

Healthcare Staffing

Q1 2024

Market Update





As has been the case in the healthcare staffing sector the better part of the past 12 months, the firms placing candidates within niche care settings continue to receive elevated interest from acquirers. A good illustration of this would be Aya's recent acquisition of ID Medical. Investors continue to be cautious regarding firms strictly offering travel nurse services through MSPs and vendor management systems. Other areas of diligence or skepticism include volume, bill rates, and proprietary technology. Provident however continues to monitor the sector and believes that travel nurse M&A could stabilize in Q3 or Q4 of this year. As a result of a slower M&A environment in the sector, many groups are seeking technology and AI for growth initiatives. Technology solutions include job matching, chatbots, and automating other scheduling components. Hospitals are also starting to adopt AI solutions to help clinicians improve productivity and limit administrative tasks. The goal of these solutions are to predict patient demand and how that impacts staffing needs, allowing clinicians to better manage their schedules.

Notable Transaction

In January, Aya Healthcare acquired ID Medical, a UK-based provider of workforce management, international recruitment, and other staffing capabilities, including locum tenens. ID Medical will particularly benefit from leveraging Aya's technology capabilities. As noted by SIA, locum tenens has experienced innovation, evidenced by Locumpedia launching LocumsAI. The solution assists recruiters through creating job descriptions for staffing firms and is meant to increase job ad response rates. Provident expects the market to be particularly active within the next 12-24 months as many processes went on hold in 2022 and early 2023 and with many investors on the sidelines. Additionally, numerous private equity funds made investments in 2019 and 2020 and thus may begin to explore the possibility of exiting.



Select Transactions

Month	Investor	Target	Deal Description
March			Arthur Lawrence, a global technology and consulting workforce management firm, acquired Raisso, a healthcare staffing provider. Raisso has capabilities within anesthesia, dentistry, cardiology, surgery, oncology, radiology, and pediatrics, among others.
March	 		Snapcare, formerly SnapNurse, acquired Medecipher. The platform provides a nurse scheduling software, Flo.

Staffing Public Comparable Multiples¹

Company	Ticker	EV	Revenue	EBITDA	EV/REV	EV/EBITDA
Cross Country	Nasdaq: CCRN	\$621.4M	\$2.0B	\$144.4M	0.3x	3.6x
AMN	Nasdaq: AMN	\$3.6B	\$3.8B	\$570.8M	1.0x	6.3x

1. Cross Country revenue and EBITDA sourced from 2023 Earnings call; all other stats for Cross Country and AMN sourced from pitchbook

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Conferences

Executive Forum & Staffing Summit

Provident is attending the Healthcare Staffing Summit in November and plans to meet with investors, industry consolidators, and operators.