

Q3-2015 Private Equity Industry Update



M&A Update

The third quarter of 2015 saw reasons for optimism as well as causes for frustration across the global private equity industry. On the positive side, Q3 was the strongest of the year when it came to fundraising with 109 new investment vehicles closed, \$80.3B of total capital raised, and a 19% YOY increase in median fund size. To this point, that has not correlated to similarly high levels of closed deals with YOY deal count down by 23%, invested capital down by 12%, and median deal size down by 11%.

Specific to the healthcare industry, the services sector has remained hot with platform and add-on opportunities within a number of verticals such as physician and lab-based services continuing to garner strong multiples. Provident Healthcare Partners has seen this first hand as they served as exclusive financial advisor to IGeneX, Inc., a CLIA certified reference laboratory providing molecular and immunological testing services for Lyme and associated tick-borne diseases to private practice physicians, hospitals, and other clinical reference laboratories. The Company was recapitalized by private equity investors from Balance Point Capital Partners and 4C Capital. In addition to this, Provident continues to market a number of platform-worthy opportunities within the services sector.

Month	Acquirer	Target Company	Details
September 2015	Balance Point Capital Partners, L.P. / 4C Capital	IGeneX, Inc.	Balance Point Capital Partners, L.P. and 4C Capital have made an investment in IGeneX, Inc. (IGeneX). IGeneX is a CLIA certified reference laboratory providing molecular and immunological testing services for Lyme and associated tick-borne diseases to private practice physicians, hospitals, and other clinical reference laboratories. <i>Provident Healthcare Partners</i> served as the exclusive financial advisor to IGeneX. The terms of the transaction were not disclosed.
September 2015	Thomas H. Lee Partners, L.P.	Healthcare Staffing Services	Thomas H. Lee Partners, L.P. has announced the acquisition of a majority stake in Healthcare Staffing Services (HSS). HSS is a leading healthcare staffing firm in the United States, specializing in nationwide “rapid response” nurse staffing services to healthcare facilities. This deal will allow HSS to accelerate their growth and further expand their platform. The terms of the transaction were not disclosed.
September 2015	Shore Capital Partners, LLC	Florida Autism Center, LLC	Shore Capital Partners, LLC is pleased to announce that it has completed the recapitalization of Florida Autism Center (FAC) and the formation of SCP Autism Services, LLC. FAC provides center-based applied behavior analysis treatment to children with Autism. The Company provides therapy through five centers in Florida. The terms of the transaction were not disclosed.
August 2015	BelHealth Investment Partners, LLC	Apothecary by Design	BelHealth Investment Partners, LLC (Belhealth) has acquired Portland, Maine-based Apothecary by Design, a specialty pharmacy focused on women’s health, hepatitis C, and autoimmune disorders. BelHealth plans to expand the current team and surround them with other experienced industry executives. This deal follows their successful investment in, and exit of, Aureus Health, another specialty pharmacy platform. The terms of the transaction were not disclosed.
July 2015	Seacoast Capital	Righttime Medical Care	Seacoast Capital has successfully recapitalized Righttime Medical Care (RMC), a leading operator of urgent care centers in Maryland. With this recapitalization, RMC intends to continue its growth by opening new locations, expanding its Headfirst Sports Injury and Concussion Care program, and offering additional services including telemedicine. The terms of the transaction were not disclosed.
July 2015	Bunker Hill Capital	Courtage Life Sciences, Inc.	Bunker Hill Capital (BHC) has invested in Courtage Life Sciences, Inc. (Courtage), a diagnostic testing services business in Woburn, MA. Courtage specializes in using DNA analysis to create actionable clinical information for diagnoses of neurological and metabolic disorders. BHC will help fund the growth of Courtage, particularly in marketing, sales, and lab capacity. The terms of the transaction were not disclosed.