

Q4-2019 Rehabilitation Update

Market Update

Merger and acquisition activity within the rehabilitation sector continued at a strong pace during the fourth quarter of 2019. The prevailing trend of existing rehabilitation networks driving their growth through mergers and acquisitions remained consistent throughout Q4. This strategy has been employed by strategic buyers and private-equity backed platforms alike, either to diversify service offerings, enter new geographies, or expand operations in an existing market. Evidenced by Orlin & Cohen Orthopedic Group's acquisition of Max Effort Sports Physical Therapy and Riverside Healthcare's acquisition of Axxess Physical Therapy, healthcare providers are willing to pay premium valuations to expand services offerings in a growing attempt to capture the entire continuum of care.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
December	Physical Rehabilitation Network	Team Rehab Clinics	3	Oregon	Physical Rehabilitation (PRN) acquired Team Rehab, an outpatient integrative care group. This acquisition brings PRN's clinic count in the Pacific Northwest to 26 and is the California-based organization's first expansion into the state of Oregon.
December	Riverside Healthcare	Axxess Physical Therapy	1	Illinois	Riverside Healthcare acquired Axxess Physical Therapy in Illinois. This acquisition adds to Riverside's large network of rehabilitation practices and allows Axxess patients to access a broader range of services.
November	EXOS	Desert Institute of Physical Therapy	1	Arizona	EXOS, a global leader in human performance headquartered in Phoenix, has acquired Desert Institute of Physical Therapy, expanding their reach in the Phoenix market.
November	Orlin & Cohen Orthopedic Group	Max Effort Sports Physical Therapy	1	New York	The Orlin & Cohen Orthopedic Group acquired Max Effort Sports Physical Therapy. This strategic acquisition will complement Orlin's growing sports medicine practice.
October	CORA Physical Therapy	Blacksburg Physical Therapy Associates,	3	Virginia	CORA Physical Therapy, a portfolio company of Gryphon Investors, acquired Blacksburg Physical Therapy Associates. This acquisition brings CORA's clinic count in Virginia to 11.

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Upcoming Conference

The Provident Healthcare Partners investment banking team regularly attends conferences and other events related to the rehabilitation sector. We invite industry executives and shareholders to reach out for a confidential meeting to gain a more detailed perspective on valuations and transaction activity within the sector.