

Healthcare Services M&A Review: A Quarterly Update

Provident Healthcare Partners provides an overview of merger and acquisition activity in the healthcare services industry for the first quarter of 2022



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Q1 Market Update: Strong Outlook for Healthcare Services M&A Market Persists



Healthcare services consolidation in Q1 2022 briefly slowed relative to the record year of activity in 2021. Although deal count decreased, investor interest has not waned. Value-based care models and tech-enabled services came to the forefront as leading value drivers of early 2022 transactions. Increased adoption of value-based reimbursement models spurred acquisition activity for both providers and payors to participate in broader care coordination. Tech-enabled services bolster broader capabilities and, as healthcare notoriously lags in technological advancement, leaves significant opportunity for investment and exponential growth.



Transaction activity in Q1 2022 was landmarked with several notable transactions including eight sponsor exits and over fifteen new private equity platforms. Sectors such as physician services, healthcare IT, behavioral health, and home health realized premium valuations due to prevailing healthcare tailwinds. Athenahealth's sale to Bain Capital and Hellman & Friedman, as well as Physician Partners' sale to Kinderhook Industries highlight these trends. The threat of rising interest rates created more uncertainty in the market but ultimately did not significantly impact investor appetite or private credit markets within healthcare services. Due to high levels of dry powder and corporate cash and residual build-up of investor appetite from the pandemic, EBITDA multiples remain competitive in both private equity and strategic transactions.

As healthcare providers continue to rebound successfully from the pandemic, investors are regaining confidence in the market and certainty of its long-term outlook. Provident anticipates another strong year in healthcare services M&A and expects additional sizeable transactions complemented by subsequent add-on activity throughout the remainder of 2022.

Notable Market Healthcare Deals This Quarter

Healthcare IT	Primary Care	Dermatology	Home Health & Hospice
 athenahealth <i>Has been acquired by</i>  BainCapital Hellman & Friedman February 2022	 PHYSICIAN PARTNERS <i>Has been acquired by</i>  Kinderhook INDUSTRIES February 2022	 FOREFRONT DERMATOLOGY <i>Has been acquired by</i>  Partners Group REALIZING POTENTIAL IN PRIVATE MARKETS February 2022	 LHC GROUP <i>Has been acquired by</i> UNITEDHEALTH GROUP March 2022

Provident Q1-2021 Transaction

	Deal Notes
 AUI ADVANCED UROLOGY INSTITUTE <i>Has been acquired by</i> SOLARISHEALTH A NEW DAY IN HEALTHCARE <i>A portfolio company of</i>  LEE EQUITY	<p>Announced in March 2022, Provident served as the exclusive financial advisor to Advanced Urology Institute in its partnership with Solaris Health, a portfolio company of Lee Equity Partners. Advanced Urology Institute ("AUI") is a premier provider of urology services throughout Florida with 105 providers serving 150,000 patients annually.</p> <p>Solaris Health is a leading national urology platform committed to enhancing access to specialty healthcare and continually improving patient outcomes. The addition of AUI to Solaris Health brings 36 new clinics to the platform. Solaris now comprises of 500 providers and serves 730,000 unique patients annually.</p>

Recent News Articles & Awards

- [Provident Healthcare Partners Wins Three Awards at the 13th Annual M&A Atlas Awards](#)
- [Transformative Landscape within Healthcare Education](#)

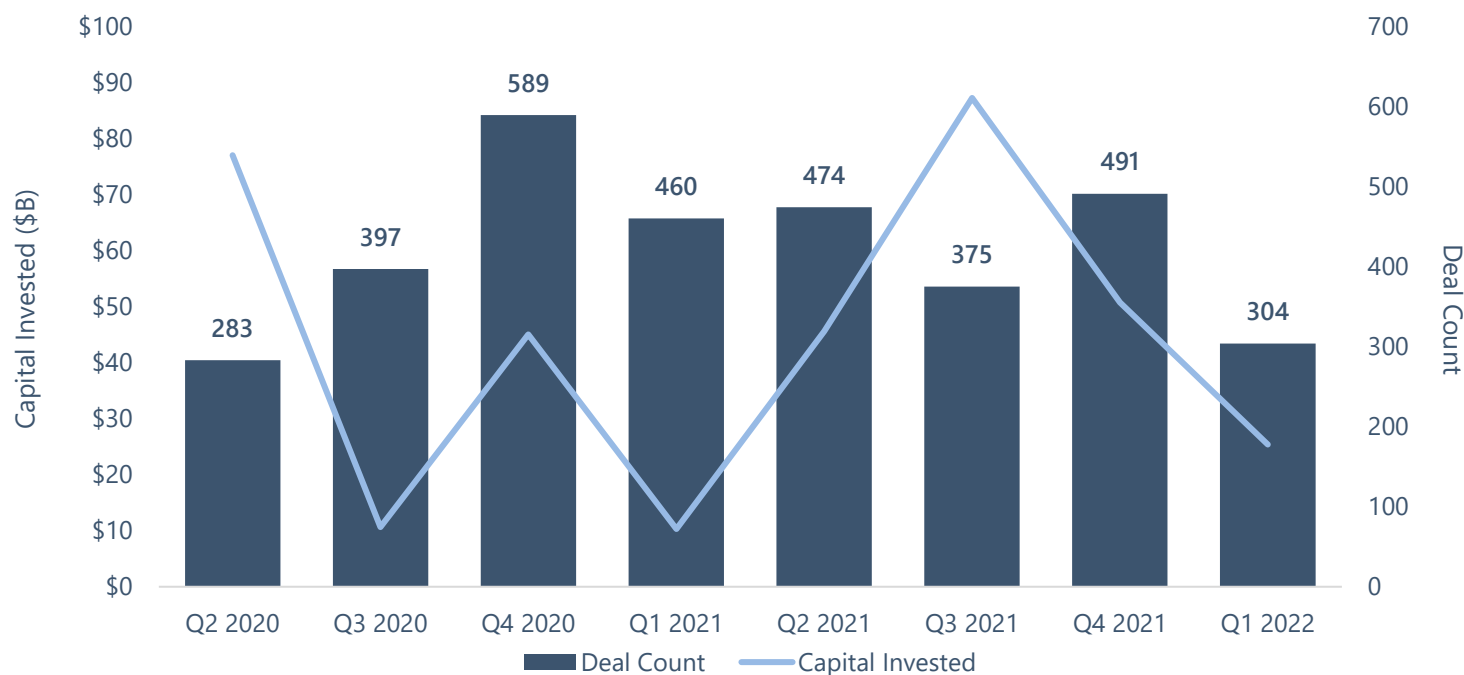
Podcast Episodes & Webinars

- [Private Equity Investment in Orthopedics: Key Transaction Considerations](#)
- [Healthcare Services M&A Activity: 2021 Recap and Looking Ahead to 2022](#)

