

M&A UPDATE

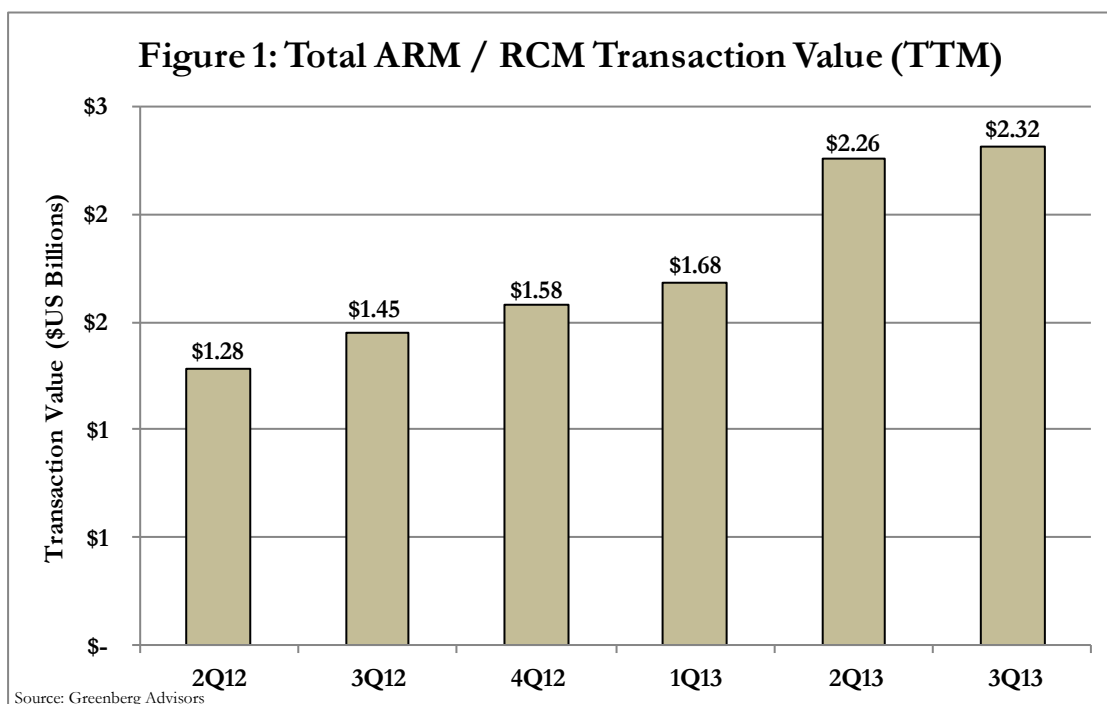
Healthcare Services Deal Lifts YTD 2013 Deal Value Above All of 2012

Deal activity in the 3rd quarter was driven by companies of all sizes and included the acquisition of a substantial Revenue Cycle Management (RCM) service provider.

The Outsource Group (TOG), a US-based RCM company for over 160 hospitals and physician groups, was acquired early in the quarter by Parallon, increasing Parallon's service offerings and reach with healthcare providers across the US. TOG generated revenue in excess of \$100 million, according to a company press release. The sale reflects the culmination of TOG's 10-year consolidation strategy that included the acquisition of Midwest Collection Services, Inc., a deal in which Greenberg Advisors' staff advised.

Additional transactions involved the re-sale of a significant stake in **Cabot Credit Management** and, separately, the acquisition of **The Lewis Group**. Both of these receivables management firms are based in the United Kingdom, a market which has produced its share of the year's M&A transactions.

Not all of the quarter's deals, however, were large deals. We note an increasing number of small and mid-sized strategic entities making acquisitions, and we expect this to continue given market forces that reward entities possessing scale. As some small companies struggle to operate profitably, they've elected to sell or merge. In fact, about 25% of the deals in 2013 YTD involved distressed sellers. If 2013 were to finish at that level, it would be the highest level of distressed activity since 2010.



Though fewer deals were completed in the 3rd quarter, aggregate transaction value continues to rise, in large part due to some of the transactions noted above. In 2013 YTD, aggregate deal value was \$1.6 billion, surpassing the total achieved in all of 2012. If viewed on a TTM basis through 3Q 2013 (See Figure 1 above), a staggering \$2.3 billion traded hands, a level not reached since 2008.

To discuss any aspect of the transactions occurring in today's market, including deal valuations and structures, or to discuss your strategic plans, contact us to arrange a call or meeting.

Greenberg Advisors, LLC provides trusted M&A and strategic advice within the financial services and business services sectors worldwide. The firm is best known for its expertise in Accounts Receivable Management (ARM), Revenue Cycle Management (RCM), Business Process Outsourcing (BPO), and Specialty Finance. Focused on these interrelated sectors for over 17 years, the firm's professionals offer a comprehensive, yet highly specialized perspective from which to advise clients, which has resulted in the completion of nearly 100 merger & acquisition (M&A), capital raising, valuation, and strategic advisory engagements. These client successes reflect its distinct client-first approach, objective point of view, deep sector expertise, and roll-up-the-sleeves work ethic.