



Webinar: Healthy, Wealthy and Wise

Is now a good time to sell my healthtech business? How much is it worth?
What do I need to know about the process of selling it?

Welcome to Hampleton Partners' *Healthy, Wealthy and Wise* Healthtech M&A webinar

- Duration: 45 minutes, including Q&A
- Recording will be available at the end
- Presentation can be followed on screen
Note: Webinar software can distort some graphics
- Q&A session at the end – but you can send questions throughout presentation
- Suggested hashtag: #HampletonTech

Agenda overview

- Hampton introduction
- Is now a good time to sell?
- Buyer and seller motivation
- Healthtech market overview
- Who's buying whom (and for how much)?
- Healthtech subsector performance
- Transaction process
- Summary
- Q&A
- What's next?

Agenda

Introduction

About Hampton

Hampton team

Hampton focus areas

Hampton M&A research



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Director

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About Hampton Partners

Hampton offers experienced deal-making across a targeted number of technology sectors

>100

Tech transactions *executed*

70

Percent cross-border transactions *on sell-side engagements*

24

Seasoned professionals *headquartered in London and Frankfurt*
Satellite office in San Francisco to engage with US buyers

8

Core **focus areas** *in which the team has* **entrepreneurial, operational, deal-making and investing** *experience*

M&A, growth capital and corporate finance advisory for

- Privately-owned companies
- Entrepreneur-led businesses
- Private equity portfolio companies
- VC-backed companies
- Selected buy-side engagements
- Selected strategic high-tech start-ups

...in key geographies worldwide.



Focus areas

The experienced Hamleton team focuses on eight targeted subsectors of the technology industry. Read our research for valuable insights on M&A transaction multiples, exit strategy and timing, potential buyers, as well as current and future technology trends

2019

Nine 1H2019 reports released looking back at 2018 and anticipating future trends

- Autotech
- Digital Marketing
- E-Commerce
- Enterprise Software
- Fintech
- **Healthtech**
- Industry 4.0 in the DACH* region
- IT & Business Services
- Growth Capital

You can download and subscribe to these semi-annual reports at <http://www.hamletonpartners.com>



*DACH = German-speaking region (Germany, Austria, Switzerland)

Agenda

Is now a good time to sell?

