

SECTOR SNAPSHOT: HEALTH & SOCIAL CARE

HEALTH & SOCIAL CARE IS A KEY SPACE COVERING DOMICILIARY AND RESIDENTIAL CARE ACROSS LOCAL AUTHORITY, NHS AND PRIVATE PURCHASERS.

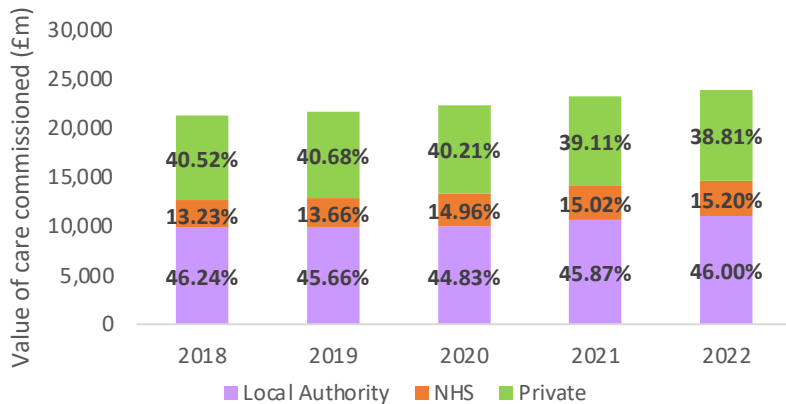
SPECIALIST CARE IN PARTICULAR IS A BUOYANT MARKET, PROVING RESILIENT THROUGH CHALLENGING MARKET CONDITIONS.

COOPER PARRY
CORPORATE FINANCE

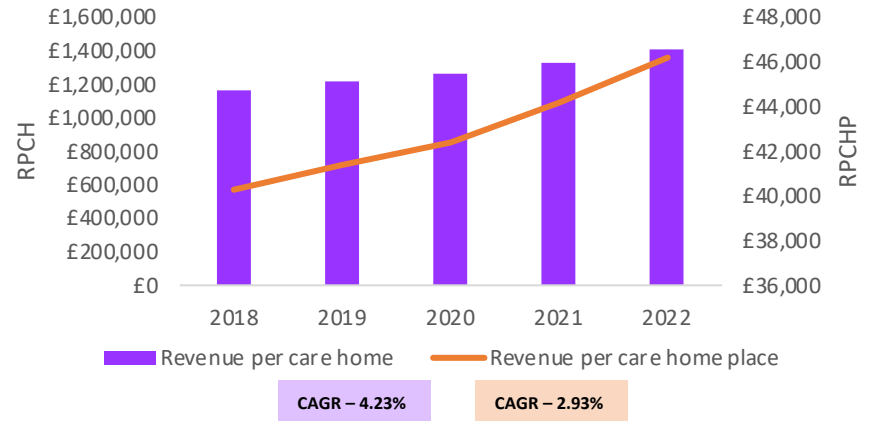
GLOBAL
M&A
PARTNERS

MARKET INSIGHTS

SEGMENTATION OF RESIDENTIAL CARE COMMISSIONED (£ MILLION)



5 YEAR CHANGE IN CARE HOME REVENUES



KEY MARKET DRIVERS

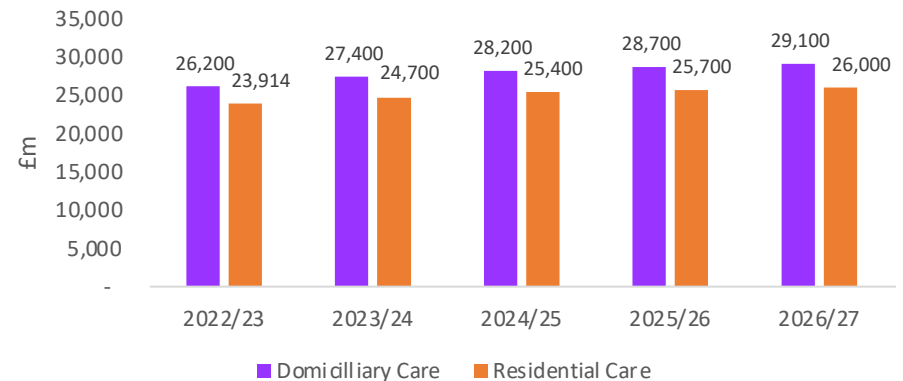
INCREASING REQUIREMENT FOR CARE

By 2038, it is expected that care requirements for over-65s in England will be up by 57% since 2018, and 29% from ages 18-64, due to general population growth and more younger adults reporting a disability. This is going to underpin the demand growth in the market.

