Clinical Workstation

Market Insights

January 2013

LEAGUE★PARK

Investment Banking Solutions for the Middle Market

Market Overview

Market Definition

The clinical workstation market comprises designers, manufacturers, and providers of mobile and wall-mounted clinical workstation solutions for the healthcare industry, including powered and non-powered mobile documentation and medication carts, wall stations and articulating wall arms, and related accessories and services. Clinical workstations enable mobile and point-of-care computing and can be integrated into virtually any clinical workflow to support patient care, clinical documentation, and medication administration, as well as the adoption, implementation, and use of electronic medical records ("EMR"), electronic medication administration records ("eMAR"), and other clinical applications. Clinical workstations are principally utilized by nurses in nearly all healthcare environments, including (i) hospitals and multihospital health systems in the acute care end market; (ii) physician practices in the ambulatory care end market; and (iii) other healthcare providers, such as ambulatory surgery centers, medical imaging and diagnostic facilities, and dialysis centers; long-term care facilities, nursing homes, and assisted living facilities; and offices of optometrists, podiatrists, chiropractors, specialty therapists, and other healthcare professionals.

Market Drivers

Strong Healthcare Fundamentals

As noted in League Park's **Q3 2012 Healthcare Market Update**, the overall healthcare industry has been driven by strong long-term fundamentals, including (i) consistent population growth; (ii) demographic changes in an aging population; (iii) epidemiologic trends driven by the increasing prevalence of various health risk factors and chronic diseases; and (iv) recession resistance characterized by the non-discretionary nature of healthcare spending and growth of U.S. annual healthcare expenditures relative to gross domestic product ("GDP"), as demonstrated in **Figure 1**. In addition, legislation focused on controlling healthcare expenditures and promoting the adoption, implementation, and use of healthcare information technology ("IT") has served as a key market catalyst over the past several years.

Figure 1: U.S. Annual Health Expenditures versus GDP

Years Ended and Ending December 31, 2000 – 2020P
$ in billions, % of GDP
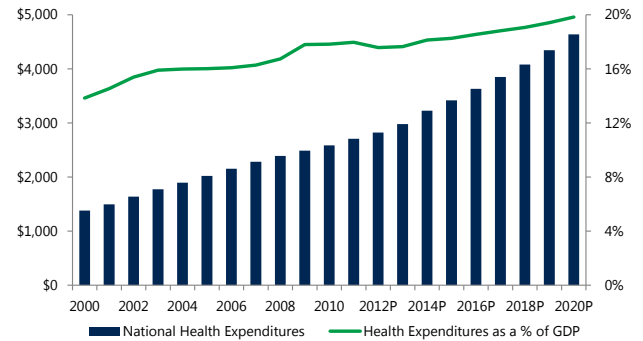
Sources: U.S. Bureau of Economic Analysis, Centers for Medicare and Medicaid Services ("CMS").

Consolidation of Healthcare Providers

The Patient Protection and Affordable Care Act ("PPACA") of 2010 accelerated the consolidation of healthcare providers through the formation of novel care delivery and reimbursement models administered by CMS. According to the American Hospital Association ("AHA"), a growing number of hospitals in the acute care end market are joining affiliated organizations. As of 2011, 60.5% of U.S. community hospitals were part of a multihospital system (i.e., two or more hospitals owned, leased, sponsored, or contract managed by a central organization), and 30.9% of U.S. community hospitals were part of a health network (i.e., a group of hospitals, physicians, other providers, payors, and/or community agencies that work together to coordinate and deliver a broad spectrum of healthcare services). Likewise, according to Frost & Sullivan, the number of physicians practicing medicine in large groups (i.e., more than ten physicians) is projected to increase from 11.1% to 29.0% of all physicians in the ambulatory care end market from 2009 to 2016P.

