

H.I.T. Greatest Hits

November / December
2015



M&A

MARLIN & ASSOCIATES

INVESTMENT BANKING AND STRATEGIC ADVISORY TO THE TECHNOLOGY,
INFORMATION AND HEALTHCARE INDUSTRIES

HIT MARKET UPDATE

New York

San Francisco

Washington, D.C.

Toronto

Dear CLIENTS AND FRIENDS,

Welcome to our November / December 2015 HIT Market Update

Dear Clients and Friends,

Why do innovations matter? The pious answer is that the best ones advance humanity and enhance the quality of our lives. Innovations essentially fall into one of two categories - we like to call them 'disruptive' vs. 'breakthrough' innovations. Disruptive innovations use new methods or technologies to disrupt an existing process or product. Email, wireless telephony and robotic manufacturing are good examples of disruptive innovations. These innovations wring out inefficiencies from existing systems, and in many instances, rearrange the economic stakes amongst the participants (think Airbnb or Uber).

The good news is that disruptive innovations are catching on quickly in the healthcare industry. Virtual visits or remote monitoring apps, for example, are improving interactions between patients and providers. There should be no doubt that the impact of these technologies will be long lasting and profound. That said, at the end of the day, these innovations optimize and enhance existing processes in an industry with notoriously low productivity and efficiency. We believe that the HIT industry is now on the verge of delivering scores of new breakthroughs that could redefine how the science of medicine is practiced.

The forces of breakthrough innovations create grass roots demand from novel discoveries. In healthcare, great examples include the X-ray machine or the discovery of DNA. These breakthroughs have contributed to the world of medicine in many remarkable ways. Building upon these technologies and others, most healthcare investors have been chasing breakthrough opportunities for curing and treating the most serious diseases, such as diabetes or cancer.

But what if we can predict and prevent diseases before they intervene. This is where the HIT industry can have its "moment of impact". According to Watson Health, factors that impact our health are our genomic data (30%), certain clinical data (10%) and our life style (60%). We are now able to measure these data points and integrate them with algorithmic models built around specific diseases, using the vast scientific and medical research knowledge base. Predictive and prescriptive analytics built on these elements hold the key to breakthroughs in the prevention space. And that is the fulcrum where science meets wellness.

As these predictive technologies take hold, our dialogue with our physicians will no longer be along the lines of "you could lose a little weight" or "your blood sugar is too high". The conversation will revolve around preventive actions that can be taken in light of a holistic view of the patient. By using these new analytics techniques, doctors will be able to predict disease risk, and based on those results, a personalized recommendation consisting of level of activity, food and medication can be tailored specifically for each of us.

We are in the early stages of realizing breakthroughs in the science of "precision wellness" but there are companies that are pioneering the effort with encouraging results. If we do not take prevention seriously, by 2030 close to 50% of the US population will have chronic diseases. We believe that the prevention industry will be a spectacular success and could ultimately create a trillion dollar race. Perhaps it is time to shatter the notion that sick care is where the action is.

See you next year.

Sincerely,



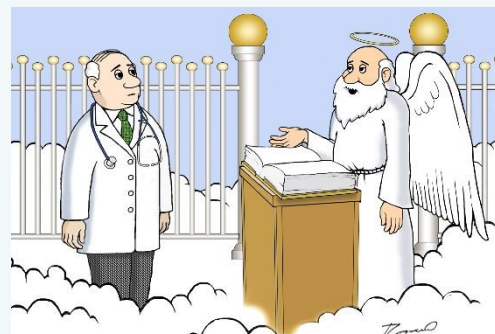
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"Yes, you did make it to heaven, but a higher authority still requires that you demonstrate 'Meaningful Use' to qualify for your reward."

In this issue:

- MedAssets (NASDAQ:MDAS) to be acquired by Pamplona Capital for \$2.8 billion
- Healthland (Minneapolis, MN) acquired by CPSI for \$250 million
- HealthFusion (Solana Beach, CA) to be acquired by Quality Systems for \$190 million
- Accretive Health (OTCPK:ACHI) raises \$200 million from TowerBrook & Ascension

MARLIN & ASSOCIATES HIT MARKET UPDATE

03

Important Industry News

03

Merger & Acquisition Transactions

06

Capital Raising Activity

08

Sector Analyses

08



Healthcare Information Software Systems

09



Technology-Enabled Healthcare Services

10

Merger & Acquisition Activity Trends

IMPORTANT INDUSTRY NEWS

Walgreens' healthcare clinics to implement Epic EHR platform

When Epic lost the DoD multi-billion \$\$ contract, many industry observers claimed that the company's glory days were over. Not the case. Epic landed the much anticipated contract to implement its EHR platform in Walgreens' Healthcare Clinics. Epic has a formidable market share in the hospital business. We think it is a big deal that they won a large ambulatory contract. Walgreens operates over 400 clinics nationwide. Epic played up its interoperability capabilities in a big way to win this contract.

M&A TRANSACTIONS

MedAssets to be acquired by Pamplona Capital for \$2.8B

MedAssets (NASDAQ:MDAS) agreed to be acquired by Pamplona Capital Management, the London, UK private equity firm, for \$2.78 billion, or \$31.35 / share, implying a valuation of 3.6x LTM revenue and 12.7x LTM EBITDA.

You are not wrong if you are thinking that the average size of take-private transactions is going up across all industries. This one is certainly one of the largest in the HIT sector. The transaction seems to have been well orchestrated since Pamplona is buying the whole company and immediately selling its resource management business to the VHA-UHC Alliance. VHA-UHC was formed in February 2015, bringing together two organizations focused on non-profit hospitals, as well as academic medical centers. Pamplona, based in London, paid a 44% premium over the company's 30-day average stock price. Pamplona will integrate MedAssets with its coding company, Precyse Solutions, which it bought in July 2015. We think this is a great deal both for the company and its shareholders. It is the most graceful way for MedAssets to split up its two different operations and focus on its core competency in the RCM sector.

