

# Durable Medical Equipment

Q2 2024

## Market Update

Market activity across the DME space continued at a steady pace throughout Q2 with a healthy mix of new platform developments and add-on acquisitions. High-growth product categories such as diabetic supplies continue to draw interest both from PE sponsors on a standalone basis and strategic consolidators seeking to diversify product offerings and capitalize on cross-sell opportunities within their existing patient populations.

Provident expects to see continued deal volume across DME throughout the remainder of 2024 as investors target organizations facilitating the shift towards home-based care, defensible market positioning, and an attractive growth profile. Several private equity platforms created in 2019 and 2020 are in the latter stages of their hold period and are likely to come to market within the next 6 – 12 months. This typically spurs additional add-on activity as new sponsors seek to deploy growth capital and take their new platform to the next level.

## Notable Transaction

Provident advised its Quest Health Solutions, a nationwide provider of continuous glucose monitors (CGMs) and other diabetic supplies, on its growth capital investment from Sumitomo Corporation of America ("SCOA") that will provide the resources to help accelerate Quest's expansion initiatives. The transaction marks SCOA's initial entry into the US healthcare market.

Quest has utilized its innovative patient acquisition model and proprietary technology platform to differentiate itself in the growing, competitive CGM market landscape. The transaction provides an opportunity for the shareholders to capitalize on the expanding market opportunity and realize subsequent liquidity events at an increased value.


**QUEST HEALTH SOLUTIONS**

**Has completed a growth capital investment from**


**Sumitomo Corporation of Americas**

**April 2024**

## Select Transactions

| Month | Investor  | Target  | Deal Description  |
|-------|---|---|---|
| June  |  |  | Strive Medical, a portfolio company of NMS Capital, has acquired ProMed DME, a CGM-focused supplier. The combination represents a meaningful expansion beyond Strive's historical focus areas of urological, wound care, and other disposable medical supplies into the diabetic supply space. This acquisition positions Strive to capitalize on the cross-sell opportunity created by the combined patient base and become a "one stop shop" for home medical supplies.       |
| June  |  |  | Platinum Equity announced it has entered a definitive agreement to acquire Sunrise Medical, a leader in assistive mobility solutions, from their prior private equity partners, Nordic Capital. Sunrise, headquartered in Germany, is the global market leader in assistive mobility solutions including power wheelchairs, mobility scooters, and power assist products.   |
| May   |  |  | SG Homecare, a provider of in-home medical equipment and supplies backed by Sverica Capital, has acquired Western Drug Medical Supply. The transaction creates a leading, scaled home medical supply platform in California with more than \$150M in revenues at close. The partnership creates a diversified platform capable of offering a wide range of products to patients across the state.   |
| April |  |  | Castleford Capital, a healthcare and pharma services focused PE firm, completed a growth investment in Rebound Medical. Rebound provides DME to patients recovering from orthopedic and vascular procedures while offloading administrative tasks from physician offices spanning insurance verification, claims processing, and equipment delivery. The partnership will provide a capital infusion to expand Rebound's service offering into new markets and expand its team. |

## Provident Industry Coverage Team

**Kevin Palamara**  
**Managing Director**  
 (617) 226-4221  
 kpalamara@providenthp.com

**Brendan Schroeder**  
**Senior Associate**  
 (617) 226-4207  
 bschroeder@providenthp.com