These ongoing consolidation trends have accelerated the adoption of healthcare IT as providers navigate new reimbursement mechanisms (i.e., value-based purchasing, pay-for-performance, and bundled payments), care delivery structures (i.e., accountable care organizations and patient-centered medical homes), and an evolving healthcare system increasingly focused on population health management and care coordination. In addition, the consolidation of healthcare providers into larger systems, networks, and groups provides both (i) larger operating

and capital budgets for organizations to invest in healthcare IT, clinical workstations, and related technologies, and (ii) the impetus for previously independent providers to follow a shared implementation timeline focused on standardizing all members on a common IT infrastructure, achieving associated cost synergies, and preparing for provider-to-provider and facility-to-facility interoperability.

Adoption of Healthcare Information Technology

Through the Health Information Technology for Economic and Clinical Health Act ("HITECH") – a part of the American Recovery and Reinvestment Act ("ARRA") of 2009 – CMS has provided incentive payments to encourage hospitals and physicians to adopt, implement, and demonstrate meaningful use of EMRs. The Health Information and Management Systems Society ("HIMSS") measures the adoption of healthcare IT by U.S. community hospitals in the acute care end market through its EMR Adoption Model ("EMRAM"), as summarized in **Figure 2**.

Figure 2: HIMSS EMR Adoption Model

As of September 30, 2012

| Stage	Cumulative Capabilities
Stage 0	All three ancillaries not installed (i.e., laboratory, radiology, and pharmacy)
Stage 1	All three ancillaries installed
Stage 2	Clinical data repository ("CDR"); controlled medical vocabulary; clinical decision support ("CDS"); document imaging; and health information exchange ("HIE") capable
Stage 3	Nursing / clinical documentation (e.g., flow sheets); CDS (e.g., error checking); and picture archiving and communication systems ("PACS") available outside radiology
Stage 4	Computerized provider order entry ("CPOE") and CDS (e.g., clinical protocols)
Stage 5	Closed loop medication administration
Stage 6	Physician documentation (e.g., structured templates); full CDS (e.g., variance and compliance); and full radiology PACS
Stage 7	Complete EMR; clinical care document ("CCD") transactions to share data; data warehousing; and data continuity with emergency department, ambulatory, and outpatient

Source: HIMSS Analytics.

Hospitals typically begin implementation of clinical workstations once they have reached EMRAM's third stage, in which clinical documentation for nurses is enabled, early clinical decision support ("CDS") capabilities are deployed, and medical imaging studies are available outside of radiology departments. The utility of clinical workstations increases as hospitals advance through EMRAM's fourth, fifth, and sixth stages, in which clinical documentation for physicians is enabled, full CDS capabilities are deployed, and computerized provider order entry ("CPOE") and closed loop medication administration systems are put in place. As demonstrated in **Figure 3**, the percentage of U.S. community hospitals at or beyond EMRAM's third stage has increased rapidly over the past five years from 41.5% in 2008 to 76.6% in 2012.

Figure 3: HIMSS EMR Adoption Model

As of December 31, 2008 – 2011 and September 30, 2012
% of hospitals
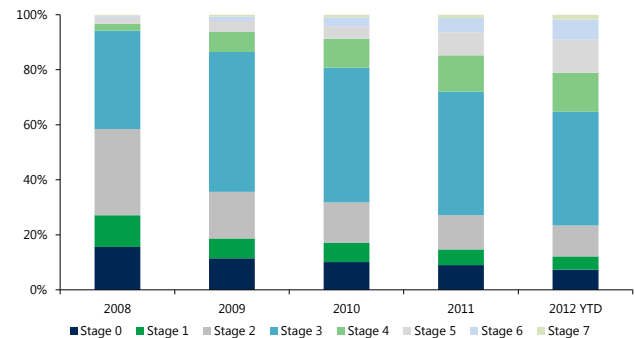
Source: HIMSS Analytics.

