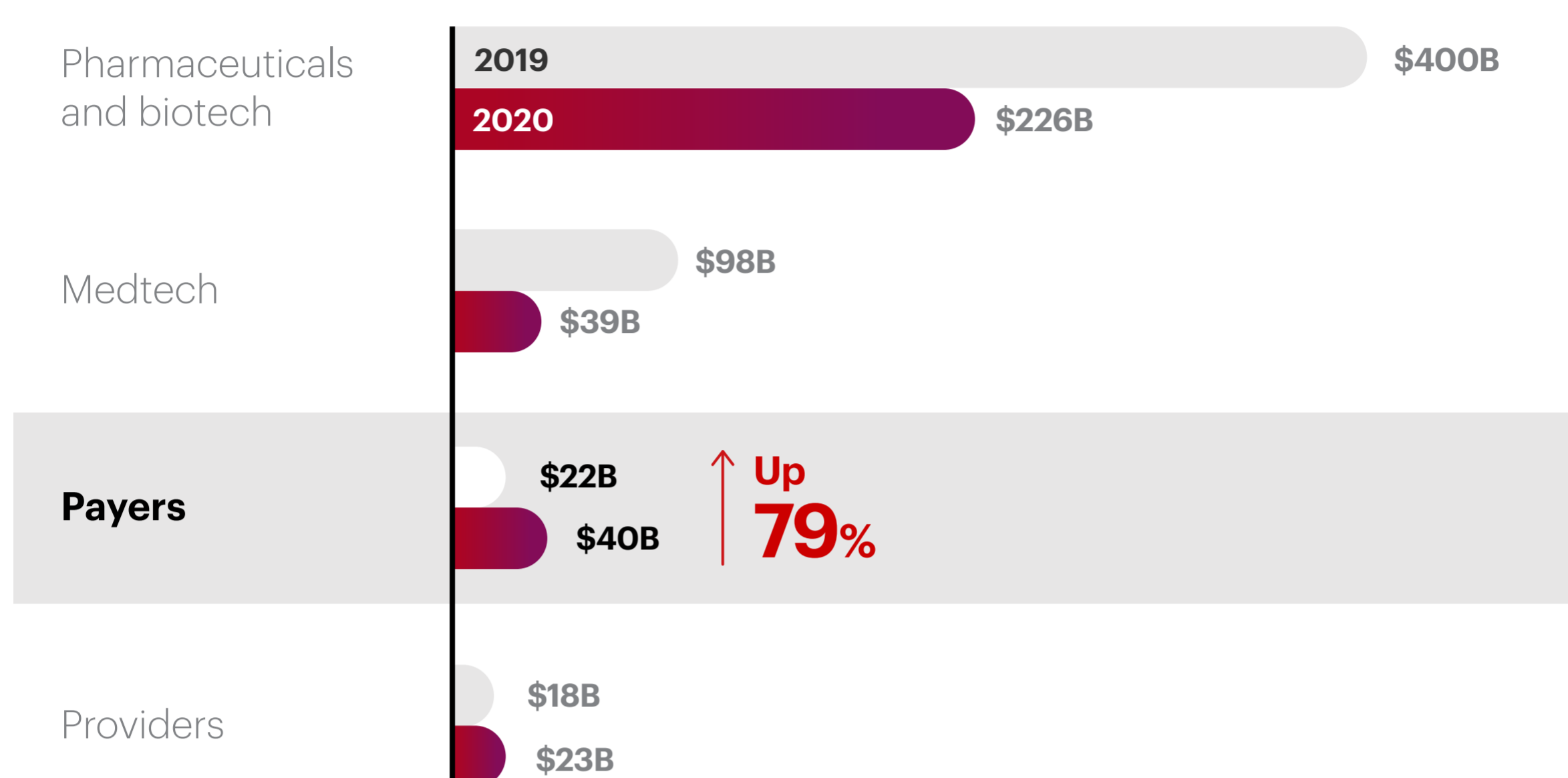


# Healthcare Payer M&A Experiences Some Ups and Downs

Despite subsector growth in 2020, the landscape remains turbulent.

