



Eclipse
Corporate Finance

Healthcare M&A Review
Q2 2025



1. Overview

Q2 2025 overview

Deal volumes

- Q2 saw an uptick in deal volumes, with a notable spike in April. This was partly driven by tax-related transactions completed in late March but only publicly announced the following month
- May and June reflected the “new normal” of steady activity seen over the past 24 months. Encouragingly, we’ve observed a marked increase in healthcare business owners beginning to explore an exit, a trend that could lead to a more active market in late 2025 and into 2026.

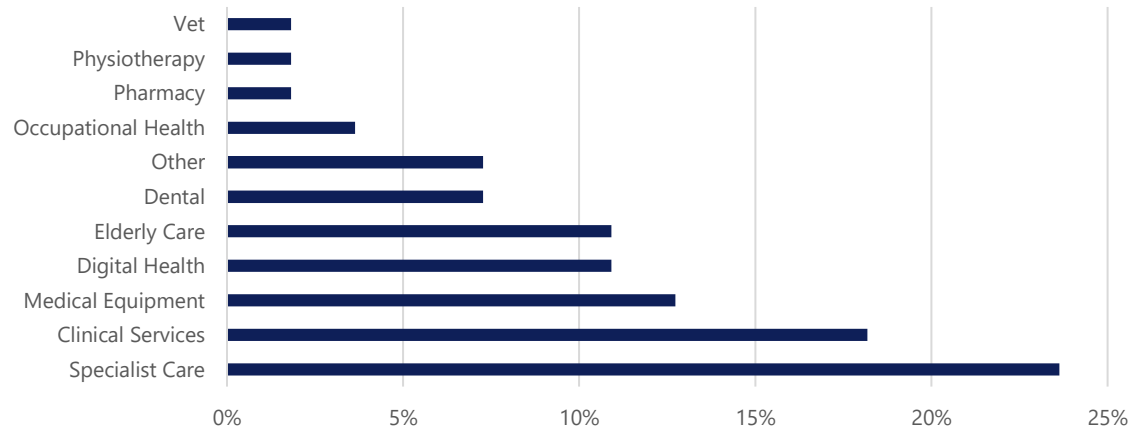
Sub-sector activity

- Specialist care remained the most active sub-sector, with numerous deals involving both established consolidators and new private equity-backed platforms
- Clinical services also saw strong momentum, particularly in hospitals, outsourced NHS elective care, and specialist private-pay services
- Other transactions spanned a diverse range of segments, with medical equipment and digital health showing particular strength

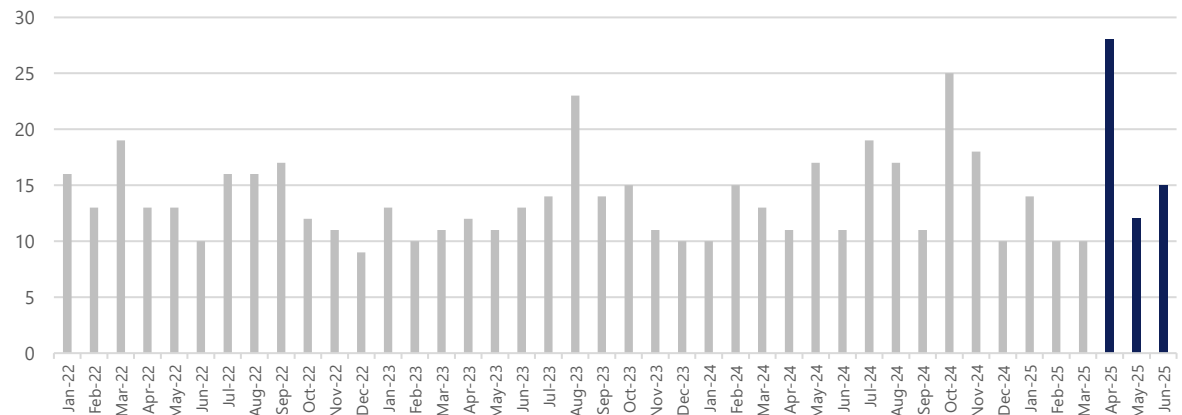
Private equity involvement

- PE remained active, featuring in c.50% of transactions. That said, investor appetite continues to outstrip deal flow, with frustration mounting over limited opportunities
- The period saw new platforms for Downing (Fortava & Inspire Neurocare), Accel-KKR (CareLineLive), ICG (Hakim Group), Growth Fund 1 (TPNG), Foresight (Functional Gut), Elysian (IMS), InvestIndustrial (DCC’s healthcare division) and Fremman (Amethyst)

Split of deals by sector



Deals by month



The background of the slide features a dark blue, monochromatic image of a modern building with a glass facade. The building is situated on the right side, and its reflection is visible in a body of water in the foreground. The overall aesthetic is professional and corporate.