Aesynt to be acquired by Omnicell for \$275M

Aesynt, the Cranberry Township, PA provider of pharmacy automation solutions for hospitals and health systems, and backed by Francisco Partners, agreed to be acquired by Omnicell (NASDAQ:OMCL) for \$275 million, implying a valuation of 1.5x LTM revenue and 13.8x LTM EBITDA.

Omnicell is a leading provider of medication and supply management solutions. The company trades at 2.1x LTM sales and 14.8x LTM EBITDA and has an enterprise value of \$1.0 billion. This acquisition is accretive to the company out of the gate. This is the largest acquisition of Omnicell, far surpassing its acquisition of MTS Medication Technologies in May 2012 for \$160 million. This combination makes a lot of sense to us.

CliniSys and Atlas Medical acquired by Roper for \$261M and \$48M, respectively

CliniSys, the Surrey, UK provider of clinical lab information management solutions, and backed by Montagu Private Equity, and Atlas Medical, the Calabasas, CA provider of clinical connectivity and process integration solutions, were both acquired by Roper Technologies (NYSE:ROP), for \$261 million and \$48 million respectively.

There is no stopping Roper. The company is one of the most active acquirers of healthcare IT assets. These two acquisitions are on the heels of the company's acquisition of Strata Decision, an operational analytics company back in January 2015. The CliniSys acquisition is notable in that it is Roper's first HIT acquisition outside the U.S. Investors seem to cheer Roper's track record -- the stock is one of the best performing stocks in the diversified healthcare sector.

Heathland acquired by CPSI for \$250M

Heathland, Inc., the Minneapolis, MN provider of integrated EHR and PM solutions to rural hospitals, and backed by Francisco Partners, agreed to be acquired by Computer Programs and Systems (NASDAQ:CPSI), for \$250 million.

To our knowledge, CPSI has never bought a company in its history. This is Francisco's second successful exit this month. CPSI has an enterprise value of a little over \$500 million so this transaction is an almost "bet the company" type of deal. Heathland has two distinct operations. American Health Tech provides EMR and clinical systems to over 350 small hospitals. Rycan is in the business of revenue cycle management with over 290 clients. The transaction will be accretive to CPSI's earning in 2016. The consideration consisted of 65% cash and 35% CPSI's stock. We think this is a defining moment for CPSI and expect that this acquisition will create a lot of value for its shareholders overtime.

HealthFusion to be acquired by Quality Systems for \$190M

HealthFusion, the Solana Beach, CA provider of cloud-based, integrated EHR and PM software primarily to physician practices, and backed by BNY Mellon-Alcentra Mezzanine Partners, agreed to be acquired by Quality Systems (NASDAQ:QSII) for \$165 million plus potential additional consideration of up to \$25 million.

QSI recently divested its small hospital business to focus on the physician side. HealthFusion, founded primarily by doctors, has 6,000 ambulatory subscribers nationwide in more than 30 specialties. Its platform, known as MediTouch, is one of the most advanced cloud-based solutions for the smaller practices. We expect that QSI will integrate that technology into its own installed base.

PDR Network acquired by Genstar Capital

PDR Network, the Montvale, NJ operator of a network that engages physicians, pharmacists, and patients with targeted content, and backed by Lee Equity Partners, was acquired by Genstar Capital, the San Francisco, CA private equity firm, for an undisclosed sum.

PDR's Physicians' Desk Reference is still a bible for many doctors in the U.S. PDR has come a long way from the days of providing the reference book in print form. The information is now fully digital and integrated with many EMRs. The company purchased LDM Group, a behavior based prescription management company, late last year and doubled its size. Great exit for the main investor, Lee Equity.

DNA Diagnostics Center acquired by GHO Capital Partners for €104M

DNA Diagnostics Center, the Fairfield, OH provider of DNA testing services, was acquired by GHO Capital Partners, the London, UK based private equity firm, for €140 million.

DNA/genetic testing is just getting started. On the heels of the large capital raise by 23andMe which was for \$115 million, DNA Diagnostics' recap is of no surprise. The company is probably the oldest player in the field of DNA testing with its initial focus being on paternity testing.

Corporate Translations acquired by RWS for \$70M

Corporate Translations, the East Hartford, CT provider of life sciences translation and linguistic validation services, was acquired by RWS Holdings (AIM:RWS), for \$70 million, implying a valuation of 3.0x LTM revenue and 14.6x LTM EBITDA.

RWS, based in the UK, is one of the largest technical translation companies with \$600 million in enterprise value and sales of \$130 million. The company's chief focus is on patent translation. Corporate Translations, in turn, focuses on clinical trials in pharma and biotech. This is a match made in heaven!

ClientTell acquired by West Corp for \$49M

ClientTell, the Valdosta, GA provider of automated patient appointment reminders, was acquired by West Corporation (NASDAQ:WSTC) for \$48.5 million.

West Corp started dabbling in healthcare when it first bought Health Advocate, the concierge services company, in 2014 for \$265 million. ClientTell is, after all, a communication platform which is a familiar territory for West Corporation, a leading communication service provider with over \$5.3 billion in enterprise value. It looks to us that West is putting the pieces together to play a more serious role in care coordination.

PDI – Commercial Services Business to be acquired by Publicis for \$33M

PDI's Commercial Services business (CSO), the Parsippany, NJ subsidiary of PDI (NASDAQ:PDI), agreed to be acquired by Publicis Healthcare Communications Group, the subsidiary of Publicis Groupe (ENXTPA:PUB), for \$32.6 million.

