
USPh
ONE PARTNER

Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements, which involve numerous risks and uncertainties. Included are statements relating to opening of new clinics, availability of personnel and reimbursement environment. The forward-looking statements are based on the Company's current views and assumptions and the Company's actual results could differ materially from those anticipated as a result of certain risks, uncertainties, and factors, which include, but are not limited to: changes in Medicare rules and guidelines and reimbursement or failure of our clinics to maintain their Medicare certification and/or enrollment status; revenue we receive from Medicare and Medicaid being subject to potential retroactive reduction; changes in reimbursement rates or payment methods from third party payors including government agencies, and changes in the deductibles and co-pays owed by patients; compliance with federal and state laws and regulations relating to the privacy of individually identifiable patient information, and associated fines and penalties for failure to comply; compliance with state laws and regulations relating to the corporate practice of medicine and fee splitting, and associated fines and penalties for failure to comply; competitive, economic or reimbursement conditions in our markets which may require us to reorganize or close certain clinics and thereby incur losses and/or closure costs including the possible write-down or write-off of goodwill and other intangible assets; the impact of future public health crises and epidemics/pandemics, such as was the case with the novel strain of COVID-19 and its variants; certain of our acquisition agreements contain put-rights related to a future purchase of significant equity interests in our subsidiaries or in a separate company; the impact of future vaccinations and/or testing mandates at the federal, state and/or local level, which could have an adverse impact on staffing, revenue, costs and the results of operations; our debt and financial obligations could adversely affect our financial condition, our ability to obtain future financing and our ability to operate our business; changes as the result of government enacted national healthcare reform; the ability to control variable interest entities for which we do not have a direct ownership; business and regulatory conditions including federal and state regulations; governmental and other third party payor inspections, reviews, investigations and audits, which may result in sanctions or reputational harm and increased costs; revenue and earnings expectations; contingent consideration provisions in certain our acquisition agreements, the value of which may impact future financial results; legal actions, which could subject us to increased operating costs and uninsured liabilities; general economic conditions, including but not limited to inflationary and recessionary periods; actual or perceived events involving banking volatility or limited liability, defaults or other adverse developments that affect the U.S or the international financial systems, may result in market wide liquidity problems which could have a material and adverse impact on our available cash and results of operations; our business depends on hiring, training, and retaining qualified employees; availability and cost of qualified physical therapists; competitive environment in the industrial injury prevention services business, which could result in the termination or non-renewal of contractual service arrangements and other adverse financial consequences for that service line; our ability to identify and complete acquisitions, and the successful integration of the operations of the acquired businesses; impact on the business and cash reserves resulting from retirement or resignation of key partners and resulting purchase of their non-controlling interest (minority interests); maintaining our information technology systems with adequate safeguards to protect against cyber-attacks; a security breach of our or our third party vendors' information technology systems may subject us to potential legal action and reputational harm and may result in a violation of the Health Insurance Portability and Accountability Act of 1996 of the Health Information Technology for Economic and Clinical Health Act; maintaining clients for which we perform management, industrial injury prevention related services, and other services, as a breach or termination of those contractual arrangements by such clients could cause operating results to be less than expected; maintaining adequate internal controls; maintaining necessary insurance coverage; availability, terms, and use of capital; and weather and other seasonal factors. See Risk Factors in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025, and any subsequent filings we make with the SEC.

Non-GAAP Financial Measures

This Presentation includes certain measures ("non-GAAP financial measures") which are not presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), such as Operating Results, basic and diluted Operating Results per share, Adjusted EBITDA, Adjusted EBITDA margin and other Non-GAAP measures. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to GAAP measures. Our presentation of these measures may not be comparable to similarly titled measures used by other companies. Management believes that such measures are commonly reported by issuers and widely used by investors as indicators of a company's operating performance. All non-GAAP financial measures contained herein should be considered only as a supplement to, and not as a superior measure to, financial measures prepared in accordance with GAAP.

USPh At a Glance

- *One of the largest PT clinic owner/operator platforms in a highly fragmented market*
- *Leading public physical therapy platform*

- *Headquarters: Houston, TX*
- *Founded: 1990*
- *Employees: 6,000+*

Leading Physical Therapy Company

775
Owned/Managed Outpatient Physical and Occupational Therapy Clinics (1)

44
State National Footprint (1)

Diversified Payor Mix

86%
Physical Therapy Operations % of Revenue(2)

14%
Injury Prevention Services % of Revenue(2)

Attractive Market Dynamics

>$30bn
US Rehabilitation Market

Favorable Demographic Trends

>10%
No Company Has Greater Than 10% Market Share(3)

Proven Business Model

Partner of Choice with Experienced Physical Therapists

Driven by Organic Growth and Acquisitions

~1/2
Of Clinics Were De Novo Start-ups

Strong Financial Position

$671mm
LTM Revenues(2)

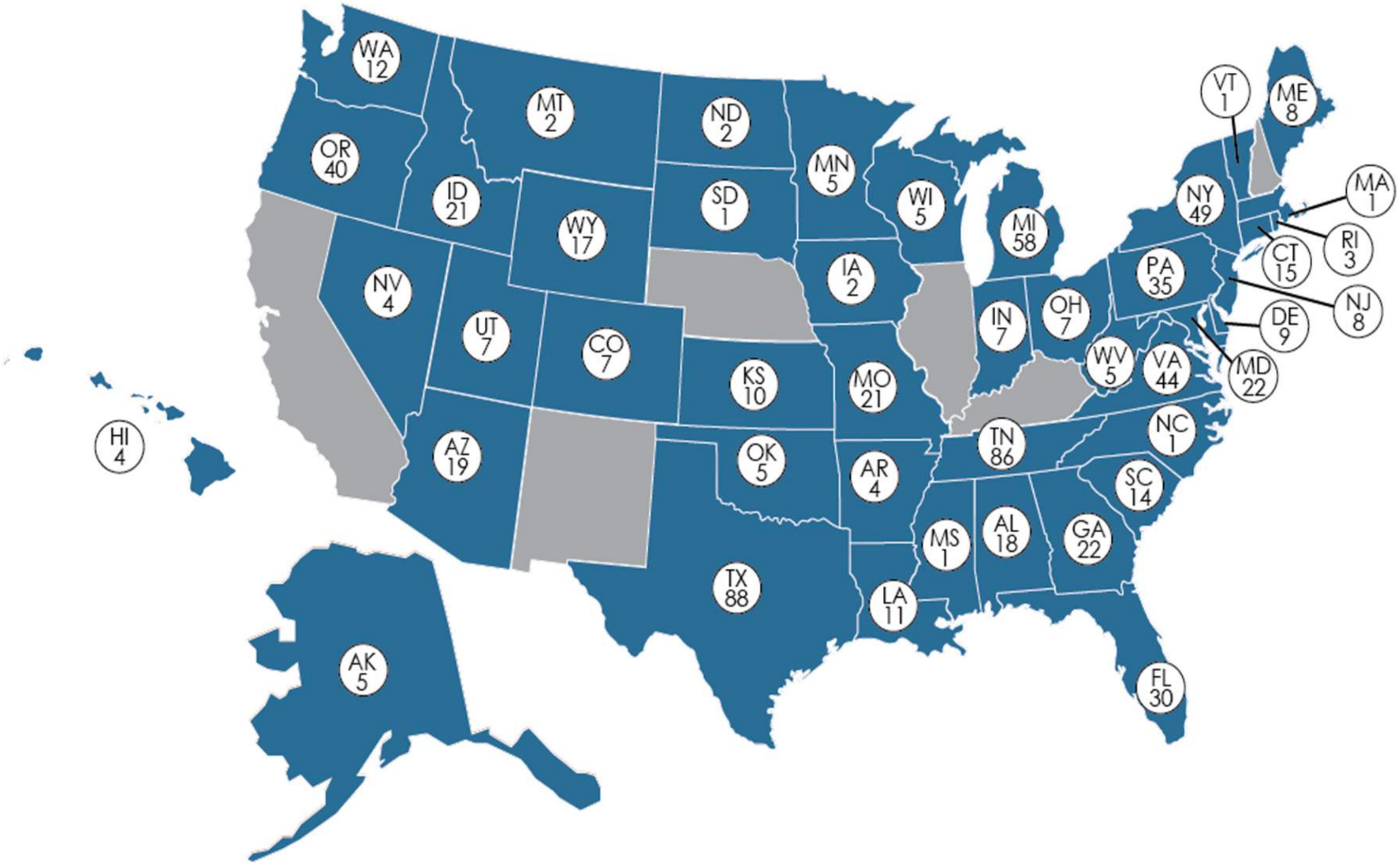
$82mm
LTM Adj EBITDA(4)

11%
YoY Revenue Growth(2)

$1.80
Annual Dividend(5)

(1) As of February 28, 2025. Included in the clinic count shown above, as of February 28, 2025, are 39 clinics that the Company manages on behalf of third parties.
(2) As of or for the year ended December 31, 2024.
(3) Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT). Select Medical used as proxy for largest physical therapy operator in the U.S. with 1,944 outpatient rehabilitation clinics as of Sept 30, 2023.
(4) Adjusted EBITDA is a non-GAAP financial measure and has not been prepared in accordance with GAAP. See Reconciliation of Non-GAAP Financial Measures - Adjusted EBITDA for further detail.
(5) On February 25, 2025, the Company's quarterly dividend was increased from $0.44 per share to $0.45 per share.

