

# Q3-2018 Private Equity Industry Update



## Market Update

As evidenced by the chart to the right, overall deal count and capital deployed in private equity transactions for the third quarter of 2018 was down from both the prior quarter and the third quarter of 2017. Having said that, both of those levels of activity remain strong from an overall historical perspective and continue to be supported by aggressive fundraising metrics. Limited Partners have poured \$135.8B dollars into private equity funds through the first three quarters of the year. In the position of power are General Partners who have the ability to dictate which investors to take capital from given the abundance of available funds. In extreme examples, this has led to investors such as certain family offices, pension funds, or sovereign wealth funds to simply make direct investments on their own.

The continued influx of capital and excitement has led to persistently strong valuation levels and an attractive market for sellers. A prime example of this is the lower middle market of the healthcare services sector, where competition is fierce among both financial and strategic acquirers. Below are several examples of transactions that took place in this area of the market, including Provident's work as exclusive financial advisor to OrthoBethesda through their process of recapitalization.

## Select Transactions:

Month	Acquirer	Target	Healthcare Vertical	Notable Attributes
September	Windrose Health Investors	Kolmac Outpatient Recovery Centers	Behavioral Health Services	Kolmac offers an outpatient rehabilitation program that has treated more than 30,000 patients over its 45-year history.
September	J.W. Childs Associates	New Jersey Urology	Urology Services	New Jersey Urology is a leading urology service provider and co-founder of Urology Management Associates.
September	Atlantic Street Capital	OrthoBethesda*	Orthopedic Services	OrthoBethesda is a leading provider of comprehensive musculoskeletal care to patients in the Washington, DC market.
August	H.I.G. Capital	Sage Hospice	Hospice	Sage Hospice provides 24/7 on-call services, low patient-provider ratios, and improved education and communication to families.
August	Webster Capital	JBR Clinical Research	Clinical Research Organization	JBR Clinical Research has over 30 years of experience in pain management protocols, vaccine testing, and other phase I-IV studies.
August	Serent Capital	Senior Dental Care	Dental Practice Management	Senior Dental Care addresses the growing need for access to quality dental care by both nursing homes and their residents.

\*Provident Healthcare Partners served as Exclusive Financial Advisor to OrthoBethesda

## Provident Industry Coverage Team

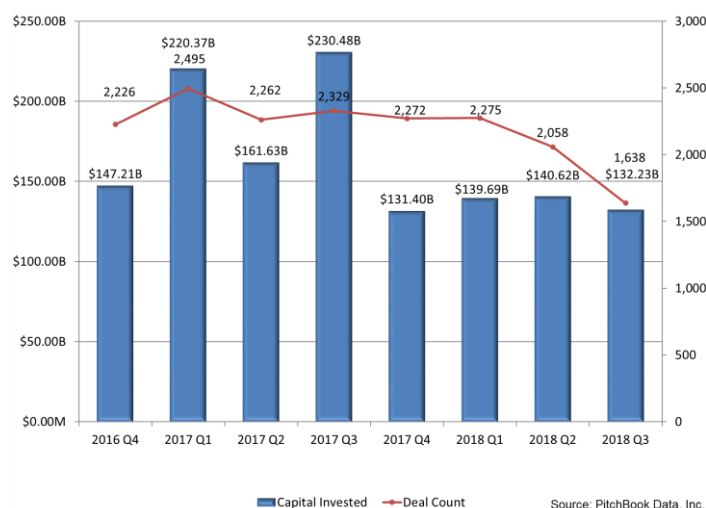
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## Private Equity Investment & Deal Count



## ACG Northeast Healthcare Conference



Provident Healthcare Partners will be attending the ACG Northeast Industry Tour Healthcare Conference in Boston on November 5, 2018. The conference will feature panelists such as Kevin Tabb, CEO of Beth Israel Deaconess Medical Center, and networking sessions among some of the top dealmakers in the healthcare services industry. Scott Davis will be in attendance to represent Provident.