

Market Overview

The fourth quarter in the rehabilitation industry was headlined by the outpatient physical therapy sector, which featured a notable private equity recapitalization in addition to the continual flow of add-on acquisitions that the sector has seen over the last few years. Revelstoke Capital Partners recapitalized Upstream Rehabilitation, one of the largest outpatient providers in the U.S. with operations in 23 states. Charterhouse Equity Partners, which exited as part of the deal with Revelstoke, held Upstream longer than typically seen within the industry, growing the business from 63 clinics at the time of its initial investment in 2004 to over 300 clinics at the time of its exit in 2015. Over this 11 year period, Charterhouse helped increase EBITDA of the company by five times and achieved a 4.8 times return on its total investment.

Looking back on 2015, expectations for heightened consolidation activity as a result of private equity capital flowing into the rehab industry were met with at least seven notable deals in each quarter of this year. Provident expects the pace to continue in 2016.

Provident Announces the Acquisition of Sports & Physical Therapy Associates

Provident represented the principals of Sports & Physical Therapy Associates (SPTA) through its acquisition by ATI Physical Therapy. SPTA is the leading provider of outpatient physical therapy services in Massachusetts with 19 locations and key hospital affiliations in the Metro Boston market.

The transaction represents the platform for ATI as it looks to expand its presence across MA and the greater Northeast market. With the addition of Attain Therapy + Fitness, ATI has quickly established itself as a leader in the state with 29 outpatient clinics, and the organization is poised to continue its rapid expansion across the highly fragmented region.



SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
Dec 2015	ATI Physical Therapy	Triumph Physical Therapy	ATI Physical Therapy acquired Triumph Physical Therapy, a provider with four locations in Pennsylvania. ATI now has 31 clinics in the state. Terms of the deal were not disclosed.
Dec 2015	Revelstoke Capital Partners	Upstream Rehabilitation	Revelstoke Capital Partners made an undisclosed investment in Upstream Rehabilitation. Upstream owns and manages over 300 outpatient clinics across 23 states. Charterhouse Equity Partners initially invested into Upstream in 2004 and exited as part of this transaction.
Dec 2015	MOTION PT	Dynamic Care, Greco, and Proactive Physical Therapy	MOTION PT added four locations in New York through the acquisitions of Dynamic Care Physical Therapy, Greco Physical Therapy & Sports Performance, and ProActive Physical & Hand Therapy. Terms of the transaction were not disclosed.
Dec 2015	Pivot Physical Therapy	Central Maryland Rehabilitation Services	Pivot Physical Therapy, a portfolio company of InTandem Capital, acquired Central Maryland Rehabilitation Services for an undisclosed amount. The deal represents Pivot's 100 th location.
Dec 2015	ATI Physical Therapy	Attain Therapy + Fitness	ATI Physical Therapy added to its MA presence through the acquisition of Attain Therapy + Fitness for an undisclosed amount. Attain operates with 10 clinics in Central MA.
Dec 2015	ATI Physical Therapy	Sports & Physical Therapy Associates	ATI Physical Therapy moved into Massachusetts with the acquisition of Sports & Physical Therapy Associates. The transaction expands ATI's national coverage into its 17 th state.
Nov 2015	Orthology	All Seasons Orthopedics and Sports Physical Therapy	Orthology, a portfolio company of UnitedHealth Group Ventures, added an additional location in New York City through the acquisition of All Seasons Orthopedics and Sports Physical Therapy for an undisclosed sum.
Oct 2015	MOTION PT	Bradley & Monson Physical Therapy	MOTION PT, a portfolio company of Pharos Capital Group, acquired Bradley & Monson Physical Therapy based in New York City. Terms of the deal were not disclosed.