



# LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

## Healthcare Weekly News and Deals – June 7<sup>th</sup>, 2024

### 1. The 4<sup>th</sup> Annual HCMIS event concludes in Columbus, OH

The 4<sup>th</sup> Annual Healthcare Capital Markets & Innovation Summit (HCMIS) concluded with remarkable insights from investors and the healthcare community. Held on June 5th-6th in Columbus, OH, known as "The Smart Health City," this Summit brought together industry leaders, executives, private equity and venture capital firms, venture studios, family offices, bankers, accountants, lawyers, hospitals, physician groups and other professionals. The event facilitated impactful dealmaking and networking, solidifying its reputation as a premier forum for advancing healthcare innovation and investment strategies. ([Link](#))

### 2. Waystar Raises \$968 Million in IPO, Valued at \$3.69 Billion

Waystar, backed by EQT, CPPIB, and Bain Capital, raised \$968 million in its IPO, pricing shares at \$21.50 each, with a valuation of \$3.69 billion. The IPO reflects a strong market for new listings, contrasting with Novelis's recent IPO withdrawal. Waystar, formed in 2017, reported a net loss of \$51.3 million on \$791 million in revenue for 2023. Under EQT and CPPIB's ownership, Waystar expanded by acquiring competitors like eSolutions, enhancing its Medicare market presence. Companies have raised over \$15 billion via IPOs on U.S. exchanges this year. ([Link](#))

### 3. Pamlico Capital Exits Investment in Digitech to Sarnova

Pamlico Capital has sold its remaining equity stake in Digitech, a leading provider of revenue cycle management solutions for EMS professionals, to its joint venture partner, Sarnova. The investment began in May 2019, with Pamlico driving significant growth and operational improvements. The transaction also involved Patricia Industries and Mark Schiowitz. Digitech, headquartered in Chappaqua, NY, offers comprehensive RCM services and technology solutions for the EMS market. ([Link](#))

### 4. Sword Health Raises \$130M to Expand AI-Powered Digital Care Platform

Sword Health, an AI-powered digital care platform, raised \$130 million, reaching a valuation of \$3 billion. This round, a mix of primary and secondary sales, brings total funding to \$340 million and hints at a possible IPO next year. Founded in 2015, Sword Health offers digital therapy programs for chronic pain, pelvic health, and daily soreness. The new "AI Care Specialist" Phoenix enhances personalized care by guiding members through sessions, tracking progress, and providing real-time feedback. Clinicians retain oversight, ensuring quality care. The funds will expand Sword Health's AI capabilities and healthcare accessibility. ([Link](#))

## 5. Shore Capital Partners Sells Behavioral Innovations to Tenex Capital Management

Shore Capital Partners announced the sale of Behavioral Innovations, a leading provider of center-based applied behavior analysis therapy for children with autism spectrum disorder, to Tenex Capital Management. Behavioral Innovations, which has 77 centers across Texas, Oklahoma, and Colorado, significantly expanded under Shore's ownership since 2017. This partnership enabled the opening of 64 new clinics and the creation of over 2,300 jobs. BI plans to continue its rapid expansion into new areas to provide autism therapy services to more children. ([Link](#))

## 6. Advanced MedAesthetic Partners Collaborates with Curate MedAesthetics in Chattanooga

Advanced MedAesthetic Partners (AMP) announced a new partnership with Curate MedAesthetics, a leading medical spa in Chattanooga, Tennessee, founded by board-certified nurse practitioner Cindy Wilson. This collaboration aims to expand AMP's reach and enhance the quality of medical aesthetics services nationwide. Curate MedAesthetics is renowned for its personalized treatment plans and expert team. Nicole Chiaramonte, CEO of AMP, expressed excitement about the partnership's potential to elevate client care. This move aligns with AMP's strategy to invest in practices prioritizing exceptional patient outcomes and clinical innovation. ([Link](#))

## 7. Fortrea (Nasdaq: FTRE) Completes Divestiture of Enabling Services Segment, including Endpoint Clinical and Fortrea Patient Access, to Arsenal Capital Partners

Fortrea (Nasdaq: FTRE) has divested its Enabling Services segment, including Endpoint Clinical and Fortrea Patient Access, to Arsenal Capital Partners. Endpoint provides Randomization and Trial Supply Management (RTSM) solutions, while Fortrea Patient Access offers comprehensive patient support services. Arsenal appointed Sam Osman as CEO of the new entities and Raymond H. Hill as chairman. This transaction will allow Fortrea to focus on its core clinical CRO services and reduce debt. Arsenal plans to leverage its expertise to drive growth in the acquired businesses. ([Link](#))

## 8. TouchSource, Lyden Capital, Acquires TrueSync Health from True Sync Media to Enhance Healthcare Digital Signage Solutions

TouchSource, a leading provider of digital signage and wayfinding solutions for healthcare facilities, announced the acquisition of TrueSync Health, the healthcare business division of True Sync Media. This strategic acquisition, the third in three years for TouchSource, will expand its presence in the healthcare sector. TrueSync Health brings a portfolio of hundreds of displays featuring patient waiting room and provider-facing content across major healthcare systems, including two of the largest healthcare providers in the Western U.S. The acquisition will enable TouchSource to enhance its offerings with the TouchSource Spark PX™ enterprise platform, providing new content experiences for healthcare clients. ([Link](#))

## 9. TA Associates Makes Strategic Growth Investment in Solarity, Boosting Automated Clinical Data Processing Solutions

Solarity, based in St. Louis, MO, received a strategic growth investment from TA Associates. The funds will be used to accelerate organic growth strategies and enhance technology offerings. Solarity, led by CEO Andrew Fehlman, provides automated clinical data processing solutions for over 500 hospitals and 6,000 physician offices, improving data accuracy and reducing processing time. The investment will support innovation in software capabilities. ([Link](#))

