CLEARVIEW CAPITAL

Buyside Advisor
NMS | CAPITAL
portfolio company
hwp Health & Wellness PARTNERS
has acquired
HYBRID

Sellside Advisor
mra
has been acquired by
GeBBS HEALTHCARE SOLUTIONS
a portfolio company of
CHRYSCAPITAL

Sellside Advisor
PHOENIX PROVEN. RESULTS.
has been acquired by
JS|HELD
a portfolio company of
KELSO PRIVATE EQUITY

Financial Co-Advisor
doceree
has received a strategic investment from
CREAEGIS

Sellside Advisor
K Advisors
has been acquired by
BGB | GROUP
a portfolio company of
TPG

Sellside Advisor
CORDIA
has been acquired by
Cherry Bekaert
a portfolio company of
PARTHENON CAPITAL

Financial Advisor
creo
has been recapitalized by
GRANT AVENUE

Sellside Advisor
oncore consulting
has been acquired by
gcom
a portfolio company of
SAGEWIND CAPITAL

Sellside Advisor
CIVIX
a portfolio company of
hkw
has divested its
Critical Infrastructure Division
to
Modaxo
a division of
CONSTELLATION SOFTWARE INC.

Financial Advisor
enforce
has divested its
Australian Business
to
the Australian Entity of
Deloitte.

Financial Advisor
BEGHOU CONSULTING
has received a strategic investment from
VARSITY HEALTHCARE PARTNERS

Buyside Advisor
NMS | CAPITAL
has made an investment in
hwp Health & Wellness PARTNERS

Sellside Advisor
hexacta
has been acquired by
GlobalLogic A Hitachi Group Company

Sellside Advisor
bionest
has been acquired by
accenture

Sellside Advisor
T&Co Treacy & Company
has been acquired by
Cherry Bekaert
a portfolio company of
PARTHENON CAPITAL

Financial Advisor
ADVI
has received a strategic investment from
SHERIDAN CAPITAL PARTNERS

Sellside Advisor
austincsi
has been acquired by
cognizant

Buyside Advisor
INTERLOCK EQUITY
has made an investment in
IGS INVESTOR GROUP SERVICES

Sellside Advisor
AnswerLab
has received a strategic investment from
SHAMROCK CAPITAL ADVISORS

Buyside Advisor
CIVC PARTNERS
has made an investment in
ALLATA

Sellside Advisor
Harmony Healthcare
a portfolio company of
SCP & CO
has been acquired by
Addison Group
a portfolio company of
TRILANTIC CAPITAL PARTNERS

Sellside Advisor
Postlight
has been acquired by
NTT DATA

Sellside Advisor
Avalere
a subsidiary of
inovalon
has been acquired by
FISHAWACK HEALTH
a portfolio company of
Bridgepoint

Financial Advisor
CROSSCOUNTRY CONSULTING
a portfolio company of
RLH Equity Partners
has been recapitalized by
INVESTCORP

Buyside Advisor
AVESI PARTNERS
has made an investment in
memoryBlue

Sellside Advisor
USEReady
has received a growth investment from
abry partners

Sellside Advisor
TRIANGLE INSIGHTS GROUP
has been acquired by
trialcard simplify access
a portfolio company of
ODYSSEY INVESTMENT PARTNERS

Sellside Advisor
PCIHIPAA
has been acquired by
Rectangle HEALTH
a portfolio company of
GI PARTNERS

Sellside Advisor
Digitell Internet Broadcasting
has been acquired by
BROADCASTMED
a portfolio company of
424 CAPITAL

Sellside Advisor
Danforth Advisors
a portfolio company of
STONE GOFF
has been recapitalized by
AVESI PARTNERS

Sellside Advisor
DEVBRIDGE
has been acquired by
Cognizant Softvision

Sellside Advisor
Stax
has been recapitalized by
BLUEPOINT Capital Partners

Select Recent Experience

Financial Advisor

creo

has been recapitalized by

GRANT AVENUE

Sell-side Advisor to CREO

Clearsight Advisors acted as CREO's exclusive sell-side advisor in the Company's recapitalization by Grant Avenue Capital

CREO is a leading partner for life sciences and healthcare companies undergoing change – CREO applies proven frameworks and proprietary IP in the categories of Strategy & Organizational Effectiveness, Cybersecurity & Compliance, M&A Services, and IT & Digital Transformation

Financial Advisor

BEGHOU CONSULTING

has received a strategic investment from

VARSITY HEALTHCARE PARTNERS

Sell-side Advisor to Beghou

Clearsight Advisors acted as Beghou's exclusive sell-side advisor in the Company's strategic investment from Varsity Healthcare Partners

Beghou is a trusted thought partner for life sciences commercial strategy and operations, integrating proprietary software, advanced analytics, and machine learning with deep pharma experience to deliver a suite of technology-enabled consulting solutions

Financial Advisor

ADVI

has received a strategic investment from

SHERIDAN CAPITAL PARTNERS

Sell-side Advisor to ADVI

Clearsight Advisors acted as ADVI's exclusive sell-side advisor in the Company's recapitalization by Sheridan Capital Partners

ADVI is a strategic consulting and advisory firm focused on the life sciences industry, organized into three verticals grounded in their deep policy and regulatory expertise: Policy and Reimbursement, Value Access and Pricing, and Strategic Analytics and Value Economics

Sellside Advisor

Avalere

a subsidiary of

inovalon

has been acquired by

FISHAWACK HEALTH

a portfolio company of

Bridgepoint

Sell-side Advisor to Inovalon

Clearsight Advisors acted as Avalere's exclusive sell-side advisor in the Company's acquisition by Fishawack Health (now Avalere Health)

Built on a strong foundation of life sciences industry knowledge and data analytics, Avalere leverages unmatched policy expertise to deliver services across four core practice areas: Policy, Market Access, Healthcare Transformation, and Healthcare Diligence Support

Connect with our Healthcare and Life Sciences Services Team

Greg Treger
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25+ years experience
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Tory Steel
Director, Healthcare and Life Sciences Practice Lead

10+ years experience
e: tsteel@clearsightadvisors.com

Austin Kuhn
Vice President, Healthcare and Life Sciences Practice

7+ years experience
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Jonathan Holland
Vice President, Healthcare and Life Sciences Practice

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John Rakowski
Managing Director, Compliance Practice Lead

25+ years experience
e: jrakowski@clearsightadvisors.com

Life Sciences Services: A New Pricing Paradigm

Section I

Exciting New Science & Broad New Regulation Causes Life Sciences to Reevaluate

2023 heralded tremendous change from both a regulatory and technological perspective; pharma and biotech companies are seeking to profitably innovate within a new pricing paradigm

Key Trends Affecting Pharma and Biotech

Regulatory Change and Heightened Scrutiny: A New Pricing Paradigm for Pharma	**GLP-1:** "GLP-1 feels like a once-in-a-decade type of scientific advancement and could drive the industry forward for the next 10 years"	**FTC M&A Scrutiny:** "The pharmaceutical sector is preparing for more antitrust litigation"	**Messenger RNA:** Advances in mRNA technology spur vaccine innovation **Alzheimer's Treatments:** The Alzheimer's drug Leqembi won full FDA approval in July	**2024 Election:** Will government actions from 2020 – 2024 be reversed?
Science Marches On: Science and Technology Innovation Moves Market Forward	**Inflation Reduction Act:** "A cumulative total of 60 drugs will have been selected for negotiation by 2030"	**CRISPR:** "On December 8th, the FDA approved the world's first CRISPR/Cas9 gene-editing therapy"	**Increasing Focus on Health Equity:** "The federal government bolstered its commitment to health equity advancement as a major pillar of its regulatory portfolio"	**Generative AI:** "There's a lot of opportunity to streamline and get things approved faster, but I'm not expecting [medical / legal review] to be revolutionized by 2024"

What Does this Mean?

