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NEWS

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WELSH, CARSON, ANDERSON & STOWE COMPLETES SALE OF MATRIX MEDICAL

New York, NY – October 27, 2014 – Welsh, Carson, Anderson & Stowe (the “Firm” or “WCAS”), a private equity firm exclusively focused on information/business services and healthcare, announced that it has completed the sale of its portfolio company, Matrix Medical Network (“Matrix” or the “Company”), to the Providence Service Corporation (Nasdaq: PRSC) for an aggregate purchase price of \$400 million, including \$360 million in cash and shares of Providence common stock with a value at closing of \$40 million. The WCAS equity investment in Matrix Medical generated a total gain \$213 million, representing a 3.1 times investment multiple and a 46% internal rate of return.

WCAS acquired Matrix Medical in September 2011, having identified the deal through the Firm’s “map-and-attack” sourcing strategy. Matrix is a leading provider of prospective medical assessments to Medicare Advantage plans. The Company utilizes a captive provider network of over 600 nurse practitioners to provide onsite medical evaluations and document member diagnoses in 33 states. The Matrix value proposition for customers includes revenue management, enhanced care optimization as well as increased compliance and improved quality of patient care.

Under WCAS’s ownership, Matrix was led by CEO, Randy Dobbs, a repeat WCAS CEO and former WCAS Senior Industry Executive. WCAS and Randy successfully hired over 20 senior managers, who previously worked at a WCAS portfolio company. In addition, several key members of the management team were recruited from large healthcare companies.

Over the last few years, Matrix Medical focused on several major operating initiatives: (i) increasing production capacity to meet growing customer demand, (ii) implementing management team metrics and a dashboard to drive visibility, process improvements and accountability, (iii) continuing to drive operational improvements and (iv) developing a long-term strategic plan to diversify the Company's service offering. Matrix Medical has generated three-year revenue and Adjusted EBITDA CAGRs of over 45% and 75%, respectively.

"I have enjoyed working with WCAS to build Matrix Medical over the last several years." said Randy Dobbs, former CEO of Matrix Medical. "We are proud of the operational growth that Matrix Medical achieved and believe that the Company is well positioned as a market leader."

WCAS has been capitalizing on the attractive market environment this year, completing four portfolio company sales (GlobalCollect, Solstas Lab Partners, Peak 10 and Matrix Medical) and two initial public offerings of Paycom Software, Inc. (NYSE: PAYC) and K2M Group Holdings, Inc. (Nasdaq: KTWO). Including pending transactions, WCAS has generated distributions to investors of \$5.5 billion since the beginning of 2013. This has resulted in WCAS's investors receiving \$5.42 of distributions for every \$1 of capital called.

About Welsh, Carson, Anderson & Stowe

Welsh, Carson, Anderson & Stowe focuses its investment activity in two target industries, information/business services and healthcare. Since its founding in 1979, the Firm has organized 15 limited partnerships with total capital of \$20 billion. The Firm is currently investing an equity fund, Welsh, Carson, Anderson & Stowe XI, L.P. See www.welshcarson.com to learn more.