

ICONIQ

ANALYTICS & INSIGHTS

THE PATH TO IPO

An Analysis of Healthcare IT IPO Performance

ICONIQ Capital, LLC

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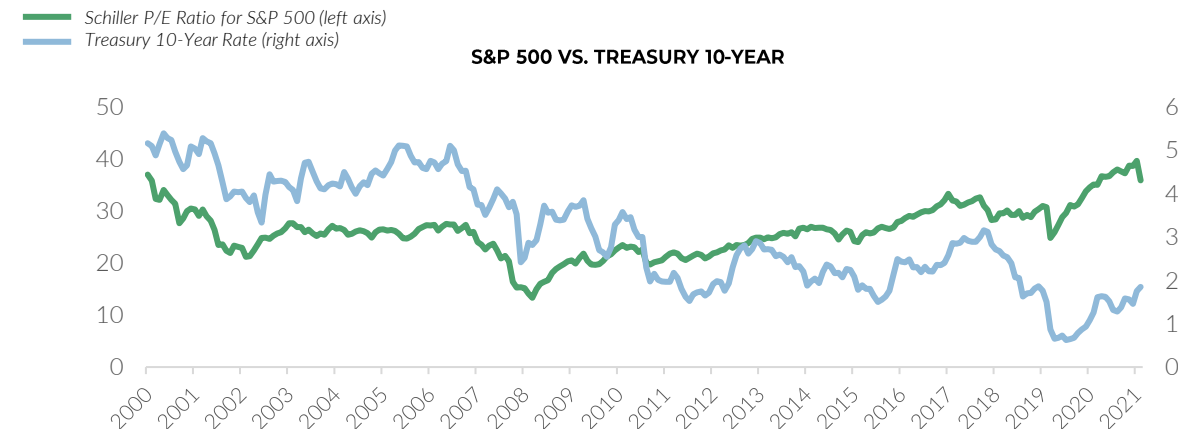
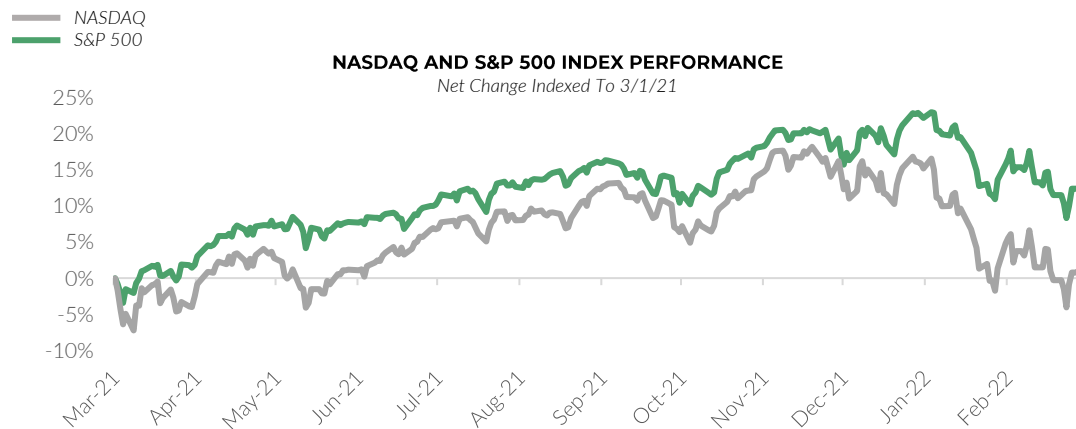
Driving Ongoing Performance

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A Note on the Current Environment

Over the recent months, the public tech equity markets are going through a dramatic contraction, driven in part by faster than expected quantitative tightening by the Federal Reserve to respond to heightened inflation risks. Healthcare IT stocks have seen an outsized impact, with IPOs analyzed in this dataset trading at a median of -65% off 52-week highs.



Looking forward, as the Federal Reserve continues to raise interest rates and investors grapple with various economic indicators, inflationary concerns, a tight labor market and shifting geopolitical dynamics, we will likely see continued market volatility.

However, as growth partners we strongly believe in the fundamental value creation opportunity for ‘best-in-class’ technology companies to grow and generate exceptional returns over time, even through shifting market environments.

It may already be a different world by the time you read this, but in the interim, we hope that these updates are still helpful for companies thinking about IPO and please don’t hesitate to reach out with any thoughts or questions.

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Executive Summary

- The following report looks at **35 healthcare companies who went public between 2013 and 2021** that we think are comparable companies for HCIT companies considering a public listing
- Please note that there are very **different business models and financial profiles across the set of companies** shown in this analysis; we will often see and recommend selecting comparables from this set in **addition to broader software or vertical SaaS companies** for technology companies considering a public listing
- In the past year, multiple healthcare companies focused on **consumer-driven health, data and analytics, and telehealth** went public, with **notable first day and 30-day price gains** despite a lack of digital health IPO precedents prior to 2020
- Few HCIT companies have been able to meaningfully grow market cap since IPO, with the majority seeing a **decline in valuation in the current market**; it is also important to note that most of the IPOs **debuted post 2020 and have been impacted by current market volatility**
 - In fact, **95% of the 2021 IPOs analyzed in this dataset have broken issue** and are now trading at an average CAGR of -55% from issue price in a challenging macro environment
 - Insurance companies have seen the biggest declines in forward multiple and **drops from 52-week highs** (median of 98% off 52-week highs), with **data & analytics and value-based care companies seeing the lowest relative impact**
 - Healthcare companies operating in the **data & analytics space such as Doximity have been able to generate the most value since IPO**, likely due to the strong recurring revenue streams and business models of the companies – similar to those of enterprise SaaS businesses
- **Value-based care is becoming a strong contender** against traditional fee-for-service models with successful public market debuts from Privia, Signify, Agilon and Evolent Health in addition to payer and provider platforms like Cano Health and Oak Street who have also made value-based care offerings a primary focus
- **Revenue growth and profitability (operating profit and gross margin) are the most significant drivers tied to IPO performance** (defined in this case as forward multiple at IPO) for healthcare companies in this dataset
- Most **healthcare companies are not profitable leading up to IPO** and do not expect to be profitable within 2 years of IPO; however, most companies do **focus on and display a gradual progression towards improving profitability post IPO**
- Metrics disclosed at time of IPO varied widely across companies, with **number of customers** as the most commonly disclosed non-financial metric (~70% of companies)

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OVERVIEW

Methodology

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The following report looks at **35 healthcare companies** who went public between 2013 and 2021 that we think are comparable companies for HCIT companies considering a public listing.

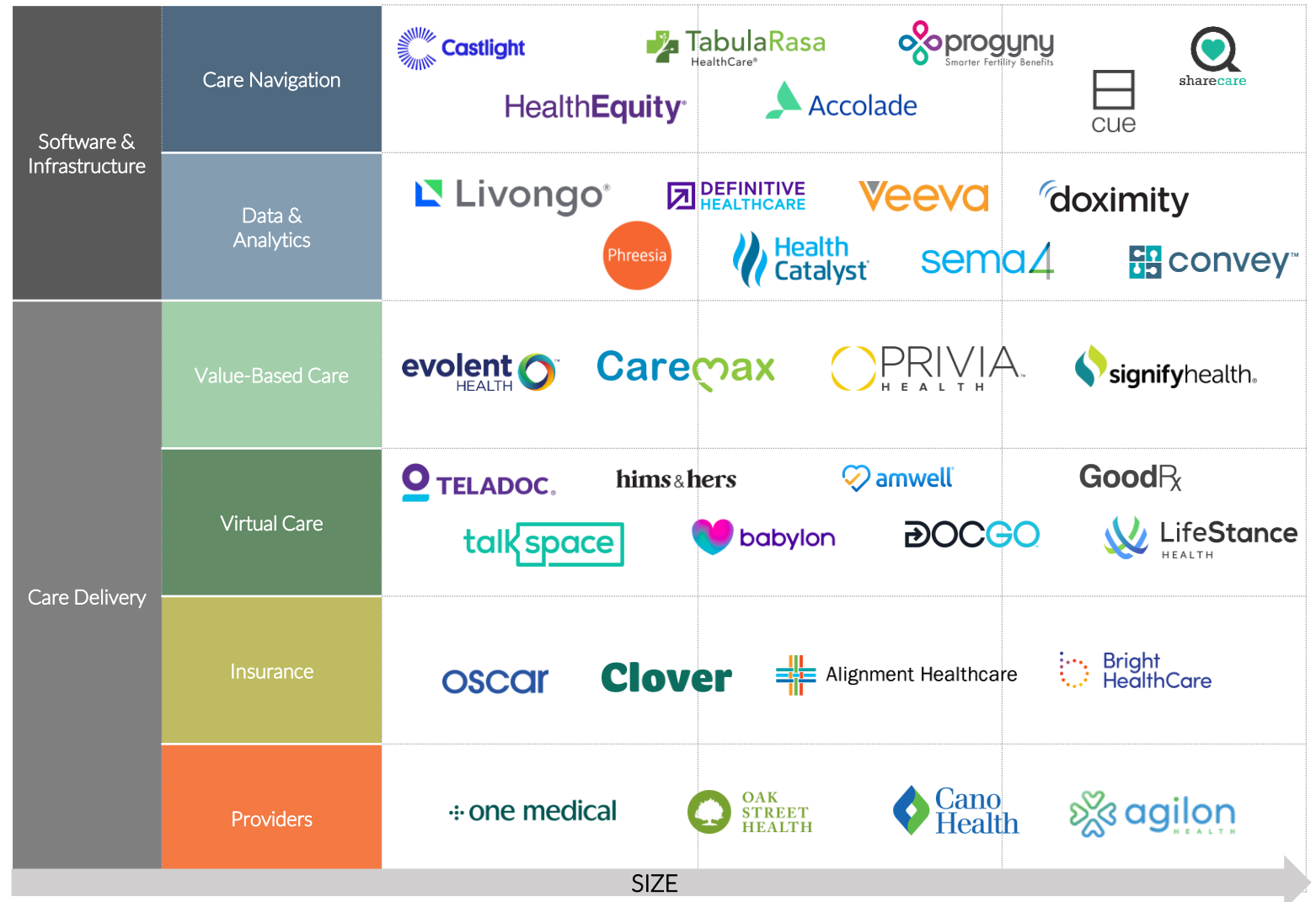
02

Color coding and legends on the following slides will be based on the broad healthcare categories shown here.

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Please note that there are very **different business models and financial profiles** across the set of companies shown here. We will often see and recommend selecting comparables from this set in **addition to broader software or vertical SaaS companies** for technology companies considering a public listing.

Metrics were derived from the company 424B4 filings. Please note that certain slides may exclude companies given lack of data.



OVERVIEW

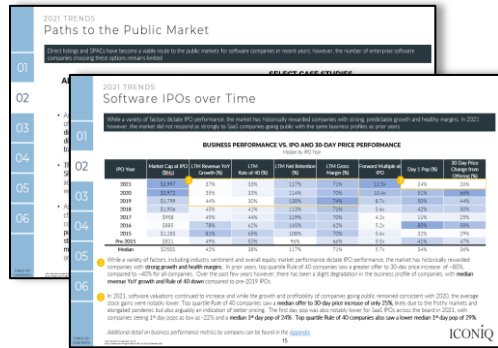
About the Report

2021's HCIT edition of our 'Path to IPO' series marks the first year in which ICONIQ Growth has added to our long-standing Software IPO report – with a Consumer IPO report slated to be published in the coming month as well

The Path to IPO:
Enterprise SaaS

The Path to IPO:
Consumer Tech

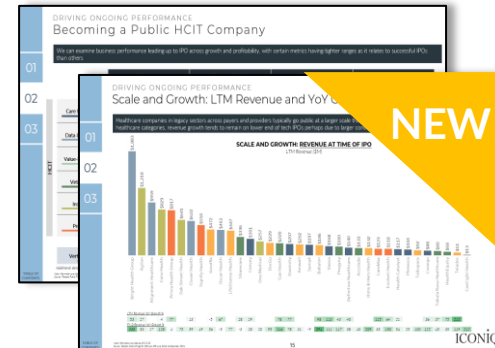
The Path to IPO:
Healthcare IT



2022 Edition



2022 Edition – Coming Soon!



2022 Edition



For interactive dashboards with visualizations of the data comprising these reports – as well as other ICONIQ Growth proprietary reports – reach out to our Analytics Team to gain access to ICONIQ Growth's Tableau portal

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Key Trends

01

THE IMPORTANCE OF VALUE-BASED CARE

The IPO market has seen several players like Privia, Signify, Agilon, and Evolent go public in recent years focused on enabling value-based care (an alternative to traditional fee-for-service models) and able to command **notable price gains within the first 30 days of IPO**. Payer and provider platforms like Cano Health, Oak Street, and Oscar (among others) have also made **value-based care offerings a primary focus**.

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CONSUMER-DRIVEN HEALTH

Tech-enabled providers like One Medical and Oak Street who have **prioritized the consumer experience** in the primary care delivery saw **notable first day gains**, perhaps driven by public market fervor and retail interest as these have become household names.

RISE OF ON-DEMAND HEALTH



There has been a notable **increase in the number of telehealth public listings** in recent years with companies like GoodRx, Babylon Health, Him & Hers, and Dialogue going public. Software providers like Doximity and Veeva have also **expanded their product suite to offer telehealth solutions**.

BRIDGING DATA GAPS

The rise of players like Doximity and Definitive Healthcare who have **bridged key data gaps in an industry traditionally known for information silos** was evident in the high multiples at IPO these players commanded – more similar to those of high-growth software businesses than historical healthcare IPOs.

