

Orthopedics

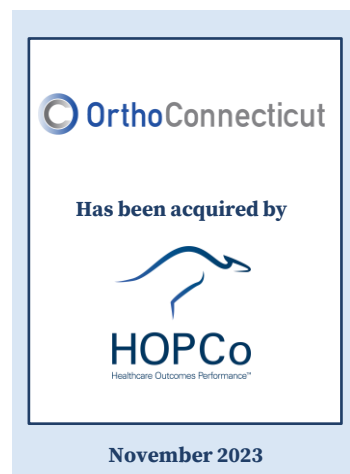
Q4 2023

Market Update

The orthopedic sector sustained a steady flow of transactions in the fourth quarter, marked by multiple add-on acquisitions by national platforms and health systems. A growing emphasis on improved clinical quality and efficiency through modern care delivery and outcomes data tracking continues to reverberate across the industry in advance of a widespread adoption of value-based care models. The impending shift to outcome-based reimbursement heightens the importance of maintaining data tracking and analytical systems to effectively participate in these models when engaging with payors. Independently-owned practices with strong clinical outcomes and the necessary infrastructure to effectively manage episodes of care remain highly coveted by the investor community. Furthermore, smaller practices lacking these capabilities can explore M&A opportunities to collaborate with larger organizations equipped with established systems that can be leveraged effectively.

Notable Transaction

In mid-November, HOPCo announced its partnership with OrthoConnecticut, one of the state's largest multi-specialty MSK practices. The Company will add 48 musculoskeletal providers and 9 clinics to the HOPCo platform and will serve as the regional hub to its East Coast footprint. OrthoConnecticut was formed in August-2017 through the merger of four established practices in the state; Coastal Orthopedics, Danbury Orthopedics, New Milford Orthopedics, and Connecticut Pain Care. At the time of the merger, the collective team was operated by 31 musculoskeletal providers.



Select Transactions

Month	Acquirer	Target	Deal Description
December	 United Musculoskeletal Partners	 Texas Spine Consultants, LLP	United Musculoskeletal Partners, a leading musculoskeletal care provider backed by private equity group, WCAS, acquired Dallas-based Texas Spine Consultants.
October	 ORTHOPEDIC CARE PARTNERS	Orthopaedics of Brevard	Orthopedic Care Partners announced its acquisition of Orthopaedics of Brevard, a Florida-based leader of orthopedic / hand surgery and pediatric orthopedics. The acquisition marks OCP's 20 th practice affiliation.
October	 Salem Health Hospitals & Clinics	 orthopedics of oregon	Salem Health, a large Oregon health system, has acquired Hope Orthopedics of Oregon. Hope will bring 16 experienced physicians to the Salem Health orthopedics team.

Provident Industry Coverage Team

Scott Davis
Managing Director
(617) 226-4259
sdavis@providenthp.com

Jake Vesely
Vice President
(617) 226-4293
jvesely@providenthp.com