

## NEWS

# Air ambulance company charts big growth

BY JENNIFER GORDON | STAFF WRITER

Omniflight Helicopter Inc. officials are preparing for takeoff with a new management team and plans for acquisitions and organic growth.

The second largest air ambulance company in the country, Omniflight owns 100 aircraft that it operates out of 72 bases in 16 states.

The Addison-based company is owned by Chicago-based private-equity firm Wind Point Partners, which has invested about \$70 million in Omniflight.

Wind Point Partners Managing Director Jeffrey A. Gonyo said his firm typically looks for good companies that have the opportunity to grow significantly within five years. Omniflight was attractive because it's in a \$2 billion industry that is rapidly maturing and growing.

In the two years it has held Omniflight, Wind Point has helped it acquire other companies in Atlanta and New Mexico.

"We plan to continue to grow through acquisitions," Gonyo said.

Integral to success, Gonyo said, has been bringing in a strong management team.

Steven T. Plochocki joined Omniflight as chairman and CEO in April, bringing with him 30 years of health care experience, most recently in executing company turnaround projects. David N. Pilotte joined the company this summer as executive vice president and chief financial officer. Omniflight hopes to add a chief operating officer next month, rounding out the management team.

The company now is shifting its attention to improving operations and finding growth opportunities, which shouldn't be hard in what remains a very fragmented industry, Plochocki said.

"It's a growth sector," he said. "It's just in its earliest stages."

Plochocki predicted that the sector would consolidate over the next three to five years as the industry continues to mature and the big-



Bert Hustad

**TAKING OFF:** Omniflight Helicopters Inc. has brought in a new management team of Chairman and CEO Steven T. Plochocki, left, and David N. Pilotte, executive vice president and chief financial officer. They aim to double the company's size in the next few years.

ger companies turn to acquisitions to maintain growth.

### Crucial capital

For Omniflight, having a stable source of capital is crucial to the expansion strategy. The firm has very high fixed costs associated with staffing and maintaining aircraft 24 hours a day, plus it faces "all the joy of the medical aspect" Pilotte dryly commented and "all the joy of the FAA."

That said, "we have options because of our private equity group," he added. "In our position, we know the capital will be there when we find opportunities."

Plochocki expects to double the number of aircraft the company operates in the next few years.

With that kind of expansion, Omniflight could also double its revenue from \$150 million today to \$300 million. Employees are expected to increase from 950 today to 1,600 or 1,700 in a few years. Omniflight employs about 100 people in the Dallas-Fort Worth area.

As cities continue to sprawl, air ambulances become even more important because getting patients from accident sites to hospitals

in less than an hour when fighting traffic on the ground can prove impossible.

But like all of its health-care-providing brethren, Omniflight faces the problem of the uninsured and those who don't pay their bills. Between 15% and 18% of Omniflight's patients do not pay their bills. The remainder of the bills generally are paid by commercial insurance, Medicare or Medicaid.

"We don't know what the reimbursement source is going to be, if there is one," when a patient is picked up, Plochocki said. "That's the nature of the beast."

To try to offset the unpredictable nature of the reimbursement, Omniflight tries to establish deals with hospitals to be called in case of an emergency.

Private equity investor Gonyo said so far things are going well though there remains a lot of work to do.

It likely will be years before the company has a big exit-type event, such as going public or merging with another company.

"We're looking at a three-to five year build," Plochocki said. "The way we look today is probably not how we're going to look tomorrow."