

TM Capital's Musculoskeletal Spotlight









Winter 2025



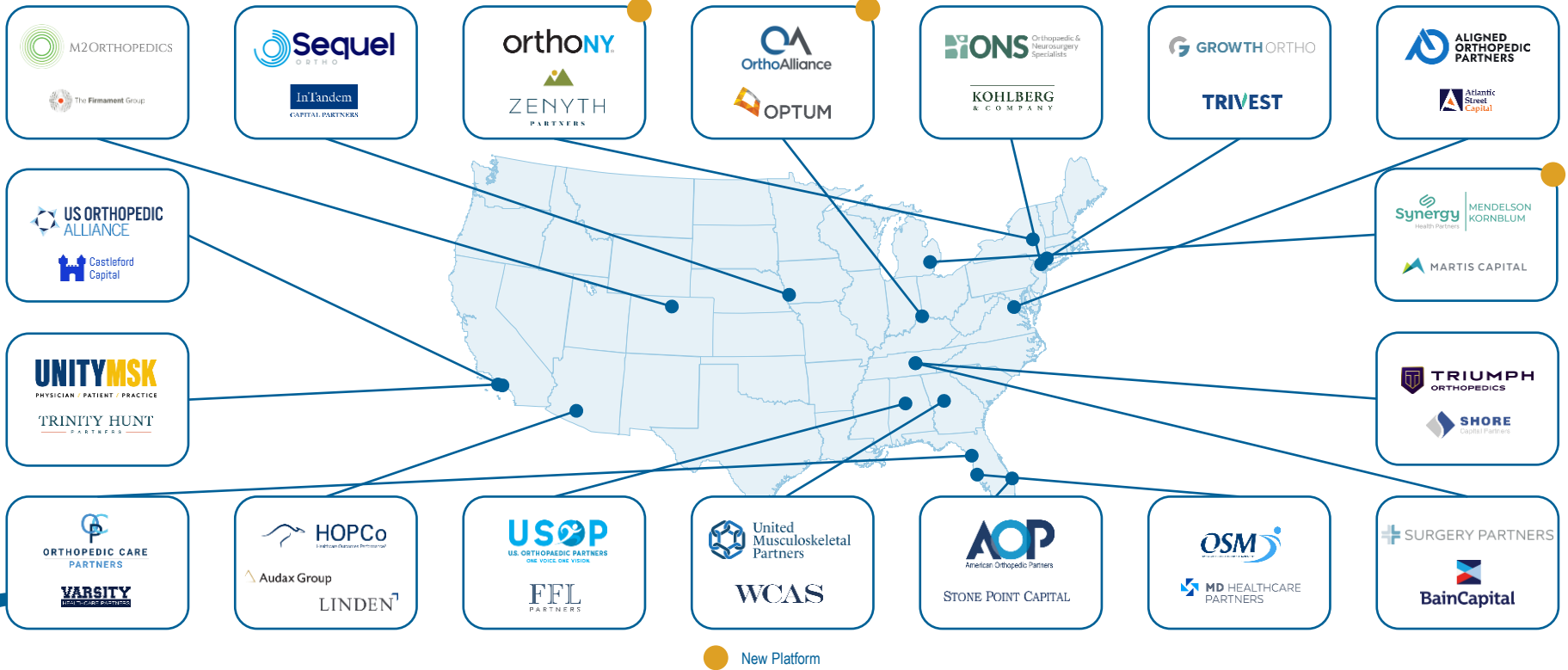
TM Capital Experience

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	 <p>Sports Medicine & Orthopedic Center</p>	 <p>SURGERY PARTNERS</p>	<ul style="list-style-type: none"> Surgery Partners Inc. (NASDAQ: SGRY), a portfolio company of Bain Capital Public Equity entered a joint venture with Sports Medicine and Orthopedic Center in April 2024 Sports Medicine and Orthopedic Center is a multi-physician, Wisconsin-based orthopedic practice with a focus on hand/upper extremity and spine procedures Surgery Partners is a healthcare services company that operates a network of surgical facilities and provides outpatient care across more than 180 locations in 32 states A senior member of TM Capital's healthcare team led this transaction at a prior firm
	 <p>FRANKLIN ORTHOPEDICS AND SPORTS MEDICINE Rajit Saluja, MD & Mysore Shivaram, MD</p>	 <p>SURGERY PARTNERS</p>	<ul style="list-style-type: none"> Surgery Partners Inc., a portfolio company of Bain Capital Public Equity entered a joint venture with Franklin Orthopedics and Sports Medicine in April 2024 Franklin Orthopedics and Sports Medicine is a multi-physician, Franklin, Wisconsin-based orthopedic practice with extensive experience treating osteoarthritis, ACL and rotator cuff injuries, meniscus tears, and carpal tunnel, as well as performing joint replacement surgeries of the hip, knee and shoulder Surgery Partners is a healthcare services company that operates a network of surgical facilities and provides outpatient care across more than 180 locations in 32 states A senior member of TM Capital's healthcare team led this transaction at a prior firm
	 <p>Georgia BONE & JOINT ORTHOPAEDIC EXCELLENCE. EXCEPTIONAL CARE.</p>	 <p>SURGERY PARTNERS</p>	<ul style="list-style-type: none"> Surgery Partners Inc., a portfolio company of Bain Capital Public Equity entered a joint venture with Georgia Bone & Joint and Georgia Bone & Joint Surgery Center in February 2022 Georgia Bone and Joint is the premier provider of orthopedic care to the southern suburbs of Atlanta, GA, namely Newnan, Peachtree City and the surrounding areas. The practice provides fully integrated care by owning its own physical therapy centers, imaging centers and ambulatory surgery center. Surgery Partners is a healthcare services company that operates a network of surgical facilities and provides outpatient care across more than 180 locations in 32 states A senior member of TM Capital's healthcare team led this transaction at a prior firm
Ortho. VBC	 <p>TS ORTHOCARE SOLUTIONS, LLC</p>	 <p>SURGERY PARTNERS</p>	<ul style="list-style-type: none"> Surgery Partners Inc., a portfolio company of Bain Capital Public Equity acquired TS Ortho Care Solutions in April 2024 TS Ortho Care Solutions is a comprehensive orthopedic care bundled care solutions provider offering integrative strategies focusing on the entirety of the care pathway in orthopedic patients, with access points within our orthopedic system of care, care algorithms based on evidence-based protocols with care optimization strategies, utilization review management available to eliminate redundancies and waste, and transparency in costs for surgical and non-surgical treatment episodes Surgery Partners is a healthcare services company that operates a network of surgical facilities and provides outpatient care across more than 180 locations in 32 states A senior member of TM Capital's healthcare team led this transaction at a prior firm