The NASDAQ factor

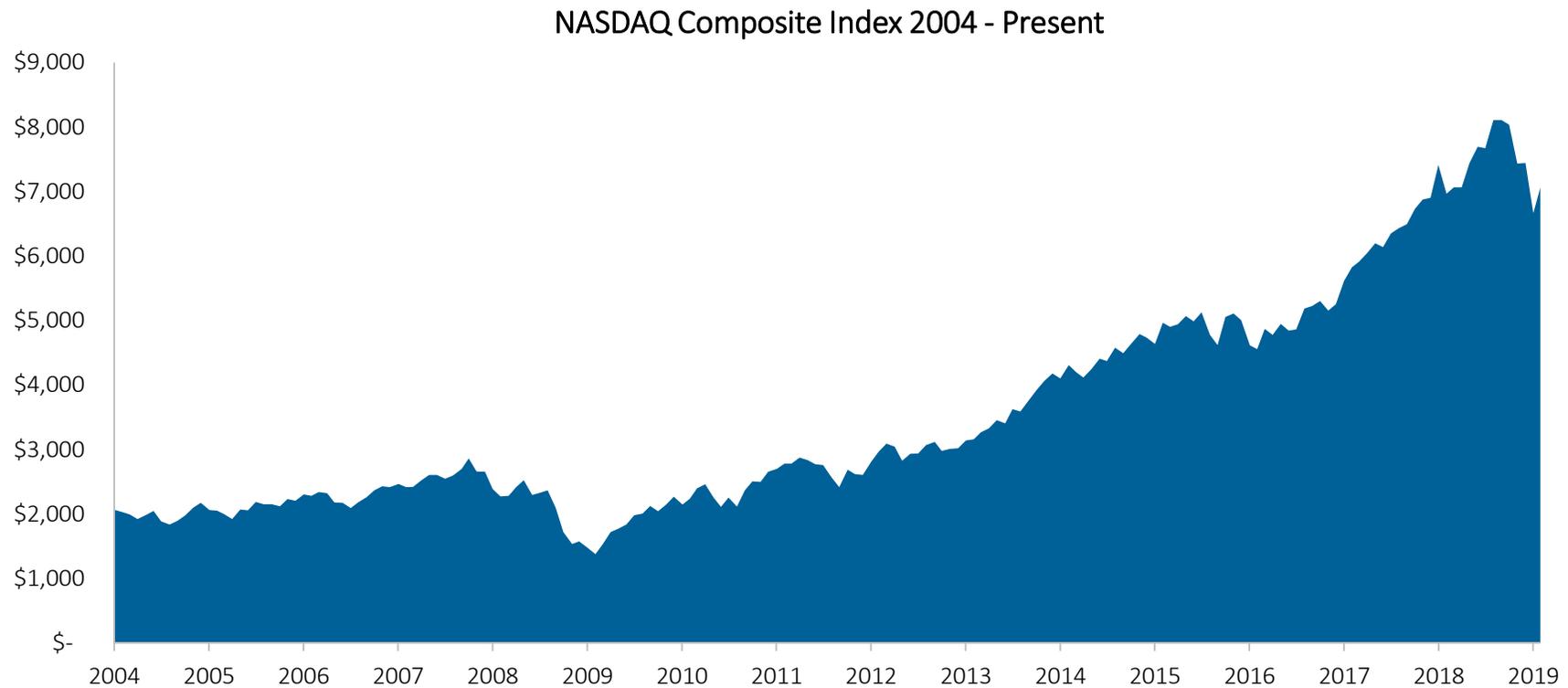
Reasons for deal activity

M&A is the new R&D

Buyer & seller motivations

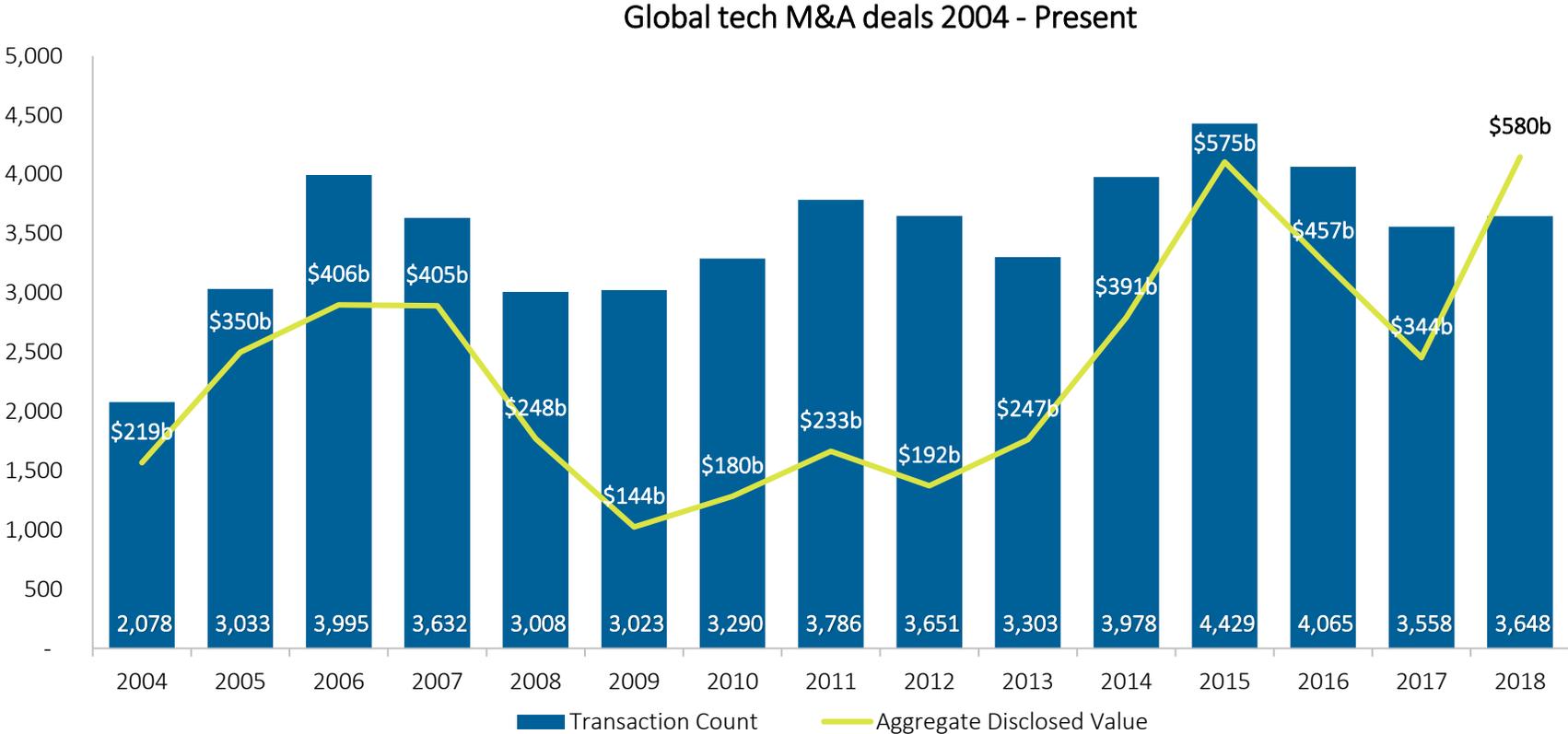
The NASDAQ factor

Global technology M&A activity has historically followed closely the NASDAQ Index



Source: S&P Capital IQ

Global M&A activity



Source: 451 Research

Reasons for high deal activity

Strategic

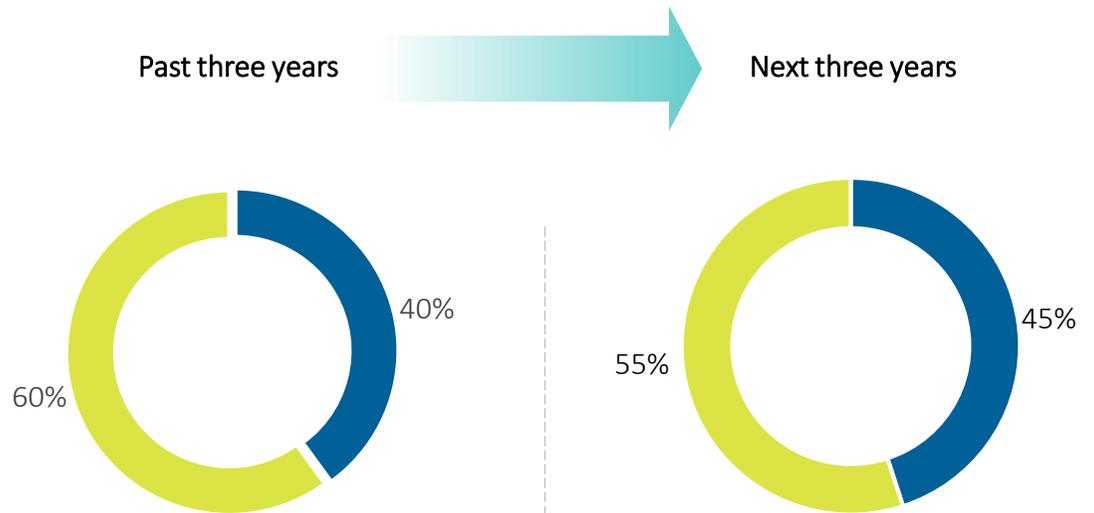
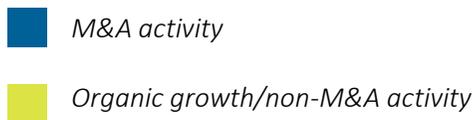
- M&A is increasingly becoming part of a normal economic business cycle – *essential* in Healthtech
- Driven by required growth / rate of change / competitive pressure
- Markets consolidate – “be the gorilla, occupy a niche or watch out”
- Activity peaks when disruption accelerates (technological, regulatory, new or high growth markets)
- Scaling companies have limited ability to innovate – need increasingly to make acquisitions
- Largest R&D spenders are also the biggest M&A spenders (e.g. Amazon, Alphabet, Intel, Samsung, Microsoft...) buying innovation, marketshare and presence, expertise, taking out disruptors

Financial

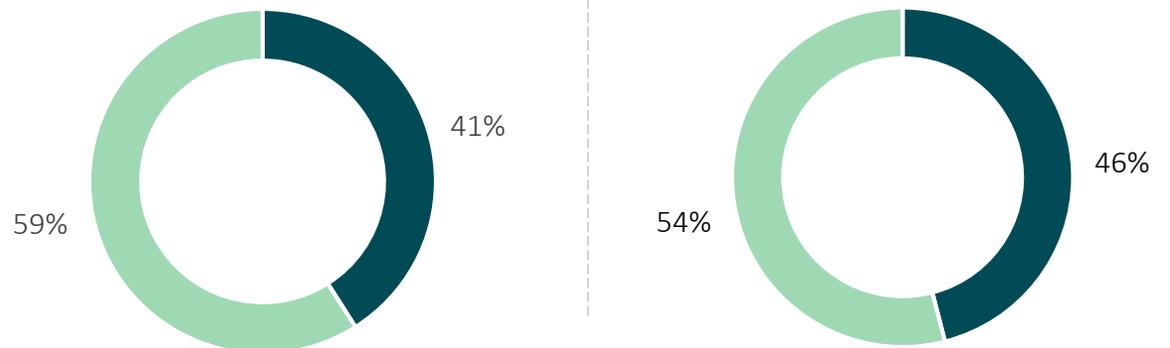
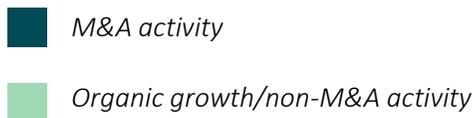
- New entrants in tech sector from traditional industries
- Tech companies are generating mountains of cash
- Interest rates are still low...
- ...and share prices are still high
- Financial investors have record-breaking fund sizes and are active in Healthtech

Pacesetter report – M&A is the new R&D

Pacesetters – What **proportion of your firm's revenue growth** over the past three years is attributable to M&A activity? What do you anticipate for the next three years?