Case Study: Amwell

Profile Leading Up to and Post-IPO

01



Amwell provides telehealth solutions connecting patients with doctors over secure video

NYSE: AMWL

IPO Price: \$18

IPO Date: 9/16/2020

Current Stock Price¹: \$4

Performance to Date

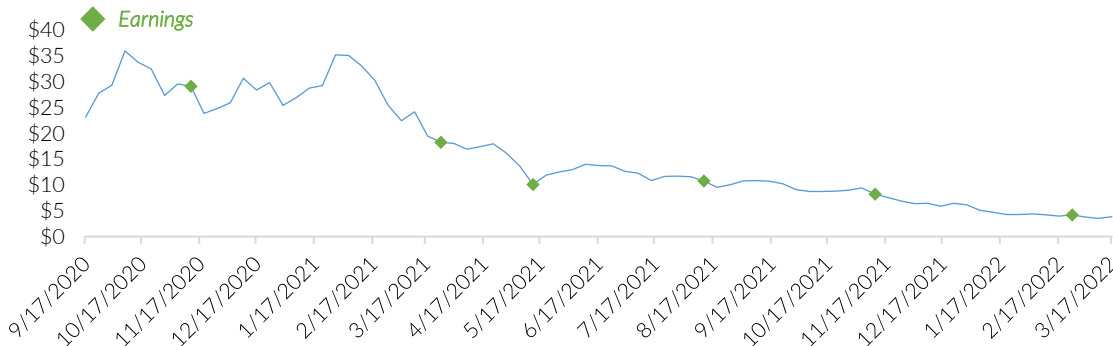
Strong performance prior to IPO driven by:

- Successful expansion of telehealth offerings across health plans, as well as adjacent markets such as Medicare, Medicaid, government, and international markets
- Critical need for telehealth offerings enabled by pandemic demand and regulatory flexibilities

Challenges post IPO driven by:

- Competitive telehealth market across players like Teladoc as well as new entrants like Amazon
- Slowing revenue growth although market is seeing positive signals with introduction of new Converge platform which will improve customer stickiness over time

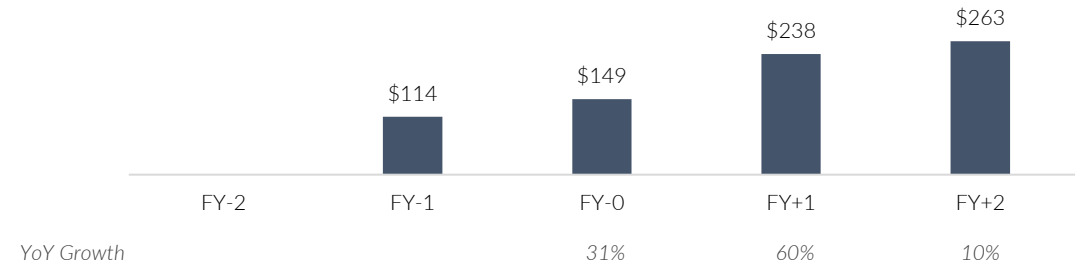
STOCK PRICE PERFORMANCE TO DATE



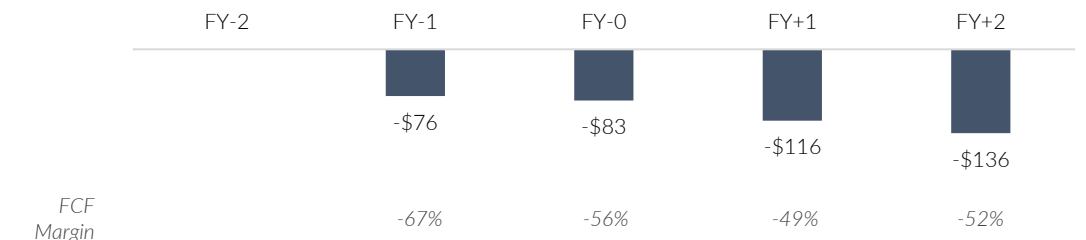
Key Metrics at IPO (LTM or Time of IPO)

	amwell	Median – Telehealth
Revenue:	\$202M	\$186M
YoY Growth:	77%	76%
Gross Margin:	40%	70%
FCF:	-\$102M	-\$22M
Rule of 40:	27%	30%
Total Operating Expenses:	\$245M	\$216M
Market Cap:	\$1,190M	\$1,190M
Cash & Cash Equivalents:	\$232M	\$42M

Scale & Growth – Revenue (\$M, YoY Growth)



Profitability – Free Cash Flow (\$M, % Revenue)



Case Study: Doximity

Profile Leading Up to and Post-IPO

01



Doximity provides a digital collaboration platform for U.S. medical professionals

NYSE: DOCS

IPO Price: \$26

IPO Date: 6/23/2021

Current Stock Price¹: \$50

02

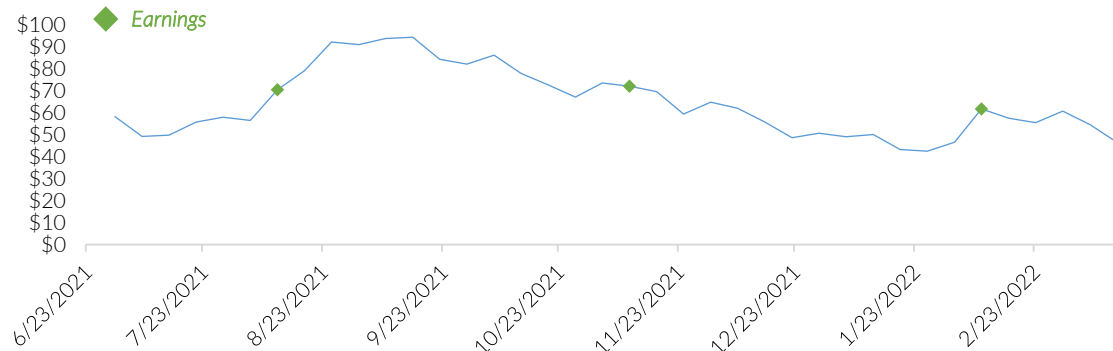
Performance to Date

Strong performance driven by:

- Exceptional beat and raise, with an above average “beat” against consensus estimates of 12% and average “beat” against management guidance of 11% every quarter post IPO
- HIPAA compliant product suite tailored to physician use cases, including additional telehealth tools, allowing it to become the “LinkedIn of healthcare”
- Strong free cash flow and revenue growth leading up to IPO with a LTM Rule of 40 of 116% (significantly above that of health tech IPOs) primarily driven by its reference selling model
- 171% net revenue retention, with sustained 30%+ revenue growth post IPO as of F3Q22
- Network effects allowing Doximity to offer free products like the Dialer telehealth offering to boost patient and provider adoption

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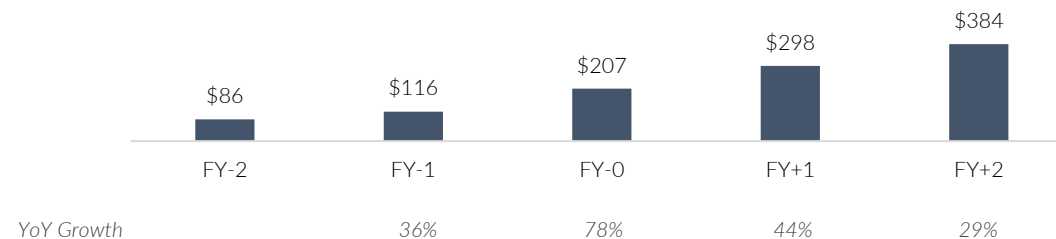
STOCK PRICE PERFORMANCE TO DATE



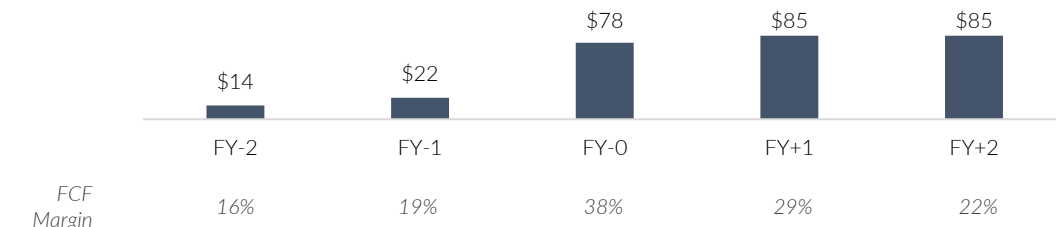
Key Metrics at IPO (LTM or Time of IPO)

	doximity	Median – Data & Analytics
Revenue:	\$207M	\$104M
YoY Growth:	78%	54%
Gross Margin:	85%	67%
FCF:	\$78M	\$14M
Rule of 40:	116%	46%
Total Operating Expenses:	\$122M	\$107M
Market Cap:	\$4,724M	\$1,753M
Cash & Cash Equivalents:	\$66M	\$35M

Scale & Growth – Revenue (\$M, YoY Growth)



Profitability – Free Cash Flow (\$M, % Revenue)



Notes: (1) “Current” represents data as of 3/17/22; (2) Market Cap based on IPO price; (3) Cash & Cash Equivalents not inclusive of IPO proceeds (4) Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ (5) The case studies presented herein are for illustrative purposes only. No assumption should be made that the investments described herein were or will be profitable, or that investments made in the future will be comparable to those described herein. References to investments included herein should not be construed as a recommendation of any particular investment
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Case Study: Definitive Healthcare

Profile Leading Up to and Post-IPO

01



Definitive Healthcare is a sales intelligence tool providing companies with data on providers

NYSE: DH

IPO Date: 9/14/2021

IPO Price: \$27

Current Stock Price¹: \$23

Performance to Date

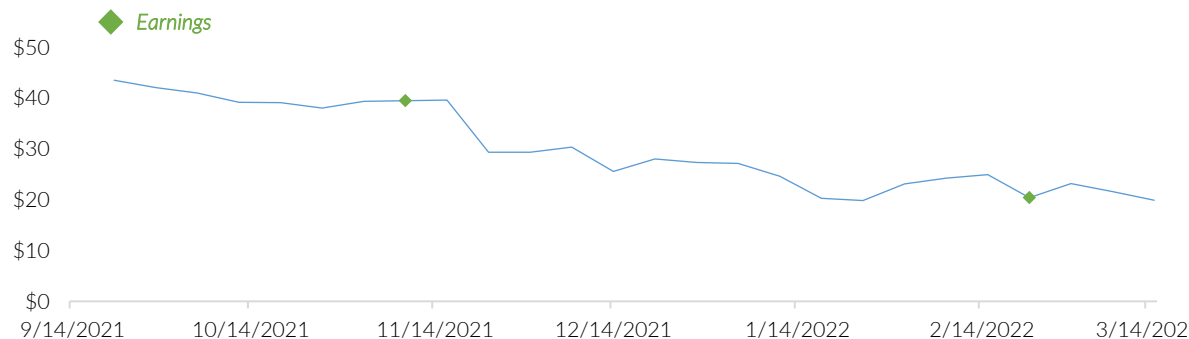
Strong performance driven by:

- High growth and profitability, with visibility into long-term sustainable growth leading up to IPO
- \$10B+ addressable market with expanding use cases / products
- 125%+ net dollar retention for enterprise customers with high gross margins compared to peers

Challenges post-IPO driven by:

- Macro-economic and regulatory conditions leading to decline in stock price
- Competitive market with broad sales intelligence tools like ZoomInfo in addition to vertical-specific peers like IQVIA and Komodo Health

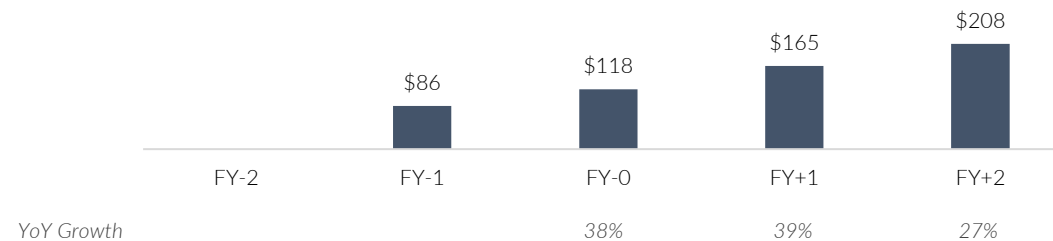
STOCK PRICE PERFORMANCE TO DATE



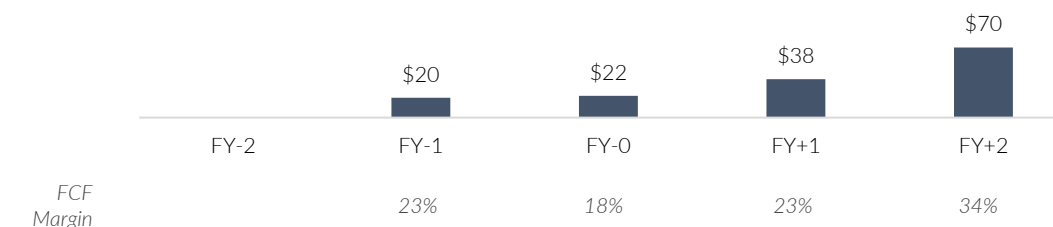
Key Metrics at IPO (LTM or Time of IPO)

	DEFINITIVE HEALTHCARE	Median – Data & Analytics
Revenue:	\$140	\$104M
YoY Growth:	43%	54%
Gross Margin:	75%	67%
FCF:	\$27	\$14M
Rule of 40:	62%	46%
Total Operating Expenses:	\$122	\$107M
Market Cap:	\$4,069	\$1,753M
Cash & Cash Equivalents:	\$38	\$35M

Scale & Growth – Revenue (\$M, YoY Growth)



Profitability – Free Cash Flow (\$M, % Revenue)



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Case Study: GoodRx

Profile Leading Up to and Post-IPO

01

GoodRx

GoodRx is a telemedicine platform offering prescription prices, coupons, and pharmacy information to consumers

NYSE: GDRX

IPO Date: 9/22/2020

IPO Price: \$33

Current Stock Price¹: \$17

Performance to Date

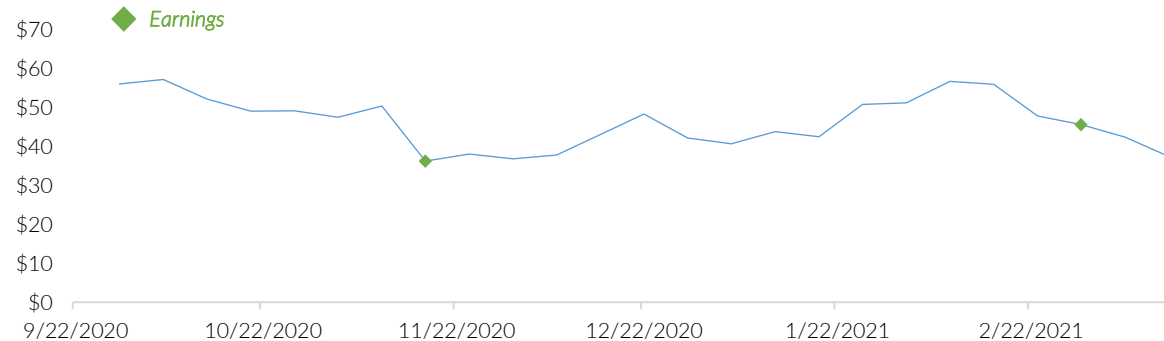
Strong performance prior to IPO driven by:

- Profitable since 2016, unlike other digital health companies that have gone public
- Expansion into telehealth space through acquisition of HeyDoctor enabling consumers to obtain prescriptions
- Strong pharmacy and PBM relationships and consumer-first brand

Challenges post IPO driven by:

- Competition from new entrants like Amazon Pharmacy, Mark Cuban
- Slower organic growth of monthly active consumers post IPO driven by pandemic headwinds
- Investor questions around the sustainability of its marketing-driven growth strategy

