



Eclipse  
Corporate Finance

Healthcare M&A  
2022 Review

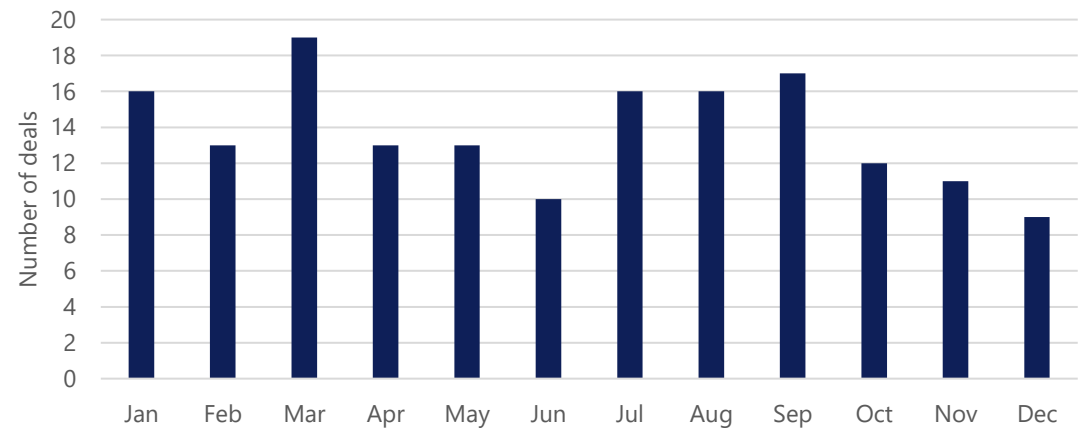


# 1. Overview

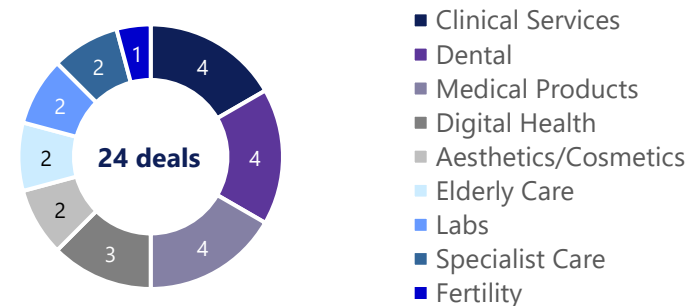
# 2022 overview

- Despite some of the current negative macro-economic drivers which have impacted M&A activity in other sectors, investment into the healthcare market remained robust in 2022, with both private equity and corporate acquirers actively seeking transactions
- With significant capital still to deploy, investors and acquirers view the resilient healthcare market as a “safe home” for their funding during these turbulent economic times
- From a sub-sector perspective, there has been a focus on “essential services”, with strong underlying demand drivers and recurring/stable revenues
- This has resulted in numerous transactions across clinical services into the NHS, dentistry and residential care – all of which continue to perform strongly
- In addition, following the fast-tracked adoption of digital and remote solutions during the pandemic, digital health has continued to thrive throughout 2022
- Digital health solutions (either supporting the NHS or offering services direct to consumers) have received significant investment across the year, as they seek to capitalise on the opportunities created by a greater acceptance of technology across the sector

Transactions by month <sup>1</sup>



Private equity investments by sub-sector <sup>2</sup>



<sup>1</sup> Includes full acquisitions and private equity investments. Excludes VC investments and does not cover pharma or biotech transactions

<sup>2</sup> Only includes direct private equity investments and therefore excludes bolt-on acquisitions

# Sectors to watch in 2023

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## Insourced/Outsourced Clinical Services

- With NHS waiting lists at all time highs, clinical insourcing and community-based services will be key in addressing the mounting issues
- We expect to see strong M&A activity across the sector as acquirers and investors seek to benefit from the significant growth within the market



## Specialist Care

- The continued resilience and essential nature of the specialist care market will make it attractive during these challenging economic times
- Residential care for individuals with learning difficulties or mental health issues, along with complex homecare, will remain active segments



## Healthcare Software & IT Services

- COVID has fast-tracked the adoption of disruptive software and digital solutions across the NHS and social care sector
- With significant government funding allocated to further digitalisation, this will drive appetite from both trade acquirers and investors in the sector



## Dental Services

- Despite being consolidated by a number of private equity-backed operators, the dental market continues to provide buy and build opportunities due to its fragmented nature
- The sector will see further bolt-ons of single practices and small groups in 2023



## Occupational Health

- An increasing focus on employee health and wellbeing across employers is driving strong growth within the occupational health market
- Marlowe have led the way in consolidation, but we expect to see operators from a variety of adjacent sectors entering the market through acquisition in 2023



## Children's Services

- Despite some negative publicity, there remains a significant requirement for quality private residential children's homes across the UK
- A number of private equity-backed operators will continue to consolidate the market in 2023
- The SEN schools market will also remain highly active, with a movement towards day schools



## 2. January snapshot

# Key sector deals: January 2022



## Acquisition of Voyage Care by Wren House

- A significant exit for Partners Group and Duke Street, with another infrastructure investor entering the sector due to the perceived stability of the market
- The third major transaction in the specialist care sector in recent months, following the Priory and Elysium Healthcare
- Consolidation of the sector continues at pace, however there may be some question marks over future exit options and multiples for mid-market buy and build strategies