Healthcare M&A Deal Stratification

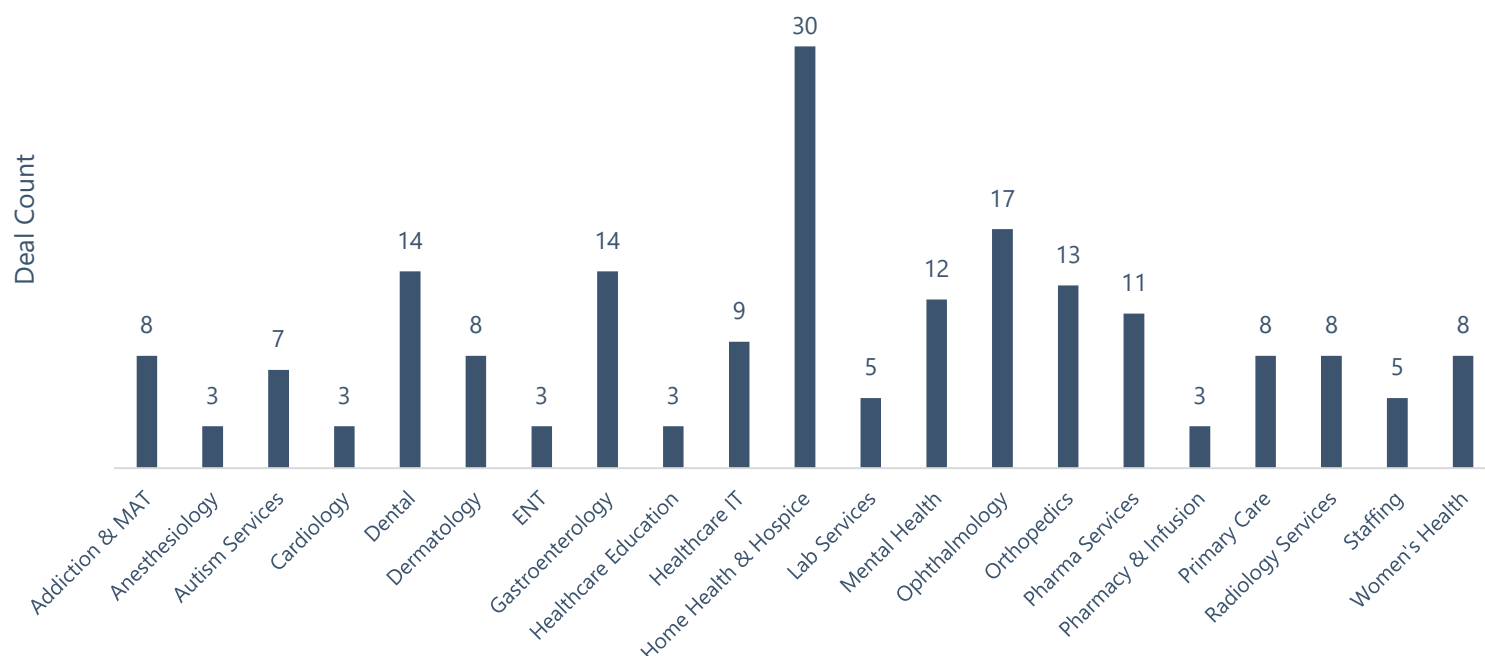
Investor interest within healthcare services remains strong despite a lag in deal volume in Q1 2022. Private equity investments totaled 160 transactions, slightly ahead of strategic investments totaling 144 transactions. Home health and hospice led sector-specific transaction activity with 30 announced deals. The physician services areas of ophthalmology, gastroenterology, and orthopedics experienced significant consolidation activity with 17, 14, and 13 transactions, respectively. Other growing sectors within healthcare services such as mental health and staffing also realized meaningful transaction activity.

Healthcare Services M&A Quarterly Deal Activity (Q2 2020 – Q1 2022)



Source: PitchBook Inc. sectors included in the deal count include healthcare services.

Healthcare Services Deal Count (Q1 2022)



Source: Pitchbook Data

Q1-2022 Autism Services Update

Market Update

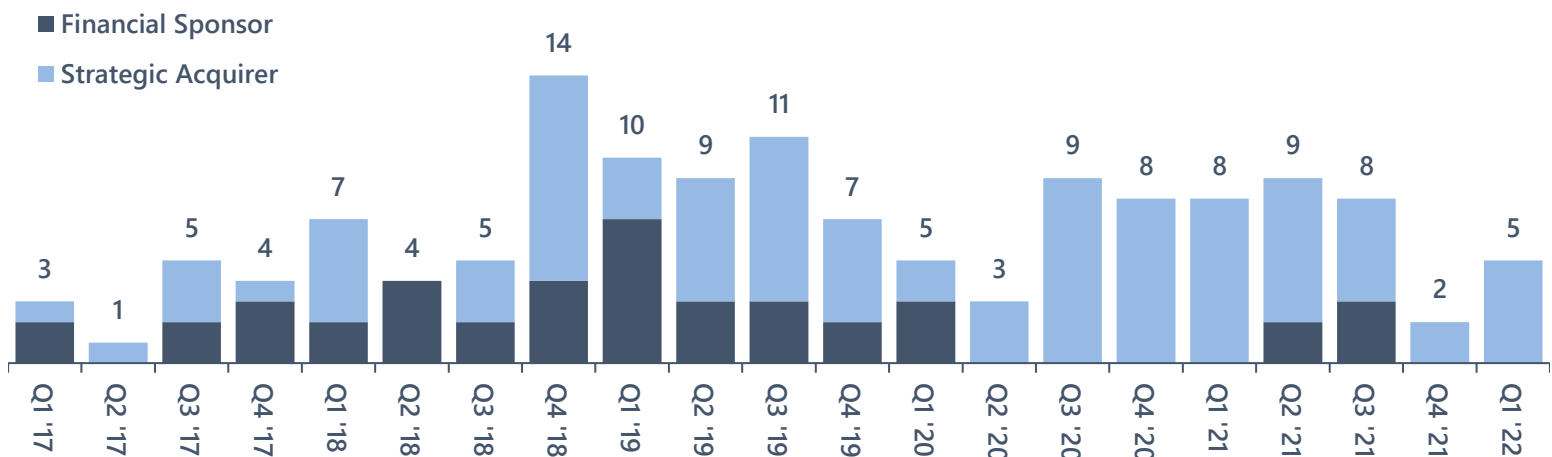
The autism services space continues to consolidate in the face of lingering labor and staffing challenges, albeit at a slower pace than in quarters past. While transaction volume in Q1 2022 was relatively modest, many of the deals that occurred were sizable and will have a meaningful impact on the autism service market.

For example, Autism Motion Clinics, one of the largest independent agencies in the country, aligned with Arsenal Capital-backed HopeBridge in one of the larger strategic transactions over the last 12 to 18 months. Empower Behavioral also went through a transformative deal in merging with Two Sigma's pediatric platform, Circle of Care. The deal represents another platform with tangential services to ABA moving into autism services, a theme that Provident expects to play out as the space continues to mature.

Select Transactions⁽¹⁾

Date	Acquirer	Target	Financial Sponsor
Mar-22	Circle of Care	Empower Behavioral Health	Two Sigma Impact
Feb-22	Hopebridge	Autism in Motion Clinics	Arsenal Capital Partners
Feb-22	LEARN Behavioral	Creative Learning Center	Gryphon Investors
Feb-22	KNR Therapy	The Autism Learning Center	Shields Capital
Jan-22	Stepping Stones Group	The Southcoast Autism Center	Five Arrows Capital Partners

Timeline of Transaction Volume in Autism Services⁽¹⁾



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White Paper

[An Update on Investment & Consolidation in Autism Services](#)

⁽¹⁾ Transaction statistics based on research completed by Provident; excludes non-publicly available transactions; includes platform investments that did not initially offer ABA Therapy, but do so currently

Q1-2022 Dental Services Update

Market Update

The DSO market continued to experience significant activity in Q1-2022. Notable transactions include the sale of dentist-owned practices to established DSOs, the formation of new DSOs by private equity investors, and the exits of investor-owned DSOs.

Across these three transaction types, Provident has noted a continued acceleration in specialty dental consolidation. In early 2022, Shore Capital Partners formed a new OMFS-focused DSO, OMS360, and completed a transaction with Community OFS, a multi-state oral surgery practice. Additionally, Blue Sea Capital invested in SIMKO Specialty Dental, which provides Orthodontic and Pediatric DSO services, and Spark Dental Management acquired Children's Dental Health.

While larger platform transactions are becoming more common, the volume of small and mid-sized, dentist-owned practice sales remains high both across general and specialty dental.

Provident expects that the proven success of investment across the DSO spectrum, consistent volume of practice transactions, and investor demand for quality practices will drive continued market activity and valuations.

Significant Transactions

 Has been acquired by  A portfolio company of 	 Has been acquired by  A portfolio company of 
 Has been acquired by  To Form 	 Has been acquired by 

