

Q2-2015 Emergency Medical Services Industry Update



Market Overview

The Emergency Medical Services sector experienced plenty of M&A interest over the second quarter from a robust pool of buyers that brought unique approaches to their new subsidiaries. MedExpress has been given the opportunity to collaborate with its new parent company, UnitedHealth Group & Optum, to identify geographies within United's patient population that suffer from poor access to care or emergency room overutilization for convenient & lower-cost MedExpress urgent care facilities. While private equity groups are known for making capital resources available to their portfolio companies, Welsh, Carson, Anderson & Stowe also brought years of experience in successfully scaling companies in the outsourced physician services sector to its new emergency medicine & hospitalist partner, Emergency Medicine Physicians. In addition, EMP stands to benefit from cross-sell opportunities with hospital systems that are contracted with WCAS' current outsourced anesthesia investment, U.S. Anesthesia Partners. Given the continued expansion of the buyer universe, amidst a shrinking pool of platform-caliber targets, strategic and private equity group have continued to differentiate their approach beyond valuation to prospective sellers in order to win highly competitive transaction processes. This multi-faceted approach provides clear benefits to prospective sellers interested in approaching the marketplace to gain resources for accelerated growth and value creation.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
Ambulance Services			
May 2015	REACH Air Medical Services	Summit Air Ambulance	REACH Air Medical Services, a subsidiary of Air Medical Group Holdings, has acquired Summit Air Ambulance. Operating in Nevada and Montana, Summit and its affiliated companies operate eight Agusta helicopters and Pilatus PC-12 airplanes from four locations, with a fifth to open in Colorado. Financial terms were not disclosed.
Emergency Department Management			
May 2015	American Physician Partners	Align MD	American Physician Partners acquired two Tennessee based emergency room staffing companies, Align MD and Elite Management, thereby expanding its Tennessee footprint. Although complete terms were not disclosed, American financed the deal with \$24 million in debt from Goldman Sachs Specialty Lending Group.
		Elite Management	
April 2015	Welsh, Carson, Anderson & Stowe	Emergency Medicine Physicians	Welsh, Carson, Anderson & Stowe announced together with Emergency Medicine Physicians the establishment of US Acute Care Solutions. The organization will be focused on becoming a national leader in emergency medicine and hospitalist services. Emergency Medicine Physicians will be the foundation for US Acute Care Solutions and the organization's future expansion. Financial terms were not disclosed.
Urgent Care			
May 2015	ABRY Partners	FastMed Urgent Care	Private equity firm ABRY Partners completed the acquisition of FastMed Urgent Care, the second largest independent urgent care organization in the U.S. and the largest network in both North Carolina and Arizona. Financial terms of the deal were not disclosed.
May 2015	NextCare Urgent Care	Troyer Urgent Care	NextCare Urgent Care announced the acquisition of Troyer Urgent Care, an Arizona based urgent care company. The acquisition increases NextCare's footprint to 35 locations within the state. Financial terms were not disclosed.
April 2015	UnitedHealth Group	MedExpress	UnitedHealth Group, via its Optum subsidiary, announced the acquisition of MedExpress, a multi-state operator of urgent-care clinics. MedExpress currently runs 141 clinics, with plans to open 25-30 additional over the next year. Financial terms were not disclosed.