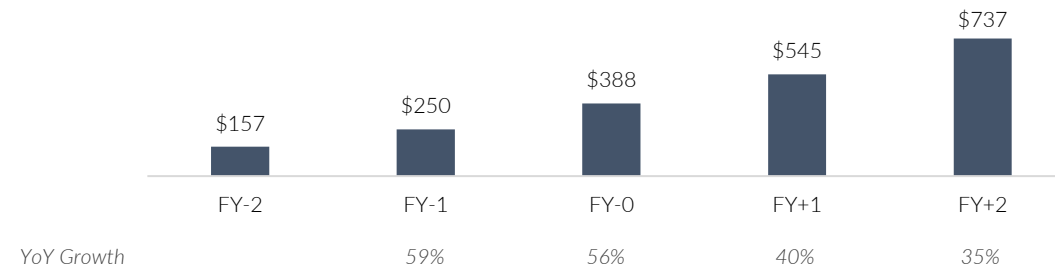
STOCK PRICE PERFORMANCE TO DATE



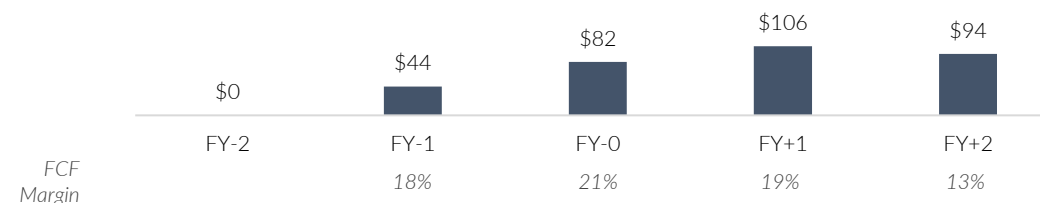
Key Metrics at IPO (LTM or Time of IPO)

	GoodRx	Median – Telehealth
Revenue:	\$472M	\$186M
YoY Growth:	56%	76%
Gross Margin:	96%	70%
FCF:	\$114M	-\$22M
Rule of 40:	77%	30%
Total Operating Expenses:	\$292M	\$216M
Market Cap:	\$2,818M	\$1,190M
Cash & Cash Equivalents:	\$127M	\$42M

Scale & Growth – Revenue (\$M, YoY Growth)



Profitability – Free Cash Flow (\$M, % Revenue)



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Source: Factset, Public Filings for Software IPO June 2013 to December 2021

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Case Study: Livongo

Acquired by Teladoc

Profile Leading Up to and Post-IPO

01



Livongo is a digital health platform empowering people with chronic conditions like diabetes to manage their health and live a better life

NYSE: LVGO

IPO Date: 7/24/2019

IPO Price: \$28

Current Stock Price¹: \$N/A (Acquired by Teladoc)

Performance to Date

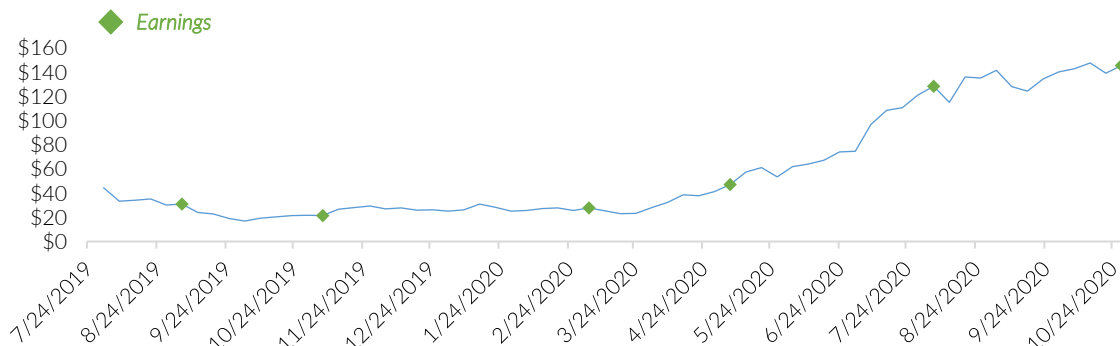
Strong performance prior to IPO driven by:

- Exceptional YoY revenue growth leading up to IPO as demand for condition management tools and virtual care increased
- 96% client retention with a 64 NPS score from members
- Large addressable market across healthcare and chronic condition management

Strong performance post IPO driven by:

- COVID-19 tailwinds accelerating needs for new virtual care delivery models
- Partnerships with payers, employers, and healthcare institutions with 20% of Fortune 500 companies as clients

STOCK PRICE PERFORMANCE TO DATE

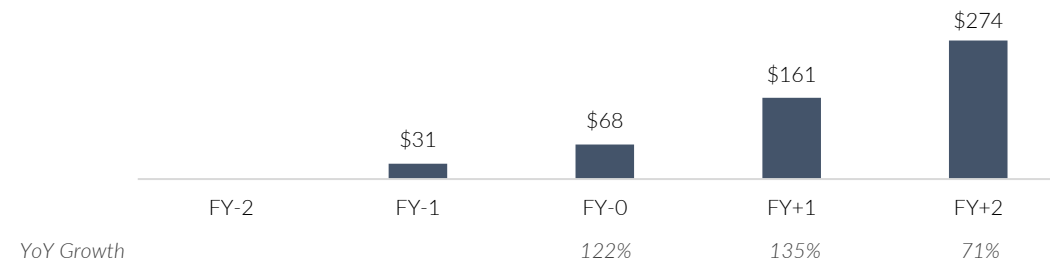


Key Metrics at IPO (LTM or Time of IPO)

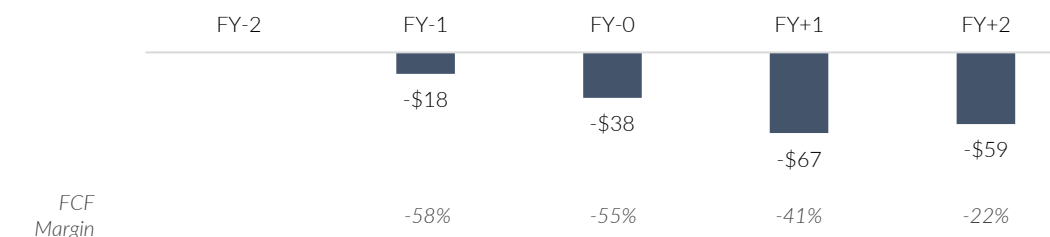


Metric	Median	Data & Analytics
Revenue:	\$88M	\$104M
YoY Growth (FY-0):	122%	54%
Gross Margin:	69%	67%
FCF:	-\$56M	\$14M
Rule of 40 (FY-0):	67%	46%
Total Operating Expenses:	\$108M	\$107M
Market Cap:	\$2,599M	\$1,753M
Cash & Cash Equivalents:	\$55M	\$35M

Scale & Growth – Revenue (\$M, YoY Growth)



Profitability – Free Cash Flow (\$M, % Revenue)



Notes: (1) Livongo has been acquired by Teladoc (2) Market Cap based on IPO price; (3) Cash & Cash Equivalents not inclusive of IPO proceeds (4) Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ (5) The case studies presented herein are for illustrative purposes only. No assumption should be made that the investments described herein were or will be profitable, or that investments made in the future will be comparable to those described herein. References to investments included herein should not be construed as a recommendation of any particular investment
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Case Study: Veeva

Vertical SaaS Profile Leading up to and Post-IPO

01



Veeva offers a suite of cloud-based business solutions for the global life sciences industry

NYSE: VEEV

IPO Date: 10/16/2013

IPO Price: \$20

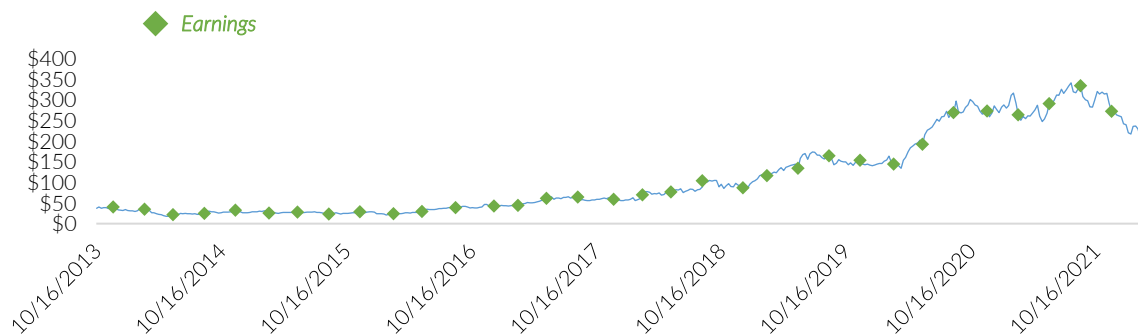
Current Stock Price¹: \$192

Performance to Date

Strong performance driven by:

- Continued growth and efficiency
 - Steadily increasing gross margin to >70%
 - Acquisition of increasingly large customers
- Successful product expansion
 - Built suite of modules on top of original product, expanding revenue and upsell capabilities
- Ability to consistently forecast and meet or beat expectations

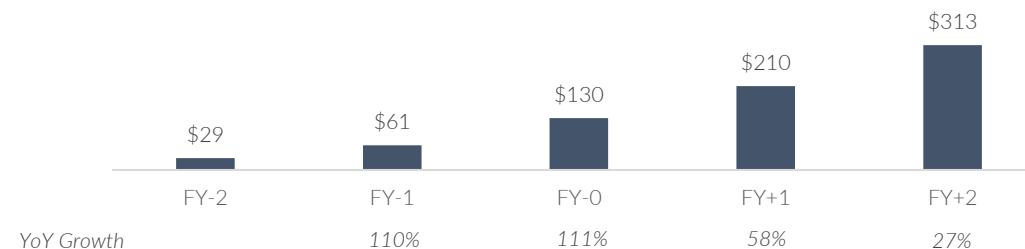
STOCK PRICE PERFORMANCE TO DATE



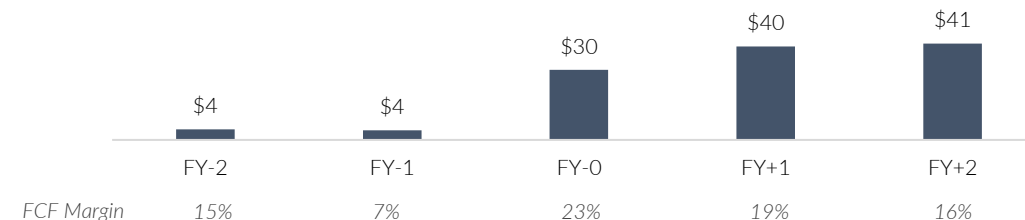
Key Metrics at IPO (LTM or Time of IPO)

	Veeva	Median – Vertical SaaS
Revenue:	\$168M	\$201M
YoY Growth:	98%	41%
Gross Margin:	59%	63%
FCF:	\$35M	\$15M
Rule of 40:	119%	39%
Total Operating Expenses:	\$62M	\$123M
Market Cap:	\$2,484M	\$3,090M
Cash & Cash Equivalents:	\$39M	\$78M

Scale & Growth – Revenue (\$M, YoY Growth)



Profitability – Free Cash Flow (\$M, % Revenue)



Notes: (1) "Current" represents data as of 3/17/22; (2) Market Cap based on IPO price; (3) Cash & Cash Equivalents not inclusive of IPO proceeds (4) Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ (5) The case studies presented herein are for illustrative purposes only. No assumption should be made that the investments described herein were or will be profitable, or that investments made in the future will be comparable to those described herein. References to investments included herein should not be construed as a recommendation of any particular investment
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

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Becoming a Public HCIT Company

We can examine business performance leading up to IPO across growth and profitability, with certain metrics having tighter ranges as it relates to successful IPOs than others

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HCIT

	Revenue (\$M, LTM)		Revenue Growth (% YoY, LTM)		FCF Margin (% Revenue, LTM)		Gross Margin (% Revenue, LTM)	
	Median	Range	Median	Range	Median	Range	Median	Range
Care Navigation <i>N = 7</i>	~\$133	\$13 - \$336	~40%	36% - 212%	~(3%)	(406%) - 14%	~44%	(33%) - 54%
Data & Analytics <i>N = 8</i>	~\$154	\$88 - \$301	~54%	21 - 98%	~(5%)	(73%) - 38%	~64%	(10%) - 85%
Value-Based Care <i>N = 4</i>	~\$337	\$118 - \$817	~13%	4% - 115%	~1%	(29%) - 5%	~36%	10% - 52%
Virtual Care <i>N = 8</i>	~\$194	\$51 - \$472	~75%	67% - 77%	~(12%)	(61%) - 24%	~53%	24% - 96%
Insurance <i>N = 4</i>	~\$791	\$463 - \$1883	~11%	(5%) - 27%	~5%	(20%) - 45%	~17%	15% - 33%
Providers <i>N = 4</i>	~\$735	\$257 - \$1218	~53%	29% - 77%	~(9%)	(28%) - (3%)	~18%	7% - 40%
Vertical SaaS <i>N = 22</i>	~\$201	\$54 - \$1,183	~41%	11% - 98%	~8%	(45%) - 58%	~63%	21% - 85%

Additional detail on vertical SaaS metrics can be found in our [Path to IPO Software Report](#)

Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

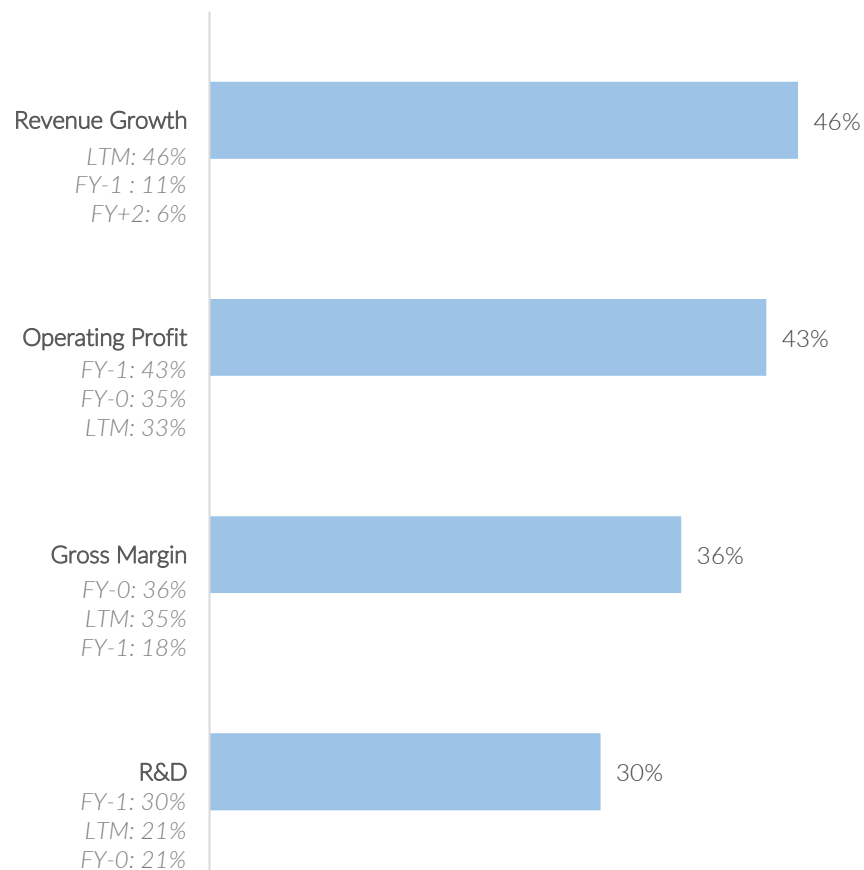
Business vs. IPO Performance

Profitability and R&D spend were the most significant drivers of performance at IPO (forward multiple at IPO) for HCIT companies analyzed in this dataset

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FACTORS MOST POSITIVELY CORRELATED WITH FORWARD MULTIPLE AT TIME OF IPO

Correlation Coefficient (R) with Company IPO Multiple



When looking at what metrics are most correlated to performance at IPO (forward multiple at time of IPO) for the HCIT companies in this dataset, **revenue growth and profitability** are the main drivers of IPO performance, with **R&D spend as a % of revenue** also highly correlated.

