



**Title: Private Equity M&A Declines in Q1:24, According to Acquisition Data from LevinPro HC**

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### **Private Equity M&A Declines in Q1:24, According to Acquisition Data from LevinPro HC**

**NEW CANAAN, CT – April 10, 2024** – Private equity (PE) interest in healthcare has continued to play a significant role in the M&A market. In the first quarter of 2024, there were 148 PE and PE-backed transactions, or approximately 30% of all the 495 announced healthcare transactions, according to new data captured in the LevinPro HC database. This represents a 15% decrease from Q4:23, which saw 175 PE transactions, and a 25% decline from Q1:23, when 197 PE deals were reported.

In Q1:24, four transactions with a PE buyer had a disclosed price. The four deals totaled approximately \$703.1 million in announced spending. The deal with the largest purchase price was Arsenal Capital Partners' acquisition of Fortrea assets for \$345 million. Fortrea, a contract research organization, divested certain assets related to its Enanling Services segment, including the businesses Endpoint Clinical and Fortrea Patient Access.

Physician Medical Groups (PMG) drew the highest level of activity from PE buyers with 72 deals, accounting for nearly 49% of PE deals. This marks an 18% decrease in M&A activity from the first quarter of 2023 when 88 PMG private equity acquisitions were reported.

In the PMG space, PE firms targeted dental practices in 63% of the acquisitions, with 45 transactions, a notable increase from Q1:23, when 31 dental deals were announced. The second most popular PMG specialty for investors was eye care, with seven deals. In the first quarter of 2023, there were 11 acquisitions targeting eye care practices.

The most active PE-backed buyer is MB2 Dental Solutions, a portfolio company of Charlesbank Capital Partners, with 20 deals in Q1:24. The second most active PMG buyer is Specialized Dental Partners (SDP), backed by Quad-C Management, Inc. In the first quarter of 2024, SDP reported six transactions, expanding its presence in Illinois, Colorado, Ohio, Texas, Mississippi and California. In the final quarter of 2023, SDP completed three transactions.

In addition to PMGs, there was a high level of PE investment in the eHealth sector, with 20 transactions announced in Q1:24. This is a 31% decrease compared with the first quarter of 2023, when 29 PE-backed eHealth deals were reported. However, Q1:24 is on par with Q1:23, when 20 deals were also announced. For the first quarter of 2024, active PE buyers in the eHealth market include Aquiline Capital Partners, with two deals and Innovaccer, a portfolio company of OMERS Private Equity, which also reported two acquisitions.



In Q1:24, there were 10 PE-backed Home Health & Hospice transactions, seven Behavioral Health Care acquisitions and four Biotechnology/Pharmaceutical deals.

“While private equity numbers have decreased, PE is still one of the most active buyer types in healthcare,” said Kate Humphrey, Editorial Analyst at Levin Associates, which publishes the data on its LevinPro HC platform. “Industry experts that we’ve spoken to foresee a clearing of headwinds on the horizon, such as a cut in interest rates and regulatory pressures, signaling optimism for the sector's resurgence in the months ahead.”

All quarterly results are published in The Health Care M&A Report, which is part of LevinPro HC, a research intelligence platform published by Irving Levin Associates, LLC. For information, or to order the reports, call 800-248-1668. Irving Levin Associates is celebrating more than 70 years of delivering exclusive M&A intelligence to its sophisticated audience of seniors housing and healthcare investors. The company was established in 1948 and has offices in New Canaan, Connecticut and North Bethesda, Maryland. The company publishes research reports and newsletters and maintains databases on the healthcare and senior housing M&A markets.

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