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

This column is the final segment of a multi-part series published in 2016 highlighting some of the more active private equity investors in the healthcare and life science space. These investors are primarily funds that focus largely on growth-stage, buyout and platform funding transactions. They are listed in no particular order, and the first three segments in the series are available here: [part one](#), [part two](#), and [part three](#). *Note:* 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](#).

Goldman Sachs Capital Partners — Founded in 1986, Goldman Sachs Capital Partners is the PE arm of Goldman Sachs. Based in New York, the firm is focused on leveraged buyout and growth capital investments. Notable healthcare investments include Biomet, which Goldman Sachs Capital Partners and other investors acquired in 2007. Biomet, now Zimmer Biomet, designs, manufactures and markets products used primarily by orthopedic medical specialists in surgical and non-surgical therapy. Zimmer acquired Biomet from Goldman Sachs Capital Partners and the other investors in 2014. More information about Goldman Sachs is available at www.goldmansachs.com.

Peterson Partners — Founded in 2003, Peterson Private Equity (PPE) is a middle-market equity investor that is best known as a flexible growth investor. Based in Salt Lake City, the firm's initial investments range from \$2 million to \$20 million across a broad range of asset classes and geographies. Companies in its portfolio include RevOptix, a provider of services and electronic health records software for the optometry industry, and Elevated Billing, a provider of substance abuse and mental health billing. More information about PPE is available at www.petersonpartners.com/pe.

Spindletop Capital — Founded in 2011, Spindletop focuses exclusively on healthcare. Based in Austin, Texas, the firm prefers to make more substantial investments in commercial-stage companies. Within its current portfolio are *Bioventus*, a developer of orthobiologic solutions; HNI Healthcare, a physician practice management company that delivers hospitalist programs with other solutions and services; and Castle Biosciences, which develops and commercializes diagnostic and prognostic tests for cancers. More information about Spindletop is available at www.spindletopcapital.com.

Council Capital — Founded in 2000, Council focuses exclusively on healthcare. Based in Nashville, Tenn., the firm targets growth and early-growth stage companies with revenues generally between \$5 million and \$50. Companies in its portfolio include Adva-Net, a workers' compensation network management company; emids, a provider of information technology and business process outsourcing services; EndoChoice, a specialty medtech company delivering innovative solutions to professionals in gastrointestinal endoscopy; TMG, a supply chain management company focused primarily on packaged medical and industrial gases; NuScriptRX, a mail order institutional pharmacy; and REACH Health, which provides health systems with a telemedicine services network. More information about Council is available at www.councilcapital.com.

Summit Partners — Founded in 1984, Summit pursues growth equity, fixed income and public equity opportunities. With U.S. offices in Boston and Melo Park, Calif., the firm invests in healthcare and life sciences, and in other sectors. Healthcare companies in its current portfolio include HealthSun, an integrated Medicare Advantage health plan and healthcare delivery network in South Florida; Healthline Media, a provider of health and wellness information; DMG Practice Management Solutions, a subsidiary of DuPage Medical Group (DMG), a multi-specialty physician group in the Chicago area; and Paradigm Outcomes, a provider of complex and catastrophic medical management to the workers' compensation industry. More information about Summit is available at www.summitpartners.com.

Riverside Partners — Founded in 1988, Riverside Partners seeks investments in growing middle-market healthcare- and technology-oriented companies. Based in Boston, the firm typically invest in companies with revenues between \$10 million and \$100 million. Current healthcare investments include BioAgilytix Labs, a contract bioanalytical laboratory specializing in large molecule biologic drugs; Enovate Medical, a designer and manufacturer of clinical workstations sold to hospitals; HealthDrive, a provider of multi-specialty, on-site healthcare services to residents of extended care facilities; and Dominion

Diagnostics, a provider of clinical quantitative urine drug testing and medication monitoring. More information about Riverside Partners is available at www.riversidepartners.com.