Alignment with Healthcare Quality Improvement

In 1998, the Institute of Medicine's "To Err Is Human" report highlighted the medication administration process in hospitals as a key opportunity for improvement through the implementation of emerging technologies such as CPOE systems, as well as the dissemination of best practices such as the "Five Rights of Medication Administration" (i.e., ensuring that the right medication is delivered to the right patient, in the right dose, via the right route, and at the right time, with appropriate documentation and reporting). To reduce preventable medication errors, mobile clinical workstations have integrated medication drawers, barcode scanners, and other features and functionalities that are designed to fulfill the workflow and technology requirements of various medication management, dispensing, and administration models, including centralized, decentralized, hybrid, robotic, and bedside medication verification processes.

Technology Trends

Recent advances in mobile and wall-mounted clinical workstations have focused on (i) improving overall ergonomics and mobility; (ii) enhancing functionality and productivity by enabling nurses to complete numerous workflow tasks at the point-of-care, including patient care, medication administration, clinical documentation, patient education, and care coordination; and (iii) accommodating technology upgrades to computers, monitors, power systems, peripheral devices, and other technology components. Notably, new power system developments have enhanced workstation safety, security, and ergonomics by enabling (i) "hot swap" battery systems that provide mobile carts with a continuous power supply without being removed from service for recharging or battery replacement; (ii) more powerful computers, larger monitors, powered height adjustments, keyboard and work surface lighting, and touch control panels; and (iii) automatically locking doors and drawers with electronic keypad locks that secure computers, monitors, and peripheral devices, as well as patient information, medications, and medical supplies. Finally, with enhanced power systems, mobile carts are being outfitted with smart medication drawer systems that (i) can be individually locked and unlocked for each patient; (ii) are integrated with EMRs and eMARs as well as barcode verification systems; and (iii) extend best practices associated with the "Five Rights of Medication Administration" to transform the safety and security of the "last mile" of medication administration workflows (i.e., delivering medications from hospital pharmacies and automated dispensing cabinets to the point-of-care at the patient's bedside).

While novel mobile devices such as laptops, tablets, and smart phones pose a perceived substitution risk to clinical workstations, these devices are expected to remain complementary to clinical workstations for several reasons. First, due to the volume and complexity of information presented by EMRs and other clinical information systems, graphical user interfaces ("GUI") for these applications are increasingly being designed for larger monitors. As a result, customers favor clinical workstations that support personal computers with larger liquid crystal display ("LCD") monitors, more advanced screen resolutions, and dual monitor configurations.

Second, the emergence of application service provider ("ASP"), software-as-a-service ("SaaS"), and cloud-based models has enabled point-of-care computing using tablets and smart phones with mobile EMR applications. These applications are most commonly utilized by physicians for clinical documentation and order entry during rounds. However, certain workflows cannot be decoupled from clinical workstations, including (i) more detailed documentation, order entry, and care coordination performed by nurses that requires access to the complete EMR and other clinical information systems rather than simplified mobile applications; (ii) medication administration using barcode scanners integrated with EMRs, eMARs, and medication drawers for bedside medication verification and reporting; and (iii) preparation of medications and procedural supplies on infection-controlled work surfaces.

Third, information security and patient privacy standards set by the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 place a premium on maintaining information security in healthcare environments. As a result, healthcare providers have become standardized on certain hardware and software, tempering adoption rates for novel technologies and lagging behind commercial and consumer markets in the dissemination of mobile computing technology. In addition, mobile devices are vulnerable to physical theft (i.e., particularly when clinicians are engaged in patient care activities), and new operating systems for these devices have been perceived as security risks that have yet to be vetted against rigorous IT specifications.

Over the long-term, it is expected that clinical workstations and mobile devices will evolve to play complementary roles within the arsenal of physicians, nurses, and other clinicians, similar to personal computers and smart phones in today's commercial and consumer sectors. In fact, some manufacturers have already begun integrating docking stations for laptops, tablets, and other mobile devices into clinical workstations. These docking stations can provide a secure, infection-controlled location at the point-of-care for clinicians to (i) store mobile devices when engaged in patient care activities; (ii) recharge mobile devices when not in use; and (iii) connect mobile devices to larger monitors to enhance interaction between clinicians and patients.

