



Q1-2014 EMERGENCY MEDICAL SERVICES INDUSTRY UPDATE

M&A Overview

A healthy mix of deal flow occurred in the first quarter with add-on deals completed by emergency department (ED) management and ambulance services providers, while strategic investments in urgent care further solidify regional platforms.

TeamHealth continued its acquisition of smaller ED providers, having completed seven similar transactions in 2013. Two ambulance transactions were announced in March by larger, well-capitalized acquirers. Two NY-based urgent care providers each saw significant capital infusions, with PM Pediatrics (nine clinics) receiving another \$14 million, and CityMD, with eight clinics at the time of the deal, receiving a substantial \$95MM investment from Summit Partners, a private equity firm active in healthcare whose previous investments include MEDNAX and Ob Hospitalist Group.



Current Share Price (as of 4/1/14)	\$35.49
Market Cap	\$5.98B
Enterprise Value	\$7.83B
Implied EV/Revenues	2.10x
Implied EV/EBITDA	17.75x

Financial Performance	Dec 2013 (Qtr)	Dec 2012 (Qtr)*
Net Revenue Less Provision for Uncollectibles	\$984.8M	N/A
EBITDA	\$125.3M	N/A
EBITDA %	13%	N/A

*Fourth quarter 2012 financials not available as the company was still privately held at the time.



Current Share Price (as of 4/1/14)	\$46.14
Market Cap	\$3.25B
Enterprise Value	\$3.74B
Implied EV/Revenues	1.57x
Implied EV/EBITDA	15.80x

Financial Performance	Dec 2013 (Qtr)	Dec 2012 (Qtr)
Net Revenue Less Provision for Uncollectibles	\$621.8M	\$544.8M
EBITDA	\$57.7M	\$51.0M
EBITDA %	9%	9%

Envision Healthcare Highlights: After the IPO

Since the Company reentered the public markets in August 2013, Envision has been busy on the deal making front in addition to its ongoing pursuit of new contract wins across its multiple service lines. Acquisitions have included a clinical management software company, two ambulance providers in AZ and MS, a medical transportation management provider in FL, and a regional ED management provider also in FL. Notably, its EmCare division has expanded a joint venture model first developed with HCA to another national, for-profit hospital management company. The JV model is intended to roll out EmCare's services as a comprehensive, one stop solution to its hospital clients (as opposed to outsourcing different service lines to multiple physician groups).

NOTABLE TRANSACTIONS

Month	Acquirer	Target Company	Details
March 2014	TeamHealth	Salutis Emergency Specialists	TeamHealth has acquired Salutis Emergency Specialists based in WV. Salutis staffs and manages the ED at Berkeley Medical Center, which treats approximately 54,000 patients annually. The group has been providing services at the hospital for over 20 years and its partnership with TeamHealth formally commenced when it began providing ED services at the beginning of March.
March 2014	Priority Ambulance	Kunkel Ambulance	Newly-formed Priority Ambulance has agreed to acquire Kunkel Ambulance, a provider of ambulance services in Utica, NY. Until 2005, Kunkel was the sole provider in the city but had been facing competition from the city ambulance service which had recently been granted a Certificate of Need. Priority's CEO, Bryan Gibson, is a former Rural/Metro executive and former CEO of FirstMed EMS, both of which had been involved in bankruptcy proceedings within the last six months.
March 2014	American Medical Response (AMR)	MedStat EMS	AMR, a division of Envision Healthcare, has acquired MedStat EMS, a provider of emergency and non-emergency ground ambulance services to fifteen counties in MS. The transaction combined with AMR's previous acquisition of Life Line Ambulance will add \$36 million in annual revenues.
February 2014	Scopia Capital Management	PM Pediatrics	PM Pediatrics has raised \$14 million from Scopia Capital Management's private equity unit. The transaction marks Scopia's second investment into the company, having previously committed \$10 million to the NY-based urgent care provider. With the capital, PM Pediatrics will be better positioned to add to its current footprint of nine locations, expand its marketing efforts, and recruit additional physicians.
January 2014	Summit Partners	CityMD	Summit Partners has invested \$95 million into CityMD, which operated eight urgent care clinics in New York City at the time of the deal. With the capital infusion, CityMD plans to open several clinics de novo and utilize Summit's M&A experience to pursue accretive acquisitions in the greater NY area. Since the transaction, CityMD has gone on to merge with another urgent care provider in the region.