Pacesetters – What **proportion of capital has been allocated to M&A** over the past three years? What proportion will be allocated to M&A over the next three years?



Source: Pacesetters

Buyer motivation

Keep in mind what
investors are looking for

Innovation / Intellectual Property

Strategic fit

Financial performance

High growth

Large market size

Scalability

Company uniqueness

Background and experience in the industry

Key staff – acqui-hire

Seller motivation

Why owners sell

Potential buyer makes unsolicited approach

Founders' and/or investors' desire to cash out while market is hot

Their tech segment maturing

New vendors disrupting existing market

Competitor acquired by gorilla or raised significant funding

Need to grow internationally quickly

Partner conflict

Health or retirement related

Entrepreneur would like to execute on a new idea and move on

Agenda

Healthtech market overview

Issues

Deal numbers

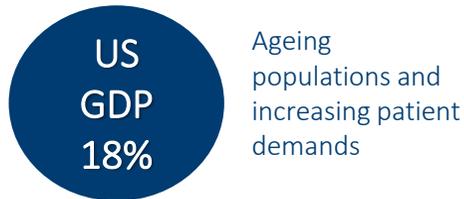
Acquisition segments

Who's buying whom (and for how much)?

Healthtech subsector performance

Healthtech – issues

Healthcare stressed



Ageing populations and increasing patient demands



Lifestyle diseases and more expensive treatments

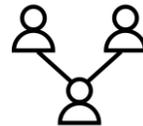


Increased regulation and health budgets under massive pressure

Key technologies



Blockchain, AI and machine learning creating new (patient generated) data opportunities



Telehealth, mobile health, continue to drive deals



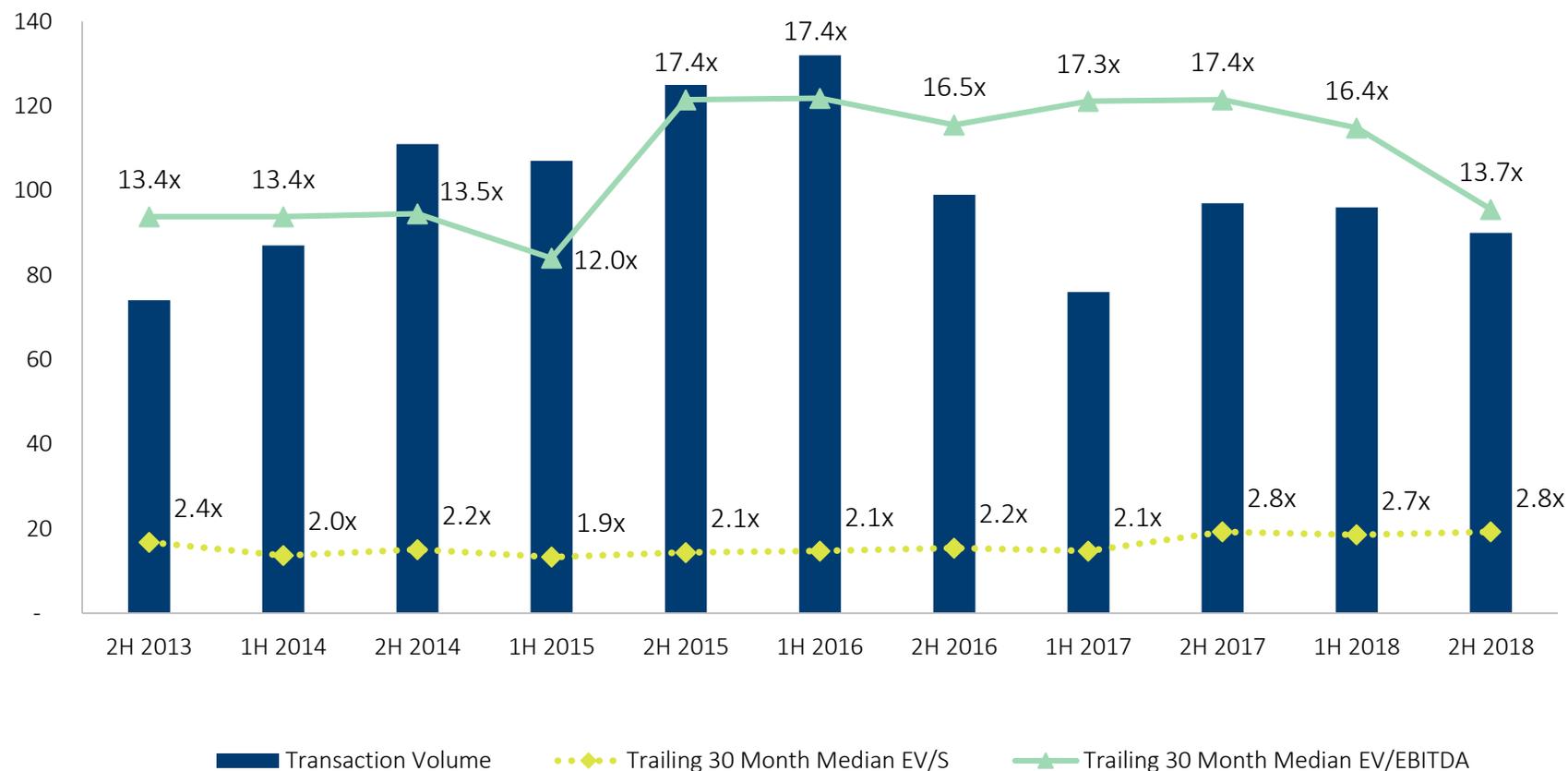
EMR/HER, IT services, PAS, analytics, advanced sensors, data

New entrants



Total number of healthtech M&A deals

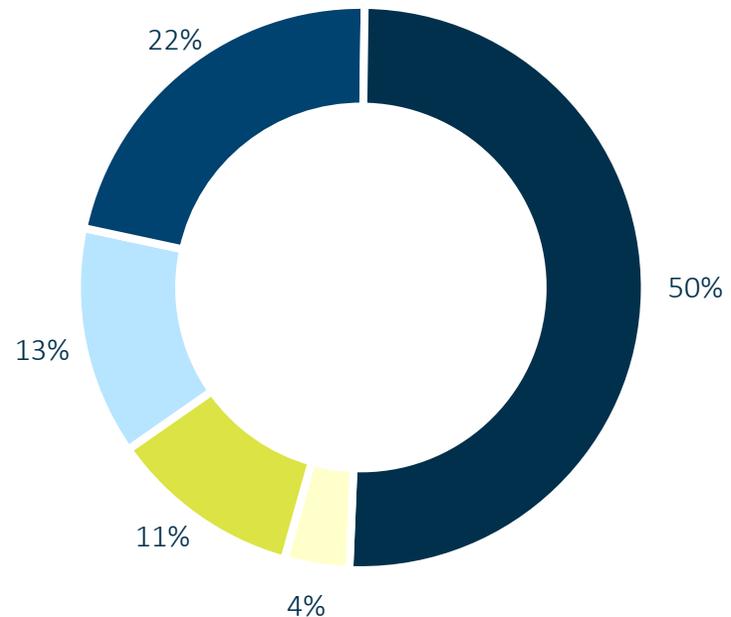
Total healthtech M&A transactions 2013 - Present