While these are key drivers of IPO performance, it is also important to note that profitability metrics across operating profit and gross margin have a **very wide range given spectrum of these businesses across care delivery / services.**

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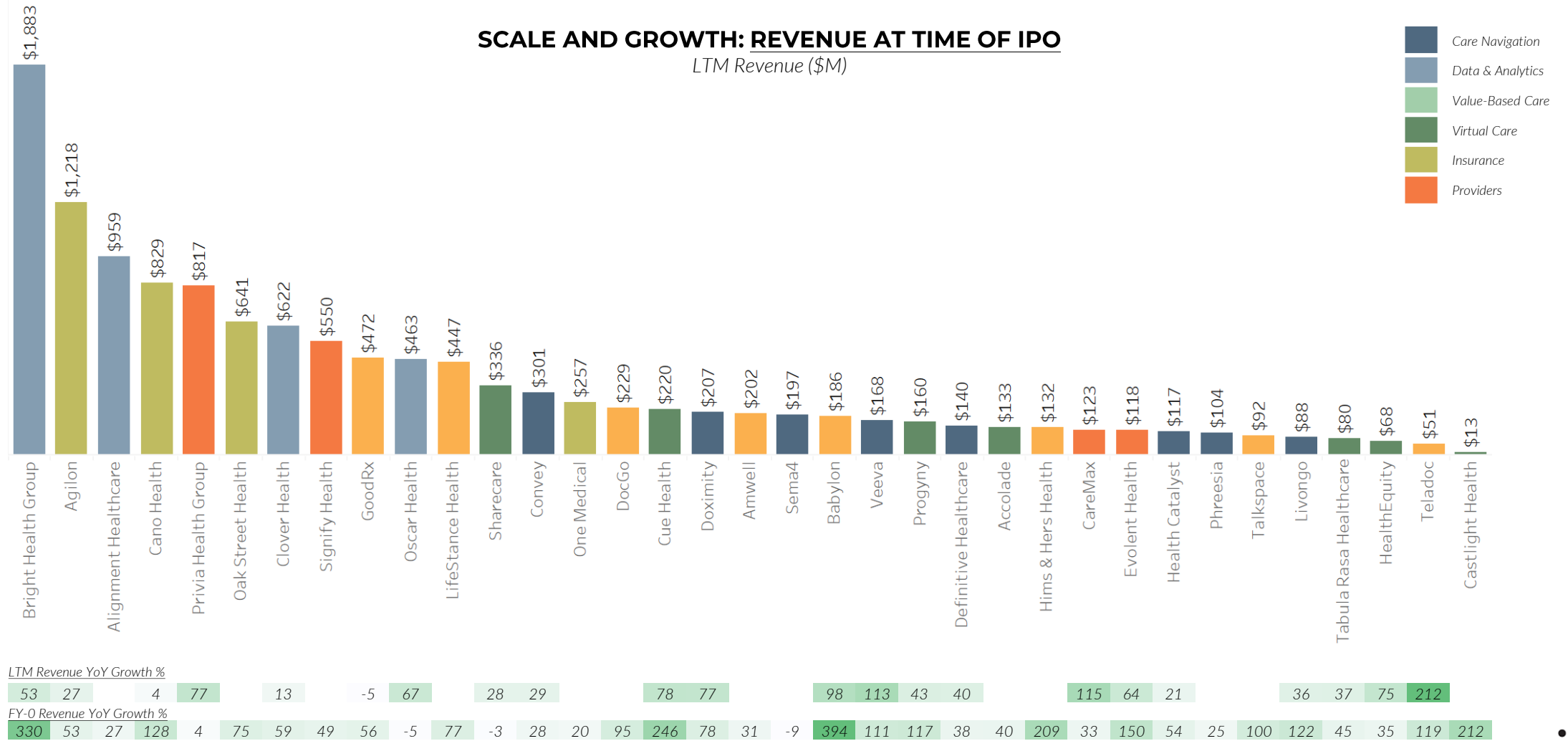
Scale and Growth: LTM Revenue and YoY Growth

Healthcare companies in legacy sectors across payers and providers typically go public at a larger scale than other players in other healthcare categories; across all healthcare categories, revenue growth tends to remain on lower end of tech IPOs perhaps due to larger contract sizes and lower number of customers in the space

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Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

DRIVING ONGOING PERFORMANCE

Rule of 40: At Time of IPO

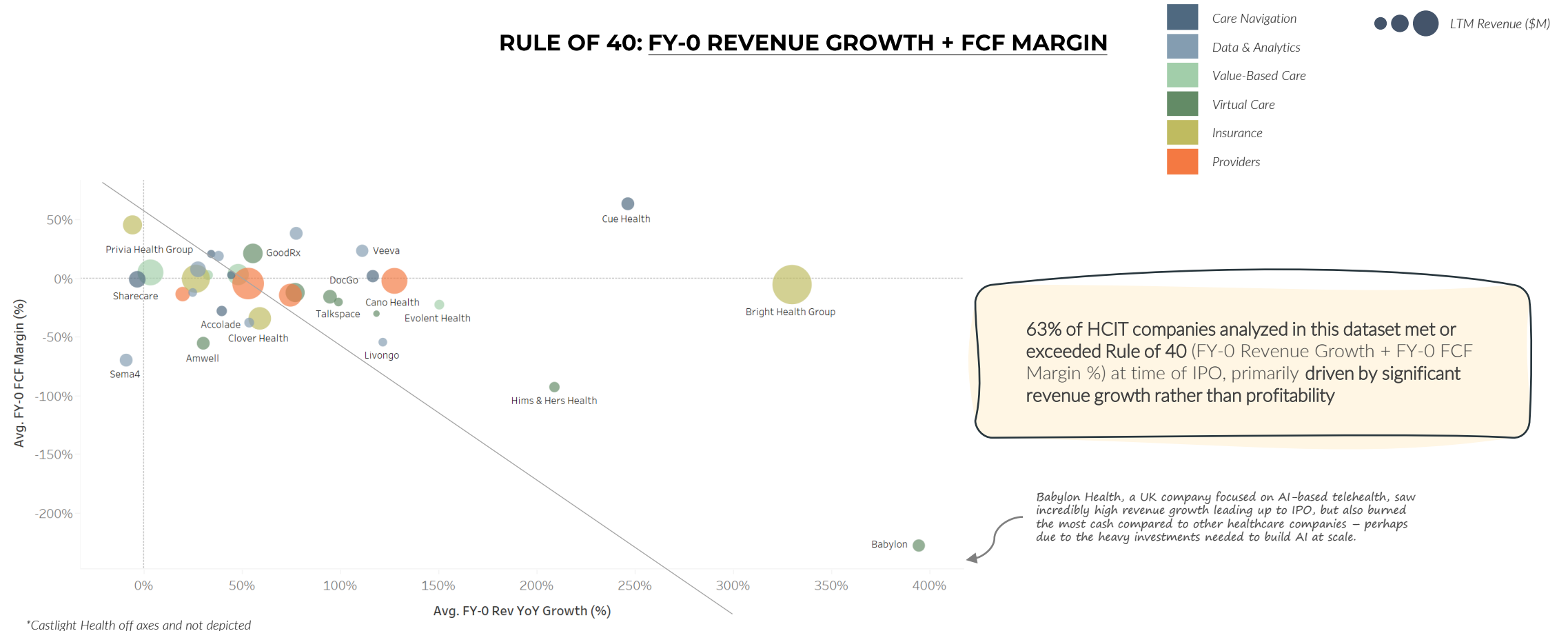
The majority of HCIT companies analyzed exceeded Rule of 40; however, there was no direct correlation to price performance post IPO

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RULE OF 40: FY-0 REVENUE GROWTH + FCF MARGIN



DRIVING ONGOING PERFORMANCE

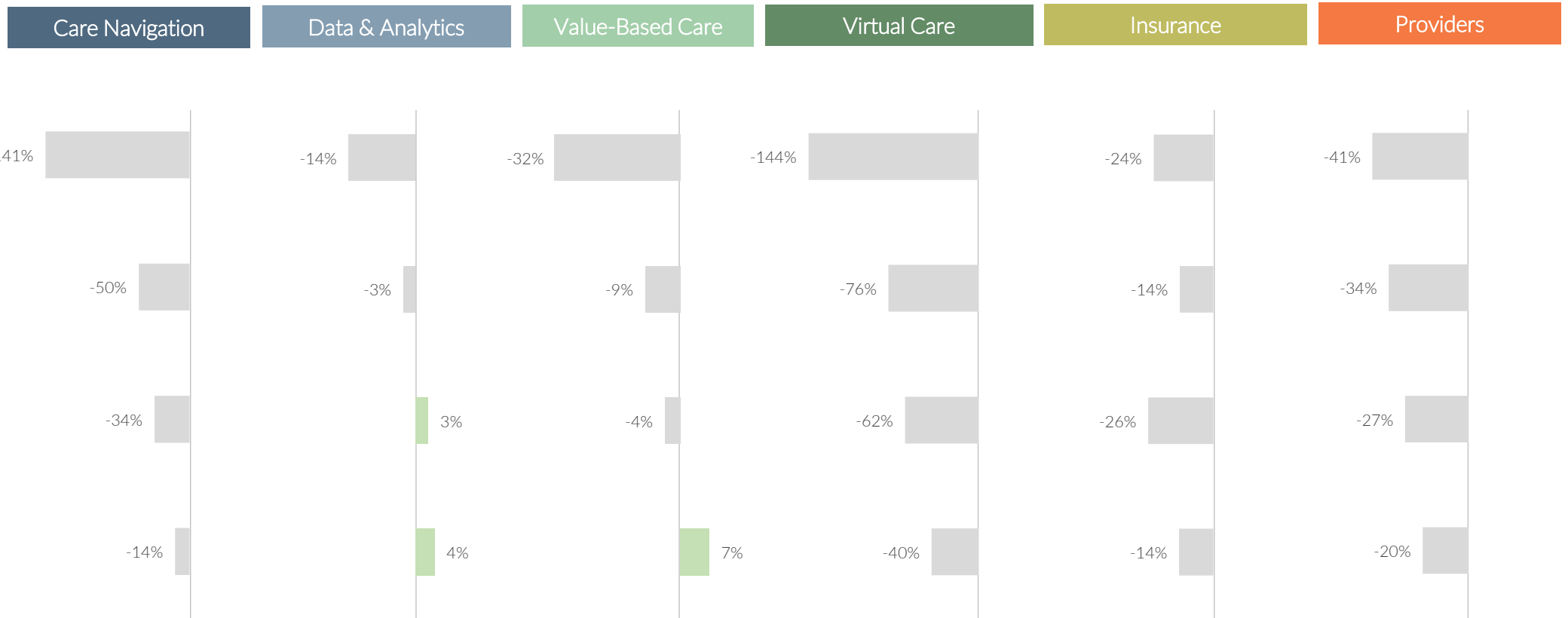
Profitability: Surrounding IPO

Most healthcare companies are not profitable leading up to IPO, with the exception of companies in the data & analytics and value-based care categories; over time however, there is a gradual progression towards profitability post IPO

PROFITABILITY: AVERAGE FCF BY SCALE AT IPO

FCF (\$M) and Implied Margin (%) By Year and Revenue Range

FY-2 excluded due to small sample size



Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

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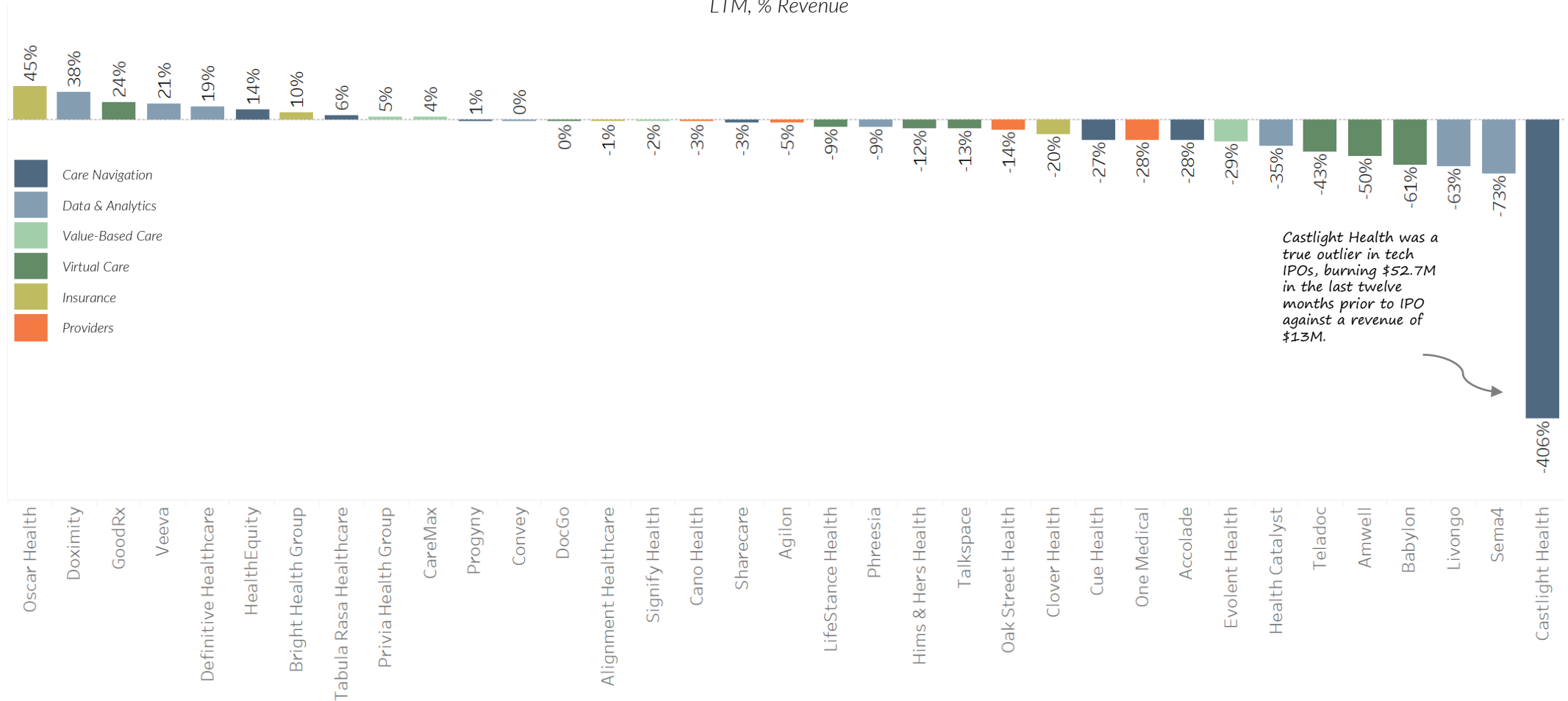
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Profitability: LTM FCF at Time of IPO

At time of IPO, the majority of HCIT companies are free-cash-flow negative, with median free cash flow margin of -5%

