





SECTOR SNAPSHOT: DIGITAL CARE PLANNING

DIGITAL CARE PLANNING (“DCP”) IS PLAYING A CRUCIAL ROLE IN SUPPORTING THE NHS AND WIDER CARE SECTOR.

GOVERNMENT BACKING AND STRONG MARKET DYNAMICS ARE UNDERPINNING A FUTURE OF HIGH GROWTH AND INVESTMENT INTEREST IN DCP PROVIDERS.

MARKET BACKDROP

Digitisation of social care is accelerating with government committed to the social care tech roll-out through its digital transformation plan..

	 Unified tech fund – digitising social care	 Digital social care records	 Care technology	 Infrastructure
Identified initiatives & requirements	<p>Government aims to lead and scale up digital social care technology in the ICSs with a focus on shared care records and improving digital infrastructure, creating seamless information sharing across health and social care settings</p> <p>Going forward, targeted and dedicated investment in technology for health and social care is required with funding identified and efficiently delivered across multiple year budgets</p>	<p>Pledged funding to increase adoption of Digital Care Plans (DCP), with a proposed target of at least 80% of providers connected to a DCP system by March 2024</p> <p>Procurement reform in the adoption of DCPs is needed to move towards streamlined outcome- focused solutions</p>	<p>Heavy investment in tech-enabled care which helps to identify risks, prevent falls and increase the use and efficacy of remote patient monitoring</p>	<p>Upgrading and development of existing digital infrastructure including internet connectivity, IoT devices, data and cyber security</p>
Funding	£8.2m funding from NHSX since Oct-21	c.£50m	c.£50m	c.£50m

Source: NHSX

Source: £150m funding pledged in the Government’s adult social care reform white paper, published in Dec ‘21.

Present	2024	2026
<p>Current adoption rate for DCPs in care homes is c.50%</p> <p>Market for digital care planning solutions estimated to be £100m+</p>	<p>NHSX targeting adoption of c.80% by 2024</p> <p>Large care groups expecting to lead adoption growth which make up 10-15% of the residential market</p>	<p>By 2026, many of the large providers will have fully adopted DCP</p> <p>Potential for a digitally-fragmented market whereby smaller providers lag behind wider sector tech-enablement</p>

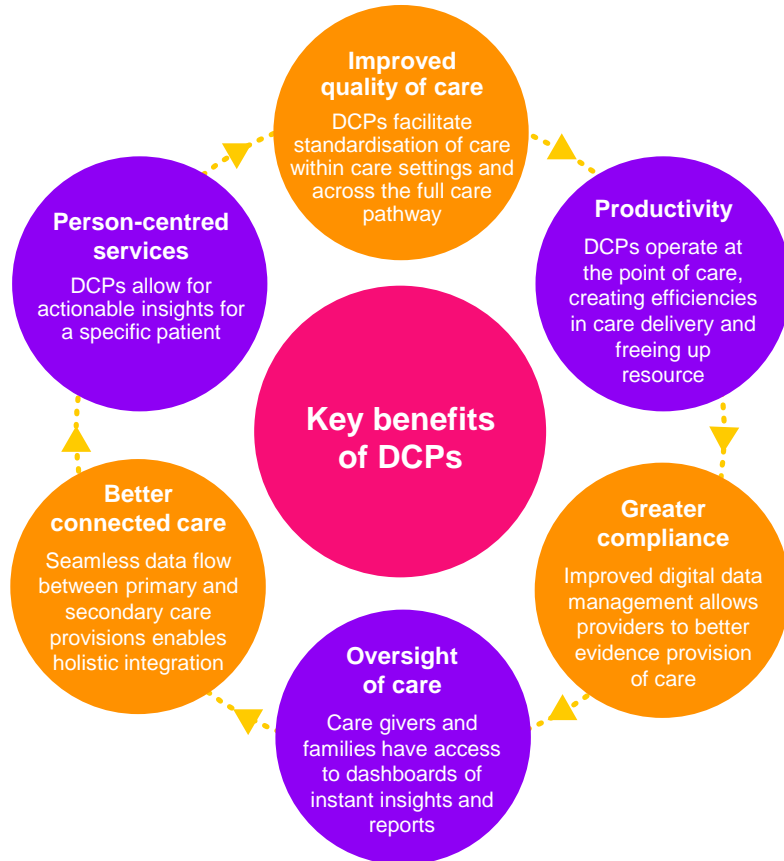
Source: – NHSX, NHS Digital, Gov UK, techUK: Healthtech ten point plan

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DIGITAL CARE PLANS – A NEEDS-DRIVEN ASSET

Care providers facing staff shortages and increased funding pressure are realising the benefits and attractiveness of DCPs..



What makes DCPs so attractive to investors?