Market Constituents

The clinical workstation market is comprised of healthcare-focused operating subsidiaries of large diversified public companies, private middle market companies sponsored by private equity firms or owned by entrepreneurs, and a number of small niche competitors. In addition to providing a comprehensive portfolio of mobile and wall-mounted clinical workstations and related accessories, key points of differentiation for clinical workstation providers include the following:

- Customization of workstations with various product configurations and accessories to satisfy continuously evolving workflow and technology requirements;
- Integration of workstations with patient care, clinical documentation, medication administration, mobile computing, and other workflows at the point-of-care;
- Interoperability of workstations with existing IT infrastructure, including computers, monitors, and peripheral devices, as well as EMRs, eMARs, and other clinical applications used at the point-of-care;
- Power system performance, including "hot swap" battery systems as well as lithium phosphate battery chemistries that have enhanced run-time, increased recharging efficiency, and extended overall battery life and time to replacement compared to sealed lead acid batteries;
- Customer service offerings, including consultation, installation, integration, maintenance, and support services;
- Ergonomic design and mobility that optimizes the user experience in all environments and phases of use; and
- Overall product quality and durability.

Mergers and Acquisitions

League Park monitors mergers and acquisitions ("M&A") activity in the healthcare IT sector on a continuous basis. As noted in League Park's **Q3 2012 Healthcare Market Update**, League Park has identified, qualified, and analyzed more than 1,100 M&A transactions in the healthcare IT sector since January 1, 2007.

As noted in League Park's **Q3 2012 Market Update**, overall M&A activity across all industries declined throughout the recession and reached a five-year minimum in Q1 2009. A recovery in M&A activity in the healthcare IT sector began in Q2 2009, with consistent growth in transaction volume maintained through 2012, as shown in **Figure 4**. While there were less than 150 transactions in the healthcare IT sector in both 2008 and 2009, M&A activity increased substantially from 2010 through 2012, exceeding 200 transactions for the last twelve months ended September 30, 2012.

Figure 4: Healthcare IT M&A Activity

Years Ended December 31, 2007 – 2011 with Last Twelve Months Ended September 30, 2012
number of transactions
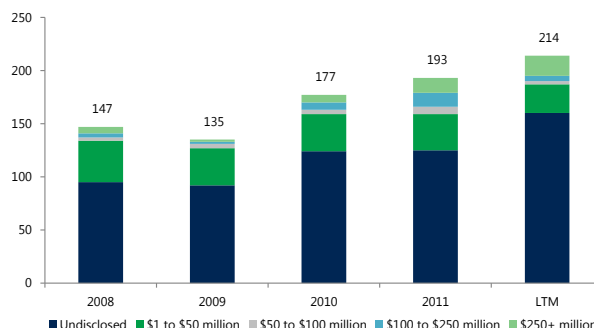
Sources: League Park, Company Disclosures, and CapitalIQ.

A summary of representative M&A transactions that are relevant to the clinical workstation market is provided in **Figure 5**.