## Marlowe's £135m acquisition of Optima Health

- A major step in Marlowe's aggressive expansion into the UK occupational health market at a multiple of over 12x EBITDA
- An impressive exit for CBPE, generating a 6.5x money multiple
- The transaction underlines the attractiveness of the occupational health market as employers become more proactive in their approach to ensuring employee wellbeing, combined with the increasing use of technology to support this



## Acquisition of Medequip by Medux

- Acquisition of the UK's leading provider of community equipment and complementary services to local authorities and the NHS
- Provides Dutch corporate, Medux, with a significant UK presence and the possibility of extracting material procurement synergies
- Driven by the ongoing movement towards individuals remaining at home for longer, supported by advances in technology and specialist equipment which allow independent living



## Nordic Capital's acquisition of Care Fertility

- Having grown to a network of 24 clinics across the UK, Nordic Capital's investment is made with the aim of driving the international expansion of the business
- The deal represents a successful exit for Silverfleet, generating a money multiple of 2.6x and an IRR of over 40%
- This highlights the continued attractiveness of the IVF market to investors due to favourable demand drivers and further opportunity for international consolidation

# Healthcare market activity: January 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE	EV
Dental	Alloway Place	Clyde Munro (Synova)	N/A	N/D
IVF	Care Fertility	Nordic Capital	Silverfleet	N/D
Specialist Care	Green Rose	Swanton Care (Apposite)	N/A	N/D
Pharma	Stirling Anglian Pharmaceuticals	Kent Pharma (Apposite)	N/A	N/D
Specialist Care	Ludlow Street Healthcare	Holmleigh Care (Ancala)	N/A	N/D
Occupational Health	Optima Health	Marlowe	CBPE	£135m
Specialist Care	Voyage Care	Wren House	Partners Group, Duke Street	N/D

## Venture Capital Activity

Target	Description	Investors	Investment
Pathfinder Medical	Medical devices for vascular procedures	BGF, Parkwalk, Deepbridge	£8.5m
Engitix Therapeutics	Proprietary human extracellular matrix drug target discovery platform	Netherton Investments, Dompé Farmaceutici	\$54m

## IPOs

Target	Description	Market	Market Cap
Genflow Biosciences	Development of novel therapeutics targeting ageing in dogs and humans	LSE	£23.4m (£3.7m raised)



## 3. February snapshot



# Notable sector deals: February 2022



## BGF's investment into The Scottish Dental Care Group

- With a multi-million pound minority investment from BGF, The Scottish Dental Care Group is well positioned to continue its aggressive acquisition strategy
- The deal highlights the perceived consolidation opportunities still available within the Scottish dental market
- This follows TriSpan's investment into Real Good Dental last year, and Clyde Munro's ongoing acquisition strategy backed by Synova



## Acquisition of Midway Care by City & County

- An interesting strategic acquisition for City & County, marking its evolution from a pure homecare provider by adding a broader specialist residential care offering
- The deal continues its movement towards more complex care provision following the acquisitions of Complete Care, Advantage Healthcare (formerly Interserve Healthcare) and Total Community Care
- This again highlights the significant demand for quality specialist care businesses and the broad pool of active acquirers in the sector



## Acquisition of Sandcastle Care by Aspris

- An unusual transaction, albeit strategically logical, as Waterland combines two of its portfolio companies, Sandcastle Care and Aspris
- With Aspris now operating as a standalone entity (after being separated from the Priory's adult services business), the addition of Sandcastle provides significantly increased presence in the North West
- The deal represents another major transaction in the sector, with continued consolidation of smaller players also contributing to high levels of M&A



## Exseed's £2.5m seed fundraise

- ExSeed's £2.5m fundraising led by Ascension highlights the significant investment levels into D2C tele-health businesses, with those operating in the "home testing" niche particularly attractive to investors
- ExSeed offers a smartphone-based sperm testing kit, allowing users to analyse sperm count at home
- This follows numerous recent VC investments into home diagnostic testing businesses such as Thriva and Hertility Health

# Healthcare market activity: February 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Medtech	365 Response	RLDatix	BGF
Medtech	The GP Service	Kanabo	Maven
IVF	Leeds Fertility	Care Fertility (Nordic Capital)	N/A
Dental	Rodericks Dental	Capvest	CBPE
Dental	Scottish Dental Care Group	BGF	N/A
Specialist Care	Midway Care	City and County (Summit Partners)	N/A
Labs	Wickham Micro	Limerston	N/A
Children's Services	Sandcastle Care	Aspris (Waterland)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
ExSeed Health	Home sperm testing kits	Ascension	£2.5m
Little Journey	App to help reduce anxiety in children undergoing surgery	Mercia	£1.5m
Orthox	Orthopaedic implants	Parkwalk	£9.2m
Zetta Genomics	Genomic data management technology	Nina Capital	£2.5m
C the Signs	AI-driven cancer detection platform	MMC	£5m
Mindstep	Tech-enabled neurological healthcare business	Octopus Ventures	£2.5m
Lottie	Elderly care search platform	Kindred	£2.5m



