

Q3-2019 Physician Services Update



Market Update

The third quarter of 2019 continued to exhibit strong consolidation activity throughout the physician services sector. Two new Private Equity platforms have been established in the Orthopaedic sector, with the majority of the Q3 physician services deal flow focusing on add-on activity. Private Equity firms have been on a fundraising tear in 2019 and are zealous to invest their newly committed capital. Increased deal flow has supported the current level of elevated multiples and is expected to keep them aloft throughout the balance of 2019 and into 2020.

Select Transactions:

Notable Consolidator



Radiology Partners, backed by New Enterprise Associates (“NEA”), has had an extremely active Q3 2019. The Company acquired two leading regional radiology practices in early July, growing both its physical footprint and its provider base. RadPartners also received a \$700M investment from Starr Investment Holdings, with NEA retaining majority ownership, which will enable the Company to continue to execute on its aggressive growth strategy.

Gastroenterology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	Gastro Health	Puget Sound Gastroenterology	24	4	WA
September	GI Alliance	Southeast Texas Gastroenterology Associates	4	2	TX
July	GI Alliance	Illinois Gastroenterology Group	47	29	IL
July	Covenant Surgical Partners	Arizona Centers for Digestive Health	17	11	AZ

Orthopaedics					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
August	Audax Group & Linden Capital Partners	The CORE Institute	88	25	AZ, MI
July	Revelstoke Capital Partners	Beacon Orthopaedics and Sports Medicine	27	8	IN, KY, OH
July	Kohlberg & Co	Orthopaedic & Neurosurgery Specialists	26	3	CT, NY

Radiology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
September	US Radiology Specialists	American Health Imaging	58	29	AL, FL, GA, TX
July	Starr Investment Holdings	Radiology Partners	1400+	1000+	21 States
July	Radiology Partners	Radiology Affiliates Imaging	60	3	DE, NJ, PA
July	Radiology Partners	Northside Radiology Associates	66	N/A	GA

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Upcoming Conference:



Provident will be sponsoring and participating in the American Association for Physician Leadership Conference from Nov 1-5