

Healthcare Staffing

Q4 2023

Market Update

As noted in prior quarterly newsletters, staffing firms who place candidates within niche care settings continue to receive elevated interest from acquirers. Investors are hesitant of travel nursing staffing investments given the difficulty in predicting future bill and pay rates, MSP concentration, and the perception of a lack of differentiated technology. Provident however believes that travel nursing M&A could stabilize as early as mid-2024, depending on timing of stabilized bill and pay rates. Per discussions at the SIA Healthcare Staffing Summit, some platforms believe that rates have already begun to stabilize, leading to the potential of an early uptick in transactions. Provident expects the market to be particularly active within the next 12-24 months as many processes went on hold in 2022 and early 2023 and with so many investors currently on the sidelines. Additionally, numerous private equity funds made investments in 2019 and 2020 and thus may begin to explore the possibility of exiting.

Notable Transaction

AMN Healthcare acquired both Medical Search International and DRW Healthcare Staffing (MSDR) for \$300M. The platform specializes in locum tenens and advanced practitioners, including radiology, anesthesia, psychiatry, and surgery, which according to AMN's own reporting, are considered some of the most sought-after service offerings. Additionally, a recent AMN report noted radiology is ranked the third highest specialty in demand, behind family medicine physicians and nurse practitioners. The acquisition will offer AMN numerous synergies, including recruitment and placement, and expand its candidate pool within these niche specialties. 2022 and 2023 projected MSDR revenue per AMN approximated \$104M and \$155M, respectively



Select Transactions

Month	Acquirer	Target	Deal Description
December			Ingenovis Health acquired Corazon, a Pittsburgh based provider of staffing, consulting, recruitment, management, and accreditation for cardiology, neuroscience, orthopedic, and other surgical specialties. This acquisition enhances Ingenovis' physician services division, which includes VitalSolution and Vista Staffing.
November			Epic Staffing Group has acquired SBG Healthcare. The partnership enhances Epic's staffing capabilities within operating rooms and surgical settings, where SBG specializes in placing physicians and advanced practitioners.
November			Epic also acquired Chicago Telerad, who specialize in diagnostic imaging and teleradiology services within hospitals and radiology practices.
October			AHSG's has partnered with PediaStaff, expanding the platform's staffing capabilities into the school setting with a diversified K-12 model.

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Conferences

Executive Forum & Staffing Summit

Provident is attending the Executive Forum and Staffing Summit conference in March and November, and plans to meet with investors, industry consolidators, and operators.