



KPMG Corporate Finance LLC

Podiatry physician
practice M&A

February 2023

kpmgcorporatefinance.com

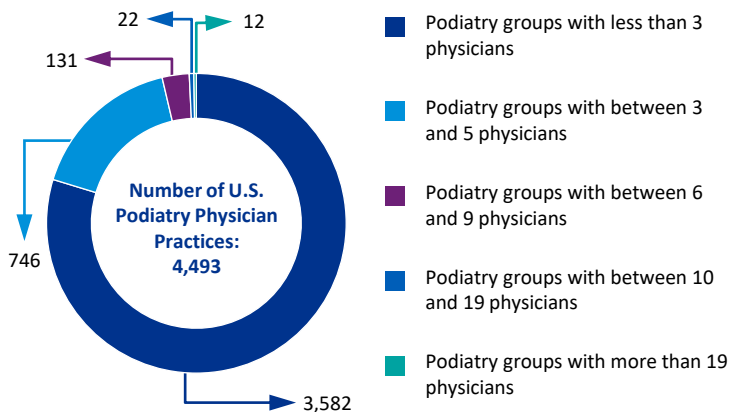


U.S. podiatry market overview

The podiatry physician market in the U.S. is expected to benefit from the aging population and the increase in arthritis and diabetes.

- An estimated 75 percent of Americans experience foot or ankle problems.⁽¹⁾
- The burgeoning geriatric population, rising prevalence of chronic diseases such as diabetes, arthritis and obesity, and increasing awareness about the importance of routine foot health and care is driving growth in the market.
 - In 2018, approximately 11 percent of Americans were estimated to have diabetes and roughly 15 percent of diabetic patients experience foot ulcers.⁽²⁾
 - By 2040, an estimated 78.4 million (or 25.9 percent of the projected total adult population) adults aged 18 years and older will have doctor-diagnosed arthritis.⁽³⁾
 - The number of adults 65 and older is projected to rise from 55 million in 2019 to 88 million by 2050, thus providing new opportunities to podiatry practices.⁽⁴⁾
- There are approximately 13,320 active doctors of podiatric medicine in the U.S., which represents an average of one physician for every 20,408 Americans.⁽⁵⁾

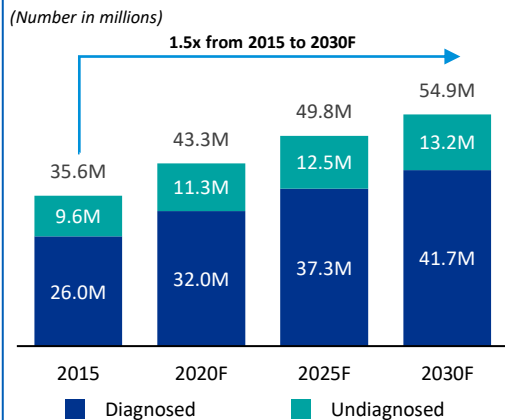
Highly fragmented U.S. podiatry practice market⁽⁶⁾



Sources:

- ⁽¹⁾ IBISWorld Industry Report – Podiatrists in the US
- ⁽²⁾ American Diabetes Association; America's Health Rankings – United Health Foundation
- ⁽³⁾ CDC – National Statistics - Future Arthritis Burden
- ⁽⁴⁾ U.S. Census Bureau
- ⁽⁵⁾ Illinois Podiatric Medical Association
- ⁽⁶⁾ Active practices with at least 1 physician and main specialty of radiology per Definitive Healthcare
- ⁽⁷⁾ National Library of Medicine – Diabetes 2030: Insights from Yesterday, Today, and Future Trends