Expanding National Footprint of Physical Therapy Clinics (1)



775* Clinics in 44 States as of Feb 28, 2025

(1) Included in the clinic count shown above, as of February 28, 2025, are 39 clinics that the Company manages on behalf of third parties.

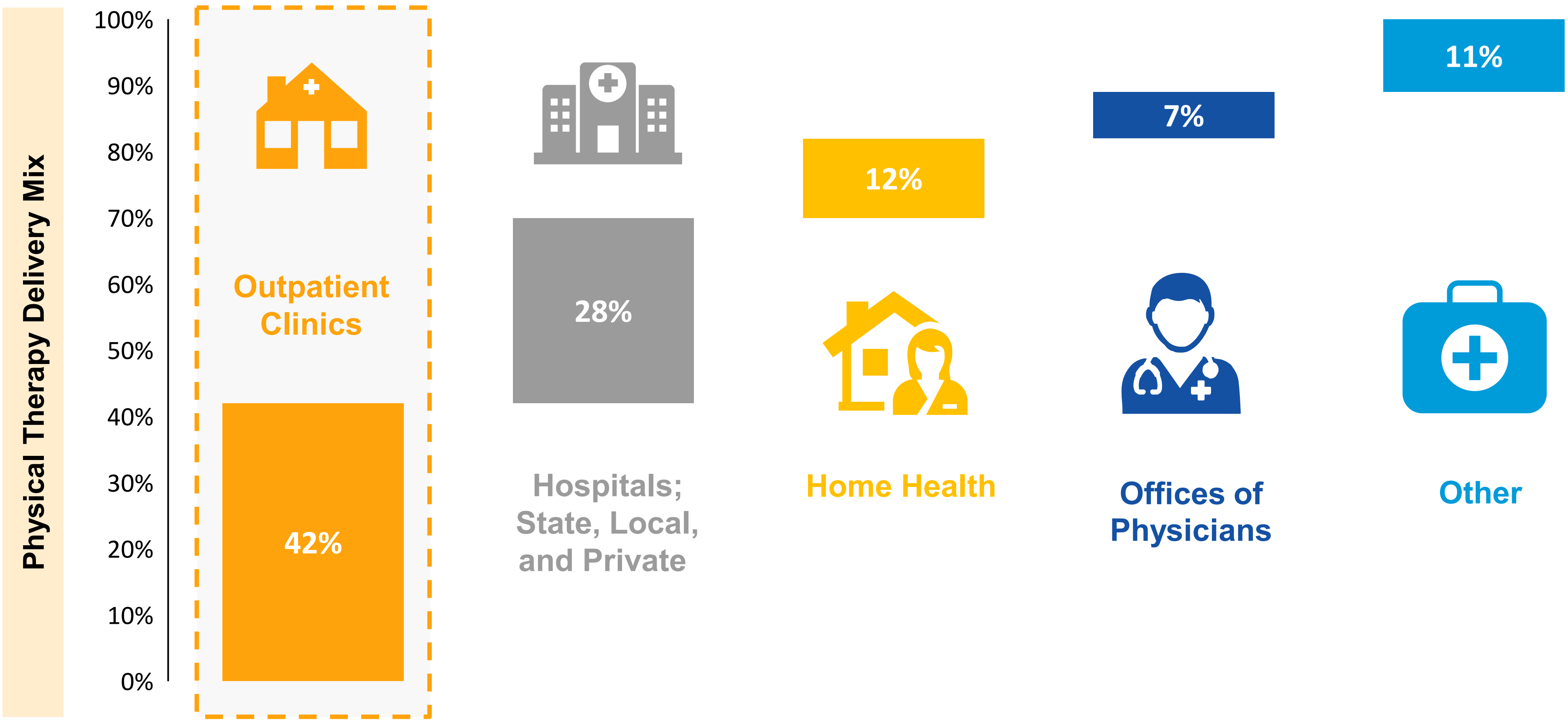
Large and Growing Market Opportunity

- $40B+ U.S. rehab market
- Favorable demographics – physically active, aging and obese population segments
- Significant market potential
  - ~50% of Americans over 18 years old develop a musculoskeletal injury that lasts more than 3 months
  - Within this group, only 10% use outpatient physical therapy services (1)
- Healthcare delivery shifting towards lower cost, high quality outpatient providers
- Operating environment favors market consolidators with scale

(1) Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT), Market Research.

Outpatient Clinics are the Leading Setting For Care

Orthopedic rehab is the primary driver of physical therapy services, representing approximately 60% of visits



Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT).

Payors See Significant ROI for Physical Therapy

With PT

Hip replacement surgery
($56,000)

Inpatient care
($15,000)

Outpatient Physical Therapy Clinic

Full Recovery

Readmission Rate of **10%**

Total Treatment Cost
~$79K

Without PT

Hip replacement surgery
($56,000)

Inpatient care
($15,000)

Home

Full Recovery

Readmission Rate of **20%**

Total Treatment Cost
~$85K

Average overall savings of ~$6k with significantly lower readmission rate

Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT).

Competitive Landscape

Highly fragmented U.S. outpatient rehab market with 37,000+ clinics (1)

No company with >10% market share(2)

USPh is one of the largest owner/operator of PT clinics

USPh is well-positioned to capitalize in a more challenged macro environment

Select Medical	ATI Physical Therapy	USPh One Partner
1,900+ Clinics(3)	**850+ Clinics**(4)	**775 Managed / Owned Clinics**(4)

(1) Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT).
(2) Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT). Select Medical used as proxy for largest physical therapy operator in the U.S. with 1, 925 outpatient rehabilitation clinics as of September 30, 2024.
(3) Clinic counts as of December 31, 2024.
(4) Clinic count as of September 30, 2024.
(5) As of February 28, 2025. Included in the clinic count shown above, as of February 28, 2025, are 39 clinics that the Company manages on behalf of third parties.

Growth Strategy

1

Drive organic growth through de novo PT/OT clinic openings, utilize true partnership model

2

Maximize profits of existing facilities by growing patient volume, improving pricing, increasing efficiencies and adding programs and services

3

Augment organic growth through strategic acquisitions

Highly Retentive, Partnership Model

- Specialize in trauma, sports, work-related and pre- and post-surgical cases
- Partner with experienced physical therapists
  - Drive volume via referrals
  - Augment sales with marketing reps
- Organic growth includes lower cost de novo start up clinics
- Strategic acquisitions structured as partnerships to create strong alignment of interests:
  - Significant ownership retained by founders (~20% to 40%)
  - Maintain established local brand
  - Monthly distributions of cash generated based on ownership percentages
  - Agree to purchase remaining interest of partners on back end at typically the same EBITDA multiple as the original purchase

USPh Partnership Advantages

Less Administrative Burden

- Accounting
- HR
- Real Estate
- Construction
- Purchasing
- Marketing
- Compliance
- Legal
- IT

More Resources

- Capital and Resources to Enhance Development Rate
- No Personal Financial Risk
- Aligned Practice Incentives
- Unlimited Earnings Potential
- Enhanced Benefits Package
- Business Intelligence and Collaborative Guidance

Acquisition Strategy

Completed **more than 50** acquisitions since 2005 ranging in size from **3** to **52** clinics

Acquisitions include **more than five industrial injury prevention services** businesses