Figure 5: Representative Clinical Workstation Transactions

As of January 18, 2013

$ in millions

Target	Target Description	Acquirer	Transaction Date	Transaction Value
Stinger Medical	Provider of mobile clinical workstations, power solutions, and fleet tracking and other related medical technologies for the acute care market	Riverside Partners	Jan-13	n/a
GetWellNetwork	Provider of interactive patient care solutions delivered across technology platforms that enable healthcare providers to engage and educate patients along the care continuum	Welsh, Carson, Anderson & Stowe	Jan-13	n/a
AeroScout	Real-time location and unified asset visibility solutions to track and manage the location, condition, and status of mobile assets for healthcare and industrial applications	Stanley Black & Decker (NYSE:SWK)	Jun-12	$238.8
MTS Medication Technologies	Provider of medication management equipment, software, and consumables used by institutional pharmacies to supply single-dose and multi-dose adherence packages	Omnicell (NasdaqGS:OMCL)	May-12	$160.2
PHACTS	Provider of software and automation solutions for hospital pharmacies, including inventory management, pharmacy automation, and barcode medication administration	CareFusion Corporation (NYSE:CFN)	Mar-12	n/a
JAOtech	Provider of smart bedside terminals, related software, and multimedia for clinical point-of-care, patient entertainment, and communication applications	Barco (ENXTBR:BAR)	Feb-12	n/a
Rowa Automatisierungssysteme	Provider of bedside terminals in hospitals for accessing clinical applications, deploying patient survey systems, and delivering communication and multimedia services	CareFusion Corporation (NYSE:CFN)	Aug-11	$150.0
Midwest Products and Engineering	Provider of mobile carts, consoles, tables, and assemblies for the medical market	Pfingsten Partners	Jun-11	n/a
InfoLogix (OTCPK: IFLG)	Provider of enterprise mobility solutions for the healthcare and commercial industries, including mobile workstations and asset tracking solutions	Stanley Black & Decker (NYSE:SWK)	Jan-11	$52.6
Ergotron	Provider of ergonomic mounting and mobility products, including arms, carts, and workstations for computer monitors, notebooks, and flat panel displays	Nortek (NasdaqGM:NTK)	Dec-10	$289.8
Pandora Data Systems	Provider of analytical software for medication diversion detection and regulatory compliance	Omnicell (NasdaqGS:OMCL)	Sep-10	$6.0
Hospedia	Provider of bedside terminals in hospitals for accessing clinical applications, deploying patient survey systems, and delivering communication and multimedia services	Marlin Equity Partners	Aug-10	n/a
MTS Medication Technologies	Provider of medication management equipment, software, and consumables used by institutional pharmacies to supply single-dose and multi-dose adherence packages	Excellere Partners	Dec-09	$47.5
Artromick International	Provider of mobile medication carts, medical carts, and technology carts for the long-term care and acute care industries	Capsa Solutions	Nov-09	n/a
Med-Dispense	Provider of automated medication dispensing solutions for small hospitals and specialty healthcare facilities	Emerson Electric Company (NYSE:EMR)	Dec-08	n/a
MMI Medication Carts	Provider of mobile medication carts for long-term care providers	Capsa Solutions	Apr-08	n/a
Rioux Vision	Provider of mobile cart technology that enables medication management processes at the point-of-care	Omnicell (NasdaqGS:OMCL)	Dec-07	$26.0
Lionville Systems	Provider of medication management systems, including medication carts, pharmacy fixtures, anesthesia carts, and medication cabinets for healthcare facilities	Emerson Electric Company (NYSE:EMR)	Mar-07	n/a
Med-Dispense	Provider of automated medication dispensing solutions for small hospitals and specialty healthcare facilities	CMS Small-Cap Private Equity Fund	Jan-07	n/a
Flo Healthcare Solutions	Provider of wireless mobile clinical workstation solutions, wireless access point systems, and accessories for medication management, telehealth, and imaging applications	Emerson Electric Company (NYSE:EMR)	May-06	n/a

Sources: League Park, Company Disclosures, and CapitalIQ.

Recent M&A Trends

Over the last two years, M&A activity in the clinical workstation market has shifted away from manufacturers of clinical workstations to providers of complementary products and services, including the following market segments:

- Asset tracking, radiofrequency identification ("RFID"), real-time location systems ("RTLS"), remote fleet management, and power monitoring and management technologies and related software;
- Medication management, dispensing, and administration solutions supporting clinical workflows spanning from the pharmacy to the point-of-care, including pharmacy automation and medication management and dispensing equipment, closed loop medication administration systems, and barcode medication verification solutions;
- Interactive patient care solutions – comprising smart bedside terminals, patient consoles, and related software applications, content, and media – that enable access to EMRs and other clinical applications at the point-of-care, as well as interactive patient care solutions for patient communication, education, engagement, and entertainment;
- Biometric and proximity identification and authentication technologies, single sign-on software, and other security, safety, and access related technologies; and
- Telehealth hardware and software that facilitate remote patient monitoring of biometric parameters, remote professional review and interpretation of medical imaging studies and diagnostic tests, and remote professional consultation services.

