

Orthopedics

Q2 2024

Market Update

From a deal count perspective, orthopedic M&A activity slowed in Q2 2024 despite the momentum seen in 2023 and Q1 2024. However, the industry remains highly fragmented and ripe for consolidation, with strong investor appetite continuing to drive interest. Traditional PE platforms and health systems are now facing increased competition for acquisitions due to the rise in activity from historically ASC-focused operators like SCA, Surgery Partners, and USPI, who are becoming more active in the orthopedic practice management space. These strategic acquirers can offer an attractive alternative to traditional buyers like health systems or PE-backed platforms, while providing similar levels of autonomy to that of private equity, but a more certain path to a second liquidity event.

Provident expects robust M&A activity through the remainder of 2024 and throughout 2025, with several sponsors nearing the end of their typical investment hold periods and several large orthopedic mandates on the market progressing towards a close.

Notable Transaction

Spire Orthopedic Partners ("Spire"), one of the largest orthopedic platforms, has acquired Ortho Rhode Island ("Ortho RI") and its affiliated ASC. Ortho RI was established from the merger of four practices in Rhode Island, providing care across six locations and one ASC. Ortho RI has 35 physicians across a variety of specialties, including elbow, foot and ankle, hand and wrist, hip, joint replacement, knee, pediatric orthopedics, rheumatology, shoulder, spine, and sports medicine. Ortho RI will continue to operate under its current brand while gaining access to Spire and their PE partner's, Kohlberg & Company, expertise in orthopedic practice management.

This transaction positions Spire as the largest orthopedic platform in the Northeast.


Ortho Rhode Island

Has been partnered with


SPIRE
ORTHOPEDIC PARTNERS

June 2024

Select Transactions

Month	Acquirer	Target	Locations	State(s)	Deal Description
June	 HOPCo <small>Healthcare Outcomes Performance</small>	 WATERTOWN <small>REGIONAL MEDICAL CENTER</small> <small>Empowered by SciencHealth</small>	9	WI	<p>Watertown Regional Medical Center ("WRMC") and Healthcare Outcomes Performance Company ("HOPCo") have partnered to enhance orthopedic and spine services for WRMC patients. WRMC will leverage HOPCo's musculoskeletal platform, which includes evidence-based care protocols, advanced data analytics, and a robust digital patient engagement infrastructure, to improve both patient care and the patient experience.</p> <p>This partnership reinforces HOPCo's strategic initiative to collaborate with large health systems to advance orthopedic specialty care and develop new care modalities.</p>
April	 SOUTH FLORIDA ORTHOPAEDICS <small>& SPORTS MEDICINE</small>	 atlantis <small>ORTHOPAEDICS</small>	6	FL	<p>Atlantis Orthopedics and South Florida Orthopaedics & Sports Medicine have merged, bringing together over 50 providers to create one of the largest independent orthopedic groups in South Florida. The unified entity includes specialists in orthopedics, pain management, podiatry, and spinal care, aiming to expand access to specialized services.</p>

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