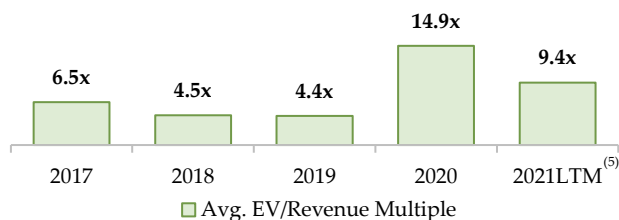


September 2021 Remote Patient Monitoring (“RPM”) and Telehealth Market Update

Market Commentary

- The global telehealth market was sized at an estimated \$55.9 billion USD in 2020. Industry analysts are anticipating growth at an estimated 22.4 percent CAGR from 2021 to 2028.⁽¹⁾
- A September 2020 American Medical Association study found that over 70 percent of polled physicians worked in practices that utilized some form of telehealth or RPM services. Differing specialties are finding unique ways to implement this style of care.
 - 58.0 percent of those polled stated they are using telehealth/RPM as a means of diagnosis, 59.2 percent to manage patients with chronic disease, 50.4 percent to provide acute disease treatment, and 34.3 percent for preventative care visits.⁽²⁾

Historical Avg. EV⁽³⁾/Revenue Multiples⁽⁴⁾



Public company EV/Revenue trading multiples exploded shortly after the onset of the COVID pandemic. While falling slightly in 2021, multiples still sit well above those observed in '17, '18, and '19.

RECENT TRANSACTIONS

Announcement Date	Acquirer	Target	Deal Value (\$MM)
09/08/21	Recuro Health, Inc.	MYLIFEIQ Inc.	Undisclosed
08/24/21	Connect America LLC	100Plus	Undisclosed
08/12/21	Contact World Technologies Corp. (CNSX: HELP)	Stratum Health Solutions, LLC	\$5.5
08/03/21	ModivCare Inc. (NASDAQ: MODV)	VRI Intermediate Holdings, LLC	315.0
07/29/21	Telidyne Inc. (OTC: TLDN)	OutSquare MD, Inc.	8.1
07/28/21	American Well Corp. (NYSE: AMWL)	Silvercloud Health Ltd. and Conversa Health, Inc.	320.0
07/28/21	Aquiline Capital Partners LLC	Avera eCARE, LLC	Undisclosed
06/14/21	Berenson Capital Partners, LP	Interactive Digital Solutions (“IDS”)	Undisclosed
06/09/21	NeuPath Health, Inc. (TSX: NPTH)	KumoCare Inc.	1.5
06/08/21	Highmark Innovations, Inc.	BrainFx Inc.	Undisclosed
06/07/21	WELL Health Technologies Corp. (TSX: WELL)	MyHealth Partners, Inc.	220.3
05/06/21	Walmart Inc. (NYSE: WMT)	MeMD, Inc.	Undisclosed

Observed M&A multiples in the telehealth/RPM space are lofty. ModivCare Inc.’s recent acquisition of VRI Intermediate Holdings, LLC for \$315 million implies revenue and EBITDA multiples of 5.6x and 15.0x, respectively.⁽⁶⁾ American Well Corporation’s combined acquisition of Silvercloud Health Ltd. and Conversa Health Inc. for \$320 million implies an outstanding multiple of 21.3x revenue.⁽⁷⁾

CURRENT TRADING MULTIPLES

Company	Ticker	09/27/21 Close Price	1-Yr. Price Change	09/27/21 Close Price as % of 52-Week High	09/27/21 Market Cap.	09/27/21 EV	LTM Revenue ⁽⁵⁾	EV/LTM Revenue
Teladoc Health, Inc.	TDOC	\$134.74	-38.5%	43.7%	\$21,457	\$21,945	\$1,629	13.5x
Masimo Corporation	MASI	275.69	22.0%	95.6%	15,179	14,638	1,177	12.4x
1Life Healthcare, Inc.	ONEM	19.51	-28.0%	32.6%	3,783	3,641	465	7.8x
American Well Corporation	AMWL	9.77	-65.1%	22.3%	2,373	1,423	241	5.9x
iRhythm Technologies, Inc.	IRTC	59.22	-73.9%	20.7%	1,741	1,608	306	5.2x
Hims & Hers Health, Inc.	HIMS	8.36	na	32.9%	1,699	1,382	196	7.1x
Vocera Communications, Inc.	VCRA	45.44	62.1%	81.7%	1,577	1,551	215	7.2x

Sherman & Company

Laughton Sherman
CEO & MD

(212) 897-9444

lsherman@sherman-company.com

Jared Hart
Associate

(212) 897-9442

jhart@sherman-company.com

Jack Berczi
Analyst

(704) 943-2667

jberczi@sherman-company.com

Min:	5.2x
Median:	7.2x
Mean:	8.5x
Max:	13.5x

Sherman & Company is an investment banking firm dedicated to the convergence of the insurance, healthcare, technology, and asset management industries.



Sources: Sherman & Company, S&P Capital IQ. (1) Grandview Research, Telemedicine Market Report, 02/2021. (2) American Medical Association, 2020 Benchmark Survey, 09/2020. (3) “Enterprise Value” (4) Displayed trading multiples are unweighted averages of the following publicly-traded companies: TDOC, MASI, ONEM, AMWL, IRTC, HIMS, and VCRA. (5) LTM Revenue as of Q2 2021 10-Q filings. (6) MODV press release, 08/03/2021. (7) AMWL 8-K, 07/28/2021.