PDI has wanted to focus on its molecular diagnostic business for some time, so an orphan asset is being bought by a company that can really appreciate its value. PDI Commercial Services business is a contract sales organization which, when combined with Publicis' healthcare operation, will have 4,000 healthcare professionals who help pharma and biotech companies commercialize their products. PDI has won some impressive contracts this year totaling \$45 million in value.

AxelaCare acquired by OptumRx

AxelaCare Health Solutions, the Lenexa, KS provider of home infusion solutions, and backed by Harvest Partners, was acquired by OptumRx, the pharmacy services business of Optum, for an undisclosed sum.

This is a classic case of using your network to push through more products. Axela has operations in 44 states and a network of 34 pharmacies. The company has made six acquisitions since December 2010. OptumRx has a network of 67,000 community & home delivery pharmacies.

Clarity Health acquired by SCI Solutions

Clarity Health, the Seattle, WA SaaS provider of insurance authorization and referral management solutions, and backed by Columbia Pacific Advisors, was acquired by SCI Solutions, the Campbell, CA provider of referral management and patient scheduling solutions, for an undisclosed sum.

We have a lot of respect for SCI. This combination makes perfect sense to us. The combined company will serve more than 10,000 physician practices and 700 hospitals. This further strengthens SCI's product portfolio and increases the importance of the company in the care coordination space. SCI raised additional funding to make this acquisition. Clarity had raised about \$11 million in funding prior to the acquisition.

Essia Health acquired by ScribeAmerica

Essia Health, the Woodland Hills, CA provider of scribe management solutions, and backed by Camden Partners, was acquired by ScribeAmerica, the Aventura, FL provider of medical scribe education, training, and management solutions, for an undisclosed sum.

This is ScribeAmerica's third acquisition in 2015. Essia provides a more meaningful geographic presence for ScribeAmerica on the west coast.

G2N acquired by iMedX

G2N, the St. Louis, MO provider of coding and RCM services to hospitals, was acquired by iMedX, the Atlanta, GA provider of medical documentation management and information solutions, for an undisclosed sum.

iMedX is one of the most aggressive acquirers in the coding and documentation sector. G2N has two different businesses. In addition to medical coding, the company has a results-based consulting services focused on the revenue cycle management and reimbursement angle

iVantage acquired by The Chartis Group

iVantage Health Analytics, the Portland, ME provider of analytics and business intelligence solutions, and backed by Great Point Partners, was acquired by The Chartis Group, the Chicago, IL provider of management consulting services, for an undisclosed sum.

Chartis Group is starting to win a lot of respect in the industry. The company is essentially a high-end consulting group with specific core competencies in the accountable care and clinical transformation space. iVantage has carved a good niche for itself in the area of performance analytics and decision support. We like this deal.

Xtend Healthcare acquired by Navient

Xtend Healthcare, the Hendersonville, TN provider of revenue cycle management services, and backed by Brentwood Capital Partners and WestView Capital Partners, was acquired by Navient (NASDAQ:NAVI), for an undisclosed sum.

We have a lot of respect for WestView. The firm has been a consistent outperformer in healthcare. But this sale breaks records. WestView invested in Xtend only in April 2014. For Navient, whose stock performance has been dismal, this can be a strategic acquisition bringing them into one of the more dynamic sectors of the economy. Xtend's revenue has grown substantially from \$17 million in 2010 to more than \$70 million in 2015.

The Camden Group acquired by GE Healthcare

The Camden Group, the El Segundo, CA provider of healthcare advisory solutions, was acquired by GE Healthcare Partners, the subsidiary of General Electric (NYSE: GE), for an undisclosed sum.

The Camden Group is one of the most established healthcare advisory firms in the U.S. with over 2,000 clients. The company's services span financial advisory (M&A transactions) to strategy advice for hospital turn-arounds and operational improvements. We will wait and see how GE will incorporate Camden's various lines of business.

AOD Software to be acquired by MatrixCare

AOD Software, the Coral Springs, FL provider of software solutions to long term care facilities, and backed by Primus Capital and others, agreed to be acquired by MDI Achieve (dba MatrixCare), the Bloomington, MO provider of software solutions and services to the long-term care industry and senior living communities, and subsidiary of Logicbec, for an undisclosed sum.

AOD's suite of solutions serves 800 Continuing Care Retirement Communities (CCRCs) in addition to 1,400 home health and home care locations. MatrixCare's product is used by 8,500 facilities. AOD, reportedly with revenues of \$33M in 2014, is a great addition to MatrixCare which is a more significant player. The combination creates another big entity in the long term care facility sector; one of the most sought after segments for private equity investors.

1DocWay acquired by Genoa

1DocWay, the New York, NY provider of telepsychiatry solutions, and backed by Rock Health, Asset Management Ventures, Great Oaks Venture Capital and others, was acquired by Genoa, a QoL Healthcare Company, the Pittsburg, PA provider of specialty behavioral health and long-term care pharmacy solutions, for an undisclosed sum.

1DocWay is the perfect acquisition candidate for Genoa. This is not dissimilar to the brick and mortar stores getting into online commerce. We are a big believer in anything telemedicine including telepsychiatry.

ikaSystems to be acquired by BCBS of Michigan

ikaSystems, the Southborough, MA provider of business automation and process solutions for health insurers, and backed by Essex Woodlands and Providence Equity, was acquired by Blue Cross Blue Shield of Michigan, for an undisclosed sum.

When Providence Equity and Essex Woodlands invested \$120 million in 2009, many people viewed ikaSystems as the next generation Trizetto. To us, this appears to be a deal between a customer and its vendor. We think that the new owners would be of great help to crystalize the strengths of the company, without the pressures associated with being owned by private equity firms.

