

Durable Medical Equipment

Q1 2024

Market Update

M&A activity in the DME market demonstrated a pick-up in Q1 2024 vs. the lower deal volumes throughout 2023 as macro-economic conditions have normalized and investors have refocused efforts on acquisitions. PE sponsors are drawn towards DME to capitalize on the continued shift of healthcare services to home-based settings coupled with an aging population with an increasing prevalence of chronic conditions.

Provident has observed a notable uptick in the level of private equity and strategic investor interest in Q1. Several groups who have engaged operating partners and developed a thesis around DME are actively seeking platform investments, a strong leading indicator for future deal activity. Market sentiment continues to be positive and reflective of the caliber of groups across the space that have gained operational expertise by navigating challenges introduced by competitive bidding, COVID, and supply chain issues over the past 5+ years.

Notable Transaction

Performance Home Medical (PHM), a leading regional provider of medical equipment and respiratory services across the Northwest, announced its partnership with Grant Avenue Capital to form a new platform in the DME space.

PHM will leverage the financial and operational resources of the Grant Ave team to expand its service offering while exploring new product categories, such as diabetic supplies, to provide a robust product portfolio to its patients. This partnership is indicative of an increasingly common trend within DME where PE sponsors are utilizing Operating Partners with industry-specific expertise to add value to its portfolio companies in an operational or advisory capacity.



Has been recapitalized by



January 2024

Select Transactions

Month	Investor	Target	Deal Description
March	 		PruittHealth Medical Supply, a GA-based platform targeting the senior living and post-acute care markets, has acquired Allied Health Resources, in a transaction that will bolster its respiratory equipment offering to further its vertical integration strategy across home health, palliative care, medical supplies, and related services.
March	 		Following its recapitalization by Lovell Minnick Partners in Q4 2023, Acu-Serve has acquired Beyond HME, a provider of resupply services to DME providers. The partnership represents a logical expansion of Acu-Serve's existing medical billing service offering and enables the combined platform to provide a full-suite of billing and resupply services to its customers.
February	 		Joerns Healthcare has divested its rental service network in FL, GA, LA, OK, and TX to MasVida Health, a platform backed by Brixey & Meyer Capital. The highly-synergistic combination marks a milestone in MasVida's growth trajectory and solidifies its position as a market leader in the SNF-based DME rental space. Joerns will continue to operate its manufacturing and other unrelated equipment service lines independently.
January	 		StateServ, a leading provider of DME and benefit management solutions to post-acute care facilities, acquired Delta Care Rx, a national pharmacy benefit manager and mail order prescription provider to the hospice and palliative care markets. The transaction represents a continued expansion of StateServ's model beyond its traditional equipment focus into a comprehensive care management platform for hospice and post-acute care providers.

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