

Transformational acquisition of UK PAS company by Australian specialist

DEAL FLASH | HEALTHCARE | APRIL 2022

DEAL SNAPSHOT

Alcidion Group Limited (ASX:ALC) has acquired Silverlink PCS Software Limited (Silverlink), one of the largest and last remaining specialist patient administration system (PAS) providers servicing the UK National Health Service (NHS).

The acquisition of Silverlink provides Alcidion with a PAS capability, which is the foundational data store for healthcare. This expands Alcidion's overall product offering, which when combined with the company's Miya Precision clinical platform, it can provide a strategic pathway to developing a cloud-native, modern and modular electronic patient record (EPR) solution. The acquisition aligns with Alcidion's stated strategy and expands its UK presence from 27 to 38 trusts, representing an approximately 26% market presence across the NHS.

Silverlink was founded in 1994 and is the leading UK specialist PAS provider, servicing the UK NHS with its flagship product, the Patient Care System (PCS). A PAS captures all non-clinical information used in the daily management of a hospital, holding key data for the administration and reporting of hospital activity.

“This is the second acquisition Oaklins has advised Alcidion on over the past 18 months. It has played a key role in the successful completion of both transactions. Oaklins consistently provided professional and commercial advice over the course of the transaction, which enabled us to navigate any deal issues that arose. Oaklins and its experienced team continue to show a deep understanding of the industry and remain a key strategic advisor to our company.”

KATE QUIRKE
GROUP MANAGING DIRECTOR
ALCIDION GROUP LIMITED
AUSTRALIA

OAKLINS PLAYED A KEY ROLE IN FACILITATING THIS DEAL

Oaklins' team in Australia acted as the buy-side advisor to Alcidion, supporting the board and senior management throughout the process. Concurrent with the acquisition, Oaklins also acted as joint lead manager and underwriter to the related US\$43.4 million capital raise, which comprised an approximately US\$23.4 million placement and underwritten US\$20 million entitlement offer.



MARKET TRENDS & DEAL DRIVERS

In light of the effects of COVID-19, the focus on digital/software solutions that streamline hospital workflows and clinical decision-making has never been more prevalent. The Alcidion and Silverlink solutions separately and collectively address both of these factors.

NHSX has signaled a clear focus towards cloud-native, open, modular EPR/PAS solutions that enable interoperability between various systems to promote information flow. Given the age of several EPR/PAS solutions in the market, a progressive shift will need to occur (validated by NHSX) for all legacy systems to be updated or replaced by a modern, open infrastructure over the next 3–5 years.

M&A VALUATION ASPECTS

The valuation of Silverlink was in line with vendor expectations and comparable to global healthcare technology M&A transactions (12–15x EBITDA, although some recent transactions have been closer to 20x). Based on FY22 Silverlink financials, the purchase price of up to US\$43.4 million implies an EV/EBITDA multiple range of 13.4–14.9x.

Silverlink provides further scope to expand Alcidion's total addressable market and diversify revenue streams, by opening up an additional third of the market that is driven by EPR solutions.

TALK TO OUR ADVISORS



✉ **SCOTT MCINNES**

Managing Director
Australia
T: +61 3 8622 3333

Scott has strong industry knowledge and transactional experience within the financial and healthcare sectors, having advised on and completed a number of significant transactions. Recent notable deals include advising Powerwrap (ASX:PWL) on a conditional off-market takeover, Watermark on its divestment, and Atomos (ASX:AMS) on a recent acquisition.



✉ **SEBASTIAN BELL**

Associate Director
Australia
T: +61 3 8622 3333

Sebastian has worked on a broad range of transactions across both the private and public markets, building key skills to better advise clients throughout their transaction process. Sebastian has advised Alcidion (ASX:ALC) on multiple equity raises, block trades and general corporate broking, PayRight on multiple debt and equity capital raises, and Atomos (ASX:AMS) on multiple unlisted capital raises, its pre-IPO and IPO, and subsequent placements.

“Adding to heightened global M&A activity in healthcare technology, Alcidion's acquisition of Silverlink (coupled with their acquisition of Extramed in April 2021) helps transform their business, creating a clear product roadmap to a modern, modular EPR solution to rival other major global incumbents.”

SCOTT MCINNES

MANAGING DIRECTOR, OAKLINS, AUSTRALIA



OAKLINS HAS CLOSED 457 DEALS IN HEALTHCARE

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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