## 4. March snapshot

# Notable sector deals: March 2022



## Totally's acquisition of Pioneer Healthcare

- The first of two major deals announced in March involving providers of insourcing and outsourcing services to the NHS
- An EV of up to £13m (£6.1m of which is linked to a short term earnout) looks high for a business that only generated £0.8m of PBT in the year to March 2021, but the business is likely to have seen significant growth over the last 12 months as COVID restrictions have eased
- By leveraging Pioneer's "Any Qualified Provider" status, the combination with Totally's existing insourcing division will allow NHS patients to select the business as their preferred elective provider



## Acquisition of 18 Week Support by Summit Partners

- Another significant transaction involving a provider of insourcing services to the NHS, 18 Week Support
- With the business' strong position in the market, generating £29.6m of revenue and underlying EBITDA of c.£4.7m in the year to March 2021, Summit Partners clearly recognise the opportunity for growth
- With NHS waiting lists continuing to grow and expected to reach more than 10 million for elective care procedures by 2024, outsourcing and insourcing providers will play a key role in addressing the issue
- We expect to see further deals in this sector as a result



## Investment into Nourish Care by LivingBridge

- LivingBridge's investment into Nourish, a digital care planning platform, will support the continued rapid expansion of the business
- Already serving over 300 care providers across more than 1,800 settings, Nourish is well positioned to benefit from the drive towards digitalisation of care records
- With a significant proportion of social care providers still relying on paper records and ambitious government targets to rectify this, established digital providers such as Nourish are likely to experience significant growth in the short to medium term



## SourceBio's acquisition of LD Path

- A truly strategic acquisition for SourceBio, providing a digital pathology solution which can materially reduce reporting timeframes
- The pathology market has been slower to digitalise and move to remote reporting than other markets such as radiology, but LDPath's technology could be a significant step in transforming the market
- The platform will be a key tool in reducing pathology waiting lists which have been exacerbated by the COVID pandemic
- With day one consideration of £18.5m and an earnout of up to £15m, it is a significant price for a business making £0.4m of EBITDA, but may well prove to be a very wise investment given the growth opportunities

# Healthcare market activity: March 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Specialist Care	Blue Ribbon	Queen's Park Equity	N/A
NHS Insourcing / Outsourcing	18 Week Support	Summit Partners	N/A
Domiciliary Care	CSN Care Group	Clece Care Services	BGF
Specialist Care	Care Without Compromise	Choice Care (Icon Infrastructure)	N/A
Medtech	Nourish Care	LivingBridge	N/A
Medical Devices	Prism Medical	Charme Capital	Limerston
Elderly Care	Lovett Care	HIG Capital	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Cumulus Oncology	Oncology drug development accelerator	Eos Advisory	£4.1m
MIP Diagnostics	Molecularly Imprinted Polymer technology for use in diagnostic devices	Mercia, BGF, Calculus, Downing	£7.3m
Ocutec	Development and commercialisation of soft contact lenses	Deepbridge	£1.5m
Ocushield	Medically-rated screen protectors to fit everyday devices	Rubix Ventures	£1m
Lantum	Healthcare workforce management platform	Finch Capital	\$15m



# 5. April snapshot

# Notable sector deals: April 2022



## Tristone's acquisition of Beyond Limits

- Tristone's impressive buy & build strategy has continued with the acquisition of specialist care provider Beyond Limits
- Offering a differentiated proposition from other corporate acquirers, Tristone's model of allowing acquired companies to maintain autonomy whilst drawing on a central pool of resource and expertise is proving successful
- The model is proving to be particularly attractive to smaller business owners looking to remain in the business and benefit from future growth
- The Tristone "community of businesses" has now expanded rapidly through the acquisition of numerous specialist care providers including ProCare Wales, Sportfit Support Services, Seaside Care Homes and Premier Care Management



## Acquisition of TP Health by Marlowe

- Another significant acquisition within occupational health for Marlowe as they continue their aggressive acquisition strategy
- Employing c.240 staff, TP Health brings further scale to Marlowe's operations following the acquisition of Optima Health earlier this year
- With an estimated market size of £1bn and strong annual growth rates of 13%, the UK occupational health market has attractive dynamics
- Given that 60% of UK providers have fewer than 50 employees, the market remains highly fragmented and will no doubt continue to be consolidated by players such as Marlowe, with the use of technology playing a key role in the realisation of synergies



## Ascenti's acquisition of Six Physio

- The acquisition of Six Physio, a group of nine private physio clinics in London, will bolster Ascenti's presence in the region and its private patient offering
- Acquired by Bd Capital in 2021, Ascenti now has over 300 sites nationwide and has seen a 300% rise in its MSK services over the last 12 months
- Private equity interest in the physio sector has grown in recent years with larger operators such as Ascenti, Connect Health, Vita Health and Sano Physiotherapy all receiving investment
- M&A will continue to play a part in the growth strategies of these operators as they look to enhance geographical presence and expand service offerings



## GripAble's \$11m Series A funding round

- With a variety of deals across rehabilitation services in recent times, GripAble's \$11m Series A shows the importance of technology in the sector
- The unique medical device is used for physical rehabilitation by patients who suffer from a range of neurological and orthopaedic conditions
- Linked to an app, the handheld device utilises gamification as a way of increasing patient engagement in what can otherwise be a highly laborious physical therapy process
- The investment led by Parkwalk and IP Group will allow the business to fast-track its expansion, with a particular focus on European and US markets