Outsourced Services Demand Delay – But Reliance Persists

- Delayed project purchasing and investment decisions as pharma companies assess the "new normal"

Changing Portfolio Priorities – "Bird in Hand" Approach

- Changing portfolio prioritization
- Focus on commercial success of tested and/or approved products
- Increased emphasis on rare and/or cell & gene therapies

Emphasis on Health Equity – From Concept to Commercialization

- Decentralizing clinical trials
- Emphasis on health equity in clinical trials, market access, and adoption

Increased Need for Advocacy – Raised Stakes for Communications

- Public and political image increasingly important to commercial success
- Changing HCP targeting patterns necessitate new communications approaches

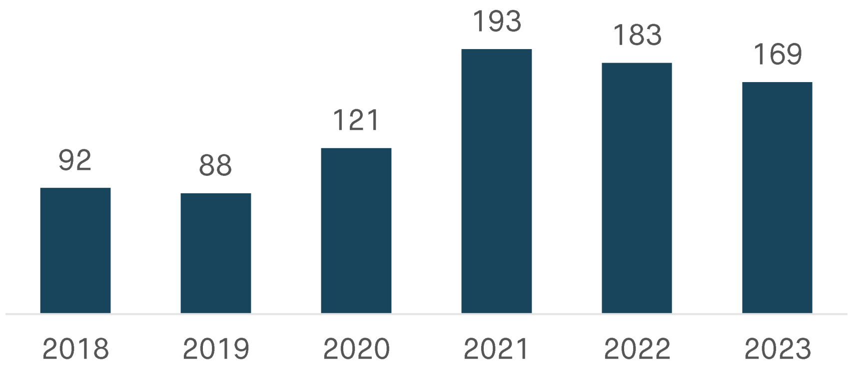
Clearsight Advisors Investment Banking

Source: BCG, Navigating the Inflation Reduction Act's Impact on Drug Pricing and Negotiation; Bloomberg, Big Pharma Braces for More FTC Suits Over M&A Bound for Approval; EY, Why Recent Regulatory Changes Require a Deeper Focus on Health Equity; PharmaVoice, Real Chemistry's CEO on Biopharma's Outlook in 2024; ScienceNews, Here are Some of the Biggest Medical Advances in 2023; AAAS, Science's 2023 Breakthrough

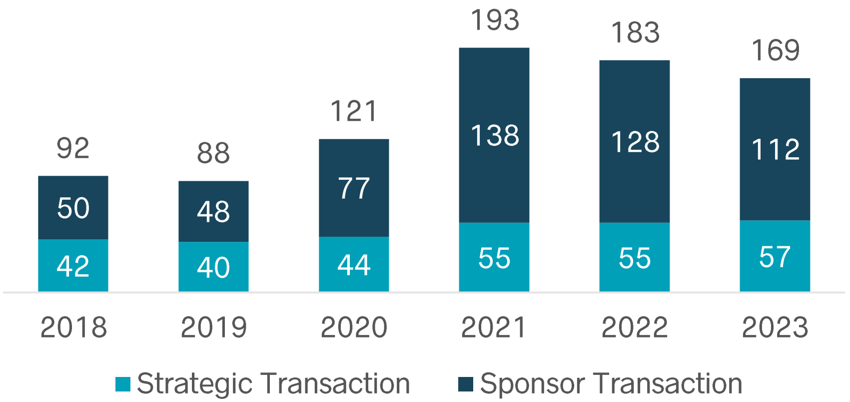
The Year of the Add-on Wraps…What Will 2024 Have in Store?

Within the current interest rate environment, PE firms prioritized add-on investments for the current portfolio companies in 2023, focusing less on new platform investments

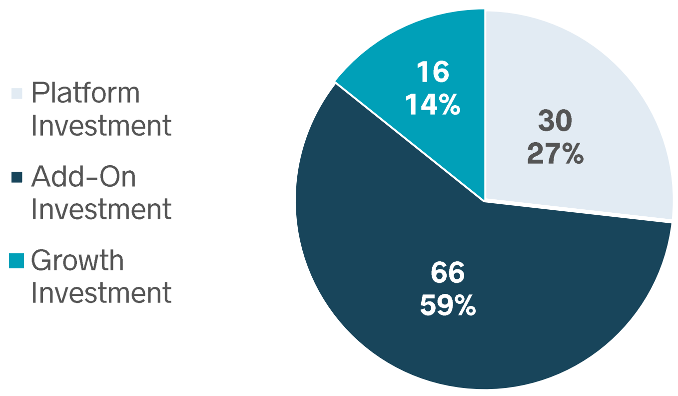
Life Sciences Services Deal Volume Trending



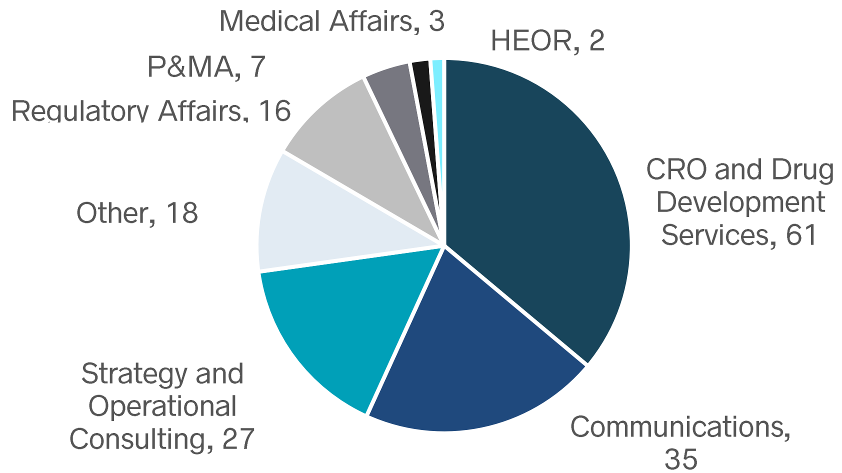
2018-2023 Transaction Type (PE vs. Strategic)



2023 PE Transaction Type (Platform vs. Add-on)



2023 Subsegments



Private Equity Continues to Dominate the Market

Betting on long-term population and sector tailwinds, PE firms look to pharma services businesses for investments that will outpace the broader market; their participation in the sector has driven competition and value in recent years

Amulet Capital Partners
- HealthCentral
- Minds + Assembly
- Open Health
- SSI Strategy

Arsenal Capital Partners
- Lumanity
- WCG Clinical Services

Astorg
- Avania
- Clario
- Cytel
- Open Health

Bridgepoint
- Avalere Health
- Prescient Healthcare

Clayton Dubilier, and Rice
- Inizio Health

GHO Capital
- Clearview Healthcare Partners
- Envision Pharma
- Genesis Research
- Validant

Knox Lane
- Fingerpaint Group
- Spectrum Science

Odyssey Investment Partners
- Mercalis
- ProPharma Group

Novo Holdings
- Altasciences
- Clario
- Medical Knowledge Group
- WCG Clinical Services