Select Transactions

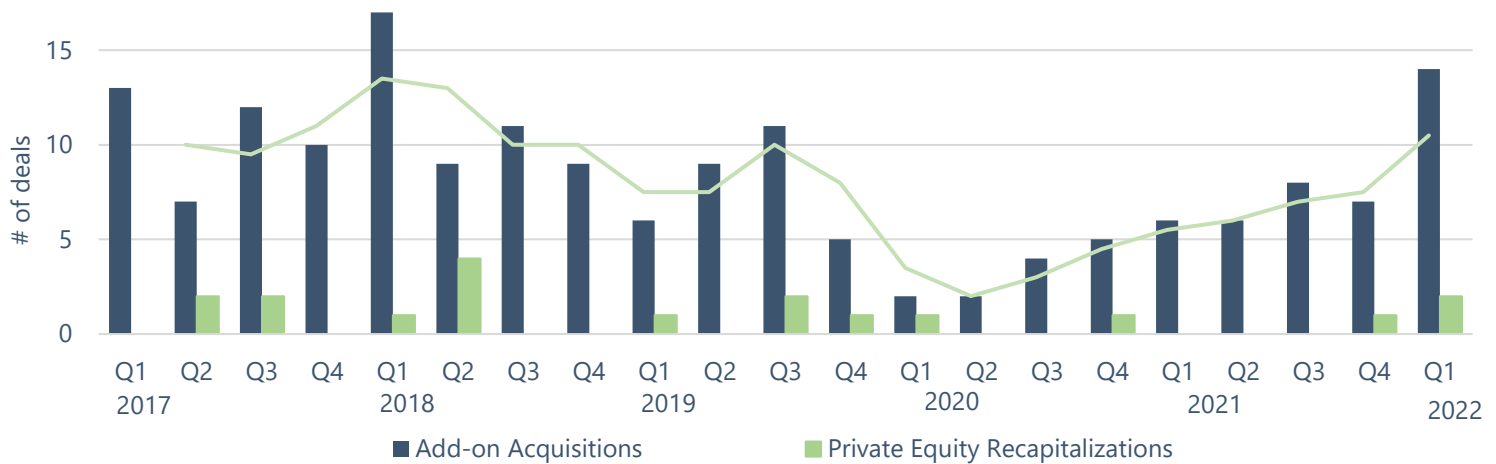
Month	Target	Investor(s)	Locations	Geography
January	Children's Dental Health	Spark Dental Management	20	Mid-Atlantic
January	Smile One Services	Gen4 Dental Partners	14	Michigan
January	OMS 360	Shore Capital Partners	n/a	Southeast
January	Community OFS	OMS 360	4	Southeast
February	Long Island Oral, PML Oral, Premier Oral, Westchester Oral	Leading Edge Oral Surgery	13	New York
March	SGA Dental Partners	Thurston Group	60	Southeast
March	SIMKO Specialty Dental	Blue Sea Capital	35	Midwest

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Q1-2022 Dermatology Update

Market Update



Dermatology deal activity continues to rebound to pre-pandemic levels as the space benefits from macroeconomic tailwinds driving demand for services. Q1 was especially active from a dealmaking perspective, characterized by a few large, landmark transactions. Forefront Dermatology, one of the largest consolidators in the space, and Epiphany Dermatology, both took on investment from new private equity partners in Q1. For Forefront, Partners Group is their third sponsor since they initially took on investment from Varsity Healthcare Partners in 2014. Anne Arundel Dermatology (now on their second PE partner) also made a splash with the acquisition of Academic Alliance in Dermatology, one of the largest independent practices in the country. Provident expects transaction volume to remain robust, barring any recessionary pressures.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
March	Schweiger Dermatology	Connecticut Dermatology Group	4	13	CT
February	DermCare	Altman Dermatology, Irradiance Medical Group, and Stone Oak Dermatology and Icreamwala Derm	6	7	CA, FL, TX
February	Leonard Green & Partners	Epiphany Dermatology	70	89	Nationwide
February	Partners Group	Forefront Dermatology	202	N/A	Nationwide
January	Ann Arundel Dermatology	Dermatology Specialists of Augusta and Ball Dermopath	2	8	GA, NC
January	Ann Arundel Dermatology	Atlantic Dermatology	5	15	NC
January	Ann Arundel Dermatology	Academic Alliance in Dermatology	24	45	FL
January	West Dermatology	Laser Skin Care Center	1	5	CA

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Upcoming Conference

Members of the Provident Healthcare Partners dermatology coverage team attended the AAD conference in Boston in March.

Q1-2022 Durable Medical Equipment (DME) Update

Market Update

The market for consolidation in DME continued its momentum into 2021 with several notable transactions announced both in the early weeks of the new year and in March as Q1 ended. Private equity platforms and strategic acquirers alike have continually sought opportunities to increase economies of scale. Operators with a defensible market position and significant back-office capabilities will continue to be poised to attract premium valuations in the M&A markets.

Provident expects M&A momentum within DME to continue as recently formed platforms seek to expand their geographic and product footprints via acquisition.

Notable Transaction



January 2022

CPAP.com, a leading DTC e-commerce provider of sleep apnea equipment, received a strategic growth equity investment from private equity firm Cathay Capital. The transaction provides CPAP.com with significant capital and operational resources to capture incremental market share as demand for sleep apnea equipment is projected to continue its ascent in the near-term.

Private equity sponsors have shown continued demand for DME businesses exhibiting a defensible market position and a demonstrated growth strategy to effectively capitalize on the prevailing tailwinds in the sector.

Select Transactions:

Month	Acquirer	Target	Deal Description
March	Strive Medical	United States Medical Supply (Urology division)	Strive Medical, a portfolio Company of New Mainstream Capital, acquired the urology division of US Medical Supply (US MED), a subsidiary of Advanced Diabetes Supplies which was recently acquired by Court Square Capital. This divestiture allows US Med / ADS to refine its core focus on diabetic supplies while enabling Strive to strengthen its service offering as a specialty provider of urology, wound care, and other disposable medical supplies.
March	Medical Service Company	Ascension St. Vincent's Medical Equipment	Medical Service Company (MSC), an independently-owned provider of sleep and respiratory equipment, acquired IN-based Ascension St. Vincent's Medical Equipment. The transaction allows MSC to create a strong foothold within Southern IN and solidify its Midwest regional presence, while indicating continued momentum for inorganic growth across the upper and lower ends of the DME market cap spectrum.
January	AdaptHealth	Community Surgical Supply	Community Surgical Supply, a provider of respiratory equipment including oxygen, vents, and other HME, was acquired by AdaptHealth in a \$100M+ transaction. The deal represents AdaptHealth's largest acquisitions since its \$2bn+ buyout of AeroCare in December 2020. AdaptHealth remains the most active consolidator across DME and continues to seek opportunities for strategic inorganic expansion.
January	MSC BioMedical	Repair Authority	MSC Biomedical Services has acquired Repair Authority to create a nationwide provider of HME repair services. While the two entities will operate independently in the near-term, the combined company will provide repair services to a range of HME products to both its national & regional commercial clients in addition to retail customers.

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Q1-2022 Emergency Medical Services Update

Market Update

Transaction activity within the Emergency Medical Services (“EMS”) sector remained active in the first quarter of 2022, buoyed by COVID tailwinds, and is expected to remain due to continued investor appetite. ICV Partners’ investment into Urgent Care Group, combining with portfolio company Total Access Urgent Care, results in a combined operations count of 50 locations across four states. Additionally, Brentwood Associates exited MD Now Urgent Care following a successful hold period of four years. Lastly, EMS activity was rounded out via acquisitions within the ambulance services and emergency medicine subsector by Acadian Ambulance Service and US Acute Care Solutions, respectively.

Select Transactions:

Month	Acquirer	Target	States	Description
Urgent Care				
March	ICV Partners	Urgent Care Group	North & South Carolina, Georgia	ICV Partners, an investment firm focused on lower middle market companies, has acquired Urgent Care Group and will combine with portfolio company Total Access Urgent Care. This acquisition grows the number of locations by 24 sites.
January	CRH Healthcare	AppleCare Urgent Care	Georgia	CRH Healthcare, the parent company of Peachtree Immediate Care, has acquired AppleCare Urgent Care. The combination of Peach Tree, largest urgent care provider in Atlanta, and AppleCare further expands operations throughout the entire state.
January	HCA Healthcare	MD Now Urgent Care	Florida	Brentwood Associates, a private equity firm, has sold MD Now Urgent Care to HCA Healthcare. MD Now is the largest urgent care provider in Florida with 59 clinics across the state, adding to HCA’s count of 170 clinics across 19 markets.
Emergency Medicine				
March	US Acute Care Solutions	Chattanooga Emergency Medicine	Tennessee, Georgia	US Acute Care Solutions, the largest physician-owned and led acute care practice in the US, has acquired Chattanooga Emergency Medicine (“CEM”). CEM currently staffs three hospitals in Tennessee and Georgia, growing its patient reach to greater than nine million annually.
Ambulance Services				
February	Acadian Ambulance Service	MedicOne Medical Response	Tennessee, Mississippi, Texas	Acadian Ambulance Service, one of the leading ambulance services in the nation, has acquired MedicOne Medical Response’s operations in Tennessee, Mississippi, and Texas. The acquisition expands Acadian’s Tennessee presence.

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Q1-2022 Gastroenterology Update

Market Update

The Gastroenterology sector continued to see elevated transaction volumes over the first quarter of 2022. PE-backed platforms have continued to execute on their aggressive add-on acquisition strategies, maintaining valuations for premium assets in the space. Gastro Health, One GI, and GI Alliance each made at least three acquisitions this quarter, with no signs of slowing down in the near future. Provident expects top platforms to continue to compete as they look to expand geographically as well as to build density in current markets.