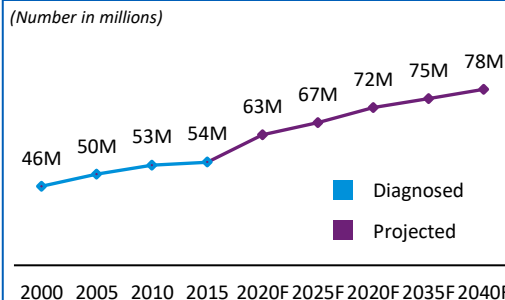
U.S. diabetes forecasts⁽⁷⁾



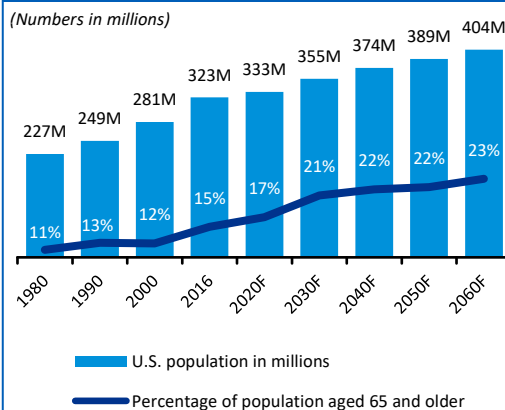
Prevalence of prediabetes in U.S. (in millions)

Year	2015	2020F	2025F	2030F
Prevalence (Millions)	90.6M	97.3M	104.0M	107.7M

National arthritis prevalence projections⁽³⁾



U.S. population overview⁽⁴⁾



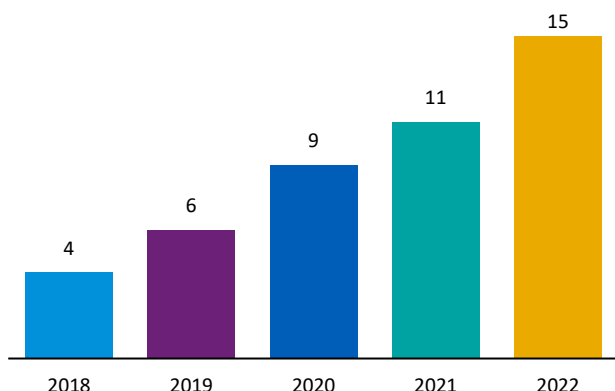
Podiatry physician practice M&A activity overview

The fragmented U.S. podiatry physician practice market, dominated by groups with less than 3 physicians, represents an attractive consolidation opportunity.

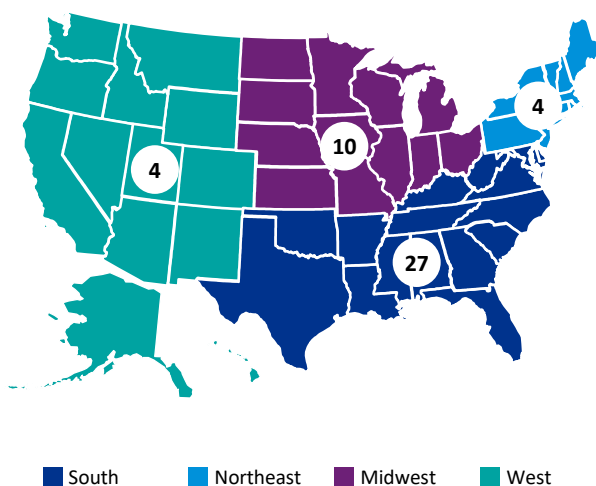
- There are approximately 4,500 podiatry physician practices in the U.S. and more than 96 percent of these practices are comprised of five or fewer physicians.⁽¹⁾
- Historically, the podiatry market has remained largely untouched by outside investment and general merger activity, leaving significant room for consolidation.
- As solo podiatry practices face diminishing margins, private equity interest has increased as they recognize the opportunity to consolidate and achieve economies of scale.
- As a result, podiatry is seeing increased interest from financial players including recent investments by Albaron Partners, Shore Capital, Siguler Guff, VSS, Compass Group, SunGate Capital, and NMS Capital.

Podiatry physician practice M&A activity⁽²⁾

Deal activity since 2018



Deal activity by geography since 2018



Sources:

- ⁽¹⁾ Practices with main specialty of Podiatry per Definitive Healthcare;
⁽²⁾ Capital IQ, Mergermarket, and Press releases.

Key factors driving consolidation activity in the sector



Fragmented market

The sector is highly fragmented and is largely served by smaller private practices, presenting an opportunity to embark roll-up strategy.



Diverse revenue streams

Presence of ancillary services such as diagnostic vascular and nerve testing, cosmetic treatments, physical therapy, and in-office dispensing of foot care products, makes the specialty more attractive for potential buyers.



