

Sustained Clinician Shortages Fuel Healthcare Staffing M&A Activity

Commentary:

- Historically, outsourced staffing services have been used to fill a temporary or small gap in a healthcare provider organization's clinical needs. With the onset of the pandemic and associated provider burn-out, along with aging clinicians retiring, these healthcare delivery groups are seeing staffing agencies as a more sustained solution as clinical staffing shortages persist.
- In our conversations with providers and investors, healthcare staffing represents a strong and growing market, which is driving increased interest and valuations, and is leading to more consolidation within the highly fragmented sector. Further contributing to the activity, many owners are seeking an exit at this time as they see a ripe opportunity to monetize the asset they built or seek an investor to help them achieve the next level of success.
- This is illustrated by the active M&A market within healthcare staffing. From 2021 through YTD 2023, nearly 100 transactions completed with strategics and private equity being equally active in seeking targets and completing transactions.
- Additionally, with pricing (increased billing rates) and volume figures increasing for staffing agencies, it is providing exceptional market dynamics for owners to receive premium valuations, should they choose to pursue a strategic or financial partner.
- With staffing shortages appearing to be the new normal for all healthcare delivery organizations, we expect strategic and financial investor demand for healthcare staffing organizations to remain high through 2023 and beyond.***

Recent Notable Healthcare Staffing M&A Activity:



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Select Healthcare Services Transactions

 <p>has been acquired by</p>	 <p>a portfolio company of</p>	 <p>a portfolio company of</p> <p>has been acquired by</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>has been acquired by</p> <p>Confidential Buyer</p>	 <p>has been acquired by</p>	 <p>formed an affiliation with</p>	<p>Provided investment banking services to</p>
 <p>has been acquired by</p>	 <p>has been acquired by</p>	<p>Provided investment banking services to</p>	 <p>formed an affiliation with</p>	 <p>has been acquired by</p>
<p>Provided investment banking services to</p>	 <p>has been acquired by</p>	 <p>has been acquired by</p>	<p>Home Pharmacy of California</p> <p>has been acquired by</p>	 <p>has been acquired by</p>
<p>Community Psychiatry</p> <p>has been acquired by</p>	 <p>formed an affiliation with</p>	 <p>has been acquired by</p>	<p>Anesthesia Services Inc.</p> <p>has been acquired by</p>	<p>Provided investment banking services to</p>