



# Healthcare Services M&A Review: A Quarterly Update



Q4 2024  
M&A Update

**Trusted Healthcare Advisor**



# A Quarterly Update

Q4 2024

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Healthcare M&A Activity: Momentum in a Shifting Landscape

The final quarter of 2024 capped a dynamic year for healthcare M&A, with robust activity in behavioral health, healthcare IT, and physician practice management. While transaction volumes dipped slightly from Q3, average deal size rose due to multiple sponsor-backed exits. Strong demand for healthcare services, the softening of financing and labor market pressures, and a new administration have bolstered investor confidence. These factors, combined with the most active quarter for large transactions in 18 months, signal continued M&A momentum into 2025.

Since late 2022, sponsor-backed platform recapitalizations and exits have been depressed by rising interest rates and inflation. However, Q4 2024 saw scaled platforms like GI Alliance, Retina Consultants of America, and

MB2 Dental achieve premium valuations through transactions with strategic and private equity buyers. Many platforms are now poised to build on this momentum and launch sale processes in 2025.

Vertically integrated acquirers continued leading major deals this quarter, with Cardinal Health and Cencora completing multi-billion-dollar acquisitions in physician practice management. Traditional strategic buyers are also refocusing on M&A after prioritizing internal operations to stabilize margins. Provident expects the active participation of these buyer cohorts – motivated private equity investors, well-capitalized strategics, and vertically integrated acquirers – to drive both increased competition for exits in 2025 and investor interest to invest in new platforms.

Notable Transactions in Q4 2024

Clinical Research Sites



**FLOURISH**  
RESEARCH

Has been recapitalized by



**GENSTAR**  
CAPITAL

Healthcare Staffing



**CROSS  
COUNTRY**  
HEALTHCARE

Has been acquired by



**Aya**  
Healthcare

Healthcare IT



**Truepill**

Has been acquired by



**LetsGet  
Checked**

Revenue Cycle Management



**AdvancedMD**

Has partnered with



**FP**  
FRANCISCO  
PARTNERS

Select Provident Q4 2024 Transactions



**MID-FLORIDA  
ENDODONTICS**

Has partnered with



**SRM** EQUITY  
PARTNERS

**Mid-Florida Endodontics**

Provident acted as the exclusive advisor to Mid-Florida Endodontics (“MFE”) in its partnership with SRM Equity Partners. Operating across ten locations in Central Florida, MFE provides top-tier root canal treatments and other endodontic services. Their state-of-the-art facilities are designed to create a calm and comfortable environment, ensuring a pleasant experience for every patient. With a team of 11 skilled endodontists, MFE is dedicated to offering exceptional endodontic care tailored to individual needs.



**GSI**  
GASTROINTESTINAL  
SPECIALISTS, INC.

Has partnered with an  
undisclosed investor

**Gastrointestinal Specialists Inc.**

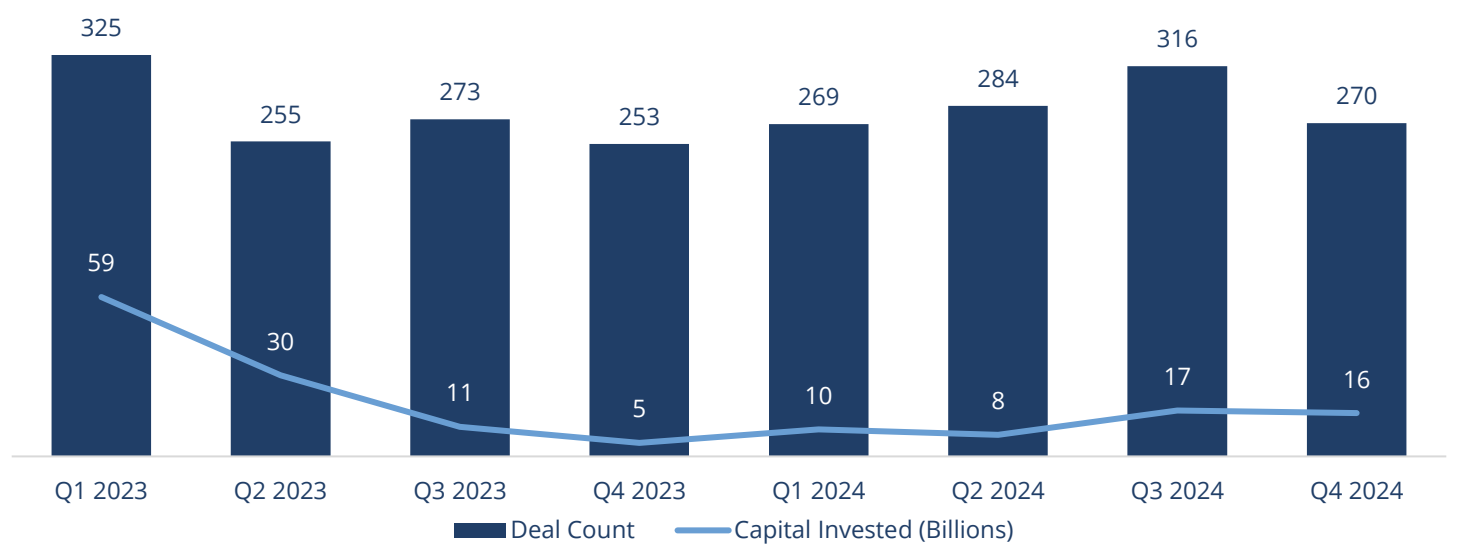
Provident served as the exclusive financial advisor to Gastrointestinal Specialists Inc. (“GSI”) of Richmond, Virginia, for this transaction. As one of the leading providers of GI care in the Virginia market, GSI boasts a team of 32 physicians and midlevel providers. This transaction offers the buyer a strategic entry point into a previously untapped market for private equity-backed initiatives.



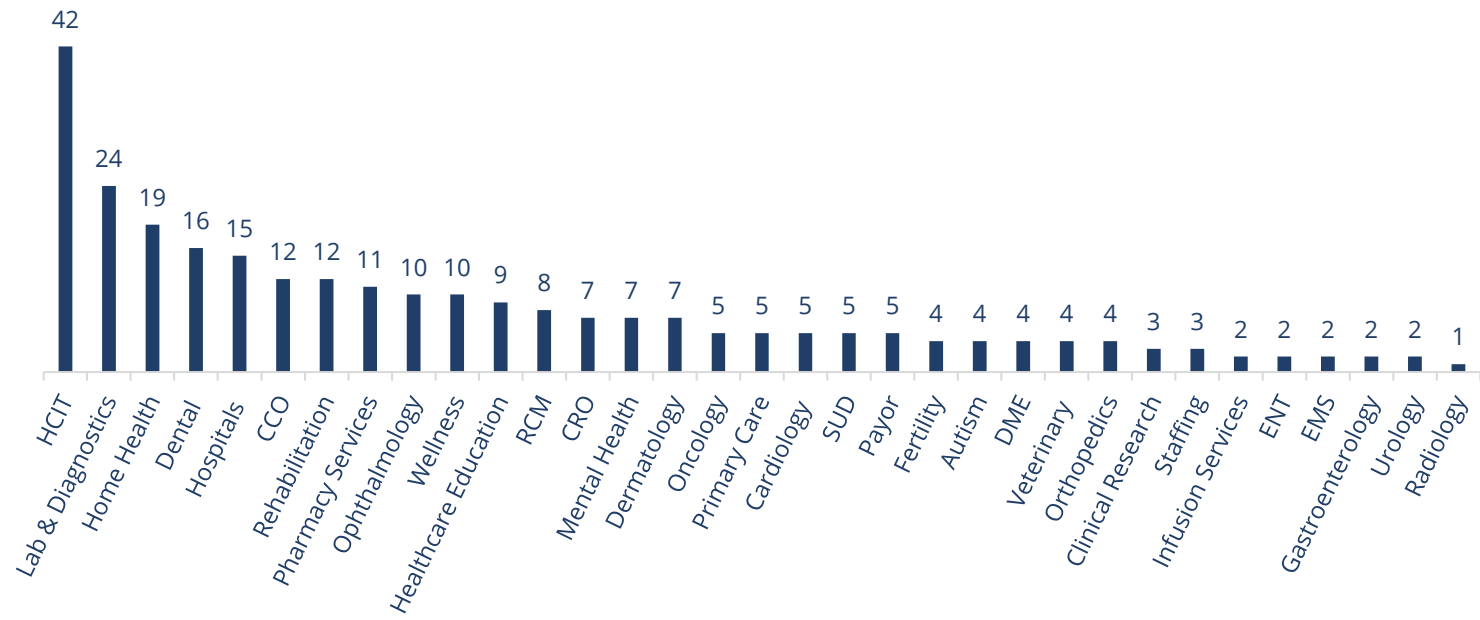
# Healthcare Services M&A Deal Stratification

Q4 2024 transaction activity increased over Q4 2023, with over three times the invested capital in a similar number of transactions. This increased average deal size highlights the market resurgence for larger assets and investor exits. Existing platforms are continuing to execute on M&A-driven consolidation strategies, leading to slight transaction volume increases compared to 2023. Sectors including healthcare IT, outsourced pharmaceutical services, and the home health continued to experience rapid consolidation, including 40+ HCIT transactions announced in the third quarter.

## Healthcare Services M&A Quarterly Deal Activity (Trailing 24 Months)<sup>(1)</sup>



## Healthcare Services Deal Count<sup>(1)</sup>



(1): Data as of January 13, 2025





# **Behavioral Health**

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## Autism Services

Q4 2024

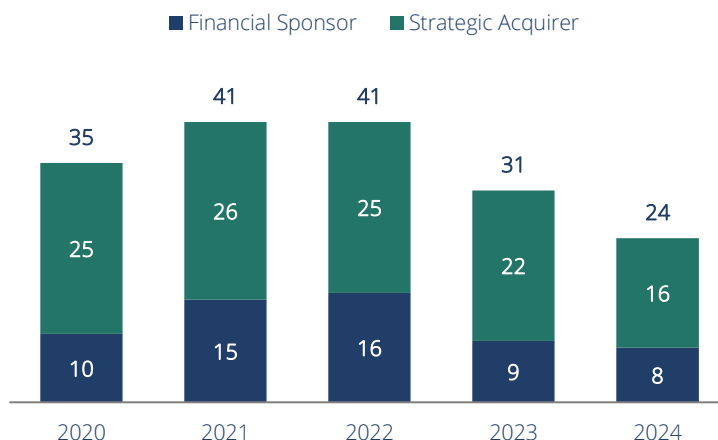
### Market Update

The autism services sector continues to exhibit strong M&A momentum, with a total of four transactions closing in Q4 2024, and 24 transactions completed for the year. The sustained activity highlights robust investor interest, driven by opportunities for platform creation and strategic expansion, even in the face of ongoing industry challenges such as labor shortages and stagnant reimbursement rates.

In Q4, Goldman Sachs Alternatives acquired Center for Social Dynamics from New MainStream Capital, marking one of several notable secondary buyouts in the autism services sector this year. This strategic platform investment highlights the growing investor confidence in the space, fueled by the evolution of care models, sustained demand for services, and a rising appetite for innovative solutions that address the sector's evolving needs.