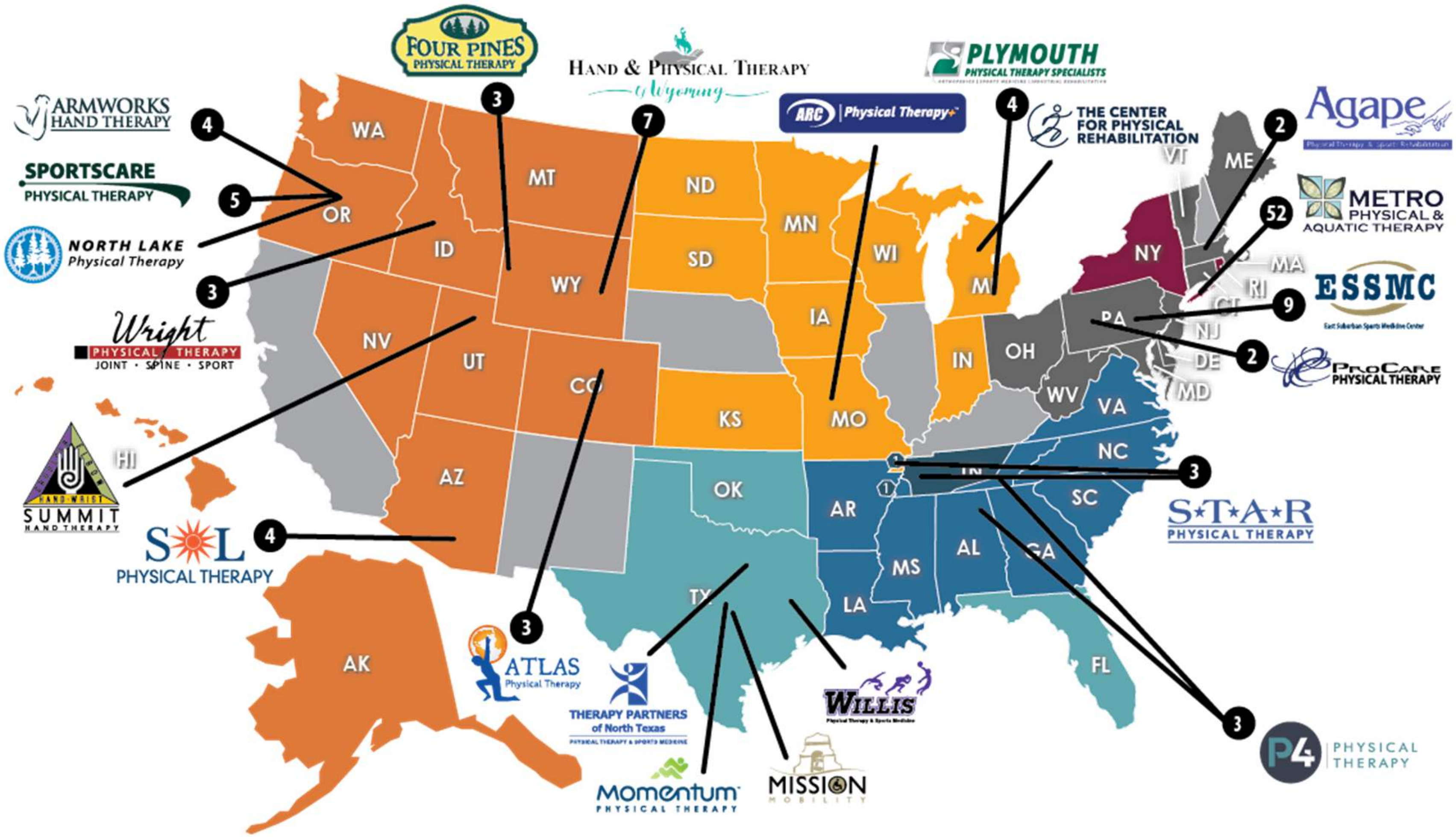
Seeking & evaluating M&A transactions is part of USPh's DNA

Acquisition criteria:

- Owner therapists continue to operate clinics and retain significant equity interest
- Immediately accretive to earnings
- Further de novo growth opportunities
- High quality clinics with a history of profitability
- Values Alignment

New Clinics Since March 1, 2024

From 03/01/2024 – 02/28/2025



111 clinics added (2) since March 1, 2024

(1) Included in the clinic count shown above, as of February 28, 2025, are 39 clinics the Company manages on behalf of third parties.
(2) Includes de-novo clinics and acquisitions of single and multi-site practices.

Scale Advantages Create a Robust Business Case for Consolidation

Referrals
Higher likelihood of referrer activity and advocacy

Payor Networks
Increased likelihood of selection for payor networks
- Scale is cited as a core criterion by specialty network managers and payors.
- Some limited ability to negotiate higher rates for reimbursement with payors

Compliance
Enhanced compliance capabilities

Efficiency
More efficient, patient-centric care model -- including clinic, home and telehealth options

Centralization
Centralized infrastructure to limit costs and improve operational efficiencies

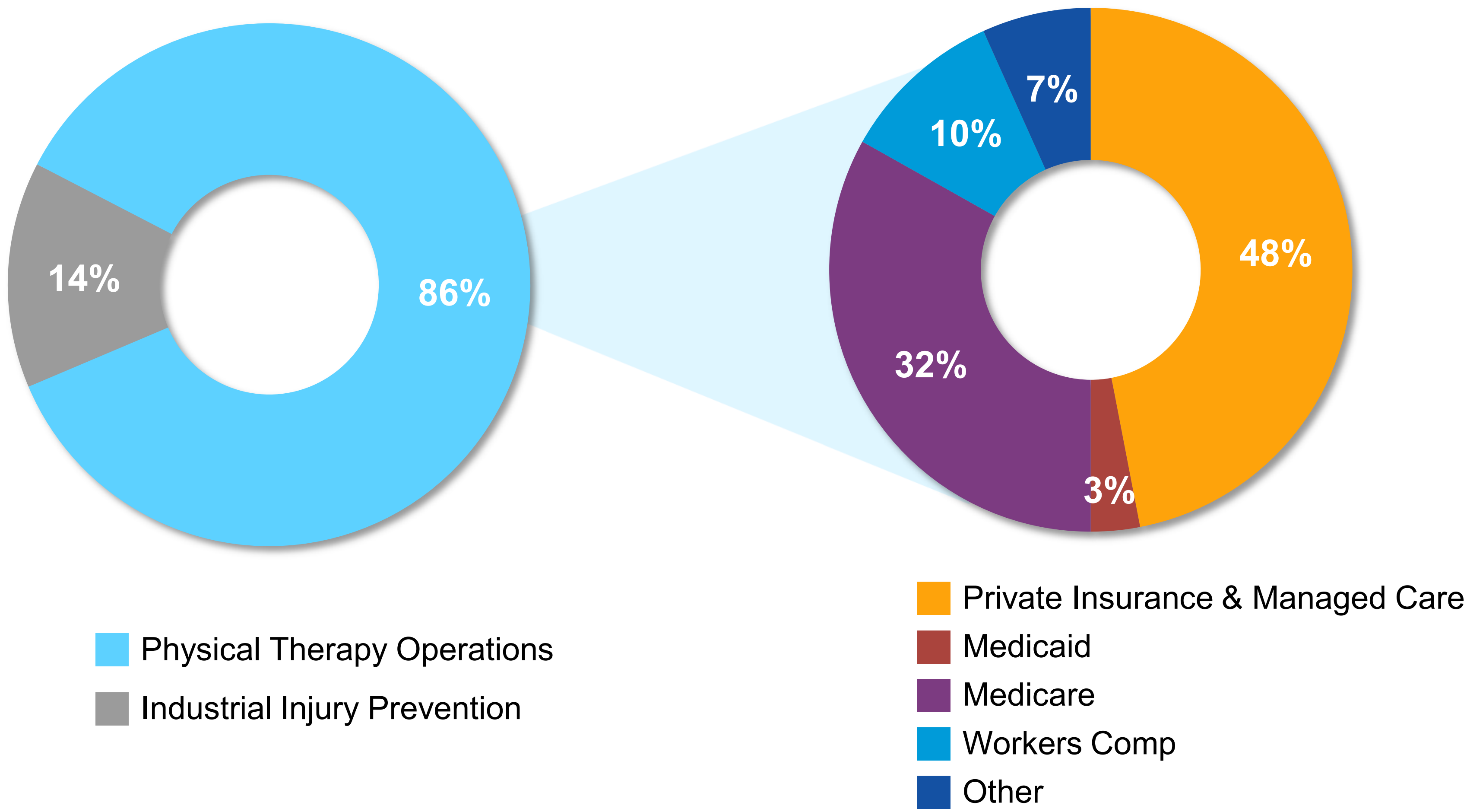
Awareness
Increased patient awareness and high brand recognition

Increasingly difficult environment for smaller clinics given increasing compliance, regulatory and payor complexities and challenging macroeconomic conditions

Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT)

