

Q1-2015 Private Equity Industry Update



M&A Update

After years of increasing quarterly growth in both the number of deals completed and total capital behind those deals, private equity investment has seen it's first decline in Q1 2015. More specifically, the 534 total deals completed were the lowest since Q3 2010 and the \$101B behind those deals was the lowest amount since Q1 2013. Part of this decline can be explained by the amount of time private equity investors spent in other areas of the business, including fundraising and deal exits. With the closure of 38 new vehicles in Q1 totaling more than \$38B in capital, median fund size has increased to \$275M. Additionally, investors exited an estimated \$52B in portfolio holdings and will now turn their attention to new platform investments.

Specific to healthcare this points to further consolidation of the services sector, in which there is continued interest in verticals such as dental, dermatology, and other physician services. Provident Healthcare Partners (Provident) has seen this first hand as they served as exclusive financial advisor to the Spine & Pain Center of San Antonio during their acquisition as an add-on to Catterton Partners' Pain Doctor platform this past March. In addition to this, Provident continues to market a number of platform-worthy opportunities within the services sector.

Month	Acquirer	Target Company	Details
March 2015	Catterton Partners Corporation/ Pain Doctor, Inc.	Spine & Pain Center of San Antonio	Spine & Pain Center of San Antonio (SPCSA) has been acquired by Pain Doctor, Inc., a portfolio company of Catterton Partners Corporation. SPCSA is an interventional pain management physician practice dedicated to improving patient quality of life by treating pain and improving spine movement. Provident Healthcare Partners served as exclusive financial advisor to SPCSA. The financial terms of the deal were not released.
March 2015	J.H. Whitney & Co., LLC	Pediatric Services of America, Inc.	J.H. Whitney & Co., LLC has announced it has acquired Pediatric Services Holding Corporation, the parent company of Pediatric Services of America, Inc. (d/b/a PSA Healthcare). PSA Healthcare is a home healthcare company that provides services through it's 65 locations to clients of all ages. The financial terms of the deal were not released.
February 2015	Audax Group, Inc.	Corepoint Health LLC	Audax Group, Inc. (Audax) has announced it made a significant investment in Corepoint Health LLC (Corepoint). Corepoint delivers a simplified approach to internal and external health data integration and exchange. Audax' investment will fund continued growth and ongoing support of its customer base. The financial terms of the deal were not released.
February 2015	Shore Capital Partners, LLC	Summit Medical, Inc.	Shore Capital Partners, LLC (Shore) is pleased to announce it has completed the acquisition of Summit Medical, Inc. (Summit). Summit has been a leading medical device manufacturer for over 30 years. Shore will enhance operations and drive an acquisition growth strategy at the Company. The financial terms of the deal were not released.
January 2015	Madison Dearborn Partners, LLC	Walgreens Infusion Services, Inc.	Madison Dearborn Partners, LLC (MDP) and Walgreen Co. have signed a definitive agreement that will give MDP a majority interest in Walgreens Infusion Services, Inc. The Company is a provider of home and alternate treatment site infusion services through 89 pharmacies and 110 alternate sites in 40 states. The financial terms of the deal were not released.
January 2015	Revelstoke Capital Partners LLC	Encore Rehabilitation Services, LLC	Revelstoke Capital Partners LLC has invested in Encore Rehabilitation Services, LLC (Encore), a provider of rehab therapy and related back office services to skilled nursing facilities. The investment will provide Encore with capital to fund aggressive expansion through both acquisitions and de novo locations. The financial terms of the deal were not released.