Favourable macro trends

An aging American population and rising awareness of podiatry services will boost the growth of the specialty, thus fueling the interest of buyers in the sector.



Increased bargaining power

Larger podiatry practices have more resources to allocate towards marketing expenditures and negotiations with managed-care organizations to be included in their provider network.

Select precedent podiatry transactions (1/2)

Closed Date	Target Name	Target Location	Acquirer Name	Deal Value (\$ mm)
Nov-22	Cincinnati Foot & Ankle Care	OH	Beyond Podiatry (Albaron Partners)	Undisclosed
Nov-22	Comprehensive Foot & Ankle Centers	KY	US Foot and Ankle Specialists	Undisclosed
Nov-22	Palmetto Podiatry Group of Anderson	SC	US Foot and Ankle Specialists	Undisclosed
Oct-22	Advanced Foot & Ankle Center	DE	US Foot and Ankle Specialists	Undisclosed
Oct-22	Indian Valley Podiatry Associates	PA	US Foot and Ankle Specialists	Undisclosed
Sep-22	William D. Fishco, D.P.M	AZ	Pacesetter Health (Podiatry Growth Partners)	Undisclosed
Sep-22	Next Step Foot and Ankle Centers	MO	US Foot and Ankle Specialists	Undisclosed
Sep-22	Cortez Foot & Ankle Specialists	FL	US Foot and Ankle Specialists	Undisclosed
May-22	Delaware Foot and Ankle Group	DE	US Foot and Ankle Specialists	Undisclosed
Apr-22	Foot & Ankle Web Services (FAWS)	MI	The CORE Institute (Audax; Linden)	Undisclosed
Apr-22	Foot Care Center	VA	US Foot and Ankle Specialists	Undisclosed
Apr-22	Lakeforest Foot and Ankle Center	MD	US Foot and Ankle Specialists	Undisclosed
Mar-22	Kentuckiana Foot & Ankle Sports Medicine	KY	Podiatry Growth Partners	Undisclosed
Feb-22	Reston Podiatry Associates	VA	US Foot and Ankle Specialists	Undisclosed
Jan-22	San Antonio Podiatry Associates	TX	Podiatry Growth Partners	Undisclosed
Oct-21	Colorado Podiatry Consultants	CO	Podiatry Growth Partners	Undisclosed
Sep-21	Tipton & Unroe	KY	Podiatry Growth Partners	Undisclosed
Aug-21	M & L Podiatry	NC	US Foot and Ankle Specialists	Undisclosed
Jul-21	Family Foot and Ankle Center	VA	US Foot and Ankle Specialists	Undisclosed
Jun-21	Lake Ridge and Stafford Foot & Ankle Centers	VA	US Foot and Ankle Specialists	Undisclosed
Jun-21	Step Lively Foot and Ankle Centers and Feet First Podiatry	OH	Podiatry Growth Partners	Undisclosed
May-21	Foot and Ankle Specialists of Central Ohio	OH	Podiatry Growth Partners	Undisclosed
Apr-21	The Center for Foot and Ankle Care	CO	Podiatry Growth Partners	Undisclosed
Mar-21	Kentucky/Indiana Foot and Ankle Specialists	KY	Podiatry Growth Partners	Undisclosed
Feb-21	Northwest Extremity Specialists	FL	Trinity Hunt Partners	Undisclosed
Jan-21	Foot and Ankle Associates	PA	USFAS	Undisclosed
Nov-20	Foot and Ankle Specialists of West Michigan	MI	Weil Foot & Ankle Institute (Stonehenge Partners)	Undisclosed
Oct-20	Podiatry Associates	CO	Podiatry Growth Partners (Siguler Guff; VSS; Compass Group; SunGate Capital)	Undisclosed

Sources: Capital IQ, Mergermarket, and Press releases.


