



	Sale	Buy	Grow
	\$285.00	\$334.07	15.79%
	\$375.00	\$460.75	23.14%
	\$625.00	\$663.75	6.89%
Copper	\$769.00	\$818.58	6.45%
Gold	\$424.00	\$452.96	6.84%
Platinum	\$326.00	\$343.59	5.39%
Silver	\$400.00	\$418.80	4.70%
Steel	\$421.00	\$326.77	-22.52%
Aluminum	\$285.00	\$441.28	54.83%
Manganese	\$285.00	\$178.00	-37.54%



Evolve

Capital Partners

June 2019

Summary of Initial Public Offering

CHANGE

HEALTHCARE

SPECIALIZED INVESTMENT BANKERS AT
THE INTERSECTION OF FINANCE & TECHNOLOGY

Change Healthcare IPO – Executive Summary

Initial Public Offering Overview – June 2019



NAS:CHNG











Description

- Change Healthcare Inc., an independent healthcare technology platform, provides data and analytics-driven solutions to enhance clinical, financial, administrative, and patient engagement outcomes in the U.S. healthcare system. It operates through three segments: Software and Analytics, Network Solutions, and Technology-Enabled Services.



Use of Proceeds

- The Company planned to use the net proceeds of about \$243 million to pay down a portion of its debt, which totaled \$5.8 billion at the time of filing.

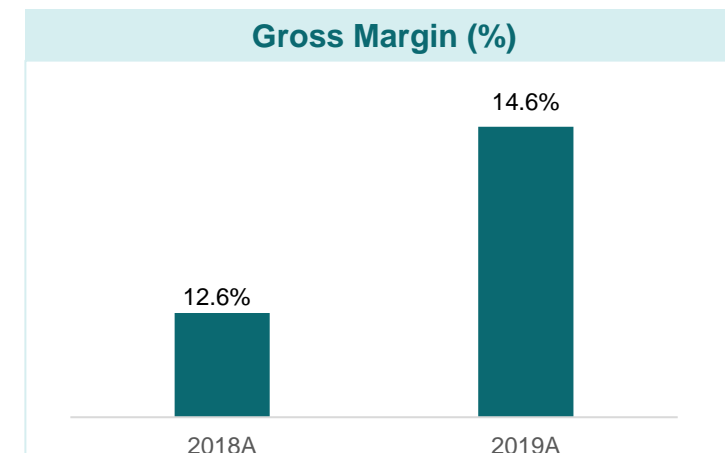
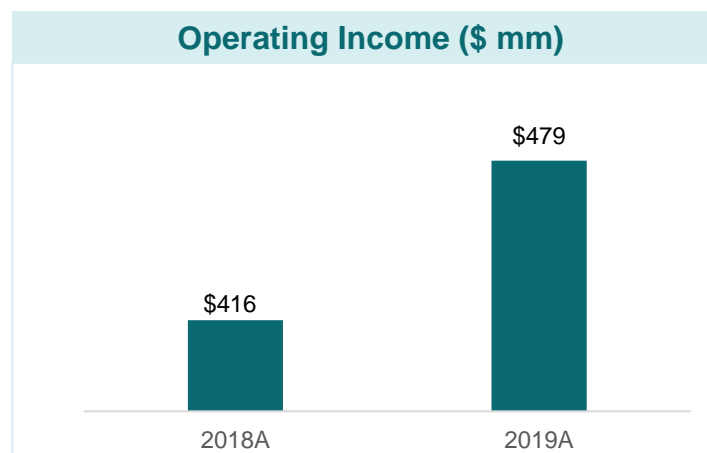
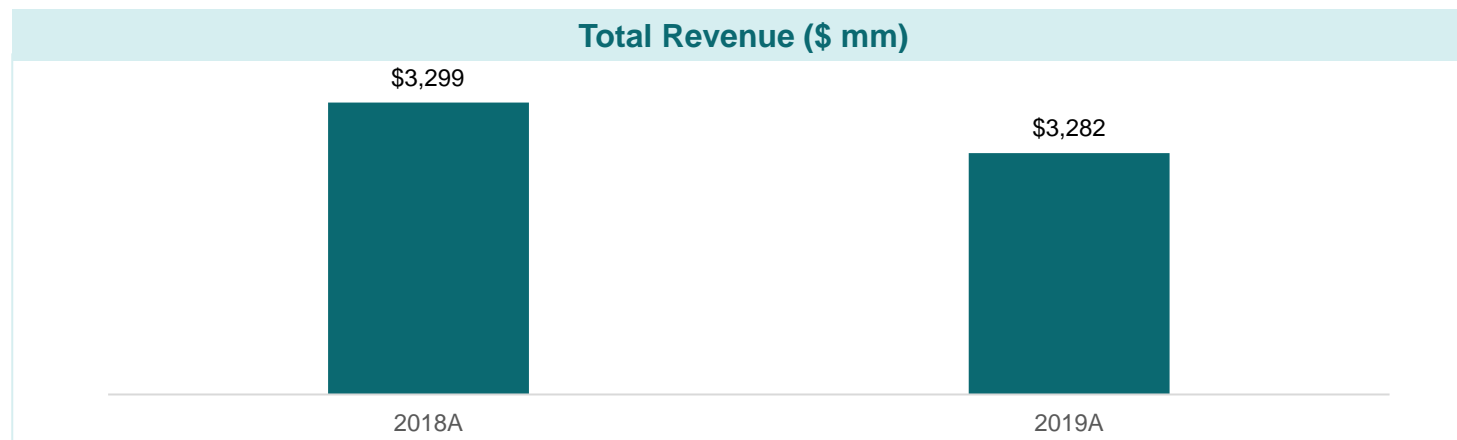
 Headquarters	Nashville, TN
 Founded	2016
 Employees	15,000
 Trading Date	6/26/2019
 Underwriters	Barclays, Goldman Sachs, J.P. Morgan, BofA, Citi
 Issue Price	\$13.00
 Shares Offered	42.9 million
 Gross Proceeds	\$557 million