2. In focus sectors

In focus: Private equity eyes NHS community services as sector evolves

As the NHS pushes more care into the community and Integrated Care Boards (ICBs) seek cost-effective partners, private equity and strategic buyers are ramping up investment across outsourced NHS clinical services.

Ophthalmology has seen some of the most prominent activity. G Square-backed CHEC (Community Health and Eyecare) has grown rapidly as a national provider of NHS cataract services, opening new sites to improve access and reduce waiting times. SpaMedica, previously backed by CBPE Capital and now owned by Nordic Capital, followed a similar trajectory – scaling fast through a high-volume, outcomes-led model. MidEuropa's successful investment in Optegra and recent exit complement this trend, supporting a multi-site elective care platform tailored to NHS demand.

Other outpatient services have followed suit. 18 Week Support, backed by Summit Partners, acquired dermatology specialist Medical Clinics to diversify away from core clinical insourcing services which have proved more challenging in recent times. Medinet, under Fremman Capital, acquired HealthHarmonie, a Birmingham-based provider of gynaecology and dermatology services, further consolidating the outpatient landscape.

In MSK, the merger of Connect Health and Healthshare (supported by LDC and BGF) has created a leading provider of physiotherapy, surgical and diagnostic services, offering ICBs a more integrated solution at scale.

Audiological Science received investment from YFM Equity Partners to expand community-based hearing services, while neurodiversity has become one of the most active areas in mental health. QPE's backing of Psychiatry UK reflects a clear shift toward scalable models for ADHD and autism care delivery.

Diagnostics is another hotspot. G Square's Diagnostic Healthcare has made strategic acquisitions of ECG On-Demand and Venturi Cardiology, creating internal referral pathways and strengthening its cardiac diagnostics proposition. Inuvi, backed by Longacre, has similarly expanded through the acquisitions of Express Diagnostics and Physiological Measurements.

Across these sectors, one theme stands out: buyers and investors are drawn to businesses that offer cost-effective, community-delivered services that directly reduce NHS burden. Whether through outpatient clinics in a more local setting or remote testing and assessments, investors are backing models that deliver efficiency, access, and scalability.

With further NHS reforms on the horizon, we expect continued deal activity as PE firms and corporates position themselves as essential partners to the NHS - not just in hospitals, but at the heart of local care.

Key Players



In focus: SEN schools

Selected PE-backed Operators



140%

increase in the number of children
with ECHPs in the last decade

1.6m

school pupils in England with
identified SEND

£62k

average fees per pupil in
privately operated SEND settings

With demand for specialist SEN education continuing to grow, the UK market remains highly attractive for investors and operators. As of January 2024, over 1.6 million pupils in England had identified special educational needs, with 576,000 holding Education, Health and Care (EHC) plans - an 11.4% rise from the previous year. Increasing diagnostic awareness, particularly around autism and mental health, continues to drive this growth.

Local authority capacity remains insufficient to meet demand, leading to greater reliance on independent specialist schools. Council spending on private SEN placements rose dramatically, from £576 million in 2015-16 to a projected £1.8 billion in 2024-25, with independent school placements increasing significantly over the same period. Despite higher fees (averaging around £62,000 per pupil compared to £24,000 in state settings), private operators are essential for delivering specialist provision, underscoring significant sector reliance on their expertise.

Private equity activity remains robust, with firms actively pursuing consolidation opportunities. Recent notable deals include Apposite Capital's acquisition of Octavia House Schools and Innervation Capital-backed Melrose Education's continued growth through acquisitions and new developments.

