USPh

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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; 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; 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; 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; one of our acquisition agreements contains a put right related to a future purchase of a majority interest 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; 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; some of our acquisition agreements contain contingent consideration, 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 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, 2022, filed with the SEC on February 28, 2023 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 and Adjusted EBITDA. 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

USPh
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- *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

671
Outpatient Physical and Occupational Therapy Clinics (5)

42
State National Footprint (5)

Diversified Payor Mix

87%
Physical Therapy Operations % of Revenue(1)

13%
Injury Prevention Services % of Revenue(1)

Attractive Market Dynamics

>$30bn
US Rehabilitation Market

Favorable Demographic Trends

>10%
No Company Has Greater Than 10% Market Share(2)

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

$605mm
LTM Revenues(1)

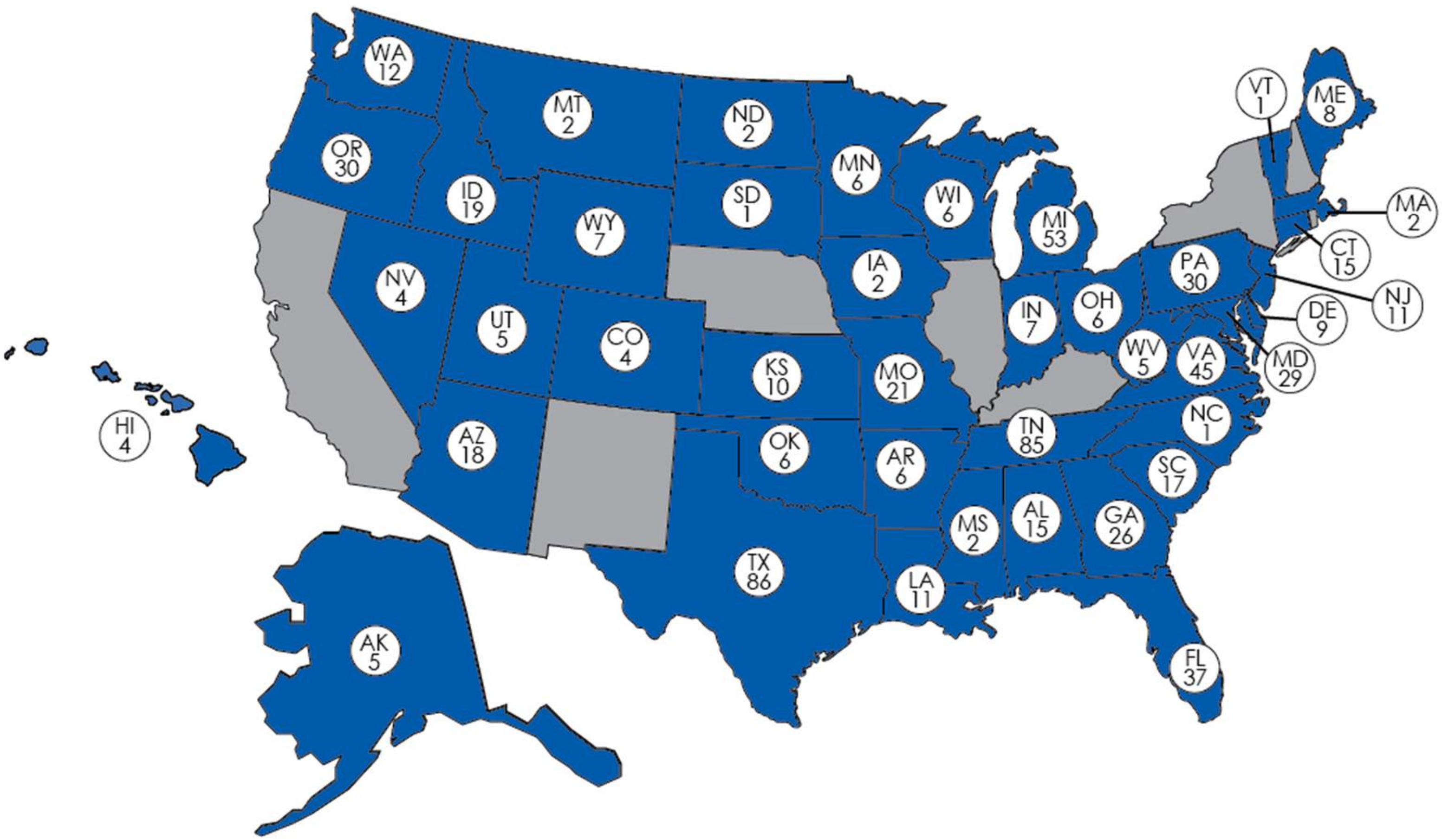
$78mm
LTM Adj EBITDA(1)

9%
YoY Revenue Growth(3)

$1.76
Annual Dividend(4)

(1) As of or for the year ended December 31, 2023. 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.
(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 1,936 outpatient rehabilitation clinics as of March 31, 2023.
(3) Based on FY 2022 results.
(4) Annualized quarterly dividend of $0.43 per share.
(5) As of December 31, 2023

