

Specialty

Gastroenterology

Focus

Q3 2021 Acquisition Activity and Outlook

Gastroenterology Acquisition Activity Dipped Slightly in Q3 2021, Normalizing from Q1's Peak Level

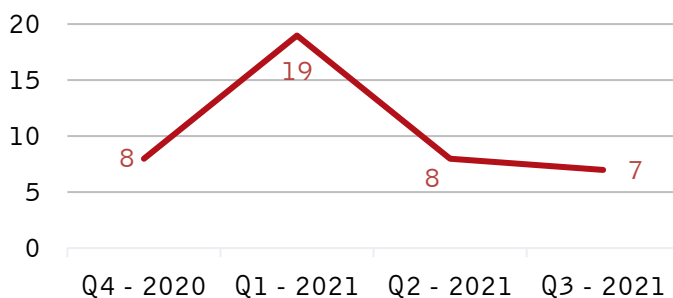
The third quarter of 2021 delivered seven reported gastroenterology practice acquisitions, normalizing from the peak level we reported in the second quarter. In July, GI Alliance announced an expansion into Utah by partnering with Utah Gastroenterology. The practices includes nineteen gastroenterologists with ten office locations. GI Alliance now represents over 580 gastroenterologists across ten states. In September, Capital Digestive Care finalized its partnership with Gastrointestinal & Liver Specialists of Tidewater (GLST), doubling the company's presence in the Mid-Atlantic. GLST includes thirty-four physicians serving eight locations in the Tidewater region.

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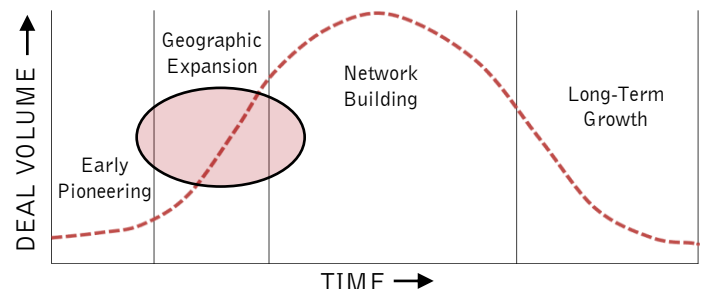
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We expect to see a surge of deals announced in the fourth quarter of 2021. Current legislation suggests a capital gains tax hike to 25% (plus a 3.8% Medicare surtax) in the near future, which remains favorable to sellers compared to historical rates.

12-Month Quarterly Acquisition Trend



PE Consolidation Lifecycle Positioning



Notable Deals in Q3 2021

Buyer	Practice	State	MDs	Date
GI Alliance	Utah Gastroenterology	UT	19	7/1/2021
Gastro Health	The Gastroenterology Group	VA	7	9/1/2021
Capital Digestive Care	Gastrointestinal & Liver Specialists of Tidewater	VA	34	9/28/2021

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