

# Healthcare Provider M&A Grows Stronger

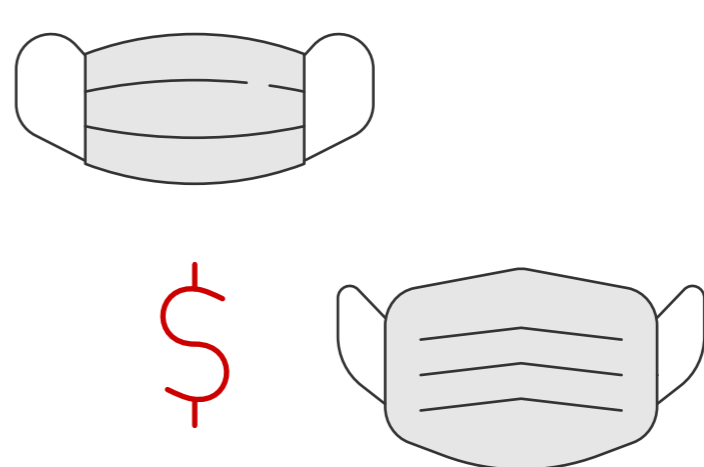
By pursuing new opportunities, providers could recover faster than other healthcare subsectors

## Covid-19 hit providers hard

As providers focused on staying solvent during the pandemic, deal activities slowed down for a couple of reasons



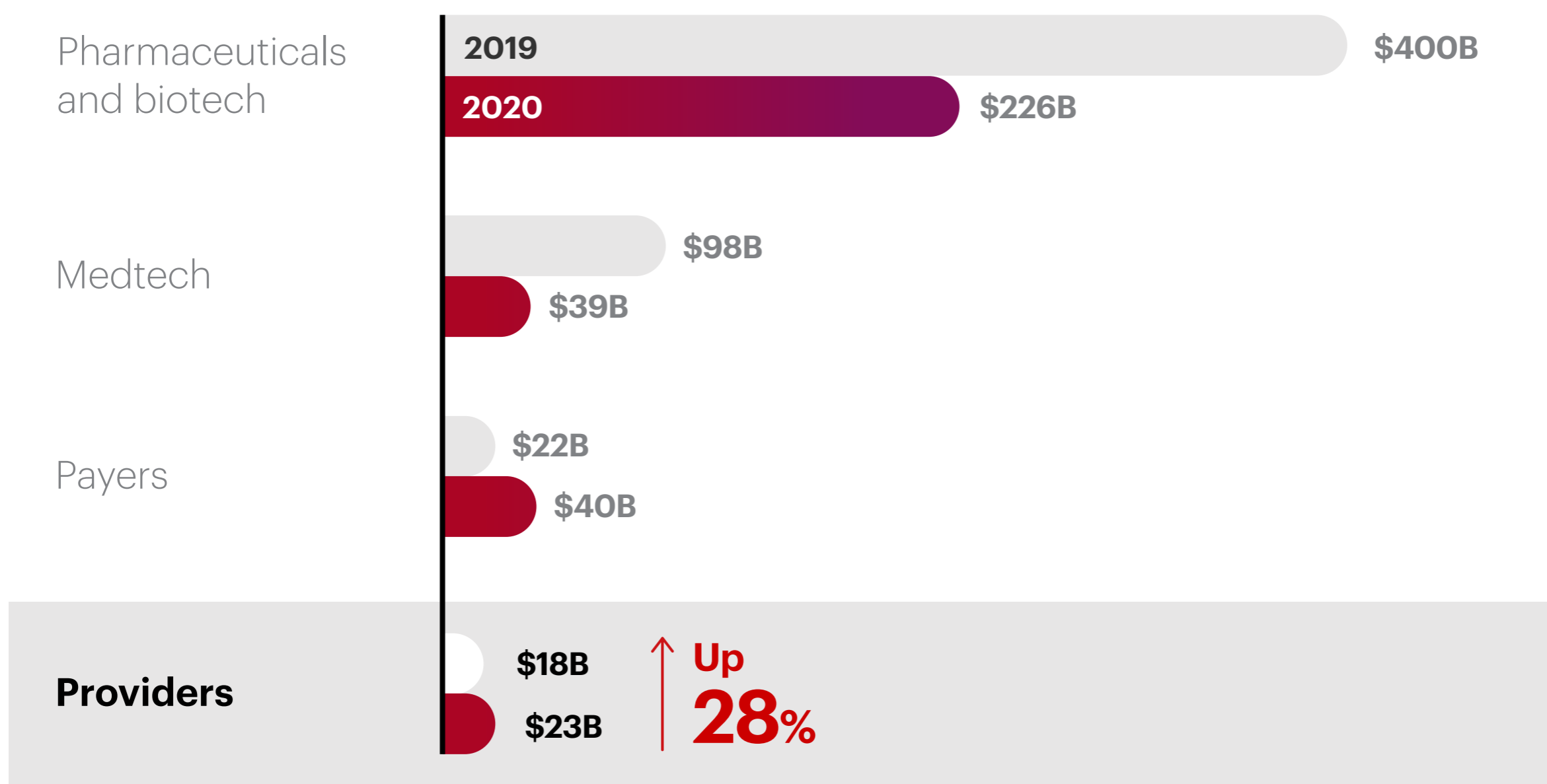
**Loss of revenue** as elective surgeries halted