Outcome Resources acquired by Hospice Pharmacy Solutions

Outcome Resources, the Rocklin, CA provider of hospice pharmacy benefits management (PBM) services, and backed by New Capital Partners, was acquired by Hospice Pharmacy Solutions, the Colleyville, TX provider of PBM services, for an undisclosed sum.

Outcome Resources has been around for 15 years. The combination is a classic roll up.

Pathology, Inc. assets to be acquired by LabCorp

The assets of Pathology, Inc. the Torrance, CA provider of women's health laboratory services, and backed by ABS Capital and others, agreed to be acquired by LabCorp (NYSE:LH), for an undisclosed sum.

Back in February 2015 when LabCorp purchased Covance, a large drug development firm, for \$6.1 billion, many touted the acquisition as transformational. The acquisition of Pathology Inc. is a very simple aggregation of market share for LabCorp. Pathology Inc. is one of the best brands in the women health laboratory space. LabCorp's stock has been fairly steady this year, performing slightly above the NYSE index.

FlexLife Health acquired by WFW Cardiac

FlexLife Health, the Cleveland, OH provider of remote patient monitoring services, was acquired by WFW Cardiac, the Rosemont, IL provider of mobile cardiac and home sleep testing technologies, for an undisclosed sum.

WFW Cardiac is owned by the German manufacturer of wireless healthcare technologies, LifeWatch AG (SWX:LIFE). This is LifeWatch's first acquisition in 10 years and further consolidates its U.S. presence. The company has enjoyed a nice appreciation in its stock price since earlier this year.

FUNDRAISING

Accretive Health raises \$200M in funding

Accretive Health (OTCPK: ACHI) raised \$200 million from an investment vehicle owned by Ascension and TowerBrook. This investment vehicle will purchase convertible preferred stock and receive warrants. In addition, Accretive announced a revised and expanded 10-year strategic partnership with Ascension.

This is the best news for the company in years. As most of our readers know, the company has struggled with muddled financials and nose diving stock price. Ascension, the largest customer of Accretive, offered to buy the company last summer but the offer was rejected by Accretive's board. In a somewhat complicated deal, Ascension renewed its contract with the company and with TowerBrook, one of the savviest PE firms, simultaneously invested \$200 million of convertible debt, which on a fully diluted basis, is close to 44% of the shares outstanding. We expect that we will see a new revitalized RCM company in the near future. The company plans to list again either on NASDAQ or NYSE once the deals closes. Accretive was delisted in March 2014. We all remember the fact that Accretive was one of the early pioneers in the RCM sector.

One Medical Group raises \$65M in funding

One Medical Group, the New York, NY owner and operator of primary care practices, raised \$65 million in funding led by J.P. Morgan Asset Management and included participation from other new and returning investors.

Healthcare services is coming unbundled everywhere. Standalone clinics are competing with larger hospitals. New entrants into the insurance business are slowly chipping away at the market share of larger health insurers. Now there are concierge services coming to market that are providing a unique set of solutions all under one roof. These services include same day appointments, e visits, weekend hours, etc. The company charges \$149 annually as membership fees. This is similar to another company, MDVIP which charges an annual fee of \$1,800 allowing their patients to have access to top doctors. One Medical added 80,000 members last year and has 150 business clients. The company has a strong emphasis on prevention.

RiverMend Health raises \$60M in funding

RiverMend Health, the Atlanta, GA operator of substance addiction and mental health centers, raised \$60 million in funding led by Norwest Venture Partners.

Mental illness and addiction are some of the most silent but severe health issues in the U.S. We already see an increased level of investment activity in the behavioral health facilities space. To get to the root of mental illness and addiction is a much bigger value proposition. We will be seeing more and more money going into this sector.

Evariant raises \$44M in funding

Evariant, the Farmington, CT provider of healthcare platform that improves patient and physician engagement, raised \$44.2 million in funding from Goldman Sachs, Health Enterprise Partners, Lightspeed Venture Partners and other investors.

There are a lot of companies that are trying to help hospitals market their services. In this environment, where hospitals are vying for new patients (particularly the ones with commercial health insurance), effective CRM technologies are a must. We think this race is predominately between Evariant and Influence Health - formerly MEDSEEK.

PresenceLearning raises \$25M in Series C funding

PresenceLearning, the San Francisco, CA provider of online speech therapy, occupational therapy and behavioral health solutions, raised \$25 million in Series C funding led by Catalyst Investors and included participation from existing investors.

Another e-visit play for tapping speech therapists for K-12 students. Keep them coming. We love the economics of e-visits. Prior to this raise, PresenceLearning had raised over \$12 million of capital.

Vitals raises \$42M in Series D funding

MDX Medical (dba Vitals), the Lyndhurst, NJ provider of healthcare price transparency and consumer engagement solutions, raised \$41.8 million from the Merchant Banking Division of Goldman Sachs and existing investors.

We continue to be impressed by the amount of capital Goldman Sachs is deploying in the HIT market. Many companies like Vitals have started a simple review site for doctors, and the good ones have morphed into a full service vendor for payers, consumers and employers. In addition to the reviews, the company offers price transparency, appointments, consumer engagement (read: incentivizing employees to use more cost efficient options, etc.) The company has a new CEO, Heyward Donigan and this funding is a huge vote of endorsement for her and the Vitals' business model.

EIMindA raises \$28M in Series C funding

EIMindA, the Herzliya, Israel provider of neuroscience-based technology for analyzing brain network functionality, raised \$28 million in Series C funding from Shanda Group, The Kraft Group, WR Hambrecht & Co Palisade Capital Management, OurCrowd and others.

Brain mapping is one of the most exciting frontiers of science. The applications for discovering brain network functionality range from AI, to virtual reality games, and of course, discovery of causes of neurological diseases. The Company's technology plays well into the recent White House Brain Initiative. The company's BNA product received FDA approval in 2014 and is now available at 15 locations in the U.S.

