

Q1-2017 Ophthalmology Services Update



Market Overview

Four notable private equity recapitalizations in the first quarter of 2017 is an indication that a period of significant investment and consolidation in ophthalmology is in full swing. Private equity-backed groups such as EyeCare Partners (FFL Partners) and EyeCare Services Partners (Varsity Healthcare Partners) have benefitted from first-mover advantage as the initial consolidators in the optometry and ophthalmology industries. However, with private equity firms Shore Capital, Flexpoint Ford, Sterling Partners, and Waud Capital all closing on platform transactions in February, the market for sizeable add-on opportunities will become increasingly competitive given the buyer demand.

Moving forward, Provident expects the ophthalmology industry to follow a similar pattern to the investment and consolidation that has been ongoing within the dermatology sector since 2011. New private equity platform transactions will be coupled with an increasing number of add-on acquisitions as private equity firms with investments in the sector will look to leverage the infrastructure and management from their platforms to partner with other providers in their region and nationally.

Provident Transaction



Provident Healthcare Partners was the exclusive financial advisor to the physician shareholders of Minnesota Eye Consultants in its recapitalization with Waud Capital Partners. As a result of the transaction, United Vision Partners was formed with the intent to partner with other clinical leaders in the eye care sector.

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
Feb 2017	Shore Capital Partners	Georgia Eye Partners	Shore Capital Partners, a private equity firm based in Chicago, has led a recapitalization of Atlanta-based Georgia Eye Partners to form EyeSouth Partners. Georgia Eye Partners consists of 12 doctors, four clinical locations, and an ambulatory surgery center. To support affiliations with other practices, Shore Capital Partners plans to invest in infrastructure to further standardize and centralize finance, HR and IT functions.
Feb 2017	Flexpoint Ford	SouthEast Eye Specialists	Flexpoint Ford, a private equity firm focused in healthcare, recapitalized SouthEast Eye Specialists (SEES) and Center for Facial Rejuvenation, a Tennessee-based provider with 18 doctors, three clinical locations, and two ambulatory surgery centers. Flexpoint Ford will provide SEES with the capital to allow them to expand their services across the country.
Feb 2017	Sterling Partners	Grand Rapids Ophthalmology	Sterling Partners has completed a recapitalization of Michigan-based Grand Rapids Ophthalmology (GRO) to form Great Lakes Management Services Organization. GRO offers a full suite of eye care services through its 29 doctors and 11 locations. Through the newly formed practice management organization, Sterling Partners will support GRO's local expansion and regional growth.
Feb 2017	Waud Capital Partners	Minnesota Eye Consultants	Waud Capital Partners has completed a recapitalization of Minnesota Eye Consultants (MEC) to form United Vision Partners Holdings. MEC is a provider of primary eye care and surgical eye care services in the Minneapolis-Saint Paul metropolitan area, operating out of six locations, four of which are laser and refractive eye centers and include Ambulatory Surgery Centers. Provident Healthcare Partners served as exclusive financial advisor to Minnesota Eye Consultants in connection with this transaction.