

Q4-2019 Healthcare Staffing Update



Market Update

After what had been a relatively quiet 2019, the healthcare staffing sector experienced a surge in deal activity to close out the year. The year's final quarter was highlighted by Medical Solutions' acquisition of C&A Industries, one of the nation's largest staffing providers. While overall growth dialed back to 5% YoY, niche service areas, such as travel nursing, outpaced the industry growing 8% from this time last year.

The travel nursing segment has seen a notable uptick in M&A activity throughout 2019. Notable deals included IAC's acquisition of NurseFly, a digitally native travel nurse placement platform, and AMN Healthcare's \$200M acquisition of Advanced Medical, a leading staffer of therapists and travel nurses nationwide. The shortage in skilled labor within the healthcare industry continues to be the main driver for heightened staffing needs across the country.

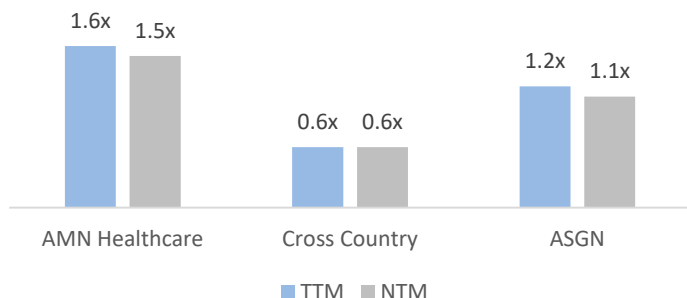
Provident expects that 2020 will bring about further consolidation in the market as competition becomes more intense. We expect to see platform investments as well as strategic add-on acquisitions into service lines such as travel nursing and IT solutions, among others.

Notable Travel Nursing Transactions in 2019

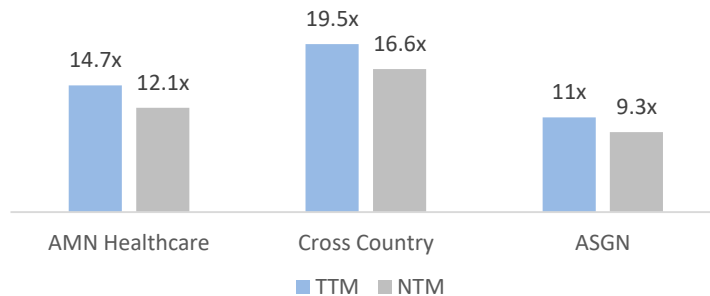


Industry Multiples

Enterprise Value to Revenue Multiples



Enterprise Value to EBITDA Multiples



Select Transactions

Source: CapIQ, as of January 15th 2020

Month	Acquirer	Target	Service Lines	Presence
September	TotalMed	Medical Staffing Solutions	Healthcare Staffing	Midwest
October	Medical Solutions	C&A Industries Inc.	Healthcare Staffing	Nationwide
October	CHG Healthcare	Modio Health	Staffing IT	Nationwide
November	Aya Healthcare	Ohio Hospital Assoc. Workforce Solutions Program	Healthcare Staffing	Ohio

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