

Healthcare Services Quarterly Roundup

Sector Spotlight: Pediatric Home-Based Care

Summer 2023



Welcome

As the population of seniors in America continues to expand (56 million), so does the number of children (73 million) which actually eclipses that of seniors.

Of that number, approximately 14 million children have special care needs, including those for rehabilitative and behavioral care, as well as speech, physical, and occupational therapy.

In many cases, families are at a loss of what to do, especially when children with developmental disabilities or complex medical conditions are discharged from the Pediatric ICU with little to no instructions on how to care for their loved ones. **That's when pediatric home care companies step into the picture.**

This report delves into the key home-based care and pediatric transactions in Q2 2023, key trends and M&A data, and lastly, provides a Fireside Chat between The DAK Group and **Focus Forward Skilled Care's Tom Messina and Kat Sullivan** who discuss the recent sale of their business and what they're seeing in the marketplace.

Please reach out with any questions you may have on the report or related to your own business – we are always happy to speak with you.

Enjoy the Report!

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"It wouldn't have been possible without DAK. The M&A process was difficult, time consuming, and at times frustrating. Having a partner who could simplify the process, tirelessly pursue buyers, and fiercely advocated on our behalf was critical. We only had one shot and they made it happen."



Tom Messina
Co-Owner,
FFSC



Kat Sullivan
Co-Owner,
FFSC

*Be sure to read the interview with the Founders of **Focus Forward Skilled Care (FFSC)** on **Pg. 5***

DAK's Healthcare Team



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Healthcare Services

Sector Spotlight: Pediatric Home-Based Care | Summer 2023

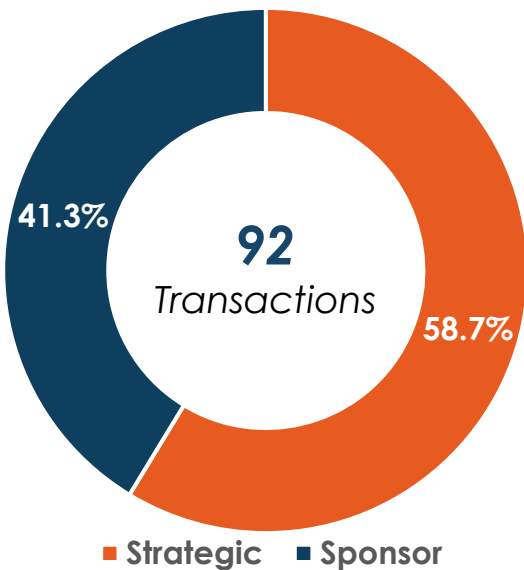
Q1 and Q2 2023 have proven to be a strong start to the year, with strategic and financial buyers alike keen to grow via acquisition, and **strategic buyers leading the charge in Q2 2023 across the home-based care sector.**

Key value drivers and rationale for M&A in pediatric home-based care include **patient census expansion, geographic market growth,** and acquisition to gain capabilities, such as pediatric day care.

Notable Home-Based Care Transactions

 <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p> 
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U.S. Home-Based Care M&A Activity (Q2 LTM 2023)



Key Points

- Home-Based Care M&A transactions were driven by Home Health acquisitions, approximately 24% of all transaction activity
- Strong add-on transaction activity from financial sponsors; 30 total add-on acquisitions

Articles We're Reading

<p>Evolving Trends in Pediatrics Home Health</p> 
<p>Health Services: US Deals 2023 Midyear Outlook</p> 
<p>Top Home Health Trends for 2023</p> 
<p>Home Health Care Trends for 2023</p> 

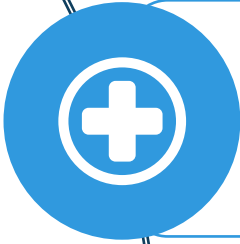
Key Home-Based Care & Pediatric Trends

Core demographic changes and the shift towards more cost-effective, outpatient care supports **strong sector growth through 2030**. While inflation, reimbursement risk, and staffing challenges are still creating uncertainty, **opportunities exist as providers innovate** across the continuum of care.



The pediatric market is projected to grow to \$58 billion by 2030 at an 8.8% nine-year CAGR. Demand is driven by the growing population of Children with Medical Complexities (CMC) requiring extensive at-home care.

The number of adults aged 65 or older is expected to increase at a 2.6% CAGR through 2028. Elderly adults often prefer the independence of home care; increased nutrition quality and safety have resulted in longer life spans.



Advances in neonatal intensive care units (NICUs), monitoring equipment, and interventions are increasing the survival rate of infants as a greater proportion of patients are discharged from acute care and into the home.

As they age into toddlers and beyond, **children require skilled nursing, personal care, and rehabilitation services** to improve communication, mobility, strength, and self care through speech, occupational, and physical therapy.



With the growing shortage of caregivers now at 1.2 million, home-based care providers on honing in on recruitment & retention more than ever before.

In the past year, three quarters of all providers had to turn down cases due to the care professional shortage. This is likely due to high turnover, which spiked 12% in the last year after staying steady for the last 3 years, reaching a staggering 77.1% annual turnover rate.



The emergence of alternative payment systems, such as capitated agreements and bundled payments, are leading to a single entity and payor environment where end of life care, intermittent acute care, extended home care, and other care types are being bundled together across care providers and payors.

This paradigm shift consolidates the continuums of care to a more clinically and cost-effective mode of care. This trend is expected to continue as **40% of U.S. healthcare payments flowed through alternative payment models (APMs).**

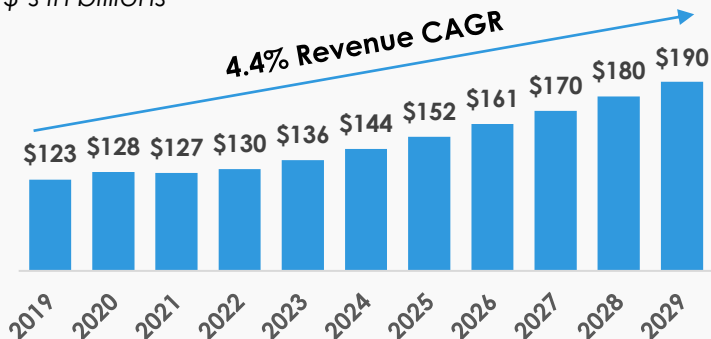


The combination of the new CMS rule and difficulties in staffing could dampen company performance but drive consolidation. The proposed change announced in June would decrease home health payments by 2.2% and add a permanent 5.6% rate cut.

However, as inflation has driven up costs far in excess of this increase, the bottom lines for many home-based care agencies could compress further, thus exacerbating staffing challenges while fueling the need for consolidation to compete at scale.