PROFITABILITY: FREE CASH FLOW MARGIN

LTM, % Revenue



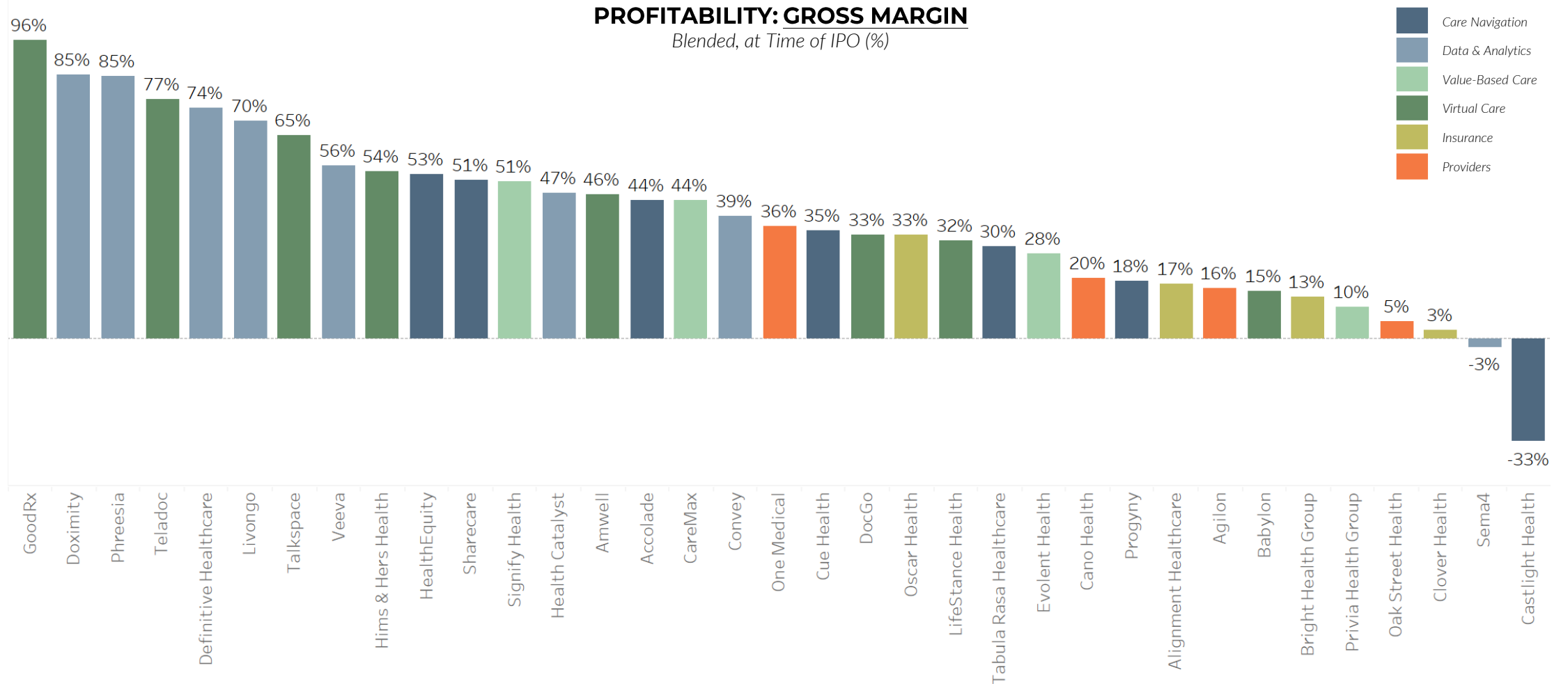
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Gross Margin

Gross margins for healthcare IT companies are typically much lower leading up to IPO than traditional software businesses, with a median gross margin of 36% in this dataset



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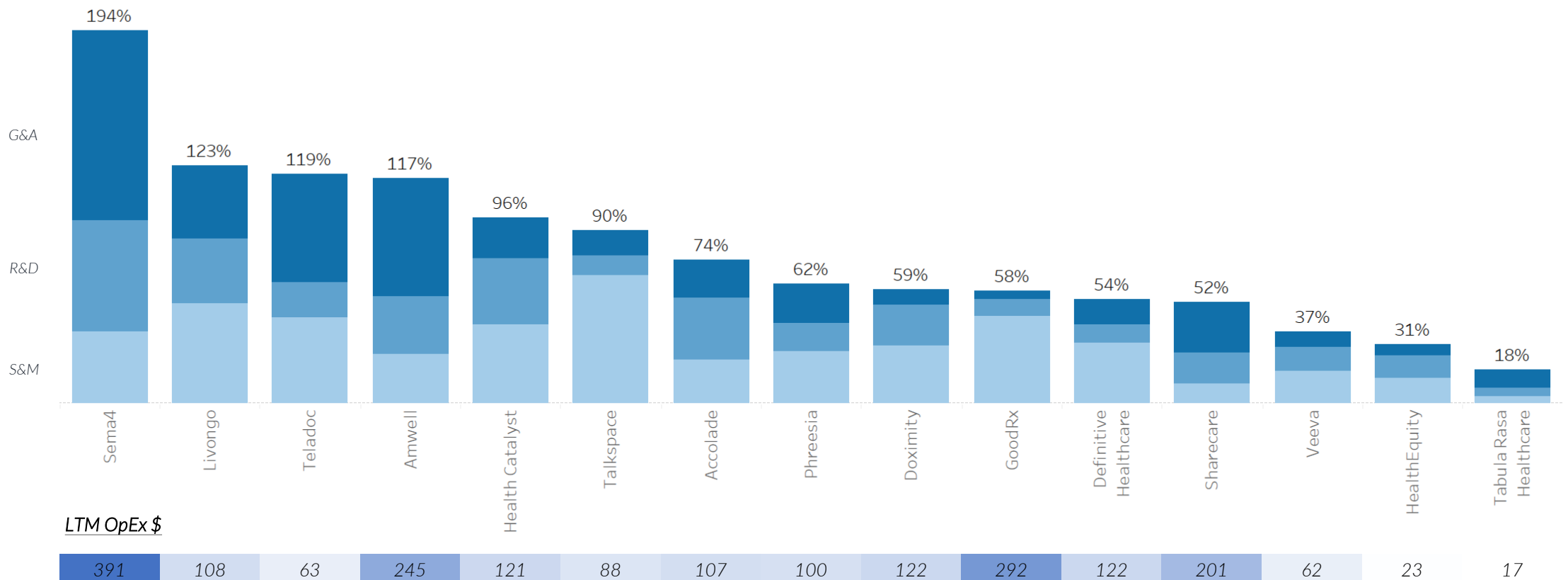
Operating Expenses: LTM OpEx at Time of IPO

Operational efficiency varied widely across IPOs, with some companies spending as low as 37% of revenue to upwards of 119% of revenue on operating expenses

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OPERATING EXPENSES: TOTAL OPEX AS A % OF REVENUE LEADING UP TO IPO

LTM OpEx Split by Type over LTM Revenue at Time of IPO (%)



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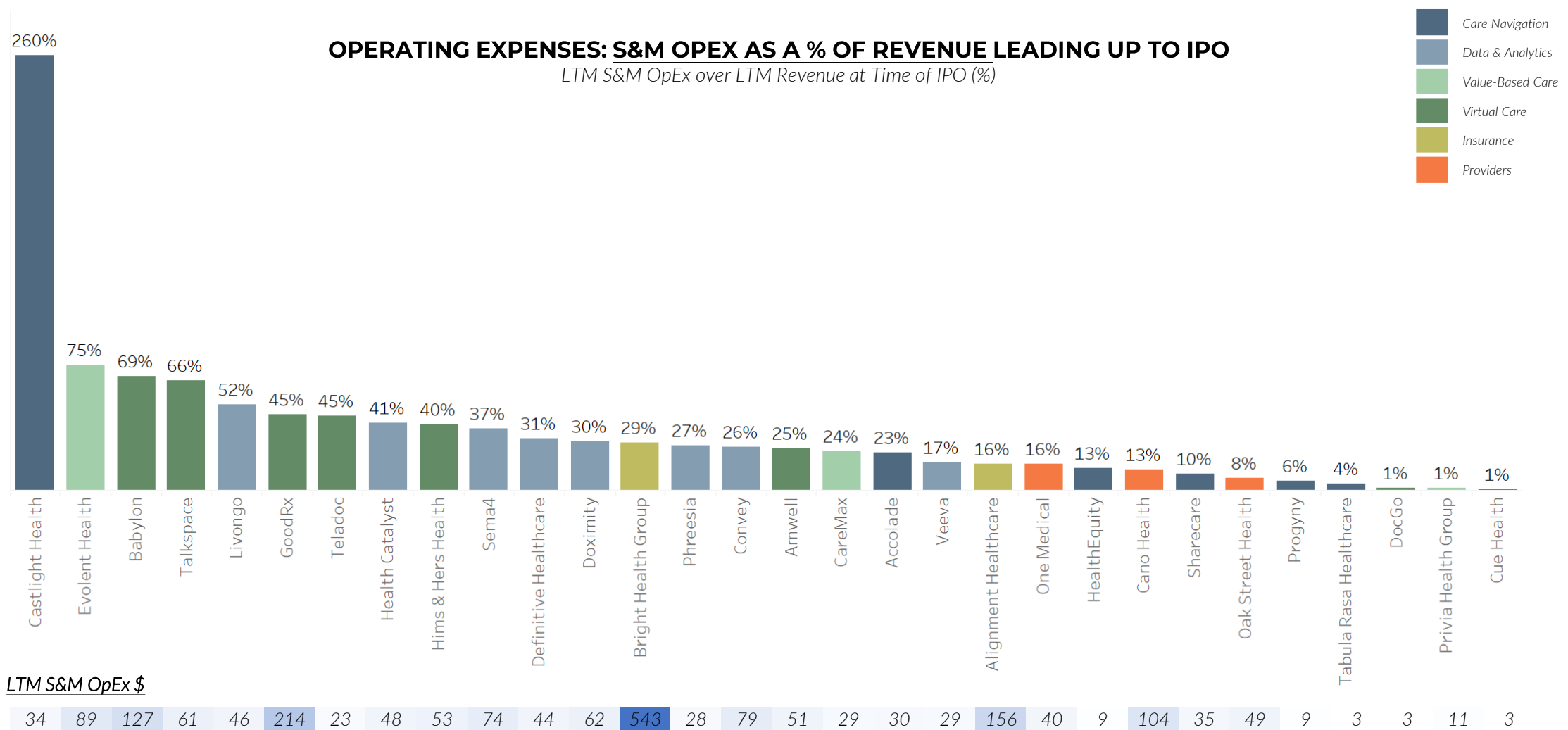
Operating Expenses: S&M Detail

S&M spend for HCIT companies with the exception of a few outliers remains under 45% of revenue for most companies

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LTM S&M OpEx \$

34	89	127	61	46	214	23	48	53	74	44	62	543	28	79	51	29	30	29	156	40	9	104	35	49	9	3	3	11	3
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Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

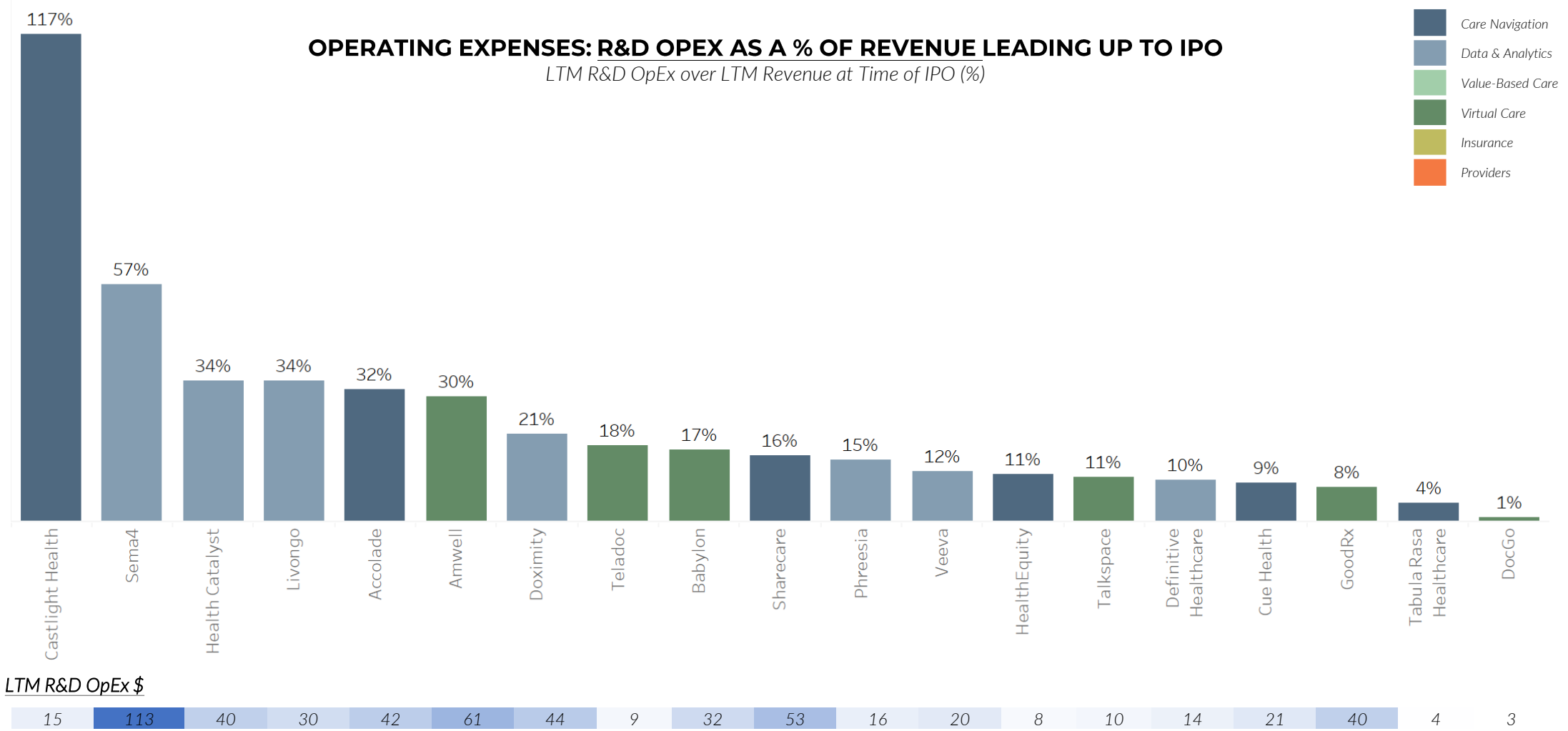
Operating Expenses: R&D Detail

R&D spend for healthcare companies remains in a tight range from 8-34%, with software companies spending slightly more leading up to IPO

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Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Operating Expenses: G&A Detail

Healthcare companies tended to see a large proportion of operating expenses going toward G&A

