

## **PT Market Update – Apr 7, 2023**

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**Overview:** The PT Market update is a monthly post that will provide practice owners with information regarding M&A activity within the PT market from the lens of the practice owner. The numbers reported below are posted publicly via press release or where I have been provided permission to release the information. There are deals closing that are not publicly released and therefore not recorded in the report.

**Executive Summary:** March 2023 saw 4 transactions close vs. 7 last year. While the quantity of deals so far this year has been a below average, we are seeing more of the larger multi-site transactions close.

Volume of transactions can be considered a lagging indicator of the impact of economic and interest rate uncertainty. Deals closing now likely began initial conversations, in the early fall of 2022 or earlier during a highly uncertain time. As the interest rates and the economy become a little more predictable volume will likely follow in bunches.

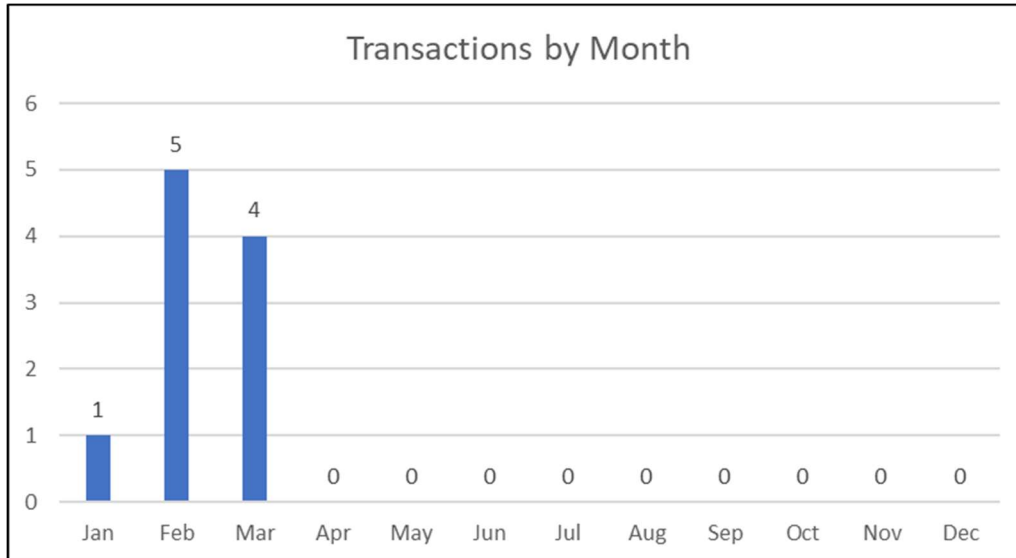
For the last 6 months, the market has averaged 4.3 transactions per month. Annualized, this is a pace of 52 transactions a year (which would be considered average year a few years ago). This has continued to trend down in 2023 so far. Despite this trend, there appears to be no shortage of interest from buyers in the market today. It is clear, buyers are sticking closely to 2023 growth strategies and are unlikely to stretch for an acquisition that does not fit their model, making them more selective in the deals they pursue.

Other trends to note are that hospitals and physician groups have been more active than in years past and that the average number of clinics per transaction has risen to 14. The average number of locations per transaction over the last 2 years has been about 4.

The recipe for the practice owner remains unchanged. Finding the right buyer for your exit strategy is the key to a successful exit. As always, you should be focused on the fundamentals...manage your EBITDA, develop your staff, and execute a well thought out exit plan.

### **Through March 31, 2023:**

- Through March, 4 practices have sold. Annualizing the last 6 months, we are still on pace for an average number of transactions in 2023.



- 67% of transactions consist of greater than 5 locations.

# Locations	# Transactions	% of Transactions
One	3	30%
Two	-	0%
Three	-	0%
Four	-	0%
Five	2	20%
Six	-	0%
Seven +	5	50%
	10	100%

- States with the most transactions:

State	# Transactions
NY	2
MN	2
NJ	2
TX	2
NY, MD, MA, CT	1

\*One transaction did not report the state.

- The following page lists all publicly released transactions in 2023.



# PTPS&C

PT'S HELPING PT'S BUY OR SELL PRACTICES

Buyer	Seller	State	Date	# Clinics
AOSMI	Advanced PMR	NJ	3/14/2023	5
Confluent	Motion PT	NY, MD, MA, CT	2/1/2023	59
Cypress Health Partners (Bay State)	Sports PT of New York	NY	1/4/2023	1
Cypress Health Partners (Bay State)	MVPT Physical Therapy	NY	2/9/2023	1
Empower	Spectrum PT Consultants	TX	3/7/2023	7
Ivy	Excel PT	MN	2/10/2023	24
Ivy	Sora Therapy of Minnesota	MN	2/17/2023	5
PRN	Medical City	TX	3/31/2023	24
Select (Joint Venture)	AtlanticCare	NJ	2/15/2023	13
USPh	Not disclosed	not disclosed	3/1/2023	1