However, the Labour government has placed greater political focus on the role of private providers and perceptions of profiteering. Recent announcements included £740 million in funding to expand SEND provision in mainstream schools, alongside increasing scrutiny of private sector involvement. While these moves reflect political attention on the sector, the complexity of needs served by independent providers suggests sustained demand.

Overall, the UK SEN schools market continues to exhibit compelling fundamentals: rising demand, strong investor appetite, and essential private-sector delivery. Despite political scrutiny, specialist providers remain integral to meeting the increasingly complex educational needs of children, underpinning ongoing opportunities for growth and investment.

In focus: Oncology

The UK oncology market is seeing growing interest from investors and strategic buyers, driven by rising cancer incidence, long NHS wait times, and increasing demand for faster access to diagnostics and treatment.

A number of international platforms have already established a strong presence. GenesisCare, despite recent challenges in the US, remains the UK's largest independent cancer care provider with 14 centres. Amethyst, a pan-European radiotherapy group, has just been acquired by Fremman Capital, while Telemos-backed Stingray is reportedly exploring a sale following its successful buy-and-build strategy across Germany and France.

Icon Group, headquartered in Australia, is also expanding in the UK. It recently announced a new partnership with Nuffield Health to develop cancer centres in Brighton, Derby and Warwickshire. This follows its 2024 acquisition of Pharmaxo, bringing specialist pharmacy capabilities in-house to support more integrated delivery of oncology services.

The private sector is also increasingly embedded in NHS infrastructure. HCA Healthcare has partnered with hospitals such as The Christie and Guy's to deliver private oncology services within NHS hospitals. Nova Healthcare in Leeds provides a similar model, integrating private treatment within the Leeds Cancer Centre.

M&A has been a key route to scale, with consolidators like Amethyst and Stingray acquiring single-site centres and regional groups to build national and pan-European networks. Greenfield development remains a feature, particularly in underserved areas, though the collapse of Rutherford Health's UK proton network highlights the risks of speculative expansion ahead of demand.

The opportunity remains significant. Demand is rising, NHS capacity is constrained, and private pay is growing. Oncology is seen as a resilient, high-need area with growing appetite for cutting-edge modalities such as Gamma Knife, proton beam therapy and precision diagnostics.

Whether through acquisition, partnership or targeted development, we expect continued activity in the UK and wider European oncology market as operators seek to build scale and invest in advanced capabilities.

Key UK Market Players



>400k
new cancer cases
diagnosed each year in
the UK

>40%
of NHS cancer patients
wait longer than 62 days to
begin treatment

30%
rise in annual UK cancer diagnoses
expected by 2040, reaching over
500,000 new cases a year



3. April snapshot

Notable sector deals: April 2025



Fremman Capital's acquisition of Amethyst Healthcare

- Another significant healthcare investment for Fremman Capital, acquiring Amethyst Healthcare Group, a European cancer care provider
- Amethyst operates 19 cancer treatment centres in Europe, delivering essential oncology services (primarily radiotherapy) to over 50,000 patients annually
- The business was founded in 2009, with exiting owners, The Rohatyn Group, investing in 2019 to support the group's expansion
- Fremman plans to accelerate Amethyst's growth in what is a highly resilient and non-cyclical market, which is expected to show continued growth
- The deal further highlights Fremman's healthcare credentials, with a portfolio which is increasingly weighted towards the sector



Downing enters the neuro-rehab care market

- A new platform for Downing as it enters the neuro-rehab market with the acquisitions of Inspire Neurocare and Hamberley Neurocare
- The combined business operates four facilities across Southampton, Basingstoke, Camberley and Worcester, with a total of 188 beds
- The platform will be led by Tim Street and Daniel Kay, two highly experienced healthcare executives
- The neuro-rehab market is valued at £1.1bn, with a significant capacity gap estimated between 10,000 and 15,000 beds
- Downing are looking to capitalise upon this opportunity by consolidating the market and creating additional capacity



Foresight's investment into The Functional Gut Group

- An interesting £5.75m investment for Foresight into The Functional Gut Group
- Functional Gut is a provider of diagnostic testing services for patients suffering from digestive health issues, encompassing both private and NHS services
- Founded in 2014 by Anthony Hobson, the business operates 3 permanent clinics in Manchester, Cambridge and London, as well as multiple further collaborative clinics across the UK
- The investment will support with geographical expansion and further scaling of the team
- The deal highlights Foresight's focus on the healthcare sector, including successful exits from Kingsbridge and Hospital Services in recent months