Driehaus Private Equity — Founded in 2011 by Richard Driehaus and Eli Boufis, Driehaus specializes in growth equity, recapitalizations, buyouts and buildup consolidation. The firm, based in Chicago, typically seeks to make control and non-control investments between \$1 million and \$30 million in equity capital in companies serving healthcare and a few other industries. Companies in its portfolio include Innovative Health, a re-processor of single use medical devices with a primary client base of cardiology suites of large hospital systems. More information about Driehaus Private Equity is available at www.driehauspe.com.

Lake Capital — Founded in 1998, Lake seeks to invest in middle-market companies and specialized startups. The firm, based in Chicago, targets investments in healthcare services (e.g., home healthcare, infusion therapy, clinical research, specialty pharmacy, institutional pharmacy) and several other industries. Current companies in its portfolio include intraFUSION, a provider of management services to physicians who administer outpatient infusion therapies within their practice, and PhysioHealth, a multi-regional physical rehabilitation and wellness company. More information about Lake is available at www.lakecapital.com.

Health Enterprise Partners (HEP) — Founded in 2006, HEP seeks control and minority equity investments exclusively in lower middle-market healthcare information technology and services. Based in New York, the firm counts 16 hospital systems, 10 health plans and a pharmaceutical company as investors in its funds, in addition to financial investors. Companies in its portfolio include CenterPointe Behavioral Health System, a multisite, behavioral health service provider; AllyAlign Health, a care management company focused on improving outcomes for nursing home residents and post-acute patient populations; Evariant, a provider of a cloud-based marketing automation, customer relationship management and social media platform for hospitals; and Vitals.com, developer of a provider database of information, quality metrics and patient reviews for physicians. More information about HEP is available at www.hepfund.com.

NewSpring Capital — Founded in 1999, NewSpring seeks investments in growth companies with large market opportunities. Based in Radnor, Pa., the firm invests in several industries, including healthcare. One of its investment funds — NewSpring Healthcare — specifically targets healthcare companies across the healthcare services, specialty pharmaceutical and medical technology sectors. Active healthcare companies in its portfolio include ContinuumRx, a provider of home infusion services; Sun Behavioral, which operates freestanding inpatient psychiatric hospital facilities; Verisma, an information technology provider focused on delivering release of information solutions to health systems and hospitals; and Seniorlink, a provider of home and community-based services to seniors and people with disabilities. More information about NewSpring is available at www.newspringcapital.com.

The Carlyle Group — Founded in 1987, Carlyle (NASDAQ: CG) is one of the largest PE platforms in the country. With its U.S. headquarters in Washington, D.C., Carlyle's corporate private equity platform has \$55 billion in assets under management. The firm has 21 buyout funds and 11 growth capital funds. Healthcare is one of its several core industries. Current U.S. healthcare companies in Carlyle's portfolio include AcuFocus, developer of a surgical implant for the correction of presbyopia (age-related farsightedness); ConvaTec, a developer and marketer of medical technologies in areas including wound and skin care, ostomy care, continence and critical care, and infusion devices; Ortho-Clinical Diagnostics, a provider of solutions for screening, diagnosing, monitoring and confirming diseases; and Proteus Digital Health, a developer of products focused on improving congestive heart failure therapy. More information about Carlyle is available at www.carlyle.com.

Pulse Equity Partners — Founded in 2010, Pulse pursues growth equity investments and buy and build strategies within three focus areas: healthcare, healthy lifestyles and nutrition. The firm, based in New York, prefers to make more substantial investments from a dollars perspective, from a minimum of \$20 million up to \$100 million in equity. Companies in its current portfolio include Prospira PainCare, a provider of multidisciplinary pain management services; In-Shape Health Clubs, which owns and operates health clubs in California; and PhysicianOne Urgent Care, a provider of urgent care for non life-threatening medical conditions in Connecticut. More information about Pulse is available at www.pulseequity.com.

CommonView Capital (CVC) — CVC specializes in investments in lower middle-market companies. The firm seeks control equity investment opportunities in companies with at least \$15 million of sales and \$2.5 million of cash flow. CVS is also willing to evaluate smaller strategic add-on acquisitions for its portfolio companies, and will consider partnering with other investors for larger transactions. More information about CVC is available at www.commonviewcapital.com.