Expanding National Footprint of Physical Therapy Clinics



671 Clinics in 42 States as of December 31, 2023

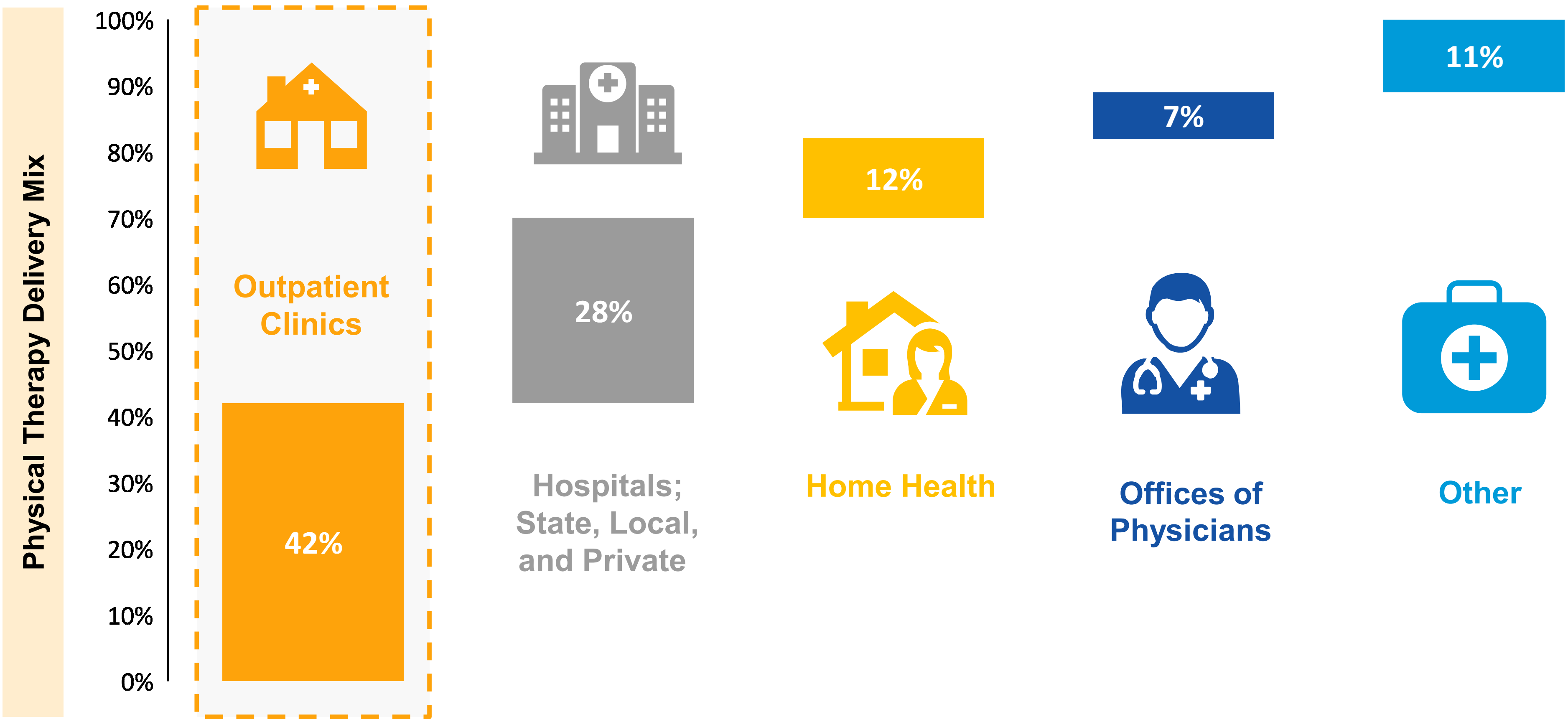
Large and Growing Market Opportunity

- $30B+ U.S. rehab market projected to grow to $40B+ by 2025
- 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.

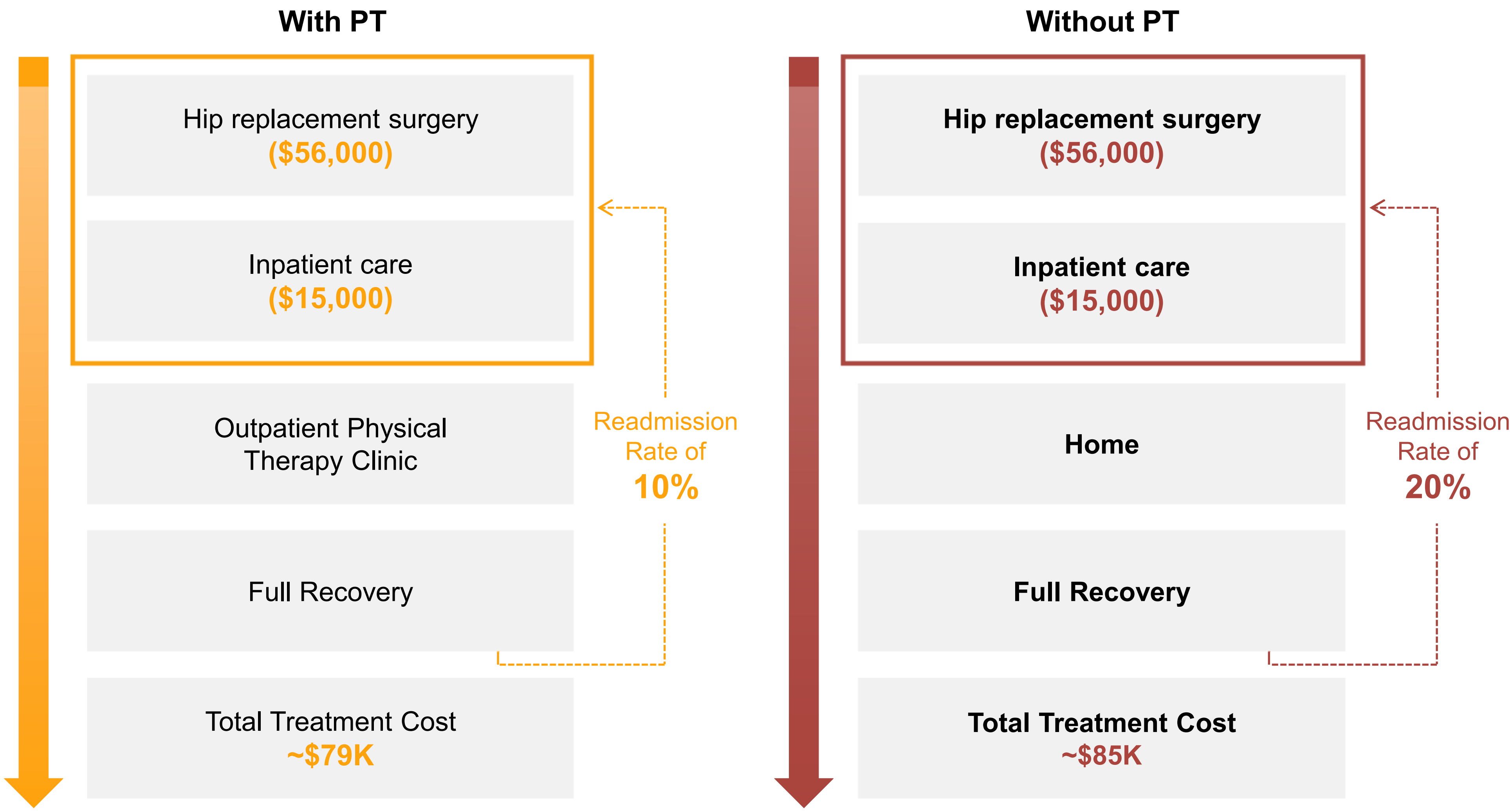
Outpatient Clinics are the Leading Setting For Care

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



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
1,850+ Clinics[3]	850+ Clinics[3]	671 Clinics[3]

(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 1,936 outpatient rehabilitation clinics as of March 31, 2023.
(3) Clinic counts as of December 31, 2023

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

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Less Administrative Burden

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

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More Resources

- Capital and Resources to Enhance Development Rate
- Less 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 **six industrial injury prevention services** businesses

