

# Q3-2021 Durable Medical Equipment (DME) Update

## Market Update

The DME sector has continued to exhibit strong M&A volume through the third quarter. Sub-verticals such as diabetic supplies, mobility, and respiratory therapy remain at the forefront of M&A activity in the sector as private equity groups and strategic consolidators look to capitalize on the growth tailwinds in the space and build scale. Particularly, the consolidation landscape for diabetic suppliers remains robust, as groups such as AdaptHealth and Advanced Diabetes Supply are actively seeking opportunities to capture greenspace in the sector via inorganic acquisitions.

Provident expects M&A momentum within DME to continue throughout the fourth quarter and into 2022 as operators actively pursue opportunities to capture market share.

## Select Transactions:

## Notable Transaction



In July 2021, Advanced Diabetes Supply (ADS), a portfolio company of Court Square Capital Partners, announced its acquisition of US Medical Supply (US MED), a portfolio company of H.I.G. Capital that provides continuous glucose monitors (CGMs) and medical supplies. The deal represents a landmark transaction in the CGM space following ADS' recapitalization by Court Square.

The transaction highlights a continuation of the strong consolidation activity across the sector highlighted by AdaptHealth and other large strategic acquirers. The CGM space is experiencing tailwinds as adoption has risen among diabetics.

Month	Acquirer	Target	Deal Description
September	Rehab Medical	Austin Wheelchair Company	Rehab Medical, a national provider of complex rehab technology (CRT) and other medical equipment, announced its acquisition of Austin Wheelchair Company. The deal establishes a presence for Rehab Medical in the Austin market to complement its existing footprint in San Antonio. The Company now operates a total of 28 offices nationwide.
September	Rotech	Best Home Medical	Rotech, a national DME provider specializing in ventilators and home oxygen therapy, announced its acquisition of Best Home Medical, a West Virginia-based provider of home medical and respiratory equipment. The acquisition represents the latest in a recent string of completed deals by Rotech including Halo Wound Solutions and Metro-Med as the Company builds scale and deepens its offerings.
August	National Seating & Mobility	Trust Care Home Medical Equipment	National Seating & Mobility (NSM), a leading provider of mobility equipment, acquired Trust Care Home Medical Equipment, a Virginia-based provider of complex rehab technology. With the addition of Trust Care's locations in Richmond and Roanoke, NSM is now positioned as the largest mobility provider in the state of Virginia.
July	AdaptHealth	Healthy Living Supply	Healthy Living Medical Supplies, a Michigan-based diabetes management business, has been acquired by AdaptHealth. The acquisition represents a continuation of AdaptHealth's aggressive inorganic growth strategy following its Q4 2020 acquisition of AeroCare as it bolsters its product offering across DME sub-verticals.

## Provident Industry Coverage Team

**Kevin Palamara**  
Managing Director  
kpalamara@providenthp.com  
(617) 226-4221

**Brendan Schroeder**  
Senior Analyst  
bschroeder@providenthp.com  
(617) 226-4207