



Sector Spotlight

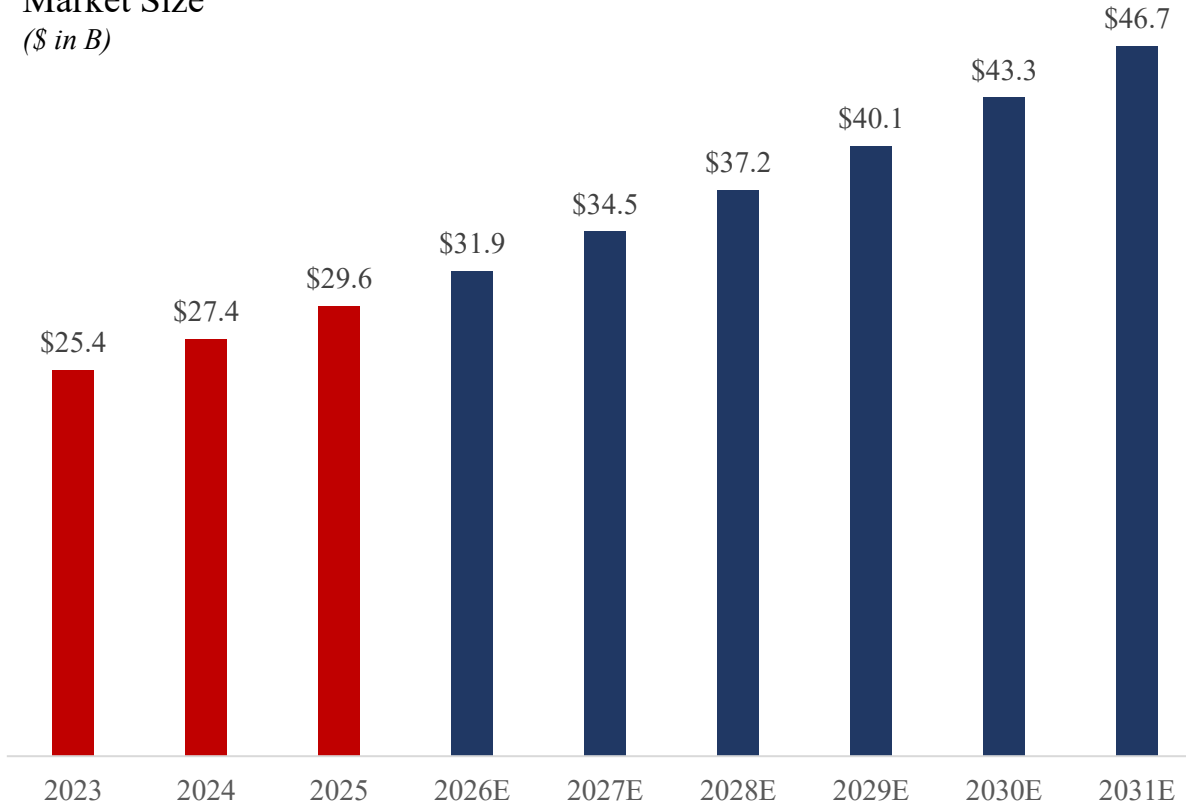
Anesthesiology

May 2026



U.S. Anesthesia Services Industry Overview

Market Size
(\$ in B)



Demand-Inelastic

Surgical volumes track demographics, not economic cycles

Highly Fragmented

Top 10 groups <25% share; thousands of regional practices

Diversified End-Markets

Hospitals, ASCs, office-based, and pain management

Key Industry Metrics

\$29.6B

U.S. Market Size (2025)

7.9%

Revenue CAGR (2024–2031)

~50k

Anesthesiologists in U.S.

~58k

CRNAs in U.S.

~70%

Procedures in Outpatient / ASCs

~65%

Revenue from Hospital Settings

Industry Tailwinds Support Sustained Growth



Persistent Workforce Shortage

A shortage of anesthesiologists and CRNAs, driven by limited training capacity and retirements, continues to constrain supply; giving providers strong leverage with hospitals, supporting higher pay and sticky contracts.



Aging Population Driving Demand

Growth in the 65+ population is steadily increasing surgical volumes. Older patients require more procedures, creating durable, long-term demand for anesthesia services.



Rising Case Complexity

Patients are presenting with more comorbidities and undergoing more complex procedures. This increases reliance on skilled anesthesia teams and supports higher revenue per case.



Shift to Ambulatory Surgery Centers

Procedures are moving to lower-cost outpatient settings like ASCs. This expands the number of sites needing anesthesia coverage and creates new growth avenues for providers.



Expansion of Team-Based Care Models

Greater use of anesthesiologist-led teams with CRNAs and CAAs improves scalability and efficiency. This model helps meet demand while optimizing labor costs.



Mission-Critical to Hospital Operations

Anesthesia is essential to OR throughput and hospital revenue. Hospitals are increasingly dependent on providers, strengthening their negotiating power and strategic importance.

Private Equity's Anesthesiology Value Creation Playbook

Private equity investors drive value in anesthesiology by acquiring a scalable platform, expanding it through disciplined add-on acquisitions, and enhancing profitability via operational improvements and optimized care delivery models. Over the hold period, sponsors build regional density, strengthen hospital relationships, and improve margins, positioning the business for a premium exit supported by greater scale, stability, and cash flow visibility.

