

HEALTHCARE MARKET UPDATE – HEARD ON THE STREET

In light of recent market volatility, Bridgepoint is providing a real time update of what we are hearing from our close healthcare relationships

“We perform primarily elective procedures. As such, we are concerned that patients will delay procedures. We are also prepared to suspend elective procedures if necessary, to assist in serving the community’s need to treat Coronavirus patients. Anticipating a slowdown, we have drawn down on our line of credit and are being prudent in conserving cash.” – *Orthopedic Surgery Facility*

“We continue to pursue several acquisition opportunities in the healthcare sector. There will be varying levels of impact, based on the discipline. We are starting to see some pullback in credit, so that could impact our ability to close at elevated multiples. In general, we understand the markets in which we invest and plan to proforma the impact of the current situation as best we can.” – *Private Equity Fund*

“Nothing we’re working on will be closing in the next month or two due to market volatility. I would be surprised if any deals in market will close at their previously indicated valuation. Healthcare, generally speaking, is more protected than other sectors. Elective procedures and business are going away or will be seriously curtailed next few months. There are niches that are more protected – opioid addiction, staffing, etc. There is also an ethical obligation to treat populations in need from our standpoint. Every day of news feels like a year.” – *Business Development Company*

“No impact to speak of right now. Our PT company in New York is working hard to keep people coming in for appointments, but it hasn’t been a deal killer as of yet (knock on wood).” – *Healthcare Private Equity Fund*

“Our dermatology practice has experienced a huge revenue decline. Our patient base is heavily an elderly population and those folks are rightly choosing not to leave their homes. We have plenty of dry powder and will continue to provide capital and expect the practice to recover nicely later this year.” – *Private Equity Backed Dermatology Practice*

“ Perhaps never before has the value of a quality business leader in a physician practice been more evident. Many CEO’s/Executive Directors are currently faced with the task of juggling sharply reduced case volume, communicating thoughtful messaging to employees and patients, ensuring sufficient operating liquidity, contingency planning and potentially preparing to assist in treating community Covid-19 victims. Talented and resourceful leadership will once again carry the day in navigating these troubled waters.

Gary Grote, Managing Director
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