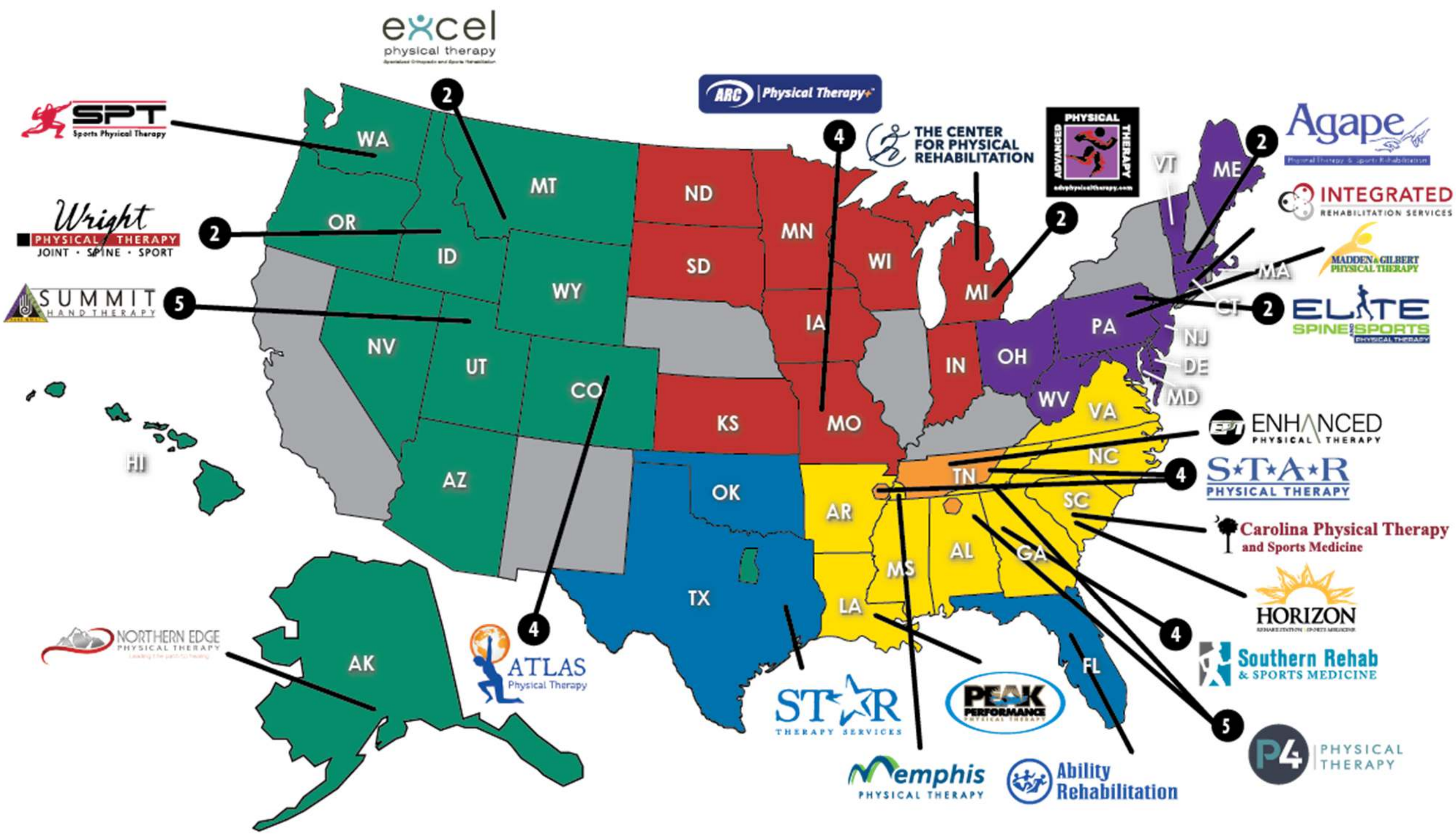
Seeking & evaluating M&A transactions is part of USPh's DNA

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 January 1, 2023

From 01/01/2023 – 12/31/2023



671 Clinics in 42 States as of December 31, 2023

Net 31 clinics added(1) since January 1, 2023

(1) *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

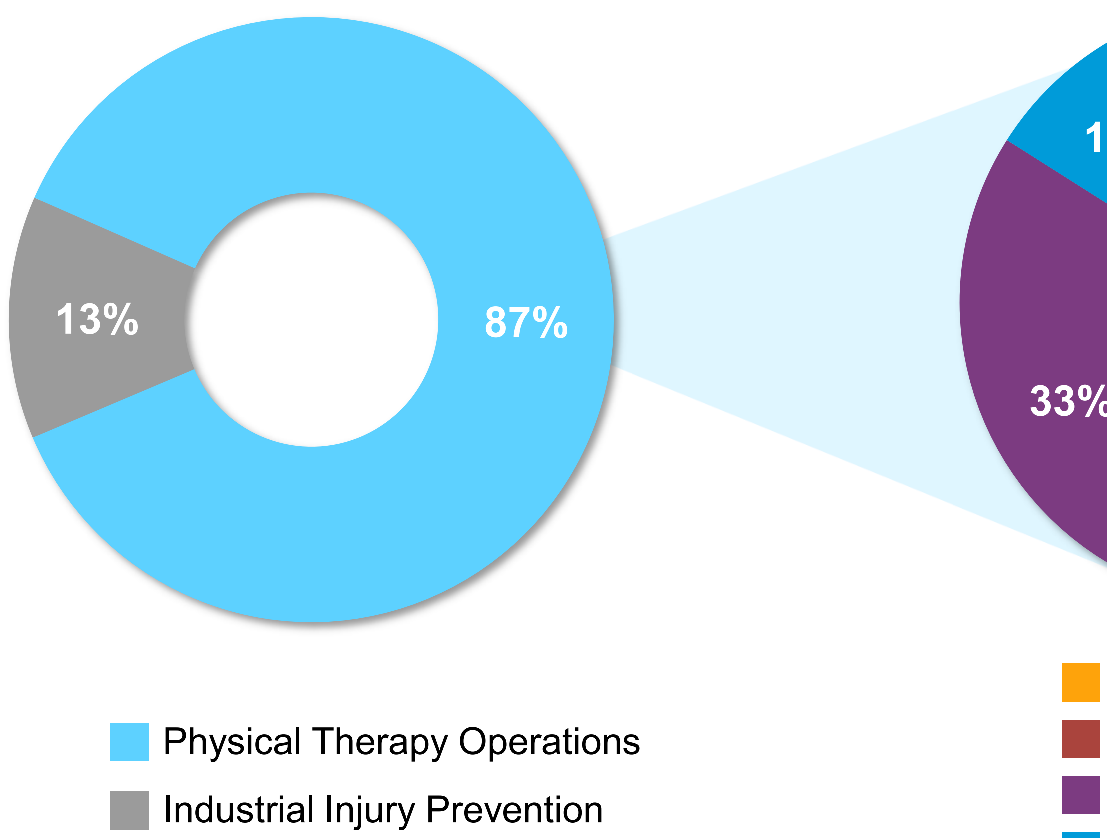
Awareness
Increased patient awareness and high brand recognition