Select Transactions:

Key Platform Footprints



Gastroenterology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
March	The Cambria Group	Gastro Center of Maryland	7	3	MD
February	Gastro Health	Greater Boston Gastroenterology	14	9	MA
February	Gastro Health	Digestive Health Specialists	6	1	MA
February	Gastro Health	Middlesex Digestive Health	9	2	MA
January	One GI	Digestive Health Associates	3	5	IN
January	One GI	Great Lakes Gastroenterology	8	6	OH
January	One GI	Digestive Disease Consultants	10	3	OH
January	One GI	North Coast Endoscopy	7	3	OH
January	GI Alliance	Digestive Disease Consultants	4	3	IL
January	GI Alliance	Washington Gastroenterology	48	27	WA
January	GI Alliance	Northwest Arkansas Gastroenterologists	9	1	AR
January	GI Alliance	Denver Digestive Health Specialists	6	1	CO
January	US Digestive Health	Gastrointestinal Specialists	16	4	PA
January	WellSpan Health	Chambersburg Gastroenterology Associates	3	2	PA

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Q1-2022 Healthcare Education Update

Market Update

The healthcare education sector exhibited robust consolidation activity in the first quarter of 2022. Continuing medical education (CME) and professional training, in particular, has been the most active segment in terms of M&A activity. Recent deal flow has been driven by the consolidation of tech-enabled CME services, aimed at diversifying service lines and adapting to pandemic-impacted operations.

Investors pursuing this tech-enabled thesis are extremely diverse, ranging from healthcare IT companies to broader education platforms to financial sponsors. Physitrack, for example, a physiotherapy SaaS platform, acquired CME provider PTcourses.com, citing synergies that are expected to expand the margin profile of the platform to 45%.

Provident expects healthcare education M&A momentum to accelerate throughout 2022 as a range of platforms and new investors increasingly look to capture market share in the CME space.

Notable Transaction



In March 2022, TRC Healthcare, a portfolio company of Levine Leichtman Capital Partners, announced its acquisition of Qure Healthcare. Based in San Francisco, California, Qure provides proprietary simulation courses measuring clinical practice to over 20,000 physicians. The deal represents TRC's continued optimism in the CME and professional training sector following its three prior acquisitions in the space. TRC acquired CriticalPoint, NetCE, and Bula Intelligence in 2020 and 2021, highlighting the uniquely favorable tailwinds perpetuated by COVID-19.

The transaction demonstrates the strong appetite for investment across the sector and the ability for a pure play healthcare education platform to scale successfully.

Select Transactions

Date	Target	Acquirer	Sponsor/Ticker	HQ	Deal Description
March	QURE Healthcare	TRC Healthcare	Levine Leichtman Capital Partners	CA	TRC's acquisition of QURE expands the platform's professional education services to include online simulation courses for over six specialties and eight provider types
February	Medical Marketing Solutions Group	Red Nucleus Solutions	The Riverside Company	NJ	The addition of MMSG will bolster Red Nucleus' comprehensive service offerings with content development and educational services for a wide array of life sciences clients
January	PTcourses.com	Physitrack	STO: PTRK	TX	Physitrack's investment signifies the appeal of continuing medical education as a complementary service to broader healthcare IT platforms as well as the London-based company's acceleration of expansion in the U.S.

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Healthcare Education Whitepaper

[Provident Perspectives: Transformative Landscape Within Healthcare Education](#)




Q1-2022 Healthcare IT Update

Market Update

While deal flow in the Healthcare Information Technology (HCIT) sector in the first quarter of 2022 has slowed following 2021's breakthrough year for digital health, several notable transactions across HCIT sub-verticals were completed in Q1. The continued shift in patient preference towards digital channels of communication and care delivery due to their efficiency and personalization has continued to drive demand for implementation throughout all healthcare services sectors, despite a general relaxation of public health mandates which have lessened the need for virtual care models.



















Although there has been a lull in deal flow so far in 2022, Provident expects strategic acquisitions to ramp up as companies are looking to expand their service offerings and reach a larger patient-base.

HCIT Public Comparable Multiples

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
 Allscripts™	\$22.69	\$1.50B	\$138.93M	1.88x	6.96x
 evolent HEALTH	\$30.21	\$908M	\$15.92M	2.91x	67.46x
 Teladoc HEALTH	\$68.90	\$2.03B	\$(31.42)M	5.38x	N/A

As of 4/13/2021

Select Transactions:

Month	Acquirer	Target	Target:	
			Business Segment	Headquarters
March	 SOC Telemed™	 Access+Physicians.	Digital Information Systems	Dallas, TX
March	 DeliverHealth	 presidiohealth	Revenue Cycle Management	San Francisco, CA
February	 doximity	 AMiON	Physician Scheduling	Newton, MA
February	 PRESS GANEY™	 Forsta	Market Research Technology	New York, NY
January	 Davita.	 MedSleuth	Digital Information Systems	San Francisco, CA
January	 Quest Diagnostics™	 PACK HEALTH	Consumer Health Engagement	Birmingham, AL
January	 babylon	 higi	Consumer Health Engagement	Chicago, IL
January	 Carenet Health™ Engaging. For the better.™	 OpenMed	Digital Information Systems	Miami, FL
January	 HURON	 PerceptionHealth™ Predictive Intelligence	Analytics and Business Intelligence	Franklin, TN

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Q1-2022 Healthcare Staffing Update

Market Update

Provident observed accelerated transaction activity in the staffing sector in Q1 2022. A study conducted by Vivian in 2021 reported that 87% of respondents said their healthcare facility is short-staffed and 53% responded that they did not feel optimistic about the future of healthcare currently. Significant tailwinds such as a growing elderly population, aging RN workforce, nurse burnout, and shortage of nurse professors in university settings continue to put pressure on a shortage of nurses. The rising awareness of the benefits of temporary staffing such as an easier recruitment process, the opportunity to travel, and not having to worry about permanent housing have resulted in the profession gaining continued popularity.

One notable transaction this quarter was the acquisition of Favorite Healthcare Staffing by the European healthcare solutions provider, Acacium Group. Through this acquisition, Acacium Group became the first global healthcare staffing provider offering services in the US, Europe, and Australia.

Select Transactions

Month	Acquirer	Target	Deal Description
January			SEIU Local 199 Executive Board voted on Nov. 30 to merge its Iowa health care workers union with SEIU's Minnesota branch. The presidents of both unions expect the merger to facilitate better organization for the assistance of their workers.
January			P2P Staffing Corp. announced it received a majority investment from A&M Capital Partners. P2P's staffing brands are TekPartners, a provider of IT staffing, and MPLT Healthcare, a provider of locum tenens and physician and advanced practice direct-hire staffing.
January			RecruitWell, LLC, a national permanent staffing agency focused on healthcare staffing for physicians and advanced practice providers, signed a definitive merger agreement with US Locums, LLC, a national locum staffing agency also focused on physicians and advanced practice providers.
January			LJC Investments V, LLC, an investment vehicle controlled by Littlejohn Capital, announced the acquisition of Alto Healthcare Staffing, a diversified healthcare staffing firm. Alto provides clinical temporary staffing, travel nurses primarily to hospitals, and medical assistants to doctors' offices.
January			Favorite Healthcare Staffing announced that Acacium Group, Europe's leading healthcare solutions provider, has completed the acquisition of the company for an undisclosed amount. Favorite operates nationwide with 27 branch offices that offer their clients a unique community-based approach.

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Q1-2022 Home Health & Hospice Update

Market Update

The first quarter of 2022 marked a continuation of strong consolidation activity within the home health and hospice sectors. Both private equity firms and strategic investors remain bullish on home-based care, evidenced by several new platforms and transformational acquisitions in Q1. The most notable acquisition of the 1st quarter is United Health Group's (UNH) acquisition of LHC Group. In the past few years, Optum has made significant investment in its at-home care programs including the launch of Optum Housecalls and acquisitions of Landmark Health, NaviHealth, AbleTo, remaining stake in Kindred, and now LHC Group. By leveraging their existing provider bases and value-based care offerings, UHG and other "payviders" are realizing tremendous synergistic value by expanding into home-based care, serving as a catalyst for continued investment activity in the sector.