~5 Year Hold

Platform Acquisition

- Objective – Establish a scalable clinical and contracting base
- Target – Regional anesthesia group (often 50–300 providers) with:
 - Exclusive or sticky hospital/ASC contracts
 - Strong Anesthesia Care Team model (MD + CRNA leverage)
 - Favorable payer mix and demonstrated subsidy support
- Prioritize – Practices with:
 - Fragmented local competition (roll-up potential)
 - Existing infrastructure (billing, recruiting, scheduling)

Add-On Acquisitions

- Objective – Build density and regional dominance by acquiring smaller independent practices (5–50 providers)
- Focus on:
 - Same-state or adjacent-market expansion
 - Tuck-ins at lower EBITDA multiples
 - Contract consolidation across hospital systems
- Key benefits:
 - Increased negotiating leverage with hospitals and payors
 - Recruiting advantage (centralized pipeline for anesthesiologists & CRNAs)






















Margin Expansion

- Objective – Improve profitability through operational and revenue levers
- Revenue optimization – Renegotiate hospital stipends, improve payer contracting, and enhance coding/documentation capture
- Labor optimization – Increase CRNA utilization within the Anesthesia Care Team model and reduce locums reliance
- Cost efficiencies – Centralize RCM, standardize operations, and leverage scale for overhead savings
- Site-of-care – Shift volume toward ASCs (higher margin, lower acuity)

Exit Options

- Objective – Monetize scale and improved financial profile
- Secondary sale: Sell to a financial sponsor to continue scaling
- Strategic sale: Sell to a platform for synergies and geographic expansion
- Recapitalization: Dividend recap after deleveraging
- IPO: Public market exit, though less common given reimbursement and regulatory dynamics
- Exit drivers: Scale, density, strong contracts, and proven margin expansion

Key Anesthesiology Platforms

Platform	Sponsor	Platform Description	Anesthesia Providers	NE	SE	MW	SW	W
 North American Partners in Anesthesia®	 AMERICAN SECURITIES	Largest national anesthesia MSO; built via American Anesthesiology with multi-state ASC and hospital reach	~5,000	✓	✓	✓	✓	✓
 US ANESTHESIA PARTNERS	 WCAS	Physician-partner equity model; dominant Texas presence with high-density ASC contracts across the South and Mid-Atlantic	~4,500	✓	✓	✓	✓	✓
 NorthStar ANESTHESIA	 CRANEMERE	Hospital-outsourcing specialist; dedicated subsidy + staffing model serving 250+ rural and community hospitals nationally	~4,000	✓	✓	✓	✓	✓
 Envision HEALTHCARE	 KKR	Legacy Sheridan/Envision platform; one of the largest hospital-based anesthesia staffing footprints under KKR ownership	~3,000	✓	✓	✓	✓	✓
 TEAMHealth.	 Blackstone	Multi-specialty staffing platform with anesthesia division; hospital partnerships and ED/anesthesia coverage	~2,000	✓	✓	✓	✓	✓
 Somnia ANESTHESIA	None	ASC and hospital anesthesia services platform; growing regional footprint via tuck-in acquisitions of independent groups	~1,500	✓	✓	✓		
 ESSENTIAL ANESTHESIA & MANAGEMENT	 VARSITY HEALTHCARE PARTNERS	Regional anesthesia roll-up (EAM); Varsity-backed growth vehicle targeting Southeast and Midwest mid-market practices	~1,400		✓	✓	✓	
 ApolloMD™	 VALORBRIDGE PARTNERS	Multispecialty (ED + anesthesia) partnership model; scaling via hybrid hospital coverage contracts across the Southeast	~1,000	✓	✓	✓	✓	
 PREMIER ANESTHESIA	 JACKSON HEALTHCARE	Mid-market anesthesia management platform; Jackson Healthcare-backed regional services across SE and MW hospitals	~750		✓	✓		
 GHR Healthcare	 MIDOCEAN PARTNERS	Locum-heavy anesthesia staffing platform; flexible CRNA and physician coverage for hospitals with episodic demand	~500		✓			
 National Partners in Healthcare	 ARCHIMEDES Health Investors	Emerging Southwest-focused anesthesia roll-up; Archimedes-backed buy-and-build targeting smaller physician groups	~400				✓	

Introduction to Bayshore Growth Partners

Overview

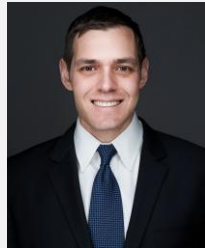
- Bayshore Growth Partners (BGP) is an independent mergers & acquisitions advisory firm focused exclusively on healthcare services.
 - ✓ Experience: successfully closed more than 30+ sell-side M&A healthcare services transactions in last 4 years, helping the owners maximize value and accomplish their goals in a sale
 - ✓ Focus: we exclusively focus on healthcare services opportunities, including Physician Practices, Aesthetics, Behavioral Health, and Wellness businesses
 - ✓ Deal Size: focused on lower middle market transactions with EBITDA \$1M-\$15M
 - ✓ Process: we complete a full financial diligence and run comprehensive M&A process with a large network of buyers to ensure we maximize valuation and fit considerations for clients
 - ✓ Team: 40+ years combined experience across investment banking, private equity, financial due diligence, and management consulting
 - ✓ Buyer Network: deep network of private equity buyer relationships, and frequent dialog with buyers due to our firm's deal volume
 - ✓ Client Approach: always provide direct and honest feedback and communication

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



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



Daniel Shaw
Managing Director

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



Dr. Keith Friedenberg
Managing Director


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



Alexander Dean
Vice President

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

Recent Transactions



Aesthetics



Regenerative Medicine



Aesthetics



IV Hydration Therapy



Women's Health



Women's Health



Mental Health



Mental Health



Women's Health



Aesthetics



Women's Health



Mental Health



Women's Health



Aesthetics




ENT



Women's Health



Gastroenterology



Women's Health



Pain Management



Gastroenterology