

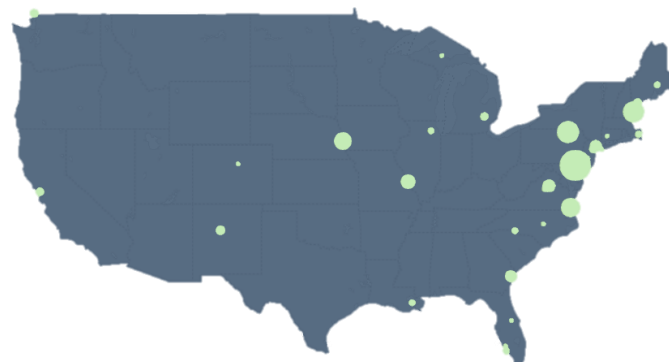
# Q4-2017 Rehabilitation Update



## Market Overview

Private equity-backed platforms leveraged their capital resources in what was a particularly active quarter for consolidation. GPB Capital's portfolio company, Alliance Physical Therapy Partners, the most recently formed platform in the physical therapy sector, finished 2017 with its first two add-on acquisitions. Ivy Rehab Network, recapitalized by Waud Capital in 2016, has likewise been acquisitive over the past six months, adding seven clinics. In contrast, ATI Physical Therapy, which first received private equity capital in 2005 and has since grown to over 700 locations, did not make any publicly-announced acquisitions in the last half of the year, instead focusing on leveraging its brand to develop de novo locations across the country. With only one platform investment in 2017, Provident expects add-on acquisitions to continue to significantly outpace new private equity firms entering the sector.

## Map of 2017 Acquisitions



Markers indicate the headquarters of physical therapy practices that were acquired in 2017. Size indicates relative number of clinics acquired.

## SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
December 2017	Alliance Physical Therapy Partners	SOL Physical Therapy and Performance Training	Alliance Physical Therapy ("Alliance PT") finished 2017 with the acquisition of SOL Physical Therapy and Performance Training ("SOL PT"). The acquisition adds 10 physical therapy providers across three outpatient clinics to the Alliance PT team.
December 2017	Alliance Physical Therapy Partners	Results Physical Therapy	Results Physical Therapy, which provides physical therapy services in two locations in central Maine, joined Alliance Physical Therapy. This is Alliance PT's second acquisition in Maine following the acquisition of Back in Motion Physical Therapy in August 2017.
November 2017	Professional Physical Therapy	Physical Therapy in Motion	Professional Physical Therapy ("Professional"), the portfolio company of Thomas H. Lee Partners, acquired Massachusetts-based Physical Therapy in Motion through its affiliate ProEx Physical Therapy ("ProEx"). Professional previously acquired ProEx in May 2017. Professional and ProEx collectively operate 149 physical therapy clinics across the Northeast.
November 2017	U.S. Physical Therapy (NYSE: USPH)	Undisclosed Nine-Clinic Physical Therapy Practice	U.S. Physical Therapy (NYSE: USPH) acquired a 70% interest in a nine-clinic physical therapy practice that serves approximately 67,000 patients per year. Moving forward, the practice's owners will retain a 30% equity stake. This transaction marks USPH's fifth acquisition in 2017.
October 2017	Professional Physical Therapy	South Shore Hand Therapy and JointCare Physical Therapy	Professional Physical Therapy acquired New Jersey-based JointCare Physical Therapy and New York-based South Shore Hand Therapy. With these transactions, Professional has completed 30 acquisitions over the last five years.
October 2017	Athletico Physical Therapy	Excel Physical Therapy	Athletico Physical Therapy ("Athletico") expanded its clinical footprint to Nebraska with the acquisition of Excel Physical Therapy ("Excel"). The deal adds 13 facilities to Athletico's more than 400 locations across 11 states in the Midwest.
October 2017	Physical Rehabilitation Network	Armada Physical Therapy	The acquisition of Armada Physical Therapy ("Armada") by Physical Rehabilitation Network ("PRN") added four outpatient clinics to the over 100 clinics PRN operates. This transaction expands PRN's footprint into New Mexico.
October 2017	Ivy Rehab Network	Fenton Physical Therapy, Linden Physical Therapy, and Milford Physical Therapy	Ivy Rehab Network ("Ivy Rehab"), the physical therapy platform of private equity group Waud Capital, acquired three physical therapy clinics in eastern Michigan. The three clinics, all previously operated by a single owner, expand upon Ivy Rehab's existing footprint in the Midwest and East Coast.