Home Health & Hospice Comparable Multiples

Select Public Post Acute Care Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV / Rev	EV / EBITDA
Addus HomeCare	\$93.29	\$864	\$95	1.83x	16.62x
Amedisys, Inc.	\$172.29	\$2,214	\$343	2.78x	17.94x
LHC Group, Inc.	\$168.60	\$2,220	\$331	2.71x	18.19x
Aveanna	\$3.41	\$1,679	\$185	1.13x	10.27x

Share price as of 4/15/2022

Revenue / EBITDA in \$000s

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
March	The Vistria Group	Professional Health Care Network	1	AZ	The Vistria Group announced its investment in Professional Health Care Network marking its 4 th active investment in the home care space.
March	United Health Group	LHC Group	250+	Nationwide	UnitedHealth Group announced its acquisition of LHC group for \$170/share. The transaction values LHC at roughly \$6.4 billion including debt.
February	Addus HomeCare	JourneyCare	4	IL	Addus HomeCare completed the acquisition of nonprofit hospice and palliative care provider, JourneyCare for \$85 million. JourneyCare serves an average daily census of 750 patients in 13 counties complimenting Addus's existing home health presence in Illinois.
January	Fulcrum Equity Partners	HomeFirst Home Healthcare	6	GA, NC, TN	Fulcrum Equity Partners invested \$11 million in HomeFirst Home Healthcare, a home-based care platform company formed in September 2020 by a team of home health veterans. The capital enabled two acquisitions expanding the company into new markets in Georgia and North Carolina
January	InTandem Capital Partners	Providence Care	3	SC	InTandem Capital Partners completed a growth equity investment in Providence Care, a leading provider of post-acute and end-of-life services in South Carolina.

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Upcoming Conference

Members of the Provident Healthcare Partners Post-acute care team will be attending the NAHC Financial Management Conference in Las Vegas, Nevada in July 2022.

Q1-2022 Laboratory & Diagnostic Services Update

Market Update

Deal volume in the laboratory and diagnostic services sectors started off to a quick pace as several transactions originated in 2021 slipped into 2022. The prevalence of strategic add-on acquisitions continued as private equity and strategic consolidators further capitalize on a growing end-user market.

At the outset of 2022, COVID-19 testing centers nationwide struggled to meet the Omicron variant induced demand for accurate at home testing kits. As a result, investors and strategic consolidators alike looked to enhance point-of-care delivery models and buy-in on the emerging at home testing modality. Evidencing this trend, Sorrento Therapeutics acquired Virex Health, a developer of a novel at-home COVID-19 testing option. The acquisition expands Sorrento's testing portfolio to include affordable and easy-to-use testing options with a variety of end markets.











Looking ahead, Provident anticipates deal flow to remain high as large players continue to acquire smaller companies with a novel offering to broaden their network and expand service capabilities. Smaller companies will continue to see benefit from increased capital and access to technological advancements.

Lab and Dx Services Public Trading Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$31B	\$16.1B	\$4.3B	1.90x	7.19x
Quest Diagnostics	DGX	\$21B	\$10.8B	\$2.9B	1.92x	7.07x
Eurofins	ERFSF	\$23B	\$7.9B	\$2.2B	2.95x	10.48x
Hologic	HOLX	\$22B	\$5.5B	\$2.7B	3.94x	8.01x
Exact Sciences	EXAS	\$13B	\$1.8B	-\$393.4M	7.40x	n/a

* All metrics are TTM basis as of April 12, 2022, Pitchbook.com

Select Transactions

Month	Acquirer	Target	Deal Description
February			Sorrento Therapeutics completed the acquisition of Virex Health, a Boston, MA based company. The proprietary Virex Technology utilizes novel testing modalities to detect picogram level biological analytes, such as SARS-CoV-2 and its variants, Flu A/B, as well as markers for liver cancer, inflammation and hormone monitoring.
January			Ginkgo Bioworks, the leading platform for cell programming, acquired Project Beacon COVID-19 LLC, a Boston-based social benefit organization focused on helping to increase the availability, accessibility and affordability of COVID-19 testing.
January			Sema4, an AI-driven genomic and clinical data intelligence platform company, acquired GeneDx, a leader in genomic testing and analysis, from OPKO Health. The acquisition strengthens Sema4's leadership, growth, and scale for its market-leading health intelligence and genomic screening offerings.
January			CliniSys acquired HORIZON Lab Systems and combined with Sunquest Information Systems, as CliniSys. This acquisition and Sunquest combination creates one of the world's largest organizations dedicated to diagnostic and laboratory informatics. CliniSys' vision is to go beyond the walls of the clinical laboratory to embrace a new wave of digital diagnostics and laboratories.
January			Exact Sciences Corp. acquired PreventionGenetics, a genetic testing laboratory, to complement its advanced cancer diagnostics portfolio and support its entrance into hereditary cancer testing. PreventionGenetics provides the clinical lab, expertise, and foundational technology necessary to accelerate the availability of HCT and help more patients know their germline risk of cancer and other diseases.

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Dx Services Whitepaper

[Provident Perspectives:
Investment & Consolidation in
the Clinical Diagnostics Industry](#)

Q1-2022 Mental Health & Addiction Treatment Update

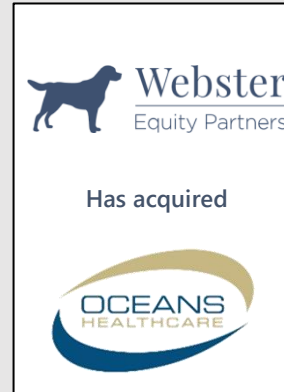
Market Update

Q1-2022 followed a record year for behavioral health M&A activity. Post-pandemic, the behavioral health sector received increased attention as mental health disorder diagnoses continue to rise in prevalence nationwide. Demand for counseling, psychiatric, and addiction treatment services remain at elevated levels.

With the rising demand for behavioral health services, both strategic and financial consolidators look to capitalize on the growing sector. Strategic consolidators aim to diversify service offerings, expand geographically to underserved communities, and obtain the best providers in the field. Financial consolidators seek platforms in emerging sub-sectors yet to be targeted by large consolidators. Additionally, investment hold periods continue to lengthen, signaling a new wave of "buy-and-build" strategies. Deal flow is further augmented as behavioral health companies broaden their digital health capabilities to match the growing preferences of patients and capture a larger patient-base.

Provident anticipates growth in the sector primarily through de novo acquisitions ranging in size as major players continue to expand horizontally and emphasize a move towards technology-centered care.

Transaction Spotlight



- Webster Equity Partners, a private equity firm focused on purpose driven, patient-centric healthcare companies, acquired Oceans Healthcare from General Catalyst Partners, a Boston-based venture capital firm
- Oceans Healthcare serves over 24,000 patients across 33 locations in the Southeast, including 23 inpatient clinics and 20 outpatient programs
- Webster will allocate capital and expertise to achieve Oceans' goal of expanding services to underserved communities with high demand for behavioral health services

Select Transactions

Mental Health Services				
Month	Acquirer	Target	Location(s)	State(s)
March	LifeSpark	Wellbeats	Digital	Nationwide
February	Foresight Mental Health	PACT Atlanta	14	GA
February	Lightfully Behavioral Health	Resilience Treatment for Mental Health	2	CA
January	New Directions Behavioral Health	Tridium	Digital	Nationwide
January	Headspace Health	Sayana	Digital	Nationwide
January	Health Connect America	Pinnacle Family Services	18	FL, NC
Addiction & Medication-Assisted Treatment (MAT)				
Month	Acquirer	Target	Location(s)	State(s)
March	Amulet Capital	Lighthouse Behavioral Health Solutions	12	OH
March	BayMark Health Services	Pathfinders Recovery Center	2	AZ, CO
January	BayMark Health Services	Emerald Isle Health and Recovery	1	AZ
February	AppleGate Recovery	Lucina Treatment Centers	5	IN
February	Webster Equity Partners	Oceans Healthcare	34	LA, MS, TX
January	LifeWorks	Breaking Free	Digital	Nationwide
January	Novamind	Foundations for Change	2	AZ
January	Behavioral Health Group	Center for Behavioral Health	20	AZ, ID, IN, IA, KY, LA, NV, SC

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Mental Health Whitepaper

[Investment & Consolidation in Mental Health Services](#)

Q1-2022 Ophthalmology Update

Market Update

The eyecare sector continues to be one of the most active spaces within healthcare services driven by industry tailwinds and intense competition for deals. Q1 was an exceptionally active quarter with most closings taking place in January, likely due to delays at year end. The eased rhetoric around capital gains increases gave many owners comfort in closing their respective deals in CY 2022, contributing to an influx of deal activity in the first few weeks of the year.

