

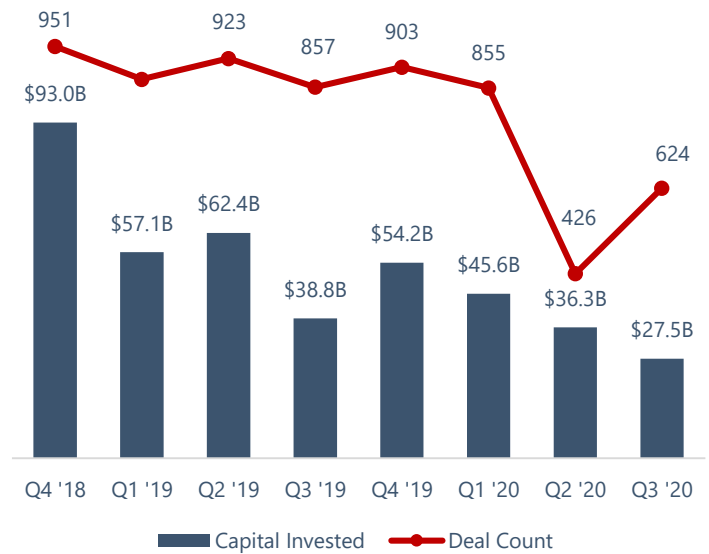
Q3-2020 Private Equity Update

Market Update

Over the third quarter, the broader private equity market continued to slowly recover as the market started to experience a larger volume of transactions in comparison to Q2. Between January and July 2020, the number of closed funds in the PE market increased over the same period the year prior. Contrastingly, aggregate capital raised decreased by \$40bn over the same period as PE firms continue to focus on supporting portfolio business operations to combat supply chain and workforce challenges created by the global pandemic. Uncertainty within debt markets has also made obtaining financing difficult for some sponsors. To overcome troublesome debt markets, PE groups are looking toward alternative deal structures like joint ventures and distressed debt to mitigate risk.

Despite the series of challenges presented by COVID-19, investment activity within the healthcare services industry has been more resistant to the downturn than other sectors due to sticky, recurring revenue streams, and their essential business designation. Valuations within the sector have also been unyielding to the macroeconomic conditions as earnings have been buoyed by advanced Medicaid/Medicare payments, PPP loans, and tax deferrals. Provident has continued to navigate the COVID-19 environment with success in advising its clients, closing two transactions in Q3.

Private Equity Investment & Deal Count



Sources:
 1. Preqin's "Preqin Quarterly Update: Private Equity & Venture Capital Q3 2020"
 2. PWC: Private Equity Deal Insights
 3. McGuireWoods: Healthcare Private Equity and COVID-19
 4. Chart Source: PitchBook Data, Inc

Select Transactions:

Month	Acquirer	Target	Healthcare Vertical	Deal Description
September	Trinity Hunt Partners	Main Street Family Urgent Care	Urgent Care	Main Street Family Urgent Care, a leading urgent care provider based in Birmingham with 16 clinics, has been acquired by Trinity Hunt Partners. The deal supports Main Street's goal to grow across the southeast.
August	FFL Partners	Mississippi Sports Medicine and Orthopedic Center (MSMOC)	Orthopedics	MSMOC, a leading provider of orthopedic services and operator of a new ASC, has been acquired by FFL Partners. The acquisition established the newest PE backed platform in the orthopedic market, U.S. Orthopedic Partners.
August	Actinium Partners	Central Home Health Services of Texas	Home Health Care	Central Home Health Services of Texas, a licensed in-home health care agency, has been acquired by Actinium Partners. The deal marks Actinium's first investment in home health.
July	Windrose Health Investors	Caregiver Inc.	Long-term Care	Caregiver, Inc, a leading provider of long-term care services, has partnered with Windrose Health Investors. The deal supports Caregiver's intent to expand and grow their business beyond the Fort Worth area.
July	Fruition Partners	Specialty Dentistry Practice	Dental Practice Management	A specialty dentistry practice based out of Florida has been acquired by Fruition Partners, a Denver based PE firm. The deal establishes a new dental platform, DPMG.

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