Source(s): Change Healthcare 424B4 Filing.

Change Healthcare IPO – Executive Summary

Key Metrics

Shares Offered through the IPO	42.9 million
Issue Price	\$13.00
Total Shares Outstanding after the IPO	118.3 million
Market Value at Listing Price ⁽¹⁾	\$1.54 billion
Enterprise Value at Listing Price ⁽²⁾	\$7.34 billion
EV / Revenue ⁽³⁾	2.2x
Trading Date	6/26/2019
Listing Price	\$13.00
Listing Premium	\$0.00



Source(s): Capital IQ, Pitchbook, Media Reports.

⁽¹⁾ Market Value has been calculated as Listing Price x Total Shares Outstanding after the IPO.

⁽²⁾ Enterprise Value is based on the calculated Market Value at Listing Price and preferred equity and debt June 26, 2019. Cash amount of \$3.6M is negligible.

⁽³⁾ EV / Revenue calculated based on market value of securities on listing date.

Change Healthcare IPO – Executive Summary







Company Overview

Overview

- Change Healthcare is a provider of data-driven solutions to ensure clinically appropriate healthcare, increase efficiency and reduce waste within the healthcare industry.
- The company's solutions center around software and analytics, network software and the use of technology-enabled services to support financial, operational, clinical and administrative management.
- The company's solutions are embedded in their clients' core business workflows, providing comprehensive insights to improve efficiency.
- With extensive industry relationships and access to large-scale data, the company can offer best-in-class technologies and AI/ML solutions to improve clinical and financial outcomes.
- Most of the revenue comes from recurring payments (subscription-based), with a highly diversified client base.
- Market opportunities include significant wastage in the US healthcare system, a growing population of patients who are chronically ill and at high risk, and the ongoing transition towards digitalizing medical data.

Source(s): Change Healthcare 424B4 Filing.

