



Cardiology

INDUSTRY MARKET UPDATE



ACQUISITIONS
DIVESTITURES
FINANCINGS
RESTRUCTURINGS

Key Statistics



1,753

is the average number of unique patients seen by cardiologists during an 18-month period according to a 2021 survey. This volume is expected to increase



30%

increase in the ratio of Advanced Practice Providers to Cardiologists since 2017 to manage patient panel demands



9x

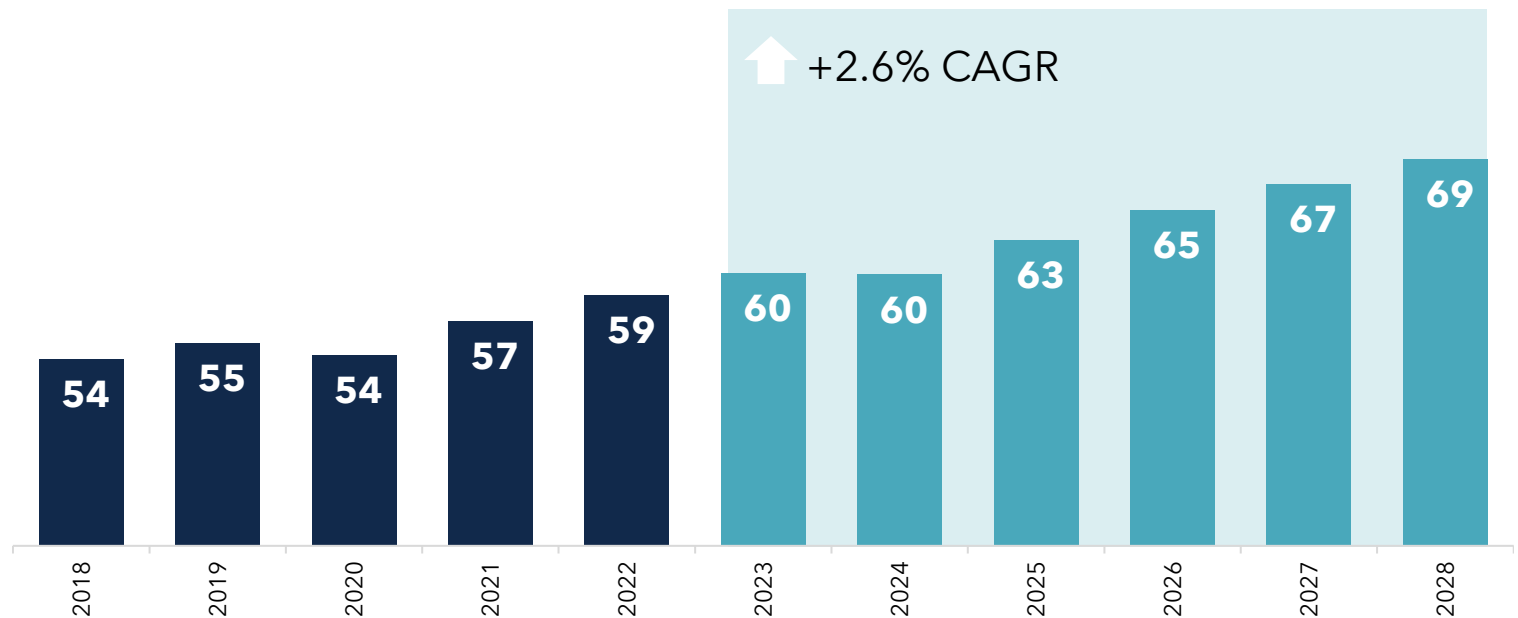
growth in single-specialty cardiology ASCs in the US between 2016 and 2021

Source: Cardiac Interventions Today, MedPac March 2023 report

Industry Overview

Cardiology, a procedure-based specialty like gastroenterology and orthopedics, is among the most sought-after physician practice management (PPM) specialties. Compelling demographic trends such as the aging Baby Boomer and Gen X population and the increase in more economical outpatient procedures are driving Cardiology investment.

Cardiology Market Size



Source: IBIS World

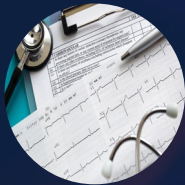
Key Trends



Besides the fundamentally strong demand for services a smaller number of independent practices compared to specialists embedded in health systems make Cardiology increasingly attractive as a specialty for both providers and investors.



Ambulatory Surgery Centers (ASC) are assuming a bigger role in Cardiology. New reimbursement codes are creating enhanced revenue sources as procedures move to a low-cost-of-care setting.



Growth in Cardiology care is correlated with ancillary services and provide an additional revenue stream to providers and a broader suite of offerings to patients.

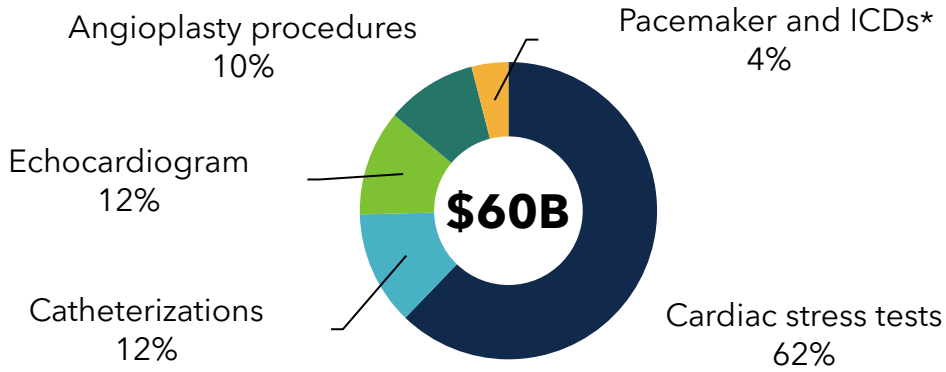


Value-based models are a currently under-utilized emerging opportunity for Cardiology services. Evolving technological solutions are playing a major role in driving the adoption of value-based care.