Outlook	Investor view
Underlying demand <ul style="list-style-type: none"> Stable underlying demand dynamics with c.550k care home beds in the UK Total addressable market for DCPs is £100m+ 	<p><i>A buoyant, growing market with visibility on long-term demand for digital care planning solutions</i></p>
Complexity of care <ul style="list-style-type: none"> Greater acuity, more comorbidities and increasing care needs Shift towards increasing complexity of care required, particularly in residential settings 	<p><i>Complex care is increasing demand for care planning systems. The highest valuations are seen in SaaS models with data functionality</i></p>
Regulatory drive <ul style="list-style-type: none"> White paper 'People at the Heart of Care' putting digital tools and technology at the centre of improving quality of care 	<p><i>Huge adoption drive in the face of NHSX and CQC guidance. Crystallisation of addressable market gives investor visibility on growth</i></p>
Committed funding support <ul style="list-style-type: none"> Pledged government funding of £150m in 2021 to support accelerated digitalisation of adult social care 	<p><i>Ambitions to grow DCP penetration to 80% by 2024 signals a market set to embark on a steep growth curve</i></p>
Full-scale integration <ul style="list-style-type: none"> Joined up approach to health and social care with increased interoperability across the care spectrum 	<p><i>Joined up digital healthcare system will facilitate data capture to deliver more effective care pathways</i></p>

DELIVERING A DEAL

Cooper Parry Corporate Finance advised the shareholders of Nourish on the MBO backed by Livingbridge

NOURISH: BUSINESS HIGHLIGHTS

- Nourish is a leading provider of digital care planning solutions to the UK social care sector.
- 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.



NIALL CHANTRILL

DIRECTOR AT COOPER PARRY CORPORATE FINANCE



Notable recent in Healthcare and Technology include:

- Advised the shareholders of Nourish on the MBO backed by Livingbridge
- Buy-side advice on the acquisition of Bespoke Health & Social Care by WestBridge
- Advised the shareholders of Tanglewood Care Homes on the sale to Elevation

Niall's view on the deal

"The pandemic has shone the spotlight on health and social care and highlighted the need for greater adoption of technology across the sector. Nourish is at the forefront of driving digital transformation that will enhance the quality, safety and efficiency of social care."

We are thrilled to have supported the Nourish team on this transaction and look forward to seeing the business flourish alongside their new partners Livingbridge.

The deal underlines our private equity experience and commitment to supporting businesses operating across the HealthTech space."

M&A INSIGHTS

Digital healthcare players continue to attract significant interest from private equity and trade acquirers – selected recent investments include...

CIVICA

No. of sector investments LTM*: 1

Average deal value: n/d

- Civica is a UK-based consulting and software provider offering a suite of applications to sectors within the public services sphere
- Acquired Chameleon Information Management Services (Infoflex) in July 2020, a UK based healthcare software specialist with capability including patient remote monitoring, data management and integration

 Agylia Care

OPASG2

InfoFlex
A Civica Group company

access

No. of sector investments LTM*: 3

Average deal value: n/d

- Backed by Hg Capital with a UK/software focus, Access provide a wide range of software offerings which includes residential care management
- Highly acquisitive completing 5 acquisitions in the last year including HAS Technology

Servelec 

alcuris

HAS
technology

CVC CAPITAL PARTNERS

No. of sector investments LTM*: 5

Average deal value: n/d

- CVC Capital is a US-based highly active upper mid-market investor with over \$122bn of assets under management
- They have completed 5 investments in Health Tech, 2 of which have focused on vertical software solutions for hospitals, social care, and immunisation management