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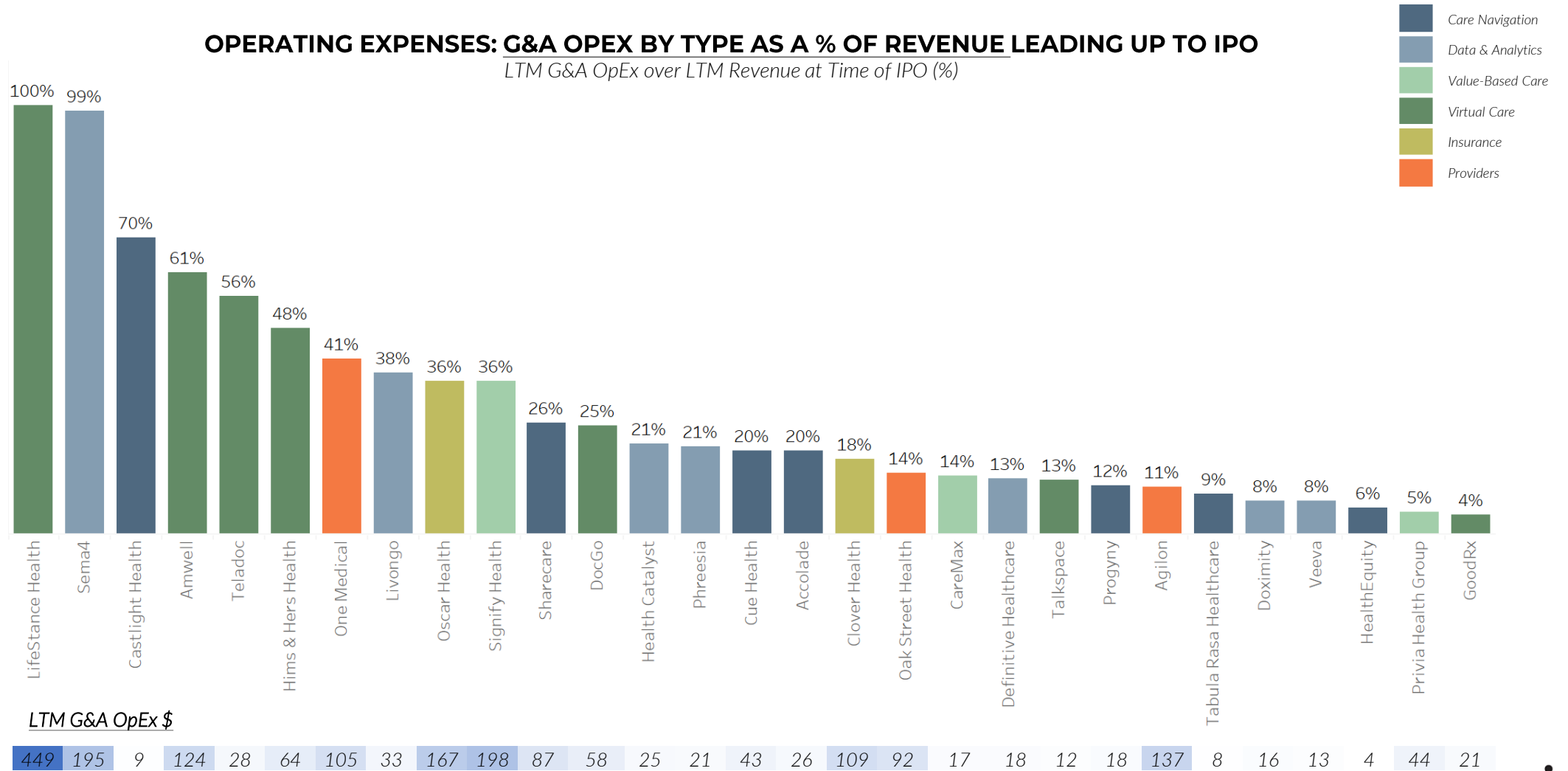
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LifeStance had a M&A in the last twelve months prior to IPO which significantly affects total G&A expenses stated in proforma

OPERATING EXPENSES: G&A OPEX BY TYPE AS A % OF REVENUE LEADING UP TO IPO

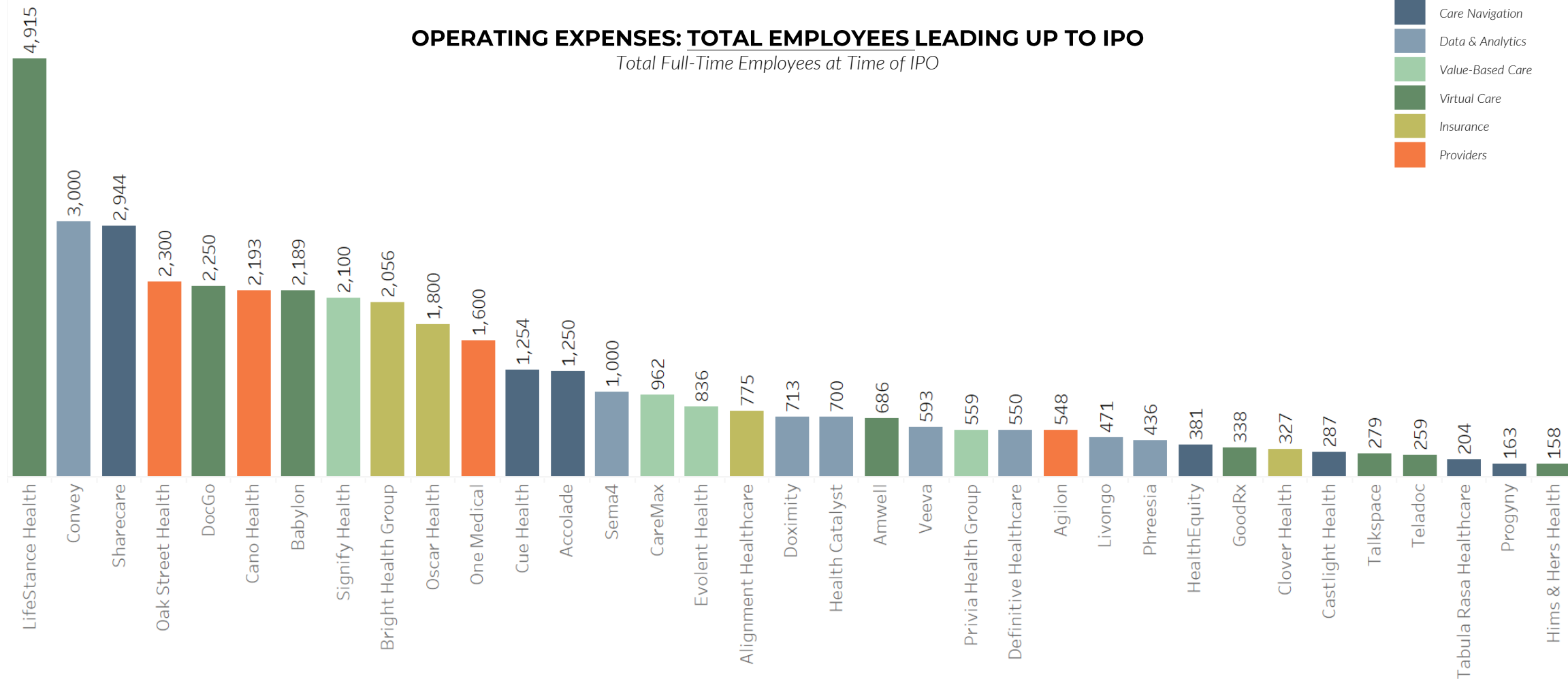
LTM G&A OpEx over LTM Revenue at Time of IPO (%)



Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Total Employees

Company size ranges widely leading up to IPO, with companies having anywhere from a few hundred employees to thousands



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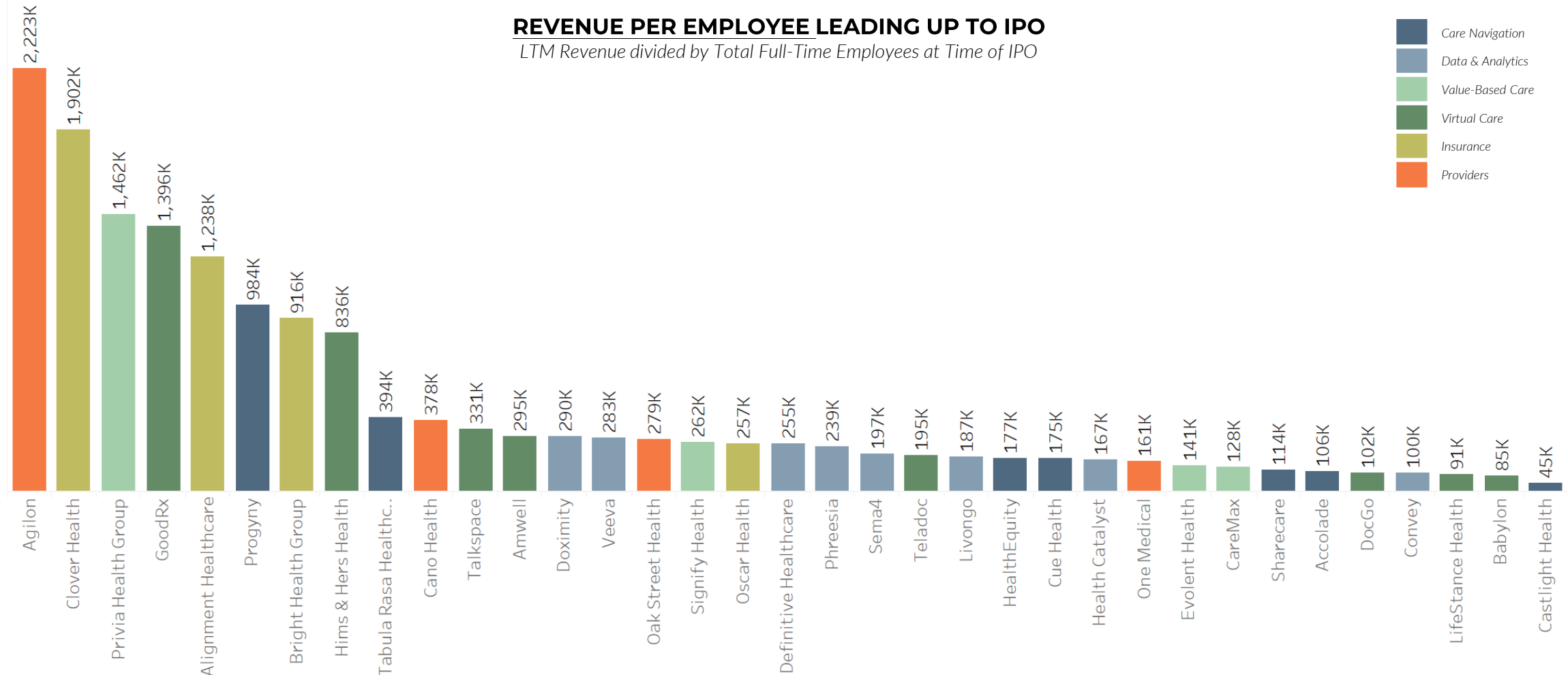
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DRIVING ONGOING PERFORMANCE

Revenue per Employee

Revenue per employee varies widely, with most companies generating under \$400K revenue per employee; however, a select few companies are able to operate incredibly efficiently to reach significant scale with a small number of employees

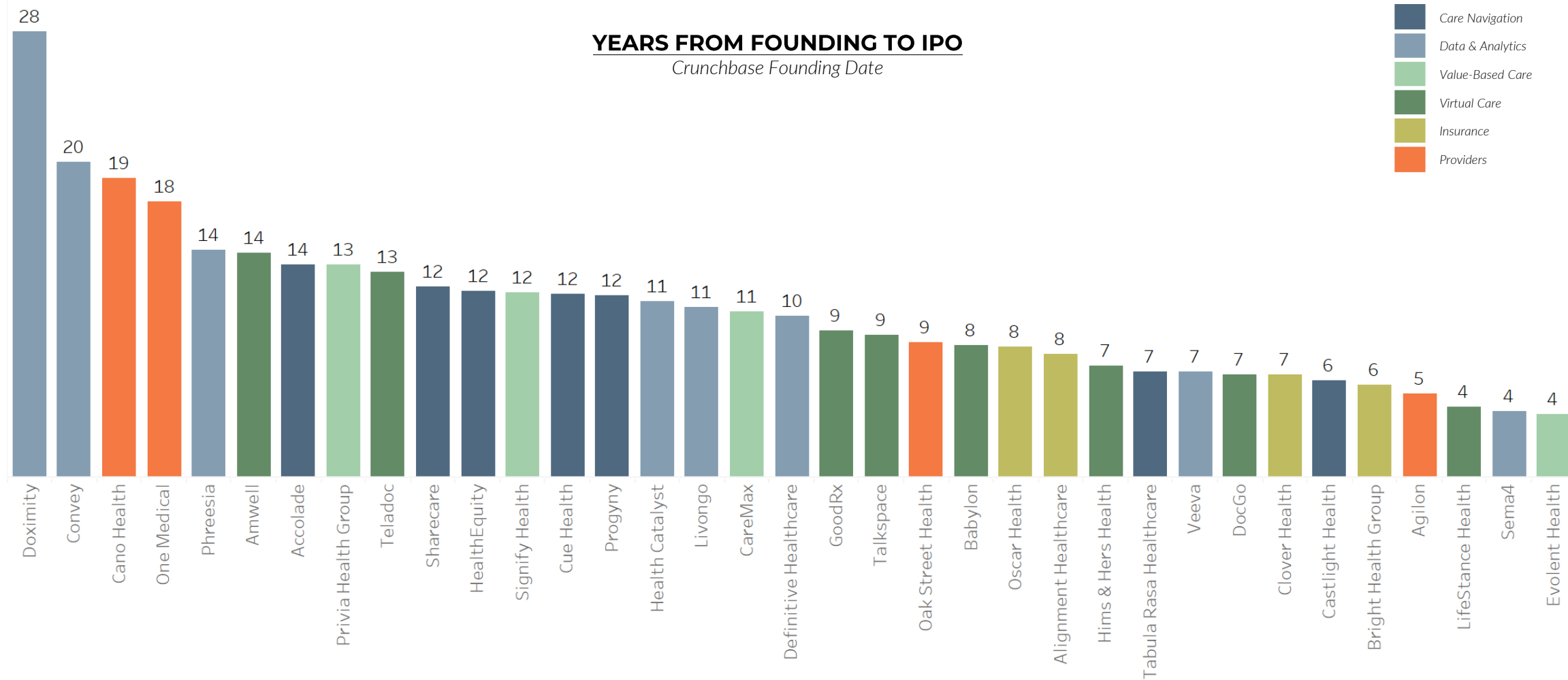


Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

DRIVING ONGOING PERFORMANCE

Years to IPO

HCIT companies analyzed take a median of 9 years from founding to IPO, although the range varies significantly with some companies taking as long as 28 years



