

# Q3-2014 Private Equity Industry Update



## M&A Update

At an industry level, private equity investment activity has remained robust through the third quarter of 2014. In particular, the middle market has gained strength and accounted for 29% of deal flow – up from 25% through June. As evidenced by the variety of activity outlined below, investors are finding opportunities in a number of developing healthcare verticals. Of the more traditional variety, Provident Healthcare Partners successfully advised in two private equity-related deals in the third quarter. First was the merger of Isokinetics, Inc., a home medical equipment provider, to Kinex R&M Holdco, LLC, a portfolio company of Merit Capital Partners. Second was the merger of Comprehensive Pain Management, PC, a non-invasive pain management company, to Interventional Management Services, LLC, a portfolio company of ICV Partners, LLC. Elsewhere in the industry, investors are taking advantage of the ever-changing healthcare IT space, which caters primarily to those looking to increase efficiencies and better navigate the regulatory environment. Between private equity investor's nearly \$500B in dry powder and annual trend of pushing to close deals before year end, the fourth quarter is expected to be extremely active.

| Month          | Acquirer  | Target Company                    | Details  |
|----------------|---|-----------------------------------|--|
| September 2014 | Interventional Management Services, LLC/ICV Partners, LLC | Comprehensive Pain Management, PC | Comprehensive Pain Management, PC has completed a merger with Interventional Management Services, LLC, a portfolio company of ICV Partners, LLC. Comprehensive is a non-invasive pain management company, operating nine clinical offices in Georgia, most of which have a co-located ambulatory surgery center. Provident Healthcare Partners served as the exclusive financial advisor to Comprehensive. |
| September 2014 | Spring Mountain Capital, LP                               | Activate Healthcare, LLC          | Spring Mountain Capital, LP has announced a growth equity investment in Activate Healthcare, LLC. Activate is transforming the primary care delivery model by developing and managing the next generation of workplace health clinics. The Company has 20 clinics throughout the Midwest and recently announced an expansion into Wisconsin.   |
| August 2014    | Kinex R&M Holdco, LLC/Merit Capital Partners              | Isokinetics, Inc.                 | Isokinetics, Inc. has been acquired by Kinex R&M Holdco, LLC a portfolio company of Merit Capital Partners. Isokinetics is an HME provider specializing in the home orthopedic space. Provident Healthcare Partners served as the exclusive financial advisor to Isokinetics.  |
| August 2014    | EDG Partners, LLC   | MMIS, Inc.                        | EDG Partners, LLC announced a growth equity investment in MMIS, Inc., a global technology company that develops compliance and collaboration software for pharmaceutical and medical device companies. MMIS will use the additional resources to fuel the development of products that help organizations comply with regulations and optimize business activities.  |
| July 2014      | Great Hill Partners, LLC                                  | YogaWorks Inc.                    | YogaWorks, Inc., a California-based studio operator, has been acquired by Great Hill Partners, LLC, a Boston-based private equity firm. YogaWorks operates 29 studios across four markets, a robust interactive online platform and a best-in-class Teacher Training Program.  |
| July 2014      | Catterton Partners  | Pain Doctor, Inc.                 | Pain Doctor, Inc., a leading pain management company, announced a significant growth capital investment by Catterton Partners, a consumer-focused private equity firm. Pain Doctor provides a full suite of tailored services and treatment plans to help correctly diagnose a patient's source of pain and treat their condition in a comprehensive fashion.  |