HealthiestYou raises \$30M in funding

HealthiestYou, the Scottsdale, AZ provider of telehealth-focused health and wellness solutions, raised \$30 million in funding from Frontier Capital.

The company has ambitious goals. It aims to combine telemedicine with wellness programs. The company serves over 4,000 employers. In September 2014, the company received an investment from UnitedHealth Group Ventures. We will be watching this company closely. We like the space.

MD Revolution raises \$23M in funding

MD Revolution, the San Diego, CA provider a digital care management platform, raised \$23.3 million in funding from unnamed investors.

The company follows the model that has recently been in vogue, which is combining wellness with clinical outcome measurement. MD Revolution's RevUp platform is sold to payers as well as employers and syncs with most EMR systems.

Weave raises \$16M in Series B funding

Weave, the Lehi, UT provider of communication solutions, that sync with CRM and EHR software, raised \$15.5 million in Series B funding led by Crosslink Capital with participation from Pelion Ventures and Peak Capital.

This is a very interesting move by a company that on surface is in the ordinary business of long distance and local calling services for medical SMBs. Weave, which was founded in 2008, has 2,000 dental and orthodontics customers across the US and Canada. The company will be using the funds to move to other practices and plans to combine, phone, email, text, CRM and EHR solutions all on one platform.

symplr raises funding

symplr, the Houston, TX provider of healthcare compliance and credentialing solutions, completed a recapitalization led by Pamlico Capital and included participation from existing investors including The CapStreet Group.

symplr has a comprehensive suite of solutions spanning provider, staff and vendor credentialing. We are a bit surprised that a PE firm won this auction. The company's line of business would have been ideal for many strategic buyers.

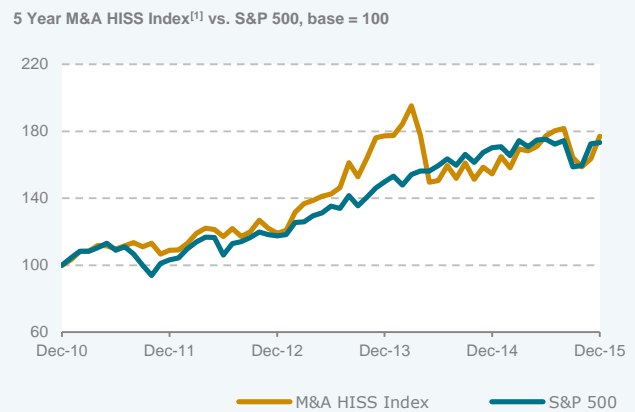
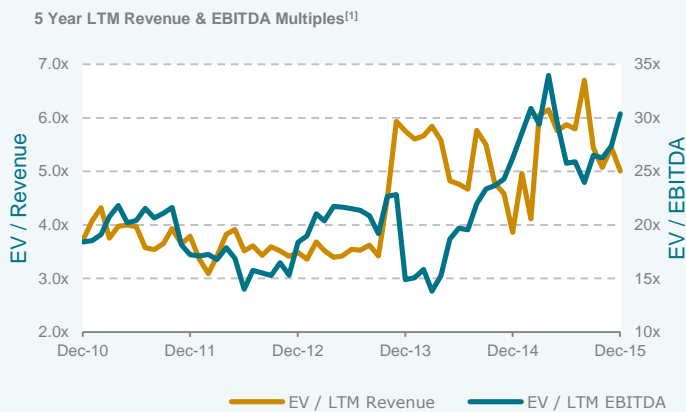
ClearCare raises funding

ClearCare, the San Francisco, CA provider of software solutions for private duty home care agencies raised an undisclosed round of strategic funding from McKesson Ventures.

Prior to the investment by McKesson Ventures, ClearCare had raised \$15 million from investors such as Bessemer, Qualcomm and Cambia. We all know that any software and services aiming for the senior population is a good business to be in. What sets ClearCare apart is its matching system which essentially matches the client with the nearby caregivers that are qualified. The company also has a billing and payroll platform. Both ClearCare and McKesson are based in San Francisco.

Healthcare Information Software Systems

Public Market Data



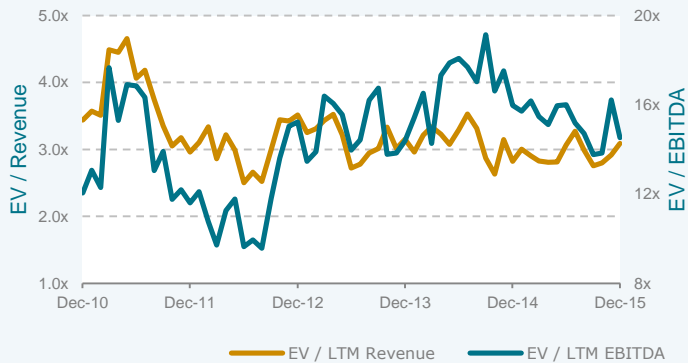
Company (USD millions)	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		Revenue Growth		EBITDA Margin	
			CY2014A	CY2015E	CY2014A	CY2015E	CY2014A	CY2015E	CY2014A	CY2015E
Cerner	20,941	21,107	6.4x	4.8x	21.9x	14.9x	17%	34%	29%	32%
athenahealth	6,632	6,814	9.1x	7.4x	nm	38.0x	26%	23%	8%	19%
Veeva Systems	4,187	3,847	12.3x	9.5x	52.6x	33.3x	49%	29%	23%	29%
Allscripts	2,878	3,451	2.5x	2.5x	60.6x	14.0x	0%	2%	4%	18%
Inovalon	2,818	2,389	6.6x	5.4x	18.4x	15.5x	22%	22%	36%	35%
Medidata	2,598	2,560	7.6x	6.4x	nm	28.0x	21%	19%	11%	23%
The Advisory Board	2,304	2,804	4.8x	3.6x	56.2x	16.5x	16%	33%	9%	22%
HealthEquity	1,945	1,796	20.4x	14.4x	nm	47.4x	42%	42%	26%	30%
CompuGroup Medical	1,742	2,104	3.8x	3.7x	29.0x	17.9x	12%	3%	13%	20%
Benefitfocus	1,169	1,135	8.3x	6.2x	nm	na	31%	33%	na	na
Quality Systems	994	884	1.9x	1.8x	20.5x	12.0x	8%	5%	9%	15%
Computer Programs & Systems	540	502	2.5x	2.7x	9.4x	15.2x	2%	(10%)	26%	18%
Imprivata	294	243	2.5x	2.1x	nm	na	36%	22%	na	na
Trim Mean	2,528	2,571	6.0x	4.9x	33.1x	21.5x	21%	20%	17%	23%
Median	2,304	2,389	6.4x	4.8x	25.5x	16.5x	21%	22%	13%	22%

