



Healthcare Services M&A Review: A Quarterly Update



Q3 2024
M&A Update

Trusted Healthcare Advisor

A Quarterly Update

Q3 2024

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Healthcare M&A Activity: Strong Projected Close for 2024









Quarter three marked a strong start to the second half of 2024, with healthcare services deal flow showing a notable increase, bringing the sector back to transaction volumes approaching those seen in Q1 2023. A shifting macroeconomic landscape, notably influenced by the Federal Reserve’s interest rate reduction, sets the stage for a robust Q4 2024 in healthcare services M&A.

Within PPM, the deal pipeline of add-on activity remained resilient despite ongoing investor concerns regarding antitrust legislation in physician practice management deals, as evidenced by a slight decrease in private equity transaction volume compared to Q2 2024 and fewer exits than initially expected. Investors are increasingly looking at sub-sectors with

lower labor and reimbursement risks—such as healthcare IT, pharmaceutical services, and related sub-sectors—suggesting a strong finish to 2024 and a promising start to 2025.

Additionally, the continued push towards multispecialty models should provide a catalyst for increased secondary transaction activity in the PPM space as the potential buyer pool diversifies versus years past. Overall, the outlook for healthcare services M&A is optimistic, with a rebound towards historical transaction volumes expected as the year concludes.

Notable Transactions in Q3 2024

Oncology	Laboratory & Diagnostics	Revenue Cycle Management	Durable Medical Equipment
 Has been acquired by 	 Has been acquired by 	 Has agreed to acquire 	 Has been acquired by 

Select Provident Q3 2024 Transactions


Has partnered with

a portfolio company of


Birmingham Heart Clinic

Provident served as the exclusive advisor to Birmingham Heart Clinic (“BHC”) in its partnership with U.S. Heart & Vascular (“USHV”), a portfolio company of Ares. A leading provider of cardiovascular care and ancillary services in the greater Birmingham market, BHC is composed of 14 physicians and 16 Advanced Practice Providers that serve patients out of four clinics. Birmingham Heart Clinic joins USHV’s network of 250 cardiologists across five primary markets (AL, AZ, KS, LA and TX), gaining access to USHV’s brand recognition and regional expertise of the Southeast.


Has sold its GA, KS, MO, and OK assets to

A portfolio company of

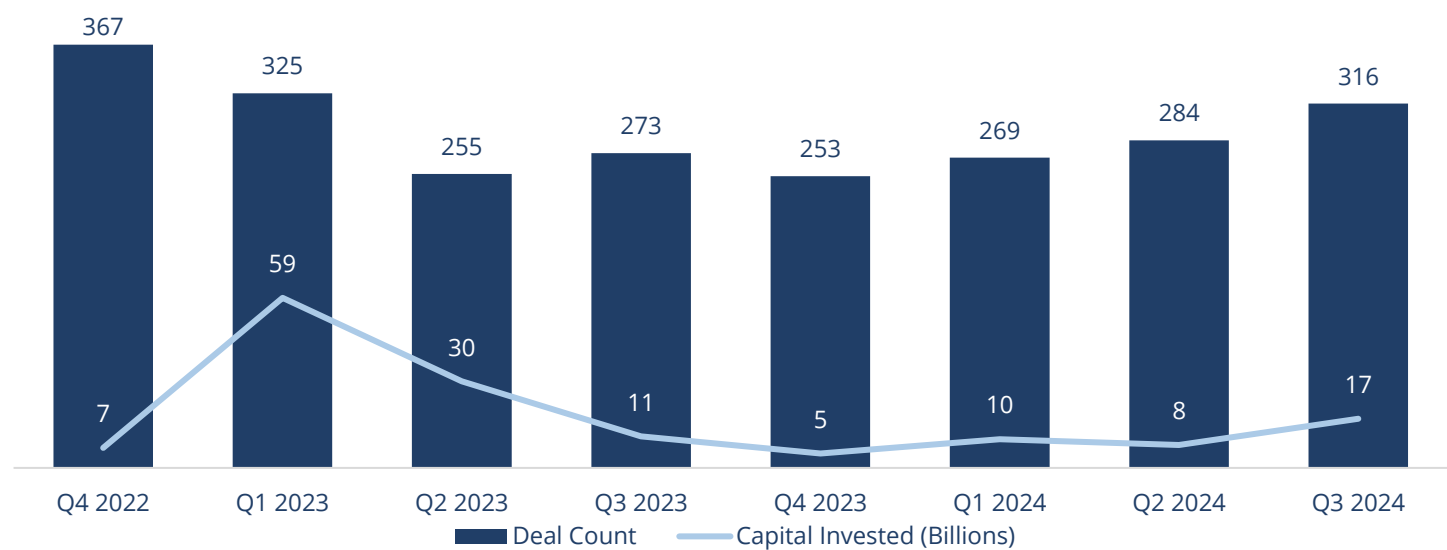

Crossroads Hospice & Palliative Care

Provident served as the exclusive advisor to Crossroads Hospice & Palliative Care (“Crossroads”) in its partnership with Agape Care Group (“Agape”), a portfolio company of Ridgemont Equity Partners. Crossroads has sold its locations in Georgia, Kansas, Missouri, and Oklahoma to Agape and will continue to operate independently in Pennsylvania, Tennessee, and Ohio.

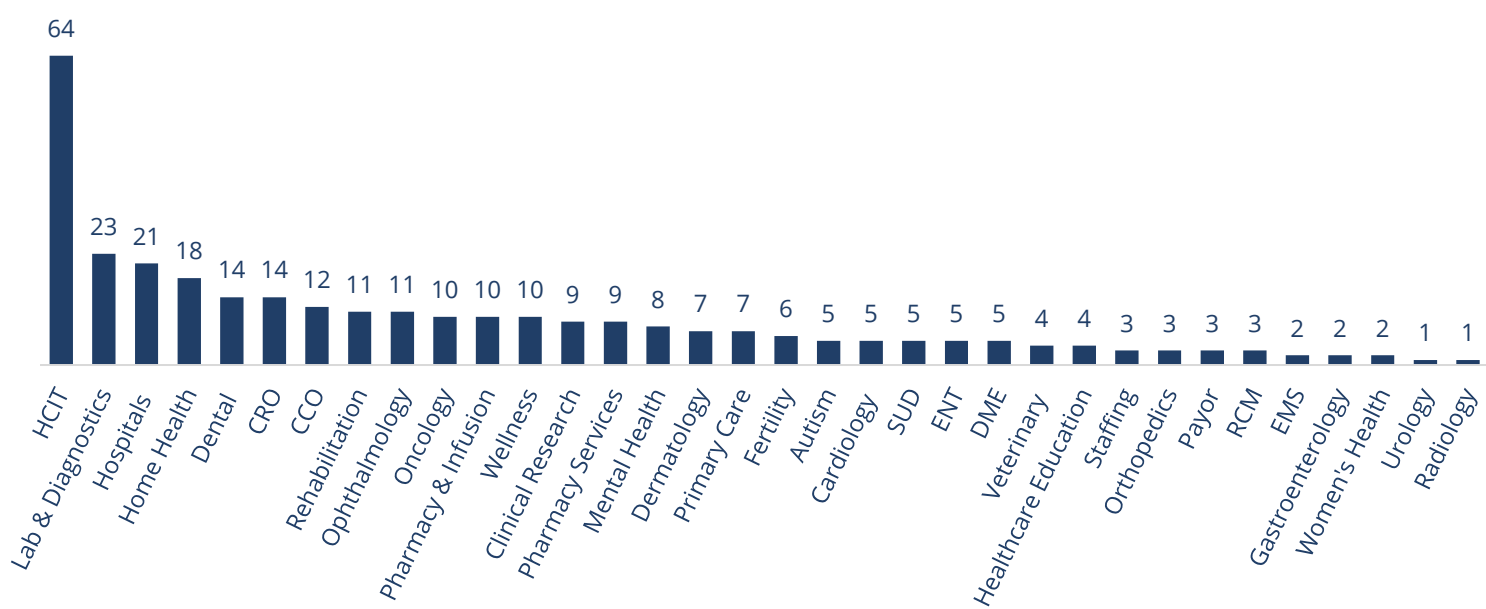
Healthcare Services M&A Deal Stratification

Increased transaction volume in Q3 2024 reflects growing investor excitement and continued M&A momentum within the healthcare services sector. Notable transactions include Quest Diagnostics’ acquisition of LifeLabs, a transaction valued at ~\$1.0BN USD, in September, and TowerBrook Capital Partners and Clayton, Dubilier & Rice’s agreement to acquire R1 RCM, a transaction valued at ~\$8.9BN USD, in August. The most active sub-sector of healthcare services continues to be HCIT, with +60 announced transaction in the third quarter.

Healthcare Services M&A Quarterly Deal Activity (Trailing 24 Months)⁽¹⁾



Healthcare Services Deal Count⁽¹⁾



(1): Data as of October 1, 2024



Behavioral Health

Trusted Healthcare Advisor

Autism Services

Q3 2024

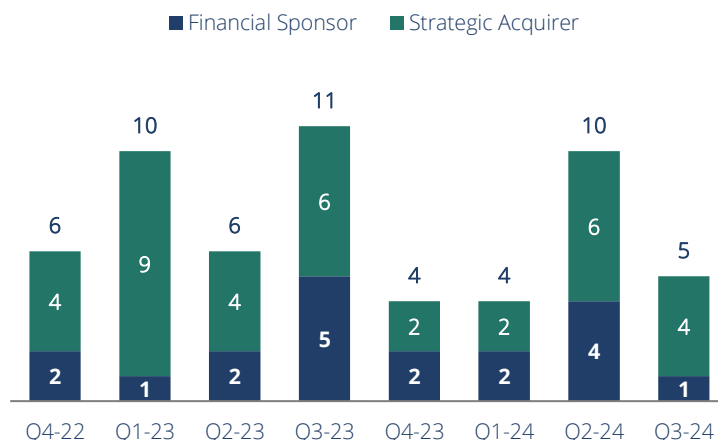
Market Update

Autism services M&A activity continued its momentum in Q3 2024, with five transactions closed, bringing the year-to-date total to 19 as of September. This sustained activity reflects strong investor interest, particularly in platform creation and strategic growth acquisitions, despite persistent challenges such as stagnant reimbursement and labor shortages.









Notably, Behavioral Health Business acquired the Autism Investor Summit, highlighting the growing importance of specialized conferences in supporting industry growth and connecting stakeholders. Additionally, 5th Century Partners announced a strategic investment into My Favorite Therapists. These deals, alongside notable transactions from earlier in the year—including the secondary buyouts of Caravel Autism Health and Behavioral Innovations—underscore the sector's growing attractiveness.

Provident expects additional private equity-backed platforms to come to market in the near term, supported by successful exits and a positive shift in market sentiment.