TPG Capital
- AnovoRx
- BGB Group
- Precision Medicine Group

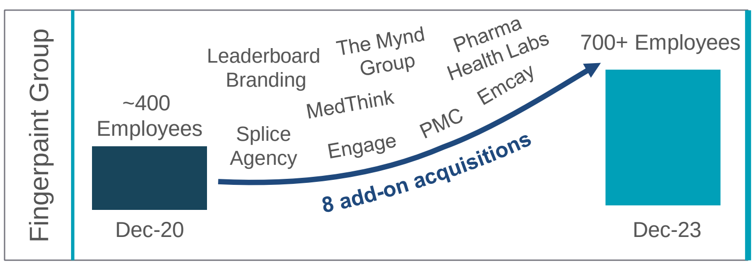
Spotlight: The Medical Communications Arms Race

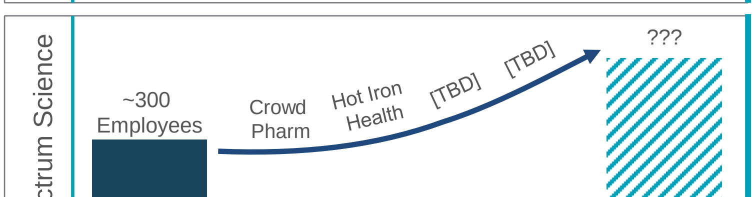
Medical communications continues to be one of the most active pharma services M&A segments, driven by PE platform creation and add-on activity spanning beyond med-comms into consulting, market access, and AI / analytics

Key Themes

- Numerous successful med-comms exits over the past two years have the private equity community laser-focused on securing a platform in this space, as well as continuing to double-down on current platforms through aggressive buy-and-build strategies
- Add-on activity is centered on consolidating a fragmented industry while also finding opportunities to build value through acquisitions of consulting, digital, and analytics capabilities
- Access to both commercial and medical affairs budgets and long-term and steady client engagements have been proven to create a durable business model even in slower economic times

Knox Lane Finds Their Second Superstar





Knox Lane is off to the races again with their new Spectrum partnership

Select Recent Transactions

Date	Target	Buyer	Target Description
Nov-23	Concentriclife	Accenture	Concentriclife provides pharmaceutical, health and wellness advertising, specialty pharma advertising, and healthcare promotion services
Oct-23	True North	JPA Health (Great Point Partners)	True North provides boutique commercial and medical affairs consulting services to emerging biotech and pharmaceutical companies
Jul-23	Kantar (Healthcare Practice)	M3 Global Research	Kantar provides healthcare insights and data and media measurements to the healthcare and pharmaceuticals industry
May-23	Minds + Assembly	Amulet Capital Partners	Minds + Assembly is a design-centric agency and commercialization platform focused on the life sciences sector
Apr-23	Makara Health	Precision Medicine Group (Blackstone)	Makara Health is a UK-based life sciences communications business, with strong capabilities in learning and development, medical and patient education, and PR and brand promotion
Apr-23	The Mynd Group	Fingerpaint Group (Knox Lane)	The Mynd Group is a full-service strategic market access marketing company for the life sciences industry
Feb-23	Health & Wellness Partners	New Mainstream Capital	Health & Wellness Partners provides medical communications services to life sciences firms. The Company recently completed its acquisition of Hybrid Healthcare Communications
Feb-23	Spectrum Science	Knox Lane	Spectrum Science is an independent, integrated healthcare and scientific marketing, communications, and media firm focused on the pharmaceutical, biotech, and broader life science industries

Spotlight: Commercialization Consulting is Prized and Scarce

After a wave of consolidation, commercialization-focused consultancies of scale with specialized, scientific employees are sought after by numerous well-capitalized buyer segments

Key Themes

- 2023 M&A was mainly fueled by strategic activity (both independent and sponsor-backed) as most of the assets testing the market were smaller and better suited for a complementary tuck-in to a larger pharma services business
- Commercialization consulting continues to be highly scarce and a top M&A priority for a broad range of strategic acquirers across the commercialization spectrum, including consulting firms, diversified pharma services platforms, and med-comms businesses
- Many independent and sponsor-backed platforms of scale focused on commercialization faced a more challenging year when compared to recent history, caused primarily by a slowdown in biotech funding; these platforms still showed resilience relative to generalist consulting firms

#1 on the Wishlist: Market Access

Oak Hill Capital

Feb 2023

Petauri Health

Oak Hill formed Petauri Health to deploy $250m+ of capital to combine companies focused on global market access, medical affairs, patient services, and data and analytics and made its first acquisition in Jun-23 (The Kinetix Group)

With a dearth of larger P&MA businesses on the market, buyers have aggressively chased smaller players

Avania (Astorg) **Acquires** **Sep 2023** Hull Associates

20+ Employees

Select Recent Transactions

Date	Target	Buyer	Target Description
Dec-23	Adivo Associates	Herspiegel Consulting (DFW)	Adivo Associates is a global healthcare strategy and marketing consultancy with a focus on specialty therapeutic product markets
Sep-23	Kx Advisors	BGB Group (TPG)	Kx Advisors is a specialized strategy consulting firm that focuses on biopharma, medical device, digital health and diagnostic companies
Jun-23	stève consultants	Cytel (Nordic Capital)	stève consultants is a consulting and research company that supports biotech and pharmaceutical clients in the development and implementation of their regional market access strategies
Jun-23	The Kinetix Group	Pentauri Health (Oak Hill)	The Kinetix Group is a strategic advisory and marketing agency primarily serving the life sciences industry
May-23	Beghou Consulting	Varsity Healthcare Partners	Beghou Consulting is a life sciences consulting firm helping pharmaceutical firms establish and manage commercial operations to better market and sell therapies
Feb-23	Ascel Health	Open Health (Astorg)	Ascel Health is a life sciences management consulting firm that helps guide life-changing innovations through their critical stages, from early development through market maturity
Feb-23	Michael Allen Company	M3 Global Research	Michael Allen Company is a life sciences consulting firm providing focused pharmaceuticals expertise and versatile, scalable research platforms
Feb-23	Bionest	Accenture	Bionest is a boutique life sciences consulting firm advising biopharma organizations across innovative areas of science including precision medicine, oncology, and cell & gene therapy

Spotlight: Outsourced Support Around Drug Development Piques Interest

Pharma increasingly turns to outsourced FP&A, operations, and clinical research models to rapidly respond to a therapy's success in a cost-efficient way; technology, data, and simplified patient access are core outsourcing themes across the pre-launch drug development lifecycle

Key Themes

- In 2023, numerous private equity firms entered the highly fragmented clinical research site network industry segment with a roll-up thesis to simplify access to patients / clinical trials for commercial sponsors and CROs
- Key value drivers for site network platforms include increasing scale inorganically while leveraging unified digital platforms, data, systems, and infrastructure to create a sophisticated and fully-integrated site network
- M&A activity is expected to continue into 2024 as more private equity firms enter the industry segment and CROs pursue site networks as a vertical integration opportunity, leading to greater patient access and efficiency across research studies

Waud Capital Forms PharmAlliance

Waud Capital

Sep 2023

PharmAlliance

Headed by Industry Expert
Mark Bouck

With prior experience at:

The Goyak Group

FlyWheel Consultancy

TrialCard

The platform creation of PharmAlliance provides Waud an entrance into the life sciences outsourced services market. Led by seasoned executive Mark Bouck, PharmAlliance is pursuing an aggressive growth strategy, already acquiring BioBridges, a leading drug development consultancy

