

Q3-2017 Ophthalmology Update



Market Overview

Investment activity within ophthalmology remained at elevated levels throughout the third quarter as the recent influx of private equity dollars continued to drive consolidation within the sector. Two platform investments in the Mid-Atlantic preceded sizable add-on acquisitions by private equity-backed groups that have begun to aggressively pursue acquisitive growth strategies. Provident fully expects the add-on acquisition activity that has started to take form to continue its rapid pace as newer platforms aim to build regional density and more mature organizations seek to increase their multi-regional presence. EyeSouth Partners and Eyeconic Vision Partners, backed by Shore Capital and Cortec Group respectively, made their first add-on acquisitions in their respective markets since being recapitalized within the last year.

Complementing the add-on activity, there is a strong likelihood that at least one other new platform investment closes by year-end given ongoing market activity. There have already been nine new private equity firms that have entered the ophthalmology market so far in 2017, setting an unprecedented pace of activity in a previously unconsolidated industry,

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
September 2017	Ophthalmic Consultants of Long Island	Precision Eye Care	Ophthalmic Consultants of Long Island (OCLI) announced a strategic partnership with Precision Eye Care in Huntington, NY. The merger brings together two of Long Island's elite ophthalmology practices and allows the groups to better serve the Suffolk and Nassau County communities.
August 2017	EyeSouth Partners	Georgia Retina	Shore Capital-backed EyeSouth Partners completed an investment in Georgia Retina, one of the largest retina practices in the Southeast. The group employs 14 physicians through its 12 locations, treating retina, macula and vitreous diseases in the Atlanta metro area. The acquisition represents EyeSouth Partners' (formerly Georgia Eye) first add-on acquisition since being recapitalized by Shore Capital in March.
July 2017	Acuity Eye Specialists	Grossmont Eye Center	Acuity Eye acquired Grossmont Eye Center. This acquisition provides Acuity Eye Specialists with an additional clinic and doctors to address the growing needs of patients in the San Diego market.
July 2017	Eyeconic Vision Partners	Swagel-Wootton Hiatt Eye Center	Eyeconic Vision Partners (EVP), formerly ICON Eyecare, a portfolio company of Cortec Group, has acquired Swagel Wootton Hiatt Eye Center (SWH). Based in the Phoenix, AZ metropolitan area, SWH operates two clinics and one ambulatory surgery center that is exclusively focused on the treatment of ophthalmic conditions. EVP's footprint now spans AZ, CO and TX.
July 2017	Centre Partners	Chesapeake Eye Care	Centre Partners announced that it completed an investment in Chesapeake Eye Care, a newly formed entity combining two leading Mid-Atlantic ophthalmology practices, Chesapeake Eye Care and Laser Center, and Whitten Laser Eye. Chesapeake Eye Care, based in Annapolis, Maryland, is a leading Mid-Atlantic ophthalmology platform, employing 10 physicians and serving as Centre Partner's initial investment in the sector.
July 2017	New MainStream Capital	Omni Eye Services	New MainStream Capital (NMS) recapitalized Omni Eye Services (OES). OES operates six offices and employs 26 ophthalmologists throughout New Jersey and New York. NMS will provide capital to further support OES's growth through acquisitions, de novo openings, provider recruitment and investment in infrastructure.