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

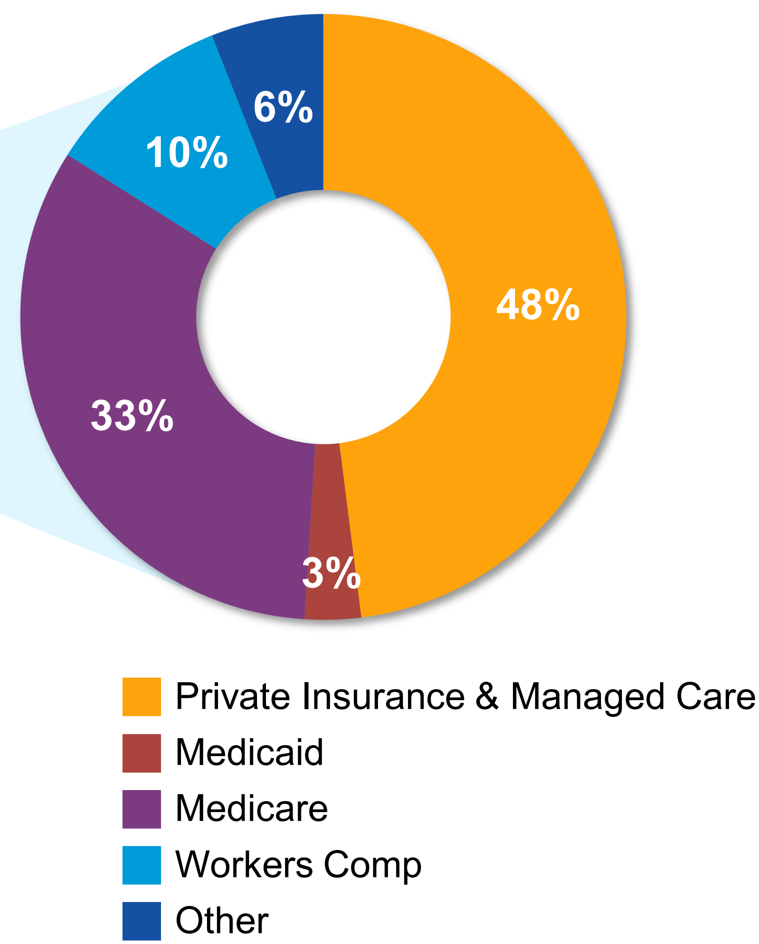
Source: "Industry Trends in M&A and Total Addressable Market Study" (Bain & Company, WebPT)

Revenue Mix by Segment and Payor Type

Revenue Mix by Segment Type
Year Ended December 31, 2023



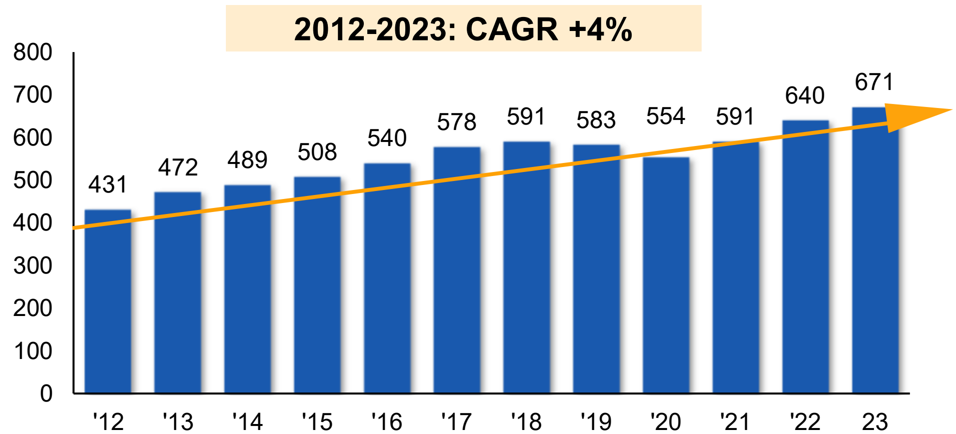
Physical Therapy Revenue Mix by Payor Type
Year Ended December 31, 2023



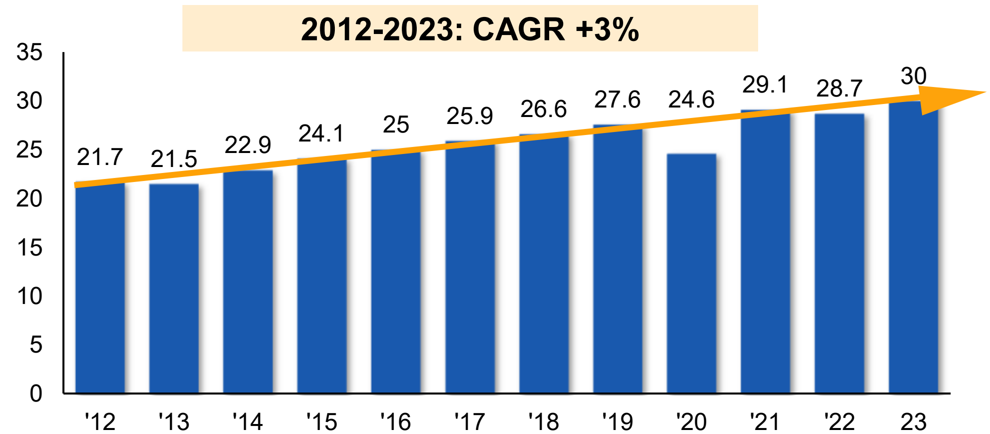
USPh Physical Therapy Growth Drivers

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

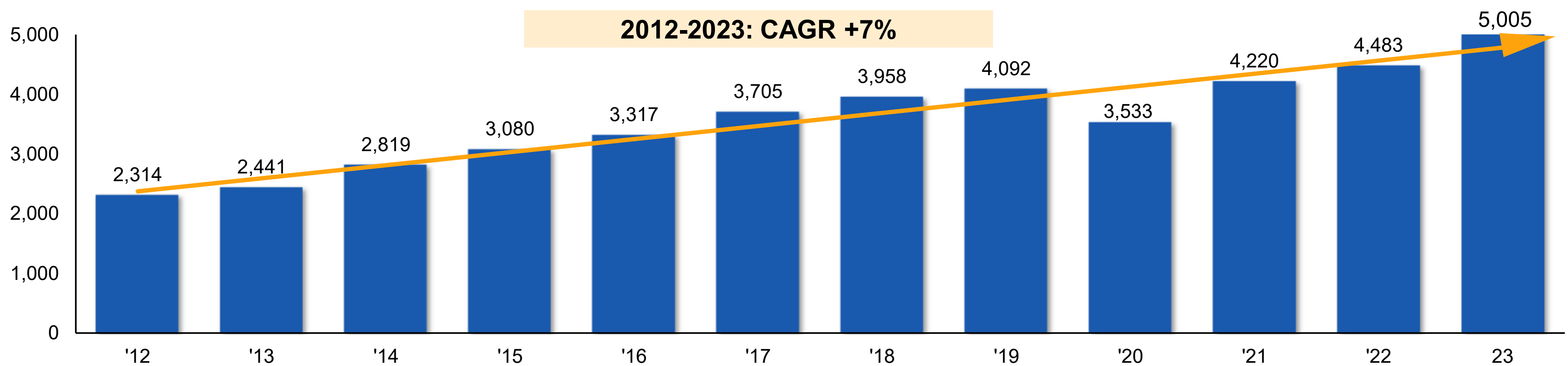
Number of Clinics (1)



