

Q4-2016 Emergency Medical Services Update



Market Update

The emergency medical services sector continued its heightened acquisition activity in the fourth quarter of the year, particularly within ambulance services and emergency department management. Similar to other quarters of 2016, ambulance services transactions were dominated by larger strategics and private equity backed groups completing add-on acquisitions of smaller organizations in the market, rather than mergers of similar sized peers. While consolidation among emergency department management providers consisted of large players merging, such as US Acute Care Solutions' acquisition of Emergency Service Partners. Urgent care experienced a slower quarter in terms of consolidation activity in comparison to previous periods. However, the light transaction volume is a byproduct of few investable assets in the market.

Select Transactions

Month	Acquirer	Target Company	Details
Ambulance Services			
December 2016	Acadian Ambulance Service	Ameristat Ambulance	Acadian Ambulance Service, one of the leading providers of ambulance services in the United States, has acquired Ameristat Ambulance, an emergency and non-emergency transport provider located in Central Texas. This acquisition is Acadian's fourth in 2016. Financial terms of the transaction were not disclosed.
December 2016	Priority Ambulance / Enhanced Equity Fund	Medshore Ambulance Service	Priority Ambulance, a portfolio company of Enhanced Equity Fund, has been acquired by Medshore Ambulance, one of the largest ground ambulance providers in South Carolina serving 17 counties. The acquisition will serve as Priority Ambulance's entrance in South Carolina. The organization will look to continue to utilize M&A as a means for expansion. Financial terms of the transaction were not disclosed.
November 2016	REACH Air Medical Services / KKR	Sierra Lifeflight	REACH Air Medical, a subsidiary of Air Medical Group Holdings and portfolio company of private equity firm KKR, has announced the acquisition of Sierra Lifeflight, a provider of air ambulance services in California. Sierra Lifeflight operates two fixed-winged aircraft. Financial terms of the transaction were not disclosed.
Emergency Department Management			
December 2016	US Acute Care Solutions / Welsh, Carson, Anderson & Stowe	Emergency Service Partners	Emergency Service Partners (ESP) has entered into a definitive agreement to join US Acute Care Solutions, a portfolio company of private equity firm Welsh, Carson, Anderson & Stowe. One of the largest emergency medicine physician groups in the Southern United States, ESP is comprised of approximately 750 physician and advance practice providers treating over one million patients annually through 37 locations in Texas. Financial terms of the transaction were not disclosed.
October 2016	American Physician Partners / Goldman Sachs	DeGarA PLLC	DeGarA PLLC, an emergency medicine group serving 10 healthcare facilities across Michigan, has joined American Physician Partners. Formed in 2015 through an investment by Goldman Sachs, American Physician Partners has grown rapidly and with the addition of DeGarA PLLC, now serves over one million patients annually through over 40 hospital and free-standing emergency departments. Financial terms of the transaction were not disclosed.
October 2016	Blackstone	TeamHealth Holdings, Inc. (NYSE: TMH)	Global private equity firm Blackstone has announced a definitive agreement to acquire TeamHealth Holdings, Inc. in a transaction valued at approximately \$6.1 billion. This marks the continuation of a trend that saw a sharp uptick in 2016 of private equity firms investing in leading physician services organizations. The valuation represents about a 33% premium over TeamHealth Holdings, Inc.'s share price on October 3 rd , 2016.
Urgent Care			
November 2016	Banner Health	Urgent Care Extra	Banner Health has acquired 32 urgent care clinics from Urgent Care Extra. As hospital systems seek to alleviate volume pressures in the ER & increase access to care, Banner will seek to significantly expand its urgent care network, with the goal of 50 sites in Arizona by the end of 2017. Financial terms of the transaction were not disclosed.