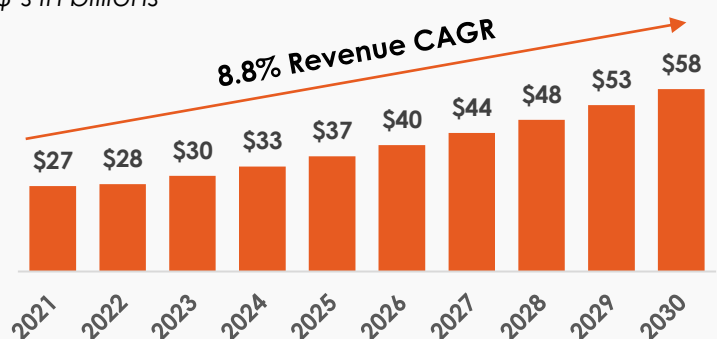
Home Healthcare Revenue 2019 - 2029

\$'s in billions



Pediatric Market revenue (2021 - 2030)

\$'s in billions



Fireside Chat with the Owners of Focus Forward Skilled Care



Tom Messina
CEO and Co-Owner,
FFSC



Kat Sullivan
RN, RN Administrator and
Co-Owner, FFSC



Melvyn Peters
Director
Healthcare Services



The DAK Group's Melvyn Peters, talks with Tom Messina and Kat Sullivan, Founders of Focus Forward Skilled Care, LLC (FFSC) about how they got started, trends and challenges in the home healthcare industry, and the backstory behind the recent sale of their company.

Please talk a little about how you got started in the pediatric home healthcare industry?

Kat: I worked for several home healthcare organizations as a registered nurse. I noticed that many companies had little to no focus on pediatric work and were solely focused on elder care. After experiencing the confusion and frustration of a family in the pediatric ICU being poorly instructed on how to take care of their medically ill child as they prepared to go home, I noticed a gap in the home healthcare market and knew what I wanted to do. Shortly after, Tom and I became partners with the goal of starting a pediatric home healthcare business.

Tom: We started the Company in 2015 and received our first Medicaid contract in 2016. Together, we hand wrote policies, had self-paying clients, and by the end of our first year, Focus Forward Skilled Care made a good profit after paying nurses.

Tell us about FFSC: services offered, geographies served, and patient population?

Kat: FFSC began in central Florida, region 7 and then further expanded into region 6. We provide Private Duty Nursing (PDN) services for medically special kids that required around the clock care to keep the patients healthy, well, and thriving at home under a Medicaid program. Our goal was to keep them out of the hospitals and ICUs with preventable reoccurring illnesses.

Our team model revolved around each patient having a set team of nurses that worked with them day in and day out. We found this eliminated ER visits and hospitalizations. This model was so successful, we were featured on Montel Williams Balancing Act highlighting our success.

FFSC has been growing lately. Talk about what has been driving this growth.

Tom: Word of mouth has been a large contributing factor towards our growth. We very quickly became known as the agency that respected nurses and cared about families. As a result, both families and nurses referred business to us. We had very challenging cases which best served us to understand the patient populations and their families. It was these experiences that gave us the tools to help us better service a broader array of patients

Kat: One day, with one of our first cases, a child was coming home, and the family was so focused on the medical concerns that they forgot to bring the crib. We brought tools to set up the crib and EMTs helped set up curtains to prepare the room for the child. FFSC and its nurses have always focused on out of the box thinking to improve patient experience and ease the burden on families.

Fireside Chat with Focus Forward Skilled Care (Continued)

Talk about current trends that have been affecting your business and some of the difficulties facing the home health industry today.

Kat: Travel nursing has had a big impact on recruitment. COVID and hazard pay has also led to a tightening labor market. Having the tools to recruit is critical to staff cases. We have also faced problems with insurance companies and payroll systems. We realized that we needed a better EMR system to ensure that we weren't missing any collections and chose CubHub.

Tom: The current environment stresses profit maximization and removes case managers at managed long-term care providers, then places the burden on providers. Nurses are losing clinical spaces to practice with students. Home health agencies need to emphasize proper training and education.

You recently went through a sale process. Can you talk about what drove that decision?

Tom: We were a self-funded and debt free company. In order to grow, we would have needed to finance growth, and that level of stress was beyond what we wanted to do. It's also very difficult for "Mom and Pop Shops" to compete with private equity and national firms.

Tell us about some of the characteristics of FFSC that made it compelling and desirable.

Kat: FFSC offered great reimbursement rates, payor relationships and an attractive patient census. We are a Company with high standards of care and a focus on patient experience.

Talk about what you were looking for in a buyer and your experience working with Sonas Home Health Care?

Kat: We wanted a Southeast-based or more specifically, a local, Florida-based firm to buy us as we wanted partners that understood our demographic. Sonas understood the payor dynamics in our market and what we wanted in the transition.

Can you discuss your experience with the sale process? Are there any lessons you learned that would be helpful to other home healthcare providers looking to sell?

Kat: "Mom and Pop Shops" tend to have different perspectives than larger providers – with boots on the ground however, amazing things can be built, and larger companies can see what they might be missing. In our case, we were transparent about internal issues that needed to be resolved as well as areas where we could provide value to the buyer.

Tom: The M&A process was difficult because of the amount of documentation required. I don't know how anyone does it without an investment bank. There's too much to handle from a due diligence perspective. Thankfully, we had DAK and great legal counsel with Connell Foley and Garfunkel Wild- it would have been impossible with anyone else.

I suggest bringing someone on who can help, an operational or financial consultant who can help business owners to prepare for the process requests earlier. Had we done it sooner, the stress would have been a lot less.

What next for you after the transaction?

Kat: I'm continuing in my passion to improve patient experience as an RN advocate. We are working on a comic book series for nurses that focuses on the lives of Medically Special Kids as well as Kids at Heart, while also growing our 501c3 A Day to Play to give back to the community that helped our dreams come true.

Tom: The transition has met my goals. I am retired, relaxing, and working with my alumni association at UCF.

For more information on FFSC, please visit <https://www.focusforwardcare.com/> or watch their segment on the Montel Williams Show: [Compassionate Care: Finding The Right Care For Your Loved Ones - The Balancing Act.](#)

Company Performance & Valuation Continuum

Understanding how company, market, and regulatory-specific drivers can affect risk, growth, and targeted outcomes is critical to both operational and financial performance as well as valuation upon a potential exit.