With transaction volume hitting record levels in Q1, Provident expects a slight slow down in activity for add-on deals throughout the rest of the year as a few notable PE-backed platforms focus on sale processes of their own.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
March	Retina Consultants of America	Retina Center Northwest	2	3	WA
February	Vision Innovation Partners	SIEHT, DeVito & Martin Optometry	3	5	VA
February	EyeSouth Partners	Georgia Center for Sight	5	3	GA
January	Vision Innovation Partners	Memorial Eye Institute	2	7	VA
January	VSP Ventures	Eye Trends	6	13	TX
January	EyeCare Partners	Huron Ophthalmology	1	8	MI
January	Eye Health America	Southeast Retina Center	13	3	GA
January	Beekman Group	Campus Eye Group & Total Eye Care	6	26	NJ
January	EyeCare Partners	Sabates Eye Centers	8	17	KS, MO
January	Comprehensive EyeCare Partners	Retina Institute of Washington	3	4	WA
January	EyeCare Partners	Retina Associates of Kentucky	11	12	IN, KY
January	Midwest Vision Partners	Retina Consultants of Michigan	3	6	MI
January	Retina Consultants of America	Retina Consultants of Charleston	8	8	SC
January	MyEyeDr.	Associates in Eyecare	10	21	DC, VA
January	Spectrum Vision	Associates in Ophthalmology	8	15	PA, WV
January	Sunvera Group	Advanced Ophthalmology Associates & Clavenna Vision	2	4	MI
January	EyeSouth Partners	Clayton Eye Center	5	13	GA

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Upcoming Conference

Members of the Provident Healthcare Partners vision care coverage team will be attending the ASCRS conference in Washington DC in April.






















Q1-2022 Payor Services Update

Market Update

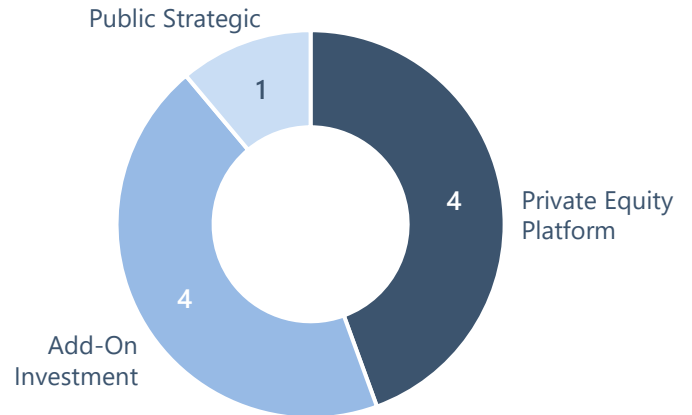
M&A activity in the Payor Services sector is off to a strong start in 2022. A total of nine investments have been made in the first quarter, four of which were made by private equity firms. Provident believes the continued platform creation by financial sponsors is a key indicator the sector will be a prime target for M&A over the next several years.

The target companies span a wide range of both service offerings and end-user profiles, though many of the companies have an overarching theme of value-based care. For example, Vistria Group invested in Professional Health Care Network, a company that coordinates home health care on behalf of health plans to facilitate the transition to value-based care. The national shift to value-based care will be a driving force of payor services investment for the foreseeable future.

Select Transactions:

Month	Acquirer	Sponsor (if applicable)	Target	Target Business Segment
March	 ARGOSY HEALTHCARE PARTNERS	n/a	 SPECIALTY Care Management	Cost Containment
March	 VISTRIA	n/a	 Professional Health Care Network	Case Management
March	 FRISS	n/a	 POLONIOUS SYSTEMS	IT Services
January	 IMA THE IMA GROUP	 CENTREPARTNERS	Redlink, Inc.	Medical Review
January	 PACIFIC LAKE — PARTNERS —	n/a	 OneShield ENTERPRISE	IT Services
January	 Charles Taylor	 LOVELL MINNICK PARTNERS	 CONTEGO INVESTIGATIVE SERVICES	IT Services
January	 REVELSTOKE CAPITAL PARTNERS	n/a	 HealthAxis	Cost Containment
January	 Nomi Health	 ARBOR ROSE PARK VENTURES	 artemis HEALTH	IT Services
January	 HealthComp	 NMC NEW MOUNTAIN CAPITAL LLC	 Medcom BENEFIT SOLUTIONS	Case Management

Transaction Types



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Q1-2022 Pharmaceutical Services Update

Market Update

The first quarter of 2022 was another exciting quarter for deal activity within the broader outsourced pharma services space. The start of the year has observed many diverse transactions across several sub-verticals of pharma services, including amongst CDMOs, clinical research sites / organizations, consulting and other human capital-based companies, and software / tech-enabled companies. Provident closed two site transactions in 2021 and is currently working on a number of other pharma services mandates. Provident also expects this fragmented space to mirror 2021's consolidation activity as investors and strategic buyers still remain well capitalized.

Select Transactions:

Month	Acquirer	Target	Target Focus	Target Geography
March	IMA Clinical Research	Amici Clinical Research	Clinical Research	United States (New Jersey)
March	Arsenal Capital Partners	Innovative Edge	Consulting	United Kingdom (England)
February	Recipharm	Vibalogs	CDMO	Europe (Germany)
February	Ergomed	Adamas Consulting	Consulting	United Kingdom (England)
February	CGE Partners	Datapharm	Software	United Kingdom (England)
February	Crane Street Capital	Paradigm Clinical Research Centers	Clinical Research	United States (California)
January	IntegriChain	Blue Fin Group	Consulting	United States (New York)
January	CenExel Clinical Research	Rocky Mountain Movement Disorders Center	Clinical Research	United States (Colorado)
January	CenExel Clinical Research	California Neuroscience Research	Clinical Research	United States (California)
January	CATO SMS	Pharm-Olam	CRO	United States (Texas)
January	TriNetX	Advera Health Analytics	Pharma-covigilance	United States (California)

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Q1-2022 Pharmacy & Infusion Services Update

Market Update

Following the formation of several new platform investments in the infusion space, Q1 2022 marked a continuation in deal activity across both add-ons and new platforms. Notable add-on transactions included the acquisition of NBN Infusions by PromptCare (backed by Waud Capital) and Wasatch Infusion by Option Care Health. On the platform side, Ridgemont Equity Partners recapitalized specialty infusion provider American Outcomes Management.

This heightened deal volume creates meaningful opportunity for organizations seeking outside capital to fund growth initiatives and/or realize owner liquidity as the number of acquirers with significant capital resources at their disposal continues to grow. Provident expects deal volumes to persist into Q2 2022 and beyond.

Select Transactions

Month	Acquirer	Target	Pharmacy Sub-Sector	Deal Significance
March	PromptCare	NBN Infusions, Inc.	Infusion Therapy	On the heels of its September 2021 recapitalization by Waud Capital, PromptCare has acquired the assets of NBN Infusions Inc., a NJ-based provider of home infusion and respiratory therapy services primarily focusing on patients with complex and chronic conditions. The deal will deepen PromptCare's footprint in one of its core markets as it seeks to continue its inorganic expansion strategy.
March	Ridgemont Equity Partners	American Outcomes Management	Specialty Infusion Therapy	Ridgemont Equity Partners has acquired American Outcomes Management (AOM), a specialty infusion provider focused on IVIG therapy. Ridgemont several industry tailwinds as key factors driving its investment thesis, including an aging population, increased prevalence of chronic conditions and the increased adoption of at-home treatment. AOM boasts a nationwide platform and will utilize Ridgemont's capital and operational resources to accelerate its growth.
February	Option Care Health	Wasatch Infusion	Infusion Therapy	Option Care Health announced its \$18M acquisition of Utah-based Wasatch Infusion, an IV therapy provider with four-locations across the state. The acquisition represents a continuation of Option Care's strategy to build a national network of specialty pharmacy services.

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Provident Spotlight: HME News



Provident Managing Director Michael Patton, who leads the firm's coverage efforts in the Pharmacy & Home Infusion Services sectors, spoke with HME News to share insight on the M&A landscape recent market dynamics impacting operators in the space.

Read more here: [HOME INFUSION: INTEREST STILL HIGH, INVENTORY STILL LOW](#)

Q1-2022 Physician Services Update

Market Update

Physician services transactions have continued at a strong rate in the first quarter of 2022 as pent-up demand has led to increased deal flow over the last year. Provident anticipates strong M&A activity for physician deals in 2022, buoyed by activity in emerging specialties such as urology, orthopedics, and cardiology. Investors remain eager to deploy capital to partner with premium assets in the space, leading to elevated valuations given heightened competition.

Notable Transaction



Provident served as the exclusive financial advisor to Advanced Urology Institute in its affiliation with Solaris Health, a portfolio company of Lee Equity. The partnership with AUI, the largest independent urology group in the country, advances Solaris' commitment to be the leading MSO in the United States.