Source: 451 Research

Healthtech acquisition segments

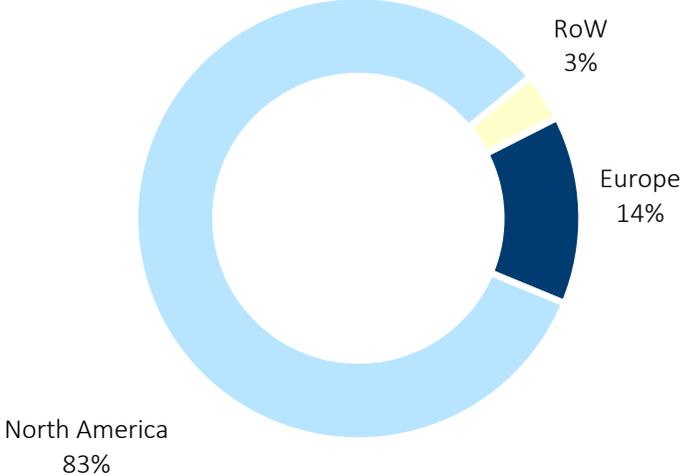
- Healthcare Vertical Software**
Healthcare-specific software relating to hospital management, patient analytics or pharmaceuticals.
- Health IT Services & BPO**
Connectivity systems and outsourcing destined to improve practice and patient experience.
- Online Health Services**
Internet-hosted services for patients, e.g. e-pharmacies, online health resources, e-learning platforms.
- EHR & Information Management**
Electronic health and medical records, data management systems and software.
- Medical Hardware**
High-tech medical devices.



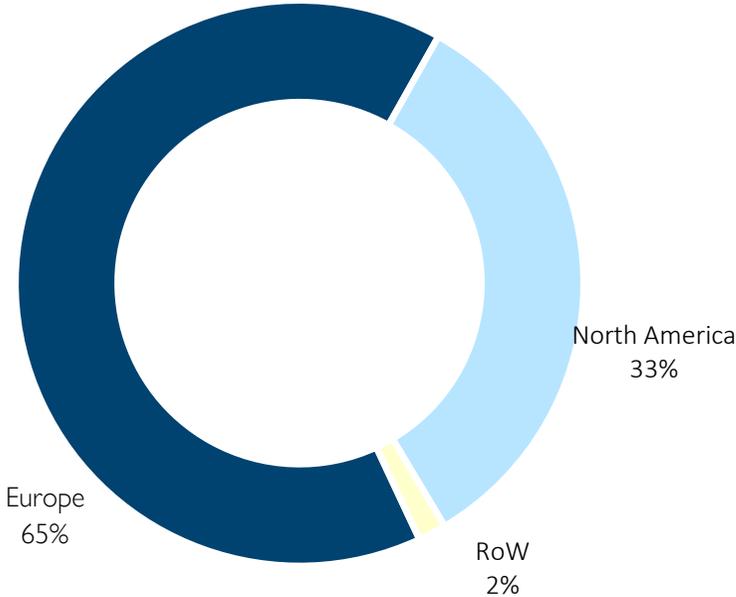
Source: 451 Research

Healthtech transaction geographies

Headquarters of Healthtech targets



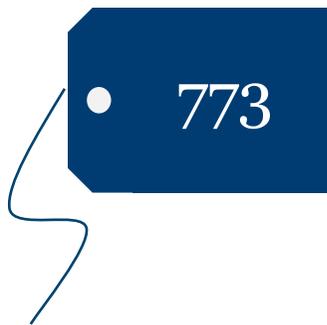
Headquarters of acquirers of European Healthtech targets



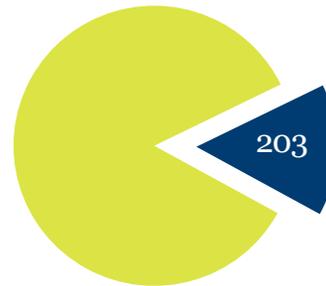
Source: 451 Research

Healthtech – who is paying what for whom?

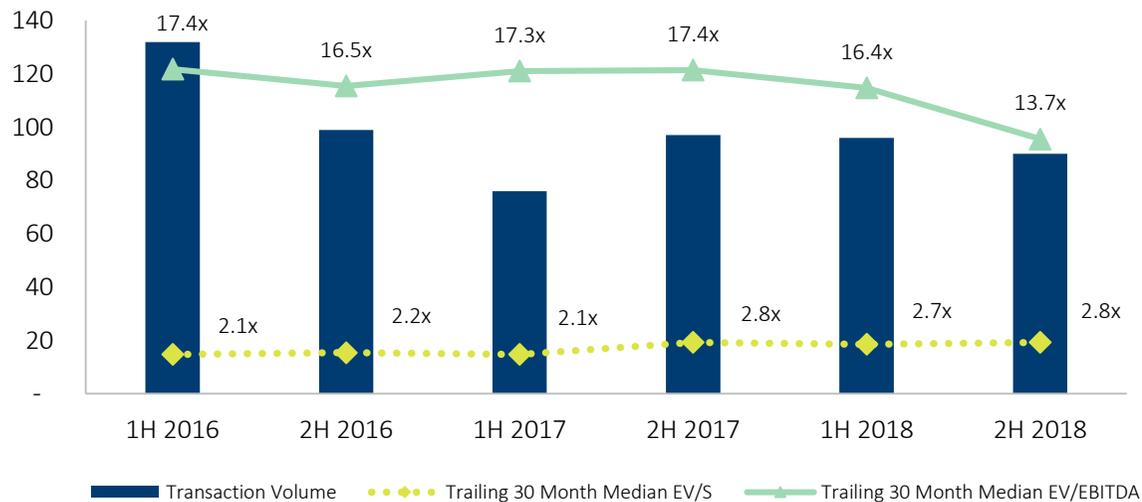
Number of acquirers in the last 30 months