Looking ahead, Provident anticipates a continued rise in private equity-backed platforms entering the market, fueled by successful exits and a positive shift in market sentiment.

### Quarterly Transaction Volume



### Select Transactions

Month	Acquirer	Target	Deal Description
December			Proven Behavior Solutions, a Massachusetts-based provider of therapy services for children with autism, has acquired Prism Autism Education & Consultation, a Connecticut-based provider of center-based ABA therapy and a private special education school
December			Goldman Sachs Alternatives announced the acquisition of Center for Social Dynamics, a private equity-backed, leading omni-channel provider of ABA therapy for children with autism, offering services across home, center, school, and virtual settings
October			Mission Autism Clinics, a leading ABA therapy provider with 13 locations in Maryland and Pennsylvania, has been acquired by Helping Hands Family, a private equity-backed autism services organization operating 29 locations across five states
October			Fletch Equity's platform, Autism Spectrum Interventions, has acquired Quality Behavior Solutions, a center-based ABA therapy provider with three locations in California

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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

Q4 2024

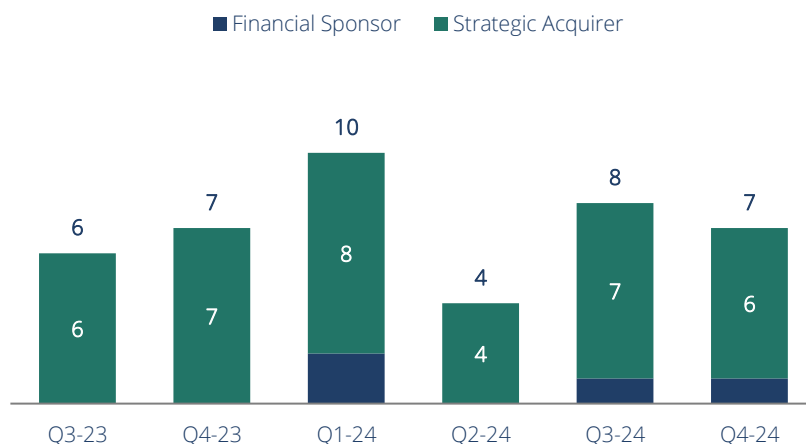
## Market Update

Mental health transaction activity rounded out the year strong with a total of 7 transactions in Q4, including a new platform investment as Paramount Health Management acquired Utah-based, Life Launch Centers.

Interventional psychiatry accounted for more than half of the transaction activity in Q4. CNS-focused pharmaceutical company, Hope Therapeutics, acquired Kadima Neuropsychiatry as their first step in the nationwide roll-up of interventional psychiatry clinics. Private equity-backed platforms, Stella and Hightop Health, also expanded their clinic networks with acquisitions this quarter.

2025 is poised to be another strong year for M&A in the mental health space. Provident expects enhanced deal flow with anticipated interest rate cuts from the Fed, increased competition from strategic acquirers, and the emergence of new acquirers in the space.

## Quarterly Transaction Volume



## Select Transactions

Month	Investor	Target	Deal Description
December			Stella Mental Health, an interventional psychiatry practice with over 20 locations in the United States, acquired the five U.S.-based clinics of Numinus Wellness, a behavioral health company focused on clinical psychedelic research, for \$3.5M
November			Paramount Health Management acquired Life Launch Centers, a St. George, Utah-based behavioral health provider of outpatient, intensive outpatient, and partial hospitalization programs with four locations
October			Clinica Family Health and Mental Health Partners have merged to form Clinical Family Health & Wellness, offering specialized mental health and substance use service, with several clinics
October			Hightop Health, an outpatient mental health group in Georgia and Texas, announced a strategic partnership with Georgia Psychiatry & Sleep, a family-owned provider of psychiatric and sleep medicine care for children and adults
October			HOPE Therapeutics, Inc., a network of interventional psychiatry clinics focused on suicidal depression and subsidiary of NRx Pharmaceuticals (NASDAQ: NRXP), announced the acquisition of a premier west coast interventional psychiatric clinic
October			Thriveworks, a nationwide provider of in-person and virtual therapy and psychiatry services announced the acquisition of Synchronous Health, a Nashville-based company pairing AI technology with telehealth behavioral health appointments

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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

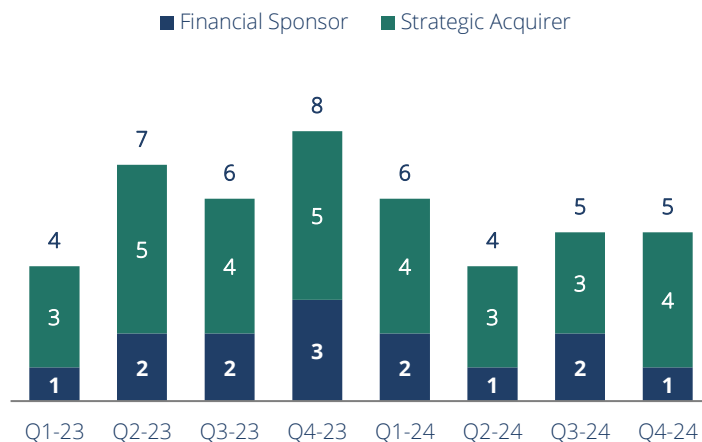
Q4 2024

## Market Update

The sector concluded 2024 with a total of five closed transactions, mirroring trends seen each quarter throughout the year. One bright spot for the year has been behavioral healthcare giant, Acadia which has kept its promise to prioritize M&A as part of a major expansion push, executing on two acquisitions in Q4. Acadia's growth playbook is focused on expanding their Comprehensive Treatment Center program, which is aimed at building community-focused treatment centers to curb the ongoing opioid epidemic.

Otherwise, the broader SUD M&A landscape faced headwinds throughout 2024. Key challenges included regulatory scrutiny, persistent inflationary pressures, and elevated borrowing costs. However, there are signs of a rebound. Strong macroeconomic drivers, such as increasing demand for services, gaps in access to care, and the rising prevalence of mental health conditions, signal potential for renewed activity. Investors continue to hold record levels of capital, positioning the sector for rebound as these investors seek opportunities to meet the evolving needs of the space.

## Quarterly Transaction Volume



## Select Transactions

Month	Investor	Target	Deal Description
November			Acadia Healthcare, a leader in behavioral health services has acquired Clear Sky Treatment Centers and Recovery Concepts, two single location opioid treatment programs based in South Carolina. The centers will be rebranded to Clinton Comprehensive Treatment Center and Ridgeland Comprehensive Treatment Center.
November			Owner Resource Group, an Austin, Texas-based private investment firm and its affiliates have completed an investment in Purpose Healing Center, a leading provider of behavioral health services based in Arizona. The partnership aims to expand Purpose Healing Centers footprint across the Southwest and improve care with investment in clinical services.
October			Newly-formed, Tulip Hill Healthcare acquired two free-standing detox centers in Tennessee, Live Again Detox and TN Detox Center. The acquisition marks Tulip Hills third and fourth acquisitions of the year as the newly formed platform continues to consolidate the Kentucky and Tennessee SUD markets.

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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

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## Healthcare IT

Q4 2024

### Market Update

The HCIT sector experienced a slight increase in transaction activity in Q4-24, with total deal size rising by over \$8B, largely driven by four transactions with a combined enterprise value nearing \$10B. Continued M&A activity in the HCIT sector has been driven by investors prioritizing companies excelling in critical areas such as patient engagement, data analytics, interoperability, cybersecurity, and value-based care solutions. These capabilities are pivotal for improving healthcare delivery, enhancing operational efficiency, and safeguarding sensitive information, making organizations with expertise in these fields particularly appealing for acquisitions and partnerships. Additionally, the rising demand for digital tools like patient portals and revenue cycle management software is reinforcing the favorable M&A environment in HCIT.

Provident anticipates that the sector's innovation and growth during Q4-24 will sustain strong deal activity into early 2025, further solidifying HCIT as a top area for investment opportunities.

### Notable Transaction

Sharecare, a digital health company, was acquired by Altaris, a healthcare-focused investment firm, for \$1.43 per share in cash. The transaction, initially announced on June 21, 2024, received stockholder approval on October 17, 2024, leading to Sharecare's delisting from Nasdaq. Founder Jeff Arnold and affiliates of Claritas Capital, LLC rolled over significant equity holdings and remain substantial shareholders. Sharecare's leadership team will continue to operate from its Atlanta headquarters, focusing on delivering personalized, value-based care through its comprehensive digital platform. Altaris aims to support Sharecare's growth and innovation in the healthcare sector.













**Has been acquired by**



**October 2024**

### Select Transactions

Month	Investor	Target	Target Subvertical	Deal Description
December			Patient Engagement	OpenClinica, a Thompson Street Capital Partners-backed provider of eClinical software solutions, acquired BuildClinical, the leading patient recruitment solution for academic researchers.
November			Clinical Trial Recruitment	H.I.G. Growth completed a significant growth investment in Carebox, a leading software platform that connects patients, families, and physicians with potentially life-saving treatment options that are only available in clinical trials.
October			Pharmaceutical Compliance Solutions	Red Nucleus, a leading provider of strategic services across research and development, medical affairs, market access, and learning and development, received a majority investment from THL Partners, a premier private equity firm investing in middle market growth companies.
October			Compliance and Risk Management	Bluesight, the leading provider of medication intelligence solutions for health systems and hospital pharmacies, acquired Sectyr, a top-tier compliance and audit management platform.
October			Clinical Decision Support	Reveleer, the industry's pioneering value-based care platform, acquired Curation Health, a leader in providing advanced clinical insights that equip providers with the most relevant patient data to deliver optimal care.

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# Revenue Cycle Management

Q4 2024

## Market Update

This quarter, RCM M&A activity surged in what was an already robust year. Of the eight acquisitions closed this quarter, five were led by sponsors, signaling a sustainable rise in consolidation as these platforms grow via add-ons. Notably, the groundbreaking buyout of R1 RCM by TowerBrook and CD&R was approved by regulators and officially closed in November. Provident expects newly formed platforms to leverage strategic capital for acquisitions that expand technology and service offerings.

As the lending environment improves, sponsors will continue to invest in tech-enabled services such as revenue cycle management platforms. Companies acquired this quarter fall along the entire spectrum of RCM offerings, from front-end through back-end services. Provident anticipates the momentum from Q4 to push into 2025 and beyond.

## Notable Transaction

Francisco Partners, a leading private equity firm specializing in technology, has announced its acquisition of AdvancedMD from Global Payments (NYSE: GPN).

AdvancedMD provides a comprehensive cloud-based platform for independent medical practices, offering solutions for medical billing, practice management, electronic health records, patient engagement, telemedicine, and advanced analytics to streamline operations and enhance patient care.

Francisco Partners plans to accelerate AdvancedMD's growth trajectory by leveraging its healthcare technology expertise to further scale AdvancedMD's market presence and innovation capabilities.

















