



# Accolade – IPO Case Study

## Transaction Overview

- Accolade, Inc. (NASDAQ: ACCD) is a leading provider of personalized, technology-enabled solutions that help people better understand, navigate, and utilize the healthcare system and their workplace benefits
- On July 1, 2020, Accolade priced its upsized initial public offering following a six-day virtual roadshow
  - The IPO priced at \$22.00 per share; above the \$19.00-\$21.00 filing range and the base deal was upsized 14.5%
  - Management had 1x1 meetings with 47 accounts and achieved a 87% hit rate in terms of order book conversion
  - The roadshow generated over \$5bn of gross demand based on indications of interest from over 400 accounts
  - The book was ~26.4x oversubscribed and ~8.3x oversubscribed from 1x1 and TTW conversions
- On ACCD's first day of trading, shares closed at \$29.70, up 35% from the IPO price

## Westwicke's Strategic Advice

- Westwicke's IR and CM teams started working with the Accolade management team 15 months before the IPO
- The key areas where Westwicke provided strategic advice included:
  - Helped develop the investor presentation highlighting Accolade's positioning and value proposition
  - Scheduled targeted pre-IPO meetings with institutional investors who accounted for 57% of the final allocations
    - These investors represented 9 of the top 10 allocations, with total demand of nearly \$600 million
  - Managed the banker bake-off, advised on syndicate scenarios and led the negotiations of roles & economics
  - Assisted management during the organizational meeting and throughout the S-1 drafting process
  - Supported management during the Research Analyst diligence process and advised on financial guidance metrics
  - Provided input to management on investor targeting during the Test-The-Waters (TTW) process
- After the original IPO launch timing was impacted by the COVID-19 pandemic, Westwicke maintained constant dialogue with management and provided tactical advice on launch timing as the IPO market opened up
- During the IPO roadshow, Westwicke scheduled daily calls with management to review the book building process and provided targeted advice on final price, upsizing and investor allocations

## Raising the Bar for Healthcare Technology IPOs

- The Accolade IPO marks the first Healthcare Technology IPO during the COVID-19 pandemic
- Priced at 4.7x FY 2022 revenue, the valuation represents one of the highest revenue multiples in HC Technology
- As of July 9, 2020, Accolade's multiple had expanded to 8.0x FY2022 revenue

**\$253.6 Million**

July 1, 2020



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**Initial Public Offering**  
**11,526,134 Shares**  
**\$22.00 per Share**

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## Offering Summary

**Base Deal Size:** 10.02 million shares / \$220.5mm

**Greenshoe:** 1.5 million shares / \$33.1mm

**Offer Price:** \$22.00 per share

**Market Cap at IPO:** \$1,164 million

**Offering Mix:** 100% Primary

**Exchange:** ACCD / NASDAQ

**Use of Proceeds:** General corporate purposes

**Active Bookrunners:** Goldman Sachs, Morgan Stanley, BofA Securities

**Passive Bookrunners:** Piper Sandler, Credit Suisse, William Blair

**Co-Managers:** Baird, SVB Leerink