

Healthcare Staffing

Q2 2024

Market Update

As has been the case in the healthcare staffing sector for the better part of the past 12-24 months, firms placing candidates within niche care settings are the one to continue to receive elevated interest from investors. Meanwhile, the agencies providing more commoditized services such as travel nurse staffing, particularly through the use of either an MSP or VMS, are still viewed as less appealing and with higher levels of diligence.

According to Kaufmann Hall, approximately 60% of hospitals in the US have seen profits improve due to a reduction in contract labor spend. While this could benefit staffing agencies in the long-term, it currently emphasizes the need for differentiation amongst competitors and demand for the highest quality candidates. While travel nursing has declined significantly, home health and personal care aides and nurse practitioners are projected to see the most increased use given an aging population and as site of care continues to transition from the acute to post-acute care setting.

Notable Transaction

In May, Knox Lane made an investment in All Star Healthcare Solutions, a locum tenens and permanent placement staffing firm. The group places physicians, CRNAs, physician assistants, and nurse practitioners into numerous subspecialties, such as anesthesiology, cardiology, orthopedics, and general surgery settings, among others. The acquisition follows several recent locum tenens transactions, such as MSDR partnering with AMN and Barton Associates partnering with HIG Capital.

Provident expects healthcare staffing transaction activity to persist among the niche, non-travel nursing providers, and groups that have longer and stickier contract arrangements, such as government or school-based settings.







Has been acquired by

KNOX-LANE

May 2024

Select Transactions

Month	Buyer	Target	Deal Description
June			GHR Healthcare, a workforce solutions and tech-enabled healthcare staffing firm, acquired United Anesthesia. United Anesthesia places anesthesiologists and CRNAs, and has locum tenens, permanent placement, and government service capabilities.
June			Luke Holdings, a healthcare staffing firm serving the federal government, acquired Coastal Clinical Management Services. The transaction is complementary to Luke's existing service offerings and will only bolster their Department of Homeland Security client relationship.

Comparable Healthcare Staffing Multiples¹

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
Cross Country	Nasdaq: CCRN	\$466.6M	\$1.8B	\$101.7M	0.3x	4.6x
AMN	Nasdaq: AMN	\$3.1B	\$3.5B	\$488.5M	.89x	6.4x

1. Statistics for Cross Country and AMN sourced from PitchBook as of 7/8/2024

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Conferences

Executive Forum & Staffing Summit

Provident is attending the Healthcare Staffing Summit in November and plans to meet with investors, industry consolidators, and operators.