Number of acquirers with more than 1 acquisition



Top buyers include the following corporates



Source: 451 Research

Healthtech – top acquirers

Acquirers	Acquisitions in 30 months	Three most recent acquisitions
	7	Blue Willow Systems senior living facility safety SaaS & sensors VitalHealth healthcare management software Forcare healthcare information exchange software
	6	Iatric Systems IT healthcare systems integration Clinix Medical medical EDI transaction processing SaaS MorCare medical case management SaaS
	4	Rock-Pond Solutions healthcare and pharmaceuticals analytics SaaS BlueStrata EHR electronic health record management SaaS Fazzi Associates home health & hospice BPO
	4	Newport Credentialing physician credentialing monitoring SaaS Equipment Management & Technology healthcare SaaS & services Hayes healthcare technology content & BPO
	4	factis healthcare mobile data collection and controlling SaaS La-Well Systems teleconferencing SaaS & IPTV provider ATX nv dentist business management SaaS
	4	Noona Healthcare oncology treatment tracking SaaS & mobile apps humediQ global surface-guided radiation therapy software & hardware Evinance Innovation clinical decision support SaaS
	4	DoseMe individualised medication dosing SaaS Cognify EHR management SaaS Mediture healthcare information management SaaS & service

Source: 451 Research

Largest disclosed deals of 2H 2018



Source: 451 Research

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Healthtech subsector performance

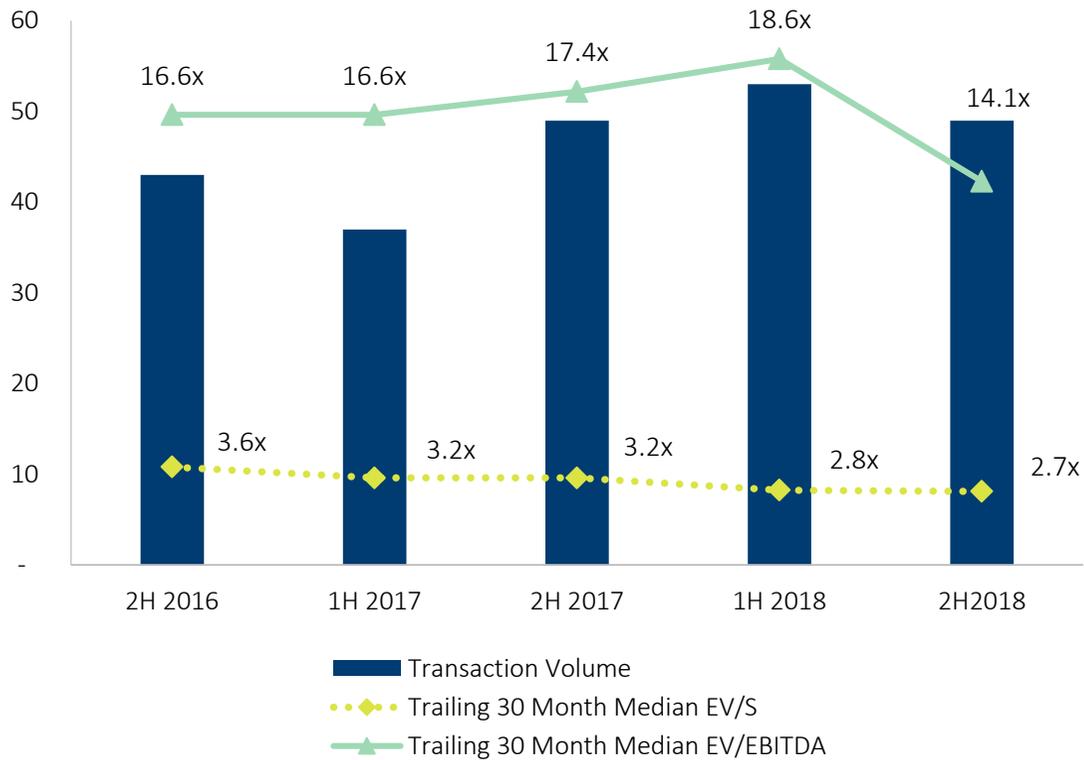
Healthtech vertical software

Health IT services & BPO

Online health services

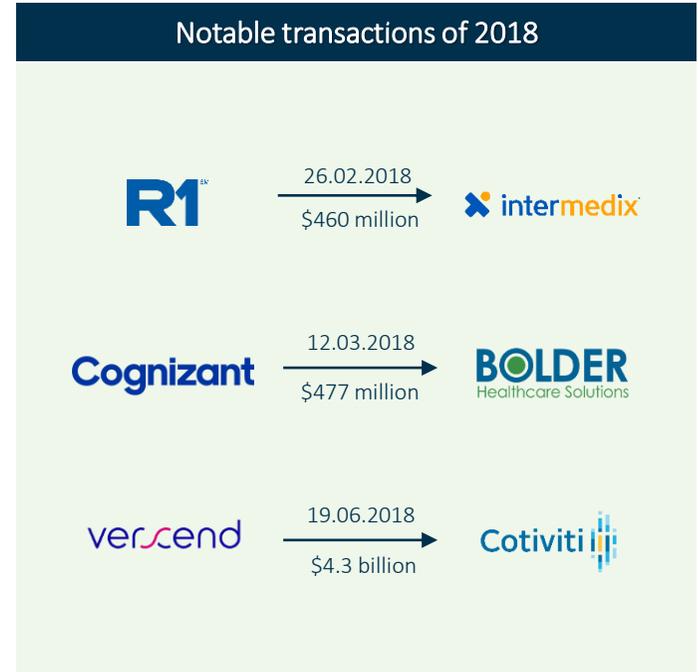
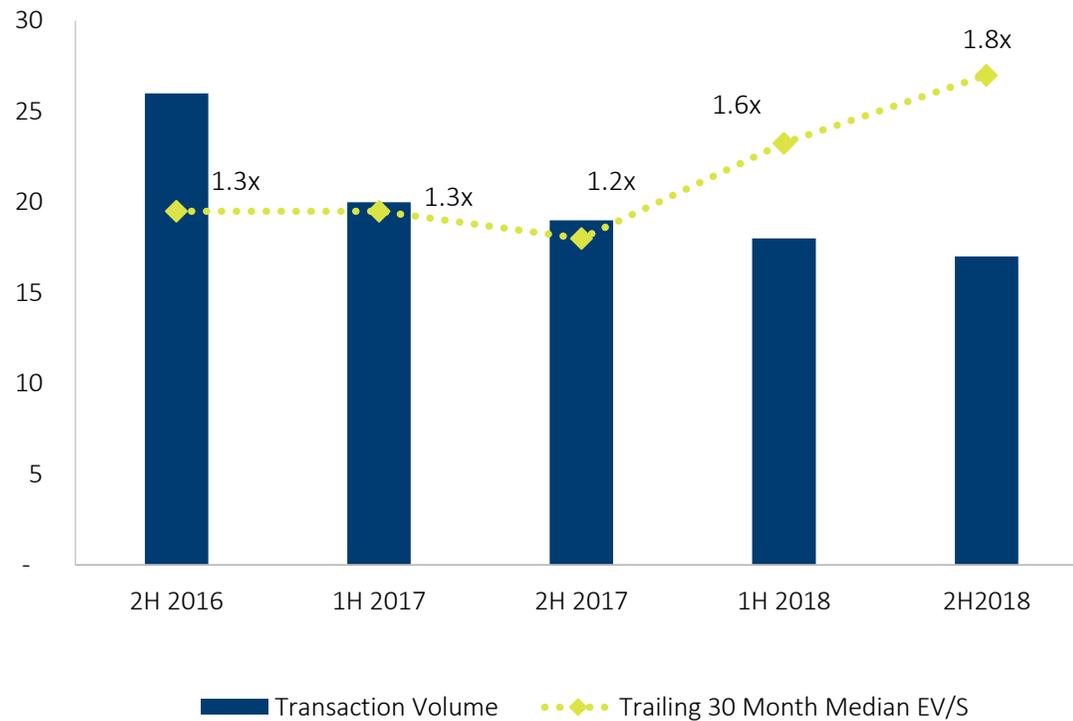
EHR & information management