Strategic Rationale

The strategic rationale for M&A transactions focused on these technologies includes:

- Adding complementary and/or proprietary technologies to diversify revenue across a larger portfolio of products and services, create differentiated and more comprehensive product and service offerings, and develop a sustainable competitive advantage;
- Transitioning business models from clinical workstation implementations to a greater focus on driving recurring revenue through the delivery of value-added technologies and services to an already installed client base with a large fleet of workstations;

- Leveraging key trends in healthcare reform by acquiring technologies that enable (i) the management of personnel and assets across multiple facilities from a centralized location given the recent and ongoing consolidation of providers; (ii) the augmentation of information security and privacy while simultaneously simplifying the user experience; (iii) the utilization of healthcare IT integrated with clinical workflows at the point-of-care to enable providers to demonstrate the meaningful use of EMRs; and (iv) the improvement of patient engagement and patient experience through interactive patient care solutions; and
- Becoming vertically integrated within clinical workflows and horizontally integrated across healthcare providers, such as providing medication management, dispensing, and administration solutions spanning from the hospital pharmacy to the patient's bedside, as well as across the full continuum of care from hospitals to long-term, non-acute, and ambulatory care settings and finally to the home.

Representative M&A Transactions

Clinical Workstations

Stinger Medical Has Been Acquired by Riverside Partners
Riverside Partners (Boston MA) – a private equity firm focused on growth-oriented companies in the healthcare and technology industries – completed an investment in Stinger Medical (Murfreesboro, TN) in January 2013. Stinger Medical provides mobile clinical workstations, proprietary power systems, fleet tracking solutions, and related technologies for hospitals in the acute care end market focused on streamlining workflow processes, reducing errors, and enhancing the quality of patient care.

Asset Tracking

AeroScout Has Been Acquired by Stanley Black & Decker
Stanley Healthcare Solutions – a subsidiary of Stanley Black & Decker (NYSE:SWK) (Framingham, MA) – acquired AeroScout (Redwood City, CA) in June 2012. AeroScout provides real-time location systems, unified asset visibility solutions, and wireless sensor technologies for healthcare, industrial, and security applications. The company's products leverage RFID technology and standard WiFi networks to track and manage the location, condition, and status of mobile assets and people.

Stanley Healthcare Solutions provides patient safety, storage, and supply chain solutions to acute care hospitals and long-term care facilities, including patient security and tracking, asset management and storage solutions, and consulting services for EMR implementations. The acquisition of AeroScout complements the prior acquisition of InfoLogix by providing asset management, condition monitoring, infection control, and related solutions to enhance the company's mobile workstation offering.

Medication Management

MTS Medication Technologies Has Been Acquired by Omnicell

Omnicell (NasdaqGS:OMCL) (Mountain View, CA) – a provider of hardware and software for the automation of medication and supply management – acquired MTS Medication Technologies ("MTS") (St. Petersburg, FL) in May 2012. MTS provides automated medication adherence packaging systems, consumable products, and software for medication management, dispensing, and administration. The company's products enable institutional and retail pharmacies to supply (i) single-dose, 30-day blister card medication packages that help nurses in long-term care facilities adhere to prescribed orders, and (ii) multi-dose adherence packages that provide all doses required at a given time in a single package to help patients and caregivers manage medication administration in the home.

