

PRIVATE EQUITY DEAL SPOTLIGHT | WEEKLY UPDATE

Health care continues to drive private equity ("PE") activity, creating opportunities for investors and traditional health care providers. Transactions in the health care space are especially complicated, layering health care regulatory and reimbursement considerations on top of a complex securities, antitrust, privacy and security framework.

Hall Render's PE team of attorneys and advisors leverage the strength and depth of our bench to navigate and efficiently execute PE transactions. **The summary below includes highlights of recent PE deals and legislative updates.**

- HouseWorks Holdings, LLC, a personal care services platform in the Northeast, **recently announced its acquisition of the Connecticut Personal Care Division of AccordCare**. The acquisition includes brands such as Companions and Homemakers, LLC, and Companions Forever, LLC. Importantly, the acquisition also highlights HouseWorks' entry into the Connecticut market, and the fifth acquisition since partnering with InTandem Capital in December 2022. InTandem Capital is a PE firm based in New York that invests in mid-sized companies in select health care services sectors.
- GTCR recently **announced the acquisition of Surmodics**, a U.S.-based medical device coatings firm. Specifically, Surmodics supplies performance coating technologies for intravascular medical devices. The acquisition is funded through a blend of committed equity from GTCR's affiliated funds and committed debt financing. Surmodic's board of directors provided unanimous approval and intends to recommend that stockholders vote in favor of the deal. Following the acquisition, Surmodics will go private and cease Nasdaq trading. GTCR is a Chicago-based PE firm focused on leveraged buyouts and recapitalization, growth capital and roll-up transactions in the health care market.
- Shore Capital Partners, a Chicago-based PE firm focused on microcap investing, **recently announced the sale of Behavioral Innovations**, a leading provider of center-based applied behavior analysis therapy to early intervention children with autism spectrum disorder and other related developmental disabilities to Tenex Capital Management. Behavioral Innovations grew from 17 locations in 2017 to more than 70 locations throughout Colorado, Oklahoma and Texas. This transaction is reportedly the first significant autism therapy platform deal in 2024. Following the recent announcement by GTCR of its proposed acquisition of Caravel Autism Health, many expect the autism therapy platform to receive its first major investment during the COVID-19 pandemic era to reach the end of their three to five-year hold period in the latter half of 2024 and Q1 of 2025. Tenex Capital Management is a PE firm based in New York City.
- Solis Mammography, a Madison Dearborn Partners-backed radiology provider, **recently announced the acquisition of Mammography and Ultrasound Imaging Center**. The acquisition increases Solis Mammography's total imaging centers to 130 across 18 markets in Texas, Utah, Colorado, Arizona, Pennsylvania, Ohio, Tennessee, North Carolina and Florida. Madison Dearborn Partners is a Chicago, Illinois-based PE firm that operates within the health care, financial services, technology and government sectors.
- Stout, a global advisory firm, **acquired HealthCare Appraisers, Inc.**, a leading provider of health care valuation and consulting services. The acquisition includes HealthCare Appraiser's team of roughly 70 professionals and strengthens Stout's expertise in health care compensation, business, machinery, equipment and real estate valuation. This transaction also marks Stout's sixth acquisition since Audax Private Equity's investment in 2021. Audax Private Equity is a capital partner for middle and lower-market companies throughout the U.S.
- **According to an EY-Parthenon Deal Barometer report released in early May**, PE deal volume is forecast to rise. For instance, PE deal volume is projected to rise 16% year-over-year, following a 15% contraction last year according to the survey. While this increase would still leave deal volumes below the 2021 peak, it would represent a faster pace of growth than the average 9% annual pace from 2010 to 2019.

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