# Healthcare market activity: April 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Pharma Services	Clinigen	Triton Partners	N/A
Opticians	The Spectacle Company	Duncan & Todd (LDC)	N/A
Pharma Services	Panthera Biopartners	BGF, Gresham House Ventures	N/A
Physio	Six Physio	Ascenti (Bd Capital)	N/A
Comms	Meridian HealthComms	Bioscript (Sovereign)	N/A
Occupational Health	Soma Health	Doctors Clinic Group (Oakfield)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
GripAble	Digital rehab for neurological and MSK conditions	IP Group Parkwalk	\$11m
Adapttech	Smart technologies for the prosthetics market	Mercia ACF Investors	£2.25m
PillSorted	Personalised medication home delivery service	Pear VC Hoxton Ventures	\$6m
Care Hires	Software which allows care providers to hire on-demand staff more efficiently	West Hill Capital	£2m
52 North Health	Medical device that uses AI to determine the risk of neutropenic sepsis	Cambridge Enterprise	£1m





## 6. May snapshot

# Notable sector deals: May 2022



## Lonsdale Capital's acquisition of Today's Dental Group

- Lonsdale's acquisition of Today's Dental, a group of eight practices, creates another buy and build platform within the sector
- Driven by an experienced team with expertise in executing serial acquisitions, the business will be well placed to build a pipeline of deals for future growth
- The deal outlines the continued attractiveness of the UK dental sector for private equity investors
- Despite consolidation occurring over a number of years, there is still ample opportunity for inorganic growth and the creation of scale within a relatively short timeframe due to the number of independently owned practices



## Acquisition of Pennine MSK Partnership by Vita Health

- A strategic acquisition for Vita Health, strengthening its provision of NHS MSK services to extend across six regions
- Adding a team of over 90 clinical staff, Pennine MSK specialises in orthopaedics, rheumatology and persistent pain around the Oldham area
- With over 20 million people in the UK living with an MSK condition and over £5bn spent by the NHS annually on treatment, this is a large market with strong growth drivers
- The deal bolsters Vita's NHS contracts and further acquisitions across the sector are likely in due course as larger players look to expand their footprint and capitalise upon organic market growth



## Peal Capital's acquisition of Derma Medical

- An interesting transaction given the aesthetic market's transition towards a more regulated environment
- Derma Medical is a multinational training provider for non-surgical aesthetic treatments, providing medical professionals with recognised qualifications in non-invasive injectable procedures
- With a forecast CAGR of 9.6% in the global facial injectables market and a growing focus on suitably trained professionals, Derma Medical will be ideally placed to benefit from these sector tailwinds
- Peal's funding will be utilised to support the next phase of international expansion for the business



## Acquisition of Champion Health by Physitrack

- The acquisition of Champion Health, a workplace health platform, bolsters Physitrack's presence in the buoyant corporate wellness market
- By combining Champion with its existing subscription-based wellness offering, Access, Physitrack is building a comprehensive health and wellness product for SMEs and larger enterprises
- Day one consideration of £2.5m represents a revenue multiple of c.7x, with a further earnout worth up to c.£7.9m based on future financial targets
- Following its listing on the Nasdaq OMX First North market, Physitrack has been aggressive in its M&A strategy as it looks to expand its service offering and geographical presence rapidly

# Healthcare market activity: May 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Dental	DD Group	Sun European Partners	Palamon
Dental	Today's Dental	Lonsdale Capital	N/A
Physio	Pennine MSK Partnership	Vita Health (Archimed)	N/A

## Listed Acquirer Activity

Sub-sector	Target	Acquirer	Consideration
Digital Health	Champion Health	Physitrack	£2.5m*
Vet	Anton Vets	CVS	£6m

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Inovus	Surgical training technology	Norgine Ventures	\$7m
MyMynd	Workplace wellbeing platform	Triple Point Ventures	£650k
Nebu-Flow	Surface acoustic wave nebulisers	Foresight Williams	£1.7m
Zapped Skin	Tele-dermatology platform	Jenson Funding Partners	£220k

\*Day one consideration with an earnout worth up to c.£7.9m

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## 7. June snapshot

# Notable sector deals: June 2022



## Lockwood Group's acquisition of Random42

- A strategic acquisition for Lockwood, the US-based scientific-based medical communications specialists
- Random42 is the market leading producer of scientific animation and digital media services for the pharma and biotech sectors
- A highly complementary fit, allowing Lockwood to use Random42's work to communicate complex messages in a simplified, visual way
- The transaction represents a successful exit for Graphite who invested in 2017, after the company had initial backing from Vespa Capital
- The medical communications market continues to see high levels of M&A activity and further consolidation will continue in the medium term



## Dual acquisitions for Bayfields Opticians

- Another two multi-site deals for Bayfields, the BGF-backed optical chain, with Robert Stanley and Prism Partnership joining the group
- The acquisitions take Bayfield's total number of sites to 41, expanding its presence in Oxford and the North West
- Following BGF's investment in 2020, the business set an ambitious target of expanding to 50 sites by 2023 and appears on track to deliver this
- Bayfields remains one of the most active consolidators in the market, with other private equity-backed players such as Hakim Group (All Seas Capital) and Duncan & Todd (LDC) also expanding through acquisition



