

# Q1: Quarterly Industry Update

AS OF March 31, 2024

**cogent** valuation  
FINANCIAL OPINIONS

## Medical Recordkeeping Industry Summary

**COGENT VALUATION** identified **Medical Recordkeeping** publicly traded companies, IPOs, and recent M&A transactions within the Medical Recordkeeping industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2023, the median 52-week share price return of the Medical Recordkeeping industry decreased from 22.1% to 18.4%, and the median YTD return increased from 2.2% to 23.7%. Between March 31, 2023 and March 31, 2024, the median EV/Revenue multiple decreased from 1.8 to .7 and the median EV/EBITDA multiple increased from 10.2 to 16.9. The median price-to-earnings multiple increased from 15.4 to 22.2x and the median EV/Gross CF multiple decreased from 32.3 to 29.1 over the same period. The median MVIC/Earnings multiple decreased from 4.2 to 4.1. The median Price/Revenue multiple increased from 14 to 15.9 over the same period.

### Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
18.4%	23.7%	4.1x	16.9x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
22.2x	17.2x	4.1x	15.9x

## Public Company Median Multiples by Quarter

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
<b>Median EV/Revenue Multiple</b>	4.1x	3.2x	3.4x	1.7x	3.1x	3.2x	2.9x	3.0x
<b>Median EV/EBITDA Multiple</b>	16.9x	18.0x	17.6x	13.4x	14.6x	14.6x	19.4x	10.7x
<b>Median Price/Earnings Multiple</b>	22.2x	30.1x	20.3x	21.2x	20.8x	19.7x	17.9x	17.7x
<b>Median EV/Gross Profit Multiple</b>	17.2x	22.2x	21.3x	23.6x	24.5x	13.3x	20.4x	25.9x
<b>Median MVIC/Earnings Multiple</b>	4.1x	11.6x	12.7x	13.7x	15.4x	16.5x	12.2x	13.2x
<b>Median Price/ Revenue Multiple</b>	15.9x	3.2x	3.4x	2.7x	10.6x	2.5x	3.2x	3.2x

■ Highest Multiple    
 ■ Median Multiple    
 ■ Lowest Multiple

## Comparable Public Company Market Price Returns as of March 31, 2024

Company Name	Q1 2024	12-months 2023	Two Year <sup>1</sup>	Three Year <sup>1</sup>	2022	2021	2020
Allscripts Healthcare Solutions, Inc.	-15.1%	1.1%	-2.7%	42.5%	-33.6%	20.4%	-17.4%
athenahealth, Inc.	7.5%	6.2%	-9.1%	26.5%	-34.7%	10.5%	8.3%
Cerner Corporation	-13.9%	-7.5%	5.8%	42.3%	-21.3%	-6.9%	16.0%
Computer Programs and Systems	23.7%	18.4%	-22.3%	27.3%	-52.6%	-18.1%	-1.7%
Nuance Communications, Inc.	-3.7%	3.2%	-9.3%	9.7%	-25.1%	39.4%	-6.1%
Quality Systems, Inc.	0.5%	5.1%	-8.2%	3.3%	-18.4%	3.4%	-26.0%
Streamline Health Solutions, Inc.	8.9%	-19.7%	9.5%	35.2%	-11.3%	-67.4%	-38.0%
<b>Median of Industry Public Companies</b>	<b>23.7%</b>	<b>18.4%</b>	<b>-8.2%</b>	<b>27.3%</b>	<b>-25.1%</b>	<b>3.4%</b>	<b>-6.1%</b>

■ Highest Return
 ■ Lowest Return
 ■ Median Return

[1] Calculated as the average annual return.

## Industry Initial Public Offerings—Medical Recordkeeping (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets <sup>1</sup>	Debt <sup>1</sup>	LTM Revenue <sup>1</sup>	LTM EBITDA <sup>1</sup>	LTM Net Income <sup>1</sup>	LTM Cash Flows <sup>1</sup>
3/5/24	<b>Press Ganey Holdings, Inc.</b>	\$25.00	8.9	\$222.5	\$910.1	\$416.2	\$291.1	\$92.8	\$18.3	\$112.9
12/6/23	<b>Premier, Inc.</b>	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$407.1	\$7.4	\$434.7
12/27/22	<b>Vocera Communications, Inc.</b>	\$16.00	5.9	\$93.6	\$49.8	\$8.3	\$79.5	\$1.2	(\$2.5)	\$2.2
12/1/22	<b>Greenway Medical Technologies, Inc.</b>	\$10.00	6.7	\$66.7	\$83.2	\$0.0	\$105.8	\$6.3	\$34.4	\$7.5
2/1/22	<b>Epocrates, Inc.</b>	\$16.00	5.4	\$85.8	\$122.2	\$0.0	N/A	N/A	N/A	N/A
12/21/21	<b>DynaVox Inc.</b>	\$15.00	9.4	\$140.6	\$128.4	\$79.2	\$111.7	\$28.1	\$13.5	\$30.7
8/20/15	<b>Median of all IPOs</b>	nm	nm	\$117.1	\$125.3	\$21.5	\$111.7	\$28.1	\$13.5	\$30.7

