

Q1-2023 Healthcare Education Update

Market Update

In Q1 2023, the healthcare education sector announced four completed transactions. M&A activity was largely driven by strategic acquirers adding density to existing services. A consistent theme in the space, the sector continues to draw interest from a broad array of strategic buyers, this quarter including health systems and general technology and professional services platforms.

The acquisitions of NurseTim by Wolters Kluwer and eeds by HealthStream also demonstrate the interest from large consolidators in earlier-stage platforms. The growth potential and strong margin profiles of tech-enabled healthcare education companies attract investors across the spectrum of size.

Despite the decreased transaction volumes in Q1, strategic and financial investors still intend to deploy significant capital into healthcare education in the coming year. Throughout 2023, Provident anticipates more add-on activity as a result of new platforms created in late 2022 and an increasing number of diversified strategics forming an investment thesis in the sector.

Notable Transaction








January

HealthStream (NASDAQ: HSTM), a leading provider of healthcare workforce development solutions, acquired Electronic Education Documentation System, LLC ("eeds"), a North Carolina-based CME management technology platform for approximately \$7 million.

Following the addition of Rievent Technologies and Cloud CME, the eeds transaction marks HealthStream's third CME acquisition in the past 13 months, signaling the company's continued commitment to inorganic growth.

Select Transactions:

Month	Acquirer	Target	Deal Description
January	 Wolters Kluwer		NurseTim, a nursing education provider based out of Minnesota, was acquired by Wolters Kluwer (AMS: WKL). NurseTim and its main product, NurseThink, provides NCLEX exam preparation tools and hands-on training through conferences and webinars. NurseTim joins the Health Learning, Research, and Practice (HLRP) division of Wolters Kluwer, dedicated to technology and solutions to develop healthcare providers. NurseTim will complement Wolters Kluwer's existing nursing education platform, Lippincott Solutions.
January	 SAINT JOSEPH'S UNIVERSITY		Saint Joseph's University announced its acquisition of non-profit Pennsylvania College of Health Sciences. As Saint Joseph's second acquisition in the space, this merger will expand not only Saint Joseph's geographic footprint but also its academic portfolio with more than 20 nursing and allied health programs in the Philadelphia area.
January			Lehigh Valley Health Network (LVHN), a leading healthcare provider, acquired Venel Institute, a state-of-the-art anatomical research and education facility in Bethlehem, Pennsylvania. LVHN's investment into the Venel Institute represents the network's expansion of various education and training capabilities, ranging from residency preparation to high school programs.
January			BASE Education, a provider of social-emotional learning (SEL) and mental health services, was acquired by 7 Mindsets, a Gauge Capital portfolio company offering comprehensive SEL curriculum. As the Company's second acquisition since partnering with Gauge, BASE Education further bolsters 7 Mindset's service offering across a spectrum of needs in a K-12 setting.

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