

# Q1-2017 Recruiting & Staffing Update



## Market Overview

Healthcare staffing deal flow persisted in the first quarter of 2017, as strategic acquirers and private equity firms remained aggressive in their acquisitive strategies in order to expedite growth. A transaction of particular significance was The Blackstone Group's \$6.1 billion acquisition of publicly-traded TeamHealth. The transaction makes TeamHealth one of the largest privately-held physician staffing companies. Overall, recent deals have been motivated by staffing organizations looking to diversify their contract base and expand their service lines, in response to the broader industry's need for groups to offer more comprehensive service offerings. Although staffing consolidation remained consistent from prior periods, Provident predicts the pace of deals to dampen in the coming months, as effects of rising administrative costs and concerns over substantial regulatory reform will negatively impact M&A interest. However, the few remaining investable assets in the market will generate favorable multiples as valuations remain heightened for these opportunities.

## Comparative Performance Analysis

### Select Public Staffing Trading Multiples (as of 3/31/2017)

Company	Ticker	EV (MM)	EV/REV	EV/EBITDA
TeamHealth*	TMH	\$5,921.4	1.4x	14.7x
On Assignment	ASGN	\$3,168.6	1.3x	12.5x
AMN Healthcare	AHS	\$2,295.3	1.2x	10.4x
Cross Country Healthcare	CCRN	\$540.6	0.7x	13.1x

\* As of 2/3/2017

Note: information is sourced from Capital IQ

## Select Transactions

Month	Acquirer	Target Company	Details
February 2017	The Blackstone Group NYSE: (BX)	Team Health Holdings Inc. NYSE: (TMH)	The Blackstone Group, a private equity firm, acquired Team Health Holdings Inc., a provider of outsourced hospital-based clinical services to approximately 3,400 facilities nationwide, for \$6.1 Billion. The transaction is representative of the continued willingness of private equity firms to offer heightened valuations for physician services opportunities, as Team Health was acquired at a premium of 16.58x EV/EBITDA. Team Health will ramp up its acquisition efforts in order to be able to offer integrated care solutions for its hospital clientele.
February 2017	BelHealth Investment Partners	American Healthcare Services Association, LLC	BelHealth Investment Partners, a healthcare focused private equity firm, acquired American HealthCare Services Association (AHSA). AHSA, headquartered in Traverse City, Michigan, pioneered the adoption of VMS solutions in hospitals and other healthcare facilities around the country. AHSA supports its hospital customers with all areas of staffing including nurses, physicians, mid-level healthcare professionals, allied healthcare professionals, medical office staff, IT and other staffing specialties. This transaction complements BelHealth's current staffing portfolio company, AHS Staffing.
February 2017	Jackson Healthcare Solutions	Kirby Bates Associates	Jackson Healthcare, a national staffing, search, and technology company, acquired Kirby Bates Associates. Kirby Bates Associates provides nursing executive retained search, interim management, and coaching/consulting services to healthcare organizations and nursing executives. The transaction allows Jackson Healthcare to deepen its coverage among a niche sector.
January 2017	Travel Nurse across America, LLC / Gridiron Capital	Trinity Healthcare Staffing Group, Inc.	Travel Nurse across America, a healthcare staffing agency that places travel nurses in positions across all 50 states, acquired industry competitor, Trinity Healthcare Staffing Group. Both companies are respected for being two of the fastest growing nurse staffing agencies within the industry. Travel Nurse across America completed a private equity recapitalization with Gridiron Capital in May of 2016, providing the company capital to complete additional acquisitions.
January 2017	Health Carousel	Medical Staffing Options	Health Carousel, a national healthcare staffing firm, acquired Medical Staffing Options, a provider of travel nurse staffing in the Midwest. The acquisition of Medical Staffing Options will serve as an add-on acquisition to Dayton-based Next Medical Staffing, which Health Carousel acquired in 2015. The acquisition of Medical Staffing Options cements Health Carousel's position as one of the industry's 25 largest healthcare staffing firms.