Likewise, Omnicell's products – comprising central pharmacy automation equipment, automated medication and supply dispensing cabinets, mobile medication carts, and business analytics software – enable hospitals to (i) acquire, manage, dispense, and deliver medications and supplies from the point-of-entry through a central pharmacy to the point-of-care in nursing units, operating rooms, and at the bedside; (ii) streamline medication administration workflows to reduce medication errors and address changing healthcare regulations; and (iii) provide effective cost control, charge capture for payor reimbursement, and inventory management of medications and supplies. As the healthcare industry continues to evolve toward care delivery and payment models that provide incentives for providers to be accountable for patients across the full continuum of care (i.e., rather than individual episodes of care), the combination of Omnicell and MTS is well positioned to provide integrated medication management solutions that span both the acute and non-acute care environments.

PHACTS Has Been Acquired by CareFusion Corporation

CareFusion Corporation (NYSE:CFN) (San Diego, CA) – a provider of healthcare products and services – acquired PHACTS (Seattle, WA) in March 2012. PHACTS provides automation solutions for hospital pharmacies, including medication packaging and barcode labeling systems, as well as software to manage pharmacy inventory and operate pharmacy carousel hardware for high-density medication storage and retrieval. Combined with CareFusion's core automated medication dispensing systems, PHACTS will be integrated with CareFusion's end-to-end medication management solution to help hospital pharmacies optimize inventory management, reduce pharmaceutical costs, and enable barcode medication administration workflows.

Interactive Patient Care

GetWellNetwork Has Been Acquired by Welsh, Carson, Anderson & Stowe

Welsh, Carson, Anderson & Stowe (New York, NY) – a private equity firm focused on healthcare as well as information and business services – acquired GetWellNetwork (Bethesda, MD) in January 2013. GetWellNetwork is a provider of interactive patient care solutions. The company's patient-centered platform (i) can be delivered across multiple technology platforms such as mobile devices, computers, and televisions; (ii) enables providers to improve outcomes by engaging, educating, and empowering patients along the care continuum; and (iii) integrates with EMRs and patient portal applications.

JAOtech Has Been Acquired by Barco

Barco (ENXTBR:BAR) (Kortrijk, Belgium) – a provider of display systems and visualization solutions for diagnostic and modality imaging – acquired JAOtech (Surrey, United Kingdom) in February 2012. JAOtech is a provider of smart bedside terminals, integrated computing and multimedia solutions, and related software for clinical point-of-care, patient entertainment, and communication applications. The company's products include (i) medical-grade bedside terminals with modular customization options, such as barcode scanners, smart cards, and RFID readers; (ii) ergonomic mounting solutions for medical keyboards, wall arms, and wall boxes; and (iii) specialist software drivers and interactive healthcare applications enabling integration with hospital information systems, secure access to EMRs and vital patient information, and delivery of patient education and entertainment through access to television, radio, and the internet.

Emmi Solutions Has Been Capitalized by Primus Capital

Primus Capital (Cleveland, OH) – a private equity firm that invests in high-growth companies in the healthcare, software, technology-enabled services, and education industries – completed an investment of growth capital in Emmi Solutions (Chicago, IL) in January 2013. Emmi Solutions provides a multi-modal technology platform to deliver patient engagement and empowerment programs that support care processes and care transitions across the full continuum of care.

Skylight Healthcare Systems Has Been Capitalized by The Duchossois Group

Duchossois Capital Partners – an affiliate of The Duchossois Group (Elmhurst, IL) focused on growth stage investments in healthcare, IT, and security companies – completed an investment of growth capital in Skylight Healthcare Systems (San Diego, CA) in September 2012. Skylight Healthcare Systems provides interactive patient content systems to help hospitals educate patients, manage the patient stay, and improve operations and workflow. The company's platform (i) empowers patients and their families to actively participate in their healthcare from pre-admission and hospitalization through discharge planning and post-discharge follow-up; (ii) improves communication and information flow between clinicians, patients, and their families by addressing patient education, health literacy, and access to services; and (iii) enables hospitals to engage patients in order to improve patient experience and HCAHPS scores, while reducing readmissions and other adverse events.

