

# Q1-2016 Staffing Update



## Market Overview

Transaction activity in the first quarter of 2016 followed a similar trend as 2015; consolidation was robust across a wide variety of staffing sub-sectors (travel nurse, IT solutions, permanent physician placement, etc.). Private equity firms continued to pursue investments in platform opportunities that have proven historical growth supplemented by strong management teams. This was evident through The Vistria Group's investment in Supplemental Healthcare, ranked as the 55<sup>th</sup> largest staffing firm across all industries in 2015. A number of leading staffing providers are taking advantage of inflated multiples and leveraging private equity firms' experience in expediting growth of operations. Provident anticipates investment activity to remain strong among staffing providers due to macro-economic growth drivers and a willingness of potential partners to offer high valuations for premier organizations.

## Provident Transaction Announcement



## Comparative Performance Analysis

Select Public Staffing Trading Multiples (as of 03/31/2016)				
Company	Ticker	EV (MM)	EV/REV	EV/EBITDA
TeamHealth Holdings	TMH	\$5,451	1.5x	15.0x
On Assignment	ASGN	\$2,695	1.3x	12.3x
AMN Healthcare	AHS	\$1,846	1.3x	12.0x
Cross Country Healthcare	CCRN	\$462	0.6x	13.2x

\*Information is sourced from Capital IQ

## Select Transactions

Month	Acquirer	Target Company	Details
March 2016	Post Capital Partners/ Invo HealthCare Holdings	Progressus Therapy	Invo HealthCare Holdings, a portfolio company of Post Capital Partners, has announced the acquisition of Progressus Therapy, a staffing provider with a focus on special education and early intervention services. The combined entity will operate in 25 states through 1,200 skilled professionals, creating one of the largest organizations providing staffing services to the special education market.
February 2016	Balance Point Capital Partners	ProHealth Partners*	ProHealth Partners, a leading provider of nurse practitioner staffing services to post-acute care facilities throughout Connecticut, has received a majority investment from Balance Point Capital Partners. Balance Point offers capital to allow ProHealth to expand into other geographies in addition to providing support in back-office operations. *Provident Healthcare Partners served as the exclusive financial advisor to ProHealth Partners during the transaction process.
February 2016	MSI International	Masters IT	MSI International, a global recruiting firm within multiple diversified industries, has acquired Masters IT, a healthcare IT recruiting and staffing firm. With the acquisition of Masters IT, MSI International will complement its allied health services division. The transaction shows the willingness of companies with main service lines outside of healthcare staffing to acquire healthcare staffing organizations in order to diversify offerings.
February 2016	The Vistria Group	Supplemental Health Care	Supplemental Healthcare, one of the largest healthcare staffing firms in the nation, has recapitalized with The Vistria Group, a private equity firm with a strong history in healthcare investments. Vistria operating partners, Greg Palmer (former executive of RemedyTemps) and Ron Malone (former executive of Gentiva Health Services) will serve on Supplemental Health Care's Board of Directors. Janet Elkin, Supplemental Health Care's CEO, and the company's existing leadership team will continue to manage the Company's day to day operations.
January 2016	M3 USA	Medicus Firm	M3 USA has acquired the Medicus Firm, a leading recruiting firm for permanent placement of physicians and advanced practice clinicians to hospitals, health systems, academic medical centers and medical groups nationwide. Medicus will continue to operate as an independent subsidiary of M3 USA.
January 2016	MTS Health Investors	HCCA Health Connections	MTS Health Investors has completed a majority investment in HCCA Health Connections and HCCA International (Collectively known as "HCCA"). HCCA is one of the largest providers of offshore clinical resources to healthcare payors, providers and service organizations. HCCA's domestic division also provides nurse staffing services to U.S. based hospitals.