Select precedent podiatry transactions (2/2)

Closed Date	Target Name	Target Location	Acquirer Name	Deal Value (\$ mm)
Oct-20	Podiatry Growth Partners	MO	Siguler Guff & Company; VSS; Compass Group Management; SunGate Capital	Undisclosed
Sep-20	Family Foot & Ankle Center	NC	US Foot and Ankle Specialists	Undisclosed
Aug-20	Chapel Hill Foot and Ankle Associates	NC	US Foot and Ankle Specialists	Undisclosed
Jul-20	Ryan Foot & Ankle Specialists	NC	US Foot and Ankle Specialists	Undisclosed
Jun-20	Carolina Foot & Ankle of Huntersville	NC	US Foot and Ankle Specialists	Undisclosed
Mar-20	Piedmont Foot & Ankle Clinic	NC	US Foot and Ankle Specialists	Undisclosed
Jan-20	Carmel Foot Specialists	NC	US Foot and Ankle Specialists	Undisclosed
Dec-19	Gaston Foot & Ankle Associates	NC	US Foot and Ankle Specialists	Undisclosed
Nov-19	Harrisburg Foot & Ankle Center	PA	US Foot and Ankle Specialists	Undisclosed
Jul-19	Long Island Bone & Joint	NY	Orlin & Cohen Orthopedic Associates	Undisclosed
Jun-19	Affiliated Podiatrists	VA	US Foot and Ankle Specialists (New MainStream Capital)	Undisclosed
Feb-19	Turner Podiatry and Wound Care	GA	Village Podiatry Centers	Undisclosed
Jan-19	Great Lakes Foot and Ankle Institute	MI	Albaron Partners	Undisclosed
Dec-18	Foot and Ankle Specialists of the Mid-Atlantic (USFAS)	MD	New MainStream Capital	Undisclosed
Sep-18	Weil Foot & Ankle Institute	IL	Northwest Community Healthcare	Undisclosed
Aug-18	Preferred Podiatry Group	IL	Shore Capital Partners	Undisclosed
May-18	North Georgia Podiatry	GA	Village Podiatry Centers	Undisclosed











Sources: Capital IQ, Mergermarket, and Press releases.

©2023 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Select recent KPMG Corporate Finance LLC transactions

 <p>Project HBOT</p> <p><i>A provider of hyperbaric oxygen therapy</i></p> <p>Ongoing</p>	 <p>Project Meadow</p> <p><i>A provider of hospice care services</i></p> <p>Ongoing</p>	 <p>Project Green</p> <p><i>A psychiatry physician practice</i></p> <p>Ongoing</p>	 <p>Project Solar</p> <p><i>A provider of radiation oncology treatment services</i></p> <p>Ongoing</p>	 <p>Project King of Hearts</p> <p><i>A provider of cardiology services</i></p> <p>Ongoing</p>
  <p><i>Has been acquired by</i></p>  <p>Closed</p>	  <p><i>Has been acquired by</i></p>  <p><i>A portfolio company of</i></p>  <p>Closed</p>	  <p><i>Has been acquired by</i></p>  <p><i>A portfolio company of</i></p>  <p>Closed</p>	  <p><i>Raised acquisition financing for the purchase of</i></p>  <p>Closed</p>	  <p><i>The affiliated MSO for</i></p>  <p><i>Has been recapitalized by</i></p>  <p>Closed</p>