Select Recent Transactions

Date	Target	Buyer	Target Description
Nov-23	ECIR	Gauge Capital	ECIR is a clinical research site management organization, supporting the development of innovative research involving the latest medications and devices
Oct-23	Eximia Clinical Research	Veronis Suhler Stevenson	Eximia is a multi-site, multi-therapeutic, clinical research site network serving pharmaceutical, biotech companies and CROs
Sep-23	Syneos Health	Patient Square Capital, Elliott Management, Veritas Capital	Syneos is a global contract research and outsourced commercialization organization serving pharmaceutical and biotechnology firms
Sep-23	PharmAlliance	Waud Capital	PharmAlliance is a diversified pharmaceutical and life sciences services provider focused on discovery, development, and commercialization solutions
Sep-23	CREO	Grant Avenue	CREO is a boutique management consultancy providing growth-oriented strategic advisory services to life sciences and healthcare firms
Aug-23	Johnson County Clin-Trials	FFL Partners	Johnson County Clin-Trials provides clinical research and contract research services to pharmaceutical and biotechnology firms and CROs
Aug-23	CorEvitas	ThermoFisher Scientific	CorEvitas provides clinical registry data analytics and consulting services to biopharmaceutical companies
May-23	Centricity Research	Trinity Hunt Partners	Centricity Research is an integration research organization performing clinical trials for oncology, cardiology, pulmonology and endocrinology
May-23	Alliance Clinical Network	Amulet Capital Partners	Alliance is a comprehensive clinical site platform serving patients, pharmaceutical sponsors and CROs, servicing a wide range of clinical therapeutic areas
Apr-23	Atlas Clinical Research	BPOC	Atlas is a therapeutically driven clinical research network, specializing in infectious disease, CNS, gastroenterology, cardiovascular, metabolic, and general medicine

Spotlight: Regulatory Affairs and Pharmacovigilance Heats Up

Regulatory, quality, and safety support continues to be a critical component of successful clinical development programs and patient safety

Key Themes

- A complex and ever-changing regulatory landscape in the United States and across the world requires outsourced support to ensure efficient and successful drug development programs and launches
- CROs continue to be active acquirers for regulatory affairs consultancies, driven by a need to be at the forefront of regulatory strategy and submissions as part of clinical development programs. Regulatory proficiency in specific geographies is a critical M&A driver
- Private equity's interest in this space is driven by market fragmentation and potential gains to be achieved through digital transformation and greater economies of scale for these functions

CROs Continue to Enhance Regulatory Capabilities

Ergomed (Permira)	Novotech
Oct 2023	**Jan 2023**
Panacea Pharma Projects	CBR International
The acquisition expands Ergomed's pharmacovigilance business, furthering its strategy to be a market-leading pharmacovigilance provider	The acquisition adds decades of FDA regulatory experience, strengthening Novotech's capabilities in regulatory strategy and US FDA interactions

Select Recent Transactions

Date	Target	Buyer	Target Description
Oct-23	Panacea Pharma Projects	Ergomed (Permira)	Panacea provides consulting and quality assurance services to pharmaceutical, biotech, and medical device companies
Sep-23	Azierta	QbD Group	Azierta is a life sciences consulting firm, primarily offering safety management and monitoring, regulatory affairs, compliance and GxP, and scientific and medical affairs services
Aug-23	NDA Group	SSI Strategy (Amulet)	NDA Group is a drug and device development consultancy firm supporting companies with their regulatory, pharmacovigilance, quality, and strategic communication challenges
Jul-23	RNI	ProductLife Group (21 Invest)	RNI provides regulatory and scientific services for nutrition and consumer healthcare products
May-23	Michor Consulting	QbD Group	Michor Consulting is a boutique life sciences consultancy covering regulatory affairs needs including strategy and submission advisory, technical writing, and software selection
Apr-23	Cpharm	PharmaLex (Cencora)	Cpharm provides pharmacovigilance, safety and risk management, medical information, material review and patient program services to the pharmaceuticals industry
Mar-23	Onix Life	Canopy (WestView)	Onix is a life sciences consultancy specializing in regulatory operations services, with expertise in eCTD submissions, publishing, and eCTD lifecycle management
Jan-23	CBR International	Novotech	CBR International is a boutique regulatory consultancy focused on assisting biotechnology and pharma companies navigate FDA requirements through drug development

Healthcare Services: Supporting a Health System in Flux

Section II

Health Systems are Navigating a Challenging Environment

"The status quo is not sustainable" – amid rising labor costs, talent shortages, and high interest rates, health systems struggle to remain profitable and must innovate and adapt

Key Trends Affecting Healthcare Providers

Labor Shortage
87% of US healthcare providers listed staffing shortages as their biggest issue in 2024; physicians and nurses are burnt-out and in high demand

Consolidation
Health system M&A activity dropped sharply during the pandemic but has rebounded; health executives expect M&A will have a significant impact on operations in 2024

Rising Costs
Inflation in the goods and services required for care is eroding margins for health systems and care accessibility for patients, who are seeing higher insurance premiums and out-of-pocket expenses

Digital Transformation
AI sparks hope in a challenged healthcare system; from streamlining administrative tasks to improving the quality of care, AI brings the promise of newfound efficiency and therefore cost containment

Empowered Patients
Due to the rising cost of care and access to information and digital tools, patients are increasingly taking ownership over their health decisions and journeys

What Does this Mean?

Increased Emphasis on Outsourcing and Offshoring
- Due to cost pressures, health systems are looking to outsource functions that can be performed more efficiently and cheaply via third parties

Ongoing Evaluation of New Technologies
- Digital technologies, including AI, are constantly under review by health executives; in a crowded landscape, it is a challenge to decide which to adopt, and subsequently integrate, throughout the organization

New Modes of Care – Digital and Beyond the Hospital
- Struggling with accessibility and affordability, care is increasingly happening digitally and in new settings such as pharmacies and urgent care centers

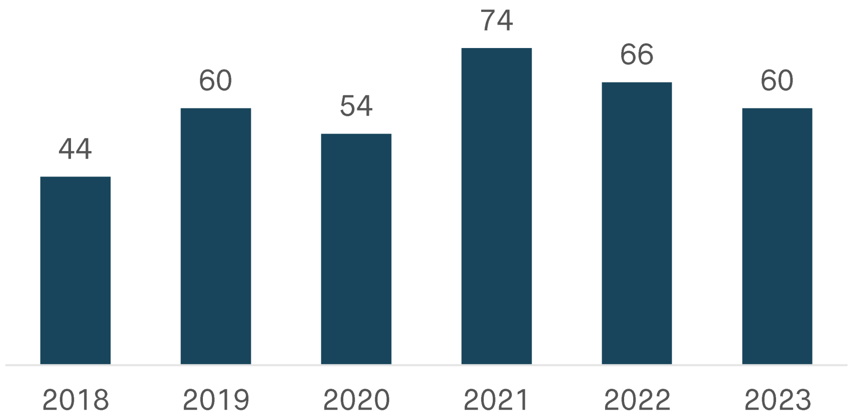
Changing Patterns of Physician and Patient Engagement
- Physician and patient attention has moved online; health systems, medical education groups, and pharma and medical device companies need to adapt to new methods of connecting with people to improve population health

Source: Deloitte 2024 Global Health Care Outlook, Navigating Transformation

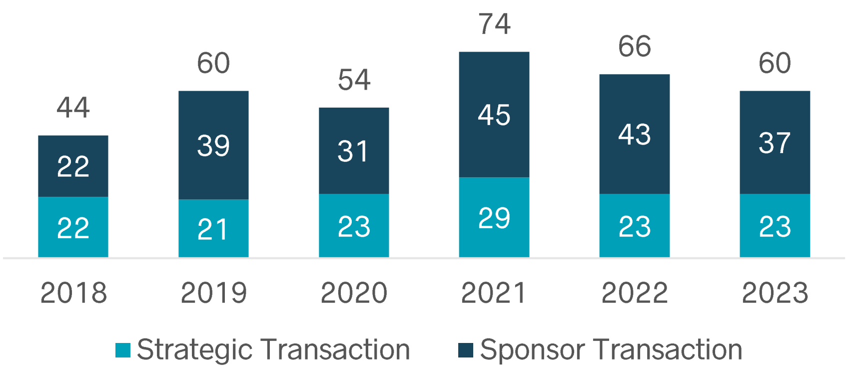
2023 M&A Activity Centered Around Diversified Provider-Focused Consulting and RCM Services

