

Q3-2022 Durable Medical Equipment (DME) Update

Market Update

DME market activity continued at a steady clip throughout Q3 as several new platform investments and add-on acquisitions were completed. M&A activity has persisted despite recent interest rate hikes as deal flow has been buoyed by lower-middle-market consolidation, which tends to exhibit more conservative leverage utilization through acquisitions. Further, strategic acquirers and PE platforms with existing credit facilities and sufficient cash reserves will be well-positioned to continue aggressively pursuing M&A opportunities

Provident In the News:

Find additional insight on the DME M&A landscape from Kevin Palamara, featured in HME News "Smart Talk" series, here: [SMART TALK](#)

Notable Transaction



August 2022

Montgomery DME (MDME), a California-based provider of beds, oxygen, and other medical equipment to hospice organizations has been recapitalized by private equity sponsor Incline Equity Partners (Incline).

MDME, previously backed by Monument Microcap Partners, exhibited a strong inorganic growth strategy throughout Monument's investment period with 3 tuck-in acquisitions to solidify its Southern CA market presence. Incline will seek to continue this model and expand MDME's services across a broader geographic footprint.

Select Transactions:

Month	Acquirer	Target	Deal Description
September			Advent Home Medical, a respiratory equipment provider backed by PE sponsor New Harbor Capital, acquired home respiratory equipment provider Aeratech Home Medical. Aeratech's strong regional presence across Ohio and Indiana represents a natural extension of Advent's current footprint and an opportunity to build further market density.
July			Lifeway Mobility, a provider of home access solutions backed by PE sponsor Cressey & Company, acquired Health & Comfort Equipment Service in Kansas City, allowing the company to further expand its offerings throughout Kansas and provide services in Missouri. The acquisition represents a continuation of Lifeway's rapid inorganic growth following its partnership with Cressey following its acquisition of Accessible Systems in April 2022.
July			Quipt Home Medical, a publicly-traded provider of home medical and respiratory equipment, acquired Mississippi-based respiratory equipment provider Hometown Medical. The acquisition effectively doubles Quipts presence in the state as the group continues to aggressively expand its southeast footprint via M&A. Quipt has closed 6 transactions in 2022 YTD.
July			Rehab Medical, an Indianapolis-based provider of complex rehab technology and mobility equipment, acquired Georgia-based Priority Medical. The acquisition bolsters its presence in the Southeast following several FL-based acquisitions over the past 24-months.

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