

Q2-2016 Emergency Medical Services Update



Market Overview

Two signature deals defined the second quarter of 2016 in the emergency medical services sector, both operating in outsourced emergency department management. Schumacher Clinical Partners, a subsidiary of Canadian private equity firm Onex, in April announced their merger with ECI Healthcare Partners. The deal closed in June and will offer a strong strategic partnership, as Schumacher primarily operates in the southeastern U.S. while ECI operates in the Midwest and Northeast. ECI will add 2,000 doctors to Schumacher's 5,000, and combined they'll operate in 32 states. The second merger to be announced during the quarter was Envision and AmSurg. Envision, through its EmCare subsidiary, and AmSurg, through its Sheridan subsidiary, are nationwide providers of outsourced emergency medicine services to hospitals across the country. The deal comes as TeamHealth rejected AmSurg's buyout offer late in 2015, and the new deal reflects the latter's desire to grow via transaction. The combined entity will be the largest outsourced physician provider in the U.S.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
Ambulance Services			
June 2016	REACH Air Medical	CALSTAR	REACH Air Medical, one of the largest air medical firms in the country, acquired CALSTAR, a non-profit Sacramento-area air ambulance company for an undisclosed amount. The non-profit CALSTAR, with its 225 employees and 14 aircraft, will be converted into a LLC and will operate as CALSTAR Air Medical Services.
May 2016	Acadian Ambulance	Bay Star EMS	Acadian Ambulance acquired Texas-based Bay Star EMS for an undisclosed amount. Bay Star EMS provides regional EMS services. Acadian expanded to Texas in 2006 and serves millions of Texans annually and will increase its Texas market share through this acquisition.
April 2016	Kamylon	Stewart's Ambulance	Private equity firm Kamylon acquired Stewart's Ambulance Services, which provides emergency medical services to Meredith, New Hampshire and surrounding towns. The acquisition will expand Kamylon's platform ambulance service company, LifeLine Ambulance Service, into more rural New England communities. Financial terms of the deal were not disclosed.
Emergency Department Management			
June 2016	Envision Healthcare (NYSE: EVHC)	AmSurg (NASDAQ: AMSG)	Envision Healthcare and AmSurg agreed to merge, creating a company with a combined enterprise value of approximately \$15 billion. The all-stock merger will create a new entity, called Envision Healthcare Corp, which will become one of the largest providers of outsourced physician services in the U.S. The new company will generate \$8.5 billion of revenue based off of the last twelve months from March.
April 2016	TeamHealth (NYSE: TMH)	Children's Emergency Services	TeamHealth Holdings acquired Ohio based Children's Emergency Services, which provides outpatient emergency services for Dayton Children's Hospital, for an undisclosed amount. Post acquisition, the clinicians of Children's will continue to deliver care to more than 74,000 patients, annually.
April 2016	Schumacher Clinical Partners	ECI Healthcare Partners	Schumacher Clinical Partners, a provider of emergency medicine care and subsidiary of publicly traded private equity firm Onex, announced their intent to merge with ECI Healthcare Partners, a provider of emergency department care. The acquisition will result in one of the largest health service network in the U.S., providing care for over 8 million patients a year.
Urgent Care			
May 2016	Urgent Team	Physicians Care	Urgent Care acquired Physicians Care, a Tennessee-based urgent and primary care provider. The acquisition will incorporate all of Physicians Care eight Tennessee facilities. As a result of this acquisition, Urgent Team will have 29 centers throughout the Southeast and continues to seek acquisitions as part of its growth strategy. Financial terms of the deal were not disclosed.