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DRIVING ONGOING PERFORMANCE

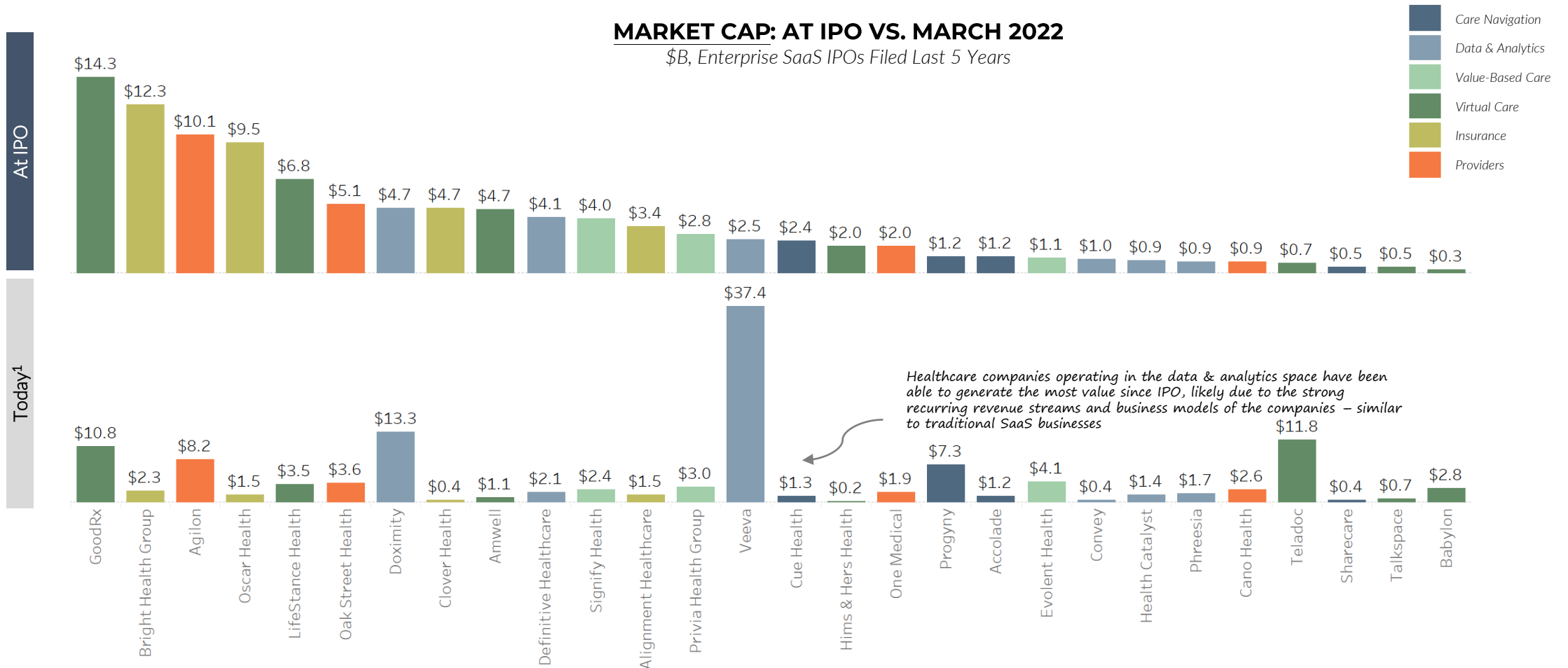
Market Cap

Few HCIT companies have been able to meaningfully grow market cap since IPO, with the majority seeing a decline in valuation

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Notes: (1) IPO multiples reflects basic shares outstanding for market cap as received from Investment Banking pricing materials; (2) Market Cap at IPO based on IPO price (3) Information provided as of 3/17/22
 Source: FactSet, Public Filings for Software IPO June 2013 to December 2021

DRIVING ONGOING PERFORMANCE

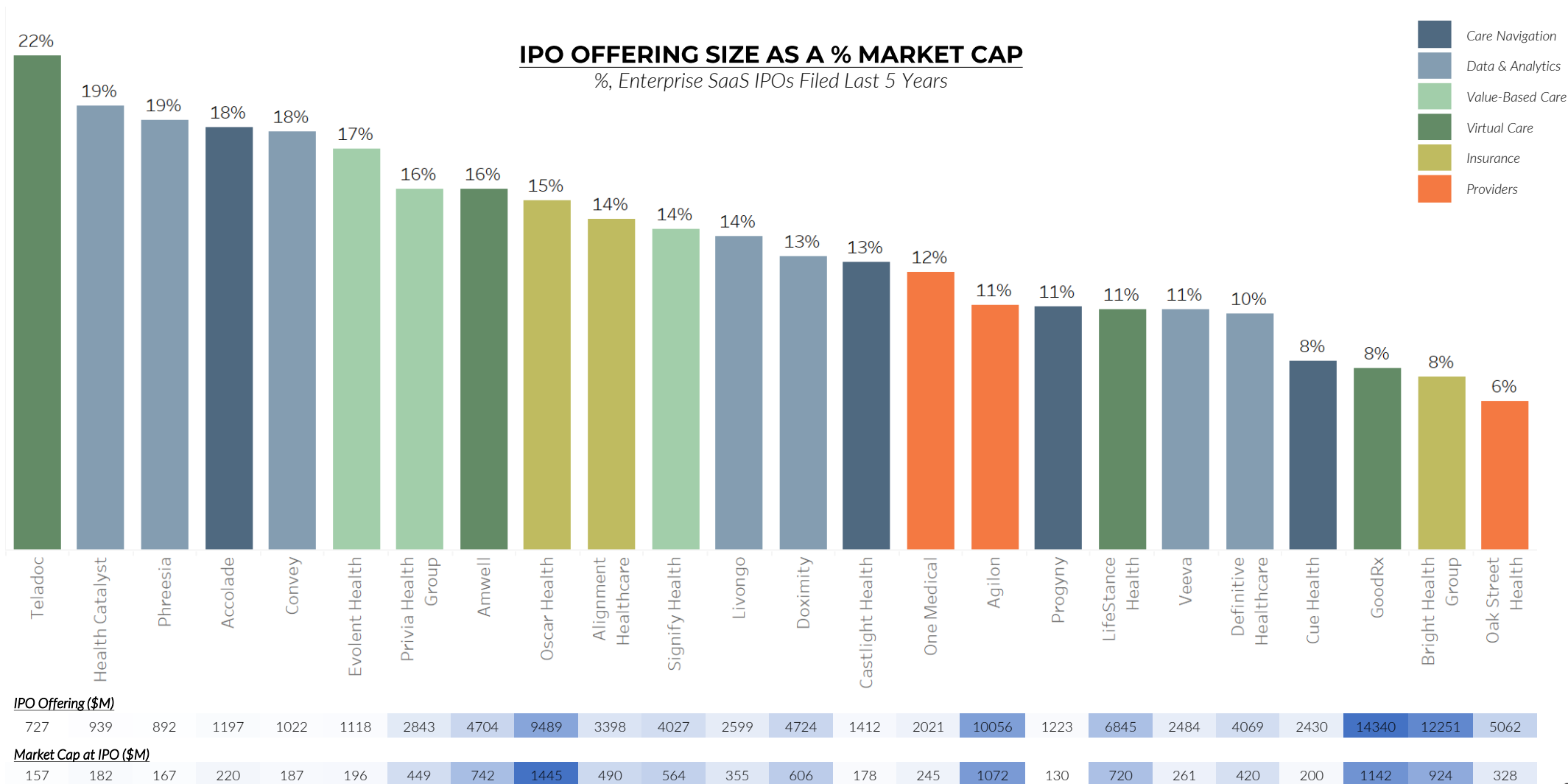
IPO Sizing

With the exception of a few companies, IPO offering size relative to market cap remains largely in the 10-20% range for HCIT companies

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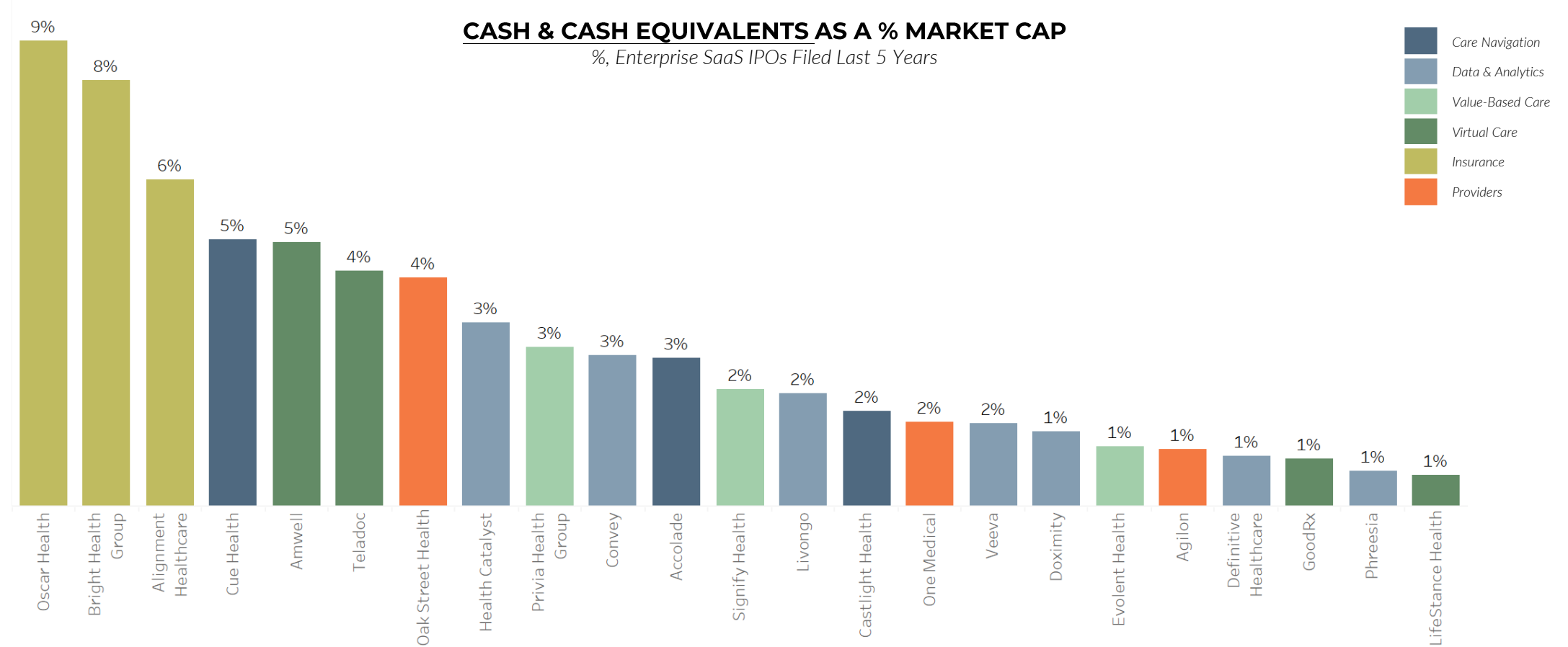


Notes: (1) IPO multiples reflects basic shares outstanding for market cap as received from Investment Banking pricing materials; (2) Market Cap at IPO based on IPO price (3) Information provided as of 3/17/22
Source: FactSet, Public Filings for Software IPO June 2013 to December 2021

DRIVING ONGOING PERFORMANCE

Liquidity: Cash at Time of IPO

Pre-IPO, HCIT companies analyzed typically have cash and cash equivalents of less than ~10% of total market cap, with insurance companies typically having the biggest cash reserves



Cash & Cash Equivalents (\$M)

826	976	207	122	233	32	216	32	85	29	33	88	55	25	32	39	66	13	107	38	127	6	39
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Market Cap (\$M)

9489	12251	3398	2430	4704	727	5062	939	2843	1022	1197	4027	2599	1412	2021	2484	4724	1118	10056	4069	14340	892	6845
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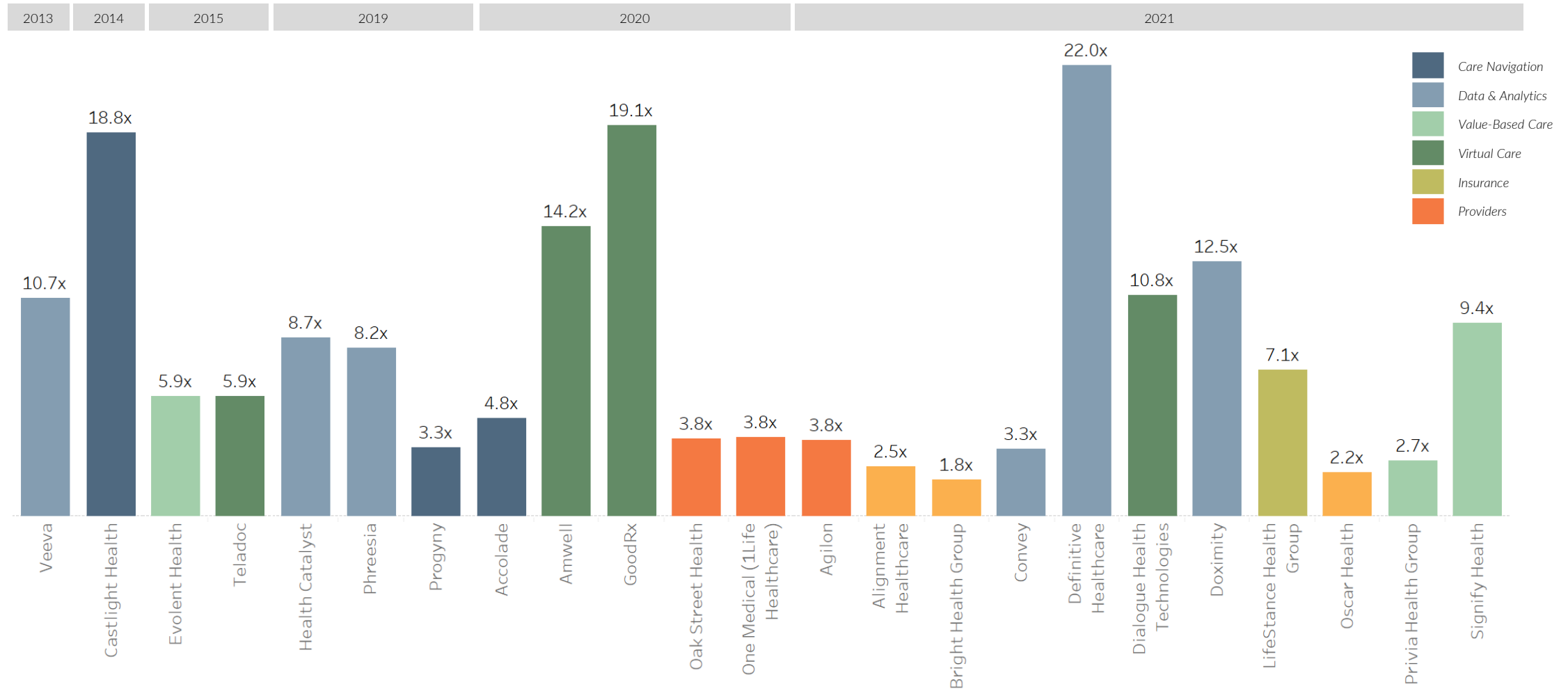
Notes: (1) IPO multiples reflects basic shares outstanding for market cap as received from Investment Banking pricing materials; (2) Market Cap at IPO based on IPO price (3) Information provided as of 3/17/22
 Source: FactSet, Public Filings for Software IPO June 2013 to December 2021

Forward Multiples

Median multiples for the past 2 years have remained consistent at around 4x for healthcare companies, with certain data & analytics companies seeing higher multiples in line with SaaS businesses