Deal volume has yet to rebound towards the 2021 peak, yet RCM services and other provider-focused consulting continues to lead healthcare professional services M&A volume as acquirers and sponsors move to build-out dominant and trusted outsourced services brands in healthcare

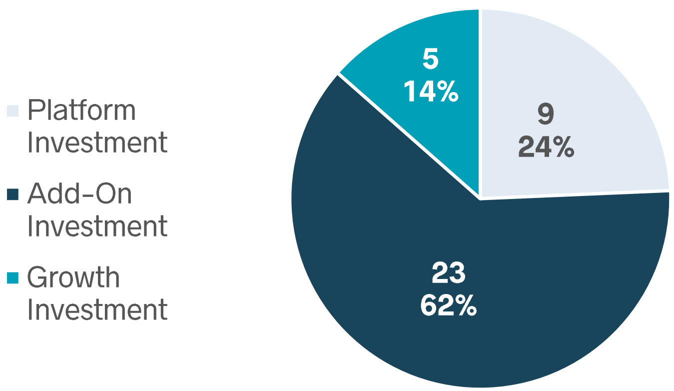
Healthcare Services Deal Volume Trending



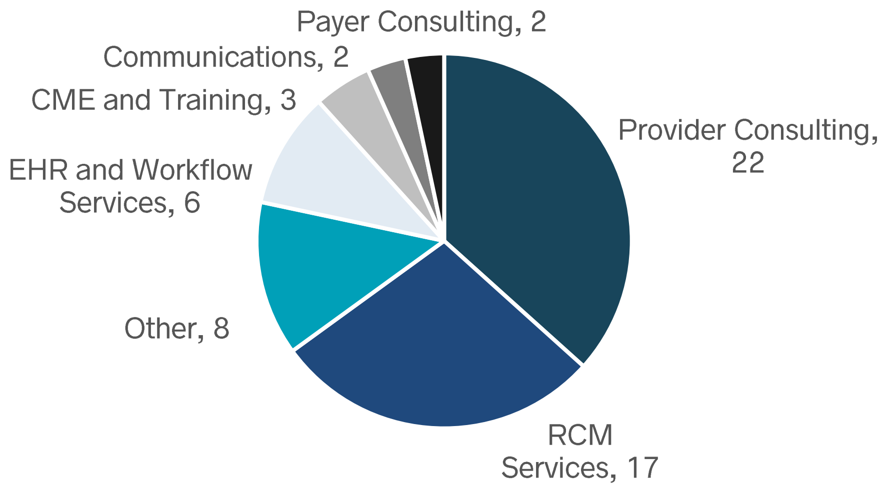
2023 Transaction Type (PE vs. Strategic)



2023 PE Transaction Type (Platform vs. Add-on)



2023 Subsegments

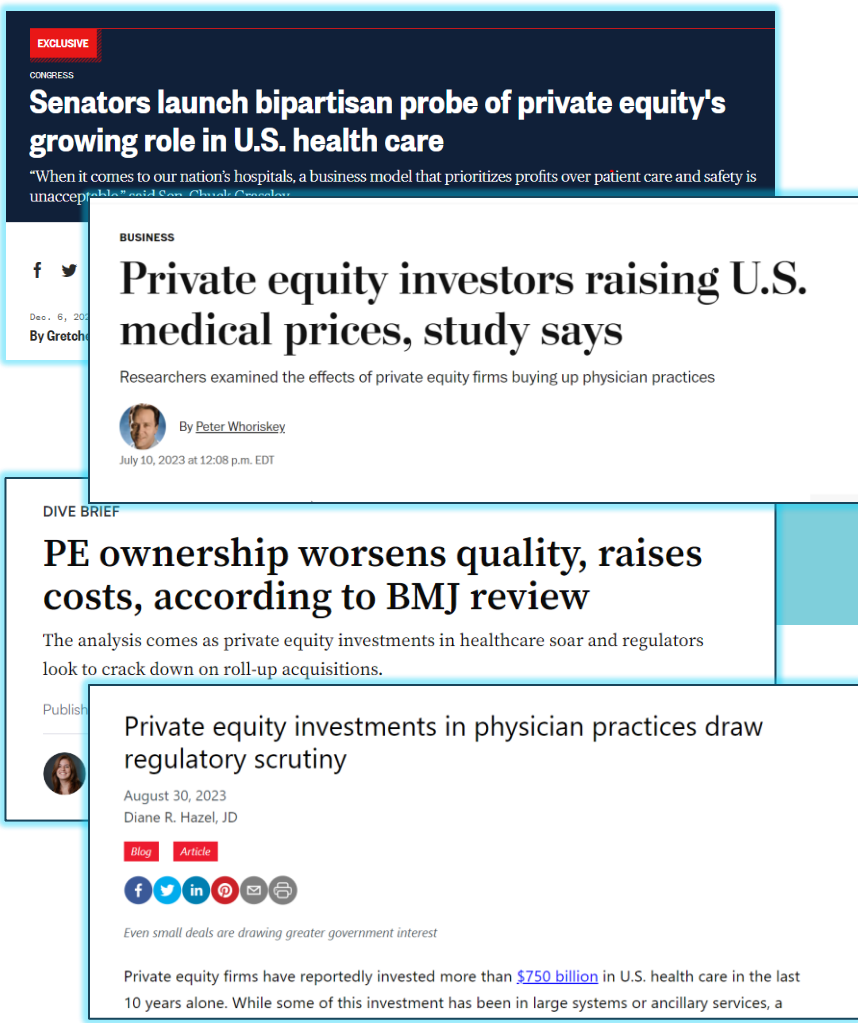


Source: Pitchbook, Company websites

Investors Look for New Ways to Play in Healthcare

Facing heightened scrutiny on investments in healthcare providers, sector-focused private equity funds have looked to outsourced services for a safe place to leverage their experience and benefit from industry tailwinds

Making Headlines in 2023


EXCLUSIVE

CONGRESS

Senators launch bipartisan probe of private equity's growing role in U.S. health care

"When it comes to our nation's hospitals, a business model that prioritizes profits over patient care and safety is unaccept...

Dec. 6, 20...

By Gretch...

BUSINESS

Private equity investors raising U.S. medical prices, study says

Researchers examined the effects of private equity firms buying up physician practices

By Peter Whoriskey

July 10, 2023 at 12:08 p.m. EDT

DIVE BRIEF

PE ownership worsens quality, raises costs, according to BMJ review

The analysis comes as private equity investments in healthcare soar and regulators look to crack down on roll-up acquisitions.

Publish...