Company Specific Factors		
Key Factors	Performance Impact	Valuation Impact
Company Momentum	●	●
Customer (Payor) Diversity / Concentration	○	●
Geographic (State) Diversity / Concentration	○	●
Scope of Services Offerings	○	●
Fill Rates / Strength of Staffing	●	●
Strength of Systems (EMR & EHR)	○	●
Strength of Management Team	●	●
Sustainability of Business Model	○	●
Financial Profile & Unit Economics	●	●
Growth Trajectory	○	●
Aggregate Scoring	○	●

Market Specific Factors		
Key Factors	Performance Impact	Valuation Impact
Strength of M&A Market	?	●
Strength of Financing Markets / Rate Risk	●	●
Availability and Bandwidth of Buyers	○	●
Opportunity Size vs. Market Appetite	?	●
Aggregate Scoring	○	●

Regulatory Specific Factors		
Key Factors	Performance Impact	Valuation Impact
Macro Healthcare Regulatory Risk	○	○
Exposure to Medicare / Medicaid	●	●
Impact of CMS ruling	?	●
Availability of Labor and Staffing	●	○
Aggregate Scoring	●	○

6 Key M&A Trends in Home-Based & Pediatric Care

2023 is shaping up to be another strong year of home-based care mergers and acquisitions, with strategic and financial buyers alike keen to grow via acquisition to enter new markets, expand service lines, and gain incremental scale.

1 Key Demographic Trends

More seamless continuums of care, movement towards home-based care environments, and positive macro datapoints (e.g., aging population, agency shortages, etc.) support the investment rationale of existing market participants and new investors.

2 Cost Pressure Catalysts

High inflation has increased the cost of doing business. Gaining scale helps to defray operating costs and rising wages resulting from staffing shortages, which is the only way for some agencies and providers to increase profitability.

3 Pricing and Reimbursement Pressure

Reimbursement rates are everchanging and for smaller to mid-size providers, often difficult to negotiate. M&A can act as a means to diversify a Company's payor base and improve pricing, particularly as the disparity between reimbursement rates increases (e.g., private pay vs Medicaid or Medicare / MCA).

4 Rising Debt Costs

Rate increases from the FED have increased the cost of borrowing, driving credit spreads for lenders and increasing the cost of capital for acquirers. More expensive debt means higher risk and lower returns, which often results in lower valuations and more structured transactions.

5 Average Investment Size

As the market uncertainty shifts, so does the risk profile of acquirers, which are less likely to make large bets outside of their core competencies or in adjacent service areas. While this may decrease the value of transactions, volume typically increases, which is unsurprising given the average enterprise value of care agencies is under \$25MM.

6 Pediatric Specific Factors

Pediatric providers have been adding pediatric day care services that better leverage skilled and non-skilled caregivers, driving increased gross margins. Transaction activity within the pediatric home-base care vertical is expected to rise as acquirers seek to grow their patient census, diversify pediatric service offerings, and expand into new geographic markets.

Deals to Know from Q2 2023



Acquirer



Target

April 2023: LHC Group, a national provider of in-home healthcare services, acquired **Summit Home Care**, a Delaware-based provider of home care services including skilled nursing, as well as physical, speech, and occupational therapy. This acquisition represented LHC Groups first transaction since being acquired by **Optum** in February of 2023.



Acquirer

TENEX

Team Select
Home Care
Target

May 2023: Court Square Capital, a middle market PE firm with \$7.4 billion in AUM acquired **Team Select Home Care**, a portfolio company of **Tenex Capital Management**. The AZ-based Team Select provides pediatric and geriatric post acute care in 11 states through 39 branches to over 7,000 patients. Court Square's strategy for the new platform investment is to grow branches in new and existing markets.

TRIVEST



Acquirer



Target

May 2023: Family First Home Care a provider of skilled pediatric homecare services with 1,800 caregivers across Florida, Pennsylvania, Illinois and Texas acquired **One Accord Home Health**, a pediatric Private Duty Nursing agency based in Ft. Worth, Texas. The transaction expands Family First's footprint into the central Texas market while adding several larger payors to its reimbursement mix.



HouseWorks
Acquirer



Target

May 2023: HouseWorks, a Massachusetts-based provider of home care services backed by **InTandem Capital Partners**, acquired **Care & Help Home Care**, a provider of in-home non-medical, non-skilled services to elderly and pediatric patients. With this acquisition, HouseWorks allowed for geographic expansion opportunities, further penetrating its existing network in Pennsylvania.

