

Gastroenterology

Q4 2023

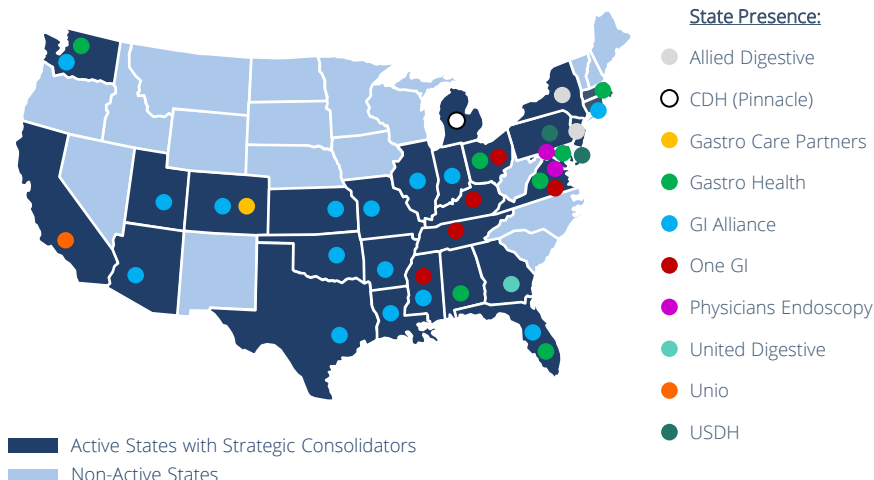
Market Update

Gastroenterology continues to be an active M&A sector within physician services as Q4-23 was characterized by continued add-on acquisitions. This quarter featured less transaction activity than we have seen throughout the year, however, organic growth announcements were more prevalent.






Both Gastro Health and US Digestive Health closed small add-on acquisitions in Virginia and Pennsylvania, two states that each respective platform has a strong presence in. Platforms continue to focus their M&A efforts on building geographic density within their core states. Looking ahead, there are two large independent practices in the Northeast that will likely close with private equity-backed platforms in Q1 or Q2 '24.

In addition to the observed M&A activity, Gastro Health, Gastro Care Partners, and USDH had material announcements regarding new locations opening this quarter. As these platforms mature, organic growth and investment in infrastructure will be a complementary growth lever to M&A.

Current GI Landscape – January 2024



Select Transactions

Month	Acquirer	Target	Physicians	Locations	State
December		Razavi, MD & Endo Center of Woodbridge	1	1	Virginia
December		Southwest Gastroenterology Associates	4	3	Pennsylvania
Month	Strategic	Commentary			State
December		Gastro Health opened a new location in Cincinnati, OH that will feature 28 exam rooms and an infusion center. The facility will also include an endoscopy center that is slated to open in March 2024.			Ohio
November		Gastro Care Partners opened a new location in Lone Tree, CO that includes both a general clinic and endoscopy Center.			Colorado
October		US Digestive Health opened a new facility in Exton, PA. The facility features over 8,000 square feet and will add further density to the PA market for USDH.			Pennsylvania

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