

Healthcare IT

Q1 2024

Market Update

M&A activity within the Healthcare Information Technology (HCIT) sector is off to a slow start in 2024, with both transaction volume and size down considerably year-over-year. The slowdown in dealmaking within the sector can be attributed to the stubbornly elevated inflation levels and high interest rates, with companies delaying or pausing significant investment activity and a bid/ask gap remaining for sellers.











With lower rate potential later in 2024, Provident expects deal activity to bounce back to the normalized levels seen in 2023 given the strong tailwinds in HCIT. There is still a continued emphasis on digital transformation and technology adoption for organizations across the healthcare spectrum. Providers payors, and life sciences companies are increasingly investing in technology solutions to improve patient care, operational efficiency, and data analytics capabilities, and this trend is likely to drive a resurgence in M&A activity throughout the remainder of 2024.

Notable Transaction

GTCR acquired Cloudbreak Health from UpHealth, Inc. for \$180 million in a corporate carve-out transaction. Headquartered in Columbus, OH, Cloudbreak specializes in tech-enabled language interpretation services for healthcare settings. The acquisition aims to strengthen Cloudbreak's position in the interpretive telehealth services market, with GTCR planning substantial investments to enhance its technology and expand its market reach. Leveraging its experience in the healthcare technology sector, GTCR aims to advance Cloudbreak's product offerings, meeting the evolving needs of clinicians and patients and positioning the Company as a standalone provider of critical healthcare services.



Select Transactions

Month	Investor	Target	Deal Description
March			Frazier Healthcare Partners acquired RevSpring, a leading provider of end-to-end communication and payment solutions servicing healthcare and financial services companies, from GTCR
March			WindRose Health Investors acquired CardioOne, a physician enablement company built specifically to serve independent cardiologists
March			Actium Health, a developer of a healthcare CRM platform intended to transform healthcare providers into member-focused enterprises, was acquired by Syllable
February			CAE Healthcare, a CAE subsidiary focused on developing simulation-based education technologies for the healthcare sector, was acquired by Madison Industries for \$231M
January			Innovaccer Inc. acquired Cured, a leading digital marketing and CRM platform for healthcare, adding over 20 health systems and digital health clients to the company's current portfolio of over 95 customers

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