Daily Patient Visits Per Clinic

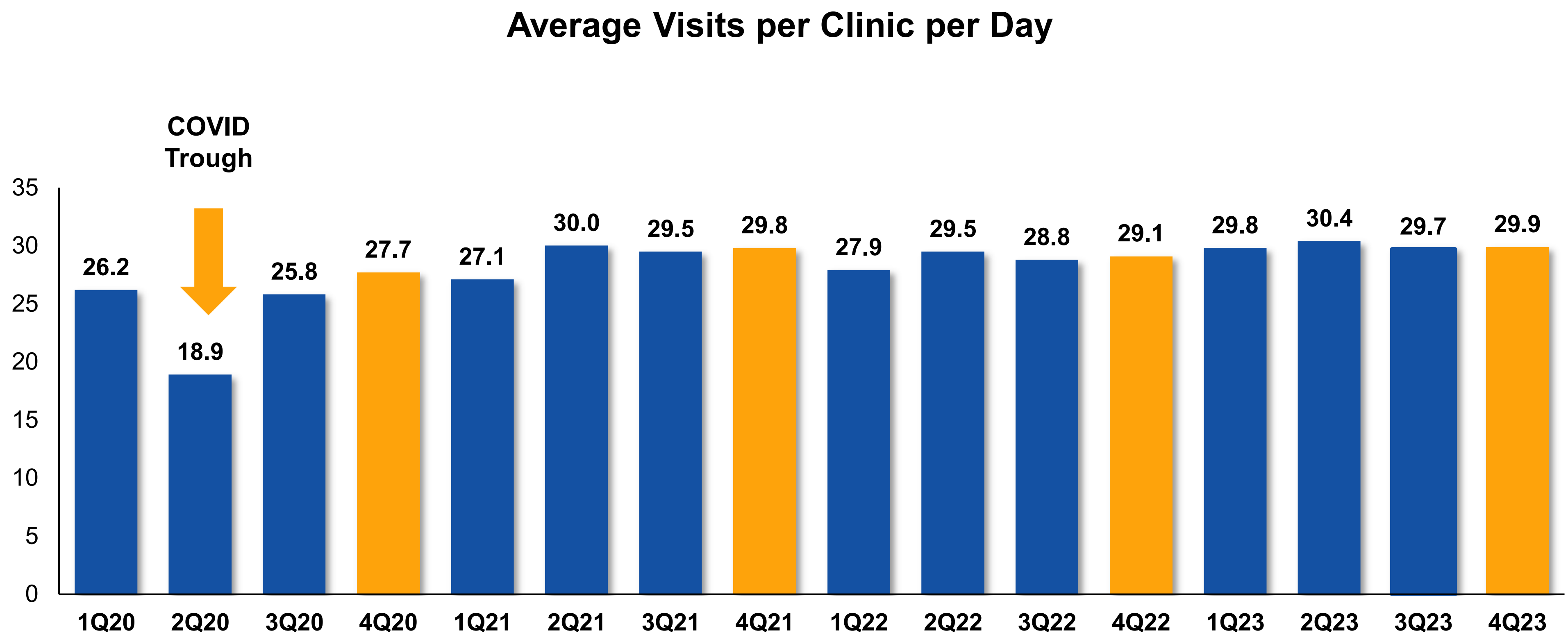


Number of Patient Visits (in thousands)



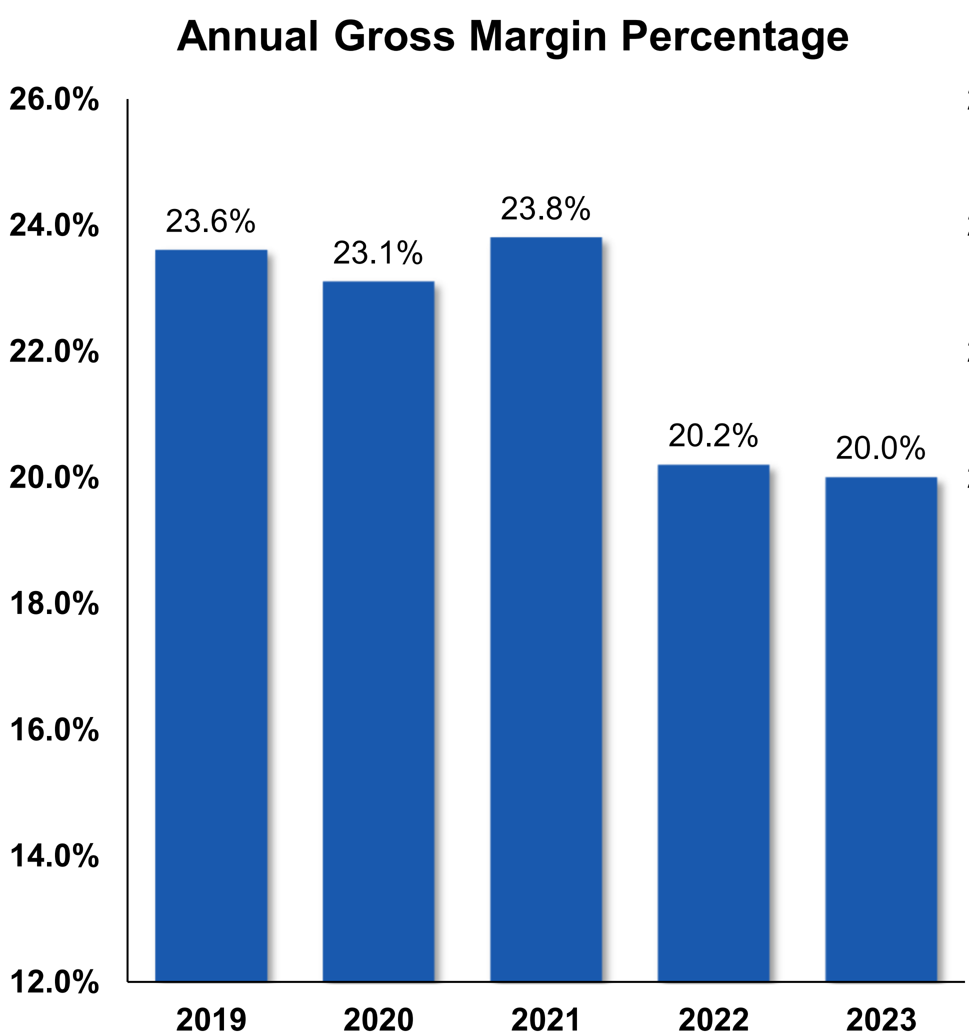
(1) In 2019, the Company sold interest in a partnership, which operated 30 clinics. In 2020, the Company sold 14 previously closed clinics and closed 34 clinics.