## Acquisition of EMIS Group by United Health Group

- A significant deal for US corporate United Health Group, expanding its core UK operations operated under the Optum brand
- EMIS Group specialises in healthcare software and IT services to the NHS, with a focus on primary care and pharmacy systems
- Pricing of £1.24bn represents an impressive multiple of 24.8x 2021 adjusted EBITDA and a 49% premium to the closing share price at the time of offer
- With the ongoing focus on digitalisation within the NHS as a method of increasing efficiency and dealing with backlogs, this is a logical deal for Optum
- Further transactions across the sector are likely, as innovative technology providers are snapped up by larger players to capitalise on market growth



## Wickham Micro's acquisition of MET

- Medical Engineering Technologies ("MET") provides medical device testing services to ensure the effectiveness and safety of equipment
- The acquisition represents significant expansion for Wickham Micro, the contract testing laboratory, which was acquired by Limerston Capital through a carve out from Wickham Laboratories
- With the goal of building a global market leader in medical device safety testing, the deal is the first step in an acquisitive growth plan
- Given the fragmented nature of the UK, EU and US markets, further deals are likely for the business as it expands its service offering further

# Healthcare market activity: June 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Labs	Medical Engineering Technologies	Wickham Micro (Limerston)	N/A
Medtech	Random 42	Lockwood Group	Graphite
Pharma Services	CatSci	Keensight Capital	N/A
Opticians	Robert Stanley / Prism Partnership	Bayfields Opticians (BGF)	N/A
Dental	Prettygate Dental	Riverdale (Apposite Capital)	N/A
Medtech	Mirada Medical	Apposite Capital	N/D

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Holly Health	Digital health coach for sustainable change	Kima Ventures	£1.4m
Arquilla	Cloud-based nurse call system for adult care	Mercia Traditum PE	£850k
Birdie	Home healthcare tech platform	Sofina	\$30m
Proximie	Global health technology platform digitally connecting operating rooms	Advent Life Sciences	\$80m
Biocaptiva	Cell-free DNA capture device to transform liquid biopsy testing for cancer management	Archangels	£2.1m
Radar Healthcare	Healthcare safety and compliance technology provider	24 Haymarket	£9m



## 8. July snapshot

# Notable sector deals: July 2022

PREMIER HOMECARE



## Trinity Homecare's acquisition of Premier Homecare

- Another successful bolt-on for Trinity Homecare following Limerston Capital's investment in early 2020
- The addition of Premier Homecare to the group brings quality live-in and domiciliary care services across the South West
- This represents the sixth acquisition for Trinity as they seek to generate further scale and expand geographic presence
- By targeting the private pay segment, the business continues to consolidate a fragmented market where few other acquirers are highly active
- Given the platform was originally acquired as part of a carve-out, the business should also be capable of recognising significant cost savings in the short term



## MBO of Inspire Scotland funded by Thincats

- The MBO of Inspire Scotland represents another notable deal within the children's services sector which continues to show strong levels of M&A
- The majority of transactions, however, have been focused on the English market (where fees are perceived to be higher) and this deal represents one of the first purely Scottish deals in recent times
- Despite negative publicity in recent months, the sector remains buoyant with demand drivers strong and a number of consolidators active in the market
- The deal also highlights Thincats growing prevalence in funding lower mid-market healthcare transactions, particularly within residential care



## NVM's investment into YorkTest

- NVM's £10m investment into YorkTest is another example of strong investor appetite in the home testing market
- YorkTest provides tests for food intolerance and allergies, and has shown significant growth over the last two years as demand has soared
- The funding will be used to launch ten new home health tests, invest in new equipment, and continue the expansion into new markets such as the US
- The deal highlights the growing trend of individuals taking a more proactive approach to their health and a greater willingness to pay for D2C services
- It follows a raft of VC and PE investments in home testing, ranging from general health tests to specific niches such as fertility and sexual health



## Acquisition of Precedental by ALS

- The acquisition of Precedental is another successful deal for Amalgamated Laboratory Solutions (ALS) in the dental labs sector
- Backed by PE firm Ansor, ALS has quietly continued to consolidate the dental labs market since its inception in 2019, whilst most other acquirers have remained focused on dental practices
- By acquiring small, primarily family-owned businesses, the group plans to utilise digital transformation and automated manufacturing to create efficiencies and synergies
- It will be fascinating to see how this plays out as the business generates greater scale through both organic and inorganic means



# Healthcare market activity: July 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Dental	Shipston Dental Practice	Envisage Dental (Phoenix)	N/A
Labs	YorkTest	NVM	N/A
CMO	Steripack	Inflexion	Great Point Partners
Elderly Care	New Century Care	Gresham House	N/A
Dom Care	Premier Homecare	Trinity Homecare (Limerston)	N/A
Medical Devices	Spectrum Medical Group	CVC Capital	N/A
Dental	Precedental	ALS Dental (Ansor)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Cytomos	Cell analysis platform for use in drug development, vaccine production and cell/gene therapy manufacturing	Archangels	£1.6m
Lottie	A comparison website for residential care and independent living	General Catalyst	£6.1m
Orcha	Digital health quality management platform to ensure digital health products are introduced safely	Maven	£1m
Oto	Digital health company focused on tinnitus	Octopus Ventures	\$3.3m
Physiomedics	Self-assessment tool for muscle and joint problems	Archangels	£1.5m
Suvera	Supports remote services for patients with long term chronic conditions such as diabetes	Morningside Ventures	£5m