Quarterly Transaction Volume



Select Transactions

Month	Acquirer	Target	Deal Description
September	WTWH Media LLC		WTWH Media, the parent to Behavioral Health Business and backed by Mountaingate Capital, acquired the Autism Investor Summit from Jade Health (FKA Behavioral Health Center of Excellence).
September	CentralReach		CentralReach, a provider of autism and IDD care software, acquired Behavior Science Technology, a research-backed treatment program designed to collect, measure, and track treatment of ABA therapy.
September	 Fifth Century Partners		5 th Century Partners, a private equity firm based in Denver, announced a strategic investment into My Favorite Therapists, a Florida-based provider of comprehensive therapy to children with autism and development delays.
July	 Behavioral Framework		Behavioral Framework, the Renovus Capital-backed and MD-based provider ABA therapy, acquired Behavior Consultation & Psychological Services, a NC-based provider of clinic, home, and school-based ABA therapy.
July	 BrightPath BEHAVIOR Where every child shines.		BrightPath Behavior (FKA ABA Connect), the MBF Healthcare Partners-backed ABA provider for children with autism, acquired ABA Therapy of Houston, the TX-based provider of occupational, speech, and ABA therapy to children ages 2 to 8.

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Publications & Podcasts

Market Update

[Autism Services Market Update Spring 2024](#)

Podcast

[Building a Payor Relations Platform](#)

[Technology Advancement and its Impact on Operations & Care Delivery](#)

Mental Health

Q3 2024

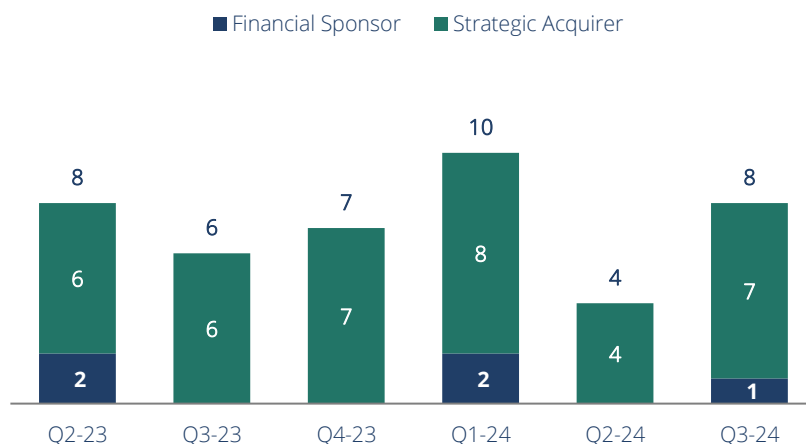
Market Update

Transaction activity within the mental health space rebounded considerably from the prior quarter, although there continued to be a lull in private equity and PE-backed deal volume as most transactions in the space involved independent, VC-backed, or non-profit buyers.

The slowdown in private equity activity can be attributed to most platforms turning inward to prioritize organic growth initiatives and operational efficiency improvement over M&A. Provident expects this trend to persist for some time, but anticipates increased deal flow in 2025 due to multiple expected sale processes as well as rate relief from the Fed.

PHP, IOP, and adolescent-focused mental health have come to the forefront as some of the most sought-after categories within the mental health vertical. Provident expects those spaces to see the most activity in the quarters to come.

Quarterly Transaction Volume



Select Transactions

Month	Investor	Target	Deal Description
September			Parker Health Group, a Piscataway-based provider of aging services, on Thursday announced it completed the acquisition of Senior Care Options Inc., an Atlantic Highlands-based organization specializing in geriatric care management, counseling and therapy services.
August			Pneuma Behavioral Health announced its partnership with Crossroads Counseling Center, an outpatient mental health practice in Hickory, North Carolina.
August			Vibrant Emotional Health, a leading non-profit organization dedicated to mental health and emotional well-being, announced its acquisition of Stars of HOPE, a renowned program of the New York Says Thank You Foundation.
August			Beacon Behavioral Partners, a leading provider of support services for behavioral health practices, announced its first partnership in Pennsylvania with the acquisition of Pittsburgh-based outpatient mental health facility, Nexus Group.
August			Lightyear Capital, a New York-based private equity firm, completed a strategic investment in CuraLinc Healthcare, a provider of employee assistance (EAP) mental health programs.
July			Boston-based Uwill, a mental health platform for colleges and students, announced it has acquired Virtual Care Group, a fellow student-focused telehealth and wellness support platform.

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Publications & Conferences

Market Update

[Behavioral Health Market Update](#)

Conference

Members of the Provident Mental Health coverage team recently attended the BHB INVEST conference in Dallas in October

Substance Use Disorder

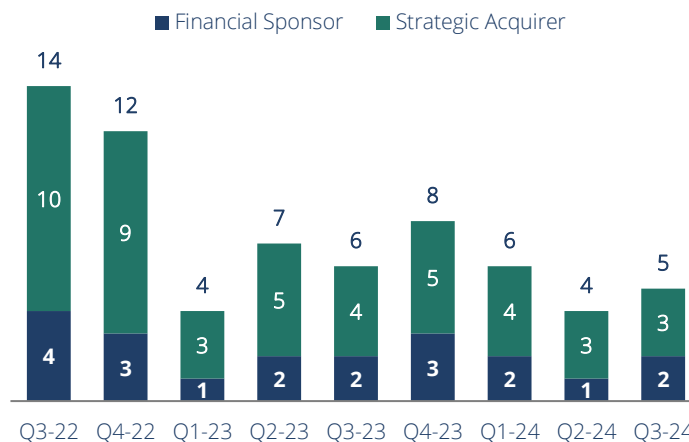
Q3 2024

Market Update





The substance use disorder (SUD) sector experienced a minimal uptick in M&A activity during Q3 2024, compared to Q2. The market is showing signs of recovery, with more reported deals in market, softening interest rates, and increased fundraising. This gradual improvement can be attributed to a combination of factors, including a stabilizing regulatory environment and adjustments in valuation expectations. Scrutiny of healthcare deals persists, but market participants have adapted their strategies to navigate these challenges. We anticipate this leading to more creative deal structures and a focus on smaller, strategic acquisitions that are less likely to trigger extensive regulatory reviews.

Provident expects a gradual increase in deal activity as we move into Q4 2024 and beyond. The convergence of seller and buyer valuation expectations, which began in Q3, is expected to continue, potentially unlocking more transaction volume. Additionally, the ongoing opioid crisis and increased public awareness of mental health issues continue to drive demand for SUD services, creating long-term growth opportunities for well-positioned providers.

Quarterly Transaction Volume



Select Transactions

Month	Investor	Target	Deal Description
August			Bradford Health Services, a leading provider of addiction treatment and recovery services, has successfully acquired Lakeview Health, a premier behavioral health provider known for its specialized programs across the Southeast.
August			Eleanor Health, an innovative outpatient addiction treatment provider, has received \$30 million in Series D financing led by General Catalyst. This significant investment will enable Eleanor Health to expand its whole-person, digital care model for opioid use disorder treatment to new geographies.
July			Pathways Recovery Centers, a provider of drug and alcohol addiction treatment, has partnered with Serenity Park Recovery Center. The acquisition of the Little Rock, Arkansas-based addiction treatment facility is the fourth addition to the Pathways Recovery network.

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Publications & Podcasts

Whitepaper

[Provident Behavioral Healthcare Market Update: Summer 2024](#)

Podcast

[Tackling the U.S. Opioid Crisis: Analyzing Medication Assisted Treatment](#)



Healthcare IT

Trusted Healthcare Advisor

Healthcare IT

Q3 2024

Market Update

In Q3-24, the healthcare information technology (HCIT) sector saw transaction activity remain relatively flat from Q2-24, though overall deal size decreased substantially. Continued activity has been driven by demand for digital health platforms, data interoperability, and operational efficiency. Companies offering telehealth, AI-driven analytics, and cloud-based solutions have remained prime acquisition targets as healthcare organizations seek scalable, integrated systems to enhance care delivery and streamline workflows. The shift to value-based care has also fueled acquisitions, especially in areas like RPM and predictive analytics, with buyers focusing on companies that can deliver cost savings and improved patient outcomes through advanced technology solutions.

Provident anticipates that the innovation and growth in the HCIT sector seen during Q3-24 will continue to fuel strong deal activity through the end of the year. This sustained momentum highlights the sector's attractiveness for ongoing investment opportunities.

Notable Transaction

LetsGetChecked, a global healthcare solutions provider, acquired Truepill, a digital pharmacy platform, to further strengthen its end-to-end home healthcare services. This move enhances LetsGetChecked's capabilities in diagnostics, virtual care, and prescription fulfillment, which manages the entire healthcare journey from testing to treatment. Truepill's infrastructure will provide better accessibility and continuity of care, particularly in home health management.



Select Transactions

Month	Investor	Target	Deal Description
September	MedeAnalytics	SubPop.Health	MedeAnalytics, a healthcare enterprise data enrichment platform and analytics SaaS leader, acquired SubPop health with key assets specializing in fiduciary procurement marketplaces for employer health care benefits.
September	EIR PARTNERS	PharmaForce IQ	Eir Partners announced a majority recapitalization of PharmaForceIQ, an AI-driven precision omnichannel orchestration and measurement service to pharmaceutical and life sciences companies.
September	OneOncology	Navigating Cancer	Navigating Cancer, a leading comprehensive patient engagement and care management platform, was acquired by OneOncology.
August	HealthCatalyst	Lumeon	Health Catalyst, a provider of data and analytics technology for healthcare organizations, acquired Lumeon, a leading digital health solutions provider.
July	QuVa PHARMA	LogicStream HEALTH	QuVa Pharma acquired LogicStream Health, a leading SaaS informatics platform providing market-leading, cloud-based intelligence to healthcare system pharmacies.

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Revenue Cycle Management

Q3 2024

Market Update

In Q3 2024, M&A activity in RCM remained robust, attracting considerable interest from private equity and strategic buyers. Increasing labor and supply costs, along with complex billing procedures and a heightened emphasis on patient experience, have amplified the demand for RCM services so far this year. This has allowed established RCM platforms to leverage their existing technologies and client bases to enhance operational efficiencies of potential acquisition targets.

Although the RCM market has experienced some consolidation, it remains largely fragmented, providing ample opportunities for private equity and strategic operators to invest. As these players look to increase their market share, they may pursue additional technology acquisitions or expand into new specialties. Provident anticipates that as more platforms explore M&A options in the coming months, the demand for differentiated RCM providers will lead to higher valuations and a focus on innovative growth strategies.

Notable Transaction


In August, R1 RCM announced its entry into a definitive agreement to be acquired by TowerBrook Capital Partners and Clayton, Dubilier & Rice in a cash transaction valued at approximately \$8.9 billion, a 29% premium to the Company's closing price prior to the first offer made by New Mountain Capital preceding TowerBrook & CDR's successful bid.

Following the deal's completion, R1 will transition to a private company, with its shares ceasing to trade on Nasdaq. The acquisition is expected to close by the end of the year, pending shareholder and regulatory approvals.