Subsector – Healthcare Vertical Software



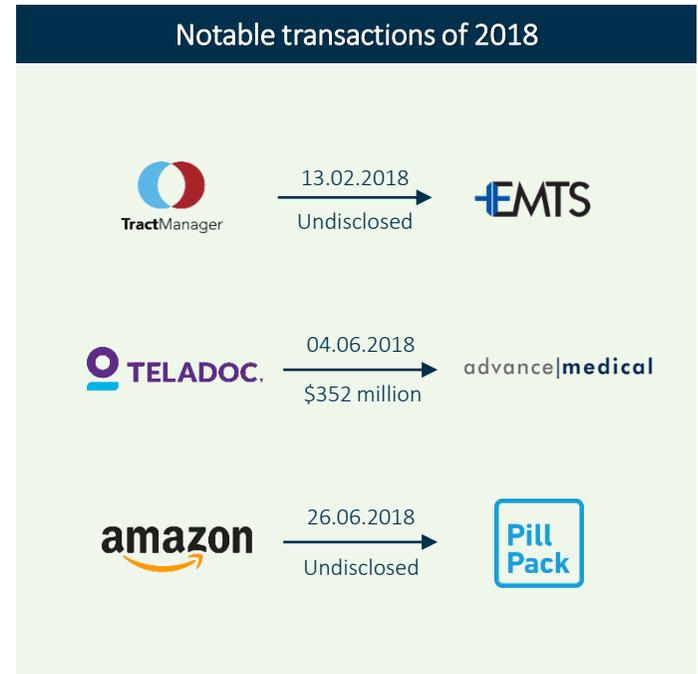
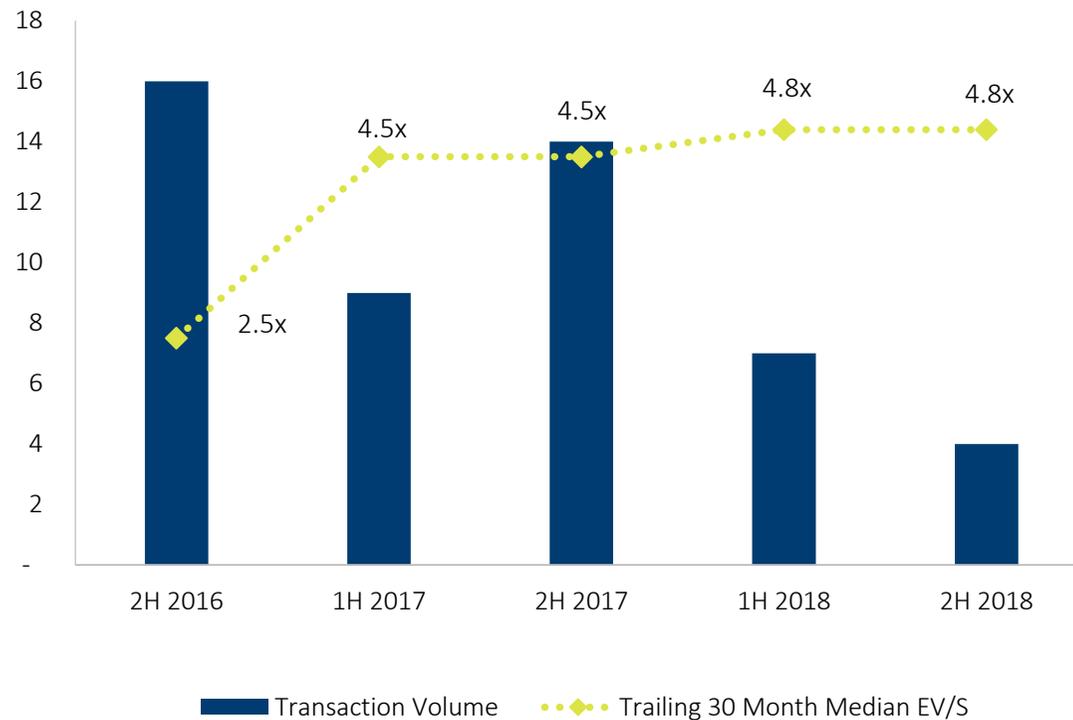
Source: 451 Research

Subsector – Health IT Services & BPO



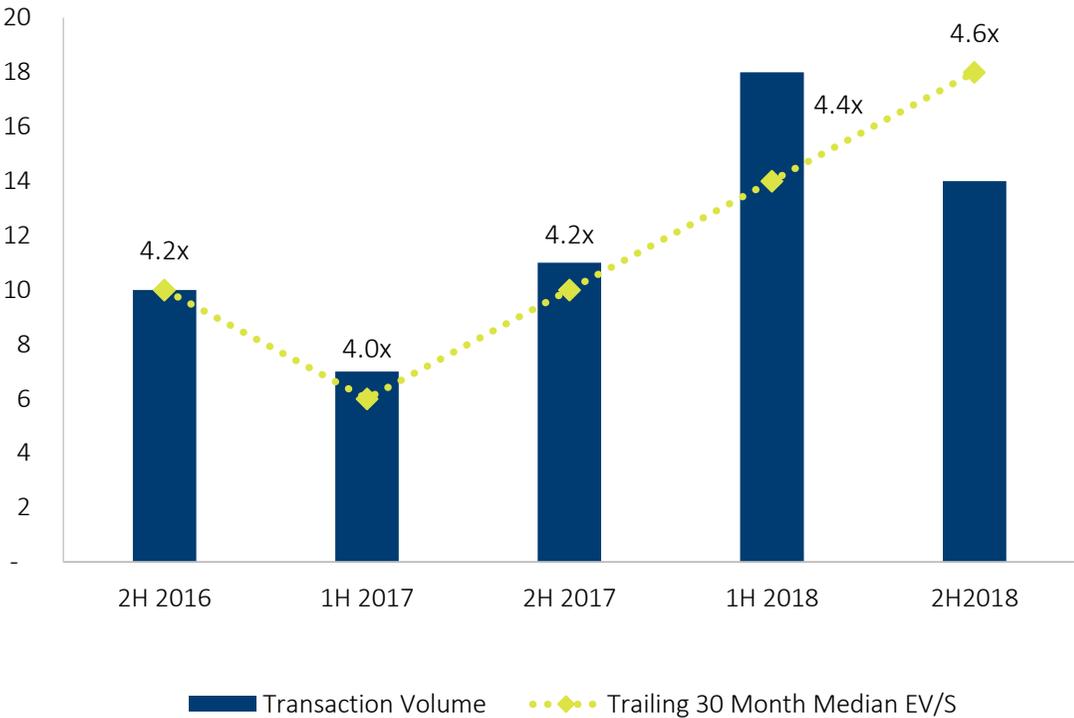
Source: 451 Research

Subsector – Online Health Services



Source: 451 Research

Subsector – EHR & Information Management



Notable transactions of 2018

- 
07.03.2018
→
\$1.2 billion
 ABILITY
- 
02.08.2018
→
\$700 million
 AdvancedMD
- 
05.11.2018
→
\$750 million
 matrixcare
Superior Care. Better Outcomes.

