




## Neurology Practice Consolidation: Overview & Key Benefits

Neurology practices are currently experiencing substantial interest from larger provider groups and private equity funds, as investors pursue a buy-and-build strategy to realize financial and operational synergies arising from practice consolidation and scale.

<b><u>Value Creation Lever</u></b>	<b><u>Key Benefits Overview</u></b>	<b><u>Impact on Financials</u></b>
<b>Revenue Synergies</b>	Acquired practices benefit from improved reimbursement rates under the buyer's tax ID. Consolidation enables practices to negotiate better rates with payors. Acquisition also offers the opportunity to add new ancillary services.	 <b>Revenues</b>
<b>Cost Synergies</b>	The buyer can consolidate non-clinical functions and vendor selection, while also increasing the utilization of ancillary services within the consolidated practices.	 <b>Expenses</b>
<b>Practice Value Enhancement</b>	A practice's value is determined by its profitability (EBITDA), with a higher EBITDA leading to increased valuation multiples. Acquiring additional practices enhances the platform's value as a result of consolidating financials and potential synergies, driving higher margins.	 <b>Value</b>

## Recent Bayshore Growth Partners Transactions

Bayshore Growth Partners has served as the exclusive financial advisor to 30+ healthcare services clients in the past 4 years, including:

 <b>Gastroenterology</b>	 <b>Functional Medicine</b>	 <b>Aesthetics</b>	 <b>Otolaryngology</b>
 <b>Women's Health</b>	 <b>Women's Health</b>	 <b>Mental Health</b>	 <b>Mental Health</b>
 <b>Women's Health</b>	 <b>Pain Management</b>	 <b>Women's Health</b>	 <b>Mental Health</b>

## Buy-and-Build Model: Illustrative Example

Company	Description	EBITDA	Assumed Multiple	Value
Platform	<ul style="list-style-type: none"> <li>Strong practices with 30+ providers, attractive payor mix, robust ancillaries, established management team, attractive geographies, and strong financial profile</li> </ul>	\$10M	12.0x	\$120M
Add-On Acquisition	<ul style="list-style-type: none"> <li>Healthy practice with 10 or fewer providers</li> <li>Gain the benefit of leveraging the platform practice's infrastructure, along with vendor and payor relationships</li> </ul>	\$1M	7.0x	\$7M
Combined Entity	<ul style="list-style-type: none"> <li>The combined entity will benefit from the revenue and cost synergies, while maintaining or improving the platform practice's EBITDA multiple</li> </ul>	\$11M	12.0x	\$132M

**Platform company realizes \$5M of equity value creation by capturing EBITDA exit multiple arbitrage**

## Bayshore Growth Partners Team



Steven Carmen, Managing Partner

- 15+ years of M&A and business development strategy experience
- Previously worked for BNP Paribas, PwC, and GCA
- MBA from Kellogg and BS from Florida State



Daniel Shaw, Managing Director

- 10+ years of financial diligence and accounting experience
- Previously worked for Alvarez & Marsal and KPMG
- BS from Louisiana Tech



Andrew Adams, Managing Director

- 15+ years of M&A, operations, and strategy experience
- Previously worked for Bain, Lake Capital, and JP Morgan
- MBA from Wharton and BBA from Michigan



Alexander Dean, Vice President

- 10+ years of strategy, finance, and operations experience
- Previously worked for DaVita and the US Marine Corps
- MBA from Darden and BA from Seton Hall



Dr. Keith Friedenber, Managing Director of Business Development

- 30+ years of clinical, operations, and strategy experience
- Founder of Great Lakes Gastroenterology and The Clinical Trials Network
- MD from UCLA, MBA from Indiana, and BA from Cornell