## 10. Permira Invests in PharmaCord to Expand Operations and Business Reach

PharmaCord, a Jeffersonville, IN-based pharma services company, received an investment from Permira. The investment amount, subject to customary regulatory approvals and expected to close by Q4 2024, was not disclosed. The funds will be used to expand operations and business reach. PharmaCord, led by founder and CEO Nitin Sahney, partners with life sciences organizations to enhance the patient experience through services that raise awareness, facilitate treatment access, improve affordability, and promote therapy adherence. PharmaCord supports over 100 pharmaceutical products for more than 30 clients. ([Link](#))

## 11. Powered By MRP Partners with Aries Capital Partners and Swell Collective in Series A Investment

Powered By MRP, a leading aesthetics device company, has formed a strategic partnership with Aries Capital Partners and Swell Collective in a Series A investment round. This investment, led by Aries Capital Partners and Swell Collective, aims to accelerate Powered By MRP's growth and market presence. Aries Capital Partners brings decades of experience in nurturing high-growth companies, while Swell Collective, led by Aaron DeRose and Alex Daines, offers extensive expertise in high-growth investments. The partnership will support the expansion of Powered By MRP's facilities and enhance its e-commerce and technology infrastructure. ([Link](#))

## 12. Align Capital Partners' Premier Biotech Acquires Desert Tox to Expand Toxicology Testing Services

Align Capital Partners' ("ACP") toxicology testing solutions provider Premier Biotech has acquired Desert Tox, LLC ("Desert Tox"), a provider of Substance Abuse and Mental Health Services Administration ("SAMHSA") certified laboratory testing services. Desert Tox serves a broad range of markets, including HHS/DOT, employment, occupational health, and government markets across the United States. The acquisition enhances Premier's service offerings, positioning it as a national provider of oral and urine-based toxicology testing services. This is Premier's first add-on since ACP's acquisition of the Company in November 2022. ([Link](#))

### 13. ClinicalMind Acquires Sensified to Expand Healthcare Communications Services via its financial sponsors Renovus Capital Partners and Martinson Ventures

ClinicalMind, LLC (CM), a leading healthcare marketing and communications agency, has acquired Sensified, an insight-driven healthcare communications company. This strategic move enhances CM's expertise in medical communications and training with Sensified's capabilities in strategy, content, and engagement across commercial, medical, and patient advocacy sectors. The combined entity will offer a comprehensive communications package to life science companies. This acquisition aligns with CM's growth strategy, following recent acquisitions of IC Axon, MedVal, PharmaWrite, and 11TEN Partners. ([Link](#))

### 14. HCIM Announces Partnership with Metamora Growth Partners, Welcomes New Leadership

HCIM has partnered with Metamora Growth Partners, a significant milestone that enhances HCIM's offerings for healthcare payers. Co-founder Michael Wilson steps down as CEO to become Founder and Board Advisor, planning retirement in January 2025. Co-founder Tom Streeter will retire in June 2024. Ali Evans joins as the new CEO, bringing extensive experience and a vision to lead HCIM's next chapter. This partnership focuses on innovation, collaboration, and client-centric solutions, ensuring continued excellence and client satisfaction at HCIM. ([Link](#))

### 15. Red Iron Group Invests in 100% Chiropractic to Fuel Nationwide Expansion

Red Iron Group, a Menlo Park-based private investment firm, announced a significant growth investment in 100% Chiropractic, a leading chiropractic care provider with a network of franchised clinics. The investment aims to accelerate 100% Chiropractic's nationwide expansion and secure a leadership position in the health and wellness sector. Red Iron Group will provide financial, operational, and strategic support, while the current leadership, including Co-founders Drs. Jason and Vanessa Helfrich, will remain significant shareholders. This partnership will enhance franchisee success, expand patient access, and leverage technology to improve service quality. ([Link](#))

### 16. National HealthCare Corp. to Acquire White Oak Senior Living's Portfolio

National HealthCare Corp. (NHC) announced plans to acquire White Oak Senior Living's 15-property portfolio in North Carolina and South Carolina, including a long-term care pharmacy. The transaction is expected to close in the third quarter of 2024. This acquisition will mark NHC's entry into North Carolina, enhancing their earnings and operational efficiencies. White Oak, family-owned since 1964, aligns culturally with NHC, ensuring continuity of care for residents and stability for employees. ([Link](#))

## 17. CareTrust REIT Acquires Skilled Nursing Portfolio for \$80.9M with YAD Healthcare

CareTrust REIT acquired a 5-facility, 498-bed skilled nursing portfolio in the Southeastern US for \$80.9 million. The acquisition includes a new triple-net master lease with YAD Healthcare, featuring a 10-year initial term and two 5-year extension options. The investment was funded using cash on hand. Year-to-date investments now total approximately \$386 million, with a \$460 million near-term pipeline. CareTrust issued 2.5 million shares at \$24.90, generating \$62.3 million in gross proceeds, and has \$230 million in cash on hand. ([Link](#))

## 18. Zenyth Partners Invests in LifeCare Home Health Family to Expand In-Home Care Services

New York-based Zenyth Partners announced an investment in LifeCare Home Health Family, an in-home care provider headquartered in Irving, Texas, with branches in Texas, Florida, and Nevada. Financial details were not disclosed. Zenyth's support will enable LifeCare to expand its geographic footprint and service lines. LifeCare's brands include Haven Home Health, EverCare Health Services, Complete Home Care, Care First Home Health Care, and Beyond Faith Home Care. The investment aligns with Zenyth's focus on high-quality post-acute care. ([Link](#))