TowerBrook and CDR plan to continue R1's vision as the premier RCM automation platform.



Has partnered with



August 2024

Select Transactions

Month	Acquirer	Target	Deal Description
September			<p>New Mountain Capital has announced the merger of The Rawlings Group, Apixio's Payment Integrity business, and VARIS to create a new back-end RCM platform.</p> <p>This new entity will harness each company's expertise in AI and analytics to improve payment accuracy and address inefficiencies in claims management. By streamlining the payment process and reducing administrative hurdles, the platform aims to save costs and enhance efficiency.</p>
September			<p>Arsenal Capital Partners signed a definitive agreement to acquire Knowtion Health, a leading provider of revenue cycle insurance claim resolution services driven by AI technology, from Sunstone Partners.</p> <p>Knowtion Health offers cutting-edge solutions that assist hospitals in resolving complex insurance claims, recovering low-balance accounts, and maximizing revenue. Knowtion improves the efficiency of claim denial management with an AI-powered platform, ClaimBRAIN.</p>

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Publications & Podcasts

Market Update

[RCM Whitepaper \(as of October 2024\)](#)



Outsourced Services

Trusted Healthcare Advisor

Durable Medical Equipment

Q3 2024

Market Update

M&A activity across the DME sector accelerated meaningfully in Q3 as several notable transactions were completed with a robust pipeline expected to bolster deal volumes throughout the balance of Q4 and into 2025. DME platforms who have built market share through sustainable growth, patient retention, and strong management infrastructure continue to be well-positioned to attract interest from the private equity and strategic investor community.

The M&A environment received a boost with the Federal Reserve's 50 basis point interest rate reduction which should improve the lending environment and support strong valuation multiples. An easing credit market figures to improve the exit environment for PE-backed platforms reportedly seeking new capital partners, such as National Seating & Mobility (Cinven), while improving access to debt financing for add-on acquisitions, two key drivers of dealmaking activity.







Notable Transaction

Owens & Minor (NYSE: OMI) has agreed to acquire Rotech, one of the largest privately held DME businesses nationwide, in a landmark transaction for \$1.36 billion in cash. This represents a 6.3x EBITDA multiple before accounting for any revenue or expense synergies and capital expenditures.

This acquisition represents a meaningful continuation of OMI's push into the patient direct market following its \$1.6 billion acquisition of Apria in March 2022. The deal underscores a continued focus of strategic acquirers such as Cardinal, McKesson, and Henry Schein towards delivering a broad range of medical products to treat patients in home-based settings.



Select Transactions

Month	Investor	Target	Deal Description
September			Gericare Medical Supply, a portfolio company of Silver Oak Services Partners, has acquired DDP Medical Supply, one of the largest medical supply distribution networks targeting post-acute and home care providers nationwide. Both companies will maintain their existing brands while benefitting from the increased scale and combined resources of the broader platform to deliver its services to a growing customer base.
August			AdaptHealth (Nasdaq: AHCO) has divested certain Complex Rehab Technology assets to National Seating & Mobility, amidst a strategic initiative focused on its core markets of sleep, respiratory, and diabetes. This decision follows recent leadership turnover at AdaptHealth with Suzanne Foster being named CEO, replacing interim CEO Richard Barasch, in April 2024.
July			AA Medical, a leading supplier of refurbished medical equipment, has acquired Surgical Product Solutions (SPS). The partnership will enable AA Medical to tap into SPS's product portfolio concentrated in surgical consumables and become an increasingly diversified and comprehensive provider of medical supplies to hospitals and health systems.

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Healthcare Staffing

Q3 2024

Market Update

Similar to prior quarters, healthcare staffing transaction activity remained quiet in Q3. Investors continue to remain cautious surrounding platforms which have limited technology, MSP or VMS exposure, recruiter productivity concentration or a lack of customer diversification. Provident however believes that there is consolidation activity potential in the coming quarters given the normalization of volumes and rates in the sector and the fact that many sponsors have held staffing assets well beyond their typical hold periods. Further evidence of this pent-up desire for exits is supported by the number of processes that went on hold during 2022 and 2023 as the market softened coming out of the pandemic era.

Provident believes that groups will continue to seek differentiated platforms within several markets, such as locum tenens (i.e. CRNAs, APs, NPs) and tech-enabled platforms that have either credentialing or scheduling modules that promote recruiter efficiency.





Notable Transaction

In August, Triage Staffing announced its acquisition of RTG Medical, which is comprised of nursing, long-term care, and allied health divisions. The companies are intimately familiar with one another, having co-existed in the greater Omaha, NE market for over 20 years.

The transaction is likely a synergy and/or density play for Triage given the proximity to one another and the fact that the partnership provides for a deeper pool of nursing talent, clientele, and recruiters. The deal also reflects the growing demand for specialized professionals within radiology, lab, rehab, and cardiology service offerings, which is a theme that's expected to continue in the consolidation of healthcare staffing.



Select Transactions

Month	Buyer	Target	Deal Description
September			Health Advocates Network, a national provider of healthcare staffing solutions, acquired WorkSquare Healthcare Staffing Solutions, a South FL-based provider of travel nurse services. The transaction marks Health Advocate Network's fifth acquisition since 2020.
July			GQR, a global workforce solutions firm, completed the acquisition of Uniti Med, a premier healthcare staffing provider specializing in travel nursing and locum tenens. The transaction will enhance GQR's national coverage, enrich talent pools, and diversify its client base.

Comparable Healthcare Staffing Multiples¹

Company	Ticker	EV	Revenue	TTM EBITDA	EV/REV	EV/EBITDA
Cross Country	Nasdaq: CCRN	\$349.0M	\$1.6B	\$71.6M	0.2x	4.9x
AMN	Nasdaq: AMN	\$2.6B	\$3.2B	\$419.2M	0.8x	6.3x

1. Statistics for Cross Country and AMN sourced from PitchBook as of 10/3/2024

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Conferences

Executive Forum & Staffing Summit

Provident is attending the SIA Staffing Summit in Arlington, Texas from November 6-8, 2024

Laboratory & Diagnostics

Q3 2024

Market Update

The Laboratory & Diagnostics sector in Q3 2024 continued to navigate the regulatory uncertainty surrounding Laboratory Developed Tests (LDTs), with the ACLA's lawsuit against the FDA remaining unresolved. This ongoing legal battle prompted major players to increase investment in compliance and regulatory affairs departments. M&A activity in the sector showed signs of recovery, with a modest increase in deal flow compared to Q2. National laboratories, such as Quest Diagnostics and LabCorp, maintained their strategy of acquiring small hospital laboratory assets to expand their geographic footprint. Additionally, the sector experienced growing interest in genetic testing and direct-to-consumer testing markets, driven by advancements in precision oncology and increasing demand for early diagnostic tests.

Overall, while challenges remain, the outlook for M&A in the Laboratory & Diagnostics sector appears cautiously optimistic for Q4 2024 and beyond, with expectations of increased deal flow and strategic consolidation by large players in the space.

Lab and Dx Public Comparable Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$23.6B	\$12.5B	\$2.1B	1.9x	11.0x
Quest Diagnostics	DGX	\$21.5B	\$9.6B	\$1.8B	2.3x	11.7x
Eurofins	ERF	\$14.8B	\$7.3B	\$1.5B	2.0x	9.6x
Hologic	HOLX	\$18.7B	\$4B	\$1.2B	4.7x	15.9x

Select Transactions

Month	Investor	Target	Deal Description
Sept.			Quest Diagnostics, has completed its acquisition of select laboratory assets from Allina Health. This strategic move aims to enhance access to high-quality and affordable laboratory services for healthcare providers and patients in Minnesota and western Wisconsin.
Aug.			Quest Diagnostics has acquired LifeLabs from OMERS. The transaction, valued at approximately, \$1BN USD, marks a significant expansion of Quest's reach in the Canadian market. This strategic move not only strengthens Quest Diagnostics' position in the North American diagnostic services space, but also promises to bring advanced diagnostic capabilities and innovation to Canadian patients.
Aug.			Versant Diagnostics, a leading provider of pathology services, has announced a strategic partnership with Cutaneous Pathology, a renowned dermatopathology practice. This partnership marks a significant expansion of Versant's dermatopathology capabilities and geographical reach in the Southeast.

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Payor Services

Q3 2024

Market Update

M&A activity in the payor services sector remained consistent with the prior quarter, with two platform and one add-on acquisition. Companies are increasingly focusing on digital transformation to enhance operational efficiency. Recent transactions underscore how firms are aligning their strategies to leverage digital tools, including Medlogix's acquisition of ReviewWorks, which expands their capabilities in medical claims management, and Surescripts' partnership with TPG, aimed at enhancing health information solutions.

Investments in automation and AI, such as automated prior authorization, AI chatbots, and targeted member messaging, are crucial for improving member experience and streamlining processes. As the sector evolves, Provident expects continued consolidation and growth driven by these technological advancements.

Notable Transaction




Medlogix, Excellere Partner's claims management platform, acquired ReviewWorks, a provider of cost containment and disability management services.

This acquisition strengthens Medlogix's portfolio by adding ReviewWorks' expertise in managing complex claims and cost containment strategies, fortifying Medlogix's offerings for payors, claims administrators, and employers.

With this acquisition, Medlogix will integrate ReviewWorks' medical review and disability management services into its existing platform, creating synergies that will streamline claims processing and improve outcomes.



Select Transactions

Month	Acquirer	Target	Deal Description
September	 TPG		<p>Surescripts received a majority investment from private equity fund TPG. Surescripts serves health plans, analytics vendors, pharmacies, and health systems to improve decision making and reduce costs along the healthcare continuum.</p> <p>This investment will enable Surescripts to expand its suite of solutions aimed at tackling critical healthcare challenges. With TPG's support, Surescripts will be able to scale its intelligent prescribing, benefits and authorizations, and clinical interoperability services, helping to streamline processes that reduce clinician burnout, improve access to affordable medications, and strengthen the role of pharmacists in care teams.</p>
August			<p>Consello Capital acquired EHE Health, the leader in providing preventive healthcare to employees. EHE Health partners with employer funded health plans to reduce costs and help employees and their beneficiaries live healthier lives. The company offers preventive care exams through a nationwide network of 200+ clinics and physician practices.</p>

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Pharma Services & Pharmacy

Trusted Healthcare Advisor

Infusion Services

Q3 2024

Market Update

The infusion therapy market continues to undergo significant expansion pushed by various drivers and a notable transition toward the outpatient setting. Hospitals currently comprise 55% of the estimated \$120B infusion service market, but that percentage is expected to diminish in the years to come as primarily the ambulatory and home infusion settings gain market share. To stem the losses, there's a growing trend of hospital joint ventures with private infusion care providers, allowing the hospital retain a portion of this revenue and infusion providers to selective gain access to 340B drug pricing. Investors are capitalizing on sector tailwinds including an aging population, an increase in chronic diseases including cancer and diabetes, and a growing pipeline of infusible therapies in line for FDA approval.