Sponsor Landscape



Platform Insights / OCP

[Varsity portfolio company OCP] announced that Tim Corvino, MD was named as the Company's Chief Executive Officer. Dr. Corvino is the former CEO of Spire Orthopedic Partners. He also previously served as Chief Operating Officer of Covenant Physician Partners and, prior thereto, as Chief Operating Officer of U.S. Acute Care Solutions. . . . [T]he Company [also] announced a growth recapitalization transaction, inclusive of a \$185M hybrid capital raise provided by Brookfield Asset Management through its Special Investments program ("BSI") and a \$358M senior credit facility refinancing, led by TPG Twin Brook Capital Partners ("TPG Twin Brook"). BSI's hybrid capital investment brings strategic partnership and adds additional flexibility to OCP's capital structure, positioning the Company for its next phase of growth. OCP's successful debt refinancing extends and reprices the Company's existing credit facility to a lower rate, while providing OCP with an expanded revolving credit facility and delayed draw term loan to support OCP's future growth.

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Sector Insights

Activity around year-end and JPM - including Optum's acquisition of OrthoAlliance from Revelstoke and Varsity's recap of OCP - has begun to revive optimism and activity amongst existing lower-middle-market platforms getting long in their respective hold periods. While the market for assets of scale (\$50m+ EBITDA) has meaningfully cooled off - evidenced by initial outcomes in processes for assets of that scale last year - smaller holdings with continued room to grow expect to be prized targets for sponsors who continue to be interested in spending time in the category. While this has become a contrarian play in the eyes of the market at-large that has increasingly shifted its focus in multi-site provider services to more consumer-oriented specialties, there remains a stable of investors with appetite to build platforms after allowing the effective initial round of these investments to play itself out. Physician-shareholder sentiment as equity value and income repair materialize will be key to successful outcomes as "second bite" opportunities begin to be discussed and explored.

Josh Mastracci
Managing Director, TM Capital

Sector Activity



Target (Date)	Acquiror	Synopsis
OrthoCarolina (PT Business) (Feb. '25)	PT Solutions Physical Therapy (General Atlantic)	The acquisition includes 24 therapy clinics offering physical therapy and rehabilitation to patients, including occupational therapy and sports rehabilitation, in metro Charlotte, Winston-Salem, Hickory, Shelby and Boone.
OrthoNY (Jan. '25)	Zenyth Partners	New platform created by NY-based Zenyth Partners. 40+-physician orthopedic and sports medicine group in Albany, Clifton Park, Saratoga Springs and Schenectady, New York - led by Dave Fitzgerald, formerly with Proliance Surgeons.
Rothman Orthopedics of Greater New York (Jan. '25)	NYU Langone	Acquisition further expands the outpatient locations at NYU Langone in New York to include Midtown East, Harrison and Tarrytown, and will include the integration of 13 orthopedic specialists and surgeons.
Lancaster Orthopedic Group (Jan. '25)	Penn State Health	Three-location Lancaster Orthopedic Group employs around 230 full-time personnel including 18 orthopedic physicians, and 15 advanced practice providers. The practice will also provide care at Penn State Health Lancaster Medical Center.
OrthoAlliance (Revelstoke Capital) (Jan. '25)	SCA Health (Optum)	Reported \$1.4b transtion for Ohio-based OrthoAlliance and its more than 200 physician partners in the Midwest. SCA Health has expanded beyond ASC management to a broader range of specialty care.
Orthopedic Care Partners (Dec. '24)	Brookfield Asset Management/TPG Twin Brook Capital	\$185M hybrid capital raise provided by Brookfield Asset Management through its Special Investments program and a \$358M senior credit facility refinancing, led by TPG Twin Brook Capital Partners.

In the News

Orthopedic consolidation's 'net benefit'

Three Indiana Orthopedic Practices Merge to Form OrthoIndiana

Why orthopedic CEOs are optimistic about private equity

Novant Announces Affiliation With Leighton Orthopedics & Sports Medicine

Private equity firms generate higher professional fees for clinicians, study finds

PT Solutions Acquires OrthoCarolina Physical Therapy, Teams Up with Novant Health to Expand Access to Premier Physical Therapy Services in the Southeast

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.