Select Transactions:

Anesthesia					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
March	North American Partners in Anesthesia	Cumberland Anesthesia Associates	5	1	NC
February	Ambulatory Management Solutions	Noble Anesthesia Partners	100+	40	TX
January	National Partners in Healthcare	Lone Peak Anesthesia	8	1	UT

Cardiology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
Undisclosed	Ares Management	Pima Heart & Vascular	66	29	AR, TX
Nov '21	Assured Healthcare Partners	Cardiovascular Health Clinic	8	12	OK
Dec '21	Webster Equity Partners	Cardiovascular Associates of America	21	9	IA, IL

Ear, Nose & Throat (ENT)					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
February	Family Allergy & Asthma	Allergy and Asthma Specialists	12	8	PA
February	Elevate ENT Partners	Boca Raton Otolaryngology	4	1	FL
January	SENTA	ENT Carolina	6	2	NC

Orthopedics					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
February	Spire Orthopedic Partners	Middlesex Orthopedic Surgeons, Orthopaedic Surgical Associates	26	5	CT, MA
February	US Orthopaedic Partners	Southern Orthopaedic Surgeons	28	5	AL
January	Trias Global	DISC Sports & Spine Center	14	3	CA
January	OrthoBethesda	Washington Orthopaedics & Sports Medicine	12	3	MD
January	Lincoln Orthopaedic Center	Nebraska Orthopaedics & Sports Medicine	24	18	NE
January	Novum Orthopedic Partners	Arliington Orthopedic Associates, Abilene Sports Medicine, Waxahachie Orthopedic and Sports Medicine	34	N/A	TX

Q1-2022 Physician Services Update *Continued*

Select Transactions:

Radiology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
February	Midstate Radiology Associates	New Haven Radiology Associates, Whitney Imaging	31	8	CT
February	Advanced Imaging Alliance	Huron Valley Radiology	54	28	MI
February	Advanced Imaging Alliance	Naugatuck Valley Radiological Associates	11	4	CT
February	Advanced Imaging Alliance	X-Ray Consultants	13	1	IN
January	Tampa General Hospital	Tower Radiology	115	21	FL
January	Vulcan Imaging Associates	Women's Imaging Associates	3	1	AL
Urology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
March	Solaris Health	Advanced Urology Institute ¹	83	36	FL
January	Summit Health	New Jersey Urology	122	65	NJ, PA
January	Urology Partners of American	West Coast Urology	10	4	CA
January	Urology America	Urology Associates of Denver	7	3	CO
Women's Health / OBGYN					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
February	Kindbody	Vios Fertility Institute	24	14	IL, MI, MO, WA, WI
January	MKH Capital Partners	Advanced Reproductive Center	12	3	IL
January	US Fertility	Center of Reproductive Medicine	13	4	TX
January	Boston IVF	Delaware Institute for Reproductive Medicine	17	2	DE
January	Ivy Fertility	Pacific NW Fertility and IVF Specialists	6	2	WA
January	Ivy Fertility	Utah Fertility Center	13	5	UT
January	Ivy Fertility	Nevada Center for Reproductive Medicine	21	1	NV
January	Ivy Fertility	Nevada Fertility Center	4	1	NV

(1) Provident served as exclusive financial advisor

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Recent Webinar:



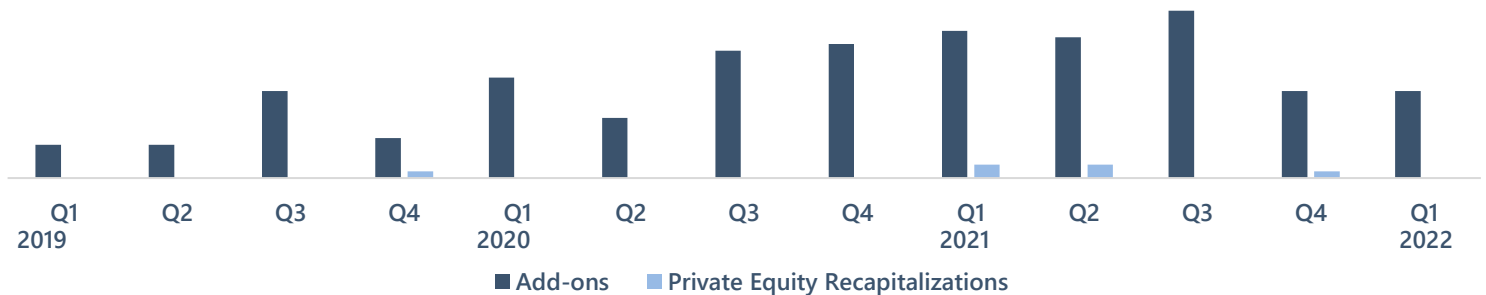
Provident recently hosted a panel discussion on *Private Equity Investment in Orthopedics: Key Transaction Considerations*.
[Click here](#) to view the discussion.

Q1-2022 Primary Care Update
















Market Update

In Q1-2022, Provident observed continued consolidation in the primary care services sector. Following the pandemic, the demand for accessible care along with an aging population drove significant transaction activity. The sector which was once characterized as being less profitable within the healthcare space, has attracted new interest from private equity firms. Part of this newfound interest can be accredited to the shift towards value-based care (VBC) models. The transition from fee-for-service to incentivizing providers on accountability of patient care has provided evidence of enhanced care.

Practices are also focusing their efforts on what insurers are more willing to pay for, managing chronic conditions, and reducing preventable hospital visits. Companies like Humana have already announced eager plans for 2022 including the introduction of their CenterWell clinics in three additional states and increasing their presence from 240 to 260 clinics by the end of the year. Many comparable competitors such as Optum, CVS Health, and VillageMD have also been increasing their primary care clinics rapidly. Provident believes that in 2022, the primary care services sector will be marked by an influx of both large and mid-sized players consolidating at an accelerated pace.



Select Transactions

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	States
March	 Summit Health	 Medical Associates PRIMARY CARE A MULTISPECIALTY GROUP "THE CARE YOU CAN TRUST"	8	23	NY
February	 ConcertoCare	 CROWN HEALTH Mobile and Virtual Primary Care	1	37	WA
February	 GENUINE HEALTH	Premier Care Associates	N/A	26	FL
February	 Kinderhook INDUSTRIES	 PHYSICIAN PARTNERS	1	N/A	FL
January	 MUNSON HEALTHCARE	 LITTLE TRAVISER Primary Care	1	5	MI
January	 VillageMD	 Northwest Medical Associates PRAXIS HEALTH	3	4	GA
January	 PRAXIS HEALTH	 Venture Medical ASSOCIATES	1	5	WA
January	 Akeso Occupational Health	 IMG Industrial Medical Group OF NORTH MARIA TALLEY	9	21	CA

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Primary Care Whitepaper

[Consolidation & Investment Within Value-Based Primary Care - Provident Healthcare Partners \(providenthp.com\)](#)

Q1-2022 Rehabilitation Update

Market Update

Merger and acquisition activity within the rehabilitation sector continued at a strong pace during the first quarter of 2022. Private equity investors remain bullish on the space evidenced by three new platform investments and one secondary buyout in Q1. While the outpatient physical therapy space has consolidated for some time, we're also seeing a renewed interest in contract therapy evident by Lee Equity Partner's investment in Therapy Partner Solutions. The industry-wide labor shortage and wage pressures have exacerbated supply and demand imbalances for therapy services in hospitals, SNFs, and other post-acute settings, leading to an increased demand for contract therapy services. Outpatient providers have faced similar challenges as well, hindering some groups' ability to grow organically. As a result, we're seeing platforms become more reliant on M&A growth strategies in order to reach targeted growth milestones, which has consequently increased competition and valuations in transaction processes.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
February	Athletico Physical Therapy	Pivot Health Solutions	259	Nationwide	Athletico Physical Therapy completed its acquisition of Pivot Health Solutions expanding its service offerings to 900 locations across 25 states
January	York Capital Management	APT Healthcare	55+	MD	York Private Equity made a strategic growth investment in APT Healthcare to expand the business within its existing footprint, enter new markets, and expand service offerings
January	General Atlantic	PT Solutions	90+	Nationwide	General Atlantic acquired PT Solutions from Lindsay Goldberg for approximately \$1.2 billion. The valuation implies a trading multiple of around 15x.
January	Athletico Physical Therapy	Georgialina Physical Therapy	18	GA, SC	Athletico Physical Therapy acquired Georgialina Physical Therapy marking the company's entrance into Georgia and South Carolina
January	Lee Equity Partners	Therapy Partner Solutions	61	AL, FL, GA, MA, NC, SC, TN, TX, VA	Lee Equity Partners invested in contract therapy provider, Therapy Partner Solutions. Both the founders and existing investor, Walnut Grove Capital Partners, retained a meaningful equity investment in the business
January	Rallyday Partners	Performance Physical Therapy	18	MA, RI	Performance Physical Therapy received a strategic investment from Rallyday Partners to continue its aggressive expansion across New England

