

# Remote Patient Monitoring (“RPM”) Market Update

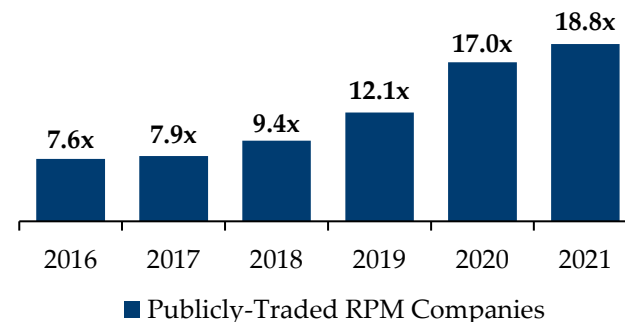
The RPM industry is expected to capitalize on industry tailwinds and exhibit a 38.2 percent CAGR, reaching a market value of \$117.1 bn by 2025.<sup>1</sup>

## Market Commentary

### RPM Market Drivers:

- COVID-19 led to a massive uptick in RPM utilization which was fairly seamless due to the advances in technology and legislative groundwork laid in prior years.
- Further legislative barriers have been removed, including reduced telehealth restrictions and extensions to new RPM coverages in order to expand healthcare access, contain costs, and reduce the burden on medical resources amidst the pandemic.
- Demand should continue as RPM devices are especially useful for aging populations, which are estimated to account for 25 percent of the United States population by 2050, and monitoring chronic illnesses, which represents approximately 90 percent of the \$3.8 trillion healthcare spending in the US.<sup>2</sup>
- The increasing focus on value-based care will also serve as a strong industry tailwind due to providers utilizing RPM services as more emphasis is placed on preventive care.

## Historic EV/Revenue Multiples<sup>3</sup>



RPM valuations have reached all-time highs in 2021, making this an excellent time for RPM companies to pursue a sale and achieve maximum value.

RPM buyers remain diverse and include managed care organizations, EMR companies, telemedicine providers, and data and analytic companies. Large corporations, including Amazon, Apple, Google, and Microsoft have also shown interest in RPM.

\$ in millions			Select Recent RPM Transactions		Purchase Price	LTM Revenue	Deal Value/ LTM Rev.
Date	Acquirer	Target					
01/21/21	Boston Scientific (NYS: BSX)	Preventice Solutions			\$ 950.0	\$ 158.0	7.7x
01/19/21	Royal Philips (AMS: PHG)	Capsule Technologies, Inc.			635.0	100.0	6.4x
01/15/21	Hill-Rom Holdings, Inc. (NYSE: HRC)	Bardy Diagnostics			375.0	30.0	12.5x
12/18/20	Royal Philips (NYSE: PHG)	BioTelemetry (NASDAQ: BEAT)			2,800.0	414.8	6.8x
08/05/20	Teladoc Health (NYSE: TDOC)	Livongo			18,500.0	258.0	NM

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Max	12.5x
Median	7.2x
Mean	8.3x
Min	6.4x

This overview has been prepared for informational purposes only and does not constitute an offering. Sources: Sherman & Company, S&P MI, HMS.gov. Footnotes: 1. Remote Patient Monitoring Market by Product End User - Global Forecast to 2025 report by MarketsandMarkets. 2. World Health Organization and Center for Disease Control estimates. 3. S&C RPM Index includes: DXCM, TDOC, GDRX, MASI, IRTC, VCRA, SMLR, TLMD, ZYXI, CLPT, as of close of most recent full trading day in each respective year, weighted by enterprise value, excluding multiples exceeding 25.0x.

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