RISE IN COMPLEX HEALTH ISSUES

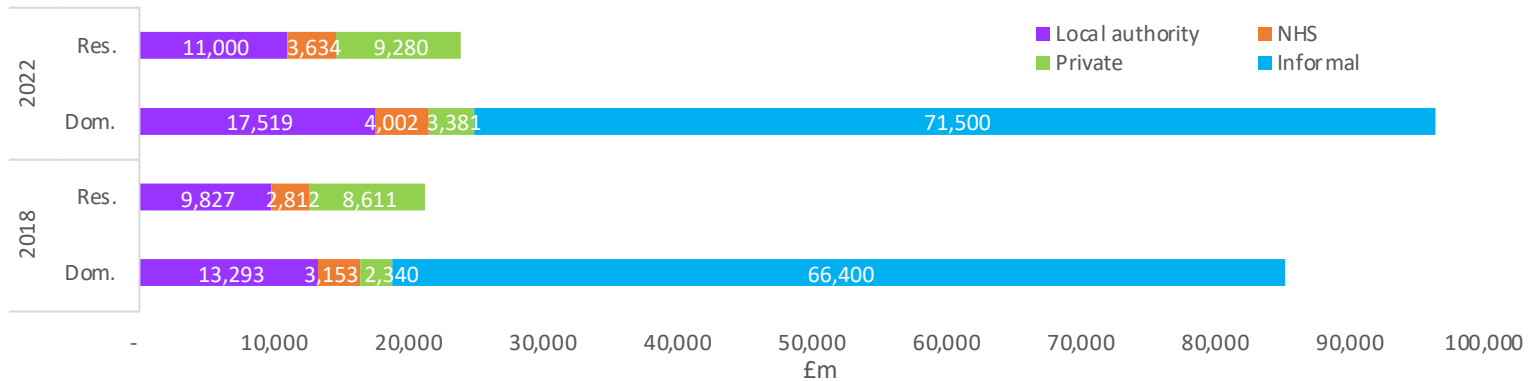
With life expectancies on the rise, complex later-life issues such as dementia will see increased prevalence. This will require a further allocation of specialist care in the market.

UK ADULT SOCIAL CARE MARKET FORECAST BY TYPE OF CARE (£ MILLION)



MARKET INSIGHTS

UK DOMICILIARY AND RESIDENTIAL MARKET VALUES BY TYPE OF PURCHASER



SPECIALIST CARE M&A INSIGHTS

SEPTEMBER 2021

Sequence Care Group, a UK-based provider of specialist residential care, received backing from **Intriva Capital**, a UK-based investment firm.



Orbis Education & Care Limited, a UK-based provider of specialist education and residential care for people of all ages with autistic conditions, was acquired by **Unigestion SA**, a Switzerland-based private equity firm.

DECEMBER 2021

Four Seasons Healthcare Limited, a UK-based specialist care provider, had 11 of their specialist care services sites acquired by **Montreux Capital Management Ltd**, a UK-based exclusive Health and Social Care investor, for **£35m**



Voyage Care Group, a UK-based company providing residential care for people with learning disabilities, was acquired by **Wren House Infrastructure**, an infrastructure investment company for **£557m**

JANUARY 2022

Choice Care Group, a UK-based provider of specialist residential care and supported living services, was acquired by **Quality Care**, a UK-based provider of residential care for people with learning disabilities and complex needs for **£17m**



ANDY'S MARKET OUTLOOK



ANDY PARKER

Partner and Head of Healthcare

- Whilst demand for all adult social care is increasing, services in **specialist care** is particularly strong, especially with the ongoing Transforming Care programme to move people out of long-term institutional care and assessment centres into the community. We recently advised WestBridge Capital on its investment into Acuity (Bespoke) and it has seen growth in packages, including from the Transforming Care budget.
- Despite this, inflation in wages and other costs has squeezed margins, resulting in staffing challenges in the space. Brexit, continued uncertainty around visas for overseas workers, the pandemic and the cost-of-living crisis have all added to staffing challenges in the sector. The Health and Social Care Levy is no longer going ahead, with the temporary 1.25% percentage point increase in NI rates being reversed for the rest of the financial year.
- Outsourcing will continue whether in the community care market or the NHS in a bid to cut costs and improve services.
- With pressure on hospitals and residential care, we will see continued investment in keeping people in their own homes through mobility equipment, increased use of home care (especially privately paid) and technology.
- A real bright spot is the continuing growth of healthcare technology. Technology in healthcare improves services and makes them more efficient, with areas to note:
 - Staff Scheduling
 - Patient and service user records management
 - Information resources to support carers
 - Compliance and service quality management

OUR RECENT DEALS



OUR DEALS



- Founded in 2011, Nourish is a cloud-hosted Digital Care Planning Platform supporting care providers and carers in the evidencing, and accessing of care records, and enabling better care provision using data insight and reporting.
- Over the past few years, Nourish has grown rapidly and now serves over 300 care providers across over 1,800 settings in the UK from its headquarters in Bournemouth.
- Livingbridge's investment will enable Nourish to further develop its best-in class platform, continue to innovate in the use data to improve care outcomes and broaden the care settings Nourish can support to positively impact as many lives of those in care as possible.



- Established in 2011, Bespoke is a specialist nurse-led service provider, with over 50 employees and 620 trained carers who enable and empower individuals with complex health and social care needs to be supported within their own homes and communities.
- The company is committed to driving the Transforming Care agenda, which aims to provide care in homes, not hospitals. Headquartered in Nottingham and with a strong reputation for the quality of its provision, the company manages contracts from 58 of the UK's Clinical Commissioning Groups (CCGs).
- This investment by WestBridge, an award-winning private equity house, will underpin Bespoke's future growth and development.

WHO WE ARE



ANDY PARKER **Partner and Head of Healthcare**

Andy leads Cooper Parry's Corporate Finance business and has 30 years' M&A experience, the majority at PwC where he was a partner based in the Midlands and then the North-West.

Andy's role is to set the sale strategy, lead negotiations and deliver key advice to the stakeholders throughout the transaction

Notable deals include:

- Sale of Health-Tech compliance platform tri.x to August Equity
- Sale of leading Healthcare SaaS business Nourish Care Services to Livingbridge
- The buy-out of Bespoke Health & Social Care by Westbridge Capital

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JACK CLEMMY **Analyst**

Jack joined Cooper Parry Corporate Finance in July 2022 as an Analyst, undertaking a year in industry as part of his BSc (Hons) Finance and Management degree at Loughborough University.

Jack has experience mapping markets, creating valuation pieces, originating acquisition targets and assessing buyer pools on sell-side mandates.

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