UNITEDHEALTH GROUP

Acquirer

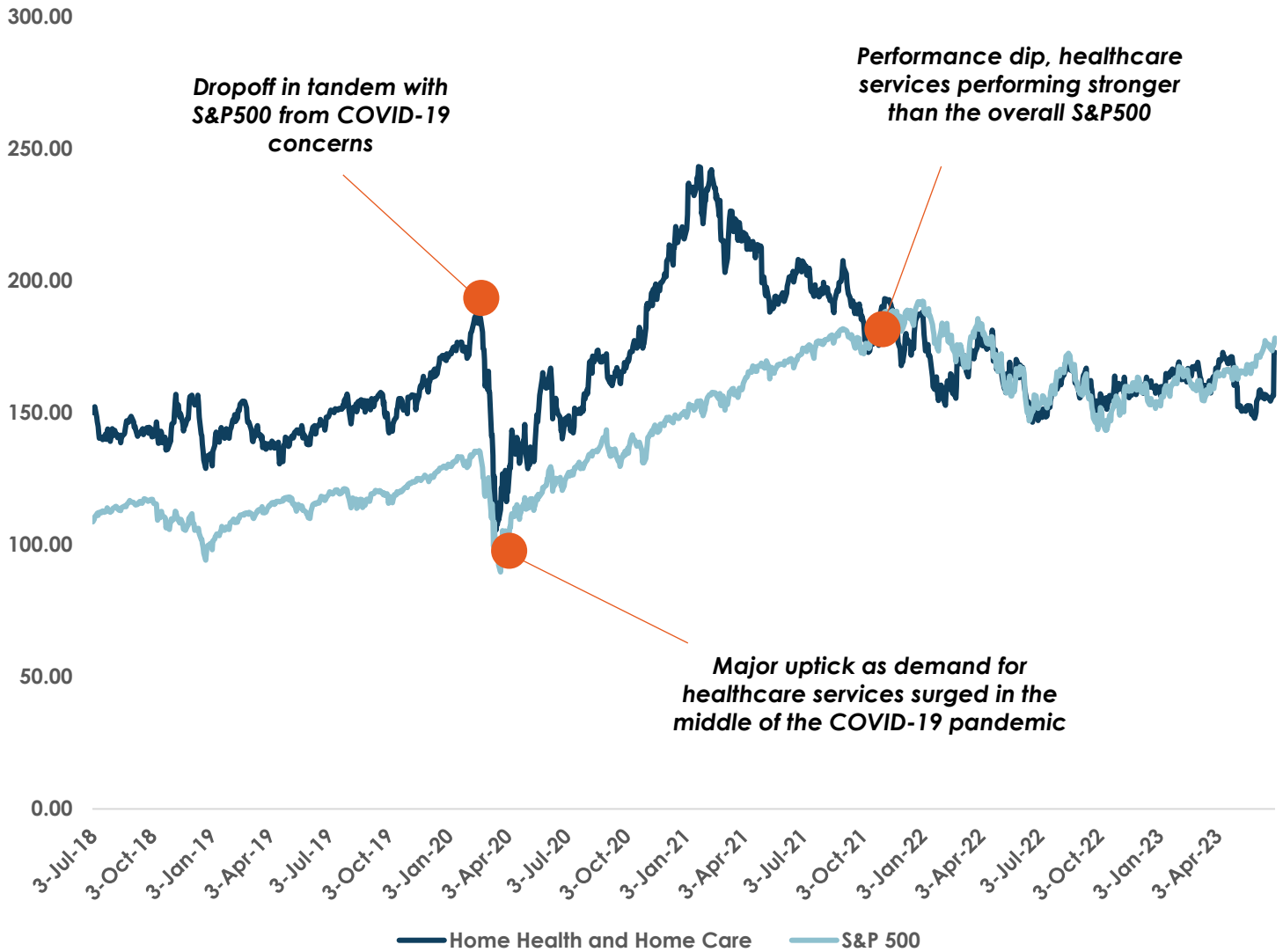


Target

June 2023: UnitedHealth Group (NYS: UNH), announced its merger with **Amedisys (NASDAQ: AMED)** in a \$3.3 billion deal. The transaction brings together Amedisys' home health, hospice, palliative and high-acuity care services with UnitedHealth's **Optum** unit's value-based care expertise to better improve in health outcomes and experiences for patients at a lower cost.

Public Company Performance & Key Competitors

Home Health and Home Care Public Company Stock Performance – Last 5 Years



Public Company Competitive Landscape



Pediatric Home-Based Care: DAK Case Study

Situation:

Focus Forward Skilled Care or FFSC is a multi-site, pediatric home health care company that provides individualized, in-home care for medically complex children and infants throughout Central Florida, Tampa Bay, and the I-4 Corridor. FFSC built a reputation for highest level of care for patients and families in great need.

After growing the business with retained earnings, Katherine Sullivan and Thomas Messina felt that they were at an inflection point. They were averse to taking on debt and knew that they needed a partner to grow and compete in the marketplace.

Problem:

While FFSC had market leading reimbursement rates, strong case fill rates, and an attractive patient census, they had ~95% Medicaid reimbursement with a single payor, and operated in the state of Florida, where interested parties had concerns over the sustainability of rates due to payor dynamics.

Solution:

DAK ran a tailored process focusing on Southeast and Florida-based pediatric and geriatric home healthcare buyers who better understood the nuances of the opportunity. Positioning centered around contract and earnings sustainability as well as payor relationship strength.

Sonas Home Health Care, a Florida-based, pediatric-focused buyer with operations throughout the U.S. prevailed as the best and final partner for the business.

Melvyn Threath-Peters II, Director at the DAK Group, said "FFSC's founders have created a superior company, focused on providing both a high standard of care and strong patient experience for a high-acuity pediatric patient population. With this transaction, they will have the opportunity to extend their services to an even broader patient community by gaining a strategic partner to accelerate the company's growth."



has been acquired by



The **DAK** Group



Tom Messina
CEO and Co-Owner



Kat Sullivan
RN Administrator and Co-Owner

"It wouldn't have been possible without DAK. The M&A process was difficult, time consuming, and at times, frustrating. Having a partner who could simplify the process, tirelessly pursue buyers, and fiercely advocated on our behalf was critical. We only had one shot and they made it happen."

Healthcare Services Quarterly Roundup

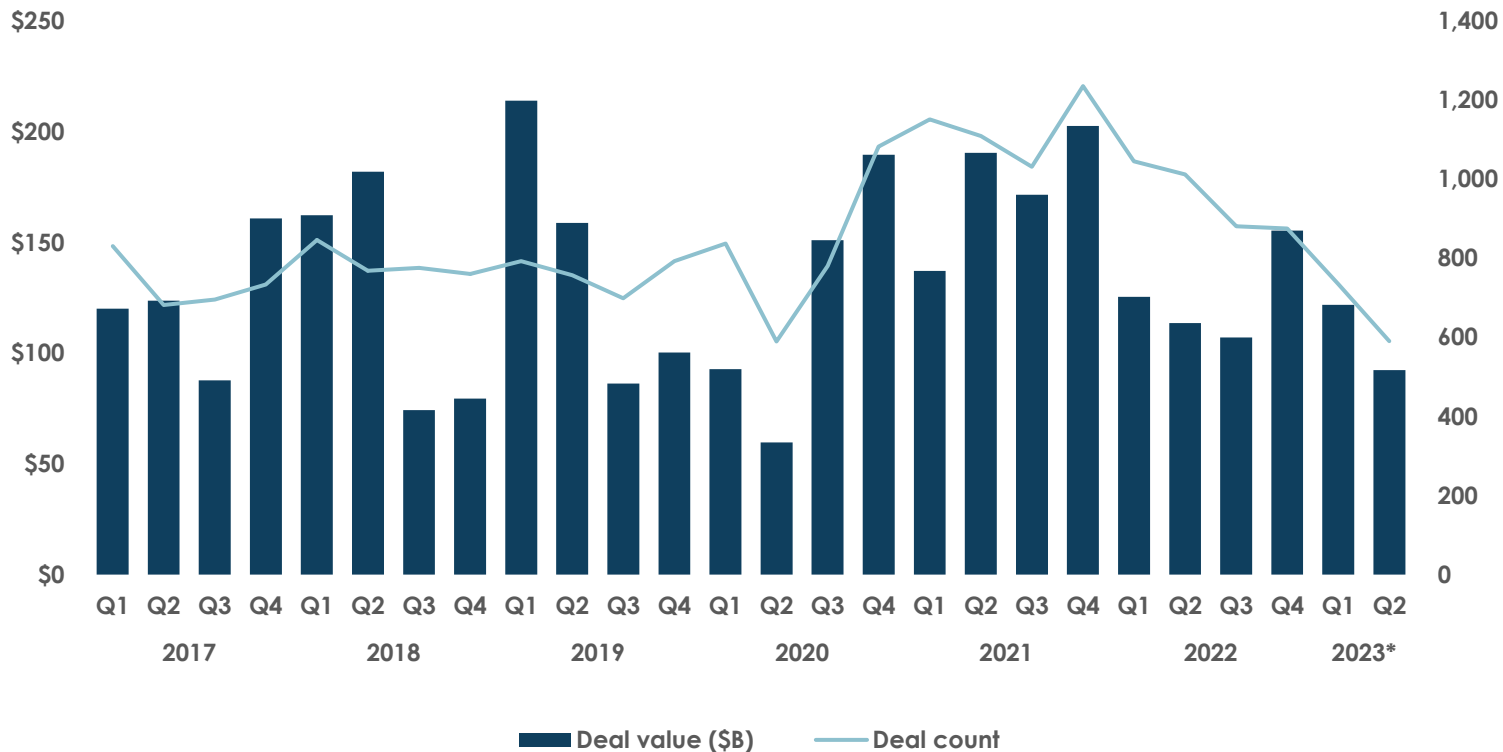
Sector Spotlight: Pediatric Home-Based Care

