

Gastroenterology

Q2 2024

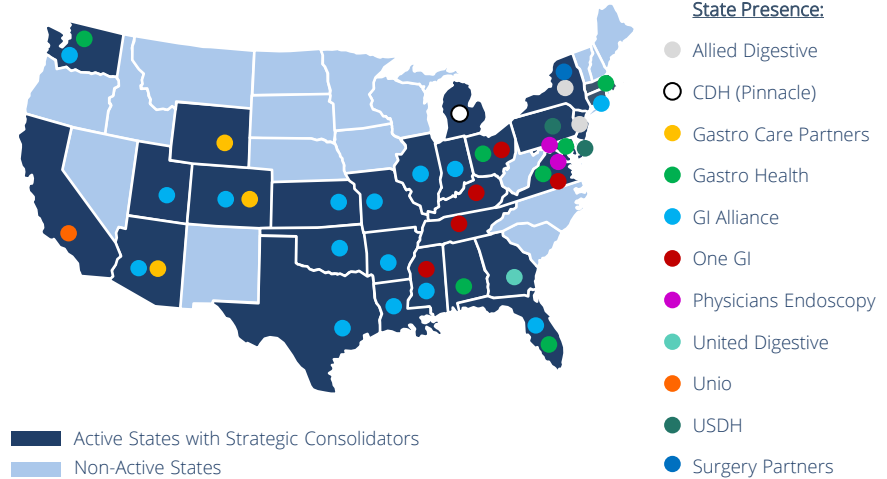
Market Update

In the second quarter of 2024, the pace of M&A activity within gastroenterology slowed from the level of volume we have seen over the past few quarters. For private equity-backed acquirers, interest remains high for add-on opportunities, but there are simply less opportunities in the market than there were a few years ago as the sector matures and becomes less fragmented. Some of the more established platforms are also focused on internal initiatives including their own sale processes.

The two transactions that did occur this quarter were led by nontraditional buyers of GI practices and endoscopy centers, Surgery Partners and Trinity Health. Surgery Partners has been very active recently in joint venture transactions across the U.S. and will be an active partner for several physician specialties including orthopedics and gastroenterology. Health systems such as Trinity Health have also shown increased interest in adding local physician specialties and will be active within GI in the future.

For the remainder of the year, Provident expects continued add-on activity and one or two secondary transactions where existing platforms complete a recapitalization. Provident is aware of two northeast based transactions in market scheduled to close in Q3 and a southern based transaction due to close in Q3/Q4.

Current GI Landscape – June 2024



Select Transactions

Month	Acquirer	Target	Physicians	Locations	State
May	 SURGERY PARTNERS	 GPDDC	11	2	New York
May	 Trinity Health	 Grand River MEDICAL GROUP	8	2	Michigan

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