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

Updated May 23rd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$62	**5 Year Annual Expected Total Return:**	13.8%	**Market Cap:**	$943 M
Fair Value Price:	$98	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	05/22/26
% Fair Value:	63%	**5 Year Valuation Multiple Estimate:**	9.7%	**Dividend Payment Date:**	06/12/26
Dividend Yield:	3.0%	**5 Year Price Target**	$109	**Years Of Dividend Growth:**	6
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 nearly 800 outpatient physical therapy clinics across the country. 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 February 24th, 2026, U.S. Physical Therapy announced that it was raising its quarterly dividend 2.2% to $0.46

On May 6th, 2026, U.S. Physical Therapy reported first quarter results for the period ending March 31st, 2026. For the quarter, revenue grew 7.9% to $198 million, but this was $2.6 million below expectations. Adjusted earnings-per-share of $0.46 compared unfavorably to $0.48 in the prior year and was $0.06 below estimates.

For the quarter, physical therapy revenue grew 7.2% to $167.7 million while industrial injury prevention was up 11.8% to $30.6 million. Visits per clinic per day increased to 31.8 from 31.2 in the prior year. U.S. Physical Therapy's clinics had more than 1.5 million visits for Q4, which was a 6.9% improvement from the prior year. The net rate per patient visit of $106.49 compared to $105.66 in Q1 2025. Salaries and related costs per visit were up 1.1%. During the quarter, the company purchased a 50% interest in eight-clinic practice and a 70% interest in an industrial injury prevention business.

U.S. Physical Therapy is now projected to earn $2.81 per share in 2026, down from $2.98 previously. Still, this would mark an improvement of 7.7% from 2025. We have updated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.72	$1.79	$1.21	$2.45	$2.70	$2.56	$2.61	$2.11	$1.99	$2.61	***$2.81***	***$3.10***
DPS	$0.68	$0.80	$0.92	$1.14	$0.32	$1.46	$1.64	$1.72	$1.76	$1.80	***$1.84***	***$2.03***
Shares[1]	13	13	13	13	13	13	13	14	15	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 growth has been somewhat uneven. U.S. Physical Therapy's earnings-per-share have a compound annual growth rate of 4.9% since 2016 and 1.9% over the last five years.

That said, the company is expected to set a new high for adjusted earnings-per-share again 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 50% interest in an eight-clinic practice generating $8 million in annual revenue in January 2026. In October 2024, 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.

[1] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	41.3	41.3	77.7	46.7	48.5	39.6	35.9	69.5	48.2	29.9	***22.1***	***35.0***
Avg. Yld.	1.0%	1.1%	0.9%	1.0%	1.0%	1.5%	2.0%	1.9%	2.0%	2.3%	***3.0%***	***1.9%***

Shares of U.S. Physical Therapy have decreased $15, or 19.5%, since our March 14th, 2026 report. The average price-to-earnings ratio over both the last 10- and five-year periods of time is in the mid-40s. We believe a more reasonable fair value is closer to 35 times earnings. Reaching our target multiple by 2031 would add 9.7% to annual returns over this period. Shares yield 3.0% currently, which is near the stock's highest yield for the last decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	40%	45%	76%	47%	12%	57%	63%	82%	88%	69%	***65%***	***65%***

