

# Q4-2018 Rehabilitation Update

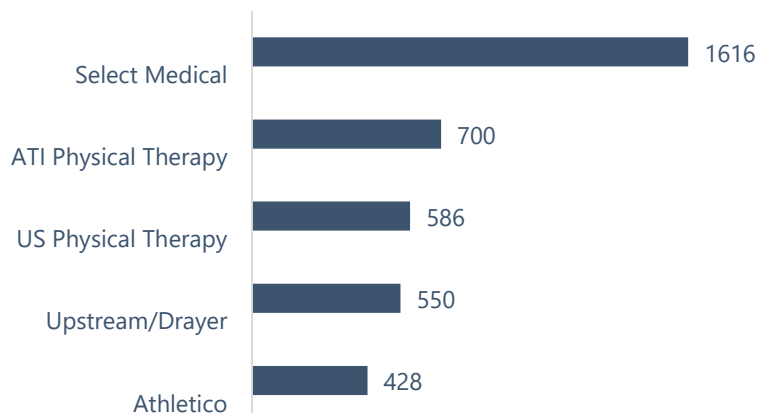


## Market Update

Physical therapy transaction activity remained strong in the fourth quarter of 2018, highlighted by Great Point Partners' growth recapitalization of San Diego, CA-based Spine and Sport Physical Therapy. Great Point previously had success with its 2011 recapitalization of NY-based Professional Physical Therapy (ProPT), which it sold to Thomas H. Lee Partners in 2016. Over the five year period, ProPT saw 30% yearly revenue growth and completed 21 tuck-in acquisitions. With the Spine and Sport recap, Great Point will pursue an aggressive growth strategy with the goal of turning the business into a Southern California and regional market leader.

Given the high level of consolidation activity that occurred in 2018, Provident expects merger and acquisition activity in the space to remain strong for the foreseeable future.

## Largest PT Providers by Number of Clinics\*



\*ATI, Upstream/Drayer, and Athletico are all private equity-backed.

## Select Transactions:

Month	Acquirer	Target	Target – Number of:		Significance
			Locations	State(s)	
December	Great Point Partners	Spine & Sport Physical Therapy	21	CA	Great Point Partners seeks to replicate its success with NY-based Professional Physical Therapy and turn Spine & Sport into the leading outpatient physical therapy provider in Southern California.
December	Audax Group	Phoenix Rehabilitation and Health Services	80	PA	The investment from Audax Group will provide Phoenix Rehab with the capital to expand its presence in the Mid-Atlantic and Southeastern U.S. markets.
December	Inspire Physical Therapy	Spokane Occupational & Hand Therapy	3	WA	The merger gives Inspire Physical Therapy the capacity to provide surgical and nonsurgical rehabilitation for hands, wrists, and elbows.
December	EXOS	Boost Physical Therapy and Sports Performance	8	KS	With the acquisition, EXOS will have over 70 physical therapy locations nationwide.
November	Pivot Health Solutions	Onsite Innovations	100+*	Nationwide	With the acquisition of Onsite Innovations, Pivot grows its occupational health offerings and will be able to more effectively help businesses treat and manage work-related injuries and employee health.
October	Sheridan Capital Partners	Empower Physical Therapy	N/A	AZ	The acquisition of Empower Physical Therapy represents a platform investment for Sheridan in the physical therapy sector. Empower PT operates a network of clinics across the Southwestern U.S.

\*Onsite Innovations operates more than 100 on-site health clinics for organizations in 42 states.

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## Upcoming Conference



Members of the Provident Healthcare Partners physical therapy coverage team will be attending the American Physical Therapy Association NEXT Conference & Exposition in June.