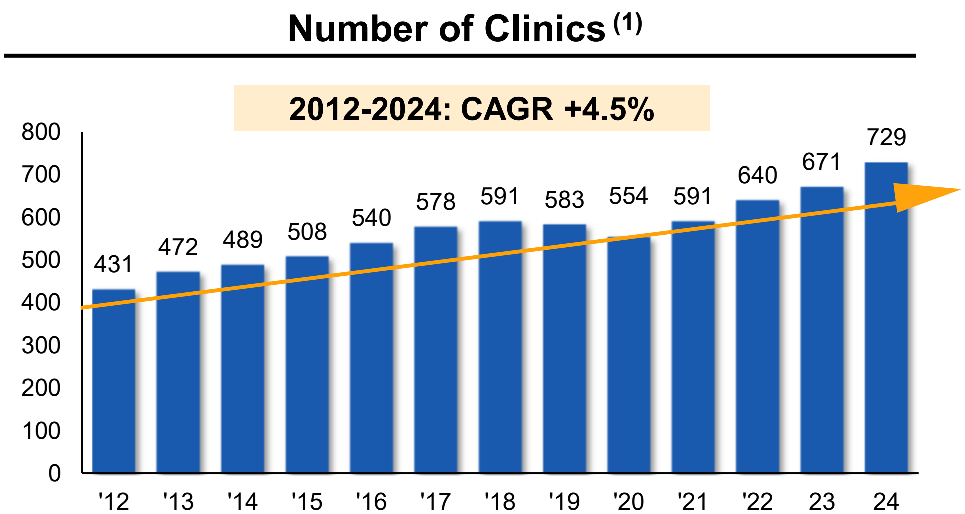
Revenue Mix by Segment and Payor Type

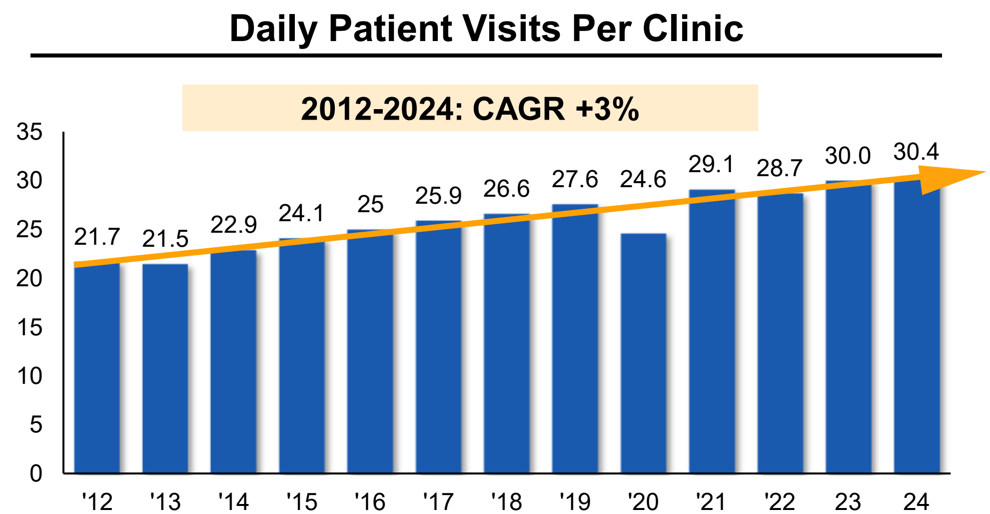
Revenue Mix by Segment Type Year Ended December 31, 2024	Physical Therapy Revenue Mix by Payor Type Year Ended December 31, 2024

