

# Physical Therapy Group Practice Valuation Overview



*Large physical therapy group practices are increasingly attractive to both private equity and health system buyers. Practices with strong management and operating models, and a history of success sourcing and integrating acquisitions and onboarding new therapists, are particularly attractive.*

## KEY FACTORS THAT INFLUENCE PHYSICAL THERAPY VALUATIONS

- Control-level of subject interest
- Age, composition, and ownership percentage of therapists
- Size of the practice
- Growth opportunities
- Diversity and sustainability of referral sources
- Payer mix
- Local competition and market
- Age and condition of facility & equipment

## MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics			Benchmarks		
	Price (EV)	Revenue	EBITDA	EBITDA Margins	Revenue Multiple	EBITDA Multiple
10th Percentile	\$ 121,000,000	\$ 117,429,085	\$ 8,820,000	6.5%	0.7	10.0
25th Percentile	\$ 150,000,000	\$ 198,153,245	\$ 14,000,000	6.6%	0.7	10.6
Median	\$ 300,000,000	\$ 280,100,000	\$ 30,000,000	8.5%	1.0	11.0
75th Percentile	\$ 440,000,000	\$ 351,400,000	\$ 40,000,000	16.3%	2.0	12.4
90th Percentile	\$ 996,000,000	\$ 412,960,000	\$ 80,500,000	27.0%	3.3	12.9

Source: Scope Research

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