**Has partnered with**



**October 2024**

## Select Transactions

Month	Acquirer	Target	Deal Description
December			Ontario Teachers' Pension Plan & Goldman Sachs Private Equity co-lead an investment in Omega healthcare, a leading tech-enabled healthcare management solutions provider.
November			Creach Family Holdings acquired HealthRev Partners, a leading provider of revenue cycle management solutions, to strengthen its healthcare portfolio.
November			TowerBrook Capital Partners and Clayton, Dubilier & Rice have officially completed the previously announced acquisition of R1 RCM at a \$8.9B valuation.
November			Surgical Information Systems (SIS) has acquired Surgical Notes, a leading provider of revenue cycle solutions for ambulatory surgery centers.
October			Elevate Patient Financial Solutions has acquired NYX Health Eligibility Services, a leading provider of eligibility services, to deepen its revenue cycle management offerings
October			WellSky has acquired Bonafide, a leading provider of DME/HME software, to enhance its home care solutions and strengthen its position in the healthcare technology market.
October			Accel-KKR has partnered with VisiQuate, a leading provider of advanced revenue cycle analytics and AI-powered workflow automation software.

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## Publications & Podcasts

### Market Update

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





# Outsourced Services

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# Durable Medical Equipment

Q4 2024

## Market Update

Market activity within DME in Q4 was marked by several landmark transactions from a diverse cohort of buyers spanning private equity sponsors and strategic acquirers. Both sets of buyers have sought to capitalize on tailwinds impacting the sector that have created a market environment well-suited for continued growth.

Notably, the trend of large, diversified strategic groups making a push into the DME market continued as both Henry Schein and Cardinal Health announced meaningful acquisitions in the diabetic supply sub-vertical. Further consolidation by those groups is expected given their considerable capital resources and desire to expand their patient direct business.

Provident anticipates DME deal volume will continue to rise in 2025 as prospective sellers seek out partners capable of providing capital and operational resources to scale and capture market share.







## Provident Transaction

Acentus, one of the fastest growing providers of continuous glucose monitors (CGMs) nationally, has been acquired by Henry Schein (Nasdaq: HSIC). Acentus leverages its proprietary technology platform to deliver a differentiated service offering to its patients and referral sources.

This transaction is a continuation of Henry Schein's push into the home-based setting to diversify its business beyond the traditional B2B model, which generally targeted medical clinics and other outpatient facilities. Acentus will serve as a key pillar in this home care solutions platform alongside Henry Schein's prior acquisitions of Prism Medical Products (2021), Shield Healthcare, (2023), and Mini Pharmacy (2023).



## Select Transactions

Month	Investor	Target	Deal Description
December			Nationwide Medical, a national HME provider of chronic sleep and respiratory equipment to over 100,000 patients across 49 states, has formed a growth partnership with Heritage Group, a healthcare-focused private equity firm. The partnership stems from Heritage's targeted search for a HME platform capable of providing a differentiated service model to home-based patients suffering from a variety of chronic conditions.
November			Cardinal Health has acquired Advanced Diabetes Supply Group (ADSG), one of the largest diabetic supply providers nationwide, for ~\$1.1bn or ~11.0x EBITDA. ADSG serves 500k+ patients annually and will serve as a key component, alongside Edgepark, in Cardinal's growing at-home solutions business. The transaction represents a strong exit for ADSG's PE sponsor, Court Square Capital, who partnered with ADSG in 2020 and subsequently merged the platform with U.S. Medical Supply to create the largest CGM platform nationwide.
November			Grant Avenue Capital has invested an additional \$55M into Performance Home Medical (PHM), a leading sleep and respiratory therapy equipment provider in the Northwest. This follows PHM's initial recapitalization in 2023 and the appointment of Larry Mastrovich as CEO, who had formerly served as Chairman since January 2024. The infusion of capital will provide PHM an opportunity to further solidify its market presence while expanding into new regions and service offerings.

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## Upcoming Conferences

### Medtrade 2025

PHP will be attending Medtrade 2025 in Dallas, TX from February 18<sup>th</sup> – 20<sup>th</sup>

Please contact Kevin Palamara or Brendan Schroeder if you will be in attendance.



# Healthcare Staffing

Q4 2024

## Market Update

Healthcare staffing M&A activity remained relatively quiet throughout 2024 as investors question whether bill rates and volumes have fully normalized. In 2025, Provident expects financial sponsors to continue to shy away from starting platforms within travel nursing and MSP-dependent settings. However, several Q4 transactions show hope that M&A activity may start to pick up in 2025. Investors continue to seek differentiated and tech-enabled assets that service unique care settings and providers, such as cardiologists, sub-specialized nurse and advanced practitioners, and certain therapists, among others.

Another aspect that could fuel deal volume is the fact that many sponsors have held staffing assets well beyond their typical hold periods. This is compounded by those sponsors who entered the market during the COVID pandemic who will likely explore strategic options in the near future, alongside the processes that went on hold during 2022 and 2023 that could come back to market.





## Notable Transaction

In December, Aya Healthcare announced its acquisition of Cross Country Healthcare. The deal is reportedly valued at an enterprise value of approximately \$615M or \$18.61 per share. The partnership will expand Aya's capabilities within the school, homecare, and travel nurse settings. Each of the businesses will continue to operate under their respective brands, while providing support and cross sell opportunities where available. The partnership also positions Aya to build upon its tech-enabled thesis, as the group recently acquired Flexwise, Winnow, and Polaris.

Most notably, this partnership will expand Aya's locum tenens capabilities given Cross Country's previous acquisitions of Mint Physician Staffing and Lotus Medical Staffing.



## Select Transactions

Month	Buyer	Target	Deal Description
December	 ARGOSY PRIVATE EQUITY	 NICKLAS MEDICAL STAFFING	Argosy Healthcare Partners recapitalized Nicklas Medical Staffing, a Florida-based medical staffing firm to pathology and histology labs.
November	 TTCP	 Collaborating Docs	Triple Tree Capital Partners partnered with Collaborating Docs, a platform which matches nurse practitioners to supervising physicians.
November	 Kelly Education	 childrens THERAPY CENTER INC.	Kelly Education, a staffing provider primarily within the educational setting, has acquired Children's Therapy Center (CTC). CTC's primary focus is on physical and speech therapy for children.
November	 LiquidAgents HEALTHCARE	 REPUBLIC HEALTH RESOURCES A NURSE OWNED COMPANY	LiquidAgents Healthcare acquired Republic Health Resources, an Irving, TX-based travel nurse and travel allied health platform.
October	 Health Advocates NETWORK	 WORKSQUARE WORKER RECRUITMENT, STAFFING + EDUCATION	Health Advocates Network has acquired WorkSquare. Headquartered in Miami, FL, WorkSquare is primarily a travel nurse agency, but also has local staffing capabilities.

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## Conferences

### SIA's Executive Forum & Healthcare Staffing Summit

Provident will be attending the SIA's Executive Forum in Miami from March 10-13, and the Healthcare Staffing Summit in Las Vegas, from November 5-7. Please reach out if you're interested in meeting at either of these events.



## Laboratory & Diagnostics

Q4 2024

### Market Update







The laboratory services and diagnostic testing markets rounded out the year strong with a strong fourth quarter of M&A activity. Similar to rest of 2024, Q4 was marked with significant transactions from industry giants, LabCorp and Quest Diagnostics. LabCorp made two sizable investments, expanding into the Appalachian region with its acquisitions of Ballad Health Systems' outreach lab assets, and into the Southeast, acquiring laboratory assets from LabWorks. In a similar move, Quest Diagnostics acquired the outreach testing services of, non-profit health system, OhioHealth. These moves continue the trend of the hospital lab consolidation by the two industry leaders.

Provident expects this hospital lab consolidation to continue in 2025. Since PAMA, lab services has been an increasingly difficult service line for health systems to operate. Complications include increasing costs, a tight labor market, reimbursement pressure, and the persistent need for innovation. Carving out these lab assets has allowed for a more narrowed focus on other aspects of clinical care.

### Lab and Dx Public Comparable Multiples

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
LabCorp	LH	\$25.9B	\$12.7B	\$1.4B	2.0x	17.9x
Quest Diagnostics	DGX	\$23.4B	\$9.5B	\$1.8B	2.5x	13.1x
Eurofins	ERF	\$12.3B	\$6.5B	\$1.2B	1.8x	9.2x
Hologic	HOLX	\$16.8B	\$4.0B	\$1.3B	4.1x	13.0x

### Select Transactions

Month	Investor	Target	Deal Description
October		 <a href="#">Select Assets</a>	Quest Diagnostics has acquired laboratory assets from OhioHealth, a nationally recognized not-for-profit integrated health system. Quest completed the acquisition to broaden access to cost-effective and innovative laboratory services across OhioHealth's large patient network.
October			LabGenomics USA has successfully acquired Integrated Molecular Diagnostics, a three-location business with three locations focusing on the California market. This acquisition strengthens LabGenomics' strategic development and expands its diagnostic services to a nationwide status and deeper within the molecular technology segment.
October		 <a href="#">Select Assets</a>	LabCorp has finalized its acquisition of select assets and the molecular testing laboratory of LabWorks, an accredited independent clinical laboratory located in Birmingham, AL. The acquisition will strengthen access to broad-panel testing and other laboratory services in the underserved Alabama market.

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## Payor Services

Q4 2024

### Market Update

Transaction volume in the payor services sector has increased over the past few quarters. Five of the 15 transactions this year closed in Q4.

Strategic buyers closed on all acquisitions this quarter within the employer plan market. Three of the transactions focused on cost containment through improving member health, tying into the themes of population health and patient engagement.

Companies that can reduce payor costs by directly improving member health will continue to be in high demand by strategic consolidators. Additionally, a lower rate environment in 2025 and a resulting uptick in sponsor deal appetite. Provident believes this quarter is a reflection of future consolidation potential as pent-up demand unwinds. Innovation and growth in the sector will sustain investment through 2025.

### Notable Transaction

In November, Aluf Holdings, a diversified healthcare technology company, acquired HPN Worldwide, a respected leader in population health management.

HPN provides wellness screening, health risk assessments, evaluation & analysis, training information, research, and coaching to improve the quality of life of employer plan members. HPN's platform is compatible with health devices, such as Fitbits, to automatically sync data and gamify member's health journeys.

This acquisition will unlock synergies between the two companies, particularly driven by the high-quality delivery of population health services by HPN.











**Has partnered with**



OTC PINK: AHIX

**November 2024**

### Select Transactions

Month	Acquirer	Target	Deal Description
December			Inspira Financial, a leader in health, wealth, and retirement solutions, acquired First Dollar, an innovator in the consumer-directed benefits space. First Dollar is a technology company that builds flexible infrastructure for health spending benefits, serving health plans, TPAs, and benefits administrators.
November			Vitality, a leading patient engagement platform, acquired WellSpark, a health coaching provider, from insurer EmblemHealth. WellSpark health coaches provide in-person and digital solutions to improve members' health on behalf of health plans and employers.
November			NationsBenefits, the leading fintech, benefits, and outcomes platform for healthcare, acquired Good Measures, the leading platform for food as medicine supporting health plans and their members. Good Measure provides personalized dieticians for members and connects participants with resources to acquire the food they need.
October			Elevance Health, formerly Anthem, acquired CareBridge, a manager of home care and community-based services for health plans. CareBridge works closely with health plans to identify HEDIS quality gaps, improve health outcomes, and provides a proprietary electronic visit verification (EVV) platform.