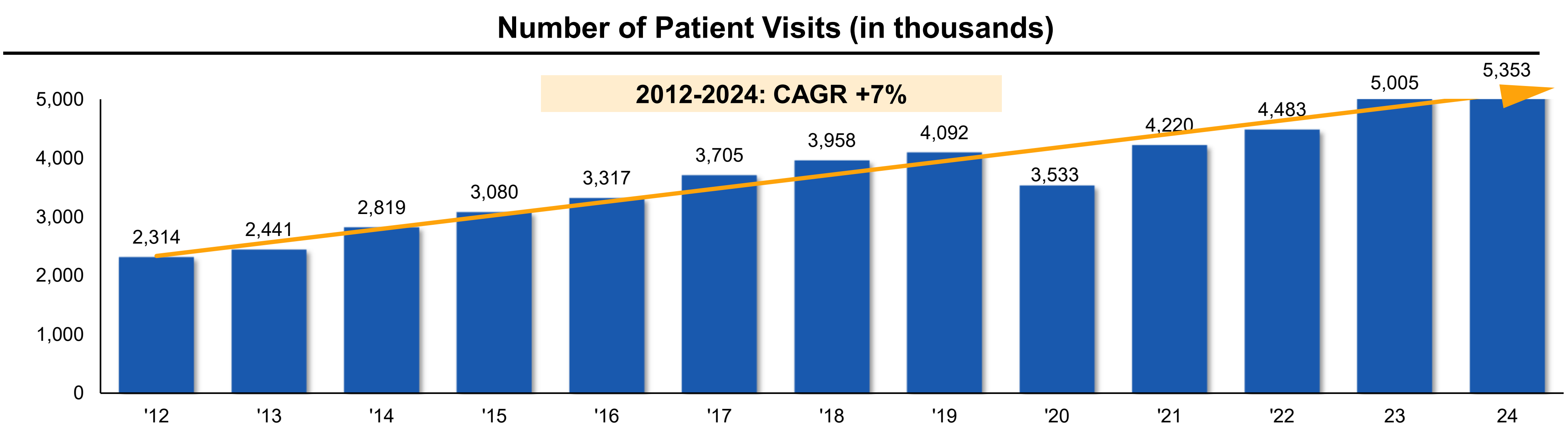


USPh Physical Therapy Growth Drivers

Both prior to and post COVID-19, each driver has shown robust growth

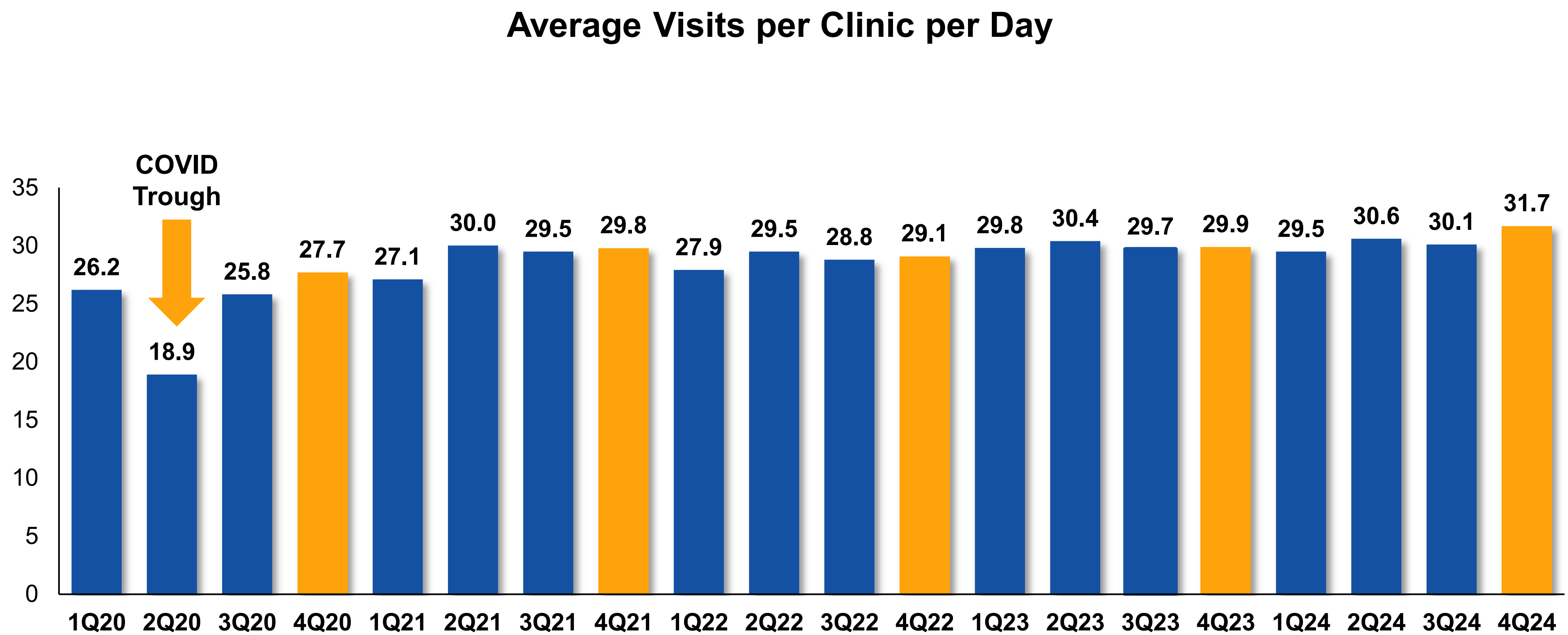






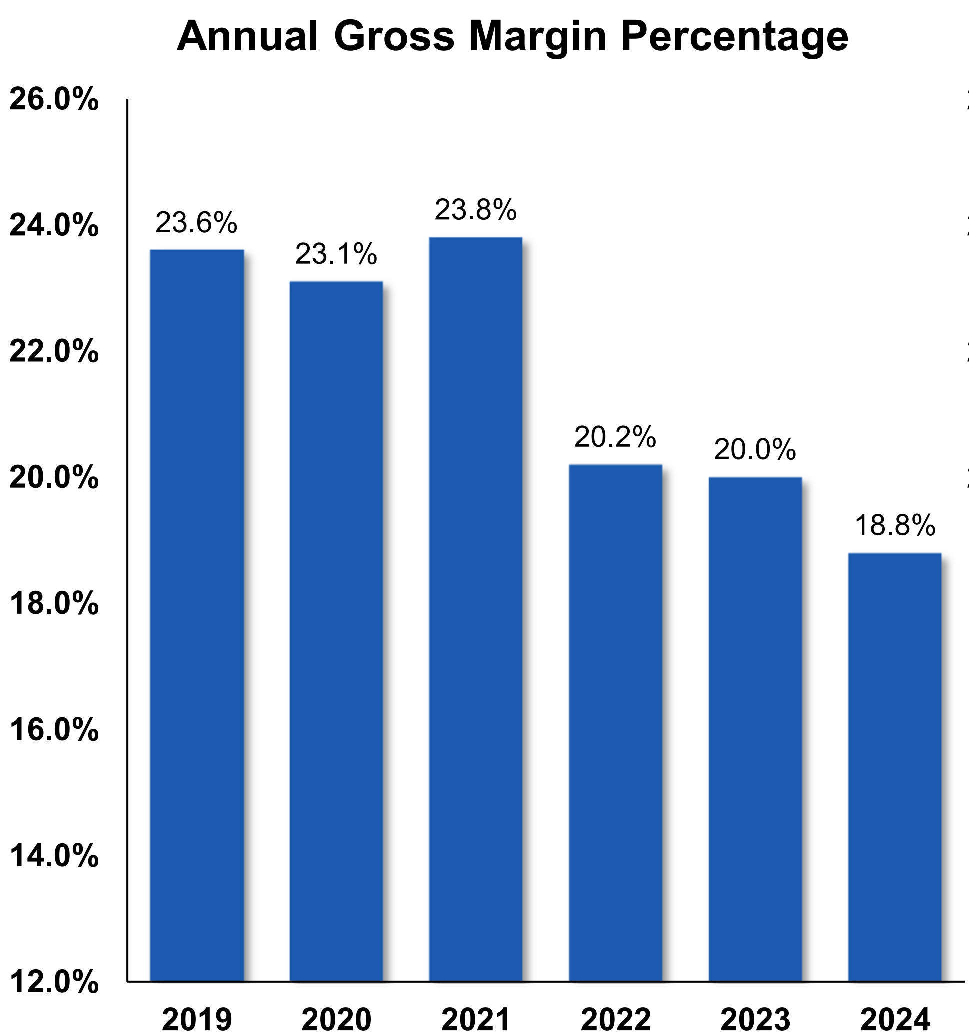
(1) In 2019, the Company sold interest in a partnership, which operated 30 clinics. In 2020, the Company sold 14 previously closed clinics and closed 34 clinics.

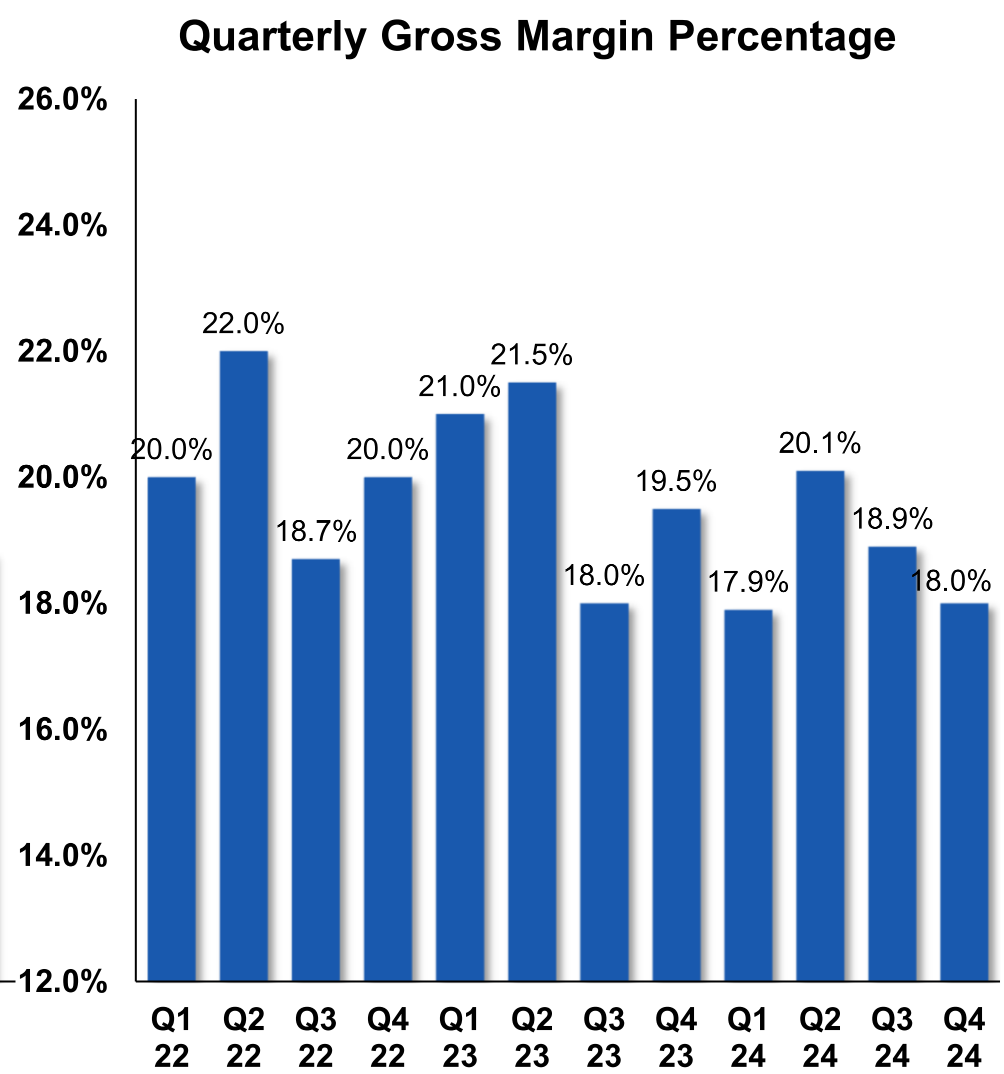
Daily Physical Therapy Volumes Progression



- Continue to see record-high volumes
- Average daily visits per clinic was at an all-time high of 31.7 for any Fourth Quarter