Transaction activity in Q3-24 remained strong with several notable transactions closing, including platform developments, strategic add-ons, and a private equity exit.

Notable Transaction

Vital Care Infusion Services, a leading franchisor of infusion therapy pharmacies, received a strategic investment from Berkshire Partners and Leonard Green & Partners. Linden Capital, which invested in Vital Care in 2020, remains an ongoing investor in the Company.

Vital Care is dedicated to providing high-quality, safe, convenient, and cost-effective infusion therapy services for chronic and acute patients across its 160 infusion pharmacy locations in 35 states.

The entry of new investors is expected to bolster Vital Care's network to reach new geographies and improve patient access, while maintaining high-quality care and clinical outcomes.



Select Transactions

Month	Investor	Target	Deal Description
September			Dynamic Infusion acquired Columbus Specialty Nursing, based in Ohio, and ProNurse HomeCare & Infusion, based in Virginia. Together these transactions expand Dynamic's reach for providing home infusion nursing services to five additional states. The acquisitions extend Dynamic's coverage for patients and aligns well with its growth-oriented strategy to become the nation's leading platform for home infusion nursing services in support of its client pharmacies.
July			Access Infusion Care, backed by New Harbor Capital, acquired Big Sky IV Care, a provider of home and specialty infusion services in Montana. The Company offers a wide range of infusion therapies, including specialty medications, antibiotics, and total parenteral nutrition for chronically ill patients in the home and infusion suite settings. The acquisition marks Access' first add-on in partnership with New Harbor and is a key part of its broader strategy to align with high-quality infusion providers in underserved areas with diversified therapy offerings and delivery settings.
July			Infusion Associates, formerly backed by Boyne Capital, was acquired by Vivo Infusion, a portfolio company of InTandem Capital Partners. Infusion Associates, headquartered in Grand Rapids, Michigan, is a leading provider of ambulatory infusion services across the Midwest region. The Company specializes in long-term treatment of chronic health conditions across a range of therapeutic areas.

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Provident Whitepapers & Publications

Provident Whitepaper

[Consolidation Trends within Infusion Therapy](#)

[Private Equity Investment in Infusion Services](#)

Clinical Research Sites

Q3 2024

Market Update



Clinical research sites remain one of the most active M&A sectors across all of healthcare services, although saw volume of deals remain relatively flat compared to Q2-24. Compared to many other healthcare services sub-sectors, clinical research platforms remain highly attractive to private equity firms. Strong industry tailwinds (e.g., high margins, cash rich pharma and biotech sponsors) and ability to bolster many operational levers on both the revenue and expense side of the equation (e.g., increased contract values, centralized corporate functions, economies of scale) allow private equity investors flex their business acumen, while allowing investigators to focus on providing care to their patients. As the cost of capital continues to fall, there could be accelerated deal volume, especially given the competitiveness and valuations research businesses are demanding right now. Good assets, especially those of scale, still command multiples in the high-teens to low-twenties, thus making financing these deals critical to the success of the platform and return on equity for investors.

Notable Transaction

Flourish Clinical Research (formerly backed by NMS Capital), a leading multi-site clinical trial organization focused on cardiovascular, metabolic, neuroscience, and infectious disease therapeutic areas among others, received a strategic majority investment from Genstar Capital. Headquartered in Apex, NC, Flourish has a network of 24 sites and 150 investigators that conduct studies spanning all phases of clinical trial research. Its industry leading data analytics, tools and systems, has allowed Flourish to differentiate itself by increasing speed, quality, and patient diversity. Genstar plans to continue to scale the business via new contracts with pharma and biotech sponsors, coupled with de novo and M&A expansion to become a national integrated site platform.



Select Transactions

Month	Investor	Target	Deal Description
September			Pinnacle Clinical Research, a portfolio company of LongueVue Capital, acquired Jubilee Clinical Research, a multi-therapeutic site based in Las Vegas, NV. The acquisition strengthens Pinnacle's expertise in metabolic and cardiovascular diseases and expands the Company's footprint to the West Coast. Jubilee's indication focus not only complements that of Pinnacle, but also expands the Company into additional therapeutic areas with new pharmaceutical relationships.
August			Founded in 1994, Tidewater Clinical Research is a leading site that has been at the forefront of women's health and ophthalmology in Eastern Virginia. Tidewater has 97,000 patients and brings Eximia's total patient volume to nearly one million patients nationwide. The strategic partnership allows Eximia to tap into Tidewater's longstanding expertise in its respective therapeutic areas while Tidewater benefits from Eximia's extensive trial experience and resources.
July			Alcanza Clinical Research, backed by Martis Capital, acquired Accel Research Sites Network, a multi-specialty network headquartered in FL, with additional sites in Alabama and Georgia. Accel's network of 22 sites includes eight clinical research units and 14 embedded sites strategically placed in healthcare settings across the Southeast U.S. The addition of Accel to the Alcanza network allows the company to operate at greater scale and therapeutic specialization to reach more patient populations who are not traditionally represented with research participation opportunities.

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Pharmaceutical Commercialization

Q3 2024

Market Update

Q3-2024 presented similar transaction volume to the second quarter of the year, and heightened levels relative to 2023 activity. Following the Federal Reserve's September rate cut, more favorable capital markets and increased private equity interest continue to lay a foundation for accelerated add-on activity and additional platform creations.

As global lending markets continue to open with more favorable pricing, pharmaceutical companies and biotech operators are likely to take advantage of borrowing conditions to finance expansion and invest in drug development initiatives, thereby increasing the demand for outsourced commercialization services. In response, commercialization firms are striving to differentiate themselves by specializing in niche areas that will attract reliable wallet share from pharmaceutical and biotech clients. M&A will continue to play a critical role as companies pursue strategic partnerships aimed at creating integrated, full-service models in an increasingly competitive market.

Notable Transaction

In September, PharmaCord (the "Company"), a leading provider of patient services and commercialization solutions, announced that funds advised by Permira have completed an investment in the Company.

PharmaCord operates with the mission to simplify the patient therapeutic journey for drug manufacturers through advocacy, pricing, and adherence efforts. The partnership will enhance PharmaCord's ability to improve patient access and therapy adherence for over 100 active pharmaceutical products and drugs while providing additional resources for operational expansion and tech-enabled transformation.



Select Transactions

Month	Acquirer	Target	Deal Description
September			Danforth Advisors, a provider of financial and strategic consulting for life science companies, acquired Advyzom, a leading pharma regulatory affairs consultant.
September			Citrus Health Group, a NaviMed platform, acquired Mirador Global, an evidence development firm specializing in forecasting strategies and enhancing client access to market planning.
August			Petauri, Oakhill Capital's full-service platform, acquired Blueprint Oncology, Cogency, Verascity, and Blendworks from the Brightly Network, strengthening its medical communications expertise in oncology, hematology, and rare diseases.
July			Datapharm, a leader in medicines information, acquired Original Digital, a catalyst in SRD search technology, expanding its global access to critical healthcare data.
July			JPA Health, a distinguished public relations and marketing agency, expanded its global reach through the acquisition of AKT Health, an award-winning communications agency.
July			IntegriChain, backed by Nordic Capital, acquired Federal Compliance Solutions, a leading government pricing and contracting advisory firm.

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Publications & Podcasts

Market Update

[Outsourced Pharmaceutical Commercialization Market Update](#)

Contract Research Organizations

Q3 2024

Market Update

M&A activity within the Contract Research Organization ("CRO") sector saw slightly depressed transaction volume in Q3-2024, although, a strengthening macroeconomic environment signals an uptick in Q4-2024 and the duration of 2025.

Pharmaceutical companies have long been primary clients for CROs; however, biotech and emerging pharma companies are increasingly driving market growth from a spending perspective, highlighting the evolving role of smaller, more agile players in the broader healthcare ecosystem.

The recent surge in biotech Initial Public Offerings, following a two-year slump, signals accelerated drug development efforts in the coming years. This resurgence points to increased investor confidence and a robust pipeline of research initiatives. As these companies advance, the demand for CRO services is expected to grow substantially.

Notable Transaction

In September, Scantox, alongside its majority owner Impilo, completed the acquisition of Gentronix, a UK-based GLP-compliant genetic toxicology CRO.

The transaction significantly enhances Scantox's service offering, allowing it to better meet client demand for pre-IND enabling studies. Gentronix is recognized for its high-quality genetic toxicology services and strong scientific engagement. With the integration, Scantox aims to position itself as a premier one-stop-shop CRO partner, utilizing Gentronix's extensive portfolio of genotoxicity assays to support the development programs of clients in the pharmaceutical and biotech sectors.



Has partnered with



September 2024

Select Transactions

Month	Investor	Target	Deal Description
September			PharmaLegacy Laboratories, a provider of in vitro and in vivo preclinical drug development and contract research services, acquired BTS research, a California-based pre-clinical CRO.
July			Emmes Group, New Mountain Capital's leading specialty tech-enabled CRO platform, entered a strategic partnership with Miimansa AI to acquire its proprietary Clinical Entity Modeling tools.
July			Ora, a leading ophthalmic CRO, has been recapitalized by The Vistria Group to enhance its position as the preferred clinical research partner for ophthalmic innovators.
July			P95, a portfolio company of Ampersand Capital, acquired 4Clinics, a CRO providing specialized services for clinical and epidemiological studies. The partnership will expand P95's global reach and strengthen its capacity to provide full-scale CRO services.

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Physician Practice Management

Trusted Healthcare Advisor

Cardiology

Q3 2024

Market Update

The cardiology sector saw a few notable transactions close in the third quarter of 2024, including two transactions closed by Provident. Established cardiology platforms have continued to show an appetite for new market expansion through partnerships with sizeable groups and through add-on acquisitions of in-state practices.

Provident is aware of multiple cardiology deals that are in process across the country with incremental deal closings expected in Q4. While transaction activity will undoubtedly slow down from the fury of closings in the initial quarters of platform formation and expansion, large independent cardiology practices will continue to command high valuations given their scarcity in the market and the number PE-backed MSOs already established in the specialty.

Notable Transaction

Delaware Cardiovascular Associates (DCA), the largest independent cardiology group in Delaware by provider count, partnered with an undisclosed investor-backed MSO in September 2024.

DCA has established itself as a leading provider for cardiology services in the region, with 20 providers and 8 clinics operating across three distinct regions that cover the state of DE. This partnership provides the PE-backed MSO with a large footprint in the state after a partnership with a similarly-sized practice earlier in 2024. Provident Healthcare Partners served as exclusive financial advisor to Delaware Cardiovascular Associates.




