Eclipse
Corporate Finance

Healthcare M&A snapshot
December 2022

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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