

Q1-2016 Private Equity Industry Update



M&A Update

The first quarter of 2016 holds a number of positive trends for the international private equity industry. Fundraising was particularly strong when compared to the first quarter of the year prior. YOY statistics show a similar number of funds closed, but increases of 20% and 17% in capital raised and median fund size respectively. Naturally, what follows times of strong fundraising is typically an increased level of overall deal flow within the market. With dry powder at the high levels being seen today, it's safe to assume that financial investors will be extremely engaged and active in the months to come.

The healthcare industry continues to be one of the most fruitful areas of investment for private equity buyers. Through the first three months of 2016 there have been a total of 125 PE-backed M&A exits within the U.S. The total value of those deals registered at over \$15.4B and leading the way was the healthcare industry with 17 transactions. Investments in this space have also remained robust with strong multiples across the board and in particular within physician and outsourced services. A prime example of this was the transaction in which Provident Healthcare Partners served as exclusive financial advisor to ProHealth Partners, a provider of outsourced medical care through credentialed nurse practitioners to primarily skilled nursing facilities. This was a process mostly dominated by strategic acquirers but eventual won by Balance Point Capital Partners, who offered the most attractive structure and valuation for our client.

Month	Acquirer	Target Company	Details
March 2016	Advent International Corporation	ATI Physical Therapy Holdings, LLC	Advent International Corporation has agreed to buy a majority stake in ATI Physical Therapy Holdings, LLC in a divestiture by KRG Capital Partners. Bolingbrook, IL-based ATI specializes in research-based physical therapy, workers' compensation rehab, employer worksite solutions, and sports medicine. While precise financial terms of the deal have not been released, the transaction is rumored to be valued in excess of \$1.5B.
March 2016	Nautic Partners, LLC	ExactCare Pharmacy LLC	Nautic Partners, LLC has formed a strategic partnership with ExactCare Pharmacy LLC. ExactCare is a full-service pharmacy specializing in medication management for patients with multiple disease states and medications. ExactCare intends to use the financing from this deal to expand its care model as well as its patient reach. The financial terms of the deal were not released.
February 2016	One Equity Partners, LLC	All Metro Health Care	One Equity Partners, LLC has acquired All Metro Health Care, a provider of non-skilled home health services. All Metro helps nursing home eligible individuals remain in community settings and, with backing from One Equity, will improve its care management and coordination systems to expand its presence in the home care market. The financial terms of the deal were not released.
February 2016	The Vistria Group, LLC	Supplemental Health Care, Inc.	Private equity firm The Vistria Group, LLC has acquired Supplemental Health Care, Inc., a healthcare workforce solutions provider. Supplemental provides their services nationwide and primarily in the form of nursing, therapy, imaging, physician, and physician assistant professionals. The acquisition will allow Supplemental to take advantage of Vistria's experienced management expertise in the staffing industry. The financial terms of the deal were not released.
January 2016	Balance Point Capital Partners	ProHealth Partners	Balance Point Capital Partners has acquired a majority stake in ProHealth Partners, a provider of outsourced medical care through credentialed nurse practitioners to primarily skilled nursing facilities. Provident Healthcare Partners served as exclusive financial advisor to ProHealth. The financial terms of the deal were not released.
January 2016	The Riverside Company	The Dermatology Group, P.C.	The Riverside Company has invested in The Dermatology Group, P.C., a New Jersey-based physician practice management company focused on dermatology services. The Dermatology Group's 16 company-affiliated locations form the largest provider of these services in their region. Riverside intends to increase The Dermatology Group's geographic presence and scale through add-on acquisitions and provider recruiting. The financial terms of the deal were not released.