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# **Pharma Services & Pharmacy**

**Trusted Healthcare Advisor**



## Infusion Services

Q4 2024

### Market Update

While transaction activity across the infusion therapy sector experienced a moderate downtick in Q4-24 relative to the prior nine months, the space remains one of the most attractive verticals in healthcare services. Several growth drivers in 2024 are expected to sustain momentum in the home, ambulatory, and related care settings in 2025, including advancements in therapeutic offerings, shifting patient preferences, and more favorable Medicare reimbursement.

The growth outlook remains optimistic, but addressing nursing labor shortages, harnessing technology, and navigating the ever-changing regulatory environment will be critical to achieving sustainable financial success in today's market.

Following several notable acquisitions in 2024 that secured headline valuations, Provident anticipates robust M&A activity to persist in 2025 as additional investors look to enter the sector and seize upon the industry tailwinds.

### Notable Update

Coram announced that as of October 8<sup>th</sup>, 2024, it is discontinuing infusion services for antibiotics, inotropic medications, and other acute home infusion therapies with plans to close or sell 29 pharmacies in the coming months. It will continue providing services for specialty medications, total parenteral nutrition, and enteral nutrition.

CVS Health acquired Coram in 2014 for \$2.1B and became one of the top three national providers by revenue. Despite increasing demand for services, Coram encountered nursing shortages, escalating labor costs, and reimbursement delays. Many providers face similar pressures, underscoring the need for creative strategies to maintain profitability amid rising operational challenges.

**Coram®**

♥ CVS specialty infusion services

**Has discontinued infusion services for antibiotics, inotropic medications, and other acute home infusion therapies**

**October 2024**

### Select Transactions

Month	Investor	Target	Deal Description
December	 		<p>Dynamic Infusion, a leading provider of home infusion nursing services backed by RiverGlade Capital, announced the acquisition of CCE Partners d/b/a Solution Nursing, which includes operations in Maryland, Delaware, Pennsylvania, and Northern Virginia. Solution Nursing is among the leading providers of home infusion nursing services on behalf of specialty pharmacies across its coverage area.</p> <p>The addition of these service areas only strengthens Dynamic's footprint in the Atlantic region, and combined with its internal growth, further solidifies its presence as an industry leader. On a consolidated basis, Dynamic now visits patients in their homes more than 25,000 times per year, across 14 states, and on behalf of more than 60 specialty pharmacies.</p>
October			<p>Inlet Road Capital Management, alongside the company's founders and leadership team, has acquired Druid City Vital Care. Prospect Capital supported the transaction with first lien senior secured term and convertible loans.</p> <p>Druid City is a leading ownership group within the Vital Care Infusion Services franchise system, with Druid City operating nine territories across the South and Mountain West regions. Vital Care is dedicated to providing high-quality, safe, convenient, and cost-effective infusion therapy services for both chronic and acute patients across its network. With over 160 infusion pharmacy locations in 35 states, Vital Care is a leading national home infusion platform.</p>

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#### Provident Whitepapers & Publications

##### Provident Whitepaper

[Consolidation Trends within Infusion Therapy](#)
[Private Equity Investment in Infusion Services](#)



## Clinical Research Sites

Q4 2024

### Market Update

The Clinical Research Site sector remains one of the most active M&A sectors across all of healthcare services, although deal volume in Q4 showed an overall decrease from prior quarters. The decrease in M&A activity suggests that several consolidators are focusing on integration, and many are focused on launching their own sale processes. Despite this “pause” on activity, Provident expects to see deal volume return to levels seen in past quarters as newer platforms seek add-on opportunities to fuel growth.

Compared to many other healthcare services sub-sectors, clinical research platforms remain particularly attractive to investors. Strong industry tailwinds (e.g., high margins, cash rich pharma sponsors) and an ability to bolster many operational levers on both the revenue and expense side of the equation (e.g., improving contractual terms, centralized corporate functions, economies of scale) allow private equity investors to flex their business acumen, while allowing investigators to focus on providing care to their patients.

### Notable Transaction

Genstar Capital completed its acquisition of 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. 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, have 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 nationally integrated site platform.



### Select Transactions

Month	Investor	Target	Deal Description
December	 <b>BuildClinical</b>	 <b>OpenClinica</b>	BuildClinical, a health technology company that enables academic researchers to accelerate clinical research patient recruitment efforts, has been acquired by OpenClinica, a clinical trials automation software platform backed by Thompson Street Capital Partners. Together, the two organizations will offer a complete set of solutions for recruitment, consent, enrollment, and data capture for clinical trial patients. BuildClinical has historically focused on the academic end market, bringing key recruitment solutions to OpenClinica's existing network of CROs, pharma sponsors, biotech, and medical device customers.
December	 <b>INSITE</b> CLINICAL RESEARCH	 <b>ADAMS CLINICAL</b>	Insite Clinical Research, a clinical trial site based in the Dallas-Fort Worth metroplex specializing in inpatient and outpatient trials for psychiatric and neurologic illnesses, has signed an agreement to partner with Adams Clinical, a premier neuroscience-focused clinical trial site network. The collaboration will expand Adams Clinical's capabilities and geographic reach while enhancing access to Insite Clinical Research's expertise in managing complex psychiatric and neurologic studies. Together, the organizations aim to provide sponsors with streamlined solutions for advancing innovative central nervous system therapies. Provident acted as the exclusive financial advisor to Insite Clinical Research in this transaction.
November	 <b>Headlands</b> RESEARCH	 <b>TMA</b>	Headlands Research, a leading multinational network of clinical trial sites, has completed its acquisition of Trial Management Associates (TMA), a multi-site clinical research company with locations in North and South Carolina. The Headlands Research network now includes 21 sites across the U.S. and Canada, extending the network's reach to the Southeastern U.S. region. The acquisition bolsters Headlands' network of clinical trial sites and provides its sponsors with a larger and more diverse participant pool. TMA will also benefit from Headlands' capabilities, relationships, and best practices to help scale the business and advance innovative medical therapies.

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# Pharmaceutical Commercialization

Q4 2024

## Market Update

Q4-2024 M&A activity within the outsourced pharmaceutical commercialization sector yielded similar transaction volume to preceding quarters, highlighted by several strategic add-on acquisitions and a significant private equity recapitalization through THL Partners' acquisition of Red Nucleus.

Despite ongoing pressure on commercialization budgets across the broader pharmaceutical ecosystem, specialized commercialization assets with a dedicated and proven focus within lucrative and complex therapeutic areas continue to attract significant interest – not only from biotechnology and pharmaceutical companies seeking outsourced services but also from scaled strategics and private equity investors in the capital markets.

## Notable Transaction

In October, Red Nucleus ("the Company"), a leading full-service commercialization operator supporting a wide range of biotech and pharmaceutical companies, has been acquired by THL Partners.

The Company currently serves over 200 organizations globally providing key services including, but not limited to, medical communications, market access, strategic consulting, and research and development. THL's investment comes subsequent to a successful four-year holding period with The Riverside Company, a global middle-market private equity group based in New York.



## Select Transactions

Month	Acquirer	Target	Deal Description
December			Danforth Advisors, a leading strategic consulting firm backed by Avesi Partners, has acquired VPMR, marking its fifth strategic investment since its recapitalization in December 2021.
December			Greenlight Health Data Solutions, a digital health record platform with venture capital funding, acquired Pattern Health, a provider of clinical trial and Clinical Outcome Assessment solutions.
November			SAI MedPartners, a global provider of pharmaceutical, biotechnology, and medical device consulting backed by Northlane Capital Partners, acquired IDEA Pharma, a provider of market access strategy services.
November			Petauri acquired Formulary Insights, a leading market access firm. The partnership marks Petauri's fifth add-on acquisition since May 2023 under ownership of Oak Hill Partners.
October			ProductLife Group, a leader in strategic and digital consulting supported by private equity firm 21 Invest, acquired Halloran Consulting Group in an effort to strengthen its regulatory advisory offering.

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## Publications & Podcasts

### Publications & Conferences

[Outsourced Pharmaceutical Commercialization Market Update](#)



# Contract Research Organizations

Q4 2024

## Market Update

M&A activity within the CRO sector showed signs of continued resilience in the fourth quarter of 2024 with multiple sponsor-backed recapitalizations and scaled strategic acquisitions.

As many large pharmaceutical companies look to designate a larger portion of budgets towards research and development in response to an increasingly complex chronic disease environment, the demand for preclinical CROs and their services has increased among investors and operators. Furthermore, those with a proven expertise in specialized or complex areas are best positioned to capitalize on the shift in budget allocation. As evidenced by Concept Life Science's acquisition of Charnwood Discovery, discovery and pre-clinical CROs can leverage mergers and acquisitions to gain key scientific expertise to accelerate drug candidates.

## Notable Transaction

In December, Biomapas, a European-based CRO and provider of global life sciences solutions, announced it has been recapitalized by Carbyne Partners, a private equity investment firm located in Hamburg, Germany.

The investment provides Biomapas with essential growth capital to scale operations, enhance services in clinical research, and expand into new markets to further drive growth. Prior to taking on institutional capital from Carbyne, Biomapas grew into a global competitor over the last two decades under leadership of the co-founding Sveikata family and executive team.









**BIOMAPAS**  
Clinical, Regulatory & Pharmacovigilance

**Has been recapitalized by**



**December 2024**

## Select Transactions

Month	Investor	Target	Deal Description
December	 <b>KESTER CAPITAL</b>		Kester Capital, a UK-based private equity investor specialized in life sciences and technology, acquired EMAS Pharma, a UK-based CRO and division of Bionical Emas.
December			1MED, an Apposite Capital portfolio company and medical device CRO, acquired LB Research, an Italy-based CRO specialized in clinical trial management.
November			Concept Life Sciences, a UK-based drug discovery, development, and manufacturing organization, acquired Charnwood Discovery, a provider of drug discovery research.
October			Avania, a leading global medical technology CRO, acquired Anagram to enhance its service offering within Spain, a new European geography.
October			Synexa Life Sciences, a global provider of biomarker and bioanalytical services, acquired Alderley Analytical, a UK-based CRO, to enhance its existing service offering.
October			Clinglobal acquired OCrvet, a European-based CRO focused on animal health field trials to bolster its European presence in animal health, pet food, and human research.