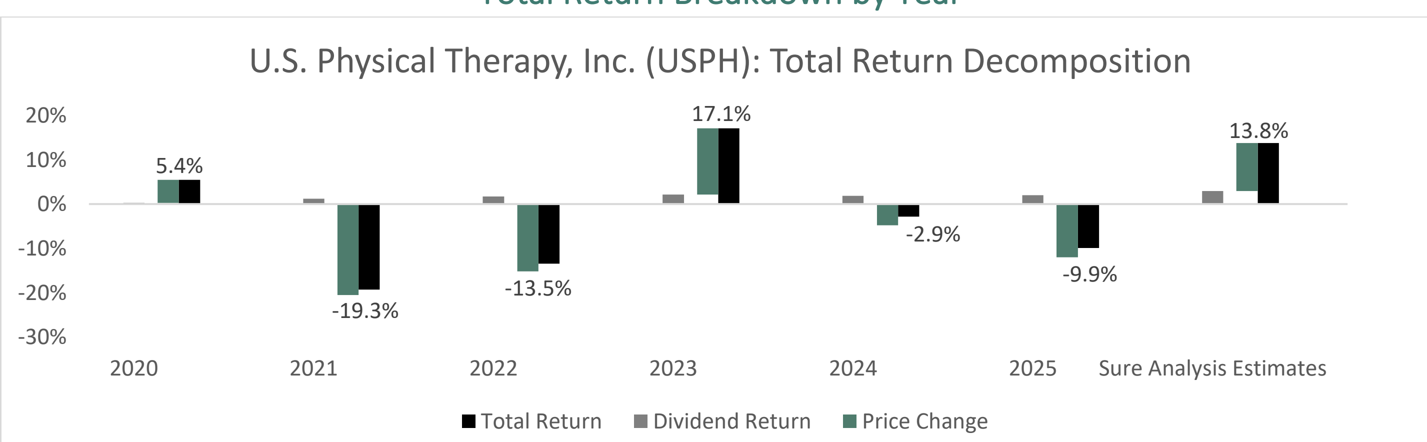
U.S. Physical Therapy does enjoy some tailwinds, namely that it operates in a fragmented industry with a large total addressable market for services. People are likely to need more rehabilitation services as they age, which should provide U.S. Physical Therapy with a sizeable runway for growth.

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 long-term debt stands at just ~$273 million, which appears to be reasonable given the stock's market capitalization.

Final Thoughts & Recommendation

Following first quarter results, we project that U.S. Physical Therapy will return 13.8% annually over the next five years, up from 10.2% previously. The company continues to see growth in most areas of its business, but we reaffirm our hold rating on shares of U.S. Physical Therapy due to a very low dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	357	414	454	482	423	495	553	605	671	781
Gross Profit	86	95	106	107	92	111	103	112	130	156
Gross Margin	24.2%	22.9%	23.4%	22.3%	21.9%	22.4%	18.6%	18.5%	19.4%	20.0%
SG&A Exp.	32	36	41	45	42	47	46	52	58	69
D&A Exp.	9	10	10	10	11	12	15	16	19	22
Operating Profit	50	55	60	67	56	71	66	70	66	82
Op. Margin	13.9%	13.4%	13.3%	14.0%	13.3%	14.3%	11.9%	11.5%	9.8%	10.5%
Net Profit	26	28	55	60	54	61	44	41	47	65
Net Margin	7.4%	6.7%	12.2%	12.5%	12.7%	12.4%	8.0%	6.7%	7.0%	8.3%
Free Cash Flow	43	49	66	52	92	68	52	74	67	62
Income Tax	12	6	11	14	13	15	12	12	15	20

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	354	421	446	586	621	780	889	1,028	1,207	1,237
Cash & Equivalents	20	22	23	24	33	29	32	153	41	36
Acc. Receivable	39	45	45	46	42	46	52	52	59	64
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int.	265	320	342	370	402	521	603	619	846	865
Total Liabilities	96	112	95	206	211	327	404	376	448	467
Accounts Payable	2	2	2	2	1	6	7	4	6	6
Long-Term Debt	52	61	40	111	83	193	262	223	255	273
Total Equity	188	205	216	240	276	296	316	476	489	476
LTD/E Ratio	0.28	0.30	0.18	0.57	0.40	0.75	0.94	0.54	0.60	0.66

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.0%	7.2%	12.8%	11.7%	8.9%	8.7%	5.3%	4.2%	4.2%	5.3%
Return on Equity	11.0%	9.8%	16.8%	16.5%	13.6%	14.2%	9.5%	7.2%	6.6%	8.4%
ROIC	9.1%	8.2%	14.6%	13.3%	10.3%	10.2%	6.1%	4.8%	4.8%	6.0%
Shares Out.	13	13	13	13	13	13	13	14	15	15
Revenue/Share	28.52	32.94	35.84	37.78	32.95	38.38	42.60	42.63	44.57	51.47
FCF/Share	3.42	3.93	5.20	4.10	7.20	5.30	3.97	5.18	4.44	4.11

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