

PT Market Update – Mar 6, 2023

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: February 2023 was a huge month for the PT market. Not because of the quantity of transaction but because of the size of the transactions that closed. Two of the practices that sold this month have been active consolidators themselves over the last few years.

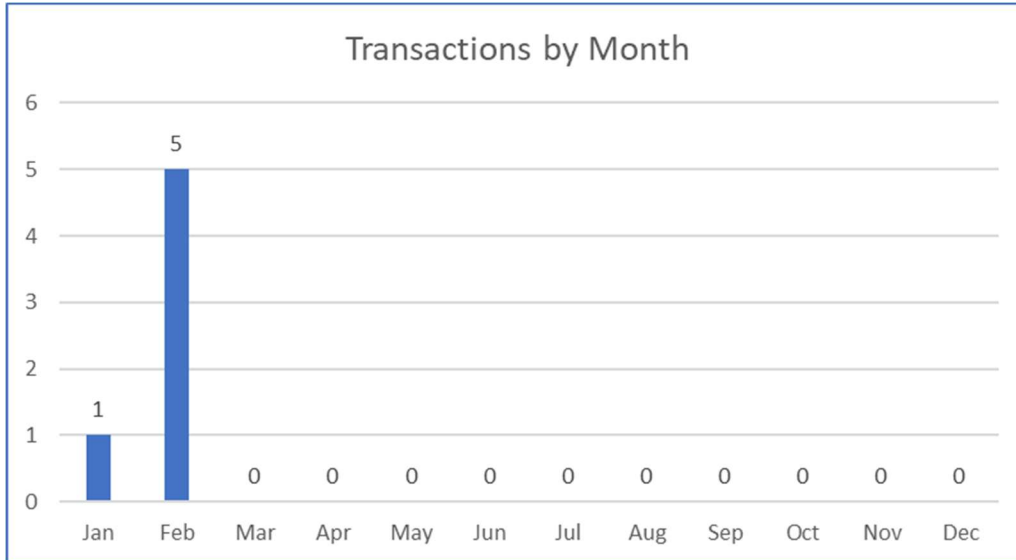
February finished the month with 5 announced transactions vs. 6 last year. Interestingly, the deals completed had far more locations on average (59, 24, 13, 5, and 1). Average locations per transaction jumped to 17.2, reversing a trend of the last few months where we were seeing an increased number of single location practices transact.

For the last 6 months, the market has averaged 5.2 transaction per month. Annualized, this is a pace of 62 transactions a year. Those following this market for many years would consider this a normal pace. Despite losing a couple consolidators of the market this month, there are still more buyers in the market than I have ever seen, therefore it is safe to say there is substantial demand. If we look at the last 12 months, deal pace has seemed to slightly lag the general economic perception/conditions. With that in mind, it is safe to assume that deal volume will increase or decrease depending on the direction of the economy over the remainder of the year.

For the practice owner looking to sell, the market conditions suggest that there is still a good volume of deals closing and overall conditions are good. Finding the right buyer for your exit strategy is key to a successful exit. As always, you should be focused on the fundamentals...manage your EBITDA and develop your staff along with execution of a well thought out exit plan.

Through Feb 28, 2023:

- Through February, 6 practices have sold. While this is below average for the last 2 months, if we look at the last 6 months, we are still on pace for an average number of transactions in 2023.



- 50% of transactions consist of greater than 7 locations.

# Locations	# Transactions	% of Transactions
One	2	33%
Two	-	0%
Three	-	0%
Four	-	0%
Five	1	17%
Six	-	0%
Seven +	3	50%
	6	100%

- States with the most transactions:

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

*One transaction did not report the state.

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



PT'S HELPING PT'S BUY OR SELL PRACTICES

Buyer	Seller	State	Date	# Clinics
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
Ivy	Excel PT	MN	2/10/2023	24
Ivy	Sora Therapy of Minnesota	MN	2/17/2023	5
Select (Joint Venture)	AtlanticCare	NJ	2/15/2023	13