## Payer deal value grew in 2020

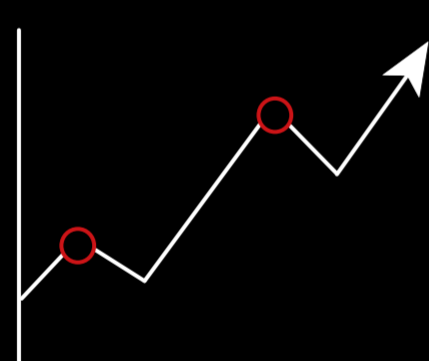
Though overall healthcare M&A fell in 2020, payer transaction value increased by **79% in 2020**, largely boosted by the **\$14.7 billion Teladoc and Livongo megadeal**



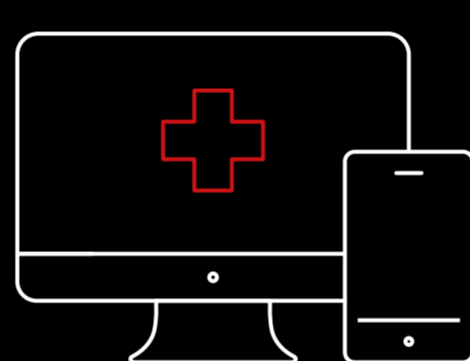
This activity bucks a downward trend that began in 2017

## There are still many unknowns

Payers continue to weigh the **positive near-term effects** of a halt in elective procedures with the unknown **long-term impact**



A potential **resurgence** of elective procedures



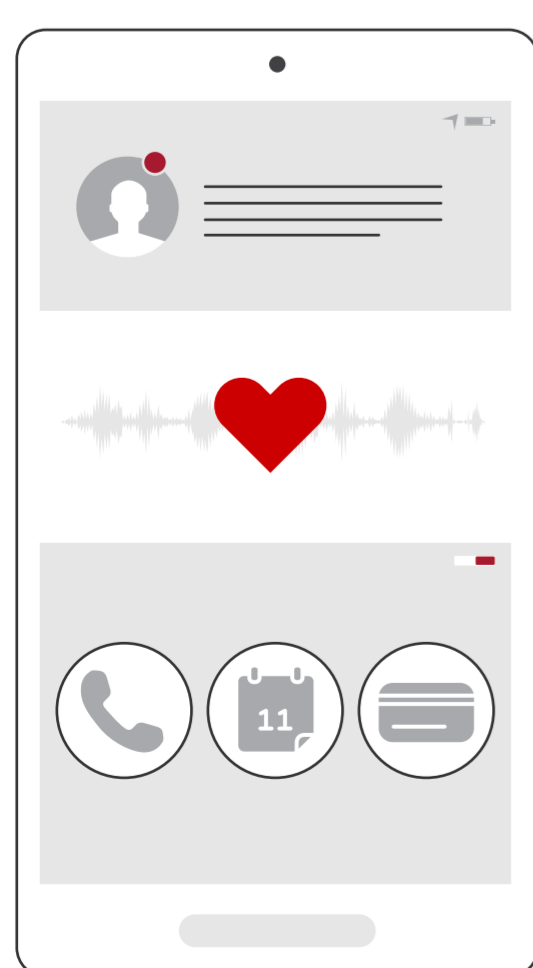
The ongoing **shift** to telehealth



The **unfolding** health implications for Covid-19 patients

## Signs of a pickup

We expect activity in payer deal volume to increase in 2021, particularly in **areas that were accelerated by the pandemic**



A trend toward deals focused on software for **remote visitation** and **healthcare payments**

A **rise in private equity activity** based on the potential for building businesses that could become targets for strategic acquirers