For More Information

For more information regarding (i) the clinical workstation market; (ii) any of the market insights, M&A trends, or transactions discussed in this report; or (iii) information sources utilized by this report, please contact Joe Foley at (216) 455-9991 or Stephen Hrinda at (216) 455-9992.

LEAGUE PARK OVERVIEW

League Park is a boutique investment bank that professionally and ethically advises clients on strategies aimed to maximize shareholder value. We assist middle market companies with transactions that generate value through mergers and acquisitions, recapitalizations, capital raising, and outsourced corporate development.

Whatever the transaction, our clients receive specialized attention from senior bankers at every step in the deal process. Our team has decades of investment banking, corporate development, private equity, and operational experience, completing over 300 transactions across a diverse range of industries in the past 25 years.

Advisory Capabilities:

Mergers and Acquisitions
Recapitalizations
Capital Raising
Outsourced Corporate Development

Industry Expertise:

Healthcare
- Healthcare providers
- Medical technology
- Healthcare information technology
- Specialty healthcare manufacturing and distribution
- Outsourced services
Business Services
Consumer and Retail
Industrial
Technology

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ForTec Medical Has Acquired Falls Church Laser

ForTec Medical
Forwarding Technology

has acquired

Falls Church Laser

League Park acted as
financial advisor to ForTec Medical
on the transaction

Company Description

ForTec Medical, Inc. ("ForTec") (Streetsboro, Ohio) is a leading national provider of on-call surgical services, offering surgical lasers and technician mobilization on a per case basis to hospitals and surgical centers. The company's national network of service centers covers 38 states and delivers a suite of medical technology mobilization services, including surgical lasers, lithotripsy solutions, laser fibers and accessories, and medical technology maintenance and repairs.

Situation Overview

Having recently completed a related acquisition, ForTec engaged League Park to explore strategic alternatives, expand the company's corporate development capabilities, and develop and execute a long-term strategic plan for the company. Driven by recent consolidation trends in the medical technology mobilization industry, the shareholders elected to pursue an acquisition strategy to expand the company's national network and diversify revenue across geographies, surgical specialties, and technologies.

Outcome

ForTec acquired Falls Church Laser, LLC ("Falls Church Laser") (Beltsville, Maryland), a regional provider of medical technology mobilization services, offering surgical lasers, related devices, and technician support to hospitals and surgical centers in Maryland and Virginia.

Process Insights

League Park generated robust proprietary deal flow for ForTec by identifying and engaging a diverse group of prospective acquisition candidates for the company, with a focus on mobilization of surgical devices, maintenance and repair, and distribution of laser fibers and surgical consumables. The shareholders of regional privately-owned companies in the medical technology mobilization industry demonstrated strong interest in exploring a broad range of strategic alternatives with the objective of building a larger network for the provision of high quality local services.

League Park's Role

- Launched a website for ForTec (www.forteccapital.com) and developed related informational materials to market the company's investment and growth strategy;
- Identified and engaged prospective acquisition targets to qualify their level of interest in a potential sale transaction and enter into a letter of intent with exclusivity;
- Conducted rigorous financial analyses of the company and prospective targets to determine appropriate valuation and transaction structures;
- Negotiated and structured the transaction and relevant terms and conditions; and
- Managed the due diligence process and the interaction of all parties involved in the transaction, including the shareholders of ForTec and Falls Church Laser and their respective legal and accounting advisors.

SOURCES AND DISCLOSURE

Sources Referenced:

CapitalIQ
Centers for Medicare & Medicaid Services
Company Investor Presentations
Company Press Releases
Equity Research
Frost & Sullivan
Healthcare Information & Management Systems Society
Office of the National Coordinator for Health Information Technology
SEC Filings and Forms (EDGAR)

Disclosure:

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