Private equity investments in physician practices draw regulatory scrutiny

August 30, 2023

Diane R. Hazel, JD

Blog Article

Even small deals are drawing greater government interest

Private equity firms have reportedly invested more than $750 billion in U.S. health care in the last 10 years alone. While some of this investment has been in large systems or ancillary services, a

Increased PE Interest in Outsourced Services to HC

- Compliance
- Data Services and Infrastructure
- EMR/EHR Technology Services
- Patient Engagement Tools
- Provider and Payer Strategy Consulting
- RCM Technology and Services
- Staff Augmentation

Spotlight: RCM Space Continues Consolidation

A complex regulatory environment, rising costs, and staff shortages create high demand for quality RCM services

Key Themes

- Health systems have struggled to achieve profitability in recent years. Rising labor costs cause ongoing cash flow strain, which elevates the importance of minimizing revenue leakage via technology and processes
- To reduce administrative burdens and focus on care, providers continue to outsource RCM tasks. A recent Healthcare Financial Management Survey indicated 60% of providers plan to outsource RCM tasks
- As the transition to value-based care continues and more organizations adopt ACO models, medical groups are utilizing RCM solutions to track and document efforts to contain costs. RCM can also enhance patient onboarding, cost-estimates, and communication, boosting patient engagement and helping to reduce barriers to care, reduce collection time, and improve patient outcomes

Riverside and Alpine Build RCM Powerhouses

Alpine Investors

Jan 2023

Medusind Solutions

AVA Billing & Consulting — May 2023

BrightDrive HCS — May 2023

Riverside Partners

May 2022

UnisLink

Doctor's Resource Specialists — Jun 2023

Healthcare Support Technologies — Aug 2023

Select Recent Transactions

Date	Target	Buyer	Target Description
Dec-23	Acclara	R1 RCM	Acclara is a leading technology-driven RCM provider, serving physician clinics, senior services and many other health and educational services
Oct-23	The Corridor Group	Wellsky	The Corridor Group is a leading provider of tech-enabled outsourced coding and revenue cycle management to the post-acute healthcare industry
Oct-23	MRA	GeBBS (ChrysCapital)	MRA is a leading provider of end-to-end RCM solutions to healthcare providers and payers
Aug-23	Kodiak Solutions	TPG Capital	Kodiak Solutions, formerly part of Crowe's healthcare practice, provides financial reporting, RCM, and risk and compliance services to healthcare providers and healthcare CFOs
Aug-23	Doctor's Resource Specialists	UnisLink (Riverside Partners)	Doctor's Resource Specialists provides medical billing, medical coding, and reimbursement consulting services to healthcare providers
Jun-23	Healthcare Support Technologies	UnisLink (Riverside Partners)	Healthcare Support Technologies provides RCM services to independent physician practices, rural health clinics, and health systems
Jun-23	Tritech Healthcare Management	Med-Metrix (A&M Capital)	Tritech provides workers' compensation and no-fault billing services to health systems, hospitals, and other healthcare providers
May-23	AVA Billing & Consulting	Medusind Solutions (Alpine Investors)	AVA provides specialized RCM services focused primarily on the behavioral health industry
May-23	Alpha II	TA Associates, WestView	Alpha II is a leading provider of end-to-end RCM technology solutions for healthcare providers
May-23	Firm Revenue Cycle Management	Aspirion (Varisity Healthcare, Linden Capital)	FIRM provides RCM services to hospitals systems and healthcare providers
May-23	BrightDrive HCS	Medusind Solutions (Alpine Investors)	BrightDrive provides RCM services to hospital systems and healthcare providers
Mar-23	Chi-Matic	Chartis Group (Audax)	Chi-Matic is a leading boutique healthcare advisory firm focused on transforming healthcare organizations' revenue cycle
Jan-23	Medusind Solutions	Alpine Investors	Medusind Solutions is a market-leading RCM platform serving dental, anesthesia, pathology, emergency, surgery, radiology, and other specialties

Source: Healthcare Financial Management Association, Becker's Hospital Review, "Top Challenges And How Technology And Automation Are Offsetting Them."

Spotlight: Finding New Efficiencies for Clinical Workflow and Records

Specialized EHR / EMR software continues to evolve and enhance patient experiences while generating operating efficiencies for providers; high quality digital transformation services are a critical value driver for hospital systems beyond commoditized implementation and staffing services

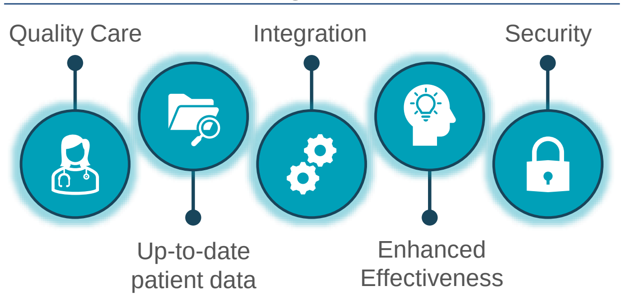
Key Themes

- Optimization of clinical workflows in healthcare delivery continues to maximize ROI by eliminating bottlenecks and efficiently utilizing resources – specialized clinical workflows specific to the provider-type create differentiated patient experiences and increase financial viability as organizations face cost pressures
- M&A themes within clinical workflow software are focused on EHR / EMR solutions specializing on generating value for providers including specialty physician practices, ambulatory, and behavioral health
- For services firms, the ability to offer implementation and staffing capabilities in combination with transformative digital consulting services is a critical differentiator

Digital Transformation is in its Early Innings in HC

It is more important than ever to optimize clinical workflows; with effective EHRs and other connected digital platforms, all stakeholders – from the organization to providers and patients – benefit

Advantages of EHRs



Select Recent Transactions

Date	Target	Buyer	Target Description
Dec-23	Valant Medical Solutions	Resurgens Technology Partners	Valant is a leading cloud-based EHR and practice management platform focusing primarily on behavioral health specialists
Nov-23	NextGen Healthcare	Thoma Bravo	NextGen is a leading provider of innovative, cloud-based healthcare technology solutions to ambulatory healthcare providers
Nov-23	Innovative Consulting Group	SV Health Investors	Innovative Consulting Group is a healthcare IT consulting firm specializing in EHR implementation and staffing solutions
Oct-23	Aquity Solutions	IKS Health	Aquity Solutions is an industry leader in tech-enabled clinical documentation, medical coding, and revenue integrity solutions for healthcare providers
Oct-23	Cantata Health Solutions	TT Capital Partners	Cantata Health Solutions is a leading provider of healthcare technology solutions for behavioral health, human services, acute care, and post-acute care providers
Sep-23	Nautilus Consulting	Accenture	Nautilus is a healthcare IT consulting firm, specializing in EHR implementations and digital transformation
Jul-23	Nextech	TPG Capital	Nextech is a leading provider of electronic medical record and practice management software for specialty physician practices
Feb-23	OpenClinica	Thomson Street Capital Partners	OpenClinica is an eClinical platform specializing in EHR data capture for biopharma firms, CROs, and government agencies

Spotlight: The Competition for Physician Engagement and Education via CME

CME is a critical pillar of physician engagement – software and tech-enabled tools ensure requirements are met efficiently with the ultimate goal of improving physician education and patient outcomes

Key Themes

- All healthcare practitioners are required to complete regular continuing medical education – constant treatment innovations and new medical studies underpin a dynamic and ever-changing environment that impacts patient care and outcomes
- Continuing education is typically mandated and a requirement to maintain healthcare certifications and licensure, creating recurring, regulatory-driven tailwinds
- Healthcare organizations are increasingly looking for SaaS-based applications and other tech-enabled learning tools to ensure the education is efficient and impactful
- CME is also a connection point between the life sciences sector and healthcare providers as a channel to reach physicians with information about products and use cases; pharma medical education dollars are a major driver of this market

Medscape (WebMD) Launches into Spanish-Speaking Markets by Acquiring Grupo Saned

Medscape (WebMD)

