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Post-pandemic: The New Healthcare

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Healthcare has been ground zero for the worst pandemic of the modern era. How the industry has reacted and how credit and equity providers are dealing with this new world order, is the subject of our new special series.

“Physician practice management companies were the first and worst hit,” one banker reported. “Procedure volume dropped precipitously with COVID. One anesthesia practice that serves surgery centers and hospitals saw Ebitda go from $100 million to zero.

“Most of these orthopedic, cardio, and GI procedures were elective. It’s a great franchise, he said. They haven’t lost a single doc. Procedures now appear to be rebounding. EBITDA has only begun to lift, but lenders believe a recovery is inevitable.”

Interestingly the business was purchased in the teeth of COVID. So the sponsor was able to buy it on the cheap. As ugly as things look right now, investors are taking the long view. So lenders are willing to stand behind them.”…

?? Read June 22 2020 newsletter: here

?? Chart of the Week: here (by Refinitiv LPC)