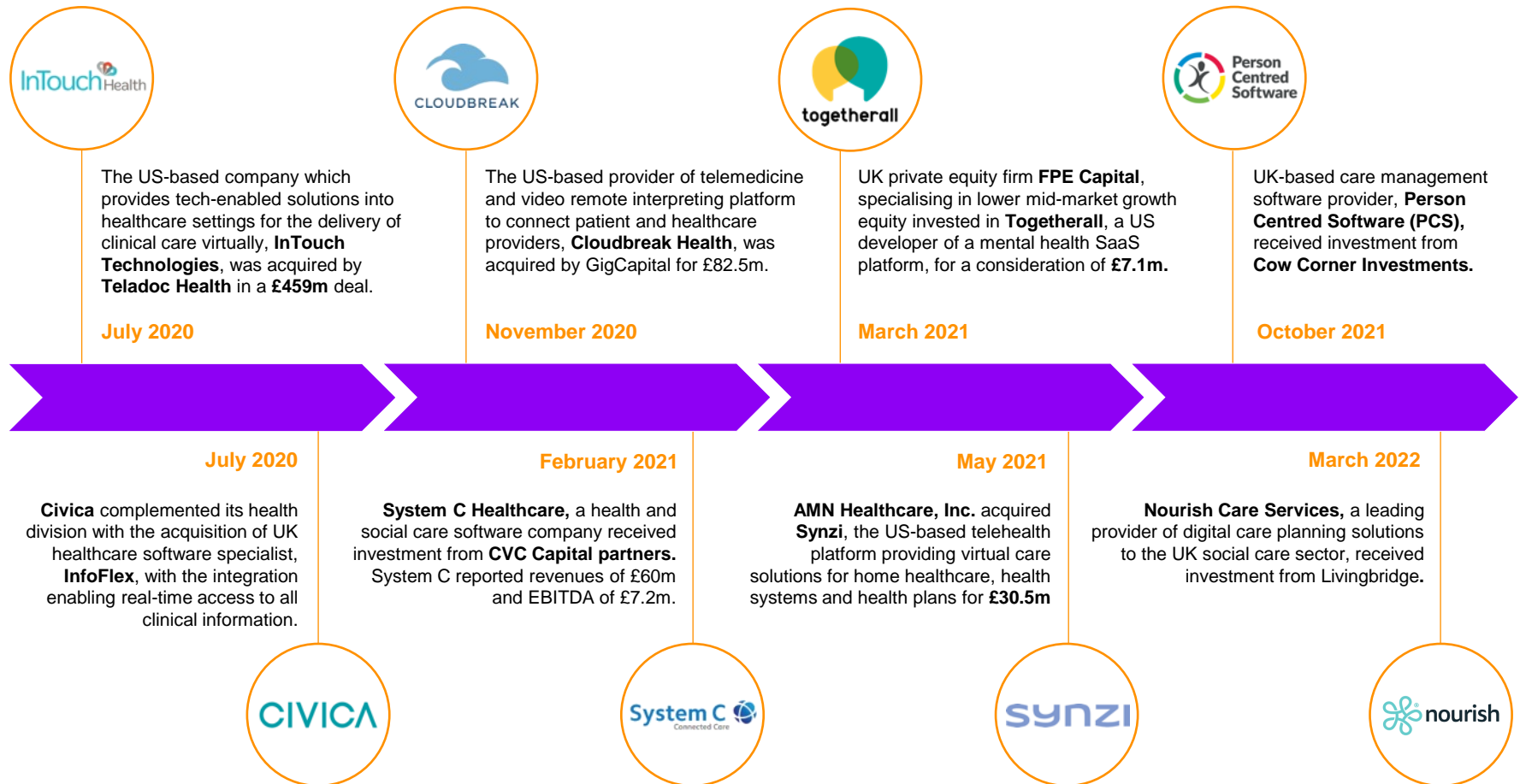
System C 
Connected Care

Graphnet 
Integrating Care

CareFlow
MEDICINES MANAGEMENT

M&A INSIGHTS (cont)

Digital healthcare players continue to attract significant interest from private equity and trade acquirers – selected recent investments include...



CONTACT US

Our healthcare credentials & contacts within the Cooper Parry Corporate Finance team



ANDY PARKER

Partner

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 leading Healthcare SaaS business Nourish Care Services to Livingbridge
- The buy-out of Bespoke Health & Social Care by Westbridge Capital

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NIALL CHANTRILL

Director

Niall joined Cooper Parry in 2011 and has spent the last 10 years working with entrepreneurial businesses and Private Equity clients operating across the mid-market.

Niall has a strong focus on working with businesses and entrepreneurs in the Healthcare and Technology sectors.

Notable recent deals include:

- Advised the shareholders of Nourish on the MBO backed by Livingbridge
- Buy-side advice on the acquisition of Bespoke Health & Social Care by WestBridge
- Advised the shareholders of Tanglewood Care homes on the sale to Elevation Healthcare Properties

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LOREN DOCKSEY

Analyst

Loren joined Cooper Parry Corporate Finance in 2020 as an analyst, reviewing market behaviour, trends and analysing M&A activity within our sector specialisms. Loren is a Trainee Chartered Accountant and holds a first class honours degree in Economics from The University of Derby.

- Loren's role sits within the Deal Origination function, supporting the business development team as well as contributing analysis to pitch documents and private equity exit papers.

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COOPER PARRY CORPORATE FINANCE

A team of Healthcare specialists with rich credentials and recognised sector expertise

ANOTHER TRANSACTION RECORDED. OUR LATEST HEALTHTECH DEAL

LIVINGBRIDGE BACKS MBO OF NOURISH

Nourish is a leading provider of digital care planning software to the UK social care sector

Cooper Parry's Corporate Finance and Transaction Tax teams provided lead advisory services to the shareholders

COOPER PARRY
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GLOBAL
M&A
PARTNERS



SAVE THE DATE

WEDNESDAY 11 MAY @ 6-8.30pm - LONDON AND ONLINE

**COOPER PARRY CORPORATE FINANCE 4th ANNUAL
HEALTH & SOCIAL CARE EVENT FOR HEALTHCARE LEADERS.
THIS YEAR FOCUSING ON HEALTHCARE TECHNOLOGY.**



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To read more of our healthcare insights, follow the link: <https://bit.ly/3D5KRWd>