Strategic acquisition for Achieve Together

- A strategic deal for Achieve Together, acquiring Outcomes First Group's adult residential services, consisting of 18 homes
- Achieve Together is one of the UK's leading providers of specialist support for autistic people and people with learning disabilities
- The acquisition is a strong geographical fit for Achieve Together, strengthening the local support options for autistic people
- The deal highlights OFG's movement away from residential care, with a core focus on education following investment from The Rise Fund in late 2023
- Specialist residential and supported living services continue to be in demand from acquirers and investors due to their resilience and non-cyclical nature

Healthcare market activity: April 2025

Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Case Management	ILS Case Management	HCML (Apposite)	N/A
Clinical Services	Amethyst Healthcare	Fremman Capital	TRG
Clinical Services	The Functional Gut Group	Foresight	N/A
Digital Health	Inicio Health	RDI Group (LDC)	N/A
Elderly Care	Monarch Care Group	RDCP Care (RDCP)	N/A
Medical Equipment	DCC's healthcare division	Investindustrial	N/A
Medical Equipment	IMS Euro Group	Elysian Capital	N/A
Specialist Care	Inspire & Hamberley Neurocare	Downing	N/A
Specialist Care	OFG's adult residential division	Achieve Together (InfraBridge)	N/A
Specialist Care	Spectra Care	Optimo Care (Oxygen EP)	N/A

Venture Capital Activity

Target	Description	Lead Investor	Investment
Spotlight Pathology	AI-powered pathology tools	EHE Ventures	£425k
Isomorphic Labs	AI drug discovery technology	Thrive Capital	\$600m
SiSU Health	Early detection of risk factors for high blood pressure and obesity	Praetura	£1.25m
Skin Analytics	AI skin cancer tests	Intrepid Growth Partners	£15m
OSSTEC	3d printing for joint replacement	Empirical Ventures	£2.5m
Healsgood	Healthcare recruitment technology platform	Fuel Ventures	£1.5m



4. May snapshot

Notable sector deals: May 2025



EssilorLuxottica

EssilorLuxottica's acquisition of Optegra

- A strategic acquisition for EssilorLuxottica, acquiring the rapidly expanding ophthalmology group Optegra
- Optegra operates 70+ clinics across the UK and Europe under the Optegra, Lexum, and Iris brands
- The deal supports EssilorLuxottica's ambition to offer integrated eyecare services, from diagnostics and therapeutic interventions to surgical treatments
- The transaction reinforces heightened M&A activity in ophthalmology, following recent deals such as BGF's investment in OCL Vision and Clinica Baviera's acquisition of Optimax



Acquisition of ADHD360 by Keys Group

- An interesting diversification acquisition for Keys Group, adding virtual neurodiversity provider ADHD 360
- ADHD 360 delivers ADHD and autism assessments to both private and NHS patients via a digital platform
- The acquisition strengthens Keys' neurodiversity capabilities and broadens access to remote mental health support
- Founder Dr Phillip Anderton will remain in place post-deal to support growth
- The transaction highlights continued interest in the neurodiversity space, as ADHD and autism diagnoses rise and assessment backlogs persist across the UK



ICG's investment into Hakim Group

- A milestone for Hakim Group, the UK's largest family of independent opticians and audiologists, receiving growth investment from ICG
- Hakim supports over 500 partner-led optometry and audiology practices across the UK and Ireland, offering clinical autonomy and shared infrastructure
- The business has grown rapidly through acquisitions and partnerships with independent practices
- The investment will support continued M&A activity, operational scaling, and enhancements to technology and customer experience
- Incumbent investor All Seas Capital, which invested in 2020, will partially reinvest alongside ICG



FibroFind



Investment into FibroFind from Vespa Capital

- Another pharma services deal for Vespa Capital, investing in Newcastle-based innovative CRO FibroFind
- FibroFind's precision-cut tissue slice platform supports high-fidelity preclinical drug testing across multiple organs
- The business was spun out of Newcastle University in 2018 and has built a global reputation in translational preclinical research
- The funding will drive commercial scale-up, international expansion, and development of additional tissue models
- The deal highlights growing investor interest in CROs that improve early-stage drug testing accuracy and reduce clinical trial failure rates