Valuation Pointers

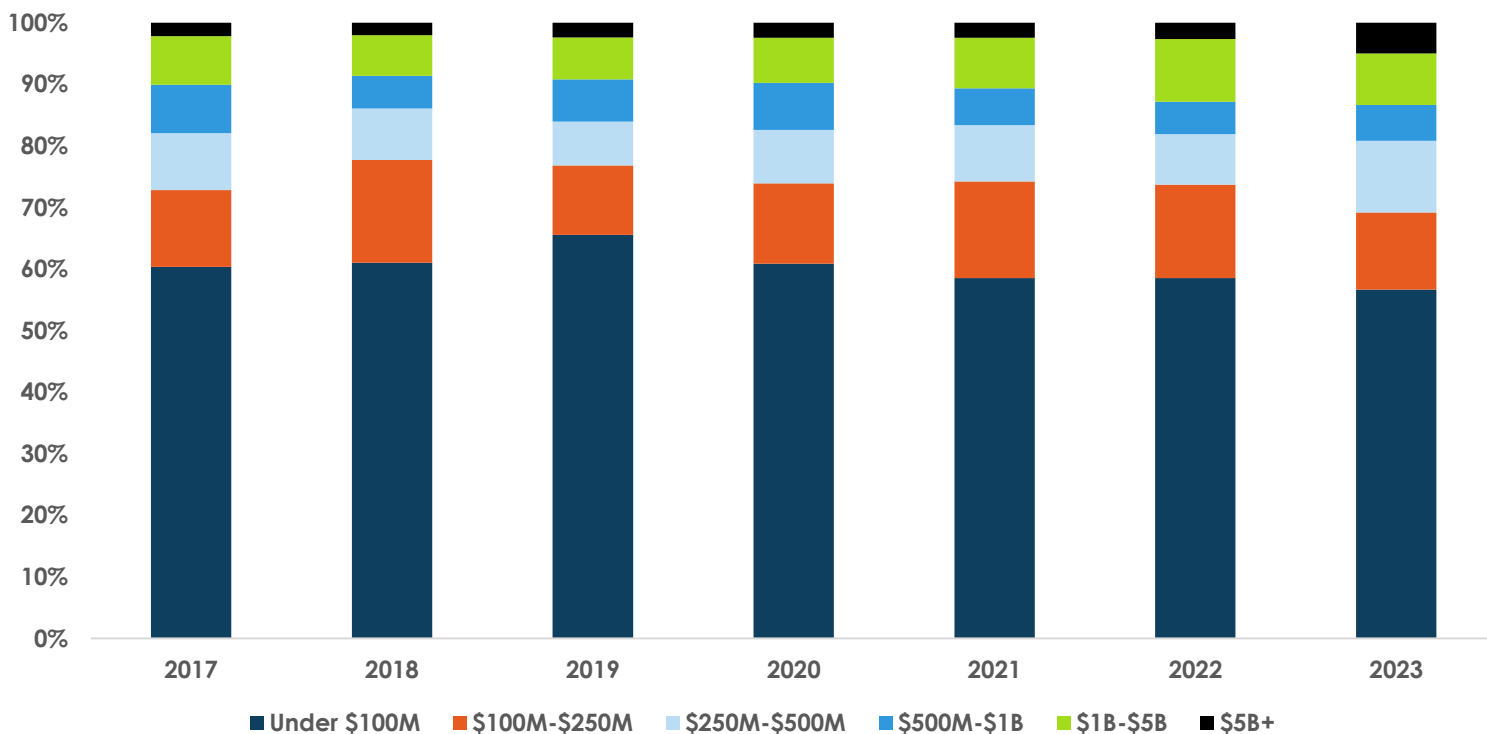


Healthcare M&A: Aggregate Activity

Healthcare M&A Activity by Quarter (2017 – Q2 2023)

