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Leading Private Equity Firms That Invest in Healthcare (Part V)

In 2016, we published a four-part series (access [part one](#), [part two](#), [part three](#) and [part four](#)) highlighting some of the more active private equity investors in the healthcare and life science space. Throughout 2017, we continued to see even more PE investors turn toward healthcare investments, new healthcare-focused funds form, and healthcare PE deal activity continue at an aggressive pace. Thus, we've decided that publishing an unexpected Part V to the series was necessary, and we anticipate an additional Part VI to be published in early 2018. These investors are primarily funds that focus largely on growth-stage, buyout and platform funding transactions, and the sheer number of investors is a real testament to investors' views of healthcare as a solid investment play. *Note:* The investors discussed in this Part V and in prior and subsequent parts of this series are listed in no particular order. To recommend a firm to be profiled in a future column or request a change to a profile, please email awalsh@mcguirewoods.com or fill out the form [here](#).

Amerigo Capital — Founded in 2015, Amerigo seeks to make control investments in lower middle-market companies. The firm, based in Irvine, Calif., targets companies with EBITDA from \$2 million to \$20 million across a variety of industries, including biotech, pharmaceutical and healthcare IT. More information about Amerigo is available at www.amerigocap.com.

Industrial Innovation Partners — Industrial Innovation Partners focuses on acquiring and growing small- to middle-market companies. The firm, based in Northbrook, Ill., targets companies in several sectors, including healthcare. In its portfolio is Deerfield Dermatology Associates, a provider of dermatological medical and cosmetic services. More information about Industrial Innovation Partners is available at www.iipequity.com.

New State Capital Partners — Founded in 2013, New State invests in middle-market companies with EBITDA from \$8 million to \$25 million. The firm, based in Larchmont, N.Y., typically invests \$10 million to \$45 million in equity in companies serving healthcare and other industries. Companies in its portfolio include United Medical Systems, a provider of mobile medical services to hospitals, surgery centers and offices; New Vista Behavioral Health, which offers subacute-detox, residential, partial hospitalization, intensive outpatient and outpatient treatment services in several California facilities; and Capitol Pain Institute, a provider of pain management services to the greater Austin, Texas, area. More information about New State is available at www.newstatecp.com.

Warburg Pincus — Founded in 1966, Warburg Pincus is focused on growth investing. The firm, based in New York, takes a long-term perspective and invests in businesses at all stages of development within healthcare and several other sectors. Recent healthcare investments include CityMD, an urgent care provider with locations in the greater New York metropolitan area and Seattle; Alignment Healthcare, a health delivery company focused on seniors; and Intelligent Medical Objects, a developer of a medical terminology solution for the management of medical vocabularies and software applications at healthcare organizations. More information about Warburg Pincus is available at www.warburgpincus.com.

ABS Capital Partners — Founded in 1990, ABS invests in late-stage growth companies. Based in Baltimore, the firm targets companies in healthcare as well as business and tech-enabled services. Companies in its current portfolio include LabConnect, a provider of central laboratory and support services to biopharmaceutical, medical device and contract research organizations; ConnectYourCare, a consumer-directed healthcare account administrator; and Bravo Wellness, a corporate wellness provider. More information about ABS is available at www.abscapital.com.

Rockwood Equity Partners — Founded in 1999, Rockwood invests in lower middle-market companies with revenues typically between \$10 million and \$75 million or \$2 million to \$7 million EBITDA. Based in Cleveland, the firm targets companies in healthcare and a few other sectors. Within healthcare, the firm prefers control investments through buyouts, recapitalizations and partnership investments. Companies in its current portfolio include Altimate Medical, a manufacturer of standing solutions to support therapy for adults and children with disabilities, and Medical Positioning, a manufacturer of specialty beds and tables for diagnostic imaging procedures in cardiology, radiology, mammography and interventional procedures. More information about Rockwood is available at www.rockwoodequity.com.

DW Healthcare Partners — Founded in 2002, DW Healthcare prefers to make shareholder liquidity, management buyout and growth capital investments in mid-to-late-stage companies. With its U.S. office in Park City, Utah, the firm is focused exclusively on the healthcare industry. Companies in its current portfolio include Z-Medica, a manufacturer and marketer of hemostatic products; Champion Manufacturing, a manufacturer of patient seating solutions for a variety of healthcare environments; and PRIME Education, a provider of continuing medical education for the interprofessional healthcare team. More information about DW Healthcare is available at www.dwhp.com.

Harvest Partners — Founded in 1981, Harvest focuses on management buyouts and recapitalizations of middle-market companies. Based in New York, the firm targets companies in healthcare and a few other industries. Companies in its current portfolio include Advanced Dermatology & Cosmetic Surgery, a dermatology practice with more than 150 locations across; Dental Care Alliance, a dental support organization with a network of about 250 practices; and EyeCare Services Partners, a vertically integrated ophthalmologic services platform with more than 50 locations. More information about Harvest is available at www.harvestpartners.com.