[1] As of the effective date of the IPO

## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues <sup>1</sup>	EV/ Revenues <sup>1</sup>
3/15/24	<b>G4S Secure Data Solutions</b>	<b>Metrofile Holdings Limited</b>	\$32.7	100%	\$10.2	2.8x
1/6/24	<b>Healthsciences International</b>	<b>New Silkroutes Group</b>	\$435.0	100%	\$37.3	5.1x
2/9/23	<b>QHR Corporation</b>	<b>Shoppers Drug Mart Inc.</b>	\$106.6	100%	\$93.0	5.4x
12/6/22	<b>Verisk Health, Inc.</b>	<b>Veritas Capital</b>	\$17.3	100%	\$43.2	1.4x
1/24/22	<b>Netsmart Technologies Inc.</b>	<b>GI Partners, LLC</b>	\$160.0	100%	\$6.2	5.3x
9/30/22	<b>Capita Medical Reporting</b>	<b>N/A</b>	\$176.8	100%	\$91.2	1.4x
8/3/22	<b>RSA Medical, LLC</b>	<b>Xerox Corporation</b>	\$500.0	100%	\$2.0	10.0x
11/3/21	<b>Ascribe</b>	<b>Imprivata, Inc.</b>	\$600.0	100%	\$6.1	7.3x
10/31/21	<b>Epocrates</b>	<b>Market Resource Partners</b>	\$20.0	100%	\$18.1	7.4x
2/28/21	<b>Strand Technology</b>	<b>Corporate Executive Board</b>	\$45.0	100%	\$9.1	2.4x
1/29/21	<b>MediConnect Global</b>	<b>Bottomline Technologies</b>	\$8.0	100%	\$35.9	3.4x
1/22/21	<b>Medrium</b>	<b>ServiceSource International</b>	\$32.5	100%	\$5.4	6.0x

■ USA ■ International

[1] As of the close of the Transaction

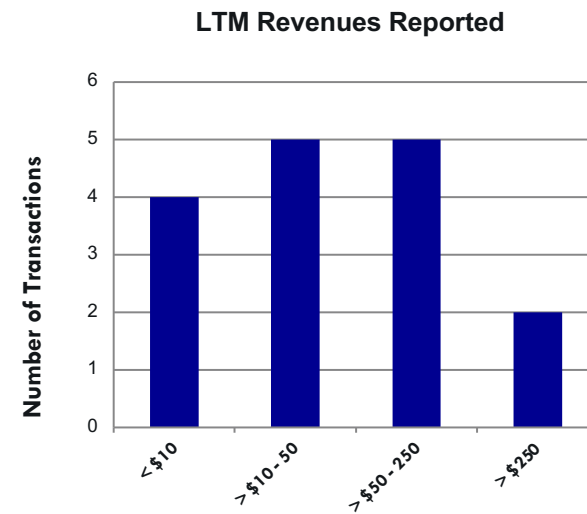
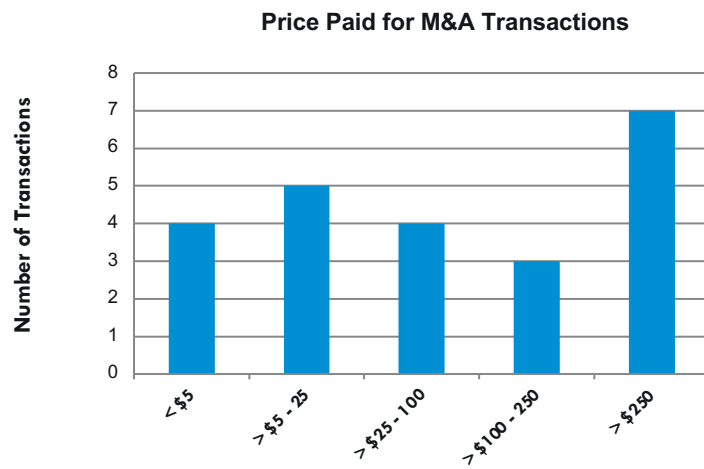
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9/5/20	AdvancedMD, Inc.	Global Payments Inc.	\$20.6	100%	\$24.5	6.2x
5/6/20	HEALTHCAREfirst Inc.	Brightree LLC	\$1.6	51%	\$3,505	5.1x
12/9/20	Evimeria EMR AB	Aptix ASA	\$130.0	100%	\$25.7	6.3x
9/6/20	Flatiron Health, Inc.	Roche Holding AG	\$820.0	100%	\$523.6	1.0x
9/24/20	G4S Secure Data Solutions	Metrofile Holdings Limited	\$20.6	100%	\$4.0	1.1x
Median of the Transactions			\$88.7	100%	\$28.0	2.3x

[1] As of the close of the Transaction

■ USA
 ■ International

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2024



**Definitions of Financial Terms Used in this Quarterly Industry Update:**

**Enterprise Value (EV):** Market Value of Equity + Market Value of Debt - Cash

**Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA):** Profitability metric sometimes also referred to as operating profit or operating earnings.

**Gross Cash Flows:** Net Income + Depreciation and Amortization Expense

**Latest Twelve Months (LTM):** Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

**Market Value of Invested Capital (MVIC):** Market Value of Equity + Market Value of Debt

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