

PT Market Update – June 7, 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: May 2023 saw 5 transactions close vs. 7 last year. Year to date 2023, the market is averaging 4 transactions a month. However, as we look at the last 4 months, we are averaging 4.75 transactions per month, so the pace seems to be improving as the year goes on.

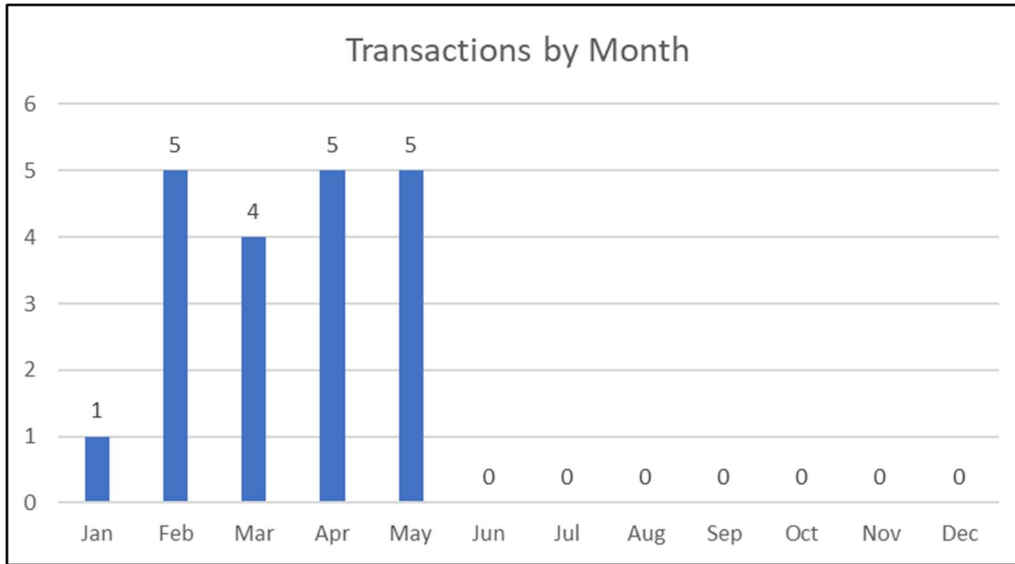
Due to some larger deals earlier in the year, the average number of clinics per transaction is 8.5 (vs. average of about 4 in last year). This has been trending down as the year progresses. In fact, smaller transactions are outpacing last year's totals. 50% of the transactions so far this year had 3 or fewer locations vs. 34% in 2022.

Despite interest rates and uncertain economic conditions, we are on pace for an average number of transactions for the PT market in 2023. The primary driver for this is that the number of active buyers in the market is still at or near an all-time high. With so many buyers in the market, deal flow remains steady and practices with solid fundamentals in desirable markets will attract multiple buyers and competitive deal terms.

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 May 31, 2023:

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



- 50% of transactions consist of 3 or fewer locations.

# Locations	# Transactions	% of Transactions
One	7	35%
Two	2	10%
Three	1	5%
Four	1	5%
Five	2	10%
Six	1	5%
Seven +	6	30%
	20	100%

- States with the most transactions:

State	# Transactions
NY	3
NJ	4
TX	3
not announced	3
MN	1
NY, MD, MA, CT	1
PA	1
OH	1
MD	1
VA	1
LA	1

- 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
Confluent	Injury Management Services	LA	5/22/2023	2
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
Jag-One	Wayne PT	NJ	5/15/2023	1
H2	Physical Therapy Today of Lubbock	TX	5/8/2023	8
Ivy	Excel PT	NJ	2/10/2023	24
Ivy	Sora Therapy of Minnesota	MN	2/17/2023	5
Ivy	Louisa PT	VA	5/11/2023	1
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	5/31/2023	4
USPh	Not announced	Not Announced	3/1/2023	1