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USPH vs. Other Healthcare Facility Operators

Company	Ticker	EV/Revenue (TTM)	EV/EBITDA (TTM)
US Physical Therapy	USPH	3.31x	15.89x
Acadia Healthcare	ACHC	3.22x	14.32x
Encompass Health	EHC	2.16x	10.04x
HCA	HCA	1.93x	8.97x

As of 3/31/2022

Q1-2022 Private Equity Update

Commentary

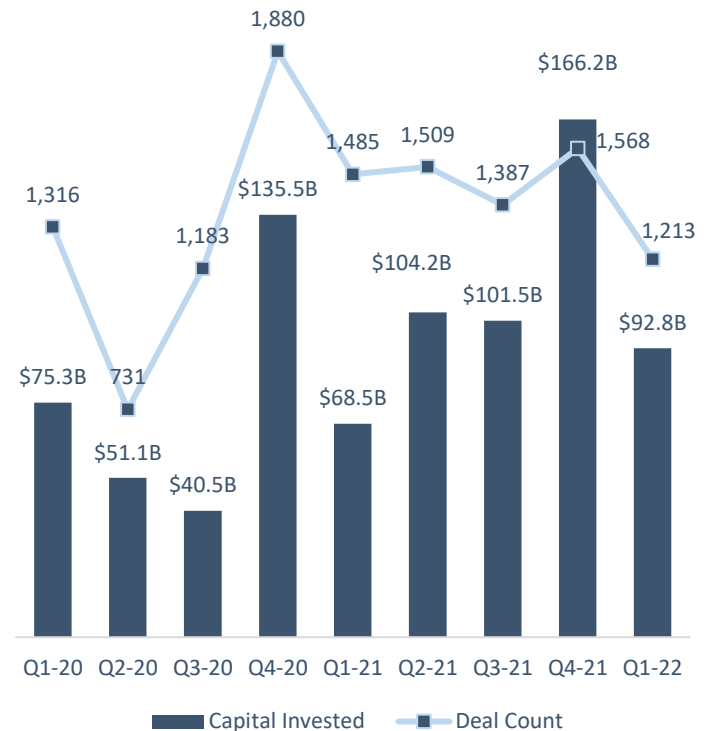
After PE dealmaking set a record in 2021, with more than ~6,000 transactions, transaction volume in Q1-22 dipped off its recent highs to its lowest quarterly level in over one year. However, capital invested remains above historical norms. Overall, PE investors remain fairly bullish across a variety of healthcare subsectors despite the ongoing threats of inflation, rising interest rates, and conflict in eastern Europe. Healthcare services companies are still considered a more defensible asset class than many other industries.

Fears of an increase in long-term capital gains have also subsided which are giving sellers and investors more comfort and confidence to execute transactions in 2022. Provident expects transaction volume in physician services to remain steady in all subspecialty areas, especially those that have multiple ancillary services (including ambulatory surgery), substantial growth potential, experienced value-based care programs, and experienced management teams.

Specifically, multi-site cardiology practices are experiencing a sharp rise in both capital invested and deal volume, with several new platforms created in the last 12 months; Ares Private Equity, Silversmith Partners, and Webster Equity are three notable PE firms that have created cardiology platforms.

Provident anticipates PE healthcare services add-on and platform activity will continue strong into Q2-22, as middle-market transactions ride on the tailwinds of strong economic recovery, an abundance of dry powder, and a supply / demand imbalance for premium healthcare services assets.

Private Equity Investment & Deal Count⁽¹⁾



Q1-2022 Healthcare Private Equity Quick Stats⁽¹⁾

Transactions
190+

Healthcare transaction volume dipped slightly from 235+ in Q4-21 to 190+ in Q1-22. Competition between private equity and strategic acquirers continue to push valuations upwards, but private equity is finding it increasingly difficult to underwrite synergies without an existing platform, putting strategic acquirers at a slight advantage.

PE Exits
68+

Several notable PE exits occurred in Q1-22 including Centre Partners' exit of Vision Innovation Partners to Gryphon Investors. CI Capital Partners also exited Epiphany Dermatology which was acquired by Leonard Green & Partners. The total enterprise value of both transactions were executed at an undisclosed amount.

Investors
220+

The growing, diverse investor and acquirer base highlights how sectors across the healthcare spectrum remain extremely active and ripe for consolidation. Investors also continue to perceive healthcare assets as less risky.

Capital Invested
\$20.8B

Private equity and corporate capital is abundant and driving the demand for assets across dozens of subsectors. CROs, ASCs, home infusion, labs, MRI & dialysis, long-term care, and home health and hospice have been the biggest beneficiaries of this capital. ~22% of all PE capital invested in Q1-22 went into healthcare, more than any other sector.

Largest Deal
\$17.0B

Athenahealth, a medical practice automation and claims management software intended for medical groups and health systems, was acquired by Bain Capital, Government of Singapore Investment Corporation, and Hellman & Friedman, and through a \$17.0B LBO in February 2022.

Top Investors by Deal Count



Q1-2022 Private Equity Update *Continued*

Select Q1-2022 Transactions

Month	Acquirer / Investor	Target	Healthcare Vertical	Target Description
March	Gryphon Investors	Vision Innovation Partners	Ophthalmology	A leading multi-state platform providing comprehensive ophthalmology and optometry services with more than 140 providers across 63 clinical locations and 11 ASCs.
February	Kinderhook Industries	Physician Partners	Primary Care	A value-based primary care physician group and managed service organization.
February	Bain Capital, Government of Singapore Investment Corp, Hellman & Friedman	Athenahealth	Enterprise Software	Developer of medical practice automation and claims management software intended for medical groups and health systems.
February	Leonard Green & Partners	Epiphany Dermatology	Dermatology	A dermatology practice management platform, offering general dermatology, Mohs surgery, cosmetics and pathology services.
January	Trinity Hunt	SpineOne	Interventional Pain Management	An interventional pain management provider focused on the treatment of spine, back, neck, and joint pain.

About Provident Healthcare Partners

Provident Healthcare Partners is a leading, independent healthcare investment bank specializing in mergers and acquisitions advisory, strategic planning, and capital formation services for middle-market and emerging growth companies, with extensive experience in both mature and developing areas of the healthcare services industry. Our sole focus on healthcare services gives us a deeper level of understanding of each sector that cannot be matched by a generalist firm.

Our mission is to consistently exceed the expectations of our clients by leveraging superior strategic thinking, unmatched knowledge of the healthcare industry, and decades of healthcare transaction advisory experience.

With a bi-coastal presence and national coverage, 25 investment banking professionals and over \$4.5B in TEV to date, Provident devotes a team of seasoned professionals to every transaction to ensure an efficient and successful close.

23+
*Years of Healthcare
Investment Banking*
150+
*Healthcare Deals
Closed*
75+
*Physician Deals Closed
Since 2014*
25
*Investment Banking
Professionals*

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Concluding Thoughts

Healthcare services M&A activity in Q1 2022 followed several consistent trends from 2021. Year-to-date activity totals over 300 closed transactions representing more than \$25 billion in invested capital. Recovery from the pandemic, technological advancements, and evolving reimbursement models drive consolidation for both physician practices and other healthcare services.

Physician services such as ophthalmology, gastroenterology, and orthopedics witnessed the highest level of closed transactions this quarter, a result of highly acquisitive private-equity backed platforms in the space. Provident anticipates continued add-on activity as well as successful exits by these expanding platforms throughout the year.

Other healthcare services such as home health, behavioral healthcare, and healthcare IT are also experiencing rapid consolidation as healthcare strategies are shifting towards more patient-centric and value-based care models. Provident expects accelerated growth in these sectors for the next several quarters as an increasingly diverse set of investors compete for market share.

In 2021, the healthcare market experienced record-setting transaction volume and invested capital. The first quarter of 2022 cooled slightly but does not indicate a decrease in investor commitment to the sector. Several macroeconomic factors such as the threat of increased interest rates did not deter investors in Q1, signaling the strong conviction in the space. With a highly anticipated remainder of the year, 2022 is expected to be extremely productive for healthcare M&A.



Provident is the leading investment banking firm offering mergers and acquisition advisory services for high growth, middle market companies in the healthcare industry.

The firm has a vast network of senior industry relationships, a thorough knowledge of market sectors and specialties, and unsurpassed experience and insight into the investment banking process.

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