

Specialist Care M&A Update

The M&A market within UK specialist care remains highly active, with interest from a variety of acquirers and investors

Market overview

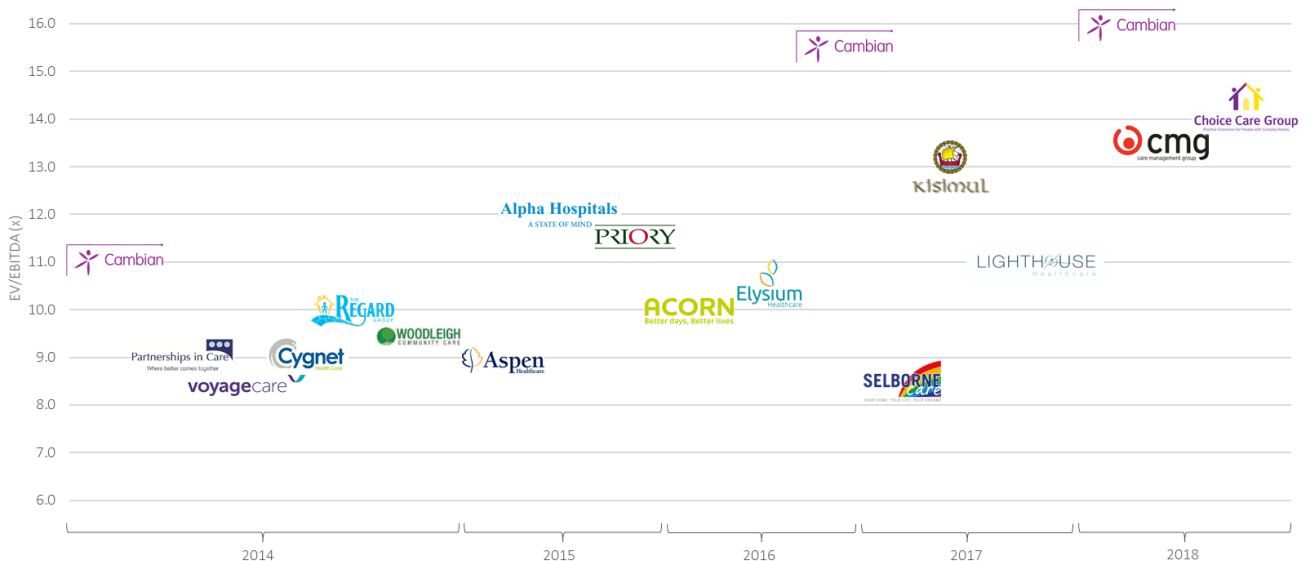
- With an ongoing drive to raise awareness of mental health issues, in addition to greater support for conditions such as autism and other learning disabilities, demand for specialist care services continues to increase
- Combined with a limited supply of specialist services across the UK, it is no surprise that the specialist care market remains highly attractive to a range of acquirers and investors
- These acquirers can be segregated into three key groups:
 - Trade:** whilst consolidation amongst the largest players has slowed, a number of privately owned or private equity backed platforms continue to acquire small groups or individual homes
 - Private equity:** the PE market remains highly active in care services, with increasing numbers of new entrants investing into the sector looking to employ buy and build strategies
 - Infrastructure funds:** real estate and infrastructure investors have taken a growing role in the sector, providing an alternative source of capital
- Key drivers of value are the quality of care and specialisation of services, with reputational risk remaining the main concern for investors



Ali Robertson
Managing Director

"The positive dynamics within the specialist care market make it highly attractive to a range of acquirers and investors. This is driving valuations higher and it is therefore an excellent time for business owners to consider extracting value or a full exit."

Recent Specialist Care deal multiples




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Active acquirers in the Specialist Care sector



Notable recent UK deals

Date	Target	Target description	Acquirer/investor	Acquirer type
May-19		Specialist adult residential and supported living provider		Trade
Jan-19		Provider of residential care services for vulnerable children		Private equity
Jan-19		Specialist residential children's homes operator		Trade
Oct-18		Residential care homes for adults with learning disabilities		Infrastructure investor
Sep-18		Operator of specialist nursing homes		Private equity
Aug-18		Private hospital operator		Trade
Aug-18		Specialist supported living, residential services and hospitals for adults with learning disabilities		Trade
Dec-17		Specialist learning disability and mental health day centre operator		Infrastructure investor
Nov-17		Residential care for individuals with learning disabilities		Trade
Aug-17		Long-term neurological disorder treatment and residential care services		Trade



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