

Rehabilitation

Q2 2023

Market Update

The rehabilitation market's second quarter of 2023 was comprised primarily of strategic bolt-on acquisitions. While the majority of the deal flow still revolves around traditional outpatient physical therapy, there has been a notable uptick in deal activity involving organizations focused on Medicare Part B patients, specifically catering to seniors receiving care at home or in skilled nursing facilities. FOX Rehabilitation, backed by Blue Wolf Capital Partners, stands as the leading player in this space, but Provident is witnessing growing investor interest due to favorable industry tailwinds and the potential for value-based care applications. Notably, last year, InHome Therapy secured \$22 million in funding through its series A round, highlighting the increasing interest and investment in this sector.

USPH vs. Other Healthcare Facility Operators

Company	EBITDA	EV/Rev	EV/ EBITDA
U.S. Physical Therapy	\$116	3.79x	25.28x
Acadia Healthcare	\$602	3.24x	14.53x
Encompass Health	\$974	2.15x	10.53x
HCA	\$12,300	2.05x	10.13x

As of 6/30/2023 (\$ in millions)

Select Transactions

Month	Acquirer	Target	Locations	States	Deal Description
June		Not Disclosed	4	Not disclosed	USPH acquired a four-clinic physical therapy practice. The purchase price for the 75% equity interest was approximately \$3.1 million. The practice generates \$2.6 million in annual revenue and has approximately 27,000 patient visits per year.
June			N/A	MS	FOX Rehabilitation acquired Performance Rehab, one of Mississippi's leading providers of physical and occupational therapy within senior living communities.
May			1	VA	Ivy Rehab, a national leader in outpatient rehabilitative therapy and pediatric services, expanded its presence in the VA market through the acquisition of Louisa Physical Therapy.
April			3	PA	Access Physical Therapy & Wellness announced its new partnership with Cardin & Miller PT to form Access PT PA that will serve the central PA market.

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