

Q1-2015 Emergency Medical Services Industry Update



Market Overview

The emergency medical services industry experienced active consolidation in the first quarter of 2015, with a mix of deals from strategic acquirers and private equity investors. Ambulance services saw an uptick in private equity investment, including one of the largest transactions in the industry to date; KKR announced an agreement for the \$2 billion acquisition of Air Medical Group Holdings, a portfolio company of Bain Capital. The deal foreshadows future investment into the space as health systems look to outsource their ambulance services to third party organizations in an effort to improve efficiencies. The emergency department services sub-sector observed activity mirroring the tail end of 2014 with strategic acquirers, namely TeamHealth (NYSE: TMH) and Envision (NYSE: EVHC), expanding their geographic reach through consolidation. The urgent care sector continued merger and acquisition activity in the beginning of the year, with new sources of investment from outside industry players looking to enter the space. The most notable deal, Select Medical Corporation's \$1.06 billion acquisition of Concentra, a subsidiary of Humana, will allow Select Medical to grow its market reach within urgent care services. Deal flow is expected to remain strong throughout 2015 due to the diversified pool of buyers and increasing transaction multiples on deals.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
Ambulance Services			
March 2015	Kohlberg Kravis Roberts & Co.	Air Medical Group Holdings	Kohlberg Kravis Roberts & Co. (KKR) announced an agreement to acquire Air Medical Group Holdings (AMGH) from Bain Capital and Brockway Moran & Partners. AMGH operates in 34 states and owns a fleet of 225 helicopters, 25 airplanes in addition to their ground services unit. The deal is expected to close in the second quarter of 2015 for a total transaction value of \$2 billion.
February 2015	Panorama Point Partners	Midwest Medical Transport	Panorama Point Partners, an Ohio-based private equity firm, has acquired Midwest Medical Transport, a provider of ground and rotary-wing ambulatory services. Midwest operates 13 ground ambulance locations and two helicopter bases in Nebraska and Iowa.
Emergency Department Management			
February 2015	TeamHealth Holdings (NYSE: TMH)	Ruby Crest Emergency Medicine	TeamHealth Holdings has acquired Ruby Crest Emergency Medicine, an emergency medicine physician group that provides services in Nevada. Ruby Crest operates over 24,000 cases annually through its partnership with Northeastern Regional Hospital.
January 2015	Envision Healthcare Holdings (NYSE: EVHC)	Emergency Medical Associates	Emergency Medical Associates (EMA) has been acquired by Envision Healthcare Holdings' subsidiary EmCare. EMA provides emergency department, hospitalist and urgent care services with 945 clinicians in 47 facilities throughout New Jersey, New York, Rhode Island and North Carolina.
		Scottsdale Emergency Associates	Envision Healthcare Holdings completed the acquisition of Scottsdale Emergency Associates (SEA), an emergency medicine physician group operating in Arizona. SEA will add an additional 40 physicians and 12 mid-level providers to Envision's staff. Envision's acquisitions of Emergency Medical Associates and SEA will provide an additional estimated \$300 million in revenues and 1.9 million patient encounters.
Urgent Care			
March 2015	Select Medical Corporation (NYSE: SEM)	Concentra	Select Medical Corporation and Welsh, Carson & Stowe have acquired Concentra, a subsidiary of Humana. Concentra operates more than 300 medical centers in 40 states offering services within occupational medicine, urgent care, and primary care. The transaction closed for \$1.06 billion.
February 2015	ExpressCare Urgent Care Centers	CareSTAT Urgent Care Centers	ExpressCare Urgent Care Centers acquired CareSTAT Urgent Care Centers. CareSTAT adds 4 urgent care centers to ExpressCare's 16 existing centers. The transaction expands ExpressCare's market reach to Pennsylvania.
January 2015	American CareSource Holdings (Nasdaq: ANCI)	Two urgent care centers	American CareSource Holdings' Virginia subsidiary has acquired the assets of two urgent care centers in northern Virginia. The two centers, located in Fairfax and Gainesville, are the first acquisitions for American CareSource Holdings in the Virginia market. American CareSource Holdings is continuing its strategy to expand their geographic presence in the Southeast through acquisitions.