

Q2-2019 Rehabilitation Update



Market Update

The rehabilitation sector experienced robust deal flow in the second quarter of 2019. Shore Capital Partners established an outpatient physical therapy platform with its recapitalization of Golden Bear Physical Therapy. Concentra, CORA Health Services, and MOTION PT Group were all extremely active acquirers, with multiple add-on transactions per company. Provident anticipates overall physical therapy sector consolidation activity to continue at a rapid pace; 2019 is seeing a similar mix to 2018 in terms of private equity platform and add-on activity, with tuck-in acquisitions representing the bulk of the closed deals in the outpatient market.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Significance
			Locations	State(s)	
June	Confluent Health	Capitol Physical Therapy	6	WI	Confluent Health acquired Wisconsin-based Capitol Physical Therapy.
June	MOTION PT Group	7 practices in the Northeast	8	CT, NJ, NY	MOTION PT Group continued its expansion across the Northeast with the acquisition of seven practices and eight locations.
May	Partners Group	Confluent Health	200	12	Partners Group recapitalized Confluent Health. The Edgewater Funds will divest its holdings in Confluent as part of the transaction.
May	CORA Health Services	Elite Physical Therapy, Coastal Physical and Hand Therapy, Dynamic Physical Therapy Florence, Advanced Physical Therapy	5, 1, 1, 6	MO, SC, SC, FL	CORA Health Services, a portfolio company of Gryphon Investors, continued its regional expansion with the acquisition of four physical therapy practices across the Midwest and east coast.
May	Norton Healthcare	Kentucky Orthopedic Rehab Team (KORT)	29	KY	Norton Healthcare entered into a joint venture with Select Medical and the region's largest physical therapy and occupational therapy chain, KORT.
April	Shore Capital Partners	Golden Bear Physical Therapy	19	CA	Shore Capital Partners returns to the outpatient physical therapy sector with its recapitalization of Golden Bear Physical Therapy.
April	U.S. Physical Therapy (NYSE: USPH)	Undisclosed (Industrial Injury Prevention Provider)	N/A	45 States	U.S. Physical Therapy, which manages over 590 outpatient clinics across 41 states, acquired an industrial injury prevention provider, which services a vast network across 45 states, including onsite at 11 client locations.
April	Concentra	Excel Occupational Health Clinic, Alliance Occupational Medicine	1, 3	IL, CA	Concentra, which is backed by MJ Acquisition, has acquired Bedford Park, IL-based Excel Occupational Health Clinic and San Jose, CA-based Alliance Occupational Medicine.

Provident Industry Coverage Team

Eric Major
Vice President
emajor@providenthp.com
(617) 226-4212

Scott Davis
Vice President
sdavis@providenthp.com
(617) 226-4259

Upcoming Webinar



Be on the lookout for our Fall 2019 webinar discussing the current state and future trends of the physical therapy sector