

Q4-2014 Private Equity Industry Update



M&A Update

Continuing the trend from earlier in the year, private equity investment activity has remained robust during the fourth quarter of 2014. As is typically the case at year end, there was high transaction volume in the month of December as groups seek to close deals before the start of the new year. Another factor driving activity is the fact that investors entered the quarter sitting on record levels of dry powder (estimated from multiple sources to be approximately \$500B).

The healthcare industry continued to see consolidation across a number of sectors, including healthcare services, which has seen high single digit (or higher) multiples become the norm for platform investments. Provident Healthcare Partners has experienced this first hand as we bring platform-worthy opportunities to market in verticals such as dialysis, ophthalmology, dermatology, and women's health, among others.

Moving into 2015 it is important to note the record amount of buyout activity that took place over the past year, in terms of both deal flow (over 1,600 transactions) and total deal value (over \$420B). This influx of funds back into investors' pockets bodes well for new and larger rounds of investment in late 2015.

Month	Acquirer	Target Company	Details
December 2014	Enhanced Equity Funds, LLC	West Dermatology Med Management, Inc.	Enhanced Equity Funds, LLC has announced a strategic investment partnership with West Dermatology Med Management, Inc., a dermatology-practice management group serving Nevada, California, and Arizona. Comprised of 49 board-certified physicians, West Dermatology is one of the leading clinical dermatology platforms in the nation.
December 2014	Sterling Partners	Surgical Solutions, Inc.	Sterling Partners, a growth-oriented private equity firm, has announced its partnership with Surgical Solutions, Inc., an industry-leading provider of support and equipment for surgical procedures. Financial details surrounding this transaction were not disclosed.
November 2014	Silver Oak Services Partners, LLC	VASA Fitness LLC	Silver Oak Services Partners, LLC announced that it has made an investment in VASA Fitness LLC in partnership with the founders and management. VASA, headquartered in Provo, UT, is the largest operator of health clubs in it's market, serving approximately 150,000 members in 17 locations.
November 2014	Shore Capital Partners, LLC	Southern Veterinary Partners, LLC	Shore Capital Partners, LLC is pleased to announce that it has completed the recapitalization of Oak View Animal Hospital, Patton Chapel Animal Clinic, and Williams Animal Hospital to form Southern Veterinary Partners, LLC. With the assistance of Shore, the Company plans to pursue a roll-up of animal hospitals in the Southeast.
October 2014	New Mountain Capital, LLC	HealthPort, Inc.	HealthPort, Inc. announced that it has been acquired by New Mountain Capital, LLC in an all-cash transaction. HealthPort processes 20 million medical record requests for 15,000 healthcare facilities and offers audit management tools to healthcare providers. No additional financial information was disclosed.
October 2014	LLR Partners, Inc.	Phreesia, Inc.	Phreesia, Inc., the nation's leading healthcare point-of-service platform, has announced the completion of a \$30 million investment led by private equity firm LLR Partners, Inc. The investment capital will allow Phreesia to continue on its path of rapid growth, accelerate product development, and broaden its customer base around the country.