

# Fertility and Physician Practice Management

## Sector Spotlight

One of the dominant 21st-century trends in the healthcare landscape has been the combination of standalone physician practices onto single management platforms— or Physician Practice Management (“PPM”). Fertility groups are currently at the leading edge of PPM’s so-called third wave, and the sector has seen dramatic consolidation in the last few years. Cascadia has become a key advisor to clinics and doctors interested in exploring or taking advantage of this increased activity, having advised six fertility clients in the last twelve months.



Cascadia’s first fertility client, **San Diego Fertility Center (“SDFC”)**, began exploring this third wave of consolidation in the second half of 2019. Shortly after SDFC’s process launched, Cascadia began working with a second fertility practice, **Reproductive Partners Medical Group (“RPMG”)**. It was clear, almost immediately, that RPMG’s physicians aligned on several of the principles of the SDFC physicians. Understanding this dynamic and knowing the market’s appetite for scaled assets, Cascadia advised both practices to join and run a combined transaction process.

With the newly formed partnership, Cascadia ran a robust marketing process that included both strategic (existing platforms) and financial buyers (private equity firms without a fertility asset). The two practices garnered significant interest from the market and ultimately decided to partner with **InTandem Capital Partners (“ITC”)** with the idea of creating a differentiated, west coast, fertility platform. Cascadia’s deep understanding of the PPM buyer universe ensured the sellers received favorable terms on all key items in the transaction. Once the transactions were completed, the newly formed platform backed by ITC was rebranded **Ivy Fertility**.

In the second half of 2021, Cascadia began working with additional practices, **Pacific Northwest Fertility (“PNWF”)**, **Utah Fertility Center (“UFC”)**, **Nevada Center for Reproductive Medicine (“NCRM”)**, and **Nevada Fertility Center (“NFC”)**. Both PNWF and UFC, and affiliates, were able to run condensed processes as Cascadia advised on the behavior of all buyers in the previous two processes, allowing for both to transact by the end of 2021 in partnership with Ivy Fertility.

The third wave of consolidation in fertility has created new partnership opportunities for state-of-the-art fertility practices across the country, with five new platforms established in recent years - these platforms have completed 16+ transactions. For practices interested in learning more about the market, Cascadia has become a key advisor with in-depth and recent knowledge of advising flagship physician practices in partnership with existing and new consolidators.

Fertility

# PE Investment in Fertility

Platform	Current Backer	First Institutional Investment Date	2021 Cycles	Locations	# of REIs
		2021	8,000+	CA, ID, NV, NY, UT, WA	25+
		2019	10,000+	AZ, CA, IL, OH, OR, VA, WA	25+
		2019	10,000+	CT, IL, IA, LA, ME, MO, NH, NY, OK, RI, VT	30
	Various	2019	7,000+	CA, CO, GA, IN, MN, MO, NJ, NY, TX, WI	35+
		2019	3,000+	CA, NY	15+
		2016	18,000+	AZ, CA, FL, GA, IL, IN, NY, TN, TX	50+
	Morgan Stanley	2015	11,500+	CA, IN, KY, LA, NV, OH, TN, TX	38+
	 	2015	11,000+	CA, CO, GA, MN, NY, RI, TX, VA	40+
		2014	10,000+	DE, IN, ID, MD, ME, NH, NY, OH, RI, UT	35+
		1998	28,000+	CA, CO, FL, GA, IL, MD, NY, PA, TX, VA	85+

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# Cascadia Client Case Study

San Diego Fertility Center Receives a Growth Equity Investment from InTandem Capital Partners

## Overview



- San Diego Fertility Center is a world-class reproductive center with more than 70 years of collective experience diagnosing and treating infertility
- The five physician-owners are nationally recognized in In-Vitro Fertilization, reproductive endocrinology, and the diagnosis and treatment of infertility
- SDFC’s East and West Coast offices are not only conveniently located for domestic patients but are also accessible for the international community, making SDFC an exceptional destination for fertility tourism
- InTandem Capital (“ITC”) is a private equity firm that invests in and helps accelerate the growth of small to mid-sized companies in select health care and insurance services sectors

## Situation

- SDFC’s five physician-owners, including Dr. L Michael Kettel, recognized that there would be consolidation in their industry and decided that a strategic partner could help them grow their business even more quickly
- ITC emerged as the front runner in a competitive selection process through a creative structure and valuation. SDFC recognized InTandem would be able to help them scale their practice into new geographies and create the preeminent name in reproductive medicine

## Cascadia Process

- Cascadia acted as the exclusive financial advisor to San Diego Fertility Center
- Cascadia ran a broad process that included marketing to strategics and financial sponsors and resulted in several offers above seller expectations

For more information on this transaction,  
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# Cascadia Client Case Study

Reproductive Partners Medical Group Receives a Growth Equity Investment from InTandem Capital Partners