Source: 451 Research

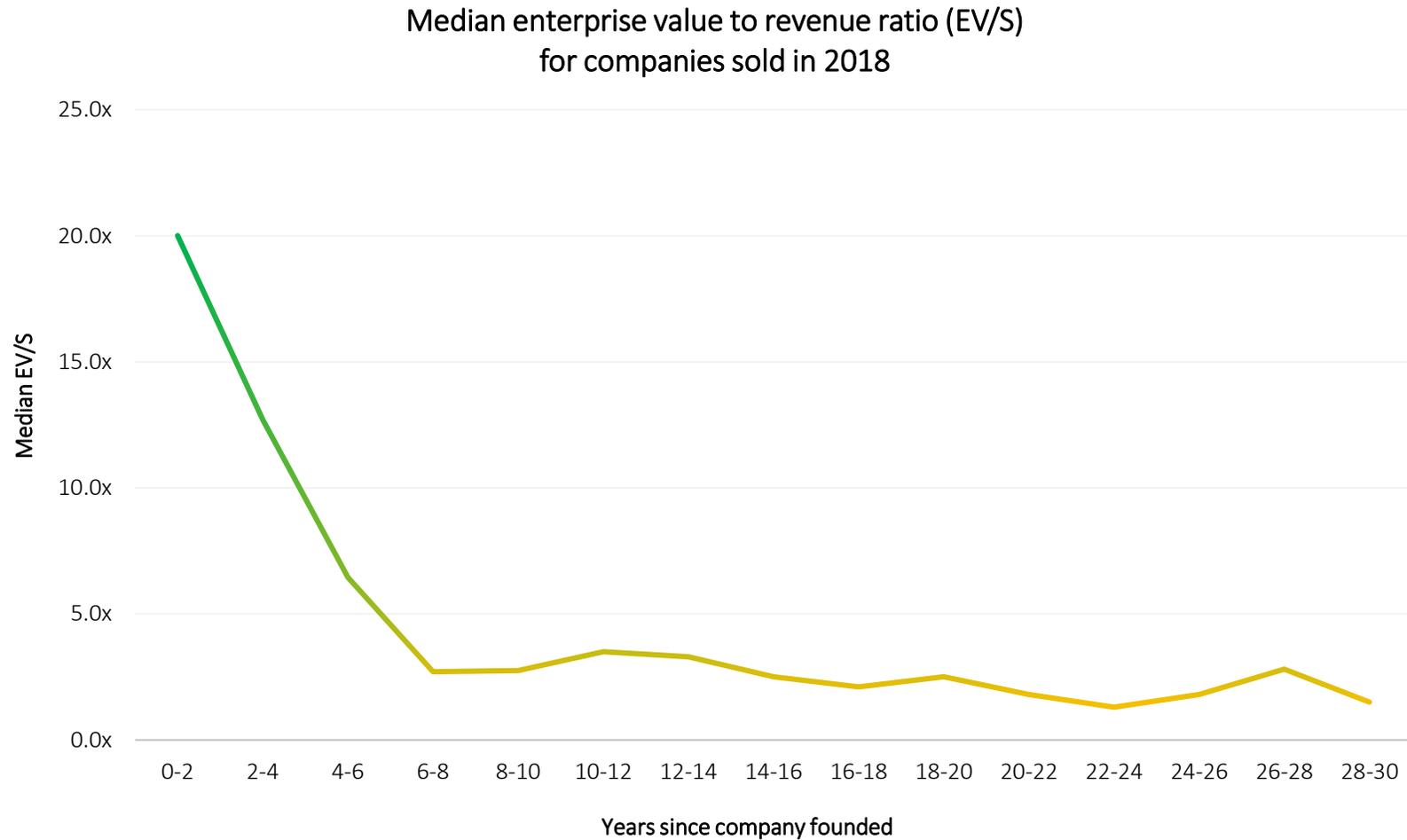
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Value creation & preservation

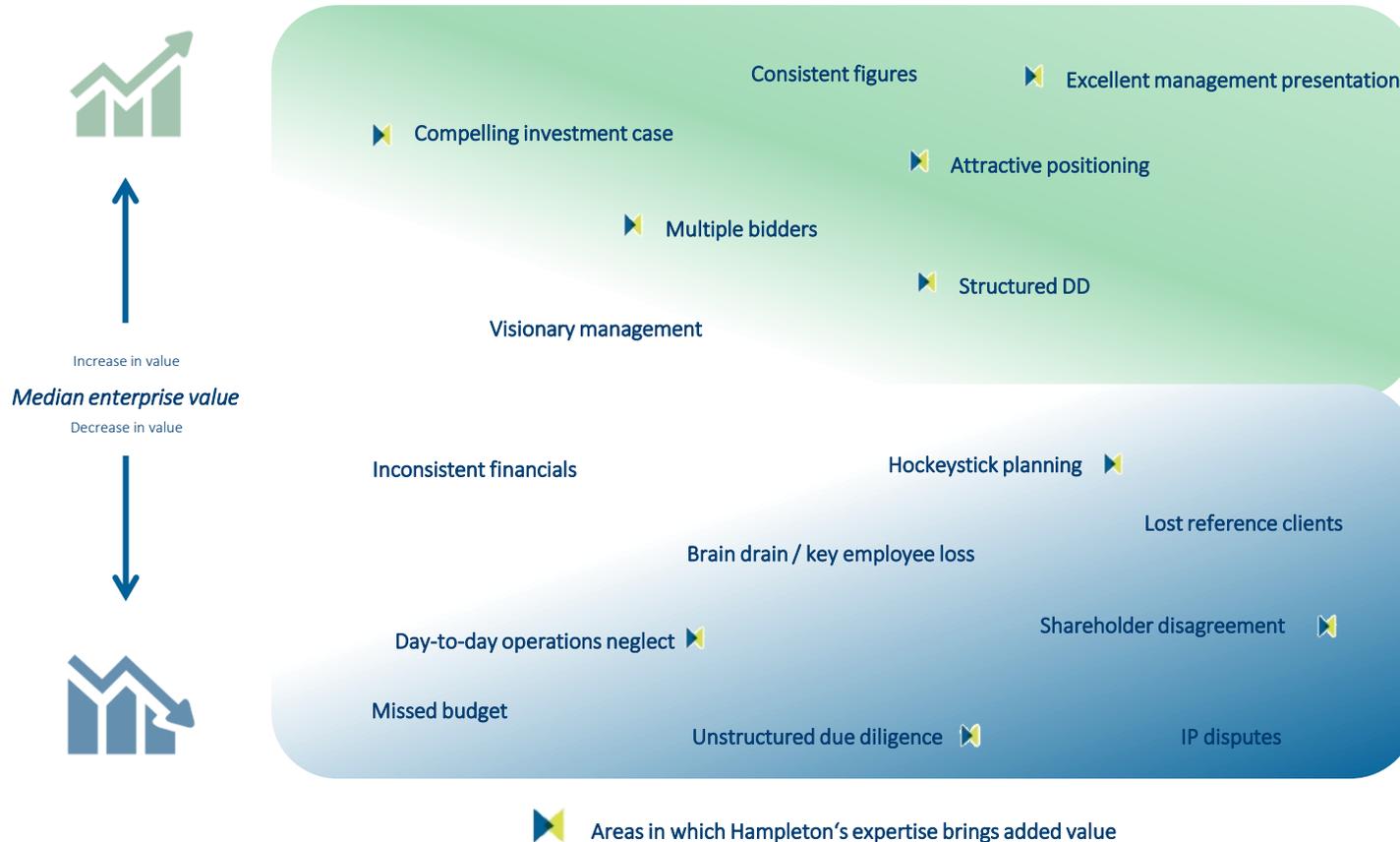
How does a company's age influence value?

