

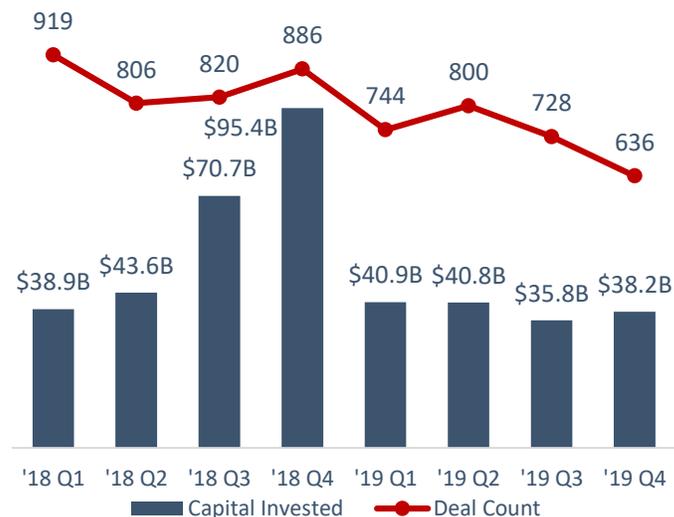
Market Update

Private equity fundraising trends have remained stable through Q4, leading to a high reserve of dry powder available to deploy for new platforms and bolt on acquisitions. While the total number of deals was down relative to 2018, valuations continue to remain elevated, with 2019 bringing in \$155.7 billion in total transaction value.

From Provident's perspective, the ongoing elevated valuation levels have encouraged private equity firms to take a selective approach to platform investments and bolt on acquisitions, with a renewed focus on organic growth initiatives and de novo opportunities, which also lend themselves to longer hold periods.

While 2020 holds economic and political uncertainty, the high amount of dry powder available in the market and the expectation of the Federal Reserve to cut rates again in 2020 will encourage funds to continue utilizing leveraged buyouts and roll-up strategies to achieve compelling returns.

Private Equity Investment & Deal Count



Sources:

1. Prequin's "2019 Private Equity & Venture Capital Fundraising & Deals Update"
2. PWC's "US private equity deal insights"
3. Acuris's "Global Private Equity Outlook 2020"

Chart Source: PitchBook Data, Inc.

Select Transactions:

Month	Acquirer	Target	Healthcare Vertical	Notable Attributes
December	Webster Equity Partners	Santa Monica Fertility	Women's Health/Fertility Clinic	Santa Monica Fertility, a third-party reproductive center in Santa Monica, California has been acquired by Webster Equity Partners
December	Varsity Healthcare Partners	Peak Gastroenterology Associates	Gastroenterology	Varsity Healthcare Partners, a healthcare services private equity investment firm, recapitalized Peak Gastroenterology Associates, the largest provider of gastroenterology services in Colorado
November	Bourne Partners	Pharmaceutical Associates, Inc.	Pharmaceutical Services	Bourne Partners and Enhanced Healthcare acquired Pharmaceutical Associates, Inc., a leader in liquid unit-dose, bottle prescription, and OTC medications
November	Olympus Partners	Soliant Health	Healthcare Staffing	PE firm Olympus Partners acquired Soliant, a provider of healthcare staffing services to K-12 schools
October	Towerbrook Capital Partners and Ascension Health	Hospice Compassus	Home Care & Hospice	Towerbrook and Ascension purchased Nashville-based hospice provider Compassus at a valuation of \$1 billion
October	Warburg Pincus, LLC	Petplan	Insurance	Petplan, a leading pet health insurance provider in North America has been acquired by Warburg Pincus, a global private equity firm focused on growth investing

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