Q4-2019 Ophthalmology Update

Market Update

The vision care sector saw it's largest transaction to date in Q4 of 2019, as FFL Partners announced it was exiting its majority ownership position in Eye Care Partners (ECP) to private equity firm, Partners Group. ECP, the largest vertically-integrated vision care provider in the county, is said to have commanded a $2.2 billion price tag in what is the largest transaction in the sector to date. ECP originally took on investment from FFL Partners in April of 2015 and has been an active consolidator in the space having grown from a pureplay optometric platform in the Midwest to a multistate, vertically-integrated provider with over 450 locations. FFL's exit will mark the second time a PE-backed platform has switched private equity hands, which indicates that the sector is moving closer to reaching the next phase of its investment cycle. However, Provident still expects add-on acquisitions to continue to drive consolidation activity until firms are ready to exit their respective positions.

Vision Care Consolidation Activity

Legend: Add-on Acquisitions; Private Equity Recapitalizations

Select Transactions:

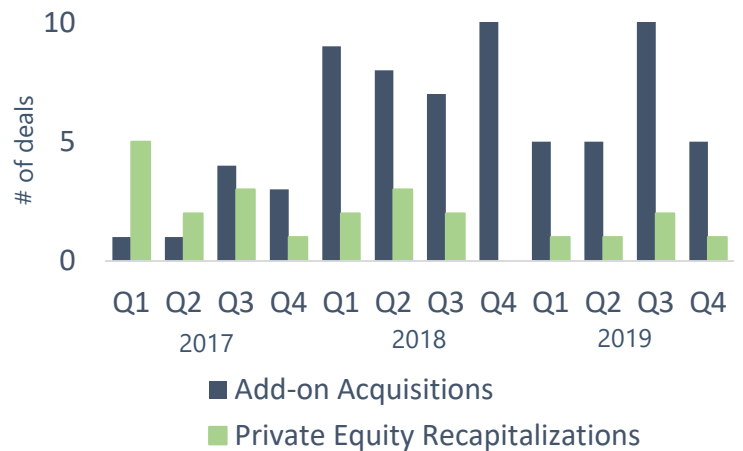| Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
December*	Partners Group	Eye Care Partners	450+	585+	13 States
December	Vision Innovation Partners	Carroll Vision Center, Center for Total Eye Care and Carroll County ASC	4	7	MD
November	Vance Thompson Vision	Nebraska Laser Eye Associates	1	3	NE
October	CVP Partners	Apex Eye	6	14	OH
October	EyeSouth Partners	Central Florida Eye Specialists	6	6	FL
October	Vision Innovation Partners	Metropolitan Ophthalmology Associates	n/a	n/a	MD, VA

*Transaction announced and agreed to, but is expected to close in the first quarter of 2020

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Upcoming Conference

ASCRS | ASOA ANNUAL MEETING
15-19 MAY 2020 | BOSTON, MA

Members of the Provident Healthcare Partners vision care coverage team will be at the ASCRS | ASOA Conference in Boston in May.