Inovalon added as of 2/12/15

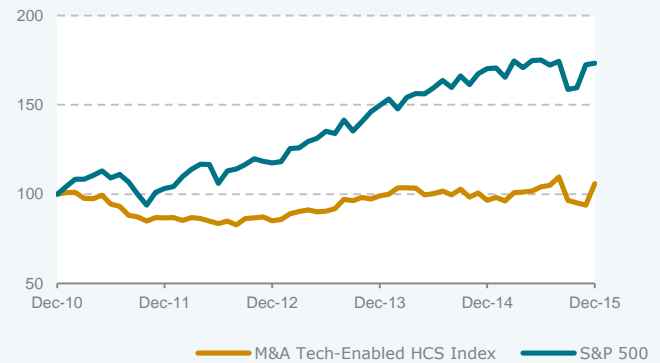
Technology-Enabled Healthcare Services

Public Market Data

5 Year LTM Revenue & EBITDA Multiples⁽¹⁾



5 Year M&A Tech-Enabled HCS Sector Index⁽¹⁾ vs. S&P 500, base = 100

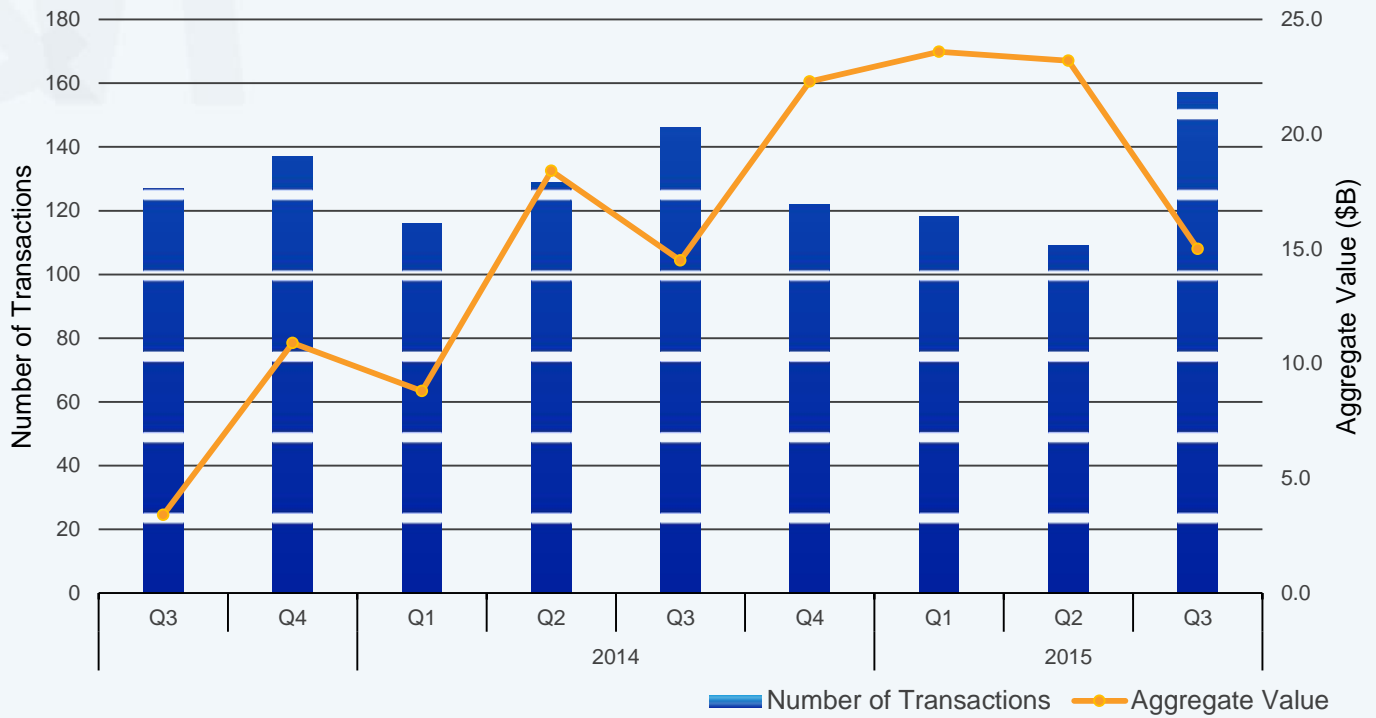


Company (USD millions)	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		Revenue Growth		EBITDA Margin	
			CY2014A	CY2015E	CY2014A	CY2015E	CY2014A	CY2015E	CY2014A	CY2015E
McKesson	44,497	50,021	0.3x	0.3x	12.7x	9.8x	33%	10%	2%	3%
Premier	5,001	4,984	5.3x	4.6x	nm	nm	3%	16%	34%	38%
WebMD	2,273	2,463	4.2x	3.9x	21.8x	13.2x	13%	9%	20%	30%
MedAssets	1,791	2,588	3.6x	3.4x	12.0x	10.9x	6%	6%	30%	31%
Press Ganey	1,710	1,879	6.7x	5.9x	20.9x	16.1x	8%	13%	32%	37%
HMS Holdings	1,065	1,118	2.5x	2.4x	12.7x	9.9x	(10%)	6%	20%	24%
Emis	1,021	1,023	4.9x	4.2x	16.9x	13.2x	30%	17%	29%	32%
Evolent Health	961	1,040	10.3x	6.5x	nm	n/a	150%	59%	na	n/a