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## 9. August snapshot

# Notable sector deals: August 2022



## Merger of Dentex and Portman Dental Care

- A significant deal between two of the largest dental providers in the UK
- The combined business will operate in excess of 350 practices, with operations in five European countries
- With continued support from Core Equity, the group looks set to maintain an aggressive growth strategy, with expansion into further geographies
- The deal is, however, subject to CMA clearance and it will be interesting to see how this evolves, particularly given the CMA recently raised concerns in relation to the Rodericks/Dental Partners deal
- Regardless, the deal highlights the continued consolidation of the UK dental market and private equity's appetite within the sector



## HCML's acquisition of Healthcare RM

- The first acquisition by HCML following Apposite Capital's investment into the business in November 2021
- Traditionally a complex case management business, the acquisition of Healthcare RM represents HCML's continued diversification into the corporate health market
- Healthcare RM are employee health risk specialists, with services including psychological support, as well as guidance on MSK disorders, nutrition and menopause
- With this deal, HCML is aiming to offer a one stop shop for H&S, occupational health and health/wellbeing benefits



## Acquisition of CRGH by FutureLife

- Another major deal in the UK IVF/fertility sector with FutureLife, a pan-European provider, expanding its UK footprint
- The Centre for Reproductive & Genetic Health (CRGH) is a central London-based IVF clinic performing more than 3,200 egg collections per year
- With the support of its new private equity backer, CVC, FutureLife is looking to expand its offering in key European territories
- The broader UK IVF sector remains highly attractive to private equity investors, however a scarcity of private groups of scale is limiting acquisition opportunities, therefore driving higher valuations for quality businesses



## Cera Care's \$320m fundraising

- Another significant fundraising for Cera as it looks to consolidate and revolutionise the homecare market
- The investment was led by existing investor Kairos HQ, with a range of other VCs and institutional investors participating
- Launched in 2016, Cera utilises technology to deliver an improved and more efficient homecare service
- The business plans to use this new funding to expand the number of patients receiving daily care from 15,000 to 100,000 by 2025
- Cera has established scale through multiple acquisitions, including CRG Homecare and Mears Care

# Healthcare market activity: August 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Corporate health	Healthcare RM	HCML (Apposite)	N/A
Cosmetic surgery	Transform Hospital Group	Y1 Capital	Aurelius
Dental	Dentex	Portman Dental Care (Core Equity)	Universal Partners
Dental	Hanji Dental	Riverdale Healthcare (Apposite)	N/A
Dental	Mathewson Group	Scottish Dental Care (BGF)	N/A
Dental	Sharoe Green Dental Practice	Portman Dental Care (Core Equity)	N/A
IVF	CRGH	FutureLife (CVC)	N/A
Pharma	TMC Pharma Services	LDC	N/A
Recruitment	MMA Healthcare Recruitment	TTM Healthcare (Broadlake Capital)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Cera Care	Tech-enabled homecare	Kairos HQ	\$320m
Cydar Medical	Surgical augmented intelligence	Downing	£1.3m
Neurofenix	Neurological rehabilitation platform	Albion VC	\$7m
Patchwork Health	Healthcare workforce platform	Perwyn	£20m



# 10. September snapshot

# Notable sector deals: September 2022



## Management buy-out of Partnering Health

- Partnering Health provides a range of healthcare services to NHS and private partners around the country, including integrated urgent care and out of hours home visiting services to 1.7 million patients throughout Hampshire
- After showing significant growth, with revenue rising from £13.7m to £22m within two years, an MBO has been backed with equity from Ethos Partners and debt from Thincats
- Future growth plans are centred around bolt-on acquisitions, broadening contracts with existing clients, alongside geographical expansion
- The deal is another example of investment appetite for businesses providing critical services which alleviate pressure on the NHS



## Apricity's €17m Series B fundraise

- A significant fundraise for Apricity, the virtual fertility clinic, as the business looks to grow its geographical footprint
- Launched in 2018, Apricity provides a new approach to reproductive medicine, incorporating technology and fertility care to increase chances of conception
- The investment was led by MTIP, a Swiss healthcare investor, and Iris Ventures, a consumer-centric equity fund
- 2022 has been a year of growth for Apricity, doubling revenue, the recent acquisition of mobile fertility app Woom, and growth in B2B offerings
- The broader fertility technology sector continues to receive significant investment, as the market evolves and expands



## Optimo Care Group dual acquisitions

- Two bolt-on acquisitions in quick succession for Optimo Care Group, the rapidly growing domiciliary care provider
- Bolton-based Mayday Homecare and Safe Hands Support, based in Oldham, joined the group in August and September respectively
- Combined, the two acquired entities deliver 5,500 hours of care a week to approximately 650 clients
- These acquisitions are the first of many planned in the next twelve months for Optimo, as it looks to enhance its presence in the UK homecare market
- Optimo is one of a small group of consolidators in the fragmented sector, with Cera Care and Nobilis also remaining highly active



## £2.2m Series A fundraising for Hexarad

- A further funding round for teleradiology provider Hexarad, led by Foresight and supported by various sector-focused angel investors
- Operating in a sector which has historically been dominated by the four major players (Medica, 4Ways, Everlight and TMC), Hexarad differentiates itself through its bespoke technology platform, Optirad
- Optirad works by analysing and then deploying a radiology department's workforce in the most efficient way, creating broader benefits for NHS Trusts than just the remote reporting of scans
- The funding will be used to continue scaling the business, both in terms of the technology platform and radiology reporting resource pool

