U.S. Physical Therapy, Inc. (USPH)

Updated November 19th, 2025, by Nathan Parsh

Key Metrics

Current Price:	$68	**5 Year Annual Expected Total Return:**	10.3%	**Market Cap:**	$1.0 B
Fair Value Price:	$92	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	11/17/25
% Fair Value:	74%	**5 Year Valuation Multiple Estimate:**	6.2%	**Dividend Payment Date:**	12/12/25
Dividend Yield:	2.6%	**5 Year Price Target**	$102	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

Founded in 1990, U.S. Physical Therapy is a leading provider of outpatient rehabilitation services. As of the end of the second quarter, the company owned or managed 768 outpatient physical therapy clinics in 44 states. U.S. Physical Therapy provides preventative and post-operative care for a wide variety of orthopedic-related disorders, sports-related injuries, neurologically-related injuries, and rehabilitation for those injured at work as well as industry injury prevention services. The physical therapy business accounts for more than 80% of annual revenue with injury prevention contributing the remainder.

On November 5th, 2025 U.S. Physical Therapy reported third quarter results. For the quarter, revenue grew 17.3% to $197.1 million, which was $3.2 million better than expected. Adjusted earnings-per-share of $0.66 compared unfavorably to $0.69 in the prior year and was in-line with estimates.

Shares have sold off sharply since the earnings release, likely due to the year-over-year decline in profitability. For the quarter, physical therapy revenue grew 17.8% while injury prevention was up 14.6%. Visits per clinic per day increased to a record 32.2 from 30.1 in the prior year. U.S. Physical Therapy's clinics had nearly 4.6 million visits for the first nine months of 2025. The company recorded more than 1.5 million clinic visits and more than 30,000 home care visits during Q3. Part of this growth was due to the acquisition of a net 61 clinics compared to the first three quarters of last year. The net rate per patient visit of $105.54 was just behind the $105.65 figure the company recorded in Q3 2024. Salaries and related costs were down 0.6%.

U.S. Physical Therapy is projected to earn $2.63 per share in 2025, down from $2.75 previous. This would mark an improvement of 32.2% from 2024. We have updated our forecast accordingly.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.68	$1.72	$1.79	$1.21	$2.45	$2.70	$2.56	$2.61	$2.11	$1.99	***$2.63***	***$2.90***
DPS	$0.60	$0.68	$0.80	$0.92	$1.14	$0.32	$1.46	$1.64	$1.72	$1.76	***$1.80***	***$1.99***
Shares[1]	12	13	13	13	13	13	13	13	14	15	***15***	***15***

Consistent earnings growth for U.S. Physical Therapy has been difficult to maintain. The company saw largely steady growth from 2015 onward before hitting a new high in 2020. Since then, earnings-per-share have been in a downward trajectory. As such, U.S. Physical Therapy's earnings-per-share have a compound annual growth rate of 1.9% since 2015, but lower by 0.5% over the last five years.

That said, the company is expected to set a new high for earnings-per-share this year. The physical therapy space is highly fragmented with few large players. This gives U.S. Physical Therapy an opportunity to consolidate and buy additional businesses. For example, the company purchased a 40% interest in an industrial injury prevention business in April of this year. Last October, U.S. Physical Therapy took a 50% interest in MSO Metro, which manages 50 physical therapy clinics in New York. The company believes the rehabilitation market is greater than $40 billion, which could allow for an immense amount of future growth.

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[1] In millions.

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U.S. Physical Therapy also is diversified geographically. The company operates in more than 44 states with its largest cluster of facilitates located in Tennessee, Texas, Michigan, New York, Virginia, and Oregon. The company does not operate a physical therapy facility in California, but does partner with private practices in the state. U.S. Physical Therapy does have an industrial injury prevention services segment in the state.

Offsetting these tailwinds working in its favor with the lackluster EPS growth over the last decade, we believe that 2% earnings growth is achievable. Dividend growth, which has slowed to $0.01 per share per quarter over the past few years, is likely to grow by at least a similar rate to earnings over the next five years. The company did suspend its dividend in 2020 during the pandemic before reinstating it the very next year.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	32.1	41.3	41.3	77.7	46.7	48.5	39.6	35.9	69.5	48.2	***25.9***	***35.0***
Avg. Yld.	1.1%	1.0%	1.1%	0.9%	1.0%	1.0%	1.5%	2.0%	1.9%	2.0%	***2.6%***	***2.0%***

Shares of U.S. Physical Therapy are down $24, or 26%, since our October 15th, 2025 report. The stock has often had an elevated price-to-earnings multiple even as EPS growth has been minimal over the long-term. The average price-to-earnings ratio over both the last 10- and five-year periods of time is ~48. We believe a more reasonable fair value is closer to 35 times earnings. Reaching our target multiple by 2030 would add 6.2% to annual returns over this period. Shares yield 2.6% currently, which is one of the highest yields that the stock has offered in the last decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	36%	40%	45%	76%	47%	12%	57%	63%	82%	88%	***68%***	***68%***