Mar 2023

Grupo Saned

Drastically Expands Client Coverage into Spanish-Speaking Geographies

Spain

Latin America

Becomes Premier Educational Content Provider in the Spanish Language

4k+ Articles Published / Year

200k+ Spanish-Speaking Partner HCPs

Select Recent Transactions

Date	Target	Buyer	Target Description
Nov-23	TRC Healthcare	Colibri Group (Gridiron Capital)	TRC Healthcare is a CME firm providing medication advisory services and education programs to clinicians, hospitals, and a vast network of pharmacies
Oct-23	CAE Healthcare	Madison Industries	CAE Healthcare develops simulation-based education and clinical training technologies for healthcare providers and first responders
Oct-23	HCPro	AHIMA	HCPro is a CME provider, offering integrated information, education, training, and consulting products to healthcare organizations and providers
Jul-23	Teaching Transitions	Home Care Pulse (Cressey & Co.)	Teaching Transitions is a provider of online hospice volunteer training, specializing in delivering high-quality online training and coursework
Jun-23	liV Agency	Clinical Education Alliance (The Riverside Company)	liV Agency is a leading provider of evidence-based medical education and medical communications services to physicians and healthcare providers
Mar-23	Grupo Saned	Medscape (WebMD)	Grupo Saned is a leading provider of medical education, scientific communications, clinical news, and regulatory advice to healthcare providers in Spain and Latin America
Jan-23	Med Learning Group	DW Healthcare Partners	MLG is a full-service CME firm focusing on developing, implementing, and measuring online, and in-person continuing education for healthcare practitioners
Jan-23	Electronic Education Documentation System	Healthstream	EEDS develops medical education tracking systems designed for healthcare workers meeting their CME requirements

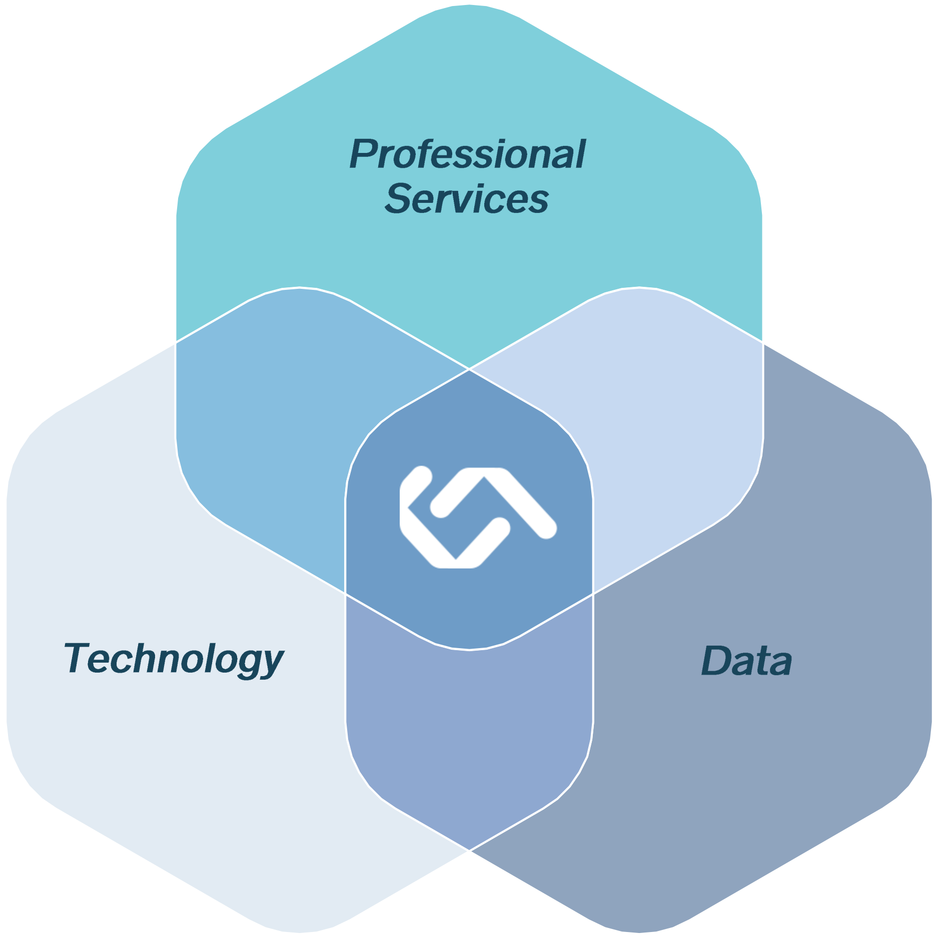
Clearsight's Healthcare and Life Sciences Practice

Section III

The Leading Advisor to the Knowledge Economy

We are investment bankers with a singular focus on the global business and technology services M&A market – Clearsight represents domain expertise, expansive sector relationships, and dedication to exceptional client service

Thematic Coverage Across the Knowledge Economy



Clearsight's Core Practice Areas

Clearsight has unique experience delivering premier outcomes for leading enterprises across Strategic Business Consulting and Advisory; Digital, Data, and Cloud; Healthcare and Life Sciences Services; and Cybersecurity and Compliance

Strategic Business Consulting and Advisory

- Sellside Advisor — Insigniam has been acquired by ELIXIRR
- Sellside Advisor — PeopleResults has been acquired by IRI Consultants, a portfolio company of Clearview Capital
- Sellside Advisor — Phoenix has been acquired by JS|HELD, a portfolio company of Kelso
- Sellside Advisor — Cordia has been acquired by Cherry Bekaert, a portfolio company of Parthenon Capital
- Sellside Advisor — oncore consulting has merged with gcom, a portfolio company of Sagewind Capital
- Sellside Advisor — Civix, a portfolio company of hkw, has divested its Critical Infrastructure Division to Modaxo, a division of Constellation Software
- Buyside Advisor — Interlock Equity has made an investment in IGS Investor Group Services
- Financial Advisor — CrossCountry Consulting, a portfolio company of RLH Equity Partners, has been recapitalized by Investcorp
- Sellside Advisor — T&Co Tenney & Company has been acquired by Cherry Bekaert, a portfolio company of Parthenon Capital
- Sellside Advisor — Stax has been recapitalized by Bluepoint Capital Partners
- Sellside Advisor — CMA Strategy Consulting has been acquired by EY Parthenon
- Sellside Advisor — ECG Management Consultants, a portfolio company of Gryphon Investors, has been acquired by Siemens Healthineers

Digital, Data, and Cloud

- Sellside Advisor — incapsulate has been acquired by accenture
- Buyside Advisor — RGP has acquired CloudGo
- Financial Advisor — enforce has divested its Australian Business to the Australian Entity of Deloitte.
- Sellside Advisor — hexacta has been acquired by GlobalLogic, A Hitachi Group Company
- Sellside Advisor — AnswerLab has received a strategic investment from Shamrock Capital Advisors
- Sellside Advisor — Postlight has been acquired by NTT Data
- Sellside Advisor — UserReady has received a growth investment from abry partners
- Sellside Advisor — DevBridge has been acquired by Cognizant Softvision
- Sellside Advisor — Modus Create has been acquired by JLL Partners
- Sellside Advisor — RCG Global Services, a portfolio company of Eos, has been recapitalized by Frontenac
- Sellside Advisor — blink has been acquired by Mphasis
- Sellside Advisor — DAS42 has received a growth investment from MC Partners

