

# Q3-2015 Emergency Medical Services Industry Update



## Market Overview

The Emergency Medical Services sector continued its consolidation activity in the third quarter of 2015, characterized by large strategic acquirers merging with additional activity from private equity groups. American Medical Response, a subsidiary of Envision Healthcare Holdings, announced the \$620 million acquisition of industry competitor, Rural/Metro Corporation. This transaction is significant and demonstrates the willingness of healthcare investors to pay premium prices for providers that are able to secure health system and public contracts, while helping increase coordination of care through streamlined operations. The urgent care industry has also experienced increased consolidation activity with acquirers placing value on Urgent Care providers' ability to reduce re-hospitalizations and mitigate the use of high cost emergency care settings. Platform opportunities still exist in the relatively fragmented emergency medical services sector, with valuations expected to continue trending upwards due to heightened emphasis being placed on providers that offer a scalable platform for geographic expansion. Provident is expecting to see transaction activity to continue in the last quarter of the year, as healthcare investors are interested in creating integrated delivery of care networks with emergency medical service providers serving as a key piece to operations.

## SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
<b>Ambulance Services</b>			
September 2015	New Heritage Capital/ ProTransport-1	Century Ambulance Service	New Heritage Capital announced that its portfolio company, ProTransport-1, has acquired two inter-facility medical transport providers, Century Ambulance Service and PRN Ambulance. These transactions will further ProTransport-1's growth in the Los Angeles and Jacksonville, Florida markets.
		PRN Ambulance	
August 2015	Priority Ambulance	Central Emergency Medical Services	Priority Ambulance has announced that it has acquired Atlanta-based Central Emergency Medical Services and Central Air Ambulance. The acquisition of Central Emergency Medical Services will add 13 stations, 50,000 patients and 77 ambulances to Priority. These transactions will mark the first expansion of Priority Ambulance into Georgia and is the company's first investment into the air ambulance services sector.
		Central Air Ambulance	
July 2015	Envision Healthcare Holdings/ American Medical Response	Rural/Metro Corporation	American Medical Response, a subsidiary of Envision Healthcare Holdings, has entered into a definitive agreement to acquire Rural/Metro Corporation for \$620 million in cash. This acquisition will further the development of AMR's mobile integrated healthcare delivery capabilities, while also increasing their market share and expanding their geographic footprint.
<b>Emergency Department Management</b>			
August 2015	Onex Corporation/ Schumacher Group	Hospital Physician Partners	Onex Corporation has announced its subsidiary, Schumacher Group, has completed the acquisition of Hospital Physician Partners, the fourth largest U.S. provider of emergency and hospital medicine clinical staffing services. The combined firms will use their market share to improve physician recruiting capabilities and clinical expertise across 358 hospitals in 29 states.
<b>Urgent Care</b>			
August 2015	CRH Healthcare	Physicians Immediate Med	CRH Healthcare, an urgent care provider in Alabama and Georgia, has acquired Physicians Immediate Med, an Atlanta-based urgent care and family care platform. The transaction will provide CRH Healthcare with ten new locations throughout Georgia.
August 2015	American CareSource Holdings	Medac Health Services	American CareSource Holdings, has announced the acquisition of Wilmington, North Carolina based Medac Health Services for \$5.6 million. This transaction will add four urgent care locations to American CareSource, bringing the company's total count to ten locations.
July 2015	Seacoast Capital	Righttime Medical Care	Seacoast Capital has announced the acquisition of Maryland based, Righttime Medical Care. Righttime Medical Care has 13 urgent care locations and plans to continue its growth strategy with the assistance of Seacoast Capital.