Select recent KPMG LLP Deal Advisory credentials

 <p>Strategic client</p> <p>KPMG Deal Advisory</p> <p>Provided financial diligence assistance on its potential acquisition of a multi location provider of IDD & mental health services</p> <p>Closed</p>	 <p>Private equity client</p> <p>KPMG Deal Advisory</p> <p>Provided financial diligence assistance on its potential acquisition of a multi location provider of IDD, mental health and substance abuse services</p> <p>Closed</p>	 <p>Private equity client</p> <p>KPMG Deal Advisory</p> <p>Provided financial diligence assistance on its potential acquisition provider providing in home and clinical autism services with over 100 locations</p> <p>Closed</p>	 <p>Private equity client</p> <p>KPMG Deal Advisory</p> <p>Provided financial diligence assistance on its potential acquisition of in home and clinical autism services provider with over 100 locations</p> <p>Closed</p>	 <p>Private equity client</p> <p>KPMG Deal Advisory</p> <p>Provided financial and tax due diligence assistance on its potential acquisition of a provider specializing in behavioral health and special education programs</p> <p>Closed</p>
 <p>AdvoServ</p> <p>KPMG Deal Advisory</p> <p>Provided financial diligence sell side assistance on its sale to Wellspring Capital</p> <p>Closed</p>	 <p>Private equity client</p> <p>KPMG Deal Advisory</p> <p>Provided financial and tax sell-side due diligence assistance on a potential sale of a company providing inpatient services for the developmentally disabled</p> <p>Closed</p>	 <p>Eating Recovery Center LLC</p> <p>KPMG Deal Advisory</p> <p>Provided full buy-side transaction evaluation financial due diligence and M&A tax assistance on the acquisition of Eating Disorder Center at San Antonio PLLC</p> <p>Closed</p>	 <p>Great Point Partners</p> <p>KPMG Deal Advisory</p> <p>Provided financial due diligence buy side assistance to Great Point Partners in its acquisition of Pacific Child and Family Associates</p> <p>Closed</p>	 <p>Strategic client</p> <p>KPMG Deal Advisory</p> <p>Provided financial due diligence assistance on the potential acquisition of an adult day health care facility in the west</p> <p>Closed</p>

*Represents the global Corporate Finance practice of KPMG International's network of independent member firms.

©2023 KPMG Corporate Finance LLC, a Delaware limited liability company, Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

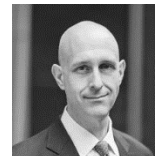
KPMG Corporate Finance LLC healthcare investment banking team



Walter J. Olshanski
Managing Director,
Sector Lead
T: 646-874-4878
E: wolshanski@kpmg.com



Jason Moran
Managing Director
T: 415-963-7353
E: jasonmoran@kpmg.com



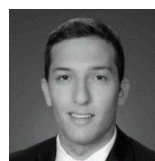
Adrian Susmano
Managing Director
T: 917-701-7578
E: asusmano@kpmg.com



Amanda Dydynski
Director
T: 415-963-8401
E: adydynski@kpmg.com



Brian Flanagan
Vice President
T: 847-778-0527
E: blfanagan1@kpmg.com



Michael Cordaro
Vice President
T: 845-709-5572
E: mcordaro@kpmg.com



Patrick Masciangelo
Senior Associate
T: 312-665-3895
E: pmasciangelo@kpmg.com

2017-2021 global advisor ranking ⁽¹⁾		# of Deals
1.	KPMG*	2,752
2.	PwC	2,732
3.	Deloitte	2,205
4.	Houlihan Lokey	2,106
5.	Rothschild & Co.	1,738
6.	Ernst & Young LLP	1,603
7.	Goldman Sachs & Co	1,205
8.	Industrial & Comm. Bank China	1,115
9.	Lazard	1,033
10.	JP Morgan	1,032

2017-2021 global advisor ranking ⁽²⁾		# of Deals
1.	KPMG*	2,704
2.	PwC	2,669
3.	Deloitte	2,172
4.	Houlihan Lokey	2,035
5.	Rothschild & Co.	1,605
6.	Ernst & Young LLP	1,549
7.	Industrial & Comm. Bank China	1,069
8.	BDO	985
9.	IMAP	979
10.	K3 Capital Group	937

Global coverage. Industry knowledge. Middle-Market focus.

The global Corporate Finance practices of KPMG International's network of independent member firms was ranked #1 as the top M&A middle-market adviser globally by Refinitiv based on number of completed transactions, for 2017 to 2021.

KPMG Corporate Finance has recently won the Middle Market Investment Bank of the Year by M&A Atlas Awards. KPMG Corporate Finance LLC was previously named Transaction Advisory Firm of the Year by The Global M&A Network, and Investment Bank of the Year by the M&A Advisor. KPMG Corporate Finance LLC provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge to advise clients on global mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, capital advisory, portfolio solutions, fairness opinions, and other advisory needs.

Note:
⁽¹⁾ League tables include completed deals which have value less than \$1 billion and also where deal value is not disclosed, as of January 2022; ⁽²⁾ League tables include completed deals which have value less than \$500 million and also where deal value is not disclosed, as of January 2022.
 *Represents the global Corporate Finance practice of KPMG International's network of independent member firms.



Important notice

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. The information contained in this communication does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.