**DELAWARE
CARDIOVASCULAR
ASSOCIATES**

Partnered with

**Undisclosed
Investor**

September 2024¹

Select Transactions

Month	Acquirer	Target	Physicians	Locations	States
September	Undisclosed Investor	 DELAWARE¹ CARDIOVASCULAR ASSOCIATES	12	9	DE
August	 CARDIOVASCULAR ASSOCIATES OF AMERICA	 NOVOLINK <small>A DIVISION OF CVAUSA</small>	n/a	n/a	FL
August	 USHV <small>US HEART & VASCULAR</small>	 BHC¹ BIRMINGHAM HEART CLINIC	14	4	AL
July	 NYU Langone Health	 Florida Cardiology Group LLC	2	1	FL

1) Provident served as exclusive financial advisor

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Dental Services

Q3 2024

Market Update

M&A activity within the dental services sector remained consistent with recent quarters. Two sizeable recapitalizations were completed, large and mid-sized DSOs continued executing on high-volume add-on strategies, and many dental businesses continued to improve their operations and begin refocusing on M&A.

The two most notable transactions of Q3-2024 were ProSmile's acquisition of Destiny Dental, a sponsor-owned pediatric-focused DSO with 20 locations in the Midwest, and Main Post Partners' recapitalization of Platinum Dental Services, a 37-location DSO concentrated in the Mountain West. These transactions highlight the increasing ability of both sponsors and DSOs to complete transactions with mid-sized groups, facilitated by the improving credit market. We expect additional large recapitalizations to be announced in the coming weeks and finalized in Q4.

Many existing DSOs maintained strong momentum with smaller single-location and group practice M&A targets, including groups such as Heartland, MB2, and GPS Dental. Specialty-focused groups led this activity, with an increased level of transactions completed with pediatric and orthodontic practices led by DSOs such as beBright, ProSmile, Smile Doctors, Southern Orthodontic Partners, and Vitana Pediatric & Orthodontic Partners.

From an operational perspective, dental practices continue to emerge from the inflationary pressures of the last two years at different rates. Numerous large DSOs have noted a flattening of wage growth among hygienists and dental assistants, general maintenance of patient volumes compared to 2023, and long-awaited increases in reimbursement from select PPO insurers to reflect an increased cost profile. Coupled with decreased debt service costs, many DSOs are well positioned to shift their focus back to M&A. However, Provident also observed select DSOs that were unable to weather the storm and elected to consider distressed, strategic options with their creditors.

Select Transactions

Month	Investor	Target	Location(s)	State(s)
July			1	Southwest
July			1	Southeast
July		4 Orthodontic Practices	15	East
August			20	Midwest
September			37	Mountain West

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Dermatology

Q3 2024

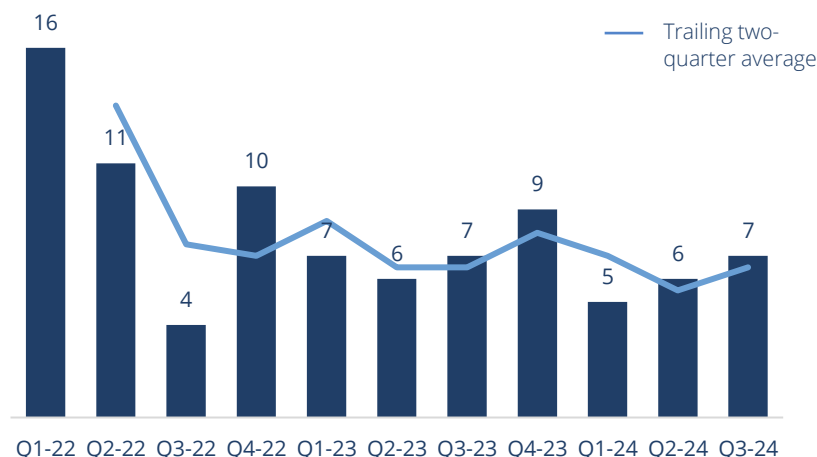
Market Update

The dermatology space continues to see steady transaction volume, albeit at a much slower pace than recent years. The sector has been characterized recently by strategic add-on activity with the majority of deals closed by only a handful of PE-backed consolidators.













PE-backed platforms on their second and third iteration of private equity have been the most active buyers over the last few years. Provident expects that trend to remain and expects that platforms will continue to merge and partner with one another to build scale and regional density in select markets.

Given the trajectory of interest rates, as well as the late stage in the dermatology investment cycle, Provident expects deal volume to experience an upturn over the next few quarters and into 2025.

Quarterly Transaction Volume



Select Transactions

Month	Investor	Target	Physician(s)	Location(s)	State(s)
September			1	1	WA
September			3	3	KY
August			3	1	TX
July			2	1	MA
July			4	2	PA
July			8	6	FL, TX
July			3	1	FL

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Emergency Medicine Services

Q3 2024

Market Update

The Emergency Medicine Services (EMS) sector experienced subdued transaction volumes in Q3 2024. However, on a broader scale, demand in the space remains strong, with a projected CAGR of 9.5% from 2023 to 2030. This growth is driven by rising demand for emergency care, increasing trauma cases, and growing healthcare expenditure.

While the Senate investigation into PE-backed emergency departments continues, Gov. Newsom's veto of Bill 3129 which scrutinized PE investment in emergency healthcare, marks a significant win for deal sentiment in the sector nationwide.

The urgent care sector continues to be a focal point for investment within the EMS landscape, maintaining its strong growth trajectory from previous quarters. Investors are targeting suburban and rural areas as well as specialized urgent care offerings like pediatrics to enhance care availability in medically underserved communities.

Notable Transaction





AmeriPro Health, an Atlanta-based provider of patient logistics and last-mile healthcare delivery services, has announced the acquisition of Rapid Response EMS of Michigan. This transaction expands AmeriPro's customizable suite of services, including 911, inter-facility medical transportation, and critical care transport, to several cities in Michigan.

This acquisition marks AmeriPro's entry into the Michigan market, it's eighth state to date. As part of the acquisition, AmeriPro is upgrading Rapid Response's fleet with 18 new ambulances. Leadership, along with all 200 Rapid Response employees have joined the AmeriPro brand post-close. The company aims to optimize patient experiences and decrease ambulance response times in Michigan.

Rapid Response EMS of Michigan
Has been acquired by

August 2024

Select Transactions

Month	Investor	Target	Sub-Sector	Deal Description
July			Urgent Care	PM Pediatric Care, the nation's largest provider of specialized pediatric urgent care, has announced the acquisition of 10 urgent care sites in Florida from Pediatrix Medical Group. The deal aligns with PM Pediatric Care's growth strategy, bringing its total network to nearly 90 offices across 15 states. By combining Pediatrix's established reputation with PM Pediatric Care's resources and expertise, the company aims to enhance patient care and expand its service offerings.
June			Urgent Care	CRH Healthcare, a leading operator of urgent care clinics, has expanded its presence in Georgia with the acquisition of Reddy Urgent Care. This strategic move brings CRH Healthcare's total number of locations across Georgia to 68, further solidifying its presence in the state. The company's growth strategy includes both acquisitions and new clinic openings, with plans for additional locations in the near future.

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Gastroenterology

Market Update

In the third 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.

There are still practices of scale that have yet to transact which will be attractive acquisition targets for the existing GI platforms. Provident closed a transaction this quarter advising Albany Gastroenterology Consultants in their partnership with an undisclosed strategic acquirer. This marketing process was highly competitive and garnered interest from a broad list of strategic acquirers, evidence that while transaction volume has slowed, buyer interest remains strong.

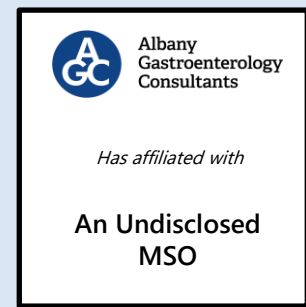
For the remainder of the year, Provident expects continued add-on activity and one or two secondary transactions where existing platforms complete a recapitalization. We have also seen consolidators that have traditionally been single-specialty looking to diversify into adjacent specialties. This market shift toward multispecialty platforms will provide a larger buyer pool to Independent practices as well as established platforms looking to recapitalize.

Provident Transaction

In Q3 2024, Albany Gastroenterology Consultants partnered with an undisclosed private equity backed MSO. Provident acted as the exclusive financial advisor to Albany GI as part of this transaction. Albany GI is one of the largest providers of digestive services in the upstate New York market with a provider base of 32 physicians and midlevel providers. Albany GI operates out of two main office locations and an eight-room ASC. This transaction represented a new market entry for the buyer, up to this point there had been no private equity activity for GI practices in the upstate NY market.

This marks Provident's ninth successfully closed transaction within the GI sector, making our firm the most active advisor to GI practices in the middle market. Provident is also working on a sizeable transaction in the Southern US that we expect to announce in Q4.

Q3 2024



July 2024

Select Announcements & Transactions:

Announcements:

September	u.s. digestive health	In September, USDH announced that it had agreed to a five-year contract with Highmark, ensuring in-network access for Highmark members in PA and DE. This announcement is evidence that as GI practices grow their scale enables greater negotiating power with payors, something that independent groups were previously unable to do.
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Month	Acquirer	Target	Physicians	Locations	State
July	Undisclosed	 Albany Gastroenterology Consultants	23	3	New York

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Oncology

Q3 2024

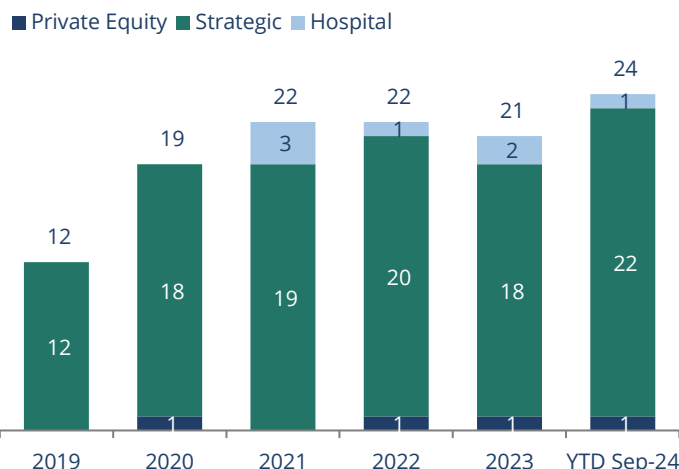
Market Update

Transaction activity in oncology practice management has maintained its rapid pace, with 10 closed transactions in Q3 2024, bringing the year-to-date total to 24.

Investor interest remains robust, with consolidators such as OneOncology and The US Oncology Network closing five and four transactions, respectively. A notable transaction includes OneOncology's acquisition of United Urology Group from Audax Group, further strengthening OneOncology's position within the cancer care ecosystem. Additionally, Cardinal Health's acquisition of Integrated Oncology Network from private equity firm Silver Oak Services Partners marks a significant milestone. Now, each of the three largest pharmaceutical wholesalers has ownership stakes in community oncology practices, signaling their commitment to vertical integration and managing drug spending in oncology therapeutics.

With the launch of a new platform, Provident anticipates intensified competition for add-on acquisitions. For groups that may not meet platform criteria, the growing pool of buyers presents an opportunity to explore additional partnership options.