Teladoc	818	693	15.9x	9.1x	nm	n/a	119%	75%	na	n/a
HealthStream	769	625	3.7x	3.0x	22.3x	18.6x	29%	21%	16%	16%
Healthways	477	728	1.0x	1.0x	15.0x	12.2x	12%	3%	7%	8%
Castlight Health	378	230	5.1x	3.1x	nm	n/a	252%	64%	na	n/a
Vocera Communication	343	228	2.4x	2.2x	nm	n/a	(7%)	7%	na	n/a
Accretive Health	199	62	0.3x	0.3x	nm	2.4x	(58%)	11%	na	11%
Everyday Health	198	275	1.5x	1.2x	13.4x	6.0x	18%	24%	11%	20%
Craneware	171	129	3.0x	2.7x	10.1x	8.5x	1%	11%	30%	32%
Trim Mean	1,214	1,286	3.9x	3.2x	15.7x	11.1x	29%	20%	22%	24%
Median	889	875	3.6x	3.0x	14.2x	10.9x	12%	12%	20%	27%

Press Ganey added as of 5/20/15, Evolent added as of 6/8/15 and Teladoc added as of 7/1/15

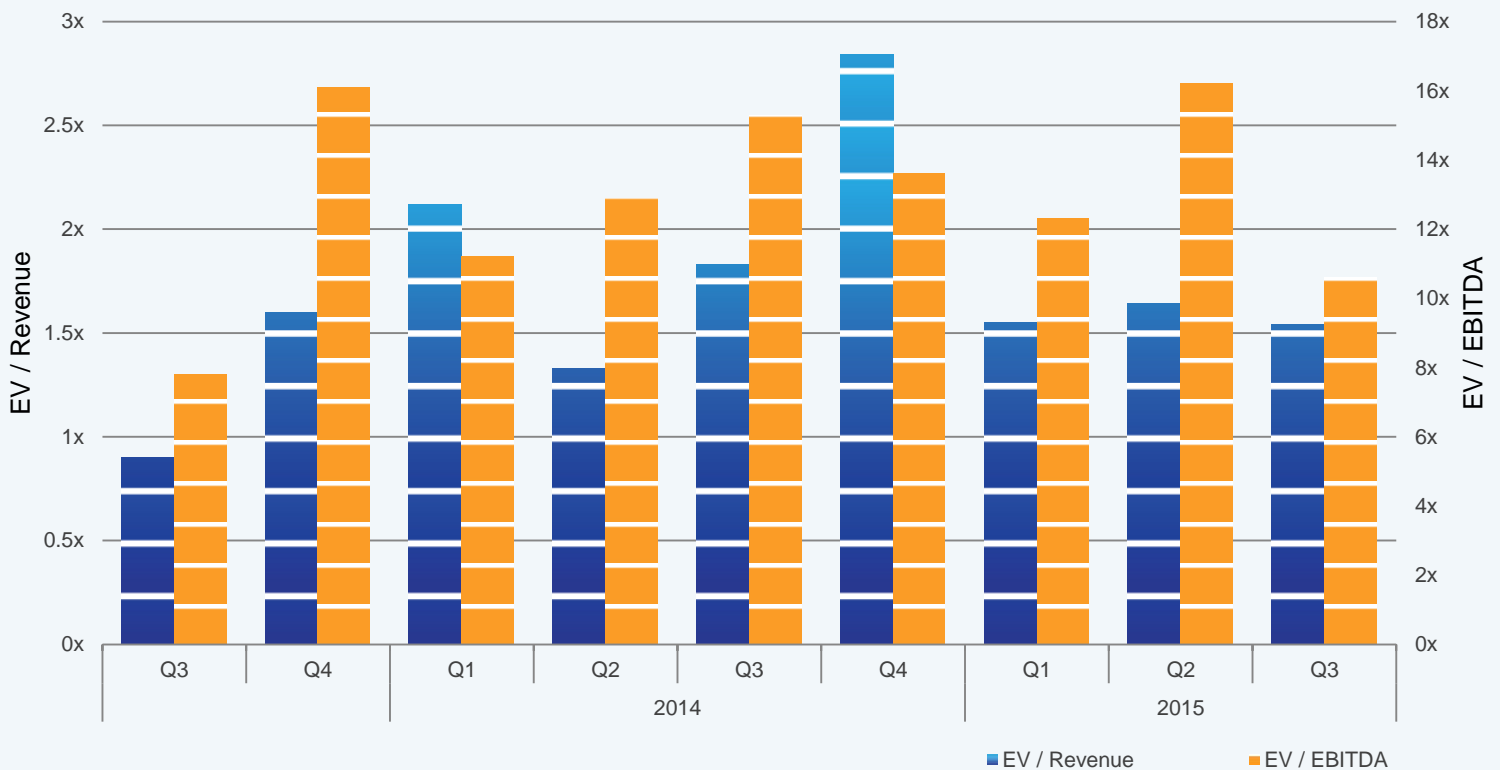
MERGER AND ACQUISITION TRANSACTIONS

Healthcare Technology and Services Transaction Activity



Note: Excludes Medtronic acquisition of Covidien, Anthem acquisition of Cigna, and Aetna acquisition of Humana