## Overview



- Reproductive Partners Medical Group (“RPMG”) is a leading provider of reproductive endocrinology and fertility services that operates four clinics and is owned by eight physicians
- RPMG, led by former SART president, Dr. Bill Yee, offers a full array of fertility services and treatments at each of its facilities, providing increased physician touches versus the competition
- RPMG clinicians are pioneers in IVF and have a sterling reputation for providing ultra-high quality, white glove fertility treatments

## Situation

- RPMG will serve as a foundational beachhead in conjunction with SDFC for a West Coast-based fertility platform with global reach
- InTandem will provide the capital necessary to increase the RPMG’s geographic presence within the United States by adding additional clinics and physicians and help facilitate international expansion

## Cascadia Process

- Cascadia acted as the exclusive financial advisor to Reproductive Partners Medical Group, Inc
- Cascadia worked closely with management through the full marketing process to allow it to maintain focus on navigating the business through the midst of unprecedented economic turbulence
- Cascadia’s Healthcare team positioned RPMG as a stronger, more efficient Company post-pandemic and drove buyers to value the Company off 2021 financial performance, resulting in a valuation greater than pitched value

**For more information on this transaction,  
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# Cascadia Client Case Study

## Utah Fertility Center and its Affiliates Acquired by Ivy Fertility

### Overview



- Cascadia acted as the exclusive financial advisor to Utah Fertility (UFC), Nevada Center for Reproductive Medicine (“NCRM”), and Nevada Fertility Center (“NFC”) in partnership with market-leading fertility services platform, Ivy Fertility (Ivy)
- In addition to the flagship clinic and surgery center in Pleasant Grove, UFC, founded by Dr. Russell Foulk, has clinics in Murray, Ogden, Park City, and St. George, Utah; does business as Idaho Fertility Center in Idaho Falls, Idaho; and operates a leading donor egg registry OriGyn and gamete cryopreservation unit CryoVault
- NCRM and NFC operate clinics in Reno and Las Vegas, Nevada, respectively

### Situation

- The partnership with Ivy Fertility adds a robust back-office operation to a talented and entrepreneurial group of providers at UFC, NCRM, and NFC
- UFC’s advanced capabilities in donor egg registration and gamete cryopreservation aided as a key market differentiator, attracting competitive EBITDA multiples

### Cascadia Process

- The Cascadia team organized multiple separately managed practices and entities, the sellers’ service providers, and the buyer’s diligence vendors to run an effective, efficient process
- Cascadia’s expertise in healthcare services and the fertility market, ability to organize diligence for multiple separately managed practices, and expertise in billing systems and quality of earnings proved to be invaluable to facilitating this successful partnership

For more information on this transaction,  
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# Cascadia Client Case Study

Pacific Northwest Fertility Acquired by Ivy Fertility

## Overview



- Pacific Northwest Fertility (“PNWF”) is a world-class reproductive center committed to advancing the science of reproduction with the sole purpose of building families with compassion and individualized care. The collective experience of the physicians, embryologists, and the entire team at PNWF has solidified its position as a visionary in the field
- Co-founded in 2005 by Dr. Lori Marshall, PNWF has been a leader in all aspects of fertility care including creating and growing SIMPLIFY, its own donor egg bank
- PNWF has two locations in the greater Seattle area
- Ivy Fertility, backed by InTandem Capital Partners, has aggressively been pursuing world class fertility providers with a focus on the west coast

## Situation

- Cascadia acted as the exclusive financial advisor to Pacific Northwest Fertility
- PNWF recognized a shift in the market where more practices have created partnerships and was thrilled by the idea of scale creating efficiencies – while maintaining total clinical autonomy
- As part of the transaction, one of PNWF’s associate doctors was welcomed into Ivy Fertility’s partnership

## Cascadia Process

- Cascadia was able to approach a limited list of buyers having shown comparable assets to the broader market within the previous six months
- Efficient, targeted process that was completed within 5 months with valuation results materially above seller expectations
- Continued success for Cascadia’s healthcare team which was staffed by its newly minted Nashville team entirely focused on Healthcare Services

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*Cascadia Capital*

# Healthcare Investment Banking Team

## Healthcare Sector Expertise

### Healthcare Services

- Behavioral Health
- Cardiology
- Clinical Research
- Fertility
- Gastroenterology
- Oral Surgery
- Physician Practice Management
- Primary Care
- Urgent Care
- Women's Health

### Digital Health

- Care Coordination & Practice Management
- Data Analytics & Clinical Intelligence
- Healthcare IT Services & Consulting
- Interoperability
- Patient Engagement
- Pharmacy Tech
- Revenue Cycle Management, Healthcare Billing & Payments
- Simulation & Education Tech
- Telemedicine & Remote Patient Monitoring
- Workflow

### Medical Products & Devices

- Biotech & Life Sciences
- Contract Manufacturing Organizations
- Facilities
- Institutional & Retail Pharmacy
- Lab, Imaging & Diagnostics
- Medical Products & Consumables
- Original Equipment Manufacturers

## Contact the Healthcare Deal Team



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