

Q4-2017 Staffing & Recruiting Update



Market Overview

The healthcare staffing and recruiting sector experienced another active quarter, as the macro-economic indicators continue to show positive attributes for the healthcare staffing industry. Private equity firms remained highly interested in the sector with two organizations completing platform recapitalizations – New MainStream Capital and Webster Capital, respectively. Of specific note, Provident Healthcare Partners represented GrapeTree Medical Staffing, a per diem and contract staffing provider and 10th fastest growing healthcare staffing firm, in their recapitalization with New MainStream Capital, a middle market private equity firm and previous investor in Medfinders. Former CEO of Medfinders and Chairman of the American Staffing Association, Bob Livonious, will serve on the board of GrapeTree to aide in achieving organic growth objectives for the group in addition to completing add-on acquisitions. As we look back on the year, the healthcare staffing industry experienced one of its most active merger and acquisition periods in history and there are no signs inhibiting continued consolidation in 2018. Additionally, heightened valuations are anticipated to persist due to sector fragmentation and sustained competitiveness on transactions among well-capitalized private equity firms and large strategic buyers.

Provident Transaction



SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
December 2017	ALKU	Holland Square Group	AKLU, a SAP and PeopleSoft recruiting agency with a large focus on the healthcare industry, has acquired Holland Square, a healthcare IT consulting services provider and one of the fastest growing staffing firms in the country. Holland Square reported \$26.4 million in revenue for 2016. The transaction will help expand AKLU's capabilities in the healthcare industry. Financial terms of the transaction were not disclosed.
November 2017	TotalMed	Valley Healthcare Staffing	TotalMed, a national travel nurse staffing and MSP provider, completed the acquisition of Valley Healthcare Staffing, a travel nurse staffing provider based in Sacramento, CA. The acquisition brings applicant tracking system and customer relationship management solutions as well as automated marketing and recruitment engines to TotalMed's service offerings. Financial terms of the transaction were not disclosed.
November 2017	New MainStream Capital	GrapeTree Medical Staffing	New MainStream Capital, a middle market private equity firm and previous investor in Medfinders, has completed the recapitalization of GrapeTree Medical Staffing, a per diem and contract staffing provider and 10 th fastest growing healthcare staffing firm. Former CEO of Medfinders and Chairman of the American Staffing Association, Bob Livonious, will serve on the board of GrapeTree to aide in achieving organic growth objectives for the group in addition to completing add-on acquisitions. Provident Healthcare Partners served as the exclusive financial advisor to GrapeTree Medical Staffing.
October 2017	Webster Capital	Cirrus Medical Staffing	Webster Capital, a private equity firm with over \$600 million of committed capital, acquired Cirrus Medical Staffing, a provider of travel healthcare professionals to acute care hospitals and healthcare facilities, as well as home health settings. Cirrus is headquartered in Charlotte, NC and maintains offices in both Florida and the Philippines. The transaction marks Webster Capital's first investment in the travel healthcare staffing sector. Financial terms of the deal were not disclosed.