Physical Therapy Operations



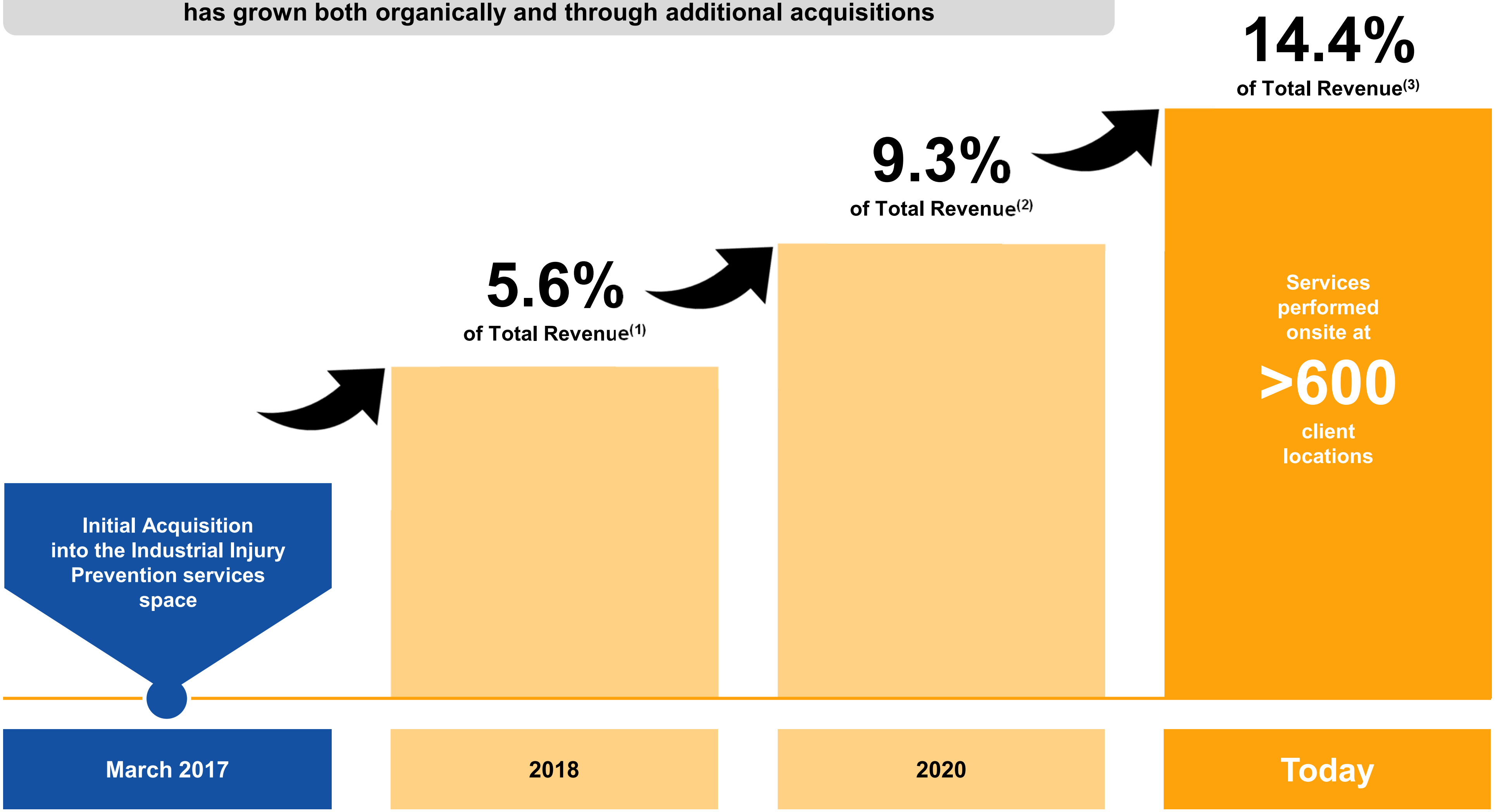


Note: Excludes management contracts. Also excludes closure costs where applicable.
(1) This is a non-GAAP measure. See tables in the Appendix section for a reconciliation of GAAP to Non-GAAP financial measures.

Industrial Injury Prevention

Industrial Injury Prevention services include industrial sports medicine and injury prevention; post offer testing; ergonomic services; occupational health and medical services; specialized solutions

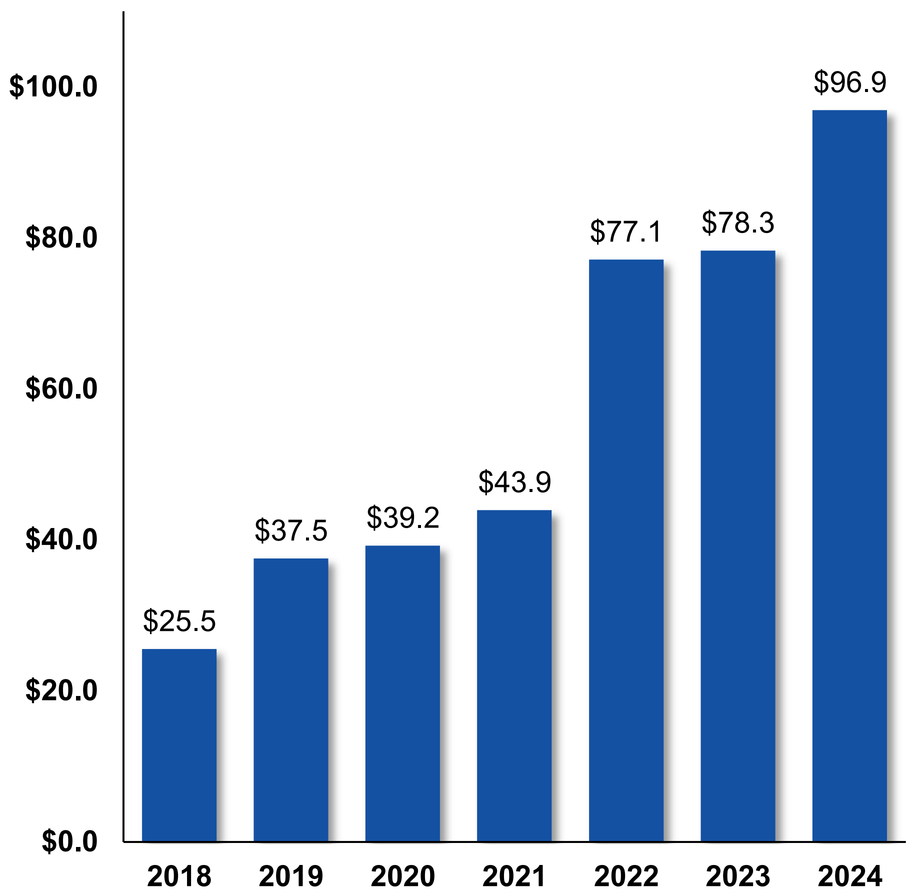
Since USPh's initial entry into the Industrial Injury Prevention services space, the business has grown both organically and through additional acquisitions



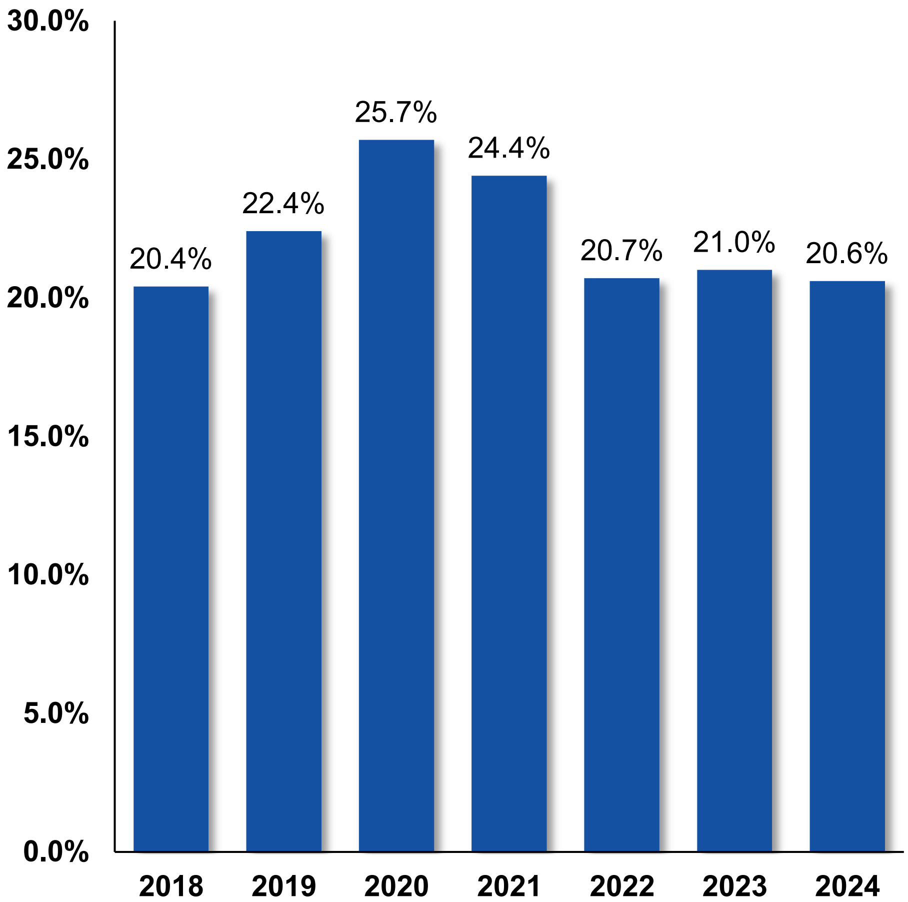
(1) % of Revenue full year 2018.
(2) % of Revenue full year 2020.
(3) Revenue for the year ended December 31, 2024.