Value maximisers and reducers during the transaction process – dos and don'ts

How does a company's age influence value?



Creating, maintaining and increasing company value



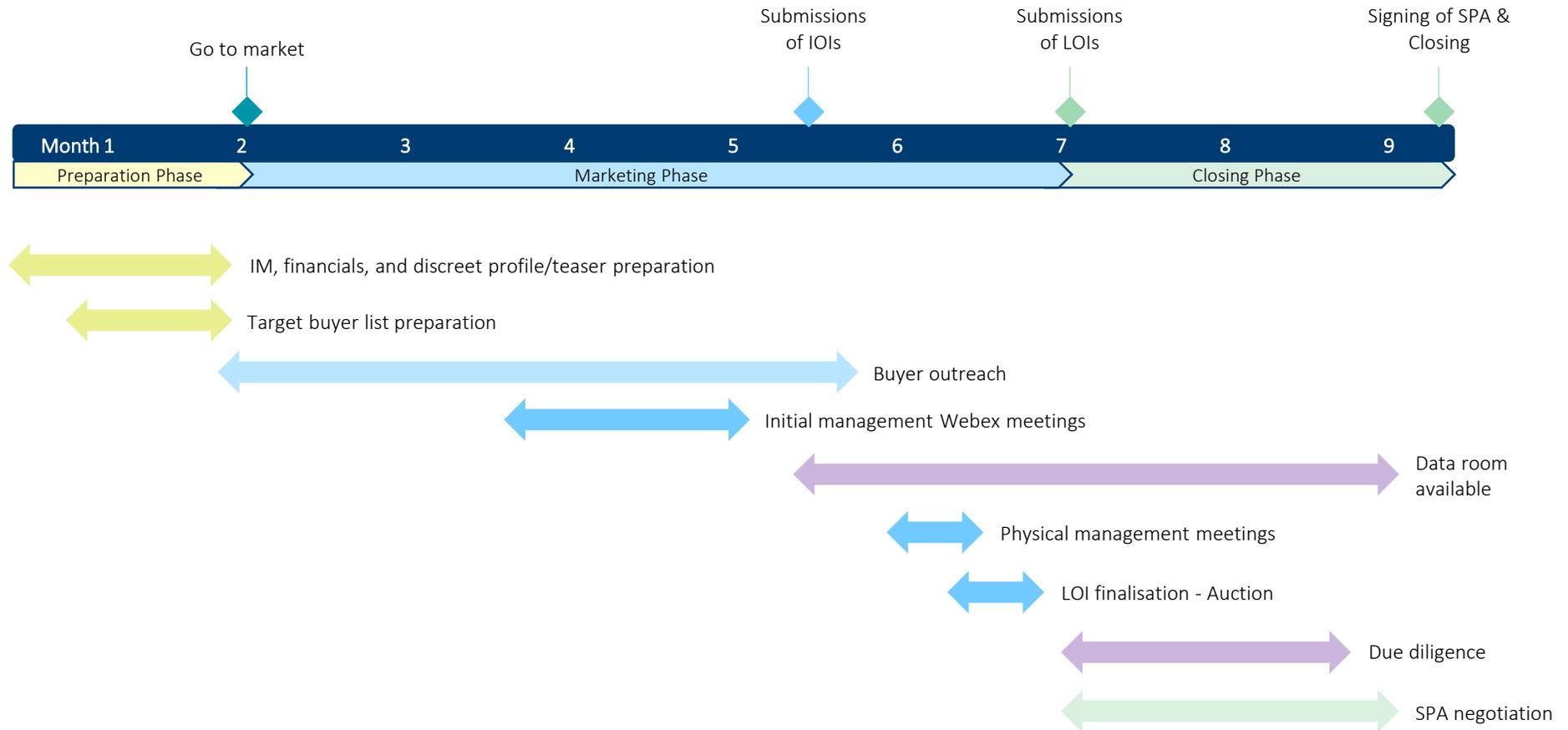
Agenda

Typical M&A process

Transaction timeline

Maximising value

Hampton transaction timeline



Maximising deal value

- Thinks about potential exit from the beginning
- Ensure IP is protected
- Document key activities - board minutes, employment contracts etc
- Pay attention to timing
- Consider left-field buyers and tangential sectors
- Ensure the process is structured – create a managed auction environment to maximise value
- Set expectations early as relationships develop... but not too early
- Think about integration planning and negotiate the best transaction for your company and people
- Keep value.... be tough on liability caps
- Good advisors (of course), and good lawyers
- Don't lose sight of the day-to-day running of your company – meet your budget!!!

Agenda

Q&A

What's next?

Healthtech – MIPS case study

Contacts

Q&A

What's next?

- Go to www.hamletonpartners.com/research to download our sector reports
- Join one of our face-to-face M&A Executive Briefings to learn more: UK, Germany, Scandinavia
- Contact me directly if you have any more questions, would like to discuss your specific needs or go on our mailing list

Healthtech - Multi-directional Impact Protection System (MIPS)



What's next for me?

Techbikers: Paris – London

- In July, I'm cycling 200 miles (320km) in a weekend (320km) from Paris to London with Techbikers - all to raise money for **Room to Read**
- Focusing on childhood literacy is one of the most effective ways to improve living standards across the globe: 170 million people lifted out of poverty
- Hamleton Partners has covered all of the costs, so please support me with however much you can give and all the money will go straight to the children
- You can donate here <https://bit.ly/2VugWQF>
- More about Techbikers here <https://techbikers.com/about>
- Thanks in anticipation!

Contact details & next steps

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<http://www.hamletonpartners.com/research/>

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