

## Specialty

Gastroenterology

## Focus

Q1 2021 Acquisition Activity and Outlook

# As Predicted, Gastroenterology Acquisition Activity Surges to New High in Q1 2021 – Major Opportunity for Selling Physicians

The first quarter of 2021 delivered nineteen gastroenterology practice acquisitions, marking an enormous surge of M&A activity within the specialty. To put that into context, the past three months had more acquisitions than the entire year of 2020. We expect that higher level of activity to continue as GI moves through the expansion lifecycle stage.

By the end of Q2, most practices will have a full year of financials post COVID-19 shutdowns. This will be important to achieve maximum transaction value because trailing-twelve-month (TTM) financial performance is the most scrutinized data in practice and surgery center valuations. With COVID-19 closures phasing out of TTM financial data, practice EBITDA will likely be at its highest level in 18 months. We expect more practices will be interested in pursuing deals that will close this calendar year given potential tax implications looming in 2022.

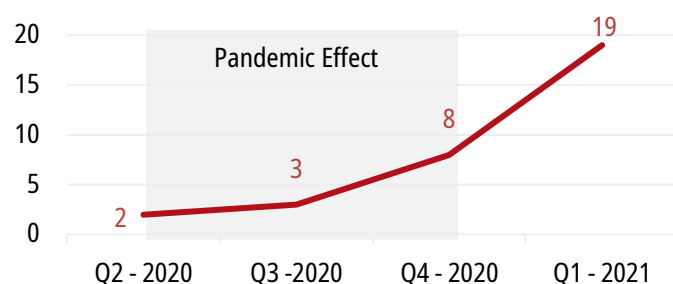
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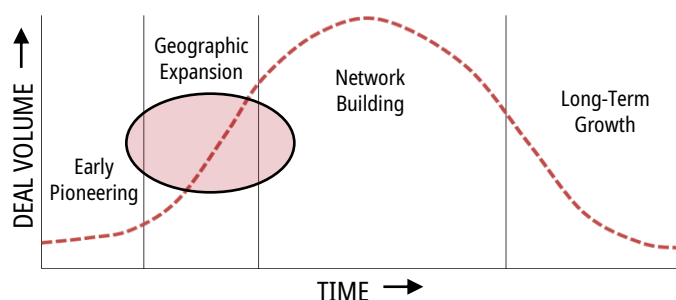
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## 12-Month Quarterly Acquisition Trend



## PE Consolidation Lifecycle Positioning



## Notable Deals in the Q1 2021

Buyer	Practice	State	MDs	Date
GI Alliance	Austin Gastroenterology	TX	36	3/4/21
One GI	Digestive Health Specialists	MS	10	3/2/21
Gastro Health	Digestive Disease Associates	MD	15	3/1/21
One GI	Dayton Gastroenterology	OH	26	2/26/21
Assured Healthcare Partners	Allied Digestive Health	NJ	65	1/13/21
Pinnacle GI Partners	Michigan Gastroenterology Institute	MI	11	1/8/21
GI Alliance	Digestive Health Associates of Texas	TX	48	1/6/21

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