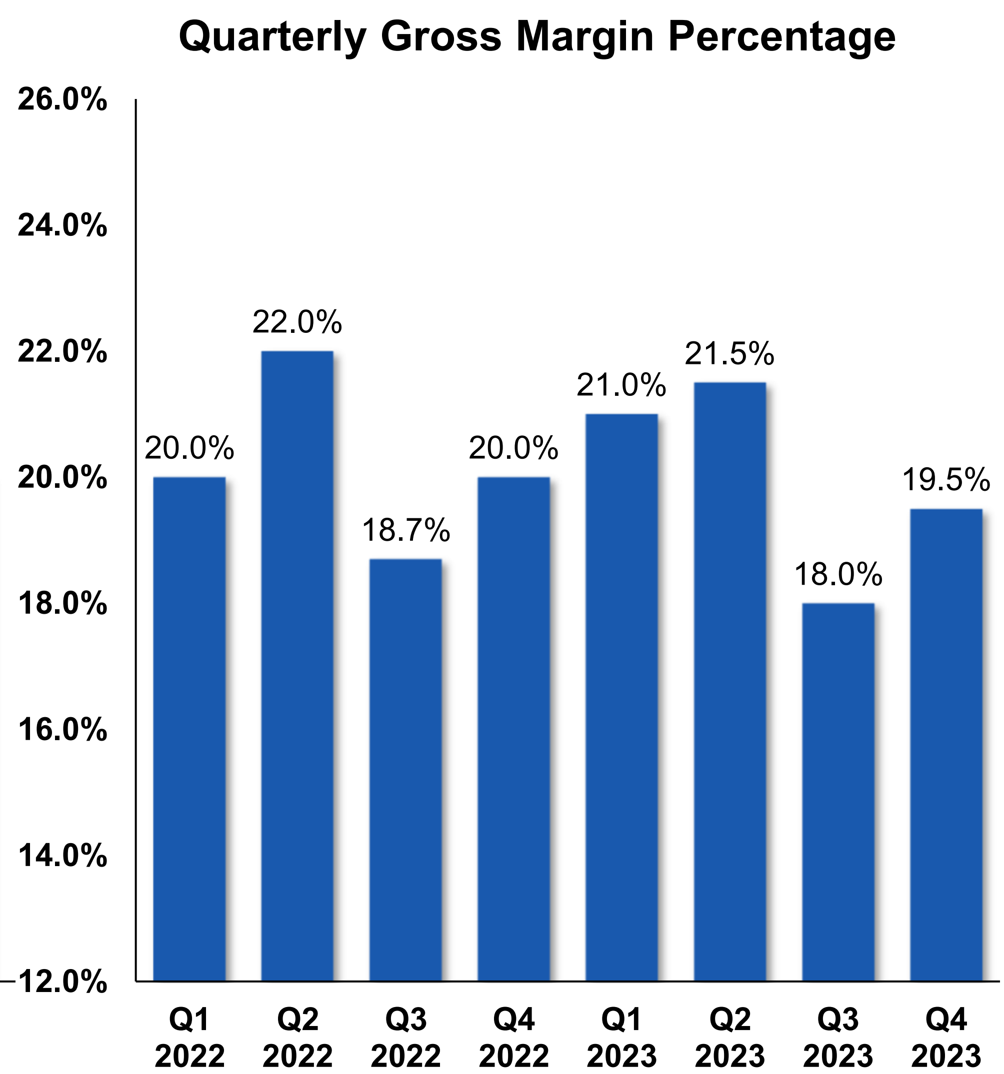
Daily Physical Therapy Volumes Progression



- Continue to see record-high volumes

Physical Therapy Operations



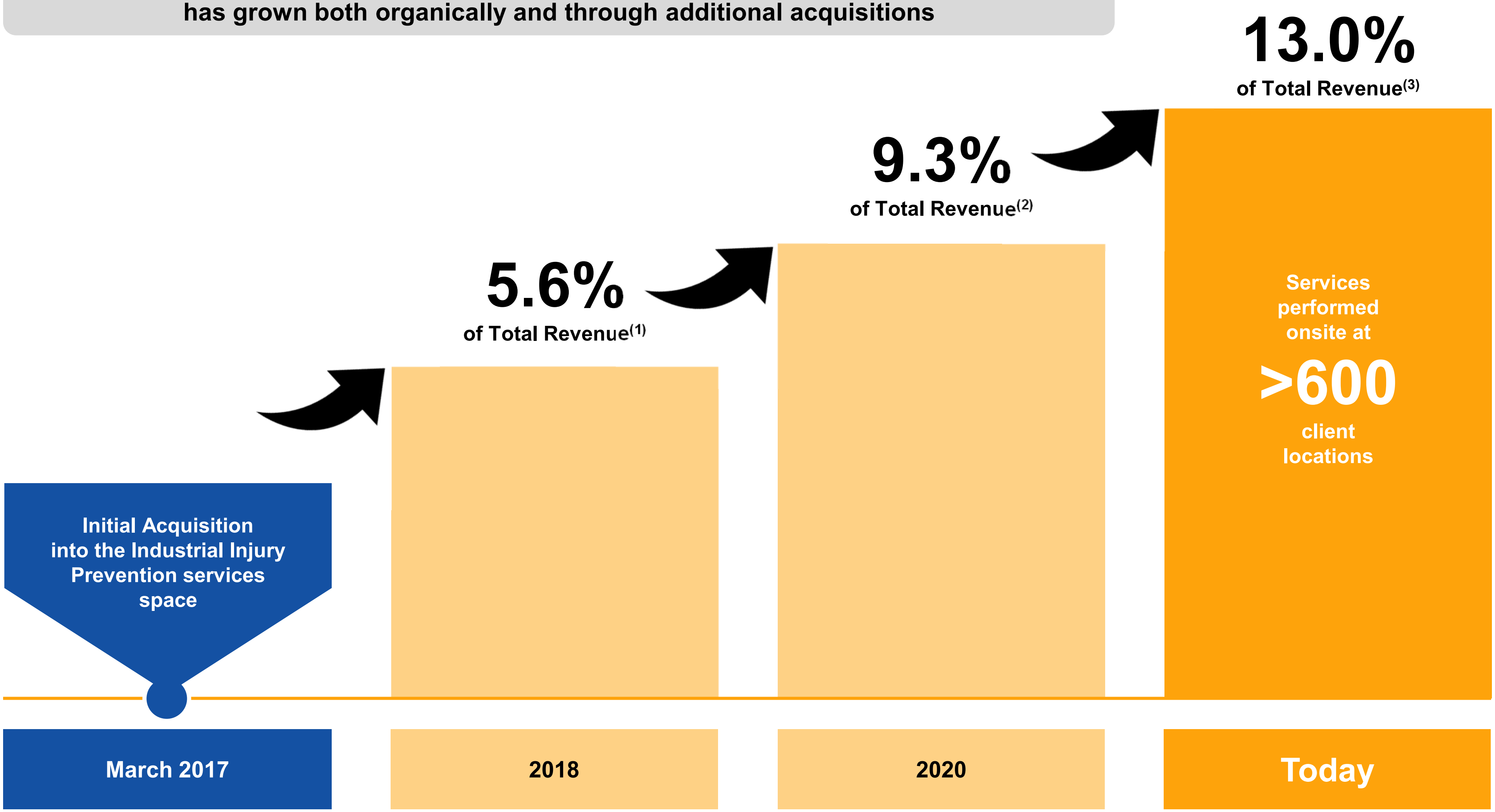


 Note: Excludes management contracts.