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# Physician Practice Management

**Trusted Healthcare Advisor**



## Cardiology

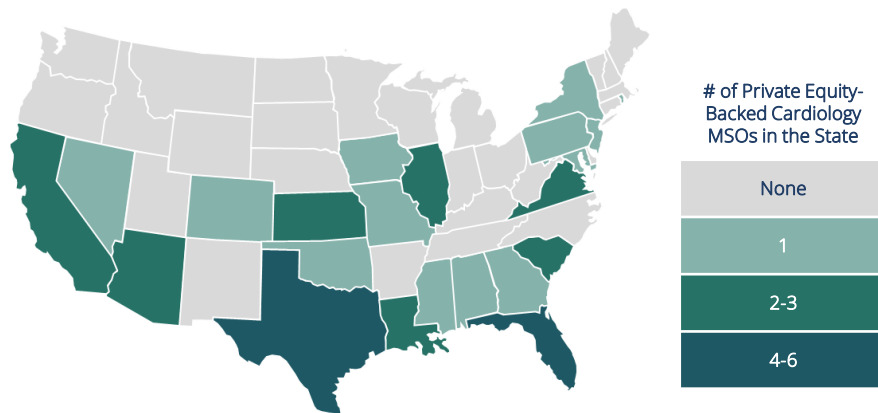
Q4 2024

### Market Update

The cardiology sector remains a highly competitive and active sector within physician services. While there were only two publicly announced cardiology transactions in the fourth quarter of 2024, Provident is aware of several others that were completed but not formally announced with a public press release.

Behind the scenes, private equity-backed strategics continue to execute on primarily in-state add-on activity throughout the U.S.. As portrayed on the map to the right, there are several states that have established platforms and many others yet to see their first transaction within the space. Groups will look to further build out geographic density within their current footprints while also looking for strong assets to acquire in surrounding regions and states. Provident expects 2025 to continue the consistent consolidation trend seen in 2024 within cardiology services.

### Private Equity Cardiology Platform Presence



### Select Transactions

Month	Acquirer	Target	Physicians	Locations	States
December			11	10	FL
December			8	3	FL

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## Dental Services

Q4 2024

### Market Update

Dental services transaction volume increased in Q4-2024, supported by decreasing margin pressures and lower interest rates. Many DSO operators are also reapproaching the M&A market as acquirers after focusing on organic growth initiatives over the last 12 to 18 months.

Notable transactions this quarter include four private equity funded recapitalizations. Specialty transactions remain top of mind for investors as evidenced by SRM Equity Partners' investment in Mid-Florida Endodontics, which Provident represented. In addition, differentiated general DSOs like Riccobene Associates and MB2 dental were able to complete secondary transactions to accelerate their growth trajectory.

The above transactions received premium valuations and highlight investor interest in dental services. We expect significant 2025 market activity as other DSOs prepare their own processes on the heels of a successful Q4-2024.

### Provident Transaction


Provident advised Mid-Florida Endodontics ("MFE") in its partnership with SRM Equity Partners in December 2024.

MFE's 11 specialists currently provide endodontic care from 10 facilities in central Florida. The founding endodontists and the MFE team utilized a de novo strategy to build impressive density under one trusted brand. The partnership with SRM will allow MFE to refine operations and accelerate growth through both de novo and M&A strategies.

Provident ran a competitive process that provided MFE with multiple competitive partnership options at premium valuations, resulting in an efficient closing with an experienced growth-oriented investor.



### Select Transactions

Month	Investor	Target	Location(s)	State(s)
December			10	Florida
December			9	Washington
November			700	National
November			62	NC, SC, VA
October			10	Georgia
October			6	New Jersey

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# Dermatology

Q4 2024

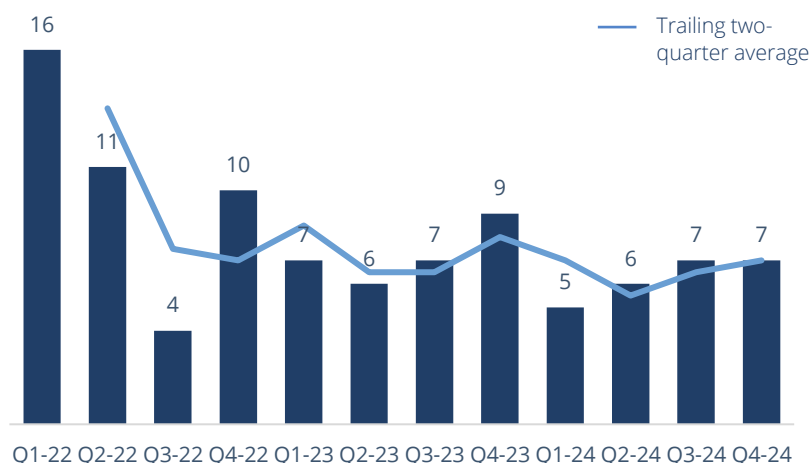
## Market Update

The dermatology sector capped off the year with another quarter of consistent transaction volume, primarily driven by two of the larger strategic consolidators in the space. While some platforms still remain acquisitive, many MSOs have focused on improving operational efficiencies and have prioritized organic growth over M&A.

One such transaction was Epiphany Dermatology's acquisition of Provident's client The Derm Center (TDC) in Maryland. Provident was able to leverage competition to structure a very compelling deal for all of TDC's shareholders.

Given the stage in the investment cycle, a number of .PE-backed MSOs will likely approach the market for sale processes of their own in 2025. Provident expects the larger consolidators to be active participants in those processes and are anticipating some landmark deals in 2025.

## Quarterly Transaction Volume



## Select Transactions

Month	Investor	Target	Physician(s)	Location(s)	State(s)
December	 <b>EPIPHANY<sup>®</sup></b> DERMATOLOGY	The Dermatology Center, PA	6	2	MD
December	 <b>EPIPHANY<sup>®</sup></b> DERMATOLOGY	Center for Dermatology	1	1	MN
November	 <b>SCHWEIGER</b> DERMATOLOGY GROUP	 <b>DERMATOLOGY</b> & Surgery Associates	n/a	1	NY
November	 <b>EPIPHANY<sup>®</sup></b> DERMATOLOGY	George Dermatology	1	1	MO
October	 <b>SCHWEIGER</b> DERMATOLOGY GROUP	 <b>Clearlyderm</b> Dermatology	11	5	FL
October	 <b>EPIPHANY<sup>®</sup></b> DERMATOLOGY	The Dermatology Clinic	2	1	WA
October	 <b>FRONTIER</b> DERMATOLOGY	Doherty Dermatology	1	1	WA

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### Publications & Conferences

#### Conference

Members of the Provident Dermatology coverage team are planning on attending the AAD conference in Orlando.



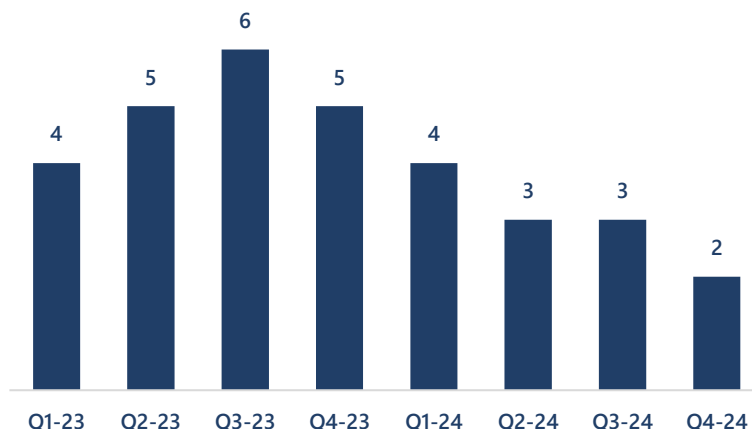
## Emergency Medicine Services

Q4 2024





### Market Update

Transaction volume in the Emergency Medical Services (EMS) sector was lower in Q4 2024 due to pressures from the interest rate environment and continuing labor challenges in many parts of the country. However, we expect 2025 deal volume to increase, especially in urgent care as health systems and investors continue to see care shift to retail-based settings. Urgent care clinics, known for their accessibility and faster service, are meeting the growing demand for convenient and efficient healthcare, even for individuals without established primary care relationships. Additionally, strategic partnerships and advancements in telemedicine are emerging as pivotal drivers of growth, further enhancing the sector's resilience. While short-term challenges persist, the long-term outlook remains cautiously optimistic, supported by the expanding reliance on urgent care and outpatient facilities.

### Quarterly Transaction Volume



### Select Transactions

Month	Investor	Target	Sub-Sector	Deal Description
December		<i>Select Locations of</i>  <b>Carbon Health</b>	Urgent Care	Northwest Urgent Care, a subsidiary of Community Health Systems, has expanded its presence in Arizona with the acquisition of select Carbon Health centers. Over the past five years, Northwest Healthcare has invested approximately \$200 million in strategic projects throughout the Greater Tucson Metro area, including two new hospitals – Northwest Medical Center Sahuarita and Northwest Medical Center Houghton. This acquisition brings Northwest's total number of locations across its network to 80 sites.
October		<i>Select Locations of</i>  <b>MedExpress URGENT CARE</b>	Urgent Care	UPMC, a network of 20 urgent care clinics across Pennsylvania, has partnered with GoHealth Urgent Care, a national urgent care provider with 250+ locations, establishing a joint venture overseeing select MedExpress locations. Through this partnership, the companies will manage 78 clinics across Pennsylvania, West Virginia, and Virginia. In spring 2025, UPMC Urgent Care and UPMC Express Care sites will adopt the new UPMC-GoHealth Urgent Care branding.

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## Gastroenterology

Q4 2024

### Market Update

The most impactful news within the GI sector this quarter, and perhaps all of physician services, was the announcement that GI Alliance entered into a definitive agreement with Cardinal Health (NYSE: CAH) in which Cardinal will acquire a majority stake in GI Alliance at a valuation of \$3.9 billion. The purchase will come from a combination of Apollo Global Management exiting their investment in GI Alliance and physician owners liquidating a portion of their equity. GI Alliance is the largest of the PE-backed GI platforms and has been through two iterations of PE investment.

For Cardinal Health, this deal signals an aggressive push to deepen their footprint in specialty care. Cardinal had previously acquired the multi-specialty platforms Specialty Networks and Integrated Oncology Network and growing this segment is a top priority for them going forward. Post-acquisition, Cardinal intends to continue growing GI Alliance and broaden their coverage into other adjacent specialties of physician practice management. For the physician owners of GI Alliance, this deal unburdens them from debt, allows them to remain owners in the business, and gives them a new well-capitalized partner with much to offer from a synergy perspective. This announcement is also welcome news to the remaining private equity-backed platforms in GI as it introduces a new buyer cohort of pharma companies in addition to the traditional exit to larger PE firms or multispecialty conglomerates.

In Q4 2024, the pace of M&A activity within gastroenterology continued to show a decline from the volume seen in recent years. For private equity-backed acquirers, interest remains high for add-on opportunities, but there are simply fewer opportunities in the market. In 2025, Provident expects to see continued add-on acquisitions and more secondary transactions like the Cardinal announcement.

### Provident Transaction




Gastrointestinal Specialists Inc. (GSI) of Richmond, Virginia partnered with a strategic consolidator in October of 2024.

Provident acted as the exclusive financial advisor to GSI as part of this transaction. GSI is one of the largest providers of GI care in the Virginia market with 32 physicians and midlevel providers. The transaction provides the buyer a foothold in a market that was previously untapped from PE-backed strategic perspective.

This marks Provident's tenth successfully closed transaction within the GI sector, making our firm the most active advisor to GI practices in the middle market.



