

Q3-2019 Pharmacy & Infusion Services Update



Market Update

Transaction activity has continued at a sustained pace through the first three quarters of 2019. Deals in traditional sectors such as retail and LTC pharmacy have been driven by strategic buyers who already possess sizeable market share. Private equity is finding new and creative ways to enter the space, such as Welsh, Carson, Anderson & Stowe's investment into Shields Health Solutions alongside Walgreens. Shields has emerged as the leading provider in the developing health system specialty pharmacy vertical, where small and medium-sized health systems are seeking external partners to assist in their efforts to integrate complex systems such as pharmacy.

Select Transactions:

| Month | Acquirer | Target | Pharmacy Sub-Sector | Deal Significance |
|--------|---------------------------------------------|-------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August | Broulim Supermarkets | Teton Clinical Pharmacy | Retail Pharmacy | Broulim Supermarkets has acquired Teton Clinical Pharmacy, a pharmacy that operates with two locations in Idaho. The acquisition adds to Broulim Supermarkets' 8 pharmacy locations in Idaho. |
| August | Bangor Drug LTC | Northern Light Health's Long-Term Care Pharmacy | Long-Term Care Pharmacy | Bangor Drug LTC will buy Northern Light Health's Long-Term Care Pharmacy business, which currently serves approximately 70 nursing homes and long-term care facilities in Maine. |
| July | Welsh, Carson, Anderson & Stowe / Walgreens | Shields Health Solutions | Health System Specialty Pharmacy Services | WCAS & Walgreens have invested in Shields Health Solutions, the largest clinical specialty pharmacy partner to health systems in the U.S. WCAS will contribute capital and expertise in growing emerging healthcare businesses, while Walgreens offers access to payors and manufacturers. |
| July | Guardian Pharmacy | TruCare LTC Pharmacy | Long-Term Care Pharmacy | Guardian Pharmacy has acquired Michigan-based TruCare Long Term Care Pharmacy. This acquisition expands Michigan's footprint in the Midwest, and marks their first entry into the Michigan market. |
| July | CVS | Owens Healthcare Retail Pharmacy | Retail Pharmacy | CVS has bought 12 of Owens Healthcare's retail pharmacy. Owens Healthcare will still continue to operate their long term care, compounding, and infusion pharmacies. CVS will maintain operations in the 5 locations of the retail pharmacies, but rebranding them as CVS Pharmacy. |

Provident Industry Coverage Team

Michael Patton
Managing Director
mpatton@providenthp.com
(617) 226-4205

Bill Bolding
Analyst
bbolding@providenthp.com
(310) 359-6616

Upcoming Conferences



Asembia Specialty Pharmacy Summit
May 2 – 7, Las Vegas, NV