



MERGERMARKET

Healthtronics, a private equity-backed mobile medical technology company, sees itself as very acquisitive, with plans to make three to five buys per year over the next two to three years, CEO Russell Newman said.

The company will likely complete at least one buy before the end of 2016, he said.

The Austin, Texas-based provider of minimally invasive medical services for ailments such as enlarged prostates or kidney stones has more than 400 employees and would like to increase its footprint and strengthen its customer base by purchasing established middle market regional businesses, he said.

Mobile laser equipment is “right in our sweet spot,” Newman said, adding it would eye deals in the “sub-million dollar” range to buys “well in excess” of that price.

The company has revenue around USD 200m and a “good support network of investors” through sponsor Altaris Capital Partners. Revenue growth is expected to be at or more than 10% per year going forward.

Current customers, a mix of national and regional healthcare service providers, offer opportunities to grow revenue organically through the sale of additional services.

Endo Health Solutions (NASDAQ: ENDP) sold Healthtronics to Altaris Capital Partners in 2014 for USD 130m. Since then, Healthtronics has made seven acquisitions. Post-merger integration is handled in-house.

It is still too early to think of an exit, Newman said.

Newman said Healthtronics is one of the largest companies in the field and added that leadership doesn't concern itself “too much” about competition.

by Bayan Raji in Houston