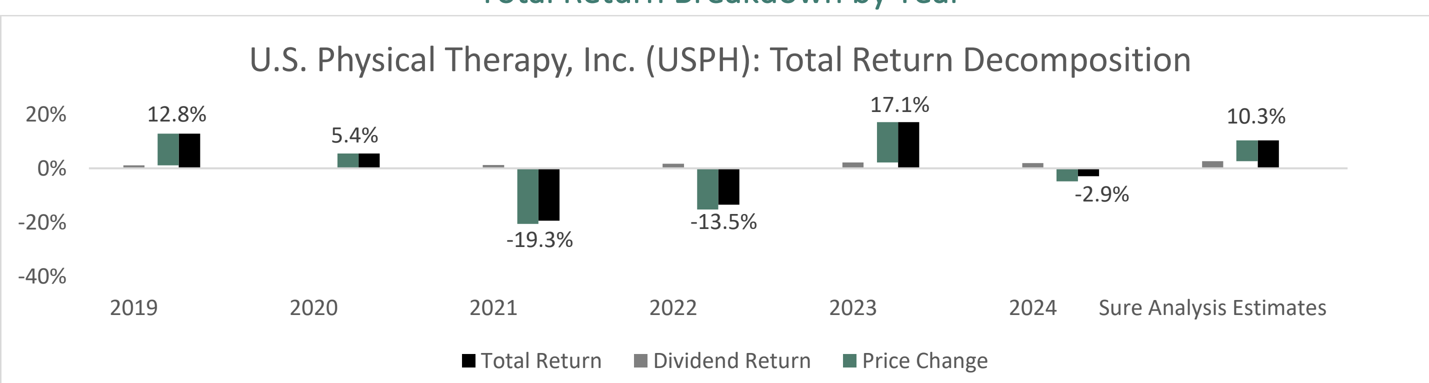
U.S. Physical Therapy does enjoy some tailwinds, namely that it operates in a fragmented industry with a large total addressable market for services. People are likely to need more rehabilitation services as they age, which should provide U.S. Physical Therapy with a sizeable runway for growth.

U.S. Physical Therapy's payout ratio has jumped around a lot as earnings have fluctuated over the last decade and the company only made one payment during the worst of the COVID-19 pandemic. With earnings growth expected to return this year, we believe that the dividend is likely as safe as it has been in a few years. Total debt stands at just ~$160 million, which appears to be reasonable.

Final Thoughts & Recommendation

Following third quarter results, we project that U.S. Physical Therapy will return 10.3% annually over the next five years, up from 4.7% previously. The company posted growth in most areas of its business during the most recent quarter, but we continue to rate U.S. Physical Therapy as a hold rating due to a very low dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	331	357	414	454	482	423	495	553	605	671
Gross Profit	83	86	95	106	107	92	111	103	112	130
Gross Margin	25.0%	24.2%	22.9%	23.4%	22.3%	21.9%	22.4%	18.6%	18.5%	19.4%
SG&A Exp.	31	32	36	41	45	42	47	46	52	58
D&A Exp.	8	9	10	10	10	11	12	15	16	19
Operating Profit	48	50	55	60	67	56	71	66	70	66
Op. Margin	14.3%	13.9%	13.4%	13.3%	14.0%	13.3%	14.3%	11.9%	11.5%	9.8%
Net Profit	26	26	28	55	60	54	61	44	41	47
Net Margin	8.0%	7.4%	6.7%	12.2%	12.5%	12.7%	12.4%	8.0%	6.7%	7.0%
Free Cash Flow	31	43	49	66	52	92	68	52	74	67
Income Tax	14	12	6	11	14	13	15	12	12	15

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	306	354	421	446	586	621	780	889	1,028	1,207
Cash & Equivalents	16	20	22	23		33	29	32	153	41
Acc. Receivable	36	39	45	45	46	42	46	52	52	59
Inventories	-	-	-	-		-	-	-	-	-
Goodwill & Int.	202	265	320	342	-	402	521	603	619	846
Total Liabilities	88	96	112	95		211	327	404	376	448
Accounts Payable	2	2	2	2	2	1	6	7	4	6
Long-Term Debt	49	52	61	40	138	111	223	295	259	295
Total Equity	171	188	205	216	240	276	296	316	476	489
LTD/E Ratio	0.29	0.28	0.30	0.18	0.57	0.40	0.75	0.94	0.54	0.60

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	9.6%	8.0%	7.2%	12.8%	11.7%	8.9%	8.7%	5.3%	4.2%	4.2%
Return on Equity	13.5%	11.0%	9.8%	16.8%	16.5%	13.6%	14.2%	9.5%	7.2%	6.6%
ROIC	11.3%	9.2%	8.2%	14.6%	15.7%	11.9%	10.2%	6.1%	4.8%	4.8%
Shares Out.	12	13	13	13	13	13	13	13	14	15
Revenue/Share	26.74	28.52	32.94	35.84	37.78	32.95	38.38	42.60	42.63	44.57
FCF/Share	2.52	3.42	3.93	5.20	4.10	7.20	5.30	3.97	5.18	4.44

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.