**Inability to control costs** related to Covid-19

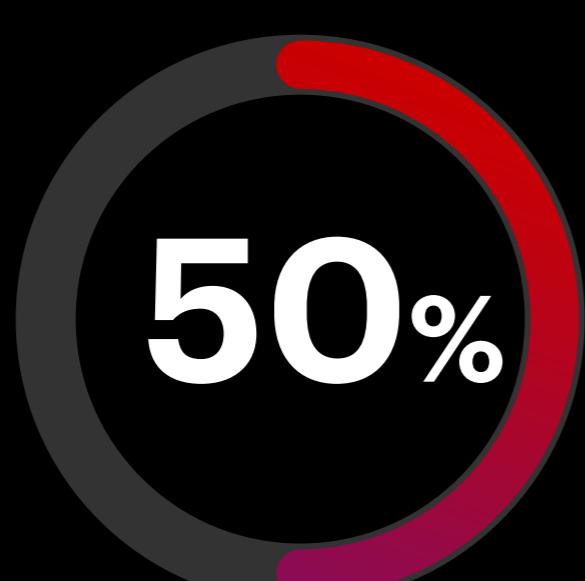
## Despite challenges, deal value rose in 2020

A slight pickup in the second half of the year helped spur an **overall 28% jump in deal value** over the previous year

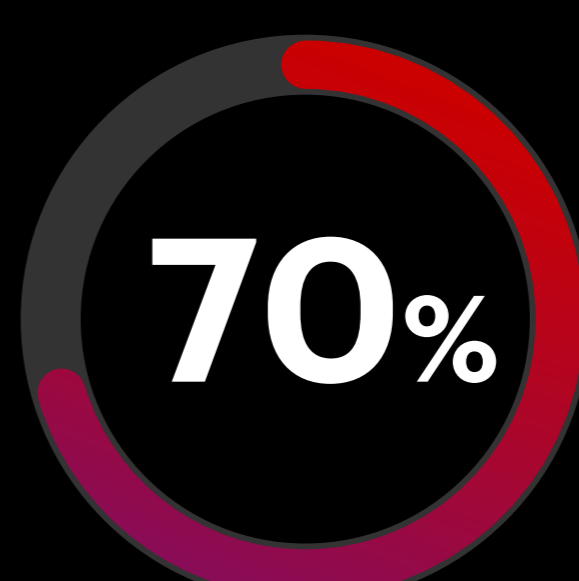


## The opportunities for growth

In the months ahead, M&A is expected to continue to accelerate



of hospital administrators say their organizations are **highly likely to make an acquisition** over the next two years



of independent physician practices are **amenable to a merger or acquisition**

Going forward, deals will likely be focused on consolidating administrative services and alternative care sites to bring down costs and improve patient outcomes

## PE will play a key role in provider M&A

Private equity's share of deal value rose from

**27%**

to

**61%**

over the past five years

Given the amount of dry powder in PE, investors are likely to target providers to build on existing platforms and develop new ones