Healthcare Technology and Services Transaction Multiples



SELECT MARLIN & ASSOCIATES AWARDS



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SNL Financial

“Boutique Investment Banking Firm of the Year (2014)”



Acquisition International recognized Marlin & Associates for the M&A Award USA TMT Advisory Firm of the Year (2012)



The Global M&A Network recognized Marlin & Associates for excellence in multiple deal categories through its M&A Atlas Awards:

- Financial Technology Deal of the Year (2012, 2011)
- North America Small Mid Markets Corporate Deal of the Year (2013)
- Entertainment & Media Deal of the Year (2011)
- Corporate M&A Deal of the Year (2010)
- Technologies Deal of the Year (2010)



The M&A Advisor and The M&A Forum, conference producers and newsletter publishers serving the middle market finance industry, named Marlin & Associates as the:

- Boutique Investment Banking Firm of the Year (2014)
- Middle Market Investment Banking Firm of the Year (2008 and 2007)
- Middle Market Financing Agent of the Year – Equity (2007)



The M&A Advisor and The M&A Forum have recognized Marlin & Associates for excellence in multiple deal categories including:

- Healthcare and Life Science Deal of the Year (Over \$100M to \$500M) (2013)
- Financial Services Deal of the Year (2013, 2012 and 2011)
- Nominated for Middle Market Healthcare Services Deal of the Year (2012)
- Information Technology Deal of the Year (2011)
- Middle Market Deal of the Year <\$25M (2011)
- Corporate and Strategic Acquisition of the Year (2011)
- Middle Market Financial Services Deal of the Year (2011 and 2010)
- Middle Market Information Technology Deal of the Year (2011 and 2010)
- Middle Market International Financial Services Deal of the Year (2013 and 2010)
- Middle Market International Information Technology Deal of the Year (2010)

- Middle Market International Professional Services (B-to-B) Deal of the Year (2013)
- Middle Market Professional Services Deal of the Year (2010)
- Middle Market Financial Services Turnaround Deal of the Year (2009)
- Middle Market Information Technology Turnaround Deal of the Year (2009)
- Middle Market International Deal of the Year (2008)
- Middle Market Financial Services Deal of the Year (2008)
- Middle Market Technology Deal of the Year (2008)
- Middle Market International/Cross Border Deal of the Year (2007, Below \$100M)
- Middle Market Financial Services Deal of the Year (2007, Below \$100M)
- Middle Market Computer and Information Technology Deal of the Year (2007, Below \$100M)
- Middle Market Financing Deal of the Year - Equity (2007)
- Middle Market Financing - Financial Services Deal of the Year (2007)
- Middle Market Financing - Computer, Technology and Telecommunications Deal of the Year (2007)



The 451 Group, a noted independent technology industry analyst company, identified Marlin & Associates as a leader in cross-Atlantic technology merger and acquisition transaction advisory



SNL Financial, a market research company, identified Marlin & Associates as leading the most financial technology transactions in 2009, in a tie with Citigroup and Credit Suisse, and one of the top 10 advisors in 2010



Two transactions on which Marlin & Associates advised were named as part of The M&A Advisor's “Deals-of-the Decade Celebration”

MARLIN & ASSOCIATES SENIOR TEAM



Ken Marlin

Founder and Managing Partner of M&A

- Twice named to II's tech 50
- Member Market Data Hall of Fame
- MD Veronis Suhler Stevenson
- CEO of Telesphere Corporation
- CEO of Telekurs (NA)
- EVP Bridge Information systems
- SVP at Dun & Bradstreet
- BA from the University of California (Irvine)
- MBA from UCLA, post-MBA from New York University

- Chief Operating Officer M&A
- 18+ years of M&A experience
- M&A attorney of Skadden, Arps, Slate, Meagher and Flom
- CFO of JCF Group
- VP Business Development at FactSet
- Law Degree from Fordham Law School
- MBA from Columbia Business School
- CFA Charterholder



Jason Panzer

- 15+ years of investment banking and private equity experience
- Named to Dealer's Digest 40-Under-40
- Founded Marlin & Associates with Ken Marlin
- Led VSS research
- Morgan Stanley
- American International Group
- BS from Binghamton University



Michael Maxworthy



Paul Friday

- 20+ years of investment banking experience
- Focused on entrepreneurial technology-based companies
- Formerly at Robertson Stephens
- Formerly at PaineWebber (UBS)
- BS, Finance from Pennsylvania State University



Afsaneh Naimollah

- 20+ years of M&A experience
- Founder of Chela Capital
- Global Head of Barclays' Capital Technology Group
- BA in Economics from Milton College
- MBA in International Finance from University of Wisconsin-Madison
- Post-MBA from Northwestern University

- 12+ years of M&A experience
- VP of Business Development at SunGard
- Founder of software company sold to SunGard
- Started career designing trading software for TD Bank
- BaSC, Engineering from University of Toronto



Tom Selby

- 15+ years of corporate finance experience
- 8+ years in investment banking at UBS and Deutsche Bank
- BS from Union College
- MBA from University of Virginia's Darden School of Business



Jonathan Kaufman



George Beckerman

- 25+ years of investment banking/strategic consulting
- Co-founder of MarketResearch.com
- Advisor at Dun & Bradstreet, R.R. Donnelly & Sons, and BDM
- Executive positions in Washington
- Post's Legislate subsidiary and Thomson Financials' legal research business
- National Defense Education Fellow at New York University's Graduate School of Public Administration



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