

eg. dentistry, NHS

# How private equity is helping UK healthcare to grow

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Aziz UI-Haq

**Aziz UI-Haq**, partner at leading private equity investor LDC, discusses how the firm is supporting its healthcare portfolio companies to achieve their growth strategies in a fast-moving market.

The UK healthcare sector continues to be a global pioneer, with growth driven by ambitious management teams showcasing innovation and resilience in a complex environment.

At LDC, we have decades of experience supporting management teams in the sector. In the last 10 years alone, we've invested nearly £400 million in 19 medium-sized healthcare companies spanning healthcare services, pharma services and medtech.

Our specialist healthcare team works alongside our regional investment teams, based right across the UK, to provide sector experience on a

wide variety of strategies to succeed, and it was brilliant to discuss how M&A has contributed to the sector's growth at the recent HealthInvestor Summit in October.

One of the biggest trends we discussed during the 'Getting deals done' panel was the popularity of bolt-on acquisitions, which can help businesses to scale and expand their services quickly, whatever the market conditions. RDi, a data and fulfilment business we backed in 2021, is a great example. Last year it made two acquisitions to broaden its portfolio of healthcare kitting and component capabilities and achieve greater visibility and control over its supply chain.

Private equity investors with the right experience are also helping management teams to take advantage of overseas demand, which will only increase in importance as the healthcare market becomes more global. For example, we invested in TMC Pharma in 2022 to help the clinical research organisation to increase its international focus, and 80% of its customers are now based in the US.

Elsewhere, ESG remains a critical route to growth in healthcare, and we're helping management teams to incorporate ESG principles into their operations. Our work with EMS Healthcare, a provider of mobile clinical solutions, and mobility specialist Kingswood, are good examples. Both businesses are reducing their environmental impact through targeted initiatives with our support, without losing commercial and strategic focus.

### **A fast-moving market**

Another focus of discussion at the panel was how private equity investors are helping management teams to respond to market trends. This also featured prominently in conversations at our flagship healthcare dinner in September, where our growing network of healthcare leaders, from both our own portfolio and beyond, gathered to discuss opportunities and challenges the sector is facing.

The importance of delivering healthcare services in the community is high on the industry's agenda, with the challenge of an ageing population and a need to prioritise preventative care. During the

at the heart of this segment of the industry are well positioned to help relieve pressure on hospitals and GPs.

RDi is at the forefront of this shift. The business is supporting healthcare providers around the world to offer home testing and screening and recently developed the National Bowel Cancer Screening Programme with the NHS. Its acquisitions of packaging providers MedDX and shuttlepac is also enabling it to expand its community health screening capabilities.

Advances in technology are continuing to make the healthcare industry more competitive, and we're seeing more businesses innovate to stand out with the support of investors. But more fundamentally, the sector recognises that it must embrace new technology and digitalisation to increase the capacity and efficiency of the entire healthcare system.




Medray Group, a healthcare equipment and service provider we invested in earlier this year, is a good example. It specialises in diagnostic imaging equipment, and with our support is pursuing a growth strategy underpinned by the expansion of its products and services.

Looking ahead, the ambition of management teams will ensure the UK healthcare sector maintains its world-leading status. The role of investors is to support this ambition, and to use their experience to help businesses seize new growth opportunities.

**LDC is a leading investor in medium-sized healthcare businesses.**

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