

Q3-2020 Physician Services Update



The third quarter of 2020 exhibited strong consolidation activity across several physician services sub-specialties. As anticipated, most of the closed transactions from Q3 occurred at the end of the quarter due to COVID-19 related delays. While the global pandemic has caused near-term uncertainty, both financial and strategic buyers have shown continued interest in paying premium multiples for top assets and, in some cases, including a deferred payment tied to the business' return to pre-pandemic volumes. Noteworthy transactions include FFL Partners forming a platform in Orthopedics and SENTA Partners, which is backed by Shore Capital Partners, closing two ENT transactions that grew its footprint in Georgia by 20 physicians and 18 locations. The Radiology sub-specialty also announced a marquee deal in which Radiology Partners has agreed to acquire MEDNAX; the combined entity will have over 2,400 radiologists across 50 states.

Select Transactions:

Anesthesia					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	NorthStar Anesthesia	Surgery Partners Anesthesia Services	N/A	25	GA, FL, KY, NC, TX
ENT					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	SENTA Partners	Piedmont ENT	5	1	GA
September	SENTA Partners	Atlanta Allergy & Asthma	15	17	GA
Gastroenterology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
July	GI Alliance	Illinois Gastroenterology Institute ⁽¹⁾	9	1	IL
Orthopedics					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	FFL Partners	U.S. Orthopedic Partners	18	3	MS
July	Beacon Orthopaedics & Sports Medicine	Reconstructive Orthopaedics & Sports Medicine	7	4	OH
Radiology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	Radiology Partners	MEDNAX	1,200	300+	50
Women's Health					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	Women's Health USA	Women's Health Associates of Southern Nevada	50	20	NV
August	In Vitro Sciences	InVia Fertility	3	4	IL

(1) Provident served as exclusive financial advisor

Provident Industry Coverage Team

Eric Major
Director
emajor@providenthp.com
(617) 226-4212

AJ Shekar
Senior Vice President
ashekar@providenthp.com
(617) 226-4251

Upcoming Whitepaper:



Provident is issuing a white paper in the coming month on the oncology vertical, which will include insights into to the sector as well as COVID-19's impact on the transaction environment.