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

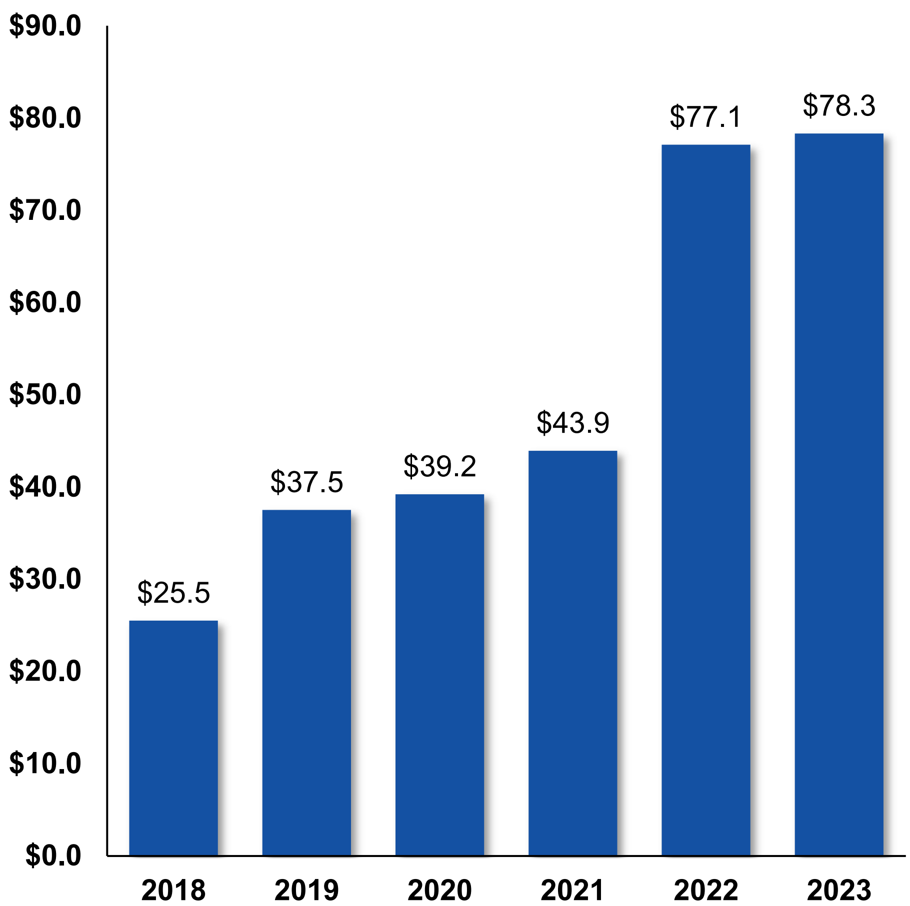
Since USPh's initial entry into the Industrial Injury Prevention services space, the business has grown both organically and through additional acquisitions



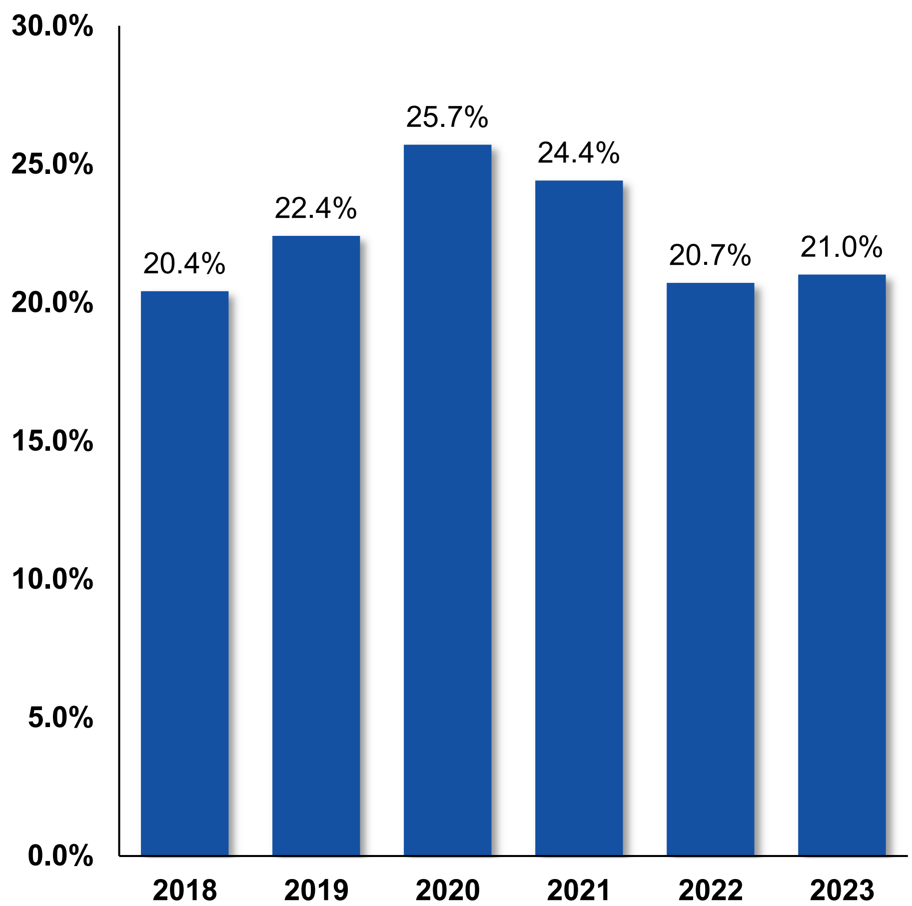
(1) % of Revenue full year 2018.
(2) % of Revenue full year 2020.
(3) Revenue for the year ended December 31, 2023.

Industrial Injury Prevention

Revenue ($ in millions)



EBITDA Margin[(1)](%)



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

(1) 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.

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

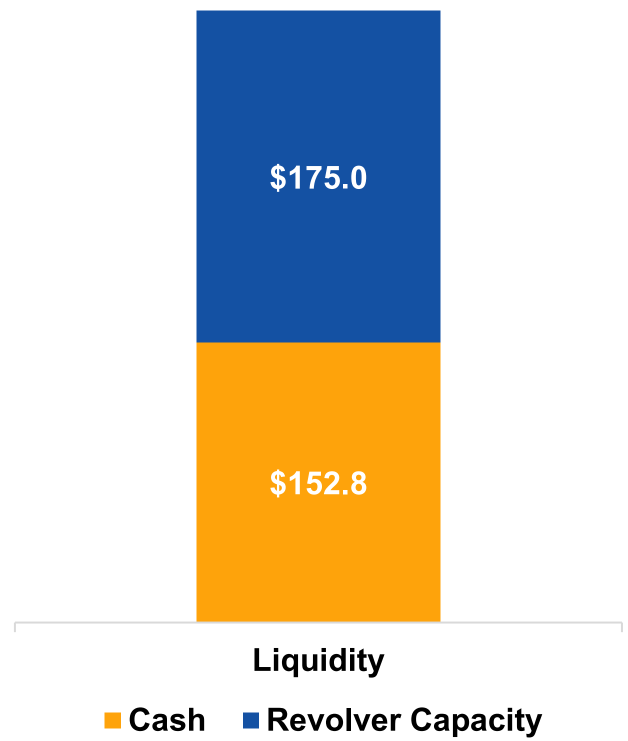
Dividend Payments

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 12/31/2023)



