

# Q2-2022 Durable Medical Equipment (DME) Update

## Market Update

Despite an uncertain macroeconomic environment, recessionary fears, and the impact of rising interest rates, M&A activity in the DME space continued at a strong pace in Q2 2022, with several new private equity platform and meaningful add-on acquisitions completed. Investors remain attracted to the long-term tailwinds driving growth in the space such as an aging population, a normalizing supply chain, and steady reimbursement environment.

Sellers seeking M&A opportunities to either exit their ownership positions or find a strategic partner to drive growth are positioned to benefit from this continued investor interest and a growing community of well-financed, growth-oriented buyers.

## Notable Transaction



June 2022

SG Homecare, leading provider of durable medical equipment, prosthetics, orthotics, and supplies ("DMEPOS") to home-based patients throughout the California market, received a strategic investment from private equity sponsor Sverica Capital Management.

The Company has established itself as a leading provider of DMEPOS and is differentiated through its use of capitated contracts to serve payors and other risk-bearing provider groups, creating a significant first-mover advantage to position SG Homecare to benefit from VBC tailwinds in the DME space.

## Select Transactions:

Month	Acquirer	Target	Deal Description
June			Quipt Home Medical (NAS: QIPT), a provider of home respiratory and mobility equipment, has acquired Louisiana-based Access Respiratory Homecare. The acquisition adds a reported \$6.5M revenue and \$1.3M EBITDA to Quipt's fast growing financial profile after a string of recent acquisitions. Quipt's footprint now spans 19 states.
May		 & the Hospice Assets of Consolidated Surgical Supply & PPD Homecare	Central Medical Supply, a portfolio company of Osceola Capital Management focused on outsourced equipment management to the hospice industry, completed three acquisitions across the home care and equipment management space. The three tuck-ins are all focused in the Northeast, deepening Central Medical's footprint in a core geography and providing additional scale in the region.
May			Sedgwick, a provider of tech-enabled risk, benefits and other solutions targeting the workers' comp market has acquired Orchid Medical, an Orlando, Fla.-based provider of medical management solutions, including DME, supplies, and orthotics & prosthetics. The acquisition grows Sedgwick's ancillary care network which provides DME, transportation, translation, home health, and other services to the workers' comp patients it services.
April			Lifeway Mobility, a homecare accessibility solutions provider backed by private equity sponsor Cressey & Company, has acquired Accessible Systems, Inc. (ASI). The combined entity will provide home access services to a significantly broader geographic footprint, as ASI offers direct entry into six new states including Colorado, Utah, and Texas, growing Lifeway's footprint to 22 total states.

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