# Healthcare market activity: September 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Healthcare IT	Blue Zinc	ClearCourse (Aquiline Capital)	N/A
Dental	Colinton Dental & Riccarton Dental	Clyde Munro (Synova)	N/A
Custodial Health	CRG Medical	HCRG Care Group (Twenty20 Capital)	N/A
Domiciliary Care	Guinness Care's homecare division	City & County (Summit Partners)	N/A
Clinical Services	Partnering Health	Ethos Partners	N/A
Specialist Care	Recovery Care Group	Accomplish Group (G Square)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Apricity	Virtual fertility clinic	MTIP	€17m
Doccla	Patient monitoring platform	General Catalyst	£15m
Hexarad	Teleradiology provider	Foresight Group	£2.2m
iEthico	Platform for pharmacists to access uncommon medicines	Midven	£0.6m
Orri	Specialist clinic for the treatment of eating disorders	Gresham House	£4.5m
Scan.com	Diagnostic imaging platform	Triple Point Ventures	£2.2m



# 11. October snapshot



# Notable sector deals: October 2022



## Acquisition of Veincentre by CBPE Capital

- A successful exit for Palatine after scaling the Veincentre business from seven to 22 sites since their initial investment in mid 2019, with revenue increasing by over 180% during this period
- Veincentre is a chain of accessible and convenient clinics for the treatment of varicose veins, a common health problem across the UK population
- The business offers an affordable solution for patients, in an area where NHS funding is severely lacking
- The deal is an example of private equity's attraction to consumer-focused healthcare offerings, addressing common health issues which are currently underserved and underfunded by the NHS



## Palatine's investment into Redmoor Health

- A busy month for Palatine with the exit from Veincentre, in addition to a new investment in digital healthcare service partner, Redmoor Health
- The government has made clear that digitalisation of the NHS is a key priority, with £2bn of funding announced by Sajid Javid in June 2022
- Redmoor is well placed to capitalise on this opportunity by providing a range of services to the NHS in support of digital transformation projects
- Given these dynamics, providers of digital transformation consultancy services are clearly attractive to private equity at present, with Westbridge investing into Channel 3 Consulting in 2021. We therefore expect to see more deals in this area in the coming months



## OutsideClinic's acquisition of Bloom UK

- A significant deal for OutsideClinic as it acquires the assets of Bloom from Denmark-based hearing aid manufacturer, WS Audiology
- Bloom brings a 65-strong team to the OutsideClinic business, creating a team of over 170 across the combined audiology operations
- The deal aims to consolidate OutsideClinic's position as the largest and fastest growing provider of domiciliary eye and hearing care in the UK
- OutsideClinic is owned by Optimism Health Group, a healthcare investment business funded by a range of international private investors and family offices
- In an area of the market which has seen limited deal activity, OutsideClinic is well positioned to differentiate itself as a clear market leader



## Acquisition of Templars by Dedicare

- The acquisition of Templars Medical Agency by Dedicare, the Swedish staffing firm, provides a robust platform in the UK from which to expand
- Templars, based in Skipton, specialises in the recruitment and staffing of doctors in the UK and Ireland
- The deal was structured with day one consideration split between cash and shares in Dedicare, and an earnout based on future performance
- With a severe staffing crisis across the NHS and social care sector, acquirers and private equity are seeking high quality healthcare recruitment operators
- We expect to see further activity in this area, particularly around recruitment companies with a niche specialism

# Healthcare market activity: October 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Clinical Services	Veincentre	CBPE Capital	Palatine
Dental	Tryst Dental	Clyde Munro (Synova)	N/A
Digital Health	Intershift	Agilio Software (August)	N/A
Digital Health	Redmoor Health	Palatine PE	N/A
Specialist Care	Deanston House	Swanton Care (Apposite)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Blueskeye AI	AI for the analysis of medically relevant expressive behaviour	XTX Ventures	£3.4m
Get A Drip	Provider of intravenous nutrition therapy	Nigel Wray	\$4.5m
Oxford Medical Simulation	Virtual reality training platform	ACF Investors	£2.1m
PBD Biotech	Rapid screening test for tuberculosis	Mercia Foresight	£2.4m
Silveray	Commercialising a material that makes x-rays more efficient	UKI2S	£2.2m



# 12. November snapshot

# Notable sector deals: November 2022



## Radnet's acquisition of Heart & Lung Health

- An interesting deal for RadNet, the US provider of diagnostic imaging services, acquiring a 75% stake in London-based Heart & Lung Health (HLH)
- HLH is the leading provider of lung cancer screening for the NHS Targeted Lung Health Check programme and provides reporting services through a network of 70 cardiothoracic radiologists across the UK
- This follows significant M&A activity in the broader diagnostic imaging market in recent years, with community-based providers such as Diagnostic Healthcare and Medical Imaging Partnership receiving private equity investment, alongside a number of deals within teleradiology
- Further deals are likely given the drive towards community-based provision



## Acquisition of Optegra by MidEuropa

- MidEuropa's acquisition of ophthalmology platform Optegra marks a partial exit for H2 Equity Partners, following their investment in 2020
- The business has successfully grown to offer services across Europe, operating 29 facilities which perform over 100,000 surgical procedures per year
- MidEuropa's investment, along with debt funding from Kartesia, will support in further expanding Optegra's geographical footprint
- The deal exemplifies the attractiveness of the UK ophthalmology market, with the NHS continuing to outsource provision to manage demand and backlogs
- Operators such as Community Eyecare (G Square) and SpaMedica (Nordic) have also received investment as the market continues to expand