Healthcare market activity: May 2025

Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Clinical Services	The Pharmacy Network	Growth Fund 1	N/A
Specialist Care	Save Haven Care	Mysa Care (Downing)	N/A
Pharma Services	Fibrofind	Vespa Capital	N/A
Specialist Care	ALP Supported Living	Iris Care Group (Ancala)	N/A
Clinical Services	ADHD360	Keys Group (G Square)	N/A
Opticians	Hakim Group	ICG	All Seas (reinvested)

Venture Capital Activity

Target	Description	Lead Investor	Investment
Mindspire	Neurotech start-up	SFC Capital	£0.85m
Envoke	Lab tech simulator	Mercia	£1m
Magnitude Biosciences	Drug discovery innovator	Maven	£0.7m
Zeus Sleep	Non-invasive devices to aid sleep	British Design Fund	£0.15m



5. June snapshot

Notable sector deals: June 2025



PHL's acquisition of trading subsidiaries of Totally Plc

- A transformational acquisition for PHL Group, acquiring the trading subsidiaries of Totally plc
- The deal includes Totally's elective care and corporate wellbeing subsidiaries through a share sale, and the simultaneous purchase of the business and assets of the urgent care division
- The acquisition significantly expands PHL's service footprint and strengthens its position as a leading independent healthcare services provider
- Backed by Ethos Partners, PHL continues its strategic growth trajectory following earlier acquisitions of Malling Health and Synaptik



Accel-KKR's investment into CareLineLive

- A significant investment from Accel-KKR into CareLineLive, a fast-growing home care management software provider
- CareLineLive offers an all-in-one cloud-based platform for homecare agencies, integrating staff scheduling, client visits, patient records and invoicing
- The investment will fuel international expansion, platform development, and enhanced customer support
- The transaction underlines continued interest in the care management software sector, with other PE-backed consolidators such as Person Centred Software and Nourish having completed a variety of bolt-on deals



Downing backs new platform Fortava Healthcare

- A new dementia care platform launched with the backing of Downing, with the strategic acquisition of two purpose-built care homes
- Fortava Healthcare, based in Peterborough, is led by Johann van Zyl (ex-Cornerstone Healthcare) and Jamie Stuart (former Deputy Head of Healthcare at Virgin Money)
- The business has acquired The Maltings and Thorpe Wood, two 50-bed homes previously operated by Peterborough Care
- Fortava aims to deliver innovative dementia care, underpinned by cognitive stimulation therapy and a values-driven culture for residents and staff



Acquisition of AdviselInc by NEC

- A strategic acquisition for NEC Software Solutions UK, acquiring health analytics company AdviselInc
- AdviselInc provides procurement analytics and benchmarking tools to NHS organisations and global health systems
- Its solutions support smarter buying decisions, greater efficiency, and improved visibility across healthcare procurement
- The acquisition strengthens NEC's health proposition, combining AdviselInc's data capabilities with NEC's core technologies and customer base
- The deal reflects ongoing interest from acquirers and investors in high-quality software and data providers that deliver measurable benefits to the NHS

Healthcare market activity: June 2025

Private Equity Activity

Sub-sector	Target	Acquirer / Investor	Exiting PE
Clinical Services	Totally Plc's trading subsidiaries	PHL Group (Ethos Partners)	N/A
Digital Health	CareLineLive	Accell-KKR	N/A
Pharma Services	Decisive Consulting	Herspiegel (DFW Capital)	N/A
Specialist Care	Fortava Healthcare	Downing	N/A
Specialist Care	Serenity Care Homes	Tristone (Duke Royalty)	N/A
Specialist Care	Strathallen Care Home	Milewood (BC8)	N/A

Venture Capital Activity

Target	Description	Lead Investor	Investment
Outsee	AI-based predictive genomics	Ahren Innovation Capital	£1.8m
Perci Health	AI-powered virtual cancer clinic	Guinness Ventures	£3m
Ceryx Medical	Pacemaker technology	Development Bank of Wales	£5m
Draig Therapeutics	Therapies for neuropsychiatric disorders	Access Biotechnology	\$140m
Crucible Therapeutics	Therapies to address causes of MND	Innovate UK	£2.3m



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