

PT Market Update – May 5, 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: April 2023 saw 5 transactions close vs. 7 last year. Due to some larger deals earlier in the year, the average number of clinics per transaction is 10.2 (vs. average of about 4 in last year). A third of the transactions are single location offices and about half are less than 3 offices, so the average is skewed by the larger transactions.

For the last 6 months, the market has averaged 4.5 transactions per month. Annualized, this is a pace of 54 transactions a year. This would be considered an average year. The overall pace has cooled primarily by current economic conditions and somewhat because buyers have processed their post-COVID backlog by this time last year.

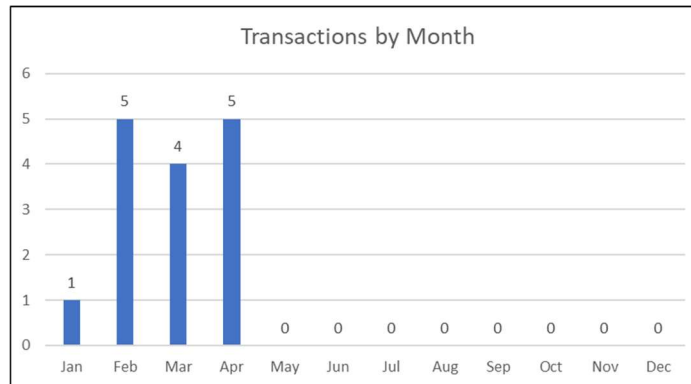
Buyers are being more selective. While buyers are actively reviewing all reasonable opportunities, they are only pursuing deals that fit nicely into their 2023 acquisition strategies. We are still seeing competition in deals coming to market keeping deal structures consistent with average markets.

Please note that there was a correction to the state listed on one transaction listed in the April report.

Finding the right buyer for your exit strategy is the key to a successful exit. As always, practice owners should be focused on the fundamentals...manage your EBITDA, develop your staff, and execute a well-designed exit plan.

Through April 30, 2023:

- In April, 5 practices were sold. Annualizing the last 6 months, we are still on pace for an average number of transactions in 2023.



- 53% of transactions consist of greater than 5 or more locations.

# Locations	# Transactions	% of Transactions
One	5	33%
Two	1	7%
Three	1	7%
Four	-	0%
Five	2	13%
Six	1	7%
Seven +	5	33%
	15	100%

- States with the most transactions:

State	# Transactions
NY	3
NJ	3
TX	2
not announced	2
MN	1
NY, MD, MA, CT	1
PA	1
OH	1
MD	1

*There was a correction on last month's report that removed one from MN and added one to NJ.

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

Buyer	Seller	State	Date	# Clinics
Access PT	Cardin and Miller PT	PA	4/5/2023	3
Access PT	The PT Experience	NY	4/5/2023	2
AOSMI	Advanced PMR	NJ	3/14/2023	5
APT Healthcare	Not announced	Not announced	4/5/2023	6
Confluent	Motion PT	NY, MD, MA, CT	2/1/2023	59
Confluent	Groshan & Associates	MD	4/27/2023	1
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	NJ	2/10/2023	24
Ivy	Sora Therapy of Minnesota	MN	2/17/2023	5
Main Street Therapy Partners	Sternen PT	OH	4/11/2023	1
PRN	Medical City	TX	3/31/2023	24
Select (Joint Venture)	AtlanticCare	NJ	2/15/2023	13
USPh	Not announced	Not Announced	3/1/2023	1