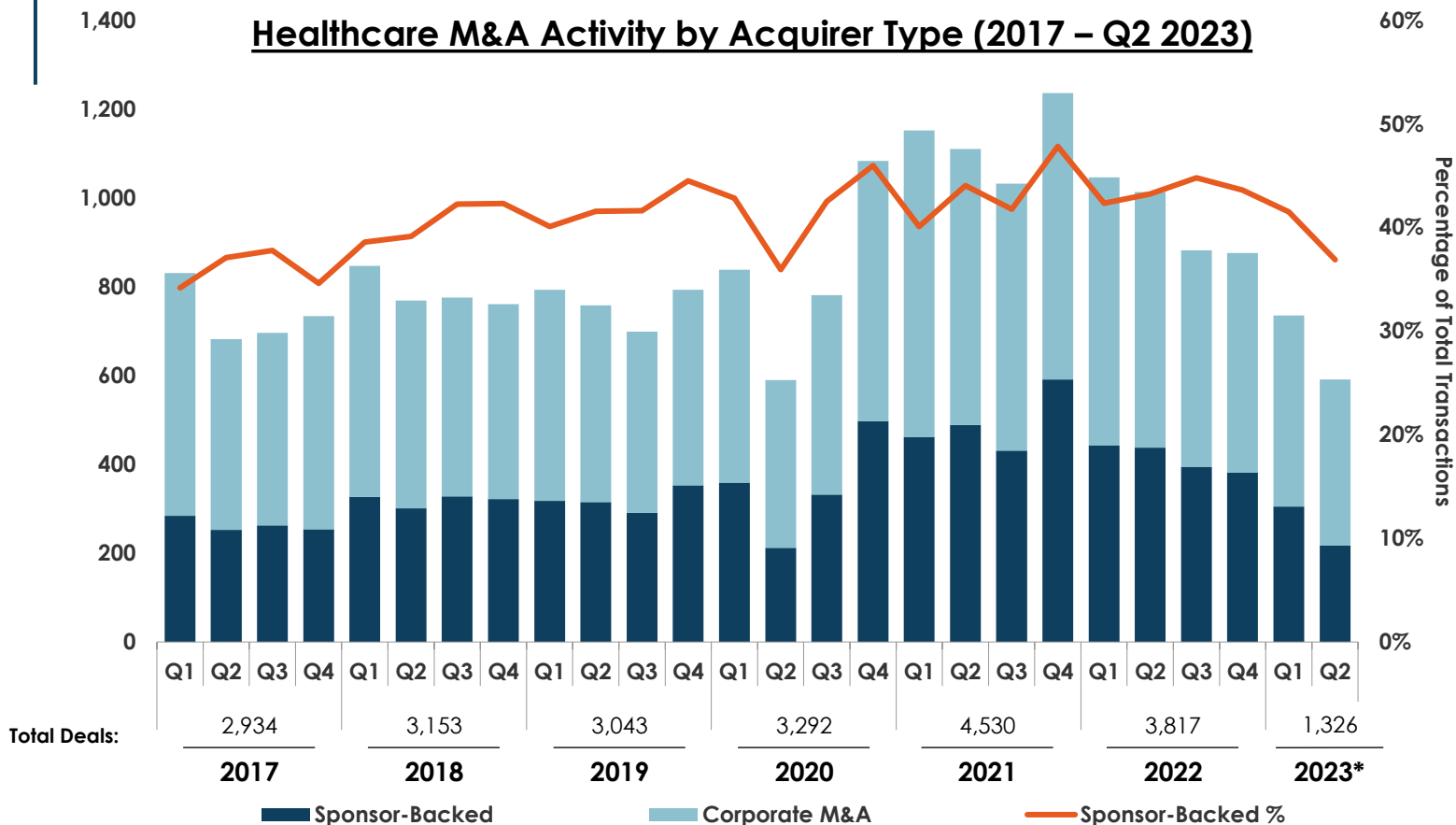


U.S. Healthcare M&A Activity by Size (2017 – Q2 2023)

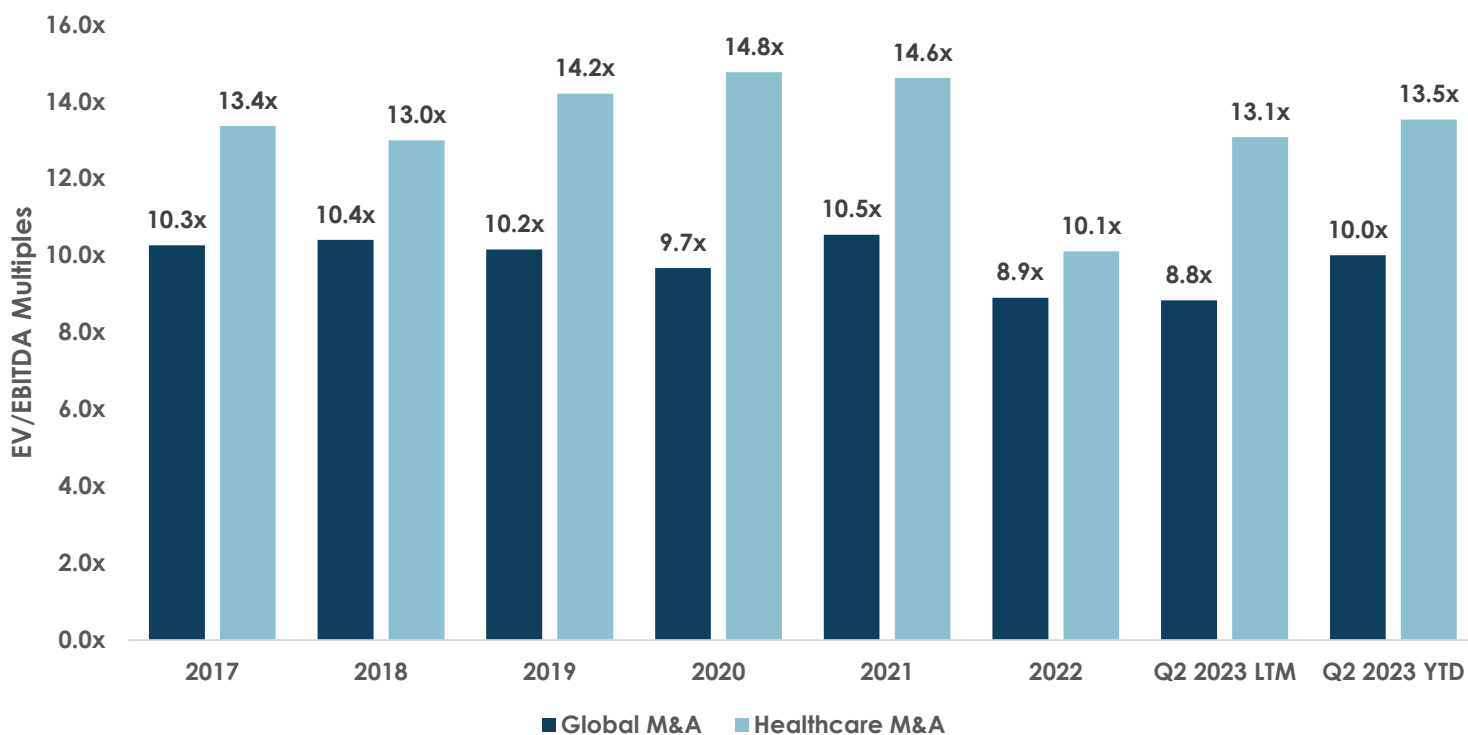


Healthcare M&A: Acquirer Activity and Multiples

Healthcare M&A Activity by Acquirer Type (2017 – Q2 2023)

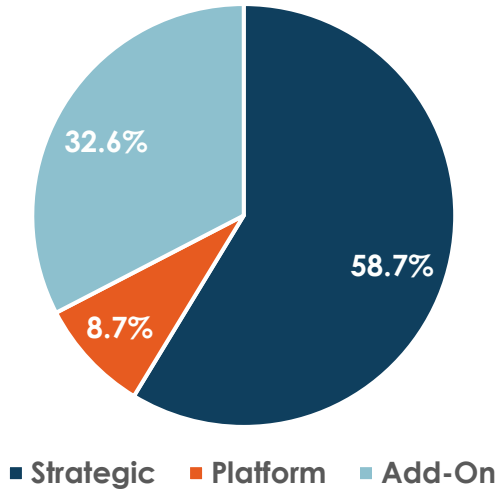


Healthcare M&A Transaction Multiples (2017 – Q2 2023)