Great Point Partners — Founded in 2003, Great Point focuses exclusively on healthcare, with a particular emphasis on biopharmaceutical services and supplies, services, outsourcing, pharmaceutical infrastructure and information technology. The firm, based in Greenwich, Conn., typically invests between \$7 million and \$25 million. Companies in its portfolio

include American Surgical Professionals, a provider of surgical assistant services; Aris Radiology, an outsourced provider of professional radiology services to hospitals; Citra Health Solutions, a technology-enabled population health management and care coordination provider; Clinical Supplies Management, a provider of clinical trial drug packaging, labeling and logistics solutions for the pharmaceutical and biotechnology industries; an Professional Orthopedic and Sports Physical Therapy, a provider of physical therapy and rehabilitation services in the New York metropolitan area. More information about Great Point is available at www.gppfunds.com.

Madison Dearborn Partners (MDP) — Founded in 1992, MDP pursues management buyouts and structured minority investments. The firm, based in Chicago, focuses on value-oriented mature businesses and growth-oriented companies in several industries, including healthcare. Current healthcare companies in its portfolio include Kaufman Hall, a provider of consulting services and enterprise performance management software; Multi Packaging Solutions, a provider of packaging solutions; Option Care, a provider of home and alternate site infusion services; Performance Health, a supplier to rehabilitation, recovery and sports medicine markets; and VWR International, a distributor of equipment and consumable supplies to the laboratory sector. More information about MDP is available at www.mdcp.com.

GCM Grosvenor Capital Management — Founded in 1971 and based in Chicago, GCM Grosvenor is a global asset management firm with over \$45 billion invested in hedge fund, private equity, real estate and infrastructure. GCM Grosvenor's fund investment programs' areas of focus include middle-market buyout and small, emerging and diverse private equity managers. The firm's direct investments include leveraged buyout, growth and venture capital equity co-investments in sponsor led transactions and , structured equity, distressed debt and mezzanine debt strategies. GCM Grosvenor is a regular and active investor in the healthcare space. More information about Grosvenor is available at www.gcmlp.com.

Heritage Group — Founded in 1986, Heritage claims 15 healthcare organizations as its limited partners. The firm, based in Nashville, Tenn., focuses in investments in healthcare IT and healthcare services. Companies in its current portfolio include Aver, a provider of software solutions to support bundled payment initiatives for payors and providers; Aviacode, a provider of remote medical coding services and software to hospitals and physician groups; MDLIVE, a provider of telehealth services and software; Medical Solutions, a healthcare staffing firm that specializes in placing registered nurses in temporary travel assignments; and Sharecare, a social engagement platform for consumers. More information about Heritage is available at www.heritagegroupusa.com.

TA Associates Management — Founded in 1968, TA considers a range of investment types, from minority to majority investments. The firm, based in Boston, invests in healthcare and several other sectors. With North American companies, TA seeks to make investments ranging from \$50 million to \$500 million in growing and profitable companies. Current healthcare companies in its portfolio include CCRM, a provider network of fertility treatment services; eviCore healthcare, a provider of medical cost management services for commercial and Medicaid payors; MedRisk, a provider of managed physical medicine and diagnostic imaging cost-containment services for workers' compensation insurers; Senior Whole Health, a health plan provider; and Twin Med, a medical supplies distributor serving long-term care and hospice facilities. More information about TA is available at www.ta.com.

Blue Sea Capital — Founded in 2013, Blue Sea targets investments in lower middle-market companies in healthcare and few other industries. The firm, based in West Palm Beach, Fla., seeks companies with up to \$30 million in EBITDA for primarily majority investments up to \$60 million in total equity and \$200 million in total value. Current healthcare companies in its portfolio include Deca Dental, a dental services organization that provides preventative, cosmetic and specialty dentistry services in over 50 offices, and DDS Lab, a dental laboratory that sells custom dental prosthetic appliances to dental service organizations, mid-size group practices and sole practitioner dentists. More information about Blue Sea is available at www.blueseacapital.com.

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