Varsity Healthcare Partners — Founded in 2012, Varsity Healthcare seeks primarily control investments — growth equity to buyout/recapitalization — in lower middle-market companies. The firm, with offices in Los Angeles and Stamford, Conn., focuses exclusively on healthcare services, principally providers, payors and outsourced services, with an emphasis on multi-site providers, including physician practice management. Varsity Healthcare typically invests \$10 million to \$60 million, going larger with co-investment partners. The companies in its current portfolio are Family Care Partners, a consolidator of primary care and ancillary diagnostic patient services, and The Orthopaedic Institute, a private practice group of specialty physicians providing musculoskeletal care. More information about Varsity Healthcare is available at www.varsityhealthcarepartners.com.

Great Point Partners — Founded in 2003, Great Point invests from \$7 million to \$25 million, exceeding \$40 million when co-investing. Based in Greenwich, Conn., the firm invests exclusively in healthcare companies in the United States, Canada and Western Europe. Companies in its portfolio include Clinical Supplies Management, a provider of clinical trial drug packaging, labeling and logistics solutions; VitaLink Research, a clinical trial research site business focused on performing Phase II–IV clinical trials for pharmaceutical companies and contract research organizations; and United Claim Solutions, a payment integrity solutions company for third-party administrators, self-insured groups, labor and trust organizations, stop-loss carriers and health plans. More information about Great Point is available at www.gppfunds.com.

River Cities Capital Funds — Founded in 1994, River Cities provides growth-stage equity financing, targeting companies generating \$5 million and more in revenue. Based in Cincinnati, Ohio, the firm seeks to invest in healthcare and IT companies, with typical initial investments of \$5 million to \$15 million. Companies in its portfolio include OrthAlign, a medical device company that provides surgical navigation products for orthopedic procedures; TissueTech, a biotechnology company developing regenerative amniotic tissue-based products for use in the ophthalmology, optometry, musculoskeletal and wound care markets; and Veran Medical Technologies, which develops minimally invasive therapies for interventional oncology procedures. More information about River Cities is available at www.rccf.com.

Baird Capital — Founded in 1980, Baird Capital is the direct investment arm of Robert W. Baird & Co. Based in Chicago, the firm makes private equity, venture capital and growth equity investments in healthcare and other targeted sectors. Healthcare companies in Baird's current portfolio include Alpha Source, a provider of solutions for medical equipment maintenance and service, medical device battery manufacturing and medical equipment parts distribution; Prescient Healthcare Group, a product strategy consultancy to the global biopharmaceutical industry; New Vitality, a direct marketer of supplements and personal care products. More information about Baird Capital is available at www.bairdcapital.com.

Cortec Group — Founded in 1985, Cortec seeks to invest in middle-market companies with revenues from \$40 million to \$300 million and EBITDA of \$7 million to \$35-plus million. Based in New York, the firm invests in healthcare and several other sectors. Companies in its current portfolio include Harmar, a designer and manufacturer of mobility and accessibility solutions for individuals who use power wheelchairs/scooters or are otherwise mobility impaired; EVP EyeCare, which operates 11 ophthalmology clinics and five ambulatory surgery centers exclusively focused on the treatment of ophthalmic conditions; and Center for Vein Restoration, a manager of medical clinics providing treatment for varicose and spider veins. More information about Cortec is available at www.cortecgroup.com.

DFW Capital Partners — Founded in 1983, DFW focuses on making control investments in lower middle-market companies with revenue of \$20 million to \$100 million and EBITDA of \$3 million to \$10 million. Based in Teaneck, N.J., the firm invests in healthcare and a few other sectors. Companies in its portfolio include Children's Dental Health Associates, a dental service organization providing management and support to pediatric dentists; Evolution Research Group, a provider

of clinical research site services for special patient populations; and Saol Therapeutics, a specialty pharmaceutical company focused on rare diseases. More information about DFW is available at www.dfwcapital.com.

Revelstoke Capital Partners — Revelstoke is a private equity firm focused on building companies in the healthcare and related business services sectors. Revelstoke partners with entrepreneurs and management teams to execute on an organic and acquisition growth strategy. Revelstoke has approximately \$1 billion of regulatory assets under management. Since the firm's inception in mid-2013, it has completed 35 acquisitions, which includes 10 platform companies and 25 add-on acquisitions. Companies in its portfolio include Fast Pace, a regional manager of urgent care clinics, and Crossroads Treatment Centers, a regional provider of substance abuse treatment services through its outpatient treatment clinics in the southeastern United States. More information about Revelstoke is available at www.revelstokecp.com.

Levine Leichtman Capital Partners — Founded in 1984, Levine Leichtman makes structured equity investments in middle-market companies located primarily in the United States. Based in Beverly Hills, Calif., the firm invests in healthcare and several other industries. Companies in its portfolio include Capsa Healthcare, a provider of mobile workstations, medication management products, and pharmacy automation solutions; Genova Diagnostics, a specialty clinical laboratory; and Caring Brands, a franchisor of home healthcare services under three global brands, including Interim Healthcare in the United States. More information about Levine Leichtman is available at www.llcp.com.

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