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## **Healthcare M&A Volume Falls in Q1:24, According to Acquisition Data from LevinPro HC**

**NEW CANAAN, CT – April 11, 2024** – Healthcare merger and acquisition activity declined by 4% in the first quarter of 2024, according to new acquisition data from LevinPro HC. Deal volume in Q1:24 only reached 494 deals, falling short of the 515 transactions announced in the fourth quarter of 2023. Year-over-year changes were even more pronounced, with an 11% decline in activity in Q1:24 compared with the first quarter of 2023, when 555 deals were announced.

Activity in sectors such as Physician Medical Groups and Other Services drove much of the volume, with 132 and 120 deals, respectively. Demand for healthcare real estate, such as medical office buildings and properties, has driven high deal volume in Other Services for the past several years. Activity in the Home Health & Hospice and Behavioral Health Care sectors, however, each declined by more than 20% due to market challenges such as staffing shortages, high interest rates in the borrowing market and uncertainty surrounding Medicare reimbursement levels. Laboratories, MRI and Dialysis was the only sector with an increase in investment activity, driven primarily by demand for diagnostic services and providers.

Activity in the technology sectors declined by 8% compared with activity in the fourth quarter of 2023. Activity in the Biotechnology & Pharma industry only fell by 3% in Q1:24 compared with the previous quarter, and eHealth transaction volume fell by only four deals. Demand for firms that provide telehealth services and revenue cycle management platforms kept eHealth investment activity healthy.

Announced spending hit \$53.3 billion in Q1:24, a steep decline of 32% compared with Q4:23 and 27% compared with Q1:23. The largest deal by announced purchase price in Q1:24 was Novo Holdings A/S' acquisition of Catalent, Inc. for \$16.5 billion. Catalent is a contract development and manufacturing organization (CDMO) partner for personalized medicines, blockbuster drugs and consumer health brand extensions. Novo Holdings A/S, based in Denmark, is a private limited liability company wholly owned by the Novo Nordisk Foundation.

“Industry experts we spoke with last year expected more of the same in 2024,” said Dylan Sammut, Editor of Health Care at Irving Levin Associates, which publishes the data on its LevinPro HC platform. “All of the headwinds that the industry faced in 2023 are here to stay for the foreseeable future. We still expect plenty of M&A activity, but some buyers and investors will pause or slow down until market conditions improve.”

To read more on healthcare M&A activity in the first quarter of 2024, check out April's issue “Health Care M&A News” [here](#), the monthly newsletter published by LevinPro HC.

All quarterly results are published in *The Health Care M&A Report*, which is part of the Irving Levin Associates and [LevinPro](#) investment research source. 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

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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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