



TM Capital's Musculoskeletal Spotlight

Summer 2024



TM Capital Experience

Our healthcare team architects highly complex, market-defining outcomes for physician-owned practices and ambulatory surgery centers in the orthopedics, interventional pain, anesthesia and physical therapy specialties

	Target	Acquiror	Acquisition Synopsis
Orthopedics		 	<ul style="list-style-type: none"> Surgery Partners Inc. (NASDAQ: SGRY), a portfolio company of Bain Capital Public Equity entered a definitive agreement to acquire the Orthopedic Institute of Wisconsin in April 2024 The Orthopedic Institute of Wisconsin is an 18-physician orthopedic practice, offering a multi-specialty continuum of diagnosis, treatment, rehabilitation, education, prevention and follow-up by Board Certified/Eligible specialists, each Fellowship trained in a specific area of orthopedic care Surgery Partners Inc. (NASDAQ: SGRY) is a healthcare services company that operates a network of surgical facilities and provides outpatient care across more than 180 locations in 32 states
Interventional Pain		 	<ul style="list-style-type: none"> Surgery Partners Inc. (NASDAQ: SGRY), a portfolio company of Bain Capital Public Equity entered a joint venture with Nevada Comprehensive Pain Center in December 2023 Nevada Comprehensive Pain Centers is a provider of interventional pain management and minimally invasive spine surgery, providing care through multiple ambulatory surgery centers in Las Vegas Intermountain Health is a not-for-profit healthcare system with 385 clinics and 33 hospitals in the Intermountain West
Anesthesia	<p>Midwest-based 14-physician anesthesia practice</p>	<p>Publicly Traded Acquiror</p>	<ul style="list-style-type: none"> A Publicly Traded Acquiror entered a definitive agreement to acquire the Target from Seller in April 2024 Target is a 14-physician anesthesia practice supporting a large, regional orthopedic and interventional pain managed services organization in various hospital and ambulatory surgery centers Publicly Traded Acquiror is a healthcare services company that operates a network of surgical facilities and provides outpatient care nationally
Physical Therapy		 	<ul style="list-style-type: none"> Surgery Partners Inc. (NASDAQ: SGRY), a portfolio company of Bain Capital Public Equity entered a definitive agreement to acquire the Physical Therapy & Hand Therapy Clinics of Midwest Orthopedic Specialty Hospital Midwest Orthopedic Specialty Hospital's network of Physical Therapy & Hand Therapy Clinics offers rehabilitation programs by musculoskeletal specialists including physiatrists (rehabilitation physicians), physical therapists, occupational therapists and nurses including manual therapy, passive-resistance stretching, ultrasound, and heat, ice and water, therapy Surgery Partners Inc. (NASDAQ: SGRY) is a healthcare services company that operates a network of surgical facilities and provides outpatient care across more than 180 locations in 32 states

Select PE-Backed Orthopedic Platforms (HQ)



Sector Insights

Investment in independent musculoskeletal sector practices and facilities remains strong despite some disruption principally a result of the combination of a fast-evolving regulatory landscape, higher interest rate environment, and rash of failed sell-side processes for sponsor-backed assets last year. Though some funds are increasingly concerned by federal- and state-level regulators' increased scrutiny into consolidation-oriented transactions - for example, the DOJ, FTC, and HHS joint public inquiry into PE and other corporations' increasing control over health care, or California's Assembly Bill (AB) 3129 - more recent positive outcomes such as several large independent practices transacting, the FTC's anticompetitive scheme suit against WCAS being dismissed, and one of the larger sponsor-backed assets recently resuming its process and proceeding towards closing with a strategically-oriented partner, we believe are rebooting the market. A key focus this year both amongst scaling institutionally-backed platforms and groups independently merging as a defense against consolidation (notably PELTO Health Partners) will be the efficiency and quality of integration efforts between increasingly geographically disparate practices - increasingly a top valuation and due diligence item.

Josh Mastracci
Director, TM Capital

Sector Activity



Target	Acquiror	Transactions
South Florida Orthopedics & Sports Medicine	Premier Orthopedics	Merger between two South Florida-based orthopedic practices offering minimally invasive surgery, joint surgery, arthroscopic surgery, reconstructive and revision surgery, spine surgery, ACL repair, trauma and fracture care, general and pediatric orthopedics, workers' compensation and sports medicine
Orthopedic Partners	Orthopedic Care Partners (Varsity Healthcare Partners)	Orthopedic Partners is a private practice based in Southeastern Connecticut providing musculoskeletal treatment
Palm Beach Hand to Shoulder	Orthopedic Care Partners (Varsity Healthcare Partners)	Palm Beach Hand to Shoulder is a surgical practice in Jupiter, Florida specializing in management of degenerative, traumatic and sports-related conditions of the shoulder and upper extremity
Ortho Rhode Island	Spire Orthopedic Partners (Kohlberg & Company, L.L.C.)	Ortho Rhode Island provides orthopedic care services, including physical and occupational therapy, imaging and sports medicine
Orthopedic Institute of Western Kentucky	Mercy Health	Orthopedic Institute of Western Kentucky operates several orthopedic clinics and offers surgery, sports medicine, radiology and general care services
Cape Fear Valley Huff Orthopedics & Sports Medicine	Cape Fear Valley Health	Cape Fear Valley Huff Orthopedics & Sports Medicine is an orthopedic practice located in Clinton, North Carolina

Target	Acquiror	Transactions
Pain Care Surgery of Louisville	Capitol Pain Institute (Iron Path Capital)	Pain Care Surgery of Louisville operates an ambulatory surgical center based in Louisville, Kentucky
Balcones Pain Consultants / Water Leaf Surgery Center	Capitol Pain Institute (Iron Path Capital)	Balcones Pain Consultants and Water Leaf Surgery Center together operate three clinics and one ambulatory surgery center in the Austin metro area
SIBI Medical, Inc. d/b/a London Spine Institute	NeuPath Health, Inc. (TSX:NPTH)	SIBI Medical is an interdisciplinary group of providers treating and diagnosing back, spine and neck conditions
Target	Acquiror	Transactions
Hilltop Physical Therapy	Ivy Rehab (Waud Capital Partners)	Hilltop Physical Therapy is a private practice offering physical rehabilitation in Virginia
Access Physical Therapy & Wellness	Confluent Health (Partners Group)	Access Physical Therapy & Wellness provides physical therapy services in Campbell Hall, New York, specializing in orthopedic, sports and post-surgical care
Lone Peak Physical Therapy	Confluent Health (Partners Group)	Lone Peak Physical Therapy is a physical therapy company specializing in occupational, pelvic health and hand therapy across Montana and North Dakota

To learn more about TM Capital or to discuss our work with clients in this sector, please contact any of TM's healthcare team members listed below:



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ABOUT TM CAPITAL

Founded in 1989 and now part of Janney Montgomery Scott, TM Capital is the client-first investment banking team advising industry leading companies across North America and around the world. In everything we do, our professionals share a relentless commitment to engineering extraordinary outcomes with an unmatched standard of client care. Over the last three decades, we have completed more than 350 transactions with a combined value in excess of \$25 billion. With offices in Atlanta, Boston and New York, our mission critical capabilities include complex mergers and acquisitions; debt and equity financings; minority and majority recapitalizations; restructurings; and board advisory services. TM Capital is also a founding member firm of Oaklins, the world's most experienced mid-market M&A advisor with 700 M&A professionals in 60 offices operating in the major financial centers around the world. For more information, please visit www.tmcapital.com.