

Q3-2022 Gastroenterology Sector Update

Market Update

Despite continuing economic uncertainty and recessionary risk, the Gastroenterology sector has been active with M&A activity and interest from the Private Equity Community.

Q3 2022 was characterized by continued add-on acquisitions from existing private equity backed platforms as well as a large PE-backed exit. Waud Capital exited their position in GI Alliance through a transaction with Apollo Global Management alongside GI Alliance management and physicians. This marks the second time this has occurred in Gastroenterology – the first PE exit to occur was Gastro Health’s sale to Omers in May of 2021. This is significant as it shows that as the existing PE platforms continue to scale, there will be an active set of buyers to facilitate the next phase of growth for these businesses.

This quarter Provident closed its seventh transaction in Gastroenterology (DCDC detailed on the right) making our firm a leading M&A advisor to Gastroenterology practices.

Notable Transaction









September 2022

Delaware Center for Digestive Care (DCDC) is the largest provider of GI services in the state of Delaware and serves patients across three locations with a team of over 20 providers. The group chose to partner with US Digestive Health (USDH), a portfolio company of Amulet Capital Partners.

This transaction represents the first move into a new state for USDH and marks the first PE-backed GI deal completed in the state of Delaware. This supports the growing trend of consolidation throughout the US and shows that PE-backed platforms continue to be hungry for strong regional groups that have remained independent.

Provident was the exclusive financial advisor to DCDC in this transaction.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
August		 <i>Skilled, experienced, top-quality care... close to home.</i>	4	2	Pennsylvania
September			7	1	Virginia
September			700+	200+	14 States TX, AR, AZ, CO, FL, IL, IN, KS, LA, MS, MO, OK, UT, WA

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