Healthcare and Life Sciences Services

- Buyside Advisor — NMS Capital portfolio company HWP Health & Wellness Partners has acquired Hybrid
- Financial Co-Advisor — doceree has received a strategic investment from Creaegis
- Sellside Advisor — mra has been acquired by GeBBS, a portfolio company of ChrysCapital
- Sellside Advisor — K Advisors has been acquired by BGB Group, a portfolio company of TPG
- Financial Advisor — creo has been recapitalized by Grant Avenue
- Financial Advisor — Beghou Consulting has received a strategic investment from Varsity Healthcare Partners
- Buyside Advisor — NMS Capital has made an investment in HWP Health & Wellness Partners
- Sellside Advisor — bionest has been acquired by accenture
- Financial Advisor — ADVI has received a strategic investment from Sheridan Capital Partners
- Sellside Advisor — Harmony Healthcare, a portfolio company of SCP & CO, has been acquired by Addison Group, a portfolio company of Trilantic
- Sellside Advisor — Avalere Health, a subsidiary of inovalon, has been acquired by Fishawack Health, a portfolio company of Bridgepoint
- Sellside Advisor — Triangle Insights Group has been acquired by trialcard, a portfolio company of Odyssey

Cybersecurity and Compliance

- Sellside Advisor — PCIHIPAA has been acquired by Rectangle Health, a portfolio company of GI Partners
- Sellside Advisor — Foresight Security has been acquired by DomainTools, a portfolio company of Battery
- Sellside Advisor — W@tchTower, a portfolio company of BlueDelta Capital Partners, has been acquired by Achieve Partners
- Financial Advisor — vox has been acquired by Treliant, a portfolio company of Vistria
- Sellside Advisor — entropy, a portfolio company of Osage & Activate, has been acquired by protiviti, a subsidiary of Robert Half
- Sellside Advisor — Covestic has been acquired by Milestone, a portfolio company of HIG Capital
- Sellside Advisor — Column Technologies has been recapitalized by Acacia
- Sellside Advisor — The Reporting Software and Consulting Divisions of Keane, a portfolio company of IMP, have been acquired by Sovos, a portfolio company of Hg
- Sellside Advisor — Compliance Line has been acquired by One Praetorian
- Sellside Advisor — GCom Solutions has been acquired by RR Donnelley
- Sellside Advisor — Compusearch, a portfolio company of Carlyle Venture Partners II, L.P. has been acquired by JMI Equity
- Sellside Advisor — OpenQ has been acquired by anju, a portfolio company of Providence Equity

Clearsight is a Leader in Healthcare and Life Sciences Professional Services M&A

Clearsight's widespread reach and recognized thought leadership across the healthcare and life sciences professional services sector cultivates deep relationships with both financial sponsors and strategic acquirers

Vast Experience Closing Deals in the Healthcare and Life Sciences Services Sector

Clients Attest to Clearsight's Deep Healthcare and Life Sciences Services Expertise

> "Clearsight's dedication and nuanced understanding of the healthcare and life sciences sector sets them apart from other banks
>
> – Bob Serrano
> Kx Advisors

> "Clearsight's extensive experience and track-record across the consulting and life sciences sector made them an obvious choice as our investment banking partner
>
> – Chris Connors
> Danforth Advisors

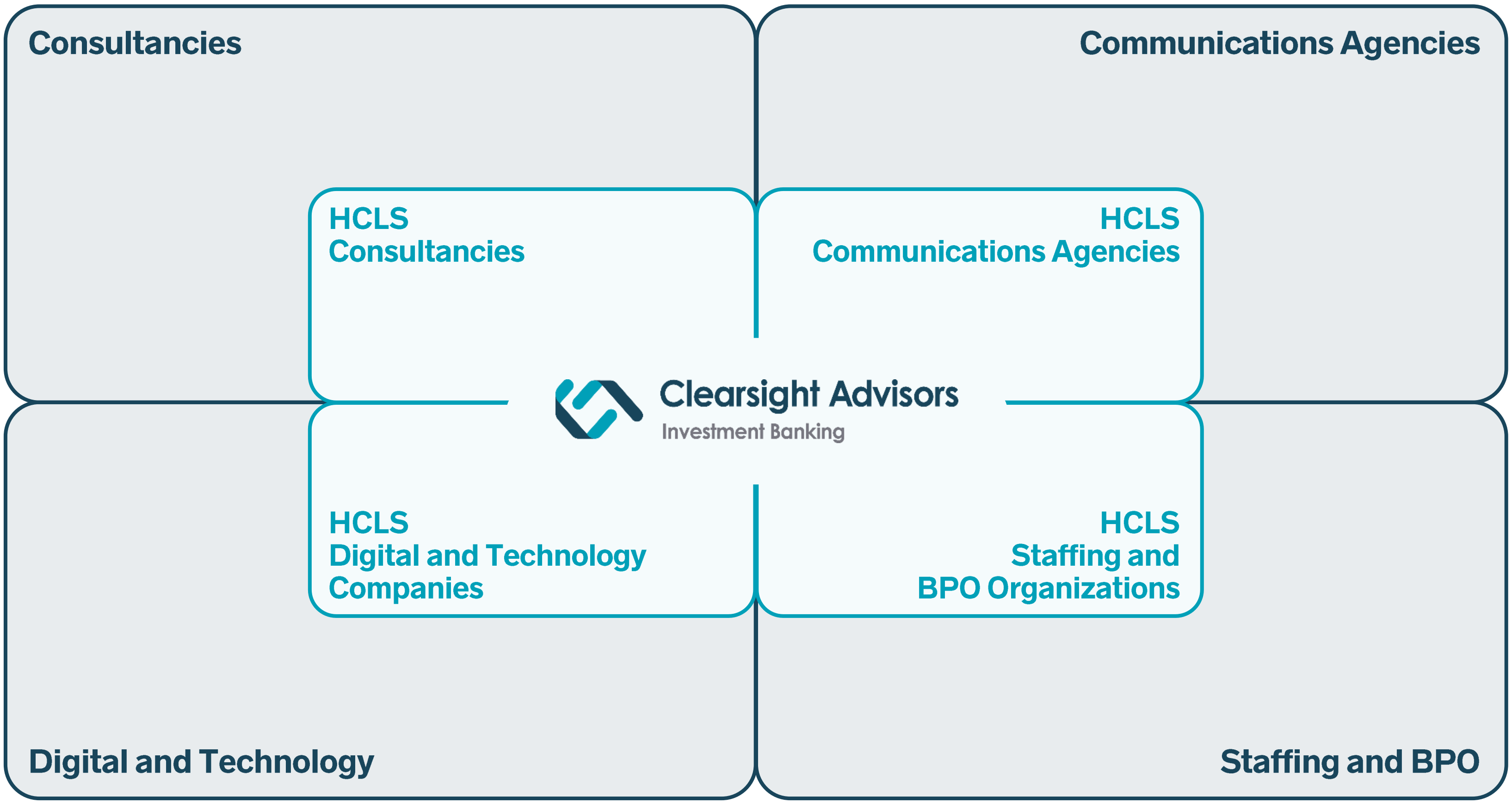
> "Clearsight's relevant insights into the healthcare and life sciences market, and deep knowledge of the acquirer universe, made them a valuable partner
>
> – Jonathan Boldt
> Inovalon (Avalere)

> "Clearsight's deep industry relationships and track record of success advising healthcare and life sciences consultancies stood out amongst other investment banks
>
> – Marc Samuels
> ADVI Health

Quarterly Monitors on Market Activity to Keep Network Up-to-Date on the Latest Trends

The Power of Our Network in Healthcare and Life Sciences Services

Our healthcare and life sciences services practice maintains active dialogues with the leading strategic acquirers and investors in the space; due to our broader Knowledge Economy experience, we also know the generalist strategic acquirers who are eager to make a play in the vertical



Clearsight Advisors

Investment Banking