### Select Transactions

Month	Acquirer	Target	Physicians	Locations	State
December			900+	345	20 states
<i>Note: This transaction was announced in December 2024 and is slated to close in early Q1 2025</i>					
October	Undisclosed		18	5	Virginia

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## Oncology

Q4 2024

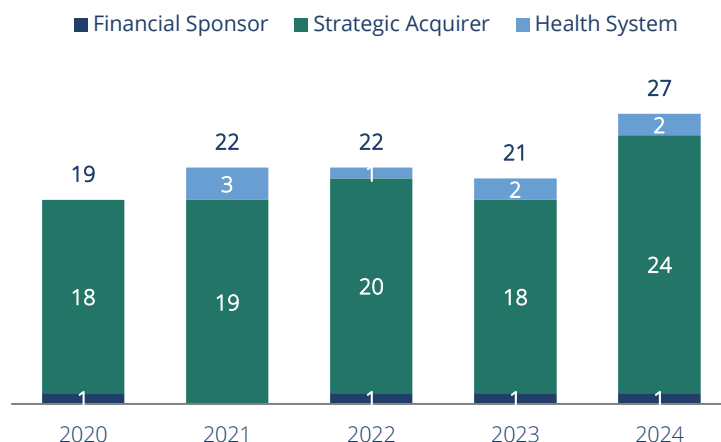
### Market Update

Transaction activity in oncology practice management remained strong in Q4 2024, with five closed transactions bringing the full year total to 27. This sustained momentum highlights continued investor interest and sector consolidation.

Notably, Cardinal Health acquired PE-backed Integrated Oncology Network, solidifying Cardinal Health's position alongside the other major pharmaceutical wholesalers, all of whom now own stakes in community oncology practices. This transaction underscores a broader push toward vertical integration and cost management in oncology therapeutics. Further, Mission Cancer + Blood joined forces with University of Iowa Healthcare, reflecting the growing trend of collaborations between community oncology providers and large health systems to enhance care delivery. Lastly, United Urology Group joined OneOncology, reflecting a push to capitalize on synergies between related specialties.

Looking ahead to 2025, Provident expects intensified competition for add-ons due to the growing number of strategic acquires active in the space.

### Quarterly Transaction Volume



### Select Transactions

Month	Acquirer	Target	Deal Description
December			Cardinal Health has acquired Integrated Oncology Network, a physician-led community oncology network with over 50 locations across 10 states, in a transaction valued at \$1.2 billion
October			Tennessee Oncology, a community-based oncology practice with 35+ locations and a member of OneOncology, has acquired The Surgical Institute, a surgical specialty practice comprising 40+ surgeons and 15 advanced practice providers
October			Southeastern Medical Oncology Center, a leading cancer care provider in Eastern North Carolina with five medical oncologists and six advanced practice providers, has joined OneOncology
October			OneOncology has closed the acquisition of United Urology Group, a PE-backed urology management services organization with over 250 providers and 1,300 employees
October			Mission Cancer + Blood, an Iowa-based community oncology practice with more than 20 locations, announced its partnership with University of Iowa Health Care

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#### Press Releases

##### Press Releases

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



# Ophthalmology

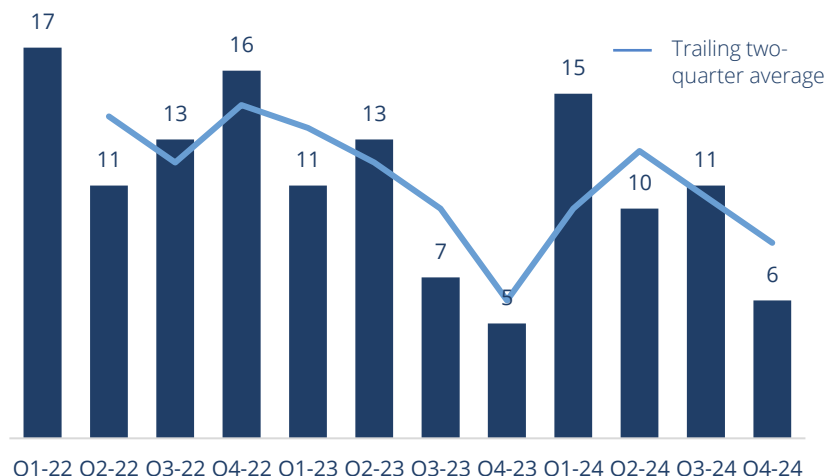
Q4 2024

## Market Update

The ophthalmology sector ended 2024 with similar levels of transaction volume to the prior year, mostly characterized by strategic add on acquisitions for platforms looking to build density in existing market as well as grow into new ones.














The landmark deal highlighting the quarter was Retina Consultants of America's sale to Cencora, which was announced in November. Cencora, who's thesis is predicated on RCA's significant injectable drug spend, will plan to vertically integrate the businesses, target clinical research as a key area of interest and continue to add high quality retina providers organically and through acquisition. Provident expects Cencora and other big pharma companies, as well as other multispecialty strategies to be active deal participants in 2025, especially for sale processes involving private equity-backed MSOs. Based on market intel, multiple sponsor-backed platforms are already out to market or will be approaching the market in 2025.

## Quarterly Transaction Volume



## Select Transactions

*\*Announced*

Month	Investor	Target	Provider(s)	Location(s)	State(s)
December	 <b>EYE HEALTH AMERICA</b>	 <b>Family Eye Care Center</b>	n/a	1	SC
November*	 <b>cencora</b>	 <b>RETINA CONSULTANTS OF AMERICA</b>	~300	250+	23
November	 <b>EYESOUTH PARTNERS</b>	 <b>Retina Associates of Middle Georgia</b>	n/a	n/a	GA
November	 <b>KIAN CAPITAL</b>  <b>RF INVESTMENT PARTNERS</b>	 <b>US VISION MED PARTNERS</b>	n/a	n/a	Nationwide
November	 <b>EYE HEALTH AMERICA</b>	 <b>BOWDEN EYE &amp; ASSOCIATES</b> <small>Eyes • Aesthetics • Hearing</small>	7	3	FL
October	 <b>EYESOUTH PARTNERS</b>	 <b>KENTUCKY EYE INSTITUTE</b>	12	10	KY

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## Conferences

### Conference

Members of the Provident Ophthalmology coverage team will be attending the ASCRS conference in Los Angeles in April.



## Orthopedics

### Market Update

Orthopedic M&A activity in Q4 2024 showed signs of renewed momentum, highlighted by several large-scale recapitalizations and exits. Notable transactions included UnitedHealth Group's acquisition of OrthoAlliance through its subsidiary SCA, Brookfield Asset Management's recapitalization of Orthopedic Care Partners, and an undisclosed private equity group's investment in a Northeast-based practice via a Provident Healthcare Partners-led process.

These successful exits and secondary transactions highlight private equity's ability to achieve strong outcomes in a vertical that historically lacked a robust track record of exits, largely due to the nascent nature of PE investment in orthopedics. This success is expected to bolster investor confidence, driving heightened interest and increased deal activity across the sector.

### Notable Provident Transaction

A Northeast-based orthopedic practice (the "Company") with 100+ providers has successfully completed a recapitalization with a healthcare-focused private equity investor to establish a new orthopedic platform. The Company operates over ten clinic locations and multiple ASCs in a lucrative metropolitan area. Led by its experienced management team, the Company plans to pursue both organic growth and M&A expansion throughout the Northeast.

Provident Healthcare Partners acted as the exclusive financial advisor to the Company.







#### A Northeast-Based Orthopedic Practice

**Has been recapitalized by an undisclosed private equity investor**

**December 2024**

*Note: This transaction will be publicly disclosed in 2025*

### Select Transactions

Month	Acquirer	Target	Locations	State(s)	Deal Description
December	 SCA Health UnitedHealth Group®	 OrthoAlliance	70	KY, OH, IN	SCA Health, a subsidiary of UnitedHealth Group, has acquired the management company of OrthoAlliance, previously backed by Revelstoke Capital Partners. This acquisition highlights the continued trend of vertical integration within the Optum and UnitedHealth network.
December	 Brookfield TPG TWIN BROOK	 ORTHOPEDIC CARE PARTNERS	42	FL, OH, MD, GA, VA	Brookfield, an alternative asset manager, has recapitalized Orthopedic Care Partners ("OCP"). OCP also completed a \$358M senior debt refinancing, led by TPG Twin Brook Capital Partners, as part of the broader recapitalization.
October	 ORTHOINDY BONE • JOINT • SPINE • MUSCLE	 Indiana Hand to Shoulder Center	10	IN	OrthoIndy and Indiana Hand to Shoulder Center, two of Indiana's most prominent orthopedic practices, have announced a strategic partnership to manage a collective 22 clinic locations. The groups expect to complete the integration process in the first half of 2025.

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#### Conferences

##### AAOE Annual Conference

Scott Davis and Jake Vesely are attending the AAOE Annual Conference in Atlanta, GA from May 2-5. Please contact Jake Vesely if you will be in attendance.



## Primary Care

Q4 2024

### Market Update

M&A volume across the Primary Care sector continued at a steady rate throughout Q4, headlined by Revere Medical's landmark acquisitions of Stewardship and CareMax's MSSP patients. Despite a persistently positive outlook on the long-term viability of risk-based payment models, the recent drawbacks in the Medicare Advantage space have created increased scrutiny in the sector for new investors. Further, challenges faced by retail primary care providers such as Walmart and Walgreens have led many groups to shift their focus towards traditional, clinic-based care delivery models. The closure of private pay, direct primary care provider Forward, highlights the hurdles to developing a sustainable model in the value-based care paradigm.

That said, investors have maintained a generally bullish outlook heading into 2025, particularly for care providers with a targeted approach towards areas such as pediatrics or high-acuity geriatric patients.

### New Platform Formation

Zarminali Health, an outpatient pediatric primary care platform aiming to provide coordinated primary and specialty care, received \$40M in seed financing led by General Catalyst. The Company plans to leverage the latest healthcare technology and an integrated approach to both primary and specialty care designed to improve the care experience for both patients and families while addressing physician burnout.

This funding includes a venture debt facility to finance the Company's go-to-market vision and support the opening of its initial locations in Q4 2024. This represents a continuation of the strong investment interest pediatric primary care has received in 2023 / 2024.



### Select Transactions

Month	Investor	Target	Deal Description
November			McLaren Health Care, a Michigan-based health care delivery system with 13 hospitals and a network of provider clinics statewide, acquired Park Medical Centers, a group of primary care practices comprising 10 clinics, 21 total providers, and 36,000 total patients. The partnership enhances McLaren's presence within southeast Michigan while enabling Park Medical to continue operating under its existing name and branding to ensure continuity.
November			Revere Medical, an employed medical group backed by Kinderhook Industries with operations across 6 states, has agreed to acquire the MSSP portion of CareMax, Inc.'s (NASDAQ: CMAX) MSO platform, comprising ~80,000 total beneficiaries. This announcement comes on the heels of Revere's Stewardship acquisition as it seeks to add further patient volumes to more effectively improve quality and reduce overall healthcare system costs.
November			Amulet Capital Partners, a middle-market private equity investment firm focused exclusively on the healthcare sector, completed a new platform investment in Theoria Medical, a tech-enabled MSO providing value-based primary care services to senior living communities nationwide.
October			Clinical Care Medical Centers, a Miami-based primary care platform with 26 clinics across South Florida, has sold its assets to Humana as part of a Chapter 11 bankruptcy filing. Clinical Care services ~35,000 patients across its clinical footprint, the bulk of which are covered by Medicare and/or Medicaid.