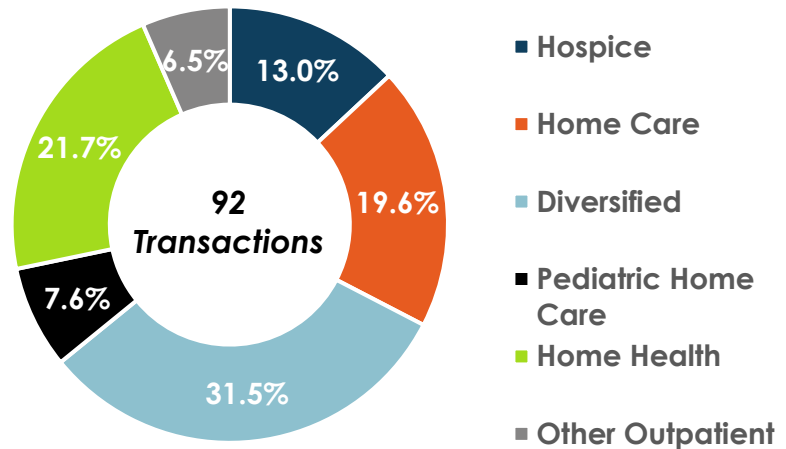


Home Based Care Precedent Transactions Analysis (Q2 LTM 2023)

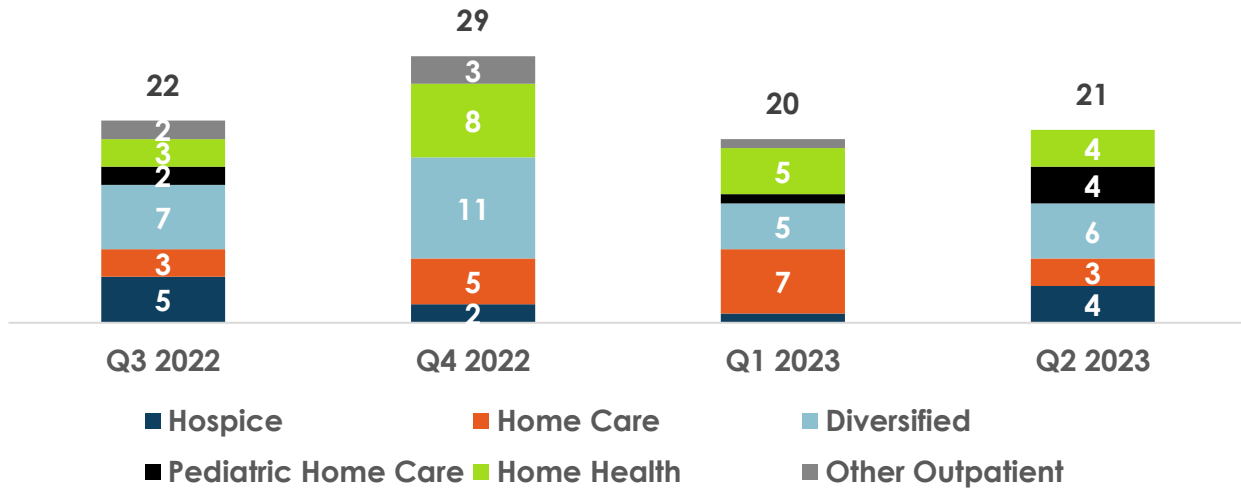
Transactions by Category



Transactions by Type



Transactions by Quarter by Type



Key Acquirers

Strategic



UNITEDHEALTH GROUP

Sponsor-Backed



Help at Home.



Pediatric



Recent Home-Based Care Transactions: Q2 2023 (1/2)

Home-Based Care: Precedent Transaction Analysis

6/30/2023

Date	Target	Target Description	Acquirer	Sector	Platform/Add-On/Strategic	Strategic vs. Sponsor
Jun-23	Assured Hospice Care	Provider of hospice care services intended for individuals and families especially those in emotional, spiritual and physical pain.	GHC Hospice	Hospice	Strategic	Strategic
Jun-23	Hope Hospice	Provider of hospice care services headquartered in Gardendale, Alabama.	Agape Care Group	Hospice	Add-On	Sponsor
Jun-23	Serving Spirit Home Care	Provider of private duty home care services based in Chicago, Illinois	Pillar Health Group	Home Care	Strategic	Strategic
Jun-23	Tennessee Quality Care	Provider of elderly care services intended to help individuals get stronger and enjoy greater control over health.	Addus HomeCare	Diversified	Strategic	Strategic
Jun-23	The Choice Nursing and Home Health	Provider of nursing care and non-medical home health aides intended for elderly and pediatric patients.	PurposeCare	Pediatric Home Care	Add-On	Sponsor
Jun-23	Amedisys	Provider of home health and hospice care services intended to help individuals age in place.	UnitedHealth Group	Home Health	Strategic	Strategic
Jun-23	Bluebird Health	Operator of a healthcare agency intended to provide home health and hospice facility.	Pennant Group	Diversified	Strategic	Strategic
Jun-23	Baptist Health Deaconess Hospice	Provider of hospice care services serving six counties in Kentucky	Hosparus Health	Hospice	Strategic	Strategic
Jun-23	Beaumont/Whitney Place Northboro	Operator of assisted living and memory care center catering to old age community in Massachusetts.	CareOne (Elder and Disabled Care)	Home Care	Strategic	Strategic
Jun-23	Integral Senior Living	Operator of a senior housing care facility intended to optimize the health and well-being of senior citizens.	Discovery Senior Living	Home Care	Strategic	Strategic
Jun-23	Acacia Home Health Services	Provider of home health, hospice and palliative care services intended to serve Medicare-enrolled patients.	Merit Capital Partners	Home Health	Platform	Sponsor

Recent Home-Based Care Transactions: Q2 2023 (2/2)

