

## PT Market Update – Calendar Year 2023

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**Overview:** The PT Market update is a monthly report that will provide practice owners 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 PTPS&C has been provided permission to release the information. There are deals closing that are not publicly released and therefore not recorded in the report.

**Summary:** In December 2023, 3 transactions closed vs. 6 last year.

For 2023 there were 46 reported transactions vs. 83 in 2022. On average there were 7.5 clinics per transaction vs. 3.9 last year. This number is skewed due to several larger transactions earlier in the year. Smaller practices with 3 or fewer locations made up 61% of transactions. New York and New Jersey remain the most active states this year. Confluent, Ivy, USPh, and H2 reported the most acquisitions this year.

Although 2023 was an average year for the physical therapy market, many believe it was a slow year. For those of you who have only been following the PT market for the last 2 years, it would certainly look that way. However, 2021 and 2022 were unusually active as the market had a lot of pent-up demand following the COVID pandemic. Prior to 2020, an average year for the PT market would be 40-50 transactions.

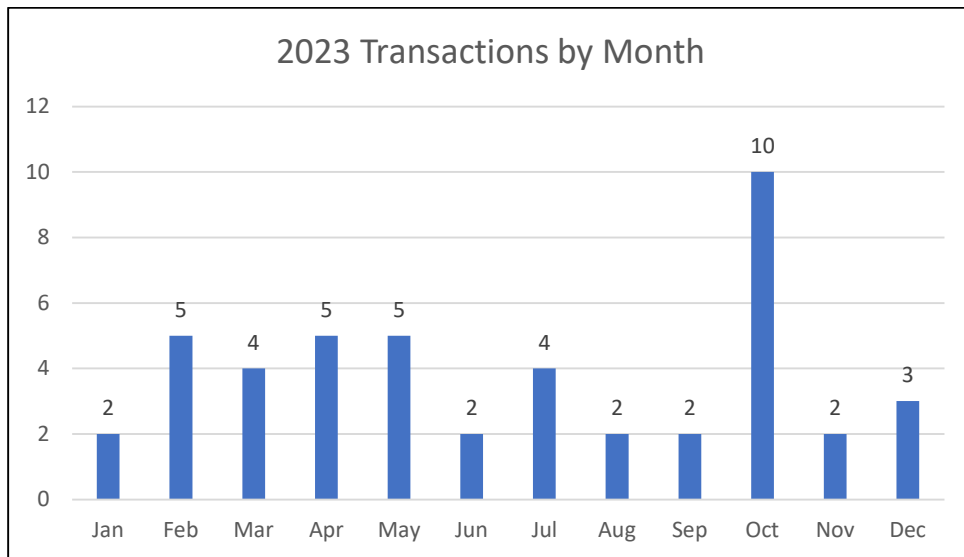
Demand for buying PT practices is very strong. There are more active buyers in the market today than at any point in the last 10 years. So, why was 2023 slow, comparatively, to the last 2 years? Many will point to rising interest rates, and that did have some impact for some buyers to be less active. However, it is our contention that the main reason is supply. There were fewer practices with strong fundamentals coming to market than the last couple of years. For many practices, operations were not functioning at full capacity due to labor shortages, turnover, decreasing reimbursement, and inflationary pressures. All of these factors can greatly impact margins. This caused many good practices to sit on the sidelines and work on their practices before they go to market. Sellers who did have strong practices and did go to market in 2023, did very well because there was strong competition.

Prognosticating 2024 is a bit of a fool's game, but since we get asked a lot about our read on the market, we will put our guess out there. Our sense is many practice owners are starting to get a handle on the challenges that 2023 brought and there will be more supply of good practices coming to market in 2024. There may also be a slight catalyst if interest rates drop. With this background, our projection for 2024 is 50-60 reported transactions, or a slightly above average year.

Feel free to reach out at [mike@physicaltherapybrokers.com](mailto:mike@physicaltherapybrokers.com) to discuss your exit plan or provide any comments on how we can make this report better for the readers.

**Through December 31, 2023:**

- In December, 3 practices were sold.



- 61% of transactions consist of 3 or fewer locations.

# Locations	# Transactions	% of Transactions
One	15	33%
Two	9	20%
Three	4	9%
Four	3	7%
Five	4	9%
Six	1	2%
Seven +	10	22%
	46	100%

- States with the most transactions:

State	# Transactions
NY	8
NJ	5
not announced	4
TX	3
CA	3
LA	2
OH	2
CO	2
MN	1
NY, MD, MA, CT	1
PA	1
KY	1
VA	1
ID, MT, UT	1
WI, PA	1
WV	1
GA	1
FL	1
NJ, PA, MD	1
IL	1
AK	1
WI	1
OK	1
MD	1

- 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
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
Alliance PT Partners	Spine and Sport PT	CA	9/4/2023	3
Clarivest Group Inc	Mountain Land PT	ID, MT, UT	7/6/2023	41
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
Confluent	Tri-State PT	LA	6/21/2023	2
Confluent	Versailles PT and Hand Clinic	KY	6/27/2023	1
Confluent	Health In Motion	WI, PA	7/12/2023	9
Confluent	Excel PT	GA	8/31/2023	1
Confluent	Axiom PT	NY	10/2/2023	2
Confluent	PT and Performance Center	NY	10/2/2023	1
Confluent	Excellent Choice PT	NY	10/2/2023	1
Confluent	FirstCare Rehabilitation	OK	10/24/2023	1
Confluent	Interstate Rehab	CA	12/6/2023	3
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
Jag-One	NY PT and Wellness	NY	7/24/2023	13
H2	Physical Therapy Today of Lubbock	TX	5/8/2023	8
H2	Tuner PT	WV	7/24/2023	2
H2	Advanced PT	FL	10/31/2023	2
H2	Greg Ott Center for PT	NC	12/11/2023	4
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
Ivy	PT and Sports Injury Rehabilitation	IL	9/20/2023	5
Ivy	Westchester Sports Physical Therapy	NY	12/19/2023	1
Main Street Therapy Partners	Sternen PT	OH	4/11/2023	1
Main Street Therapy Partners	Physio Source PT	OH	10/9/2023	1
North Lake Community Clinic	Orthopedic & Spine Therapy	WI	11/17/2023	4
PRN	Medical City	TX	3/31/2023	24
PT Solutions	Active Pro Rehab Partners	NJ, PA, MD	10/3/2023	64
R.I.S.E PT	Damon Anderson & Assoc. PT	CA	1/15/2023	1
Select (Joint Venture)	AtlanticCare	NJ	2/15/2023	13
Seven Lakes Group	Dynamic PT	CO	11/14/2023	2
SportsMed PT	Moutainside Wellness	NJ	10/18/2023	2
USPh	Not announced	Not Announced	3/1/2023	1
USPh	Not announced	Not Announced	5/31/2023	4
USPh	Not announced	Not Announced	8/1/2023	5
USPh	Not announced	AK	10/2/2023	2
USPh	Not announced	CO	10/2/2023	3