FORWARD MULTIPLE AT IPO

EV / CY + 1 Revenue Multiple



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Change in Multiple

Most healthcare companies have seen a decline in valuation post IPO, with healthcare services categories like insurance tech seeing the largest declines in forward multiple; data & analytics and value-based care segments have seen the smallest impact in comparison to other healthcare sectors

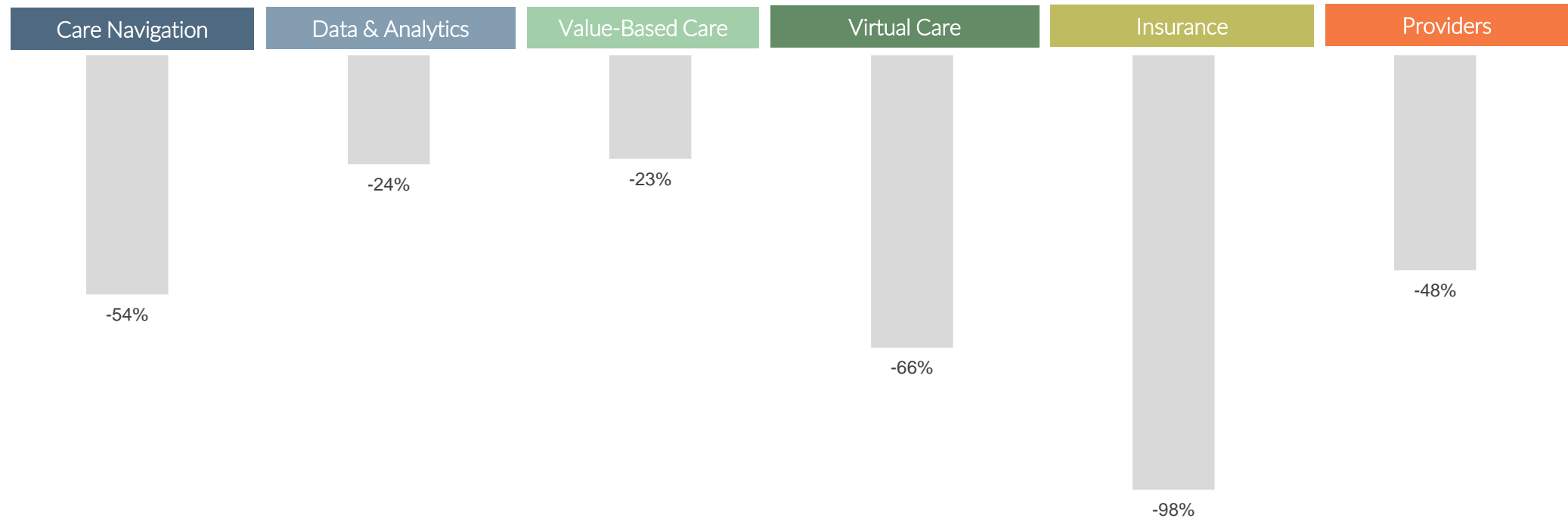
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CHANGE IN FORWARD MULTIPLE SINCE IPO

EV / CY + 1 Revenue Multiple, as of 3/15/22



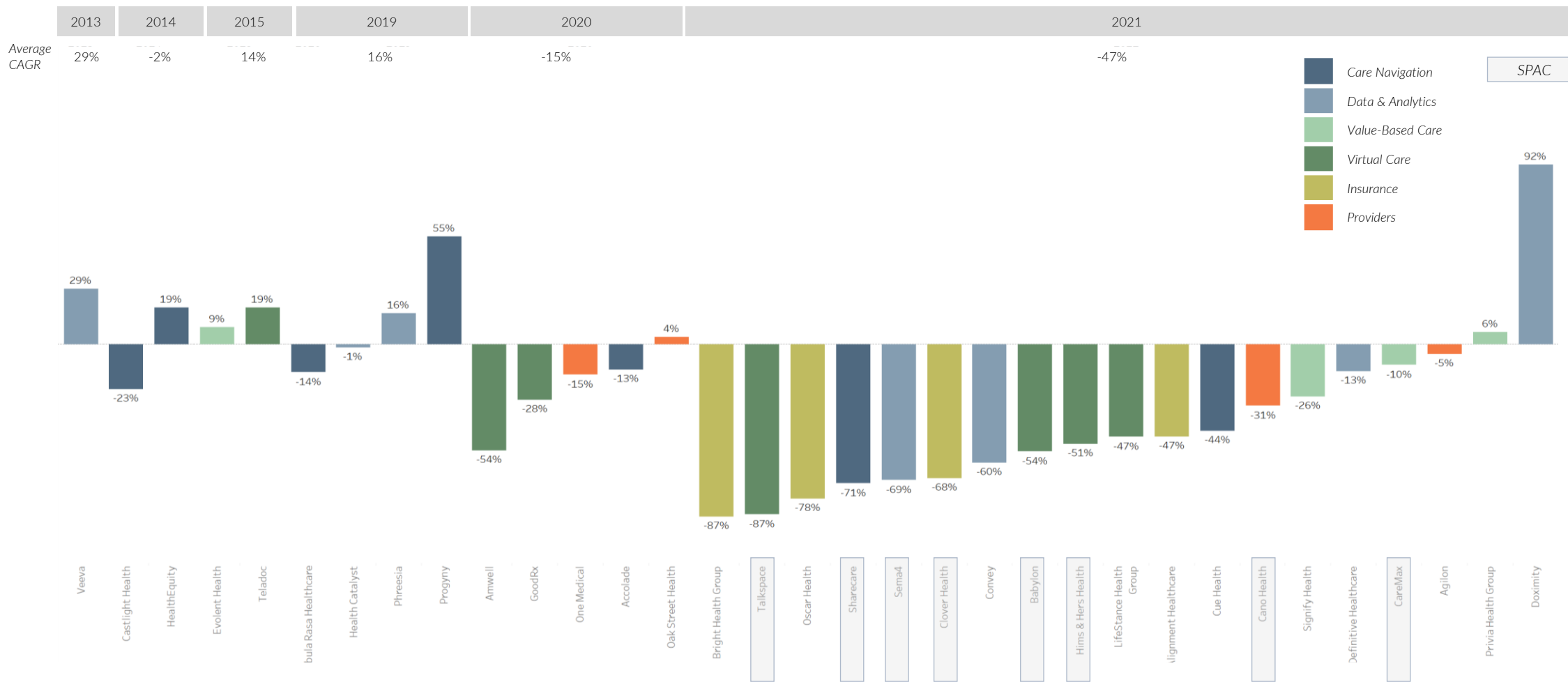
DRIVING ONGOING PERFORMANCE

Change from Issue Price

2021 saw a significant market contraction, with 95% of the companies that went public breaking issue and now trading below original issue price

ISSUE PRICE TO CURRENT PRICE CAGR % (AS OF 3/17/22)

By Year of IPO



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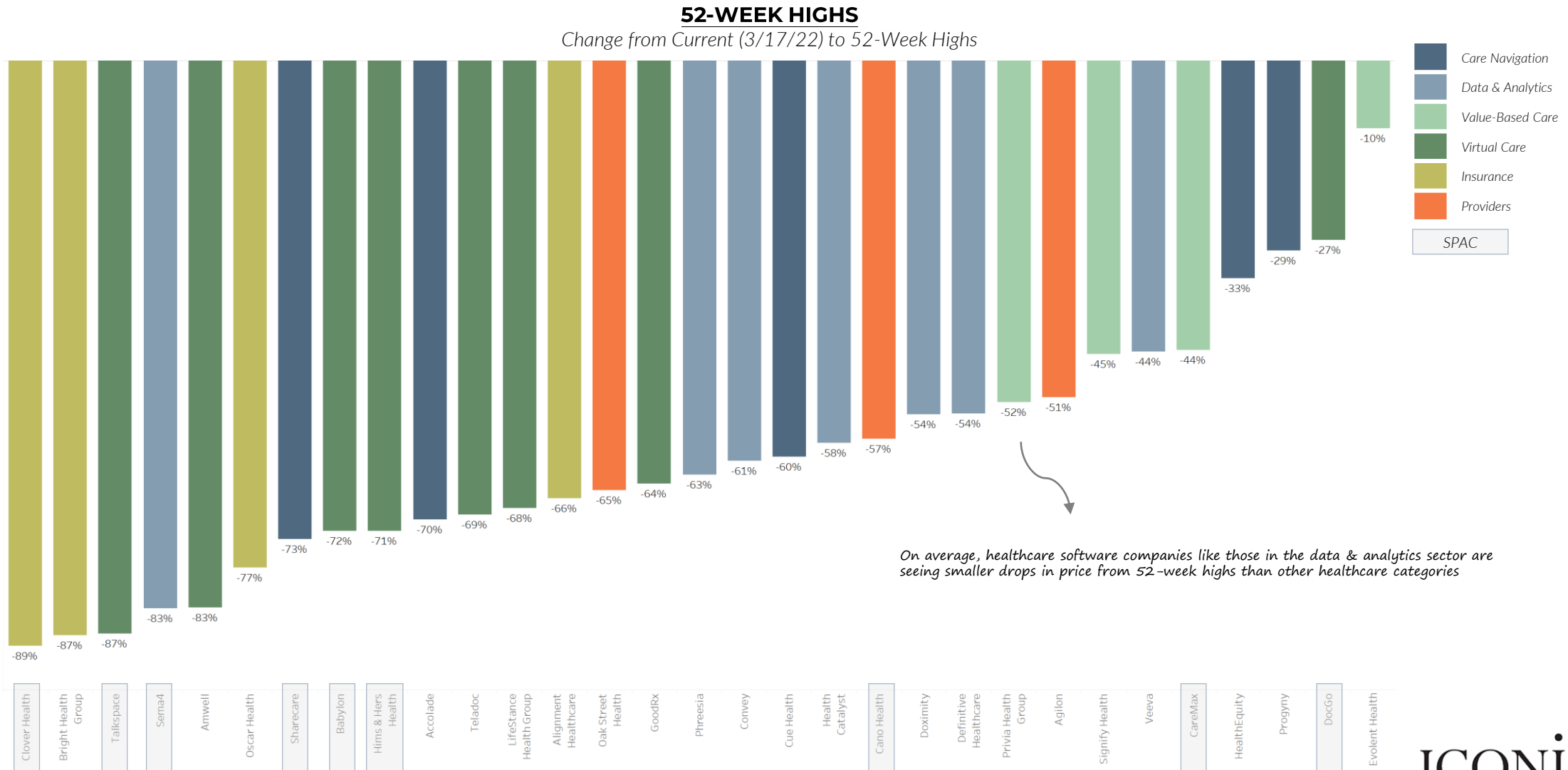
Change from 52-Week Highs

Median change from 52-week high across analyzed healthcare companies was -63%, with insurance companies seeing the largest declines

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Note: Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Public Disclosure of Key Metrics: IPO vs Ongoing

Based on benchmarking of 42 healthcare companies, 71% of companies have disclosed number of customers and 44% a net retention figure at the time of IPO; the majority continue ongoing disclosure in 10-Ks and 10-Qs

Metric	Software IPO Disclosure		Ongoing Disclosure			
	S-1 / 424B4s		10-Ks		10-Qs	
	# of Companies	% Total	# of Companies	% Total	# of Companies	% Total
Non-GAAP EBITDA	34	83%	18	82%	33	79%
Number of Customers	29	71%	14	64%	20	48%
Active Users	27	66%	15	68%	20	48%
Number of Enterprise Accounts	20	49%	8	36%	12	29%
Net Retention / Expansion Analysis	18	44%	6	27%	5	12%
Contribution Margin	11	27%	4	18%	7	17%
Cohort Analysis	9	22%	0	0%	0	0%
ARR	4	10%	1	5%	3	7%
ACV	3	7%	3	14%	1	2%
Non-GAAP FCF	2	5%	1	5%	2	5%
CAC	1	2%	0	0%	0	0%

Public Disclosure of Key Metrics: Company Detail at IPO

At IPO
Quarterly
Annually

Company Name	Non-GAAP EBITDA	Number of Customers	Active Users	Number of Enterprise Accounts	Net Retention	Contribution Margin	Cohort Analysis	ARR	ACV	Non-GAAP FCF	CAC
Accolade											
Agilon											
Alignment Healthcare											
Amwell											
Babylon											
Bright Health Group											
Cano Health											
Carecloud											
CareMax											
Castlight Health											
Clover Health											
Convey											
Cue Health											
DarioHealth											
Definitive Healthcare											
Dialogue Health Technologies											
DocGo											
Doximity											
Evolent Health											
GoodRx											
Health Catalyst											
Healthcare Triangle											
HealthEquity											
Hims & Hers Health											
LifeMd											
LifeStance Health Group											
Livongo											
Oak Street Health											
One Medical (1Life Healthcare)											
Oscar Health											
Phreesia											
Physitrack											
Privia Health Group											
Progyny											
Sema4											
Sharecare											
Signify Health											
Tabula Rasa Healthcare											
Talkspace											
Teladoc											
UpHealth											
Veeva											

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Notes: (1) Net retention / expansion includes company specific retention rates (e.g., subscription revenue retention); (2) Contribution margin reflects a non-GAAP margin adjusted or net contribution margin (3) Information provided as of 3/17/22
Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Public Disclosure of Key Metrics: Company Detail Annually

At IPO
 Annually
 Quarterly

01

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Company Name	Non-GAAP EBITDA	Number of Customers	Active Users	Number of Enterprise Accounts	Net Retention	Contribution Margin	Cohort Analysis	ARR	ACV	Non-GAAP FCF	CAC
Accolade											
Agilon											
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Talkspace											
Teladoc											
UpHealth											
Veeva											

Notes: (1) Net retention / expansion includes company specific retention rates (e.g., subscription revenue retention); (2) Contribution margin reflects a non-GAAP margin adjusted or net contribution margin (3) Information provided as of 3/17/22
 Source: Factset, Public Filings for Software IPO June 2013 to December 2021

Public Disclosure of Key Metrics: Company Detail Quarterly

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Company Name	Non-GAAP EBITDA	Number of Customers	Active Users	Number of Enterprise Accounts	Net Retention	Contribution Margin	Cohort Analysis	ARR	ACV	Non-GAAP FCF	CAC
Accolade											
Agilon											
Alignment Healthcare											
Amwell											
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Notes: (1) Net retention / expansion includes company specific retention rates (e.g., subscription revenue retention); (2) Contribution margin reflects a non-GAAP margin adjusted or net contribution margin (3) Information provided as of 3/17/22
 Source: Factset, Public Filings for Software IPO June 2013 to December 2021

MEET THE TEAM

PROFESSIONALS WITH EXPERIENCE ACROSS OPERATING, CONSULTING, & INVESTING



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Head of Analytics

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Portfolio Analytics

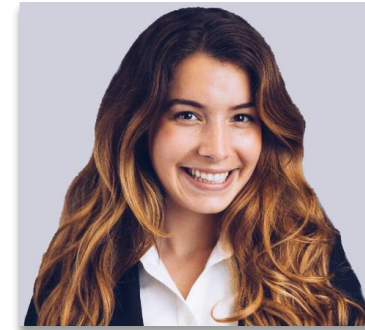
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Insights



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