Industrial Injury Prevention

Revenue ($ in millions)



Gross Margin (%)



Note: 2022 includes November 2021 acquisition with $26.7 million in revenue at an EBITDA Margin of 16.0%.

Strong Balance Sheet and Capital Allocation Strategy

Capital Allocation Strategy

Acquisitions

Continue fueling a highly acquisitive growth strategy within a fragmented landscape

Debt Management

Maintain strategic flexibility and a conservative balance sheet

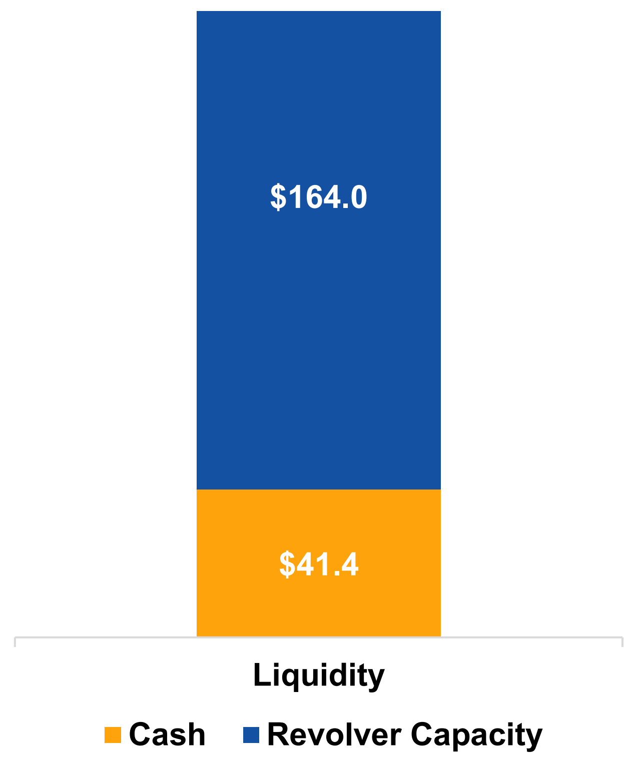
Dividend Payments

History of dividend increases and the ability to return value to shareholders directly

De Novos

Develop de novo physical therapy clinics, increase industrial injury locations and add services in both businesses

Liquidity ($ in millions) (as of 12/31/2024)



A strong balance sheet and capital allocation strategy has allowed USPH to return value to shareholders both directly and through strategic growth investments

Executive Management

Chris Reading

Chief Executive Officer

- Joined USPh as COO in November 2003
- Promoted to CEO and Board in November 2004
- Previously Senior Vice President of Operations with HealthSouth, managed over 200 facilities including OP, ASC, DX Imaging and rehab hospital operations
- BS Physical Therapy

Carey Hendrickson

Chief Financial Officer

- Joined USPh as CFO in November 2020
- Previously served as CFO for Capital Senior Living Corporation (NYSE:CSU) and Belo Corp. (NYSE: BLC)
- BBA & MBA

Eric Williams

President, Chief Operating Officer – East Region

- Joined USPh in July 2021
- Served since August 2018 as President and Chief Operating Officer for Omni Ophthalmic Management Consultants (OOMC), an ophthalmology management services organization
- Previously served in the roles of Chief Operating Officer and then Chief Executive Officer of Drayer Physical Therapy Institute, LLC, an outpatient physical therapy provider with a network of over 150 clinics in 14 states
- BA in Materials and Logistics Management

Graham Reeve

Chief Operating Officer – West Region

- Joined USPh in March 2018
- Previously President & Chief Executive Officer of Baptist Health System in San Antonio, TX. Managed six hospitals with a $1.32B annual operating budget
- BS Physical Therapy & MBA

Rick Binstein

Executive VP & General Counsel

- Joined USPh in May 2011 as VP, General Counsel and Secretary and served in that role until March 17, 2022
- Previously served as VP, General Counsel and Secretary for Physiotherapy Associates, Inc. (and its predecessor, Benchmark Medical, Inc.), a national provider of outpatient physical therapy services. From 1997 through 2000, served as Assistant General Counsel and then General Counsel of NovaCare, Inc., a national provider of rehabilitation services.
- Law degree from The Columbus School of Law at The Catholic University of America and Bachelor of Science degree in Business Administration from the University of Delaware in 1983

Summary Investment Highlights

- **Publicly-traded, pure play operator of rehab clinics**
- **Proven business model, driven by organic growth and acquisitions**
- **Significant scale with national footprint**
- **Large and growing market / favorable demographics**
- **Strong cash flow and balance sheet**
- **Attractive Dividend Yield**

USPh
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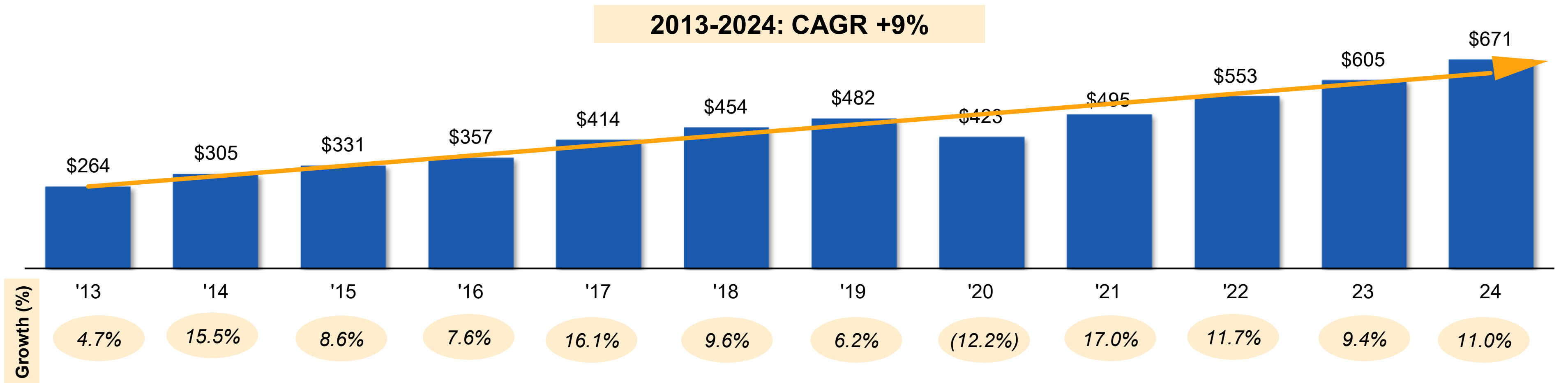
APPENDIX

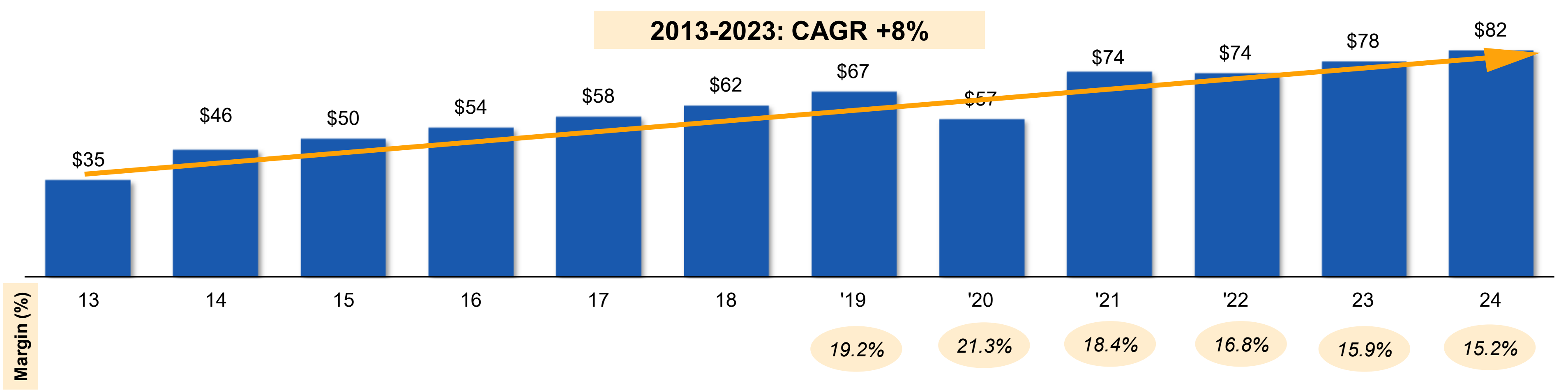
Demonstrated Track Record of Consistent Growth

Over the last decade, USPH has consistently grown, organically and through strategic acquisitions

USPH Revenue ($ in millions)



Adj. EBITDA[1] ($ in millions)



(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and have not been prepared in accordance with GAAP. See Reconciliation of Non-GAAP Financial Measures - Adjusted EBITDA and Adjusted EBITDA margin for further detail.

