

Q1-2023 Oncology Services Update

Market Update

Despite only two transactions closing in the first quarter of 2023, Provident continues to see great upside and potential for acquirers and sellers alike in the oncology space due to a combination of a growing need of care and a high degree of market fragmentation among community-based oncology providers across the United States. Throughout 2023, we expect two primary themes to play out; first, strategic acquirers, both public and private equity-backed, will continue to lead transaction volume via add-on acquisitions, and second, the space will see a swift march into the next investment life cycle phase, characterized by an uptick in secondary transactions.

According to an article published by Bloomberg, General Atlantic is exploring the sale of OneOncology, a transaction that could receive more than \$2 billion in enterprise value. OneOncology has been one of the most active consolidators, having acquired 15+ community-based practices and expanding its services across 175 sites and more than 12 states since General Atlantic's investment in 2018.

We have not seen a new oncology platform since 2018, when we saw four private equity firms create oncology platforms. Over the past 5 years, consolidation has been driven by strategic acquirers, including hospital and health system acquisitions. Given the sheer amount of add-on activity and the fact that several platforms are five years into their investment period, Provident believes 2023 could be characterized by a rise in secondary buyouts as investors wait to see what transpires with OneOncology.

Furthermore, The US Oncology Network remained active with two add-on acquisitions in the first quarter of 2023, both of which were multidisciplinary in nature. The shift to new subspecialties for USON will be an interesting trend to follow as the Company looks to enable more comprehensive care across their network.

Select Transactions:

Month	Acquirer	Target	Deal Description
January		 Partners in Comprehensive Care	The US Oncology Network, a provider of community-based oncology services, acquired Epic Care, a multidisciplinary provider with 21 sites and 47 physicians in the Northern California market
January			The US Oncology Network has also acquired Nexus Health, another multidisciplinary provider with nine physicians in the state of New Mexico
<i>Pending</i>	Public Markets (NASDAQ)	 AMERICAN ONCOLOGY NETWORK, LLC	American Oncology Network, a Florida-based network of community oncology practices, announced its plans to merge with Digital Transformation Opportunities via a SPAC transaction that is expected to close in 2023
<i>Pending</i>	To Be Determined		General Atlantic is exploring the sale of OneOncology, a community-based provider of oncology services

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