



## Kelly Redeploys Capital to Expand Education Business through Acquisition of Pediatric Therapeutic Services

May 3, 2022

- *Strategic redeployment of capital from recent APAC transactions accelerates Kelly's specialty growth strategy*
- *Expands Kelly Education's industry-leading K-12 solutions offering*
- *Creates growth opportunities in the \$20-billion therapeutic services segment*

TROY, Mich., May 3, 2022 /PRNewswire/ -- Kelly (Nasdaq: KELYA) (Nasdaq: KELYB) today announced that it has acquired [Pediatric Therapeutic Services](#) (PTS), a specialty firm that provides state and federally mandated in-school therapy services including occupational therapy, physical therapy, speech-language pathology, and mental and behavioral health services. Headquartered in suburban Philadelphia, PTS currently supports schools throughout Pennsylvania and Delaware and will continue to operate under its own brand as part of Kelly Education as it leverages Kelly's national profile to expand into other states. Terms of the acquisition were not disclosed.



PTS has an impressive track record of annual growth and a successful track record of securing contract renewals. This growth reflects the surging demand for in-school therapeutic services as the pandemic has taken a toll on students. According to the [U.S. Department of Education, Individuals with Disabilities Act \(IDEA\)](#), more than 7.3 million K-12 students are now entitled by U.S. law to therapeutic benefits. Sourcing and managing a vast pool of service providers can be complex and costly for schools already facing budgetary constraints. PTS relieves that pain point and delivers a proven, scalable platform that enables schools to contain costs, increase efficiency, and improve student outcomes.

"We're thrilled to welcome PTS to Kelly as we continue to redeploy capital and add high-margin, high-growth assets to our core businesses," said [Peter Quigley](#), president and chief executive officer of [Kelly](#). "Earlier this year, we said we would use proceeds from our APAC transactions to accelerate inorganic specialty growth, and that is precisely what we are doing with this latest acquisition. PTS gives Kelly an entry point into the fast-growing therapeutic services market, a specialty domain where we didn't have a presence and where our education clients are clearly in need of support."

To provide that support, PTS has developed innovative solutions for delivering and managing therapeutic services that benefit students, schools, teachers, families, and communities. Their holistic approach means that students receive state-of-the-art therapy from the right specialized talent, and schools are able to focus on students rather than the administrative challenges of managing therapeutic services.

"PTS shares Kelly Education's mission to support the whole child, an approach to education that encompasses each student's academic, social, physical, and emotional well-being," said [Nicola Soares](#), president of [Kelly Education](#). "PTS' expertise in therapeutic services will help us create more

inclusive learning environments in all classrooms, and equip all of our K-12 service providers to better support ALL learners. PTS will be able to leverage our client network of more than 10,000 schools across the U.S."

"The opportunities for collaboration between our two organizations are tremendous," said Diana Fongheiser who co-founded PTS with Pam Hackett in 1998.

"From the start, it was clear that Kelly shared our values and priorities when it comes to caring for the whole child. Aligning PTS' mission with the Kelly brand is deeply satisfying," Hackett added.

Newport Transaction Advisors, LLC, a subsidiary of [Newport, LLC](#), and a leading strategic advisory firm, served as the exclusive financial advisor to PTS throughout the transaction.

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These factors include, but are not limited to, changing market and economic conditions, the impact of the novel coronavirus (COVID-19) outbreak, competitive market pressures including pricing and technology introductions and disruptions, disruption in the labor market and weakened demand for human capital resulting from technological advances, competition law risks, the impact of changes in laws and regulations (including federal, state and international tax laws), unexpected changes in claim trends on workers' compensation, unemployment, disability and medical benefit plans, or the risk of additional tax liabilities in excess of our estimates, our ability to achieve our business strategy, our ability to successfully develop new service offerings, material changes in demand from or loss of large corporate customers as well as changes in their buying practices, risks particular to doing business with government or government contractors, the risk of damage to our brand, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, services of licensed professionals and services connecting talent to independent work, our increasing dependency on third parties for the execution of critical functions, our ability to effectively implement and manage our information technology strategy, the risks associated with past and future acquisitions, including risk of related impairment of goodwill and intangible assets, risks associated with conducting business in foreign countries, including foreign currency fluctuations, the exposure to potential market and currency exchange risks relating to our investment in Persol Holdings until its disposition, risks associated with violations of anti-corruption, trade protection and other laws and regulations, availability of qualified full-time employees, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, our ability to sustain critical business applications through our key data centers, risks arising from failure to preserve the privacy of information entrusted to us or to meet our obligations under global privacy laws, the risk of cyberattacks or other breaches of network or information technology security, our ability to realize value from our tax credit and net operating loss carryforwards, our ability to maintain specified financial covenants in our bank facilities to continue to access credit markets, and other risks, uncertainties and factors discussed in this release and in the Company's filings with the Securities and Exchange Commission. Actual results may differ materially from any forward-looking statements contained herein, and we undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

#### **About Kelly®**

Kelly (Nasdaq: KELYA, KELYB) connects talented people to companies in need of their skills in areas including Science, Engineering, Education, Office, Contact Center, Light Industrial, and more. We're always thinking about what's next in the evolving world of work, and we help people ditch the script on old ways of thinking and embrace the value of all workstyles in the workplace. We directly employ nearly 350,000 people around the world and connect thousands more with work through our global network of talent suppliers and partners in our outsourcing and consulting practice. Revenue in 2021 was \$4.9 billion. Visit [kellyservices.com](https://kellyservices.com) and let us help with what's next for you.

#### **About Kelly Education**

Kelly Education powers the future of learning by helping make early childhood education centers, K-12 school districts, and institutions of higher education, stronger and more stable for leaders, administrators, professors, teachers, and students. Kelly Education is a business of Kelly, a global workforce solutions provider that's always asking what's next in the world of work. Learn more at [KellyEducation.com](https://KellyEducation.com).

#### **About Pediatric Therapeutic Services, (PTS)**

Pediatric Therapeutic Services (PTS) Inc., headquartered in Conshohocken, Pennsylvania, provides advanced therapy staffing solutions to school districts, charter schools, and early intervention programs. The organization integrates comprehensive therapy management with related services and program supports to streamline operations, reduce costs, and improve outcomes. PTS' innovative service model, guided by our BudgetWatch™ technology, helps transform classrooms into therapeutic environments that support all learners. PTS was included on Inc. Magazine's list of the 5,000 fastest-growing, private companies in America for many years, most recently in 2021.

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