Annual Transaction Volumes



PHP Transactions

August


Hudson Valley Cancer Center
HOPE BEGINS HERE


Provident represented Hudson Valley Cancer Center, a five-physician practice serving patients at three locations, and Lowcountry Oncology Associates, a six medical oncology practice, in partnerships with OneOncology.

July

Select Transactions

Month	Investor	Target	Deal Description
September	CardinalHealth	Integrated Oncology Network	Cardinal Health, a pharmaceutical distributor, announced the acquisition of PE-backed Integrated Oncology Network, a community oncology network with 50+ locations across 10 states.
September	OneOncology	Nashville Breast Center NavigatingCancer	OneOncology partnered with (i) Nashville Breast Center (via Tennessee Oncology), a premier Tennessee-based facility dedicated to comprehensive breast health, and (ii) Navigating Cancer, a comprehensive patient engagement and care management platform.
September	The US Oncology Network	Illinois CancerCare, PC Specializing in Cancer and Blood Disorders	The US Oncology Network acquired Illinois CancerCare, a Central Illinois-based community oncology practice with 21 physicians across 14 locations.
August	The US Oncology Network	Florida Cancer Specialists & Research Institute Tennessee Cancer Specialists	The US Oncology Network announced the acquisition of (i) Florida Cancer Specialists, a Florida-based community oncology practice with 250+ physicians across 100+ locations, and acquired (ii) Tennessee Cancer Specialists, a provider of community oncology care with 15 physicians and 45 APPs.
August	OneOncology	United Urology Group	OneOncology announced the acquisition of PE-backed United Urology Group, a leading urology MSO supporting 250+ providers and 1,300+ employees.
July	The US Oncology Network	New Jersey Cancer Care, PA	New Jersey Cancer Care, an eight-physician practice, has joined The US Oncology Network (via Regional Cancer Care Associates).

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Notable Transactions

Press Releases

- [Hudson Valley Cancer Center](#)
- [Lowcountry Oncology Associates](#)

Ophthalmology

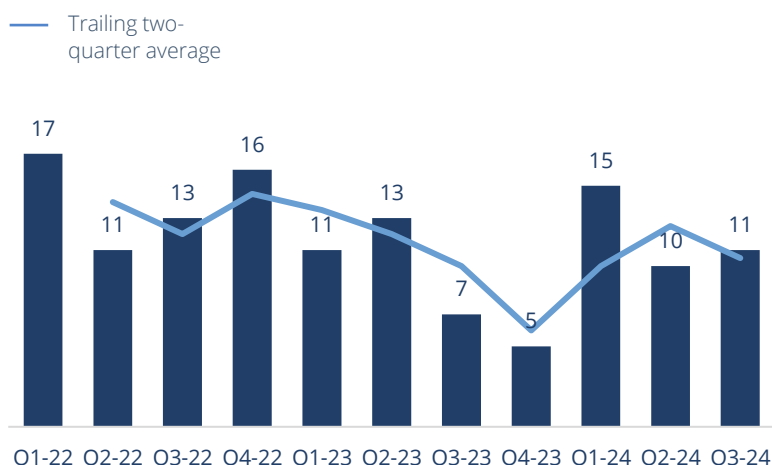
Q3 2024

Market Update












The ophthalmology sector has been relatively quiet from an M&A perspective in recent quarters as many platforms have focused inward, prioritizing organic growth and optimizing internal operations to better position themselves for an eventual exit. With more than half of the roughly 30 PE-backed platforms over five years into their respective hold periods, many groups will likely contemplate a sale in 2025, breaking the proverbial “log jam” in the space.

Given recent rate relief from the Fed and an expectedly robust secondary transaction market, Provident expects M&A volume to pick back up over the first half of next year. While larger private equity firms will be a landing spot for select platforms, national multispecialty consolidators are also likely to be potential buyers for groups in the secondary markets.

Quarterly Transaction Volume



Select Transactions

Month	Investor	Target	Provider(s)	Location(s)	State(s)
September		Friendship Ambulatory Surgery Center	3	1	MD
September		Eye Care & Surgery Center of Southwest Florida	1	1	FL
August		   	14	4	CA, OR, OH
August			5	3	VA
July			2	1	FL
June			6	6	WI

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Conferences

Conference

Members of the Provident Ophthalmology coverage team will be attending the AAO conference in Chicago in October

Orthopedics

Q3 2024

Market Update

Orthopedic M&A activity remained stagnant in Q3 2024, with three reported strategic acquisitions, closely mirroring the deal flow of Q2 2023.

Despite a broader downturn in M&A activity, an ongoing payor-incentivized shift towards outpatient procedures is driving acquisition interest from a traditionally less-involved buyer group: ambulatory surgery center (ASC) management companies. Operators such as Surgery Partners are exploring partnership opportunities with orthopedic practices to capitalize on this trend, as evidenced by its recent roll-up of fourteen practices in Wisconsin.

Looking ahead, Provident anticipates accelerated deal volume through the remainder of 2024 and into 2025, as sponsors approach the tail end of PortCo investment holding periods and several sizable orthopedic opportunities near the closing of their sale processes.

Notable Transaction

Fourteen physician-owned orthopedic groups in Wisconsin formed the Midwest Orthopedic and Musculoskeletal Alliance (MOMA) in partnership with Surgery Partners.

The strategic alliance will aim to create a unified musculoskeletal network in an underserved region, significantly enhancing the capabilities and reach of the individual participating entities. By gaining access to a network of shared and expansive resources, MOMA will be well-positioned to capitalize on the increasing demand for orthopedic services in the Midwest and improve patient care throughout Wisconsin.

14 Wisconsin Orthopedic Practices

Have partnered with



Select Transactions

Month	Acquirer	Target	Locations	State(s)	Deal Description
September			1	FL	<p>Orthopedic Center of Florida (OCF) announced that the Indiana Joint Replacement Institute (IJRI) Naples location is joining its musculoskeletal (MSK) platform.</p> <p>OCF, operating under the HOPCo brand, aims to enhance orthopedic care in southwest Florida. Through the partnership, IJRI will benefit from HOPCo's proven practice management services, advanced outcomes analytics, and digital patient engagement tools.</p>
September			1	FL	<p>Modern Foot & Ankle acquired Florida Orthopedic Foot and Ankle Center (FLOFAC) in Sarasota, Florida, expanding its network to nearly 25 locations throughout Florida and Texas. The partnership introduces three unique and advanced orthopedic services to the Modern Foot & Ankle platform: advanced arthroscopic procedures (e.g. Brostrom procedure), total ankle replacement, and regenerative medical services.</p>

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Primary Care

Q3 2024

Market Update

M&A activity in the Primary Care sector in Q3 maintained a steady pace with prior periods. Despite growing challenges encountered by several Medicare Advantage insurers, market sentiment towards risk-based payment structures amidst the shift away from fee-for-service model has continued to attract investor interest. Industry consolidators, both private equity and strategic alike, maintain an active thesis in aggregating patient lives to effectively take risk and succeed in a value-driven universe by effectively managing care and deploying preventative medical practices.

CVS made headlines with its reported consideration to splitting up its struggling retail pharmacy stores from its more lucrative insurance business, Aetna. It is evident CVS' vertically integrated strategy has not gone to plan and all eyes will be on how this plays out, particularly with Signify Health, Oak Street Health, and Carbon Health as their core healthcare delivery arms.

Notable Partnership

Fulcrum Equity Partners has completed an investment in Physician Services Group of South Carolina (PSG), a leading provider of transitional and geriatric care for patients residing in skilled nursing and assisted living facilities. PSG has grown into a leading provider of facility-based primary care geared towards high acuity patients. The Company attracted investor interest due to its focus on quality of care and patient outcomes, achieving a 25% lower patient re-hospitalization rate in the first 30 days.

The partnership demonstrates the continued appetite in the private equity universe for care inventive care models well-suited to succeed in a value-based environment.



Select Transactions

Month	Investor	Target	Deal Description
September	 MEDICAL SPECIALISTS OF THE PALM BEACHES, INC.	Schlein & Shinder PLLC	Medical Specialists of the Palm Beaches (MSPB), a primary care and multi-specialty platform backed by Ascend Partners, announced its acquisition of Schlein & Shinder PLLC in Palm Beach County, FL. The transaction represents MSPB's second acquisition in 2024 and its seventh acquisition since its recap with Ascend. MSPB's has remained steadfast in its strategy to gain market share via M&A in the attractive Florida Medicare Advantage marketplace.
August		 Care Connectors	Epilog Partners, a healthcare-focused private equity platform has acquired Care Connectors Medical Group (CCMG). CCMG provides a national, on-demand platform for value-based care enablement, partnering with health plans and risk-bearing providers to manage prospective risk adjustment, quality improvement, and care coordination.
July			PM Pediatric Care, the nation's largest provider of specialized pediatric urgent care and behavioral health, has added 10 Florida locations to its pediatric network. The new offices, formerly known as Night Lite Pediatrics prior to their 2022 acquisition by Pediatrix Medical Group, will now be called PM Pediatric Urgent Care.
July			Southeast Primary Care Partners (SPCP), a BPOC-backed primary care platform focused on value-based care initiatives, expanded into Tennessee via its acquisition of Restore Health & Wellness in Chattanooga. The partnership provides SPCP with a pathway into a new market, expanding upon its existing regional presence, while providing Restore with the administrative support and resources to focus on providing quality patient care.

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Wellness & Aesthetic Medicine

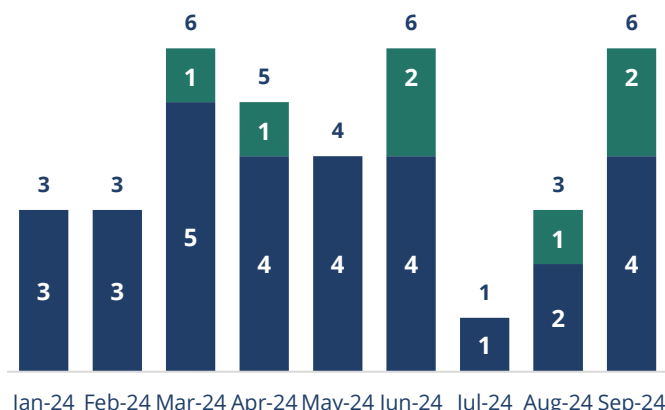
Q3 2024

Market Update

The wellness and aesthetic medicine sector maintained strong momentum in Q3 2024 with the announcement of ten closed transactions. The quarter was active for strategic and financial buyers alike as several private equity-backed platforms and strategic consolidators completed more than one add-on within the three-month span. In addition, three new PE-backed platforms formed, signaling broadening competition in the space. Most notably, VIO Med Spa, a franchisor with 47 med spa locations nationwide, received a majority investment from private equity firm, Freeman Spogli.