Key Statistics

	The company has over 30,000 customers, with clinical transactions for over 112 million unique patients in the US.
	About one-third of all US healthcare expenditures are facilitated by the company.
	Since 2016, the company's claims payment solution has contributed to over \$4 billion in annual savings for payer customers.
	The company retained all its top 50 provider and top 50 payer customers, in the fiscal year ending March 31, 2019.
	\$3 billion in revenue generated, with net income of \$177 million, in the fiscal year ending March 31, 2019.
	The company has 1,800 technology professionals working in R&D centers in the US and in Tel Aviv, Israel.

Change Healthcare IPO – Executive Summary

Management Team

Key Executives

Biography



Neil de Crescenzo
President and CEO

- Neil de Crescenzo has served as Change Healthcare’s President and Chief Executive Officer and a member of its board of directors since 2013.
- From 2008 to 2013, Neil served as the Senior Vice President and General Manager of the Global Health Sciences business of Oracle Corporation.
- Before joining Oracle in 2006, Neil spent 10 years at IBM Corporation, where he last served as senior executive for Global Healthcare Business Consulting Services.
- Neil holds a Bachelor of Arts in Political Science from Yale University and a Masters of Business Administration from Northeastern University.








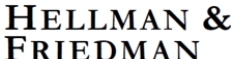



Fredrik Eliasson
EVP & Chief Financial Officer

- Fredrik Eliasson has served as Executive Vice President and Chief Financial Officer of Change Healthcare since 2018.
- From 2012 to 2015, Fredrik served as EVP and Chief Financial Officer for CSX Corporation, a transportation company that provides rail solutions. He later served as EVP and Chief Sales and Marketing Officer from 2015 to 2017.
- Fredrik holds a Bachelor of Arts and a Masters of Business Administration from Virginia Commonwealth University.

Source(s): Change Healthcare 424B4 Filing, Company website.

Change Healthcare IPO – Executive Summary

Transaction History

Date	Transaction Type	Amount (\$b)	Post-Money Valuation (\$b)	Key Investors
6/28/2016	M&A	\$4.45	\$6.36 ⁽¹⁾	
11/2/2011	Buyout	\$2.07	\$2.07	 The  Blackstone Group [®]
2/11/2008	Secondary	\$0.58	\$1.20	 BlueCross BlueShield Venture Partners  GENERAL ATLANTIC  HELLMAN & FRIEDMAN
11/16/2006	Buyout	\$1.20	\$2.30	 GENERAL ATLANTIC
3/4/2004	Private Equity	\$0.10	\$0.10	 KPCB <small>KLEINER PERKINS CAUSIED BYERS</small>  PACIFIC CORPORATE GROUP LLC

Source(s): Capital IQ, Pitchbook, Change Healthcare 424B4 Filing.

⁽¹⁾ Post-acquisition, McKesson owns 70% stake of the company and Change Healthcare shareholders own the remaining stake.

Disclaimer

- The principals of Evolve Capital Partners are registered representative of BA Securities, LLC Member FINRA SIPC, located at Four Tower Bridge, 200 Barr Harbor Drive, Suite 400 W. Conshohocken, PA 19428. Evolve Capital Partners and BA securities, LLC are unaffiliated entities. All investment banking services are offered through BA Securities, LLC, Member FINRA SIPC. This presentation is for informational purposes only and does not constitute an offer, invitation or recommendation to buy, sell, subscribe for or issue any securities or a solicitation of any such offer or invitation and shall not form the basis of any contract with BA Securities, LLC.
- The information in this presentation is based upon Evolve Capital Partners estimates and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of information available from public sources. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of the Company or any other entity. Neither BA Securities, LLC nor Evolve Capital Partners makes any representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. BA Securities, LLC and Evolve Capital Partners do not render legal or tax advice, and the information contained in this communication should not be regarded as such.
- The information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.
- The information in this presentation is confidential.
- If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this presentation is prohibited.