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

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

Eric Williams

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

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

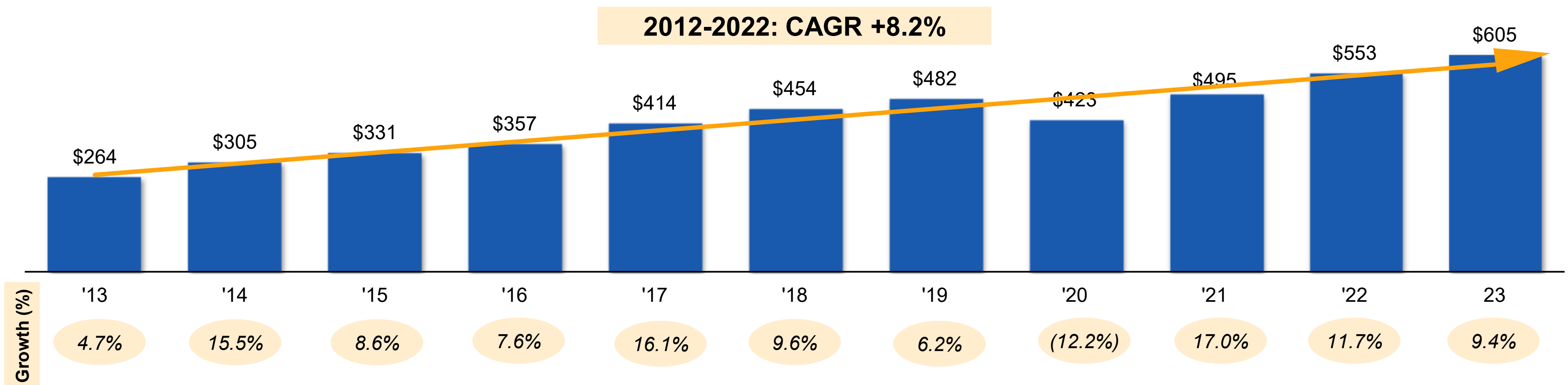
- Publicly-traded, pure play operator of rehab clinics
- Proven business model, driven by organic growth and acquisitions
- Significant scale with national footprint
- Large and growing market / favorable demographics
- Strong cash flow and balance sheet
- Attractive Dividend Yield

APPENDIX

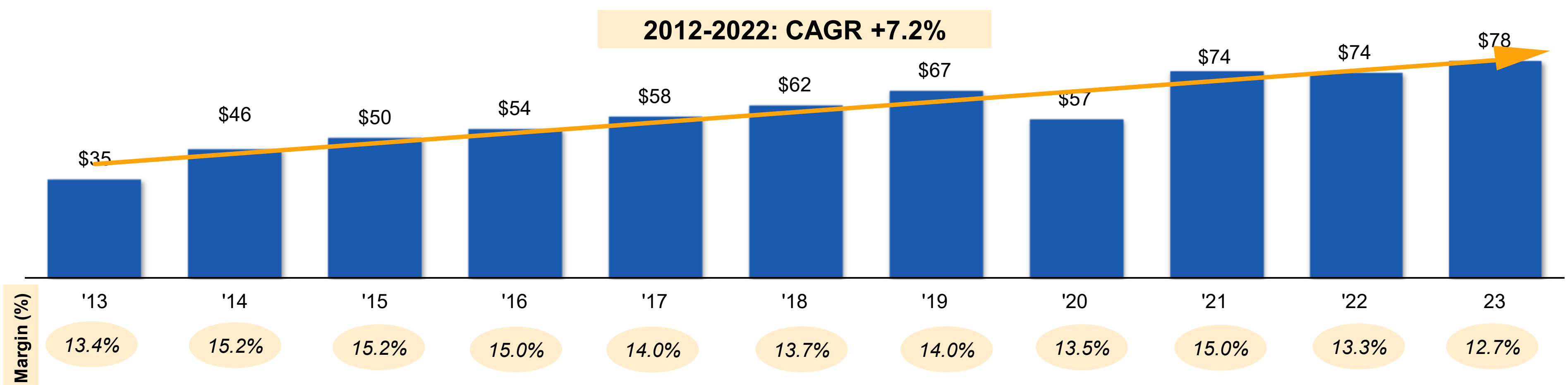
Demonstrated Track Record of Consistent Growth

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 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.

Year Ended December 31, 2023 and 2022 Results

	For the Year Ended	
	December 31, 2023	December 31, 2022
	(In thousands, except per share data)	
Net patient revenue	$ 514,556	$ 464,590
Gross profit	121,509	112,024
Operating income	52,061	56,801
Net income	37,220	43,407
Net income attributable to USPH shareholders	28,239	32,158
Non-GAAP Operating Results (1)	36,265	35,034
Non-GAAP Operating Results per share (1)	2.56	2.70
Non-GAAP Adjusted EBITDA (2)	$ 77,717	$ 73,661

(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, changes in fair value of contingent earnout consideration, 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, and related portions for non-controlling interests.

Segment Information
Year Ended December 31, 2023 and 2022 Results

	For the Year Ended December 31,	
	2023	2022
	(In thousands, except percentages)	
Gross profit	$ 121,509	$ 112,024
Physical therapy gross profit	$ 105,064	$ 96,057
Physical therapy gross margin %	20.0%	20.2%
Industrial injury prevention gross profit	$ 16,445	$ 15,967
Industrial injury prevention gross margin	21.0%	20.7%
Operating income	$ 52,061	$ 56,801
Operating income margin	8.6%	10.3%

Reconciliation of Non-GAAP Financial Measures – Operating Results

	For the Year Ended	
	December 31, 2023	December 31, 2022
	(In thousands, except per share data)	
Operating Results (a non-GAAP measure)		
Net income attributable to USPH shareholders	$ 28,239	$ 32,158
Adjustments:		
Impairment of goodwill and other intangible assets	17,495	9,112
Change in fair value of contingent earn-out consideration	1,550	(2,520)
Change in revaluation of put-right liability	(2,582)	5
Relief Funds	(467)	-
Allocation to non-controlling interest	(5,215)	(2,734)
Tax effect at statutory rate (federal and state)	(2,755)	(987)
	$ 36,265	$ 35,034
Operating Results per share (a non-GAAP measure)	$ 2.56	$ 2.70

Reconciliation of Non-GAAP Financial Measures – Adjusted EBITDA

	For the Year Ended	
	December 31, 2023	December 31, 2022
	(In thousands)	
Adjusted EBITDA (a non-GAAP measure)		
Net income attributable to USPH shareholders	$ 28,239	$ 32,158
Adjustments:		
Provision for income taxes	12,156	12,164
Depreciation and amortization	15,695	14,743
Interest expense, debt and other, net	9,303	5,779
Interest income from investments	(3,774)	-
Impairment of goodwill and other intangible assets	17,495	9,112
Equity-based awards compensation expense	7,236	7,264
Change in revaluation of put-right liability	(2,582)	5
Change in fair value of contingent earn-out consideration	1,550	(2,520)
Relief Funds	(467)	-
Other income	(390)	(859)
Allocation to non-controlling interests	(6,744)	(4,185)
	77,717	73,661

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Thank you