

Q2-2021 Durable Medical Equipment (DME) Update

Market Update

Merger & Acquisition activity across the DME space showed no signs of slowing down in Q2, as notable transactions were closed at both ends of the market capitalization spectrum. Strategic consolidators such as AdaptHealth continued to display an appetite for inorganic growth, utilizing its expanded line of credit to fund acquisitions, while private equity sponsors continue to execute new platform and add-on investments alike. Investors have sought to continually diversify revenue streams through expanded product portfolios and payor relationships to position themselves for sustained growth.

Provident expects M&A activity across DME to persist throughout the latter half of 2021 as private equity firms and strategic investors seek opportunities to deepen patient relationships and gain scale.

Select Transactions:

Notable Transaction



In May 2021, AdaptHealth announced the acquisition of Spiro Health Services, a provider of home medical equipment and supplies with 22 locations operating across eight states, centered primarily in New England and the Northeast. The sale comes only a year after Spiro completed its initial PE equity recapitalization led by Upstream Capital.

The transaction represents a continuation of AdaptHealth's aggressive inorganic growth strategy. The Company completed a \$2.0+bn merger with AeroCare in February 2021 along with several additional acquisitions this year.

Month	Acquirer	Target	Deal Description
June	Cressey & Company	Lifeway Mobility	Lifeway Mobility (Lifeway), a provider of home accessibility solutions such as stairlifts, wheelchair ramps, lifts, and other safety products, announced its recapitalization by Chicago-based private equity sponsor Cressey & Company. The investment creates a new platform in the highly fragmented accessibility solutions market which is projected to attract increased interest from investors as groups look to utilize PE capital to enhance scale.
June	NuMotion	SpinLife.com	NuMotion has announced its acquisition of SpinLife.com, a Columbus, Ohio-based online retailer of DME and mobility products. The acquisition will deepen NuMotion's footprint in the complex rehabilitation market by driving penetration into new channels, while allowing SpinLife to benefit from the existing scale and resources of the NuMotion platform.
May	Medical Service Company	Metz Medical	Metz Medical, a Wisconsin-based provider of durable medical equipment and supplies, has been acquired by Medical Service Company. In contrast to the lions share of DME transaction activity, Medical Service Company is not backed by a PE-sponsor or strategic investor, demonstrating the broadening buyer universe for DME operators looking to explore a transaction.
April	National Seating & Mobility	The Albany Lift Company	National Seating & Mobility (NSM) has acquired The Albany Lift Company, an upstate NY-based provider of home accessibility solutions. The transaction provides an extension of NSM's core focus on complex rehab equipment by deepening its home access portfolio in the Northeast and providing a natural cross-selling opportunity to its existing patient population.

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