The fragmented nature of the Cardiology industry (about 44% of practices have only one provider) and the lack of differentiation make it ripe for external capital infusion. The increase in private equity-backed platforms in US Cardiology practices reflects this.

Cardiology Market Size



Source: IBIS World

*ICD - Implantable Cardioverter Defibrillator

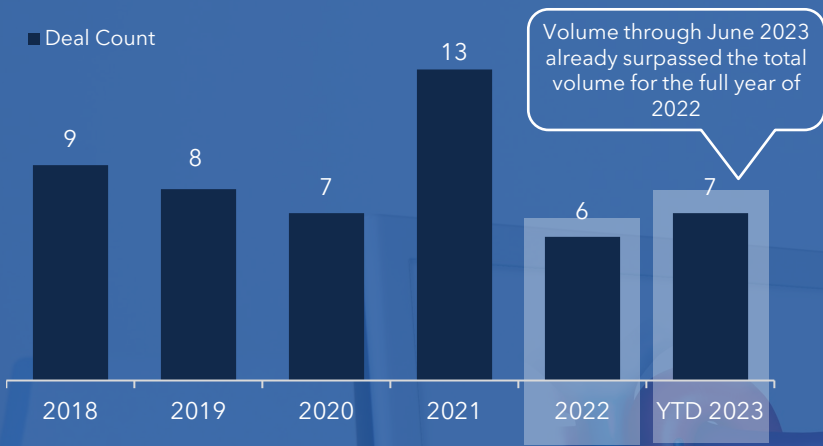


Increased Investor Interest

- » Increasing demand for Cardiology services
- » A growing shift to more economical outpatient procedures
- » Fewer independent practices leading to increased competition and higher valuations
- » Cardiology practices leveraging complimentary revenue streams like nuclear medicine and ultrasound as well as physician-owned cardiac catheterization labs (ASCs and OBLs)
- » Industry fragmentation - there are currently approximately 34,098 practicing cardiovascular specialists practicing in the U.S.

Source: Statista 2023

U.S. Cardiology M&A Activity



Note: M&A transactions include Electrocardiographs (ECGs), Cardioscopes, Cardiovascular Equipment, Cardiology Services, and Cardiovascular Drugs industry categories from Capital IQ. The data excludes PE stake transactions.

Note: YTD data refers to January through June.

M&A Drivers

Key factors influencing the rationale in recent M&A transactions include the following:

- » As consolidators sought to build market-leading platforms and capitalize on industry tailwinds, the Cardiology market saw a surge in M&A activity from both strategic and financial partners
- » Economies of scale in larger practices are created by bigger, cost-efficient back offices that also improve the bargaining power with payors
- » Physician shortages, a fragmented industry structure, and rising demand from an aging population make Cardiology practices attractive to private investors

Select Private Equity Platforms

Duneglass Capital	Hellman & Friedman	Lee Equity	Webster Equity Partners
CCVSA	Cordis	Cardiovascular Institute of the South	Cardiovascular Institute of Central Florida
Oregon Vascular Specialists			Carolina Cardiology Associates
			Cardiovascular Medicine PLLC
			Chicago Cardiology Institute
			HVC Heart and Vascular Care
			NOVOCARDIA
			Southwest Cardiovascular Associates

Select Industry Players



Recent M&A Activity

DATE	TARGET	ACQUIRER
Jun-23	Bay Area Cardiology Associates	Cardiovascular Associates of America
Apr-23	Coeur Value, Inc.	Cardiovascular Associates of America
Feb-23	Cardiovascular Institute Of The South LLC	Lee Equity Partners
Feb-23	Cardiovascular Institute Of Central Florida, LLC	Cardiovascular Associates of America
Nov-22	Cardiovascular Institute of New England	Cardiovascular Associates of America
Feb-22	RiverCity CardioVascular	Methodist Healthcare System of San Antonio
Jan-22	My Cardiologist	Novocardia

Source: Capital IQ

Select Transactions

Sell-Side Advisor



was acquired by



Learn more about the transaction here.

Sell-Side Advisor



has merged with



Learn more about the transaction here.

Sell-Side Advisor




has merged with




Learn more about the transaction here.

Financing




has secured senior debt financing from




Learn more about the transaction here.


Sell-Side Advisor



has been acquired by



a portfolio company of



Learn more about the transaction in the case study and Dr. Britton's Cascade Difference testimonial here.

About Cascade Partners

Cascade Partners is a boutique investment banking firm focused on middle-market businesses in industrials, healthcare, business services and manufacturing. Manufacturing and related business services are passions and specialties at Cascade Partners.

With more than 250 years of combined experience, we work with business owners and shareholders to achieve their objectives and explain the impact and opportunity of their options. Our experience extends beyond just being transaction advisors, too. We have been operators, served on boards and made personal investments in services firms. From buy-side and sell-side advisory services to securing growth financing, restructurings or recapitalizing your business, our expertise and insight goes deeper than the economic factors of a deal.

We recognize and respect the long-term impacts of a transaction on our clients' company, employees, family, wealth and personal lives and are committed not only to creating long-term value for companies but to creating transformative solutions for people.

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