Looking ahead to Q4 2024 and beyond, Provident anticipates continued robust activity in the sector. Investors recently have been drawn to the integration of wellness services within traditional aesthetic offerings. The concept of "aesthetic health" – combining cosmetic procedures with overall health and wellness approaches – is likely to shape future deal-making in the space. Additionally, competition between new and existing platforms will lead to an uptick in add-on activity and is anticipated to drive premium valuations for well-run businesses.

Quarterly Transaction Volume



Select Transactions

Month	Acquirer	Target	Deal Description
September	Freeman Spogli	VIO med spa	Freeman Spogli, a strategic growth investor specializing in consumer services and franchising industries, has acquired a majority stake in VIO Med Spa, a national franchisor of full-service med spas.
September	FORMULAWELLNESS	SEAMLESS SKIN M.D. A BOUTIQUE MEDICAL SPA	Formula Wellness, a provider of comprehensive health and aesthetics services, has announced a strategic partnership with Seamless Skin MD, a boutique medspa located in Santa Fe, New Mexico.
September	FORMULAWELLNESS	Radiance MEDICAL AESTHETICS & WELLNESS	Formula Wellness, a Trive Capital portfolio company, has announced a strategic partnership with Radiance Medical Aesthetics & Wellness, an aesthetic treatment center in The Woodlands, Texas.
September	DUNEGLOSS CAPITAL	PURAVIDA	DuneGlass Capital, a healthcare-focused private equity firm, announced the establishment of medical aesthetics platform Aviva Aesthetics via partnership with Pura Vida Medspa & Cosmetic Laser Center.
August	NORTHIRM HORIZON	Allure Med Spa and Salon	Northrim Horizon, an Arizona-based permanent capital investment firm announced its acquisition of Allure Medspa, a multi-location medical spa platform.
August	Attune WELLNESS MED SPA	BURTON YOUNG Greenwich Aesthetic Center	Attune Wellness Med Spa, a provider of innovative longevity and medical aesthetic treatment, has acquired Burton Young, marking Attune's second Connecticut location.
August	CPP COSMETIC PHYSICIAN PARTNERS	PURE111 medical aesthetics	Pure 111 Medical Aesthetics, located in Illinois has entered a partnership with Cosmetic Physician Partners, a U.S. based network of physician-led medical aesthetics clinics.
July	CPP COSMETIC PHYSICIAN PARTNERS	DR. LEE B. DANIEL Aesthetic Plastic Surgery	Dr. Lee B. Daniel Aesthetic Plastic Surgery provides cosmetic and reconstructive surgery in Oregon. The practice has partnered with Cosmetic Physician Partners.

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Publications & Podcasts

Podcast

[Examining Investor Interest in Aesthetic Medicine](#)

Whitepaper

[Investment & Consolidation in the Aesthetic Medicine Sector](#)

Other Physician Services

Q3 2024

Market Update

The third quarter of 2024 has continued the trend of strong transaction activity across a variety of physician services sub-sectors. Transaction activity in the past quarter was driven by strategic acquisitions and platform add-ons - ENT, Radiology, and Women's Health all saw multiple deals completed.

Provident anticipates that the consolidation trend will continue through the final quarter of 2024. Strategic acquirers will continue to deploy capital to drive growth, scale, and efficiency while financial sponsors are actively seeking platform-level acquisitions. Competition for premium assets will continue to increase as the interest-rate environment has become more favorable for growth via M&A.

Notable Consolidator

Align ENT + Allergy, a leading physician-led ENT and Allergy MSO, has completed three partnerships in the third quarter of 2024. Align is backed by Zenyth Partners, a healthcare-focused private equity firm.

These partnerships expand Align's footprint in Michigan, New Jersey, and Pennsylvania markets. Align aims to preserve clinical autonomy for its partnered practices while leveraging the scale of the MSO to support growth and reduce administrative burden.



Has Partnered with











EAR, NOSE, AND THROAT




MELNICK, MOFFITT, & MESAROS
ENT ASSOCIATES

Select Transactions

Month	Sub-Sector	Acquirer	Target	Physicians	Locations	State(s)
September	ENT		 EAR, NOSE, AND THROAT	6	1	MI
September	ENT			3	3	NJ, PA
September	Urology			9	4	PA
August	Radiology			n/a	n/a	TX

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Other Physician Services *Continued*

Q3 2024

Month	Sub-Sector	Acquirer	Target	Physicians	Locations	States
July	ENT	 SENTA ENT AND ALLERGY PARTNERS	 COASTAL ALLERGY & ASTHMA, P.C.	5	3	GA
July	ENT	 AMSURG	 RiverRoad ENT Surgery Center	6	1	OR
July	ENT	 ALIGN ENT + Allergy	 MMM MELNICK, MOFFITT, & MESAROS ENT ASSOCIATES	2	1	PA
July	Women's Health	 TOGETHER WOMEN'S HEALTH	 WOMEN'S HEALTH ASSOCIATES	11	1	MO
July	Radiology	 I-MED Radiology Network	 statrad	n/a	n/a	CA
July	Women's Health	 The Christ Hospital Health Network	 Mt. Auburn Obstetrics & Gynecology	7	3	OH

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Post-Acute Care

Trusted Healthcare Advisor

Home Health & Hospice

Q3 2024

Market Update

M&A activity in the home health and hospice sector remained steady in Q3 2024, with continued strategic divestitures across the space. Over the past 18 months, several key transactions have shaped the landscape, including HouseWorks' acquisition of Amedisys' Personal Care Division, Addus HomeCare's purchase of Gentiva's Personal Care Division, and HCS-Girling's acquisition of Addus' New York operations. This trend persisted through Q3, with several organizations refocusing on core markets and services to improve operational performance, enhance patient care, and unlock synergies that drive sustainable growth.

While traditional recaps and full exits will continue, Provident anticipates more targeted divestitures and strategic acquisitions shaping the near future of the post-acute sector.

Looking ahead, the expected completion of the United-Amedisys transaction and rumors surrounding the sale of PE-backed Three Oaks Hospice are poised to further catalyze M&A activity.

Home Health & Hospice Comparable Multiples

Company	Share Price	Revenue (\$M)	Adj. EBITDA (\$M)	EV/Rev	EV/EBITDA
Addus HomeCare	\$129.02	\$1,115	\$133	1.9x	16.1x
Amedisys Inc.	\$96.29	\$2,289	\$282	1.6x	12.5x
BrightSpring Health Services	\$15.01	\$9,938	\$543	0.5x	9.9x
Pennant Group	\$33.42	\$612	\$47	2.4x	31.6x
Enhabit Inc.	\$7.29	\$1,042	\$92	0.9x	10.4x

As of 10/8/2024

Select Transactions

Month	Acquirer	Target	State(s)	Deal Description
September	 FULCRUM EQUITY PARTNERS	 Physicians Services Group OF SOUTH CAROLINA	SC	Fulcrum Equity Partners invested in Physician Services Group of South Carolina ("PSG"), a group of physicians and NPs providing care to SNF patients. The investment aims to expand PSG's service offerings and strengthen its management team.
September*	 Agape Care Group	GA, KS, MO, and OK Assets of  Crossroads HOSPICE & PALLIATIVE CARE	GA, KS, MO, OK	Agape Care Group ("Agape"), a portfolio company of Ridgemont Equity partners, acquired select Crossroads Hospice & Palliative Care ("Crossroads") locations. The partnership expands Agape's presence in the southeast while allowing Crossroads to focus on its operations in TN, OH, and PA post-transaction.
September	 COMPASSUS®	Seven PAC Locations of  OhioHealth	OH	Compassus acquired ownership interest in three hospice and four home health locations previously operated by OhioHealth. Compassus will manage the operations of these locations while ensuring seamless care coordination between the two organizations.
August	 P E N N A N T GROUP	ID and WA Assets of  SIGNATURE healthcare at home care where you are	ID, WA	The Pennant Group, Inc. (NAS: PNTG), the parent company of the Pennant Group ("Pennant") PAC assets, acquired the ID and WA assets of Signature Healthcare at Home ("Signature") for \$80M, the largest transaction in Pennant's history.

*Provident Transaction

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Notable Transactions

Crossroads Press Release

[Provident Healthcare Partners Advises Crossroads Hospice & Palliative Care on its Partnership with Agape Care Group](#)

Rehabilitation

Q3 2024

Market Update

Investor interest remained strong across the broader rehabilitation sector in Q3. While traditional outpatient PT deals were stagnant—not due to a lack of demand, but rather a limited supply of available assets—M&A activity for digital health solutions and virtual therapy gained momentum, driven by labor shortages and a growing demand for PT services.

Leading virtual PT companies such as Sword Health and Hinge Health continue to attract significant investor interest, with Sword Health's recent \$30 million funding round raising its enterprise value to \$3 billion. Following several successful raises, Hinge Health is reportedly nearing an IPO after hiring Morgan Stanley to run the process.

Meanwhile, several PE-backed platforms, including Confluent Health and H2 Health, are rumored to be exploring potential sales. As PE continues to achieve successful exits, Provident expects M&A activity across the sector to accelerate.

USPH vs. Other Healthcare Facility Operators

Company	EBITDA (\$M)	EV / Rev	EV / EBITDA
U.S. Physical Therapy	\$90	2.4x	16.7x
Acadia Healthcare	\$679	2.3x	10.5x
Encompass Health	\$1,097	2.5x	11.8x
HCA Healthcare	\$13,401	2.1x	10.6x

As of 10/8/2024

Select Transactions

Month	Acquirer	Target	Locations	State(s)	Deal Description
September	 Confluent Health	 Fitness Quest Physical Therapy	16	FL	Confluent Health ("Confluent") acquired Fitness Quest Physical therapy ("Fitness Quest"), a provider of orthopedic and sports physical therapy and auto accident injury recovery services.
September	 USPh ONE PARTNER	Not Disclosed	8	PA	USPH acquired 70% interest in an eight-clinic physical therapy and hand therapy practice with \$5.5M in annual revenue.
July	 MVPT Physical Therapy	 Village Physical Therapy	3	NY	Cypress Health Partners acquired Village Physical Therapy to expand its presence in New York. Village PT will become a part of MVPT Physical Therapy with the Village founder assuming his role as the Director of Injury Prevention Services.
July	 Concentra	IPO	600+	41 states	Concentra Group Holdings Parent, Inc. ("Concentra"), a wholly owned subsidiary of Select Medical and the largest provider of occupational health and PT services in the US, announced the pricing of 22.5M shares of common stock at \$23.50 / share.

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Other Healthcare Services

Healthcare Education

Q3 2024

Market Update

Healthcare education services saw continued M&A activity in Q3 2024 with four announced transactions. Investor interest is driven by the ongoing demand for a variety of skilled healthcare professionals, the increasing adoption of technology-enabled learning solutions, and heightened compliance requirements across the healthcare industry.

Financial sponsors, PE-backed platforms, and strategic consolidators are attracted to niche end markets with high market share. Continued success through consolidation is achieved by diversifying service offerings, reaching new end markets, and finding unique value propositions.