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## Wellness & Aesthetic Medicine

Q4 2024

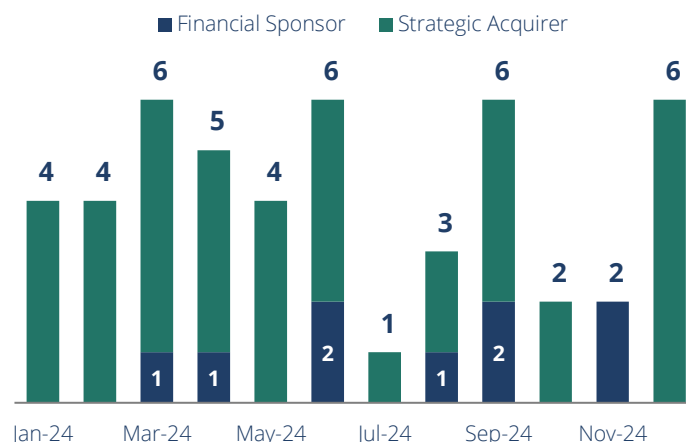
### Market Update

The wellness and aesthetic medicine sector closed out a strong year with a ten closed deals in Q4, bringing 2024 to a total of 49 transactions. Steady consolidation activity was driven by the popularity of aesthetics services, cash pay nature, and scalability of the business model.

Strategic consolidators remain highly acquisitive as they execute rapid M&A expansion strategies. Six strategic consolidators completed at least one transaction in the quarter. Additionally, two new private equity-backed platforms were established with Revelstoke Capital Partners' acquisition of NakedMD and Eagle Merchant Partners' acquisition of AYA Medical Spa.

Provident expects 2025 to exhibit accelerated deal activity as newly-formed platforms build regional density and additional financial sponsors are eager to join the space. Specific interest is rising in hormone replacement therapy (HRT) and wellness services, both of which will likely become areas of focus for investors in coming months.

### Monthly Transaction Volume



### Select Transactions

Month	Acquirer	Target	Deal Description
Dec-24			Cosmetic Physician Partners acquired Cosmoplastic Surgery, an aesthetic practice led by Dr. Kaveh Alizadeh with two locations in New York City and Long Island, New York.
Dec-24		 	Empower Aesthetics announced partnerships with both Georgous Aesthetic Bar based in Kansas City, Missouri and Livio Med Spa based in Cincinnati, Ohio and Covington, Kentucky.
Dec-24		 	Formula Wellness, a Trive Capital portfolio company, acquired The MedSpa Austin and New Medical Spa expanding the platform's footprint in both Texas and Virginia.
Dec-24			Carolina Age Management Institute ("CAMI") has partnered with Alpha Aesthetics Partners, a Thurston Group portfolio company. CAMI operates two locations in Greensboro and Huntersville, North Carolina.
Nov-24			Revelstoke Capital Partners established a new platform through its partnership with NakedMD. Founded in 2022, NakedMD operates 18 clinics across California and Arizona.
Nov-24			Private equity firm Eagle Merchant Partners announced its partnership with AYA Medical Spa, which operates nine clinics across Georgia and Texas.
Oct-24			Advanced MedAesthetic Partners (AMP), backed by Leon Capital Group, acquired New Radiance Cosmetic Centers, expanding its footprint by five locations across South Florida.
Oct-24			United Aesthetics Alliance, a Varsity Healthcare Partners portfolio company, partnered with The Swan Center for Plastic Surgery based in Alpharetta, Georgia.

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### Upcoming Conferences

#### Conference Tracker

- The Medical Spa Show presented by AmSpa
- April 10 – 13, 2025
  - Wynn Las Vegas



## Other Physician Services

Q4 2024

### Market Update

The final quarter of 2024 experienced slightly subdued transaction activity relative to prior quarters, largely due to the impact of the election and incoming presidency. Many transactions have been strategically pushed back to push tax filings into 2026.

As a result of this dynamic, Provident anticipates robust transaction activity across physician services verticals in Q1 2025, a trend that is expected to continue throughout the year as the macroeconomic environment becomes more favorable for M&A transactions. Solis Mammography, backed by Madison Dearborn Partners, is currently out to market and has received significant interest from potential investors. Strategic acquirers and financial sponsors are well-positioned to pursue platform and growth opportunities as the investor landscape remains highly competitive for premium assets.

### Notable Transaction

ENT and Allergy Associates, the largest ear, nose, throat, allergy, and audiology practice in the country, has completed its acquisition of Advanced ENT & Allergy. Advanced ENT & Allergy was backed by SENTA Partners, a Shore Capital Partners portfolio company.

The acquisition adds 38 providers and 11 practice locations across New Jersey to ENT and Allergy Associates' current footprint, significantly expanding its geographic reach throughout the tri-state region. The partnership will leverage the combined expertise of both organizations to better serve the 2M+ patients seen per year.



**Has Acquired**



**October 2024**

### Select Transactions

Month	Sub-Sector	Acquirer	Target	Physicians	Locations	State(s)
December	ENT			1	4	FL
December	Radiology			2	6	TX
October	ENT			38	11	NJ
October	Radiology			n/a	2	LA

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# Post-Acute Care

**Trusted Healthcare Advisor**



# Home Health & Hospice

Q4 2024

## Market Update

M&A activity in home health and hospice remained strong in Q4 2024, driven by several high-profile closings and regulatory updates. The final ruling for 2025 introduced a 2.9% hospice rate increase and a 1.9% home health rate decrease, providing greater clarity for providers' performance expectations for 2025. Notable transaction closings included Sodexo's sale of Comfort Keepers to The Halifax Group, Gentiva's \$710 million acquisition of ProMedica's assets, and Choice Health at Home securing \$260 million in new capital for Southwestern expansion. These deals highlight diverse investor interest, with strategic buyers, private equity investors, and lenders all remaining bullish on the sector. Meanwhile, Amedisys and United extended their \$3.3 billion merger deadline into 2025, but uncertainty surrounds the transaction's completion. Amedisys paused its divestiture to VitalCaring, which was intended to address antitrust concerns related to the United transaction, following a court ruling on VitalCaring's profit-sharing obligations with Encompass Health and Enhabit Inc.

## Home Health & Hospice Comparable Multiples

Company	Share Price	Revenue (\$M)	Adj. EBITDA (\$M)	EV/Rev	EV/EBITDA
Addus HomeCare	\$125.70	\$1,133	\$136	1.9x	15.4x
Amedisys Inc.	\$91.93	\$2,321	\$282	1.4x	11.7x
BrightSpring Health Services	\$17.34	\$10,588	\$563	0.6x	10.6x
Enhabit Inc.	\$7.71	\$1,037	\$93	0.9x	10.2x
Pennant Group	\$26.34	\$652	\$52	2.0x	24.6x

*As of 1/7/2025*

## Select Transactions

Month	Acquirer	Target	State(s)	Deal Description
December			NC	Avid Health at Home ("Avid") completed its fifth acquisition, Sandhills Home Care ("Sandhills"). The acquisition is Avid's second in NC, further deepening Avid's presence across 14 counties in the state.
November / December		 MO & TX Hospice Operations	MO, TX	In two separate transactions, New Day Healthcare ("New Day") acquired Intrepid USA's hospice operations in MO and TX and Good Samaritan Society's hospice operations in TX.
November			OK	Choice Health at Home acquired Accentra Home Health, a provider offering home health and hospice services. With the acquisition, Choice covers 90% of the urban and rural markets in OK.
October			FL	Help at Home acquired Caregiver Services Inc., adding 1,300 caregivers and 1,500 Medicaid and private pay clients across 49 counties in FL.

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## Conferences

### Home Care 100

Kevin Palamara and Jake Vesely are attending Home Care 100 in Marco island, FL from January 19-22. Please contact Jake Vesely if you will be in attendance.



# Rehabilitation

Q4 2024

## Market Update

Q4 transaction activity in the rehabilitation space increased from Q3, though it was primarily focused on smaller tuck-in acquisitions. The latest APTA survey reports a national vacancy rate of 9.5% for outpatient PT practices, nearly double the national average across all industries. While turnover peaked in 2021 and 2022, retention has since stabilized in the high teens to low twenties percent range, easing some pressure. These labor challenges are driving strategic M&A activity, as many platforms struggle to meet growth targets through organic growth alone. With a favorable macroeconomic and political landscape, Provident anticipates 2025 will be a highly active year for M&A in the PT space. While strategic acquisitions are expected to dominate, secondary and tertiary exits of scaled private equity-backed platforms are also anticipated as the deal environment becomes more favorable.

## USPH vs. Other Healthcare Facility Operators

Company	EBITDA (\$M)	EV / Rev	EV / EBITDA
U.S. Physical Therapy	\$94	2.6x	17.6x
Acadia Healthcare	\$691	2.0x	9.0x
Encompass Health	\$1,140	2.4x	11.1x
HCA Healthcare	\$13,788	1.7x	8.9x

*As of 1/8/2025*

## Select Transactions

Month	Acquirer	Target	Locations	State(s)	Deal Description
December			7	MA, NY	Access Physical Therapy & Wellness acquired Physical Therapy Associates of Schenectady ("PTAS"), a trusted provider in its communities since 1982. Through the acquisition, PTAS will gain access to Confluent Health's comprehensive management services.
October / December		Both Not Disclosed	58	NY, WY	U.S. Physical Therapy completed two acquisitions in Q4: an MSO with 50 outpatient PT clinics generating \$64.0M in revenue in October, and an eight-clinic physical therapy practice in Wyoming with \$6.5M in revenue in December.
October			10	MA	Highbar Physical Therapy, a Rallyday portfolio company, acquired MA-based Peak Physical Therapy and Sports Performance ("Peak"). The transaction offers Peak an expanded suite of services, enhancing its ability to serve local communities and invest in its clinicians.
October			3	RI	Bay State Physical Therapy acquired Healy Physical Therapy & Sports Medicine, expanding its reach throughout RI. This partnership combines resources and expertise to enhance access to patient-centered care under the Bay State brand.

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# **Other Healthcare Services**



## Healthcare Education

Q4 2024

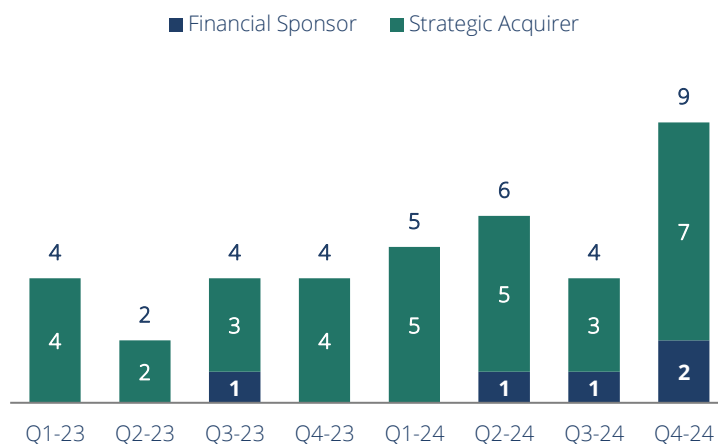
### Market Update

The healthcare education sector closed nine transactions in Q4 2024, the highest quarter in the past two years. The outsized deal count reflects growing investor interest within a highly fragmented and broad market. Despite numerous sub-sectors in the space, common drivers of consolidation include the healthcare provider shortage and technological advancements.