Summary Financial Results

	Three Months Ended December 31, 2024				Three Months Ended December 31, 2023			
	As Reported	Closure Costs	Non-Cash Impairment	Adjusted	As Reported	Closure Costs	Non-Cash Impairment	Adjusted
	(in thousands, except per share data)				(in thousands, except per share data)			
Net Revenue	$ 180,447	$ -	$ -	$ 180,447	$ 154,801	$ -	$ -	$ 154,801
Operating costs	147,920	(246)	-	147,674	124,285	(14)	-	124,271
Gross profit	32,527	246	-	32,773	30,516	14	-	30,530
Operating income (loss)	14,538	246	2,418	17,202	(880)	14	17,495	16,629
Net income	12,494	183	1,800	14,477	(1,293)	14	17,495	16,216
Net Income attributable to USPH shareholders	9,244	207	1,800	11,251	656	12	9,117	9,785
Non-GAAP Operating results (1)	7,751	-	-	7,751	8,905	-	-	8,905
Non-Gaap Operating results per share (1)	0.51	-	-	0.51	0.59	-	-	0.59
Non-GAAP Adjusted EBITDA (2)	$ 21,802	$ -	$ -	$ 21,802	$ 19,002	$ -	$ -	$ 19,002

	For the Year Ended December 31, 2024				For the Year Ended December 31, 2023			
	As Reported	Closure Costs	Non-Cash Impairment	Adjusted	As Reported	Closure Costs	Non-Cash Impairment	Adjusted
Net Revenue	$ 671,345	$ -	$ -	$ 671,345	$ 604,802	$ -	$ -	$ 604,802
Gross profit	123,921	4,355	-	128,276	121,509	175	-	121,684
Operating income	63,213	4,355	2,418	69,986	52,061	175	17,495	69,731
Net income	45,600	3,242	1,800	50,642	37,220	175	17,495	54,890
Net Income attributable to USPH shareholders	31,424	3,734	1,800	36,958	28,239	150	9,117	37,506
Non-GAAP Operating results (1)	36,912	-	-	36,912	36,410	-	-	36,410
Non-Gaap Operating results per share (1)	2.45	-	-	2.45	2.57	-	-	2.57
Non-GAAP Adjusted EBITDA (2)	$ 81,768	$ -	$ -	$ 81,768	$ 77,912	$ -	$ -	$ 77,912

(1) Operating Results, a non-GAAP measure, equals net income attributable to USPH diluted shareholders per the consolidated statements of income, less a change in revaluation of the put-right liability, Relief Funds, clinic closure costs, changes in fair value of contingent earnout consideration, non-cash impairment charges, business acquisition related costs and any allocations to non-controlling interests, all net of taxes. Operating Results per diluted share also exclude the impact of the revaluation of redeemable non-controlling interest and the associated tax impact. See Reconciliation of Non-GAAP Financial Measures - Operating Results for further detail.

(2) Adjusted EBITDA, a non-GAAP measure, is defined as net income attributable to USPH shareholders before interest income, interest expense, taxes, depreciation, amortization, change in fair value of contingent earn-out consideration, Relief Funds, changes in revaluation of put-right liability, equity-based awards compensation expense, clinic closure costs, non-cash impairment charges, business acquisition related costs and related portions for non-controlling interests.

Segment Information

	Three Months Ended December 31, 2024			Three Months Ended December 31, 2023		
	As Reported (GAAP)	Closure Costs	Adjusted (Non-GAAP)	As Reported (GAAP)	Closure Costs	Adjusted (Non-GAAP)
	(in thousands, except per share data)			(in thousands, except per share data)		
Physical Therapy Operations						
Net Revenue	$ 153,807	$ -	$ 153,807	$ 134,629	$ -	$ 134,629
Gross profit	27,593	246	27,839	26,249	14	26,263
Gross margin	17.9%	0.2%	18.1%	19.5%	0%	19.5%
IIP						
Net Revenue	$ 26,639	$ -	$ 26,639	$ 20,172	$ -	$ 20,172
Gross profit	4,934	-	4,934	4,267	-	4,267
Gross margin	18.5%	-	18.5%	21.2%	-	21.2%

	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023		
	As Reported (GAAP)	Closure Costs	Adjusted (Non-GAAP)	As Reported (GAAP)	Closure Costs	Adjusted (Non-GAAP)
	(in thousands, except per share data)			(in thousands, except per share data)		
Physical Therapy Operations						
Net Revenue	$ 574,433	$ -	$ 574,433	$ 526,548	$ -	$ 526,548
Gross profit	103,948	4,355	108,303	105,064	175	105,239
Gross margin	18.1%	0.8%	18.9%	20.0%	0%	20.0%
.						
IIP						
Net Revenue	$ 96,912	$ -	$ 96,912	$ 78,254	$ -	$ 78,254
Gross profit	19,973	-	19,973	16,445	-	16,445
Gross margin	20.6%	-	20.6%	21.0%	-	21.0%

Reconciliation of Non-GAAP Financial Measures – Operating Results

	Three Months Ended December 31,		For the Year Ended December 31,	
	2024	2023	2024	2023
	(In thousands, except per share data)			
Operating Results (a non-GAAP measure)				
Net income attributable to USPH shareholders	$ 9,244	$ 656	$ 31,424	$ 28,239
Adjustments:				
Impairment of goodwill and other intangible assets	-	17,495	-	17,495
Impairment of assets held for sale	2,418	-	2,418	-
Change in fair value of contingent earn-out consideration	(5,113)	1,747	219	1,550
Change in revaluation of put-right liability	(54)	(2,926)	82	(2,582)
Clinic closure costs (1)	246	14	4,355	175
Business acquisition related costs (2)	505	-	819	-
Relief Funds	-	-	-	(467)
Allocation to non-controlling interest	(8)	(5,251)	(521)	(5,196)
Tax effect at statutory rate (federal and state)	513	(2,830)	(1,884)	(2,804)
	$ 7,751	$ 8,905	$ 36,912	$ 36,410
Operating Results per share (a non-GAAP measure)	$ 0.51	$ 0.59	$ 2.45	$ 2.57

(1) Costs associated with the closure of 2 and 45 clinics during the 2024 Fourth Quarter and 2024 Year, respectively. Closure costs in the 2023 Fourth Quarter and 2023 Year were not material.

(2) Primarily consists of legal and consulting expenses related to the acquisition of 50% equity interest in a management services organization that provides management and administrative services to 50 physical therapy clinics.

Reconciliation of Non-GAAP Financial Measures
Adjusted EBITDA and Adjusted EBITDA Margin

	Three Months Ended December 31,		For the Year Ended December 31,	
	2024	2023	2024	2023
	(In thousands, except per share data)			
Adjusted EBITDA (a non-GAAP measure)				
Net income attributable to USPH shareholders	$ 9,244	$ 656	$ 31,424	$ 28,239
Adjustments:				
Provision for income taxes	5,828	1,399	14,609	12,156
Depreciation and amortization	5,685	4,113	18,681	15,695
Interest expense, debt and other, net	2,049	2,010	8,015	9,303
Interest income from investments	(306)	(1,583)	(3,941)	(3,774)
Impairment of goodwill and other intangible assets	-	17,495	-	17,495
Impairment of assets held for sale	2,418	-	2,418	-
Equity-based awards compensation expense	1,986	1,785	7,823	7,236
Change in revaluation of put-right liability	(54)	(2,926)	82	(2,582)
Change in fair value of contingent earn-out consideration	(5,113)	1,747	219	1,550
Clinic closure costs (1)	246	14	4,355	175
Business acquisition related costs (2)	505	-	819	-
Relief Funds	-	-	-	(467)
Other income	(96)	(85)	(357)	(390)
Allocation to non-controlling interests	(590)	(5,623)	(2,379)	(6,724)
	$ 21,802	$ 19,002	$ 81,768	$ 77,912
Net revenue, as reported	180,447	154,801	671,345	604,802
Minority interest	(36,895)	(30,063)	(132,436)	(115,740)
Net revenue after minority interest	$ 143,552	$ 124,738	$ 538,909	$ 489,062
Adjusted EBITDA margin (a non-GAAP measure)	**15.2%**	**15.2%**	**15.2%**	**15.9%**

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Thank you