This quarter was marked by activity across the spectrum of buyer types. As industry tailwinds become more prominent, Provident expects M&A activity in the healthcare education sector to remain robust through the end of 2024 and into 2025.







Notable Transaction

Levine Leichtman Capital Partners (LLCP), has announced an investment in Improve International Group, a world leader in veterinary postgraduate training headquartered in London, UK. The partnership between LLCP and Improve International is expected to drive growth through organic initiatives, including new course development and geographic expansion, along with strategic acquisitions.

The transaction marks Improve International's third recapitalization, following partnerships with Benchmark Holdings (2015) and RJD Partners (2020). This platform transaction is LLCP's latest investment into healthcare education and demonstrates continued success in the sector from institutional buyers.



Select Transactions

Month	Investor	Target	Deal Description
July	 intelvio	 PCMA	Intelvio, a multispecialty healthcare education platform backed by Eden Capital, acquired Professional Crisis Management Association (PCMA), a crisis management training and certification company based in Sunrise, Florida. The acquisition aligns with the growing demand for comprehensive crisis management training, driven by increased focus on academic success, safety improvements, and crisis behavior reduction.
July	 Psych HUB	 SimplePractice	Psych Hub's acquisition of SimplePractice drives the company's launch of its new Mental Health Learning Platform. The partnership aims to address the growing need for comprehensive mental health education and resources. SimplePractice is a leading behavioral health education platform with courses on topics such as marginalized communities, OCD, and ADHD. The partnership brings Psych Hub's library of content to over 100 courses, significantly expanding Psych Hub's offering to mental health providers.
July	 PERDOCEO EDUCATION CORPORATION	 UNIVERSITY of ST. AUGUSTINE for HEALTH SCIENCES	Perdoceo Education Corporation has agreed to acquire the University of St. Augustine for Health Sciences (USAHS) for approximately \$144 million. USAHS is a leading graduate health sciences university founded in 1979, offers degrees in physical therapy, occupational therapy, speech language therapy, and nursing. USAHS serves about 4,500 students and generated \$170 million in revenue in 2023. The acquisition aligns with Perdoceo's strategy to diversify its healthcare education service offerings.

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Private Equity

Trusted Healthcare Advisor

Private Equity Healthcare Services

Q3 2024

Market Update

General: Private equity healthcare services deal activity in Q3-24 remained consistent with Q2-24. A total of 136 deals were completed versus 142 deals in Q2-24, but there seems to be a shift in sentiment. Throughout most of 2024, bankers have expressed that their pipelines have been building up and investors eagerly awaiting more deal flow, but those deals are now launching. Most of the quarter-over-quarter decline, or stagnant deal flow, can be partly attributed to the softening in PPM deals this year, which have faced increased regulatory filing scrutiny in several states. Deals below \$100M TEV are still closing at higher levels than those more than \$100M TEV as financing these deals with buyer and seller equity have been easier and more effective than access to leverage. However, as the cost of debt starts to decrease, getting more favorable credit facilities should increase dealmaking volume across all TEV tiers. Additionally, investors are starting to feel pressure to deploy capital. Most of the deployment has been allocated to add-ons for existing portfolio companies, but Provident expects more platform deals to close in Q4-24 and in 2025.

Valuations: Amid the macroeconomic and regulatory battles, valuations have crept down or “normalized” since the 2020 and 2021 peaks. Seller valuation expectations are starting to moderate and the gap between buyer expectations are decreasing. However, high-quality assets are still demanding premium multiples, including pharmaceutical and life sciences services, as the market is experiencing a supply and demand imbalance for highly unique, A+ assets. Medical spa services and veterinary assets which also saw extremely high valuations the past few years, have also started to normalize as patients and clients are not willing to spend as much disposable income on these services.

Exit Activity: Although PE exit activity is not as robust in 2024 as some anticipated, there has been more confidence in the market and investors are starting to feel pressure from LPs to return capital. Q3-24 saw 24 exits, notably NMS Capital selling its portfolio company Flourish Research to Genstar Capital. The traditional lower middle market exit playbook comprises passing platforms upmarket to larger PE firms, however, the bid-ask spread for these assets is slightly more apparent at this level than founder and entrepreneur backed businesses looking to transact as noted above.

Select Transactions

Month	Investor	Target	Deal Description
August			Avista Capital Partners acquired Trillium Health Care Products, a contract development and manufacturing organization (CDMO) of branded OTC products in North America. Trillium is a partner to leading global consumer healthcare and pharmaceutical companies, with broad capabilities across liquid, semi-solid and solid dosage forms. The capital from the transaction will help Trillium expand its footprint and capabilities across North America and serve a larger customer base across different therapeutic categories.
August			Northrim Horizon, an Arizona-based investment firm, acquired Allure Medspa, a multi-location medical spa that provides a comprehensive suite of minimally-invasive aesthetic treatments across its locations in the Phoenix metro area. Allure is actively pursuing acquisition opportunities which will be a key growth driver for the platform. Additionally, Allure appointed Kylie Tan as CEO to support the existing management team and lead expansion. Ms. Tan joins Allure from McKinsey & Company bringing with her expertise in strategy, growth, and operations for consumer, brand-forward businesses.
July			Shore Capital Partners formed Innovate 32 with the completion of a strategic partnership with Dr. Clint Newman. Innovate 32, headquartered in Nashville, TN, is a DSO that partners with growth-minded dentists and premier practices to deliver expertise in business development, finance, marketing, recruiting, benefits and other practice administration. Shore's extensive multi-site experience will help Innovate 32 grow to a multi-regional DSO and continue to provide high-quality care to its patients.

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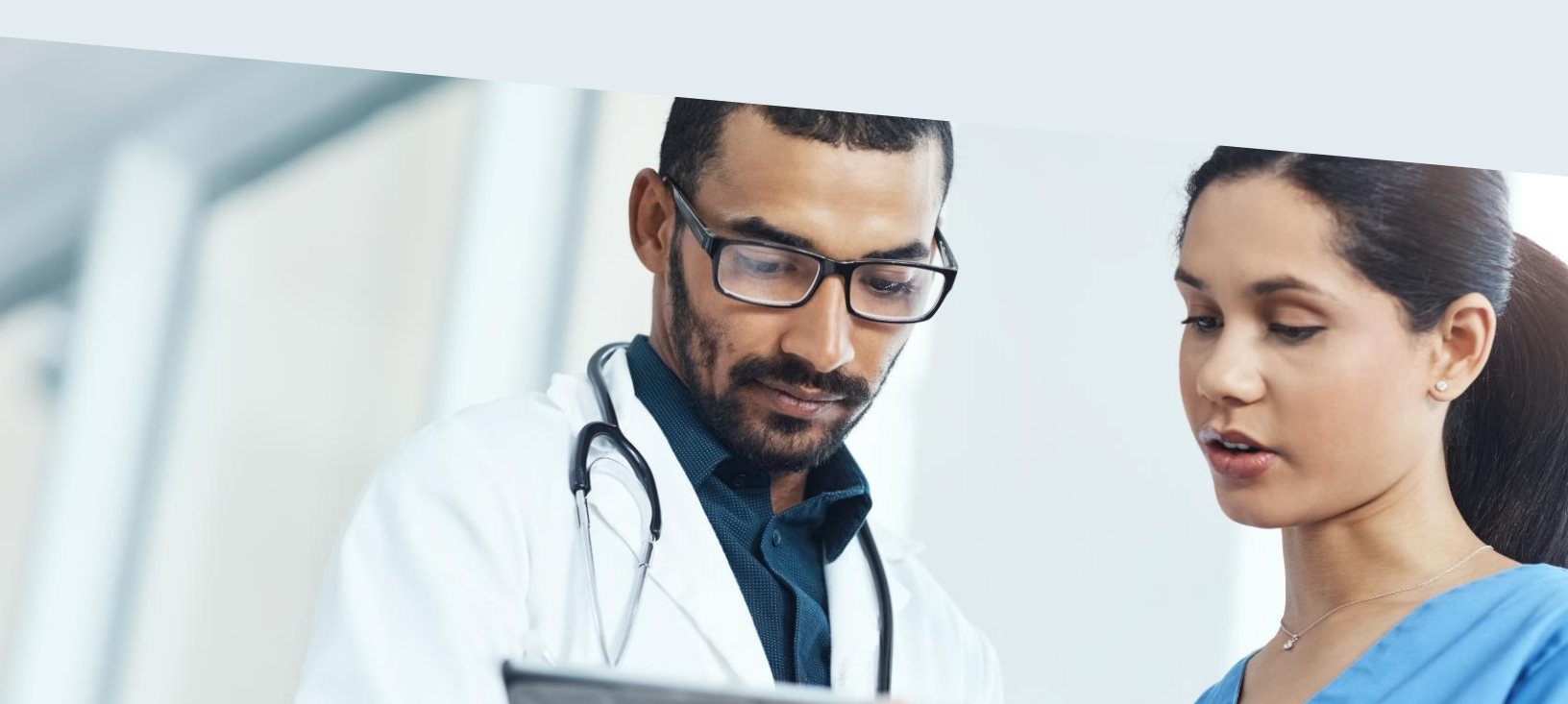
Media Citations and Podcasts

Media

[Private Equity Interest in Pain Management 'Starting to Heat Up'](#)

Podcast

[The Intersection of Healthcare M&A and Debt Markets](#)



Concluding Thoughts

The healthcare services M&A landscape is undergoing significant changes driven by increasing regulatory oversight and broader macroeconomic shifts, including the approaching presidential election and recent interest rate cuts. While stringent underwriting standards are likely to persist, lower borrowing costs are expected to catalyze a resurgence in M&A activity, particularly within the backlog of secondary transactions for portfolio companies held beyond five years.

Year-to-date, deal-making has seen an upward trend, with transaction volume anticipated to rise as private equity firms seek to deploy capital and explore exit opportunities. The rate cuts should further accelerate deal-making heading into 2025, although it remains to be seen if the cuts are enough to meaningfully impact valuations that have gone through a modest correction in the last year.

Most sectors within healthcare services remain well-positioned to benefit from the continued market resurgence. Tech-enabled services and outsourced services to the pharmaceutical, payor, and provider industry

will continue to attract new investment given less exposure to wage inflation pressures. While new platform formation in PPM is likely to remain subdued compared to the last few years, add-on activity will persist, and the continued appetite for larger M&A deals driven by payors and national multispecialty providers should buoy activity for secondary exits from existing PE-backed MSOs.

Though overall deal activity and valuations have not returned to historic highs, the outlook for the remainder of 2024 and early 2025 remains positive.





Provident is one of the leading investment banking firm offering mergers and acquisition advisory services for high growth, middle market companies in the healthcare industry.

The firm has a vast network of senior industry relationships, a thorough knowledge of market sectors and specialties, and unsurpassed experience and insight into the investment banking process.

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