Healthcare education companies of all scales are finding partnership opportunities. Of the nine deals closed in Q4 2024, most were add-ons from existing strategics, but there was also a new platform creation and a meaningful tertiary buyout. Notably, THL Partners acquired The Riverside Company's portfolio company, Red Nucleus. Additionally, Leeds Equity Partners established a new platform with test preparation company Archer Review.

Provident expects similar transaction activity to continue throughout 2025 with new investors eager to enter the space and strategics continuing to diversify its services.

### Quarterly Transaction Volume



### Select Transactions

Month	Acquirer	Target	Deal Description
December			The California-based education provider Legacy Education (NYSE: LGCY) completed its acquisition of Contra Costa Medical Career College with a purchase price of \$8 million. The transaction brings Legacy's footprint to six healthcare-focused campuses throughout California.
November			SimX, a virtual reality medical simulation for healthcare professionals, was acquired by Madison Industries. SimX is an education tool offered to health systems and educational institutions to combat preventable patient deaths and the nursing shortage. The partnership furthers Madison Industries' mission to make the world safer.
November			HealthStream acquired two clinical rotation management businesses, Total Clinical Placement System ("TCPS") and the Clinical Hub, for \$1.65 million and \$600,000, respectively. The companies will expand HealthStream's ability to serve the 285,000 clinical rotations currently on its myClinicalExchange platform that was brought on in 2020.
October			Leeds Equity created a new healthcare education platform through its acquisition of Archer Review. Archer Review offers various NCLEX test preparation services to nursing students. Leeds views the partnership with Archer Review as a strong foundation to serving the labor shortage in the medical field.
October			THL Partners announced its acquisition of Red Nucleus. THL is Red Nucleus' third private equity sponsor, preceded by Renovus Partners (2016) and The Riverside Company (2020). Founded as a life sciences learning and development company, Red Nucleus has since diversified to provide several strategic services to its clients. THL intends to continue broadening the company's commercialization services.

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# Private Equity

**Trusted Healthcare Advisor**



# Private Equity Healthcare Services

Q4 2024

## Market Update

**General:** Private equity healthcare services deal activity in Q4-24 (108 deals) fell slightly compared to Q3-24 (139 deals), but several notable transactions were announced as detailed further below. However, bankers and investors alike are bullish on deal activity going into 2025. Most of the decline in Q4-24 can be partly attributed to the softening in PPM deals, which has faced increased regulatory filing scrutiny in several states. However, with a new administration taking office in Jan-25, there is an expectation of a friendlier dealmaking environment with less federal and regulatory scrutiny, which should drive M&A activity well-beyond 2024 levels.

**Valuations:** Amid the macroeconomic and regulatory battles, valuations have crept down or “normalized” since the 2020 and 2021 peaks. The rapid rise in the cost of debt might have hindered valuations, along with several macroeconomic headwinds including labor and cost inflation. However, as the cost of debt decreases, and investors are more eager to deploy capital, there could be several competitive processes that drive valuations up in certain sub-sectors. The last three years have also caused seller valuation expectations to moderate, and the gap between buyer expectations are decreasing. 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.

**Exit Activity:** PE exit activity in Q4-24 (28 exits), and 2024 generally (138 deals), were at historic lows. However, there were several notable PE exits that should instill confidence in the market in 2025 and through 2026. Namely, Integrated Oncology Network (formerly backed by Silver Oak Services Partners), was acquired by Cardinal Health, and United Urology Group (formerly backed by Audax Group), was acquired by OneOncology. Several other announced deals took place in Q4-24, including Retina Consultants of America (formerly backed by Webster Equity) being acquired by Cencora (which finalized in Q1-25), and GI Alliance (formerly backed by Apollo), being acquired by Cardinal Health.

## Select Transactions

Month	Investor	Target	Deal Description
December			SRM Equity, an operationally-focused investor with extensive healthcare experience, completed its acquisition of Mid-Florida Endodontics, a leading provider of root canal treatment and other endodontic services at ten locations across Central Florida. The partnership will bolster MFE's presence in FL, with the goal of expanding its services throughout the Southeast market via M&A and de novo expansion. Specialty dental assets remain highly sought after investments due to the favorable doctor supply and demand dynamic, high profit margin profiles, and fewer consolidators in the space versus general dentistry.
October			Frazier Healthcare Partners, a Seattle-based investment firm, acquired DirectMed Imaging, a leading provider of aftermarket parts and component repairs for diagnostic imaging equipment, from NMS Capital. DirectMed supports provider organizations by extending the life of medical imaging equipment to improve patient access, reduce waste, and lower healthcare costs. As part of the newly formed partnership, Frazier will help DirectMed bolster its capabilities in interventional radiology, mammography, and ultrasound modalities.
October			Comvest Private Equity acquired Riccobene Associates Family Dentistry, a leading DSO based in North Carolina. Riccobene supports a growing network of 150 providers at 62 multi-specialty dental clinics across NC, SC, and VA. Comvest brings strong dental experience and success working alongside founders to scale multi-site consumer-focused healthcare services platforms which will help guide Riccobene through its next phase of growth. As part of the transaction, Beekman Group formally exits Riccobene after a six-year hold period.

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### Media Citations and Podcasts

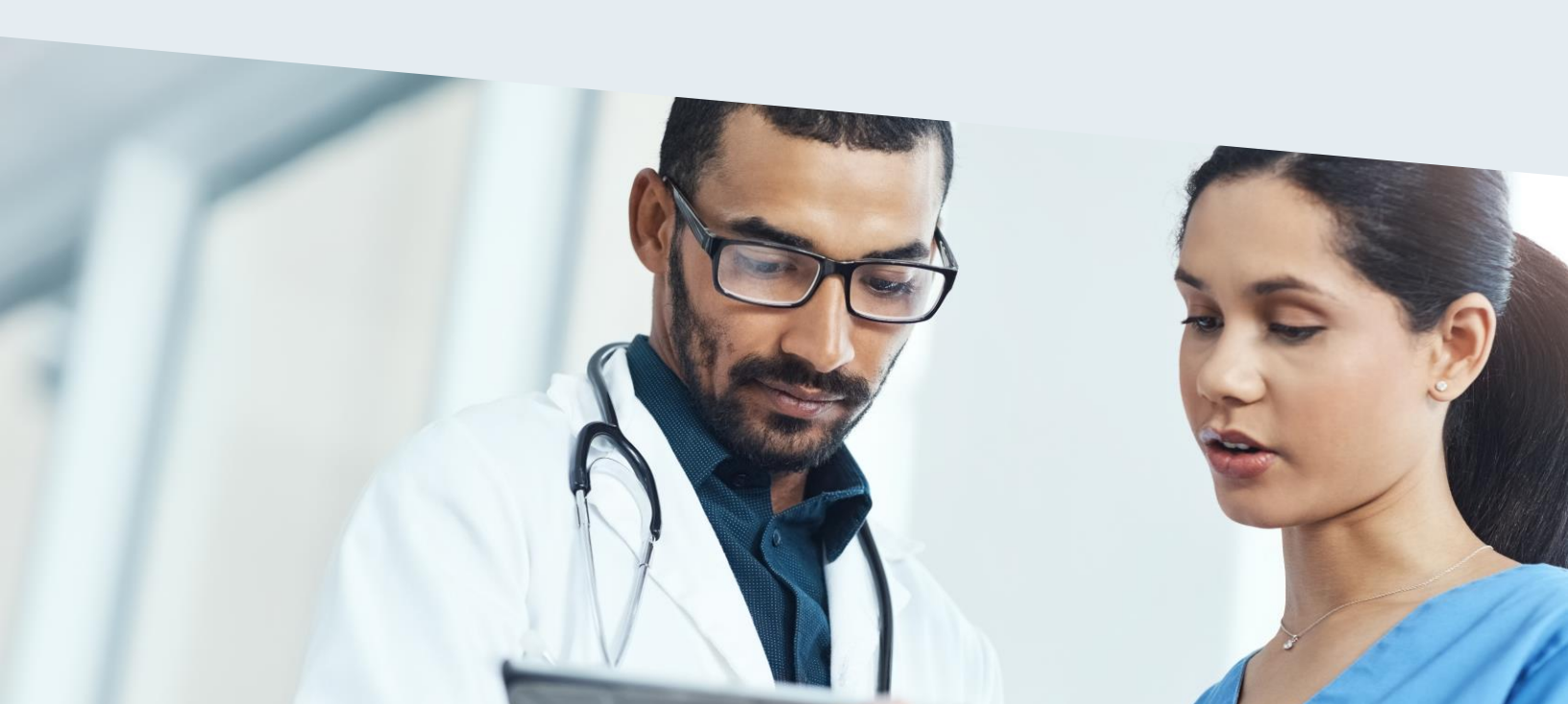
#### Media

[PPM Secondary Transaction Trends](#)

#### Podcast

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





## Concluding Thoughts

While the healthcare services M&A landscape continues to deal with headwinds including regulatory shifts, macroeconomic pressures, and a high cost of capital, the significant level of capital investment in Q4 2024 highlights a rebound in investor appetite. Strong industry tailwinds and successful exits in Q4 will provide momentum heading into 2025.

Sectors leading the charge this quarter include those with lower labor and reimbursement risk, as well as models positioned well for value-based reimbursement. Healthcare IT and outsourced pharmaceutical services remained high-priority areas for investors as the direct client relationships and ability to drive value with a limited labor base provide the broader ability to effectively manage margin performance.

Within the PPM market, transaction activity clustered in sectors capable of driving system value and vertical integration opportunities. Pharmaceutical distributors invested into large, multisite physician practice management organizations that manage significant drug spend and provide additional value such as outpatient surgical care. Sponsors continued to invest in organizations with exposure to patient management, including primary care practices and related businesses poised to participate in value-oriented reimbursement models.

Despite the improvements in macroeconomic conditions, companies and investors remain focused on pressures such as labor and supply costs, interest rates, and unknown forward-looking economic performance. While these considerations are trending in a positive direction, we anticipate continued scrutiny from investors and lenders as they underwrite new investments and a wide stratification in valuations based on the quality and risk profile of individual assets.

Looking ahead, 2025 is poised for continued transaction volume growth, supported by anticipated interest rate cuts, a backlog of secondary transactions supported by strong Q4 2024 exits, and an increasingly favorable investment environment. Add-on acquisitions are expected to dominate deal activity, particularly as private equity-backed platforms return to the M&A market to build scale and regional density.

Overall, Q4 2024 highlighted that despite continued headwinds, improving trends and positive outcomes have allowed investors to gain comfort in the outlook for healthcare services and reignite the market for investments into scaled platforms. High quality assets and models positioned to benefit from consolidation, innovation, and value-based care will continue to be a priority for investors.







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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