## Dr Dropin's acquisition of Skindoc

- Another deal highlighting the move towards remote and digital dermatology provision, as Norwegian corporate Dr Dropin acquired Skindoc
- Founded in 2020, Skindoc provides online access to dermatological care, either through the upload of photos or via a live virtual consultation
- Dr Dropin plans to use Skindoc's UK platform as a means to expand its Norwegian business model into the UK, providing instant healthcare at affordable and fixed price points
- With continued pressure on NHS resources, individuals are increasingly turning to cost effective private healthcare services to address common medical issues
- This trend is set to continue and further transactions are expected as a result



## LifeArc's investment into Surgery Hero

- A £2m seed investment for Surgery Hero (formerly known as Sapien Health), led by LifeArc Ventures with support from Crista Galli Ventures, Clarendon Fund Managers and SFC Capital
- Surgery Hero is a digital clinic that helps people prepare for and recover from surgery at home, creating a more efficient system for pre-op and post-op care
- Demand for the business' services has spiked due to record numbers on NHS surgical waiting lists, as the NHS searches for digital solutions to ease resource constraints and streamline its services
- The funding will be used to scale the platform through the application of machine learning, in addition to expansion into the US market

# Healthcare market activity: November 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Digital Health	Alva	Vira Health (Octopus Ventures)	N/A
Specialist Care	Freedom Care	Swanton Care (Apposite)	N/A
Dental	Halo Dental Lab	ALS Dental (Ansor)	N/A
Clinical Services	Optegra	MidEuropa	H2 Equity
Digital Health	Skindoc	Dr Dropin (SHS)	N/A

## Venture Capital Activity

Target	Description	Lead Investor	Investment
Aide Health	Remote platform to monitor patients with chronic diseases	Hambro Perks	\$1.2m
Healios	Digital mental health platform	Albion InHealth Ventures	£14m
Leva Clinic	Digital chronic pain platform	Óskare Capital	£3m
Log My Care	Software enabling care homes and social care organisations to go digital	Mercia	£3.25m
Surgery Hero	Digital clinic helping people to prepare for and recover from surgery	LifeArc Ventures	£2m



# 13. December snapshot

# Notable sector deals: December 2022



## RCI's acquisition of Prometheus

- RCI's acquisition of Prometheus represents the fifth bolt-on for the business since Literacy Capital's investment into the original platform, Mountain Healthcare, in 2018
- Prometheus is a provider of secure transportation services in the mental health sector, and has also expanded into specialist observation services
- The deal further diversifies RCI Group's offering, which started in the operation of sexual assault referral centres (SARCs) through Mountain Healthcare, and has expanded to cover community mental health services, communication support in the criminal justice system, and healthcare data benchmarking



## Dual acquisitions for Swanton Care

- Another two acquisitions for Apposite-backed specialist care provider, Swanton Care, as it continues to execute its buy and build strategy
- Wycombe Care operates two children's homes in Bedfordshire, whilst CHAD operates a specialist care home for adults within learning disabilities in the North East
- Now providing care to over 620 people through a staff base of over 2,140, Swanton has grown rapidly since Apposite's investment in 2017
- The deal highlights that there are further consolidation opportunities available within both residential children's services and specialist care for adults



## Acquisition of London Doctors Clinic by Spire Healthcare

- An interesting deal for Spire Healthcare, with the acquisition of private GP and occupational health provider, London Doctors Clinic ("LDC")
- Under the ownership of Oakfield Capital, LDC has grown to £11m turnover but, like many others in the private GP market, has struggled to show profitability
- Consideration of £12m looks high, however Spire believe the business will break even in 2023 and become profitable in 2024
- The deal appears logical as a way of sourcing referrals into Spire's hospitals through LDC's GP network, in addition to the possibility of cross-selling to the corporate client base of LDC



## KKR's acquisition of Clinisupplies

- A carve-out deal for KKR with the acquisition of Clinisupplies, the Watford-based manufacturer and distributor of continence care products for managing acute and chronic conditions
- The business was divested from Healthium Medtech, an Apax-backed business which is set to IPO, despite only being acquired by the group in 2016
- With KKR's backing, Clinisupplies plans to expand into new products and geographies, with the aim of becoming an international leader in the chronic care market

# Healthcare market activity: December 2022

## Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Specialist Care	Wycombe Care & CHAD Homes	Swanton Care (Apposite)	N/A
Private GP	Doctors Clinic Group	Spire Healthcare	Oakfield Capital
Medical Transport	Prometheus	RCI Group (Literacy Capital)	N/A
Medical Products	Clinisupplies	KKR	N/A
Medical Products	Kinneir Dufort	SteriPack (Inflexion)	Mobeus

## Venture Capital Activity

Target	Description	Lead Investor	Investment
WeWalk	Smartphone-connected cane for the visually impaired	Nesta Impact Investments	£2m
Believe Care	Home care provider	Skagen Conscience Capital	£2.1m
Virtue Health	Develops innovative approaches to treat age-related conditions	Midven	£1m
Added Health	Health coaching platform	Traditum	£1m





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