BROCAIR PARTNERS
Intelligent Healthcare Investment Banking

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Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

Brocair Partners clears securities transactions through Billow Butler & Company, LLC, member FINRA.

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Sell-Side M&A for U.S. Privately-Traded Company

"The Center" Group of Companies n/k/a Candescent Healing, LLC
September 2009
M&A Sell-Side Advisory

Our Client

A group of limited liability companies, now renamed Candescent Healing, LLC.

Industry/Sector

Healthcare: Patient Services

Business Description

Candescent Healing was at the time of the transaction the fifth largest independent wound care service provider in the United States. At that time it operated 25 hyperbaric chambers in ten facilities in the eastern half of the U.S., where it provided state-of-the-art hyperbaric oxygen therapy and wound care treatment. Hyperbaric oxygen therapy is used to heal chronic wounds through increased oxygen which helps stimulate cell growth. Candescent Healing's wound care services include various levels of debridement, the use of human based or bio-engineered skin grafts, the application of growth factors and total contact casting which provides decreased plantar surface pressures over wound areas of the foot. For wound patients who fail to exhibit signs of wound improvement from conventional measures, hyperbaric oxygen therapy is often the next phase of treatment.

Transaction

Brocair Partners acted as the exclusive M&A advisor, in which Brocair ran a controlled auction and structured and negotiated the successful sale of the company to a group of financial sponsors led by Boston-based Candescent Partners. Other members of the syndicate included Gemini Investors and Harbert Management Corporation.

Brocair worked with the founders to present a consolidated description of the business, which was structured as a group of legally separate entities, and prepared descriptive marketing

materials. The deal team then marketed the transaction both to strategic buyers and financial sponsors throughout North America, and organized a roadshow of management presentations. Senior partners of Brocair assisted the founders with negotiating terms with a shortlist of interested parties, and helped management evaluate a range of commercial and financial items under negotiation.

Notable Aspects

This transaction was completed in the 3rd quarter of 2009, which was a particularly difficult financial environment, in which few other transactions were being completed.

What Difference Did We Make?

Brocair Partners' healthcare industry expertise allowed a rapid evaluation of likely buyers, both strategic and financial. Additionally, Brocair's wide network among private equity funds and its contemporary intelligence on the most appropriate sponsors for transactions in the patient services industry, as well as funds' appetites for making new platform investments in light of the difficult financial environment at that time, enabled the deal team to properly position and market the opportunity to the right group of buyers. This targeted approach generated substantial interest in the transaction. Brocair's experience in the healthcare sector also enabled them to work through the complexities of the contract-based business model and medical reimbursement issues and communicate these through the due diligence process to interested parties. In addition, Brocair conducted extensive financial modeling to evaluate a number of structural scenarios and advised the founders on negotiations, thereby achieving a high exit multiple for the founders, even in a difficult credit environment.