

TPG Announces Investment in Compass Surgical Partners to Fuel Growth in Ambulatory Surgery Center Joint Ventures

January 23, 2024

SAN FRANCISCO & RALEIGH, N.C.--(BUSINESS WIRE)--Jan. 23, 2024-- TPG (NASDAQ: TPG), a leading global alternative asset management firm, today announced a significant strategic investment in Compass Surgical Partners ("Compass" or the "Company"), an independent full-service ambulatory surgery center (ASC) development and management partner. TPG Growth, the firm's middle market and growth equity platform, is funding the investment, participating alongside existing investor Health Velocity Capital. As a strategic capital partner, TPG will bring valuable expertise to the Compass Surgical Partners leadership team, accelerating growth and scaling capacity in response to increased demand in ASC joint ventures from health system partners.

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"We have known DJ and the Compass team for a number of years and are excited to partner with such a high caliber team and Company. Compass offers deep strategic and operational expertise to guide its provider partners through the complexities of ASC development and management," said Zach Ferguson, Partner at TPG. "This investment is a continuation of our longstanding investment thesis around partnering with great operators to build leading ambulatory care networks through joint ventures with health systems and physician groups. We look forward to collaborating with the entire Compass team and the Company's existing investors in the coming years."

Health systems nationwide are increasingly migrating certain surgical procedures from hospital outpatient departments to standalone ASC facilities. In addition to significant cost savings for both patients and hospitals, patients often favor the consumer experience and convenience of an ASC. Physicians overwhelmingly prefer to operate in ASCs, which offer highly customized operating suites and specialized operating room teams.

"We are thrilled to partner with the team at TPG Growth, which brings a wealth of healthcare services experience and strategic resources to Compass. TPG's investment will serve as a powerful growth catalyst, enabling enhanced infrastructure support for our partners," said DJ Hill, Chief Executive Officer of Compass Surgical Partners. "We are also grateful for Health Velocity Capital's continued support of our mission and trust in our leadership team. This is an exciting time for Compass and the ASC industry and we are well positioned to provide enhanced value to our joint venture centers, physician partners, and patients."

Terms of the transaction were not disclosed. Latham & Watkins served as legal counsel to TPG and Crowe LLP advised on accounting, tax, and IT. McDermott Will & Emery served as legal counsel to Compass.

About TPG

TPG (Nasdaq: TPG) is a leading global alternative asset management firm, founded in San Francisco in 1992, with \$212 billion¹ of assets under management and investment and operational teams around the world. TPG invests across a broadly diversified set of strategies, including private equity, impact, credit, real estate, and market solutions, and our unique strategy is driven by collaboration, innovation, and inclusion. Our teams combine deep product and sector experience with broad capabilities and expertise to develop differentiated insights and add value for our fund investors, portfolio companies, management teams, and communities. For more information, visit www.tpg.com.

About Compass Surgical Partners

Compass Surgical Partners is a leading, independent, full-service ambulatory surgery center (ASC) development and management partner, representing a nationwide portfolio of joint ventures with health systems and physicians. Its experienced leadership team has developed more than 250 ASCs over the past three decades, making it the partner of choice for high-performance ASCs. Differentiated by its proven track record of success and its agile, aligned operating model, Compass Surgical Partners aims to create strong partnerships that improve the lives of patients and providers. Learn more at www.compass-sp.com.

About Health Velocity Capital

Health Velocity Capital invests exclusively in innovative healthcare software and services companies. The firm's partners have more than 90 collective years as investors, entrepreneurs, and executives helping to finance and build innovative companies that created important new healthcare markets and that became market leaders, including successful companies such as Teladoc, Livongo Health, Change Healthcare, MDLive, Contessa Health, Headspace Health, Aspire Health, IVX Health, Compassus, Aperio, The Advisory Board Company, Healthways (Tivity Health), US Renal Care, OnShift, Vantage Oncology, Payerpath, and many others. In addition to investing on behalf of institutional investors, Health Velocity Capital invests on behalf of a number of the nation's largest and most influential healthcare organizations and many of their top executives who collectively represent organizations that provide health insurance to more than 175 million Americans, operate more than 600 hospitals, provide pharmacy and PBM services to all Americans, and provide software and services to every major hospital in the United States. For more information, please visit www.healthvelocitycapital.com.

[1] As of September 30, 2023, including AUM attributable to TPG Angelo Gordon on a pro forma basis.

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