

Q3-2017 Anesthesia Services Update



Market Overview

Consolidation activity within the anesthesia services segment continued at a strong pace during the third quarter of 2017. Within the interventional pain management specialty, two new private equity platforms emerged in Texas. Provident Healthcare Partners represented Austin-based Central Texas Pain Center in its private equity recapitalization with CommonView Capital. Additionally, New State Capital Partners acquired a majority position in Capitol Pain Institute. These transactions provide evidence that the private equity community is still actively looking to put capital to work in the fragmented interventional pain management market.

Within the hospital-based segment, U.S. Anesthesia Partners significantly bolstered its presence in the Florida marketplace through the acquisition of Florida Anesthesia Associates. Additionally, CRH remained active in expanding its gastroenterology-focused anesthesia business, making four acquisitions to increase its ambulatory-based anesthesia market share. Following the trend of the third quarter, Provident expects there to be significant M&A transaction volume for the remainder of 2017 as private equity platforms and strategic buyers compete for add-on acquisitions.

Provident Transactions



SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
September 2017	CommonView Capital	Central Texas Pain Center	Central Texas Pain Center was recapitalized by CommonView Capital. Based in Austin, Texas, Central Texas Pain Center has nine doctors providing interventional pain management services at 10 locations. Leveraging its new private equity partner, Central Texas Pain will be looking to aggressively grow throughout the fragmented Texas marketplace. Provident Healthcare Partners served as the exclusive financial adviser to Central Texas Pain in the transaction.
September 2017	U.S. Anesthesia Partners	Florida Anesthesia Associates	U.S. Anesthesia Partners (USAP), a portfolio company of Welsh, Carson, Anderson, & Stowe, acquired Florida Anesthesia Associates, significantly bolstering USAP's presence in the critical Florida marketplace. Florida Anesthesia Associates has 29 anesthesiologists providing anesthesia services to Baptist Medical Center in Jacksonville.
September 2017	CRH Medical Corporation	Colorado GI Anesthesia Practice	CRH announced the acquisition of a 51% interest in a Central Colorado gastroenterology anesthesia practice. The practice provides anesthesia services to three ambulatory surgery centers in Colorado and is CRH's second acquisition in the state.
September 2017	CRH Medical Corporation	Raleigh GI Anesthesia Practice	CRH acquired a 51% interest in a gastroenterology anesthesia practice in Raleigh, North Carolina. The practice provides anesthesia services to three ambulatory surgery centers in North Carolina.
September 2017	CRH Medical Corporation	San Antonio GI Anesthesia Practice	CRH announced the acquisition of a gastroenterology anesthesia practice in San Antonio, Texas. The practice provides anesthesia services to an ambulatory surgery center in San Antonio and is CRH's second acquisition within Texas.
August 2017	CRH Medical Corporation	West Florida GI Anesthesia Practice	CRH acquired a majority interest in a West Florida gastroenterology anesthesia practice that provides anesthesia services to one ambulatory surgery center in West Florida. The acquisition was structured as a joint venture with CRH acquiring a 55% interest in the anesthesia practice.
August 2017	New State Capital Partners	Capitol Pain Institute	Austin-based Capitol Pain Institute was recapitalized by New State Capital Partners. Capitol Pain Institute has six clinical locations and an associated ambulatory surgery center serving the greater Austin marketplace.
August 2017	YPS Anesthesia Partners	Sevier Anesthesia Associates	YPS Anesthesia Services, a portfolio company of The Catalyst Group, expanded its coverage into Tennessee through its acquisition of Sevier Anesthesia Associates. Sevier Anesthesia Associates provides anesthesia services to LaConte Medical Center located in Sevierville, Tennessee.