

Q3-2021 Pharmacy & Infusion Services Update

Market Update

Pharmacy and infusion consolidation continued at a steady pace in the third quarter of 2021 across most of the pharmacy continuum. Independent retail pharmacies continue to exit to their big-box rivals, who are also evolving their business models around patient experience and outcomes. BioMatrix continues to establish itself as the largest remaining privately-held pharmacy in the country with its acquisition of InfuCare LTD in Texas. In the infusion and compounding arena, Wellspring Capital invested into Pentec Health, which will create another platform in the compounding infusion space; piggybacking on recent rebounds in compounding M&A we have observed this year. Provident expects steady activity like this to proceed throughout the rest of the year.

Select Transactions

Month	Acquirer	Target	Pharmacy Sub-Sector	Deal Significance
September	Walgreens	Shields Health Solutions	Health System Specialty Pharmacy	Walgreens has acquired a majority interest in Shields Health Solutions through an investment of nearly \$1 billion in growth capital. Shields, who is also backed by Welsh, Carson, Anderson & Stowe, helps launch and manage pharmacy programs for small and mid-sized health and hospital systems.
September	Walgreens	Bi-Mart	Retail Pharmacy	Bi-Mart, a 50+ store pharmacy chain in Oregon, will be acquired by Walgreens. The patient files of Bi-Mart, which are becoming the primary piece of retail pharmacy M&A, will be fully transferred to Walgreens. The owners of Bi-Mart plan to exit the business fully.
September	Wellspring Capital Management	Pentec Health	Specialty Infusion & Compounding	Pentec Health, a national leader in sterile compounding services and developer of a patented renal therapy, has partnered with Wellspring Capital Management, a New York-based private equity firm. Pentec has solidified its position as a leader in pain management since its formation 40 years ago.
July	BioMatrix	InfuCare LTD	Specialty Infusion	InfuCare LTD, a Texas-based infusion pharmacy specializing in IVIG, anti-infectives, parenteral nutrition, and other complex chronic conditions, has been acquired by BioMatrix. BioMatrix has become one of the largest privately-owned specialty pharmacies in the U.S.

Provident Industry Coverage Team

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

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

Upcoming Conference



*Asembia Specialty Pharmacy Summit
 Annual Meeting (Tentative)
 October 26 – 29 Las Vegas, N.V.*