

# Q4-2018 Private Equity Industry Update



## Market Update

2018 resulted in a strong year for private equity fund raising – estimates place total capital raised between \$400 to \$450 billion which makes this year the second highest fundraising year of all time. Private equity fundraising as a whole slightly dropped in 2018 when compared to 2017 with fewer closed funds and less capital raised. However, capital totals have remained high among the largest funds (one billion dollars or more) which account for over 60% of total fundraising. This indicates that there is still a substantial amount of dry powder to be allocated as total capital reached \$1.2 trillion at the end of Q4 – the highest its ever been.

\$132.67 billion was invested in Q4 which was the highest quarter in the past two years. The strong deployment of capital has driven up valuation levels and created an even more attractive market for sellers. Despite volatile public market conditions near the end of 2018, the outlook for valuations are expected to remain high in 2019. This is due to the record access to capital that funds have, which will serve as a cushion to investors as we face economic pressures in the near future.

Below are several notable transactions that took place in Q4 of 2018.

## Select Transactions:

Month	Acquirer	Target	Healthcare Vertical	Notable Attributes
December	Audax Group	Phoenix Rehabilitation and Health Services, Inc.	Rehabilitation	Audax acquired Phoenix Rehabilitation, a well-respected provider within the physical rehabilitation industry.
November	Latticework Capital Management	Xpress Wellness Urgent Care	Urgent Care	Latticework has acquired Xpress Wellness, the largest urgent care provider to the secondary market in Oklahoma and Kansas.
November	Ares Management, LLC	NueHealth LLC	Physician Practices & Services	Ares Management acquired NueHealth, which offers multi-specialty and orthopedic specialty surgical care.
November	Clearview Capital, LLC	Premier Care	Behavioral Health	Clearview Capital acquired Premier Care, a provider of medication-assisted treatment for patients suffering with opioid use disorder.
October	H.I.G. Growth Partners	Eruptr	Healthcare IT & Software	H.I.G. has acquired Eruptr, a provider of digital marketing patient engagement and customer acquisition solutions.
October	Cascade Capital Group	Avantara of Elgin and The Grove of St. Charles	Long Term Care	Cascade purchased a portfolio of two skilled nursing facilities in the Chicago metropolitan area for \$10 million.

## Private Equity Investment & Deal Count



Sources: PWC Deals year-end review and 2019 outlook  
Pregin 2018 Fundraising Update

Chart Source: PitchBook Data, Inc.

## Provident Industry Coverage Team

**Steven Aguiar**  
Managing Director  
saguiar@providenthp.com  
(310) 359-6620

**Kevin Palamara**  
Managing Director  
kpalamara@providenthp.com  
(617) 226-4221

**Michael Patton**  
Managing Director  
mpatton@providenthp.com  
(617) 226-4205

**Scott Davis**  
Vice President  
sdavis@providenthp.com  
(617) 226-4259