



# HERITAGE

# HEALTHCARE

WE UNDERSTAND FAMILY/FOUNDER OWNED BUSINESSES

Prudential Tower  
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For over twenty years, Heritage has been focused on providing equity capital to growing family and founder owned businesses in the healthcare industry. In total, the team has assembled a diverse portfolio of over 50 investments with aggregate revenues of more than \$3.5 billion. Our portfolio has included a significant healthcare focus including investments in emergency medicine, skilled nursing, rehabilitation, pharmacy distribution, and healthcare product distribution. Our investment strategy consists of two creative offerings: *The Private IPO*<sup>®</sup> and Structured Equity.

### **The Private IPO<sup>®</sup>**

- 80% cash out with 50% retained economic ownership and voting control for family-owned or founder-controlled businesses
- Provides:
  - Immediate liquidity to achieve personal diversification, cash-out minority shareholders or inactive family members, and create the basis for estate planning
  - Voting control through modest reinvestment so that the firm remains in family or founder's hands
  - Growth capital to take the business to the next level
  - Economic upside providing the family/founder 50% of the common equity of the business at exit
  - Unique partnership with a firm whose culture is based on trust, integrity and creativity

### **Structured Equity**

- Minority preferred equity investment in family-owned or founder-controlled businesses
- Provides:
  - Patient and flexible equity solution not reliant on raising new debt capital
  - Growth capital for investments and acquisitions
  - Debt reduction to improve capital structure
  - Partial liquidity for active or inactive shareholders
  - Experienced financial partner with the resources and track record to support future growth via acquisitions and/or strategic capital expenditures
- Preferred security using combination of dividend (PIK and/or cash) and equity component
- Structure to include board representation and standard minority approval rights

### **Investment Criteria**

- Privately held, mature businesses with a minimum of five years of stable cash flow
- Effective and experienced management teams interested in a meaningful investment in the business
- Experience with government reimbursement

### **Sectors of Particular Interest**

Business Process Outsourcing	Home Healthcare	Medical Devices	Specialty Pharmacy Distribution
CRO/CMO	Hospice	Rehabilitation	Specialty Physician Groups
Dental Products	Lab Testing	Revenue Cycle Management	Workers Compensation
Disease Management	Long Term Care Pharmacies	Skilled Nursing	

### **Company Size**

- Minimum EBITDA: \$5 million
- Minimum Investment: \$15 million

Please address new investment opportunities to:

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## Representative Investments



### REACH Air Medical Services

- Regional provider of air medical transportation services with 14 bases located in California, Texas, and Oregon
- Attracting hospital partners through best-in-class healthcare focus
- Heritage Structured Equity investment provided growth capital for new base expansion and liquidity for current shareholders without requiring new lender
- [www.reachair.com](http://www.reachair.com)



### Skilled Healthcare

- Leading multi-state healthcare provider of long-term, post-acute care services
- Early adopter of high acuity treatment capabilities
  - In-Patient Care:** 58 SNFs and 13 ALFs in California, Texas, Kansas and Nevada
  - Rehabilitation:** 1250 therapists servicing 165 facilities specializing in geriatric rehabilitation
  - Hospice:** Seven SHG facilities and 40 third-party facilities
  - Institutional Pharmacy:** Focused on California market
- Heritage *Private IPO*<sup>®</sup> investment provided liquidity to diversify family shareholder wealth and complete strategic follow-on acquisitions
- Successful exit to private equity investor

## RivienHealth

### Rivien

- Outpatient physical therapy provider with deep presence in California and Canada
- Created corporate office to centralize clinic administrative burden
- Heritage modified *Private IPO*<sup>®</sup> structure created multinational network of family/founder owned service providers
- Successful exit to management



### W.A. Butler Company

- Largest national veterinary distributor of animal health products for companion animals in the U.S., offering a broad selection of over 15,000 veterinary products
- Instituted state-of-the-art sales force management and direct marketing tools
- Heritage investment provided significant liquidity to family shareholders and gave