Home-Based Care: Precedent Transaction Analysis

6/30/2023

Date	Target	Target Description	Acquirer	Sector	Platform/Add-On/Strategic	Strategic vs. Sponsor
May-23	One Accord Home Health	Provider of provide duty nursing services for pediatric patients based in Ft. Worth, Texas	Family First Home Care	Pediatric Home Care	Add-On	Sponsor
May-23	Life Touch Hospice	Provider of compassionate end-of-life and serious illness care catering to the local community.	Arkansas Hospice	Hospice	Strategic	Strategic
May-23	Team Select Home Care	Provider of in-home patient care services designed to promote treatment, recovery and overall well-being.	Court Square	Pediatric Home Care	Platform	Sponsor
May-23	Benefit Health Care	Provider of nursing and therapy home healthcare services catering to Teller and El Paso counties.	Pennant Group	Diversified	Strategic	Strategic
May-23	Care & Help Home Care	Provider of home care services intended to provide non-skilled, non-medical services to elderly and pediatric clients in the comfort of their own homes.	HouseWorks	Pediatric Home Care	Add-On	Sponsor
Apr-23	Trilogy Home Healthcare	Provider of home healthcare services focused on patients, clinicians and physicians.	Centerwell Home Health	Home Health	Strategic	Strategic
Apr-23	Summit Home Care	Provider of hospital and healthcare services intended for resuming independent living of people.	LHC Group	Diversified	Strategic	Strategic
Apr-23	Abramson Senior Care (Hospice, Home Health and Home Care Division)	Provider of healthcare services catering to elders.	BAYADA Home Health Care	Diversified	Strategic	Strategic
Apr-23	ExquisiCare	Provider of elderly care services intended to enable elders to have their personal health and emotional needs met while living out their lives in a comfortable home.	SE Health	Home Health	Strategic	Strategic
Apr-23	Assisted Daily Living	Provider of healthcare services focused on delivering patient care in the familiar comfort of home.	Elara Caring	Diversified	Add-On	Sponsor

Your Strategic and M&A Partner in Pediatric Home- Based Care

About DAK





Transaction Characteristics

Private Businesses Closely held, entrepreneurial, family owned and multi-generational

Financial Sponsors Committed funds, independent sponsors, and family offices

\$2-40 MM EBITDA

\$10-400 MM enterprise value

\$10-300 MM annual revenue

Focused Middle Market Coverage

Healthcare Services



Generalist Coverage



Diversified Industrials



Pro Audio Visual



Advisory Focused Investment Banking

M&A Advisory

Buy and sell-side domestic and cross-border transactions including sales, divestitures, mergers, acquisitions, recapitalizations, LBOs and MBOs, and distressed or 363 sales

Strategic Advisory & Valuation

Preparation of strategic advisory & planning, business plan, pre-transaction planning, valuation, fairness opinion, and market feasibility analysis

DAK's Healthcare Team



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Deep Expertise in the Healthcare Services Ecosystem

Trusted advisor to key stakeholders in home health and care, behavioral health, healthcare IT, medical device & lab, and pet healthcare services providers.

Sell Side Advisor



has been acquired by



Financial advisor to
Focus Forward Skilled Care

Sell Side Advisor



has been acquired by



Financial advisor to
Interactive Systems & Management Corporation

Strategic Advisor



has provided strategic guidance to



A Pathology Software Provider

Sell Side Advisor



has been recapitalized by



Financial advisor to
VCI

Strategic Advisor



has provided strategic guidance to



A Multi-Site Senior Citizen
Mental Health Services Provider

Sell Side Advisor



has been acquired by



Financial advisor to
Harrison Research Labs

Sell Side Advisor



has been acquired by



Financial advisor to
BioMedtrix

Sell Side Advisor

**Marypaul
Laboratories, Inc.**

has been acquired by



EMSL ANALYTICAL, INC.
Financial advisor to
Marypaul Labs

DAK Group's Healthcare Services Coverage Area

Home Based-Care

Home service offerings for individuals including skilled and non-skilled assistance in daily life, after surgical procedures or for end-of-life care. Specific services include in-home personal care, nursing, assisted living, rehabilitative therapy, and hospice care.



Key Trends

- The increase of adults aged 65 plus, has resulted in a spike in home health care demand; 20.9% and 50.2% of those aged between 75 – 84 and 85+, respectively, require assistance.
- Home health aides address chronic illnesses such as coronary artery disease and congestive heart failure, which are common among seniors. 6 out of 10 adults in the U.S. have a chronic disease; 4 out of 10 adults have two or more chronic diseases; and chronic illness is on the rise, driving pediatric care.
- Home Care is substantially more affordable when compared to substitute services, such as inpatient care.

Select Market Participants



Behavioral Healthcare

Inpatient and outpatient behavioral healthcare services including psychiatric care, mental health treatment, substance abuse, and addiction care. Patients are treated in a hospital environment or a third-party facility.



Key Trends

- 1 of 25 adults live with a severe mental health illness.
- Increasing consolidation of providers to meet the rising demand and pursue cost efficiencies.
- The COVID-19 Pandemic accelerated mental health issues due to social isolation and financial stress.
- The industry is expected to expand as social stigma related to addressing mental health issues subsides and more individuals seek out behavioral healthcare treatment.

Select Market Participants



DAK Group's Healthcare Services Coverage Area



Healthcare IT

Increasing digitalization and technological advancements are creating new efficiencies in patient care and record keeping. Healthcare Technology Services include electronic health and medical records (EH/MR) as well as telehealth services.



EMR



Telehealth



Data Analytics

Key Trends

- Advancements in and increased ease of use of communication technology has resulted in a dramatic shift towards telehealth services.
- Federal legislation has incentivized providers to digitize records and adopt EMR / EHR systems.
- The COVID-19 pandemic has increased adoption thanks to the demand for patient exposure, infection, and vaccination tracking.

Select Market Participants



Pet Healthcare

Pet health offerings including medical, dental, and surgical treatment performed by licensed veterinary practitioners, laboratory and diagnostic testing, as well as the development of tests, therapeutic drugs, and diagnostic tools for veterinary care.



Veterinary Healthcare



Animal Lab Services



Biotechnology & Devices

Key Trends

- As 70% of U.S. households, or 90.5 million homes, have at least one pet, the demand for routine veterinary services continues to grow.
- Advancements in veterinary technology and medicine has lengthened the lifespan of many pets, driving growth for the industry with routine care and chronic disease management.
- Over the course of the COVID-19 pandemic, 11.4 million U.S. households acquired a new pet which is projected to boost demand for pet healthcare services.

Select Market Participants



BRANFORD CASTLE PARTNERS



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How We Can Help You

The DAK Group helps middle market, privately held businesses, sponsor backed companies and PE firms in the **Healthcare** space garner the greatest value for their companies.

As owners looking to grow, exit or just “take some chips off the table” by reducing risk, our teams provide operational advice, pre-transaction planning and expertise leading buy side and sell side transactions that create exceptional value.